

	Companies' approach
<p>❑ Background and purpose of accounting</p>	<ul style="list-style-type: none"> <li>● To identify the CO2 emissions throughout the supply chain.</li> <li>● To prepare for information disclosure, if requested by stakeholders.</li> </ul>
<p>❑ Utilization of accounting results</p>	<ul style="list-style-type: none"> <li>● To develop measures towards GHG reductions throughout the supply chain.</li> <li>● Resources to make responses to questionnaires and surveys.</li> </ul>
<p>❑ Benefits of accounting</p>	<ul style="list-style-type: none"> <li>● By reviewing the emissions by category and their secular trends, we can extract the important issues and develop measures toward reducing GHG emissions.</li> <li>● To enhance the stakeholder's confidence to our company.</li> </ul>
<p>❑ Internal system for accounting</p>	<ul style="list-style-type: none"> <li>● The CSR Promotion Office collects data from relative departments and conducts accounting.</li> </ul>

	<b>Companies' approach</b>
<p><b>❑ Efforts to reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>● We re-recognized that Category 1, which accounts for the majority of the supply chain emissions, is important. We will review initiatives for reducing GHG emissions under the understanding and cooperation of our clients.</li> </ul>
<p><b>❑ Issues in supply chain emissions accounting</b></p>	<ul style="list-style-type: none"> <li>● The results for categories, which the data is difficult to collect, are based on value basis and scenarios. Going forward, it is necessary to review the collecting methods and the data to be used.</li> <li>● Overseas shops and part of our group companies are not included in the scope of calculations (including Scope 1, Scope 2), so expanding the scope of calculations is an issue for the future.</li> </ul>
<p><b>❑ Other remarks</b></p>	

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Merchandise cost</li> <li>Purchase price of packaging materials</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per amount of money *1</li> <li>Emission factor per amount of money *1</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Procurement amount for capital goods</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per amount of money *1</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Energy consumption from use of fuel, steam, town gas etc.</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per energy used *1,2</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Commission for external distribution Emission factor per amount of money</li> <li>Loading weight × Travel distance</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per amount of money *1</li> <li>Emission factor per weight × distance *2</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Amount of waste discharged, by type and by disposal method</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by type of waste *1</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>Number of regular employees</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per employee *1</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Transportation expenses paid</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per transportation expense that the company owes *1</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>There are no relevant activities</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Number of customers, traffic classification, travel distance</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor per passenger and kilometer by traffic classification *1</li> </ul>
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>There are no relevant activities</li> </ul>	
Category 11: Use of sold products	<ul style="list-style-type: none"> <li>There are some products that are relevant, but calculations are ignored because the amounts are extremely small among sales.</li> </ul>	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Emissions by waste</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor by type of waste *1</li> </ul>
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>Included in Scope 1,2 including the tenant part</li> </ul>	
Category 14: Franchises	<ul style="list-style-type: none"> <li>There are no relevant activities</li> </ul>	
Category 15: Investments	<ul style="list-style-type: none"> <li>Calculations are ignored, because we determined that we do not conduct investment to earn profit and we are not an enterprise that provides financial services</li> </ul>	
Other	<ul style="list-style-type: none"> <li>Calculations are ignored, because it is an option category</li> </ul>	

\*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.2)

\*2 Ver.1.01 Carbon Footprint Communication Program Basic Database ver.1.01

## Accounting result

