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Taiho Pharmaceutical Co., Ltd.

| | Companies' approach |
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| ① Background and purpose of accounting | <ul style="list-style-type: none"> Taiho Pharmaceutical has its environmental policy and makes active and continuous efforts to protect the global environment and reduce environmental impact in all of its business operations, from R&D to production, distribution, marketing, and disposal. We implemented accounting for not only Scope1, Scope2, but also Scope 3 emissions in order to understand the environmental impacts across our business operations. |
| ② Utilization of accounting results | <ul style="list-style-type: none"> Our GHG emissions reduction targets have been certified by the Science Based Targets (SBT) Initiative. To improve our accountability towards stakeholders including other operators who constitute our value chain, by visualizing and independently publicizing the value chain emissions. As a reference to make responses to questionnaires, including surveys from CDP. |
| ③ Benefits of accounting | <ul style="list-style-type: none"> By accounting and identifying the emissions in our value chain by categories, we can clarify the categories with large emissions and the components with high potentials of emissions reduction in our value chain, and implement effective reduction measures across our value chain. By encouraging other operators who constitute our value chain to disclose information, we can cooperate with the operators to advance the reduction of GHG emissions. |
| ④ Internal system for accounting | <ul style="list-style-type: none"> The relevant departments in our company collect activity data, and the Environment Management Section of the General Affairs Department is in charge of accounting. |

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Taiho Pharmaceutical Co., Ltd.

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| ⑤ Efforts to reduce supply chain emissions | <ul style="list-style-type: none"> • We sequentially conduct emissions reductions from items which are easier to approach, such as reducing containers and packaging, and reducing business trips by introducing web conferences. • We introduced eco-cars, and we aim to improve the fuel consumption in our leased company cars. • Regarding transportation, we collaborated with our group companies to advance modal shifts and so on. |
| ⑥ Issues in supply chain emissions accounting | <ul style="list-style-type: none"> • We have not completely covered the entire data. We accounted countable data and important data. |
| ⑦ Other | <ul style="list-style-type: none"> • |

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Taiho Pharmaceutical Co., Ltd.

| Category | Accounting methods ※Accounting period : Jan 2018 - Dec 2018 | |
|---|--|---|
| | Activity data | Emission factor |
| Category 1: Purchased goods and services | <ul style="list-style-type: none"> Amount of materials procured | <ul style="list-style-type: none"> Volume-based and value-based emission factor * |
| Category 2: Capital goods | <ul style="list-style-type: none"> Purchased amount for capital goods | <ul style="list-style-type: none"> Value-based emission factor * |
| Category 3: Fuel and energy related activities not included in Scope 1 or 2 | <ul style="list-style-type: none"> Energy consumption from use of fuel, electricity or steam | <ul style="list-style-type: none"> Emission factor per energy used * Emission factor per fuel ty * |
| Category 4: Transportation and delivery (upstream) | <ul style="list-style-type: none"> Fuel consumption from transportation by cargo owner Transportation volume of the procured products and services | <ul style="list-style-type: none"> The reporting values of the Act on the Rational Use of Energy * Transportation scenario ton-kilometer approach * |
| Category 5: Waste generated in operations | <ul style="list-style-type: none"> Amount of waste discharged, by type | <ul style="list-style-type: none"> Emission factor by type of waste * |
| Category 6: Business travel | <ul style="list-style-type: none"> Transportation expenses paid, by mode of transportation | <ul style="list-style-type: none"> Emission factor per transportation expense that the company owes * |
| Category 7: Employee commuting | <ul style="list-style-type: none"> Transportation expenses paid | <ul style="list-style-type: none"> Emission factor per transportation expense that the company owes * |
| Category 8: Leased assets (upstream) | <ul style="list-style-type: none"> Fuel consumption of leased company cars | <ul style="list-style-type: none"> Emission factor per energy used * |

* Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.6)

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Taiho Pharmaceutical Co., Ltd.

| Category | Accounting methods ※Accounting period : Jan 2018 - Dec 2018 | |
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| | Activity data | Emission factor |
| Category 9: Transportation and delivery (downstream) | <ul style="list-style-type: none"> Estimated ton-kilometers in downstream distribution | <ul style="list-style-type: none"> Transportation scenario ton-kilometer approach * |
| Category 10: Processing of sold products | <ul style="list-style-type: none"> There are no relevant activities | <ul style="list-style-type: none"> |
| Category 11: Use of sold products | <ul style="list-style-type: none"> There are no relevant activities | <ul style="list-style-type: none"> |
| Category 12: End-of-life treatment of sold products | <ul style="list-style-type: none"> Containers and packaging of products | <ul style="list-style-type: none"> Emission factor by type of waste * |
| Category 13: Leased assets (downstream) | <ul style="list-style-type: none"> There are no relevant activities | <ul style="list-style-type: none"> |
| Category 14: Franchises | <ul style="list-style-type: none"> There are no relevant activities | <ul style="list-style-type: none"> |
| Category 15: Investments | <ul style="list-style-type: none"> Not included in the scope of calculations, because we determined that we do not conduct investment to earn profit and we are not an enterprise that provides financial services | |
| Other | <ul style="list-style-type: none"> Not included in the scope of calculations, because it is an option category | |

* Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.6)

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Taiho Pharmaceutical Co., Ltd.

Supply chain emissions : Accounting results

