

Guided by the Group Mission “Kawasaki, working as one for the good of the planet,” the Kawasaki Group has established a corporate governance system centered on directors and audit & supervisory board members, with content appropriate for the global activities that the Group undertakes, and takes efforts to further improve the system. The basic stance on corporate governance for the Group as a whole is to raise

Initiatives to Strengthen Corporate Governance

Year	Initiative
2017	<ul style="list-style-type: none"> Adopted the executive of cer system Reduced the number of directors from 26 to 11
2018	<ul style="list-style-type: none"> Increased the number of outside audit & supervisory board members to two Adopted a performance-based compensation system
2019	<ul style="list-style-type: none"> Abolished the retirement bene t system for directors
2020	<ul style="list-style-type: none"> Appointed an outside director
2021	<ul style="list-style-type: none"> Increased the number of outside directors to two Took steps in response to the introduction of Japan's Corporate Governance Code Established the Nomination Advisory Committee and Compensation Advisory Committee Began evaluations of the effectiveness of the Board of Directors
2022	<ul style="list-style-type: none"> Added stock purchase funds to director's compensation
2023	<ul style="list-style-type: none"> Increased the number of outside audit & supervisory board members to three Revised matters requiring resolution by the Board of Directors (expanding the scope of delegation to executives)
2024	<ul style="list-style-type: none"> Increased the number of outside directors to three Revised the director and executive of cer system
2025	<ul style="list-style-type: none"> Reduced the number of directors from 12 to 11

Kawasaki adopts the statutory auditor system with a Board of Directors and Audit & Supervisory Board, and appoints an independent auditor. The Company also maintains the discretionary Nomination Advisory Committee, Compensation Advisory Committee, Management Committee, and Executive Of cers Committee. The composition and role of each of these organizations are described below.

● Board of Directors

The Board of Directors comprises 11 directors (authorized number: 18), with the chairman serving as the presiding of cer. The number of outside directors (independent of cers, as required by the Tokyo Stock Exchange) is three. The outside directors are independent of any role in the execution of business activities. Furthermore, the Nomination Advisory Committee and Compensation Advisory Committee have been established as advisory bodies to the Board of Director in an effort to strengthen its transparency and objectivity of the Board of Directors. A majority of the committees' members are outside of cers, and the presiding of cers of each are outside directors. The Nomination Advisory Committee discusses such matters as policy regarding the appointment of directors and audit & supervisory board members and the appropriateness of candidates for such positions. The Compensation Advisory Committee discusses such matters as director compensation policy and the appropriateness of the director compensation system. These committees provide reports and advice to the Board of Directors.

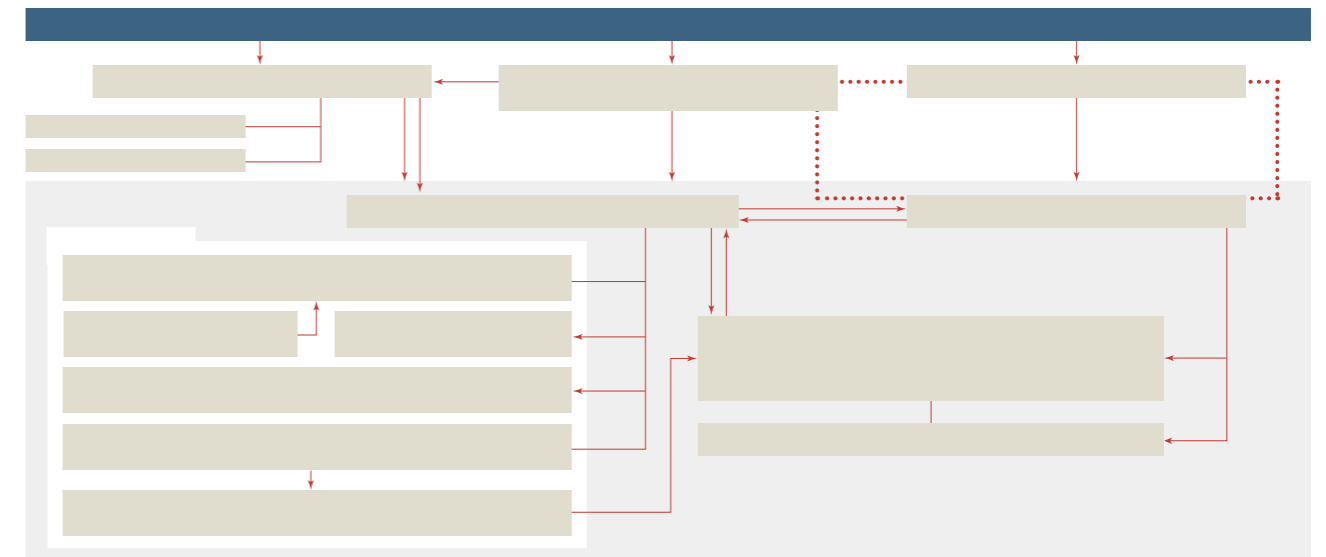
● Audit & Supervisory Board

The Audit & Supervisory Board comprises ve audit & supervisory board members (authorized number: ve). To ensure the reliability of nancial reports, the Company appoints internal audit & supervisory board members who have considerable knowledge of nance and accounting. Furthermore, to ensure the objectivity and neutrality of the supervisory function, the Company appoints three outside audit & supervisory board members (independent of cers, as required by the Tokyo Stock Exchange) with no business relationships or other vested interests in the Company. The internal and outside audit & supervisory board members share information closely and work to enhance the Audit & Supervisory Board's super visory function.

Key Internal Committees Other than the Board of Directors and Audit & Supervisory Board

▲ 取締役会	<ul style="list-style-type: none"> An advisory body on the nomination of directors and audit & supervisory board members
▲ 取締役報酬委員会	<ul style="list-style-type: none"> An advisory body on the compensation of directors
▲ 経営会議	<ul style="list-style-type: none"> Includes executive directors and internal company presidents Assists the president as an advisory body with regard to Group management Discusses important Group management policy, management strategy and management issues
▲ 執行役員会議	<ul style="list-style-type: none"> Comprises all executive of cers appointed by the Board of Directors Conveys business execution policy based on management policy and management plans determined mainly by the Board of Directors and the Management Committee Venue for communicating necessary and important information regarding business execution and exchanging opinions
▲ 社会貢献委員会	<ul style="list-style-type: none"> Discusses and decides on basic policy and important matters related to CSR for the Group as a whole and monitors implementation
▲ リスク管理委員会	<ul style="list-style-type: none"> Discusses and identi es important issues pertaining to risk management for the Group as a whole and monitors implementation
▲ 大規模プロジェクト委員会	<ul style="list-style-type: none"> Assesses risk and considers appropriate responses before the acceptance of major projects
▲ 大規模プロジェクト推進委員会	<ul style="list-style-type: none"> Regularly follows up on major projects during execution

The Kawasaki Group's Governance Structure (As of June 26, 2019)



The Company strives to ensure that directors and audit & supervisory board members, including independent outside directors and audit & supervisory board members, engage in free, vigorous discussion based on their insights and experience at meetings of Kawasaki's Board of Directors and reach appropriate management decisions. As part of these efforts, since fiscal 2015, the Company annually evaluates and analyzes the effectiveness of the Board of Directors. C -45982. 1122 I2832. 1122c-0.
