

Financial Results for Third Quarter FY2025

For the year ending March 31, 2026

February 9, 2026

Kawasaki Heavy Industries, Ltd.



 **Kawasaki**
Powering your potential

Consolidated Financial Results for Third Quarter FY2025

- ✓ Business profit totaled **82.4** billion yen, up 3.3 billion yen YoY, **progressing well** at 57% toward the full-year forecast of 145.0 billion yen (55% in the previous fiscal year)
- ✓ Strong performance in Aerospace Systems and ES&M offset PS&E, which was significantly affected by U.S. tariff policies

Earnings forecasts for FY2025

- ✓ Business profit forecast **remains unchanged at a record 145.0 billion yen**, with the assumed FX rate maintained at 145 yen/USD)
- ✓ Profit attributable to owners of parent has been revised upward to **90.0** billion yen (up 8.0 billion yen from the previous forecast), reflecting the realization of foreign exchange gains

Notice

Update on Shareholder Returns Policy and Stock Split (See pp. 42–43)

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for Third Quarter FY2025**

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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 Financial Results for Third Quarter FY2025

Consolidated Financial Results for Third Quarter FY2025

-Summary-

- ✓ Revenue and business profit grew YoY, with orders received, revenue, and business profit all marking record highs for the third quarter
- ✓ Overall results were broadly in line with expectations, despite variations among business segments (vs. November forecast)

(billion yen)

	FY24 Q3	FY25 Q3				YoY Change
		Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Total	
Orders Received	1,821.9	446.3	569.1	892.6	1,908.1	+ 86.1
Revenue	1,407.3	488.4	507.8	565.1	1,561.4	+ 154.0
Business Profit	79.0	20.5	15.1	46.7	82.4	+ 3.3
<i>[margin]</i>	<i>[5.6%]</i>	<i>[4.2%]</i>	<i>[3.0%]</i>	<i>[8.3%]</i>	<i>[5.3%]</i>	<i>[- 0.3pt]</i>
Profit Before Tax	64.4	16.8	18.5	53.4	88.8	+ 24.4
<i>[margin]</i>	<i>[4.6%]</i>	<i>[3.4%]</i>	<i>[3.7%]</i>	<i>[9.5%]</i>	<i>[5.7%]</i>	<i>[+ 1.1pt]</i>
Profit Attributable to Owners of Parent	44.1	4.2	17.8	43.7	65.8	+ 21.6
<i>[margin]</i>	<i>[3.1%]</i>	<i>[0.9%]</i>	<i>[3.5%]</i>	<i>[7.7%]</i>	<i>[4.2%]</i>	<i>[+ 1.0pt]</i>
Weighted-average exchange rates (USD/JPY) ^{※1}	150.33	143.79	146.37	152.22	147.55	- 2.78
US dollar-based transaction (B\$) ^{※2}	1.53	0.52	0.62	0.58	1.72	+ 0.19

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

※2 The amount of foreign currency impacting profit and loss by currency 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 from loss-provisioned projects. 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 engine. See page 53 for the breakdown of these figures by segments

Consolidated Financial Results for Third Quarter FY2025

-Segment-

- ✓ ES&M posted higher revenue and business profit, driven by continued strong performance in areas including Energy and Ship & Offshore Structure 1
- ✓ PS&E posted revenue growth, but business profit declined due to higher tariff costs and stronger competition in the U.S. powersports market 2

(billion yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY24 Q3	FY25 Q3	Change	FY24 Q3	FY25 Q3	Change	FY24 Q3	FY25 Q3	Change
Aerospace Systems	680.1	586.7	- 93.3	354.4	388.8	+ 34.3	29.3	30.7	+ 1.3
Rolling Stock	41.0	285.7	+ 244.6	142.7	176.7	+ 34.0	4.1	6.7	+ 2.5
Energy Solution & Marine Engineering	428.5	314.8	- 113.6	260.9	299.2	+ 38.2	25.1	39.3	+ 14.2
Precision Machinery & Robot	185.8	200.4	+ 14.5	168.8	182.5	+ 13.6	3.2	9.1	+ 5.8
Powersports & Engine	417.2	451.5	+ 34.2	417.2	452.2	+ 34.9	28.7	6.3	- 22.4
Others	69.0	68.8	- 0.2	63.0	61.7	- 1.3	3.6	4.4	+ 0.8
Elimination and corporate [※]	-	-	-	-	-	-	- 15.3	- 14.2	+ 1.0
Total	1,821.9	1,908.1	+ 86.1	1,407.3	1,561.4	+ 154.0	79.0	82.4	+ 3.3

※Elimination and corporate includes some expenses incurred at head offices which were not allocated to each industry segment for internal reporting

Consolidated Financial Results for Third Quarter FY2025 –Statement of Profit and Loss–

(billion yen)

	FY24 Q3	%	FY25 Q3	%	Change
Revenue	1,407.3	100.0	1,561.4	100.0	+ 154.0
Cost of Sales	1,113.4	79.1	1,260.4	80.7	+ 146.9
Gross profit	293.8	20.9	300.9	19.3	+ 7.1
Selling, General and Administrative Expenses	226.2	16.1	233.4	15.0	+ 7.2
Salaries and Allowances	60.2		64.7		+ 4.4
R&D Expenses	39.3		39.3		+ 0.0
Others	126.5		129.3		+ 2.8
Share of profit (loss) of investments accounted for using equity method	13.5		17.2		+ 3.6
Other Income and Expenses	- 2.1		- 2.2		- 0.1
Gain on Sale of Property, Plant and Equipment	0.9		0.6		- 0.3
Others	- 3.1		- 2.9		+ 0.1
Business profit (Loss)	79.0	5.6	82.4	5.3	+ 3.3

[Details](#)

- ① Selling, general and administrative expenses increased in line with revenue growth, but the SG&A ratio declined due to disciplined control of fixed costs
- ② The increase was primarily driven by strong performance at the China shipbuilding joint venture

Consolidated Financial Results for Third Quarter FY2025 –Statement of Profit and Loss–

(billion yen)

	FY24 Q3	%	FY25 Q3	%	Change
Finance Income and Finance Costs	- 14.5		6.4		+ 21.0
Net interest Expense (incl. dividend income)	- 7.7		- 8.5		- 0.8
Gain and Loss on Foreign Exchange	- 2.1		18.8		+ 21.0
Others	- 4.7		- 3.8		+ 0.8
Profit Before Tax	64.4	4.6	88.8	5.7	+ 24.4
Income Tax Expense	18.1		18.7		+ 0.5
Profit Attributable to Non-Controlling Interests	2.1		4.2		+ 2.1
Profit Attributable to Owners of Parent	44.1	3.1	65.8	4.2	+ 21.6

Details

③ USD/JPY rate
149.53 Q4/E FY24
156.54 Q3/E FY25

Weighted-average
exchange rates
147.55 Q3 FY25

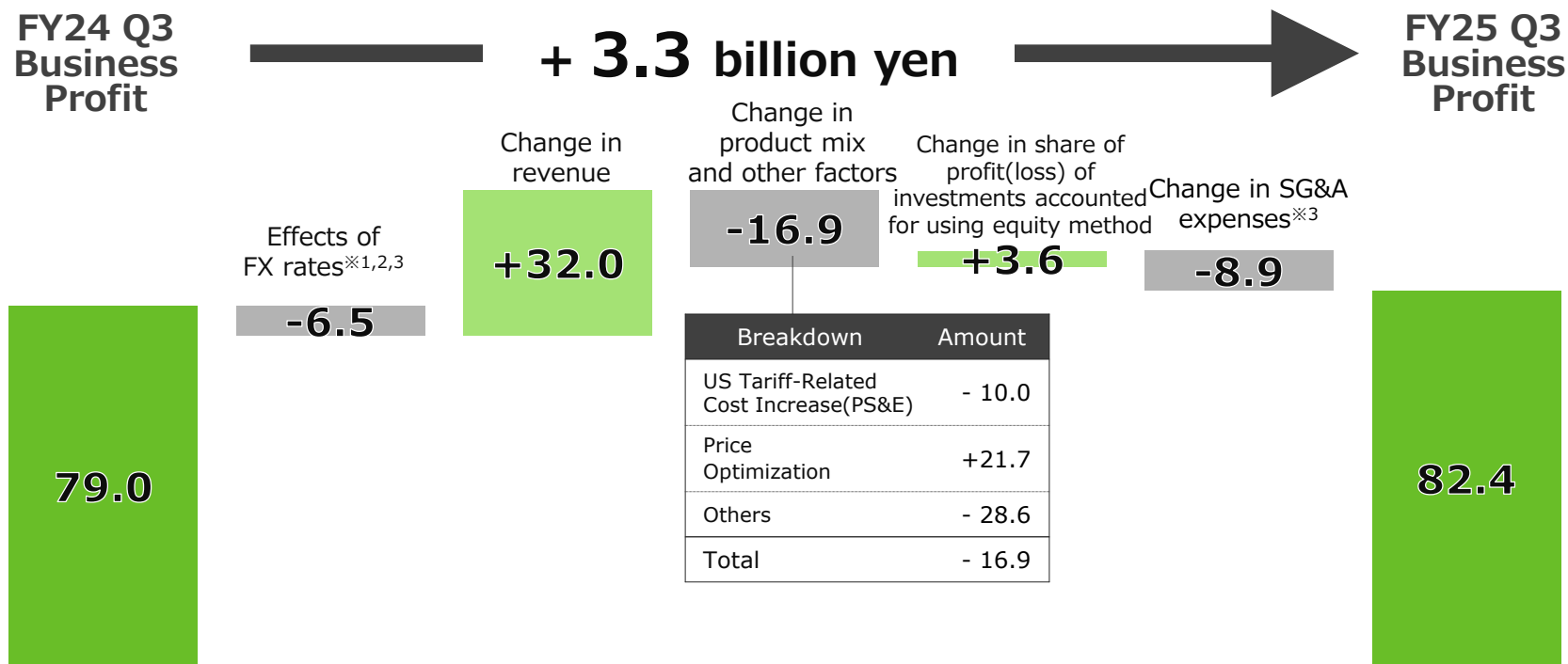
Translation gains arose on
foreign currency-
denominated receivables

④ In April 2025, a 20%
stake of Kawasaki Motors,
Ltd. (a PS&E business
subsidiary) was
transferred to ITOCHU
Corporation, resulting in
an increase in profit
attributable to non-
controlling interests

Consolidated Financial Results for Third Quarter FY2025

-Factors Affecting Changes in Business Profit-

- ✓ Increased sales in PS&E contributed to change in revenue
- ✓ Improvements in profitability of ES&M significantly influences change in product mix and other factors, while PS&E deteriorated significantly



※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 [+1.0 billion 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 22 and later are the same]

Consolidated Financial Results for Third Quarter FY2025

-Factors Affecting Changes in Business Profit-

(billion yen)

	FY24 Q3 Business Profit (Loss)	Details of change					Total	FY25 Q3 Business Profit (Loss)
		Effects of FX rates ^{※1}	Change in revenue ^{※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}		
Aerospace Systems	29.3	※2 - 0.7	5.9	- 0.2		- 3.7	1.3	30.7
Rolling Stock	4.1	- 0.7	4.3	- 0.4	0.0	- 0.7	2.5	6.7
Energy Solution & Marine Engineering	25.1	0.9	7.4	8.1	2.4	- 4.6	14.2	39.3
Precision Machinery & Robot	3.2	- 0.6	2.8	3.8	1.4	- 1.6	5.8	9.1
Powersports & Engine	28.7	- 5.4	11.9	- 29.4	- 0.0	0.5	- 22.4	6.3
Others	3.6	0.0	- 0.3	2.2	- 0.1	- 1.0	0.8	4.4
Elimination and corporate	- 15.3			- 1.2	- 0.0	2.2	1.0	- 14.2
Total	79.0	- 6.5	32.0	- 16.9	3.6	- 8.9	3.3	82.4

※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 (+1.0 billion Yen)

※3 Excluding the effects of FX rates

Consolidated Financial Results for Third Quarter FY2025 -Statement of Financial Position-

(billion yen)

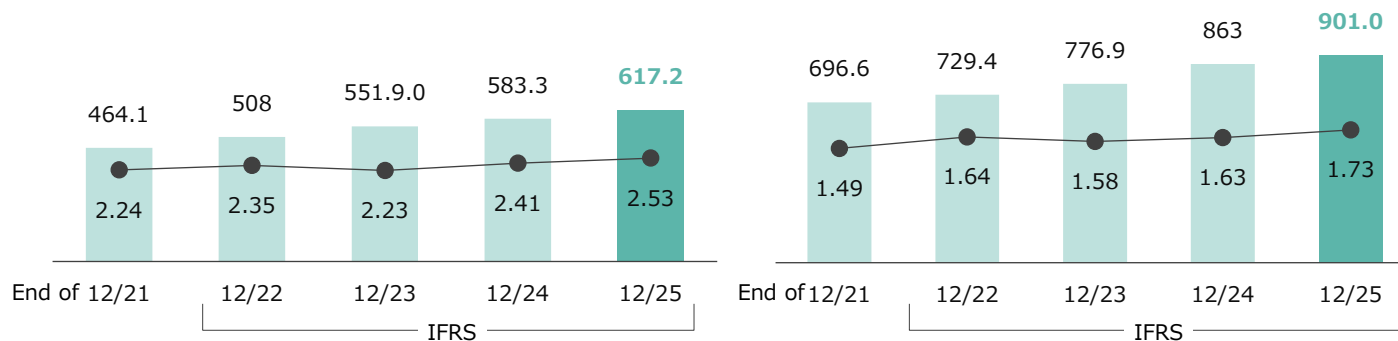
	End of Mar 2025	%	End of Dec 2025	%	Change
Cash and Cash Equivalents	132.7		108.7		- 24.0
Trade Receivables (Incl. contract assets)	888.8		910.0		+ 21.1
Inventories	775.4		901.0		+ 125.6
Other Current Assets	226.8		296.8		+ 70.0
Current assets	2,023.9	67.1	2,216.6	67.4	+ 192.7
PP&E and Intangible assets	591.5		617.2		+ 25.7
Right-of-Use Assets	58.6		69.6		+ 10.9
Deferred Tax Assets	128.7		125.0		- 3.7
Other Non-Current Assets	214.0		258.1		+ 44.0
Non-Current Assets	993.0	32.9	1,070.1	32.6	+ 77.0
Total Assets	3,016.9	100.0	3,286.7	100.0	+ 269.8

Details

- ① Increased in PS&E and Aerospace Systems etc.
- ② Increase in advance payments in Aerospace etc.

