

# Report of Earnings and Financial Statements for the Three Months Ended June 30, 2025 (Consolidated)

<IFRS>

August 6, 2025

Listed company's name: **Kawasaki Heavy Industries, Ltd.**  
Listed on: TSE (Prime Market), and NSE (Premier Market)  
Stock code: 7012  
URL: <https://global.kawasaki.com>  
Representative: Yasuhiko Hashimoto, President and Chief Executive Officer  
Contact: Takashi Torii, Executive Officer, Group Manager, Corporate Communication Group Department  
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Scheduled dates:

Commencement of dividend payments: -

Preparation of supplementary materials on financial results: Yes

Holding of financial results presentation: Yes (for institutional investors, analysts and the press)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 - June 30, 2025)

(1) Operating Results (Percentages indicate year-on-year changes.)

	Revenue		Business Profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	488,440	10.0	20,513	21.1	16,824	(35.0)	7,322	(54.1)
Three months ended June 30, 2024	444,227	9.6	16,935	65.2	25,885	73.0	15,942	68.8

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%		
Three months ended June 30, 2025	4,244	(72.4)	3,110	(89.3)	25.39	-
Three months ended June 30, 2024	15,375	69.2	29,029	51.4	91.79	-

## (2) Financial Condition

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2025	2,968,991	794,228	735,913	24.8
As of March 31, 2025	3,016,951	725,064	702,915	23.3

## 2. Dividends

Record date or term	Dividend per share				
	1Q	2Q	3Q	Year-end	Total
	yen	yen	yen	yen	yen
Year ended March 31, 2025	-	70.0	-	80.0	150.0
Year ending March 31, 2026	-	-	-	-	-
Year ending March 31, 2026 (forecast)	-	75.0	-	75.0	150.0

Note: Revisions to the most recently announced dividend forecast: None

In the Company's articles of incorporation, the dates of record are set as the last day of the fiscal second quarter and the last day of the fiscal year.

## 3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	2,290,000	7.5	145,000	1.3	115,000	7.0	82,000	(6.8)	490.61

Note: Revisions to the most recently announced earnings forecast: Yes

## Notes

1. Changes affecting the status of material subsidiaries (scope of consolidation): None

2. Changes in accounting policies and changes in accounting estimates

(1) Changes in accounting policies required by IFRS: None

(2) Changes in accounting policies due to other reasons: None

(3) Changes in accounting estimates: None

3. Number of shares issued and outstanding (common shares)

(1) Number of shares issued as of period-end (including treasury shares)

June 30, 2025: 167,921,800 shares

March 31, 2025: 167,921,800 shares

(2) Number of shares held in treasury as of period-end

June 30, 2025: 785,389 shares

March 31, 2025: 785,225 shares

(3) Average number of shares during respective periods

June 30, 2025: 167,136,500 shares

June 30, 2024: 167,501,531 shares

**\* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None**

**\* Appropriate Use of Financial Forecasts and Other Important Matters**

### *Forward-Looking Statements*

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of their preparation, and do not mean that the Company promises to achieve these figures. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors.

### *How to Obtain Supplementary Material on Financial Results and Details of the Financial Results*

The Company plans to conduct a presentation for institutional investors, analysts and the press on Wednesday, August 6, 2025, and to post the presentation material on financial results to be used for the presentation on TDnet and the Company's website simultaneously with the announcement of financial results.

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## **1. Qualitative Information about Financial Statements**

The overview of the consolidated operating results, consolidated financial position, and consolidated earnings forecast is provided in the "Financial Results for First Quarter FY2025" made available today on our Company's official website (<https://global.kawasaki.com>).

## 2. Condensed Quarterly Consolidated Financial Statements and Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	132,776	73,900
Trade and other receivables	764,383	710,153
Contract assets	170,556	155,123
Inventories	775,434	801,070
Income taxes receivable	200	509
Other financial assets	11,770	14,760
Other current assets	168,779	199,203
Total current assets	2,023,901	1,954,722
Non-current assets		
Property, plant and equipment	515,743	519,544
Intangible assets	75,760	74,987
Right-of-use assets	58,697	62,443
Investments accounted for using equity method	108,271	121,962
Other financial assets	71,802	73,259
Deferred tax assets	128,796	127,234
Other non-current assets	33,978	34,835
Total non-current assets	993,050	1,014,269
Total assets	3,016,951	2,968,991
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	593,878	575,454
Bonds, borrowings and other financial liabilities	527,197	450,286
Income taxes payable	20,188	10,962
Contract liabilities	363,534	391,286
Provisions	35,731	34,126
Refund liabilities	73,097	68,490
Other current liabilities	233,675	186,092
Total current liabilities	1,847,303	1,716,699
Non-current liabilities		
Bonds, borrowings and other financial liabilities	362,313	370,257
Retirement benefit liability	67,100	67,921
Provisions	1,038	1,021
Deferred tax liabilities	1,019	1,031
Other non-current liabilities	13,112	17,831
Total non-current liabilities	444,584	458,064
Total liabilities	2,291,887	2,174,763
Equity		
Equity attributable to owners of parent		
Share capital	104,484	104,484
Capital surplus	56,456	105,573
Retained earnings	483,530	474,556
Treasury shares	(4,093)	(4,094)
Other components of equity	62,537	55,393
Total equity attributable to owners of parent	702,915	735,913
Non-controlling interests	22,148	58,314
Total equity	725,064	794,228
Total liabilities and equity	3,016,951	2,968,991

