

**Notice Regarding Misconduct in the Testing of Marine Engines  
(Progress on Disclosed Matters)**

As first announced in a press release published on August 21, 2024 (“Notice Regarding Misconduct in the Testing of Marine Engines”), Kawasaki Heavy Industries, Ltd., discovered misconduct in the testing of its marine engines. The Company takes this incident very seriously and offers its assurances to all stakeholders that it will take resolute steps to ensure that such misconduct does not happen again.

The following is a statement by the Company in response to reports in the media that misconduct had also occurred in the testing of submarine engine fuel efficiency.

On August 28, 2024, the Company established the Special Investigative Committee for Marine Engines, a committee comprising neutral third-party legal experts, to conduct an independent investigation into this misconduct. On January 24, 2025, the committee submitted an interim report of its findings, which the Company also released publicly. This committee is currently conducting a separate investigation into the presence or absence of similar incidents at the Company and its domestic subsidiaries.

As part of this separate investigation, in June 2025 the committee, recognizing the possibility that there may also have been misconduct in fuel efficiency testing for some submarine engine models manufactured by marine engine related departments prior to 2021, sought the Company’s assistance in investigating this matter. In August 2025 the committee informed the Company that its subsequent detailed probe, carried out with the Company’s cooperation, had revealed a strong likelihood that such misconduct had occurred. The Company promptly reported this to the Ministry of Defense. The work of the Special Investigative Committee for Marine Engines is ongoing and findings will be announced promptly in a final report once this separate investigation has been completed.

The entire Kawasaki Heavy Industries Group will continue to cooperate fully with the committee’s ongoing separate investigation, and is working diligently to eradicate the issues that led to these incidents, and to restore society’s trust, by reinforcing compliance and governance frameworks through the building of systems that prevent misconduct, strengthen detection capabilities, and enhance corporate culture and mindset.

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

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