■ PP&E and intangible assets (billion yen)
● Turnover of PP&E and intangible assets

■ Inventory (billion yen)
● Turnover of inventory



Consolidated Financial Results for Third Quarter FY2025 –Statement of Financial Position–

(billion yen)

	End of Mar 2025	%	End of Dec 2025	%	Change
Trade Payables	512.1		545.8		+ 33.7
Interest-Bearing Debt	692.5		851.7		+ 159.2
Contract Liability (Advances Received)	363.5		381.6		+ 18.0
Provision for Losses on Construction Contracts	5.1		5.7		+ 0.6
Retirement Benefit Liability	67.1		70.2		+ 3.1
Other Liabilities	651.5		556.3		- 95.1
Total Liabilities	2,291.8	76.0	2,411.6	73.4	+ 119.7
Equity Attributable to Owners of Parent	702.9		807.6		+ 104.7
Non-Controlling Interests	22.1		67.4		+ 45.3
Total Equity	725.0	24.0	875.1	26.6	+ 150.0
Total Liabilities and Equity	3,016.9	100.0	3,286.7	100.0	+ 269.8

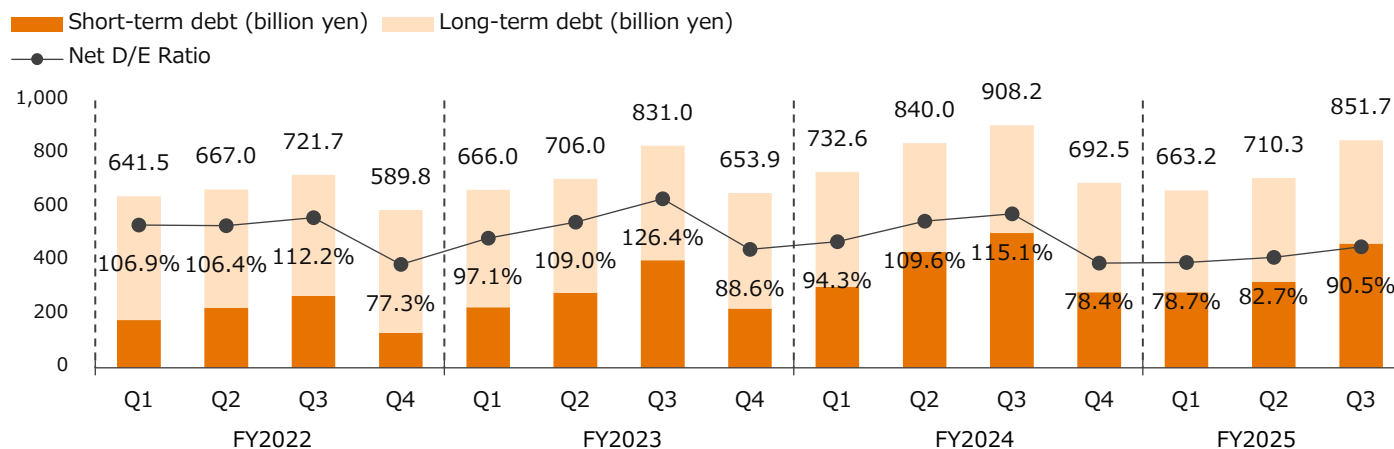
Details

- ③ The increase in borrowings compared with last year's year-end is part of our normal business cycle
- ④ Decreased in liabilities resulting from the securitization of receivables in Aerospace
- ⑤ Increased in profit attributable to non-controlling interests resulting from the transfer of a 20% stake in Kawasaki Motors, Ltd., (a PS&E business subsidiary) to ITOCHU Corporation

Appendix

Cash Conversion Cycle

	(day)
End of FY21 Q3	178
End of FY22 Q3	157
End of FY23 Q3	168
End of FY24 Q3	179
End of FY25 Q3	167



Consolidated Financial Results for Third Quarter FY2025 –Statement of Cash Flows–

(billion yen)

	FY24 Q3	FY25 Q3	Change
Profit Before Tax	64.4	88.8	+ 24.4
Depreciation and Amortization	65.3	76.8	+ 11.4
Increase and Decrease in Working Capital	- 160.0	- 82.7	+ 77.2
Trade Receivables* ¹ (minus notation indicates incr.)	- 41.5	0.8	+ 42.4
Inventory (minus notation indicates incr.)	- 144.6	- 101.8	+ 42.8
Trade Payables (minus notation indicates decr.)	29.6	27.9	- 1.7
Advance Payment (minus notation indicates incr.)	- 51.9	- 24.2	+ 27.7
Contract Liabilities* ² (minus notation indicates decr.)	48.4	14.5	- 33.9
Other	- 48.0	- 163.5	- 115.5
Cash Flows from Operating Activities	- 78.1	- 80.5	- 2.3
Purchase of PP&E and Intangible Assets	- 77.0	- 83.1	- 6.1
Proceeds from Sales of PP&E and Intangible Assets	2.9	1.9	- 0.9
Other	- 5.8	- 15.2	- 9.3
Cash Flows from Investing Activities	- 79.9	- 96.4	- 16.5
Free Cash Flows	- 158.1	- 177.0	- 18.9
Net Increase and Decrease in Debt and Bonds (minus notation indicates decr.)	258.5	136.2	- 122.3
Dividends Paid (Except Payment to Non-Controlling Interests)	- 16.1	- 25.3	- 9.2
Proceeds from Fluidity of Lease Receivables and Repayment of Payables under Fluidity Lease Receivables	- 15.6	- 19.7	- 4.0
Other	- 22.6	60.5	+ 83.2
Cash Flows from Financing Activities	204.1	151.7	- 52.4

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

Details

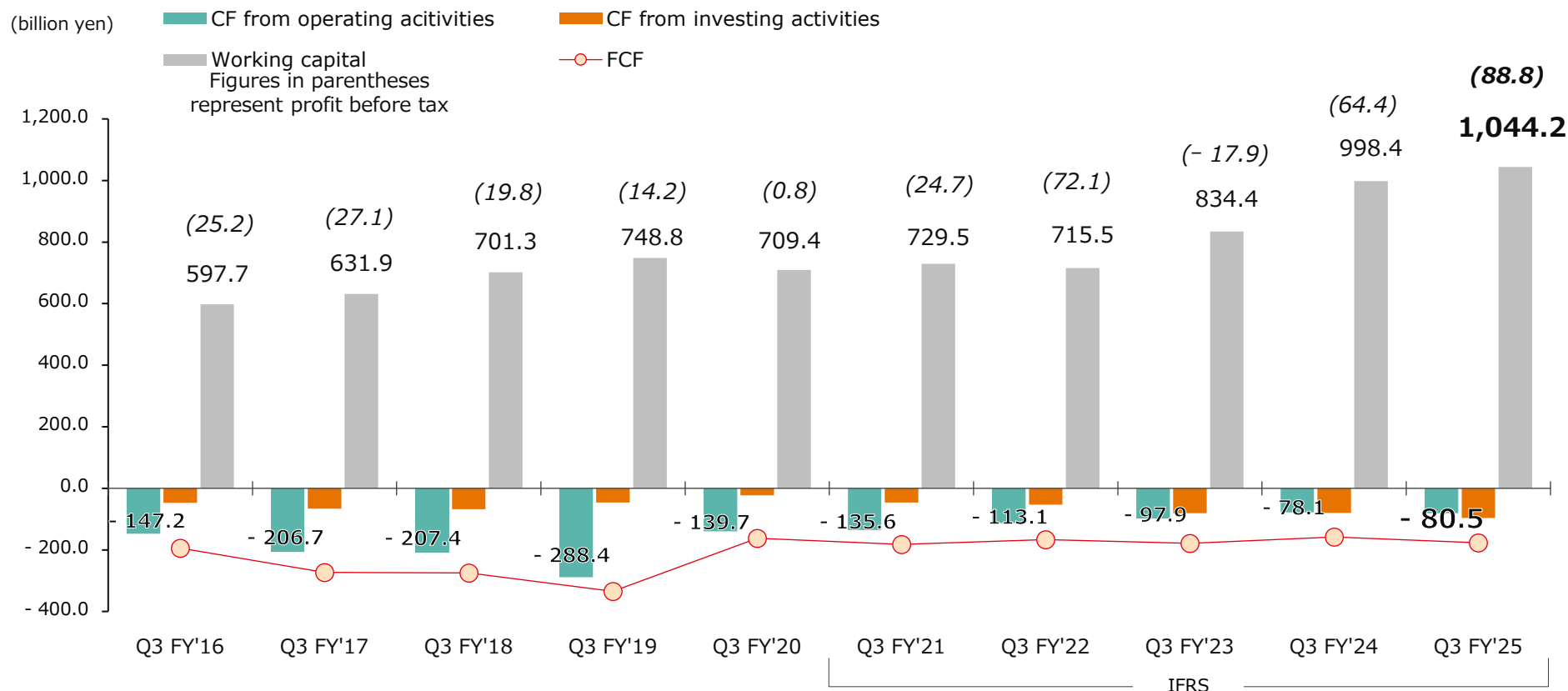
① FY2024 Q3 :
Despite an increase in contract liabilities (advances received) in Aerospace Systems, working capital saw cash outflows due to higher inventories in PS&E and Aerospace Systems

FY2025 Q3 :
Operating cash flow posted an outflow due to higher inventories in Aerospace Systems and PS&E, and increased payments for income taxes and other items

② Including the ¥80.0 billion in proceeds from the transfer of a 20% stake in Kawasaki Motors, Ltd., a PS&E business subsidiary, to ITOCHU Corporation in the first quarter of FY2025

-Cash Flows-

- ✓ Working capital grew over past three years, and its contribution to cash flow has gradually become evident
- ✓ Operating CF continued to improve, despite posting a negative result in Q3 FY2025



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





Earnings Forecasts for FY2025

(for the year ending March 31, 2026)

Earnings Forecasts for FY2025

-Summary-

-  Full-year business profit forecast remains unchanged from the previous announcement, although performance varied by business segment
-  Pre-tax profit and profit attributable to owners of parent have been revised upward from the previous announcement, reflecting FX gains realized through Q3

(billion yen)

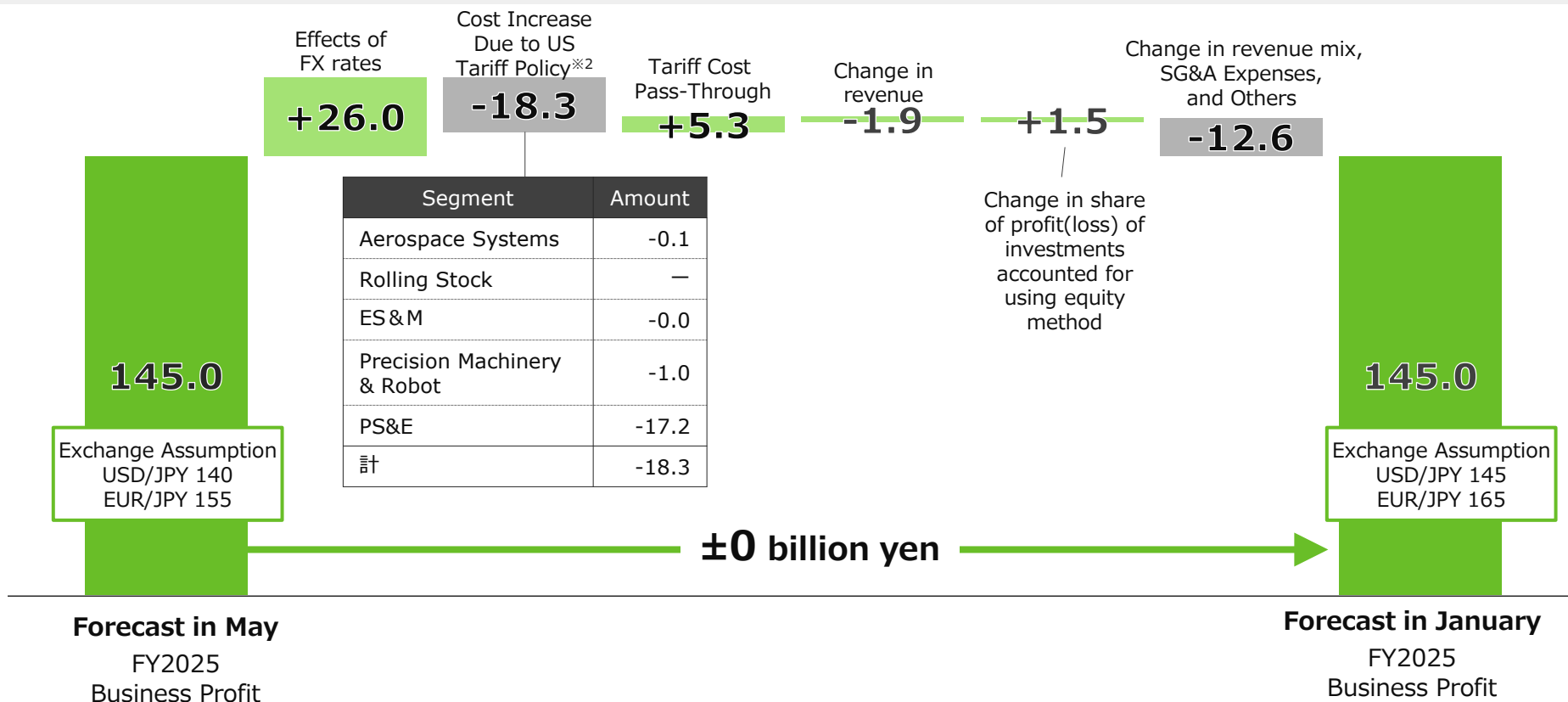
	FY2024 Actual	FY2025 Forecast and Progress							
		Old FCST	New FCST	Chg. vs. FY24		Chg. vs. Old FCST	Q3 Actual	Q4 FCST	
Orders Received	2,630.7	2,530.0	2,620.0	-	10.7	+	90.0	1,908.1	711.9
Revenue	2,129.3	2,340.0	2,340.0	+	210.7	-		1,561.4	778.6
Business Profit	143.1	145.0	145.0	+	1.9	-		82.4	62.6
<i>[Margin]</i>	<i>[6.7%]</i>	<i>[6.2%]</i>	<i>[6.2%]</i>		<i>[- 0.5pt]</i>		<i>[-]</i>	<i>[5.3%]</i>	<i>[8.0%]</i>
Profit Before Tax	107.5	115.0	122.0	+	14.5	+	7.0	88.8	33.2
<i>[Margin]</i>	<i>[5.0%]</i>	<i>[4.9%]</i>	<i>[5.2%]</i>		<i>[+ 0.1pt]</i>		<i>[+ 0.2pt]</i>	<i>[5.7%]</i>	<i>[4.3%]</i>
Profit Attributable to Owners of Parent	88.0	82.0	90.0	+	2.0	+	8.0	65.8	24.2
<i>[Margin]</i>	<i>[4.1%]</i>	<i>[3.5%]</i>	<i>[3.8%]</i>		<i>[- 0.2pt]</i>		<i>[+ 0.3pt]</i>	<i>[4.2%]</i>	<i>[3.1%]</i>
After-tax ROIC	8.0%	6.9%	7.4%	-	0.6pt	+	0.5pt	-	-
Weighted-average exchange rates (USD/JPY)	150.81	145.00	-	-	-	-	-	147.55	145.00
US dollar-based transaction (B\$)	1.94	2.12	2.09	+	0.15	-	0.03	1.72	0.37

※ The amount of foreign currency impacting profit and loss by currency 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 from loss-provisioned projects). See page 53 for the breakdown of these figures by segment.

-Factors Affecting Changes in Business Profit※1 -

Note: The graph shows the variance from the forecast announced in May. Please refer to page 47 for changes from the forecast announced in November.

