Financial Results for Second Quarter FY2025

For the year ending March 31, 2026

November 11, 2025

Kawasaki Heavy Industries, Ltd.

Kawasaki

Powering your potential

0 Financial Results and Performance Forecast Highlights

Consolidated Financial Results for Second Quarter FY2025

- Revenue hit a record **996.2** billion yen, up 112.0 billion yen YoY.
- Business profit totaled **35.7** billion yen (-12.0 billion yen YoY), impacted by appreciation of the yen and higher tariff costs.
  Progress vs. full-year forecast: 25% (33% previous fiscal year)

Earnings forecasts for FY2025

- Revenue forecast raised to a record 2,340.0 billion yen
- **Business profit forecast remains unchanged at a record 145.0 billion yen**, reflecting tariff impacts etc.
- Business profit, particularly in Aerospace Systems is projected to be more H2-weighted than usual, driven by the following factors

1. Increase in the sales mix of defense-related contracts, which are concentrated in H2
2. Higher after-sales ratio driven by increased maintenance volume for commercial aircraft engines

0 Table of Contents

1 Consolidated Financial Results for Second Quarter FY2025

2 Earnings Forecasts for FY2025

3 Details by Segment

4 Shareholder Returns and Other Information

Notice

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

1

Consolidated Financial Results for Second Quarter FY2025

1 Consolidated Financial Results for Second Quarter FY2025 –Summary-

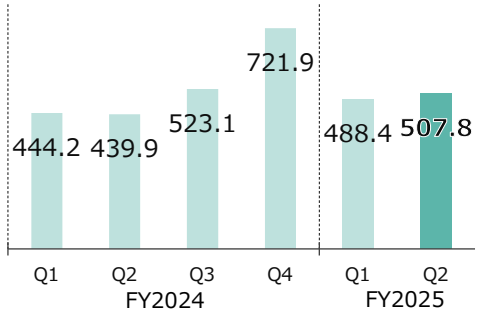
Business profit declined YoY, mainly due to the impact of appreciation of the yen

Pre-tax profit and net profit grew YoY due to an increase in foreign exchange gains resulting from depreciation of the yen at the end of the period

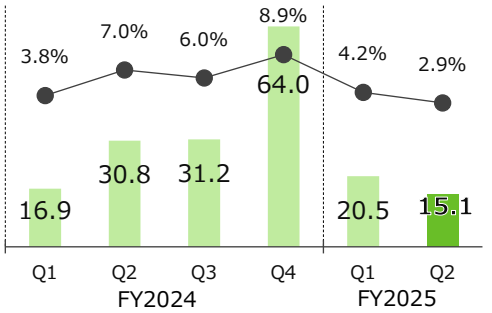
(billion yen)

	FY24 Q2	FY25 Q2			YoY Change
		Apr to Jun	Jul to Sep	Total	
Orders Received	895.3	446.3	569.1	**1,015.4**	+ 120.1
Revenue	884.1	488.4	507.8	**996.2**	+ 112.0
Business Profit	47.7	20.5	15.1	**35.7**	- 12.0
[margin]	*[5.4%]*	*[4.2%]*	*[3.0%]*	*[3.6%]*	*[- 1.8pt]*
Profit Before Tax	23.7	16.8	18.5	**35.3**	+ 11.6
[margin]	*[2.7%]*	*[3.4%]*	*[3.7%]*	*[3.6%]*	*[+ 0.8pt]*
Profit Attributable to Owners of Parent	13.6	4.2	17.8	**22.0**	+ 8.4
[margin]	*[1.5%]*	*[0.9%]*	*[3.5%]*	*[2.2%]*	*[+ 0.6pt]*
Weighted-average exchange rates (USD/JPY) ※1	151.44	143.79	146.37	**145.12**	- 6.32
US dollar-based transaction (B$) ※2	1.03	0.52	0.62	**1.14**	+ 0.11

Quarterly Revenue (billion yen)



Quarterly Business Profit (billion yen), margin



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

※2 The amount of foreign currency impacting profit and loss by currency due to exchange rate fluctuations. Calculated by deducting dollar-denominated purchases from dollar-denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd., including foreign currency denominated revenue from loss-provisioned projects. However, the foreign currency amount for each quarter of FY2024 excludes the amount of refund liabilities denominated in foreign currencies related to the in-service issues of the PW1100G-JM engine. See page 51 for the breakdown of these figures by segments

1 Consolidated Financial Results for Second Quarter FY2025 –Segment-

- **ES&M revenue and business profit grew, driven by strong performance in Energy and Shipbuilding & Offshore ①**
- **Aerospace Systems profit fell due to higher production volume of newly manufactured commercial aircraft engines and increased investments in MRO ②**
- **PS&E profit fell due to higher tariffs and increased sales promotion expenses, despite achieving revenue growth ③**

(billion yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY24 Q2	**FY25 Q2**	Change	FY24 Q2	**FY25 Q2**	Change	FY24 Q2	**FY25 Q2**	Change
Aerospace Systems	209.9	**285.1**	+ 75.1	234.1	**242.5**	+ 8.4	25.3	**10.1**	- 15.2
Rolling Stock	27.8	**27.7**	- 0.0	87.0	**119.3**	+ 32.3	1.6	**4.9**	+ 3.3
Energy Solution & Marine Engineering	211.0	**237.5**	+ 26.4	159.9	**187.3**	+ 27.3	12.0	**19.9**	+ 7.8
Precision Machinery & Robot	124.6	**126.2**	+ 1.6	109.4	**117.0**	+ 7.5	1.9	**4.2**	+ 2.3
Powersports & Engine	253.3	**292.7**	+ 39.4	253.3	**292.7**	+ 39.4	14.9	**4.8**	- 10.0
Others	68.4	**45.9**	- 22.5	40.1	**37.1**	- 2.9	1.6	**1.7**	+ 0.1
Elimination and corporate※	-	**-**	-	-	**-**	-	- 9.8	**- 10.1**	- 0.3
Total	895.3	**1,015.4**	+ 120.1	884.1	**996.2**	+ 112.0	47.7	**35.7**	- 12.0

※"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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Consolidated Financial Results for Second Quarter FY2025
–Statement of Profit or Loss-

(billion yen)

	FY24 Q2	%	FY25 Q2	%	Change
Revenue	884.1	100.0	**996.2**	100.0	+ 112.0
Cost of Sales	697.5	78.9	**814.9**	81.8	+ 117.3
Gross profit	186.6	21.1	**181.3**	18.2	- 5.3
Selling, General and Administrative Expenses	147.1	16.6	**154.9**	15.6	+ 7.8
Salaries and Allowances	39.8		**42.9**		+ 3.0
R&D Expenses	26.1		**27.2**		+ 1.1
Others	81.0		**84.6**		+ 3.5
Share of profit (loss) of investments accounted for using equity method	8.5		**11.4**		+ 2.9
Other Income and Expenses	- 0.3		**- 2.1**		- 1.8
Gain on Sale of Property, Plant and Equipment	1.0		**0.0**		- 0.9
Others	- 1.3		**- 2.2**		- 0.8
Business profit (Loss)	47.7	5.4	**35.7**	3.6	- 12.0

Details

① Selling, general and administrative expenses increased in line with revenue growth, but the SG&A ratio declined

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Consolidated Financial Results for Second Quarter FY2025
–Statement of Profit or Loss-

(billion yen)

	FY24 Q2	%	FY25 Q2	%	Change
Finance income and Finance costs	- 24.0		**- 0.3**		+ 23.6
Net Interest expense (incl. dividend income)	- 4.9		**- 5.4**		- 0.5
Gain and loss on foreign exchange	- 15.7		**7.6**		+ 23.3
Others	- 3.3		**- 2.4**		+ 0.8
Profit before tax	23.7	2.7	**35.3**	3.6	+ 11.6
Income tax expense	8.8		**10.7**		+ 1.8
Profit attributable to Non-controlling interests	1.2		**2.5**		+ 1.3
Profit attributable to owners of parent	13.6	1.6	**22.0**	2.2	+ 8.4

Details

② USD/JPY rate
149.53 Q4/E FY24
148.89 Q2/E FY25

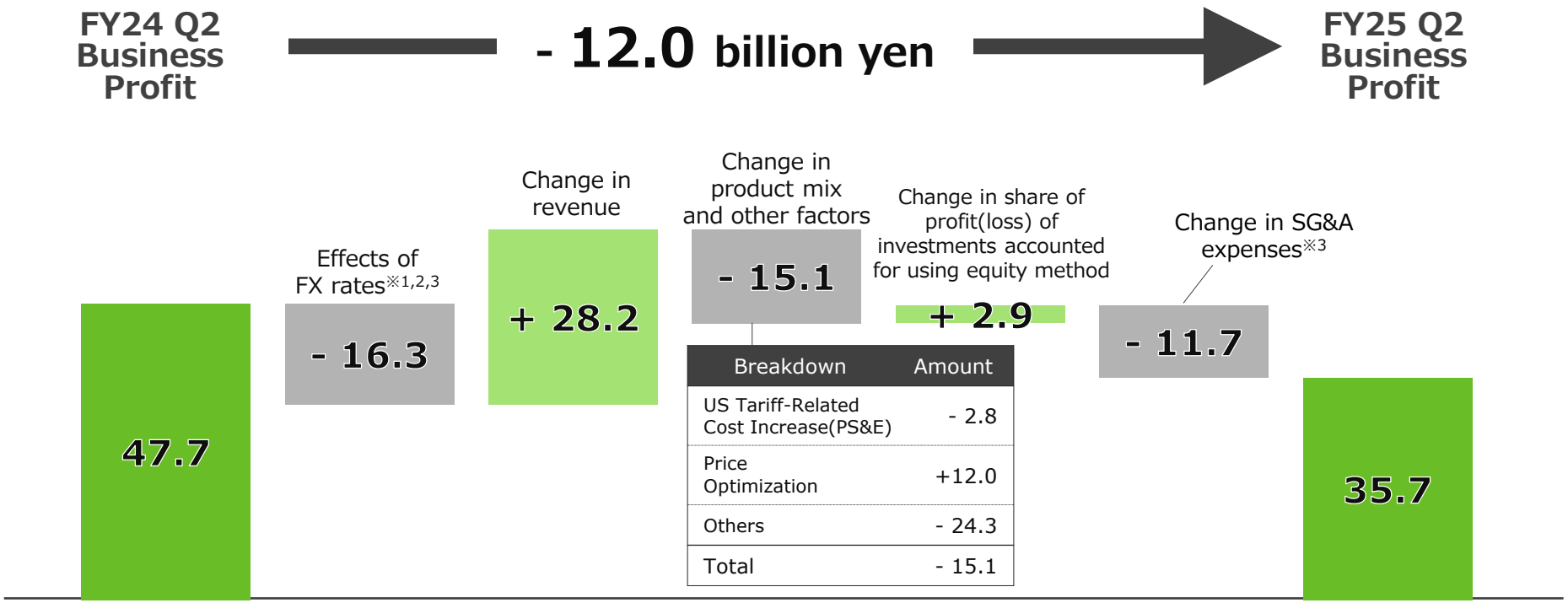
Weighted-average exchange rates
145.12 Q2 FY25

Translation gains arose on foreign currency-denominated receivables

③ In April 2025, a 20% stake of Kawasaki Motors, Ltd. (a PS&E business subsidiary) was transferred to ITOCHU Corporation, resulting in an increase in profit attributable to non-controlling interests

Consolidated Financial Results for Second Quarter FY2025
–Factors Affecting Changes in Business Profit-

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



Breakdown	Amount
US Tariff-Related Cost Increase(PS&E)	- 2.8
Price Optimization	+12.0
Others	- 24.3
Total	- 15.1

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

※2 Effects of FX rates includes the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM engine [-2.8 billion Yen]

※3 Changes in SG&A expenses used to indicate changes in the statement of Profit and Loss but has been changed after FY24 Q2 financial results presentation material to indicate changes after deducting the effects of FX rate [The change factor graphs for each segment shown on page 22 and later are the same]

Consolidated Financial Results for Second Quarter FY2025
–Factors Affecting Changes in Business Profit-

(billion yen)

	FY24 Q2 Business Profit (Loss)	Details of change					Total	FY25 Q2 Business Profit (Loss)
		Effects of FX rates※1	Change in revenue※1	Change in product mix and other factors※1	Change in share of profit (loss) of investments accounted for using equity method	Change in SG&A expenses※3		
Aerospace Systems	25.3	※2 - 6.8	3.6	- 7.9		- 4.1	- 15.2	10.1
Rolling Stock	1.6	- 1.1	3.9	0.7	0.0	- 0.2	3.3	4.9
Energy Solution & Marine Engineering	12.0	0.4	5.0	5.3	2.1	- 5.0	7.8	19.9
Precision Machinery & Robot	1.9	- 0.9	1.6	1.7	0.8	- 0.9	2.3	4.2
Powersports & Engine	14.9	- 7.9	14.7	- 17.2	- 0.0	0.4	- 10.0	4.8
Others	1.6	0.0	- 0.6	1.8	- 0.0	- 1.1	0.1	1.7
Elimination and corporate	- 9.8			0.7	- 0.0	- 1.0	- 0.3	- 10.1
Total	47.7	- 16.3	28.2	- 15.1	2.9	- 11.7	- 12.0	35.7

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

※2 Effects of FX rates includes the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM engine (-2.8 billion Yen)

※3 Excluding the effects of FX rates

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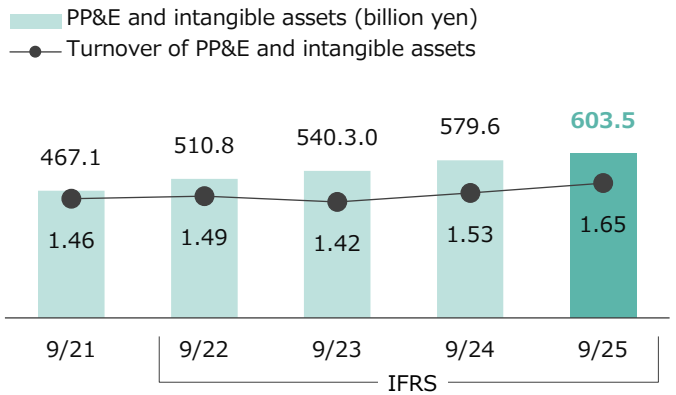
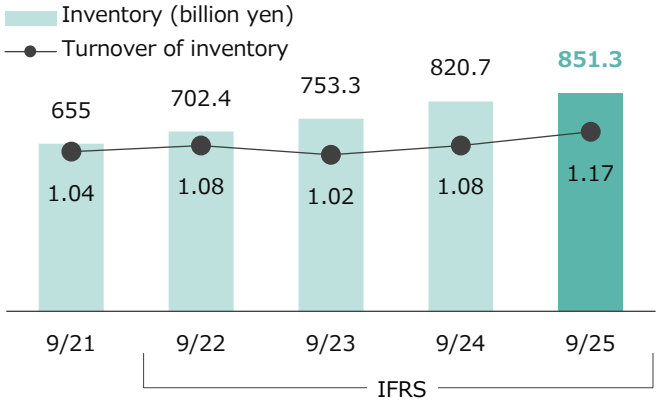
Consolidated Financial Results for Second Quarter FY2025
–Statement of Financial Position-

(billion yen)

	End of Mar 2025	%	End of Sep 2025	%	Change	
Cash and Cash Equivalents	132.7		**64.2**		-	68.5
Trade Receivables (Incl. contract assets)	888.8		**827.6**		-	61.1
Inventories	775.4		**851.3**		+	75.8
Other Current Assets	226.8		**290.2**		+	63.3
Current assets	2,023.9	67.1	**2,033.5**	66.2	+	9.6
PP&E and Intangible assets	591.5		**603.5**		+	11.9
Right-of-Use Assets	58.6		**66.9**		+	8.2
Deferred Tax Assets	128.7		**126.7**		-	1.9
Other Non-Current Assets	214.0		**240.0**		+	26.0
Non-Current Assets	993.0	32.9	**1,037.3**	33.8	+	44.2
Total Assets	3,016.9	100.0	**3,070.8**	100.0	+	53.9





Details

① Decreased in PS&E, Plant, Energy, and Ship & Offshore etc.

