

Environmental Philosophy

Action POINT

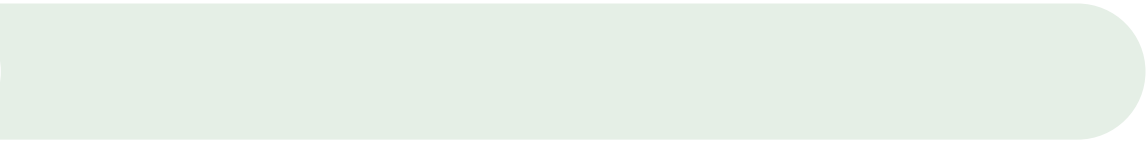
In 2003, Kawasaki established the 2010 Environmental Vision: "What Kawasaki Should Be in the Year 2010" as guidelines for pursuing the improvement of environmental management. As 2010 approaches, we have set the 6th Environmental Management Activities Plan (for FY 2008 to 2010), and we are working to strengthen and advance activities to achieve targets.

(Evaluation Criteria) A: Achieved; B: 70% or higher achievement rate; C: Less than 70% achievement rate

5th Environmental Management Activities Plan (FY 2006 to 2007)	Achievements of the 5th Environmental Management Activities Plan (FY 2006 to 2007)	Evaluation	6th Environmental Management Activities Plan (FY 2008 to 2010)	Priority Initiatives in FY2008
<ul style="list-style-type: none"> a. Promoting the construction of an environmental education system through the use of IT b. Continuation of activities to provide information to educate employees in environmental issues 	<ul style="list-style-type: none"> a. Created environmental E-learning system and put it to use throughout Kawasaki b. "Message from the President," "Environmental News" and other internal publications were issued to promote environmental education. 		<p>1. Follow-up incorporated in business plan 1) Ef</p>	
<ul style="list-style-type: none"> a. Promoting the development of EMS among our subsidiaries around the globe b. Promoting risk review activities to reassess environmental risks <ul style="list-style-type: none"> - "Understanding of environmental risk" and EMS review based on that viewpoint c. Establish an environmental risk management system <ul style="list-style-type: none"> - Implementation of appropriate and quick response on the part of the entire Group based on legal compliance d. Development of an environmental management information system for the entire Kawasaki Group 				

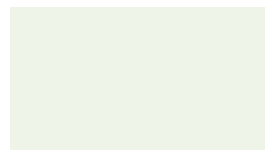
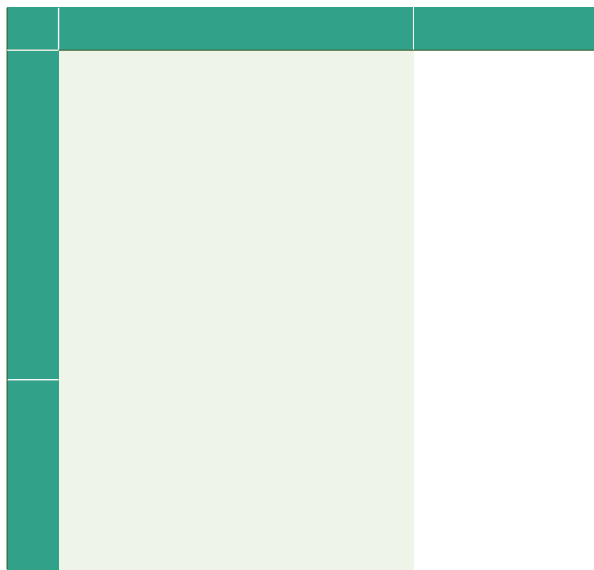
E r

A



Further Development of EMS

Environmental Risk Management



E r A



Net Sales: **¥1,501 billion**
(including all consolidated businesses)

Environmental Management Activities

Environmental Investments: **¥1.6 billion**
Environmental Costs: **¥13.0 billion**

In the material balance of our business activities, we seek to create the maximum profit with the least amount of CO₂ emissions. A management index called return on carbon (ROC) focuses on this goal. Considering the possibility that the amount of CO₂ emissions could be calculated as a cost in the future, we believe that ROC is not merely an environmental index, but rather that it will eventually become an important management index related to earnings. When the Boston Consulting Group calculated the FY2006 ROC for the 100 manufacturing businesses with the highest consolidated net sales and ranked them, our ROC was 208, earning us the 14th highest ranking and high praise.

Return on carbon (ROC) calculation

$$\text{ROC} = \frac{\text{Operating income in Japan (millions of yen)}}{\text{Amount of CO}_2 \text{ emissions (thousands of tons)}}$$

From Nikkei Business (July 7, 2008 edition)