✓ Mitigate the impact of profitability deterioration from higher costs due to US tariff policies and stronger competition in the U.S. powersports market through cost pass-through, fixed cost control, and the yen depreciation



※1 The figures for each factor of increase or decrease are approximate values calculated by our company based on certain criteria. The effects of FX rates are calculated for USD and EUR only; the impact of fluctuations in other currencies is included in Change in revenue mix, SG&A expenses, and others.

※2 The assumed reciprocal tariff rates with the U.S. are 15% for Japan, 19% for Thailand and Indonesia, and 20% for Taiwan. Temporary costs such as tariffs borne by our company are excluded from the total if they are 100% transferable to our business partners under contractual agreements

Earnings Forecasts for FY2025 -Segment-

- ✓ Aerospace Systems and ES&M were revised upward due to improved profitability 1
- ✓ PS&E was revised downward due to profitability deterioration from stronger competition in the U.S. powersports market and other factors 2

(billion yen)

	Orders Received				Revenue				Business Profit			
	FY2024	FY2025 Forecast			FY2024	FY2025 Forecast			FY2024	FY2025 Forecast		
	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change
Aerospace Systems	882.8	720.0	750.0	+ 30.0	567.8	640.0	630.0	- 10.0	55.8	56.0	60.0	+ 4.0
Rolling Stock	251.5	300.0	300.0	-	222.3	220.0	230.0	+ 10.0	8.4	9.0	9.0	-
Energy Solution & Marine Engineering	542.0	480.0	540.0	+ 60.0	398.1	460.0	460.0	-	44.2	58.0	61.5	+ 3.5
Precision Machinery & Robot	249.2	270.0	270.0	-	241.5	260.0	260.0	-	7.0	14.0	14.0	-
Powersports & Engine	611.6	660.0	660.0	-	609.3	660.0	660.0	-	47.8	30.0	20.5	- 9.5
Others	93.3	100.0	100.0	-	90.1	100.0	100.0	-	5.2	5.0	6.0	+ 1.0
Elimination and corporate*	-	-	-	-	-	-	-	-	- 25.6	- 27.0	- 26.0	+ 1.0
Total	2,630.7	2,530.0	2,620.0	+ 90.0	2,129.3	2,340.0	2,340.0	-	143.1	145.0	145.0	-

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


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3


Details by Segment

3 Details by Segment -Aerospace Systems-


Q3 of FY2025 (vs. Q3 of FY2024)


Orders Received  Down due to the rebound from last year's large MOD* order, despite higher Boeing orders
-¥93.3 bil.


Revenue  Up due to higher revenue from MOD and Boeing
+¥34.3 bil.

Business Profit  Improved due to an increase in revenue
+¥1.3 bil.

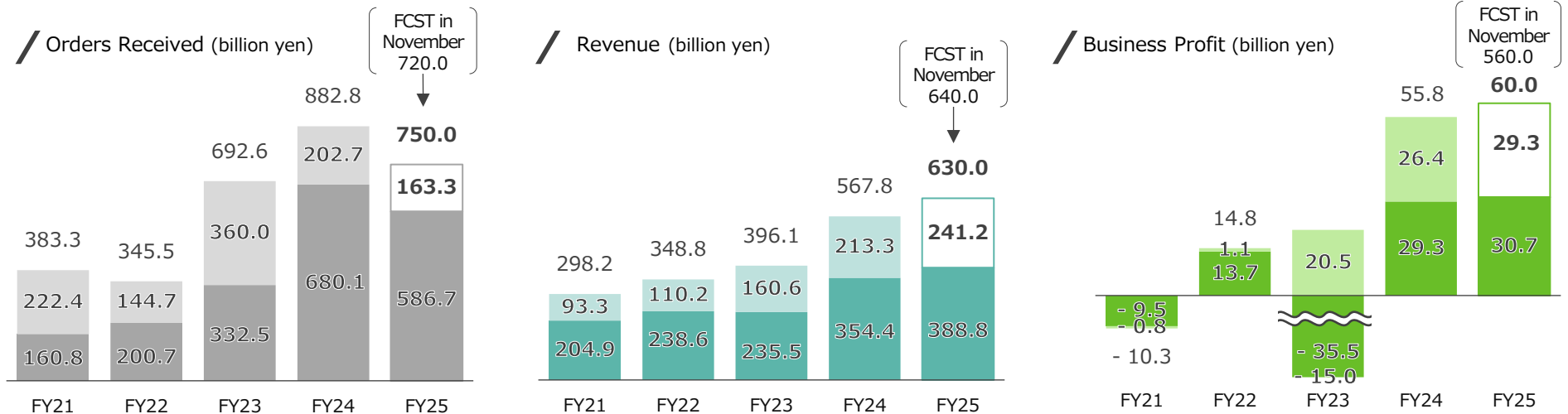
FY2025 Forecast (vs. forecast in November)

Orders Received  Revised up due to strong orders for commercial aircraft engines and MOD despite lower Boeing orders
+¥30.0 bil.

Revenue  Revised down due to lower Boeing and MOD revenue, despite higher revenue from commercial aircraft engines
-¥10.0 bil.

Business Profit  Revised up due to improved profitability despite lower revenue
+¥4.0 bil.

*MOD: The Ministry of Defense



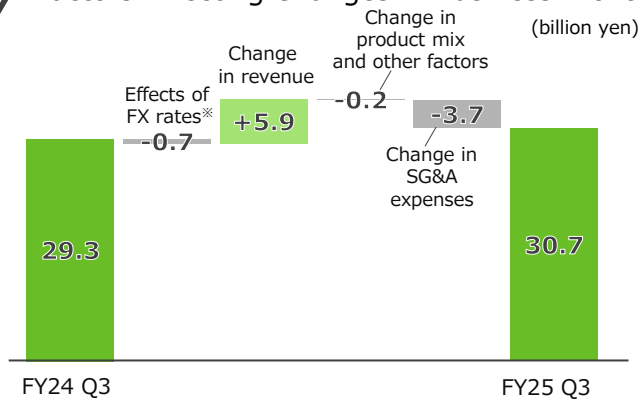
Note: Darker areas in the graphs represent Q1-Q3 and lighter areas represent Q4 cumulative total

Details by Segment -Aerospace Systems-

(billion yen)

	FY2024	FY2025		FY2024	FY2025 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q4 FCST
Orders Received	680.1	586.7	- 93.3	882.8	720.0	750.0	- 132.8	+ 30.0	163.3
<i>Aerospace</i>	548.3	452.1	- 96.2	699.5	520.0	530.0	- 169.5	+ 10.0	77.9
<i>Aero Engine</i>	131.8	134.6	+ 2.8	183.3	200.0	220.0	+ 36.7	+ 20.0	85.4
Revenue	354.4	388.8	+ 34.3	567.8	640.0	630.0	+ 62.2	- 10.0	241.2
<i>Aerospace</i>	237.7	271.0	+ 33.2	399.9	465.0	450.0	+ 50.1	- 15.0	179.0
<i>Aero Engine</i>	116.7	117.7	+ 1.0	167.8	175.0	180.0	+ 12.2	+ 5.0	62.3
Business Profit	29.3	30.7	+ 1.3	55.8	56.0	60.0	+ 4.2	+ 4.0	29.3
<i>[Margin]</i>	<i>[8.3%]</i>	<i>[7.9%]</i>	<i>[- 0.3pt]</i>	<i>[9.8%]</i>	<i>[8.8%]</i>	<i>[9.5%]</i>	<i>[- 0.3pt]</i>	<i>[+ 0.7pt]</i>	<i>[12.1%]</i>

Factors Affecting Changes in Business Profit



※ including the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM engine(+1.0 billion yen)

Appendix

Number of aircraft component parts sold to Boeing (units)

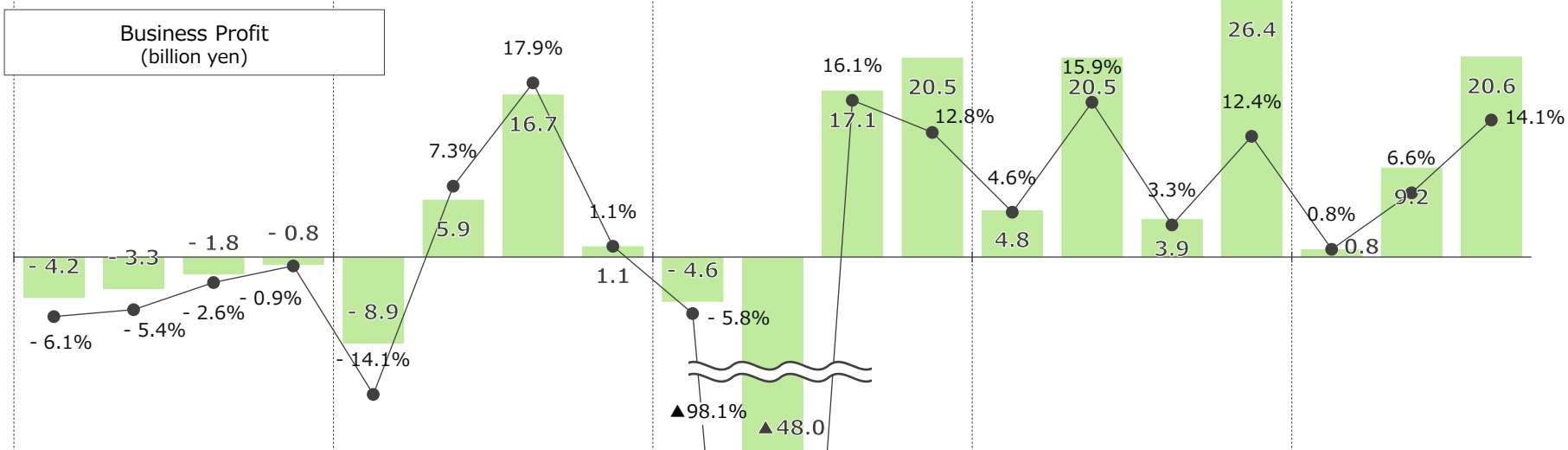
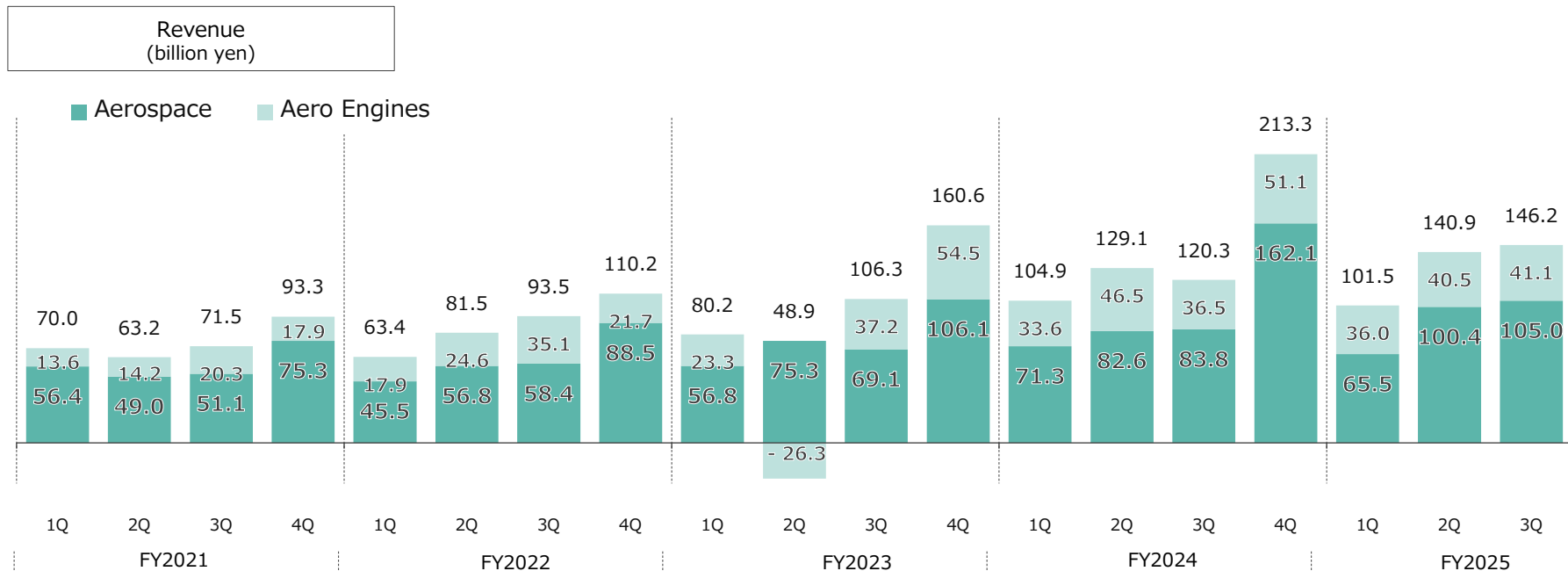
	FY24		FY25	Change YoY
	3Q	Full year	3Q	
767	12	19	23	+ 11
777	10	19	17	+ 7
777X	5	5	5	-
787	34	58	42	+ 8

Number of aircraft engine component parts sold (units)

	FY24		FY25	Change YoY
	3Q	Full year	3Q	
V2500	17	20	17	-
PW1100G	515	681	526	+ 11

※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 are increasing
- MOD business
 - Under the MOD's policy to strengthen Japan's defense capabilities, including faster achievement of defense spending at 2% of GDP and an earlier review of the key defense Documents, further demand growth and profitability improvement are expected
- Entire segment
 - Expected market expansion following the designation of 'Aerospace' and 'Defense Industry' as strategic fields under the 17 Strategic Fields^{※1} framework

※1 Defined by the government's Japan Growth Strategy Council as priority areas for public-private investment.

(Note) About the in-service issues of PW1100G-JM engine

✈ In FY23, 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

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

※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 and operational efficiency to acquire new business opportunities
- Steady promotion of existing projects of development and mass production for MOD aircraft and helicopters



Strategic partnership with BladeRobots A/S for leading-edge maintenance of wind turbine blades



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 operational capabilities | 7 | Unmanned defense capabilities |
| 4 | Command and control and intelligence-related functions | | |



Standoff electronic warfare aircraft

Source: DEFENSE OF JAPAN 2020

Prototype 3. Contract Scheduled for Completion in FY2026



KJ300 Turbofan Engine





Promotion of technology strategies based on market trends


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

Details by Segment - Rolling Stock -


Q3 of FY2025 (vs. Q3 of FY2024)


Orders Received  Up primarily due to the order for new subway cars for the New York City Transit Authority
+¥244.6 bil.


Revenue  Up due to higher domestic and U.S. revenue
+¥34.0 bil.

