

The Kawasaki Heavy Industries Group
Business Conduct Guideline

Effective from July 25th, 2017

Declaration by the president

The business activities of the Kawasaki Group are tied to the community in various ways and impact upon society. In order to ensure the Kawasaki Group forms a symbiotic relationship with society, as it continues to increase its corporate value, it is vital that we focus not only on making a profit but on building trust by meeting the demands of all our group's stakeholders, including: employees, customers, suppliers, shareholders, and the local community. It is our group mission to provide products and services that contribute to society. But that is not all. We also have a social responsibility to implement just business practices and initiatives to prevent corruption, consider environmental and human rights, and ensure correct conduct in all of our business activities. As we fulfill this responsibility, we must work to realize our group mission statement: "Kawasaki, working as one for the good of the planet."

The Kawasaki Group's business extends across national borders in a wide range of industries all around the world. And our workforce consists of a large number of people from various countries and cultural backgrounds. In order for our group to exemplify correct conduct as a global corporation, it is vital for each and every one of our executives and employees to comply with international rules and codes of ethics, as well as with the laws of the countries and regions in which we operate. Moreover, it is crucial that we act sincerely with an understanding of the cultures and customs of each. Previously our executives and employees have based their conduct on our company regulations, Kawasaki Code of Corporate Ethics and Kawasaki Global Business Ethics Guideline. However, we felt it was time to integrate and further develop these standards from this new perspective, to define a new Kawasaki Group Business Conduct Guideline. This Business Conduct Guideline will serve as the basis for decisions regarding correct conduct by executives and employees throughout the entire group.

As president, I declare that the Kawasaki Group Business Conduct Guideline shall serve to help all officers and employees in each country and region to come together as one, and to be deeply aware that it is the foundation for correct conduct in all of our business activities. No matter what difficult conditions we face, we shall immediately refer to this Business Conduct Guideline to make decisions and take action.

I ask that all group members refer to this Business Conduct Guideline when making decisions and taking action. Above all, those who have others working under them should be mindful to be an example, and endeavor to guide those in their charge and support their development.

Furthermore, in addition to this Business Conduct Guideline, each department should strive diligently to follow all relevant rules and regulations, and to be aware of and understand all official regulations.

These efforts are firmly connected to strengthening the Kawasaki Group.

If we all work together, we can build a group that enjoys even deeper trust from the community, and for which we can be proud to work.

Goshinori Kanehara

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How to Use this Business Conduct Guideline

Kawasaki Heavy Industries Group Mission Statement and Corporate Social Responsibility

Kawasaki Group Mission Statement

In 2007, Kawasaki formulated the "Kawasaki Group Mission Statement" as a compass directing the activities of the Kawasaki Group. The statement incorporates the social mission that the Group must fulfill in the 21st century, a shared sense of values to increase Kawasaki brand value, the underlying principles of management activities, and guidelines for daily conduct that each and every member of the organization is required to follow.

Group Mission

Kawasaki, working as one for the good of the planet

- We are the Kawasaki Group, a global technology leader with diverse integrated strengths.
- We create new value-for a better environment and a brighter future for generations to come.

Kawasaki Value

- We respond to our customers' requirements
- We constantly achieve new heights in technology
- We pursue originality and innovation

The Kawasaki Group Management Principles

- 1 Trust**
As an integrated technology leader, the Kawasaki Group is committed to providing high-performance products and services of superior safety and quality. By doing so, we will win the trust of our customers and the community.
- 2 Harmonious coexistence**
The importance of corporate social responsibility (CSR) permeates all aspects of our business. This stance reflects the Kawasaki Group's corporate ideal of harmonious coexistence with the environment, society as a whole, local communities and individuals.
- 3 People**
The Kawasaki Group's corporate culture is built on integrity, vitality, organizational strength and mutual respect for people through all levels of the Group. We nurture a global team for a global era.
- 4 Strategy**
The Kawasaki Group pursues continuous enhancement of profitability and corporate value based on three guiding principles: selectively focusing resources on strategic businesses; emphasizing quality over quantity; and employing prudent risk management.

The Kawasaki Group Code of Conduct

1. Always look at the bigger picture. Think and act from a long-term, global perspective.
2. Meet difficult challenges head-on. Aim high and never be afraid to try something new.
3. Be driven by your aspirations and goals. Work toward success by always dedicating yourself to your tasks.
4. Earn the trust of the community through high ethical standards and the example you set for others.
5. Keep striving for self-improvement. Act on your own initiative as a confident professional.
6. Be a part of Team Kawasaki. Share your pride and sense of fulfillment in a job well done.

Kawasaki Group Corporate Social Responsibility

In 2010, five CSR themes were established in order to take our group mission to a higher level.

This Business Conduct Guideline also serves as a supplement to and detailed explanation of their contents.

<p>Five Themes</p>	<p>1 We will use our integrated technological expertise to create values that point the way to the future.</p>	Value Creation
	<p>2 We will always act with integrity and good faith to merit society's trust.</p>	Management
	<p>3 We will all create a workplace where everyone wants to continue working.</p>	Employees
	<p>4 We will pursue "manufacturing that makes the Earth smile."</p>	Environment
	<p>5 We will expand the circle of contribution that links to society and the future.</p>	Social Contribution

Basic structure of this Business Conduct Guideline

No. / Item Name Group standards
Item background, international standards, explanations of relevant laws, regulations, etc.
Situations that can occur as the result of violating laws or standards
<u>Actions to be taken by individuals</u>

Scope of this Business Conduct Guideline

This Business Conduct Guideline applies to officers, employees and temporary employees of the Kawasaki Heavy Industries Group, a corporate group composed of Kawasaki Heavy Industries and subsidiaries.

Furthermore, joint concerns including equity-method affiliates, suppliers, contract workers and distributors are asked to respect this Code of Conduct.

Relationship to the laws of each country

Officers and employees must comply with the laws and regulations of the countries and regions in which we do business. If an international code of conduct, or the standards and requirements stipulated by the laws of each area, are set to higher standards than in this Business Conduct Guideline, they shall take precedence over it.

There are various examples of international codes of conduct, including: The OECD Guidelines for Multinational Enterprises, ISO 9000, ISO 14001, ISO 26000, the Universal Declaration of Human Rights and the ILO Declaration.

