

# Financial Results for First Quarter FY2025

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For the year ending March 31, 2026

August 6, 2025

Kawasaki Heavy Industries, Ltd.



 **Kawasaki**  
Powering your potential

## Consolidated Results for First Quarter FY2025

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- ✓ Business profit totaled **20.5** billion yen, an increase of 3.5 billion yen YoY. This represents 14% progress toward the full-year forecast of 145.0 billion yen — a solid start compared to 12% in the previous fiscal year
- ✓ The impact from U.S. tariff policy during the first quarter was minimal

## Forecasts for FY2025

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- ✓ **The impact of U.S. tariff policy has been reflected in the full-year forecast for FY2025**, and some indirect effects have been factored into the PS&E since the start of the fiscal year
- ✓ While higher tariffs have led to increased costs, **the initial business profit forecast of 145.0 billion yen** for FY2025 remains unchanged. (The assumed exchange rate for Q2 onward has been revised from 140 yen to 145 yen per US dollar)

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## Forecasts for FY2025

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### Notice

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

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# Consolidated Results for First Quarter FY2025

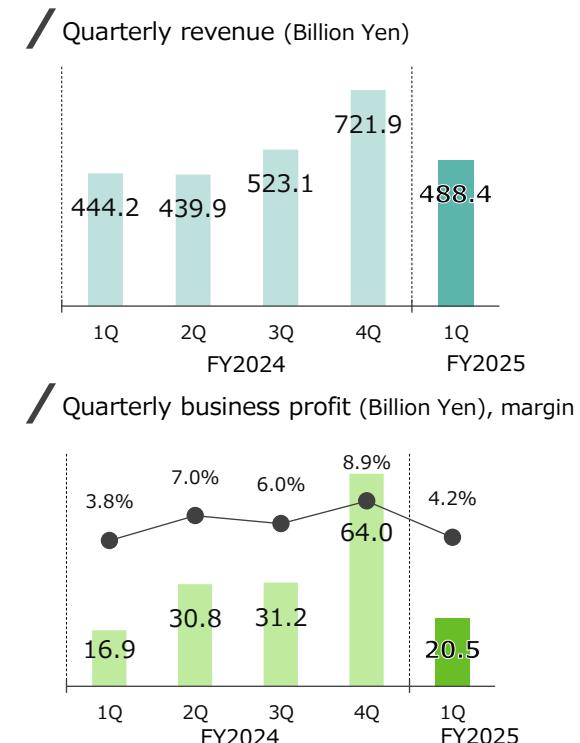
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(for the year ending March 31, 2026)

# Consolidated Results for First Quarter FY2025 -Summary-

- Revenue and Business profit increased YoY, reaching a record high for Q1 revenue
- Profit before tax and net profit decreased YoY due to the contraction of foreign exchange gains resulting from the appreciation of the yen

	FY24 Q1	FY25 Q1	Change	
Orders Received	456.8	<b>446.3</b>	-	10.5
Revenue	444.2	<b>488.4</b>	+	44.2
Business Profit	16.9	<b>20.5</b>	+	3.5
[margin]	[3.8%]	[4.2%]		[+ 0.3pt]
Profit Before Tax	25.8	<b>16.8</b>	-	9.0
[margin]	[5.8%]	[3.4%]		[- 2.3pt]
Profit Attributable to Owners of Parent	15.3	<b>4.2</b>	-	11.1
[margin]	[3.5%]	[0.9%]		[- 2.5pt]
Weighted-average exchange rates (USD/JPY) <sup>※1</sup>	153.34	<b>143.79</b>	-	9.55
US dollar-based transaction (B\$) <sup>※2</sup>	0.49	<b>0.52</b>	+	0.03



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

※2 The amount of foreign currency that affects business profits 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 of loss provisions. 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 engines. See page 52 for the breakdown of these figures by segments.

# Consolidated Results for First Quarter FY2025 -Segment-

**Business profit increased in Rolling Stock due to improved profitability and recovery from a temporary decline in profit in the previous year\*** (1)

\* Impact of the revision to the indirect cost allocation rate

**Business profit in Aerospace Systems declined due to a temporary decline and increased shipments of newly manufactured commercial aircraft engines** (2)

										(billion yen)		
	Orders Received			Revenue			Business Profit (Loss)					
	FY24 Q1	FY25 Q1	Change	FY24 Q1	FY25 Q1	Change	FY24 Q1	FY25 Q1	Change			
Aerospace Systems	88.2	<b>98.9</b>	+ 10.7	104.9	<b>101.5</b>	- 3.3	4.8	<b>0.8</b>	- 4.0	<span style="border: 1px solid red; border-radius: 50%; padding: 2px;">2</span>	<span style="border: 1px solid red; border-radius: 50%; padding: 2px;">1</span>	
Rolling Stock	17.0	<b>14.8</b>	- 2.2	43.8	<b>55.2</b>	+ 11.4	- 1.4	<b>3.6</b>	+ 5.1			
Energy Solution & Marine Engineering	121.8	<b>86.6</b>	- 35.2	80.1	<b>96.6</b>	+ 16.5	5.9	<b>9.7</b>	+ 3.7			
Precision Machinery & Robot	61.6	<b>63.9</b>	+ 2.2	52.6	<b>56.9</b>	+ 4.2	- 0.1	<b>2.3</b>	+ 2.4			
Powersports & Engine	144.7	<b>160.2</b>	+ 15.5	144.7	<b>160.3</b>	+ 15.5	11.5	<b>8.0</b>	- 3.4			
Others	23.3	<b>21.7</b>	- 1.5	17.8	<b>17.6</b>	- 0.1	0.7	<b>1.6</b>	+ 0.9			
Eliminations and corporate*	-	-	-	-	-	-	- 4.5	<b>- 5.8</b>	- 1.2			
<b>Total</b>	<b>456.9</b>	<b>446.3</b>	- 10.5	<b>444.2</b>	<b>488.4</b>	+ 44.2	<b>16.9</b>	<b>20.5</b>	+ 3.5			

\*“Eliminations and corporate” includes some expenses incurred at Head Offices which were not allocated to each industry segment for internal reporting.

# Consolidated Results for First Quarter FY2025

## -Statement of Profit and Loss-

(billion yen)

	FY24 Q1		FY25 Q1		Change	
		%		%		
Revenue	444.2	100.0	<b>488.4</b>	100.0	+ 44.2	
Cost of sales	358.8	80.8	<b>396.6</b>	81.2	+ 37.8	
Gross profit	85.4	19.2	<b>91.8</b>	18.8	+ 6.3	
Selling, general and administrative expenses	73.8	16.6	<b>76.9</b>	15.8	+ 3.0	
Salaries and allowances	19.6		<b>20.3</b>		+ 0.7	
Research and development expenses	13.4		<b>13.6</b>		+ 0.1	
Others	40.7		<b>42.9</b>		+ 2.1	
Share of profit (loss) of investments accounted for using equity method	5.8		<b>6.1</b>		+ 0.3	
Other income and other expenses	- 0.4		<b>- 0.5</b>		- 0.1	0.0
Gain on sale of property, plant and equipment	0.7		<b>0.0</b>		- 0.7	0.6
Others	- 1.1		<b>- 0.6</b>		+ 0.5	
<b>Business Profit (Loss)</b>	<b>16.9</b>	3.8	<b>20.5</b>	4.2	+ 3.5	

### Details

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

# Consolidated Results for First Quarter FY2025 -Statement of Profit and Loss-

	FY24 Q1	%	FY25 Q1	%	Change	(billion yen)
Finance income and Finance costs	8.9		<b>- 3.6</b>		- 12.6	
Net Interest expense (incl. dividend income)	- 1.9		<b>- 2.6</b>		- 0.7	
Gain and loss on foreign exchange	12.9		<b>0.1</b>		- 12.7	
Others	- 2.0		<b>- 1.2</b>		+ 0.8	
Profit before tax	25.8	5.8	<b>16.8</b>	3.5	- 9.0	
Income tax expense	9.9		<b>2 9.5</b>		<b>3 - 0.4</b>	
Profit attributable to Non-controlling interests	0.5		<b>3.0</b>		<b>+ 2.5</b>	
Profit attributable to owners of parent	15.3	3.5	<b>4.2</b>	0.9	- 11.1	

## Details

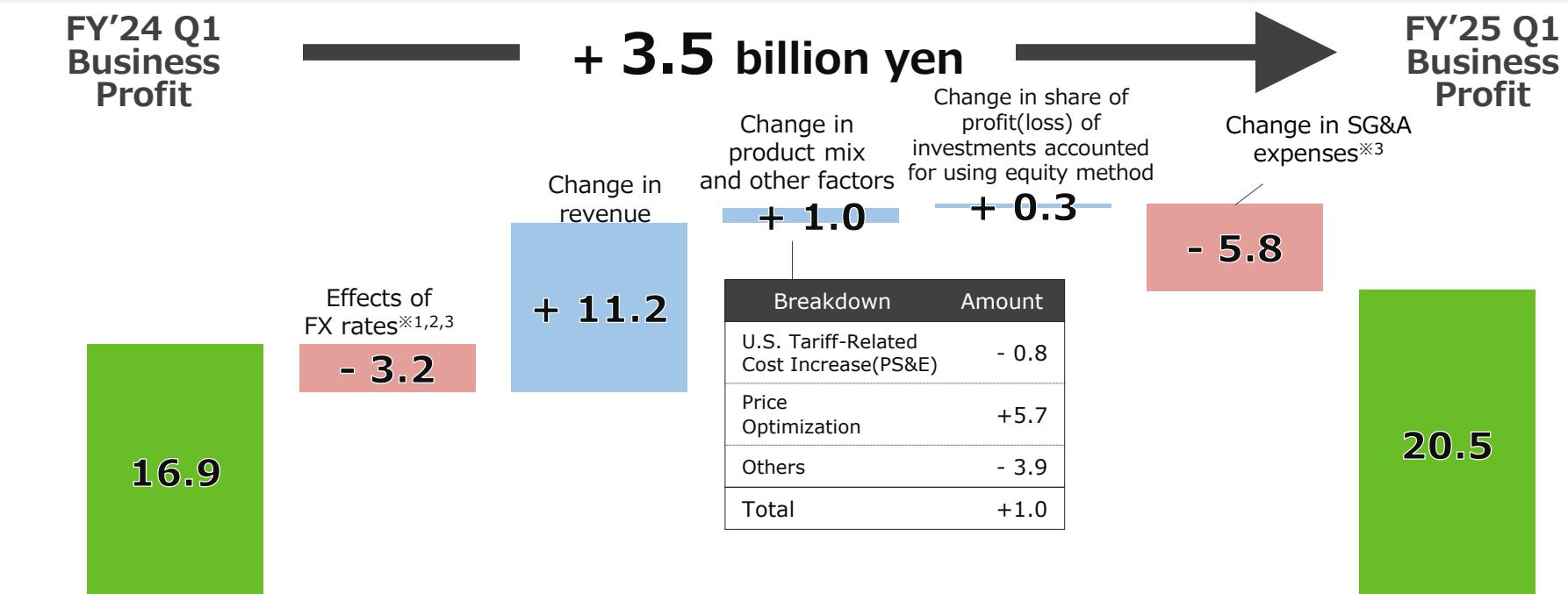
② Despite the nominal tax burden ratio on quarterly profit before tax standing at a high level of 56%, this was a temporary effect due to the use of a simplified tax calculation method. The full-year rate is expected to converge toward the effective tax rate

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

# Consolidated Results for First Quarter FY2025

## -Details of change in business profit-

- Change in revenue was mainly driven due to increase of sales in PS&E
- Change in product mix and other factors revealed significant profitability improvement in Rolling Stock, while Aerospace Systems and PS&E saw declines



※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 engines(+5.2 bil. 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 Results for First Quarter FY2025

## -Details of change in business profit-

(billion yen)

	FY24 Q1 Business Profit (Loss)	Details of change					Total	FY25 Q1 Business Profit (Loss)
		Effects of FX rates <sup>※1</sup>	Change in revenue <sup>※1</sup>	Change in product mix and other factors <sup>※1</sup>	Change in share of profit (loss) of investments accounted for using equity method	Change in SG & A expenses <sup>※3</sup>		
Aerospace Systems	4.8	※2 0.2	- 1.1	- 1.4		- 1.7	- 4.0	0.8
Rolling Stock	- 1.4	- 0.7	0.8	5.1	0.0	- 0.1	5.1	3.6
Energy Solution & Marine Engineering	5.9	- 0.2	2.8	2.3	- 0.1	- 1.1	3.7	9.7
Precision Machinery & Robot	- 0.1	- 0.6	0.9	1.8	0.5	- 0.2	2.4	2.3
Powersports & Engine	11.5	- 1.9	7.8	- 7.9	- 0.0	- 1.4	- 3.4	8.0
Others	0.7	0.0	0.0	1.1	- 0.1	- 0.1	0.9	1.6
Eliminations and corporate	- 4.5			- 0.1	- 0.0	- 1.1	- 1.2	- 5.8
<b>Total</b>	<b>16.9</b>	<b>- 3.2</b>	<b>11.2</b>	<b>1.0</b>	<b>0.3</b>	<b>- 5.8</b>	<b>3.5</b>	<b>20.5</b>

※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 engines (+5.2 bil. yen)

