

## 1

## Mizuno Corporation

	<b>Companies' approach</b>
<p><b>□ Background and purpose of accounting</b></p>	<ul style="list-style-type: none"> <li>● OEM production has been the majority of whole production, so the importance of CO2 reduction initiatives not only from our group but also considering the whole supply chain from a life cycle perspective has been increasing.</li> <li>● To identify categories with high reduction potentials upon conducting CO2 reduction measures across the entire supply chain, and prioritizing initiatives will show higher cost effectiveness.</li> </ul>
<p><b>□ Utilization of accounting results</b></p>	<ul style="list-style-type: none"> <li>● To prioritize the CO2 reduction measures, conducted in cooperation with the parties in the supply chain.</li> <li>● To fulfill accountability by publicizing the results in our CSR Reports, publically available on our website, and as a resource to make responses to external surveys and to advertise our environmental activities at various events.</li> </ul>
<p><b>□ Benefits of accounting</b></p>	<ul style="list-style-type: none"> <li>● By visualizing the CO2 emissions and its ratio by category, we can conduct effective measures considering both the categories with larger emissions, and the feasibility of the specific reduction measures for each category.</li> </ul>
<p><b>□ Internal system for accounting</b></p>	<ul style="list-style-type: none"> <li>● The secretariat (Legal Affairs &amp; CSR Section, Legal Affairs Department), coordinates the whole process and take charge of collecting data and accounting. The data will be provided by relative groups and relative departments in cooperation with the secretariat.</li> </ul>

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## Companies' approach

**□ Efforts to reduce supply chain emissions**

- As a CSR procurement activity, we have been auditing (monitoring) the aspects of the human rights, labor conditions and environmental conservation of the supply chain from 2004. Among them, we have been auditing and correcting the adherence to each law associated with the environment, and in the future we will actively propose specific measures for the initiatives towards reducing CO2 emissions, include it into the auditing, and measure the reduction effects.

**□ Issues in supply chain emissions accounting**

- There are issues of how far we can examine in detail the activities data which are difficult to identify, how much manual processing operation we can decrease and how much systematic calculation we can conduct.
- If the effects of the specific reduction measures that were conducted in the supply chain does not link with emission factors for calculating, than the effects will not appear as a numerical value, /so reviewing on what kind of emission factors should be used might be necessary, depending on the reduction measures.

**□ Other remarks**

- The principle scope of accounting is the activities by “The domestic Mizuno group companies including subsidiaries”, but Category 1, 4, 5, 9, 12 are not yet calculated for part of our subsidiaries.

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Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Merchandise cost data</li> <li>Materials for sale</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> <li>CFP basic database*2</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Amount of capital investment</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Fuel and electricity consumption</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> <li>CFP basic database*2</li> </ul>
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> <li>Ton-kilometers of procurement and shipping due to scenario setting with the CFP-PCR uniform as a reference</li> </ul>	<ul style="list-style-type: none"> <li>CO2 calculation tool of the transportation company</li> <li>Emission factor data base*1</li> <li>CFP basic database*2</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>The amount of waste from offices</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>The number of days spent on business</li> <li>The number of employees</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>Commuting expense paid</li> <li>Commuting distance</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> </ul>
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> <li>CO2 emissions calculated by the warehouse company</li> <li>Lease expenses</li> <li>Lease area</li> </ul>	<ul style="list-style-type: none"> <li>Scope2 emissions at the warehouse leasing company</li> <li>Emission factor data base*1</li> </ul>
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> <li>Ton-kilometers of procurement and shipping due to scenario setting with the CFP-PCR uniform as a reference</li> </ul>	<ul style="list-style-type: none"> <li>CFP basic database*2</li> </ul>
Category 10: Processing of sold products	<ul style="list-style-type: none"> <li>There are some products that are relevant, but calculations are ignored because the amount is extremely small among the sales ratio</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 amount is extremely small among the sales ratio</li> </ul>	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> <li>Shipping data</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> </ul>
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> <li>There are no relevant activities</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>Investment ratio of the portfolio company</li> </ul>	<ul style="list-style-type: none"> <li>CO2 emissions publicized by the portfolio company</li> </ul>
Other	<ul style="list-style-type: none"> <li>Not calculated because it is an option category</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor data base*1</li> <li>CFP basic database*2</li> </ul>

\*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 (domestic data).

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## Accounting results

Scope	CO <sub>2</sub> emissions(t-CO <sub>2</sub> )	Ratio Breakdown
Scope1	2,905	0.8%
Scope2	6,714	1.9%
Scope3	343,686	97.3%

Category	CO <sub>2</sub> emissions(t-CO <sub>2</sub> )	Ratio Breakdown
1.Purchased goods and services	283,195	80.2%
2.Capital goods	4,435	1.3%
3.Fuel and energy	910	0.3%
4.Upstream transportation and distribution	8,384	2.4%
5.Waste generated in operations	235	0.1%
6.Business travel	2,316	0.7%
7.Employee commuting	2,899	0.8%
8.Lease assets	3,737	1.1%
9.Downstream transportation and distribution	234	0.1%
12.End-of-life treatment of sold products	32,500	9.2%
15.Investments	4,841	1.4%

