Financial Results for Third Quarter FY2024

For the Year ending March 31, 2025

February 7, 2025

Kawasaki Heavy Industries, Ltd.

Kawasaki

Powering your potential

0 Table of Contents

1 Consolidated Results for Third Quarter FY2024

Summary 3
Segment 4
Statement of Profit and Loss 5
Details of Change in business profit 7
Statement of financial position 9
Cash Flows 11

2 Forecasts for FY2024

Summary 13
Segment 14

3 Details by segment

Aerospace Systems 15
Rolling Stock 19
Energy Solution & Marine Engineering (ES&M) 23
Precision Machinery & Robot 27
Powersports & Engine (PS&E) 31

4 Shareholder Return and others

Shareholder Return 35
Project Topics 36
Appendix 39

Notice

Figures recorded in the business forecasts are forecasts that reflect the judgment of the Company based on the information available at the time of release and include risks and uncertainties. Accordingly, the Company cautions investors not to make investment decisions solely on the basis of these forecasts.
Actual business results may differ materially from these business forecasts due to various important factors resulting from changes in the external environment and internal environment. Important factors that may affect actual business results include, but are not limited to, economic conditions, the yen exchange rate against the U.S. dollar and other currencies, the tax system, and laws and regulations. Our company has adopted IFRS (International Financial Reporting Standards) since the first quarter of FY2022.

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1 Consolidated Results for Third Quarter FY2024 –Summary-

Revenue and profit increased YoY, reaching a record high for Q3 revenue

Overall performance is generally in line with the forecast announced in November

(billion yen)

	FY23 Q3	FY24 Q3				YoY Change
		Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Total	
Orders Received	1,290.1	456.9	438.4	926.5	**1,821.9**	+ 531.8
Revenue	1,229.0	444.2	439.9	523.1	**1,407.3**	+ 178.2
Business Profit	0.7	16.9	30.8	31.2	**79.0**	+ 78.2
[margin]	*[0.1%]*	*[3.8%]*	*[7.0%]*	*[6.0%]*	*[5.6%]*	*[+ 5.5pt]*
Profit Before Tax	- 17.9	25.8	- 2.1	40.7	**64.4**	+ 82.3
[margin]	*[- 1.5%]*	*[5.8%]*	*[- 0.5%]*	*[7.8%]*	*[4.6%]*	*[+ 6.0pt]*
Profit Attributable to Owners of Parent	- 13.4	15.3	- 1.7	30.4	**44.1**	+ 57.6
[margin]	*[- 1.1%]*	*[3.5%]*	*[- 0.4%]*	*[5.8%]*	*[3.1%]*	*[+ 4.2pt]*
Weighted-average ※1 exchange rates (USD/JPY)	141.02	153.34	149.72	148.10	**150.33**	+ 9.31
US dollar-based ※2 transaction (B$)	1.24	0.49	0.54	0.50	**1.53**	+ 0.29

Remark

FY23 Q3:Business performance remains low due to the impact of the lump-sum recording of losses on the PW1100G-JM engine in the July-September period (minus 58 bil. yen in business profit).

See Page 18 for details.

※1 Except for loss related to the In-service issues of PW1100G-JM engine.

※2 The amount of foreign currency that affects business profits due to exchange rate fluctuations. Calculated by deducting dollar denominated purchases from dollar denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd., including foreign currency denominated revenue of loss provisions, and excluding refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine. See page 44 for the breakdown of these figures by segment.

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1 Consolidated Results for Third Quarter FY2024 –Segment-

Profit in Aerospace Systems increased significantly YoY, due to a reaction to the loss related to PW1100G-JM engines and profitability improvement in Aero Engine business ①

Revenue and profit in PS&E grows significantly in Oct-Dec period (See page 33) ②

(billion yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY23 Q3	**FY24 Q3**	Change	FY23 Q3	**FY24 Q3**	Change	FY23 Q3	**FY24 Q3**	Change
Aerospace Systems	332.5	**680.1**	+ 347.6	235.5	**354.4**	+ 118.9	- 35.5	**29.3**	+ 64.9
Rolling Stock	41.8	**41.0**	- 0.7	135.8	**142.7**	+ 6.8	2.6	**4.1**	+ 1.5
Energy Solution & Marine Engineering	281.2	**428.5**	+ 147.2	234.3	**260.9**	+ 26.6	16.6	**25.1**	+ 8.4
Precision Machinery & Robot	157.6	**185.8**	+ 28.2	158.7	**168.8**	+ 10.1	- 4.3	**3.2**	+ 7.6
Powersports & Engine	404.4	**417.2**	+ 12.8	404.4	**417.2**	+ 12.8	32.0	**28.7**	- 3.2
Others	72.4	**69.0**	- 3.3	60.2	**63.0**	+ 2.8	1.5	**3.6**	+ 2.1
Eliminations and corporate※	-	**-**	-	-	**-**	-	- 12.1	**- 15.3**	- 3.1
Total	1;290.1	**1;821.9**	+ 531.8	1;229.0	**1;407.3**	+ 178.2	0.7	**79.0**	+ 78.2

※"Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting.

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1

Consolidated Results for Third Quarter FY2024
–Statement of Profit and Loss-

(billion yen)

	FY23 Q3	%	FY24 Q3	%	Change
Revenue	1,229.0	100.0	**1,407.3**	100.0	+ 178.2
Cost of sales	1,038.2	84.5	**1,113.4**	79.1	+ 75.1
Gross profit	190.7	15.5	**293.8**	20.9	+ 103.0
Selling, general and administrative expenses	196.1	16.0	**226.2**	16.1	+ 30.0
Salaries and allowances	54.8		**60.2**		+ 5.4
Research and development expenses	36.6		**39.3**		+ 2.7
Others	104.7		**126.5**		+ 21.8
Share of profit (loss) of investments accounted for using equity method	6.1		**13.5**		+ 7.3
Other income and other expenses	0.0		**- 2.1**		- 2.1
Gain on sale of property, plant and equipment	0.7		**0.9**		+ 0.2
Others	- 0.7		**- 3.1**		- 2.3
Business Profit (Loss)	0.7	0.1	**79.0**	5.6	+ 78.2

Details

① Cost to sales ratio deteriorated due to a loss of ¥58 billion yen (reduction in revenue) related to the In-Service issues of PW1100G-JM engines

② Increase in expenses due to business expansion, inflation and increase in fixed costs of overseas subsidiaries due to the depreciation of the yen

③ Growth in business performance mainly at a joint venture in China in Ship & offshore structure

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Consolidated Results for Third Quarter FY2024
–Statement of Profit and Loss-

(billion yen)

	FY23 Q3	%	FY24 Q3	%	Change	
Finance income and Finance costs	- 18.6		**- 14.5**		+	4.0
Net Interest expense (incl. dividend income)	- 3.8		**- 7.7**		-	3.9
Gain and loss on foreign exchange	- 10.8		**- 2.1** ④		+	8.7
Others	- 3.9		**- 4.7**		-	0.7
Profit before tax	- 17.9	- 1.5	**64.4**	4.6	+	82.3
Income tax expense	- 6.0		**18.1**		+	24.2
Profit attributable to Non-controlling interests	1.6		**2.1**		+	0.4
Profit attributable to owners of parent	- 13.4	- 1.1	**44.1**	3.1	+	57.6

Details

④ USD/JPY rate

151.40 Q4/E FY'23

158.17 Q3/E FY'24

Weighted-average exchange rates

150.33 Q3 FY'24

Valuation loss occurred on foreign currency loan despite valuation gain on foreign currency receivable

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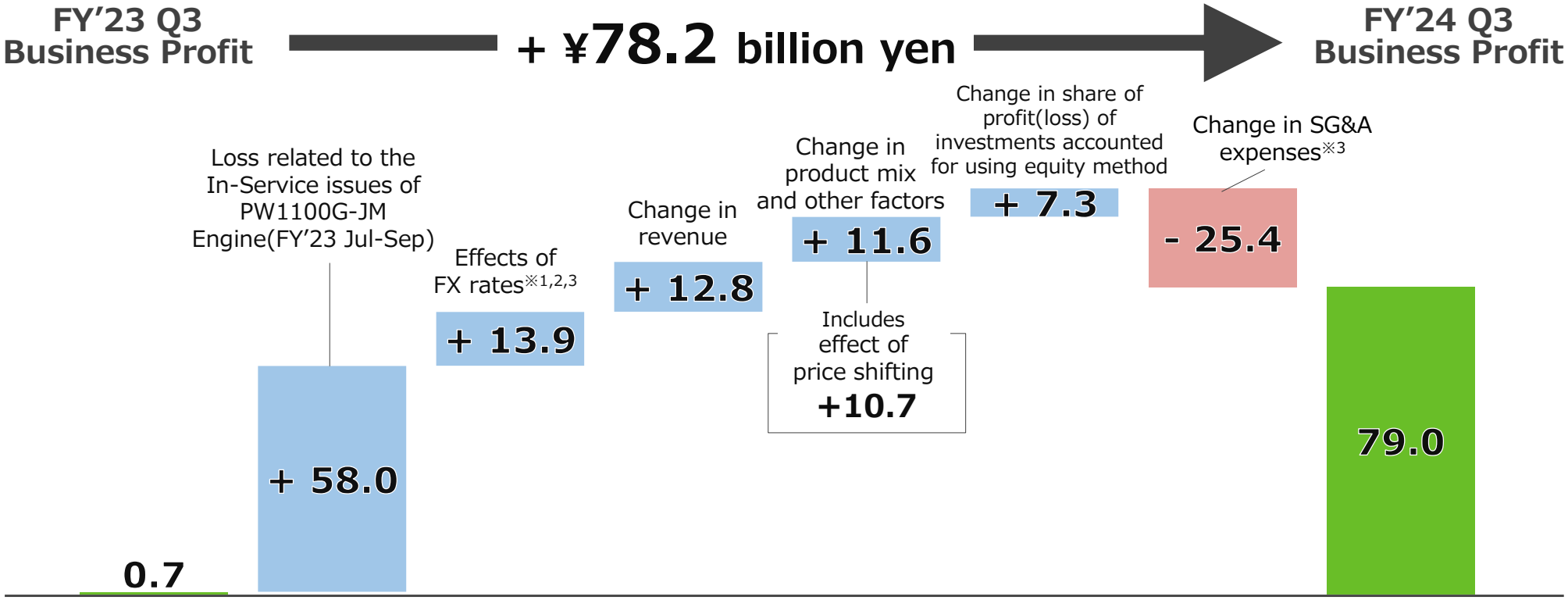
Consolidated Results for Third Quarter FY2024
–Details of change in business profit-

- **Aerospace system and ES&M business led the growth of “change in revenue”**
- **Profitability improvement in Aero Engine contributed to “product mix and other factors”**



※1 "Effects of FX rates" indicate the direct impact on business profit. Indirect effects (such as the impact of price fluctuations) are included "Change in product mix and other factors" and "Changes in SG&A expenses”.

※2 “Effects of FX rates” includes the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine(4.2 bil. yen).

※3 "Changes in SG&A expenses" used to indicate changes in the statement of Profit and Loss but has been changed after FY24 Q2 financial results presentation material to indicate changes after deducting the effects of FX rate(The change factor graphs for each segment shown on page 16 and later are the same).

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Consolidated Results for Third Quarter FY2024
–Details of change in business profit-

(billion yen)

	FY23 Q3 Business Profit (Loss)	Details of change						Total	FY24 Q3 Business Profit (Loss)
		Effects of FX rates※1	Change in sales※1	Change in product mix and other factors※1	Change in share of profit (loss) of investments accounted for using equity method	Change in SG & A expenses ※3	Loss Related to the In-Service Issues of PW1100G-JM Engine		
Aerospace Systems	- 35.5	※2 0.5	7.6	5.8		- 7.0	58.0	64.9	29.3
Rolling Stock	2.6	4.2	0.1	- 2.2	0.0	- 0.6		1.5	4.1
Energy Solution & Marine Engineering	16.6	1.0	5.1	- 1.9	6.4	- 2.2		8.4	25.1
Precision Machinery & Robot	- 4.3	1.5	1.5	2.8	0.9	0.9		7.6	3.2
Powersports & Engine	32.0	6.7	- 2.1	6.2		- 14.0		- 3.2	28.7
Others	1.5	0.0	0.6	1.2	0.0	0.3		2.1	3.6
Eliminations and corporate	- 12.1			- 0.2	- 0.0	- 2.9		- 3.1	- 15.3
Total	0.7	13.9	12.8	11.6	7.3	- 25.4	58.0	78.2	79.0

※1 Effects of foreign exchange rates, change in revenue, and change in product mix are approximate values calculated by our company based on certain criteria. In addition, each factor of change is often indivisible, and in particular, it may be desirable to check the change in revenue and change in product mix

※2 “Effects of FX rates” includes the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine (-4.2 bil.yen)

※3 Impact of FX rates are not included

Including the impact of costs related to four-wheelers recall for the U.S. market recorded in the Oct-Dec period of FY23

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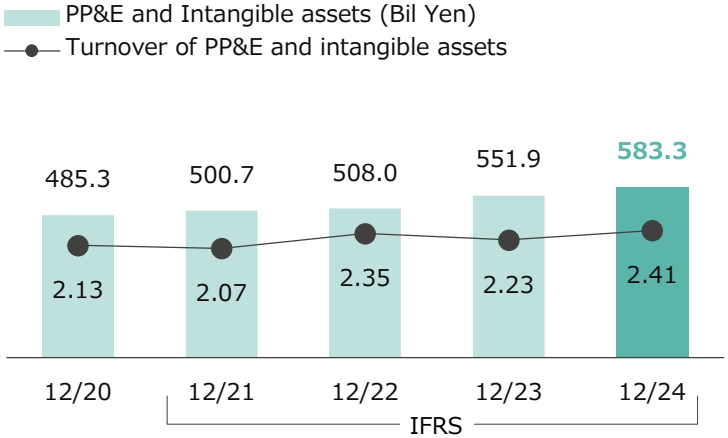
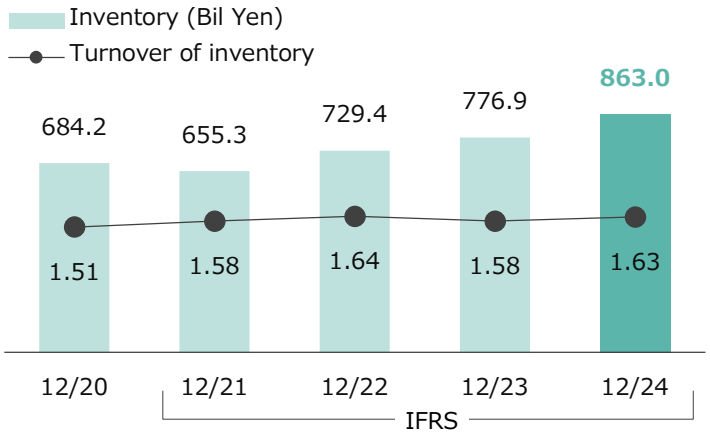
1 Consolidated Results for Third Quarter FY2024
–Statement of financial position-

(billion yen)

