

ENVIRONMENTAL ACCOUNTING SYSTEM

Minebea has introduced environmental accounting to facilitate a qualitative assessment of its environmental efforts. This move reflects our belief that an accurate analysis of these efforts using economic indicators will ensure our ability to continue playing a role in environmental conservation and contribute to a tangible reduction of the burden it places on the environment. Our environmental accounting system is based on *Environmental Accounting Guidelines* (Fiscal 2002 Version), published by Japan’s Ministry of the Environment. Environmental protection costs incurred by overseas production bases—which account for more than 90% of total Group production—are also accounted for using these guidelines. This system is still new and is not yet perfect. We will modify it as necessary to facilitate the disclosure of accurate information that will support effective environmental management.

SCOPE

- Period covered
April 1, 2002–March 31, 2003
- Scope of calculations
 - ▶ **Japan**
Minebea Co., Ltd.
Karuizawa Manufacturing Unit (Karuizawa, Matsuida and Saku factories)
Fujisawa Manufacturing Unit
Omori Manufacturing Unit
Hamamatsu Manufacturing Unit and its R&D Center (Minebea Electronics Co., Ltd.)
Minebea Onkyo Co., Ltd. (relocated to Hamamatsu Manufacturing Unit in June 2003)
NMB Electro Precision, Inc.
 - ▶ **Asia**
Thailand—All Minebea Group plants
China—All Minebea Group plants
Singapore—All Minebea Group plants

COSTS OF ENVIRONMENTAL PROTECTION ACTIVITIES

Category		Description	Investment	Expenses
1.	Business area costs (Environmental protection costs to minimize the environmental burden resulting from manufacturing and service activities within the business area)	See specific entries for a, b and c below.	¥1,213,186	¥2,613,017
	Breakdown			
	a. Pollution prevention costs	Costs related to the installation, disposal, maintenance and management of facilities to prevent water and air pollution, others	800,845	881,151
	b. Environmental protection costs	Installation, depreciation, operating and maintenance costs for ODS-free water-based cleaning facilities, others	345,739	1,433,246
	c. Resource recycling costs	Waste disposal and recycling equipment, costs, others	66,602	298,620
2.	Upstream/downstream costs (Environmental protection costs to minimize the burden of key upstream and downstream operations)	Costs related to the installation of analyzers, analysis of materials as part of the Green Procurement Program, printing and revenue stamp costs for contracts with suppliers, others	50,058	41,651
3.	Administration costs (Environmental protection costs stemming from administrative activities)	Personnel, maintenance and management costs for environmental management system, others	0	235,349
4.	R&D costs (Environmental protection costs stemming from R&D activities)	Costs related to the research and development of ODS-free water-based cleaning facilities, others	0	52,632
5.	Community activity costs (Environmental protection costs stemming from community activities)	Costs related to greening programs, landscape preservation, others	0	60,519
6.	Environmental remediation costs (Costs incurred for environmental remediation efforts)	Costs related to soil replacement and the operation, maintenance and depreciation of water-based cleaning facilities, others	0	50,529
	Other costs	Costs related to the creation of a system for managing chemical substances	0	46,758
	Total		¥1,263,244	¥3,100,455

Exchange rates used: 1 baht=¥2.7; 1 yuan=¥14.2; \$1.00=¥68