

## Environmental Accounting

**We introduced quantitative evaluation of our environmental activities to get a clear picture of costs and benefits that we reflect in business operations.**

The NEC Electronics Group has formulated its own internal environmental accounting guidelines in conformity with the 2005 edition of the Ministry of the Environment’s “Environmental Accounting Guidelines,” and practices consolidated accounting

that includes overseas manufacturing subsidiaries.

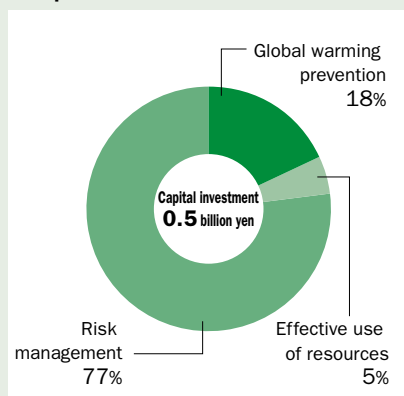
Due to the nature of the semiconductor business and its potential for substantial impact on the environment, it is essential to clarify the validity of environmental conservation costs and evaluate the investments and resulting benefits in order to balance ecological and business interests.

To evaluate environmental conservation activities more precisely in terms of ecological impact and economic efficiency, we are endeavoring to increase appropriate indicators and expand the scope of their application.

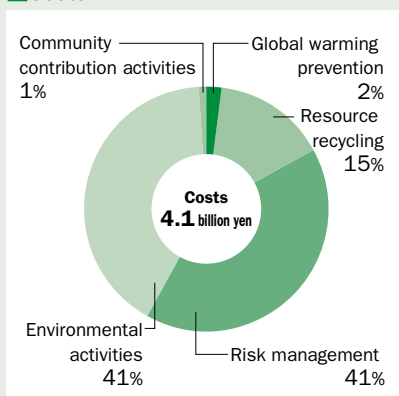
### Environmental accounting results for fiscal 2007

Type	Task	Content	Capital investment (millions of yen)	Cost (millions of yen)	Benefit	
					Economic benefit (millions of yen)	Environmental impact reduction
Business area	Global warming prevention	Global warming prevention measures	83.1	73.4	141.3	3,893 tons CO <sub>2</sub>
	Effective use of resources	Measures for reduced consumption of chemical substances, materials, water, etc.	21.9	8.8	774.9	80,567 tons
	Resource recycling	Measures for recycling and waste generation control, etc.	0.0	600.8	381.0	4,092 tons
	Risk management	Measures to prevent pollution, compliance with laws/regulations, development of chemical substance and waste management systems, etc.	352.2	1,656.7	0.0	—
Upstream and downstream	Eco-conscious products	Product and production process assessments, etc.	0.0	10.1	—	—
Environmental management	Environmental activities	Personnel costs, employee training expenses	0.0	1,667.3	—	—
R&D		Development of technologies for reduction of environmental impact	0.0	0.0	—	—
Social activities		Social contributions, information disclosure, tree-planting campaigns	0.0	34.1	—	—
Environmental damage (other)		Levies for environmental pollution	0.0	0.6	—	—
Total			457.3	4,051.7	1,297.1	—

#### Capital investments



#### Costs



#### Economic benefits

