

Environmental Accounting

1. Fiscal 2001 Environmental Accounting Records

In order to pursue activity programs for environmental protection in an effective and efficient manner, Oki has been promoting activities to establish an environmental accounting system since 1999. Oki Electric and the 20 consolidated affiliated companies, including those overseas, had implemented the system by the end of FY2001. Results of the FY2001 environmental accounting are presented below.

- Environmental protection costs included a total investment of JY330 million and total expenses of JY3.19 billion.

- Environmental protection effects included a reduction in the final industrial waste quantity by 49% due to the zero emission activity, when compared to the previous year. The CO₂ emissions were reduced 7% from those for the previous year.
- Combining all the economic effects achieved, in connection with the environmental protection measures, bringing about a total saving in real terms of JY1.04 billion.

■ Environmental Protection Costs

- Investment: JY330 million (previous year: JY 750 million)
- Expenses: JY3.19 billion (previous year: JY3.07 billion)

(Unit: JY million)

Category	Breakdown (main items)	Total cost
Operational costs	Maintenance and depreciation costs of environment-related facilities	2,320
Pre and post operational costs	Collection of used products, recycling cost	180
Management activity costs	Environmental management operational cost	610
R&D costs	Research and development for reducing environmental impact of products and production processes	30
Social and community activity costs	Environmental improvement cost for greening and community activities and environmental report preparation cost.	50

■ Effects Concerning Environmental Protection Measures

- Environmental protection effects

Environmental impact index	Main activities	Impact (total)	Reduction from previous year
CO ₂ emissions (tons-CO ₂)	Reduction of energy consumption	246630	18540 decrease
Final waste processing (tons)	Reduction of waste disposal	308	294 decrease

- Substantial effect of costs for the environmental protection measures: JY1.04 billion (previous year: JY1.01 billion)

(Unit: JY million)

Category	Main activities	Amount of effect
Cost reduction effect	Reduction of electrical power consumption, waste disposal and resource costs due to recycling	930
Direct income effect	Sale of valuable assets 110	110

[Compilation period] April 1, 2001 to March 31, 2002

[Conditions of accounting]

- (1) This environmental accounting report has been prepared in accordance with the "Guidelines for the Implementation of the Environmental Accounting System (Year 2000 Edition)" published by the Ministry of the Environment.
- (2) The depreciation cost of invested facilities is calculated using the fixed installment method for a period of three years. The effect resulting from the facilities is calculated for three years (depreciation period).
- (3) When the environmental protection cost overlaps with other costs, only the cost for environmental protection is calculated.
- (4) Personnel expenses are calculated by prorating the personnel costs for the total time spent on the environmental protection activities.
- (5) Environmental protection effects are calculated by obtaining the environmental impact amounts reduced in the production operation.
- (6) A portion of the accounting includes figures relating to the affiliated companies located within the sites, which have participated in the environmental impact management.

Resource Investment in Operation Activities and Emissions to the Environment

The outline of Oki's resource investment in their operation activities and emissions to the environment is as follows:

