

Environmental Accounting

■ Range of Data Collection : Manufacturing bases, R&D bases, office facilities in the area of main business activities (in Japan)

11 sites in Japan;

Toyo Tire Corp. (Headquarters, Sendai Plant, Kuwana Plant, Tire Technical Center, Automotive Parts Technical Center, Corporate Technology Center), Fukushima Rubber Co., Ltd., Ayabe Toyo Rubber Co., Ltd. Orient Machinery Co., Ltd

■ Period Covered : January 2023~December 2023

Environmental Conservation Cost

Environmental Accounting Review for FY 2023 :

In 2023, global environmental conservation costs increased due to rising fuel costs. Investment in research and development costs increased due to the expansion of facilities to evaluate new sustainable raw materials. In addition, research and development costs increased due to the expansion of evaluation of the adoption of sustainable raw materials. Note that the economic effect of fuel conversion was negative due to the rise in fuel costs (natural gas), so it is not listed.

(Units: million yen)

Category	Major Activities	Investment			Costs		
		FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
1. Business Area Costs		109	196	356	3,575	5,248	6,147
Pollution Prevention Cost	Air pollution preventive measures and waste water treatment facilities improvement, etc.	25	46	38	174	113	139
Global Environment Conservation Cost	Energy-saving measures, greenhouse gas emissions control measures, etc.	78	148	318	2,914	4,637	5,490
Resource Circulation Cost	Processing and recycling of industrial waste, etc.	6	2	0	486	498	518
2. Upstream/ Downstream Costs	Purchasing of eco-friendly products, pulverization of waste tires, etc.	0	0	0	3	3	3
3. Administration Cost	Operation of environmental management systems, environmental impact monitoring activities, etc.	0	0	0	86	86	84
4. R&D Cost	Development of alternative materials, research and development of fuel-efficient tires, etc.	0	18	101	281	386	443
5. Social Activities Cost	Tree-planting activities, contributions to the Environmental Protection Fund, etc.	0	0	0	27	31	38
6. Environmental Remediation Cost	Payments of levies related to pollution burdens, etc.	0	0	0	2	2	3
Grand Total		109	214	457	3,977	5,756	6,718

The calculations conform to the Environmental Accounting Guidelines (2005 edition) published by the Ministry of the Environment.

Depreciation of investments is included in cost.

For costs spanning more than one category, only the costs related to environmental protection were included.

In cases where environmental protection costs cannot be clearly separated, a proportional calculation was made using the "environmental ratio" considering the degree of reference to the environmental protection efforts.

R&D costs include the costs of efforts to develop eco-friendly products and use alternative materials.

Personnel expenses were calculated by man-hours and average wages.

Environmental Conservation Benefit

(Units: million yen)

Category	Major Activities	Amount		
		FY2021	FY2022	FY2023
I. Reducing Costs through Energy-Saving.	Implementing cogeneration. Changing fuel source.	-	-	-
	Other energy saving activities.	160	79	162
II. Profits from Recycling and Sale of Waste.	Recycling and selling wastes.	8	9	12
Grand Total		168	88	174