Environmental Accounting

Casio compiles and analyzes data regarding the cost and the effect of environmental conservation activities in its business in accordance with the "Environmental Accounting Guidelines 2005" published by the Ministry of the Environment.

Scope and Method of Data Compilation

The accounting figures for fiscal 2004 were treated under the same methods as in previous years. As for the scope of data compilation, the coverage was expanded to all Japanese and foreign consolidated subsidiaries starting this year pursuant to the Guidelines 2005.

Accordingly, the data for fiscal 2003 were recalculated to encompass the same scope as this year's to ensure their comparability with the data included in this year's report.

Actual Results of Fiscal 2004

As capital investment for the environment conserrationn Kochi Casio has sitched COF_2 gas from NF_3 gas for the purpose of CVD cleaning. The COF_2 gas utilitization is worthly of ¥45 million. Kochi Casio is the company succeeded in mass producing of the COF_2 gas. It has a global warming potential one 2,500th of NF_3 gas, which has been conventionally used as the CVD cleaning gas, and thus contributes to the reduction of greenhouse gases.

Among investment that is included in pollution prevention cost is an expansion of the dust collection equipment of Casio Electronic Manufacturing Co., Ltd. (¥8 million). This was beneficial in reducing the volume of dust dispersal that occurs during toner production. These expenditures raised the investment in environmental equipment by ¥195 million (a 44% increase) over the levels of fiscal 2003, to ¥641 million this fiscal year.

The environmental expense grew ¥23 million, to ¥1,135 million as large expenses were incurred for the reduction of waste volume.

As the result of such aggressive investment, coupled with expenses on a focused area, the environmental efficiency indicators relating to CO_2, waste recycling, and countermeasures on specified toxic substances, which represent the locus of Casio's efforts, improved over the preceding fiscal year.

Focus of Future Policies

Casio plans to continue to raise the level of its environmental accounting and use it as a tool for making decisions on environmental management, and aims to further improve the environmental efficiency indicators, the main part of which are countermeasures on specified toxic substances.

Important Indicators

Sales Environmental Efficiency (CO_2) = Sales (In millions of yen) / Environmental Impact (CO_2 emissions: tons-CO_2)

Represents sales per ton of CO_2 emissions.

	FY2004	FY2003
Electronic Component Division	1.49	1.65
Electronics Equipment Division	11.93	10.99
Total	4.98	4.83

Sales Environmental Efficiency (Waste) = Sales (In millions of yen) / Environmental Impact (Waste emissions: tons)

Represents sales per ton of waste emissions.

	FY2004	FY2003
Electronic Component Division	25.50	22.97
Electronics Equipment Division	145.17	147.55
Total	75.09	66.40

Sales Environmental Efficiency (PRTR) = Sales (In millions of yen) / Environmental Impact (Volume of use of PRTR-specified substances: tons)

Represents sales per ton of PRTR-specified substance use.

	FY2004	FY2003
Electronic Component Division	664.45	750.83
Electronics Equipment Division	28,525.03	18,622.68
Total	3,054.68	2,927.35

Examples of Projects Achieving Results from Environmental Investment

At Casio, efforts to reduce environmental impact are made both at the corporate level and at the levels of individual business and manufacturing sites. Specific examples of investment that led to reductions in environmental impact which were implemented one a site-by-site basis in fiscal 2004 are shown here as the "Projects Achieving Results from Environment Investment."

Investment Theme	A formula to calculate the cost vs. effects (unit: ¥1,000) (Economic effects*)	Implemented Work
Free Cooling System	= 4,284 / 6,000 (The amount of reduction in power usage / year / The amount of investment) = 0.714	Implemented as part of the remodeling of the cold water system, including an additional installation of freezers, which was part of an expansion of the Electronic Component Y3 Line.
Installation of Volume Reduction Device	= 24,000 / 43,000 (Annual cost of development effluent disposal / The amount of investment) = 0.558	A reduced capacity device was installed in order to reduce the cost of treating used development effluent.

* The economic effects should ideally be at least 1. However, a project is deemed to be environmentally managed if the figure, when multiplied by the number of years of depreciation, is 1 or higher.

Investment Themes	Investment Amounts	Effects (Environmental Effects)	Implemented Work
A reduction of CO_2 and energy conservation through reconstruction of heat source system (cold and hot water generator)	35,870 (thousand yen)	●An annual reduction in the volume of CO_2 (from the previous years) 1,519 tons (5,492 → 3,973) ●An annual reduction in the cost of energy: ¥1,610 thousand	The heat source system was upgraded and reconstructed to maintain the air conditioned environment of a clean room (efficiency improvement and a fuel replacement from Special Bunker A fuel oil to city gas) to reduce environmental impact.
Introduction of an alternative gas for NF_3 (COF_2)	45,000 (thousand yen)	●Impact on global warming: a drastic reduction to one 2,500th.	NF_3 that had been used as a CVD cleaning gas was replaced with COF_2 (CO_2: Global warming coefficient: 1, ozone layer destruction coefficient: 0)

Report of the Actual Results of FY 2004

* Please refer to page 1 for details of the business units encompassed.

