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News Release

Kawasaki Heavy Industries, Ltd.

February 9, 2026

Notice Regarding Change to Shareholder Return Policy and Revision to Year-end Dividend Forecast (Dividend Increase)

Kawasaki Heavy Industries, Ltd. (The Company) hereby announces that at its Board of Directors meeting held on February 9, 2026, The Company resolved to revise its shareholder return policy and revise its year-end per share dividend forecast for the fiscal year ending March 2026 as follows.

1. Change in Shareholder Return Policy

(1) Reason

The company's basic management policy has always been to generate profits that exceed the cost of invested capital consistently into the future. Under the policy to balance "enhancing shareholder value over the long term" with "paying stable dividends", The Company has paid dividends based on a consolidated dividend payout ratio of 30%.

The Company hereby renews its shareholder return policy and introduces 4% dividend on equity ratio (DOE), which is less affected by a single year's performance, as a new indicator in order to increase predictability of stable dividends for shareholders who hold its company shares in the long term.

(2) Details

Before	As a basic management policy, the Company aims to increase corporate value by consistently generating profit exceeding the cost of invested capital. In line with this policy, the Company believes that one priority for management is to engage in cutting-edge research and development as well as the innovative capital investment required to achieve future growth and thereby return profits to shareholders by enhancing shareholder value over the long term. In order to maintain a good balance between enhancing shareholder value and returning profits to shareholders through dividends, the Company has set a medium- to long-term consolidated payout ratio standard of 30% corresponding to the consolidated profit attributable to the owners of the parent and in light of both the outlook for future earnings and a comprehensive examination of its financial condition, including its free cash flow, D/E ratio (Net debt-to-equity ratio) and other factors.
After	As a basic management policy, the Company aims to increase corporate value by consistently generating profit exceeding the cost of invested capital. In line with this policy, the Company believes that one priority for management is to execute strategic investment for future growth and thereby return profits to shareholders by enhancing shareholder value over the long term. In order to maintain a good balance between enhancing shareholder value in the long term and paying stable dividends, the Company pays dividends to shareholders based on DOE * of 4% as shareholder returns. * DOE = $\dfrac{\text{Total annual dividends}}{\text{Equity attributable to owners of parent} - \text{Other components of equity}}$

(3) Effective Period

The above change will take effect from the end of the fiscal year ending March 31, 2026.

2. Revision to Year-end Dividend Forecast (Dividend Increase)

Based on the above change to the Company's shareholder returns policy, the Company plans to increase the year-end dividend of ¥91 per share, an increase of ¥16 per share from the previous forecast.

	Year-end dividend (yen)				
	June 30, 2025	September 30, 2025	December 31, 2025	March 31, 2026	Total
Previous forecast (May 9,2025)	—	75.00	—	75.00	150.00
Revised forecast	—			91.00	166.00
Actual	—	75.00			
Results for FY 2024 (for reference only)	—	70.00	—	80.00	150.00

※ The year-end dividend for the fiscal year ending March 31, 2026 will be submitted for approval to the 203rd Annual General Meeting of Shareholders scheduled for June 2026.

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Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.