

Promotion of Internal Control and Compliance

Group Mission

Kawasaki, Working as
One for the Good of the Planet

Based on this recognition, we seek to not only maintain the internal control systems that we have built thus far, but also to improve them through constant review. By doing so, we are making the efficient and legal enterprise structure of our Group even more solid.

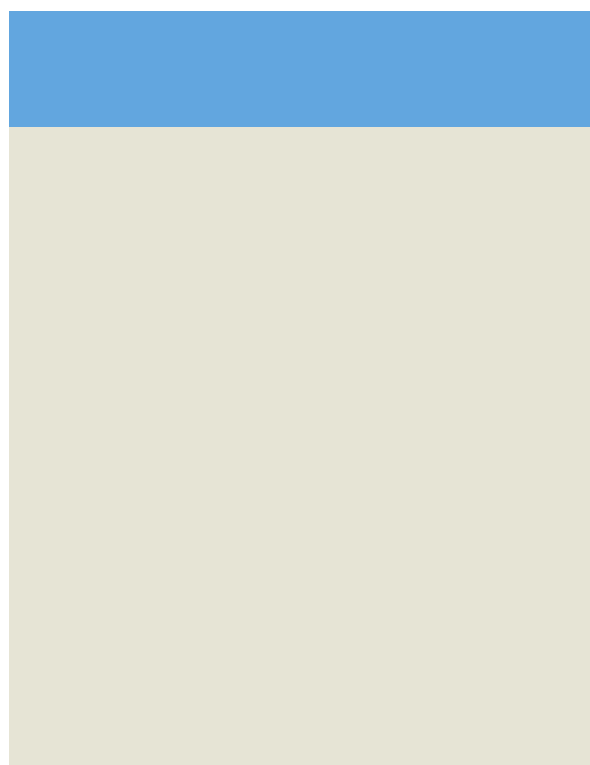
In addition, we established the basic ideas, with which all directors and employees must comply recognizing corporate social responsibility, as the "Kawasaki Heavy Industries Corporate Ethics Rules." Internal control and compliance is being pursued by every Kawasaki member.

The Fundamental Philosophy of the Kawasaki Heavy Industries Corporate Ethics Rules

- 1. Follow the Code of Ethics as a Corporate Member**
We should carry out business activities with truth and proper conduct.
- 2. Respect Each Other's Personality and Human Rights and Practice No Discrimination**
We should respect everyone's personality and human rights and refrain from segregation and discrimination, sexual harassment, and bullying in order to create and maintain a comfortable work place.
- 3. Promote Environmental Conservation**
We should cherish the limited resources of mother nature and actively and voluntarily conduct ourselves with an eye to environmental conservation in order to reduce our impact thereupon, including saving resources and energy, minimizing waste, recycling resources, and preventing environmental pollution.
- 4. Comply with Laws, Regulations and Social Rules**
We should realize the importance of legal, social and ethical compliance, and aggressively promote such compliance.
- 5. Ensure Appropriate Accounting Procedures and Reliability of Financial Reporting**
We should carry out recording and accounting of corporate activities correctly and precisely according to the best practice specified by laws, regulations and standards.

Efforts to Promote Internal Control and Compliance

■ Kawasaki Group Internal Control and Compliance System



Guidebook Distribution

We have been distributing our Compliance Guidebook to all employees, including temporary workers, in order to

Implementation of Compliance Education

We keep our employees informed about compliance using education for different levels of employees, including executives, as well as E-learning with computers and other methods.

Compliance Report and Consultation System

When employees suspect that there might be a compliance violation in their section, ordinarily, they should first report to and consult with their superiors and the related sections. However, if they suspect that their superiors or that many people in the section might be involved, they might feel that they are isolated, under pressure from those around them or otherwise in a difficult position that makes them wary or afraid to use in-house reporting or consultation. For such situations, we established our Compliance Report and Consultation System.

