

# Financial Results for FY2024

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For the Year ended March 31, 2025

May 9, 2025

Kawasaki Heavy Industries, Ltd.



## Consolidated Results for FY2024

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**Business profit** rose to a **record high** of **143.1** billion yen, exceeding the February forecast of 130.0 billion yen

## Forecasts for FY2025

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**Expect to achieve a new record business profit of 145.0** billion yen, surpassing FY2024 results, despite projecting a stronger yen in our FX rate assumptions

Impact of U.S. tariff policy on our business performance

- ✓ The impact is expected to primarily affect PS&E segment.  
**The performance outlook has already considered the risk of a sluggish market, and the impact has been partially reflected**
- ✓ **The increase in costs due to tariffs is not yet reflected in the performance forecast** as the policies are fluid
- ✓ The qualitative impacts by segments as of May 8, 2025 are detailed on page 18

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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.

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# Consolidated Results for FY2024

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(for the year ended March 31, 2025)

# 1 Consolidated Results for FY2024 -Summary-

- ✓ Revenue and business profit increased YoY, reaching record highs for orders received, revenue, and business profit
- ✓ Business profits in Aerospace systems and ES&M was higher than the February forecast

(Billion Yen)

	FY2023	FY2024						Change	
		Forecast	Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Jan. to Mar.	Total	YoY	vs. Old FCST
Orders Received	2,083.4	<b>2,560.0</b>	456.9	438.4	926.5	808.8	<b>2,630.7</b>	+ 547.2	+ 70.7
Revenue	1,849.2	<b>2,160.0</b>	444.2	439.9	523.1	721.9	<b>2,129.3</b>	+ 280.0	- 30.7
Business Profit (Loss)	46.2	<b>130.0</b>	16.9	30.8	31.2	64.0	<b>143.1</b>	+ 96.9	+ 13.1
<i>[margin]</i>	<i>[2.5%]</i>	<i>[6.0%]</i>	<i>[3.8%]</i>	<i>[7.0%]</i>	<i>[6.0%]</i>	<i>[8.9%]</i>	<i>[6.7%]</i>	<i>[+ 4.2pt]</i>	<i>[+ 0.7pt]</i>
Profit Before Tax (Loss)	31.9	<b>100.0</b>	25.8	- 2.1	40.7	43.0	<b>107.5</b>	+ 75.5	+ 7.5
<i>[margin]</i>	<i>[1.7%]</i>	<i>[4.6%]</i>	<i>[5.8%]</i>	<i>[- 0.5%]</i>	<i>[7.8%]</i>	<i>[6.0%]</i>	<i>[5.0%]</i>	<i>[+ 3.3pt]</i>	<i>[+ 0.4pt]</i>
Profit (Loss) Attributable to Owners of Parent	25.3	<b>78.0</b>	15.3	- 1.7	30.4	43.8	<b>88.0</b>	+ 62.6	+ 10.0
<i>[margin]</i>	<i>[1.4%]</i>	<i>[3.6%]</i>	<i>[3.5%]</i>	<i>[- 0.4%]</i>	<i>[5.8%]</i>	<i>[6.1%]</i>	<i>[4.1%]</i>	<i>[+ 2.7pt]</i>	<i>[+ 0.5pt]</i>
ROIC	2.8%	<b>6.9%</b>	-	-	-	-	<b>8.0%</b>	+ 5.2pt	+ 1.1pt
Weighted-average exchange rates (USD/JPY) ※1	142.54	-	153.34	149.72	148.10	152.11	<b>150.81</b>	+ 8.27	-
US dollar-based transaction (B\$) ※2	1.85	<b>1.89</b>	0.49	0.54	0.50	0.69	<b>1.94</b>	+ 0.09	+ 0.05

※1 Except for loss related to the in-service issues of PW1100G-JM engines.

※2 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. However, the foreign currency amount for each quarter of FY2024 excludes the amount of refund liabilities denominated in foreign currencies related to the in-service issues of the PW1100G-JM engines. See page 52 for the breakdown of these figures by segments.

# 1 Consolidated Results for FY2024 -Segment-

✓ Business profit in Aerospace Systems increased significantly YoY, due to a reaction to the loss related to PW1100G-JM engines and profitability improvement in Aero Engine business ①

✓ Business profit in ES&M increased due to higher revenues and profitability improvement in Chinese joint ventures in Ship & Offshore structure business ②

(billion yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY2023	FY2024	Change	FY2023	FY2024	Change	FY2023	FY2024	Change
Aerospace Systems	692.6	<b>882.8</b>	+ 190.2	396.1	<b>567.8</b>	+ 171.6	- 15.0	<b>55.8</b>	+ 70.8
Rolling Stock	88.7	<b>251.5</b>	+ 162.7	195.9	<b>222.3</b>	+ 26.3	3.7	<b>8.4</b>	+ 4.6
Energy Solution & Marine Engineering	401.6	<b>542.0</b>	+ 140.3	353.2	<b>398.1</b>	+ 44.8	31.9	<b>44.2</b>	+ 12.3
Precision Machinery & Robot	213.3	<b>249.2</b>	+ 35.9	227.9	<b>241.5</b>	+ 13.5	- 1.9	<b>7.0</b>	+ 8.9
Powersports & Engine	592.4	<b>611.6</b>	+ 19.1	592.4	<b>609.3</b>	+ 16.9	48.0	<b>47.8</b>	- 0.1
Others	94.5	<b>93.3</b>	- 1.2	83.5	<b>90.1</b>	+ 6.6	1.1	<b>5.2</b>	+ 4.1
Eliminations and corporate <sup>※</sup>	-	-	-	-	-	-	- 21.7	<b>- 25.6</b>	- 3.8
Total	2,083.4	<b>2,630.7</b>	+ 547.2	1,849.2	<b>2,129.3</b>	+ 280.0	46.2	<b>143.1</b>	+ 96.9

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

# Consolidated Results for FY2024

## -Statement of Profit and Loss-

(billion yen)

	FY2023	%	FY2024	%	Change
Revenue	1,849.2	100.0	<b>2,129.3</b>	100.0	+ 280.0
Cost of sales	1,537.0	<b>83.1</b>	<b>1,697.7</b>	79.7	+ 160.7
Gross profit	312.2	16.9	<b>431.5</b>	20.3	+ 119.3
Selling, general and administrative expenses	276.0	14.9	<b>306.9</b>	14.4	<b>+ 30.9</b>
Salaries and allowances	74.2		<b>81.4</b>		+ 7.1
Research and development expenses	53.3		<b>48.9</b>		- 4.3
Others	148.4		<b>176.5</b>		+ 28.1
	11.3		<b>23.1</b>		<b>+ 11.8</b>
Other income and other expenses	- 1.3		<b>- 4.6</b>		- 3.2
Gain on sale of property, plant and equipment	0.7		<b>0.6</b>		- 0.1
Others	- 2.0		<b>- 5.2</b>		- 3.1
Business Profit (Loss)	46.2	2.5	<b>143.1</b>	6.7	+ 96.9

## 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 Increased 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 Chinese joint ventures in Ship & Offshore structure business

# Consolidated Results for FY2024

## -Statement of Profit and Loss-

(billion yen)

	FY2023	%	FY2024	%	Change
Finance income and Finance costs	- 14.2		- <b>35.6</b>		- 21.3
Net Interest expense (incl. dividend income)	- 5.4		- <b>12.0</b>		- 6.5
Gain and loss on foreign exchange	- 2.6		- <b>16.0</b>		- 13.4
Others	- 6.1		- <b>7.4</b>		- 1.3
Profit before tax	31.9	1.7	<b>107.5</b>	5.1	+ 75.5
Income tax expense	4.6		<b>17.1</b>		+ 12.5
Profit attributable to Non-controlling interests	1.9		<b>2.3</b>		+ 0.3
Profit attributable to owners of parent	25.3	1.4	<b>88.0</b>	4.1	+ 62.6

Details

④ USD/JPY rate  
 151.40 Q4/E FY23  
 149.53 Q4/E FY24

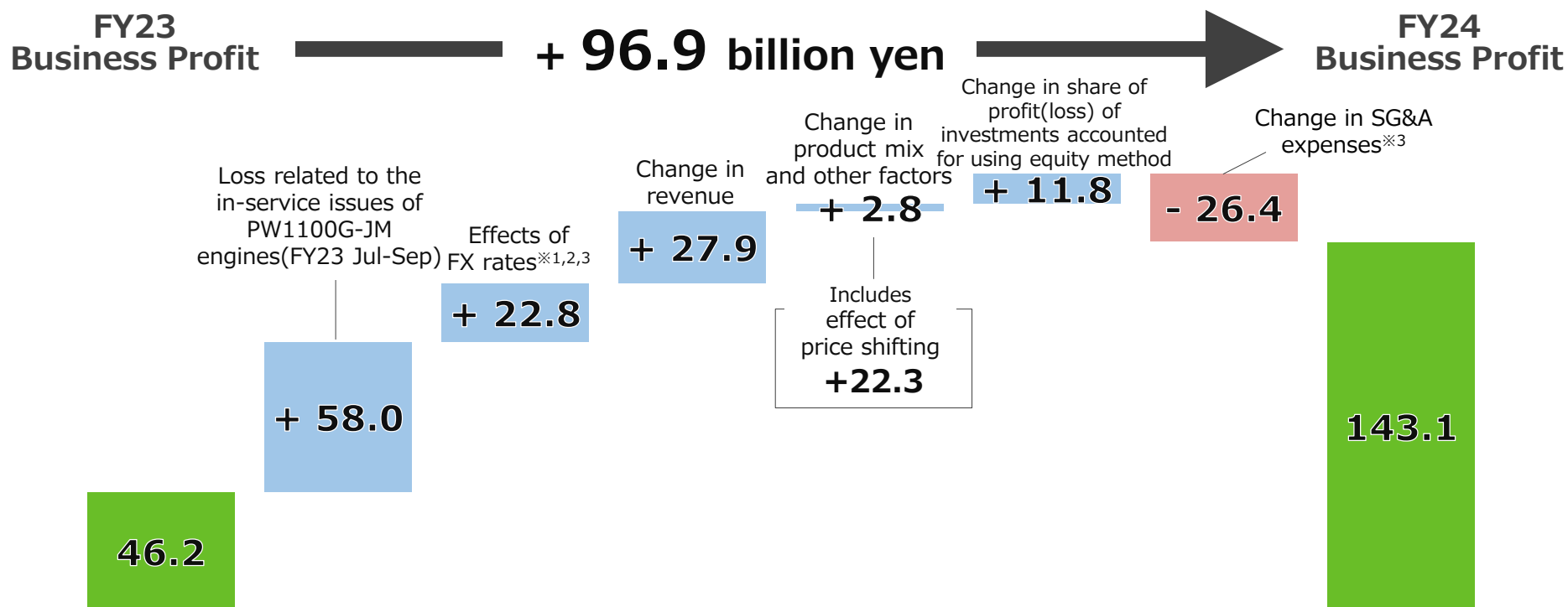
Weighted-average  
 exchange rates  
 150.81 Q4 FY24

A loss occurred due to  
 the revaluation of foreign  
 currency-denominated  
 debt



# -Details of change in business profit-

- ✓ Aerospace Systems and ES&M contributed to the “change in revenue”
- ✓ Preventing profitability decline by appropriate price shifting to offset increasing costs



※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 engines(+2.4 bil. yen).

※3 "Changes in SG&A expenses" used to indicate changes in the statement of Profit and Loss but has been changed after FY24 Q2 financial results presentation material to indicate changes after deducting the effects of FX rate(The change factor graphs for each segment shown on page 16 and later are the same).

# –Details of change in business profit–

(billion yen)

	FY2023 Business Profit (Loss)	Details of change						Total	FY2024 Business Profit (Loss)
		Effects of FX rates※	Change in sales※	Change in product mix and other factors※	Change in share of profit (loss) of investments accounted for using equity method	Change in SG & A expenses	Loss Related to the In-Service Issues of PW1100G-JM Engine		
Aerospace Systems	- 15.0	※2 6.3	15.5	0.7		- 9.7	58.0	70.8	55.8
Rolling Stock	3.7	4.3	1.6	- 0.9	0.0	- 0.4		4.6	8.4
Energy Solution & Marine Engineering	31.9	1.1	8.6	- 3.7	9.1	- 2.8		12.3	44.2
Precision Machinery & Robot	- 1.9	1.7	2.1	3.9	0.9	0.3		8.9	7.0
Powersports & Engine	48.0	9.4	- 1.3	- 0.3	1.7	- 9.6		- 0.1	47.8
Others	1.1	0.0	1.4	2.3	0.0	0.4		4.1	5.2
Eliminations and corporate	- 21.7			0.8	- 0.0	- 4.6		- 3.8	- 25.6
Total	46.2	22.8	27.9	2.8	11.8	- 26.4	58.0	96.9	143.1

※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 engines (+2.4 bil.yen)

※3 Impact of FX rates are not included

Including the impact of costs related to four-wheelers recall for the U.S. market recorded in the Oct-Dec period of FY23

# Consolidated Results for FY2024

## -Statement of financial position-

(billion yen)

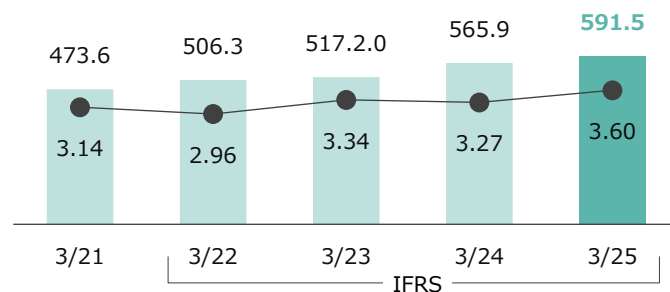
	End of Mar. 2024	%	End of Mar. 2025	%	Change
Cash and cash equivalents	84.1		<b>132.7</b>		+ 48.6
Trade receivables (Incl. contract assets)	770.3		<b>888.8</b>		+ 118.4
Inventories	710.2		<b>775.4</b>		+ 65.2
Other current assets	162.1		<b>226.8</b>		+ 64.6
Current assets	1,726.9	64.4	<b>2,023.9</b>	67.1	+ 296.9
PP&E and intangible assets	565.9		<b>591.5</b>		+ 25.5
Right-of-use assets	64.8		<b>58.6</b>		- 6.1
Deferred tax assets	117.4		<b>128.7</b>		+ 11.3
Other non-current assets	205.0		<b>214.0</b>		+ 9.0
Non-current assets	953.2	35.6	<b>993.0</b>	32.9	+ 39.8
Total assets	2,680.1	100.0	<b>3,016.9</b>	100.0	+ 336.7

Details

- ① Increased in PS&E and Aerospace business
- ② Increased in PS&E and Aerospace Systems, etc.

