



Environmental Management

Environmental Accounting

To grasp the efforts for environmental conservation activities from a cost-effect perspective, the Oki group introduced environmental accounting in 1999, pursuing its activities in an efficient way by putting the effect of its investments to maximum use.

Fiscal 2004 Environmental Accounting Records

In fiscal 2004, Oki Precision (Thailand) Co., Ltd., a group company in Thailand related to manufacturing, was newly added to the scope of companies for environmental accounting. We completed the introduction of the system to Oki Electric and 25 group companies (32 sites) in Japan and overseas, and are now covering almost 100% of the manufacturing and sales divisions in terms of turnover. The characteristics of environmental accounting in fiscal 2004 were as shown at the right. The numbers in parentheses are for fiscal 2003. For concrete efforts, please see the pages shown in the table and page 48. On page 48, you can find separate data for Oki Electric and group companies in Japan and overseas.

- The amount of investments fell by 28% to 300 million yen (420 million yen). This is, among other reasons, because the installation of equipment supporting lead-free solder was completed.
- The costs stayed about the same at 3.15 billion yen (2.97 billion yen).
- The economic benefit amounted to -400 million yen (40 million yen). The expense saving benefit increased by 80 million yen, since the quantities from the sale of valuable waste, etc. grew. However, with the increased production quantities, the effect from energy and resource conservation dropped sharply, so that the economic effect shrunk.
- As for the environmental conservation effect, the CO₂ emissions fell in terms of basic units against sales, but the absolute quantity increased by 28% due to the increased production quantities. The quantities of final waste processing increased only very little thanks to the continued zero emission efforts.

Environmental Conservation Costs

Investments/Costs

Category		Key Activities	Investment	Costs	See page
Business area cost	Pollution prevention cost	Investments, and maintenance and management costs for facilities to prevent pollution	72 (104)	1,070 (1,120)	31, 32, 40
	Global environmental conservation cost	Investments, and maintenance and management costs for facilities to conserve energy	187 (137)	343 (327)	26, 27
	Resource recycling cost	Investments in facilities for internal processing or organic waste liquids, costs for waste recycling	5 (28)	622 (593)	28~30
Sub-total			264 (269)	2,035 (2,040)	-
Upstream/downstream cost		Costs for green procurement (chemical substance surveys), costs for remodeling the aggregation system for chemical substances contained in products	32 (20)	254 (118)	17~22
Administration cost		Cost for acquiring certification, and for maintaining and managing the environmental management system	0 (0)	680 (693)	09~11, 35, 36, 41, 44, 45
R&D cost		Investments into equipment to shift to lead-free soldering, costs for research and development on lead-free soldering	1 (126)	171 (113)	19, 20, 33, 39, 40, 46
Social activity cost		Costs for the greening of production plants, costs for activities contributing to the community	0 (0)	2 (1)	35, 43~46
Other cost		Cost for reserves to respond to environmental damages	0 (0)	9 (9)	36
Total			297 (415)	3,151 (2,974)	-

Environmental Conservation Benefit

Economic Benefit

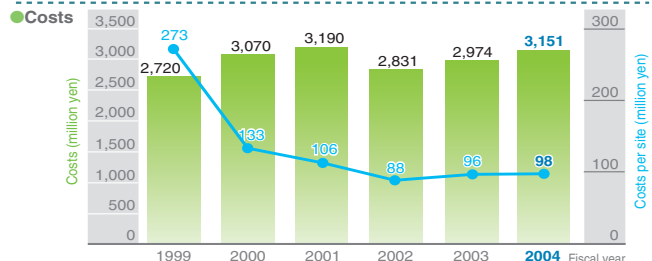
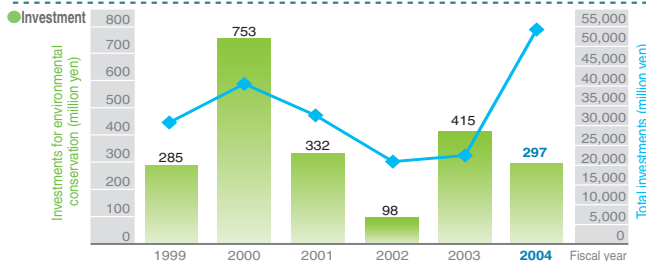
Category	Key Activities	Effect	See page
Cost reduction benefit	Effect from energy and resource conservation	Reduced use of electricity, oils, gases, packaging materials, etc. in business activities	-600 (-130)
	Treatment cost reduction benefit	Reduction of waste through recycling, etc. in business activities	-42 (5)
Expense saving benefit	Sale of valuable waste generated in business activities	223 (151)	28~30
	Sale of valuables from end-of-life products	20 (12)	21, 22, 34
Total		-399 (38)	-

Environmental Conservation Effect

Environmental impact index	Impact	Difference compared to previous fiscal year	See page
CO ₂ emissions (Thousand tons-CO ₂)	389 (303)	86up	26, 27
Waste emissions	Final waste processing (tons) 81 (72)	9up	28~30

Transition of Environmental Accounting

Six years have passed since we started environmental accounting. The graphs below show the investments, costs and economic effects of our environmental conservation activities.



[Accounting period]
April 1, 2004 through March 31, 2005

[Accounting conditions]

- (1) The calculation standards are based on the "Environmental Accounting Guidelines (2002 Edition)" published by the Ministry of the Environment.
- (2) A portion of the accounting includes figures relating to affiliated companies located within sites that participated in the environmental impact management.
- (3) For costs where environmental conservation costs overlap with other costs, only the portion of the costs related to environmental conservation is counted.
- (4) The depreciation cost of investments is calculated using the fixed installment method for a period of three years. The economic benefit achieved with these investments is calculated for three years, in line with the depreciation period.
- (5) Personnel costs are calculated by prorating the personnel costs for the total time spent on environmental conservation activities.
- (6) The cost reduction effect and the environmental conservation effect are, starting from this fiscal year, reduced by the value from the previous year.
- (7) The expense saving benefit represents the value for this fiscal year.