

Messages from the Outside Directors

The Kawasaki Group appoints outside directors who are capable of providing appropriate opinions and advice from an objective perspective independent of the Group's business execution based on abundant experience and specialized knowledge in fields other than those in which the Company operates.

The outside directors strive to strengthen their oversight function by providing opinions and advice that apply this perspective. Furthermore, they proactively take part in governance and provide guidance by such means as serving as the presiding officers of the Compensation Advisory Committee and Nomination Advisory Committee. By including the opinions of outside directors with diverse backgrounds in management, Kawasaki is further strengthening its corporate governance.

Striving to help increase enterprise value by voicing the perspectives of the capital markets and investors

Kawasaki boasts a long tradition of developing businesses backed by strong technological prowess. Today, however, as society changes at an accelerating pace, management decisions must be made faster than ever before. In light of this, Kawasaki is working to build frameworks that will facilitate quicker response to change and promoting innovation in its corporate culture even as it pursues initiatives in new fields, such as robotics and hydrogen. Discussions at Board of Directors meetings are very lively, and we are moving forward with considerations related to enhancing governance, as well. Having been involved during a period of great change in the management of a securities exchange that, like Kawasaki, has a long history, I have seen first-hand the importance of quickly responding to changes in the business environment and how an organization can decline if fails to do so. As such, I commend Kawasaki for its efforts in this area, which represent an effort to adapt to the changing times.

However, I think that reinforcing our ability to effect total optimization, including that achieved by bringing together the technological strengths Kawasaki has in various fields to create synergy, as well as changing frameworks and mindsets to increase earnings power, remain as tasks going forward. These issues are reflected in Kawasaki's stock price, which serves as a mirror for the Company. The Board of Directors discussed these issues at length when formulating the new medium-term business plan, and we were able to include addressing them as major focuses. If Kawasaki can raise profits, create new technologies, and balance the cycle of the two, I am confident that it will be able to fully leverage its conglomerate advantage and grow. Based on my experience in the financial industry, I will do my utmost to avoid being caught up in the conventional wisdom of the manufacturing industry as I proactively voice the perspectives of capital markets and investors with regard to organizational reform and new business development to contribute the improvement of Kawasaki's enterprise value.



Michio Yoneda

Outside Director

Audit & Supervisory Board Member,
Sumitomo Chemical Co., Ltd.
Director (Outside Audit and
Supervisory Committee), Asahi
Broadcasting Corporation

Transforming society through innovation, with corporate heritage as a compass

Today, as expanded capitalism and globalism near turning points, the very nature of manufacturing is on the verge of great change. This includes the creation of products and manufacturing processes with a greater focus on sustainability, a growing shift from merely selling products to businesses that also encompass services and operations, and the systemization of value chains via the integration of diverse information. To grow when the future outlook is so unclear, it is important to understand society's needs and leverage a wealth of ideas to find the way forward to dramatic innovation.

At such a time, I believe that companies must deeply examine their purpose in society and use their unique corporate heritage as an important compass in order to move forward. Kawasaki now aims to use the cutting-edge technologies it has honed to create new value and contribute to the development of society. By thus putting into practice its motto of "Changing Forward," Kawasaki seeks to take on major social responsibilities and develop further in the coming era. What is Kawasaki's heritage? Looking toward the future, what aspects of its heritage should it hold firm, what should it alter, and how should it take on the changes to come? Faced with tremendous change, I hope that Kawasaki will deeply consider these questions as it charts a vision for the future, rooted in its heritage, and come together with those who share that vision to transform society.

While people go on about VUCA,* history is continuous, and there are certain inevitabilities in the way it unfolds. Based on my experience working for more than 40 years in manufacturing and technological development within the glass industry, I think that if we can be sensitive to and suss out these inevitabilities, create the differentiation that is the key to dramatic innovation, and fully map out victory scenarios before making decisions, results will surely follow. Going forward, I hope to support bold decision-making focused on Kawasaki's heritage and its future and aiming for corporate transformation.

* VUCA: Volatility, uncertainty, complexity and ambiguity



Yoshiaki Tamura

Outside Director

Director, DIC Corporation

Focusing on risk management as a global conglomerate

Kawasaki is famous in America for its motorcycle business, so that was my image of Kawasaki before joining. I have been an external Director of Kawasaki Heavy Industries for one year and now truly appreciate its diversity of business lines and global footprint. For most of my career, I worked internationally as a financial services lawyer and understand the business benefits of having a global business as well as the complexity and different risk profile this brings.

Kawasaki operates in many countries, so it is subject to many types of risks at the country and global level. As the speed of information exchange and availability of data increases, it becomes easier to track global developments and risks more effectively.

As a conglomerate, Kawasaki's corporate governance system must oversee and manage the growth of each of its six unique businesses in various countries while assessing and balancing the level of risk exposure to create the best return for all its stakeholders. With higher legal complexity and more competition in the global market, it is necessary to ensure that there is an ability to centrally track and anticipate challenges that will occur. I believe that the Kawasaki management is focused on the right things from a risk management perspective, including pursuing efficient and systematic tracking of risks centrally, identifying synergies across businesses that can improve competitiveness and reduce costs, creating a global compliance framework and re-assessing the best business model for how to better centrally integrate its risk assessment while allowing for each company to grow within its specialty.



Jenifer Rogers

Outside Director

General Council, Asia, Asurion Japan Holdings G.K.
Director, Mitsui & Co., Ltd.
Director, Nissan Motor Co., Ltd.