

# Summary of Environmental Activities in Fiscal 2015

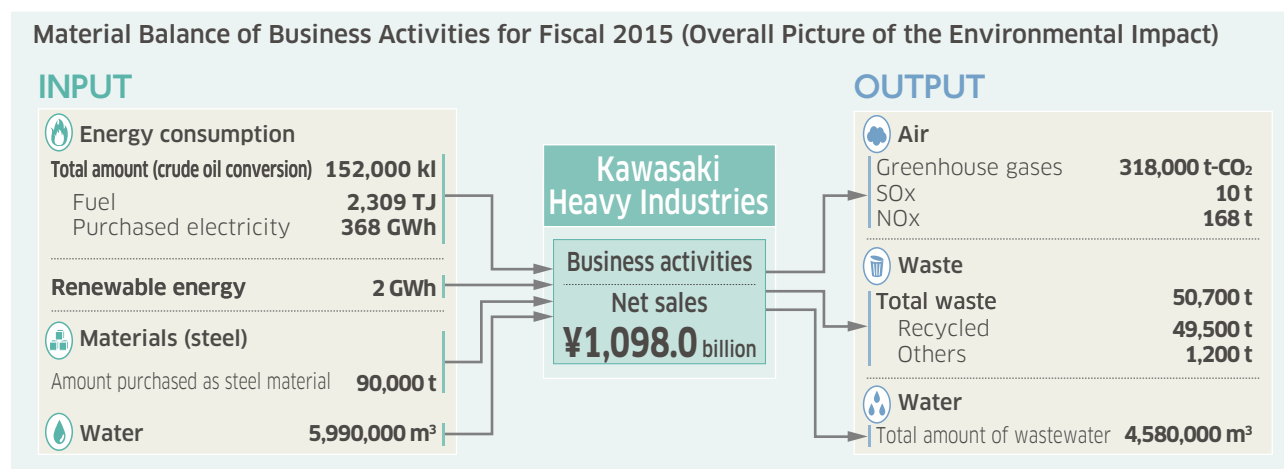
## Fiscal 2015 Targets and Evaluation of Results

