5 Environmental Accounting

Since fiscal year 2002, IBIDEN has tabulated the environmental-accounting figures of domestic plants and announced the results. To enhance the reliability and transparency of the company's environmental accounting, IBIDEN is vetted by Shin Nihon Environmental and Quality Management Research Institute Co., Ltd. as an independent third party.IBIDEN will continue to promote the implementation of information technology in the collection of information for environmental accounting and establishing systems capable of providing information to manager in real time.

Major Environmental-conservation Costs for Fiscal Year 2006

The targets for tabulation of environmental-accounting figures were all domestic business-operation sites (non-consolidated). In the environmental-conservation costs for fiscal year 2006, the category "operation costs for in-house treatment of wastewater (cost)," aimed at preventing pollution, accounted for 23% of total expenses. The category "maintenance and administration costs of hydroelectric power-generation and cogeneration facilities (cost)," a unique measure of IBIDEN that is aimed at conservation of the global environment, accounted for 28% of total expenses. Together, these two categories made up approximately 50% of total costs. IBIDEN will continue and sustain appropriate investment and shouldering of expenses to reduce environmental impact.

The environment is the main objective of costs associated with hydroelectric power generation as well as research and development costs for environmentally responsible products, and full-amount tabulation is performed because no appropriate proportional-allocation criteria exist.

Unit: Millions of Yen/Year

Item	Amount of company-wide investment	Cost							Total
		Ogaki	Gama	Aoyanagi	Ogaki-Kita	Kinuura	Power Supply Division	Head Office	
1.Pollution-prevention Costs (costs within business-location areas)	320	971	219	274	294	4	3	—	1,765
2.Global Environmental-conservation Costs (costs within business-location areas)	53	289	16	162	0	2	1,089	—	1,558
3.Resource Recycling Costs (costs within business-location areas)	7	328	123	201	97	70	0	—	819
4.Upstream and Downstream Costs (costs within business-location areas)	—	—	—	—	—	0	0	—	0
5.Management-activity Costs	14	78	35	7	35	6	3	12	176
6.Research and Development Costs Total cost of research and development for products, etc., contributing to environmental conservation and for suppressing environmental impact	551	—	23	—	1,249	6	—	—	1,278
7.Social-contribution Activity Costs (outside business locations)	—	2	1	3	6	1	0	1	14
8.Environmental-damage Recovery Costs (target: domestic business locations)	—	—	—	—	—	—	—	—	0
Total (thousands of yen per year)	945	1,668	417	647	1,681	89	1,095	13	5,610

Economic Effects of Major Environmental-conservation Measures in Fiscal Year 2006

The economic effects accompanying environmental-conservation measures include approximately 0.8 billion yen in the category of "energy-saving effects and power-generation profit effects" as energy-reduction effects due to hydroelectric power generation and cogeneration, and approximately 13 hundred million yen in the category of "economic effects accompanying resource circulation" as effects of reducing waste materials due to income from sales of materials of value and improvements in the process yield rate. Through these, the company obtains economics effects of 21 hundred billion yen in fiscal year 2006.

Unit: Millions of Yen/Year

Category		Monetary amount of effects
Actual effects	1.Energy-saving effects and power-generation profit effects ・Effects due to effective hydroelectric power generation, improved power-generation efficiency, reduced idle-operation loss, improved productivity, improved air conditioning, improved steam energy, and thorough maintenance and control	836
	2.Economic effects accompanying resource circulation (1) Reduced waste materials ・Effects due to reduced waste materials through improved liquid-waste treatment costs and yield rate, improvements for loss (2) Effects due to recycling and effective use of waste materials ・Effects due to sales, etc., of substrates with precious metals, liquid wastes containing precious metals, copper-containing sludge, waste plastics	1,273
Total		2,109