

Financial Results for Second Quarter FY2024

For the Year ending March 31, 2025

November 8, 2024

Kawasaki Heavy Industries, Ltd.



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Notice

Figures recorded in the business forecasts are forecasts that reflect the judgment of the Company based on the information available at the time of release and include risks and uncertainties. Accordingly, the Company cautions investors not to make investment decisions solely on the basis of these forecasts. Actual business results may differ materially from these business forecasts due to various important factors resulting from changes in the external environment and internal environment. Important factors that may affect actual business results include, but are not limited to, economic conditions, the yen exchange rate against the U.S. dollar and other currencies, the tax system, and laws and regulations. Our company has adopted IFRS (International Financial Reporting Standards) since the first quarter of FY2022.

Consolidated Results for Second Quarter FY2024

-Summary-

- ✓ Revenue and profit increased YoY, reaching a record high for Q2 revenue
- ✓ Foreign exchange loss resulting from the appreciation of the yen at the end of September led to a smaller increase in profit before tax and net profit

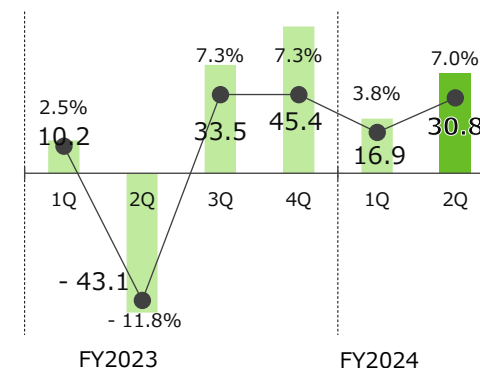
(billion yen)

	FY23 Q2	FY24 Q2			YoY Change
		Apr. to Jun.	Jul. to Sep.	Total	
Orders Received	860.8	456.9	438.4	895.3	+ 34.5
Revenue	769.3	444.2	439.9	884.1	+ 114.8
Business Profit	- 32.8	16.9	30.8	47.7	+ 80.6
<i>[margin]</i>	<i>[- 4.3%]</i>	<i>[3.8%]</i>	<i>[7.0%]</i>	<i>[5.4%]</i>	<i>[+ 9.6pt]</i>
Profit Before Tax	- 34.4	25.8	- 2.1	23.7	+ 58.2
<i>[margin]</i>	<i>[- 4.5%]</i>	<i>[5.8%]</i>	<i>[- 0.5%]</i>	<i>[2.7%]</i>	<i>[+ 7.1pt]</i>
Profit Attributable to Owners of Parent	- 23.3	15.3	- 1.7	13.6	+ 37.0
<i>[margin]</i>	<i>[- 3.0%]</i>	<i>[3.5%]</i>	<i>[- 0.4%]</i>	<i>[1.5%]</i>	<i>[+ 4.5pt]</i>
Weighted-average exchange rates (USD/JPY)	137.27	153.34	149.72	151.44	+ 14.17
US dollar-based transaction (B\$)	0.78	0.49	0.54	1.03	+ 0.25

Remark

FY23 Q2: Business performance deteriorated significantly due to lump-sum loss recording related PW1100G-JM engine(58 billion yen in business profit stage).
See Page 18 for details.

Quarterly business profit (Billion Yen), margin



※ The amount of foreign currency that affects business profits due to exchange rate fluctuations. Calculated by deducting dollar denominated purchases from dollar denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd., including foreign currency denominated revenue of loss provisions, and excluding refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine. See page 44 for the breakdown of these figures by segment.

Consolidated Results for Second Quarter FY2024

-Segment-

- ✓ Profit in Aerospace Systems increased significantly YoY, due to a reaction to the loss related to PW1100G-JM engines and improved profitability in Aero Engine ①
- ✓ Business profit in PS&E decreased due to increase in fixed costs, increase recall-related expenses and production delay in Four-wheelers business ②

(billion yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY23 Q2	FY24 Q2	Change	FY23 Q2	FY24 Q2	Change	FY23 Q2	FY24 Q2	Change
Aerospace Systems	193.2	209.9	+ 16.8	129.2	234.1	+ 104.9	- 52.7	25.3	+ 78.1
Rolling Stock	30.1	27.8	- 2.2	84.1	87.0	+ 2.9	0.3	1.6	+ 1.3
Energy Solution & Marine Engineering	218.4	211.0	- 7.3	147.8	159.9	+ 12.1	8.5	12.0	+ 3.5
Precision Machinery & Robot	103.0	124.6	+ 21.6	103.0	109.4	+ 6.4	- 4.6	1.9	+ 6.5
Powersports & Engine	267.1	253.3	- 13.8	267.1	253.3	- 13.8	23.1	14.9	- 8.2
Others	48.8	68.4	+ 19.6	37.9	40.1	+ 2.2	0.5	1.6	+ 1.0
Eliminations and corporate [※]	-	-	-	-	-	-	- 8.0	- 9.8	- 1.7
Total	860.8	895.3	+ 34.5	769.3	884.1	+ 114.8	- 32.8	47.7	+ 80.6

※"Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting.

Consolidated Results for Second Quarter FY2024

-Statement of Profit and Loss-

(billion yen)

	FY23 Q2	%	FY24 Q2	%	Change
Revenue	769.3	100.0	884.1	100.0	+ 114.8
Cost of sales	680.9	88.5	697.5	78.9	+ 16.6
Gross profit	88.4	11.5	186.6	21.1	+ 98.2
Selling, general and administrative expenses	128.2	16.7	147.1	16.6	+ 18.8
Salaries and allowances	36.7		39.8		+ 3.1
Research and development expenses	23.6		26.1		+ 2.4
Others	67.7		81.0		+ 13.3
Share of profit (loss) of investments accounted for using equity method	6.5		8.5		+ 2.0
Other income and other expenses	0.4		- 0.3		- 0.7
Gain on sale of property, plant and equipment	0.7		1.0		+ 0.2
Others	- 0.2		- 1.3		- 1.0
Business Profit (Loss)	- 32.8	- 4.3	47.7	5.4	+ 80.6

Details

- ① Cost to sales ratio deteriorated due to a loss of ¥58 billion yen (reduction in revenue) related to the In-Service issues of PW1100G-JM engines
- ② Increase in expenses due to business expansion, inflation and increase in fixed costs of overseas subsidiaries due to the depreciation of the yen
- ③ Growth in business performance mainly at a joint venture in China in Ship & offshore structure

Consolidated Results for Second Quarter FY2024

-Statement of Profit and Loss-

(billion yen)

	FY23 Q2	%	FY24 Q2	%	Change
Finance income and Finance costs	- 1.6		- 24.0		- 22.4
Net Interest expense (incl. dividend income)	- 2.4		- 4.9		- 2.5
Gain and loss on foreign exchange	3.3		- 15.7		- 19.0
Others	- 2.5		- 3.3		- 0.7
Profit before tax	- 34.4	- 4.5	23.7	2.7	+ 58.2
Income tax expense	- 12.0		8.8		+ 20.8
Profit attributable to Non-controlling interests	0.9		1.2		+ 0.2
Profit attributable to owners of parent	- 23.3	- 3.0	13.6	1.6	+ 37.0

Details

④ USD/JPY rate
 151.40 Q4/E FY'23
 142.82 Q2/E FY'24

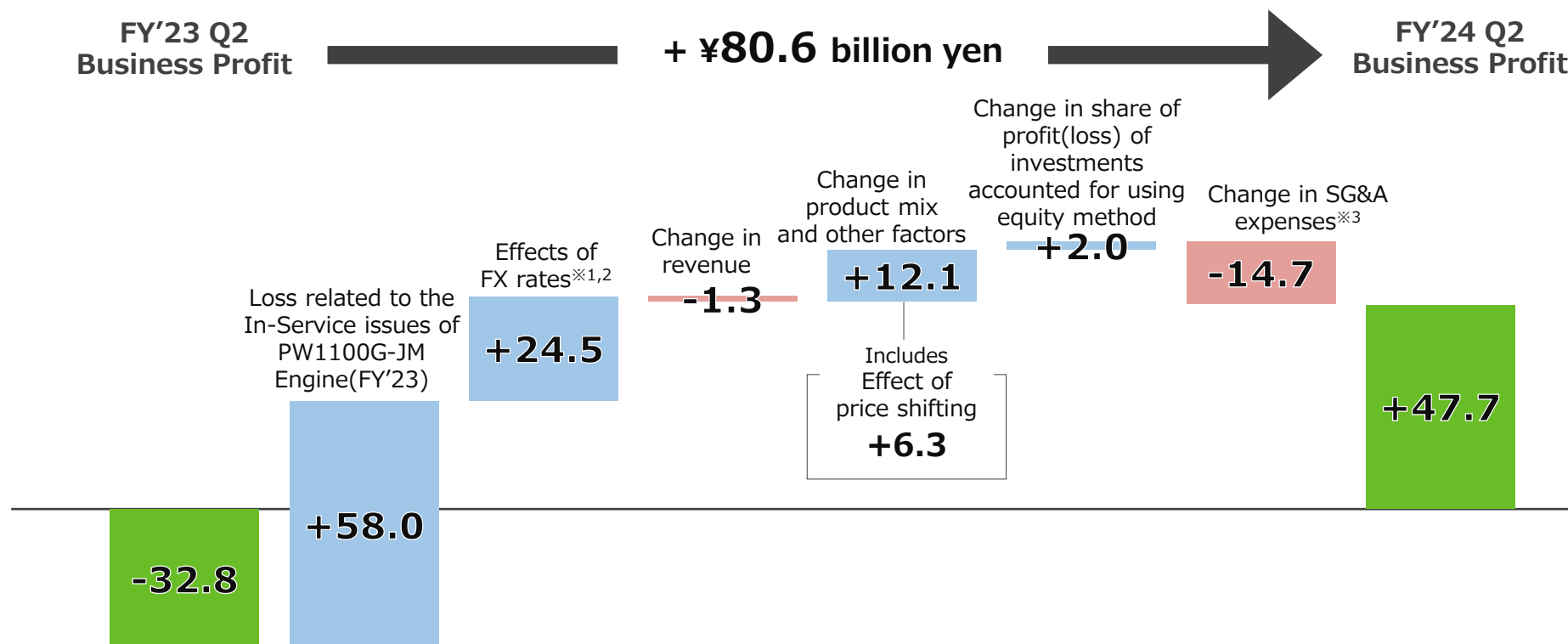
Weighted-average
 exchange rates
 151.44 Q2 FY'24

Loss on conversion of foreign
 currency-denominated
 receivables was recorded

Consolidated Results for Second Quarter FY2024

–Details of change in business profit–

- ✓ Advantages of the depreciation of the yen were partially offset by an increase in “SG&A expenses”
- ✓ Improvement of profitability in Aero Engine contributed to “product mix and other factors”



※1 "Effects of FX rates" indicate the direct impact on business profit. Indirect effects (such as the impact of price fluctuations) are included "Change in product mix and other factors" and "Changes in SG&A expenses".

※2 "Effects of FX rates" includes the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine(3.1 bil. yen).

※3 "Changes in SG&A expenses" used to indicate changes in the statement of Profit and Loss but has been changed from this material to indicate changes after deducting the effects of FX rate.

Consolidated Results for Second Quarter FY2024

–Details of change in business profit–

(billion yen)

	FY23 Q2 Business Profit (Loss)	Details of change						Total	FY24 Q2 Business Profit (Loss)
		Effects of FX rates※1	Change in sales※1	Change in product mix and other factors※1	Change in share of profit (loss) of investments accounted for using equity method	Change in SG & A expenses※3	Loss Related to the In-Service Issues of PW1100G-JM Engine		
Aerospace Systems	- 52.7	※2 8.9	2.9	10.7		- 2.4	58.0	78.1	25.3
Rolling Stock	0.3	3.8	- 0.1	- 1.8	0.0	- 0.6		1.3	1.6
Energy Solution & Marine Engineering	8.5	0.8	1.9	1.2	1.3	- 1.7		3.5	12.0
Precision Machinery & Robot	- 4.6	1.4	0.8	2.7	0.6	1.0		6.5	1.9
Powersports & Engine	23.1	9.6	- 7.2	- 0.8		- 9.8		- 8.2	14.9
Others	0.5	0.0	0.4	- 1.3	- 0.0	1.9		1.0	1.6
Eliminations and corporate	- 8.0			1.3	- 0.0	- 3.0		- 1.7	- 9.8
Total	- 32.8	24.5	- 1.3	12.1	2.0	- 14.7	58.0	80.6	47.7

※1 Effects of foreign exchange rates, change in revenue, and change in product mix are approximate values calculated by our company based on certain criteria.
In addition, each factor of change is often indivisible, and in particular, it may be desirable to check the change in revenue and change in product mix.

※2 “Effects of FX rates” includes the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine.

