

				Number of subsidiaries confirming prohibition of child labor and forced labor (implementation at subsidiaries where the company president has changed)	26 companies
				Number of participants in human rights training	Release of educational videos on business and human rights on the company-internal portal (total number of video views in the three months following the release: 3,429 times)
				Number of subsidiaries and suppliers subject to human rights audits and corrective measures	Implemented SAQ*1 targeting six overseas subsidiaries
				Ratio of employees for whom both "supportive environment" and "employee engagement" are high (employee engagement survey results)	29% (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors)
				Rate at which women, foreign nationals, and individuals with mid-career hires are promoted to senior manager or above	7% (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors)
				Rate at which male employees take childcare leave	17.8% (Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors)
				Number of products and cases of commercialization in three focal fields of the Group Vision 2030	13 products and cases Commercialization of products including the self-propelled industrial robot, TRanbo-7, and of the three-wheeled electric vehicle, noslisu
					8 cases Projects aimed at the implementation in urban areas of leading-edge technology services such as 5G in 21s11sadinininin(anbCukuch as1.071 s

## Promotion of Human Resource Activities

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### **/ Personnel System Reform toward Realization of Our Vision**

**Realization of our vision and further growth beyond, Kawasaki has introduced a new personnel system since 2021 that places importance on the abilities, roles, and results of employees and carries out evaluation and treatment regardless of age. Additionally, to promote the growth of employees, the new system gives greater credit to people who challenge difficult issues and encourages a spirit of challenge among our employees.**

Toward the achievement of our vision and further growth beyond, Kawasaki has introduced a new personnel system since 2021 that places importance on the abilities, roles, and results of employees and carries out evaluation and treatment regardless of age. Additionally, to promote the growth of employees, the new system gives greater credit to people who challenge difficult issues and encourages a spirit of challenge among our employees.

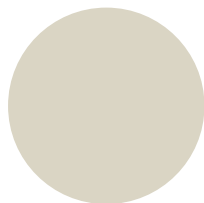
**Challenge & Commitment**

“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.

**Abolition of age-linked pay**

We have revised the wage, bonus, retirement pay, and personnel evaluation systems, abolishing age-linked pay (Seniority-based pay) and giving high



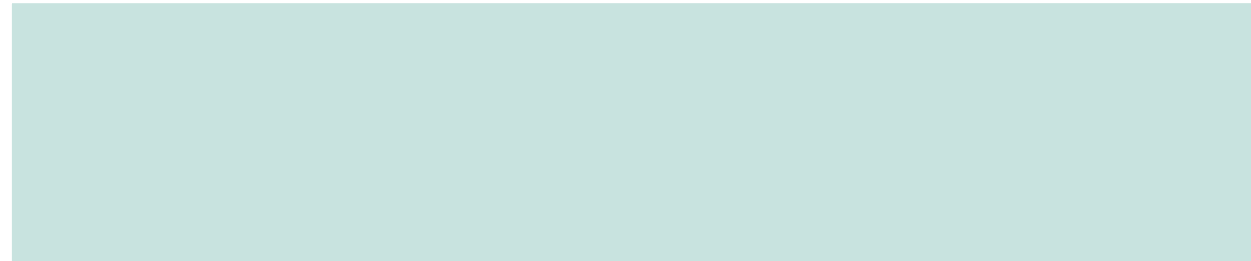
## The Foundation of Our Business Activities

### / Human Resource Development Policies

The Kawasaki Group Policy on Human Resource Management, our fundamental policy on human capital, also declares our commitment to continuously fostering human resources with the mindsets to resolutely challenge change and to follow through on their own initiative. This commitment entails identifying by

appropriate means the talents and ambitions of employees and enabling them to realize their ideal careers through work and skill development.

Based on the above, the Kawasaki Group conceptualizes the development of human resources as follows:



Training for project managers who can carry out projects for entire systems, including peripheral facilities

Reinforcing development of managers who can continuously lead business reform

Systematic manager development

Further development of human resources who can support the business expansion worldwide

### / Promoting Diversity

Crucial to the continued growth of the corporate value is the development of an organization that maximizes the ability of our employees worldwide to fully demonstrate their potential and attributes, regardless of such factors as their nationality, gender, age, religion, and disability.

