#### 1

		Company's approach	
1	Background and purpose of accounting	<ul> <li>Understanding on our overall business conditions by "visualizing" GHG emissions from operations. We use the results for development of long-term strategies. Also collecting data to disclose regarding our operations for stakeholders request.</li> <li>Taking policies on accounting GHG emissions from business activities by thoroughly examining the GHG emissions of the representative products through LCA accounting, and extrapolating the total GHG emissions when the products are produced and sold.</li> <li>The 13 products, which the LCA accounting are already completed, have received limited third party assurance on the validity of the accounting results.</li> </ul>	
2	Utilization of accounting results	<ul> <li>Basic data for internal use to develop long-term strategies and targets.</li> <li>Ground for improving ratings by institutional investors.</li> </ul>	
3	Benefits of accounting	<ul> <li>This accounting helps us to identify which part of our supply chain would have more environmental impacts in terms of products or activities, which is quite useful to develop next-term strategies.</li> <li>We are able to recognize what we should do next, or a target we should focus on.</li> </ul>	
4	Internal system for accounting	<ul> <li>The headquarters coordinates the whole process.</li> <li>The headquarters takes charge of LCA accounting for products.</li> <li>Data are provided from our business divisions, consolidated subsidiaries, factories and suppliers in Japan and overseas.</li> </ul>	

2

		Company's approach	
5	Efforts to reduce supply chain emissions	<ul> <li>The pie chart shows an example of lifecycle GHG emissions of a product-category. (In our business, each product-category has its own pattern of GHG emissions, so that we found difficulty in analyzing the sum of operational emissions.)</li> <li>As for this product-category, more than half of total emissions are from cooking at home. Therefore, working to improve efficiency in production stage on one hand, we recognize the importance of efforts to reduce environmental impacts from home-cooking stage, such as "Cook Do® Kyo-no-Oozara®" Buta-bara daikon.</li> </ul>	
6	Issues in supply chain emissions accounting	<ul> <li>Emission data on production stages by suppliers are not as accurate as ours. In most cases, we had to use assumptions based on the CFP-PCR.</li> <li>The database contains not enough agricultural and fisheries products from other countries (the major source of raw materials in our operation).</li> </ul>	
7	Other	<ul> <li>From FY2016, the boundary of the performance report covers business segments of the entire Ajinomoto Group.</li> </ul>	



Catagory	Accounting methods		
Category	Activity data	Emission factor	
Category 1: Purchased goods and services	Based on PCR for raw materials production	Emission factor per weight	
Category 2: Capital goods	Based on annual capital investment	Emission factor per investment cost	
Category 3: Fuel and energy related activities not included in Scope 1 or 2	Based on energy consumption of fuel- and energy- related activities in Scope 1 or 2	Emission factor per volume	
Category 4: Transportation and delivery (upstream)	Based on the distance from our group's production plants to shipping destinations, and the quantity of transportation	Ton-kilometer approach	
Category 5: Waste generated in operations	Based on waste generated from each operation	Emission factor per weight	
Category 6: Business travel	Based on the number of employees	Emission factor per employee	
Category 7: Employee commuting	Based on the number of employees and business days in a year	Emission factor per employee and working days	
Category 8: Leased assets (upstream)	Emissions from leased assets are included in Scope     1 and 2		
Category 9: Transportation and delivery (downstream)	Based on the distance by scenario, and the quantity of transportation	Ton-kilometer approach	
Category 10:Processing of sold products	Based on amount of contract production	Emission factor per weight	
Category 11: Use of sold products	Based on the amount of energy consumed by some standard cooking methods in terms of use of products	Emission factor per weight	
Category 12: End-of-life treatment of sold products	Based on weight of packages	Emission factor per weight	
Category 13: Leased assets (downstream)	None – practically no emissions		
Category 14: Franchises	None – practically no emissions		
Category 15: Investments	None – practically no emissions		
Other	Not applicable		

#### 4

