


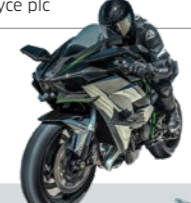



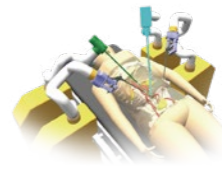


Social Value Created through Our Businesses

In fiscal 2017, in the process of identifying material issues* the Kawasaki Group designated four ways of creating social value through its businesses as its greatest priorities over the long term. These are providing safe and secure, clean, comfortable movement of people and goods by land, sea, and air; creating clean energy; improving social infrastructure, especially in emerging countries; and responding to the needs of an aging society and

shortage of labor through automation. At the same time, management identified Sustainable Development Goals (SDGs) that the Group should contribute to and set non-financial targets to reach by 2030. Kawasaki will regularly disclose its progress toward these targets while working to maximize social value, achieve sustainable growth, and contribute to the realization of the SDGs.

* For more information about material issues, please refer to page 1.

Created Social Value	Relevant SDGs		Division	Vision for 2030	2030 Target/KPI	Initiatives
	Shared	Individual				
Providing safe and secure, clean, comfortable movement of people and goods by land, sea, and air	3 GOOD HEALTH AND WELL-BEING 7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES		Ship & Offshore Structure Company	Contribute to a significant decrease in emissions of nitrogen oxide (NOx) and sulfur oxide (SOx) from ships by promoting the increased use of LNG-fueled ships. Develop and build large hydrogen-fueled liquefied hydrogen carriers to help realize a CO ₂ -emission free society.	<ul style="list-style-type: none"> LNG-fueled ships/large hydrogen-fueled liquefied hydrogen carriers built annually: 1 Orders received for LNG fuel gas supply systems annually: Multiple 	 <p>p. 37</p>
			Rolling Stock Company	Help to build better global transportation infrastructure by manufacturing rolling stock that is safe and comfortable to ride in, highly reliable, highly cost efficient over its life cycle and energy saving to minimize the burden on the environment.	<ul style="list-style-type: none"> Rolling stock units delivered: 1,000 Improve efficiency and reduce need for specialized skills in maintenance, maintain and improve safe, reliable transport, and contribute to the enhancement of services and added value provided by railway operators 	 <p>p. 39</p>
			Aerospace Systems Company	Provide air transportation systems combining excellent environmental performance with high safety and reliability.	<ul style="list-style-type: none"> Provide environmentally friendly aircraft, helicopters, and engines to the market and expand the scope of participation in the development of these products 	 <p>©Rolls-Royce plc Photo provided by Boeing Company p. 33</p>
			Motorcycle & Engine Company	Develop, manufacture, and deliver environmentally friendly motorcycles as well as models with "fun-to-ride" appeal and advanced rider-support features.	<ul style="list-style-type: none"> Provide motorcycles with advanced rider-support features, such as Cooperative Intelligent Transport Systems (C-ITS), as well as motorcycles powered by clean energy, including electric motorcycles and hybrid motorcycles 	 <p>p. 41</p>
Creating clean energy	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH	Corporate Technology Division	Provide equipment, such as hydrogen liquefaction and loading and unloading facilities, liquefied hydrogen carriers, and hydrogen-fuel gas turbines and contribute to the development of a hydrogen-powered society as a supplier of liquefied hydrogen transportation infrastructure systems and packages.	<ul style="list-style-type: none"> CO₂ reduction through use of hydrogen energy: 3 million tons Hydrogen transport volume: 225,000 tons per year 	 <p>pp. 4-7</p>
Improving social infrastructure, especially in emerging countries	17 PARTNERSHIPS FOR THE GOALS		Energy System & Plant Engineering Company	A distinctive equipment, system, and plant manufacturer that uses technologies and boasts quality underpinned by sophisticated product development expertise, manufacturing technology, and engineering know-how to globally provide products and services that help realize a CO ₂ -emission free, low environmental burden society and earn high customer satisfaction, mainly in the areas of energy and the environment.	<ul style="list-style-type: none"> Expand share of distributed power generation market with the industry's most efficient, environmentally friendly devices Constantly provide highly efficient, energy-saving, clean energy power generation facilities and devices, infrastructure-related facilities, and environment-related facilities 	 <p>p. 35</p>
			Precision Machinery Business Division	Make Kawasaki hydraulic machinery and systems the global standard and achieve stable production and supply. Support the development of next-generation construction machinery that is human- and environment-friendly to contribute to the improvement of infrastructure, mainly in emerging countries. Promote the development and sale of energy-saving products, hydrogen-oriented products, and renewable energy-oriented products to contribute to the reduction of environmental burden. Combine new technologies, such as ICT, IoT, and AI, with Kawasaki's robot technology and hydraulic control technology to create new value.	<ul style="list-style-type: none"> Hydraulic machinery production and delivery volume: 1.4 million units 	 <p>p. 44</p>
Responding to the needs of an aging society and shortage of labor through automation	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH		Robot Business Division	Improve access to high-quality medical care through the development of medical robots in developed countries facing demographic graying and use robot technology to support medical supplies production, nursing and medical care, and the development of therapies and treatments that reduce the physical burden on patients. Develop such products as <i>Successor</i> (a skill transmission system), and humanoid and other robots, making them intelligent enough to help address labor shortages, mainly in developed countries.	<ul style="list-style-type: none"> Robots delivered: 100,000 	 <p>p. 44</p>