We employ people with wide-ranging attributes including disabled persons, foreign nationals, and seniors. To bring together these diverse attributes with employee

skills and to achieve our vision of “Trustworthy Solutions for the Future,” we undertake various measures including promoting active participation by women, supporting employees balancing work with childcare and nursing care, promoting active participation by non-Japanese nationals, promoting understanding of LGBT individuals, and achieving workstyles with awareness of the life-work balance as well as results and efficiency.

#### Promoting the active participation of women

The Company has set targets for 2025 to double the fiscal 2020 number of female managerial staff to over 116 and to maintain the female ratio for career-track administrative positions to at least 30-40% and that of career-track technical positions to at least 5-15% among newly hired graduates.

We hold seminars for managers of workplaces to which female employees are assigned for the first time to help them understand how to nurture such employees over the medium to long term. We also host joint seminars with other companies to incorporate insights from external role models on how to help women achieve personal growth. In recognition of these efforts, in 2016 Kawasaki received Eruboshi (2nd level) certification in recognition of outstanding efforts in promoting the active participation of women in the workplace.

#### Supporting employees balancing work with childcare and nursing care

To create an environment that facilitates continued employment by employees who are having difficulty performing both childcare or nursing care and work, we created systems that exceed national standards including a childcare leave system that is available until an employee's children reach age three, a family care leave program that is available for up to three years, and an accumulated leave program that allows employees to accumulate and flexibly use up to 60 days' of unused annual paid leave, thereby supporting a good balance.

#### Measures to prevent excessive working hours

Measures to prevent excessive working hours include proper management of attendance and labor affairs as well as labor-management meetings for reducing total working hours. We are currently investigating measures based on the results of the discussions at those meetings. In addition, 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

#### External Evaluation

Item	FY2023 (Results)
Employees with Disabilities	484 persons*
Percentage of Employees with Disabilities	2.52%*

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\* Kawasaki Heavy Industries, Kawasaki Railcar Manufacturing, Kawasaki Motors, and Kawasaki Heartfelt Service

### / Occupational Safety and Health

#### Policies Relating to Human Rights Due

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.

Impact Assessments

**/ Compliance Policy**

Main Initiatives in Fiscal 2022

Compliance education measures	In addition to e-learning for employees in Japan, new e-learning programs were conducted at overseas subsidiaries.
Compliance awareness survey	Surveys of awareness were conducted in Japan and at overseas subsidiaries.
Enhancement of whistle-blowing system	Rules were revised, employees were designated, and other measures were taken to reflect amendment of the Whistleblower Protection Act.

**/ Strengthen Anti-corruption Measures Throughout the Group**

The 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. Accordingly, the Group takes action through its business activities and employee training under a compliance system in accordance with various policies to prevent all forms of corruption including bribery of domestic and foreign public officials, bribery of business partners, embezzlement, and money laundering.

We use a risk-based approach that makes reference to the Corruption Perceptions Index from Transparency International to identify high-risk sites, and take measures to establish the bribery prevention rules at our overseas subsidiaries. As of June 2023, all subsidiaries in Asia and South America had completed the adoption of rules.

We additionally implement compliance training on bribery prevention annually for employees in Japan.

