

Product Liability

Management
Approach**Material Issues and Our Approach**

As the Kawasaki Group's businesses involve the provision of many infrastructure products, ensuring that customers can use our products and services with confidence is a key management issue. The Kawasaki Group Code of Conduct includes a section titled "Quality and Safety of Products and Services" and states that we must provide high-performance, high-quality, safe products and services.

Focus Activities and Medium-term Targets● **Goals for the MTBP 2019**

- Create quality assurance and product safety systems Group-wide.
- Zero product safety law violations.
- Reduce the number of product liability lawsuits by 15% from the fiscal 2019 level.
- Reduce the number of serious quality problems (recalls) by 15% from the fiscal 2019 level.

Progress, Results and Challenges● **Goals for Fiscal 2019**

- Survey the internal companies and business divisions.
- Establish a Kawasaki Group quality assurance policy.
- Build a Group-wide system for thorough quality management.

Structure

We have established a division that supervises quality assurance within the Corporate Technology Division to advance quality control assurance at the Group-wide level. We have also established divisions responsible for quality control within the internal companies and business divisions to advance quality assurance activities within the internal companies.

● **Responsible Officer**

Sukeyuki Namiki, Representative Director, Vice President and Senior Executive Officer (in charge of Quality Control)

● **Responsible Executive Organ and Committee**

We are formulating policies and plans for building and reinforcing a Group-wide total quality management (TQM) system that will include regular quality assurance activities.

Product Liability

Product Quality and Safety Policy

The Kawasaki Group Code of Conduct includes a section titled “Quality and Safety of Products and Services” and states that “we must provide high-performance, high-quality, safe products and services.”

- **Scope of Policy Application**

The Kawasaki Group



The Kawasaki Group Code of Conduct

<https://global.kawasaki.com/en/corp/sustainability/business-conduct-guideline.html>

Quality and Safety Management

The internal companies and business divisions are reassessing their internal product safety rules to ensure that their product safety processes are compliant with the international standard ISO 12100. Doing so will better enable design divisions to carry out risk assessments and implement risk reduction measures appropriate to the magnitude of risks identified from the design stage.

- **Basic Safety Standards: Basic concepts applied to all types of machinery**

- ISO 12100 Safety of machinery—General principles for design—Risk assessment and risk reduction

- **Generic Safety Standards: Applied across a wide range of machinery**

- ISO 13849-1 Safety of machinery—Safety-related parts of control systems—Part 1: General principles for design
- IEC 62061 Safety of machinery—Functional safety of electrical, electronic and programmable electronic control systems
- IEC 60204-1 Safety of machinery—Electrical equipment of machines—Part 1: General requirements
- IEC 61000-6-4 Electromagnetic compatibility (EMC)—Part 6-4: Generic standards—Emission standard for industrial environments
- IEC 61000-6-2 Electromagnetic compatibility (EMC)—Part 6-2: Generic standards—Immunity for industrial environments

- **Machine Safety Standards: Detailed safety requirements for a particular machine or group of machines**

- ISO 10218-1 Robots and robotic devices—Safety requirements for industrial robots—Part 1: Robots

Quality and Safety Education and Awareness Raising

We hold information meetings on machinery safety and risk assessment seminars for technical divisions of the internal companies and business divisions, which are at the frontlines of realizing machine safety, to ensure that the idea and practice of machine safety reaches all affected employees.

Quality and Safety Violations and Actions Taken

On December 11, 2017, a major incident occurred in which a crack was discovered in the bogie frame of a series N700 Shinkansen railcar owned by West Japan Railway Company at Nagoya Station on the Tokaido Shinkansen Line.

Kawasaki established a Companywide Quality Control Committee to investigate the causes of this manufacturing defect and discuss responsive measures. The results of this investigation were promptly published on the Group’s website and explained at press conferences and elsewhere.

Furthermore, to reinforce the Company-wide quality control system, in April 2019 we established a department to promote quality assurance activities at the Company-wide level, and we have implemented corrective measures to prevent recurrences.

ISO 9001 Certification Status

Kawasaki acquires ISO 9001 certification at the internal company level.

- Head Office: Uncertified
 - Ship & Offshore Structure Company: Certified (general merchant ships, offshore structures and AUVs business)
 - Rolling Stock Company: Certified
 - Aerospace Systems Company: Certified (JIS Q 9100 for aerospace and jet engine business)
 - Energy System & Plant Engineering Company: Certified (plants, energy and marine business)
 - Motorcycle & Engine Company: Certified (small engine business)
 - Precision Machinery & Robot Company: Certified (also certified under the automotive industry standard IATF 16949 for the gas valve business)
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Policy on Defense-related Businesses

Initiatives to Prevent Human Rights Infringements in Defense-related Businesses

The Kawasaki Group Code of Conduct states that “We do not provide products and technologies for unethical purposes of use” and requires that Group members be aware of the ethical responsibilities associated with the provision of Group products and technologies.

Net Sales in Defense-related Businesses

	(FY)	2014	2015	2016	2017	2018
Net sales	(Millions of yen)	220,745	227,333	236,861	237,737	216,989
Percentage of total net sales	(%)	14.9	14.8	15.5	15.1	13.6
	Scope	cg	cg	cg	cg	cg