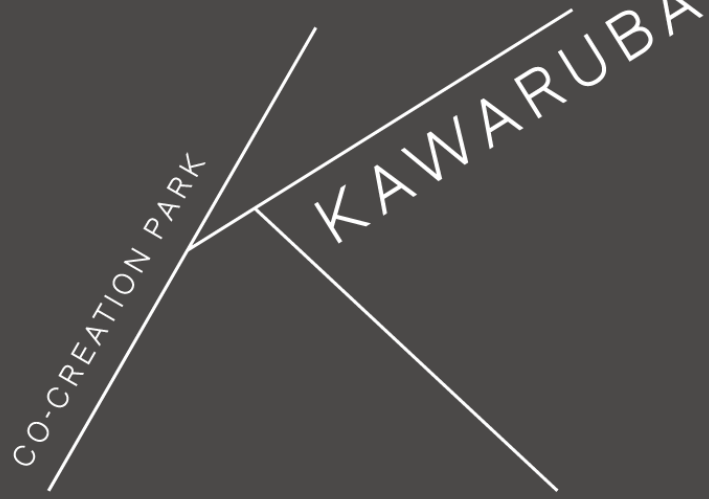
Kawasaki
Powering your potential

Group Vision 2030 Progress Report Meeting

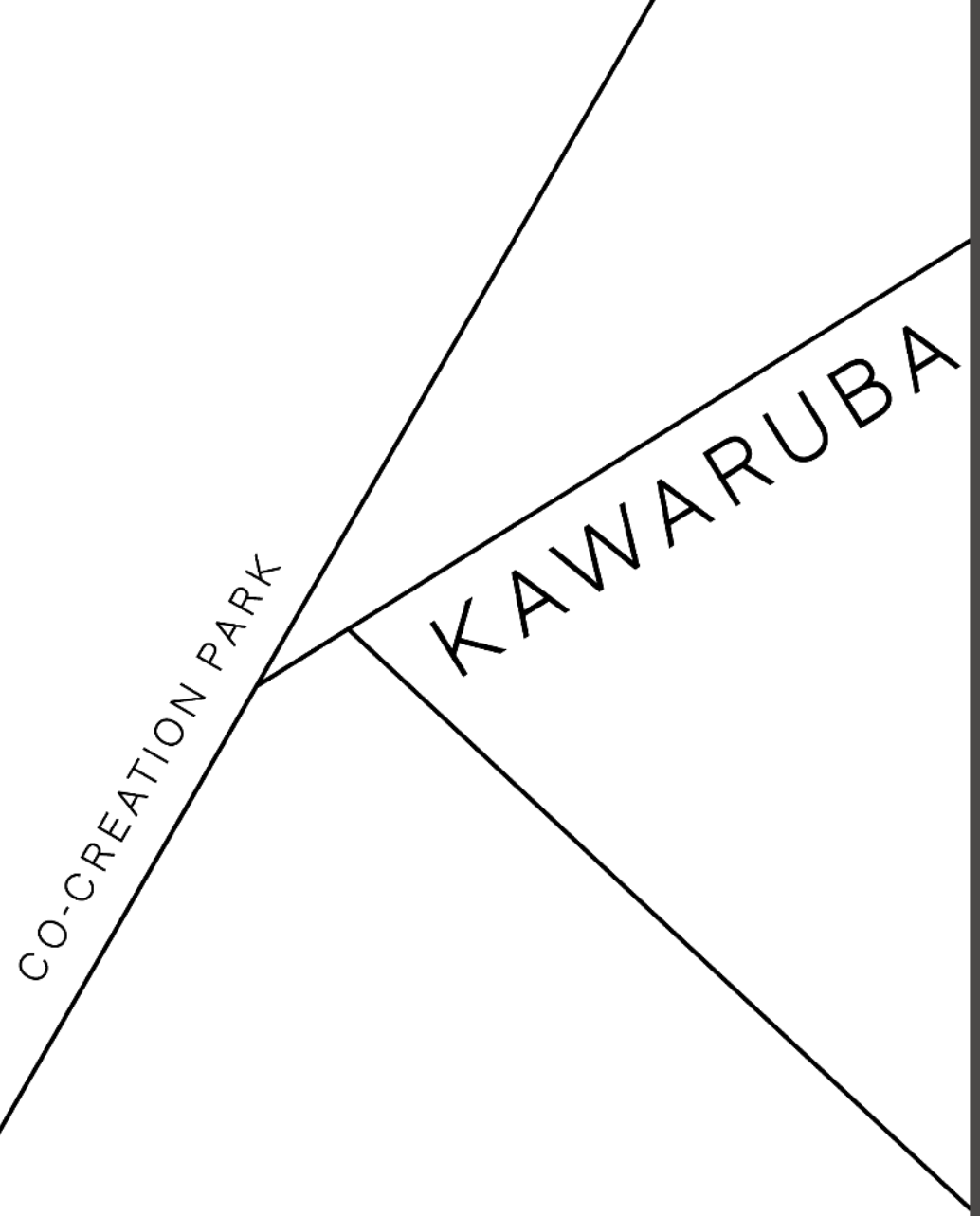
October 6, 2026

Kawasaki Heavy Industries, Ltd.

Yasuhiko Hashimoto
Representative Director
President and CEO



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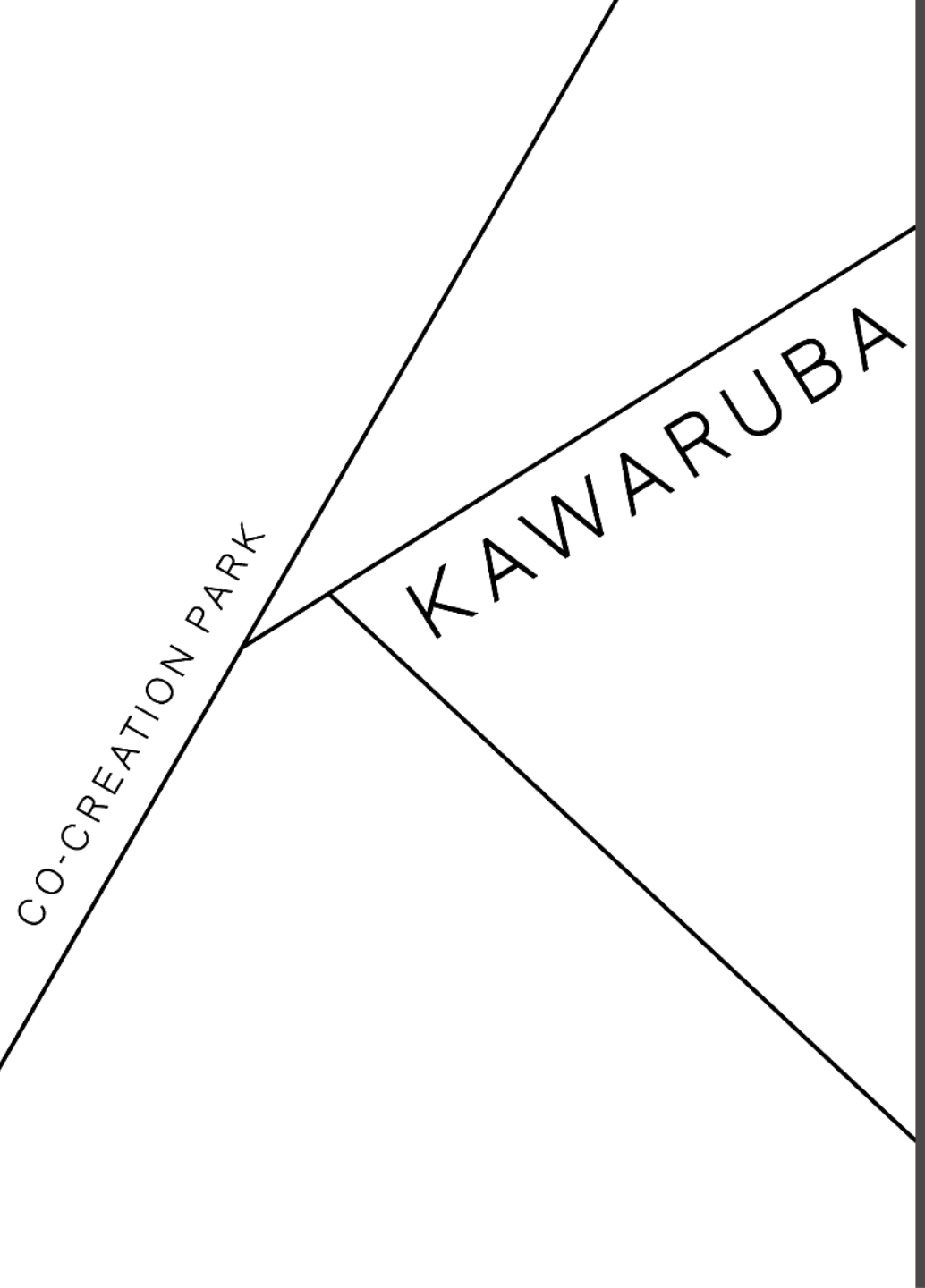
① Company-wide Investment Priorities

