

## System and Roles

At Keihin, we have a Company-wide Environment Committee comprised of four sub-committees to handle environmental conservation efforts. The Company-wide Environment Committee sets the orientation for these efforts in our Environmental Initiatives declaration and ensures that the efforts are carried out. The following describes Keihin's system and role in association with environmental conservation activities.

The following describes our system and vision for our environmental efforts:

In order to implement environmental management of a top level in the industry, Keihin accurately gauges both domestic and overseas trends using its environmental management system as a base, and has established a Company-wide Environment Committee.

There are four sub-committees consisting of a cross-

section of company employees: the Environmental Accounting Committee, Product Environment Committee, Life Cycle Assessment Committee and Manufacturing Environment Committee. We understand and are aware that not only improved areas but also negative information should be released, and so we shall make all results available to the public.

### ■ Company-wide Environment Committee



## Status of Environmental Management System Certification Acquisition at Various Bases

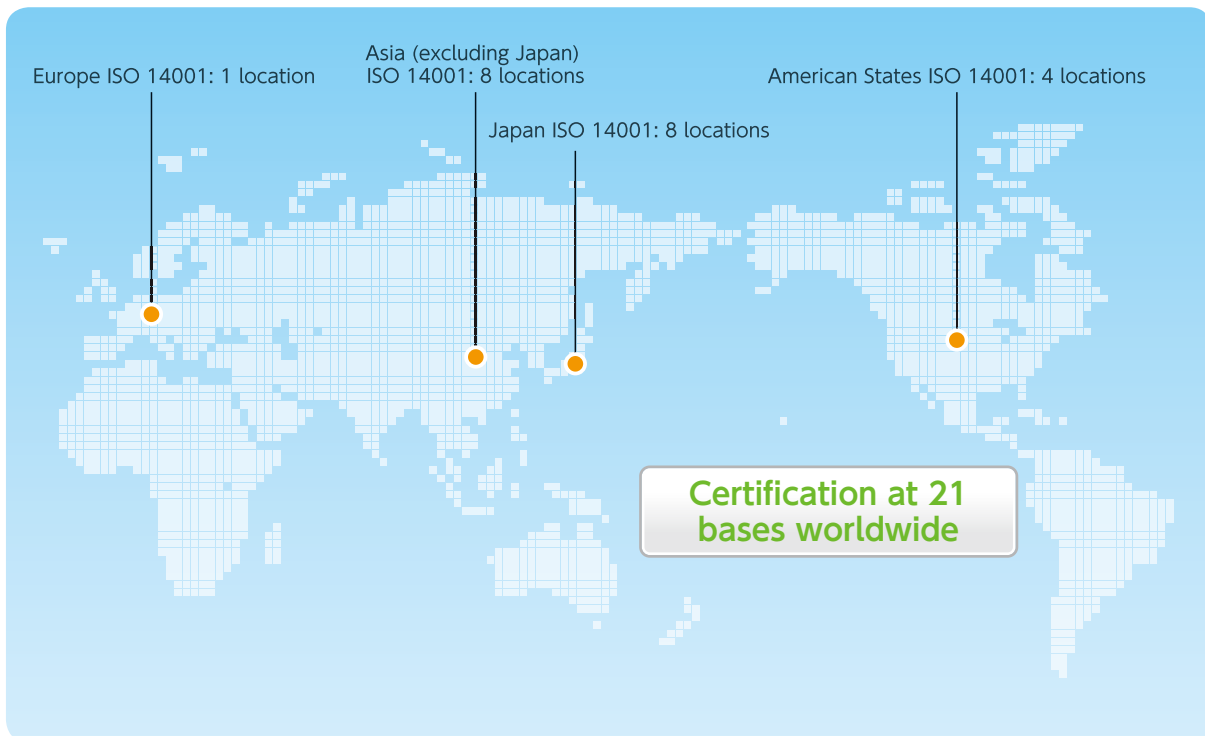
Keihin places importance on the reduction and control of environmental load, and has promoted the acquisition of ISO 14001 certification, an international standard for environment management systems, at each of its production bases.

Upon reorganization of the places of business in fiscal 2010, the number of certification acquisitions decreased. We will promote acquisition of environmental management system certification on a

global scale, including our commitment to acquisition of certification at our new manufacturing base in North America.