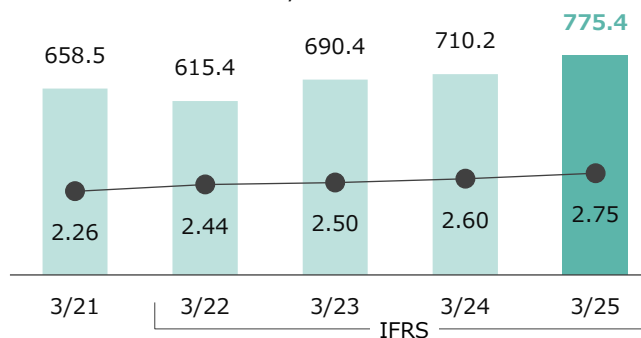
PP&E and Intangible assets (Bil Yen)

Turnover of PP&E and intangible assets



Inventory (Bil Yen)

Turnover of inventory



# Consolidated Results for FY2024

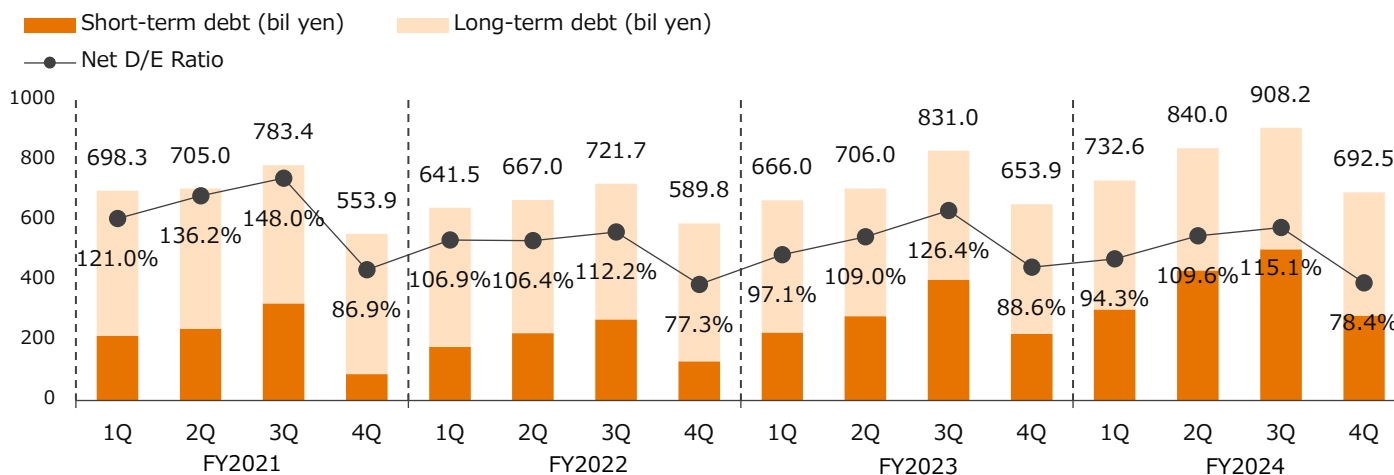
## -Statement of financial position-

(billion yen)

	End of Mar. 2024	%	End of Mar. 2025	%	Change
Trade payables	451.9		<b>512.1</b>		<b>③</b> + 60.1
Interest-bearing debt	653.9		<b>692.5</b>		+ 38.6
Contract liability (Advances received)	265.4		<b>363.5</b>		<b>④</b> + 98.0
Provision for losses on construction contracts	5.6		<b>5.1</b>		- 0.5
Retirement benefit liability	74.6		<b>67.1</b>		- 7.5
Other liabilities	573.9		<b>651.5</b>		+ 77.5
<b>Total liabilities</b>	<b>2,025.6</b>	<b>75.6</b>	<b>2,291.8</b>	<b>76.0</b>	<b>+ 266.2</b>
Equity attributable to owners of parent	634.0		<b>702.9</b>		+ 68.8
Non-controlling interests	20.4		<b>22.1</b>		+ 1.6
<b>Total equity</b>	<b>654.5</b>	<b>24.4</b>	<b>725.0</b>	<b>24.0</b>	<b>+ 70.5</b>
<b>Total liabilities and equity</b>	<b>2,680.1</b>	<b>100.0</b>	<b>3,016.9</b>	<b>100.0</b>	<b>+ 336.7</b>

### Details

- ③** Increased in Aerospace Systems and Rolling Stock, etc.
- ④** Increased in Aerospace business, etc.



### Appendix

#### Cash Conversion Cycle (day)

End of FY20	153
End of FY21	133
End of FY22	150
End of FY23	159
End of FY24	159

## -Cash Flows-

(billion yen)

	FY2023	FY2024	Change
Profit before tax	31.9	<b>107.5</b>	+ 75.5
Depreciation and amortization	80.9	<b>93.4</b>	+ 12.4
Increase and decrease in working capital	- 83.0	<b>- 105.2</b>	- 22.1
Trade receivables <sup>※1</sup> (minus notation indicates incr.)	- 154.0	<b>- 127.2</b>	+ 26.8
Inventory (minus notation indicates incr.)	9.9	<b>- 69.2</b>	- 79.1
Trade payables (minus notation indicates decr.)	51.4	<b>59.7</b>	+ 8.3
Advance payment (minus notation indicates incr.)	8.6	<b>- 67.3</b>	- 76.0
Contract liabilities <sup>※2</sup> (minus notation indicates decr.)	1.0	<b>98.8</b>	+ 97.8
Other	1.7	<b>53.2</b>	+ 51.4
Cash flows from operating activities	31.6	<b>148.9</b>	<b>+ 117.2</b>
Purchase of PP&E and intangible assets	- 96.5	<b>- 113.6</b>	- 17.1
Proceeds from sales of PP&E and intangible assets	2.7	<b>7.7</b>	+ 4.9
Other	3.9	<b>- 5.3</b>	- 9.2
Cash flows from investing activities	- 89.8	<b>- 111.2</b>	- 21.3
Free cash flows	- 58.1	<b>37.7</b>	+ 95.8
Net increase and decrease in debt and bonds (minus notation indicates decr.)	58.7	<b>46.3</b>	- 12.4
Dividends paid (Except payment to non-controlling interests)	- 13.4	<b>- 16.7</b>	- 3.3
Proceeds from fluidity of lease receivables and Repayment of payables under fluidity lease receivables	- 1.8	<b>14.8</b>	+ 16.6
Other	- 30.5	<b>- 34.7</b>	- 4.2
Cash flows from financing activities	12.9	<b>9.6</b>	- 3.3

Details

## ① FY23 :

Despite an increase in trade receivables in Aerospace Systems and PS&E, trade payables in Aerospace Systems decreased, and operating cash flow was on par with income before income taxes

## FY24 :

Operating CF saw a high level of cash inflow due to record pretax profits, an increase in contract liabilities, and an increase in trade payables in Aerospace systems, despite an increase in trade receivables in Aerospace and PS&E

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

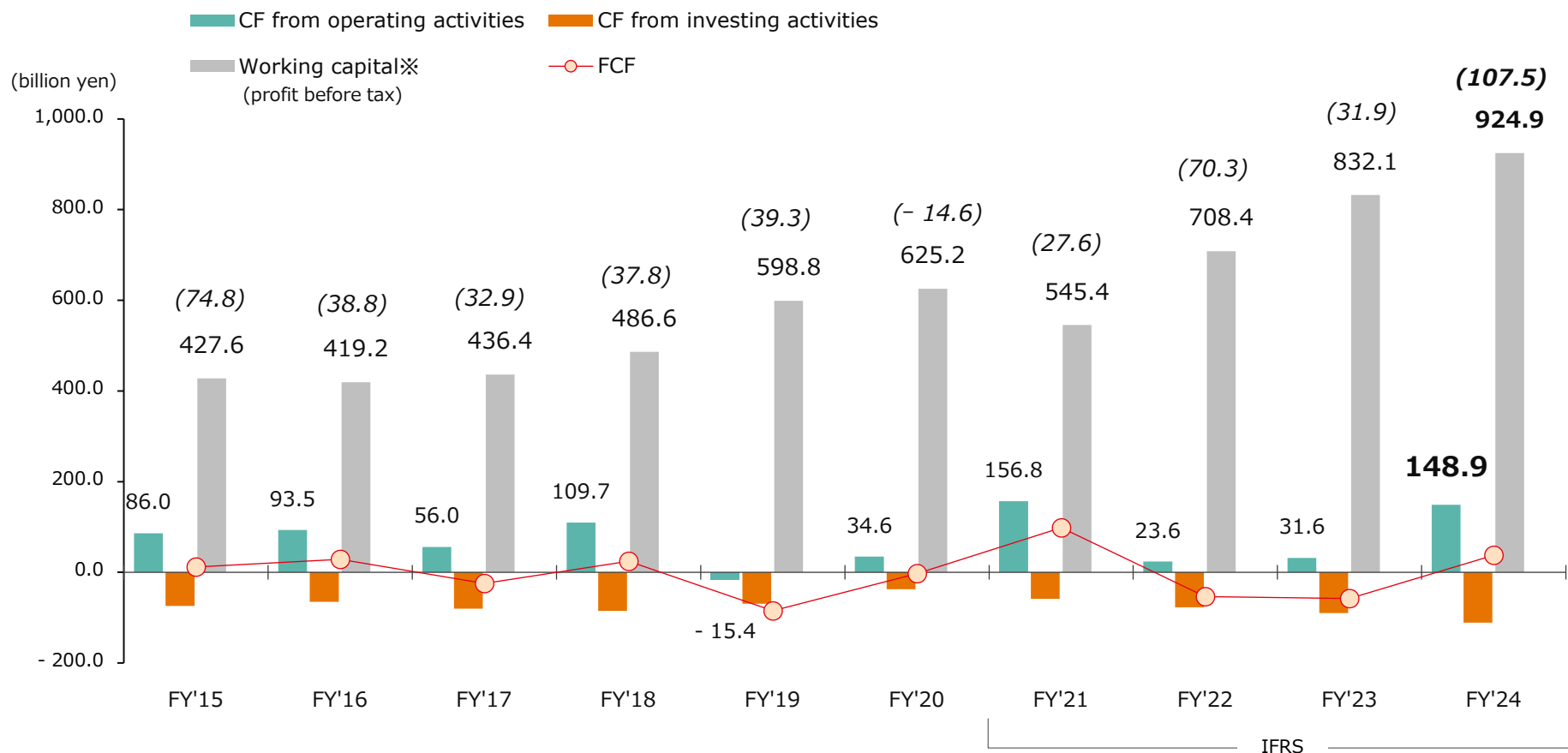
# 1 Consolidated Results for FY2024 -Cash Flows-



**Free CF in FY2024 turned positive for the first time in 3 years**



**Despite the sharp rise in working capital in the past 3 years, it is gradually enhancing its contribution to cash**



※ Working capital = Trade receivables + Inventories + Advance payments - Trade payables - Contract Liabilities (advances received)

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# Forecasts for FY2025

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(for the year ended March 31, 2026)

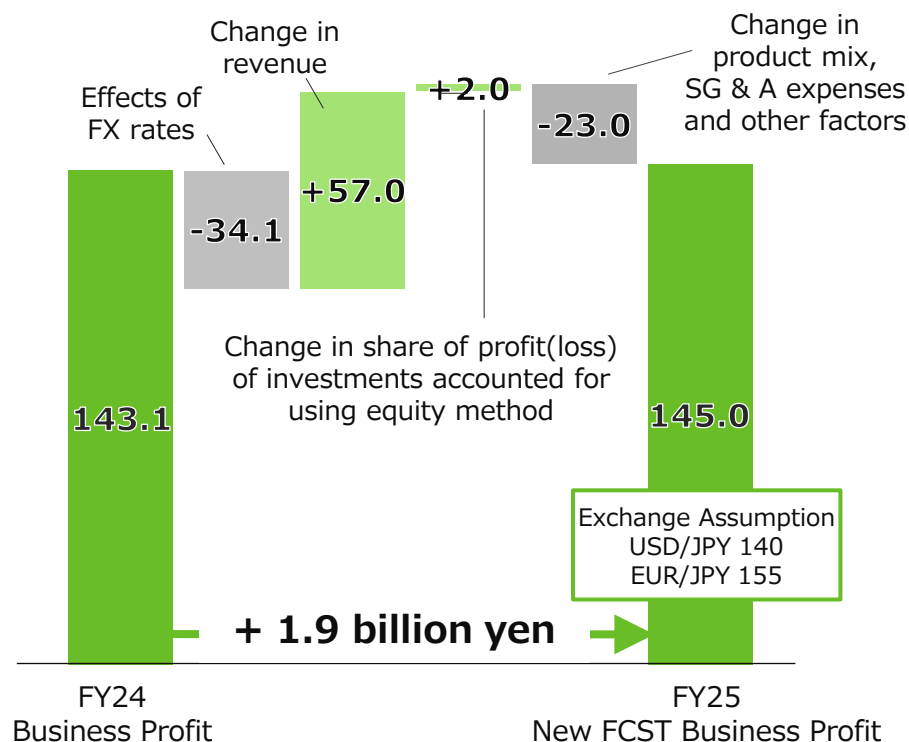
# Forecasts for FY2025 -Summary-

- ✓ Expect a new record in business profit, despite setting the FX rate assumption to a stronger yen compared to FY2024
- ✓ Implement business operations in line with the scenario of achieving a business profit margin of over 10% by FY2030

	(Billion Yen)		
	FY2024 Actual	FY2025 Forecast	Change
Orders Received	2,630.7	<b>2,200.0</b>	- 430.7
Revenue	2,129.3	<b>2,310.0</b>	+ 180.7
Business Profit	143.1	<b>145.0</b>	+ 1.9
	[Margin] [6.7%]	[6.3%]	[- 0.4pt]
Profit Before Tax	107.5	<b>115.0</b>	+ 7.5
	[Margin] [5.0%]	[5.0%]	[+ 0.0pt]
Profit Attributable to Owners of Parent	88.0	<b>82.0</b>	- 6.0
	[Margin] [4.1%]	[3.5%]	[- 0.5pt]
After-tax ROIC	8.0%	<b>6.9%</b>	- 1.1pt
Weighted-average exchange rates (USD/JPY)	150.81	<b>140.00</b>	- 10.81
US dollar-based transaction (B\$)	1.94	<b>2.50</b>	+ 5.60

※ 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 52 for the breakdown of these figures by segment.

