

Human Resource Strategies and Transforming the Company Organization and Culture/K-Win Activities

Basic Stance

The Kawasaki Group considers its employees to be its most valuable resource to fulfill the Group Mission and achieve its business targets. Under MTBP 2019, launched in fiscal 2019, we are implementing new human resource strategies to address tasks remaining from the previous business plan by making effective use of human resources with an eye to total business portfolio optimization, maximizing results by improving productivity, and realizing value creation by bringing together diverse insights.

Vision for Our People and Organization under MTBP 2019

- Respond to changes in the environment by proactively changing and continuously taking on new challenges
- Implement effective management practices

Furthermore, to better ensure the achievement of the goals of MTBP 2019, we will work to create a corporate culture that will boldly face change through wide-ranging efforts, including human resource strategies. Specifically, under the banner of “Changing Forward,” we will implement the following initiatives to transform the Company organization and culture as well as K-Win Activities (short for Kawasaki Workstyle Innovation Activities) and the Win Project, while promoting diversity.

Key Tasks under MTBP 2019

Transforming the Company Organization and Culture/K-Win Activities

—Kawasaki Win Project

Organizational Transformation	<p>Reconstruct cross-organizational functions and management systems for total optimization/Develop succession plan</p>
Mindset Transformation	<p>Establish a culture to face evolving challenges</p> <ul style="list-style-type: none"> ● Promote diversity to foster open communication incorporating diverse insights and human resources from in and outside the Company ● Establish personnel systems to emphasize speed and positive, ambitious change
Operational Transformation	<p>Make structures leaner through effective, efficient business operations</p> <ul style="list-style-type: none"> ● Advance process visualization, seamlessness, and quality assurance throughout management by promoting digital innovation across the value chain (currently advancing initiatives in the robot business) ● Standardize and concentrate operations to increase quality and speed (currently advancing initiatives in human resources and accounting)

Organizational Transformation

As the evolution of technologies accelerates and startups achieve rapid growth, the pace of change in the external environment is faster than ever. In response, we are reinforcing Company-wide management strategies and implementing succession planning for top management. By carefully deciding where to locate businesses and strategically allocating management resources, we will realize total optimization in management. At the same time, we will systematically develop new leaders to take the helm of management and reinforce project risk management.

Mindset Transformation

Nimbly responding to unpredictable changes in society and increasing customer value requires organizations that are speedier, flexible and innovative. As such, we are working to change mindsets within the Company and develop a workplace culture that enables employees to exercise their creativity to the fullest.

To enhance employee job satisfaction and promote mindsets conducive to ambitiously taking on transformation, we are promoting open communication in the workplace while improving underlying personnel systems.

- Enabling greater Company-wide mobility of human resources and the mingling of insight from in and outside the Company
- Promoting more active internal communication, mainly connecting top management with employees
- Insight exchange using co-working spaces aimed at fostering innovative mindsets
- Checking organizational soundness using surveys and promoting intra-workplace communication using organizational development methods
- Building relationships of trust between managers and subordinates through one-on-one meetings and promoting appropriate career formation
- Developing a corporate culture that promotes taking on challenges and learning from failure

Operational Transformation

The working population in Japan is expected to rapidly decline in the coming decades. In preparation for this, we are working to implement more effective and efficient ways of working and workstyle reforms to maximize results and increase earnings power.

To further increase the added value our businesses create, we are advancing digital innovation across the value chain,

streamlining design processes for system integration products, mainly transportation equipment, and improving processes in all types of non-manual work. Furthermore, with regard to the internal systems that support our businesses, we will advance streamlining using IT and standardization via concentration, thereby reinforcing the management of global business information.

- Workstyle reforms and initiatives to analyze and improve work processes
- Digitize and streamline administrative work, such as accounting and personnel functions
- Improving workplace environments by introducing remote work systems
- Improving efficiency of email and meetings
- Make non-manual work performance easier to see and measure as a cornerstone for process improvement

Promoting Diversity and Inclusion

We believe that fostering recognition among employees that all employees are unique individuals with their own values as well as mutual respect based on this understanding is essential to becoming a more innovative organization and will increase job satisfaction, motivation and enterprise value.