

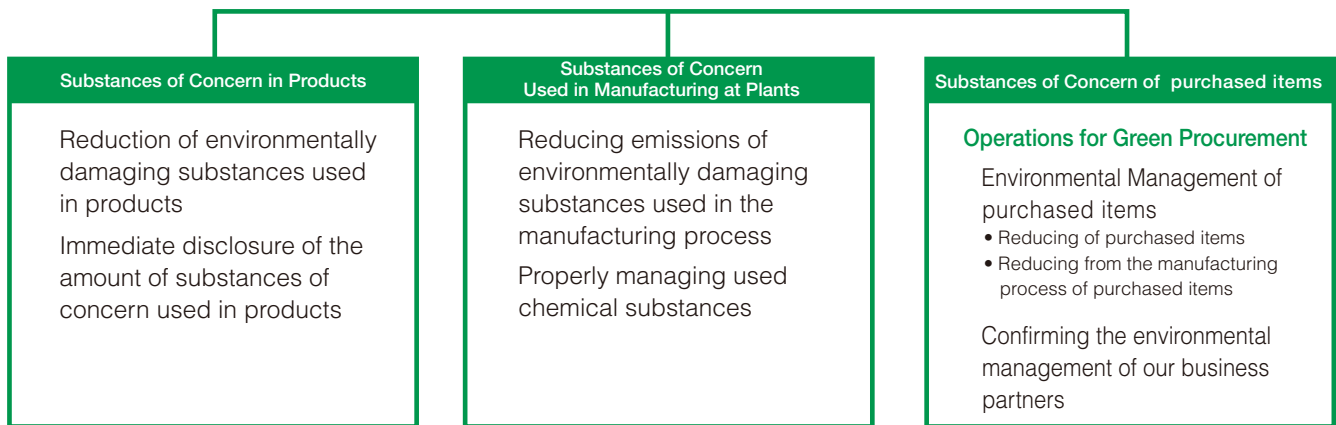
Efforts to Manage Chemical Substances

Substances that are damaging to the environment are used within products, and for the manufacturing of products, to improve the quality. Therefore, there are concerns of the great impact this could have on the environment during manufacturing, use of, and discarding of products.

The global consciousness of the environment is growing and requests to reduce/stop using these substances are growing every year. With this as a backdrop, we adhere to regulations, and not only work to fulfill our delivery requests, but also promote the management of chemical substances (elimination of environmentally damaging substances) by setting our own goals.

1 Basic Reduction Concept

Thorough risk management of each department from products, the manufacturing process, purchased items, and processed materials, we adhere to these fundamentals: "Use as few harmful chemicals as possible", "Elimination of as many substances as possible while finding alternatives" and "Proper management of chemicals if used".



2 Environmentally Damaging Substances in Products

Reduction of Environmentally Damaging Substances Used in Products

At Calsonic Kansei, we don't just comply with the legal restrictions of each country, but set our own goals, manage, and use follow-up systems, promote development of alternative technology, and work toward reducing the amount of environmentally damaging substances used in products.

Efforts by Calsonic Kansei to Comply with Regulations							
Legislation			Calsonic Kansei Efforts				
Regulations	Substances	Regulatory Schedule	2006	2007	2008	2009	2010
European ELV Directive	Four Substances (Lead, cadmium, mercury, hexavalent chrome)	Prohibited after July, 2003	Corresponding completed Except for some exemptions				
	Hexavalent chrome, corrosion coating	Prohibited after July, 2007	Corresponding completed year end of 2006				
Our Efforts	Reducing/abolishing the 13 VOC substances in vehicle interiors		Applied began second term of 2006				
	Applying Pb-free solder		Currently working toward the application				
European REACH Regulations	SVHC*1			Effective 6/1	Currently corresponding		

*1 : SVHC stands for "Substance of Very High Concern" and is scheduled to specify about 1,500 substances such as carcinogenic substances.

Efforts toward Reducing Provisions of VOC in Vehicle Interiors

At Calsonic Kansei, we are making efforts to reduce VOC of car interiors. We aim to reduce or abolish the 13 volatile organic compounds (VOC, such as formaldehyde, toluene, and xylene) used in materials of products installed within the vehicle interiors including adhesives and coating materials, which cause irritation to the nose and throat. We are expanding our application to related materials, reducing each coating, setting goals toward abolishing substances and started the same efforts for cockpit module products at the second term of 2006.

