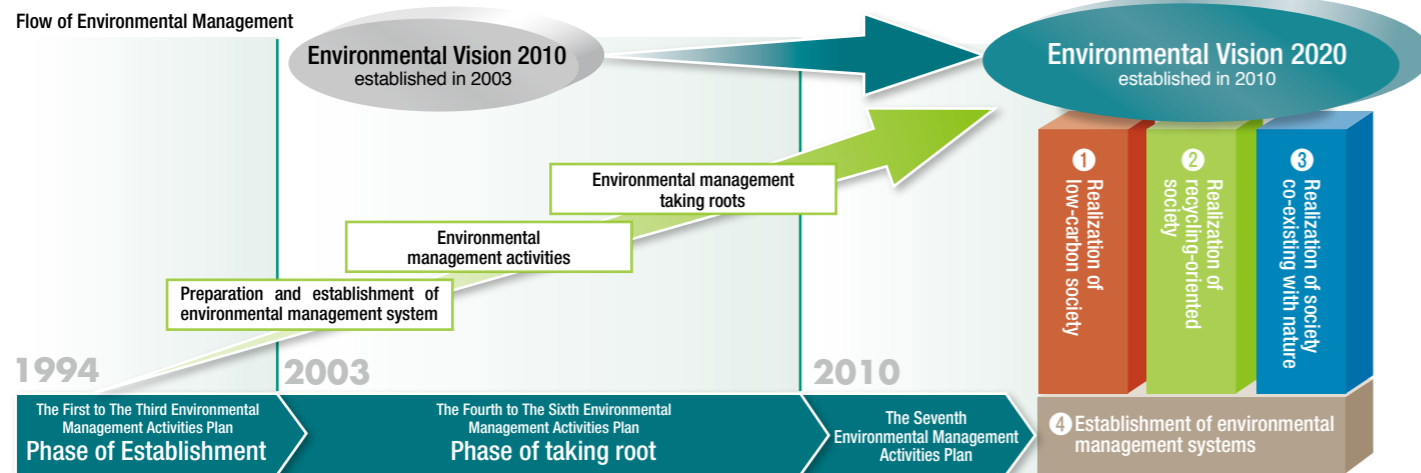
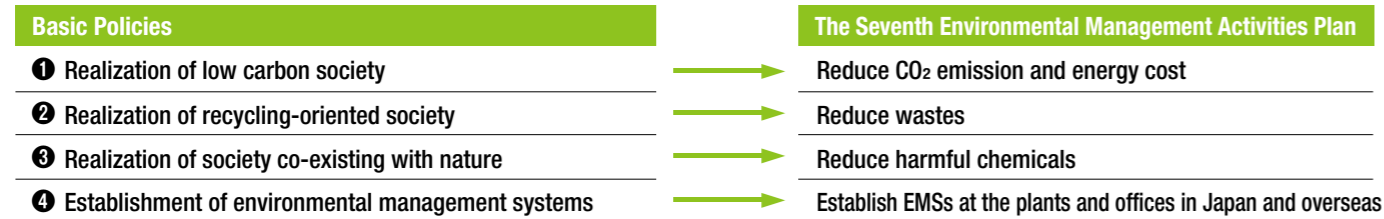


We will pursue “manufacturing that makes the Earth smile.”

