

- globalization
- Heightened environmental risk
 - Emerging countries: Insufficient social infrastructure
 - Developed countries: Graying of society, shrinking working population

Social and relationship capital

- Kawasaki brand
- Relationships of trust built with business partners over many years

(Fiscal 2018 figures)

Value Creation Drivers

- The Medium-Term Business Plan 2019**
For more details, please refer to "Message from the President" (pages 10–17).
- Kawasaki-ROIC Management**
For more details, please refer to "Financial Strategy" (pages 20–21).
- The Foundation Supporting Our Business Activities (ESG Initiatives)**
For more details, please refer to pages 39–57.

External Environment and Risks

Changes in Industrial Structures

- Technological innovation
- The evolution of AI and IoT

Climate Change

- Global warming
- Major natural disasters

the planet”

The Kawasaki Group consistently creates new value by drawing on diverse, sophisticated technological capabilities to contribute to solutions to social issues around the world.

Key Outputs

Providing pioneering innovative products and services

For more details, please refer to “Technological Development” and “Kawasaki Hydrogen Road” (pages 22–25).

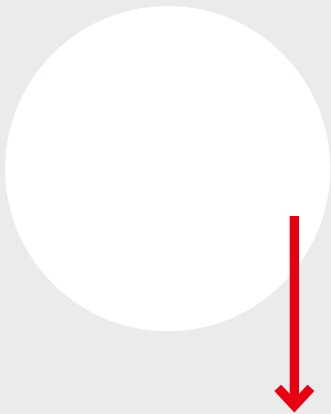
Key Products

For more details, please refer to the business strategies of the internal companies (pages 26–38).

Before-tax ROIC*	4.5%
ROE	5.8%
(Fiscal 2018 figures)	
CO ₂ emissions from business activities (non-consolidated)	301 K tons
Reduction of CO ₂ emissions through product-based contributions (non-consolidated)	29,126 K tons
(Fiscal 2018 figures)	

* ROIC (Return on Invested Capital): A management indicator that shows how much profit is generated with the capital invested in a business

Value created



(Fiscal 2018 figures)

Currency Fluctuations

- Can impact revenue, due to the Group's large proportion of overseas sales

Economic Trends

- Can impact the Group via capital expenditure

Created Social Value

Provide safe and secure, clean, comfortable movement of people and goods by land, sea, and air

Create clean energy

Improve social infrastructure, especially in emerging countries

Respond to the needs of an aging society and shortage of labor through automation