

Disclosure Based on TCFD Recommendations

giftee Inc.

The Company's Policy on Climate Change

With the vision of "providing services that nurture various ties between people, businesses, and townships through e-gifts," the Company is promoting its corporate activities with the mission of "creating a society built on better relationships by promoting the nurturing of ties between people, businesses, and townships, through eGifts." In addition to reducing the environmental impact of its activities, the Company is also working to reduce the environmental impact on society through its services and solutions.

As sustainability becomes increasingly important, the Company has identified materiality issues important to its stakeholders and have a significant management impact on the Company group. The Company has identified "addressing climate change" as one of the materiality issues. In accordance with the framework proposed by the TCFD*1 (Task Force on Climate-related Financial Disclosure), the Company has identified business risks and opportunities caused by climate change. The Company will continue proactively working on climate change countermeasures and consider better disclosure of climate change-related information based on the TCFD recommendations.

*1 TCFD: A task force established by the Financial Stability Board (FSB), which includes representatives from central banks and financial supervisory authorities from major countries and regions worldwide. An international initiative aimed at stabilizing financial markets by supporting companies disclosing information on climate change and facilitating a smooth transition to a low-carbon society.

Disclosure Recommended by TCFD

The TCFD recommends that companies disclose information on climate change-related risks and opportunities in 1. Governance, 2. Strategy, 3. Risk Management, and 4. Metrics and Targets. The Company discloses climate-related information on these recommended issues.

1. Governance	The organization's governance around climate-related risks and opportunities
2. Strategy	The actual and potential impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial plan
3. Risk Management	The processes used by the organization to identify, assess, and manage climate-related risks
4. Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities

1. Governance

The Company's Board of Directors deliberates on social issues, including issues related to climate change, and the Board of Directors determines materiality. The division in charge of sustainability plays a leading role in implementing measures and policies based on relevance. It reports regularly on the progress of these measures and policies to the Board of Directors.

2. Strategy

(1) Subject of Analysis

The analysis was conducted for the Company's e-gift platform business.

(2) Identifying Risks/Opportunities

The Company identified potential risks and opportunities for the Company's business due to climate change. The Company recognized items that it believes are particularly relevant to its business.

(3) Scenario

In the scenario analysis, the Company assumed 1.5°C and 4 °C scenarios, referring to scenarios published by various organizations. The Company also considered each of these world views as a society in 2030 and examined their impact on the Company's business.

Scenario	Summary	References
1.5°C Scenario	The scenario assumes that the global average temperature increase is limited to less than 1.5 °C above pre-industrial levels by aiming for carbon neutrality in 2050, among other measures. Policies and regulations in each country are strengthened, and the burden on companies to respond to environmental issues increases, while awareness of the environment and climate change in society increases significantly compared to the current situation.	<ul style="list-style-type: none">• IEA World Energy Outlook 2021. Sustainable Development Scenario / Net Zero Emissions by 2050 Scenario• IPCC SSP1-1.9
4 °C Scenario	The scenario assumes that the global average temperature rises 4 °C above the pre-industrial level while environmental policies and regulations are not strengthened and remain at the current level. While social awareness of the environment and climate change remains at the current level, and CO2 emissions increase for the time being, the natural environment and ecosystems undergo a significant change.	<ul style="list-style-type: none">• IEA World Energy Outlook 2021. Stated policies Scenario• IPCC SSP5-8.5

(4) Study of Social Changes and Countermeasure Plans

i. 1.5°C scenario

The scenario assumes that countries will strengthen their policies and regulations to address climate change with the aim of achieving carbon neutrality in 2050, thereby limiting the global average temperature increase to less than 1.5 degrees Celsius compared to pre-industrial times. In this scenario, it is assumed that companies' responsibility to respond to environmental issues will increase. Specifically, there is a risk that office and server usage fees will rise due to higher electricity prices resulting from increased demand for renewable energy. In addition, operating profit is expected to decrease due to higher operating costs associated with the increase in the carbon tax and energy-related tax rates, as well as higher personnel and outsourcing costs to comply with stricter regulations regarding decarbonization. Furthermore, there is a risk that reputational risk from investors may materialize if climate change measures are delayed.

Under these circumstances, the Company will continue and strengthen its energy conservation efforts, develop internal systems to comply with various regulations, and promote proactive information disclosure, including the exposure of greenhouse gas emissions. Through these measures, the Company will mitigate the impact of transition risks on its business.