## / FY25 Details of change in business profit (Billion Yen)



Note : Factors of Increase/Decrease are calculated by our company based on certain criteria.  
The impact of exchange rate fluctuations is calculated for USD and EUR, shows the amount of impact on gross profit.  
The impact of other currency fluctuations is included in "Change in product mix, SG & A expenses and other factors".



# Forecasts for FY2025 -Segment-

- ✓ In Aerospace Systems, business profit is expected to decrease due to factors such as the yen's appreciation, despite revenue is expected to increase significantly ①
- ✓ In PS&E, business profit will remain flat due to the uncertain market environment and the assumption of yen's appreciation, despite expected recover from the previous fiscal year's recalls and production delays ②

(Billion Yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY2024	FY2025	Change	FY2024	FY2025	Change	FY2024	FY2025	Change
Aerospace Systems	882.8	<b>640.0</b>	- 242.8	567.8	<b>640.0</b>	+ 72.2	55.8	<b>48.0</b>	- 7.8
Rolling Stock	251.5	<b>110.0</b>	- 141.5	222.3	<b>220.0</b>	- 2.3	8.4	<b>8.0</b>	- 0.4
Energy Solution & Marine Engineering	542.0	<b>430.0</b>	- 112.0	398.1	<b>440.0</b>	+ 41.9	44.2	<b>50.0</b>	+ 5.8
Precision Machinery & Robot	249.2	<b>260.0</b>	+ 10.8	241.5	<b>250.0</b>	+ 8.5	7.0	<b>13.0</b>	+ 6.0
Powersports & Engine	611.6	<b>660.0</b>	+ 48.4	609.3	<b>660.0</b>	+ 50.7	47.8	<b>48.0</b>	+ 0.2
Ohters	93.3	<b>100.0</b>	+ 6.7	90.1	<b>100.0</b>	+ 9.9	5.2	<b>5.0</b>	- 0.2
Eliminations and corporate※	-	-	-	-	-	-	- 25.6	<b>- 27.0</b>	- 1.4
Total	2,630.7	<b>2,200.0</b>	- 430.7	2,129.3	<b>2,310.0</b>	+ 180.7	143.1	<b>145.0</b>	+ 1.9

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

## -Impact of U.S. Tariff Policy by Business-

- ✓ Impacts of U.S. tariff policy on business performance is estimated to be minimal except for PS&E
- ✓ Effects will be reduced by price shifting and other measures

**Negative impact of U.S. tariff policy on earnings** (Assuming the current U.S. tariff policy※ continues )

Segment	Subsegment	Impact of implementing measures such as price pass-through on business results
Aerospace Systems	Aerospace	Minimal
	Aero Engine	Minimal
Rolling Stock		Minimal
Energy Solution & Marine Engineering	Energy, Plant & Marine Machinery	None to Minimal
	Ship & Offshore Structure	None to Minimal
Precision Machinery & Robot	Hydraulic Components & Systems	Minimal to Small
	Robotics	Minimal to Small
Powersports & Engine		Medium

※1 The policy implemented by the U.S. government as of May 8, 2025, which includes a 90 days moratorium on reciprocal tariffs implemented from April 9

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## Details by segment


# Details by Segment

## -Aerospace Systems-


### FY2024 (vs. FY2023)

**Orders received**   
+¥190.2 Bil.

Increased due to an increase in MOD\* business and commercial aircraft engines compared to the last fiscal year, which had the losses related to PW1100G-JM engines(reduction of orders received)

**Revenue**   
+¥171.6 Bil.

Same as above


**Business profit**   
+¥70.8 Bil.

Improved due to an increase in revenue


### FY2025 forecast (vs. FY2024)

**Orders received**   
-¥242.8 Bil.

Decrease mainly due to a decrease in MOD(mainly the bulk order of 17 CH-47 helicopters placed in the previous fiscal year), despite an increase in Boeing and engines for commercial aircraft

**Revenue**   
+¥72.2 Bil.

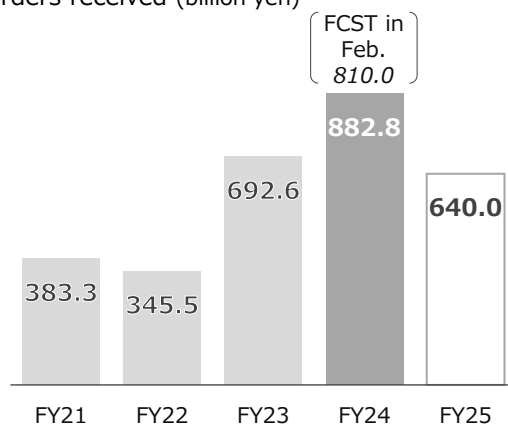
Increase mainly due to for Boeing and engines for commercial aircraft

**Business profit**   
-¥7.8 Bil.

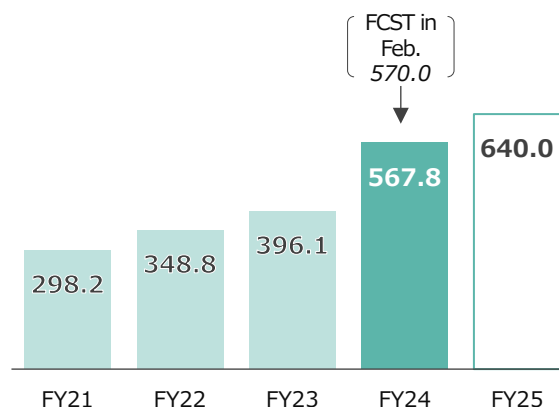
Decrease due to the yen's appreciation compared to the previous fiscal year despite an expected increase in revenue

※The Ministry of Defense

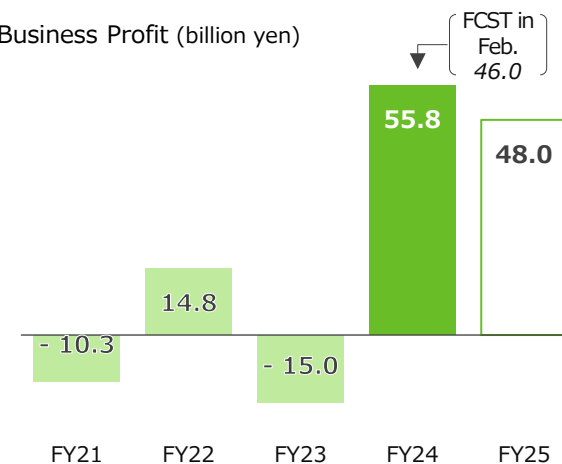
Orders received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)

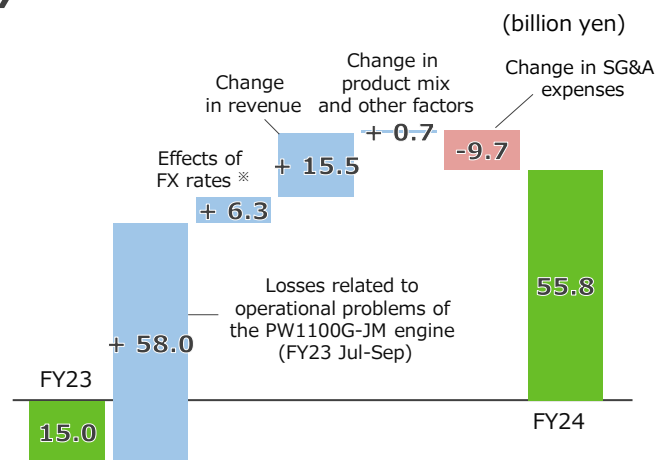


# Details by Segment -Aerospace Systems-

(Billion Yen)

	FY2023	FY2024				FY2025	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY23	Chg. Vs. FCST	Forecast	Chg. Vs. FY24
Orders Received	692.6	810.0	<b>882.8</b>	+ 190.2	+ 72.8	<b>640.0</b>	- 242.8
Aerospace	556.9	640.0	<b>699.5</b>	+ 142.5	+ 59.5	<b>455.0</b>	- 244.5
Aero Engine	135.6	170.0	<b>183.3</b>	+ 47.7	+ 13.3	<b>185.0</b>	+ 1.7
Revenue	396.1	570.0	<b>567.8</b>	+ 171.6	- 2.2	<b>640.0</b>	+ 72.2
Aerospace	307.4	400.0	<b>399.9</b>	+ 92.5	- 0.1	<b>465.0</b>	+ 65.1
Aero Engine	88.7	170.0	<b>167.8</b>	+ 79.1	- 2.2	<b>175.0</b>	+ 7.2
Business Profit (Loss)	- 15.0	46.0	<b>55.8</b>	+ 70.8	+ 9.8	<b>48.0</b>	- 7.8
[Margin]	[- 3.8%]	[8.1%]	[9.8%]	[+ 13.6pt]	[+ 1.7pt]	[7.5%]	[- 2.3pt]

## 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(+2.4 bil.yen).

## Appendix

Number of aircraft component parts sold to Boeing

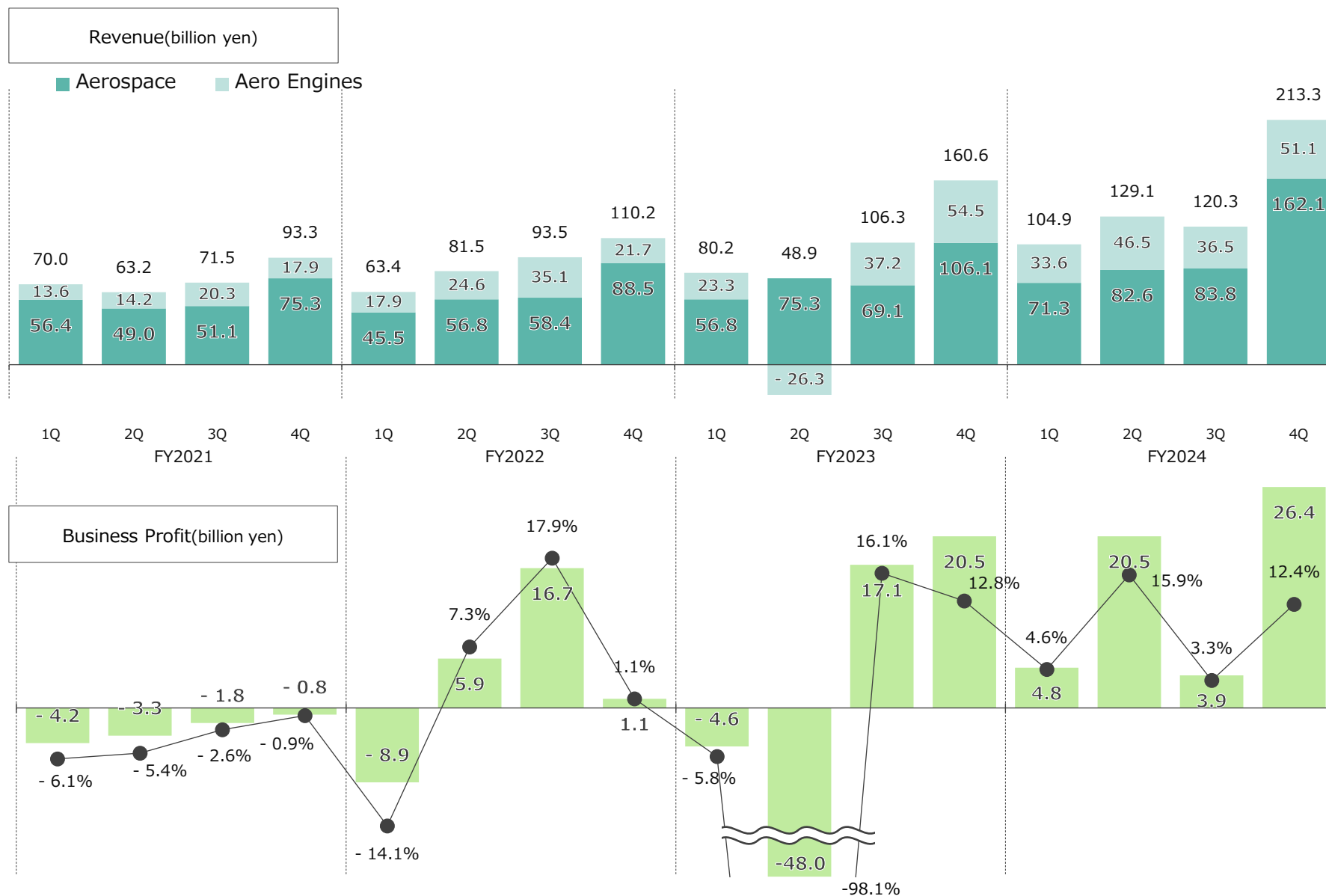
	FY23	FY24	Change
767	33	19	- 14
777	32	19	- 13
777X	6	5	- 1
787	41	58	+ 17

Number of aircraft engine component parts sold

	FY23	FY24	Change
V2500	6	20	+ 14
PW1100G	675	681	+ 6

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

# Details by Segment -Aerospace Systems-



### 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
- 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※<sup>1</sup>

- ✈ 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 FY23, the estimated future loss was recorded in a lump-sum※<sup>2</sup>, and there is no change at present ※<sup>3</sup>
- ✈ Our press releases about this matter

[https://global.kawasaki.com/news\\_230913-1e.pdf](https://global.kawasaki.com/news_230913-1e.pdf)

[https://global.kawasaki.com/en/corp/ir/library/pdf/etc\\_231026-1e.pdf](https://global.kawasaki.com/en/corp/ir/library/pdf/etc_231026-1e.pdf)

※<sup>1</sup> International Aero Engines, LLC

※<sup>2</sup> Recorded lump-sum loss (58 bil. yen in terms of business profit and loss in FY23 Jul-Sep).

