Financial Results for Second Quarter FY2026

For the year ending March 31, 2027

November 10, 2026

Kawasaki Heavy Industries, Ltd.

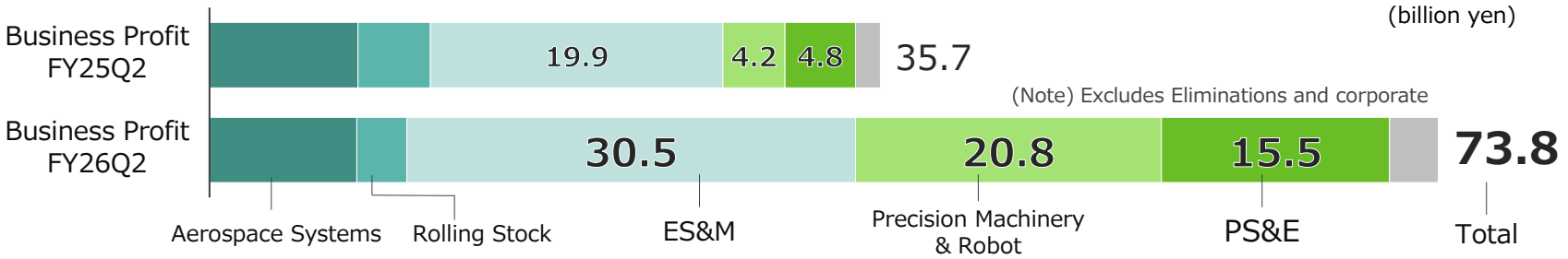
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0 Financial Results and Performance Forecast Highlights

Consolidated Financial Results for Second Quarter FY2026

- Business profit increased to **¥73.8 billion** (up ¥38.1 billion YoY), progressing well
- ES&M, Precision Machinery & Robot, and PS&E business profit increased significantly YoY, supported by one-time gains, higher sales, improved profitability, and yen depreciation



Earnings Forecasts for FY2026

- Business profit forecast raised by ¥5.0 billion to **¥185.0 billion** (up ¥39.9 billion YoY)

External Factors Assumed	
	■ Middle East situation: Assumes the current situation continues through the end of March, while incorporating a risk buffer for potential production delays and other impacts arising from material procurement difficulties (see p.17 for details) ■ U.S. tariff assumptions reflect measures and tariff rates in effect or expected as of Nov. 10, 2026.

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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. The Company has applied IFRS since Q1 FY2022.

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Consolidated Financial Results for Second Quarter FY2026

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1 Consolidated Financial Results for Second Quarter FY2026 –Summary-

- **Revenue and profits increased YoY, and Q2 revenue and profits each reached record highs**
- **In addition to strong business performance, U.S. IEEPA tariff refunds, litigation settlement proceeds and yen depreciation boosted profits**

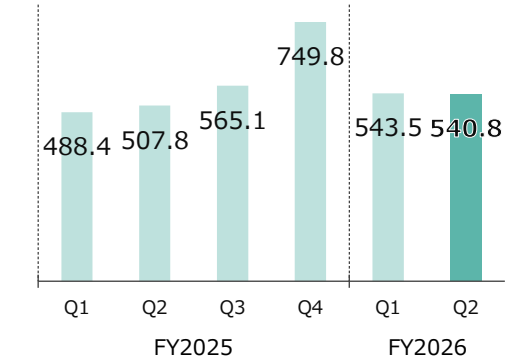
(billion yen)

	FY25 Q2	FY26 Q2			YoY Change
		Apr to Jun	Jul to Sep	Total	
Orders Received	1,015.4	525.7	515.4	**1,041.2**	+ 25.7
Revenue	996.2	543.5	540.8	**1,084.4**	+ 88.1
Business Profit	35.7	35.7	38.1	**73.8**	+ 38.1
[margin]	*[3.6%]*	*[6.6%]*	*[7.0%]*	*[6.8%]*	*[+ 3.2pt]*
Profit Before Tax	35.3	34.7	21.9	**56.7**	+ 21.4
[margin]	*[3.6%]*	*[6.4%]*	*[4.1%]*	*[5.2%]*	*[+ 1.6pt]*
Profit Attributable to Owners of Parent	22.0	15.6	15.2	**30.9**	+ 8.8
[margin]	*[2.2%]*	*[2.9%]*	*[2.8%]*	*[2.9%]*	*[+ 0.6pt]*
Weighted-average exchange rates (USD/JPY)※1	145.12	158.05	158.32	**158.18**	+ 13.06
US dollar-based transaction (B$)※2	1.14	0.66	0.72	**1.38**	+ 0.24

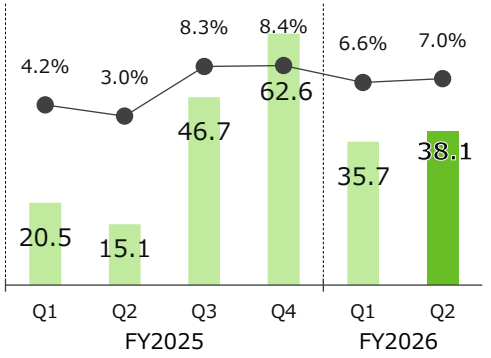
※1 Excludes the revaluation impact of foreign-currency refund liabilities for PW1100G-JM engine in-service issues

※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 excludes the amount of refund liabilities denominated in foreign currencies related to the in-service issues of the PW1100G-JM engine. See page 54 for the breakdown of these figures by segments

Quarterly Revenue (billion yen)



Quarterly Business Profit (billion yen), margin



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1 Consolidated Financial Results for Second Quarter FY2026 –Segment-

- **ES&M business profit increased due to a gain on the sale of subsidiary shares and improved profitability in the Ship & Offshore Structure business** (1)
- **Precision Machinery & Robot revenue and business profit increased, supported by litigation settlement proceeds and continued strong sales of hydraulic equipment for construction machinery and robots for semiconductor manufacturing equipment** (2)
- **PS&E business profit increased due to IEEPA tariff refunds, as well as fixed cost reductions and yen depreciation** (3)

(billion yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY25 Q2	**FY26 Q2**	Change	FY25 Q2	**FY26 Q2**	Change	FY25 Q2	**FY26 Q2**	Change
Aerospace Systems	285.1	**204.1**	- 81.0	242.5	**282.6**	+ 40.0	10.1	**10.0**	- 0.1
Rolling Stock	27.7	**57.3**	+ 29.5	119.3	**109.9**	- 9.4	4.9	**3.4**	- 1.5
Energy Solution & Marine Engineering	237.5	**227.2**	- 10.2	187.3	**185.2**	- 2.0	19.9	**30.5**	+ 10.6
Precision Machinery & Robot	126.2	**178.9**	+ 52.6	117.0	**146.8**	+ 29.8	4.2	**20.8**	+ 16.6
Powersports & Engine	292.7	**318.4**	+ 25.6	292.7	**318.9**	+ 26.1	4.8	**15.5**	+ 10.7
Others	45.9	**55.0**	+ 9.0	37.1	**40.7**	+ 3.5	1.7	**3.3**	+ 1.6
Elimination and corporate※	-	**-**	-	-	**-**	-	- 10.1	**- 9.9**	+ 0.1
Total	1,015.4	**1,041.2**	+ 25.7	996.2	**1,084.4**	+ 88.1	35.7	**73.8**	+ 38.1

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

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Consolidated Financial Results for Second Quarter FY2026
–Statement of Profit and Loss-

(billion yen)

	FY25 Q2	%	FY26 Q2	%	Change	
Revenue	996.2	100.0	**1,084.4**	100.0	+	88.1
Cost of Sales	814.9	81.8	**869.2**	80.2	+	54.3
Gross profit	181.3	18.2	**215.1**	19.8	+	33.8
Selling, General and Administrative Expenses	154.9	15.6	**167.8**	15.5	+	12.8
Salaries and Allowances	42.9		**49.2**		+	6.2
R&D Expenses	27.2		**28.1**		+	0.8
Others	84.6		**90.4**		+	5.7
	11.4		**15.6**		+	4.1
Other Income and Expenses	- 2.1		**10.8**		+	12.9
Gain on Sale of Property, Plant and Equipment	0.0		**0.1**		+	0.0
Others	- 2.2		**10.7**		+	12.9
Business profit (Loss)	35.7	3.6	**73.8**	6.8	+	38.1

① ② ③

Details

① SG&A expenses increased with revenue growth, while the SG&A ratio declined due to fixed-cost control

② Mainly due to earnings growth at the Chinese shipbuilding joint venture

③ Mainly due to litigation settlement proceeds in the Robot business

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Consolidated Financial Results for Second Quarter FY2026
–Statement of Profit and Loss-

(billion yen)

	FY25 Q2	%	FY26 Q2	%	Change
Finance Income and Finance Costs	- 0.3		**- 17.0**		- 16.7
Net interest Expense (incl. dividend income)	- 5.4		**- 5.6**		- 0.1
Gain and Loss on Foreign Exchange	7.6		**- 6.8** ④		- 14.4
Others	- 2.4		**- 4.5**		- 2.0
Profit Before Tax	35.3	3.6	**56.7**	5.2	+ 21.4
Income Tax Expense	10.7		**23.6**		+ 12.8
Profit Attributable to Non-Controlling Interests	2.5		**2.2**		- 0.3
Profit Attributable to Owners of Parent	22.0	2.2	**30.9**	2.9	+ 8.8

Details

④ USD/JPY rate
159.93 end of Q4 FY25
157.33 end of Q2 FY26

Weighted average sales rate
158.18 Q2 FY26

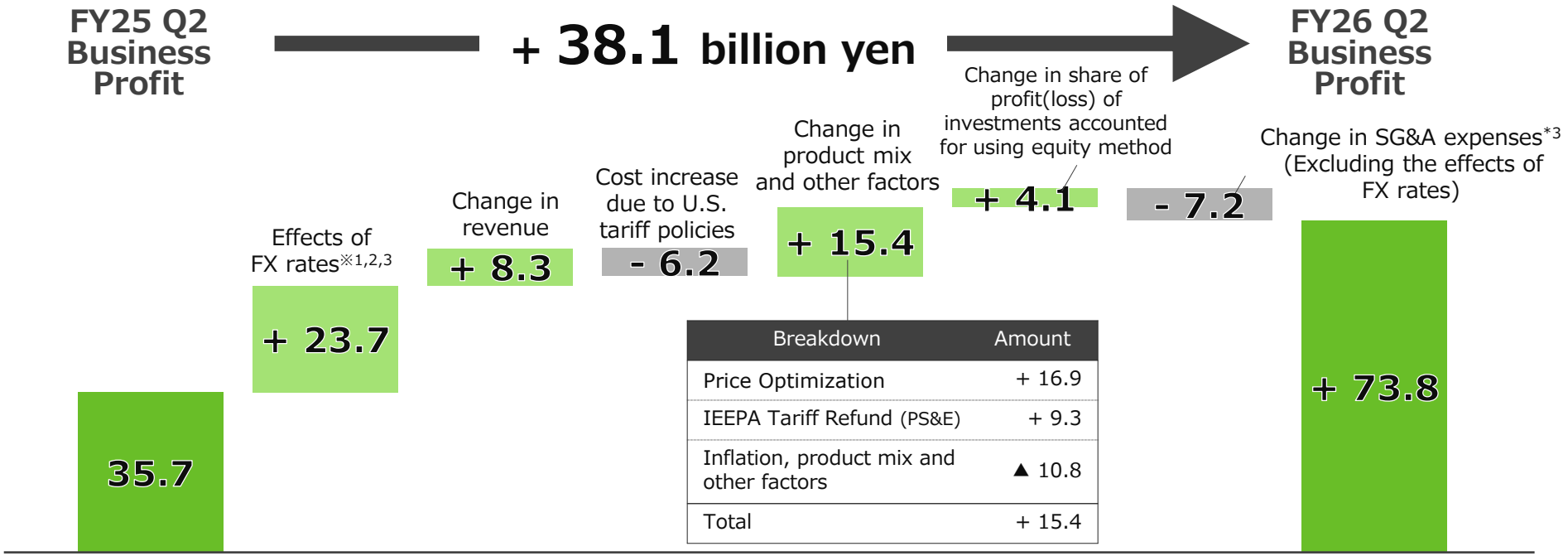
Foreign exchange translation losses on foreign currency-denominated receivables

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Consolidated Financial Results for Second Quarter FY2026

–Factors Affecting Changes in Business Profit-

- **Within revenue changes, higher sales volumes in Aerospace Systems and Precision Machinery & Robot contributed to profit growth**
- **Within product mix and other factors, Aerospace Systems temporarily deteriorated, while Precision Machinery & Robot and ES&M improved due to one-time gains and improved profitability**



Breakdown	Amount
Price Optimization	+ 16.9
IEEPA Tariff Refund (PS&E)	+ 9.3
Inflation, product mix and other factors	▲ 10.8
Total	+ 15.4

※1 Shows the direct impact on business profit of fluctuations in multiple currencies, including the U.S. dollar and the euro. Indirect impacts, such as the effect of price changes, are included in "Change in product mix and other factors" and "Change 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 [-0.1 billion yen]

※3 "Change in SG&A expenses" shows the change as presented in the statement of profit or loss, excluding the effects of exchange rate fluctuations. These excluded effects are included in "Effects of FX." The same applies to the segment charts of factors behind changes in business profit on p. 22 onward.

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Consolidated Financial Results for Second Quarter FY2026
–Factors Affecting Changes in Business Profit-

(billion yen)

	FY25 Q2 Business Profit (Loss)	Details of change						Total	FY26 Q2 Business Profit (Loss)
		Effects of FX rates *1	Change in revenue*1	Cost increase due to U.S. tariff policies	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	10.1	*2 8.3	3.7	- 0.1	- 8.2		- 3.8	- 0.1	10.0
Rolling Stock	4.9	2.3	- 1.6		- 1.0	- 0.0	- 1.2	- 1.5	3.4
Energy Solution & Marine Engineering	19.9	0.8	- 0.7		*4 6.2	4.2	0.1	10.6	30.5
Precision Machinery &Robot	4.2	2.8	5.8	- 0.7	*5 12.6	- 0.4	- 3.5	16.6	20.8
Powersports & Engine	4.8	9.5	0.2	- 5.4	*6 4.3	0.3	1.8	10.7	15.5
Others	1.7	0.0	0.9		1.4	0.0	- 0.7	1.6	3.3
Elimination and corporate	- 10.1				0.1	- 0.0	0.0	0.1	- 9.9
Total	35.7	23.7	8.3	- 6.2	15.4	4.1	- 7.2	38.1	73.8

*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 preferable to look at the combined total of 'Change in revenue' and 'Change in product mix and other factors'

*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 (-0.1 billion yen).

