

Method of Calculation in Each Category of Scope 3 Emissions

Category	Overview	Method of Calculation
1	Purchased goods and services	Calculated by multiplying the sales amount or production amount of office equipment and consumables by a cradle-to-gate CO ₂ emission factor for each of the materials that make up a product; and for other products, multiplying the amount of material used by a cradle-to-gate CO ₂ emission factor for that material.
2	Capital goods	Calculated by multiplying the amount of investment in capital goods purchased over the year by a CO ₂ emission factor per investment value.
3	Fuel- and energy- related activities	Calculated for emissions from the extraction, production, and transportation of fuels purchased by the Group or by electricity producers for the electricity purchased by the Group. (Fuel) Calculated by multiplying the annual purchased volume by a cradle-to-gate CO ₂ emission factor for each type of fuel. (Fuels purchased and used by electricity producers) Calculated by multiplying the annual purchased volume of electricity by source, by a CO ₂ emission factor for each source. Proportion of sources in electricity generation for each country is identified from the Proportions of Generated Power by Source in Major Countries, published by the Federation of Electric Power Companies of Japan.
4	Upstream transportation and distribution	This category is calculated into: A) emissions related to procurement of parts and raw materials, and B) emissions related to transportation when shipping products. A) Calculated for emissions related to procurement distribution from suppliers to Konica Minolta's plants. Calculated by multiplying transport distance by cargo weight, and then multiplying that value by the CO ₂ emission factor for each means of transportation. B) Calculated for emissions related to shipping and distribution internationally, within Japan, and within China. Calculated by multiplying transport distance by cargo weight, and then multiplying that value by the CO ₂ emission factor for each means of transportation.
5	Waste generated in operations	Calculated for waste (not including valuables) from production, R&D, and sales offices. Calculated by classifying waste into different types and multiplying the amount of each type of waste entrusted to a party outside the company by a CO ₂ emission factor for each method of waste disposal.
6	Business travel	For business travel by employees of Group companies in Japan, the emissions are calculated by multiplying the annual business travel expenditure by a CO ₂ emission factor per expense for travel for each means of transportation. The CO ₂ emission factor used is that for travel by domestic air flight in Japan, which is the highest among the emission factors for all methods of travel. For Group companies outside Japan, it is estimated by multiplying the number of employees of each company by the emission amount per employee calculated based on the result in Japan.
7	Employee commuting	Calculated by multiplying the annual commutation cost by a CO ₂ emission factor per expense. The CO ₂ emission factor used is for "automobiles (buses and ride-sharing in sales vehicles)," which is the highest among the emission factors for all commuting methods. For Group companies outside Japan, it is estimated by multiplying the number of employees of each company by the emission amount per employee calculated based on the result in Japan.
8	Upstream leased assets	Most leased assets are calculated as Scope 1 and 2 emissions. Scope 3 applies only to some leased assets (e.g., data centers). Calculated by multiplying the actual annual power consumption for the leased servers by a CO ₂ emission factor for electrical power.
9	Downstream transportation and distribution	Konica Minolta has sales bases in 41 countries and runs its business mainly through direct sales. Emissions from the sales activities of some dealers fall under this category, but the amount of those emissions is thought to be minuscule. Moreover, since most dealers handle products from multiple manufacturers, it would be extremely difficult to identify and calculate emissions related to the sale of Konica Minolta's products. Accordingly, the Group has decided to exclude this category from the scope of calculations for the present.
10	Processing of products sold	Konica Minolta's product lineup includes semi-finished products, which accounted for approximately 18% of sales in fiscal 2012. However, it is difficult to rationally calculate emissions related to the processing of these products. Accordingly, the Group has decided to exclude this category from the scope of calculations for the present.
11	Use of products sold	Calculated by multiplying the number of units operating in the market (inferred from sales units each year and the life of the product) by the estimated annual amount of electrical consumption* for each model and the CO ₂ coefficient equal to the fiscal 2005 world average value specified by the GHG Protocol. The calculation method used by Konica Minolta is slightly different from the GHG Protocol method, but it enables the Group to calculate the emissions that more accurately reflect the Group's business operations and thus allows it to implement initiatives to reduce CO ₂ emissions smoothly.
12	End-of-life treatment of products sold	Calculated for emissions related to the end-of-life treatment of products themselves and their containers and packaging. Calculated by multiplying the weight of materials that make up the products sold by a CO ₂ emission factor for each type of disposal method. The calculation is made for anticipated future emissions from the end-of-life treatment of products sold in the previous fiscal year, which will be reported as the data of that fiscal year.
13	Downstream leased assets	Konica Minolta's products are all leased through leasing companies. Konica Minolta does not enter into lease contracts directly with customers. Also, it did not lease large buildings or equipment. For this reason, the company judged that Konica Minolta has no emissions in this category.
14	Franchises	Emissions from Kinko's franchises in Hiroshima and Kyushu are applicable to this category. Calculated based on the proportion of employees, based on energy usage in fiscal 2013 at the head office of Kinko's Japan Co., Ltd.
15	Investments	Calculated for a portion of emissions from the 27 main companies in its investment portfolio, in which Konica Minolta holds specified investment stocks. Calculated by multiplying the invested companies' fiscal 2012 CO ₂ emissions by Konica Minolta's shareholding ratio (%) in those companies (number of shares held by Konica Minolta / number of shares issued).

*The annual amount of electrical consumption for office equipment is estimated based on the Typical Electricity Consumption (TEC) value set by the International Energy Star Program, and for equipment for healthcare system it is estimated based on each product's