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Maximizing our human capital under the belief that human resources are our greatest asset.

Four key investments for creating future value

Since my appointment as Chief Human Resources Officer (CHRO) in 2024, my strategy has been guided by the core principle that investing in human resources is an investment in future value. We are fully committed to this approach, which serves as the cornerstone of the Kawasaki Group's human capital management. Discussions with staff at the Human Resources Headquarters and across each business unit in fiscal 2024 led us to identify four priority investment areas essential to achieving Group Vision 2030: placing the right people in the right roles, talent development, employee wellbeing, and human resources DX.

Placing the right people in the right role is key to reforming the personnel system. That approach is a meaningful investment for both the Company and employees, as the Company effectively allocates the human resources needed to achieve the Vision, while employees gain a clear path for career development. Talent development is fostered through numerous opportunities for on- and off-the-job training, ensuring the right people are prepared for the right roles and have opportunities to explore careers. Promoting employee wellbeing involves advancing DE&I that respects individuals, providing psychologically safe work environments, promoting health and safety and establishing a foundation for lifelong active careers. The biggest challenge lies in human resources DX. We believe

that investing in an efficient and reliable personnel system is necessary to encourage open communication between superiors and subordinates, stimulate employees to take on challenges, and strengthen their commitment.

To maximize the return on human resource investment, our initial step is to build a system for visualizing human resource costs across the parent company and all consolidated domestic and global operations. We will then establish clear KPIs and consistently apply the PDCA cycle to ensure the strategies drive sustainable growth.

Cross-organizational human resource exchanges and expanded succession plans

Achieving Group Vision 2030 necessitates corporate transformation, especially due to concern that the organization has become overly rigid in the more than two decades since the Company system was adopted. At the time of its adoption, the then-president emphasized ensuring resilience during restructuring by building an organization with a workforce capable of overcoming organizational barriers when business cycles shift. While the division system for each company introduced by current President Hashimoto helps realize this goal, we must ensure organizational management remains flexible.

The open innovation space CO-CREATION PARK - KAWARUBA opened at Haneda Airport in November 2024 is a cross-organizational initiative. We plan to dispatch employees from each division to interact with

other companies, universities, local governments, and other external parties to demonstrate, and commercialize new business ideas.

We have also reformed our approach to developing management personnel, shifting from the previous method of selecting and training a limited number of CxO candidates to building a broad base of human resources who possess management perspectives and are always available to assume CxO roles. The training system and evaluation criteria have been revised to incorporate the conceptual, execution, and communication abilities that President Hashimoto defined as core qualities for managers. Members of the Executive Officers Committee have also participated in interactive sessions focused on these abilities, resulting in stronger communication both within individual departments and across the organization. I believe these sessions provide a broader perspective and they are more conscious about communicating in terms that people outside their field of expertise can understand.

A DE&I system that unlocks everyone's potential

We launched a bottom-up project to create a human resources policy that tells a story resonating with all employees. Over the course of a year, 20 younger employees conversed with people across our business sites, ultimately in fiscal 2025 shaping a heartfelt policy that expresses the Kawasaki spirit of challenge in our own words.

At the core of the policy are DE&I values. In fiscal 2024, I visited worksites that are accommodating people with disabilities and that are actively promoting health and safety. These visits taught me that the essence of DE&I lies in designing workplaces where each person can fulfill their potential in their own way, which applies to all employees, not just for those with disabilities. In parallel, Company executives took part in a year-long DE&I awareness program, through which we gained a clearer vision of the ultimate objective of DE&I, which is to create environments that enable motivated employees to maximize their potential according to their individual personalities and circumstances. We are incorporating these perspectives into our personnel system as we build an organization that is welcoming, supportive, and motivating for increasingly diverse workforce.

We are pursuing several initiatives to promote women's participation in the workplace. Internally, we introduced a management training program for all section managers. Externally, we collaborate with high schools and universities to support programs that encourage female talent in science and technology fields, with the aim of increasing the number of women among future industry leaders.

Our overall employee engagement score has reached the average level of the major Japanese companies we use as benchmarks. Still, several employee segments require significant improvement. Chief among those is

production workers, and we are enhancing production safety and worksite conditions while improving the working conditions and reviewing the roles of senior foremen and other frontline leaders in our production operations.

An open organization constructed on diverse careers and talent networks

Four years ago, we restructured our personnel system to encourage employees to take on challenges, make full use of their abilities, and achieve results. With this system now fully established, we are focusing on strengthening talent management and succession planning by applying job-based personnel management and creating clear visibility of human resource needs and skills.

The new system is designed not just for a few high achievers but to accommodate diverse values and work styles while supporting both career development and work-life balance. We are establishing a system for skill development and salary increases independent of promotions, providing more opportunities for employees to experience different departments and job types to explore potential career paths, and expanding the system for applying to preferred assignments and projects. Offering a wider range of internal career options not available through changing jobs supports the growth of our employees and strengthens our organization's competitiveness.

