

## 【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 Office, Aoyama Office, sales sites)

Period: April 1, 2022 to March 31, 2023

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

### ■ Environmental Protection Costs

Unit: 1,000 yen

Classification	Key Activity	Investment					Cost					
		FY2018	FY2019	FY2020	FY2021	FY2022	FY2018	FY2019	FY2020	FY2021	FY2022	
1 Business Area Costs		137,674	38,762	120,605	46,027	53,134	304,196	274,856	256,736	309,233	269,948	
Itemization	1. Pollution prevention	Air pollution prevention, water pollution prevention, etc.	0	960	0	9,760	20,000	24,738	30,641	16,274	24,687	20,904
	2. Global environmental protection	Energy conservation, power reductions	137,674	36,346	120,605	36,267	22,334	57,283	69,519	78,445	96,736	91,812
	3. Resource recycling	Resource conservation, waste treatment, recycling	0	1,456	0	0	10,800	222,175	174,696	162,017	187,810	157,232
2 Upstream/Downstream Costs	Measures to comply with Containers and Packaging Recycling Act	0	0	0	0	0	102,312	80,446	66,469	90,956	81,691	
3 Administration Costs	Environmental management, ISO implementation, environmental education, tree planting, website	0	390	0	0	0	55,393	51,496	55,184	56,670	47,548	
4 R&D Costs	Eco-friendly products, 3R product development, R&D	5,600	0	5,800	3,300	6,000	23,668	25,800	27,276	30,953	24,675	
5 Social Activities Costs	Association dues (greening projects in Osaka, etc.)	0	0	0	0	0	1,673	1,743	717	1,110	1,217	
6 Environmental Remediation Costs		0	0	0	0	0	0	0	0	0	0	
Total		143,274	39,152	126,405	49,327	59,134	487,242	434,342	406,383	488,922	425,078	

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
			FY2018	FY2019	FY2020	FY2021	FY2022	
Benefits Derived from Business Area Costs	1. Benefits associated with resource inputs into business activities	Power consumption (1,000 kWh)	10,098	9,867	9,356	10,244	10,283	38.8
	2. Benefits associated with environmental impact and waste from business operations	CO <sub>2</sub> emissions (t) *1	5,776	5,409	4,475	4,859	3,645	-1,213.1
		Net sales unit (CO <sub>2</sub> emissions: t/Net sales: million yen) *2	0.119	0.117	0.115	0.149	0.102	-0.047
		Landfill waste (t)	11.7	35.0	14.6	15.7	5.6	-10.1
		Recovery rate (%)	99.6	99.0	99.5	99.5	99.8	0.3
		Total waste (t) *3	3,688	3,468	2,957	3,381	3,314	-67.0

\*1. To calculate CO<sub>2</sub> emissions, the CO<sub>2</sub> 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 CO<sub>2</sub> 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				
		FY2018	FY2019	FY2020	FY2021	FY2022
Income	Sale of valuable resources	6,060	4,926	3,664	6,538	6,099
Cost Reductions	Waste treatment cost reductions	3,595	-13,742	18,838	-16,562	-6,309
Total		9,655	-8,816	22,502	-10,023	-209

### ■ 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	22,334	91,369
Costs to Protect the Ozone Layer	Controlling emissions of substances that damage the ozone layer	0	443
Costs to Protect the Air	Reducing environmental impact caused by air emissions	0	1,125
Costs to Control Noise, Vibration	Controlling noise and vibration	0	443
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	20,000	19,779
Costs Related to Waste and Recycling	Controlling waste generation, proper handling of waste, promoting reuse of recyclable resources, recycling	16,800	213,599
Costs to Handle Chemicals	Chemical risk management, controlling environmental impact caused by chemicals	0	3,405
Costs to Protect the Natural Environment	Protecting the natural environment	0	0
Other Costs	Implementing other environmental protection measures	0	95,359
Total		59,134	425,521