

# Kawasaki Sustainability Report 2025

Kawasaki Heavy Industries, Ltd.



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# Approach to Information Disclosure

## Editorial Policy of Our Sustainability Website

In order to achieve sustainable growth, the Kawasaki Group proactively discloses information regarding sustainability, thereby fulfilling its accountability duties to its stakeholders and addressing its communications.

At our website, we disclose comprehensively and in detail the Kawasaki Group's basic stance and policies with regard to the environment (E), society (S), and governance (G), along with our management structure and the results of our activities.

Furthermore, with the goal of disclosing all ESG information to our stakeholders in a unified manner, since fiscal 2022 we have published our annual Kawasaki Sustainability Report. This publication integrates our previously issued the Kawasaki Environmental Report and the Kawasaki ESG Data Book, and brings together the ESG information posted to our website in a PDF file.

### Boundary of Reports

As a general rule, the reports cover the Kawasaki Group (Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries). In places where Kawasaki Heavy Industries is indicated, the boundary is Kawasaki Heavy Industries, Ltd. (non-consolidated), Kawasaki Railcar Manufacturing Co., Ltd., and Kawasaki Motors, Ltd. In other cases, where the boundary is limited to Kawasaki Heavy Industries, Ltd. (non-consolidated) or another specific boundary, the name of the specific organizational entity will be specified individually.

### Reporting Period

The report primarily includes information on activities carried out during fiscal 2024 (April 1, 2024 to March 31, 2025). It also includes information on past activities and activities carried out on or after April 1, 2025, as well as activities planned for the future. The information posted on the website will be updated from time to time to report on the latest activities.

### Numerical Figures

Due to rounding, numerical totals do not necessarily agree with the sum of the corresponding individual amounts presented herein.

### Third-Party Assurance

To ensure the reliability of the reported information, when it comes to environmental and social performance indicators, we receive third-party assurances in compliance with the International Standard on Assurance Engagements (ISAE) 3000 and 3410 of the International Auditing and Assurance Standards Board from KPMG AZSA Sustainability Co., Ltd. The performance data covered by the assurances is marked with a star (★).

- [ESG Data](#)

## Guidelines Referenced

- Sustainability Reporting Standards, Global Reporting Initiative (GRI)
- International Integrated Reporting Framework, International Integrated Reporting Council (IIRC)
- Environmental Reporting Guidelines (2018 Edition), Ministry of the Environment
- UN Guiding Principles Reporting Framework, the United Nations
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation 2.0, Ministry of Economy, Trade and Industry
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Recommendations of the Task Force on Nature-related Financial Disclosures (TNFD)

## Disclosure of Financial and Non-financial Information

The Kawasaki Group discloses financial and non-financial information through the following system. Please visit our website for the most up-to-date information.

	Financial information	Non-financial (ESG) information
<b>Information of high importance</b>	<b>Other Presentations</b> <a href="https://global.kawasaki.com/en/corp/ir/library/other_presen.html">https://global.kawasaki.com/en/corp/ir/library/other_presen.html</a>	
	<b>Kawasaki Report (Integrated Report)</b> Information on how the Kawasaki Group creates value and achieves sustainable growth <a href="https://global.kawasaki.com/en/corp/sustainability/library/kawasaki_report/index.html">https://global.kawasaki.com/en/corp/sustainability/library/kawasaki_report/index.html</a>	
<b>Detailed and comprehensive information</b>	<b>Sustainability Report</b> <a href="https://global.kawasaki.com/en/corp/sustainability/library/sustainability_report/index.html">https://global.kawasaki.com/en/corp/sustainability/library/sustainability_report/index.html</a>	
	<b>Financial Results</b> <a href="https://global.kawasaki.com/en/corp/ir/library/financial_results.html">https://global.kawasaki.com/en/corp/ir/library/financial_results.html</a>	<b>Corporate Governance Report</b> <a href="https://global.kawasaki.com/en/corp/ir/library/governance.html">https://global.kawasaki.com/en/corp/ir/library/governance.html</a>
	<b>Securities Report and Quarterly Report (Japanese language only)</b> <a href="https://www.khi.co.jp/ir/library/financial.html">https://www.khi.co.jp/ir/library/financial.html</a>	<b>Kawasaki Technical Review</b> Reports on the Company's products and technologies <a href="https://global.kawasaki.com/en/corp/rd/magazine/index.html">https://global.kawasaki.com/en/corp/rd/magazine/index.html</a>

# Message from President and CEO



Kawasaki Heavy Industries traces its history back to the 1878 founding of Kawasaki Tsukiji Shipyard by Shozo Kawasaki under a philosophy of "contributing to the nation—to society—through expertise." Afterward, the Company ventured into the rolling stock and aircraft businesses and then a wide range of other fields, such as energy and environmental engineering, industrial equipment, and motorcycles, developing into a comprehensive heavy industries enterprise. Throughout its history, the Kawasaki Group has evolved in step with its stakeholders, including customers, suppliers, employees, shareholders, and the communities in which it does business, to meet the changing needs of society with innovative products and technologies in line with its founding philosophy.

Countries around the world are currently confronting crises ranging from climate change and resource depletion to poverty, hunger, demographic graying, and shrinking workforces. Amid these trying circumstances, we believe that our ultimate duty to society is achieving the Group Mission. Established in line with the spirit of the founding philosophy, it simply states: "Kawasaki, working as one for the good of the planet."

In 2020 we defined our aspirations for the Kawasaki Group in 2030 in Group Vision 2030, which will guide our efforts to realize our Group Mission. In Group Vision 2030, we identified three focal fields and created a growth scenario by backcasting from our vision for the future of society through analyses of global social issues, as well as our business strengths and competitive advantages.

We also revised our materiality (priority issues) to reflect Group Vision 2030. This process resulted in the positioning of the three focal fields as the most important areas in which we aim to achieve long-term results. The entire Kawasaki Group will take on the challenge of finding solutions to social issues through innovation and the pursuit of synergies. By taking up this challenge, we will also contribute to the realization of the Sustainable Development Goals (SDGs) adopted by the United Nations.

We are also strengthening our ESG initiatives, which we have identified as the foundation that will support our efforts to realize Group Vision 2030. We are determined to maintain the trust of society by engaging in constructive dialogue with stakeholders, and by further strengthening our commitment in such areas as the enhancement of corporate governance, consistent compliance and the prevention of corruption, environmental management, respect for human rights, the effective utilization and development of human resources, and the improvement of the work-life balance.

Our goal is to earn continuing social recognition of the value of the Kawasaki Group as a company that contributes to the realization of a sustainable future for society. We aim to achieve that by continuing to respond to the needs of society in partnership with our stakeholders, by taking up the challenge of creating solutions for various social issues, and by pursuing ESG initiatives.



Yasuhiko Hashimoto  
Representative Director  
President and Chief Executive Officer

# The Kawasaki Group Code of Conduct

Kawasaki Group has established The Kawasaki Group Code of Conduct and set ethical standards to be the basis of decisions in the conduct of daily business of all officers and employees of Kawasaki Group.

Through compliance with the code of conduct is enforced throughout the entire Kawasaki Group, so that the officers and employees across the globe, who have diverse backgrounds, can act correctly in the conduct of their business. Kawasaki Group believes that it will enhance the credibility from the stakeholders.

## The Kawasaki Group Code of Conduct

- [English \(Version 2.2\) \(PDF:3.48MB\)](#) 
- [Brazilian Portuguese \(Version 2.2\) \(PDF:3.50MB\)](#) 
- [Simplified Chinese \(Version 2.2\) \(PDF:3.76MB\)](#) 
- [Traditional Chinese \(Version 2.2\) \(PDF:4.07MB\)](#) 
- [German \(Version 2.2\) \(PDF:3.50MB\)](#) 
- [Dutch \(Version 2.2\) \(PDF:3.49MB\)](#) 
- [French \(Version 2.2\) \(PDF:3.49MB\)](#) 
- [Indonesian \(Version 2.2\) \(PDF:3.50MB\)](#) 
- [Japanese \(Version 2.2\) \(PDF:3.76MB\)](#) 
- [Korean \(Version 2.2\) \(PDF:3.59MB\)](#) 
- [Russian \(Version 2.2\) \(PDF:3.54MB\)](#) 
- [Thai \(Version 2.2\) \(PDF:3.92MB\)](#) 
- [Spanish \(Version 2.2\) \(PDF:3.48MB\)](#) 
- [Italian \(Version 2.2\) \(PDF:3.49MB\)](#) 

# Kawasaki Group's Sustainability

- 8 | Sustainability Framework
- 14 | Stakeholder Engagement

# Sustainability Framework

## Basic Policy on Sustainability

The Kawasaki Group has formulated the Kawasaki Group Policy on Sustainability Management to clarify the position of sustainability in management. To achieve our Group Mission, we consider our contribution to the sustainability of society and the environment through our products and services to be our mission as a company and will take on the challenge of creating and delivering innovative solutions to various social and environmental problems confronting humanity and our planet now and in the future. Also, by engaging in responsible corporate behavior and strengthening our business foundations, we aim to simultaneously achieve a sustainable society and continuous improvement in the corporate value of our Group.

In accordance with this policy, we periodically review material issues (materiality) in business activities and perform management while taking into consideration the business environment and requests and expectations from stakeholders. In the review conducted in fiscal 2021, we defined in the Group Vision 2030 three focal fields—"a safe and secure remotely connected society," "near-future mobility," and "energy and environmental solutions"—as social and environmental value created through our business and identified these fields as the most material issues to be achieved by the Group over the long term in response to pressing social issues. We also believe that there is a strong alignment between the Group Mission and the SDGs, and by implementing initiatives within each of the three focal fields identified as the most important issues, we seek to contribute to the achievement of the SDGs through our business activities.

Furthermore, as a company that provides decarbonization solutions to customers through the hydrogen and other businesses, we will seek to decarbonize business activities including value chains at an early stage, positioning priority issues including business and human rights, promotion of human resource activities, compliance, technology development, and DX as essential foundations of our business activities, and we will reinforce initiatives in these areas.

## Positioning of Policy on Sustainability Management

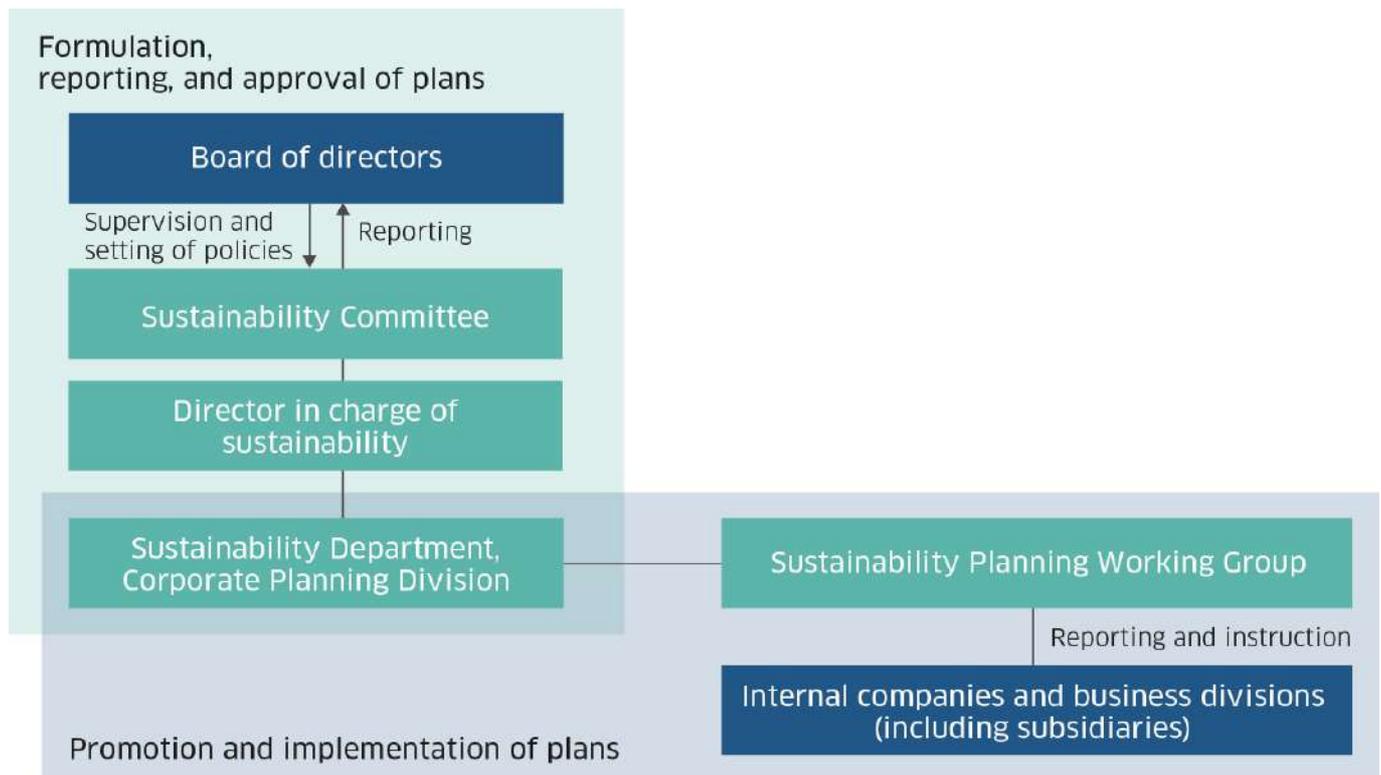


- [Kawasaki Group Policy on Sustainability Management](#) 

## Sustainability Promotion System

Within the Kawasaki Group, the Board of Directors is positioned as the highest decision-making body that deliberates on and decides fundamental sustainability policies and fundamental plans throughout the entire group. The Kawasaki Group adopts a system where the Sustainability Committee, as a committee of executives chaired by the President, is set up under the supervision of the Board of Directors to decide various measures based on the fundamental plans outlined by the Board of Directors and to report the progress of these measures to the Board of Directors. In addition, the Corporate Planning Division oversees sustainability to enhance the capacity to formulate plans relating to sustainability as well as to actively promote sustainability as an integral part of the management strategy. In day-to-day business activities, the Sustainability Department plans and proposes various measures relating to the environment, human rights, and other topics and works in collaboration with the Sustainability Planning Working Group, which is made up of individual divisions of the Head Office, to promote sustainability management including each internal company and subsidiary.

## Sustainability Promotion System



### Responsible Officers

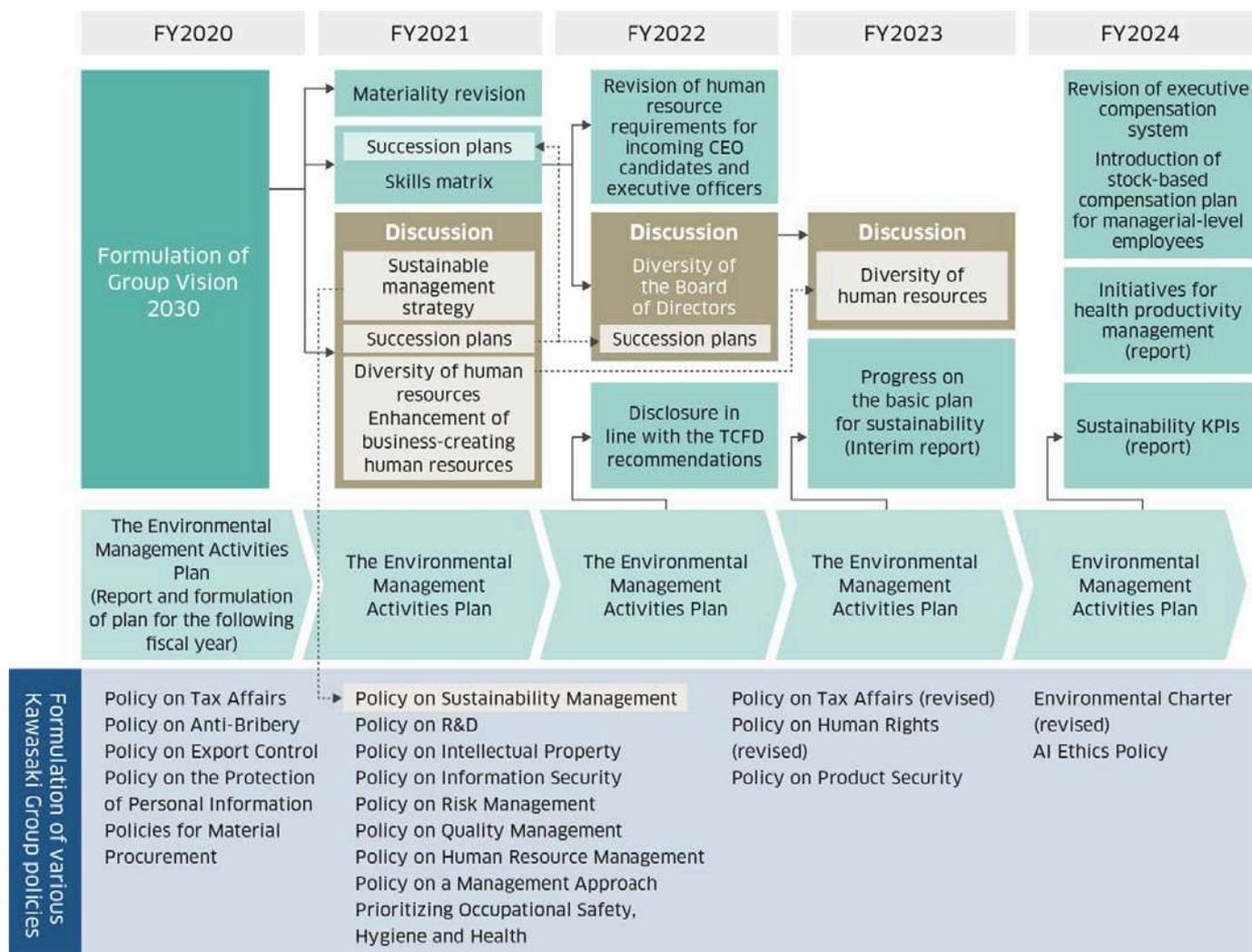
Chair of Sustainability Committee: Yasuhiko Hashimoto, Representative Director, President and Chief Executive Officer

Director in charge of sustainability (CSO): Katsuya Yamamoto, Representative Director, Senior Corporate Executive Officer

### Oversight of Sustainability by the Board of Directors

The Board of Directors has established various Group policies, which clearly stipulate our fundamental concepts and specific policies. Since the formulation of Group Vision 2030, in addition to the Environmental Management Activities Plan and so on discussed heretofore, the Board of Directors also has held highly effective discussions on important topics relating to human capital toward the realization of our Policy on Sustainability Management, including reform and operation of the personnel system to strengthen the management foundation, the skills matrix for directors and succession plans, the diversity of human resources, and the employee engagement. Sustainability-related topics discussed and reported in the Board of Directors in recent years are shown in the diagram below.

## Topics for Discussion at the Board of Directors



### Measures to Reinforce Oversight of Sustainability

To deepen our understanding of issues that the Group should address in response to external trends, each year we invite outside experts to conduct lectures on sustainability at the Sustainability Committee, which are attended by executive directors including the president and the director in charge of sustainability as well as outside directors. These lectures cover topics such as trends in sustainability disclosure regulations, climate change, and business and human rights.

Also, in May 2024, the Board of Directors adopted a resolution to partially revise the compensation system for directors (excluding directors who are Audit & Supervisory Committee members and outside directors) and executive officers. Under the new system, employee engagement indicators and ESG indicators (CO<sub>2</sub> reductions and third-party institution evaluations) are reflected as independent evaluation metrics for performance-based compensation.

- For information on executive compensation system, please refer to [Director Compensation](#).

## Sustainability Committee

For agenda items pertaining to sustainability, the Sustainability Committee deliberates and reports mainly on the following matters:

1. Measures contributing to the realization of the sustainability of both society/environment and the Kawasaki Group and the enhancement of the Kawasaki Group's corporate value, as well as their practice and state of achievement
2. Measures to understand, reduce, and eliminate the negative social and environmental impact of the Kawasaki Group's business activities, as well as their practice and state of achievement

The Sustainability Committee is composed of internal company presidents, the President of Kawasaki Railcar Manufacturing, the President of Kawasaki Motors, the director in charge of sustainability, the general managers of Head Office divisions, and others. Outside Directors attend meetings so that the committee can glean the benefits of their external expertise and opinions and reflect them in its decision-making process. Also, members of the Audit & Supervisory Committee participate in the committee as part of their auditing of the execution of business. The Sustainability Committee meets at least twice a year in principle. In fiscal 2024, it met three times, and is reporting to the Board of Directors.

## Risk Management Regarding Sustainability

The identification and assessment of risks pertaining to sustainability are carried out by the Sustainability Committee, which deliberates and reports on necessary actions to respond to changes in the business environment and stakeholder demands and expectations, in terms of both the risks and opportunities. In fiscal 2024, discussions focused mainly on measures concerning sustainability disclosure regulations and ESG evaluations, and human rights due diligence. Furthermore, in the regular revision of material issues (materiality), the Sustainability Committee assesses the risks of each issue. Details of these assessments are reported to the Board of Directors according to their significance, and the Board supervises the status of actions taken regarding sustainability issues.

Furthermore, in company-wide risk management undertaken by the coordinating risk management departments, risks are designated as subject to monitoring, such as sustainability-related matters; matters pertaining to the global environment, in particular those aimed at the realization of a carbon-neutral and recycling-orientated society; as well as matters relating to securing human capital for the purpose of strengthening organizations and the human resources responsible for providing new value. The responsible departments continuously conduct risk assessments and monitor these risks, and details of these efforts are reported to the Board of Directors a minimum of two times a year. In fiscal 2024, reports were submitted two times, and the Board deliberated on the direction of responses and provided necessary feedback to the departments that are subject to each risk.

- For information on company-wide risk management, please refer to [Risk Management](#).

## Sustainability Targets and Indicators

The Group classifies material issues (materiality) into two broad categories: "social and environmental value created through our business" and "foundations of our business activities." Initiatives undertaken through main business are defined as the most material issues to be achieved by the Group over the long term, while other issues that seek to achieve these critical challenges are positioned as basic items.

The areas categorized as "social and environmental value created through our business," i.e., "a safe and secure remotely connected society," "near-future mobility," and "energy and environmental solutions," are set as three focal fields in the Group Vision 2030, with targets set for achievement by 2030, and the status of achievement of those targets is regularly disclosed in integrated reports and by other means.

In addition, we set quantitative targets and KPIs relating to the material issues positioned as the "foundation of our business activities" and monitor the status of measures relating to each item by reporting on the progress of the main KPIs to the Board of Directors each year.

- [KPIs and Results for Material Issues \(Materiality\)](#).

## In-house Sustainability Education and Awareness Building

Utilizing a variety of tools, such as educational seminars and the in-house intranet, the Kawasaki Group carries out education and awareness-building programs related to sustainability for its officers and employees.

Sustainability education and awareness building are provided through grade-specific training for such groups as new employees and newly appointed assistant managers, managerial staff, and senior management, as well as training for persons in charge of overseas businesses and mid-career hires. Furthermore, e-learning training on topics including the Sustainable Development Goals (SDGs), the environment, and business and human rights has been conducted for domestic Group employees since fiscal 2020. Starting in fiscal 2024, we conducted study sessions for relevant personnel in the Sustainability Planning Working Group and business segments in order to deepen understanding of external trends relating to sustainability and the status of in-house measures.

In addition, to ensure that all Group employees are fully informed with regard to sustainability, we regularly provide information on sustainability via our Japanese-language Group newsletter *Kawasaki*, our Group-wide English- and Chinese-language newsletter *Kawasaki On The Move*, and *Kawasaki Group online!*, our in-house app.

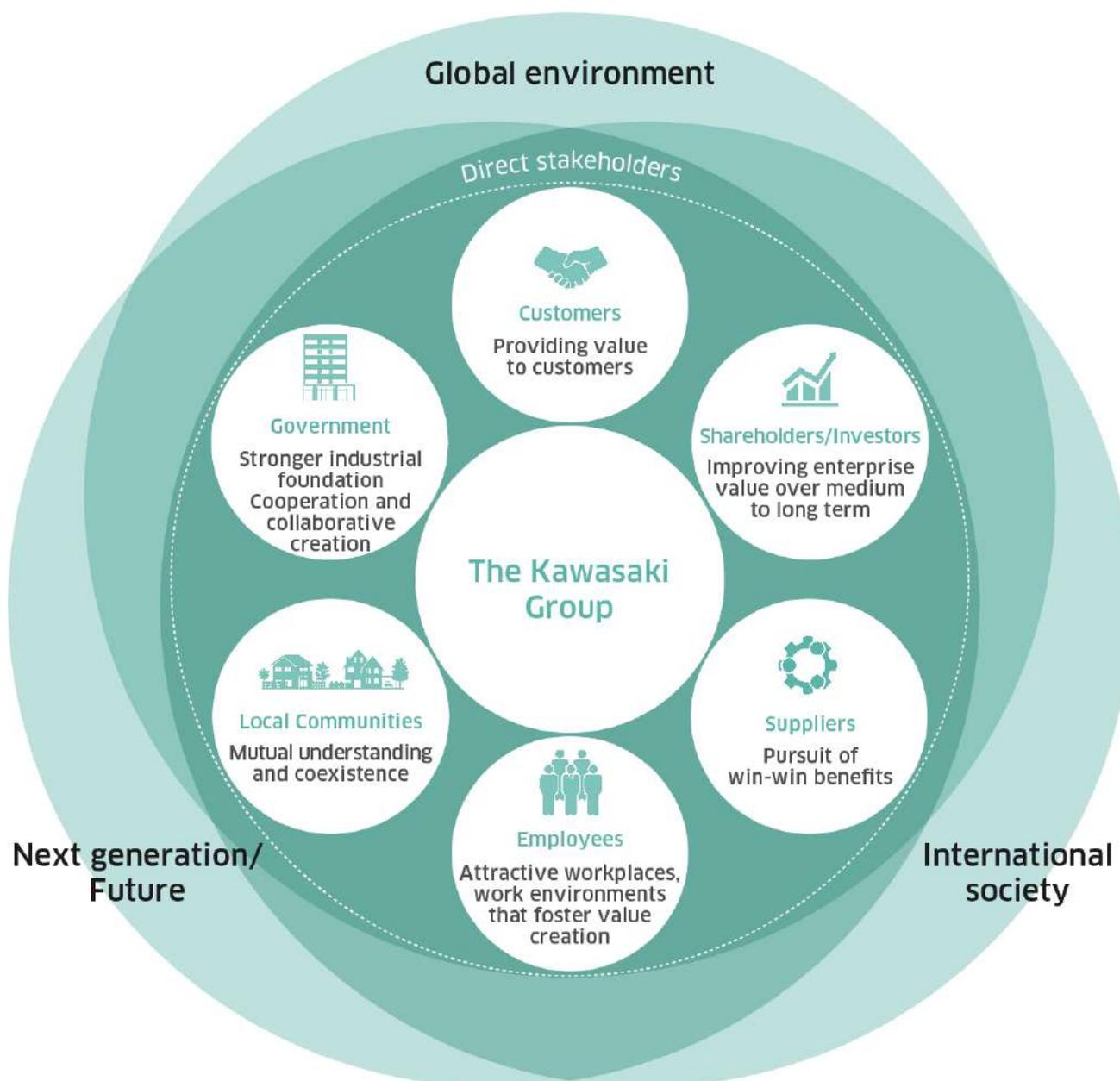
- Please refer to [Environmental Management](#) for information on environmental education, and [Business and Human Rights](#) for information on employee education relating to business and human rights.

# Stakeholder Engagement

## The Kawasaki Group Stakeholders

To become a company that continues contributing to society, the Kawasaki Group actively strives to understand the expectations and requests of stakeholders and to realize them through our business activities.

While the Group positions customers, shareholders and investors, suppliers, employees, local communities, and government agencies as direct stakeholders, as a company supplying many products and services that are highly public in nature and will be used over a long period of time, we also recognize the global environment, the international community, and the next generation and future society to be stakeholders in the broader sense and conduct our corporate activities in consideration of the wide-ranging impact of our business. In response to requests from stakeholders, we are working toward proactive information disclosure and striving to improve communication so as to enhance trust in the Kawasaki Group.



# Communication with Stakeholders

Through our daily business activities, the Kawasaki Group endeavors to communicate with stakeholders in various ways, grasp issues, and make operational improvements. As a result of dialogue, we refer content that is deemed to be important to committees or other bodies concerned and reflect it in management strategy and business operations.

## Major Results of Communication with Stakeholders

Stakeholders	Communication objectives	Major communication opportunities and approaches	Reference
<b>Customers</b>	<ul style="list-style-type: none"> <li>Creation of products and services that meet customer expectations</li> <li>Response to customer feedback and inquiries</li> <li>Appropriate disclosure of product and service information</li> </ul>	<ul style="list-style-type: none"> <li>Conducting customer satisfaction surveys</li> <li>Television commercials, newspaper advertisements, and websites</li> <li>Providing product safety information</li> </ul>	<a href="#"><u>Customer Relationship Management Product Safety and Quality Recall Information (Japanese only).</u></a>
<b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>Timely and appropriate information disclosure</li> <li>Reflection of shareholder and investor perspectives in management</li> </ul>	<ul style="list-style-type: none"> <li>Conducting the General Meeting of Shareholders</li> <li>Conducting conferences on financial results</li> <li>Conducting IR meetings with institutional investors</li> <li>Conducting exclusive tours and briefings for shareholders</li> </ul>	<a href="#"><u>Investors Disclosure Policy Communication with Shareholders and Investors</u></a>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Solid partnerships with our suppliers based on relationships of mutual trust</li> <li>Enhancement of supply chain risk management and enterprise value through sustainable procurement</li> </ul>	<ul style="list-style-type: none"> <li>Conducting training programs, liaison meetings, and other events for suppliers in Japan</li> <li>Conducting the sustainable procurement survey</li> </ul>	<a href="#"><u>Working with Suppliers</u></a>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee-friendly workplaces</li> <li>Effective use of human resources</li> <li>Appropriate treatment of human resources</li> <li>Ensuring occupational safety and hygiene and promoting health</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure on the K-Portal intranet</li> <li>Education and training for employees</li> <li>Publication of the internal bulletin</li> <li>Implementing the engagement survey</li> <li>Dialogue between senior management and employees through town meetings</li> </ul>	<a href="#"><u>Human Resource Management Human Resource Development Diversity, Equity, and Inclusion Occupational Safety, Hygiene, and Health</u></a>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Fulfillment of our responsibilities as a corporate citizen</li> <li>Participation in communities</li> </ul>	<ul style="list-style-type: none"> <li>Organizing events for the local community</li> <li>Support activities for sports/arts and culture</li> <li>Conclusion of agreements for times of disasters with local communities</li> <li>Conducting on-site classes for the handicraft and experiment courses</li> </ul>	<a href="#"><u>Social Contribution Activities Contribution to Local Communities Support for the Next Generation</u></a>
<b>Government</b>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Policy proposals</li> <li>Participation in industry/government/academia projects</li> </ul>	<ul style="list-style-type: none"> <li>Participation in business groups and industry associations</li> <li>Participation in public-private joint development and projects</li> </ul>	<a href="#"><u>Open Innovation External Affairs Activities Concerning Climate Change</u></a>

# Kawasaki Group's Materiality

17 | Materiality

21 | KPIs and Results for Materiality

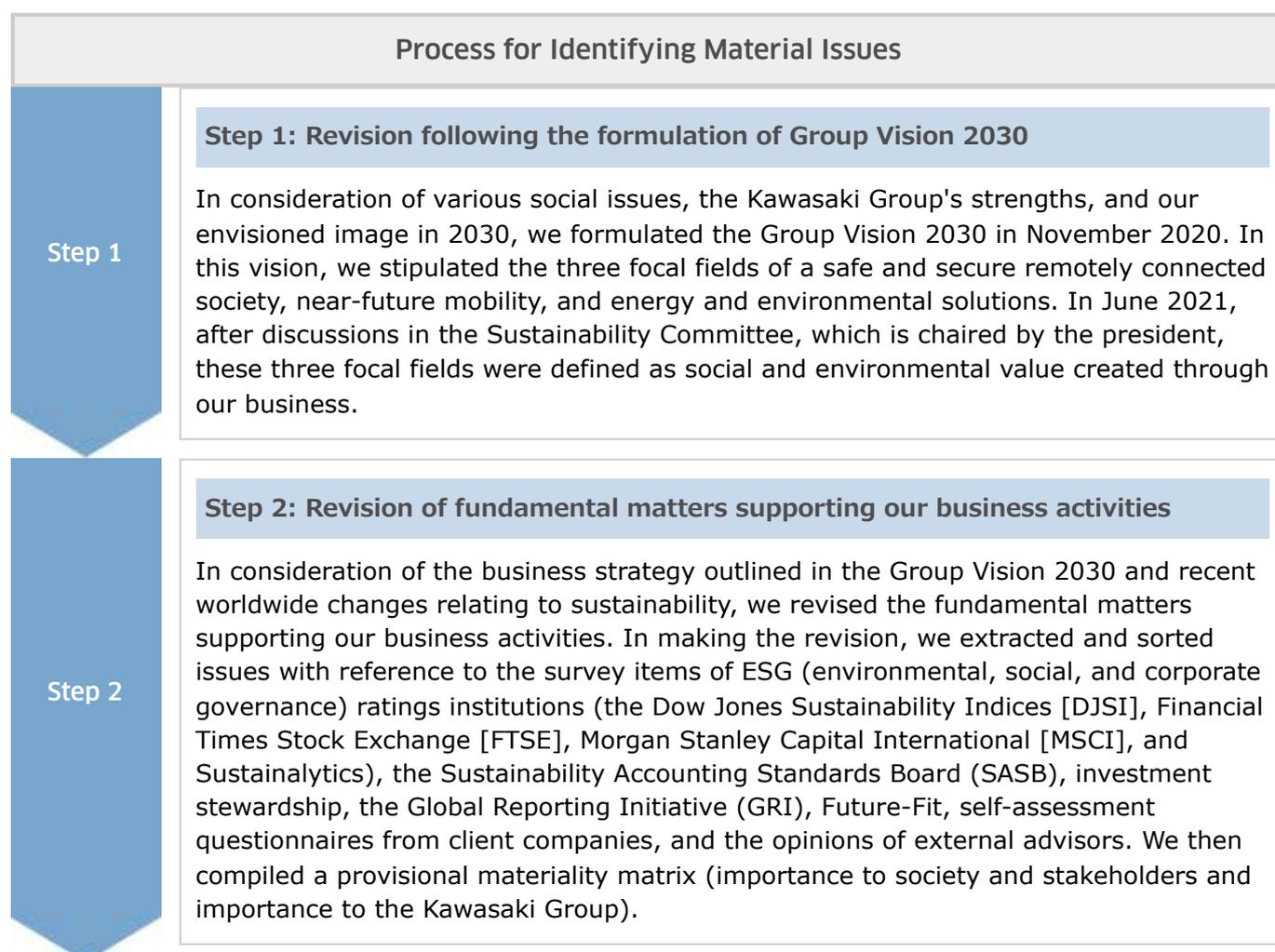
# Materiality

## Process for Identifying Material Issues

The expectations and requirements of stakeholders are diversifying, and the business environment surrounding us is changing. In consideration of these factors, the Kawasaki Group pinpointed and arranged the impact that our Group's business activities have on society and in 2018 identified the Kawasaki Group's materiality.

The material issues were subsequently reevaluated following the announcement of the Group Vision 2030 in November 2020. As in 2018, we divided them into two broad categories: The "social and environmental value created through our 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 revise our material issues in accordance with changes in the business environment and expectations of society.

### Summary of the Identification Process



Step 3

**Step 3: Interviews with outside experts and decision on material issues**

We heard the opinions of outside experts and revised our materiality matrix accordingly. After discussions in the Sustainability Committee based on these opinions and the revised matrix, the Board of Directors deliberated the Kawasaki Group's materiality and reached a final decision.

Step 4

**Step 4: Planning and review**

Regarding our identified material issues, we will aim to comply with the management approach defined under GRI standards, stipulate responsible divisions and specific numerical targets, and, through steady practice and follow-up, promote activities toward the achievement of these targets. We will report the state of progress to the Sustainability Committee and endeavor to make improvements as necessary.

Comments of Experts Interviewed in Step 3

Profile*	Expert comments (excerpt)
 <p><b>Keisuke Takegahara</b></p> <p>Executive Fellow and Deputy Chief Research Officer, Research Institute of Capital Formation and General Manager, Research Center on Financial Economics, Development Bank of Japan Inc.</p> <p><a href="#">Details of comments</a> </p>	<p>The Kawasaki Group has been hands-on in creating a business foundation to allow many companies to make the jump to 2030 and beyond. Because Kawasaki Group's own transition represents the creation of innovation for other companies, discussing that scenario in the context of value creation will make it easier to gain the understanding of investors.</p>
 <p><b>Mari Yoshitaka</b></p> <p>Principal Sustainability Strategist, Mitsubishi UFJ Research and Consulting Co., Ltd.</p> <p><a href="#">Details of comments</a> </p>	<p>I would like the Company to make visible how the "foundation of our business activities" is connected to "social and environmental value created through our business," including a time line. In the wake of the COVID-19 pandemic, investors are keeping a close eye on issues of sustainable supply chains and human rights, so these two could be elevated a bit more under social and stakeholder expectations.</p>
 <p><b>Kazuo Tase</b></p> <p>President and CEO, SDG Partners, Inc.</p> <p><a href="#">Details of comments</a> </p>	<p>The Company needs to list decarbonization and addressing TCFD among its "foundation of our business activities" issues. I think hydrogen can be considered over a somewhat longer period of time, as the technological innovations that will arise in the first half of 2030s will see the cost of hydrogen from renewable energy sources and the cost of hydrogen from fossil fuels reversed.</p>

\* Titles are as of the time of publication.

## Response to Experts' Comments

The position of each material issue is shown in the materiality matrix. In light of the comments by experts, we amended the matrix to raise the degree of importance to society and stakeholders of "sustainable supply-chain management" and "business and human rights."

Regarding the foundation of our business activities, in light of their comments, we classified these material issues into the following three categories and, as necessary, clarified the priority matters for each one.

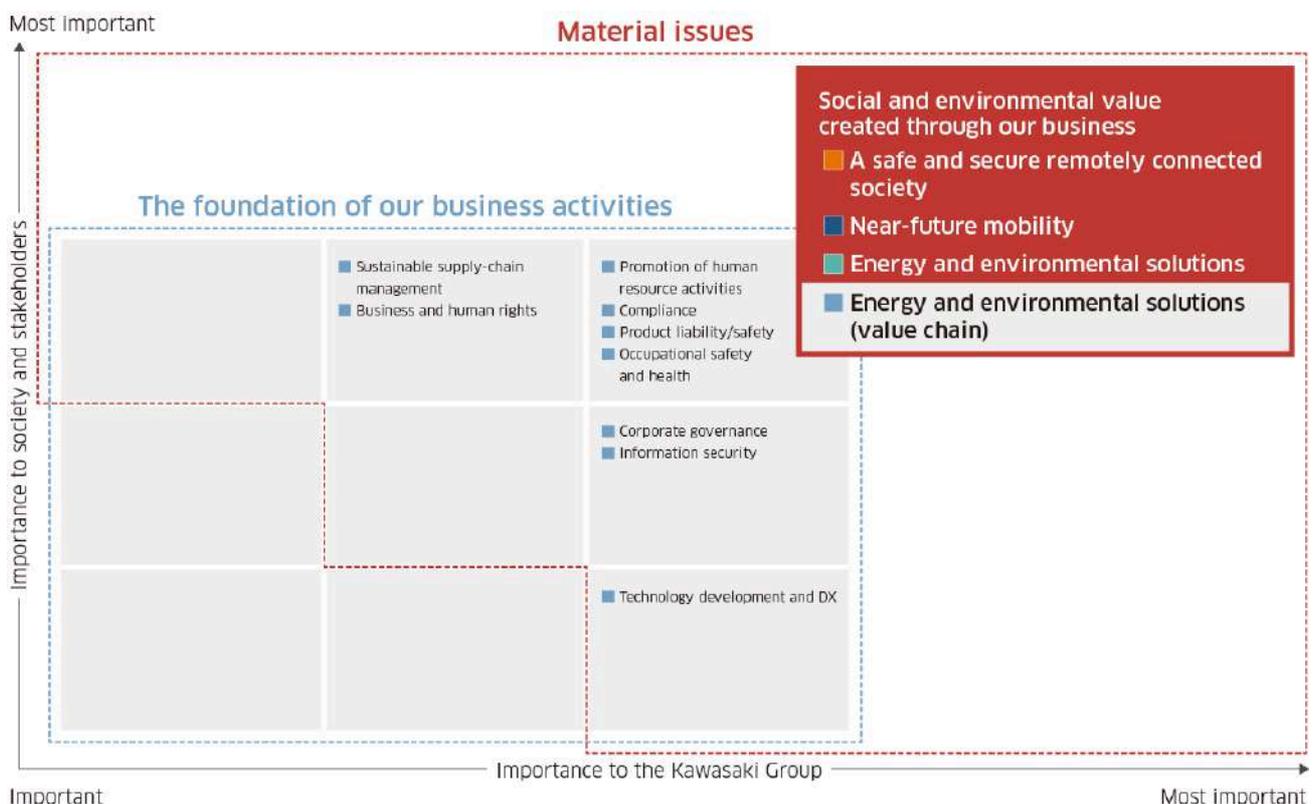
- (1) Items of particular importance going forward (items that will have an ever-increasing impact on future finances)
- (2) Items that were emphasized in the past, but which will be steadily reinforced going forward
- (3) Mechanisms to be developed as the foundation for everything

Furthermore, after taking a broad view of the flow from planning and design to product use and the whole value chain from related suppliers to customers, we clarified the scope of initiatives for each issue in categories 1 and 2 above and compiled a table of the Kawasaki Group's materiality and priority matters. The Group's materiality is shown in the matrix and table of priority matters.

Regarding sustainable supply-chain management, since the matters that should be addressed are wide-ranging, in the table below priority matters are shown in the "Suppliers" column.

## Identified Materiality

### Materiality Matrix



## The Kawasaki Group's Materiality and Priority Matters

### ■ The most material issues to be achieved by the Group over the long term



### ■ Basic items for achieving the most material issues

□ : Scope of initiatives

The foundation of our business activities	Material Issues		Suppliers	The Kawasaki Group	Our customers	
	Items of particular importance going forward (items that will have an ever-increasing impact on future finances)	Energy and environmental solutions (value chain)			Decarbonization	
Improvement of resilience to climate change						
				Effective use of resources		
Business and human rights				Conduct human rights due diligence		
		Promotion of human resource activities		Human resource system reforms, human resource development		
				Diversity and inclusion		
Technology development and DX		Co-creation IP strategies for new business creation				
				Open innovation		
				Promote DX		
Items that were emphasized in the past, but which will be steadily reinforced going forward		Product liability/safety		Product liability/safety		
	Compliance	Compliance with the Sustainable Procurement Guidelines	Compliance with the Kawasaki Group Code of Conduct			
			Anti-corruption measures			
	Occupational health and safety		Occupational safety and health			
	Information security		Strengthen product security			
			Strengthen information security			
			Strengthen cyber defenses			
		Personal information protection				
<b>Corporate governance</b> (mechanisms to be developed as the foundation for everything)						

- [KPIs and Results for Material Issues \(Materiality\)](#)
- [Business Strategies and Targets/Metrics for the Key Material Issues](#)



See below for information on the correlation between applicable SDGs and the 169 targets.

- [Kawasaki Group's Approach to the SDGs \(Contribution through business activities and its details\) \(PDF:272KB\)](#) 

## KPIs and Results for "The Foundation of Our Business Activities"

Within the Kawasaki Group, we positioned business and human rights, promotion of human resource activities, compliance, technology development, and DX, which serve as fundamental matters for achieving the three focal fields identified as the most important issues, as priority matters of the foundations of our business activities. We set quantitative targets and KPI for each item of the latter and are monitoring progress in our business activities.

### Energy and Environmental Solutions (Value Chain)

#### Goals of Group Vision 2030

- Implement, to the maximum extent, feasible measures concerning Scope 3, to steadily work toward the milestone of becoming Zero-Carbon Ready by 2040.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• For category (i), reduce CO<sub>2</sub> emissions by suppliers of materials and parts</li> <li>• For category (xi), pursue a lineup of CO<sub>2</sub>-free standard solutions in all businesses</li> </ul>	Scope 3 (category (i)) <sup>*1</sup>	3,850,977 t-CO <sub>2</sub>	4,604,237 t-CO <sub>2</sub>
	Scope 3 (category (xi)) <sup>*2</sup>	32,650,318 t-CO <sub>2</sub>	26,430,330 t-CO <sub>2</sub>
	Initiatives to reduce category (i) of Scope 3	Confirmed the status of carbon neutral initiatives with key suppliers	Held carbon neutrality networking and seminars and started collecting information on emissions of suppliers

\*1 Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors

\*2 The Kawasaki Group

# Promotion of Human Resources Activities

## Goals of Group Vision 2030

- Strengthen and effectively use human capital (efficient allocation and human resource development) to achieve Group Vision 2030.
- Enhance employee engagement and build a company culture in which employees can continue to work with enthusiasm.
- Promote diversity, equity, and inclusion (DE&I) to build an organization in which a wide array of employees can maximize their individuality and potential.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• <b>Implement the personnel system reform and human resource development in ways that enhance corporate value</b></li> <li>• <b>Promote DE&amp;I</b></li> </ul>	ROI from human resources *1, *2	1.26	1.76
	Ratio of employees for whom both "engagement (job satisfaction)" and "enablement (productive work environment)" are high (employee engagement survey results)	29%*3	31%*4
	Proportion of women in managerial positions*5	2.3%	2.5%
	Rate at which women, foreign nationals, and individuals with mid-career hires are promoted to senior manager or above*5	8.5%	8.7%
	Wage differences between male and female employees*4	62.0%	67.5%
	Rate at which male employees take childcare leave*5	25.0%	29.6%

\*1 Calculated as sales - (sales expenses - employee-related expenses) / Employee-related expenses

\*2 The Kawasaki Group

\*3 Kawasaki and some domestic consolidated subsidiaries (19 companies total)

\*4 The Kawasaki Group (domestic)

\*5 Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors

# Occupational Safety and Health

## Goals of Group Vision 2030

- Ensure that there are no serious occupational accidents Group-wide.
- Reduce the need for sick leave.
- Maintain and improve employee health.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• <b>Implement appropriate occupational safety and health measures: to prevent work-related accidents, to reduce the need for sick leave, and to encourage employees to improve lifestyle habits</b></li> </ul>	Lost Time Injury Frequency Rate (LTIFR)*1*2	0.23	0.35
	Absence rate (day basis) due to sick leave*1*2	10.4	9.6

\*1 Calendar year basis

\*2 Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors

# Sustainable Supply Chain Management

## Goals of Group Vision 2030

- Remain aware of environmental, human rights, and other risks associated with the entire supply chain and work with suppliers to promote sustainability.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• <b>Revise and distribute Sustainable Procurement Guidelines</b></li> <li>• <b>Implement sustainable procurement survey of suppliers and review or audit based on their responses</b></li> <li>• <b>Initiatives including human rights due diligence, promotion of decarbonization, and efficient use of resources, in the supply chain</b></li> </ul>	Rate of major suppliers responding to our sustainable procurement survey	77.8% (Responses from 533 companies of the total of 685)	82.3% (Responses from 200 companies of the total of 243)
	Implementation status of human rights due diligence	Identification of 12 supplier companies as targets for improvements based on the results of the sustainable procurement survey	Identification of 9 supplier companies as targets for improvements based on the results of the sustainable procurement survey

# Business and Human Rights

## Goals of Group Vision 2030

- No violations of human rights throughout the value chain and no complicity in human rights violations.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• <b>Implement human rights due diligence among subsidiaries and suppliers</b></li> </ul>	Number of human rights impact assessments conducted for subsidiaries	Implemented SAQ targeting four overseas subsidiaries (manufacturing sites in developed countries)	<ul style="list-style-type: none"> <li>• Implemented SAQ targeting 45 domestic subsidiaries</li> <li>• Conducted employee hearings at two overseas subsidiaries</li> </ul>
	Number of improvements and corrective actions based on SAQ*1	Made requests for improvement to five companies	<ul style="list-style-type: none"> <li>• Made requests for improvement to five domestic subsidiaries subject to SAQ in fiscal 2024</li> <li>• Of the requests for improvement made in fiscal 2023, four companies took corrective action</li> </ul>
	Number of reports from outside stakeholders		7*2

\*1 Self-assessment questionnaire (self-assessment sheet)

\*2 Number of reports to supplier hotline

\*3 Number of reports to supplier hotline and Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) hotline

# Product Liability/Safety

## Goals of Group Vision 2030

- Deliver trustworthy and safe products and services from the customer's perspective based on consistent quality policies covering from top management to work-site operators.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<b>Promote TQM*1 activities</b>	Certification status of quality management system *2*3	73.1%	73.1%

\*1 TQM: Total Quality Management

\*2 ISO 9001

\*3 Total of domestic and overseas manufacturing sites

## Technological Development/Digital Transformation (DX)

### Goals of Group Vision 2030

- Deliver new products and new businesses to market which contribute to the resolution of global environmental and social challenges.
- Successfully acquire and utilize intellectual property rights linked with business strategies.
- Promote process innovation, increase sophistication of processes and integrate digital technologies throughout the value chain.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• Promotion of open innovation</li> <li>• Building of intellectual property strategy (strengthening of intellectual property strategy) for the co-creation of new businesses</li> <li>• Promotion of digital transformation (DX) throughout the value chain</li> </ul>	Number of cases of major external collaborations*1	5 cases The establishment of the Microsoft AI Co-Innovation Lab in Kobe City, in-orbit technology demonstration of the Debris Removal Unprecedented Micro-Satellite (DRUMS), etc.	11 cases Started joint research into absorbing CO <sub>2</sub> from the air and trapping it in concrete, formally introduced an in-hospital delivery service using robots, etc.
	Number of patents held*2	Japan: 3,049 patents Overseas: 4,511 patents	Japan: 3,188 patents Overseas: 4,637 patents
	R&D expenses	53.3 billion yen	48.9 billion yen
	Number of personnel trained as DX promotion human resources	<ul style="list-style-type: none"> <li>• AI fundamentals training: 70 persons</li> <li>• DX &amp; IT literacy training (pilot program): 85 persons</li> </ul>	<ul style="list-style-type: none"> <li>• AI fundamentals training: 10 persons</li> <li>• DX &amp; IT literacy training (pilot program): 25 persons</li> <li>• Microsoft 365 fundamentals training: 23,211 persons</li> </ul>

\*1 Number of cases disclosed in news releases

\*2 Calendar year basis

## Information Security

### Goals of Group Vision 2030

- Maintain and manage cyberattack response and the protection of customer and product information with the world's highest level of security.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• Strengthen information security governance throughout the Kawasaki Group</li> </ul>	Scores of 80 points or more for all domains owned by KHI from security risk rating	Percentage of domains exceeding target values: 74%	Percentage of domains exceeding target values: 76%
	Interruption of production activities due to cyberattacks: 0 incidents	0 incidents	0 incidents

\* Scores lower due to more stringent external assessment criteria

# Compliance

## Goals of Group Vision 2030

- Monitor as accurately as possible the risks of committing compliance violations.
- Build an inclusive and effective compliance system tailored to given risks, and continuously manage and regularly update this system.

Priority matters	Target indicators (or key performance indicators)	Fiscal 2023 results	Fiscal 2024 results
<ul style="list-style-type: none"> <li>• <b>Further improve compliance awareness throughout the Group</b></li> <li>• <b>Strengthen anti-corruption measures throughout the Group</b></li> </ul>	Attendance rate for compliance training for overseas	Not implemented owing to external circumstances	90.8%
	Number of whistle-blowing system reports	Japan: 76 reports/Overseas: 0 reports	Japan: 92 reports/Overseas: 4 reports
	Number of cases of compliance violations	Japan: 18 cases/Overseas: 0 cases	Japan: 15 cases/Overseas: 1 case

# Governance

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- 47 | Compliance and Anti-corruption Measures
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# Corporate Governance

## Basic Views

The Kawasaki Group's basic stance on corporate governance is to raise enterprise value through effective and sound management while forming solid relationships with all stakeholders, including shareholders, customers, employees, and communities, through highly transparent management practices. Our Group is striving to further strengthen and enhance corporate governance systems as appropriate for its businesses and scale.

## Corporate Governance Systems

Kawasaki is a company with an Audit & Supervisory Committee and has voluntarily established a Nomination Advisory Committee and a Compensation Advisory Committee as advisory bodies to the Board of Directors as well as a Management Committee, an Executive Officers Committee, and other business execution bodies. By avoiding having Directors serve concurrently as officers responsible for specific businesses (the internal company presidents, etc.), the Company seeks to enhance the separation of management oversight and business execution and thereby further reinforce the Board of Director's oversight functions.

Our main deliberative bodies and their details are as follows.

### Board of Directors

The Board of Directors comprises 13 Directors (of whom five serve as Audit & Supervisory Committee Members), and seven of the 13 Directors are Outside Directors (of whom three serve as Audit & Supervisory Committee Members), comprising a majority of the Board. In addition, four of the Directors are women and two are foreign nationals, providing a balance of knowledge, experience, and skills, promoting diversity, and creating a system that enables more multifaceted decision making. Chairman of the Board serves as presiding officer pursuant to a resolution of the Board.

In addition to deliberating on individual proposals submitted in accordance with the internal rules, the Board of Directors also discusses topics set based on the results of evaluations of the effectiveness of the Board. In fiscal 2024, the Board discussed issues including our vision for group governance, strengthening of audit and compliance system, and business direction to enhance enterprise value. We also created a system whereby the Board adopts resolutions on fundamental policies on key management issues, such as sustainability, compliance, risk management, and quality control, and can request reports on the status of these issues from the business execution side.

In addition to the above, the Nomination Advisory Committee and the Compensation Advisory Committee have been established for the purpose of improving the transparency and objectivity of its deliberations. The presiding officers and a majority of members of each committee are Outside Directors. The Nomination Advisory Committee deliberates on the policies and standards regarding the appointment and dismissal of Directors and the appropriateness of such, and the Compensation Advisory Committee deliberates on the policies and systems regarding the compensation of Directors and the appropriateness of the individual compensation, and reports or advises the Board of Directors, respectively.

## Audit & Supervisory Committee

The Audit & Supervisory Committee comprises five Directors, including three Outside Directors. To secure effective oversight, the two Internal Directors have been appointed as full-time Audit & Supervisory Committee Members. To ensure the reliability of financial reports, at least one person with sufficient knowledge of finance and accounting is appointed to the Committee.

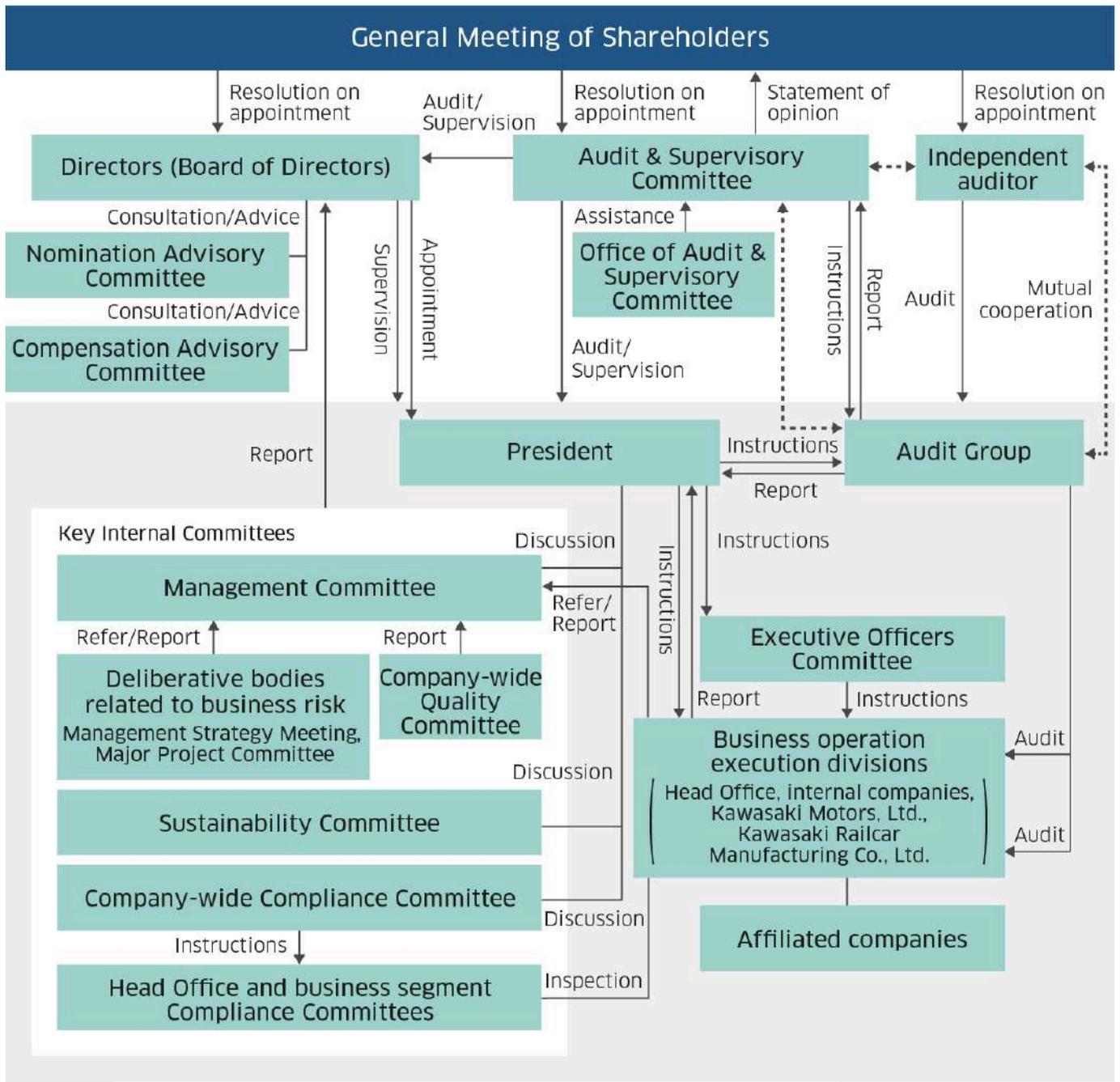
## Business Execution Framework

Kawasaki has adopted an executive officer system in order to facilitate response to rapid changes in the business environment. To accelerate decision making, a great deal of authority over business execution decisions is delegated to the executive officers, who are appointed by the Board of Directors.

The Company established a Management Committee consisting of Representative Directors, presidents of internal companies, and others as an advisory body to the President on overall Group management. The Committee deliberates on important matters related to business execution. The Company also established the Management Strategy Meeting and the Major Project Committee to engage in multifaceted discussions of strategies, action plans, and risk assessment and countermeasures for each business and project, thereby creating a system that enables more appropriate and efficient decision making and business execution.

The Executive Officers Committee, chaired by the President and consisting of all executive officers, has been established. In addition to issuing business execution policies based on decisions made by the Board of Directors, the Committee also exchanges opinions on management issues in an effort to unify decision making in Group management.

Corporate Governance System Diagram (As of June 26, 2025)



- [Corporate Governance Report](#)

## Corporate Governance Functions (Organizations, Committees, Etc.)

Name	Role
<b>Nomination Advisory Committee</b>	An advisory body on policy and standards for the appointment and dismissal of corporate officers and such appointment and dismissal. (Presiding officer: An Outside Director)
<b>Compensation Advisory Committee</b>	An advisory body on the policy for and systems of corporate officer compensation as well as individual compensation. (Presiding officer: An Outside Director)
<b>Management Committee</b>	A meeting body that assists the President as an advisory body with regard to overall Group management. Discusses important business execution issues. (Presiding officer: The President)
<b>Executive Officers Committee</b>	Issues instructions on business execution policy based on management policy and management plans determined by the Board of Directors as well as information on important matters decided by the Management Committee, and also reports on and communicates necessary and important information regarding business execution and holds exchanges of opinions. (Presiding officer: The President)
<b>Sustainability Committee</b>	Discusses and decides on various measures to promote social, environmental, and Group sustainability, and also monitors adherence to such measures and the achievement of their aims. (Chair: The President)
<b>Company-wide Compliance Committee</b>	Discusses and decides on various measures to ensure thorough compliance throughout the Kawasaki Group, and also monitors adherence to such measures and the achievement of their aims. (Chair: The President)
<b>Company-wide Quality Committee</b>	Discusses Company-wide quality control policy and ensures its application for the purpose of reinforcing Company-wide quality control systems, and also shares information about quality control among the Head Office, internal companies, and other related companies. (Presiding officer: The Senior Corporate Executive Officer in charge of technology)
<b>Management Strategy Meeting</b>	Discusses Company-wide business strategies and action plans based on analysis of the business environment of each business segment for the purpose of formulating and reviewing management strategies and management plans for each business segment. (Presiding officer: The President)
<b>Major Project Committee</b>	Evaluates and considers ways of addressing the risks of major projects that could significantly impact operations and financial performance for the purpose of managing risk before bidding on and making investment decisions regarding such projects. (Presiding officer: The general manager of the Corporate Planning Division)

- [Record of Board of Directors Meetings \(ESG Data\)](#)
- [Record of Audit & Supervisory Committee Meetings \(ESG Data\)](#)
- [Composition of Nomination Advisory Committee and Compensation Advisory Committee and Record of Meetings \(ESG Data\)](#)

# Corporate Officers (As of June 26, 2025)

Name	Position at the company	Executive	Independent	Years of Service as a Director	Nomination Advisory Committee	Compensation Advisory Committee	Woman	Non-Japanese National	Board of Directors Meetings Attended*	Audit & Supervisory Committee Meetings Attended*
Yoshinori Kanehana	Chairman of the Board			13					22/22	-
Yasuhiko Hashimoto	Representative Director, President, and Chief Executive Officer	○		7	○	○			22/22	-
Katsuya Yamamoto	Representative Director, Senior Corporate Executive Officer	○		8	○	○			22/22	-
Hiroshi Nakatani	Representative Director, Senior Corporate Executive Officer	○		5					22/22	-
Jenifer Rogers	Outside Director		○	7			○	○	22/22	-
Hideo Tsujimura	Outside Director		○	5	○ Presiding officer	○ Presiding officer			21/22	-
Katsuhiko Yoshida	Outside Director		○	3	○	○			22/22	-
Melanie Brock	Outside Director		○	2			○	○	22/22	-
Nobuhisa Kato	Director (Audit & Supervisory Committee Member)			3					22/22	18/18
Atsuko Kakihara	Director (Audit & Supervisory Committee Member)			1			○		17/17	11/11
Susumu Tsukui	Outside Director (Audit & Supervisory Committee Member)		○	3	○	○			22/22	18/18
Tomoko Amaya	Outside Director (Audit & Supervisory Committee Member)		○	1			○		17/17	11/11
Toshiaki Itagaki	Outside Director (Audit & Supervisory Committee Member)		○	New					-	-

\* Data on the number of Board of Directors meetings attended and Audit & Supervisory Committee meetings attended is for fiscal 2024.

## Presiding Officer of the Board of Directors

The Chairman of the Board of Directors serves as the presiding officer of the Board of Directors.

### • Executives

# Director Appointment

## Director Appointment Process

The Board of Directors defined the "Qualifications Expected of Directors" and selects directors with extensive and broad experience, insight, and expertise. Furthermore, it promotes diversity in gender, ethnicity, nationality, and so forth to create a system that enables more multi-faceted decision making. The status of that system is summarized in a skills matrix.

When selecting the skills and experience included in the skills matrix, we defined the areas of supervision as "vision, strategic thinking, and governance," "business structure transformation," and "growth initiatives related to infrastructure development" from the perspective of enhancing the Group's sustainable corporate value by providing solutions to social problems, and we defined the skills and experienced required in each supervisory area as follows.

### Skills and Experience Required in Each Area of Supervision

Area of Supervision	Expected Skills	Expected Experience
Vision, strategic thinking, and governance	Business strategy / Governance / IT, DX & security	Corporate management Global Legal & administration Finance
Business structure transformation	Business strategy / Monozukuri (technology, development, production & quality) / Sales & marketing	
Growth initiatives related to infrastructure development	Business strategy / Finance & accounting / Personnel & organizational management / Monozukuri (technology, development, production & quality) / Sales & marketing / IT, DX & security	

## Reasons for Selecting Required Skills and Experience

The reasons for selecting these required skills and experience are shown in the table below.

<b>Expected Skills</b>	<b>Reasons for Selection</b>
Business strategy	Because with regard to supervising growth strategies based on ambidextrous management, we expect knowledge and expertise in planning and implementing business strategies that entail reviewing business models, portfolio reform, and collaboration with national and local governments, other companies, and research institutions.
Governance	Because with regard to supervising the establishment of a governance structure that will be the foundation for continuous improvements to corporate value, we expect a broad range of knowledge and expertise in governance-related issues, including corporate governance, risk management, human rights, and compliance.
Finance & accounting	Because with regard to the laying of a firm financial base and supervising the furthering of growth investments and the strengthening relationships of trust with stakeholders such as shareholders, we expect knowledge and expertise regarding financial affairs and accounting.
Personnel & organizational management	Because with regard to supervising the formulation and implementation of personnel strategies for obtaining talented human resources and getting the most out of the talents of a diverse workforce, we expect knowledge and expertise regarding personnel and organizational management from a management perspective.
Monozukuri (technology, development, production & quality)	Because with regard to supervising the formulation and advancement of manufacturing strategies that will continue to present society with valuable solutions, we expect a broad range of knowledge and expertise regarding manufacturing including technology, development, intellectual property, production, quality, and safety.
Sales & marketing	Because with regard to supervising business development and information dissemination for innovations created from a "market-in" perspective, we expect knowledge and expertise in sales and marketing.
IT, DX & security	Because with regard to supervising the creation and advancement of solutions based on the use of AI and promotion of DX, we expect knowledge and expertise about IT, DX, and security.

<b>Expected Experience</b>	<b>Reasons for Selection</b>
Corporate management	Because the director will use their corporate management experience in order to supervise management of the entire company, including business strategies, corporate governance, sustainability, and personnel strategies.
Global	Because the director will use their experience in global strategy and policy formulation and their hands-on, overseas experience in business and organizational management to supervise global business growth and risk management.
Legal & administration	Because the director will use their experience in legal circles and government institutions in order to supervise governance, risk management, business strategies, etc.
Finance	Because the director will use their experience in financial institutions to supervise financial strategies, manufacturing, business strategies, etc.

## Directors skills matrix

The skills matrix for current directors is shown on the table below. Furthermore, we check for those skills about which increased discussion is expected.

Name	Position at the company	Expected skills						Expected experience				
		Business strategy	Governance	Finance and accounting	Personnel & organizational management	Monozukuri (technology, development, production & quality)	Sales & marketing	IT, DX & security	Corporate management	Global	Legal & administration	Finance
Yoshinori Kanehana	Chairman of the Board	✓	✓		✓	✓	✓		✓	✓		
Yasuhiko Hashimoto	Representative Director, President, and Chief Executive Officer	✓	✓		✓	✓	✓	✓	✓	✓		
Katsuya Yamamoto	Representative Director, Senior Corporate Executive Officer	✓	✓	✓	✓				✓	✓		
Hiroshi Nakatani	Representative Director, Senior Corporate Executive Officer	✓	✓			✓		✓	✓			
Jenifer Rogers	Outside Director	✓	✓	✓						✓	✓	✓
Hideo Tsujimura	Outside Director	✓	✓		✓	✓	✓		✓	✓		
Katsuhiko Yoshida	Outside Director	✓	✓				✓		✓			
Melanie Brock	Outside Director	✓	✓				✓			✓		
Nobuhisa Kato	Director (Audit & Supervisory Committee Member)	✓	✓	✓					✓	✓		
Atsuko Kakahara	Director (Audit & Supervisory Committee Member)	✓	✓				✓			✓		
Susumu Tsukui	Outside Director (Audit & Supervisory Committee Member)	✓	✓								✓	
Tomoko Amaya	Outside Director (Audit & Supervisory Committee Member)	✓	✓	✓						✓	✓	✓
Toshiaki Itagaki	Outside Director (Audit & Supervisory Committee Member)	✓	✓	✓			✓	✓	✓	✓		

### Qualifications Expected of Directors

1. Possess in-depth understanding and support for the Kawasaki Group's management philosophy and vision.
2. Be able to make positive contributions towards sustainable growth and the enhancement of enterprise value over the medium and long term.
3. Maintain a Company-wide perspective and bring the wealth and breadth of experience, insight and expertise to do so.
4. Be able to supervise the management and execution of business operations from an independent and objective position as a member of the Board of Directors.
5. Be able to exercise one's authority in an active and positive manner, and appropriately voice opinions at Board of Directors meetings or to management.

Note: To ensure the effectiveness of audits, Directors serving as Audit & Supervisory Committee Members must be familiar with the Company's business or have deep insight and expertise in corporate management, legal affairs, finance and accounting, government and other fields. At least one Director serving as an Audit & Supervisory Committee Member must have sufficient knowledge of finance and accounting.

### Independence Criteria for Outside Directors

If none of the following items apply, the Company judges that an Outside Director is sufficiently independent.

1. In the event that a company (including an important subsidiary as defined by the Company) in which the Outside Director is currently employed or has been employed in the past 10 years as an executive director, executive officer, manager or other important employee (hereinafter referred to as the "originating company") conducts business with the Kawasaki Group, the average transaction amount for the past five fiscal years exceeds 2% of the average net sales of the Group and the originating company for the past five fiscal years.
2. The average amount of compensation (excluding compensation as an officer of the Company) received by such Outside Directors directly from our Group as a legal, accounting or tax specialist or consultant (or a corporation if the Outside Director has legal personality) for the past five fiscal years exceeds ¥10 million.
3. The average amount of donations, etc. from the Group to the non-profit organization for which the Outside Director serves as executive officer for the past five fiscal years exceeds ¥10 million and exceeds 2% of the organization's total revenue or ordinary income/expenses.
4. The company from which the Outside Director hails is a major shareholder holding 10% or more of the Company's total outstanding shares.
5. A relative within the second degree of kinship of the Outside Director is a person who meets the conditions set forth in the preceding four items or is an executive director, executive officer, manager, or other important employee of our Group.

- [Reasons for Appointment of Outside Directors](#) 

# CEO Succession Plan

## Basic Policy

Through the formulation of a CEO Succession Plan, the Company aims to promote the further reinforcement of its corporate governance as well as to methodically train candidates through growing their ability by giving them challenging assignments and, in doing so, have the Kawasaki Group sustainably enhance its enterprise value. Through that CEO Succession Plan, going forward, the Company will continue to smoothly and firmly carry out succession to the next generation so that it may contribute to the solution of social issues.