② Increased in PS&E and Aerospace Systems etc.

③ Increase in advance payments in Aerospace etc.

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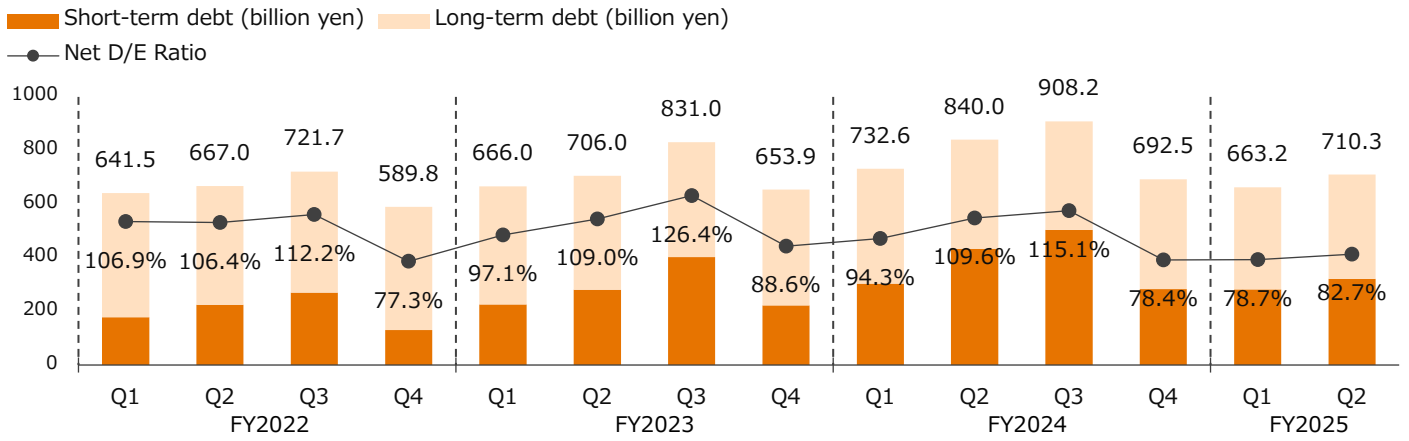
Consolidated Financial Results for Second Quarter FY2025
–Statement of Financial Position-

(billion yen)

	End of Mar 2025	%	End of Sep 2025	%	Change	
Trade Payables	512.1		**506.7**		-	5.3
Interest-Bearing Debt	692.5		**710.3**		+	17.8
Contract Liability (Advances Received)	363.5		**387.2**		+	23.7
Provision for Losses on Construction Contracts	5.1		**5.6**		+	0.5
Retirement Benefit Liability	67.1		**69.1**		+	2.0
Other Liabilities	651.5		**567.8**		-	83.6
Total Liabilities	2,291.8	76.0	**2,247.0**	73.2	-	44.8
Equity Attributable to Owners of Parent	702.9		**761.7**		+	58.8
Non-Controlling Interests	22.1		**62.0**		+	39.8
Total Equity	725.0	24.0	**823.8**	26.8	+	98.7
Total Liabilities and Equity	3,016.9	100.0	**3,070.8**	100.0	+	53.9



Details

④ Decreased in liabilities resulting from the securitization of receivables in Aerospace

⑤ Increased in profit attributable to non-controlling interests resulting from the transfer of a 20% stake in Kawasaki Motors, Ltd., (a PS&E business subsidiary) to ITOCHU Corporation

Appendix

Cash Conversion Cycle

(day)

End of FY21 Q2	158
End of FY22 Q2	154
End of FY23 Q2	154
End of FY24 Q2	164
End of FY25 Q2	155

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Consolidated Financial Results for Second Quarter FY2025
–Statement of Cash Flows-

(billion yen)

	FY24 Q2	FY25 Q2	Change
Profit Before Tax	23.7	**35.3**	+ 11.6
Depreciation and Amortization	42.8	**50.2**	+ 7.3
Increase and Decrease in Working Capital	- 73.6	**- 18.8**	+ 54.8
Trade Receivables※1 (minus notation indicates incr.)	85.0	**64.3**	- 20.6
Inventory (minus notation indicates incr.)	- 119.4	**- 70.7**	+ 48.7
Trade Payables (minus notation indicates decr.)	- 14.3	**- 5.9**	+ 8.3
Advance Payment (minus notation indicates incr.)	- 49.7	**- 30.3**	+ 19.3
Contract Liabilities※2 (minus notation indicates decr.)	24.9	**23.8**	- 1.0
Other	- 29.8	**- 92.8**	- 62.9
Cash Flows from Ooperating Activities	- 36.9	**- 26.0**	① + 10.8
Purchase of PP&E and Intangible Assets	- 49.4	**- 52.7**	- 3.3
Proceeds from Sales of PP&E and Intangible Assets	1.9	**1.1**	- 0.7
Other	- 2.2	**- 18.0**	- 15.8
Cash Flows from Investing Activities	- 49.7	**- 69.6**	- 19.8
Free Cash Flows	- 86.7	**- 95.6**	- 8.9
Net Increase and Decrease in Debt and Bonds (minus notation indicates decr.)	190.1	**5.3**	② - 184.8
Dividends Paid (Except Payment to Non-Controlling Interests)	- 5.0	**- 13.3**	- 8.3
Proceeds from Fluidity of Lease Receivables and Repayment of Payables under Fluidity Lease Receivables	- 43.5	**- 32.1**	+ 11.3
Other	- 17.6	**67.4**	② + 85.0
Cash Flows from Financing Activities	123.8	**27.1**	- 96.7

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

Details

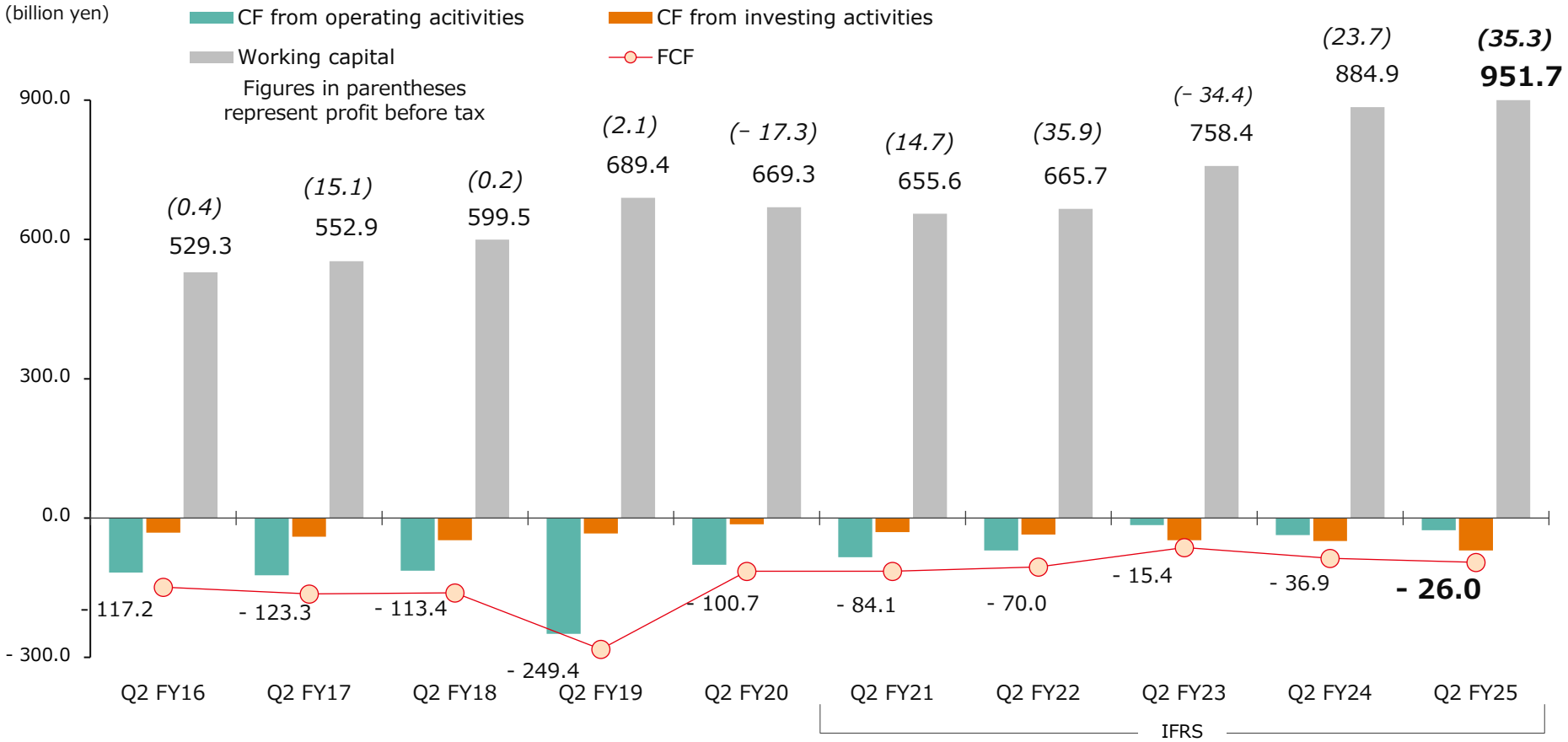
① FY2024 Q2 :
Despite progress in debt collection in PS&E and Energy business, cash outflows in the working capital due to higher inventories in PS&E and Aerospace Systems

FY2025 Q2 :
Despite progress in debt collection in PS&E and Energy business, operating cash flow saw outflows due to higher inventories in Aerospace Systems and PS&E, and increased payments for income tax and others

② A portion of the 80.0 billion yen in proceeds from the transfer of a 20% stake in Kawasaki Motors, Ltd. (a PS&E business subsidiary) to ITOCHU Corporation, was allocated to the repayment of interest-bearing debt

Consolidated Financial Results for Second Quarter FY2025
–Statement of Cash Flows-

- **Working capital grew over past three years, but its cash flow contribution manifest gradually**
- **Operating cash flows for FY2025 Q2 were slightly negative but improving**



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

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Earnings Forecasts for FY2025

(for the year ending March 31, 2026)

2 Earnings Forecasts for FY2025 -Summary-

- **Full-year profit forecast unchanged from the initial and August announcement**
- **Profit is projected to be more H2-weighted than in previous years** (mainly due to the profit/loss balance in Aerospace Systems)

(billion yen)

	FY2024 Actual	FY2025 Forecast and Progress					
		Old FCST	New FCST	Chg. vs. FY24	Chg. vs. Old FCST	Q2 Actual	Q3-4 FCST
Orders Received	2,630.7	2,230.0	**2,530.0**	- 100.7	+ 300.0	**1,015.4**	**1,514.6**
Revenue	2,129.3	2,290.0	**2,340.0**	+ 210.7	+ 50.0	**996.2**	**1,343.8**
Business Profit	143.1	145.0	**145.0**	+ 1.9	-	**35.7**	**109.3**
[Margin]	*[6.7%]*	*[6.3%]*	*[6.2%]*	*[- 0.5pt]*	*[- 0.1pt]*	*[3.6%]*	*[8.1%]*
Profit Before Tax	107.5	115.0	**115.0**	+ 7.5	+ -	**35.3**	**79.7**
[Margin]	*[5.0%]*	*[5.0%]*	*[4.9%]*	*[- 0.1pt]*	*[- 0.1pt]*	*[3.6%]*	*[5.9%]*
Profit Attributable to Owners of Parent	88.0	82.0	**82.0**	- 6.0	-	**22.0**	**60.0**
[Margin]	*[4.1%]*	*[3.6%]*	*[3.5%]*	*[- 0.6pt]*	*[-]*	*[2.2%]*	*[4.5%]*
After-tax ROIC	8.0%	6.9%	**6.9%**	- 1.1pt	-	**-**	**-**
Weighted-average exchange rates (USD/JPY)	150.81	145.00	**-**	-	-	**145.12**	**145.00**
US dollar-based transaction (B$) ※	1.94	2.48	**2.12**	+ 0.18	- 0.36	**1.14**	**0.98**

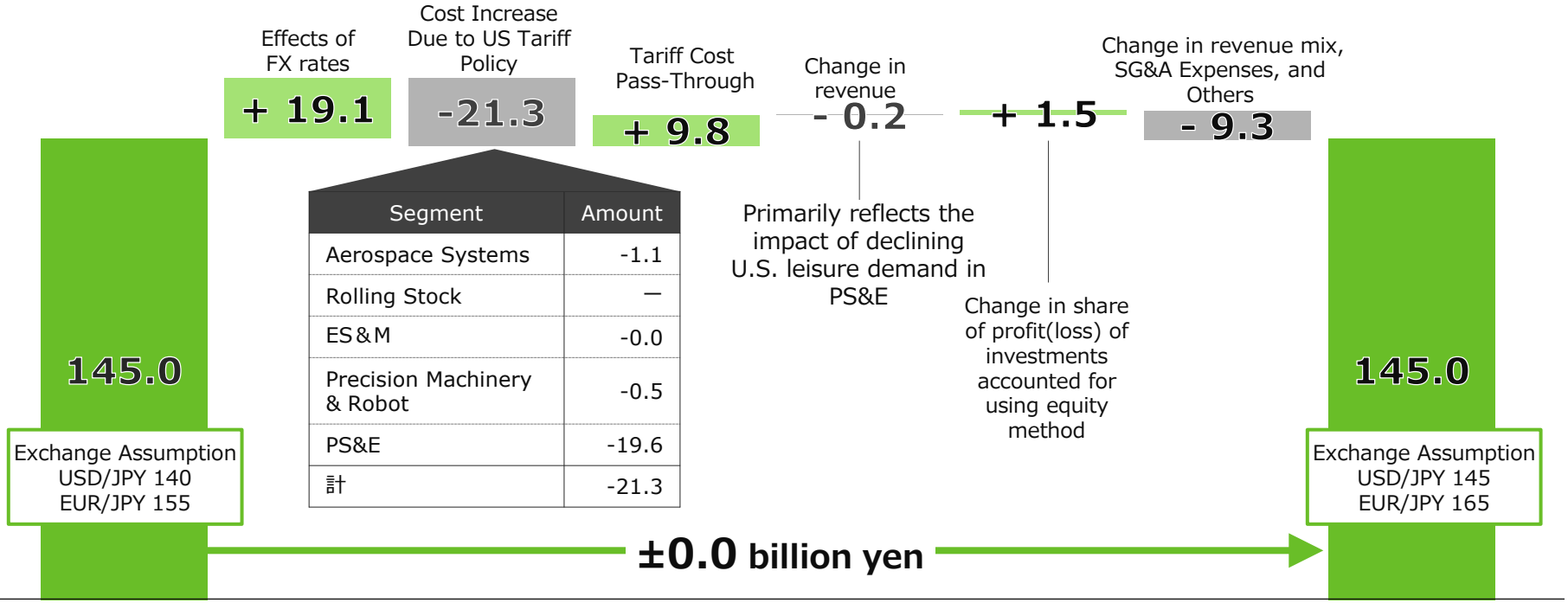
※ The amount of foreign currency impacting profit and loss by currency due to exchange rate fluctuations. Calculated by deducting dollar-denominated purchases from dollar-denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include foreign currency denominated revenue from loss-provisioned projects). See page 51 for the breakdown of these figures by segment.