※<sup>3</sup> 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 and operational efficiency to acquire new business opportunities
- Steady promotion of existing projects of development and mass production for MOD aircrafts and helicopters



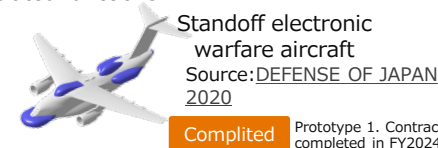
Delivered two H145// BK117 D-3 helicopters to the NPD



#### 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 |                                  |



Standoff electronic warfare aircraft  
Source: DEFENSE OF JAPAN 2020

Completed Prototype 1. Contract completed in FY2024



P-1 maritime patrol aircraft  
Source: JMSDF




#### 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 (vs. FY2023)

**Orders received**   
+¥162.7 Bil.

Increased due to the U.S. (435 additional R211 subway cars for NYCTA) despite the decrease in Japan and Asia


**Revenue**   
+¥26.3 Bil.

Increased due to an increase in the U.S. despite a decrease in Japan and Asia


**Business profit**   
+¥4.6 Bil.

Improved due to an increase in revenue


## FY2025 forecast (vs. FY2024)

**Orders received**   
-¥141.5 Bil.

Decrease mainly due to a decrease in the U.S. (the order of 435 additional R211 subway cars received in FY2024), despite an increase in Japan and Asia

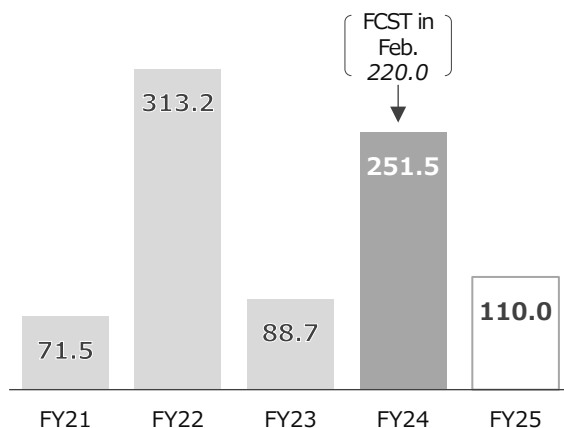
**Revenue**   
-¥2.3 Bil.

Expected to remain at the same level

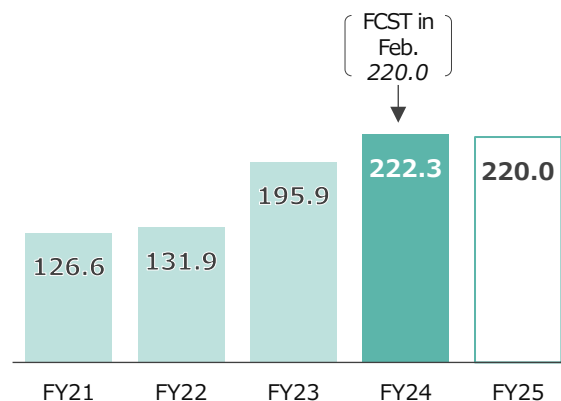
**Business profit**   
-¥0.4 Bil.

Expected to remain at the same level

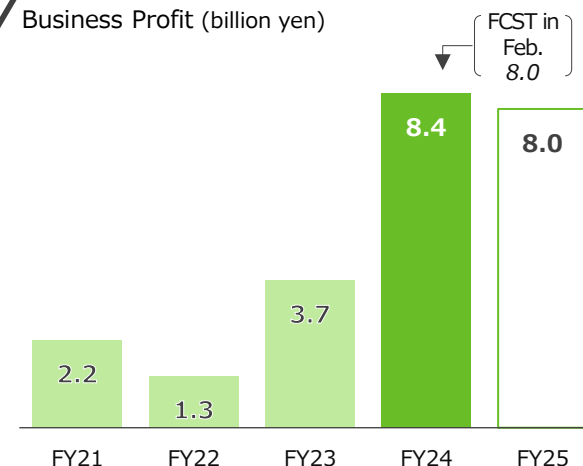
Orders received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)



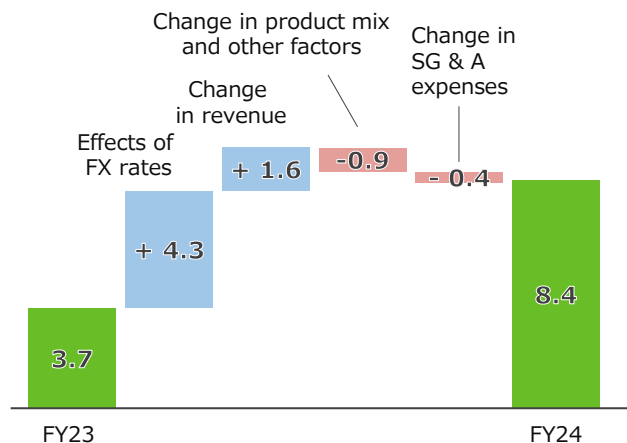
# Details by Segment - Rolling Stock -

(Billion Yen)

	FY2023	FY2024				FY2025	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY23	Chg. Vs. FCST	Forecast	Chg. Vs. FY24
Orders Received	88.7	220.0	<b>251.5</b>	+ 162.7	+ 31.5	<b>110.0</b>	- 141.5
<i>Domestic &amp; Asia</i>	87.3	43.5	<b>52.3</b>	- 35.0	+ 8.8	<b>103.0</b>	+ 50.7
<i>North America</i>	1.4	176.5	<b>199.2</b>	+ 197.8	+ 22.7	<b>7.0</b>	- 192.2
Revenue	195.9	220.0	<b>222.3</b>	+ 26.3	+ 2.3	<b>220.0</b>	- 2.3
<i>Domestic &amp; Asia</i>	81.2	67.5	<b>70.1</b>	- 11.1	+ 2.6	<b>78.0</b>	+ 7.9
<i>North America</i>	114.6	152.5	<b>152.1</b>	+ 37.4	- 0.4	<b>142.0</b>	- 10.1
Business Profit	3.7	8.0	<b>8.4</b>	+ 4.6	+ 0.4	<b>8.0</b>	- 0.4
<i>[Margin]</i>	<i>[1.9%]</i>	<i>[3.6%]</i>	<i>[3.8%]</i>	<i>[+ 1.8pt]</i>	<i>[+ 0.1pt]</i>	<i>[3.6%]</i>	<i>[- 0.1pt]</i>

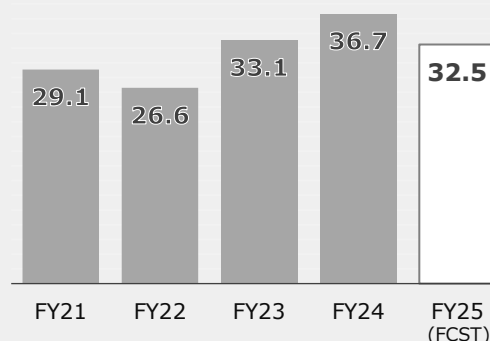
## Details of change in Business Profit(Loss)

(billion yen)



## Appendix

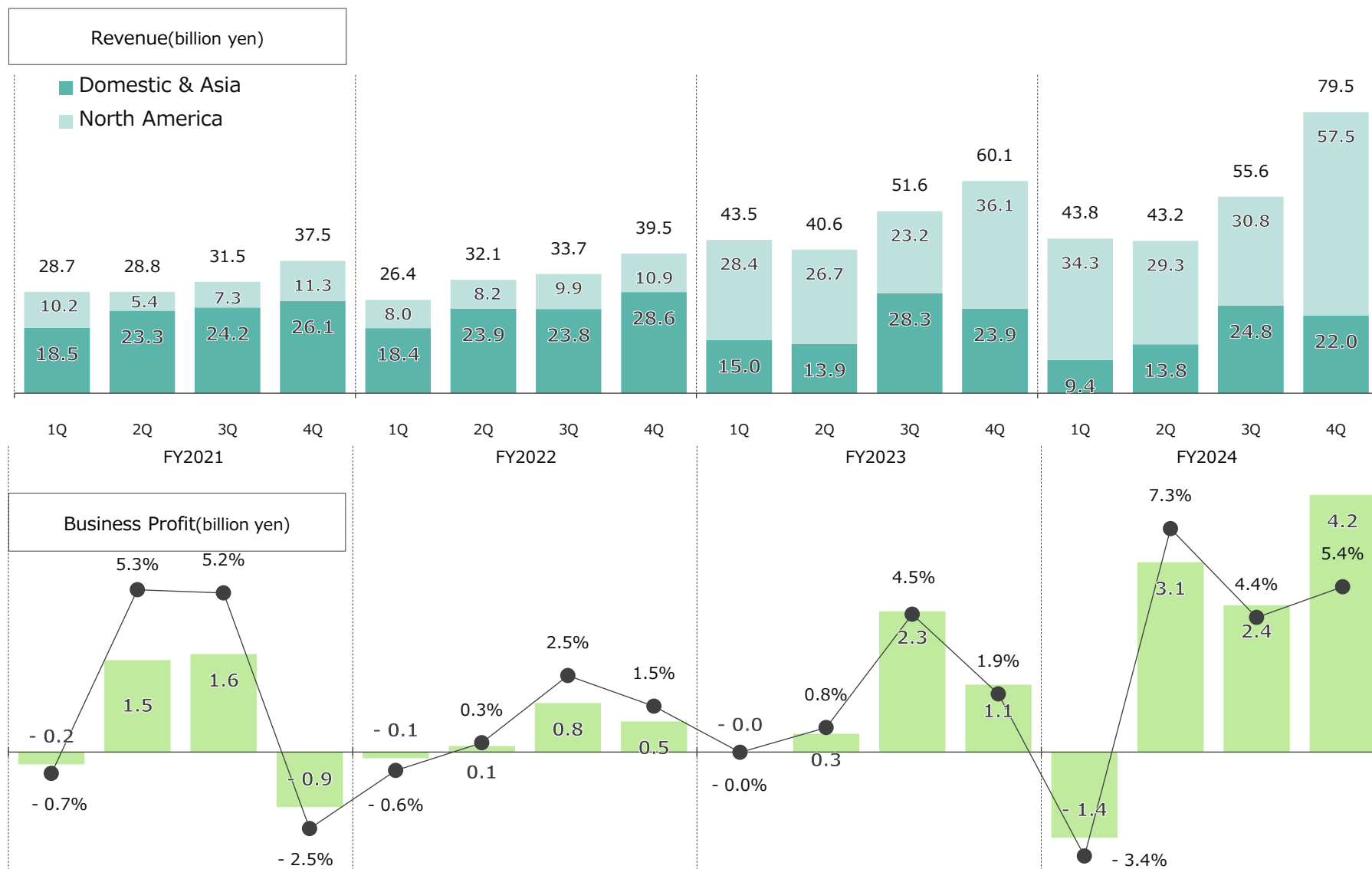
Revenue in components, overhaul and after-sales service(billion yen)



Progress of the R211 Project for New York Subway in the U.S. (as of the end of Dec. '25)

- Base contract
  - : Delivered **460 cars** out of 535
  - The last delivery is scheduled in FY2025
- Option1 contract
  - : Delivered **10 cars** out of 640
- Option2 contract
  - : Received an order of 435 cars in Jan. '25

# Details by Segment - Rolling Stock -



### Market Overview

- Domestic Market
  - Resumption of investment in rolling stock due to recovery of inbound
- Overseas Market
  - Demand is expected to increase due to the development of urban transportation to reduce congestion in large cities
- Supply chain Risk
  - Prolonged procurement of equipment, mainly electronic components, requires attention
- Medium to long-term forecast
  - Stable global growth is expected, including traffic development in overseas markets and the demand for infrastructure in line with economic development in Asia



R211 subway car for New York City Transit (MTA)

### Specific Efforts



#### Compliance with delivery schedules for overseas projects

*Dhaka MRT Line-6*

- ▶ Full delivery (All 144 cars of 24 trains was delivered to the customer in FY2024)
- ▶ **The base facilities will be delivered in FY2025**

*U.S. M-9*

- ▶ Full delivery (All 202 cars were delivered to the customer in FY2024)