※3 Impact of FX rates are not included

# Consolidated Results for First Quarter FY2025

## -Statement of financial position-

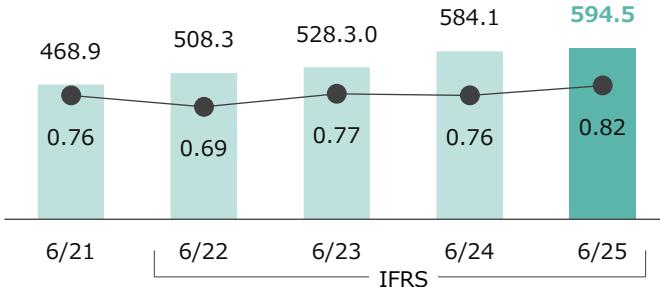
(billion yen)

	End of Mar. 2025	%	End of Jun. 2025	%	Change
Cash and cash equivalents	132.7		<b>73.9</b>		- 58.8
Trade receivables (Incl. contract assets)	888.8		<b>810.6</b>		① - 78.2
Inventories	775.4		<b>801.0</b>		+ 25.6
Other current assets	226.8		<b>269.1</b>		+ 42.2
Current assets	2,023.9	67.1	<b>1,954.7</b>	65.8	- 69.1
PP&E and intangible assets	591.5		<b>594.5</b>		+ 3.0
Right-of-use assets	58.6		<b>62.4</b>		+ 3.7
Deferred tax assets	128.7		<b>127.2</b>		- 1.5
Other non-current assets	214.0		<b>230.0</b>		+ 16.0
Non-current assets	993.0	32.9	<b>1,014.2</b>	34.2	+ 21.2
Total assets	3,016.9	100.0	<b>2,968.9</b>	100.0	- 47.9

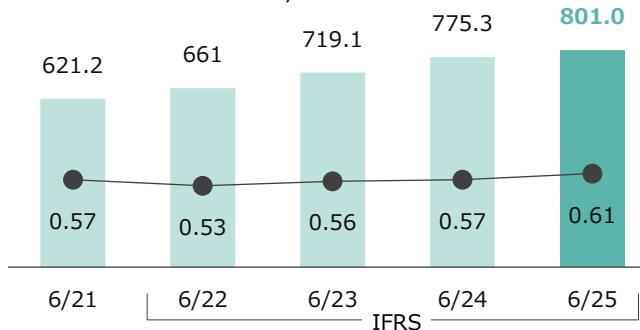
Details

① Decreased in Aerospace, Plant, and PS&E etc.

■ PP&E and Intangible assets (Bil Yen)  
● Turnover of PP&E and intangible assets



■ Inventory (Bil Yen)  
● Turnover of inventory

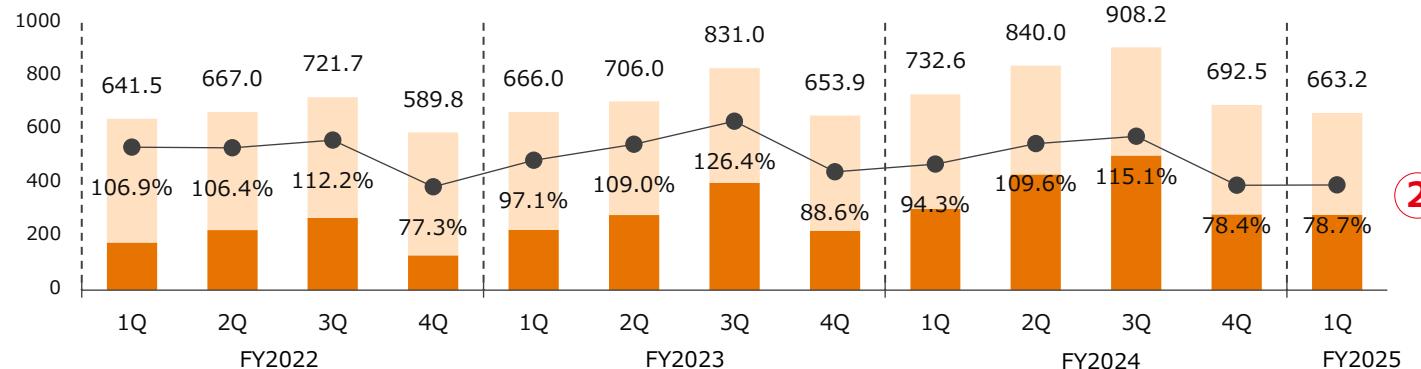


# Consolidated Results for First Quarter FY2025

## -Statement of financial position-

	End of Mar. 2025	%	End of Jun. 2025	%	Change
Trade payables	512.1		<b>490.7</b>		- 21.3
Interest-bearing debt	692.5		<b>663.2</b>		② - 29.2
Contract liability (Advances received)	363.5		<b>391.2</b>		+ 27.7
Provision for losses on construction contracts	5.1		<b>5.5</b>		+ 0.4
Retirement benefit liability	67.1		<b>67.9</b>		+ 0.8
Other liabilities	651.5		<b>556.0</b>		- 95.5
<b>Total liabilities</b>	<b>2,291.8</b>	76.0	<b>2,174.7</b>	73.3	- 117.1
Equity attributable to owners of parent	702.9		<b>735.9</b>		③ + 32.9
Non-controlling interests	22.1		<b>58.3</b>		③ + 36.1
<b>Total equity</b>	<b>725.0</b>	24.0	<b>794.2</b>	26.8	+ 69.1
<b>Total liabilities and equity</b>	<b>3,016.9</b>	100.0	<b>2,968.9</b>	100.0	- 47.9

█ Short-term debt (bil yen)      █ Long-term debt (bil yen)  
● Net D/E Ratio



### Details

② A portion of the 80.0 billion yen 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

③ Increased in non-controlling interests resulting from the transfer of a 20% stake in Kawasaki Motors, Ltd., to ITOCHU Corporation

### Appendix

Cash Conversion Cycle (day)	
End of FY21 Q1	141
End of FY22 Q1	146
End of FY23 Q1	146
End of FY24 Q1	159
End of FY25 Q1	148

# Consolidated Results for First Quarter FY2025

## -Cash Flows-

(billion yen)

	FY24 Q1	FY25 Q1	Change	
Profit before tax	25.8	<b>16.8</b>	-	9.0
Depreciation and amortization	20.8	<b>24.3</b>	+	3.4
Increase and decrease in working capital	7.2	<b>40.3</b>	+	33.1
Trade receivables <sup>※1</sup> (minus notation indicates incr.)	57.6	<b>74.7</b>	+	17.0
Inventory (minus notation indicates incr.)	- 49.9	<b>- 29.5</b>	+	20.3
Trade payables (minus notation indicates decr.)	- 18.3	<b>- 19.8</b>	-	1.5
Advance payment (minus notation indicates incr.)	- 33.2	<b>- 14.7</b>	+	18.5
Contract liabilities <sup>※2</sup> (minus notation indicates decr.)	51.0	<b>29.7</b>	-	21.2
Other	- 30.3	<b>- 89.3</b>	-	58.9
<b>Cash flows from operating activities</b>	<b>23.6</b>	<b>- 7.7</b>	<b>1</b>	<b>- 31.3</b>
Purchase of PP&E and intangible assets	- 25.5	<b>- 26.1</b>	-	0.5
Proceeds from sales of PP&E and intangible assets	1.3	<b>0.2</b>	-	1.1
Other	- 1.9	<b>- 12.2</b>	-	10.3
<b>Cash flows from investing activities</b>	<b>- 26.1</b>	<b>- 38.1</b>	-	<b>12.0</b>
<b>Free cash flows</b>	<b>- 2.4</b>	<b>- 45.8</b>	-	<b>43.3</b>
Net increase and decrease in debt and bonds (minus notation indicates decr.)	69.6	<b>2</b> <b>- 32.5</b>	-	102.1
Dividends paid (Except payment to non-controlling interests)	- 4.7	<b>- 12.8</b>	-	8.0
Proceeds from fluidity of lease receivables and Repayment of payables under fluidity lease receivables	- 27.6	<b>- 37.9</b>	-	10.2
Other	- 10.0	<b>2</b> <b>70.5</b>	+	80.6
<b>Cash flows from financing activities</b>	<b>27.1</b>	<b>- 12.7</b>	-	<b>39.8</b>

### Details

#### ① FY'24 Q1 :

Operating cash flows were at the same level as pre-tax income due to an increase in contract liabilities in Aerospace, despite an increase in inventories in Aerospace Systems and PS&E

#### FY'25 Q1 :

Although trade receivables were collected in Aerospace and Plant, increased payments such as corporate income taxes led to a cash outflow in operating cash flow

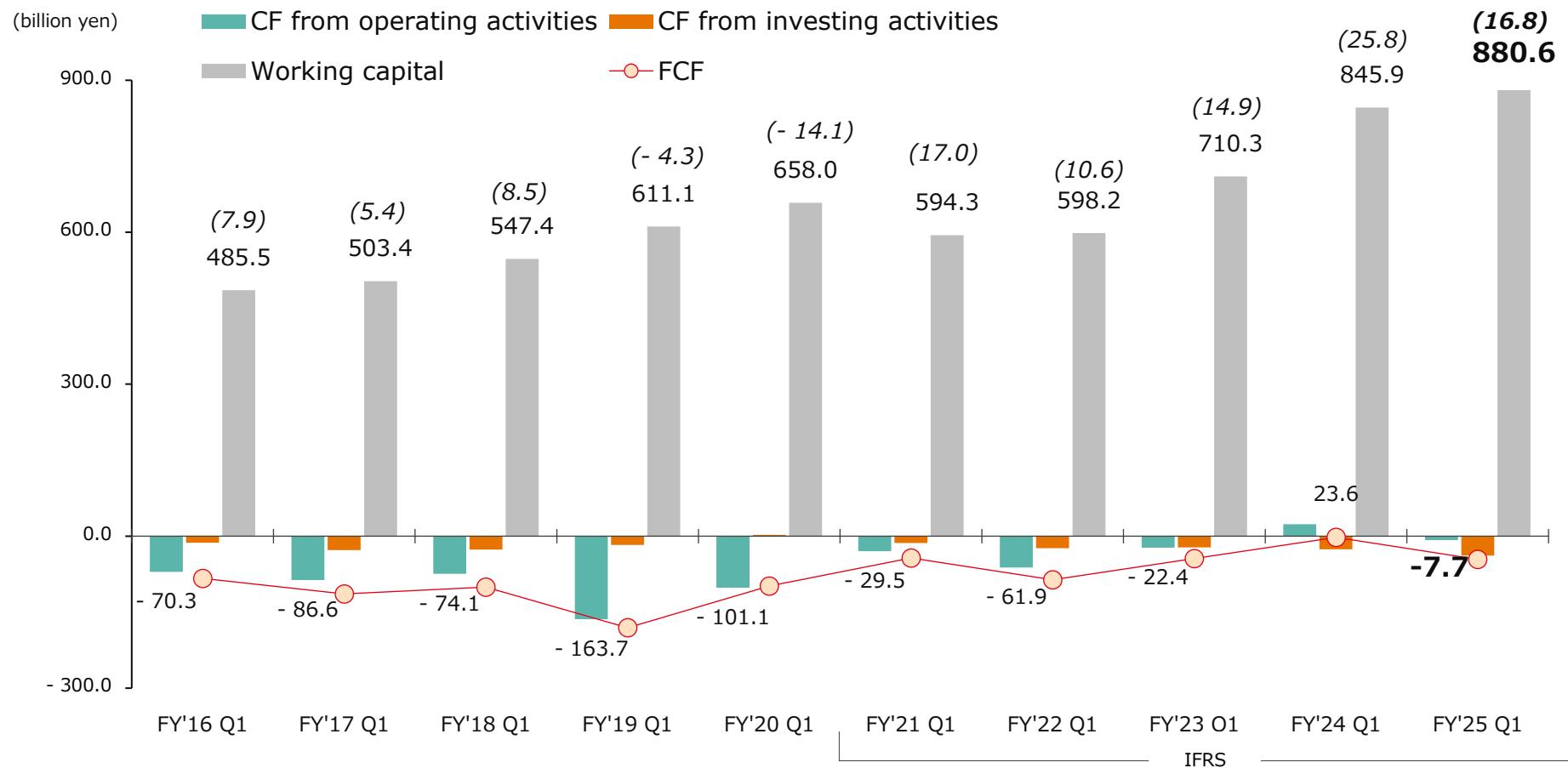
#### ② A portion of the 80.0 billion yen proceeds from the transfer of a 20% stake in Kawasaki Motors, Ltd., a PS&E business subsidiary, to ITOCHU Corporation was allocated to the repayment of interest-bearing debt

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

# Consolidated Results for First Quarter FY2025

## -Cash Flows-

- Although working capital increased significantly over the past three years, its contribution to cash flow has gradually become more apparent
- Operating cash flow in Q1 FY2025 was slightly negative, but remained on an improvement trend



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

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# Forecasts for FY2025

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(for the year ending March 31, 2026)

- The Forecasts incorporate the impact of U.S. Tariff Policy
- The FX rate assumption from the second quarter onward has been revised to 145 yen, while the full-year profit forecast remains unchanged from May

