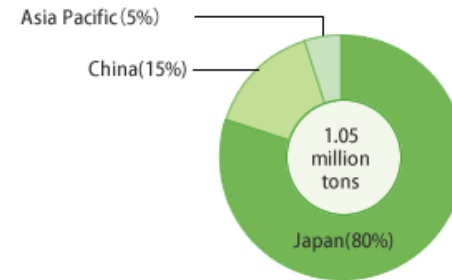


Company thinking

Background and purpose for accounting

- Because we have estimated that 15 percent of our emissions are from our vendors, 5 percent from internal production and logistics, and 80 percent product usage, we realize that it is important to reduce emissions from our entire business activities by cooperating with our vendors and logistics partners.
- Our product usage emissions are based on our fiscal 2005 results.
- In addition to confirming the appropriateness of our accounting methods (whether these can be handled by vendors) for upstream Category 1 and 4 emissions for purchased goods/services and transportation/delivery (upstream), we have been implementing from 2011 an emissions data gathering "trial" with cooperating vendors to confirm changes in emission factors.

■ Breakdown of the GHG Emissions of Products Delivered to Panasonic by 101 Suppliers (by region)



http://panasonic.net/sustainability/jp/eco/supply_chain/

Utilization of accounting results

- The results are used to disclose information in our sustainability reports and to cope with CDP requests and the like. We also consider this a part of "branding" from the environmental aspects of our company.
- Based on the thinking in Scope 3, we have added content to our Green Procurement Standards to ask our vendors to make efforts to reduce greenhouse gases.

Advantages of accounting

- We hope that this can be a trigger for our vendors to start their own efforts to understand their emissions and start their own reduction efforts.

Internal accounting organization

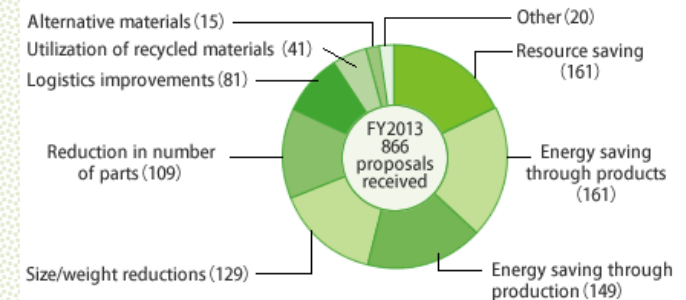
- With regard to Category 1 and 4, the Procurement Department is mainly in charge of acquiring data from our vendors and making the calculations.
- The Logistics Department is in charge of Category 9 and the Environmental Department in charge of Category 11 to collect data from the various internal departments and make the calculations.

Company thinking

□ To reduce supply chain emissions

- While collaborating with our vendors to be more environment friendly by reducing energy and resource usage and by using recycled materials, we are also making efforts to rationalize costs. We are presenting awards at the "Panasonic Excellent Partners Meeting" for innovative ideas and projects.
- With regard to reducing emissions during use of products, assuming that there are no improvements in energy-saving performance in our products from fiscal 2005, the difference with the estimated emissions from that year are calculated as contributions to reductions.

■ Breakdown of ECO-VC Activity Proposed by Suppliers (by theme)

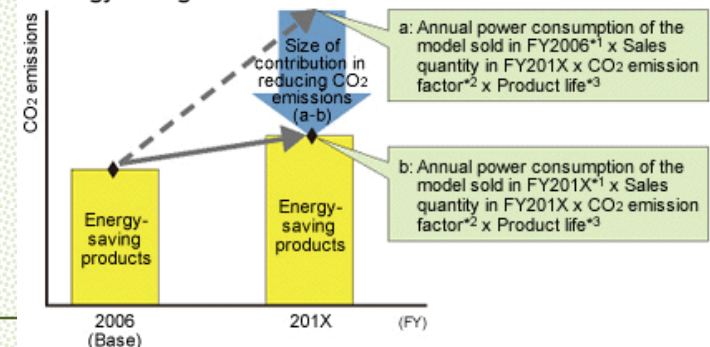


http://panasonic.net/sustainability/jp/eco/supply_chain/

□ Tasks to account for supply chain emissions

- Priority is being given to categories with large emissions and that care controllable. It would help if there were a calculation method to easily determine the volume of emissions for each category.
- Constructing internal emissions recognizing mechanisms at small and medium vendors (parts machining manufacturers, etc.). (Especially overseas)
- Creating emission factor for overseas locations based on Input-Output tables.

■ Size of Contribution in Reducing CO₂ Emissions Through Energy-saving Products



- a: Annual power consumption by products sold in fiscal 2005. *1 x Fiscal 201x sales units x CO₂ emissions coefficient *2 x Product life *3
- b: Annual power consumption by products sold in fiscal 201x. *1 x Fiscal 201x sales units x CO₂ emissions coefficient *2 x Product life *3

*1 For each product category, the model that was sold in the largest quantity in the region was selected.
 *2 Regional CO₂ emission factors (kg-CO₂/kWh) used: 0.410 (Japan); 0.487 (Europe); 0.579 (North America); 0.740 (China); 0.927 (India); 0.527 (Asia Pacific, Northeast Asia); 0.332 (Latin America); 0.327 (other regions).
 *3 Number of years during which spare parts for the product are available (defined by Panasonic).

□ For those starting to account for supply chain emissions

- The most important thing is to clearly identify the goal for accounting.
- Determining which part of the supply chain has large emissions is important when starting accounting.
- It is important to adopt calculation methods that do not place too large a burden on vendors.

http://panasonic.co.jp/eco/communication/supply_chain/

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Emissions data is directly acquired from vendors. 	
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> The portion that is subject to the specific carriers in the Energy Saving Act is calculated. 	
Category 9: Transportation and delivery (downstream)		
Category 11: Use of sold products	<ul style="list-style-type: none"> Annual energy consumption by product x Sales volume x Years of use (Period for which parts are available) 	<ul style="list-style-type: none"> CO₂ emission factor for electricity usage by country and by region