※3 Impact of FX rates are not included

Consolidated Results for Second Quarter FY2024

-Statement of financial position-

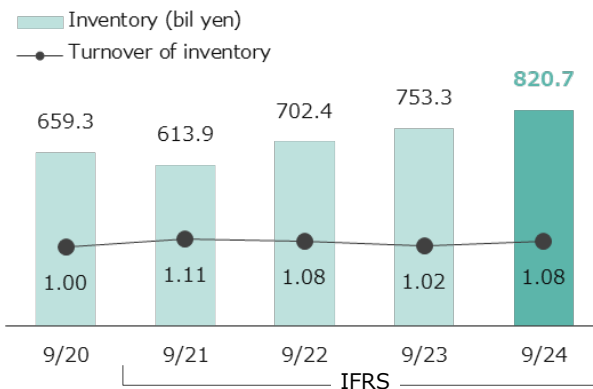
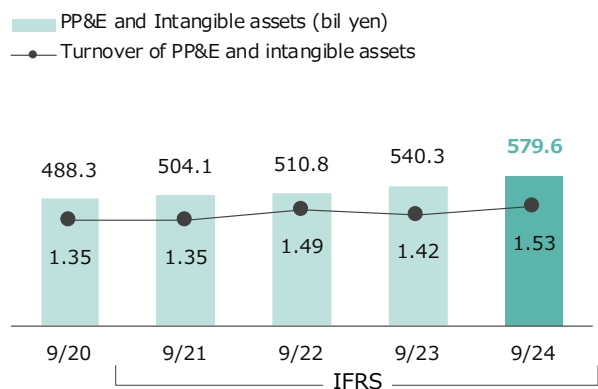
(billion yen)

	End of Mar. 2024	%	End of Sep. 2024	%	Change
Cash and cash equivalents	84.1		127.3		+ 43.2
Trade receivables (Incl. contract assets)	770.3		670.5		- 99.8
Inventories	710.2		820.7		+ 110.5
Other current assets	162.1		232.3		+ 70.2
Current assets	1,726.9	64.4	1,851.1	65.7	+ 124.1
PP&E and intangible assets	565.9		579.6		+ 13.6
Right-of-use assets	64.8		65.9		+ 1.1
Deferred tax assets	117.4		118.8		+ 1.4
Other non-current assets	205.0		203.6		- 1.3
Non-current assets	953.2	35.6	968.1	34.3	+ 14.8
Total assets	2,680.1	100.0	2,819.2	100.0	+ 139.0

Details

① Decreased in PS&E, Energy business

② Increased in PS&E and Aerospace Systems



Consolidated Results for Second Quarter FY2024

-Statement of financial position-

(billion yen)

	End of Mar. 2024	%	End of Sep. 2024	%	Change
Trade payables	451.9		437.0		- 14.9
Interest-bearing debt	653.9		840.0		+ 186.1
Contract liability (Advances received)	265.4		288.0		+ 22.6
Provision for losses on construction contracts	5.6		6.1		+ 0.4
Retirement benefit liability	74.6		76.7		+ 2.1
Other liabilities	573.9		509.2		- 64.7
Total liabilities	2,025.6	75.6	2,157.2	76.5	+ 131.6
Equity attributable to owners of parent	634.0		639.9		+ 5.8
Non-controlling interests	20.4		22.0		+ 1.5
Total equity	654.5	24.4	661.9	23.5	+ 7.4
Total liabilities and equity	2,680.1	100.0	2,819.2	100.0	+ 139.0

Details

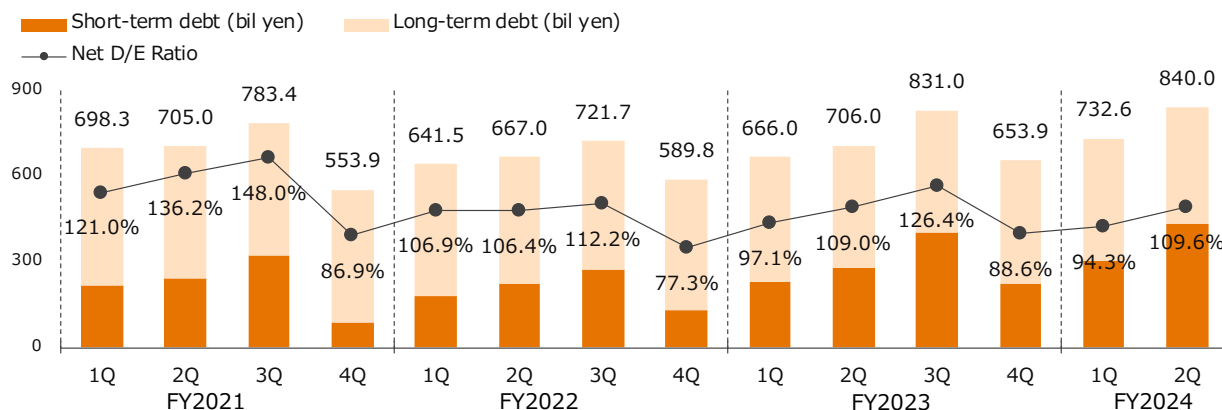
- ③ Increase in borrowing as a normal business cycle in H1
- ④ Decreased due to receivables liquidation in aerospace business

Appendix

Cash Conversion Cycle (day)

End of FY'20 Q2	156
End of FY'21 Q2	158
End of FY'22 Q2	154
End of FY'23 Q2	154
End of FY'24 Q2	164

CCC was lengthened by factors mainly in PS&E: the lengthening of the days sales in receivables due to delays in terminal sales in comparison to as planned, and lengthening of the days sales of inventory due to recalls (See page 31) and delays in Four-wheelers sales.



Consolidated Results for Second Quarter FY2024

-Cash Flows-

(billion yen)

	FY23 Q2	FY24 Q2	Change
Profit before tax	- 34.4	23.7	+ 58.2
Depreciation and amortization	43.5	42.8	- 0.6
Increase and decrease in working capital	- 8.0	- 73.6	- 65.6
Trade receivables ^{※1} (minus notation indicates incr.)	39.3	85.0	+ 45.6
Inventory (minus notation indicates incr.)	- 46.7	- 119.4	- 72.6
Trade payables (minus notation indicates decr.)	- 0.1	- 14.3	- 14.1
Advance payment (minus notation indicates incr.)	- 0.5	- 49.7	- 49.2
Contract liabilities ^{※2} (minus notation indicates decr.)	- 0.0	24.9	+ 24.9
Other	- 16.4	- 29.8	- 13.4
Cash flows from operating activities	- 15.4	- 36.9	1 - 21.5
Purchase of PP&E and intangible assets	- 48.4	- 49.4	- 0.9
Proceeds from sales of PP&E and intangible assets	1.2	1.9	+ 0.6
Other	- 0.8	- 2.2	- 1.4
Cash flows from investing activities	- 48.0	- 49.7	- 1.6
Free cash flows	- 63.5	- 86.7	- 23.1
Net increase and decrease in debt and bonds (minus notation indicates decr.)	109.5	2 190.1	+ 80.5
Dividends paid (Except payment to non-controlling interests)	- 10.0	- 5.0	+ 5.0
Proceeds from fluidity of lease receivables and Repayment of payables under fluidity lease receivables	- 66.6	- 43.5	+ 23.0
Other	- 15.2	- 17.6	- 2.3
Cash flows from financing activities	17.6	123.8	+ 106.2

要因説明

① FY23 Q2 :
Operating cash flows were negative due to the loss in profit before tax, higher receivables and inventories in Aerospace Systems, and higher inventories in energy business, despite a progress of debt collection in PS&E

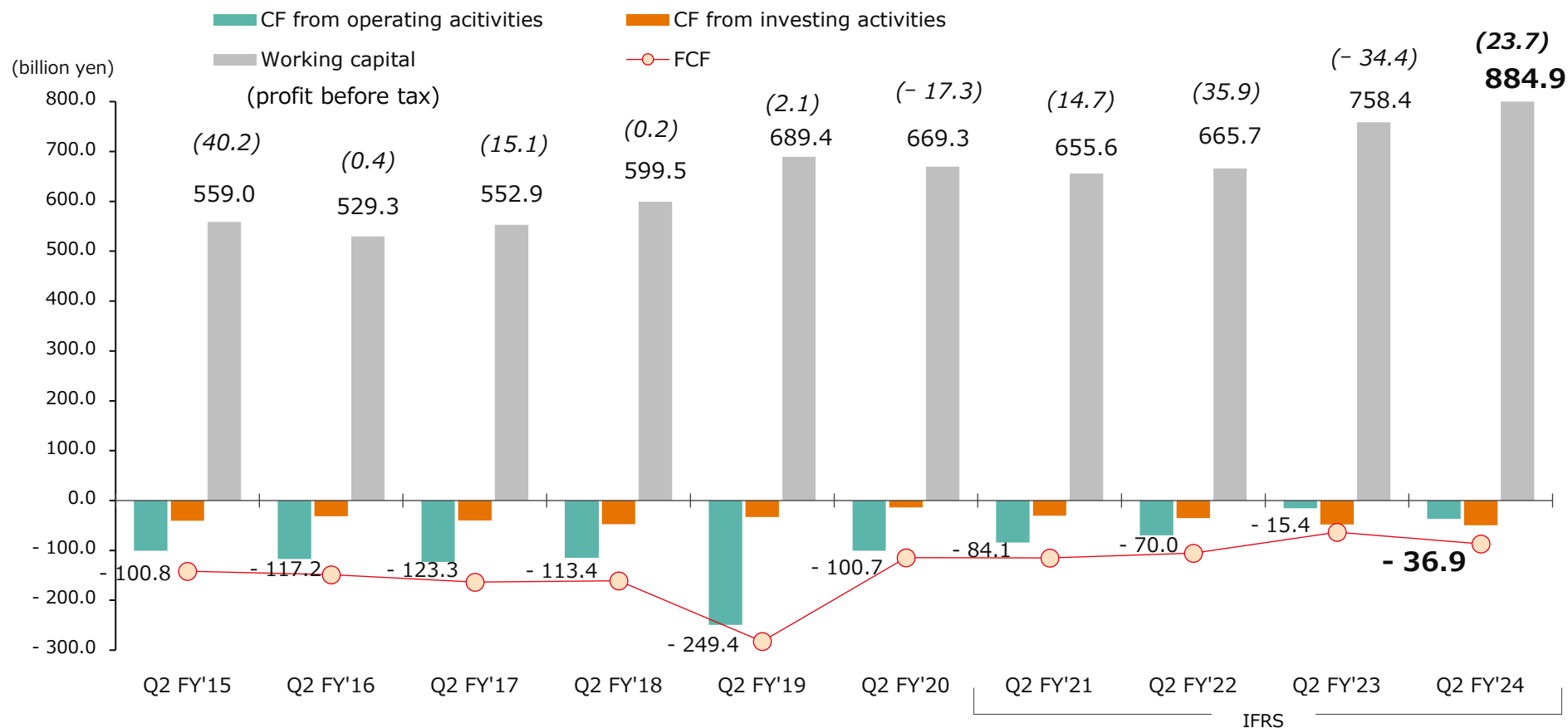
FY24 Q2 :
Despite progress in debt collection in PS&E and Energy business, cash outflows in the working capital component due to higher inventories in PS&E and Aerospace Systems

② Affected by the increase in working capital



※1,2 Trade receivables include contract assets. The former account name of contract liabilities is advances received

-Cash Flows-

- ✓ Operating cash flow in Q2 is on an improving trend, despite it resulted negative
- ✓ Working capital increased due to rapid recovery of order based business and expansion of PS&E sales



Forecasts for FY2024 -Summary-

-  **Business profit forecast unchanged from previously announced in August**
-  **Profit before tax and Net profit revised down due to expecting foreign exchange loss**

(billion yen)

	FY2023 Actual	FY2024 Forecast and Progress					
		Old FCST	New FCST	Chg. vs. FY23	Chg. vs. Old FCST	Q2 Actual	Q3-4 FCST
Orders Received	2,083.4	2,410.0	2,430.0	+ 346.6	+ 20.0	895.2	1,534.8
Revenue	1,849.2	2,250.0	2,180.0	+ 330.8	- 70.0	884.1	1,295.9
Business Profit	46.2	130.0	130.0	+ 83.8	-	47.7	82.3
<i>[Margin]</i>	<i>[2.5%]</i>	<i>[5.8%]</i>	<i>[6.0%]</i>	<i>[+ 3.4pt]</i>	<i>[+ 0.1pt]</i>	<i>[5.4%]</i>	<i>[6.4%]</i>
Profit Before Tax	31.9	110.0	95.0	+ 63.1	15.0	23.7	71.3
<i>[Margin]</i>	<i>[1.7%]</i>	<i>[4.9%]</i>	<i>[4.4%]</i>	<i>[+ 2.6pt]</i>	<i>[- 0.5pt]</i>	<i>[2.7%]</i>	<i>[5.5%]</i>
Profit Attributable to Owners of Parent	25.3	78.0	73.0	+ 47.7	- 5.0	13.6	59.4
<i>[Margin]</i>	<i>[1.4%]</i>	<i>[3.5%]</i>	<i>[3.3%]</i>	<i>[+ 1.9pt]</i>	<i>[- 0.1pt]</i>	<i>[1.5%]</i>	<i>[4.6%]</i>
After-tax ROIC	2.8%	6.7%	6.5%	+ 3.7pt	- 0.2pt	-	-
Weighted-average exchange rates (USD/JPY)	142.54	140.00	-	-	-	151.44	140.00
US dollar-based transaction (B\$)	1.85	2.00	1.71	- 0.14	- 0.29	1.03	0.68

※ The amount of foreign currency that affects business profits due to exchange rate fluctuations. Calculated by deducting dollar denominated purchases from dollar denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include foreign currency denominated revenue of loss provisions). See page 44 for the breakdown of these figures by segment.

Forecasts for FY2024 -Segment-

- ✓ Profit forecast in Aerospace Systems revised up due to the increase in aftersales of Aero Engine business despite effects of Boeing strike
- ✓ Forecast in PS&E revised down to reflect the performance in four-wheelers business of H1


(billion yen)

	Orders Received				Revenue				Business Profit (Loss)			
	FY2023	FY2024 Forecast			FY2023	FY2024 Forecast			FY2023	FY2024 Forecast		
	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change
Aerospace Systems	692.6	790.0	770.0	- 20.0	396.1	580.0	570.0	- 10.0	- 15.0	45.0	52.0	+ 7.0
Rolling Stock	88.7	160.0	160.0	-	195.9	210.0	210.0	-	3.7	7.0	7.0	-
Energy Solution & Marine Engineering	401.6	400.0	500.0	+ 100.0	353.2	410.0	400.0	- 10.0	31.9	30.0	32.0	+ 2.0
Precision Machinery & Robot	213.3	240.0	240.0	-	227.9	230.0	240.0	+ 10.0	- 1.9	7.0	8.0	+ 1.0
Powersports & Engine	592.4	720.0	660.0	- 60.0	592.4	720.0	660.0	- 60.0	48.0	68.0	51.0	- 17.0
Ohters	94.5	100.0	100.0	-	83.5	100.0	100.0	-	1.1	5.0	5.0	-
Eliminations and corporate [※]	-	-	-	-	-	-	-	-	- 21.7	- 32.0	- 25.0	+ 7.0
Total	2,083.4	2,410.0	2,430.0	+ 20.0	1,849.2	2,250.0	2,180.0	- 70.0	46.2	130.0	130.0	-


※ "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting.

Details by Segment -Aerospace Systems-


FY2024.Q2 (vs. FY2023.Q2)

Orders received 
-¥16.8 bil.

Increased compared to the last fiscal year, when the loss (reduction in order) related to PW1100G-JM engines, despite a decrease in MOD


Revenue 
+¥104.9 bil.

Increased due to an increase in MOD and commercial aero engines, compared to the last fiscal year when the loss (reduction in order) related to PW1100G-JM engines was recorded


Business profit 
+¥78.1 bil.

Improved due to an increase in revenue


FY2024 forecast (vs. Forecast in August)

Orders received 
-¥20.0 bil.