② Defense

③ Energy

④ Physical AI

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A Safe and Secure Remotely-Connected Society

Advanced Smart Mobility

Energy & Environmental Solutions

① Company-wide Investment Priorities

② Defense

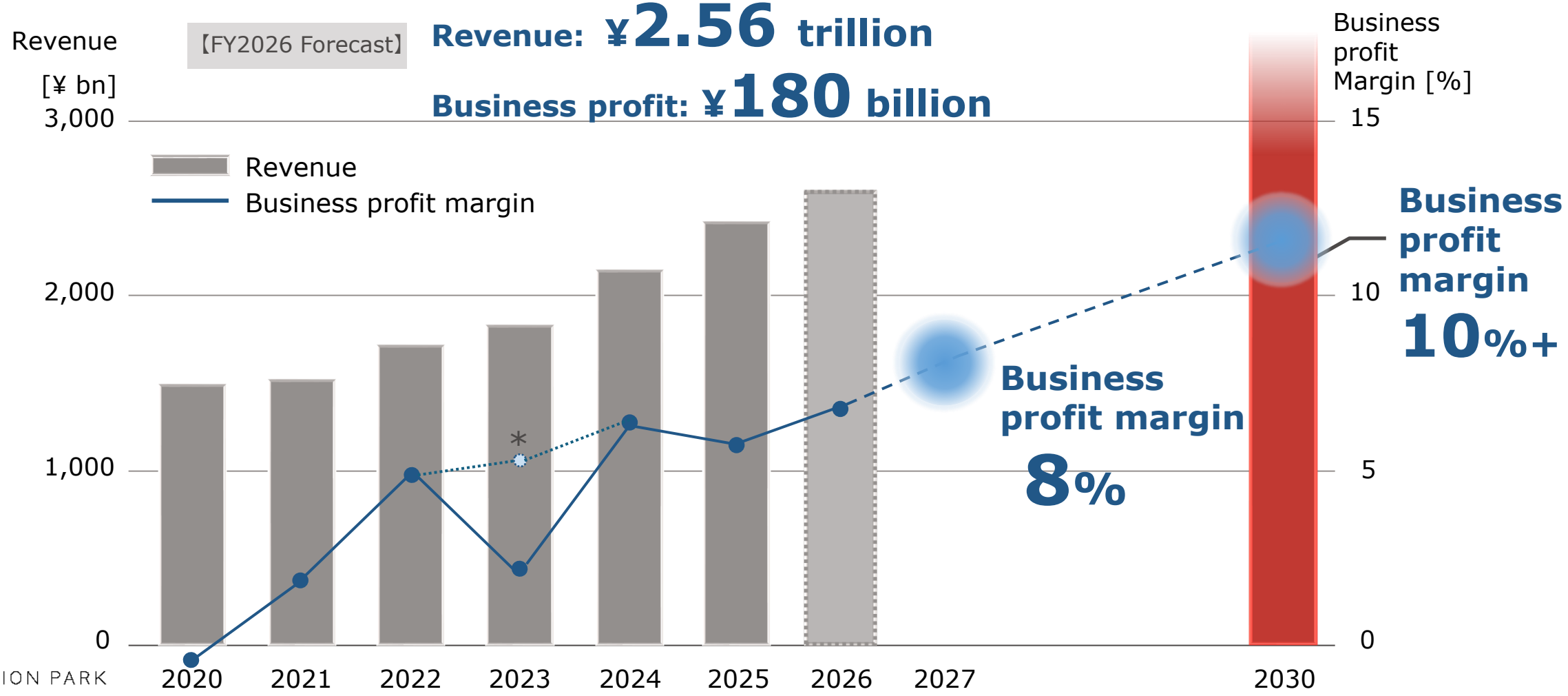
③ Energy

④ Physical AI

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Three Years of Record Growth

■ **Record revenue and business profit** in both FY2024 and FY2025, **with new records expected in FY2026**

