

Just Over a Year Since the Great East Japan Earthquake —KHI Group Activities—

The Great East Japan Earthquake prompted us, once again, to rethink our mission and reassess our own objectives as a corporate group. It is just over a year since the unprecedented disaster struck. We offer an update on a variety of activities undertaken by the KHI Group during this time.

Review of Business Continuity Plan for Large-scale Earthquakes

A business continuity plan (BCP) is itself a management strategy. It requires more than just typical preparations, such as disaster recovery (DR) and business recovery (BR) of corporate responsibility go on without interruption. In the Great Hanshin Earthquake like triple megaquake event along the Tokai-Tonankai-Nankai segment, the BCP (Business Continuity Plan) is a key element for the recovery of corporate responsibility go on without interruption. The BCP (Business Continuity Plan) is a key element for the recovery of corporate responsibility go on without interruption.

- Get Group operations back to normal.
- Acknowledge responsibility to local communities and contribute to each region.

Basic
Corporate
Policy



A simulation disaster drill for essential personnel in the local command center at the Tokyo head office in August 2011

What is a BCP?

The diagram below illustrates the concept of a business continuity plan (BCP). Showing operating efficiency on the vertical axis and elapsed time on the horizontal axis, it demonstrates the flow of recovery after a crisis. As indicated, operating efficiency drops suddenly just when disaster strikes, and then gradually recovers over time. With a BCP and preparations put in place during normal times, the following results can be expected.

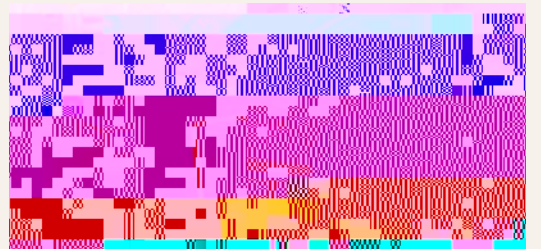
- The impact on business, mainly the drop in operating rate that coincides with the disaster event, is held within the allowable range. That is, we realize a diminished impact on operations directly after the disaster event.
- The recovery period is shorter. That is, recovery is achieved more quickly.

KHI Group Crisis Management System

When a disaster, such as a large-scale earthquake, occurs, the Company implements special business activities different from usual and requiring urgent action, such as confirming

the safety of employees and initiating recovery operations. To address emergencies quickly as circumstances demand, we have set up the following command centers.

	Key Role	Location
Corporate Command Center	Set up in the event of a crisis that requires a company-wide response	



Recovery and Reconstruction Support in the Area of Devastation (since April 2011)

Given our own experience with destruction in the Great Hanshin Earthquake of 1995, we provided cash donations as well as relief and recovery products right after the 2011 devastating

earthquake and tsunami. Since then, we have continued to extend reconstruction support through our products under various approaches.

We decided to provide motorcycles, wheel loaders and large crushing machines to process rubble. A crushing machine—product name: Gulliver; processing capacity, 160 tons/day) was loaned to Iwate Prefecture for one year at no cost to the local government. The machine was installed in Otsuchi-cho in March 2012 and began operation. A mountain of rubble still remains to be processed but this machine will surely demonstrate the necessary capability to crush through all that debris.

In a joint effort with Hakkisangyou Inc., a maker of coagulants (coagulating agents), and the Hyogo Prefectural Institute of Technology, KHI conducted remediation tests on cesium-contaminated soil at a playing

14(1)14F%-%55paAYÖMÜShahp0792%aGxqWLeF%ay%Beamoun72((m)72 -(r.002)-7(o)-13(16