Comments of Experts Interviewed in Step 3

(Titles indicate positions at that time)

Kazuo Tase
President and CEO, SDG Partners, Inc.

- Overall the material issues seem to have been put together based on a consistent logic, and the content is fine as long as it is practically possible to channel management resources into materiality. There is no mention in the "foundation of our business activities" of either decarbonization or the Kawasaki Group's response to the TCFD, so these topics need to be added. But as long as 2030 is the target, I think there are no other problems.
- Regarding social and environmental value created through business, what meaning do the three businesses that will generate this value have in the Kawasaki Group's financial strategy and what weight do they have in sales, revenue, and business portfolio? Whether or not the Kawasaki Group can answer these questions is becoming the most important point for materiality.
- Regarding ESG issues, it is important to think about the whole supply chain. When deciding material issues, it is necessary to verify to what extent such matters as decarbonization, biodiversity, and business and human rights are being controlled and managed in the supply chain and whether there are firm commitments and practices in the supply chain to prevent any negative impact.
- Regarding the vision timeframe when deciding material issues, the current issues is fine if the target is 2030. But if you are looking ahead to 2050, which is the target year for net zero emissions and carbon neutrality, your strategy needs to be given greater consideration.
- It is said that because of technological innovations occurring in the first half of the 2030s, the cost of renewable-derived hydrogen will fall to less than the cost of fossil-fuel-derived energy. After these technological innovations take place, fossil fuel may well become completely meaningless. Regarding hydrogen, if you are thinking about materiality by backcasting from a super-long-term strategy, it would be better to think in terms of a slightly longer timeframe.