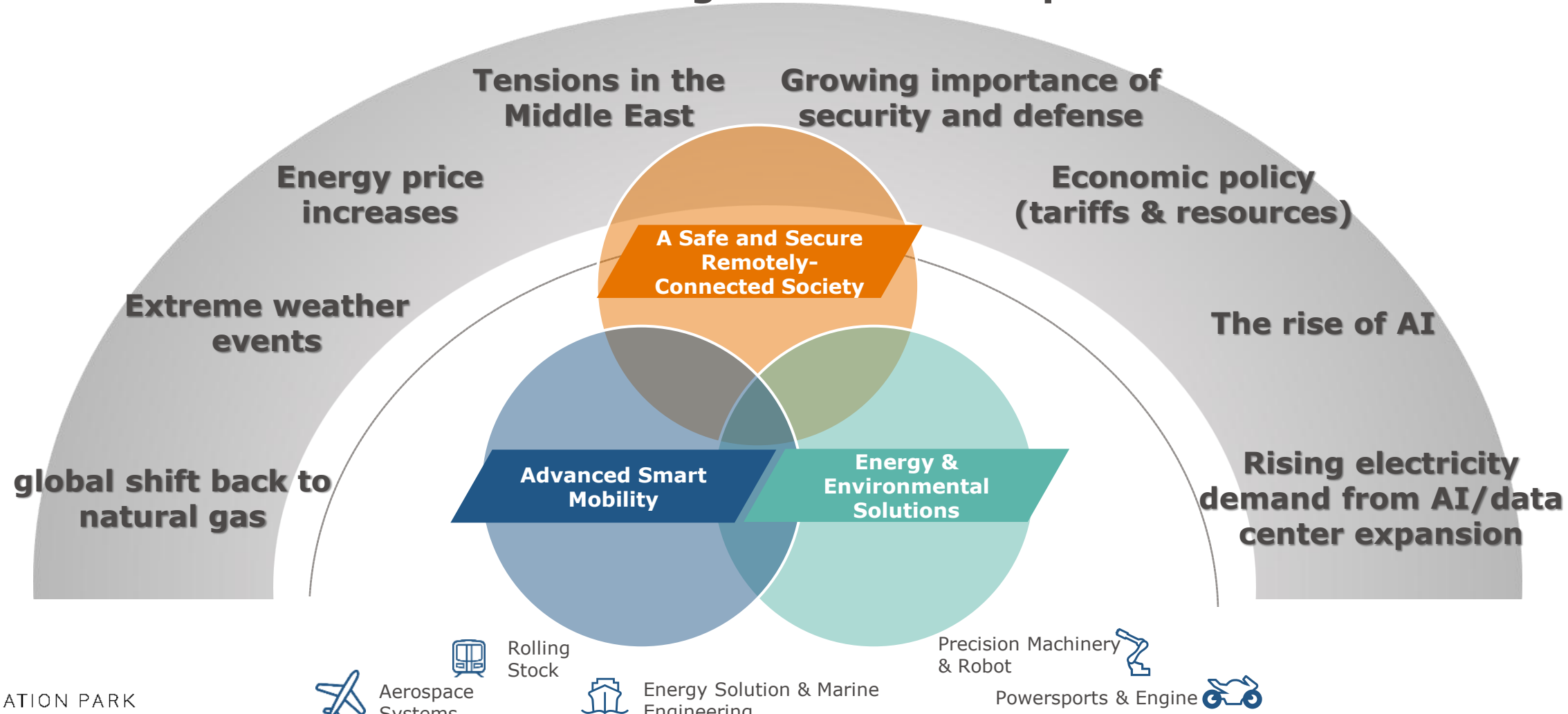


*: Business profit margin excluding one-time losses related to PW1100G-JM engine

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Changes in the Business Environment

■ **Six years after establishing three focus fields under Group Vision 2030, our business environment has grown more complex**



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Well positioned in Japan's 17 strategic fields

- We cover **8 of Japan's 17 strategic fields**, set in light of recent social conditions
- **Aligning with national policy** to drive **further growth**

Japan's 17 strategic fields

AI and semiconductors	Digital technologies and cybersecurity	Information and telecommunications
Quantum technologies	**Defense industry**	**Aviation and space**
Marine and ocean	**Shipbuilding**	Materials
Synthetic biology and biotechnology	**Advanced medicine**	**Energy**
Fusion energy	**Food tech**	**National resilience**
Port logistics	Content industry	

8 /17fields

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Raising capital to fund growth while keeping finances sound

To further accelerate growth, riding the tailwind of changing social conditions and issues, we raised about **¥200 billion** in July 2026 (public offering: about ¥100 billion; CBs*: about ¥100 billion)

- ✓ **Strengthen core businesses** and **invest in mid-to-long term growth areas**
- ✓ **Expand investment capacity while keeping net D/E ratio around 50%**

* Convertible bonds

Investments

Core business

About ¥100 bn

- **Aerospace and aero engines**
- **Gas turbines**
- **Shipbuilding**
- **Semiconductor robots**