Earnings Forecasts for FY2025

-Factors Affecting Changes in Business Profit※1 -

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

Mitigate the impact of deterioration in profitability resulting from increased costs due to US tariff policies and intensified competition through cost pass-through, fixed cost control, and the depreciation of the yen



Segment	Amount
Aerospace Systems	-1.1
Rolling Stock	—
ES&M	-0.0
Precision Machinery & Robot	-0.5
PS&E	-19.6
計	-21.3

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

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

2 Earnings Forecasts for FY2025 -Segment-

- **ES&M was revised upward, reflecting strong performance in the energy business and the China shipbuilding joint venture** (1)
- **Despite upward revision in demand outlook, PS&E profit forecast unchanged due to increased promotional spending and other costs** (2)

(billion yen)

	Orders Received				Revenue				Business Profit			
	FY2024	FY2025 Forecast			FY2024	FY2025 Forecast			FY2024	FY2025 Forecast		
	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change
Aerospace Systems	882.8	690.0	**720.0**	+ 30.0	567.8	640.0	**640.0**	-	55.8	56.0	**56.0**	-
Rolling Stock	251.5	110.0	**300.0**	+ 190.0	222.3	220.0	**220.0**	-	8.4	9.0	**9.0**	-
Energy Solution & Marine Engineering	542.0	440.0	**480.0**	+ 40.0	398.1	450.0	**460.0** (1)	+ 10.0	44.2	57.0	**58.0** (1)	+ 1.0
Precision Machinery & Robot	249.2	270.0	**270.0**	-	241.5	260.0	**260.0**	-	7.0	14.0	**14.0**	-
Powersports & Engine	611.6	620.0	**660.0**	+ 40.0	609.3	620.0	**660.0** (2)	+ 40.0	47.8	30.0	**30.0** (2)	-
Others	93.3	100.0	**100.0**	-	90.1	100.0	**100.0**	-	5.2	5.0	**5.0**	-
Elimination and corporate※	-	-	**-**	-	-	-	**-**	-	- 25.6	- 26.0	**- 27.0**	- 1.0
Total	2,630.7	2,230.0	**2,530.0**	+ 300.0	2,129.3	2,290.0	**2,340.0**	+ 50.0	143.1	145.0	**145.0**	-

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

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3

Details by Segment

3 Details by Segment -Aerospace Systems-

Q2 of FY2025（vs. Q2 of FY2024）

Orders Received ↗
+¥75.1 bil.
Up due to higher demand MOD※ and aircraft component parts for Boeing

Revenue ↗
+¥8.4 bil.
Same as above

Business Profit ↘
-¥15.2 bil.
Down due to appreciation of the yen, higher fixed costs from entering the engine MRO business, and higher production volumes of new commercial aircraft engines, despite revenue growth

FY2025 Forecast（vs. forecast in August）

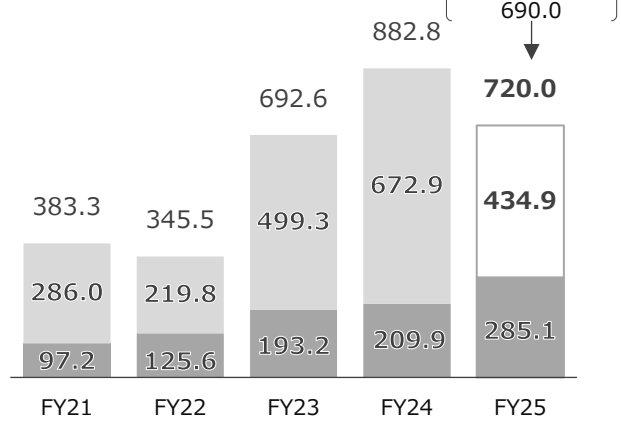
Orders Received ↗
+¥30.0 bil.
Revised up due to increased demand for commercial aircraft engines, as well as orders from MOD and Boeing

Revenue →
±¥0.0 bil.
The outlook remains unchanged

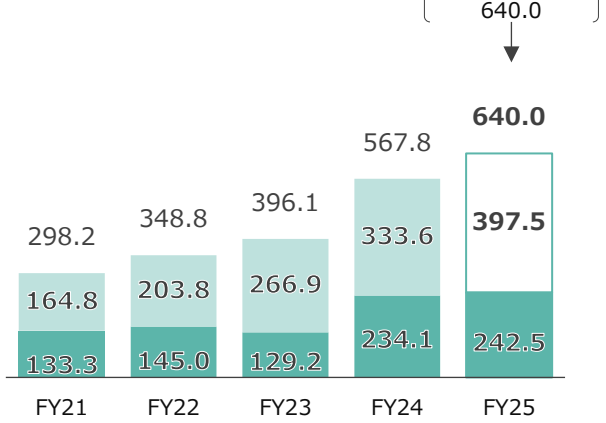
Business Profit →
±¥0.0 bil.
Same as above

※MOD: The Ministry of Defense

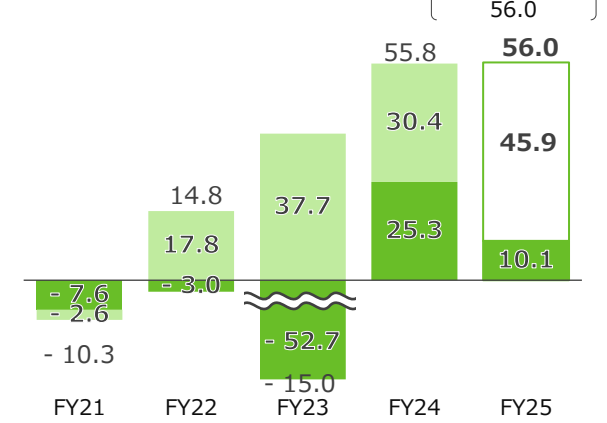
Orders Received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)



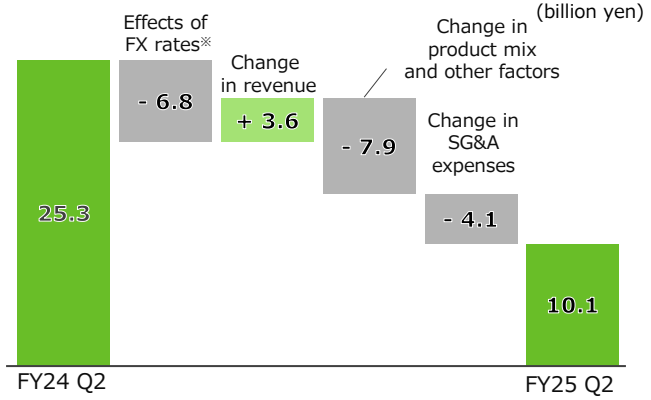
Note: Darker areas in the graphs represent the Q1-Q2 and lighter areas represent the Q3-Q4 cumulative total

3 Details by Segment -Aerospace Systems-

(billion yen)

	FY2024 Q2 Actual	FY2025 Q2 Actual	Change	FY2024 Actual	FY2025 Forecast Old FCST	FY2025 Forecast New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	FY2025 Forecast Q3-4 FCST
Orders Received	209.9	285.1	+ 75.1	882.8	690.0	**720.0**	- 162.8	+ 30.0	**434.9**
Aerospace	*112.7*	*195.7*	*+ 83.0*	*699.5*	*500.0*	***520.0***	*- 179.5*	*+ 20.0*	***324.3***
Aero Engine	*97.2*	*89.4*	*- 7.8*	*183.3*	*190.0*	***200.0***	*+ 16.7*	*+ 10.0*	***110.6***
Revenue	234.1	242.5	+ 8.4	567.8	640.0	**640.0**	+ 72.2	-	**397.5**
Aerospace	*153.9*	*165.9*	*+ 12.0*	*399.9*	*465.0*	***465.0***	*+ 65.1*	*-*	***299.1***
Aero Engine	*80.2*	*76.5*	*- 3.6*	*167.8*	*175.0*	***175.0***	*+ 7.2*	*-*	***98.5***
Business Profit	25.3	10.1	- 15.2	55.8	56.0	**56.0**	+ 0.2	-	**45.9**
[Margin]	*[10.8%]*	*[4.2%]*	*[- 6.6pt]*	*[9.8%]*	*[8.8%]*	*[8.8%]*	*[- 1.0pt]*	*[-]*	*[11.5%]*

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(-2.8 billion yen)

Appendix

Number of aircraft component parts sold to Boeing (units)

	FY24 Q2	FY24 Full year	FY25 Q2	Change YoY
767	11	19	15	+ 4
777	10	19	12	+ 2
777X	5	5	3	- 2
787	23	58	25	+ 2

Number of aircraft engine component parts sold (units)

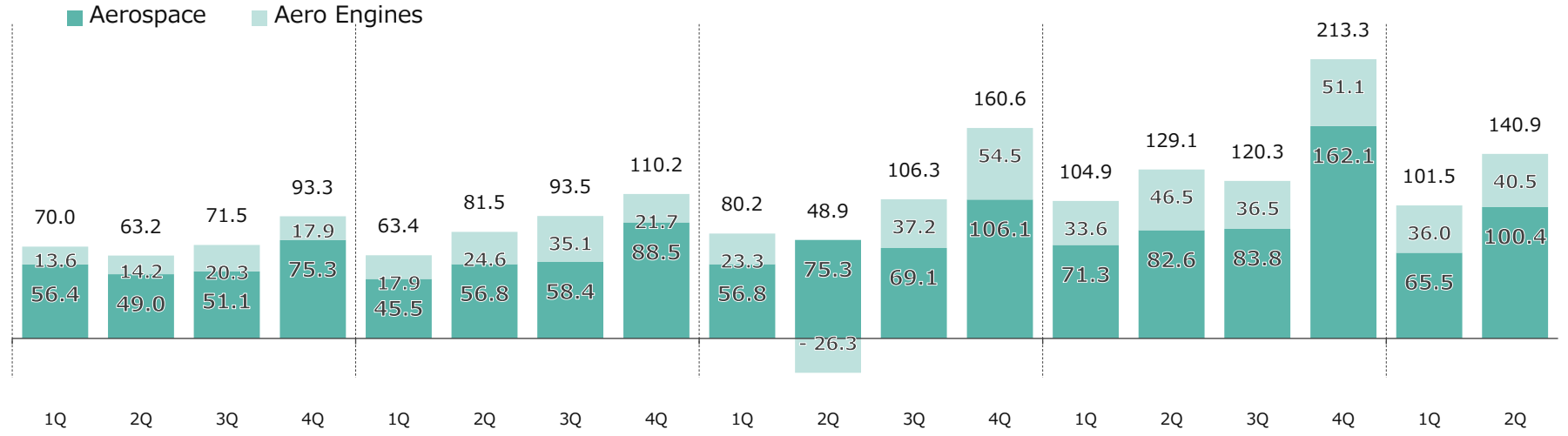
	FY24 Q2	FY24 Full year	FY25 Q2	Change YoY
V2500	12	20	6	- 6
PW1100G	333	681	321	- 12

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

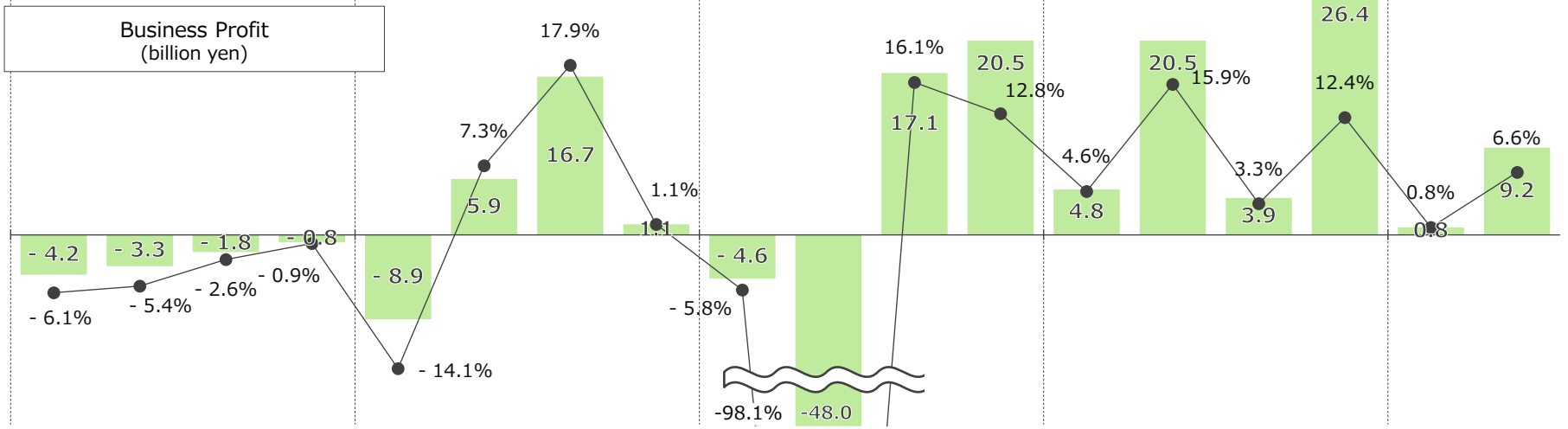
3

Details by Segment
-Aerospace Systems-

Revenue
(billion yen)



