

Key Strategies and Targets under
Ninth Environmental Management Activities Plan (FY2017 –FY2019)

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Targets

- ^ Reduce chemical substances
 - Reduce major VOCs per unit of sales by at least 1% from level achieved under the Eighth Plan
 - Cut dichloromethane by at least 1% year on year
 - Strive to reduce hexavalent chromium to zero, in principle, by fiscal 2021

Figure 13: Emissions and Handling Volume of Managed Chemical Substances

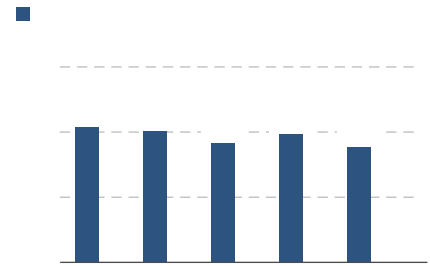


Figure 14: Release and Transfer of Chemical Substances Designated under the PRTR Law*

*PRTR Law: Pollutant Release and Transfer Register Law (Order for Enforcement of the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof)

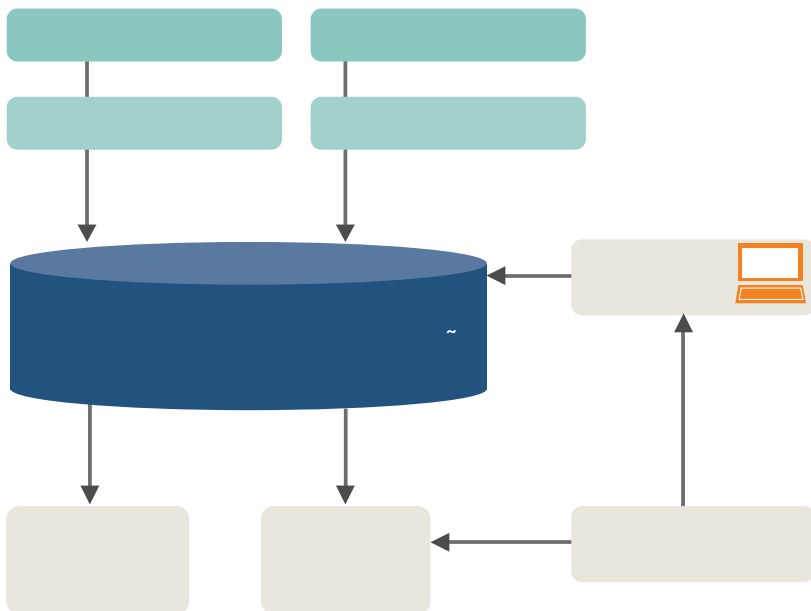


Figure 15: Response to REACH by the Motorcycle & Engine Company

*1 ELV Directive: End of Life Vehicles Directive

*2 RoHS Directive: Directive on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

*3 REACH Regulation: Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals

*4 Kawasaki Material Data System II: Currently switching to IMDS (International Material Data System: A reporting system encompassing 26 finished automakers in Japan, South Korea, Europe and the

Approaches by the Motorcycle & Engine Company

Reducing Exhaust Emissions

In fiscal 2017, we began sales in Europe of Z900, a model that exemplifies our efforts to achieve cleaner exhaust gas from motorcycles on a world-caliber level.

In addition to securing the top level of output in its class, this model realizes the world's highest level of environmental performance by achieving both top results in fuel performance and low exhaust emissions. By maintaining low levels of exhaust emissions, such as CO and NOx, it is compliant with both EUROIV, European emission regulations, and R41-04, Europe's new noise emission regulations, it becomes part of our efforts toward enhanced environmental performance.

Promoting the 3Rs

Since October 2004, we have operated an independent motorcycle recycling system in cooperation with three other motorcycle manufacturers and 12 importers in Japan. In fiscal 2017, we achieved a recycling rate of 97.5%. Since October 2011, the user burden of recycling costs has become completely free of charge.

For new-model motorcycles, we emphasize environmentally conscious designs highlighting reduced materials and more recycling, right from the development phase. We conduct preliminary evaluations of efforts related to the 3Rs —reduce, reuse and recycle —before commencing design, prototyping and mass production

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Kawasaki has set reduction targets on a per unit of sales basis for the effective use of water. In fiscal 2017, while we made progress on measures to repair leaks at factories, water consumption per unit of sales increased 2.3% year on year due to an increase in usage, mainly for hydrostatic testing of tanks.

Forest Conservation Activity