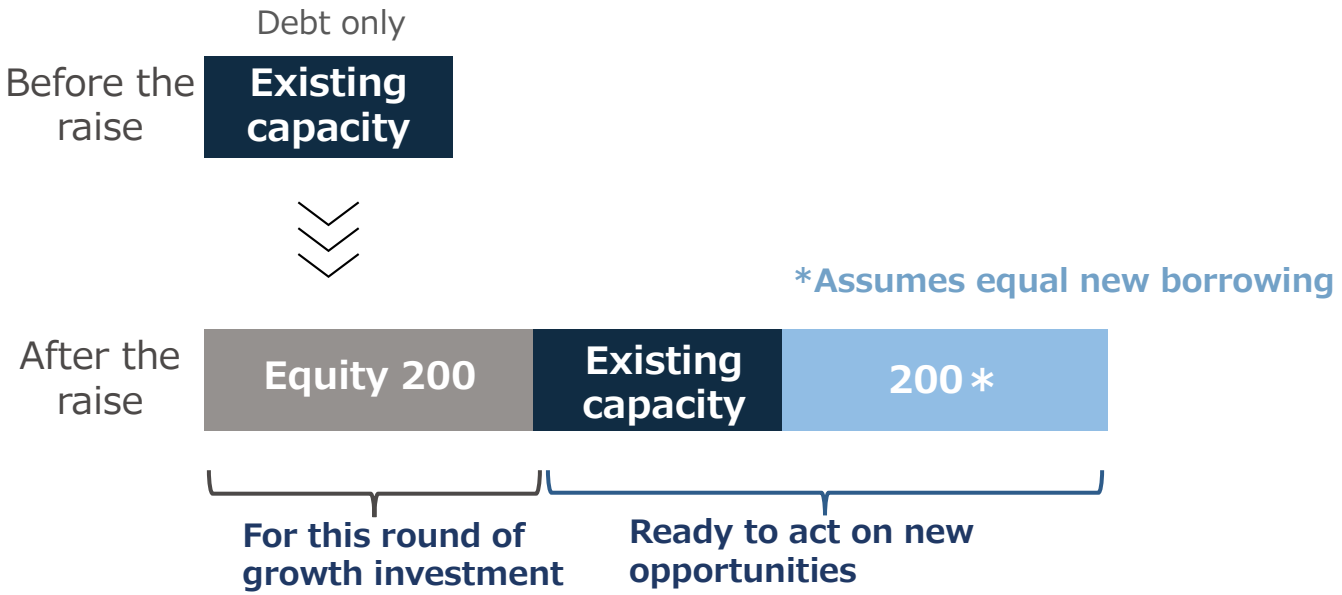
Growth areas

About ¥100 bn

- **Physical AI**
- **Hydrogen supply chain**

Short term: efficiency gains

Investment capacity

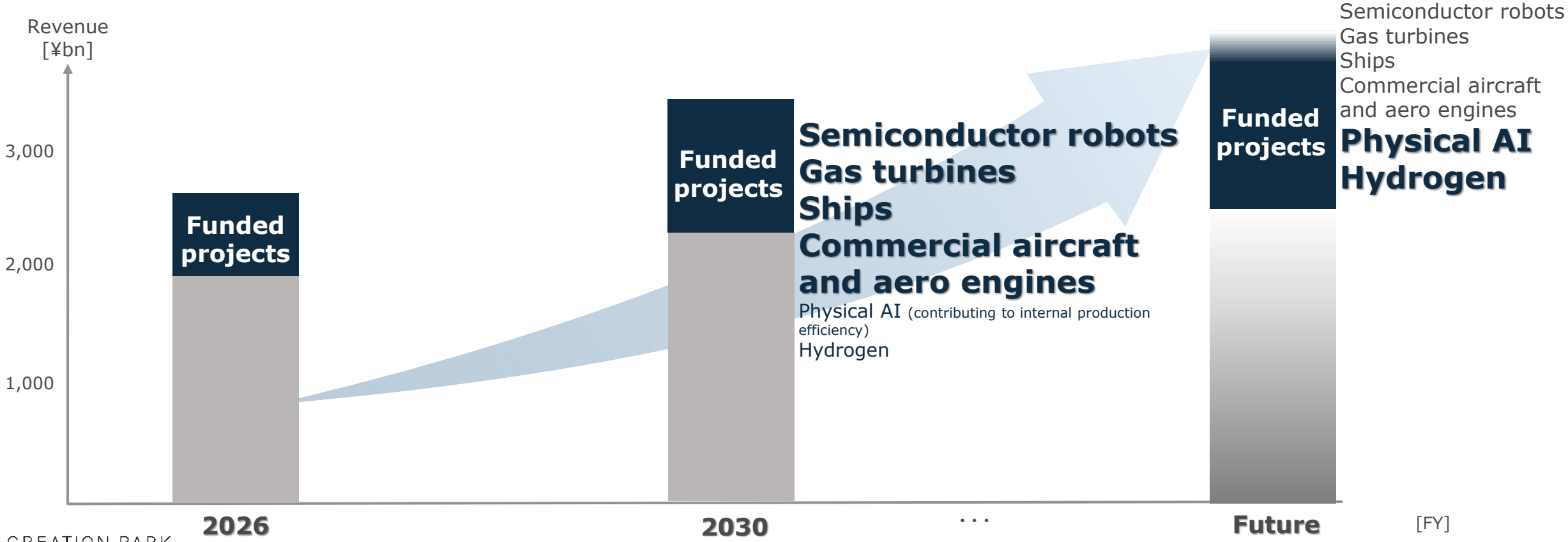


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Growth of businesses funded by the capital raise

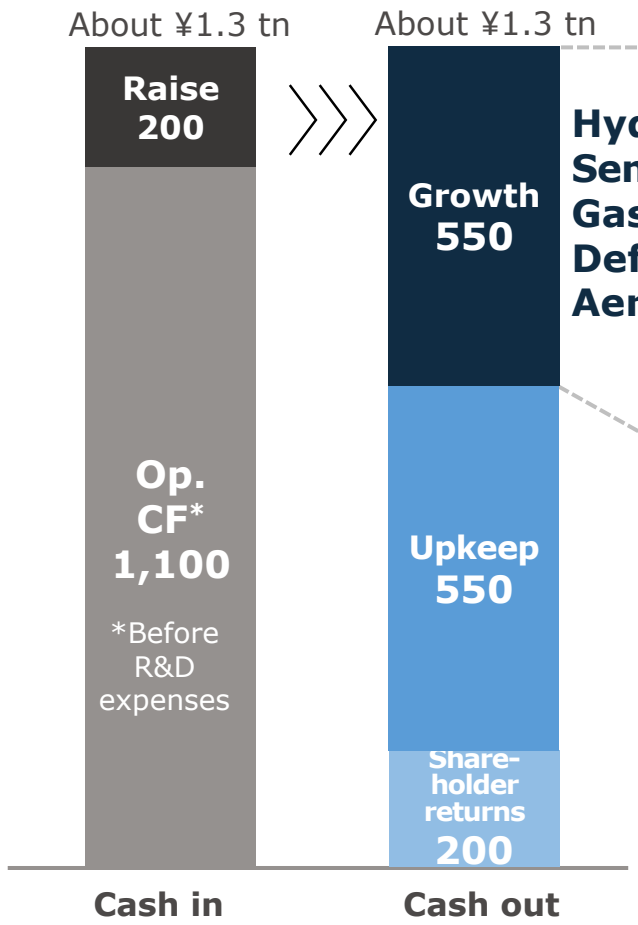
- Returns should start to show around 2028
- Short term: higher robot and gas turbine output lifting sales, and physical AI raising productivity across our manufacturing processes
  Long term: hydrogen and physical AI should deliver the largest returns



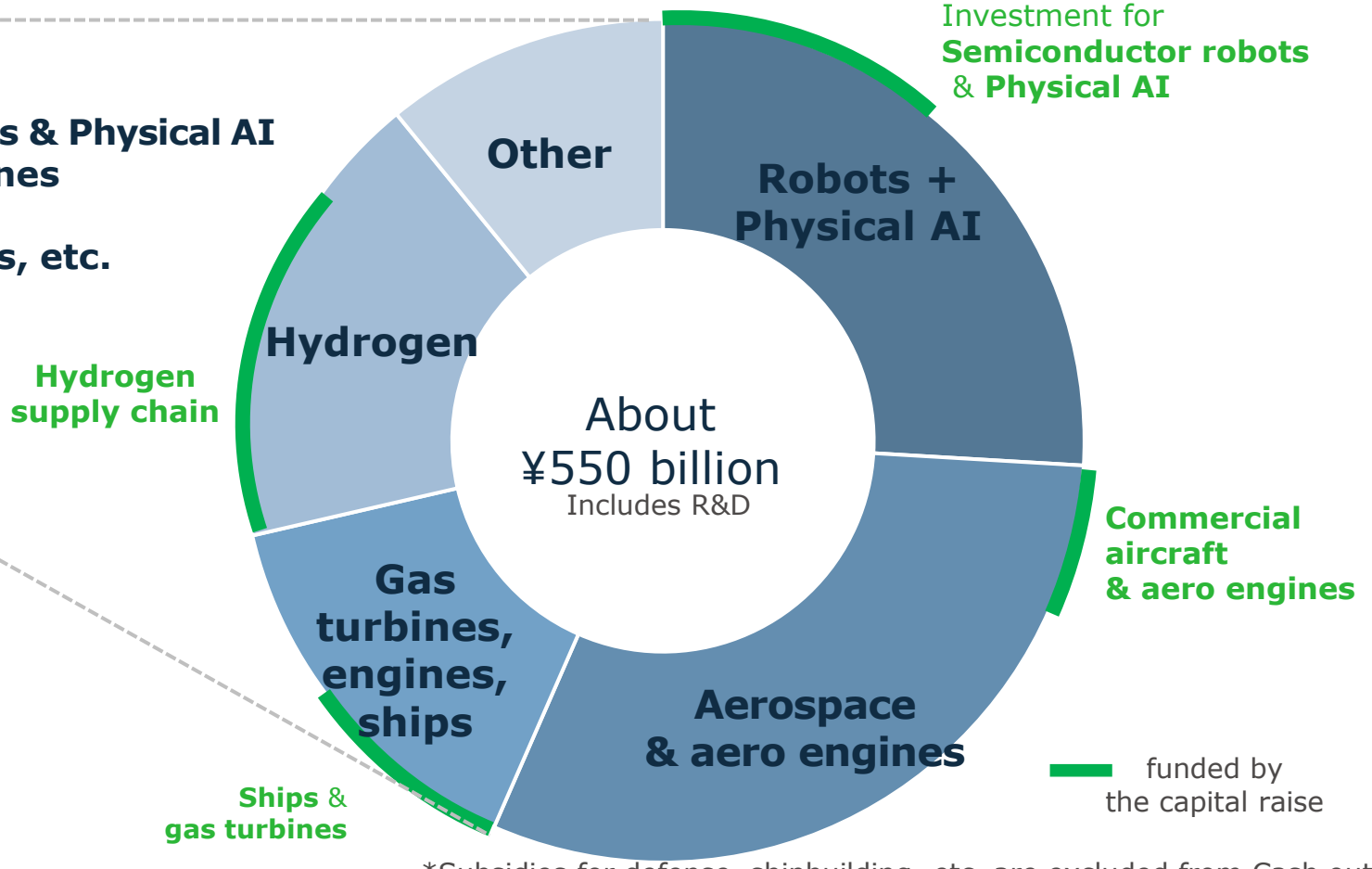
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Cash allocation (FY2027-FY2030)

FY2027 to FY2030: investing in **core businesses that are highly profitable today with strong growth ahead**, and in **new growth businesses with major long-term growth potential**, funded by our capital raise



Hydrogen
Semiconductor robots & Physical AI
Gas turbines & engines
Defense
Aerospace & engines, etc.