Compliance Promotion Structure

**Information Security**

**/ Information Security Policy**

who is also an executive officer, oversees the execution

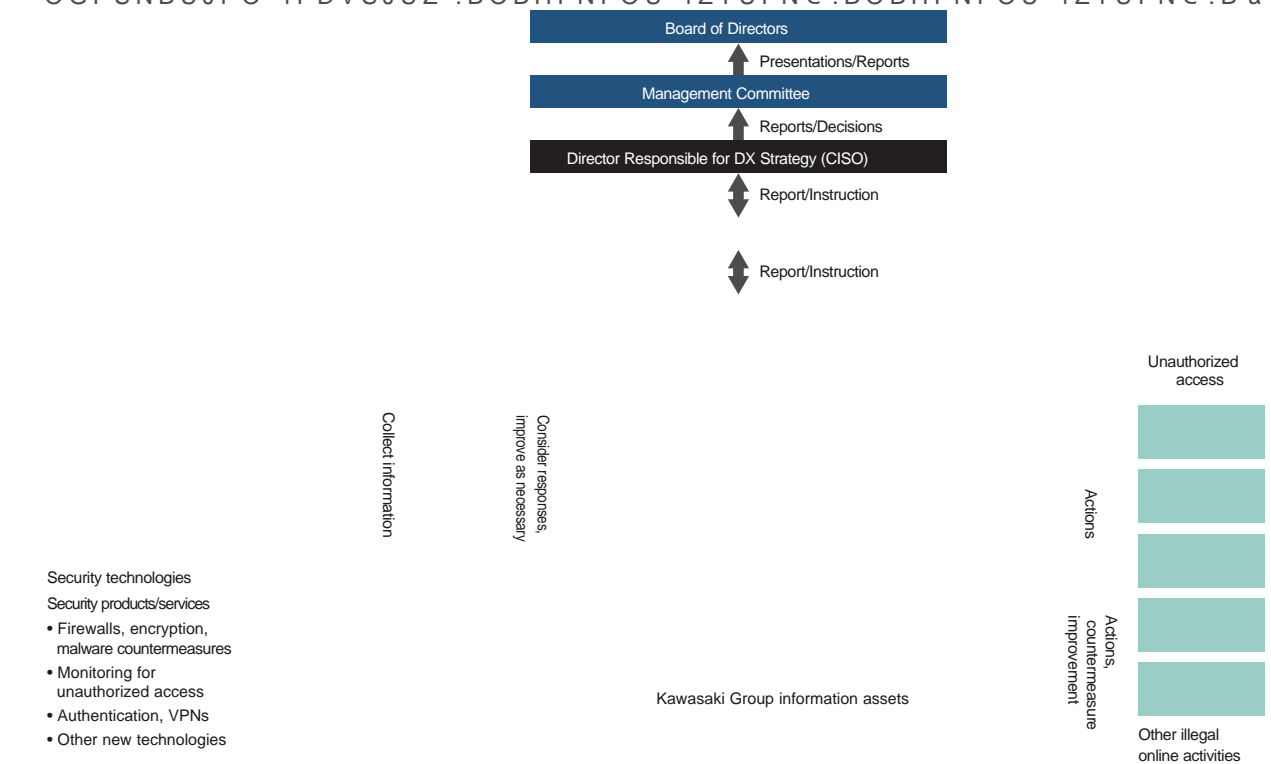
The Group has established the necessary information security management practices as corporate regulations to ensure compliance with domestic and international laws and contracts with clients and to protect our businesses. These corporate regulations are comprised of the underlying Policy on Information Security, along with various other Group policies as well as the internal rules and regulations for establishing administrative management guidelines, including those for the development, implementation, and use of information systems.

We have also established the Product Security Policy as our policy for providing safe and secure products and services by preventing breaches from cyberattacks. In addition, we maintain guidelines to ensure proper security in activities throughout the entire product lifecycle, from product and service planning, development, and manufacturing to their operation.

