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Nissin Electric Co., Ltd.

	Companies' approach
① Background and purpose of accounting	<ul style="list-style-type: none"> Nissin Electric Co., Ltd. provides social infrastructure products and systems such as electrical equipment. Since life-cycle of our products is relatively long, environmental impact in the supply chain can be large. Measuring and monitoring emissions of our entire supply chain quantitatively is one of the effective ways to lesson environmental impact in our supply chain.
② Utilization of accounting results	<ul style="list-style-type: none"> With measuring environmental impact in our supply chain, we would like to identify points where we need to put priority to work on emission reduction and strive to cut emissions in such areas. We would like to inform our performance to stakeholders including investors on “NISSIN REPORT”, our website and such.
③ Benefits of accounting	<ul style="list-style-type: none"> Measuring environmental impact in our entire supply chain help us spot areas with major environmental impact and clarify the reduction activities which we need to focus on. Presenting the direction of our reduction activities to stakeholders attracts technologies/services to cut emission when we develop our products.
④ Internal system for accounting	<ul style="list-style-type: none"> The environmental management department collects data from each department and compile them. The data of our subsidiaries abroad are collected through a domestic department which is responsible of providing support to them. We would like to verify our data through a third party review in future.

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Nissin Electric Co., Ltd.

	Companies' approach
<p>⑤ Efforts to reduce supply chain emissions</p>	<ul style="list-style-type: none"> • In CO2 emissions of our entire supply chain, it is important to focus on reduction for Category 11 (Use of sold products) since it is the main source of overall emissions. • Category 1 (Purchased goods and services) is a significant contributor followed by Category 11, so we recognize it is also our focal point to address. • We have already set mid and long term goals for Category 11 and 1, and are striving to reduce CO2 emissions. • We concentrate on developing and proliferating eco-friendly products approved by our environmentally friendly product certification system. • While promoting the effort internationally, we will facilitate activities to reduce environmental impact throughout the supply chain by working on developing and proliferating further efficient products(such as transformers), downsizing products, curbing SF6 emissions, promoting next generation's power system: "Smart Power Supply Systems" and others.
<p>⑥ Issues in supply chain emissions accounting</p>	<ul style="list-style-type: none"> • We are working on to set mid and long term targets based on Science Based Targets as of Jan, 2019. We also need to set target for reducing emission in the supply chain. The issue is to improve the precision of CO2 emission accounting of the base year. • "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain" (ver.2.3), the latest version, applied to carry out recalculation of our CO2 emissions in FY2017. • We expand the accounting boundary to foreign group companies and services and measure emissions. • More effective accounting methods applied to calculate Category 2 (Capital goods), Category 6 (Business travel) and Category 7 (Employee commuting) based on the Basic Guidelines because their contribution to total emissions as well as the influence in the entire supply chain are small.

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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"> Weight of the purchased material (equipment), the amount of purchase (parts/services) 	<ul style="list-style-type: none"> Emission Factor Database*1, List of Emission Factors*2, our company own emission factor
Category 2: Capital goods	<ul style="list-style-type: none"> The amount of capital goods 	<ul style="list-style-type: none"> Emission Factor Database*1
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> Energy usage 	<ul style="list-style-type: none"> Emission Factor Database*1, CFP Communication Program Basic Database
Category 4: Transportation and delivery (upstream)	<ul style="list-style-type: none"> Volume of the purchased material (equipment) 	<ul style="list-style-type: none"> Emission Factor Database*1
Category 5: Waste generated in operations	<ul style="list-style-type: none"> Volume of waste by types 	<ul style="list-style-type: none"> Emission Factor Database*1
Category 6: Business travel	<ul style="list-style-type: none"> Headcount 	<ul style="list-style-type: none"> Emission Factor Database*1
Category 7: Employee commuting	<ul style="list-style-type: none"> Headcount, number of working days 	<ul style="list-style-type: none"> Emission Factor Database*1
Category 8: Leased assets (upstream)	<ul style="list-style-type: none"> Not calculated – included in Scope 1, 2 	
Category 9: Transportation and delivery (downstream)	<ul style="list-style-type: none"> N/A 	
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"> Calculate approximately based on certain conditions for operation such as operating rates 	<ul style="list-style-type: none"> List of Emission Factors*2
Category 12: End-of-life treatment of sold products	<ul style="list-style-type: none"> Volume of the purchased material 	<ul style="list-style-type: none"> CFP Communication Program Basic Database
Category 13: Leased assets (downstream)	<ul style="list-style-type: none"> N/A 	
Category 14: Franchises	<ul style="list-style-type: none"> N/A 	
Category 15: Investments	<ul style="list-style-type: none"> N/A 	
Other	<ul style="list-style-type: none"> Not calculated – voluntary accounting 	

