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**Notice Regarding the Findings of the Special Investigative Committee for Submarine Repairs
(Interim Report) and Measures to Be Implemented in Response (Progress on Disclosed Matters)**

As announced in the press release published by Kawasaki Heavy Industries, Ltd., on July 3, 2024 (“Kawasaki reports findings related to the tax investigation on the 201st Securities Report”), multiple compliance violations involving Kawasaki Heavy Industries, Ltd., have recently been identified. The Company takes these incidents very seriously and offers its assurances to all stakeholders that it will take resolute steps to ensure that such misconduct does not happen again.

At the meeting of its Board of Directors held on June 14, 2024, the Company established the Special Investigative Committee for Submarine Repairs, a committee of external legal experts, to conduct an independent investigation of misconduct related to submarine repairs. The following is a summary of the interim report of the committee’s findings, which was submitted to the Board at a meeting held today, and of measures that will be implemented to prevent recurrence.

The Company is currently examining whether this matter will impact its financial results and will immediately issue notification should such an impact be confirmed.

1. Interim report of findings

The investigation conducted by the Special Investigative Committee for Submarine Repairs confirmed that the details —summarized in “2. Misconduct confirmed”—are factually correct.

2. Misconduct confirmed

(a) Fictitious transactions between the Ship Repair Department of the Company’s Kobe Shipyard and business partners.

(b) The use of funds generated through such fictitious transactions fo083T112 (at)-1 (edr)-6.21083. Kawasaki Heavy Industries,

- (c) The involvement of Company employees and submarine crew members in the use of these funds as indicated in (b).

At the root of this misconduct is the fact that employees of the Kobe Shipyard's Ship Repair Department, who enjoyed cozy relations with submarine crew members that exceeded what is customary for businesses associates, received requests from said crew members to procure items necessary for maintenance work, which were then purchased and provided to those crew members. Funds used for this purpose were generated through fictitious transactions with business partners and then pooled. These funds were also applied to the purchase of items needed for repair work performed by employees.

Additionally, slush funds created through the fictitious orders purportedly placed by business partners were used to pay for food and drink at social gatherings, and to purchase cash vouchers such as beer coupons, as well as for personal items for certain submarine crew members and Repair Department employees.

The committee found that the purchase of goods related to maintenance conducted by submarine crew members had continued for at least 40 years, while other acts had been taking place for at least 20 years.

As of the date of the interim report, no evidence had been discovered in a separate inquiry into the existence of any other similar systematic misconduct involving cash or monetary products at Kawasaki Heavy Industries or its Group companies in Japan.

3. Analysis of the reasons behind the misconduct

The interim report cites several causes of this misconduct, namely, (a) a motive, that is, a desire to improve relations with submarine crew members and ensure smooth operations; (b) an awareness of the importance of not pushing profits too far upwards; (c) opportunities for misconduct from the contract stage through to delivery; (d) the fact that such misconduct had become routine practice; and, (e) an organizational culture that emphasizes adhering to long-standing precedents, disregarding

As a consequence of these factors, the correspondence between them had become difficult to

discussion of compliance issues at Board of Directors' and management meetings, and by releasing regular messages from the president conveying the importance of compliance.

The Company is also accelerating compliance education. Recognizing that managers, department heads and others particularly familiar with the workplace are key to preventing compliance violations, the Company encourages these individuals to create work environments that encourage employees to recognize misconduct promptly and empowers the he

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