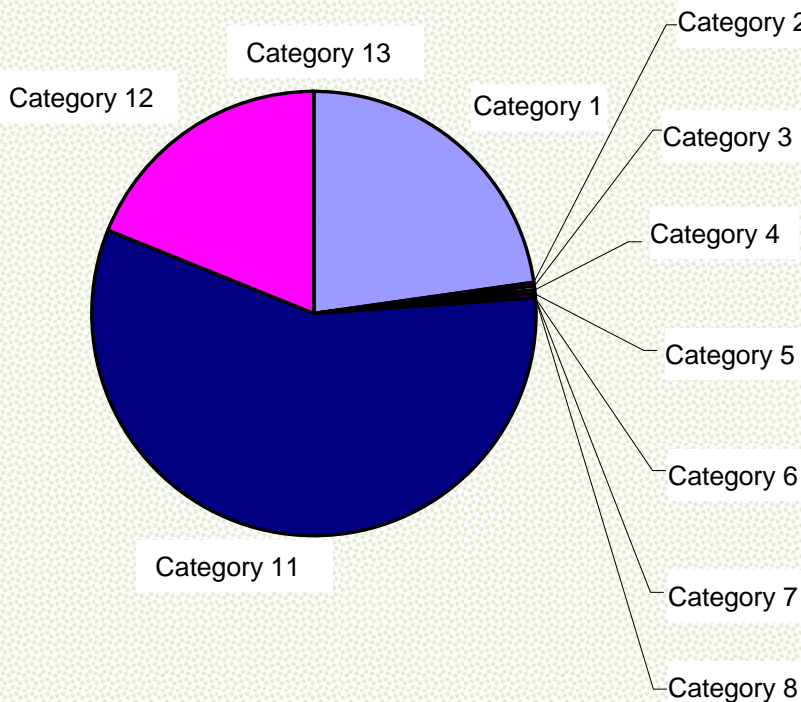


	Company thinking
<input type="checkbox"/> Background and purpose for accounting	<ul style="list-style-type: none"> • In order to know the status of our own supply chain emissions and to place emphasis on reduction activities. • In order to study effective indices for measuring progress of activities, so that we can go forward with CO₂ reduction activities together with our suppliers. • In order to meet the demands for information disclosure from our investors, NPOs and other stakeholders, so that there will be a better understanding of our efforts.
<input type="checkbox"/> Utilization of accounting results	<ul style="list-style-type: none"> • To internally specify the reduction activities to emphasize, and to use as a strategic planning tool for promoting cooperative reduction activities with suppliers. • Externally, to use as communication tools with stakeholders by disclosing information through environmental reports and various questionnaires and surveys
<input type="checkbox"/> Advantages of accounting	<ul style="list-style-type: none"> • We were able to reconfirm that our percentage from "use of sold products" was the largest and that that was the area which we should emphasize in future reduction activities. • As a characteristic of a construction company, the percentages of "purchased goods and services" and "end-of-life treatment of sold products" were also high, so we discovered that these areas must also be emphasized in the future.
<input type="checkbox"/> Internal accounting organization	<ul style="list-style-type: none"> • In principle we use the "Activities quantity x Emission factor" calculation formula to account for our emissions, and do not use actual emissions data from suppliers. • The activities quantity is based on our primary data, and we collect existing internal data from the related departments, then have the Environmental Department make the calculations.

