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Misawa Homes Co., Ltd.

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> To increase awareness and activities for reducing greenhouse gas emissions throughout our group companies. By understanding the entire supply chain, we can conduct activities that increase awareness towards the entire environmental impacts. For the sake of global environment conservation, reducing the environmental impacts throughout the supply chain has become increasingly important and is getting to be a social requirement.
② Utilization of accounting results	<ul style="list-style-type: none"> To consider emissions reduction measures and to confirm its effectiveness in developing products and technologies. To disclose accounting results through our website, CSR reports, and to respond to various questionnaires.
③ Benefits of accounting	<ul style="list-style-type: none"> To clarify the reduction targets for all of our group companies, by understanding the entire supply chain and the emissions by categories.
④ Internal system for accounting	<ul style="list-style-type: none"> Data is collected from the relevant departments in the company, and the Corporate Communications Unit is in charge of accounting Each responsible department collects data in reference to energy usage in the production, transportation, construction and occupancy stages of buildings based on development, design and sales activities, as well as data regarding waste, business operations and others.

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	Companies' approach
⑤ Efforts to reduce supply chain emissions	<ul style="list-style-type: none"> • Promote products and parts, considering Category 1 “Purchased goods and services” and Category 11 “Use of sold products” which are a large portion of our CO2 emissions accounting. • Promote ZEH (Net Zero Energy Housing). • Promote supply of greener homes and supply software products regarding how to live in them. • Further promote material-saving designs and industrialized construction systems. • Engage with suppliers, to promote project proposals of CO2 emissions reduction activities.
⑥ Issues in supply chain emissions accounting	<ul style="list-style-type: none"> • Construct the automation system for reducing the workload regarding transition from collecting sample data to actual data. • Set targets by reviewing and expanding scope of calculating.
⑦ Other	<ul style="list-style-type: none"> • For Category 1 “Purchased goods and services”, our recycled organic building materials, “M-WOOD 2” reduce energy usage during their manufacturing stage.

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Category	Accounting methods ※Accounting period : April 2017 - March 2018	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Procurement quantity of raw materials and other materials 	<ul style="list-style-type: none"> Emission factor per amount of materials procured ※1
Category 2: Capital goods	<ul style="list-style-type: none"> Procurement cost of capital goods 	<ul style="list-style-type: none"> Emission factor per price of capital goods ※2
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Electricity and other energy usage 	<ul style="list-style-type: none"> Emission factor per energy usage ※2
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Fuel usage by the sender used for transport 	<ul style="list-style-type: none"> Emission factor per fuel ※2
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Waste emissions by type 	<ul style="list-style-type: none"> Emission factor by waste type ※2
Category 6: Business travel	<ul style="list-style-type: none"> Number of employees 	<ul style="list-style-type: none"> Emission factor per employee ※2
Category 7: Employee commuting	<ul style="list-style-type: none"> Number of employees 	<ul style="list-style-type: none"> Emission factor per number of employees and per number of working days ※2

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Category	Accounting methods ※Accounting period : April 2017 - March 2018	
	Activity data	Emission factor
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> ▪ Included in Scope 1,2 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> • Not relevant 	
Category 10: Processing of sold products	<ul style="list-style-type: none"> • Not relevant 	
Category 11: Use of sold products	<ul style="list-style-type: none"> • Energy usage while living in a residence (30-year period) 	<ul style="list-style-type: none"> • Annual CO2 emissions (internal calculations)
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> • Waste emissions x Number of building in a fiscal year 	<ul style="list-style-type: none"> • Emission factor by waste ※2
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> • Energy consumption x Emissions by energy type 	<ul style="list-style-type: none"> • Emission factor per energy usage ※2
Category 14: Franchises	<ul style="list-style-type: none"> • Not relevant 	
Category 15: Investments	<ul style="list-style-type: none"> • Calculation is ignored, because we are not relevant to the applied enterprise provided in the basic guideline 	
Other	<ul style="list-style-type: none"> • Calculation is ignored, because it is an option category 	

※1 : LCA Guideline issued by Architectural Institute of Japan (2013.2)

※2 : Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (ver.2.4)

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Supply chain emissions : Accounting results