## Human Resource Requirements for CEOs

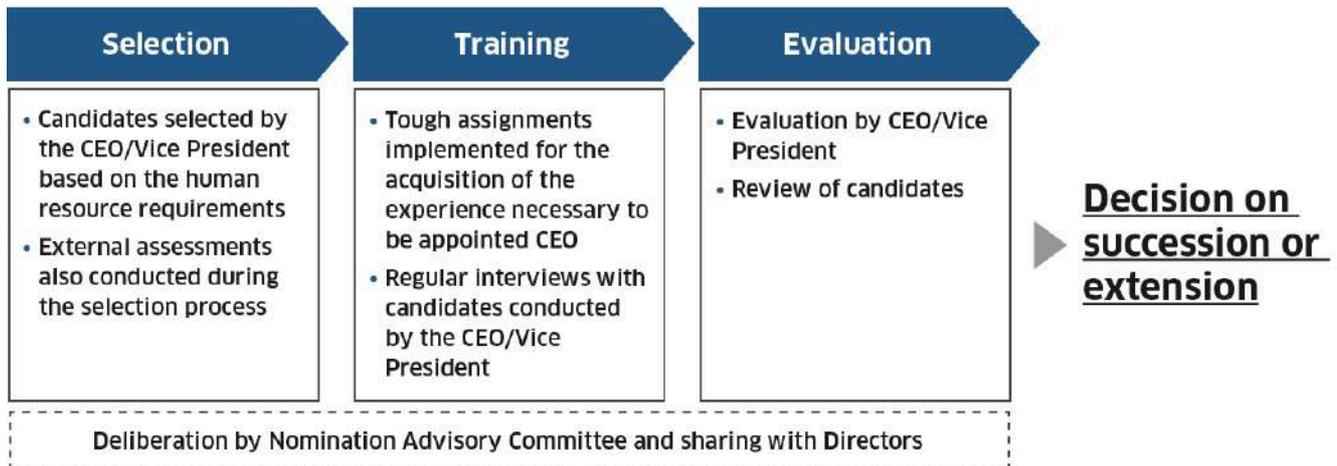
The Company has established the following three criteria as essential human resource requirements among leaders to continuously innovate in technology to contribute to society, as well as to present "Trustworthy Solutions for the Future." We evaluate management and business execution capabilities as CEO based on the essential human resource requirements which the Company emphasizes and monitor the statuses of their development.

### Human Resource Requirements for CEOs

Evaluation items	Keywords
<b>Conceptual ability (Philosophy)</b>	The candidate has a highly developed philosophy and takes a bird's-eye view of current situations with a view to the solution of societal challenges, while demonstrating the purpose and significance of Kawasaki for future society.
<b>Executorial ability</b>	The candidate takes the initiative in leading changes while having a highly developed awareness of compliance in actively engaging with the organization and human resources.
<b>Explanatory ability</b>	The candidate gains the understanding and empathy of diverse stakeholders and builds deep relationships of trust through sincere and transparent mutual communication.

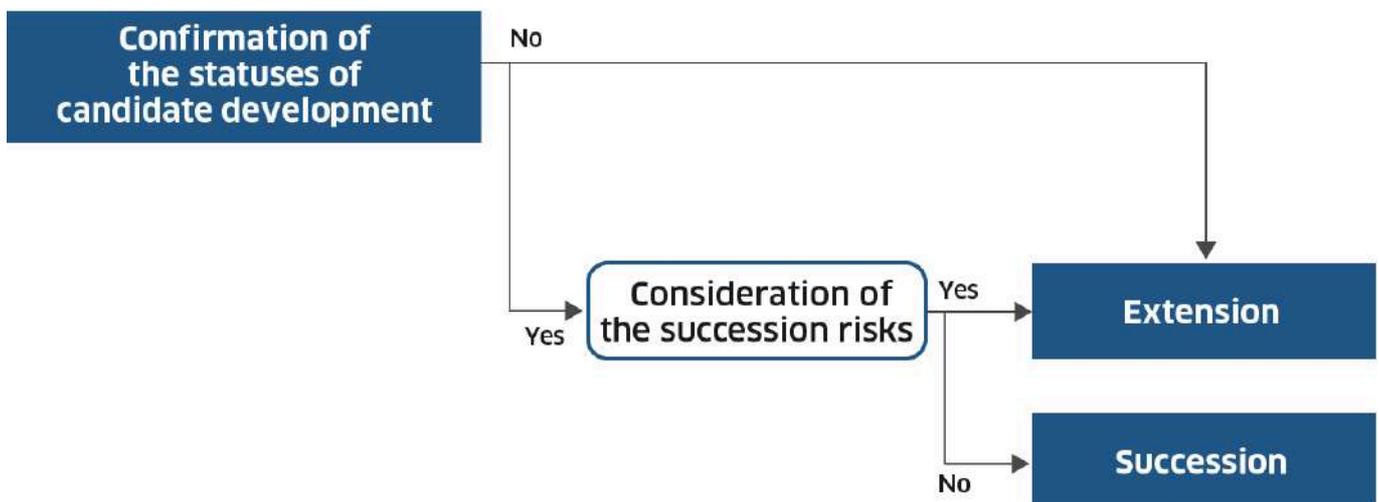
## Selection, Training, and Evaluation of CEO Candidates

The CEO and Vice President undertake the selection of candidates based on the CEO human resource requirements and confirm their evaluations through external assessments designed to ensure greater objectivity in the selection process. In addition, the Nomination Advisory Committee deliberates annually on the selection, development, and evaluation of candidates, and shares its evaluation and outcomes with the Directors to ensure transparency and allow the Board of Directors to confirm the statuses of respective candidates in a timely manner.



## Determination Criteria for the Replacement of CEOs and the Extension of Their Terms

Changeover of the CEO is finalized via resolution of the Board of Directors, following comprehensive assessment of the business environment, management statuses, and the development statuses of candidates, and taking into account the opinions of the Nomination Advisory Committee.



# Director Compensation

The compensation system for Directors (excluding Audit & Supervisory Committee Members and Outside Directors) is based on the following basic policy with the aim of achieving Group Vision 2030, "Trustworthy Solutions for the Future," established in November 2020. In addition, at meetings held on May 9, 2024, September 21, 2024, and May 21, 2025, the Board of Directors adopted resolutions to partially revise the compensation system for the Company's Directors (excluding Audit & Supervisory Committee Members and Outside Directors). Because the Company's annual compensation period runs from July through June of the following year, from the annual compensation period beginning July 2025, compensation will be calculated in accordance with the policy following these revisions.

- [Notice Concerning the Revision of the Executive Compensation System \(Company Press Release issued on May 9, 2024\)](#) 

## Basic Policy

Placing stronger emphasis on contribution to the Company's goals, the revised compensation system is designed to reward each recipient based on their responsibilities and accomplishments. To this end, it not only provides short-term incentives but also rewards Directors for their contributions to medium- to long-term improvement in corporate value. In this way, we aim to promote the sharing of value between Directors and stakeholders, including shareholders.

## Compensation for Directors (Excluding Audit & Supervisory Committee Members and Outside Directors)

Compensation for eligible Directors consists of basic compensation, short-term incentives, and long-term incentives. Basic compensation and short-term incentives are paid in cash. Long-term incentives are paid in the form of performance-based stock compensation to promote the sharing of benefits and risks between the Directors and shareholders in addition to more strongly incentivizing medium- to long-term contribution to corporate value.

For long-term incentives, points granted may be revoked in whole or in part by resolution of the Board of Directors, in given circumstances such as when an eligible Director is dismissed or resigns due to damage caused to the Company.

These three components of Director compensation account for approximately 30%, 30%, and 40%, respectively, of the total, assuming that the Group's consolidated operating results and each indicator in the preceding fiscal year reached target levels and that each Director's degree of achievement of targets set for the preceding fiscal year is 100%.

## Compensation Levels

Compensation levels are set appropriately, taking into consideration conditions at other companies and officer compensation survey data from an external specialized organization. Compensation levels for each position are generally as indicated below, with compensation for the Director, President, and Chief Executive set at 100.

Chairman of the Board: 77

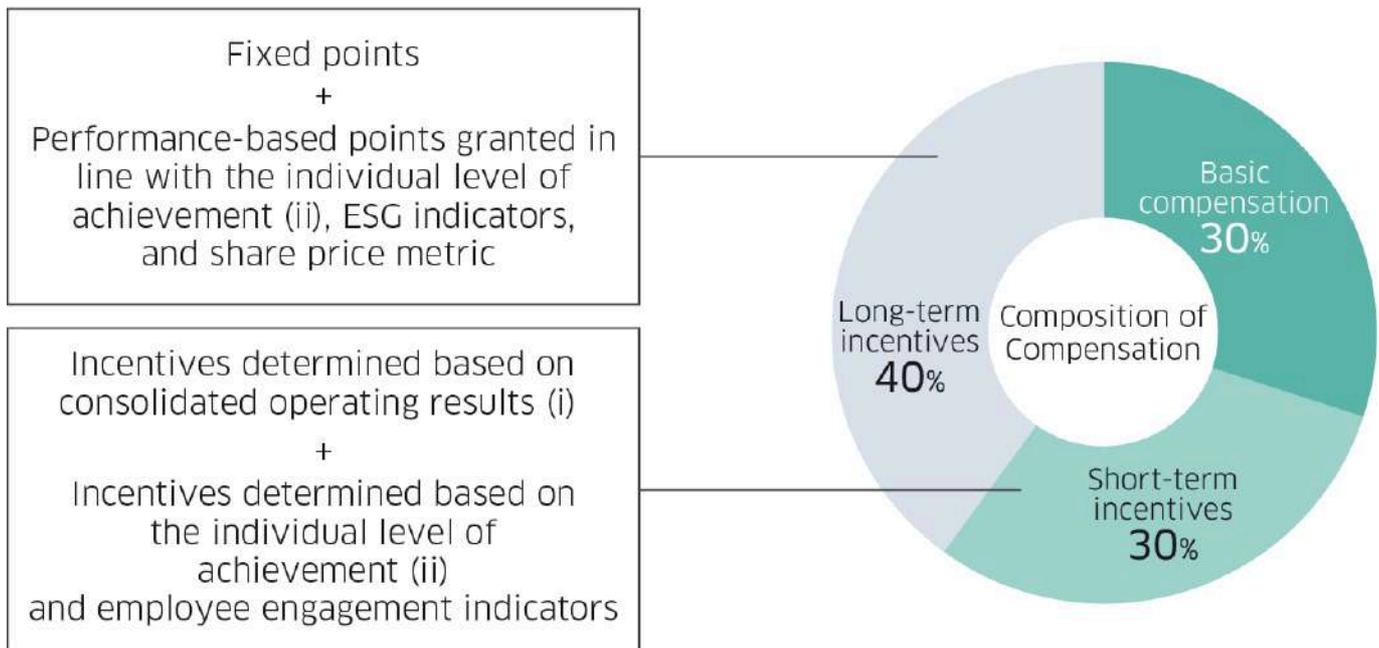
Director, President, and Chief Executive: 100

Director, Senior Corporate Executive Officer: 57

## Composition of Director Compensation (Excluding Audit & Supervisory Committee Members and Outside Directors)

Composition	Payment method	Details
Basic compensation (fixed compensation)	Cash	Each eligible Director's pay grade is determined based on the missions assigned to them.
Short-term incentives (performance-based compensation)	Cash	<p>Performance-based compensation is determined in line with single-year operating results and other indicators. Specifically, the amount of this compensation is determined based on consolidated operating results, the level of achievement of each eligible Director's individual performance targets, and employee engagement indicators.</p> <p>With the aim of providing incentives for the steady accomplishment of single-year operating results targets and promoting the sharing of value with shareholders, profit attributable to owners of the parent is used as the indicator for assessing consolidated operating results, and set based on an after-tax ROIC equivalent to the standard of achieving the weighted average cost of capital ("WACC") to maintain an awareness of capital efficiency. The payment ratio applied to this performance-based compensation is determined based on the profit attributable to owners of the parent for the year, as presented in (i), below. Details of the process for determining the level of achievement are presented in (ii), below.</p> <p>For employee engagement indicators, the payment ratio is determined according to the ratio of employees who give high scores to both "Engagement (job satisfaction)" and "Enablement (productive work environment)" in the Employee Engagement Survey, with the objective of encouraging even greater levels of performance among the human resources working at the Company.</p>
Long-term incentives (fixed portion and performance-based portion)	Stock	<p>Long-term incentives utilize a stock benefit trust and are determined based on fixed points granted to Directors in line with their periods of service as well as performance-based points granted for their accomplishments vis-à-vis individual performance targets, ESG indicators (CO<sub>2</sub> reduction and third-party institution evaluation), and share price metric. In principle, these incentives are paid to the recipients in the form of both Company shares and cash (the latter being in an amount equivalent to the value of a portion of said shares after conversion) at the time of their retirement as Director.</p> <p>Points granted are divided into fixed points and performance-based points. With regard to fixed points, value is shared with shareholders by granting a certain number of shares based on the term of service. Also, performance-based points are given as incentives to increase corporate value over the medium to long term by granting shares based on the degree of achievement of targets by each eligible director, ESG indicators, and share price metric. The degree of achievement of targets by each eligible director is the degree of achievement of targets concerning medium- to long-term issues of the entire company and the organizations and business for which each director is responsible set for each director in the previous fiscal year. For ESG indicators, evaluations are conducted based on the degree of achievement of CO<sub>2</sub> reduction targets through the Company's business activities and solutions provision, with the payment ratio determined in conjunction with third-party evaluations (Dow Jones Best-in-Class Index*), to encourage overall ESG-related initiatives, including those for the reduction of CO<sub>2</sub>. For share price metric, the payment ratio is established based on the degree of achievement of share price targets, to reinforce awareness regarding improvement of corporate value.</p> <p>The proportions of fixed points and performance-based points are set at 30%:70% each when the recipient's level of achievement is at a standard level. Details of the process for determining the level of achievement are presented in (ii), below.</p> <p>* Stock index related to sustainability by S&amp;P Global Inc.</p>

## Composition of Director Compensation



\* In the case where the Group's consolidated operating performance and each indicator in the preceding fiscal year reached target levels and each Director's degree of achievement of targets set for the preceding fiscal year is 100%.

### (i) Payment Ratio Based on Profit Attributable to Owners of Parent

Profit attributable to owners of parent	Payment ratio (%)
Less than 0	-
0 to less than ¥25 billion	0 to 45
¥25 billion to profit less than WACC equivalent	50 to 95
WACC equivalent profit to profit less than WACC + 3% equivalent	100 to 195
Profit more than WACC + 3% equivalent	200 or more

\* The targets for profit attributable to owners of parent are set based on the level that will enable the Group to achieve after-tax ROIC commensurate with WACC and the level that will enable the Group to achieve after-tax ROIC that exceeds WACC by approximately 3%.

### (ii) Process for Determining Level of Achievement of Individual Performance Targets

#### Setting of Targets

Each eligible Director sets their own targets in terms of addressing short-, medium- and long-term issues, including those associated with business units and operations under their supervision and Company-wide issues, with the degree to which these are achieved reflected in short-term and long-term incentives. These include targets pertaining to important financial indicators as well as non-financial indicators. Targets for the short- and medium-term issues are as described below, and actions and achievement levels for respective targets to be implemented by each eligible Director toward their realization are established.

- Targets for short-term issues: Targets to be achieved by the end of the fiscal year
- Targets for medium- to long-term issues: Targets to be achieved in light of Group Vision 2030

## Methods for Assessing the Level of Target Achievement

The targets set by each eligible Director are assessed at the end of each fiscal year, and the degree of achievement is reflected in compensation. The assessment of each eligible Director is determined as described below.

- **President:** All Outside Directors who serve as members of the Compensation Advisory Committee conduct individual, face-to-face interviews with the President and make a determination through deliberations among those Outside Directors.
- **Senior Corporate Executive Officers:** Outside Directors who serve as members of the Compensation Advisory Committee conduct individual, face-to-face interviews with the Senior Corporate Executive Officers and make a determination through deliberations among those Outside Directors and the President.
- **Other Directors:** The President conducts individual, face-to-face interviews with the individual Directors jointly with the Senior Corporate Executive Officers, and formulates an assessment through deliberations with the Senior Corporate Executive Officers, before referring the matters to the Compensation Advisory Committee for a decision.

## Compensation of Audit & Supervisory Committee Members and Outside Directors

To ensure their professional independence, compensation for these individuals consists only of fixed compensation and is not linked with performance.

## Methods for Determining Compensation

The total maximum amount of compensation for Directors (excluding Audit & Compensation Committee Members) is set by a resolution passed at the General Meeting of Shareholders. Within this limit, the amount of compensation is determined by the resolution of the Board of Directors based on the deliberations of the Compensation Advisory Committee. The presiding officer and a majority of the members of the Compensation Advisory Committee are Outside Directors.

The Board of Directors may also resolve to entrust the President with the responsibility of determining the amount of compensation for each Director. In such cases, however, the President is required to honor the conclusions reached via the deliberations of the Compensation Advisory Committee and comply with policies regarding the determination of the amounts of Director compensation and methods for calculating such compensation.

Compensation for Audit & Supervisory Committee Members is determined by deliberations among Directors who serve as Audit & Supervisory Committee Members.

- [Director Compensation \(ESG Data\)](#)

# The Effectiveness of the Board of Directors

## Directors' Terms of Office/Restrictions

<b>Directors' terms of office</b>	Directors	1 year
	Directors (Audit & Supervisory Committee Members)	2 years
<b>Criteria regarding restrictions on concurrent service as Director</b>	The Board of Directors stipulates that if a director of the Company is to serve concurrently as an officer of another listed company, the maximum number of concurrent appointments is limited to three companies excluding the Company. The Company discloses the status of concurrent positions held by each director in the notice of the General Meeting of Shareholders and in the Annual Securities Report.	

## Evaluating the Effectiveness of the Board of Directors

The Board of Directors strives to ensure that its members, including independent Outside Directors, engage in free, vigorous discussion based on their insights and experience and reach appropriate management decisions. As part of these efforts, since fiscal 2015, the Board of Directors annually evaluates and analyzes the effectiveness of its operations.

### Efficacy Evaluation Methods

The evaluation was conducted via anonymous questionnaire to all directors with the advice and assistance of external experts. The specific evaluation procedure is as follows.

1. Confirm the status of initiatives to address issues identified via the previous evaluation of the Board of Directors and determine evaluation methods to be used, key items to be surveyed and other matters pertaining to the upcoming evaluation
2. Conduct a survey of all of the members of the Board of Directors
3. Compile and analyze the survey results for discussion at Board of Directors meetings
4. Determine issues to be addressed at Board of Directors meetings and policies for countermeasures based on findings from analysis and results of the Board of Directors' discussion

### Items Surveyed

The survey questions (main items) are as follows, with a 5-point scale and free writing section. Also, these questions take into account the changes made in the revision of the Corporate Governance Code while maintaining continuity with previous surveys.

- Survey Question Items
  - (1) Optimal status of the Board of Directors
  - (2) Composition of the Board of Directors
  - (3) Operation of the Board of Directors
  - (4) Discussions of the Board of Directors
  - (5) Monitoring function of the Board of Directors
  - (6) Training
  - (7) Interactions with shareholders (investors)
  - (8) Actions by the respondent
  - (9) Audit & Supervisory Committee
  - (10) Summary
- For fiscal 2024 evaluation results and results of deliberation by the Board based on those results, please refer to [the Corporate Governance Report](#). 

# Audits

## Internal Audits

With regard to internal audits, based on the inappropriate incidents at the submarine repair workplace and improper marine engine inspections, audit functions were consolidated into the Audit Group (35 members) to conduct risk-based internal audits. Simultaneously, measures that lead to the prevention of misconduct and its early detection, such as the extraction of the risk of misconduct through data analysis, are being promoted. Through these efforts, we are endeavoring to improve the internal control function of the Group. The general manager of the Audit Group reports the results of individual audits to the President and Audit & Supervisory Committee through audit reports and submits comprehensive reports to the Board of Directors and the Management Committee twice annually.

## Audits Conducted by the Audit & Supervisory Committee

The Audit & Supervisory Committee comprises five Directors who serve as Audit & Supervisory Committee Members, three of whom are Outside Directors (independent directors specified in the rules of the Tokyo Stock Exchange) with no interests such as business dealing with the Company. Also, two Internal Directors are appointed as full-time Audit & Supervisory Committee Members to ensure the effectiveness of audits, and members with sufficient knowledge of finance and accounting are appointed to ensure the reliability of financial reporting. All Audit & Supervisory Committee Members including Outside Directors closely share information with one another to enhance the audit functions of the Audit & Supervisory Committee.

In addition, the Company has established the Office of Audit & Supervisory Committee, which has full-time employees, to assist the Audit & Supervisory Committee in the execution of its duties. The prior consent of the Audit & Supervisory Committee shall be obtained for any personnel changes, evaluations, etc. of these full-time employees, to enhance their independence from the executive directors and to ensure the effectiveness of the instructions of the Audit & Supervisory Committee. The full-time Audit & Supervisory Committee Members attend important meetings, such as those of the Board of Directors and Management Committee, voicing their opinions as needed. Through the above activities, they work to maintain the auditing environment, gather information within the Company, and build and regularly monitor the operation of internal control systems. The full-time members also share the information they collect internally with the Outside Directors serving as Audit & Supervisory Committee Members on a regular basis.

The Outside Directors serving as Audit & Supervisory Committee Members attend meetings of the Board of Directors and, when necessary, other important meetings, such as those of the Management Committee, voicing their opinions as needed based on their respective expert knowledge. They strive to obtain the information necessary for auditing through the above activities and to maintain the auditing environment in cooperation with the other Audit & Supervisory Committee Members. They also share information with the full-time Audit & Supervisory Committee Members by such means as attending meetings of the Audit & Supervisory Committee.

## Independent Audits

With regard to independent auditing, Kawasaki undergoes audits of its financial statements by the independent auditor KPMG AZSA LLC. The Audit & Supervisory Committee receives an outline of the audit plan and a report on important audit items from the independent auditor, and the Audit & Supervisory Committee explains its auditing plan to the independent auditor. The Audit & Supervisory Committee periodically receives reports on the results of audits by the independent auditor and, conversely, the independent auditor receives reports on the results of audits by Audit & Supervisory Committee, which strives to keep lines of communication open with the independent auditor by also exchanging information and opinions. With regard to Key Audit Matters (KAM), the Audit & Supervisory Committee engages in discussion in close cooperation with the independent auditor, Directors, and the accounting department.

- [Independent Auditor Compensation \(ESG Data\)](#)

## Internal Control System

The Board of Directors makes resolutions based on the Companies Act of Japan with respect to the Company's basic policy on the establishment of its internal control system. In addition, at the end of each fiscal year, the status of the establishment and operation of that system is verified and reported to the Board.

- [Basic Internal Control System Policy \(Japanese language only\)](#)

# Compliance and Anti-corruption Measures

## Management Approach

### Our Basic Stance

Strict compliance should be at the foundation of all Kawasaki Group business activities, and all Group officers and employees must engage in business with a proper awareness of compliance. The Group engages in diverse business, and we are required to comply with various laws and regulations in each business area and to act properly at all times according to the circumstances. In order to make proper decisions in a timely manner, it is optimal that each employee is able to take it for granted that he or she will unconsciously engage in proper conduct within his or her area of responsibility, that is, that compliance on a deeper level is achieved.

The Kawasaki Group's business entails numerous opportunities for contact with government agencies and public officials, and we are aware that there is a high likelihood of exposure to corruption risk. We consider it to be our responsibility to ensure strict compliance and prevent corruption by taking action to prevent all forms of corruption including bribery of domestic and foreign public officials, bribery of business partners, embezzlement, and money laundering.

Through various initiatives to strengthen compliance and thoroughly prevent corruption, each employee is made aware of the fundamentals of compliance, which is not merely following laws, regulations, and rules, but also always acting correctly to gain the trust of society in order to make the Kawasaki Group a sustainable group that is trusted by society even more and where every employee can work with pride.

### Compliance and Anti-corruption Policy

In July 2017, we established the Kawasaki Group Code of Conduct as a set of ethical standards to guide the decision making of our Group officers and employees, and we also issued an explanatory pamphlet concerning the code at that time. The code was amended in January 2019, and a second version of the explanatory pamphlet was produced in April 2019. The code was established following consultations with the Management Committee and approval by the Board of Directors, and the same procedure is followed when making revisions as needed.

Furthermore, regarding anti-bribery measures, the Kawasaki Group Code of Conduct clearly states that the Kawasaki Group does not provide any inappropriate entertainment or gifts or otherwise tolerate bribery and outlines how individuals are expected to act. In addition, to promote stakeholder understanding of our commitment to anti-bribery initiatives, with approval from the Board of Directors, the Group established the Kawasaki Group Policy on Anti-Bribery, which summarizes the Group's anti-bribery frameworks and initiatives.

## Scope of Policy Application

### Our Group officers and employees

- [The Kawasaki Group Code of Conduct](#)
- [The Kawasaki Group Policy on Anti-Bribery](#) 

## Company Rules on Compliance and Anti-corruption

Kawasaki has established and enforces the rules relating to compliance and anti-corruption indicated below.

- **Rules on Basic Policies concerning Legal Matters and Compliance**  
Based on the principle of compliance first (all officers and employees prioritize compliance above all else in all situations), these company rules were established as provisions that must be followed when carrying out day-to-day business operations.
- **Bribery Prevention Regulations**  
We established the basic policy of which states that the Kawasaki Group will uphold laws in the execution of business activities and that bribes to public officials in Japan or overseas will not be tolerated.
- **Rules on Entertainment and Gifts to Public Officials in Japan**  
In line with Japan's laws and regulations concerning public official ethics (including the National Public Service Ethics Act and the National Public Service Ethics Code), these rules establish application procedures, approval guidelines, and record keeping requirements for entertainment and gifts.
- **Rules on Preventing Bribery of Foreign Public Officials**  
These rules establish application procedures for entertainment, gifts and expenses; approval guidelines; record keeping requirements; and check list items for the selection and continued use of intermediaries, such as sales agents and consultants.

## Structure

The Company-wide Compliance Committee, chaired by the Kawasaki president, meets at least twice a year to discuss and determine various measures to ensure strict compliance within our Group, including prevention of corruption, and to monitor the status of achievement and compliance. All members of the Board of Directors attend meetings of the Company-wide Compliance Committee and supervise compliance-related matters. To ensure that the objectives of the Company-wide Compliance Committee extend to all corporate structures, Business Segment Compliance Committee meetings are held at the Head Office and business segments at least twice a year to promote compliance throughout the Group.

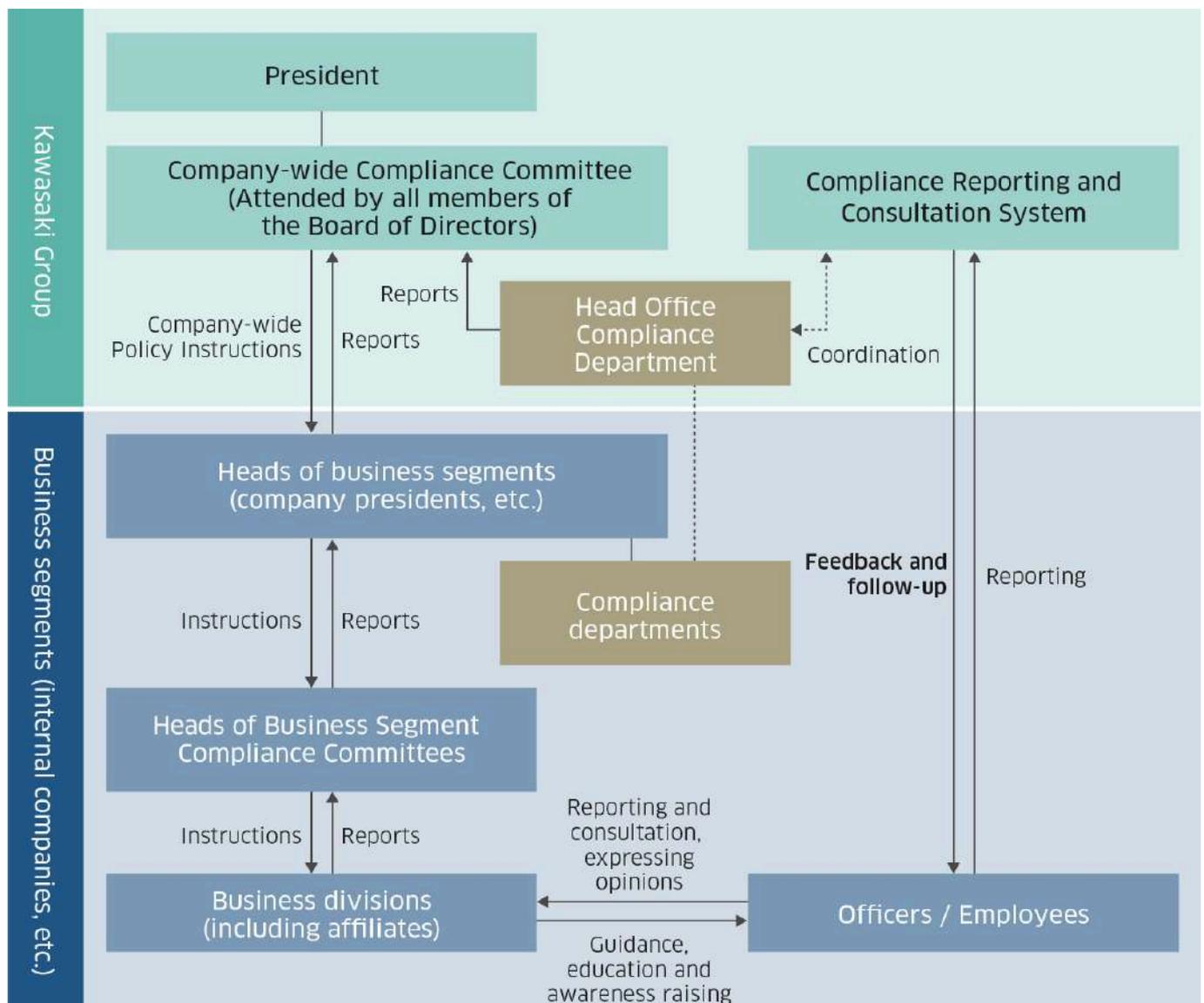
In addition, the Head Office Compliance Department formulates annual Group-wide compliance activity plans with various measures that, following the approval of the Company-wide Compliance Committee, it carries out. Furthermore, the business segments each formulate annual activity themes that they use to carry out compliance-related initiatives.

In fiscal 2024, the Company-wide Compliance Committee met two times. The main initiatives carried out in accordance with the company-wide action plan are listed below.

## Main Initiatives in Fiscal 2024

<b>Compliance education measures</b>	<ul style="list-style-type: none"> <li>• In Japan, in addition to e-learning on compliance for line managers, measures involving reading compliance materials together were also conducted at each worksite.</li> <li>• E-learning on the Code of Conduct, competition law, and anti-bribery was conducted at overseas sites.</li> </ul>
<b>Investigation of procurement operations processes</b>	<ul style="list-style-type: none"> <li>• An investigation of procurement operations was conducted to determine whether internal checks and balances are functioning and whether business processes can prevent misconduct such as fictitious orders.</li> </ul>
<b>Development of anti-bribery systems</b>	<ul style="list-style-type: none"> <li>• E-learning on preventing bribery of foreign public officials was conducted in Japan, and information was disseminated on internal rules regarding the prevention of bribery of foreign public officials.</li> </ul>
<b>Enhancement of whistle-blowing system</b>	<ul style="list-style-type: none"> <li>• In April 2024, an additional attorney was added and a three-lawyer structure began operating.</li> </ul>

## Compliance Promotion Structure



## Responsible Officer

Chair of Company-wide Compliance Committee: Yasuhiko Hashimoto, Representative Director, President and Chief Executive Officer

Executive officer in charge of compliance: Takeshi Kaneko, Managing Executive Officer

## Responsible Executive Organ and/or Committee

The Company-wide Compliance Committee comprises the Directors (excluding the Audit & Supervisory Committee Members and Outside Directors), the internal company presidents, the executive officer in charge of compliance, the general managers of the Head Office divisions, and others, with the President serving as presiding officer. The Company-wide Compliance Committee discusses and decides measures to ensure thorough compliance in the Group and monitors the achievement of targets and compliance with such policy.

For the sake of auditing business execution and to reflect a broad range of external insights and opinions in the committee's decisions, Directors who serve as Audit & Supervisory Committee Members as well as the remaining Outside Directors also attend the committee's meetings, and supervision of compliance-related matters is performed by all members of the Board of Directors.

## Audits and Certification of the Compliance System by Third Parties

The state of compliance is audited annually by Audit & Supervisory Committee Members and independent auditors.

# Concrete Initiatives

## Efforts to Promote Compliance

### Compliance Training

To raise awareness of compliance, we conducted compliance training including e-learning-based training on the Kawasaki Group Code of Conduct. Specifically, training covers topics specified in the Code of Conduct, including fair business practices, anti-corruption initiatives, ensuring product quality and safety, and consideration for the environment and human rights.

In fiscal 2024, we implemented measures involving reading compliance materials together at each worksite for all Kawasaki Group employees in Japan, and 32,517 employees participated. Also, at overseas subsidiaries, we conducted e-learning on the Kawasaki Group Code of Conduct in ten languages from October to December 2024, and 3,102 employees underwent training.

- Number of Employees Who Underwent Compliance Education (ESG Data)

## Declaration to Observe Laws and Regulations

Each officer and managerial staff member of the Kawasaki Group, at his or her appointment, is required to prepare and submit to the Company a completely handwritten Declaration to Observe Laws and Regulations to reconfirm the awareness that he or she will never commit a violation and will cause other employees to ensure compliance. This Declaration includes the representation that they understand that they may be subject to a penalty or punishment if they commit a violation.

## Compliance Guidebook

The Compliance Guidebook provides information that is necessary and useful for ensuring thorough compliance within the Company in an easy-to-understand way. The guidebook is distributed to officers and employees at our Group companies in Japan. The Compliance Guidebook outlines the Group's compliance system and activities as well as the Compliance Reporting and Consultation System, which serves as the Group's internal whistle-blower system. The guidebook uses illustrations to present easy-to-understand examples of important compliance-related matters.

The guidebook also contains an index of the corresponding sections of the Kawasaki Group Code of Conduct and serves as a text for increasing compliance awareness. The Compliance Guidebook is used in internal compliance training and educational activities. Since the first edition was issued in 2003, its content has been constantly updated in light of evolving compliance requirements around the world. The current edition is the seventh (revised edition issued in July 2024).



## Compliance Month

October of each year is designated Compliance Month with the aim of reaffirming and enhancing awareness of compliance, and various compliance-related activities are conducted. In fiscal 2024, the Kawasaki Group newsletter featured an article emphasizing the importance of organizational culture reform and establishing systems that prevent misconduct, in light of instances of improper conduct that were discovered during the year. It also included an overview of the Compliance Reporting and Consultation System (whistleblower system) and examples of actual improvements made through use of the system.

In addition, reading compliance materials together at each worksite and other activities were conducted.

## Implementation of Employee Compliance Awareness Surveys

Our Group implements periodic employee awareness surveys to monitor internal compliance violation risks.

Beginning in fiscal 2020, questions about compliance awareness have been made part of the employee engagement survey, and the survey is conducted each year. We analyze changes and trends in employee awareness based on multiple factors including by business segment and position and reflect the results in the development of necessary compliance measures and other initiatives. In fiscal 2022, we also conducted awareness surveys on compliance for employees at overseas subsidiaries.

In addition to the above survey, in October 2022, we conducted compliance awareness surveys with a focus on quality and inspection related issues at Kawasaki Group companies in Japan in response to incidents of improper inspections at Kawasaki Thermal Engineering Co., Ltd. that were discovered in fiscal 2021. An analysis of the results was explained to employees in the internal bulletin in 2023.

### Compliance Awareness Survey Results (The Kawasaki Group (domestic))

(FY)

	Unit	2020 <sup>*1</sup>	2021 <sup>*2</sup>	2022	2023	2024
<b>Survey response rate</b>	%	80.0	85.0	89.0	89.0	94.0
<b>The percentage of respondents who replied that their company was being managed in a compliant manner</b>	%	77.0	70.0	70.0	71.0	74.0

\*1 Scope: Kawasaki Heavy Industries

\*2 Scope: The Kawasaki Group (domestic)

## Anti-corruption Measures

### Anti-Bribery Measures at Overseas Subsidiaries

We use a risk-based approach that makes reference to the Corruption Perceptions Index from Transparency International to identify high-risk sites, and we take measures including the establishment of anti-bribery rules at our Group overseas subsidiaries in Asia and South America. In June 2023, all 35 subject subsidiaries in Asia and South America completed the adoption of rules.

### Anti-Bribery Training for Employees

Each year, we conduct bribery prevention training for employees in Japan. In fiscal 2024, we conducted employee training in Japan through e-learning on preventing bribery of foreign public officials, with 3,298 employees participating. Participants in e-learning take a test to confirm their understanding of the material. Furthermore, compliance training on bribery prevention is included in training programs for employees in charge of overseas businesses.

Regarding bribery prevention training for employees at overseas sites, we conducted e-learning on bribery prevention as well as the Code of Conduct and the Antimonopoly (Competition) Act. In fiscal 2024, 3,102 employees participated in the training.

# Whistle-Blowing System and Consultation Points

## Compliance Reporting and Consultation System (The Kawasaki Group (domestic))

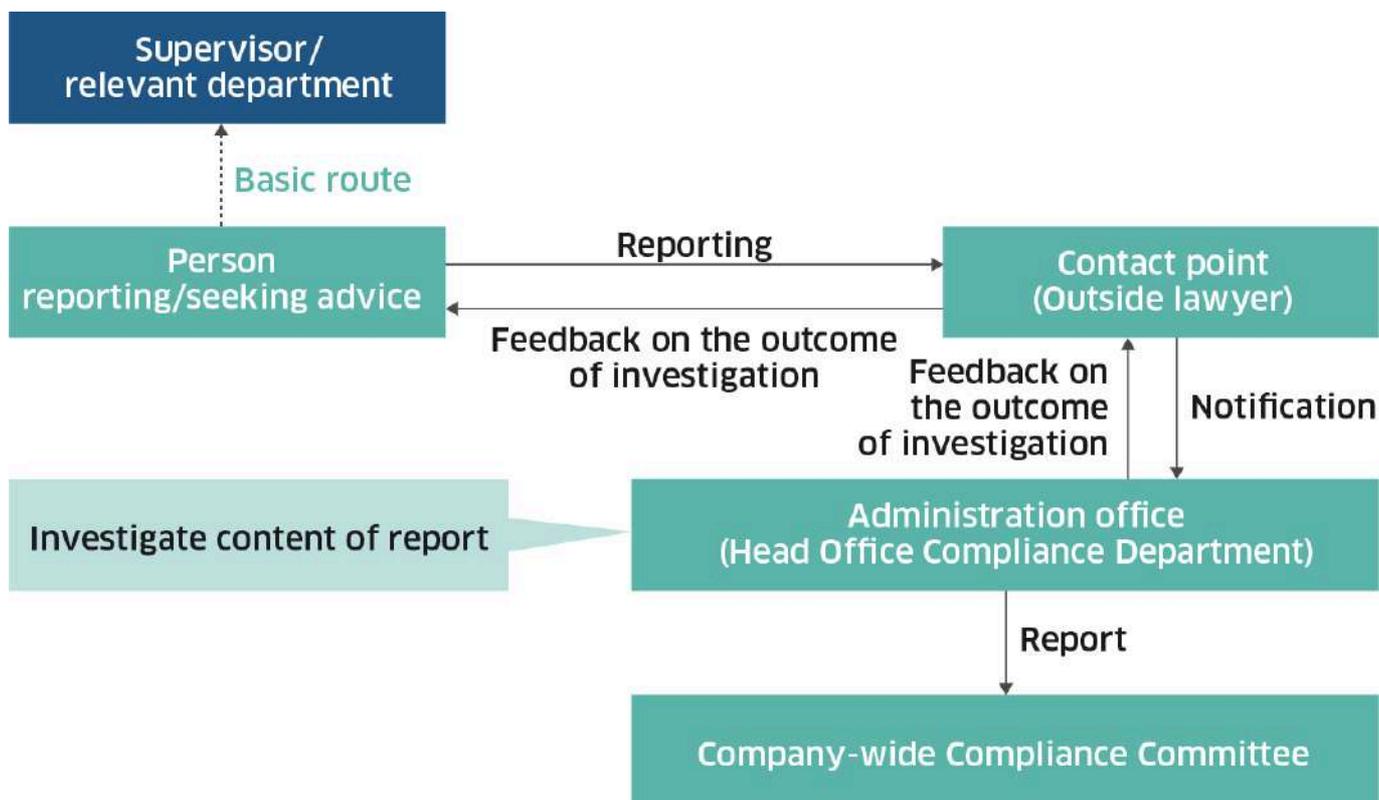
We have established the Compliance Reporting and Consultation System, with an outside lawyer acting as the contact, so that executives and employees of Kawasaki Group companies in Japan can report or seek consultation regarding suspected violations of compliance practices relating to their operations. The system accepts anonymous reports and consultations with the objective of fostering a corporate culture and creating mechanisms that effectively self-correct by making the system more user friendly.

Under this System, an outside lawyer responds directly to inquiries from reporting or consulting employees and accepts inquiries submitted by email or other means 24 hours a day, 365 days a year. For anonymous reports, responses are determined based solely on the content of the reports themselves. The lawyer then investigates to determine whether or not there is in fact a compliance problem, and, if a problem is found, advises the Company on how to remedy it. During the investigation of reports or consultations not made anonymously, the name of the employee who used the system is not disclosed to the Company without his or her permission. For reports made both non-anonymously and anonymously, the details of the reports are strictly protected and are not disclosed to anyone other than those directly involved in the investigation. In addition, company rules prohibit any retaliatory action against reporting individuals on the grounds of their use of the reporting and consultation system.

The lawyer contacts the person who made the report or sought consultation directly to explain the results of the investigation. For anonymous reports, summaries of the reported issues and progress in addressing them are posted on the Company intranet. If a compliance violation is discovered as a result of investigation, company rules provide for the imposition of strict disciplinary measures on the offending employee in accordance with the employment regulations or other rules.

The Group works to ensure that employees know how to use this system by regularly providing information about it on the Company intranet as well as through leaflet inserts in Kawasaki Group Code of Conduct pamphlets, the Compliance Guidebook, the Kawasaki Group newsletter, compliance training, and other publications. Also, to enhance the efficacy and reliability of this system, we revise it as needed, working to make it easier for employees to use. In addition, the number of reports made to the Compliance Reporting and Consultation System as well as the details of specific consultation matters are reported to the Company-wide Compliance Committee, ensuring that the system is operating effectively.

## Compliance Reporting and Consultation System Flow Chart (domestic)



### Number of Whistle-Blowing Reports and Breakdown of Reports (The Kawasaki Group (domestic))

In fiscal 2024, a total of 92 reports were submitted via the Compliance Reporting and Consultation System.

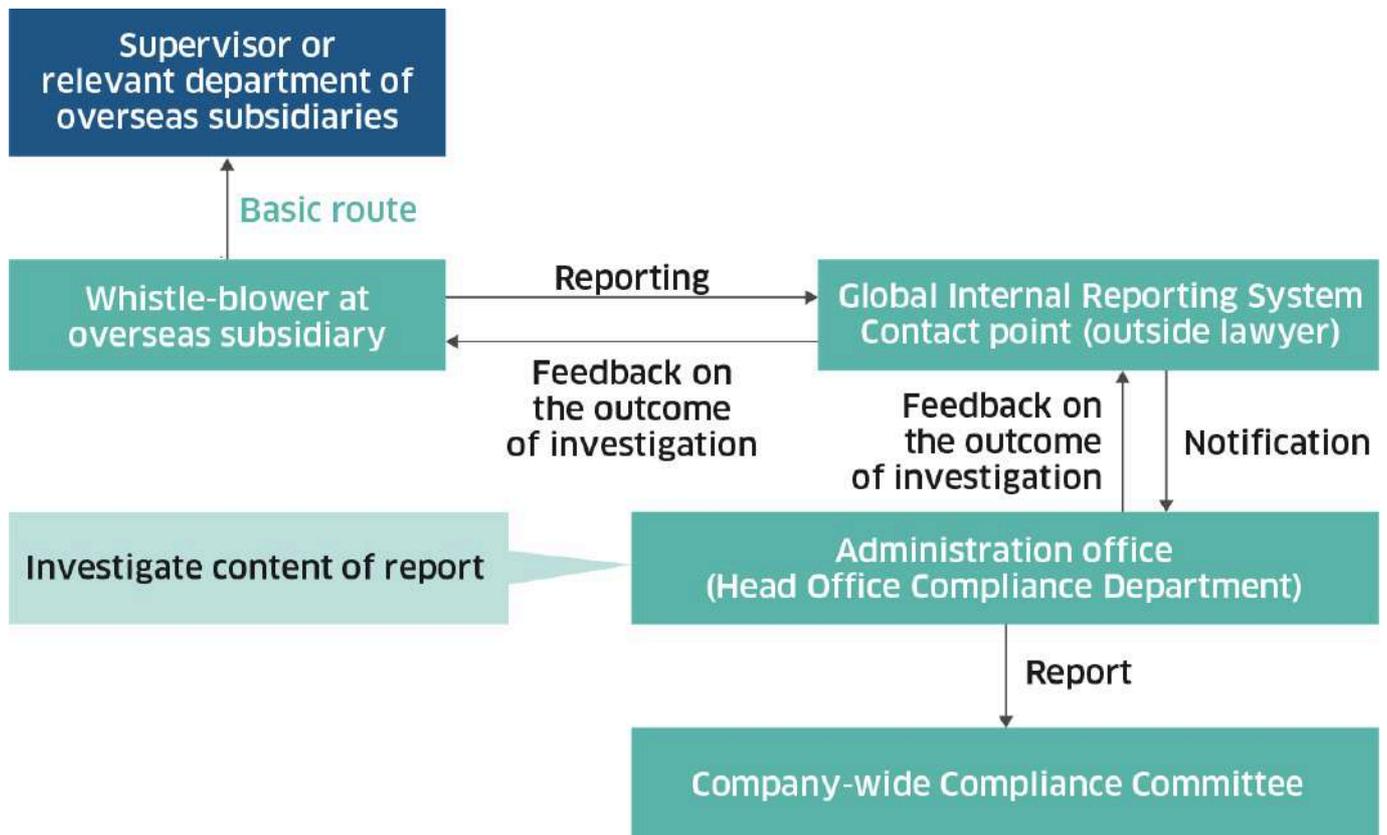
Of these reports, 15 of the matters were determined to be compliance violations, and corrective measures were required concerning 14 reports. There were no major violations.

- [Number of Whistle-Blowing Reports and Breakdown of Reports \(ESG Data\)](#)

### Establishment of Internal Reporting System at Overseas Subsidiaries

Since 2020, we have been introducing the Global Internal Reporting System at overseas subsidiaries, and introduction at more than 90% of overseas subsidiaries was completed through fiscal 2024. Under the Global Internal Reporting System, external law firms and internal administrative offices function jointly as contact points, accepting both anonymous and non-anonymous reports, and reports can be made in the major languages of the country or region where the reporter conducts business activities.

## Global Internal Reporting System Organizational Chart



### Handling Reports Made outside the Whistle-Blowing System

When reports are delivered in writing, by email or by other means to persons or offices other than the Compliance Reporting and Consultation System contact points, if a compliance violation is suspected, an investigation is conducted and corrective measures are taken as needed. Also, Kawasaki Heavy Industries, Ltd., Kawasaki Railcar Manufacturing, Co., Ltd., and Kawasaki Motors, Ltd. have established internal and external harassment consultation points for employees.

- [Number of Consultations Made to Other Reporting Systems \(ESG Data\)](#)

### Number of Compliance Violations, Details of Violations, and Actions Taken

- Target: Zero serious compliance violations

See below for information on the details of the two serious violation that announced in fiscal 2024 and the measures taken to prevent reoccurrence.

- [Number of Compliance and Anti-bribery Violations \(ESG Data\)](#)

## Misconduct in submarine repair and marine engine businesses

In relation to the misconduct discovered at Kawasaki Heavy Industries, Ltd. relating to fictitious transactions in the submarine repair business (announced in July 2024) and inspection irregularities related to shop trials of engines for commercial vessels in the marine engine business (announced in August 2024), a Special Investigative Committee made up of outside experts was established for each case pursuant to a resolution of the Board of Directors to investigate the facts, analyze causes, and recommend measures to prevent recurrence, and investigations are currently underway. The details of the interim report received from the Committee and future action for preventing recurrence have been disclosed through press releases, and the Special Investigative Committee continues to investigate whether any similar incidents have occurred.

For details, please refer to the press releases titled "[Notice Regarding the Findings of the Special Investigative Committee for Submarine Repair \(Interim Report\) and Measures to Be Implemented in Response \(Progress on Disclosed Matters\)](#)"  and "[\(Progress on Disclosed Matters\) Notice Regarding the Findings of the Special Investigative Committee for Marine Engines \(Interim Report\)](#)." 

## Number of Anti-Bribery Violations, Details of Violations, and Actions Taken

Over the most recent five years, there have been no cases of bribery that were subject to administrative disciplinary action or sanction.

- [Expenditures to External Organizations \(ESG Data\)](#)

## Other Compliance Risks

### Compliance with the Antimonopoly (Competition) Act

The Kawasaki Group is focusing efforts on compliance with the Antimonopoly Act. Since 2006, Kawasaki Heavy Industries, Ltd. has adopted a resolution to comply with the Antimonopoly Act and strive to maintain and improve the enterprise value in society at the first Board of Directors meeting held immediately following each year's general meeting of shareholders. In light of the current governance structures, under which execution and supervisory functions are separate, in fiscal 2024, Kawasaki Heavy Industries, Ltd. adopted a resolution to confirm that status of implementation of measures to ensure compliance with the Antimonopoly Act on the business execution side. The Kawasaki Group Code of Conduct also states that the Group will not obstruct free and fair competition and will work to maintain a healthy market.

### Scope of Policy Application

Our Group officers and employees

- [The Kawasaki Group Code of Conduct](#)

## Employee Training on Compliance with the Antimonopoly (Competition) Act

We publish a variety of guidebooks on the Antimonopoly Act for employees to ensure a broader awareness of situations at our Group that could become problematic and conduct regular training on the Act. In fiscal 2024, we conducted e-learning on competition laws in ten languages for employees of overseas subsidiaries from October to December 2024, and 3,102 employees underwent training. In Japan, since January 2024, Kawasaki Heavy Industries has conducted training on the Act for all officers and employees (excluding production workers) of Kawasaki Heavy Industries, Ltd., Kawasaki Railcar Manufacturing Co. Ltd., and Kawasaki Motors Ltd. who are able to participate online with a target participation rate of 100%, and the participation rate target was achieved. In addition, since March 2024, other Group companies have been broadly informed about the training on the Act.

## Number of Violations, Details of Violations, and Actions Taken

Since 2010, there have been no serious violations that were subject to administrative disciplinary action by the Japan Fair Trade Commission. Since 2006, there have been no serious violations that were subject to criminal penalties.

## Prevention of Insider Trading

Our Group has prohibited insider trading, and the Kawasaki Group Code of Conduct contains provisions on the prohibition of insider trading. To prevent insider trading, Kawasaki has established corporate regulations titled the Insider Trading Control Rules that it uses to implement and regulate related actions. To further ensure the prevention of insider trading, the Company established a new system in fiscal 2013 that obligates Company officers and employees who intend to trade Company shares to notify the Company by a prescribed date (the Treasury Stock Trading Prior Notification System).

## Employee Training on Insider Trading Rules

Training on insider trading rules is conducted to deepen employee understanding of insider trading rules and to prevent any violations. In fiscal 2024, e-learning on trading of the shares of other companies and the Insider Trading Control Rules was conducted for Kawasaki employees in administrative and technical positions, with 10,456 employees participating.

## Number of Violations, Details of Violations, and Actions Taken

Since 1989, when the amended Securities and Exchange Act, which regulates insider trading, was enacted, there have been no serious violations by our Group or its officers and employees that were subject to penalties or administrative monetary penalties.

## Elimination of Antisocial Forces

Our Group resolutely rejects inappropriate requests from antisocial forces and undertakes various measures to break off any relationship with such forces.

Specifically, in addition to what is described in the Kawasaki Group Code of Conduct and the Compliance Guidebook, we publish the Manual of Responses to Antisocial Forces and strive to promote awareness and full compliance with established internal practices and systems relating to antisocial forces as well as with prescribed response procedures. In addition, we have established a unit at the Head Office Compliance Department to supervise responses associated with the elimination of antisocial forces. This unit works closely with the police and other external specialist organizations to establish an internal structure to systematically deal with inappropriate requests from antisocial forces.

### Number of Violations, Details of Violations, and Actions Taken

All inappropriate requests and requests for meeting appointments from antisocial forces and other similar organizations have been denied and eliminated, and there have been no instances of violations since 1997.

## Measures to Prevent Money Handling Risks at Small-scale Operating Sites

There is a tendency for compliance risk to be higher at small-scale operating sites, such as sales offices and satellite branches. These organizations may be ill-equipped to perform sufficient checks or may have particular individuals within the organization who have become fixed to a particular position due to difficulties in implementing personnel rotation. The Company has improved the manuals for checking procedures and enhanced audits in order to reduce risks, particularly as they relate to the handling of money.

# Export Control

## Export Control Policy

The Kawasaki Group recognizes that compliance with laws and regulations on export control is an integral part of its corporate social responsibilities (CSR) and essential to maintaining peace and security in the international community and supporting humanity's harmonious coexistence with the global environment. In line with this recognition, the Group shall establish and maintain a strict export control system and implement appropriate security trade control so as to ensure that its products and services are not provided for transactions aimed at such purposes as the development of weapons of mass destruction or the excessive accumulation of conventional arms. Additionally, in fiscal 2020, we established and published the Kawasaki Group Policy on Export Control, which lays out basic principles of conduct regarding export control by the Group, with the approval of the Board of Directors.

To ensure legal compliance, we carry out export control with consideration given not only to Japan's Foreign Exchange and Foreign Trade Act, but, because our businesses have significant ties with the United States, also to U.S. reexport regulations and economic sanctions. By doing so, we work to reduce the risks of violations of these laws and of government sanctions.

- [Kawasaki Group Policy on Export Control](#) 

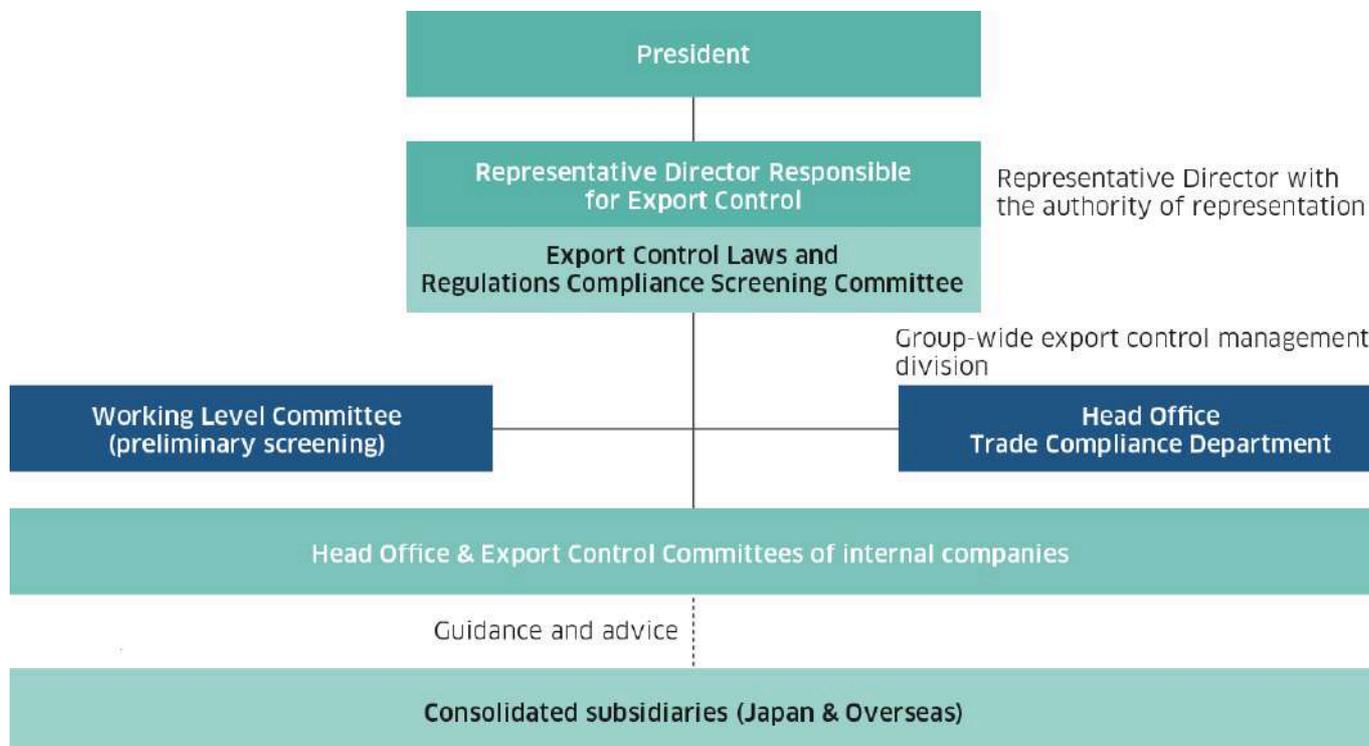
## Export Control Structure

To ensure compliance with export control laws and regulations throughout the Kawasaki Group, we have formulated a set of corporate export control regulations for goods and technologies relevant to security maintenance and have put in place an export control system in which a Representative Director acts as Chief Export Control Officer.

As a first measure, we set up the Export Control Laws and Regulations Compliance Screening Committee (Screening Committee), chaired by the Chief Export Control Officer, at the Kawasaki Group Head Office. The Screening Committee undertakes the final assessment of important export transactions across the Group to confirm compliance with export control laws and regulations and provides guidance and supervision regarding the export control systems of the internal companies. In addition, the Head Office Trade Compliance Department provides secretariat services to the Screening Committee and oversees export control throughout the Kawasaki Group. We have also established the Working Level Committee, comprising the departments responsible for export control of the internal companies, under the control of the Screening Committee. The Working Level Committee undertakes export screenings, discusses matters delegated to it by the Screening Committee and undertakes the horizontal rollout of export control-related information.

Next, the Head Office and each internal company operate an export control committee that screens all of the respective export transactions and refers the screening results to the Screening Committee for further screening as required. Furthermore, to promote legal compliance, we have set up export control systems at subsidiaries in and outside Japan that engage in exporting through their respective overseeing internal companies.

### Export Control Structure



#### Responsible Officer

Chairman of the Export Control Laws and Regulations Compliance Screening Committee: Hiroshi Nakatani, Representative Director, and Senior Corporate Executive Officer

#### Responsible Executive Organ and/or Committee

The Export Control Laws and Regulations Compliance Screening Committee undertakes the final assessment of export management matters across the Group. Meeting once a month in principle, the Screening Committee is chaired by the Representative Director with representative authority, and is attended by the general managers of the Head Office divisions and internal company presidents as well as persons designated by the chairman.

# Export Control Training and Guidance

We provide export control training tailored to different personnel and objectives for the entire Group, including consolidated subsidiaries. To enhance the coverage and efficiency of export control training, we began using e-learning in this area in fiscal 2018. In fiscal 2024, such e-learning was provided for 15,954 employees. In addition, each internal company offers export control training as part of its grade-specific training to impart the knowledge required by managers and other personnel to execute their operations. Furthermore, practical training on classification and transaction screening is provided for export control administrators and persons in charge of export control at each internal company.

With regard to export control audits, the Audit Group and the Trade Compliance Department work together to perform individual audits of and provide guidance to all the internal companies and major subsidiaries in Japan once a year. Moreover, overseas subsidiaries are subject to an annual survey of their export control systems, export records, and related matters. Based on the survey results, the Trade Compliance Department works with the relevant internal company to provide appropriate guidance and support on export control.

# Tax Transparency

## Policy on Tax Transparency

The Kawasaki Group considers tax payment to be one of the most important social responsibilities for a company to fulfill and thereby both complies with the tax-related laws applicable to each country in accordance with the spirit of the law, and undertakes appropriate tax payments in line with relevant standards issued by international organizations and other bodies (e.g., the OECD Transfer Pricing Guidelines and the BEPS Action Plan).

Furthermore, the Kawasaki Group has established the Kawasaki Group Policy on Tax Affairs as its basic stance on taxation matters with the approval of the Board of Directors, and both works to promote awareness of the policy internally and institutes appropriate tax governance across the entire Group as part of efforts to manage tax risk in response to business globalization.

- [Kawasaki Group Policy on Tax Affairs](#) 

## Management Structure

The director in charge of accounting and finance is responsible for ensuring appropriate tax payments and proper tax expenses.

When conducting tax operations, in its capacity as the responsible department, the Head Office Accounting Department implements Kawasaki Group tax operations in coordination with the accounting divisions of business segments and Group companies. When significant tax-related issues or risks have been identified, these are reported to the Audit & Supervisory Committee as well as to the Management Committee or Board of Directors in a timely and appropriate manner, depending on their importance, with decision-making then carried out.

Responsible officer

Katsuya Yamamoto, Representative Director, Senior Corporate Executive Officer

# Risk Management

## Approach to Risk Management

### Stance on Risk Management

As a Group that operates globally across a wide range of fields, Kawasaki regards the management of serious risks that could impede its business activities as important. Kawasaki's overall risk management system entails the integrated execution of business segment-level risk management and Group-wide risk management.

Based on the Group's Risk Management Regulations, Kawasaki has established a Group-wide enterprise risk management framework and created manuals outlining specific risk management procedures. By comprehensively understanding potential risks based on shared Group standards, we work to avoid and minimize risks and loss caused by risks.

With regard to the risks associated with the execution of individual businesses, the relevant divisions carry out assessments and analyses and sufficiently examine countermeasures in advance in accordance with Kawasaki's Board of Directors Regulations, Management Meeting Regulations, Approval Regulations, and other related rules. The Company practices even more thorough risk management for major projects with significant impact on operations in accordance with such corporate regulations as the Major Project Risk Management Regulations. This includes management at the time of bidding and concluding agreements for such projects as well as regular follow-up by the Head Office and business segments as needed after a project begins.

### Kawasaki Group Policy on Risk Management

In line with its objective of achieving sustainable corporate growth and medium- to long-term improvement in its corporate value, the Kawasaki Group will put in place preemptive risk management measures against a variety of risks that could exert a significant impact on business operations while striving to ensure that, should such a risk materialize, the resulting damage is minimized. To this end, the Group established the Kawasaki Group Policy on Risk Management with the aim of acting as a company worthy of the trust of society.

- [Kawasaki Group Policy on Risk Management](#) 

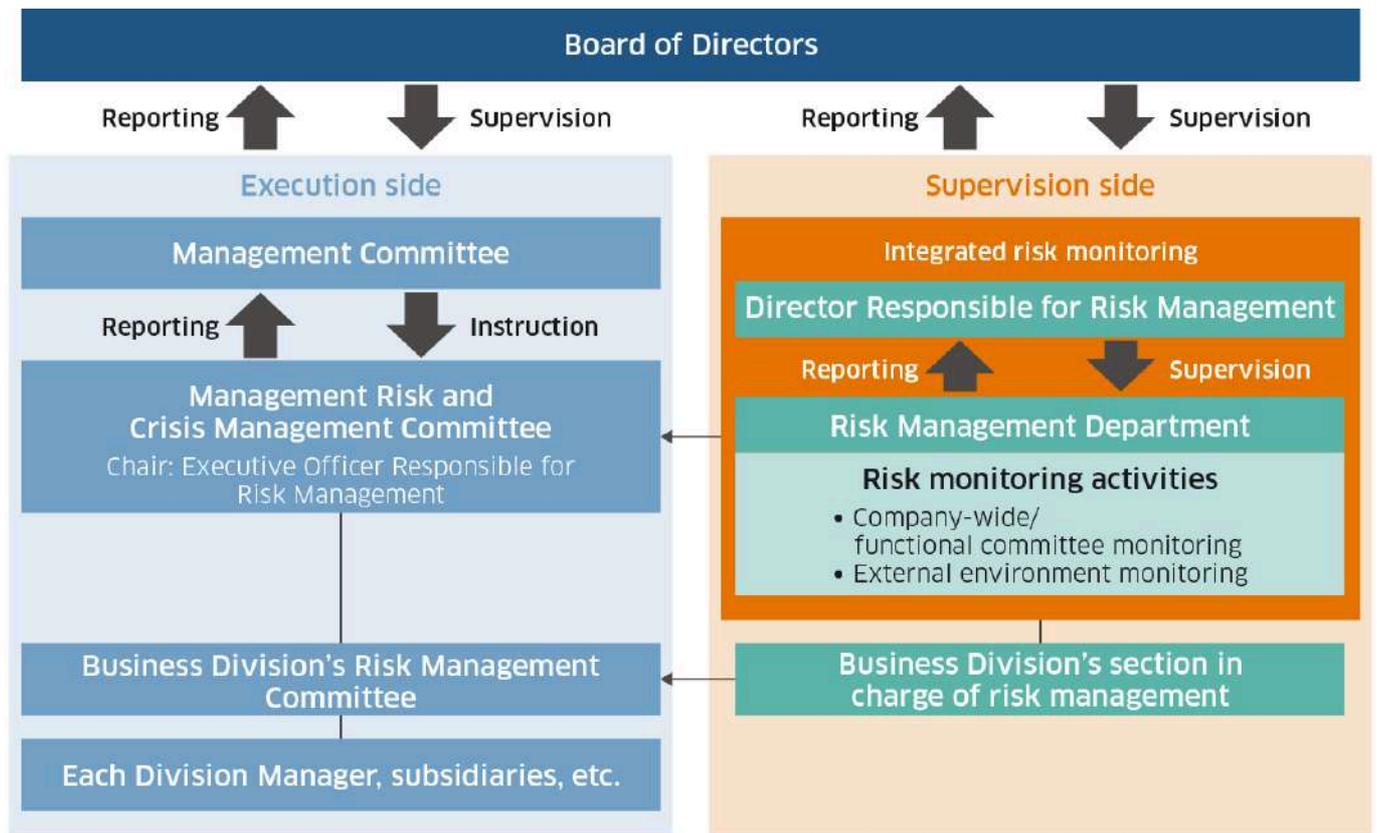
## Risk Management System

In today's world, characterized by a societal and business environment which is changing dynamically due to factors including political and economic trends and climate change, managing risks accurately as part of daily business operations is essential. The Kawasaki Group has thus established a Group-wide enterprise risk management (ERM) framework to identify and respond to major risks with the potential to have serious impacts on our operations and is working to enhance risk management as outlined in the Kawasaki Group Management Principles. Additionally, we have established a secretariat function within the Risk Management Department at the Head Office's Corporate Planning Division for the promotion and support of Group-wide risk management in collaboration with all Head Office departments. At the same time, each business segment has created an equivalent framework, with the business division managers designated as the responsible officers, thereby supporting our Group-wide management activities.

To enable the appropriate handling of diverse risks, Kawasaki has established and is making effective use of management methods and systems under the Group-wide ERM framework, with Company-wide/functional internal committees and internal divisions of each business segment designated as the first-line risk owners, according to the type of risk. In addition, the Risk Management Department, which fulfills the second-line role, has devised a system for centralized monitoring of the effectiveness and workability of respective management systems, by which means we manage risks on both an individual and an integrated basis.

Furthermore, the Risk Management Department compiles analysis reports on our risk management status and global risk trends surrounding the Company through risk monitoring, and the director responsible for risk management reports this information to the Board of Directors two times annually. After the Board of Directors deliberates and selects the important risks that the Company should pay close attention to currently, those risks are reported to the Management Committee and reflected in our business measures. In order to deliberate and promptly address any rapidly emerging risk from the recent geopolitical issues as well as climate change, governmental and economic instability, Board of Director meetings are held on an as-needed basis. In addition, the Audit Group, which is the internal audit department at Kawasaki, fulfills the third-line role, in which it assesses the effectiveness of the organization's risk management and governance.

## Risk Management System



### Responsible Officers

Director Responsible for Risk Management (CRO): Katsuya Yamamoto, Representative Director, Senior Corporate Executive Officer

Executive Officer Responsible for Risk Management: Hideki Hiramatsu, General Manager of Corporate Planning Division and Executive Officer

### Responsible Organizations and Committees

As part of supervision side activities, the Risk Management Department monitors risks and reports on the outcomes of its monitoring to the Board of Directors. Meanwhile, as part of execution side activities, we have established the Management Risk and Crisis Management Committee to share initiatives for responding to risk among departments and promote horizontal ties, with the aim of advancing risk management activities. The Management Risk and Crisis Management Committee is chaired by the General Manager of the Corporate Planning Division, who also serves as the Executive Officer Responsible for Risk Management, with the Senior Manager of the Risk Management Department, the division managers of relevant departments at Head Office, and the senior managers responsible for Risk Management in respective business segments sitting on the committee.

# Risk Assessment

## Risks Covered and Risk Assessment Methods

The Kawasaki Group defines risks as "factors or phenomena that hinder the execution of business operations or the achievement of organizational goals" and works to manage all risks classified as either external risks or internal risks (with the latter further classified as strategic risk or business risk), while giving due consideration to the positive effects associated with strategic and other risks. The Group's risk management process consists of a version of the COSO framework and ISO 31001, customized for the Group's environment and circumstances.

Risk monitoring activities are reported to the Board of Directors two times a year, and the Board selects and sets priority risks that the Group should pay close attention to currently, and based on the results, feedback is provided to the departments at risk. Further, for items judged to be high risk by the Board, we focus on risk monitoring activities called "checking the appropriateness of risk management activities."

### Risk Factors Currently Covered in the Scope of Risk Management

Types of risks					
<b>External Environment</b>	Government/ Regulatory authorities	Laws and regulations	<b>Internal Environment</b>	Business strategy	Vision (strategies and policies) Corporate governance, etc.
	Financial institutions/ Investors	Raising capital		Business functions	Legal affairs (contracts and lawsuits) Intellectual property, security, etc.
		Market expectations		Management and efficiency	Project management Finance and accounting, personnel management, etc.
	Customers/Consumers /Competitor companies/New entrants	Emergence of competitors, market changes Technological innovation		Technological innovation	Product development, etc.
	Job seekers	Securing human resources		Product defects	Quality management and quality assurance, etc.
	Suppliers	External procurement		Production capacity	Process control, etc.
	Business partners	Supply chain and logistics		Governance and compliance	Organizational fraud, harassment, internal control etc.
	Nature/Social culture/Population	Disasters, environmental pollution, SDGs, CSR, climate change, biodiversity, etc.			

## Risks That the Group Should Pay Close Attention to Currently

As a result of company-wide monitoring activities in fiscal 2024, the Group has determined the following risks that should currently be paid close attention to in the order of severity.

Priority risks to pay close attention to	Degree of severity (risk ranking)		Hazard assessment			
			Status of manifestation	Timing of impact	Impact on profit	Difficulty of taking action
<b>Compliance</b>	Extremely high	1	Highest	Highest	Highest	High
<b>Quality management</b>	Extremely high	1	Highest	Highest	Highest	High
<b>Geopolitical situation</b>	High	3	Highest	High	High	High
<b>Uncertainties in the international economic situation due to protectionism</b>	High	3	Highest	High	High	High
<b>AI and cyber security</b>	High	5	High	Highest	Medium	High
<b>Carbon neutrality (Climate change)</b>	Medium	6	High	Medium	High	High
<b>Natural disasters in Japan</b>	Medium	7	Medium	Medium	High	High
<b>China/Taiwan relations</b>	Medium	7	Medium	Medium	High	High

Note: Timing of impact is set to "high" in cases where the period of impact until the impact manifests is short, and set to "low" when the period is long.

