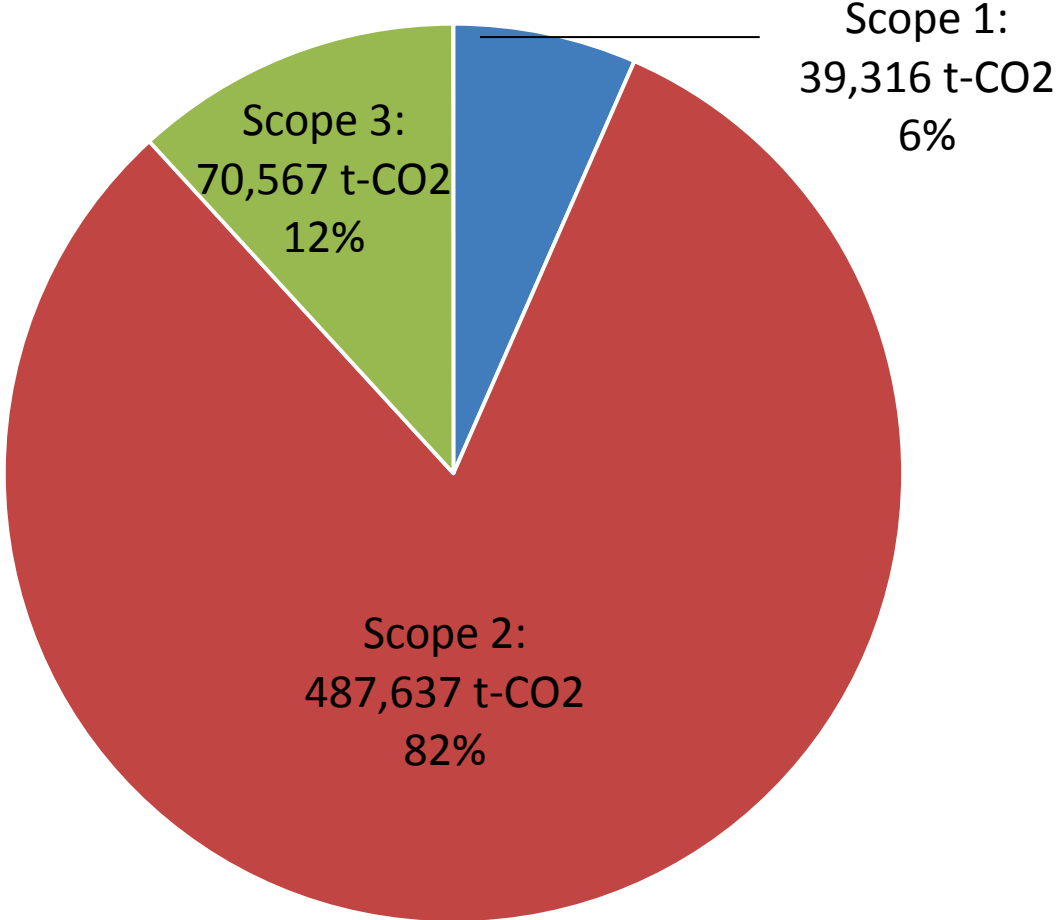


	Companies' approach
<p>□ Background and purpose of accounting</p>	<ul style="list-style-type: none"> • Since we started to respond to the CDP questionnaire in 2010, we have been aware of the need to capture and understand our carbon emissions to be accounted for under the relevant categories. • We intend to get a clear and exact picture of our emissions quantitatively, including Scope 1 and 2 emissions, accordingly take action to reduce those emissions, and then review the effectiveness of reduction measures taken.
<p>□ Utilization of accounting results</p>	<ul style="list-style-type: none"> • We will be likely to disclose related information in our CSR reports, along with the response to CDP. • To enable our activities for emissions reduction, we will be continuously keeping track of developments in our emissions under applicable 8 Categories, including 2 Categories yet to be accounted for.
<p>□ Benefits of accounting</p>	<ul style="list-style-type: none"> • By knowing the exact quantities, we can disclose information about our accounting results. • Having become aware of our environmental load quantitatively, we will be able to use these results to establish reduction targets, and to raise our environmental awareness.
<p>□ Internal system for accounting</p>	<ul style="list-style-type: none"> • Using the relevant data collected from internal departments and divisions (e.g. commuting expenses, business travel expenses, and value amount of purchased goods, etc.), the Safety and Environmental Division accounts for our supply chain emissions.

	Companies' approach
<p>□ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> • For Category 1 emissions, we have developed guidelines for the procurement of green products to promote green procurement. • For Category 5 emissions, we have been seeking to reduce our waste by 100% recycling train tickets and commuter rail passes, introducing aluminum train cars that can be easily recycled, and at stations placing trash & recycle boxes to be used separately by material type, etc. • For Category 6 emissions, we restrict our employees' business travels that use or are by way of other operators' railway lines. • For Category 7 emissions, we restrict our employees' commuting that uses or are by way of other operators' railway lines, and do not allow our employees to drive their own cars to work, etc. • Railway service offering, our Company's core business, represents an intangible transportation service, and therefore does not involve downstream emissions at all.
<p>□ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> • For the purpose of the current FY accounting, we focused on our main businesses of the Company to account for our supply chain emissions. We recognize, however, that when the relevant business operations extend over a wide range of fields, possibly resulting in varied levels of data coverage and accuracy by business, then key issues facing, and to be addressed by, us will be to what extent the cost of accounting should be allowed, which emission factor should be used, and to what extent the accuracy should be sought. • The cost of accounting for supply chain emissions will vary significantly, depending on whether the scope of accounting should be limited to main businesses or extended to include all businesses of a company, or whether on a non-consolidated basis or extended to consolidated companies, etc. For this reason, we will importantly need to define appropriate boundaries for accounting according to our own purposes.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Amount of goods purchased by way of online purchasing systems (in terms of value amount of purchases, by type) 	<ul style="list-style-type: none"> Emission factor per amount of money, by type
Category 2: Capital goods	<ul style="list-style-type: none"> Not accounted for 	
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and fuel energy usage 	<ul style="list-style-type: none"> Emission factor by energy type
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Not accounted for 	
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Amount of waste discharged from buildings, hotels and stations, etc., by type 	<ul style="list-style-type: none"> Emission factor by waste type
Category 6: Business travel	<ul style="list-style-type: none"> Travel distance in terms of the number of times of using Japanese Shinkansen bullet trains 	<ul style="list-style-type: none"> CO2 emission factor for running rail trains
Category 7: Employee commuting	<ul style="list-style-type: none"> Commuting allowances paid, by mode of transportation 	<ul style="list-style-type: none"> Emission factor by mode of transportation
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> We operate leased rail cars, which are however covered by Scope 2 emissions accounting. 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Not relevant because rail transportation services like ours are intangible. 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> N/A 	
Category 11: Use of sold products	<ul style="list-style-type: none"> N/A 	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> N/A 	
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Area of leased properties 	<ul style="list-style-type: none"> Emission factor per floor area for offices
Category 14: Franchises	<ul style="list-style-type: none"> N/A 	
Category 15: Investments	<ul style="list-style-type: none"> N/A 	
Other		

Accounting results (Overall emissions for the Kintetsu corporation)



Our overall emissions amounted to: 597,520 t-CO2

Accounting results (Scope 3 emissions by Category)