(Unit: ¥1 million)

Items	Environmental Conservation Cost: Capital Investment: Electronic Component Division 2004	2003	Change	Electronics Equipmen Division 2004	2003	Change	Total 2004	2003	Change	Major Works of This Year	Environment-related Cost*: Electronic Component Division 2004	2003	Change	Electronics Equipmen Division 2004	2003	Change	Total 2004	2003	Change	Major Works of This Year	By Field	Capital Investment: Results of the Electronic Component Division	Results of the Electronics Equipmen Division	Total Actual Results	Environment-related Cost: Results of the Electronic Component Division	Results of the Electronics Equipmen Division	Total Actual Results
Costs within Business Areas	473	423	50	132	23	109	605	446	159		360	336	24	196	223	▲27	556	559	▲3									
Breakdown: Pollution Prevention Cost	314	238	76	8		8	322	238	84	Feed water and drainage treatment facilities, exhaust gas removal devices	205	151	54	12	3	9	217	154	63	Administrative and maintenance cost of environment-related facilities	Global Warming Counteractions	148	122	270	20	7	27
Breakdown: Global Environmental Conservation Cost	82	165	▲83	122	15	107	204	180	24	NF_3 alternative gas using facilities and air conditioning equipment	7	14	▲7	7	21	▲14	14	35	▲21	Maintenance and inspection cost of energy conservation facilities, etc.							
Breakdown: Resource Recycling Cost	77	20	57	2	8	▲6	79	28	51	Reduced capacity equipment, water circulation-using facilities	148	171	▲23	177	199	▲22	325	370	▲45	Recycling and sorted disposal-related cost	Ozone Layer Protection		8	8			
Upstream and Downstream Costs	6		6	5		5	11		11	Chemical substance countermeasure facilities Soldering machines	12		12	265	184	81	277	184	93	Cost of Green Purchases Cost of recovery of products, etc. Cost of research on RoHS countermeasures	Atmospheric Environmental Conservation	28		28	23	5	28
																					Noise and Vibration Countermeasures					1	1
Management Activity Cost											74	58	16	168	142	26	242	200	42	ISO administrative and maintenance cost Administrative activity personnel cost. Related cost	Water, Soil and Foundation / Environmental Conservation	254		254	164	7	171
Research and Development Cost			25			25	25		25	X-ray analyzers	4		4	53	106	▲53	57	106	▲49	Eco-products, Eco-packaging, etc. Research cost Research cost of discontinuing lead soldering	Wastes and Recycling	43	4	47	147	373	520
																					Chemical Substances	6	28	34	3	89	92
Information Disclosure and Social Contribution Costs												21	▲21	3	19	▲16	3	40	▲37	Greening of Neighborhoods	Preservation of the Natural Environment				7		7
Other Costs												23	▲23					23	▲23		Other				86	203	289
Total	479	423	56	162	23	139	641	446	195		450	438	12	685	674	11	1,135	1,112	23		Total	479	162	641	450	685	1,135

* Depreciation expense relating to fixed assets is not included in the computation of the environment-related cost
* For personnel cost, the average unit cost was used for the computation.

(Unit: ¥1 million)

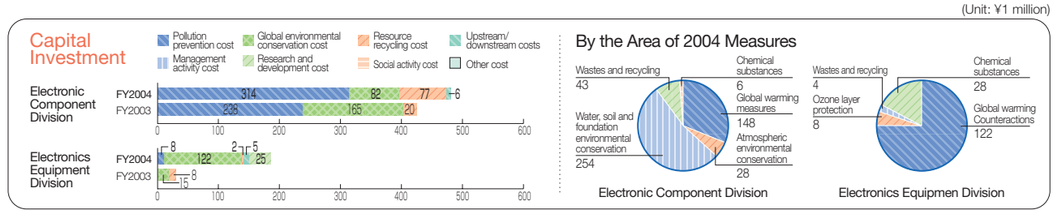
By Field	Economic effects*: Results of the Electronic Component Division	Results of the Electronics Equipmen Division	Total Actual Results
Reduction through Energy Conservation	▲54	▲94	▲148
Resource Saving	▲14	9	▲5
Recycling	52	272	324
Reuse	17	250	267
Sell out of valuable resource	35	22	57
Reduction of Waste Disposal Cost	19	2	21
Other		15	15
Total	3	204	207

* Effects based on hypothetical calculations are not compiled.

* "Differences" shown in the table may not match the results of the computations. This is due to rounding of fractions.

	Unit	Quantities: FY2004 Electronics Equipment Division	FY2004 Electronic Component Division	FY2003 Electronics Equipment Division	FY2003 Electronic Component Division	Difference Electronics Equipment Division	Difference Electronic Component Division
Total Energy Input	Crude Oil Equivalent (KL)	10,965	41,497	9,384	39,266	1,581	2,231
Water Resource Input	thousand m³	464	2,551	433	2,454	31	97
Greenhouse Gas Discharge							
CO_2	ton-CO_2	37,548	74,607	36,894	71,503	654	3,104
SF_6	ton	0	16,551	0	15,248	0	1,303
Specified Chemicals Emissions	ton	0	29	0	39	0	▲9
Total Waste Generation	(ton)	3,085	4,359	2,749	5,135	336	▲776
(the Landfill Disposal Portion)	thousand m³	1,051	11	398	19	653	▲8
Total Effluent Volume		371	2,045	347	1,959	24	86
BOD	ton	7	19	13	18	▲6	1
COD	ton	0	0	10	0	▲10	0
Other Emissions							
NOx	ton	83	16	70	20	14	▲4
SOx	ton	23	8	22	9	1	▲1
Dust	ton	2	1	3	1	▲1	0
Energy Consumption during Use	GJ	2,871	0	3,074	0	▲203	0
Cyclic Usage Volume of Used and Recovered Products, Containers and Packages	ton	12,350	483	12,425	393	▲75	90
Volume of Containers and Packages Used	ton	11,676	607	11,654	501	22	106

(Unit: ¥1 million)



(Unit: ¥1 million)