

5 Social Contribution

We will expand the circle of contribution that links to society and the future.



In the field of social contribution activities beyond its business operations, the KHI Group focuses on dynamic activities designed to meet the expectations of society while drawing on strengths, in line with its Group Mission, "Kawasaki, working as one for the good of the planet."

Categories

Local communities and Japanese society

International community

Goals/Approaches and Actions of Medium-term Business Plan 2013 (FY2014 - 2016)

Goals/Approaches	Actions
<ul style="list-style-type: none"> Clearly define Group-wide social contribution vision, basic policy, and key areas, and implement activities Encourage self-planned and self-sponsored social contribution initiatives 	<ul style="list-style-type: none"> Clarify vision, basic policy, key areas, and role of individual offices within the organization Build internal systems, strengthen activities, identify society's expectations of KHI, and reflect these in activities

Overview of Activities in Fiscal 2014

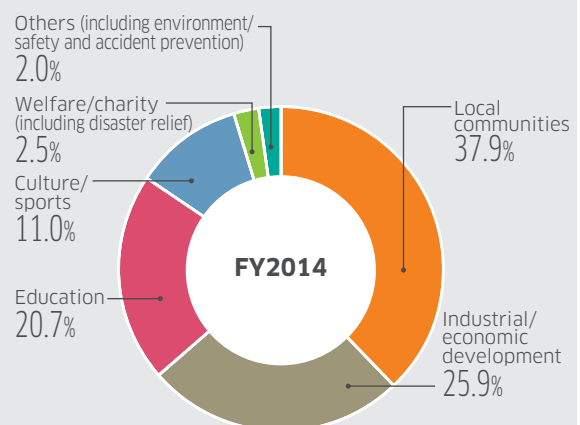
In fiscal 2014, we took our handicraft workshops to Tokyo as well as added new programs, and also reinforced the structure that underpins the promotion of our activities to nurture the minds of the next generation.

We continued to provide relief funds to the victims of disasters everywhere and maintained a solid community

presence through such ongoing activities as the operation of our corporate museum, Kawasaki Good Times World, the organization of various events primarily to benefit children, support for culture and sports, involvement in local economic development projects, and participation in corporate forest restoration projects.

Expenditure on Social Contribution

Category	(Millions of yen)		
	FY2012	FY2013	FY2014
Local communities	226	223	239
Industrial/economic development	142	137	163
Education	164	194	131
Culture/sports	55	65	69
Welfare/charity (including disaster relief)	190	20	16
Others (including environment/safety and accident prevention)	19	48	13
Total	796	687	631
Recurring profit for the fiscal year	63,627	39,328	60,505
Expenditure as a proportion of recurring profit	1.25%	1.75%	1.04%



Notes

- Figures include donations, sponsorship contributions, goods and material supply, the cost of operations commissioned from external organizations, and the personnel cost of staff posted to external organizations (the portion covered by KHI), etc.
- Figures exclude the personnel cost related to KHI employees and costs related to the use of corporate facilities. Consolidated subsidiaries are included.

1 Make Your Own Crane!

Handicraft workshop in the town of Minamisanriku

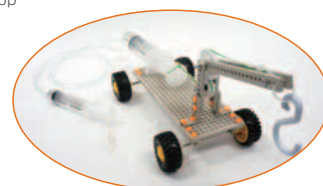
On November 5, 2013, we held a handicraft workshop under the Make Your Own Crane! program for sixth-grade students at the Shizugawa Elementary School in Minamisanriku, Miyagi Prefecture.

KHI launched the handicraft workshop program in fiscal 2012 as part of its social contribution activities designed to develop skills and outlook of the next generation while also supporting recovery in the Tohoku region devastated in the March 2011 earthquake and tsunami. The crane-themed program follows on from the Make Your Own Helicopter! program presented last time—in fiscal 2013—and showcases the mechanics of hydraulic products.