## Four Perspectives in Assessments

Assessment perspective	Assessment content
<b>Status of manifestation</b>	<ul style="list-style-type: none"> <li>Risks that require prioritized responses to the extent that their manifestation is imminent</li> </ul>
<b>Timing of impact</b>	<ul style="list-style-type: none"> <li>Risks that require urgent action to the extent that the timing of their impact is imminent</li> </ul>
<b>Impact on profit</b>	<ul style="list-style-type: none"> <li>Risks that require urgent responses to the extent that they will involve major gains or losses</li> </ul>
<b>Difficulty of taking action</b>	<ul style="list-style-type: none"> <li>Risks that require early action to the extent that they will have a high impact on earnings, especially those involving a high degree of difficulty</li> </ul>

# Risk Response Status

Risks to pay close attention to	Overview of risk	Risk response measures
<b>Compliance</b>	<ul style="list-style-type: none"> <li>Cases in which a Kawasaki Group officer or employee has violated laws, regulations, or corporate ethics have the potential to impact business performance due to indemnity for damages claims, loss of societal credibility, or product boycotts. Since a case of inappropriate conduct in 2022 at Kawasaki Thermal Engineering Co., Ltd. was ascertained, a series of scandals of a serious nature have occurred at the Ship &amp; Offshore Structure Business Division and Marine Machinery Business Division, with the prevention of further occurrences of this nature representing a pressing issue to be addressed.</li> </ul>	<ul style="list-style-type: none"> <li>The Kawasaki Group has established the Special Compliance Promotion Committee, led by the President, guided by our determination to root out all corrupt practices within the Group. The Committee are promoting three major reforms across the entire Group, namely: "creating systems that prevent misconduct"; "strengthening detection capabilities for misconduct," and "reforming our organizational culture and awareness," as part of our initiatives to eradicate cases of misconduct.</li> </ul>
<b>Quality management</b>	<ul style="list-style-type: none"> <li>The Kawasaki Group provides a wide range of products and services to cater to customer needs and contribute to the resolution of societal challenges. Cases of unforeseen product or service defects or quality deficiencies have the potential to impact business performance due, for example, to indemnity for damages claims.</li> </ul>	<ul style="list-style-type: none"> <li>The Kawasaki Group conducts strict quality management in accordance with internal and external standards as part of its manufacturing and service provision processes, and implements company-wide total quality management (TQM) activities; design and manufacturing process innovation (KDPX: Kawasaki Design Process Transformation); promotion of production improvement activities (KPS: Kawasaki Production System); and personnel education and development as key strategies to prevent reoccurrence of major quality issues.</li> </ul>
<b>Geopolitical situation</b>	<ul style="list-style-type: none"> <li>External circumstances such as tensions in US/China relations, the Russia-Ukraine situation, and conflict in the Middle East have the potential to give rise to business impacts, including major increases in raw materials costs and significant logistical disruption.</li> </ul>	<ul style="list-style-type: none"> <li>The Kawasaki Group closely monitors geopolitical risks in the Group's overall supply chain as well as overseas projects, and incorporates necessary countermeasures into its business operations.</li> </ul>
<b>Uncertainties in the international economic situation due to protectionism</b>	<ul style="list-style-type: none"> <li>The increased prevalence of protectionism throughout the world is causing major changes in the international business environment, which have the potential to lead to business stagnation and increased costs due to supply chain disruptions.</li> </ul>	<ul style="list-style-type: none"> <li>The Kawasaki Group promotes information collation and analysis activities relating to developments in respective countries in key regions, and undertakes initiatives to enhance business continuity through far-sighted risk response measures.</li> </ul>
<b>AI and cyber security</b>	<ul style="list-style-type: none"> <li>Threats and crimes associated with AI are increasingly coming to light due to the deterioration of geopolitical conditions and the widespread use of AI, with cybercrime also becoming more serious and sophisticated at an accelerated pace. Manipulation of information, disruption of supply chains and service/production activities, and other phenomena associated with AI and cybercrime have the potential to seriously impact on all aspects of business.</li> </ul>	<ul style="list-style-type: none"> <li>In light of our engagement in social infrastructure projects, the Kawasaki Group collaborates with external specialist organizations to proactively implement maintenance for products and services to ensure customer safety, as well as maintenance and improvement of Group-wide production activities and employee security literacy.</li> </ul>
<b>Carbon neutrality (Climate change)</b>	<ul style="list-style-type: none"> <li>Developments such as the announcement by the United States in January 2025 that it would withdraw from the Paris Agreement, have led to concerns that initiatives to achieve decarbonization will slow down or reverse, resulting in delays or longer-than-anticipated transitions to the use of hydrogen-related products and electrification which the Kawasaki Group is promoting.</li> </ul>	<ul style="list-style-type: none"> <li>The Kawasaki Group will continue to actively develop hydrogen-related products and CCUS in preparation for the advent of a carbon-neutral society, while closely monitoring decarbonization policy trends in various countries and regions. At the same time, we will undertake initiatives to bolster our product lineup to cater to market needs during this transitional period.</li> </ul>

## Emerging Risks

The Kawasaki Group has positioned risks with the potential to have significant impacts on our business operations in the medium to long term (three to five years) due to changes in the external environment as emerging risks from among the risks that the Kawasaki Group should focus on in the immediate period, and conducts regular reviews of these emerging risks based on the outcomes of company-wide monitoring activities. The following is an overview of the major emerging risks, their potential impacts, and mitigation measures.

Japanese Natural Disasters Risk	
<b>Overview of risk</b>	Japan is a country which is prone to frequent natural disasters, and in January 2025, the Japanese government revised upwards its prediction of the probability of the occurrence of a Nankai Trough earthquake or a massive earthquake centered directly under Tokyo, and is alerting the public to this probability. In recent years, Japan has experienced frequent and increasingly intense torrential rains, typhoons, and large-scale forest fires. In the case that a massive earthquake or other serious natural disaster occurs in Western Japan, the Kawasaki Group, which has its main bases in these regions, could be subject to serious damage, with the potential to significantly impact on business performance.
<b>Potential impact</b>	In addition to the physical damage to Kawasaki's manufacturing site buildings and equipment and a halt to production activities, significant damage to social infrastructure can be anticipated as a result natural disasters such as earthquakes or tsunamis. For this reason, even in the case that Kawasaki's own plants are restored quickly, the potential exists that it would take a long time for production activities to be normalized due to ongoing difficulties in the procurement of raw materials and parts owing to disruptions in the supply chain. Furthermore, as Kawasaki manufactures and sells products that support societal activities—such as power generation facilities including gas turbines, energy plants, and transportation equipment including rolling stock—delays in the restoration of production activities can be anticipated to significantly impact on the activities of Japan as a whole as well as those of local communities.
<b>Mitigation measures</b>	The Kawasaki Group has formulated a business continuity plan (BCP) and is enhancing the organization's disaster response capabilities through regular BCP drills to enable business continuity in the event of a natural disaster. In terms of production activities, we are promoting measures such as the earthquake-proofing of facilities and the creation of sturdy supply chains toward the minimization of damage. Furthermore, we are establishing a reconstruction support system in cooperation with local authorities toward the restoration of societal activities. Specifically, we will provide Kawasaki products that are of utility for reconstruction, including unmanned helicopters and off-road four-wheelers, and are establishing frameworks to enable us to quickly deploy support activities making effective use of these products in the event of a natural disaster. In addition, as for social infrastructure products, we have established a system to facilitate the continuous provision of our products and services even in the event of a disaster as critical businesses.
China/Taiwan Relations Risk	
<b>Overview of risk</b>	In recent years, the international community has been paying close attention to China/Taiwan relations due to concerns about their many impacts on political, economic, and security fronts. As we conduct business operations in China and Taiwan and have multiple production plants and marketing bases in this region, particularly in China, any disruption or torpor in logistics in the vicinities of the Taiwan Strait would have major impacts on our business.
<b>Potential impact</b>	In the case that China/Taiwan relations deteriorate, this has the potential to seriously impact on logistics and production, while restrictions on business operations have the potential to significantly impact on the earnings of local subsidiaries. While a large proportion of the Kawasaki Group's business operations in China involve local production for local consumption and local production for export, a proportion of these are also incorporated into product manufacturing processes in Japan, and it can consequently be anticipated that such impacts would also affect production activities in Japan.
<b>Mitigation measures</b>	The Kawasaki Group's basic policy for mitigation measures involves maintaining relationships of trust with our employees, customers, suppliers, government officials, and other stakeholders, and the continuation of our business in China and Taiwan from a long-term perspective. Based on this we are enhancing our information collection and analysis activities in collaboration with experts in Japan and overseas and establishing response plans aligned with respective levels of crises. In addition, we are creating production systems to allow us to produce parts procured from our Chinese subsidiary at our production sites in Japan, in line with the circumstances. We are conducting reviews of these measures as appropriate based on any changes in China/Taiwan relations.

# Risk Culture

## Risk Management Training and Awareness Building

Kawasaki explains the importance of risk management in its grade-specific training programs for employees. In addition, our commitment to improving our enterprise value based on the guiding principles of "selective focusing of resources," "emphasis on quality over quantity," and "risk management" is clearly stated in the Kawasaki Group Management Principles, part of the Kawasaki Group Mission Statement. We also post the Mission Statement at work areas and distribute Mission Statement cards to employees to build awareness of these principles.

## Risk Management Training for Directors

Lectures on economic security and leadership in crisis management are conducted by experts approximately twice each year for members of the Board of Directors including Outside Directors. From the perspective of economic security, in light of developments concerning the protection of both civilian and advanced technologies that have military applications, which have deep implications for our business, we have been holding lectures on related topics with the goal of protecting our employees from the rising risk of covert manipulation targeting employees for purposes of fraudulently using our business information.

# Crisis Management

The Kawasaki Group's Risk Management Regulations contain crisis management provisions set out in readiness for the emergence of a risk. These regulations set forth behavioral guidelines and response systems that serve to protect lives and preserve assets, minimize damage and loss, and expedite the resumption of business activities in the event of unplanned interruption.

## Basic Policy

Paragraph 3 of the basic policy of the Group's Risk Management Regulations lays out the Kawasaki Group's policy for responding to crises.

In addition to, of course, putting human lives first, the policy also clearly lays out the Company's priority of fulfilling its social responsibility as a company involved in infrastructure-related industries. Specifically, in the event of a major earthquake, we will help operate equipment used for disaster relief (such as aircraft and ships), work to quickly restore and maintain the operation of infrastructure (such as rolling stock, power generation facilities, and waste processing facilities), and support our customers and suppliers.

## Crisis Management System (at Times of Crisis and Non-Crisis)

In readiness for risks, including large-scale disasters, we maintain a Group-wide horizontally integrated Crisis Management Organization at all times.

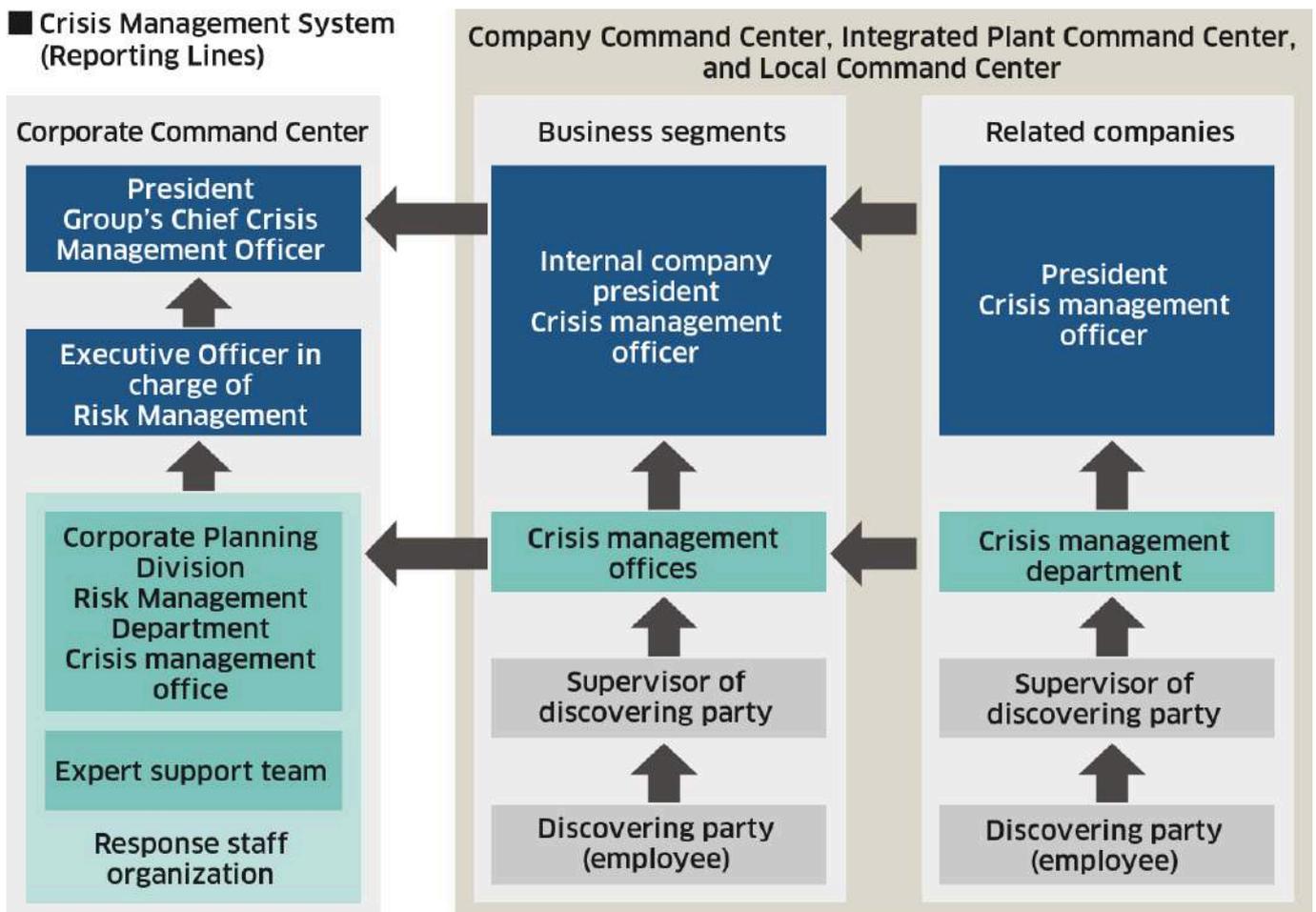
The president is the Group's Chief Crisis Management Officer, while the head of each operating site or organizational unit acts as its crisis management officer. Crisis management offices are set up under the crisis management officers to assist them and are charged with the practical work of putting in place and maintaining a first response system in normal times for mobilization in the event of an emergency. Meanwhile, the heads of the various Head Office divisions and other staff members whom they designate form an expert support team for the crisis management offices.

## In Times of Disaster or Accident

The crisis management system sets out in advance emergency reporting lines and organizations charged with responding when emergencies occur. Complementary to the emergency reporting lines, we have set up contact networks covering each business segment and operating site to ensure quick internal reporting and information promulgation.

## Crisis Management System in Times of Disaster or Accident (Reporting Lines)

### ■ Crisis Management System (Reporting Lines)



## Emergency Communication System

The Kawasaki Group has introduced an emergency communication system for the entire domestic Group to rapidly confirm the safety of employees when a disaster occurs. Tests are conducted every year to ensure that employees are familiar with the system and know how to use it.

## Business Continuity Plans

A business continuity plan (BCP) is itself a management strategy. In addition to typical measures related to response immediately after a disaster, such as setting up disaster-prevention supplies and running evacuation drills, a BCP requires consideration of measures to continue business operations with minimal interruption and fulfill the corporate mission. Based on the basic policy of the Risk Management, the Kawasaki Group has formulated BCPs for major earthquakes, pandemics, and other disasters.

### Business Continuity Plan Review

The lessons learned in the Great Hanshin Earthquake, which hit the Kobe area in January 1995, formed the basis of the Group's disaster-prevention measures. In light of the Great East Japan Earthquake of March 2011, the Group significantly revised its BCP for large-scale earthquakes. In response to the COVID-19 pandemic in 2020, we have revised our pandemic response BCP to include, for example, remote working and other new workstyles.

We are undertaking initiatives to expand the scope of our activities and enhance education and trainings toward the creation of a BCP capable of responding to "all crises," rather than conventional activities that focused on "earthquake disasters and pandemics" as crises. These initiatives are being deployed to a backdrop of increasing global economy uncertainties with their origin in pandemics, conflicts, resource and new energy, and environmental issues, and based on demands from the Japanese government and other external parties.

#### 1. Basic Policy

Based on basic policy, determine course of action to be taken by the Kawasaki Group in the event of natural disasters.

#### 2. Head Office and Each Business Segment Priorities

With the basic policy in mind, designate functions to be maintained at the Head Office and each business segment even in the event of disaster.

We have identified priorities for the Head Office and business segments in line with our basic policy and have designated certain functions that must be maintained even in the event of disaster with due consideration given to the different business content of each business segment and the features inherent in products and services.

### 3. Response in Times of Disaster and Preparation during Normal Times

Consider responses appropriate in the wake of disaster and prepare for the eventuality of such events during normal times.

Many disaster scenarios indicate the possibility of a massive earthquake centered directly under Tokyo as well as a cascade-like triple megaquake event along the Tokai-Tonankai-Nankai segment of the Pacific Ocean coastline. Bearing these potential events in mind, we considered the responses necessary should such catastrophes occur and activities that could be undertaken during normal times to prepare for such eventualities.

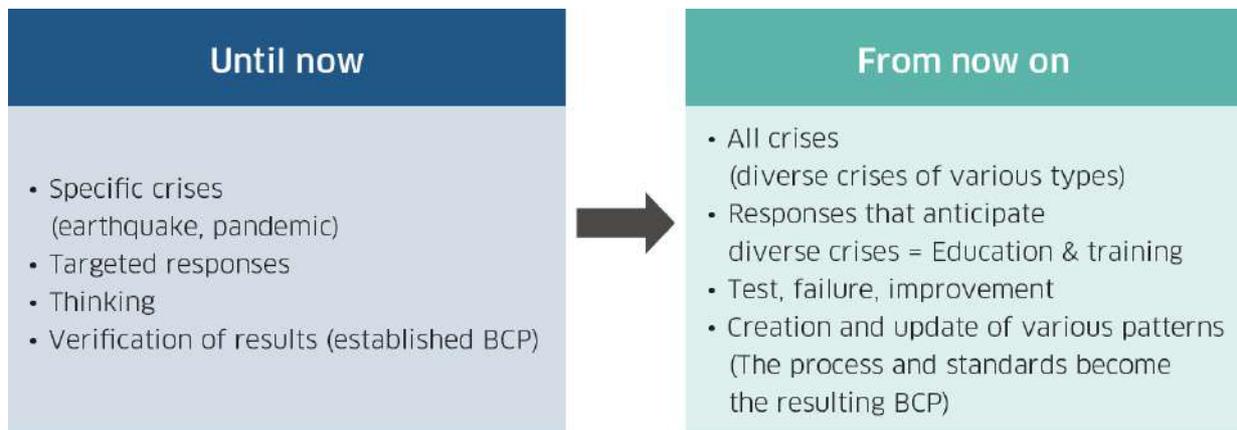
We formulated a plan that designates specific divisions with specific tasks, and outlined preparations necessary to achieve the desired objectives. Preparations are moving ahead in line with this plan.

### 4. Drills and Revisions

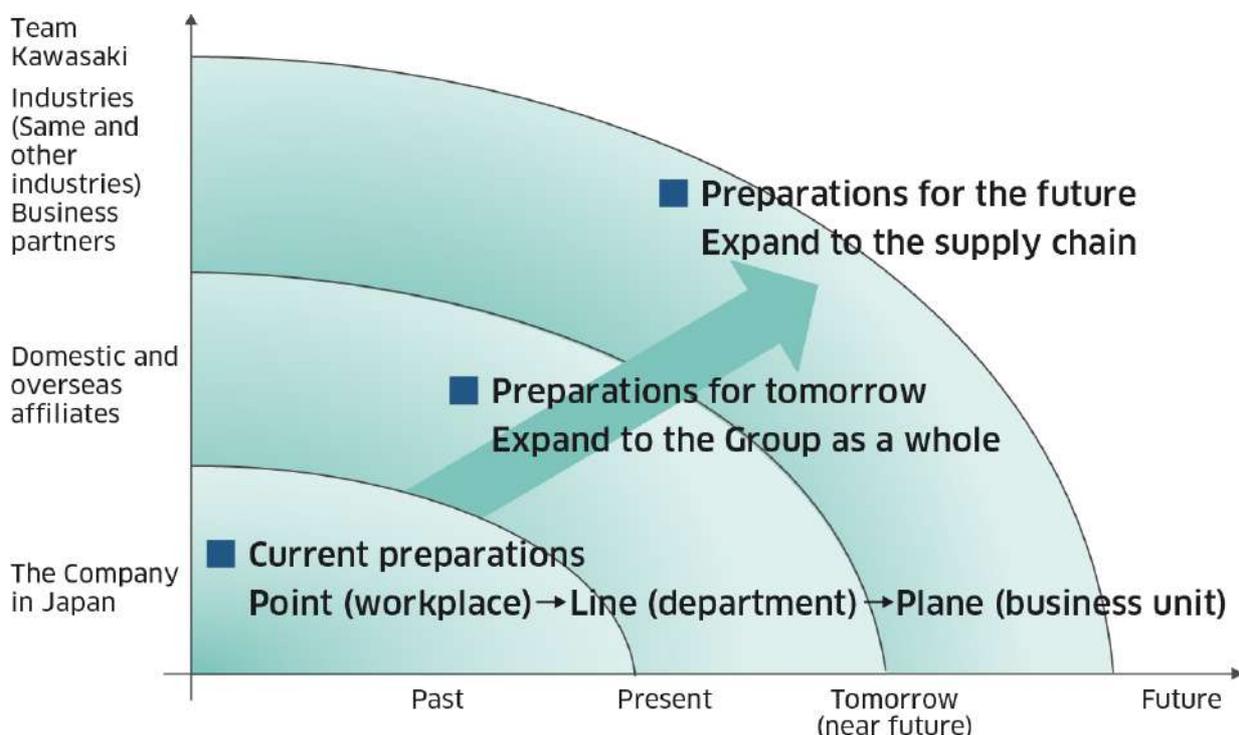
Run drills regularly and revise BCP content based on the results.

We are constantly running drills based on BCP and revising BCP content based on how the drills were performed.

## Strengthen BCP Education and Training



## Expand Scope of Action



# Information Security

## Management Approach

### Our Basic Stance

The Kawasaki Group provides products and services to a diverse range of customers, from businesses, the public sector, and general consumers to the Self-Defense Forces. Any information leakage could affect our credibility and brand value and thereby undermine the foundations of our management. This is why ensuring information security is an important management issue that needs to be considered. In order to protect our business from such management risks, we are working to appropriately manage and protect important information assets, such as information concerning customers, business partners, and company's business. It is our social responsibility to ensure, maintain and improve information security.

### Information Security Policy

The following four principles are the basic ideas for our approach to information security. "The Kawasaki Group Policy on Information Security" is based on these principals, and we formulated various information security policies for the operation of information systems including use, introduction, and development in accordance with world standards such as NIST CSF.\* We also established internal rules and guidelines in accordance with the various policies that govern the entire Group.

- (1) Build a system to strengthen collaboration across the Kawasaki Group
- (2) Identify and manage important information assets
- (3) Plan and deploy appropriate measures to identify, defend, detect, respond, and recover from cyberattacks
- (4) Ensure all officers and employees improve their knowledge and awareness of information security

\* NIST CSF (Cybersecurity Framework): A framework for improving the cybersecurity of a critical infrastructure published by the National Institute of Standards and Technology

- [The Kawasaki Group Policy on Information Security](#) 

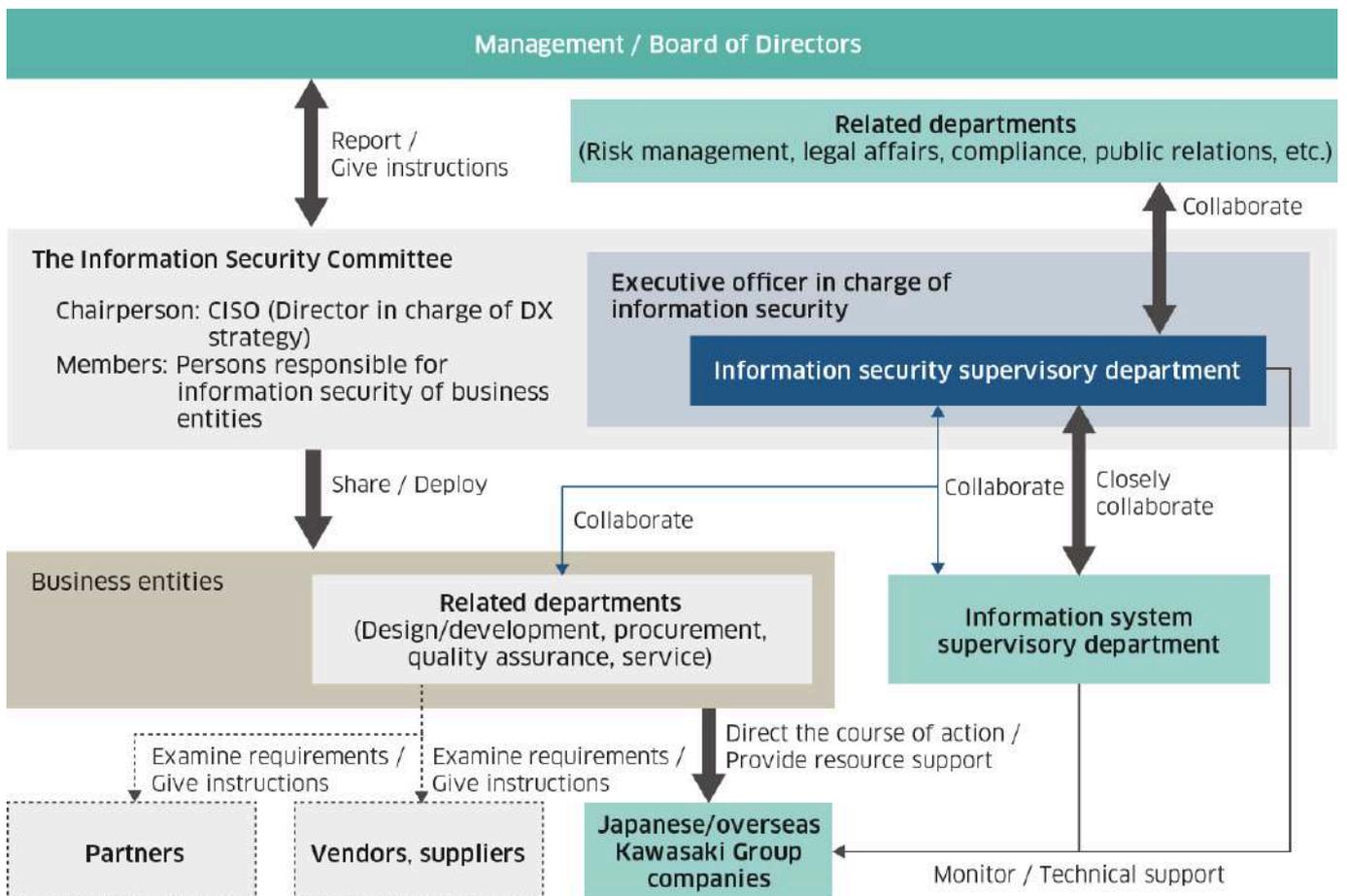
# Information Security Management Structure

The Director in charge of DX strategy takes on the role of CISO. The Information Security Committee is organized with the CISO as the chairperson and with the person in charge of information security in each business entity participating. Based on instructions from management and the Board of Directors, the committee shares and deploys policies and plans related to information security and various measures against information security risks to business units, the Kawasaki Group companies, and related organizations. The Information Security Committee also presents cyberthreats, information security risks, issue sharing, and the status of incident responses to the Management Meeting and reports to the Board of Directors according to the importance.

Also an information security supervisory department is established under the executive officer in charge of information security. The department will develop information security strategies, identify information security risks, plan and implement measures, conduct audits, and handle information security incidents (detect, address, and recover).

Based on instructions from the Information Security Committee, the information security supervisory department will lead each business entity, the Kawasaki Group companies, and related departments to collaborate with each other and systematically prepare and promote ways to ensure, maintain, and improve information security from the three perspectives of "technical measures," "education/training," and "rules" to address ever-changing information security risks.

## Information Security Management Structure



## Responsible Officers

Director Responsible for DX Strategy (CISO): Hiroshi Nakatani, Representative Director, Senior Corporate Executive Officer

Executive Officer Responsible for Information Security: Hironobu Urabe, General Manager of DX Strategy Division and Executive Officer

## Responsible Executive Organ and/or Committee

Board of Directors / Information Security Committee

# Initiatives to Information Security

## Third-party Evaluations and Obtaining Certification for Information Security

The Kawasaki Group promotes third-party evaluations and certification for information security, with organizational units that have obtained certification for information security detailed below.

### **ISMS (ISO/IEC 27001)-certified organizations**

- Kawasaki Heavy Industries, Ltd. (Project Management Department, Presidential Project Management Division)
- BENIC SOLUTION CORPORATION (Infrastructure Design Department/Operation Service Department, Digital Infrastructure Solution Service Division)

### **Privacy Mark-certified companies**

- BENIC SOLUTION CORPORATION
- K Career Partners Corporation

### **International Standard for Industrial Cybersecurity (IEC 62443-4-1)-certified organization**

- Kawasaki Heavy Industries, Ltd. (Robot Business Division, Precision Machinery & Robot Company)

## Information Security Risk Management

As part of our initiatives to reduce information security risks, we identify the information assets to be protected by the Kawasaki Group and collect information on a daily basis from the Information-technology Promotion Agency, Japan (IPA), Japan Computer Emergency Response Team Coordination Center (JPCERT/CC), and other specialized organizations, as well as security vendors, security analysts and other sources, in order to accurately capture increasingly sophisticated cyber threats. Based on the collected threat information, we analyze possible attackers, attack methods, and attack scenarios and identify vulnerabilities. We then conduct periodic assessments to determine whether information assets are protected accordingly from the analyzed or identified threats and vulnerabilities to evaluate risks. We also conduct internal audits and use other means to periodically examine and assess the implementation status of countermeasures based on risk assessment results as well as the management and operational status in accordance with relevant policies and rules.

## Information Security Countermeasures in Supply Chain

When addressing risks in the Group's supply chain, we establish processes for identifying, analyzing, prioritizing, and assessing risks.

Specifically, in fiscal 2022, we introduced the Kawasaki Group's Information Security Guidelines for Business Partners to encourage suppliers to implement information security countermeasures and to support them in adopting countermeasures tailored to their specific circumstances. In addition, as a part of supply chain management, we included questions relating to information security in the supplier survey conducted with both domestic and overseas suppliers starting in fiscal 2024. We are working to confirm the information security status of suppliers and mitigate risks in supply chain.

- For information on the status of initiatives in supply chain, please refer to [Supply-Chain Risk Assessment](#).

## Frameworks and Mechanisms for Responding to Incidents

In order to protect the information of our customers and business partners and the information assets of the Kawasaki Group from cyber threats which is becoming more enhanced and dangerous, we have put in place a system necessary to detect cyber threats and promptly respond to cybersecurity incidents. We have established a Cyber Defense Center (CSIRT\*), which consists of the following three functions, within the information security supervisory department.

### **Intelligence function**

- Investigate and analyze cyber threats and support response to cybersecurity incidents

### **Detection/analysis function**

- Constantly monitor cyberattacks, and detect and analyze anomalies

### **Response function**

- After detecting an attack, immediately collaborate with parties concerned and take prompt countermeasures to minimize damage

If an incident is detected and, based on the results of analysis, determined to be a breach, the severity of the incident is ascertained and action is taken to prevent further damage, such as shutting off the communication network and isolating information equipment. Then, based on the business impact, the scope of damage and so forth, we cooperate with the concerned parties to investigate the cause, preserve evidence, and restore business to normal operations.

In the event of a serious incident, we immediately report to management in accordance with the defined route and coordinate with the pertinent departments including risk management departments and public relations departments to make immediate reports to our business partners, relevant government ministries, and relevant organizations.

\* CSIRT (Computer Security Incident Response Team): If a security threat incident, such as virus infection, unauthorized access, or denial-of-service attack (DoS attack), occurs in a company's information system or communication network, this team is already aware of the incident and acts as a point of contact within the organization to prevent the spread of damage, collect and notify related information, and develop measures to prevent recurrence.

## Information Security Education and Training

We conduct regularly education and training focused on information security for our Group employees.

This instruction covers laws and social customs as well as corporate rules and examples of incidents, and course content is tailored by position, with content for newly hired employees, general employees, and managerial staff. The objective of education and training is to ensure that employees can avoid damaging situations, such as cyberattacks and online crime, which can occur in the course of daily work. Employees are instructed to avoid clicking on attachments or links in suspicious emails and to promptly report such emails to the reporting desk and to delete such emails to prevent the spread of damage. We also regularly conduct drills using simulated targeted attack emails.

In fiscal 2024, education on information security was provided to 20,274 employees, and 24 drills using simulated targeted attack emails were provided to 10,560 employees.

- [Information security training participants \(ESG Data\)](#)

## Number of Violations and Information Security Breaches

There were no cases of violations pertaining to information security in fiscal 2024. There were four information security breaches.

# Product Security

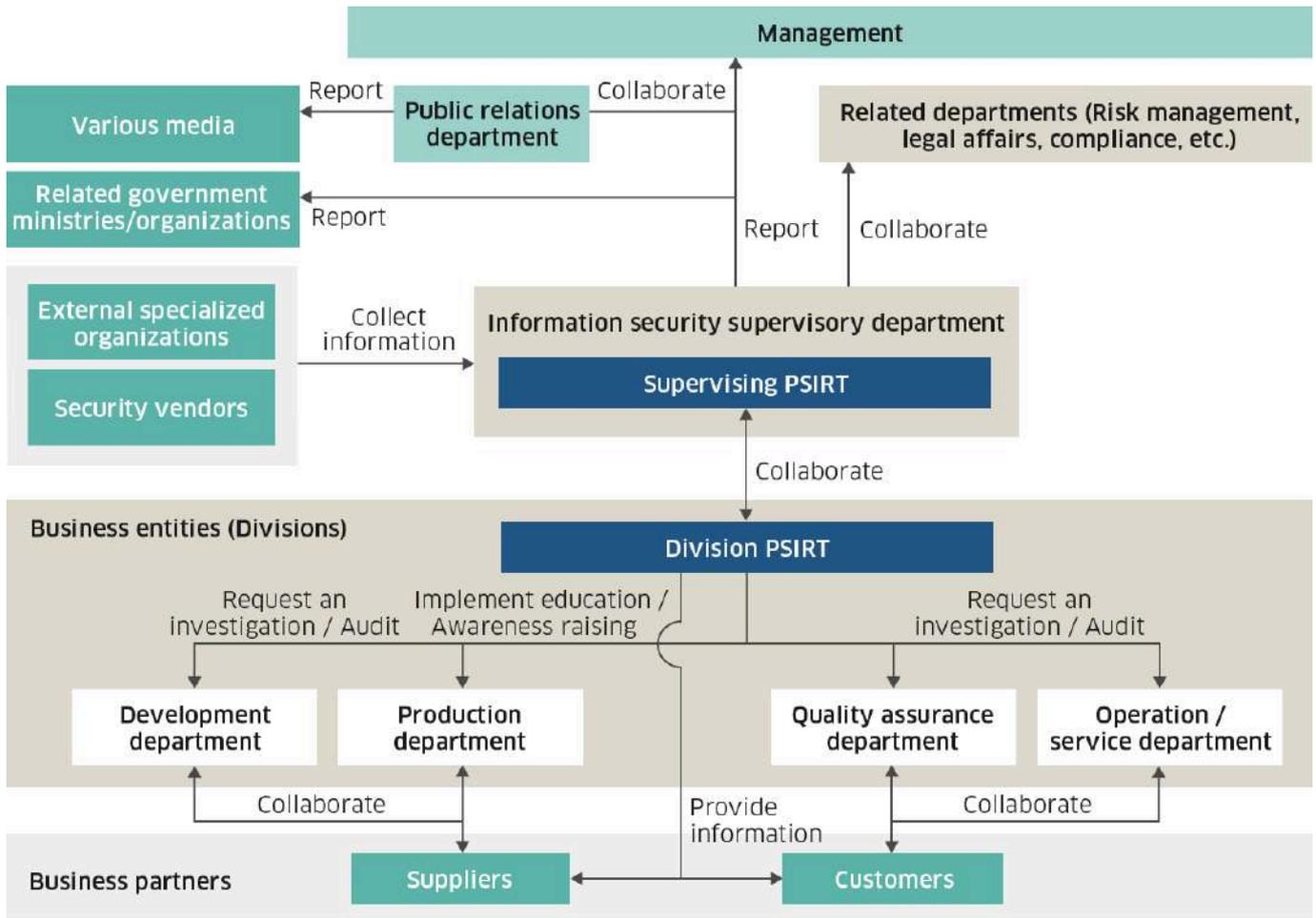
The Kawasaki Group's products continue to evolve to provide more advanced features and services by connecting to networks and the cloud. On the other hand, the advancement of digitalization has increased the risk of exposure to cyber threats such as cyberattacks. To protect our customer and their business, we prioritize product security as one of the aspects and continue to maintain and improve the quality of the product.

Our initiatives for product security include complying with Japanese and international laws and regulations, standards, and agreements with our customers, as well as establishing the Kawasaki Group Product Security Policy to provide safe and secure products and services by preventing breaches from cyberattacks. In addition, we have developed guidelines to ensure appropriate security in activities throughout the entire product life cycle, from planning, design, and manufacturing to operation of products and services. Based on the Product Security Policy, we are also establishing the process for designing and developing safe and secure products (SDLC<sup>\*1</sup>). In our robotics business, we have obtained and started operating under the international standard certification 'IEC 62443-4-1'. Additionally, we have established a specialized organization (PSIRT<sup>\*2</sup>) to oversee all activities to ensure the safe and secure use of products adopted by our customers. As part of these activities, we collect information on threats and vulnerabilities and publish the status of our responses. Furthermore, we have established and started operating a monitoring system to quickly detect information security incidents related to the services we provide.

\*1 SDLC (Secure Development Life Cycle): It is a development lifecycle aimed to ensure that the products developed are secure. The security measures are implemented throughout the entire process, from the upstream stages.

\*2 PSIRT (Product Security Incident Response Team): This team is responsible for such activities as finding vulnerabilities in products, analyzing problems, investigating their severity and impact, providing upgraded or modified versions, notifying or disseminating information to customers and the general public, providing information, responding to inquiries, accepting reports from outside parties, and liaising and coordinating with collaboration partners and related organizations.

## Product Security Promotion Structure



- [The Kawasaki Group Product Security Policy](#)

## Vulnerability report form

To improve the quality of cybersecurity for its products, our group has established a vulnerability hotline to continuously collect information on vulnerabilities in its products.

- [Vulnerability report form](#)

## Vulnerability information

Information about new vulnerabilities in our group products is provided as needed to help customers take appropriate actions to reduce risk.

- [Vulnerability information](#)

# Information Security Report

We issued Kawasaki Group Information Security Report 2025.

This report is published with the purpose to disclose our Group's initiatives on information security for our stakeholder's understanding. It is based on "Cybersecurity Management Guidelines Ver.3.0" made by the Ministry of Economy, Trade and Industry, Japan.

- [Information Security Report](#)

## Personal Information Protection

Kawasaki abides by its Privacy Policy, a basic policy for protecting personal information. This policy is disclosed. Further, we control personal information by such means as appointing a personal information administrator, establishing corporate regulations titled Personal Information Protection Rules, and issuing the Personal Information Protection Manual, which explains the rules clearly for employees. In 2020 we established the Kawasaki Group Policy on the Protection of Personal Information, laying out Group-wide rules for the proper handling of personal information.

In accordance with the revision of the Act on the Protection of Personal Information of Japan in April 2022, we revised relevant corporate regulations, the Privacy Policy and the Personal Information Protection Manual.

For the control of personal information, such measures are taken as constructing the security control systems for the personal information possessed by each division and preparing and regularly updating the personal data handling ledger in which the handling status of such personal information can be checked. With regard to personal information in the Company's possession, we have put in place a structure that ensures a prompt response to requests from individuals related to their own personal information, such as requests for disclosure or discontinuance of utilization.

- [Privacy Policy](#)
- [Kawasaki Group Policy on the Protection of Personal Information](#) 

## Response to the General Data Protection Regulation

Our Group has established corporate regulations regarding compliance with the European Union's and UK's General Data Protection Regulation (GDPR), laying out rules for the proper handling of personal information covered by the GDPR.

# R&D and Intellectual Property Activities

## Research and Development

### Our Approach and Policy on R&D

The Group's research and development is based on the Kawasaki Group Policy on R&D. Our R&D assumes a role in the creation of new value from the ground up and into the future, and it involves remaining up to speed with changes in the times as well as with market and client needs, to contribute to ambidextrous organization at the Group. Specifically, the Group will promote the development of competitive new products and solutions in cooperation with each business segment based on competitive trends and those in the market as well ongoing business conditions, toward the achievement of sustainable growth. We will meanwhile also reconfigure and enhance our fundamental technologies and develop and enhance our human capital in technical domains linked into respective technologies as means to increase our shared capacities in fundamental technologies, which will constitute the driving force behind value creation. We will also undertake initiatives toward the achievement of this goal, bringing together the collective wealth of technologies which the entire Group has to offer, and mobilizing "synergy of technological and manufacturing capabilities" to their maximum extent.

Furthermore, engineers in each business segment and specialists in the Corporate Technology Division with expertise in various fields form project teams to share issues and develop new products and new businesses with the aim of consistent overall optimization. The Corporate Technology Division acts as an intermediary facilitating mutual access to the technological core competencies possessed by each business segment so that they can be applied to products in other segments. This approach enables the multifaceted expansion of technology and realizes major synergistic effects.

Thus, by adopting so-called matrix management combining the core technologies of each business segment and the fundamental technologies of the Corporate Technology Division, we aim to create technological synergy throughout the entire Kawasaki Group and to further enhance corporate value.

- [Kawasaki Group Policy on R&D](#) 

## Structure

Each business segment carries out R&D in areas specific to its business, while the Corporate Technology Division handles horizontal or forward-looking R&D on a Company-wide basis, and works together closely with the business segments on each project.

In addition, the business segments, Head Office Presidential Project Management Division, Corporate Technology Division, Hydrogen Strategy Division, and DX Strategy Division are collectively endeavoring to bring together the wealth of technologies which the Group has to offer to realize Group Vision 2030; at the same time leveraging the latest system integration and digital technologies in R&D to provide value to our customers into the future.

## Responsible Officer

Director Responsible for Technology: Hiroshi Nakatani, Representative Director, Senior Corporate Executive Officer

Takumi Kawasaki, Managing Executive Officer, General Manager of Corporate Technology Division

## Responsible Executive Organ and/or Committee

The business segments and the Corporate Technology Division meet regularly to share information about the market environment and business strategy and form a consensus regarding development themes.

In addition, the Company-wide Technology Committee serves to provide direction for Company-wide responses to new and shared technological challenges and to the development of human capital in technical domains; while inter-company technical exchanges and interactions are deployed to facilitate the horizontal exchange and sharing of technologies and to promote synergistic effects. The Company-wide Technology Committee is composed of representatives from the Corporate Planning Division and the Corporate Technology Division, as well as those from the technical departments of internal companies and major affiliated companies and, in principle, meets six times a year.

- [R&D Expense \(ESG Data\)](#)

## R&D Initiatives for the Promotion of Innovation

We will maintain a steady view to the Group's growth into the future, undertake initiatives to promote various innovations, and further expedite transformations of our business as we aim to continue creating new value by bringing together and making full use of the collective strengths of the Kawasaki Group.

### Open Innovation

In addition to carrying out R&D within the Group, we will leverage open innovation, and utilize cutting-edge technologies from universities, research institutions, start-ups, and other sources in both Japan and overseas to expedite the pace of our R&D. Furthermore, the Group will proactively promote collaboration with external businesses.

### Initiatives in Open Innovation

#### **Opening of the social innovation co-creation hub "CO-CREATION PARK - KAWARUBA"**

On November 6, 2024, Kawasaki inaugurated a new social innovation co-creation hub called CO-CREATION PARK - KAWARUBA ("KAWARUBA") in HANEDA INNOVATION CITY (Ota Ward, Tokyo).

The Kawasaki Group has set out its Group Vision 2030 as a vision for the Group's future to work toward by 2030 and is undertaking initiatives for the solution of various societal challenges. As part of these initiatives, we will make KAWARUBA available as a venue at which a diverse range of people who share a common purpose can encounter one another and gather across organizational boundaries to create value and aim for social implementation.

We have established the themes on which to engage in challenges at the co-creation hub of: "Realizing a society that unlocks human ingenuity to create robotics that enrich the future" and "Pioneering a new era of green society using hydrogen and carbon-neutral solutions," and will promote the development of solutions based in the starting point of our business activities while actively utilizing diverse demonstration fields.

- [Opening of the Social Innovation Co-Creation Hub "CO-CREATION PARK - KAWARUBA" \(Kawasaki Press Release; November 6, 2024\) \(Japanese language only\)](#). 

## Process Innovation

Kawasaki is promoting process innovation, with a focus from the design to the manufacturing stages, throughout the entire value chain, based on our mission of Total Quality Management. Through this process innovation, we are aiming to create a business foundation capable of facilitating flexible and speedy responses to both societal changes and the increasingly sophisticated needs of our customers while providing sustainable value.

- **Development and design process innovation**  
Kawasaki is promoting Kawasaki Design Process Transformation (K-DPX), which aims to standardize and enhance the development and design process and thereby maximize value and improve efficiency throughout the entire value chain. We are leveraging the wealth of knowledge and experience we have accumulated within the Company and are engaging in digital engineering initiatives to improve the efficiency of development toward the goals of preventing errors and improving development and design productivity.
- **Manufacturing process innovation**  
Kawasaki is promoting innovation in manufacturing processes based on the Kawasaki Production System (KPS) approach, which seeks to achieve "thorough elimination of waste." We are promoting the establishment of a system to ensure quality at each stage of the manufacturing process while promoting autonomous improvements. We are also actively undertaking initiatives for the introduction of advanced technologies, such as AI assistance and collaborative robots.
- **Comprehensive and concurrent development promotion**  
We are promoting "comprehensive and concurrent development" activities, which involve creating both a data integration platform that connects the entire value chain and products and services that precisely capture the needs of society and of our customers from the initial stages of development. Doing so will enable us to realize efficient manufacturing without the need for reworking.

## Effects of Process Innovation

We will develop products and services that precisely capture the needs of society and of our customers from the initial stages of development through process innovation throughout the entire value chain, to thereby realize manufacturing processes without the need for reworking as well as 50% reductions in error and compensation costs.

## Environmental Innovation

Kawasaki is aiming to improve environmental performance through measures, such as furthering energy and resource conservation for our products. We are also focusing efforts on lessening our environmental impact by reducing both waste levels and the volumes of chemicals used in the production process. We register products that satisfy these criteria as "Kawasaki Ecological Frontiers" (formerly "Kawasaki-brand Green Products") based on our proprietary standards.

Furthermore, we deliver a lineup of products that will support the transition from environmentally friendly LNG fuel to the clean energy source of hydrogen fuel, toward the provision of sustainable energy solutions. We are also actively undertaking initiatives for the development of hydrogen-compatible products with a view to a future hydrogen-based society.

Additionally, we are focusing efforts on the development of technologies for separating and capturing CO<sub>2</sub> from exhaust gases and the air for its effective use, to promote energy transformation toward the realization of a carbon-neutral society.

- Environmentally Conscious Products

## Developing Versatile Human Capital to Support Sustainable Innovation

The society of today is characterized by high uncertainty and constant change. In such an environment, the development of versatile human capital is imperative to facilitate the creation of the sustainable innovation that will support corporate growth.

At Kawasaki, we are promoting a Company-wide program for the enhancement of technical human capital with the aim of bolstering our human capital in technical domains. This program is designed to maintain and enhance a broad range of fundamental technologies, including those in mechanical and electrical domains, while also focusing efforts on the development of human capital such as the following:

- Highly skilled technical human capital  
Development of human capital with deep expertise and proficiency in technology in specific domains
- Multi-skilled human capital  
Development of human capital with a comprehensive understanding of multiple technical domains, proficiency in cutting-edge technologies, and who can achieve a panoramic grasp of entire systems
- Human capital with business development skills and entrepreneurial mindsets  
Development of human capital who are experienced in business development and entrepreneurship through on-the-job training (OJT) and who can play a role in the creation of new value

We will actively aim to enhance the human capital who will be decisive in shaping the future of the company through initiatives which leverage both knowledge acquisition and practical experience.

# Intellectual Property Activities

## Principles of Intellectual Property Activities

The Kawasaki Group has positioned intellectual property (IP) as an important management resource supporting our efforts to develop businesses and brands with competitive advantages by leveraging creative and innovative solutions and taking full advantage of our core competencies. These assets are therefore essential to achieving ongoing improvement in corporate value. On the basis of this recognition, and in accordance with the Kawasaki Group Policy on Intellectual Property, we endeavor to ensure and utilize the IP rights of the Group and strive to respect and prevent violation of the valid IP rights of third parties by promoting three-pronged activities with IP added to business and R&D.

- [Kawasaki Group Policy on Intellectual Property](#) 

## Structure

To promote strategic intellectual property activities, we maintain a structure whereby the Intellectual Property Department in the Corporate Technology Division drafts and implements corporate measures and works with the intellectual property supervisor and the intellectual property management departments of each business segment to carry out intellectual property activities in line with each segment's business.

### Responsible Officer

Director in charge of intellectual property: Hiroshi Nakatani, Representative Director, Senior Corporate Executive Officer

### Responsible Executive Organ and/or Committee

The Intellectual Property Committee formulates operating and basic policies regarding Company-wide intellectual property activities, and holds committee meetings as it deems necessary. Additionally, an intellectual property supervisors' meeting and intellectual property management department managers' meeting both convene twice a year to promote information sharing and cooperation between the Head Office and business segments.

## Strategic Intellectual Property Activities

The Group sets forth the three pillars of "deliberating on and formulating intellectual property strategies aligned to business strategies"; "securing intellectual property to serve as a source of non-price competitive power"; and "ensuring scrupulous and thorough intellectual property risk management," through which intellectual property should contribute to our business, toward the aim of realizing continuous growth and discontinuous innovation.

To achieve this, we strive to implement IP activities in coordination with management and the business strategy by taking part in business planning from the earliest stages; providing information useful for developing a business strategy that leverages IP information; making suggestions regarding strategy; and developing and promoting an IP strategy that will strengthen the business strategy.

## IP Activities in the Hydrogen Business

In 2009, Kawasaki began taking full-scale action to build a liquefied hydrogen supply chain. We have made substantial investments into R&D on core hydrogen-related technologies with government support. The fruits of those investments have translated into the below examples of system development and technology demonstrations, which represent "Production," "Utilization," and "Transportation" technologies.

- "Production" technology: The development of hydrogen liquefaction systems using purely-domestic proprietary technology, a first for industrial use (2014)
- "Utilization" technology: Verification of hydrogen power generation in an urban area, a world's first (2018)
- "Transportation" technology: A technology demonstration of marine transportation and loading/unloading using the SUIISO FRONTIER, the world's first liquefied hydrogen carrier (2022)

Thus far, we have established at an early stage the core technologies that will be necessary for creating a hydrogen society and have pursued the acquisition of patents for supply chain-related products. Furthermore, through establishing international standards from the technology development stage, we are pushing forward with initiatives aimed at creating a new market for hydrogen supply chain-related equipment for which Japan has an advantage while endeavoring to differentiate our products from those of other countries.

## Countermeasures to the Improper Use of Kawasaki Group Brands

We have in place appropriate countermeasures based on trademark and other rights for dealing with commercial activities that make unauthorized use of Kawasaki Group brands, the manufacture and sale of counterfeit products, the use and application for registration of trademarks similar to those of the Kawasaki Group, and related issues. By further developing such activities, we are committed to contributing to the protection and further enhancement of market confidence in our brands.

## Invention Reward System

Based on the Patent Law regulation pertaining to inventions by employees, Kawasaki has established a provision in its internal rules regarding inventions by employees to reward employees at specific milestones, such as the filing of a patent application (application reward), patent registration (registration reward), and practical application (performance-based reward). The Company faithfully adheres to this provision. In addition, the same reward system is applied even when the invention is not made public for strategic reasons. Of note, the performance-based reward is fairly awarded after duly taking into consideration how the Company has benefited from the invention, using an evaluation standard based on comparisons with other companies in the same industry as well as trends in society.

## Employee Training

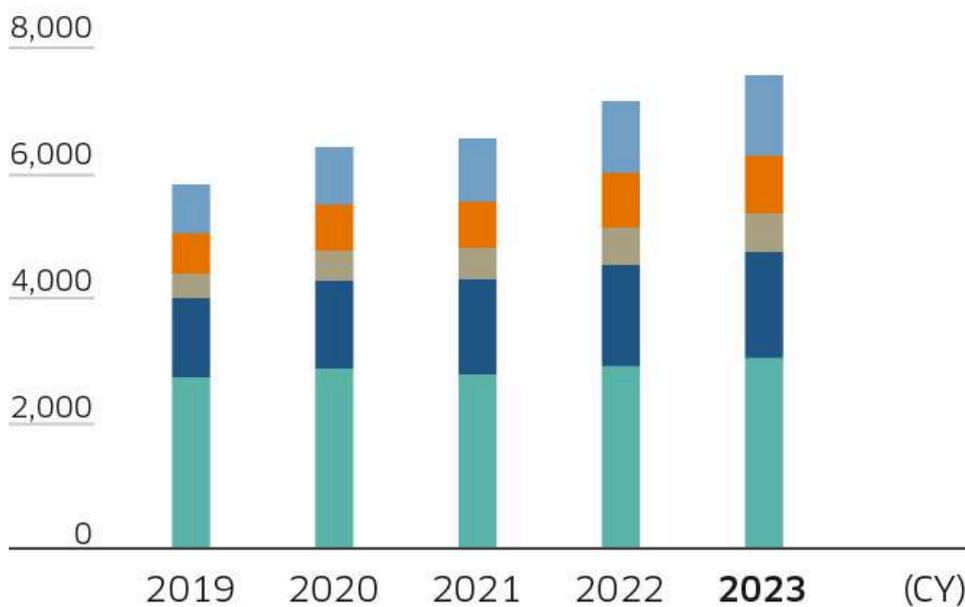
Intellectual property is an important management resource for increasing our business competitiveness. As such, Kawasaki's basic policy is to secure and effectively utilize its own intellectual property while respecting the valid intellectual property rights of third parties. In line with this policy, we carry out grade-specific activities to foster correct awareness of intellectual property.

## Intellectual property data

Number of patents held\*<sup>1</sup> (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors)

■ Japan ■ U.S. ■ Europe\*<sup>2</sup> ■ China ■ Other

(Number of cases)



(CY)

Country/region	Unit	2020	2021	2022	2023	2024
<b>Japan</b>	Number of patents	2,842	2,775	2,916	3,049	3,188
<b>U.S.</b>	Number of patents	1,440	1,521	1,626	1,673	1,773
<b>Europe*<sup>2</sup></b>	Number of patents	484	493	585	616	617
<b>China</b>	Number of patents	707	731	822	928	930
<b>Other</b>	Number of patents	968	1,063	1,194	1,294	1,317

\*1 Numbers are as of the end of each calendar year

\*2 Numbers of patents granted by EPOs with ongoing patent rights

# Environment

90	Environmental Management
97	CO <sub>2</sub> FREE (Realization of a Carbon-neutral Society)
115	Waste FREE (Realization of a Recycling-oriented Society)
121	Harm FREE (Realization of a Society Coexisting with Nature)
127	Environmentally Conscious Products

# Environmental Management

## Kawasaki Group Policy on Environmental Management

In June 2024 the Kawasaki Group set aside its existing Environmental Charter and established the new Kawasaki Group Policy on Environmental Management. Up to this time, the Environmental Charter, which was established in 1999 and revised in 2010, stipulated the common values, principles of environmental management activities, and guidelines for the daily conduct required of every employee, and we promoted environmental management activities accordingly. However, this new policy is intended to substantially revise the Environmental Charter content in view of changes in the demands from society relating to environmental management.

Under this new basic environmental policy, we will accelerate initiatives to tackle environmental challenges throughout the entire value chain, including the realization of carbon neutrality, the reduction of energy consumption, the recycling of resources, and respect for biodiversity.

- [Kawasaki Group Policy on Environmental Management](#) 

## Kawasaki Global Environmental Vision 2050

Pursuing the three FREES: CO<sub>2</sub> FREE, Waste FREE and Harm FREE

The Kawasaki Group has announced that it will collaborate toward the realization of a sustainable society, and formulated the "Kawasaki Global Environmental Vision 2050," in 2017 based on the Paris Agreement and the Sustainable Development Goals (SDGs).

The Group will take on its three objectives to embody its aspirations for 2050 of "CO<sub>2</sub> FREE," "Waste FREE," and "Harm FREE," and will actively contribute to mitigating global warming, promoting a recycling-oriented society, and protecting biodiversity.



*\*Activity Mark: Designed with the three challenges, imagining a "letter to the future."*

CO<sub>2</sub> FREE

- Aim for zero CO<sub>2</sub> emissions in business activities
- Provide products and services that greatly curb CO<sub>2</sub> emissions

Waste FREE

- Aim for zero waste emissions in business activities
- Thoroughly enforce conservation and recycling of water resources

Harm FREE

- Aim for zero harmful chemical substances emissions in business activities
- Develop business with respect for biodiversity

- [Press Release \(Aug.09,2017\)](#)

# The Environmental Management Activities Plan 2025 (FY2025-2027)

Based on the Group Mission, the Kawasaki Group Policy on Environmental Management, and Group Vision 2030, the Group has formulated the Environmental Management Activities Plan as key strategies which cater to the needs of society and facilitate the realization of both environmental conservation and business growth and the Kawasaki Global Environmental Vision 2050 goals of "CO<sub>2</sub> FREE," "Waste FREE," and "Harm FREE."

Until 2021, the activities plan was formulated every three years, with follow-up on progress conducted annually. However, in view of the ever-changing requirements relating to the environment, including the move toward decarbonization, resource recycling, and biodiversity, since 2022, the plan has been formulated annually looking ahead to the three years to come.

Following approval of the formulated plan by the Board of Directors, the plan is rolled out to the business segments through the environmental management system.

The medium-term actions policies toward achieving CO<sub>2</sub> FREE, Waste FREE, and Harm FREE are as follows.

For CO<sub>2</sub> FREE (realization of a decarbonized society), the Group embodies its carbon neutrality strategies in the Environmental Plan, and is actively moving toward achieving carbon neutrality at domestic business sites by 2030.

For Waste FREE (realization of a recycling-oriented society), we will continue to actively investigate circular economy business models to cater to the circular economy.

For Harm FREE (realization of a society coexisting with nature), we will continue to actively disclose the outcomes of macro-impact studies of effects on biodiversity from the Group's operations and measures to address these as a means to meeting the requirements of the TNFD (Task Force on Nature-Related Financial Disclosures).

In our Environmental Management Activities Plan 2024 covering fiscal 2024 through fiscal 2026, in addition to the three FREE actions policies described above, we continued to promote the visualization of CO<sub>2</sub> emissions in the upstream of the supply chain, the ascertainment of consolidated environmental data such as that on water and waste, and other endeavors that we set out as new initiatives in fiscal 2023. We successfully acquired SBT certification, which we espoused as a key strategy, in August 2024.

As part of the Environmental Management Activities Plan 2025 covering fiscal 2025 through fiscal 2027, the Group aims to further expand the disclosure of non-financial information for the enhancement of corporate value as well as to deepen the initiatives aimed at carbon neutrality, resource and water circulation, the conservation of biodiversity, and the ascertainment of consolidated data that it set out in the 2024 plan.

Refer to individual pages for details of the key strategies and achievements for CO<sub>2</sub> FREE, Waste FREE, and Harm FREE for fiscal 2024, and the key strategies for fiscal 2025.

- CO<sub>2</sub> FREE (Realization of a Carbon-neutral Society).
- Waste FREE (Realization of a Recycling-oriented Society).
- Harm FREE (Realization of a Society Coexisting with Nature).

# Environmental Management Promotion Structure

At the Kawasaki Group, the Board of Directors is positioned as the supreme decision-making body responsible for deliberations on and the finalization of fundamental sustainability policies and basic plans for the entire Group. A Sustainability Committee chaired by the President has been placed under that body to decide on various measures and report their progress based on the basic plans set forth by the Board.

Additionally, environmental management strategies, including risks and opportunities related to climate change, are deliberated on at meetings of the Sustainability Committee as part of fundamental sustainability policies for the entire Group, and the Sustainability Committee delivers regular reports on activities related to environmental management to the Board of Directors.

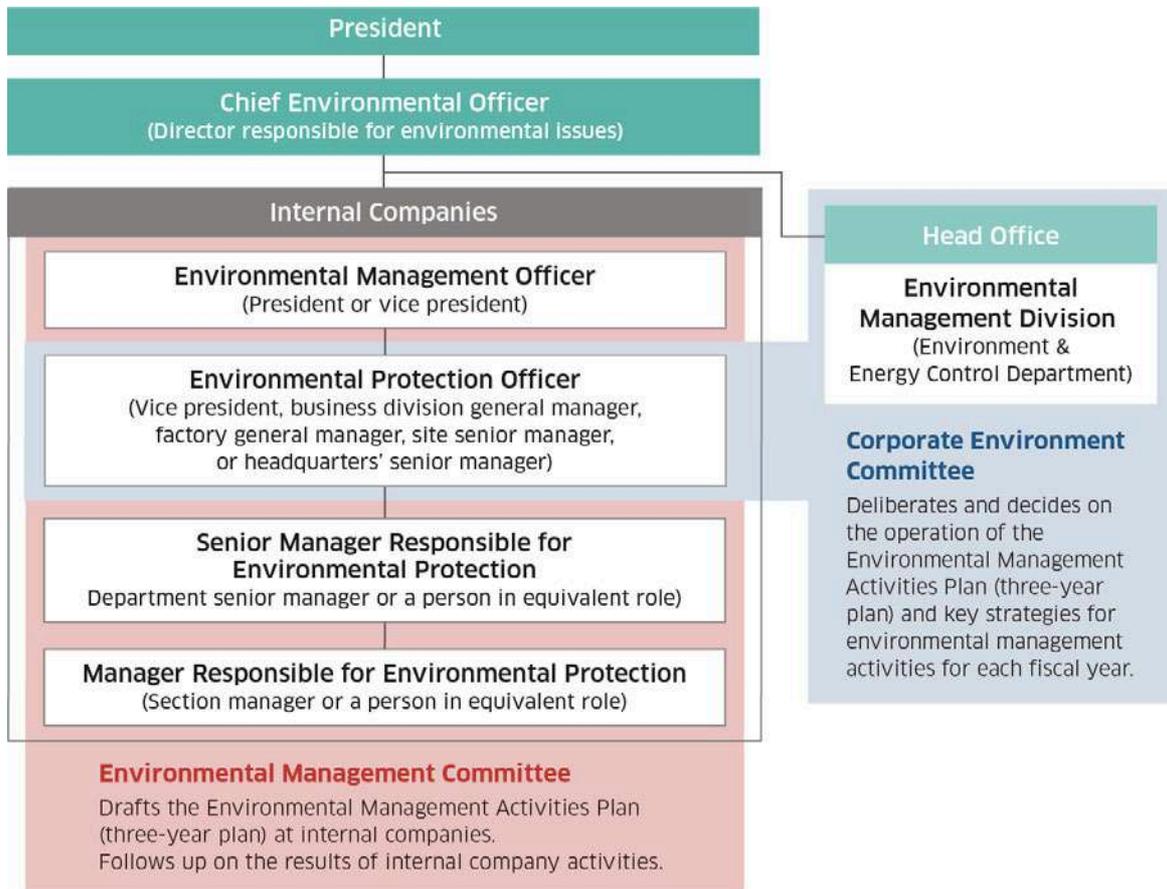
For environmental management, in order to smoothly promote environmental management activities, an environmental management system with the Director responsible for environmental issues serving as the chief officer of those issues has been established.

Each year, a meeting of the Corporate Environment Committee chaired by the Chief Environmental Officer (Director responsible for environmental issues) is held to deliberate and decide on the operation of the Environmental Management Activities Plan and associated key strategies. Further, an Environmental Management Officer, Environmental Protection Officer, Senior Manager Responsible for Environmental Protection, and Manager Responsible for Environmental Protection are assigned to each internal company to put a system in place in which the business segment of each can independently carry out the Environmental Management Activities Plan. Through this system, the Group works as one to promote environmental management activities.

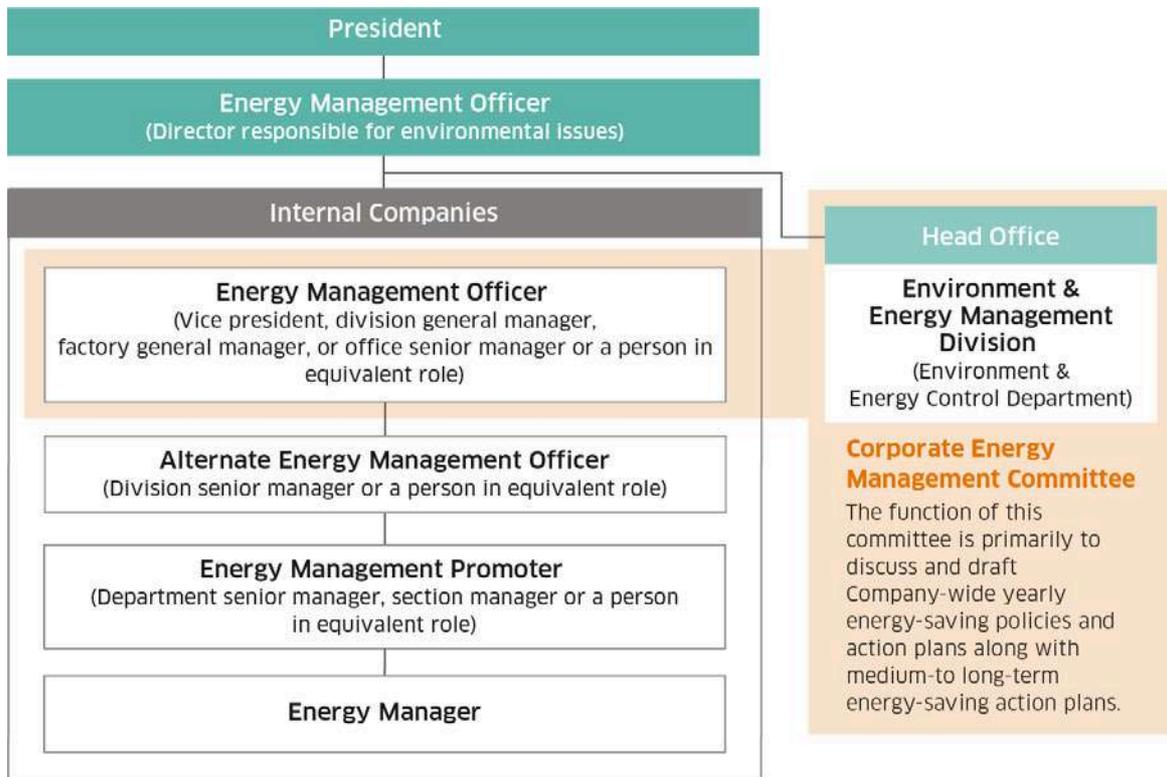
Additionally, in order to promote the effective utilization of energy, an energy management system with the Director responsible for environmental issues serving as the officer of energy management at Kawasaki has been established.

Every year, a meeting of the Corporate Energy Management Committee chaired by the Energy Management Officer (Director responsible for environmental issues) is held to deliberate and draft Company-wide yearly energy-saving activity policies and action plans along with medium-to long-term energy-saving action plans. Similar to the environmental management system, an Energy Manager and other personnel are assigned to each internal company to establish a system in which the business segment of each independently promotes the effective utilization of energy. Through this system, we take proactive action.

# Environmental Management System



# Energy Management System



- Sustainability Promotion System

## Responsible Officer

Katsuya Yamamoto, Representative Director, Senior Corporate Executive Officer, Chief Environmental Officer

## Responsible Executive Organ and/or Committee

A meeting of the Corporate Environment Committee chaired by the Chief Environmental Officer is held once a year to deliberate and decide on various important matters in environmental management.

## Environmental Management Systems

The Kawasaki Group establishes environmental management systems (EMS) in units of business segments or Group companies. Its main production sites have acquired ISO14001 certification. Even production sites and Group companies that have yet to acquire that certification have acquired certification for simplified versions of EMS or have self-declared that they will establish such systems.

Also, in internal audits based on ISO14001 that are conducted every year, the verification of the status of compliance with laws and regulations and management status for chemical substances, the identification of opportunities for improvement for elements such as energy and water consumption and waste discharge volumes, and other efforts are conducted in the pursuit of ongoing improvements.

# Compliance with Environmental Laws and Regulations

## Response to Environmental Laws and Regulations

We hold liaison conferences as needed for personnel with environmental responsibilities to ensure adherence to environmental laws and regulations, the dissemination and full understanding of legal revisions, and the enhancement of their capabilities. These conferences, which are held under the direction of the Head Office Environmental Management Division, serve as opportunities for working with Group personnel to preempt environmental accidents and other compliance-related problems.

In recent years, we have implemented initiatives in response to laws and regulations related to chemical substances, such as the European Union's ELV Directive<sup>\*1</sup>, RoHS Directive<sup>\*2</sup>, and REACH Regulation<sup>\*3</sup>, as well as the Euro 4 regulation on motorcycle exhaust emissions.

In fiscal 2024, there were no revisions to relevant laws. We will continue to collect information on applicable laws and regulations going forward.

\*1 ELV Directive: End of Life Vehicles Directive

\*2 RoHS Directive: Directive on Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment

\*3 REACH Regulation: Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals

## Environmental Compliance

The Kawasaki Group strives to implement environmental management activities in compliance with environmental laws and regulations. There were no incidents resulted in fines in fiscal 2024.

There were no incidents resulted in fines in fiscal 2023.

The number of accidents, pollution incidents, and complaints relating to the environment have been disclosed on the ESG data page. All of these are being resolved through the institution of actions and measures to prevent recurrence.

- [Environmental Compliance \(ESG Data\)](#)

## Environmental Education

### Various Training Conducted

We conduct a variety of training for Group employees to increase their understanding of environmental management. Every year, we draft an Environmental Management Activities Plan (three-year plan), and revise the content of training in line with its content.

In fiscal 2024, we implemented training by means of e-learning for employees of Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors and for domestic Group employees, with approximately 14,000 people (approx. 83% attendance) undergoing training.

We will continue to implement various training and actively endeavor to maintain and improve the environmental awareness of Group employees.

Target	Content	
	Education item	Specific content
Employees of KHI/KRM/KMC as well as domestic Group employees	Explanation of the background for the demand of initiatives for biodiversity	<ul style="list-style-type: none"> <li>• Global goal for nature: 2030 Nature Positive</li> <li>• Connection between Kawasaki businesses and nature, etc.</li> </ul>
	Initiatives at respective divisions	<ul style="list-style-type: none"> <li>• Initiatives for inside factories (Hazardous chemical substance management)</li> <li>• Initiatives for inside and outside factories (Biotopes and forestation activities)</li> <li>• Initiatives through products and services</li> <li>• Reduction of impact on ecosystems through promotion of resource circulation</li> </ul>

### Raising Environmental Awareness

We periodically distribute information internally to raise environmental awareness. We conduct these awareness raising activities continuously, including the publication of environment related articles in the Kawasaki Group internal bulletin, distribution of the President's message for Environment Month, and distribution of information (case examples of energy saving, forestation activity reports, environmental activities at respective business sites, etc.) through our intranet, so that employees can put environmentally conscious activities into practice not only at the workplace, but also in their local communities and homes.

## Cultivating Qualified Managers

To enrich management activities emphasizing energy and the environment, we are striving to cultivate individuals with legal qualifications required under laws and regulations related to energy and the environment. The number of employees with legal qualifications at the Kawasaki Group in the most recent four years is indicated in the ESG data.

We also conduct training for internal ISO 14001 environmental management and environmental auditors as an internal qualification. As of the end of fiscal 2024, there were 1,923 individual environmental management and environmental auditors.