In this system, an external lawyer consults directly with the people who come to him and listens to their reports. Moreover, with the name of the person who came for consultation kept secret, the situation is reported to the Compliance Report and Consultation System Subcommittee. The Compliance Report and Consultation System Subcommittee, which also has the external lawyer as a member, investigates the situation to determine whether or not there is a violation and decides future measures in response. The external lawyer conveys this directly to the person who came for the consultation.

In order to allow our employees to use this system effectively, we make them aware of how to use it through numerous means, including articles in the Compliance Guidebook that we distribute, in-house intranet notice boards and in-house magazines.

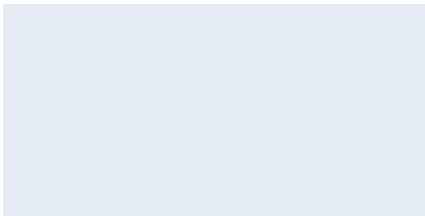
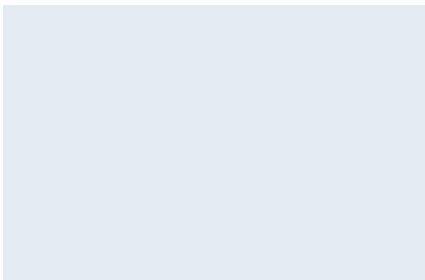


We are seeking to improve our Doctor-Heli further because we believe that realizing greater usability for every user, including patients, doctors, nurses and even pilots, is a key to providing true customer satisfaction.

Our Doctor-Heli has numerous features, including large clamshell doors at the rear end of the aircraft that make it easy to roll in 2.481.391-1.3c 3.044r5.81ctio4.84r5oc 3l71 02hludintual6 Tc(r.)Tj0.0134 16 Td(greatern)Tj0 Td(InTd(easy)Tj2.3addingus)Tj



We have been making every effort to provide emergency services, but we are not able to provide services in some areas.



We are supporting the realization of balanced working lives as a way to create workplaces where people are able to work positively. Among these efforts, we have introduced our No Overtime Day and Consecutive Vacation Days for Refreshment. For better and for worse, Japanese employees tend to work long hours and take few vacations, so these programs are designed to make them take more time off work to enjoy other parts of their lives.

No Overtime Day

We began implementing a No Overtime Day in April 2006. The details of No Overtime Day vary by workplace, but this is conducted once per week as a rule.

The purposes of establishing a No Overtime Day are to promote the mental and physical recovery of employees by separating work from home life and to create an atmosphere that encourages leaving work soon after the completion of set working hours. Labor and management are working together to implement this system, which was created in agreement between them, by conducting workplace patrols and taking other steps to administrate the system precisely.

In October 2007, we conducted a questionnaire of all employees on company systems as a whole, and included a question about their level of satisfaction with No Overtime Day. The result was that this program received the third highest level of satisfaction among all items on the survey. For this reason, we believe that the implementation of No Overtime Day is meeting employee needs, and we plan to continue it in order to make employees separate work from home life.

Consecutive Vacation Days for Refreshment

We began our Consecutive Vacation Days for Refreshment program in April 2008. In this program, at the beginning of the fiscal year employees are required to set consecutive vacation days for later in the year. When those days come, they must take a vacation from work in this system. Moreover, until FY2007, one day was provided as an anniversary holiday, but we have now expanded this to a two-day vacation.

The purpose of the Consecutive Vacation Days for Refreshment system is to promote the use of annual paid vacation days. By taking planned breaks, we hope to help employees become refreshed both mentally and physically.





Promotion and Establishment of Occupational Safety and Health Management System

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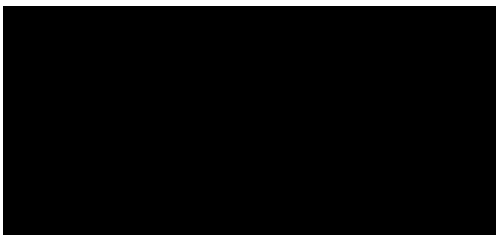




Our empl



Handing over the contribution list at the Chinese Embassy on May 19



Kawasaki products that have contributed to the development of society on display at Kawasaki Good Times World