

# Environmental Accounting

In the Calsonic Kansei Group, environmental activities are evaluated quantitatively; we have introduced environmental accounting as a tool for official announcements. Environmental accounting is a means to publicize and quantitatively sum up the economic advantages accompanying environmental conservation measures, and the benefits of environmental conservation costs and activities, and what we publicize in the environmental report fulfills our commitment to explain business activities to our various stockholders.

Establishing a quantitative evaluation summary is helpful for sustainable business management practices.

Quantitatively summing up those benefits, with environmental accounting they are published to society through environmental reports.

Also, evaluation of quantitatively calculated results, can assist our practice of environmental management.

## ① Goals of Environmental Accounting for the Calsonic Kansei Group

- 1 By disclosing quantitative measurement results to local citizens, stockholders, and general society boosting the transparency of the environmental activities of our company, we aim to gain understanding of our corporate stance on the environment.
- 2 Using the quantification of costs to understand both sides of our corporate activities and the entirety of our environmental activities as a reference to effectively promote our future environmental conservation activities.
- 3 To improve the consciousness of employees, implementing a system that raises, focuses and develops the environmental awareness of our employees in their daily work.

## ② Status of FY 2008

### FY 2008 Environmental Conservation Costs

The environmental conservation costs are the investment and expenditures of our environmental activities measured in monetary units.

(Units: millions of yen)

2008 Environmental Conservation Costs		Investment	Expenditure
Classification			
<b>1. Costs within business areas for reduction of the environmental burden</b>		272	777
Pollution prevention costs	Prevention of air, water, soil, and noise pollution	117	286
Environmental conservation costs	Energy savings, resource savings, costs of phasing out materials with environmental burdens	151	195
Resource recycling costs	Reduction of industrial waste, recycling, and disposal costs	4	296
<b>2. Up/downstream costs</b>	Costs incurred to control the environmental burden occurring upstream/downstream of our business areas	1	190
<b>3. Management operation costs</b>	Human resource costs incurred for environmental policy organizations, and the construction, operation and certification of environmental management	9	203
<b>4. Environmental research and development costs</b>	Development of environmentally friendly products, research and development costs to control the environmental burden	308	3,332
<b>5. Social activities costs</b>	Support costs for environmental activities conducted by local citizens and groups conducting environmental conservation	0	18
<b>6. Environmental damage support costs</b>	Costs incurred to restore the natural environment, and for paying compensation for environmental damage caused	0	3
<b>Total</b>		590	4,523

## Environmental Conservation Effects

Environmental conservation effects are evaluated using both economic effects that are evaluated in monetary terms and physical effects that are evaluated in amounts of substances that incur environmental burden.

## Evaluation of Quantitative Effects of Environmental Conservation Policies

Due to the decrease in production volume compared to FY 2007, both resource input volume and waste product emissions decreased.

### 2008 Environmental Conservation Effects

Classification	FY 2007	FY 2008	Effect
1. Environmental conservation effects related to resources used in business operations (quantity)			
Total energy used after conversion to CO <sub>2</sub> (t)	98,679	81,849	16,830
Energy use reduction after conversion to CO <sub>2</sub> (t)	3,712	16,830	13,118
Water used (km <sup>3</sup> )	839	793	46
Water use reduction (km <sup>3</sup> )	22	46	24
2. Environmental conservation effects related to waste discharged in business operations (quantity)			
(For reference) total amount of waste (t)	19,704	17,243	2,461
Amount recycled (t)	19,638	17,219	2,419
Amount disposed (buried) (t)	66	24	42
PRTR substances (quantity discharged/moved) (t)	140	114	26

## Accounting for the Economic Effects of Environmental Conservation Policies

The economic effects are the allocation of the effects from the amount of revenue involved with environmentally friendly activities (environmentally friendly product sales, rebuilt/reused product sales), expenditures involved with environmental activities, and cutbacks (substantial results from energy saving).

### 2008 Economic Effects

(Units: millions of yen)

Classification	FY 2008
3. Economic effects of environmental conservation policies	13,220
Energy costs reduced	229
Resource costs reduced	16
Profit made from sale of valuable resources	554
Profit made from sale of rebuilt/reused goods	994
Profit made from sale of environmentally friendly products	11,427

### 《Scope of Statistics》

1. **Target Period** : April, 2008 to March, 2009 (fiscal year 2008)

2. **Scope of Statistics** : All 5 domestic manufacturing plants

(Gunma Plant, Oppama Plant, Yoshimi Plant, Kodama Plant, Atsugi Plant)

The 11 manufacturing plants and 6 affiliated companies {CKK Corporation, (Headquarters, Usa Plant, Nakatsu Plant), CKF Corporation, (Headquarters, Nihonmatsu Plant, Tanagura Plant, Fukushima Plant), Tokyo Radiator Mfg. Co., Ltd., CKP Corporation, (Headquarters, Sano Plant, Itakura Plant, Tochigi Plant), Calsonic Kansei Utsunomiya Corporation, Calsonic Kansei Iwate Corporation}

3. **Method for Statistics** : Using the guidelines issued by the Ministry of the Environment as reference, we have calculated costs other than environmental conservation, including the statistical characteristics and fundamental operation settings.