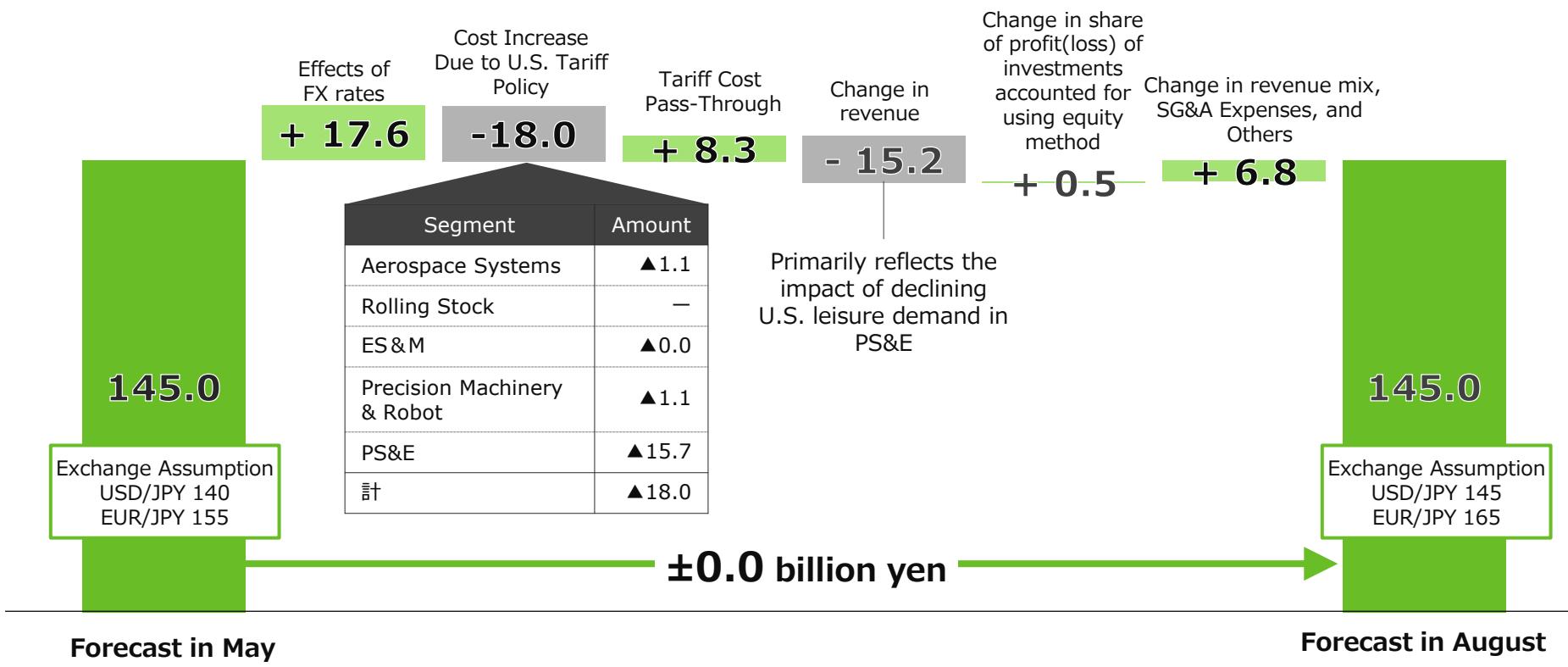
(billion yen)

	FY2024 Actual	FY2025 Forecast and Progress						
		Old FCST	New FCST	Chg. vs. FY24	Chg. vs. Old FCST	Q1 Actual	Q2-4 FCST	
Orders Received	2,630.7	2,200.0	<b>2,230.0</b>	- 400.7	+ 30.0	<b>446.3</b>	<b>1,783.7</b>	
Revenue	2,129.3	2,310.0	<b>2,290.0</b>	+ 160.7	- 20.0	<b>488.4</b>	<b>1,801.6</b>	
Business Profit	143.1	145.0	<b>145.0</b>	+ 1.9	-	<b>20.5</b>	<b>124.5</b>	
[Margin]	[6.7%]	[6.3%]	[6.3%]	[- 0.3pt]	[-]	[4.2%]	[6.9%]	
Profit Before Tax	107.5	115.0	<b>115.0</b>	+ 7.5	+ -	<b>16.8</b>	<b>98.2</b>	
[Margin]	[5.0%]	[5.0%]	[5.0%]	[-]	[-]	[3.4%]	[5.5%]	
Profit Attributable to Owners of Parent	88.0	82.0	<b>82.0</b>	- 6.0	-	<b>4.2</b>	<b>77.8</b>	
[Margin]	[4.1%]	[3.5%]	[3.6%]	[- 0.5pt]	[-]	[0.9%]	[4.3%]	
After-tax ROIC	8.0%	6.9%	<b>6.9%</b>	- 1.1pt	-	-	-	
Weighted-average exchange rates (USD/JPY)	150.81	140.00	-	-	-	<b>143.79</b>	<b>145.00</b>	
US dollar-based transaction (B\$) <sup>※</sup>	1.94	2.50	<b>2.48</b>	+ 0.54	- 0.02	<b>0.52</b>	<b>1.96</b>	

※ The amount of foreign currency that affects business profits 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 of loss provisions). See page 51 for the breakdown of these figures by segment.

# -Details of change in business profit-

The impact of increased in costs due to U.S. tariff policy and decreased in sales due to market conditions was offset by price strategies, effective control of fixed costs, and yen's depreciation



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

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

- Aerospace Systems and ES&M have been revised up due to improved profitability from changes in FX rate assumptions and effective control of fixed costs 1
- PS&E have been revised down due to the impact of U.S. tariffs and decreased in sales based on the dampened consumer sentiment, despite recovery from recalls and production delays on last year 2

										(billion yen)			
	Orders Received				Revenue				Business Profit				
	FY2024	FY2025 Forecast			FY2024	FY2025 Forecast			FY2024	FY2025 Forecast			
		Actual	Old FCST	New FCST		Actual	Old FCST	New FCST		Actual	Old FCST	New FCST	Change
Aerospace Systems	882.8	640.0	690.0	+ 50.0	567.8	640.0	640.0	-	55.8	48.0	56.0	+ 8.0	
Rolling Stock	251.5	110.0	110.0	-	222.3	220.0	220.0	-	8.4	8.0	9.0	+ 1.0	
Energy Solution & Marine Engineering	542.0	430.0	440.0	+ 10.0	398.1	440.0	450.0	+ 10.0	44.2	50.0	57.0	+ 7.0	
Precision Machinery & Robot	249.2	260.0	270.0	+ 10.0	241.5	250.0	260.0	+ 10.0	7.0	13.0	14.0	+ 1.0	
Powersports & Engine	611.6	660.0	620.0	- 40.0	609.3	660.0	620.0	- 40.0	47.8	48.0	30.0	- 18.0	
Others	93.3	100.0	100.0	-	90.1	100.0	100.0	-	5.2	5.0	5.0	-	
Eliminations and corporate*	-	-	-	-	-	-	-	-	- 25.6	- 27.0	- 26.0	+ 1.0	
Total	2,630.7	2,200.0	2,230.0	+ 30.0	2,129.3	2,310.0	2,290.0	- 20.0	143.1	145.0	145.0	-	

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

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## Details by segment

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# 3 Details by segment -Aerospace Systems-

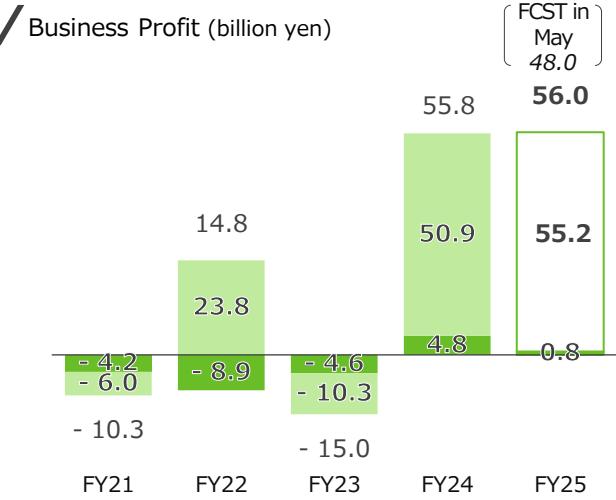
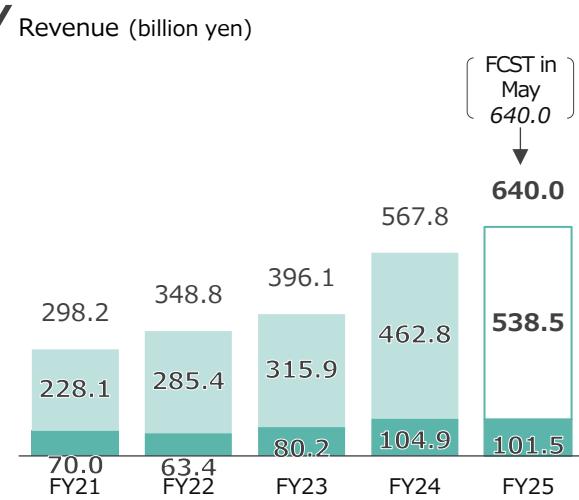
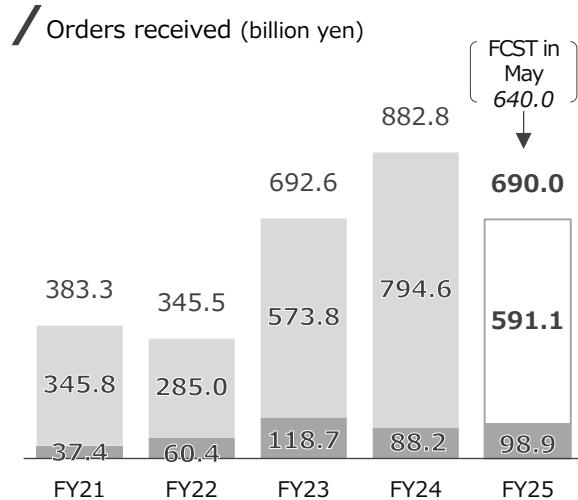
## FY2025.Q1 (vs. FY2024.Q1)

<b>Orders received</b> 	Increased due to an increase in MOD* and commercial aircraft engines
<u>+¥10.7 Bil.</u>	
<b>Revenue</b> 	Decreased due to a decrease in MOD and Boeing
<u>-¥3.3 Bil.</u>	
<b>Business profit</b> 	Decreased due to lower revenue, higher fixed costs associated with MRO, and increased shipments of newly manufactured commercial aircraft engines
<u>-¥4.0 Bil.</u>	

## FY2025 forecast (vs. Forecast in May)

<b>Orders received</b> 	Revised upward due to an increase in MOD
<u>+¥50.0 Bil.</u>	
<b>Revenue</b> 	Expected to remain at the same level due to a decline in commercial aircraft engines, despite a change in the assumed exchange rate
<u>±¥0.0 Bil.</u>	
<b>Business profit</b> 	Revised upward due to improved profitability resulting from changes in the FX rate assumption and effective control of fixed costs
<u>+¥8.0 Bil.</u>	

\*The Ministry of Defense



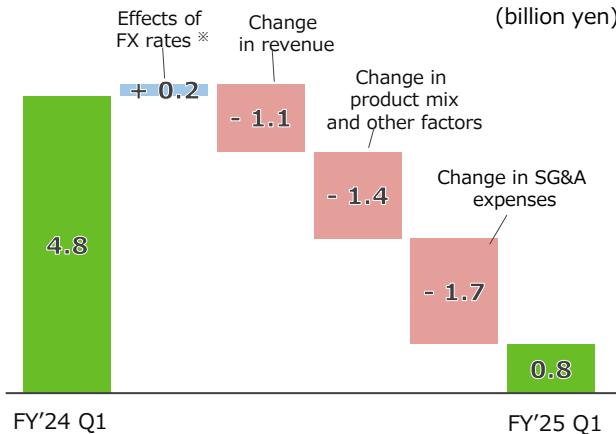
Note: Darker areas in the graphs represent the Q1 and lighter areas represent the Q2-Q4 cumulative total

# 3 Details by segment -Aerospace Systems-

(billion yen)

	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025 Forecast				
		Q1 Actual	Change		Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q2-4 FCST
Orders Received	88.2	98.9	+ 10.7	882.8	640.0	690.0	- 192.8	+ 50.0	591.1
Aerospace	54.3	65.1	+ 10.7	699.5	455.0	500.0	- 199.5	+ 45.0	434.9
Aero Engine	33.9	33.8	- 0.0	183.3	185.0	190.0	+ 6.7	+ 5.0	156.2
Revenue	104.9	101.5	- 3.3	567.8	640.0	640.0	+ 72.2	-	538.5
Aerospace	71.3	65.5	- 5.8	399.9	465.0	465.0	+ 65.1	-	399.5
Aero Engine	33.6	36.0	+ 2.4	167.8	175.0	175.0	+ 7.2	-	139.0
Business Profit	4.8	0.8	- 4.0	55.8	48.0	56.0	+ 0.2	+ 8.0	55.2
[Margin]	[4.6%]	[0.8%]	[- 3.8pt]	[9.8%]	[7.5%]	[8.8%]	[- 1.0pt]	[+ 1.3pt]	[10.3%]

## Details of change in Business Profit(Loss)



\* including the impact of revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM Engines(+5.2 bil.yen).