- [Employees with Legal Qualifications \(ESG Data\)](#)

# CO<sub>2</sub> FREE (Realization of a Carbon-neutral Society)

## Our Basic Stance

In October 2020, the Japanese government declared its target of achieving carbon neutrality by 2050, to this end raising its fiscal 2030 reduction target for CO<sub>2</sub> emissions from 26% to 46% (both compared with the fiscal 2013 level) in April 2021. This is but one example of decisions made by countries around the globe amid the accelerating trend toward across-the-board decarbonization and the realization of a low-carbon society.

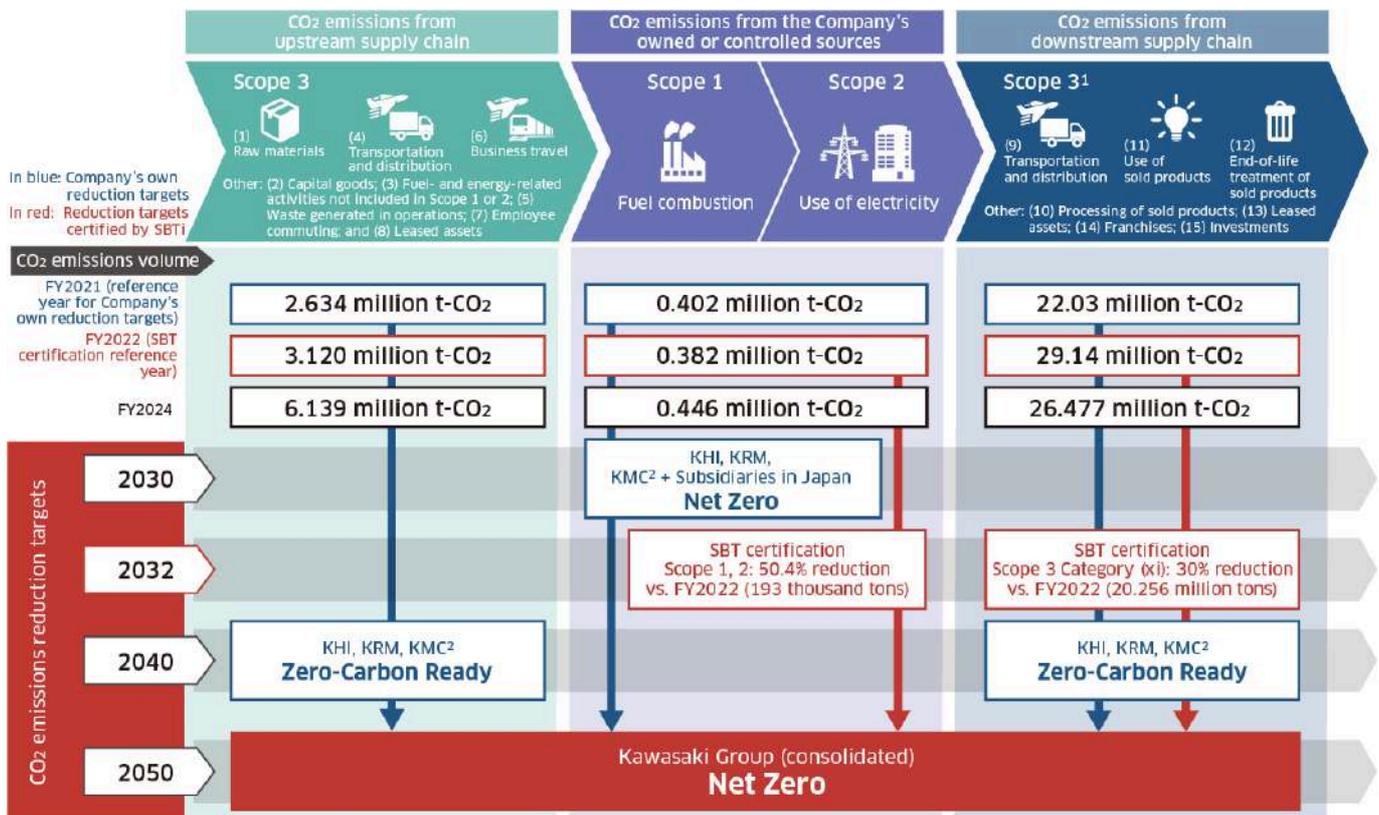
Toward achieving the CO<sub>2</sub>-free target set out in the Kawasaki Global Environmental Vision 2050, the Kawasaki Group is not only actively engaged in realizing carbon neutrality at its plants (Scope 1 and 2) but also throughout its supply chain (Scope 3).

## Carbon Neutrality Targets

The Kawasaki Group aims to realize the objective set down in the Paris Agreement of limiting the increase in the average global temperature to 1.5°C above pre-industrial levels. Under Group Vision 2030, we aim to achieve carbon neutrality at the Group and our domestic consolidated subsidiaries by 2030 through the further advance of energy saving, the introduction and expanded use of renewable energies, and the expansion of waste-to-energy power generation, as well as independent initiatives focusing on hydrogen power generation.\*

Furthermore, we will expand the Group's decarbonization solutions to society, our business partners, and our customers, contributing to the early achievement of carbon neutrality around the world. Toward that end, we are dealing with many products and services essential to transition from fossil fuels to carbon neutrality, such as highly efficient power generation equipment and gas turbines for mixed firing with hydrogen, and will thereby make significant contributions in this fields as well.

\* We are reviewing the timing for achieving carbon neutrality, taking into account the recent trend toward a return to LNG in energy markets and the circumstances of our main partners.



1 Regarding Scope 3, the calculation method has changed and the scope of aggregation expanded in recent years to ensure more accurate emissions data. For more details, refer to ESG Data in the Sustainability section of our website.  
 2 KHI: Kawasaki Heavy industries, Ltd. (The Company, i.e., non-consolidated)  
 KRM: Kawasaki Railcar Manufacturing, Co., Ltd.  
 KMC: Kawasaki Motors, Ltd.

### Reference Website

- [SBT International Certification for GHG Reduction Targets Acquired \(Kawasaki Press Release; August 19, 2024\) \(Japanese language only\).](#)

Corresponding companies: Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors + Affiliated companies in Japan

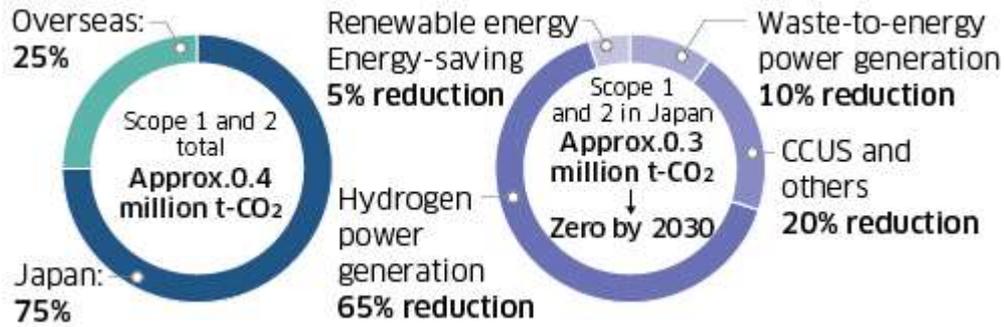
Toward the Realization of Carbon Neutrality in the domestic Group by 2030 through Initiatives Focusing on Hydrogen Power Generation

As shown to the right, the Kawasaki Group's Scope 1 and 2 CO<sub>2</sub> emissions are approximately 400,000 tons annually, of which Japan account for three-quarters.

We will continue efforts to save even more energy and promote electrification and the use of sustainable energy, such as solar power generation, to reduce CO<sub>2</sub> emissions. We will also introduce in-house hydrogen-fueled power generation facilities and achieve zero-emissions plants by combining this with power generation from waste, renewable energy, and other energy sources. Through these initiatives, we plan to achieve independent carbon neutrality with zero CO<sub>2</sub> emissions by the Group in Japan. We are also working to reduce CO<sub>2</sub> emissions overseas.\*

\* We are reviewing the timing for achieving carbon neutrality, taking into account the recent trend toward a return to LNG in energy markets and the circumstances of our main partners.

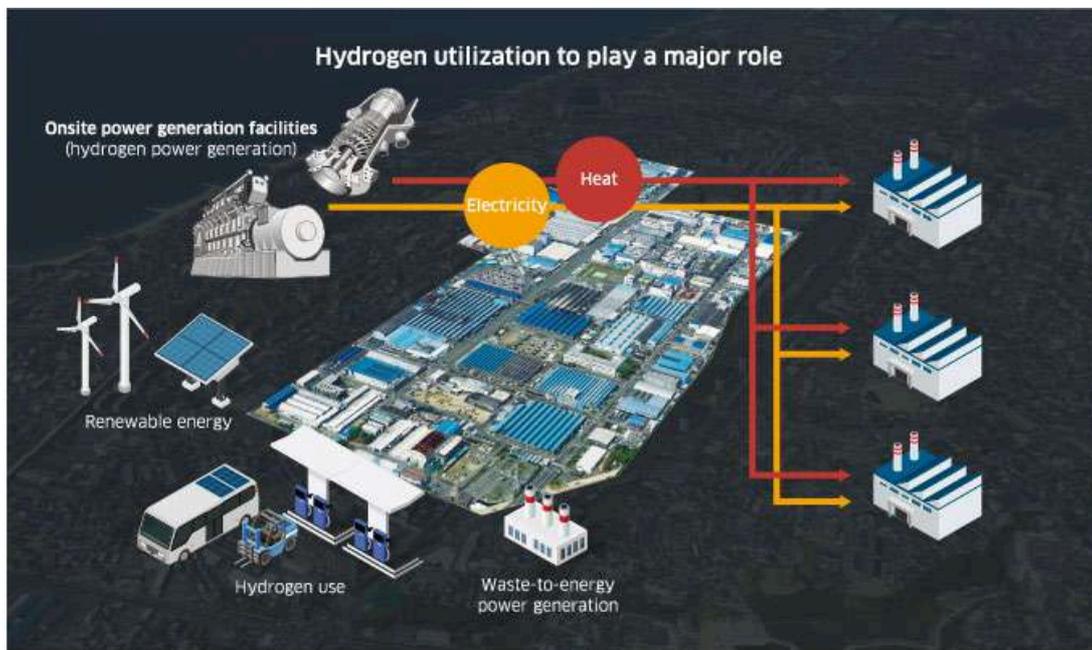
## CO<sub>2</sub> Emissions Reduction Plan in Japan



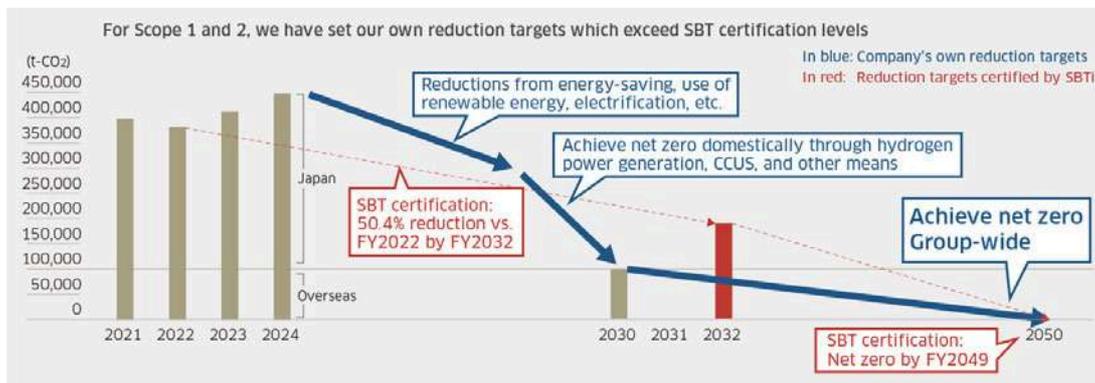
### Zero-Emissions Plant

Zero-emissions plant refers to initiatives to achieve zero CO<sub>2</sub> emissions from plants by obtaining the electricity and thermal energy used at the plants from a combination of methods that do not emit any CO<sub>2</sub>, such as hydrogen power generation, solar power generation, and waste power generation.

The Kawasaki Group will reduce CO<sub>2</sub> emissions throughout the Group by converting its plants in Japan to zero-emissions plants.



### CO<sub>2</sub> emissions and reduction targets (Scope 1 and 2)



- CO<sub>2</sub> Emissions (Scope 1, Scope 2) (ESG Data)

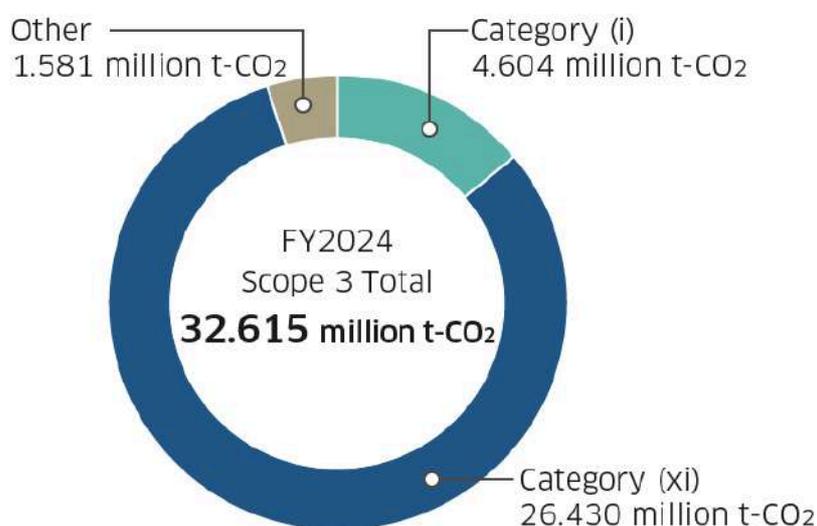
## Scope 3

Corresponding companies: Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors

### Leading Society by Advancing Toward Zero-Carbon Ready

Scope 3 Net Zero can only be achieved when all parties in the value chain including trading partners and clients become Zero-Carbon Ready. The Company will implement the maximum possible measures concerning Scope 3 to become Zero-Carbon Ready by 2040. Specifically, for category (i), we will slash CO<sub>2</sub> emissions by suppliers of materials and parts by 80% compared to fiscal 2021, and for category (xi), we will develop a lineup of CO<sub>2</sub>-free standard solutions in all businesses. Moreover, we will reduce CO<sub>2</sub> emissions by more than the Company's own Scope 3 emissions by working toward achieving a hydrogen-based society and engaging in the CCUS business, thereby contributing to the early achievement of carbon neutrality around the world.

### Scope 3 Breakdown by Categories



#### Scope 3 CO<sub>2</sub> emissions reduction targets

##### 2040 Zero-Carbon Ready (KHI, KRM, KMC\*)

Reduce CO<sub>2</sub> at least 100% in real terms by engaging in the CCUS business

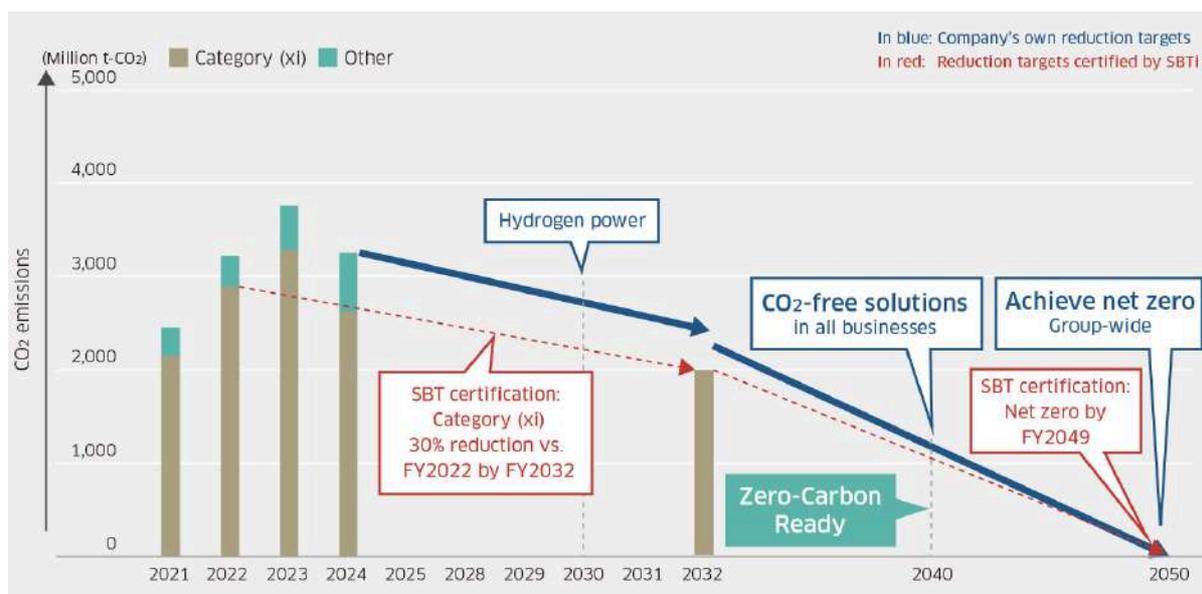
- Category (i): 80% reduction (compared with fiscal 2021)
- Category (xi): Develop a lineup of CO<sub>2</sub>-free standard solutions and facilitate global CO<sub>2</sub> reductions

\*KHI: Kawasaki Heavy Industries, Ltd. (The Company, i.e., non-consolidated)

KRM: Kawasaki Railcar Manufacturing, Co., Ltd.

KMC: Kawasaki Motors, Ltd.

## CO<sub>2</sub> emissions and reduction targets (Scope 3)



- CO<sub>2</sub> Emissions (Scope 3) (ESG Data)

Scope 3 Category (i) Procurement of materials and parts

### Support Industrial Initiatives with Hydrogen and CCUS Solutions to Further Accelerate Reductions

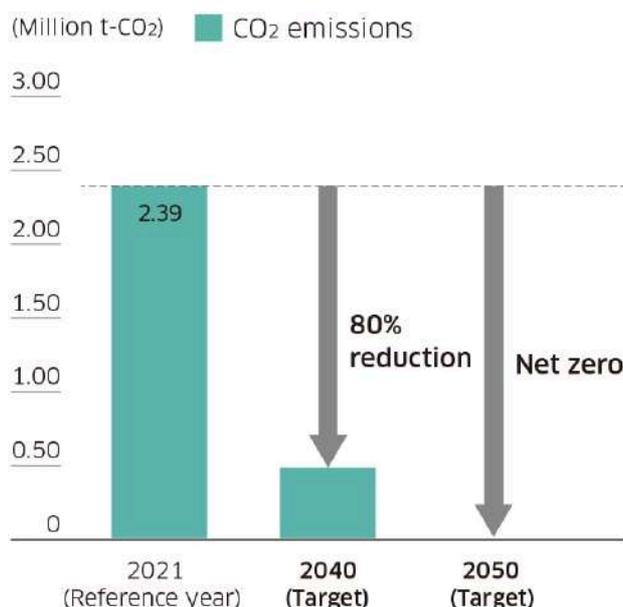
The Company will deepen its partnerships, including sharing emissions data with business partners that supply materials and parts, offering support for CO<sub>2</sub> reductions and striving for early achievement of zero emissions. This will be achieved by means not limited to in-company utilization by the Group of solutions such as hydrogen power, hydrogen fuel, and other alternative fuels, as well as CCUS, but also by providing these solutions to business partners.

When reducing CO<sub>2</sub> emissions from purchased goods, we strive to collaborate with suppliers on reducing emissions. In April 2024, we held a briefing on carbon neutrality and provided a summary of the Kawasaki Group's initiatives and guidelines toward the realization of a carbon-neutral society while requesting that suppliers also make efforts to reduce CO<sub>2</sub> emissions. Additionally, starting in fiscal 2024, we have been conducting carbon neutrality seminars, mainly for business partners, and provide support to major business partners regarding CO<sub>2</sub> emission calculations and emission reduction initiatives intended to improve the primary data ratio for Scope 3 Category (i) CO<sub>2</sub> emissions.

We will expand these types of initiatives companywide in the future and build further collaborative structures with business partners to reduce emissions.

- For details of CO<sub>2</sub> emissions reduction initiatives undertaken in collaboration with business partners, please refer to "**Capacity Building for Suppliers.**"

## Scope 3 Category (i) (CO<sub>2</sub> reductions scenarios)



### Scope 3 Category (xi) Providing customer solutions

#### Provide CO<sub>2</sub>-free Solutions to All Customers

We will take action to decarbonize products and services with hydrogenation, electrification, green power grids, alternative fuels, and CCUS as our keywords.

In the short-term initiatives toward 2030, through Kawasaki Ecological Frontiers, a program for certification of environmentally friendly products, and other initiatives, we will continue to reduce the energy consumption and improve the efficiency of existing products and promote the shift to hybrid electric and battery electric motorcycles and other vehicles as part of the transition to a decarbonized society. We will also conduct development for the commercialization of hydrogen energy and expand the use of hydrogen in gas turbines, gas engines, and other equipment. Furthermore, we will work toward the development of Kawasaki CO<sub>2</sub> Capture and DAC for the capture and use of CO<sub>2</sub>.

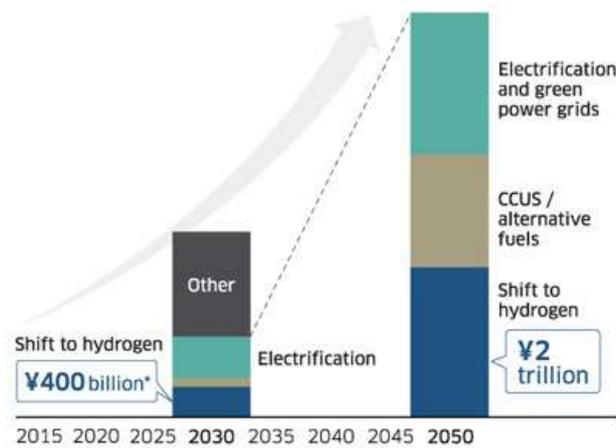
In medium- to long-term initiatives toward 2040, the Group will actively further the following three major initiatives. The first will be the provision of CO<sub>2</sub>-free fuels and electrical power to society, with a focus on its hydrogen business. The second will be to make a selection of choices for electrification and CO<sub>2</sub>-free fuels available to customers utilizing our various solutions including mobility and robots. The third will be promoting CO<sub>2</sub> capture as well as the effective use of CO<sub>2</sub> including the manufacture of synthetic fuels and chemical products to achieve a circular CO<sub>2</sub> society.

With these three pillars, the Group will make choices available to our customers of products and services (excluding defense and related; emergency products business) that contribute to the achievement of carbon neutrality by 2040, and promote global reductions in CO<sub>2</sub>.

\* From fiscal 2021, the Group modified its calculation method to allow more accurate records of emissions levels for Scope3 category (xi).

Previously, CO<sub>2</sub> emissions levels for products such as hydraulic machinery, manufactured as parts to be incorporated in finished products, were calculated by tallying the CO<sub>2</sub> emissions levels of the finished products such as construction machinery. However, from fiscal 2021, these calculations will also take into account the degree of contributions and weight ratios for final products.

## Envisioned Scale of Business by Future Solution



## Information Disclosure in Line with the TCFD Recommendations (Scenario Analysis)

Climate change-related information based on TCFD recommendations is reported in the Kawasaki Report.

Please refer to the link below for the details on our report after fiscal 2023.

- [TCFD Report](#)

## Environmental Management Activities Plan (Short-term Target and Plan)

Aiming to achieve its carbon neutrality target, while the Company will step up efforts to introduce in-house hydrogen power generation to achieve carbon neutrality at its plants (Scope 1 and 2), it will continue its ongoing efforts to scale the introduction of renewable energy and to save energy. Furthermore, the Company will accelerate these efforts with the introduction of internal carbon pricing.

To achieve carbon neutrality in its supply chain (Scope 3), the Company aims to realize Zero-Carbon Ready by 2040 by advancing its provision of CO<sub>2</sub>-free solutions to its business partners and customers. One aspect of Scope 3 reductions is the public disclosure of CO<sub>2</sub> emissions reduction contributions\* by products.

\* For information on emissions reduction contributions, refer to "Reducing CO<sub>2</sub> Emissions through Product-Based Contributions" below on this page.

# The Environmental Management Activities Plan 2024 (Key Strategies) and Achievements in Fiscal 2024

Key Strategies of the Environmental Plan 2024	Achievements in Fiscal 2024
<b>(a) Reduction of CO<sub>2</sub> emissions in entire supply chain</b>	
<ul style="list-style-type: none"> <li>To reduce CO<sub>2</sub> emissions in the upstream supply chain (purchased goods), we will collaborate with suppliers to introduce CO<sub>2</sub> visualization systems to reflect supplier efforts to reduce CO<sub>2</sub> emissions by using supplier-specific CO<sub>2</sub> emissions data to calculate the CO<sub>2</sub> emissions levels of purchased goods.</li> </ul>	<ul style="list-style-type: none"> <li>We began setting reduction targets and formulating plans with suppliers to reduce CO<sub>2</sub> emissions from purchased goods. We conducted educational programs for Tier 1 suppliers in preparation for the introduction of CO<sub>2</sub> visualization systems, which will serve as the foundation for those reductions.</li> </ul>
<ul style="list-style-type: none"> <li>We will promote fuel efficiency improvements and energy conversion from fossil fuels to achieve 2040 Zero-Carbon Ready and reduce CO<sub>2</sub> emissions from products sold.</li> </ul>	<ul style="list-style-type: none"> <li>We developed a lineup of CO<sub>2</sub>-free standard solutions to achieve the 2040 Zero-Carbon Ready target specified in our business plan.</li> </ul>
<ul style="list-style-type: none"> <li>We will acquire SBT certification.</li> </ul>	<ul style="list-style-type: none"> <li>We acquired SBT certification in August 2024.</li> </ul>
<b>(b) Expanded introduction of decarbonized energy</b>	
<ul style="list-style-type: none"> <li>For hydrogen power generation, we will continue considerations on 100 MW-class power plants, on-site hydrogen generation, and Kawasaki CO<sub>2</sub> Capture (KCC).</li> </ul>	<ul style="list-style-type: none"> <li>We conducted investigations for achieving zero-emissions plants.</li> </ul>
<ul style="list-style-type: none"> <li>We will create a mechanism for efficiently expanding the maximum introduction of solar power generation.</li> </ul>	<ul style="list-style-type: none"> <li>We formulated a solar power generation introduction plan for 2025 to 2027.</li> </ul>
<b>(c) Fuel conversion</b>	
<ul style="list-style-type: none"> <li>We will promote the systematic implementation of energy-saving facilities investments.</li> </ul>	<ul style="list-style-type: none"> <li>We steadily implemented various measures designed to reduce CO<sub>2</sub> emissions.</li> </ul>
<ul style="list-style-type: none"> <li>We will promote the introduction of EVs and FCVs for on-site vehicles.</li> </ul>	
<ul style="list-style-type: none"> <li>We will promote the decarbonization of production equipment.</li> </ul>	

# The Environmental Management Activities Plan 2025 (Key Strategies)

Key Strategies of the Environmental Plan 2025	
<b>(a) Reduction of CO<sub>2</sub> emissions in entire supply chain</b>	
<ul style="list-style-type: none"> <li>To reduce CO<sub>2</sub> emissions in the upstream supply chain (purchased goods), we will collaborate with suppliers to set reduction targets and formulate plans.</li> <li>We will promote fuel efficiency improvements and energy conversion from fossil fuels to achieve 2040 Zero-Carbon Ready and reduce CO<sub>2</sub> emissions from products sold. (Continued from the previous year)</li> </ul>	
<b>(b) Expanded introduction of decarbonized energy</b>	
<ul style="list-style-type: none"> <li>For hydrogen power generation, we will continue consideration of 100 MW-class power plants, on-site hydrogen generation, and Kawasaki CO<sub>2</sub> Capture (KCC) as medium- to long-term countermeasures. (Continued from the previous year)</li> <li>We will move forward with the introduction of solar power generation in line with the solar power generation introduction plan for the next three years up to 2027.</li> </ul>	
<b>(c) Fuel conversion</b>	
<ul style="list-style-type: none"> <li>We will promote the systematic implementation of energy-saving facilities investments. (Continued from the previous year)</li> <li>We will promote the decarbonization of production equipment. (Continued from the previous year)</li> </ul>	

## Scope 1 and 2 Efforts

Corresponding companies: Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors

### Utilizing Renewable Energy

The Kawasaki Group is advancing the use of renewable energy to reduce the CO<sub>2</sub> emissions from its plants. To this end, we are installing solar power generating systems at our plants. We have a total solar power generation capacity of 13,534 kW including Group companies.

In fiscal 2024, these systems generated 14,826 MWh, of which 11,842 MWh was used in-house. Electric power used in-house is equivalent to 1.75% of the electricity consumed throughout the entire Group.

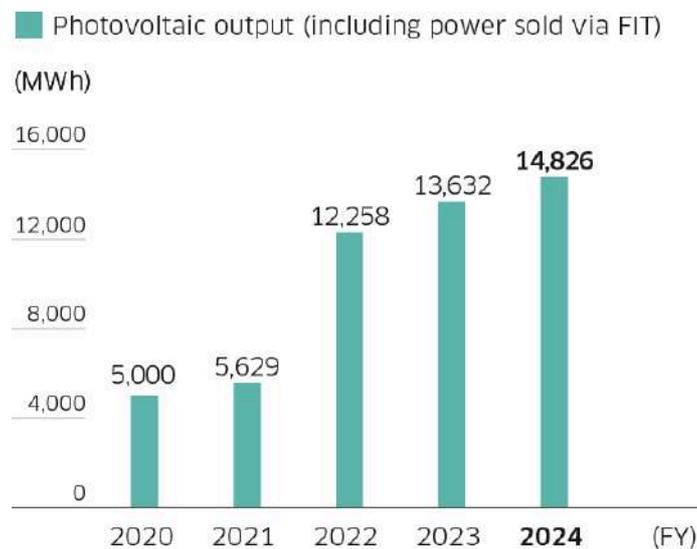
### The Kawasaki Group's Solar Power Generation Capacity

Name	Power Usage	Generation Capacity (kW)
<b>Iwaoka Photovoltaic Power Generation Station<sup>*1</sup></b>	Sold via FIT <sup>*2</sup>	1,505
<b>Seishin Works</b>	Used in-house via PPA	1,444
<b>Harima Works</b>	Used in-house via PPA	783
<b>Nagoya Works 1</b>	Used in-house	750
<b>Seishin Photovoltaic Power Generation Station<sup>*1</sup></b>	Sold via FIT	701
<b>Nishi-Kobe Works</b>	Used in-house	627
<b>Nishi-Kobe Photovoltaic Power Generation Station<sup>*1</sup></b>	Sold via FIT	422
<b>Akashi Works</b>	Used in-house	230
<b>Kakogawa Photovoltaic Power Generation Station<sup>*1</sup></b>	Sold via FIT	48
<b>Kobe Head Office of Kawasaki Railcar Manufacturing Co., Ltd.</b>	Used in-house	25
<b>Kobe Works</b>	Used in-house	20
<b>EarthTechnica Co., Ltd.</b>	Used in-house	133
<b>Kawasaki Thermal Engineering Co., Ltd.</b>	Used in-house	7
<b>Kawasaki Motors Enterprise (Thailand) Co., Ltd.</b>	Used in-house via PPA	5,000
<b>Kawasaki Precision Machinery (UK) Ltd.</b>	Used in-house	999
<b>Kawasaki Robotics (Kunshan) Co., Ltd.</b>	Used in-house via PPA	840
<b>Total</b>		<b>13,534</b>

\*1 Power generation facility operated by Kawasaki Trading Co., Ltd.

\*2 FIT: Feed-in tariff; a program in which renewable energy is bought back at a fixed rate

## Photovoltaic Output (including power sold via FIT)



Nagoya Works 1: 750-kW power generation facility



Seishin Works: 1,444-kW power generation facility

### Systematic Investment in Energy-Saving Equipment

As a measure to promote energy-saving activities, in 2022, the Company introduced an initiative to set reference values for the CO<sub>2</sub> reduction efficiency of energy-saving investment projects as criteria for determining the investment in such projects and to increase the equipment budget allocation for projects in which the reduction efficiency meets the criteria. Through this initiative, the Company will continue to reduce its CO<sub>2</sub> emissions by advancing its investments in equipment with a focus on projects with a high CO<sub>2</sub> reduction efficiency. Such equipment investment projects include upgrading production equipment, switching air conditioning systems to those that run on electricity, and changing to LED lighting.

In addition, in accordance with the Act on Rationalization of Energy Use and Shift to Non-fossil Energy, Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors aim to reduce unit energy consumption by an average of 1% per year.

## Internal Carbon Pricing

To promote investment in carbon neutrality efforts such as the introduction of future hydrogen equipment and renewable energy and to change behavior within the Company, since fiscal 2022, the Company has introduced internal carbon pricing.

Specifically, a carbon surcharge will be imposed in an amount calculated by multiplying the Scope 1 and 2 emissions of Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors in the previous fiscal year by a CO<sub>2</sub> unit price (2000 yen/t-CO<sub>2</sub>). The aim is to make concentrated investments in carbon neutrality efforts based on the funds generated from surcharges of the internal carbon pricing program.

## Energy-Saving and Decarbonization Award System

To achieve our carbon neutrality goals, the Company shares examples of improvement concerning energy savings and decarbonization initiatives with internal companies and affiliated companies. In addition, we operate the Energy-Saving and Decarbonization Award System to help more employees become aware of CO<sub>2</sub> emissions reduction and cost reduction. Under this program, we provide incentives (monetary rewards) to employees who achieve outstanding results in reducing CO<sub>2</sub> emissions and cutting resource and energy costs at production sites and offices.

## Reducing CO<sub>2</sub> Emissions through Product-Based Contributions

Corresponding companies: Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors

Nearly 90% of CO<sub>2</sub> emitted during the life cycles of our products is released during the period of their use after they are sold. Therefore, the Company seeks to realize a carbon-neutral society by providing products that produce only low CO<sub>2</sub> emissions during their use. To reduce products' post-sale CO<sub>2</sub> emissions, in addition to increasing product energy efficiency, we are advancing electrification and modal shifts when replacing existing products in our product lineup and expanding our lineup of products that utilize exhaust heat, waste, and renewable energy. Key products that help reduce CO<sub>2</sub> emissions are listed below. In fiscal 2017, we revised our rules for calculating CO<sub>2</sub> emissions reductions through product-based contributions in order to better quantify the contributions of such products to the mitigation of global warming.

Calculations based on these rules showed that the CO<sub>2</sub> emissions reduction\* through products we sold in fiscal 2024 was about 19.05 million tons. Large contributions were made mainly by the M7A Series gas turbines for power generation, which boast excellent reliability, economy, and environmental friendliness and are certified under the Kawasaki Ecological Frontiers system, an internal certification program for environmentally conscious products, and the KC-MB-20, a controller for use in construction machinery to improve its fuel efficiency via the application of superior controlling technologies.

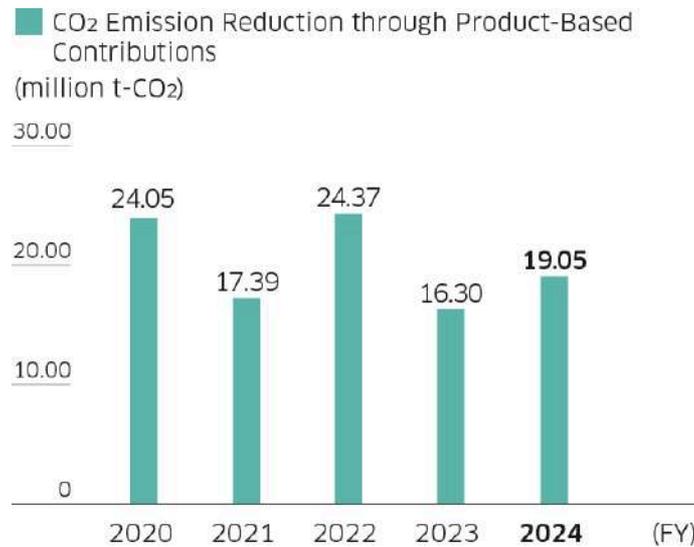
\* Reduction in CO<sub>2</sub> emissions compared to earlier products (refer to the calculation rules below.)

- Products to be assessed: Kawasaki Ecological Frontiers system, products that use waste, waste heat, and renewable energy, as well as cogeneration systems and rolling stock pertaining to modal shifts, etc., were selected for assessment.
- Period of assessment: We have adopted a flow-based approach\* in which the period of assessment is the estimated useful life of products sold in the fiscal year, because the estimated useful lives of our products are long. This allows us to better calculate the difference in CO<sub>2</sub> emissions between our products and industry standard class products over the entire period of use.
- The calculation method expressed as a calculation formula is as follows: CO<sub>2</sub> emissions through product-based contributions = (annual CO<sub>2</sub> emissions from conventional products - annual CO<sub>2</sub> emissions from new products) x (assumed number of usage years)

\* Please refer to the "Guideline for Quantifying Greenhouse Gas Emission Reduction Contribution" (Ministry of Economy, Trade and Industry, March 2018)

In order to quantify the contributions of highly energy efficient products to the mitigation of global warming, products included in the calculation of CO<sub>2</sub> emissions reduction through product-based contributions include power generated through waste heat, waste, renewable energy, and so forth. As a result, some of the products included differ from those included in the calculation of Scope 3, category (xi), which covers only energy-derived CO<sub>2</sub> emissions.

### CO<sub>2</sub> Emission Reduction through Product-Based Contributions



- Notes:
1. Kawasaki uses CO<sub>2</sub> emissions factors provided in the list of calculation methods and emissions factors published by Japan's Ministry of the Environment.
  2. The CO<sub>2</sub> emission reduction effect through product-based contributions achieved through the higher energy efficiency of products is based on a comparison using industry standard products.
  3. The application of waste heat, waste, and renewable energy is counted toward the CO<sub>2</sub> emissions reduction effect through product-based contributions.

## Key Products That Contribute to Reducing CO<sub>2</sub> Emissions During Use (by Segment)

Aerospace Systems	Energy System & Plant Engineering
<ul style="list-style-type: none"> <li><b>■ Airplanes and Space</b> <ul style="list-style-type: none"> <li>• Boeing 787 (component production)</li> <li>• BK117 helicopters</li> </ul> </li> <li><b>■ Jet Engines</b> <ul style="list-style-type: none"> <li>• Trent 1000 for the Boeing 787</li> <li>• PW1100G-JM for the Airbus A320neo</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>■ Energy System</b> <ul style="list-style-type: none"> <li>• Gas engines for power generation, including the M1A, M5A, and M7A series industrial-use gas turbines</li> <li>• Non-heated boilers (plant waste heat, waste incineration waste heat)</li> </ul> </li> <li><b>■ Plant Engineering</b> <ul style="list-style-type: none"> <li>• LNG tanks</li> <li>• Crushing machine plant (CK Mill<sup>1</sup>)</li> </ul> </li> <li><b>■ Marine Propulsion</b> <ul style="list-style-type: none"> <li>• Marine propulsion systems (E-series Rexpeller<sup>2</sup>)</li> </ul> </li> </ul>
Precision Machinery & Robot	Transportation
<ul style="list-style-type: none"> <li><b>■ Precision Machinery</b> <ul style="list-style-type: none"> <li>• Hydraulic systems for construction and industrial machinery (K8V Series pumps for HSTs, M7V Series motors for HSTs, KC-MB-20 controller for construction machinery, etc.)</li> <li>• High-pressure hydrogen regulators for fuel cell vehicles</li> </ul> </li> <li><b>■ Robot</b> <ul style="list-style-type: none"> <li>• duAro dual-arm SCARA robot, NT420 general-purpose clean robot</li> <li>• BX200L spot welding robot, KJ264/314 large painting robots</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>■ Ship &amp; Offshore Structure</b> <ul style="list-style-type: none"> <li>• LNG carriers, LPG carriers</li> <li>• Ship operation support system (SOPass<sup>3</sup>)</li> </ul> </li> <li><b>■ Rolling Stock</b> <ul style="list-style-type: none"> <li>• Standard railcars (efACE<sup>4</sup>)</li> <li>• Mainline/switcher diesel electric locomotives</li> </ul> </li> <li><b>■ Motorcycle &amp; Engine</b> <ul style="list-style-type: none"> <li>• Ninja 250, Ninja ZX-6R, Ninja H2</li> <li>• Z900, Z H2</li> </ul> </li> </ul>

\*1 CK Mill: Named after the companies that jointly developed it, Chichibu Cement Co., Ltd. (now Taiheiyo Cement Corporation) and Kawasaki.

\*2 Developed with a focus on three Es: energy saving, easy maintenance, and environmentally friendly.

\*3 Ship Operation and Performance analysis support system

\*4 Environmentally Friendly Advanced Commuter & Express train

## Particularly Notable Products That Contribute to Reducing CO<sub>2</sub> Emissions during Use



For details on the Kawasaki Ecological Frontiers certification system for environmentally conscious products, please refer to environmentally conscious products.

- [Environmentally Conscious Products](#)

# External Affairs Activities Concerning Climate Change

## Our Basic Stance and Structure

To contribute to realization of a society that limits the increase in the global average temperature to 1.5°C compared to pre-industrial times, the objective of the Paris Agreement, the Kawasaki Group is using its technological knowledge and expertise relating to decarbonization, actively participating in trade association activities, and contributing to the formulation of policy recommendations concerning climate change mitigation and adaptation. The Executive Officers in charge of the relevant departments ensure that trade association and public policy engagement is in line with the Group's strategies concerning responses to climate change and report as necessary to the Board of Directors, the highest decision-making body responsible for deliberating on and finalizing fundamental sustainability policies and basic plans for the entire Group.

In cases where we identify substantial misalignments between the activities of organizations of which the Group is a member and the objectives of the Paris Agreement, we engage in constructive dialogue with those organizations based on the Group's climate change strategy and business activities, and if those misalignments cannot be eliminated after the passage of a certain period of time, we consider appropriate responses including withdrawal.

## Our Structure for External Affairs Activities

At Kawasaki to date, each business segment handling an existing business or product has dealt with external affairs on its own. However, in recent years there has been an increase in the number of social issues such as the problem of global warming that should be addressed by the company as a whole. In light of this, in July 2023 we established an External Affairs & Advocacy Department in our Head Office Marketing & External Affairs Division. This is a new organization for promoting external affairs activities across the company. In collaboration with the Head Office corporate departments and each business segment, the External Affairs & Advocacy Department is pushing to build a company-wide external affairs structure. Toward the goal of realizing the Group Vision 2030, it is working to promote and strengthen our external affairs capabilities in order to create markets. Currently, even among our various projects we have positioned the issue of "climate change" in particular as one of great importance and prioritizing it in our external affairs activities.

# Engagement in Public Policy and Regulations Concerning Climate Change

Hydrogen, a clean energy carrier that emits no CO<sub>2</sub> during use, has become a focus of attention as one solution for achieving a carbon neutral society by 2050. In response, our Group has positioned the achievement of carbon neutrality centered on hydrogen electricity generation as one of the pillars of our climate change strategy and is now working to carry out that strategy in collaboration with policymakers and trade associations.

Group Vision 2030, our management strategy, sets energy and environmental solutions as one of our focus fields, identifies new business including the hydrogen and large-scale CO<sub>2</sub> capture businesses as our primary growth scenario, with the aim of achieving the 1.5°C target in line with the Paris Agreement. The hydrogen business in particular is positioned at the center of the Company's business growth and transition plan. We are actively working on the development of rules and frameworks such as for the assessment of GHG emissions associated with the hydrogen supply chain through close cooperation with policymakers, trade associations and other stakeholders, toward achieving the objectives of Group Vision 2030 and early realization of carbon neutrality.

## Initiatives with the GX Acceleration Agency

The Kawasaki Group has invested in the GX Acceleration Agency (GXA), which was established in May 2024 to accelerate the green transformation (GX) of Japan. In order to realize more than 150 trillion yen in GX investments over the next decade, the GXA will engage in such important tasks as providing financial support in the form of debt guarantees, operating carbon emissions trading systems, and collecting surcharges on fossil fuels. The Act on Promoting a Smooth Transition to a Decarbonized Growth-Oriented Economic Structure (passed May 2023) stipulates that the GXA shall be funded by the government and by the private sector, which is at the core of accelerating GX. The stance of the Japan Business Federation (Keidanren) is also to provide support. Accordingly, as a Keidanren member and as a company working to realize a carbon neutral society such as through hydrogen, the Kawasaki Group has invested in the GXA in view of the reasons for its establishment. The Kawasaki Group is contributing to the achievement of the international commitment to carbon neutrality by 2050 through its investments in the GXA—which plays a central role in accelerating green transformation throughout the country—and through a variety of alliances and activities.

## Taking Part in AZEC Concept Promotion Activities

Keidanren has launched an Asia Zero Emission Community (AZEC)\* Promotion Working Team to promote the realization of the AZEC concept based on public-private cooperation, and to encourage going carbon neutral in Asia. In addition, the Team will also examine policies for linking these efforts to Japan's economic growth. In sympathy with this concept and as a member of the Team, the Kawasaki Group is a participant in discussions over such matters as formulating proposals on such topics as achieving zero emissions in supply chains and building the market for green products.

\* AZEC: Comprising 11 partner countries (Australia, Brunei, Cambodia, Indonesia, Japan, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam), AZEC is a framework for cooperation on achieving carbon neutrality/net zero emissions within the region.

## Development of International Rules Relating to Assessment of CO<sub>2</sub> Emissions in Hydrogen Supply Chains

In order to promote hydrogen utilization in society, it is crucial to evaluate and demonstrate the "low-carbon nature" of hydrogen. In evaluating the GHG emissions of hydrogen to highlight its low-carbon nature, the evaluation methodology and criteria should be standardized and harmonized internationally. The Kawasaki Group is actively contributing to methodology development with relevant organizations around the world by using our accumulated technical knowledge and data concerning international liquefied hydrogen supply chains as a leading company in this field.

Specifically, in May 2023, we launched a collaboration with DNV, an international third-party certification body, to establish methods of calculating CO<sub>2</sub> emissions during maritime transportation of liquefied hydrogen. In the process, we have been accumulating knowledge about methods for performing those calculations. Furthermore, as an expert providing support to Japan's Ministry of Economy, Trade, and Industry, the Kawasaki Group has participated in the discussions over the methodology for determining greenhouse gas (GHG) emissions from hydrogen that have taken place within the International Partnership for Hydrogen and Fuel Cells in the Economy (IPHE). We have provided technical advice, particularly with regard to those evaluations about liquefied hydrogen.

Currently, Kawasaki Group members are participating as experts in an international standardization activity (ISO/TC 197/SC 1, Hydrogen at scale and horizontal energy systems working group) regarding methodologies for calculating CO<sub>2</sub> emissions associated with hydrogen supply chains. In March 2025, international standardization of the methodologies for calculating CO<sub>2</sub> emissions in liquefied hydrogen transport began. As an enterprise in the liquefied hydrogen businesses, the Kawasaki Group engages in the development of international standards together with related parties in Japan and abroad. These international standardization activities are collaborated with other Japanese stakeholders and are supported by the "Development of Technologies for Building a Competitive Hydrogen Supply Chain" project commissioned by Japan's New Energy and Industrial Technology Development Organization (NEDO).

In addition, Yoshinori Kanehana, the Company's Chairman of the Board, served as co-chair of the Hydrogen Council from January 2022 to June 2024. The Hydrogen Council is an organization that promotes the roles of hydrogen in the global-scale transition to alternative fuels and currently has approximately 140 members from various industries around the world. We participate in discussions on methodologies for evaluating GHG emissions with council members.

### [Related Link]

- [Memorandum of Understanding with DNV, a Third-Party Certification Body, for Collaborative Work to Visualize CO<sub>2</sub> Emissions in the International Liquefied Hydrogen Supply Chain \(Kawasaki Press Release on May 29, 2023\)](#)
- [Release of the IPHE Working Paper Ver3 Jul 2023: Methodology for Determining the Greenhouse Gas Emissions Associated with the Production of Hydrogen](#) 
- [ISO/TC 197/SC 1 Hydrogen at scale and horizontal energy systems](#) 
- [Hydrogen Council](#) 

## Active Contribution to Climate Change Organization

### HySTRA

As a member of HySTRA (CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association), the Company participates in efforts to build a CO<sub>2</sub>-free hydrogen supply chain consisting of hydrogen production, transport/storage, and utilization, and works to establish and verify the relevant technologies to be commercialized by around 2030.

The Company's role at HySTRA is to engage in building liquefied hydrogen carriers and constructing liquefied hydrogen unloading equipment and bulk storage facilities by utilizing the cryogenic technologies it has developed such as for LNG carriers, LNG storage tanks, and liquefied hydrogen tanks for rocket fuel.

#### [Related Link]

- [CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association](#) 

### JH2A

The Company has participated in the Japan Hydrogen Association (JH2A), an organization that promotes global collaboration on the hydrogen field and the formation of hydrogen supply chains, as an executive board member since its foundation in December 2020. We support the purpose of the JH2A, which is to build a hydrogen society at an early stage through the realization of social implementation projects, and by working with other member companies and organizations, national and local governments, and academia, we are promoting the "global collaboration and cross-industry, open initiatives in the hydrogen field" supported by the JH2A, thereby contributing to the development of hydrogen supply chains and a hydrogen society.

#### [Related Link]

- [Japan Hydrogen Association](#) 

### HySE

Since its establishment in May 2023, Kawasaki Motors, Ltd. has been full member of the Hydrogen Small mobility & Engine technology Association (HySE). This research association was founded with the objective of commercializing small-sized mobility that employs hydrogen engines based on the internal combustion technologies that have been cultivated to date in Japan. HySE crosses boundaries to pull together a variety of companies such as manufacturers and suppliers in the motorcycle and automobile industries, with each contributing their knowledge. It does so not only to develop technology through research and verification, but also to engage in activities that would lead to penetration of hydrogen throughout society.

Furthermore, the Kawasaki Group also participates in the HySE as a special member. Making the most of the know-how that we have cultivated as chief director of HySTRA (CO<sub>2</sub>-free Hydrogen Energy Supply-chain Technology Research Association), we will support the operation of HySE and promote initiative aimed at realizing a hydrogen society.

#### [Related Link]

- [Hydrogen Small mobility & Engine technology Association](#) 

# Waste FREE (Realization of a Recycling-oriented Society)

## Our Basic Stance

At a time when global population growth is expected to require resources equivalent to 2 earths by 2030, there is a growing public demand to reduce the use of natural resources and reduce waste emissions in order to make society sustainable.

The Kawasaki Group is forwarding initiatives aimed at realizing a recycling-oriented society while promoting the effective use of its finite resources by reducing the amount of resources used, reducing waste in the manufacturing process, and recycling waste.

In terms of water resources, we are also working to reduce water usage by understanding the state of water use at individual plants and studying ways to use water effectively without waste, thereby reducing our impact on the environment.

## The Environmental Management Activities Plan (Waste FREE)

### The Environmental Management Activities Plan 2024 (Key Strategies) and Achievements in Fiscal 2024

Key Strategies of the Environmental Plan 2024	Achievements in Fiscal 2024
<b>(a) Resource and water cycles</b>	
<ul style="list-style-type: none"> <li>We will organize water risks and opportunities at overseas manufacturing facilities and expand the content of TNFD considerations.</li> </ul>	<ul style="list-style-type: none"> <li>We conducted analysis in accordance with the TNFD recommendations and disclosed the analysis results.</li> </ul>
<ul style="list-style-type: none"> <li>We will formulate a business model catering to a circular economy.</li> </ul>	<ul style="list-style-type: none"> <li>We participated in a partnership of industry, government, and academia in August 2024, and investigations are ongoing.</li> </ul>
<ul style="list-style-type: none"> <li>We will maintain ratio of direct-to-landfill waste to total waste generation at 1% or less (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors).</li> </ul>	<ul style="list-style-type: none"> <li>We achieved a landfill disposal rate of 1% or less.</li> </ul>
<ul style="list-style-type: none"> <li>We will proceed with the systematic disposal of low-concentration PCB waste.</li> </ul>	<ul style="list-style-type: none"> <li>We conducted systematic disposal with the intention of meeting the 2027 disposal deadline.</li> </ul>
<ul style="list-style-type: none"> <li>We will proceed with data compilation for major plastic products in response to the Act on Promotion of Resource Circulation for Plastics.</li> </ul>	<ul style="list-style-type: none"> <li>We compiled data and disclosed plastic purchasing volumes.</li> </ul>
<b>(b) Enhancing data compilation and capacity to disseminate information</b>	
<ul style="list-style-type: none"> <li>We will obtain third-party assurance of water and waste emissions data.</li> </ul>	<ul style="list-style-type: none"> <li>We obtained third-party assurance of water and waste emissions data.</li> </ul>
<ul style="list-style-type: none"> <li>We will disclose water and waste emissions data on a consolidated basis from fiscal 2024 data (for fiscal 2025 disclosure).</li> </ul>	<ul style="list-style-type: none"> <li>We started compiling water and waste emissions data on a consolidated basis.</li> </ul>

# The Environmental Management Activities Plan 2025 (Key Strategies)

## Key Strategies of the Environmental Plan 2025

### (a) Resource and water cycles

Scope of application: Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors

- We will reduce water withdrawal per unit of sales by 1% compared to fiscal 2024.
- We will formulate a business model catering to a circular economy.
- We will maintain ratio of direct-to-landfill waste to total waste generation at 1% or less.
- We will reduce industrial waste per unit of sales by 1% compared to fiscal 2024.

### (b) Enhancing data compilation and capacity to disseminate information

- We will obtain third-party assurance of water and waste emissions data (continued from the previous year).
- We will disclose water and waste emissions data on a consolidated basis.

## Effective Use of Resources

### Reducing Resource Consumption

To reduce our burden on the environment, in each stage of product planning, R&D, and design, we are engaged in efforts to make our use of resources more efficient by doing things such as reducing the number of parts and making them lighter, in order to reduce our use of natural resources. In addition to resources used in the manufacture of products, we are reducing the resources used in the packaging of products by expanding the application of returnable shipping trestles and transitioning to packaging materials with lower environmental impacts.

As efforts to reduce the use of natural resources are an issue to be worked on by not only the Group but also throughout our entire supply chain, we have incorporated a statement on minimizing the use of natural resources into Kawasaki Group Sustainable Procurement Guidelines and will advance our efforts with our suppliers.

- [Kawasaki Group Sustainable Procurement Guidelines](#) 

### Reducing Waste in Manufacturing Processes

We are continuing efforts with the target of reducing our direct-to-landfill waste to zero by reducing waste through the efficient use of resources in manufacturing processes and promoting the recycling of waste produced in manufacturing processes.

The total waste emissions for the Kawasaki Group over the past four years as well as the amount of waste and hazardous waste for Kawasaki Heavy Industries are indicated on the ESG data page. The landfill disposal rate (= direct-to-landfill waste generation ÷ total waste generation) for Kawasaki Heavy Industries in fiscal 2024 was 0.1%, thereby achieving the target of 1% or less set in the Environmental Management Activities Plan 2024. Starting in fiscal 2025, we set a target of reducing the amount of industrial waste generated per unit of sales of Kawasaki Heavy Industries by 1% compared to the previous fiscal year to promote improved resource utilization efficiency and the resulting reduction in waste emissions, and we are conducting appropriate waste management.

- [Waste \(Total Generated\), Waste, and Hazardous Waste \(ESG Data\)](#)

## Use of Lifecycle Analysis

We carry out product assessments regarding reducing our consumption of natural resources, energy conservation, recycling properties, product safety, and other factors for newly developed/designed products and particularly important products, with the aim of reducing the environmental burden of our products throughout the product lifecycle. As the specific evaluation method differs depending on the product type, all business segments create Product Assessment Rules specific to the types of products in each business to enable the implementation of assessments tailored to the characteristics of each product. The main evaluation items are as follows:

- Weight reduction of the product
- Weight reduction of product packaging materials
- Improved energy conservation at the time of manufacturing the product
- Improved energy conservation when using the product
- Increased lifespan of the product
- Safety and environmental friendliness of the product
- Harmfulness and toxicity of substances contained in products
- Ease of product transport operations
- Environmental impact of packaging and transportation
- Action for the disposal and recycling of the product
- Environmental impact in the event of an emergency such as an accident
- Provision of information for usage/maintenance, etc.
- Compliance with laws and regulations

## Initiatives for a Circular Economy

### Participation in Partnership of Industry, Government, and Academia on Circular Economy

Kawasaki Heavy Industries, Ltd. announced on August 2024 that it has participated in the partnership of industry, government, and academia on circular economy, named "Circular Partners" which is led by the Ministry of Economy, Trade and Industry of Japan (METI).

In the Kawasaki Group Policy on Environmental Management established in June 2024, the Company has stated that it will contribute to a sustainable society through technologies, products, and services, and our efforts for a circular economy are one of our activities that follow this policy.

In the future, the Company will implement circular economy initiatives in relation to each product of the Kawasaki Group. The Company will promote the development of environmentally conscious products with consideration for longevity, degradability, and recyclability on the product design stage. In particular, the Company will promote the effective use of recycled resources by increasing the ratio of recycled materials in raw materials used during manufacturing process and promoting the use of recycled materials in products and their parts.

In addition, through our participation in Circular Partners, the Company will contribute to the realization of a sustainable society in resource recycling throughout the supply chain by actively collaborating with external stakeholders in the use of precedents and joint research.

- [Participation in partnership between industries, academia, and government on Circular Economy \(Kawasaki Press Release; August 30, 2024\).](#)

## Goals in the Partnership between Industries, Academia, and Government on Circular Economy

The Company submitted its initiative goals for Circular Partners in August 2025.

The details of the goal submitted by the Company are shown in the table below. We will continue our efforts to create technologies and solutions for achieving a recycling-oriented society by leveraging our proprietary technologies in energy equipment, hydraulic pumps, railway vehicles, robots, plants, and other areas and making use of partnerships of industry, government, and academia as well as open innovation.

Goals	Number of initiatives	Achievement period
Initiatives toward realizing a circular society including reduction of hazardous substances, use of recycled materials, improvement of manufacturing processes, and provision of solutions	6	By Dec. 31, 2030

- [Goals in the Partnership between Industries, Academia, and Government on Circular Economy \(Kawasaki Press Release; September 3, 2025\)](#)

## Motorcycle Recycling System

Kawasaki Motors, Ltd. participates in the Motorcycle Recycling System, a voluntary initiative which has been jointly operated by Japanese motorcycle manufacturers and importers since 2004. The actual recycling rate for fiscal 2024 as part of this Motorcycle Recycling System was 97.8%. Since October 2011, we have also made recycling free of charge (excluding transport costs) for customers disposing of their motorcycles.

Additionally, we are engaged in initiatives for the environmentally conscious design of new motorcycle models, including reduce and recycle initiatives, from the development stage. We meanwhile conduct preemptive assessments of 3R initiatives in advance of the design, prototyping, and mass production stages. We have particularly endeavored to improve recyclability through measures including the adoption of easily recyclable materials. Our recyclability rate, calculated in accordance with the "Guidelines for the Definition and Calculation Method on the Recyclability Rate for New Vehicles (JAMA 1998)" issued by the Japan Automobile Manufacturers Association, Inc. (JAMA) is 90% or more for all models, with the majority of models having achieved a recyclability rate of 95% or more.

- [Progress Status of Kawasaki's Voluntary Initiatives for Motorcycle Recycling \(Japanese language only\)](#)

## Promoting PCB Treatment

The disposal of PCB (polychlorinated biphenyl) waste is proceeding worldwide, in line with the Stockholm Convention, which includes stipulations on the proper treatment of PCBs. In Japan, disposal is undertaken in a systematic manner, mainly by the Japan Environmental Storage & Safety Corporation (JESCO), which was established by the Ministry of the Environment. The phased disposal period for high-concentration PCB waste is scheduled to end in 2023, and that for low-concentration PCB waste will end in 2027.

The Group is implementing scheduled disposal of PCB waste and has completed the disposal of high-concentration PCB waste. For the remaining low-concentration PCB waste, we will re-investigate the target materials and proceed with proper disposal for completion at the end of the disposal period in 2027.

## Conservation of Water Resources

### Precisely Understanding Water Uses and Usage Volumes

To more effectively use water resources, Kawasaki Heavy Industries is advancing efforts to precisely understand water usage at each of their plants. In addition, we are monitoring wastewater discharge by setting voluntary control standards for wastewater discharged from plants, with these standards more stringent than discharge standards under laws and ordinances, with Kawasaki thereby working to improve wastewater quality.

Water withdrawal, water discharged, and water consumed at Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors over the last four years are shown on the ESG data page. In fiscal 2025, to encourage reduced usage by Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors we set a target of reducing water withdrawal per unit of sales by 1% compared to the previous fiscal year and have been working to reduce water consumption by reconfirming the use of water in production activities and boiler use and by investigating effective use without waste, using recycled water, and other measures.

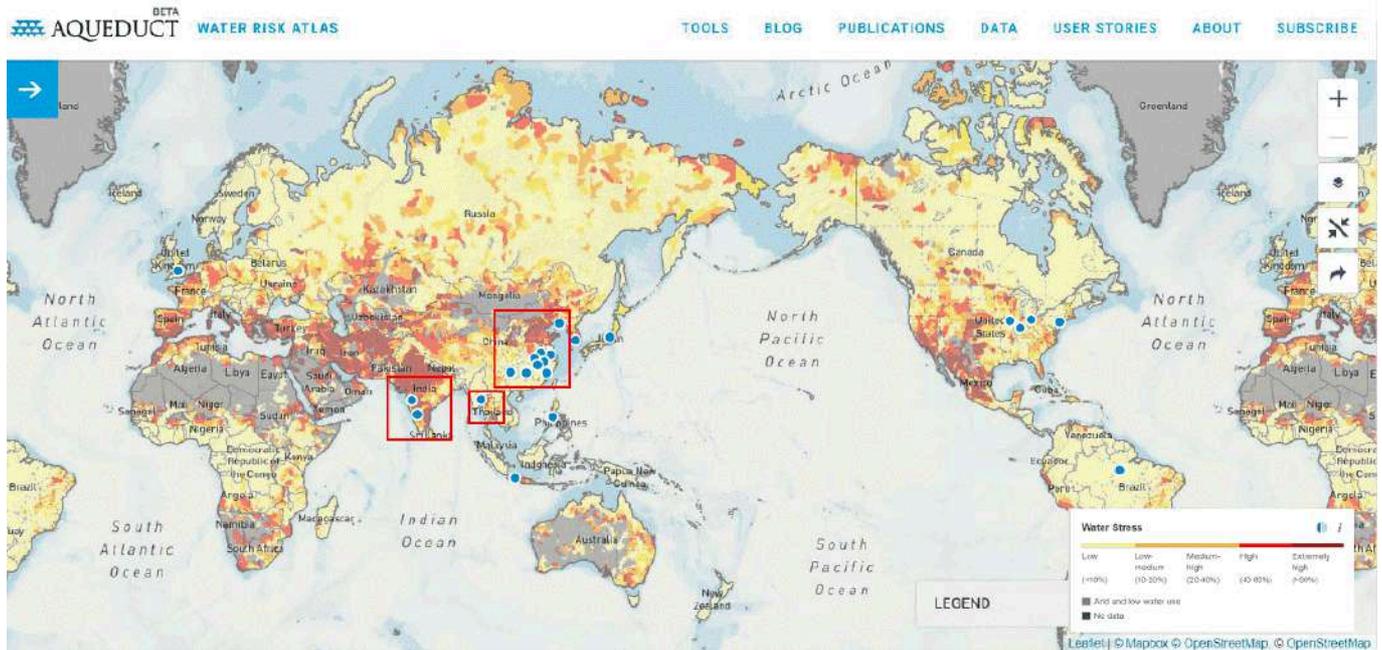
By rolling out these initiatives across the Group, we will reduce water resource risks.

- [Water Resources \(ESG Data\)](#)

# Manufacturing Facilities and Water Level Risk (Water Stress)

In collaboration with external experts, we conducted a simple risk analysis from the perspectives of water shortage, drought, flooding, and water pollution utilizing the Aqueduct Water Risk Atlas published by U.S. think tank WRI (World Resources Institute).

Of the 38 manufacturing facilities we have in Japan and overseas (17 in Japan, 21 overseas), we have 12 manufacturing facilities in India, Thailand, and China, where water stress is seen to be high compared to other countries around the world. Seven of these facilities were determined to be at particularly high risk of water resources and drought. Going forward, we will implement more detailed analyses and actively institute measures to address any issues.



Location of Kawasaki Group's manufacturing facilities and water stress (Source: Aqueduct Water Risk Atlas)

## Legend

- : Kawasaki Group's manufacturing facilities
- : Countries and regions with particularly high water stress

# Harm FREE (Realization of a Society Coexisting with Nature)

## Our Basic Stance

Modern society is maintained by the value provided by natural ecosystems, including material cycles and the regeneration of air, water, and soil environments. However, ecosystem services are deteriorating globally, and the World Economic Forum's Global Risk Report 2025 lists biodiversity loss and ecosystem collapse as the second-most serious risk after extreme weather events among the most serious risks over the next decade.

Kawasaki Group reduces the environmental impacts of its products and business activities and contributes to the protection of ecosystems. In addition, we will strive to prevent pollution of the global environment by properly managing hazardous chemicals and reducing the amount used.

## The Environmental Management Activities Plan (Harm FREE)

The Environmental Management Activities Plan 2024 (Key Strategies) and Achievements in Fiscal 2024

Key Strategies of the Environmental Plan 2024	Achievements in Fiscal 2024
<b>(a) Protecting biodiversity (responses to TNFD)</b>	
<ul style="list-style-type: none"><li>• We will investigate registration of Nationally Certified Sustainably Managed Natural Sites.</li><li>• We will advance investigation of proper management of harmful chemical substances and consideration of alternatives.</li></ul>	<ul style="list-style-type: none"><li>• We began initiatives directed toward filing registrations.</li><li>• We achieved a year-on-year reduction in the amount of the major VOCs used. The amounts of hexavalent chromium and dichloromethane used increased year-on-year.</li></ul>
<b>(b) Enhancing data compilation and capacity to disseminate information</b>	
<ul style="list-style-type: none"><li>• We will obtain third-party assurance of harmful chemical substance data.</li><li>• We will disclose harmful chemical substance data on a consolidated basis from fiscal 2024 data (for fiscal 2025 disclosure).</li></ul>	<ul style="list-style-type: none"><li>• We obtained third-party assurance of harmful chemical substance data.</li><li>• We began to aggregate consolidated data on harmful chemical substances with the aim of disclosure on a consolidated basis starting with fiscal 2024 data (for fiscal 2025 disclosure).</li></ul>

# The Environmental Management Activities Plan 2025 (Key Strategies)

## Key Strategies of the Environmental Plan 2025

### (a) Protecting biodiversity (responses to TNFD)

- We will formulate and disclose our policy on biodiversity.
- We will follow up regarding planned-for and actual volumes of our major VOCs (toluene, xylene, and ethylbenzene), dichloromethane, and hexavalent chromium.

### (b) Enhancing data compilation and capacity to disseminate information

- We will obtain third-party assurance of harmful chemical substance data (continued from the previous year).
- We will disclose harmful chemical substance data on a consolidated basis.

## Policy on Biodiversity

The Kawasaki Group enacted a new biodiversity policy in June 2025. This was to reaffirm our awareness of the impact that we have on biodiversity in our Group's business activities and value chain, and to display our intention to engage with the social issues of maintaining and recovering biodiversity.

Under this policy, based on the mitigation hierarchy concept we will formulate and implement coping measures based on the sequence of avoidance, minimization, rehabilitation, and offsets as we endeavor to reduce our environmental load, while also aiming, through new technological development, to provide solutions toward the maintenance and recovery of biodiversity. Additionally, in keeping with Japan's National Biodiversity Strategy and Action Plan (NBSAP) of Japan 2023-2030 decided by the Cabinet on March 31, 2023, we are pushing forward with initiatives aimed at realizing "Nature-Positive by 2030."

- [Kawasaki Group Policy on Biodiversity](#) 

## Measures to Protect Biodiversity

### Disclosure in Line with the Recommendations of the Task Force on Nature-related Financial Disclosures

As indicated in the Kawasaki Group Policy on Environmental Management, the Group conducts business activities that respect biodiversity as it promotes environmental protection. In this section, we report on our dependence and impact on biodiversity and natural capital by advancing analyses based on the TNFD recommendations and the LEAP approach, an analysis consisting of four steps: Locate, Evaluate, Assess, and Prepare.

# Evaluate (Evaluate Your Dependencies and Impacts on Nature)

In the Evaluate phase, we conducted a macro-level impact assessment across sectors that include our Group's businesses (such as aircraft and energy equipment).

Using ENCORE, a tool for understanding the scale of dependencies and impacts on nature, we then performed a risk evaluation. Additionally, for upstream supply chains, we conducted risk assessments using similar sectors. As a result, we identified four high-risk items related to dependencies, as well as ten high-risk items related to impacts. Our Group uses significant amounts of mineral resources such as iron and aluminum as raw materials, making greenhouse gas emissions and water resource usage during mining and refining critical concerns.

Based on these findings, we have determined that while some of our Group's activities, such as those in the plant business, may have a direct impact on biodiversity, the majority of our activities impact biodiversity indirectly through greenhouse gas emissions and water resource usage.

## Risk assessment of the Group's business activities and the dependency on the impact on nature

Dependency drivers	Own operations								Upstream activities						
	Aircraft	Energy Solution	Plant Engineering	Ship & Offshore Structure	Railcar	Precision Machinery & Robot	Motorcycle for Leisure, Four-Wheeler	Plastic	Iron		Stainless Steel	Aluminum			
	Aerospace & Defense (Manufacture of machinery, parts and equipment)	Heavy Electric Equipment (Manufacture of machinery, parts and equipment)	Construction & Engineering (Infrastructure builds)	Construction Machinery & Heavy Trucks (Manufacture of machinery, parts and equipment)	Construction Machinery & Heavy Trucks (Manufacture of machinery, parts and equipment)	Industrial Machinery (Manufacture of machinery, parts and equipment)	Motorcycle Manufacturers (Manufacture of machinery, parts and equipment)	Commodity Chemicals (Catalysts, cooking, fractions, distillation and crystallization)	Iron (iron extraction)	Iron (iron metal production)	Steel (Steel production)	Aluminum (Mining)	Aluminum (Alumina refining)		
Direct Physical Input	Animal-based energy	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Fibre and other materials	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Genetic materials	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Ground water	M	M	ND	M	M	M	M	H	H	M	M	H	M	
	Surface water	M	M	ND	M	M	M	M	H	H	M	M	H	M	
Enables Production Process	Maintain nursery habitats	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Pollinivore	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Soil quality	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Ventilation	VL	VL	ND	VL	VL	VL	VL	VL	ND	ND	ND	ND	ND	
	Water flow maintenance	M	M	ND	M	M	M	M	L	M	M	M	H	M	
Mitigates Direct Impacts	Water quality	L	L	ND	L	L	L	L	L	ND	ND	ND	ND	ND	
	Bio-remediation	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Dilution by atmosphere and ecosystems	L	L	ND	L	L	L	L	ND	ND	ND	ND	ND	ND	
	Filtration	VL	VL	ND	VL	VL	VL	VL	VL	ND	ND	ND	ND	ND	
	Mediation of sensory inputs	M	M	ND	M	M	M	M	L	ND	ND	ND	ND	ND	
Protection from Disruption	Mass stabilisation and erosion control	VL	VL	M	VL	VL	VL	VL	L	M	VL	L	M	L	
	Climate regulation	VL	VL	ND	VL	VL	VL	VL	L	M	VL	VL	H	M	
	Disease control	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
	Flood and storm protection	M	M	ND	M	M	M	M	M	ND	ND	ND	ND	ND	
	Bio-remediation	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	
Forest control	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND		

Legend	VH	H	M	L	VL	ND
	Very High	High	Medium	Low	Very Low	Non-Detection

# Risk assessment of the Group's business activities and the relationships of the impact on nature

No.	Impact drivers	Own operations							Upstream activities						
		1	2	3	4	5	6	7	8	9-1	9-2	10	11-1	11-2	
		Aircraft	Energy Solution	Plant Engineering	Ship & Offshore Structure	Railcar	Precision Machinery & Robot	Motorcycle for Leisure, Four Wheeler	Plastic	Iron		Stainless Steel	Aluminum		
Aerospace & Defense (Manufacture of machinery, parts and equipment)	Heavy Electrical Equipment (Manufacture of machinery, parts and equipment)	Construction & Engineering (Infrastructure builds)	Construction Machinery & Heavy Trucks (Manufacture of machinery, parts and equipment)	Construction Machinery & Heavy Trucks (Manufacture of machinery, parts and equipment)	Industrial Machinery (Manufacture of machinery, parts and equipment)	Motorcycle Manufacturers (Manufacture of machinery, parts and equipment)	Commodity Chemicals (Catalytic cracking, fractional distillation and crystallization)	Iron (Iron extraction)	Iron (Iron metal production)	Steel (Steel production)	Aluminum (Mining)	Aluminum (Alumina refining)			
Ecosystem Use	1	Terrestrial ecosystem use	ND	ND	VH	ND	ND	ND	ND	H	VH	ND	ND	VH	ND
	2	Freshwater ecosystem use	ND	ND	H	ND	ND	ND	ND	ND	ND	ND	ND	H	ND
	3	Marine ecosystem use	ND	ND	VH	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Resource Use	4	Water use	H	H	H	H	H	H	H	H	VH	VH	H	VH	VH
	5	Other resource use	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Climate Change	6	GHG emissions	H	H	H	H	H	H	H	H	H	H	H	H	H
Pollution	7	Non-GHG air pollutants	M	M	H	M	M	M	M	H	H	H	ND	H	ND
	8	Water pollutants	H	H	M	H	H	H	H	H	ND	M	ND	H	H
	9	Soil pollutants	H	H	H	H	H	H	H	H	ND	ND	ND	H	H
	10	Solid waste	H	H	M	H	H	H	H	H	ND	H	H	H	H
Others	11	Disturbances	M	M	H	M	M	M	M	ND	H	H	ND	H	ND

**Legend**

VH	H	M	L	VL	ND
Very High	High	Medium	Low	Very Low	Non-Detection

## Locate (Locate Your Interface with Nature)

In the Evaluate phase, we analyzed macro-level impacts in each sector, but in the Locate phase, we assess the impact on nature of geographical factors at operational sites.