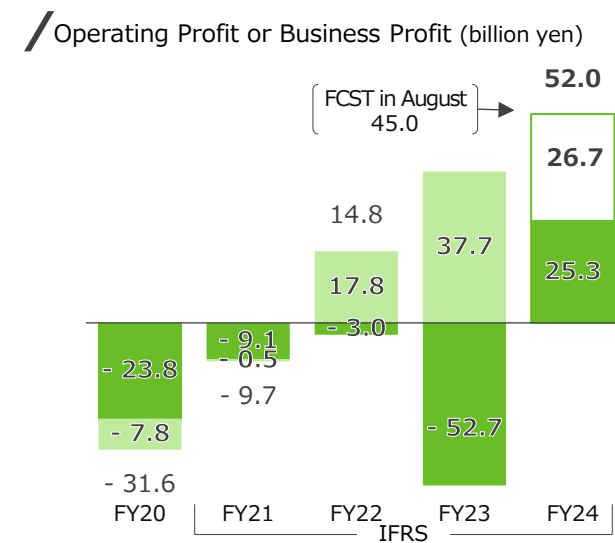
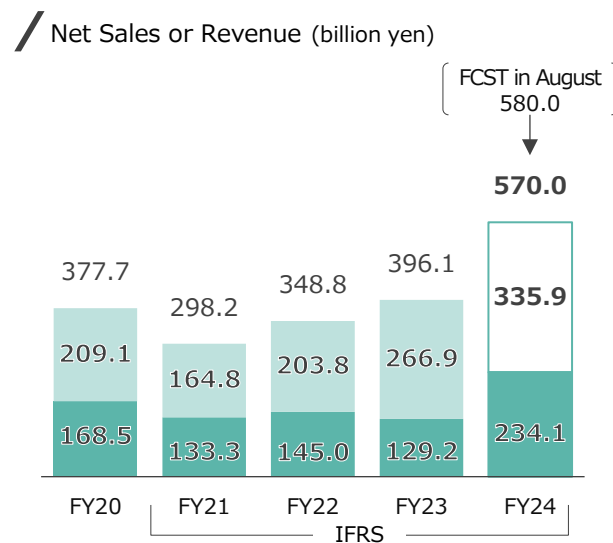
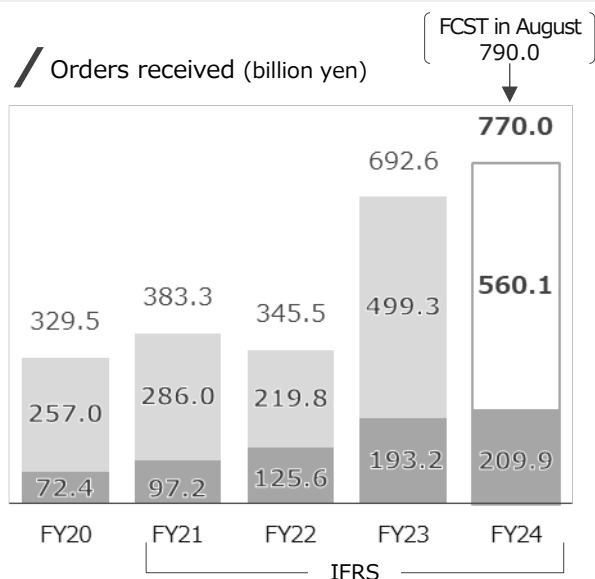
Revised down due to effects of Boeing strike and other factors

Revenue 
-¥10.0 bil.

Revised down due to effects of Boeing strike and other factors despite an increase in commercial aero engines

Business profit 
+¥7.0 bil.

Revised up due to profitability improvement in Aero Engine despite a decrease in revenue



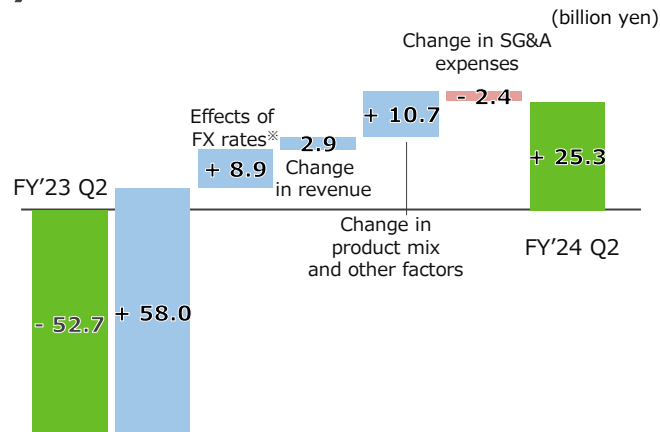
Note: Darker areas in the graphs represent the Q1-Q2 and lighter areas represent the Q3-Q4 cumulative total

3 Details by Segment -Aerospace Systems-

(billion yen)

	FY2023	FY2024		FY2023	FY2024 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY23	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	193.2	209.9	+ 16.8	692.6	790.0	770.0	+ 77.4	- 20.0	560.1
Aerospace	202.5	112.7	- 89.8	556.9	630.0	610.0	+ 53.1	- 20.0	497.3
Aero Engine	- 9.3	97.2	+ 106.5	135.6	160.0	160.0	+ 24.4	-	62.8
Revenue	129.2	234.1	+ 104.9	396.1	580.0	570.0	+ 173.9	- 10.0	335.9
Aerospace	132.2	153.9	+ 21.7	307.4	420.0	400.0	+ 92.6	- 20.0	246.1
Aero Engine	- 2.9	80.2	+ 83.1	88.7	160.0	170.0	+ 81.3	+ 10.0	89.8
Business Profit (Loss)	- 52.7	25.3	+ 78.1	- 15.0	45.0	52.0	+ 67.0	+ 7.0	26.7
[Margin]	[- 40.8%]	[10.8%]	[+ 51.6pt]	[- 3.8%]	[7.8%]	[9.1%]	[+ 12.8pt]	[+ 1.3pt]	[7.9%]

Details of change in Business Profit(Loss)



※ including the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engines(3.1 bil.yen).

Appendix

Number of aircraft component parts sold to Boeing

	FY '23		FY'24	Change YoY
	2 Q	Full year	2Q	
767	16	33	11	- 5
777	16	32	10	- 6
777X	0	6	5	+ 5
787	11	41	23	+ 12

Number of jet engine component parts sold

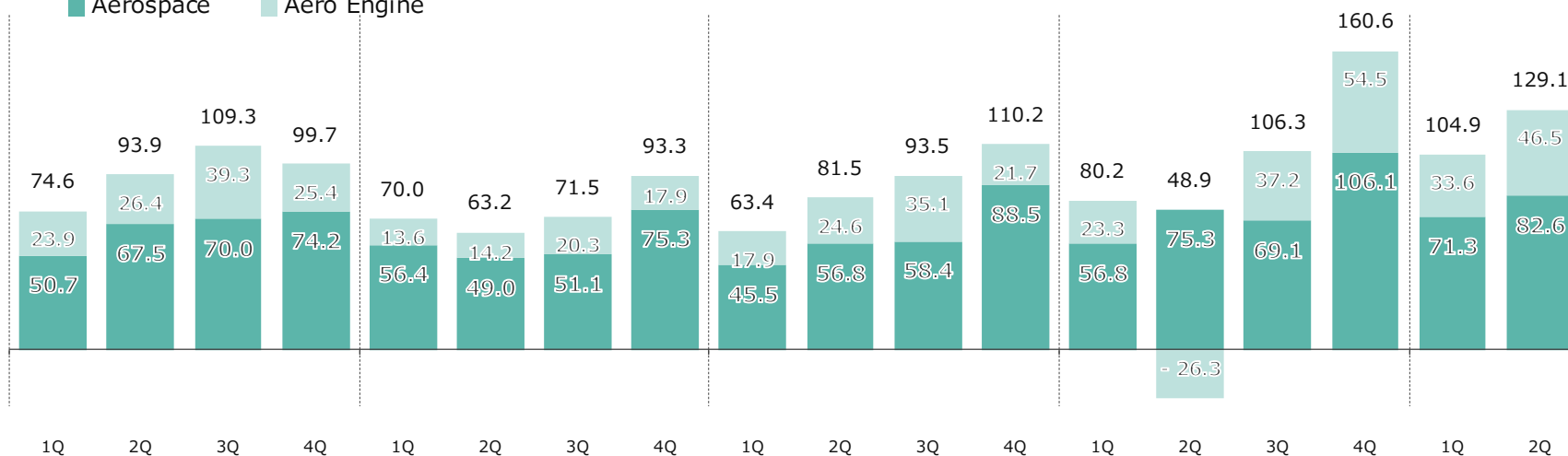
	FY '23		FY'24	Change YoY
	2Q	Full year	2Q	
V2500	4	6	12	+ 8
PW1100G	326	675	333	+ 7

※Number of jet engine component parts sold to Rolls-Royce is not disclosed

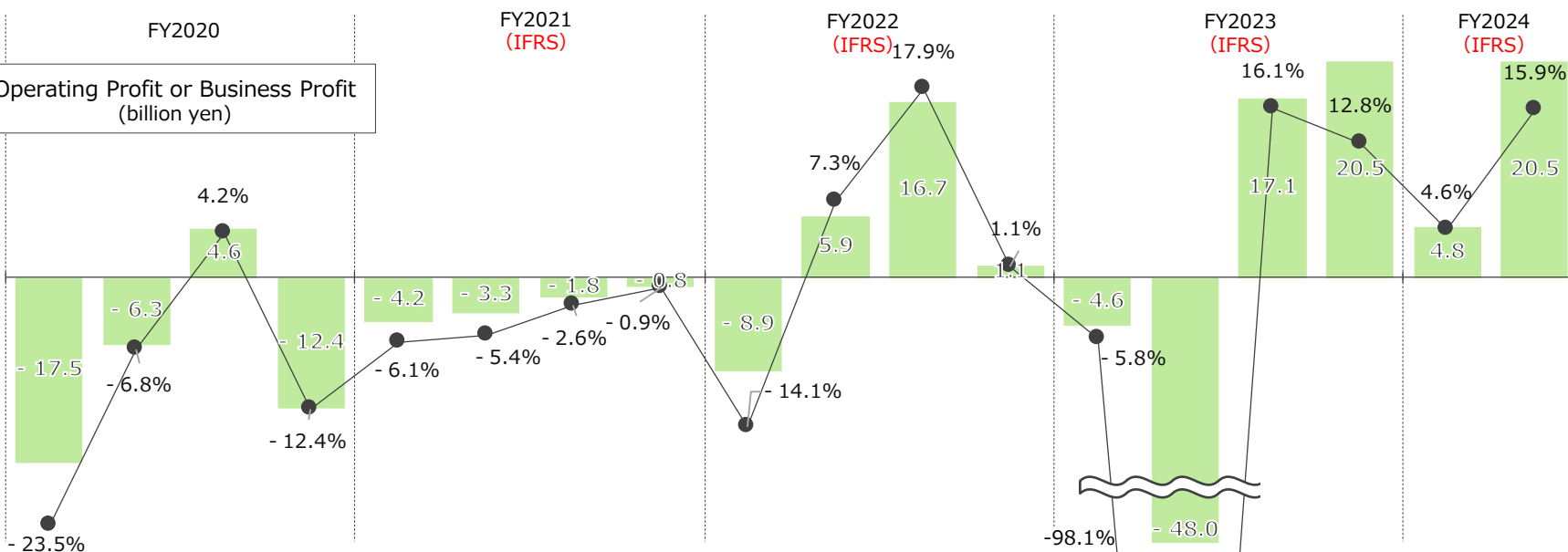
Details by Segment -Aerospace Systems-

Net Sales or Revenue
(billion yen)

■ Aerospace ■ Aero Engine



Operating Profit or Business Profit
(billion yen)



Market Overview

- Commercial business
 - Air passenger demand shifted from recovery to growth phase, and demand for both aircraft and engines increased despite an effect Boeing strike remains concerned
- MOD business
 - Demand growth and profitability improvement are expected due to Japan's defense reinforcement policy

About the PW1100G-JM Engine Program which we participate through IAE※¹

- ✈ The engines have been experiencing significant operational issues and several engines are expected to be removed from the aircraft (A320neo) for inspection and maintenance over the next few years to resolve the issue.
- ✈ Many aircraft are parked on the ground because it takes 250 to 300 days to unload and install the engines.
- ✈ In FY'23, the estimated future loss was recorded in a lump-sum※², and there is no change at present ※³
- ✈ Our press releases about this matter.

https://global.kawasaki.com/news_230913-1e.pdf

https://global.kawasaki.com/en/corp/ir/library/pdf/etc_231026-1e.pdf

※¹ International Aero Engines, LLC

※² Recorded lump-sum loss (58 billion yen in terms of business profit and loss).

※³ The effect of revaluation due to exchange rate fluctuations is excluded.

Specific Efforts



Preparation for business expansion

- Arranging supply chain and production system for production increase
- Improving productivity by increasing operational efficiency to acquire new business opportunities
- Steady promotion of existing projects of development and mass production for MOD aircrafts and helicopters



CH-47J/JA
Helicopter
Source: JGSDF website



Strengthening activities related to defense business

- Promoting efforts Seven focal areas to strengthen defense capabilities

- | | |
|--|----------------------------------|
| 1 Integrated air and missile defense capabilities | 5 Mobile deployment capabilities |
| 2 Stand-off defense capabilities | 6 Sustainability and resiliency |
| 3 Cross-domain operation capabilities | 7 Unmanned defense capabilities |
| 4 Command and control and intelligence-related functions | |



New anti-ship missiles
for islands defense



Standoff electronic
warfare aircraft
Source:
DEFENSE OF JAPAN 2020






Promotion of technology strategies based on market trends




- R&D, including the use of civilian technology in defense fields
- Utilization of *Green Innovation fund* of government for development of carbon-free technology

Details by Segment - Rolling Stock -

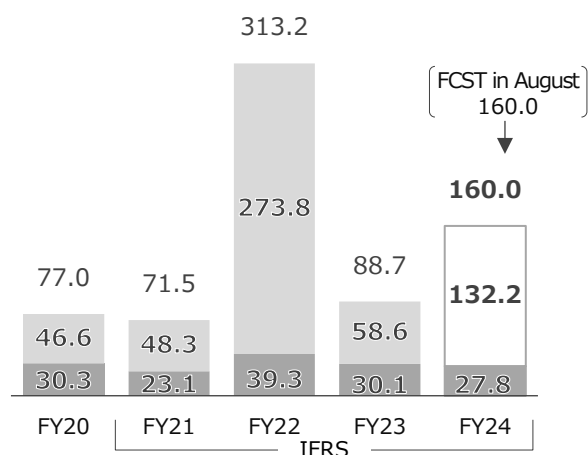
FY2024.Q2 (vs. FY2023.Q2)

Orders received		Decreased due to a decrease in Asia
-¥2.2 bil.		
Revenue		Increased due to an increase in the U.S. despite a decrease in Japan and Asia
+¥2.9 bil.		
Business profit		Improved due to an increase in revenue
+¥1.3 bil.		

