

Minebea recognizes accounting for environmental protection efforts using economic indicators as a crucial aspect of management. By applying economic indicators to the costs incurred by these efforts, Minebea strives to ensure its investments are both appropriate and effective. Minebea's environmental accounting system is based on the *Environmental Accounting Guidelines* published by the Japanese Ministry of the Environment. Environmental costs incurred by overseas production bases area also accounted for using these guidelines.

Scope

- Period covered: Fiscal 2006 (April 1, 2005–March 31, 2006)
- Scope of calculations: Minebea and Minebea Group (see page 4)

Costs of Environmental Protection Activities

		(Millions of yen)	
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.	1,108	2,005
Breakdown			
a. Pollution prevention costs	Costs related to the installation, disposal, maintenance and management of facilities to prevent water and air pollution, others	137	625
b. Environmental protection costs	Installation, depreciation, operating and maintenance costs for ozone-depleting substance (ODS)-free water-based cleaning facilities, others	490	796
c. Resource recycling costs	Waste disposal and recycling equipment, costs, others	481	584
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	8	34
3. Administration costs (Environmental protection costs stemming from administrative activities)	Personnel, maintenance and management costs for environmental management system, others	1	178
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	1	27
5. Community activity costs (Environmental protection costs stemming from community activities)	Costs related to greening programs, landscape preservation, others	1	101
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	127
Other costs	Costs related to the creation of a system for managing chemical substances	0	8
Total		1,119	2,480

Exchange rates used: S\$1.00=¥72.6; 1 baht=¥3.0; 1 yuan=¥14.7; £1.00=¥205.2; €1.00=¥142.8; US\$1.00=¥117.5