## Appendix

### Number of aircraft component parts sold to Boeing (Units)

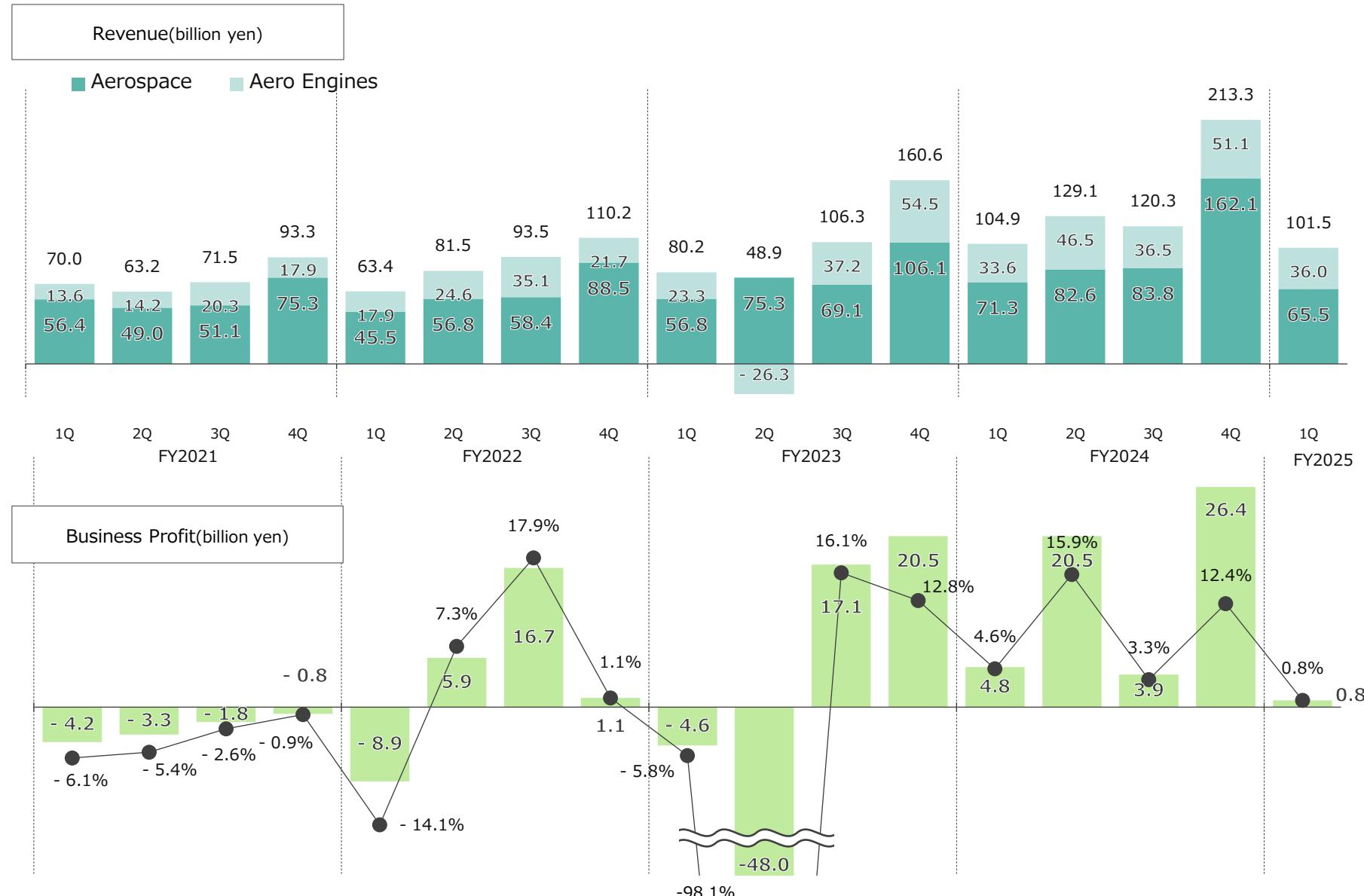
	FY'24			Change YoY
	Q1	Full year	Q1	
767	5	19	7	+ 2
777	5	19	4	- 1
777X	2	5	0	- 2
787	10	58	5	- 5

### Number of aircraft engine component parts sold (Units)

	FY'24			Change YoY
	Q1	Full year	Q1	
V2500	5	20	3	- 2
PW1100G	165	681	134	- 31

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

# 3 Details by segment -Aerospace Systems-



# 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<sup>※1</sup>

- ❖ 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<sup>※2</sup>, and there is no change at present <sup>※3</sup>
- ❖ Our press releases about this matter

[https://global.kawasaki.com/news\\_230913-1e.pdf](https://global.kawasaki.com/news_230913-1e.pdf)

[https://global.kawasaki.com/en/corp/ir/library/pdf/etc\\_231026-1e.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 aircrafts and helicopters



Helicopter Arrangement Service "Z-Leg"  
Exhibited at Disaster Preparedness Event  
(April 26-27, Kobe City, Hyogo)

### Strengthening activities related to defense business

- Promoting efforts Seven focal areas to strengthen defense capabilities

1 Integrated air and missile defense capabilities

5 Mobile deployment capabilities

2 Stand-off defense capabilities

6 Sustainability and resiliency

3 Cross-domain operation capabilities

7 Unmanned defense capabilities

4 Command and control and intelligence-related functions



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 *Green Innovation fund* of government for development of carbon-free technology

# Details by Segment

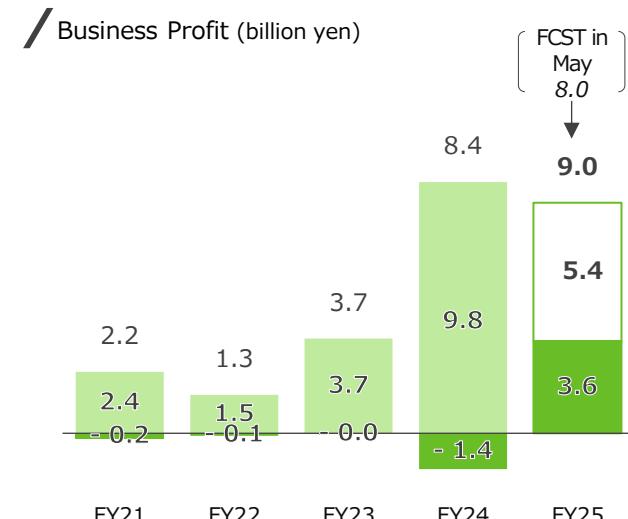
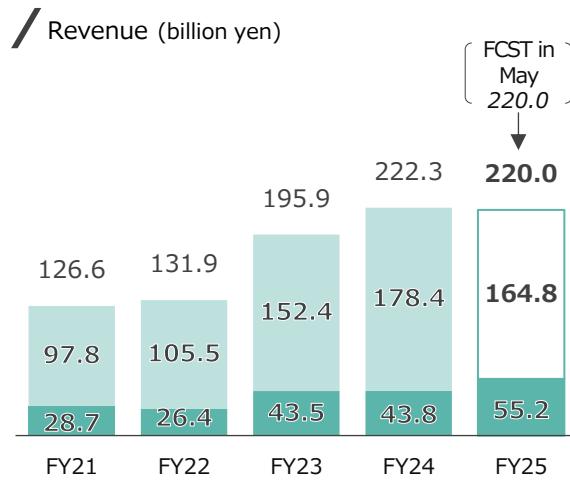
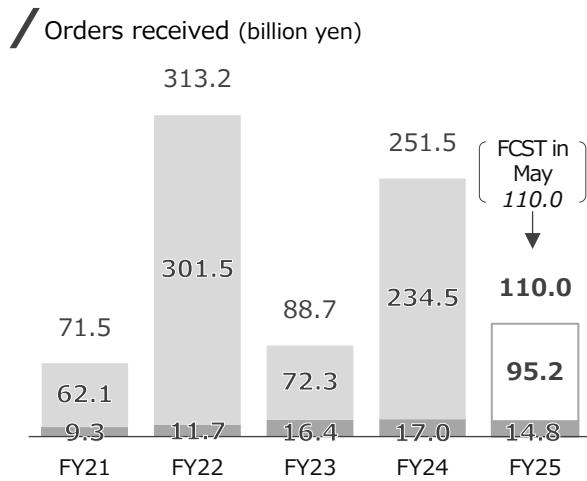
## - Rolling Stock -

### FY2025.Q1 (vs. FY2024.Q1)

<b>Orders received</b>		Decreased from the same period last year, which included large-scale domestic orders
	<u>-¥2.2 Bil.</u>	
<b>Revenue</b>		Increased due to an increase in domestic and the U.S.
	<u>+¥11.4 Bil.</u>	
<b>Business profit</b>		Improved due to an increase in revenue
	<u>+¥5.1 Bil.</u>	

### FY2025 forecast (vs. Forecast in May)

<b>Orders received</b>		Expected to remain at the same level
	<u>±¥0.0 Bil.</u>	
<b>Revenue</b>		Same as above
	<u>±¥0.0 Bil.</u>	
<b>Business profit</b>		Revised upward due to improved profitability resulting from effective control of fixed costs and other measures
	<u>+¥1.0 Bil.</u>	



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

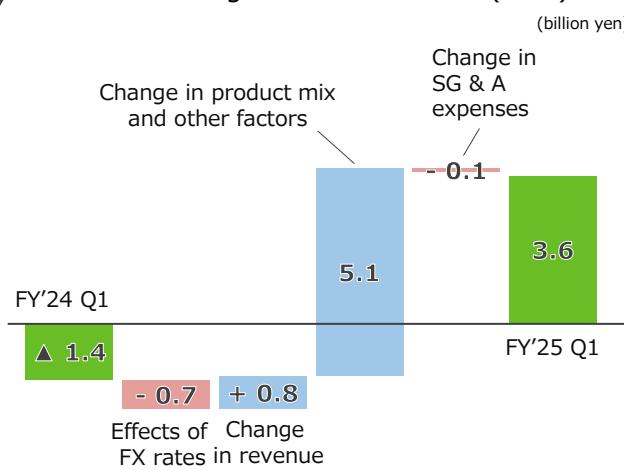
# Details by segment

## - Rolling Stock -

(billion yen)

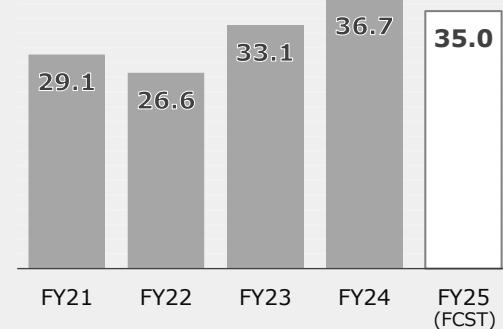
	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025 Forecast				Q2-4 FCST
		Q1 Actual	Change		Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	
Orders Received	17.0	<b>14.8</b>	- 2.2	251.5	110.0	<b>110.0</b>	- 141.5	-	<b>95.2</b>
Domestic & Asia	15.1	<b>13.4</b>	- 1.7	251.5	103.0	<b>103.0</b>	- 148.5	-	<b>89.6</b>
North America	1.9	<b>1.4</b>	- 0.5	0.0	7.0	<b>7.0</b>	+ 7.0	-	<b>5.6</b>
Revenue	43.8	<b>55.2</b>	+ 11.4	222.3	220.0	<b>220.0</b>	- 2.3	-	<b>164.8</b>
Domestic & Asia	9.4	<b>17.6</b>	+ 8.2	222.3	78.0	<b>78.0</b>	- 144.3	-	<b>60.4</b>
North America	34.3	<b>37.5</b>	+ 3.2	0.0	142.0	<b>142.0</b>	+ 142.0	-	<b>104.5</b>
Business Profit (Loss)	- 1.4	<b>3.6</b>	+ 5.1	8.4	8.0	<b>9.0</b>	+ 0.6	+ 1.0	<b>5.4</b>
[Margin]	[- 3.4%]	[6.6%]	[+ 9.9pt]	[3.8%]	[3.6%]	[4.1%]	[+ 0.3pt]	[+ 0.4pt]	[3.3%]

