

Fuji Electric introduced environmental accounting in fiscal 2000 as a key means of assessing environmental management performance. Using the 2005 guidelines released by Japan's Ministry of the Environment, we established in-house calculation methods for environmental preservation costs and benefits. Each year, we ascertain and analyze these costs and benefits and disclose this information to the public.

Stance toward Environmental Accounting Calculations

We calculate "direct benefits," such as revenue from sales of valuable items and energy conservation, as well as "estimated benefits," which is a conversion to monetary value of the energy-savings benefit from the use by customers of existing environmentally friendly products (such as vending machines and some inverters) and energy-creating products (such as solar cells and geothermal systems).

Fiscal 2021 Achievements

Environmental conservation costs in fiscal 2021 totaled ¥21,230 million, with investment of ¥1,330 million and expenses of ¥19,900 million.

The environmental conservation benefit amounted to ¥86,210 million, including revenue from sales of items with value of ¥958 million, savings from energy conservation of ¥150 million, and estimated benefits of ¥85,100 million.

Environmental investment included in environmental conservation costs came to ¥840 million in fiscal 2021.

Investments were primarily aimed at energy conservation activities that made direct contributions to the reduction of greenhouse gas emissions during production and included the following:

- (1) Installation of LED lighting
- (2) Replacement of air conditioners with more efficient models
- (3) Installation of inverters and other energy conserving equipment at production facilities

The economic benefit of these environmental preservation measures equated to savings of ¥150 million achieved through the aforementioned energy conservation activities in Fuji Electric factories. In addition, we estimate that the economic benefit from reductions in the electricity bills of customers through the use of our products was ¥85,10 million as a result of increased sales of inverters, power conditioning systems for mega solar power generation systems, solar power generation systems, and electronic devices.

Environmental Conservation Costs and Benefits (Fiscal 2021)

Period covered: April 1, 2021 to March 31, 2022

Scope: 12 business sites + 22 consolidated subsidiaries (nine subsidiaries in Japan and 13 overseas subsidiaries)

Environmental Conservation Costs (Fiscal 2021)

Categories corresponding to business operations		Main Content
1	Costs within the business sites	
	Pollution prevention costs	Cost of improving and maintaining atmospheric and wastewater emission treatment facilities and sound dampening equipment
	Global environmental conservation costs	Installation and maintenance of energy efficient equipment
	Materials recycling costs	Waste reduction, maintenance and management costs

ESG

Contribution to SDGs
ESG Material Issues
Environmental Vision
Environment
<ul style="list-style-type: none"> Polices, Environmental Vision 2050 Basic Polices on Environmental Protection Message from the Environmental Officer Environmental Vision 2050 Approach to Disclosing Climate-related Information In Accordance with TCFD Recommendations Environmental Management Environmental Management Organizational Framework Environmental Management Initiatives Environmental Achievements Environmental Management Targets and Achievements Interplay between Business Activities and Environmental Impact
Environmental Accounting
<ul style="list-style-type: none"> Environmental data Third-Party verification Achieve a Decarbonized Society Action Plan to Reduce Greenhouse Gas Emissions Reducing Greenhouse Gas Emissions During Production Reducing Society's CO₂ Emissions through Products Target for Reducing Greenhouse Emissions Across the Supply Chain Recycling-Oriented Society Reducing Waste in Business Activities Efficient Use of Water Resources Initiatives for Reducing Environmental Impact of Products Society that is in Harmony with Nature Managing Chemical Substances Preserving Biodiversity
Society
Governance
ESG Index
Comparison with ISO26000
External Evaluation
Activity Archives
Participation in initiatives

Categories corresponding to business operations		Main Content
2	Upstream/downstream costs	Cost of processing discarded products
3	Management costs	Costs of environmental education for employees, environmental management systems operation, monitoring and measurement of environmental impact, environmental conservation measures
4	R&D costs	R&D costs for environmental conservation, such as energy conservation
5	Social activity costs	Greenery preservation, greening costs, and the cost of supporting environmental activities
6	Environmental damage costs	Cost of excavation and processing of contaminated ground, charges for the impact of pollution
Total		



Economic Benefit of Environmental Conservation Measures (Fiscal 2021)

Categories	Main details
Revenue	Amount received from sale of valuable items for recycling
Savings	Reduction of expenses through energy conservation, reduction of landfill reduction of water bill through water conservation
Estimated benefit	Energy reduction through the use of environmentally friendly products by
Total	



Note 1:

The "The "estimated benefit" is calculated as the economic benefit of energy savings when products with improved energy efficiency are used by customers, and is converted using the following formula:

Benefit (¥) = Σ [(annual amount of electrical power consumed by former equipment - annual amount of electrical power consumed by new equipment) × Volume shipped annually in Japan × Electrical power standard cost] (electrical power standard cost: ¥10/kWh)

Note 2:

The "estimated benefit" includes environmentally friendly products (such as vending machines, inverters), and energy creation products (such as solar cells, geothermal power generators).