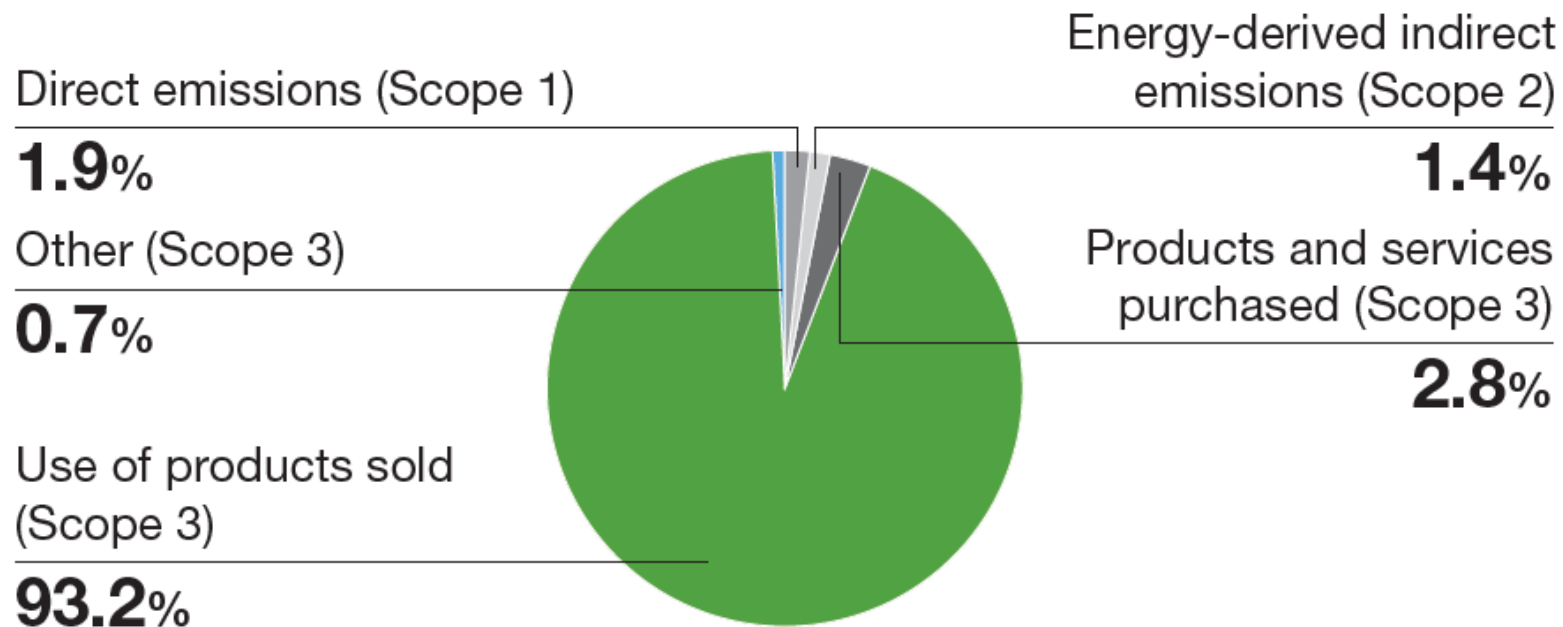
*1 Emission Factor Database on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain

*2 Mandatory Greenhouse Gas Accounting and Reporting System List of Emission Factors

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Supply chain emissions : Accounting results

CO₂ Emission Results for the Entire Supply ChainTotal: 830,891 t-CO₂ (Fiscal 2017; Nissin Electric Group in Japan)t-CO₂: Tons of carbon dioxide. Unit indicating the amount of greenhouse gas emissions.

* This is the published value of the amount of emissions as of July, 2018. The recalculation of amount of emissions in FY2017 has not yet finished as of Jan, 2019. However Category 11 and Category 1 remain to be the significant contributors.

Source: "NISSIN REPORT 2018"
<http://nissin.jp/e/company/report.html>