	End of Mar. 2024	%	End of Dec. 2024	%	Change	
Cash and cash equivalents	84.1		**129.0**		+	44.8
Trade receivables (Incl. contract assets)	770.3		**815.0**		+	44.6
Inventories	710.2		**863.0**		+	152.8
Other current assets	162.1		**251.4**		+	89.2
Current assets	1,726.9	64.4	**2,058.5**	67.6	+	331.6
PP&E and intangible assets	565.9		**583.3**		+	17.3
Right-of-use assets	64.8		**65.4**		+	0.6
Deferred tax assets	117.4		**120.6**		+	3.2
Other non-current assets	205.0		**217.7**		+	12.7
Non-current assets	953.2	35.6	**987.2**	32.4	+	33.9
Total assets	2,680.1	100.0	**3,045.7**	100.0	+	365.5





Details

① Increased in Aerospace Systems and Ship & Offshore Structue business

② Increased in PS&E and Aerospace Systems

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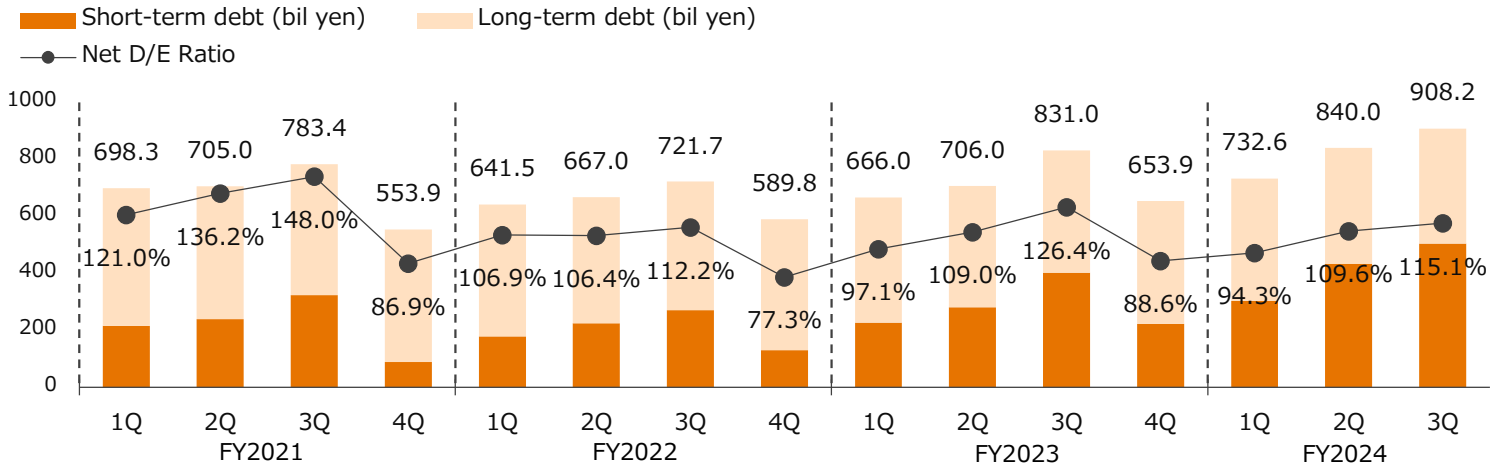
1 Consolidated Results for Third Quarter FY2024
–Statement of financial position-

(billion yen)

	End of Mar. 2024	%	End of Dec. 2024	%	Change	
Trade payables	451.9		**484.7**		+	32.8
Interest-bearing debt	653.9		**908.2**		+	254.3
bility (Advances received)	265.4		**315.9**		+	50.4
Provision for losses on construction contracts	5.6		**6.4**		+	0.7
Retirement benefit liability	74.6		**78.8**		+	4.2
Other liabilities	573.9		**561.1**		-	12.7
Total liabilities	2,025.6	75.6	**2,355.4**	77.3	+	329.8
Equity attributable to owners of parent	634.0		**667.7**		+	33.6
Non-controlling interests	20.4		**22.5**		+	2.0
Total equity	654.5	24.4	**690.3**	22.7	+	35.7
Total liabilities and equity	2,680.1	100.0	**3,045.7**	100.0	+	365.5



Details

③ Increase in borrowing from the end of the previous fiscal year is normal business cycle

④ Increased mainly in Aerospace Systems and Ship & Offshore Structue business

Appendix

Cash Conversion Cycle

(day)

End of FY'20 Q3	168
End of FY'21 Q3	178
End of FY'22 Q3	157
End of FY'23 Q3	168
End of FY'24 Q3	179

CCC was lengthened by factors mainly in PS&E:
the lengthening of the days sales in receivables due to delays in terminal sales in comparison to as planned, and lengthening of the days sales of inventory due to recalls (See page 31) and delays in Four-wheelers sales

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Consolidated Results for Third Quarter FY2024
–Cash Flows-

(billion yen)

	FY23 Q3	FY24 Q3	Change	
Profit before tax	- 17.9	**64.4**	+	82.3
Depreciation and amortization	61.0	**65.3**	+	4.3
Increase and decrease in working capital	- 100.2	**- 160.0**	-	59.8
Trade receivables※1 (minus notation indicates incr.)	- 19.5	**- 41.5**	-	21.9
Inventory (minus notation indicates incr.)	- 80.3	**- 144.6**	-	64.2
Trade payables (minus notation indicates decr.)	17.3	**29.6**	+	12.3
Advance payment (minus notation indicates incr.)	1.5	**- 51.9**	-	53.5
Contract liabilities※2 (minus notation indicates decr.)	- 19.1	**48.4**	+	67.6
Other	- 40.7	**- 48.0**	-	7.2
Cash flows from operating activities	- 97.9	**- 78.1**	+	19.7
Purchase of PP&E and intangible assets	- 80.5	**- 77.0**	+	3.5
Proceeds from sales of PP&E and intangible assets	2.4	**2.9**	+	0.5
Other	- 2.9	**- 5.8**	-	2.8
Cash flows from investing activities	- 81.1	**- 79.9**	+	1.1
Free cash flows	- 179.0	**- 158.1**	+	20.9
Net increase and decrease in debt and bonds (minus notation indicates decr.)	240.9	**258.5**	+	17.6
Dividends paid (Except payment to non-controlling interests)	- 13.1	**- 16.1**	-	2.9
Proceeds from fluidity of lease receivables and Repayment of payables under fluidity lease receivables	- 57.6	**- 15.6**	+	41.9
Other	- 23.3	**- 22.6**	+	0.7
Cash flows from financing activities	146.7	**204.1**	+	57.4

※1,2 Trade receivables include contract assets. The former account name of contract liabilities is advances received

Details

① FY23 Q3 :

Despite progress in debt collection in PS&E, cash outflows occurred in the working capital component due to increased in receivables and inventories in Aerospace Systems and higher inventories in PS&E

FY24 Q3 :

Cash outflows occurred in the working capital components due to increased inventories in PS&E and Aerospace Systems, despite the acquisition of contract liabilities (advances received) in the Aerospace business

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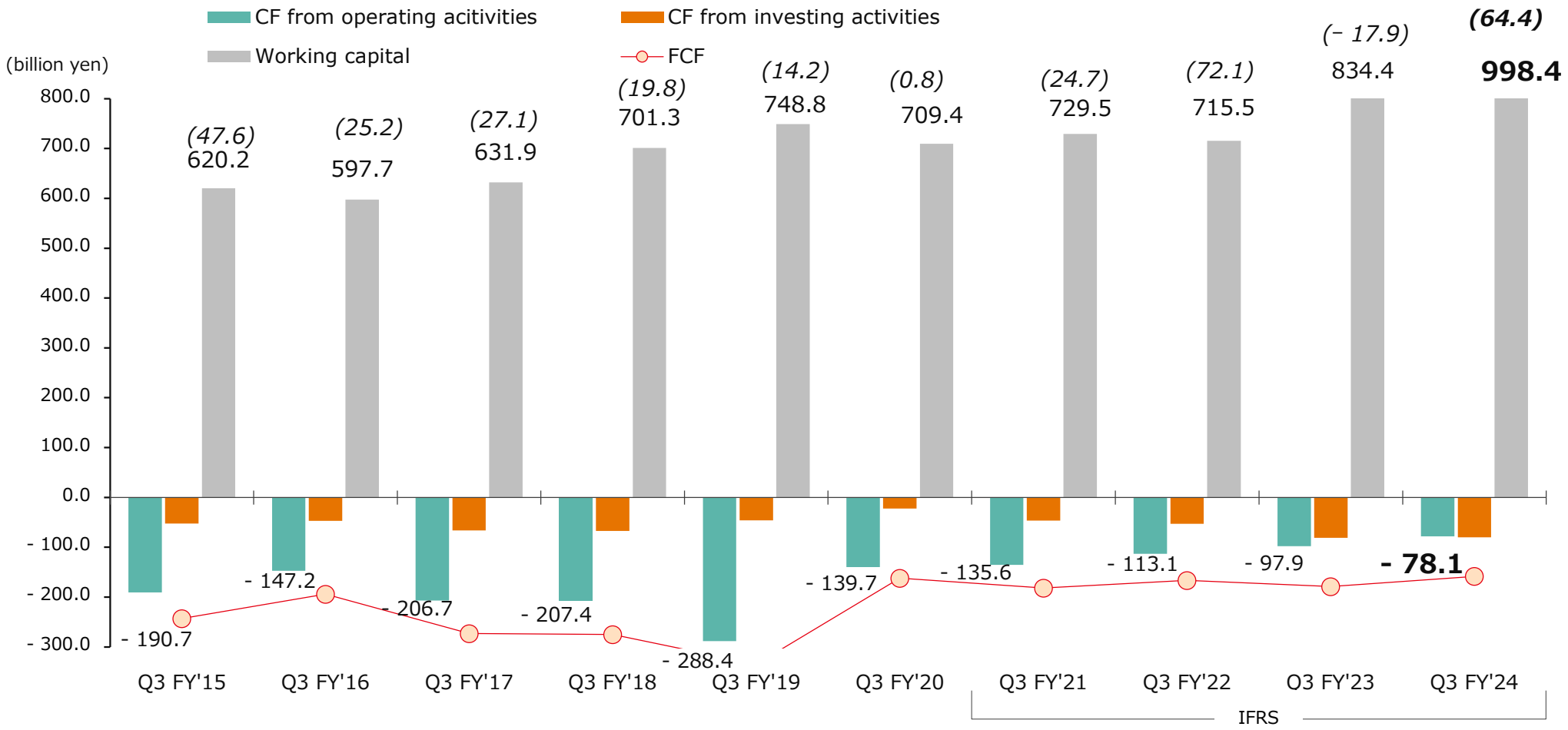
Consolidated Results for Third Quarter FY2024
–Cash Flows-

- **Operating cash flow in Q3 is on an improving trend, despite being in the red**
- **Working capital increased due to rapid recovery of order-based business and increased production in PS&E**



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2 Forecasts for FY2024 -Summary-

- **Business profit forecast remains unchanged from previously announced in November**
- **Profit before tax and Net profit revised up due to expected improvement in foreign exchange gains and losses by assumed FX rate changes**

(billion yen)

	FY2023 Actual	FY2024 Forecast and Progress					
		Old FCST	New FCST	Chg. vs. FY23	Chg. vs. Old FCST	Q3 Actual	Q4 FCST
Orders Received	2;083.4	2;430.0	**2;560.0**	+ 476.6	+ 130.0	**1;821.9**	**738.1**
Revenue	1;849.2	2;180.0	**2;160.0**	+ 310.8	- 20.0	**1;407.3**	**752.7**
Business Profit	46.2	130.0	**130.0**	+ 83.8	-	**79.0**	**51.0**
[Margin]	*[2.5%]*	*[6.0%]*	*[6.0%]*	*[+ 3.5pt]*	*[-]*	*[5.6%]*	*[6.8%]*
Profit Before Tax	31.9	95.0	**100.0**	+ 68.1	+ 5.0	**64.4**	**35.6**
[Margin]	*[1.7%]*	*[4.4%]*	*[4.6%]*	*[+ 2.9pt]*	*[+ 0.2pt]*	*[4.6%]*	*[4.7%]*
Profit Attributable to Owners of Parent	25.3	73.0	**78.0**	+ 52.7	+ 5.0	**44.1**	**33.9**
[Margin]	*[1.4%]*	*[3.3%]*	*[3.6%]*	*[+ 2.2pt]*	*[+ 0.2pt]*	*[3.1%]*	*[4.5%]*
After-tax ROIC	2.8%	6.5%	**7.2%**	+ 4.4pt	+ 0.7pt	**-**	**-**
Weighted-average exchange rates (USD/JPY)	142.54	140.00	**-**	-	-	**150.33**	**150.00**
US dollar-based transaction (B$)※	1.85	1.71	**1.67**	- 0.18	- 0.04	**1.53**	**0.14**

※ The amount of foreign currency that affects business profits due to exchange rate fluctuations. Calculated by deducting dollar denominated purchases from dollar denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include foreign currency denominated revenue of loss provisions). See page 44 for the breakdown of these figures by segment

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2 Forecasts for FY2024 -Segment-

- **Profit forecast in Aerospace Systems revised down mainly due to the revaluation impact of FX rate related to PW1100G-JM engine**
- **Forecast in ES&M revised up to reflect the improvement profitability in multiple projects**

(billion yen)

	Orders Received				Revenue				Business Profit (Loss)			
	FY2023	FY2024 Forecast			FY2023	FY2024 Forecast			FY2023	FY2024 Forecast		
	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change
Aerospace Systems	692.6	770.0	**810.0**	+ 40.0	396.1	570.0	**570.0** ①	-	- 15.0	52.0	**46.0** ①	- 6.0
Rolling Stock	88.7	160.0	**220.0**	+ 60.0	195.9	210.0	**220.0**	+ 10.0	3.7	7.0	**8.0**	+ 1.0
Energy Solution & Marine Engineering	401.6	500.0	**550.0**	+ 50.0	353.2	400.0	**400.0**	-	31.9	32.0	**40.0**	+ 8.0
Precision Machinery & Robot	213.3	240.0	**240.0**	-	227.9	240.0	**230.0**	- 10.0	- 1.9	8.0	**7.0**	- 1.0
Powersports & Engine	592.4	660.0	**640.0**	- 20.0	592.4	660.0	**640.0** ②	- 20.0	48.0	51.0	**48.0** ②	- 3.0
Ohters	94.5	100.0	**100.0**	-	83.5	100.0	**100.0**	-	1.1	5.0	**5.0**	-
ations and corporate※	-	-	**-**	-	-	-	**-**	-	- 21.7	- 25.0	**- 24.0**	+ 1.0
Total	2,083.4	2,430.0	**2,560.0**	+ 130.0	1,849.2	2,180.0	**2,160.0**	- 20.0	46.2	130.0	**130.0**	-

※ "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

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3 Details by Segment -Aerospace Systems-

FY2024.Q3（vs. FY2023.Q3）

Orders received +¥347.6 Bil.
Increased due to an increase in MOD and commercial aircraft engine compared to the last fiscal year, which had the losses related to the PW1100G-JM engine(reduction of orders received)