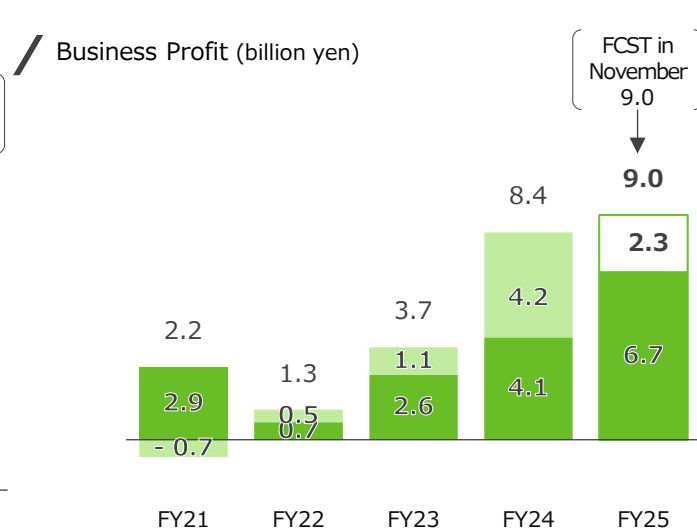
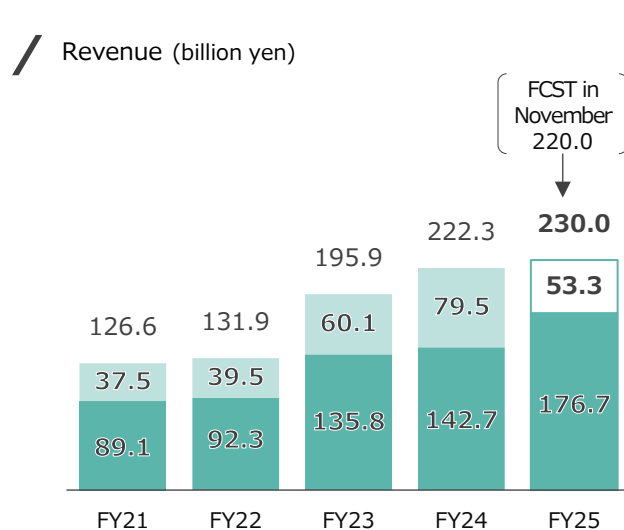
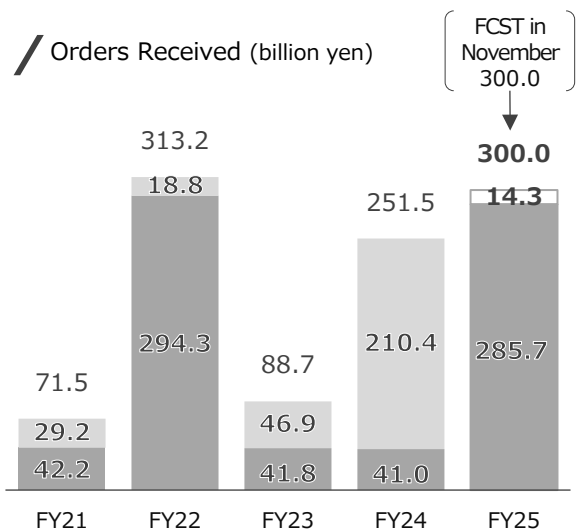
Business Profit  Improved due to an increase in revenue
+¥2.5 bil.

FY2025 Forecast (vs. forecast in November)

Orders Received  Forecast remains unchanged
±¥0 bil.

Revenue  Revised up due to higher U.S. revenue
+¥10.0 bil.

Business Profit  Forecast remains unchanged, despite higher revenue, due to increased operating expenses
±¥0 bil.



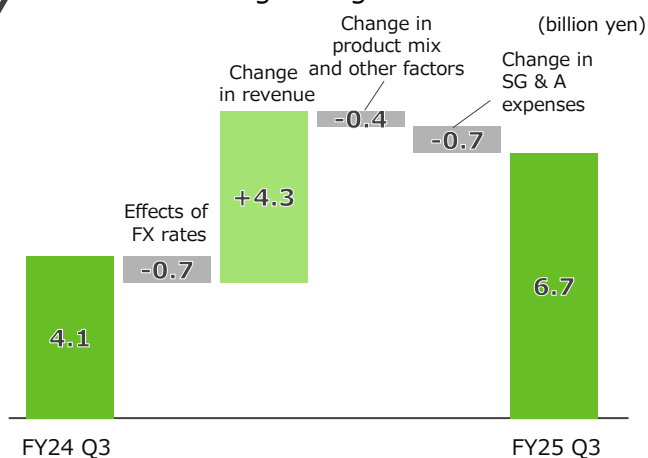
Note: Darker areas in the graphs represent Q1-Q3 and lighter areas represent Q4 cumulative total

Details by Segment - Rolling Stock -

(billion yen)

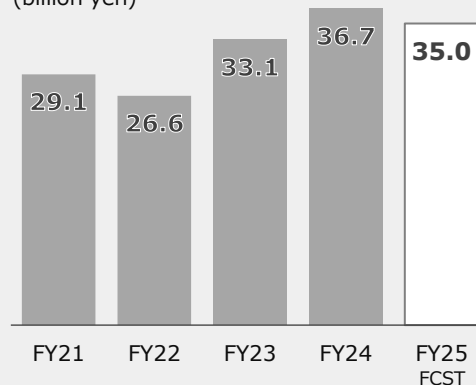
	FY2024	FY2025		FY2024	FY2025 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q4 FCST
Orders Received	41.0	285.7	+ 244.6	251.5	300.0	300.0	+ 48.5	-	14.3
<i>Domestic & Asia</i>	35.5	61.9	+ 26.3	52.3	90.0	90.0	+ 37.7	-	28.1
<i>North America</i>	5.5	223.8	+ 218.3	199.2	210.0	210.0	+ 10.8	-	- 13.8
Revenue	142.7	176.7	+ 34.0	222.3	220.0	230.0	+ 7.7	+ 10.0	53.3
<i>Domestic & Asia</i>	48.1	60.7	+ 12.5	70.1	78.0	78.0	+ 7.9	-	17.3
<i>North America</i>	94.5	116.0	+ 21.4	152.1	142.0	152.0	- 0.1	+ 10.0	36.0
Business Profit	4.1	6.7	+ 2.5	8.4	9.0	9.0	+ 0.6	-	2.3
<i>[Margin]</i>	<i>[2.9%]</i>	<i>[3.8%]</i>	<i>[+ 0.8pt]</i>	<i>[3.8%]</i>	<i>[4.1%]</i>	<i>[3.9%]</i>	<i>[+ 0.1pt]</i>	<i>[- 0.1pt]</i>	<i>[4.3%]</i>

Factors Affecting Changes in Business Profit



Appendix

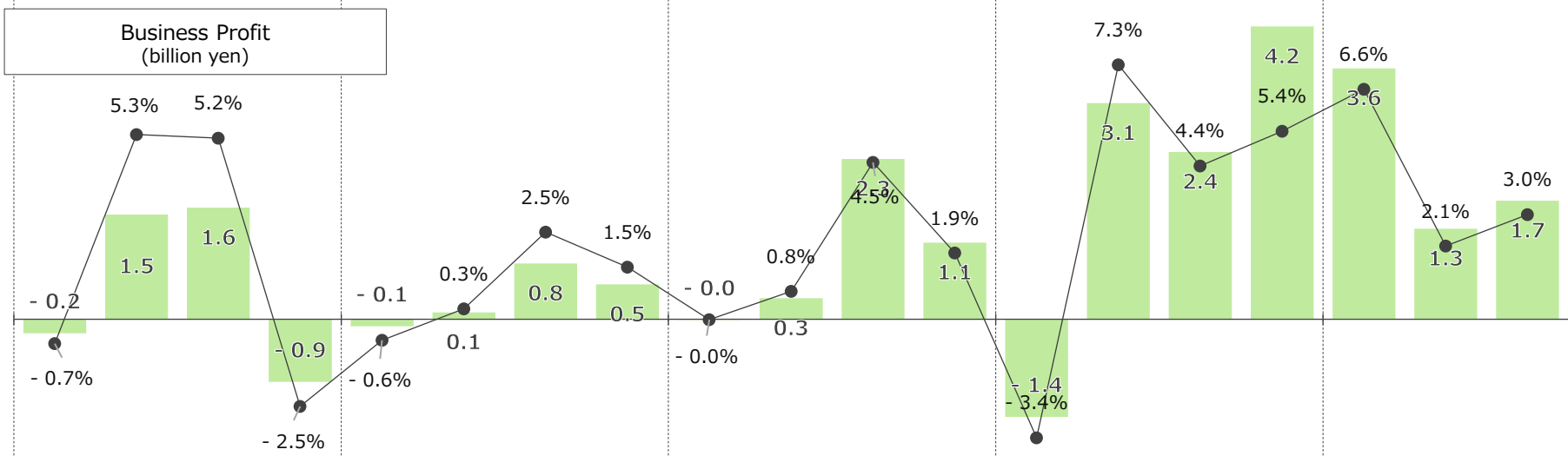
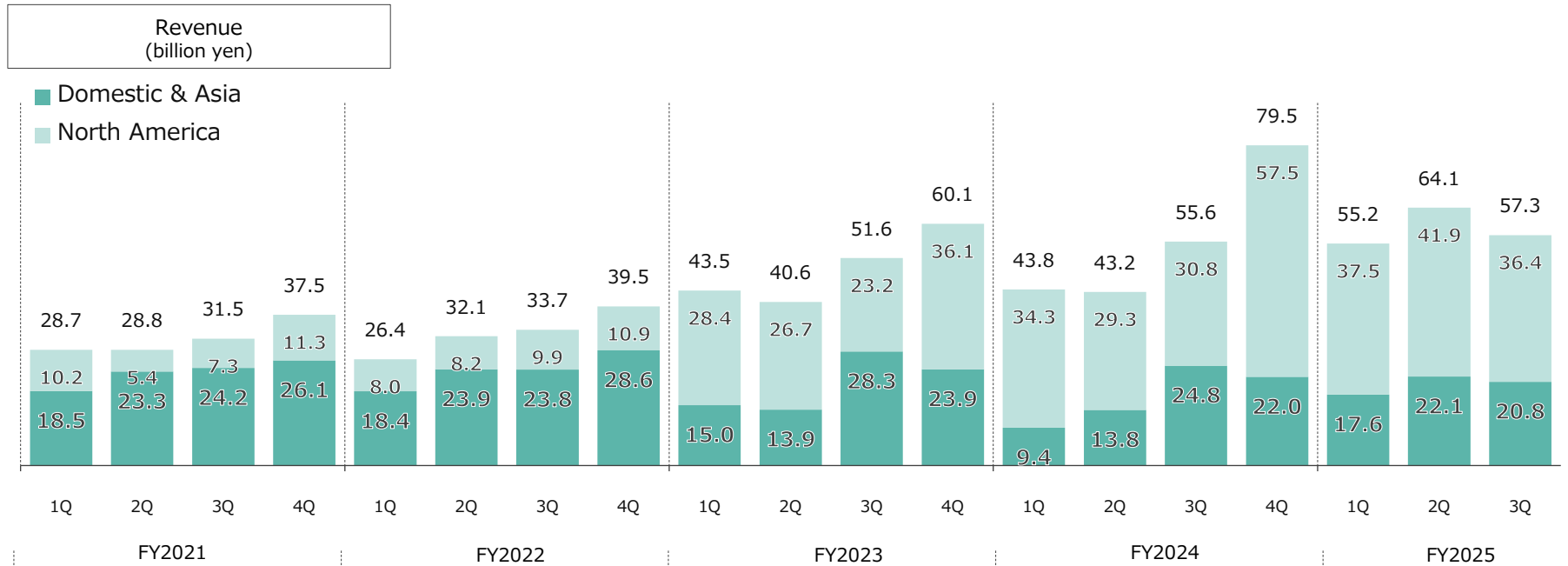
Revenue from components, overhaul, and after-sales service (billion yen)



Progress of the R211 Project for New York City Subway (as of the end of Dec. 2025)

- Base contract
: Full delivery of 535 cars
- Option1 contract
: **Delivered 240 cars** out of 640
- Option2 contract
: Received an order of 435 cars in Jan 2025

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 ▶ Final vehicle delivered to customer in FY2024 (144 cars of 24 trains)
 ▶ **Handover of base facilities in FY2025**

NYCT R268 MTA ▶ Order for 378 railcars finalized in December 2025 (U.S. time), with a total contract value of approximately ¥225 billion
 ▶ **The final vehicle delivery is scheduled in FY2030**



Achieving quality levels trusted by customers

- Reductions of spoilage and repair costs
- Continuation of production management based on KPS (Kawasaki Production System) at domestic and overseas production sites



Rolling stock for Dhaka Mass Transit Company Limited




Expansion of parts & after-sales service, and growth in maintenance businesses

- Promotion of remote track monitoring equipment for North American market
- Promotion of railcar condition monitoring equipment for domestic market
- Promoting wider adoption of the new electric-diesel hybrid Green DEC for regional railways, enabling lifecycle support from introduction through condition monitoring, operational support, and parts supply


Details by Segment

- Energy Solution & Marine Engineering -


Q3 of FY2025 (vs. Q3 of FY2024)

Orders Received 
-¥113.6 bil.

Down due to a reactionary decline, as the same period last year included a submarine order for the MOD and multiple LPG/ammonia carrier orders


Revenue 
+¥38.2 bil.

Up due to higher revenue across businesses, including Ship & Offshore Structure and Marine Machinery


Business Profit 
+¥14.2 bil.

Improved due to increased revenue and better equity-method earnings


FY2025 Forecast (vs. forecast in November)

Orders Received 
+¥60.0 bil.

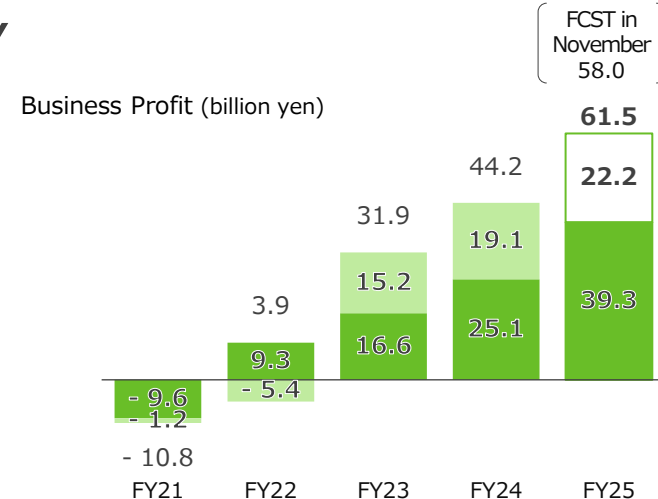
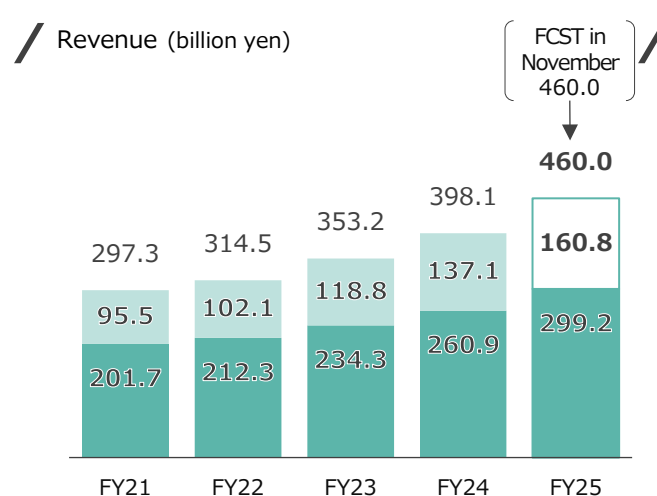
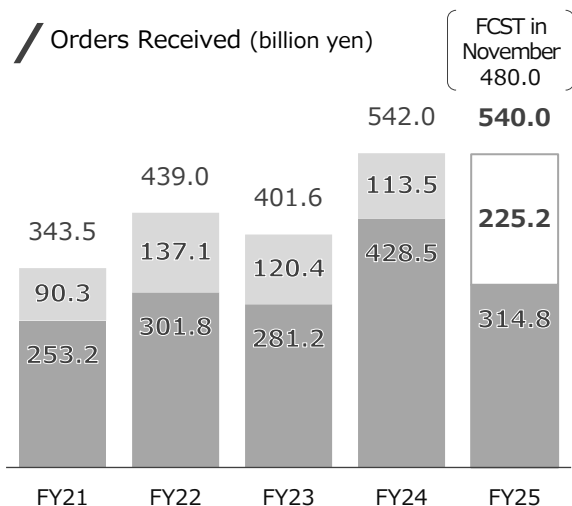
Revised up due to higher orders, including domestic waste-incineration plants

Revenue 
±¥0 bil.

