

	Companies' approach
□ Background and purpose of accounting	<ul style="list-style-type: none"> We had never identified GHG emissions across the entire supply chain. We will limit the product range, but we hope we can learn how to calculate emissions, and review initiatives towards emissions reduction through this opportunity.
□ Utilization of accounting results	<ul style="list-style-type: none"> We will publicize the results in our CSR Report as an environmental initiative (under review)
□ Benefits of accounting	<ul style="list-style-type: none"> Identifying the emissions across the entire supply chain. Increase awareness in the company towards GHG emissions in our products.
□ Internal system for accounting	<ul style="list-style-type: none"> The accounting department, the manufacturing department, the procurement department, the sales department, and the design department collect data. The Environment Office is in charge of accounting.

	Companies' approach
<p>□ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> • Manufacturing products that can reduce emissions. • Confirming the potentials of emissions reductions in our corporate activities (development, procurement, manufacture, sales).
<p>□ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> • We have never experienced emission accounting initiatives throughout the supply chain, so it is necessary to confirm to other parties on what kind of numerical information is available. • Calculation factors are limited, and it is necessary that the impacts in the relative departments be considered in the accounting. • Given the above, we limit the product range to truck related products, and railway related products.
<p>□ Other remarks</p>	

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Amount of materials procured (weight basis) in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per weight (*1)
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of capital goods procured (weight basis) in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per weight (*1)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Energy consumption using electricity, light oil, gasoline, and kerosene in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per energy amount (*1)
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Fuel consumption associated with the procurement, shipping, and transportation in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per fuel (*2)
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Amount of waste discharged in operations by type in the scope of calculations 	<ul style="list-style-type: none"> Emission factor by type of waste (*1)
Category 6: Business travel	<ul style="list-style-type: none"> Number of employees in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per number of employees (*1)
Category 7: Employee commuting	<ul style="list-style-type: none"> Number of employees in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per number of employees (*1)
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> -
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Distribution to sales destinations by the clients in the scope of calculations 	<ul style="list-style-type: none"> Broad range PCR Appendix C transportation scenario
Category 10: Processing of sold products	<ul style="list-style-type: none"> Processing by the clients in the scope of calculations 	<ul style="list-style-type: none"> Emission factor per processing activities created from internal data
Category 11: Use of sold products	<ul style="list-style-type: none"> Not applicable (the products in the scope of calculations does not consume energy directly) 	<ul style="list-style-type: none"> -
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Amount of waste discharged by type at the time of disposal in the scope of calculations 	<ul style="list-style-type: none"> Emission factor by type of waste(*1)
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> -
Category 14: Franchises	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> -
Category 15: Investments	<ul style="list-style-type: none"> Not included in the scope of calculations, because we are not a financial institution 	<ul style="list-style-type: none"> -
Other	<ul style="list-style-type: none"> Not included in the scope of calculations, because it is an option 	<ul style="list-style-type: none"> -

*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain Ver.2.2

*2 Carbon Footprint Communication Program Basic Database Ver. 1.01

Accounting results

- Compared to Scope 1 and Scope 2 emissions, "Category 1, Purchased goods and services" accounted for about 90 percent of the overall emissions, due to the large amount of emissions from the manufacturing process of the procured materials. After that "Category 4, Upstream transportation and distribution" accounted for 5 percent, due to the materials being transported from overseas by maritime transportation.