Revenue +¥118.9 Bil.
Same as above

Business profit +¥64.9 Bil.
Improved due to an increase in revenue

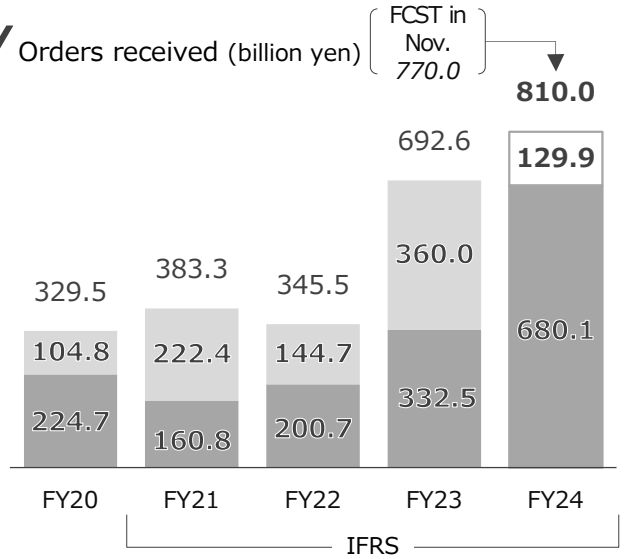
FY2024 forecast（vs. Forecast in August）

Orders received +¥40.0 Bil.
Revised up due to an increase in MOD and commercial aircraft engine, despite a decrease for Boeing

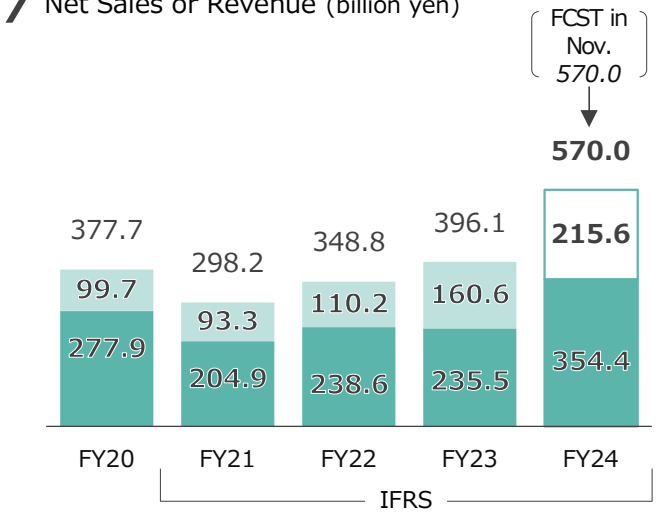
Revenue ±¥0 Bil.
Forecast unchanged due to an increase in MOD and a decrease for Boeing

Business profit -¥6.0 Bil.
Revised down due to a decline in commercial aircraft production rate and the impact of revaluation of refund liabilities denominated in foreign currencies in the commercial aircraft engines

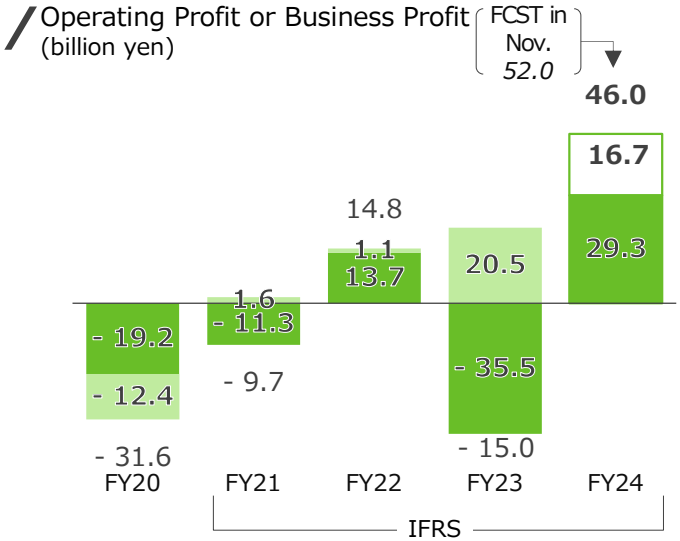
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q3 and lighter areas represent the Q4 cumulative total

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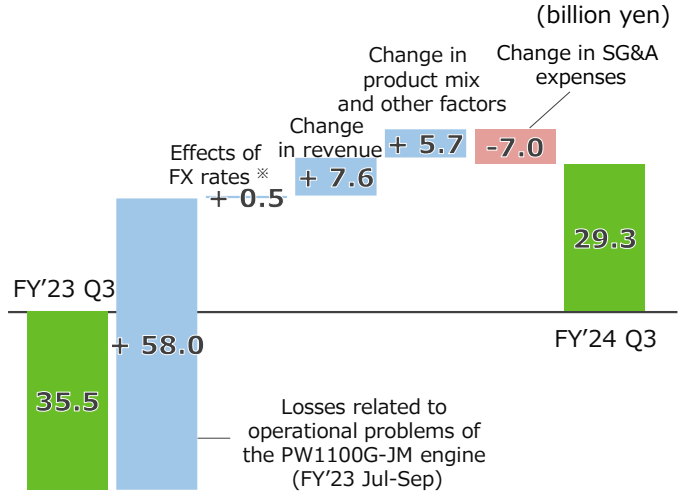
3 Details by Segment -Aerospace Systems-

(billion yen)

	FY2023 Q3 Actual	FY2024 Q3 Actual	FY2024 Change	FY2023 Actual	FY2024 Forecast Old FCST	FY2024 Forecast New FCST	FY2024 Forecast Chg. Vs. FY23	FY2024 Forecast Chg. Vs. Old FCST	FY2024 Forecast Q4 FCST
Orders Received	332.5	680.1	+ 347.6	692.6	770.0	**810.0**	+ 117.4	+ 40.0	**129.9**
Aerospace	*310.5*	*548.3*	*+ 237.8*	*556.9*	*610.0*	***640.0***	*+ 83.1*	*+ 30.0*	***91.7***
Aero Engine	*21.9*	*131.8*	*+ 109.8*	*135.6*	*160.0*	***170.0***	*+ 34.4*	*+ 10.0*	***38.2***
Revenue	235.5	354.4	+ 118.9	396.1	570.0	**570.0**	+ 173.9	-	**215.6**
Aerospace	*201.3*	*237.7*	*+ 36.4*	*307.4*	*400.0*	***400.0***	*+ 92.6*	-	***162.3***
Aero Engine	*34.2*	*116.7*	*+ 82.4*	*88.7*	*170.0*	***170.0***	*+ 81.3*	-	***53.3***
Business Profit (Loss)	- 35.5	29.3	+ 64.9	- 15.0	52.0	**46.0**	+ 61.0	- 6.0	**16.7**
[Margin]	*[- 15.1%]*	*[8.3%]*	*[+ 23.3pt]*	*[- 3.8%]*	*[9.1%]*	*[8.1%]*	*[+ 11.8pt]*	*[- 1.0pt]*	*[7.7%]*

Details of change in Business Profit(Loss)



※ including the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engines(4.2 bil.yen).

Appendix

Number of aircraft component parts sold to Boeing

	FY'23 3Q	FY'23 Full year	FY'24 3Q	Change YoY
767	23	33	12	- 11
777	24	32	10	- 14
777X	3	6	5	+ 2
787	24	41	34	+ 10

Number of jet engine component parts sold

	FY'23 3Q	FY'23 Full year	FY'24 3Q	Change YoY
V2500	5	6	17	+ 12
PW1100G	507	675	515	+ 8

※Number of jet engine component parts sold to Rolls-Royce is not disclosed

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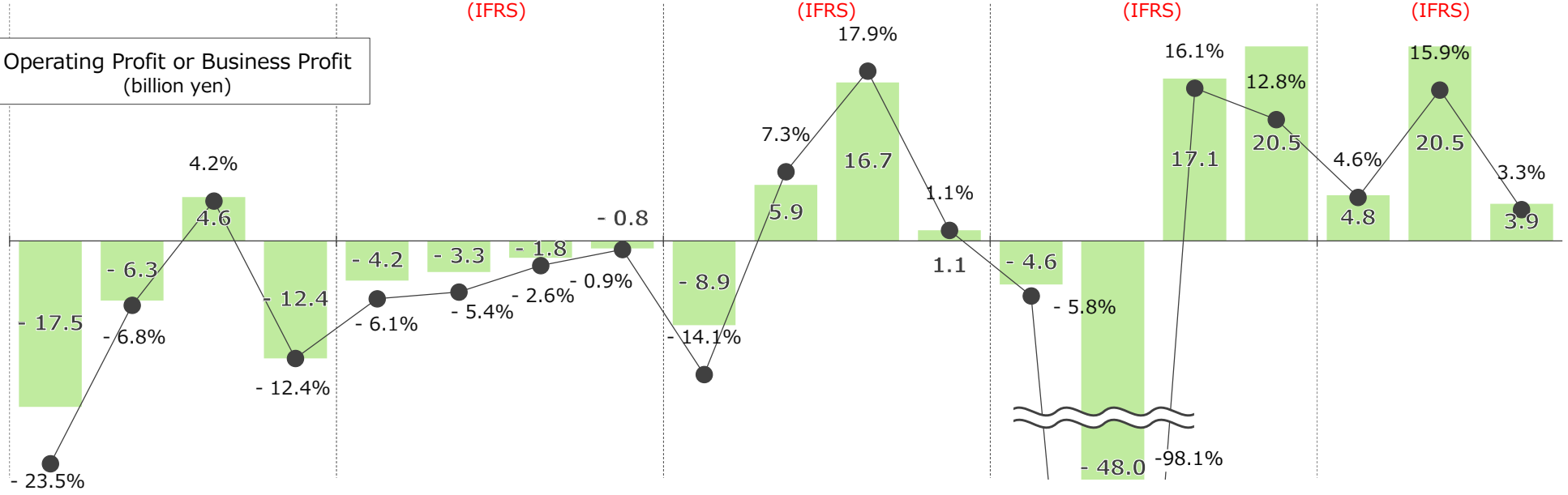
3 Details by Segment -Aerospace Systems-

Net Sales or Revenue
(billion yen)



Operating Profit or Business Profit
(billion yen)



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3 Details by Segment -Aerospace Systems-

Market Overview

- Commercial business
  - Air passenger demand shifted from recovery to growth phase, and demand for both aircraft and engines increased despite an effect Boeing strike
- MOD business
  - Demand growth and profitability improvement are expected due to Japan's defense reinforcement policy

About the PW1100G-JM Engine Program which we participate through IAE※1

- The engines have been experiencing significant operational issues, and several engines are expected to be removed from the aircraft (A320neo) for inspection and maintenance over the next few years to resolve the issue.
- Many aircraft are parked on the ground because it takes 250 to 300 days to unload and install the engines.
- In FY'23, the estimated future loss was recorded in a lump-sum※2, and there is no change at present ※3
- Our press releases about this matter

  https://global.kawasaki.com/news_230913-1e.pdf
  https://global.kawasaki.com/en/corp/ir/library/pdf/etc_231026-1e.pdf

※1 International Aero Engines, LLC
※2 Recorded lump-sum loss (58 bil. yen in terms of business profit and loss in FY'23 Jul-Sep).
※3 The effect of revaluation due to exchange rate fluctuations is excluded

Specific Efforts

Preparation for business expansion

- Arranging supply chain and production system for production increase
- Improving productivity and operational efficiency to acquire new business opportunities
- Steady promotion of existing projects of development and mass production for MOD aircrafts and helicopters



Total delivery of BK117 helicopter series reaches 2,000 units

Strengthening activities related to defense business

- Promoting efforts Seven focal areas to strengthen defense capabilities

1. Integrated air and missile defense capabilities
2. Stand-off defense capabilities
3. Cross-domain operation capabilities
4. Command and control and intelligence-related functions
5. Mobile deployment capabilities
6. Sustainability and resiliency
7. Unmanned defense capabilities



New anti-ship missiles for islands defense



Standoff electronic warfare aircraft

Source: DEFENSE OF JAPAN 2020

Progress: Prototype 1. Contract. Expected completion in fiscal 24

Promotion of technology strategies based on market trends

- R&D, including the use of civilian technology in defense fields
- Utilization of *Green Innovation fund* of government for development of carbon-free technology

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3 Details by Segment - Rolling Stock -

FY2024.Q3 (vs. FY2023.Q3)

Orders received -¥0.7 Bil.
Expected to remain at the same level

Revenue +¥6.8 Bil.
Increased due to an increase in the U.S. despite a decrease in Japan and Asia

Business profit +¥1.5 Bil.
Improved due to an increase in revenue

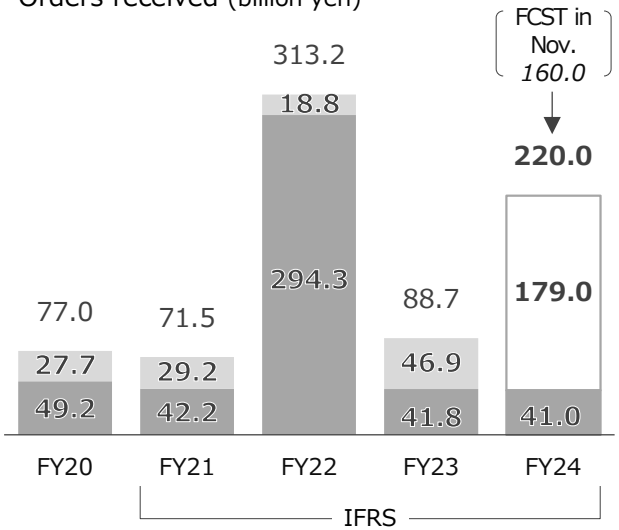
FY2024 forecast (vs. Forecast in August)

Orders received +¥60.0 Bil.
Revised up due to an increase in sales in the U.S., despite a decrease in Asia

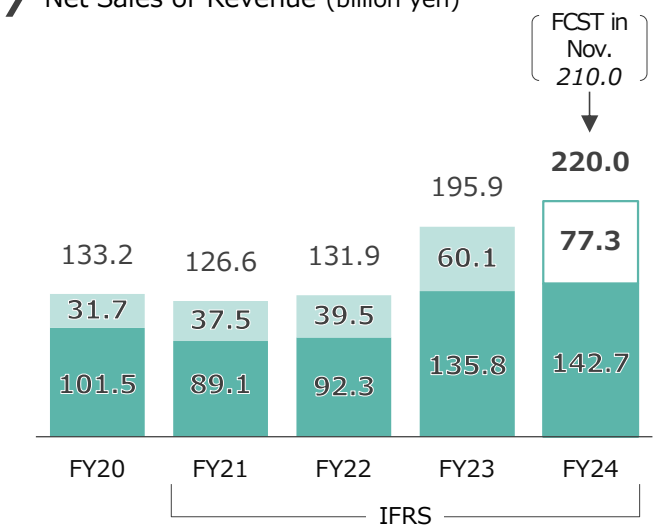
Revenue +¥10.0 Bil.
Revised up due to the yen's depreciation