The children learned about Pascal's principle by using two syringes, each a different size, in an experiment that revealed how small amounts of force can move big objects. The children also assembled a model crane and attached the two syringes to see how lifting force varies between the two. This hands-on encounter with technology allowed the children to experience the fun of building things and the wonders of engineering.



Handicraft workshop



Model of crane

2 Help in the Wake of Philippines' Typhoon

In November 2013, Typhoon Haiyan tore through the Philippines and caused catastrophic damage and major loss of life.

The KHI Group's relief package—donations equivalent to ¥13.8 million—included ¥10 million in relief funds to help the people and communities affected by the typhoon as well as 10 KLX150 and 10 Bajaj CT100 Kawasaki-brand motorcycles to transport emergency supplies.

Kawasaki Motors (Phils.) Corporation, which manufactures and sells Kawasaki motorcycles in the Philippines, also provided support in the affected area. The company encouraged employees to get involved in relief efforts and implemented a program at service centers in the city of Tacloban to repair damaged motorcycles at no cost to customers.

The ring of support extended to the United States, where employees at Kawasaki Motors Corp., U.S.A., volunteered their time to prepare food packages for about 150,000 people. Their goal was to have these emergency rations get to people in the typhoon-stricken area as quickly as possible, and the entire process from sorting to boxing was completed in an amazingly short time, thanks to awesome teamwork from everyone involved.



Free repairs campaign at service centers



Employee-led food drive at Kawasaki Motors Corp., U.S.A.

Great East Japan Earthquake Recovery Support in Fiscal 2014

Donation of Jet Ski Personal Watercraft

In March 2014, KHI donated a Jet Ski STX-15F and trailer to the city of Miyako, in Iwate Prefecture, and another jet ski and trailer to the town of Yamada, also in Iwate Prefecture, as well as a third set to the town of Onagawa, in Miyagi Prefecture, to support recovery in the region and help prepare for future emergencies. We plan to continue this kind of support in the area devastated by the March 2011 disasters.



Donated jet ski and trailer (Onagawa, Miyagi Prefecture)

Focus

3 Interacting with the Community (Akashi Works)

On November 4, 2013, KHI welcomed students from surrounding elementary and junior high schools and their families—102 people in all—to the Akashi Works for a tour, followed by a visit to the corporate museum Kawasaki Good Times World.

Senior manager, Akashi Works, Nozomi Okamoto, provided some history on the facility and a description of the operations undertaken here. He emphasized that the Akashi Works seeks to be an active member of the community, growing with it. During the tour, the visitors were served lunch in the staff cafeteria, with everyone ordering from the same menu. This was a great opportunity to meet and interact with the people who work here.

At Kawasaki Good Times World, a demonstration of the quick and accurate movements of robots drew shouts of wonder and surprise. Everyone had the chance to get up close to actual transportation equipment, such as a compartment of the bullet train and a helicopter. A particularly fun part of the tour was the opportunity to sit in the driver's seat of the bullet train.



Factory tour (Akashi Works)



Visitors go on board a real helicopter (Kawasaki Good Times World)

Focus

4 Booth at National Youngsters' Science Festival 2013

KHI set up a booth at the National Youngsters' Science Festival 2013, which ran for two days, July 27–28, in 2013. In its first appearance at this festival, the Company presented its original hands-on workshop “Make Your Own Helicopter!” six times over the two-day event, with some 140 children taking part.

High school students and KHI staff worked together, coaching younger children who assembled the helicopter fuselage and rotor, and then measured the lifting force of the rotor and experimented with technologies to stop the fuselage from rotating. The activity was so much fun that the children forgot to take a break.



Children and coaches at workshop “Make Your Own Helicopter!”

Comment from Participant

I participated as a coach.

The kids were so enthusiastic. As the work progressed, they became so focused on getting their helicopters to fly straight and high.

It would be really great if this workshop spurs kids on to go for their dreams and goals.



Takeshi Ogami

Department 1, Overseas Strategic Center, Marketing Division

Focus

5 Booth at Science Fair in Hyogo

On February 2, 2014, KHI set up a booth at the 6th Science Fair in Hyogo. At this annual event, students from high schools and technical colleges throughout Hyogo Prefecture and beyond announce recent research activities in the fields of mathematics and science and mingle with representatives from universities, businesses, research centers, and other organizations.

