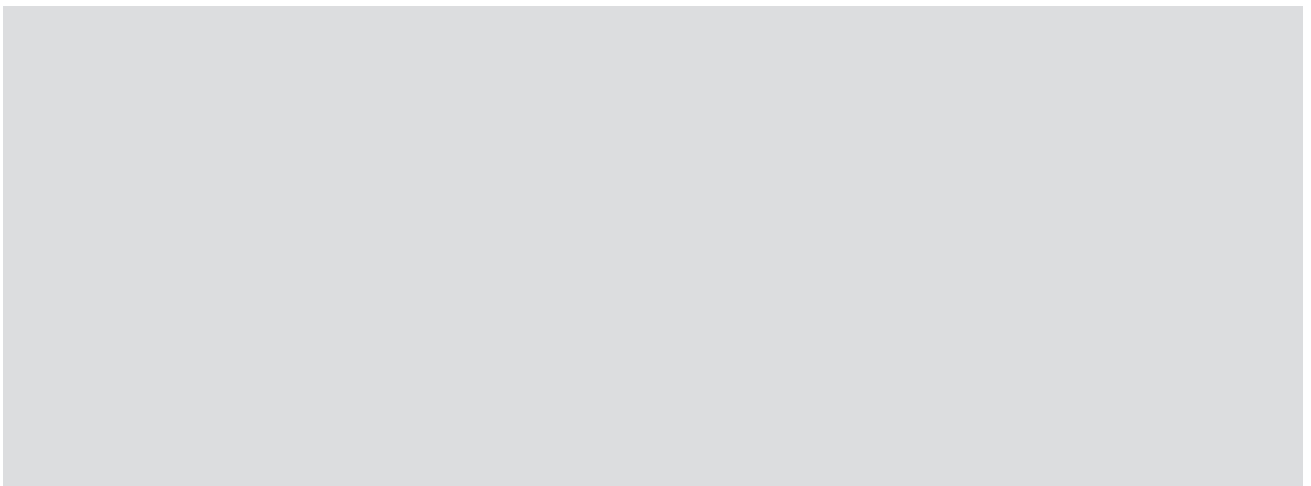
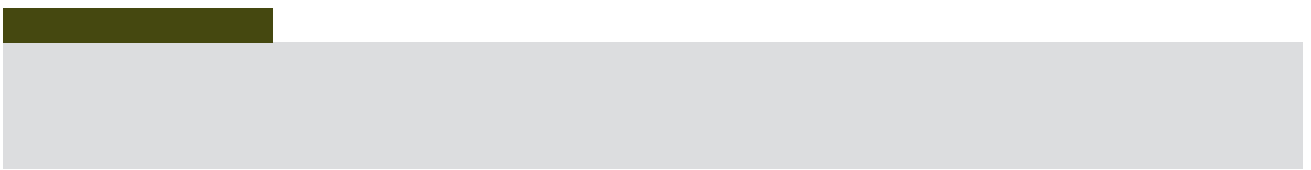
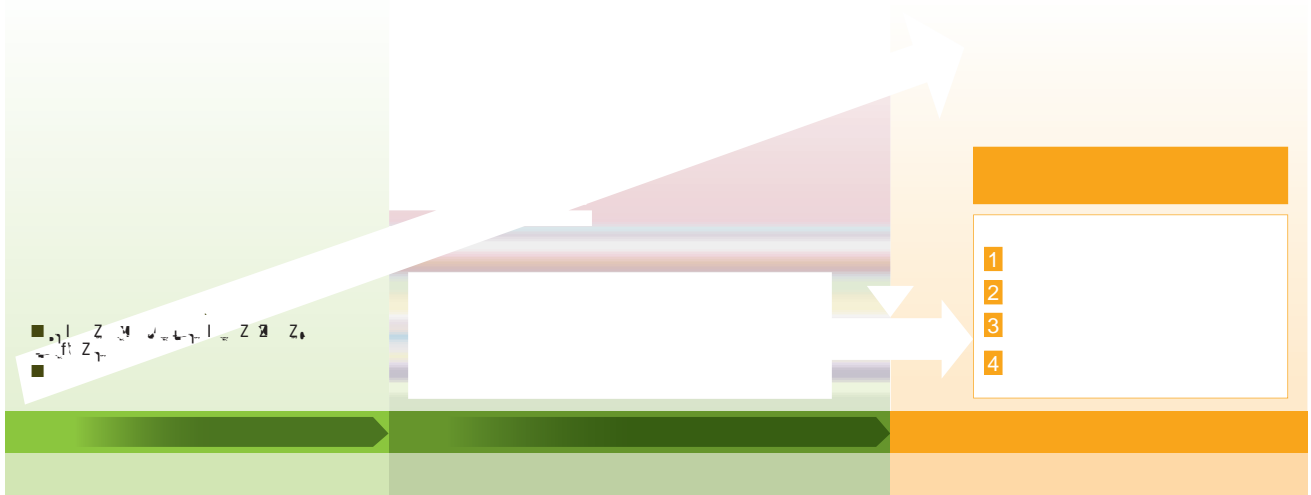