Contact information for when you notice a violation

If you discover any violations of this Business Conduct Guideline, promptly report them to your superior and the relevant departments. If, for some reason, it is difficult to report to your superior or the relevant department, report to the compliance department/compliance officer.

Even a violation has not taken place, the individual who reported it will not be held responsible as long as they reported it in good faith, believing it to be true. However, those who report falsely or with malicious intent will be subject to punishment.

Prohibition of detrimental treatment of those who report violations

Detrimental treatment or retaliation against those who have found and reported violations of the Business Conduct Guideline, or those who have reported sincere concerns about violations, is

forbidden. If you experience or witness this type of conduct, promptly report it to your superior, the relevant department or compliance department/compliance officer.

Retaliation and involvement in retaliation shall be subject to disciplinary action.

Handling uncertainty

If in the course of your work, you are unsure whether your actions are appropriate, or you encounter a situation that is not specified in Business Conduct Guideline, ask yourself the following questions.

Then if you are still in doubt, consult your superior, the relevant department, compliance department or compliance officer.

- Does the judgment violate laws and social norms?
- Even if it does not violate laws or social norms, does it violate this Business Conduct Guideline or internal regulations?
- Would you be able to speak proudly about your judgment and actions to your superiors, colleagues or family members?
- Are customers, suppliers or the local community suffering disadvantages?

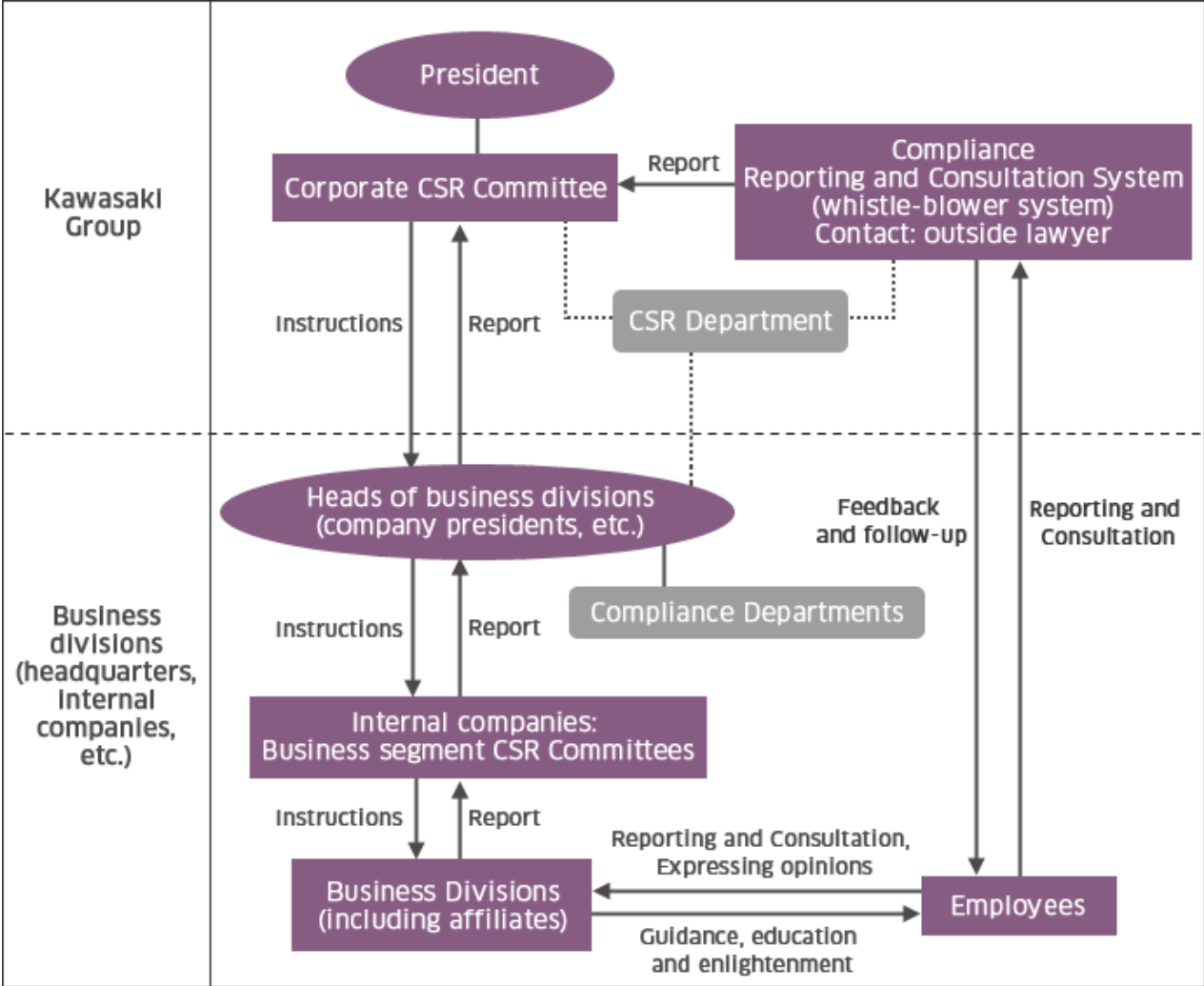
Also, be careful if you hear any of the following, as they signal possible violations of this Business Conduct Guideline.

- It's okay, nobody is watching
- Everyone is doing it
- It's normal to do it this way here
- It's not important how we get it done, as long as we get it done

Revisions

When necessary, this guideline will be revised by the Kawasaki Heavy Industries CSR Department based on the opinions of related departments and groups, and referred to the management committee.

Kawasaki Group Compliance System



1. In Order to Ensure Correct Conduct

In this section we discuss what we must be careful of, and what actions we should take, from the standpoint of corporate and social rules.

Businesses are constrained by various regulations, rules and laws. The fact that these have been established means that there is a possibility for businesses in that area to have a negative impact on society.

When businesses violate these regulations, rules, etc., they cause trouble for society, which consequently results in a loss of trust by society.

Even small infractions of the rules can easily destroy the trust we have built up until now.

Concerning what is delineated here, and even with regards to areas not mentioned, we should follow the rules of each country and regulations of each company, and conduct ourselves correctly.