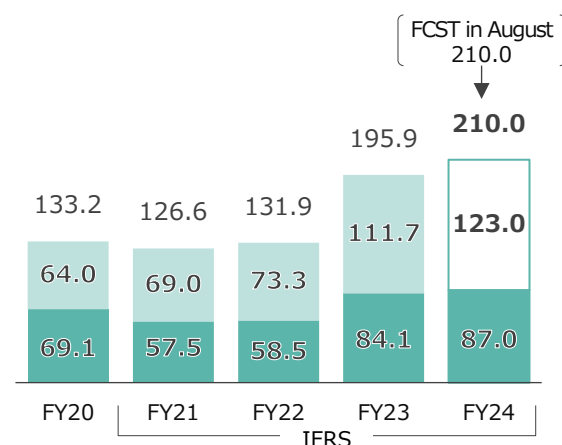
FY2024 forecast (vs. Forecast in August)

Orders received		Expected to remain at the same level
±¥0.0 bil.		
Revenue		Same as above
±¥0.0 bil.		
Business profit		Same as above
±¥0.0 bil.		

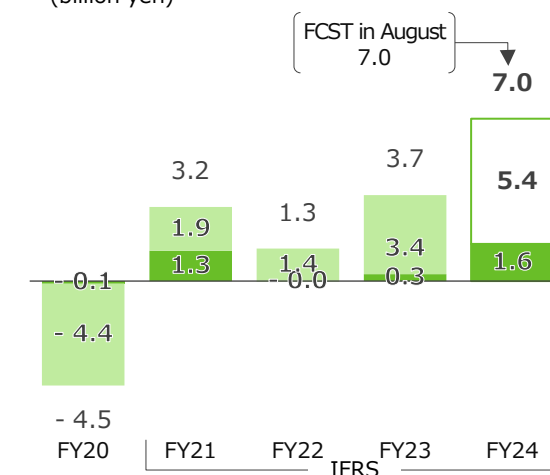
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q2 and lighter areas represent the Q3-Q4 cumulative total

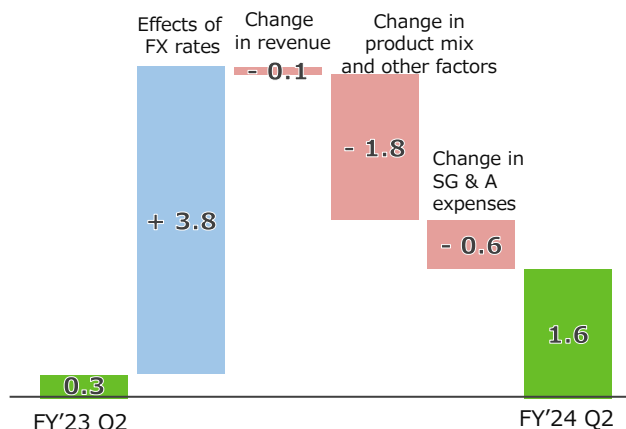
Details by Segment - Rolling Stock -

(billion yen)

	FY2023	FY2024		FY2023	FY2024 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY23	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	30.1	27.8	- 2.2	88.7	160.0	160.0	+ 71.3	-	132.2
Domestic & Asia	27.4	24.7	- 2.6	87.3	140.0	140.0	+ 52.7	-	115.3
North America	2.7	3.1	+ 0.4	1.4	20.0	20.0	+ 18.6	-	16.9
Revenue	84.1	87.0	+ 2.9	195.9	210.0	210.0	+ 14.1	-	123.0
Domestic & Asia	28.9	23.3	- 5.6	81.2	65.0	65.0	- 16.2	-	41.7
North America	55.1	63.7	+ 8.5	114.6	145.0	145.0	+ 30.4	-	81.3
Business Profit	0.3	1.6	+ 1.3	3.7	7.0	7.0	+ 3.3	-	5.4
[Margin]	[0.4%]	[1.9%]	[+ 1.5pt]	[1.9%]	[3.3%]	[3.3%]	[+ 1.3pt]	[-]	[4.4%]

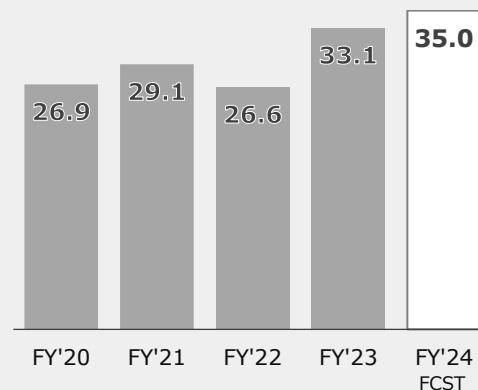
Details of change in Business Profit(Loss)

(billion yen)



Appendix

Revenue in components, overhaul and after-sales service(billion yen)



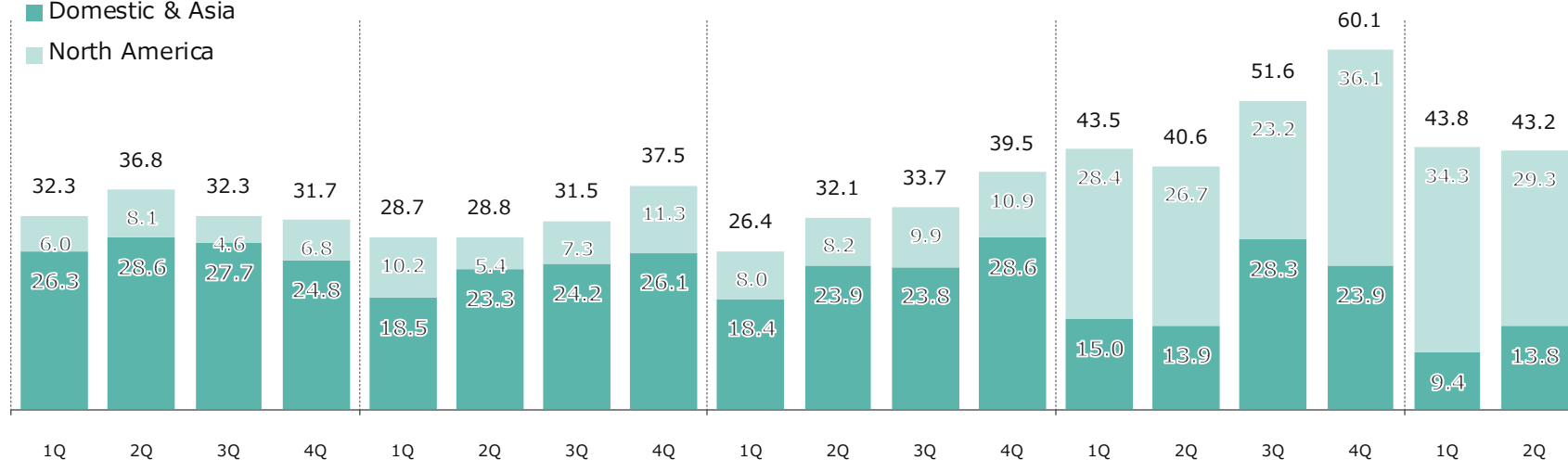
Progress of the R211 Project for New York Subway in the U.S. (at the end of Sep '24)

- **300 cars** out of 535(Base contract) **have been delivered**
- The last delivery is scheduled in Q4 FY'24
- The order for additional 640 cars(Option1 contract) have been placed, and production will start in FY'24

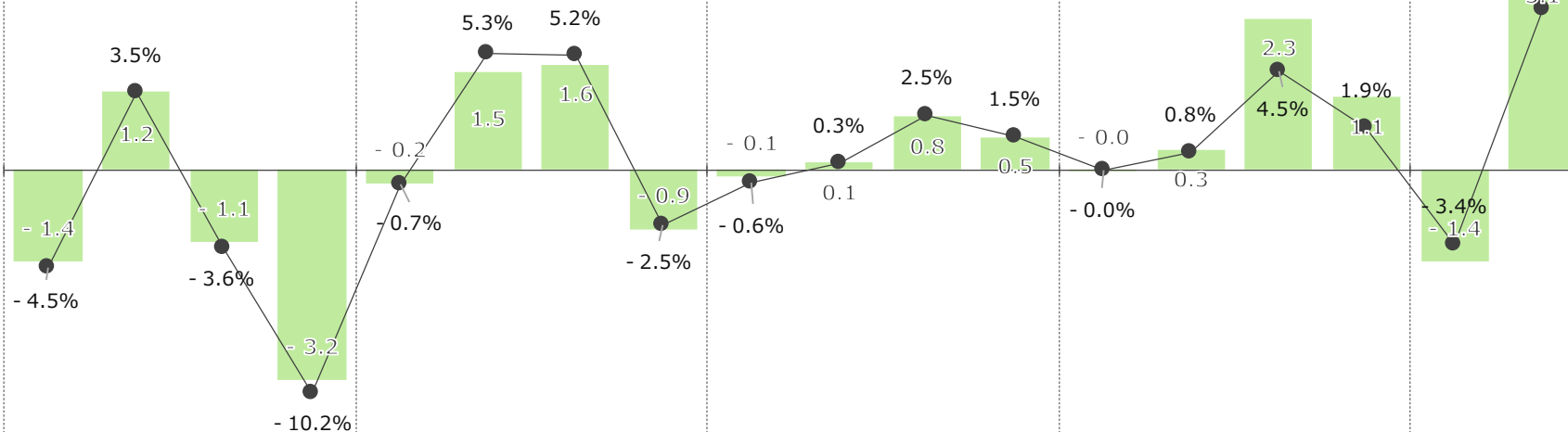
Details by Segment - Rolling Stock -

Net Sales or Revenue
(billion yen)

■ Domestic & Asia
■ North America



Operating Profit or Business Profit
(billion yen)



Market Overview

- Domestic Market
 - The number of railway passengers has recovered to approximately 90% of pre-COVID-19 levels due to the recovery of inbound travel, and investment has resumed.
- Supply chain Risk
 - Prolonged procurement of equipment, mainly electronic components, requires attention, but the impact is limited
- Medium to long-term forecast
 - The overseas railway market is expected to grow steadily due to the need for railway infrastructure in emerging countries and environmental measures in urban areas.

Specific Efforts



Compliance with delivery schedules for overseas projects

*Dhaka
MRT
Line-6*

- ▶ 22 trains out of 24(144 cars) have been delivered to the customer
- ▶ **The last car and facilities will be delivered in FY'24 Q3**

*U.S.
M-9*

- ▶ All trains (92 cars) under the base contract were delivered by FY'21 Q1
- ▶ The last car out of 110 cars under the option1 contract were shipped in FY'23 Q4 and **4 cars are awaiting customer acceptance**

※See page 20 for the progress of R211 project in the U.S.



Achieving quality levels trusted by customers

- Reduction of spoilage and repair costs
- Further promotion of Kawasaki Production System



Rolling stock for Dhaka Mass Transit Company Limited



Expansion of components sales, after-sales service, and maintenance business

- Promotion of remote track monitoring service for North American market
- Promotion of train condition monitoring equipment for domestic market

- Energy Solution & Marine Engineering -

FY2024.Q2 (vs. FY2023.Q2)

Orders received



-¥7.3 bil.

Decreased due to a decrease in orders for domestic municipal waste incineration plants and industrial gas turbines despite orders for LPG/LAG carriers

Revenue



+¥12.1 bil.

Increased due to an increase in domestic municipal waste incineration plants and naval equipment for MOD

Business profit



+¥3.5 bil.

Improved due to revenue increase and improved equity in gains

FY2024 forecast (vs. Forecast in August)

Orders received



+¥100.0 bil.

Revised up due to an increase in orders for LPG/LAG carriers

Revenue



-¥10.0 bil.

Revised down due to business progress review (change the timing of revenue recognition)

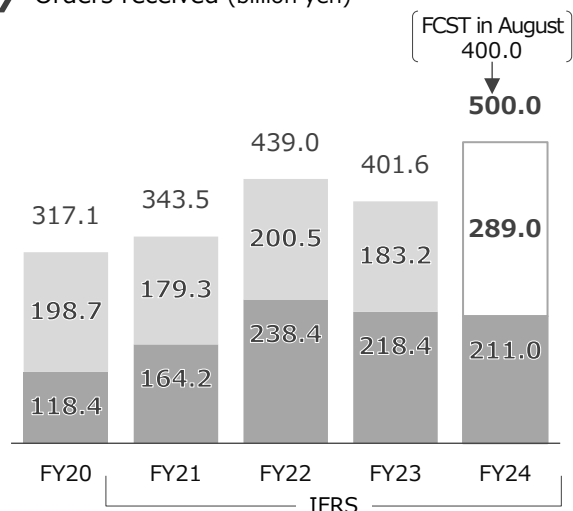
Business profit



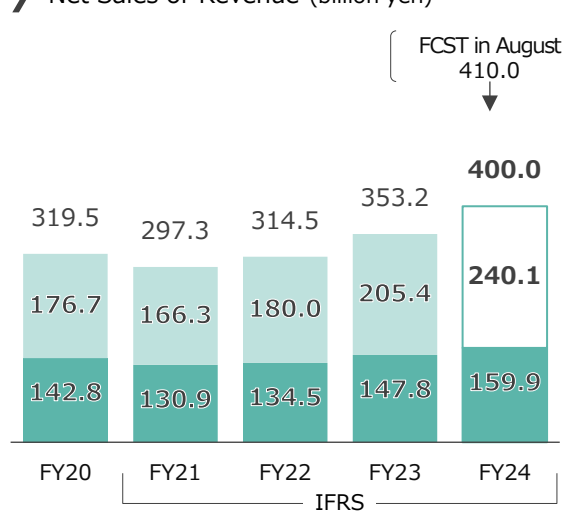
+¥2.0 bil.