An impact assessment of our Group's 26 domestic and 16 overseas production sites revealed that domestic sites have relatively low risk. In contrast, water-related risks in India, China, and Mexico, and biodiversity risks in Brazil, are comparatively higher.

## Impact assessment at overseas production sites

Assessment items	Number of sites with an impact	Location of sites
Importance of biodiversity	3	South America, Asia, Europe
Ecosystem integrity	1	South America
Rate of tree loss	2	South America, Asia, Europe
Water availability	9	North America, Asia
Water pollution	12	North America, Asia, Europe

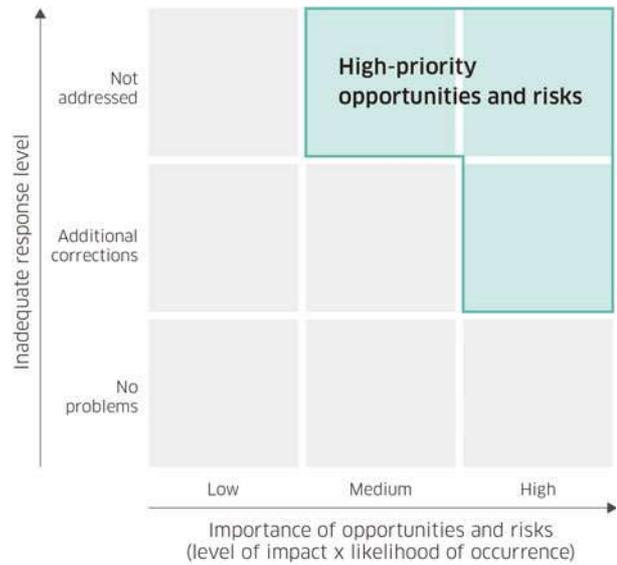
## Assess (Assess Your Nature-related Risks and Opportunities)

Based on the results from Evaluate and Locate, in the Assess phase, we analyze opportunities and risks, focusing on relatively high-risk businesses and sites within the Group.

Incorporating TNFD examples, we identified potential opportunities and risks related to water, soil, waste, and other factors. These were assessed along two axes: importance and level of inadequate response. For overseas sites, water was determined to represent both an opportunity and a risk. In addition, anticipating promotion of resource circulation, demand for resource sorting was identified as an opportunity.

### Results of opportunity/ risk assessment

### Opportunity and risk assessment



Production sites	Opportunities	Risks
India, China, others	<ul style="list-style-type: none"> <li>Water resource scarcity improvement technology</li> <li>Demand for monitoring</li> <li>Demand for resource sorting systems</li> </ul>	<ul style="list-style-type: none"> <li>Water resource scarcity</li> <li>Water pollution</li> </ul>

## Prepare (Prepare to Respond and Report)

In the Prepare phase, we are advancing the following responses.

To address water resource scarcity, we are promoting water conservation and recycling during the manufacturing process. In addition, with products such as the MAG Turbo and Mega MAG Turbo aeration pumps for wastewater treatment, we aim to contribute to addressing global water issues and realize sustainable wastewater treatment plants.

Regarding resource sorting, through solutions such as K-Repros, an AI-equipped resource sorting support system utilizing collaborative robots, we are advancing resource circulation while also addressing social challenges, such as reducing the burden on workers.

### Reference Websites

- [MAG Turbo Single-Stage Sewage Aeration Blower \(product introduction page at our website\)](#)
- [Mega MAG Turbo \(Ecological Frontiers registered products in fiscal 2024\)](#)
- [K-Repros page \(recycling page at the "General Waste Treatment Plant" section of our website\) \(Japanese language only\)](#)
- ["K-Repros" AI-powered support system for hand-sorting recyclable waste awarded Nikkan Kogyo Shimbun's "Ten Best New Products Award" \(Kawasaki Press Release; January 27, 2022\) \(Japanese language only\)](#)

# Harmful Chemical Substance Reduction

Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors properly manage and look for alternatives to chemical substances that present a risk of negatively impacting human health or the environment. We continuously monitor emissions of hazardous chemical substances, major VOCs (toluene, xylene, and ethylbenzene), and handling volumes of dichloromethane and hazardous metals (hexavalent chromium compounds) handled, conduct appropriate chemical substance management, take action to reduce usage, and strive to prevent pollution of the global environment.

In fiscal 2023, the use of hexavalent chromium and major VOCs increased from the previous fiscal year, but the use of dichloromethane decreased. In fiscal 2024, usage of dichloromethane and hexavalent chromium increased, while usage of major VOCs decreased year-on-year.

- [Major VOCs Emissions and Air Pollutants Emissions \(ESG Data\)](#)

# Environmentally Conscious Products

## Kawasaki Ecological Frontiers System

### Purpose of the System

Since 2014 the Kawasaki Group has implemented its Kawasaki Ecological Frontiers system (formerly Kawasaki-brand Green Products system), an internal system for certifying environmentally conscious products, as a means of reducing the environmental impact of the Group's products and services throughout their life cycles.

Under the system, superior products—in terms of whether the products themselves evidence improved environmental performance and whether the associated manufacturing processes demonstrate a reduced environmental impact—are certified and registered. In product development, we contribute in various ways to promoting a reduction of the environmental impact, including the improvement of energy efficiency through the fuel and power efficiency of products and so on; a reduction in environmental-load emissions, such as greenhouse gases and harmful chemical substances, in production processes; and resource saving in products themselves.

In light of an increase in recent years in the registration of epoch-making decarbonization solutions, such as hydrogen equipment, in February 2024 we established three new categories (the Decarbonization Category, Transition Category, and Electric and Energy Saving Category) to clearly evaluate the diversifying products and conduct appropriate certification and registration. From the three perspectives of innovative initiatives to realize a decarbonized society, continuous activities to reduce the environmental impact as a transition to a decarbonized society, and further energy-saving activities in electric products, solutions, and so on that contribute to decarbonization, we will aim to realize a carbon-neutral society (CO<sub>2</sub> FREE), a recycling-oriented society (Waste FREE), and a society coexisting with nature (Harm FREE).

We heighten the desire of employees to create valuable products by paying an incentive (monetary compensation) to employees involved in the development of newly registered products in accordance with the product's certification class.

### Certification Process

The Group evaluates its products and their manufacturing processes for conformity with its own internal standards and disseminates the results of its evaluations outside the company in accordance with international standard ISO14021. Specifically, our standards are geared to improving the environmental performance of our products and reducing the environmental impact of our manufacturing processes from three emissions-reduction standpoints: CO<sub>2</sub> FREE (reduction of CO<sub>2</sub> emissions), Waste FREE (reduction of industrial waste), and Harm FREE (reduction in the release of harmful chemical substances).

We have established three new categories (the Decarbonization Category, Transition Category, and Electric and Energy Saving Category) and, as explained below, register products as S Class or A class depending on the extent to which they meet evaluation standards.

S Class: Product evaluated as corresponding to the highest level in the industry in terms of environmental consciousness

A Class: Product evaluated as exceeding the standard industrial level or the level of our previous model in terms of environmental consciousness

## Number of registered products

In this system we constantly maintain up-to-date registration by reevaluating registered products every three years.

As of the end of September 2025, the Group had registered 67 products in total, including 15 new registrations during the three years prior (5 in 2023, 7 in 2024, and 3 in 2025) and 52 renewed registrations of products originally certified in 2014–2022.

Year first registered	2014–2022	2023	2024	2025	Total
<b>S Class</b>	40	4	6	3	53
<b>A Class</b>	12	1	1	0	14
<b>Total</b>	52	5	7	3	67

For details on the registered products, please refer to Kawasaki ecological frontiers registered products.

- [Kawasaki Ecological Frontiers Registered Products](#)

## Impact of the System

The CO<sub>2</sub> emissions reduction effects\*<sup>1</sup> of the Group's environmentally conscious products, including those registered under the Kawasaki Ecological Frontiers system, were 1,905 kt-CO<sub>2</sub>\*<sup>2</sup> in fiscal 2024. The certified and registered products are contributing in many ways to reducing annual CO<sub>2</sub> emissions and other environmental impact. Examples include gas-turbine and gas-engine electric power generation equipment that has achieved world-class efficiency, motorcycles manufactured with more than 90 percent recycled materials, and energy-saving rolling stock made possible by weight reduction.

Detailed information regarding the CO<sub>2</sub> emissions reduction effects due to environmentally conscious products including calculation rules and graphs showing trends for the past five years has been posted to the "Reducing CO<sub>2</sub> Emissions through Product-Based Contributions" section of the CO<sub>2</sub> FREE page. Please refer to these as well.

Additionally, please refer to the table below for revenue from "Kawasaki ecological frontiers" for the past four years.

(Covers: Kawasaki Heavy Industries, Kawasaki Railcar, Manufacturing, and Kawasaki Motors).

FY	2021	2022	2023	2024
<b>Revenue (billions of yen)</b>	248.6	160.0	242.9	233.6

\*1 Reduction in CO<sub>2</sub> emissions compared to earlier products (refer to the calculation rules below.)

\*2 To put this figure into perspective, a passenger car with a gas mileage of 15 km/l that is driven 10,000 km per year emits about 1.5 t-CO<sub>2</sub>.

Thus, in terms of passenger cars with a gas mileage of 15 km/l that are driven 10,000 km per year, our reduction contribution is equivalent to the CO<sub>2</sub> emissions of approximately 12.70 million cars.

- [CO<sub>2</sub> FREE \(Realization of a Carbon-neutral Society\).](#)

## Aim behind Changing the System's Name

In 2021, the system name was changed from Kawasaki-brand Green Products to Kawasaki Ecological Frontiers. In addition to the preexisting idea of Kawasaki-brand Green Products, the new name includes the sense that, for the "frontier"—i.e., the social issues of a new age—we will offer answers from a unique perspective and create a hopeful future not only with products but also by providing new solutions and creating systems. Throughout the entire life cycle of our products and the supply chain, we are working to realize a carbon-neutral society (CO<sub>2</sub> FREE), a recycling-oriented society (Waste FREE), and a society coexisting with nature (Harm FREE).

## Program Logo

The program logo embodies the Group's commitment to environmental sustainability through products and manufacturing. The Kawasaki Group's primary business areas—land, sea, and air transport systems, energy and environmental engineering, and industrial equipment—each with innovative and advanced technological capabilities, form three solid pillars that together support the global environment.



## The Kawasaki Ecology Prize 2024

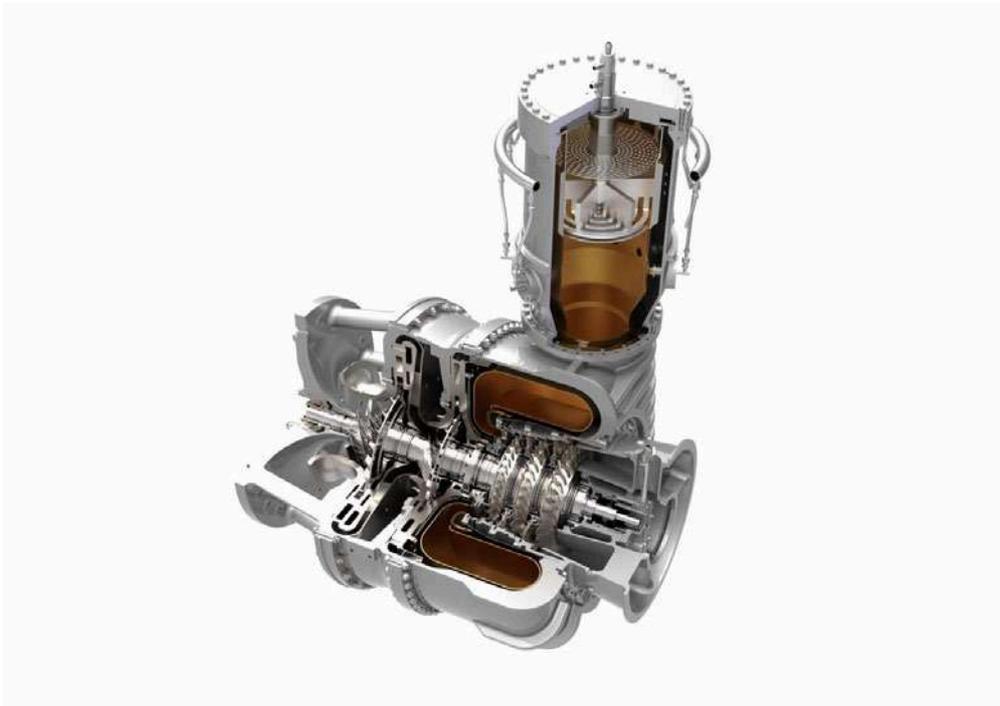
Among the products registered under "Kawasaki Ecological Frontiers," a special commendation is given to products that have received external environmental recognition and have made a significant contribution to business management or are expected to make a significant contribution to future business development and expansion\* as the "Kawasaki Ecology Prize."

The two products selected this time are as follows.



\* The system will be revised from fiscal 2024 to include future potential as an award requirement.

Product name: 100% Hydrogen gas turbine power generator



The "100% Hydrogen gas turbine power generator " is a 1.8MW-class gas turbine cogeneration system equipped with a combustor capable of hydrogen-only combustion using the dry method\*<sup>1</sup>, the first in the world. While achieving nearly the same power generation efficiency as conventional products, the use of hydrogen-only combustion can reduce CO<sub>2</sub> emissions during power generation by the equivalent of approximately 12,900 tons per year\*<sup>2</sup>. In recognition of its high future potential toward realizing a decarbonized society, it was selected as the recipient of the Kawasaki Ecology Prize 2024.

External awards for this product are as follows:

### External Awards

- Nikkan Kogyo Shimbun, "Masuda Award" at the 66th Top 10 New Product Awards
- Cogeneration Foundation, "Chairman's Award" in Technology Development Category at the Cogeneration Awards 2023
- Connecting Green Hydrogen MENA 2024, "Hydrogen Technology of the Year 2024" at the Hydrogen Future Awards

\*1 A combustion method that reduces NO<sub>x</sub> without water injection (or steam injection). Since there is no loss of combustion energy, the power generation efficiency is higher than with the water injection method, but it is difficult to control the combustion temperature.

\*2 Continuous working time: Assumed to be 8640 hours per year

- [100% Hydrogen gas turbine power generator](#) 

## Product name: Lithium Ion Battery (LIB) Recycle System



The "Lithium Ion Battery (LIB) Recycle System" is a system that recovers rare metals from used automotive LIBs with high efficiency and low environmental impact. The rare metals contained in automotive LIBs are recycled, and highly efficient lithium recovery is made possible by improving energy efficiency, such as by using exhaust gas from cement manufacturing facilities from the preliminary roasting to roasting process.

As demand for lithium-ion batteries increases with the spread of electric vehicles, this system can address concerns about the supply of rare metals and a rapid increase in discarded batteries, and has the potential to contribute to reducing CO<sub>2</sub> emissions throughout society. It was selected as the winner of the Kawasaki Ecology Prize 2024.

The external awards for this product are as follows:

### External Awards

- Registered on the 2022 White Company List\*

\* A list of companies certified by the Chinese government. Recognized as an exemplary company in the waste automotive battery recycling industry.

- [Lithium Ion Battery \(LIB\) Recycle System](#) 

# Society

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# Product Safety and Quality

## Management Approach

### Our Basic Stance

The Kawasaki Group's businesses involve the provision of many infrastructure products, so ensuring that customers can use our products and services with confidence is a key management issue. In a section titled "Quality and Safety of Products and Services," the Kawasaki Group Code of Conduct states that we must provide high-performance, high-quality, and safe products and services. We will constantly maintain a high level of trust in the Kawasaki Group and contribute to the quality assurance of management by creating a Group-wide quality-assurance and product-safety structure, producing safe and excellent products that meet the expectations of our customers, and supplying appropriate services.

### Product Safety and Quality Policy

The Kawasaki Group recognizes that creating new value contributing to people's affluent lives and the future of the global environment is our social responsibility and that supplying products and services with customer-satisfying quality is one of the Group's management principles relating to business continuity. In 2021 we established the Kawasaki Group Policy on Quality Management, which is operated properly throughout the entire Group so as to continue activities effectively and efficiently toward the creation of customer value.

#### Scope of Policy Application

The Kawasaki Group

- [The Kawasaki Group Code of Conduct](#)
- [Kawasaki Group Policy on Quality Management](#) 

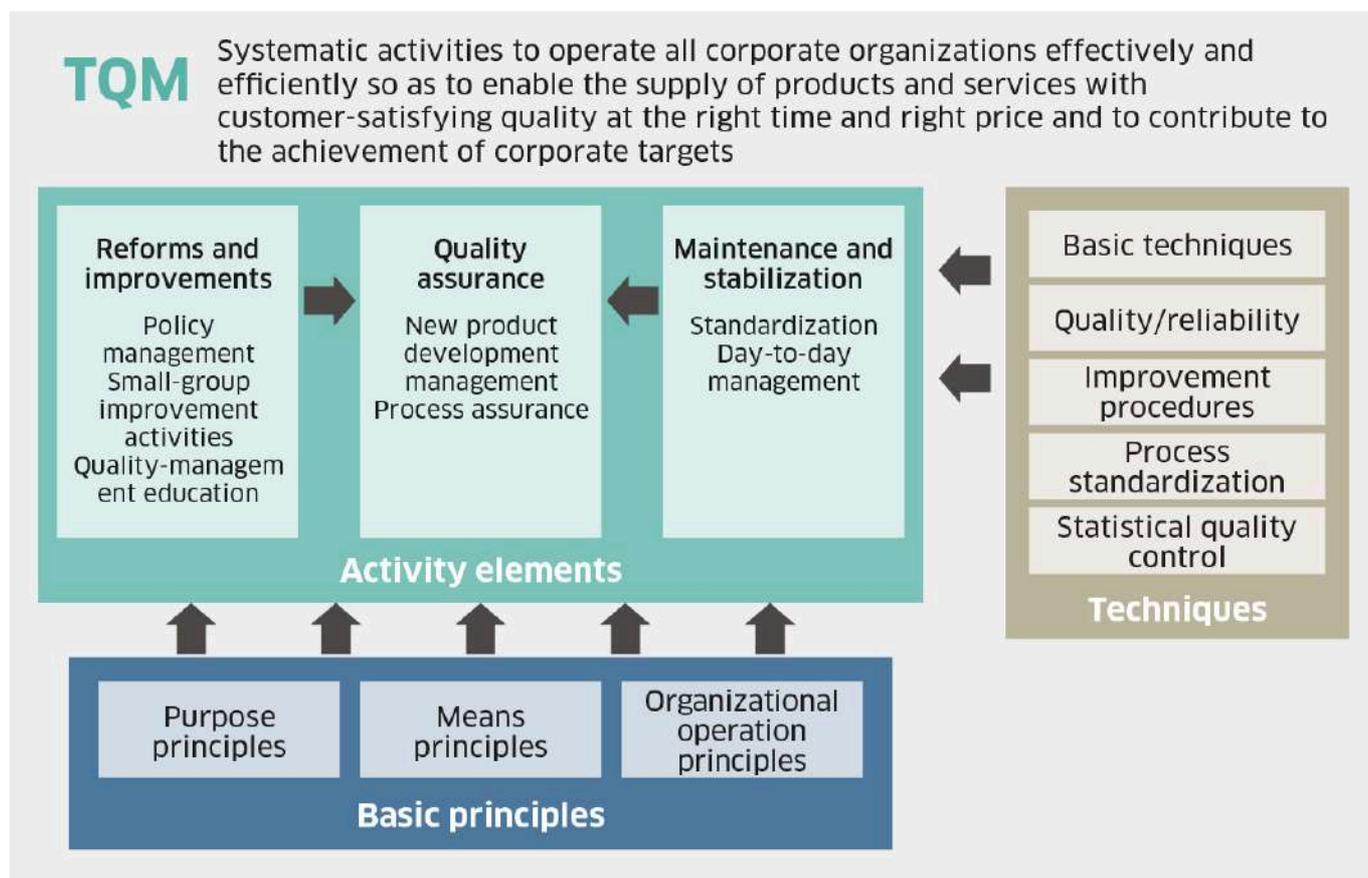
### Structure

We have established the TQM\* Department within the Corporate Technology Division. This department formulates a company-wide quality assurance activity policy and activity promotion plan every fiscal year, and ascertains the implementation status of that plan and its positive outcomes. Simultaneously, based on initiatives for policy management, daily management, quality assurance by process, and quality management education and training based on the TQM approach, the department promotes company-wide efforts for maintaining and improving our quality assurance and management systems.

We have also established divisions responsible for quality control in each business segment. In addition to formulating a quality assurance policy and activity promotion plan every fiscal year, these divisions promote quality-improvement activities within business segments and manage the status of their implementation. To be specific, in addition to promoting TQM activities and carrying out various quality assurance and control initiatives in business segments for each measure promoted by the TQM Department, the divisions implement measures and initiatives for quality management and assurance unique to those segments.

\* Abbreviation of Total Quality Management

### Support for the building of best-suited TQM promotion system for each business segment



**Establishment of TQM promotion system consistent with the requirements and characteristics of products and work processes in each business segment**

Responsible Officer

Hiroshi Nakatani, Representative Director, Senior Corporate Executive Officer (in charge of TQM)

## Responsible Executive Organ and/or Committee

The TQM Department regularly formulates and promotes policies, plans, and so on related to the building and strengthening of the Group-wide TQM promotion system, including quality assurance. In addition, four times a year, the department holds meetings of the Company-Wide Quality Committee, which largely builds and strengthens the TQM promotion system for the entire Group. There, information is shared between the Head Office and business segments and discussions are held regarding policies and plans related to the building and strengthening of the Group-wide TQM promotion system, TQM-related information and challenges that have company-wide importance, critical quality issues, measures to prevent their reoccurrence, the lateral deployment of those measures, and so forth.

## Product Safety and Quality Management

We have built a quality-assurance system that, for each business segment and product group, clarifies the roles of each division relating to quality assurance at every stage, from product contract, development, and design to after-delivery service, and enables the production of safe and excellent products and the implementation of appropriate services that satisfy customers. This quality-assurance system includes the following:

1. A clear understanding of the product quality (function, safety) demanded by customers and society
2. The planning and development of products that meet the above demands
3. The setting of criteria, standards, etc.
4. The review of contract content
5. Appropriate document management
6. Weaving of demanded quality (function, safety) into design
7. Crafting of design quality into products through appropriate production planning and management
8. Guidance and management of quality-assurance activities of suppliers based on appropriate procurement plans
9. Reflection in customer services, development, design, and manufacturing through the gathering, understanding, and analysis of after-delivery quality information
10. Quality auditing (including suppliers)
11. Effective quality-assurance educational programs and raising of quality-assurance awareness
12. Promotion of the most effective and economical quality-assurance activities through the appropriate utilization of management technology

## Prevention of Quality Defects before They Occur

The various business segments in charge of products conduct design reviews at the design stage and verify consistency with customer requirements, product specifications, and legal and regulatory requirements in order to prevent defective products.

Moreover, at the product manufacturing stage, we carry out manufacturing even while conducting mid-process inspections to verify that there is no issue with proceeding to the next process, and perform a completion inspection at the end of that stage. In doing so, we minimize defects following delivery and handover to customers to the very best of our ability.

## Implementation of Internal Quality Audits

To verify the conformity of our quality management system with standards and its effectiveness, we implement internal quality audits on our business segments with the quality assurance department of each segment serving as the secretariat. For nonconformities, items requiring improvement, problems, issues, and other elements detected in internal audits, we prepare an audit results report in writing and make a report to the company president, who serves as the top management, and to the General Manager of the Business Division. Following that, each business segment makes corrections and improvements, after which the secretariat evaluates and verifies the effectiveness of the nature of the actions taken by the segment.

## ISO 9001 Certification Status

The Kawasaki Group acquires ISO 9001 certification at the level of business segments or Group companies, with approximately 70% of domestic and overseas production sites having obtained this certification.

- Refer to [ISO Certification Status](#) for details of the statuses of certification at production sites of the Kawasaki Group.

## Promotion of TQM Activities

- Promotion of quality-assurance activities and TQM activities in business segments  
We position TQM as an approach toward supplementing and strengthening quality-assurance activities in business segments. Rather than individual activities, we tackle activities as a means of enhancing the quality and efficiency of company-wide work and services using the TQM approach.
- Implementation of company-wide seminars, etc. to disseminate TQM  
We continuously implement level-specific seminars for all employees. In addition, we deepen understanding of TQM at all levels, from new recruits to top management, by means of a level-specific educational curriculum including the use of our original teaching materials and seminars with outside speakers.
- Evaluation of TQM levels  
We implement the evaluation of TQM levels and, using common indicators, quantitatively assess the state of implementation of TQM activities in all business segments and at Head Office divisions. Through these surveys, we assess the current state of implementation of TQM activities and identify processes and activities where improvements are desirable, which leads to the sharing of our respective strengths.

## Education and Awareness Raising on Product Safety and Quality

We implement TQM education for all employees and at all levels in an effort to raise awareness of quality. In each business segment and for each product group, we conduct education for employees actually involved in manufacturing on quality and product safety depending on product properties, thereby endeavoring to improve quality and ensure product safety.

## Measures in the Event of Product Quality Defects and Incidents

We monitor the status of quality defects and incidents involving Kawasaki products, ensuring that required countermeasures are being taken and reflecting monitoring results to enhance our quality management systems. Additionally, through a contact point placed in each business segment, we ascertain feedback and consultations regarding defects, complaints, and incidents that we receive from customers who use our products, and take the necessary actions.

In the event of quality defects or incidents with a grave impact on our customers or on society, or major quality defects or incidents which significantly undermine trust in the Group, these are reported as expeditiously as possible to both the President and the supervisory departments at Head Office. Such defects and incidents are additionally reported to the Corporate Communications Group and other relevant departments, with notifications issued and information disclosed to the competent authorities.

### Response upon Implementing Recalls

The Kawasaki Group handles a highly diverse product lineup and engages in both B-to-B and B-to-C business. This includes the manufacture and sale of motorcycles and other B-to-C products by Kawasaki Motors, which complies with the laws and regulations of each country it operates in, exchanges information with the authorities in certain cases, and issues swift decisions on recalls. When conducting product recalls, in addition to promptly disclosing associated information over its website and through other means, Kawasaki Motors informs customers who purchased the product in question of inspections or repairs via the likes of direct mail.

### Number of recalls

	<b>Unit</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Number of recalls	Recalls	4	7	8	8

# Customer Relationship Management

## Management Approach

### Our Basic Stance

The Kawasaki Group offers a vast variety of products to a wide range of domestic and international customers. The Group's products range from mobility, such as ships, rolling stock, and aircraft, to energy-related products, such as gas turbines and gas engines, as well as industrial equipment, such as robots and industrial plants, and also leisure products, such as motorcycles. We are well aware that it is extremely important to reflect our customers' demands in our products and services as quickly as possible.

Each business segment handling our businesses and products is developing its own customer relationship management (CRM) structure, and they share information within business segments so as to reflect this information in product design and after-sales services, thereby building strong relationships of trust with customers.

### Structure

The Kawasaki Group handles a highly diverse product lineup and engages in both B-to-B and B-to-C business, and consequently, we conduct CRM tailored to the specific characteristics of each business. Specifically, each business segment implements online surveys, questionnaires, and interviews relating to customer satisfaction, has established contact pages on the Company website, and collects opinions from stakeholders including customers.

In addition, since fiscal 2013, the Marketing & External Affairs Division conducts annual follow-ups to the measures implemented by individual business segments for enhancing customer satisfaction to promote information sharing from a company-wide perspective, further raising awareness of CRM throughout the Group.

Through these activities, the Group as a whole strives to raise customer satisfaction and provide prompt feedback to requests.

## Initiatives to Strengthen Relationships with Customers

### Customer Satisfaction Surveys

Since the Kawasaki Group supplies a wide range of products to customers, and since customer characteristics and business practices vary widely depending on business and product, each business segment strives to understand the level of customer satisfaction using the most appropriate methods.

Business units with many regular or ongoing customers conduct customer satisfaction surveys over time to monitor changes in satisfaction and use these findings to make necessary improvements.

## Measures by Kawasaki Motors, Ltd.

The main customers of Kawasaki Motors, Ltd. ("Kawasaki Motors") are ordinary consumers, and accordingly, in addition to direct interview-style questionnaires, the Company also obtains responses from large numbers of customers around the world through online questionnaires in an effort to measure customer satisfaction with the products that they have purchased.

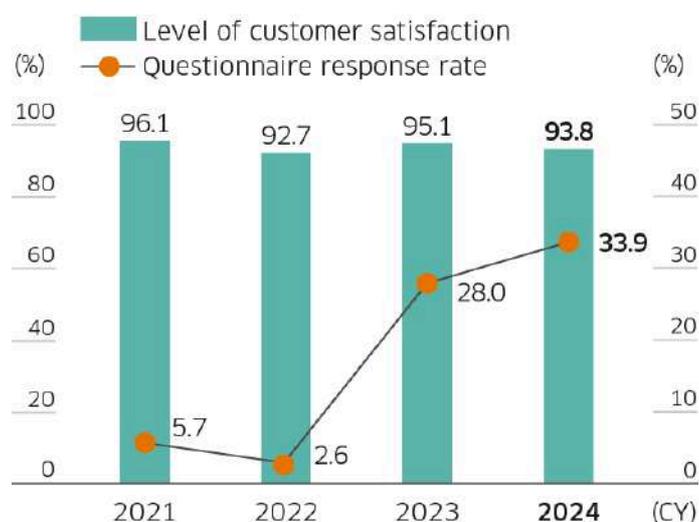
In the customer satisfaction surveys administered to customers who purchased products in Japan, the U.S., Europe, and other regions in fiscal 2024, the combined total of "excellent" and "good" responses was 90.9%. In addition, Kawasaki Motors Corporation Japan ("Kawasaki Motors Japan"), which sells motorcycles, jet skis, and other products in Japan, received "extremely satisfied" responses from 84.4% of respondents to its customer satisfaction surveys conducted in 2024. By sharing information on survey results and customer opinions with relevant departments throughout the Company, we are able to use this information to improve product specifications and develop products.

## Measures by Kawasaki Robot Service, Ltd.

After the completion of field service work, Kawasaki Robot Service, Ltd. ("Kawasaki Robot Service"), which engages in maintenance service and service support for industrial robots, conducts field service work completion questionnaires of customers to check the degree of satisfaction with the service engineering quality.

These questionnaires, which began in 2020, show that customers highly evaluate satisfaction the Company's services, with more than 90% of respondents consistently replying that the quality was "very good" or "good." In the fiscal 2024 questionnaires, the combined total of "very good" and "good" responses reached 93.8%. The questionnaires also have a free comment section, and receiving feedback in the form of customer opinions leads to improvements in services, and the Company endeavors to increase response rates by taking advantage of opportunities that make it easy for customers to respond. Going forward, we will continue to make improvements and work to receive opinions from even more customers.

## Customer Satisfaction with Service



\* Customer satisfaction is calculated as the total number of "very good" and "good" responses received on customer satisfaction surveys divided by the total number of survey responses.

\* The survey response rate is calculated as the number of customers who responded to a survey divided by the total number of repair service customers.

## Communication with Customers

Each business segment of the Group learns about and responds to customer opinions and requests.

To give one example, at Kawasaki Motors, the segment that manufactures and sells general-purpose engines for lawn mowers has continuously conducted development for many years while responding to the requests of customers, which are lawn mower manufacturers. The Company engages in prompt communication in response to inquiries from customers that use its engines, thereby maintaining and building relationships with customers. Kawasaki Motors also values opportunities to receive direct evaluations from customers regarding product development, quality assurance, and other factors and connects this to enhancement of product and service quality through analysis and examination of the details of evaluations. In addition, by directly interviewing consumers who have purchased lawn mowers equipped with the Company's engines, it seeks to further improve product and service quality while using the information obtained in new product development.

Also, Kawasaki Motors Japan operates Kawasaki Riders' Club KAZE, a social group for the benefit of motorcycle and jet ski users and also conducts regular programs to support the motorcycle and jet ski related lifestyles of customers, such as organizing new product announcements and social events and holding safe riding classes in various regions as part of its contribution to traffic accident reduction efforts. Kawasaki Motors Japan also has a customer contact point to centrally respond to comments, requests, and inquiries about products from customers in Japan, manage inquiry-related information in a uniform manner, and analyze the information to inform product development. Similar systems are operated overseas as well. In the event of a recall of vehicles or other products, the relevant information is quickly posted on the Company's website.

## Customer Support

Customer support for products delivered to customers is provided by a variety of methods through the use of online tools in each business segment.

Measures by Kawasaki Robot Service, Ltd.

### **Establishment of 24-hour Help Desk**

To provide even better service to customers, Kawasaki Robot Service has established a 24-Hour Help Desk, which accepts inquiries and consultations about problems at nighttime on weekdays and on non-business days. At the help desk, specialized service engineers directly listen to inquiries from customers, provide information and technical guidance, and support stable operation of customer equipment.

## Support for the Building of Strong Relations with Customers in the Introduction of K-COMMIT®

By providing K-COMMIT® Kawasaki Robot ANSHIN Lifecycle Support, a total service package, Kawasaki Robot Service is building strong relationships with customers that use Kawasaki robots. Through TREND Manager®, it continuously monitors the condition of robotic equipment via the Internet and conducts predictive maintenance.

The Company obtains real-time information about the operation of robots, inputs it into a database, and analyzes the trend management data, thereby accurately predicting any malfunctions. In the event of a robot error, it provides various services, including speedy support through automatic email transmission. The Company optimizes the lifecycle cost of robotic equipment and delivers ANSHIN (peace of mind) to the customer. Furthermore, Kawasaki Robot Service, Ltd. quantifies all inspection results selected on the basis of its abundant inspections and maintenance-record database and conducts TREND management quantitative inspections to accurately diagnose the state of robots. Kawasaki Robot Service, Ltd. continuously improves K-COMMIT® with the objective of achieving zero downtime.



Remote operation of a customer's robot via an online connection

Measures by Energy Solution & Marine Engineering Company

### Techno-Net, a Gas Turbine Remote Monitoring System

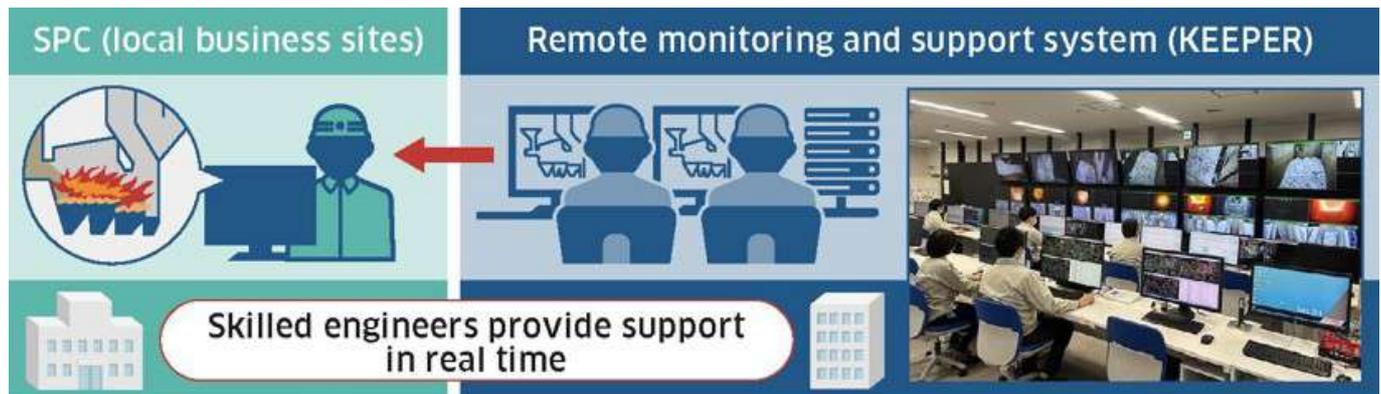
Techno-Net is a system that performs 24-hour remote monitoring of gas turbine co-generation systems and gas engine generator equipment delivered to customers through Kawasaki Machine Systems, Ltd.

If a problem occurs, a rapid response is made to identify the cause and quickly restore the equipment, contributing to improved customer equipment availability.

- For information on Techno-Net, please refer to [Techno-Net](#) website.

## KEEPER, a Remote Monitoring and Support System for Waste to Energy Plant

Kawasaki Heavy Industries, Ltd. created a system that enables monitoring of the operational status of waste to energy plants through communications between the central control rooms of each facility and a dedicated room established at the Kobe Works. As of April 2025, this system has been installed at 12 facilities. By grasping the operational status of each facility in real time 24 hours a day, we are able to quickly infer and identify the cause of a problem, and operation from the environmental remote monitoring room is also possible. As a result, effective and appropriate operational management can be performed, contributing to improved satisfaction by local government customers that manage waste to energy plants.



KEEPER conceptual diagram

## Online Strategy

Each business segment offers online services to enable customers to use products more easily.

### Tools for Communicating with Customers

Kawasaki Motors is working to increase customer satisfaction using services provided through RIDEOLOGY THE APP MOTORCYCLE, an official smartphone application that links to supported motorcycle models. By using a smartphone app, customers can perform vehicle status checks, review riding logs including mileage and routes, change various vehicle settings, and perform other tasks.

Also, RIDEOLOGY THE APP POWERSPORTS was released in 2024, expanding the service to jet skis and off-road ATVs.

### Use of E-Commerce

Kawasaki Motors Japan operates the Kawasaki Online Shop, the official online store that sells motorcycle spare parts, riding gear, and other products. In fiscal 2024, 21.3% of customers used the online store, and online store sales accounted for 16.8% of total motorcycle parts sales. Based on user survey results from online store customers, we are working to increase the number of users by reflecting customer requests, such as improving the convenience of use.

# Responsible Corporate Promotion

The Kawasaki Group seeks to accurately communicate the content of our business activities, which are based on our corporate philosophy, to stakeholders. To this end, we carefully check information prior to disclosure from various stakeholder perspectives, including checks for factualness and potential legal issues. Furthermore, we endeavor to avoid using specialized terminology or expressions likely to be misunderstood. We utilize such media as press releases, Group websites, social media, and advertisements, selecting the form to use with due regard to how it impacts society. We engage in corporate promotion with a constant awareness of not only increasing the public awareness of the Group but also the need to communicate the Group's contributions to solving social issues through our businesses and products.

## Advertisement Violations and Actions Taken

There were no violations of laws pertaining to advertising in fiscal 2024.

# Business and Human Rights

## Management Approach

### Our Basic Stance

As value chains expand on a global scale, ensuring respect for the human rights of employees, suppliers, and all the other people involved in our businesses has become a more important focus that, in turn, increases the necessity of understanding and dealing with the human rights risks in Group-wide business activities.

Based on this understanding, the Group also supports and respects international rules and norms regarding human rights and labor, including the International Bill of Human Rights, International Labour Organization's Core Labor Standards, the Children's Rights and Business Principles, and the United Nations Guiding Principles on Business and Human Rights, enshrined respect for human rights in business activities in the Kawasaki Group Code of Conduct, and adopted the Kawasaki Group Policy on Human Rights. The Group is a signatory to the United Nations Global Compact and supports the Ten Principles in the four areas of human rights, labor, environment, and anti-corruption. Additionally, our Group promotes initiatives to ensure respect for human rights in its business activities by conducting human rights due diligence.

- [Participation in External Initiatives](#)

## Human Rights Policy

Our Group adopted the Kawasaki Group Policy on Human Rights in 2019 to complement the Kawasaki Group Code of Conduct. We revised the policy in August 2023 in response to growing societal demands for corporate human rights initiatives. Based on a recognition that it is essential for the realization of our Group Mission that the human rights of all stakeholders be fully respected and that the Kawasaki Group's employees uphold high ethical standards, the policy stipulates that the Group will actively engage in such key issues of human rights as prohibition of forced labor and child labor, prohibition of discrimination and harassment, diversity and inclusion, approving freedom of association and the right to collective bargaining, and ensuring a safe and healthy working environment.

Furthermore, we extended the Kawasaki Group Sustainable Procurement Guidelines to domestic and overseas Group companies and call upon suppliers to cooperate with us in relation to respect for human rights.

### Scope of Policy Application

The Kawasaki Group and its business partners including suppliers, contractors, and agents

- [The Kawasaki Group Code of Conduct](#)
- [The Kawasaki Group Policy on Human Rights](#) 
- [Kawasaki Group Sustainable Procurement Guidelines](#) 

## Structure

The Kawasaki Group Policy on Human Rights states that the responsible officer and department for human rights-related management and issues are the director in charge of sustainability and the Sustainability Department, respectively. Based on our sustainability promotion system, the Sustainability Committee chaired by the Kawasaki president and attended by all directors is responsible for deliberating on human rights-related efforts under the board of directors' oversight. In day-to-day operations, the Sustainability Department bears responsibility and monitors human rights risks in business activities and develops preventive and corrective measures to address human rights abuses in cooperation with human resources, compliance, procurement, and other divisions of the Head office, internal companies, and subsidiaries.

- Sustainability Promotion System

### Responsible Officer

Katsuya Yamamoto, Representative Director, Senior Corporate Executive Officer (in charge of sustainability)

### Responsible Executive Organ and/or Committee

Sustainability Committee

## Initiatives to Prevent Human Rights Abuses

### Prohibition of Forced Labor and Child Labor

The Kawasaki Group Policy on Human Rights stipulates that we will not tolerate any forced labor or child labor, which are global human rights and labor issues.

As a specific initiative, we start the selection process based on applications from candidates during recruitment, explain employment conditions in a language that workers can understand, and commence employment only if agreement is reached. We also prohibit the employment of workers below the legal minimum working age in each country and region where we conduct business and verify age at the time of hiring using documentation that confirms age. In addition, except when legally required, we promote efforts to avoid having employers retain original copies of worker identification documents, such as driver's licenses and passports, during their term of employment. Regarding work duties, we prohibit workers under the age of 18 years from performing overtime work, nightwork, dangerous or hazardous tasks, and work handling heavy objects. We also guarantee workers the right to terminate the employment relationship at will.

## Prohibition of Discrimination and Harassment

The Kawasaki Group Policy on Human Rights prohibits discrimination on the basis of race, skin color, gender, age, nationality, social origin, ancestry, sexual orientation, gender identity, marital status, religion, political belief, disability, health condition, or any other legally protected characteristics.

As specific initiatives, Kawasaki established the Harassment Prevention Regulations, which prohibit conduct that undermines individual dignity including sexual harassment and power harassment, and provides proper guidance and raises awareness to create comfortable, harassment-free working environments. In fiscal 2024, we conducted harassment training as a part of compliance training for line managers at organizations that are part of the domestic Kawasaki Group from the perspective that harassment is also a type of compliance violation, with a total of 1,639 persons participating. In the training, we provided explanations of the specifics of harassment that occurred in the past and the resulting disciplinary actions with the aim of preventing harassment by helping participants visualize concrete scenarios.

Additionally, we use the Compliance Reporting and Consultation System, a whistleblowing system, as a consultation desk for employees who have experienced or witnessed harassment. Since fiscal 2014, we have maintained consultation points, operated by the Human Resources Division, that employees, including temporary staff, can use. As necessary, we hold meetings with employees seeking advice or help through either system and respond fairly to incidents while remaining committed to respecting their privacy. Since fiscal 2019, we have also begun operation of an external consultation point that employees of Kawasaki can access for consultation regarding issues related to harassment and mental health. If conduct constituting harassment is determined to have occurred, the offending employee is subject to disciplinary measures pursuant to the rules of employment, taking into consideration the degree of severity and other factors.

- [Number of Employees Who Underwent Training on Harassment \(ESG Data\)](#)

## Diversity and Inclusion

The Kawasaki Group Policy on Human Rights clearly states that we will promote the creation of a workplace culture that respects individual diversity so that human resources with diverse abilities, values, and ideas can demonstrate their full capabilities, regardless of gender, age, nationality, or disability. We provide equal and fair employment opportunities, treatment, education, evaluations, promotions, and other conditions of employment to employees in accordance with the law, regardless of employment status, gender, or other such factors. We are also advancing initiatives for future improvement, such as identifying and analyzing gender pay gaps.

- For information on initiatives for ensuring diversity, please refer to "[Diversity, Equity, and Inclusion](#)."
- [Gender Pay Gap \(ESG Data\)](#)

## Approving freedom of association and the right to collective bargaining

The Kawasaki Group Policy on Human Rights states that the Group shall respect employees' freedom of association and right to collective bargaining. We recognize the right to engage in appropriate union activities including labor union formation and participation as well as collective bargaining, and we prohibit adverse treatment of employees on the grounds of engaging in legitimate union activities.

Kawasaki employs a union shop system, meaning that all general employees are members of the labor union. While the right to collective bargaining is recognized in our labor agreement, we have seen no collective dispute actions over the past 40 years. This is because both parties strive, in principle, to reach amicable resolutions by holding labor-management meetings (on an as-needed basis) in good faith before collective bargaining begins, with respect to such matters as corporate cost-cutting actions and significant changes in labor conditions is to take place.

### Labor-Management Discussions

We have concluded a labor agreement with the labor union and actively exchange views with the union via a range of regular meetings. These include meetings of the Corporate Management Council (at least twice a year Company-wide, and at least twice a year at internal companies) to explain our corporate management policies and state of management; the Labor-Management Council (convened regularly as needed) to discuss working conditions, benefits, and other topics; the Safety and Health Council (at least once a year) to explain basic policies on safety and health; the Regional Safety and Health Committee (at least once a month) to deliberate on measures for preventing hazards and health impediments to employees; and the Company-wide Environmental Management Committee (once a year) to explain Company measures related to environmental management.

- [Labor Union Data \(ESG Data\)](#).

## Ensuring a Safe and Healthy Working Environment

The Kawasaki Group Policy on Human Rights clearly states that we will conduct appropriate working time management and guarantee the right to time off to ensure that employees can work in good physical and mental health. We implement measures to prevent work-related accidents, reduce the need for sick leave, and encourage employees to improve lifestyle habits in order to maintain safety, sanitation, and health in an effort to ensure that all employees can work with peace of mind. We prioritize the prevention of workplace accidents that result in absence from work and strive to improve safety management activities intended to reduce the lost time injury frequency rate. We also properly manage working hours and guarantee employee rights through measures such as granting annual paid leave and paying overtime wages to employees who work overtime.

- For information on safety and health initiatives, please refer to "[Occupational Safety, Hygiene, and Health](#)."

## Company Manufacturing Sites Undergo RBA VAP Audits

Kawasaki Heavy Industries' Robot Business Division has achieved the highest evaluation of "Platinum Status" in the Validated Assessment Program (VAP), a third-party audit that evaluates compliance with the RBA\* Code of Conduct.

For VAP audits, an RBA-certified third-party organization evaluates compliance with the standards through criteria and management systems related to ensuring safe workplaces, respectful and dignified treatment of workers, responsible environmental management, and ethical business practices as provided in the RBA Code of Conduct, and a status is issued based on the evaluation score.

In the fiscal 2024 audit, our Robot Business Division at the Akashi Works and Nishi-Kobe Works was recognized for its proper management and operation in the fields of labor, health, safety, environment, ethics, and management systems. We achieved a perfect score of 200 points, earning the highest evaluation of Platinum Status.

\* Responsible Business Alliance: An international initiative to promote corporate social responsibility in global supply chains.

- [Achieved the highest evaluation of "Platinum Status" in the VAP audit based on the RBA Code of Conduct \(Kawasaki Robot Business Division News; November 29, 2024\).](#) 

## Initiatives to Prevent Human Rights Abuses in Defense-related Businesses

Aware of the CSR obligations attendant to involvement in national security-related businesses, our Company formulated corporate ethics-based in-house rules regarding the provision of products and services. In addition to ensuring compliance with laws and regulations associated with security trade and export control, these corporate ethics-based rules are designed to help employees judge the propriety of how purchasers put our products and technologies to actual use and thereby prevent such products and technologies from being used in unintended manners.

Furthermore, the Kawasaki Group Code of Conduct states that "We do not provide products and technologies for unethical purposes of use" and requires that Group members be aware of the ethical responsibilities associated with the provision of Group products and technologies.

## Employee Education about Business and Human Rights

Our Company has conducted e-learning for employees about business and human rights since fiscal 2020. This training includes an overview of international norms and global trends relating to human rights and labor and explanations of corporate responsibility and the Group's human rights policies and initiatives. In fiscal 2024, the training was conducted for domestic employees, and 11,627 employees participated.

- [Number of Employees Who Underwent Training on Business and Human Rights Training \(ESG Data\).](#)

# AI Ethics

## Policy on AI Ethics

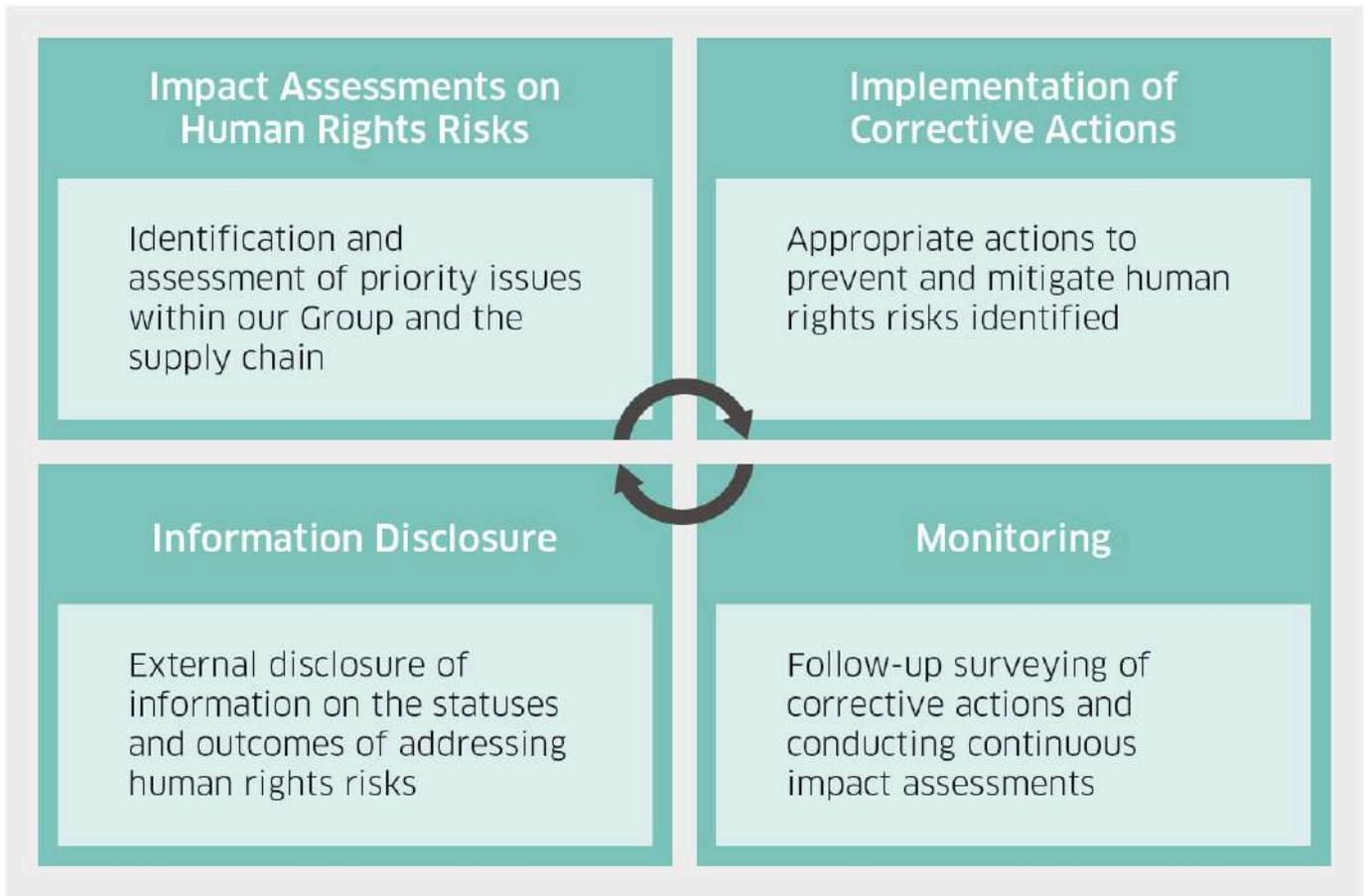
The Kawasaki Group aims to realize a sustainable society in harmony with the global environment by leveraging our advanced comprehensive technological capabilities cultivated in a wide range of fields covering land, sea, and air. And in order to meet the diverse needs of customers around the world, we will create new value with both originality and innovation and contribute to the formation of a rich and beautiful society of the future. To this end, we will promote the use of AI, a powerful tool, to make it more supportive and fulfilling for employees to work, and to build a society where humans and AI coexist. And, recognizing the significant impact of AI on society, we will strive to realize a safe and secure society in which human dignity is protected. To promote these activities, the Kawasaki Group AI Ethics Policy was adopted in July 2025 following approval by the Board of Directors. This policy organizes the matters that the Group must comply with as we expand the development and use of AI-related technologies in the future.

- [Establishment of "The Kawasaki Group AI Ethics Policy"](#)
- [The Kawasaki Group AI Ethics Policy](#) 

## Human Rights Due Diligence

The Kawasaki Group established a human rights due diligence process based on the Kawasaki Group Policy on Human Rights with the objective of identifying, preventing, and mitigating adverse impact on human rights resulting from our corporate activities, and we are working to embed use and enhance the effectiveness of the PDCA cycle. Specifically, we assess the impact of identified human rights risks based on the Group's business activities and endeavor to take appropriate action to prevent and mitigate human rights risks based on the results. We also conduct ongoing monitoring including follow-up surveys relating to the status of implementation of corrective actions and ongoing impact assessments on human rights risks.

## Human Rights Due Diligence Process



### Human Rights Risk Assessments and Impact Assessments

In fiscal 2018, our Group implemented human rights risk assessments and impact assessments of its main businesses in cooperation with the U.S.-based nonprofit Business for Social Responsibility (BSR).

In implementing these risk assessments and impact assessments, Kawasaki referenced international rules and principles regarding human rights, namely, the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the International Bill of Human Rights, and the United Nations Guiding Principles on Business and Human Rights.

Scope of Human Rights Risk Assessments and Impact Assessments  
(businesses, value chains, countries and regions, stakeholder groups)

Businesses covered:

Our Group's main business

Countries and regions covered:

The countries and regions in which our Group does business (Japan, China, the United States, the United Kingdom, Brazil, Thailand, the Philippines, Singapore, Malaysia, Indonesia, Australia, Germany, the Netherlands, Russia)

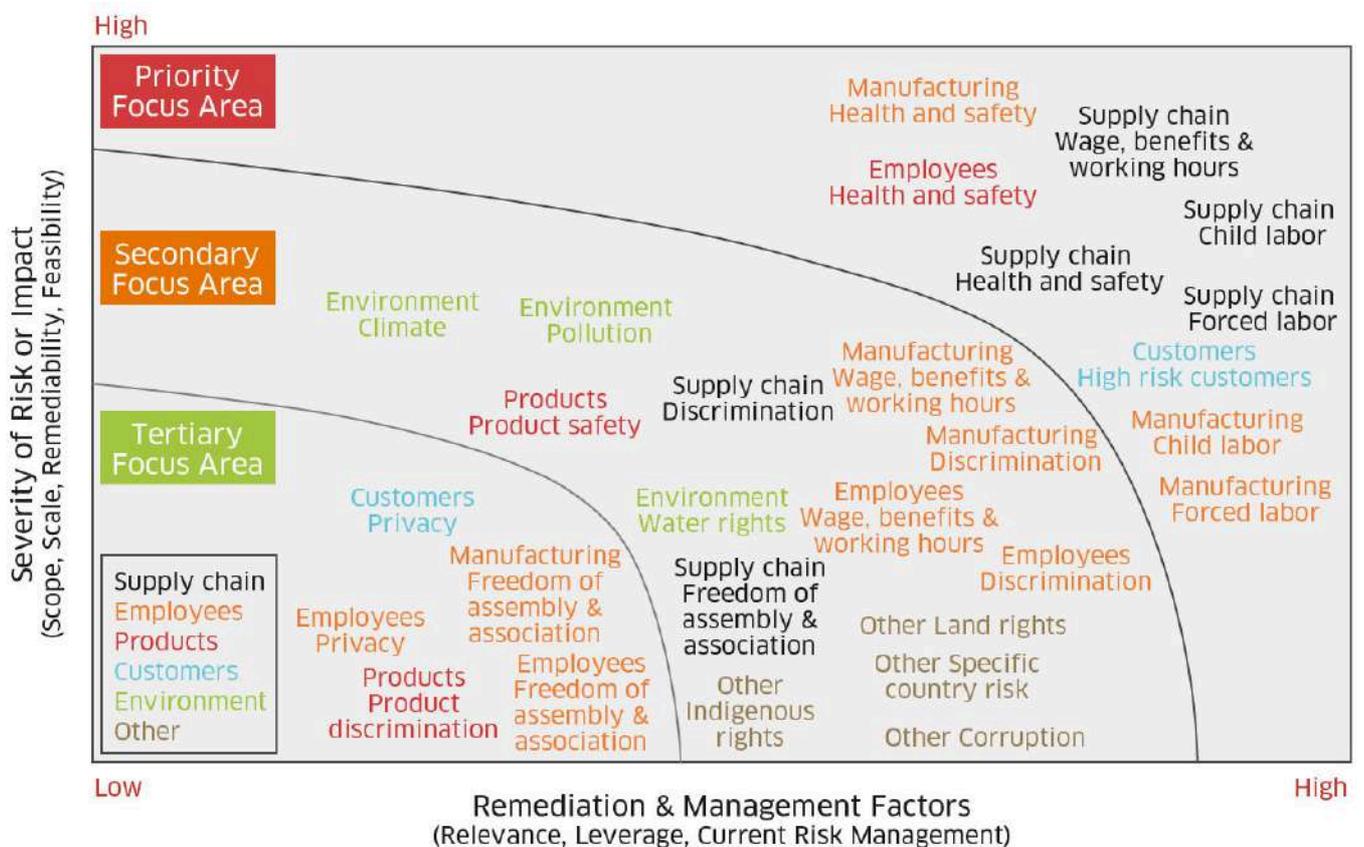
Stakeholders covered:

Customers, employees, employees in the supply chain, local residents, etc.

## Assessment Results (priority human rights risks)

As a result of the risk assessments and impact assessments, we found that the following nine areas in particular present significant human rights risks. Based on these results, we formulate risk mitigation measures for priority issues within the Group and its supply chains and strive to make improvements.

- Safety and health of employees
- Safety and health at manufacturing sites
- Child labor at manufacturing sites
- Forced labor at manufacturing sites
- Safety and health in supply chains
- Wages, benefits, and work hours in supply chains
- Child labor in supply chains
- Forced labor in supply chains
- High-risk customers



## Assessment of Group Companies

From fiscal 2014 to fiscal 2023, we used the Confirmation and Declaration of the Abolition of Forced Labor and Child Labor, which was prepared based on the business guidelines relating to the labor principles of the United Nations Global Compact to confirm that no child labor or forced labor was taking place anywhere throughout the Group. In addition, the president of each Group company signed the confirmation and declared that no child labor or forced labor will be permitted in the future.

Starting in fiscal 2022, we conduct surveys of Group companies using a risk-based approach, utilizing a self-assessment questionnaire (SAQ) prepared by Kawasaki to address the five sections stipulated in the RBA Code of Conduct (labor, health and safety, environment, ethics, and management systems). In fiscal 2022, we conducted surveys using SAQs and held online meetings with six overseas Group companies located in countries where human rights risks are considered to be high. In fiscal 2023, we conducted surveys using SAQs of four overseas Group companies that perform production in other countries, and in fiscal 2024, we surveyed 45 domestic Group companies using revised SAQs.

Going forward, we plan to continue periodic monitoring of domestic and overseas Group companies using SAQs.

- [Confirmation and Declaration of the Abolition of Forced Labor and Child Labor](#) 

### Corrective Measures Based on Survey Results

The results of the surveys of overseas Group companies conducted in fiscal 2022 and fiscal 2023 did not identify any issues that constituted violations of laws or regulations relating to labor, health and safety, the environment, or ethics requiring emergency responses or violations of human rights constituting forced labor or child labor. In the areas of the environment, ethics, and management systems, however, we requested a total of five companies to individually make improvements concerning the implementation status of training, management systems, and other issues. We later conducted follow-up surveys, confirming that corrective measures have been taken at four of the five companies as of the end of fiscal 2024.

The results of the surveys of domestic Group companies conducted in fiscal 2024 similarly did not identify any issues requiring emergency responses or human rights violations, but requests were made to a total of five companies concerning safety and health emergency preparedness and management system communications.

Going forward, we will continue to follow-up on the status of measures by the companies that were requested to make improvements.

- For information on the measures in supply chains, please refer to "[The Kawasaki Group's Supply-Chain Management](#)."

## Implementation Status of Human Right Risk Assessments (Our Group)

(FY)

	Unit	2020	2021	2022	2023	2024
<b>Number of companies subject to the Confirmation and Declaration of the Abolition of Forced or Compulsory Labour (a)<sup>*1</sup></b>	Companies	14	43	24	23	-
<b>Number of companies subject to survey using SAQs (b)</b>	Companies	-	-	6	4	45
<b>Number of companies subject to requests for improvement<sup>*2</sup></b>	Companies	-	-	-	5	5
<b>Number of companies surveyed in the past three years (c)<sup>*3</sup></b>	%	-	-	85.3	97.1	96.2

\*1 Implemented through fiscal 2023

\*2 Group companies surveyed using SAQs

\*3 (c) = Total number of companies (a) + (b) in the past three years/number of Group companies in the most recent fiscal year × 100

## Assessment of the Human Rights Impacts Connected to Workers at Overseas Group Sites

Based on the results of monitoring based on SAQ focused on overseas Group companies, we conducted direct interviews with managers and workers at Kawasaki Motors Enterprise (Thailand) Co., Ltd. (KMT) and PT. Kawasaki Motor Indonesia (KMI), in May 2024 and January 2025, respectively, with the goal of assessing whether there were any actual or potential human rights risks and the degree of their impact.

For the worker interviews, 50 individuals were selected in an all-encompassing way based on gender, department, and employment status (full-time worker, temporary worker, and trainee). As to implementation, grounded in the Dhaka Principles (principles for the responsible recruitment and employment of migrant workers) and based on a questionnaire covering human rights issues that workers face, the third-party non-profit organization Caux Round Table Japan (CRT Japan) conducted an interview-based survey prioritizing items with particular relevance to the attributes of the workers and the environments in which they were placed.



## Corrective Measures Based on Impact Assessment Results

The results of the interviews conducted at KMT and KMI were generally good, and no human rights violations, such as forced labor or workplace discrimination, were identified.

Both companies will make use of the opinions of workers who requested improvements during interviews and will continue working on the establishment of employment and working environments where worker rights are more respected as well as reinforcement of feedback to workers to build even stronger relationships based on trust.

## Corrective and Remedial Measures (Grievance Mechanisms)

### Reporting and Consultation Points for Employees

Under Kawasaki's labor agreement, if a problem arises that cannot be resolved within the workplace, Kawasaki sets up a grievance committee, with participation from the Officer responsible for personnel and the president of the labor union, to quickly, fairly, and peacefully resolve the problem. The grievance committee handles a wide variety of issues, including the health management and safety of union members, incidents of abuse of authority or sexual harassment, and matters related to personnel transfers. Kawasaki promises that no employee will suffer disadvantageous treatment for voicing a grievance.

Consultation system	Contents of report or consultation	Contact method	Contact point/ Operating division	Scope
Internal consultation point system	Workplace harassment, such as sexual harassment, abuse of authority, and maternity-related harassment	Email	Head Office Human Resources Division / Head Office Human Resources Division	Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors
External consultation point system	Harassment and mental health	Webpage, phone	External institution / Head Office Human Resources Division	Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors
Compliance Reporting and Consultation System	Please refer to <a href="#">Whistle-Blowing System and Consultation Points</a> .		Outside lawyer / Compliance Department	Kawasaki Group (domestic and some overseas locations)

- [Number of Whistle-Blowing Reports and Breakdown of Reports \(ESG Data\)](#)
- [Number of Consultations Made to Other Reporting Systems \(ESG Data\)](#)

## External Reporting and Consultation Points (for Suppliers, Local communities, etc.)

The Kawasaki Group has established a dedicated service desk for all officers and employees of our suppliers and those in our supply chain for products and services in Japan. The supplier hotline also fields grievances related to human rights. In addition, our website includes contact forms from which general inquiries can also be fielded. In accordance with policies on handling of personal information, we respond to each inquiry received by providing information to the relevant departments and taking appropriate action to ensure that the whistleblower and the company with which the whistleblower is affiliated are not treated disadvantageously. Anonymous reports and inquiries are also accepted.

## Japan Center for Engagement and Remedy on Business and Human Rights (JaCER)

Since fiscal 2024, our Group has joined as a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides an external engagement and remedy platform. Besides our existing internal and external consultation point systems, our group will receive complaints and grievances related to human rights from a wide range of stakeholders including overseas suppliers through JaCER's platform and endeavors to improve access to remedies and redress grievances by leveraging the expertise of third parties.

- [JaCER Grievance Form](#) 

## Number of Reports from Outside Stakeholders (Kawasaki Group)

(FY)

	Unit	2021	2022	2023 <sup>*1</sup>	2024 <sup>*2</sup>
<b>Number of reports</b>	Reports	-	-	7	19

\*1 Number of reports to the supplier hotline

\*2 Total number of reports to the supplier hotline and JaCER

# Engagement with Stakeholders

The Kawasaki Group Policy on Human Rights, established in fiscal 2019, states that the Group will fulfill its responsibilities related to respecting the human rights of the stakeholders impacted by the Group's business activities.

## In Response to the NGO SOMO's Report

In 2017, the Netherlands-based NGO SOMO published a report titled *The Myanmar Dilemma*, discussing human rights abuses in garment factories in Myanmar, including a factory reported to be a supplier to Kawasaki. In light of this report, we conducted an internal investigation and determined that a primary contractor commissioned by Kawasaki subsidiary Kawasaki Motors Corporation Japan to manufacture apparel products subcontracted the production of some of these products to the factory discussed in SOMO's report. The manufacture of these products at said factory was temporary, and the products were not being produced there at the time of the internal investigation. The responsible department provided explanations of potential human rights risks in the supply chain to related divisions and requested that they take steps to ensure awareness of and compliance with the Kawasaki Group Sustainable Procurement Guidelines. We internally share the observations and opinions of NGOs and other stakeholders and strive to respond appropriately when there is an issue.

- [The Myanmar Dilemma, published by SOMO](#) 

## Addressing Modern Slavery Act

### Response to the UK Modern Slavery Act and Australian Modern Slavery Act

Our UK-based subsidiary Kawasaki Precision Machinery (UK) Ltd. and the UK Branch Office of Kawasaki Motors Europe N.V. issue statements in accordance with the United Kingdom's Modern Slavery Act. Kawasaki Motors Pty. Ltd., a subsidiary located in Australia, has issued a formal statement responding to Australia's Modern Slavery Act.

- [Kawasaki Precision Machinery \(UK\) Ltd. "Slavery and Human Trafficking Statement 2022/2023"](#) 
- [Kawasaki Motors Europe N.V. \(UK Branch\) "Modern Slavery Act Statement"](#) 
- [Kawasaki Motors Pty. Ltd. "Kawasaki Motors Pty Ltd Modern Slavery Statement"](#) 

## Topic

### Consideration Given to Employees at KMI (Indonesia)

PT. Kawasaki Motor Indonesia (KMI) is a local manufacturing and marketing base for Kawasaki-brand motorcycles in Indonesia.

About 90% of the population of Indonesia is Muslim, and many of KMI's employees are followers of Islam. To accommodate these employees, they are extended religious considerations.

For example, the company created an on-site mosque or mushola for prayer. Female employees may wear a hijab during working hours and, in the cafeteria, no dishes made with pork are served, since Islamic dietary laws prohibit consumption of pork.

During the holy month of Ramadan, when Muslims fast from sunrise and sunset, working hours for the Marketing & Sales Department are moved up by 30 minutes from the usual 8:00 am – 5:00 pm to 7:30 am – 4:30 pm to accommodate the desire of many Muslims to have their evening meal with family at home during Ramadan. Also, after the post-Ramadan celebration of Lebaran (a celebration to mark the end of fasting) they hold a Halal Bi Halal event for Muslims.

However, Islam is not the state religion of Indonesia and the constitution guarantees religious freedom. Holidays of other religions, such as Christianity, Hinduism, and Buddhism are also observed as national holidays, and KMI holds ceremonies on Christmas, the Day of Silence, and Buddha's Birthday in consideration of employees who practice minority religions.

In this way, KMI conducts business in a way that respects the human rights of its employees while accommodating local religions, cultures, and customs.



On site prayer room (mosque)



Halal Bi Halal



Female employees wearing hijabs

# Working with Suppliers

## Management Approach

### Our Basic Stance

In the Kawasaki Group's business activities, it is essential that our procurement activities are conducted in line with our stance toward the concept of sustainability, which includes consideration for compliance, human rights, labor, occupational safety and health, and the global environment. To this end, we must work together with not only the entire Group but also our suppliers, which are important partners in our business activities, to actively promote sustainability initiatives throughout the entire supply chain. We will respond to the demands of our customers and society by identifying risks related to sustainability throughout the supply chain, and by promoting sustainability activities together with our suppliers.

