

# Realization of Recycling-Oriented Society

## Waste Reduction

### Promoting Resource Saving and the 3Rs

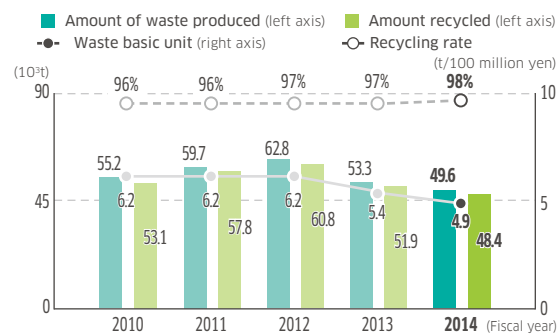
We use wisely and repurpose the limited resources that are needed to make our products and facilitate the manufacturing process so that these materials are consumed without waste. We emphasize designs that use resources effectively, and we seek to create products that are more lightweight, durable and recyclable. In addition, we advocate the 3Rs—reduce, reuse and recycle—in our manufacturing activities and seek zero emission status at all factories.

### Zero Emission Activity and Higher Recycling Rate

At KHI, we define zero emissions as a final disposal ratio of 1% or less. In fiscal 2014, all key factories achieved zero emission status and the recycling ratio edged up one point, to 98%.

In fiscal 2014, total waste decreased about 7% year on year, to 49,600 tons, and we reached our Company-wide target for reduction per unit of sales, with a 0.52 point improvement over fiscal 2013.

Waste Produced, Recycling Rate and Basic Unit



## Appropriate Treatment of PCB Waste

In accordance with the Law concerning Special Measures for Promotion of Proper Treatment of PCB Wastes, KHI reports to the appropriate prefectural governor by June 30 each year any polychloride biphenyl (PCB) wastes located at its operating sites. Also, in accordance with the Waste Management and Public Cleansing Law and related Cabinet and ministerial ordinances, we appoint an industrial waste manager at each relevant business location and store waste with the utmost care in line with applicable storage standards.

### High-Concentration PCB Waste

In fiscal 2012, KHI began outsourcing treatment and disposal of high-concentration PCB waste to the Japan Environmental Safety Corporation (JESCO) in accordance with regulations. To date, about 1,100 condensers have been processed. We will continue with appropriate treatment in the years ahead.

### Low-Concentration PCB Waste

For low-concentration PCB waste, as well, treatment has commenced and so far about 180 transformers have been processed. This came after we had calculated treatment costs and secured an appropriate budget, confirmed that the provider is certified to treat low-concentration PCB and tracked treatment trends, and verified through on-site observation that the certified provider executes treatment in an appropriate manner. We will continue to promote appropriate treatment of low-concentration PCB waste.

## Installing an Electronic Manifest System

To ensure the appropriate treatment of waste, KHI uses an environmental data management system (ECOKEEP), linked to the electronic manifest system operated by the Japan Industrial Waste Information Center, to self-determine the flow of industrial waste treatment outsourced to the companies that collect and transport waste and treat it. We began Company-wide use of this system in fiscal 2013, with all factories covered by the system as of fiscal 2014.

Environmental Data Management System (ECOKEEP)

