

|  | Company thinking   |
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| <b>□ Background and purpose for accounting</b> | <ul style="list-style-type: none"> <li>● The Nipponham Group has aggregated Scope 1 &amp; 2 data from all our business sites in Japan. We use Scope 3 accounting to understand overall environmental impacts from our supply chain.</li> <li>● Accounting results are used as reference materials to identify risks and opportunities with regard to Scope 3 emissions, while clarifying chances for emission reductions.</li> <li>● By recognizing environmental impact in Scope 3, we work to reduce lifecycle emissions of products.</li> </ul>   |
| <b>□ Utilization of accounting results</b>     | <ul style="list-style-type: none"> <li>● To respond to enquiries and surveys from external parties. To do so, we coordinate a certain system in the company.</li> <li>● To share accounting results in the company, providing occasions to recognize how each one or each section in business operations could give impacts on the environment.</li> </ul>   |
| <b>□ Advantages of accounting</b>              | <ul style="list-style-type: none"> <li>● It clarifies which division (in the company) should handle relevant data for each category. Moreover, it increases environmental awareness because each division in charge of data handling become more conscious on how to utilize the data.</li> <li>● This is a good chance to raise awareness to promote GHG emission reductions in our entire supply chain, through cooperation with suppliers related to the Nipponham Group.</li> <li>● Publication of Scope 3 accounting results enables us to present our corporate policy to stakeholders.</li> </ul> |
| <b>□ Internal accounting organization</b>      | <ul style="list-style-type: none"> <li>● The Environmental and Social Responsibility Office of the NH Food Ltd. conducts accounting based on data collected through the Group's environmental information sharing system, along with additional data prepare by each division as necessary.</li> <li>● If there are lacks of necessary data, we set a certain scenario to conduct assumptions.</li> </ul>  |

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| <input type="checkbox"/> To reduce supply chain emissions            | <ul style="list-style-type: none"><li>● Each division understands environmental impacts from relevant areas in the supply chain and then work to eliminate inefficiencies, leading to a more efficient management.</li></ul>   |
| <input type="checkbox"/> Tasks to account for supply chain emissions | <ul style="list-style-type: none"><li>● There are some data we couldn't obtain (such as electricity use for refrigerators used in suppliers' or customers' operation centers ). In such case, we wish to use projected values, if available, that simplify the accounting.</li></ul> |
| <input type="checkbox"/> Other comments (optional)                   |  |

| Category   | Accounting methods  |   |
|--|---|---|
|  | Activity data   | Emission factor   |
| Category 1: Purchased goods and services   | <ul style="list-style-type: none"> <li>Purchased volume of raw materials, packages and cardboard</li> </ul>   | <ul style="list-style-type: none"> <li>Volume-based emission factor</li> </ul>  |
| Category 2: Capital goods  | <ul style="list-style-type: none"> <li>Amount of capital investment for capital goods</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor per amount of capital goods</li> </ul>   |
| Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | <ul style="list-style-type: none"> <li>Electricity and fuels purchased</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor by type of energy</li> </ul>   |
| Category 4: Upstream transportation and distribution                                 | <ul style="list-style-type: none"> <li>Purchased volume and travel distance by raw material</li> <li>Ton-kilometer approach based on travel distance and loading weight (for trucks)</li> </ul> | <ul style="list-style-type: none"> <li>Emission factor for transportation stage</li> </ul>  |
| Category 5: Waste generated in operations  | <ul style="list-style-type: none"> <li>Waste generation by type of treatment method</li> <li>Ton-kilometer approach based on travel distance and loading weight (for trucks)</li> </ul>         | <ul style="list-style-type: none"> <li>Emission factor by type of waste treatment method</li> <li>Emission factor for transportation stage</li> </ul> |
| Category 6: Business travel  | <ul style="list-style-type: none"> <li>Travel expense that the company owes per transportation mode</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor by transportation mode</li> </ul>  |
| Category 7: Employee commuting   | <ul style="list-style-type: none"> <li>Travel expense that the company owes per transportation mode</li> </ul>  | <ul style="list-style-type: none"> <li>Emission factor by commuting mode</li> </ul>   |
| Category 8: Upstream leased assets   | <ul style="list-style-type: none"> <li>NA</li> </ul>  | <ul style="list-style-type: none"> <li></li> </ul>  |
| Category 9: Downstream transportation and distribution                               | <ul style="list-style-type: none"> <li>Ton-kilometer approach based on travel distance and loading weight (for trucks)</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor for transportation stage</li> </ul>  |

| Category  | Accounting methods   |  |
|---|--|--|
|   | Activity data  | Emission factor  |
| Category 10: Processing of sold products            | <ul style="list-style-type: none"> <li>Shipping volume of products for commercial use</li> <li>Way of processing sold products by customers, and their energy consumption during processing</li> </ul> | <ul style="list-style-type: none"> <li>Emission factor by type of energy</li> </ul>  |
| Category 11: Use of sold products                   | <ul style="list-style-type: none"> <li>Shipping volume of products for consumer use</li> <li>Way of processing sold products at home, and their energy consumption during processing</li> </ul>        | <ul style="list-style-type: none"> <li>Emission factor by type of energy</li> </ul>  |
| Category 12: End-of-life treatment of sold products | <ul style="list-style-type: none"> <li>Weight of leftover product</li> <li>Weight of containers/packaging materials waste</li> </ul>   | <ul style="list-style-type: none"> <li>Emission factor by type of waste</li> <li>Emission factor by type of containers/packaging material</li> </ul> |
| Category 13: Downstream leased assets               | <ul style="list-style-type: none"> <li>NA</li> </ul>   | <ul style="list-style-type: none"> <li></li> </ul>   |
| Category 14: Franchises                             | <ul style="list-style-type: none"> <li>NA</li> </ul>   | <ul style="list-style-type: none"> <li></li> </ul>   |
| Category 15: Investments                            | <ul style="list-style-type: none"> <li>NA</li> </ul>   | <ul style="list-style-type: none"> <li></li> </ul>   |