*Subsidies for defense, shipbuilding, etc. are excluded from Cash out

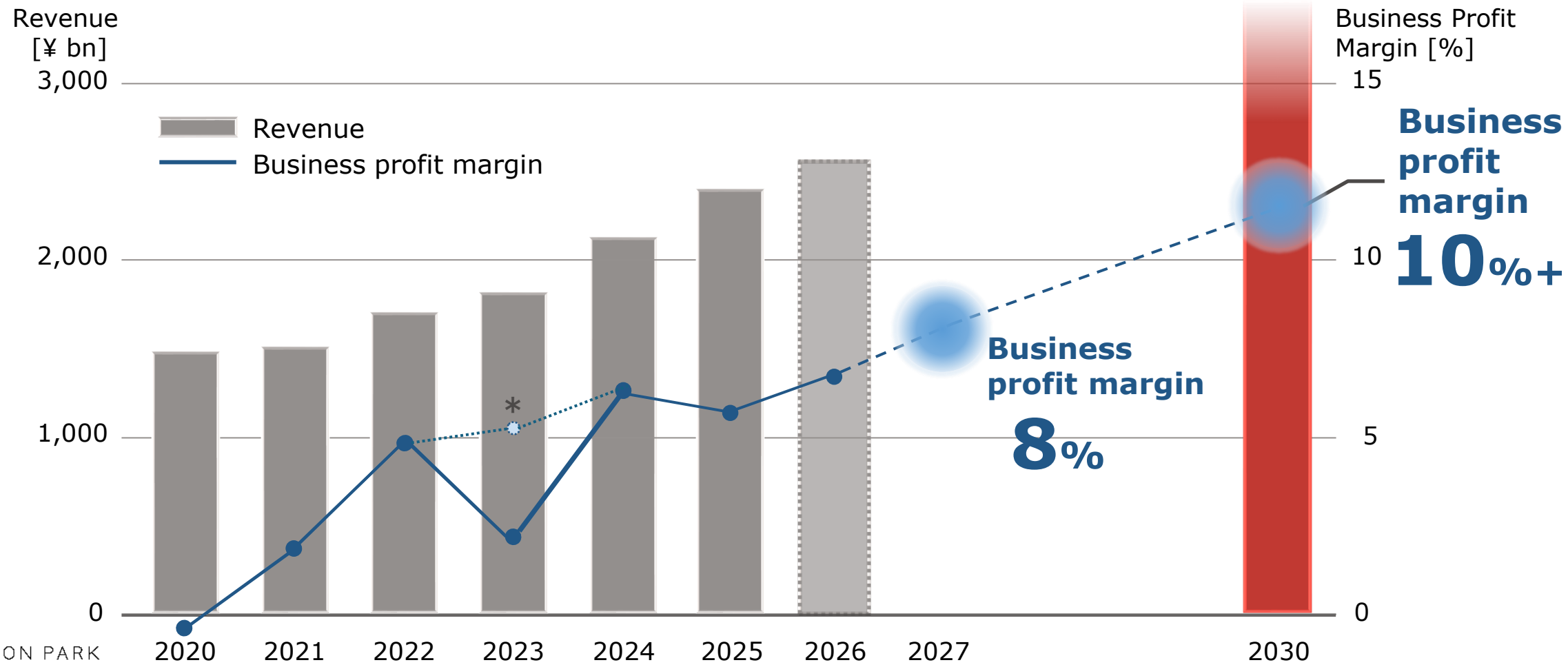
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Business Plan Update Toward 2030

Investing early and decisively, backed by our capital raise

FY2030: revenue ¥3.3 tn+, business profit ¥330 bn+ (margin 10%+)



*: Business profit margin excluding one-time losses related to PW1100G-JM engine

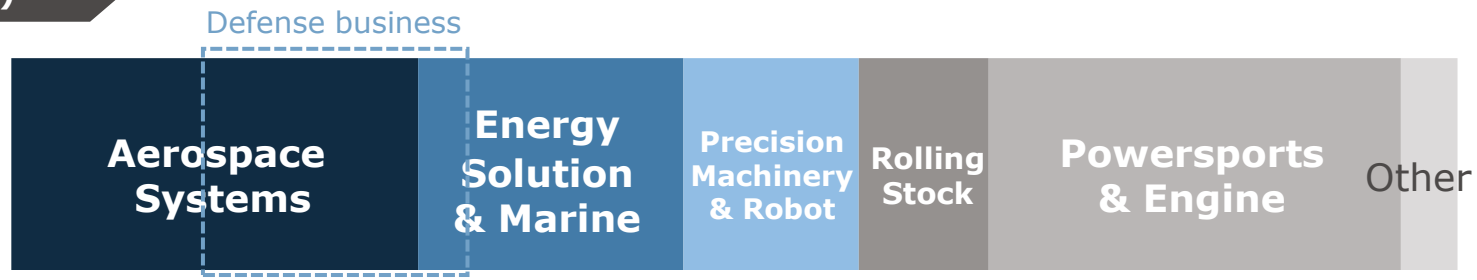
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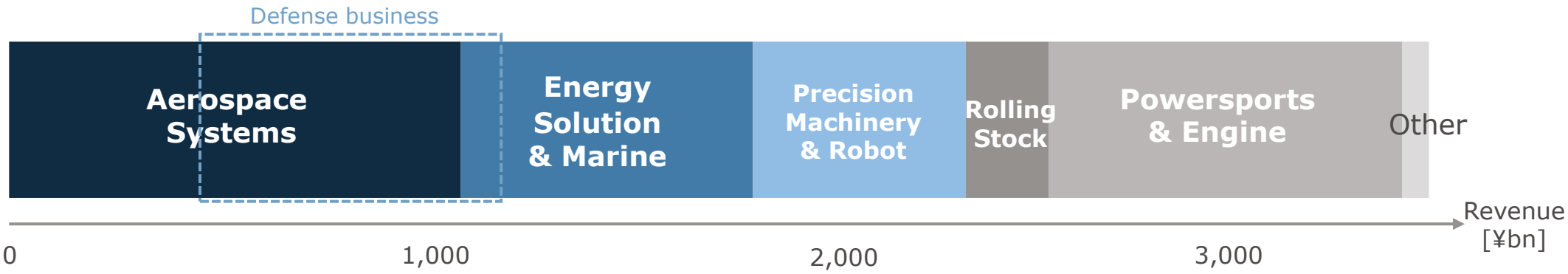
Revenue by segment