Under our Group Mission “Kawasaki, working as one for the good of the planet,” the KHI Group has established “Kawasaki Business Vision 2020” as well as the “2020 Environmental Vision,” which seeks to optimize our relationship to the environment in 2020 in terms of integrating environmental and business considerations. Following the Environmental Philosophy of our Environmental Charter, the 2020 Environmental Vision seeks to achieve three things: a low-carbon society, a sound material-cycle society and a society that coexists with

nature. As a foundation for these, a fourth item, “Establishment of Environmental Management Systems,” is set as basic policy with the goal of helping to build a sustainable society.

To achieve that vision, we have set out an Environmental Management Activities Plan every three years. We have set targets for the three years beginning in 2010 as our seventh Environmental Management Activities Plan period.



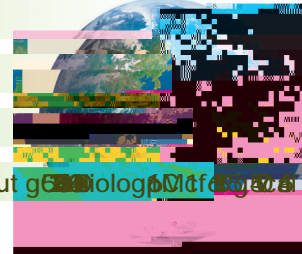
2020

Our products and manufacturing that use energy without waste

Manufacturing that uses resources without waste

Manufacturing that is in harmony with the global environment

Establishment of environmental management systems (EMS) throughout global operations



Contribute to the prevention of global warming by means of our products and manufacturing that use energy without waste.

■ Perspective on our activities

In many areas of the world, global warming appears to be driving wide-scale climate change. To address problems like these that affect our planet's sustainability, Kawasaki is working to reduce the greenhouse gas emissions associated with our business activities and providing products and services that help reduce those same emissions, thereby contributing to building a low-carbon society.

■ Ideal in 2020

- (1) Reduce 2020 greenhouse gas emissions in line with national targets.
- (2) Offer customers energy-efficient products and services and reduce emissions of greenhouse gases on a planetary scale.
- (3) Promote energy conservation in production and logistics processes and reduce emissions of greenhouse gases.

We engage in manufacturing that uses resources without waste in order to recycle and fully utilize limited resources.

■ Perspective on our activities

Planetary resources to support human life are now being consumed faster than the earth can naturally replace them. Kawasaki endeavors to conduct business and develop products in order to fully use, reuse and recycle limited resources as the precious quantities they are and thereby help achieve a sound material-cycle society.

■ Ideal in 2020

- (1) Practice design that uses resources effectively and work to make products lighter, more durable and more recyclable.
- (2) Practice the 3R's (reduce, reuse and recycle of waste) in production activities and achieve zero emissions at all plants.
- (3) Completely and appropriately process all PCB waste and PCB-containing devices.

Through manufacturing that is in harmony with the global environment, we are contributing to minimization of environmental impact and conservation of the ecosystem.

■ Perspective on our activities

Biological diversity sustains the ecosystems that make up our global environment. Biodiversity provides us with food and natural resources, regulates our climate, cycles materials and cleans the environment.

We will conduct business activities that lessen our burden on the environment and we will help prevent pollution and protect ecosystems through our products and technologies.

■ Ideal in 2020

- (1) Offer customers products and services that prevent air and water pollution, and advance environmental improvements and ecosystem protection.
- (2) Reduce the use of chemical substances in products and production activities.
- (3) Cooperate in regional forest conservation and other activities to protect the environment of ecosystems.

1A

Building a foundation for environmental management that will realize the 2020 Environmental Vision

■ Purpose

We aim to achieve a sustainable society and to contribute to more prosperous lifestyles for the people of the world and a brighter future for the global environment through environmentally conscious business activities and Kawasaki products and services.

