

# We will all create a workplace where everyone wants to continue working.

## Developing Human Resources

KHI's ideal human resources fall into six categories, based on the Company's mission statement. They are 1) actively involved around the world; 2) solving issues for customers and the community; 3) leading reforms and innovation; 4) taking technology to new heights; 5) demonstrating comprehensive capabilities; and 6) always maintaining a profitability perspective. Seeking to cultivate human resources with these qualities, we promote comprehensive training and skill development for employees.

### 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.

We offer some trainings for managers, such as section managers training session, general managers training session and board members training session. Such initiatives serve to strengthen middle management and develop the skills of candidates for management positions.



Training session for general managers.

### 2 Improve on-site capabilities (Training for production specialists)

We encourage young employees in production positions to enhance their skills and older employees to share their acquired expertise. Toward this end, we have a system in place for young workers to obtain technical qualifications early in their careers and a fairly recently introduced masters' system whereby experienced workers with sophisticated, specialized capabilities are designated "masters" upon which they impart their hands-on knowledge to younger colleagues.

KHI's production professionals actively participate in industry competitions involving technical skills, including the Technical Skill Grand Prix. At the 2011 event, the KHI representative took third place in the machinery assembly work category and the fighting spirit award in the conventional lathe work category.

## Realize Vibrant Workplace Atmosphere

### Encourage employees to take annual paid vacation

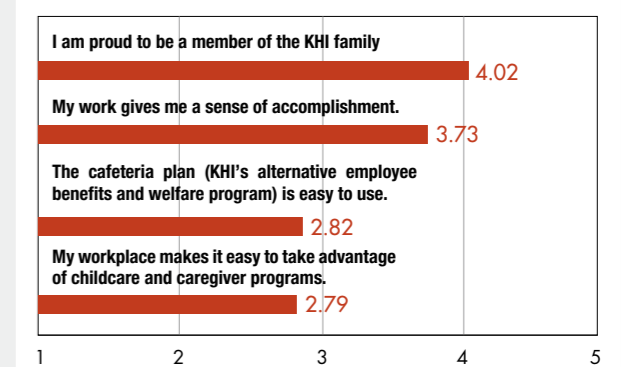
KHI encourages employees to use their annual paid vacation time to refresh mind and body and to strike a better balance between work and private life. As one approach to this, the Company introduced a program—*Yuyu Renkyu*—that asks employees to decide on consecutive days off at the beginning of the fiscal year that they will have to take when those days come round on the calendar. Also, since April 2010 the Company has endeavored to create an environment that makes it easier to take vacation time, including a one-day increase in annual paid vacation, from 21 days, to 22.

## TOPICS

### The Result of Employee Satisfaction Survey

KHI conducts employee satisfaction surveys every other year and use the results in the preparation of new policies and programs. The survey undertaken in February and March 2011 garnered an increase in positive responses on nearly all questions, such as "Proud to be a member of the KHI family" and "My work gives me a sense of accomplishment". But positive responses to questions on employee welfare and the environment to take advantage of childcare and caregiver programs were relatively few. We will carefully evaluate this situation and promote various measures to ameliorate perceived concerns.

\*From the 59 questions in the survey, we selected four that generated notable results. The number represents the average value given by respondents who were asked to rate the statement on a scale from 1 to 5. The higher the value, the more positive the assessment, indicating a high level of satisfaction.



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More information on Theme 3 "Employees" is available in the Full Report.

## Respect for Diversity

### Promoting Active Roles for Women

KHI is taking an enthusiastic approach to hire women. 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. KHI is also implementing actions such as introducing senior female employees to young female staff as role models, and helping supervisors foster skill development in female staff.

### Promoting Active Roles for the Disabled

We also strive to hire more people with disabilities, and people with physical challenges are thriving 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.

## Support for a Good Work-Life Balance

All employees should be able to combine work and childcare responsibilities, continuing to work with energy and enthusiasm. With this in mind, KHI provides a wide variety of programs to support employees' efforts to raise the next generation and balance work and family life.

Of note, our childcare leave system goes beyond the requirements of the law, and we have instituted programs to support the workplace return of employees who have taken such leave. These progressive efforts have been favorably received, substantiated already back in 2006 with the Hyogo Labor Office Director's Award.