*3 Excluding the effects of FX rates

*4 Includes a ¥3.1 billion gain on the sale of subsidiary shares in the Plant business (recorded in the current period)

*5 Includes litigation settlement proceeds in the Robot business (recorded in the current period)

*6 Includes ¥9.3 billion in U.S. IEEPA tariff refunds (recorded in the current period)

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Consolidated Financial Results for Second Quarter FY2026
–Statement of Financial Position-

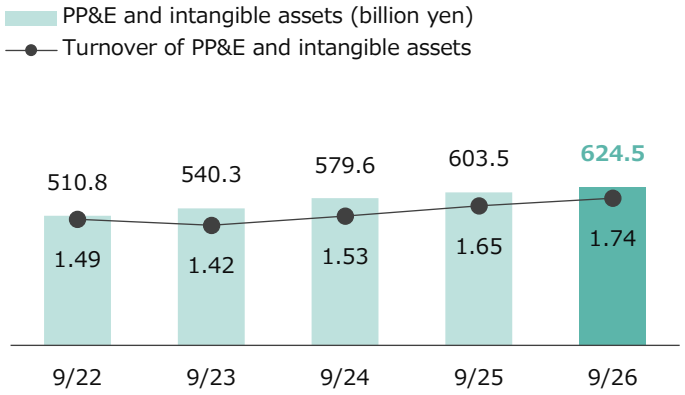
(billion yen)

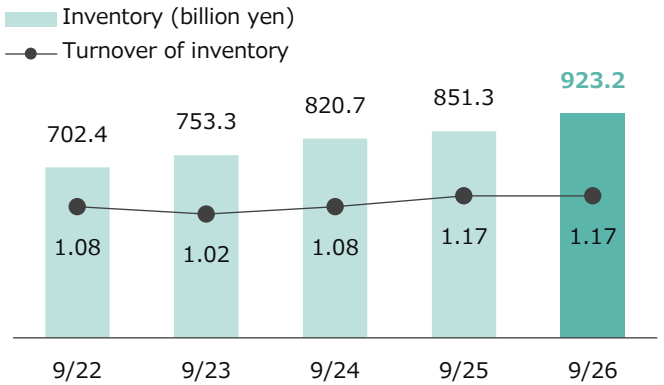
	End of Mar 2026	%	End of Sep 2026	%	Change	
Cash and Cash Equivalents	115.4		**87.6**		-	27.7
Trade Receivables (Incl. contract assets)	1,036.3		**942.6**		-	93.7
Inventories	822.1		**923.2**		+	101.0
Other Current Assets	282.0		**315.9**		+	33.8
Current assets	2,256.0	67.9	**2,269.4**	67.8	+	13.4
PP&E and Intangible assets	625.4		**624.5**		-	0.8
Right-of-Use Assets	67.9		**62.5**		-	5.3
Deferred Tax Assets	119.4		**116.7**		-	2.6
Other Non-Current Assets	255.7		**274.0**		+	18.2
Non-Current Assets	1,068.5	32.1	**1,077.9**	32.2	+	9.3
Total Assets	3,324.6	100.0	**3,347.4**	100.0	+	22.8

Details

① Decreased in PS&E and Plant

② Increased in Aerospace, PS&E, and Energy





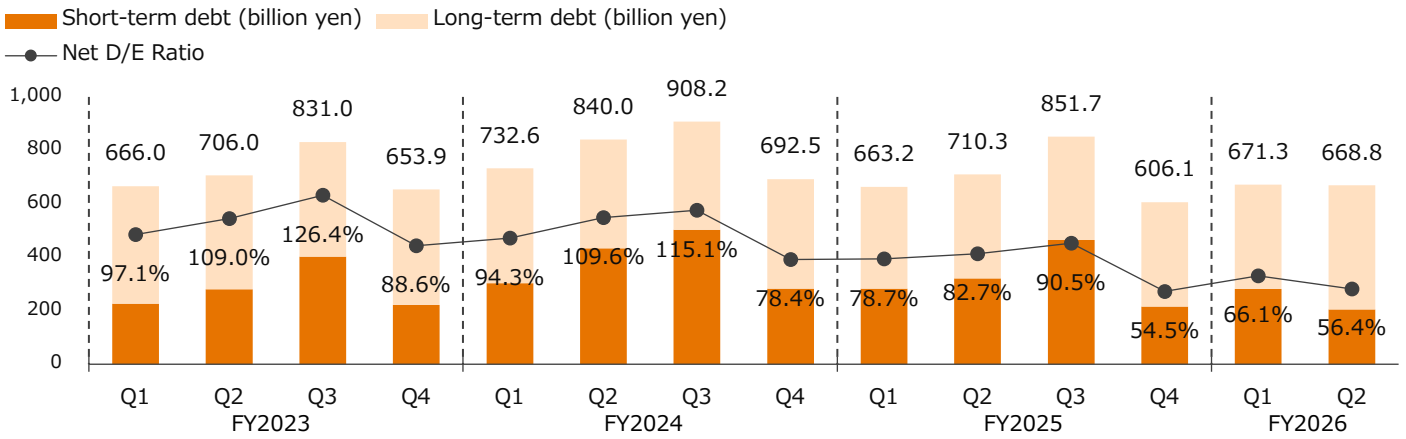
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Consolidated Financial Results for Second Quarter FY2026
–Statement of Financial Position-

(billion yen)

	End of Mar 2026	%	End of Sep 2026	%	Change	
Trade Payables	549.2		**533.8**		-	15.4
Interest-Bearing Debt	606.1		**668.8**		+	62.7
Contract Liability (Advances Received)	386.8		**376.0**		-	10.8
Refund Liability	83.3		**69.1**		-	14.2
Retirement Benefit Liability	50.6		**51.5**		+	0.9
Other Liabilities	699.8		**574.3**		-	125.5
Total Liabilities	2,376.1	71.5	**2,273.7**	67.9	-	102.3
Equity Attributable to Owners of Parent	878.1		**1,004.8**		+	126.7
Non-Controlling Interests	70.3		**68.8**		-	1.5
Total Equity	948.4	28.5	**1,073.6**	32.1	+	125.1
Total Liabilities and Equity	3,324.6	100.0	**3,347.4**	100.0	+	22.8



Details

③ Increase mainly due to the issuance of new shares and convertible bonds (CBs) in July 2026

④ Mainly due to lower liabilities related to receivables factoring in PS&E and Aerospace

Supplementary Data

Cash Conversion Cycle

(days)

End of FY22 Q2	154
End of FY23 Q2	154
End of FY24 Q2	164
End of FY25 Q2	155
End of FY26 Q2	173

Deteriorated due to longer trade receivables turnover days, mainly in Aerospace Systems.

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Consolidated Financial Results for Second Quarter FY2026
–Statement of Cash Flows-

(billion yen)

	FY25 Q2	FY26 Q2	Change
Profit Before Tax	35.3	**56.7**	+ 21.4
Depreciation and Amortization	50.2	**53.4**	+ 3.2
Increase and Decrease in Working Capital	- 18.8	**- 60.7**	- 41.8
Trade Receivables※1 (minus notation indicates incr.)	64.3	**84.2**	+ 19.8
Inventory (minus notation indicates incr.)	- 70.7	**- 106.7**	- 35.9
Trade Payables (minus notation indicates decr.)	- 5.9	**- 14.0**	- 8.1
Advance Payment (minus notation indicates incr.)	- 30.3	**- 14.1**	+ 16.2
Contract Liabilities※2 (minus notation indicates decr.)	23.8	**- 9.9**	- 33.8
Other	- 92.8	**- 137.5**	- 44.7
Cash Flows from Operating Activities	- 26.0	**- 88.0** ①	- 62.0
Purchase of PP&E and Intangible Assets	- 52.7	**- 56.1**	- 3.3
Proceeds from Sales of PP&E and Intangible Assets	1.1	**0.2**	- 0.9
Other	- 18.0	**6.4** ②	+ 24.5
Cash Flows from Investing Activities	- 69.6	**- 49.4**	+ 20.1
Free Cash Flows	- 95.6	**- 137.5**	- 41.8
Net Increase and Decrease in Debt and Bonds (minus notation indicates decr.)	5.3	**86.2** ③	+ 80.9
Dividends Paid (Except Payment to Non-Controlling Interests)	- 13.3	**- 16.0**	- 2.6
Proceeds and Repayment from Factoring Agreements	- 32.1	**- 37.4**	- 5.2
Other	67.4	**76.8** ③	+ 9.4
Cash Flows from Financing Activities	27.1	**109.5**	+ 82.4

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

Details

① Although collections of trade receivables progressed in PS&E and Plant, increased inventories in Aerospace and PS&E, among other factors, resulted in a cash outflow from operating activities

② Includes proceeds of ¥7.0 billion from the transfer of Earth Technica Co., Ltd. shares in Plant business

③ Includes the impact of funds raised through the issuance of new shares and convertible bonds (CBs) in July 2026

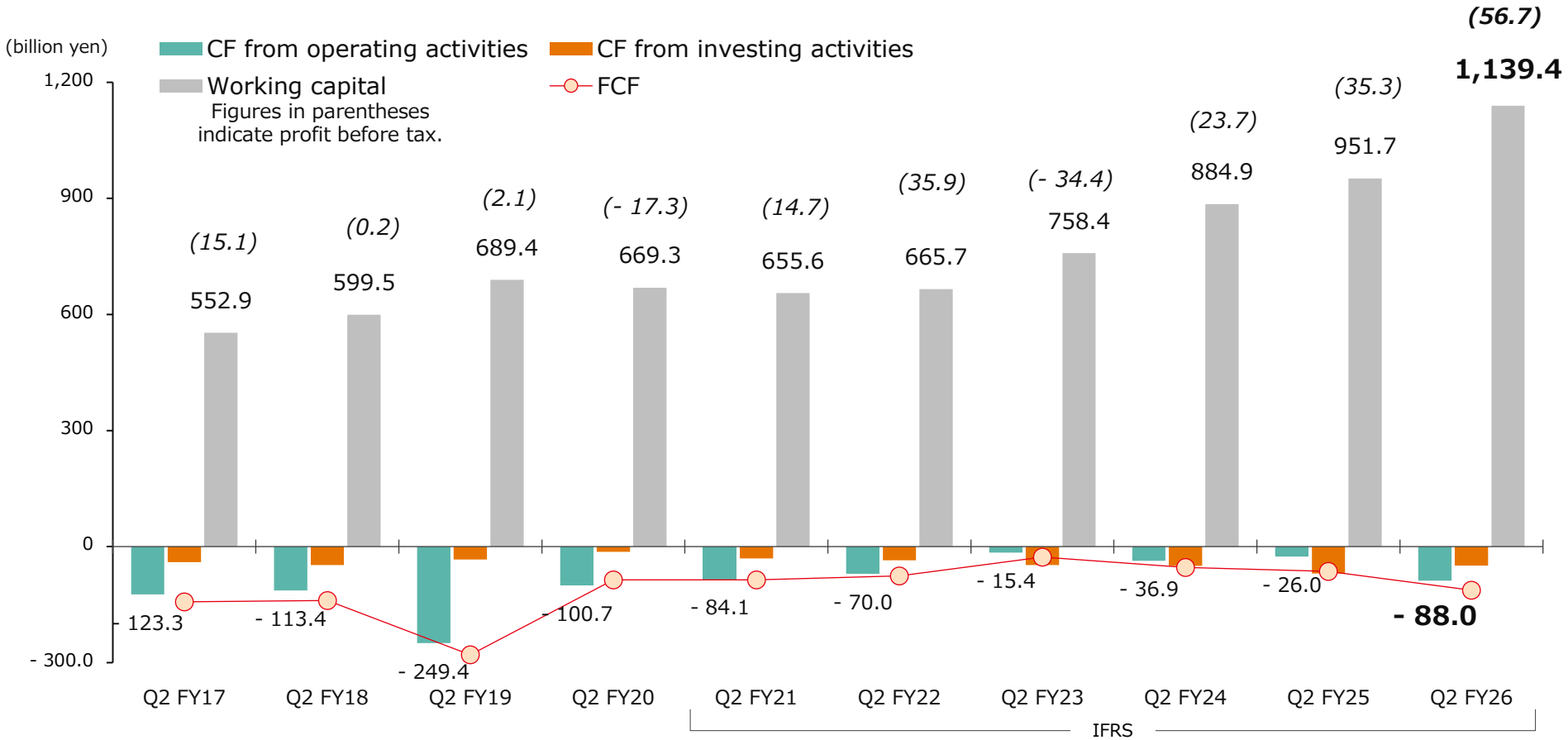
New Shares: ¥93.4 billion

CBs: ¥101.0 billion

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Consolidated Financial Results for Second Quarter FY2026
–Statement of Cash Flows-

- **Working capital increased significantly, partly due to FX impacts on receivables and inventories**
- **FCF was negative for Q2, but is expected to turn positive for the full year (see p.16)**



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

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Earnings Forecasts for FY2026

(for the year ending March 31, 2027)

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2 Earnings Forecasts for FY2026 -Summary-

- **Business profit forecast revised upward by ¥5.0 billion from the August forecast**
- **Free cash flow forecast disclosed for the first time, with positive full-year free cash flow expected**

(billion yen)

	FY2025 Actual	FY2026 Forecast and Progress					
		Old FCST	New FCST	Chg. vs. FY25	Chg. vs. Old FCST	Q2 Actual	Q3-4 FCST
Orders Received	2,739.1	2,420.0	**2,490.0**	- 249.1	+ 70.0	**1,041.2**	**1,448.8**
Revenue	2,311.2	2,560.0	**2,560.0**	+ 248.8	-	**1,084.4**	**1,475.6**
Business Profit	145.1	180.0	**185.0**	+ 39.9	+ 5.0	**73.8**	**111.2**
[Margin]	*[6.3%]*	*[7.0%]*	*[7.2%]*	*[+ 0.9pt]*	*[+ 0.1pt]*	*[6.8%]*	*[7.5%]*
Profit Before Tax	145.5	157.0	**161.0**	+ 15.5	+ 4.0	**56.7**	**104.3**
[Margin]	*[6.3%]*	*[6.1%]*	*[6.3%]*	*[-]*	*[+ 0.1pt]*	*[5.2%]*	*[7.1%]*
Profit Attributable to Owners of Parent	108.1	115.0	**118.0**	+ 9.9	+ 3.0	**30.9**	**87.1**
[Margin]	*[4.7%]*	*[4.5%]*	*[4.6%]*	*[-]*	*[+ 0.1pt]*	*[2.9%]*	*[5.9%]*
After-tax ROIC	9.0%	8.6%	**8.9%**	- 0.1pt	+ 0.3pt	**-**	**-**
Free Cash Flows	12.0	-	**20.0**	+ 8.0	-	**-137.5**	**157.5**
Weighted-average exchange rates (USD/JPY)	149.08	150.00	**-**	-	-	**158.18**	**150.00**
US dollar-based transaction (B$)*	2.20	2.79	**2.96**	+ 0.76	+ 0.17	**1.38**	**1.58**

* 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 54 for the breakdown of these figures by segment.

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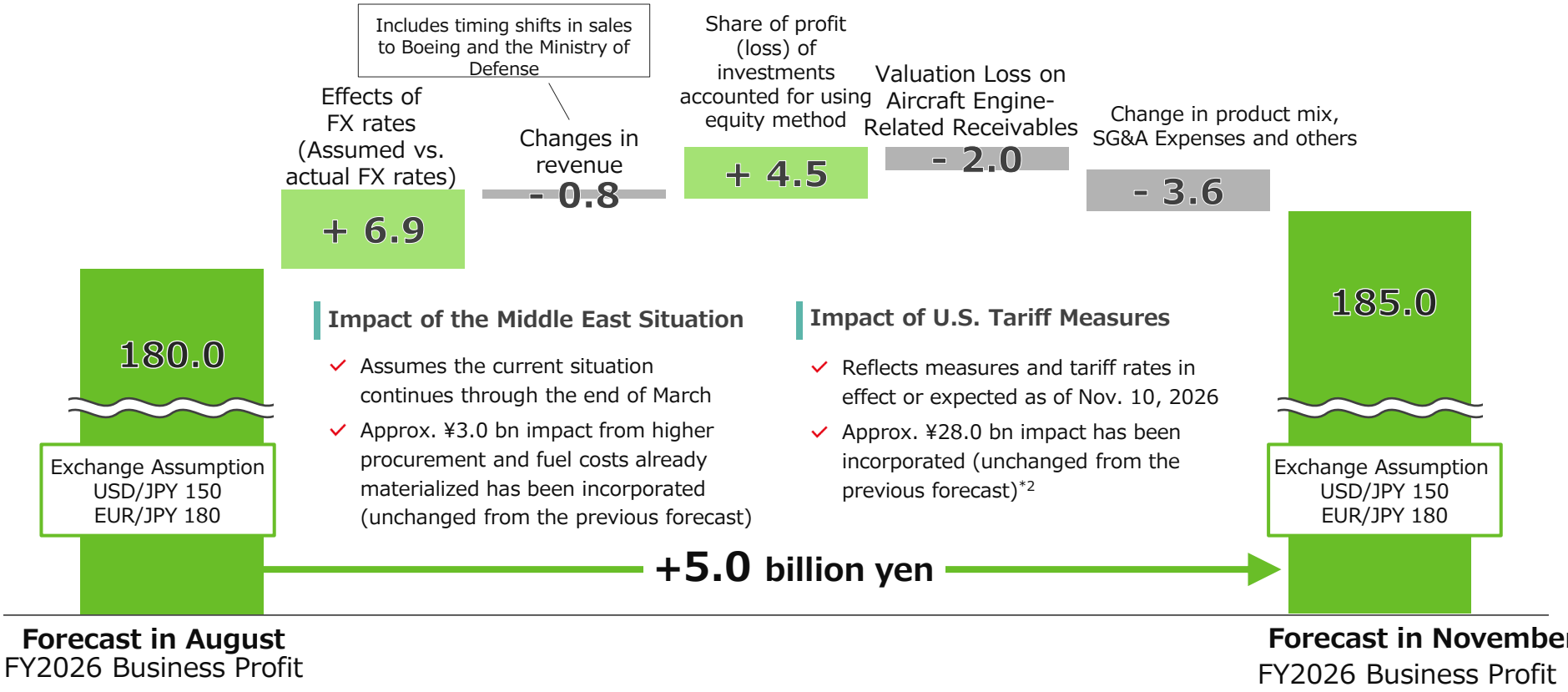
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Earnings Forecasts for FY2026

-Factors Affecting Changes in Business Profit*1 -

Note: The graph shows changes from the August forecast. See p.51 for changes from the initial forecast announced in May.