### Details of change in Business Profit(Loss)



### Appendix

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

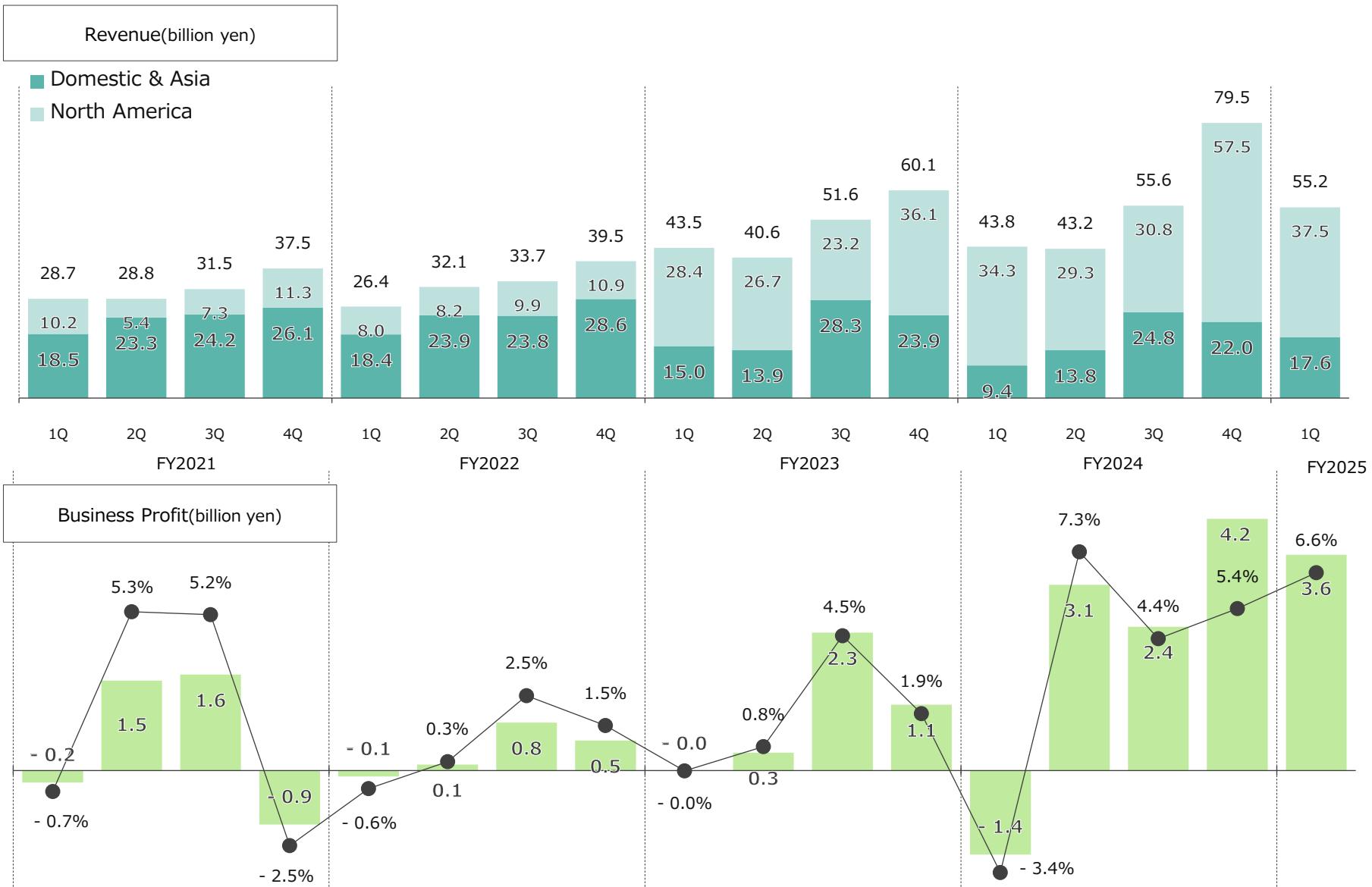


Progress of the R211 Project for New York Subway in the U.S. (as of the end of June '25)

- Base contract
  - : **Delivered 515 cars** out of 535
  - The last delivery is scheduled in FY2025
- Option1 contract
  - : **Delivered 70 cars** out of 640
- Option2 contract
  - : Received an order of 435 cars in Jan. '25

# Details by segment

## - Rolling Stock -



# 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* ▶ Full delivery (All 144 cars of 24 trains was delivered to the customer in FY2024)  
**The base facilities will be delivered in FY2025**

#### Achieving quality levels trusted by customers

- Reductions of spoilage and repair costs
- Further promotion of Kawasaki Production System



Rolling stock for Dhaka Mass Transit Company Limited

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

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

# Details by segment

## - Energy Solution & Marine Engineering -

### FY2025.Q1 (vs. FY2024.Q1)

<b>Orders received</b> 	Decreased due to fewer orders for LPG/ammonia carriers YoY, despite new orders such as transport equipment for power plants
<u>-¥35.2 Bil.</u>	
<b>Revenue</b> 	Increased due to growth across various segments, including Energy and Ship & Offshore Structure

<b>Business profit</b> 	Improved due to an increase in revenue
<u>+¥3.7 Bil.</u>	

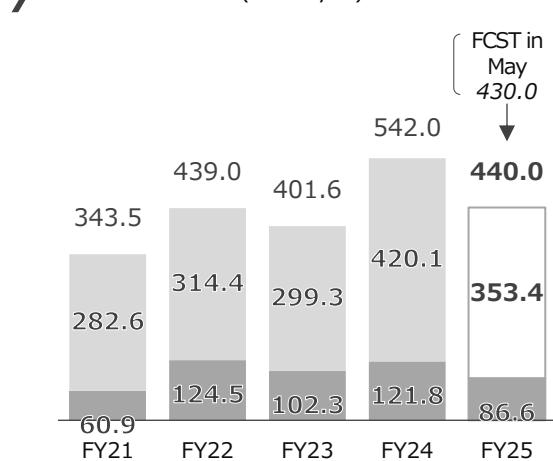
### FY2025 forecast (vs. Forecast in May)

<b>Orders received</b> 	Increased due to an increase in power generation facilities
<u>+¥10.0 Bil.</u>	
<b>Revenue</b> 	Revised upward due to an increase in MOD

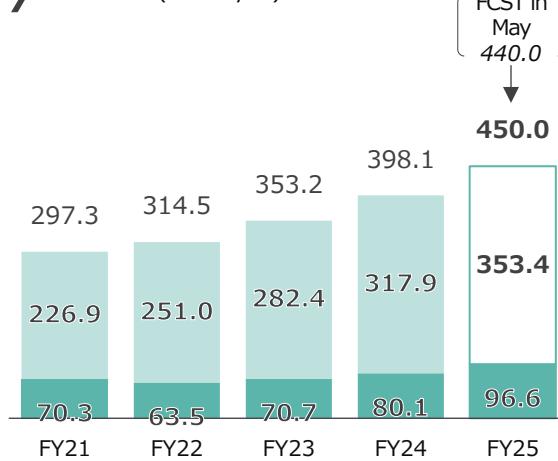
  

<b>Business profit</b> 	Revised upward due to improved profitability of individual projects and effective control of fixed costs
<u>+¥7.0 Bil.</u>	

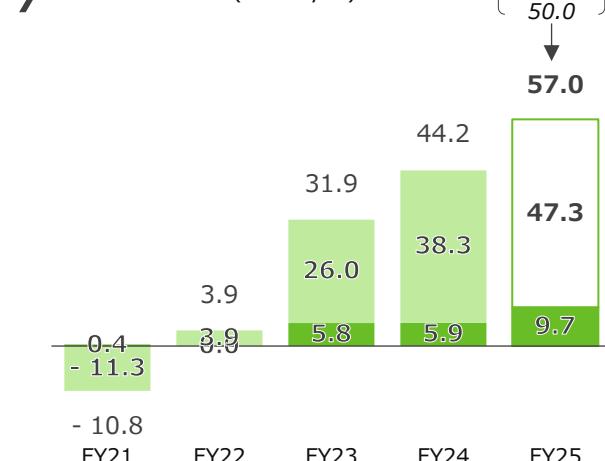
Orders received (billion yen)



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

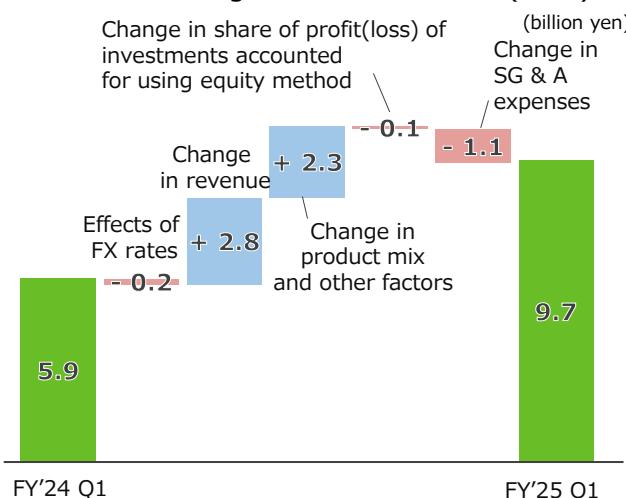
# Details by segment

## - Energy Solution & Marine Engineering -

(billion yen)

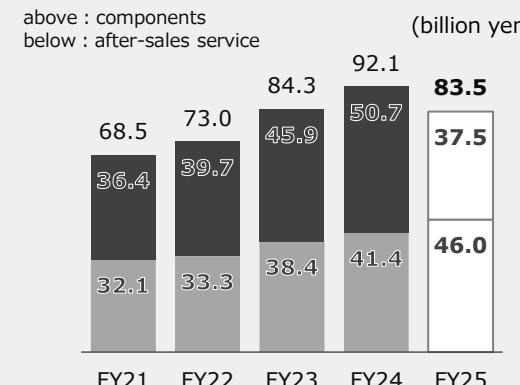
	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025 Forecast				
		Q1 Actual	Change		Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q2-4 FCST
Orders Received	121.8	86.6	- 35.2	542.0	430.0	440.0	- 102.0	+ 10.0	353.4
Energy, Plant & Marine Machinery	56.5	81.5	+ 25.0	354.4	330.0	340.0	- 14.4	+ 10.0	258.5
Ship & Offshore Structure	65.3	5.1	- 60.2	187.6	100.0	100.0	- 87.6	-	94.9
Revenue	80.1	96.6	+ 16.5	398.1	440.0	450.0	+ 51.9	+ 10.0	353.4
Energy, Plant & Marine Machinery	54.8	65.4	+ 10.6	306.8	320.0	330.0	+ 23.2	+ 10.0	264.6
Ship & Offshore Structure	25.3	31.2	+ 5.8	91.2	120.0	120.0	+ 28.8	-	88.8
Business Profit	5.9	9.7	+ 3.7	44.2	50.0	57.0	+ 12.8	+ 7.0	47.3
[Margin]	[7.5%]	[10.1%]	[+ 2.6pt]	[11.1%]	[11.4%]	[12.7%]	[+ 1.5pt]	[+ 1.3pt]	[13.4%]
Share of profit (loss) of investments accounted for using equity method	6.2	6.1	- 0.1	22.9	24.5	25.0	+ 2.1	+ 0.5	18.9

### Details of change in Business Profit(Loss)

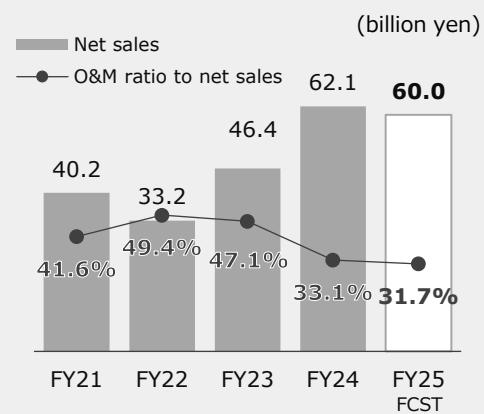


### Appendix

#### Revenue of major products in the energy business

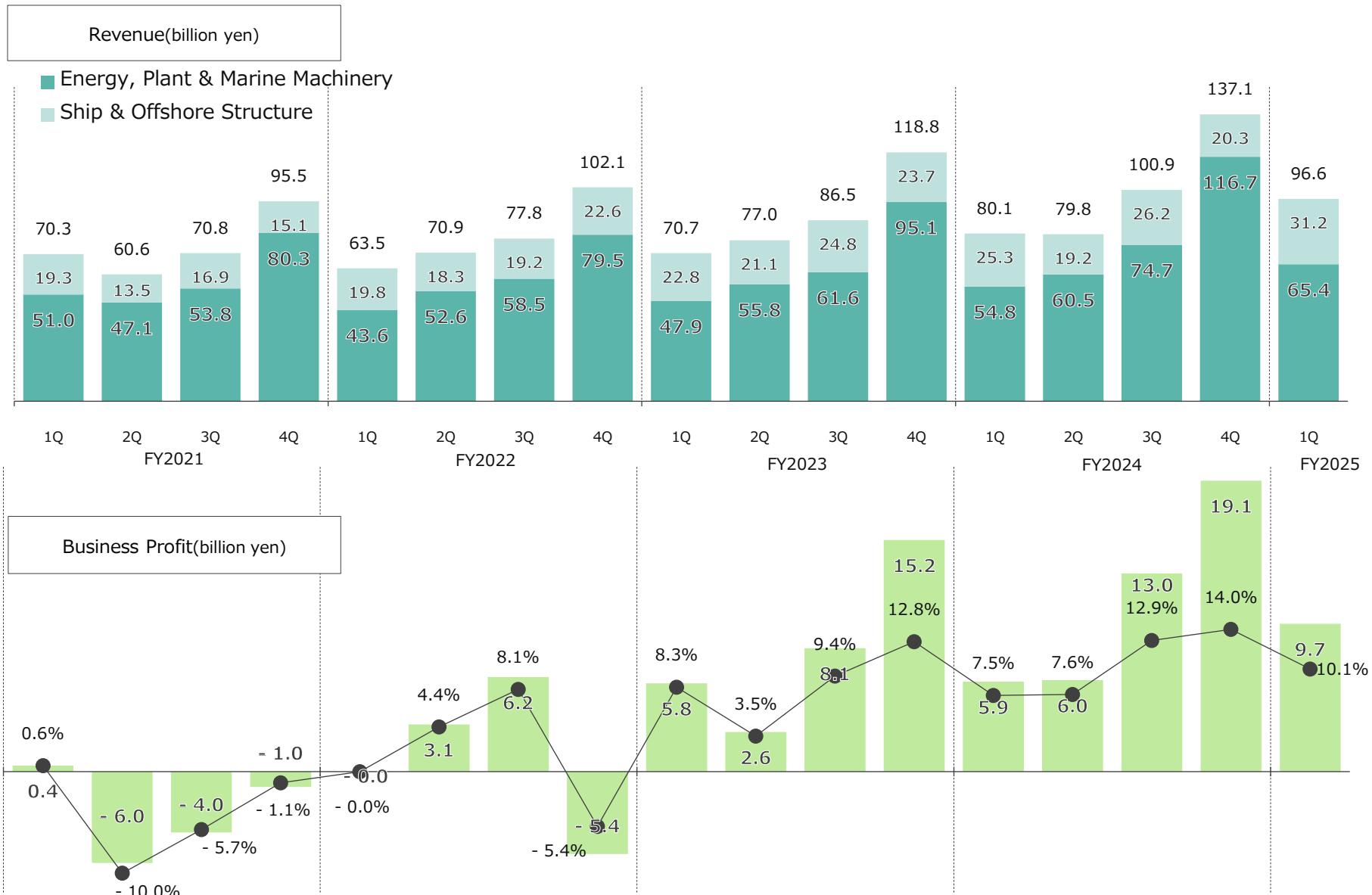


#### Revenue of municipal waste incineration plants



# Details by segment

## - Energy Solution & Marine Engineering -



# - 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 others
------------------	-----------------------

- 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
- 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\*

\* Kawasaki CO<sub>2</sub> Capture: CO<sub>2</sub> Separation and Capture system

## Specific Efforts



### Contribution to realizing a low-carbon and decarbonized society

Topic	Order received for two gas engines with hydrogen co-firing retrofit capability
-------	--

Key Order Points
------------------

- ✓ World-Class power generation efficiency of 51.0%
- ✓ Convertible to hydrogen co-Firing (Up to 30% by Volume)
- ✓ Proven reliability through years of stable operation
- ✓ Comprehensive after-sales support



"KG-18-T" gas engine

- Earned Strong Trust and Recognition from Customers



### Solutions for decarbonized society

Topic	Construction Started on Domestic Base for Commercial Demonstration of Liquefied Hydrogen Supply Chain
-------	---

- **World's First** commercial-scale facility equipped with five key systems for Hydrogen Supply Chain Deployment



"Facility Completion Image"  
Courtesy of:  
Japan Suiso Energy, Ltd.