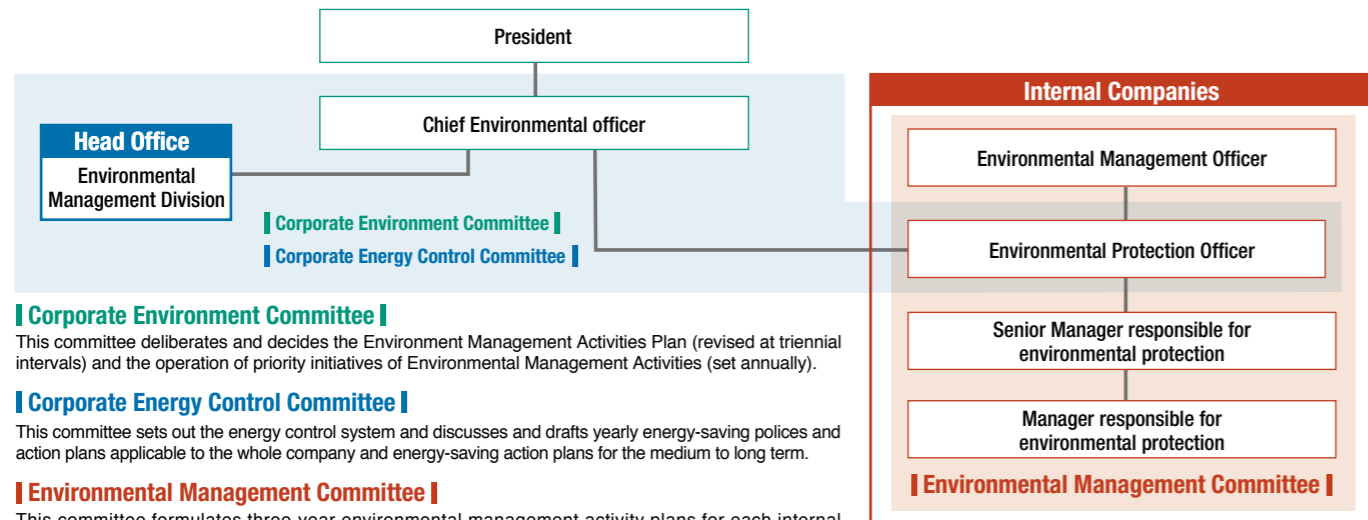
Environmental Management

KHI established our “Environmental Vision 2020” which defines what KHI Group should be like in the year 2020. We set the “Environmental Management Activity Plans” every three years to realize the vision with the four basic policies; ① realization of low carbon society, ② realization of recycling-oriented society ③ realization of society co-existing with nature and ④ establishment of environmental management systems. We will pursue the following items as the Seventh Environmental Management Activities Plan from FY2011 to FY2013.



Environmental Management Organization

KHI has established the framework of organization to promote environment management. We deliberate and decide operations of various important matters by Corporate Environmental Committee chaired by Chief Environmental Officer. Furthermore, we appoint Environmental Management Officer, Environmental Protection Officer, Senior Manager responsible for environmental protection, Manager responsible for environmental protection for each internal company to be able to spread out the formulated Environmental Management Activities Plan.



Corporate Environment Committee

This committee deliberates and decides the Environment Management Activities Plan (revised at triennial intervals) and the operation of priority initiatives of Environmental Management Activities (set annually).

Corporate Energy Control Committee

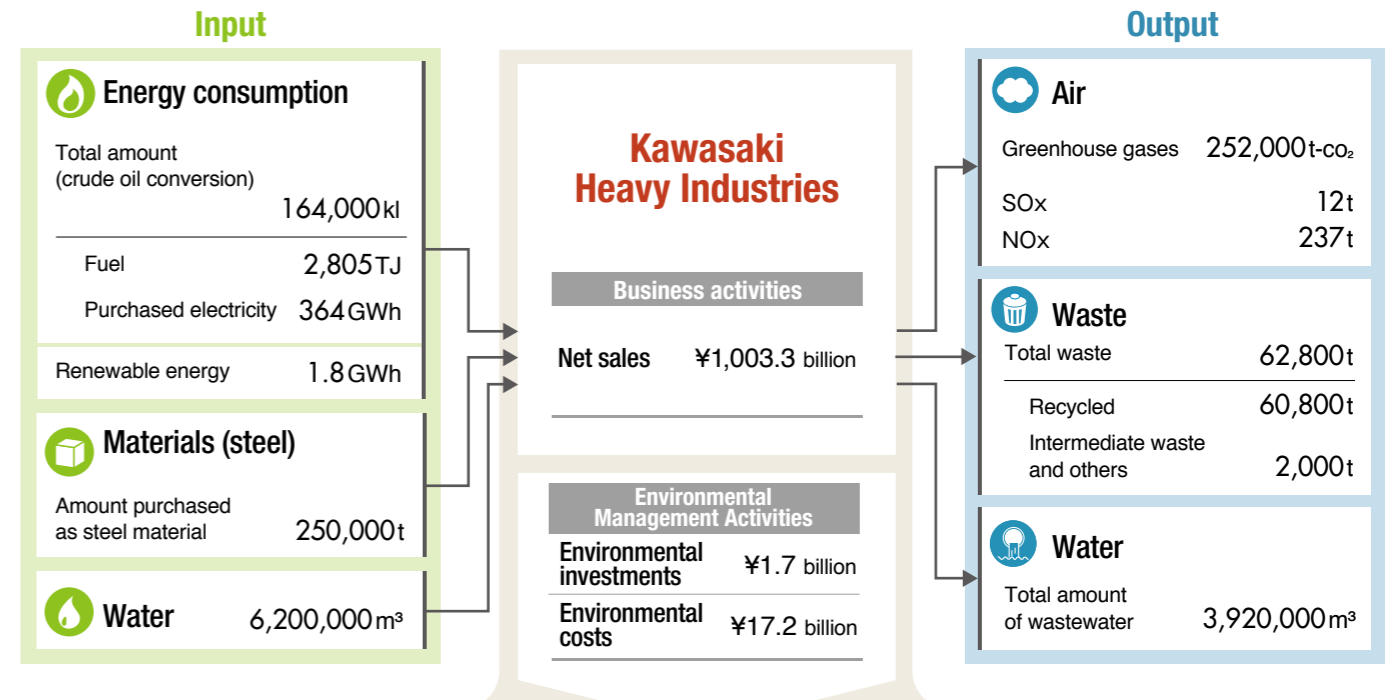
This committee sets out the energy control system and discusses and drafts yearly energy-saving policies and action plans applicable to the whole company and energy-saving action plans for the medium to long term.