We will further strive to produce a more circular PDCA cycle and reduce our environmental impact at already certified plants. This shall be accomplished by pushing forward the environmental management system, reducing CO<sub>2</sub> emissions, making effective use of resources, and implementing other efforts.

■ Status of environmental management system certification acquisition at the end of fiscal 2010



# Environmental Auditing

To ensure proper operation of a PDCA cycle of the environment management system in environmental conservation activities, we arrange and determine an implementation plan. This is based on the medium-term plan and fiscal goals determined by the top management. We then perform environmental audits to check the operation.

To improve our internal environmental auditing and also ensure objectivity and fairness, we dispatch

internal auditors from one of our certified offices to each office for reciprocal auditing. In fiscal 2010, internal environmental audits indicated 11 problems and 19 points for observation, while external audits showed no urgent non-compliances, 4 minor non-compliances and 20 points for observation.

We have already resolved 11 problems indicated by the internal environmental audit and 4 minor non-compliances indicated by the external audit.

■ Mechanism of environmental audit



# Environmental Risk Management

## ■ Compliance

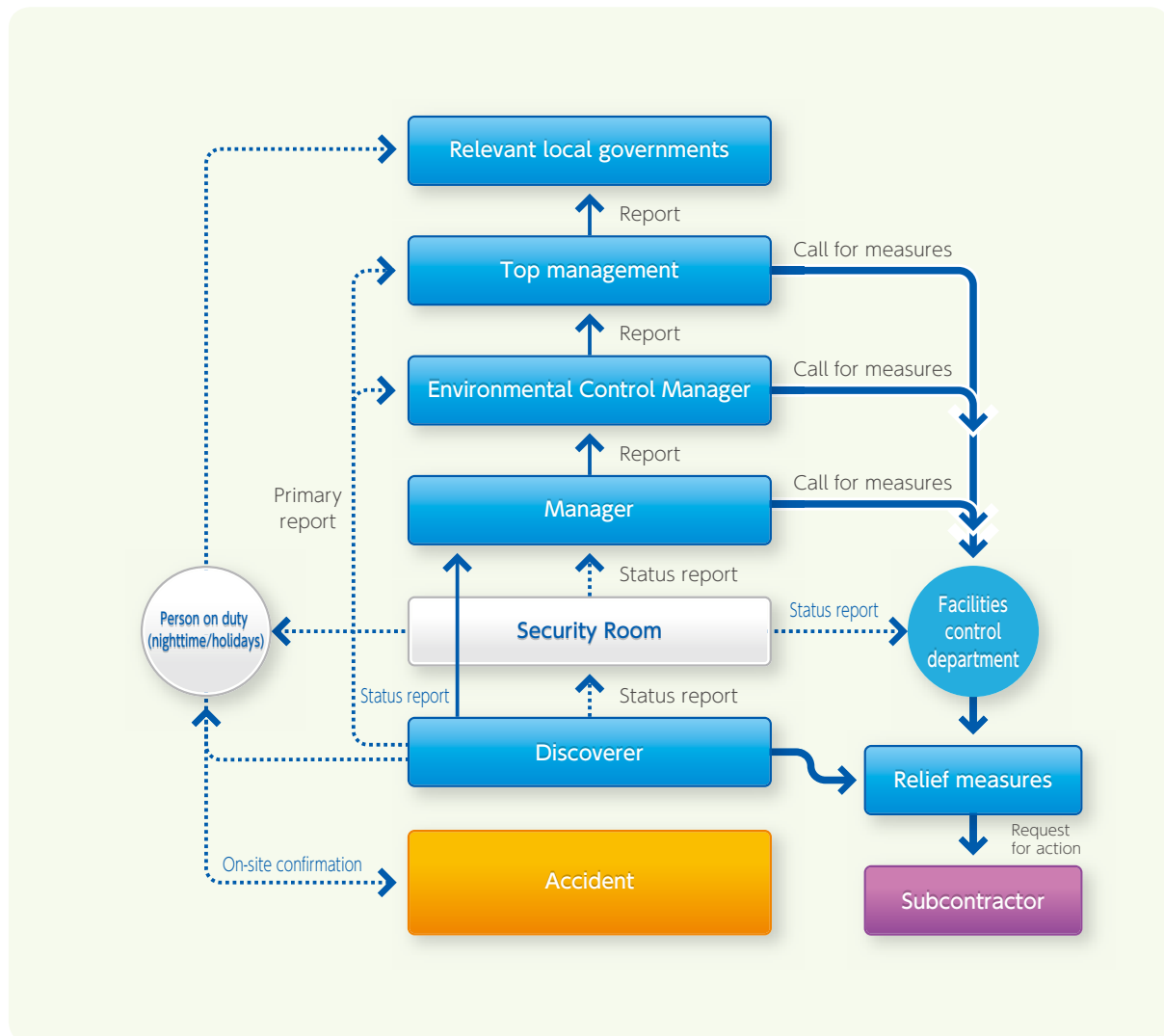
At Keihin, we have environmental management systems in proper operation at each of our sites and departments. We also have our own management standard that is more stringent than national regulatory standards. In this way we ensure compliance. As part of our compliance management system, we appointed one of our directors as a Compliance Officer responsible for checking the operation of the system on a regular basis.

