

Environmental Accounting

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

Conditions in Fiscal 2005

In fiscal 1998, we introduced environmental accounting, in which costs and benefits associated with environmental conservation are evaluated.

In these calculations, we use not only the Ministry of the Environment’s Environmental Accounting Guidelines but also computational standards that we have established independently in order to estimate effects that are not so easily assessed.

In fiscal 2005, the Fujitsu Group had total environmental costs of 17.9 billion yen and was able to achieve an economic benefit of 24.5 billion yen. Compared to the previous fiscal year, although there was no change in the costs, the benefits increased by 1.9 billion yen. However, excluding the impact of the removal of Fujitsu Hitachi Plasma Display Limited and Fujitsu Display Technologies Corp. from Fujitsu’s consolidated accounts beginning in fiscal 2005, environmental costs and benefits increased by 2.3 billion yen and 3.8 billion yen, respectively.

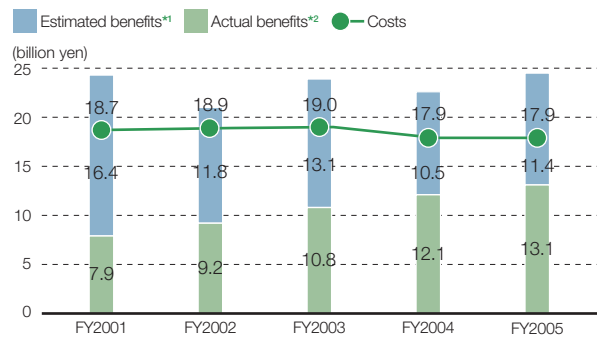
The main sources of the increase in environmental costs were for such purposes as the restoration of contaminated soil (environmental remediation) and the handling of banned substances in products (research and development). Similarly, the increases in economic benefits were due to proceeds from the sale of unnecessary resources with material value, increases in the cost reductions associated with our Green Process activities, risk avoidance effects (pollution prevention) associated with water pollution

prevention-related investments, and similar items.

More detailed information on the basic items in our environmental accounting is available on our website.

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

Trends in Costs and Economic Benefits



*1 Estimated Benefits

Benefits not directly presentable in monetary amounts which can be put into monetary figures under certain conditions (e.g. contribution of environmental conservation activities to value added in manufacturing, savings from avoidance of operating losses stemming from failure to observe environmental laws and regulations).

*2 Actual Benefits

Benefits which can be directly declared in monetary amounts, like savings produced in the case of reductions in environmental conservation costs.

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Item	Main areas covered	Investment (100 million yen)	Costs (100 million yen)	Economic benefit (100 million yen)	Environmental conservation benefits
Business area costs/benefits	Pollution prevention costs/benefits	7.8 [-0.1]	51.1 [-0.9]	89.5 [+4.2]	
	Global environmental conservation costs/benefits	9.9 [+2.8]	21.0 [-7.8]	23.2 [-1.9]	CO ₂ 171,000 tons-CO ₂
	Resource circulation costs/benefits	2.8 [-4.8]	29.9 [-2.7]	97.0 [+11.2]	NOx 2,091 tons SOx 314 tons BOD -23 tons COD 14 tons
Upstream/downstream costs/benefits	Collection, recycling, reuse, and proper disposal of manufactured and commercial goods, etc.	0.9 [+0.7]	10.6 [+0.9]	8.5 [-0.5]	
Administration costs/benefits	Provision and operation of environmental management systems, environmental education of employees, etc.	1.0 [-1.6]	31.8 [-5.1]	7.0 [±0.0]	Amount of waste generated 21,299 tons
R&D/solutions business costs/benefits	Research and development on products that contribute to environmental protection, etc.	2.1 [+1.0]	22.0 [+3.9]	15.9 [+3.9]	Discharge of PRTR-target substances 4.5 tons
Social activity costs/benefits	Donations to, and support for, environmental groups, etc.	0.0 [±0.0]	0.1 [±0.0]	0.0 [±0.0]	
Environmental remediation costs/benefits	Restoration of natural environments, etc.	0.0 [±0.0]	12.6 [+11.6]	4.0 [+2.0]	
Total		24.5 [-2.0]	179.1 [-0.1]	245.1 [+18.9]	

- Numbers in brackets indicate increases or decreases in comparison with the previous year.
- Environmental conservation benefit = [total burden for fiscal 2004] - [total burden for fiscal 2005]
- The environmental conservation benefit for CO₂ is the value related to energy use.