

1

NEC Corporation

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> As our own business operations are becoming in part outsourced, the focus of environmental factors has been shifting to the outside accordingly. On the other hand, we have become increasingly aware of the need to perceive our environmental impact and made efforts to reduce it as a whole across our entire supply chain. In addition, our supply chain emissions accounting is also meant to respond to requests from stakeholders for information disclosure.
② Utilization of accounting results	<ul style="list-style-type: none"> Findings from our accounting have been made publicly available in our environmental reports, etc. since FY 2012 as the result of environmental activities. We intend to keep track of developments in CO2 emissions through comprehension of them by category, thereby setting out measures to be taken in the future.
③ Benefits of accounting	<ul style="list-style-type: none"> By keeping track of changes over time, we will be able to better understand the extent of our impacts by category. We will become more aware of our group's internal environmental activities through cooperative efforts with other departments for emissions accounting. Transparency on the information of the environmental impact is improved, we will be more highly appreciated in external evaluation.
④ Internal system for accounting	<ul style="list-style-type: none"> Environmental data are collected from NEC Group companies' environmental departments and divisions. In addition, accounting and logistics, etc. also provide relevant information. Emissions-related data are also collected from our suppliers (160 companies), and the environmental management promotion division account for such emissions.

2

NEC Corporation

	Companies' approach
<p>⑤ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> • Emissions resulting from the use of sold products have been a major contributor, representing a large percentage of our overall emissions. Accordingly, we have been seeking continued improvement in performance of our products during use. • On the other hand, emissions from outsourced manufacturing operations are not covered by Scope 1 and 2 in accounting, and therefore we will be looking to reduce these Scope 3 emissions in cooperation with our outside stakeholders such as suppliers. To further step, from FY2018 a questionnaire was implemented. We introduced a system to honor excellent cases of environmental activities accompanying business activities. We are trying to construct a system that can reduce environmental impact together in the supply chain.
<p>⑥ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> • Expansion of information sources from upstream of supply chain. • Expansion of external cooperation relationship and establishment of internal system with expansion.
<p>⑦ Other</p>	<ul style="list-style-type: none"> • Our accounting results have received third party review for verification (Scope 1,2,3,). • Certificated on CO2 emission reduction target of Scoope1, 2 and 3 from SBTi on Oct. 2018.

3

NEC Corporation

Category	Accounting methods	※Accounting period : April 2018 – March 2019	
	Activity data	Emission factor	
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Amount of (raw) materials procured (in value terms) LCA data Data from outside suppliers 3EID-based emission factor amount of (raw) materials procured per amount of money 	<ul style="list-style-type: none"> Emission factor per amount of energy *1 3EID - based emission factor per amount of money 	
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of money of capital goods procured 	<ul style="list-style-type: none"> 3EID - based emission factor per amount of money 	
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and steam energy usage 	<ul style="list-style-type: none"> Emission factor per energy used *1 	
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Amount of fuel used by us as the sender for transportation Amount of distribution - related activities (in value terms) 	<ul style="list-style-type: none"> Emission factor per fuel used *2 	
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 waste type *1 	
Category 6: Business travel	<ul style="list-style-type: none"> Transportation expenses paid 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid *1 	
Category 7: Employee commuting	<ul style="list-style-type: none"> Transportation expenses paid 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid *1 	
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Otherwise accounted for in Scope 1 and 2 	<ul style="list-style-type: none"> — 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> CFP accounting method applied 	<ul style="list-style-type: none"> Emission factor per fuel used *2 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> Amount of semi - manufactured goods sold (in value terms) LCA data 	<ul style="list-style-type: none"> Emission factor per energy used *1 	
Category 11: Use of sold products	<ul style="list-style-type: none"> Amount of materials procured (in value terms) LCA data 	<ul style="list-style-type: none"> Emission factor per energy used *1 	
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Weight of waste by material Product data 	<ul style="list-style-type: none"> Emission factor per weight *1 	
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Included in Category 15 below 	<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"> Energy usage in Scope 1 and 2 for companies for which the equity method is applicable. 	<ul style="list-style-type: none"> Emission factor per energy used *1 	
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"> — 	