Revised up due to an increase of improved equity in gains and other factors despite a decrease in revenue

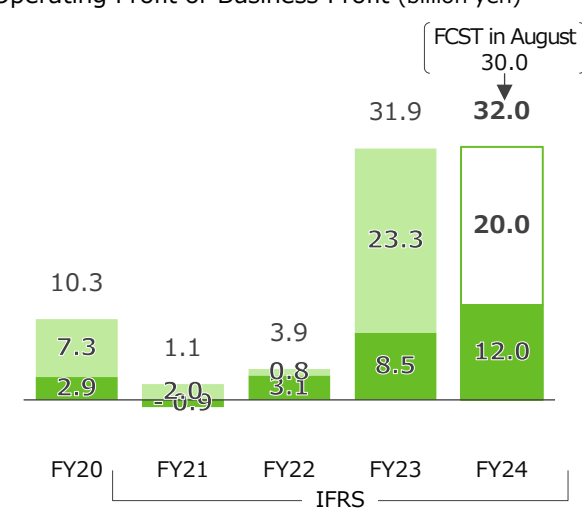
/ Orders received (billion yen)



/ Net Sales or Revenue (billion yen)



/ Operating Profit or Business Profit (billion yen)



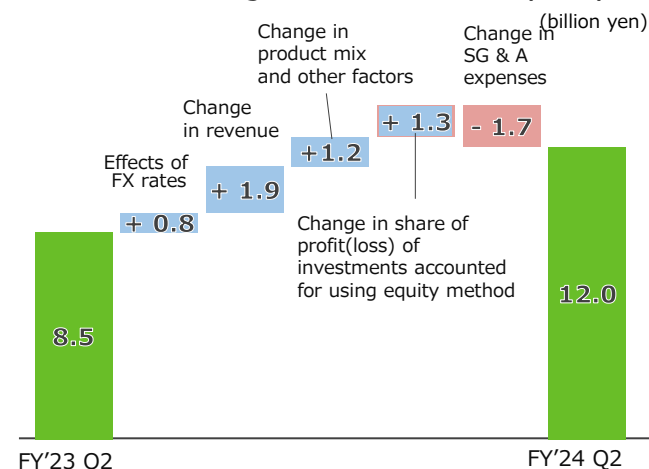
Note: Darker areas in the graphs represent the Q1-Q2 and lighter areas represent the Q3-Q4 cumulative total

- Energy Solution & Marine Engineering -

(billion yen)

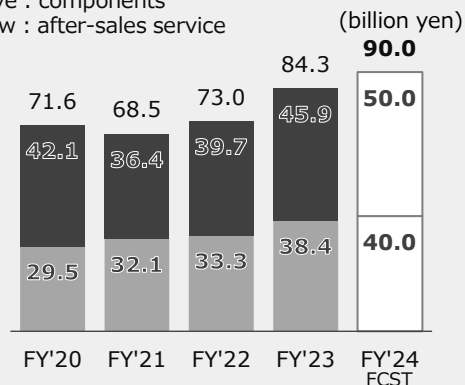
	FY2023	FY2024		FY2023	FY2024 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY23	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	218.4	211.0	- 7.3	401.6	400.0	500.0	+ 98.4	+ 100.0	289.0
Energy, Plant & Marine Machinery	188.0	144.9	- 43.0	358.8	300.0	310.0	- 48.8	+ 10.0	165.1
Ship & Offshore Structure	30.3	66.0	+ 35.7	42.7	100.0	190.0	+ 147.3	+ 90.0	124.0
Revenue	147.8	159.9	+ 12.1	353.2	410.0	400.0	+ 46.8	- 10.0	240.1
Energy, Plant & Marine Machinery	103.8	115.3	+ 11.5	260.6	320.0	310.0	+ 49.4	- 10.0	194.7
Ship & Offshore Structure	44.0	44.6	+ 0.6	92.5	90.0	90.0	- 2.5	-	45.4
Business Profit	8.5	12.0	+ 3.5	31.9	30.0	32.0	+ 0.1	+ 2.0	20.0
[Margin]	[5.8%]	[7.5%]	[+ 1.7pt]	[9.0%]	[7.3%]	[8.0%]	[- 1.0pt]	[+ 0.6pt]	[8.3%]
Share of profit (loss) of investments accounted for using equity method	8.0	9.4	+ 1.3	13.7	15.5	21.5	+ 7.8	+ 6.0	12.1

Details of change in Business Profit(Loss)



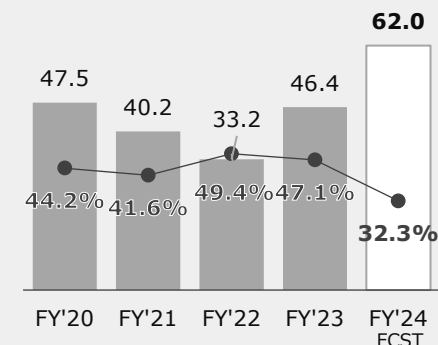
Appendix

Revenue of major products in the energy business
above : components
below : after-sales service



Revenue of municipal waste incineration plants
(billion yen)

Net sales — O&M ratio to net sales



Details by Segment

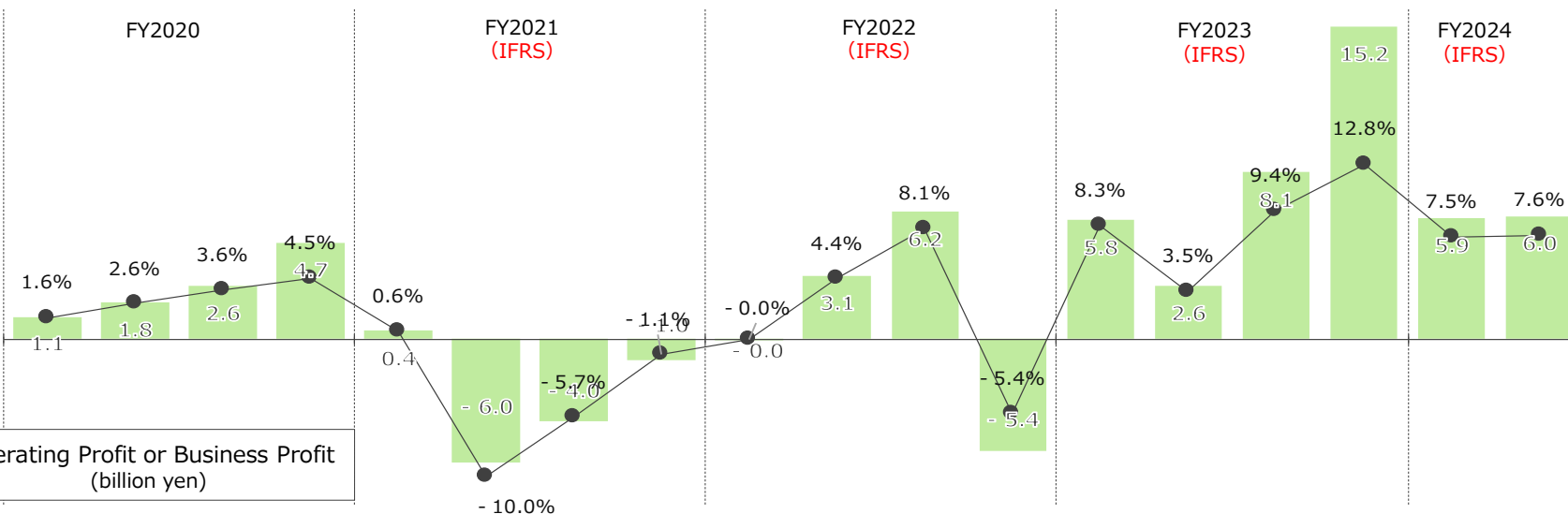
- Energy Solution & Marine Engineering -

Net Sales or Revenue
(billion yen)

Energy, Plant & Marine Machinery
Ship & Offshore Structure



Operating Profit or Business Profit
(billion yen)



(Note) The prior results of previous segment have been reclassified to current segment

- Energy Solution & Marine Engineering -

Market Overview

● Energy system & Plant Engineering

Domestic	Overseas
<ul style="list-style-type: none"> - Strong demand for distributed power generation - Continued demand for renewal of aging waste incineration plants 	<ul style="list-style-type: none"> - Strong demand for energy infrastructure development such as distributed power generation in emerging countries - Increased orders, inquiries for hydrogen products in developed countries

● Ship & Offshore Structure

Commercial ships	Submarines and others
<ul style="list-style-type: none"> - Ship prices continue to be high, affected by the soaring cost of materials and equipment - Shipbuilders have filled their immediate berths and business negotiations are centered on future delivery dates 	<p>Stable orders for submarines are expected</p>

● Entire segment

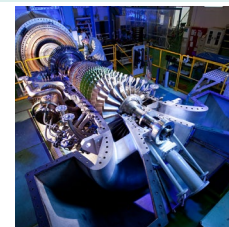
Risks	Carbon neutrality
<ul style="list-style-type: none"> - Stable supply of fuel gas required for operation of power generation facilities - Concerns about pressure on profits due to persistently high raw material, equipment, and fuel costs 	<p>Inquiries and requests for cooperation are increasing regarding decarbonization solutions such as KCC^{※1}, including hydrogen products</p> <p>※1 Kawasaki CO₂ Capture: CO₂ Separation and Capture system</p>

Specific Efforts

✓ Products and services for low-carbon and decarbonized society

Topic First Order in Taiwan for 30MW Class L30A High-efficiency Gas Turbine

- Received an order from Yee Fong Chemical & Industrial Co., Ltd., a major chemical company in Taiwan, for one L30A gas for cogeneration system use
- Replacing coal boilers with natural gas-fired facilities will significantly reduce CO₂ emissions and reduce energy costs



"L30A" high-efficiency, 30 MW class gas turbine

✓ Solutions for decarbonized society

Topic Japan's first successful completion of an operational test run for 30% hydrogen mixed-fuel large gas engine

- Hydrogen can be mixed with city gas at any amount up to 5- 30% by volume
- 30% hydrogen-to-city-gas mixed-fuel combustion reduces approximately 1,150 metric tons of CO₂ emissions compared with city-gas-only combustion^{※2}
- Safety measures in consideration of hydrogen's highly ignitable characteristics and the leaks based on the knowledge gained from the world's first demonstration projects^{※3}




"KG-18-T" hydrogen Mixed-fuel Large Gas Engine

※2 Power generation output: 7,500 kW, Operation hour: 4,000 per year
CO₂ emission coefficient: 2.29 kgCO₂/Nm³


※3 NEDO projects "Development of Technologies for Realizing a Hydrogen Society" and "Demonstration of establishment for large-scale maritime transportation supply chain of hydrogen from unused brown coal"

Details by Segment - Precision Machinery & Robot -


FY2024.Q2 (vs. FY2023.Q2)

Orders received 
+¥21.6 bil.

Increased due to an increase in hydraulic machinery for Chinese construction machinery market and robots for semiconductor manufacturing equipment


Revenue 
+¥6.4 bil.

Increased due to an increase in robots for semiconductor manufacturing equipment and in hydraulic marine machinery


Business profit 
+¥6.5 bil.

Improved due to an increase in revenue and improvement profitability


FY2024 forecast (vs. Forecast in August)

Orders received 
±¥0.0 bil.

Expected to remain at the same level

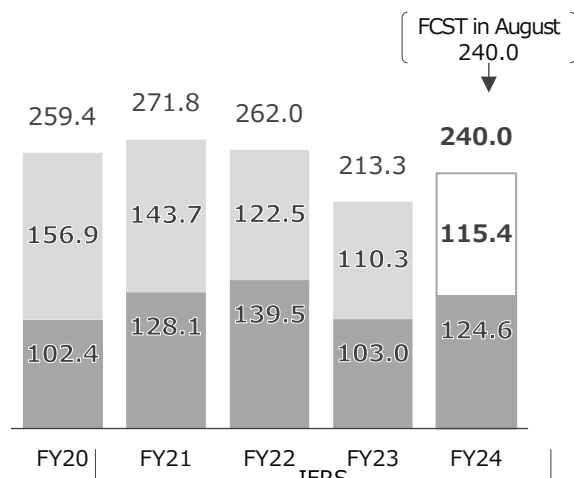
Revenue 
+¥10.0 bil.

Revised up due to an increase in hydraulic machinery for Chinese construction machinery market and robots for automobiles

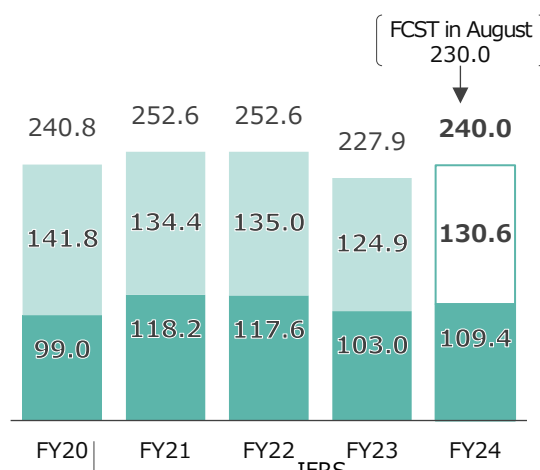
Business profit 
+¥1.0 bil.

