

Kawasaki Heavy Industries, Ltd.

April 28, 2020

Transition to a Company with Audit & Supervisory Committee

Tokyo, April 28, 2020 – Kawasaki Heavy Industries, Ltd. (the “Company”) has announced that the Board of Directors resolved at a meeting held today that the Company will transition from the statutory auditor system to a company with audit & supervisory committee, as follows. The transition will be conditional on approval of the 197th Ordinary General Meeting of Shareholders of the Company, which is to be held in late June 2020.

1. Purpose of the transition

The Company makes a continuous effort to strengthen its corporate governance system, aiming to achieve sustainable growth and increase its medium- to long-term enterprise value. The Company has now decided to transition to a company with audit & supervisory committee to enable it to delegate a considerable portion of the Board of Directors’ business execution authority to executive directors with a view to enhancing discussion of management strategy and so forth in the Board of Directors, and responding swiftly to rapid changes in the management environment while further strengthening its supervisory function.

2. Timing of the transition

The Company plans to transition to a company with audit & supervisory committee after the approval of the necessary changes to its Articles of Incorporation for the transition at the 197th Ordinary General Meeting of Shareholders of the Company, to be held in late June 2020.

3. Other

Details of the changes to the Articles of Incorporation associated with the transition will be announced as they are decided.