

	Companies' approach
□ Background and purpose of accounting	<ul style="list-style-type: none"> By accounting for Scope 3 emissions across the entire business operations of our Group, we aim to be able to comprehend group businesses' emissions profiles by Category and then discuss and establish specific future measures and activities to reduce emissions. We will continue to pursue more efficient efforts for GHG emissions reduction as a retailer, based on such an accounting approach in which the scope is extended to include the manufacturing of goods to be sold at our stores, customers' use of sold goods, the disposal of sold goods, and the travel and transportation for shopping customers. In this context, we have accounted for GHG emissions within a total set of 13 Categories, with additional sector-specific focuses on a voluntary basis, after excluding those 2 Categories irrelevant to our group out of the 15 Categories for Scope 3.
□ Utilization of accounting results	<ul style="list-style-type: none"> We will continuously check on developments in our GHG emissions, considering varied levels of significance and implications of accounting by Category. The accounting results from the above, along with trends in our emissions over time, will be contained and publicly available in our CSR or other reports for external communication. Findings will be used to respond to various questionnaire surveys and outline our environmental efforts or activities at a show.
□ Benefits of accounting	<ul style="list-style-type: none"> By quantifying our GHG emissions by Category, we have been enabled to draw on the results for identification of key target areas for emissions reduction, including processes with high emissions. By visualizing our GHG emissions quantitatively as stated above, we will be able to help inspire and motivate all the staff in our Group to further improve our CSR efforts or activities.
□ Internal system for accounting	<ul style="list-style-type: none"> The CSR promotion department of Marui Group plays a leading role in collecting numerical data and database information from the relevant divisions/departments of our group companies, and accounting for our GHG emissions including specific scenario settings for some cases.

	Companies' approach
□ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> Our group has been carrying out environmental efforts and activities through environmental practices together with our customers. We will seek to expand and enhance our commitments to CSR as represented by Marui's mantra "Marui Mirai ~ Minna Tsunagaru Marui Mirai". In terms of our group's GHG emissions across the supply chain, Category 1 has been a major contributor. On top of efforts undertaken so far, accordingly, our emissions within Category 1, which is thus a key area for us, will be likely to be addressed through possible collaborative action with our suppliers. Furthermore, we will continuously check on developments in our supply chain GHG emissions so that we can identify potential target areas for emissions reduction, and discuss and examine measures/actions to take such opportunities.
□ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> We have accounted for GHG emissions extending over a wider range of Categories (representing most of the Categories for Scope 3), including additional focuses on a voluntary basis. It should be noted, however, that reaching out to a wider scope of activities requires more efforts for accounting, which has been a burdensome task for us. For the future, we suppose we could possibly simplify accounting methods and processes by identifying those categories with lower emissions or less variability across years, considering objectives of accounting and uses of the results. Meanwhile, when it comes to those categories of emissions to be addressed through our efforts for emissions reduction across years, we will need to adopt a more refined approach to data collection and calculation that enables us to incorporate the effects of such efforts into the accounting results. For other areas of Scope 3 emissions from our Group, some of them are not covered by our current accounting method due, for example, to difficulties in collecting data. We will therefore consider and seek to collect data more continuously in order to comprehend and account for GHG emissions inclusively throughout our supply chain.
□ Other remarks	<ul style="list-style-type: none"> Our aim in accounting is to understand our GHG emissions across the entire supply chain relevant to our own business operations, thereby discussing to find out potential target areas for emissions reduction in the future. To accomplish this, we have accounted for GHG emissions within a total set of 13 Categories, including additional focuses on a voluntary basis, out of the 15 Categories for Scope 3 (remaining 2 Categories being irrelevant to our group). Sector-specific voluntary focuses include: Shopping customers' travel (as part of Category 9) and Washing and cleaning of sold apparel products (as part of Category 11).

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	• Costs of goods, and expenses for outsourcing	• Emission factor per amount of money *1
Category 2: Capital goods	• Capital investment amount	• Emission factor per amount of money *1
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Energy usage	• Emission factor per energy used *1,2
Category 4: Transportation and delivery (upstream)	• Shipping costs by outsourced suppliers	• Emission factor per amount of transportation cost *1
Category 5: Waste generated in operations	• Weight of waste	• Emission factor per weight (recycling) *1
Category 6: Business travel	• Transportation expenses paid	• Emission factor per amount of transportation expenses paid *1
Category 7: Employee commuting	• Commuting transportation expenses paid	• Emission factor per amount of transportation expenses paid *1
Category 8: Leased assets (upstream)	• Floor area of leased properties	• Emission factor per floor area
Category 9: Transportation and delivery (downstream)	• Number of customer traffic • Shopping customers' travel distance (market area)	• Emission factor per person-kilometer by mode of transportation *1
Category 10: Processing of sold products	• N/A	• N/A
Category 11: Use of sold products	• Weight of sold apparel products, by type • Number of times of washing & cleaning per year (our own scenario)	• Emissions per weight in terms of washing & cleaning of apparel products *3
Category 12: End-of-life treatment of sold products	• Weight of goods sold at Marui stores, discarded credit cards, and packaging materials	• Emission factor per weight of waste by material *1
Category 13: Leased assets (downstream)	• Floor area of leased properties	• Emission factor per floor area *1
Category 14: Franchises	• N/A	• N/A
Category 15: Investments	• Share holding ratio	• Disclosed CO2 emissions from investment destination
Other	• Calculations are ignored, because it is an option category	

*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.1)

*2 Ver.1.01 Carbon Footprint Communication Program Basic Database ver.1.01

*3 Carbon Footprint Product Category Rules (CFP-PCR) Subjected product: uniform

Accounting Percentages of Scope 3 Emissions