Business Profit
(billion yen)



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 are increasing
- MOD business
  - Demand growth and profitability improvement are expected due to Japan's defense reinforcement policy

About the PW1100G-JM engine program which we participate through IAE※1

- The engines have been experiencing significant operational issues, and several engines are expected to be removed from the aircraft (A320neo) for inspection and maintenance over the next few years to resolve the issue.
- Many aircraft are parked on the ground because it takes 250 to 300 days to unload and install the engines.
- In FY23, the estimated future loss was recorded in a lump-sum※2, and there is no change at present ※3
- Our press releases about this matter

  https://global.kawasaki.com/news_230913-1e.pdf
  https://global.kawasaki.com/en/corp/ir/library/pdf/etc_231026-1e.pdf

※1 International Aero Engines, LLC
※2 Recorded lump-sum loss (58 bil. yen in terms of business profit and loss in FY23 Jul-Sep).
※3 The effect of revaluation due to exchange rate fluctuations is excluded

Specific Efforts

Preparation for business expansion

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

H145//BK117 D-3 helicopter
Delivered to Ōita Prefecture (for firefighting and disaster prevention use)

Strengthening activities related to defense business

- Promoting efforts Seven focal areas to strengthen defense capabilities

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

Standoff electronic warfare aircraft

Source:DEFENSE OF JAPAN 2020

Prototype 3. Contract Scheduled for Completion in FY2026

KJ300 Turbofan Engine

Promotion of technology strategies based on market trends

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

3 Details by Segment - Rolling Stock -

Q2 of FY2025（vs. Q2 of FY2024）

Orders Received -¥0.0 bil.

Remained flat YoY, as increased orders from Asia offset the decline in North America

Revenue +¥32.3 bil.

Up due to an increase in domestic and the US

Business Profit +¥3.3 bil.

Improved due to an increase in revenue

FY2025 Forecast（vs. forecast in August）

Orders Received +¥190.0 bil.

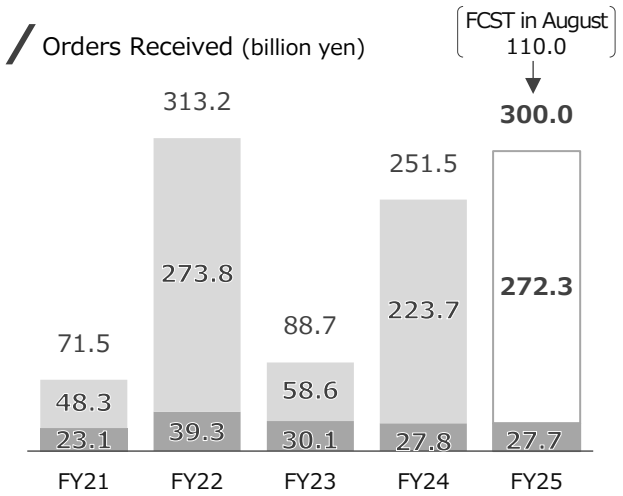
Revised up due to increased orders from the US

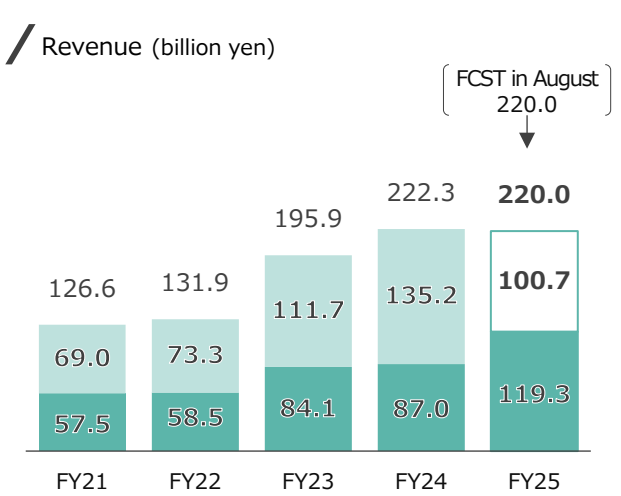
Revenue ±¥0.0 bil.

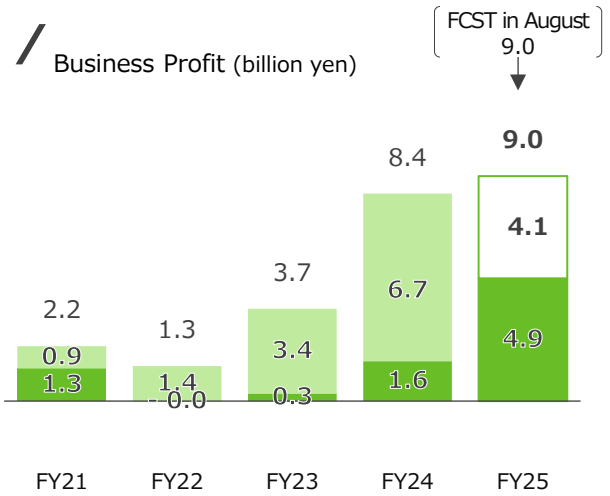
The outlook remains unchanged

Business Profit ±¥0.0 bil.

Same as above







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

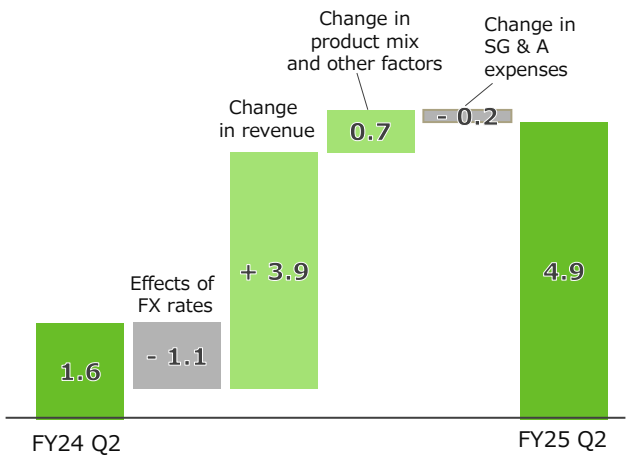
3 Details by Segment - Rolling Stock -

(billion yen)

	FY2024 Q2 Actual	FY2025 Q2 Actual	FY2025 Change	FY2024 Actual	FY2025 Forecast Old FCST	FY2025 Forecast New FCST	FY2025 Forecast Chg. Vs. FY24	FY2025 Forecast Chg. Vs. Old FCST	FY2025 Forecast Q3-4 FCST
Orders Received	27.8	27.7	- 0.0	251.5	110.0	**300.0**	+ 48.5	+ 190.0	**272.3**
Domestic & Asia	*24.7*	*26.5*	*+ 1.8*	*52.3*	*103.0*	***90.0***	*+ 37.7*	*- 13.0*	***63.5***
North America	*3.1*	*1.2*	*- 1.9*	*199.2*	*7.0*	***210.0***	*+ 10.8*	*+ 203.0*	***208.8***
Revenue	87.0	119.3	+ 32.3	222.3	220.0	**220.0**	- 2.3	-	**100.7**
Domestic & Asia	*23.3*	*39.8*	*+ 16.4*	*70.1*	*78.0*	***78.0***	*+ 7.9*	*-*	***38.2***
North America	*63.7*	*79.5*	*+ 15.8*	*152.1*	*142.0*	***142.0***	*- 10.1*	*-*	***62.5***
Business Profit	1.6	4.9	+ 3.3	8.4	9.0	**9.0**	+ 0.6	-	**4.1**
[Margin]	*[1.9%]*	*[4.2%]*	*[+ 2.2pt]*	*[3.8%]*	*[4.1%]*	*[4.1%]*	*[+ 0.3pt]*	*[-]*	*[4.1%]*

Factors Affecting Changes in Business Profit

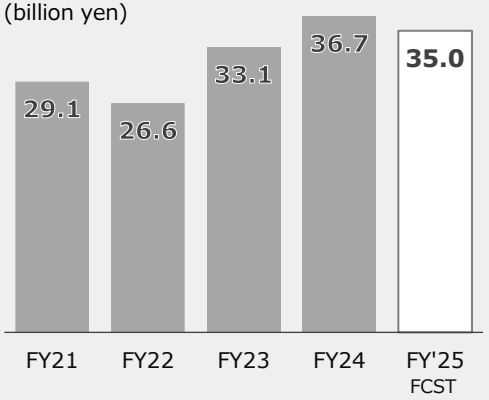
(billion yen)



Appendix

Revenue from components, overhaul, and after-sales service

(billion yen)



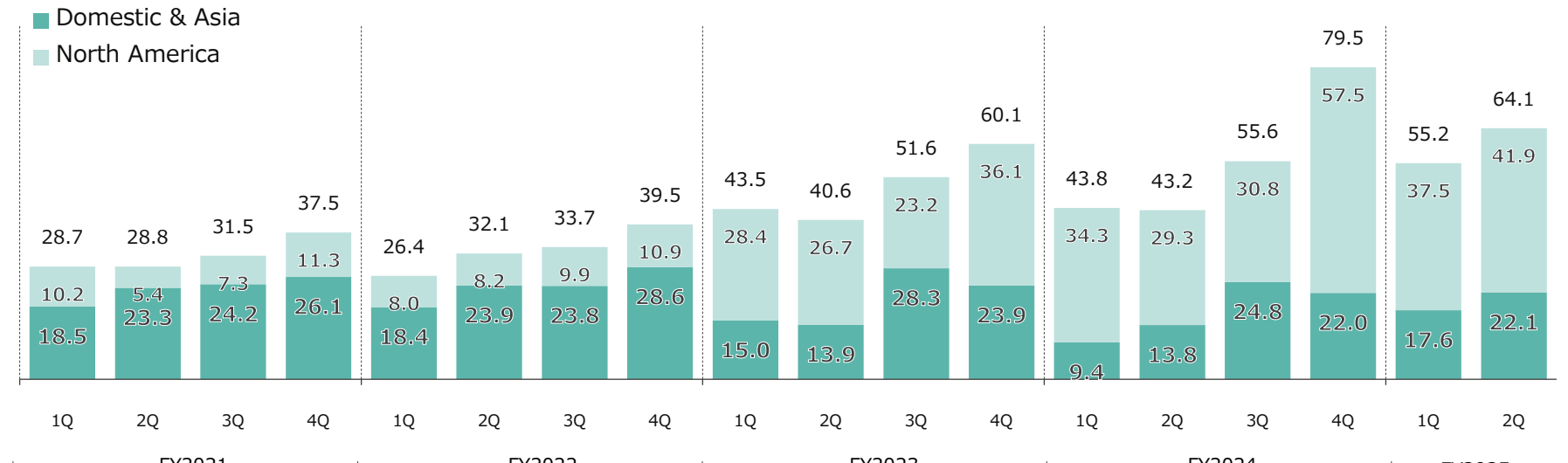
Progress of the R211 Project for New York City Subway (as of the end of Sep 2025)

- Base contract
  : Delivered 535 cars out of 535
- Option1 contract
  : Delivered 170 cars out of 640
- Option2 contract
  : Received an order of 435 cars in Jan 2025

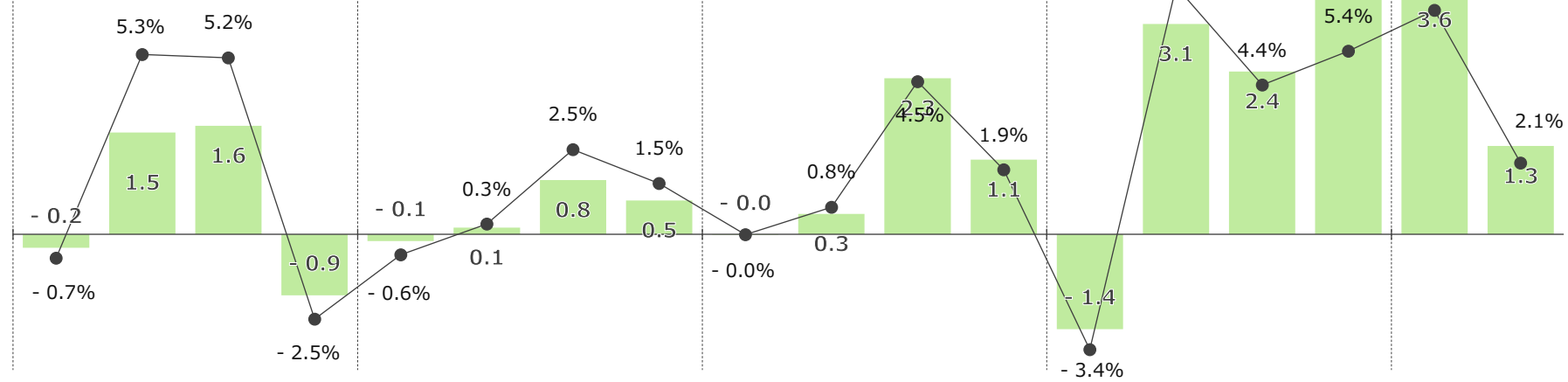
3

Details by Segment
- Rolling Stock -

Revenue(billion yen)



Business Profit(billion yen)



3 Details by Segment - Rolling Stock -

Market Overview

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

R211 subway car for New York City Transit (MTA)

Specific Efforts

Compliance with delivery schedules for overseas projects

Dhaka **MRT Line-6**	‣ Final vehicle delivered to customer in FY2024 (144 cars of 24 trains) ‣ **Handover of base facilities in FY2025**
NYCT **R268 MTA**	‣ Order indication for 378 railcars received on October 29, 2025 (US time), with an order value of approx. 220 billion yen ‣ **The final vehicle delivery is scheduled in FY2030**

Achieving quality levels trusted by customers

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

Rolling stock for Dhaka Mass Transit Company Limited

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

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

3

Details by Segment

- Energy Solution & Marine Engineering -

Q2 of FY2025（vs. Q2 of FY2024）

Orders Received +¥26.4 bil.

Up due to orders for MOD and overseas LNG tanks, despite a reactionary decline following multiple LPG/ammonia carrier orders

Revenue +¥27.3 bil.