1-1. Fair business practices

We will not obstruct free and fair competition,
and will work to maintain a healthy market.

Legitimate, free and fair competition in domestic and international business is essential for the market to function correctly.

Each country has established competition laws.

We must be careful not to engage in bid-rigging by civil servants involved in public bidding, or to violate the competition laws of other countries.

* Some countries conduct extra territorial application of their competition laws which means that they apply their competition laws to incidents of unfair competition that took place outside their borders.

Violation of competition laws may result in huge fines, cessation of trading, or cessation of business for the company, and stiff punishment such as imprisonment for the individual employee. Furthermore, violation of competition law may allow huge damages to be claimed in civil lawsuits.

Actions to be taken by individuals

- We will not engage in the following actions.
 - ◇ Bid-rigging: Participate in pre-arrangement of the successful bidder and bid amount during public bidding.
 - ◇ Price cartel: Agree upon product prices with competitors to prevent price collapse.
 - ◇ Resale price maintenance: Require sales representatives at distributors to sell our group products at specific prices.
 - ◇ Dumping: Continually sell at unreasonably low prices without a rational cause, so as to damage the health of the market.
- During a transaction, do not interact with competitors without a good reason. If you do happen to have contact with a competitor, keep records so that the reason can be understood later

1-2. Entertainment and gifts

We do not engage in any inappropriate entertainment or gifts.

Entertainment and gifts

Common sense and moderation are vital in decisions concerning entertainment and gifts. Excess or inappropriate gifts or entertainment distort normal business transactions and have an adverse effect on transaction transparency. Many countries have strict laws concerning entertainment and gifts, with some even stipulating specific monetary amounts.

Entertainment and gifts refers to the provision of something with some sort of value to individuals, their family, relatives or friends.

The relevant conduct includes not only the actual giving and receiving of gifts or entertainment, but offers, promises and attempts at provision.

Even when the monetary value is small, the provision or acceptance of gifts or entertainment with the purpose of obtaining unfair benefits, and recurrence of such actions by the same person, are considered inappropriate conduct.

* Gifts refer to anything of value, whether or not it is monetary in nature, including money, gifts, loans, fees, provision of labor, discounts, mediation, rebates, etc.

Entertainment refers to the provision of benefits to third parties who have been invited to business events: such as provision of meals, invitation or tickets to cultural, sporting or entertainment events, and associated transportation, or lodgings. When such things are given unaccompanied by the person providing them, they shall be considered gifts.

Entertainment and gifts to public officials

Entertainment and gifts to public officials refers to entertainment or gifts provided to members of national legislatures, local assembly members, employees of national or local governments, governments, government agencies, government representatives or their agents.

Provision of entertainment and gifts to domestic or foreign public officials is considered bribery under the laws of many countries, and is subject to severe penalties.

In addition, when conducting business, national or regional public officials etc. may request "facilitation payment" that is small bribes to facilitate administrative service. Facilitation payment is prohibited in many countries.

Depending on country, inappropriate provision of entertainment and gifts to even private organizations may be subject to punishment. Furthermore, gifts/entertainment provided to public officials may incur punishment under the laws of not only the country and region in which they took place, but those of third-party countries as well.

Actions to be taken by individuals

- Adhere to the rules and regulations of each company and department when providing or receiving entertainment and gifts.
- Confirm and carry out the following items when providing or receiving entertainment and gifts.
 - ◇ It will not inappropriately affect decision-making regarding transactions
 - ◇ The amount and contents are within the scope of what seems appropriate
 - ◇ Make sure to obtain prior approval from superiors
 - ◇ Record the date, amount and contents of entertainment and gifts
- If you discover inappropriate entertainment and gifts, promptly report them to your superior, relevant department and compliance department/officer.
- Do not provide entertainment and gifts to public officials if you receive a request for facilitation payment, make a record of this fact, report it to your supervisor or department, and seek further instructions.

1-3. Political activity / Lobbying

We do not engage in unauthorized use or provision of company money or goods for political activities.

Also, we do not get involved in illegal lobbying.

Political activities

The responsible department shall weigh the merits and demerits of political activities held within the company, and provision of company assets such as space or labor for political activities, and take appropriate action.

Also, many countries have strict laws regarding donations to officials and their staff. We must deal with national and local legislators, national and local civil servants, governments, government agencies, government representatives and their agents in accordance with all applicable laws of the countries in which we operate.

Lobbying

Lobbying is defined as interacting with legislative assemblies/ national legislators, governments, government agencies, government representatives and their agents in regards to legislative or regulatory issues that may affect the Kawasaki Group.

When engaged in lobbying, we must comply with all applicable laws and act ethically in interactions with governments, government agencies, government representatives and their agents.

Many countries and localities have strict laws concerning political donations and lobbying activities. Violation of these may result in litigation, fines, suspension of qualifications, exclusion from trade, etc. for the company, and civil and criminal prosecution, fines, imprisonment, etc. for the individual employee.

Actions to be taken by individuals

- Even when it relates to company business, we will not provide company assets for political activities without approval from related departments.
- We will not use business hours or company assets for personal political activities without prior approval.
- Political contributions will be disclosed, and handled using transparent procedures so as not to be seen as bribes. Furthermore, if you come into contact with any of the aforementioned people during the course of business, take due care so as not to invite misunderstanding.
- When lobbying on behalf of the Kawasaki Group, be sure to carry out proper registration in each country as necessary, and obtain prior approval from relevant local

government departments. Also, always act honestly and frankly, and interact with governments, government agencies and government representatives in accordance with all applicable laws.

1-4. Blocking involvement with Criminal organizations

We will not have any relations with criminal organizations such as gangs or mafia, or any organizations that are substantially involved with them.

Criminal organizations refer to groups or individuals, such as gangs or mafia, who use violence, might or fraudulent methods to pursue economic profit.

The Kawasaki Group has zero-tolerance against criminal organizations, etc. that threaten the safety and order of society, and refuses any relations with these forces.

We must handle unreasonable demands from criminal organizations by working closely with the relevant authorities, such as police on a daily basis.

If involvement with criminal organizations ends up contributing to their interests, in addition to damaging trust, the company may face cancellation of contracts, exclusion from bidding, or punishment based on the laws of each country.

