Realization of a sound material-cycle society

Waste Reduction Activities

Amount of Waste Produced and Recycling Rate

It is our stated goal to engage in manufacturing that uses resources without waste in order to recycle and fully utilize limited resources. We undertake various activities to achieve this goal.

Among efforts to reduce waste, we promote the reuse and recycling of waste oil and constantly push zero-emission activities designed to recycle 100% of the waste emitted from our works without resorting to simple incineration or disposal as landfill.

Common activities at all works

- Activities to reduce three substances with greatest waste emissions (metal scrap, waste oil, wood scrap)
- Promote resource saving, 3Rs
- Maintain and enhance zero emissions status
- · Promote implementation of electronic manifests

As a result of these efforts, our recycling rate in Fiscal 2011 reached 96%, which is the same as in Fiscal 2010. Due to the increase in production volume because of a recovery in capacity utilization at our facilities, the total amount of waste emission in Fiscal 2011 was about 59,700 tons, which is an 8% increase from previous fiscal year.

In addition, our basic unit (i.e., waste emissions per net sales) was 6.2 points, the same as in fiscal 2010. We set fiscal 2003 as a reference year for the basic unit and are striving to achieve our target—a 12% decrease from the fiscal 2003 level by fiscal 2013. We analyze the success of common activities implemented throughout the Group and promote effective measures to achieve our target.

(t) (t/100 million ven) 97% 96% 96% 96% 96% 90,000 10 75,100 72 100 66.400 8 55.200 59,700 60,000 6.3 6 6.2 6.2 6.2 72 200 69,700 63,700 57.800 53 100 30.000 2 0 0 2007 2008 2009 2010 2011 (Fiscal year)

Waste basic unit

Recycling rate

Amount of Waste Produced and Recycling Rate

Amount recycled

Amount of waste produced

On-Site Inspection of Industrial Waste Treatment Businesses

At least once every two or three years, as a responsible waste-discharging business committed to the appropriate treatment of industrial waste, we perform an on-site inspection at each of the facilities operated by the businesses to which waste-treatment services have been outsourced. KHI personnel assigned to such inspection duties visit service sites to confirm that industrial waste generated by the Company is treated as per conditions set forth in respective contracts. Personnel also verify permit validity, prepare on-site confirmation reports and upload to the in-house intranet any information that should be shared across the Company.

Proper Disposal of PCB Waste

In accordance with the Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes, also known as the PCB Special Measures Law, we report to the appropriate prefectural government by June 30 each year any polychloride biphenyl (PCB) waste found at our operating sites. Also, until treatment is completed by Japan Environmental Safety Corporation (JESCO), we are required under the Waste Management and Public Cleansing Law the Waste Management Law—and the cabinet and ministerial ordinances to appoint a manager for each business location where specially controlled industrial waste was discharged and to store such waste with the utmost care in line with applicable storage standards.

Applying Electronic Manifest and Building In-House Management System

In the course of implementing an improved environmental data management system, we are configuring an in-house management system that interfaces with the electronic manifest system JWNET. Through this, we will not only achieve integrated management of environmental data from all facilities at the head office, we will also ensure thorough compliance through the electronic manifest system and reduce the man-hours needed to process manifest slips.

Environmental Data Management System