By FY2030, Aerospace Systems, Energy Solution & Marine, and Precision Machinery & Robot will account for a larger share of revenue

FY2026 Revenue (Forecast)

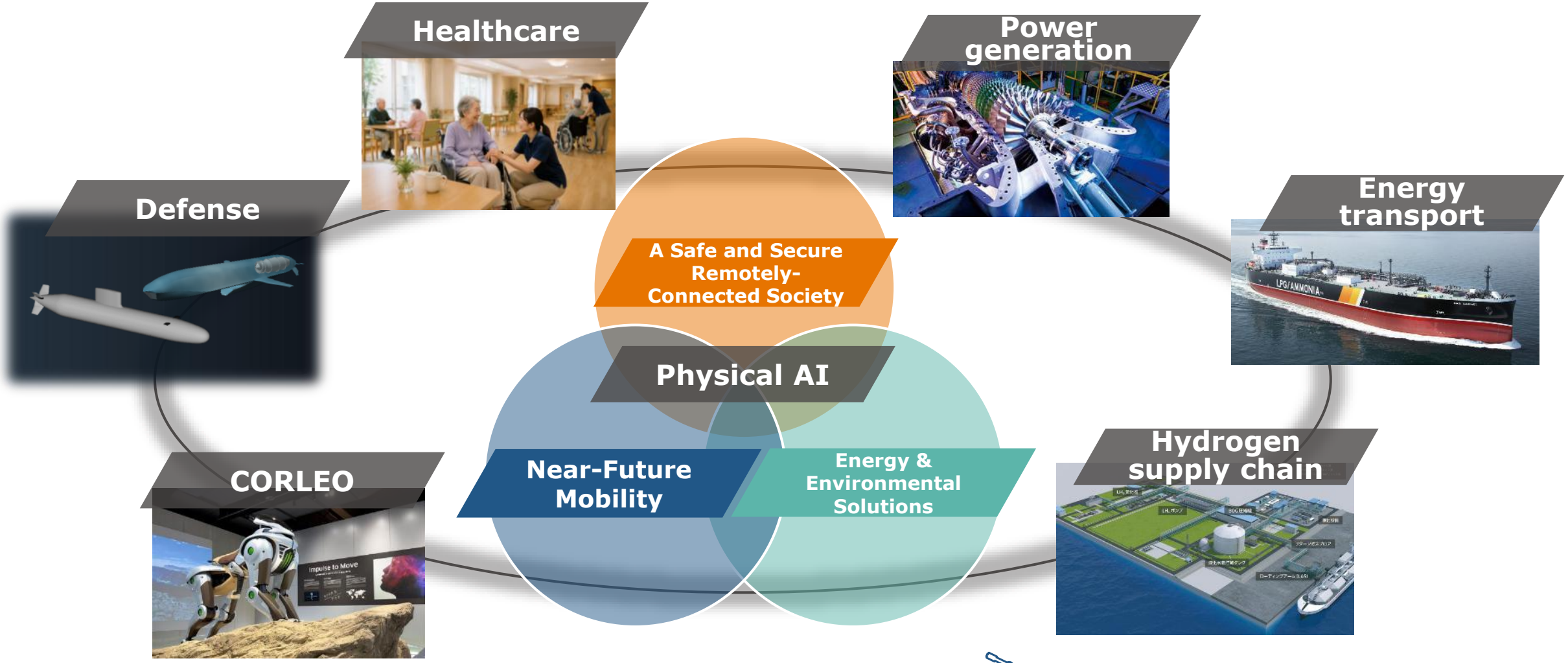


FY2030 Revenue (Illustrative)



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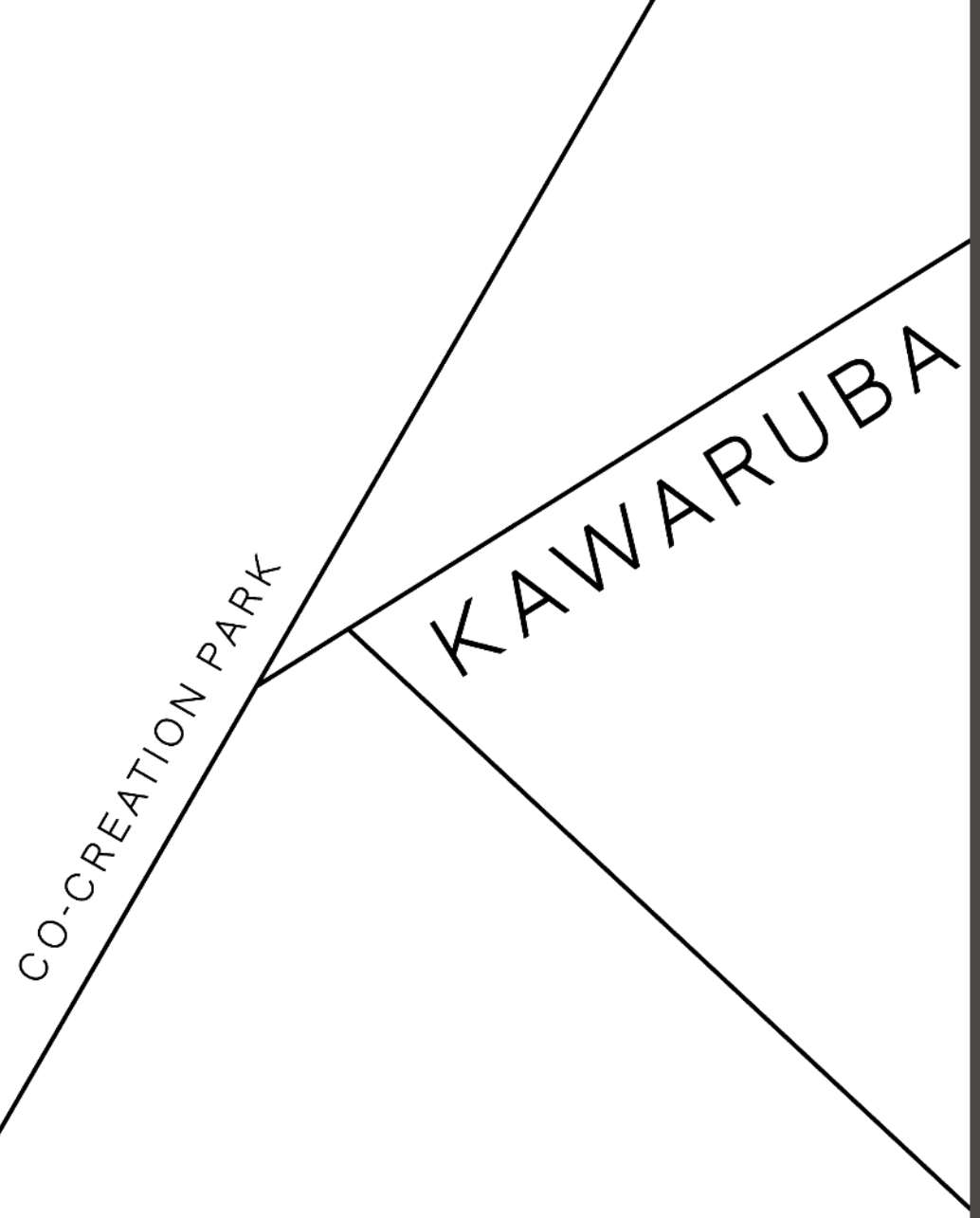
Faster Solutions for a Faster-changing Society



