

The Contributions of Transformational Talent

Leveraging insights and challenges gained through cross-boundary experiences to drive organizational transformation

Two employees who participated in the IHI Academy program sat down with Soichi Noguchi, appointed head of the academy in April 2025, and Mamiko Saito, executive officer in charge of Group Human Resources, to exchange views on the insights and discoveries gained through the academy and to discuss what is needed to drive future transformation across the IHI Group.

Why we seek transformational talent

Noguchi Please explain the definition of transformational talent within the IHI Group. Also, why does the Group need to undergo transformation across the entire organization? Could you please share your perspective on the current challenges?

Saito In the IHI Group, transformational talent refers to individuals who possess the passion and insight needed for the

entire Group to adapt to changes in the business environment, and who serve as symbolic figures, continuously exerting a positive influence on their colleagues. The IHI Group aims to transform itself into a company that creates value chains in order to respond to the rapidly changing social environment. To achieve this, each employee must continuously and proactively adapt their behavior throughout their career, especially by tackling issues

and crossing boundaries. We recognize that creating supportive environments and systems for employees is an ongoing challenge in fostering this behavior.

Growth achieved through the IHI Academy program

Saito First, please tell us about your career at the IHI Group and what you have gained from your experience at the IHI Academy. Suzuki Since joining the Company, I have been involved in the development of vehicular turbochargers. Although typically designed separately from the engine, the two operate closely together, making it essential to consider them jointly from the early stages of development. On one occasion, I proposed this approach during a joint workshop with a major automobile manufacturer. This led to further collaborative development, and I was subsequently assigned to work at their company. **Saito** Mr. Suzuki, you participated in the IHI Academy's Change Leader Program (CLP), an action learning program* focused on transformational leadership, where participants develop a vision for change in their workplace and repeatedly engage in acquiring knowledge and skills, applying them, and reflecting on their progress. Has your experience there been useful in your work? Suzuki I gained two key insights from

the CLP. The first was to think from a holistic structure perspective. Instead of focusing solely on the product I was responsible for, I worked backward from the overall mobility ecosystem to consider what kind of engines and turbochargers would be needed. This approach helped clarify the challenges and made it easier to find breakthroughs.

The second key learning was the importance of open dialogue. During the CLP, we shared in-depth personal introductions that go beyond typical workplace conversations. This helped me understand others' perspectives and backgrounds, and truly appreciate the value of building trust. I now actively foster open communication at work, which has helped strengthen our team dynamics. Saito Taking a holistic view and

approaching development with a reverseengineering mindset are indispensable for value chain creation. Ms. Tsukioka, could you share your perspective?

Tsukioka For about 10 years after joining the Company, I worked as a plant design engineer, handling everything from basic design through to commissioning. Later, I was seconded to Paul Wurth IHI Co., Ltd., which designs and supplies steelmaking equipment. Working in an organization of around 100 people where information about

company-wide operations was shared in detail, I came to recognize the importance of a management perspective. This experience inspired me to request a transfer to the Corporate Planning Division, where I gained the ability to view the Company from a long-term perspective through work such as formulating management policies. I am currently part of the Space System Business Development Office, where I am exploring new business opportunities through the use of data obtained from space.

Saito Ms. Tsukioka, what did you learn through the IHI Academy's Cross-Boundary Program*?

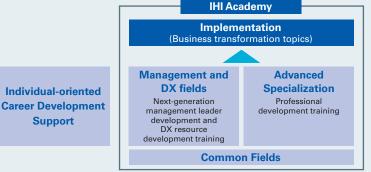
Tsukioka | I participated in a local government's problem-solving program, conducted interviews with residents, and

Support

based on the findings, proposed new administrative services to the mayor, receiving feedback in return. By hearing directly from residents on-site, I deeply realized the importance of a customer perspective that truly captures the needs of users. I also strongly felt the difficulty of bridging the gap between the perspectives of service providers and users, and striving to arrive at the best possible solution while understanding both viewpoints.

Saito When working within the IHI Group, I often feel that, as a general tendency among IHI Group employees, while they excel at delving deeply into individual issues, there remains a challenge in cultivating the ability to take a broad, highlevel perspective and see the bigger picture.

Overview of human capital development



Unique Knowledge, Skills, and Thinking **Required for Each Business Area and Specialized Field**

Shared Knowledge, Skills, and Thinking of All Employees (Selective and stratified training)

* Both the Change Leader Program and the Cross-Boundary Program are part of the management and DX fields.

Roundtable on Transformational Talent

Mr. Noguchi, what are your thoughts? **Noguchi** I also began my career as an engineer within the IHI Group, so I deeply understand the joy of manufacturing and the fulfillment that comes from focusing on the task at hand. However, the environment surrounding the IHI Group is undergoing significant changes, and simply maintaining the status quo will no longer suffice. Precisely because we have a 170-year history, we must not remain tied to the past but instead have the resolve to boldly embrace transformation. We must shed our old shell and move forward into the next era.



Embracing diverse perspectives gained through crossing boundaries to drive transformation forward

Saito Mr. Noguchi, you crossed from the IHI Group to Japan Aerospace Exploration Agency (JAXA) and then returned. Did you notice any changes upon your return?

