



Yasuhiko Hashimoto

Representative Director,
President and
Chief Executive Officer

Career Summary

1981 Joined Kawasaki Heavy Industries, Ltd.

In charge of industrial robot development, establishing the business of industrial robots for semiconductor manufacturing and establishing the medical robot development company Medicaroid Corporation, among other duties and projects

2018 Director, Managing Executive Officer, President, Precision Machinery & Robot Company

June 2020 Appointed Representative Director, President and Chief Executive Officer

We are ambitiously working to solve social issues, focusing always on markets and speed.

My Appointment as President

The world today faces many daunting problems, from climate change to poverty and the unequal distribution of wealth to U.S.–China trade friction. The COVID-19 pandemic has come on top of all these issues, growing from the end of 2019 and greatly affecting lives and economies around the world.

Amid these challenging circumstances, I took over as President of Kawasaki Heavy Industries in June 2020.

My predecessor, President Kanehana, worked to improve the financial discipline of Kawasaki's internal companies and strengthen its head office functions under the banner of "Changing Forward." He also focused on combining the technologies and expertise accumulated within the internal companies to generate new synergies.

During his tenure, Kawasaki created an internal SNS as a means of giving voice to diverse employee opinions, creating an environment that facilitates lively expression and discussion. As Kawasaki's new president, I see it as my duty to carry on these innovations while establishing a vision, putting it into action, and increasing the potential of the entire Company.

Looking back on my own career, when beginning work on a new business, there has often been a major natural disaster, terrorist attack, or financial crisis, and each time I have had to overcome the resulting difficult circumstances. In the face of the current COVID-19 pandemic, too, I feel that perhaps the mission bestowed upon me is to lead in a time of adversity.

Speed Produces Value

The impact on Kawasaki of the COVID-19 pandemic has been tremendous. Business environments that we spent years building up have transformed before our eyes. We must now ask ourselves how to prevail in the situation that we find ourselves in. I believe that the answer lies in a principle that I have long made my motto: Speed produces value and profit.

My faith in this principle derives from my own

business experience. I have been involved in the industrial robot business ever since joining Kawasaki. This business struggled for many years, and even the business of industrial robots for semiconductor manufacturing, which we launched in 1995, faced an uphill battle at first. A latecomer to the field, we knew that to get the business on a growth track, we had to provide better value to customers than our competitors. The

key to doing so was to provide the products customers needed as quickly as possible—in a word, speed.

Of course, focusing on speed meant revising our internal mechanisms and changing our team's mindset. In a rapidly changing business area like semiconductors, only manufacturers that swiftly respond to constantly evolving customer needs survive. If a customer came to us asking for a new product in six months, we did whatever we could to deliver it in six months, even if development would have normally taken a year.

I often liken this to a restaurant kitchen. No matter how high quality the ingredients, or how skillfully the food is prepared, the hungry customers who want to eat right now will leave, unsatisfied, if it takes hours to arrive.

For a customer, the difference between getting a product in six months and getting it in a year is enormous. By managing our organization and increasing speed to be able to meet customers' preferred delivery schedules, we made our team strong.

Innovation via Market-Oriented Thinking

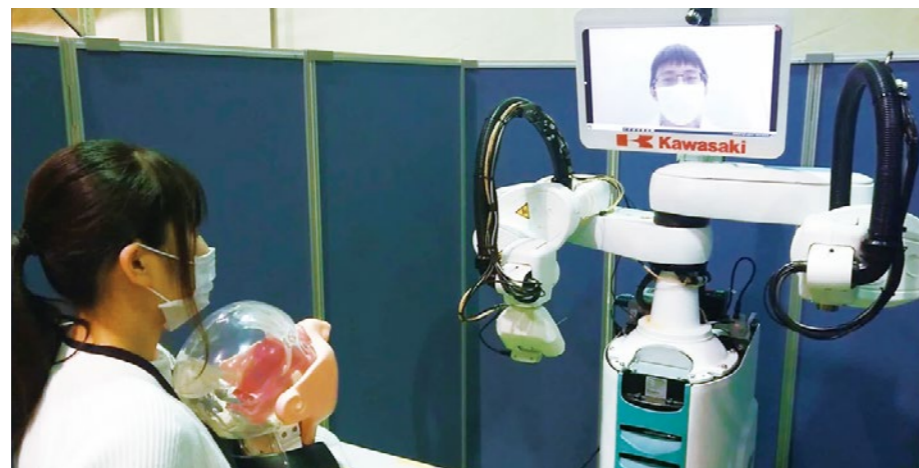
What we learned from this experience was the importance of speed and, more broadly, of market-based thinking.

Speed in this sense does not mean waiting for customer requests and then frantically scrambling to meet them on time. Rather, reading market movements and preparing in advance are crucial. To that end, we must look not inward but outward, becoming finely attuned to changes in the market and the wider world as we aim to provide the things that customers and society need in a suitable form.

