

【Environmental Accounting】

Environmental accounting is a tool for managing investments and costs related to protecting the environment to improve the efficiency of environmental management.

Basis for environmental accounting calculations

Scope: Fukusaki Factory, offices (Head Office building, Tokyo Nihonbashi Building, Aoyama Office, sales sites)

Period: April 1, 2018 to March 31, 2019

Standards: Environmental Accounting Guidelines, 2005, issued by the Ministry of the Environment

■ Environmental Protection Costs

Unit: 1,000 yen

Classification	Key Activity	Investment					Cost					
		2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	
1 Business Area Costs		29,304	48,214	114,160	76,830	137,674	277,763	226,993	229,340	263,995	304,196	
Itemization	1. Pollution prevention	Air pollution prevention, water pollution prevention, etc.	1,150	30,075	5,855	8,400	0	51,847	36,149	34,588	31,760	24,738
	2. Global environmental protection	Energy conservation, power reductions	28,154	17,939	28,575	68,430	137,674	36,388	24,692	40,396	53,121	57,283
	3. Resource recycling	Resource conservation, waste treatment, recycling	0	200	79,730	0	0	189,528	166,153	154,356	179,114	222,175
2 Upstream/Downstream Costs	Measures to comply with Containers and Packaging Recycling Act	0	0	0	0	0	99,994	93,563	99,240	87,161	102,312	
3 Administration Costs	Environmental management, ISO implementation, environmental education, tree planting, website	0	0	1,231	99	0	34,872	58,484	53,813	53,559	55,393	
4 R&D Costs	Eco-friendly products, 3R product development, R&D	3,650	2,880	4,100	6,900	5,600	32,840	57,785	70,472	166,134	23,668	
5 Social Activities Costs	Association dues (greening projects in Osaka, etc.)	0	0	0	0	0	1,141	1,700	2,053	667	1,673	
6 Environmental Remediation Costs		0	0	0	0	0	0	0	0	0	0	
Total		32,954	51,094	119,491	83,829	143,274	446,609	438,526	454,918	571,516	487,242	

Supplementary notes: In FY2018,

- In line with floor expansion at the Aoyama Office and transfer of the Nihonbashi Building, investment costs increased for global environmental protection due to installation of air-conditioning and LED-related equipment.
- Resource recycling costs increased due to asbestos removal work during structural alterations at the Fukusaki Factory.

■ Environmental Protection Benefits

Classification	Benefit	Environmental Indicator	Results					Increase/Decrease
			2014	2015	2016	2017	2018	
Benefits Derived from Business Area Costs	1. Benefits associated with resource inputs into business activities	Power consumption (1,000 kWh)	10,471	10,354	10,511	10,609	10,097	-511.4
		CO ₂ emissions (t) *1	6,616	6,729	6,334	6,216	5,781	-434.5
		Net sales unit (CO ₂ emissions: t/Net sales: million yen) *2	0.159	0.153	0.138	0.130	0.119	-0.011
	2. Benefits associated with environmental impact and waste from business operations	Landfill waste (t)	58.0	54.1	41.5	42.0	15.9	-26.1
		Recovery rate (%)	99.0	99.3	99.3	99.4	99.9	0.5
		Total waste (t) *3	3,743	3,649	3,422	3,433	3,584	150.2

*1. To calculate CO₂ emissions, the CO₂ emission factor is used for power usage targeting electricity, kerosene and propane gas at the Fukusaki Factory and electricity and city gas at offices, with the actual emission factor per electricity supplier announced by year. For other fuels, values are used from the government guidelines on estimating

*2. Ratio of CO₂ emissions to consolidated domestic sales

*3. Atmospheric emissions (gas emissions) from promotional material waste and aerosol treatment have been included in the total waste from FY2017.

■ Economic Benefits Derived from Environmental Protection Measures

Actual Benefits

Classification	Benefit	Amount of Money				
		2014	2015	2016	2017	2018
Income	Sale of valuable resources	6,927	7,070	6,242	6,515	6,060
Cost Reductions	Waste treatment cost reductions	-1,682	-2,063	12,561	-5,607	3,595
Total		5,245	5,007	18,803	908	9,655

■ Environmental Protection Cost Reference Data

Categories of Environmental Protection Implementation

Classification	Description of Measures to Protect the Environment	Investment	Cost
Costs to Mitigate Global Warming	Controlling emissions of greenhouse gases	137,674	56,715
Costs to Protect the Ozone Layer	Controlling emissions of substances that damage the ozone layer	0	568
Costs to Protect the Air	Reducing environmental impact caused by air emissions	0	917
Costs to Control Noise, Vibration	Controlling noise and vibration	0	0
Costs to Protect Water, Soil and Ground Environment	Maintaining and improving water quality, preventing ground subsidence, preventing soil pollution, and controlling substances that can impact water and soil through emissions	0	23,821
Costs Related to Waste and Recycling	Controlling waste generation, proper handling of waste, promoting reuse of recyclable resources, recycling	5,600	292,706
Costs to Handle Chemicals	Chemical risk management, controlling environmental impact caused by chemicals	0	8,162
Costs to Protect the Natural Environment	Protecting the natural environment	0	0
Other Costs	Implementing other environmental protection measures	0	102,132
Total		143,274	485,022