Business profit +¥1.0 Bil.
Revised up due to an increase in revenue

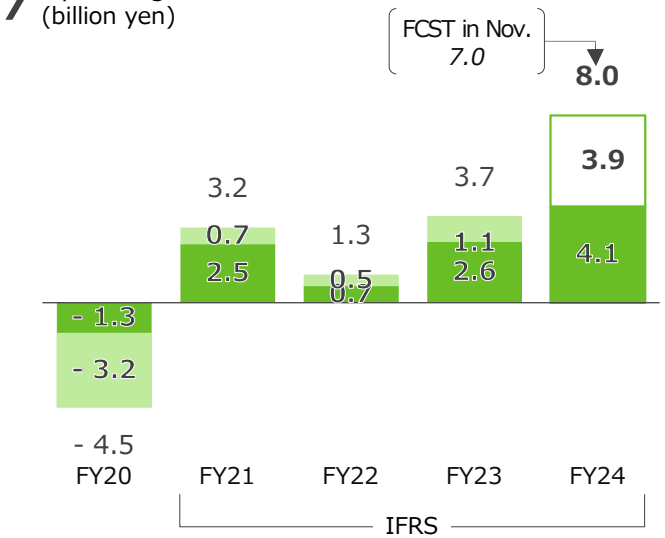
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q3 and lighter areas represent the Q4 cumulative total

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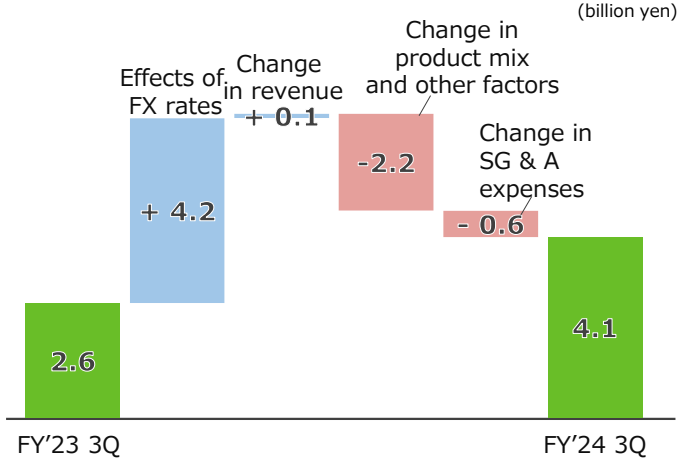
3 Details by Segment - Rolling Stock -

(billion yen)

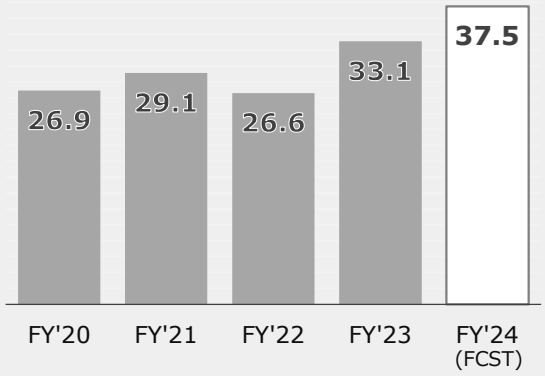
	FY2023 Q3 Actual	FY2024 Q3 Actual	FY2024 Change	FY2023 Actual	FY2024 Forecast Old FCST	FY2024 Forecast New FCST	FY2024 Forecast Chg. Vs. FY23	FY2024 Forecast Chg. Vs. Old FCST	FY2024 Forecast Q4 FCST
Orders Received	41.8	41.0	- 0.7	88.7	160.0	**220.0**	+ 131.3	+ 60.0	**179.0**
Domestic & Asia	*38.1*	*35.5*	*- 2.5*	*87.3*	*140.0*	***43.5***	*- 43.8*	*- 96.5*	***8.0***
North America	*3.7*	*5.5*	*+ 1.8*	*1.4*	*20.0*	***176.5***	*+ 175.1*	*+ 156.5*	***171.0***
Revenue	135.8	142.7	+ 6.8	195.9	210.0	**220.0**	+ 24.1	+ 10.0	**77.3**
Domestic & Asia	*57.3*	*48.1*	*- 9.2*	*81.2*	*65.0*	***67.5***	*- 13.7*	*+ 2.5*	***19.4***
North America	*78.4*	*94.5*	*+ 16.1*	*114.6*	*145.0*	***152.5***	*+ 37.9*	*+ 7.5*	***58.0***
Business Profit	2.6	4.1	+ 1.5	3.7	7.0	**8.0**	+ 4.3	+ 1.0	**3.9**
[Margin]	*[1.9%]*	*[2.9%]*	*[+ 0.9pt]*	*[1.9%]*	*[3.3%]*	*[3.6%]*	*[+ 1.6pt]*	*[+ 0.2pt]*	*[5.0%]*

Details of change in Business Profit(Loss)



Appendix

Revenue in components, overhaul and after-sales service(billion yen)



Progress of the R211 Project for New York Subway in the U.S. (at the end of Dec '24)

- **360 cars** out of 535(Base contract) **have been delivered**
- The last delivery is scheduled in Q4 FY'24
- The order for additional 640 cars(Option1 contract) have been placed, and production will start at end of FY'24

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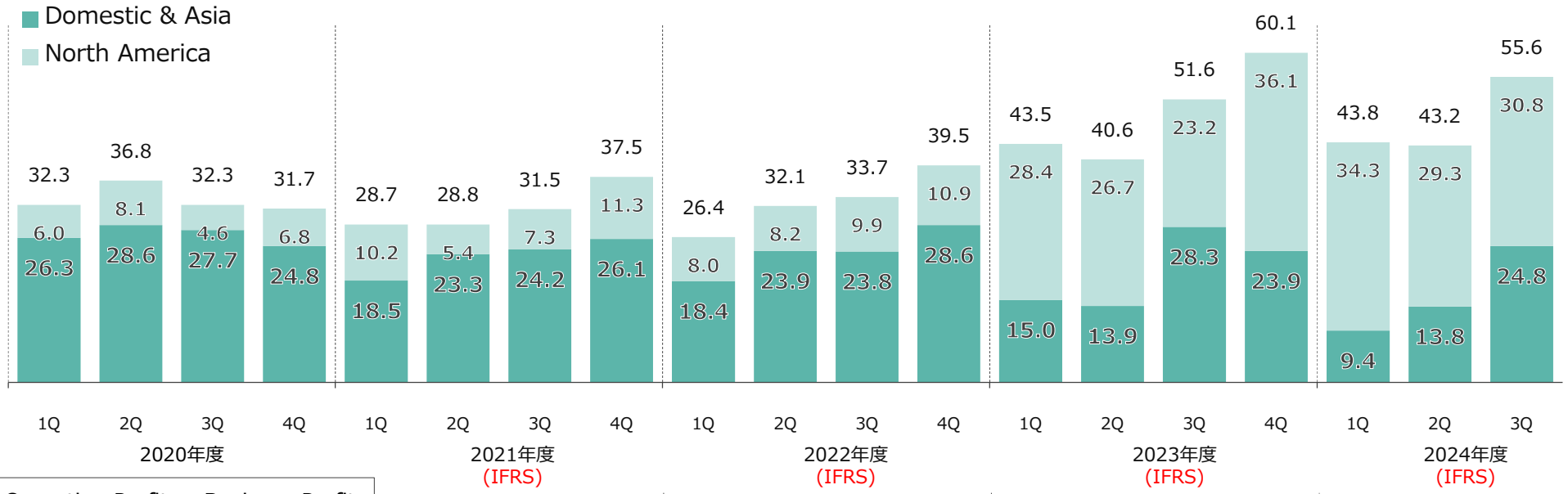
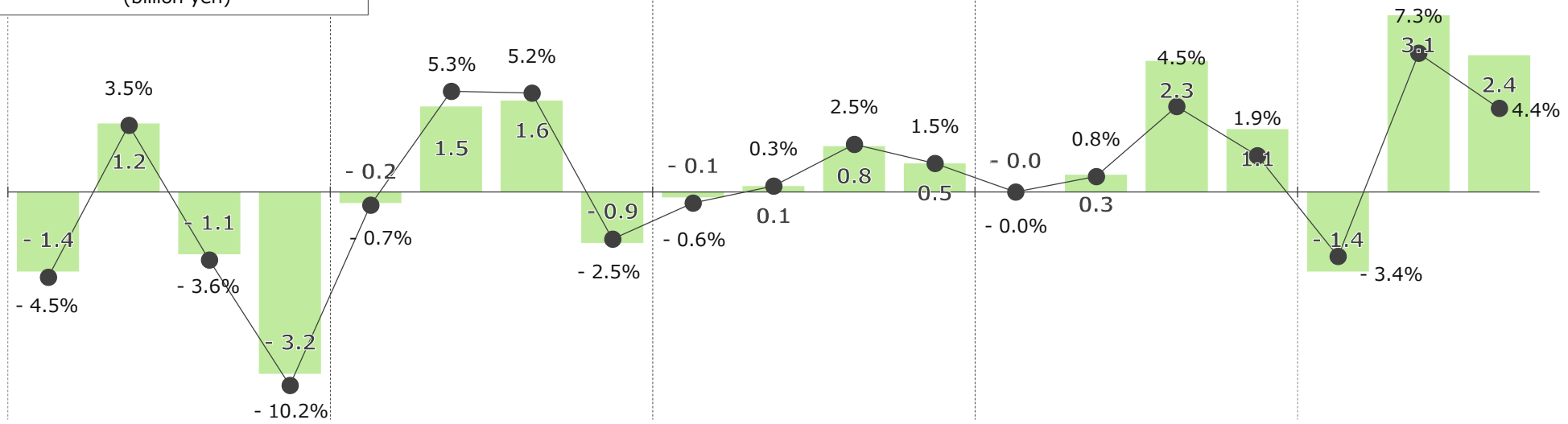
3 Details by Segment - Rolling Stock -

Net Sales or Revenue
(billion yen)



Operating Profit or Business Profit
(billion yen)



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3 Details by Segment - Rolling Stock -

Market Overview

- Domestic Market
  - The number of railway passengers has recovered to approximately 90% of pre-COVID-19 levels due to the recovery of inbound travel, and investment has resumed.
- Supply chain Risk
  - Prolonged procurement of equipment, mainly electronic components, requires attention, but the impact is limited
- Medium to long-term forecast
  - The overseas railway market is expected to grow steadily due to the need for railway infrastructure in emerging countries and environmental measures in urban areas.



R211 subway car for New York City Transit (MTA)

Specific Efforts

Compliance with delivery schedules for overseas projects

Dhaka ***MRT Line-6***	‣ 22 trains out of 24(144 cars) have been delivered to the customer ‣ **The last car and facilities will be delivered in FY'24 Q4**
U.S. ***M-9***	‣ Full delivery (All 202 cars have been delivered to the customer) ‣ **The last car was delivered in FY'24 Q3**

※See page 20 for the progress of R211 project in the U.S.

Achieving quality levels trusted by customers

- Reduction of spoilage and repair costs
- Further promotion of Kawasaki Production System



Rolling stock for Dhaka Mass Transit Company Limited

Expansion of components sales, after-sales service, and maintenance business

- Promotion of remote track monitoring service for North American market
- Promotion of train condition monitoring equipment for domestic market

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3

Details by Segment

- Energy Solution & Marine Engineering -

FY2024.Q3 (vs. FY2023.Q3)

Orders received ↗ +¥147.2 Bil.
Increased due to a submarine for MOD and LPG/ammonia carriers

Revenue ↗ +¥26.6 Bil.
Increased due to an increase in domestic municipal waste incineration plants and naval equipment for MOD

Business profit ↗ +¥8.4 Bil.
Improved due to revenue increase and improved equity in gains

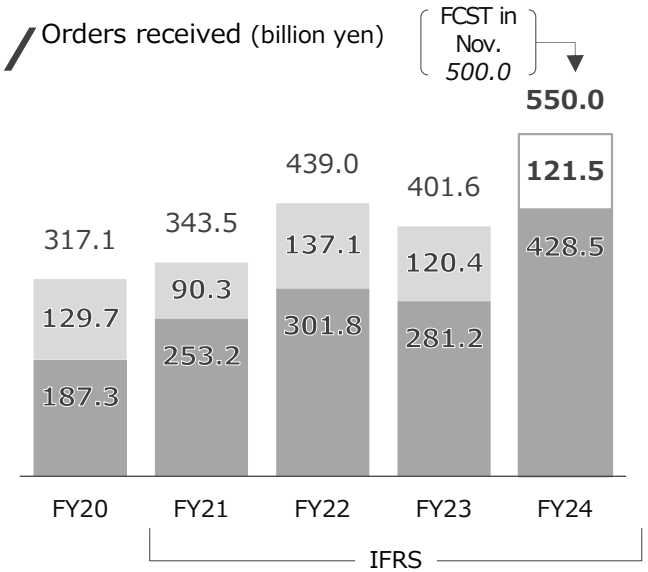
FY2024 forecast (vs. Forecast in August)

Orders received ↗ +¥50.0 Bil.
Revised up due to an increase in domestic municipal waste incineration plants and in MOD

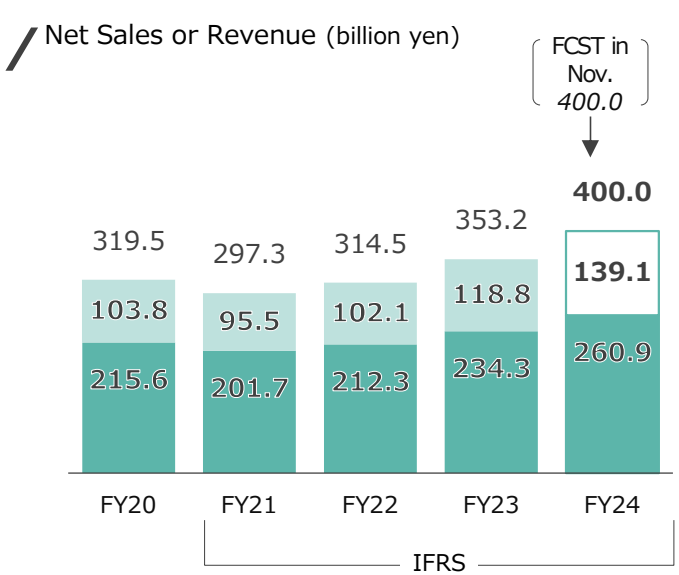
Revenue → ±¥0 Bil.
Expected to remain at the same level

Business profit ↗ +¥8.0 Bil.
Revised up due to improvement of profitability

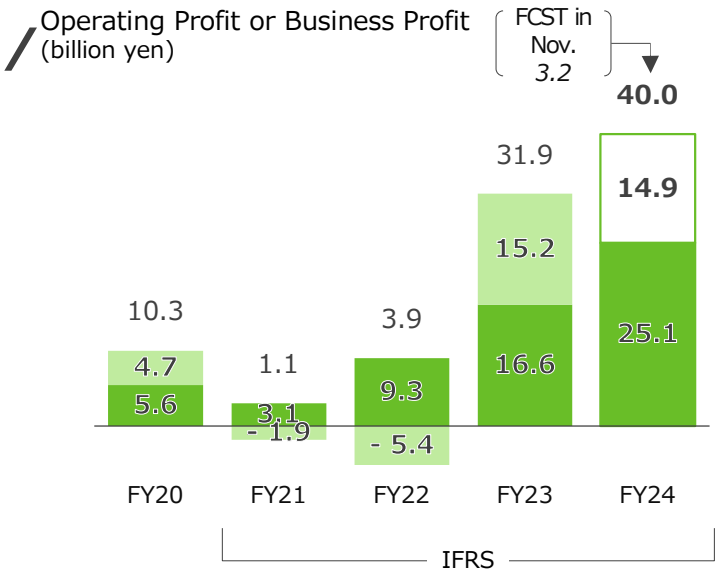
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q3 and lighter areas represent the Q4 cumulative total

