

# Management Overview

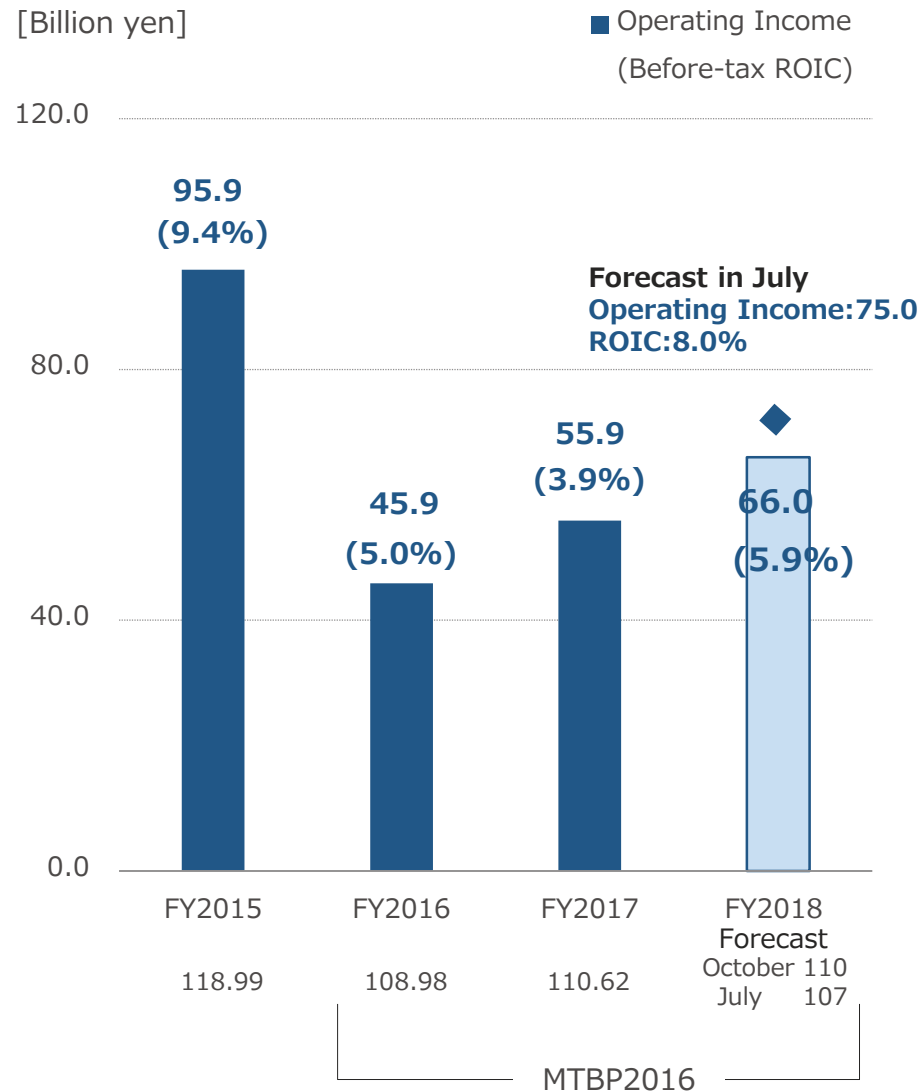
