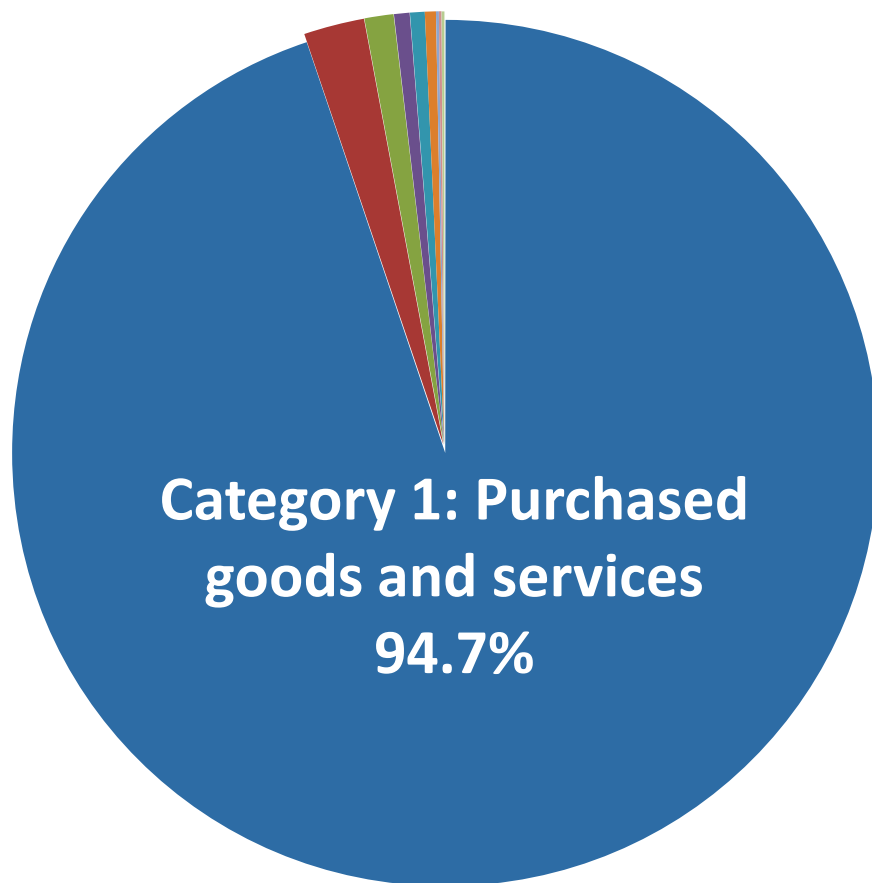


	Company thinking
❑ Background and purpose for accounting	<ul style="list-style-type: none"> ● For understanding CO₂ emissions from our entire supply chain.
❑ Utilization of accounting results	<ul style="list-style-type: none"> ● Accounting results revealed several issues in our supply chain. We take certain actions to solve them, which will reduce CO₂ emissions while cutting operational costs. ● Accounting results are disclosed in the CSR Reports of the Seven & i Holdings, our parent company. We also use the results to respond to environmental surveys from external parties.
❑ Advantages of accounting	<ul style="list-style-type: none"> ● We found this accounting useful because it clearly shows state of CO₂ emissions from all over the supply chain, covering far beyond our own. ● Emission breakdown by category helps us identify which areas would generate more emissions.
❑ Internal accounting organization	<ul style="list-style-type: none"> ● The Corporate Ethics and Culture Committee, a division in charge of CSR activities, conducted data collection from relevant departments, and then performed emissions accounting.

	Company thinking
<input type="checkbox"/> To reduce supply chain emissions	<ul style="list-style-type: none">● Category 1 “Purchased goods and services” has a significant share of our supply-chain emissions. Therefore, we will work to reduce emission from this category in cooperation with supplier companies.
<input type="checkbox"/> Tasks to account for supply chain emissions	<ul style="list-style-type: none">● We found difficulty in some items to obtain actual emission data. In such cases, we conducted estimations based on such as expenditures or sample surveys.
<input type="checkbox"/> Other comments (optional)	<ul style="list-style-type: none">● As an effort to reduce plastic bag use in cooperation with customers, we offer 2-yen deduction from total purchase amount to our customers who declined plastic bag at the check out counters.

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	● Wholesale cost by product type	● Emission factor per amount based on 3EID
Category 2: Capital goods	● Amount of capital investment	● Emission factor per amount based on 3EID
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	● Energy consumption	● Emission factor per energy used
Category 4: Upstream transportation and distribution	● Fuel consumption	● Emission factor per fuel used
Category 5: Waste generated in operations	● Weight of waste generated by type	● Emission factor per weight of waste generation by type of waste
Category 6: Business travel	● Travel expense that the company owes	● Emission factor per travel expense that the company owes
Category 7: Employee commuting	● Travel expense that the company owes	● Emission factor per travel expense that the company owes
Category 8: Upstream leased assets	Not included	
Category 9: Downstream transportation and distribution	● Transportation cost	● Emission factor per amount based on 3EID
Category 10: Processing of sold products	Not included	
Category 11: Use of sold products	<ul style="list-style-type: none"> ● Number of our PB's LED bulbs sold ● Number of washing for underwear 	<ul style="list-style-type: none"> ● Energy consumption at lighting x product lifetime ● Emissions per weight of related items for a washing * estimated from sales amount of garment
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> ● Weight of waste generated * Estimated from wholesale cost by product type 	● Emission factor per weight of waste generated
Category 13: Downstream leased assets	● Energy consumption by tenants	● Emission factor per energy used
Category 14: Franchises	NA	
Category 15: Investments	Not included	

Accounting result



Category 1	Purchased goods and services	94.7%
Category 2	Capital goods	2.3%
Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	1.1%
Category 4	Upstream transportation and distribution	0.6%
Category 5	Waste generated in operations	0.5%
Category 7	Employee commuting	0.4%
Category 11	Use of sold products	0.1%
Category 12	End-of-life treatment of sold products	0.1%
Category 13	Downstream leased assets	0.1%
Category 9	Downstream transportation and distribution	0.1%
Category 6	Business travel	0.01%