### **Social Contribution Activities**

With our employees taking the initiative, we are planning and implementing activities that contribute to society in each region and local community.

#### **Initiatives for Biodiversity**

The Sumitomo Heavy Industries Group is engaging in initiatives to protect biodiversity.

The Group has to date endorsed the biodiversity declaration of the Nippon Keidanren (Japan Business Federation) and we have joined the "Declaration Promotion Partners." In order to contribute to the protection of biodiversity, we have been engaging in afforestation and greenery planting activities.

Our Tanashi Works is preserving the Musashino Forest, which occupies approximately 30% of the area of the 43,000m<sup>2</sup> campus. This forest contains over 4,500 trees of 40 or more species, and 170 of the trees have been designated protected trees by Nishi-Tokyo City. We have named a portion of these woods the Forest of Inspiration and opened it to the public.

Past wildlife habitat surveys confirmed the presence of considerable wildlife in the forest, which is a stronghold for the local ecosystem as well as a precious natural asset for scientific research.

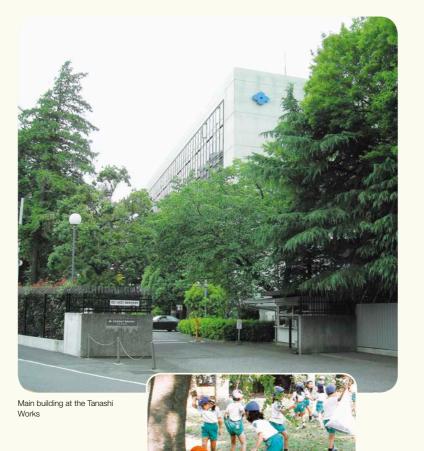
In addition to the kind of forest maintenance activity seen at the Tanashi Works, we are also carrying on afforestation by means of the Acorn Plan as well as by expansion and addition of green areas when redevelopment work is done on the grounds of our factories in other areas.

The Sumitomo Heavy Industries Group has also been contributing to the further protection of biodiversity by means of the LIME2 lifecycle impact assessment method based on endpoint modeling, developed by the National Institute of Advanced Industrial Science and Technology. Using this method, we have performed quantitative assessments of the impact that Group businesses have on biodiversity.

As a result, we found that reducing the amount of wood materials used would be particularly effective for our Group, and we have been pursuing reductions in the amount of product packaging material we use.



Planting activity at Nihon Spindle Manufacturing Co., Ltd.



Kindergarten children enthusiastically gathering acorns in the Forest of Inspiration





Planting activity at Nihon Spindle Manufacturing Co., Ltd.

Example of packaging material reduction Seisa Gear. Ltd.

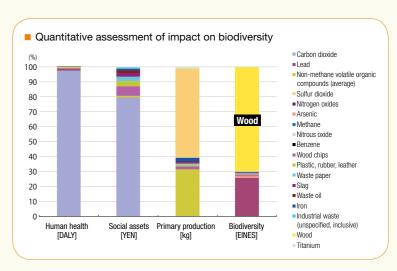




Specifically, we have been taking measures to simplify packaging and to adopt returnable shipping cartons to enable repeated reuse.

Reduction of packaging material is not the only measure we are taking. We are also evaluating our former activities to determine whether they have been activated and are in effect at our head office, branches, works, and Group companies.

The evaluation items include afforestation, greenery planting, and green curtain implementation, water-use reduction, VOC reduction, landfill disposal reduction, and utilization of renewable energy (electric power). We are taking steps toward participation of all personnel in these and other such activities to protect biodiversity.



#### Participating Actively in Local Community Events

The Sumitomo Heavy Industries Group takes active part in events held in local communities. The Niihama Factory took part in the Saijo City Ofuki Area Friendship Sports Day as part of the Ehime Prefecture Support Group Matching Project for Healthy Village Development, with the aim of regional revitalization. Many people here in the Ofuki area are elderly, and the sports days were suffering from a shortage of participants. Since the community also requested it, we began taking part in the event from fiscal year 2011.

The weather was ideal on Sports Day in 2014, making for a highly enjoyable and meaningful day-long event that enabled exchange with residents of local communities and large numbers of volunteers.



Radio calisthenics

#### **Cleanup Activities**

In the Sumitomo Heavy Industries Group, we carry on regular cleanup activities in the areas around our works. We also participate in cleanup activities organized by local government bodies and volunteer groups.

In addition to cleanup activities in the neighborhood of our works, during fiscal year 2014 the Nagoya Works and Sumitomo NACCO Materials Handling Co., Ltd. also participated in the Adopt Program\* organized by Obu City in Aichi Prefecture, while the Niihama Factory took part in the Adopt Program of Niihama City. All these activities involve continuing engagement in cleanup of neighboring areas.

The Nagoya Works has been taking part in this Adopt Program since 2004. In 2014, we held cleanup activities in the area around the works on six occasions, with about 30 people participating each time. We are continuing this activity in the same way in 2015, as well.

The Sumitomo Heavy Industries Group will continue with this commitment to beautification of the local environment.

Adopt Program: A volunteer campaign in which people designate a public facility, such
as a park or a footpath, and register it with the city. They then pick
up trash, water the plants, and weed the designated facility so that
people will be able to enjoy using it.



all-toss game



Ofuki lion dance





Cleanup activity (Niihama Factory)

#### Students from Yokosuka Lower Secondary Schools Tour Our Environmental Activities

Our Yokosuka Works in Kanagawa Prefecture is taking measures to reduce CO<sub>2</sub> emissions and waste materials. We are also actively engaging in communication with local communities as part of our environmental activities.

In 2014, we invited local lower secondary school students to tour the Yokosuka Works. They observed the status of waste separation for recycling, toured our wastewater treatment facility and water quality monitoring system, looked at our environmentally friendly products, and gained a deeper understanding of the environmental measures we are taking at Sumitomo Heavy Industries.



## Environmental Education for Elementary School Students

Sumitomo Heavy Industries Environment Co., Ltd., exhibits every year at an environmental exhibition in Minamiashigara City, Kanagawa Prefecture. We also conduct an annual environmental education event mainly for local elementary students.

At the environmental exhibition in fiscal year 2014, we gave a close look at water-related topics. This included a microscopic display of microorganisms used in water treatment, observation of waterside organisms and a comparative analysis of the calcium content of commercially available mineral water. We showed the organisms that live in clean rivers and polluted rivers, explained the differences between them and conveyed the importance of protecting river environments.

We intend to keep up these activities in the future, and continue communicating to children the importance of environmental protection.

# Waste Reduction through the Use of Recycled Plastics

At the Link-Belt Construction Equipment Company, located in the state of Kentucky in the United States, the Maintenance Department has started begun replacing over time wood lumber with recycled plastic lumber for landscaping edging and the Warehouse Department is doing the same with for wagon cribbing. The recycled plastic lumber will last much longer than wood lumber reducing the amount of waste which must be recycled or disposed of off-site.



Observing microorganisms through a microscope



Using components made from recycled plastics