

Annual Report of Sustainability Bond in FY2021 and Green Bond in FY2022 and Transition Bond in FY2023 (as of July 31, 2025)






With respect to the bonds issued by Kawasaki Heavy Industries, Ltd., all the funds raised were allocated to the target projects. Indicators of the environmental and social effects of the appropriation of the funds are shown on Page 2.

■ The list of bonds subject to reporting

Bond number	Issued date	Due date	Amount (yen)	Type of SDGs Bond
58th	2021/7/15	2031/7/15	10 Billion	sustainability bond
59th	2022/7/14	2032/7/14	9 Billion	green bond
60th	2024/2/29	2029/2/28	10 Billion	transition Bond

■ The status of funds appropriation




Criteria	Projects	The status of funds appropriation		
		60th	59th	58th
Popularization of automated robotic PCR testing systems 	Investment in the development of container-type PCR testing systems	/	/	Fully appropriated (2 Billion Yen)
	Investment in the manufacturing of container-type PCR testing systems			
	Investment in the development of an automated PCR testing platform (Web reservation system, etc.)			
Establishment of a Clean Hydrogen Supply Chain 	Investment in development and demonstration for the establishment of a clean hydrogen supply chain	Fully appropriated (8 Billion Yen) ※1	Fully appropriated (9 Billion Yen)	Fully appropriated (8 Billion Yen)
	Investment in manufacturing for the establishment of a clean hydrogen supply chain			
Clean energy use of hydrogen (co-firing) 	Hydrogen gas turbine for power generation (co-firing)	Fully appropriated (2 Billion Yen) ※1	/	/
	Hydrogen gas engine for power generation (co-firing)			

※1 Used to new expenditure and refinance funds from FY 2021 to FY 2023

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■ Impact reporting

Criteria	Projects	Output indicators	Outcome indicators
Popularization of automated robotic PCR testing systems 	Investment in the development of container-type PCR testing systems	<p>We have been providing solutions to social issues, such as reducing the risk of infection by healthcare workers and contributing to the quickly recovery of passenger demand, by taking advantage of the features of our automated robotic PCR testing systems, which enable high-precision and high-capacity testing.</p> <p>The number of PCR tests reached approximately 850,000 by the end of FY2023.</p> <p>We recognize that the automated robotic PCR testing systems fulfilled a certain role and we disposed of the equipment, including robots, by April 2024.</p> <p>Therefore, there will be no further updates on funding status and the number of PCR tests .</p>	
	Investment in the manufacturing of container-type PCR testing systems		
	Investment in the development of an automated PCR testing platform (Web reservation system, etc.)		
Establishment of a Clean Hydrogen Supply Chain 	Investment in development and demonstration for the establishment of a clean hydrogen supply chain	<p>● Status of progress in R&D and demonstration</p> <ul style="list-style-type: none"> Steady progress is being made in the demonstration for the establishment of a liquefied hydrogen supply chain after 2030. In April 2025, Japan Hydrogen Energy Co., Ltd. (JSE), in which we have a stake, signed a contract to lease Ogishima Land of JFE Steel's East Japan Works as a site for the domestic liquefied hydrogen terminal, and began construction in May 2025. The terminal will be the world's first commercial-scale facility equipped with liquefied hydrogen storage tanks (storage capacity 50,000 m3), marine cargo handling equipment including loading arms, hydrogen liquefaction equipment. In this demonstration, we will use this terminal (including both shipping and receiving functions) and the liquefied hydrogen carrier to be built to confirm the requirements required for commercialization of the international hydrogen supply chain from upstream to downstream, such as performance, safety, durability, reliability, and economy, by FY2030. (※2) 	<p>● Amount of CO2 emission reduction through hydrogen use (Theoretical value) (※4)</p>
	Investment in manufacturing for the establishment of a clean hydrogen supply chain	<p>Amount of clean hydrogen transported (※3)</p>	
Clean energy use of hydrogen (co-firing) 	Hydrogen gas turbine for power generation (co-firing)	<p>● Status of progress in R&D and demonstration</p> <ul style="list-style-type: none"> We have developed the world's first technology to realize stable combustion (hydrogen exclusive combustion) using only hydrogen as fuel for large gas engines with a power output of 5 MW or more. We are continuing to design and optimize this technology for commercialization around 2030. (※5) In May 2024, we converted our 7.5MW gas engine located in our Kobe Works to co-fire hydrogen. In July, we successfully conducted a trial of co-firing with 30% hydrogen by volume and started operation in November. If this gas engine is co-fired with 30% hydrogen, CO2 emissions can be reduced by 1,150 tons per year (equivalent to the annual emissions of approximately 420 households). The launch of the hydrogen co-firing model of Kawasaki Green Gas Engines and the development of hydrogen co-firing retrofit work for existing engines are scheduled for 2025. (※6) 	
	Hydrogen gas engine for power generation (co-firing)		

※2 Press Release: https://www.khi.co.jp/news/news_250526-1.pdf

※3 The goal is to have capability to transport 225 thousand tons/year or more of liquefied hydrogen to Japan by FY 2031.

※4 CO2 emission reduction by using transported hydrogen (225 thousand tons/year) is about 1.6 million tons/year (theoretical value).

※5 Press Release: https://www.khi.co.jp/pressrelease/detail/20241016_1.html

※6 Press Release: https://www.khi.co.jp/news/detail/20241115_1.html