

	Companies' approach
<p>□ Background and purpose of accounting</p>	<ul style="list-style-type: none"> As part of non-financial information disclosure by companies, we consider it important to account for, report and communicate our Scope 3 emissions by using the GHG Protocol's Scope 3 Standard, widely recognized as a global standard.
<p>□ Utilization of accounting results</p>	<ul style="list-style-type: none"> We can disclose information on our GHG emissions throughout the value chain through our response to CDP, integrated CSR reports, and website.
<p>□ Benefits of accounting</p>	<ul style="list-style-type: none"> Due to the revision of ISO14001-2015, companies are required to consider the environmental impacts during the up-stream phase and the down-stream phase through Life Cycle Thinking, in its activities. We hope to make Scope 3 emissions accounting one of our quantitative indices to understand the entire life cycle.
<p>□ Internal system for accounting</p>	<ul style="list-style-type: none"> Data is collected from the related internal departments, then accounting is conducted by the Quality and Environmental Management Department.

	Companies' approach
<p>❑ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> • In the context of the emerging demand to strengthen supply chain management, we are collaborating with our customers and vendors in global climate change countermeasures.
<p>❑ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> • Improving the accuracy of CO2 emission factor for parts procured from overseas. • Setting scenarios for our contribution to the environment when using products, etc.
<p>❑ Other remarks</p>	<ul style="list-style-type: none"> • In order to ensure the accuracy, validity, transparency, and consistency and so on of the Scope 3 emissions accounting, we are planning a third party verification.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Procurement amount of (raw) materials and parts 	<ul style="list-style-type: none"> 3EID-based emission factor
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of money of capital goods procured 	<ul style="list-style-type: none"> Ministry of the Environment DB (Ver. 2.0) emission factor
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and steam energy usage 	<ul style="list-style-type: none"> CFP basic DB emission factor
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Volume of transportation used by us as the sender in terms of both outbound logistics and inbound logistics 	<ul style="list-style-type: none"> Electrical wire PCR + CFP basic DB emission factor
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Amount of waste discharged, by type 	<ul style="list-style-type: none"> Ministry of the Environment DB (Ver. 2.0) emission factor
Category 6: Business travel	<ul style="list-style-type: none"> Amount of transportation expenses paid 	<ul style="list-style-type: none"> Ministry of the Environment DB (Ver. 2.0) emission factor
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 (Ver. 2.0) emission factor
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Not relevant because this is included in Scope 1 and 2. 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Distribution by customers receiving deliveries 	<ul style="list-style-type: none"> Electrical wire PCR + CFP basic DB emission factor
Category 10: Processing of sold products	<ul style="list-style-type: none"> Sales of semi-finished products 	<ul style="list-style-type: none"> CFP basic DB emission factor
Category 11: Use of sold products	<ul style="list-style-type: none"> Excluded from accounting because there are no direct emissions during use. 	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Product sales volume 	<ul style="list-style-type: none"> Electrical wire PCR + CFP basic DB emission factor
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Not included in the scope of calculations because there are no relevant activities 	
Category 14: Franchises	<ul style="list-style-type: none"> Not included in the scope of calculations because there are no relevant activities 	
Category 15: Investments	<ul style="list-style-type: none"> Not included in the scope of calculations as we are not a public financial institution 	
Other	<ul style="list-style-type: none"> Not calculated because it is an option category 	

- Ministry of the Environment DB (Ver. 2.0): Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain
- Electrical wire PCR: Product category rules (PCR) for "Organizing LCA Databases"; March 2010, JECTEC.

Details of Scope 1, 2 and 3 CO₂ Emissions for FY2014