**/ Information Security Management Structure**

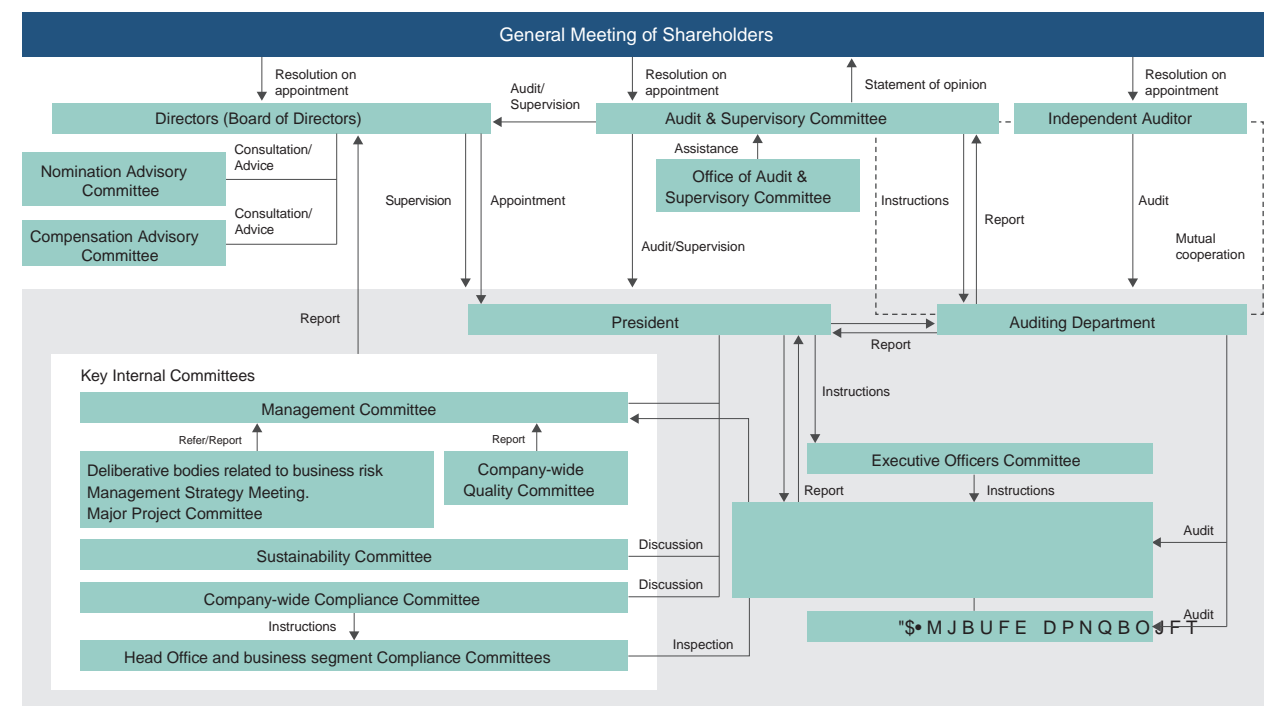
The Director in charge of DX strategy at the Group serves as chairperson of the Information Security Committee, while the General Manager of the DX Strategy Division,

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## The Foundation of Our Business Activities

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,



### Board of Directors

The Board of Directors comprises 13 Directors (of whom, five serve as Audit & Supervisory Committee Members),

compliance, risk management, and quality control, and can request reports on the status of these issues from the business execution side.

### Nomination Advisory Committee & Compensation Advisory Committee

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 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.

### Management Committee

Kawasaki maintains a Management Committee, comprising mainly Representative Directors and internal company presidents, as an advisory body to the president. The Management Committee discusses matters that are







## / Director Compensation

The compensation system for Directors is based on the following basic policy with the aim of achieving the Group Vision 2030, “Trustworthy Solutions for the Future,” established in November 2020.

### 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

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

#### Setting of Targets

Each 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 targets associated with initiatives aimed at realizing the United Nations Sustainable Development Goals (SDGs), efforts to improve employee engagement, and other aspects of non-financial performance. 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 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 the Group Vision 2030

	Payment method	Details
Basic compensation (fixed compensation)	Cash	Each Director's pay grade is determined based on the missions assigned to them.
Short-term incentives (performance-based compensation)	Cash	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 and the level of achievement of each Director's individual performance targets. Profit attributable to owners of the parent is used as the indicator for assessing consolidated operating results, with the aim of providing incentives for the steady accomplishment of single-year operating results targets and promoting the sharing of value with shareholders. The payment ratio applied to this performance-based compensation is determined based on the profit attributable to owners of parent for the year, as presented on the next page (see (i)). Details of the process for determining the level of achievement are presented in (ii) on the same page.
Long-term incentives (fixed portion and performance-based portion)	Stock	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. 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. The proportions of fixed points and performance-based points are designed to account for 50% each when the recipient's level of achievement is at a standard level. For the time being, the ratio of the fixed portion and the performance-based portion will be set at 50%:50%, but in the future, the ratio of the performance-based portion will be raised to increase incentives to enhance corporate value over the medium- to long-term. Details of the process for determining the level of achievement are presented in (ii) on the next page.