Forecast remains unchanged

Business Profit 
+¥3.5 bil.

Revised up due to improved profitability in Energy and Marine Machinery



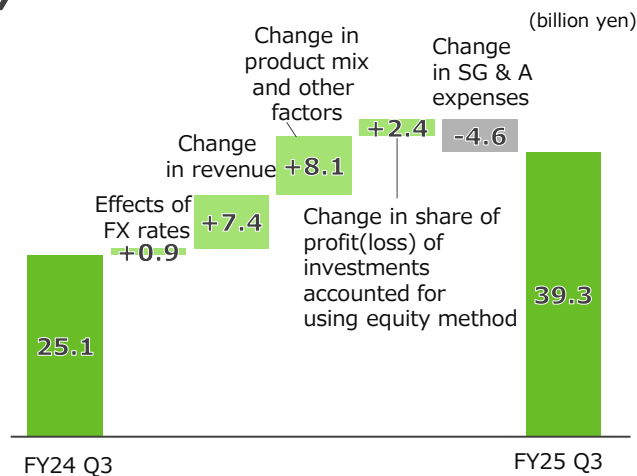
Note: Darker areas in the graphs represent Q1-Q3 and lighter areas represent Q4 cumulative total

Details by Segment - Energy Solution & Marine Engineering -

(billion yen)

	FY2024	FY2025		FY2024	FY2025 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q4 FCST
Orders Received	428.5	314.8	- 113.6	542.0	480.0	540.0	- 2.0	+ 60.0	225.2
Energy, Plant & Marine Machinery	242.6	243.8	+ 1.2	354.4	380.0	440.0	+ 85.6	+ 60.0	196.2
Ship & Offshore Structure	185.8	70.9	- 114.8	187.6	100.0	100.0	- 87.6	-	29.1
Revenue	260.9	299.2	+ 38.2	398.1	460.0	460.0	+ 61.9	-	160.8
Energy, Plant & Marine Machinery	190.1	216.4	+ 26.3	306.8	340.0	340.0	+ 33.2	-	123.6
Ship & Offshore Structure	70.8	82.8	+ 11.9	91.2	120.0	120.0	+ 28.8	-	37.2
Business Profit	25.1	39.3	+ 14.2	44.2	58.0	61.5	+ 17.3	+ 3.5	22.2
[Margin]	[9.6%]	[13.1%]	[+ 3.5pt]	[11.1%]	[12.6%]	[13.4%]	[+ 2.2pt]	[+ 0.7pt]	[13.8%]
Share of profit (loss) of investments accounted for using equity method	14.5	16.9	+ 2.4	22.9	26.0	26.0	+ 3.1	-	9.1

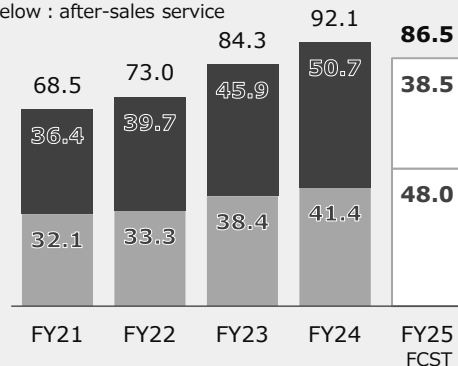
Factors Affecting Changes in Business Profit



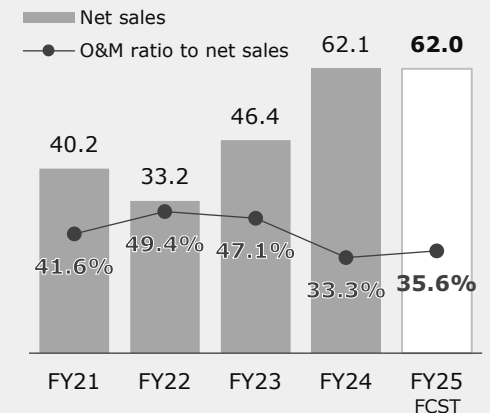
Appendix

Revenue from major products in the energy business

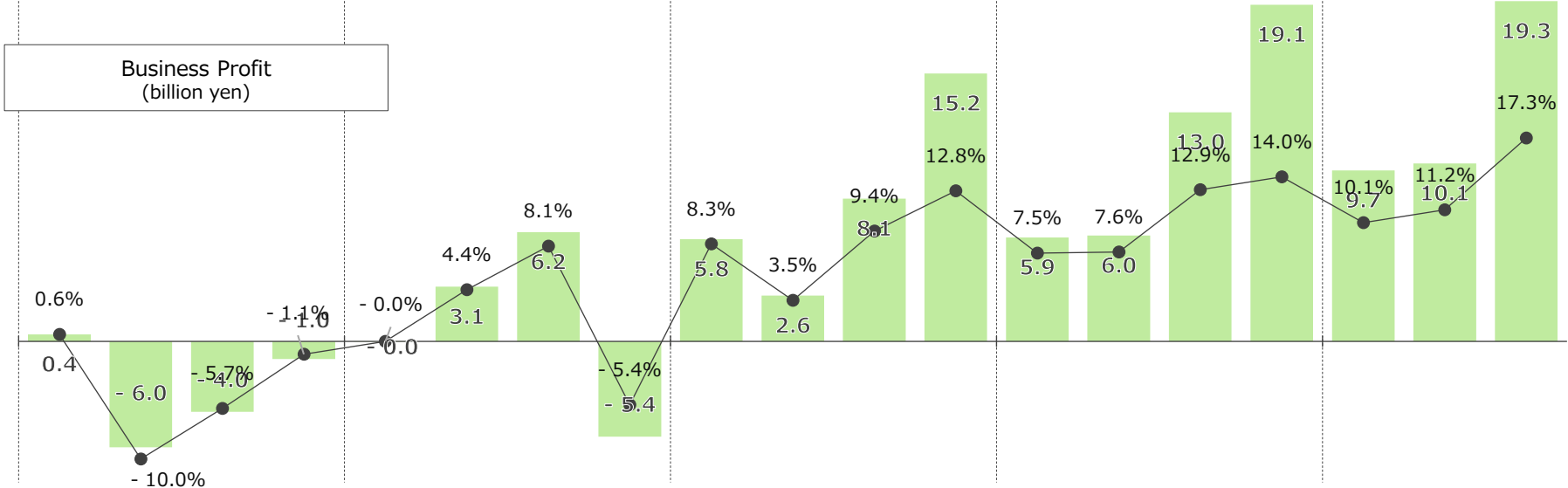
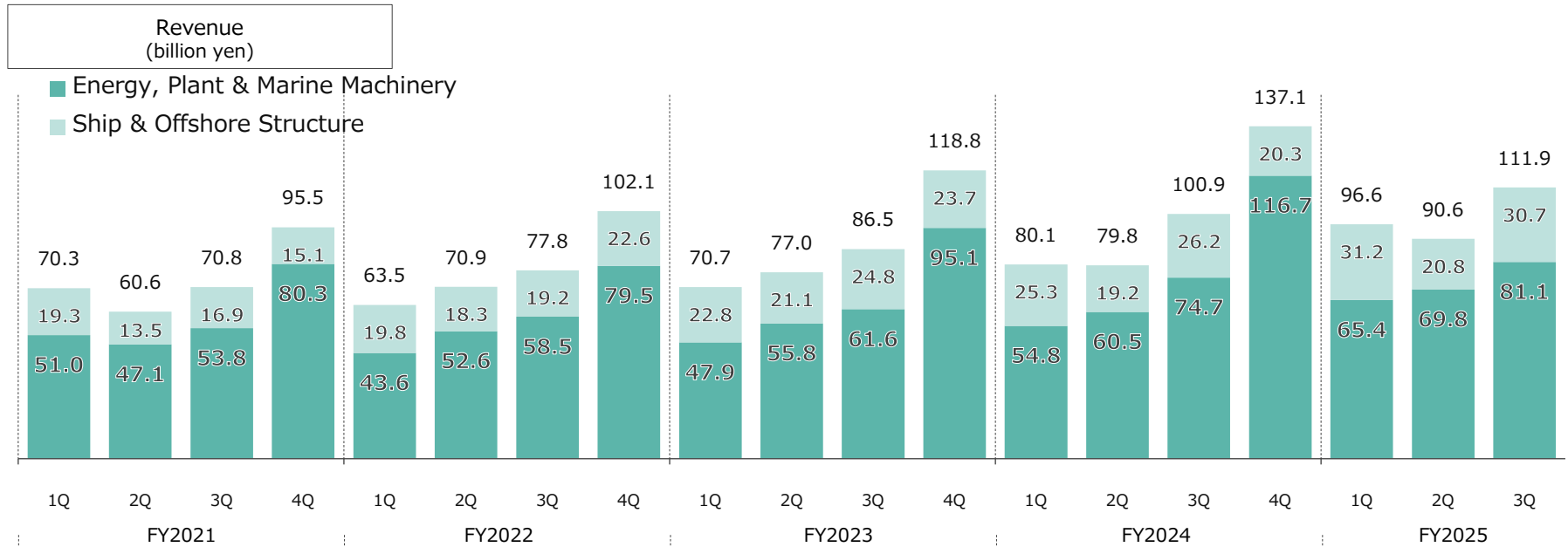
above : components
below : after-sales service



revenue from municipal waste incineration plants



Details by Segment - Energy Solution & Marine Engineering -



Details by Segment

- Energy Solution & Marine Engineering -

Market Overview

● Energy, Plant & Marine Machinery

Domestic	Overseas
<ul style="list-style-type: none"> - Growth in demand for power supply to data centers, mainly for emergency use - Continued demand for renewal of aging waste incineration plants 	<ul style="list-style-type: none"> - Increasing inquiries for gas turbines used in distributed power systems for data centers

● Ship & Offshore Structure

Commercial ships	Submarines and special vessels
<ul style="list-style-type: none"> - Ship prices continue to be high, affected by the soaring cost of materials and equipment - Ship prices continue to be high, affected by the soaring cost of materials and equipment 	<ul style="list-style-type: none"> - Continuous orders for surface ship main engines and power generation systems - Stable orders for submarines are expected

● 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 transition solutions associated with the return to LNG, as well as decarbonization solutions such as KCC*</p>

* Kawasaki CO₂ Capture: CO₂ Separation and Capture system

Specific Efforts



Contribution to Sustainable Social Infrastructure

Topic

Order received for the Kawasaki Jetfoil High-Speed Passenger Ship Connecting Hakata with the Islands of Iki and Tsushima.

- First Jetfoil newbuild order in eight years
- To be built at the Kobe Works and scheduled for delivery in June 2029.
- For long-term operation, the vessel will feature two next-generation gas-turbine engines



Kawasaki Jetfoil
Concept image (CG)

- ▶ Supporting high-speed maritime transportation, including domestic remote-island routes



Solutions for decarbonized society

Topic

Demonstration Facility for Newly Developed Low-Concentration CO₂ Capture Technology Completed at Kobe Works

Features of the Facility

1 Direct Air Capture (DAC) System

- One of Japan's largest demonstration facility with a modular design adoptable to future scale-up

2 Post-Combustion Capture (PCC) System


- CO₂ capture system designed to process low-concentration CO₂ flue gas from the high-efficiency gas-engine power plant at Kobe Works
- Expected to apply to a wide range of emission sources, including in-house power facilities at industrial plants.





Demonstration facility at
Kobe Works

Details by Segment - Precision Machinery & Robot -


Q3 of FY2025 (vs. Q3 of FY2024)


Orders Received  Up due to higher orders for hydraulic components orders in the Chinese construction machinery market
+¥14.5 bil.


Revenue  Same as above
+¥13.6 bil.

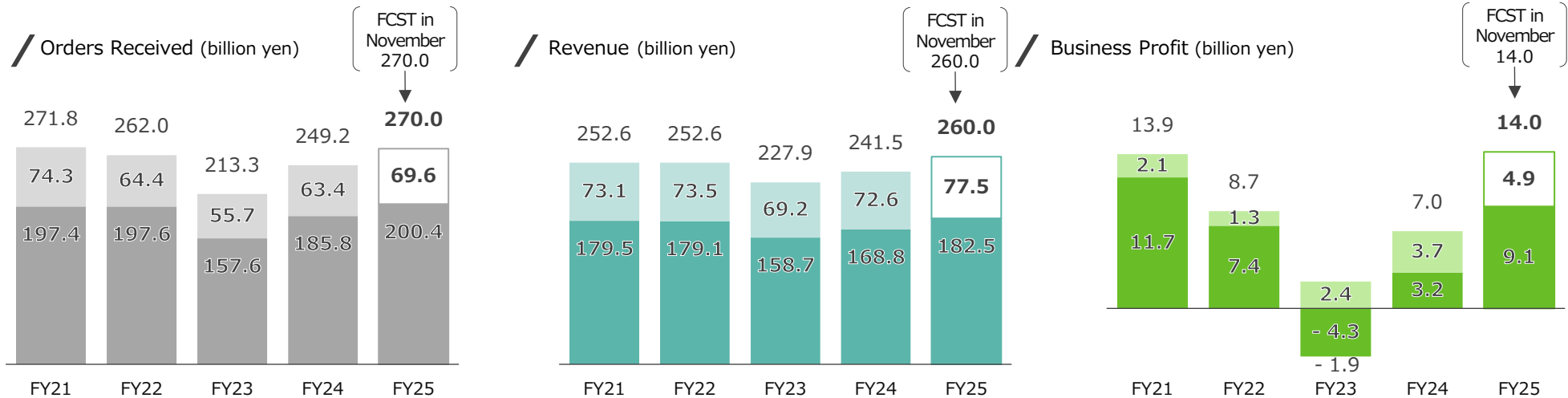
Business Profit  Improved due to increased revenue and better equity-method earnings
+¥5.8 bil.

FY2025 Forecast (vs. forecast in November)

Orders Received  Forecast remains unchanged
±¥0 bil.

Revenue  Forecast remains as lower industrial robots revenue offsets higher revenue from hydraulic components in the Chinese construction machinery market
±¥0 bil.

Business Profit  Same as above
±¥0 bil.