In light of risk, our director serves as a Risk Management Officer responsible for promoting risk management activities as well as managing environmental risks.

## ■ Handling emergency situations

Based on full compliance with emission standards set by law, and in order to minimize the strain on the environment, Keihin has established procedures and mechanisms to prevent and reduce pollution at each production center and other areas. Possible accidents are identified and estimated, and emergency situation drills are carried out regularly in preparation for the unlikely case of an accident. Furthermore, if an accident affects the area outside of the plant boundaries, or if a situation that is not covered by laws and regulations occurs, we will take measures as established in the “Emergency situation action flowchart” to minimize the effects on the environment.

### ■ Emergency situation action flowchart (.....> nighttime/holidays)



# Environmental Accounting and Education

## Environmental Accounting

		(million yen)		2009		2010	
Category		Details of main endeavors		Amount invested	Cost	Amount invested	Cost
Cost within business areas	Pollution control cost	Prevention of air, water and soil pollutions, etc.		11	38	9	4
	Global environmental conservation cost	Prevention of global warming, ozone layer protection and other activities		30	4	120	1
	Resource recycling cost	Waste treatment and disposal, reduction, recycling, conversion into resources, proper handling		3	60	0	31
Upstream and downstream costs		Recycling and recovery of raw materials used in manufacturing and utilization of recycled materials		0	71	0	114
Cost of management activities		Person-hours required for environmental management, operation of environmental management system and environmental education and training for employees		0	203	0	87
R&D costs		Environmental protection implemented in products, and research, development and design for reducing environmental load		228	9,706	240	9,459
Cost of community activities		Clean activities, environmental learning on demand and nature conservation activities		0	3	0	0
Cost of environmental degradation		Soil survey and environmental contamination fines		0	1	0	1
Total				272	10,086	369	9,697

### Quantitative effectiveness

Class	Unit	2009		2010	
		Production	Development	Production	Development
CO <sub>2</sub> emissions	t-CO <sub>2</sub>	29,007	7,008	29,260	7,792
			260		254
		*Others		*Others	
Water usage volume (tons)	1,000m <sup>3</sup>	334		324	
Waste discharge volume	t	1,363		1,245	
Recyclable material discharge volume	t	506		525	
PRTR discharge volume	t	30		18	

\*Coverage of management (head office, branch offices and welfare facility)

1 The following are included in the above accounts.

■ Companies included

Keihin Corporation; Nasu Seiki Manufacturing Co., Ltd.; Kanazu Manufacturing Co., Ltd; Keihin Sogyo Co., Ltd.; Keihin Watari Co., Ltd.; Keihin Electronics Technology Inc.; Keihin Valve Corp.

■ Period: April 1, 2010 through March 31, 2011

2 This report was created following the Environmental Accounting Guidelines and Guidebook published by the Ministry of the Environment.

3 Depreciation allowances and electrical power charges for environmental equipment are not included in this report.

## Environmental Education

At Keihin, we provide environmental education to raise the environmental awareness of each and every employee, and help them learn a better environmental management system.

