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MEIDENSHA CORPORATION

	Companies' approach
□ Background and purpose of accounting	<ul style="list-style-type: none"> ● The MEIDEN Group provides social infrastructure products and services such as heavy electric machinery, so we believe that environmental impacts in the market are huge. Also, environmental impacts at our consignees, such as subcontractors and outsourcees are also in our scope of responsibilities.
□ Utilization of accounting results	<ul style="list-style-type: none"> ● We roughly calculate the environmental impacts throughout the value chain. ● We specify the contents we should preferentially cope with. ● We disclose our accounting results through CSR reports , our website, and so on to our stakeholders. ● To respond to environmental questionnaires from our consumers and research agencies. ● The results can be used as reference values for avoided emissions from products and services.
□ Benefits of accounting	<ul style="list-style-type: none"> ● We can visualize the environmental impacts across the entire supply chain, and identify the achievements of our environmental impacts reduction activities. ● We can identify issues and create measures (by business, by product, by department, etc.) analysis.
□ Internal system for accounting	<ul style="list-style-type: none"> ● The environmental management department collects primary data from each other department (accounting, information system, development and design), use secondary data (emission factor DB), and then totalizes the data. ● We conduct third party verification of only Scope1 and Scope2 emissions, and we verify Scope3 emissions by a review with involvement of other departments.

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	Companies' approach
<p>□ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> ● For us, we believe that category 11: “Use of sold products”, and then category 1 “Purchased goods and services” is important from our emission ratio. ● We promote eco-friendly design in category 11: “Use of sold products”. We conduct environmental assessments during product development, and we work on reducing resource consumption and CO2 throughout the lifecycle. We set environmental contribution (avoided emissions in the market) by core products and services (sales of solar PCS, hydro electric power, and others) as mid-term goal. ● We work on green procurement in category 1 “Purchased goods and services” . From FY2015 , we have helped suppliers obtain EMS, by holding Eco Action 21 workshops. ● We implement energy saving measures in our rental property (ThinkPark, Ohsaki, Shinagawa district) related to Category 13: Leased assets (downstream) by such as a thermal storage air conditioning system and gas cogeneration. In addition, we work on reducing Category 4: Transportation and delivery (upstream) emissions , such as modal shifts. ● In the years ahead, we will continue to develop the initiatives written above, and promote environmental measures across the entire supply chain.
<p>□ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> ● Currently, primary data is collected only from the activities by MEIDENSHA CORPORATION itself. We regard emissions from consolidated subsidiaries, including overseas business bases, indicate the same trend, so we will use primary data of overseas business bases in the future. ● We have not only quantified the environmental impacts throughout the value chain of global warming, but also water resources. ● Emissions accounting needs to be conducted efficiently, while considering the data quality (accuracy), in order to minimize its workload.

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MEIDENSHA CORPORATION

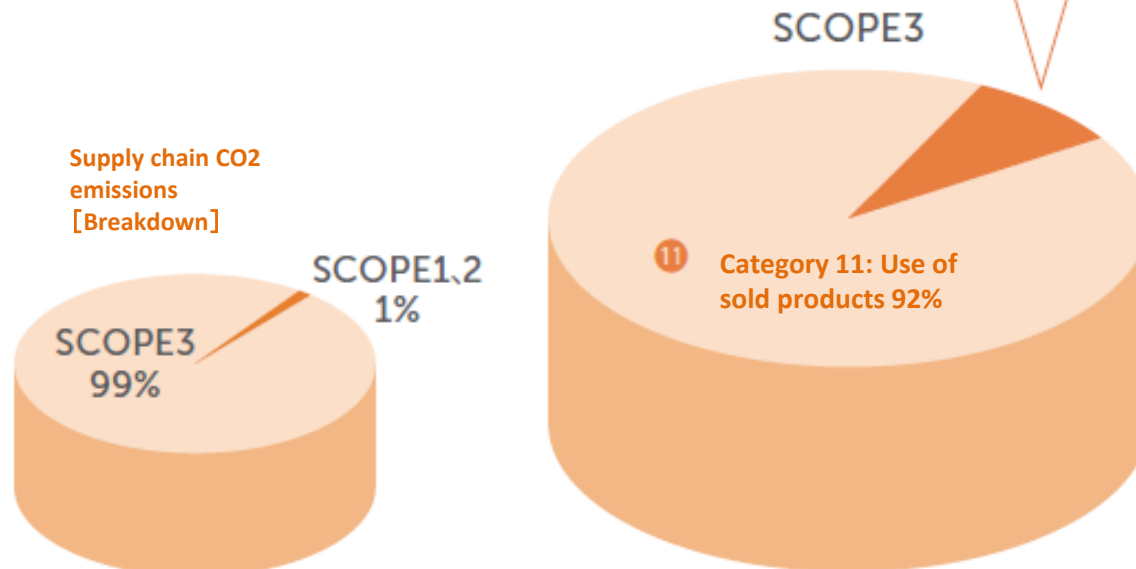
Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Purchase amount (materials, expendables, services etc.)	● 3EID
Category 2: Capital goods	● Investments in fixed assets	● Emission factor database created by Ministry of Environment
Category 3: Fuel and energy related activities not included in Scope 1 or 2	● Electricity consumption (electricity etc.)	● CFP-DB
Category 4: Transportation and delivery (upstream)	● Transportation expenses (freight charges, storage fees, packaging costs etc.)	● 3EID
Category 5: Waste generated in operations	● Amount of waste discharged, by type	● Emission factor database created by Ministry of Environment
Category 6: Business travel	● Transportation expenses paid (travel expenses etc.)	● 3EID
Category 7: Employee commuting	● Transportation expenses paid (commuting allowance etc.)	● 3EID
Category 8: Leased assets (upstream)	● Out of scope because calculations are included in SCOPE1,2	—
Category 9: Transportation and delivery (downstream)	● Activity data at distributor etc.	● 3EID
Category 10: Processing of sold products	● Out of scope because many of our products are molded products	—
Category 11: Use of sold products	● Roughly calculated by setting operating conditions such as operating ratio	● 3EID
Category 12: End-of-life treatment of sold products	● The assumed disposal costs of the sold products	● 3EID
Category 13: Leased assets (downstream)	● Energy consumption at rental property	● Emission factor database created by Ministry of Environment
Category 14: Franchises	● Out of scope because it is not our business	—
Category 15: Investments	● Out of scope because our stocks are not for investment	—
Other	● Not included in the scope of calculations, because it is an option	—

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Accounting results

- ① Category 1: Purchased goods and services 7.5%
- ② Category 2: Capital goods 0.38%
- ③ Category 3: Fuel and energy related activities not included in Scope 1 or 2 0.01%
- ④ Category 4: Transportation and delivery (upstream) 0.01 %
- ④ Category 4: Transportation and delivery (downstream) 0.01%
- ⑤ Category 5: Waste generated in operations 0.01%
- ⑥ Category 6: Business travel 0.03 %
- ⑦ Category 7: Employee commuting 0.01 %
- ⑫ Category 12: End-of-life treatment of sold products 0.04%
- ⑬ Category 13: Leased assets (downstream) 0.15%



※We account our supply chain emissions based on “Basic Guideline for Greenhouse Gas Emissions Throughout the Supply Chain (ver. 2.0)”