

## 【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, 2023 to March 31, 2024

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

### ■ Environmental Protection Costs

Unit: 1,000 yen

Classification	Key Activity	Investment					Cost					
		FY2019	FY2020	FY2021	FY2022	FY2023	FY2019	FY2020	FY2021	FY2022	FY2023	
1 Business Area Costs		38,762	120,605	46,027	53,134	33,241	274,856	256,736	309,233	269,948	194,592	
Itemization	1. Pollution prevention	Air pollution prevention, water pollution prevention, etc.	960	0	9,760	20,000	11,015	30,641	16,274	24,687	20,904	19,681
	2. Global environmental protection	Energy conservation, power reductions	36,346	120,605	36,267	22,334	22,226	69,519	78,445	96,736	91,812	83,406
	3. Resource recycling	Resource conservation, waste treatment, recycling	1,456	0	0	10,800	0	174,696	162,017	187,810	157,232	91,505
2 Upstream/Downstream Costs	Measures to comply with Containers and Packaging Recycling Act	0	0	0	0	0	80,446	66,469	90,956	81,691	69,036	
3 Administration Costs	Environmental management, ISO implementation, environmental education, tree planting, website	390	0	0	0	0	51,496	55,184	56,670	47,548	46,789	
4 R&D Costs	Eco-friendly products, 3R product development, R&D	0	5,800	3,300	6,000	0	25,800	27,276	30,953	24,675	24,863	
5 Social Activities Costs	Association dues (greening projects in Osaka, etc.)	0	0	0	0	0	1,743	717	1,110	1,217	1,428	
6 Environmental Remediation Costs		0	0	0	0	0	0	0	0	0	0	
Total		39,152	126,405	49,327	59,134	33,241	434,342	406,383	488,922	425,078	336,707	

### ■ Environmental Protection Benefits

Classification	Benefit	Environmental Indicator	Results					Increase/Decrease
			FY2019	FY2020	FY2021	FY2022	FY2023	
Benefits Derived from Business Area Costs	1. Benefits associated with resource inputs into business activities	Power consumption (1,000 kWh)	9,649	9,356	10,244	10,283	9,840	-442.5
		CO <sub>2</sub> emissions (t) *1	5,415	4,356	4,921	3,640	3,964	323.8
	2. Benefits associated with environmental impact and waste from business operations	Net sales unit (CO <sub>2</sub> emissions: t/Net sales: million yen) *2	0.117	0.112	0.151	0.102	0.104	0.003
		Landfill waste (t)	34.7	14.6	15.7	5.6	0.0	-5.6
		Recovery rate (%)	99.0	99.5	99.5	99.8	100.0	0.2
		Total waste (t) *3	3,465	2,975	3,450	3,381	3,235	-145.7

\*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				
		FY2019	FY2020	FY2021	FY2022	FY2023
Income	Sale of valuable resources	4,926	3,664	6,538	6,099	6,058
Cost Reductions	Waste treatment cost reductions	-13,742	18,838	-16,562	-6,309	17,344
Total		-8,816	22,502	-10,023	-209	23,402

### ■ 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	22,226	40,582
Costs to Protect the Ozone Layer	Controlling emissions of substances that damage the ozone layer	0	582
Costs to Protect the Air	Reducing environmental impact caused by air emissions	0	863
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	11,015	18,818
Costs Related to Waste and Recycling	Controlling waste generation, proper handling of waste, promoting reuse of recyclable resources, recycling	0	226,641
Costs to Handle Chemicals	Chemical risk management, controlling environmental impact caused by chemicals	0	3,345
Costs to Protect the Natural Environment	Protecting the natural environment	0	0
Other Costs	Implementing other environmental protection measures	0	51,694
Total		33,241	342,526