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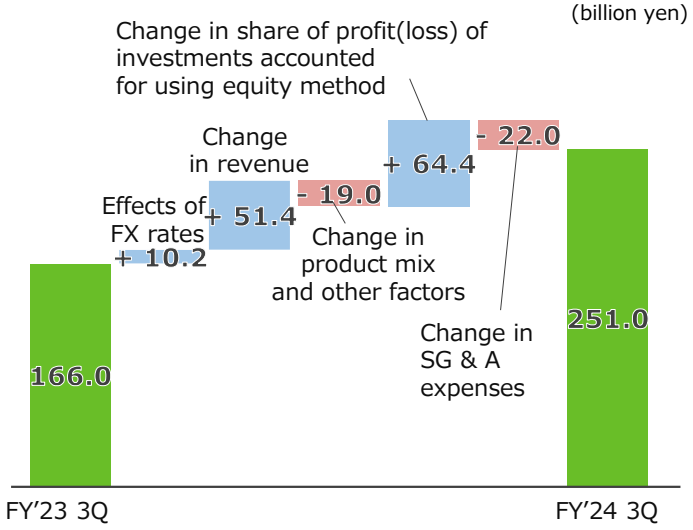
3

Details by Segment
- Energy Solution & Marine Engineering -

(billion yen)

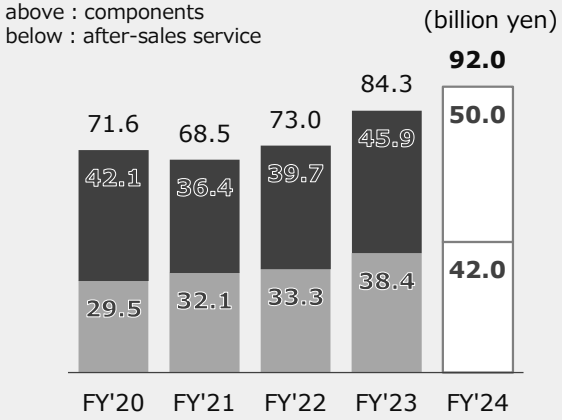
	FY2023 Q3 Actual	FY2024 Q3 Actual	FY2024 Change	FY2023 Actual	FY2024 Forecast Old FCST	FY2024 Forecast New FCST	FY2024 Forecast Chg. Vs. FY23	FY2024 Forecast Chg. Vs. Old FCST	FY2024 Forecast Q4 FCST
Orders Received	281.2	428.5	+ 147.2	401.6	500.0	**550.0**	+ 148.4	+ 50.0	**121.5**
Energy, Plant & Marine Machinery	*246.3*	*242.6*	*- 3.6*	*358.8*	*310.0*	***340.0***	*- 18.8*	*+ 30.0*	***97.4***
Ship & Offshore Structure	*34.8*	*185.8*	*+ 150.9*	*42.7*	*190.0*	***210.0***	*+ 167.3*	*+ 20.0*	***24.2***
Revenue	234.3	260.9	+ 26.6	353.2	400.0	**400.0**	+ 46.8	-	**139.1**
Energy, Plant & Marine Machinery	*165.4*	*190.1*	*+ 24.6*	*260.6*	*310.0*	***310.0***	*+ 49.4*	*-*	***119.9***
Ship & Offshore Structure	*68.8*	*70.8*	*+ 2.0*	*92.5*	*90.0*	***90.0***	*- 2.5*	*-*	***19.2***
Business Profit	16.6	25.1	+ 8.4	31.9	32.0	**40.0**	+ 8.1	+ 8.0	**14.9**
[Margin]	*[7.1%]*	*[9.6%]*	*[+ 2.5pt]*	*[9.0%]*	*[8.0%]*	*[10.0%]*	*[+ 0.9pt]*	*[+ 2.0pt]*	*[10.7%]*
Share of profit (loss) of investments accounted for using equity method	*8.1*	*14.5*	*+ 6.4*	*13.7*	*21.5*	***22.5***	*+ 8.8*	*+ 1.0*	***8.0***

Details of change in Business Profit(Loss)

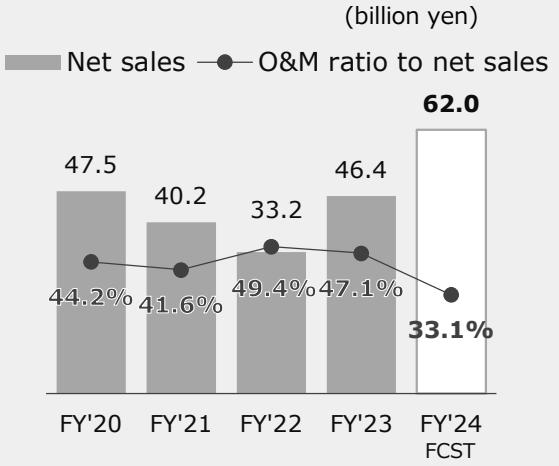


Appendix

Revenue of major products in the energy business



Revenue of municipal waste incineration plants



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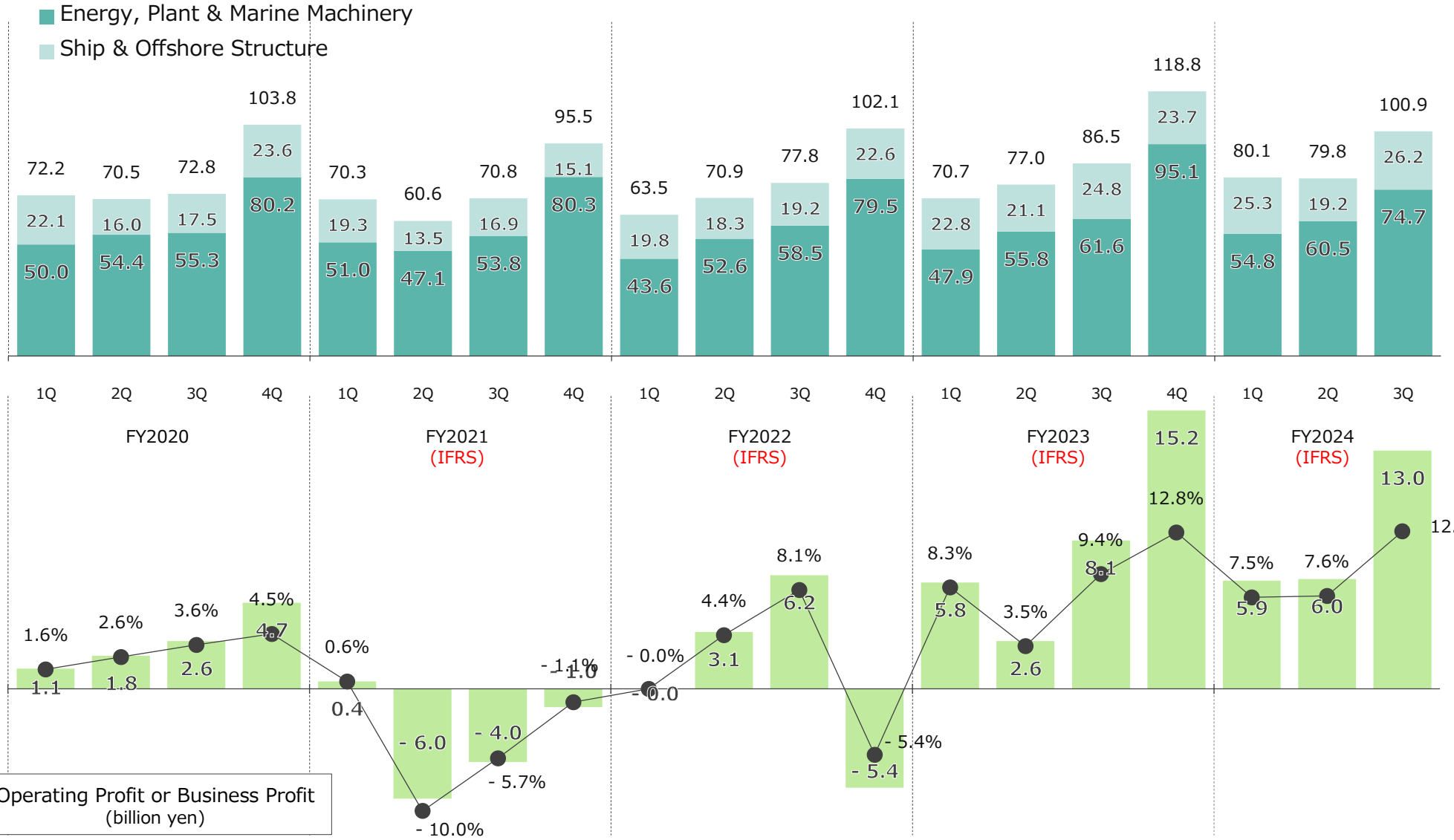
3

Details by Segment
- Energy Solution & Marine Engineering -

Net Sales or Revenue
(billion yen)

Note: Results for the previous fiscal year have been reclassified to the reportable segments after the change.



Operating Profit or Business Profit
(billion yen)

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3 Details by Segment - Energy Solution & Marine Engineering -

Market Overview

- Energy system & Plant Engineering

Domestic	Overseas
- Strong demand for distributed power generation - Continued demand for renewal of aging waste incineration plants	- Strong demand for energy infrastructure development such as distributed power generation in emerging countries - Increased hydrogen-related orders and inquiries in developed countries

- Ship & Offshore Structure

Commercial ships	Submarines and others
- Shipbuilders have filled their berths, and negotiations now focus on future delivery dates - Ship prices continue to be high, affected by the soaring cost of materials and equipment	- Stable orders for submarines are expected

- Entire segment

Risks	Carbon neutrality
– Concerns over the impact of continued increases in raw material prices, materials, equipment and fuel costs, and personnel costs	Inquiries and requests for cooperation are increasing regarding decarbonization solutions such as KCC※1, including hydrogen products

※1 Kawasaki CO_2 Capture: CO_2 Separation and Capture system

Specific Efforts

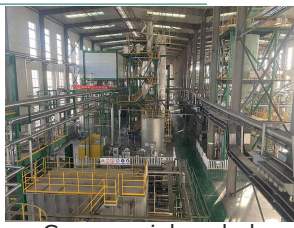
Contribution to realizing a recycling-based society

Topic Development of a recycling system for used automotive lithium-ion batteries (LIB)

Issue Critical minerals shortage due to increased demand for LIB caused by the spread of EVs

Solution A low environmental impact and high recovery rate, high-purity lithium carbonate recovery technology established together with our Chinese partner

Features of the system
- ✓ Both NCM and LFP※2 of waste LIBs can be processed in large quantities
- ✓ Responding to the anticipated increase in LEP waste in China
- ✓ No strong acids or organic solvents are used, and processing is economical and safe with low environmental impact


Commercial-scaled Recycling equipment

Solutions for decarbonized society

Topic World's first Development of 100% hydrogen combustion technology for large gas engines of 5 MW or more

Topic Japan's first Started operation of 7.5 MW class large gas engine with 30% hydrogen co-firing


"KG-18-T" hydrogen Mixed-fuel Large Gas Engine

- Development of hydrogen gas engines as a solution that use hydrogen
- Promoting the development of transition products that can also be used as fuel mixtures with city gas as well as stable technology using 100% hydrogen-fueled combustion

※2 NCM: The main components of the cathode material are lithium, nickel, cobalt, and manganese
LFP: The main component of the cathode material is lithium iron phosphate

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3 Details by Segment - Precision Machinery & Robot -

FY2024.Q3 (vs. FY2023.Q3)

Orders received +¥28.2 Bil.
Increased due to an increase in hydraulic machinery for Chinese construction machinery market and robots for semiconductor manufacturing equipment

Revenue +¥10.1 Bil.
Increased due to an increase in robots for semiconductor manufacturing equipment and in hydraulic marine machinery

Business profit +¥7.6 Bil.
Improved due to an increase in revenue and improvement of profitability

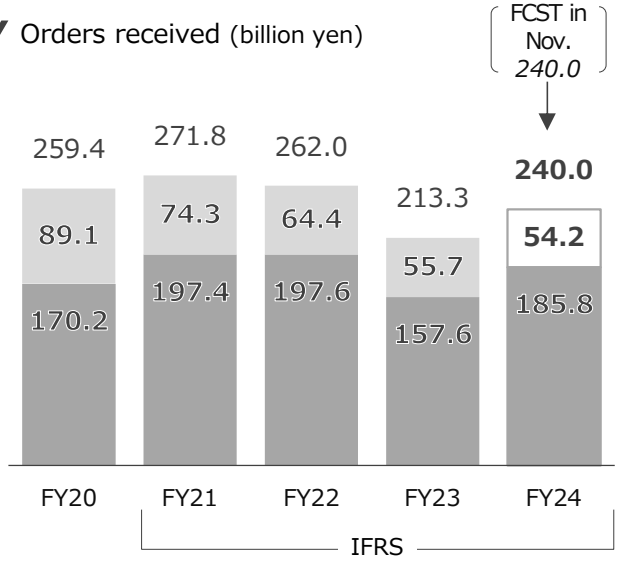
FY2024 forecast (vs. Forecast in August)

Orders received ±¥0 Bil.
Expected to remain at the same level

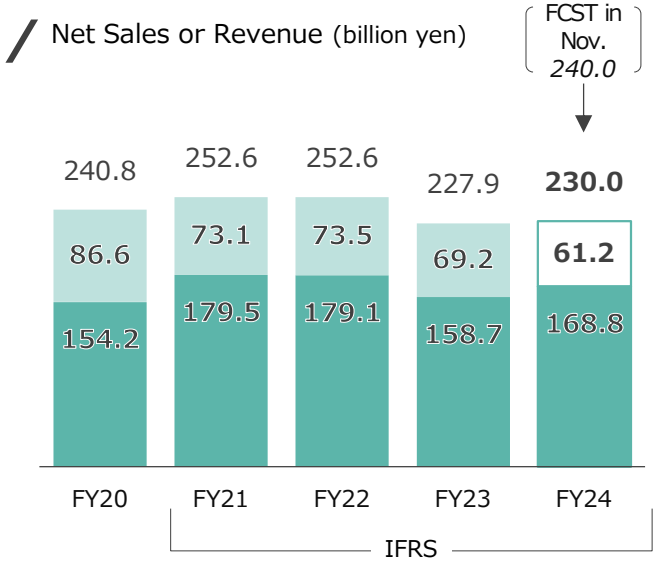
Revenue -¥10.0 Bil.
Revised down due to a decrease in hydraulic equipment for the construction equipment market in developed countries and general-purpose robots

Business profit -¥1.0 Bil.
Revised down due to a decrease in revenue

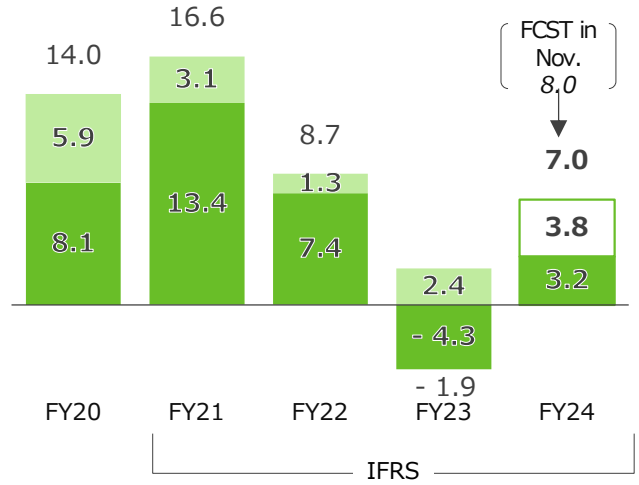
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q3 and lighter areas represent the Q4 cumulative total

