

**Revision of the Outlook for Performance  
for the Fiscal Year Ending March 31, 2020**

Tokyo, September 30, 2019-Kawasaki Heavy Industries, Ltd. (hereinafter, “KHI”) hereby announces that KHI has revised its full-year consolidated business forecast for the Fiscal Year ending March 31, 2020 (FY2019) announced on July 30, 2019, as follows.

1. Revision of the outlook for performance of FY2019

	Net sales (Mil. yen)	Operating Income (Mil. yen)	Recurring Profit (Mil. yen)	Net income attributable to owners of parent (Mil. yen)	Earnings per share (Yen)
Previous forecast announced on July 31, 2019 (A)	1,700,000	72,000	61,000	38,000	227.48
Revised forecast announced today (B)	1,660,000	56,000	41,000	25,000	149.66
Change (B-A)	(40,000)	(16,000)	(20,000)	(13,000)	—
Change (in %)	(2.3)	(22.2)	(32.7)	(34.2)	—
Results for FY2018 (for reference only)	1,594,743	64,023	37,861	27,453	164.34

2. Reason for the revision

Net sales are expected to decrease by 40 billion yen to 1.66 trillion yen from the previously announced forecast (July 30) due to a decrease in sales of hydraulic equipment for construction machinery in the precision machinery business and a decrease in sales of semiconductor-related robots in the robotics business, in addition to a decrease in sales resulting from a revision of the assumed exchange rate from 110 yen to 107 yen per dollar and from 125 yen to 118 yen per euro. Operating income is expected to decrease by 16 billion yen to 56 billion yen due to foreign exchange gains and a decline in sales in the precision machinery and robotic business. Recurring profit is expected to decrease by 20 billion yen to 41 billion yen due to a decline in operating profit and an increase in foreign exchange losses. Net income attributable to owners of parent is expected to decrease by 13 billion yen to 25 billion yen.

KHI do not change the annual dividend forecast due to the revision of this outlook.

(Note regarding outlook for performance)

The above outlook is based on information available at the time of preparation, and includes risks and uncertainties. KHI therefore discourages making investment decisions depending solely on this outlook. Please note that actual earnings may differ materially from this outlook, due to a variety of important factors stemming from changes in the external environment and/or the KHI's internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the KHI's scope of business, foreign exchange rates in particular the yen/US dollar exchange rate, tax codes and other regulatory system-related issues.

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