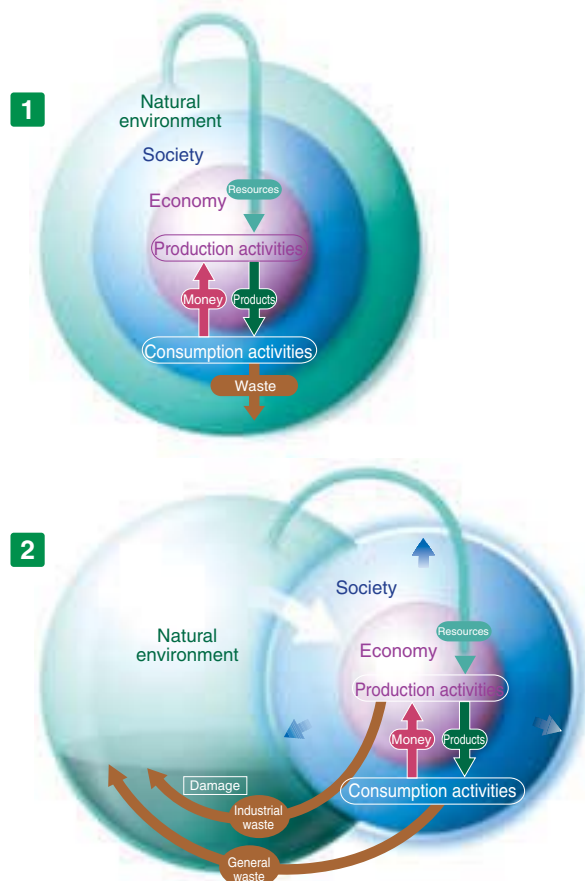


Logical Necessity of Environmental Conservation (Three P's Balance™)

Companies are requested by society to reduce their environmental impact worldwide and to promote welfare of the global society.

The environmental impact of the economic activities in the past was small enough for the natural environment to recover unaided. However, environmental impact has grown rapidly and continuously since the Industrial Revolution, and there is an assumption that we will need an area the size of three earths by 2050. Companies hold the key to restoring the global environment. The reason why companies should address environmental conservation more seriously becomes clear if we consider how the three Ps (planet, people, and profit) of environmental, social, and economic activities have changed as time passed.

Three P's Balance™ Representing the Necessity of Environmental Conservation



1 Environmental impact was smaller before the Industrial Revolution.

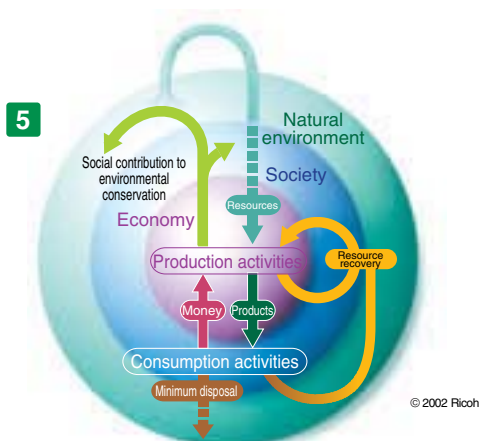
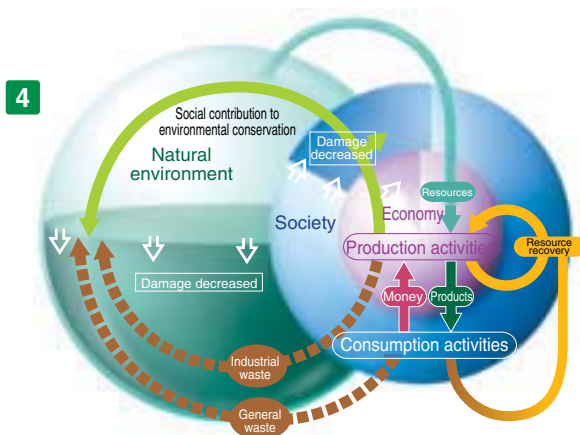
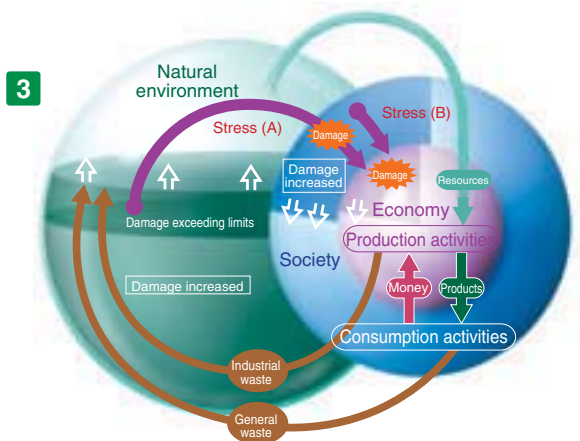
The environmental impact of mankind's economic activities was smaller before the Industrial Revolution and was small enough for the natural environment to recover unaided.

