1 NEC Corporation

	Companies' approach
□ **Background and purpose of accounting**	• As our own business operations are becoming in part outsourced, the focus of environmental factors has been shifting to the outside accordingly. In this context, we have become increasingly aware of the need to perceive our environmental impact as a whole across our entire supply chain. • In addition, our supply chain emissions accounting is also meant to respond to requests from stakeholders for information disclosure.
□ **Utilization of accounting results**	• Findings from our accounting have been made publicly available in our environmental reports, etc. since FY 2012 as the result of environmental activities. • We intend to keep track of developments in CO2 emissions through comprehension of them by category, thereby setting out measures to be taken in the future.
□ **Benefits of accounting**	• By keeping track of changes over time, we will be able to better understand the extent of our impacts by category. • We will become more aware of our group's internal environmental activities through cooperative efforts with other departments for emissions accounting. • We will be more highly appreciated in external evaluation.
□ **Internal system for accounting**	• Environmental data are collected from NEC Group companies' environmental departments and divisions. In addition, accounting and logistics, etc. also provide relevant primary information. • Emissions-related data are also collected from our suppliers (100 companies), and the environmental management promotion division account for such emissions.

2 NEC Corporation

	Companies' approach
☐ Efforts to reduce supply chain emissions	• Emissions resulting from the use of sold products have been a major contributor, representing a large percentage of our overall emissions. Accordingly, we have been seeking continued improvement in performance of our products during use. • Meanwhile, emissions from outsourced manufacturing operations are not covered by Scope 1 and 2 in accounting, and therefore we will be looking to reduce these Scope 3 emissions in cooperation with our outside stakeholders such as suppliers.
☐ Issues in supply chain emissions accounting	• Not particularly.
☐ Other	• Our accounting results have received third party review for verification (Scope 1,2,3,).

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NEC Corporation

Category	Accounting methods	
	Activity data	Emission factor
Category 1: Purchased goods and services	• Amount of (raw) materials procured (in value terms) • LCA data • Data from outside suppliers • 3EID-based emission factor amount of (raw) materials procured per amount of money	• Emission factor per amount of energy *1 • 3EID - based emission factor per amount of money
Category 2: Capital goods	• Amount of money of capital goods procured	• 3EID - based emission factor per amount of money
Category 3: Fuel and energy related activities not included in Scope 1 or 2	• Electricity and steam energy usage	• Emission factor per energy used *1
Category 4: Transportation and delivery (upstream)	• Amount of fuel used by us as the sender for transportation • Amount of distribution - related activities (in value terms)	• Emission factor per fuel used *2
Category 5: Waste generated in operations	• Amount of waste discharged, by type	• Emission factor by waste type *1
Category 6: Business travel	• Transportation expenses paid	• Emission factor per transportation expenses paid *1
Category 7: Employee commuting	• Transportation expenses paid	• Emission factor per transportation expenses paid *1
Category 8: Leased assets (upstream)	• Otherwise accounted for in Scope 1 and 2	• —
Category 9: Transportation and delivery (downstream)	• CFP accounting method applied	• Emission factor per fuel used *2
Category 10: Processing of sold products	• Amount of semi - manufactured goods sold (in value terms) • LCA data	• Emission factor per energy used *1
Category 11: Use of sold products	• Amount of materials procured (in value terms) • LCA data	• Emission factor per energy used *1
Category 12: End-of-life treatment of sold products	• Weight of waste by material • Product data	• Emission factor per weight *1
Category 13: Leased assets (downstream)	• Included in Category 15 below	• —
Category 14: Franchises	• Not applicable	• —
Category 15: Investments	• Energy usage in Scope 1 and 2 for companies for which the equity method is applicable.	• Emission factor per energy used *1
Other	• Not included in the scope of calculations, because it is an option	• —

*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.0)
*2 ton-kilometer approach “Carbon Footprint Communication Program Basic Database ver.1.01

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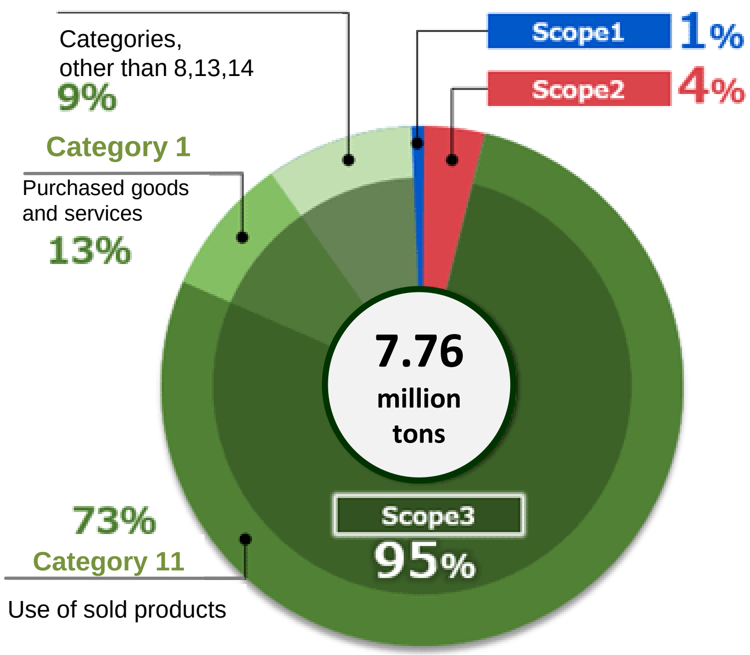
Accounting results

- Supply chain CO2 emissions（Scope1,2,3）results
- Fiscal year 2016：7.76 million tons（last fiscal year：9.65 million tons）



Scope1		5
Scope2		30
Scope3		741
Category1	Purchased goods and services	104
Category2	Capital goods	28
Category3	Fuel and energy related activities not included in Scope 1 or 2	13
Category4	Transportation and delivery (upstream)	8
Category5	Waste generated in operations	1
Category6	Business travel	4
Category7	Employee commuting	2
Category8	Leased assets (upstream)	0
Category9	Transportation and delivery (downstream)	0
Category10	Processing of sold products	5
Category11	Use of sold products	568
Category12	End-of-life treatment of sold products	1
Category13	Leased assets (downstream)	0
Category14	Franchises	0
Category15	Investments	7