### The Kawasaki Group Policies for Material Procurement and Sustainable Procurement Guidelines

The Kawasaki Group set forth the Kawasaki Group Policies for Material Procurement, which contains the Group's sustainable-procurement philosophy, and its expectations for its suppliers in that regard, as well as the Kawasaki Group Sustainable Procurement Guidelines, which further fleshes out the content of the aforementioned policy by stipulating by-laws on its expectations for its suppliers. In fiscal 2022, based on growing social demands for sustainability initiatives in the supply chain, the name of these guidelines was changed from its initial name of the Kawasaki Group CSR Procurement Guidelines, and the contents were revised. When revising the guidelines, the RBA\* Code of Conduct was referred to, every aspect, including consideration for compliance, human rights, labor, occupational safety and health, and the global environment, was covered, and the Kawasaki Group Code of Conduct was incorporated to clarify the Group's policy to enhance the sustainability of its entire supply chain.

\* Responsible Business Alliance (RBA): International initiative promoting corporate social responsibilities across the global supply chain.

### Scope of Policy Application

#### The Kawasaki Group and our suppliers

- [Kawasaki Group Policies for Material Procurement](#) 
- [Kawasaki Group Sustainable Procurement Guidelines](#) 
- [The Kawasaki Group Code of Conduct](#)

## Structure

Procurement activities in our daily operations are carried out under the responsibility and authority of each business segment. As a cross-company body, we hold the Procurement Department Head Meeting, attended also by the director in charge of procurement, twice a year. At this meeting, in addition to deciding on common Group-wide procurement measures and policies, including those related to sustainable procurement, participants monitor the procurement-related KPIs set by each business segment and share their annual plans.

Director in charge of procurement: Hiroshi Nakatani, Representative Director, Senior Corporate Executive Officer

## The Kawasaki Group's Supply-Chain Management

The Kawasaki Group Policies for Material Procurement and Sustainable Procurement Guidelines can be viewed on our website. These policies and guidelines have been disseminated among related divisions, including Group companies. We furthermore assess the compliance of our suppliers with both policies through the sustainable procurement survey, and continuously confirm the status of sustainability initiatives in the supply chain, thereby endeavoring to avoid conflicts with the demands of our customers and society regarding sustainability.

The basic agreement that Kawasaki forms with suppliers includes provisions specifying that both parties should recognize the importance of corporate social responsibility and will voluntarily and proactively engage in business and social contribution activities which contribute to the sustainable development of the environment and society. In this basic agreement, Kawasaki demands that its suppliers comply with the Kawasaki Group Sustainable Procurement Guidelines. Kawasaki also directly distributes a copy of the guidelines to its suppliers.

Furthermore, domestic and overseas subsidiaries engaged in material procurement disclose their Sustainable procurement policies and guidelines on their websites as suited to their specific businesses. Through such efforts, we pursue sustainable procurement on a global and our Group-wide basis. Going forward, the Kawasaki Group will continue to promote sustainability initiatives throughout the supply chain in cooperation with suppliers.

## Supply Chain Conditions

The Kawasaki Group does business on a global scale with a diverse range of suppliers at around 5,400 companies. We analyze the procurement costs for each item procured at each business segment. Together with these suppliers, we are promoting sustainability initiatives throughout our entire supply chain.

## Percentage of Orders by Items Procured (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)

(FY)

	Unit	2020	2021	2022	2023	2024
Raw materials	%	11.1	13.9	15.0	15.2	14.0
Component parts	%	19.3	21.2	20.7	26.8	23.7
Machinery and tools	%	20.7	20.6	19.8	20.7	24.6
Subcontracted processing	%	48.5	43.6	44.1	37.0	37.6
Other	%	0.4	0.6	0.4	0.3	0.2
Total	%	100	100	100	100	100

## Stipulating Significant Suppliers

Respective business segments select significant suppliers taking into consideration the following assessment criteria, such as specific risks and ESG aspects related to individual products.

- Scale of procurement  
Transaction amounts above a given threshold
- Sector- and product-specific risks  
The importance of the parts and equipment in key products and the existence or otherwise of alternative suppliers
- Status/level of sustainability initiatives  
The results of a survey on the status of sustainability initiatives in line with the Kawasaki Group Sustainable Procurement Guidelines, which stipulate requirements related to ESG and other issues

## Number and Ratio of Significant Suppliers (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)

Types of suppliers	Numbers of suppliers	Share of total procurement expenditures
Total of Tier 1 suppliers	5,383 companies	100%
Significant suppliers, included in Tier 1 suppliers	621 companies	69%

\* As of March 2025

## Supply-Chain Risk Assessment

Since fiscal 2016 Kawasaki has conducted surveys of domestic and overseas suppliers to assess their compliance with the Kawasaki Group Sustainable Procurement Guidelines and evaluate our supply-chain risks. From the fiscal 2023 survey we are implementing this following a revision of its content based on the fiscal 2022 revision of these guidelines.

This survey is comprised of a total of 74 questions, comprehensively covering each item of the RBA Code of Conduct in a format designed to inquire into suppliers' initiatives in each of nine major categories. These categories include corporate governance regarding sustainability, compliance, consideration for human rights, labor, and occupational safety and health, consideration for the global environment, and harmonious co-existence with society.

In fiscal 2024, continuing from the previous fiscal year, we again identified compliance and human rights as priority management categories and performed assessments on the promotion status regarding these categories based on the results of the survey. We then formulated corrective action plans mutually agreed between the two companies for some suppliers that had failed to achieve Kawasaki's required levels, subsequently supporting the implementation of these plans and conducting on-site assessments aimed at confirming the status of sustainability-related initiatives where needed.

Going forward, we will continue to optimize the content of survey questions to reflect societal demands and provide support for corrective action plans to further enhance sustainability initiatives throughout the entire supply chain.

- Implementation Status of Sustainable Procurement Survey

### Evaluation Results from Sustainable Procurement Survey

In fiscal 2024, continuing from the previous fiscal year, we again implemented a survey of major suppliers in Japan and received replies from 200 significant suppliers. All six companies that formulated corrective action plans in fiscal 2023 and five of the eight companies that formulated plans in fiscal 2024 have completed implementation of their plans as of the end of July 2025.

	Unit	FY2023	FY2024
Suppliers that responded to the survey	Number of companies	533	200
Significant suppliers included in the survey	Number of companies	531	200
Suppliers we have conducted on-site assessments	Number of companies	1	2
Suppliers that have formulated corrective action plan	Number of companies	6	8
Suppliers we are supporting in the implementation of corrective action plan	Number of companies	6	8

## Capacity Building for Suppliers

The Kawasaki Group procures materials across a wide range of fields organized into four groupings: Land & Air Transportation Systems, Motion Control, Motor Vehicles, and Energy & Marine Engineering. Depending on the needs of each business, for our suppliers we offer training sessions and awards programs aimed at improving performance with respect to quality, delivery, and sustainability.

In addition, we directly explain Kawasaki's approaches to sustainability through briefing sessions and documentation while informing suppliers of the important issues in supply chain management, such as human rights and the environment and requesting that suppliers enhance their sustainability initiatives.

### Initiatives toward Realization of a Carbon-neutral Society

The Kawasaki Group is actively undertaking initiatives to reduce CO<sub>2</sub> emissions with the objective of achieving net zero throughout the entire value chain by 2050, in line with our "CO<sub>2</sub> Free" policy as laid out in the Kawasaki Global Environmental Vision 2050. We hold seminars for our suppliers to report on the status of Kawasaki Group initiatives and facilitate understanding of this policy. Additionally, as stipulated in the Kawasaki Group Sustainable Procurement Guidelines, we request that our suppliers reduce emissions of greenhouse gas such as CO<sub>2</sub>, methane, and chlorofluorocarbons in their own business activities; pursue energy efficiency improvements; and undertake initiatives for the preservation of the global environment.

- In February 2023, at a briefing organized by a certain financial institution, Kawasaki reported on the status of its initiatives aimed at the realization of a carbon-neutral, low-carbon society to the 93 persons in attendance, including representatives from 22 of Kawasaki's suppliers.
- In April 2024, we held a briefing on carbon neutrality for our main suppliers, with 102 suppliers (175 persons total) attending. The President appeared in person to give overviews of the Kawasaki Group's initiatives and guidelines toward the realization of a carbon-neutral society. Meanwhile we requested that our suppliers undertake initiatives to reduce their CO<sub>2</sub> emissions.



## Support for CO<sub>2</sub> Emissions Calculations

To increase the ratio of primary data on CO<sub>2</sub> emissions in Category 1 of Scope 3, we are furthering understanding of the management statuses for CO<sub>2</sub> emissions and providing support for initiatives to calculate CO<sub>2</sub> emissions and reduce emissions for our main suppliers.

- In July 2022, we carried out a survey of our main suppliers on CO<sub>2</sub> emissions, getting answers on the management of CO<sub>2</sub> emissions at 89 of them.
- In June 2023, our Robot Business Division held a briefing on initiatives aimed at achieving carbon neutrality for 108 of our suppliers. The presenters provided an explanation of methods for managing CO<sub>2</sub> emissions and initiatives aimed at reducing them.
- We held three "carbon neutral seminar" sessions, in July and December 2024, and in February 2025, at which we gave briefings on initiatives the Group will be pursuing with our suppliers; held seminars on support for decarbonization management from governmental and financial institutions; and outlined the calculation of Scope 1, 2, and 3 CO<sub>2</sub> emissions for our suppliers. A total of 440 suppliers participated over the course of these three sessions.
- In March 2025, we conducted a survey of CO<sub>2</sub> emissions for fiscal 2023 at 372 suppliers, and provided support for measurements as needed. The results of this survey will be actively reflected in the initiatives we will undertake with our suppliers in fiscal 2025 toward the realization of reduced emissions.

## Education and Training on Sustainable Procurement

Kawasaki also provides training on sustainable procurement for its employees to increase the awareness of those in charge. Specifically, Kawasaki conducts training every year for the Group's procurement divisions to improve their understanding of sustainability efforts in the supply chain, such as the status of the company's sustainable procurement initiatives and the role that procurement staff should play.

### Thorough Compliance in Material Procurement

Each year, the Group holds workshops for procurement divisions to ensure compliance with procurement-related laws and regulations, particularly the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the Subcontract Act) and the Construction Industry Law. Of note, Kawasaki continues to actively promote awareness and knowledge of the Subcontract Act, as outlined below, beyond just its procurement divisions.

- In October 2009, we published a collection of examples of Subcontract Act violations, citing actual cases in which other companies had contravened this law.
- In April 2013, we posted a checklist for compliance self-auditing pursuant to the Subcontract Act on our company intranet. All employees were broadly educated about the checklist which functions as a tool for checking and correcting administrative activities prone to violations of the Subcontract Act.
- Since fiscal 2011 we have held group training sessions every year, mainly for design and manufacturing divisions at our plants and major affiliated companies. A total of about 7,000 employees have received this training so far. In addition, in fiscal 2024 we implemented e-learning training to make as many employees as possible aware of the Subcontract Act; about 21,000 employees have taken this e-learning course so far.

## Initiatives on Conflict Minerals

In December 2013, the Kawasaki Group posted its Policy Regarding Procurement of Conflict Minerals on its website. This policy states that the Group has no intention whatsoever of being party to conflicts or inhumane acts in the Democratic Republic of the Congo and neighboring countries through the procurement or use of the tin, tantalum, tungsten, and gold—the so-called conflict minerals—that are produced in these countries. We also ask our suppliers to make similar efforts in the Kawasaki Group Sustainable Procurement Guidelines.

In fiscal 2024, based on customer requests, we carried out a survey of tin, tantalum, tungsten, and gold, etc. in its aero engines, general-purpose engines, and robot business. The survey confirmed that 239 smelters were certified under the Responsible Minerals Assurance Process (RMAP).

Furthermore, in the robot business, we have commenced an initiative to request appropriate responses from the relevant suppliers, such as switching to alternative smelters, in the case that it becomes apparent that high-risk smelters in a conflict zone are being used by suppliers.

### **Policy Regarding Procurement of Conflict Minerals**

Armed groups that repeatedly commit inhumane acts such as killings, looting and sexual violence may derive capital from the four minerals of tin, tantalum, tungsten and gold (known as "conflict minerals") being produced in the Democratic Republic of the Congo and its neighboring countries. As a result, there is a concern that these conflict minerals will lead to an escalation of problems.

The Kawasaki Heavy Industries Group has no intention whatsoever of being party to such conflicts or inhumane acts through the procurement or use of these conflict minerals in consideration of respect for human rights. Going forward, efforts will be made to tackle the issue of conflict minerals in close liaison with customers and suppliers.

## Supplier Hotline

To promote procurement activities that conform to our thinking about sustainability such as compliance and giving consideration to human rights, labor, occupational safety and health, and the global environment, we have created a point of access (supplier hotline) for receiving reports from business partners when they become aware of (or have concerns about) any behavior by any Group officers or employees with whom they are involved that violate any laws or regulations, the Kawasaki Group Code of Conduct, the Kawasaki Group Policies for Material Procurement, or the Kawasaki Group Sustainable Procurement Guidelines.

# Human Resource Management

## Management Approach

### Our Basic Stance

For the purpose of realizing its Group Vision 2023, the Kawasaki Group believes that it is important to evolve the nature of its people and organizations alongside the transformation of its businesses. In order for us to sustainably provide new value sought by society as we move forward, an organizational climate in which our employees individually keep on challenging themselves with high aspirations and collectively generate positive outcomes as a team is imperative.

Based on this understanding, in August 2025, the Group revised its preexisting Kawasaki Group Policy on Human Resource Management, its basic policy on human capital, accompanied with a name change to the Kawasaki Group Human Resources Policy. This policy espouses the following three guidelines based on the slogan "Continue to Challenge, Continue to Achieve. Together."

- We build a strong foundation that enables employees to set ambitious goals and take on challenges.
- We provide opportunities for every employee to unlock their potential and contribute to society through challenges and growth.
- We nurture a culture of teamwork, mutual respect, and drive where the individual and organization can grow together.

These guidelines form the backbone of all our personnel measures. We will proceed to develop our people and organizations so that employees can take on challenges with confidence in their own ability. Going forward, the Human Resources Division will spearhead our efforts to disseminate and practice this Policy companywide as we continue endeavoring to foster an organizational culture of taking on challenges and sustainably enhance our corporate value.

### Guidelines on Human Resource Management

From the standpoint of human resource development, we believe it is necessary to develop human resources capable of undertaking the challenge of engaging with new business domains and delivering results that go beyond the boundaries of internal organizations and of product and service categories. To that end, in 2021, we initiated our personnel system based on the concept of "Challenge & Commitment," which involves supporting and evaluating human resources who adopt lofty goals and carry out the necessary work with determination and speed of their own accord. In addition to securing and assigning human resources from both within and outside the Company, regardless of age, gender, nationality, or other attributes, who can fulfill expected roles and achieve results, we are conducting proper personnel assignments based on assessments of behavioral characteristics and training programs for senior and middle management as we work to develop management-level employees.

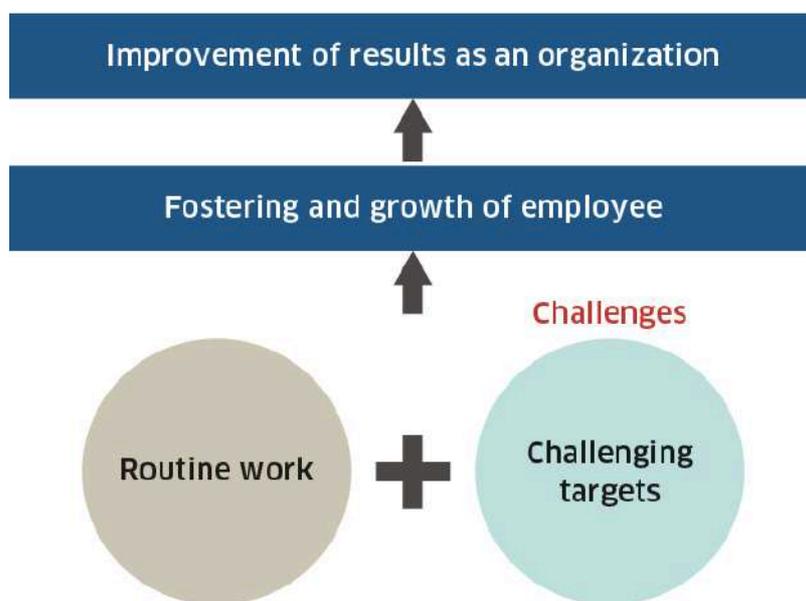
From the standpoint of improving the company environment, we believe that creating an environment where a greater number of human resources can experience job satisfaction and ease of work is crucial to continue being an open, free-spirited, and creative team that surpasses boundaries and continues to grow, as stated in Group Vision 2030. Furthermore, for the sustained enhancement of our corporate value, we are endeavoring to create an organization that enables individual employees active around the world to fully display their diverse abilities regardless of nationality, gender, age, religion, disability and so on and to maximize this talent. These proactive efforts to promote diversity have been recognized, and we have been selected as a "Nadeshiko Brand" for women's participation in the workforce. We have also obtained such certifications as "Eruboshi" and "Kurumin."

- [Kawasaki Group Human Resources Policy](#) 

## "Challenge & Commitment"

"Challenge & Commitment" is an initiative that promotes challenges in new fields so as to achieve our further growth as a Group. By not only conducting routine work but also setting more challenging targets and boldly making challenges, we will enhance our results as an organization. At the same time, our aim is to foster and grow our employees through detailed conversations with supervisors at the time of setting goals and follow-up. In addition, to further clarify reflection in performance assessment, through absolute evaluation we reflect target achievement directly in bonuses and have increased the portion paid in accordance with the degree of target achievement.

### Challenge & Commitment Image

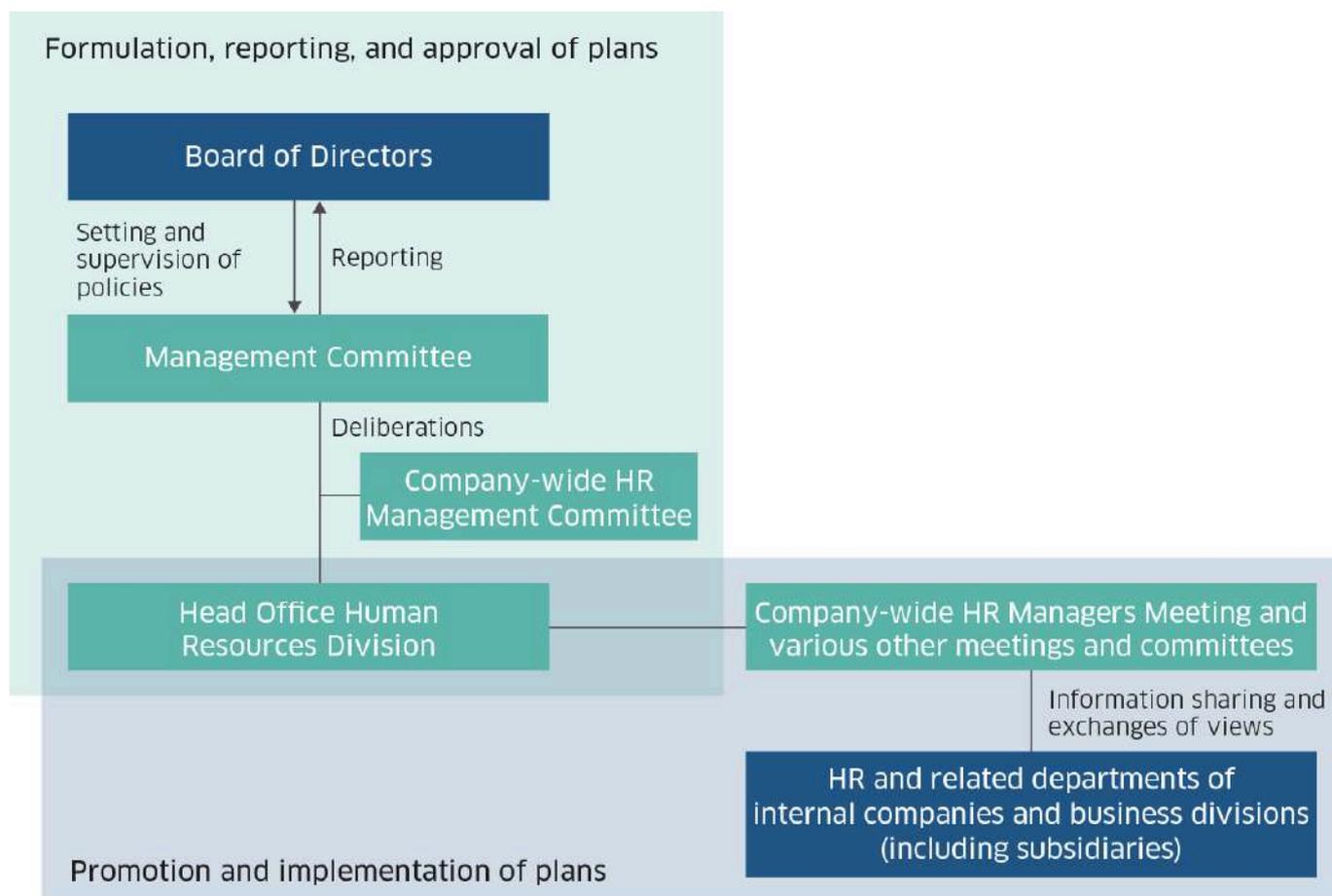


## Personnel-related Structures

Company-wide policies on human resource development and utilization with significant potential impact on corporate management, in particular: 1) cultivating corporate managers, 2) the application of human resources in key strategies, 3) the assignment of human resources to new business and new product operations, and 4) the status of human resource measures in operation, and other matters, are discussed and reviewed by the Company-wide HR Management Committee. With the president as its presiding officer, the Company-wide HR Management Committee is comprised primarily of internal company presidents and the Presidents of Kawasaki Railcar Manufacturing Co., Ltd. and Kawasaki Motors, Ltd. and meets four times per year. This framework is designed to reflect the content of deliberations by the Company-wide HR Management Committee, with various measures then discussed at Management Committee and subsequently reported to the Board of Directors.

In addition, the Head Office Human Resources Division maintains various meetings and committees in which division managers in charge of human resources and labor at the business segments convene to gather views and opinions on the drafting of detailed human resource initiatives and communicate Company-wide policies.

### Human Resource Management System



## Human Resource Committees and Meetings

Body	Purpose	Attendees	Meeting frequency
Company-wide HR Management Committee	To discuss and consider Company-wide policies on human resource development and related matters with the potential to significantly impact corporate management	<ul style="list-style-type: none"> <li>• Head Office Human Resources Planning Department (host)</li> <li>• President, Senior Corporate Executive Officers, internal company presidents</li> <li>• General Manager of the Corporate Technology Division</li> <li>• General Manager of the Head Office Corporate Planning Division</li> <li>• General Manager of the Human Resources Division</li> </ul>	Four times a year
Company-wide HR Managers Meeting	<ul style="list-style-type: none"> <li>• Sharing of information on and consideration of policies for personnel &amp; labor administration measures</li> <li>• Explanations and exchanges of opinions on personnel policies and other matters of particularly high priority within the work duties under the jurisdiction of the various departments of the Human Resources Division</li> </ul>	<ul style="list-style-type: none"> <li>• Head Office Human Resources Planning Department (host)</li> <li>• Senior managers of human resources of business segments</li> </ul>	Once a month
Company-wide meeting of managers of labor administration section	Administrative-level discussion, consultation, and mutual communication on matters under the jurisdiction of the Human Resources Planning Department, Human Capital Development Department, and Human Resources & Labor Administration Department	<ul style="list-style-type: none"> <li>• Head Office Human Resources &amp; Labor Administration Department (host)</li> <li>• Managers of personnel &amp; labor administration sections of business segments</li> </ul>	Once a month
Meeting of managers in charge of safety & health management	Administrative-level discussion, consultation, and mutual communication on matters under the jurisdiction of the Safety & Health Management Department	<ul style="list-style-type: none"> <li>• The Head Office Safety &amp; Health Management Department (host)</li> <li>• Managers in charge of safety &amp; health of business segments</li> </ul>	Four times a year

### Responsible Officers

Takeshi Kaneko, Managing Executive Officer, General Manager, Human Resources Division  
 Company-wide HR Management Committee: Yasuhiko Hashimoto, Representative Director, President and Chief Executive Officer  
 Other various HR meeting bodies: Senior Managers from the Head Office Human Resources Division

### Responsible Executive Organ and/or Committee

Company-wide HR Management Committee

# Employee Engagement

## K-Win Activities (Kawasaki Workstyle Innovation)

The Kawasaki Group launched K-Win activities, an effort to promote workstyle reform, in fiscal 2016 with the objectives of "increasing the productivity of administrative and technical personnel," "promotion of work-life balance," and "reducing long working hours." Through these activities, we pursued three areas of transformation, namely, operational transformation, organizational and corporate culture transformation, and system transformation.

K-Win activities are currently integrated with Group management and have been expanded to include overall corporate innovation to change the corporate culture and employee awareness for the purpose of achieving Group Vision 2030. Through these efforts to increase the number of employees who have a high level of motivation and feel that an environment is provided in which they can demonstrate their abilities, we are building organizations that create virtuous cycles of corporate value enhancement. In addition, a WinDEX engagement survey is being conducted to visualize the progress.

### Vision for Our Employees and Organization

We have identified a vision for our employees and organization as described below. This vision is aimed at making effective use of human resources with an eye to total business portfolio optimization, maximizing results by improving productivity, and realizing value creation by bringing together diverse insights.

- People and organizations with high levels of engagement, job satisfaction and enjoyment, and ease of work
- Organizations in which every employee takes specific actions that go beyond internal and external boundaries based on market-in perspectives for achieving the Vision

### Priority Issues to Be Addressed in K-Win Activities

#### **Encouraging the formation of connections and dialogue that link management topics with employees: proactively moving in a single direction**

- Informing employees about Group Vision 2030 and engaging in dialogue with senior management
- Implementation of the WinDEX engagement survey to make visible the corporate culture and address organizational issues
- One-on-one engagement and organizational development to establish a shared awareness with employees and revitalize organizations

#### **Promote crossover action internally and externally with a focus on demonstrating competence and results: break down existing constraints and overcome internal and external boundaries**

- Shift to new workstyles for Kawasaki and advance communications (e.g., use of remote communications and DX)
- Share information and solve cross-organizational issues using a suggestion box on the Company intranet
- Form a crossover community made up of members from inside and outside the company and exchange knowledge

## K-Win Activities Structure

The structure consists of two main parts: the K-Win Activities Implementation Secretariat, led by the Head Office, which is responsible for promoting Company-wide activities, and the Business Segment Implementation Secretariat, which is responsible for promoting activities within the respective organizations. Additionally, employees with strong determination to promote activities and expertise in various themes actively participate in actions to drive the initiatives forward.

[Example of a specific activity] (Energy Solution & Marine Engineering Company)

### **Implementation of "meetings in a circle" and "works meetings"**

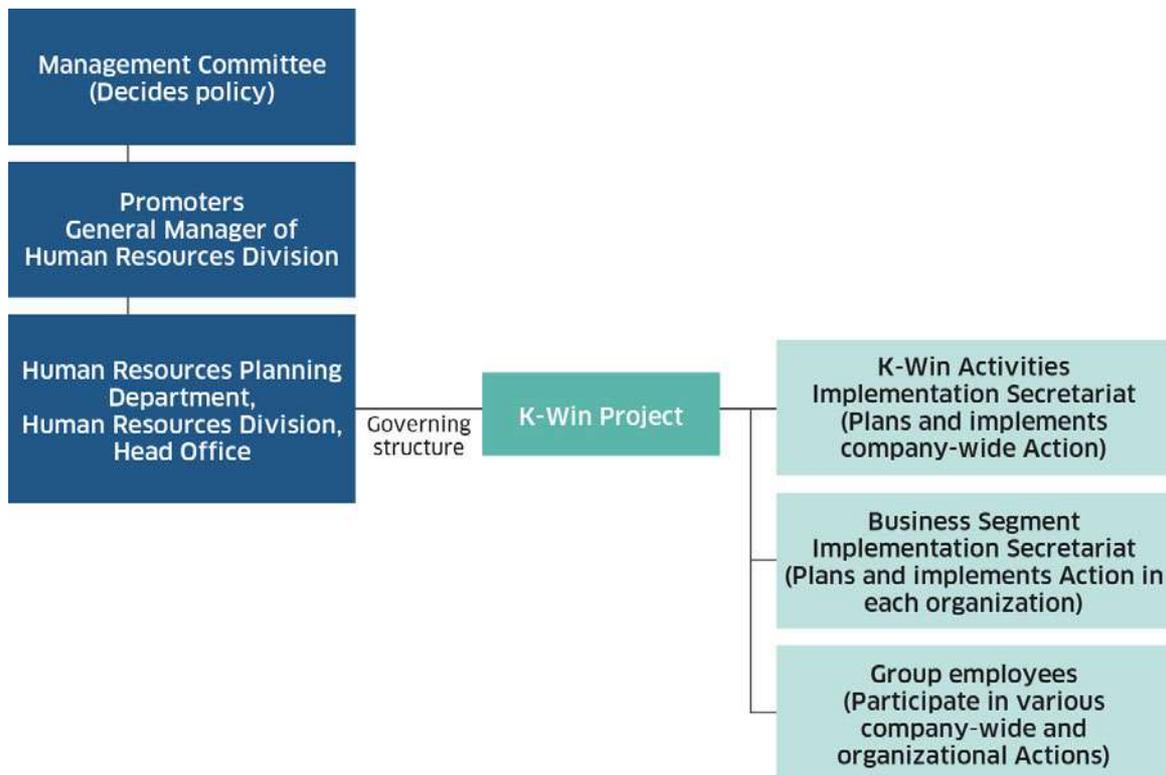
Since fiscal 2022, opportunities for management and employees to engage in casual dialogue have been arranged in order to directly capture the voices of employees and connect this to problem-solving through a top-down approach as well as foster an awareness that employees themselves can bring about change within the organization. In fiscal 2022, we provided such opportunities in the form of "meetings in a circle" that were attended by more than 2,300 employees in total.

Starting in fiscal 2023, we followed up our "meetings in a circle" endeavor by holding "works meetings" in which management and employees engage in dialogue in a townhall meeting format. In fiscal 2023, these were turned into opportunities for two-way communication that included explanations of business policy and expectations of middle management from executive management as well as feedback and proposals on business policy and briefings on challenges faced at the workplace from middle management to executive management. In fiscal 2024, briefings on company policy based on changes in our work environment and on the nature of contributions from production specialist duties to the Company were given by executive management to production specialist employees working on the manufacturing frontlines.

Through the direct communication of management policy from management to employees, the Group is pushing forward with initiatives that enable its employees to individually have a sense of ownership and collectively work toward shared goals.



## K-Win Implementation Structure



### Responsible Officer

Takeshi Kaneko, Managing Executive Officer, General Manager, Human Resources Division

### Responsible Executive Organ and/or Committee

K-Win Activities Implementation Secretariat

## Overview of the WinDEX Engagement Survey

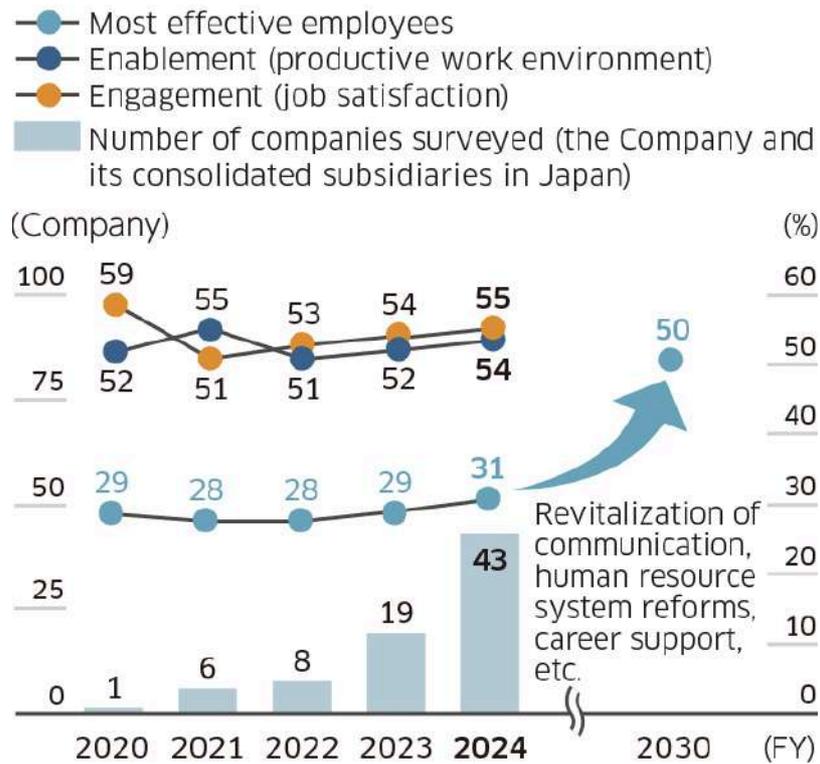
We are actively engaged in K-Win activities with the aim of further increasing the number of employees who have a high level of motivation and feel that an environment is provided in which they can demonstrate their abilities. To connect these activities to the visualization and continuous improvement of organizational challenges, we regularly conduct engagement surveys (WinDEX).

This survey is widely used by global companies and are comprised of the two results indicators with a high correlation with business performance of "engagement (job satisfaction)<sup>\*1</sup>" and "enablement (productive work environment)<sup>\*2</sup>." To realize Group Vision 2030, we targeted the survey at global companies with excellent business performance and set the goal of achieving at least 50% of employees whose two result indicators both exceed the global average (most effective employees) on a consolidated basis by fiscal 2030 (the result in fiscal 2024 was 31%). We implement various initiatives, such as meetings in a circle with top management, one-on-one meetings, organizational vitality through organizational development, and the use of the suggestion box on the Company intranet, to share and address cross-organizational issues.

\*1 Ratio of employees who responded positively to multiple questions in the employee engagement survey regarding whether employees are willing to go an extra mile and are proud to work for the company

\*2 Ratio of employees who responded positively to multiple questions in the same survey regarding whether employees have opportunities to do interesting work and the environments allow them to be productive

## Most effective employees



- [Employee Engagement Survey Results \(ESG Data\)](#)

## Securing and Retaining Human Resources

### Hiring

Kawasaki secures personnel in accordance with the required skills and purpose at hand. We are committed to securing personnel for new businesses and for business expansion (especially in DX, hydrogen-related businesses, and legal) by means of mid-career hiring, emphasizing skills and experience; and to securing key personnel for organizational units to continuously deepen businesses by means of new graduate hiring, emphasizing potential. As a result of these efforts, the proportion of mid-career hires has been increasing each year, and the ratio of mid-career hires to all new hires at Kawasaki Heavy Industries, Ltd. in fiscal 2024 came to 52.5%.

For the hiring of new graduates, we emphasize "objectivity in selection" and "diversity of hires." Toward the realization of our Group Vision 2030, we are endeavoring to use selection methods which differ from traditional models, aiming in particular to secure "transformational talent" who possesses a problem-solving mindset in the face of prevailing circumstances and who will act with a sense of resolute conviction. To give an example, we evaluate the ability of new graduates to tackle challenges in duties actually experienced by employees using a group work format, and to maintain strong conviction in meeting those challenges through negotiations with fellow students and employees in addition to examining solutions to the challenges. In addition, we collaborate with educational institutions to hold technical workshops for high school, university, and technical college students as well as to implement career training efforts in cooperation with employees in order to increase the number of future applicants amid the declining birth rate, aging population, and burgeoning trend away from science subjects.

Plus, in January 2025, we commenced operation of an alumni network for resignees and individuals who withdrew from the selection process. In doing so, we are moving forward with the establishment of a structure that enables us to stably secure capable human resources without being swayed by the external environment.

For information on the employment of diverse human resources, please refer to [Diversity, Equity, and Inclusion](#).

- [Number of Employees Hired by Job Type \(ESG Data\)](#)
- [Total Number of Resignations and Turnover Rate \(ESG Data\)](#)

## Employee Evaluations

### Our Approach to Human Resource Evaluation

Kawasaki operates a personnel system that rewards employees based not on such individual characteristics as age, but on the size of the employee's role, the ambition of the targets they set, their ability to carry out the necessary work with determination and speed, and the results they achieve. By using this system, we aim to promote the further growth of our human resources and ongoing corporate growth. At the core of this is our target management system, which values commitment and ambitious effort.

Employees set targets for themselves that comprise both the expected targets entailed in carrying out their basic responsibilities as well as targets that reflect taking on self-directed challenges and rising above their normal roles to generate additional added value. Supervisors and their subordinates meet regularly to discuss hurdles to achieve these targets and employees' initiatives to do so. At the end of the fiscal year, employees themselves and their supervisors evaluate their performance regarding each target, and supervisors provide feedback that includes the reasons for their evaluations and reach a final evaluation. They then discuss initiatives for the coming year and the subordinate's career path. Moreover, with this system, the results of performance evaluations are reflected in bonuses.

To ensure fair and equitable evaluations, we have established fixed evaluation procedures. We also incorporate case studies and other training aimed at improving evaluation skills into the training of managers. In addition, for managerial staff, we implement 360-Degree Surveys aimed at observing a person's behavioral characteristics in an objective and multisided manner, clarifying their personal traits as seen by others, and using the results as reference for the person's training, future assignments, and so on. Moreover, once a year, the labor union is briefed on promotions and compensation to verify that employees are being treated in an equitable and fair manner.

## "The right personnel in the right places" and "pay for mission"

Instead of seeing the existing organization and human resources as the point of departure, based on the concept of the "right personnel in the right places," first of all we will establish the organizations and posts necessary for achieving our vision ("right places"). Then we will clarify the conditions required of people doing this work, decide the suitable human resources, and make assignments accordingly ("right personnel"). In considering assignments, we are introducing a mechanism with a high degree of accuracy in matching posts and human resources throughout the Group, conducting assessments of management ability based on 360-Degree Surveys and competency and taking account of expert knowledge and other factors. On top of that, we introduced a "pay for mission" scheme that determines wages by stipulating job ranking in accordance with the results required in the work and taking account of the contents of individual challenges. Through these initiatives, we will realize the establishment of "right places" and assignment of the "right personnel" and promote personnel strategy in tune with management policy.

### Percentage of Employees Assessed by Different Evaluation Methods (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors) (FY)

	Unit	2020	2021	2022	2023	2024
<b>Evaluation based on target management*1</b>	%	100	100	100	100	100
<b>Multifaceted performance evaluations*2</b>	%	21	21	22	23	22
<b>Evaluations for ranking employees within their category</b>	%	100	100	100	100	100

\*1 Evaluations based on targets and other criteria agreed to by the Line Manager.

\*2 360-Degree Surveys, etc.

## Support for Career Development

In accordance with our basic policy of "supporting career development that respects the individual wishes of employees," our Group strives to provide substantial opportunities for employees to clarify their goals in terms of skill development, and acquire the required knowledge, skills, and abilities, and gain necessary workplace experience.

For instance, to enable our employees to actively shape their careers, we provide them with information about our career development support measures through the "Career Support Guidebook" and offer theme-based career seminars and career counseling opportunities. We also conduct career support seminars for supervisors, promoting an environment where supervisors can support the growth and career development of their subordinates in the workplace. We also have a Career Challenge Program that enables employees who want to transfer to apply for positions in departments that are recruiting and are announced once each year. We introduced a Career Development Leave Program that allow employees who want to re-learn skills while making use of outside educational institutions including overseas universities, encouraging and supporting independent career development by employees.

## Number of open positions (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)

(FY)

	Unit	2020	2021	2022	2023	2024
<b>Job postings</b>	Number	245	161	358	405	322
<b>Applicants</b>	Persons	8	26	37	76	56
<b>Successful applicants</b>	Persons	3	13	18	43	24
<b>Internal hire rate</b>	%	1.2	8.2	5.0	10.6	7.4

## Overview of Long-term Incentives for Employees

As of fiscal 2024, we have introduced an incentive plan (RS trust) for certain managerial-level employees whose roles significantly impact the business management of the entire company. This plan grants Company shares through a trust according to points granted to employees who meet certain requirements. We introduced it as an initiative aimed at enhancing corporate value from a shareholder's perspective based on the standpoint of linking together the Company's stock price and compensation to have employees obtain an awareness of being company owners and foster their sense of business execution with the same point of view as investors. There are two types of points granted in accordance with our Stock Grant Regulations: "fixed points" according to the job grade and tenure during the evaluation period and "performance-based points" using the results of an evaluation of overall ESG-related initiatives by a third party (Dow Jones Best-in-Class Index\*) and the unit price of Company shares as indices. The transfer of shares granted is restricted until resignation/retirement based on a transfer restriction agreement executed between employees and the Company. This is intended to give them incentive to engage in the continuous enhancement of our corporate value.

\* Stock index for sustainability issued by S&P Global Inc.

- [Notice Concerning the Introduction of a Managerial-Level Employee Incentive Plan \(RS Trust\) and the Matters Determined in Connection with Share Acquisition for the Trust \(Kawasaki Press Release; February 7, 2025\)](#) 

## Retirement Payment System

Kawasaki provides a retirement payment system where employees can receive payment in a lump sum or as a pension. In addition to defined benefit pensions, Kawasaki offers defined contribution corporate pensions, which allow employees to choose their contribution amounts to suit their life plans and put them to good use in their long-term asset building plans. In principle, retirement payments are calculated in accordance with the number of consecutive years served, age, job qualifications, and performance evaluations and disbursed to all employees with a service record of at least three years with Kawasaki.

## Employee Stock Ownership Association

The Kawasaki Group operates an employee stock ownership association system established to promote employee welfare (in terms of wealth building) as well as employees' sense of involvement in management. As part of the employee benefit system, the Company matches a certain portion of employee contributions, and the dividends on shares held by employees are used to buy more shares, achieving a compounding effect and enabling employees to build wealth. Furthermore, holding shares of the Company through the ownership association helps employees gain a greater awareness of corporate management, just as for general shareholders. We believe that this will contribute to the enhancement of enterprise value over the long term.

### Shares Held by the Employee Stock Ownership Association and Position on the Register of Shareholders

(FY)

	Unit	2020	2021	2022	2023	2024
<b>Shares held by the Employee Stock Ownership Association</b>	Shares	4,501,521	4,934,251	5,223,751	5,280,251	4,770,951
<b>Position on the register of shareholders (by size of shareholding)</b>		4th	4th	4th	4th	4th

# Human Resource Development

## Management Approach

### Our Basic Stance

In order for us to continue our business and grow while conducting global business, all of our employees must efficiently, effectively, and completely achieve specific targets in line with our management policy and Company-wide actions. It is the "people" of a company who use their minds and act to achieve specific goals, so the development and invigoration of human resources is the most critical factor for the growth and advancement of our company.

The Kawasaki Group Human Resources Policy, the Group's fundamental policy on human capital, also declares our commitment to achieving employee career fulfillment through a deep appreciation for every employee and the provision of opportunities to unlock their potential and contribute to society by taking on challenges and pushing themselves to grow further. Based on the above, the Kawasaki Group conceptualizes the development of human resources as follows:

- We carry out human resource development to grow our corporate performance, and improve our employees' capabilities as well as their purpose in life.
- OJT (on-the-job training), self-development, and rotation are the foundations of human resource education.
- Off-JT is provided to support these activities in ways where the results of Off-JT can be practically applied in the workplace.
- The line manager is responsible for human resource education.
- Human resource education is to be conducted on an individual basis in a planned manner and on an ongoing basis.
- Opportunities for developing one's abilities are provided to all employees from the time they are newly employed up to the time of their retirement.

### Desirable Employee Attributes

The Kawasaki Group aims to nurture individuals equipped with sophisticated expertise and wide-ranging experience. To this end, we will systematically nurture future leaders, including executive candidates, while strengthening project risk management and developing global human resources. Specifically, we will provide consistent training and strengthening at all levels with the aim of realizing the following six desirable human resource attributes set out in our Kawasaki Group Mission Statement:

- Human resources capable of being active globally
- Human resources capable of solving the challenges of society and customers
- Human resources capable of supporting change and innovation
- Human resources capable of upgrading their expertise
- Human resources capable of displaying overall competence
- Human resources with a constant profit-oriented perspective

## Structure

We have in place the Human Capital Development Department within the Human Resources Division. Also, common Group-wide education and training, such as level-specific development for junior employees, top management or other levels and training to foster globally capable human resources, is planned and executed by the Head Office Human Resources Division. In addition, the business segments each plan and execute education and training related to the particular abilities and skills required in their respective areas of business.

- For information on our internal committees and relevant governance structures, please refer to [Human Resource Management](#).

## Human Resource Development Programs

### Reinforce the Management and Business Execution Capabilities of Employees (Training for administrative and technical personnel)

During their first three years of employment, employees in administrative and technical positions receive a combination of structured OJT based on a mentoring program and a range of training content designed to help young employees develop their capabilities as quickly as possible. The mentoring program is a system that assigns a dedicated mentor for the first three years after an employee joins the company to provide intentional, planned, and continuous guidance through OJT on the attitudes, knowledge, and skills necessary for job performance. We recommend that mentors be selected from among assistant managers, and we provide training for the mentors.

Furthermore, we provide programs that target employees on a wide range of levels including the Kawasaki management seminars and Kawasaki executive coaching programs, which are designed to train executive candidates; the senior management course and middle management course, aimed at enhancing the capabilities of mid-level managers and section heads; and the 360-Degree Surveys, which are designed to develop awareness of strengths and areas requiring improvement by managerial and higher-level staff.

We also develop human capital through means other than training, such as emphasizing the importance of communication to foster skills development in the execution of routine duties. In particular, individuals have quarterly one-on-one meetings with their supervisors and share their goals within their sections using a special sheet, titled the Challenge & Commitment Sheet, which includes the challenges they are taking on and their commitments.

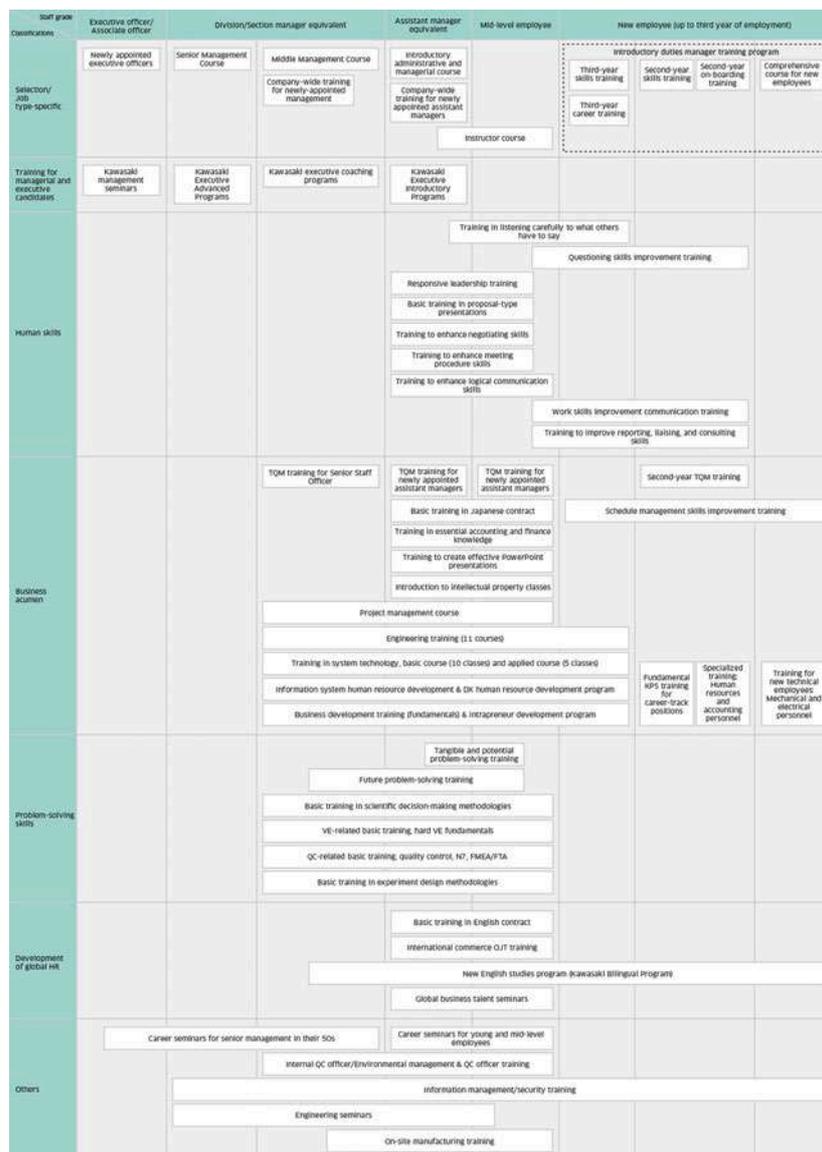
# Performance of Major Grade-specific Training Programs Held by Head Office (consolidated domestic; exceptions apply)

(FY)

		Unit	2020	2021	2022	2023	2024
<b>New employee training</b>	<b>Participants</b>	Persons	344	232	230	278	343
	<b>Total hours</b>	Hours	15,136	10,208	10,105	10,008	13,720
<b>Training for new section managers</b>	<b>Participants</b>	Persons	103	140	139	138	136
	<b>Total hours</b>	Hours	4,944	7,140	7,020	7,176	7,072
<b>Training for new senior managers</b>	<b>Participants</b>	Persons	36	39	38	45	46
	<b>Total hours</b>	Hours	1,512	1,521	1,510	1,800	1,840
<b>Kawasaki executive coaching program*</b>	<b>Participants</b>	Persons	9	30	29	30	30
	<b>Total hours</b>	Hours	1,152	4,080	4,120	4,080	4,080
<b>Kawasaki management seminars</b>	<b>Participants</b>	Persons	121	103	0	50	0
	<b>Total hours</b>	Hours	242	206	0	100	0

\* The participant target for the Kawasaki executive coaching program, which aims to expedite the training of executive candidates, was lowered from senior manager equivalent to section manager equivalent in fiscal 2021, with the number taking the classes increasing from 9 to 30 persons.

## Training Structure for Administrative and Technical Personnel



## Development of Global Human Resources

We have been implementing measures for global human resource development with the objective of further developing human resources who can support global business execution. Specifically, in addition to the global business talent seminars, we implement an overseas internship system and Asian business training program aimed at globalizing domestic human resources. Through these initiatives, we focus not only on the acquisition of skills, such as English, but also on training to facilitate a deeper understanding of different cultures, on-site practical training to learn about the realities of business in overseas settings, and selective training programs. We also provide training support for local engineering employees at overseas sites and are expanding our global human resource development measures.

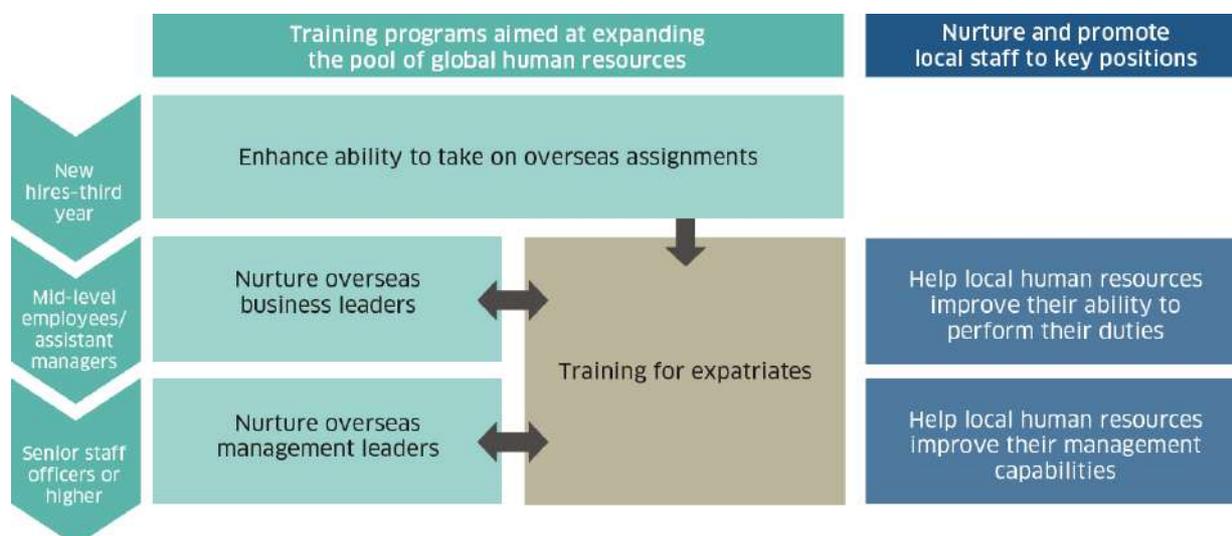
Furthermore, we created the Kawasaki Bilingual Program, an English training program designed to assist self-motivated study. This represents yet another example of our efforts to develop an environment in which employees with career ambitions are supported by a diverse lineup of English training programs and empowered to pursue their goal of becoming global human resources.

### Global Business Talent Seminars

In light of our business environment, specifically the fact that 60% of the Group is engaged in global business, we conduct seminars to instill a certain level of mental preparedness to work from a global perspective and gain skills related to overseas business. The young and mid-level employees from global business departments who comprise the participants of these seminars learn to acquire the mindset of a global perspective as well as decision-making criteria. They also obtain effective knowledge of business needed for global operations, including export management and financial knowledge, forming a diverse team to move our business forward. It is our hope that this program will be one key to achieving an open-minded, free-thinking, and creative team that goes beyond the boundaries of internal and external organizations and of product/service categories, leveraging our rich diversity—which is one of the main tenets of our Group Vision 2030 for the development of our business.

Nineteen out of a total of 24 participants from fiscal 2024 were engaged in overseas business as of March 2025.

### Our Structure for Nurturing Global Human Resources



## Performance of Major Global HR Training Programs Held by Head Office (consolidated domestic; exceptions apply)

(FY)

		Unit	2020	2021	2022	2023	2024
<b>Global business talent seminars</b>	<b>Participants</b>	Persons	-	15	15	18	24
	<b>Total hours</b>	Hours	-	765	750	972	1,296
<b>English-language skills series*1</b>	<b>Participants</b>	Persons	19	12	15	13	16
	<b>Total hours</b>	Hours	161	242	250	227	335
<b>English-language writing series*2</b>	<b>Participants</b>	Persons	-	23	20	34	24
	<b>Total hours</b>	Hours	-	345	320	449	384

Note: Language programs are also provided at each workplace.

\*1 English-language skills series: Meeting (reading aloud and practical exercises), presentation, and negotiation training

\*2 English-language writing series: Business writing training and email writing from the elementary stage

## Bolstering Middle Management

The key to achieving Group Vision 2030 is for middle management—based on an understanding of overall policy of management strategy—to encourage modification of the actions in each division. As they move away from the "playing manager" and gain understanding of the mission of each division, they also train subordinates and at the same time strive to achieve the goals of the company vision as far as possible. By boldly addressing these issues, they are moving toward boosting their management capacity. Through these training programs for senior and middle management, we are working to develop the management-level employees.

### Middle Management Course

The role of middle management is to achieve the goals of their division and to train their subordinates. The Middle Management Course has been in place since 2019 to raise awareness of the current circumstances and issues in carrying out the role and to acquire the leadership action and management skills required to reach these goals. Specifically, by looking back at their own leadership actions, participants deepen their self-awareness, understand the current circumstances of the organization, and learn about communication skills to facilitate self-initiated action by subordinates. This program is also implemented to accurately define our issues and set up an action plan to resolve them with a view to achieving the vision of the organization.

### Project Manager Training

In recent years, we have seen a rise in project-oriented businesses with contracts for entire systems, including peripheral facilities, as opposed to standalone products. Accordingly, we introduced new training programs in fiscal 2016 to secure project managers able to execute such projects. The entire Group is working to enhance its project management capabilities, to this end holding Project Management Seminars to which we invite individuals from inside and outside the company with previous experience in large-scale projects as lecturers to impart the know-how required to lead projects to success, and the Project Management Course to acquire a systematic knowledge of project management.

## Nurturing Executive Successors (Kawasaki Executive Coaching Program)

We are nurturing human resources who can assume executive positions and contribute to the medium-to long-term enhancement of our enterprise value amid an increasingly harsh business environment. To this end, our pipeline of candidates encompasses an extensive scope of job ranks, ranging from assistant managers to executive officers, while our training programs are designed to address differing issues in light of their staff grades.

As a specific initiative, we hold the Kawasaki executive coaching program (spanning nine months per fiscal year) for executive candidates selected from section manager equivalents. In addition to instilling participants with corporate management expertise, the program facilitates a deepened understanding of the true nature of corporate management at Kawasaki Group. This is achieved through deliberations involving external lecturers and corporate managers from outside the Kawasaki Group, as well as numerous group discussions. Using these means we aim to nurture in executive-level human resources the capacity to embody our corporate philosophy by equipping them with optimal perspectives on the Group as a whole, as well as global perspectives on corporate management, toward the resolution of managerial challenges.

## Fostering the Human Resources Who Will Be the Drivers of Growth

To make the shift to a more growth-oriented business structure as outlined in the Group Vision 2030, it will be essential that we develop and acquire personnel who can carry out digital transformation (DX) and business exploration human resources who will serve at the core of the transformation. To enable the utilization of rapidly advancing AI and digital technologies in business operations, we are expanding programs for employees to learn digital technologies such as AI, data science, IT, and software development as well as data utilization. We are also providing content for acquiring IT passport-level literacy in stages. To develop business exploration human resources, we conduct programs that foster a mindset of engaging in business development and encourage individual exploratory behavior, and we are promoting the establishment of programs covering everything from business development fundamentals to practical application.

## Strengthening On-site Capabilities (Training for Production Specialists)

The production sites of each business are the backbone of the Group that generates profit, making reinforcement of on-site capabilities extremely important. For young production specialists, we conduct the Skills Qualification Early Acquisition Incentive Program and basic KPS\* and quality control training programs for learning about Kawasaki's production systems.

To reinforce the leadership skills of supervisors, we provide senior foreman and foreman training. We also established the Traditional Skill Master System, which certifies skilled production specialists with advanced and specialized skills as Traditional Skill Masters to systematically pass down their skills to successors in the same workforce. Through the system, we are promoting the transmission and enhancement of front-line production skills at production sites. In fiscal 2025, four Traditional Skill Masters are taking action to pass on their skills.

In addition, we actively participate in outside skills competitions, including the Skill Grand Prix and Hyogo Monozukuri (production) Skill Competition, achieving excellent results. In fiscal 2024, a Kawasaki employee placed first in the lathe category of the Hyogo Monozukuri (production) Skill Competition.

\* KPS: The Kawasaki Production System, a proprietary production system developed by Kawasaki

### Fiscal 2024 Medal Results

Competition	Event	Result
<b>2024 Hyogo Monozukuri (production) Skill Competition</b>	Lathe	First place

### Training Structure for Production Specialists

Staff grade	Staff engineer	Engineer	Technician	Advanced operator	Intermediate operator	Beginner operator
Grade-specific	S3 appointees training	Senior foreman training	Foreman training		Training programs on KPS for early career production specialists	Training programs on QC for early career production specialists
Passing down/ enhancing skills	Traditional Skill Master System			Skills and Qualification Early Acquisition Incentive Program		
				Participation in skill competition		
			Skill Grand Prix			
			Monozukuri (production) Skill Competition			
			Technical Skill Contest			

Note: Only those programs, etc. targeted at all Group companies and hosted by Head Office are included

## Other Initiatives to Strengthen On-site Capabilities

- Technical Skill Contest**  
 In recent years, ensuring that the skills are passed down to the next generation has become a pressing issue, and Kawasaki is focusing efforts on education and developing the skills of young employees. Every year, young employees from production sites in and outside Japan gather at the Akashi Works for the Technical Skill Contest to compete against one another using skills they have honed at their work sites. Young technicians from Japan and several other countries take part, demonstrating their skills to the fullest as they compete with and learn from each other. The program has been postponed since fiscal 2020 in order to prevent the spread of the COVID-19, but we are considering resuming it in fiscal 2025. By way of these kinds of initiatives, we continue to work to boost and maintain technical skills throughout the entire Group.
- Creating Opportunities to Pass Down Skills**  
 Aggressively promoting the transfer of technical skills to enhance production capabilities, the bedrock of our business activities, is essential. To this end, we opened Takumi Juku, a professional trade skills training center at the Harima Works, in 2012, and Manabiya, a manufacturing skills creation center at the Akashi Works, in 2014. Through synergies between existing skills training systems and the creation of opportunities to pass down technical skills, these centers are delivering results in terms of not only transferring skills, but also of acquiring new skills, quickly developing skills and instructors, and enabling employees to teach and improve one another's capabilities.
- Skills Qualification Early Acquisition Incentive Program**  
 As part of measures to boost on-site capabilities, we have instituted a merit-based pay system to encourage the early acquisition of technical qualifications, and to reward those who obtain these skills promptly. These payments are made based on survey results conducted twice annually, normally in July and December. In fiscal 2024, 72 and 56 production specialists were rewarded under this system in the first and second halves respectively.

## Amounts Invested in Human Resource Development

### ROI from Human Resources (consolidated global)

(FY)

	Unit	2020	2021	2022	2023	2024
<b>Sales (a)</b>	<b>Millions of yen</b>	1,488,486	1,500,879	1,725,609	1,849,287	2,129,321
<b>Sales expenses (b)</b>	<b>Millions of yen</b>	1,493,792	1,455,074	1,644,098	1,813,094	2,004,747
<b>Employee-related expenses (c)*</b>	<b>Millions of yen</b>	156,707	147,460	143,971	140,457	164,277
<b>ROI from human resources (a-(b-c)) / c</b>		0.97	1.31	1.57	1.26	1.76

\* Salaries, bonuses, and welfare expenses

- [Education and Training Expenses and Hours \(ESG Data\)](#)

# Diversity, Equity, and Inclusion

## Management Approach

### Our Basic Stance

Against the backdrop of factors such as the growing number of businesses seeking to expand globally and stronger international competition, as well as addressing the lack of people in the labor force due to a decline in the population of developed countries, including Japan, people's views regarding careers and workstyles have become more diverse than ever before. We believe that diversity and inclusion (D&I) is crucial for the Kawasaki Group to sustainably improve its enterprise value in such an environment. D&I is a concept that aims to bring together people from diverse backgrounds regardless of nationality, gender, age, religion, or disability; to allow each employee to fully realize their diverse capabilities while maintaining an awareness of mutual acceptance and recognition of others; and to create an organization that maximizes these efforts. From fiscal 2024, we are helping to ensure that everyone has equal access to opportunities to challenge themselves with the addition of E (equity), representing fairness. Based on this recognition, the Kawasaki Group is proactively implementing various initiatives to promote diversity, equity, and inclusion.

### Vision for Our Organization

People with a variety of attributes, including those with disabilities, non-Japanese, and senior staff work at the Kawasaki Group. We are undertaking activities to "promote the active participation of women," "support employees balancing work with childcare and nursing care," "support the active participation of non-Japanese employees," "promote understanding of LGBT issues," and "realize workstyles with an awareness of work-life balance, results, and efficiency," in order to bring together the capabilities of employees with these various attributes and realize our vision of "Trustworthy Solutions for the Future."

In addition, the Kawasaki Group Code of Conduct declares that we respect diversity and strive to build a workplace in which all employees can live up to their full potential.



- [The Kawasaki Group Code of Conduct](#)

## Structure

The Company established the DE&I Management Section within the Head Office Human Resources Division to undertake various measures for promoting diversity, equity, and inclusion. Various measures are discussed by the Management Committee, HR Management Committee, or other bodies and then reported to the Board of Directors. In addition, the Head Office Human Resources Division maintains various meetings and committees in which division managers in charge of human resources and labor at the business segments convene to gather views and opinions on the drafting of detailed human resource initiatives and communicate Company-wide policies.

- **For information on our internal committees and relevant governance structures, please refer to [Human Resource Management](#).**

## Promoting Diversity and Inclusion

### Promoting the Active Participation of Women

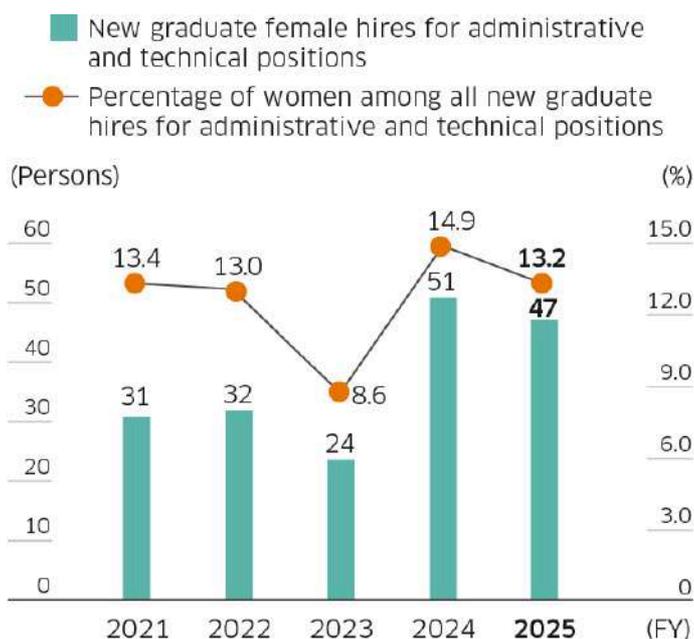
The Company is focused on promoting the active participation of women and continuously encourages active recruitment of women with targets of raising the proportion of women in career-track administrative positions to at least 40% and in career-track technical positions to at least 15% among newly hired graduates. We also set a target to increase the proportion of women in managerial positions to 10% by fiscal 2030.

With the aim of facilitating the retention and fostering an awareness of career enhancement for female employees, we host the "DE&I Forum" for female managers to exchange views on the active participation of women at the Company through a message from the President and a panel discussion among female officers. We also gain insights on facilitating growth from role models outside the Company, and host the "Female Leadership Development Program," "Networking Session for Female Engineers," and "Cross-Industry Networking Event for Women Working in the Kansai Region" in cooperation with Kobe-based companies, toward building human networks outside the company. Furthermore, the Company is actively undertaking activities for the recruitment of female engineers. This included conducting workshops as part of the "Training Program for Female Engineers," in collaboration with universities.

Starting in fiscal 2025, we introduced the Kawasaki Women's Advanced Program for all women in section manager equivalent positions and formulated individualized development plans tailored to each person in order to accelerate measures for building a development pipeline for women who can become candidates for managerial positions and even officers. In addition, we plan to expand the scope of the program to senior manager equivalent and assistant manager equivalent positions starting in fiscal 2026 to expand support for career enhancement of women even further.

- [Kawasaki's page in the Ministry of Health, Labour and Welfare's database of companies promoting the active participation of women \(Japanese language only\)](#)
- [Number and Proportion of Women in Managerial Positions \(ESG Data\)](#)

## New Graduate Female Hires for Administrative and Technical Positions\* and Percentage of Women among All New Graduate Hires for Administrative and Technical Positions (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)



\* As of April 1 of each fiscal year.

## Promoting the Employment and Active Participation of Non-Japanese Nationals

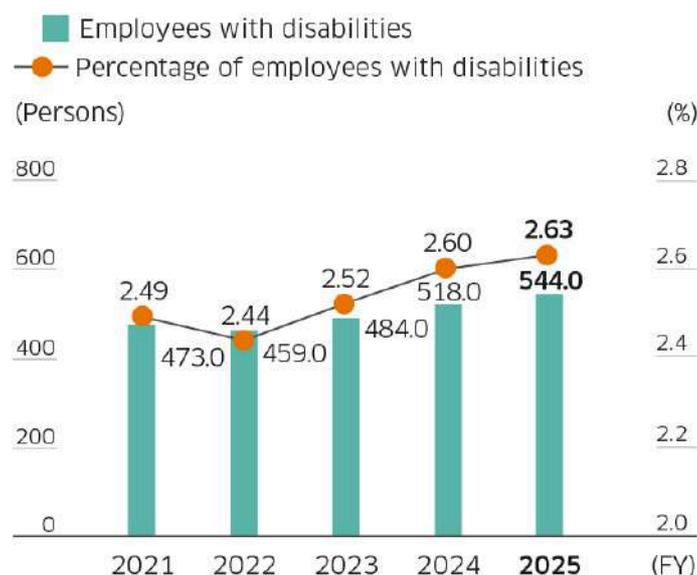
Kawasaki launched a regular hiring program for non-Japanese new graduates in fiscal 2012 and continues to recruit from countries around the globe, including Korea, China, Sweden, and India. To improve communication between non-Japanese employees and their supervisors and co-workers, as well as to enable supervisors and co-workers to better understand non-Japanese employees who have different educational, cultural, and other backgrounds, Kawasaki creates and distributes guidebooks for workplaces that non-Japanese employees will be joining and organizes seminars on multicultural understanding for supervisors as well as training programs to help employees from other countries understand the Japanese business environment.

- [Number of Foreign National Employees \(ESG Data\)](#)

## Promoting Participation by People with Disabilities

We are committed to hiring more people with disabilities, and they participate in a wide range of workplaces. In September 2013, we established our special subsidiary Kawasaki Heartfelt Service Co., Ltd., which promotes the active Group-wide employment of people with disabilities in order to maintain and improve their employment rates, with the employment of persons with disabilities standing in excess of the legally mandated employment rate, at 2.63% for fiscal 2025. We are additionally working actively to create barrier-free workplaces, and will cultivate an environment in which people with disabilities are able to develop to their full potential.

## Employees with Disabilities<sup>\*1 \*2</sup> and Percentage of Employees with Disabilities (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)



\*1 As of June 1 of each fiscal year. Respective results include those for special subsidiary Kawasaki Heartfelt Service Co., Ltd.

\*2 People working short hours are calculated as 0.5 persons. One person with a severe disability is counted as two persons.

### Support for the Active Utilization and Participation of Senior Human Resources

Kawasaki extended its mandatory retirement age based on the mandating of the amended Act on Stabilization of Employment of Elderly Persons, and many of our veteran employees remain actively involved in operations while also passing down their skills by using the experience they have accumulated to date. Furthermore, we hold career seminars for employees in their 50s to assist them in identifying their strengths and allow them to rethink their workstyle options going forward.

### LGBT-related Efforts

Aiming to create an LGBT-friendly workplace, we are striving to raise employee awareness by sending out messages from the President, holding in-house seminars, issuing an LGBT handbook to be used in employee education, distributing the "Kawasaki LGBT ALLY Mark" to help employees express their support of LGBT individuals, and participating in relevant external events. As of the end of fiscal 2024, approximately 1,300 employees had endorsed ALLY. Moreover, we formulated the "Kawasaki Declaration of Action in Support of LGBT," which provides employee conduct guidelines, clarifying Kawasaki's basic stance and action principles to be observed by all employees.



Kawasaki LGBT ALLY mark

Kawasaki Heavy Industries introduced rules on the registration of same-sex partners in fiscal 2020 and the choice of "business names" (a name other than one's legal name) in fiscal 2022. Based on these rules, employees who have same-sex partners and meet prescribed conditions are now deemed legally married and treated as such. Additionally, employees are allowed to work based on their gender identity. In this way, we are endeavoring to develop a structure to advocate for equal rights for LGBT individuals both at their workplaces and in their private lives.

## Initiatives on Unconscious Bias

Since fiscal 2020, the Company has held a total of 11 in-house seminars to consider diversity and inclusion for employees who wish to participate, and starting in fiscal 2025, this program was replaced with Cradle, a video distribution service for promoting DE&I and healthcare for all Group employees. Employees are able to watch seminar videos on a wide range of topics, such as unconscious bias, psychological safety, and health, at any time and from anywhere to deepen their knowledge of DE&I and healthcare. Through the introduction of Cradle, we will create workplace environments where Group employees can work with enthusiasm and link this to further enhancement of well-being.

