

## 【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, 2016 to March 31, 2017

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

### ■ Environmental Protection Costs

Unit: 10,000 yen

Classification	Key Activity	Investment					Cost				
		2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
1 Business Area Costs		2,660	5,235	2,930	4,821	11,416	25,312	27,909	27,776	22,699	22,934
Itemization	1.Pollution prevention	0	4,618	115	3,008	585	4,783	6,242	5,185	3,615	3,459
	2.Global environmental protection	2,660	617	2,815	1,794	2,858	3,287	3,047	3,639	2,469	4,040
	3.Resource recycling	0	0	0	20	7,973	17,241	18,620	18,953	16,615	15,436
2 Upstream/Downstream Costs	Measures to comply with Containers and Packaging Recycling Act	0	0	0	0	0	10,555	9,662	9,999	9,356	9,924
3 Administration Costs	Environmental management, ISO implementation, environmental	0	0	0	0	123	4,147	3,554	3,487	5,848	5,381
4 R&D Costs	Eco-friendly products, 3R product development, R&D	0	420	365	288	410	459	2,119	3,284	5,779	7,047
5 Social Activities Costs	Association dues (greening projects in Osaka etc.)	0	0	0	0	0	139	129	114	170	205
6 Environmental Remediation Costs		0	0	0	0	0	0	0	0	0	0
Total		2,660	5,655	3,295	5,109	11,949	40,611	43,374	44,661	43,853	45,492

Supplementary notes: In FY2016,

- Investment for pollution prevention costs decreased due to completion of sewage work at the Fukusaki Factory.
- Investment for global environmental protection costs increased due to renewal of air-conditioning and other equipment at the Fukusaki Factory, and costs increased due to repair of compressors, air-conditioning and other equipment at the Fukusaki Factory.
- Investment for resource recycling costs increased due to renewal of equipment for reducing packaging materials.

### ■ Environmental Protection Benefits

Classification	Benefit	Environmental Indicator	Results					Increase/Decrease
			2012	2013	2014	2015	2016	
Benefits derived from Business Area Costs	1.Benefits associated with resource inputs into business activities	Power consumption (1,000 kWh)	9,377	10,056	10,471	10,354	10,511	157.0
		CO2 emissions (t) ※1	5,044	5,774	5,803	5,955	5,672	-282.7
	2.Benefits associated with environmental impact and waste from business operations	Net sales unit (CO2 emissions: t / Net sales: million yen) ※2	0.132	0.141	0.139	0.135	0.123	0.0
		Landfill waste (t)	52.6	59.9	36.7	26.0	25.1	-0.8
		Recovery rate (%)	98.5	98.5	99.0	99.3	99.3	0.0
		Total waste (t) ※3	3,548	4,064	3,722	3,620	3,405	-215.0

※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 In calculating volume of waste, aerosol processing is deducted from air emissions (gas component)

### ■ Economic Benefits Derived from Environmental Protection Measures

-Actual Benefits-

Unit: 10,000 yen

Classification	Benefit	amount of money				
		2012	2013	2014	2015	2016
Income	Sale of valuable resources	396	583	693	707	624
Cost reductions	Waste treatment cost reductions	542	-1,852	-168	-206	1,256
Total		938	-1,269	524	501	1,880

### ■〈Environmental Protection Cost Reference Data〉

Categories of Environmental Protection Implementation

Unit: 10,000 yen

Classification	Description of Measures to Protect the Environment	Investment	Cost
Costs to mitigate global warming	Controlling emissions of greenhouse gases	2,858	3,984
Costs to protect the ozone layer	Controlling emissions of substances that damage the ozone layer	0	56
Costs to protect the air	Reducing environmental impact caused by air emissions	0	161
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	585	3,298
Costs related to waste and recycling	Controlling waste generation, proper handling of waste, promoting reuse of recyclable resources, recycling	8,383	27,463
Costs to handle chemicals	Chemical risk management, controlling environmental impact caused by chemicals	0	541
Costs to protect the natural environment	Protecting the natural environment	0	0
Other costs	Implementing other environmental protection measures	123	9,989
Total		11,949	45,492