- **Materials:** Use materials without formaldehyde
Use adhesives without toluene and xylene
- **Coating:** Develop/use coatings without toluene and xylene (TX Free Coatings)
Develop/water based coating (almost free of solvents)

Immediate Disclosure of the Amount of Substances of Concern Used in Products

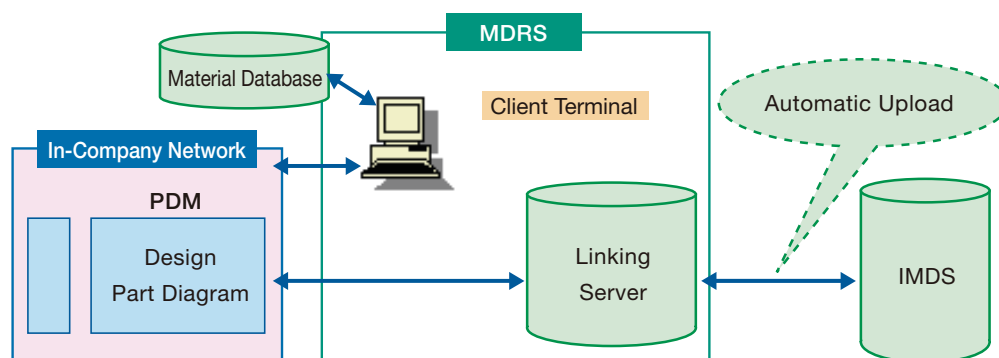
Almost all of the automobile makers request suppliers such as Calsonic Kansei to refrain from using prohibited substances, but also to report the materials and substance used in our products, through IMDS.

To meet this request, we developed and formulated an IMDS entry support system called Calsonic Kansei "MDRS".

System That Has enabled the Prompt Delivery of Reports on Substances of Concern to Our Customers "MDRS"

The part composition (tree structure) is loaded from the database that contains various information, such as part numbers, associations created for the parts and materials using a master created in advance, and then this data is uploaded to the IMDS server from our server to be registered.

A person can enter information in a very short amount of time without using the web.



* MDRS=Material Data Report Support System

3 Environmental Efforts at Plants

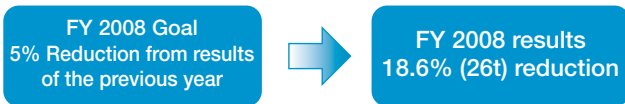
Reducing Emissions of Volatile Organic Compounds (VOC) from Factories into the Atmosphere

- **Domestic:** Implementing environmental compliance evaluation at each of our bases. In addition, to meet the VOC emission regulation, became effective since the partial revision of the Clean Air Act, we installed thinner collection devices on the factories that are subject to control. As a result, our factories continue to be in operation without violating any regulations.
- **Foreign:** Implementing environmental compliance evaluation at each of our bases. Confirming that we meet these control values.

Support for PRTR Legislation

We have been promoting the reduction of PRTR regulated substances that are used by setting a goal of a 5% reduction in the amount discharged into the environment or moved, compared to the previous year.

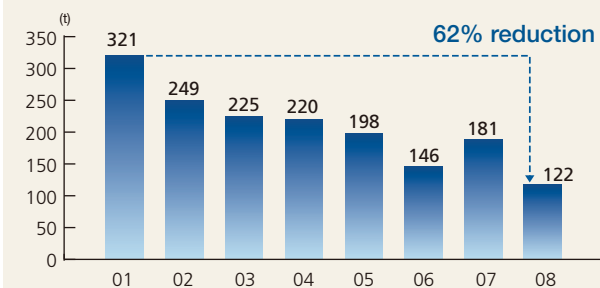
- * PRTR (Pollutant Release & Transfer Register, (Law for promoting the management of discharged chemical substances, published in 1999) Register discharged and movement of environmental pollutants.