Environmental Management Committee

This committee formulates three-year environmental management activity plans for each internal company and tracks the results achieved through company-specific activities.

Environmental Impact Through KHI's Business Activities and Environmental Contribution Through Our Products

Below is a diagram of the “input” and “output” of resources used in KHI's business activities in fiscal 2012.



New type LNG Carriers



Low fuel consumption

“Type 13000 Commuter Train” for Keihan Railway



Energy conservation Low noise

“Boeing 787 Dreamliner”



Low fuel consumption Low noise

Highly efficient gas turbine engine “L30A”



High efficiency power NOx reduction

KHI's products contribute to the protection of the environment

KHI contributes to the protection of the environment by our high efficiency and eco-friendly products, resource saving, and reduction of the environmental load.

More details are available on our website.

Spot welding robots “BX series”



Resource saving Energy conservation

Oil pressure pumps “K7V series”



Resource saving Energy conservation

“Ninja ZX-14R”



Emission clean-up

“Green Gas Engine”



High efficiency power NOx reduction

Cement waste heat power plant



Waste heat utilization

We will pursue "manufacturing that makes the Earth smile."

We are further eliminating wasteful use of energy by encouraging practices, such as cutting standby power for machine tools, preventing leakage of pressurized air and turning off unnecessary lights, at all the sites.

To start, KHI processed 114 PCB-filled condensers from the old Noda Works. Going forward, we will continue to process waste materials in an appropriate manner.

Old discarded Jet Skis® are collected, dismantled and processed through the FRP Boat Recycling System with wide area authorization system of industrial waste and the reusable materials are used as recycled-resources.

Many industrial wastes are generated from plants. We carefully separate and sort the various industrial wastes to facilitate material and thermal recycle.

We maintain Kawasaki-brand gas turbine and gas engine power-generation systems and other equipment at domestic plants. Also we are installing cogeneration systems using electricity and heat energy without waste. Annual generated electricity for FY2012: 120 GWh

Photovoltaic power generation equipment has been installed in 11 main domestic plants. We are promoting the use of natural powers. Annual generated electricity for FY2012: 1.8 GWh

Reduce CO₂ and energy consumption

Proper disposal of waste

Promote the 3Rs

Separate and sort the collected wastes

Utilize renewable energy sources

In-house power generation

Realization of low-carbon society

Realization of recycling-oriented society

Environmental Vision 2020

Contribute to the prevention of global warming through our products and manufacturing that use energy without waste.

Engage in manufacturing that uses resources without waste in order to recycle and fully utilize limited resources.

Contribute to reduction of environmental impact and conservation of the ecosystem through manufacturing that is in harmony with the global environment.

Build a foundation for environmental management that will realize the Environmental Vision 2020.

Realization of society co-existing with nature

Establishment of environmental management systems

Chemical substances information management

Forest conservation activities

Co-exist with the environment

Ecological education

Environmental management

Environmental data management

We invited external lecturers to speak at corporate study sessions on chemical substance information management, with an emphasis on responses to the REACH Regulation.

We are participating in the forest conservation activity "Corporate reforestation project" promoted by Hyogo Prefecture from December 2008, to co-exist with local communities and protect bio-diversity.

An eco-friendly new building at the Kobe Works has been completed. It features nature lighting, photovoltaic power generation, wind generation, rooftop greenery and high-performance double glazed windows.

To maintain and improve environmental awareness among employees of the Group, we are offering environmental e-learning opportunities to new employees.

KHI received a Development Bank of Japan loan at a fine rate. This is a result of our environmental management being highly evaluated and given the highest rating in DBJ's environmental rating schedule.

"ECOKEEP" has been created. It is an environmental management information system that integrates environmental data from each plant and the offices at our data center, thereby we are facilitating consolidation of environmental data and instantaneous output.



In December 2011 the company received a Development Bank of Japan loan based on its being given the highest rating in DBJ's four-grade environmental rating schedule: "companies with particularly impressive environmental programs."