Revised up due to higher equity-method earnings and favorable FX effects, despite one-time losses and revenue timing shifts in Aerospace Systems



*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 product mix, SG&A expenses, and others.

*2 Tariff-related costs temporarily borne by the Company are excluded from the calculation if they can be fully passed on to customers or other counterparties under contractual arrangements

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2 Earnings Forecasts for FY2026 -Segment-

- **Aerospace Systems: Forecast lowered due to timing shifts in sales to Boeing and other factors** ①
- **ES&M: Forecast raised to reflect strong performance mainly in the Ship & Offshore Structure business** ②

(billion yen)

	Orders Received				Revenue				Business Profit			
	FY2025 Actual	FY2026 Forecast			FY2025 Actual	FY2026 Forecast			FY2025 Actual	FY2026 Forecast		
		Old FCST	New FCST	Change		Old FCST	New FCST	Change		Old FCST	New FCST	Change
Aerospace Systems	810.9	630.0	**640.0**	+ 10.0	613.6	720.0	**710.0**	- 10.0	62.4	72.0	**68.0** ①	- 4.0
Rolling Stock	319.1	130.0	**130.0**	-	236.2	230.0	**230.0**	-	8.6	10.0	**10.0**	-
Energy Solution & Marine Engineering	552.9	500.0	**560.0**	+ 60.0	433.5	470.0	**470.0**	-	55.0	69.0	**75.0** ②	+ 6.0
Precision Machinery & Robot	278.5	330.0	**330.0**	-	259.1	310.0	**320.0**	+ 10.0	14.3	31.0	**33.0**	+ 2.0
Powersports & Engine	681.7	730.0	**730.0**	-	682.8	730.0	**730.0**	-	22.7	30.0	**30.0**	-
Others	95.9	100.0	**100.0**	-	85.8	100.0	**100.0**	-	7.0	4.0	**6.0**	+ 2.0
Elimination and corporate※	-	-	**-**	-	-	-	**-**	-	- 25.3	- 36.0	**- 37.0**	- 1.0
Total	2,739.1	2,420.0	**2,490.0**	+ 70.0	2,311.2	2,560.0	**2,560.0**	-	145.1	180.0	**185.0**	+ 5.0

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

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3

Details by Segment

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3 Details by Segment -Aerospace Systems-

Q2 of FY2026 (vs. Q2 of FY2025)

Orders Received -¥81.0 bil.
lower orders from the MOD* and for commercial aircraft engines, despite higher orders from Boeing

Revenue +¥40.0 bil.
Revenue increased due to increased shipments for the Ministry of Defense and Boeing

Business Profit -¥0.1 bil.
Flat YoY despite higher revenue, due to increased fixed cost such as R&D expenses, production ramp-up costs, and valuation losses on trade receivables (reduction in revenue)

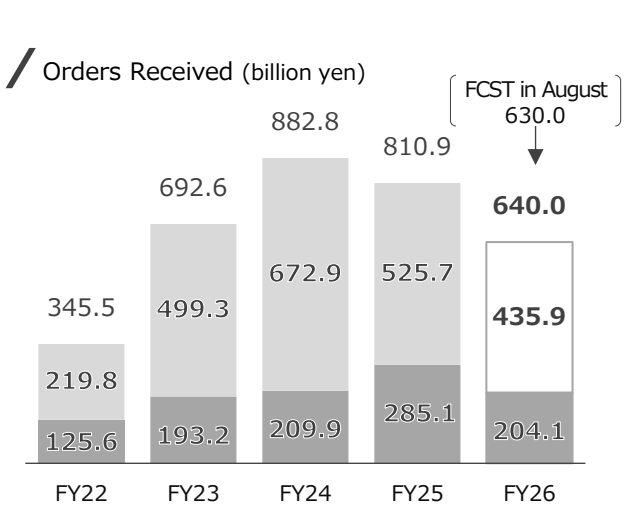
FY2026 Forecast (vs. forecast in August)

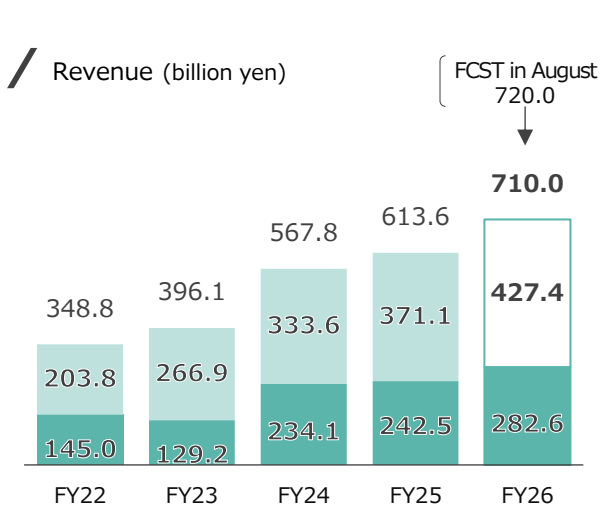
Orders Received +¥10.0 bil.
Revised up due to higher orders from the MOD, despite lower orders from Boeing

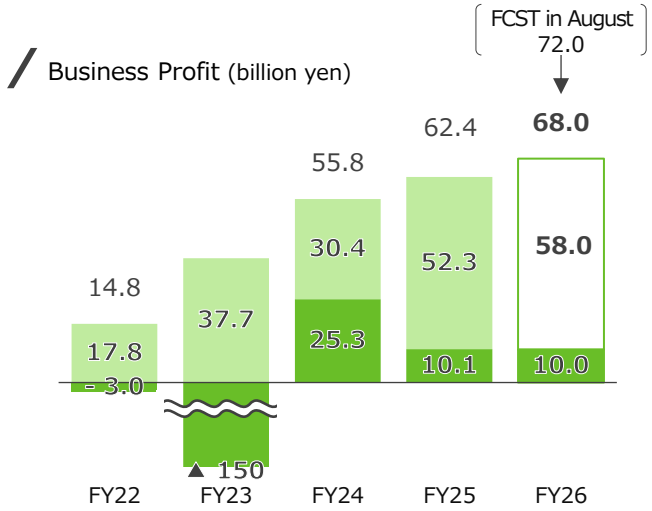
Revenue -¥10.0 bil.
Revised down due to timing shifts in sales to Boeing and the MOD

Business Profit -¥4.0 bil.
Revised down due to lower revenue and valuation losses on trade receivables (recorded as a reduction in revenue)

* The Ministry of Defense







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

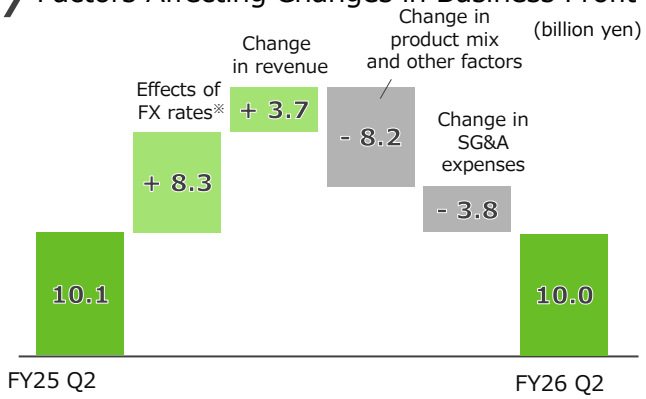
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3 Details by Segment -Aerospace Systems-

(billion yen)

	FY2025 Q2 Actual	FY2026 Q2 Actual	Change	FY2025 Actual	FY2026 Forecast Old FCST	New FCST	Chg. Vs. FY25	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	285.1	**204.1**	- 81.0	810.9	630.0	**640.0**	- 170.9	+ 10.0	**435.9**
Aerospace	*195.7*	***131.8***	*- 63.8*	*570.8*	*460.0*	***470.0***	*- 100.8*	*+ 10.0*	***338.2***
Aero Engine	*89.4*	***72.3***	*- 17.1*	*240.1*	*170.0*	***170.0***	*- 70.1*	*-*	***97.7***
Revenue	242.5	**282.6**	+ 40.0	613.6	720.0	**710.0**	+ 96.4	- 10.0	**427.4**
Aerospace	*165.9*	***198.3***	*+ 32.3*	*445.6*	*525.0*	***510.0***	*+ 64.4*	*- 15.0*	***311.7***
Aero Engine	*76.5*	***84.2***	*+ 7.6*	*168.0*	*195.0*	***200.0***	*+ 32.0*	*+ 5.0*	***115.8***
Business Profit	10.1	**10.0**	- 0.1	62.4	72.0	**68.0**	+ 5.6	- 4.0	**58.0**
[Margin]	*[4.2%]*	*[3.6%]*	*[- 0.6pt]*	*[10.2%]*	*[10.0%]*	*[9.6%]*	*[- 0.5pt]*	*[- 0.4pt]*	*[13.6%]*

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(-0.1 billion yen)

Supplementary Data

Number of aircraft component parts sold to Boeing (units)

	FY25 Q2	FY25 Full year	FY26 Q2	Change YoY
767	15	31	10	- 5
777	12	21	14	+ 2
777X	3	7	10	+ 7
787	25	64	42	+ 17

Number of aircraft engine component parts sold (units)

	FY25 Q2	FY25 Full year	FY26 Q2	Change YoY
V2500	6	21	15	+ 9
PW1100G	321	666	347	+ 26

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

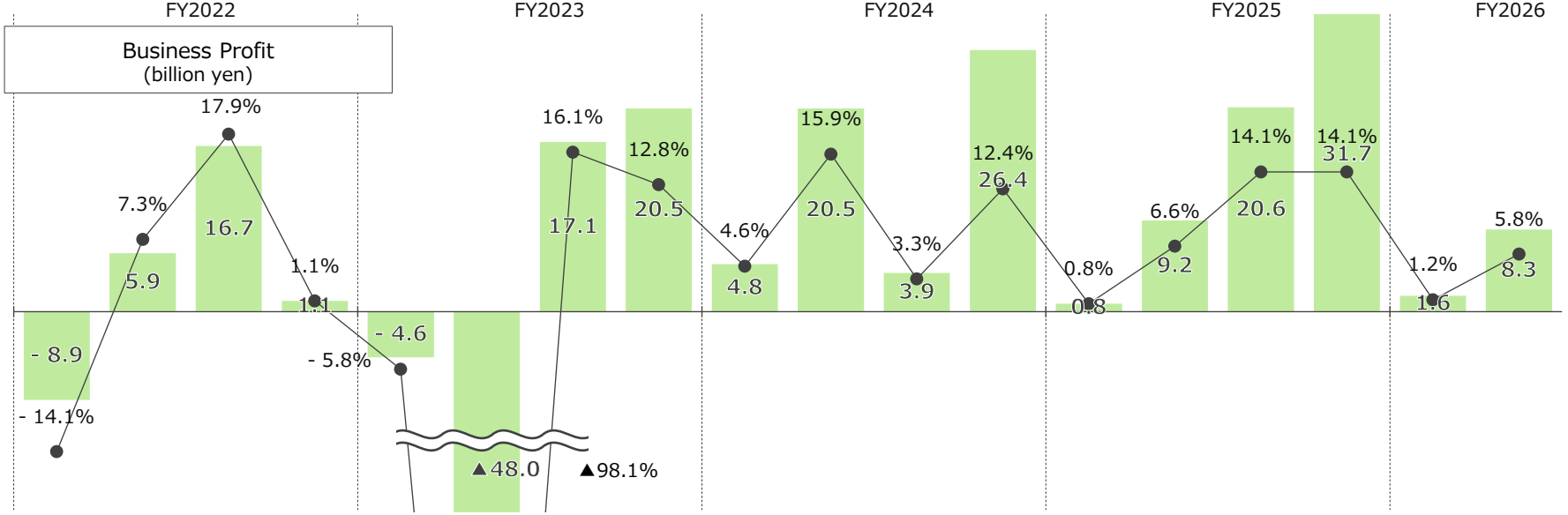
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Details by Segment
-Aerospace Systems-

Revenue
(billion yen)



Business Profit
(billion yen)



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3 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
- MOD business
  - Further growth in demand and improvement in profitability are expected amid efforts to fundamentally strengthen Japan's defense capabilities, including the accelerated achievement of defense spending equivalent to 2% of GDP and consideration of an earlier revision of the Three Strategic Documents
- Commercial & Defense Common Areas
  - The selection of 'Aerospace' and 'Defense Industry' as part of the 17 strategic priority fields*1 is expected to drive market expansion

*1 Areas to promote priority investment through public-private partnerships as defined by the Japan Growth Strategy Council established by the Government of Japan

(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 release on this matter
  https://global.kawasaki.com/news_230913-1e.pdf
  https://global.kawasaki.com/en/corp/ir/library/pdf/etc_231026-1e.pdf

*2 A loss of ¥58.0 billion was recorded in business profit in the July–September quarter of FY2023
*3 Excluding the impact of revaluation due to exchange rate fluctuations

Specific Efforts

Building a Business Expansion Framework

- Rebuilding the supply chain and production ramp-up system to meet strong demand
- Improving operational efficiency and productivity to capture new business opportunities
- Promoting the development of defense products and steady implementation of mass production contracts

Business development in line with the MOD's "Defense Capability Transformation"

- Strengthening capabilities across three pillars and nine areas

1 Responding to new forms of warfare

Stand-off electronic warfare aircraft and anti-ship missiles, multi-purpose collaborative / expendable UAVs, edge AI-based autonomous collaboration, KJ small jet engine series



New Anti-Ship Guided Missile for Island Defense
(Source: Acquisition, Technology & Logistics Agency website)

2 Strengthening capabilities for sustained operations

Contribution to Pacific and sea lane defense through P-1 and C-2



Delivery of stand-off electronic warfare aircraft prototypes (June 2026)

3 Strengthening the defense industrial base

Production capacity enhancement and supply chains, integrated education and training system with AI instructors



KJ300 Turbo Fan Engine

Driving Technology Strategies Based on Market Trends

- Promoting technological development including the use of civilian technologies to strengthen defense capabilities
- Promoting the development of environmental technologies for a decarbonized society by utilizing the NEDO Green Innovation Fund

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3 Details by Segment - Rolling Stock -

Q2 of FY2026 (vs. Q2 of FY2025)

Orders Received ↗ +¥29.5 bil.
Up due to orders received for new rolling stock for the domestic market

Revenue ↘ -¥9.4 bil.
Down despite higher revenue in the U.S., due to lower domestic revenue

Business Profit ↘ -¥1.5 bil.
Down mainly due to lower revenue

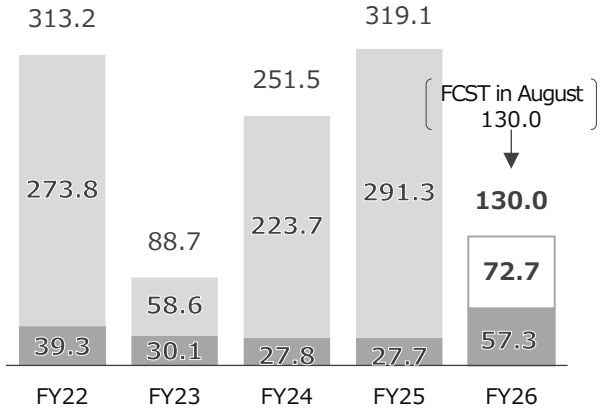
FY2026 Forecast (vs. forecast in August)

Orders Received → ±¥0.0 bil.
Forecast unchanged

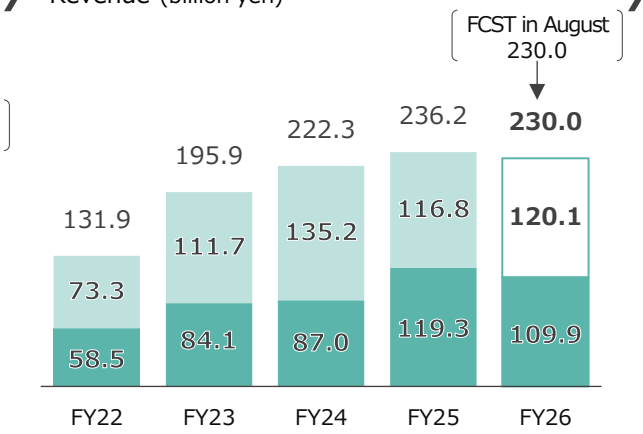
Revenue → ±¥0.0 bil.
Same as above

Business Profit → ±¥0.0 bil.
Same as above

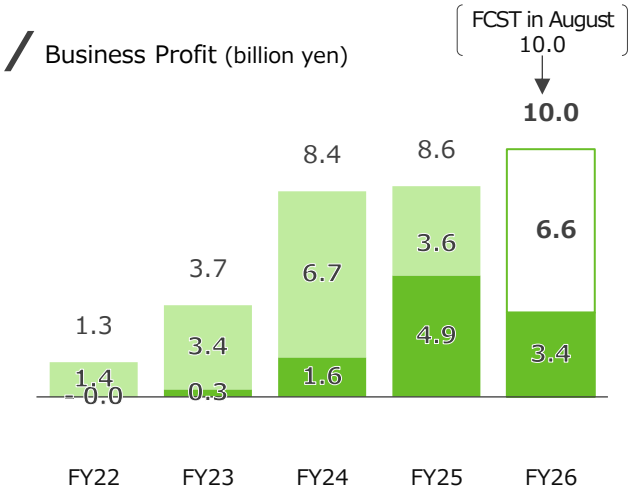
Orders Received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)



