

Kawasaki Group Mission Statement

Kawasaki formulated the Kawasaki Group Mission Statement as a compass directing the activities of the Kawasaki Group. The statement incorporates the Group's social mission and, to increase the Kawasaki brand value, shared values, the underlying principles of management activities, and guidelines for the daily conduct of each and every member of the organization.

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

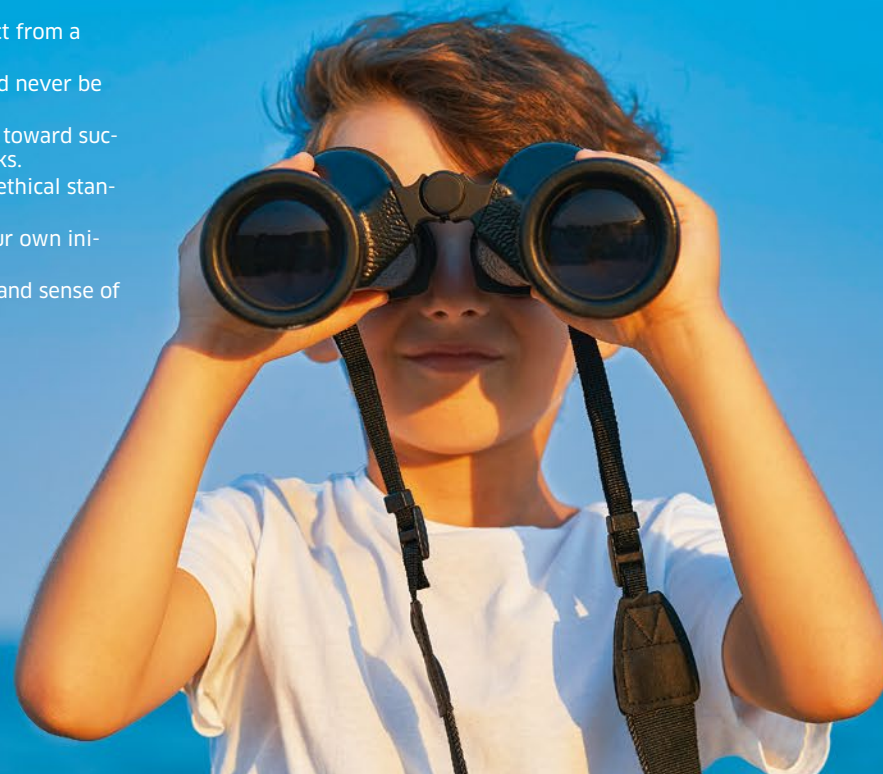
- We respond to our customers' requirements
- We constantly achieve new heights in technology
- We pursue originality and innovation

The Kawasaki Group Management Principles

- 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.
- 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.
- 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.
- Strategy** Enhance corporate value based on the guiding principles of "selective focusing of resources," "emphasis on quality over quantity," and "risk management."

The Kawasaki Group Action Guidelines

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.



