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NIPPON EXPRESS CO., LTD.

Companies' approach

<p>① Background and purpose of accounting</p>	<ul style="list-style-type: none"> We aim to promote GHG emissions reduction activities, by appropriately disclosing information as part of our CSR activities, and identifying GHG emissions throughout the supply chain.
<p>② Utilization of accounting results</p>	<ul style="list-style-type: none"> We will announce the accounting results in our CSR reports, questionnaires, etc. We will use the results when confirming the effectiveness of emissions reduction and when studying reduction measures.
<p>③ Benefits of accounting</p>	<ul style="list-style-type: none"> We were able to reconfirm that the emissions from our cooperating companies were relatively high, upon identifying the emissions from each category in the overall supply chain. (Emissions ration from Category 1 of Scope 3 were more than 76% among the overall GHG emissions)
<p>④ Internal system for accounting</p>	<ul style="list-style-type: none"> Data was collected and calculated by the CSR Promotion Division.

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Companies' approach

⑤ Efforts to reduce supply chain emissions

- Work mainly centering on transport that is subcontracted to our cooperating companies accounts for 76 percent of our greenhouse gas emissions, so it is important to cooperate with these cooperating companies to reduce greenhouse gas emissions. Therefore, we will consider how to create an actual structure with our cooperating companies.

⑥ Issues in supply chain emissions accounting

- Many categories in Scope 3 are calculated based on the amount of the purchase price, which cannot reflect efforts of emission reduction to accounting, so it is necessary to build a mechanism of collecting emissions data individually from transport operators.

⑦ Other

- Of our CO2 emissions data for FY 2018, Scopes 1+2 (CO2 emissions from fossil fuel use) of Nippon Express Co., Ltd. and 159 domestic group companies and Scope 3 (only Category 1) of Nippon Express Co., Ltd. went through third party verification based on ISO14064-3:2006.

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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 materials procured, amount paid from our partners. 	<ul style="list-style-type: none"> Emission factor per procured amount (※1)
Category 2: Capital goods	<ul style="list-style-type: none"> Amount of capital investment 	<ul style="list-style-type: none"> Emission factor per price of capital investment (※1)
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and fuel usage 	<ul style="list-style-type: none"> Emission factor per electricity used (※1) Emission factor by type of fuel(※2)
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Estimated from the packing materials cost purchase amount 	<ul style="list-style-type: none"> Emission factor per ton-kilometers in transportation (※2)
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Emissions by type of waste 	<ul style="list-style-type: none"> Emission factor by type of waste (※1)
Category 6: Business travel	<ul style="list-style-type: none"> Business travel expenses paid 	<ul style="list-style-type: none"> Emission factor by transportation mode (※1)
Category 7: Employee commuting	<ul style="list-style-type: none"> Commuting expenses paid 	<ul style="list-style-type: none"> Emission factor by transportation mode (※1)
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Not applicable (Calculated in Scope 1 and 2) 	<ul style="list-style-type: none">
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> No relevant activities 	<ul style="list-style-type: none">
Category 10: Processing of sold products	<ul style="list-style-type: none"> No relevant activities 	<ul style="list-style-type: none">
Category 11: Use of sold products	<ul style="list-style-type: none"> No relevant activities 	<ul style="list-style-type: none">
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Included in category 5 	<ul style="list-style-type: none">
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> No relevant activities 	<ul style="list-style-type: none">
Category 14: Franchises	<ul style="list-style-type: none"> No relevant activities 	<ul style="list-style-type: none">
Category 15: Investments	<ul style="list-style-type: none"> Scope 1 and 2 figures announced by companies invested in 	<ul style="list-style-type: none"> Percentage of shares owned
Other	<ul style="list-style-type: none"> Calculations are ignored because it is an option category 	<ul style="list-style-type: none">

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

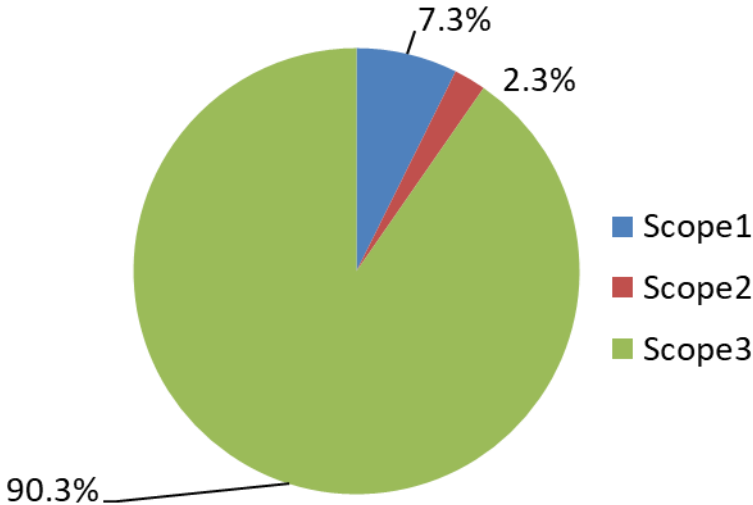
(※2) The Tentative Database of GHG Emission Factors for the CFP Pilot Project ver.4.01(Domestic Data)

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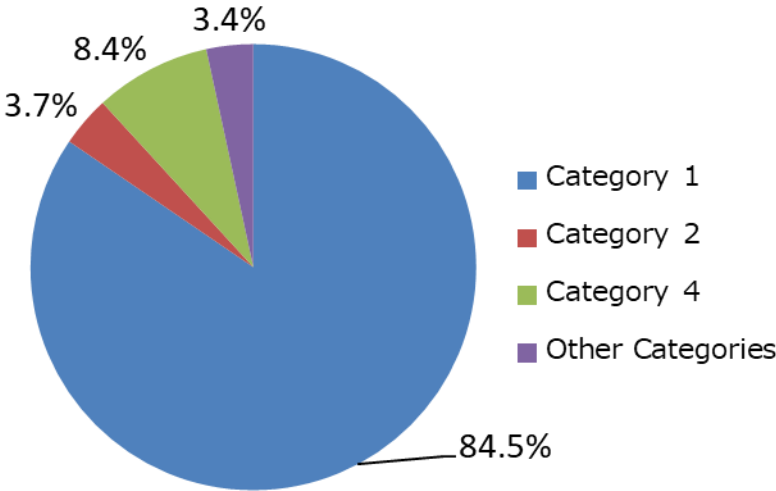
Supply chain emissions : Accounting results

- Supply chain emissions(FY2018)

■ Ratio of Scope3
(Nippon Express Group, FY2018)



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(Nippon Express Group, FY2018)



(Notes) Scopes 1, 2 and 3 represent the total emissions of Nippon Express Group.