

Seeking to Establish Environmental Management for Sustainability and Enhance Corporate Value

Environmental Philosophy

- Actions by all Kawasaki Group employees are taken with concern for the environment, not only at work, but also in their local communities and homes, in accord with our Environmental Philosophy, which declares our commitments to the realization of a sustainable society.

- Design for Environment (DfE) is used for all products to enhance their environmental efficiency.
- Products are offered that help protect the environment, thus contributing to the environment, society and businesses.

- Administrative penalties and administrative provisions are avoided, and voluntary control standards based on the needs of society are enhanced to improve the efficient utilization of resources and energies.

- Appropriate action are taken based on this EMS by all Kawasaki Group employees.
- Incorporation of environmental considerations into management of each internal company enhances their environmental management levels.
- An environmental management information system is created.

- Kawasaki Environmental Reports that comply with the needs of society are published.
- Communication with stakeholders is promoted.
- The entire corporation and all employees are committed to environmental improvement in local communities.

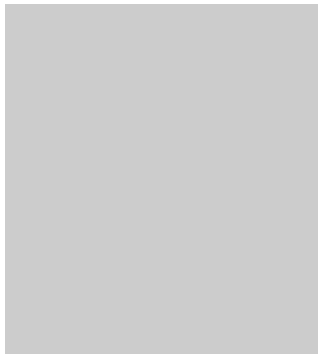


Development into 3-year Environmental Management Activities Plan

Environmental Philosophy

As a company in key industries related to land, sea and air, Kawasaki is deploying its business activities globally in pursuit of reducing environmental impact and creating a sustainable society. This makes us to commit ourselves to contribute to the sustainable development of society through our environmentally conscious business activities, technologies and products that preserve the global environment.

1. Recognizing that global environmental protection is a common and serious issue for humankind, Kawasaki will positively volunteer to engage itself in harmonizing with the environment globally. We shall regard this as one of the most important strategies when we deploy our business activities.
2. During its production stages, Kawasaki will endeavor to conserve resources, to save energy, to recycle resources and to reduce industrial waste and will promote the reduction of environmental impacts.
3. In the new product planning (i.e. research and development) and designing stages, Kawasaki will render careful attention throughout the procurement, production, distribution, utilization and material disposal stages in order to minimize the environmental impacts.
4. In seeking solutions to global environmental issues, Kawasaki will do its best to develop and provide new technologies and new products that contribute to environmental protection, energy saving and resource conservation.
5. Notwithstanding its compliance with environmentally related institutional laws, regulations and agreements and voluntary action plans of each industry concerned, Kawasaki will voluntarily institute its own environmental control standards as an appropriate and necessary action in order to strive to improve environmental control levels.
6. Through environmental training and public awareness activities, Kawasaki will strive to enlighten all its employees on global environmental issues and will support individual views, lifestyles and will encourage their participation in the social activities and services.
7. Kawasaki will implement an environmental management system to promote environmental preservation and conservation, and hold regular conferences to review management systems and maintain continual improvement.



Chief Environmental Officer
Senior Executive Officer

We Want to Be a Corporation with Higher Social Value by Establishing Environmental Management for Sustainability.

The three years of activities of the 3rd EPAP, which began in FY2000, ended in FY2002. During this period, all of our works acquired ISO 14001 certification, our office divisions established Environmental Management System (EMS), thus a corporate-wide EMS has been established. Through efforts for energy saving and resource conservation, four works achieved zero waste disposal, thus we are steadily approaching our target of zero waste disposal for all Kawasaki works.

In our 4th Environmental Management Activities Plan (EMAP), which will last 3 years beginning in FY2003, we have clearly defined our Medium- and Long-Term Environmental Vision that describes what Kawasaki should be in the year 2010, and designed an action plan for realizing this vision. Because environmental protection activities became a common practice in Kawasaki through our efforts up to the 3rd EPAP, the emphasis in the 4th EMAP is placed on environmental management rather than environmental protection. We are more clearly stating that an environmentally conscious attitude is a vital component in business management. The most important thing in this EMAP is that "Actions by all Kawasaki Group employees are taken with

concern for the environment, not only at work, but also in their local communities and homes" as stipulated in the environmental philosophy given in this EMAP. In other words, business management and environmental protection must be unified into one concept.

Moreover, the 4th EMAP sets up goals with a quantifiable values. To be able to fulfill the targets, an environmental management officer is assigned to each internal company to promote environmental management activities.

We intend to establish a system to improve the environmental management level of our internal companies in which the environmental management officer of each company determines a marker for evaluating the environmental efficiency of a product or production activity that is suitable to the business structure of the division.

Recently, environmental regulations have become stricter as new environment-related laws have been enacted. As a matter of course, most corporations strictly abide by these laws and regulations. However, merely complying with laws and regulations will not be sufficient. Each corporation must introduce measures to cope with every conceivable risk that might possibly occur in the future. Our EMS not only clearly states the requirements that each works must satisfy, but also encourages strengthening and enhancement of voluntary risk management.

Every Kawasaki employee involved in manufacturing should, at every stage of production, think about implementing an arrangement friendly to theien _ 盈 晦3 付答璜名ng 券 _ 設摺梯亡設抗δ / 9 券 _ 蓮拾并 _ 廠券