## Work-Life Balance

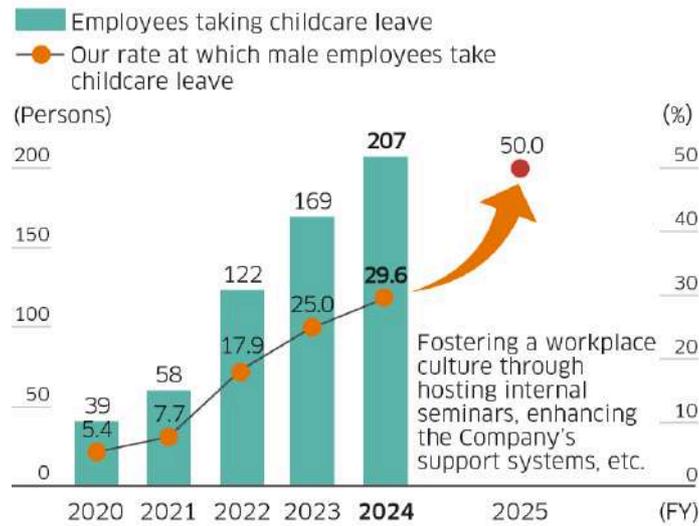
Work-life balance is the foundation for promoting diversity and inclusion, allowing diverse employees to exercise their strengths. To sustainably increase enterprise value, it is crucial to create highly productive workplaces where diverse employees can creatively use their abilities while maintaining a good work-life balance. Within the Kawasaki Group, it is therefore important to create environments in which employees can do work that meets the expectations of the Company, those around them, and themselves while leading healthy, fulfilling lives, so that they can engage with their work at a higher level. By providing diverse workstyle options that enable employees to balance their professional and private lives, we will systematically improve work efficiency.

### Supporting Employees Balancing Work with Childcare and Nursing Care

Kawasaki provides support in a number of ways to enable employees to continue working actively while balancing work with childcare and nursing care. Many related systems go beyond national government standards, such as a system of childcare leave available until employees' children reach age three; a reduced working hours system available until employees' children graduate from elementary school; nursing care leave available for up to three years; and a system that lets employees take time off in one-hour units as needed for childcare or family nursing care. In recognition of these systems, in 2010 Kawasaki was certified as a company supporting childcare and awarded the Kurumin Mark.

Other initiatives include the Supplementary Work Day Nursery Service, which provides temporary childcare services within the Company for employees working on days that they would normally have off; the Childcare Rescue System, offering Company-designated baby-sitter services that employees can use when their children are sick or recovering or when they are working overtime or on business trips; a concierge service to help employees find nursery schools; seminars to support employees taking childcare leave who wish to return to work; and career seminars for dual-income married couples. We continue working to enhance such initiatives for employees with children. Moreover, in order to foster a corporate culture in which employees are not leaving their jobs due to such reasons as childbirth or childcare and in which both men and women are able to balance work with childcare as desired, we have set the target of raising the rate at which male employees take childcare leave to at least 50% by fiscal 2025. We are also proactively working to raise awareness through seminars to promote and support the involvement of men in childcare, as well as seminars for employees returning from childcare leave and their supervisors to ensure that our employees, with their diverse attributes, have the option to choose from a diverse variety of work styles.

## Rate at Which Male Employees Take Childcare Leave



- Usage of Work-Life Balance Programs (ESG Data).

## Support Systems (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)

Parental leave before and after birth	Maternity/paternity leave	Employees may take leave until a child reaches the age of three. There is no limit on the number of leaves taken.
	Nursery school enrollment concierge	Provides services to help employees taking childcare leave enroll their children in a nursery school.
	Childcare leave and leave to care for sick/injured child, etc.	Employees may take 10 days per year per child until the child completes elementary school, and up to a total of 20 days in the case of two or more children (legally, companies are only required to provide a total of up to five days per year for one child or 10 days per year for two or more children).
	Annual paid leave taken in hourly increments (for childcare)	Employees may take annual paid leave in hourly increments (equivalent to two days or 16 hours per year) when necessary due to morning sickness or for childcare (up to completion of elementary school), or to care for a sick/injured child.
	Accumulated leave*	Employees may use accumulated leave to care for a young child (up to completion of elementary school), care for a sick/injured child, or when morning sickness interferes with job duties.
	Use of flextime system	Employees working in departments not eligible for the flextime system may work on a flextime basis as necessary when looking after a young child (up to completion of elementary school) or when morning sickness interferes with job duties.
	Limits on out-of-hours work and work on days off	Employees may be exempted from out-of-hours work and work on days off until a child completes elementary school.
	Reduced working hours system to care for young child	Standard working hours can be reduced up to a maximum of three hours a day until a child completes elementary school. (Employees caring for children with disabilities or children requiring medical care are entitled to apply for reduced working hours until March 31 of the fiscal year in which their child reaches the age of 18.)

	Congratulatory leave (condolences leave)	Employees are eligible to take five days leave during the prenatal period of six weeks (14 weeks in the case of multiple pregnancies) preceding and the postpartum period of eight weeks following the birth of a spouse's baby (however, in cases in which childbirth occurs in advance of the prenatal period, the five days may be taken from two days before the date of birth).
	Kawasaki Childcare Rescue System	Subsidies are made available for employees with children for babysitting services by Company-designated childcare providers to cater to sickness or recuperation of children, as well as business trips and overtime work.
	Supplementary work day nursery service	Nursery services by Company-contracted childcare providers at an on-site or nearby day care facility are available for days when the company calendar calls for a supplementary work day.
Family nursing care	Nursing care leave	Employees may take leave up to three times for one person requiring nursing care (three years at longest).
	Limits on out-of-hours work and work on days off for nursing care	Employees may be exempted from out-of-hours work and work on days off up to once a year.
	Special leave for family care	Employees may take special leave of 10 days per year per family member requiring nursing care, up to a total of 20 days in the case of two or more family members requiring nursing care (legally, companies are only required to provide five days per year for one family member or 10 days per year for two or more family members).
	Annual paid leave taken in hourly increments (for nursing care)	Employees may take annual paid leave in hourly increments (equivalent to two days or 16 hours per year) when necessary to care for an ailing or elderly family member.
	Accumulated leave*	Employees may use accumulated leave whenever necessary to care for an ailing or elderly family member.
	Use of flextime system	Employees working in departments not eligible for the flextime system may work on a flextime basis as necessary when looking after family members requiring nursing care.
	Reduced working hours system for nursing care	Employees may shorten their working hours for at longest two hours a day until the grounds for care cease to apply.
Other	Request for reemployment	Employees who resign to care for a child or an ailing/elderly family member may apply to be rehired when a change in their situation allows them to return to work.

\* Accumulated leave refers to unused annual paid vacation days that cannot be carried over to the next year (up to 60 days) but can be taken in such circumstances as personal injury or illness, childcare, caregiving, or nursing.

## Workstyle Reform

Kawasaki has promoted organizational and corporate culture transformation, system transformation, and operational transformation through K-Win activities, which were initiated as a means of reforming workstyle. To promote organizational and corporate culture transformation, we have issued messages from top management, provided educational seminars for managerial staff, and held one-on-one meetings. In system transformation, in fiscal 2018 we introduced a remote working program (teleworking program) for all employees, and are undertaking initiatives to create a working environment that allows employees to work flexibly in ways aligned with their own lifestyles. In terms of operational transformation, we have provided the Operational Efficiency Improvement Start Book as well as useful information for operational transformation, including tools for various types of work.

Currently, the scope of K-Win activities to reform workstyle is being expanded to include "activities to change the corporate culture and employee awareness," toward the realization of Group Vision 2030. Meanwhile, we are also working to mitigate, to the bare minimum, increases in the number of employees even during growth stages of our business by visualizing and improving the efficiency of work processes through the deployment of robots and AI as well as through digital transformation. At the same time, we are committed to realizing workstyle which enable employees to experience a real sense of satisfaction and growth by focusing on high value-added work.

## Encouraging Employees to Take Their Annual Paid Leave

Kawasaki encourages employees to take their annual paid leave to enable them to mentally and physically refresh themselves and to draw a clear line between work and private life by taking their leave in a planned manner.

To this end, Kawasaki implements two programs: the Two Consecutive Holidays and the Anniversary Holiday programs. Under these programs, employees designate a total of three paid leave days at the beginning of the fiscal year and can take these days off without fail.

Additionally, based on the labor agreement, three annual paid leave days that the Company designates are taken by most employees in August. The Company combines this midsummer break with other Company holidays and a national holiday to create a span of nine consecutive days off. Furthermore, the labor union and management have agreed to designate one day per week as an on-time exit day since fiscal 2006. The designation of this on-time exit day helps employees work efficiently and improve their work-life balance.

- [Annual Paid Leave Usage \(ESG Data\)](#)

# Other Initiatives

## Diversity and Inclusion Symbol

Kawasaki has adopted a diversity and inclusion symbol. This symbol imagines Kawasaki as a tree made up of a great number of diverse individuals. For this tree to grow healthily, its leaves and fruit must become more colorful and rich. We who work at Kawasaki see value in expressing our diverse colors—our unique personalities and skills—and seek to do so together within Kawasaki to grow as individuals and as a company. This is the message conveyed by the diversity and inclusion symbol.



The Kawasaki Diversity and Inclusion Symbol

## Diversity and Inclusion Promotion Website

We have set up a diversity and inclusion promotion website on the Company intranet. This website offers an overview of diversity and inclusion at the Kawasaki Group alongside workplace examples and information about systems related to facilitating a healthy work-life balance.

## External Network

To accelerate social shifts related to diversity, inclusion, and work-life balance, we proactively look beyond the framework of the Company to encourage employees to participate in outside seminars and advance activities together with other organizations and companies. One example is a work-life balance and diversity and inclusion promotion study project being jointly implemented by the Chuo University Graduate School of Strategic Management and private companies. This project broadly promotes the concept of healthy work-life balance in society through surveys and research. We also actively exchange information with DE&I promoters from various companies as a means to share challenges and best practices.

## Topic

### Enhancing On-site Nursery Facilities

Kawasaki Motors Enterprise (Thailand) Co., Ltd. opened an on-site nursery in April 2010. The nursery provides care for employees' children between the ages of one and four. Each year, the nursery cares for the children of about 30 employees on a daily basis. Several other children are also registered at the nursery, so that their families can utilize it when necessary. The nursery is generally open from 7:30 to 17:15 to coincide with regular working hours, but, if requested by more than a certain number of employees, it is also made available during overtime hours or on holidays.

In Japan, Kawasaki established workplace nursery facilities for days that employees have to work but would normally have off in order to provide temporary childcare services, and starting in April 2025, we opened an on-site nursery school at the Gifu Works. By opening workplace nursery facilities and establishing other programs that facilitate an early return to work, employees can continue working with complete peace of mind by leaving their children to be cared for within the office premises. From the employer's viewpoint, this helps avoid the loss of skilled human resources due to childbirth or childcare responsibilities, promoting a stable and committed workforce. The opening of the nursery has thus proved to be mutually beneficial to both employees and the company.



The nursery of Kawasaki Motors Enterprise (Thailand) Co., Ltd.

# Occupational Safety, Hygiene, and Health

## Management Approach

### Our Basic Stance

In line with its tenets of maintaining respect for individuals and putting health first, the Kawasaki Group is committed to creating a workplace culture that places the utmost priority on safety and health. Accordingly, the Group will not only comply with laws and regulations related to occupational safety, hygiene and health but also give even more careful consideration to maintaining safe, hygienic and healthy workplace settings for all those working at its facilities. Under this policy, the Group will thus create a safe and comfortable workplace environment in which every worker can stay mentally and physically healthy, to this end promoting close collaboration involving its management, all people working in our Group, labor unions and health insurance associations (if any), and other stakeholders to maintain and improve occupational safety, hygiene and health, with the aim of solidifying a foundation supporting its Group Mission, "Kawasaki, working as one for the good of the planet."

### Policy

The Kawasaki Group is committed to the realization of the Group's mission by reporting to the labor union the Kawasaki Group Policy on a Management Approach Prioritizing Occupational Safety, Hygiene and Health founded in fiscal 2021 with the approval of the Board of Directors, and by engaging in efforts to provide a safe and secure labor environment, prevent occupational illnesses and mental health issues, and realize healthier lifestyles fulfilling lives with collaboration between labor and management.

#### Scope of Policy Application

The Kawasaki Group and contractors under the Group's management

- [Kawasaki Group Policy on a Management Approach Prioritizing Occupational Safety, Hygiene and Health](#) 

## Long-Term Vision

Originally, the Kawasaki Group had set forth a three-year medium-term plan as its goals for safety, hygiene, and health activities. In fiscal 2024, it established a long-term vision on safety and health based on the Kawasaki Group Policy on a Management Approach Prioritizing Occupational Safety, Hygiene and Health. By steadily implementing safety, hygiene, and health management activities matched with the attributes of its various business sites and business segments each year, the Group will aim to realize its vision.

Goals(Vision)	Stage I	Stage II	Stage III
<ul style="list-style-type: none"> <li>• Accomplishing zero occurrences of serious occupational accidents</li> <li>• Promoting inherent safety and making it compulsory to examine engineering measures</li> </ul>	<p><b>Promotion of risk assessment for serious occupational accident scenarios + Measures for maintaining status quo</b></p> <p><b>Issues and direction</b> Over time, the Kawasaki Group has adopted zero serious occupational accidents as a top-priority objective. In the last decade, however, two serious occupational accidents took place. Based on that current situation, the Group will thoroughly enforce its existing measures and carry out risk assessments aimed at promoting inherent safety and realizing engineering measures. In doing so, it will aim to establish a sustainable safety environment.</p>		
<ul style="list-style-type: none"> <li>• Achieving zero lost time injury frequency rate (LTIFR)</li> <li>• Transforming awareness of safety management from cost to investment</li> </ul>	<p><b>Examining measures to secure safety investment</b></p>	<p><b>Preparing and implementing (medium-term) safety investment plans</b></p>	<p><b>Entrenching safety investment</b></p>
<p><b>Issues and direction</b> The Kawasaki Group will shift its priority from reducing the number of accidents to lowering their severity. Rather than disaster countermeasures that are dependent on people in order to reduce costs, the Group will carry out safety investment in safe equipment and work environments. In doing so, it will improve technical standards from a safety management angle and aim to reduce accidents.</p>			
<ul style="list-style-type: none"> <li>• Halving absenteeism<sup>*1*2</sup></li> <li>• Halving presenteeism<sup>*1*3</sup></li> </ul>	<p><b>Implementing health management on a full scale</b></p> <ul style="list-style-type: none"> <li>• Implementing measures to address issues based on various forms of analysis</li> <li>• Ascertaining presenteeism</li> </ul>	<p><b>Entrenching health management</b></p> <ul style="list-style-type: none"> <li>• Building mechanisms through which measures with a clear order of priority can be implemented to address issues based on investment effects</li> </ul>	<p><b>Evolving health management</b></p> <ul style="list-style-type: none"> <li>• Realizing a situation in which improvement effects can be achieved relative to investments</li> </ul>
<p><b>Issues and direction</b> [Reducing labor loss by improving absenteeism] In its aim to reduce the number of days of sick leave, the Kawasaki Group will carry out mental health measures and other various necessary measures and, in doing so, facilitate reductions in labor loss.  [Elevating labor productivity by improving presenteeism] The Kawasaki Group will ascertain and analyze the actual state of presenteeism as it pertains to employee performance and carry out measures with high priority. In doing so, it will establish a workplace environment where its employees can work with peace of mind and aim to elevate labor productivity.</p>			

\*1 Halving the average value of results for the three-year period starting in 2025

\*2 Work absence and work leave due to health issues

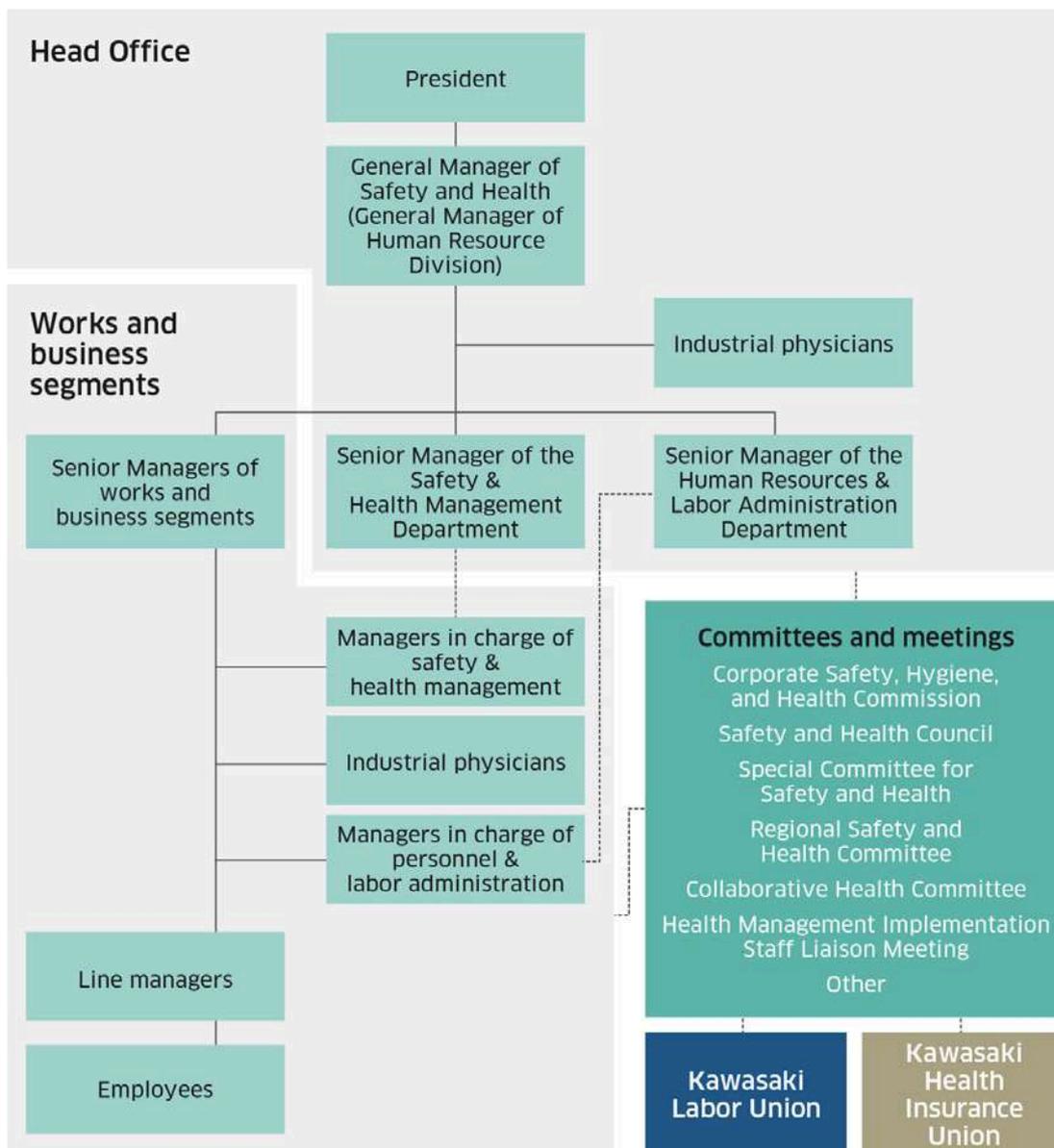
\*3 State in which employees are not absent from work but are experiencing lower productivity due to health issues

- [Status of Labor Accidents and Work-related Illnesses \(ESG Data\)](#).
- [Status of Sanitation Management \(ESG Data\)](#).
- [Health Management \(ESG Data\)](#).

## Structure

Kawasaki has defined a set of company rules called the Safety and Health Management Rules in accordance with the Kawasaki Group Policy on a Management Approach Prioritizing Occupational Safety, Hygiene and Health, approved by the Board of Directors, under which it has established safety and health structures both Company-wide and at individual works. We actively implement measures in a planned manner to ensure the safety and health of our employees and contractors, improve their health and create comfortable working environments. Specifically, regarding our long-term vision and the annually determined Safety, Hygiene, and Health Management Guidelines defined by the General Manager of Safety and Health, safety and health activities based on the long-term vision and management guidelines are carried out at different business sites under the supervision and management of Managers of Safety and Health and with the consultation and approval of the labor union. The results of these activities are reported every year to the Management Committee which comprises of Outside Directors. When an accident, such as an occupational accident, occurs, it is reported to the General Manager of Safety and Health and the labor union, and legally required filings and other such procedures are handled in accordance with corporate regulations and rules.

### Occupational Safety, Hygiene, and Health Management Structure



## Responsible Officers

Company-wide: Takeshi Kaneko, Managing Executive Officer, General Manager of Human Resources Division (General Manager of Safety and Health)

Each works: Managers of Safety and Health

## Responsible Executive Organ and/or Committee

- Corporate consultative body: Corporate Safety, Hygiene, and Health Commission  
Attended by the General Manager of Safety and Health and Managers of Safety and Health at each work, the commission meets every December to reflect on the year and discuss targets and other safety, hygiene, and health matters for the following year.
- Consultative body with the labor union: Special Committee for Safety and Health, and Safety and Health Council

The Special Committee for Safety and Health is attended by the Senior Manager of the Head Office's Safety & Health Management Department, staff responsible for safety and health, and members of the management and safety executive committees of the labor union headquarters and branches. The Safety and Health Council is attended by the General Manager of Safety and Health and the Managers of Safety and Health (for the Head Office and works) from the Company and the Central Executive Committee members (for the Headquarters and branches) from the labor union.

- Consultative body at works: Regional Safety and Health Committee  
Based on labor agreements, this committee is attended by the operating sites' safety and health managers and staff as well as management and safety executive committee members from the labor union branches.

- **For information on the functions of the Special Committee for Safety and Health, the Safety and Health Council, and the Regional Safety and Health Committee, please refer to Labor Discussions.**

# Safety Management

## Our Safety Management Activities

### Occupational Safety and Health Management Systems

Based on our occupational safety and health management systems, we implement systematic safety and health management activities as well as improvements through ongoing PDCA cycles and internal audits at workplaces. By doing so, we seek to create a virtuous cycle of improvement of these systems, prevent occupational accidents, and facilitate the creation of a comfortable work environment. In our risk assessment efforts, we constantly strive to enhance our ability to identify and reduce risks. As for workplace risk assessments, the risks of occupational accidents at each business site are regularly reviewed based on the business characteristics of the respective business segments. We also review risks when operations or procedures are first introduced, when they are altered, and upon restart after a pause. The safety and health management systems at all of our business sites are at an OSHMS third-party certified level (Sites with third-party certification: Kobe Works shipyard, Sakaide Works [ISO 45001], Kobe Head Office Works of Kawasaki Railcar Manufacturing Co., Ltd. [OSHMS certification according to the method of the Japan Industrial Safety and Health Association]). Business sites with third-party certification undergo regular inspections by third-party certification bodies. Uncertified sites undergo internal audits once a year in principle, administered by the Head Office.

### List of Sites with OSHMS Third-party Certification (The Kawasaki Group (domestic)) (FY)

Acquired sites	2021	2022	2023	2024
<b>Energy Solution &amp; Marine Company Kobe Works (Shipping Department)</b>	ISO45001 (JISQ45001)	ISO45001 (JISQ45001)	ISO45001 (JISQ45001)	ISO45001 (JISQ45001)
<b>Energy Solution &amp; Marine Company Sakaide Works</b>	ISO45001	ISO45001	ISO45001	ISO45001
<b>Kobe Head Office Works of Kawasaki Railcar Manufacturing Co., Ltd.</b>	JISHA OSHMS Standards	JISHA OSHMS Standards	JISHA OSHMS Standards	JISHA OSHMS Standards

### KSKY Campaign

Kawasaki's KSKY Campaign and awareness-building efforts are key aspects of its occupational accident prevention efforts. The letters comprising this acronym stand for Japanese words that describe the different elements of the campaign: K (kihon), creating a disciplined workplace that observes the basic safety rules; S (shisa koshou), making sure to identify and call out to confirm breaks and other crucial points in each work operation; and KY (kiken yochi), working to further improve danger prediction abilities. The purpose of the campaign is to encourage employees to take a more active role in safety measures and thereby create a workplace in which all can openly caution one another about potential issues.

## Safety Awards

Corporate regulations provide for safety awards. Production divisions receive awards for amassing long accident-free records, while business sites receive awards for having accident-free years. In fiscal 2024, Akashi Works and Seishin Works at Aerospace Systems Company and Akashi Works and Harima Works at Energy Solution & Marine Engineering Company achieved year-long accident-free operations.

## Initiatives to Prevent Harm Caused by Radiation

Based on relevant laws, Kawasaki prevents harm caused by radiation by carefully controlling the use of radioactive isotopes; radiation-generating equipment and its handling during sales; and work in locations contaminated by the scattering of radioactive isotopes. In addition, to ensure operational safety in operations that involve radiation, we have established regulations for preventing harm caused by radiation. Any occurrence of an accident resulting in harm caused by radiation is reported to the General Manager of Safety and Health and the labor union, and legally required filings and disclosure to the public and media outlets are handled in accordance with specified procedures.

## Education on and Awareness of Occupational Safety and Health

Based on our Safety and Health Education Standards, in addition to education and training required by law, we carry out other necessary safety and health education programs, including grade-specific training for different staff grades; operation-specific training given after a change in operational content or for employees engaged in specific duties; general education, which includes health education and hazard prediction training; and training for on-site employees seconded from partners working under Kawasaki Management on, for example, plant construction sites. Moreover, we also use the corporate safety education facility, referred to as the "safety dojo," to promote safety awareness, impart knowledge, and refine risk sensitivity in order to further develop human resources who are capable of acting safely. To prevent accidents caused by unsafe practices and to build safety awareness, we implement a range of safety and health education programs, including simulated scenarios to help employees experience hazards in the workplace firsthand.

## Safety Dojo Participants (The Kawasaki Group (domestic))

(FY)

	Unit	2020	2021	2022	2023	2024
<b>Safety Dojo participants</b>	Persons	671	511	1,847	2,024	2,165

## Status of Occurrence of Labor Accidents and Work-related Illnesses

Kawasaki endeavors to reduce the lost time injury frequency rate (LTIFR) and the total number of occupational accidents as a safety management objective. So far, the LTIFR under Kawasaki's overall supervision (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors) has been below the average for all industries and manufacturing industries in Japan. We are committed to continued efforts for reduction by promoting safety management activities, and thorough compliance with the measures and rules for prevention of occupational accidents.

## Lost Time Injury Frequency Rate (LTIFR) (under Kawasaki's overall supervision)



### Disaster Analysis

Analysis of the causes of occupational accidents reveals that, in 2024 the top three causes were "got wedged or caught in," "got cut or scraped," and "fell over," which together accounted for 65%, more than half of the total. Further, "fell or slipped" which could easily result in serious accidents accounted for 7% of the total. We are committed to the implementation of accident prevention activities through the continued promotion of safety management activities based on lessons learned from serious accidents in the past and the thorough execution of measures to prevent recurrence at all business sites.

## Sanitation Management

### Our Sanitation Management Activities

#### Preventive Measures against Occupational Illnesses

To prevent occupational illnesses, we carry out occupational health training when employees are hired, when they change operations, and when they are assigned to dangerous or hazardous work. Furthermore, in accordance with relevant laws, we carry out special health checkups and provide thorough health guidance for those identified as having potential health problems while measuring work environments and advancing work environment improvements. Additionally, in the interest of promoting the autonomous management of chemical substances, we operate a subcommittee consisting of personnel from each business site through which we tackle a number of issues that include management structure, Safety Data Sheet (SDS) management, the implementation of risk assessments and response based on the results of those assessments.

## Checkups for Employees Working Long Hours

To prevent health problems that can be caused by overworking, we have set stricter standards than those mandated by law, requiring employees who have worked 45 hours or longer of overtime in each of two consecutive months or 60 hours or longer in one month to undergo checkups for long-hour workers as well as checks for cumulative fatigue. Based on the results of these examinations and such factors as the number of overtime hours worked, employees are interviewed by an industrial physician and necessary measures put in place. Furthermore, as measures to counter long working hours, we properly conduct attendance and labor affairs management as well as enter into agreements with the labor union over work shift intervals and pursue other initiatives between labor and management.

## Mental Health Measures

As a mental health care initiative, we have compiled the Basic Policy on Mental Health Measures. In response to the rise in the number of people with mental health problems in recent years, we revised the Policy in 2023 and now promote countermeasures centering on four types of mental health care from primary to tertiary prevention. Each business site offers level-specific mental health education by age group, at the time of promotion, and so on to ensure that employees have regular access to such education, which is important in terms of self-care. Each year approximately 10% of all employees receive this mental health education. We also conduct annual stress checks, assist self-care by employees themselves, and provide interview guidance and other follow-up for those found to have high levels of stress. As line-of-command care, we conduct group analysis at the time of stress checks. Based on the results of this analysis, industrial physicians hold individual workplace interviews with supervisors at workplaces with high health risks, and training is provided to supervisors at each business site.

Furthermore, as care by industrial health staff at business sites, we aim to intervene and respond quickly when an employee develops a mental health issue, and industrial physicians, human resource and labor affairs departments, industrial health staff, and the employee's supervisor provide coordinated support when that employee returns to work. In addition, as care by external organizations, we offer an external consultation hotline so that employees can easily seek advice relating to mental health and other issues and strengthen our response by means of contracts with professional mental health doctors.

## Health Management of Employees on Overseas Assignment

Kawasaki's corporate regulations lay out health management standards for employees on long-term overseas business travel or stationed overseas. For such employees, we carry out health checkups before, during, and after their return from overseas assignment, and their eligibility for overseas assignment is decided based on the results of such checkups and interviews with industrial physicians. Amid the COVID-19 pandemic too, the human resource and industrial health departments cooperated in checking conditions at destinations and conducting health management. In addition, when dispatching employees overseas, Kawasaki covers the cost of and implements vaccinations as necessary for the specific destinations so as to prevent employees on overseas assignment from contracting such infectious diseases as malaria and tuberculosis.

We also provide support so that employees can seek necessary medical care with confidence should they become unwell while overseas.

# Health Management

## Our Health Management Activities

With the view that initiatives for the promotion of employee health constitute investment, Kawasaki promotes health management, a management method of conducting measures to address issues from a strategic perspective. By continuously implementing measures based on various forms of data analysis on health and other areas and evaluations of those measures, we endeavor to improve both absenteeism and presenteeism as we aim to reduce labor loss and enhance labor productivity.

### Implementation of Physical Checkups and Lifestyle Disease Countermeasures

To manage employee health, Kawasaki provides regular health checkups for all employees, including those on assignment overseas, aiming for 100% of employees to receive such checkups. After the checkups, we encourage employees flagged as having potential issues to undergo secondary examinations and provide thorough health guidance.

Furthermore, in coordination with the health insurance union, we proactively provide designated health guidance to employees with metabolic syndrome, with a Group-wide implementation rate of over 50%. In this way, the Group endeavors to prevent illnesses or detect them early on by appropriately implementing various health checkups and carrying out subsequent follow-ups.

### Infectious Disease Prevention

Kawasaki provides influenza vaccines during work hours at little cost to the employees who elect to receive them. In addition, to prevent the spread of COVID-19, we are conducting awareness raising with regard to such topics as hand washing, cough etiquette, ventilation, and avoiding the three Cs (closed spaces, crowded places, and close-contact settings). In accordance with government policy, we have also stipulated various guidelines toward preventing infection and the spread of infection. We have endeavored to instill this in employees and have proactively undertaken vaccination of employees in their workplaces.

### Second-hand Smoke Preventive Measures

In response to the April 2020 amendment to the Health Promotion Act, Kawasaki is implementing measures to prevent second-hand smoke exposure, for example, eliminating indoor smoking areas and setting up dedicated smoking rooms based on the government's guidelines for preventing second-hand smoke exposure in the workplace. In addition, to support employees who smoke and want to quit, we have set up a program to subsidize their efforts to do so. The smoking rate at Kawasaki (non-consolidated) has been falling; in 2023, it stood at 23.2%, down from 31% in 2013, the first year that we collected data. Together with second-hand smoke preventive measures, we will continue working to reduce the employee smoking rate.

## Health Maintenance and Improvement Measures

In the Kawasaki Group measures to improve the health of employees are discussed and planned in the Collaborative Health Committee, which comprises representatives of the company, health insurance union, and labor union. This committee compiles a health report for each business site and related company based on employee health-related data administered by the health insurance union and company so that the committee can adopt effective measures and obtain better results. Regarding issues made clear by the results of the health reports, we decide the theme for each year and set about tackling it on a Group-wide basis.

In fiscal 2022, we tackled the issue of gynecological cancer screening through the creation of leaflets among other measures and collaborated with the health insurance union to actively encourage people to undergo medical examinations in view of the fact that although many young people suffer from this type of cancer, the screening rate is low. In fiscal 2023, we reviewed the system including the contents and targets of various aspects of health education such as diet and exercise and provided education at all business sites in order to enable the provision of requisite education for each age group at each business site. In fiscal 2024, we held a walk rally event in cooperation with business sites with the aim of improving exercise habits as well as started up a working group to examine policy, concrete measures, and the like for quitting smoking, addressing mental health, and preventing the aggravation of illness.

Further, some business sites have established wellness areas equipped with exercise ball and other equipment, strength training equipment, and treadmills among other things, with the aim of supporting the promotion of health through physical activities.

## Health Education Classes

As part of our companywide Total Health Promotion activities, we identify the health issues faced by business sites from their health reports and in response to these issues hold dietary improvement seminars, exercise seminars, and other events aimed at the prevention of lifestyle-related diseases together with the health insurance union. We also hold seminars for female employees and antismoking seminars, thereby supporting employees' mental and physical health improvement.

### Health Education Participants (consolidated domestic; exceptions apply) (FY)

	Unit	2020	2021	2022	2023	2024
<b>Mental health education</b>	Persons	2,047	2,673	2,667	2,370	2,110
<b>Level-specific education (for new hires, by age, etc.)</b>	Persons	1,978	1,941	1,797	2,048	2,703
<b>Other health education (female, smoking cessation, etc.)</b>	Persons	1,569	1,517	1,834	616	1,090

### Actions for Preventing Lifestyle Diseases (consolidated domestic; exceptions apply)(FY)

	Unit	2020	2021	2022	2023	2024
<b>Percentage taking designated checkups</b>	%	95.7	95.1	96.0	96.0	97.1
<b>Percentage taking designated health guidance</b>	%	66.7	60.0	44.4	55.7	53.1

# Labor Discussions

Status of Labor-Management Consultations on Occupational Safety, Hygiene, and Health Issues (Status of the Safety and Health Committee, etc.)

Kawasaki has concluded a labor agreement with the labor union and holds Safety and Health Council meetings at least once a year to discuss policy for occupational safety, hygiene, and health activities, priority initiatives, and activity plans; The Special Committee for Safety and Health meets at least twice a year to follow up on the state of implementation and make revisions, and Regional Safety and Health Committee meets monthly at all domestic sites to deliberate on measures for preventing hazards and health impediments and discuss the causes and measures for preventing the recurrence of labor accidents at each site. Discussions are held at the respective council and committee meetings with the primary agenda of checking the progress of various safety, hygiene and health achievements and confirming the results and plans of safety and health activities.

# Social Contribution Activities

## Management Approach

### Our Basic Stance

As a company that engages in a broad range of businesses domestically and overseas, the Kawasaki Group believes that as a member of communities, we have a responsibility for making active contributions to the communities in which we operate.

Additionally, in the context of the SDGs adopted by the UN in 2015, expectations for corporations are high with respect to realizing sustainable societies.

Based on the Kawasaki Group Social Contribution Activities Policy, we are committed to pushing forward with our social contribution activities that leverage our human resources, technologies, and capital and are highly synergistic with our business activities.

### The Kawasaki Group Social Contribution Activities Policy

The Kawasaki Group implements social contribution activities in various fields based on the Group Mission, "Kawasaki, working as one for the good of the planet." We take advantage of our strengths and the capabilities of our employees for such activities. The key areas of our social contribution activities are as below.

1. The Kawasaki Group, as a corporate citizen, constructs good relationships with local communities and contributes to their development.
2. The Kawasaki Group supports the next generation who lead the future technology.
3. The Kawasaki Group preserves the environment and achieves sustainable society.

Applicable SDGs & Targets	Kawasaki's Approach & KPIs
 <p>4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes</p>	<ul style="list-style-type: none"> <li>• Handicraft and experiment courses for elementary and junior high school students</li> <li>• Participation in online educational events</li> <li>• Operation of Kawasaki Good Times World</li> <li>• Operation of Kawasaki Robostage</li> <li>• Participation in education events and programs</li> </ul> <p>KPI:</p> <ul style="list-style-type: none"> <li>• The number of participants in Handicraft and experiment courses</li> <li>• The number of participants in online educational events</li> </ul>
 <p>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally</p>	<ul style="list-style-type: none"> <li>• Reforestation (in Tokyo and Hyogo)</li> </ul> <p>KPI:</p> <ul style="list-style-type: none"> <li>• Achievements of forest conservation activities (area, the number of planted trees)</li> </ul>

	<p>17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<ul style="list-style-type: none"> <li>• Operation of Kawasaki Good Times World</li> <li>• Official sponsor for Vissel KOBE (a J. League Division 1 soccer club), INAC Kobe Leonessa (a WE League soccer club), and FC Gifu (a J. League Division 3 soccer club)</li> <li>• Official partner of the National Museum of Western Art</li> <li>• Support of "Hien" exhibition at Gifu-Kakamigahara Air and Space Museum</li> <li>• Support of community sports activity (ex. Hockey)</li> <li>• Participation in or sponsorship for local events</li> <li>• Kawasaki Good Times Foundation</li> </ul> <p>KPI:</p> <ul style="list-style-type: none"> <li>• The amount of spending for "local communities"</li> <li>• The number of visitors to Kawasaki Good Times World</li> </ul>
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## Scope of Policy Application

The Kawasaki Group

## Structure

- For details on related structures and responsible officers, please refer to Sustainability Promotion System under [Sustainability Framework](#).

# Key Areas in Our Social Contribution Activities

## 1. Contribution to Local Communities

We carry out activities to support sports, arts, and cultural events as well as community exchange, mostly in regions where we have offices or works.

Our aim through these activities is to contribute to the sustenance and development of local communities along with improving our presence in these communities.

- [Contribution to Local Communities](#)

## Topic

### Official Partnership Agreement with the National Museum of Western Art

In March 2023, we concluded an official partnership agreement with the National Museum of Western Art. This is a museum housing many pieces from the Matsukata Collection, assembled by Kojiro Matsukata, the first president of Kawasaki Dockyard Co., Ltd. (now Kawasaki Heavy Industries, Ltd.)

One initiative is "Kawasaki Free Sunday," held in principle on the second Sunday of each month, allowing visitors to view the museum's permanent exhibits free of charge. Through this partnership, we will contribute to "create an affluent society through the power of art" by providing a broad swathe of people with opportunities to experience art.



©The National Museum of Western Art

## 2. Support for the Next Generation

As a company that specializes in technological development and its widespread application, employees of the Kawasaki develop science education programs and hold handicraft and experiment courses for elementary and junior high school students. In addition, the Miraihon\* project to develop the next generation of human resources has been launched for high school students by Kawasaki employee volunteers.

By carrying out these activities on a continuous and regular basis, we both contribute to building children's interest as well as to improvements in employee communication skills and motivation.

\* "Mirai" in *Miraihon* means "future" in Japanese.

- [Support for the Next Generation](#)
- [Kawasaki Good Times World](#) 
- [Kawasaki Robostage](#) 

### 3. Realization of a Society Coexisting with Nature

Striving to create a society that coexists with nature, the Kawasaki Group engages in forest conservation activities in the two prefectures of Tokyo and Hyogo. We continue to work with NPO Academy of Natural Environment in Tokyo and NPO Hyogo Mori no Club and Kami Forestry Research Club in Hyogo and are promoting exchange with local communities by means of employee participation in reforestation activities as volunteers. These activities facilitate higher environmental awareness among our employees and improve our reputation as an environmentally sensitive company. The amount of CO<sub>2</sub> absorbed through these forestation activities is also calculated and disclosed.

- [Environmental Conservation Activities](#)

#### Effects of Our Social Contribution Activities (output, outcome, and impact)

We quantify the performance of main activities in the key areas of our social contribution activities as KPI to make further improvements to the effectiveness of these activities.

#### KPI/Performance of Our Social Contribution Activities (consolidated domestic) (FY)

	Unit	2020	2021	2022	2023	2024	
Social contribution expenses for communities	Millions of yen	184	204	191	207	197	
Kawasaki Good Times World visitors	Thousands of people	77	93	230	219	226	
Handicraft and experiment courses	Participants	Persons	0	0	62	36	141
	Events held	Number of times	0	0	2	2	9
Online educational event participants	Persons	663	406	1084	860	556	

(FY2024)

Forest conservation activities		Machida, Tokyo	Ono, Hyogo	Taka, Hyogo
Participants	Persons	14	105	109
Activities per year	Number of activities	1	2	2
Area	ha	10.14	10.0	6.8
CO <sub>2</sub> absorption amount	t-CO <sub>2</sub>	-	-	0.96
Tree planting	Trees	-	36	-

- [Social Contribution Activities by Type \(ESG Data\)](#)
- [Social Contribution Activities Expenditure \(ESG Data\)](#)

# Facilitating Employee Participation in Social Contribution Activities

As of April 2024, Kawasaki Heavy Industries has instituted a system where employees can take special days off to participate in volunteer projects to help facilitate recovery from natural disasters. By providing five days a year for this purpose, we facilitate employee participation in social contribution activities. We additionally offer the Kawasaki Volunteer Network, an internal organization, to further support employee participation in a wider range of volunteer activities, including those relating to natural disasters. In order to enable employees to join in volunteer activities to benefit the region and society in general, this organization strives for collaboration with the regional social welfare councils and other organizations.

## *Topic*

### Assisting Victims of the 2024 Noto Peninsula Earthquake

In response to the 2024 Noto Peninsula Earthquake, which occurred on January 2024, the Kawasaki Group has donated ¥30 million to support the victims of the Noto Peninsula Earthquake and the affected region, in addition to providing transport of commodities to evacuation centers using Z-Leg™, a one-stop helicopter booking service. Our employees have also engaged in volunteer projects through the Kawasaki Volunteer Network, with a total of 120 volunteers providing earthquake relief four times and later providing support following torrential rain two times.



Cargo loading work for the Z-Leg™ service



Volunteers working to support earthquake relief efforts

# Contribution to Local Communities

The Kawasaki Group, as a corporate citizen, constructs a good relationship with local communities and contributes to their continuation and development.

## The Efforts for Development of the Local Communities

### Interaction Opportunities with the Local Community at Akashi Works

Since fiscal 2011, we have held regional exchange meetings and invited students of elementary and junior high schools near the Akashi Works and their parents. Today, these have become a very popular event with close to 200 people participating in each meeting. In fiscal 2024, an event was held on February 11.

Activities have included an introduction to Kawasaki Heavy Industries, explanations about the products made at the Akashi Works, a hands-on manufacturing experience, and a tour of Kawasaki Good Times World. These activities allow visitors to get a better understanding of Kawasaki Group operations.



Greeting by the organizer at a regional exchange meeting



Visitors at Kawasaki Good Times World



A hands-on manufacturing experience at a regional exchange meeting

## SDGs Lecture at Gifu Works

On September 27, 2023 the Gifu Works held an SDGs Lecture at the nearby Ryokuyo Junior High School in Kakamigahara City to provide explanations of SDGs initiatives at the Kawasaki Group and the Gifu Works. Participating students made such comments as "I was able to learn about the Kawasaki Group's wide-ranging business activities and vision" and "It was meaningful to learn about the Kawasaki Group's contribution to achieving the SDGs through its business and the activities of the local Gifu Works."

Going forward, we will continue to contribute to the endurance and development of local communities through activities that positively communicate the Group's initiatives.



Introduction of the SDGs Lecture instructor



Scene from the SDGs Lecture

## Support for Vissel Kobe, INAC Kobe Leonessa, and FC Gifu

Kawasaki Heavy Industries has been supporting the J1 soccer league "VISSEL KOBE" as an official sponsor since the team was established in 1995, and the WE League women's professional soccer club "INAC Kobe Leonessa" as a wear sponsor since 2019. We have also supported FC Gifu soccer team in the J3 League as an official sponsor since 2014.

We will contribute to the society and community through sports, including the sound development of young people and the promotion of the soccer through the academies and soccer schools promoted by each club.



©Vissel Kobe



©INAC Kobe Leonessa



©FC Gifu

### ANSWERS\* Special Feature Articles

→**Vissel Kobe's victory brought energy and hope to the people of Kobe - What went on behind the scenes?** 

\* ANSWERS is web-based media that brings Kawasaki's technologies and activities closer to people.

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

The Group established the Kawasaki Good Times Foundation, a social contribution fund in the U.S., in 1993. Kawasaki Heavy Industries (USA), Inc., a U.S. subsidiary, performs fund management and administration. The fund makes donations to art and cultural institutions such as the Metropolitan Museum of Art, various charitable projects, programs that support education, medicine, and science, and disaster relief activities.

## Scholarship Program Established in U.S.

With the intention of helping deserving local students attend college, Kawasaki Motors Manufacturing Corp., U.S.A (KMM) has established a close relationship with Northwest Missouri State University. In 2016 the "Kawasaki Powering Dreams Scholarship" was established, providing up to \$10,000 a year to offset students' costs.

In 2018 the Kawasaki Kids program was established to further support dependents of KMM employees who attend Northwest Missouri State University. The "Powering Your Potential Scholarship" was launched, bestowing 10 to 15 financial awards annually.

# Conclusion of Disaster Prevention Agreement with Local Governments

The Kawasaki Group has signed disaster prevention agreements with local governments where its facilities locate. Through providing our facilities and products, we take a social responsibility as a member of the local community.

## Topic

### Agreement on Corporate Support During Disasters Signed

Kawasaki Heavy Industries and Hyogo Prefecture signed an Agreement on Corporate Support During Disasters (the "Agreement") in March 2025 to prepare for natural disasters, which have become increasingly severe and frequent in recent years.

The Agreement is a public-private partnership that supports the recovery and reconstruction of areas affected by natural disasters (including earthquakes and wind and flood damage) that occur, not only within Hyogo Prefecture, but also in other local governments throughout Japan. Under the Agreement, the Company provides support from its stockpiled foods and relief supplies, dispatches disaster volunteers, and cooperates in land, sea, and air transportation.

We work to solve various social issues and consider preparation for natural disasters and disaster prevention and mitigation efforts to be a part of our mission. Going forward, we will continue contributing to society through the Group's products and technologies.



At the March 19, 2025 signing ceremony  
(right: Yoriaki Ikeda, Emergency Management Superintendent, Hyogo Prefectural Government)

## Major agreements with local governments

Works	Agreement party	Year	Contents
Gifu Works	Gifu Prefecture	1987	If a major disaster occurs in Gifu Prefecture, the Gifu Works will cooperate with emergency transportation of people and supplies using company helicopters.
		2009	If a major disaster occurs in Gifu Prefecture, the Gifu Works will provide parking areas for emergency air corps aircraft from other prefectures and fueling facilities.
	Kakamigahara City, Gifu Prefecture	1997	If a major disaster occurs in Kakamigahara City, a portion of the Gifu Works will be provided at no cost for use as a supply logistics hub for the city.
Akashi Works	Akashi City, Hyogo Prefecture	2013	The Akashi Works will provide access to its grounds for use as a temporary heliport for transportation of injured or ill persons who require advanced medical care or for transporting emergency supplies in the event of an earthquake or other major disaster.
			If a disaster occurs or is likely to occur in Akashi City as a result of a major tsunami, a portion of the site will be opened to local residents a temporary evacuation site.

# Support for the Next Generation

The Kawasaki Group supports the next generation who lead the future technology.

## Online Education Events

### Participation in online career education programs

Kawasaki Heavy Industries participated in "Career Challenge Day On-Line-Meets," an online career education and training event for junior high school students. At the event, we introduced our initiatives that address the SDGs through solutions to social issues, while also introducing the actual work tasks of company employees and work-life balance. From September to December of fiscal 2024, online classes were held at nine junior high schools in different regions nationwide, with a total of 556 students participating.

We will continue to actively offer online classes as an alternative to in-person work experience and participate in events as part of our social contribution activities tailored to meet the needs of the times.



Students learn about the work of creating new business for the Company



Students actively ask questions

## Handicraft and Experiment Courses

### Original programs implemented

We believe that nurturing the engineers who will support the foundations of technology in the future and ensuring the succession of manufacturing skills is an important social issue for the Kawasaki Group, which conducts manufacturing using advanced technological capabilities. It is said, however, that there is a tendency for children in Japan to turn away from the sciences, and there are concerns about the future of manufacturing.

To address this issue, Kawasaki Heavy Industries conducts experiment-based crafts workshops in various regions using original programs based on our products to raise interest in science and manufacturing among children and contribute to the advancement of next-generation technology.

<Example of an original program>

Kawasaki Heavy Industries, working in collaboration with Leave a Nest Co., Ltd., developed original programs to support the development of next generation.

Young employees from each internal company participated in the development of the original programs, devising ways for children to have fun while gaining science knowledge related to our products.

Make Your Own Helicopter!



Scientific Keywords

- Lift Force
- Airfoil
- Tail Rotor



A scene from a Make Your Own Helicopter! experiment-based crafts workshop



A group photo of participants

Example of an original program

## The Future Creation Division's *Miraihon* Project

### *Miraihon* Project initiatives

The *Miraihon*\* Project is a social contribution initiative administered by employee volunteers which aims to foster human resources for the next generation, primarily among high school students. The activities offered as part of the project are intended to convey the enjoyment of both science and technology and manufacturing to such students, who stand at a major crossroads in their lives in having to choose a career path. By doing so, these activities aim to serve them in making the most of their choices for the future.



\* "Mirai" in *Miraihon*\* means "future" in Japanese.

## Activity details

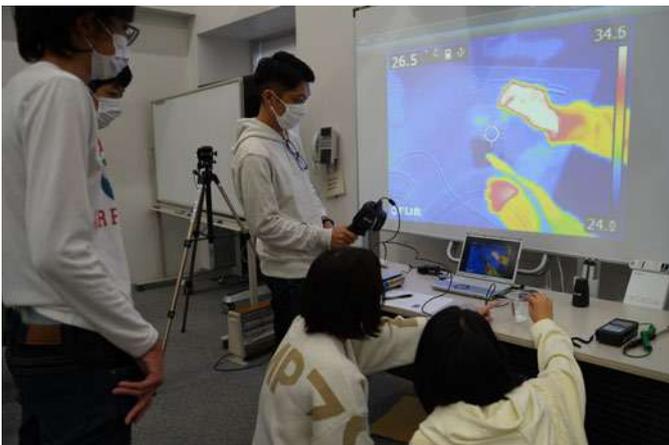
Early career engineers from diverse departments including research & development, aerospace, ship & offshore, rolling stock, and hydrogen, which engage with the world's most advanced technologies, play a central role in providing opportunities to experience authentic technologies as well as plans to address complex and interconnected challenges to the next generation. Through these activities, we hope to induce in participants the "capacity to think and learn at their own initiative" together with the next generation, which will be essential to future society.

To date, we have hosted learning events on hydrogen energy and programs for high school students co-created with universities, government, and various companies, among other initiatives. Such next-generation educational programs will be conducted in the future so that the baton of technology can be passed on to the next generation.

### Activities examples: Archive

"Ocean's 17 Event," learning program to develop maritime personnel in Kobe

- **Introducing scenes from the 4th Ocean's 17 Event!**  
(Japanese language only) 



Source of reference: **Kobe City Website**(Japanese language only) 

# Accepting Participants for In-Person Work Experiences

Kawasaki Heavy Industries cooperates with Try-Yaru Week, a workplace experience program for junior high school students in Hyogo Prefecture conducted by the Hyogo Prefectural Board of Education. In addition to teaching students about our business activities and initiatives at each of our sites, we use this program as an opportunity for the students to deepen their understanding of manufacturing sites by observing employees at work.



Participating in semi-automatic arc welding at the Kobe Works



A steel plate with text formed through semi-automatic arc welding



Participating in metal processing at the Akashi Works



Items created by metal processing during the workplace experience program

# Kawasaki Good Times World

To allow as many people as possible to experience the wonders of technology and the importance of craftsmanship and to deepen communication with members of the community, we opened Kawasaki Good Times World in Kobe City, Hyogo Prefecture, in 2006.

This facility introduces the Kawasaki Group's history of over 120 years and representative products for the land, sea, and air that have contributed to the development of society with our leading-edge technologies.

Access the banner below for more information.



## Topic

Learning about Kawasaki's World through the At-Home Time Series of Coloring Books

We created pictures (in PDF format) of Kawasaki products for coloring in at home.

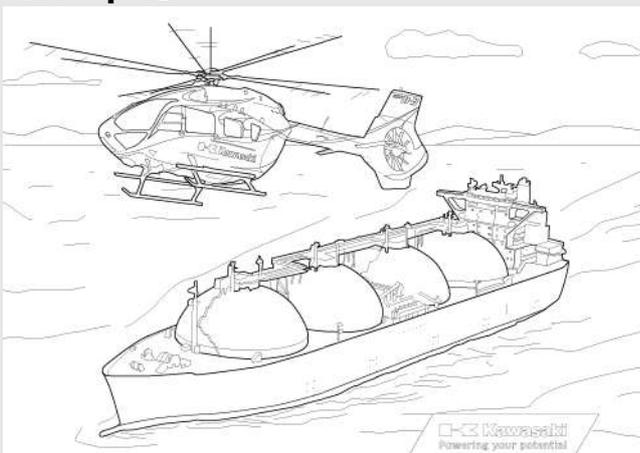
Download pictures from the URL below and print them for a fun time for children and the whole family.

**Download (on the "Kawasaki Good Times World" site)**

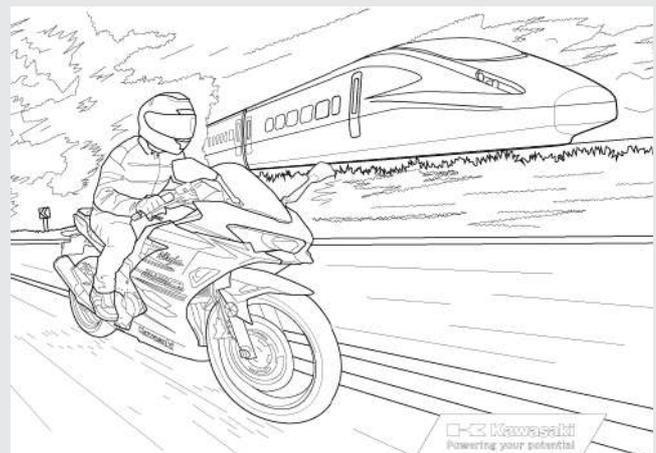
<https://www.khi.co.jp/kawasakiworld/english/coloring/> 

The PDF version of the pictures are A4 size, but for small children, enlarge the images and print A3 size as needed.

### [Sample]



Volume 1  
Sea and Air Version



Volume 1  
Land Version

# Kawasaki Robostage

In 2016, we opened the robot showroom Kawasaki Robostage in Odaiba, Tokyo so that visitors can watch, touch and experience the state-of-the-art robotics technologies and knowledge of Kawasaki Heavy Industries, Ltd. Setting a main concept of human-robot coexistence and collaboration, the facility continues to display the latest robots. Kawasaki Robostage also hosts the "Become a Kawasaki Robot Engineer!" event for children to learn more about industrial robots and to think about "a society where people and robots coexist."

Access the banner below for more information.



## Topic

### Receipt of the Children's Smiles Award

The "Become a Kawasaki Robot Engineer!" event hosted by Kawasaki Heavy Industries, Ltd. was awarded the Children's Smiles Award as part of the Children's Smiles Odyssey, an initiative of the Children's Smile Movement organized by the Tokyo Metropolitan Government. The Children's Smiles Award is bestowed, with recipients chosen via a ballot system, on companies and other organizations that have implemented outstanding initiatives and events for children and we were selected in the "We Want to Experience It for Ourselves" category.

**The Children's Smile Movement** (Japanese language only) 



Children's Smiles Award presentation ceremony on September 18, 2023  
(left: Governor of Tokyo Yuriko Koike)

# Environmental Conservation Activities

## Forest Conservation Activities

The Kawasaki Group undertakes forest conservation activities in cooperation with NPO Academy of Natural Environment in Machida City, Tokyo and NPO Hyogo Mori no Club and NPO Kami Forestry Research Club in Ono City and Taka Town, Hyogo. Employees and their families actively engage in these activities for the protection of forests, which serve as the habitats for a wide range of living organisms.

### Tokyo

In fiscal 2020, we became a participant in the Tokyo Green Ship Action, with employees and their families continuing to take part in forest conservation activities (clearing undergrowth) in Machida City under this campaign.

### Hyogo Prefecture

Since December 2008, we have implemented activities as participants in a Hyogo prefectural corporate forest restoration project. These activities began in Taka Town and, with the expansion to include Ono City from fiscal 2020, employees and their families can now get involved in forest conservation activities (tree trimming, clearing undergrowth, and tree planting) in two locations.

### Fiscal 2024 Achievements

Activity location	Machida, Tokyo	Ono, Hyogo	Taka, Hyogo
Activity contents	Grass mowing, nature observation	Tree trimming, clearing undergrowth, tree planting, insect hotel building	Tree trimming, clearing undergrowth, insect hotel building, wooden (tree branch) pencil making
Participants	Employees and others (14 people)	Employees, their families, and others (105 people)	Employees, their families, and others (109 people)
Area covered	10.14ha	10.0ha	6,8ha
Tree planting	-	36 trees	-
CO <sub>2</sub> absorption amount	-	-	0.96 t/CO <sub>2</sub>
Number of events	1	2	2
Date	October 5, 2024	April 19, 2024 July 27, 2024	April 13, 2024 November 9, 2024

# Environmental Education through Forest Conservation Activities

We carry out forest conservation activities, such as forest development and experiential learning, every year to provide opportunities for thinking about the environment.

## Fiscal 2024 Achievements

Activity contents	Aim	Date
Nature observation (Machida, Tokyo)	We held the event with the aims of facilitating interactions with nature and learning more about the importance of forests. This event allowed participants to observe how the precious golden orchid is being protected.	October 5, 2024
Insect hotel building (Ono, Hyogo) (Taka, Hyogo)	We used waste materials (wooden pallets) from Akashi Works to build a hotel for insects as an apparatus to encourage them to gather, since their disappearance would greatly disrupt ecosystems and have significant repercussions for human life.	April 19, 2024 April 13, 2024
Wooden (tree branch) pencil making (Taka, Hyogo)	We used branches from 10 different types of trees from tree trimming during reforestation activities to make one-of-a-kind pencils, with participants also learning about the colors and characteristics of the different tree trunks.	November 9, 2024



Activities in Machida, Tokyo  
(in cooperation with the Society for Nanakuniyama Nature Conservation)



Activities in Taka, Hyogo Prefecture  
(in cooperation with NPO Hyogo Mori no Club)



Activities in Taka, Hyogo Prefecture  
(in cooperation with NPO Kami Forestry Research Club)

## *Topic*

### Participation of trainees from Akashi Technical Training School in reforestation activities

On April 19, 2024, trainees from Akashi Technical College participated in reforestation activities as part of their in-service training. During this program, they learned about environmental management activities and biodiversity conservation activities at Akashi Works in classroom sessions. The trainees also participated in an activity to build insect hotels (wooden boxes in which insects can live), performed tree trimming work, and planted 36 acorn saplings under the guidance of the Hyogo Forestry Management Cooperative Union and the Hyogo Mori no Club.

Participation in these reforestation activities allowed trainees to develop their teamwork skills through mutual communication and cooperation with fellow trainees while instilling in them a sense of ownership in considering what they can do to contribute to environmental conservation.



Scene from activities in Ono, Hyogo  
(in cooperation with Hyogo Forestry Management Cooperative Union)

## Topic

### Cooperation in a Promotional Event for Corporate Forest Restoration

The Kawasaki Group's reforestation activities were exhibited at a booth during the "Let's Play with Wooden Toys!" event hosted by Hyogo Prefecture.

This event is held regularly by Hyogo Prefecture with the aim of providing opportunities for people to get hands-on experiences of the various merits of trees by interacting with toys such as building blocks made from wood produced in the prefecture. For this event, Kawasaki's achievements were therefore introduced as an example of corporate contributions to reforestation at Aeon mall Kasaihojo in February 2025 and Aeon mall Akashi Shopping Center in June 2025.

On November 12, 2024, we gave a presentation as a speaker at a "corporate forest restoration" workshop hosted by the Kansai Economic Federation, introducing the Kawasaki Group's environmental initiatives and specific reforestation activities to the 20 participants from 14 companies and organizations which are considering taking part in the corporate forest restoration project.

We endorse Hyogo Prefecture's concept of "forest restoration with the participation of all prefectural citizens" and actively take part in related events to promote and popularize the corporate forest restoration project.

**"Let's Play with Wooden Toys!" event held in Kitaharima to promote mokuiku ("wood education") initiatives (Japanese language only)** 



Scene from the exhibition in Aeon mall Kasaihojo  
(in cooperation with the Kato Agricultural and Forestry Promotion Office)

# Initiatives at Business Sites

## Initiatives at Akashi Works

### Conservation of Rare Species Utilizing Biotopes and Biodiversity-Conscious Landscaping

Akashi Works was the recipient of a donation of denjiso ("water clover") from Akashi City in July 2023. Denjiso is an aquatic plant designated as Category A on the Akashi City Red List of endangered species, and Akashi Works is currently conserving the donated plants in a biotope on its grounds. Every year, from spring through summer, clusters of leaves resembling four-leaf clovers appear on this plant. In February 2025, the Mayor of Akashi City undertook an inspection tour of the conservation status of the denjiso as well as the plant's biodiversity-conscious initiatives to date, which the Major acknowledged with words of praise and admiration for Kawasaki's biodiversity conservation activities prioritizing harmony with the local environment and community.

Akashi Works are furthermore currently working to renovate the biotope in cooperation with civic groups and the Akashi City authorities with the aim of conservation of this locality's unique ecosystems. The plant also newly planted flora native to Akashi City under the guidance of specialists and utilized timber from tree felling during corporate forest restoration activities in fencing for the flower beds. The use of timber is also a policy being promoted by the Japanese government from the perspective of carbon fixation, with this initiative representing an attempt to utilize waste materials from corporate forest restoration activities within the plant.

We will continue to promote local community-based environmental conservation activities.



Scene from inspection tour of the biotope (left: Satoko Marutani, Mayor of Akashi City)



Denjiso being conserved in the biotope



Fencing made using timber from tree felling

## Winners of the Special Prize, Akashi Flower Bed Competition

Since 2020, Kawasaki Heavy Industries has participated in an annual flower bed competition organized by Akashi City.

In 2025, we were awarded the Special Prize at this competition for our model of the world's first liquefied hydrogen carrier, the SUIISO FRONTIER, which we developed and built, with the flower bed using formwork and stones to convey a sense of three-dimensionality and dynamic energy.

The flower beds are also prepared each year with a view to making them visually pleasing for members of the local community by heaping soil to create slopes.

We will continue to actively engage in environmental activities within the local community and contribute to the conservation of biodiversity.



The flower bed with a design of a SUIISO FRONTIER, the liquefied hydrogen carrier which won the Special Prize

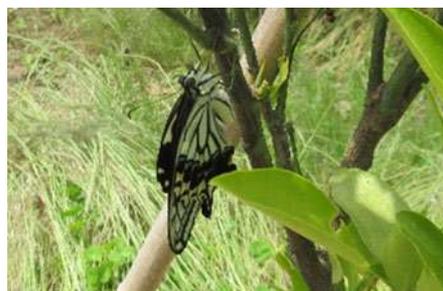
## Initiatives of Seishin Works

### Maintenance of a Biotope

Seishin Works has maintained a biotope within the plant grounds since November 2023. Every year, swallowtail butterflies visit to lay their eggs on mandarin orange trees in the grounds, from which caterpillars grow. Water lilies also bloom in the biotope, with minami-medaka ("Japanese rice fish") swimming around them. Seishin Works will continue to develop this biotope toward the conservation of the diversity of biological organisms and ecosystems within its grounds.



Panorama of the biotope



Swallowtail butterfly visiting to lay its eggs



A water lily in perfect bloom

## Initiatives of the Okinawa Office

### Participation in Team Tyura Sango

Since fiscal 2015, many of our Group employees have participated as volunteers in the activities of Team Tyura Sango, which are aimed at the regeneration of coral reef through the planting of coral seedlings in Onna-son, Okinawa Prefecture. In fiscal 2024, a total of five activities were held.

These Team Tyura Sango activities were awarded the Grand Prize at the Third Annual Good Life Award, sponsored by the Ministry of the Environment in December 2015.



Participants in the planting



Trying to plant while diving!

## ESG-related information

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# ESG Data

## Third-Party Assurance/Verification

- The data with a star (★) have been externally assured by KPMG AZSA Sustainability Co., Ltd. in accordance with International Standard on Assurance Engagements (ISAE) 3000 and ISAE3410 issued by the International Auditing and Assurance Standards Board. In addition, social indicators (Number of labor accidents, Number of occupational fatalities, and Lost Time Injury Frequency Rate; LTIFR) have been subject to third-party assurance since fiscal 2022.

### Independent Assurance Report

- The data with a check mark (☑) received third-party verification by SGS Japan Inc. up to and including fiscal 2022. Since fiscal 2023, this data has received third-party assurance from KPMG AZSA Sustainability Co., Ltd.

### Boundary of aggregation for each data type: Legend

Non-consolidated basis

KHI

Kawasaki Heavy Industries,

Kawasaki Railcar Manufacturing, and Kawasaki Motors

KHI, KRM, KMC

Including domestic subsidiaries

Domestic Group

Overseas subsidiaries only

Overseas Group

Consolidated basis

Consolidated

## Governance

### Corporate Governance

### Number and Composition of Directors

KHI

(FY)

			Unit	2021	2022	2023	2024	2025
Directors	Internal Directors	Male	Persons	7	6	6	5	5
		Female		0	0	0	1	1
		Total		7	6	6	6	6
	Independent Outside Directors	Male		4	4	4	3	4
		Female		2	2	3	4	3
		Total		6	6	7	7	7
Total number			13	12	13	13	13	
Directors serving as Audit & Supervisory Committee Members			5	5	5	5	5	
Directors concurrently engaged in business execution			3	3	3	3	3	
Ratio of Independent Outside Directors			%	46.1	50.0	53.8	53.8	53.8
Ratio of Female Directors			%	15.3	16.6	23.1	38.5	30.8
Average tenure of Directors*			Years	1.92	2.75	3.46	3.85	4.46

\* As of the end of June of each fiscal year

## Record of Board of Directors Meetings (Including Extraordinary Meetings)

KHI

(FY)

	Unit	2021	2022	2023	2024
<b>Board meetings held</b>	Number of times	13	16	16	22
<b>Average attendance rate of all Directors</b>	%	100	100	99.5	99.7
<b>Average attendance rate of Outside Directors</b>	%	100	100	99.1	99.4

## Record of Audit & Supervisory Committee Meetings

KHI

(FY)

	Unit	2021	2022	2023	2024
<b>Number of Audit &amp; Supervisory Committee Meetings</b>	Number of times	17	14	15	18
<b>Attendance rate of Audit &amp; Supervisory Committee Members</b>	%	100	100	98.7	98.9
<b>Attendance rate of Outside Audit &amp; Supervisory Committee Members</b>	%	100	100	100	98.1

## Composition of Nomination Advisory Committee and Compensation Advisory Committee and Record of Meetings

KHI

(FY)

		Unit	2021	2022	2023	2024
<b>Nomination Advisory Committee</b>	<b>Internal Directors</b>	Persons	2	2	2	2
	<b>Independent Outside Directors</b>		3	3	3	3
	<b>Total</b>		5	5	5	5
	<b>Number of times held</b>	Number of times	12	12	10	12

		Unit	2021	2022	2023	2024
<b>Compensation Advisory Committee</b>	<b>Internal Directors</b>	Persons	2	2	2	2
	<b>Independent Outside Directors</b>		3	3	3	3
	<b>Total</b>		5	5	5	5
	<b>Number of times held</b>	Number of times	12	7	7	13

## Independent Auditor Compensation

Consolidated

(FY)

	Unit	2021	2022	2023	2024
<b>Compensation based on audit certification services</b>	Millions of yen	421	388	407	532
<b>Kawasaki Heavy Industries Ltd.</b>	Millions of yen	334	298	305	352
<b>Consolidated subsidiaries</b>	Millions of yen	87	90	101	179
	Unit	2021	2022	2023	2024
<b>Compensation based on non-audit services</b>	Millions of yen	234	224	266	200
<b>Kawasaki Heavy Industries Ltd.</b>	Millions of yen	231	221	263	197
<b>Consolidated subsidiaries</b>	Millions of yen	2	2	2	2

## Director Compensation (Fiscal 2024)

KHI

	Number of recipients (persons)	Unit	Total compensation	Total compensation by type		
				Monetary compensation		Stock compensation
				Basic compensation	Performance-based compensation	
<b>Directors (excluding Audit &amp; Supervisory Committee Members and Outside Directors)</b>	4	Millions of yen	451	187	93	170
<b>Audit &amp; Supervisory Committee Members (excluding Outside Directors)</b>	3	Millions of yen	71	71	-	-
<b>Outside Directors</b>	8	Millions of yen	108	108	-	-

Note: 1. For stock compensation, the amount recorded as expenses for the current fiscal year is indicated based on performance-based stock compensation introduced pursuant to a resolution of the 198th Ordinary General Meeting of Shareholders held on June 25, 2021 and differs from the actual amount paid.

Note: 2. The number of people actually compensated by the company are listed in the total column

## Comparison of Total Compensation of the Representative Director, President and Chief Executive Officer with Average Employee Salary (Fiscal 2024)

KHI

Name	Position	Unit	Total compensation	Basic compensation	Performance-based compensation	Stock compensation
<b>Yasuhiko Hashimoto</b>	<b>Director</b>	Millions of yen	144	56	31	56
<b>Average annual employee salary</b>		Millions of yen	7.9			
<b>Ratio of President's compensation to average annual employee salary</b>		Times	18.2			

Note: For stock compensation, the amount recorded as expenses for the current fiscal year is indicated and differs from the actual amount paid.

## Compliance

### Number of Compliance and Anti-bribery Violations

Consolidated

(FY)

	Unit	2021	2022	2023	2024
<b>Number of serious compliance violations</b>	Number of cases	1	0	0	2
<b>Number of anti-bribery violations</b>	Number of cases	0	0	0	0

### Number of Whistle-Blowing Reports and Breakdown of Reports

Domestic Group

(FY)

	Unit	2021	2022	2023	2024
<b>Total number of Whistle-Blowing Reports*</b>	Number of cases	55	54	76	92
<b>Abuse of authority</b>	Number of cases	23	19	22	25
<b>Labor issues</b>	Number of cases	19	13	18	25
<b>Financial fraud</b>	Number of cases	0	1	6	11
<b>Sexual harassment</b>	Number of cases	1	0	6	5
<b>Threats and harassment</b>	Number of cases	0	0	0	1
<b>Bribery and corruption</b>	Number of cases	0	0	0	0
<b>Others</b>	Number of cases	12	21	24	25

\* The numbers of cases listed above refer to reports received, not those identified as actual compliance violations.

