

**Notice Regarding Issues Related to Submarine Repairs  
(Progress on Disclosed Matters)**

As announced in two press releases published on July 3, 2024 ("Kawasaki reports findings related to the tax investigation on the 201st Securities Report") and December 27, 2024 ("Notice Regarding the Findings of the Special Investigative Committee for Submarine Repairs (Interim Report) and Measures to Be Implemented in Response"), Kawasaki Heavy Industries, Ltd., identified multiple incidents of misconduct in its submarine repairs business. 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.

Japan's Ministry of Defense (MOD) today disclosed the results of its special defense investigation into these matters. However, the investigation by the Special Investigative Committee for Submarine Repairs, a committee of external legal experts established by the Company, is still ongoing. This committee will promptly announce the outcome of this process, including the results of the special defense investigation, once its work is complete.

Underscoring the gravity with which it views this misconduct, the Company has revised its repair work contract process and has restructured its systems for placing orders and confirming deliveries. Furthermore, in November 2024, the Company established the Corporate Defense Business Management Division to oversee its entire defense business-related operations and to reinforce its compliance and governance frameworks. In February 2025, the Company reviewed its organizational structure, decentralizing work and authority for the submarine repairs business, which had previously been concentrated at the Kobe Shipyard's Ship Repair Department. In addition to taking disciplinary action against pertinent executives, announced on December 27, 2024 ("Notice Regarding Disposition of Officers"), as of April 2025 the Company had also taken disciplinary action against 43 related employees, including the general manager of the Kobe Shipyard and the senior manager of the Kobe Shipyard's Ship Repair Department.

The Company is cognizant of the seriousness of the findings of the MOD's investigation, as well as the stern warning it subsequently issued, and is working diligently to eradicate the issues that led to these incidents, and to restore society's trust, by reinforcing its compliance and governance frameworks through the building of systems that prevent misconduct, strengthen detection capabilities, and enhances its corporate culture and mindset.

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