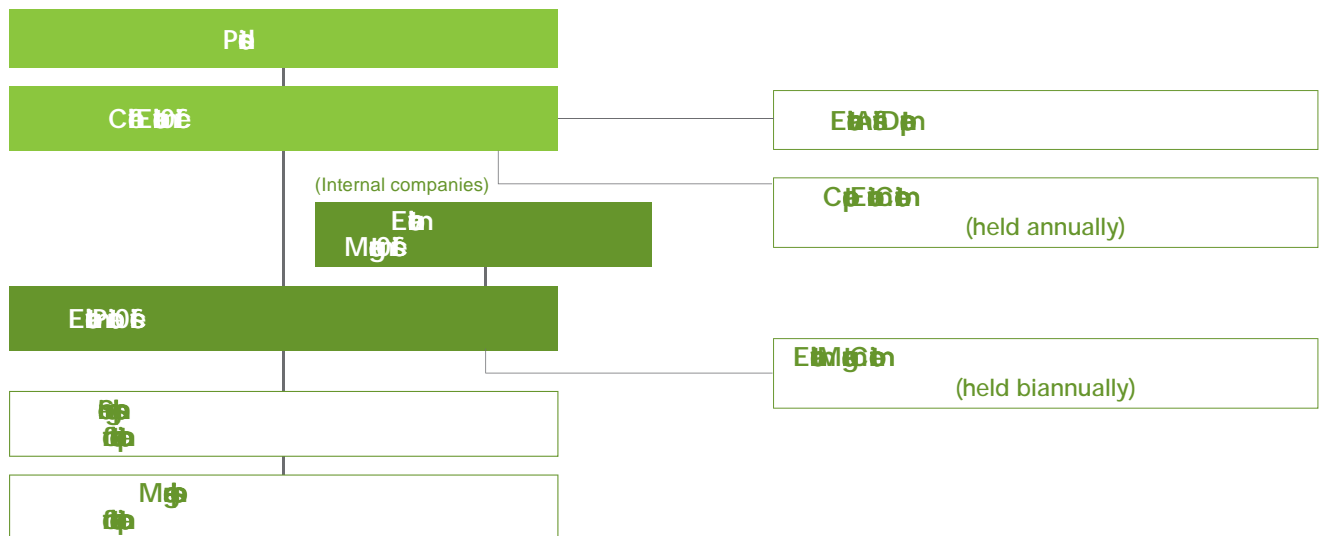
■ FY2020

- (1) Have an environmental management system (EMS) in place at every consolidated subsidiary in Japan and abroad and practice environmental management throughout the Group.
- (2) Comply with environmental laws and regulations and regularly follow up on compliance status.
- (3) Communicate environmental data within and beyond the Group and maintain two-way dialogue while protecting the environment.

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The KHI Group appoints a Chief Environmental Officer (the director for environmental issues) and deliberates and makes decisions on a variety of important matters in its Corporate Environment Committee, which the Chief Environmental Officer chairs. We additionally appoint Environmental Management Officers, Environmental Protection Officers, senior managers responsible for

environmental protection and managers responsible for environmental protection for the organization of each internal company to allow each division to voluntarily carry out the Environmental Management Activities Plan decided on, and we establish an organizational system under which members can work together to advance environmental activities.



Evaluation
 ○ : Achieved
 ◐ : Greater than 70% achieved
 ◑ : Less than 70% achieved

The Sixth Environmental Management Activities Plan (2008-09)	Activity results	Evaluation
1. Follow up on environmental management plan incorporated into short-term business plan Initiatives to reduce greenhouse gas emissions		○
		○
		○
		○
		○
		○
		○
		◐
		◐
		○
		◐
Environmental Communication	Efforts to improve mutual trust with stakeholders	
		○
		○

Global warming prevention measures

Reduce CO₂ emissions from our own production activities

- Make CO₂ more tangible to promote energy-saving activities Group-wide
- Create a verification system
- Take Group-wide reduction measures (energy-saving capital investment)
- Promote energy savings from logistics as a specified consignee

Acquire emissions credits with KHI Group products and technologies

- Create a system to acquire emissions credits with KHI Group products and technologies in Japan and abroad (e.g., CDM)

Purchase emissions credits from trading market

- Take measures in case we do not meet reduction targets