#### 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 &amp; Marine Engineering -


## FY2024 (vs. FY2023)

**Orders received**   
+¥140.3 Bil.

Increased due to a submarine for MOD and LPG/ammonia carriers

**Revenue**   
+¥44.8 Bil.

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


**Business profit**   
+¥12.3 Bil.

Improved due to revenue increase and improved equity in gains

## FY2025 forecast (vs. FY2024)

**Orders received**   
-¥113.0 Bil.

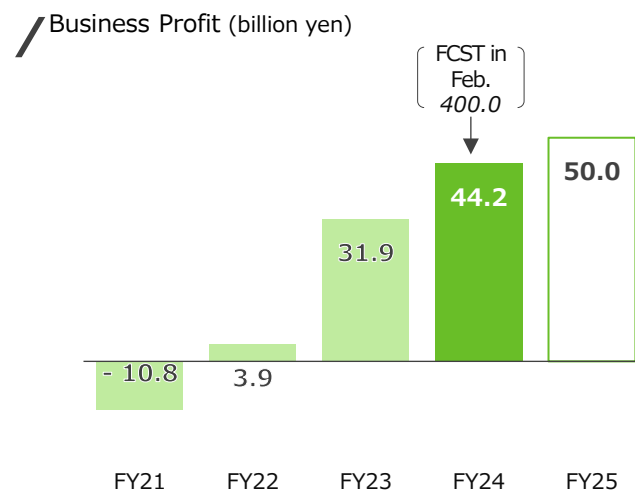
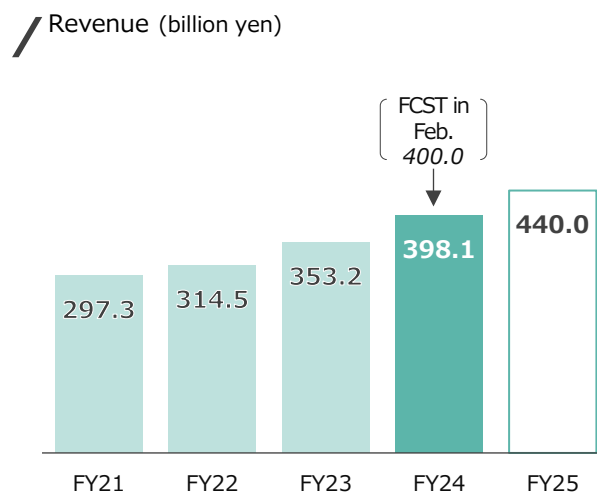
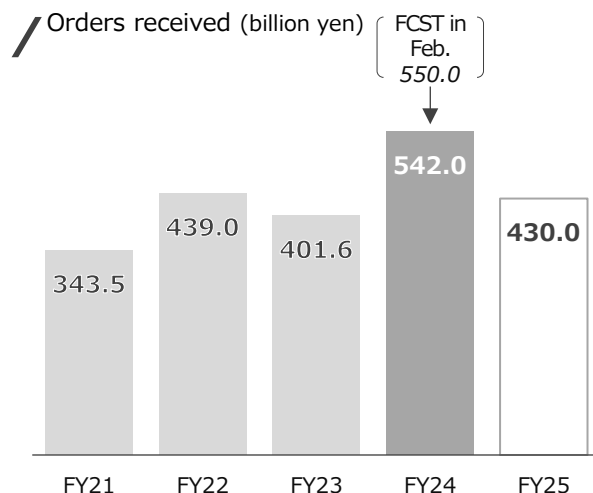
Decrease due to the submarine for MOD and LPG/ammonia carriers

**Revenue**   
+¥41.9 Bil.

Increase due to LPG/ammonia carriers

**Business profit**   
+¥5.8 Bil.

Improve due to an increase in revenue



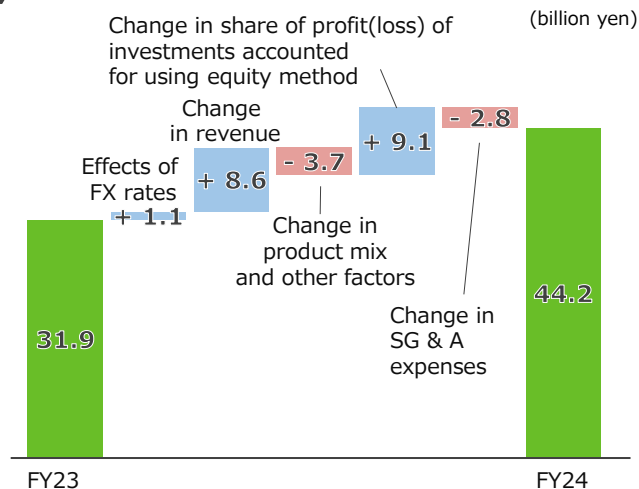
# Details by Segment

## - Energy Solution & Marine Engineering -

(Billion Yen)

	FY2023	FY2024				FY2025	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY23	Chg. Vs. FCST	Forecast	Chg. Vs. FY24
Orders Received	401.6	550.0	<b>542.0</b>	+ 140.3	- 8.0	<b>430.0</b>	- 112.0
Energy, Plant & Marine Machinery	358.8	340.0	<b>354.4</b>	- 4.4	+ 14.4	<b>330.0</b>	- 24.4
Ship & Offshore Structure	42.7	210.0	<b>187.6</b>	+ 144.8	- 22.4	<b>100.0</b>	- 87.6
Revenue	353.2	400.0	<b>398.1</b>	+ 44.8	- 1.9	<b>440.0</b>	+ 41.9
Energy, Plant & Marine Machinery	260.6	310.0	<b>306.8</b>	+ 46.2	- 3.2	<b>320.0</b>	+ 13.2
Ship & Offshore Structure	92.5	90.0	<b>91.2</b>	- 1.3	+ 1.2	<b>120.0</b>	+ 28.8
Business Profit	31.9	40.0	<b>44.2</b>	+ 12.3	+ 4.2	<b>50.0</b>	+ 5.8
[Margin]	[9.0%]	[10.0%]	[11.1%]	[+ 2.0pt]	[+ 1.1pt]	[11.4%]	[+ 0.2pt]
Share of profit (loss) of investments accounted for using equity method	13.7	22.5	<b>22.9</b>	+ 9.1	+ 0.4	<b>24.5</b>	+ 1.6

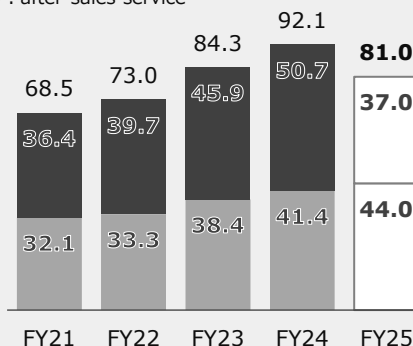
### Details of change in Business Profit(Loss)



### Appendix

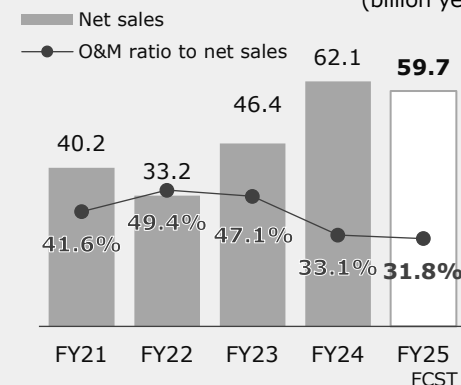
#### Revenue of major products in the energy business

above : components  
below : after-sales service  
(billion yen)



#### Revenue of municipal waste incineration plants

(billion yen)

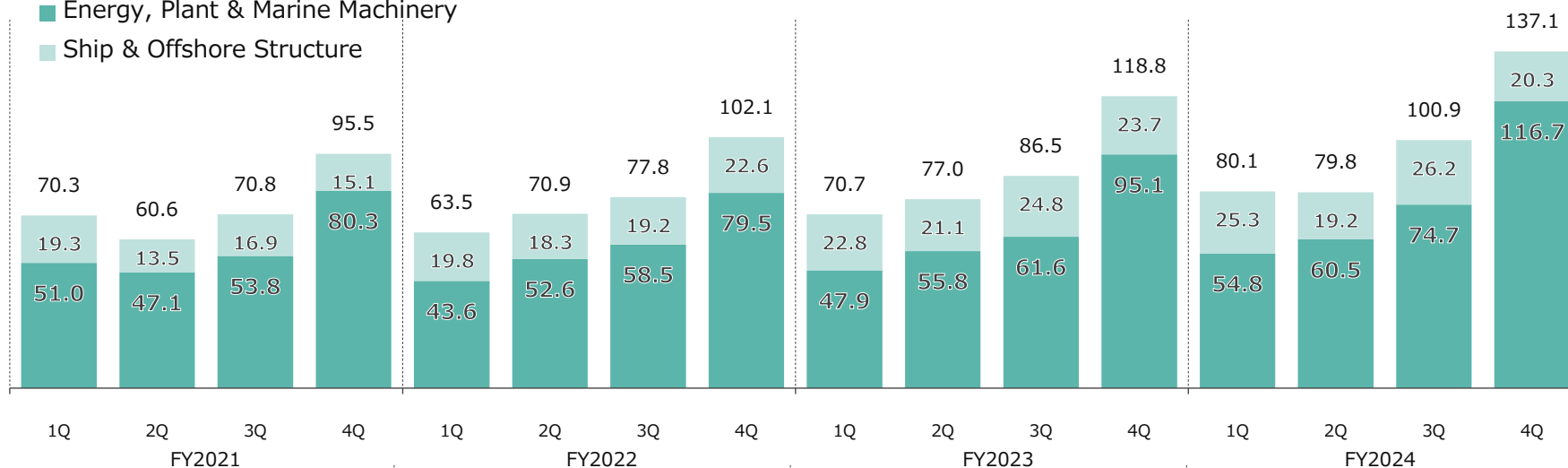


## - Energy Solution &amp; Marine Engineering -

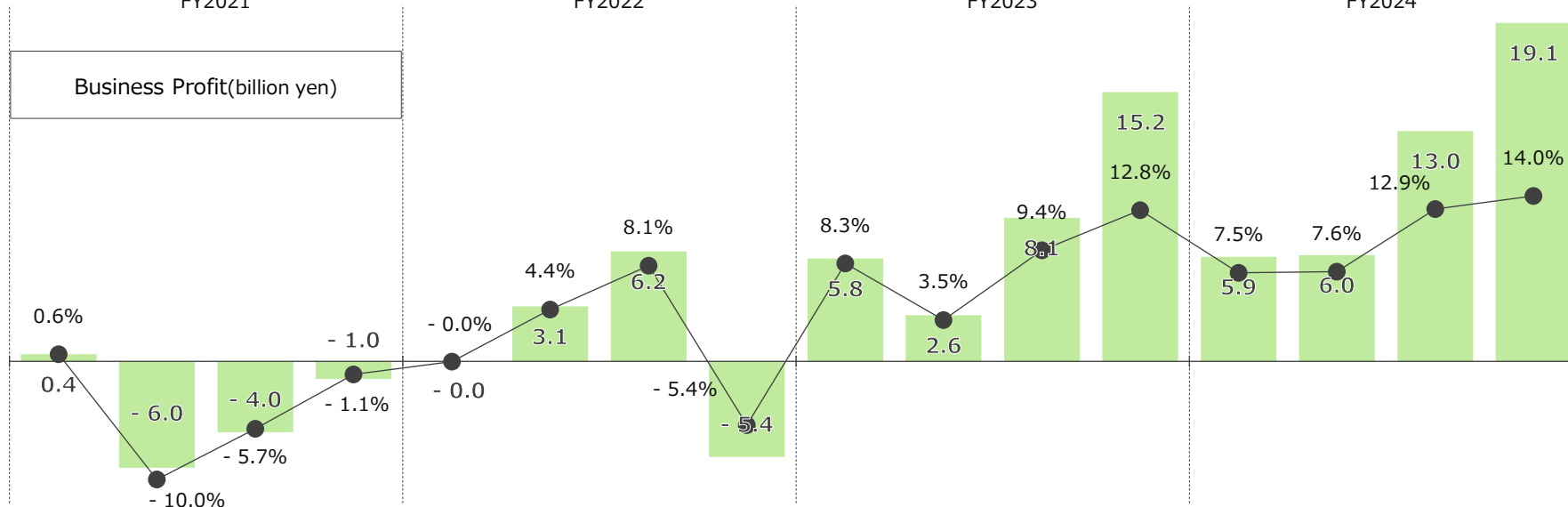
Revenue(billion yen)

Note: Results for the previous fiscal year have been reclassified to the reportable segments after the change.

■ Energy, Plant & Marine Machinery  
 ■ Ship & Offshore Structure



Business Profit(billion yen)



# - Energy Solution & Marine Engineering -

## Market Overview

### ● Energy system & Plant Engineering

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

### ● Ship & Offshore Structure

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

### ● Entire segment

Risks	Carbon neutrality
<ul style="list-style-type: none"> <li>- Logistics and FX Rate trends affected by U.S. tariff policy</li> <li>- Concerns over the impact of continued increases in raw material prices, materials, equipment and fuel costs, and personnel costs</li> </ul>	<p>Inquiries and requests for cooperation are increasing regarding decarbonization solutions such as KCC<sup>※1</sup>, including hydrogen products</p>

※1 Kawasaki CO<sub>2</sub> Capture: CO<sub>2</sub> Separation and Capture system

## Specific Efforts



### Contribution to realizing a recycling-based society

Topic	DBO <sup>※1</sup> Contract for New Combustible Waste Disposal Facility from Awaji Area Administrative Affairs Association
-------	---

#### Point1

Stable processing by improved automatic combustion control technology and AI driving support system, and continuous driving support by remote monitoring system

#### Point2

Contribution to **active utilization of clean energy** by sales of surplus electricity equivalent to the annual consumption of approximately 3,400 households through high-efficiency power generation

※1 DBO: Design, Built, Operate

※2 The biomass ratio in municipal solid waste is about 50~60%, and the electricity obtained from it is treated as carbon neutral



Completed image



### Solutions for decarbonized society

Topic	Starting Construction of a Demonstration Facility for Centrifugal Hydrogen Compressor for Hydrogen Liquefaction Plants
-------	--

World's first

#### Point1

**Achieved higher compression performance than conventional hydrogen compressors** using newly developed impeller technology for ultra-high-speed rotation

#### Point2

Achieved a large flow rate by adopting a centrifugal compressor, and the required **installation area is reduced by 1/7 compared with conventional compressors**



KM Comp-Hz centrifugal hydrogen compressor



Demonstration facility (image)




# Details by Segment

## - Precision Machinery & Robot -

### FY2024 (vs. FY2023)

**Orders received**   
+¥35.9 Bil.

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


**Revenue**   
+¥13.5 Bil.

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


**Business profit**   
+¥8.9 Bil.

Improved due to an increase in revenue and improvement of profitability


### FY2025 forecast (vs. FY2024)

**Orders received**   
+¥10.8 Bil.

Increase due to an increase in hydraulic machinery for construction machinery market

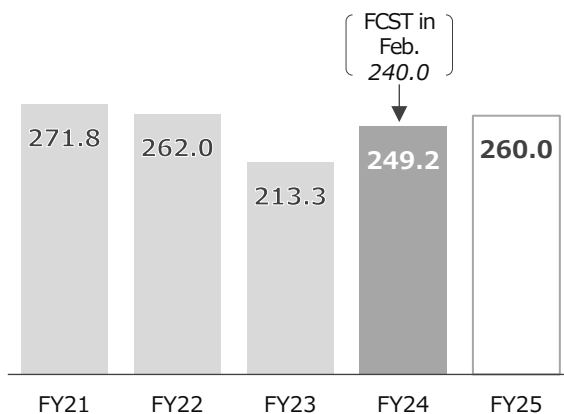
**Revenue**   
+¥8.5 Bil.

