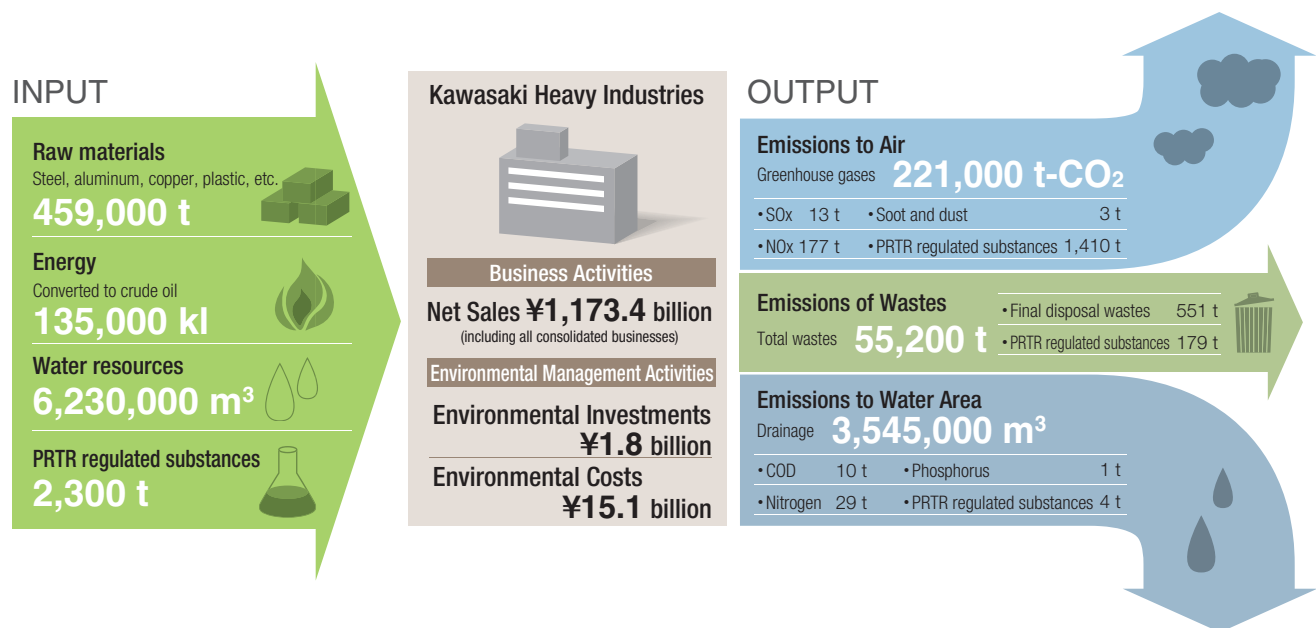


Material Balance of Business Activities and Environmental Accounting

A summary of environmental impacts and environmental accounting in our business activities for FY2009 is as follows. In the manufacture of various products, we are making efforts to reduce the input amounts of the raw materials, energy and water that we use, as well as reduce the emissions of substances that are harmful to the environment.

Material Balance of Business Activities for FY2009 (Summary of Environmental Impact)



Environmental Accounting Calculations for FY2009

- These data were compiled in accordance to the Environmental Accounting Guideline released by the Ministry of the Environment.
- Coverage: Kawasaki Heavy Industries, Ltd.
- Period: April 1, 2009 to March 31, 2010

Item		Environmental Investments	Environmental Costs	Economic Effects	
Business area costs	Global warming prevention	553	1,423	Reduction of energy costs 240	
	Efficient use of resources	153	199	Reduction of materials costs 50	
	Resource recycling activities	Resource recycling activities	61	783	Income from recycling 1,004
		Waste disposal costs	9	178	Reduction of waste disposal costs 54
	Environmental risk control	747	1,134	—	
	Subtotal	1,523	3,717	1,348	
Comparisons w/ previous FY		94%	83%	61%	
Upstream/downstream costs		90	2,777	0	
Management activity costs		0	2,853	—	
R&D costs		47	5,497	—	
Social activity costs		29	199	—	
Environmental damage compensation costs		115	80	—	
Total		1,804	15,123	1,348	
Comparisons w/ previous FY		80%	107%	61%	

Item		Total
Total investments in FY2009		57,964
Total R&D costs in FY2009		36,076

Item	Proportion
Percentage of investments (Environmental investments 1,804/ Total investments 57,964)	3%
Percentage of R&D costs (Environmental R&D costs 5,497/ Total R&D costs 36,076)	15%