

Realization of a Society Coexisting with Nature

Chemical Substance Reduction

It is KHI's stated goal to contribute to reduced environment impact and conservation of the ecosystem through manufacturing that is in harmony with the global environment. KHI undertakes a range of activities to achieve this goal.

As part of its efforts to reduce chemical substances, KHI has set targets in every business segment for major VOCs (toluene, xylene and ethylbenzene), dichloromethane, and hazardous heavy metals, and each segment has embraced the necessary approaches. The status of the efforts to reduce major VOCs, dichloromethane, hexavalent chromium compounds and lead is outlined below. Suitable measures have been implemented in nearly all areas, but efforts will continue on the study and consideration of additional measures to curb the amount of chemicals subject to reduction.

For data on the release and transfer of chemical substances designated under the PRTR Law*, please see Release and Transfer Volume of Chemical Substances (Fiscal 2013)(page 23).

*PRTR Law: Pollutant Release and Transfer Register Law

Major VOCs

With regard to major VOCs, KHI promoted the switch to low-VOC paints, such as water-based paint, and improved coating efficiency through electrostatic coating, while reducing its use of cleaning solvents by installing solvent recovery equipment. We achieved a slight reduction in emissions from the fiscal 2012 level. In the future, however, we will strive to curb emissions through such measures as the wider application of alternative products, including water-based paints and high-solid paints.

Dichloromethane

Dichloromethane is often found in the paint strippers that KHI uses in its operations. Emissions were reduced compared to fiscal 2012. Going forward, KHI will strive to further reduce emissions, especially through replacement of paint strippers and enhancement of dichloromethane recovery methods.

Hexavalent Chromium Compounds

Hexavalent chromium is employed in special surface treatments, but we are working to introduce technology that makes it possible to avoid its use. The amount handled decreased over fiscal 2012, and we will continue with systematic efforts in the future by switching to chrome-free paint and other practical strategies.

Lead

Lead is often found in paint, so KHI's efforts have focused on switching to lead-free paint. KHI is working to reduce the use of lead, and the amount handled decreased from fiscal 2012. We will redouble our efforts to cut the usage of lead.

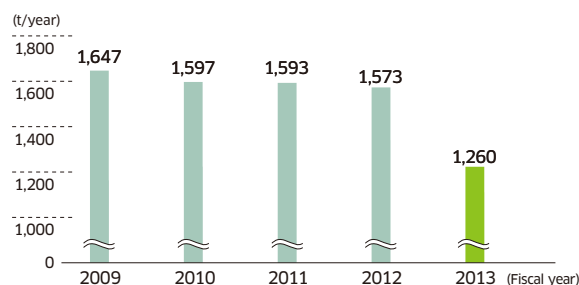
Under the Eighth Plan, which starts in fiscal 2014, we will continue to reduce controlled chemical substances.

Amounts of Chemicals Subject to Reduction Handled and Emitted (t/year)

Substance		Fiscal 2013	Increase or decrease from fiscal 2012
Major VOCs	Toluene	401	-9%
	Xylene	544	-20%
	Ethylbenzene	204	-26%
	Total	1,149	-18%
Dichloromethane		48	-18%
Hazardous heavy metals	Hexavalent chromium compounds	15	-37%
	Lead	1.2	-14%
	Cadmium	0.09	-32%

Note: Amounts of major VOCs and dichloromethane are the amounts emitted, while that of hazardous heavy metals is the amount handled.

Release and Transfer of Chemical Substances Designated under the PRTR Law



Biodiversity-Friendly Society

A short-term target in Japan's national biodiversity strategy, which was revised in 2010, is to analyze the state of biodiversity to get a clearer picture of conditions and, based on this knowledge, to promote activities that protect biodiversity. We will support efforts to achieve this objective by implementing the activities listed below at all business sites with biodiversity protection in mind.

We also undertake activities such as greening programs on corporate premises that take into account location or other characteristics specific to each operating site.

Efforts to Reduce the Environmental Load from Business Activities

- (1) Promote measures to cut greenhouse gas emissions
- (2) Reduce the amount of industrial waste for final disposal
- (3) Decrease the environmental load from wastewater and chemical substances

Non-Business Activity

- (1) Promote cleanup events around business sites
- (2) Implement greening programs and other activities based on analysis of and insight into biodiversity conditions on corporate premises and the surrounding area
- (3) Embrace collaborative opportunities to protect biodiversity with local groups, such as creating corporate forests