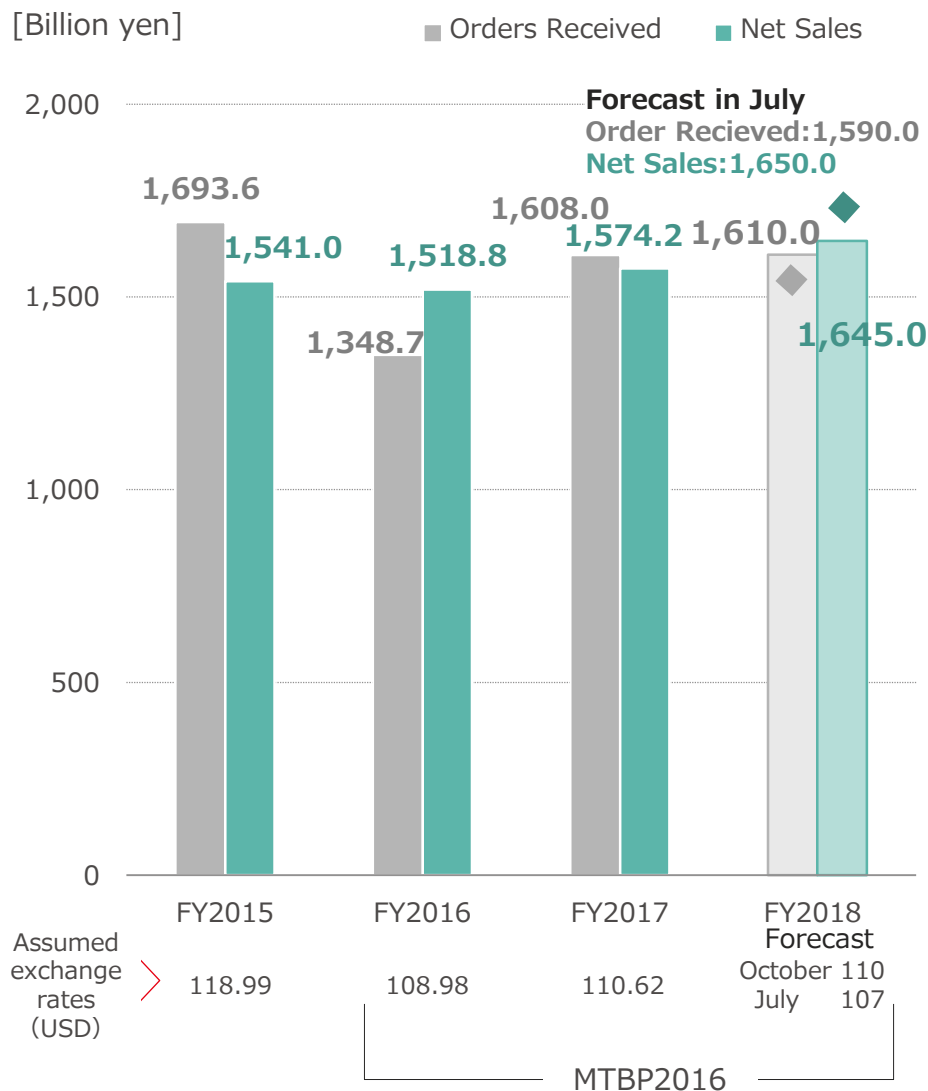
October 30, 2018

