

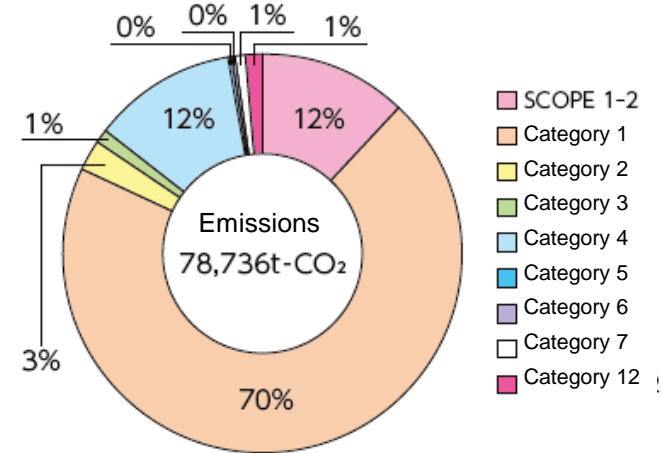
Company thinking

<p><input type="checkbox"/> Background and purpose for accounting</p>	<ul style="list-style-type: none"> • We have been aggressively involved in environmental projects since our founding, centered on "printing," and have been advocating our original "Eco-communications." As part of those activities, we started LCA activities for our products in 2011. Within those activities we have also been aggressively involved in CFP activities and received high praise from our customers. This, in turn, has led us to enlarge our scope to include reducing the environmental load of our products and emissions accounting based on the GHG Protocol. • Because it is not mandatory for us to report to CDP, we have not been involved in accounting because of any obligations. We decided to become involved in this problem because we felt that finding an original approach would help us in the future. From a social point of view and as an element that can have an impact on business, we felt that being involved in this problem and aggressively disclosing this information would lead our company in new directions. However, currently we are undergoing trial and error. Our thinking is that taking the first step is what is important. • Conversely, even if we make some positive efforts, because of the lack of promotion by our company and because of the scale of our company, we cannot deny the fact that we have not been able to make an impact on the industrial world. This is the current difficult situation that we find ourselves in.
<p><input type="checkbox"/> Utilization of accounting results</p>	<ul style="list-style-type: none"> • The accounting results will be used in many ways. We will include it in our consolidated report for the next business period, and we will post it on our company's web site to disclose the information to our stakeholders. • We will also differentiate ourselves from our competition by further reinforcing our efforts in environment related problems. • We shall reply to requests for disclosure assuming that anything can happen in business in the future.
<p><input type="checkbox"/> Advantages of accounting</p>	<ul style="list-style-type: none"> • With regard to our overall activities, by collecting volume and monetary data we can present figures that are not biased towards individual products, so that when we introduce our product loads we can respond to requests for proposals with a firm foundation. • In order to be able to present firm expenses against reduction results by comparing areas with high loads and areas with low loads, we are finding our direction by reducing costs and, in the future, by analyzing differences over time.
<p><input type="checkbox"/> Internal accounting organization</p>	<ul style="list-style-type: none"> • The IR/CSR Planning Promotion Office has total control over the entire accounting process. • Data on Category 1 is collected from the Procurement Department, for Categories 2 and 6 from the Accounting Department, for Category 7 from the General Affairs Department, and for all of the categories from the Quality Assurance Office (ISO Promotion and Environmental Promotion).

Company thinking

□ To reduce supply chain emissions

- It was clarified that 70 percent of the total was included in Category 1.
- Of which, paper held the highest percentage at 94 percent, and it was clear that environmental consideration for paper was very important.
- Therefore, we determined to promote the "greening" of paper in the future because it accounts for the highest proportion of the environmental load.



□ Tasks to account for supply chain emissions

- Because it is difficult to acquire data from our suppliers with respect to Category 1, we decided to make the calculations by using emission factor. However, because there is only one kind of emission factor for paper, using environmentally-friendly products will not be reflected in the numbers. As a result, promoting environmental considerations for paper has its weaknesses.
- Because Category 4 involves procurement of materials from a wide range, we adopted the waterless printing PCR scenario of the CFP communications program. However, we hope to improve the accuracy of accounting in the future because the movement distance may seem longer than the actual numbers depending on the interpretation.
- Because collecting data for consigned production (at cooperating companies, etc.) is difficult we have not included it in the calculations at this time. In the future, we shall set the emission factor and will consider ways to improve accuracy.

□ For those starting to account for supply chain emissions

- If you try to understand everything accurately from the start, you are likely to hit a wall when you are collecting data. So, first you should try to gain an understanding of the overall situation, then you should try to improve the accuracy at a later date.

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Sun Messe Co., Ltd.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Procurement amount of main raw materials and other materials (weight, monetary value) 	<ul style="list-style-type: none"> Ministry of the Environment DB*
Category 2: Capital goods	<ul style="list-style-type: none"> Procurement amount of capital goods 	<ul style="list-style-type: none"> Ministry of the Environment DB*
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Fuel, electricity and gas energy usage 	<ul style="list-style-type: none"> CFP basic/available DB Ministry of the Environment DB*
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Estimated ton-km is calculated to include Category 9 and by using the printing matter PCR scenario based on waterless printing of the CFP communications program that includes the procurement, consignment and waste transport phases. 	<ul style="list-style-type: none"> CFP basic/available DB
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Waste emissions by type 	<ul style="list-style-type: none"> Ministry of the Environment DB*
Category 6: Business travel	<ul style="list-style-type: none"> Amount of travel and transportation expenses paid 	<ul style="list-style-type: none"> Ministry of the Environment DB*
Category 7: Employee commuting	<ul style="list-style-type: none"> Amount of commuting expenses paid 	<ul style="list-style-type: none"> Ministry of the Environment DB*
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Not relevant 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Included in calculations as part of Category 4 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> Because most of the products sold are finished products, we are assuming that there is no processing at a later time. 	
Category 11: Use of sold products	<ul style="list-style-type: none"> We consider emissions when using paper products to be nil. 	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Waste amounts are calculated by using the printing matter PCR scenario based on waterless printing of the CFP communications program. 	<ul style="list-style-type: none"> CFP basic/available DB
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Not relevant 	
Category 14: Franchises		
Category 15: Investments		

* Official name: "Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver. 2.0"