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November 11, 2022

To whom it may concern:

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<u>An Accident Resulting in the Death of an Employee of Our Company</u> (Causes of accident, measures to prevent recurrence, and operating status)

As announced in "Details of Accident Resulting in the Death of an Employee of Our Company" dated September 16, 2022, a serious accident occurred at the Itakura Facility of the Fukaya Production Center (10-3, Oaza Okura, Itakura-machi, Oura-gun, Gunma) on September 15, 2022, resulting in the death of an employee of our Company and the injuries of two others. We deeply regret that such an accident occurred. We sincerely pray for the repose of the soul of the deceased employee and hope for the speedy recovery of the injured employees. We would also like to express our deepest apologies for any inconvenience and concern caused to the authorities concerned, our shareholders, our customers, and many others.

In response to this accident, we have established an Accident Investigation Committee to investigate the cause of the accident and formulate measures to prevent recurrence. The following is a summary of the investigation.

1. Damage

- (1) 1 fatality and 2 injuries
- (2) No property damage, no neighborhood damage, and no environmental impact

2 . Outbreak situation

(1) Equipment Overview

The accident occurred in the distillation equipment at the Itakura Extraction Plant 1 that manufactures flavors and food extracts. The distillation equipment is used to distill roasted coffee beans. The distillation equipment consists of an extraction unit where steam is applied to roasted coffee beans fed inside for the purpose of obtaining aroma, a cushion tank that stores the distillate (hereinafter referred to as the "accident tank"), and others.

(2) Manufacturing Process Overview

Steam is applied to the extraction unit where roasted coffee beans are fed. The resulting coffee aroma is cooled through a heat exchanger, and the distillate is stored in the accident tank. The lid of the accident tank is opened, then salt is added to the distillate. After stirring, the distillate is pumped to a tank for the next process. In the extraction unit, roasted coffee bean residue is discharged at the end of each

distillation and the next roasted coffee beans are fed. Once the accident tank is emptied after the end of the pumping, the empty tank is prepared to store the next distillate. There are no tasks executed in the tank during the manufacturing process.

(3) Accident Overview

The day of the accident was the third day of a four-day continuous coffee steam distillation process. The employee who died as a result of the accident (hereinafter referred to as the "deceased employee") was in the process of preparing to store the next distillate in the empty accident tank after pumping the distillate to a tank for the next process. The decreased employee suffered from carbon monoxide poisoning in the empty accident tank and lost consciousness.

The employee injured in the accident (hereinafter referred to as "injured employee 1") entered the accident tank in order to rescue the deceased employee and shouted for help from inside the accident tank.

While the unconscious deceased employee was pulled out of the tank by several employees who rushed to the accident tank upon hearing employee 1's voice, injured employee 1, who had been inside of the accident tank, also became unconscious. After air was pumped into the accident tank and they confirmed that the oxygen level was above 18%, one employee (hereinafter referred to as "injured employee 2") entered the accident tank and rescued the unconscious injured employee 1. Injured employee 2 exited the accident tank by himself, but was transported to the hospital by ambulance. The deceased employee and injured employee 1 were also transported to the hospital by ambulance, and the deceased employee was confirmed dead at the hospital on the same day. Injured employee 1 has completed treatment and returned to work. Injured employee 2 has completed his treatment and is recuperating at home.

3. Causes of Accident

(1) Identification of Causative Agent

Since traces of carbon monoxide poisoning were observed in the deceased employee, carbon monoxide was suspected as the causative agent. A replicated experiment was conducted and 30,000 ppm of carbon monoxide was detected in the accident tank. Considering that this was a continuous distillation process, it was estimated that more than 30,000 ppm of carbon monoxide was in the accident tank at the time of the accident. The measured carbon monoxide concentration exceeded 1.28% (12,800 ppm), which is considered fatal within 1 to 3 minutes based on the relationship between carbon monoxide inhalation time and poisoning symptoms as indicated by the Ministry of Health, Labor, and Welfare's guidelines, and thus the accident tank posed a risk of death from carbon monoxide poisoning.

(2) Direct Background

Carbon monoxide released from roasted coffee beans by steam distillation accumulated in the accident tank, and a high concentration of carbon monoxide retained in the accident tank. The deceased employee suffered from carbon monoxide poisoning in the accident tank and became unconscious. It is unclear how the deceased employee arrived in the tank. In addition, injured employee 1, who entered the accident tank to rescue the deceased employee, also became unconscious due to carbon monoxide poisoning, resulting in a secondary disaster. In addition, injured employee 2 developed carbon monoxide poisoning when he entered the accident tank, which was believed to have contained carbon monoxide in concentrations exceeding safety standards.

(3) Indirect Background

Although the company alerted the fact that carbon monoxide is generated during production, and displayed an alert in an easily visible location on the lid of the accident tank that carbon monoxide was retained, the actual hazard level of danger was not adequately recognized that fatal levels of carbon monoxide is generated and retained in the distillation equipment. Also, there was not enough training on the level of hazard. In addition, although the importance of precautions when entering tanks and preventing secondary disasters were recognized, precautions against carbon monoxide retention in an emergency had not been established.

4. Measures to Prevent Recurrence

In order to prevent such an accident from occurring again with the distillation equipment, the following preventive measures have been implemented.

(1) Correction for Carbon Monoxide Retention

The salt adding process was changed so that it becomes unnecessary to open the lid of the accident tank during production. In addition, the lids have been locked during production, and opening the lids alone is now prohibited. The work areas are now ventilated with air and local exhaust ventilation to eliminate areas where carbon monoxide exposure can occur. Although it is hard to prevent the generation of carbon monoxide from roasted coffee beans, it is possible to control carbon monoxide in the accident tank to less than 500 ppm by supplying nitrogen to the distillation equipment. In addition to these measures to prevent carbon monoxide retention inside and outside the distillation equipment, measures including installation of carbon monoxide monitors to confirm that carbon monoxide retention is controlled and respiratory protective equipment have been implemented. Installing alarms or monitoring cameras in processes where there is a risk of carbon monoxide generation to detect danger will be implemented.

(2) Measures against Carbon Monoxide Hazards and Prevention of Secondary Disasters

Based on the evaluation of hazard levels of carbon monoxide in the manufacturing process, the measures disclosing the results of this verification, reviewing training and workplace education at the time of hiring, and announcing improved work procedures to provide safety and health education according to the hazard level has been implemented. In addition, to prevent secondary disasters, education and training on appropriate first aid and evacuation measures in the event of an accident due to carbon monoxide, etc., have been provided and the content of the education will be thoroughly disseminated. These reminders and educational materials were prepared and safety education will be implemented as a recurrence prevention measures.

(Operating Status)

The facility where this accident occurred was immediately shut down, and as mentioned above, the Accident Investigation Committee has investigated the cause and formulated measures to prevent recurrence. The facility is scheduled to resume operation on or around November 14, 2022, after the implementation of recurrence prevention measures and confirmation by the relevant authorities are completed.

(Impact on Business Performance)

The impact on the consolidated business results for the fiscal year ending September 30, 2022 is expected to be

negligible. We will promptly announce any significant impact on consolidated business results for the fiscal year ending September 30, 2023, if judged to be material.