

## **How do you approach innovation?**

We strive to innovate along three axes. The first involves directly providing value to customers. This is what we call “product innovation,” which aims to transform the products that we provide to customers, such as by creating new products. In addition, we have recently begun focusing on “solution innovation,” which aims to transform the services that we provide to solve the issues that our customers face.

The last axis is “process innovation,” which aims to transform work processes, such as design and manufacturing. Through this axis, we strive to accelerate the development of new products and

services, which indirectly provide value to customers.

as creating an environment that facilitates company-wide collaboration towards achieving goals, we are improving management quality by standardizing daily operations and constantly improving them through the PDCA cycle. In the engineering chain, which is part of the development and design process, we are engaging in reforms we call K-DPX (Kawasaki Design Process Transformation) promotion activities, which aim to standardize and sophisticate the development and design processes. In addition, in the supply chain, which is part of the manufacturing process, we continue to promote KPS (Kawasaki Production System), and we have pushed forward with production improvement initiatives that aim to reduce workloads and cut down on in-process inventory.

Recently, the scale of the global market has been expanding due to the development of emerging markets, and the market environment has changed significantly. There is an urgent need to accelerate innovation activities to maintain our competitive edge.

## **How do you plan to accelerate process innovation?**

As part of our DX (Digital Transformation) strategy, we are promoting the areas of “DX for customers,” “DX for businesses,” and “DX for employees.” Among these, in the domain of “DX for businesses,” we are working to accelerate process innovation by actively

employing digital technology. By doing so, we aim to streamline the value chain, optimize the overall process, and enhance individual work processes.

With regard to manufacturing at production sites, by introducing digital technologies such as various sensors and electronic tags, robots and automated equipment, AI for processing big data, the implementation of CPS (Cyber Physical System) that optimizes all processes in real time, high-speed networks (local 5G, etc.), cloud systems, and visualization using XR technology, we aim to develop technologies that enable us to iterate the PDCA cycle of conventional on-site improvement activities in a way that is accurate, fast, and visible. Through these efforts, we endeavor to optimize operations