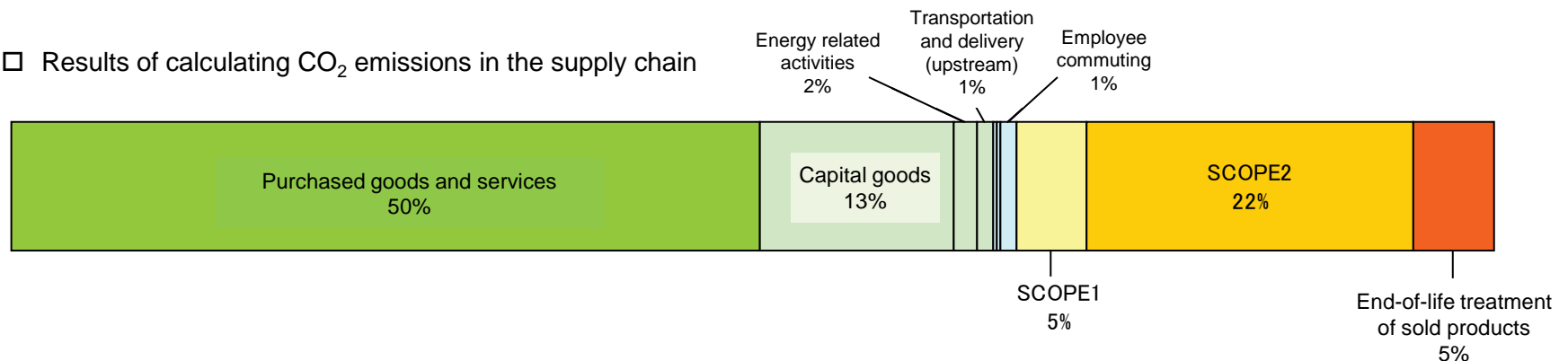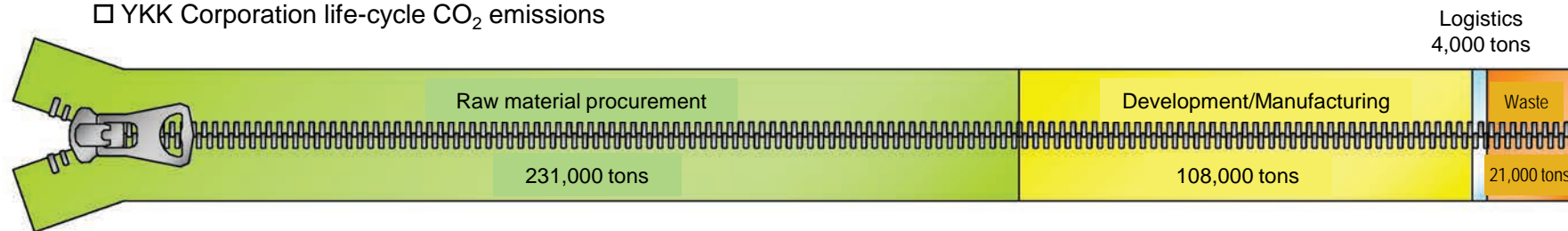|	Company thinking
☐ **Background and purpose for accounting**	• Understanding CO_2 emissions from all corporate activities is important in reducing the load on the global environment. • The social demand for disclosing environmental load information is increasing yearly. Therefore, it is necessary to aggressively disclose environmental load information.
☐ **Utilization of accounting results**	• To become involved in reducing the environmental load by taking advantage of reduction opportunities in larger categories. • To gain the understanding and trust of customers by clarifying our involvement with environmental matters. • To improve the transparency of our emissions by establishing internal calculation methods and calculation mechanisms.
☐ **Advantages of accounting**	• The emissions from the entire supply chain can be clarified and effective countermeasures can be taken. • The transparency of our emissions will be improved, so that we will be able to respond to demands for information disclosure by our customers.
☐ **Internal accounting organization**	• Data is collected from the Procurement, Logistics and Accounting departments, and then calculated by the Environmental department. • The internal database is utilized to improve work efficiency.

☐ Results of calculating CO_2 emissions in the supply chain

Energy related activities 2%
Transportation and delivery (upstream) 1%
Employee commuting 1%

Purchased goods and services 50%
Capital goods 13%
SCOPE2 22%
SCOPE1 5%
End-of-life treatment of sold products 5%

		Company thinking
☐	**To reduce supply chain emissions**	• Because raw materials account for about 50 percent of all CO_2 emissions in the overall supply chain, we are aggressively promoting a transition from raw materials with high CO_2 emissions to raw materials with lower CO_2 emissions. • With respect to logistics, we dispatching vehicles in a more efficient way, improving loading rates and attempting a modal shift. • We are starting "green" procurement and recycling of waste. • With respect to fastening products, we are developing more environment-friendly products and attempting to reduce emissions when disposing of sold products.
☐	**Tasks to account for supply chain emissions**	• When calculated on a monetary basis, fluctuations in procurement amounts affect emissions. • Improved accuracy for emission factor and activity data are necessary. • Activity data and emission factor for overseas facilities must be implemented.
☐	**For those starting to account for supply chain emissions**	• First, secondary data should be used to comprehend the approximate CO_2 emissions, so that an overview can be gained. It is then more efficient to improve accuracy for categories with high volumes of CO_2 emissions. • CO_2 emissions become clearer by category, so that effective reduction countermeasures can be taken. • Coordination between related departments is indispensable and internal consensus must be achieved to that end, so that it is necessary make the purpose of the calculations manifest.

☐ YKK Corporation life-cycle CO_2 emissions

Logistics
4,000 tons

Raw material procurement
231,000 tons

Development/Manufacturing
108,000 tons

Waste
21,000 tons

* CO_2 emission calculations: Domestic emissions for YKK Corporation in FY2012 (excluding YKK AP).

3 YKK CORPORATION

Category	Accounting methods	
	Activity data	**Emission factor**
Category 1: Purchased goods and services	• Procured weight and procured monetary value of raw materials and other materials	• Emission factor database (*2)
Category 2: Capital goods	• Capital investment amount for capital goods	• Emission factor database (*2)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Electricity and fuel energy usage	• Emission factor database (*1 *2)
Category 4: Transportation and delivery (upstream)	• Cargo owner transport ton-km for procured goods	• Accounting, reporting, and public disclosure system emission coefficient • Emission factor database (*1)
Category 5: Waste generated in operations	• Treatment volume of waste by type	• Emission factor database (*2)
Category 6: Business travel	• Amount paid by means of transportation	• Emission factor database (*2)
Category 7: Employee commuting	• Amount paid by means of transportation	• Emission factor database (*2)
Category 8: Leased assets (upstream)	• Transport ton-km	• Emission factor database (*1)
Category 9: Transportation and delivery (downstream)	• Production volume	• Emission factor during processing
Category 12: End-of-life treatment of sold products	• Production volume	• Emission factor database (*2)
Category 15: Investments	• Scope 1 and 2 emissions calculated by percentage of shares owned of invested companies	

*1 "Carbon Footprint Communications Program Basic Database, Ver. 1.01 (Domestic Data)"

*2 "Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain, Ver. 2.0"