Company thinking	
<p><input type="checkbox"/> To reduce supply chain emissions</p>	<ul style="list-style-type: none"> • We shall place an even greater emphasis on reduction activities in the "use of sold products" phase where we have already been making efforts. (We shall use the separate CO₂ reduction contribution amount as the control index.) • With respect to reducing emissions from "purchased goods and services" and "end-of-life treatment of sold products," we shall further pursue "energy saving" and "ease of tearing down" which are important parts of industrial architecture. • As for CO₂ reduction activities at suppliers, we shall promote support and cooperative activities through various projects, including planning and proposing energy saving architecture and by implementing energy-saving renovation.
<p><input type="checkbox"/> Tasks to account for supply chain emissions</p>	<ul style="list-style-type: none"> • Because the role of Scope 3 will be far greater than Scope 1 and 2, the more that Scope 3 is recognized, there is a danger that interest in Scope 1 and 2 reduction activities will be reduced. (Both internally and externally.) • In order to comprehend the scale of emissions estimates based on emission factor are preferred over cumulative figures that might be missing some data. However, in this case it will be difficult to reflect supply chain reduction activities in the Scope 3 emissions. • In principle the organizational boundaries will encompass consolidated businesses, but this can be a major burden for combined businesses.
<p><input type="checkbox"/> For those starting to account for supply chain emissions</p>	<ul style="list-style-type: none"> • First, it is important to make the current conditions "visible." As a first step, use the primary data that can be acquired internally and various emission factors to understand the overall situation, even if it is an estimate. • Next, determine the main target of your company and what indices to use to manage the progress of the reduction activities. Then, you can start to collect the necessary data.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Supply area by use 	<ul style="list-style-type: none"> Emission factor per supply area (CASBEE new construction)
Category 2: Capital goods	<ul style="list-style-type: none"> Capital investment amount 	<ul style="list-style-type: none"> Emission factor per capital investment amount
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Consumed fuel and energy that was procured 	<ul style="list-style-type: none"> Retrieval, production and transportation phase emission factor by fuel and energy
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Calorific value of fuel used by the sender for transport 	<ul style="list-style-type: none"> Emission factor per calorific value
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Waste emissions by type 	<ul style="list-style-type: none"> Disposal and treatment phase emission factor by type
Category 6: Business travel	<ul style="list-style-type: none"> Business trip travel expenses by means of transportation 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid by means of transportation
Category 7: Employee commuting	<ul style="list-style-type: none"> Commuting expenses paid by means of transportation 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid by means of transportation
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Dedicated area x Energy use per area (warehouses, data centers) 	<ul style="list-style-type: none"> Emission factor per energy usage
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Not relevant 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> Not relevant 	
Category 11: Use of sold products	<ul style="list-style-type: none"> Supply area by use 	<ul style="list-style-type: none"> Annual CO₂ emissions per supply area by use; (Internal calculation) x Assumed number of years of use
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Supply area by use 	<ul style="list-style-type: none"> Emission factor per supply area (CASBEE new construction)
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Leased area x Energy use per area (offices) 	<ul style="list-style-type: none"> Emission factor per energy usage
Category 14: Franchises	<ul style="list-style-type: none"> Not relevant 	
Category 15: Investments	<ul style="list-style-type: none"> With regard to Scope 1 and 2 emissions by companies invested in, the estimates based on partial actual data show that they are less than 2 percent of the entire Scope 3 emissions. As a result, they were not included because the quantity of emissions was so small compared with how difficult it would be to collect the data. 	

□ Accounting results



Category 1: Purchased goods and services	22.64%
Category 2: Capital goods	0.46%
Category 3: Fuel and energy related activities not included in Scope 1 or 2	0.13%
Category 4: Transportation and delivery (upstream)	0.35%
Category 5: Waste generated in operations	0.27%
Category 6: Business travel	0.04%
Category 7: Employee commuting	0.03%
Category 8: Leased assets (upstream)	0.001%
Category 9: Transportation and delivery (downstream)	-
Category 10: Processing of sold products	-
Category 11: Use of sold products	57.18%
Category 12: End-of-life treatment of sold products	18.85%
Category 13: Leased assets (downstream)	0.04%
Category 14: Franchises	-
Category 15: Investments	-

* Part of the reported figures were revised after this accounting support project.

(Reference) Environment Data Book 2013 (page 8), Daiwa House Group) → <http://www.daiwahouse.co.jp/eco/pdf/databook2013.pdf>