Moreover, it may damage the trust of our customers.

Actions to be taken by individuals

- Adopt a firm attitude against criminal organizations, and do not maintain any relationship with them.
- Do not yield to threats, intimidation or shows of force. And do not provide funds or accommodation to them, regardless of the pretext or form.
- If you are contacted by criminal organizations, handle them with more than one persons possible. If they threaten or extort you, in addition to contacting the appropriate parties, inform law enforcement agencies and seek guidance.

1-5. Conflicts of interest

We will not seek profit for ourselves or third parties at the expense of company interests.

Conflicts of interest refer to cases in which the company's interests and the individual's interests are at odds.

In the event that such a situation arises, you must prioritize the company's interests and must not use your position in the company for your own individual gain. Also, you must not take actions that hinder the objectivity of your judgement or the impartiality of company operations.

The business priorities of Kawasaki Group employees lie foremost with our group. You must not adversely affect company operations by running a side business or participating in the activities of other business operators without the company's permission.

Company assets^{*1} may only be used to conduct company business. They may not be taken or used for personal gain. Careful handling is required when dealing with company assets. Necessary measures must also be taken to prevent the loss of company assets.

*1: Company assets consist of both tangible and intangible things. Tangible assets include things like land, buildings, machinery, equipment, inventory and cash. Intangible assets include things like patents, trademarks, copyrights and software.

Conflicts of interest may interfere with the performance of your duties or damage the credibility of the company. Private use of company assets and bringing about damage to company assets brings losses to company business. Engaging in the following actions without the consent and approval of the company may result in punishment according to the rules of each company, and may also result in criminal penalties for breach of trust and embezzlement.

Moreover, they may damage the trust of our customers.

Actions to be taken by individuals

➤ Be very careful regarding the following actions which raise concerns about conflict of interest.

Furthermore, if such cases occur or there is the possibility that they may occur, promptly report to your superior and related departments, and seek further instructions.

- ◇ Company employees, their close relatives, friends or corporations operated by them begin conducting business with the company
- ◇ Information or business opportunities gained in the course of business are used for the benefit of company employees or business partners, competitors or third parties

- ◇ Employees use their position within the group to get their close relatives or friends hired by the group
- ◇ You are asked to be appointed as an officer in another organization
- ◇ You are employed outside the group or attempt to start your own business
- Take the following precautions when handling company assets.
 - ◇ Do not seek personal gain through unauthorized marketing, transfer or sale of company assets. In the unlikely event that you need to use them for personal purposes, be sure to gain approval from the relevant department beforehand.
 - ◇ Do not dishonestly obtain company assets through fraudulent expense calculations or fictitious transactions.

1-6. Import and export control

We will abide by applicable laws and regulations concerning import and export.

The Kawasaki Heavy Industries Group provides products and services throughout the world as a corporation that is expanding business globally. And in the same way, we also import products, technology and raw materials from various countries and regions.

Concerning imports and exports, make sure to comply with any laws or economic sanctions relating to import and export that apply to the countries and regions in which we do business.

From a security and safety standpoint concerned with maintaining international peace and security, in addition to international agreements, export laws, economic sanctions, etc. have been established by country or region to restrict the export of not only weapons, but any cargo that could be repurposed for military use.

Export laws regulate not only products, but services, technology and information. And depending on country or region, it may be illegal to disclose technical information to foreigners who are staying temporarily without completing proper procedures, even if they work in the same workplace.

Even when not directly involved in foreign trade, participation in overseas exhibitions, business trips to overseas locations, transmission of materials or data to overseas locations by email, and provision of other media or computers to overseas locations will be subject to the control by export-related laws.

Various laws apply to imports as well. For instance, you may be required to submit declaration forms and pay tariffs.

Violation of laws and regulations relating to import/export may result in the company facing penalties such as fines, import/export bans and restrictions. Furthermore, the offending employee may be subject to criminal penalties.

Actions to be taken by individuals

- Conduct required transaction review based on Japan's "Foreign Exchange and Foreign Trade Control Law", international agreements and the regulations and procedures applicable to each country or region when exporting products or providing services and technology to foreign suppliers (including representative offices and group companies).
- When importing or exporting products or services, confirm that tax obligations to the relevant country or region have been met, and that import/export declarations have been submitted to customs.

➤ Thoroughly investigate relevant laws, and consult the import/export management department, when importing or exporting actual weapons or especially specific products and services that have been regulated as having a high potential to be diverted for military use, or when conducting transactions with countries, regions or organizations subject to economic sanctions. Consult government agencies and follow their instructions as necessary.

1-7. Prevention of money laundering

We will pay attention to all processes, so as not allow money laundering, or be used for money laundering.

Money laundering refers to the process of taking funds that companies or individuals have obtained from drug trafficking, tax evasion, or financial fraud, and hiding them or exchanging them for funds that were acquired legally.

Money laundering is often a source of funds for criminal organizations such as terrorists or gangsters. We must be careful not to overlook this and consequently aid criminal organizations.

We must be extremely careful as supporting serious crime, even if unintentional, is a large risk to the company.

Money laundering is a serious financial crime. It is regulated under the criminal laws of each country. And involvement, even if unintentional, may be severely punished.

Actions to be taken by individuals

- Be careful if the following suspicious points exist, as money laundering may occur even from companies with whom we have been continually engaged in business.
 - ◇ When transactions are conducted in cash or various types of checks
 - ◇ When a payment is made in a currency that differs from the currency of the invoice or contract
 - ◇ When a payment is made by someone other than the parties of the contract
 - ◇ When reimbursement for an overpayment is requested in cash
 - ◇ If unknown or unnecessary intermediaries are involved in the transaction
 - ◇ High-risk countries and trading partners are involved in the transaction
- If you observe suspicious activity, or receive suspicious requests from inside and outside the group, report it to relevant departments such as the finance department.

1-8. Accurate and complete financial reporting

We will carry out appropriate accounting based on the truth in accordance with standards stipulated by laws and regulations. Accordingly, we will create complete and accurate financial reports, and provide them to both internal and external stakeholders in a timely and appropriate manner.

In order for the company to make decisions appropriately, it is important that data and reports be accurate and complete. In order to provide accurate financial reports to stakeholders such as investors and shareholders, every employee must carry out procedures and keep accurate and complete records in accordance with the rules.

