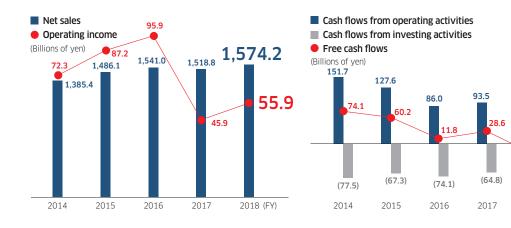
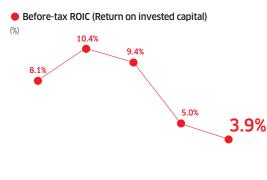
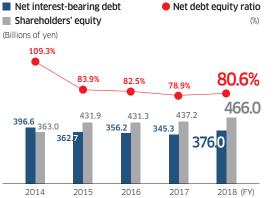
Performance Highlights







56.0

(80.5)

2018 (FY)

(24.5)

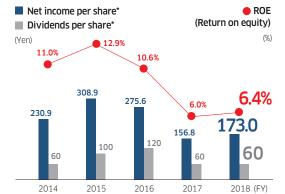
2014 2015 2016 2017 2018 (FY) Before-tax ROIC = EBIT (Income before income taxes + interest expense) / Invested capital (Interest-bearing debt + Shareholders' equity)

Capital expenditures

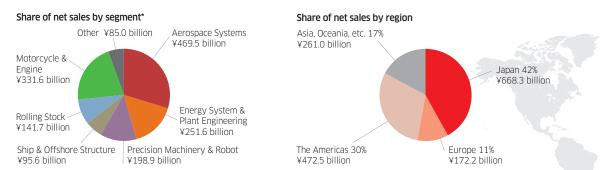
Research and development expenses



Net debt equity ratio = Net interest-bearing debt (Interest-bearing debt - Cash on hand and in banks) / Shareholders' eauity

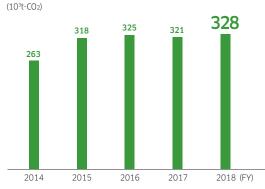


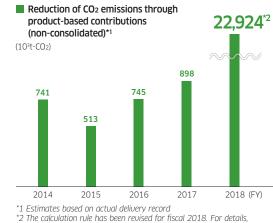
Return on eauity = Profit attributable to owners of the parent / Shareholders' eauity *Effective as of October 1, 2017, a one-for-10 share consolidation was implemented for ordinary shares. The annual dividend per share for fiscal 2018 would be ¥6, in the event a share consolidation is not considered.



*In April 2018, the former Aerospace Company and the jet engine business of the former Gas Turbine & Machinery Company were integrated into the newly established Aerospace Systems Company. The former Plant & Infrastructure Company and the energy and marine-related businesses of the former Gas Turbine & Machinery Company were integrated into the newly established Energy System & Plant Engineering Company. In addition, the former Precision Machinery Company was renamed to the Precision Machinery & Robot Company.

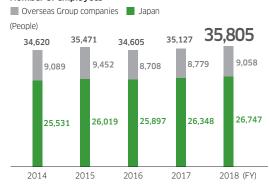
CO2 emissions from business activities (non-consolidated)

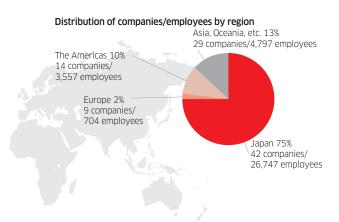




please see page 43.

Number of employees





ESG-Related External Evaluations

The Dow Jones Sustainability Index is a leading Sustainability Investing (SI) index which assesses and selects leading sustainability-driven companies in terms of economic environmental and social criteria

Created by the global index provider FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company), the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental. Social and Governance (ESG) practices. The FTSE-4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

MSCI ESG Leaders Indexes include companies with high ESG ratings relative MSCI to their sector peers.



MEMBER OF

Dow Jones

Sustainability Indices

In Collaboration with RobecoSAM

FTSE4Good

2017 Constituent MSCLES6 Leaders Indexes

THE INCLUSION OF Kawasaki Heavy Industries, Ltd. IN AN MSCI INDEX, AND THE USE OF MSCI LOGOS TRADEMARKS, SERVICE MARKS OR IND EX NAMES HERIN DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMEN OR PROMOTION OF Kawasaki Heavy Industries, Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSC INDEX NAMES AND LOGOS ARE TRADEMARKS O SERVICE MARKS OF MSCI OR ITS AFFILIATES.

The Morningstar Socially Responsible Investment Index is the first index in Japan of socially responsible investment stock. The stock prices of socially responsible companies selected from all those listed in Japan by Morningstar Japan K.K. are converted into an index.



The Certified Health & Productivity Management Organization Recognition Program identifies large corporations, small and medium-sized companies and other organizations that engage in outstanding health and productivity management practices, based on initiatives to address healthrelated issues in regional communities and to promote health-conscious activities promoted by the Nippon Kenko Kaigi.

The Eruboshi system is based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Of companies that draw up and submit general employer action plans under the Act, only those subsequently judged to meet certain standards and provide excellent conditions to encourage women to be more active in the workplace are eligible for certification by the Minister of Health, Labour and Welfare under the Eruboshi system.

The Kurumin Mark is a certification logo presented by the Ministry of Health, Labour and Welfare to companies that have achieved targets stated in the business action plans formulated by each company in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and have met certain criteria. The logo indicates such companies are childcare-supportive employers.





