

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: 104 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) 129 Affiliated Companies
 (97 Subsidiaries, 32 Affiliates)
 (As of March 31, 2008)

Editorial Notes

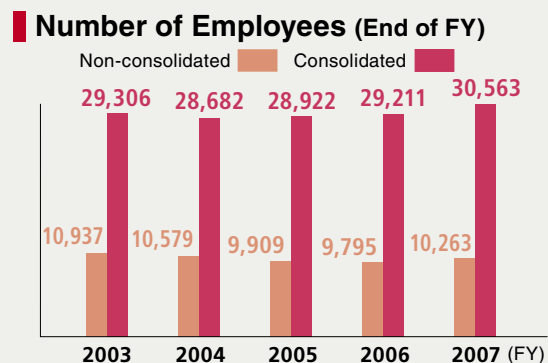
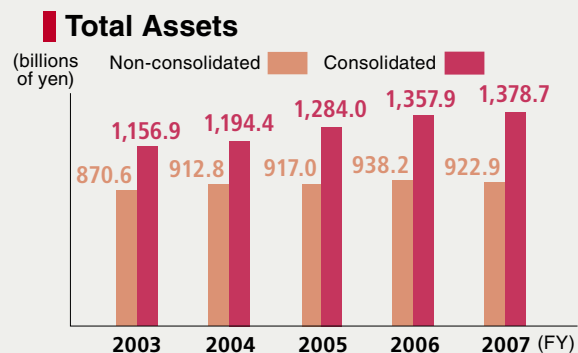
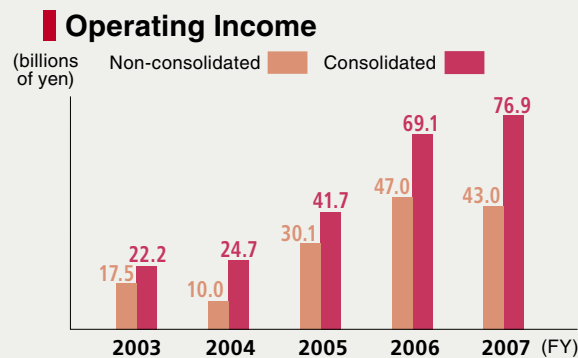
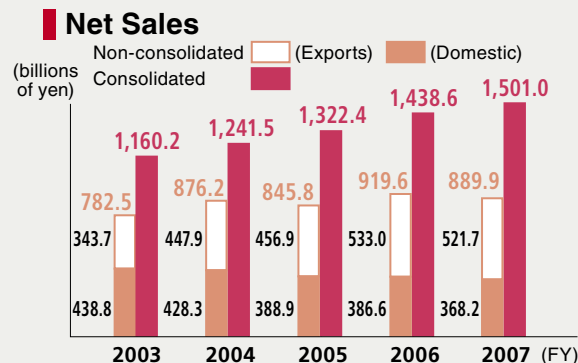
Reporting Scope: This report covers the environmental and social activities of the entire Kawasaki Group; however, the environmental responsibility section is focused on Kawasaki Heavy Industries, Ltd., and the following three main subsidiaries; Kawasaki Shipbuilding Corporation, Kawasaki Precision Machinery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

Reporting Period: The period for reporting covers FY2007 (April 1, 2007, to March 31, 2008). Some information from FY2008 is also included.

Next Scheduled Publication: This report will be published annually.

Divisions Responsible for Publication: CSR Department and Environmental Management Department (see the back cover for contact information)

This report is prepared with reference to the Environmental Reporting Guidelines issued by the Ministry of the Environment and the GRI Sustainability Reporting Guidelines.



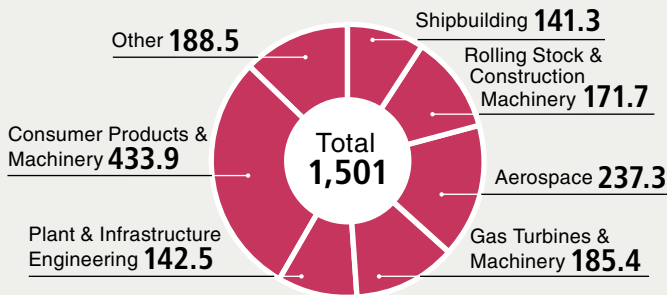
For more details see Kawasaki Heavy Industries "Financial Highlights" at

<http://www.khi.co.jp/annual/english/highlight/index.html>

Overview of Business



Sales by Segment (FY2007, consolidated) (billions of yen)



Main Businesses of Our Internal Companies and Three Main Subsidiaries*

Rolling Stock Company Rolling Stock Div. Construction Machinery Div. Industrial Facilities and Tunneling Equipment Div.	Rolling Stock Infrastructure
Aerospace Company	Aerospace
Gas Turbine & Machinery Company Gas Turbine Div. Machinery Div.	Aerospace (jet engines) Shipbuilding (marine engines) Energy Plants & Facilities Industrial Equipment
Consumer Products & Machinery Company Consumer Products & Machinery Company Robot Div.	Leisure Products Industrial Equipment (industrial robots)
Kawasaki Shipbuilding Corporation	Shipbuilding
Kawasaki Precision Machinery Ltd.	Industrial Equipment (hydraulic equipment)
Kawasaki Plant Systems, Ltd.	Energy Plants & Facilities Environment & Recycling Industrial Equipment

* Three main subsidiaries: Kawasaki Shipbuilding Corporation, Kawasaki Precision Machinery Ltd. and Kawasaki Plant Systems, Ltd.

Contents

Kawasaki Group Profile

Message from the President	3
Mission Statement and Medium-Term Business Plan	5

Feature Report

Feature Report 1 Reducing CO ₂ Emissions Through Our Products Kawasaki Products That Help Prevent Global Warming	7
Feature Report 2 Development of Rail Systems Using Gigacell® Battery-Driven Low-Floor Light Rail Vehicle SWIMO and Battery Power System (BPS) for Railways	13

Social Responsibility

Corporate Governance and Compliance In Keeping with the Public Trust	17
Serving Our Customers Advancing the Development of our Doctor-Heli	21
Relationships with Our Employees Creating a Flexible Working Environment Creating Safer and Healthier Workplace	23 25
Coexisting with Communities and People Toward Symbiosis with Society and People	27

Environmental Responsibility

Environmental Management Promotion of Environmental Management Achievements and Appraisal of Environmental Management Activities Environmental Management Activities Environmental Accounting Material Balance of Business Activities	29 31 33 35 36
Consideration for the Environment in Our Products Efforts for Consumer Products, including Motorcycles and Personal Watercraft	37
Environmentally Conscious Production Reducing Environmental Impact in Production Activities Energy Saving Activities at Our Plants	39 41