Meanwhile, society's awareness of the environment and climate change is expected to increase significantly compared to the current situation, and the need for environmentally friendly products and services, such as low-carbon and decarbonized products and services, is expected to grow. With this change in customer behavior, the Company assumes that there will be opportunities to increase sales by expanding the use of the Company's e-gift services, which will reduce environmental impact. In addition, The Company aims to capture new business opportunities by expanding its existing services that address climate change and by developing and offering new businesses and services.

Risks and opportunities in the 1.5°C scenario

Category	Item		Impact on the company	Level of impact	Countermeasure plans	
Risks	Transition Risk	Policy	Increase in GHG emission prices	Increase in operating costs due to higher carbon tax/energy-related tax rates.	Small	Continue and strengthen energy conservation efforts
			Strengthening of emissions reporting requirements	Increase in personnel and outsourcing costs to comply with stricter regulations on decarbonization.		Disclosure of greenhouse gas emissions by strengthening internal systems, utilizing CO2 calculation services, etc.
	Market	Rise in Raw Material Costs	Increase in costs due to fluctuating electricity prices and associated increases in office and server usage fees	Medium	Strengthen energy conservation efforts	
	Reputation	Stakeholder Concerns	The reputational risk from investors due to delays in climate change action	Small	Promote business for low-carbon and decarbonization and enhance disclosure by developing internal systems.	
Opportunities	Business Opportunities	Market	Changes in Customer Behavior	Behavioral change and value change due to an increase in environmental awareness and disaster prevention awareness	Medium	Enhance disclosure of existing initiatives in response to changes in customer behavior
		Products/ Services	Changes in Consumer Preferences	Growth in demand for environmentally friendly products and services, such as low-carbon and decarbonized products and services	Medium	Expansion of existing services to address climate change and development and provision of new businesses and services

ii. 4°C Scenario

The scenario assumes that the global average temperature rises 4 °C above pre-industrial levels while environmental policies and regulations are not strengthened and remain at current levels.

In the scenario, electricity shortages due to the rapid temperature rise will lead to higher retail electricity prices, increased risk of frequent power outages, and higher office air conditioning costs. In addition, physical and human damage to offices and data centers due to more severe and frequent disasters could decrease sales. Furthermore, rising temperatures and infectious disease outbreaks may cause changes in consumption trends, such as people refraining from going out, refraining from doing business, and cooling consumer sentiment.

Under these circumstances, the Company will continue and strengthen its energy conservation efforts and develop and enhance its BCP system by, for example, using cloud servers at multiple locations to reduce risk. In addition to offering the Company's e-gift services that reduce environmental impact, the Company aims to capture new business opportunities by developing services and solutions that respond to changes in customer behavior.

Risks and opportunities in the 4 °C scenario

Category		Item		Impact on the company	Level of impact	Countermeasure plans
Risks	Physical Risk	Chronic	Increase in average temperature	Soaring retail electricity prices and frequent power outages due to electricity shortages caused by rising temperatures Increase in costs for office air-conditioning	Small	Continue and strengthen energy conservation efforts
		Acute	Intensification of extreme weather	Physical and human damage to offices and data centers due to severe and frequent disasters	Large	Improvement and strengthening of the BCP system Reduce risk by using cloud servers at multiple locations
	Transition risk	Market	Changes in Customer Behavior	Changes in consumption trends due to rising temperatures, infectious disease outbreaks, etc. (refraining from going out, refraining from business, cooling consumer sentiment)	Small	Provide services and solutions that respond to changes in customer behavior.
Opportunities	Business Opportunities	Products/ services	Changes in Consumer Orientation	Growing demand for environmentally friendly products and services, such as low-carbon and decarbonized products and services	Small	Expansion of existing services to address climate change and development and provision of new businesses and services

3. Risk Management

The Company's Risk Management Committee recognizes and identifies risks that need to be addressed in the course of business activities and discusses priority countermeasures. The Risk Management Committee is chaired by the CFO, consisting of managers of departments, including the department in charge of sustainability promotion. The Committee reports to the Board of Directors on risks identified as particularly important, including the impact of climate change. The Board of Directors discusses significant risks reported to it and, if necessary, issues specific instructions to the relevant departments on how to deal with them.

4. Metrics and Targets

The Company calculated its greenhouse gas emissions as an indicator for managing climate-related risks and opportunities.

The Company's actual greenhouse gas emissions are as follows.

	The fiscal year ended December 31, 2020	The fiscal year ended December 31, 2021	The fiscal year ended December 31, 2022	The fiscal year ended December 31, 2023	The fiscal year ended December 31, 2024	The fiscal year ended December 31, 2025
SCOPE1 (t-CO2)	0	0	0	0	0	0
SCOPE2 (t-CO2)	65	55	33	34	36	43
SCOPE1,2 total(t-CO2)	65	55	33	34	36	43