

## 1

## Mizuno Corporation

	<b>Companies' approach</b>
① <b>Background and purpose of accounting</b>	<ul style="list-style-type: none"> <li>● To identify important categories by visualizing Scope 3 emissions, and to make use of it for medium- to long-term strategy to achieve a low-carbon society</li> <li>● OEM production has been the majority of whole production, so CO<sub>2</sub> emissions reduction initiatives not only from our group but also on a life cycle basis, considering the whole supply chain is of high importance.</li> </ul>
② <b>Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>● To prioritize the CO<sub>2</sub> reduction measures in Scope 3.</li> <li>● To fulfill accountability to stakeholders by publicizing the results in our SUSTAINABILITY REPORT, 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>
③ <b>Benefits of accounting</b>	<ul style="list-style-type: none"> <li>● By visualizing the total CO<sub>2</sub> emissions, we can select target categories and examine specific reduction measures.</li> <li>● We can make good use of it to respond to various surveys and questionnaires from outside.</li> </ul>
④ <b>Internal system for accounting</b>	<ul style="list-style-type: none"> <li>● The secretariat coordinates the whole process and take charge of collecting data and accounting. The data will be provided by relative groups and relative departments.</li> </ul>

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	<b>Companies' approach</b>
<p>⑤ <b>Efforts to reduce supply chain emissions</b></p>	<ul style="list-style-type: none"> <li>● As a reduction measure for category 1, we have conducted an LCA of representative products. More specific CO<sub>2</sub> emission factors have been identified, against which we will take specific measures in the future.</li> <li>● 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. In the future we will actively propose specific measures for the initiatives towards reducing CO<sub>2</sub> emissions, and work in collaboration.</li> </ul>
<p>⑥ <b>Issues in supply chain emissions accounting</b></p>	<ul style="list-style-type: none"> <li>● There are issues of how far we can examine in detail the activities data which are difficult to identify or with coarse granularity, how much manual processing operation we can decrease and how much systematic calculation we can conduct.</li> <li>● 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.</li> </ul>
<p>⑦ <b>Other</b></p>	<ul style="list-style-type: none"> <li>● 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.</li> </ul>

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## Mizuno Corporation

Category	Accounting methods	※Accounting period : April 2019 – March 2020	
	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>CO<sub>2</sub> 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>CO<sub>2</sub> 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>CO<sub>2</sub> 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).

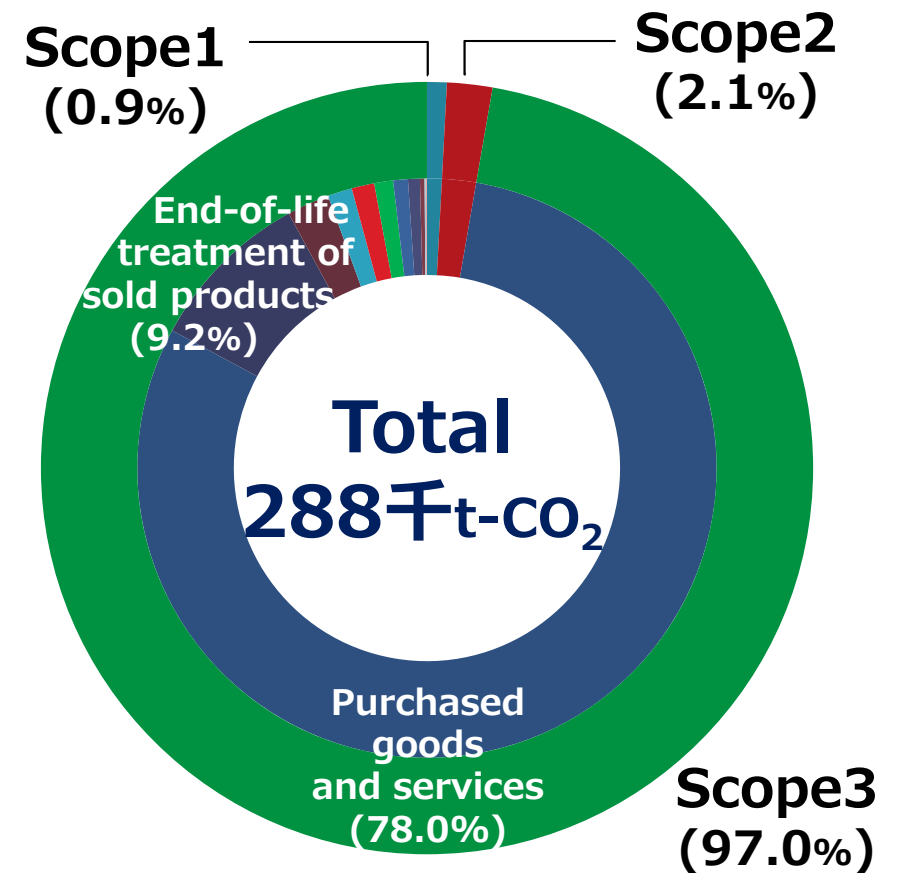
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## Mizuno Corporation

## Accounting results

Scope	CO <sub>2</sub> emissions(t-CO <sub>2</sub> )	Ratio Breakdown
Scope1	2,471	0.9%
Scope2	6,125	2.1%
Scope3	279,001	97.0%

Category	CO <sub>2</sub> emissions(t-CO <sub>2</sub> )	Ratio Breakdown
1.Purchased goods and services	224,213	78.0%
2.Capital goods	6,080	2.1%
3.Fuel and energy	810	0.3%
4.Upstream transportation and distribution	8,162	2.8%
5.Waste generated in operations	207	0.1%
6.Business travel	1,799	0.6%
7.Employee commuting	2,497	0.9%
8.Leased assets	3,307	1.1%
9.Downstream transportation and distribution	340	0.1%
12.End-of-life treatment of sold products	26,519	9.2%
15.Investments	5,067	1.8%



\*Scope of accounting: The domestic Mizuno group companies including subsidiaries