Corporate Profile and Overview of Business

Kawasaki Continues to Produce What is Good for **People and Society**

Corporate Profile

Company Name: Kawasaki Heavy Industries, Ltd.

Incorporated: October 15, 1896

(Founded in April 1878)

Capital: 103 billion yen

Kobe Head Office: 1-3, Higashikawasaki-cho 1-chome,

Chuo-ku, Kobe, Hyogo, 650-8680 Japan

Tokyo Head Office: 4-1, Hamamatsu-cho 2-chome, Minato-ku, Tokyo, 105-6116 Japan

Representative: Tadaharu Ohashi, President

Kawasaki Group

Network: 20 Domestic (10 works)

4 Overseas (See back cover)

> 131 Affiliated Companies (99 Subsidiaries, 32 Affiliates)

(As of March 31, 2007)

· · · · · · Editorial Notes ·

Reporting Scope: This report covers the

environmental and social activities of the entire Kawasaki Group; however, the environmental responsibility section is focused on Kawasaki Heavy Industries, Ltd., and the following three main subsidiaries; Kawasaki Shipbuilding Corporation, Kawasaki Precision Machinery Ltd., and Kawasaki Plant Systems, Ltd.

Reporting Period: The period for reporting

covers FY2006 (April 1, 2006,

to March 31, 2007).

Some activities taking place subsequent to April 2007 are

also noted herein.

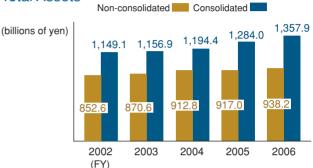
Next Scheduled Publication: This report will be published

annually.

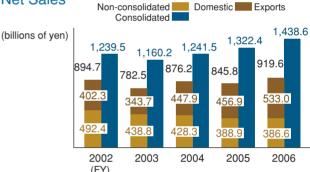
This report is prepared with reference to the Environmental Reporting Guidelines issued by the Ministry of the

Environment.

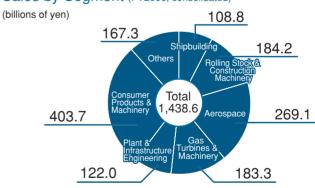




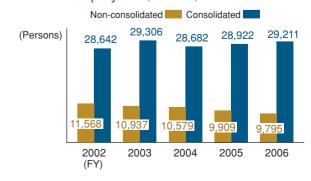
Net Sales



Sales by Segment (FY2006, consolidated)



Number of Employees (End of FY)



Overview of Business



Aircraft



Industrial Plants and Equipment



Rolling Stock



Steel Structures



Ships



■ Civil Engineering and Construction Machinery



■ Energy/Environmental Preservation Facilities



Motorcycles, Personal Watercraft

Major Products of Internal Companies and Main Subsidiaries	
Rolling Stock Company	Rolling Stock
Rolling Stock Company Construction Machinery Div	Civil Engineering and Construction Machinery
Industrial Equipment & Metal Structures Div	Steel Structures
Aerospace Company	■ Aircraft
Gas Turbine & Machinery Company	Aircraft (jet engines)
	■ Ships (marine engines)
Gas Turbine Div	■ Energy Facilities
Machinery Div	Industrial Plants and Equipment
Consumer Products & Machinery Company	Motorcycles,Personal Watercraft
	Industrial Equipment (industrial robots)
Kawasaki Shipbuilding Corporation	Ships
Kawasaki Precision Machinery Ltd.	Industrial Equipment (hydraulic equipment)
Kawasaki Plant Systems, Ltd.	■ Energy/Environmental Preservation Facilities
	Industrial Plants and Equipment

Contents

Kawasaki Group Profile

3 Message from the President

Kawasaki, Working as One for the Good of the Planet

6 Mission Statement and Medium-term Business Plan

Kawasaki Group Mission Statement Medium-term Business Plan "Global K"

Feature Report

For a Prosperous Earth, Society, and People

Together with Clean Energies

Kawasaki's Natural Gas Technology

9 Aiming at Stable Supply of Natural Gas

Kawasaki's Technological Expertise Mobilized to Build LNG Carriers

Toward High-Efficiency Use of Natural Gas

Kawasaki's Cogeneration System and Combined Cycle Power Generation System

11 Report on Social Activities from Overseas

Turning Customers' Support into Our Own Friendliness to Society and the Environment

Kawasaki Motors Corp., U.S.A. (KMC)

Pride in Work and Social Contribution Kawasaki Motors Manufacturing Corp., U.S.A. (KMM)

Environmental Responsibility

13 Environmental Management

Gazing at the Future of the Global Environment

Furthering "Environmental Management" under the Medium-term Business Plan "Global K"/ Environmental Charter

Organization for Environmental Management

Toward Our Environmental Vision: "What Kawasaki Should Be in the Year 2010"

Achievements and Appraisal of Environmental Management Activities

The Environmental Management Activities

19 Environmental Accounting

Material Balance of Business Activities

21 Environmentally Conscious Products

Reducing Environmental Impact through Product Life Cycle

Efforts for Construction Machinery

Efforts for Consumer Products, including Motorcycles and Personal Watercraft

25 Efforts for each Product

27 Environmental Solution Products

Products Providing Solutions for Environmental Improvement and Conservation

29 Environmentally Conscious Production

Reducing Environmental Impact in Production Activities

Social Responsibility

31 Governance and Compliance

In Keeping with the Public Trust

33 For Customer Satisfaction

Higher Reliability and Advanced Quality Control for Kawasaki Gas Turbines Quality Assurance of and Customer Support for Kawasaki Gas Turbines

Materializing Customers' Needs

Kawasaki Machine Systems True to the Idea of Market-in

35 For Employee Welfare

Creating an Enthusiastic Work Environment

66 Making the Workplace Safer and Healthier

37 Coexistence with Communities

Toward Symbiosis with Society and the People