

Environmental Report

1. Our environmental efforts

Kyokuto Kaihatsu Kogyo Co., Ltd. is engaged in businesses related to environmental conservation, as exemplified by the development and manufacturing of specialty trucks such as garbage collectors and construction of waste treatment facilities. Most companies have achieved development by focusing on economic growth, which has caused more phenomena that disrupt global environment such as global warming and increased wastes.

Now is the time we need to stop such phenomena that disrupt global environment.

Our company is determined to play a leading role in the efforts in environmental conservation for the purpose of bringing harmony between corporate activities and global environment, contribute to the formation of recycling society through our



Officer in Charge of Environment
Executive Officer
Akira Sakurai

2. Environmental Action Standards (from Kyokuto Kaihatsu Kogyo Business Code of Conduct)

Kyokuto Kaihatsu Kogyo Co., Ltd. is conducting business activities by receiving great benefits from nature in many ways including resources and energy required for production. With this in mind, we conduct voluntary and proactive activities in all kinds of business fields for handing over the better global environment to the next generations. The global environment is indispensable for human beings. Kyokuto Kaihatsu Kogyo Co., Ltd. believes that it is a company's corporate responsibility and significant management issue to protect our environment.

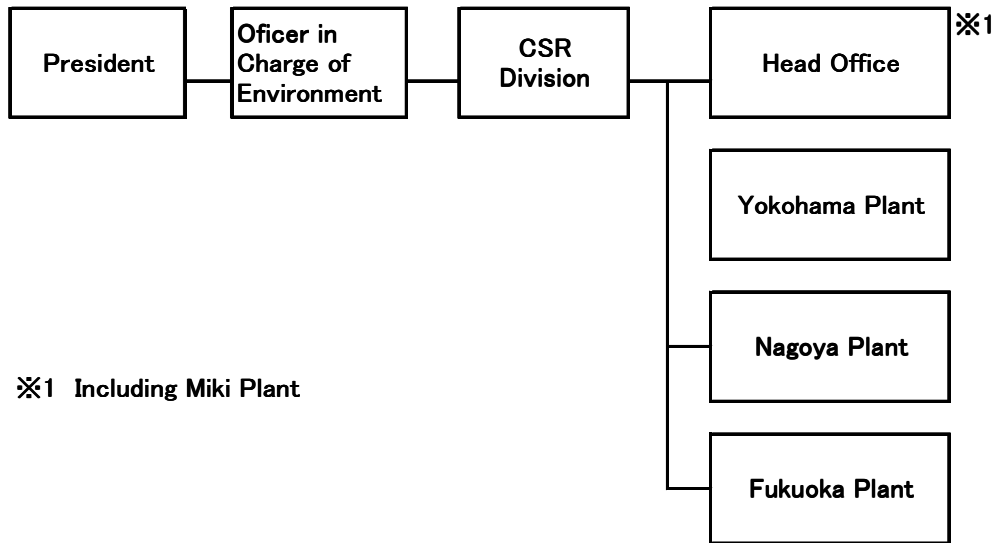
- (1) To pursue a recycling society through active efforts in environmental problems
- (2) To aim for technological development that contributes to the conservation of global environment
- (3) To consider pollution prevention and energy saving
- (4) To make efforts for product recycling

Basic Plan for Environmental Management Actives

	Target		2014 Achievement	Check
Global warming	Midium-term Target	CO ₂ emissions 25% reduction in FY 2020 compared with FY 2005	6% reduction compared with FY 2005	-
	Reduction Target(FY2014)	CO ₂ emissions 1% reduction per sales compared with FY2013	9% reduction compared with FY 2013	✓
Resource Circulation	Zero-emission:landfil disposal weight will be less than 0.5% of the total disposal weight (maintained at the current level)		0.4%	✓
Air pollution	To make efforts for emission reduction of VOC and to maintain such reduction rate (30% reduction compared with FY 2000)		47% reduction compared with FY 2000	✓

3. Organizational Chart for the Kyokuto Kaihatsu Group's Sustainable Environmental Management System

We obtained ISO14001 certification in a total of four sites including Head Office, and each site is actively involved in environmental conservation efforts. The CSR Division, newly established in April 2006, plays an administrative role for the whole company under the strong leadership of Officer in Charge of Environment in cooperation with each site to promote our Environmental Management System. The Environment Division started its comprehensive operation with Head Office from April