In April 2011, we introduced a new system, whereby former employees, who retired for such reasons as marriage, childbirth or childcare, may request reinstatement when their circumstances allow them to rejoin the workforce. We also introduced a system that enables employees to take time off in hourly blocks when needed to deal with child-related issues such as regular parenting duties or when a child is sick. These efforts are not only applicable to childcare. Similar programs are available to employees with elderly or ill family members who require home care, and we provide many kinds of support for maintaining a balance between working and caring for family members.

## Respect for Human Rights

### Prohibiting Harassment and Raising Awareness of Human Rights

We seek to create a comfortable working environment in which employees can perform their jobs free from harassment. KHI offers training to guide everyone onto the path of appropriate behavior and to enlighten everyone on the morale-crushing consequences of harassment. On the issue of sexual harassment, we have established counseling offices at all work sites. We also maintain an e-mail address just for harassment-related comments to facilitate communication.

To raise awareness of human rights issues, we utilize training for new employees and sessions for existing employees in various corporate positions as opportunities to highlight the importance of respect for human rights.



Notice for preventing sexual harassment

## Creating a Safe, Comfortable Workplace

### Efforts to Prevent Occupational Accidents

#### 1 Maintaining the KSKY Campaign

KHI has been implementing the KSKY campaign since 2002. KSKY is coined from the first letters of Japanese words: the K from *kihon*, meaning "basic rules"; the S from *shisakosho*, "pointing and calling"; and the KY from *kiken yochi*, "predicting danger". The purpose of this campaign is to instill greater awareness of safety measures and to create a workplace secured by "mutual cautioning", which is, essentially, employees watching out for the safety of others as well as themselves.

#### 2 Learning to Detect Dangerous Situations

To raise safety awareness, we run mock accidents that allow employees to identify possible dangers in the workplace. As an added precautionary measure, we are installing more devices and facilities to make the practical experience more effective.



Mock accidents training

### Health Advice and Efforts in Mental Healthcare

#### 1 Health Classes

KHI offers health classes to help employees lead healthier lives. These classes cover general topics, such as dental hygiene and quitting smoking, as well as specialized topics, such as better diets for young adults and approaches for lowering high blood sugar, which are geared to both new employees and existing employees who show signs of having lifestyle diseases based on the results of legally required health checks.



Health class

#### 2 Stress Checks

We ask that employees have their daily stress levels checked during regular health checks, and industrial physicians interview employees with high stress levels and provide them with personalized advice. In addition, we conduct group classes for managers and supervisors and offer information about "line-care"—to improve the working environment and assist staff who wish to discuss mental health issues—and self-care, or personal health maintenance, as well as other topics through e-learning.

#### 3 Fatigue Accumulation Self-diagnostic Checks

We require people who work long hours to undergo fatigue accumulation self-diagnostic checks. Industrial physicians interview employees with high levels of accumulated fatigue and provide them with personalized advice.

## TOPICS

### Consideration Given to Employees at KMI (Indonesia)

PT. Kawasaki Motor Indonesia (KMI) is a local manufacturing and marketing base for Kawasaki-brand motorcycles in Indonesia.

About 90% of the population of Indonesia is Muslim, and many of KMI's employees are followers of Islam. Therefore, various considerations are extended to these employees.

The company has set aside an area on site for a *mushola* (prayer room). Female employees are allowed to wear a headscarf during working hours and, in the cafeteria, no dishes made with pork are served since dietary laws prohibit consumption of pork.

During the holy month of Ramadan, Muslims fast between sunrise and sunset, and through this month office hours for employees in administrative and marketing divisions start 30 minutes earlier than usual. This change reflects the desire of many Muslims to have their evening meal with family at home during Ramadan.

Also, after Lebaran (a celebration to mark the end of fasting), which follows Ramadan, KMI holds a *halal bi halal* event for Muslims.

But Islam is not the state religion of Indonesia. In fact, there are Christian and Hindu minorities, and since the constitution guarantees religious freedom, Christmas and Hindu celebrations are also observed as national

holidays. KMI therefore extends considerations to employees of Christian and other faiths and holds events, such as Christmas celebrations.

This demonstrates KMI efforts to accommodate the local religions, culture and customs of the land and execute business activities that respect human rights.



On site prayer room (*mushola*)



Women employees wearing a headscarf



Halal Bi Halal