

	Companies' approach
□ Background and purpose of accounting	<ul style="list-style-type: none"> As we, with the NRI Group's corporate philosophy of "Dream up the future" in mind, look to build a more abundant future, and to preserve a global environment where people and nature live in harmony, our Group's executives and employees are working to actively pursue business activities with environmental considerations and mitigate negative environmental impact. Since the NRI Group operates our business by working together with numerous partners, we expect that capturing and understanding our supply chain emissions as well as direct and indirect GHG emissions from our own operations will allow more effective and efficient measures with a focus on the environmental load resulting from our entire business activities to be discussed and considered. We intend to comprehend our GHG emissions from our entire business activities including the supply chain and then communicate them positively to our stakeholders through integrated reports and CSR reports, etc.
□ Utilization of accounting results	<ul style="list-style-type: none"> We can use our accounting results to understand our GHG emissions by Category, thereby enabling both our business activities and environmental load to be evaluated accordingly. Disclosing relevant information positively through integrated reports and CSR reports, we can make the NRI Group's environmental efforts and activities properly understood by our stakeholders.
□ Benefits of accounting	<ul style="list-style-type: none"> By understanding our GHG emissions by Category, we will be able to identify areas of higher emissions, or areas where potential opportunities lie for emissions reduction, along the supply chain.
□ Internal system for accounting	<ul style="list-style-type: none"> The Environmental Activities Section accounts for our emissions, based on activity data collected from the relevant departments and divisions within the company and beyond.

	Companies' approach
▣ Efforts to reduce supply chain emissions	<ul style="list-style-type: none">• Our Group has been committed to reduced environmental load on a global scale, by seeking to make customers' business or a social system more efficient and productive through our various services and policy recommendations. We will continue to cooperate with those partners that are critically important to our supply chain emissions in order to take active measures for environmental load reduction.
▣ Issues in supply chain emissions accounting	<ul style="list-style-type: none">• As our business operations expand, most of supply chain emissions the NRI Group as a whole accounts for are expected to increase. Given that, in setting emissions targets for the future, we will need to establish those targets based on emission factors or the like, rather than the total amount of emissions.• Accounting methods used by companies will largely affect the supply chain emissions accounting results, which makes it difficult to make comparisons simply with other companies. Therefore, we will need to figure out our own appropriate emission level by keeping track of our emissions over time.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Business consign expenses, machinery expenses 	<ul style="list-style-type: none"> 3EID-based emission factor
Category 2: Capital goods	<ul style="list-style-type: none"> Buildings, machinery and equipment, furniture and fixtures, lease assets 	<ul style="list-style-type: none"> Emission factor per value of capital goods
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Energy emission use (Electricity, Cooling, Steam) 	<ul style="list-style-type: none"> Emission factor per electricity and heat used
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Not accounted for due to minor importance 	
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Not accounted for due to minor importance 	
Category 6: Business travel	<ul style="list-style-type: none"> Transportation expenses by mode 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid
Category 7: Employee commuting	<ul style="list-style-type: none"> Commuting transportation expenses by mode 	<ul style="list-style-type: none"> Emission factor per transportation expenses paid
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> N/A 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> Not accounted for due to minor importance 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> N/A 	
Category 11: Use of sold products	<ul style="list-style-type: none"> Actual sales units × annual electricity use per unit × expected useful life (annual electricity use per unit and expected useful life are based on the normal scenario that NRI made.) 	<ul style="list-style-type: none"> Emission factors of electric utility companies based on Calculating, Reporting and Announcing System of Greenhouse Gas Emissions
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Actual sales units × waste weight per unit (waste weight per unit is based on the normal scenario that NRI made.) 	<ul style="list-style-type: none"> Emission factor by type and disposal method of waste
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> Not accounted for due to minor importance 	
Category 14: Franchises	<ul style="list-style-type: none"> N/A 	
Category 15: Investments	<ul style="list-style-type: none"> N/A 	
Other		

Accounting results

