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Editorial Policy

In the past, the Kawasaki Heavy Industries (KHI) Group produced an Annual Report presenting information on areas such as the direction of management policy and its business environment and business strategy, and a CSR Report presenting information on activities to ensure sustainability. From this fiscal year, however, to give stakeholders a more comprehensive picture of our activities, these two separate yearly reports have been integrated in a single Kawasaki Report.

The KHI Group's mission statement is "Kawasaki, working as one for the good of the planet." This reflects the consistently high level of agreement and shared focus in our operations between business activities on one hand and, on the other hand, commitment to sustainability and to resolving the issues facing society.

We would like this report to serve as a way to reinforce appreciation of this point among our stakeholders and as a basic channel of communication for suggestions and comments on our corporate activity and business operations.

Hereafter, the KHI Group is committed to enhanced promotion of activities that integrate business management with corporate social responsibility (CSR). In this report, we intend to provide greater coverage of such activities, continuing this trend in the next fiscal year's report and subsequent issues. At the same time, where there are corporate activities or other aspects we consider to be unsatisfactory, we intend to report on these together with ideas for corrective measures.

● Period

The report covers fiscal 2013 (April 1, 2012 to March 31, 2013), but content referring to its Medium-term Business Plan 2010 (FY2011-2013) also includes activities during fiscal 2011, 2012, and 2014.

● Scope

The report covers Kawasaki Heavy Industries, Ltd., and its 95 consolidated subsidiaries (48 in Japan and 47 overseas) and 17 equity-method nonconsolidated subsidiaries. Some data, however, refer to the parent company alone.

● Guidelines

In preparing the report, the editorial office referred to the Environmental Reporting Guidelines (2012 Edition) issued by the Ministry of the Environment and the Sustainability Reporting Guidelines (G3.1 ver.) issued by the Global Reporting Initiative (GRI).

● Publication Formats

The report is published in three formats according to reader needs.

1. The booklet version: a digest version presenting information in compact form.
2. The full report (which you are now reading): a PDF version on our website supplementing the booklet content with more detailed information.

<http://www.khi.co.jp/english/ir/library/annual/index.html> <http://www.khi.co.jp/english/csr/report/index.html>

The IR and CSR sections of the KHI Group's website offer a wider range of information in searchable format, including financial data, share-related data, and data on individual CSR activities.

<http://www.khi.co.jp/english/ir/index.html> (IR) <http://www.khi.co.jp/english/csr/index.html> (CSR)

3. The detailed environmental report: a PDF version focused exclusively on environment-related content and including environmental data supplements.

● Disclaimer

Figures in this report appearing in forecasts of future business performance or similar contexts represent forecasts made by the Company based on information accessible at the time, and are subject to risk and uncertainty. Readers are therefore advised against making investment decisions reliant exclusively on these forecasts of business performance.

Readers should be aware that actual business performance may differ significantly from these forecasts due to a wide range of significant factors arising from changes in the external and internal environment. Significant factors that affect actual business performance include economic conditions in the Company's business sector, the yen exchange rate against the U.S. dollar and other currencies, and developments in taxation and other systems.

This report not only describes actual past and present conditions at the KHI Group but also includes forward-looking statements based on plans, forecasts, business plans and management policy as of the publication date.

These represent suppositions and judgments based on information available at the time. Due to changes in circumstances, the results and the features of future business operations may differ from the content of such statements.