

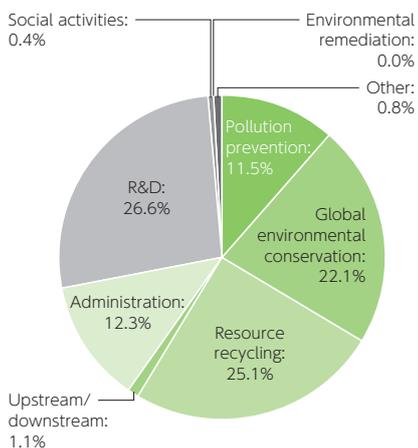
# Environmental accounting

We identify the costs and effects of our environmental conservation activities in environmental accounting, and we use this in running the company.

## Fiscal 2019 environmental accounts - classifications and results

We introduced environmental accounting in fiscal 2000 in accordance with the Environmental Accounting Guidelines (2005 edition) issued by the Ministry of the Environment while collecting data for the 9 categories listed in the table on the right.

Using the fixed standard we have set, we calculate our fiscal 2019 environmental expenditure at a total of ¥999.6 million. A breakdown can be seen at right, showing an increase in research and development costs due to electric vehicle parts development, together with an increase in resource recycling costs associated with proper treatment of waste containing PCB. Other costs were more or less in line with the previous fiscal year.



### Fiscal 2019 - Cost of environmental conservation

(Units: ¥ million/year)

Classification of costs	Main elements	Value* in FY2018	Value* in FY2019
① Pollution prevention	Maintenance of effluent treatment facilities and dust collectors, measurement and monitoring of air and water quality and noise, and other preventive measures	119.7	115.3
② Global environmental conservation	Costs for preservation of green areas at production plants, energy-saving measures for CO <sub>2</sub> emissions reduction, prevention of global warming, etc.	226.0	220.9
③ Resource recycling	Waste treatment, zero emissions measures, office recycling, etc.	194.0	250.9
④ Upstream/downstream	Limiting environmental burdens from our suppliers and customers associated with our own production activities (green purchasing, product recycling, reduced packaging, and so on)	14.0	11.1
⑤ Administration	Waste manifest management, ISO 14001 maintenance and renewal inspections and ISO 14001 office personnel costs, reporting to the government, etc.	116.7	123.3
⑥ R&D	Research to reduce environmental loads and development of products to contribute to reducing environmental loads	22.9	266.2
⑦ Social activities	Social service activities (cleaning waterways and surroundings of plants), etc.	3.4	4.4
⑧ Environmental remediation	Remediating environmental damage to surroundings	0.6	0.0
⑨ Other	Costs for environmental conservation other than the above (including handling of PCB waste treatment)	15.6	7.5
<b>Total</b>		<b>712.9</b>	<b>999.6</b>

\*Value: Totals of Environmental Investments and Environmental Conservation



### Fiscal 2019 - Cost of environmental conservation

**999.6 million yen**

## Classification and performance of fiscal 2019 investments

Fiscal 2019 results are shown in the table below. By promoting the recycling and recovering resources from waste into usable resources, we have maintained waste landfill volumes at minimum levels since fiscal 2010. Energy use and CO<sub>2</sub> emissions per unit both increased, but CO<sub>2</sub> emissions volume reduction actions at each plant restricted

the degree of the increase. Landfill waste volume decreased as recycling progressed.

Energy and water costs per unit increased as unit costs rose. We will continue to make improvements for cost-effective investments in the future.

### Performance of fiscal 2019 investment effects

	Material effects* <sup>1</sup>			Economic effects* <sup>2</sup>			Assessment
	FY2018 actual	FY2019 actual	Effects	FY2018 actual	FY2019 actual	Effects	
Energy use per unit (GJ/¥ million)* <sup>3</sup>	10.05	10.23	-0.18	-	-	-	Average
CO <sub>2</sub> emissions per unit (ton C/¥ million)* <sup>3</sup>	0.113	0.115	-0.002	-	-	-	Average
Wastes to landfill (tons/year)	4.3	2.6	1.7	-	-	-	Good
Wastes recycled (tons/year)	21,941	22,445	504	-	-	-	Good
Energy costs per unit (¥/¥ thousand)* <sup>3</sup>	-	-	-	14.9	15.3	-0.4	Average
Gain on sales from recycling (¥ million)	-	-	-	389	393	4.0	Good

\*<sup>1</sup> Material effects: Reduction in environmental pollutants, etc. \*<sup>2</sup> Economic effects: Energy savings and cost reduction on waste, etc. \*<sup>3</sup> Per unit output: Values to Sales