

Environmental Accounting

The JVC Kenwood Group aims for transparent and highly refined environmental management through actively publishing information and by introducing environmental accounting in line with the Environment Ministry's guidelines.

Analyzing Environmental Preservation Costs

Investment for environmental protection in FY2010 totaled 14.6 million yen in new plants and equipment and 637.1 million yen in expenditures. Main environmental preservation expenditure items that changed greatly from the previous year were reduced up and downstream costs of 153.9 million yen and environmental damage costs of 115.1 million yen. The change in up and downstream costs was mainly due to product recycling costs both inside and

outside Japan. The considerable reduction in environmental damage costs in FY2010 compared with the previous year was due to soil contamination and asbestos countermeasures. No significant changes were recorded in other areas.

The environmental effects assure energy-saving effects and enable sale of valuable waste. But there is a trend towards falling numbers of sites concomitant with workplace reorganization and the similarly shrinking scale of environmental accounting. We are aiming to reduce our environmental impact and ensure environmental effects by the appropriate application of environmental preservation costs.

JVC Kenwood environmental maintenance costs: equipment investment and costs for environmental maintenance activities (Unit: Million yen)					
Activity		Explanation	Equipment investment	Expenses	Total
Business Area Internal Costs	Pollution prevention	Costs and investment required to prevent air and water pollution	5.2	114.1	119.3
	Global environmental costs	Global warming prevention and ozone layer protection costs	2.2	13.3	15.5
	Resource cycle	Waste material reduction, recycling, and reuse costs, etc.	7.2	68.9	76.1
Subtotal			14.6	196.3	210.9
Upstream and downstream costs		Eco product and green procurement costs, waste home appliance countermeasures, and packaging and container recycling, etc.	0.0	98.5	98.5
Management activities costs		Environmental management costs, ISO certification, maintenance, training, and staff costs	0.0	341.6	341.6
R&D costs		Eco product development, energy conservation, and harmful chemicals replacement technology development costs	0.0	0.0	0.0
Social activities costs		Amenities, contribution and support costs, and information publication, environmental advertising, and environmental exhibitions	—	0.1	0.1
Environmental damage costs		Soil contamination countermeasure costs, reparations, fines, and other costs	0.0	0.6	0.6
Total			14.6	637.1	651.7

Environmental affects		Sum (Million yen)	
Reduction of amount of electricity used and waste processing costs through environmental maintenance activities		FY2010	Past cumulative total
Classification			
Reduction	Energy-savings at plants	50.1	202.7
	Reduction of waste processing costs	0.5	11.3
	Reduction of water and sewer service costs	4.3	17.9
	Reduction of packing materials and logistics costs	0.0	0.0
Income	Profits from sales of recycled plant waste products	124.3	
	Profits from sales of recycled products	0.0	
Total		179.2	356.1

Environmental accounting scope

Period	April 1, 2010 to March 31, 2011
Total scope	JVC Kenwood Group R&D Center, Business Center, Main Japanese Manufacturing Sites and Affiliated Manufacturing Companies Hachioji Business Center, Hakusan Business Center, Head Office & Yokohama Business Center, Yokosuka Business Center, Maebashi Business Center, Victor Creative Media Co., Ltd., Victor Interior Furniture Co., Ltd., Kenwood Yamagata Corporation (Yamagata Plant), Kenwood Nagano Corporation (Nagano Plant), Yokosuka R&D Center
	Global Affiliated Manufacturing Companies JVC America Plant, JVC Singapore Plant, JVC Malaysia Plant, JVC Thailand Plant, JVC Optical Components (Thailand), JVC Indonesia Plant, JVC Vietnam, Kenwood China Plant, Kenwood Singapore Plant, Kenwood Malaysia Plant, Kenwood France Plant

Reference guidelines: Ministry of the Environment "Environmental Accounting Guidelines, Ver. 2005"