Liquefied Hydrogen Storage Tank	Marine Loading Facilities	Liquefied Hydrogen Truck Loading Facilities
Hydrogen Gas Supply System	Hydrogen Liquefaction System	

# Details by segment

## - Precision Machinery & Robot -

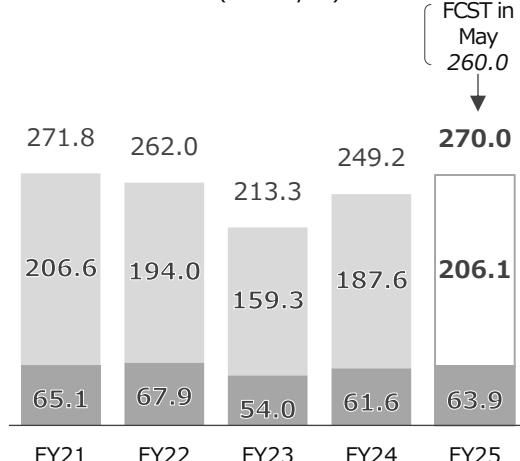
### FY2025.Q1 (vs. FY2024.Q1)

<b>Orders received</b> 	Increased due to an increase in hydraulic machinery for Chinese construction machinery market <u>+¥2.2 Bil.</u>
<b>Revenue</b> 	Increased due to an increase in hydraulic machinery for Chinese construction machinery market and in robots for semiconductor manufacturing equipment <u>+¥4.2 Bil.</u>
<b>Business profit</b> 	Improved due to an increase in revenue and improvement of equity earnings <u>+¥2.4 Bil.</u>

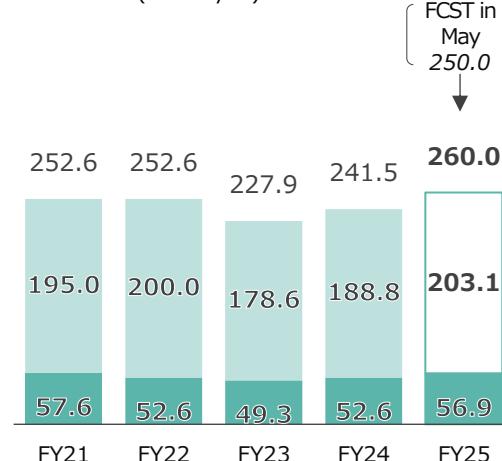
### FY2025 forecast (vs. Forecast in May)

<b>Orders received</b> 	Revised upward due to an increase in hydraulic machinery for construction machinery market <u>+¥10.0 Bil.</u>
<b>Revenue</b> 	Same as above <u>+¥10.0 Bil.</u>
<b>Business profit</b> 	Revised upward due to higher revenue and effective control of fixed costs <u>+¥1.0 Bil.</u>

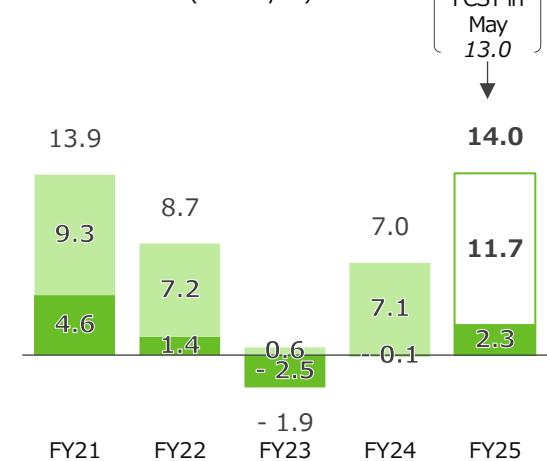
Orders received (billion yen)



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

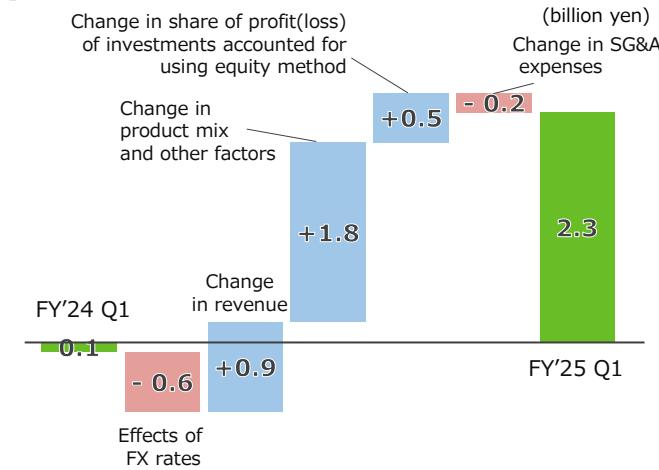
# Details by segment

## - Precision Machinery & Robot -

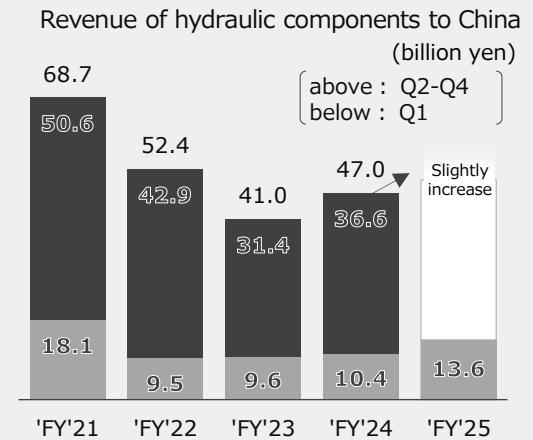
(billion yen)

	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025 Forecast				
		Q1 Actual	Change		Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST	Q2-4 FCST
Orders Received	61.6	63.9	+ 2.2	249.2	260.0	270.0	+ 20.8	+ 10.0	206.1
Hydraulic Components & Systems	36.0	43.6	+ 7.6	147.5	160.0	170.0	+ 22.5	+ 10.0	126.4
Robotics	25.6	20.2	- 5.3	101.7	100.0	100.0	- 1.7	-	79.8
Revenue	52.6	56.9	+ 4.2	241.5	250.0	260.0	+ 18.5	+ 10.0	203.1
Hydraulic Components & Systems	35.5	38.9	+ 3.3	146.8	150.0	160.0	+ 13.2	+ 10.0	121.1
Robotics	17.0	17.9	+ 0.9	94.6	100.0	100.0	+ 5.4	-	82.1
Business Profit (Loss)	- 0.1	2.3	+ 2.4	7.0	13.0	14.0	+ 7.0	+ 1.0	11.7
[Margin]	[- 0.3%]	[4.1%]	[+ 4.3pt]	[2.9%]	[5.2%]	[5.4%]	[+ 2.4pt]	[+ 0.2pt]	[5.8%]
Share of profit (loss) of investments accounted for using equity method	- 0.4	0.1	+ 0.5	- 1.5	0.0	0.0	+ 1.5	-	- 0.1

### Details of change in Business Profit(Loss)



### Appendix



above : Q1 below : Full Year	FY24	FY25	Change
Automobile assembly and painting	5.7	5.8	+ 0.1
	41.8	*40.0	- 1.8
Semiconductor	7.4	9.0	+ 1.5
	34.8	*38.0	+ 3.2
General robots for industrial use and others	5.2	5.1	- 0.1
	27.4	*32.0	+ 4.6
Total	18.4	19.9	+ 1.5
	104.1	*110.0	+ 5.9

\* Including intercompany revenue

\* Forecast

# Details by segment

## - Precision Machinery & Robot -



# - Precision Machinery & Robot -

## Market Overview

### ● Construction machinery

- In China, demand, previously sluggish due to the prolonged real estate slump, has recovered in both domestic and export markets, especially for large-scale mining equipment and units exported to Africa
- Outside China, the European market is showing signs of recovery
- Electrification and automation/autonomy are expected to progress, driven by environmental regulations and labor shortages

### ● Robotics

#### - General purpose robots

Demand remains sluggish due to U.S. tariff policies and China's economic slowdown, but automation demand is steadily rising, driven by increasing labor costs and labor shortages

#### - Robots for semiconductors

The decline in demand in the semiconductor memory market bottomed out and demand is showing signs of recovery from the second half of FY2024, driven by new growth areas such as AI-related fields



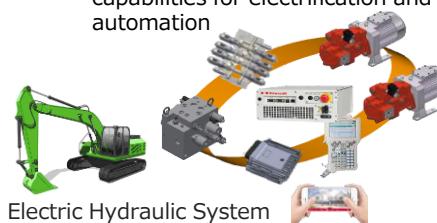
## Specific Efforts



### 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

Concentrated 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.)



Feature on hinotori  
Included in Project  
Topics on Page 44



※ hinotori is a trademark of Medicaroid Corporation

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

# Details by segment

## - Powersports & Engine -

### FY2025.Q1 (vs. FY2024.Q1)

**Revenue**   
+¥15.5 Bil.

Increased due to higher shipments of four-wheelers for North America, despite the impact of yen appreciation

**Business profit**   
-¥3.4 Bil.

Decreased due to yen appreciation and higher fixed costs associated with increased production investment, despite increased revenue

### FY2025 forecast (vs. Forecast in May)

**Revenue**   
+¥40.0 Bil.

Revised downward due to weakening demand in the U.S. powersports, despite changes in FX rate assumptions

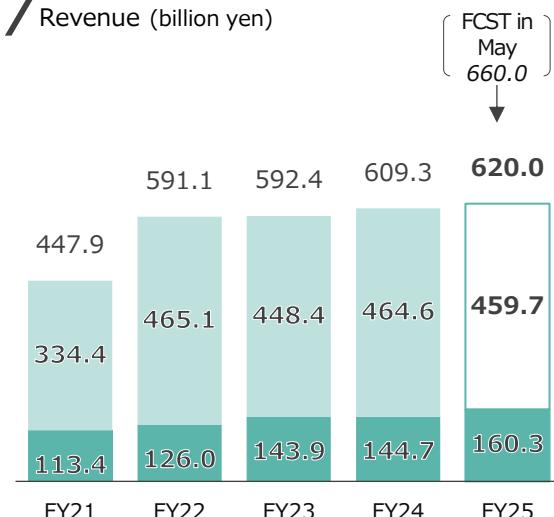
**Business profit**   
+¥18.0 Bil.