Eighth Environmental Management Activities Plan (FY2014-FY2016)	
Realization of a low-carbon society	<p><b>Specific measure</b> Reducing CO<sub>2</sub> emissions and energy consumption</p> <p>1. Use energy visualization system</p> <p><b>Approach</b> Reduce CO<sub>2</sub> emissions and energy consumption through improvement activities using an energy visualization system</p> <p><b>Target</b> By fiscal 2016, reduce annual CO<sub>2</sub> emissions and energy consumption by at least 5%</p> <p>2. Cutting CO<sub>2</sub> emissions through product-based contributions</p> <p><b>Approach</b> Calculate reduced CO<sub>2</sub> amount separately for energy-related products, transportation-related products, industrial machinery, and other products</p> <p><b>Target</b> Achieve cumulative CO<sub>2</sub> emissions reduction equal to or more than the initial plan values for each business segment through product-based contributions</p>
	<p><b>Specific measure</b> Promoting 3Rs (reduce, reuse, recycle)</p> <p>1. Promoting reduced waste generation, greater reuse and more recycling</p> <p><b>Approach</b> Steadily implement measures to reduce total amount of waste generated. Promote high-level treatment and shift away from thermal recycling to material recycling and reuse</p> <p><b>Target</b> Reduce total amount of waste per unit of sales, and maintain zero emission status at all business sites</p> <p>2. Promoting PCB treatment</p> <p><b>Approach</b> Draft appropriate treatment plans and follow through with stated measures</p> <p><b>Target</b> Sustain commitment to treatment of high-concentration PCB waste in cooperation with JESCO*. Apply optimum method to treat low-concentration PBC waste *Japan Environmental Storage &amp; Safety Corporation</p>
Realization of society coexisting with nature	<p><b>Specific measure</b> Reduction of substances harmful to the environment</p> <p>1. Reducing chemical substances</p> <p><b>Approach</b> Switch to either alternative materials that do not contain hazardous substances or materials with low-content concentrations. Reduce emissions into the atmosphere and prevent movement beyond the borders of business sites through such efforts as collection and treatment of chemical substances</p> <p><b>Target</b> Set major VOC reduction target below the average achieved through the Seventh Plan per unit of sales. Seek to reduce heavy metals to zero, in principle, by fiscal 2021</p> <p><b>Specific measure</b> Promoting resource conservation</p> <p>1. Forest conservation activities</p> <p><b>Approach</b> Continue to pursue forest conservation activities</p> <p><b>Target</b> Conduct forest conservation activities at least twice a year</p> <p>2. Conserving Water</p> <p><b>Approach</b> Promote water conservation programs</p> <p><b>Target</b> Reduce water consumption and amount of wastewater</p>
	<p><b>Specific measure</b> Enriching scope of environmental management systems in the Kawasaki Group</p> <p>1. Reinforcing environmental management ability of Kawasaki and subsidiaries in Japan</p> <p><b>Approach</b> Communicate environmental data to stakeholders</p> <p><b>Target</b> Set reasonable reduction targets and provide appropriate feedback</p> <p>2. Strengthening overseas subsidiaries' environmental management capabilities</p> <p><b>Approach</b> Pinpoint environmental data and evaluate environmental performance (impact on environment and effectiveness of measures to limit such impact)</p> <p><b>Target</b> Identify legal requirements and other criteria, and support efforts to mitigate environmental risk</p>
Establishment of environmental management systems	<p><b>Specific measure</b> Kawasaki Green Product Promotion Activity</p> <p>1. Establishing compliancy evaluation system to assess environmental performance of Kawasaki-brand Green Products</p> <p><b>Approach</b> Establish system for self-declared environmental claims regarding products</p> <p><b>Target</b> Establish system conforming to ISO 14021</p>