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

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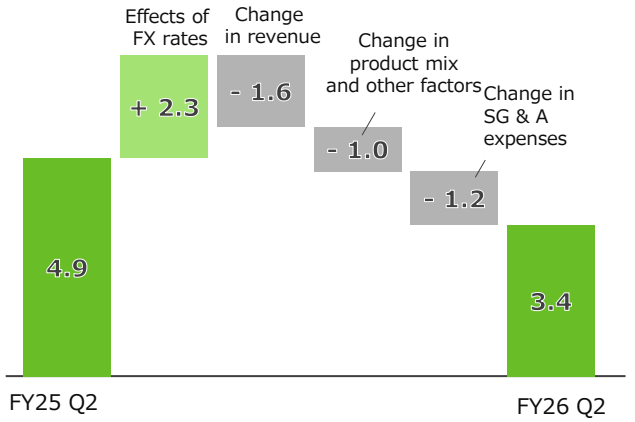
3 Details by Segment - Rolling Stock -

(billion yen)

	FY2025 Q2 Actual	FY2026 Q2 Actual	FY2026 Change	FY2025 Actual	FY2026 Forecast Old FCST	FY2026 Forecast New FCST	FY2026 Forecast Chg. Vs. FY25	FY2026 Forecast Chg. Vs. Old FCST	FY2026 Forecast Q3-4 FCST
Orders Received	27.7	**57.3**	+ 29.5	319.1	130.0	**130.0**	- 189.1	-	**72.7**
Domestic & Asia	*26.5*	***52.1***	*+ 25.5*	*91.3*	*126.0*	***126.0***	*+ 34.7*	*-*	***73.9***
North America	*1.2*	***5.2***	*+ 4.0*	*227.8*	*4.0*	***4.0***	*- 223.8*	*-*	***- 1.2***
Revenue	119.3	**109.9**	- 9.4	236.2	230.0	**230.0**	- 6.2	-	**120.1**
Domestic & Asia	*39.8*	***25.4***	*- 14.3*	*81.9*	*73.5*	***73.5***	*- 8.4*	*-*	***48.1***
North America	*79.5*	***84.4***	*+ 4.9*	*154.2*	*156.5*	***156.5***	*+ 2.3*	*-*	***72.1***
Business Profit	4.9	**3.4**	- 1.5	8.6	10.0	**10.0**	+ 1.4	-	**6.6**
[Margin]	*[4.2%]*	*[3.1%]*	*[- 1.0pt]*	*[3.7%]*	*[4.3%]*	*[4.3%]*	*[+ 0.6pt]*	*[-]*	*[5.5%]*

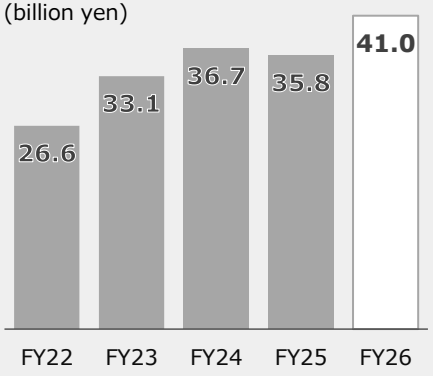
Factors Affecting Changes in Business Profit

(billion yen)



Supplementary Data

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



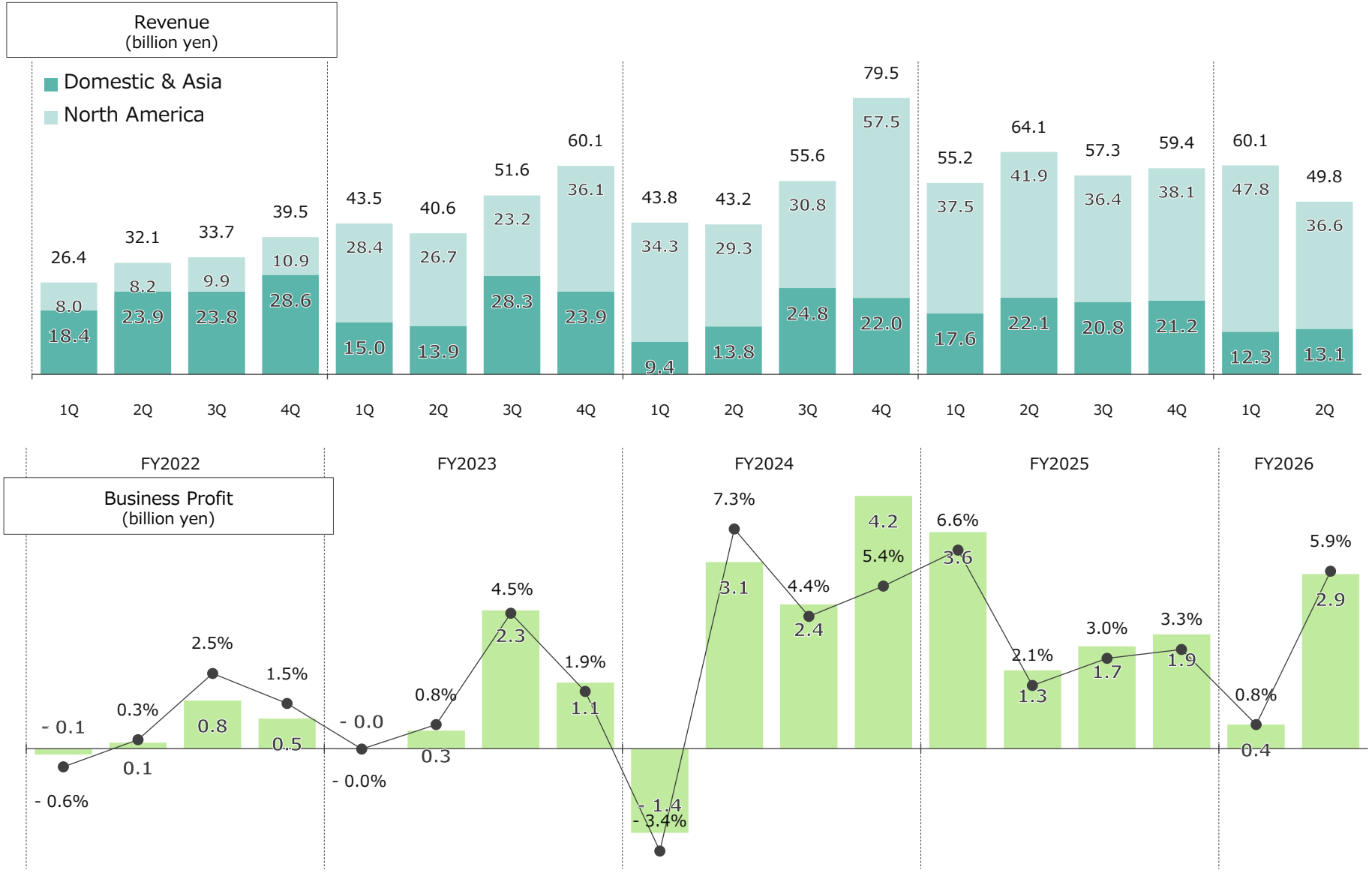
Progress of the R211 Project for New York City Subway (as of the end of Sep. 2026)

- Base contract
  : Full delivery of 535 cars
- Option1 contract
  : **Delivered <u>510 cars</u>** out of 640
- Option2 contract
  : Received an order of 435 cars in Jan 2025

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3

Details by Segment
- Rolling Stock -



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3 Details by Segment - Rolling Stock -

Market Overview

- Domestic Market
  - Continued investment in rolling stock driven by strong inbound demand
- Overseas Market
  - Demand is expected to grow as cities continue investing in urban transit infrastructure
- Medium- to Long-Term Outlook
  - Stable global growth is expected, including transportation infrastructure in overseas markets and the demand for infrastructure in line with economic development in Asia

(Note) Impact of the Middle East Situation

- Production processes were affected by procurement difficulties for solvents and other materials. The impact is being mitigated through alternative sourcing, enhanced global procurement coordination, and delivery schedule adjustments with customers

Specific Efforts

Compliance with delivery schedules for overseas projects

Project	Status	Milestone
Dhaka MRT Line-6	▸ Final vehicle delivered to customer in FY2024 (144 cars of 24 trains)	The final vehicle delivery FY2024 Handover of base facilities FY2026
NYCT R268 MTA	▸ Order for 378 railcars received in December 2025 (U.S. time), with a total contract value of approx. ¥225 billion	The final vehicle delivery FY2030

Achieving quality levels trusted by customers

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



THG100 diesel-electric railcar (GreenDEC®) for Tenryu Hamanako Railroad Co., Ltd.

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 diesel-electric railcar GreenDEC® for regional railways, enabling lifecycle support from introduction through condition monitoring, operational support, and parts supply

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3

Details by Segment

- Energy Solution & Marine Engineering -

Q2 of FY2026（vs. Q2 of FY2025）

Orders Received -¥10.2 bil.

Down YoY due to large MOD orders in the prior-year period

Revenue -¥2.0 bil.

Flat despite lower revenue in the Plant business, supported by higher revenue in the Ship & Offshore Structure business

Business Profit +¥10.6 bil.

Up due to a gain on the sale of subsidiary shares and higher equity-method earnings

FY2026 Forecast（vs. forecast in August）

Orders Received +¥60.0 bil.

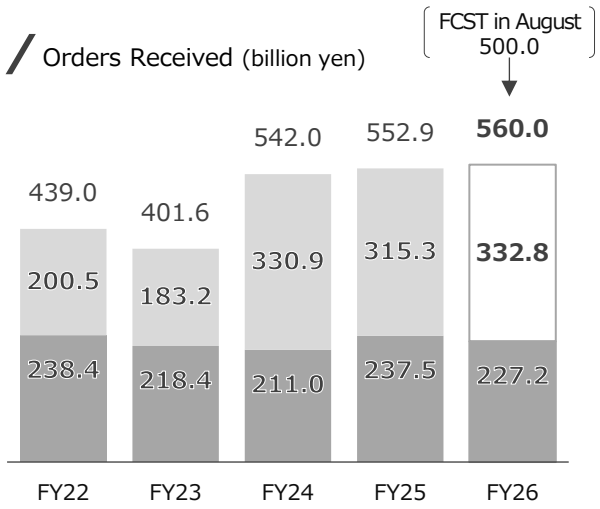
Revised up due to an increase in LPG/ammonia carrier orders

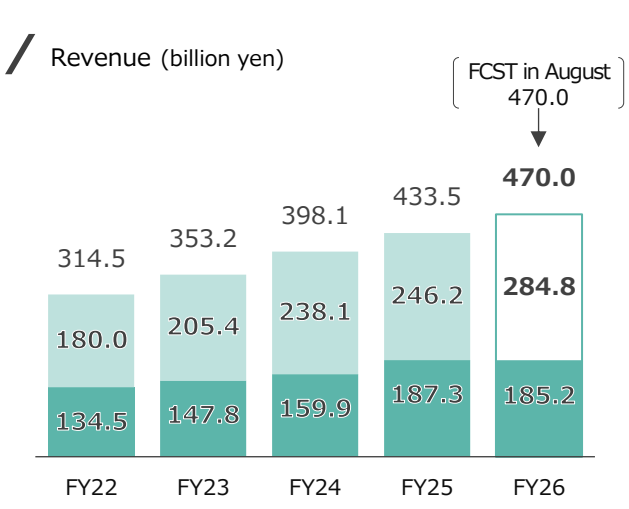
Revenue ±¥0.0 bil.

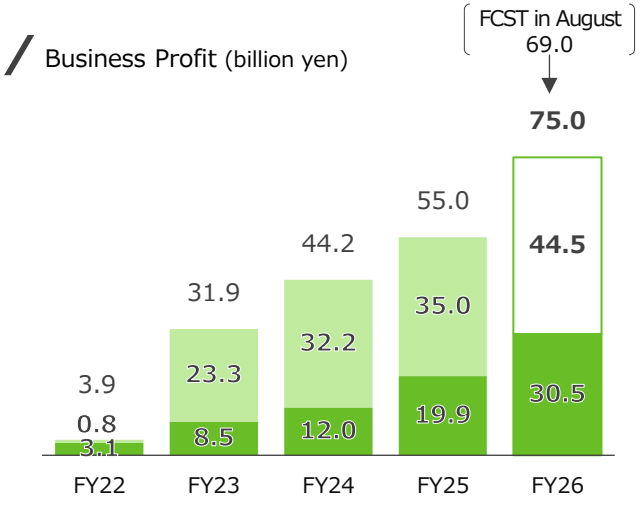
Forecast unchanged

Business Profit +¥6.0 bil.

Revised up due to higher equity-method earnings and improved profitability







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

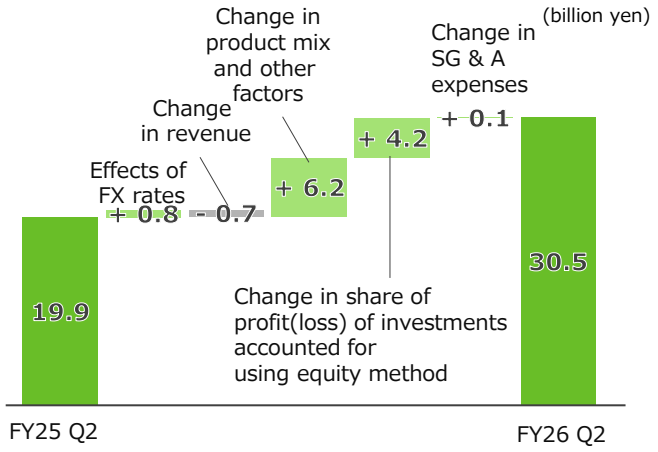
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3 Details by Segment
- Energy Solution & Marine Engineering -

(billion yen)

	FY2025 Q2 Actual	FY2026 Q2 Actual	FY2026 Change	FY2025 Actual	FY2026 Forecast Old FCST	FY2026 Forecast New FCST	FY2026 Forecast Chg. Vs. FY25	FY2026 Forecast Chg. Vs. Old FCST	FY2026 Forecast Q3-4 FCST
Orders Received	237.5	**227.2**	- 10.2	552.9	500.0	**560.0**	+ 7.1	+ 60.0	**332.8**
Energy, Plant & Marine Machinery	*181.3*	***218.4***	*+ 37.1*	*456.2*	*380.0*	***400.0***	*- 56.2*	*+ 20.0*	***181.6***
Ship & Offshore Structure	*56.2*	***8.8***	*- 47.4*	*96.6*	*120.0*	***160.0***	*+ 63.4*	*+ 40.0*	***151.2***
Revenue	187.3	**185.2**	- 2.0	433.5	470.0	**470.0**	+ 36.5	-	**284.8**
Energy, Plant & Marine Machinery	*135.2*	***129.9***	*- 5.3*	*323.9*	*345.0*	***345.0***	*+ 21.1*	*-*	***215.1***
Ship & Offshore Structure	*52.0*	***55.2***	*+ 3.2*	*109.6*	*125.0*	***125.0***	*+ 15.4*	*-*	***69.8***
Business Profit	19.9	**30.5**	+ 10.6	55.0	69.0	**75.0**	+ 20.0	+ 6.0	**44.5**
[Margin]	*[10.6%]*	*[16.5%]*	*[+ 5.8pt]*	*[12.7%]*	*[14.7%]*	*[16.0%]*	*[+ 3.3pt]*	*[+ 1.3pt]*	*[15.6%]*
Share of profit (loss) of investments accounted for using equity method	*11.5*	***15.8***	*+ 4.2*	*23.7*	*27.5*	***32.0***	*+ 8.3*	*+ 4.5*	***16.2***

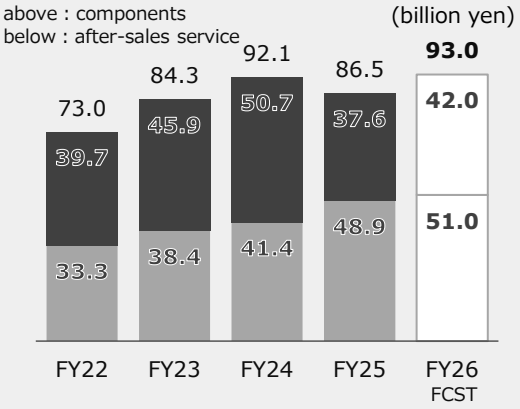
Factors Affecting Changes in Business Profit



