

Environmental Accounting

Top figure: Komatsu and Komatsu Group manufacturing facilities in Japan (excluding Komatsu NTC Ltd. and Komatsu Cabtec Co., Ltd.)

Environmental Costs (Investments and expenses)

Bottom figure: Komatsu Group manufacturing facilities outside Japan (excluding Komatsu India Pvt. Ltd.)

Category	Investment			Expenses		
	FY2007	FY2008	Contents	FY2007	FY2008	Contents
	Investment* (millions of yen)	Investment* (millions of yen)		Expenses* (millions of yen)	Expenses* (millions of yen)	
(1) Business area cost	821 923	1,793 809		3,413 2,305	4,158 2,004	
1. Pollution prevention cost	502 587	785 333	•Investment for installation and conversion of pollution mitigation/prevention facilities (installation of effluent processing facilities, conversion of coating booths, etc.)	1,031 610	935 540	•Cost of maintaining equipment for mitigation/prevention of air and water pollution and for noise and vibration prevention (labor and depreciation costs)
2. Global environmental conservation cost	222 312	877 466	•Investment for implementing energy conservation measures (installation of new ventilation systems, etc.)	1,082 482	1,344 688	•Cost of maintaining energy conservation facilities, such as cogeneration systems (labor and depreciation costs)
3. Resource circulation cost	97 25	132 9	•Investment for reducing the volume of waste materials (conversion of recycling facilities, introduction of equipment for separating waste, etc.)	1,300 1,213	1,880 776	•Waste materials processing cost
(2) Upstream/downstream cost	0 65	1 17		280 902	226 955	•Reduction of the environmental impact of components, etc. when shipping to outside Japan •Reduction of the environmental impact of mass-production units
(3) Administration cost	14 0	18 0	•Investment for beautifying manufacturing sites	668 594	630 308	•Cost of maintaining environmental management systems •Cost of creating green spaces and beautifying manufacturing sites
(4) R&D cost	43 246	349 14	•Investment in research facilities for reduction of environmental impact	15,590 678	18,444 873	•Cost of R&D activities to reduce the environmental impact of products •Cost of R&D activities to develop environment-friendly equipment
(5) Social activity cost	11 8	0 0		5 25	8 13	
(6) Environmental remediation cost	0 0	0 0		1,264 45	1,722 49	•Cost of conducting surveys and remedial countermeasures related to soil and groundwater contamination
Total	888 1,243	2,162 840		21,221 4,548	25,188 4,202	

*All figures are rounded off to the nearest million yen.

Top figure: Komatsu and Komatsu Group manufacturing facilities in Japan (excluding Komatsu NTC Ltd. and Komatsu Cabtec Co., Ltd.)

Environmental Effects

Bottom figure: Komatsu Group manufacturing facilities outside Japan (excluding Komatsu India Pvt. Ltd.)

Environmental impact reduction effects			Economic benefits				
Items of environmental impact	Reduction amount (t/year)	Rate of year-on-year changes (%)	Tangible benefits		Avoidance benefits of environmental risks (see Note below)	Contribution to profits (see Note below)	
			Type	Monetary value* (millions of yen)	Major activities		
CO ₂ emissions	39,443	-12.8	Energy conservation	677	•Energy conversion, etc.	•There were no accidents or pollution in Japan during FY2008 that led to violations of the law. •No litigation costs were required in Japan during FY2008.	•Proceeds from mobile recycling equipment •Proceeds from value added due to reduced environmental impact of products (engines) •Proceeds from "Reman" business
	17,631	-9.3	Resource conservation	1			
Water consumption	1,078,978	-17.8	Waste materials reduction	21	•Promotion of recycling through thoroughgoing sorting •Reuse of furnace slag for roadbed materials		
			Gain on sale of valuables	419			
			Other	7			
Waste materials generation	4,157	-13.1		9			
				-13,202	16.1		1,125
			Total	522			

*Figures are rounded off to the nearest million yen.

Note: Komatsu used statements instead of numeral figures to describe the "Avoidance benefits of environmental risks" and the "Contribution to profits." The company will further develop concepts and ways to understand effects in these categories. The sales amounts of businesses for content presented in "Contributions to profits" in FY2008 are as follows:

- Mobile recycling equipment business: 8.6 billion yen
- Engine business: 90.0 billion yen (Total for intra-Group sales from the Engine & Hydraulics Business Division)
- "Reman" business: 30.1 billion yen (Worldwide "Reman" business sales from April 2008 to March 2009)

Effects on Society during the Product Use Stage*

Environmental impact reduction effects	Tangible benefits
•Environmental impact reduction resulting from on-site recycling methods	•Reduction of expenses for processing waste materials
•Environmental impact reduction resulting from product operation	•Savings in operating and maintenance costs
•Waste components reduction resulting from "Reman" business	•Reduction of repair costs

*Concerning the effects on society derived from product use by customers, the major items of qualitative information are shown here as a reference.