

## Realization of a Recycling-Oriented Society

### Waste Reduction

#### Promote Resource Saving and the 3Rs

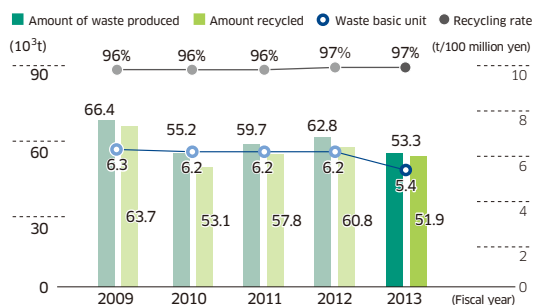
In its business operations and product development, KHI contributes to the realization of a recycling-oriented society by using the earth's limited resources while avoiding waste and by promoting reuse and recycling.

#### Zero Emission Activity and Improvement of the Recycling Rate

Based on social trends, KHI defines zero emissions as a final disposal ratio (landfill) of 1% or below. In fiscal 2013, we achieved zero emissions at our main factories.

Meanwhile, we fulfilled our fiscal 2013 total emissions target with a 23% reduction per unit of sales compared to the base year. We have achieved and maintained a high recycling rate of 97% for the overall Group, and will continue with action aimed at further improvement.

#### Waste Produced and Recycling Rate



### 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

As part of operations to manage high-concentration PCB waste, 114 condensers were commissioned for treatment and disposal to the Japan Environmental Safety Corporation (JESCO) in fiscal 2012, and a further 98 in fiscal 2013. We will continue with appropriate treatment in the years ahead.

#### Low-Concentration PCB Waste

In the case of low-concentration PCB waste, we are preparing for the commissioning of treatment operations. The commission will need to be placed with a firm capable of appropriate and speedy handling, which we will carry out after calculating and securing the treatment budget and checking at first hand that the certified firms carry out appropriate treatment by verifying their certification and conducting observation at their treatment sites.



PCB discharge operations



PCB storage warehouse

### Installing an Electronic Manifest System

In fiscal 2013, KHI introduced its in-house Energy/Environmental Data Management System (ECOKEEP), which is linked to the Japan Industrial Waste Information Center's electronic manifest system (JWNET). While performing integrated management of environmental data for all our factories, it contributes also to maintaining strict legal compliance and reducing the man-hours necessary to process manifest slips.

From fiscal 2014, the scope covered by the system will be expanded to encompass integrated management of environmental data for domestic consolidated subsidiaries.

