

## 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, Hyogo Manufacturing Complex, Tire Technical Center, Automotive Parts Technical Center, Corporate Technology Center), Fukushima Rubber Co., Ltd., Toyo Soflan Co., Ltd., Ayabe Toyo Rubber Co., Ltd. Orient Machinery Co., Ltd

■Period Covered : January 2021~December 2021

Environmental Conservation Cost

Environmental Accounting Review for FY 2021 :

In 2021, expenses are generally down, similar to 2020, due to the impact of COVID-19. In addition, although the economic effect of energy-saving activities increased significantly in 2020, the situation in 2021 is almost the same. Please note that the economic effect of fuel conversion is negative due to soaring fuel costs (natural gas), so it is not listed.

(Units: million yen)

Category	Major Activities	Investment			Costs		
		FY2019	FY2020	FY2021	FY2019	FY2020	FY2021
1. Business Area Costs		109	140	109	4,169	3,482	3,575
Pollution Prevention Cost	Air pollution preventive measures and waste water treatment facilities improvement, etc.	41	81	25	172	109	174
Global Environment Conservation Cost	Energy-saving measures, greenhouse gas emissions control measures, etc.	67	59	78	3,486	2,963	2,914
Resource Circulation Cost	Processing and recycling of industrial waste, etc.	1	0	6	510	409	486
2. Upstream/ Downstream Costs	Purchasing of eco-friendly products, pulverization of waste tires, etc.	0	0	0	3	2	3
3. Administration Cost	Operation of environmental management systems, environmental impact monitoring activities, etc.	4	0	0	97	74	86
4. R&D Cost	Development of alternative materials, research and development of fuel-efficient tires, etc.	0	0	0	314	314	281
5. Social Activities Cost	Tree-planting activities, contributions to the Environmental Protection Fund, etc.	0	0	0	35	30	27
6. Environmental Remediation Cost	Payments of levies related to pollution burdens, etc.	0	0	0	9	3	2
Grand Total		113	140	109	4,629	3,907	3,977

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		
		FY2019	FY2020	FY2021
I. Reducing Costs through Energy-Saving.	Implementing cogeneration. Changing fuel source.	-	-	-
	Other energy saving activities.	64	172	160
II. Profits from Recycling and Sale of Waste.	Recycling and selling wastes.	18	8	8
Grand Total		82	180	168