Revised downward due to lower revenue and deteriorating profitability caused by the impact of U.S. tariff policy

#### 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-Q3 and lighter areas represent the Q4 cumulative total

# Details by segment

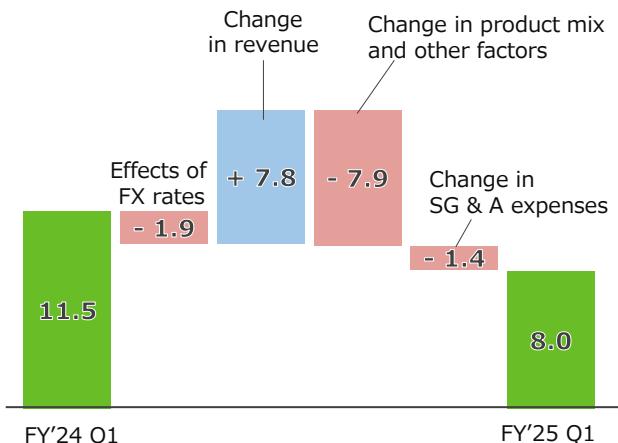
## - Powersports & Engine -

(billion yen)

	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025 Forecast					Q2-4 FCST
		Q1 Actual	Change		Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST		
Revenue	144.7	<b>160.3</b>	+ 15.5	609.3	660.0	<b>620.0</b>	+ 10.7	- 40.0	<b>459.7</b>	
Motorcycles for developed countries	61.1	<b>64.3</b>	+ 3.2	245.3	243.0	<b>225.0</b>	- 20.3	- 18.0	<b>160.7</b>	
Motorcycles for emerging market	23.4	<b>24.8</b>	+ 1.3	99.2	97.0	<b>95.0</b>	- 4.2	- 2.0	<b>70.2</b>	
Utility Vehicles, ATVs & PWC	34.7	<b>46.1</b>	+ 11.4	169.0	227.0	<b>205.0</b>	+ 36.0	- 22.0	<b>158.9</b>	
General-purpose gasoline engines	25.4	<b>24.9</b>	- 0.4	95.5	93.0	<b>95.0</b>	- 0.5	+ 2.0	<b>70.1</b>	
Business Profit	11.5	<b>8.0</b>	- 3.4	47.8	48.0	<b>30.0</b>	- 17.8	- 18.0	<b>22.0</b>	
[Margin]	[8.0%]	[5.0%]	[- 2.9pt]	[7.9%]	[7.3%]	[4.8%]	[- 3.0pt]	[- 2.4pt]	[4.8%]	

### Details of change in Business Profit

(billion yen)



### Appendix

#### Wholesale volume by region

(thousand units)

		FY'24 Q1	FY'25 Q1	Change	FY'25(FCST)
Developed countries	Japan	6	10	+ 3	
	North America	23	23	+ 0	
	Europe	21	22	+ 0	
	Others*	1	2	+ 0	
Total		53	59	+ 5	230
Emerging countries	Philippines	47	46	- 0	
	Indonesia	7	3	- 3	
	Latin America	2	4	+ 1	
	Others*	6	8	+ 2	
Total		63	63	- 0	255
Four-wheeler • PWC	North America and Others	11	19	+ 7	80

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

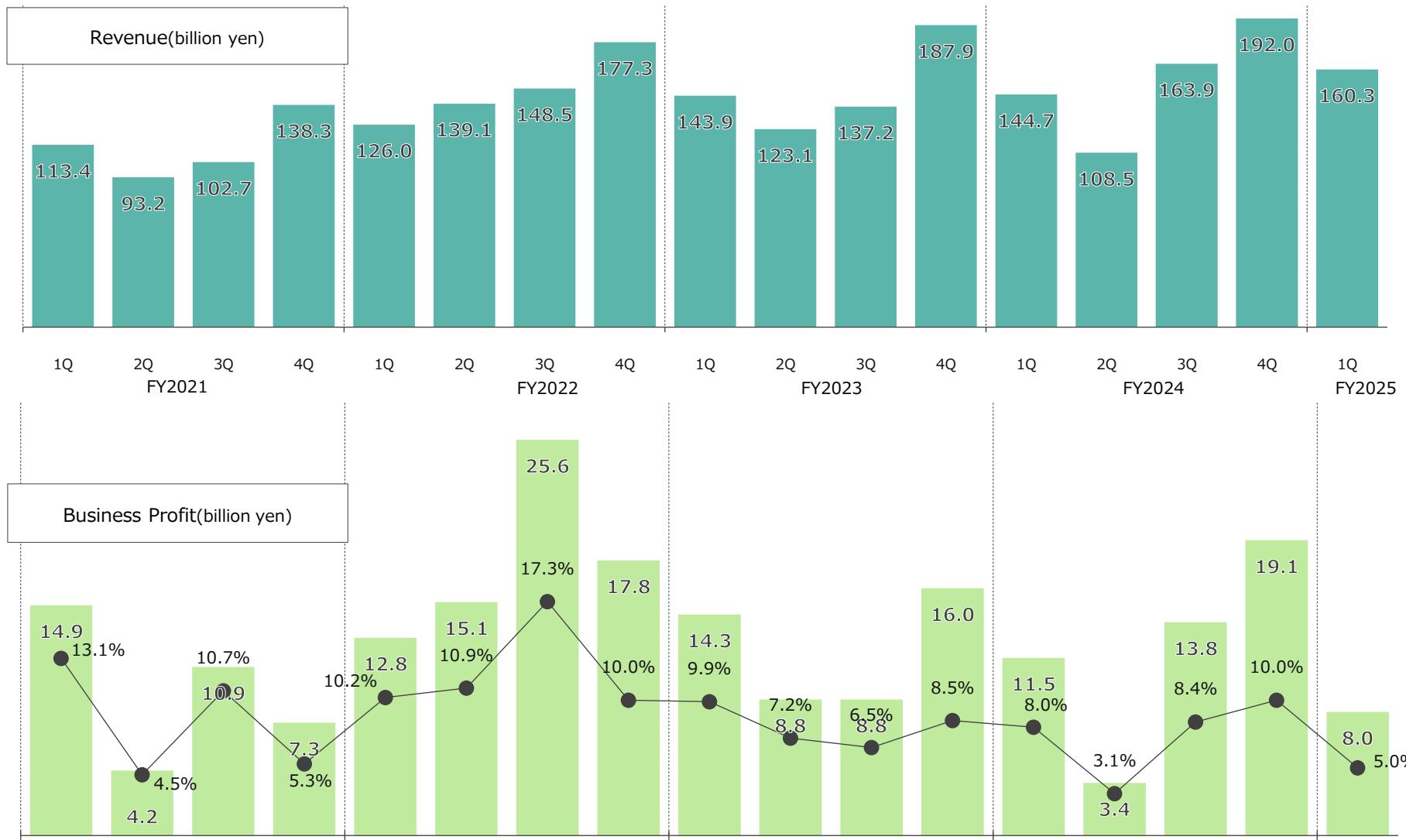
Australia :

China :

Thailand :

# Details by segment

## - Powersports & Engine -



# - Powersports & Engine -

## Market Overview

- U.S. (Motorcycles)
  - Despite a softening retail market, our market share remains strong
- U.S. (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
- U.S. (Common to both business above)
  - Additional tariffs raise 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



Kawasaki's First Turbocharged Off-Road Model: "TERYX4 H2 / TERYX5 H2" Released

### Expansion of the four-wheeler business and electrification

- Investment in development to enhance product competitiveness
- Quick response to the external environment by utilizing two plants in North America (US and Mexico)
- Launch of our first electric four-wheeler
- Contributing to the realization of a carbon-neutral society by utilizing a wide range of options centered on electrification



Kawasaki's First Electric Four-wheeler "NAV" Series Released

### Promoting business process re-engineering 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

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# 4 Shareholder Returns

## Dividend Policy

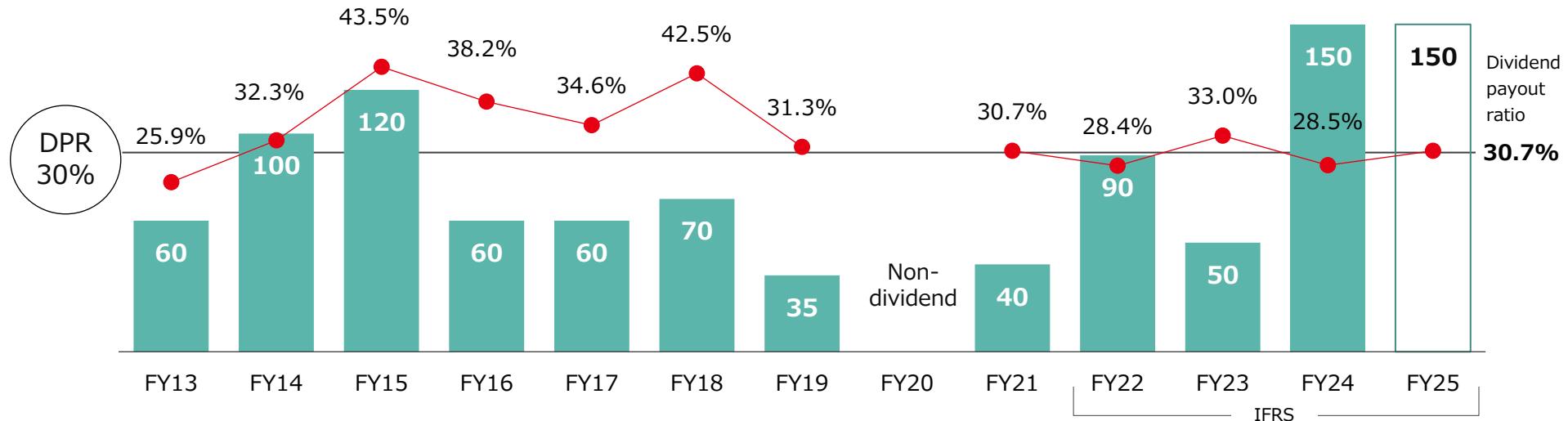
The medium- to long-term consolidated dividend payout ratio

**30%**

- 1 Comprehensively considering the following points - future business forecasts, financial conditions such as free cash flow and debt-to-equity ratio, and other factors
- 2 Stable dividends

## Dividend for FY2025

Annual dividend per share will be **150** yen (dividend payout ratio 30.7%) – plan maintained



# 4 Project Topics

## Steady Progress in Building a Liquefied Hydrogen Supply Chain

—Advancing a Hydrogen Society Together with Strategic Partners —

### Construction Started on Domestic Base

for Commercial Demonstration of Liquefied Hydrogen Supply Chain



Press release  
(Japanese text only)

"Facility Completion Image"  
Courtesy of: Japan Suiso Energy, Ltd.

In May 2025, a joint venture formed by Kawasaki, Taisei Corporation, and Toa Corporation commenced construction of a domestic base for the international hydrogen supply chain in the eastern Ogishima Area, Kawasaki City.

This base will be the world's first commercial-scale facility equipped with a liquefied hydrogen storage tank, marine loading facilities, hydrogen liquefaction system, hydrogen gas supply system, and liquefied hydrogen truck loading facilities.



### Joint Study on the Construction Scheme for Liquefied Hydrogen Carriers



Press release

In June 2025, Kawasaki, Imabari Shipbuilding Co., Ltd., and Japan Marine United Corporation commenced a joint study to establish a construction framework for subsequent liquefied hydrogen carriers designed and built by Kawasaki.

The study explores the effective utilization of each company's assets—such as facilities and human resources—required for the construction of liquefied hydrogen carriers.

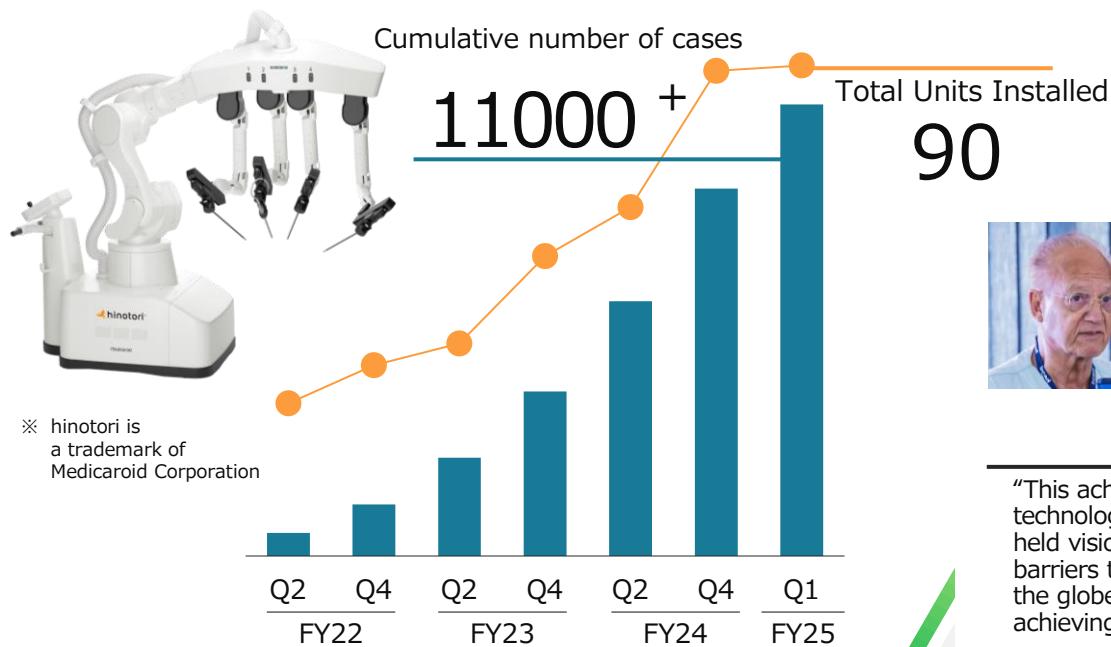


# 4 Project Topics

## The hinotori™ Surgical Robot System\*

— Update on Medicaroid's Business Development —

- Medicaroid, the developer of hinotori™, plans to achieve **single-year profitability in FY2025**
- hinotori™ is capable of covering **over 90%** of robot-assisted surgeries performed in Japan, and its installation base and number of surgical cases continue to grow steadily



- Apr. 2024: Approval obtained for thoracic surgery (respiratory surgery) indication
- Sep. 2024: Sales approval acquired in Malaysia
- Mar. 2025: An application was filed as a CE-marked product under the Medical Device Regulation

- Jun. 2025: Successful demonstration of remote surgery between Europe and Japan



Prof. Jacques Marescaux  
the director of the demonstration  
Prof. Marescaux performed the world's first remote surgery, known as "Operation Lindbergh" in 2001. A global authority in surgical technology research for over two decades

"This achievement transcends mere technological advancement; it embodies a long-held vision. We are breaking down geographical barriers to deliver expert surgical care across the globe. This is the ultimate step toward achieving healthcare equity in surgery"

Halfway around the Earth!  
Made possible by leveraging NTT Communications' high-speed and reliable network infrastructure



# 4 Project Topics



## Why is Kawasaki in Aquaculture??

Japan faces low food self-sufficiency among developed nations, making sustainable agriculture and aquaculture urgent priorities.