Rolling Stock
Precision Machinery & Robot
Aerospace Systems
Energy Solution & Marine Engineering
Powersports & Engine

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① Company-wide Investment Priorities

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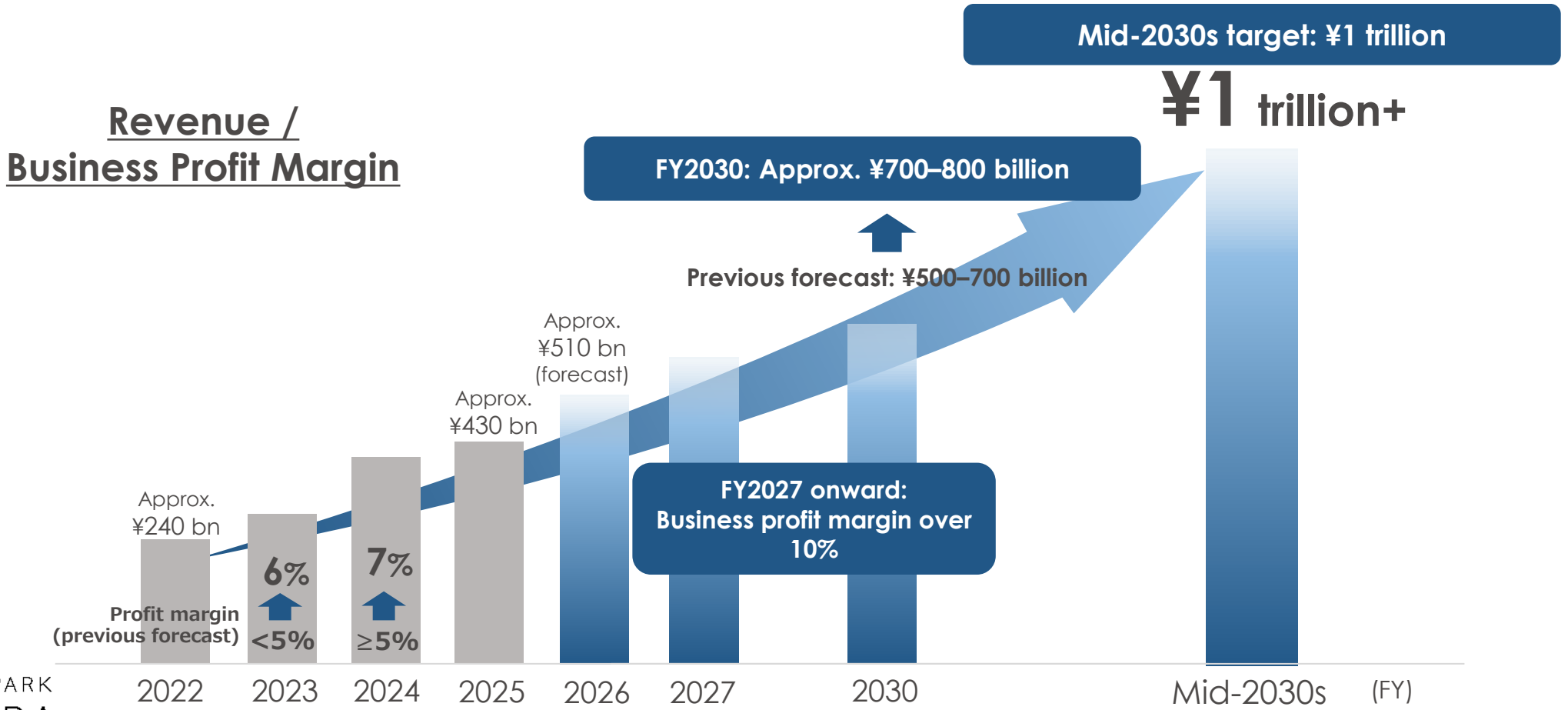
④ Physical AI

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Defense Business: Progress and Further Growth

- Driven by Japan's increased defense spending, FY2030 revenue forecast **revised upward to approx. ¥700–800 billion**
- Aiming for **revenue of over ¥1 trillion in the mid-2030s** through initiatives responding to "new ways of warfare"
- Defense business profit margin expected to **exceed 10% from FY2027 onward**, owing to contract system revisions of MOD*, etc.

*MOD: Ministry of Defense



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Achievements of Existing Programs

SOJ
(Stand-off electronic warfare aircraft)

☑ **June 2026: First aircraft delivered**



Moving toward
production & upgrades

New SSM
(New anti-ship missile for the defense of remote islands)

