

Kawasaki Group Policy on R&D

1. Fundamental Concepts

The Kawasaki Group considers the creation of new value aimed at resolving issues society is now confronting to be an integral part of the social responsibility it must fulfill. At the same time, the Group believes that maintaining a constant supply of products and services equipped with functions satisfying customer requirements constitutes a critical management issue affecting its business continuity. With this in mind, all the business units within the Group will pull together to achieve improvement in its corporate value into the future and, to this end, rally their technological expertise while taking full advantage of technological synergies in their efforts to promote R&D aimed at strengthening existing products and creating new products and businesses to help address issues confronting society. Based on these concepts, the Kawasaki Group has established the basic policies listed below to appropriately promote and manage its R&D activities.

2. Policies on R&D

(1) R&D Activities

Leveraging its comprehensive capabilities, the Kawasaki Group will tackle the development of new technologies while nurturing and upgrading its basic technologies. In doing so, the Group will work to strengthen existing products and create new products and businesses.

(2) Compliance with Laws and Regulations and Fulfillment of Contractual Obligations

The Kawasaki Group will engage in R&D in compliance with laws and regulations as well as in keeping with its contractual obligations to related parties. Also, the Group will not engage in the illicit use of intellectual property belonging to third parties.

(3) R&D Approach

Engineers at internal companies will work in tandem with the Corporate Technology Division's specialists in various fields, forming project teams to tackle shared R&D themes, thereby pursuing R&D aimed at strengthening existing products and creating new products and businesses, with all projects directed at achieving overall optimization. Moreover, the Corporate Technology Division will act as an intermediary between internal companies to enable the mutual utilization of technological core competences in the course of product development and thereby facilitate the multifaceted deployment of a broad range of technologies that will, in turn, generate significant synergetic effects.

(4) Pursuit of R&D Efficiency

In addition to pursuing R&D activities that leverage the mutual utilization of technologies possessed by business units within the Group, the Kawasaki Group will take advantage of open innovation to access cutting-edge technologies being developed at universities and external research organizations at home and abroad. Furthermore, the Group will proactively promote collaboration with external businesses.

(5) R&D Screening and Follow-Up Instruction

With regard to projects deemed particularly important, the Kawasaki Group will task a committee chaired by the General Manager of the Corporate Technology Division or an officer in charge of technology with monitoring said projects' status, determining their continuation or termination, and otherwise providing follow-up instruction.