Kawasaki Heavy Industries, Ltd.



Powering your potential

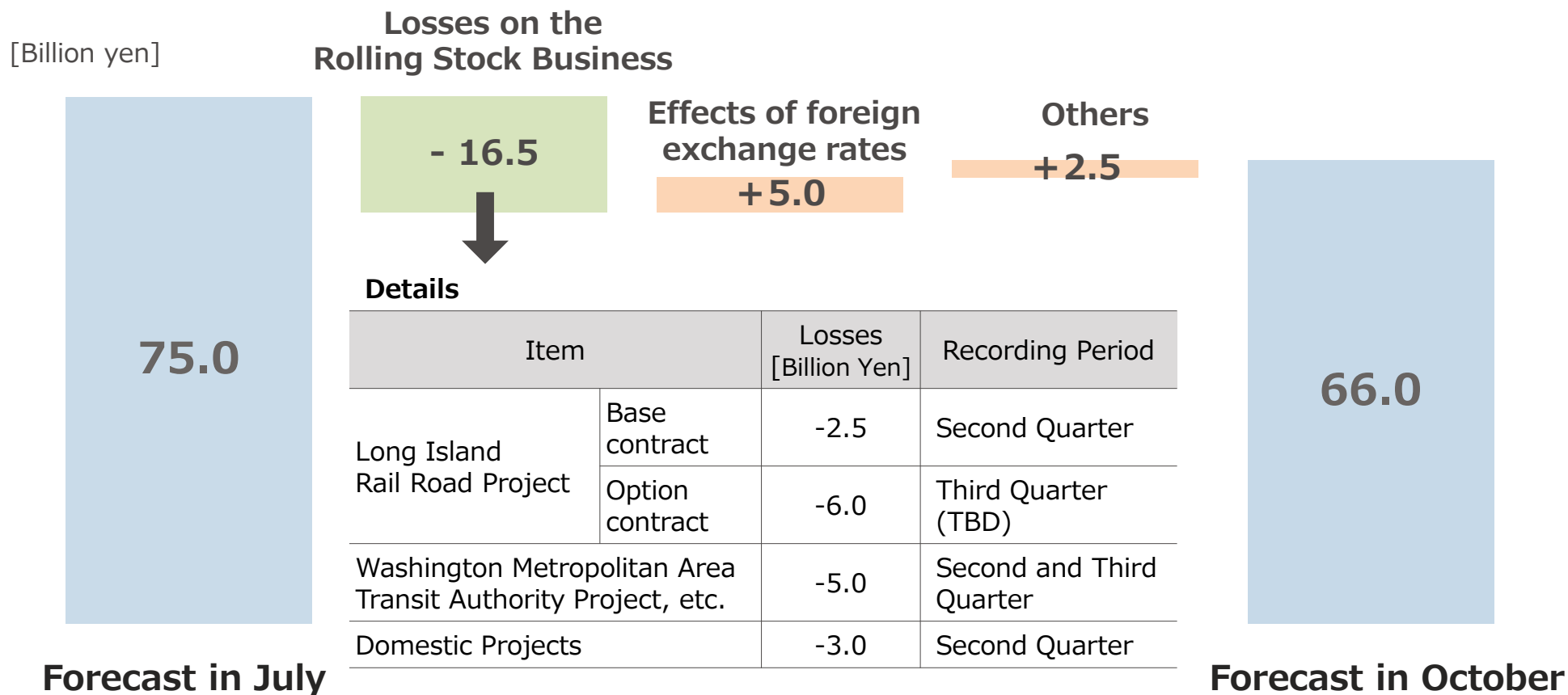
# Progress of Medium-Term Business Plan "MTBP2016"



# Details of Change in Operating Income Forecast

## • Operating Income Forecast

- Compared to the forecast in July: – 9.0 Billion yen  
(July: 75.0 Billion yen ⇒ October: 66.0 Billion yen)