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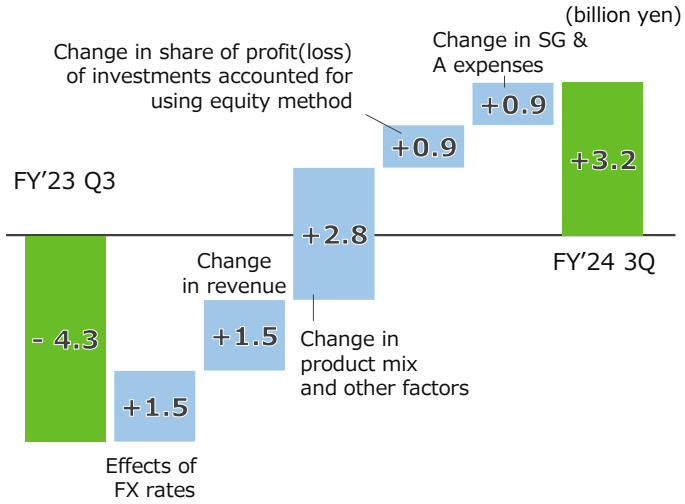
3 Details by Segment - Precision Machinery & Robot -

(billion yen)

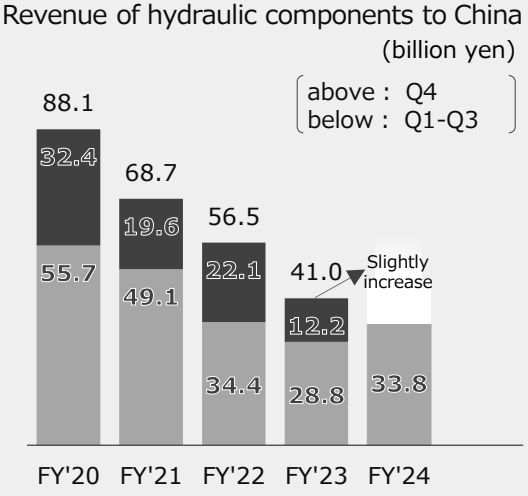
	FY2023 Q3 Actual	FY2024 Q3 Actual	FY2024 Change	FY2023 Actual	FY2024 Forecast Old FCST	FY2024 Forecast New FCST	FY2024 Forecast Chg. Vs. FY23	FY2024 Forecast Chg. Vs. Old FCST	FY2024 Forecast Q4 FCST
Orders Received	157.6	185.8	+ 28.2	213.3	240.0	**240.0**	+ 26.7	-	**54.2**
Hydraulic Components & Systems	*101.8*	*108.6*	*+ 6.8*	*136.1*	*150.0*	***150.0***	*+ 13.9*	*-*	***41.4***
Robotics	*55.7*	*77.1*	*+ 21.4*	*77.2*	*90.0*	***90.0***	*+ 12.8*	*-*	***12.9***
Revenue	158.7	168.8	+ 10.1	227.9	240.0	**230.0**	+ 2.1	- 10.0	**61.2**
Hydraulic Components & Systems	*103.1*	*107.5*	*+ 4.3*	*141.5*	*145.0*	***140.0***	*- 1.5*	*- 5.0*	***32.5***
Robotics	*55.5*	*61.3*	*+ 5.7*	*86.3*	*95.0*	***90.0***	*+ 3.7*	*- 5.0*	***28.7***
Business Profit (Loss)	- 4.3	3.2	+ 7.6	- 1.9	8.0	**7.0**	+ 8.9	- 1.0	**3.8**
[Margin]	*[- 2.8%]*	*[1.9%]*	*[+ 4.6pt]*	*[- 0.9%]*	*[3.3%]*	*[3.0%]*	*[+ 3.8pt]*	*[- 0.3pt]*	*[6.2%]*
Share of profit (loss) of investments accounted for using equity method	*- 2.1*	*- 1.1*	*+ 0.9*	*- 2.5*	*- 2.0*	***- 1.5***	*+ 1.0*	*+ 0.5*	***- 0.4***

Details of change in Business Profit(Loss)



Appendix

Revenue of hydraulic components to China



Revenue of robots by segment※ (billion yen)

above : Q1-Q3 below : Full Year	FY'23	FY'24	Change
Automobile assembly and painting	22.1 38.9	23.2 * 40.5	+ 1.1 + 1.6
Semiconductor	18.5 27.4	24.8 * 35.5	+ 6.3 + 8.1
General robots for industrial use and others	20.1 28.6	19.3 * 27.0	- 0.8 - 1.6
Total	60.8 94.9	67.3 *103.0	+ 6.5 + 8.1

※Including intercompany revenue * Forecast

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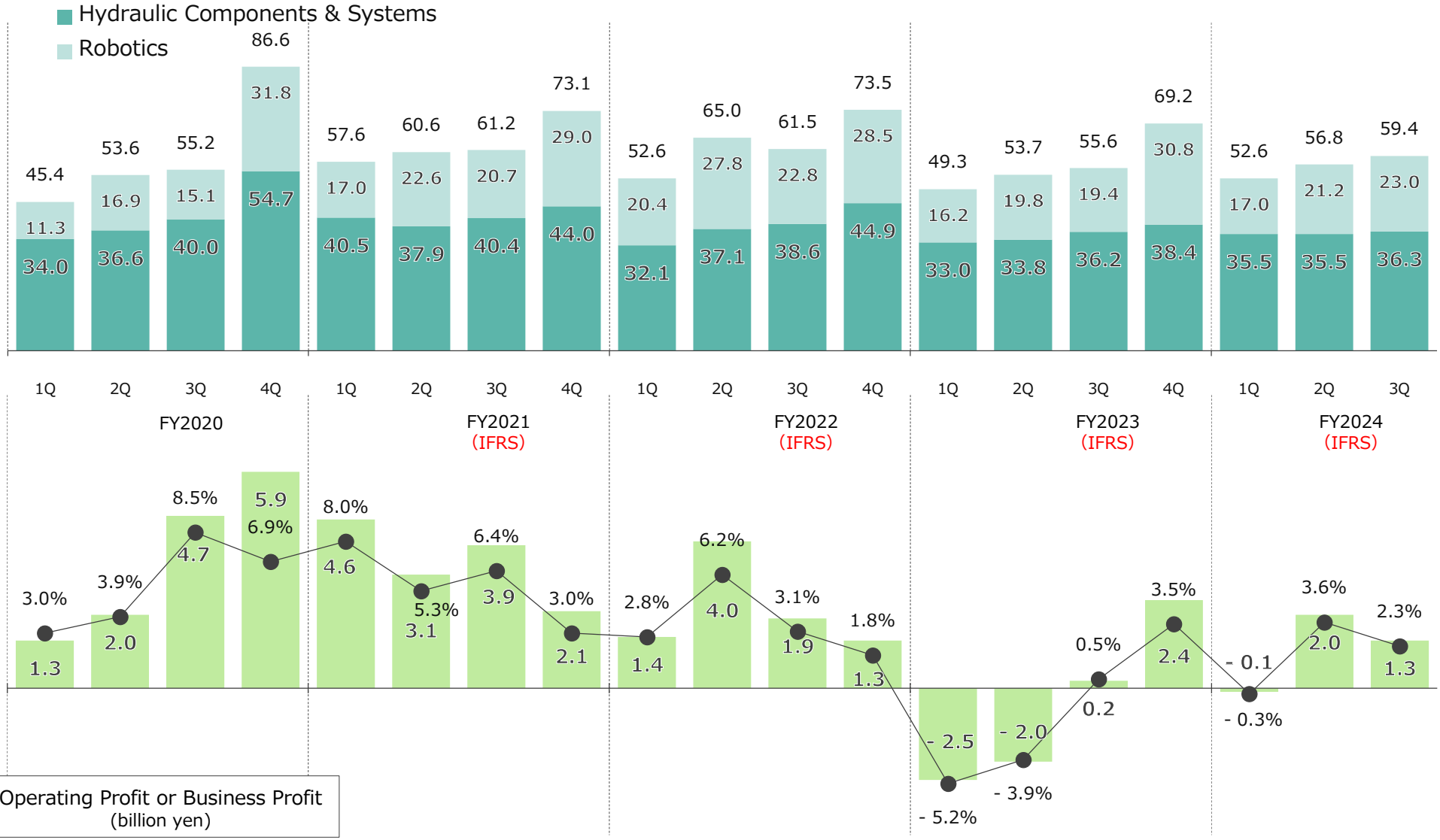
3

Details by Segment
- Precision Machinery & Robot -

Net Sales or Revenue
(billion yen)



Operating Profit or Business Profit
(billion yen)

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3

Details by Segment

- Precision Machinery & Robot -

Market Overview

- Construction machinery

  Sluggish demand in China shows a recovery trend especially in small models

  – Demand outside China is weakening, mainly in Europe and the U.S.

  – Electrification will be promoted due to the environmental regulations

  – Automation and autonomy will be promoted due to a shortage of skilled workers

- Robot

  – General purpose robots

  Demand is sluggish mainly in China,

  but potentially growing due to increasing labor costs and labor shortages

  – Robots for semiconductors

  The temporary decline in the semiconductor memory market has bottomed out and demand is recovering

  – Supply chain risk

  Electronic components shortage and logistics disruption are improving but the prices of electronic components and materials keep high

Specific Efforts

Measures for the development of hydraulic business

Development of new products and market for construction machinery

– Markets development with advanced control technology and development capabilities for electrification and **automation**

Topic



Development of "Excavator Autonomous Construction System"

Achieved the automation of trenching operations at construction sites

Strengthening the after sales business

– Expanding after sales and building and expanding sales networks by leveraging past sales results

Strengthening hydrogen / MOD business

– Development of hydrogen compressors and fuel cell systems

– Expansion of MOD related products inside the company

Strategic Challenges in the Robotics

Concentrated investment in high value-added areas

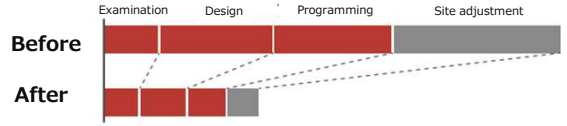
– Development of supply system for full-scale recovery of semiconductor market

Topic

– Expansion of **new fields** (Vacuum process, Back-end process, EFEM, factory automation, etc.)

Programming support software "neoROSET" launched

Optimizing business processes, reducing man-hours, and improving quality associated with the introduction of industrial robots



Strengthening the medical robot business

– Spreading the "hinotori™" (with Medicaroid and Sysmex)

– Differentiation by remote control technology

Strengthening brand

– Accelerated collaboration with unicorn companies

– Promotion of commercialization in the field of social robots

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3 Details by Segment - Powersports & Engine -

FY2024.Q3 (vs. FY2023.Q3)

Revenue +¥12.8 Bil.

Remained at the same level despite a temporary decrease in four-wheelers due to recall※ and production delay, owing to the increase in motorcycles and the impact of the yen's depreciation

Business profit -¥3.2 Bil.

Revised down due to an increase in fixed costs associated with investment for increased production

※ MULE PRO 1000 series (Improved vehicles have already been resumed)

FY2024 forecast (vs. Forecast in August)

Revenue -¥20.0 Bil.

Revised down in consideration of logistics risks and the production status of four-wheelers, despite the significantly strong performance YoY of motorcycles for North America and Europe

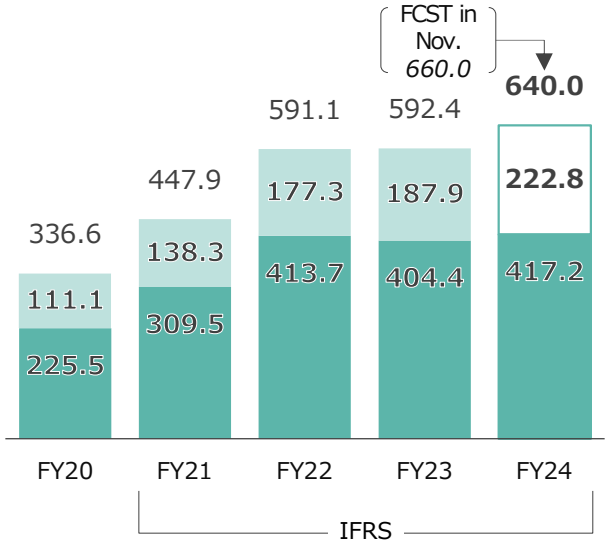
Business profit -¥3.0 Bil.

Revised down due to a decrease in revenue

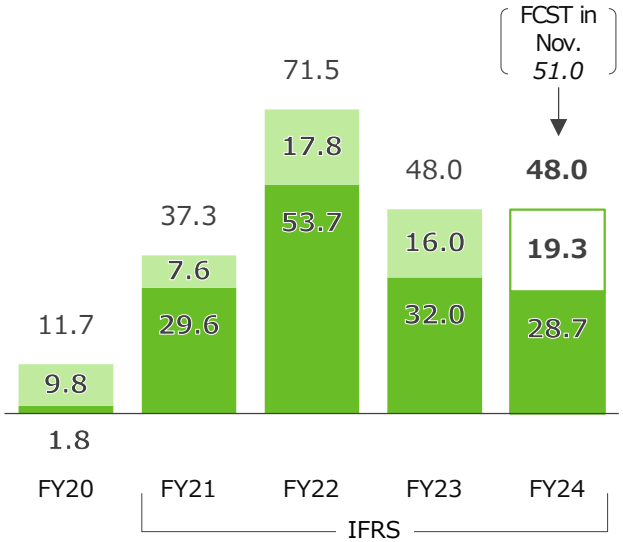
Orders received (billion yen)

Qualitative information and graph are omitted because this segment is mainly engaged in estimated production, and orders received are the same as sales or net sales.

Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q3 and lighter areas represent the Q4 cumulative total

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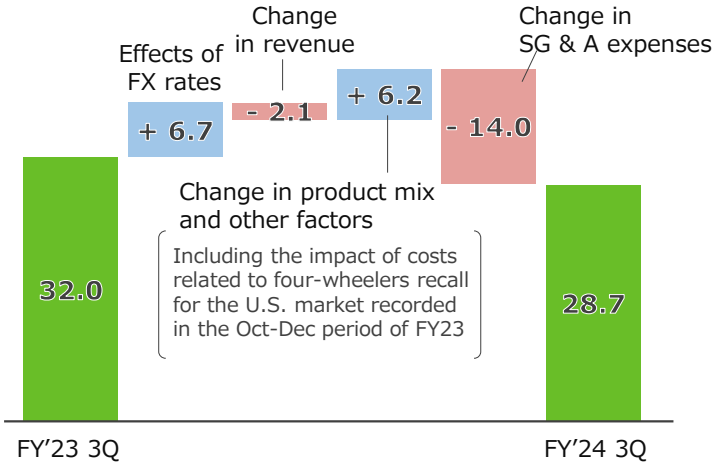
3 Details by Segment - Powersports & Engine -

(billion yen)

	FY2023 Q3 Actual	FY2024 Q3 Actual	FY2024 Change	FY2023 Actual	FY2024 Forecast Old FCST	FY2024 Forecast New FCST	FY2024 Forecast Chg. Vs. FY23	FY2024 Forecast Chg. Vs. Old FCST	FY2024 Forecast Q4 FCST
Revenue	404.4	417.2	+ 12.8	592.4	660.0	**640.0**	+ 47.6	- 20.0	**222.8**
Motorcycles for developed contries	*135.9*	*158.6*	*+ 22.6*	*217.9*	*271.0*	***263.0***	*+ 45.1*	*- 8.0*	***104.4***
Motorcycles for emerging market	*73.7*	*72.6*	*- 1.0*	*103.4*	*112.0*	***107.0***	*+ 3.6*	*- 5.0*	***34.4***
Utility Vehicles, ATVs & PWC	*129.9*	*117.0*	*- 12.9*	*180.6*	*177.0*	***170.0***	*- 10.6*	*- 7.0*	***53.0***
General-purpose gasoline engines	*64.6*	*68.9*	*+ 4.3*	*90.3*	*100.0*	***100.0***	*+ 9.7*	*-*	***31.1***
Business Profit	32.0	28.7	- 3.2	48.0	51.0	**48.0**	-	- 3.0	**19.3**
[Margin]	*[7.9%]*	*[6.9%]*	*[- 1.0pt]*	*[8.1%]*	*[7.7%]*	*[7.5%]*	*[- 0.6pt]*	*[- 0.2pt]*	*[8.7%]*

Details of change in Business Profit

(billion yen)



Appendix

Wholesales of motorcycles by region

(thousand units)

		FY'23 Q3	FY'24 Q3	Change	FY'24(FCST)
Developed countries	Japan	23	18	- 4	
	North America	59	79	+ 20	
	Europe	42	46	+ 3	
	Others※	6	7	+ 1	
Total		131	151	+ 20	260
Emerging countries	Philippines	103	134	+ 31	
	Indonesia	21	16	5	
	Latin America	7	8	+ 0	
	Others※	28	21	- 7	
Total		161	180	- 18	275
Four-wheeler・PWC	North America and Others	63	47	- 15	80

Note : The following table shows the trend of YoY changes in motorcycles of developed and emerging countries and regions included in "Others"

Australia :
China :
Thailand :

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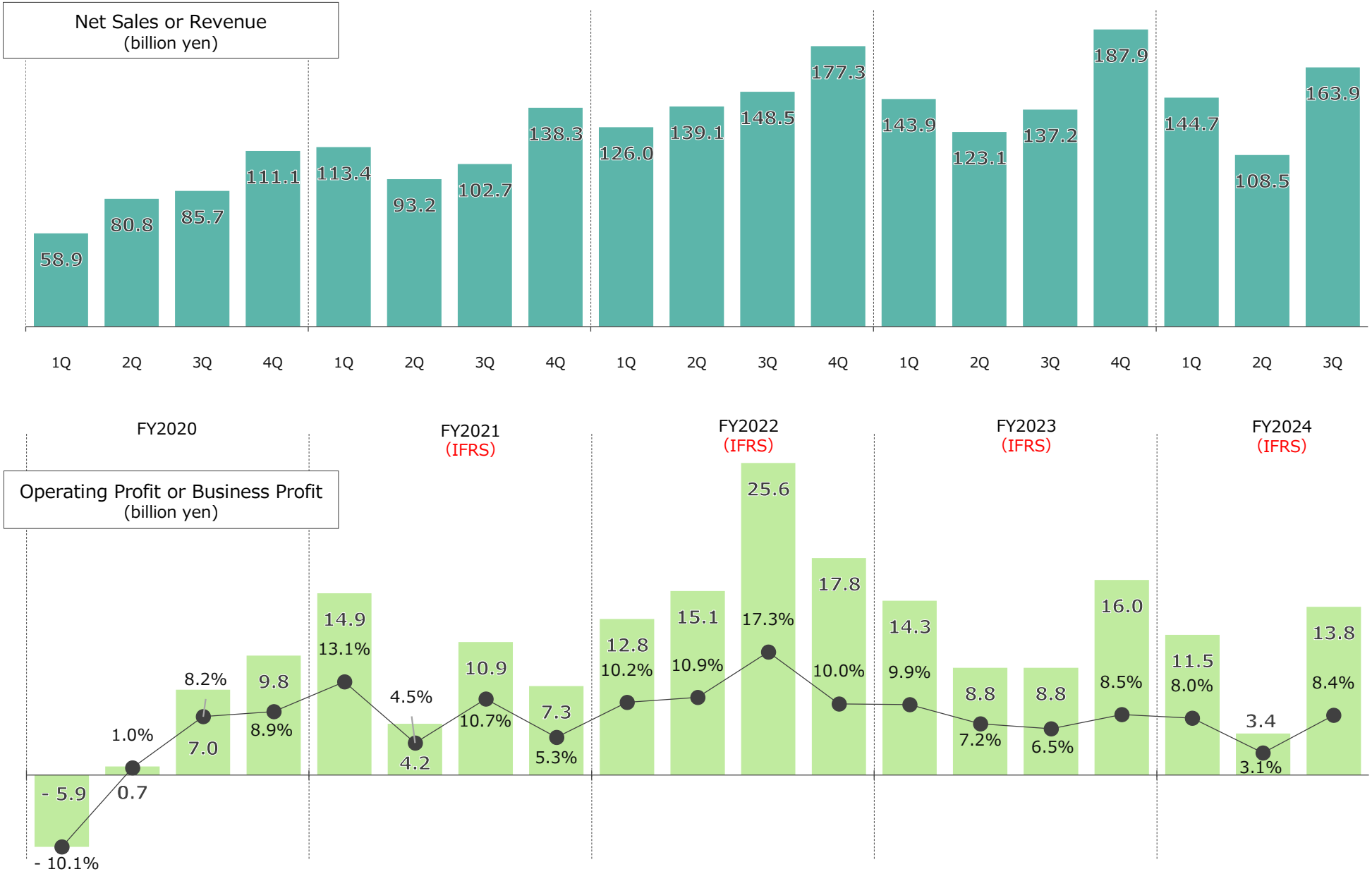
3

Details by Segment
- Powersports & Engine -



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3

Details by Segment

- Powersports & Engine -

Market Overview

- U.S. (Motorcycles)
  - While the street model market remained firm, the off-road model market softened
  - Each company's aggressive product supply has intensified competition
  - Despite concerns regarding the additional tariff measures by the new U.S. administration, the outlook remains uncertain
- U.S. (Four-wheelers)
  - Market is expected to grow over the medium to long term, but is currently on a downward trend due to a reaction to the special demand during the pandemic and competition is intensifying
- Europe
  - The retail market remains strong, and our market share is growing due to recovery of supply capacity and launch of new models
- Southeast Asia
  - Sports segment remains at low level, while recovering in some regions

Specific Efforts

Supplying products as much as demanded

- Continuous introduction of new models
- Flexible change of production and sales plans according to sales conditions
- Maintaining appropriate inventory levels



Sales of new models "W 230" and "MEGURO S 1" (November 2024)

Expansion of the four-wheeler business and electrification

- Investment in development to enhance product competitiveness
- Maximizing the increased production capacity enabled by the new plant in Mexico
- Launch of BEVs and HEVs
- Contributing to the realization of a carbon-neutral society through all options in addition to electrification



New 2-row model added to "RIDGE" series to meet outdoor demand of families

Promoting business process re-engineering through DX

- Achieving agile management through digitalization
- Shortened development time and reduced development costs using digital technology

Securing Free Cash Flows

- Aiming to secure stable FCF for future investment

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4 Shareholder Return

Dividend Policy

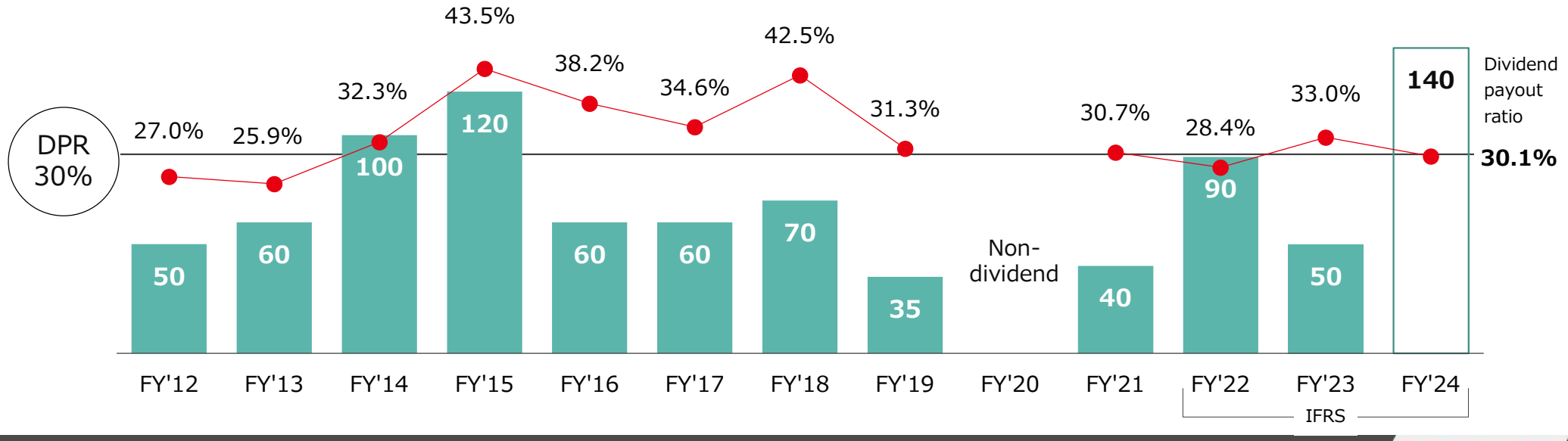
The medium- to long-term consolidated dividend payout ratio **30%**

1. Comprehensively considering the following points - future business forecasts, financial conditions such as free cash flow and debt-to-equity ratio, and other factors
2. Stable dividends

Dividend for FY2024

- Business profit forecast is unchanged
- Business performance is steady

Annual dividend per share is not changed from the previous forecast of **140 yen** (dividend payout ratio 30.1%)



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4 Project Topics

Entry into Civil Aircraft Engine Maintenance (MRO※) Business

- The Civil Aircraft engine business is expanding its scope from its traditional focus on development and component manufacturing to enter MRO business
- Starting with the maintenance and overhaul of PW1100G-JM engines, Kawasaki is aiming to ramp up to servicing **50+** units per year by FY2031

※ MRO: Maintenance, Repair, and Overhaul

Business Environment and Issues in the Aircraft Engine Industry

Environment: Increase in the number of operating aircraft due to recovery and growth of air passenger demand

Issue: Global Shortage of Maintenance Capacity
(The resolution of the in-service issues of PW1100G-JM Engine is also impacting the increase in load.)

High-quality services that integrate all of Kawasaki's technology

Sophisticated technological strengths fostered through experience in various civil aircraft engine programs × Extensive knowledge and experience gained through engine maintenance for the Ministry of Defense × Automation methods derived from Kawasaki robotics technologies

Civil Aircraft Engine MRO Business Overview

Target engine
PW1100G-JM
Aiming for future expansion into other engine programs

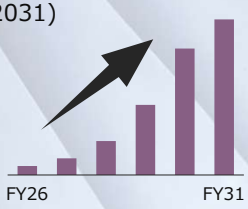


Photo by:
Japanese Aero Engines Corporation

Maintenance system
Disassembly, assembly, cleaning, and inspection : in Seishin Works
Parts repair and Pre-shipment test run : in Akashi Works

CAPEX (until FY 2026)
Approx. 7 billion yen
In FY2024, investments started in stages, starting with equipment for assembly, disassembly, cleaning, and inspection

Target Revenue (by FY2031)
20+ Bil.yen /year



Our Press Release:
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20241120_1533

Photo by:
RTX Corporation, Pratt & Whitney Division

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4 Project Topics

Kawasaki Hydrogen NEWS



Click image to play YouTube

The future envisioned with hydrogen engine motorcycles

Development of the world's first 100% hydrogen combustion technology for large gas engines of 5 MW or more

In October 2024 —We have developed technology※1 that enables stable combustion of large gas engines with a power output of 5 MW or more using only hydrogen as fuel.

Aiming for commercialization around 2030, optimization and design for product mounting will proceed.

※1 Maintains output equivalent to that of natural gas



Successfully Completes Test of Small, Hydrogen-fueled Aircraft Engine

In October 2024 — Successfully completed the operational test of a small, 100% hydrogen-fueled aircraft engine as part of the Core Technology Development for Hydrogen Aircraft, selected as a next-generation aircraft development project by the NEDO Green Innovation Fund

The core technology development period of this project will be 10 years from 2021, and a ground demonstration test is planned in 2030.

※2 New Energy and Industrial Technology Development Organization

Our Press Release:
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20241017_0441

Airbus, Kansai Airports, Kawasaki Heavy Industries to accelerate readiness of hydrogen aircraft operations in Japan

In October 2024 — Airbus, Kansai Airports, and Kawasaki have signed a Memorandum of Understanding (MoU) to study the feasibility of hydrogen infrastructure at three airports※3 operated in the Kansai region.

The approach to the challenges identified will be clarified through potential demonstration projects to be launched.

※3 Kansai International Airport, Osaka International Airport, and Kobe Airport

Our Press Release:
https://global.kawasaki.com/news_241018-1e.pdf

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4 Project Topics

CO-CREATION PARK – “KAWARUBA”

Grand Open at HANEDA INNOVATION CITY (on November 6th)

Q What is “KAWARUBA”?

It is a “co-creation hub” where diverse individuals unite beyond organizational boundaries to spark innovation and aim for the societal implementation of new services as solutions for social issues

Q How will you utilize “KAWARUBA”?

In “KAWARUBA”, we have started collaborating with startups, local governments and public agencies to accelerate **Social Robots** and the promotion of **hydrogen energy**.



