

Introduction of Environmental Accounting System

We introduced "Environmental Accounting", which was to grasp environmental protection cost and effect quantitatively and evaluate environmental investment and effect, from fiscal 1998. The U.S. Environmental Protection Agency and Environment Agency of Japan have already published guideline to grasp environmental cost, but there are no guideline to calculate the effect. Therefore, we made our own "Environmental Accounting Guideline". We also obtained, for the first time in Japan, the certification of the third party organization. We will make our continued effort to identify more clearly the relationship with the effect of reduction in environmental load.

Environmental Accounting System

Purpose of introduction

1. To express corporate attitude by information disclosure (By annual report, environmental report, etc.)
2. To conduct long-term, continuous environmental countermeasure
3. To conduct effective environmental investment

Features

1. Calculated not only Fujitsu's results, but also consolidated results including 138 domestic/overseas main consolidated subsidiaries
2. Classification of cost is based on "Guideline to grasp and publish environmental protection cost" (March, 1999) announced by Environment Agency of Japan
3. Contribution of environmental protection activities within value added by manufacturing activities, cost reduction made by reducing of environmental load, etc., were included in effect.
4. Established "Environmental Accounting Guideline"

Basic concept

1. To grasp Fujitsu's and consolidated results (Including overseas consolidated subsidiaries)
2. To calculate cost/effect not only concerning environmental protection but also concerning environment related products
3. To grasp effect quantitatively in terms of amount of money

Result of Environmental Accounting on fiscal 1998

	Item	Scope
Cost	1. Direct cost	Cost for environmental protection activities to secure manufacturing activities
	2. Indirect cost	Cost for environmental promotion activities(Personnel expenses) and for obtaining and maintenance of ISO
	3. Energy saving cost	Cost for energy saving measures
	4. Recycling cost	Cost for collection and recycling of products
		Cost for treatment of wastes
	5. R&D cost	Cost for R&D of environmentally conscious products and environmental countermeasure technologies
	6. Social activity cost	Cost for promotion of greening, making of environmental activity report, environmental advertisement, etc.
	7. Other environment related cost	Cost for cleaning of soil contamination and dioxin countermeasure (Cost for countermeasure against environment)
	Total	
Effect	1. Environmental protection activity to support manufacturing	Contribution of environmental protection activities within the value added by manufacturing activities
	2. Energy saving activities	Cost reduction made by reduction of use of electricity, oil, and gas
	3. Recycling activities	Sold price of valuable parts and reused parts after waste products recycling
		Cost reduction made by waste reduction
	4. Risk management	Avoided loss of plant operation by not observing laws and regulations
		Avoided compensation to residents and insurance saving made by groundwater contamination countermeasure, and difference made by abolition of incinerators for dioxin countermeasure
	5. Environmental business activities	Contribution of environmental business products(MSDS management system, environmental monitoring system, and so on)
	6. Efficient environmental activities	Effect of paper reduction, cost reduction by using of management system
7. Environmental education	Effect of in-house education by ISO14001 establishment consultant, auditor education, and so on	
	Total	

* As for environmental load reduction activity for each item, please see ref. page.

Certification by Third Party

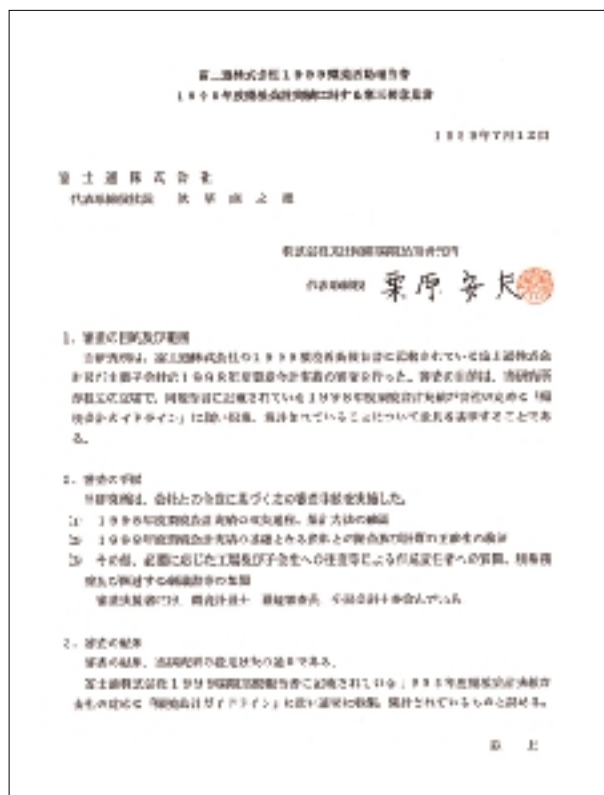
In order to raise the reliability and transparency of the result of our environmental accounting, we have obtained, for the first time in Japan, the third party (Showa Ohta Environment & Quality Laboratory) certification.

An examination was made for about one month with respect to the collection process of information concerning the environmental cost and effect, collation with base material and correctness of calculation whether they are made in conformity with "Environmental Accounting Guideline".

During the examination, examination was also conducted at our plant as well as at affiliate companies.

(Unit: 100 million Yen)

	Fujitsu	Consolidated Subsidiaries	Total	Ref. Page
	42	35	77	21,22
14001 certification	11	15	26	7,8
	8	1	9	17,18
	2	2	4	9,10
	8	8	16	13,14
	1	5	6	11,12
	2	3	5	24,27
ental risks)	6	1	7	22,23
	80	70	150	
	37	23	60	21,22
	6	3	9	17,18
	5	29	34	9,10
	1	2	3	13,14
	18	14	32	21,22,23
	9	5	14	
	5	3	8	29,30
	13	3	16	24
	3	2	5	25,26
	97	84	181	



The third party opinion

Future Plan

It is our plan to grasp quantitatively cost vs. effect relating to environmental protection, and disclose the result. Also, we intend to obtain the certification of the third party organization continuously from now on.