

Environmental Management Activities

We are striving to build an environmental management system (EMS) for the entire Kawasaki Group. In order to prevent environmental trouble from occurring, we are also making efforts to implement environmental risk management and employee education on the environment.

Further Development of EMS

All the production bases of Kawasaki Heavy Industries in Japan have acquired ISO14001 certification. Currently, we are promoting the development of EMS at our subsidiaries in Japan and abroad, and continuing activities with the aim of establishing an EMS, including compliance with environmental laws and regulations.

Among our subsidiaries in Japan, K-TEC Corporation, Kawasaki Engineering Co., Ltd. and Fukae Powtec Co., Ltd. newly completed to develop EMS. Forty-four of 51 of these

companies completed the EMS establishment by FY2009. Of the 13 overseas companies where we are seeking to develop EMS, Wuhan Kawasaki Marine Machinery Co., Ltd. completed in FY2009. For the remaining seven companies that do not yet develop, based on local laws and regulations, we will clarify objectives according to business conditions and scale and set timeframes and otherwise implement incremental efforts for EMS development by the end of FY2009.

Current Situations for Acquiring ISO 14001 (JIS Q 14001) Certification

● Kawasaki Heavy Industries

Internal Company	Date acquired	Registration
Ship & Offshore Structure Company	Kobe Works Aug. 2002	DNV
	Sakaide Works Aug. 2000	DNV
Rolling Stock CompanyA	Feb. 2002	LRQA
Aerospace Company	Feb. 2002	BSK
Gas Turbine & Machinery Company	Gas Turbine Division Mar. 2000	LRQA
	Machinery Division Dec. 2000	NK
Plant & Infrastructure Company	Nov. 1999	JICQA
Motorcycle & Engine Company (including Robot Div.*)	Feb. 2000	DNV
Precision Machinery Company	Feb. 1998	DNV

◆ LRQA: Lloyd's Register Quality Assurance, JICQA: JIC Quality Assurance, NK: Nippon Kaiji Kyokai (ClassNK), BSK: Bouei Choutatsu Kiban Seibi Kyoukai (Defense Procurement Framework Establishment Association of Japan), DNV: Det Norske Veritas

* The Robot Division was included in the ISO 14001 certification of the Motorcycle and Engine Company but will undergo inspection for its own certification in December 2010.

● Subsidiaries Overseas

Oversight organization	Company	Date acquired	Registration
Ship & Offshore Structure Company	Wuhan Kawasaki Marine Machinery Co., Ltd.	Jul. 2009	DNV
	Motorcycle & Engine Company	Kawasaki Motors Manufacturing Corp. Lincoln Plant (U.S.A.) Apr. 2003	DNV
Precision Machinery Company	Kawasaki Motors Manufacturing Corp. Maryville Plant (U.S.A.) Feb. 2006	DNV	
	Kawasaki Precision Machinery (UK) Ltd. (U.K.) Nov. 2001	LRQA	
Robot	Flutek, Ltd. (South Korea) Nov. 2005	KMA	
	Kawasaki Precision Machinery (Suzhou) Ltd. (China) Dec. 2007	BSI	
	Kawasaki Robotics, Inc. (U.S.A.) Aug. 2003	DNV	

◆ DNV: Det Norske Veritas, LRQA: Lloyd's Register Quality Assurance, KMA: KMA R&A Inc., BSI: British Standards Institution

● Subsidiaries in Japan

Oversight organization	Company	Establishment level	Date of establishment
Head office	Kawaju Tokyo Service Corp.	3	Mar. 2009
	Kawasaki Trading Co., Ltd.	1	Dec. 2004
	Kawaju Service Co., Ltd.	1	Feb. 2000
	Kawaju Techno Service Corp.	3	Mar. 2005
	Kawasaki Life Corporation	2	Jul. 2006
	Kawasaki Hydromechanics Corp.	1	Jun. 2007
	K Career Partners Corp.	2	Mar. 2007
	Benic Solution Corp.	2	Feb. 2006
	Kawasaki Machine Systems, Ltd.	1	Mar. 2000
	KCM Corporation	1	May 2000
Ship & Offshore Structure	Akashi Ship Model Basin Co., Ltd.	3	Mar. 2008
	Kawasaki Techno Wave Co., Ltd.	1	Aug. 2000
	Kawaju Kobe Support Co., Ltd.	2	Dec. 2005
	Kawaju Marine Engineering Co., Ltd.	1	Mar. 2008
	KHI JPS Co., Ltd.	3	Mar. 2008
	Kawasaki Shipbuilding Inspection Co., Ltd.	2	Apr. 2008
Rolling Stock	Alna Yusoki-Yohin Co., Ltd.	1	Nov. 2008
	EarthTechnica M&S Co., Ltd.	1	Sep. 2000
	Kawasaki Rolling Stock Component Co., Ltd.	1	Aug. 2002
	Kawasaki Rolling Stock Technology Co., Ltd.	1	Aug. 2002
	Kansai Engineering Co., Ltd.	3	Aug. 2002
	Kawaju Hyogo Service Co., Ltd.	3	Aug. 2002