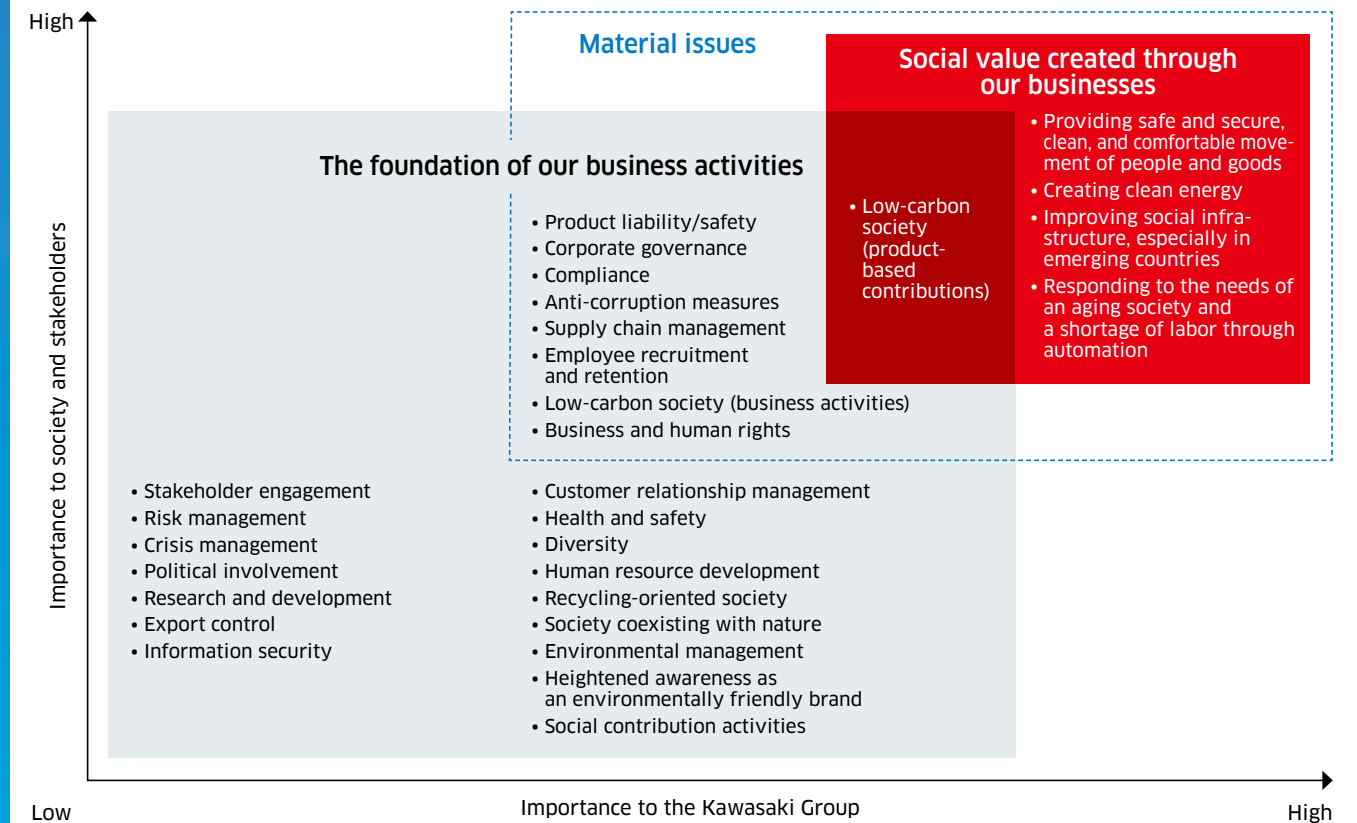
Material Issues

Identifying Material Issues

In light of increasingly diverse stakeholder expectations and demands and changes in the business environment, Kawasaki has reexamined and categorized the impacts that its corporate activities have on society in order to identify material issues.

We are handling the material issues identified based on a management approach defined under the GRI* standards and have established KPIs that we use to regularly monitor progress.

Materiality Matrix of Items Identified



*GRI standards: Global Reporting Initiative Sustainability Reporting Standards

Process for Identifying Materiality

- STEP 1 Identify and narrow down CSR issues** We analyzed industry- and Kawasaki Group-specific survey criteria applied by international SRI/ESG (socially responsible investment/environment, social, governance) assessment organizations, including DJSI, FTSE, MSCI¹ and Sustainalytics, as well as content required under reporting guidelines set by SASB², GRI and other standards organizations. We also drew on the opinions of external advisors and then identified and narrowed down CSR issues.
- STEP 2 Evaluate impact of issues and assign priorities** We made an internal evaluation of each CSR issue narrowed down through Step 1 from the perspective of importance to society and stakeholders as well as importance to Kawasaki and created a provisional order of importance. We also put responses to social issues of global scale that were identified under MTBP 2016³ in a category—the social value we create—with our Group Mission "Kawasaki, working as one for the good of the planet" and made this category a top priority.
- STEP 3 Interview outside experts and decide on material issues (materiality)** To verify the appropriateness of priority placement determined in-house, we invited comments from outside experts through an interview process. Based on these comments, we reviewed the impact of CSR issues on society and stakeholders and made revisions (see the matrix above).
- STEP 4 Formulate the plan and conduct a review** We will comply with the management approach defined under GRI standards, establish concrete numerical targets and, through the steady implementation of strategies and follow-up measures, move CSR programs toward the realization of stated goals. In addition, the Corporate CSR Committee will periodically review material issues and other topics to ensure that CSR activities are in sync with changes in the business environment and evolving social expectations.

¹ DJSI, FTSE, MSCI: please refer to page 61

² SASB: Sustainability Accounting Standards Board

³ MTBP 2016: Kawasaki's Medium-Term Business Plan 2016



For more information about Kawasaki's process of identifying material issues, please refer to Kawasaki's website. <https://global.kawasaki.com/en/corp/sustainability/materiality.html>