To ensure accurate and complete reporting, it is important to report inconvenient information openly without bending the facts. Falsification of data not only interferes with accurate internal decision-making, but leads to misreporting that may damage societal trust in the Kawasaki Group.

Kawasaki Group shall carry out accounting and financial reporting in accordance with correct standards stipulated by laws and regulations, and ensure the reliability of financial information provided to stakeholders.

External stakeholders include the tax authorities of each country. Appropriate accounting plus accurate and complete financial reporting leads to appropriate tax payments.

Fraudulent accounting procedures or tax reporting may result in the individual being held responsible for civil or criminal liabilities or facing punishment for breach of trust, as well as the company suffering heavy damage such as abasement of trust.

Actions to be taken by individuals

- Promptly and accurately record all required transactions, including sales and expenses.
- Do not falsify or embellish records, or conceal inconvenient truths.
- Accurately record parts, costs and labor in proper accounts in accordance with the rules.
- Do not cheat to achieve targets, such as by not including matters that actually occurred during the current fiscal year as part of this year's accounting, and recording them instead as occurring during the next fiscal year.
- If you are instructed to do something that seems dishonest, consult your superior, the accounting department, the person responsible for compliance, the whistle-blower system, etc.
- In the event of an audit or tax inspection, promptly supply any necessary information, and cooperate with external auditors/tax officials in order to ensure the audit, etc. is conducted smoothly.

1-9. Insider trading

We do not use undisclosed material information to the benefit of ourselves or third parties.

Buying or selling stock in Kawasaki Heavy Industries, or other companies, with knowledge of undisclosed material information is considered insider trading, and therefore illegal. Also, sharing undisclosed material information with third parties or recommending that they buy or sell stock in order that they may gain a profit, is problematic.

Material information is information that influences a company's stock price, and includes information about a subsidiary of a listed company that significantly affects the corporate group's operations.

Examples of material information

- Issuance of stock
- Takeover bids (TOB)
- Mergers
- Fictitious sales for large sums
- Business alliances
- Product inspection number falsification
- Damages caused by disasters
- Syndicated loans for large sums
- Administrative dispositions
- Substantial revisions of financial forecasts/dividend forecasts

Employees who violate laws and regulations related to insider trading will face severe punishment including administrative measures and criminal penalties.

Actions to be taken by individuals

- Do not use undisclosed material information about the Kawasaki Group, our customers or suppliers for personal gain.
- Utilize thorough information management for handling of undisclosed material information.
- In the event you obtain undisclosed material information about a company, do not give recommendations on buying or selling that company's stock to third parties, such as family or friends.
- Be careful to avoid suspicion of insider trading, and comply with established procedures for trading shares of Kawasaki Heavy Industries stock.

1-10. Information security

We will properly manage, use and store sensitive company information.

Among the information accessed by the Kawasaki Group in the course of everyday business, there are many sensitive items that would threaten the group's operational and legal standing if leaked. These include confidential information concerning prices, research and development, products, production, human resources, finance and know-how. This information is also very important for the business to succeed and requires careful handling.

Hard copies of confidential information also require the same careful handling. Please pay careful attention to distribution, management and storage.

Even greater attention is required when using a computer for business. In addition to management of electronic media on computers and CD-ROMs, the data on devices should be periodically backed up, and measures taken against disasters such as earthquakes, blackouts and lightning strikes.

Furthermore, sufficient care must be taken against theft or unauthorized access from the outside. In addition to routinely implementing measures to prevent information leaks, loss, or theft of electronic media, it is necessary to immediately take appropriate action should such occur.

Customers and other companies within the group may be affected by theft, loss or leakage of confidential information about the Kawasaki Group. If any of these occur, the company could be subject to fines, damage suits or suspension of business.

Also, the employee whose actions caused them may face individual punishment, as well as disciplinary action within the company for violation of company regulations, etc.

Actions to be taken by individuals

- Confidential information owned by the company should be strictly managed and used appropriately.
- Take sufficient measures for handling hard copies, such as allocating serial numbers and collecting materials after use. Also limit the number of people who have access to them by storing them under lock and key, etc.
- Take due care to prevent computers or electronic media from falling victim to theft or unauthorized access. In the event that this does occur, immediately report to the relevant departments and seek further instructions.
- Do not lightly open emails or attachments from unfamiliar addresses. First get confirmation from the relevant department.

- When using the internet, be careful not to provide a route for unauthorized access from outside by accessing malicious sites.
- Be aware that comments on social media regarding the company, or as an employee of the company, may lead to the leaking of corporate information.
- Do not disclose or leak confidential information either during or after your employment with the company without following internal procedures. Moreover, do not use confidential information obtained during previous employment in your work for the Kawasaki Group.

1-11. Protection of personal information

We will use personal information correctly in accordance with prescribed purposes of use, and will take due care in managing it so as to prevent loss or leakage.

Personal information is defined by the laws of various countries to be information concerning individuals, information that may identify existing individuals, etc. Specifically, the following examples can correspond to personal information.

- Name
- Date of Birth
- Social security number or ID card number
- Email address
- Video and audio that can identify specific individuals

Even information that would be difficult to use to identify an individual on its own can be considered personal information if an individual could be identified by combining multiple pieces of information.

Arbitrarily sharing or providing information, even within the group or to subcontractors, is forbidden unless done with the individual's consent or by following procedures stipulated by law.

Many countries and regions have strict laws about personal information, and may regulate the transfer of personal information outside of their own territories.

When handling personal information in the course of your work, it is necessary to pay attention to the laws and regulations of other countries concerned, as well as appropriately following those of your own country.

If you neglect to protect personal information, or handle it incorrectly, the company may be subject to criminal penalties or large damages. Individual employees can also be subject to punishment under the law or corporate regulations of each company.

Actions to be taken by individuals

- Respect the privacy of all individuals, and take meticulous care to protect personal information.
- When acquiring, managing, using, providing or destroying personal information in the course of business, do so carefully in accordance with the following points.
 - ◇ Only acquire, manage, use or provide personal information for legitimate business purposes. And immediately destroy it once it is no longer necessary.
 - ◇ In cases where it is appropriate to use anonymous information, use it in place of

personal information.

