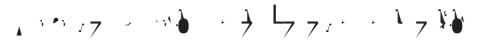


**Environmental activities** 

We have put together a summary of fiscal 2011 environmental accounting and the impact of our business activities on the environment during this period. We undertake activities to



## **EMS Administration**

All KHI production bases have acquired ISO 14001 certification. Currently, we are working to expand the scope of Environmental Management System (EMS) implementation at subsidiaries in Japan and abroad and continue activities aimed at establishing environmental management structures, including compliance with environmental laws and regulations.

Of the 46 domestic subsidiaries that we targeted for EMS adoption, 41 had completed development of the necessary structure by the end of fiscal 2011. The remaining five subsidiaries are expected to finish their preparations in fiscal 2012.

To date, we focused on principal factories, but under the 7th Environmental Management Activities Plan, we will strive to expand the scope of EMS establishment at overseas locations. Of the 24 subsidiaries that have been targeted for an EMS, KCMA Corporation, in the United States, completed implementation in fiscal 2011. Of the 17 companies that still have not configured the appropriate EMS, we will in accordance with local laws and regulations clarify objectives based on business conditions and emission of substances that adversely affect the environment.