We are also stepping up hiring of mid-career professionals, and the external experience and expertise they bring have a highly positive impact. In March 2025, we initiated the Alumni Network for employees to take advantage of the knowledge of seasoned former employees. This network expands our internal and external talent connections, fosters an open corporate culture, and drives innovation by maintaining relationships with individuals connected to the Company, such as retirees and those who have declined employment offers. We will continue diversifying our recruitment channels to attract talent, energize the organization, and support sustainable growth.

Our people are the asset that will secure a sustainable future

Kawasaki will celebrate its 130th anniversary in 2026. Today's Kawasaki Group combines talented individuals with the rich legacy of knowledge and experience passed down by our forebears. Our founder Shozo Kawasaki said, "Rise to the challenge." These words guided me while developing our human resource policy, and I consider it a core duty to pass this legacy to the next generation. Uniting the vast knowledge and expertise dispersed across our businesses into a shared asset for employees will deepen the value of our human capital. We are building mechanisms that will maximize this value and drive the sustainable growth of the Group.

Creating a Culture of Tackling Challenges and Growth —Background to and Objectives of Transformation

The Kawasaki Group has inherited the spirit of founder Shozo Kawasaki and has continuously addressed the social issues of each era and boldly tackled challenges. The driving force of this has been the willingness of each employee who is facing difficulties to take on challenges and the learning and growth gained from doing so.

The Group, which positions human resources as the source of medium- to long-term corporate value creation, has redefined its human resource management policy as the Human Resources Policy (HR Policy) in the form of a guideline supporting the growth of people and

organizations. We will focus our efforts on fostering a culture and foundation that enables employees to tackle challenges with high goals and grow by learning from both their successes and failures.

Centered on three pillars—take on challenges, expand horizons, and reach new heights together—we will strengthen our structures to encourage employees to tackle challenges and support growth from the perspectives of both systems and culture. We will create a virtuous cycle of employee self-realization and social contribution, leading to sustained growth by the entire company.

Kawasaki Group Human Resources Policy

Continue to Challenge, Continue to Achieve. Together.

"Rise to the challenge."
Carrying on the spirit of our founder Shozo Kawasaki, we continue to deliver innovative solutions that meet the needs of the times

Our employees are the reason this has been possible—always facing a challenge head on, learning and growing through both our successes and failures.

Kawasaki is committed to creating opportunities and environments that enable every employee to take on challenges without fear, to grow, and to contribute to society.

Take on challenges

Kawasaki builds a strong foundation for our employees by fostering mutual trust, ensuring fair employment conditions, and creating a safe and healthy work environment—enabling everyone to set ambitious goals and take on challenges with confidence and integrity.

Expand horizons

Kawasaki values and supports every employee and provides opportunities to unlock their potential and contribute to society by taking on challenges and pushing themselves to achieve more.

Reach new heights together

Kawasaki nurtures a culture of teamwork, mutual respect, and drive where the individual and organization can grow together.

Discussion on the HR Policy

When formulating the HR Policy, young members of the human resources department played a central role, conducting workshops with each business division and surveys of all human resources department personnel. At the workshops, participants discussed what is needed to increase employees' sense of purpose and ease of work and what value the Company can (and should) provide to employees.

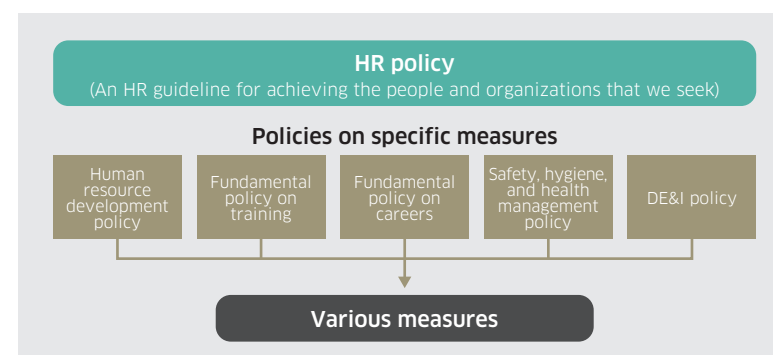
Positioning of the HR Policy

The HR Policy states the Company's fundamental thinking on the provision of support for employee recruiting, development, and active contribution in order to achieve the Group Vision 2030 and serves as a guideline for ensuring that the overall direction of human resources does not waver.

The policy clearly states our corporate stance of supporting employees who take on challenges and connects this to the further evolution of our corporate culture as a guideline that enables employees to feel they want to work at Kawasaki.

