

Annual Report of Sustainability Bond in FY2021 and Green Bond in FY2022 and Transition Bond in FY2023 (as of July 31, 2026)



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	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. The number of PCR tests reached approximately 850,000 by the end of FY2023. We recognize that the automated robotic PCR testing systems fulfilled a certain role and we disposed of the equipment, including robots, by April 2024. Therefore, there will be no further updates on funding status and the number of PCR tests .	
	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	● Status of progress in R&D and demonstration - In May 2025, Japan Suiso Energy, Ltd. (JSE), in which we have a stake, commenced construction of the “Kawasaki LH₂ Terminal” in Ogishima, Kawasaki City, Kanagawa Prefecture, which serves as a core facility for the commercialization demonstration of a liquefied hydrogen supply chain. In November 2025, a groundbreaking ceremony was held. We are currently constructing the world's first commercial-scale hydrogen handling facilities, including a hydrogen liquefaction plant, the world's largest liquefied hydrogen storage tank with a storage capacity of 50,000m³, and a liquefied hydrogen loading arm system. (※3) In addition, in December 2025, we signed a shipbuilding contract with JSE for the world's largest 40,000m³ liquefied hydrogen carrier, and construction commenced at our Sakaide Works. Through this demonstration utilizing these facilities and technologies, we will confirm the requirements necessary for the commercialization of the international liquefied hydrogen supply chain, including performance, safety, reliability and economic viability, by FY2030. - We are also advancing the development of hydrogen-related products. In January 2026, we commenced demonstration testing of a centrifugal hydrogen compressor for hydrogen liquefaction plants. Through these initiatives, we are also promoting the creation of hydrogen demand in preparation for a hydrogen society. (※4)	● Amount of CO₂ emission reduction through hydrogen use
	Investment in manufacturing for the establishment of a clean hydrogen supply chain	Amount of clean hydrogen transported (※5)	
Clean energy use of hydrogen (co-firing) 	Hydrogen gas turbine for power generation (co-firing)	● Status of progress in R&D and demonstration - In February 2026, we delivered and commenced operation of four units of the “PUC80D” 8 MW-class gas turbine cogeneration system equipped with DLE combustors capable of hydrogen co-firing at Teijin Limited's Matsuyama Plant. The combined generating capacity is approximately 30,000kW. The introduction of these systems enables fuel conversion from coal and oil to city gas and is expected to reduce annual CO₂ emissions by approximately 200,000 tonnes compared with FY2018 levels. (※6) To meet diverse customer needs for hydrogen utilization, we are developing hydrogen gas turbines covering applications ranging from hydrogen co-firing to 100% hydrogen firing. We also launched sales of the world's first large gas engine capable of co-firing hydrogen at a ratio of up to 30% in September 2025. (※7) - These products are “Hydrogen-Ready” solutions capable of operating on both hydrogen and natural gas. They serve as transition technologies that enable customers to gradually expand hydrogen utilization while making effective use of existing energy infrastructure until hydrogen becomes widely available. - Going forward, we will continue development toward 100% hydrogen-fueled large gas engines, thereby contributing to broader hydrogen utilization and the realization of a decarbonized society.	
	Hydrogen gas engine for power generation (co-firing)		

※2 Press Release: https://www.khi.co.jp/pressrelease/news_251127-2.pdf
 ※3 Press Release: https://www.khi.co.jp/pressrelease/news_260106-1.pdf
 ※4 Press Release: https://www.khi.co.jp/pressrelease/detail/20260319_b2.html

※5 The goal has been revised to complete one commercial-scale demonstration liquefied hydrogen carrier capable of transporting more than 30,000 tonnes of hydrogen per year to Japan by FY2030.
 ※6 Press Release: https://www.khi.co.jp/pressrelease/detail/20260421_1.html
 ※7 Press Release: https://www.khi.co.jp/pressrelease/detail/20250930_1.html