Level 1 Acquire ISO14001 certification or its equivalent

Level 2 Acquire simplified EMS certification

Level 3 Self-declaration of EMS establishment

Oversight organization	Company	Establishment level	Date of establishment
Rolling Stock	EarthTechnica Co., Ltd.	1	Sep. 2000
	Nichijo Manufacturing Co., Ltd.	3	Oct. 2005
	Fukae Powtec Co., Ltd.	3	Mar. 2010
	Nisseki Service Consultant Co., Ltd.	2	Oct. 2005
Aerospace	Kawaju Gifu Engineering Co., Ltd.	1	Feb. 2002
	Kawaju Gifu Service Co., Ltd.	1	Feb. 2002
	KGM (Kawaju Gifu Manufacturing) Co., Ltd.	1	Feb. 2002
Gas Turbine	NIPPI Corporation	1	Dec. 2006
	Kawaju Akashi Engineering Co., Ltd.	1	Mar. 2000
Machinery	Kawasaki Thermal Engineering Co., Ltd.	1	Apr. 2002
	Kawasaki Prime Mover Engineering Co., Ltd.	1	Dec. 2002
Plant & Infrastructure	Kawasaki Naval Engine Service, Ltd.	1	Dec. 2002
	Kawasaki Engineering Co., Ltd.	3	Oct. 2009
	KEE Environmental Construction, Co. Ltd.	1	Dec. 2003
	KEE Environmental Service, Ltd.	1	Jun. 2002
	Kawaju Steel Work & Engineering Co., Ltd.	3	Jun. 2006
	Kawaju Facilitch Co., Ltd.	2	Jul. 2007
Motorcycle & Engine	K-GES Co., Ltd.	1	Jan. 2006
	Kawasaki Oita Manufacturing Co., Ltd.	3	Apr. 2008
	Kawasaki Motors Corporation Japan	1	Feb. 2008
	K-TEC Corporation	3	Dec. 2009
	Union Precision Die Co., Ltd.	1	Jul. 2006

Compliance with Laws & Regulations

In FY2009, there were no violations (Judicial/Administrative Penalties [1](#), Administrative Measures [2](#) or Administrative Warnings [3](#)), accidents or citizen complaints at any KHI works.

- [1](#) Judicial/Administrative Penalties: Punishment by judicial or administrative authorities
- [2](#) Administrative Measures: Receiving instructions for improvements, etc., in written form
- [3](#) Administrative Warnings: Receiving verbal directives concerning business practices

● Violations and Accidents during the Past 5 Years

FY	2005	2006	2007	2008	2009
Judicial/Administrative Penalties	1	0	0	0	0
Administrative Measures	1	0	0	1	0
Administrative Warnings	0	6	4	3	0
Complaints from residents	3	1	2	4	0

Risk Management

Responding to the administrative measures for exceeding nitrogen oxide emission standards

Our Akashi Works received a written remonstrance from Hyogo Prefecture for exceeding the nitrogen oxide emission standards of the Air Pollution Control Law and environmental conservation agreements.

We exceeded standards even as we were seeking to further advance our efforts for pollution prevention. In order to assure that it never occurs again, we established an investigation committee that included outside experts and other third-party members. This committee examined the

Activities of Environmental Law and Regulation Compliance Status Review Committee

Prompted by an environmental violation at the Akashi Works in February 2009, we set up an Environmental Law and Regulation Compliance Status Review Committee, which did on-site studies of compliance with environmental laws and regulations at all 11 works of Kawasaki Heavy Industries in FY2009.

This has helped to eliminate the causes of environmental accidents and citizen complaints and there were no violations in our workplaces in FY2009.

causes and deliberated countermeasures to prevent recurrence. In addition, we established a companywide committee to investigate the status of compliance with environmental laws and regulations. They conducted on-site inspections of every company plant and promoted recurrence prevention countermeasures simultaneously throughout the company.

We will continue to strive to make our compliance with laws and regulations even more certain by implementing these countermeasures to prevent recurrence of such an incident.

Education

E-learning/Education for persons without PCs

We completed our PC-based environmental education (Environmental E-learning) for affiliated companies in April 2010 (attended by about 5,500 persons, an attendance rate of 92%). For the KHI Group as a whole in Japan domestic area, about 17,000 persons have taken the training (final attendance rate of 95%), and we have finished training in the Group over a period of two years.

Over the two years since FY2008, we have also given environmental education to about 3,700 production workers, such as site workers who cannot easily take PC-based E-learning, with an attendance rate of 49%.

Raising Awareness about the Environment

We are conducting publicity activities with the goal of raising the environmental awareness of every individual employee. We are conducting these awareness-raising activities continuously to promote conduct that is considerate of the environment not only in the workplace, but also in local communities and households.



"Message from the President" about environmental management

Environmental News (released 4 times a year)

"Eco Mind" in our Group magazine "Kawasaki"

Cultivating Qualified Managers

In order to enhance our environmental management efforts, we are also focusing on the cultivation of individuals who have legal qualifications required by laws and regulations related to the environment.

● Number of Qualified Pollution Control Managers

Air	71
Water	73
Noise, Vibration	44
Others	22
Total	210

● Number of Qualified Energy Managers

Energy Managers	52
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● Number of Newly Registered ISO 14001 Auditors

