	Company thinking
☐ **Background and purpose for accounting**	• To understand the state of CO_2 emissions from our entire supply chain and the categories that generate a large amount of CO_2 emissions, and use it as a reference for effective policy planning towards reducing CO_2 emissions and environmental impact, and business efficiency.
☐ **Utilization of accounting results**	• To identify business sites which we should focus on to improve emissions over the supply chain, and to utilize as a basis of actions to promote supply-chain engagement. • For communication to the public, we disclose accounting results and historical trend in our CSR reports, etc. • To prepare for responding to stakeholder inquires, and environmental related survey requests.
☐ **Advantages of accounting**	• Accounting results, which shows supply-chain CO_2 emissions by category, helps us prioritize actions that we should undertake to reduce emissions. • It allows us to demonstrate our attitude towards the environment as a company that accounts for supply-chain emissions.
☐ **Internal accounting organization**	• CSR promotion office organizes the accounting secretariat in the environmental division, and takes charge of data collection and accounting in cooperation with relevant departments (divisions of store development, merchandise, operation, personnel affairs., etc.)

	Company thinking
☐ **To reduce supply chain emissions**	• Promoting efforts towards reducing environmental impact, such as introducing LED lighting, and switching to energy saving cookware, refrigeration equipment, and air-conditioning equipment. • Category 1 is the largest emission source in our business operation, accounting for approx. 50% of total CO_2 emissions and over 80% of Scope 3 emissions. As stated in our environmental policy as "We will fulfill our corporate responsibility by striving for energy saving and pollution prevention in business operations," we will reduce CO_2 emissions from Category 1, the core area of our businesses, in cooperation with supplier companies. • We will continue to check the trend of supply-chain CO_2 emissions, and by doing so, we can identify CO_2 hot-spots, which helps us consider more efficient reduction actions.
☐ **Tasks to account for supply chain emissions**	• As this accounting covers various items over a broad range of business, it takes an enormous workload in data collection from relevant divisions and accounting practice, which is an issue for our company. • On the other hand, we recognize the importance of continued data collection for having verification or adjustment of actions. Therefore, we will establish a data-sharing system that covers suppliers, too, and consider how to draw a more accurate picture of emissions.
☐ **Other comments (optional)**	• For this accounting to understand our supply-chain emissions, we accounted for 10 categories, excluding Categories 8, 10, 11, 14 and 15 which are not relevant to our business operations.

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Category	Accounting methods	
	Activity data	**Emission factor**
Category 1: Purchased goods and services	Sales amount by product category	Emission factor per sales amount (t-CO_2/mil. yen) ※1
Category 2: Capital goods	Amount of capital investment	Emission factor per capital good (t-CO_2/mil. yen) ※1
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Energy consumption	Emission factor per energy used (t-CO_2/t) ※1,2
Category 4: Upstream transportation and distribution	Transportation weight x travel distance	Emission factor per transportation weight x travel distance (t-CO_2/1,000tkm) ※2
Category 5: Waste generated in operations	Waste generation by type of waste	Emission factor by type of waste (t-CO_2/t) ※1
Category 6: Business travel	Travel cost that the company owes	Emission factor per travel cost (t-CO_2/1,000yen) ※1
Category 7: Employee commuting	Commutation cost that the company owes	Emission factor per commutation cost (t-CO_2/ 1,000yen) ※1
Category 8: Upstream leased assets	NA	
Category 9: Downstream transportation and distribution	Transportation weight x travel distance	Emission factor per transportation weight x travel distance (t-CO_2/1,000tkm) ※2
Category 10: Processing of sold products	NA	
Category 11: Use of sold products	NA	
Category 12: End-of-life treatment of sold products	Waste generation (estimated from sales amount)	Emission factor by type of waste (t-CO_2/t) ※1
Category 13: Downstream leased assets	Energy consumption by tenants	Emission factor per energy use (t-CO_2/1,000kwh) ※3
Category 14: Franchises	NA	
Category 15: Investments	Not included in the scope of calculations, because we are not the applied enterprise provided in the basic guidelines	
Other	Not included in the scope of calculations, because it is an option category	

※1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain（ver.2.1）
※2 Carbon Footprint Communication Program Basic Database Ver.1.01
※3 Emission factor used for GHG Accounting, Reporting and Publication System, emission coefficient by electricity user

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Accounting results（emission factors）

Category 4
1.0%

Category 5
1.0%

Category 7
1.3%

Category 9
1.0%

Category 3
1.3%

Category 12
0.7%

Scope 3
0

Scope 1
6.6%

Category 2
5.8%

Scope 2
31.7%

Category 1
49.5%

- Scope 1
- Scope 2
- Category 1
- Category 2
- Category 3
- Category 4
- Category 5
- Category 6
- Category 7
- Category 9
- Category 12
- Category 13
- Other