**(2) Condensed Quarterly Consolidated Statement of Profit and Loss and  
Condensed Quarterly Consolidated Statement of Comprehensive Income**

**Condensed Quarterly Consolidated Statement of Profit and Loss**

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	444,227	488,440
Cost of sales	358,808	396,631
Gross profit	85,418	91,809
Selling, general and administrative expenses	73,841	76,916
Share of profit of investments accounted for using equity method	5,819	6,178
Other income	983	1,324
Other expenses	1,444	1,880
Business profit	16,935	20,513
Finance income	13,711	606
Finance costs	4,761	4,296
Profit before tax	25,885	16,824
Income tax expense	9,942	9,501
Profit	15,942	7,322
Profit attributable to:		
Owners of parent	15,375	4,244
Non-controlling interests	566	3,077
Earnings per share		
Basic earnings per share	91.79	25.39

## Condensed Quarterly Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
<b>Profit</b>	15,942	7,322
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,640)	1,192
Remeasurements of defined benefit plans	303	94
Share of other comprehensive income of investments accounted for using equity method	0	0
Total of items that will not be reclassified to profit or loss	(1,336)	1,286
Items that may be reclassified to profit or loss		
Cash flow hedges	(1,109)	1,305
Exchange differences on translation of foreign operations	11,819	(4,952)
Share of other comprehensive income of investments accounted for using equity method	3,712	(1,851)
Total of items that may be reclassified to profit or loss	14,422	(5,498)
Total other comprehensive income	13,086	(4,211)
Comprehensive income	29,029	3,110
<b>Comprehensive income attributable to:</b>		
Owners of parent	28,035	1,000
Non-controlling interests	993	2,109

## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	104,484	56,455	405,156	(1,060)	-	10,407
Profit			15,375			
Other comprehensive income					284	(1,655)
Comprehensive income			15,375		284	(1,655)
Purchase of treasury shares				(1)		
Dividends			(5,036)			
Transfer to retained earnings			286		(284)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests						
Transfer to non-financial assets						
Total transactions with owners			(4,750)	(1)	(284)	(1)
Balance as of June 30, 2024	104,484	56,455	415,782	(1,062)	-	8,750

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2024	355	58,291	69,054	634,090	20,459	654,549
Profit				15,375	566	15,942
Other comprehensive income	(860)	14,890	12,659	12,659	427	13,086
Comprehensive income	(860)	14,890	12,659	28,035	993	29,029
Purchase of treasury shares				(1)		(1)
Dividends				(5,036)	(458)	(5,494)
Transfer to retained earnings			(286)	-		-
Change in ownership interest of parent due to transactions with non-controlling interests						
Transfer to non-financial assets	(275)		(275)	(275)		(275)
Total transactions with owners	(275)		(561)	(5,313)	(458)	(5,771)
Balance as of June 30, 2024	(780)	73,181	81,151	656,812	20,994	677,806



**(Consolidated)**

(Millions of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	104,484	56,456	483,530	(4,093)	-	8,636
Profit			4,244			
Other comprehensive income					77	1,184
Comprehensive income			4,244		77	1,184
Purchase of treasury shares				(1)		
Dividends			(13,430)			
Transfer to retained earnings			211		(77)	(134)
Change in ownership interest of parent due to transactions with non-controlling interests		49,117				41
Transfer to non-financial assets						
Total transactions with owners		49,117	(13,218)	(1)	(77)	(92)
Balance as of June 30, 2025	104,484	105,573	474,556	(4,094)	-	9,728

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2025	(1,071)	54,972	62,537	702,915	22,148	725,064
Profit				4,244	3,077	7,322
Other comprehensive income	1,553	(6,059)	(3,244)	(3,244)	(967)	(4,211)
Comprehensive income	1,553	(6,059)	(3,244)	1,000	2,109	3,110
Purchase of treasury shares				(1)		(1)
Dividends				(13,430)	(512)	(13,942)
Transfer to retained earnings			(211)	-		-
Change in ownership interest of parent due to transactions with non-controlling interests	47	(3,759)	(3,670)	45,447	34,568	80,015
Transfer to non-financial assets	(17)		(17)	(17)		(17)
Total transactions with owners	29	(3,759)	(3,899)	31,997	34,055	66,053
Balance as of June 30, 2025	511	45,153	55,393	735,913	58,314	794,228

