

Environmental Accounting

Understanding and evaluating the costs and benefits of effective environmental protection activities helps to identify problems and share best practices across the Group.

Fiscal 2006 Results

Fiscal 2006 was the last year of the Stage IV Environmental Protection Program, and we vigorously carried out a comprehensive range of environmental protection activities to achieve the goals of that program. As a result, although facilities investments primarily related to pollution prevention costs increased by about 50% (1.22 billion yen) over the previous fiscal year, total costs fell by 1.2 billion yen due in part to a reduction of 1.24 billion yen in environmental remediation costs. Also, economic benefits associated with our environmental protection activities increased by 2.99 billion yen due in part to a large increase in resource circulation benefits.

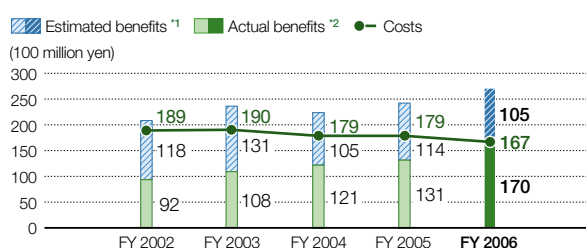
Although environmental remediation costs fell significantly year on year in fiscal 2006 due, for example, to completion in fiscal 2005 of heavy metal-contaminated soil-removal operations at the Kawasaki Main Office, we expect costs to be incurred for appropriate measures at business locations where contamination has been or may yet be found in fiscal 2007 and later. While resource circulation costs associated with more active reuse of maintenance parts increased, the greater use of recycled products contributed to increasing the resource circulation benefit. The large increase in the resource circulation benefit, which was the principal factor in increasing the overall economic benefit, was due to the fact that proceeds from sales of unusable products by our electronic devices subsidiaries increased by about 50% in association with the rapid rise of prices in the rare metals markets.

Note that since fiscal 2006, we have been reviewing and revising the standards for our statistics on an aggregate basis,

and that solutions business costs and benefits and social activity benefits of social contribution activities are excluded from such aggregation. Since these costs and benefits have had aggregate values that are smaller than the units with which values are displayed up until last year, they have no influence on the aggregate results based on this revision.

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<http://www.fujitsu.com/global/about/environment/accounting/>

Trends in Costs and Economic Benefits



*1 Estimated Benefits

These are benefits not directly presentable in monetary amounts but which have benefit that can be expressed in monetary terms under certain circumstances, for example, the contribution of environmental conservation activities to value added in manufacturing and savings from avoidance of business site operating losses that would arise from failure to observe environmental laws and regulations.

*2 Actual Benefits

These are benefits that can be directly declared in monetary amounts, like savings produced in the case of reductions in environmental conservation costs and income from the sale of unusable products.

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| Item | | Main areas covered | Capital investment (100 million yen) | Costs (100 million yen) | Economic benefit (100 million yen) | Related Pages |
|--|--|---|--------------------------------------|-------------------------|------------------------------------|---------------|
| Business area costs/benefits | Pollution prevention costs/benefits | Preventing air pollution/water pollution, etc. | 17.3 (+9.5) | 52.6 (+1.5) | 81.9 (-7.6) | P47-48 |
| | Global environmental conservation costs/benefits | Preventing global warming, saving energy, etc. | 10.0 (+0.1) | 20.3 (-0.7) | 25.0 (+1.8) | P45-46 |
| | Resource circulation costs/benefits | Disposal of waste, efficient utilization of resources, etc. | 1.8 (-1.0) | 33.9 (+4.0) | 136.0 (+39.0) | P47-48 |
| Upstream/downstream costs/benefits | | Collection, recycling, reuse, and proper disposal of products, etc. | 2.8 (+1.9) | 11.1 (+0.5) | 7.0 (-1.5) | P37, P43-44 |
| Administration costs/benefits | | Provision and operation of environmental management systems, environmental education of employees, etc. | 1.4 (+0.4) | 28.7 (-3.1) | 6.0 (-1.0) | P35-36 |
| R&D costs/benefits | | Research and development on products that contribute to environmental protection, etc. | 3.1 (+1.0) | 20.1 (-1.9) | 19.1 (+3.2) | P39-41 |
| Social activity costs | | Donations to, and support for, environmental groups, etc. | 0.0 (±0.0) | 0.2 (+0.1) | — | P38 |
| Environmental remediation costs/benefits | | Restoration and other measures related to soil and groundwater contamination | 0.2 (+0.2) | 0.2 (-12.4) | 0.0 (-4.0) | P49 |
| Total | | | 36.7 (+12.2) | 167.1 (-12.0) | 275.0 (+29.9) | — |

- Numbers in parentheses indicate increases or decreases in comparison with the previous year.
- Due to rounding, figures in columns may not add up to the totals shown.
- See pages 51, 52 for details on the environmental performance index (environmental conservation benefits).