## Number of Consultations Made to Other Reporting Systems **Overseas Group** (FY)

	Unit	2021	2022	2023	2024
<b>Number of consultations made to Global Internal Reporting System</b>	Number of cases	0	0	0	4

## **KHI, KRM, KMC** (FY)

	Unit	2021	2022	2023	2024
<b>Number of consultations regarding harassment</b>	Number of cases	9	57	66	42

## Number of Employees Who Underwent Compliance Education **Consolidated** (FY)

	Unit	2021	2022	2023	2024
<b>Number of employees who underwent compliance education*<sup>1</sup></b>	Persons	17,393	17,860	29,422	32,517
<b>Number of employees taking the Code of Conduct training*<sup>2</sup></b>	Persons	-	3,447	-	3,102

\*1 The Kawasaki Group (domestic)

\*2 Overseas subsidiaries only

## Expenditures to External Organizations **KHI, KRM, KMC** (FY)

	Unit	2021	2022	2023	2024
<b>Total political contributions</b>	Millions of yen	3	3	3	3
<b>Total expenditures to industry organizations*<sup>1</sup></b>	Millions of yen	68.0	98.6	112.4	115.1
<b>Total expenditures for donations, support funding, etc.*<sup>2</sup></b>	Millions of yen	111	278	263	339

\*1 The purpose of the membership fee for industry organizations is to collect business information related to KHI. The main expenditures in fiscal 2024 were for the Japan Business Federation and the Kansai Economic Federation.

\*2 Kawasaki Heavy Industries, Ltd.

## Information Security

### Information Security Education and Training **Domestic Group** (FY)

	Unit	2021	2022	2023	2024
<b>Information security training participants</b>	Persons	19,033	9,803	17,053	20,274
<b>Number of persons subject to training drills using simulated targeted attack phishing emails</b>	Persons	-	2,308	6,876	10,560

## Research and Development

### R&D Expense **Consolidated** (FY)

	Unit	2021	2022	2023	2024
<b>Total</b>	Billions of yen	45.7*	50.7	53.3	48.9
<b>Percentage of sales</b>	%	2.7*	2.9	2.9	2.3
<b>Number of employees engaged in R&amp;D</b>	Persons	2,000	2,098	2,159	2,328

\* Results for fiscal 2021 were retroactively revised to reflect figures calculated in accordance with International Financial Reporting Standards (IFRS).

# Environment

## Environmental Management

### Employees with Legal Qualifications **KHI, KRM, KMC** (FY)

		Unit	2021	2022	2023	2024
<b>Pollution control managers</b>	<b>Air</b>	Persons	97	98	102	107
	<b>Water</b>	Persons	88	87	88	91
	<b>Noise, vibration</b>	Persons	35	36	34	41
	<b>Others</b>	Persons	79	81	81	82
	<b>Total</b>	Persons	299	302	305	321
<b>Energy managers</b>		Persons	97	110	115	129

### Environment-related Expenses **KHI, KRM, KMC** (FY)

	Unit	2021	2022	2023	2024
<b>Capital investments</b>	Millions of yen	47	1,661	839	2,607
<b>Operating expenses</b>	Millions of yen	8,708	12,458	11,061	11,532

### Environmental Compliance **KHI, KRM, KMC** (FY)

	Unit	2021	2022	2023	2024
<b>Violation of environmental laws and regulation</b>	Number of cases	0	0	0	0
<b>Violation concerning water quality and quantity</b>	Number of cases	0	0	0	0
<b>Incident and contamination that lead to environmental problems</b>	Number of cases	1	2	1	1
<b>Complaints about environmental problems</b>	Number of cases	4	2	3	2
<b>Amount of fine</b>	Millions of yen	0	0	0	0

## CO<sub>2</sub> FREE

### CO<sub>2</sub> Emissions (Scope 1, Scope 2) **Consolidated** (FY)

		Unit	2021 <sup>*1</sup>	2022 <sup>*2</sup>	2023 <sup>*3</sup>	2024 <sup>*4</sup>
<b>Scope 1</b>		t-CO <sub>2</sub>	134,855 ☑	136,736 ☑	135,163 <sup>*5</sup>	142,390★
<b>Scope 2</b>	<b>Market-based</b>	t-CO <sub>2</sub>	267,171 ☑	246,083 ☑	280,314 <sup>*5</sup>	304,035★
	<b>Location-based</b>	t-CO <sub>2</sub>	284,922	283,654 <sup>*5</sup>	282,292 <sup>*5</sup>	288,722
<b>Total amount of Scope 1 and Scope 2</b>	<b>Market-based</b>	t-CO <sub>2</sub>	402,026	382,819	415,478 <sup>*5</sup>	446,425★
	<b>Location-based</b>	t-CO <sub>2</sub>	419,777	420,391 <sup>*5</sup>	417,456 <sup>*5</sup>	431,112

\*1 Total for KHI, 37 domestic consolidated subsidiaries, and 23 overseas consolidated subsidiaries

\*2 Total for 28 sites of KHI, 30 related domestic sites, and 28 related overseas sites

\*3 Total for KHI, 44 domestic consolidated subsidiaries, and 56 overseas consolidated subsidiaries

\*4 Total for KHI, 45 domestic consolidated subsidiaries, and 58 overseas consolidated subsidiaries

\*5 Results for fiscal 2022 to 2023 have been retroactively restated in conjunction with revisions in the calculation method for the fiscal 2024 results.

## Energy Consumption

## Consolidated

(FY)

	Unit	2021 <sup>*1</sup>	2022 <sup>*2</sup>	2023 <sup>*3</sup>	2024 <sup>*4</sup>
<b>Total non-renewable energy consumption</b>	MWh	1,341,737	1,317,527	1,363,438 <sup>*5</sup>	1,392,256★
<b>Total renewable energy consumption</b>	MWh	2,405	13,538	10,488	11,842★

\*1 Total for KHI, 37 domestic consolidated subsidiaries, and 23 overseas consolidated subsidiaries

\*2 Total for 28 sites of KHI, 30 related domestic sites, and 28 related overseas sites

\*3 Total for KHI, 44 domestic consolidated subsidiaries, and 56 overseas consolidated subsidiaries

\*4 Total for KHI, 45 domestic consolidated subsidiaries, and 58 overseas consolidated subsidiaries

\*5 Results for fiscal 2023 have been retroactively restated in conjunction with revisions in the calculation method for the fiscal 2024 results.

CO<sub>2</sub> Emissions (Scope 3)

## KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>1. Purchased goods and services</b>	t-CO <sub>2</sub>	2,513,201 <sup>*6</sup>	2,930,991 <sup>*6</sup>	3,850,977 <sup>*6</sup>	4,604,237★
<b>2. Capital goods</b>	t-CO <sub>2</sub>	180,202 <sup>*7</sup>	265,678 <sup>*7</sup>	308,023 <sup>*7</sup>	381,371 <sup>*7</sup>
<b>3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)</b>	t-CO <sub>2</sub>	31,298 <sup>*7</sup>	30,045 <sup>*7</sup>	60,633 <sup>*7</sup>	73,887 <sup>*7</sup>
<b>4. Upstream transportation and distribution</b>	t-CO <sub>2</sub>	7,824	7,072	928,467 <sup>*4*8</sup>	1,046,773
<b>5. Waste generated in operations</b>	t-CO <sub>2</sub>	7,577	8,540	10,149	10,639
<b>6. Business travel</b>	t-CO <sub>2</sub>	6,661	10,605	14,175 <sup>*7*9</sup>	14,651 <sup>*7</sup>
<b>7. Employee commuting</b>	t-CO <sub>2</sub>	6,782	6,914	7,089	7,319
<b>8. Upstream leased assets</b>	t-CO <sub>2</sub>	Excluded <sup>*5</sup>	Excluded <sup>*5</sup>	Excluded <sup>*5</sup>	Excluded <sup>*5</sup>
<b>9. Downstream transportation and distribution</b>	t-CO <sub>2</sub>	806	4,239	721	668
<b>10. Processing of sold products</b>	t-CO <sub>2</sub>	Excluded <sup>*1</sup>	42,644	2,084	2,304
<b>11. Use of sold products<sup>*3</sup></b>	t-CO <sub>2</sub>	21,870,760 ☑	28,937,027 ☑	32,650,318	26,430,330★
<b>12. End-of-life treatment of sold products</b>	t-CO <sub>2</sub>	Excluded <sup>*1</sup>	1,924	2,558	3,063
<b>13. Downstream leased assets</b>	t-CO <sub>2</sub>	Excluded <sup>*2</sup>	Excluded <sup>*2</sup>	Excluded <sup>*2</sup>	Excluded <sup>*2</sup>
<b>14. Franchises</b>	t-CO <sub>2</sub>	Excluded <sup>*2</sup>	Excluded <sup>*2</sup>	Excluded <sup>*2</sup>	Excluded <sup>*2</sup>
<b>15. Investments</b>	t-CO <sub>2</sub>	158,308	154,077	37,393 <sup>*7*10</sup>	40,178 <sup>*7</sup>
<b>Total amount of Scope 3</b>	t-CO <sub>2</sub>	24,783,419	32,399,756	37,872,587	32,615,420

\*1 Excluded from calculation target because Kawasaki is unable to confirm reference data at this time.

\*2 Excluded from calculation target because it is outside of the scope of our business.

\*3 Regarding Category 11 in Scope 3, from fiscal 2022, the scope of calculation was expanded from a total of KHI, KRM, and KMC, to a total of KHI, KRM, KMC, Kawasaki Thermal Engineering, and EARTHTECHNICA. The increase in emissions due to the expanded scope of calculation is 6.15 million tons.

\*4 Regarding Category 4 in Scope 3, since the calculation target was expanded from fiscal 2023 to include overseas transportation besides domestic transportation, emissions increased.

\*5 Emissions from upstream leased assets are excluded from the calculation target as they are included in "CO<sub>2</sub> emissions (Scope 1, Scope 2)."

\*6 Regarding Category 1 in Scope 3, the values have been restated by recalculating to include consumption tax.

\*7 The scope of calculation is on a consolidated basis.

\*8 Regarding Category 4 in Scope 3, the fiscal 2023 results have also been restated in conjunction with the revision of the calculation method for the fiscal 2024 results.

\*9 Regarding Category 6 in Scope 3, the fiscal 2023 results have been restated in conjunction with the change in the calculation scope to a consolidated basis from fiscal 2024.

\*10 Regarding Category 15 in Scope 3, the fiscal 2023 results have also been restated in conjunction with changes to the scope of calculation.

## Amount of Raw Materials Input

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Steel material</b>	kt	110	110	110	111
<b>Aluminum</b>	kt	-	-	-	113
<b>Copper</b>	kt	-	-	-	1.270
<b>Nickel</b>	kt	-	-	-	0.115
<b>Titanium</b>	kt	-	-	-	0.946
<b>Cobalt</b>	kt	-	-	-	0.0001
<b>Plastic</b>	kt	-	-	0.674	0.687

## Waste (Total Generated)

Consolidated

(FY)

	Unit	2021* <sup>1</sup>	2022* <sup>2</sup>	2023	2024
<b>Overall</b>	t	58,844	58,492	70,586* <sup>5</sup>	72,347
<b>Domestic Group</b>	t	-	-	47,325* <sup>5</sup>	50,067★

\*1 Total for KHI, 37 domestic consolidated subsidiaries, and 23 overseas consolidated subsidiaries

\*2 Total for 28 sites of KHI, 30 related domestic sites, and 28 related overseas sites

\*3 Total for KHI, 44 domestic consolidated subsidiaries, and 56 overseas consolidated subsidiaries

\*4 Total for KHI, 45 domestic consolidated subsidiaries, and 58 overseas consolidated subsidiaries

\*5 Results for fiscal 2023 have been retroactively restated in conjunction with revisions in the calculation method for the fiscal 2024 results.

## Waste

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Total generated</b>	t	42,772	41,442	40,025* <sup>1</sup>	42,024★
<b>Waste recycled</b>	t	41,796	40,504	39,055* <sup>1</sup>	40,942★
<b>Waste disposed (landfill disposal)</b>	t	67	47	39	64★
<b>Waste reduction amount</b>	t	909	891	931	1,018★

\*1 Results for fiscal 2023 have been retroactively restated in conjunction with revisions in the calculation method for the fiscal 2024 results.

## Hazardous Waste

KHI, KRM, KMC

(FY)

	Unit	2021* <sup>1</sup>	2022* <sup>1</sup>	2023* <sup>1</sup>	2024
<b>Total generated</b>	t	1,369	1,405	1,402	1,579★
<b>Waste recycled*<sup>2</sup></b>	t	1,368	1,404	1,402	1,579★
<b>Waste disposed (landfill disposal)</b>	t	0	0	0	0★
<b>Waste reduction amount</b>	t	1	1	0	0★

\*1 The calculation method for the amount of hazardous waste emissions was changed in fiscal 2023 to make it more accurate. Previously, calculations were based on particularly hazardous waste that contained hazardous substances in excess of standard values, but starting in fiscal 2023, the scope was expanded to include hazardous waste specified in the regulations of each country in order to obtain more accurate calculations. In addition, the results for fiscal 2021 to fiscal 2022 were replaced with values that were recalculated using the calculation methods adopted for fiscal 2023 and later.

\*2 Thermal recycling or material recycling

## Water Resources KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Water withdrawal</b>	Million m <sup>3</sup>	5.629	5.510	5.496	5.704★
<b>Breakdown of water withdrawal (clean water)</b>	Million m <sup>3</sup>	0.539	0.564	0.552	0.596★
<b>Breakdown of water withdrawal (industrial water)</b>	Million m <sup>3</sup>	1.034	1.039	1.091	1.265★
<b>Breakdown of water withdrawal (groundwater)</b>	Million m <sup>3</sup>	4.056	3.908	3.853	3.843★
<b>Water discharged<sup>*1</sup></b>	Million m <sup>3</sup>	3.282	3.304	4.176 <sup>*2</sup>	3.974★
<b>Breakdown of water discharged (sewerage)</b>	Million m <sup>3</sup>	-	0.872	0.956 <sup>*2</sup>	0.875
<b>Breakdown of water discharged (rivers, lakes, ponds, etc.)</b>	Million m <sup>3</sup>	-	2.433	3.220	3.099
<b>Water consumed</b>	Million m <sup>3</sup>	2.347	2.206	1.320	1.730

\*1 The calculation method for the amount of Water discharged was changed in fiscal 2021 to make it more accurate. In the past, since the working day of the plant fluctuates from year to year, we disclosed the calculated amount of Water discharged for 365 days, but since 2021, we have disclosed the measured amount.

\*2 Results for fiscal 2023 have been retroactively restated in conjunction with revisions in the calculation method for the fiscal 2024 results.

## Harm FREE

### Major VOCs Emissions (Toluene, Xylene, and Ethylbenzene)

KHI, KRM, KMC

(FY)

	Unit	2021	2022 <sup>*1</sup>	2023 <sup>*2</sup>	2024
<b>Major VOCs emissions</b>	t	642	576	607	573★

\*1 The aggregation categories were changed in fiscal 2023 based on the Pollutant Release and Transfer Register (PRTR) System. In conjunction with this change, the results for fiscal 2022 were restated.

\*2 Results for fiscal 2023 have been retroactively restated in conjunction with revisions in the calculation method for the fiscal 2024 results.

### Air Pollutants Emissions KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Sulfur oxides (SOx)</b>	t	1.0	0.7	0.9	1.0
<b>Nitrogen oxides (NOx)</b>	t	103.0	84.0	74.7	73.9

Environmental Data by Business Site (Fiscal2024)

KHI, KRM, KMC

		Unit	Gifu Works	Nagoya Works 1&2	Kobe Works	Hyogo Works	Nishi-Kobe Works
INPUT	Total energy (heat conversion)	TJ	923	142	273	89	373
	Purchased electricity	MWh	77,376	33,809	25,789	15,350	81,633
	Fuel	TJ	645	17	180	33	77
	Renewable energy	MWh	0	707	24	7	708
	Water withdrawal	1,000m <sup>3</sup>	3,800	57	396	55	160
OUTPUT (Air)	CO <sub>2</sub> emissions from energy sources	t-CO <sub>2</sub>	66,980	15,414	21,060	6,427	38,153
	SOx	t	Under 1	Under 1	Under 1	0	0
	NOx	t	30	Under 1	31	Under 1	Under 1
	Soot and dust	t	Under 1	Under 1	Under 1	Under 1	Under 1
OUTPUT (Water)	Water discharged	1,000m <sup>3</sup>	2,718	13	138	40	102
	COD	t	3	Under 1	Under 1	Under 1	0
	Nitrogen	t	13	Under 1	Under 1	Under 1	0
	Phosphorus	t	Under 1	Under 1	Under 1	Under 1	0
OUTPUT (Waste)	Total generated	t	3,460	450	5,731	3,021	4,766
	Recycled	t	3,460	450	5,731	3,021	4,759
	Others (incinerated/landfilled)	t	Under 1	Under 1	Under 1	Under 1	7

		Unit	Seishin Works	Akashi Works	Harima Works	Sakaide Works
INPUT	Total energy (heat conversion)	TJ	163	924	68	127
	Purchased electricity	MWh	25,260	111,147	9,625	29,862
	Fuel	TJ	66	523	30	20
	Renewable energy	MWh	1,758	293	1,008	0
	Water withdrawal	1,000m <sup>3</sup>	106	728	45	349
OUTPUT (Air)	CO <sub>2</sub> emissions from energy sources	t-CO <sub>2</sub>	13,955	75,703	4,467	12,094
	SOx	t	0	0	0	0
	NOx	t	Under 1	9	Under 1	0
	Soot and dust	t	0	2	Under 1	0
OUTPUT (Water)	Water discharged	1,000m <sup>3</sup>	101	514	3	336
	COD	t	0	0	Under 1	Under 1
	Nitrogen	t	Under 1	0	Under 1	Under 1
	Phosphorus	t	Under 1	0	Under 1	Under 1
OUTPUT (Waste)	Total generated	t	1,275	8,811	3,643	12,327
	Recycled	t	1,275	8,811	3,609	11,308
	Others (incinerated/landfilled)	t	0	Under 1	34	1,020

# Environmental Data Calculation Criteria

For CO<sub>2</sub> emissions (Scope 1, Scope 2 and Scope 3) in the data indicators, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Data indicator	Unit	Calculation criteria
<b>CO<sub>2</sub> Emissions (Scope 1, Scope 2)</b>	<b>Scope 1</b>	<p>We calculated using emissions factors in the List of Calculation Methods and Emission Coefficients (December 12, 2023) based on the Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System of the Act on Promotion of Global Warming Countermeasures (if unique supplier emissions factors are unknown, alternative values are used).</p> <p>For city gas, we calculated using the emissions factors in the Emissions Coefficients by Gas Company (For Calculating Greenhouse Gas Emissions from Specific Emitters) FY2024 Supply Results (June 30, 2025) (if unique supplier emissions factors are unknown, alternative values are used).</p>
	<b>Scope 2</b>	<p><b>Market-based</b></p> <p>For domestic electricity, we calculated using the Emissions Coefficients by Electric Power Company (For Calculating Greenhouse Gas Emissions from Specific Emitters) FY2023 Results (March 18, 2025) (if unique supplier emissions factors are unknown, alternative values are used).</p> <p>For electricity used at overseas sites, calculations are based on the unique supplier emissions factors, with the emissions factors announced by the country or those listed in the IEA's "Emission Factors 2023" used if these are not available.</p> <p>For steam and cold water, we calculated using the emissions factors in the Emissions Factors by Heat Supply Company (For Calculating Greenhouse Gas Emissions from Specific Emitters) FY2023 Supply Results (June 30, 2025) (if unique supplier emissions factors are unknown, alternative values are used).</p> <p><b>Location-based</b></p> <p>For domestic electricity, we calculated using the nationwide average factor in the Emissions Factors by Electric Power Company (For Calculating Greenhouse Gas Emissions from Specific Emitters) FY 2023 Results (March 18, 2025).</p> <p>For electricity used at overseas sites, calculations are based on the emissions factors specified in Emission Factors 2023 issued by the International Energy Agency (IEA).</p> <p>For steam and cold water, we calculated using the emissions factors of alternative values in the Emissions Factors by Heat Supply Company (For Calculating Greenhouse Gas Emissions from Specific Emitters) FY2023 Supply Results (June 30, 2025).</p>
<b>Energy Consumption</b>	<b>Total non-renewable energy consumption</b>	<p>We calculated based on the unit calorific value in the List of Calculation Methods and Emission Coefficients (December 12, 2023) based on the Greenhouse Gas Emissions Accounting, Reporting, and Disclosure System of the Act on Promotion of Global Warming Countermeasures, with fuels specified in the Act on Rational Use of Energy and Shift to Non-fossil Energy covered. For city gas, calculated using the unit calorific values announced by each company.</p>
	<b>Total renewable energy consumption</b>	<p>We calculated as total electric power derived from renewable energy.</p>

Data indicator		Unit	Calculation criteria
Waste	<b>Waste (total generated)</b>	t	We calculated as the total weight of industrial waste, hazardous waste, and valuable materials released from business sites.
	<b>Waste generated</b>	t	We calculated as the total weight of industrial waste (excluding hazardous waste) and valuable materials. Volume generated.
	<b>Waste recycled</b>	t	We calculated as the total weight of industrial waste (excluding hazardous waste) that has been thermally recycled or subject to material recycling through intermediate treatment and valuable materials.
	<b>Waste disposed (landfill disposal)</b>	t	We calculated as the weight of industrial waste (excluding hazardous waste) that was directly and finally disposed of in landfills.
	<b>Waste reduction amount</b>	t	The total weight of industrial waste (excluding hazardous waste) subject to reduction
	<b>Hazardous waste generated</b>	t	The amount of hazardous waste specified in the regulations of each country generated
Water Resources	<b>Water withdrawal (total amount)</b>	Million m <sup>3</sup>	We calculated as the total amount of purchased clean water and industrial water and groundwater withdrawn at sites.
	<b>Breakdown of water withdrawal (clean water)</b>	Million m <sup>3</sup>	Amount of municipal water purchased
	<b>Breakdown of water withdrawal (industrial water)</b>	Million m <sup>3</sup>	Amount of industrial water purchased
	<b>Breakdown of water withdrawal (groundwater)</b>	Million m <sup>3</sup>	Amount of groundwater withdrawn
	<b>Water discharged (total amount)</b>	Million m <sup>3</sup>	We calculated as the total amount of water discharged into public water areas, sewer systems, and so on. For sites that do not measure to amount of water discharged, the amount of water withdrawal is considered to be amount of water discharged.
	<b>Breakdown of water discharged (sewerage)</b>	Million m <sup>3</sup>	Amount of water discharged into sewer systems
	<b>Breakdown of water discharged (rivers, lakes, ponds , etc.)</b>	Million m <sup>3</sup>	Amount of water discharged into rivers, lakes, and oceans
	<b>Water consumed</b>	Million m <sup>3</sup>	We calculated by subtracting the amount of water discharged from the amount of water withdrawal.
Major VOCs	<b>Major VOCs emissions</b>	t	Among organic compounds (VOCs) that volatilize at room temperature, we calculated as the total amount of toluene, xylene, and ethylbenzene.

## CO<sub>2</sub> Emissions (Scope 3)

Data indicator	Unit	Calculation criteria
<b>Category 1 Purchased goods and services</b>	t-CO <sub>2</sub>	$\sum \{(\text{Monetary amount of goods and services purchased or acquired} \times \text{Emissions intensity})\}$ Values used for emission intensity (monetary amount) calculations are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025.
<b>Category 2 Capital goods</b>	t-CO <sub>2</sub>	$\sum \{(\text{Value of capital goods}) \times (\text{Emissions intensity})\}$ Values used for emission intensity calculations are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025.
<b>Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)</b>	t-CO <sub>2</sub>	$\sum \{(\text{Amount of purchased electricity}) \times (\text{Emissions intensity})\} + \sum \{(\text{Amount of heat purchased}) \times (\text{Emissions intensity})\} + \sum \{(\text{Amount of each fuel used}) \times (\text{Emissions intensity})\}$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025 and IDEA v2.3 (for calculating supply chain greenhouse gas emissions).

Data indicator	Unit	Calculation criteria
<b>Category 4 Upstream transportation and distribution</b>	t-CO <sub>2</sub>	$\Sigma (\text{Transportation distance} \div \text{Fuel} \times \text{Emissions intensity}) + \Sigma \{(\text{Transportation ton-kilometers} \times \text{Fuel consumption intensity based on the "Manual for Calculating and Reporting Greenhouse Gas Emissions (Ver. 5.0): ton-kilometer method"} \times \text{Emissions intensity}) + \Sigma (\text{Transportation monetary amount} \times \text{Emissions intensity})$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025 and IDEA v2.3 (for calculating supply chain greenhouse gas emissions).
<b>Category 5 Waste generated in operations</b>	t-CO <sub>2</sub>	$\Sigma (\text{Amount of waste by type} \times \text{CO}_2 \text{ emissions intensity of waste by type})$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025 and IDEA v2.3 (for calculating supply chain greenhouse gas emissions).
<b>Category 6 Business travel</b>	t-CO <sub>2</sub>	(By means of travel) $\Sigma (\text{Travel expenses provided} \times \text{Emissions intensity})$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025.
<b>Category 7 Employee commuting</b>	t-CO <sub>2</sub>	$\Sigma (\text{Number of employees} \times \text{Number of business days} \times \text{Emissions intensity})$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025.
<b>Category 8 Upstream leased assets</b>	t-CO <sub>2</sub>	Exempted (emissions from upstream leased assets are included in CO <sub>2</sub> emissions (Scope 1, Scope 2))
<b>Category 9 Downstream transportation and distribution</b>	t-CO <sub>2</sub>	$\Sigma (\text{Motorcycle sales weight} \times \text{Average transportation distance} \times \text{Emissions intensity})$ Calculations are for transportation from domestic marketing bases to sales retail shops or directly to consumers for sale in BtoC business. Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025.
<b>Category 10 Processing of sold products</b>	t-CO <sub>2</sub>	$\Sigma (\text{Number of aircraft jet engines sold} \times \text{Estimated emissions intensity required for aircraft assembly})$
<b>Category 11 Use of sold products</b>	t-CO <sub>2</sub>	$\Sigma (\text{CO}_2 \text{ emissions in conjunction with the use of fuel at the time of use of products}) + \Sigma (\text{CO}_2 \text{ emissions in conjunction with the use of electricity at the time of use of products})$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025. The total value obtained from multiplying the amount of activity (the amount of electric, steam, cold water and other utilities consumed during the use of final products sold annually) by the emissions intensity, year of service life, and operation rate Subject products: ships, rolling stock, aircraft, electric power generation equipment, ship propulsion equipment, boilers, absorption chiller/heaters, motorcycles, construction equipment parts, robots, crushing machines, sifters, plant equipment
<b>Category 12 End-of-life treatment of sold products</b>	t-CO <sub>2</sub>	$\Sigma \{(\text{Approximate weight of metal products}) \times (\text{Emissions intensity})\}$ Values used for emission intensity are based on the values outlined in the Database on Emission Intensities for Calculating Organizational Greenhouse Gas Emissions, etc. through a Supply Chain Version 3.5 March 2025.
<b>Category 13 Downstream leased assets</b>	t-CO <sub>2</sub>	Exempted (there are no relevant downstream leased asset).
<b>Category 14 Franchises</b>	t-CO <sub>2</sub>	Exempted (there are no relevant operations).
<b>Category 15 Investments</b>	t-CO <sub>2</sub>	(Scope 1 and 2 emissions of KHI Group) x Sales ratio of equity-method affiliates (%)

# Social

## Employee Data

### Number of Employees\*<sup>1</sup>

Consolidated

(FY)

			Unit	2021	2022	2023	2024
Total employees	Overall		Persons	36,587	38,254	39,689	40,640
		Male	Persons	-	-	32,648	33,443
		Female	Persons	-	-	5,570	5,977
		No aggregates collated* <sup>2</sup>	Persons	-	-	1,471	1,220
	Domestic group		Persons	26,596	27,583	28,099	29,072
			%	72.7	72.1	70.8	71.5
		Male	Persons	-	-	24,884	25,679
		Female	Persons	-	-	3,215	3,393
	Overseas group		Persons	9,991	10,671	11,590	11,568
			%	27.3	27.9	29.2	28.5
		Male	Persons	-	-	7,764	7,764
		Female	Persons	-	-	2,355	2,584
		No aggregates collated* <sup>2</sup>	Persons	-	-	1,471	1,220
	By region	Japan		Persons	26,596	27,583	28,099
Europe			Persons	757	761	692	685
Americas			Persons	4,194	4,886	5,774	6,017
Asia			Persons	5,001	4,985	5,087	4,825
Australia			Persons	39	39	37	41

\*1 Number of employees as of fiscal year-end.

\*2 No aggregates were collated for 2 overseas consolidated subsidiaries in fiscal 2023 and for 3 overseas consolidated subsidiaries in fiscal 2024.

Employee Breakdown\*<sup>1</sup>

KHI, KRM, KMC

(FY)

			Unit	2021	2022	2023	2024
Status of employees	Number of employees	Male	Persons	17,162	17,413	17,968	18,535
			Persons	15,688	15,883	16,362	16,858
			%	91.4	91.2	91.1	91.0
		Female	Persons	1,474	1,530	1,606	1,677
			%	8.6	8.8	8.9	9.0
			Persons	3,664	3,865	4,107	4,328
	Managerial staff	Male	Persons	3,600	3,791	4,013	4,220
		Female	Persons	64	74	94	108
		Persons	13,498	13,548	13,861	14,207	
	General employees	Male	Persons	12,088	12,092	12,349	12,638
		Female	Persons	1,410	1,456	1,512	1,569
		Persons	40.1	40.6	40.8	41.1	
	Average age	Male	Years old	40.0	40.5	40.7	40.9
Female		Years old	41.7	42.1	42.5	42.4	
Persons		3,737	3,608	3,619	3,657		
By age	29 and younger	Male	Persons	3,467	3,328	3,325	3,343
		Female	Persons	270	280	294	314
		Persons	5,427	5,432	5,542	5,673	
	30 to 39	Male	Persons	5,025	5,032	5,145	5,255
		Female	Persons	402	400	397	418
		Persons	4,395	4,480	4,606	4,652	
	40 to 49	Male	Persons	3,941	4,024	4,128	4,194
		Female	Persons	454	456	478	458
		Persons	3,229	3,397	3,538	3,749	
	50 to 59	Male	Persons	2,919	3,053	3,157	3,330
		Female	Persons	310	344	381	419
		Persons	374	496	663	804	
	60 and above	Male	Persons	336	446	606	736
		Female	Persons	38	50	57	68
		Persons	13	17	20	19	
By position	Director, Audit & Supervisory Board Member	Male	Persons	11	15	17	14
		Female	Persons	2	2	3	5
		Persons	30	28	32	28	
	Executive officer and above	Male	Persons	29	27	31	28
		Female	Persons	1	1	1	0
		Persons	746	729	741	755	
	Senior manager equivalent* <sup>2</sup>	Male	Persons	739	723	736	750
		Female	Persons	7	6	5	5
		Persons	2,918	3,136	3,362	3,567	
	Manager equivalent	Male	Persons	2,861	3,068	3,274	3,465
		Female	Persons	57	68	88	102
		Persons	2,403	2,450	2,572	2,718	
	Assistant manager equivalent	Male	Persons	2,254	2,296	2,402	2,519
		Female	Persons	149	154	170	199

\*1 Number of employees as of the fiscal year-end (all temporary employees are included in general employees.)

\*2 Senior manager equivalent includes positions up to associate officer.

## Gender Pay Gap\*1

### Domestic Group

(FY)

		Unit	2021	2022	2023	2024
All employees (basic pay plus bonuses, etc.)*2	Domestic Group	%	-	-	62.0	67.5
	Non-consolidated	%	-	-	66.2	69.0

\*1 Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

\*2 Part-time and fixed-term workers are included in employees.

## Average Annual Remuneration

### KHI, KRM, KMC

(FY)

		Unit	2021	2022	2023	2024
All employees		Yen	6,799,106	7,292,124	8,064,083	7,929,717
	Male	Yen	6,998,061	7,511,997	8,312,912	8,156,481
	Female	Yen	4,702,687	5,013,017	5,523,799	5,656,986
Average for managerial staff (basic pay only)		Yen	7,866,297	7,925,950	8,107,578	8,383,080
	Male	Yen	7,882,082	7,943,055	8,123,345	8,401,799
	Female	Yen	6,942,346	7,033,475	7,397,411	7,647,779
Average for managerial staff (basic pay plus bonuses, etc.)		Yen	10,552,048	11,214,762	12,736,295	11,969,589
	Male	Yen	10,574,624	11,238,581	12,765,053	11,998,266
	Female	Yen	9,227,286	9,970,433	11,438,022	10,842,061
Average for general employees (basic pay only)		Yen	4,544,144	4,601,578	4,798,094	5,050,215
	Male	Yen	4,666,906	4,731,098	4,931,428	5,183,633
	Female	Yen	3,506,879	3,534,556	3,715,459	3,984,443

## Human Resource Management

## Number of New Hires\*1

### Consolidated

(FY)

		Unit	2022	2023	2024	2025	
Overall		Persons	-	4,700*3	5,514	-	
	Male	Persons	-	3,178	4,213	-	
	Female	Persons	-	1,025	1,050	-	
	No aggregates collated*2	Persons	-	497	247	-	
Domestic Group	New graduates hired	Persons	-	-	706	736	
		Male	Persons	-	-	601	632
		Female	Persons	-	-	105	104
	Mid-career hires	Persons	-	1,083	907	-	
		Male	Persons	-	891	760	-
		Female	Persons	-	192	147	-
Overseas Group		Persons	-	3,212	3,901	-	
	Male	Persons	-	1,911	2,856	-	
	Female	Persons	-	804	798	-	
	No aggregates collated*2	Persons	-	497	247	-	

\*1 Total number for new graduates hired and mid-career hires

\*2 No aggregates were collated for 3 overseas consolidated subsidiaries in fiscal 2023 and for 1 overseas consolidated subsidiary in fiscal 2024.

\*3 The scope of the data collection does not include new graduates hired for fiscal 2023 in the domestic Group (excluding Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors).

## Number of Employees Hired by Job Type

KHI, KRM, KMC

(FY)

		Unit	2021	2022	2023	2024	2025
New graduates hired*		Persons	357	370	405	506	534
	Male	Persons	323	333	376	449	477
	Female	Persons	34	37	29	57	57
Administrative and technical positions		Persons	231	246	278	342	356
	Male	Persons	200	214	254	291	309
	Female	Persons	31	32	24	51	47
Production specialists		Persons	126	124	127	164	178
	Male	Persons	123	119	122	158	168
	Female	Persons	3	5	5	6	10
Mid-career hires and ratio of mid-career hires to all new hires		Persons	95	362	698	519	-
		%	21.0	49.5	63.3	50.6	-
	Male	Persons	72	284	589	458	-
	Female	Persons	23	78	109	61	-
Administrative and technical positions		Persons	89	324	536	470	-
	Male	Persons	68	251	441	412	-
	Female	Persons	21	73	95	58	-
Production specialists		Persons	6	38	162	49	-
	Male	Persons	4	33	148	46	-
	Female	Persons	2	5	14	3	-
Average years of service		Years	14.2	14.5	14.6	15.4	-
	Male	Years	14.5	14.9	15.0	15.8	-
	Female	Years	10.8	10.9	10.9	11.5	-

\* Number of new graduates hired as of April 1 of each fiscal year.

## Total Number of Resignations and Turnover Rate

Consolidated

(FY)

		Unit	2021	2022	2023	2024
Overall		Persons	-	-	3,549	4,619
		%	-	-	8.9	11.4
	Male	Persons	-	-	2,238	3,400
	Female	Persons	-	-	676	956
	No aggregates collated*	Persons	-	-	635	263
Domestic Group		Persons	-	-	1,045	1,070
		%	-	-	3.7	3.7
	Male	Persons	-	-	892	829
		%	-	-	3.6	3.2
	Female	Persons	-	-	153	241
	%	-	-	4.8	7.1	
Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors		Persons	481	445	467	422
		%	2.8	2.6	2.5	2.3
	Male	Persons	421	393	402	368
		%	2.7	2.5	2.5	2.2
	Female	Persons	60	52	65	54
		%	4.1	3.4	4.0	3.2
		Persons	-	-	2,504	3,549
		%	-	-	21.6	30.7
Overseas Group	Male	Persons	-	-	1,346	2,571
	Female	Persons	-	-	523	715
	No aggregates collated*	Persons	-	-	635	263
		Persons	-	-	635	263

\* No aggregates were collated for 3 overseas consolidated subsidiaries in fiscal 2023 and for 1 overseas consolidated subsidiary in fiscal 2024.

## Number of Employees Voluntarily Resigning and Turnover Rate\*1 \*2

Domestic Group

(FY)

		Unit	2021	2022	2023	2024	
Domestic Group		Persons	-	-	616	612	
		%	-	-	2.2	2.1	
	Male	Persons	-	-	518	506	
		%	-	-	2.1	2.0	
	Female	Persons	-	-	98	106	
		%	-	-	3.0	3.1	
	Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors		Persons	313	321	334	271
			%	1.8	1.8	1.9	1.5
		Male	Persons	275	282	287	240
			%	1.8	1.8	1.8	1.4
Female		Persons	38	39	47	31	
		%	2.6	2.5	2.9	1.8	
29 and younger		%	4.3	4.1	3.7	3.3	
		Male	%	4.2	3.8	3.5	3.2
	Female	%	5.9	7.1	6.9	4.5	
30 to 39	%	1.9	2.4	2.4	1.9		
	Male	%	1.8	2.3	2.3	1.8	
	Female	%	4.0	3.0	4.2	2.6	
40 to 49	%	0.7	0.8	0.8	0.8		
	Male	%	0.6	0.7	0.8	0.7	
	Female	%	1.1	1.3	0.8	1.3	
50 and above	%	0.5	0.3	0.4	0.1		
	Male	%	0.5	0.3	0.3	0.1	
	Female	%	0.3	0.3	0.9	0	

\*1 Age of resigning employees is shown as of April 1 of each fiscal year.

\*2 The turnover rate for employees who voluntarily resign does not include retirees and executive transfers.

## Employee Engagement Survey Results

Domestic Group

(FY)

	Unit	2021	2022	2023	2024
Number of companies surveyed	Companies	6	8	19	43
Response rate	%	85	89	88	94
Engagement (job satisfaction)*1	%	51	53	54	55
Enablement (productive work environment)*2	%	55	51	52	54
Most Effective employees*3	%	28	28	29	31
Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors	%	28	29	30	33

\*1 Ratio of employees who responded positively to multiple questions in the employee engagement survey regarding whether employees are willing to go an extra mile and are proud to work for the company

\*2 Ratio of employees who responded positively to multiple questions in the same survey regarding whether employees have opportunities to do interesting work and the environments allow them to be productive

\*3 The percentage of employees, where both Engagement and Enablement exceed the General Industry Norm

## Diversity

### Number of Foreign National Employees KHI, KRM, KMC (FY)

	Unit	2021* <sup>1</sup>	2022* <sup>1</sup>	2023* <sup>2</sup>	2024* <sup>2</sup>
<b>Number of foreign national employees</b>	Persons	36	34	48	47
<b>Number of foreign national employees in managerial positions</b>	Persons	-	-	2	4

\*1 As of April 1 of each fiscal year. Administrative and technical personnel only.

\*2 As of the end of each fiscal year.

### Number and Percentage of Employees with Disabilities\*<sup>1</sup> KHI, KRM, KMC (FY)

	Unit	2021	2022	2023	2024	2025
<b>Employees with disabilities*<sup>2</sup></b>	Persons	473	459	484	518	544
<b>Percentage of employees with disabilities</b>	%	2.49	2.44	2.52	2.60	2.63

\*1 As of June 1 of each fiscal year. Respective results include those for special subsidiary Kawasaki Heartfelt Service Co., Ltd.

\*2 People working short hours are calculated as 0.5 persons. One person with a severe disability is counted as two persons.

### Number and Proportion of Women in Managerial Positions\*<sup>1</sup> Domestic Group (FY)

	Unit	2021* <sup>2</sup>	2022* <sup>2</sup>	2023* <sup>2</sup>	2024* <sup>2</sup>
<b>Domestic Group</b>	Persons	-	-	170	183
	%	-	-	2.7	3.1
<b>Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors</b>	Persons	68	77	97	111
	%	-	-	2.3	2.5
<b>Executive officer and above*<sup>3</sup></b>	Persons	-	-	1	0
	%	-	-	3.0	0
<b>Senior manager equivalent</b>	Persons	-	-	6	6
	%	-	-	0.8	0.7
<b>Manager equivalent</b>	Persons	-	-	88	105
	%	-	-	2.6	2.9
<b>Women in managerial positions in revenue-generating functions</b>	Persons	-	-	-	51
	%	-	-	-	1.5

\*1 As of the end of each fiscal year.

\*2 In fiscal 2024, the calculation date was changed from April 1 to March 31, and in conjunction with this, data for fiscal 2021 to fiscal 2024 was retroactively recalculated.

\*3 Excluding Directors

### Number of Women in Technical Positions KHI, KRM, KMC (FY)

	Unit	2021	2022	2023	2024
<b>Number of women in technical positions</b>	Persons	-	-	252	265
<b>Proportion of women in technical positions</b>	%	-	-	5.3	5.5

## Work-life Balance

### Usage of Work-Life Balance Programs

KHI, KRM, KMC

(FY)

		Unit	2021	2022	2023	2024
Employees using the childcare leave		Persons	112	169	216	255
	Male	Persons	58	122	169	207
	Female	Persons	54	47	47	48
Rate at which male employees take childcare leave		%	7.7	17.9	25.0	29.6
Employees using the care leave		Persons	6	5	6	5
	Male	Persons	3	2	3	4
	Female	Persons	3	3	3	1
Return rate after childcare leave		%	100	100	100	100
Retention rate after childcare leave		%	100	95.3	97.2	-*

\* The retention rate after childcare leave represents the percentage of employees still working one year following their return from childcare leave. No statistics are available for fiscal 2024 because this one-year period has not yet elapsed.

### Annual Paid Leave Usage

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
Number of used paid leaves*	Days /person	16.6	18.0	18.5	18.1
Paid leave usage rate	%	75.4	81.8	84.1	82.3
Total annual work hours	Hours /person	1,997	2,001	1,986	1,988
Total annual overtime hours	Hours /person	261.4	272.0	263.9	258.3

\* 22 days given per year.

## Human Resource Development

### Education and Training Expenses and Hours\*<sup>1</sup>

Domestic Group

(FY)

		Unit	2021	2022	2023	2024
Domestic Group* <sup>2</sup>	Education and training expenses per employee	Yen /person	-	-	-	26,600
	Education and training hours per employee	Hours /person	-	-	-	27
	Total education and training hours	Hours	-	-	-	742,700
Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors	Education and training expenses per employee	Yen /person	27,000	27,000	31,500	29,400
	Education and training hours per employee	Hours /person	32	32	33	35
	Total education and training hours	Hours	547,000	553,000	580,300	647,400

\*<sup>1</sup> The costs and time required for main training programs organized by departments responsible for education and training.

\*<sup>2</sup> No aggregates were collated for 8 domestic consolidated subsidiaries.

## Total Human Resource Development and Training Expenses

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Total training expense*</b>	<b>Thousands of yen</b>	-	-	-	879,261

\* Facility use fees, training outsourcing fees, external training participation fees, expenses for acquisition of qualifications, etc.

## Occupational Safety, Hygiene, and Health

### Status of Labor Accidents and Work-related Illnesses

Domestic Group

(Jan.-Dec.)\*1

	Unit	2021	2022	2023	2024	
<b>Number of labor accidents*2</b>	<b>Total</b>	<b>Number of incidents</b>	87	94	106	119★
	<b>Under Kawasaki's overall supervision*5</b>	<b>Number of incidents</b>	58	49	56	55★
	<b>Domestic consolidated subsidiaries*6</b>	<b>Number of incidents</b>	29	45	50	64★
<b>Number of occupational fatalities*3</b>	<b>Total</b>	<b>Persons</b>	1	0	0	1★
	<b>Under Kawasaki's overall supervision*5</b>	<b>Persons</b>	1	0	0	1★
	<b>Employees</b>	<b>Persons</b>	1	0	0	1★
	<b>Contractors*7</b>	<b>Persons</b>	0	0	0	0★
	<b>Domestic consolidated subsidiaries*6</b>	<b>Persons</b>	0	0	0	0★
<b>Lost Time Injury Frequency Rate (LTIFR)*4</b>	<b>Under Kawasaki's overall supervision*5</b>	-	0.31	0.30	0.23	0.35★
	<b>Employees</b>	-	0.12	0.21	0.14	0.23★
	<b>Contractors*7</b>	-	0.93	0.61	0.53	0.79★
	<b>(Reference) Industry average*8</b>	-	2.09	2.06	2.14	2.10
	<b>(Reference) Manufacturing industry average*8</b>	-	1.31	1.25	1.29	1.30

\*1 The data collection period is from January to December of each year.

\*2 Number of fatalities and injuries due to labor accidents, excluding commuting accidents

\*3 Number of fatalities due to labor accidents, excluding commuting accidents

\*4 Lost Time Injury Frequency Rate (LTIFR) = Number of fatalities and injuries due to labor accidents (lost work time of at least one day, excluding commuting accidents) ÷ Total number of work hours × 1,000,000. The total number of work hours by contractors includes an estimate based on Number of workers × 8 hours (4 hours in the case of half-days) × Number of working days.

\*5 The boundary of data collection is Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors.

\*6 The boundary of data collection does not include Kawasaki Railcar Manufacturing, and Kawasaki Motors.

\*7 Contractors under overall supervision of Kawasaki (temporary staff, and contract staff in shipbuilding and construction)

\*8 Data source: Survey on Industrial Accidents 2024, Ministry of Health, Labour and Welfare

## Status of Sanitation Management

KHI, KRM, KMC

(Jan.-Dec.)

	Unit	2021	2022	2023	2024	
<b>Sick leave rate (case basis)*<sup>1</sup></b>	-	4.6	14.6	11.2	8.4	
<b>Mental health-related sick leave frequency (case basis)*<sup>2</sup></b>	-	0.50	0.60	0.63	0.54	
	<b>Mental health issues</b>	<b>Cases</b>	99	120	129	114
	<b>Other psychological disorders</b>	<b>Cases</b>	7	5	7	5
<b>Absence rate (day basis)*<sup>3</sup></b>	-	5.0	6.4	5.9	5.9	
	<b>Overall sick leave</b>	-	7.8	12.1	10.4	9.6

\*1 Calculated as the total number of cases of sick leave per year / total number of workers employed per year × 1,000.

\*2 Calculated as the total number of cases of mental health-related sick leave per year / total number of workers employed per year × 1,000.

\*3 The absence rate is calculated based on days missed. Specifically, it is the number of employees absent per 1,000 employees per work day, calculated as the total number of days of leave taken / total man-days of work × 1,000.

\*4 Included in total sick leave

## Health Management

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Health score*</b>	-	3.90	3.93	3.91	3.93
<b>Percentage taking regular physical checkups</b>	%	98.4	99.0	98.6	100

\* The health score refers to a score on a six-point scale that is based on the results of a medical examination of six lifestyle habits (diet, exercise, drinking, sleep, smoking, and appropriate weight) that affect labor productivity. The higher the score, the healthier the lifestyle. The health score in the health report issued in the relevant year is the actual value for that year.

## Business and Human Rights

### Labor Union Data\*<sup>1</sup>

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Number of members</b>	<b>Persons</b>	12,880	13,184	13,421	13,810
<b>Composition ratio*<sup>2</sup></b>	%	75.0	77.3	76.4	75.9
<b>Number of labor discussions</b>	<b>Number</b>	38	28	29	25

\*1 As of the end of each fiscal year.

\*2 Composition ratio represents the ratio of union members versus all permanent employees, including managerial staff.

### Number of Employees Who Underwent Training on Harassment

Domestic Group

(FY)

	Unit	2021	2022	2023	2024
<b>Participants</b>	<b>Persons</b>	-	20,385	-	1,639
<b>Attendance rate*</b>	%	-	91.3	-	99.9

\* Attendance rate of target participants

### Number of Employees Who Underwent Training on Business and Human Rights Training

KHI, KRM, KMC

(FY)

	Unit	2021* <sup>1</sup>	2022	2023	2024
<b>Participants</b>	<b>Persons</b>	13,245	-	10,336	11,627
<b>Attendance rate*<sup>2</sup></b>	%	-	-	84.7	82.8

\*1 Conducted for domestic Group employees.

\*2 Attendance rate of target participants

## Social Contribution Activities

### Social Contribution Activities by Type<sup>\*1</sup>

KHI

(FY)

	Unit	2021	2022	2023	2024
<b>Donations and philanthropy</b>	%	31.96	29.70	34.60	30.59
<b>Investments (ongoing partnerships with NGOs, etc.)</b>	%	50.34	54.09	50.45	54.53
<b>Advertising and marketing (support funding, campaigns, etc.)</b>	%	17.70	16.21	14.95	14.88
<b>Total<sup>*2</sup></b>	%	100	100	100	100

\*1 Totals for Kawasaki and Kawasaki Good Times Foundation in the United States

\*2 Because the above figures are rounded to the second decimal place, the percentage figures may not add up to exactly 100%.

### Social Contribution Activities Expenditure<sup>\*1</sup>

KHI

(FY)

		Unit	2021	2022	2023	2024
<b>Total<sup>*2</sup></b>		<b>Millions of yen</b>	661	802	941	1,002
<b>Breakdown by category</b>	<b>Vitalization of industry and economy</b>	<b>Millions of yen</b>	217	332	373	446
	<b>Communities</b>	<b>Millions of yen</b>	204	191	207	197
	<b>Education</b>	<b>Millions of yen</b>	148	155	192	191
	<b>Culture and sports</b>	<b>Millions of yen</b>	55	87	99	106
	<b>Welfare and humanitarian aid (including disaster relief)</b>	<b>Millions of yen</b>	4	9	31	27
	<b>Others (including environmental safety and disaster prevention)</b>	<b>Millions of yen</b>	33	28	39	35
<b>Expenditure type</b>	<b>Provision of funds</b>	<b>Millions of yen</b>	111	278	263	339
	<b>Provision of goods</b>	<b>Millions of yen</b>	226	192	193	195
	<b>Employee volunteer activities</b>	<b>Millions of yen</b>	324	332	485	468
	<b>Indirect management costs</b>	<b>Millions of yen</b>	0	0	0	0

\*1 Totals for Kawasaki and Kawasaki Good Times Foundation in the United States

\*2 The above figures include expenses for donations, support funding, in-kind contributions, and requests for support from third-party organizations as well as the cost of labor of employees assigned to third-party organizations (the portion incurred by Kawasaki). They do not include internal cost of labor of employees or expenses associated with the use of facilities.

## Working with Suppliers

### Implementation Status of Sustainable Procurement Survey

KHI, KRM, KMC

(FY)

	Unit	2021	2022	2023	2024
<b>Number of responding companies</b>	<b>Companies</b>	395	-	533	200
<b>Domestic</b>	<b>Companies</b>	395	-	528	198
<b>Overseas</b>	<b>Companies</b>	-	-	5	2
<b>Response rate</b>	<b>%</b>	-	-	77.8	82.3

# Independent Assurance Report

## Independent Practitioner's Limited Assurance Report

### **Independent Practitioner's Limited Assurance Report**

To the Representative Director, President and Chief Executive Officer of Kawasaki Heavy Industries, Ltd.

#### **Conclusion**

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the "subject matter information" or the "SMI") presented in Kawasaki Heavy Industries, Ltd.'s (the "Company") Kawasaki Sustainability Report 2025 written in English (the "Report") for the year ended March 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "★".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

#### **Basis for Conclusion**

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### **Other information**

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

#### **Responsibilities for the SMI**

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

### **Inherent limitations in preparing the SMI**

As described in the Environmental Data Calculation Criteria in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

### **Our responsibilities**

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the management of the Company.

### **Summary of the work we performed as the basis for our conclusion**

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visit at one of the Company's sites which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

*/s/ Junichi Shiraishi*

***Junichi Shiraishi, Engagement Partner***

***KPMG AZSA Sustainability Co., Ltd.***

***Osaka Office, Japan***

***December 10, 2025***

Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

# ISO Certification Status

## Certification Status of Quality Management

【Domestic (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors)】

Percentage of production sites covered by ISO 9001 (total of domestic and overseas): 73.1% based on sites

Business Segment		Date of Acquisition	Reference	Certification Bodies
<b>Aerospace Systems Company</b>	Defense & Aerospace Business Division	Sep. 1996	JIS Q 9100*1	BSK*2
	Commercial Aircraft Business Division			
	Helicopter & MRO Business Division			
	Aero Engine Business Division	Dec. 1994	JIS Q 9100	BSK
<b>Energy Solution &amp; Marine Engineering Company</b>	Energy Solution Business Division	Jun. 1993		DNV
	Plant Engineering Business Division			
	Marine Machinery Business Division			
	Ship & Offshore Structure Business Division	Apr. 1993	Scope: General merchant ship, offshore structures and AUV business	DNV
<b>Precision Machinery &amp; Robot Company</b>	Precision Machinery Business Division	Oct. 1994		DNV
	Robot Business Division	Oct. 1994		DNV
<b>Kawasaki Railcar Manufacturing Co., Ltd.</b>		Aug. 1994		DNV
<b>Kawasaki Motors, Ltd.</b>		Oct. 1994		DNV

\*1 JIS Q 9100: Management system standards for ensuring the safety and improving reliability of products and services in the aerospace and defense industries

\*2 BSK: Defense Structure Improvement Foundation

\*3 DNV: Det Norske Veritas AS (Norway)

## Certification Status of Quality Management (ISO 9001) 【Domestic Production Sites (Group Companies)】

Business Segment	Company
<b>Aerospace Systems Company</b> (Defense & Aerospace Business Division) (Commercial Aircraft Business Division) (Helicopter & MRO Business Division)	NIPPI Corporation
<b>Aerospace Systems Company</b> (Aero Engine Business Division)	Kawaju Akashi Engineering Co., Ltd.
<b>Energy Solution &amp; Marine Engineering Company</b> (Plant Engineering Business Division)	EarthTechnica Co., Ltd.
	Kawasaki Engineering Co., Ltd.
	Kawaju Facilitech Co., Ltd.
<b>Energy Solution &amp; Marine Engineering Company</b> (Energy Solution Business Division) (Marine Machinery Business Division)	Kawasaki Thermal Engineering Co., Ltd.
	Kawasaki Prime Mover Engineering Co., Ltd.
<b>Precision Machinery &amp; Robot Company</b> (Precision Machinery Business Division)	Kawasaki Hydromechanics Corporation
<b>Kawasaki Railcar Manufacturing Co., Ltd.</b>	Alna Yusoki-Yohin Co., Ltd.
	NICHIJO CORPORATION
<b>Kawasaki Motors, Ltd.</b>	Technica Corp.
	Union Precision Die Co., Ltd.
<b>Head Office</b>	Kawasaki Technology Co., Ltd.

## Certification Status of Quality Management (ISO 9001) 【Overseas Production Sites (Group Companies)】

Business Segment	Company	Location
<b>Energy Solution &amp; Marine Engineering Company</b> (Energy Solution Business Division) (Marine Machinery Business Division)	Kawasaki Gas Turbine Europe GmbH	Germany
	Wuhan Kawasaki Marine Machinery Co., Ltd.	China (PRC)
<b>Precision Machinery &amp; Robot Company</b> (Precision Machinery Business Division)	Kawasaki Precision Machinery (Suzhou) Ltd.	China (PRC)
	Kawasaki Precision Machinery (U.S.A.) Inc.	U.S.A.
	Kawasaki Precision Machinery (UK) Ltd.	UK
	Wipro Kawasaki Precision Machinery Private Limited	India
	Flutek, Ltd.	South Korea
<b>Precision Machinery &amp; Robot Company</b> (Robot Business Division)	Kawasaki Robotics (Kunshan) Co., Ltd.	China (PRC)
	Kawasaki (Chongqing) Robotics Engineering Co., Ltd.	China (PRC)
<b>Kawasaki Railcar Manufacturing Co., Ltd.</b>	Kawasaki Rail Car, Inc.	U.S.A.
<b>Kawasaki Motors, Ltd.</b>	Changzhou Kawasaki Engine Co., Ltd.	China (PRC)
	Kawasaki Motores do Brasil Ltda.	Brazil
	Kawasaki Motors Manufacturing Corp., U.S.A.	U.S.A.
	Kawasaki Motors Enterprise (Thailand) Co., Ltd.	Thailand

# Environmental Management Systems

Percentage of production sites covered by ISO14001 (total of domestic and overseas): 70.3% based on sites, 89.4% based on revenues

## 【Domestic (Kawasaki and Group Companies)】

Business segment	Certification Bodies*1	EMS Level*2	Date of Acquisition	Date of Expiration
<b>Aerospace Systems Company</b> (Defense & Aerospace Business Division) (Commercial Aircraft Business Division) ( Helicopter & MRO Business Division)	BSK	1	Feb. 2002	Feb. 2026
KGM Co., Ltd.		1	Feb. 2002	Feb. 2026
NIPPI Corporation		1	Dec. 2006	Dec. 2027
NIPPI Skill Corporation		1	Dec. 2015	Dec. 2027
<b>Aerospace Systems Company</b> (Aero Engine Business Division)	BSK	1	Mar. 2000	Mar. 2027
Kawaju Akashi Engineering Co., Ltd.		1	Mar. 2000	Mar. 2027
<b>Energy Solution &amp; Marine Engineering Company</b> (Plant Engineering Business Division) (Energy Solution Business Division) (Marine Machinery Business Division) (Ship & Offshore Structure Business Division)	DNV	1	Nov. 1999	Feb. 2026
EarthTechnica Co., Ltd.		1	Sep. 2000	Sep. 2027
Kawaju Facilitech Co., Ltd.	-	2	Jul. 2013	-
Kawasaki Thermal Engineering Co., Ltd.	DNV	1	Apr. 2002	Apr. 2026
Kawasaki Marine Engineering Co., Ltd.	-	3	Apr. 2013	-
<b>Precision Machinery &amp; Robot Company</b> (Precision Machinery Business Division) 	DNV	1	Feb. 1998	Nov. 2027
Kawasaki Hydromechanics Corporation		1	Jun. 2007	Mar. 2026
<b>Precision Machinery &amp; Robot Company</b> (Robot Business Division)	DNV	1	Mar. 2011	Apr. 2027
Kawasaki Railcar Manufacturing Co., Ltd.	DNV	1	Feb. 2002	Feb. 2026
Kawasaki Rolling Stock Component Co., Ltd.		1	Feb. 2002	Feb. 2026
Alna Yusoki-Yohin Co., Ltd.	-	2	Nov. 2017	-
NICHIJO CORPORATION	-	2	Jun. 2009	-
<b>Kawasaki Motors, Ltd.</b>	DNV	1	Feb. 2000	Feb. 2027
Union Precision Die Co., Ltd.		1	Jul. 2006	Apr. 2027
Technica Corp.	-	3	Mar. 2012	-
Shin Nippon Wheel Industries Co.,Ltd.	-	2	Sep. 2014	-

(Date of expiration is as of Mar. 2025.)

\*1 BSK: Defense Structure Improvement Foundation; DNV: Det Norske Veritas AS (Norway)

\*2 Level 1: ISO 14001 registration; Level 2: Simplified EMS certification; Level 3: Self-declaration of EMS establishment

## 【Overseas (Group Companies)】

Business Segment	Company	Location	EMS Level*1	Date of Acquisition	Date of Expiration
<b>Energy Solution &amp; Marine Engineering Company</b> (Marine Machinery Business Division)	Wuhan Kawasaki Marine Machinery Co., Ltd.	China (PRC)	1	Jun. 2009	Jun. 2027
<b>Precision Machinery &amp; Robot Company</b> (Precision Machinery Business Division)	Kawasaki Precision Machinery (Suzhou) Ltd.	China (PRC)	1	Jan. 2008	Aug. 2025
	Kawasaki Precision Machinery (UK) Ltd.	UK	1	Nov. 2001	Nov. 2026
	Wipro Kawasaki Precision Machinery Private limited	India	1	Dec. 2019	Dec. 2025
	Flutek, Ltd.	South Korea	1	Nov. 2006	Apr. 2026
<b>Precision Machinery &amp; Robot Company</b> (Robot Business Division)	Kawasaki Robotics (Kunshan) Co., Ltd.	China (PRC)	1	Dec. 2023	Dec. 2026
<b>Kawasaki Railcar Manufacturing Co., Ltd.</b>	Kawasaki Rail Car, Inc.	U.S.A.	3	Jul. 2015	-
<b>Kawasaki Motors, Ltd.</b>	PT. Kawasaki Motor Indonesia	Indonesia	3	Jan. 2012	-
	Kawasaki Componants da Amazonia Ltda	Brazil	3	Jun. 2013	-
	Kawasaki Motores do Brasil Ltda	Brazil	3	Jun. 2013	-
	Kawasaki Motors (Phils.) Corporation	Philippines	3	Jan. 2012	-
	Kawasaki Motors Manufacturing Corp., U.S.A. (MRV)	U.S.A.	1	Nov. 2008	Dec. 2027
	Kawasaki Motors Enterprise (Thailand) Co., Ltd.	Thailand	1	Dec. 2011	Nov. 2026

(Date of expiration is as of Mar. 2025.)

\*1 Level 1: ISO 14001 registration; Level 2: Simplified EMS certification; Level 3: Self-declaration of EMS establishment

# External Evaluation

Kawasaki Group vigorously embraces activities for sustainable society. The activities have been widely recognized, and we have been evaluated by various external bodies as shown below. (As of July 2025)

## ESG Indices

### Dow Jones Best-in-Class Indices

Jointly compiled by S&P Dow Jones Indices (USA) and Robeco SAM (Swiss), Dow Jones Best-in-Class Indices (DJBICI) is a representative index which assesses and selects leading sustainability-driven companies in the three areas of governance and economy, environment, and society, and for the first time, we have been selected the DJBICI World in 2024.

We have also been selected consistently since 2013 by the DJBICI Asia Pacific, which is selected from leading companies in the Asia Pacific region.

### MSCI Selection Indexes

The MSCI Selection Indexes refer to investment indexes developed by MSCI (USA), which are designed to select outstanding companies from around the world that demonstrate excellence in ESG (environmental, social, and governance) initiatives.



THE INCLUSION OF Kawasaki Heavy Industries, Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Kawasaki Heavy Industries, Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

# A Constituent of the ESG Indices Adopted by Government Pension Investment Fund (GPIF)

## FTSE Blossom Japan Index

Created by FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.



**FTSE Blossom  
Japan**

## FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is designed as a sector neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan. The index selects companies with higher ESG Ratings within the top 50% of each sector and supports climate transition to a low carbon economy by evaluating companies' climate governance and climate change efforts via the Transition Pathway Initiative's Management Quality Score.



**FTSE Blossom  
Japan Sector  
Relative Index**

## MSCI NIHONKABU ESG Select Leaders Index

The MSCI NIHONKABU ESG Select Leaders Index is selected from companies with high ESG ratings within the same sector, based on ESG research conducted by MSCI (USA).

### **2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX**

THE INCLUSION OF Kawasaki Heavy Industries, Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Kawasaki Heavy Industries, Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

## S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is designed by the S&P Dow Jones Indices (USA). The investment weighting of components is determined from the TOPIX constituents based on information disclosure about greenhouse gases and carbon emissions per unit of revenue.



## Morningstar Japan ex-REIT Gender Diversity Tilt Index

The Morningstar Japan ex-REIT Gender Diversity Tilt Index is determined investment weighting of components based on the evaluation of company initiatives on gender diversity by Equileap (Netherlands).

## Recognitions of Sustainability Initiatives

### CDP

The Kawasaki Group received B score in the CDP Climate Change 2024 assessment.

CDP is an environmental non-profit organization that runs the global disclosure system for companies, cities, and governments. The charity measures and evaluates their environmental initiatives, including goal setting, risk management and disclosures.

The assessment process is aligned with TCFD recommendations on climate-related financial disclosures task force and well known as a global standard of environmental action evaluation.



### CDP Supplier Engagement Assessment

The Kawasaki group has been recognized for the first time as a Supplier Engagement Leader in the Supplier Engagement Assessment 2024 conducted by CDP. The Supplier Engagement Assessment evaluates how effectively companies are working with suppliers on climate change issues.



## Eruboshi Certification (The Act on Promotion of Women's Participation and Advancement in the Workplace)

In May 2016, Kawasaki received Eruboshi (Grade 2) certification as an outstanding company for promoting women's participation in the workplace. The Eruboshi system is based on the Act on Promotion of Women's Participation and Advancement in the Workplace, which went into full effect on April 1, 2016. Of companies that draw up and submit general employer action plans under the Act, only those subsequently judged to meet certain standards and provide excellent conditions to encourage women to be more active in the workplace, are eligible for certification by the Minister of Health, Labour and Welfare under the Eruboshi system. Kawasaki is the first company in Hyogo Prefecture to acquire certification.



## Kurumin Certification (The Act on Advancement of Measures to Support Raising Next-Generation Children)

Kawasaki obtained the Kurumin Mark in 2010 and 2015. The Kurumin Mark is a certification logo presented by the Ministry of Health, Labour and Welfare to companies that have achieved targets stated in the business action plans formulated by each company in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children and have met certain criteria. The logo indicates such companies are childcare-supportive employers.



## Performance Index for LGBT Initiatives "PRIDE Index 2024"

Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors has the honor of receiving the top rating of "gold" on the "PRIDE Index" for seven consecutive years until 2024. This is a performance index certified by a Japanese voluntary organization "work with Pride," which evaluates companies' initiatives related to sexual minority such as LGBT.

In Pride Index, for achievement of creating the workplace where LGBT individuals are able to work actively, companies are evaluated from five viewpoints: Policy, Representation, Inspiration, Development and Engagement/Empowerment.



## Health & Productivity Management Outstanding Organization

In the Health & Productivity Management Outstanding Organizations Recognition Program, which commends large corporations, SMEs, and other organizations practicing especially outstanding health management, Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, and Kawasaki Motors were certified as a Health & Productivity Management Outstanding Organization 2025 in the large enterprise category.

This scheme is implemented jointly by the Ministry of Economy, Trade, and Industry and Nippon Kenko Kaigi. Certified enterprises are expected to play the role of top runners in disseminating the idea of health management among group companies, business partners, local related companies, customers, the families of employees, and others.



## "Monisu" Certification (Certification of Small and Medium-sized Employers Excelling in the Employment of Persons with Disabilities)

In March 2022, our special subsidiary Kawasaki Heartfelt Service Co., Ltd. acquired "Monisu Certification," a system under which small and medium-sized employers making outstanding efforts to promote and stabilize initiatives to ensure the employment of persons with disabilities are certified by the Minister of Health, Labour and Welfare.



## Mimoza Company Certification System (Hyogo Kobe Women's Empowerment Company)

In 2023, we were awarded the "Mimoza Company (Hyogo Kobe Women's Empowerment Company)" accreditation in recognition of its robust initiatives not only to promote women's activities but also to create workplaces where everyone can play an active role. The certification system is jointly managed by Hyogo Prefecture and Kobe City.



# Participation in External Initiatives

## United Nations Global Compact

Kawasaki signed the United Nations Global Compact (UNGC) initiative proposed by the United Nations and was registered as a participating company in January, 2020. We have also joined the Global Compact Network Japan, the compact's local network in Japan.

The UNGC is a voluntary initiative for companies and organizations to act as good members of society and participate in creating a global framework for sustainable growth by taking responsible and creative leadership.

In conducting their business operations, UNGC signatory companies and organizations are required to support the initiative's ten principles in the four fields of human rights, labour, the environment, and anti-corruption.

With our signing of the UNGC, we commit ourselves to promoting the ten principles in the four fields and continue our activities towards the realization of a sustainable society.

### 【The Ten Principles of the United Nations Global Compact】

Human Rights	Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2:	make sure that they are not complicit in human rights abuses.
Labour	Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4:	the elimination of all forms of forced and compulsory labour;
	Principle 5:	the effective abolition of child labour; and
	Principle 6:	the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7:	Businesses should support a precautionary approach to environmental challenges;
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and
	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.



- [\*\*United Nations Global Compact\*\*](#) 
- [\*\*Global Compact Network Japan \(Japanese language only\)\*\*](#) 
- [\*\*Kawasaki's CoP on the UNGC Website\*\*](#) 

# SBTi (Science Based Targets Initiative)

In August 2024, Kawasaki obtained certification from SBTi for its greenhouse gas reduction targets.

SBTi is an international initiative founded in 2015 by CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wildlife Fund (WWF) to define and promote best practices for science-based target setting and independently evaluate corporate targets.

The certified targets include two types based on fiscal 2022: a short-term target (NEAR-TERM) and a long-term target (NET-ZERO). Promoting various initiatives to achieve these targets, Kawasaki aims to achieve carbon neutrality across the entire value chain.



Please check the following link for further details.

- **[Companies taking action - Science Based Targets Initiative](#)** 

# TCFD (Task Force on Climate-related Financial Disclosures)

Kawasaki signed the statement of support for the TCFD recommendations in September, 2019.

TCFD (Task Force on Climate-related Financial Disclosures) is a task force established by the Financial Stability Board, an international organization that includes central banks and financial regulators in major countries.

Institutional investors and financial institutions who are investing in ESG emphasize that it is critical for companies to be aware of the risks and opportunities of climate change and incorporate them into their management strategies. They propose approaches to the appropriate disclosure of information regarding the risks and opportunities of climate change, which companies voluntarily disclose.

We will communicate more clearly the Company's efforts to realize a sustainable society to our stakeholders, and work to further enhance information disclosure.



Please check the following link for further details.

- **[Task Force on Climate-Related Financial Disclosures | TCFD](#)** 

# GX League

Kawasaki has participated in the GX League, an initiative of the Ministry of Economy, Trade and Industry, since 2023.

The GX League was established as a forum for companies that are taking on the challenges of a green transformation (GX) and seek sustainable growth in the current and future society with the aim of achieving carbon neutrality and social transformation by 2050. Participating companies can collaborate with other companies, government, educational institutions, and other organizations that conduct similar measures.

Kawasaki's initiatives, including building hydrogen supply chains for achieving a decarbonized society and creating zero-emissions plants by 2030 with a focus on hydrogen power generation, are in alignment with the direction sought by the GX League. Thus, we expressed our support for the GX League Basic Concept in April 2022 and joined the league in 2023.



For details on Kawasaki's initiatives for achieving GX, please refer to the following link.

- **[Initiatives of participating companies for achieving GX: Kawasaki Heavy Industries, Ltd. \(Japanese language only\) | GX League Official Website](#)** 

## Support for the Keidanren Challenge Zero

Kawasaki expressed its support for the Keidanren Challenge Zero initiative in March 2021.

Challenge Zero (Challenge Net Zero Carbon Innovation) is a new initiative of the Japan Business Federation (Keidanren) undertaken in collaboration with the Japanese government to strongly promote in Japan and overseas and support innovative action by companies and other organizations to achieve a decarbonized society, which is positioned as the long-term objective of the Paris Agreement, an international framework for addressing climate change.

Kawasaki has listed two initiatives: realization of international liquefied hydrogen energy supply chain and development of hydrogen fueled power generation technologies.



For details on Kawasaki's Challenge Zero initiatives, please refer to the following link.

- **[Kawasaki Heavy Industries, Ltd. | Challenge Zero](#)** 

# Kawasaki Supports My Declaration of Human Rights of Ministry of Justice

In July 2021, Kawasaki expressed its support for the My Declaration of Human Rights promoted by the Ministry of Justice.

The Declaration is an initiative for working toward a society where the human rights of all people are respected through companies, organizations, and individuals declaring that they will act in ways that respect human rights.

In accordance with [the Kawasaki Group Policy on Human Rights](#) , the Kawasaki Group is establishing internal systems and actively taking measures to address important human rights issues. Such measures include protecting diversity, equal opportunity, and occupational safety and health, approving freedom of association and the right to collective bargaining, and prohibiting forced labor, child labor, discrimination, and harassment.

For details on My Declaration of Human Rights, please refer to the following link.

- [My Declaration of Human Rights](#) 