- ◇ Access to personal information shall be limited to those who require it for legitimate business purposes.
- ◇ Take sufficient care not to accidentally lose or destroy personal information.
- ◇ Immediately take appropriate action if you notice loss, theft or use of personal information for other than intended purposes.

1-12. Respect for intellectual property rights

We protect the results of the company's intellectual activities as intellectual property rights, and actively put them to use.

We respect the intellectual property rights of others, and do not violate them.

Intellectual property refers to things protected as intellectual property by relevant laws and regulations, including patents, utility models, designs, trademarks and copyrighted work; and intangible assets created through creative activity, such as know-how and trade secrets. As a rule, intellectual property created in connection with work belongs to the company.

Intellectual property is an essential asset for doing business. It must be actively utilized while protecting it from unauthorized use or disclosure. At the same time, we must also respect the intellectual property rights of others, and avoid using their intellectual property without permission.

If a third party's intellectual property rights are used without their consent, it may become difficult to continue doing business. And both the company and individual employee may face fines and criminal penalties.

Actions to be taken by individuals

- Promptly notify the section in charge about intellectual property related to the business.
- When conducting business, take care not to violate the rights of third-parties or allow the rights of the company to be violated.
- If you discover that our intellectual property rights have, or suspect they may have been infringed upon, or that we are infringing upon the intellectual property rights of a third party, promptly report it to your superior.
- Be sure to obtain approval from the section in charge before you announce intellectual property, or disclose, lend, transfer or sell it to a third party.
- When introducing new products and services into the market, investigate the intellectual property rights of other companies, and make sure not to wrongfully violate them.
- Take due care to ensure you do not infringe copyright when copying software, newspapers and magazines, or using, modifying or distributing copyrighted materials of others from the internet.

2. In Order to Face Stakeholders

In this section, we discuss our responsibilities and ethical duties with regards to stakeholders and the community, although they may not necessarily be codified into rules.

As members of Kawasaki Heavy Industries Group, we interact with various stakeholders via products and services, and each of the processes of our corporate activities. Furthermore, through global business expansion we are connected to stakeholders across international borders. And, in line with the statements in our group mission concerning environment and future, we are connected to stakeholders across time and space.

Considering stakeholders and gaining their trust are at the root of our corporate activities. Our ethical conduct towards various stakeholders supports the foundation of the Kawasaki Heavy Industries Group.

2-1. Quality and safety of products and services

We provide high-performance, high-quality, safe products and services.

Customers expect the Kawasaki Group to provide high-quality, safe products and services. In order to live up to their expectations, we must strive daily to provide high-quality products and services.

Moreover, providing safe products and services that satisfy laws and internal standards is both our responsibility and our mission.

We must consider safety at every stage from product contract, development and design, to services provided after product delivery. When creating instruction manuals, etc., consider whether it is necessary to include warnings to prevent incorrect use, and/or instructions explaining safe and correct use.

Concerning performance and safety, in addition to the items stipulated in the contract, compliance matters are also stipulated by laws and regulations. If violation of these items causes failures of products or services that result in physical or property damage to a customer, both the company and individual employees may face criminal and civil liability. Moreover, it may lead to significant loss of trust in the company.

Actions to be taken by individuals

- We will do our very best to provide customers with the highest quality products and services.
- Always listen earnestly to comments and requests from society related to products and services.
- Reliably implement prescribed steps and necessary measures to guarantee the safety and quality of products and services, and comply with relevant laws.
- Never misrepresent quality, performance or safety: such as fabricating product inspection records, cheating on performance tests, etc.
- If failure of products or services causes physical or property damage to customers, or you have uncovered concerns of such, make it top priority to resolve the problem. Also investigate the root causes and take corrective action to prevent recurrence.

2-2. Compliance with engineering ethics

We will develop technology with a high level of integrity.

The Kawasaki Group must be an organization that continues to earn the trust of society by contributing to the realization of a sustainable society through advanced technological prowess.

We must meet our social responsibilities by providing products and services trusted by customers that bring them peace of mind. And in accordance with the group mission, we must always develop products that contribute to prosperity and the future of the global environment.

We will observe the laws, norms and ethics of society, and always develop technologies with high ethical standards. We must never commit any offenses that would cause us to lose the trust of society.

As engineers, if we are met with situations in the course of performing our duties that are deemed contrary to engineering ethics, we shall not carry them through. Moreover, if there is a possibility of problems with products or services, we shall promptly investigate the facts, and take appropriate action.

Actions to be taken by individuals

- Leverage expert knowledge, skills and experience to contribute to human health and happiness, societal safety and environmental preservation.
- Provide safe and superior products and services, and generate technological innovation by always striving to improve your expertise and abilities.
- Strive to nurture human resources and promote transfer of skills.
- Judge fairly and autonomously based on scientific facts, and act honestly and sincerely — always aware of changes in laws and social conventions. Never falsify data in order to make product performance seem higher.
- Endeavor to soundly disseminate and strengthen technologies based on expert knowledge and experience.

2-3. Respect for human rights

We respect the human rights of all people.

According to the Universal Declaration of Human Rights, human rights are "the equal and inalienable rights of all members of the human family".

http://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf

In order to respect the human rights of each and every person, we must afford them equal dignity and respect, regardless of race, skin color, gender, age, nationality, social origin, ancestry, sexual orientation^{*1}, gender identity^{*2}, marital status, religion, political beliefs, disabilities, diseases or any other distinctions.

*1: Sexual orientation: Concepts such as homosexuality, bisexuality and heterosexuality, concerning the sex of the partners one is attracted to. This also includes those who are not sexually attracted to others (asexual), etc.

*2: Gender identity: A concept dealing with what one considers their own sex. This does not necessarily align with the person's physical sex. Also, it is not limited to only male and female.

Furthermore, the following human rights violations with regard to labor are still problematic around the world. We must not tolerate these kinds of labor.

- Forced labor: This is labor that is based on intimidation. This takes many forms including confinement and debt slavery, and is a violation of rights to dignity and protection from exploitation, violence and abuse.
- Child labor: This is labor that engages children below the minimum age stipulated by international treaties and national legislation. It is a violation of the rights to education and protection from exploitation, violence and abuse.

