

Environmental Management System

At Sumitomo Heavy Industries Group, we have been promoting environmental management with awareness that business corporations have social responsibilities for protecting the global environment, for preserving the local environment, and for engaging in economic activities that are oriented toward recycling.

Sumitomo Heavy Industries Group Environmental Philosophy

The Sumitomo Heavy Industries Group contributes to implementing sustainable development of society by holding fast to the “Sumitomo Business Spirit.”
The Sumitomo Heavy Industries Group is taking action across the Group to protect the global environment.

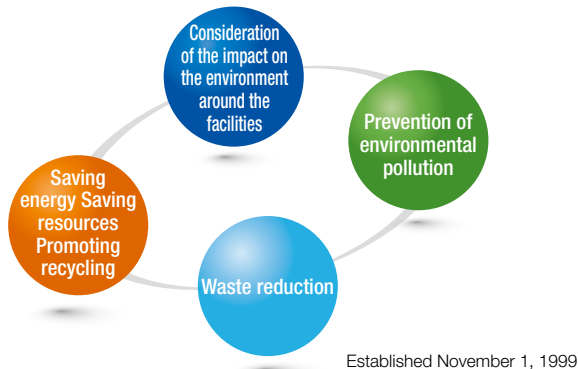
Environmental Policy

Environmental Management Implemented on the Basis of the Sumitomo Heavy Industries Group Basic Environmental Policy

In 1992, we established the Environmental Committee to promote environmental protection and compliance in local communities. In September 1997, we established the Sumitomo Heavy Industries Environmental Policy in order to drive home the message of environmental management.

In addition, in order to clarify the basic policy of activities across the Group, we established the Sumitomo Heavy Industries Group Environmental Policy in November 1999, expanding environmental management across the Group as a whole including overseas facilities.

Sumitomo Heavy Industries Group Environmental Policy



Environmental Management

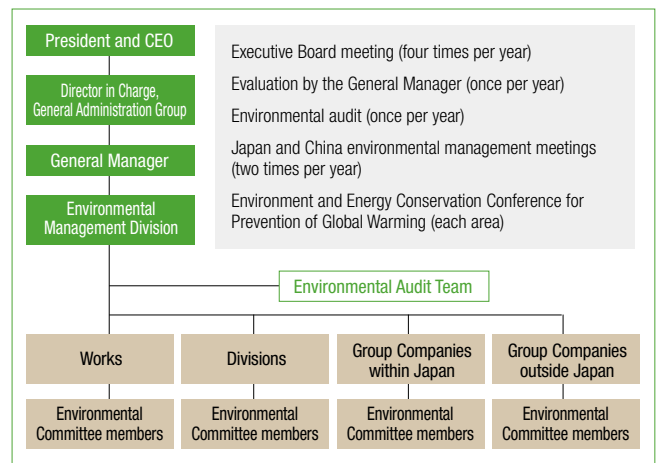
Assign Expert Environmental Committee Members and Develop a System to Manage Our Performance on Environmental Objectives

As a corporate group that is expanding its business globally, the Sumitomo Heavy Industries Group considers environmental activities to be social responsibilities. We are therefore aiming to improve the environmental management conducted by every organization belonging to our Group, and to raise it to a high level.

The scope of management extends to our works, business divisions, branches, and Group companies inside and outside Japan. We have assigned expert Environmental Committee members to them and developed a system to manage their performance on environmental objectives.

We have established the Environmental Management Division at the head office. It is engaged in on-going environmental management that extends to drafting medium-

term environmental plans, formulating environmental objectives for each fiscal year, promoting the implementation of plans and objectives, and developing human resources.



Environmental Management Audit

Conduct audits of Every Works and Group Company in Japan and Each of Our Local Corporations Outside Japan

The Environmental Management Division of the head office conducts one environmental audit of every works and Group company in Japan every year. These audits cover the whole of environmental management, including environmental risk assessment and global warming prevention activities. The audit results are evaluated on a five-level scale in each department, using our company's own proprietary evaluation criteria, and then reported to the Executive Board. We take these steps with the aim of raising the levels.

The Environmental Management Division also conducts systematic audits of each of our local corporations outside Japan, taking into account the environmental impact of each company. The principal purpose is to achieve objectives for environmental risk reduction and global warming prevention activities. The audit results are evaluated on a five-level scale, just as with the audits in Japan, and reported to the Executive Board. Audits were carried out at four factories in China, two factories in the Philippines and two factories in Europe in fiscal year 2012; at eight factories in China in fiscal year 2013; at five factories in China, two factories in Vietnam, one factory in Indonesia and two factories in the United States in fiscal year 2014. Audits will be carried out at two factories in the Philippines and five factories in China in fiscal year 2015.