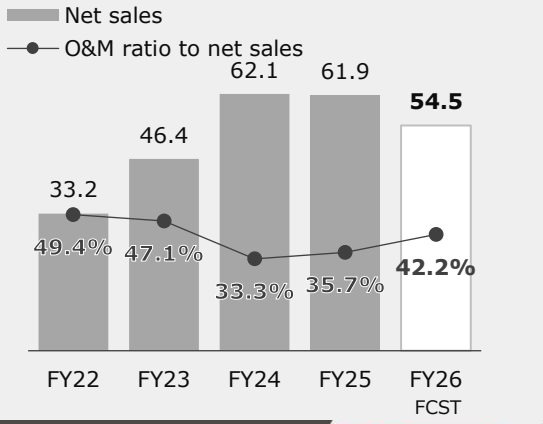
Supplementary Data

Revenue from major products in the energy business

above : components
below : after-sales service

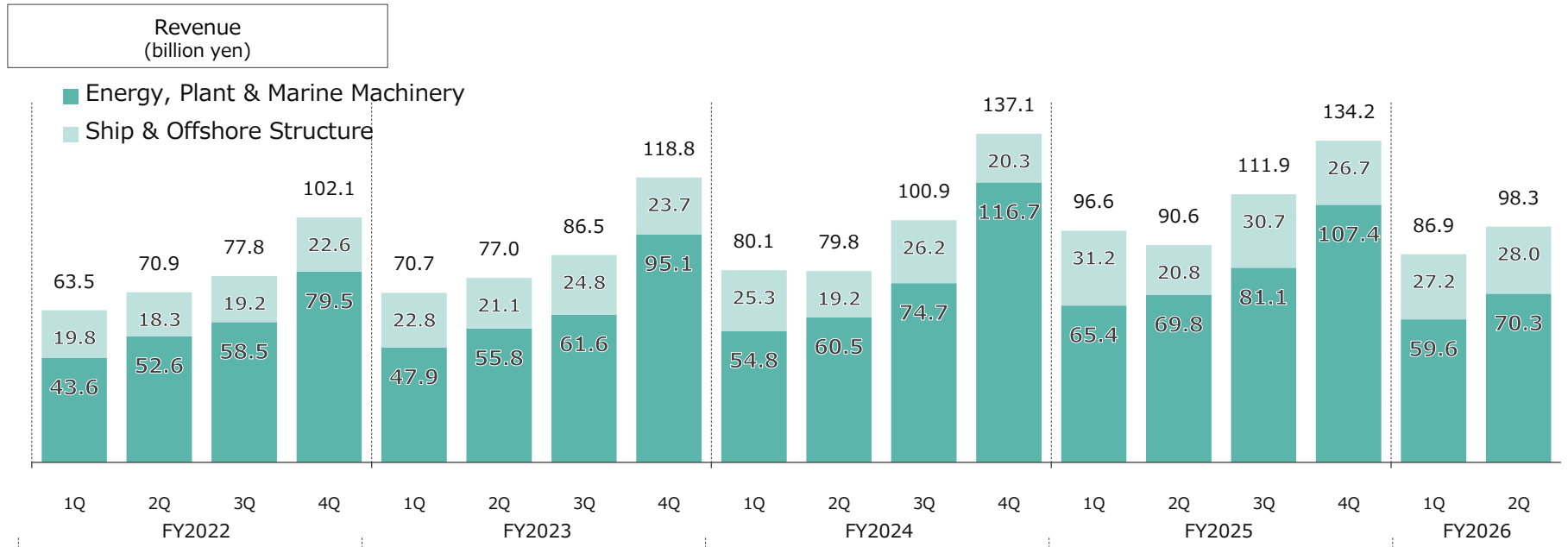


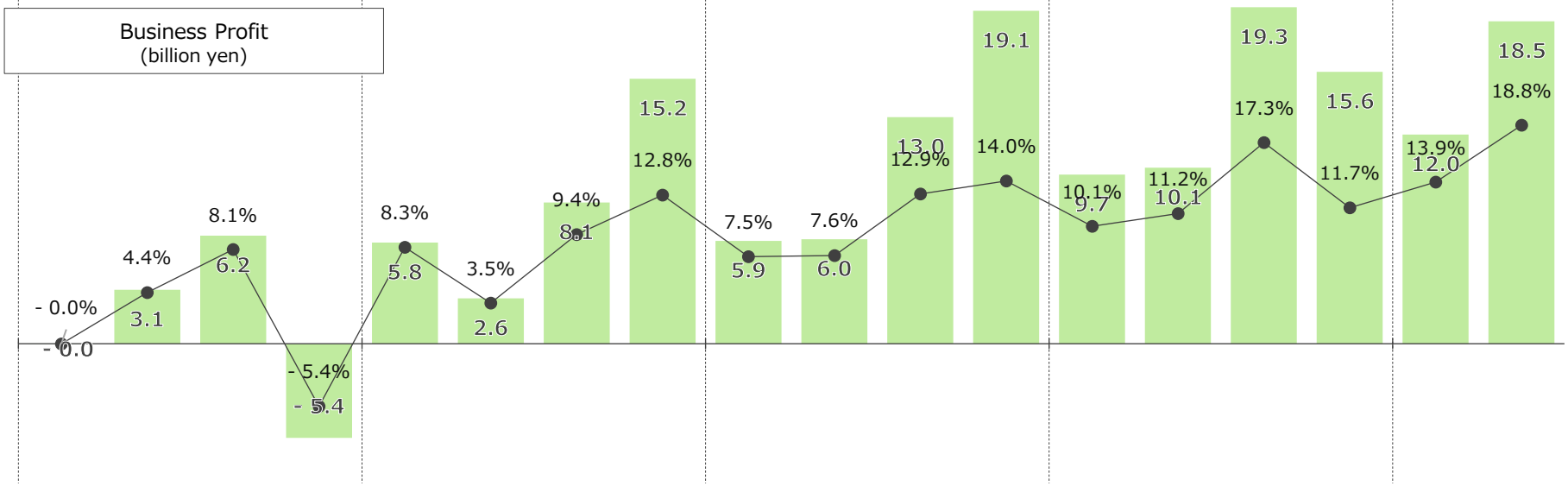
Revenue from municipal waste incineration plants



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Details by Segment
- Energy Solution & Marine Engineering -





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Details by Segment
- Energy Solution & Marine Engineering -

Market Overview

- Energy, Plant & Marine Machinery

Domestic	Overseas
– Solid demand for power generation equipment and energy infrastructure – Continued demand for renewal of aging waste incineration plants	– Inquiries for gas turbines and gas engines remain strong, driven by growing demand for distributed power generation and data centers

- Ship & Offshore Structure

Commercial ships	Submarines and special vessels
– Ship prices remain high due to rising shipbuilding costs and tight shipyard capacity – Japanese shipbuilders are increasing investment to expand capacity in line with government policy	– Continuous orders for surface ship main engines and power generation systems – Stable orders for submarines

- Entire segment

Risks	Carbon neutrality
– Logistics and foreign exchange volatility related to U.S. tariff policies and the Middle East situation – Continued increases in raw material, equipment, fuel, and labor costs	Inquiries and requests for cooperation are increasing regarding transition solutions associated with the return to LNG, as well as decarbonization solutions such as KCC*

* Kawasaki CO_2 Capture: CO_2 Separation and Capture system

Specific Efforts

Initiatives toward Providing Decarbonization Solutions

Case Order received from Daito Corporation for a high-power electric propulsion system for an electric tugboat

- Second order, following the first order in FY2024
- Aiming to establish a standard electric tugboat model with high-power specifications for a wide range of towing operations in Tokyo Bay





Left: Electric tugboat rendering

Right: Signing ceremony for the electric propulsion system order

Initiatives toward Next-Generation Shipbuilding

Project Topics P.43

Case Collaboration with NVIDIA to realize a “Next-Generation Digital Shipyard”

- Optimize shipbuilding processes through the use of digital twins (e.g., NVIDIA Omniverse libraries)
- Promote labor savings and productivity improvements through the introduction of AI robots for shipbuilding
- Leverage construction data for vessel operation and maintenance to enhance the entire vessel lifecycle
- Aim to increase production capacity by **1.5×** and reduce lifecycle costs by **10–20%**



Shipbuilding AI robot capable of autonomous operation on walls and stairs (Illustrative)

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3 Details by Segment - Precision Machinery & Robot -

Q2 of FY2026（vs. Q2 of FY2025）

Orders Received +¥52.6 bil.
Up mainly due to higher orders for hydraulic equipment in China's construction machinery market and semiconductor manufacturing robots

Revenue +¥29.8 bil.
Same as above

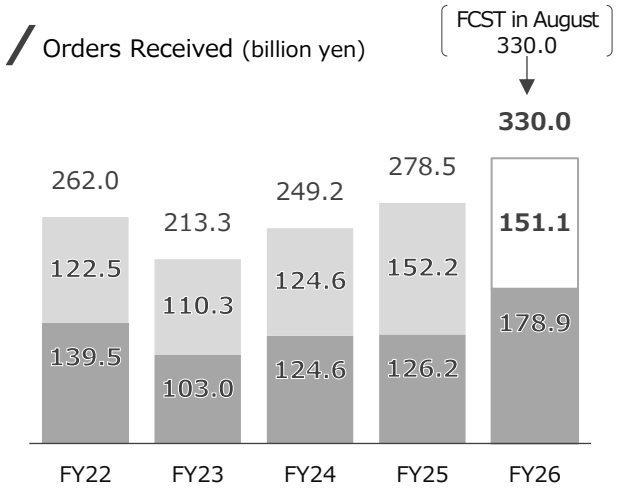
Business Profit +¥16.6 bil.
Up due to higher revenue and proceeds from a litigation settlement

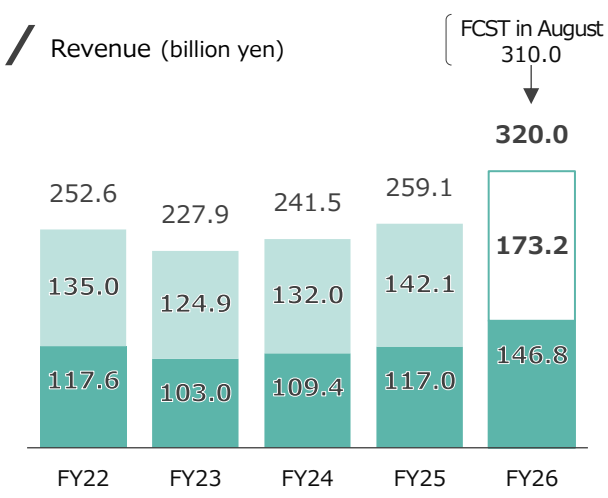
FY2026 Forecast（vs. forecast in August）

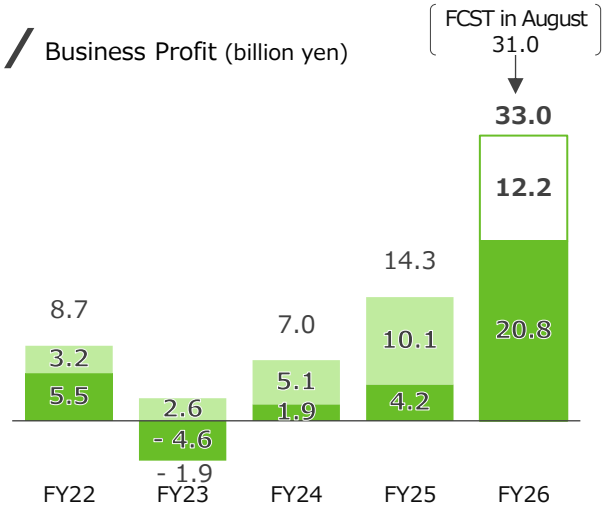
Orders Received ±¥0.0 bil.
Forecast unchanged

Revenue +¥10.0 bil.
Revised up due to increased sales of hydraulic equipment for the Chinese construction machinery market and robots for semiconductor manufacturing equipment

Business Profit +¥2.0 bil.
Revised up due to higher revenue, despite increased procurement costs







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

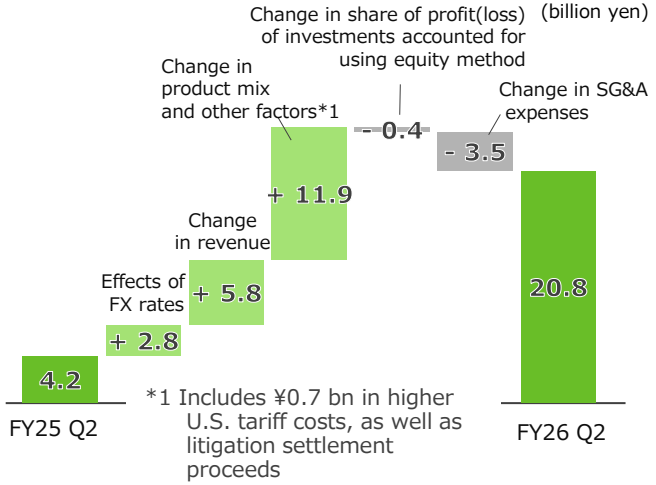
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3 Details by Segment - Precision Machinery & Robot -

(billion yen)

	FY2025 Q2 Actual	FY2026 Q2 Actual	FY2026 Change	FY2025 Actual	FY2026 Forecast Old FCST	FY2026 Forecast New FCST	FY2026 Forecast Chg. Vs. FY25	FY2026 Forecast Chg. Vs. Old FCST	FY2026 Forecast Q3-4 FCST
Orders Received	126.2	**178.9**	+ 52.6	278.5	330.0	**330.0**	+ 51.5	-	**151.1**
Hydraulic Components & Systems	*85.7*	***104.4***	*+ 18.6*	*173.1*	*210.0*	***210.0***	*+ 36.9*	*-*	***105.6***
Robotics	*40.5*	***74.5***	*+ 34.0*	*105.3*	*120.0*	***120.0***	*+ 14.7*	*-*	***45.5***
Revenue	117.0	**146.8**	+ 29.8	259.1	310.0	**320.0**	+ 60.9	+ 10.0	**173.2**
Hydraulic Components & Systems	*78.7*	***96.3***	*+ 17.6*	*166.1*	*195.0*	***200.0***	*+ 33.9*	*+ 5.0*	***103.7***
Robotics	*38.2*	***50.5***	*+ 12.2*	*92.9*	*115.0*	***120.0***	*+ 27.1*	*+ 5.0*	***69.5***
Business Profit	4.2	**20.8**	+ 16.6	14.3	31.0	**33.0**	+ 18.7	+ 2.0	**12.2**
[Margin]	*[3.6%]*	*[14.2%]*	*[+ 10.5pt]*	*[5.6%]*	*[10.0%]*	*[10.3%]*	*[+ 4.7pt]*	*[+ 0.2pt]*	*[7.0%]*
Share of profit (loss) of investments accounted for using equity method	*0.0*	***- 0.3***	*- 0.4*	*0.7*	*0.5*	***0.5***	*- 0.2*	*-*	***0.8***

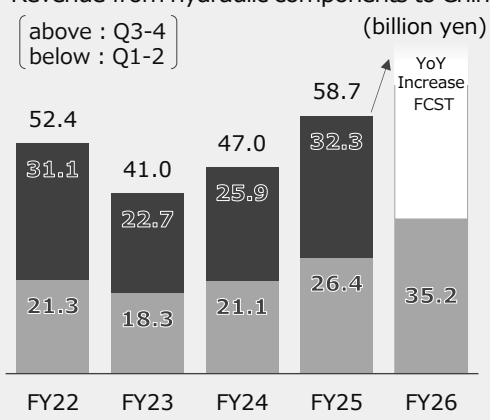
Factors Affecting Changes in Business Profit



*1 Includes ¥0.7 bn in higher U.S. tariff costs, as well as litigation settlement proceeds

Appendix

Revenue from hydraulic components to China



Revenue of robots by segment*2 (billion yen)

above : Q1-2 below : Full Year	FY25	FY26	Change
Automobile assembly and painting	13.3 36.8	15.3 *39.0	+ 1.9 + 2.2
Semiconductor	18.3 37.9	26.3 *54.5	+ 7.9 + 16.6
General robots for industrial use and others	10.9 27.8	14.7 *35.5	+ 3.7 + 7.9
Total	42.6 102.5	56.3 *129.0	+ 13.6 + 26.5