Increase due to robots for semiconductor manufacturing equipment

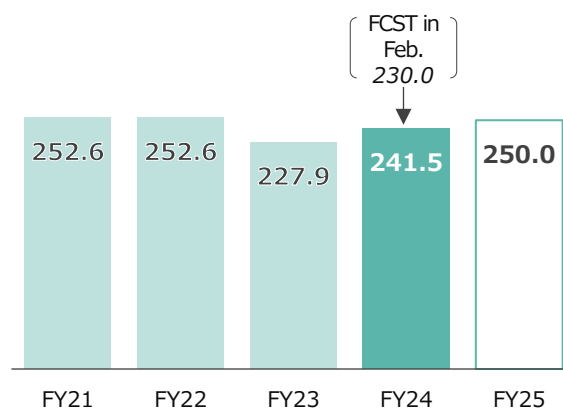
**Business profit**   
+¥6.0 Bil.

Improve due to revenue an increase in revenue and improvement of equity in gains

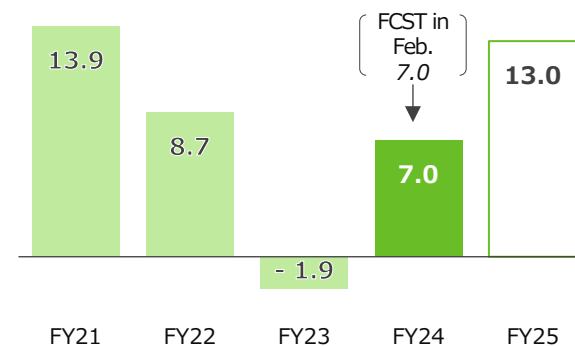
Orders received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)

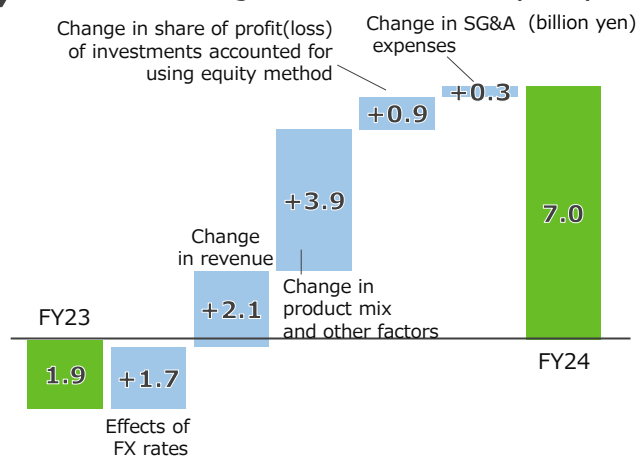


# Details by Segment - Precision Machinery & Robot -

(Billion Yen)

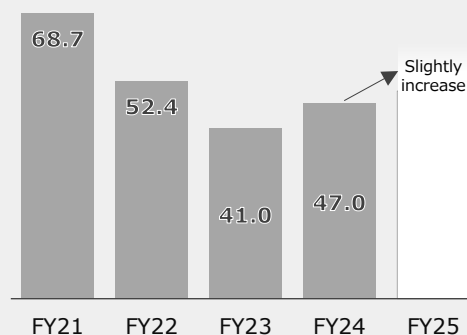
	FY2023	FY2024				FY2025	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY23	Chg. Vs. FCST	Forecast	Chg. Vs. FY24
Orders Received	213.3	240.0	<b>249.2</b>	+ 35.9	+ 9.2	<b>260.0</b>	+ 10.8
Hydraulic Components & Systems	136.1	150.0	<b>147.5</b>	+ 11.4	- 2.5	<b>160.0</b>	+ 12.5
Robotics	77.2	90.0	<b>101.7</b>	+ 24.4	+ 11.7	<b>100.0</b>	- 1.7
Revenue	227.9	230.0	<b>241.5</b>	+ 13.5	+ 11.5	<b>250.0</b>	+ 8.5
Hydraulic Components & Systems	141.5	140.0	<b>146.8</b>	+ 5.2	+ 6.8	<b>150.0</b>	+ 3.2
Robotics	86.3	90.0	<b>94.6</b>	+ 8.2	+ 4.6	<b>100.0</b>	+ 5.4
Business Profit (Loss)	- 1.9	7.0	<b>7.0</b>	+ 8.9	+ 0.0	<b>13.0</b>	+ 6.0
[Margin]	[- 0.9%]	[3.0%]	[2.9%]	[+ 3.7pt]	[- 0.1pt]	[5.2%]	[+ 2.2pt]
Share of profit (loss) of investments accounted for using equity method	- 2.5	- 1.5	<b>- 1.5</b>	+ 0.9	- 0.0	<b>0.0</b>	+ 1.5

## Details of change in Business Profit(Loss)



## Appendix

Revenue of hydraulic components to China (billion yen)



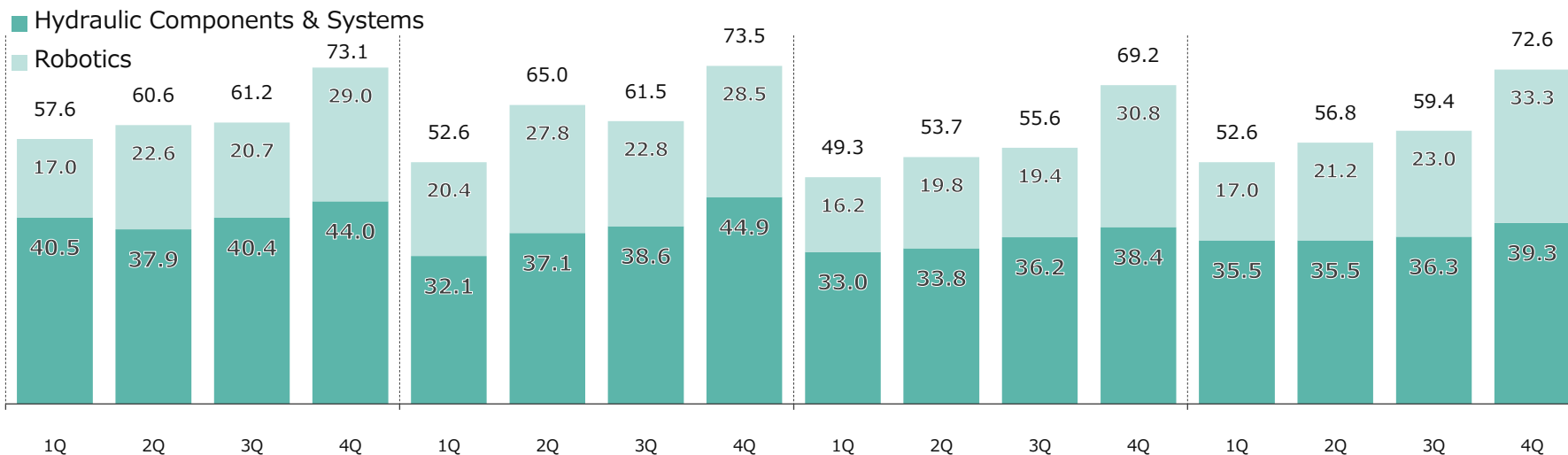
Revenue of robots by segment\* (billion yen)

	<div> <div>above : Actual</div> <div>below : Change</div> </div>	FY23	FY24	FY25 FCST
Automobile assembly and painting		38.9 (+4.4)	41.8 (+2.9)	40.0 (-1.8)
Semiconductor		27.4 (-16.3)	34.8 (+7.4)	38.0 (+3.2)
General robots for industrial use and others		28.6 (-3.8)	27.4 (-1.1)	32.0 (+4.6)
Total		94.9 (-15.7)	104.1 (+9.2)	110.0 (+5.9)

\*Including intercompany revenue

# Details by Segment - Precision Machinery & Robot -

Revenue(billion yen)

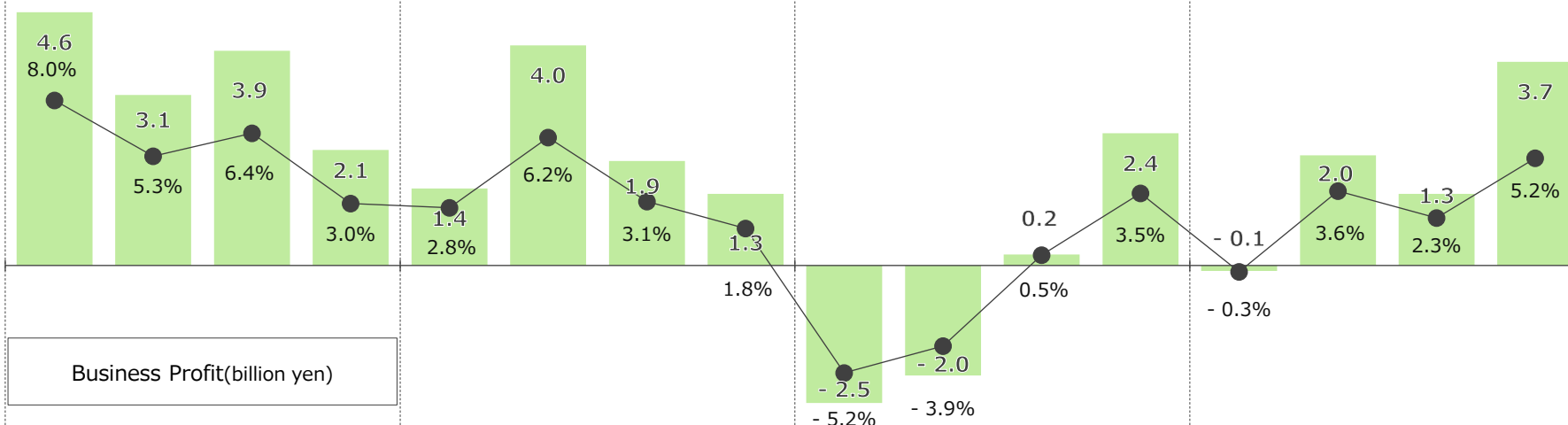


FY2021

FY2022

FY2023

FY2024



# - Precision Machinery & Robot -

## Market Overview

- Construction machinery
  - In China, demand was sluggish due to the prolonged real estate slump, but there is a trend of recovery mainly driven by exports to Asia and Africa
  - Demand is stagnant mainly in Europe
  - Electrification will be promoted due to the environmental regulations
  - Automation and autonomy will be promoted due to a shortage of skilled workers
- Robotics
  - General purpose robots  
Demand is still sluggish mainly in China, but potentially growing due to increasing labor costs and labor shortages
  - Robots for semiconductors  
Demand in the semiconductor memory market bottomed out and recovered in the second half of FY2024, incorporating new growth areas such as AI-related fields

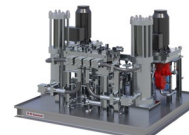
## Specific Efforts



### Measures for the development of hydraulic business

#### Development of new products and market for construction machinery

- Markets development with advanced control technology and development capabilities for electrification and automation



Commences Sales of a Hydraulic Booster  
Hydrogen Compressor for Large-Scale  
Hydrogen Refueling Stations

#### Strengthening the after sales business

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

#### Strengthening hydrogen / MOD business

- **Hydrogen compressors**, fuel cell systems and other development
- 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 brand

- Promotion of open strategy and expansion of collaboration and co-creation
- Promotion of commercialization in the field of social robots

#### Strengthening the medical robot business

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




「hinotori™」 Surgical Robot System


Medicaroid submitted application for CE Mark certification based on the European Medical Device Regulation

# 3 Details by Segment - Powersports & Engine -

## FY2024 (vs. FY2023)

**Revenue**   
+¥16.9 Bil.


Increased due to the increase in motorcycles and the impact of weaker yen despite a temporary decrease in four-wheelers for North America due to a recall※ and production delay

**Business profit**   
-¥0.1 Bil.


Remained at the same level as the previous year due to increase in fixed costs regarding production expansion investments, despite an increase in revenue,

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

## FY2025 forecast (vs. FY2024)

**Revenue**   
+¥50.7 Bil.

Increase mainly due to an increase in revenue of four-wheelers for North America

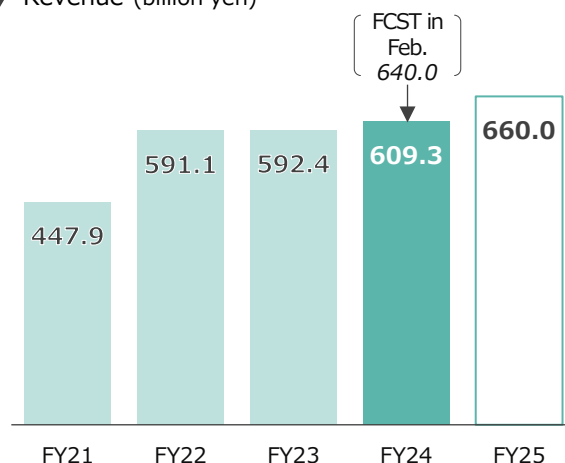
**Business profit**   
+¥0.2 Bil.