Up due to higher revenues across various segments, including the energy and Ship & Offshore Structure

Business Profit +¥7.8 bil.

Improved due to an increase in revenue

FY2025 Forecast（vs. forecast in August）

Orders Received +¥40.0 bil.

Revised up due to increased orders for overseas LNG tanks, power generation equipment, and marine machinery

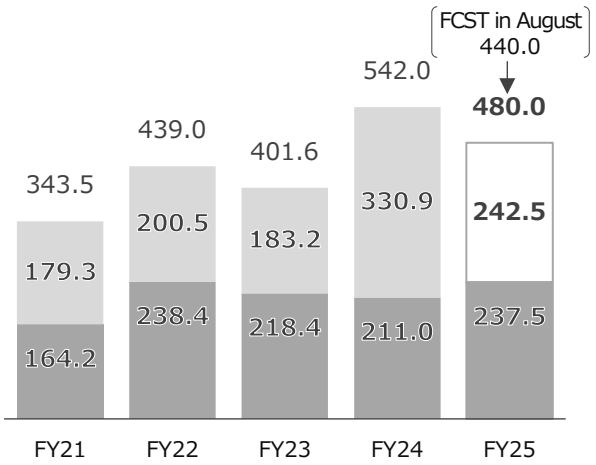
Revenue +¥10.0 bil.

Revised up due to increased orders for MOD etc.

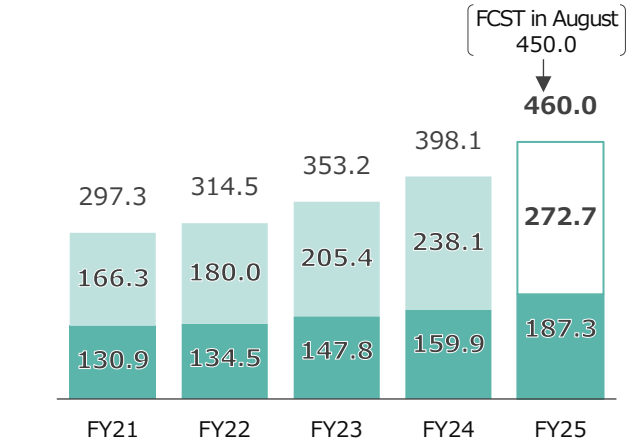
Business Profit +¥1.0 bil.

Revised up due to higher equity in earnings of affiliates and other factors

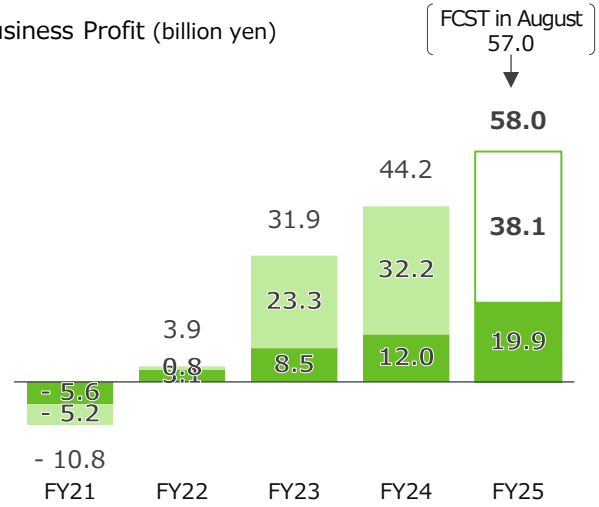
Orders Received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)



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

3

Details by segment

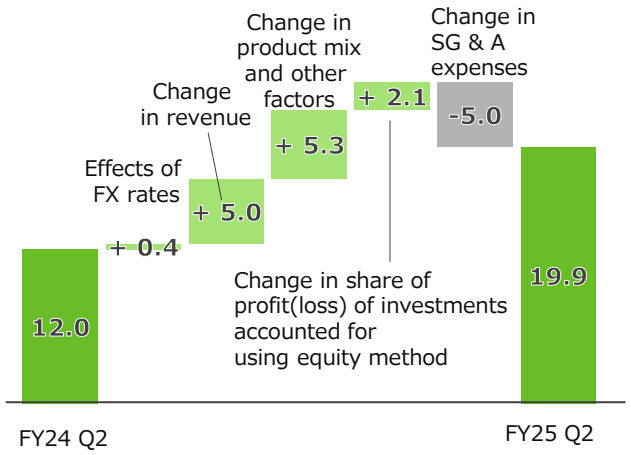
- Energy Solution & Marine Engineering -

(billion yen)

	FY2024 Q2 Actual	FY2025 Q2 Actual	Change	FY2024 Actual	FY2025 Forecast Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	211.0	**237.5**	+ 26.4	542.0	440.0	**480.0**	- 62.0	+ 40.0	**242.5**
Energy, Plant & Marine Machinery	*144.9*	***181.3***	*+ 36.3*	*354.4*	*340.0*	***380.0***	*+ 25.6*	*+ 40.0*	***198.7***
Ship & Offshore Structure	*66.0*	***56.2***	*- 9.8*	*187.6*	*100.0*	***100.0***	*- 87.6*	*-*	***43.8***
Revenue	159.9	**187.3**	+ 27.3	398.1	450.0	**460.0**	+ 61.9	+ 10.0	**272.7**
Energy, Plant & Marine Machinery	*115.3*	***135.2***	*+ 19.9*	*306.8*	*330.0*	***340.0***	*+ 33.2*	*+ 10.0*	***204.8***
Ship & Offshore Structure	*44.6*	***52.0***	*+ 7.4*	*91.2*	*120.0*	***120.0***	*+ 28.8*	*-*	***68.0***
Business Profit	12.0	**19.9**	+ 7.8	44.2	57.0	**58.0**	+ 13.8	+ 1.0	**38.1**
[Margin]	*[7.5%]*	*[10.6%]*	*[+ 3.1pt]*	*[11.1%]*	*[12.7%]*	*[12.6%]*	*[+ 1.4pt]*	*[-]*	*[14.0%]*
Share of profit (loss) of investments accounted for using equity method	*9.4*	***11.5***	*+ 2.1*	*22.9*	*25.0*	***26.0***	*+ 3.1*	*+ 1.0*	***14.5***

Factors Affecting Changes in Business Profit

(billion yen)

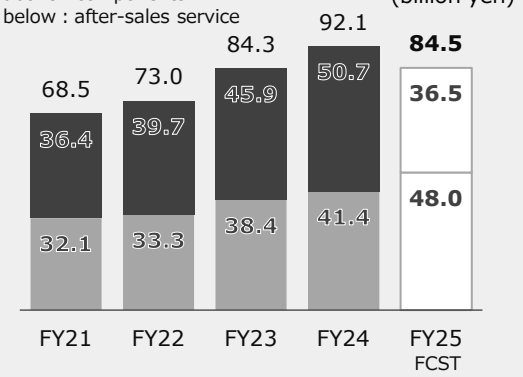


Appendix

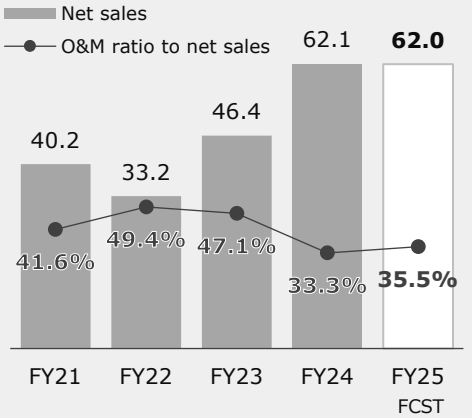
Revenue from major products in the energy business

above : components
below : after-sales service

(billion yen)



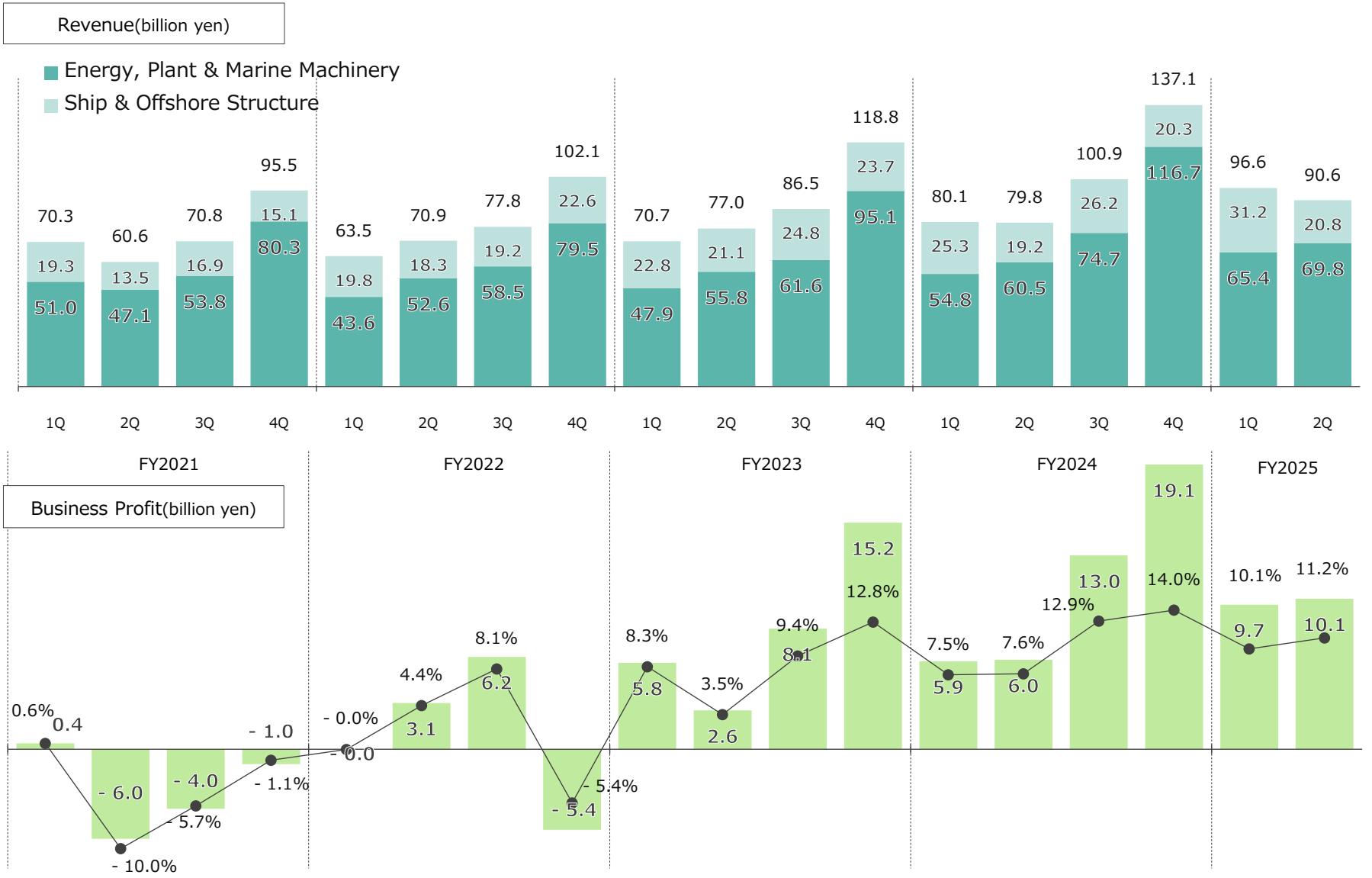
revenue from municipal waste incineration plants



3

Details by Segment

- Energy Solution & Marine Engineering -



Details by Segment
- Energy Solution & Marine Engineering -

Market Overview

- Energy, Plant & Marine Machinery

Domestic	Overseas
– Growth in demand for power supply to data centers, mainly for emergency use – Continued demand for renewal of aging waste incineration plants	– Fuel transition from coal to natural gas in emerging countries – Increasing hydrogen-related orders and inquiries in developed countries

- Ship & Offshore Structure

Commercial ships	Submarines and special vessels
– Ship prices continue to be high, affected by the soaring cost of materials and equipment – Ship prices continue to be high, affected by the soaring cost of materials and equipment	- Continuous orders for surface ship main engines and power generation systems - Stable orders for submarines are expected

- Entire segment

Risks	Carbon neutrality
– Stable supply of fuel gas required for operation of power generation facilities – Concerns about pressure on profits due to persistently high raw material, equipment, and fuel costs	Inquiries and requests for cooperation are increasing regarding transition solutions associated with the return to LNG, as well as decarbonization solutions such as KCC

Specific Efforts

Contribution to realizing a low-carbon and decarbonized society

Topic Kawasaki to Supply LNG Tanks for FPCC※ in Mailiao Industrial Complex, Taiwan

- A key project responsible for the transition from coal-fired to natural gas-fired power generation
- KHI is responsible for two aboveground LNG storage tanks, LNG transfer pumps, and auxiliary equipment such as cryogenic piping
- This order reflects high recognition of our proven track record of delivering over 70 cryogenic tanks in Japan and overseas, as well as our technical expertise in ultra-low temperature fields

※FPCC : Formosa Petrochemical Corporation

Solutions for decarbonized society

Topic Installation of a Demonstration Facility for New Low-concentration CO_2 Capture Technology at Kobe Works

- Using our proprietary CO_2 capture technology, Kawasaki CO_2 Capture (KCC), we will conduct technical demonstrations for **the following two applications**
- By using a proprietary solid sorbent, CO_2 can be separated and captured at 60°C, lower than conventional liquid absorbent methods

Demonstration facility at Kobe Works (CG image)

1 Technology to capture CO_2 Direct Air Capture (DAC)

2 Technology to capture CO_2 from exhaust gas Post-Combustion Capture (PCC)

3

Details by Segment

- Precision Machinery & Robot -

Q2 of FY2025（vs. Q2 of FY2024）

Orders Received +¥1.6 bil.

Remained flat YoY, as a decline in automotive robots offset the increased hydraulic components orders for the construction machinery market in China

Revenue +¥7.5 bil.

Up due to growth in hydraulic components for the construction machinery market in China and robots for semiconductor manufacturing equipment

Business Profit +¥2.3 bil.

Improved due to increased revenue and better equity-method earnings

FY2025 Forecast（vs. forecast in August）

Orders Received ±¥0.0 bil.

