



Engagement

In the Group's engagement survey, the key performance indicators (KPIs) that we look at are the percentage of employees who give high ratings for "supportive environment" and "employee engagement." The Group is seeking to raise the percentage above 50%, which is the global average. One of our main initiatives is to create a system that provides more opportunities for motivated employees to take on more active roles. We are particularly working to raise the engagement KPIs among employees in production positions and in their 30's, which have lagged in recent years' engagement surveys.

Our production staff is quite removed from our management activities and it's difficult to involve them in company-wide policies. We are therefore seeking to boost engagement by increasing communication, such as by holding more town meetings with opportunities for direct dialogue between production staff and management. We also believe that improving the working environment is an important foundation for increasing engagement. One of the main ways we will do this is by focusing on safety, not just relying on individual safety awareness, but by creating working conditions that prevent accidents before they occur.

Employees in their 30's are at a good time to start thinking about their future careers. In my 30's, I requested to be transferred out of the human resources department at the Head Office. The time I spent in the

Diversity, Equity and Inclusion

Our human resources is a very diverse group, and my impression is that our employees generally take their jobs seriously and are very cooperative. The positive side of that is that everyone is helping maintain harmony in our organization. Nevertheless, I think we have to disrupt that harmony in order to be able to flexibly adapt and respond to the great changes in society and the business environment. For example, there is an increasing need for a corporate environment that identifies and unleashes the full potential of individuals with strong personalities, driving ambition, and radical ideas.

It's been four years since we adopted the Group Vision 2030. When we were creating the vision, I was the general manager of the Corporate Planning Division and working with the president to frame our targets and put them into our action plan. We are now at the stage where we need every employee to execute the plan with greater speed and accuracy.

I was appointed general manager of the Human Resources Division based on my intense desire and determination to execute the action plan. I intend to mobilize our human capital so we will fulfill the Group engagement and use the survey results as an evaluation index for executive compensation.

Another important issue is promoting diversity, equity and inclusion (DE&I). The engagement survey revealed a gap between how management and employees perceive DE&I. Management must not be complacent and needs to start by truly listening to employees' points of view. In July 2024, we changed the name of the Diversity and Inclusion Promotive Section to the DE&I Management Section and will continue evolving until we are a company where every employee can demonstrate their strengths and achieve results.

Management

Message

from

the

Officer

The Kawasaki Heavy Industries Group engages in ambidextrous management in which we are simultaneously deepening our existing businesses and exploring new businesses. However, nurturing and growing new ideas into profitable businesses requires resilient individuals capable of overcoming difficult issues while cooperating with those around them. We are seeking to visualize and systematize the processes for identifying employees, developing management talent, and drawing out their full potential.

The reform of the personnel system started in April 2021 introduced a concept of "Challenge and Commitment" for recognizing employees who set high goals and who are highly motivated and committed to rapidly progressing toward attainment. The new system highlights employees who are boldly confronting changes in society and employees who even change their own practices. I believe this has brought us very close to achieving the change in corporate culture that we are seeking. The evaluation process for goal targets and results focuses on how challenging the goals were and whether they have the potential to contribute broadly to the Company. We take steps to ensure the goals and results are evaluated fairly.

Human resources are the most important asset necessary to sustainably provide the new value required by society, and in the Group Vision 2030 as well, we have positioned ourselves to create a new society.