※2 Including intercompany revenue

* Forecast

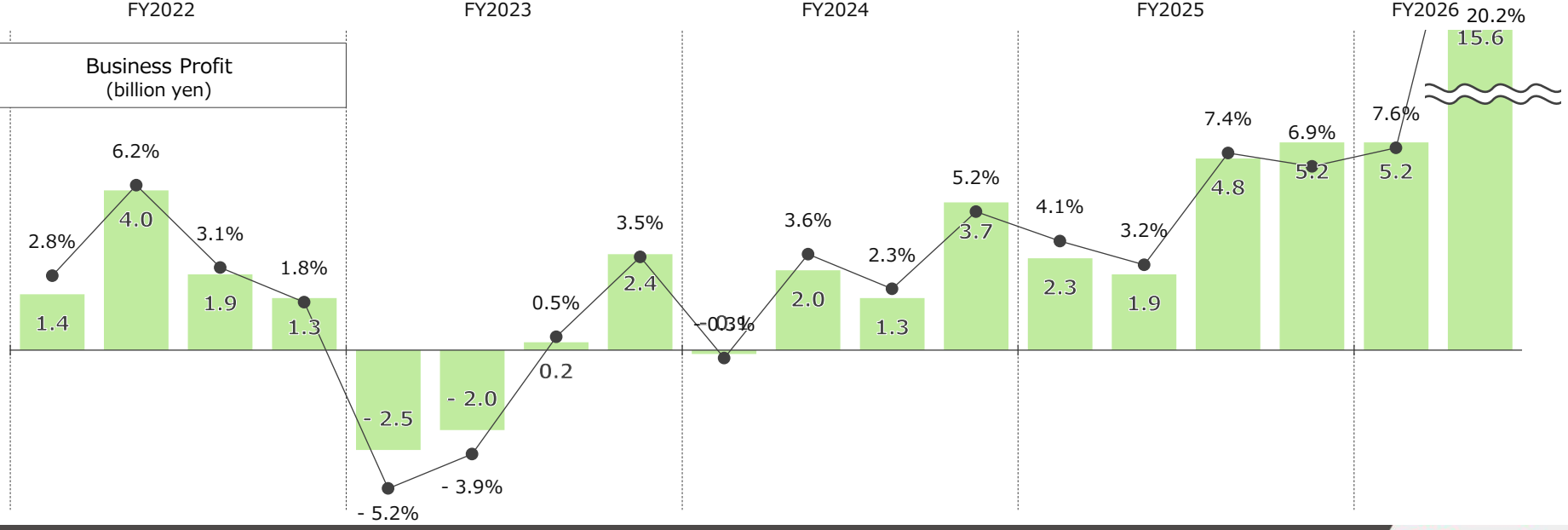
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Details by Segment
- Precision Machinery & Robot -

Revenue
(billion yen)



Business Profit
(billion yen)



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Details by Segment
- Precision Machinery & Robot -

Market Overview

- Hydraulic components

China

- Steady demand for large mining equipment and export machines for Africa and Southeast Asia

Other Markets

- U.S.: Pipeline construction and AI data center investments are driving the market
- India: Demand is increasing after the government's announcement of a major infrastructure spending increase

Mid- to Long-Term Trends in the Construction Machinery Market

- Electrification and efficiency gains driven by fuel cost inflation and environmental regulations, as well as automation, autonomy, and remote operation driven by labor shortages and harsh construction-site conditions

- Robotics

For semiconductor production

- Increasing trend due to rapid growth in AI and rising demand for general-purpose memory

For general industrial & others

- Demand for smart factories continues to grow steadily amid rising labor costs and labor shortages

Specific Efforts

Hydraulic Business Growth Strategy

Basic agreement on technical collaboration with Bosch Rexroth (Sep. 2026)



New Product Development / Market Expansion

- Development of electrification, automation, and remote operation technologies for construction machinery
- Development of tough robot technologies leveraging hydraulic equipment and robotics
- Development of hydrogen compressors and fuel cell systems, and expansion of defense-related products

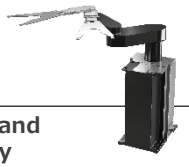
Optimizing Global Production

- Expanding cost-competitive models through production expansion at Eddie KPM Precision Machinery (Suzhou) Co., Ltd.

Strengthening the service business

- Strengthening the service business by building and expanding overseas sales networks

Robotics Business Strategy



Focused Investment in High Value-Added Areas

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

Investment to expand production capacity

- ✓ ¥7.5 billion investment to expand production capacity
- ✓ Leverage existing facilities for an early production ramp-up
- ✓ Expand production capacity to **1.5×** in FY2027 and **2×** in FY2029 (vs. FY2026)

Medical Business Expansion

- European rollout of the hinotori™ surgical robot system (with Medicaroid and Sysmex)
- Differentiation via Remote Operation Technologies (with FORRO/mapxus)

Accelerating Investment in Growth Areas

- Enhancing cost competitiveness through an integrated Japan-China framework
- Shifting resources to growth areas
- Advancing social robotics (healthcare and nursing care)

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3 Details by Segment - Powersports & Engine -

Q2 of FY2026（vs. Q2 of FY2025）

Revenue ↗ +¥26.1 bil.

Up despite lower sales of motorcycles in developed markets, supported by higher sales of general-purpose engines and yen depreciation

Business Profit ↗ +¥10.7 bil.

Up due to U.S. IEEPA tariff refunds, lower sales promotion expenses and fixed costs, as well as yen depreciation

FY2026 Forecast（vs. forecast in August）

Revenue → ±¥0.0 bil.

Forecast unchanged

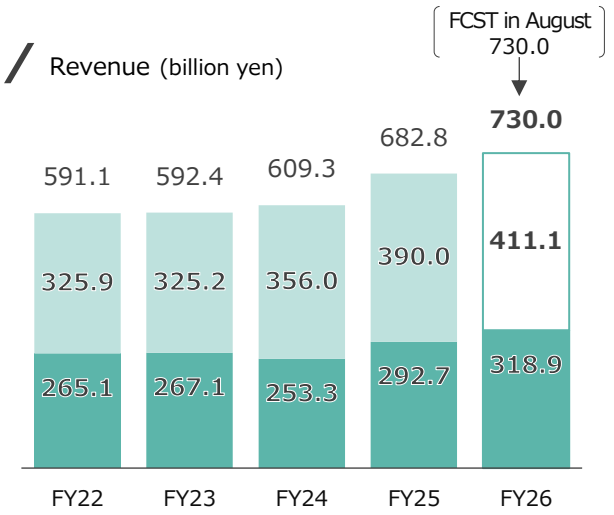
Business Profit → ±¥0.0 bil.

Same as above

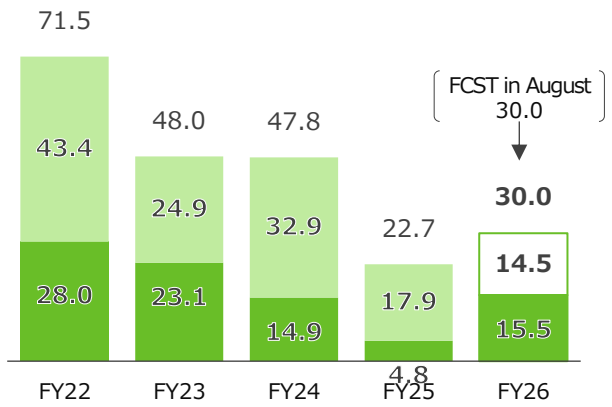
Orders Received (billion yen)

Qualitative information and graphs are omitted because this segment mainly engages in build-to-stock production (based on demand forecasts), and orders received are in principle treated as equal to revenue

Revenue (billion yen)



Business Profit (billion yen)



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

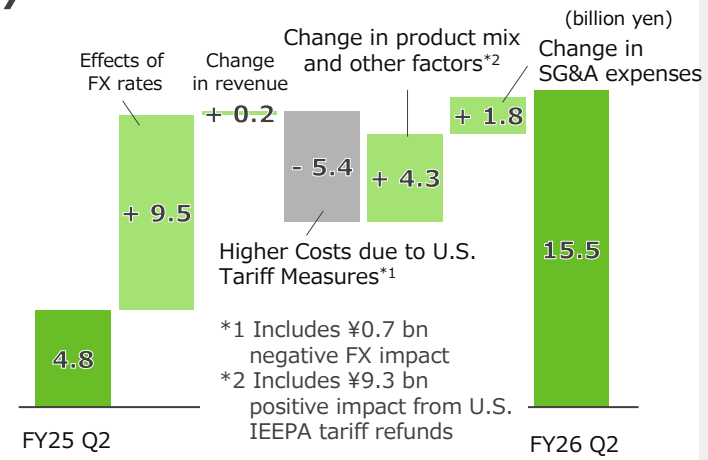
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3 Details by Segment - Powersports & Engine -

(billion yen)

	FY2025 Q2 Actual	FY2026 Q2 Actual	FY2026 Change	FY2025 Actual	FY2026 Forecast Old FCST	FY2026 Forecast New FCST	FY2026 Forecast Chg. Vs. FY25	FY2026 Forecast Chg. Vs. Old FCST	FY2026 Forecast Q3-4 FCST
Revenue	292.7	**318.9**	+ 26.1	682.8	730.0	**730.0**	+ 47.2	-	**411.1**
Motorcycles for developed markets	*112.2*	***104.1***	*- 8.0*	*261.9*	*270.0*	***270.0***	*+ 8.1*	*-*	***165.9***
Motorcycles for emerging markets	*48.0*	***53.8***	*+ 5.7*	*102.6*	*110.0*	***110.0***	*+ 7.4*	*-*	***56.2***
Utility Vehicles, ATVs & PWC	*84.7*	***96.1***	*+ 11.4*	*211.4*	*235.0*	***235.0***	*+ 23.6*	*-*	***138.9***
General-purpose gasoline engines	*47.7*	***64.7***	*+ 16.9*	*106.7*	*115.0*	***115.0***	*+ 8.3*	*-*	***50.3***
Business Profit	4.8	**15.5**	+ 10.7	22.7	30.0	**30.0**	+ 7.3	-	**14.5**
[Margin]	*[1.7%]*	*[4.9%]*	*[+ 3.2pt]*	*[3.3%]*	*[4.1%]*	*[4.1%]*	*[+ 0.7pt]*	*[-]*	*[3.5%]*

Factors Affecting Changes in Business Profit



*1 Includes ¥0.7 bn negative FX impact
*2 Includes ¥9.3 bn positive impact from U.S. IEEPA tariff refunds

Appendix

Wholesale volume by region

(thousand units)

		FY25 Q2	FY26 Q2	Change	FY26(FCST)
Developed markets	Japan	16	12	- 4	
	North America	46	31	- 15	
	Europe	35	33	- 2	
	Others※	5	5	- 0	
Subtotal		104	82	- 21	230
Emerging markets	Philippines	97	91	- 6	
	Indonesia	8	11	+ 3	
	Latin America	7	11	+ 4	
	Others※	12	13	+ 0	
Subtotal		125	127	+ 1	280
Four-wheelers /PWC	North America and Others	35	38	+ 2	90

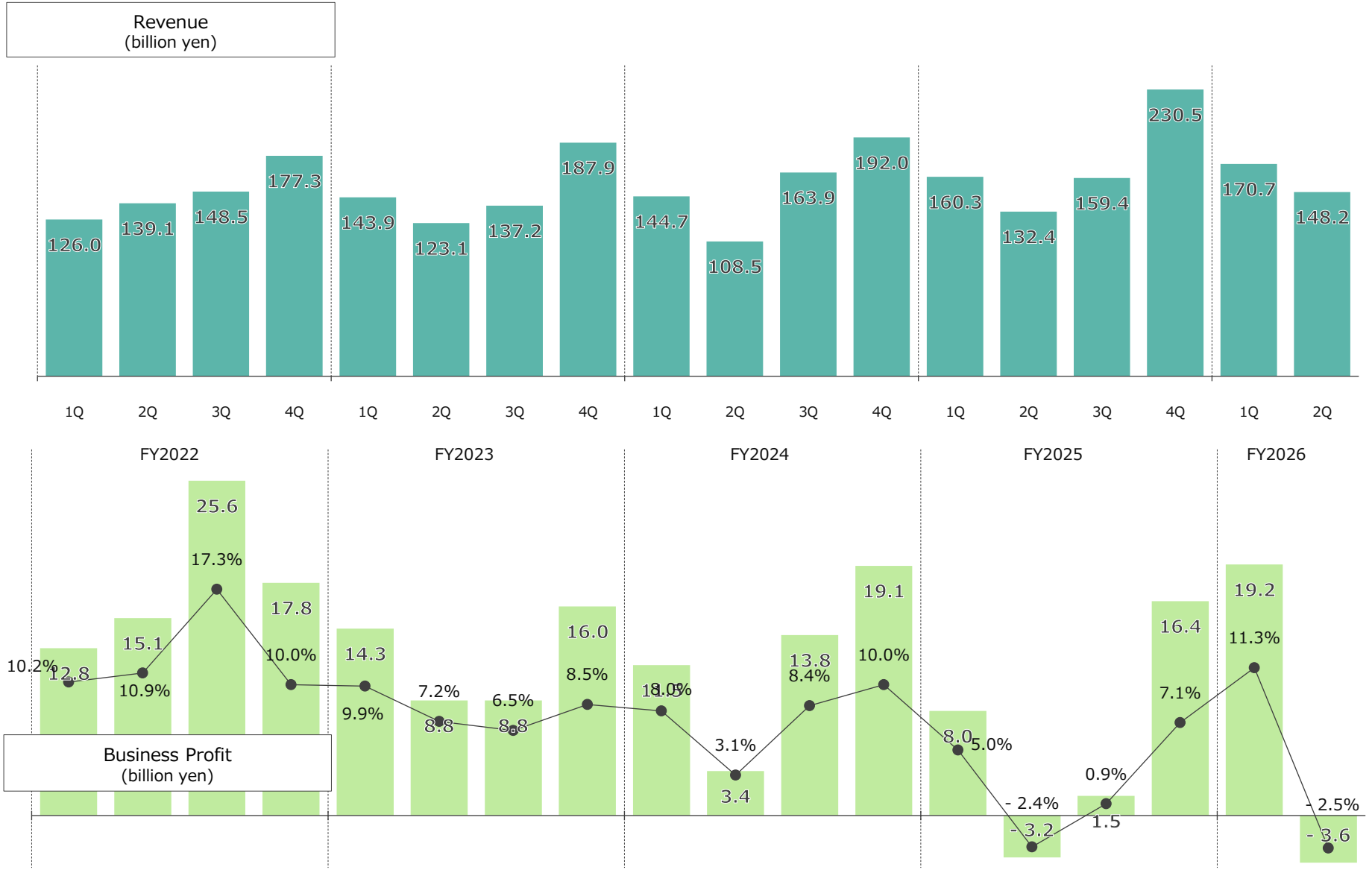
Note : The following table shows the trend of YoY changes in motorcycles of developed and emerging markets and regions included in "Others"

Australia :
China :
Thailand :

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3

Details by Segment
- Powersports & Engine -



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Details by Segment
- Powersports & Engine -

Market Overview

- U.S. (Motorcycles)
  - Retail market remains soft amid inflation and high interest rates
- U.S. (Four-wheelers)
  - While the recreational market remains soft, the utility market remains strong, particularly for full-cab models
  - Strong sales of our key models continue
- U.S. (Common to both)
  - Concerns over demand declines caused by tariff measures
  - Concerns over weakening consumer sentiment due to inflation and high interest rates
- Europe
  - Market continues to recover, while competition intensifies due to expanding sales by Chinese brands
- Southeast Asia
  - Sports segment remains at a low level overall, although some regions are showing signs of recovery

(Note) Impact of the Situation in the Middle East

- While raw material price fluctuations and logistics cost increases and delay risks persist, we are working to mitigate the impact through price optimization

Specific Efforts

Market-Driven Product Supply

- Launch attractive Kawasaki-brand models
- Flexible production and sales aligned with demand and inventory trends



The next-evolution flagship Ninja H2 CARBON

Strengthening the four-wheeler business

- Strengthen competitive advantage and the earnings base through market-driven products tailored to North America
- Respond quickly to market changes through flexible use of U.S. and Mexico plants

Advancing Decarbonization

- Contribute to carbon neutrality through electrification, hydrogen engines and other solutions leveraging Kawasaki technologies

Collaboration with the ITOCHU Group

- Established Kawasaki Motors Retail Finance, LLC with ITOCHU in April 2025 to expand business and strengthen the customer base

  Status: Financing penetration is steadily increasing, supporting retail sales growth through preferential rates

  Plan: Leveraging data to develop financing products, increase financing penetration and build a high-quality asset base