The outlook remains unchanged

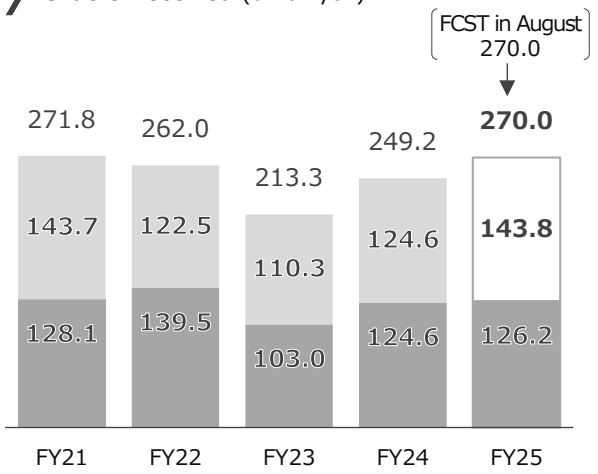
Revenue ±¥0.0 bil.

Same as above

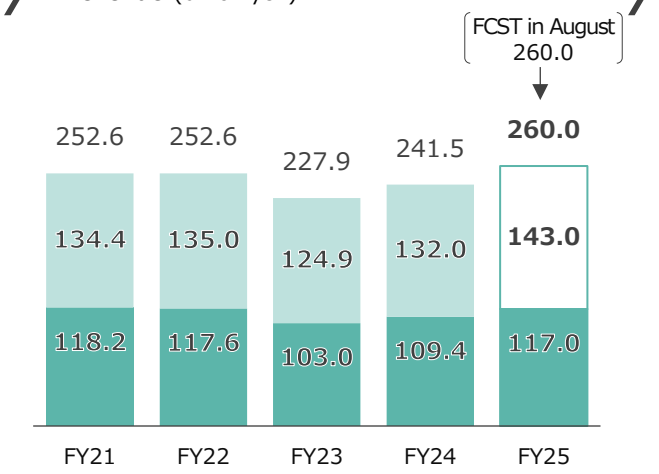
Business Profit ±¥0.0 bil.

Same as above

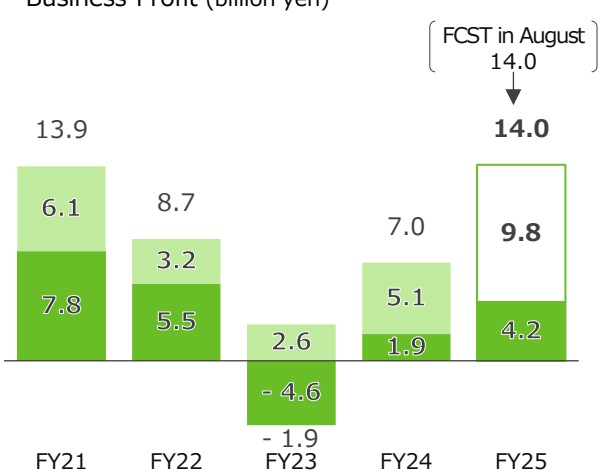
Orders Received (billion yen)



Revenue (billion yen)



Business Profit (billion yen)



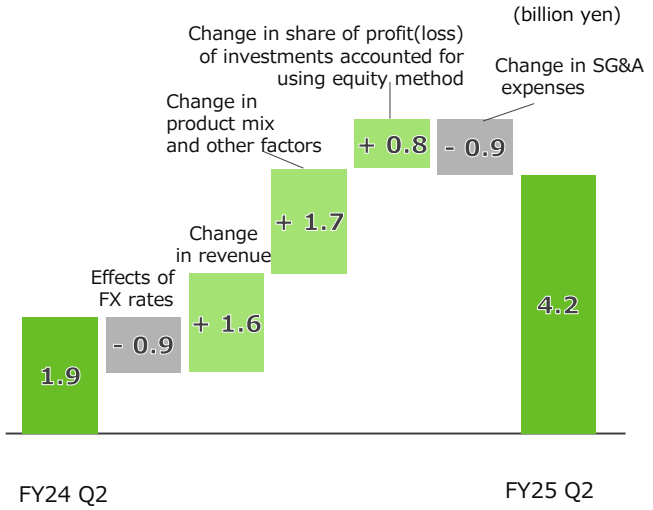
Note: Darker areas in the graphs represent the Q1-Q3 and lighter areas represent the Q4 cumulative total

3 Details by Segment - Precision Machinery & Robot -

(billion yen)

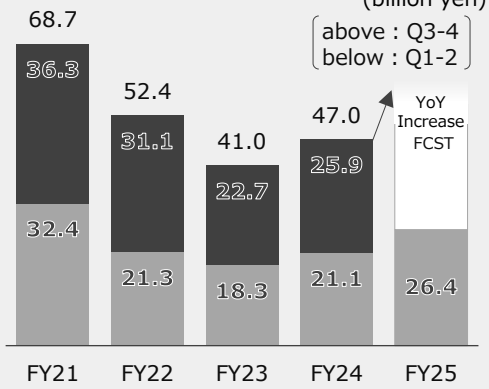
	FY2024 Q2 Actual	FY2025 Q2 Actual	FY2025 Change	FY2024 Actual	FY2025 Forecast Old FCST	FY2025 Forecast New FCST	FY2025 Forecast Chg. Vs. FY24	FY2025 Forecast Chg. Vs. Old FCST	FY2025 Forecast Q3-4 FCST
Orders Received	124.6	**126.2**	+ 1.6	249.2	270.0	**270.0**	+ 20.8	-	**143.8**
Hydraulic Components & Systems	*74.9*	***85.7***	*+ 10.8*	*147.5*	*170.0*	***170.0***	*+ 22.5*	-	***84.3***
Robotics	*49.7*	***40.5***	*- 9.2*	*101.7*	*100.0*	***100.0***	*- 1.7*	-	***59.5***
Revenue	109.4	**117.0**	+ 7.5	241.5	260.0	**260.0**	+ 18.5	-	**143.0**
Hydraulic Components & Systems	*71.1*	***78.7***	*+ 7.5*	*146.8*	*160.0*	***160.0***	*+ 13.2*	-	***81.3***
Robotics	*38.3*	***38.2***	*- 0.0*	*94.6*	*100.0*	***100.0***	*+ 5.4*	-	***61.8***
Business Profit	1.9	**4.2**	+ 2.3	7.0	14.0	**14.0**	+ 7.0	-	**9.8**
[Margin]	*[1.8%]*	*[3.6%]*	*[+ 1.8pt]*	*[2.9%]*	*[5.4%]*	*[5.4%]*	*[+ 2.4pt]*	*[-]*	*[6.9%]*
Share of profit (loss) of investments accounted for using equity method	*- 0.8*	***0.0***	*+ 0.8*	*- 1.5*	*0.0*	***0.0***	*+ 1.5*	-	***0.0***

Factors Affecting Changes in Business Profit



Appendix

Revenue from hydraulic components to China



Revenue of robots by segment※

(billion yen)

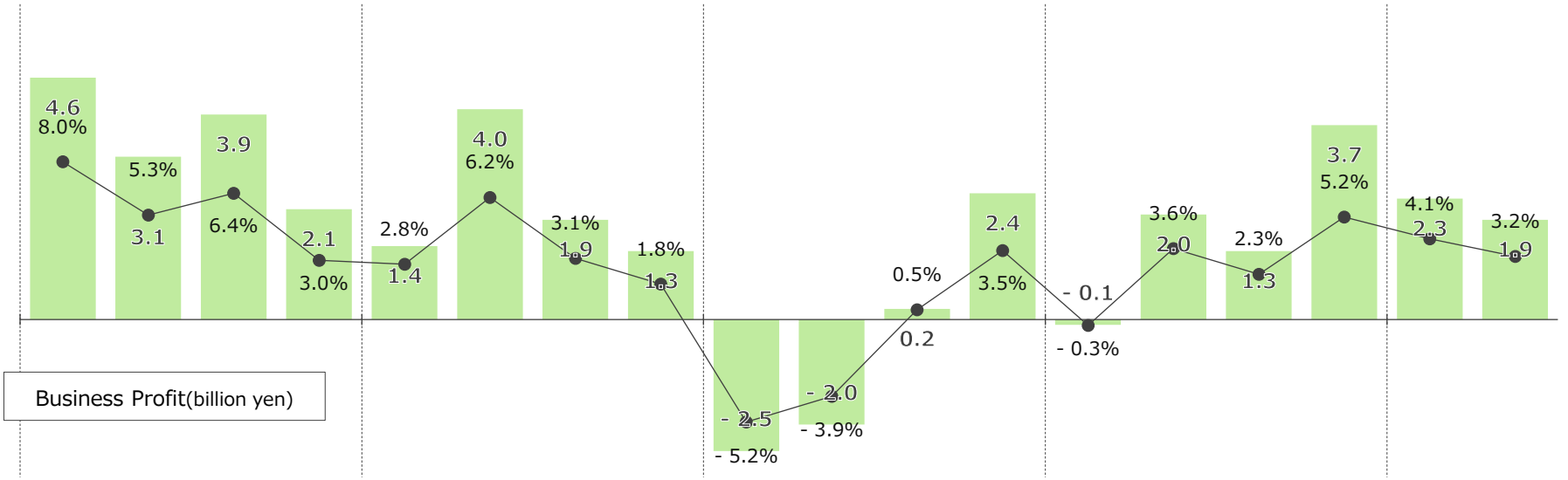
above : Q1-2 below : Full Year	FY24	FY25	Change
Automobile assembly and painting	14.2 41.8	13.3 *40.0	- 0.9 - 1.8
Semiconductor	15.6 34.8	18.3 *38.0	+ 2.7 + 3.2
General robots for industrial use and others	12.0 27.4	10.9 *32.0	- 1.0 + 4.6
Total	41.9 104.1	42.6 *110.0	+ 0.7 + 5.9

※Including intercompany revenue　　* Forecast

3

Details by Segment
- Precision Machinery & Robot -

Revenue(billion yen)



Business Profit(billion yen)

Details by Segment
- Precision Machinery & Robot -

Market Overview

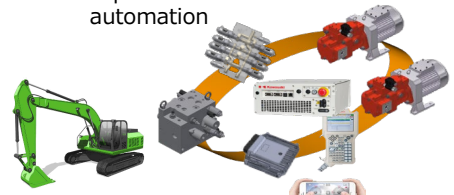
- Hydraulic components
  - Construction machinery market in China
    Although demand had been sluggish due to the prolonged real estate downturn, recovery is now gaining momentum, driven mainly by export models (particularly orders for large-scale mining equipment and units bound for Africa and Southeast Asia)
  - Global Construction Machinery Market (Excluding China)
    The European market is showing signs of recovery
  - Electrification driven by environmental regulations will advance, along with automation, autonomy, and remote operation prompted by a shortage of skilled workers at construction sites demanding site conditions requiring remote operation
- Robots
  - General purpose robots
    Demand remains sluggish due to US tariff policy and China's economic slowdown, but automation demand is steadily rising, driven by increasing labor costs and labor shortages
  - Robots for semiconductor production
    Driven primarily by growth in the AI fields, demand has been recovering since H2 FY2024 and is expected to continue improving despite the impact of US–China restrictions

Specific Efforts

Measures for the development of hydraulic business

Development of new products and market for construction machinery

- Expanding markets through advanced control and development capabilities for electrification and automation



Electric Hydraulic System for Construction Machinery

Strengthening the after sales business

- Expansion of after-sales services and development of the sales network, leveraging past sales performance

Strengthening hydrogen / MOD business

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

Strategic Challenges in the Robotics

Investment in high value-added areas

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

Topics

'Development of a Co-Creation Platform for Enhancing SI Efficiency and Creating Diverse Robotic Systems project' was selected for a NEDO public call

KHI aims to promote the deployment of robots in untapped areas by building a co-creation platform

Strengthening brand

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

Strengthening the medical robot business

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

3

Details by Segment
- Powersports & Engine -

Q2 of FY2025（vs. Q2 of FY2024）

Revenue +¥39.4 bil.

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

Business Profit -¥10.0 bil.

Down due to the appreciation of the yen, increased fixed costs associated with production investment, higher promotional expenses, and the impact of US tariff policy, despite increased revenue

FY2025 Forecast（vs. forecast in August）

Revenue +¥40.0 bil.

Revised up the outlook, reflecting stronger-than-expected demand in the US powersports market and higher motorcycle sales in emerging markets

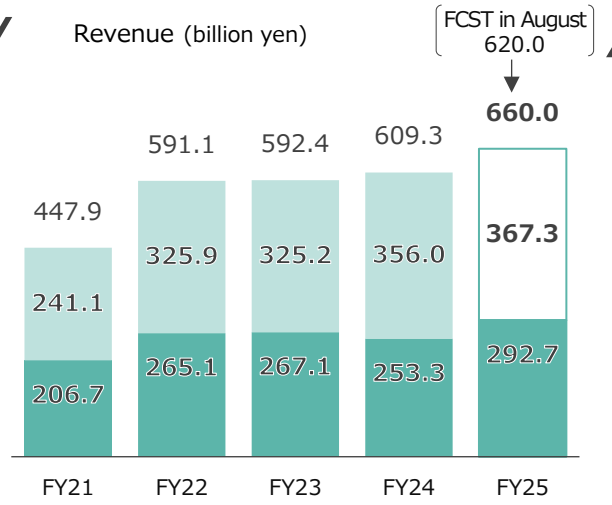
Business Profit ±¥0 bil.

