

Rolling Stock

Main Products

- Electric train cars, including Shinkansen (bullet trains)
- Electric and diesel locomotives
- Passenger coaches
- Bogies

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Vision

The world's most trusted rolling stock system supplier, moving and inspiring customers worldwide based on strong teamwork and the highest level of technology and quality.

Opportunities

- Firm replacement demand in the domestic market
- Demand for urban transportation development in emerging countries in Asia
- Stable demand for subway and commuter train systems in the North American market
- Expanding recurring demand, including that for components, maintenance, and repair and rebuild work across markets

Risks

- Intensifying price competition due to the entry of competing manufacturers into the North American market
- Country risk in new markets for Kawasaki
- Revisions to investment plans by railway companies due to the COVID-19 pandemic

Core Competence

- High-tech expertise built on comprehensive heavy industry strengths
- Ability to fulfill contracts cultivated from extensive domestic and overseas track record
- Partnership capabilities with other companies in execution of overseas projects

Business Direction

- Rebuild the quality control system, pursue orders with a thorough focus on profitability, and maintain and improve non-price competitiveness, leveraging outstanding technical expertise
- Steadily fulfill large orders already received in the North American market and work to secure orders in emerging Asian countries
- Aggressively develop highly profitable recurring revenue businesses that leverage our extensive track record of orders delivered and expand revenue across the rolling stock life cycle by reinforcing our core competence

Operating Environment and Strategies

Due to the COVID-19 pandemic, the number of rail passengers in Japan has declined, and railway companies are revising their investment plans. Meanwhile, delays are emerging in the construction of new rail lines overseas. Nevertheless, railway systems are an environmentally friendly mode of public transportation and necessary to daily life, and stable demand growth is expected over the long term due to urban transportation development to address congestion and environmental issues in major cities. These issues arise from continued urbanization around the world as well as rising demand for railway infrastructure accompanying economic development in Asian countries.

In this operating environment, the Rolling Stock business is working to improve profitability through enhanced competitiveness in areas other than price and business model reform while reinforcing product management and enhancing quality control. Furthermore, based on a policy of putting quality before quantity, we will focus on projects in which we can demonstrate Kawasaki's superiority while expanding recurring revenue businesses in and outside Japan, aiming to increase profitability, which has been an issue.

In the North American market, we will steadily fulfill existing orders from such customers as the MTA New York City Transit. We will also work to build a stable revenue base by commercializing track monitoring using IoT and focusing on such businesses as components, repair and rebuild, and maintenance.

The Asian market is expected to see ongoing growth.

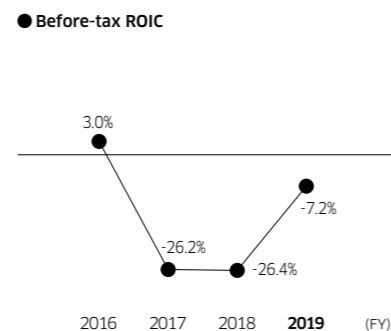
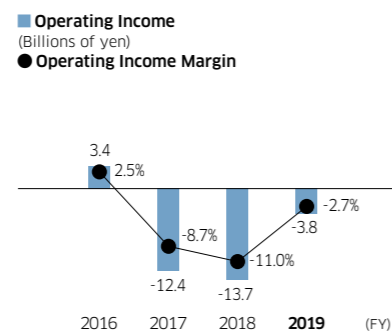
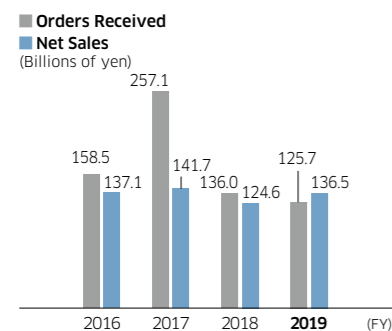
In this market, we will seek business expansion through such means as securing orders for projects financed by ODA loans in emerging countries in line with the Japanese government's policies of promoting exports of railway infrastructure.

Initiatives to Create Social Value

The Rolling Stock Company has designated as its vision for 2030 helping to build better global transportation infrastructure by manufacturing rolling stock that is safe and comfortable to ride in, highly reliable, highly cost efficient over its life cycle, and energy saving to minimize the burden on the environment. To this end, we will promote participation in high-speed train projects at home and abroad and continue to provide rolling stock to customers in Japan, North America, and Asia while seeking to participate in projects to build new rolling stock infrastructure in emerging Asian countries. At the same time, we will develop a diverse lineup of more environmentally friendly products, including locomotives, electric train cars, and diesel railcars. In addition, to better meet customer needs, we will further develop monitoring technologies that combine sensing, image analysis, and IoT technologies; work to maintain and improve safety and dependability; improve train maintenance efficiency; and contribute to the realization of train systems boasting excellent cost efficiency over their entire life cycle.



Goals for fiscal 2021	<ul style="list-style-type: none"> • Execute large projects in North America (R211 cars for the New York City Subways) as planned • Execute projects financed by ODA loans in Asia (Dhaka Metro MRT Line-6 in Bangladesh) as planned • Expand stock businesses to improve customer maintenance efficiency and maintain safe, dependable transportation • Launch sales of components that leverage sensing and image analysis technologies and roll out component and service businesses aimed at improving maintenance efficiency
Fiscal 2019 Results	<ul style="list-style-type: none"> • Rolling stock units delivered: 528 • Conducted tests with railway companies aimed at launching sales of components that leverage sensing and image analysis technologies • Developed products and services aimed at expanding into peripheral rolling stock businesses, including maintenance



Series 5000 for Odakyu Electric Railway Co., Ltd



Series E261 for East Japan Railway Company (JR East) (photo provided by East Japan Railway Company)