

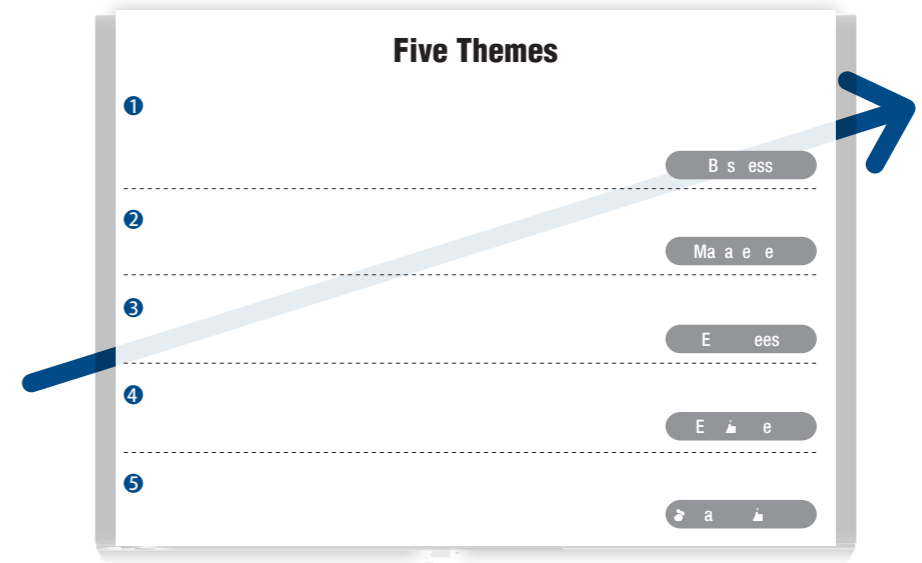
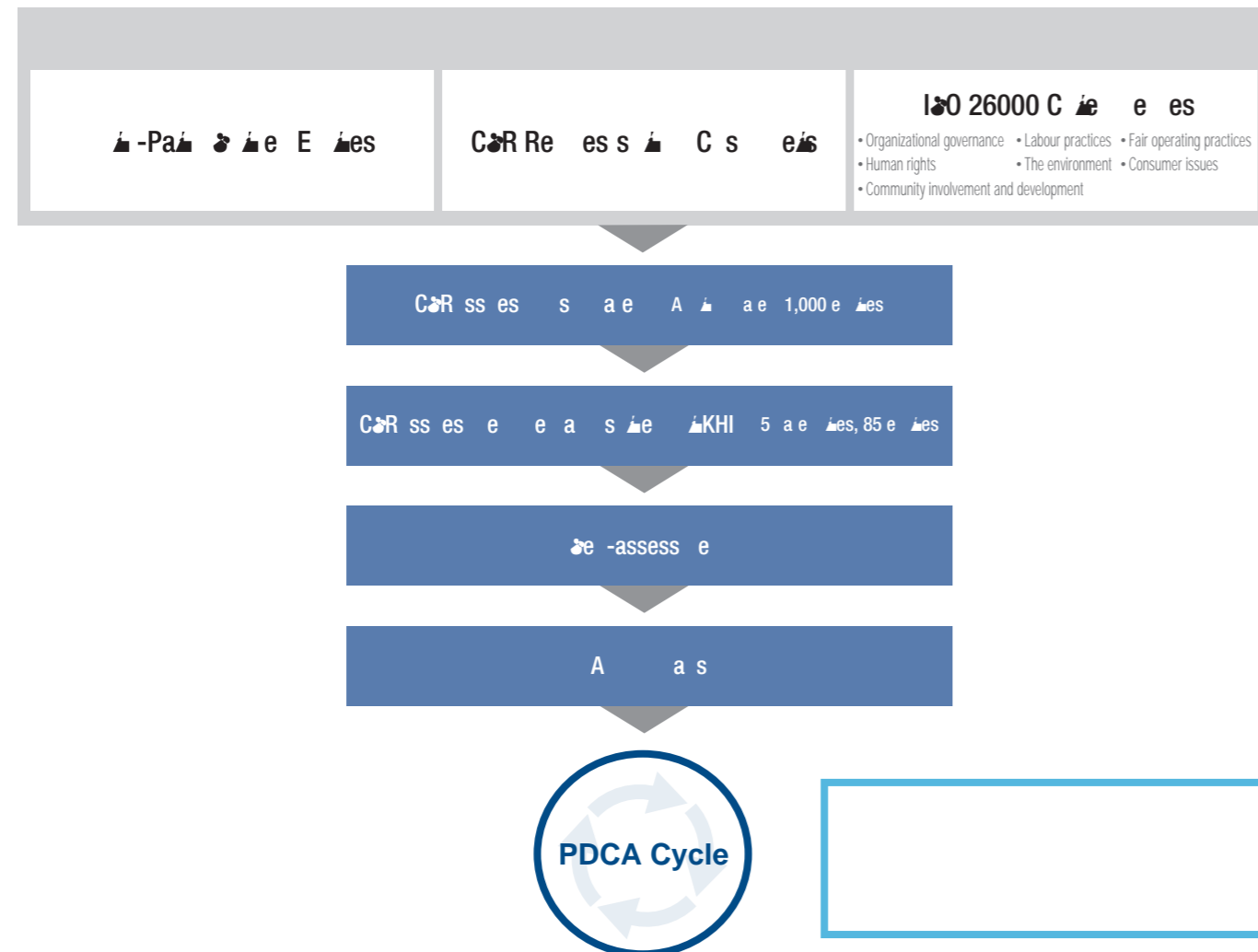
KHI Group CSR Activity Flow

We used various methods to collect and consolidate social expectations placed upon us; selected from this information CSR issues for the KHI Group; and sorted data into five themes: 1) value creation through Business; 2) Management; 3) Employees; 4) Environmental activities; and 5) Social contribution.

Assigned divisions and departments self-assess the current status of each entry and draft action plans highlighting efforts to compensate for shortcomings and

reinforce strengths. This PDCA (Plan-Do-Check-Act) cycle is repeated.

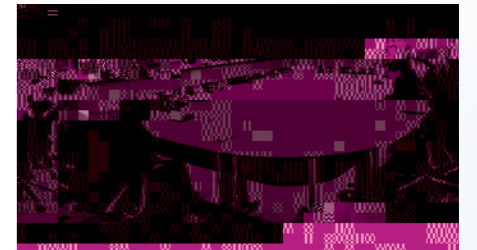
In fiscal 2012, we will provide opportunities to talk with stakeholders so that we can ascertain with greater clarity the position that is specifically required of the KHI Group and the heavy industry sector. We will incorporate suggestions made by our stakeholders into our CSR activities so that we may respond to social expectations even better than we do now.



CSR Activity Structure

Corporate CSR Committee

Chair: KHI President
 Members: Directors, internal company presidents, headquarter general managers and standing corporate auditors.
 The committee is run in accordance with Corporate CSR Committee Regulations. Administration is handled by the CSR Division. The committee exists to deliberate and decide on major CSR policies and important matters.



Head Office CSR Planning Group

The Head Office CSR Planning Group acts in an advisory capacity to the Corporate CSR Committee. It collects CSR-related information, discusses approaches that the Company should take, and presents these opinions to the Corporate CSR Committee.

Company CSR Committees

Chairs: Presidents of respective internal companies
 These committees are run in accordance with Company CSR Committee Regulations. Administration is handled by