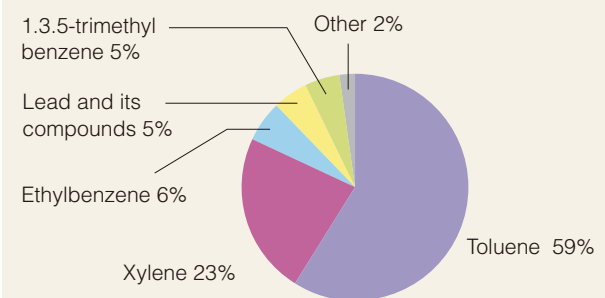
Decrease (about 12%) due to decrease in production

Group: 5 Calsonic Kansei plants and 2 affiliated companies
8 plants including the following 3 plants: CKK Corporation Usa/Nakatsu plants, CKF Corporation Nihonmatsu

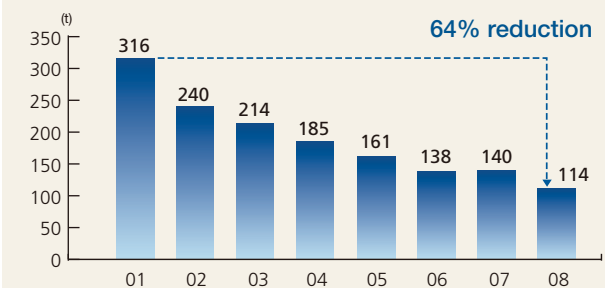
Amount Used (8 plants)



Amount of Waste Discharged and Moved in FY 2008 (Total 114t)



Amount Discharged/Moved (8 plants)



Management of PCB

Implementing appropriate management regulations for electrical devices that include PCBs as industrial waste products for special management according to the law. The PCBs are also scheduled for prompt disposal.

Thorough Water Quality Management

Our voluntary targets for the quality regulation values of discharged water have been set to be measured value of 0.8, stricter management than the law requires.

Thorough Management of the Atmosphere

Implement reductions of sulfur oxide (SOx) and CO₂ by switching Heavy Oil A fuel to Special Heavy Oil A fuel (only 10% of sulfur amount in Heavy Oil A is included in Special Heavy Oil A), converting natural gas and LPG, and reducing the amount used with energy saving activities.

Environmental Contamination Accidents or Grievances

For 22 Calsonic Kansei corporations with environmental management No accidents or grievances.

Efforts to Conserve Soil Ground Water and Prevent Contamination

We work to confront situations by making efforts toward plants already contaminated and implementing preventive measures and thorough investigations.

Efforts Made for Plants with Existing Contamination

We have completed all of the purification efforts for the soil and subterranean water of the previous Omiya plant started in 1999 in November 2005.

Furthermore, we built a base for our headquarters and research & development division in the Omiya area in May 2008 and have been utilizing the facility since then.

Efforts for Advanced Prevention

- Switch subterranean fuel management above ground Completed
- Converting Special Heavy Oil A to Natural Gas and LPG. (Including the reduction of CO₂)

Thorough Surveying

After confirming a contamination in the Omiya area, thorough investigation of soil in high risk areas.

Also, in grouping as affiliated companies, we conduct an investigation.

4 Environmental Burden of Purchased Items

Promotion of Green Procurement

Calsonic Kansei purchases many things such as raw materials, processed materials, and component parts and believes managing purchased parts and materials is extremely important in environmental management.

We ask our business partners' cooperation to follow the "Green Procurement Guidelines" that was created to comply with laws and accommodate customers' requests. That enables us to continue promoting "Green Procurement" with our suppliers to accomplish societal responsibilities.

Operation of Green Procurement

The "Green Procurement Guidelines" sets legislation stipulating the substances that are to be managed, how to conduct survey reports on chemical substances included in items we have purchased, and evaluations of the environmental management system status of our suppliers.

(1) Environmental Friendliness of Purchased Items (Parts, Materials)

We conduct surveys of the substances included in purchased parts/materials and surveys of substances used in the manufacturing process of purchased items.

- 1) Environmentally damaging substances used in purchased items
- 2) Environmentally damaging substances used in the manufacturing process of purchased items
- 3) That we can confirm that items in question conform to the requirements indicated above

(2) Investigation and Statistics for the Environmental Management System of Suppliers

That accreditation for an environmental management system such as ISO14001 has been acquired.

That the suppliers are promoting efforts to acquire accreditation for an environmental management system such as ISO14001, and have a clear plan with a concrete data for acquisition.

The suppliers are conducting equivalent activities to either of the above.