

Kawasaki Heavy Industries, Ltd.

NO.2022013

May 10, 2022

Notice Regarding Differences between Consolidated Earnings Forecasts for the Fiscal Year Ended March 31, 2022 and Actual Results for the Same Period, and Dividends from Retained Earnings (Dividend Increase)

Kawasaki Heavy Industries, Ltd. ("Kawasaki") hereby notifies the differences between the consolidated earnings forecasts for the fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022; FY 2021) announced on February 2, 2022 and the actual results for the same period announced today and the dividends of retained earnings as follows. Dividends from retained earnings will be distributed after a resolution of our 199th Ordinary General Meeting of Shareholders to be held on June 24, 2022.

1. Differences between consolidated earnings forecasts for the fiscal year ended March 31, 2022 and actual results for the same period (from April 1, 2021 to March 31, 2022)

(1) Details of differences between earnings forecasts and actual results

| | Net sales (Mil. yen) | Operating Profit (Mil. yen) | Ordinary Profit (Mil. yen) | Profit attributable to owners of parent (Mil. yen) | Earnings per share (Yen) |
|---|-------------------------|-----------------------------------|----------------------------------|--|--------------------------------|
| Previous forecast Announced on February 2, 2022 (A) | 1,550,000 | 46,000 | 22,000 | 15,000 | 89.64 |
| Actual results (B) | 1,500,879 | 45,805 | 29,934 | 21,801 | 130.26 |
| Difference (B-A) | -49,121 | -195 | 7,934 | 6,801 | - |
| Difference (in %) | -3.17% | -0.4% | 36.06% | 45.34% | - |
| Results for FY2021 (for reference only) | 1,488,486 | -5,305 | -2,855 | -19,332 | -115.73 |

(2) Reason for the differences between consolidated earnings forecasts and actual results

Ordinary profit increased by ¥7.9 billion to ¥29.9 billion due to more depreciation of the Yen than expected and other factors. Accordingly, profit attributable to owners of parent increased by ¥6.8 billion to ¥21.8 billion.

2. Dividends

(1) Details of dividends

| | Amount determined | Latest dividend forecast (Announced on February 2, 2022) | Results for FY2020 |
|--|-------------------|--|--------------------|
| Record date | March 31, 2022 | Same as on the left | - |
| Dividend per share (Yen) | 20.00 | 10.00 | - |
| Total amount of dividends paid (Mil. yen) | 3,357 | - | - |
| Effective date | June 27, 2022 | - | - |
| Source of dividends | Retained earnings | - | - |

(2) Reasons

In order to maintain a well-balance between enhancing shareholder value and return to shareholders by distribution of dividends, Kawasaki has set a medium- to long-term consolidated dividend payout ratio standard of 30% for profit attributable to owners of parent with an aim of stable dividends.

Regarding the annual dividend for the fiscal year ended March 31, 2022, Kawasaki had previously announced the dividend forecast of ¥30 per share on February 2, 2022. However, due to an upward revision of the consolidated earnings forecast announced in February, Kawasaki has decided to increase the year-end dividend by ¥10 per share and consequently the annual dividend per share has been ¥40.

Breakdown of annual dividends (for reference only)

| | Dividend per share (Yen) | | |
|--------------------|--------------------------|--------------------|-----------|
| | End of second quarter | End of fiscal year | Full year |
| Results for FY2021 | 20.00 | 20.00 | 40.00 |
| Results for FY2020 | - | - | - |

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