

/ Process for Identifying the Kawasaki Group’s Material Issues

In 2018, Kawasaki identified material issues (materiality) by recognizing and summarizing the impact business activities have on society, in light of the diversifying expectations and demands of stakeholders and changes in the business environment. The material issues were subsequently reevaluated following the announcement of the Group Vision 2030 in November 2020.

We divided them into two broad categories: The “social and environmental value created through

business” and the “foundation of our business activities.” Initiatives conducted through our main business have been defined as the most material issues to be achieved by the Group over the long term, while other issues have been positioned as basic items for achieving the most material issues. Going forward, we will continue to regularly review our materiality in response to changes in the business environment and the expectations of society.

[For more details, refer to the website.](#)

Materiality

Process for Identifying Material Issues (Overview)

STEP	Process
	<p>Identify material issues (materiality)</p> <p>The “social value created through business” was defined as the most material issues to be achieved by the Group over the long term, with other topics positioned as the “foundation of our business activities.”</p>
	<p>Reevaluation of material issues (materiality) in line with the formulation of Group Vision 2030</p> <p>In November 2020, we formulated our Group Vision 2030, considering a variety of social issues, the Company’s strengths and our vision for 2030. We also established three focal fields, including a safe and secure remotely connected society, near-future mobility and energy and environmental solutions. In June 2021, upon discussion by the Sustainability Committee chaired by the President, these three focal fields were set out as the social and environmental value created through business.</p> <p>In light of our business strategy under the Group Vision 2030 and recent changes globally around sustainability, we additionally reviewed the “foundation of our business activities” category. We identified and sorted issues—with input from outside advisors—based on survey items from ESG assessment organizations (DJSI, FTSE, MSCI, Sustainalytics), SASB, investor stewardship principles, GRI, Future-Fit, and client company requests (Self-Assessment Questionnaire). We then mapped the material issues into two tentative categories: “Importance to society and stakeholders” and “importance to the Company.”</p>

Materiality Matrix Identified

Priority Items in the Foundation of Our Business Activities Category

Items selected as important issues under the “foundation of our business activities” category have been categorized as follows, and priority items have been established under each issue: 1. Items of particular importance going forward (items that will have an ever-increasing impact on future finances); 2. Items that were emphasized in the past, but which will be steadily