

Environmental Accounting

Overview of fiscal 2015 performance

In fiscal 2015, environmental accounting showed that investment in environmental conservation increased, and the economic benefits associated with costs and environmental conservation measures were virtually the same level as the previous year.

Investments in environmental conservation, such as energy-saving equipment and LED lighting, were valued at ¥108 million, while the cost of environmental conservation including recycling products, parts, and toner cartridges and other consumables was ¥1,227 million.

Meanwhile, the economic benefits from environmental conservation included real effects, like business profits due to recycling activities of ¥816 million. They also include estimated effects valued at ¥437 million related to reducing environmental impact through the use of, for example, paperless products and non-mercury lamp projectors.

Total economic benefits for the fiscal year were ¥1,253 million. Moving forward, Casio will accurately ascertain and inform people about the effects of its environmental management activities from an economic perspective and will strive to engage in efficient and effective environmental conservation efforts.

Environmental conservation costs (April 2014 - March 2015)

| Category by business activity | | Environmental investment (¥ million) | Environmental expenses (¥ million)*1 |
|--|--|---|---|
| | | Main initiatives | |
| Business area costs (costs arising in the main areas of business activity (manufacturing, processing, sales, distribution etc.)) | | 108 | 302 |
| (1) Pollution prevention cost | Preventing air and noise pollution | 12 | 31 |
| (2) Global environmental conservation cost | Maintenance of energy-saving systems | 93 | 179 |
| (3) Resource circulation cost | Processing, reducing in volume, and recycling of general and industrial waste | 3 | 92 |
| Upstream/downstream cost*2 | Collection and recycling of products, parts, supplies | - | 637 |
| Administration cost | Secretariat operation costs, environmental information disclosure | - | 257 |
| R&D cost | R&D for reduction of environmental impact | - | 18 |
| Social activity cost | Participation in, donations to, and support for environmental conservation organizations | - | 13 |
| Total | | 108 | 1,227 |

*1 Depreciation costs are included in the expenses. *2 Costs arising before and after the processes of the main business activities.

Economic benefits of environmental conservation (April 2014 - March 2015)

| Economic benefit | | Amount (¥ million) |
|--|--|-----------------------|
| Type of benefit | | |
| Actual benefit (benefit that contributes to profits as a result of the promotion of environmental conservation measures) | | 816 |
| Profits | Business revenue from recycling of used products, etc. | 782 |
| Cost reduction | Cost reduction through energy saving activities | 20 |
| | Reduction of waste processing costs arising from resource saving or recycling | 14 |
| Estimated benefit * | Reduction of distribution costs through environmental conservation initiatives | 437 |
| | Reduction of power consumption during product use by customers, etc. | |
| Total | | 1,253 |

*The estimated benefit is calculated as the CO₂ reduction amount from business activities plus the reduction from power savings during product use by customers. It also includes the environmental benefit of paperless products such as electronic dictionaries, data projectors, non-mercury lamp projectors and smaller printers, efforts to increase the longevity of the parts in these devices that require regular replacement, and distribution cost reductions achieved through packaging reduction.

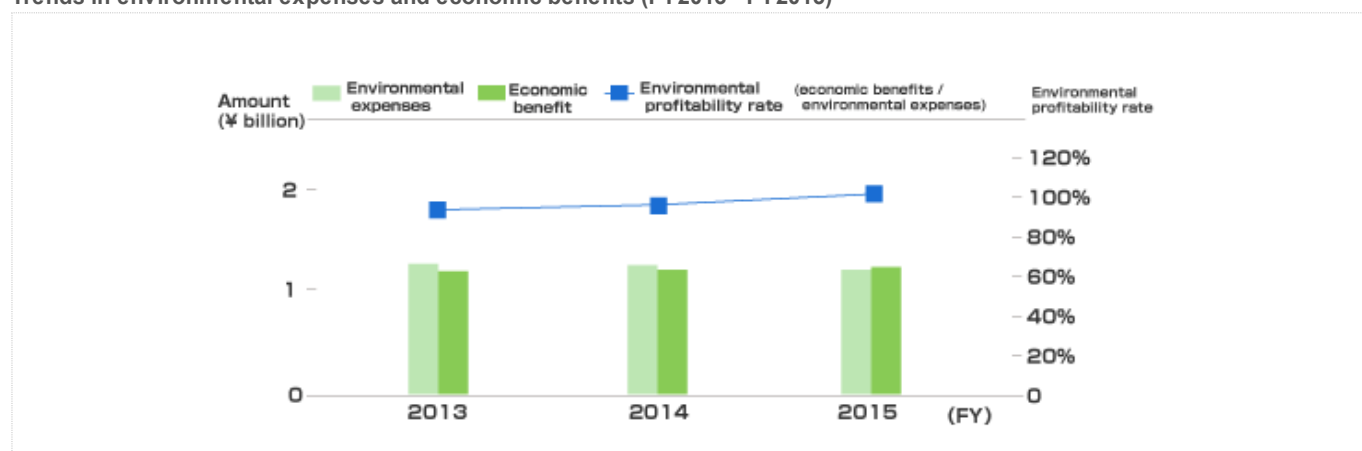
Regarding the reduction of power consumption during product use by customers, the monetary value of the environmental impact reduction effect is calculated as follows:

Reduction of power consumption during product use by customers = (Annual power consumption of the previous model – Annual power consumption of the new model) x Number of units sold in the year x Electric power unit price.

When calculating the estimated effects, the following coefficients are used:

CO₂ unit prices are the average full-year value for fiscal 2015 based on the EU emissions trading price (¥859.07/t). The electric power unit prices are fiscal 2014 electricity costs from the Fiscal 2014 Energy White Paper issued by Japan's Agency for Natural Resources and Energy (¥17.53/kWh).

Trends in environmental expenses and economic benefits (FY2013 - FY2015)



Environmental conservation effect

| Types of environmental conservation effects | Environmental performance indicator | Unit | FY2014 | FY2015 | Environmental conservation effect |
|---|-------------------------------------|-------------------------|--------|--------|-----------------------------------|
| Environmental conservation effect relating to resources used in business activities | Water resources | Thousand m ³ | 475 | 300 | +175 |
| Environmental conservation effect relating to environment impact and waste generated by business activities | CO ₂ emissions | Tons-CO ₂ | 38,379 | 38,483 | -104 |
| | Waste emissions | Tons | 2,269 | 2,523 | -254 |

Scope of data compilation for environmental accounting: Casio Computer Co., Ltd., and consolidated subsidiaries in and outside Japan.

Reference guideline: Environmental Accounting Guidelines 2005, Ministry of the Environment, Japan.