※1 Including Miki Plant

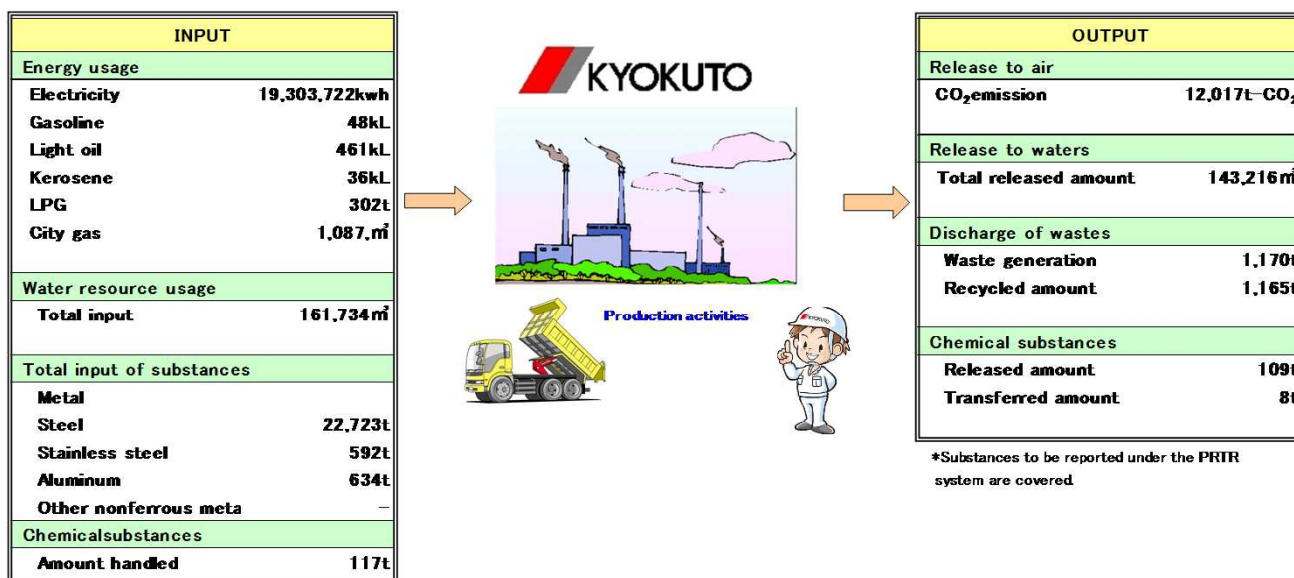
4. Registration of ISO14001



Site	Registration Date	Scope of Registration
Head Office	February 16, 2001	<ul style="list-style-type: none"> ·DESIGN / DEVELOPMENT / MANUFACTURING / STORES AND DELIVERIES OF SPECIALLY EQUIPPED VEHICLES(TANK TRUCKS, CONCRETE PUMPS DETACHABLE BODIES AND GARBAGE COLLECTORS) AND MACHINERIES (HYDRAULIC CYLINDERS, GEAR BOXES, ETC.) ·SALES, DEVELOPMENT / DESIGN, PROCUREMENT, LOCAL INSTALLATION WORK AND TRIAL OPERATION OF ENVIRONMENTAL DEVICES /EQUIPMENT. ·DESIGN / DEVELOPMENT OF MULTISTORY CAR PARKING SYSTEM.
Yokohama Plant	May 30, 2001	<ul style="list-style-type: none"> ·DESIGN, MANUFACTURE AND MOUNTING OF BODIES FOR DUMP TRUCK AND CAR TRANSPORTER TO CARRY ONE CAR. ·DESIGN, MANUFACTURE AND MOUNTING OF DETACHABLE BODIES AND POWER DRIVEN FLOORS. ·DESIGN AND MANUFACTURE OF CONTAINERS, AND MOUNTING OF TAILGATE LIFTERS. ·SALES OF SPECIAL PURPOSE VEHICLES AND OTHER TRANSPORTATION EQUIPMENT.
Nagoya Plant	March 30, 2003	<ul style="list-style-type: none"> ·DESIGN AND MANUFACTURE OF TAILGATE LIFTERS. ·DESIGN, MANUFACTURE AND MOUNTING OF BODIES FOR TANK LORRY, BULK CARRIER TRUCK AND DUMP TRUCK. ·DESIGN AND MANUFACTURE OF DETACHABLE BODIES.
Fukuoka Plant	March 30, 2003	DESIGN AND MANUFACTURE OF DUMP TRUCKS, DETACHABLE BODY TRUCKS AND OTHERS