In addition, corporate activities may indirectly influence the rights of third parties, as illustrated in the examples below.

- Lax product safety: This is a violation of the customer's rights to life, and security of person.
- Environmental impact: This is a violation of the right to live healthily and hygienically.
- Bribery of foreign public officials: This is a violation of the right of the citizens of the relevant country to have their taxes utilized fairly and appropriately.
- Requests for excessive cost reductions or short deadlines to suppliers: This violates the rights of supplier employees concerning health, working conditions and wages.

If acts or omissions by the company are considered by society to disregard human rights, even if they do not violate any laws or regulations, they could lead to extensive damage such as boycott of products, claims for damages or exclusion from investment.

Individual employees may be punished for violations based on the regulations of each company.

Actions to be taken by individuals

- Treat all people you meet in the course of business-- not only Kawasaki Heavy Industries Group employees, but suppliers, customers, local residents and those who wish to join the corporate group as well-- with fairness and respect.
- Respect the basic human rights and individuality of each person.
- Do not engage in heavy-handed or aggressive behavior, malicious acts or harassment. And be careful not to practice discriminatory or inappropriate speech or conduct.
- Do not damage the workplace environment, such as through sexual speech or conduct that makes others feel uncomfortable.
- Do not engage in speech or conduct based on stereotypes about differences between the sexes: such as forcing women to clean or men to do overtime, outside of their prescribed work.
- Ask yourself whether the decisions and actions you take in the course of your work indirectly affect the rights of third parties.
- If you see or notice harassment or discrimination, promptly report this to your superior, relevant department and compliance department/officer.

2-4. Eliminating unethical use of products/technology

We do not provide products and technologies for unethical purposes of use.

Calls are increasing for corporate ethical responsibility when providing products and services worldwide. Unethical use may occur when products and technologies provided by a business are used for purposes beyond those originally intended, such as organized or individual crimes, human rights violations, or to manufacture of goods used for those purposes.

Unethical use aims to adversely affect stakeholders and society either directly or indirectly.

When a business provides products and services, it should seek to prevent their use for other than intended purposes, by properly determining who they will be provided to, and how the recipient intends to use them.

Actions to be taken by individuals

- Be aware of the characteristics of our group's products and technologies, and the ethical responsibilities concerning their provision.
- When providing products and technology overseas, follow the sections stipulated by related laws and carefully check whether the products or technology require export permission and whether the customer and intended application are qualified. As necessary, consult government agencies, etc. to determine whether the transaction is advisable.
- Comply with international regimes, relevant laws and regulations concerning security trade control when providing products and technologies overseas.
- When you receive an inquiry from a first-time customer, be sure to check their nationality, business activities, investors, intended use, etc.

2-5. Donations / Support

We will carry out responsible donations and support as a corporate citizen living together with society.

Donations and support are important social responsibilities for a company operating as a good corporate citizen. Each company in the Kawasaki Group will implement initiatives according to the era and conditions it is in, aimed at realizing a higher level of social responsibility based on the issues and needs of each country or region.

However, we will not make political donations to apply unfair pressure or for unjust purposes, let alone give bribes.

Because there are intentionally fraudulent requests for donation/support that masquerade as worthy causes/organizations mixed in among legitimate requests, always carefully consider the necessity and validity of a donation in order to avoid supporting fraudulent acts.

* Donation: To provide money, property etc. for public works, public benefit, welfare, religious facilities etc. free of charge.

Support: To approve of and cooperate with the aims of a business, etc.

Bribe: Providing money or goods in order to obtain an advantage in return.

Bribes disguised as donations or support will result in penalties based on the tax laws and criminal laws of each country, as well as greatly harming the company's credibility.

Actions to be taken by individuals

- Verify that the contribution/support will be understood by stakeholders such as shareholders and employees, and that it will help the Kawasaki Group to be seen as a trusted corporate citizen by society.
- Never use donations/support for unfair pressure or unjust purposes.
- Pay close attention so that it will not lead to wrongdoing. If you have concerns, seek the judgment of the relevant department.

2-6. Disclosing company information

In order to gain trust and understanding from society, we will disclose corporate information in a timely and appropriate manner.

Corporate information is not just financial data and descriptions, but all information related to business operations, including product and technology content, compliance, etc. In order to ensure transparency, fulfill our corporate responsibilities, and gain trust and understanding from society, it is necessary to disclose corporate information in a timely and appropriate manner.

After gaining approval from management in accordance with company regulations, the responsible department should disclose corporate information through means such as press releases and the corporate website so that it is widely disseminated to society.

While it is given that information disclosure shall be carried out appropriately in accordance with the law, etc., information judged to be important should be voluntarily disclosed even when no applicable laws or regulations exist.

Furthermore, we should not disclose only information that is favorable. All information deemed important according to stakeholder expectations should be publicly disclosed in a timely and appropriate manner, whether it is good or bad. It is important for the company to always adopt a stance of adequate accountability. Also, it is important to gain the trust and understanding of stakeholders through routinely carrying out these actions.

* The department responsible for disclosing corporate information shall do so through official procedures. Employees who are not part of the department responsible for disclosing corporate information shall securely manage undisclosed information, and not disclose it based on personal judgement.

2-7. Respect for human resource diversity

We value each of our employees and support expression of their abilities. We respect diversity and strive for a workplace in which all people can work with purpose.

The Kawasaki Group considers its employees to be its most important asset for achieving its business goals and mission.

The company promotes the development of a fair and equitable workplace environment so that its employees may express their abilities to the fullest extent possible. We also respect the diversity of employees, and accept the various values, skills and experience that each person has cultivated. And we strive to create a workplace that can take advantage of these.

By utilizing the diversity of our employees, and allowing them to reach their full potential, we not only increase our group's vitality and creativity, but its competitiveness as well.

Hereafter, we will promote a work climate that respects individual differences, and in which all employees can contribute regardless of their gender, age, nationality or whether or not they have a disability.

We will promote a workplace that respects a diversity of work styles, supporting all employees in balancing professional and private life, and producing results by increasing their enthusiasm towards work, as well as the reward drawn from it.

Inequality in employment opportunities, treatment, training, evaluations and promotions based on sex, age, religion, personal convictions, etc., may damage the company's image and impairs its ability to secure human resources. Furthermore, excessively long working hours may damage the health of individual employees, and force them to resign due to mental breakdown.