Shifting our perspectives to see things from the customer's standpoint will, without fail, change the work we do. If everyone adopts this kind of thinking and focus on quick response, over time the Company as a whole will surely change.

In markets, those that can handle change survive. I believe that fostering a focus on speed and resilience to change throughout the Company is my first job as President.

One example of a focus on speed and market-oriented thinking is the automated PCR viral testing robot we are currently developing. This robot, under development by Mediaroid Corporation, our joint venture with Sysmex Corporation, will automatically perform PCR viral testing, eliminating the risk of infection for medical professionals while greatly reducing testing time. We began development in March 2020 and plan to introduce these robots for use soon. Given the urgent need to reduce the burden on health-care professionals and expand testing infrastructure to help curb the pandemic, we are putting the full strength of the Company into advancing the project in order to achieve results as quickly as possible.



Remote-controlled automated PCR viral testing robot system

Simple, low-cost testing would be of immediate benefit to patient recovery and the reinforcement of the medical system while, more broadly speaking, providing a significant contribution to society.

As things stand, there is no end to the COVID-19 pandemic in sight. With no way to safely lift restrictions on travel and gatherings, the functioning of society and the economy will continue to suffer. Indeed, these restrictions impact all aspects of our lives—limiting our ability not only to travel, but to hold and attend parties, weddings, concerts, and sporting events. Rapid testing could help restore the safe movement of people. Testing at airport gates or the entrances to event venues could allow all those who test negative to freely travel and partake in entertainment while ensuring that those who test positive receive timely care.

Making it possible to show in real time that individuals are virus-free will help rebuild confidence and safety in travel. This could help airlines and other transportation-related industries recover, in turn providing a boon for Kawasaki, which manufactures the equipment used in such industries.



Creating Synergies beyond the Bounds of the Internal Companies

The Kawasaki Group operates across a wide range of fields spanning land, sea, and air, and some may wonder if speed-focused management is a poor fit for some of our businesses. It is true that in some fields, such as the aircraft industry, we have conventionally operated on a decades-long timescale. Even in fields like these, however, when the business environment suddenly changes, as with the COVID-19 pandemic, we are forced to slam on the brakes and turn sharply in response. Given the rapidly changing external environment, we have to change the ways that all our businesses function.

In addition to business development that emphasizes speed, combining the technologies of our internal companies to realize synergies and create new value will be key going forward. In that sense, I think that the very robotics technologies I've been involved with will be a bridge connecting our businesses.

Our automated PCR viral testing robots are an achievement realized by bringing together knowledge,

expertise, and technologies from multiple internal companies. Products created in this way will be able to target customers outside the internal companies' existing customer bases. By combining the technologies of the internal companies to meet market needs, we can thus cultivate new customers.

We are also accelerating the demonstration of the hydrogen supply chain. The Kawasaki Group is a world leader in many technologies, including such hydrogen technologies as those related to production and liquefaction plants, liquefied hydrogen carrier construction, liquefied hydrogen storage, and power generation. By combining these to realize synergy, we will make the safe, affordable, stable, and high-volume use of hydrogen a reality, thereby contributing to the creation of a sustainable society. Going forward, as the use of hydrogen fuel spreads and hydrogen-powered transportation, such as fuel cell vehicles, becomes the norm, we expect to see synergies with all of our business areas.

Reading and Nimblely Responding to Changes in Society

The COVID-19 pandemic has made the possibilities and limitations of working remotely a topic of increased interest, which I believe presents a major opportunity for our remote-controlled robots. While white-collar workers have been able to transition to a remote work environment relatively easily, the shift to remote work has lagged for those employed in factories and field operations. Kawasaki is proposing ways of doing these kinds of work remotely, which, until now, was thought to be unfeasible.

Successor, our skills transmission system launched in November 2017, allows humans and robots to collaborate via remote control. Using AI, the system can learn

the skills of expert engineers, which it can then convey to other operators via automated technology, realizing a new role for robots.

By enabling robots to learn the fine movements and techniques of expert engineers, this system enables the use of robotics where it was previously impossible or impractical, such as workplaces where the position or layout of tasks is variable, or for small-lot products.

The remote execution of front-line operations can help keep workers out of harsh work environments that are hot or dusty. Using robotics for operations that were previously difficult to automate can also facilitate the handling of heavy objects, allowing older workers,

who may have concerns about their physical strength, to continue utilizing their wealth of skills. Furthermore, by enabling, for example, women who have recently given birth to work remotely in the time they have free, we can help parents continue their careers while raising small children. The creation of remote factories has the potential to improve efficiency by several times, helping solve the problems of labor shortages and skills transmission that the manufacturing industry now faces.

Applying these remote control technologies to the plant business could enable remote plant maintenance, eliminating the need for engineers to travel to distant locations or expose themselves to dangerous conditions.

The Kawasaki Group's technologies can also help with emergency preparedness, providing greater safety and security to people living in places like Japan, which is frequently affected by typhoons and earthquakes.