5. Environmental burden in business activities

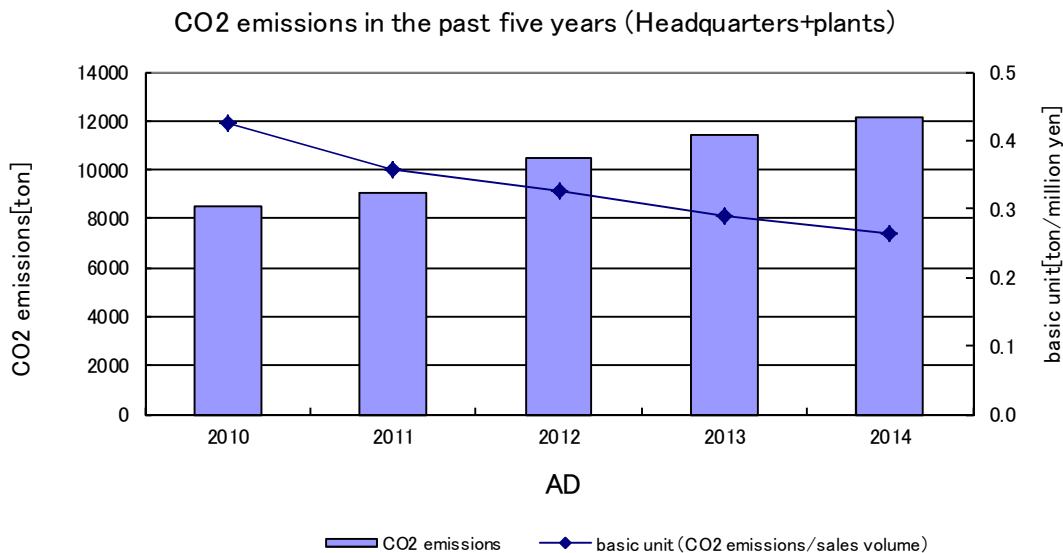
The below figure shows the record of environmental burden in four production sites



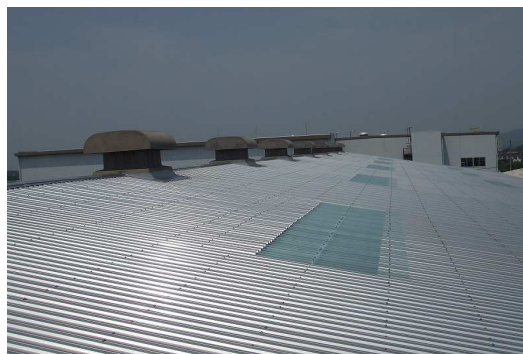
*Substances to be reported under the PRTR system are covered.

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6. Changes in the greenhouse gas emissions



CO₂ emissions increased due to an increase of production. However, our efficient use in energy is progressing by installment of energy-saving equipment and improvement of operation efficiency.



Roof with thermal insulation
(Miki Plant)

Equipment installment for reduction of CO₂ emissions in FY 2014

Thermal insulation work of roof of plants	Nagoya Miki
Conversion to LED Lights	Yokohama Fukuoka
Replacement of the air compressor	Miki
Introduction of hybrid vehicles (12 commercial vehicles)	Local offices

7. Conservation of biodiversity

We are making efforts for conservation of biodiversity through our business activities and social action programs.

KYOKUTO KAIHATSU KOGYO CO., LTD. “Biodiversity Conservatory Guideline”

Basic policy

Receiving various kinds of blessings of nature, including resources and energy necessary for production activities, KYOKUTO KAIHATSU KOGYO CO., LTD. (hereafter called “we”) knows the importance of conservation of biodiversity. Therefore, we are aiming to harmonize our business

Major efforts	
Major efforts	By developing useful technologies for global environmental protection, we are aiming to balance our company activities with conservation of biodiversity.
Partnership and collaboration with community	We are promoting partnership and collaboration not only with governmental agencies, but also with community residents and stakeholders, such as NGO, for sustainable human development.
Information disclosure to society	We are also contributing to promotion of the social biodiversity preservation activities by providing information to the public about our voluntary activities and achievements for harmonization between business activities and conservation of biodiversity.

Examples of achievements

- Received a certificate of appreciation for installation of a green campaign fund-raising dispenser (Yokohama Plant)
- Promotion of greenery business based on planting agreement (Yokohama Plant)
- In-plant cleanup activity (Miki Plant)
- Regional cleanup activity



Participation in Oyama River Cleanup Campaign (Komaki city, Aichi)



Participation in Environmental Cleanup Campaign by Fukami-nishi Industrial Group (Yamato city, Kanagawa)