

## Environmental Performance

### Environmental Accounting

Hino Motors tabulates the costs and results of environmental conservation activities based on the Environmental Accounting Guidelines of Japan's Ministry of the Environment. This enables the Company to contribute to environmental conservation through effective environmental investment and sustained reductions in its environmental load.

In fiscal 2016 the sum total of environmental conservation costs increased by 97% year-on-year to ¥34.3 billion, equivalent to 2.8% of sales. The economic effect of environmental conservation on the Group's financial performance was ¥1.4 billion, up 105% compared to the previous fiscal year.

### Environmental Conservation Costs

#### ■ Environmental Conservation Costs

Unit: millions of yen

Environmental Conservation Costs		FY2016 Results		FY2015 Results		Cause of discrepancy
Item	Description of major initiatives	Investments	Costs	Investments	Costs	
(1) Costs in operational areas		233	662	633	844	
① Pollution prevention costs	Expenses for environmental risk countermeasures, drainage water treatment, and other activities	71	375	76	389	
② Global environmental conservation costs	Installation of energy-saving equipment	118	13	552	132	Year-on-year cost reduction due to revision of the investment plan to achieve the 2015 Environmental Initiatives Plan
③ Resource recycling costs	3R promotional activities, waste disposal, and other activities	44	274	5	323	Active promotion of waste sand reduction to achieve the 2020 Environmental Initiatives Plan
(2) Upstream and downstream costs	Additional costs for reducing environmental	0	74	0	72	
(3) Management activity costs	Ongoing implementation of environmental management systems, and information disclosure	0	401	0	441	
(4) Research & development costs	R&D expenses for reducing environmental load	0	32,925	0	33,568	
(5) Social activity costs	Costs for environmental improvements, including off-site environmental conservation, tree planting, and beautification projects.	0	3	0	3	
(6) Environmental remediation costs		0	0	0	0	
Total		233	34,064	633	34,928	—

Note: Because certain investment items are difficult to determine as solely environmental, only those items for which a clear and exclusive environmental objective can be unquestionably ascertained are posted.

## Results of Environmental Conservation

### ■ (1) Economic results

Unit: millions of yen

	Details of results	FY2016	FY2015	Cause of discrepancy
Profits	Operational income from recycling	1,398	1,185	
	Others	0	0	
Reduced costs	Reduction in energy costs due to energy conservation	41	183	Year-on-year cost reduction due to revision of the investment plan to achieve the 2015 Environmental Initiatives Plan
	Reduction in waste treatment costs due to resource conservation and recycling	13	2	Active promotion of waste sand reduction to achieve the 2020 Environmental Initiatives Plan
	Others	0	0	
Total		1,452	1,370	—

### ■ (2) Quantitative results

Item	FY2016	FY2015
CO <sub>2</sub> reduction (tons-CO <sub>2</sub> )	1,041	4,259
Waste reduction (tons)	448	52

Note: The results of environmental conservation are calculated only for those items that can be definitely identified as having an effect over a single year.