Opening ceremony

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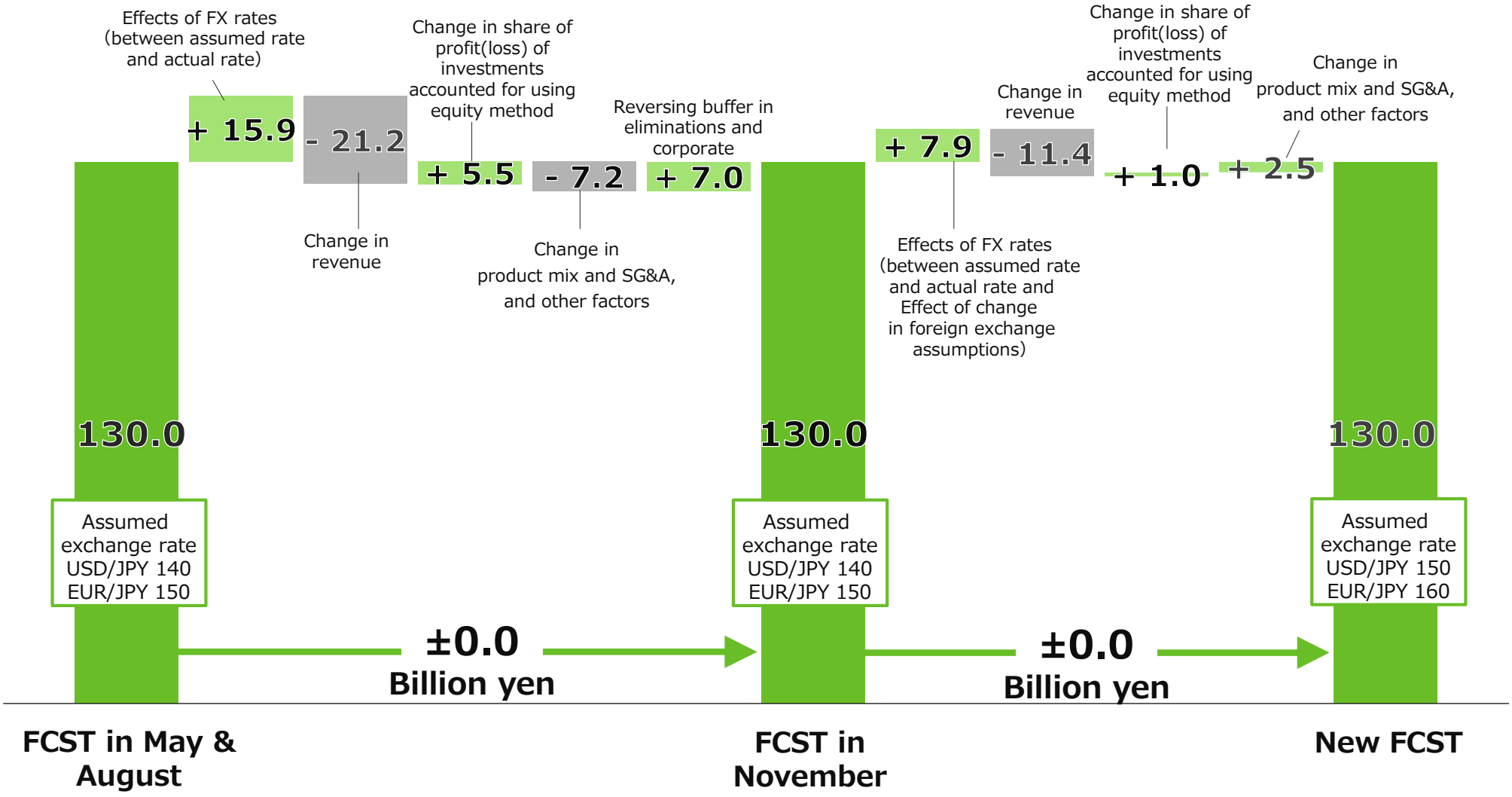
4 Appendix
- Details of change in business profit (FY2024 forecast) -



※ Each factor of change is approximate values calculated by our company based on certain criteria. Effects of foreign exchange rates are calculated for USD and EUR, and those of other currencies are included in "Change in product mix and SG&A, and other factors"

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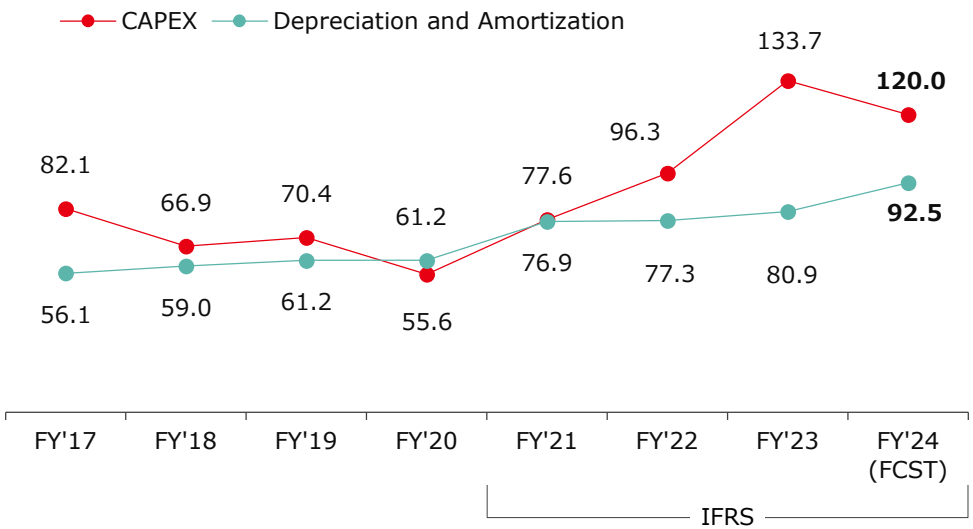
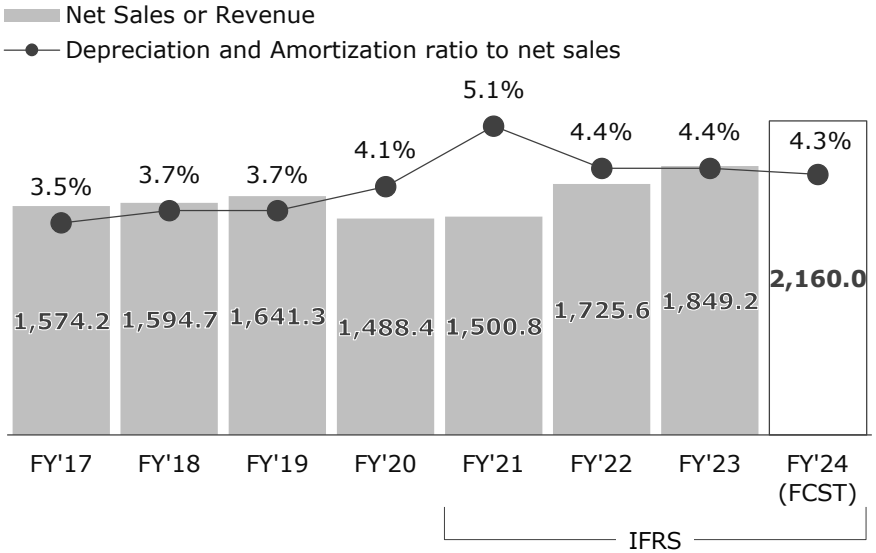
4 Appendix
- CAPEX, Depreciation and Amortization, R&D Expenses, Number of employees -

(billion yen, persons)

	FY2023	FY2024		FY2023	FY2024	
	Q3 Actual	**Q3 Actual**	Change	Actual	**FCST**	Chg. Vs. FY23
CAPEX	91.7	**93.6**	+ 1.8	133.7	**120.0**	- 13.7
Depreciation and amortization	61.0	**65.7**	+ 4.7	80.9	**92.5**	+ 11.6
R & D expenses	36.6	**39.3**	+ 2.7	53.5	**63.5**	+ 10.0
Number of Employees				39,689	**41,590**	+ 1,901
Domestic				28,099	**29,570**	+ 1,471
Overseas				11,590	**12,020**	+ 430





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4 Appendix
- Others -

- **Order received by quarter** (billion yen)

	FY2022				FY2023				FY2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Aerospace Systems	60.4	65.1	75.1	144.7	118.7	74.4	139.2	360.0	88.2	121.7	470.1
Aerospace	45.9	46.4	48.0	113.4	104.4	98.0	108.0	246.3	54.3	58.4	435.6
Aero Engine	14.4	18.7	27.0	31.3	14.2	-23.6	31.2	113.7	33.9	63.3	34.5
Rolling Stock	11.7	27.6	255.0	18.8	16.4	13.6	11.7	46.9	17.0	10.7	13.2
Energy Solution & Marine Engineering	124.5	113.8	63.4	137.1	102.3	116.0	62.8	120.4	121.8	89.2	217.4
Energy, Plant & Marine Machinery	94.3	96.6	44.9	56.6	94.7	93.2	58.2	112.5	56.5	88.4	97.6
Ship & Offshore Structure	30.1	17.2	18.4	80.5	7.5	22.7	4.5	7.8	65.3	0.7	119.7
Precision Machinery & Robot	67.9	71.5	58.0	64.4	54.0	49.0	54.6	55.7	61.6	63.0	61.2
Hydraulic Components & Systems	37.6	43.1	37.4	36.4	36.6	30.9	34.3	34.2	36.0	38.8	33.7
Robotics	30.3	28.4	20.6	27.9	17.3	18.1	20.2	21.4	25.6	24.1	27.4
Powersports & Engine	126.0	139.1	148.5	177.3	143.9	123.1	137.2	187.9	144.7	108.5	163.9
Others	21.3	37.1	9.6	18.3	21.7	27.0	23.5	22.1	23.3	45.1	0.5
Total	412.0	454.5	609.9	560.9	457.3	403.4	429.2	793.3	456.8	438.4	926.5

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4 Appendix
- Others -

- **Orders received and Revenue for Ministry of Defense** (billion yen)

	FY2023	FY2024		FY2023	FY2024 Forecast			
	Q3 Actual	**Q3 Actual**	Change	Actual	Old FCST	**New FCST**	Chg. Vs. FY23	Chg. Vs. Old FCST
Orders Received	284.6	**616.4**	+ 331.8	553.0	651.5	**728.0**	+ 175.0	+ 76.5
Aircrafts and others	*194.1*	***462.2***	*+ 268.1*	*396.6*	*503.0*	*548.5*	*+ 151.9*	*+ 45.5*
Aero Engines	*15.0*	***26.9***	*+ 11.9*	*52.4*	*23.5*	*32.5*	*- 19.9*	*+ 9.0*
Submarine & Naval propuls	*75.5*	***127.3***	*+ 51.8*	*104.0*	*125.0*	*147.0*	*+ 43.0*	*+ 22.0*
Revenue	185.2	**241.6**	+ 56.4	288.5	406.0	**409.0**	+ 120.5	+ 3.0
[Ratio to the company's total revenue]	*[15.1%]*	*[17.2%]*		*[15.6%]*	*[18.6%]*	*[18.9%]*		
Aircrafts and others	*122.2*	***161.8***	*+ 39.6*	*192.3*	*288.0*	*290.0*	*+ 97.7*	*+ 2.0*
Aero Engines	*10.3*	***16.9***	*+ 6.6*	*17.5*	*26.0*	*25.5*	*+ 8.0*	*- 0.5*
Submarine & Naval propuls	*52.7*	***62.9***	*+ 10.2*	*78.7*	*92.0*	*93.5*	*+ 14.8*	*+ 1.5*

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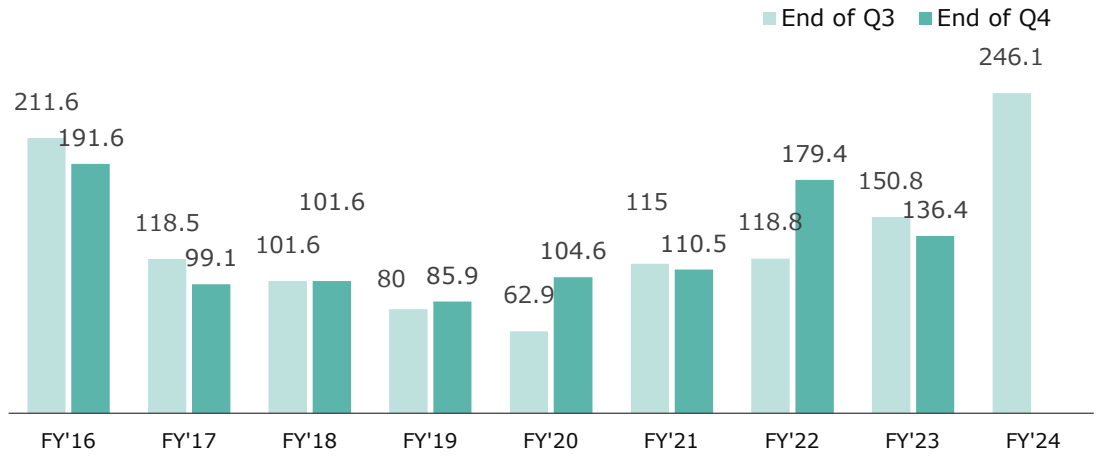
4 Appendix
- Others -

● Order Backlog (billion yen)

	FY23 Q3 Actual	FY24 Q3 Actual	Change
Aerospace Systems	846.3	**1,329.7**	+ 483.3
Rolling Stock	490.0	**397.0**	- 93.0
Energy Solution & Marine Engineering	682.0	**847.9**	+ 165.9
Precision Machinery & Robot	97.1	**100.6**	+ 3.5
Powersports & Engine	-	**-**	-
Others	40.0	**44.8**	+ 4.8
Total	2,155.5	**2,720.1**	+ 564.5

● Order Backlog in Ship & Offshore (billion yen)



● Revenue by Region (billion yen)

	FY23 Q3 Actual	FY24 Q3 Actual	Change
Japan	482.7	**561.6**	+ 78.8
USA	363.6	**447.0**	+ 83.3
Europe	119.1	**143.0**	+ 23.8
Asia	181.7	**193.8**	+ 12.1
Other	81.6	**61.8**	- 19.8
Total	1,229.0	**1,407.3**	+ 178.2

※ Classified by country or region based on the customer's location.

● Ship Orders Received and Delivery Year (number of ships)

	FY'24 Received Orders	Delivery Year: FY'24 Actual Q3	Delivery Year: FY'24 4Q Plan	Delivery Year: FY'25 Plan	Delivery Year: FY'26～ Plan	Order Backlog
LPG Carrier	6	2	1	4	8	13
Submarine	1		1		2	3
Others						
Total	7	※1 2	2	4	10	※2 16

※ 1 Delivered in FY'24 Q3 : 100,800GT
※ 2 Order Backlog : 655,200GT *Submarines are excluded

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4 Appendix
- Others -

- **Amount of foreign currency that affects business profit and loss** ※1

(billion USD / EUR)

		FY2023 Q3Actual	FY2024 Q3Actual	FY2024 Q4 FCST
USD	Aerospace Systems	0.35	※2 **0.50**	- 0.10
	Rolling Stock	0.17	**0.25**	0.08
	Energy Solution & Marine Engineering	0.22	**0.18**	0.04
	Precision Machinery & Robot	0.09	**0.10**	0.04
	Powersports & Engine	0.41	**0.50**	0.08
	Total	1.24	※2 **1.53**	0.14
EUR		0.38	**0.40**	0.14

※1 The amount of foreign currency (only USD and EUR) that affects business profits due to exchange rate fluctuations.
(Calculated by deducting foreign currency denominated purchases from foreign currency denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include foreign currency denominated revenue of loss provisions))

(Ex) Business profit increases or decreases by 1 billion yen if the exchange rate changes to 1 yen weaker or stronger against USD when the foreign currency amount is 1 billion USD.

※2 Excluding refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine

- **Weighted-average Exchange Rates** (EUR / JPY)

FY2022 actual	141.38
FY2023 actual	157.09
FY2024 Q3 actual	164.02
FY2024 Q4 forecast	160.00

<Formulas for Calculating ROIC>

After-tax ROIC = { Profit attributable for owners of parent + Interest expenses × (1 − Tax rate)} ÷ Invested capital※3

※3 Invested Capital = Average net debt at beginning and end of period + average equity at beginning and end of period

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