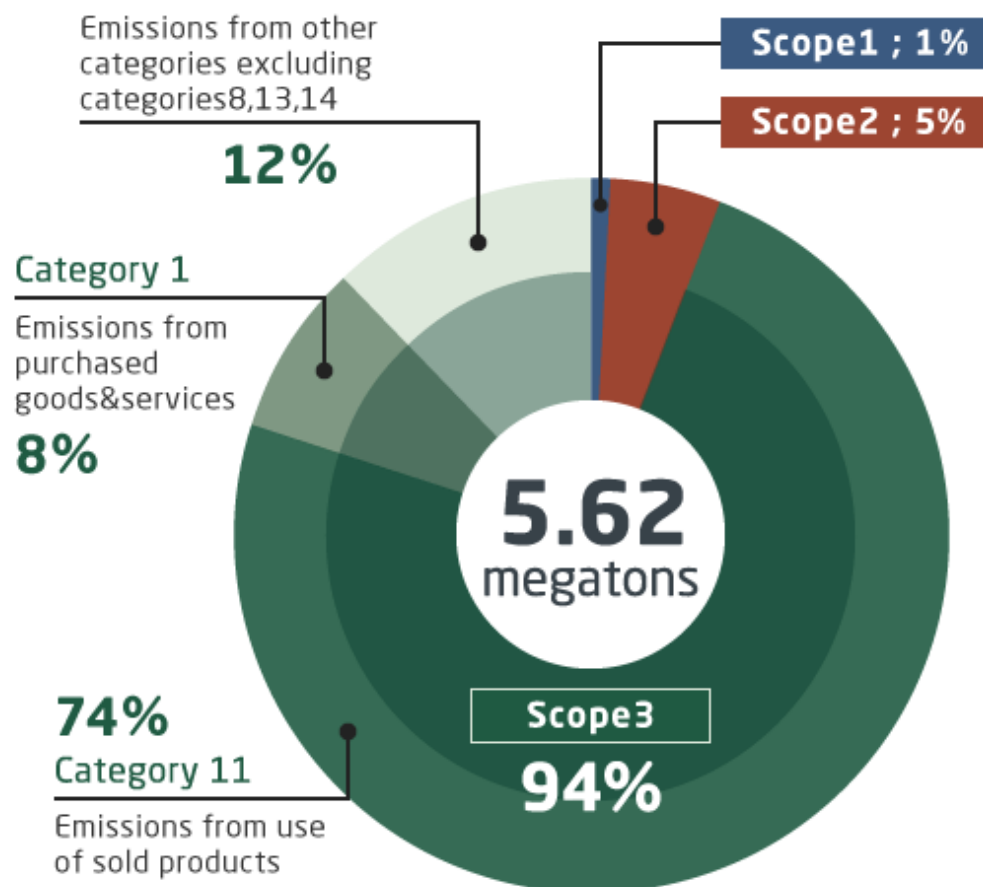
*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.0)

*2 ton - kilometer approach "Carbon Footprint Communication Program Basic Database ver.1.01"

4

NEC Corporation

Supply chain emissions : Accounting results



Scope 1		52
Scope 2		277
Scope 3		5,295
Category 1	Purchased goods and services	435
Category 2	Capital goods	335
Category 3	Fuel and energy related activities not included in Scope 1 and 2	159
Category 4	Transportation and delivery (upstream)	80
Category 5	Waste generated in operation	8
Category 6	Business travel	51
Category 7	Employee commuting	16
Category 8	Leased assets (upstream)	0
Category 9	Transportation and delivery (downstream)	1
Category 10	Processing of sold products	12
Category 11	Use of sold products	4,183
Category 12	End-of-life treatment of sold products	5
Category 13	Leased assets (downstream)	0
Category 14	Franchises	0
Category 15	Investments	10