The outlook remains unchanged due to higher promotional expenses and tariffs, despite increased revenue

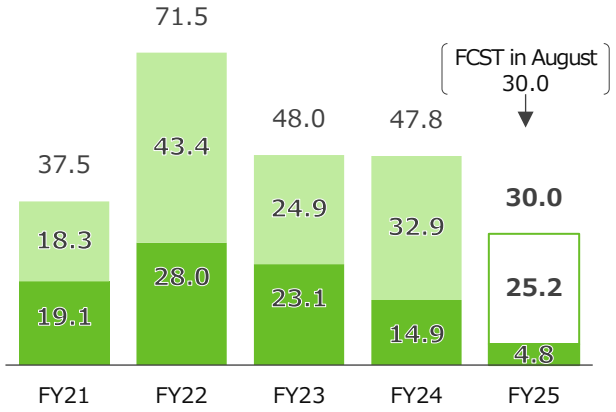
Orders Received (billion yen)

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

Revenue (billion yen)



Business Profit (billion yen)



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

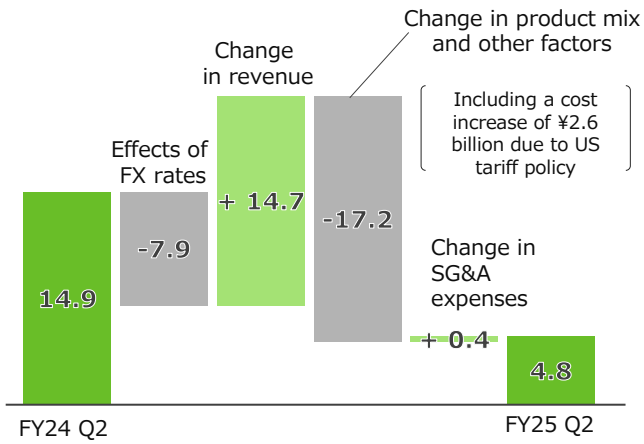
3 Details by Segment - Powersports & Engine -

(billion yen)

	FY2024 Q2 Actual	FY2025 Q2 Actual	FY2025 Change	FY2024 Actual	FY2025 Forecast Old FCST	FY2025 Forecast New FCST	FY2025 Forecast Chg. Vs. FY24	FY2025 Forecast Chg. Vs. Old FCST	FY2025 Forecast Q3-4 FCST
Revenue	253.3	**292.7**	+ 39.4	609.3	620.0	**660.0**	+ 50.7	+ 40.0	**367.3**
Motorcycles for developed markets	*99.1*	***112.2***	*+ 13.1*	*245.3*	*225.0*	***250.0***	*+ 4.7*	*+ 25.0*	***137.8***
Motorcycles for emerging markets	*47.7*	***48.0***	*+ 0.3*	*99.2*	*95.0*	***105.0***	*+ 5.8*	*+ 10.0*	***57.0***
Utility Vehicles, ATVs & PWC	*60.8*	***84.7***	*+ 23.8*	*169.0*	*205.0*	***210.0***	*+ 41.0*	*+ 5.0*	***125.3***
General-purpose gasoline engines	*45.6*	***47.7***	*+ 2.1*	*95.5*	*95.0*	***95.0***	*- 0.5*	*-*	***47.3***
Business Profit	14.9	**4.8**	- 10.0	47.8	30.0	**30.0**	- 17.8	-	**25.2**
[Margin]	*[5.9%]*	*[1.7%]*	*[- 4.2pt]*	*[7.9%]*	*[4.8%]*	*[4.5%]*	*[- 3.3pt]*	*[- 0.3pt]*	*[6.9%]*

Factors Affecting Changes in Business Profit

(billion yen)



Appendix

Wholesale volume by region

(thousand units)

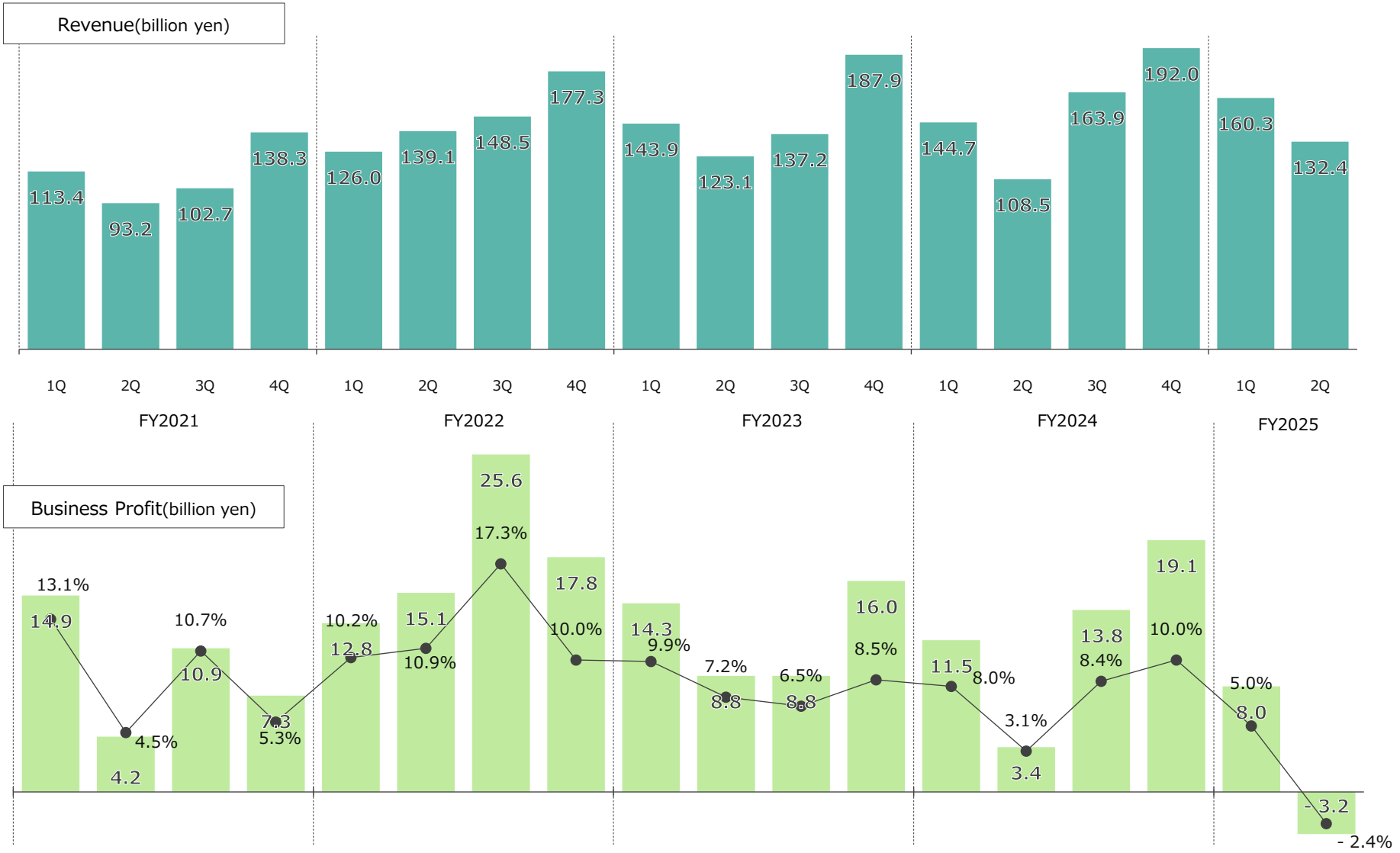
		FY24 Q2	FY25 Q2	Change	FY25(FCST)
Developed markets	Japan	11	16	+ 5	
	North America	43	46	+ 2	
	Europe	33	35	+ 2	
	Others※	3	5	+ 1	
Total		91	104	+ 12	235
Emerging markets	Philippines	86	97	+ 11	
	Indonesia	12	8	- 4	
	Latin America	5	7	+ 2	
	Others※	13	12	- 1	
Total		118	125	+ 7	290
Four-wheelers・PWC	North America and Others	23	35	+ 12	85

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

Australia :
China :
Thailand :

3

Details by Segment
- Powersports & Engine -



Details by Segment
- Powersports & Engine -

Market Overview

- US (Motorcycles)
  - Despite a softening retail market, our market share remains strong
- US (Four-wheelers)
  - Market is expected to grow over the medium to long term, but sales of recreational models, which are susceptible to loan interest rates and fuel price increases, have softened
  - Market Share Expanded Through New Model Launches and Recovery from Recall Impact
- US (Common to both business above)
  - Additional tariffs measures concerns over weakening demand.
- Europe
  - Despite a temporary retail slowdown following pre-regulation surge, we expanded market share through effective promotions and successful new models
- Southeast Asia
  - Sports segment remains at low level, while recovering in some regions

Specific Efforts

Supplying products in alignment with market trends

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

Z1100 / Z1100 SE
New Z Series models released

Expansion of the four-wheeler business and electrification

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

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

Advancing Business Transformation through DX

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

Cash flow Improvement

- Improve FCF by strengthening profitability and maintaining appropriate inventory levels

4

Shareholder Returns and Other Information

4 Shareholder Returns

Dividend Policy

Standard mid- to long-term consolidated dividend payout ratio **30%**

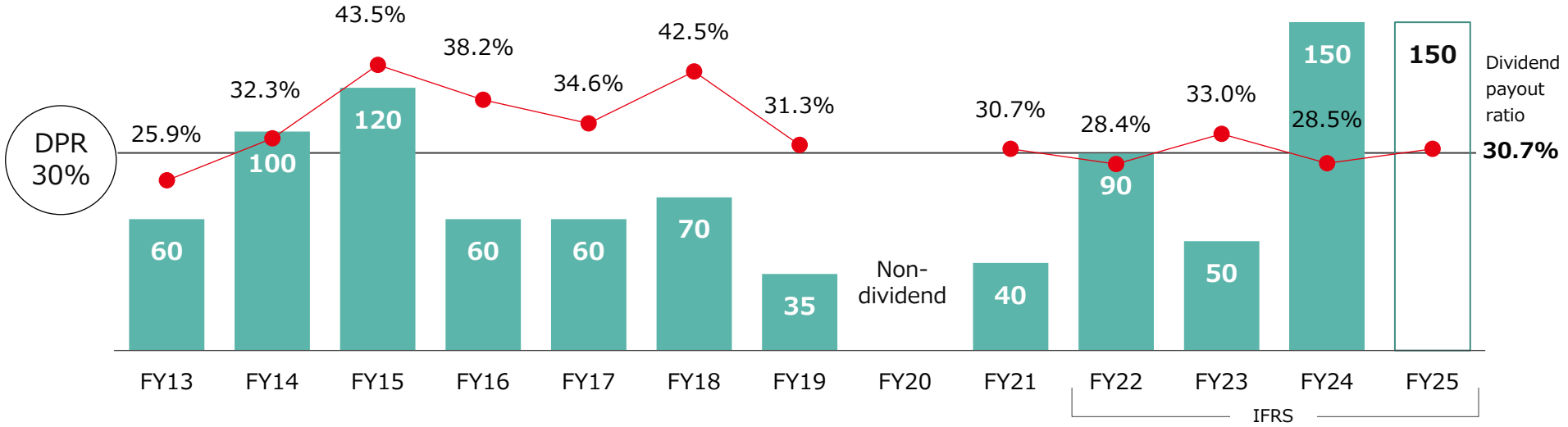
Considerations

1 Overall considerations
- Future earnings forecasts
- Financial conditions like free cash flow, debt-to-equity ratio, etc.

2 Stable dividends

Dividend for FY2025

Planned annual dividend per share of **150** yen (dividend payout ratio 30.7%) remains unchanged



4 Project Topics

Update on the Liquefied Hydrogen Supply Chain Commercialization Demonstration
— Advancing Toward a Sustainable Hydrogen Society —

Selected under the NEDO Green Innovation Fund Projects, this demonstration is being implemented with public support over 10 years from FY2021 to FY2030

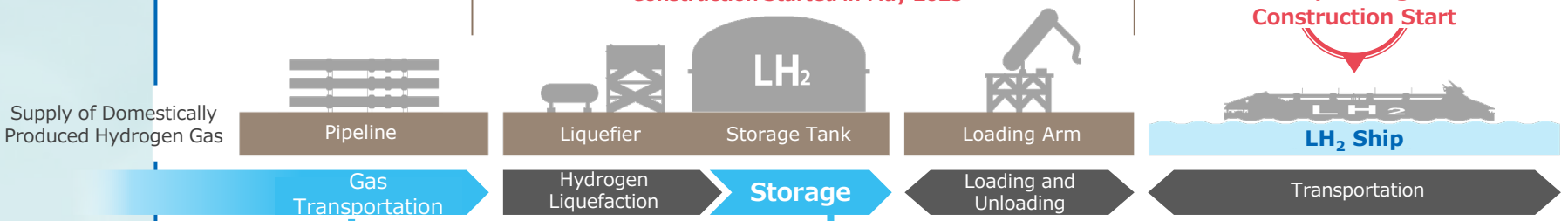
Project scale Approx. **¥300**bil.

Of which, subsidies cover Approx.**¥220**bil.

Liquefied Hydrogen Supply Chain Commercialization Demonstration (By FY2030)

Kawasaki City, Kanagawa
Ohgishima (Kawasaki LH_2 Terminal)
Construction Started in May 2025

Upcoming Construction Start



Courtesy of: Japan Suiso Energy, Ltd.

Pipeline Installation to Start in FY2026

Project NEWS JSE and JFE Engineering Sign Basic Design Contract for Hydrogen Pipeline（September, 2025）

JSE has entered into a basic design agreement with JFE Engineering, a leading company in pipeline construction with extensive experience and cutting-edge expertise. The contract covers Japan's first high-pressure hydrogen pipeline, aimed at enabling large-scale hydrogen transportation.

※ JSE: Japan Suiso Energy, Ltd.(est. June 2021) — Focused on planning, operations and investment in the liquefied hydrogen supply chain

On-site Assembly to Start in Nov 2025

Project NEWS Fabrication of Large Liquefied Hydrogen Storage Tank Launched（October, 2025 ）

Fabrication started at Our Harima Works for the World's first commercial-scale above-ground flat-bottom cylindrical liquefied hydrogen storage tank (Capacity: 50,000m³)

Ohgishima Tank Assembly Site [Current Status]

Conceptual drawing for a liquefied hydrogen storage tank

4 Project Topics

Developing a Hydrogen Supply Chain with Global Partners
— Looking Beyond Domestic Commercialization Demonstration —

Signing of MoU for Cooperation to Develop a Japan-Germany Hydrogen Supply Chain

In September 2025, Kawasaki signed a Memorandum of Understanding (MOU) for cooperation to develop a Japan-Germany hydrogen supply chain with Toyota Motor Corporation, The Kansai Electric Power Co., Inc., Daimler Truck Holding AG, and Hamburger Hafen und Logistik AG. This MoU aims to promote the international utilization of hydrogen across national and industry borders, and to develop a hydrogen supply chain with high economic value by aligning Japanese and German demand.

KHI Press release
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20250915_6397

Signing of MoU for Cooperation to Develop a Japan-Australia Liquefied Hydrogen Supply Chain

In September 2025, JSE signed a MoU for cooperation to develop a Japan-Australia liquefied hydrogen supply chain with Woodside Energy Ltd., Australia's leading energy company, and The Kansai Electric Power Co., Inc. The aim is to develop a supply chain for transporting hydrogen produced at the H2Perth project※ to receiving terminals in Japan using liquefied hydrogen carriers.

※ A liquefied hydrogen production and export project promoted by Woodside Energy Ltd. in Western Australia

JSE Press release (Japanese text only)
https://www.japansuisoenergy.com/news/pdf/Ja_Press%20Release_KE_JS_WE.pdf

Third-Party Share Allotment by JSE to Support Liquefied Hydrogen Supply Chain

In August 2025, JSE accepted capital investment from the following six companies across various industrial sectors,

EBARA CORPORATION, Obayashi Corporation, Tokyo Century Corporation, Development Bank of Japan Inc., Mizuho Bank, Ltd., and Mitsubishi Kakoki Kaisha, Ltd.

Through this investment, JSE aims to accelerate the development of a supply chain for the production, transportation, and delivery of liquefied hydrogen.