Revised up due to an increase in revenue

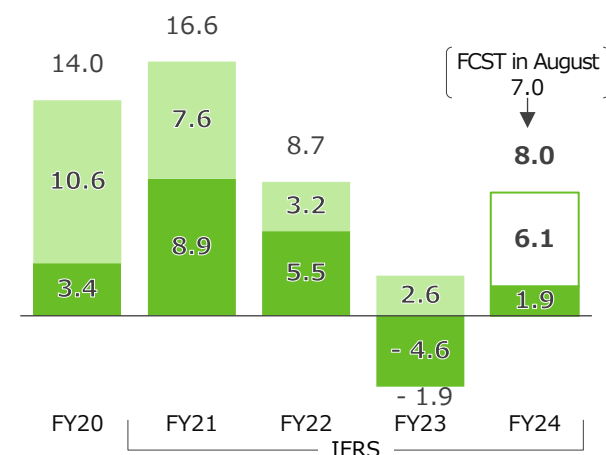
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q2 and lighter areas represent the Q3-Q4 cumulative total

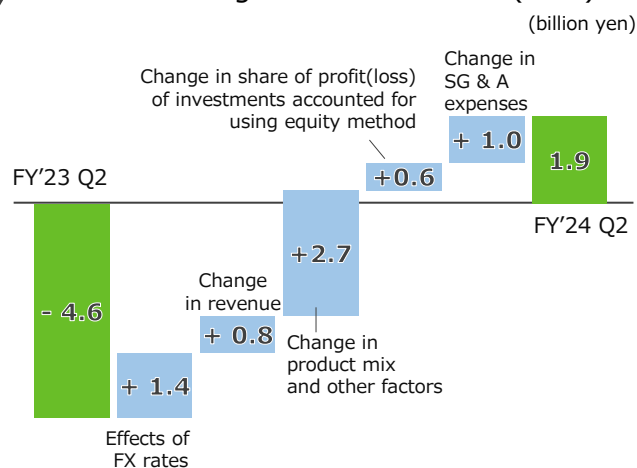
Details by Segment

- Precision Machinery & Robot -

(billion yen)

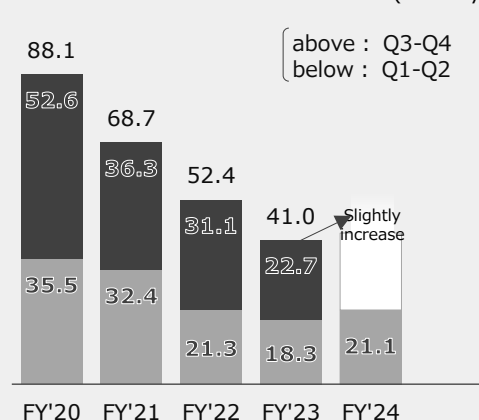
	FY2023	FY2024		FY2023	FY2024 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY23	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	103.0	124.6	+ 21.6	213.3	240.0	240.0	+ 26.7	-	115.4
Hydraulic Components & Systems	67.5	74.9	+ 7.3	136.1	150.0	150.0	+ 13.9	-	75.1
Robotics	35.5	49.7	+ 14.2	77.2	90.0	90.0	+ 12.8	-	40.3
Revenue	103.0	109.4	+ 6.4	227.9	230.0	240.0	+ 12.1	+ 10.0	130.6
Hydraulic Components & Systems	66.9	71.1	+ 4.2	141.5	140.0	145.0	+ 3.5	+ 5.0	73.9
Robotics	36.1	38.3	+ 2.1	86.3	90.0	95.0	+ 8.7	+ 5.0	56.7
Business Profit (Loss)	- 4.6	1.9	+ 6.5	- 1.9	7.0	8.0	+ 9.9	+ 1.0	6.1
[Margin]	[- 4.5%]	[1.8%]	[+ 6.2pt]	[- 0.9%]	[3.0%]	[3.3%]	[+ 4.1pt]	[+ 0.2pt]	[4.7%]
Share of profit (loss) of investments accounted for using equity method	- 1.4	- 0.8	+ 0.6	- 2.5	- 2.0	- 2.0	+ 0.5	-	- 1.2

Details of change in Business Profit(Loss)



Appendix

Revenue of hydraulic components to China (billion yen)



Revenue of robots by segment※ (billion yen)

	above : Q1-Q2 below : Full Year	FY'23	FY'24	Change
Automobile assembly and painting		15.4	14.2	-1.1
		38.9	*40.5	+ 1.6
Semiconductor		11.1	15.6	+ 4.4
		27.4	*34.5	+ 7.1
General robots for industrial use and others		12.6	12.0	- 0.6
		28.6	*30.0	+ 1.4
Total		39.2	41.9	+ 2.6
		94.9	*105.0	+ 10.1

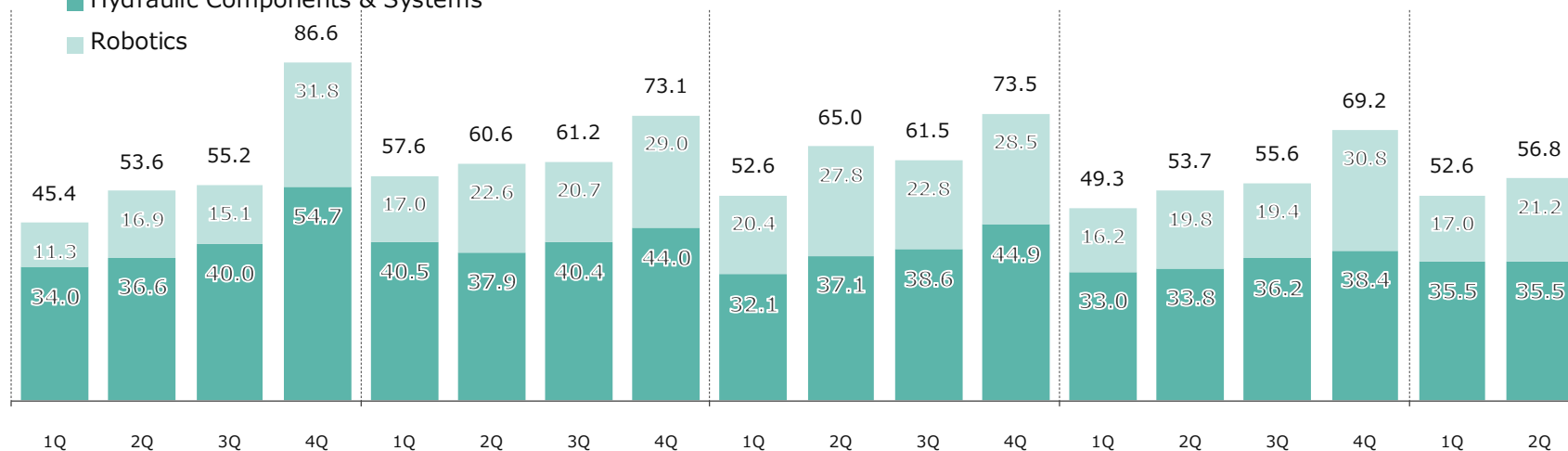
※Including intercompany revenue

* Forecast

Details by Segment - Precision Machinery & Robot -

Net Sales or Revenue
(billion yen)

Hydraulic Components & Systems
Robotics



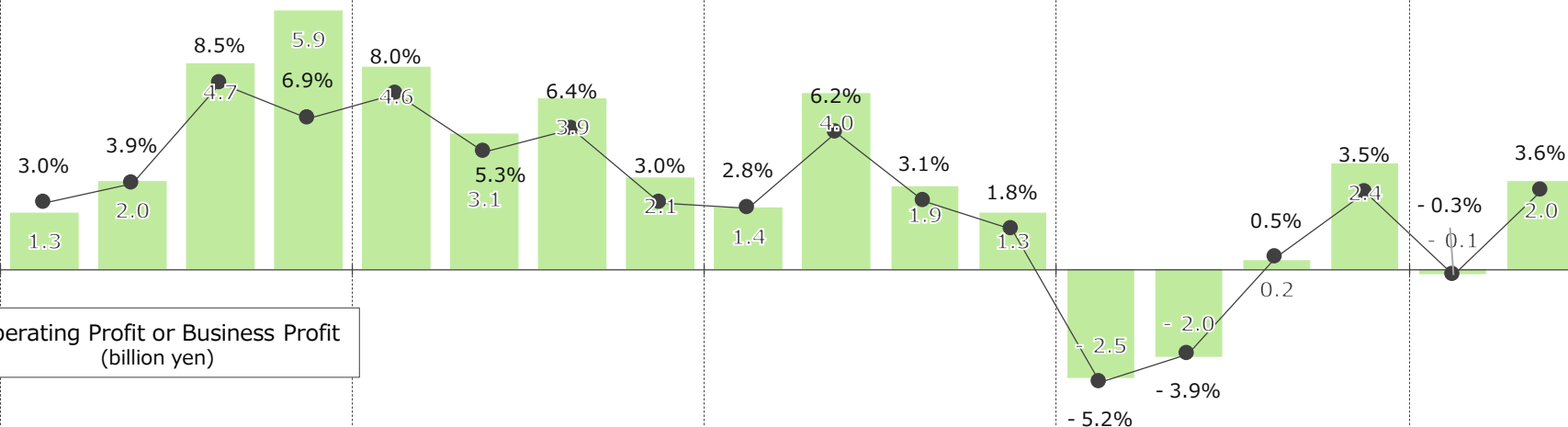
FY2020

FY2021
(IFRS)

FY2022
(IFRS)

FY2023
(IFRS)

FY2024
(IFRS)



Operating Profit or Business Profit
(billion yen)

- Precision Machinery & Robot -

Market Overview

- Construction machinery
 - Sluggish demand in China shows signs of bottoming out especially in small models
 - Demand outside China is weakening slightly, mainly in Europe and the U.S.
 - Electrification will be promoted due to the environmental regulations
 - Automation and autonomy will be promoted due to a shortage of skilled workers
- Robot
 - General purpose robots
Demand is sluggish mainly in China, but potentially growing due to increasing labor costs and labor shortages
 - Robots for semiconductors
The temporary decline in the semiconductor memory market has bottomed out and demand is recovering
 - Supply chain risk
Electronic components shortage and logistics disruption are improving but the prices of electronic components and materials keep high



Indoor Delivery Robot "FORRO" Launched

Progress

In operation at...
Fujita Health University Hospital and
Fujita Medical Innovation Center

Specific Efforts



Measures for the development of hydraulic business

Development of new products and market for construction machinery

- Leveraging advanced control technology and development capabilities to develop markets for electrification and automation

Strengthening the after sales business

- Expanding after sales and building and expanding sales networks by leveraging past sales results



New electric hydraulic system for construction machinery

Strengthening hydrogen / MOD business

- Development of hydrogen compressors and fuel cell systems
- Expansion of MOD related products inside the company



Strategic Challenges in the Robotics

Concentrated investment in high value-added areas

- Development of supply system for full-scale recovery of semiconductor market
- Expansion of new fields (Vacuum process, Back-end process, EFEM, factory automation, etc.)

Strengthening the medical robots business


- Spreading the "hinotori"™ (with Mediaroid and Sysmex)
- Differentiation by remote control technology

Strengthening brand


- Accelerated collaboration with unicorn companies
- Promotion of commercialization in the social robots field

3 Details by Segment - Powersports & Engine -

FY2024.Q2 (vs. FY2023.Q2)


Revenue 
-¥13.8 bil.

Decreased due to a temporary decline in four-wheelers oriented from recall※ and production delay and other factors, despite an increase in motorcycles and the depreciation of the yen


Business profit 
-¥8.2 bil.

Deteriorated due to a decrease in revenue and an increase in fixed costs

FY2024 forecast (vs. Forecast in August)

Revenue 
-¥60.0 bil.

Revised down due to a decrease in four-wheelers affected by recall and delay in starting up production at a new plant in Mexico

Business profit 
-¥17.0 bil.

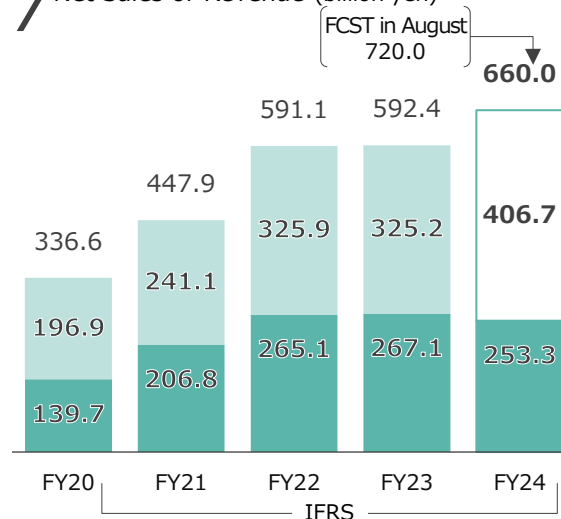
Revised down due to a decrease in revenue

※ MULE PRO 1000 series (Improved vehicles have already been resumed)

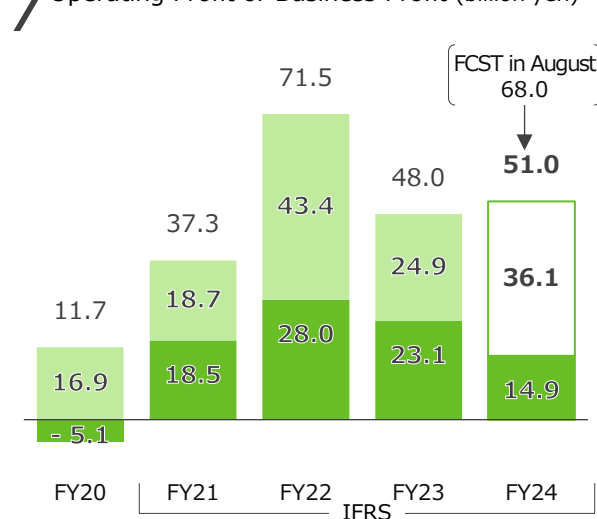
Orders received (billion yen)

Qualitative information and graph are omitted because this segment is mainly engaged in estimated production, and orders received are the same as sales or net sales.

Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



Note: Darker areas in the graphs represent the Q1-Q2 and lighter areas represent the Q3-Q4 cumulative total

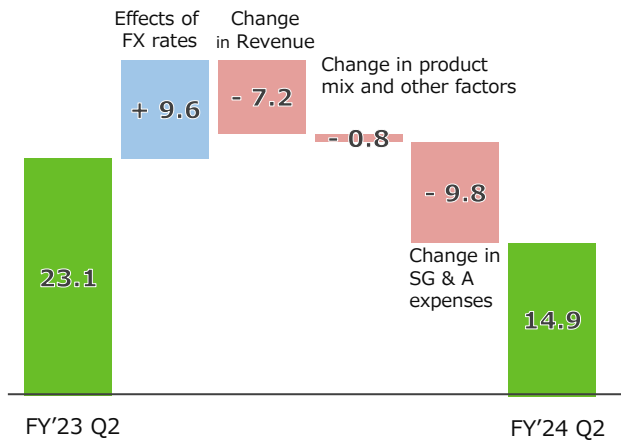
3 Details by Segment - Powersports & Engine -

(billion yen)

	FY2023	FY2024		FY2023	FY2024 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY23	Chg. Vs. Old FCST	Q3-4 FCST
Revenue	267.1	253.3	- 13.8	592.4	720.0	660.0	+ 67.6	- 60.0	406.7
Motorcycles for developed countries	93.4	99.1	+ 5.6	217.9	238.0	271.0	+ 53.1	+ 33.0	171.9
Motorcycles for emerging market	42.8	47.7	+ 4.8	103.4	104.0	112.0	+ 8.6	+ 8.0	64.3
Utility Vehicles, ATVs & PWC	86.5	60.8	- 25.7	180.6	285.0	177.0	- 3.6	- 108.0	116.2
General-purpose gasoline engines	44.2	45.6	+ 1.3	90.3	93.0	100.0	+ 9.7	+ 7.0	54.4
Business Profit	23.1	14.9	- 8.2	48.0	68.0	51.0	+ 3.0	- 17.0	36.1
[Margin]	[8.7%]	[5.9%]	[- 2.7pt]	[8.1%]	[9.4%]	[7.7%]	[- 0.4pt]	[- 1.7pt]	[8.9%]

Details of change in Business Profit

(billion yen)



Appendix

Wholesales of motorcycles by region

(thousand units)

		FY'23 Q2	FY'24 Q2	Change	FY'24(FCST)
Developed countries	Japan	15	11	- 4	
	North America	37	43	+ 5	
	Europe	30	33	+ 2	
	Others*	3	3	- 0	
Total		87	91	+ 4	275
Emerging countries	Philippines	62	86	+ 24	
	Indonesia	11	12	+ 1	
	Latin America	5	5	+ 0	
	Others*	19	13	- 6	
Total		98	118	+ 20	295
Four-wheeler · PWC	North America and Others	41	23	- 18	90

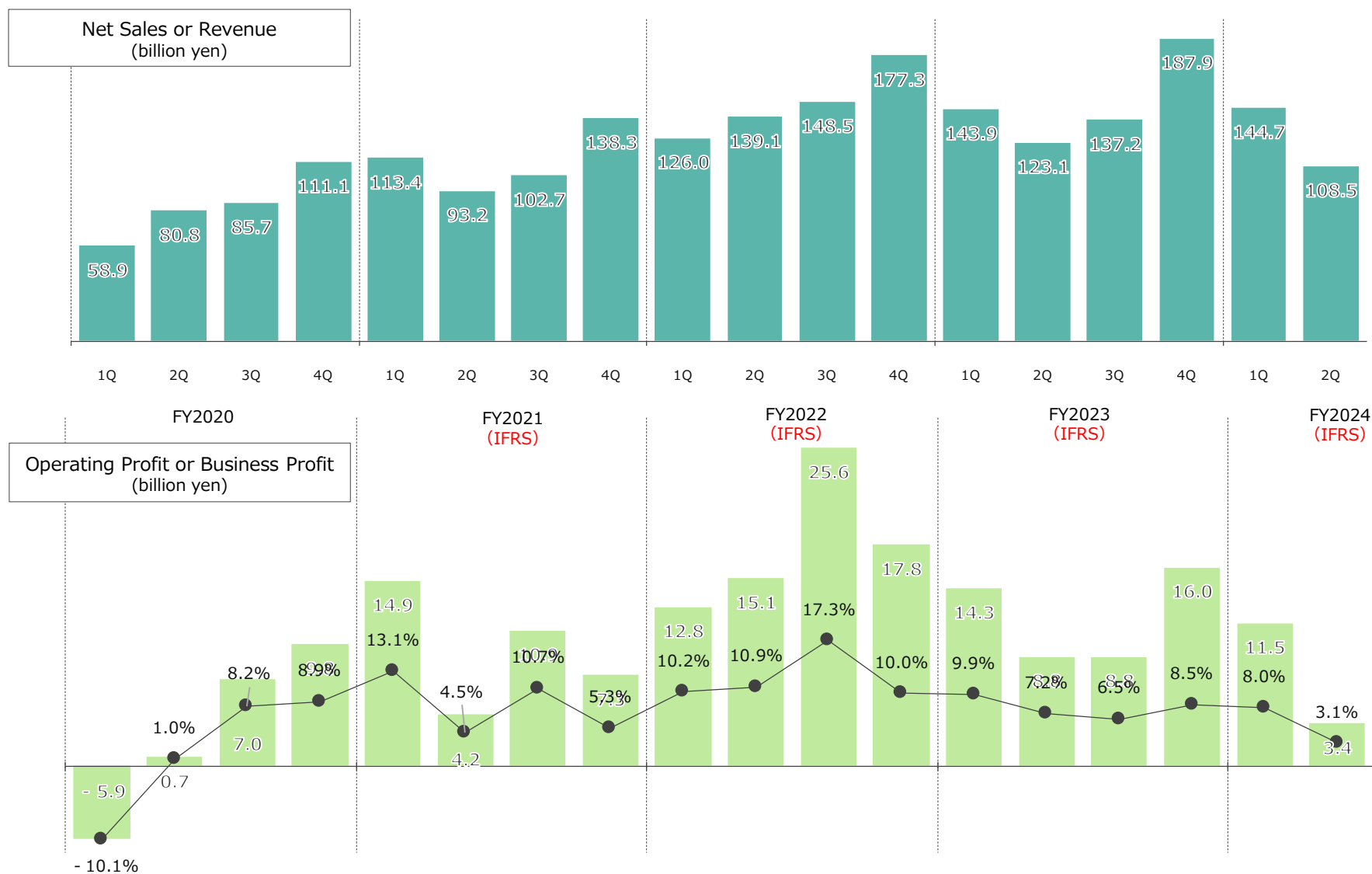
Note : The following table shows the trend of YoY changes in motorcycles of developed and emerging countries and regions included in "Others"

Australia : ➡

China : ➡

Thailand : ➡

Details by Segment - Powersports & Engine -



- Powersports & Engine -

Market Overview

- U.S. (Motorcycles)
 - While the street model market remained firm, the off-road model market softened
 - Each company's aggressive product supply has intensified competition
- U.S. (Four-wheelers)
 - Market is expected to grow over the medium to long term, but is currently on a downward trend due to a reaction to the special demand during the pandemic and competition is intensifying
- Europe
 - The retail market remains strong and our market share is growing due to recovery of supply capacity and launch of new models
- Southeast Asia
 - Recovering in some regions, while sports segment remains at low level

Specific Efforts

✓ Supplying products as much as demanded

- Continuous introduction of new models
- Flexible change of production and sales plans according to sales conditions
- Maintaining appropriate inventory levels

✓ Expansion of the four-wheeler business and electrification

- Investment in development to enhance product competitiveness
- Increase of production capacity by beginning operation of a new plant in Mexico
- Launch of BEVs and HEVs
- Contributing to the realization of a carbon-neutral society through all options in addition to electrification



The popular TERYX KRX series has new special specifications built for muddy conditions

✓ Promoting business process re-engineering through DX

- Achieving agile management through digitalization
- Shortened development time and reduced development costs using digital technology



Public Demonstration Run of a Hydrogen Engine Motorcycle (at Suzuka Circuit on July 20th)
One of our solutions for a carbon neutral society

✓ Securing Free Cash Flows

- Aiming to secure stable FCF for future investment

Dividend Policy

The medium- to long-term consolidated dividend payout ratio **30%**

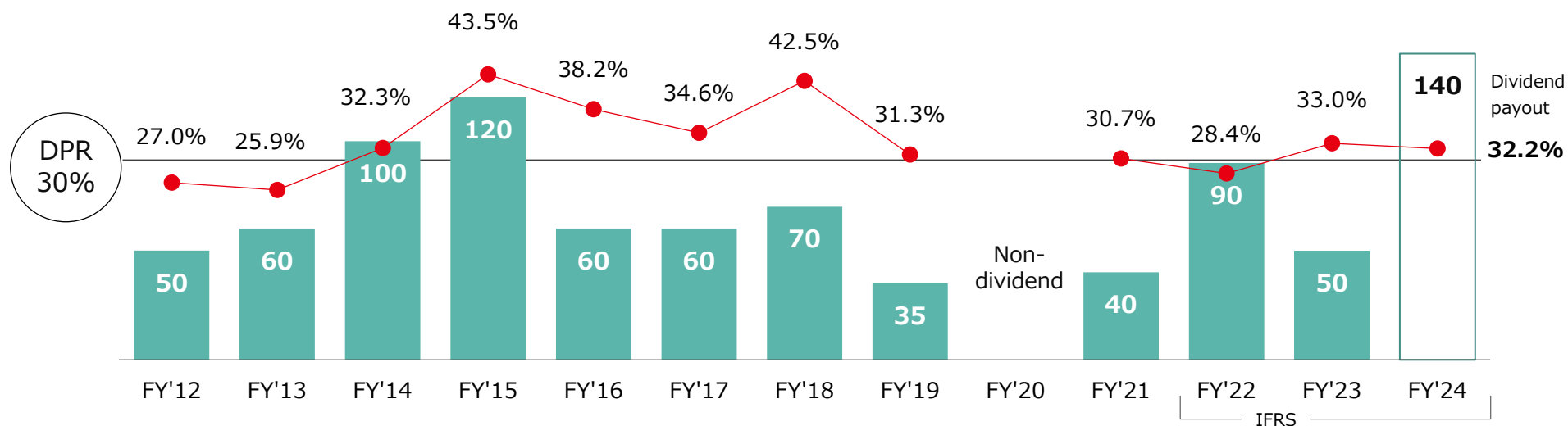
1 Comprehensively considering the following points - future business forecasts, financial conditions such as free cash flow and debt-to-equity ratio, and other factors

2 Stable dividends

Dividend for FY2024

- Business profit forecast is unchanged
- Net profit is revised down due to an expecting exchange loss. However, it may rise depending on the exchange rate at the end of March 2025

▶ Annual dividend per share is not changed from the previous forecast of **140** yen (dividend payout ratio 32.2%)





Strategic Collaborative Agreement with CB&I for Promoting Commercial-Use Liquefied Hydrogen Supply Chain (September 2024)

- By taking advantage of both companies' strengths and specialized know-how, costdown of hydrogen, strengthen hydrogen supply chain competitiveness, and the transition to a zero-carbon-emission society will be accelerated
- Especially in the field of liquefied hydrogen storage, early establishment of a liquefied hydrogen supply chain on a commercial basis will be expected by the cooperation



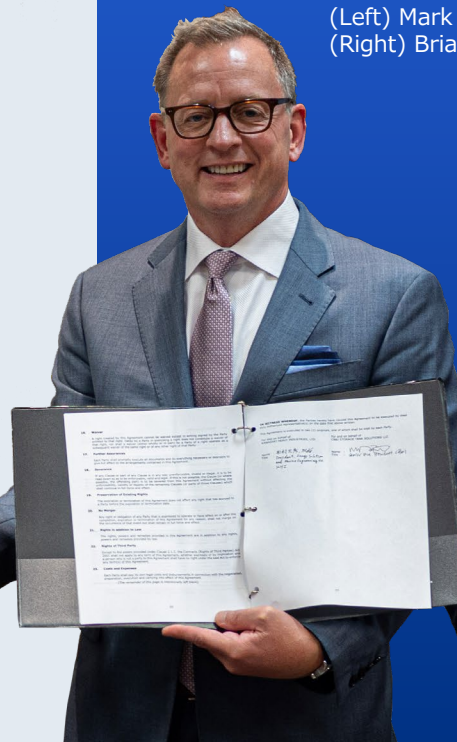
Amako Motohisa
General Manager,
Hydrogen and Carbon
Neutral Division, ES & M
Company



Our Press Release:
https://global.kawasaki.com/news_240920-1e.pdf



Motohiko Nishimura
President, ES&M Company



CB&I STORAGE TANK SOLUTIONS LLC
(Left) Mark Butts, Senior Vice President
(Right) Brian Shearman, Vice President



CB&I is a global leader in the design and construction of storage facilities, tanks and terminals, with more than 60,000 tanks built over 130 years

Establishment of precision machinery joint venture in China

- In September 2024, Kawasaki established Eddie KPM Precision Machinery (Suzhou) Ltd., a joint venture for the hydraulic equipment business together with a Chinese hydraulic equipment manufacturer Yantai Eddie Precision Machinery Co., Ltd. ("EDDIE"). (Ownership: Kawasaki 49%, EDDIE 51%)
- Aiming to strengthen competitiveness in the Chinese market by integrating Kawasaki's technology with EDDIE's production and procurement capabilities for core components



Current Status and Future Prospects of the Chinese Market

The Chinese construction equipment market is currently focused on price, especially for popular machines. The hydraulic equipment market is facing intense price competition as more manufacturers enter the industry.

However, in the future, it is anticipated that high-end machines incorporating unique technology will become more popular.

With Kawasaki's expertise in system compatibility and differentiated technology, we have great potential for long-term sales growth.

Establishment of the new joint venture will allow us to maintain and expand our market share in hydraulic equipment for popular machines, which will greatly contribute to the future expansion of our hydraulic system sales.



Our Press Release:
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20240829_1330

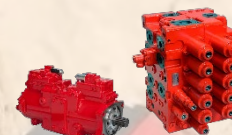


Outline of the joint venture



Products

Control valves /
Motors / Pumps



Production system

The new company will produce many of the control valves for Chinese customers instead of the Nishi-Kobe Works. Some core parts will be sourced from Japan, but local procurement will be substantially increased to improve cost competitiveness



Sales Structure

The products are Kawasaki-branded, and will be sold via Kawasaki's 100% subsidiary, Kawasaki Precision Machinery Trading (Shanghai) Co., Ltd.



Revenue Target (FY 2026)

10 +
billion RMB
(Approx. ¥21 billion yen)



✓ Major Milestone as 5,000th Railcar in U.S. Market

- Kawasaki Rail Car, Inc., a U.S. subsidiary of Japan based Kawasaki Railcar Manufacturing Co., Ltd. Held a major milestone event celebrating its 5,000th railcar in the U.S. market in October 2024.
- Kawasaki has delivered 3,783 railcars equivalent to 76% of its total 5,000 railcars to authorities in the New York area.

“

Over the past four decades Kawasaki has been a reliable partner to the MTA*, manufacturing thousands of reliable cars for our customers.

Kawasaki has been integral to the decades-long turnaround of the subway system and the 2025-29 Capital Plan recently adopted by the MTA Board calls for even greater investment in new subway and commuter railcars.

Janno Lieber
MTA Chair and CEO

”

※ MTA: Metropolitan Transportation Authority

From the left:Yusuke Hirose (President, Kawasaki Rail Car, Inc.), Hiroshi Murao (President and Chief Executive Officer, KRMCo*, Catherine Rinaldi (President, MTA Metro North Railroad), Janno Lieber (MTA, Chair and CEO)Demitrius Crichlow (President, New York City Transit), Rob Free (President, Long Island Rail Road), Hiroaki Shimamoto (General Manager, North America Business Division, Kawasaki Railcar Manufacturing Co., Ltd.

*KRMCo: Kawasaki Railcar Manufacturing Co., Ltd.



