

Activities Directed Toward Creating a Society Based on Recycling

We are working to limit the discharge of waste material from business activities, as well as to recycle and make effective use of that material.

Measures to reduce environmental impact

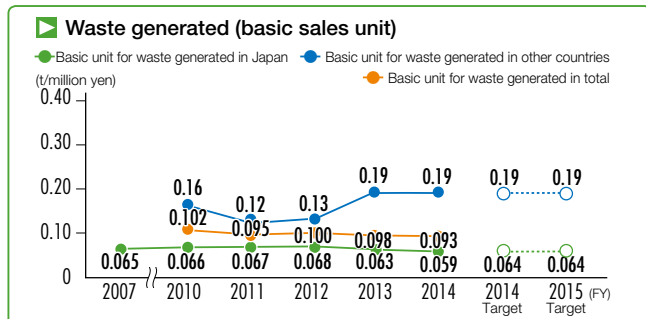
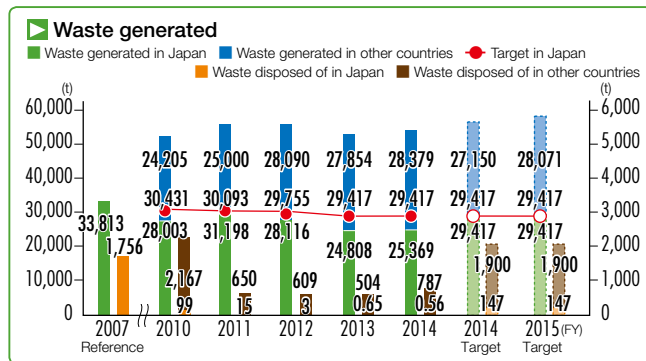
Working to Build a Recycling-Oriented Society

In order to build a recycling-oriented society, we at the Sumitomo Heavy Industries Group are controlling the discharge of waste from our business activities, recycling waste, and making efficient use of resources as well as working on initiatives to reduce the burden on the environment through our business activities.

Limiting the generation of waste and reducing the amount of waste discarded

Emissions and disposal targets achieved by combination of Japan and other countries

In Japan, our target for the amount of waste discharged in fiscal year 2014 is a 13% reduction relative to fiscal year 2007. In fiscal year 2014, we worked to increase the efficiency in production activities, do away with waste, and limit the amount of metal scrap and other such waste generated. As a result, emissions amounted to 25,370 tons, which was a 25% reduction from fiscal year 2007, and which achieved the target for fiscal year 2014. The target for the amount of waste discarded was under 0.5% of emissions, and the 0.56 tons of waste discarded in fiscal year 2014 was only 0.002% of emissions, which exceeds the target by a significant margin. Furthermore, there has been a trend toward lower and lower figures every year in terms of basic units, as well.



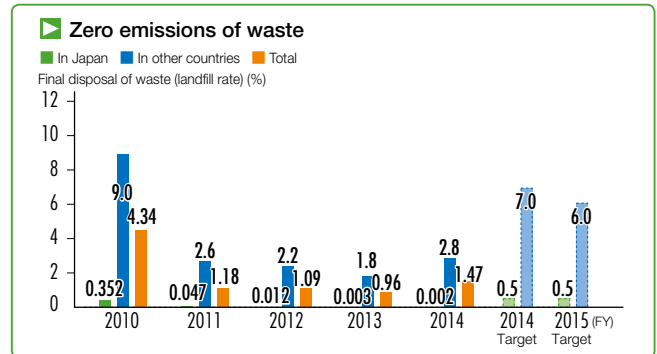
Zero emissions

Zero Emissions in FY2014 Achieved by Entire SHI Group

The SHI Group has defined factories at which the amount of waste disposed of as landfill as a percentage of total waste (the landfill rate) is less than 0.5% as zero emissions factories. We have been promoting this program since FY2005, and as a

result in FY2014 we achieved zero emissions at all seven works and all eight Group companies. We were also able to achieve a zero emissions rate of 0.002% for the SHI Group as a whole, greatly exceeding the target. We have been continuously achieving zero emissions since fiscal year 2011.

We are operating in other countries with the target of making less than 7% of total waste go to landfill. We achieved this target in fiscal year 2014 with an increase of 2.8%. In terms of the combined figure for Japan and other countries, the percentage of waste going to landfill was 1.5% in fiscal year 2014. In order to achieve zero emissions, separation of waste materials by category for recycling is crucial. We intend to continue with thoroughgoing separation of waste so as to maintain zero emissions, and we will keep our aim on making our factories kind to the global environment.



Reducing Water Consumption

Water use reduction target achieved in Japan

There are limits to the volume of usable water resources. Reducing water consumption is linked to the protection of resources and reduction of discharge into public water systems, and at the same time is also connected with the protection of biodiversity. The Sumitomo Heavy Industries Group has set the reduction target for fiscal year 2014 in Japan at 35% relative to fiscal year 2005, and we are pursuing this target. In fiscal year 2014, we have continued to install visible water pipes (aboveground installation) in order to identify water leaks and eliminate waste. As a result, we achieved our target with a 43% reduction relative to fiscal year 2005, and this also contributed to cost cutting. We will aim for further reductions in fiscal year 2015. We have also been engaging in reduction activities in other countries since fiscal year 2010. The combined figure for Japan and other countries also shows a trend toward reduction.