Expected to remain at the same level as the previous fiscal year due to the yen's appreciation from the previous fiscal year and the increase in sales promotion expenses, etc. despite an increase in revenue

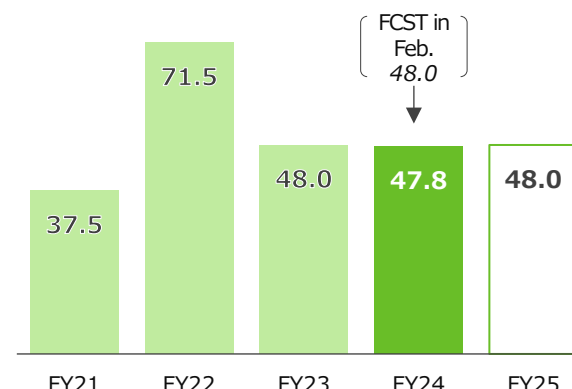
### / Orders received (billion yen)

Qualitative information and graph are omitted because this segment is mainly engaged in estimated production, and orders received are generally the same as revenue

### / Revenue (billion yen)



### / Business Profit (billion yen)



# 3 Details by Segment - Powersports & Engine -

(Billion Yen)

	FY2023	FY2024				FY2025	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY23	Chg. Vs. FCST	Forecast	Chg. Vs. FY24
Revenue	592.4	640.0	<b>609.3</b>	+ 16.9	- 30.7	<b>660.0</b>	+ 50.7
Motorcycles for developed countries	217.9	263.0	<b>245.3</b>	+ 27.3	- 17.7	<b>243.0</b>	- 2.3
Motorcycles for emerging market	103.4	107.0	<b>99.2</b>	- 4.2	- 7.8	<b>97.0</b>	- 2.2
Utility Vehicles, ATVs & PWC	180.6	170.0	<b>169.0</b>	- 11.6	- 1.0	<b>227.0</b>	+ 58.0
General-purpose gasoline engines	90.3	100.0	<b>95.5</b>	+ 5.2	- 4.5	<b>93.0</b>	- 2.5
Business Profit	48.0	48.0	<b>47.8</b>	- 0.1	- 0.2	<b>48.0</b>	+ 0.2
[Margin]	[8.1%]	[7.5%]	[7.9%]	[- 0.2pt]	[+ 0.4pt]	[7.3%]	[- 0.5pt]

## Appendix

### Wholesales of motorcycles by region

(thousand units)

		FY23	FY24	Change	FY25(FCST)
Developed countries	Japan	31	26	- 5	
	North America	94	116	+ 22	
	Europe	76	81	+ 4	
	Others*	8	10	+ 1	
Total		211	234	+ 22	250
Emerging countries	Philippines	143	186	+ 43	
	Indonesia	39	19	20	
	Latin America	12	11	- 0	
	Others*	38	29	- 9	
Total		233	246	+ 13	255
Four-wheeler · PWC	North America and Others	88	70	- 18	100

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

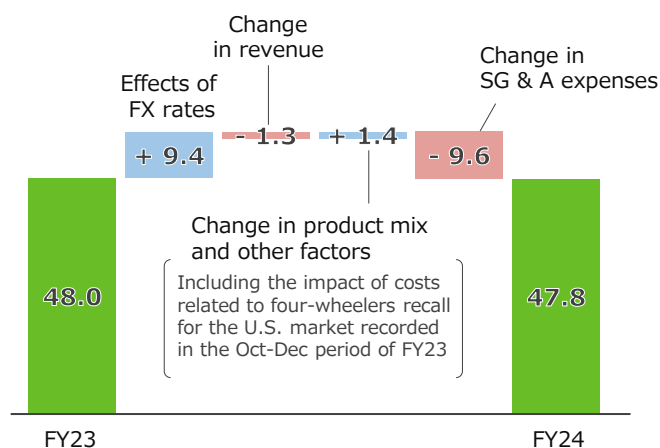
Australia : ➡

China : ➡

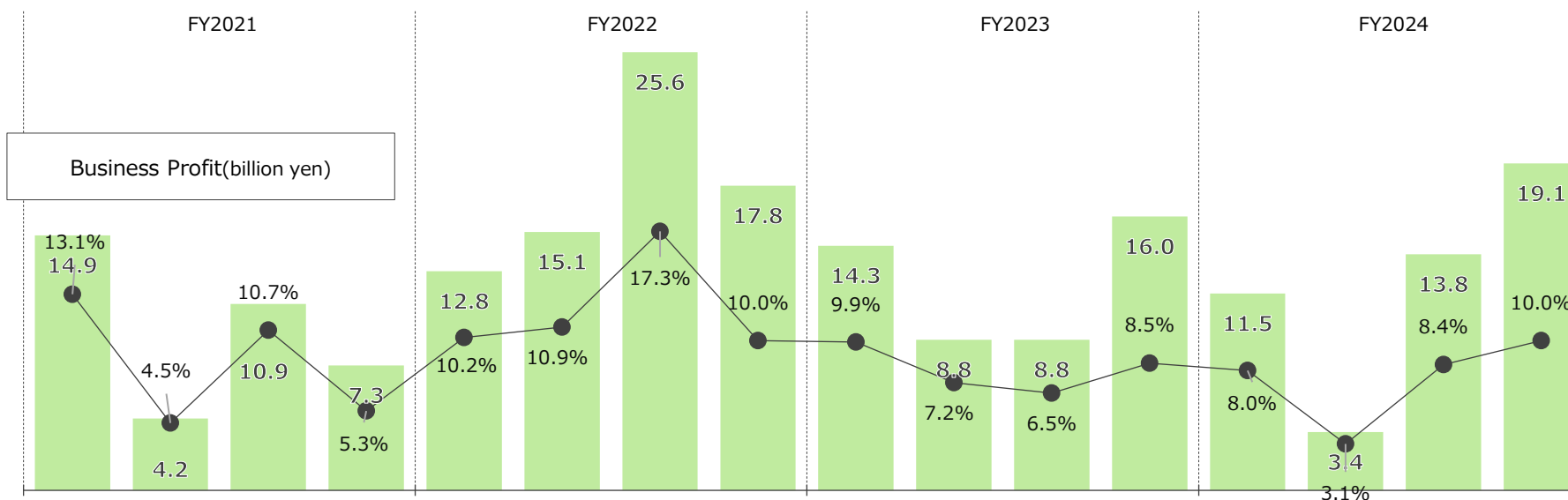
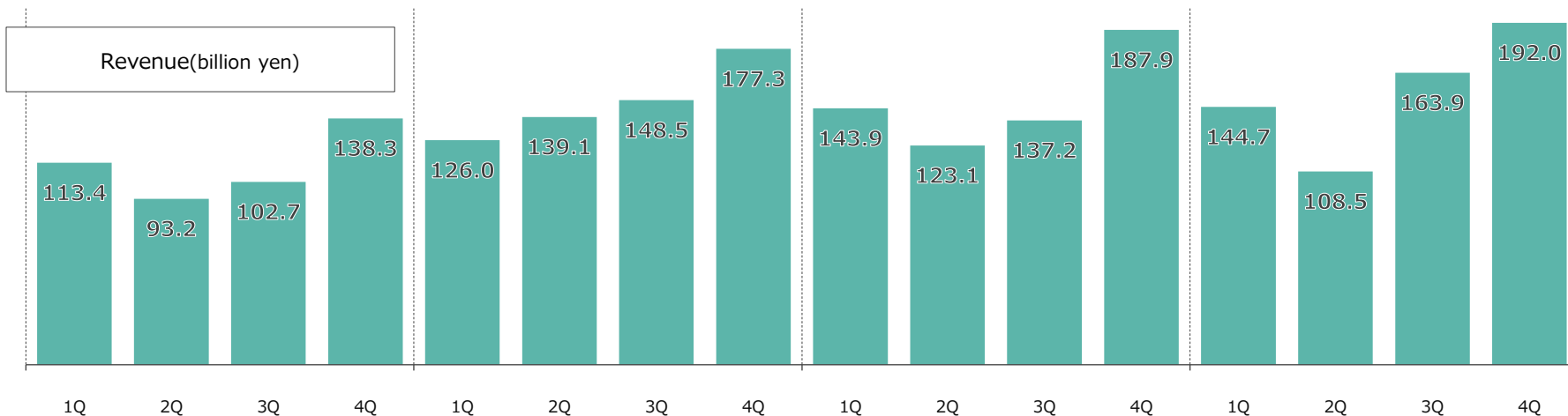
Thailand : ➡

## Details of change in Business Profit

(billion yen)



# 3 Details by Segment - Powersports & Engine -



# 3 Details by Segment - Powersports & Engine -

## Market Overview

- U.S. (Motorcycles)
  - While the street model market remained firm, the off-road model market softened
- U.S. (Four-wheelers)
  - Market is expected to grow over the medium to long term, but sales of recreational models, which are susceptible to loan interest rates and fuel price increases, have softened
- U.S. (Common to both business above)
  - Concerning the new U.S. administration's tariff measures will have a negative impact on demand
- Europe
  - The retail market remains strong, and our market share is growing due to stronger sales promotion measures and the effects of new models
- Southeast Asia
  - Sports segment remains at low level, while recovering in some regions

## Specific Efforts

- ✓ **Supplying products as much as demanded**
  - Continuous introduction of new models
  - Realize stable supply of products by flexibly changing production and sales plans based on sales conditions
- ✓ **Expansion of the four-wheeler business and electrification**
  - Investment in development to enhance product competitiveness
  - Quick response to the external environment by utilizing two plants in North America (US and Mexico)
  - Launch of our first electric four-wheeler
  - Contributing to the realization of a carbon-neutral society by utilizing a wide range of options centered on electrification
- ✓ **Promoting business process re-engineering through DX**
  - Achieving agile management through digitalization
  - Shortened development time and reduced development costs using digital technology
- ✓ **Cash flow Improvement**
  - Improve FCF by strengthening profitability and maintaining appropriate inventory levels



Sales of the Premium Super Naked "Z900"



Kawasaki's First Electric Four-wheeler "NAV" Series Released



4

# Shareholder Return and others

## 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

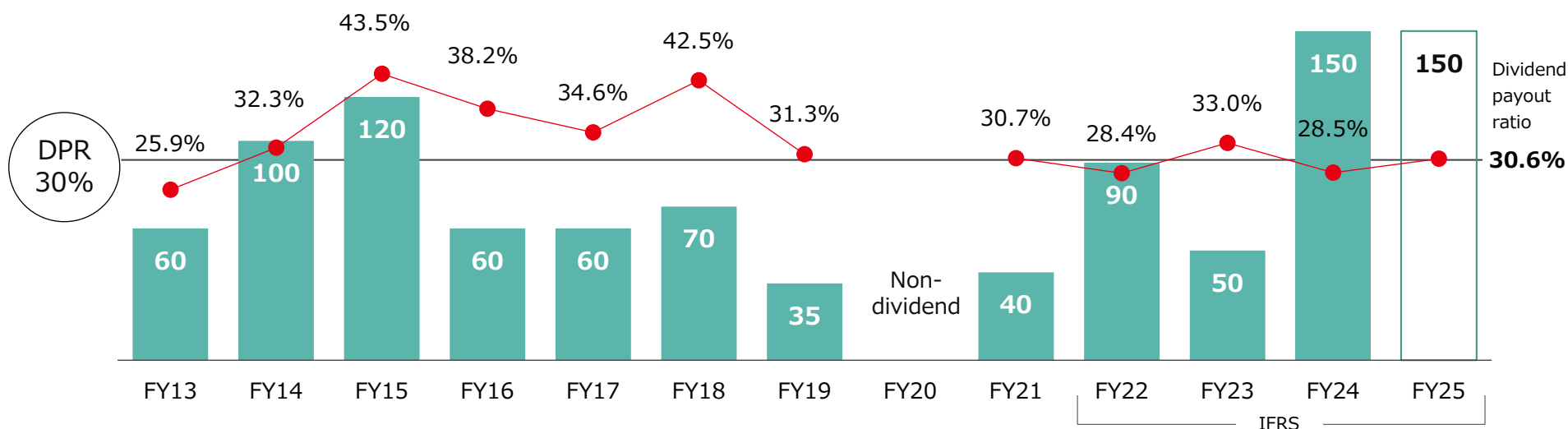
## Dividend for FY2024

Full-year profit attributable to owners of the parent company revised up to 10.0 billion yen from the February forecast

Year-end dividend will be **increased** (from 70 yen to 80 yen)  
Annual dividend per share will be **150** yen  
(dividend payout ratio 28.5%)

## Dividend for FY2025

Annual dividend per share will be **150** yen  
(dividend payout ratio 30.6%)



## 4 Project Topics

### Exhibition at Expo 2025 OSAKA, Kansai, Japan

"Future Mobility" as imagined by the Kawasaki Group

#### Theme

#### EXPO 2025

Research has shown that people are genetically predisposed to derive happiness from the act of moving.

The Kawasaki Group believes that there is an innate 「Impulse to Move」 imprinted in our DNA from which we seek to realize happiness.



