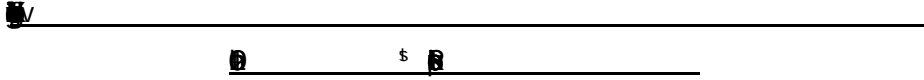


July 3, 2024

Kawasaki Heavy Industries, Ltd



Kawasaki Heavy Industries, Ltd. hereby reports that after further investigation, it does not expect any additional cost to be incurred with respect to the items pointed out during the tax investigation by the Osaka Regional Taxation Bureau on the 201st securities report which the company has recorded an approximate six hundred million yen as tax expenses for fiscal year 2023.

However, in course of the tax investigation, improper conduct in business activities in some of the company's workplaces had been discovered, as outlined in the following.

- 1) Fictitious transactions between Kobe Shipyard's Ship Repair Department of the company and its business partners
- 2) Use of money generated by such fictitious transaction on goods and food expenses
- 3) Suspicion of the company employees and submarine crews being connected in the above "2)"

The size of amount of the said transaction has been identified during the tax investigation, however the number of people which were involved in the issue, or the actual flow of money and goods are still under an investigation by a special investigative committee. While further information shall be disclosed once the investigation is completed, at this time no case has been identified which the company has overcharged the Ministry of Defense in relation to this issue.

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