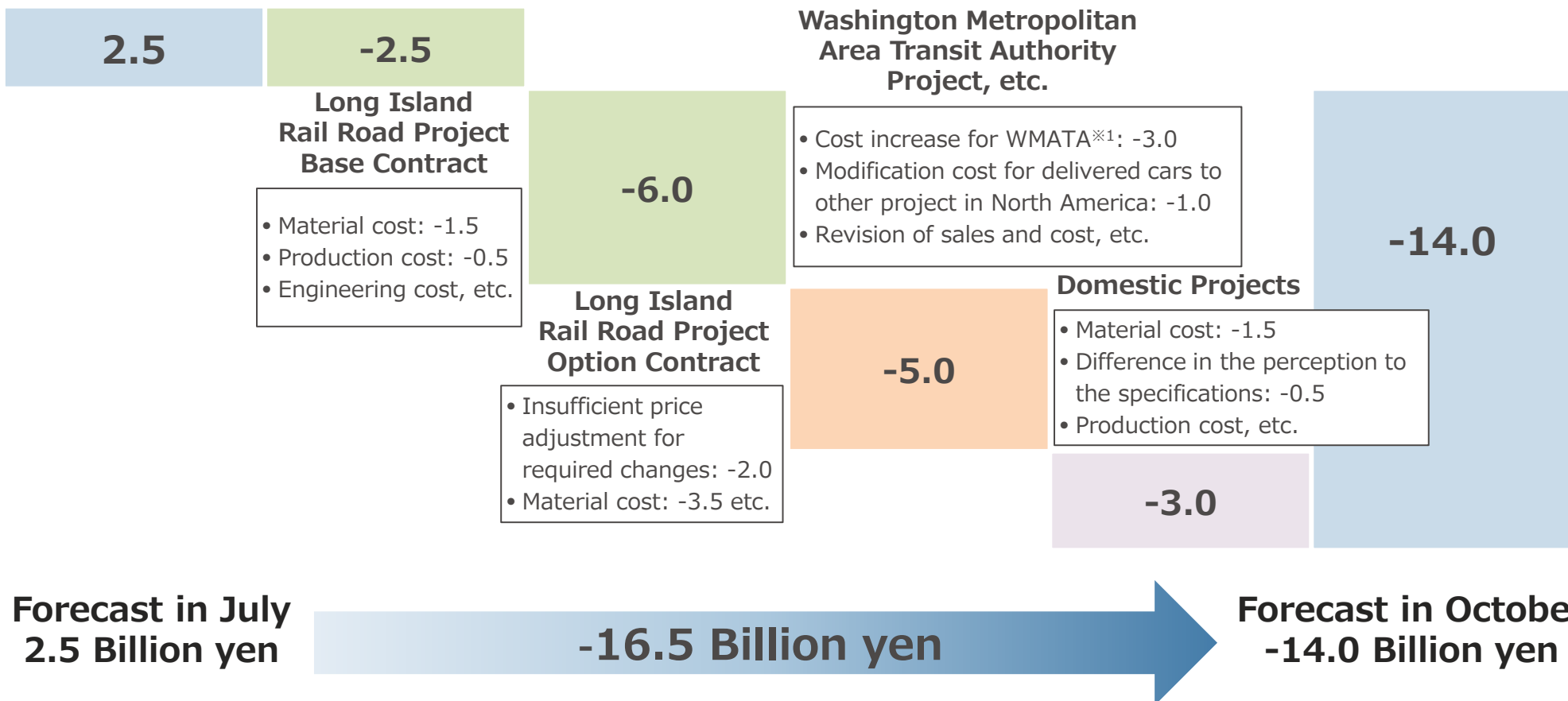
# Details of Change in Operating Income Forecast (Con't)

## • Operating Income Forecast at the Rolling Stock Business

– Compared to the forecast in July: – 16.5 Billion yen

(July: 2.5 Billion yen ⇒ October: - 14.0 Billion yen)

[Billion yen]



※1. WMATA = Washington Metropolitan Area Transit Authority

# Structure of Rolling Stock Business Restructuring Committee

Rolling Stock Business Restructuring Committee			
Function		Member	
Preside over restructuring business	Make a reinforcement plan of governance	<ul style="list-style-type: none"> <li>•Head Office President, Vice President, General Manager of Corporate Planning and Finance &amp; Accounting Division</li> <li>•Rolling Stock Company President, Vice President, General Manager of Business Planning &amp; Control Division</li> </ul>	
Monitor sub-committees' status	Consider organizational structure & increasing headcount		

Business Condition & Profit Management Sub-committee			
Function		Member	
Deliberate order received & Report status of order received	Follow up on profit management	<ul style="list-style-type: none"> <li>•Head Office Vice President, General Manager of Corporate Planning and Finance &amp; Accounting Division, Corporate Planning Department</li> <li>•Rolling Stock Company President, Vice President, General Manager of Business Planning &amp; Control Division</li> </ul>	
Follow up on performance of major projects' contract	Follow up on profitability improvement measures		

Reviewing Project Management Sub-committee			
Function		Member	
① Analyze unprofitable projects	Improve business process through ① & ②	<ul style="list-style-type: none"> <li>•Head Office Vice President, General Manager of Corporate Technology Division, Auditing Department</li> <li>•Rolling Stock Company President, Vice President, General Manager of Business Planning &amp; Control Division</li> <li>•Aerospace Systems Company</li> <li>•Energy System &amp; Plant Engineering Company</li> </ul>	
② Review problems by phase			

# Kawasaki, Working as one for the good of the planet

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.