Kawasaki applies its expertise in **water treatment** and **fluid control**—gained from plant, ship building, and rolling stock development—to aquaculture solutions.

[Press release](#)



## What Makes the System Unique??

- ✓ Blocks external parasites and viruses
- ✓ Monitors seawater quality and farming conditions in real time
- ✓ Optimizes water flow and oxygen supply within the sea cage



Achieves approx. 4X higher<sup>※2</sup> stocking density than conventional sea-surface aquaculture

※2 Based on trout salmon trials near Kawasaki's Kobe Works using a 30 m<sup>3</sup> closed pen at 60 kg/m<sup>3</sup>—4× conventional density.

▼Transferring trout salmon to the sea cage



▼Grow-out trial near Kawasaki's Kobe Works pier

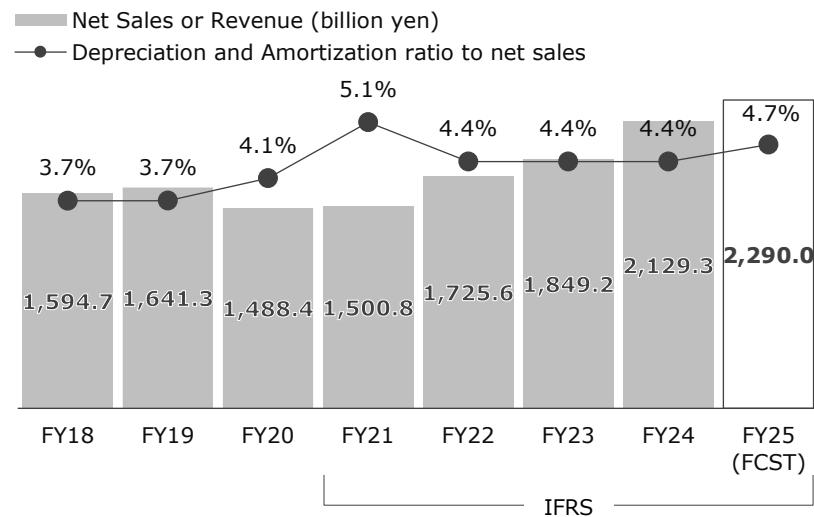
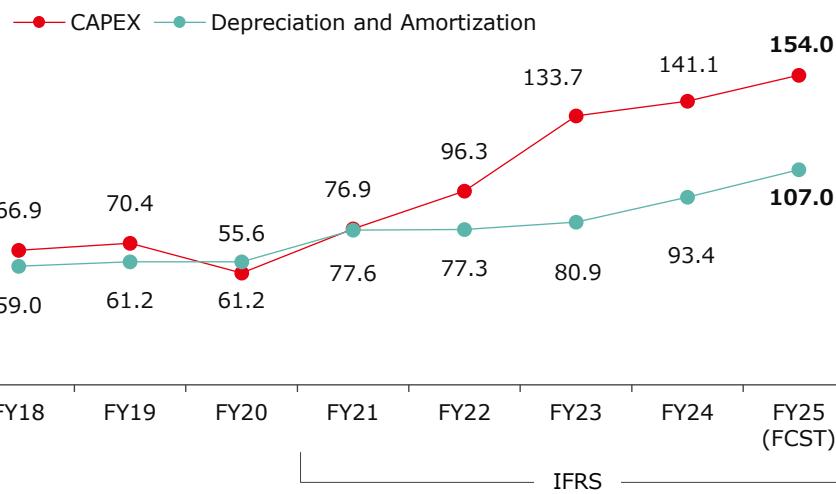


# Appendix

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

(billion yen, persons)

	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025	
		Q1 Actual	Change		FCST	Chg. Vs. FY24
CAPEX	33.9	<b>33.0</b>	- 0.9	141.1	<b>154.0</b>	+ 12.9
Depreciation and amortization	21.1	<b>24.4</b>	+ 3.3	93.4	<b>107.0</b>	+ 13.6
R & D expenses	13.6	<b>13.6</b>	- 0.0	48.9	<b>64.0</b>	+ 15.1
Number of Employees				40,640	<b>43,680</b>	+ 3,040
Domestic				29,072	<b>30,610</b>	+ 1,538
Overseas				11,568	<b>13,070</b>	+ 1,502



- Order received by quarter (billion yen)

	FY2023				FY2024				FY2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Aerospace Systems	118.7	74.4	139.2	360.0	88.2	121.7	470.1	202.7	98.9
Aerospace	104.4	98.0	108.0	246.3	54.3	58.4	435.6	151.1	65.1
Aero Engine	14.2	-23.6	31.2	113.7	33.9	63.3	34.5	51.5	33.8
Rolling Stock	16.4	13.6	11.7	46.9	17.0	10.7	13.2	210.4	14.8
Energy Solution & Marine Engineering	102.3	116.0	62.8	120.4	121.8	89.2	217.4	113.5	86.6
Energy, Plant & Marine Machinery	94.7	93.2	58.2	112.5	56.5	88.4	97.6	111.7	81.5
Ship & Offshore Structure	7.5	22.7	4.5	7.8	65.3	0.7	119.7	1.7	5.1
Precision Machinery & Robot	54.0	49.0	54.6	55.7	61.6	63.0	61.2	63.4	63.9
Hydraulic Components & Systems	36.6	30.9	34.3	34.2	36.0	38.8	33.7	38.8	43.6
Robotics	17.3	18.1	20.2	21.4	25.6	24.1	27.4	24.5	20.2
Powersports & Engine	143.9	123.1	137.2	187.9	144.7	108.5	163.9	194.3	160.2
Others	21.7	27.0	23.5	22.1	23.3	45.1	0.5	24.2	21.7
<b>Total</b>	<b>457.3</b>	<b>403.4</b>	<b>429.2</b>	<b>793.3</b>	<b>456.8</b>	<b>438.4</b>	<b>926.5</b>	<b>808.8</b>	<b>446.3</b>

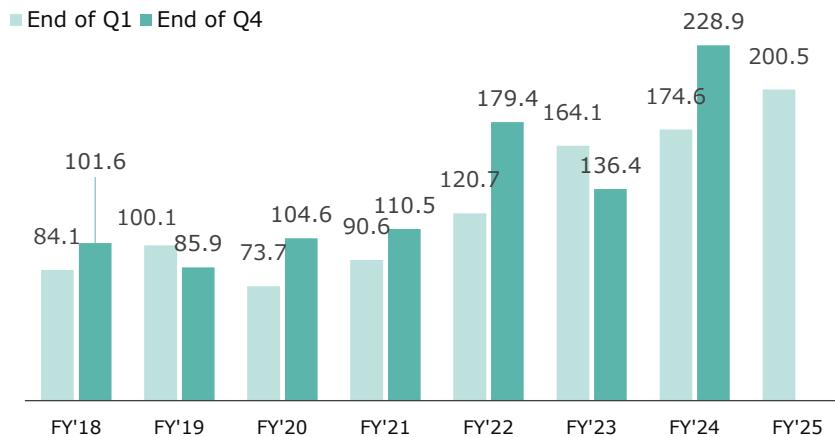
- Orders received and Revenue for Ministry of Defense (billion yen)

	FY2024 Q1 Actual	FY2025		FY2024 Actual	FY2025 Forecast			
		Q1 Actual	Change		Old FCST	New FCST	Chg. Vs. FY24	Chg. Vs. Old FCST
Orders Received	24.8	<b>38.0</b>	+ 13.2	774.7	400.0	<b>460.0</b>	- 314.7	+ 60.0
Aircrafts and others	13.5	<b>24.3</b>	+ 10.8	584.7	270.0	<b>325.0</b>	- 259.7	+ 55.0
Aero Engines	1.2	<b>3.7</b>	+ 2.5	38.9	30.0	<b>32.0</b>	- 6.9	+ 2.0
Submarine & Naval propulsion	10.1	<b>10.0</b>	- 0.1	151.1	100.0	<b>103.0</b>	- 48.1	+ 3.0
Revenue	72.5	<b>71.5</b>	- 1.0	400.8	470.0	<b>470.0</b>	+ 69.2	-
[Ratio to the company's total revenue]	[16.3%]	[14.7%]		[18.8%]	[20.3%]	[20.5%]		
Aircrafts and others	46.7	<b>41.2</b>	- 5.5	280.6	328.5	<b>328.5</b>	+ 47.9	-
Aero Engines	4.2	<b>3.6</b>	- 0.6	25.4	31.5	<b>31.5</b>	+ 6.1	-
Submarine & Naval propulsion	21.6	<b>26.7</b>	+ 5.1	94.8	110.0	<b>110.0</b>	+ 15.2	-

### ● Order Backlog (billion yen)

	FY24 Q1 Actual	FY25 Q1	
		Actual	Change
Aerospace Systems	1,027.7	<b>1,282.7</b>	+ 254.9
Rolling Stock	476.2	<b>479.5</b>	+ 3.3
Energy Solution & Marine Engineering	726.3	<b>812.6</b>	+ 86.3
Precision Machinery & Robot	92.6	<b>98.3</b>	+ 5.7
Powersports & Engine	-	<b>2.1</b>	+ 2.1
Others	44.2	<b>46.0</b>	+ 1.8
Total	2,367.2	<b>2,721.6</b>	+ 354.3

### ● Order Backlog in Ship & Offshore (billion yen)



### ● Ship Orders Received and Delivery Year (number of ships)

	FY25 Q1 Received Orders Actual	Delivery Year			Order Backlog	
		FY25 Q1 Actual	FY25 Q2~	FY26	FY27~	
			Plan			
LPG Carrier		1	3	4	4	11
Submarine				1	1	2
Others						
Total		※1 1	3	5	5	※2 13

※ 1 Delivered in FY25 Q1 : 50,400GT

※ 2 Order Backlog : 554,400GT (Submarines are excluded)

# Appendix

## - Others -

### ● Revenue by Region (billion yen)

	FY24 Q1	FY25 Q1	
		Actual	Change
Japan	157.5	<b>177.7</b>	+ 20.1
USA	145.0	<b>159.8</b>	+ 14.8
Europe	55.0	<b>55.4</b>	+ 0.4
Asia	65.6	<b>66.3</b>	+ 0.7
Other	20.9	<b>29.0</b>	+ 8.0
Total	444.2	<b>488.4</b>	+ 44.2

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

### ● FY2024 Q1 (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	53.8	30.1	19.4	0.0	1.5	104.9
Rolling Stock	7.9	34.2	-	1.6	-	43.8
Energy Solution & Marine Engineering	56.6	0.4	3.6	13.3	6.1	80.1
Precision Machinery & Robot	14.8	4.3	3.4	29.1	0.8	52.6
Powersports & Engine	8.8	75.7	28.5	19.5	12.0	144.7
Others	15.3	0.1	0.0	1.8	0.3	17.8
Total	157.5	145.0	55.0	65.6	20.9	444.2
[margin]	35.5%	32.7%	12.4%	14.8%	4.7%	100.0%

### ● FY2025 Q1 (billion yen)

	Japan	USA	Europe	Asia	Other	Total
Aerospace Systems	49.5	34.7	15.5	0.0	1.7	101.5
Rolling Stock	16.3	36.9	-	1.9	-	55.2
Energy Solution & Marine Engineering	70.5	0.0	5.9	10.5	9.6	96.6
Precision Machinery & Robot	14.8	4.5	3.7	32.8	0.9	56.9
Powersports & Engine	11.5	83.4	30.1	18.9	16.2	160.3
Others	14.9	0.0	0.1	2.0	0.4	17.6
Total	177.7	159.8	55.4	66.3	29.0	488.4
[margin]	36.4%	32.7%	11.4%	13.6%	5.9%	100.0%

- **Amount of foreign currency that affects business profit and loss** <sup>※1</sup>

(billion USD / EUR)

		FY2024	FY2025	
		Q1Actual	Q1Actual	Q2-4 FCST
USD	Aerospace Systems	0.16	※2 <b>0.19</b>	0.87
	Rolling Stock	0.07	<b>0.03</b>	0.08
	Energy Solution & Marine Engineering	0.06	<b>0.07</b>	0.12
	Precision Machinery & Robot	0.03	<b>0.04</b>	0.10
	Powersports & Engine	0.17	<b>0.19</b>	0.79
Total		0.49	※2 <b>0.52</b>	1.96
EUR		0.10	<b>0.11</b>	0.46

※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 of loss provisions))

(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 engines.

- **Weighted-average Exchange Rates** (EUR / JPY)

FY2023 actual	157.09
FY2024 actual	163.07
FY2025 Q1 actual	162.60
FY2025 forecast	165.00

### <Formulas for Calculating ROIC>

After-tax ROIC = { Profit attributable for owners of parent + Interest expenses × (1 – Tax rate) } ÷ Invested capital<sup>※2</sup>

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

世界の人々の豊かな生活と地球環境の未来に貢献する  
“Global Kawasaki”