Actions to be taken by individuals

- Mutually recognize the diverse abilities, values and ideas that different personalities have.
- Continue to create new knowledge and technology by discussing freely and openly from various perspectives.
- Always put your very best efforts toward self-improvement so that you can reach your full potential and contribute to the organization by exercising added value unique to you.
- Recruitment, selection, training and promotion of employees will be carried out in a fair and equitable manner based on skills, abilities, experience and actual results.

- Deepen your understanding of the handicaps known as disabilities, and based on this understanding, create an environment in which is easy to work together.
- In order to enrich the quality of both your work and private life, utilize the various work styles provided by the company with self-control and responsibility. Strive to improve the efficiency and productivity of your work, and endeavor to produce results.

2-8. Employee Safety and Health

We recognize that safety and health are top priority, and strive to realize a safe and healthy workplace environment.

Companies are obliged to protect the health and safety of employees. Employees are obliged to observe matters needed to prevent work-related accidents, and to cooperate with measures implemented by the company to prevent work-related accidents.

The Kawasaki Group makes respect for human beings and health first its core principles. We are working to create a work climate that prioritizes safety and health, and to realize a safe and comfortable workplace in which employees can stay mentally and physically fit. When employees can maintain their health and continue to work in a safe environment, the value of the company's important human resources is increased.

We implement good mental health care, paying attention not only to the body, but the mind as well.

There are many laws and regulations about health and safety. And companies also have internal regulations.

If employees suffer injury or damage to health because of deviation from these, not only the individual employee, but the company as well, may face punishment for violation.

Actions to be taken by individuals

- Comply with laws, company policies and regulations related to occupational health and safety.
- In the spirit of health first, employees should always pay attention to their own health and that of their co-workers. If you feel something is wrong, deal with it immediately.
- Make safety top priority. Strive continuously to ensure safety, putting the lives of employees including yourself, visitors and everyone who works at the workplace first.
- Participate in essential training. Also, do not engage in work for which training and fulfillment of requirements are necessary, unless you have met the requirements and completed the relevant training.
- Do not engage in work when your normal ability to perform on the job is compromised due to sickness, alcohol, drugs, etc.
- If you discover unsafe or harmful work, promptly stop it and report it to the relevant department. Also, if you notice a problem relating to safety and health, or fear that one might arise, promptly report it to the relevant department.
- Undergo prescribed medical examinations and further detailed examinations depending on the results to protect your health. Moreover, always be health conscious. Practice good health behaviors and habits on your own, and work to improve mental

and physical stability and vitality.

- Try to maintain good communication with the people around you, and strive toward better human relations.

2-9. Collaboration with suppliers

We engage in fair and impartial procurement activities.
We collaborate with suppliers to fulfill our social responsibilities.

Suppliers are indispensable partners who make it possible for the Kawasaki Group to conduct business.

The Kawasaki Group aims to develop and grow together with its suppliers. To this end, we must pay respect to our suppliers, and collaborate to fulfill our social responsibilities.

We must ensure fair competition and unbiased assessments, and create fair opportunities for entry. Selection of suppliers shall be conducted without consideration of how many transactions they made with us in the past, or whether they are inside or outside of the country.

Furthermore, carrying out procurement activities in accordance with our social responsibilities is just as vital for conducting Kawasaki Group business, as considerations about compliance, human rights, labor, occupational health and safety and the environment. For this reason, there are now global calls to engage with every step in the supply chain, and cooperate not just within the group, but with our suppliers who are our partners as well.

Also, it is necessary for businesses do not make purchases that could provide support for unethical activities. For example, they must avoid supporting conflict or inhumane actions by procuring or using conflict minerals*.

* Conflict minerals denotes 4 minerals (tin, tantalum, tungsten and gold) produced in the Democratic Republic of the Congo and its neighboring countries. These conflict minerals are a source of funding for armed insurgents who have repeatedly committed inhuman acts, such as massacres, looting and sexual violence. For this reason, countries like the United States have restricted their trade. The EU has also now agreed to similar laws in principle. (As of February 2017)

Neglecting to cooperate with suppliers in relation to social responsibilities, may lead to loss of trust by customers and stock markets.

Actions to be taken by individuals

➤ Provide suppliers with broad and fair opportunities, and make fair assessments.

Do not treat suppliers unfairly or abuse our dominant position.

➤ When selecting suppliers, take into account not only factors like quality, price and delivery date, but also fulfillment of social responsibilities such as compliance with laws and regulations, respect for human rights and safety, and environmental protection.

➤ Disclose the Kawasaki Group CSR Procurement Guidelines to suppliers, and request cooperation with social responsibilities. Furthermore, monitor the situation, and work toward improvements where necessary.

2-10. Contribution to the global environment

We provide eco-friendly products and services, and contribute to the development of a sustainable society.

Humanity has pressed forward with large-scale development in order to achieve an abundant lifestyle, overconsuming limited natural resources, and damaging the ecosystem through widespread deforestation, etc. This has brought significant changes to the global environment.

Furthermore, this process has released greenhouse gases such as CO₂ which have become the primary driver of global warming, prompting concerns about the resulting large impact on the future global environment.

If we turn our eyes from these changes, and persist with unregulated development and consumption, a great deal of the life on earth will be lost.

This impending crisis truly demands the realization of a sustainable society on a global scale.

The Kawasaki Group attempts to reduce environmental impact through design and manufacturing that consider the entire life cycle of products from materials procurement, through production, distribution, use and disposal.

Moreover, we aim to be a company that uses its products and services to contribute to the future of the global environment while helping to secure a high standard of life for its inhabitants.

Countries around the world have various environmental regulations. Adherence to laws is fundamental to environmental management. But if this is neglected and laws are violated, both the company and individual employee could face suspension of operations and criminal penalties. This could significantly damage the Kawasaki brand.

Actions to be taken by individuals

- Use only the amount of energy needed for things that are necessary.
- Use the 3 R's (Reduce, Reuse and Recycle) to minimize waste and handle it appropriately.
- Feel affinity for the flora and fauna around you, and work to preserve the ecosystem.
- Actively participate in environmental activities both inside and outside of the company