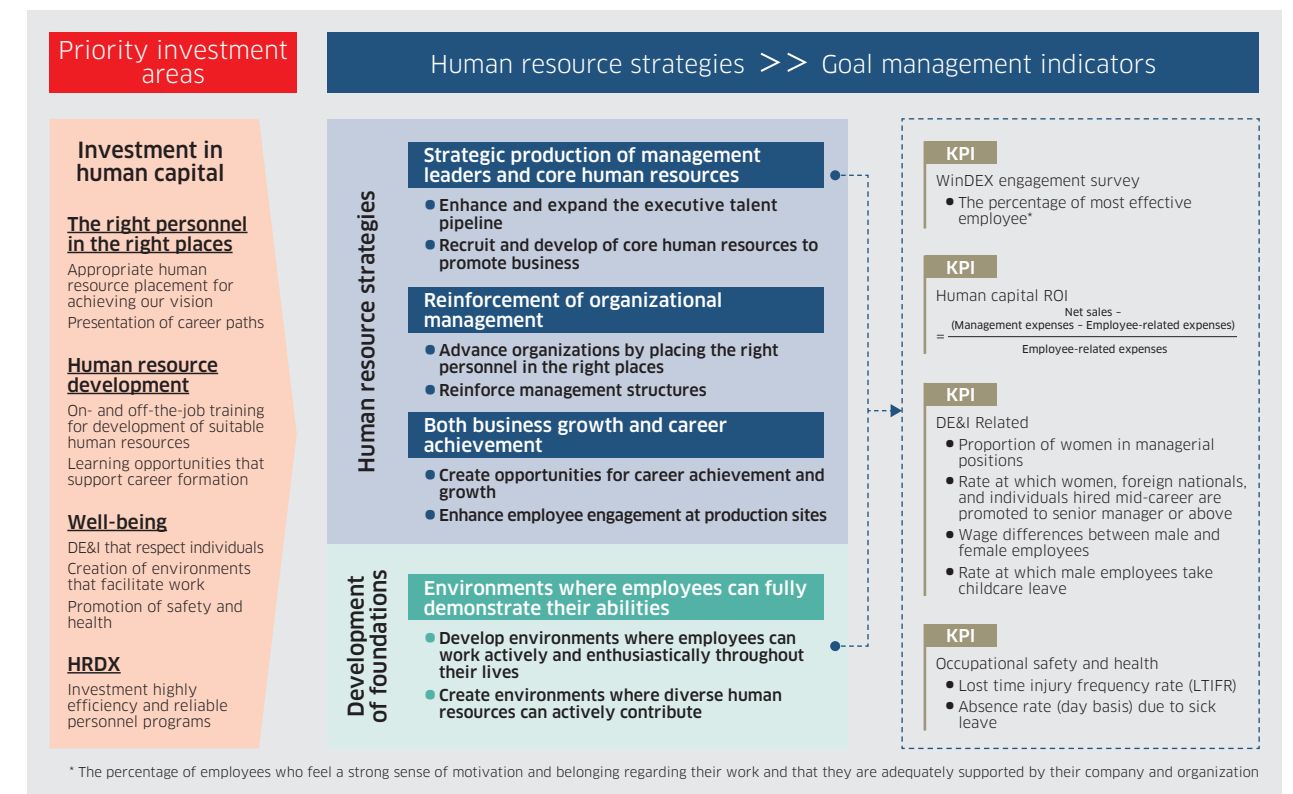


A scene from a workshop



Priority Investment in and Strategic Approach to Human Capital

For more details of promotion of human resources activities, refer to p. 71.



Status of Progress in Priority Investment Areas

The right personnel in the right places

To achieve our vision, we are moving forward with the creation of a system that clarifies the necessary positions and roles (= right place), identifies human resources with the behavioral characteristics and special knowledge suitable for those roles, and strategically recruits and assigns them (= right personnel). We are also visualizing personal information through the use of a talent management system to strengthen support so that each employee can take on roles that lead to self-fulfillment and create a path toward future career advancement.

Human resource development

For executives and managers, in addition to performing challenging assignments, we conduct in-house training programs for systematically learning management perspectives and capabilities. We also promote skill enhancement support and provide reskilling opportunities tailored to job types and hierarchical levels for all employees while developing an environment that encourages career autonomy. We also focus on continuously implementing compliance training and fostering a corporate environment of integrity through dialogue in the workplace to build sound and trusted organizations.

Well-being

We are taking action to promote flexible working styles so that each employee can achieve a work-life balance. We seek to create workplace environments that respect diverse individuality and values and everyone can demonstrate their capabilities in their own ways. To protect physical and mental health and safety, we promote health management and continuously invest in the safety field. In addition, we are responding to the diversification of lifestyles by reviewing employee benefit programs and focusing on creating environments where employees can work with peace of mind over the long term.

HRDX

In personnel and payroll related operations, we are promoting the standardization and systemization of business processes to increase reliability in both systems and operations. In conjunction with this, we are also developing communication tools to deepen connections among employees and improve communication within organizations. In addition, we seek to achieve fair and well-accepted personnel operations by raising the levels of human resource selection and evaluation using AI. By advancing both visualization of human capital and digitalization of the HR field, we are working to reinforce the foundations of strategic human resource management.