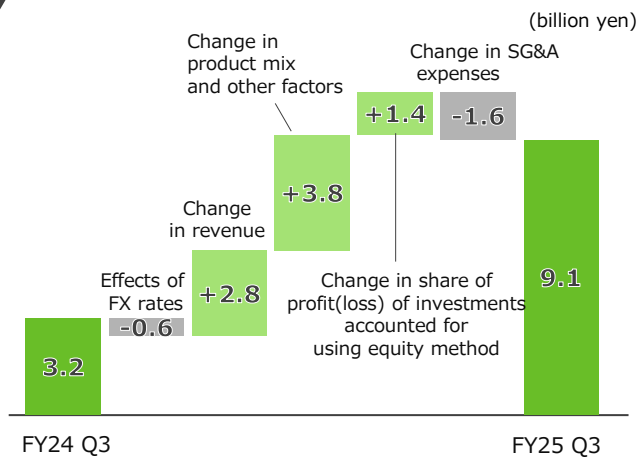
Note: Darker areas in the graphs represent Q1-Q3 and lighter areas represent the Q4 cumulative total

Details by Segment - Precision Machinery & Robot -

(billion yen)

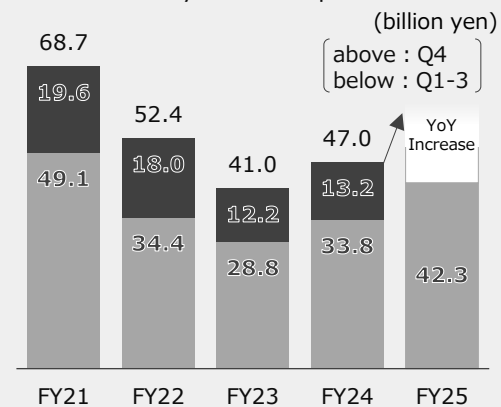
	FY2024	FY2025		FY2024	FY2025 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q4 FCST
Orders Received	185.8	200.4	+ 14.5	249.2	270.0	270.0	+ 20.8	-	69.6
Hydraulic Components & Systems	108.6	127.5	+ 18.8	147.5	170.0	170.0	+ 22.5	-	42.5
Robotics	77.1	72.8	- 4.3	101.7	100.0	100.0	- 1.7	-	27.2
Revenue	168.8	182.5	+ 13.6	241.5	260.0	260.0	+ 18.5	-	77.5
Hydraulic Components & Systems	107.5	121.4	+ 13.9	146.8	160.0	165.0	+ 18.2	+ 5.0	43.6
Robotics	61.3	61.1	- 0.2	94.6	100.0	95.0	+ 0.4	- 5.0	33.9
Business Profit	3.2	9.1	+ 5.8	7.0	14.0	14.0	+ 7.0	-	4.9
Share of profit (loss) of investments accounted for using equity method	[1.9%]	[5.0%]	[+ 3.0pt]	[2.9%]	[5.4%]	[5.4%]	[+ 2.4pt]	[-]	[6.3%]
	- 1.1	0.2	+ 1.4	- 1.5	0.0	0.0	+ 1.5	-	- 0.2

Factors Affecting Changes in Business Profit



Appendix

Revenue from hydraulic components to China

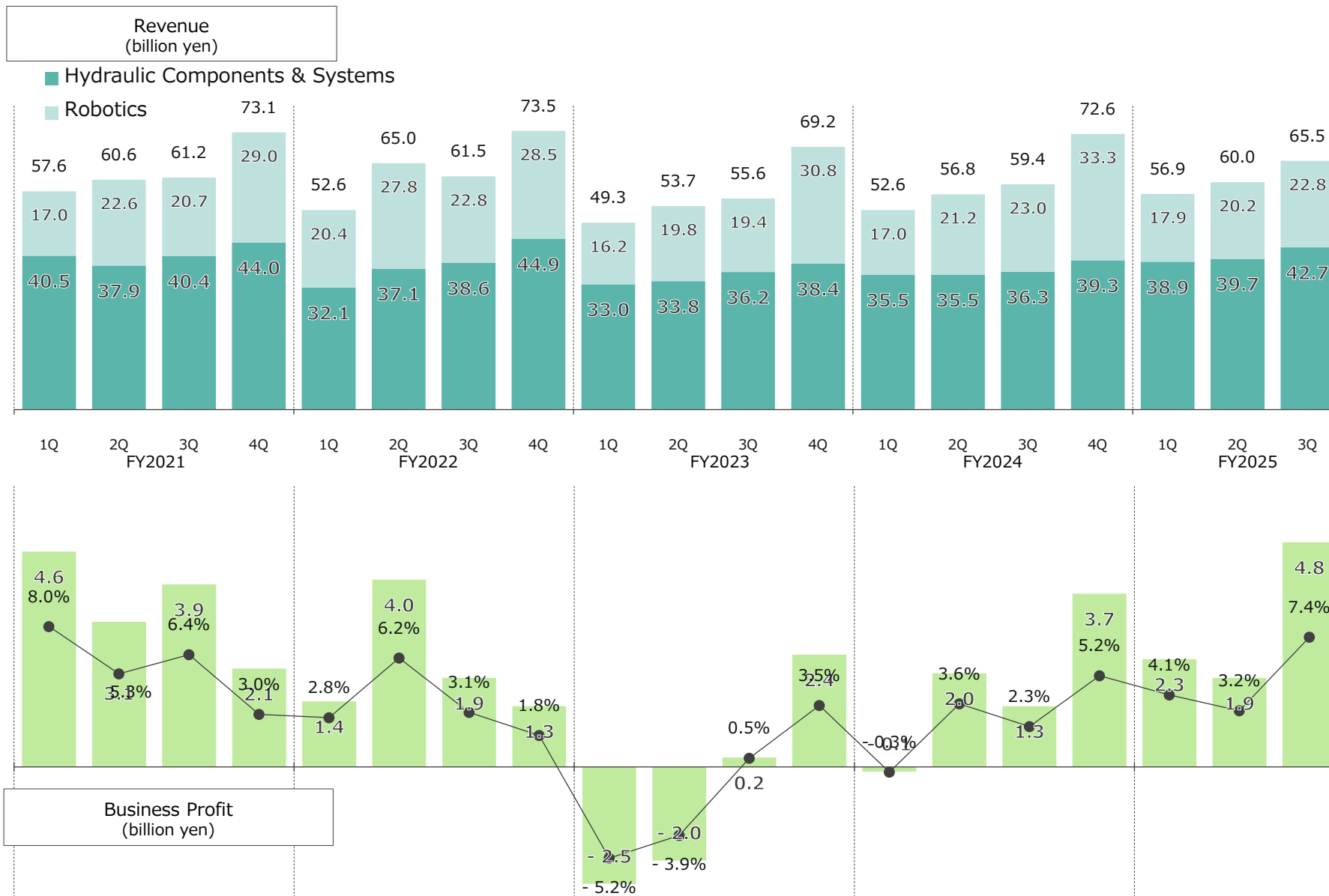


Revenue of robots by segment* (billion yen)

	above : Q1-3 below : Full Year	FY24	FY25	Change
Automobile assembly and painting		23.2	22.4	- 0.7
		41.8	*38.0	- 3.8
Semiconductor		24.8	26.9	+ 2.1
		34.8	*37.0	+ 2.2
General robots for industrial use and others		19.3	18.1	- 1.1
		27.4	*28.5	+ 1.1
Total		67.3	67.5	+ 0.2
		104.1	*103.5	- 0.6

*Including intercompany revenue

Details by Segment - Precision Machinery & Robot -



Details by Segment - Precision Machinery & Robot -

Market Overview

● Hydraulic components

China	Others
<ul style="list-style-type: none"> - Recovery is gaining momentum, mainly for export models, despite sluggish demand had from the prolonged real-estate downturn - Orders are rising especially for large mining machines and for export units destined for Africa and Southeast Asia 	<ul style="list-style-type: none"> - The European market has stabilized and is gradually recovering
	<p>Mid- to Long-Term Trends in the Construction Machinery</p> <ul style="list-style-type: none"> - Electrification and automation /autonomy will advance, driven by regulations and labor shortages

● Robotics

For semiconductor production	For general purposes
<ul style="list-style-type: none"> - Demand has been recovering since the second half of FY2024, driven primarily by growth in the AI sector - Demand is expected to improve steadily, despite the impact of U.S. restrictions on China 	<ul style="list-style-type: none"> - Demand remains sluggish due to U.S. tariff policies and China's economic slowdown, but automation demand is steadily rising, driven by increasing labor costs and labor shortages

Specific Efforts




Measures to Develop the Hydraulic Business

Development of new products and market for construction machinery	Strengthening the after sales business
<ul style="list-style-type: none"> - Expanding markets through advanced control and development capabilities for electrification and automation 	<ul style="list-style-type: none"> - Expansion of after-sales services and development of the sales network, leveraging past sales performance
<p>Strengthening hydrogen / MOD business</p> <ul style="list-style-type: none"> - Development of hydrogen compressors, fuel cell systems and other products - Expansion of MOD related products inside the company 	<p>Topics Launch of Indonesian Subsidiary Operations</p> <p>Aiming to enhance customer satisfaction and strengthen our brand presence in the Southeast Asian market by reinforcing the sales structure for hydraulic products in Indonesia</p>




Strategic Challenges in Robot Business


Concentrated investment in high value-added areas	Strengthening brand
<ul style="list-style-type: none"> - Development of supply system for full-scale recovery of semiconductor market - Expansion of new fields (Vacuum process, Back-end process, EFEM, factory automation, etc.) 	<ul style="list-style-type: none"> - Promotion of open strategy and expansion of collaboration and co-creation - Promotion of commercialization in the field of social robots
<p>Strengthening the medical robot business</p> <ul style="list-style-type: none"> - Spreading the "hinotoriTM (with Mediaroid and Sysmex) - Differentiation by remote control technology 	<p>Exhibited at the 2025 International Robot Exhibition</p> <p>Exhibits included industrial robots, as well as the four-legged mobility vehicle CORLEO and the humanoid robot Kaleido 9</p> 

Details by Segment - Powersports & Engine -

Q3 of FY2025 (vs. Q3 of FY2024)


Revenue 
+¥34.9 bil.

Up due to higher sales of four-wheelers for the North America and motorcycles for developed markets, despite the impact of the appreciation of the yen


Business Profit 
-¥22.4 bil.

Down due to higher costs from US tariff policies and profitability deterioration from stronger competition in the U.S. powersports market, and higher fixed costs from increased production investment, despite higher revenue

FY2025 Forecast (vs. forecast in November)

Revenue 
±¥0 bil.

Forecast remains unchanged

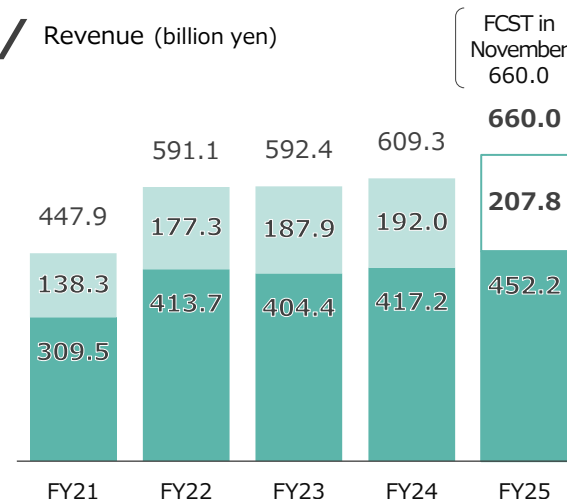
Business Profit 
-¥9.5 bil.

Revised down due to profitability deterioration from stronger competition in the U.S. powersports market

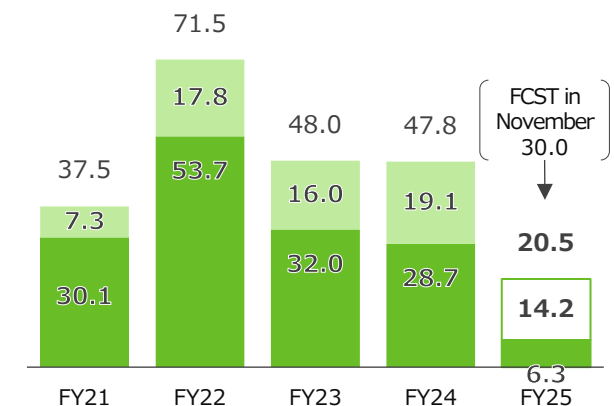
Orders Received (billion yen)

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)



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

3 Details by Segment - Powersports & Engine -

(billion yen)

	FY2024	FY2025		FY2024	FY2025 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q4 FCST
Revenue	417.2	452.2	+ 34.9	609.3	660.0	660.0	+ 50.7	-	207.8
Motorcycles for developed markets	158.6	165.0	+ 6.3	245.3	250.0	250.0	+ 4.7	-	85.0
Motorcycles for emerging markets	72.6	74.0	+ 1.4	99.2	105.0	105.0	+ 5.8	-	31.0
Utility Vehicles, ATVs & PWC	117.0	140.2	+ 23.2	169.0	210.0	210.0	+ 41.0	-	69.8
General-purpose gasoline engines	68.9	72.8	+ 3.9	95.5	95.0	95.0	- 0.5	-	22.2
Business Profit	28.7	6.3	- 22.4	47.8	30.0	20.5	- 27.3	- 9.5	14.2
[Margin]	[6.9%]	[1.4%]	[- 5.4pt]	[7.9%]	[4.5%]	[3.1%]	[- 4.7pt]	[- 1.4pt]	[6.8%]

Appendix

Wholesale volume by region

(thousand units)

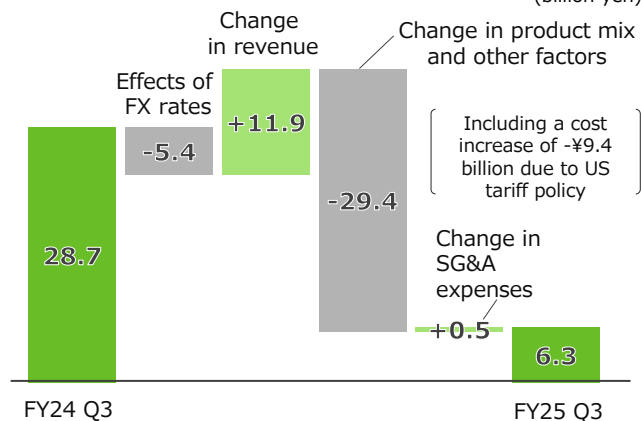
		FY24 Q3	FY25 Q3	Change	FY25(FCST)
Developed markets	Japan	18	26	+ 7	
	North America	79	70	- 9	
	Europe	46	48	+ 1	
	Others*	7	8	+ 0	
	Total	151	152	+ 1	235
Emerging markets	Philippines	134	149	+ 14	
	Indonesia	16	12	- 3	
	Latin America	8	11	+ 3	
	Others*	21	18	- 2	
	Total	180	191	+ 11	290
Four-wheelers · PWC	North America and Others	47	56	+ 8	85

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

Australia : 
 China : 
 Thailand : 

