

Group Mission

“Kawasaki, working as one for the good of the planet”

The Kawasaki Group consistently creates new value by drawing on diverse, sophisticated technological capabilities to contribute to solutions to social issues around the world.

Global Social Issues

Kawasaki Group Management Resources

Business Activities and Strategy

Key Outputs

Created Social Value

Global warming

Decarbonization

Energy problems

Responding to changes in the movement of people and freight

Pandemic countermeasures

Shortage of and increasing burden on doctors

Increase in diverse work styles, including remote work

(Fiscal 2020 figures)

Financial capital

● Invested capital **¥1,058.6 billion**

Manufactured capital

● Capital expenditures **¥55.6 billion**
 ● Key production sites **17** in Japan
21 overseas

Intellectual capital

● 120 years of experience and know-how
 ● Advanced technological capabilities across extensive domains
 ● R&D expenses **¥44.9 billion**

Human capital

● A technology-based Group pursuing quality
 ● Number of employees.... **36,691**

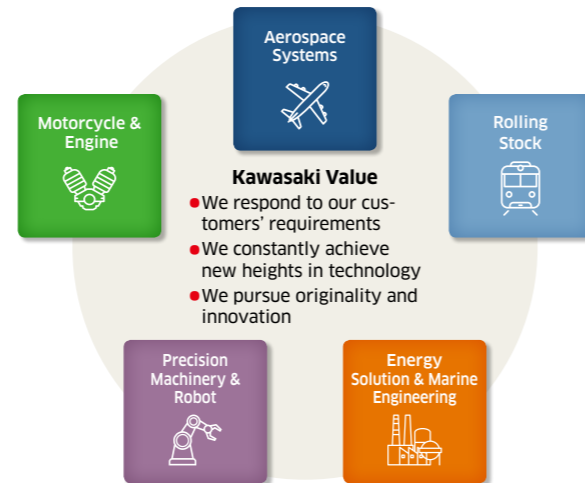
Social and relationship capital

● Kawasaki brand
 ● Relationships of trust built with business partners over many years

Natural capital (non-consolidated)

● Energy consumption (heat conversion)..... **5,893 TJ**
 ● Procured amount of raw materials (steel)..... **110 kt-CO₂**

Business Portfolio



Value Creation Drivers

Group Vision 2030

- Pursue growth ⇒ Development investment
- Pursue stability/synergy ⇒ Realizing a conglomerate premium
- Contributing to the achievement of the Sustainable Development Goals through our solutions to social issues
- Financial targets Average annual net sales growth rate: 5%
 Operating profit margin: 5-8%
 Before-tax ROIC: 3% or more higher than WACC
- Measures:
 - Revise business models and develop new businesses
 - Promote DX
 - Strengthen cybersecurity
 - Overhaul the personnel system
 - Advance open innovation

The Foundation of Our Business Activities (ESG Initiatives)

- Corporate governance
- Product liability/safety
- Compliance
- Anti-corruption measures
- Supply chain management
- Employee recruitment and retention
- Business and human rights
- Energy and environmental solutions (value chain)

Main Products

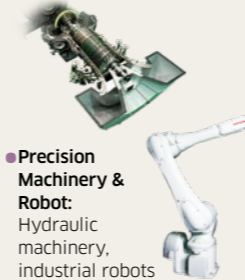
● Aerospace Systems: Airplanes, jet engines



● Rolling Stock: Rail cars, snow removal machinery



● Energy Solution & Marine Engineering: Energy-related equipment and systems, marine propulsion machinery and systems, industrial machinery, environmental equipment, cryogenic storage equipment, hydrogen-related facilities, crushing machines, ships



● Precision Machinery & Robot: Hydraulic machinery, industrial robots

● Motorcycle & Engine: Motorcycles, off-road four-wheelers (SxS, ATVs), personal watercraft (JET SKIs), general purpose gasoline engines



(Fiscal 2020 figures)

Financial capital

● Cash flows from operating activities..... **¥34.6 billion**
 ● Operating profit margin **-0.3%**
 ● Before-tax ROIC* **-1.0%**

* Before-tax ROIC = EBIT (profit before income taxes + interest expense) / Invested capital (Interest-bearing debt + Shareholders' equity)

Manufactured capital

Key Leading Market Share Products

● Semiconductor manufacturing robot global market share¹ **No. 1**
 ● Stand-by gas turbine generator domestic market share² **No. 1**
 ● 251 cc and over motorcycle domestic market share³ **No. 1**

1. Kawasaki survey based on data from SEMI and Fuji Keizai
 2. Kawasaki survey
 3. Based on domestic registration data

Intellectual capital and human capital

● Included in Clarivate's "Top 100 Global Innovators" for six consecutive year.

* A selection of the world's top 100 innovative companies and institutions based on an analysis of intellectual property and patents using data about patent holdings.

Social and relationship capital

● Advancing hydrogen projects in coordination with other companies
 ● IR meetings with institutional investors..... **281 times**

Natural capital (non-consolidated)

● CO₂ emissions from business activities..... **249 kt-CO₂**
 ● Reduction of CO₂ emissions through product-based contributions..... **24,047 kt-CO₂**
 ● Kawasaki-brand Green Products
 Number of registered products **61**
 Net sales..... **¥255.6 billion**

A safe and secure remotely connected society



Near-future mobility



Energy and environmental solutions



External Environment and Risks

Changes in Industrial Structures

- Technological innovation
- The evolution of AI and IoT

Climate Change

- Global warming
- Major natural disasters

Currency Fluctuations

- Impact on revenue due to the Group's large proportion of overseas sales

Economic Trends

- Impact via capital expenditure
- Impact of the COVID-19 pandemic
- U.S.-China trade friction