- Joint initiatives to develop emerging markets and expand sales in key markets

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4

Shareholder Returns and Other Information

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4 Shareholder Returns

Dividend Policy
- FY2026 Dividend Outlook -

Unchanged from the previous forecast

To enhance long-term shareholder value while ensuring stable and sustainable shareholder returns, a dividend policy with a target of

Dividend on Equity*1

DOE 4% has been adopted

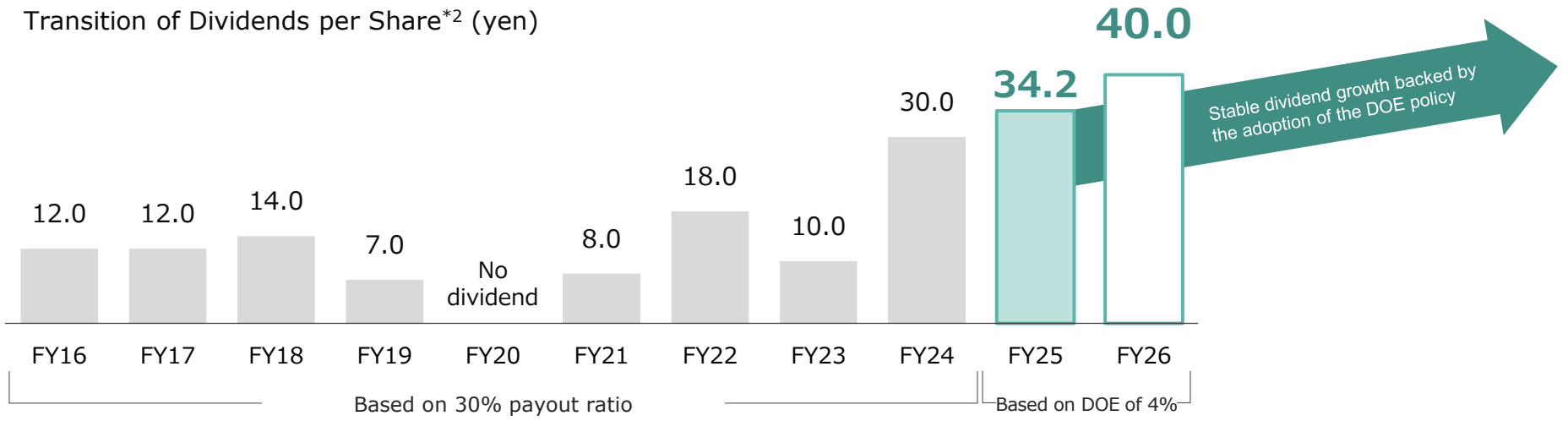
*1 DOE = Total annual dividends ÷ (Equity attributable to owners of the parent** − Other components of equity**)
**The average of the beginning and end of the fiscal year is used

Dividend per Share*2 (yen)

	FY25	FY26 (FCST)	Change
Interim	15.0	20.0	+5.0
Year-end	19.2	20.0	+0.8
Annual	34.2	40.0	+5.8

*2 Converted based on the number of shares after the five-for-one stock split effective April 1, 2026.

Transition of Dividends per Share*2 (yen)



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4 Project Topics

Shipbuilding AI Robot Moves to Trials at Sakaide Works
— Building a New Shipbuilding Model with Physical AI —

- Oct. 2026: Unveiled a prototype **shipbuilding AI robot** that attaches to the hull and autonomously welds, inspects, and paints
- **Trials** at Sakaide Works in FY2027; market launch planned for FY2028
- Aim to **create a next-generation digital shipyard** using digital twins, from design and construction to operation and maintenance
- Roll out the model in Japan and overseas, **supporting sustainable growth of shipbuilding and local economies**



Illustration: Shipbuilding AI robot at work in a digital shipyard

Shipbuilding: Opportunities and Challenges

Opportunities The Japanese government plans about ¥1 trillion in public and private investment to revitalize shipbuilding, aiming to roughly double domestic shipbuilding output by FY2035

Challenges Fewer skilled workers; complex, non-standard tasks are hard to automate

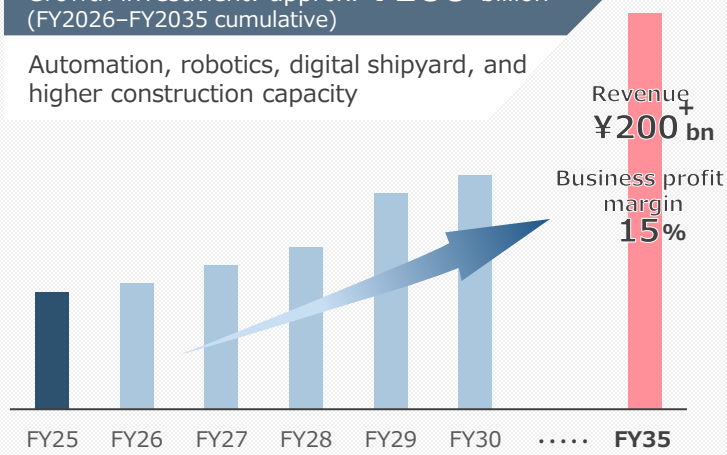
Kawasaki's Strengths and Solutions
A Fast In-House Develop–Test–Improve Cycle

Robotics (automation technology) × **Our own shipyard** × **Production Know-How**

Sakaide Commercial Shipbuilding: Growth Outlook

Growth investment: approx. **¥100** billion
(FY2026–FY2035 cumulative)

Automation, robotics, digital shipyard, and higher construction capacity



Note: The shipbuilding AI robot is under development. Some applications described here are planned for future implementation

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4 Project Topics

Home LEO prototype unveiled
A social robot supporting seniors living at home

- Addressing the challenges and concerns of seniors living at home to help them stay at home longer, improve QoL and reduce healthcare and senior care costs.
- Home LEO extends our one-stop healthcare solution to home care.

One-stop healthcare solution by Kawasaki

Hospital	Senior care	Home
hinotori™ FORRO Nyokkey	FORRO Nyokkey **Home LEO**	**Home LEO**



Features of Home LEO

1 Personalized support

Understands daily habits and preferences



2 Safe and secure living

Detects fall and fire risks, prompts users and alerts others



3 Autonomous support with Physical AI

Recognizes users and surroundings to act autonomously and help find items



4 Medical and senior care

Collects daily data and connects with hospitals and senior care facilities



Note: Home LEO features include functions planned for future implementation. Product information, including products under development, is for corporate disclosure only and is not intended to promote or advertise medical devices.

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4 Project Topics

Kawasaki Hydrogen NEWS

- Progress in Hydrogen Supply Chain Development and Utilization in Japan and Overseas -



RWE

Installation Completed for 30 MW-Class 100% Hydrogen-Fired Gas Turbine Generator Set

Sep. 2026: Completed installation of power generation equipment using Kawasaki's L30A 30 MW-class 100% hydrogen-fired gas turbine at RWE Generation SE's Emsland power plant (Lingen, Niedersachsen, Germany).

After commissioning, Europe's first 30 MW-class 100% hydrogen-fired power generation demonstration will use CO_2-free hydrogen from wind-powered water electrolysis.

Press release (Japanese)
https://www.khi.co.jp/pressrelease/detail/20260907_1.html



MoU Signed to Explore Receiving Liquefied Hydrogen in France's Grand Est Region

Sep. 2026: Signed an MoU with France's Grand Est Region and the Autonomous Port of Strasbourg to explore collaboration on liquefied hydrogen transportation and industrial use

The three parties will jointly explore market development and logistics routes to establish the Port of Strasbourg as a hydrogen receiving and supply hub for inland Europe

News (Japanese)
https://www.khi.co.jp/news/detail/20260928_b1.html

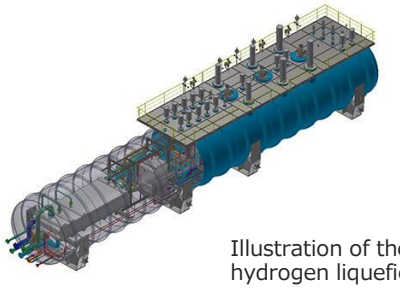


Illustration of the planned hydrogen liquefier

Construction Started on Japan's Largest Hydrogen Liquefaction Plant with a Capacity of 50 Tons/Day

Oct. 2026: Started construction of a hydrogen liquefaction plant at the Kawasaki LH_2 Terminal in Kanagawa Prefecture

Its 50 tons/day capacity far exceeds 15 tons/day, the largest publicly announced capacity in Japan to date (Kawasaki research). Completion is scheduled for end-2028, with commercialization demonstration from 2030 after commissioning

※ NEDO Green Innovation Fund Project: Liquefied Hydrogen Supply Chain Commercialization Demonstration

Press release
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20261019_6788

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4 Kawasaki's 130th Anniversary

We celebrated our 130th anniversary in October 2026. Through various initiatives marking this milestone, we will share our history and our efforts to shape the future with stakeholders both inside and outside the company.

The Corporate Brand Movie "Kawasaki: 130 Years and Beyond" Released



Looking back on the 130-year journey we have shared with our many stakeholders, the movie also looks ahead to a future in which a hydrogen society and physical AI play an active role.

Special Sponsorship of an Exhibition Featuring Works from the Matsukata Collection at the Hyogo Prefectural Museum of Art

About 100 years ago, Kojiro Matsukata (1866–1950), the first president of Kawasaki Heavy Industries, built a major collection of Western art in Europe, known as the Matsukata Collection. The special exhibition features numerous works from the Matsukata Collection, including sculptures by Rodin.



"Kawasaki Good Times World" Reopened



Since its opening, Kawasaki Good Times World has showcased the technologies and manufacturing excellence of the Kawasaki Group. Its exhibits have now been extensively renewed. We invite you to visit when you are in Kobe.

Kawasaki Good Times World
2-2 Hatobacho, Chuo-ku, Kobe (inside the Kobe Maritime Museum)
10:00–18:00 (last admission at 17:30)

Special Sponsorship of the Film "Monet: The Paintings That Crossed the Sea of Time"

We planned a film project featuring the Matsukata Collection and became a special sponsor of the film "Monet: The Paintings That Crossed the Sea of Time," scheduled for release in October 2027. Marking our 130th anniversary, the project conveys Matsukata's vision through filming at locations including our Kobe Works, where Kawasaki was founded, and the National Museum of Western Art.



Director : Mojiri Adachi
Screenplay : Ryoko Kuwahara
Cast : Kento Hayashi, Mone Kamishiraishi, and others
Production : Toei Studios Kyoto / Minato Studio
Distributor : Toei

"Rurubu" Special Edition: Original Guidebook

We published an original guidebook featuring Kawasaki-related spots across Japan.

Digital Book ▼



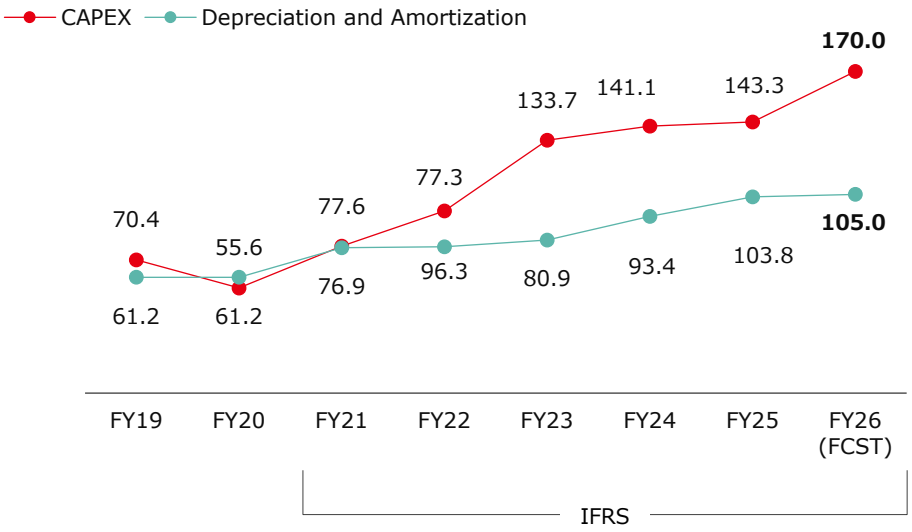
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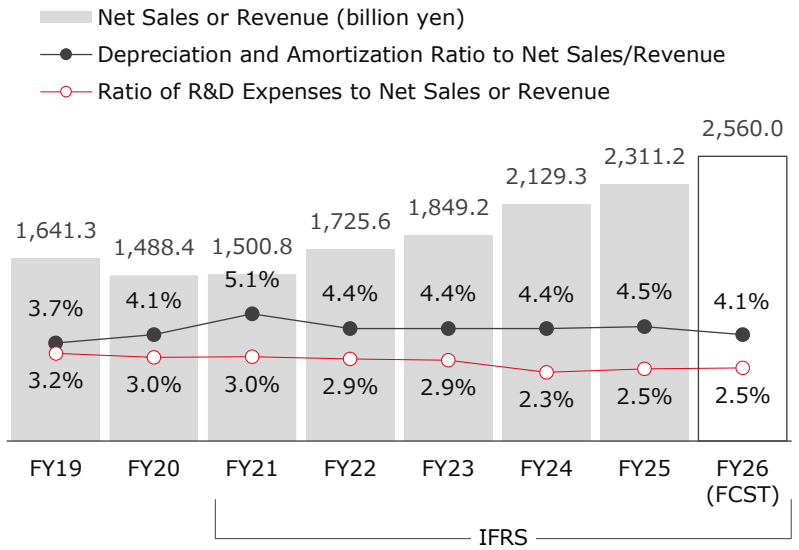
4 Appendix

- CAPEX, Depreciation and Amortization, R&D Expenses, Number of Employees at End of Period -

(billion yen, persons)

	FY2025	FY2026			FY2025	FY2026					
	Q2 Actual	**Q2 Actual**	Change		Actual	Old FCST	**New FCST**	Chg. Vs. FY25		Chg. Vs. Old FCST	
CAPEX	60.3	**59.7**	-	0.5	143.3	170.0	**170.0**	+	26.7	+	-
Depreciation and Amortization	50.4	**54.2**	+	3.7	103.8	110.5	**105.0**	+	1.2	-	5.5
R&D Expenses	27.2	**28.1**	+	0.8	56.8	65.5	**64.5**	+	7.7	-	1.0
Number of Employees					41,652	43,450	**42,740**	+	1,088	-	710.0
Domestic					30,062	31,590	**31,110**	+	1,048	-	480.0
Overseas					11,590	11,860	**11,630**	+	40	-	230.0





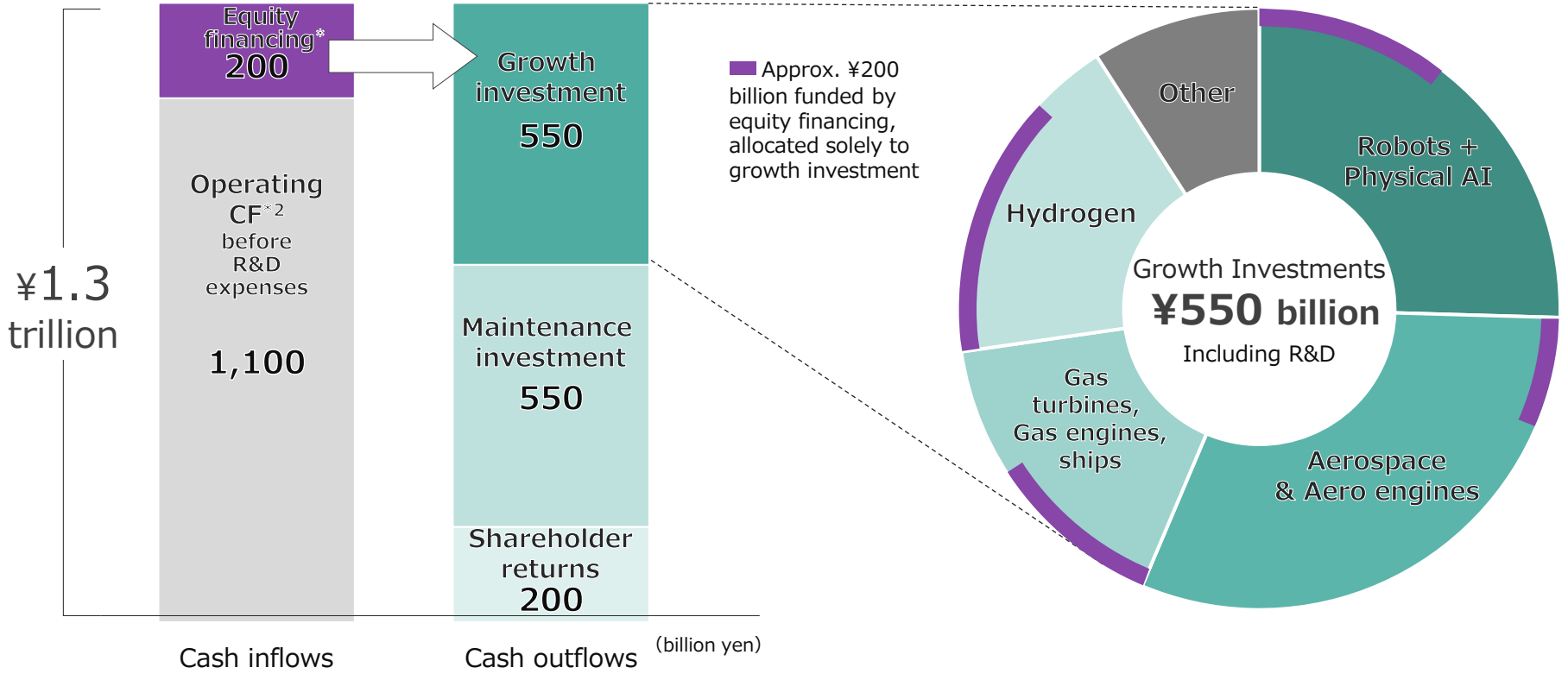
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Appendix
- Cash Allocation -

