Kawasaki Heavy Industries, Ltd.

November 8, 2023

Revision to the forecast of the full-term consolidated results, interim dividends, and dividend forecast for the fiscal year ending March, 31 2024

Kawasaki Heavy Industries, Ltd. (Kawasaki) hereby notifies that it has revised its consolidated earnings forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024; FY 2023) announced on August 8, 2023, and interim dividends, as well as its year-end dividend forecast, as follows.

1. Revised earnings forecast
(1) Revised consolidated earnings forecast for FY 2023 (from April 1, 2023 to March 31, 2024)

<table>
<thead>
<tr>
<th></th>
<th>Revenue (Mil. yen)</th>
<th>Business profit (Mil. yen)</th>
<th>Profit before tax (Mil. yen)</th>
<th>Profit attributable to owners of parent (Mil. yen)</th>
<th>Basic earnings per share (yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous forecast</td>
<td>1,900,000</td>
<td>78,000</td>
<td>70,000</td>
<td>47,000</td>
<td>280.62</td>
</tr>
<tr>
<td>announced on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>August 8, 2023 (A)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revised forecast (B)</td>
<td>1,840,000</td>
<td>40,000</td>
<td>21,000</td>
<td>12,000</td>
<td>71.64</td>
</tr>
<tr>
<td>Change (B - A)</td>
<td>△60,000</td>
<td>△38,000</td>
<td>△49,000</td>
<td>△35,000</td>
<td>△208.98</td>
</tr>
<tr>
<td>Change (%)</td>
<td>△3.2%</td>
<td>△48.7%</td>
<td>△70.0%</td>
<td>△74.5%</td>
<td>△74.5%</td>
</tr>
<tr>
<td>Results for FY 2022</td>
<td>1,725,609</td>
<td>82,355</td>
<td>70,349</td>
<td>53,029</td>
<td>316.63</td>
</tr>
<tr>
<td>(for reference only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Reason for the revision

Compared with the previously announced figures (August 8 2023), we now forecast that revenue will be 1.84 trillion yen, down by 60.0 billion yen, and business profit will be 40.0 billion yen, down by 38.0 billion yen due to the recording of a loss related to the in-service issues of the PW1100G-JM Engine in Aerospace Systems Business and the decrease in sales forecast in Precision Machinery & Robot Business, despite Japanese yen depreciation and profitability improvement in Energy Solution & Marine Engineering Business.

In addition to the decrease in business profit, negative impacts on financial profit and loss are expected due to foreign exchange contracts concluded beforehand. So, we forecast profit before income taxes is forecast to be 21.0 billion yen, down by about 49.0 billion yen, and profit attributable to owners of the parent will be 12.0 billion yen, down by 35.0 billion yen.

These forecasts are based on exchange rate assumptions of 140 yen/USD and 150 yen/EUR.

For details of the losses related to the in-service issues of the PW1100G-JM engine, please see “Notice Regarding the Recording of Loss Related to the In-Service Issues of PW1100G-JM Engine,” published on October 26, 2023.
2. Interim Dividends & Revision of dividend forecast

(1) Details of Interim Dividends

<table>
<thead>
<tr>
<th>Record date</th>
<th>Amount determined</th>
<th>Previous forecast (Announced on May 10, 2023)</th>
<th>Results for FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend per Share (Yen)</td>
<td>20.00</td>
<td>40.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Total amount of dividends paid (Mil.yen)</td>
<td>3,357</td>
<td>—</td>
<td>10,072</td>
</tr>
<tr>
<td>Effective date</td>
<td>December 4, 2023</td>
<td>—</td>
<td>June 29, 2023</td>
</tr>
<tr>
<td>Source of dividends</td>
<td>Retained earnings</td>
<td>—</td>
<td>Retained earnings</td>
</tr>
</tbody>
</table>

(2) Details of revision of the year-end dividend forecast.

<table>
<thead>
<tr>
<th>Year-end dividend (yen)</th>
<th>June 30, 2023</th>
<th>September 30, 2023</th>
<th>December 31, 2023</th>
<th>March 31, 2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous forecast (May 10, 2023)</td>
<td>—</td>
<td>40.00</td>
<td>—</td>
<td>40.00</td>
<td>80.00</td>
</tr>
<tr>
<td>Revised forecast</td>
<td>—</td>
<td></td>
<td>20.00</td>
<td></td>
<td>40.00</td>
</tr>
<tr>
<td>Actual</td>
<td>—</td>
<td></td>
<td>20.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Results for FY 2022 (for reference only)</td>
<td>—</td>
<td>30.00</td>
<td>—</td>
<td>60.00</td>
<td>90.00</td>
</tr>
</tbody>
</table>

3. Reason for the revision

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 policy of 30% for profit attributable to owners of parent with an aim of stable dividends.

Mainly due to the recording of a loss related to the in-service issues of the PW1100G-JM Engine, we are sorry to decrease our annual dividend forecast for the fiscal year ending March 31, 2024 to 40 yen per share (interim dividend: 20 yen, year-end dividend: 20 yen) based on our dividend policy.
4. Reference Outlook for performance of FY2023 (by segment) (for reference only)

(Billion yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Previous forecast (In August)</th>
<th>Revised forecast (today)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Business Profit</td>
<td>Revenue</td>
</tr>
<tr>
<td>Aerospace Systems</td>
<td>440.0</td>
<td>24.0</td>
<td>390.0</td>
</tr>
<tr>
<td>Rolling Stock</td>
<td>190.0</td>
<td>4.0</td>
<td>190.0</td>
</tr>
<tr>
<td>Energy Solution &amp; Marine Engineering</td>
<td>350.0</td>
<td>11.0</td>
<td>350.0</td>
</tr>
<tr>
<td>Precision Machinery &amp; Robot</td>
<td>240.0</td>
<td>6.0</td>
<td>230.0</td>
</tr>
<tr>
<td>Power Sports &amp; Engine</td>
<td>590.0</td>
<td>50.0</td>
<td>590.0</td>
</tr>
<tr>
<td>Others</td>
<td>90.0</td>
<td>2.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Eliminations and corporate</td>
<td>-</td>
<td>▲19.0</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1,900</td>
<td>78</td>
<td>1,840</td>
</tr>
</tbody>
</table>

(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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