Group Management Principle No. 3—"People: The KHI Group's corporate culture is built on integrity, vitality, organizational strength and mutual respect for people

in need of improvement. Such initiatives serve to strengthen middle management and develop the skills of candidates for management positions.

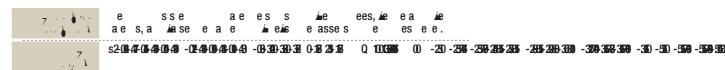
(1) Reinforce the management and business execution capabilities of employees (Administrative and technical training)

During their first three years of employment, employees in administrative and technical positions receive a combination of structured on-the-job training, facilitated by a mentoring system, and access to various training content to help these young professionals shoulder new responsibilities as quickly as possible. In addition to training for managers, including section managers, general managers and board members, we regularly conduct multifaceted observation surveys that provide feedback—opinions and evaluations—from supervisors, subordinates and colleagues to managers on their strong points and areas

Promoting Diversity

To date, we have consistently embraced initiatives that encourage all employees, including women, post-retirement rehired individuals and the disabled, to be active in their assigned roles. To better address increasing diversification in the workplace, we established the Diversity Promotion Section in April 2010. In "Kawasaki Business Vision 2020," a stated goal is to "create a corporate culture that emphasizes diversity and a good worklife balance, gives employees confidence in the Company and

their colleagues, fosters pride in the work they do, and enables everyone to enhance their skills and demonstrate their full potential." Toward this end, we are introducing policies with an emphasis on a variety of approaches to working that facilitate the realization of a good work-life balance for all employees, on promoting active roles for women, on promoting active roles for the disabled, on childcare and eldercare support, and on the creation of workplaces receptive to older employees.



Promoting Active Roles for Women

Currently in our efforts to promote active roles for women in our organization, our first priority is to hire them, taking an enthusiastic approach to such recruitment. The number of women hired and the number of women in managerial positions increases annually, and in the area of hiring in particular, about 30% of the university graduates taking administrative positions with us are women. Next, present senior female employees as role models for young female staff, clarify their career development plans and help supervisors develop their female staff.

Promoting Active Roles for the Disabled

We also strive to hire more people with disabilities. Since 2007, we have maintained a hiring rate exceeding the legally mandated percentage of 1.8% and seek to offer opportunities for people with physical challenges to thrive in various office environments. We earnestly endeavor to break down barriers, in the true sense of barrier-free, and in 2010, we took a stab at in-house training featuring sign-interpreted lectures so that employees with hearing impairments could benefit from the content covered just as much as their hearing colleagues. We remain keen to sustain our high disabled hiring rate but will resourcefully work to boost the rate still higher and, through advanced case studies and lateral development, establish an environment in which the disabled can fully demonstrate their capabilities.

Support for a Good Work-Life Balance

All employees, both men and women, should be able to combine work and childcare responsibilities, continuing to work with energy and enthusiasm without resorting to early retirement to address family duties. With this in mind, we