FY2027–FY2030: Investing mainly in core businesses that are highly profitable today and expected to grow substantially, and in new businesses with strong medium- to long-term growth potential

Cash Allocation Outlook (FY2027–FY2030)

* Cash inflows from equity financing was received in FY2026



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4 Appendix
- Others -

● Orders Received by Quarter (billion yen)

	FY2024				FY2025				FY2026	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Aerospace Systems	88.2	121.7	470.1	202.7	98.9	186.1	301.6	224.1	72.6	131.4
Aerospace	54.3	58.4	435.6	151.1	65.1	130.6	256.4	118.6	42.0	89.7
Aero Engine	33.9	63.3	34.5	51.5	33.8	55.5	45.1	105.5	30.5	41.7
Rolling Stock	17.0	10.7	13.2	210.4	14.8	12.9	257.9	33.3	42.9	14.4
Energy Solution & Marine Engineering	121.8	89.2	217.4	113.5	86.6	150.9	77.2	238.0	125.2	102.0
Energy, Plant & Marine Machinery	56.5	88.4	97.6	111.7	81.5	99.8	62.5	212.3	121.4	96.9
Ship & Offshore Structure	65.3	0.7	119.7	1.7	5.1	51.1	14.7	25.7	3.7	5.0
Precision Machinery & Robot	61.6	63.0	61.2	63.4	63.9	62.3	74.1	78.1	89.4	89.4
Hydraulic Components & Systems	36.0	38.8	33.7	38.8	43.6	42.1	41.7	45.6	53.8	50.6
Robotics	25.6	24.1	27.4	24.5	20.2	20.2	32.3	32.4	35.6	38.8
Powersports & Engine	144.7	108.5	163.9	194.3	160.2	132.4	158.7	230.2	170.5	147.9
Others	23.3	45.1	0.5	24.2	21.7	24.1	22.8	27.1	24.8	30.1
Total	456.8	438.4	926.5	808.8	446.3	569.1	892.6	831.0	525.7	515.4

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4 Appendix
- Others -

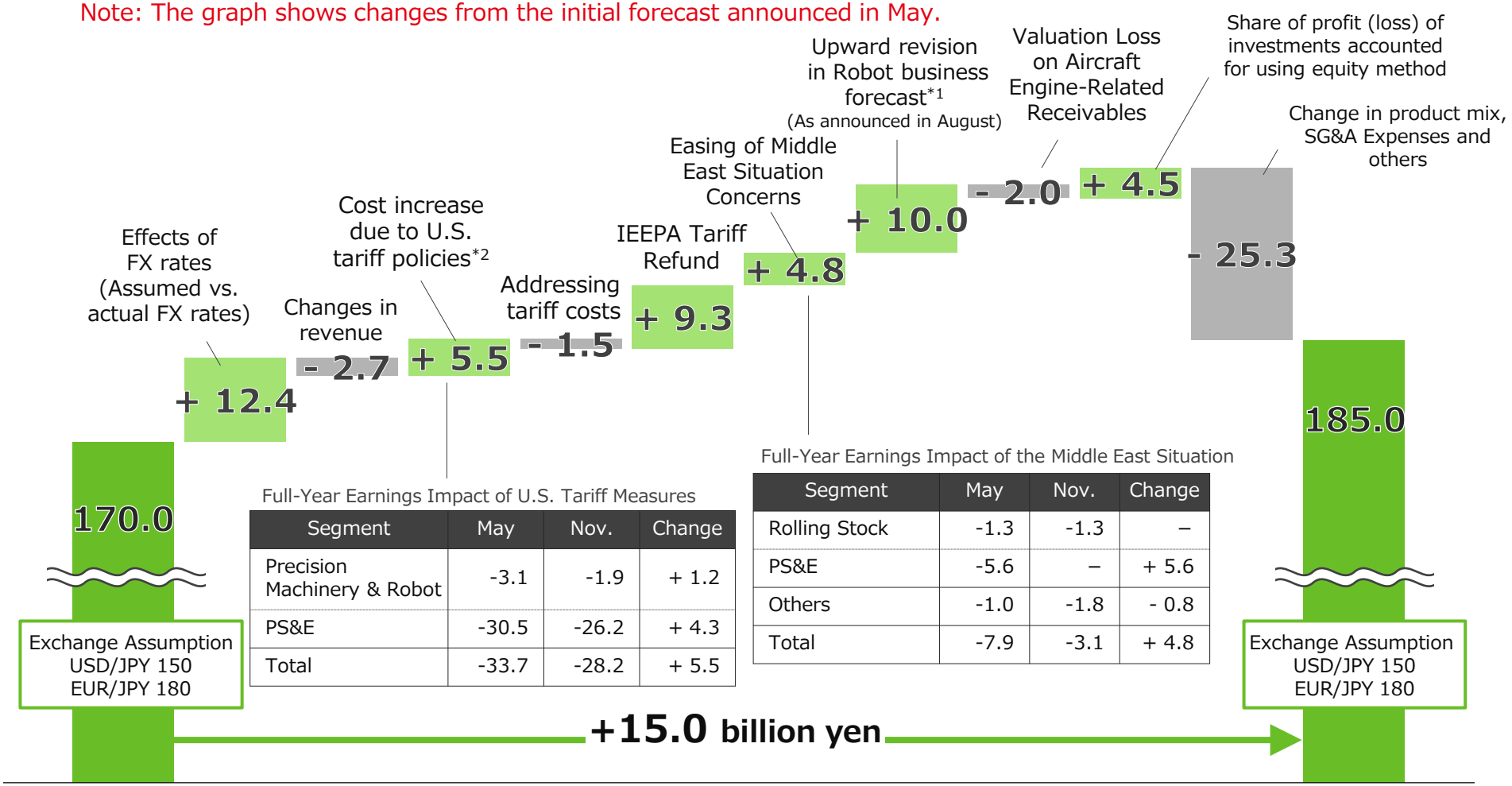
● Orders Received and Revenue for the Ministry of Defense (billion yen)

	FY2025 Q2 Actual	FY2026 Q2 Actual	FY2026 Change	FY2025 Actual	FY2026 Forecast Old FCST	FY2026 Forecast New FCST	FY2026 Forecast Chg. Vs. FY25	FY2026 Forecast Chg. Vs. Old FCST
Orders Received	205.0	**74.6**	- 130.4	533.9	442.0	**450.5**	- 83.4	+ 8.5
Aircraft and others	*117.8*	***33.3***	*- 84.5*	*383.2*	*260.5*	*265.0*	*- 118.2*	*+ 4.5*
Aero Engines	*9.8*	***8.4***	*- 1.4*	*37.6*	*15.5*	*19.0*	*- 18.6*	*+ 3.5*
Submarines & Naval propulsions	*77.4*	***32.9***	*- 44.5*	*113.1*	*166.0*	*166.5*	*+ 53.4*	*+ 0.5*
Revenue	158.0	**181.2**	+ 23.2	429.7	514.5	**514.0**	+ 84.3	- 0.5
[Ratio to the company's total revenue]	*[15.9%]*	*[16.7%]*		*[18.6%]*	*[20.1%]*	*[20.1%]*		
Aircraft and others	*104.7*	***120.7***	*+ 16.0*	*301.2*	*351.5*	*347.0*	*+ 45.8*	*- 4.5*
Aero Engines	*10.4*	***13.4***	*+ 3.0*	*29.7*	*33.0*	*36.0*	*+ 6.3*	*+ 3.0*
Submarines & Naval propulsions	*42.9*	***47.1***	*+ 4.2*	*98.8*	*130.0*	*131.0*	*+ 32.2*	*+ 1.0*

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Appendix - Factors Affecting Changes in Business Profit*1(FY2026 Forecast) -

Note: The graph shows changes from the initial forecast announced in May.



Full-Year Earnings Impact of U.S. Tariff Measures

Segment	May	Nov.	Change
Precision Machinery & Robot	-3.1	-1.9	+ 1.2
PS&E	-30.5	-26.2	+ 4.3
Total	-33.7	-28.2	+ 5.5

Full-Year Earnings Impact of the Middle East Situation

Segment	May	Nov.	Change
Rolling Stock	-1.3	-1.3	–
PS&E	-5.6	–	+ 5.6
Others	-1.0	-1.8	- 0.8
Total	-7.9	-3.1	+ 4.8

Forecast in May
FY2026 Business Profit

Forecast in November
FY2026 Business Profit

*1 The figures for each factor are estimates calculated by the Company based on its own criteria. FX effects are calculated for the U.S. dollar and the euro only. The effects of other currencies are included in "Change in product mix, SG&A expenses and other factors." The amount shown for "Upward revision in the Robotics business" partly overlaps with amounts shown for other items, but the overlap is immaterial.

*2 U.S. import tariffs included in the calculations are estimated based on regimes and tariff rates that have already been implemented or are expected to be implemented as of November 10th. Even in cases where the Company temporarily bears tariff-related costs, those costs are excluded from the calculation if they can be fully passed on to customers or other counterparties under contractual arrangements.

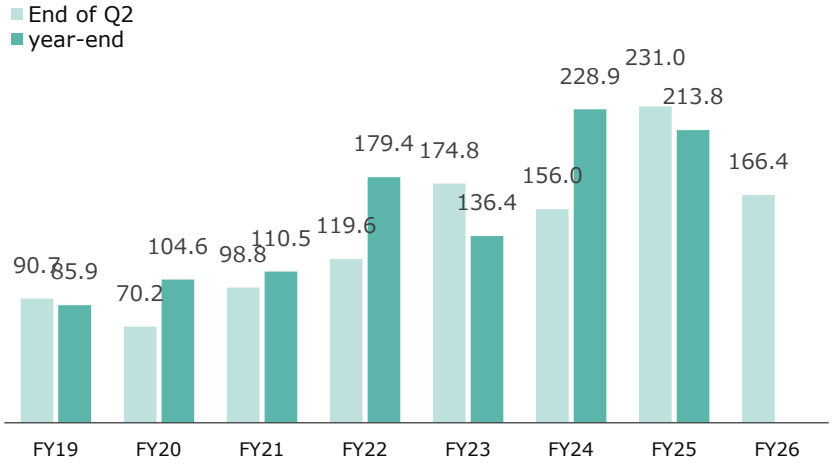
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4 Appendix
- Others -

● Order Backlog (billion yen)

	FY25 Q2	FY26 Q2	
	Actual	**Actual**	Change
Aerospace Systems	1,342.8	**1,461.3**	+ 118.4
Rolling Stock	426.5	**557.3**	+ 130.8
Energy Solution & Marine Engineering	873.5	**983.8**	+ 110.2
Precision Machinery & Robot	100.6	**142.8**	+ 42.1
Powersports & Engine	2.0	**0.7**	- 1.3
Others	50.7	**65.7**	+ 15.0
Total	2,796.4	**3,211.8**	+ 415.3

● Order Backlog in Ship & Offshore (billion yen)



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

	FY26 Q2 Received Orders Actual	Delivery Year				Order Backlog
		FY26 Q2 Actual	FY26 Q3~	FY27	FY28~	
			Plan			
LPG Carrier		2	2	4	2	8
Submarine			1		1	2
Others					1	1
Total	0	*1 2	3	4	4	*2 11

*1 Total gross tonnage (GT) of vessels delivered in FY26 Q2: 100,800 GT
*2 Total GT of order backlog: 468,383 GT (excl. submarines, measured by displacement)

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4 Appendix
- Others -

● **Revenue by Region** (billion yen)

	FY25 Q2	FY26 Q2		
	Actual	**Actual**	Change	
Japan	377.6	**379.2**	+	1.6
USA	325.5	**374.6**	+	49.0
Europe	102.7	**105.1**	+	2.4
Asia	135.8	**155.5**	+	19.6
Other	54.4	**69.9**	+	15.4
Total	996.2	**1,084.4**	+	88.1

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

● **FY2025 Q2** (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	127.9	78.0	33.3	0.0	3.2	242.5
Rolling Stock	36.6	79.5	-	3.2	-	119.3
Energy Solution & Marine Engineering	130.4	0.1	12.4	25.7	18.5	187.3
Precision Machinery & Robot	31.0	9.3	6.9	66.5	3.1	117.0
Powersports & Engine	19.5	158.2	49.8	36.6	28.5	292.7
Others	31.9	0.1	0.1	3.7	1.0	37.1
Total	377.6	325.5	102.7	135.8	54.4	996.2
[margin]	*37.9%*	*32.7%*	*10.3%*	*13.6%*	*5.5%*	*100.0%*

● **FY2026 Q2** (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	147.6	94.5	35.5	0.0	4.9	282.6
Rolling Stock	20.3	84.4	-	5.1	-	109.9
Energy Solution & Marine Engineering	121.3	0.2	10.8	25.4	27.3	185.2
Precision Machinery & Robot	35.1	14.2	9.0	84.9	3.4	146.8
Powersports & Engine	18.5	180.8	49.5	36.6	33.2	318.9
Others	36.2	0.1	0.2	3.2	0.8	40.7
Total	379.2	374.6	105.1	155.5	69.9	1,084.4
[margin]	*35.0%*	*34.5%*	*9.7%*	*14.3%*	*6.4%*	*100.0%*

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4 Appendix
- Others -

- Foreign Currency Exposure Affecting Business Profit by Currency[*1] (USD 100 million /EUR 100 million)

		FY2025	FY2026	
		Q2Actual	**Q2Actual**	Q3-4 FCST
USD	Aerospace Systems	[*2] 0.40	[*2] **0.56**	0.79
	Rolling Stock	0.17	**0.16**	0.01
	Energy Solution & Marine Engineering	0.16	**0.17**	0.08
	Precision Machinery & Robot	0.08	**0.11**	0.09
	Powersports & Engine	0.32	**0.38**	0.61
	Total	[*2] 1.13	[*2] **1.38**	1.58
EUR		0.26	**0.21**	0.23

- Weighted average sales rate (EUR/JPY)

FY23 Results	157.09
FY24 Results	163.07
FY25 Results	175.17
FY26 Q2 Results	185.32
FY26 Assumption	180.00

*1 The amount of foreign currency that affects business profit through exchange rate fluctuations. Only USD and EUR are shown. (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., including foreign currency-denominated revenue from loss-provisioned projects.)
Example: If foreign currency exposure is USD 1 billion, a 1-yen depreciation or appreciation of the yen against the USD increases or decreases business profit by ¥1 billion, respectively.
*2 Excludes the balance of foreign currency-denominated refund liabilities related to the in-service issues of the PW1100G-JM engine

- Breakdown of Eliminations and Corporate (billion yen)

(billion yen)

	Business Profit (Loss)			Business Profit (Loss)		
	FY25	FY26		FY25	FY26	
	Q2 Actual	**Q2 Actual**	Change	Actual	**Actual**	Change
Elimination and corporate	- 10.1	**- 9.9**	+ 0.1	- 25.3	**- 37.0**	- 11.7
New Business Investments (Head Office)	- 5.3	**- 6.0**	- 0.6	- 12.2	**- 20.0**	- 7.8
Elimination and Adjustments	- 4.8	**- 3.9**	+ 0.8	- 13.0	**- 17.0**	- 4.0

(Reference) ROIC Formula

After-tax ROIC = {Profit attributable to owners of the parent + Interest expenses × (1 - Effective tax rate)} ÷ Invested capital[*3]

*3 Invested capital = Average net interest-bearing debt + Average equity (each the average of the beginning and end of the period)

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