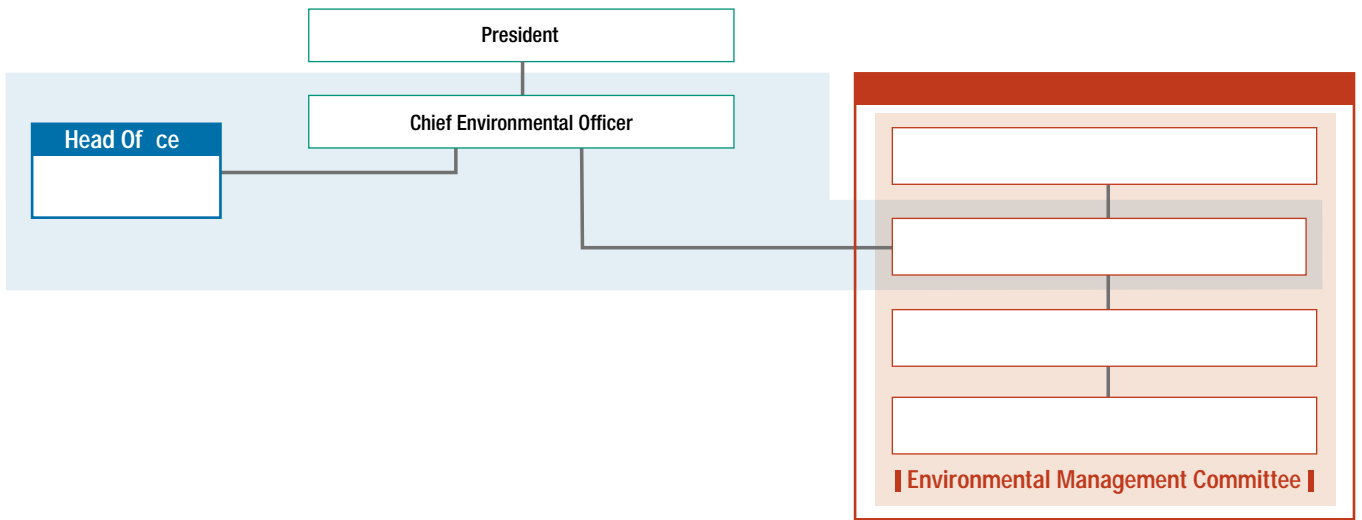


Building an Environmental Management Platform

Environmental Management Organization

The director for environmental issues at KHI is appointed Chief Environmental Officer and in this position chairs the Corporate Environment Committee, which deliberates and decides on operations of a variety of important matters related to the environment. To enable each internal company to independently promote the environmental management activities plan as designed, Environmental

Management Officer, Environmental Protection Officer, Senior Manager responsible for environmental protection, and Manager responsible for environmental protection are appointed to match the structure of each internal company with such activities. Furthermore, organization systems are in place to facilitate a coordinated effort among all employees to implement environment-oriented initiatives.



Environmental Management System (EMS) Administration

All KHI production bases have acquired ISO 14001 certification. Currently, KHI Group is working to expand the scope of Environmental Management System (EMS) implementation at subsidiaries in Japan and abroad and continue activities aimed at establishing environmental management structures, including compliance with environmental laws and regulations. All the 43 domestic subsidiaries that we targeted for EMS adoption had completed development of the necessary structure by the end of fiscal 2012. To date, KHI Group focused on principal factories, but under the Seventh Environmental

Management Activities Plan, KHI Group will strive to expand the scope of EMS establishment at overseas locations. Of the 26 overseas subsidiaries that have been targeted for an EMS, Kawasaki Motors Enterprise (Thailand) Co., Ltd and other four companies completed implementation in fiscal 2012. Of the 14 companies that still have not established the EMS, we will advance the establishment of EMS in fiscal 2013, clarifying the policy corresponding to the business field and the scales, in accordance with local laws and regulations.

Current Situations for Acquiring ISO 14001 (JIS Q 14001) Certification for KHI Production Bases

Kawasaki Heavy Industries

Current Situations for EMS Installation for Subsidiaries

Subsidiaries in Japan

Subsidiaries Overseas

level 1 ISO14001 certification

level 2 Simplified EMS certification

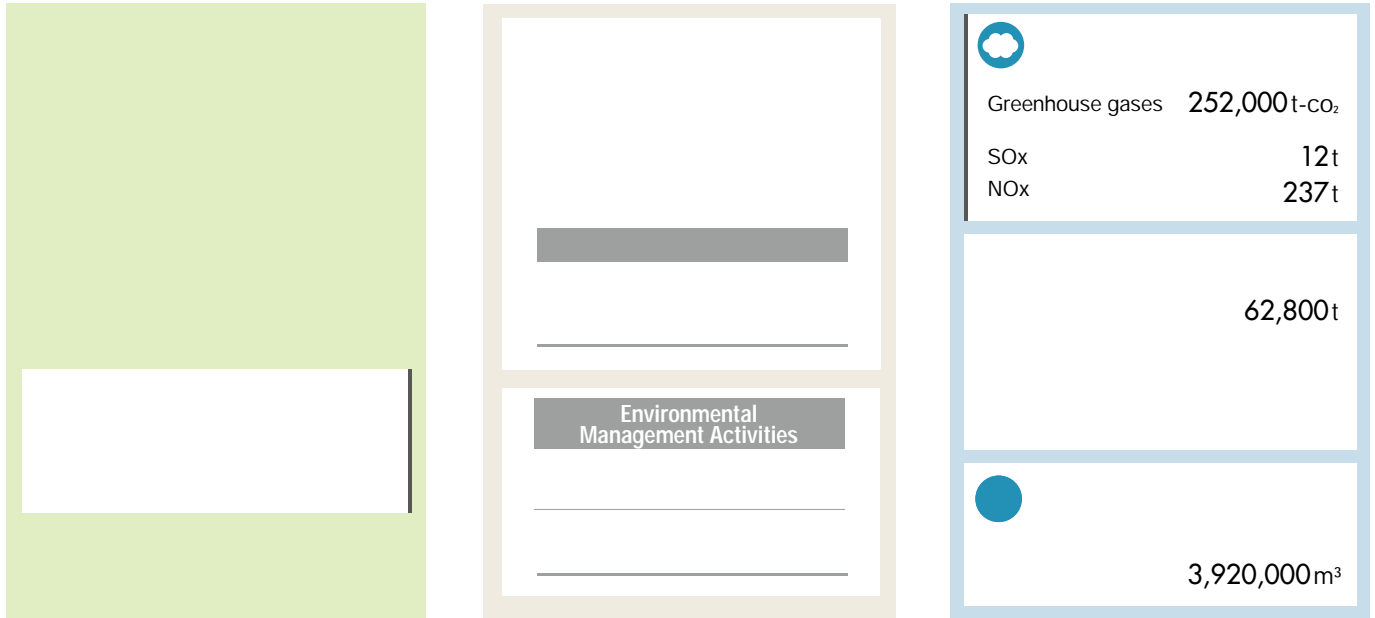
level 3

Compliance with Laws and Regulations

In fiscal 2012, there were no instances of judicial or administrative penalties.

Material Balance of Business Activities for Fiscal 2012 (Overall Picture of Environmental Impact)

KHI has put together a summary of the impact of our business activities on the environment during fiscal 2012. We undertake activities to reduce the amounts of raw materials, energy, and water used in the production of the many products we make and strive to curb emission of substances that adversely affect the environment.



Environmental Accounting Calculations for Fiscal 2012