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GLORY LTD.

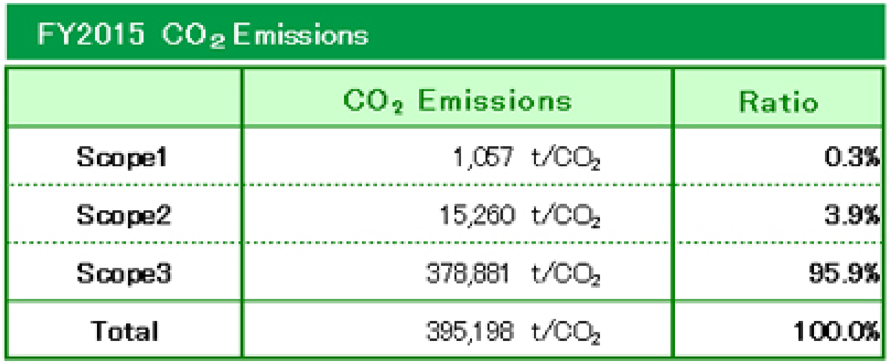
Companies' approach

☐ Background and purpose of accounting

- To accomplish the GLORY Environmental Vision, we have been committed to reducing our CO2 emissions in terms of both “Products” and “Business,” focusing on the “Awareness” of environmental conservation
- We have been continuously performing a Life Cycle Assessment of our products. We will be able to better understand the significance of CO2 emissions reduction along the product development life cycle, by accounting for and “visualizing” our Scope 3 emissions.
- We are seeing an increasing demand from stakeholders and outside surveys for information disclosure.

☐ Utilization of accounting results

- In pursuing GHG emissions reduction across the entire supply chain, we use our accounting results to prioritize target areas and carry out our reduction activities more effectively and efficiently.
- By responding to corporate evaluation by outside entities and releasing our accounting results on our website, we will be able to leverage these results to have our environmental activities better recognized.



FY2015 CO_2 Emissions

	CO_2 Emissions	Ratio
Scope1	1,057 t/CO_2	0.3%
Scope2	15,260 t/CO_2	3.9%
Scope3	378,881 t/CO_2	95.9%
Total	395,198 t/CO_2	100.0%

http://www.glory.co.jp/csr/environment/activity.html

☐ Benefits of accounting

- We can make it clear and identify which Categories involve high emissions along the supply chain, and the extent to which potential opportunities for emissions reduction lie under such Categories.

☐ Internal system for accounting

- The Quality and Environmental Management Department at Headquarters takes the initiative in having our accounting objectives shared, through the Corporate Environmental Committee, and then collects necessary information from our Group companies and the relevant departments/divisions to aggregate our overall emissions across the Group.

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	Companies' approach
☐ **Efforts to reduce supply chain emissions**	● We seek to develop energy-saving products and reduce the number of parts and weight of products, thereby promoting activities and initiatives for CO2 emissions reduction. ● To achieve our long-term goal of reducing CO2 emissions from our products during use by 30% from the level in 2005 by 2030, we have been committed to developing environmentally-friendly products. We also pursue CO2 emissions reduction along the life cycle, through product assessments or Life Cycle Assessments, and accordingly recognize those products that meet our own environmental performance company standards as "G-Eco Products." In addition, we are promoting our environmental activities by incorporating into our medium-term environmental plan specific targets aimed at reducing supply chain emissions with increased percentage of "G-Eco Products" in development and sales.  Consumes 33% less energy than conventional model
☐ **Issues in supply chain emissions accounting**	● We will need to improve the performance and accuracy in supply chain accounting under those Categories that involve higher emissions, and extend boundaries to include emissions from overseas (e.g. Categories 1, 2, 4).
☐ **Other**	● We extended our boundaries to include category 11, in our accounting for FY2015. (Products from our merged overseas group company)

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Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Amount of money of goods and services we purchased ourselves	● Emission factor database*
Category 2: Capital goods	● Capital investment amount	● Emission factor database*
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Quantity amount of procured fuel and electricity	● Emission factor database*
Category 4: Transportation and delivery (upstream)	● Transportation in ton-kilometers	● CFP Communications Program Basic Database, ver. 1.01
Category 5: Waste generated in operations	● Amount of waste disposed of by disposers	● Emission factor database*
Category 6: Business travel	● Transportation expenses paid	● Emission factor database*
Category 7: Employee commuting	● Commuting transportation expenses paid	● Emission factor database*
Category 8: Leased assets (upstream)	● Floor area of leased buildings (i.e. warehouses)	● Emission factor database*
Category 9: Transportation and delivery (downstream)	※ Calculations are ignored because the percentage of distribution after the ownership is transferred is extremely small compared to the total emissions	－
Category 10: Processing of sold products	※ Calculations are ignored because the emissions by sales units is small compared to the total emissions (unit sales ratio is no more than 3 percent)	－
Category 11: Use of sold products	● Amount of electricity used by our products; Product lifetime; Number of units sold	● Overall averaged value based on FY2014 results of CO2 emission factors by electric power provider
Category 12: End-of-life treatment of sold products	● Weight of products; Annual number of units sold	● Emission factor database*
Category 13: Leased assets (downstream)	※ Calculations are ignored because they are included altogether in category 11, even though there are some lease agreements	－
Category 14: Franchises	※ Calculations are ignored because there are no franchises	－
Category 15: Investments	● Scope 1, 2 emissions of the portfolio company, ownership ratio	－
Other	※ Calculations are ignored because it is an option category	－

* Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.1)

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Accounting results

- Supply chain emissions