



Hiroshi Nakatani Providing innovative solutions to

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Technology, Production, Procurement,
TOM, and Digital Transformation (DX)
Strategy

The Group's vision is to provide products and services that meet the needs of society. Our people must be highly motivated. The field is also changing with society and the times, and the human resources that will be needed are also diversifying. We will strengthen our human capital by determining what technologies will be needed in the future and then carefully defining and cultivating the human resources that will be needed.

The three key themes we have chosen to guide us to fulfilling the Group Vision 2030 are Frontier, New Values, and Cross Over. These have the common link of creating new markets. I would like to share some of the major initiatives we are undertaking to achieve Group Vision 2030 and my thoughts on the human resources that will be needed for the initiatives that I have had from my experience putting them into action.

Technological evolution is essential to maintaining our status as a company needed by society. We need to respond to changing trends, decide which technologies and techniques to use, and determine which technologies we will be relevant in the future. As a director in charge of technology development, I am constantly seeking to identify technologies that will ensure we are up-to-date and prepared for future trends while maintaining and fortifying our fundamental technologies and nurturing technologies that will become the core of our business in the future.

At the same time, it's people that create and improve technology. I view technology as being people and believe that we will strengthen our technological capabilities by cultivating our human resources. Kawasaki Heavy Industries passed down a DNA of taking on challenges and refining manufacturing processes and from that we have introduced many firsts in Japan and the world. To create and grow businesses, we need to continue developing human resources who boldly take on the challenges of new businesses seeking to provide solutions for complex and ever-changing social issues.

The Group-wide initiative to develop the hydrogen business is an excellent example of the Frontier theme. We launched the hydrogen business in 2009 in anticipation

and have specific technical expertise. At the early stages, we also need to move before other companies to establish a supply chain. For that we need human resources who can see the big picture while moving a project forward, and others who are versed in standards, laws, and regulations to lead the market formation for new businesses.

In addition, in new fields such as agriculture, forestry, and fisheries, where we have not previously ventured, challenges are emerging that will lead to solutions to social issues through the cooperation of engineers with new approaches to food security and human resources with entrepreneurial mindsets who can work with our technologies. With these new opportunities, people who have not been inspired within the framework of the manufacturing businesses are now able to demonstrate their true abilities and are working with enthusiasm.

Prime examples of the New Values theme are the development of medical robots, such as the *hinotori*™ Surgical Robot System, and service robots, including the FORRO indoor delivery robot. The challenge we are taking on here is to adapt our existing robotics and mobility technologies to provide solutions for the emerging medical and service fields.

thinking deeply about what is truly needed, and developing them into products and solutions.

Under the Cross Over theme, we established a research

increasingly complex challenges. Hydrogen is very complicated to work with, and this collaboration is speeding up our development of basic technologies.

In January 2024, the collaboration's HySE-X1 hydrogen-powered buggy successfully completed the Dakar Rally, widely considered the world's toughest motor race. Focusing our companies' strengths and working together to develop the technology has produced significant results in just a short period of time. In the past, creating new value by partnering with competitors was unthinkable, but it is because of our human resources that we now have a new road for producing value in the future.

While engaging in collaborations, we are also focusing on intellectual property activities linked to our business strategy. In the hydrogen business, our aim is to take the lead in the industry and country in developing hydrogen-related markets with a balance of "open (standardized)" market creation activities and "closed (intellectual property)" strategies to secure our profit capability. From this perspective as well, the importance is also growing to have human resources capable of seeing the business potential in intellectual property and linking it to producing profits.

Diversity drives growth
Investing in future business and human resources

To fulfill Group Vision 2030, we are also transforming the way we work so employees can concentrate on producing higher added value and feel satisfied and growth in their work. We will use AI and other technologies to create an environment where every employee can work more creatively, and to formulate a system that improves operating efficiency while preventing defects and improving design quality.

I believe the most important part of developing human resources is experiencing success. We have training programs employees can use to improve their skills, but we also want them to take on challenges so they can gain experience. My role is to create the place where they can do that. Kawasaki Heavy Industries has a diverse workforce, and I'd like to bring out each individual's strengths and ideas to mix them together in potent ways that will give rise to new value. We want to develop technologies and explore new businesses to encourage the growth and success of our human resources so our businesses and our whole company will continue thriving and growing.