© Expo 2025



Special site URL  
<https://www.khi.co.jp/Expo2025/en>



# 4 Project Topics

## CORLEO



CONCEPT 01

**Off-road personal mobility vehicle by four robotic legs**

On SNS, the total number of views of CORLEO related posts exceeded **100 million** in **1 week!**

CONCEPT 02

**New form of public transport system**



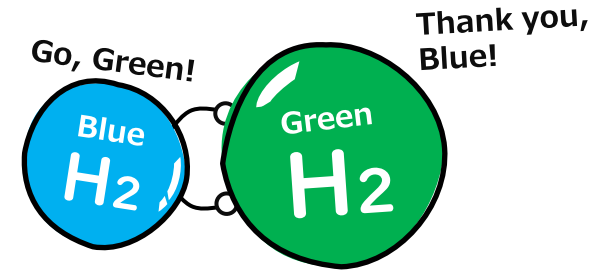
CONCEPT 03

**Hydrogen Generator**

**O'CUVOID**  
HYDROGEN GENERATOR

## Hydrogen society is right around the corner

— The impact of LNG regression —



- ✓ Possibility is increasing that hydrogen, particularly blue hydrogen which is highly compatible with LNG, will be introduced to support the spread of green hydrogen
- ✓ No change in the structure of forming a hydrogen society, with green hydrogen becoming the central in the future

### Business environment

Attention on the cost competitiveness of blue hydrogen using LNGAs is growing while investment in green hydrogen stagnates due to high costs

### Our recognition

Although the arrival of a full-fledged hydrogen society may be delayed, the trend towards **carbon neutrality is irreversible**, and **the decline in investment interest hydrogen is recognized as temporary**

### Action 1

**Demand for transition products<sup>※1</sup> in anticipation of the advent of a hydrogen society is strong**, and we aim to capture a potential share of the hydrogen market and achieve a smooth transition to a hydrogen society by focusing on sales expansion

※1 Products that can be used with LNG and hydrogen

Images: Gas turbines and gas engines capable of hydrogen co-firing, which are typical transition products



### Action 2

As the demand for hydrogen improves, we will create a path for the introduction of green hydrogen by utilizing **blue hydrogen based on LNG, and CCS** (utilizing our CO<sub>2</sub> separation and capture technology<sup>※2</sup>)

※2 A technology that absorbs CO<sub>2</sub> in exhaust gas using a solid absorbent material consisting of a porous material and an amine compound, and separates and recovers the absorbed CO<sub>2</sub> using steam at a low temperature of about 60°C



## / Selected for the first time in the global stock index "DJSI World"

December 24 First selected for DJSI World, a global ESG investment index  
Selected as DJSI Asia Pacific for 12 consecutive years

**Point** Revision of Executive Compensation System Highly Appreciated

Since FY2024, non-financial information such as "contribution to CO<sub>2</sub> emission reduction" and "employee engagement" has been included in KPIs for executive compensation, and these system revision was highly evaluated

Member of

## Dow Jones Sustainability Indices

Powered by the S&P Global CSA

As of February 2025, DJSI has been renamed Dow Jones Best-in-Class Indices (DJBICI)

## / Acquired international Science Based Targets (SBT) certification for greenhouse gas emission reduction targets

Acquired certification from SBTi, an international climate change initiative, for greenhouse gas reduction targets for fiscal 2032

**Point** The CO<sub>2</sub> emission reduction target set mainly for the use of hydrogen was highly evaluated



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## / Enhancement of skill matrix

December 24 Inclusion of "Reasons for Selection" of skills and experience required of Directors in the Report on Corporate Governance

**Point** Strengthening and Realizing Engagement with Shareholders

In response to requests from major shareholders for detailed disclosure of the skills matrix, discussions were held among the HR Department and the Advisory Committee to contribute to strengthening governance and management transparency

# Business strategy

# Governance

⋮

# Finance

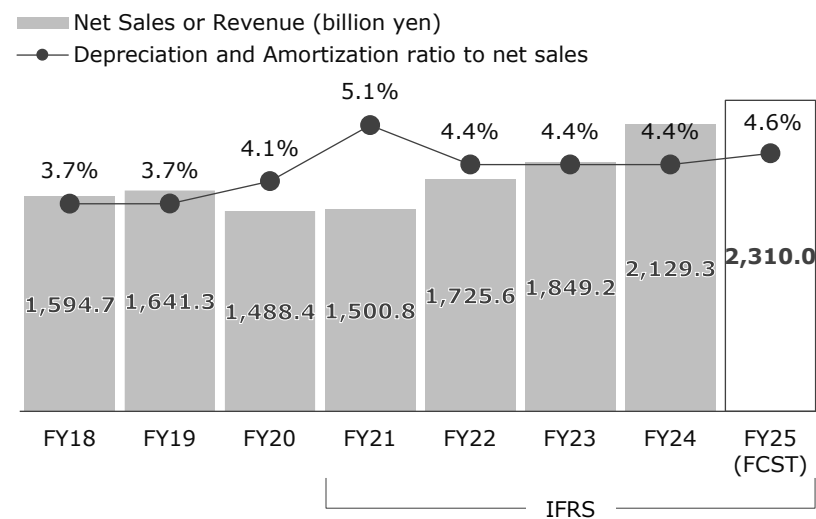
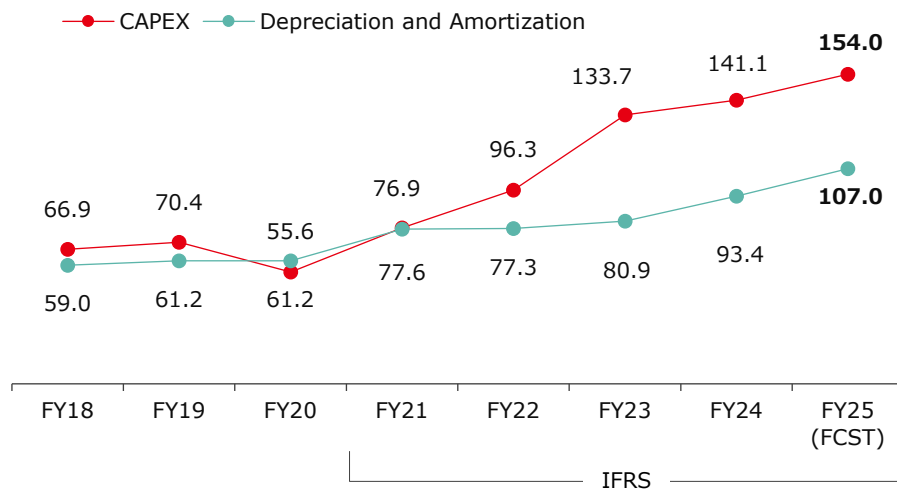


**The reason for selecting**  
the skills and experience  
required for directors of the  
Kawasaki Group is now clearly  
stated



(Billion Yen, Persons)

	FY2023	FY2024				FY2025 Forecast	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY23	Chg. Vs. FCST	Forecast	Chg. Vs. FY24
CAPEX	133.7	120.0	<b>141.1</b>	+ 7.4	+ 21.1	<b>154.0</b>	+ 12.9
Depreciation and amortization	80.9	92.5	<b>93.4</b>	+ 12.4	+ 0.9	<b>107.0</b>	+ 13.6
R & D expenses	53.5	63.5	<b>48.7</b>	- 4.8	- 14.8	<b>64.0</b>	+ 15.3
Number of Employees	39,689	41,590	<b>40,610</b>	+ 921	- 980	<b>43,680</b>	+ 3,070
Domestic	28,099	29,570	<b>29,072</b>	+ 973	- 498	<b>30,610</b>	+ 1,538
Overseas	11,590	12,020	<b>11,538</b>	- 52	- 482	<b>13,070</b>	+ 1,532



## ● Order received by quarter (billion yen)

	FY2022				FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Aerospace Systems	60.4	65.1	75.1	144.7	118.7	74.4	139.2	360.0	88.2	121.7	470.1	202.7
Aerospace	45.9	46.4	48.0	113.4	104.4	98.0	108.0	246.3	54.3	58.4	435.6	151.1
Aero Engine	14.4	18.7	27.0	31.3	14.2	-23.6	31.2	113.7	33.9	63.3	34.5	51.5
Rolling Stock	11.7	27.6	255.0	18.8	16.4	13.6	11.7	46.9	17.0	10.7	13.2	210.4
Energy Solution & Marine Engineering	124.5	113.8	63.4	137.1	102.3	116.0	62.8	120.4	121.8	89.2	217.4	113.5
Energy, Plant & Marine Machinery	94.3	96.6	44.9	56.6	94.7	93.2	58.2	112.5	56.5	88.4	97.6	111.7
Ship & Offshore Structure	30.1	17.2	18.4	80.5	7.5	22.7	4.5	7.8	65.3	0.7	119.7	1.7
Precision Machinery & Robot	67.9	71.5	58.0	64.4	54.0	49.0	54.6	55.7	61.6	63.0	61.2	63.4
Hydraulic Components & Systems	37.6	43.1	37.4	36.4	36.6	30.9	34.3	34.2	36.0	38.8	33.7	38.8
Robotics	30.3	28.4	20.6	27.9	17.3	18.1	20.2	21.4	25.6	24.1	27.4	24.5
Powersports & Engine	126.0	139.1	148.5	177.3	143.9	123.1	137.2	187.9	144.7	108.5	163.9	194.3
Others	21.3	37.1	9.6	18.3	21.7	27.0	23.5	22.1	23.3	45.1	0.5	24.2
Total	412.0	454.5	609.9	560.9	457.3	403.4	429.2	793.3	456.8	438.4	926.5	808.8



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

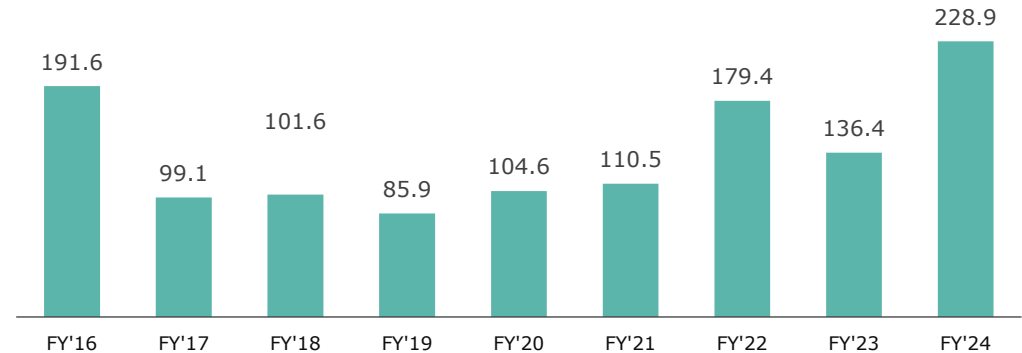
	FY23	FY24				FY25	
	Actual	FCST in Feb.	Actual	Change		Forecast	Change
Total	553.0	728.0	<b>772.3</b>	+ 219.3	+ 44.3	<b>400.0</b>	- 372.3
<i>Aircrafts and others</i>	396.6	548.5	<b>584.7</b>	+ 188.1	+ 36.2	<b>270.0</b>	- 314.7
<i>Aero Engines</i>	52.4	32.5	<b>38.9</b>	- 13.5	+ 6.4	<b>30.0</b>	- 8.9
Submarine & Naval propulsion	104.0	147.0	<b>148.7</b>	+ 44.7	+ 1.7	<b>100.0</b>	- 48.7
Total	288.5	409.0	<b>400.8</b>	+ 112.3	- 8.2	<b>470.0</b>	+ 69.2
<i>[Ratio to the company's total revenue]</i>	<i>[15.6%]</i>	<i>[18.9%]</i>	<i>[18.8%]</i>			<i>[20.3%]</i>	
<i>Aircrafts and others</i>	192.3	290.0	<b>280.6</b>	+ 88.3	- 9.4	<b>328.5</b>	+ 47.9
<i>Aero Engines</i>	17.5	25.5	<b>25.4</b>	+ 7.9	- 0.1	<b>31.5</b>	+ 6.1
Submarine & Naval propulsion	78.7	93.5	<b>94.8</b>	+ 16.1	+ 1.3	<b>110.0</b>	+ 15.2

### ● Order Backlog (billion yen)

	FY2023 Actual	FY2024	
		Actual	Change
Aerospace Systems	1,024.9	<b>1,301.9</b>	+ 276.9
Rolling Stock	490.0	<b>519.7</b>	+ 29.7
Energy Solution & Marine Engineering	685.4	<b>825.3</b>	+ 139.8
Precision Machinery & Robot	83.6	<b>91.4</b>	+ 7.7
Powersports & Engine	-	<b>2.2</b>	+ 2.2
Others	38.8	<b>41.9</b>	+ 3.1
Total	2,322.9	<b>2,782.7</b>	+ 459.7

### ● Order Backlog in Ship & Offshore (billion yen)

■ End of Q4



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

	FY24 Received Orders	Delivery Year				Order Backlog
		FY24 Actual	FY25	FY26	FY27~	
			Plan			
LPG Carrier	6	3	4	4	4	12
Submarine	1	1		1	1	2
Others						
Total	7	※1 4	4	5	5	※2 14

※ 1 Delivered in FY'23

※ 2 Order Backlog

: 201,600GT

: 453,600GT (Submarines are excluded)

## ● Revenue by Region (billion yen)

	FY2023	FY2024	
	Actual	Actual	Change
Japan	731.5	<b>866.5</b>	+ 134.9
USA	551.2	<b>671.1</b>	+ 119.9
Europe	201.1	<b>219.1</b>	+ 17.9
Asia	258.8	<b>271.5</b>	+ 12.7
Other	106.5	<b>100.9</b>	- 5.5
Total	1,849.2	<b>2,129.3</b>	+ 280.0

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

## ● FY2023 (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	228.2	84.3	80.0	0.0	3.5	396.1
Rolling Stock	69.4	114.9	-	11.4	-	195.9
Energy Solution & Marine Engineering	253.4	1.7	12.3	40.3	45.3	353.2
Precision Machinery & Robot	66.9	25.6	13.5	116.6	5.1	227.9
Powersports & Engine	41.0	324.1	94.9	81.1	51.2	592.4
Others	72.3	0.3	0.2	9.2	1.3	83.5
Total	731.5	551.2	201.1	258.8	106.5	1,849.2
<i>[margin]</i>	39.6%	29.8%	10.9%	14.0%	5.8%	100.0%

## ● FY2024 (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	331.8	146.0	83.6	0.0	6.3	567.8
Rolling Stock	63.5	152.0	-	6.6	-	222.3
Energy Solution & Marine Engineering	294.0	0.8	20.0	46.1	36.9	398.1
Precision Machinery & Robot	64.3	26.6	13.3	131.7	5.4	241.5
Powersports & Engine	33.3	344.8	101.9	79.0	50.0	609.3
Others	79.3	0.5	0.2	7.8	2.2	90.1
Total	866.5	671.1	219.1	271.5	100.9	2,129.3
<i>[margin]</i>	40.7%	31.5%	10.3%	12.8%	4.7%	100.0%

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

(billion USD / EUR)

		FY2023	FY2024	FY2025
		Actual	Actual	Forecast
USD	Aerospace Systems	0.59	<b>0.47</b>	1.03
	Rolling Stock	0.22	<b>0.33</b>	0.12
	Energy Solution & Marine Engineering	0.29	<b>0.25</b>	0.13
	Precision Machinery & Robot	0.12	<b>0.14</b>	0.14
	Powersports & Engine	0.63	<b>0.75</b>	1.08
Total		1.85	<b>1.94</b>	2.50
EUR		0.55	<b>0.55</b>	0.57

※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.

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

FY2022 actual	141.38
FY2023 actual	157.09
FY2024 actual	163.07
FY2025 forecast	155.00

<Formulas for Calculating ROIC>

After-tax ROIC = { Profit attributable for owners of parent + Interest expenses × (1 – Tax rate) } ÷ Invested capital※2

※2 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”

# Business Growth Image

Kawasaki Heavy Industries, Ltd.

May 9, 2025

# Business growth image(Profit)

Responding appropriately to changes in the external environment,  
Achieve a business margin of 8% by 2027 and over 10% by 2030