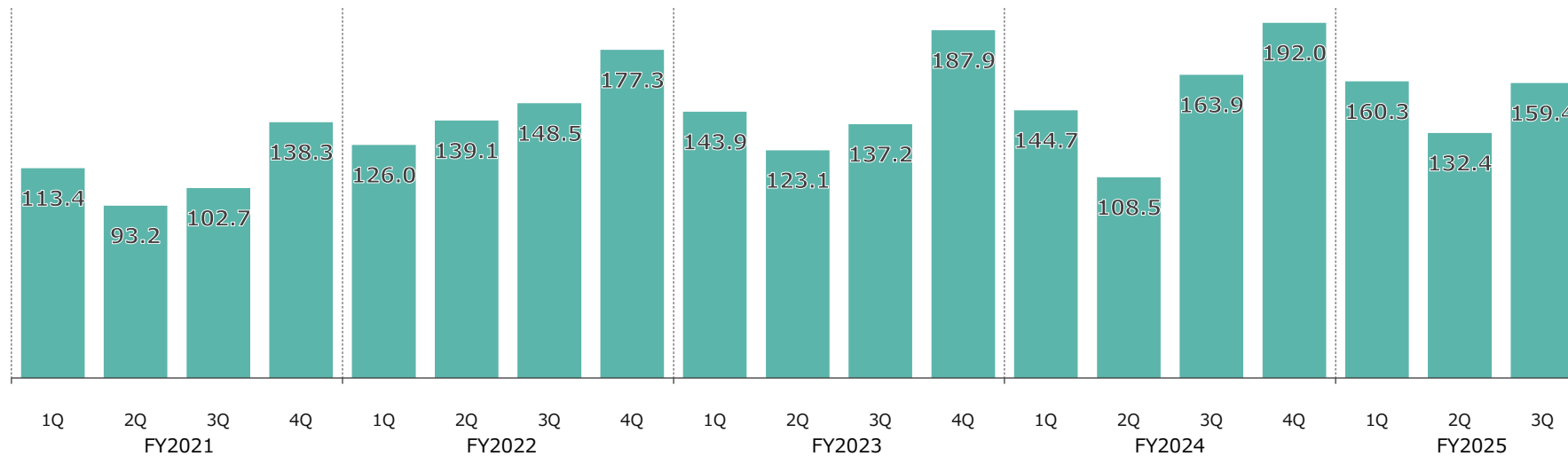
Factors Affecting Changes in Business Profit

(billion yen)

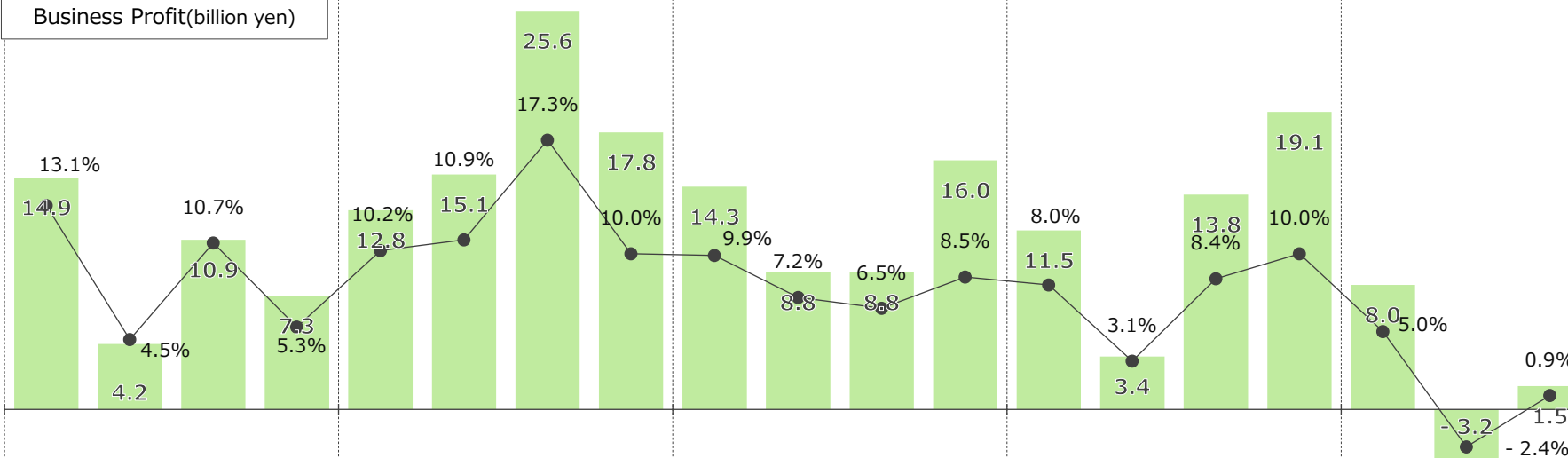


Details by Segment - Powersports & Engine -

Revenue(billion yen)



Business Profit(billion yen)



Market Overview

- US (Motorcycles)
 - Despite a softening retail market, our market share remains strong
- US (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
 - Market Share Expanded Through New Model Launches and Recovery from Recall Impact
- US (Common to both business above)
 - Concerns over demand declines caused by tariff measures
- Europe
 - Despite a temporary retail slowdown following pre-regulation surge, we expanded market share through effective promotions and successful new models
- Southeast Asia
 - Sports segment remains at low level, while recovering in some regions

Specific Efforts

✓ Supplying products in alignment with market trends

- Continuous introduction of new models
- Realize stable supply of products by flexibly changing production and sales plans based on sales conditions



New Z900RS
Blending Tradition and Innovation

✓ Expansion of the four-wheeler business and electrification

- Investment in development to enhance product competitiveness
- Quick response to external changes by utilizing two plants in North America (US and Mexico)
- A hydrogen-powered motorcycle was showcased in a parade run during the final stage of the Tour de France
- Contributing to the realization of a carbon-neutral society by utilizing a wide range of options centered on electrification



Parade run of a hydrogen-powered motorcycle
(Paris, France)

✓ Collaboration with the ITOCHU Group

- Jointly established Kawasaki Motors Retail Finance, LLC in the U.S. in April 2025 to expand business and strengthen the customer base

Status As of December 2025, operations were **underway in 35 states**

Plan By early FY2026, the company aims to achieve nationwide rollout

- Jointly promoting new market development across emerging markets such as Asia, Latin America, the Middle East, and Africa

4

Shareholder Returns and Other Information

4 Shareholder Returns

Update in Shareholder Returns Policy and Upward Revision to Full-Year Dividend Forecast — Shift from Dividend Payout Ratio to DOE Policy —

Before (Former Policy)

Determined after considering future earnings outlook, FCF, and financial conditions including the D/E ratio

Medium- to long-term consolidated dividend payout ratio target **30%**

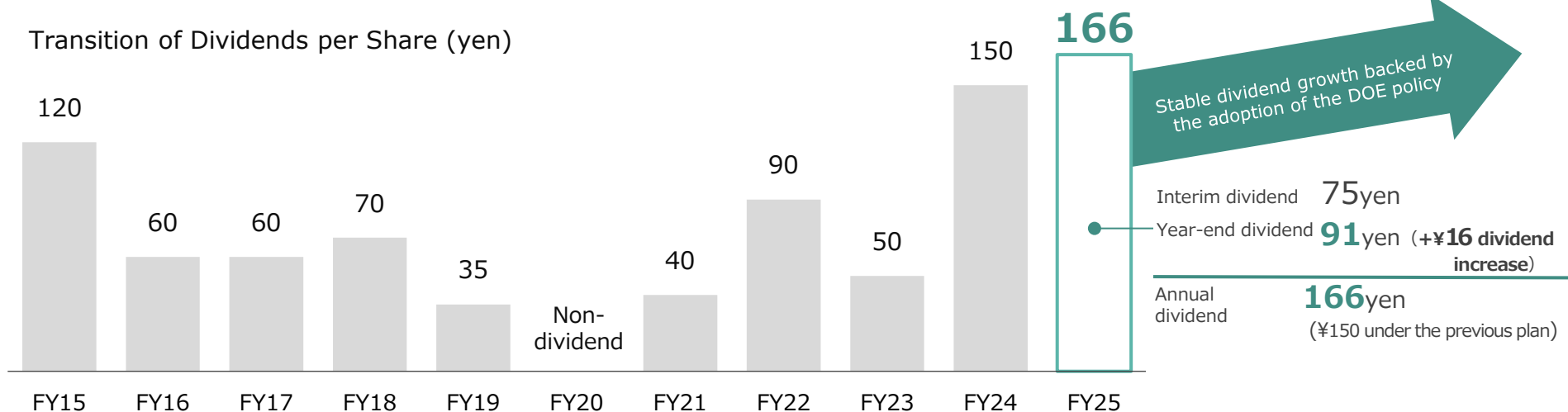


After (New Policy)

To enhance long-term shareholder value and ensure more stable and sustainable shareholder returns,
Dividend on Equity* **DOE 4%** approach

※DOE = Total annual dividends ÷ (Equity attributable to owners of the parent – Other components of equity)The average of the beginning and end of the fiscal year is used

Transition of Dividends per Share (yen)



4 Notice Regarding Stock Split

Stock Split

— Achieving an Appropriate Investment Unit—

Purpose

To lower the share price per unit, making the stock more accessible and expanding our investor base

Overview

Method of the stock split : Each share of common stock will be split into five shares

Record date : Tuesday, March 31, 2026

Effective date : Wednesday, April 1, 2026

	Prior to the stock split	After the stock split
Total number of issued shares	167,921,800	839,609,000
Total number of authorized shares	336,000,000	1,680,000,000

Note

The year-end dividend for FY2025 will be paid based on the number of shares prior to the stock split

4 Project Topics

Contract Signed to Build World's Largest 40,000 m³ Liquefied Hydrogen Carrier

— Constructing a Commercial-Scale Liquefied Hydrogen Supply Chain —

- January 2026: Kawasaki announced the signing of a shipbuilding contract with Japan Suiso Energy (JSE), an affiliated company
- The vessel will be constructed at Sakaide Works in Kagawa Prefecture and delivered to JSE upon completion
- Using this vessel, JSE plans to conduct the following demonstrations under the NEDO Green Innovation Fund project, "Commercialization Demonstration of the Liquefied Hydrogen Supply Chain," by the end of fiscal 2030

1 Demonstration of liquefied hydrogen loading and unloading operations between the terminal and the vessel

2 Demonstration tests under open-sea conditions simulating international maritime transportation



Press release
https://global.kawasaki.com/news_260106-1e.pdf



Suiso Frontier

The World's First Liquefied Hydrogen Carrier Developed by Ours

Achieved the world's first pilot demonstration of liquefied hydrogen transport and loading/unloading between Japan and Australia in spring 2022; cruised through five countries and sailed over **100,000 km**

Cargo tank capacity **1,250m³**

Scaled up by **approx. 32times**

Cargo tank capacity **Approx. 40,000m³**

Capable of carrying an energy volume equivalent to the annual electricity consumption of **approx. 80,000 households***

Newly Developed Cargo Tank Insulation System

To enable large-scale, commercial liquefied hydrogen transport, we have developed a **next-generation insulation system applicable to large cargo tanks, building** on the technologies and insights demonstrated with the pilot vessel 'Suiso Frontier.' This new system provides high thermal insulation performance that minimizes boil-off gas (BOG) generated by external heat ingress.

* Assuming that 200,000 m³ of liquefied hydrogen corresponds to the annual electricity consumption of approximately 400,000 households

4 Project Topics

Business Stability in North America and Capturing New Opportunities in Japan — Driving Competitiveness through Standardization and Differentiation —



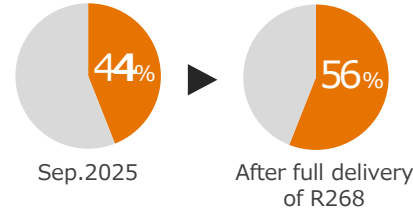
Kawasaki Secures New York City Transit Order for the R268 Subway Cars Fleet (378 Units) Dec.2025

Amount
Delivery
Fleet Share*

Approx. \$1.5 bil.(¥225 bil.)

2028-2030

*Share of NYCT subway cars



The R268 adopts the same proven platform as the R211, backed by Kawasaki's cumulative delivery record of 2,900 cars across multiple models since 1982 and long-standing customer trust
 Completion of R268 deliveries will raise Kawasaki's share of NYCT's subway fleet to approx. 56%



GreenDEC® A Future-Ready Hybrid Train for Regional Railways

Challenges

- ☹️ Aging diesel cars on non-electrified lines, risking public transportation
- ☹️ Need to reduce environmental impact in the railway business

Contributions of GreenDEC

- ✓ Component commonality with electric trains Improves maintainability and cuts lifecycle cost
 - ✓ Integrated support from introduction to monitoring, operations, and parts supply
 - ✓ Structure designed for **hydrogen compatibility** for carbon neutrality
- Five operators, incl. Tenryu Hamanako Railroad and Amagi Railway, have committed
- Contribution to after-sales service expansion

4 Project Topics

AI-Powered Robotics: Shaping the Next Frontier Leading the Rise of Next-Generation Robots —

- Physical AI now enables robots to autonomously assess situations and optimize their actions
- Kawasaki works with many companies that have advanced technologies to speed up the commercialization of next-generation robots, including social robots



Meet Your New Buddy

ロボットは「相棒」へ

Exhibited at the International Robot Exhibition 2025 (iREX 2025) under “Meet Your New Buddy,” showcasing robots from industrial to next-generation coexistence models, achieving strong interest and great success



Nursing Collaborative Robot “Nurabot”

Co-developed with Foxconn, the world’s largest EMS company in Taiwan. Nurabot supports nurses in their daily tasks and is powered by NVIDIA’s Physical AI



“CORLEO” the Future Sensory Off-Road Mobility

A next-generation off-road mobility concept that fuses robotics and motorcycle technologies. Inspired by strong interest at Expo 2025, development is underway toward a planned showcase at Expo 2030 Riyadh