Our floating power plants—vessels that anchor off-shore and use natural gas to generate electricity for onshore areas—were developed as a new power source for emerging countries with still-developing power

infrastructure. These vessels could, however, also be sent to waters near areas affected by natural disasters to supply emergency power. Medical robots, too, are expected to contribute to remote medicine, including remote surgery. These technologies can help not only provide healthcare in medical deserts, but, if used on emergency medical vessels, provide rapid medical support to disaster-stricken areas. The Kawasaki Group also boasts technologies with great potential for securing mobility in times of disaster, such as ambulance helicopters and off-road utility vehicles that can traverse uneven terrain.

The key to tapping the Group's potential is maintaining a mindset that is highly responsive to changes in society. Starting from there, if we shift our perspective to focus first on the wants and needs of markets and customers, there is no limit to the ways we can utilize the Group's diverse technologies.

Of course, the selective focusing of resources will still be necessary. Going forward, however, alignment with the needs of customers and markets will be the standard by which we make those decisions.

Enhancing Internal Communication

The Kawasaki Group's employees are, above all, sincere. We take pride in putting customer satisfaction first and ever striving toward it. However, this sincerity sometimes results in a tendency to take too much time to deliver and to overengineer. Going forward, we must shift our mindsets to focus on further honing basic technologies while ambitiously working toward new technologies and seeing the value in speed.

To that end, I plan to proactively engage in dialogue with employees. I want to understand the pride they

take in manufacturing and promote the active exchange of opinions that will help produce profit. I'm sure that knowing that they can widen their scope beyond the bounds of their internal companies to conceive future businesses will stoke their ambition.

Demonstrating change from the top can have an especially great impact. Through ongoing communication with employees, I will seek to understand the difficulties they face and show them how they can change to forge a clear path forward.



Trustworthy Solutions for the Future

As I have explained, going forward, the Kawasaki Group will take action to provide solutions faster. This is an important promise to our customers, our employees, and all our stakeholders. In line with this promise, we have established "Trustworthy Solutions for the Future" as our vision for 2030 (Group Vision 2030).

This vision expresses our commitment to making

available in a timely manner innovative solutions that accommodate an ever-changing society in order to create a hopeful future and surpassing organizational boundaries and taking up challenges to expand the horizons of our potential for further growth.

To achieve this vision, we are advancing innovation in our organizations, governance, and businesses.

Corporate Governance and Engagement

In accordance with Japan's Corporate Governance Code, the Kawasaki Group works to build and continuously reinforce systems of corporate governance appropriate for a group operating global businesses. In fiscal 2020, to reinforce the Board of Directors' oversight function, following approval by the General Meeting of Shareholders, Kawasaki transitioned to a company with an Audit & Supervisory Committee. Our Board of Directors now comprises 13 Directors (of whom, five are Directors serving as Audit & Supervisory Committee Members), and the chairman serves as its presiding officer, per resolution of the Board. We have appointed six Outside Directors (of whom, three are Directors serving as Audit & Supervisory Committee Members) who are independent from business execution, and eliminated overlap between the Directors and the officers

responsible for specific businesses (the internal company presidents) to further separate management oversight and business execution and thereby reinforce the oversight function of the Board of Directors. The Audit & Supervisory Committee comprises five members, of whom three (more than half) are Outside Directors.

We also proactively communicate with capital markets and carry out constructive, purposeful dialogue—engagement—with shareholders and other stakeholders in order to build enterprise value together.

Furthermore, to maintain society's confidence, we are advancing ESG initiatives. In particular, as a signatory company to the United Nations Global Compact, Kawasaki supports the Compact's 10 principles in the four areas of human rights, labor, environment, and anti-corruption and is reinforcing related initiatives accordingly.

Aiming to Offer Solutions Based on Comprehensive Strength

The battle against COVID-19 is expected to go on for some time. The resulting changes to the market environment are significant, and circumstances remain challenging. However, the Kawasaki Group has a corporate culture developed over more than 120 years and a workforce with cutting-edge skills and powerful imaginations. By uniting the mindsets of every one of our employees, we will change our organizations, making them faster and more responsive. In this way, I have no doubt that we will safely ride out this storm.

To this end, it will be crucial to push further with making digital transformation (DX) and remote work the standard and to firmly establish a corporate culture of producing results in less time. Developing a culture that embraces diverse values by making it easier for employees to work while raising small children or

nursing family members and proactively hiring non-Japanese nationals will also be an indispensable part of corporate management going forward.

The Kawasaki Group will inevitably face difficulties if it is to continue to create new value and increase its enterprise value. To ensure that every employee has an appropriate sense of urgency as we work to overcome the present challenging situation, I intend to take the lead and demonstrate the kind of change we need.

To realize the Group Mission, "Kawasaki, working as one for the good of the planet," I will work to pass on to the next generation the philosophy of "contributing to the nation—to society—through expertise" espoused by Kawasaki founder Shozo Kawasaki while striving to increase enterprise value, ready to write a new page in the Kawasaki Group's history.