

**Notice Regarding Revised Forecast of Year-End Dividends
for the Fiscal Year Ending March 31, 2020**

Kawasaki Heavy Industries, Ltd. (hereinafter, "KHI"), hereby announces that the resolution passed at the meeting of the Board of directors held on May 12, 2020 to forgo a year-end dividend for the Fiscal Year Ending March 31, 2020.

Details are as follows.

1. Revised forecast of year-end dividends

Record date	Dividend per share (yen)		
	September 30,2019	March 31,2020	Full-year
Previous forecast (announced February 6, 2019)	-	35.0	70.0
Revised forecast	-	0.0	35.0
Actual result	35.0	-	-
Previous result for fiscal2018	35.0	35.0	70.0

2. Reasons for revised forecast of year-end dividends

To ensure an appropriate balance of increases in shareholder value and return of profit to shareholders through distribution of dividends, KHI comprehensively takes into account its financial position in terms of factors including free cash flow and debt-to-equity ratio as well as the forecast of its operating results. As a result, it established a benchmark of 30% for the consolidated dividend payout ratio in the medium to long term.

Net income attributable to owners of parent decreased by 6.4 billion yen to 18.6 billion yen from the previously announced forecast (February 6) mainly as a result of the partial reversal of deferred tax assets due to the impact of the spread of COVID-19.

Furthermore, the expansion of COVID-19 has had an enormous impact on the KHI Group's performance. It is with great regret that KHI decides not to provide a year-end dividend because securing liquidity on hand is the most pressing issue at the present time.

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