2 After the Industrial Revolution, damage to the natural environment increased.

The Industrial Revolution, which began in England, quickly spread throughout the rest of the world and drastically increased the damage caused by society to the natural environment. As shown in Figure 2, people began acting as if they were not a part of the natural environment. To those who forgot that they were a part of the natural environment, the natural environment was like a faraway farm or unlimited junkyard. People began using significant amounts of resources, engaging in mass production, and dumping huge amounts of waste. Back then, industrialization was the symbol of a rich society. Pollution ruined the natural environment of many places around the world, but the problem was handled locally not globally.

3 In recent years, damage to the natural environment has been recognized as a cause of community stress.

Figure 3, on the next page, shows the recent situation in the natural environment, society, and economy. The damages exceeding the self-recovery capacity of the natural environment start to affect society then cause stress (A) on the economy. Deadlock in society in turn causes stress (B) on the economy. People soon begin noticing unusual occurrences of natural disasters, such as floods caused by extreme weather and outbreaks of plague, that endanger the survival of the earth. As global warming and the ozone gap become widely known, people will start to realize that the environmental impact caused by society influences the earth as a whole. Business entities engaged in economic activities cannot gain public support if they do not deal with environmental issues seriously. Such trends may even influence the survival of those companies. An increasing demand for socially responsible investments and eco-funds shows the changes in society's awareness.



4 At present, the establishment of a resource-recirculating society is underway and being done in phases.

People are paying more attention to activities that reduce the amount of damage to the natural environment, including the sorting of waste and recycling, and saving energy. Reducing the amount of resources consumed and the amount of waste discharged is possible if we endeavor to recycle resources instead of disposing of them. There is a growing need for manufacturers to promote longer lifecycle of their products, smaller products, energy saving and the recycling of resources to create maximum benefit to society and companies with minimum resources. Not only are global companies asked to take into account the social responsibilities in the countries and regions where they engage in business activities, they are also asked to support and promote the awareness of environmental conservation activities of companies and regions that are expected to make significant economic development in the future and to achieve their goals with minimum environmental impact.

In addition, it is important to improve the self-recovery capability of the natural environment with such efforts as improving forest ecosystem conservation and the self-recovery capability of the natural environment. To pass on a better global environment to future generations and achieve sustainable development, companies and society as a whole are requested to be aware of the fact that they are global citizens, to change their business activities and lifestyles, and to establish the ideal resource-recirculating society.

5 We are aiming for an ideal resource-recirculating society to live harmoniously with the natural environment.

Ever since the Industrial Revolution, we have pretended to be independent of our natural surroundings. Nevertheless, we will once again take the natural environment into consideration and establish a society that coexists with it in the near future. This society will strictly limit its environmental impact so that the natural environment can recover by itself. We can learn from our ancestors, but we cannot go back to their time. To overcome the most serious threat to our existence in history, we need to face these new challenges from a global point of view, be totally aware of environmental conservation, and be innovative in our efforts to achieve our goals.