

Environmental Accounting

Fujitsu uses an environmental accounting system, introduced in fiscal March 1999, to provide quantitative assessments of the costs and effects of environmental protection measures, and to evaluate the effectiveness of environmental investments. During the year, in response to opinions and comments made by people both inside and outside the company, Fujitsu revised its internally developed environmental accounting guidelines, introducing a number of improvements. To test its reliability and transparency, Fujitsu also obtained independent third-party certification of the system.

Environmental accounting system

System objectives

- To disclose information and company position to interested parties
- To raise the effectiveness of investments in environmental measures
- To implement continuous environmental activities with a long-term perspective
- To energize Fujitsu's environmental activity program

Principal points amended since previous year

- Scope of data collection expanded to 202 domestic and overseas affiliates
- Introduction of numerical indicators to measure improvements—i.e. reductions—in environmental impact (EI*¹ and EE*² indicators)

- Classification of environment-related personnel expenses broadened from two categories (specialist staff/non-specialist) to four (according to engaged ratio).

*1: Environmental improvement (EI) indicator: a measure of the environmental impact-reduction effect per unit cost (unit: ton-C/¥100 million*³). The EI indicator shows the effect of money spent (in this case, 100 million yen) on environmental measures in terms of the consequent reduction in environmental impact, as measured by the weight of carbon dioxide. It enables the effectiveness of environmental measures to be compared between different periods, and segments.
 *2: Environmental efficiency (EE) indicator: a measure of total sales relative to the environmental impact (unit: ¥100 million/ton-C). The EE indicator shows the value added in terms of sales by environmental impact. It enables evaluation of the direct environmental load of business activities.
 *3: The unit ton-C denotes the weight of carbon contained in the corresponding carbon dioxide (CO₂).

Results of Environmental Accounting in Fiscal 1999

Item		Scope
Costs	① Direct costs	Cost of environmental protection activities at manufacturing plants (costs of introduction and maintenance of environmental facilities)
	② Indirect costs	Costs of ongoing environmental protection activities (personnel expenses) and acquisition/maintenance of ISO 14001-series certification
	③ Energy saving	Cost of energy-saving measures
	④ Recycling	Costs of product collection, recycling and reuse Cost of waste treatment
	⑤ R&D	Cost of R&D for eco-conscious products and environmental technologies
	⑥ Social activities	Costs of greenery programs, environmental activity report production and environment-related publicity, etc.
	⑦ Other costs	Cost of tackling environmental risks posed by ground water and other contamination
		Total
Effects	① Value-adding effects on manufacturing	Contribution of environmental protection activities to the value added by manufacturing activities* ⁴
	② Energy-saving effects	Cost savings from reductions in consumption of electricity, oil and gas
	③ Recycling effects	Sales value of recycled and reused products Cost savings from reductions in waste volumes
	④ Risk management	Savings from avoidance of losses caused by plant non-operation due to non-observance of environmental laws and regulations* ⁵ Savings from avoidance of payment of insurance premiums and compensation to residents as a result of ground water contamination
	⑤ Environmental business activities	Sales contribution of environmental products (environmental solutions and Green Products)
	⑥ Efficiency improvements from environmental activities	Cost savings from paperless operations and use of management systems
	⑦ Environmental education activities	Effects of in-house training of environmental ISO consultants and auditors
		Total

*4: Calculated as the sum of proportions of product value-added at each plant, depending on the proportion of environmental protection activities undertaken at each site
 *5: Estimate of risk avoidance assuming such events arise

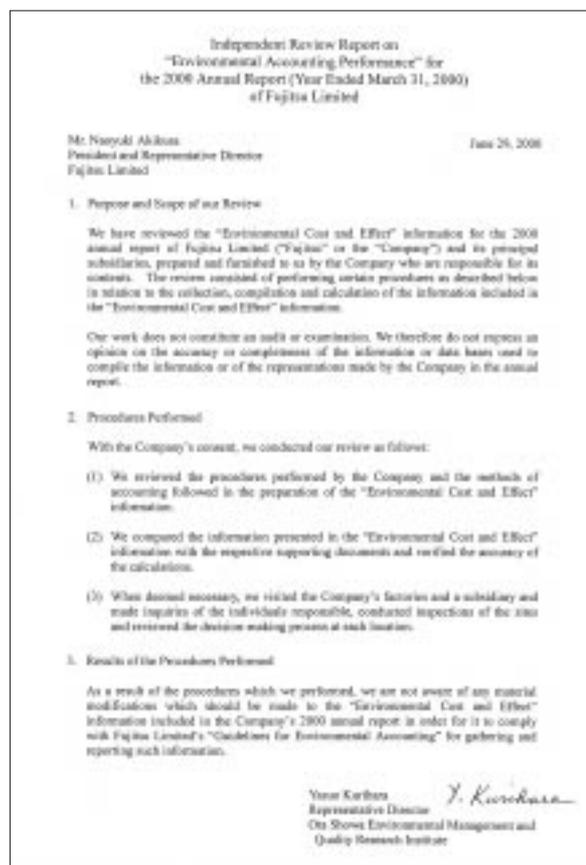


Third-party certification

To ensure the reliability and transparency of the data, Fujitsu obtained third-party certification of its environmental accounting system from Ota Showa Environmental Management and Quality Research Institute. For the second year running, the audit covered the data collection processes used to assess the costs and effects of environmental protection within the fiscal accounting period, and also checked the various procedure documents associated with the accounting process. In addition, after data collection had been completed, checks and audits of the data collection methodology and the documents from which the collected figures were taken were conducted in Fujitsu's plants and affiliates. Independent Review Report (right) was attached to the annual report.

Future plans

With a view to improving the system, Fujitsu plans to continue making quantitative assessments of the costs and environmental load-reduction effects of its various activities, and to disclose the results.



Independent Review Report found in the annual report (copy)

(Unit: 100 million yen)

	Fiscal 1999 results			See page
	Fujitsu	Affiliated companies	Total	
	39	37	76	31-36
	13	18	31	9, 10
	10	1	11	27, 28
	3	3	6	17, 18
	8	10	18	23, 24
	3	6	9	19-22, 38
	3	3	6	15, 39, 40
	6	4	10	29, 30
	85	82	167	
	37	40	77	31-36
	13	7	20	27, 28
	7	29	36	17, 18
	1	3	4	23, 24
	20	13	33	29-36
	7	16	23	
	6	1	7	37, 38
	9	9	18	30
	3	1	4	13, 14
	103	119	222	

Environmental impact-reduction improvement indicators: fiscal 1999

(Fujitsu)

Item	Results
Environmental improvement indicator (EI) [ton-C/¥ -100 million]	113.7
Environmental efficiency indicator (EE) [¥ -100 million/ton-C]	0.19

Fiscal 1999 environmental impact-reduction effect (for reference)

(Fujitsu)

Effects/CO ₂ equivalents [ton-C]
9,661*6

*6: Out of the fiscal 1999 environmental impact-reduction effects, this value shows the reduction effect (CO₂ equivalents) gained by energy saving (electricity, oil, gas) and waste reduction (waste paper, waste plastic, waste oil, wood chips).