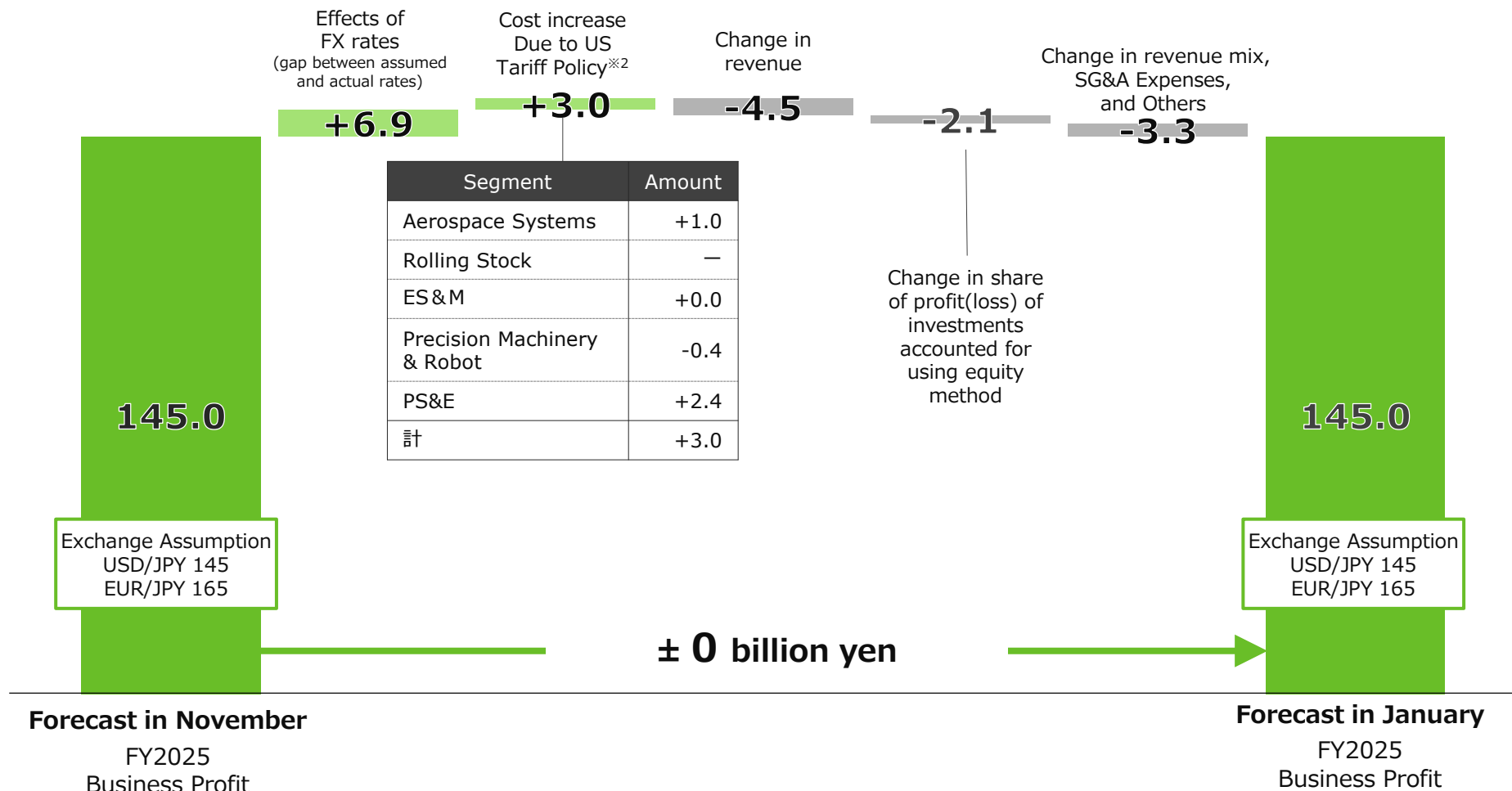
Humanoid Robot “RHP Kaleido 9”

Leveraging its high robustness, RHP Kaleido 9 is being developed for use in disaster-response operations, with a planned market launch by 20XX.

Appendix

- Factors Affecting Changes in Business Profit(Earnings Forecasts for FY2025) -

Note: The graph shows the variance from the forecast announced in November



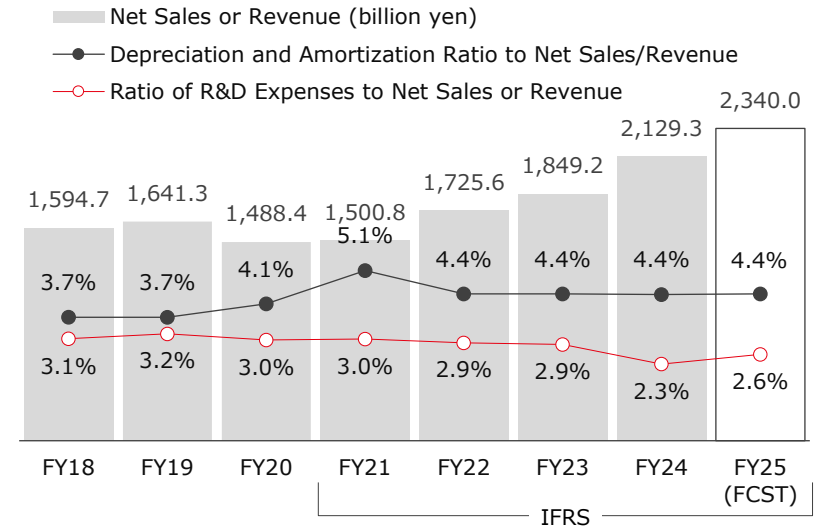
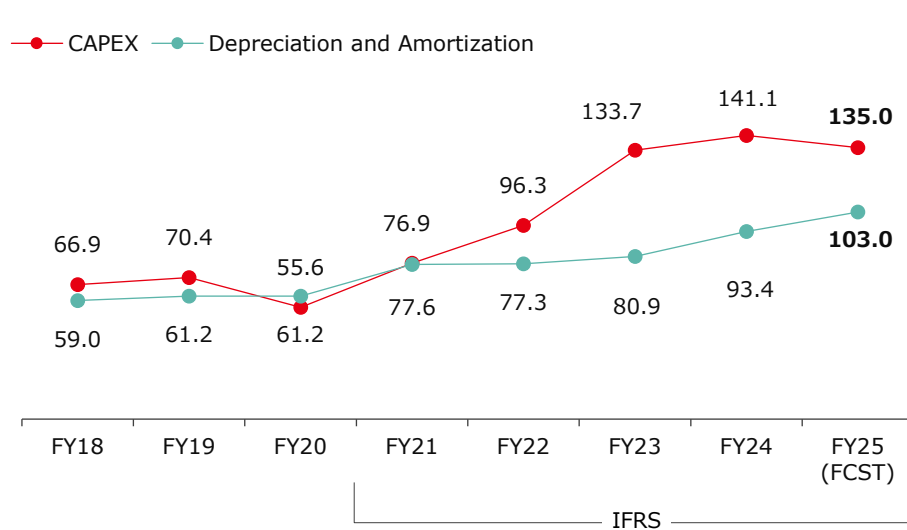
- ※1 The figures for each factor of increase or decrease are approximate values calculated by our company based on certain criteria. The effects of FX rates are calculated for USD and EUR only; the impact of fluctuations in other currencies is included in Change in revenue mix, SG&A expenses, and others.
- ※2 The assumed reciprocal tariff rates with the U.S. are 15% for Japan, 19% for Thailand and Indonesia, and 20% for Taiwan. Temporary costs such as tariffs borne by our company are excluded from the total if they are 100% transferable to our business partners under contractual agreements

Appendix

- CAPEX, Depreciation and Amortization, R&D Expenses, Number of employees -

(billion yen, persons)

	FY2024	FY2025		FY2024	FY2025	
	Q3 Actual	Q3 Actual	Change	Actual	FCST	Chg. Vs. FY24
CAPEX	93.6	101.7	+ 8.1	141.1	135.0	- 6.1
Depreciation and amortization	65.7	77.0	+ 11.3	93.4	103.0	+ 9.6
R & D expenses	39.3	39.3	+ 0.0	48.9	60.5	+ 11.6
Number of Employees				40,640	42,410	+ 1,770
Domestic				29,072	30,690	+ 1,618
Overseas				11,568	11,720	+ 152



● Orders Received by Quarter (billion yen)

	FY2023				FY2024				FY2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	3Q
Aerospace Systems	118.7	74.4	139.2	360.0	88.2	121.7	470.1	202.7	98.9	186.1	301.6
Aerospace	104.4	98.0	108.0	246.3	54.3	58.4	435.6	151.1	65.1	130.6	256.4
Aero Engine	14.2	-23.6	31.2	113.7	33.9	63.3	34.5	51.5	33.8	55.5	45.1
Rolling Stock	16.4	13.6	11.7	46.9	17.0	10.7	13.2	210.4	14.8	12.9	257.9
Energy Solution & Marine Engineering	102.3	116.0	62.8	120.4	121.8	89.2	217.4	113.5	86.6	150.9	77.2
Energy, Plant & Marine Machinery	94.7	93.2	58.2	112.5	56.5	88.4	97.6	111.7	81.5	99.8	62.5
Ship & Offshore Structure	7.5	22.7	4.5	7.8	65.3	0.7	119.7	1.7	5.1	51.1	14.7
Precision Machinery & Robot	54.0	49.0	54.6	55.7	61.6	63.0	61.2	63.4	63.9	62.3	74.1
Hydraulic Components & Systems	36.6	30.9	34.3	34.2	36.0	38.8	33.7	38.8	43.6	42.1	41.7
Robotics	17.3	18.1	20.2	21.4	25.6	24.1	27.4	24.5	20.2	20.2	32.3
Powersports & Engine	143.9	123.1	137.2	187.9	144.7	108.5	163.9	194.3	160.2	132.4	158.7
Others	21.7	27.0	23.5	22.1	23.3	45.1	0.5	24.2	21.7	24.1	22.8
Total	457.3	403.4	429.2	793.3	456.8	438.4	926.5	808.8	446.3	569.1	892.6

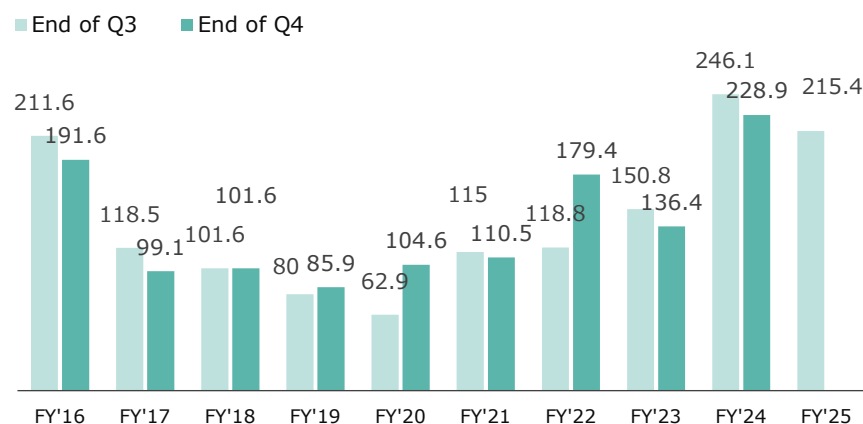
- Orders Received and Revenue for the Ministry of Defense (billion yen)

	FY2024	FY2025		FY2024	FY2025 Forecast			
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST
Orders Received	616.4	443.1	- 173.3	774.7	480.5	500.0	- 274.7	+ 19.5
<i>Aircraft and others</i>	462.2	324.9	- 137.3	584.7	341.5	362.0	- 222.7	+ 20.5
<i>Aero Engines</i>	26.9	28.9	+ 2.0	38.9	34.0	36.5	- 2.4	+ 2.5
Submarines & Naval propulsions	127.3	89.3	- 38.0	151.1	105.0	101.5	- 49.6	- 3.5
Revenue	241.6	267.5	+ 25.9	400.8	470.0	460.0	+ 59.2	- 10.0
<i>[Ratio to the company's total revenue]</i>	<i>[17.2%]</i>	<i>[17.1%]</i>		<i>[18.8%]</i>	<i>[20.1%]</i>	<i>[19.7%]</i>		
<i>Aircraft and others</i>	161.8	175.6	+ 13.8	280.6	324.5	315.0	+ 34.4	- 9.5
<i>Aero Engines</i>	16.9	17.9	+ 1.0	25.4	28.5	30.0	+ 4.6	+ 1.5
Submarines & Naval propulsions	62.9	74.0	+ 11.1	94.8	117.0	115.0	+ 20.2	- 2.0

● Order Backlog (billion yen)

	FY24 Q3	FY25 Q3	
	Actual	Actual	Change
Aerospace Systems	1,329.7	1,514.7	+ 185.0
Rolling Stock	397.0	636.3	+ 239.3
Energy Solution & Marine Engineering	847.9	840.7	- 7.2
Precision Machinery & Robot	100.6	109.2	+ 8.6
Powersports & Engine	-	1.5	+ 1.5
Others	44.8	49.1	+ 4.2
Total	2,720.1	3,151.8	+ 431.6

● Order Backlog in Ship & Offshore (billion yen)



● Orders by Vessel Type and Delivery Year (number of ships)

	FY25 Q3 Received Orders Actual	Delivery Year				Order Backlog
		FY25 Q3 Actual	FY25 Q4	FY26	FY27~	
			Plan			
LPG Carrier	1	3	1	4	5	10
Submarine				1	1	2
Others	1				1	1
Total	2	*1 3	1	5	7	*2 13

※ 1 Gross tonnage of delivered in FY25 Q3 : 151,200GT

※ 2 Gross tonnage of outstanding orders : 504,183GT
(Submarines are excluded)

● Revenue by Region (billion yen)

	FY24 Q3	FY25 Q3	
	Actual	Actual	Change
Japan	561.6	605.5	+ 43.9
USA	447.0	514.3	+ 67.3
Europe	143.0	145.8	+ 2.8
Asia	193.8	210.7	+ 16.8
Other	61.8	84.7	+ 22.9
Total	1,407.3	1,561.4	+ 154.0

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

FY2024 Q3 (billion yen)

	Japan	USA	Europe	Asia	Other	Total	
Aerospace Systems	193.1	98.1	58.5	0.0	4.6	354.4	
Rolling Stock	44.2	94.2	-	4.2	-	142.7	
Energy Solution & Marine Engineering	101.7	0.0	1.7	14.9	13.6	132.0	
Precision Machinery & Robot	46.1	14.7	10.2	94.2	3.5	168.8	
Powersports & Engine	23.8	239.0	60.2	59.0	35.1	417.2	
Others	55.5	0.3	0.1	5.7	1.2	63.0	
Total	561.6	447.0	143.0	193.8	61.8	1,407.3	
	<i>[margin]</i>	39.9%	31.8%	10.2%	13.8%	4.4%	100.0%

FY2025 Q3 (billion yen)

	Japan	USA	Europe	Asia	Other	Total	
Aerospace Systems	212.1	125.8	45.9	0.0	4.8	388.8	
Rolling Stock	54.9	115.5	-	6.2	-	176.7	
Energy Solution & Marine Engineering	208.4	0.4	21.1	39.2	29.9	299.2	
Precision Machinery & Robot	48.3	15.4	10.5	102.3	5.7	182.5	
Powersports & Engine	30.3	256.7	67.9	54.5	42.6	452.2	
Others	51.2	0.2	0.2	8.3	1.5	61.7	
Total	605.5	514.3	145.8	210.7	84.7	1,561.4	
	<i>[margin]</i>	38.8%	32.9%	9.3%	13.5%	5.4%	100.0%

Appendix

- Others -

- Amount of Foreign Currency Impacting Profit and Loss by Currency^{※1}

		FY2024	FY2025	
		Q3Actual	Q3Actual	Q4 FCST
USD	Aerospace Systems	※2 0.50	※2 0.63	0.17
	Rolling Stock	0.25	0.26	- 0.09
	Energy Solution & Marine Engineering	0.18	0.22	0.01
	Precision Machinery & Robot	0.10	0.12	0.03
	Powersports & Engine	0.50	0.49	0.24
	Total	※2 1.53	※2 1.72	0.37
EUR		0.40	0.46	0.10

※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 from loss-provisioned projects))
 (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 Except for loss related to the in-service issues of PW1100G-JM engine

[Formulas for Calculating ROIC]

After-tax ROIC = { Profit attributable to 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

- Weighted-average Exchange Rates (EUR/JPY)

FY2023 actual	157.09
FY2024 actual	163.07
FY2025 Q3 actual	172.11
FY2025 forecast	165.00

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”