We have participated in the science fair since its second year. At the 2014 event, we picked out a topic from energy and the environment—a priority segment for us—and highlighted technology for producing bioethanol from rice straw, a non-food source of biomass.

We hope this type of interaction will deepen interest and involvement among many high school and technical college students in science and perhaps provide some hints on possible career paths.



Students avidly listening to a KHI presentation

Comment from Participant

I shared some highlights of new KHI technology.

KHI has lots of other energy and environment products, but I thought the bioethanol example would be a perfect topic to showcase the enormous size of energy facilities and familiarize students with various KHI products.



Ryouji Obara

Section 2, Chemical Plant Department, Chemical Plant & Cryogenic Storage System Engineering Division, Plant & Infrastructure Company

Focus

6 Kawasaki Good Times Foundation —Operating Social Contribution Fund in U.S.

The KHI Group includes business and operating sites in the United States for motorcycles, rolling stock, industrial robots, precision machinery, construction machinery, and other products. Independently and sometimes jointly, these locations are involved in activities and programs rooted in American society.

One of the activities is the Kawasaki Good Times Foundation, which was established in 1993. Every year, a

portion of profits from all the business and operating sites in the United States are put into a fund.

Fund management and administration is handled by a U.S. subsidiary, Kawasaki Heavy Industries (U.S.A.), Inc., which makes donations to institutes for the arts and culture, such as the Metropolitan Museum of Art in New York, as well as charitable works and also to support educational, medical, and scientific activities as well as disaster relief efforts.

Focus

7 Bib Sponsor at Third Kobe Marathon

KHI has been involved as a corporate sponsor for the Kobe Marathon—on the theme of thanks and friendship—since the inaugural event. The Company's level of sponsorship is reflected by the corporate logo on the men's numbered bibs.

The third event took place on November 17, 2013, and 139 KHI employees volunteered their time to man a water station along the route and cheer on the 20,000-plus runners who navigated their way through the city of Kobe.



Water station volunteers

Focus

8 Working to Realize a Society That Coexists with Nature Through Forest Restoration Efforts

To bring about a society that coexists with nature, the KHI Group companies take part in activities to preserve the ecological environment, particularly through reforestation, in three prefectures: Kochi, Hyogo, and Miyagi.

The first location for activity was in the town of Niyodogawa, Kochi Prefecture. KHI Group has maintained its involvement in the prefectures' forest restoration project since 2007. This project brings together businesses and local governments to regenerate forests. Every year, new employees participate in tree thinning and other forest maintenance activities, which help build stronger connections to the local communities.

In Hyogo Prefecture, KHI Group has participated in the prefecture's corporate forest restoration project since 2008. Employees are recruited in-house in the spring and fall and go out to an area called Saidani Nagomi-no-Mori in Taka, Hyogo Prefecture, to plant, thin, and prune trees and to run a nature watching and observation program. In the five years up to October 2013, about 1,000 employees and their families had participated in forest conservation events, and the amount of CO₂ absorbed by the forests maintained by KHI Group had reached 61.6t-CO₂. In recognition of this achievement, KHI Group was presented with a CO₂ Removals Certificate by the town of Taka.

Also, from 2011 we began forest maintenance activities in Miyagi Prefecture, to support communities affected by the March 2011 earthquake and tsunami. Staff from KHI Group business and operating sites in the Sendai area teamed up with local volunteers to participate in forest maintenance activities, such as pruning branches and thinning overgrowth, in the local forests on the outskirts of the city.

Through forest restoration activities in various parts of Japan, undertaken jointly with local groups, we contribute to coexistence between humans and nature.



New employees tackle tree thinning (Kochi Prefecture)



Employees pose for a group picture after their forest maintenance work (Hyogo Prefecture)



KHI Group employees and local volunteers engage in forest maintenance efforts (Miyagi Prefecture)