

Energy System & Plant Engineering

Main Products

- Energy**
 - Gas turbine cogeneration systems
 - Gas and diesel engines for power generation
 - Steam turbines
 - Aerodynamic machinery
 - Boiler plants
 - Combined cycle power plants
- Plant**
 - Industrial plants (cement, fertilizer, and others)
 - LNG tanks
 - Municipal waste incineration plants
 - Material handling systems
 - Tunnel boring machines
 - Crushing machines
- Marine machinery**
 - Marine gas turbines/reduction gear
 - Marine reciprocating engines
 - Marine propulsion systems

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Vision

A distinctive equipment, system, and plant manufacturer that uses technologies and boasts quality underpinned by sophisticated product development expertise and engineering know-how to globally provide products and services that help protect the environment and earn high customer satisfaction, mainly in the areas of energy and the environment.

Opportunities

- Growing demand for energy and infrastructure in emerging and resource-rich countries
- Growing demand for distributed gas-fueled power generation facilities prompted by lower LNG fuel prices
- Tightening environmental regulations
- Demand for CO₂-free power generation facilities for new installations and facility replacement

Risks

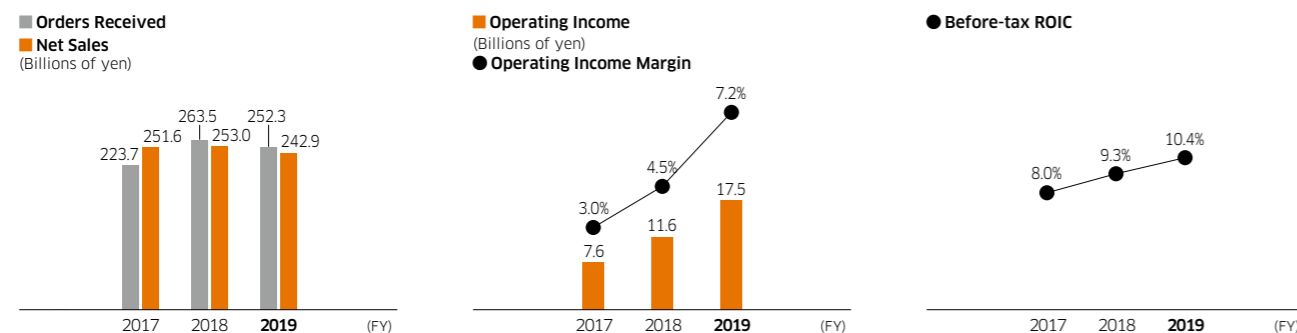
- Delayed projects due to a viral pandemic or prolonged slump in price of oil
- Weakening investment incentive paralleling economic slowdowns in emerging countries and resource-rich countries
- Prolonged slump in the shipping market

Core Competence

- Ability to provide solutions leveraging synergy from combining Kawasaki-brand products, such as the combined cycle power plant (CCPP) standard package, which combines a gas turbine, steam turbine, and waste heat recovery boiler, as well as gas engine/gas turbine hybrid projects
- Environment-friendly technologies and development capabilities in core products and systems as well as comprehensive engineering capabilities developed through wide-ranging projects
- Locally rooted sales system leveraging overseas sites

Business Direction

- Create new technologies, products, and added value that contributes to reducing environmental burden
- Reinforce project responsiveness by effectively utilizing and sharing resources
- Advance overseas business development through initiatives closely tailored to local communities and customers and build a foundation for future earnings growth



* The results for fiscal 2017 shown above have been restated to reflect company reorganization in April 2018.

Operating Environment and Strategies

In the energy sector, demand for gas-fired power generation is expanding, and distributed power generation needs are also increasing, especially in Asia. In the plant sector, we anticipate stable domestic and overseas demand, reflecting infrastructure development and heightened interest in environmental protection, especially in emerging countries, including those in Southeast Asia. Furthermore, in the marine propulsion sector, demand is expected to grow in areas related to improving environmental performance, including reducing greenhouse gas emissions, as well as improving safety, reducing the need for specialized skills, and increasing the efficiency of ship operations. However, some customers are revising or delaying their capital expenditure decisions due to the COVID-19 pandemic, price competition remains intense, and reinforcing cost competitiveness will be a task going forward.

In this operating environment, we aim to secure orders by providing unique, high-value-added products and strengthening our sales systems and maintenance and after-sales services. When bidding for orders, we will be more selective, emphasizing profitability over scale. We will also reinforce quality assurance and risk management systems to reduce costs from defective products and improve profitability.

Furthermore, aiming to expand sales of the CCPP standard package, which combines a Kawasaki gas turbine, steam turbine, and waste heat recovery boiler, we will reinforce our overseas sales systems. We are also advancing investment in hydrogen-related projects and product development aimed at future business growth and the realization of a carbon-free society. To this end, we plan to begin operations of a pilot hydrogen supply chain by the end of 2020.

Initiatives to Create Social Value

The Energy System & Plant Engineering Company has designated as its vision for 2030 being 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 CO₂-free energy and reduce environmental burden while earning high customer satisfaction, mainly in the areas of energy and the environment.

To achieve this vision, we aim to advance both economic growth and environmental protection by providing energy-saving, highly resource-efficient equipment, such as gas turbines that realize the world's highest level of efficiency and environmental performance, gas engines that realize the world's highest level of performance, and other power generation facilities. Specifically, we are working to combine core products and incorporate in-house know-how, reinforce our ability to handle overseas projects, and create new solutions while concentrating management resources on the hydrogen business and advancing the development of products that contribute to decarbonization. We will contribute to infrastructure improvement by providing such products as tunnel boring machines and cryogenic storage facilities while also contributing to environmental protection in urban areas through deliveries of energy-saving waste incinerators, water treatment facilities, desulfurization/denitrification devices, and other systems.



Goals for fiscal 2021	<ul style="list-style-type: none"> Expand supply of Kawasaki's power plants, which boast world-class generating efficiency and power-saving performance, in Southeast Asia, where electricity demand is growing rapidly, to meet needs for economic development and greater environmental friendliness in emerging countries Develop products with greater environmental burden alleviating effects and respond to environmental regulations Advance development of hydrogen gas turbines that contribute to CO₂ emissions reduction
Fiscal 2019 Results	<ul style="list-style-type: none"> Deliveries of power generation facilities to overseas customers: 14 units Deliveries of gas-to-gasoline (GTG) plants: 1 unit



100 MW-class combined cycle power plant developed by Kawasaki



Gas-to-gasoline (GTG) plant