Fiscal 2015 Targets	Fiscal 2015 Results	Page Number:
<p><b>CO<sub>2</sub> and energy reduction</b></p> <p>1. Use the energy visualization system By fiscal 2016, have equipment and system in place to reduce annual CO<sub>2</sub> emissions and energy consumption by at least 5%</p> <p>2. Reduce CO<sub>2</sub> emissions through product-based contributions Achieve cumulative values equal to or more than the initial plan values for each business segment and disclose the reduction of CO<sub>2</sub> emissions to the public</p>	<p><b>CO<sub>2</sub> and energy reduction</b></p> <p>1. Use the energy visualization system Continuing on from fiscal 2014, still introducing system facilities at all business sites. Rolled out improvement activities, with focus on study groups, courses and sharing of data on examples of improvement, and cut annual energy consumption by 2%</p> <p>2. Reduce CO<sub>2</sub> emissions through product-based contributions Although falling below the initial target, a decrease of 510,000t-CO<sub>2</sub> exceeded level of emissions from business activities. Reduction results disclosed to public, primarily through website and Kawasaki Report</p>	<p>▶ P.11</p>
<p><b>Promotion of the 3Rs</b></p> <p>1. Promoting reduction in waste generation, greater reuse and more recycling Reduce total waste emissions per unit of sales, and maintain zero emissions Boost recycling rate above previous years' level</p> <p>2. Promoting PCB treatment Look into and apply better treatment methods for low-concentration PCB waste</p>	<p><b>Promotion of the 3Rs</b></p> <p>1. Promoting reduction in waste generation, greater reuse and more recycling Total waste on a unit basis decreased 6% over the previous fiscal year, and the final disposal ratio was below 1%, maintaining zero emission status. Recycling rate held steady year on year, at 98%</p> <p>2. Promoting PCB treatment With best treatment method, 295 transformers and other units with low-concentration PCB content were processed</p>	<p>▶ P.15</p>
<p><b>Reduction of environmental load</b></p> <p>1. Reduce chemical substances Major VOCs per unit of sales to be at or below the average of results achieved in the Seventh Plan Seek to reduce heavy metals to zero, in principle, by fiscal 2021</p>	<p><b>Reduction of environmental load</b></p> <p>1. Reduce chemical substances Major VOCs decreased 23% on a unit basis, but dichloromethane emissions were up 13% and the amount of heavy metals handled jumped 47%.</p>	
<p><b>Promotion of resource conservation</b></p> <p>1. Continue with forest conservation activity Carry out forest conservation activity more than twice a year</p> <p>2. Conserving Water Reduce water consumption and amount of wastewater</p>	<p><b>Promotion of resource conservation</b></p> <p>1. Continue with forest conservation activity Activities were undertaken a total of five times in Hyogo Prefecture, Miyagi Prefecture, and Kochi Prefecture.</p> <p>2. Conserving Water The amount of water used was down 8% from the previous fiscal year on a unit basis, while the amount of wastewater increased 19%.</p>	<p>▶ P.16</p>
<p><b>Enhancement of the Kawasaki Group environmental management system</b></p> <p>1. Reinforce the environmental management ability of subsidiaries in Japan Set reduction targets, and provide appropriate feedback</p> <p>2. Reinforce the environmental management ability of overseas subsidiaries Promote information-sharing, identify issues at overseas locations, and support solutions</p>	<p><b>Enhancement of the Kawasaki Group environmental management system</b></p> <p>1. Reinforce the environmental management ability of Kawasaki and subsidiaries in Japan Continued to discuss targets for fiscal 2016.</p> <p>2. Reinforce the environmental management ability of overseas subsidiaries Created new, standardized method for collecting information from overseas sites and began applying data laterally and identifying issues requiring action.</p>	<p>▶ P.18</p>
<p><b>Kawasaki Green Product Promotion Activity</b></p> <p>1. Implementing compliancy evaluation Thoroughly review compliancy of products for environmental friendliness and establish a system for registering such products</p> <p>2. Communicating information within and beyond the Company Communicate environmental aspects of products in compliance with ISO 14021</p>	<p><b>Kawasaki Green Product Promotion Activity</b></p> <p>1. Implementing compliancy evaluation Registered 11 products as Kawasaki-brand Green Products following conformity assessment.</p> <p>2. Communicating information within and beyond the Company Disclosed information through such channels as Kawasaki Report 2014, various newspapers and magazines, corporate website and internal publications</p>	<p>▶ P.21</p>

## Material Balance of Business Activities for Fiscal 2015 (Overall Picture of the Environmental Impact)

Kawasaki has drawn up a summary of the impact of our business activities on the environment during fiscal 2014. We undertake activities to reduce the amounts of raw materials, energy and water used in the manufacturing of our products, and we strive to curb the emission of substances that adversely affect the environment.



## Environmental Accounting Calculations for Fiscal 2015

In compiling the statistics, reference was made to the Japanese Ministry of the Environment's Environmental Accounting Guidelines (2005 edition).

(Millions of yen)

Item		Environmental investments	Environmental costs	Economic effects	
Business area costs	Global warming prevention (Save energy, reduce greenhouse gas emissions, stop ozone layer destruction, etc.)	844	3,239	293	
	Efficient use of raw materials, water, and other resources	11	142	35	
	Resource-recycling activities	Resource-recycling activities	33	579	581
		Waste disposal costs	0	316	5
	Environmental risk control	265	700	0	
	<b>Subtotal</b>	1,154	4,976	912	
	Year-on-year comparisons	78%	99%	119%	
Upstream/downstream costs		16	2,870	0	
Management activity costs		13	431	0	
R&D costs		455	6,741	0	
Social activity costs		11	207	0	
Environmental remediation costs		0	66	0	
<b>Total</b>		<b>1,650</b>	<b>15,292</b>	<b>912</b>	
Year-on-year comparisons		99%	87%	119%	