

Q&A at the Sustainability Meeting (January 24, 2024)

[Environment]

Question	Answer
In-house hydrogen power generation will help achieve carbon neutrality in Scope 1 and Scope 2. Do you think it will be achieved earlier than the current target schedule of 2030?	<p>We aim to achieve carbon neutrality in Scope 1 and 2 in Japan by 2030, by introducing in-house hydrogen power generation, in addition to energy conservation, the renewable energy and waste power.</p> <p>With many companies, we promote the spread of CO₂-free hydrogen, integrated with our hydrogen business, which will contribute to the Japanese government's target of introducing 3 million tons of hydrogen by 2030.</p>
What is your strength in the DAC industry?	<p>Our strength is that we can capture CO₂ with less energy than other absorbents by using our own developed solid amines. We have the best track records in Japan in equipment to remove CO₂ from submarines. A demonstration experiments is being conducted at the Maizuru Power Plant of The Kansai Electric Power Company., INC.</p>

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[Society]

Question	Answer
What KPIs do you have in HR reform besides employee engagement?	Supportive Environment and Employee Engagement are important KPIs. We also use diversity indicators such as the ratio of female managers.
<p>As for Kawasaki Railcar Manufacturing Co., Ltd.(KRM) and Kawasaki Motors, Ltd.(KMC), do you have any issues in “the right personnel in the right places” after their split?</p> <p>And has there been any change in personnel expenses due to the abolition of seniority-based treatment?</p>	<p>We hold regular meetings of the Corporate Human Resources Management Committee, including KRM and KMC, to consider the our HR as a whole group and realize “the right personnel in the right places”.</p> <p>We introduced the job-based personnel system, reviewed the positions, and reassigned employees to appropriate positions according to their roles and responsibilities. In the process, some employees were given opportunities for promotion, while others were reassigned to more appropriate positions. As a result, the total personnel expenses are at the same level.</p>
Are there any gender or age differences in the results of the Engagement Survey?	<p>There is no significant difference between genders. As for age, engagement tends to gradually decrease year by year, especially in the younger generation, and to increase after the 40s.</p> <p>We believe this is due to the increase in mobility of human resources and career aspirations among the younger generation. We'll continue to work to improve engagement by respond to individual wishes, through dialogue with supervisors and career development support system.</p>
What are your future goals and challenges regarding the ratio of female employees in high positions such as general managers and directors?	<p>We established the Diversity Promotion Department in 2010, to provide an environment where diverse human resources such as women, foreign nationals, and career hires can play an active role.</p> <p>As a result, the ratio of female employees on the board of directors increased, and the HR system improved.</p> <p>We also held a "Women's Advancement Promotion Forum" for female managers and reconfirmed the strong support from the President and other directors. We'll further promote the advancement of women through these initiatives.</p>

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[Governance]

Question	Answer
<p>The number of directors who have knowledge about IT, DX and security appears to be small in the skills matrix. What are your thoughts on this?</p> <p>How many directors do you believe is appropriate?</p>	<p>It is important not only to discuss those technologies themselves but also basic policies in the Board of Directors. Therefore, we set the composition with such skills.</p> <p>We believe that the number of board members is appropriate, and that outside directors, a majority of the Board, contribute to transparency and governance. We will continue to consider the balance between internal and external operations.</p>
<p>How has the board's discussion changed with the governance reform?</p>	<p>There have been many changes in the decade since the first appointment of outside director in 2013. As the ratio of outside directors increased, especially compared to the system in which internal company presidents were directors, their opinions and suggestions on individual projects became more active.</p> <p>In addition, the diversity of Board of Directors, with more women, foreign nationals, and those with experience managing consumer products, has made deliberations are more multifaceted and the business model more reformed.</p>