JSE Press release (Japanese text only)
https://www.japansuisoenergy.com/news/pdf/NR_lhchain_tp202508.pdf

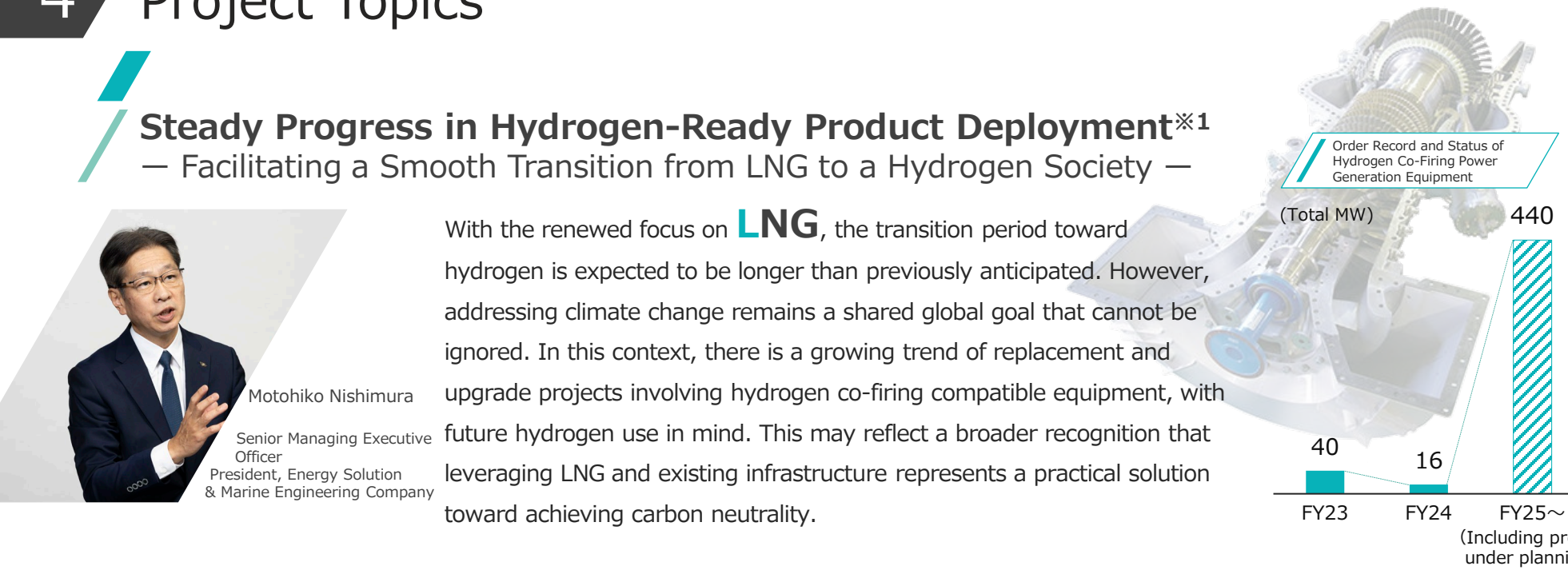
4 Project Topics

Steady Progress in Hydrogen-Ready Product Deployment※1
— Facilitating a Smooth Transition from LNG to a Hydrogen Society —

Motohiko Nishimura

Senior Managing Executive Officer
President, Energy Solution & Marine Engineering Company

With the renewed focus on **LNG**, the transition period toward hydrogen is expected to be longer than previously anticipated. However, addressing climate change remains a shared global goal that cannot be ignored. In this context, there is a growing trend of replacement and upgrade projects involving hydrogen co-firing compatible equipment, with future hydrogen use in mind. This may reflect a broader recognition that leveraging LNG and existing infrastructure represents a practical solution toward achieving carbon neutrality.



Case Study

Hydrogen Co-Firing Gas Turbine Cogeneration System by KHI Begins Operation at Nisshin OilliO's Yokohama Isogo Complex

In April 2025, a KHI gas turbine cogeneration system※2 capable of co-firing city gas with up to 30% hydrogen by volume began operation at Nisshin OilliO Group's Yokohama Isogo Complex. The facility was delivered as part of an energy service project, installed, owned, and operated by JFE Engineering Corporation. Nisshin OilliO is working to increase its use of non-fossil energy sources in pursuit of carbon neutrality by 2050, and considers **the early establishment of Hydrogen Ready※1 as a key priority**.

The Nisshin OilliO Group, Ltd.
Press release (Japanese text only)
https://www.nisshin-oillio.com/company/news/down2.php?attach_id=1861

※1 A state in which hydrogen can be used immediately once the hydrogen supply infrastructure is in place

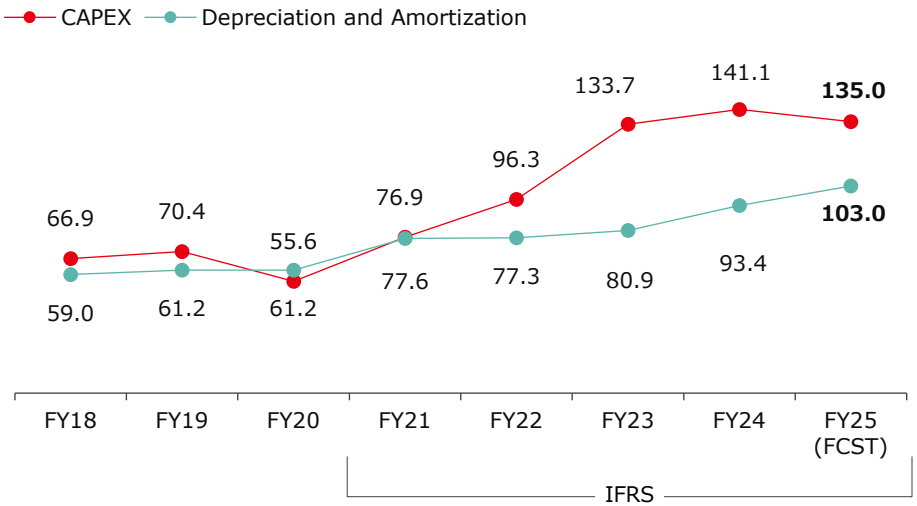
※2 Actual hydrogen co-firing requires the installation of auxiliary facilities such as hydrogen receiving systems, supply equipment, and hydrogen gas compressors

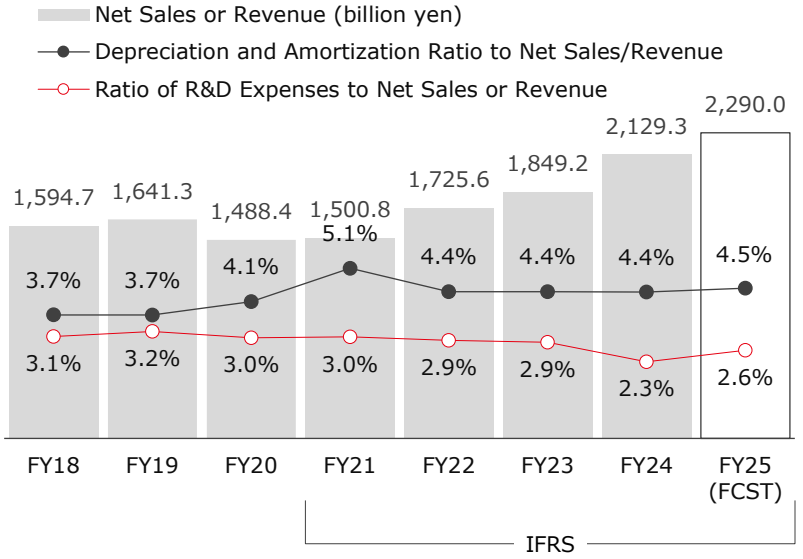
4 Appendix

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

(billion yen, persons)

	FY2024	FY2025			FY2024	FY2025					
	Q2 Actual	Q2 Actual	Change		Actual	Old FCST	New FCST	Chg. Vs. FY24		Chg. Vs. Old FCST	
CAPEX	65.6	**60.3**	-	5.3	141.1	154.0	**135.0**	-	6.1	-	19.0
Depreciation and Amortization	43.0	**50.4**	+	7.3	93.4	107.0	**103.0**	+	9.6	-	4.0
R&D Expenses	26.1	**27.2**	+	1.1	48.9	64.0	**60.5**	+	11.6	-	3.5
Number of Employees					40,640	43,680	**42,410**	+	177	-	127.0
Domestic					29,072	30,610	**30,690**	+	162	+	8.0
Overseas					11,568	13,070	**11,720**	+	15	-	135.0





4 Appendix
- Others -

● Orders Received by Quarter (billion yen)

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

4 Appendix
- Others -

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

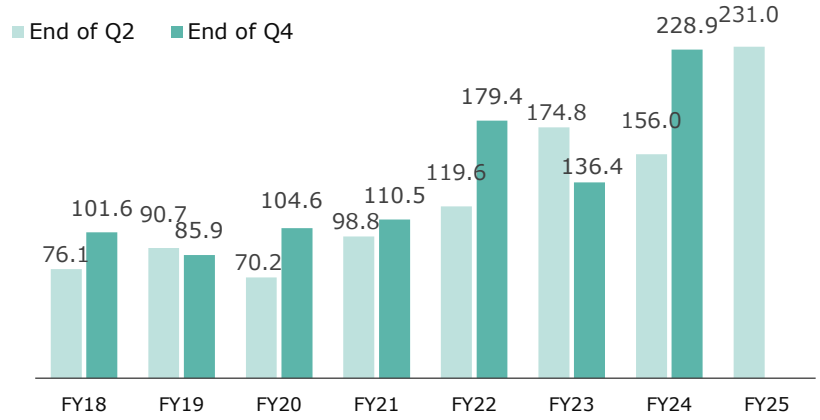
	FY2024 Q2 Actual	FY2025 Q2 Actual	Change	FY2024 Actual	FY2025 Forecast Old FCST	FY2025 Forecast New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST
Orders Received	144.2	**205.0**	+ 60.8	774.7	460.0	**480.5**	- 294.2	+ 20.5
Aircraft and others	*61.3*	***117.8***	*+ 56.5*	*584.7*	*325.0*	*341.5*	*- 243.2*	*+ 16.5*
Aero Engines	*19.2*	***9.8***	*- 9.4*	*38.9*	*32.0*	*34.0*	*- 4.9*	*+ 2.0*
Submarines & Naval propulsions	*63.7*	***77.4***	*+ 13.7*	*151.1*	*103.0*	*105.0*	*- 46.1*	*+ 2.0*
Revenue	147.6	**158.0**	+ 10.4	400.8	470.0	**470.0**	+ 69.2	-
[Ratio to the company's total revenue]	*[16.7%]*	*[15.9%]*		*[18.8%]*	*[20.5%]*	*[20.1%]*		
Aircraft and others	*100.3*	***104.7***	*+ 4.4*	*280.6*	*328.5*	*324.5*	*+ 43.9*	*- 4.0*
Aero Engines	*9.2*	***10.4***	*+ 1.2*	*25.4*	*31.5*	*28.5*	*+ 3.1*	*- 3.0*
Submarines & Naval propulsions	*38.1*	***42.9***	*+ 4.8*	*94.8*	*110.0*	*117.0*	*+ 22.2*	*+ 7.0*

4 Appendix
- Others -

● Order Backlog (billion yen)

	FY24 Q2	FY25 Q2	
	Actual	**Actual**	Change
Aerospace Systems	966.0	**1,342.8**	+ 376.7
Rolling Stock	421.5	**426.5**	+ 4.9
Energy Solution & Marine Engineering	734.1	**873.5**	+ 139.4
Precision Machinery & Robot	98.8	**100.6**	+ 1.8
Powersports & Engine	-	**2.0**	+ 2.0
Others	67.1	**50.7**	- 16.4
Total	2,287.7	**2,796.4**	+ 508.6

● Order Backlog in Ship & Offshore (billion yen)



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

	FY25 Q2 Received Orders Actual	Delivery Year				Order Backlog
		FY25 Q2 Actual	FY25 Q3~	FY26	FY27~	
			Plan			
LPG Carrier	1	2	2	4	5	11
Submarine				1	1	2
Others						
Total		※1 2	2	5	6	※2 13

※ 1 Gross tonnage of delivered in FY25 Q2 : 100,800GT
※ 2 Gross tonnage of outstanding orders : 554,400GT
(Submarines are excluded)

4 Appendix
- Others -

● Revenue by Region (billion yen)

	FY24 Q2	FY25 Q2		
	Actual	**Actual**	Change	
Japan	333.6	**377.6**	+	43.9
USA	279.6	**325.5**	+	45.8
Europe	98.3	**102.7**	+	4.4
Asia	128.5	**135.8**	+	7.3
Other	44.0	**54.4**	+	10.3
Total	884.1	**996.2**	+	112.0

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

FY2024 Q2 (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	117.9	72.0	41.0	0.0	3.0	234.1
Rolling Stock	20.1	63.6	-	3.2	-	87.0
Energy Solution & Marine Engineering	114.2	0.4	7.2	22.7	15.2	159.9
Precision Machinery & Robot	30.4	9.9	6.8	60.0	2.1	109.4
Powersports & Engine	15.5	133.2	43.0	38.7	22.7	253.3
Others	35.1	0.2	0.1	3.6	0.9	40.1
Total	333.6	279.6	98.3	128.5	44.0	884.1
[margin]	*37.7%*	*31.6%*	*11.1%*	*14.5%*	*5.0%*	*100.0%*

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%*

4 Appendix
- Others -

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

		FY2024	FY2025	
		Q2Actual	**Q2Actual**	Q3-4 FCST
USD	Aerospace Systems	※2 0.34	**0.40**	0.59
	Rolling Stock	0.16	**0.17**	- 0.01
	Energy Solution & Marine Engineering	0.12	**0.16**	0.06
	Precision Machinery & Robot	0.06	**0.08**	0.05
	Powersports & Engine	0.35	**0.32**	0.29
	Total	※2 1.03	**1.13**	0.98
EUR		0.24	**0.26**	0.18

- Weighted-average Exchange Rates (EUR/JPY)

FY2023 actual	157.09
FY2024 actual	163.07
FY2025 Q2 actual	166.99
FY2025 forecast	165.00

※1 The amount of foreign currency (only USD and EUR) that affects business profits due to exchange rate fluctuations
(Calculated by deducting foreign currency denominated purchases from foreign currency denominated revenue of Kawasaki Heavy Industries, Ltd, Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include foreign currency denominated revenue from loss-provisioned projects))
(Ex) Business profit increases or decreases by 1 billion yen if the exchange rate changes to 1 yen weaker or stronger against USD when the foreign currency amount is 1 billion USD

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

[Formulas for Calculating ROIC]

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

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

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