Allocation Report (August 2023～November 2023)

Funds have been allocated as follows.

(Millions of yen)

Funding (amount of bond issue subtracting issue costs)	Allocated funds	Unallocated balance
4,968	New : 23 (100%) Refinancing : 0 (0%) Total : 23	4,945

(Millions of yen)

Category	GBP Category	Project	Allocated amount	Unallocated amount	Allocation date
Save Energy	Green Building	Renovation of Oike Factory	0	4,945	March 2028
	Energy Efficiency in product development process	Cutting simulation using CAE analysis	10	0	
Eco-efficient Products	Eco-efficient Products, Production Technologies, and Processes	Environmentally-friendly product which helps save energy Products which help save energy and reduce waste by streamlining manufacturing process	13	0	
Total			23	4,945	

Unallocated funds are managed as cash or cash equivalent.

Impact Report

1.Save Energy

■ **Renovation of Oike Factory (GBP category: Green building)**

- Capital investment progress
  Construction to start in May 2024 with completion scheduled for April 2028
- Certifications acquired (type and rank of certifications acquired or time of planned acquisition)
  CASBEE certification: B+ rank scheduled to be acquired in summer of 2025

■ **Cutting simulation using CAE analysis (GBP category: Energy efficiency in product development process)**

- Decline in number of prototypes since system introduced
  600
- CO_2 emissions reduction effect due to decrease in number of prototypes
  Reduction of 768.43kg-CO_2 during the period

¥10 million was allocated for expenses during the period to improve processing speed and maintain cutting simulation software that uses CAE analysis. With the use of cutting simulations, it is now possible to reduce the number of prototypes by two-thirds for a single developed product, realizing a reduction in energy usage and raw materials required for prototyping. Average amount of power required to produce one prototype is 2.5 kWh, which amounts to a reduction in power consumption of 1,500 kWh during the period.

2.Eco-efficient products

■ **Development of GREEN TAP forming taps (GBP Category: Eco-efficient Products, Production Technologies, and Processes)**

¥13 million was allocated for development costs during the period for GREEN TAP forming taps which halve CO_2 emissions during tool manufacturing compared to the manufacture of conventional products. The GREEN TAP, which adopts a unique new manufacturing method, emits 0.55 kg-CO_2 per tool during manufacture, half the CO_2 emissions of conventional products, so as to realize a reduction in thread processing CO_2 emissions. Moreover, as the GREEN TAP is a forming tap, no chips are generated during threading, eliminating machine stoppage to dispose of chips and contributing to a reduction in power consumed during tool use. The GREEN TAP is scheduled to be released in 2024.