

Kawasaki Heavy Industries, Ltd.

May 22, 2025

Notice Regarding a Partial Business Succession
From a Subsidiary Due to a Company Split
(Simple Absorption-Type Split)

Kawasaki Heavy Industries, Ltd. (the “Company”) hereby announces that today it decided that the Facility Maintenance, Inspection, and Repair segment and the On-site Service segment of the Company’s wholly owned subsidiary Kawaju Support Co., Ltd. (“Kawaju Support”) at the Company’s Sakaide Works are to be succeeded to the Company through an absorption-type split with an effective date of October 1, 2025 (the “Split”).

As the Split is a simple absorption-type split in which businesses of a wholly owned subsidiary of the Company are to be succeeded, some disclosure items and their content have been omitted.

1. Purpose of the Split

The Company’s Ship & Offshore Structure segment builds LPG/ammonia carriers consecutively, and for a evolved shipyard, the Company is promoting initiatives toward a digital shipyard (improvements in productivity and efficiency in shipbuilding using digital transformation (DX)). As part of these initiatives, the Company will integrate the maintenance, inspection and repair functions for production facility which Kawaju Support engages in at the Company’s Sakaide Works, into the Company’s Production Engineering Department with the aim of total productive maintenance from the introduction of production facility to maintenance, inspections and repairs.

2. Overview of the Split

(1) Outline of the Split

(i) Schedule of the Split

Date of Board of Directors resolution approving the split agreement	August 6, 2025 (scheduled)
Date of conclusion of the split agreement	August 7, 2025 (scheduled)
Scheduled date of the Split (effective date)	October 1, 2025

(Note) Since the Split falls under the category of a simple absorption-type split for the Company pursuant to the provisions of Article 796, Paragraph 2 of the Companies Act and under the category of a short-form absorption-type split for Kawaju Support pursuant to the provisions of Article 784, Paragraph 1 of the Companies Act, the Company and Kawaju Support will conduct the Split without obtaining approval by resolution at a general meeting of shareholders.

(ii) Method of the Split

The Split is an absorption-type split in which the Company is the successor company and Kawaju Support is the split company.

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- (iii) Details of allotment related to the Split
The Split will not involve allotments of shares or money, etc.
- (iv) Treatment of share acquisition rights and bonds with share acquisition rights in connection with the Split
Not applicable.
- (v) Increase or decrease in share capital due to the Split
There will be no change in the Company's share capital as a result of the Split.
- (vi) Rights and obligations to be succeeded to the successor company
The rights and obligations held by Kawaju Support related to the Facility Maintenance, Inspection, and Repair segment and the On-site Service segment at the Company's Sakaide Works will be succeeded to the Company as a result of the Split.
- (vii) Prospects of fulfilling financial obligations
The Company deems that there are no issues with the certainty of fulfilling the obligations that it will assume as a result of the Split.

(2) Overview of companies involved in the Split

	Successor company (as of March 31, 2025)	Split company (as of March 31, 2025)
(i) Trade name	Kawasaki Heavy Industries, Ltd.	Kawaju Support Co., Ltd.
(ii) Location of head office	1-1 Higashikawasaki-cho 3-chome, Chuo-ku, Kobe	1-1 Higashikawasaki-cho 3-chome, Chuo-ku, Kobe
(iii) Job title and name of representative	Yasuhiko Hashimoto Representative Director, President and CEO	Goichi Tokuda President and Representative Director
(iv) Description of business	Aerospace Systems segment Rolling Stock segment Energy Solution & Marine Engineering segment Precision Machinery & Robot segment Powersports & Engine segment, etc.	Factory Facility Maintenance, Inspection, and Repair segment Construction segment Transportation and Vehicle Maintenance segment On-site Service segment Non-destructive Inspection segment
(v) Share capital	104,484 million yen (consolidated)	50 million yen (non-consolidated)
(vi) Date of establishment	October 15, 1896	October 1, 1973
(vii) Number of shares issued	167,921,800 shares	100,000 shares
(viii) Fiscal year-end	March 31	March 31

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	Successor company (as of March 31, 2025)	Split company (as of March 31, 2025)
(ix) Major shareholders and ownership ratios	The Master Trust Bank of Japan, Ltd. (Trust account) [15.0%] Custody Bank of Japan, Ltd. (Trust account) [8.0%] Nippon Life Insurance Company [3.4%] Kawasaki Heavy Industries Employee Stock Ownership Association [2.8%] STATE STREET BANK AND TRUST COMPANY 505001 [2.7%]	Kawasaki Heavy Industries, Ltd. [100%]

(x) Financial position and operating results for the most recent fiscal year			
Kawasaki Heavy Industries, Ltd. (Consolidated/IFRS)		Kawaju Support Co., Ltd. (Non-consolidated/Japanese GAAP)	
Total equity	725,064 million yen	Net assets	1,274 million yen
Total assets	3,016,951 million yen	Total assets	2,858 million yen
Equity attributable to owners of parent per share	4,205.63 yen	Net assets per share	12,742.95 yen
Revenue	2,129,321 million yen	Net sales	5,123 million yen
Business profit	143,123 million yen	Operating profit	302 million yen
Profit before tax	107,518 million yen	Ordinary profit	309 million yen
Profit attributable to owners of parent	88,001 million yen	Profit attributable to owners of parent	225 million yen
Basic earnings per share	525.44 yen	Basic earnings per share	2,251.59 yen

(3) Overview of the business segments to be succeeded

(i) Description of business of the segments to be succeeded

The Facility Maintenance, Inspection, and Repair segment and the On-site Service segment at the Company's Sakaide Works

(ii) Operating results of the segments to be succeeded

Net sales: 882 million yen (FY2024)

(iii) Items and amounts of assets and liabilities to be succeeded

Item	Amount	Item	Amount
Assets	537 million yen	Liabilities	312 million yen

(Note) The above amounts are calculated based on the balance sheet as of March 31, 2025. Therefore, the actual amounts to be succeeded will be adjusted by adding or subtracting any increases or decreases up to the day before the effective date.

(4) Status after the Split

There will be no changes to the trade name, location of head office, job title and name of representative, description of business, share capital or fiscal year-end for the Company as a result of the Split.

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Hiroaki Mori assumed office as the Representative Director of Kawaju Support on April 1, 2025 and he will continue to serve as Representative Director following the Split. There will be no changes to the trade name, location of head office, job title of representative, description of business, share capital or fiscal year-end as a result of the Split.

(5) Future outlook

Since the Split involves a wholly owning parent company and a wholly owned subsidiary, the impact on the Company's consolidated financial results will be minor.

(Reference) Consolidated earnings forecast for the current fiscal year (disclosed on May 9, 2025) and results for the previous fiscal year

	Revenue	Business profit	Profit before tax	Profit attributable to owners of parent
Consolidated earnings forecast for the current fiscal year (FY2025)	million yen 2,310,000	million yen 145,000	million yen 115,000	million yen 82,000
Results for the previous fiscal year (FY2024)	2,129,321	143,123	107,518	88,001

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