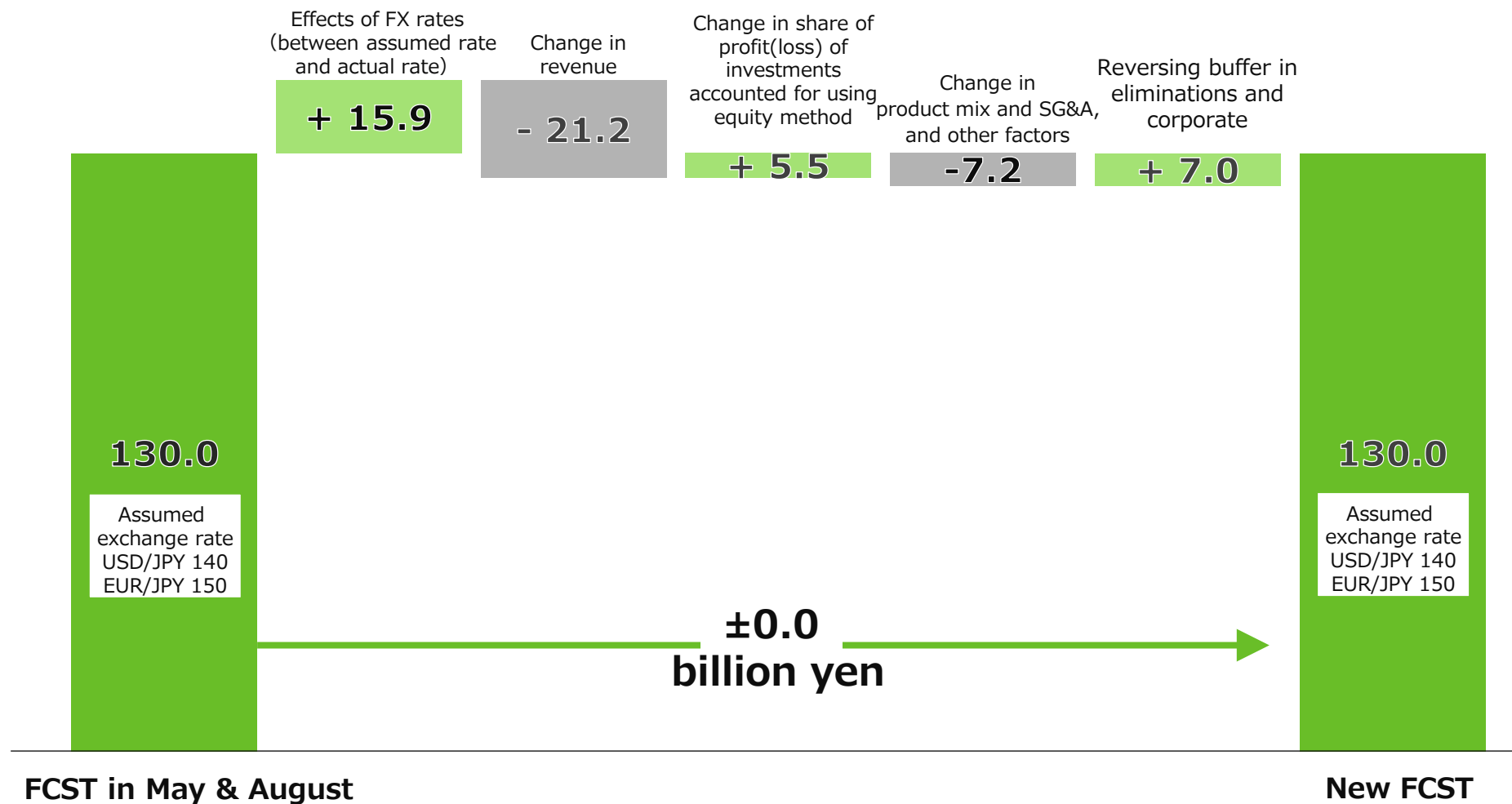
Janno Lieber

Chair and CEO, MTA

Our Press Release:
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20241010_8729



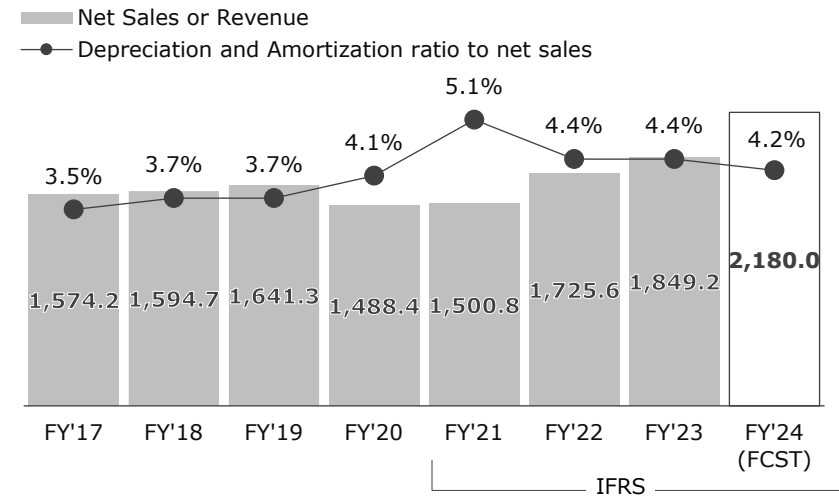
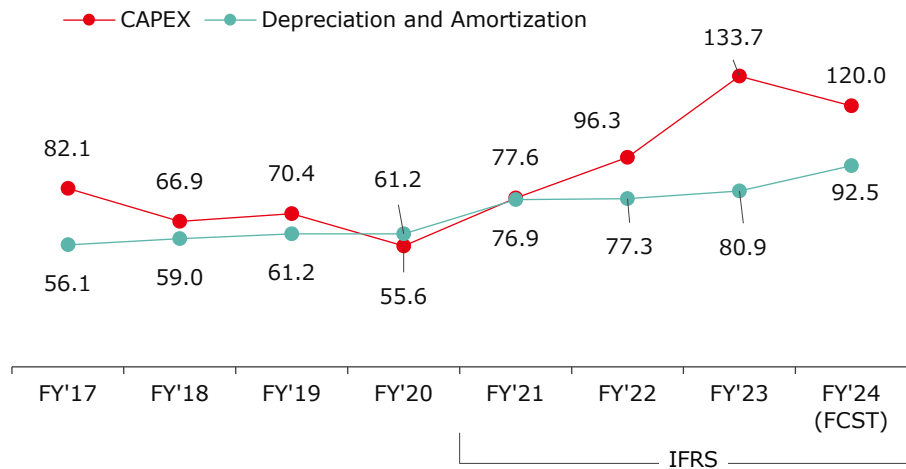
- Details of change in business profit (FY2024 forecast) -



※ Each factor of change is approximate values calculated by our company based on certain criteria. Effects of foreign exchange rates are calculated for USD and EUR, and those of other currencies are included in "Change in product mix and SG&A, and other factors"

(billion yen, persons)

	FY2023	FY2024		FY2023	FY2024			
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY23	Chg. Vs. Old FCST
CAPEX	55.8	65.6	+ 9.8	133.7	125.0	120.0	- 13.7	- 5.0
Depreciation and amortization	39.8	43.0	+ 3.1	80.9	102.0	92.5	+ 11.6	- 9.5
R & D expenses	23.6	26.1	+ 2.4	53.5	63.0	63.5	+ 10.0	+ 0.5
Number of Employees				39,689	41,920	41,590	+ 190	- 33.0
Domestic				28,099	29,500	29,570	+ 147	+ 7.0
Overseas				11,590	12,420	12,020	+ 43	- 40.0



● Order received by quarter (billion yen)

	FY2022				FY2023				FY2024	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Aerospace Systems	60.4	65.1	75.1	144.7	118.7	74.4	139.2	360.0	88.2	121.7
Aerospace	45.9	46.4	48.0	113.4	104.4	98.0	108.0	246.3	54.3	58.4
Aero Engine	14.4	18.7	27.0	31.3	14.2	-23.6	31.2	113.7	33.9	63.3
Rolling Stock	11.7	27.6	255.0	18.8	16.4	13.6	11.7	46.9	17.0	10.7
Energy Solution & Marine Engineering	124.5	113.8	63.4	137.1	102.3	116.0	62.8	120.4	121.8	89.2
Energy, Plant & Marine Machinery	94.3	96.6	44.9	56.6	94.7	93.2	58.2	112.5	56.5	88.4
Ship & Offshore Structure	30.1	17.2	18.4	80.5	7.5	22.7	4.5	7.8	65.3	0.7
Precision Machinery & Robot	67.9	71.5	58.0	64.4	54.0	49.0	54.6	55.7	61.6	63.0
Hydraulic Components & Systems	37.6	43.1	37.4	36.4	36.6	30.9	34.3	34.2	36.0	38.8
Robotics	30.3	28.4	20.6	27.9	17.3	18.1	20.2	21.4	25.6	24.1
Powersports & Engine	126.0	139.1	148.5	177.3	143.9	123.1	137.2	187.9	144.7	108.5
Others	21.3	37.1	9.6	18.3	21.7	27.0	23.5	22.1	23.3	45.1
Total	412.0	454.5	609.9	560.9	457.3	403.4	429.2	793.3	456.8	438.4

- Orders received and Revenue for Ministry of Defense (billion yen)

Same as previously
announced in August

	FY2023	FY2024		FY2023	FY2024 Forecast	
	Q2 Actual	Q2 Actual	Change	Actual	FCST	Chg. Vs. FY23
Orders Received	188.7	144.2	- 44.5	553.0	651.5	+ 98.5
<i>Aircrafts and others</i>	118.5	61.3	- 57.2	396.6	503.0	+ 106.4
<i>Aero Engines</i>	6.4	19.2	+ 12.8	52.4	23.5	- 28.9
Submarine & Naval propuls	63.8	63.7	- 0.1	104.0	125.0	+ 21.0
Revenue	120.2	147.6	+ 27.4	288.5	406.0	+ 117.5
<i>[Ratio to the company's total revenue]</i>	<i>[15.6%]</i>	<i>[16.7%]</i>		<i>[15.6%]</i>	<i>[18.0%]</i>	
<i>Aircrafts and others</i>	81.4	100.3	+ 18.9	192.3	288.0	+ 95.7
<i>Aero Engines</i>	5.6	9.2	+ 3.6	17.5	26.0	+ 8.5
Submarine & Naval propuls	33.2	38.1	+ 4.9	78.7	92.0	+ 13.3

● Order Backlog (billion yen)

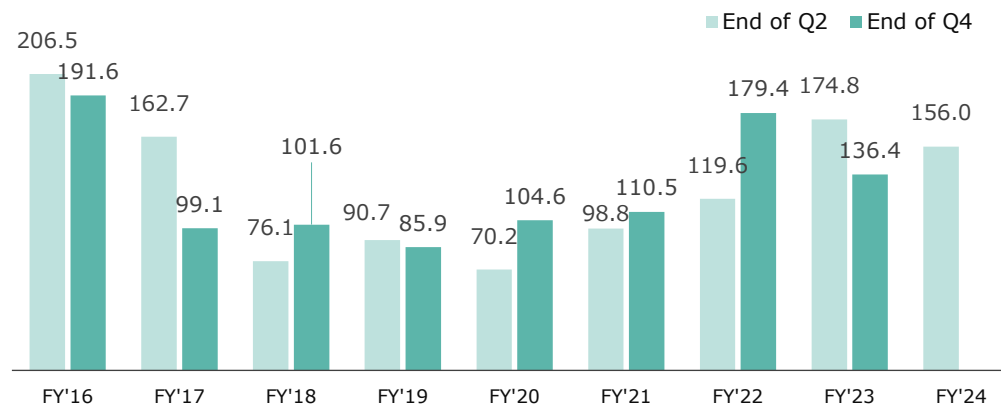
	FY23 Q2 Actual	FY24 Q2	
		Actual	Change
Aerospace Systems	832.7	966.0	+ 133.3
Rolling Stock	541.1	421.5	- 119.5
Energy Solution & Marine Engineering	709.9	734.1	+ 24.1
Precision Machinery & Robot	98.2	98.8	+ 0.6
Powersports & Engine	-	-	-
Others	38.7	67.1	+ 28.4
Total	2,220.7	2,287.7	+ 67.0

● Revenue by Region (billion yen)

	FY23 Q2 Actual	FY24 Q2	
		Actual	Change
Japan	299.3	333.6	+ 34.2
USA	217.5	279.6	+ 62.1
Europe	80.4	98.3	+ 17.8
Asia	115.2	128.5	+ 13.2
Other	56.7	44.0	- 12.6
Total	769.3	884.1	+ 114.8

※ Classified by country or region based on the customer's location.

● Order Backlog in Ship & Offshore (billion yen)



● Ship Orders Received and Delivery Year (number of ships)

	FY'24 Received Orders	Delivery Year				Order Backlog
		FY'24 Actual Q2	FY'24 3Q-	FY'25	FY'26~	
			Plan			
LPG Carrier	3	1	2	4	5	11
Submarine			1		1	2
Others						
Total	※1 3	1	3	4	※2 6	13

※ 1 Delivered in FY'24 Q1 : 50,400GT

※ 2 Order Backlog : 554,400GT *Submarines are excluded

● **Amount of foreign currency that affects business profit and loss** ※1

(billion USD / EUR)

		FY2023	FY2024	
		Q2Actual	Q2Actual	Q3-4 FCST
USD	Aerospace Systems	0.20	※2 0.34	0.12
	Rolling Stock	0.12	0.16	0.12
	Energy Solution & Marine Engineering	0.15	0.12	0.05
	Precision Machinery & Robot	0.06	0.06	0.07
	Powersports & Engine	0.25	※2 0.35	0.32
Total		0.78	1.03	0.68
EUR		0.22	0.24	0.17

※1 The amount of foreign currency (only USD and EUR) that affects business profits due to exchange rate fluctuations.
(Calculated by deducting foreign currency denominated purchases from foreign currency denominated revenue of Kawasaki Heavy Industries, Ltd., Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include foreign currency denominated revenue of loss provisions))

(Ex) Business profit increases or decreases by 1 billion yen if the exchange rate changes to 1 yen weaker or stronger against USD when the foreign currency amount is 1 billion USD.

※2 Excluding refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engine

● **Weighted-average Exchange Rates** (EUR / JPY)

FY2022 actual	141.38
FY2023 actual	157.09
FY2024 Q2 actual	165.91
FY2024 Q3-Q4 forecast	150.00

<Formulas for Calculating ROIC>

After-tax ROIC = { Profit attributable for owners of parent + Interest expenses × (1 – Tax rate) } ÷ Invested capital※3

※3 Invested Capital = Average net debt at beginning and end of period + average equity at beginning and end of period

世界の人々の豊かな生活と地球環境の未来に貢献する
“Global Kawasaki”