Noguchi I felt a significant change. When I was first with the IHI Group, it was during the era of "Japan as Number One." There was strong confidence in our own technologies, and little awareness or willingness to incorporate outside perspectives. Now, starting with the management team, there is a heightened sensitivity toward transformation. However, a gap remains between headquarters' awareness of the need for transformation and that of frontline teams, and bridging this gap is a key challenge going forward. Suzuki Development teams are often absorbed in daily operations, making it difficult to focus on future transformation. So I think it's important to bridge the awareness gap between on-site environments and headquarters. Tsukioka To gain support and

cooperation for new challenges, it's crucial to clearly explain the risks and returns and ensure mutual understanding. However, since this process takes time, it remains the biggest challenge on the front lines of new business development.

Saito It appears that both of you are facing challenges in rallying support from others to drive significant initiatives forward. Do you have any advice, Mr. Noguchi? **Noguchi** There are limits to what one person can do. I hope IHI Academy

graduates share their experiences with each other to discover insights for driving transformation. We are currently in a time of great societal change, where the mindset of innovators and change-makers is essential. Saito I sincerely hope that talented individuals like you both will take the lead in driving transformative change that inspires and engages those around you. A sense of excitement is essential when tackling new challenges. Please always maintain a mindset that finds joy in the process of creation.

Suzuki I aim to foster a culture where people are genuinely motivated and find joy in their work, instead of feeling compelled or pressured.

Noguchi Mr. Suzuki, since you have been seconded to an automobile manufacturer, would you say that automobile development cycles are shorter than those at the IHI Group? Looking further to the United States, SpaceX manufactures two rocket engines per day, demonstrating a remarkable speed. There are companies around the world with astonishingly fast business processes. I hope you bring the insights you've gained outside back to the IHI Group and help shift the Company's mindset as a whole. Talent like Mr. Suzuki, who brings an outside perspective, is a driving force.

Saito What kind of people do you think are needed for the IHI Group to drive transformation forward?

Suzuki I feel that the IHI Group still has a strong silo mentality. We need people who can consciously take a holistic, bird's-eye view of the entire organization. Additionally, career hires bring new perspectives by leveraging their skills and experience to tackle IHI Group's challenges, aiming to achieve what they couldn't accomplish at other companies. I want to work with people like that.



Tsukioka Space System Business Development Office, which I belong to, was established in April 2023, and unlike most of the IHI Group, it has many mid-career hires. People from different industries have come together, sharing their expertise and cooperating toward a common goal, creating a strong team. Saito Having team members with

Roundtable on Transformational Talent

diverse experiences, skills, and perspectives accelerates transformation.

An organizational culture that maintains psychological safety fosters individual growth

Noguchi What are some of the difficulties that you face in your work? Tsukioka I want to take on challenges without fear of failure, but from a management perspective, we have to consider the impact if risks materialize, so it's difficult to determine how much risk to accept. New business development requires speed, but risk analysis is also indispensable, and balancing the two is challenging.



Noguchi A project that engineers have earnestly worked on is not considered a failure for the company, even if it ultimately does not yield results. New initiatives inevitably involve risks, but accepting those risks and making decisions despite them is the true role of a leader. A

leader must first make a decision, then concretely plan how to execute it. Once a decision is made, it is important not to shoulder the burden alone but to delegate authority boldly and involve those around you. Proceeding by consensus is not always the right approach, and valuable opportunities for transformation can be lost during that time. We want to cultivate leaders at the IHI Academy who can make responsible decisions.

Suzuki To make decisions that involve taking risks, I believe it is essential to gain actual experience by trying things out and making decisions.

Noguchi For that reason, ensuring psychological safety is crucial. Fear of being held accountable for failure stifles transformation. A culture that accepts failure is essential. This is vital not only for fostering openness about failures and mistakes but also for preventing misconduct.

Risks can never be completely eliminated, but it is necessary to clearly show the potential returns and have someone make a decisive decision to move forward. Relying too much on consensus and always choosing the safest options will not lead to genuine growth. Leaders need the courage to take risks. **Suzuki** Even before taking the CLP, I was involved in new business initiatives, and

I truly feel that being in an environment where "anything goes" creates opportunities for challenge and growth. Saito The IHI Group fosters an atmosphere that encourages challenges, but factors like psychological safety and market changes can sometimes make it difficult to freely take on new challenges. We will continue to create an environment where bold challenges are encouraged.

Individual growth fuels organizational vitality

Saito Could you share a moment at work where you felt you grew, thanks to your IHI Academy experience?



Suzuki I have become more proactive in communicating with people I hadn't interacted with before. I have started reaching out to learn about processes beyond my responsibilities and can now openly point out any concerns I notice. Soon after my secondment to the automaker, I sensed an issue in a report from a U.S.-based engineer and voiced my concerns directly. When those around me acknowledged the problem, it made me realize how much I had grown.

Tsukioka Being able to consider things from multiple perspectives has been a major area of growth for me. In new business development, I have learned to think not only as a project member but also to consider the broader impact on the Company as a whole. Also, when we hit our limits as a team, I did not hesitate to seek advice beyond our organization. Being able to receive input from diverse perspectives is a direct result of my experience at IHI Academy.

Noguchi Engineers often judge growth by measurable outcomes, but what truly matters is the sense of personal enrichment and growth one experiences throughout the process leading to those results. By articulating that growth and sharing it with others, the organization can undergo more positive transformation. I look forward to both of you expressing and sharing the growth you've experienced. Let's work together to drive transformation.