**(4) Condensed Quarterly Consolidated Statement of Cash Flow**

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit	15,942	7,322
Depreciation and amortization	20,880	24,372
Finance income and finance costs	3,987	4,863
Share of loss (profit) of investments accounted for using equity method	(5,819)	(6,178)
Loss (gain) on sale of fixed assets	(346)	235
Income tax expense	9,942	9,501
Increase (decrease) in retirement benefit liabilities	1,350	1,090
Decrease (increase) in trade and other receivables	40,007	50,510
Decrease (increase) in contract assets	10,513	15,423
Decrease (increase) in inventories	(49,904)	(29,514)
Increase (decrease) in trade and other payables	(17,270)	(17,041)
Decrease (increase) in advance payments	(33,229)	(14,711)
Increase (decrease) in contract liabilities	51,015	29,717
Increase (decrease) in refund liabilities	1,679	(4,063)
Decrease (increase) in other current assets	(17,178)	(15,389)
Increase (decrease) in other current liabilities	(6,371)	(58,640)
Other	4,598	13,246
Subtotal	29,796	10,745
Interest received	744	81
Dividends received	220	490
Interest paid	(2,576)	(3,339)
Income taxes paid	(4,562)	(15,730)
Net cash provided by (used in) operating activities	23,623	(7,753)
Cash flows from investing activities		
Purchase of property, plant and equipment	(22,633)	(21,697)
Proceeds from sale of property, plant and equipment	1,352	235
Purchase of intangible assets	(2,945)	(4,453)
Proceeds from sale of intangible assets	26	12
Payments for equity method investments and purchase of other financial assets	(325)	(9,918)
Proceeds from equity method investments and sale of other financial assets	969	207
Other	(2,566)	(2,513)
Net cash provided by (used in) investing activities	(26,122)	(38,128)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	74,118	(2,564)
Repayments of lease liabilities	(3,667)	(4,079)
Proceeds from long-term borrowings	-	5,000
Repayments of long-term borrowings	(4,500)	(5,000)
Redemption of bonds	-	(30,000)
Dividends paid	(4,766)	(12,824)
Proceeds from factoring agreements	5,902	3,220
Repayment of liabilities under factoring agreements	(33,580)	(41,137)
Dividends paid to non-controlling interests	(458)	(512)
Proceeds from sale of shares of subsidiaries	-	80,000
not resulting in change in scope of consolidation		
Other	(5,933)	(4,840)
Net cash provided by (used in) financing activities	27,114	(12,740)
Effect of exchange rate changes on cash and cash equivalents	(5,909)	(254)
Net increase (decrease) in cash and cash equivalents	18,706	(58,875)
Cash and cash equivalents at beginning of period	84,153	132,776
Cash and cash equivalents at end of period	102,859	73,900

## (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

### *Note on the going-concern assumption*

Not applicable

### *Segment information*

Three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(Millions of yen)

	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	104,960	43,831	80,177	52,651	144,742	17,864	444,227	-	444,227
Intersegment revenue and transfers *1	4,770	6	3,871	3,748	235	5,504	18,137	(18,137)	-
Total revenue	109,731	43,837	84,048	56,400	144,977	23,368	462,364	(18,137)	444,227
Business profit(loss) *3	4,870	(1,473)	5,983	(142)	11,519	717	21,475	(4,539)	16,935
Finance income									13,711
Finance costs									(4,761)
Profit (loss) before tax									25,885

Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.

2. Eliminations and corporate of negative ¥4,539 million include negative ¥96 million for intersegment transactions and negative 4,443 million for general and administrative expenses not attributed reportable segments.

3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

Three months ended June 30, 2025 (April 1, 2025 – June 30, 2025)

(Millions of yen)

	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	101,581	55,240	96,677	56,930	160,320	17,688	488,440	-	488,440
Intersegment revenue and transfers *1	2,802	2	4,827	4,116	223	6,067	18,040	(18,040)	-
Total revenue	104,384	55,242	101,505	61,047	160,543	23,756	506,480	(18,040)	488,440
Business profit(loss) *3	841	3,663	9,760	2,348	8,040	1,674	26,327	(5,814)	20,513
Finance income									606
Finance costs									(4,296)
Profit (loss) before tax									16,824

Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.

2. Eliminations and corporate of negative ¥5,814 million include negative ¥254 million for intersegment transactions and negative 5,560 million for general and administrative expenses not attributed reportable segments.

3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

### **3. Other**

Regarding the misconduct in the Group's submarine repair business and marine engine business, the Group has established the Special Compliance Promotion Committee chaired by Representative Director, President and CEO Yasuhiko Hashimoto, as well as respective Special Investigative Committees composed of external experts. In December 2024 and January 2025, the Group received interim reports on investigations into the facts and analysis of the root causes of these specific incidents from each of the Special Investigative Committee and published the details of these reports. The investigation by the Special Investigative Committee is ongoing. The Group will continue to work to reform the Group's compliance and governance systems, and to enhance the Group's corporate culture.

The Company is currently examining whether these matters will impact its financial results and will immediately reflect in its earnings forecast in case such an impact would be confirmed.