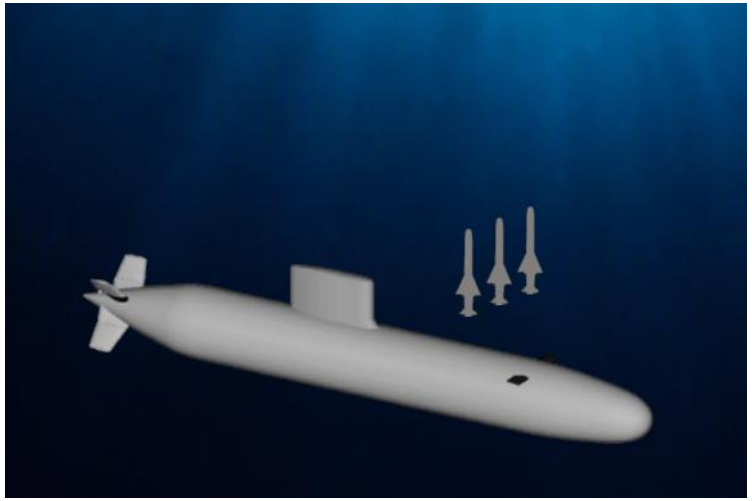
☑ **2025: Successful launch test**



Moving toward
next-generation SSM

Stand-off Defense Capabilities

☑ **FY2025: Research prototype contracts awarded**

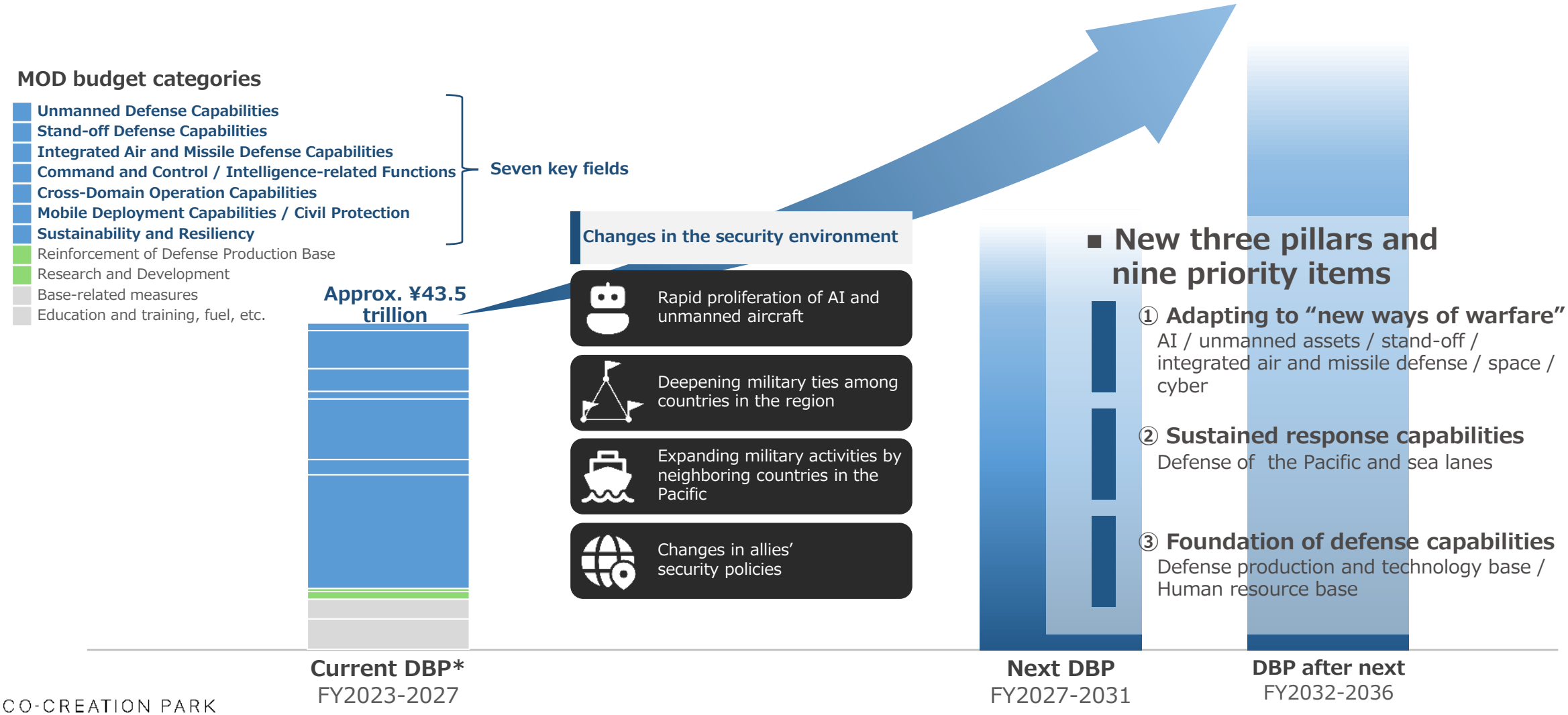


Building up
technical data

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Japan's Defense Budget Outlook

■ **Strengthening response to "new ways of warfare":** focus on unmanned defense capabilities, AI, etc.



*DBP: Defense Buildup Program

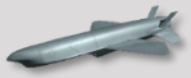
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Our Initiatives for “New Ways of Warfare”

Current technologies and expertise


SOJ


P-1


New SSM


Submarines


T-4


KJ14

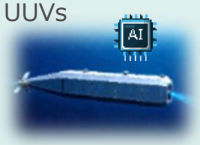

KJ100

Key initiatives

Advancing AI technologies


Development of collaborative UAVs

UUVs



Decision-making and image processing


Higher intelligence via edge AI

Collaboration with startups




Research on edge AI computing devices

Training system development


Development of next trainer aircraft and integrated training system

Partnerships with overseas companies



In-house development of KJ engines



Systems and equipment to realize “new ways of warfare”

① Manned-unmanned teaming



② Autonomous collaborative systems



③ Integrated education & training



④ KJ engines



[Investment in foundations]

AI·DE	R&D	Production Capacity	Certification	Security

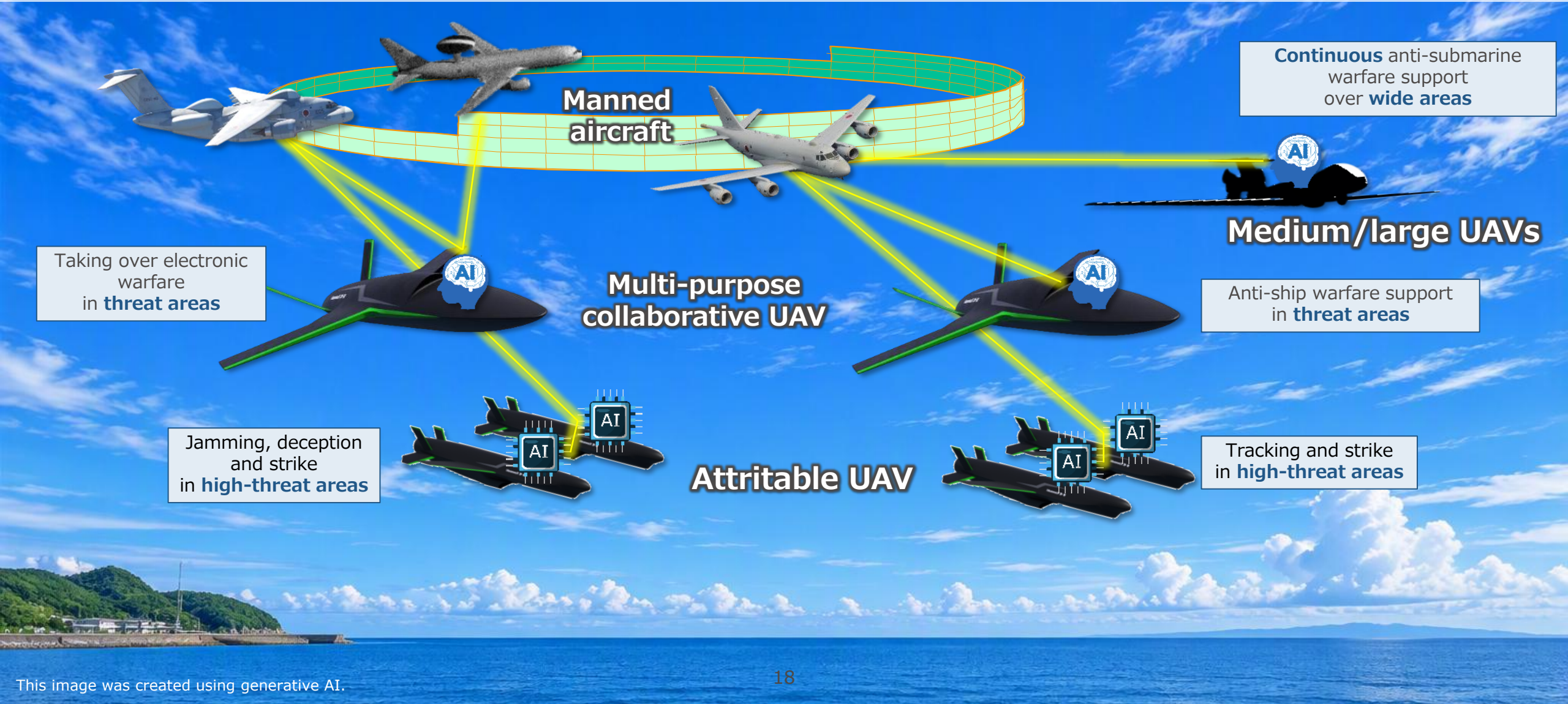
Artificial Intelligence Digital Engineering

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“New Ways of Warfare” ①: Manned-Unmanned Teaming

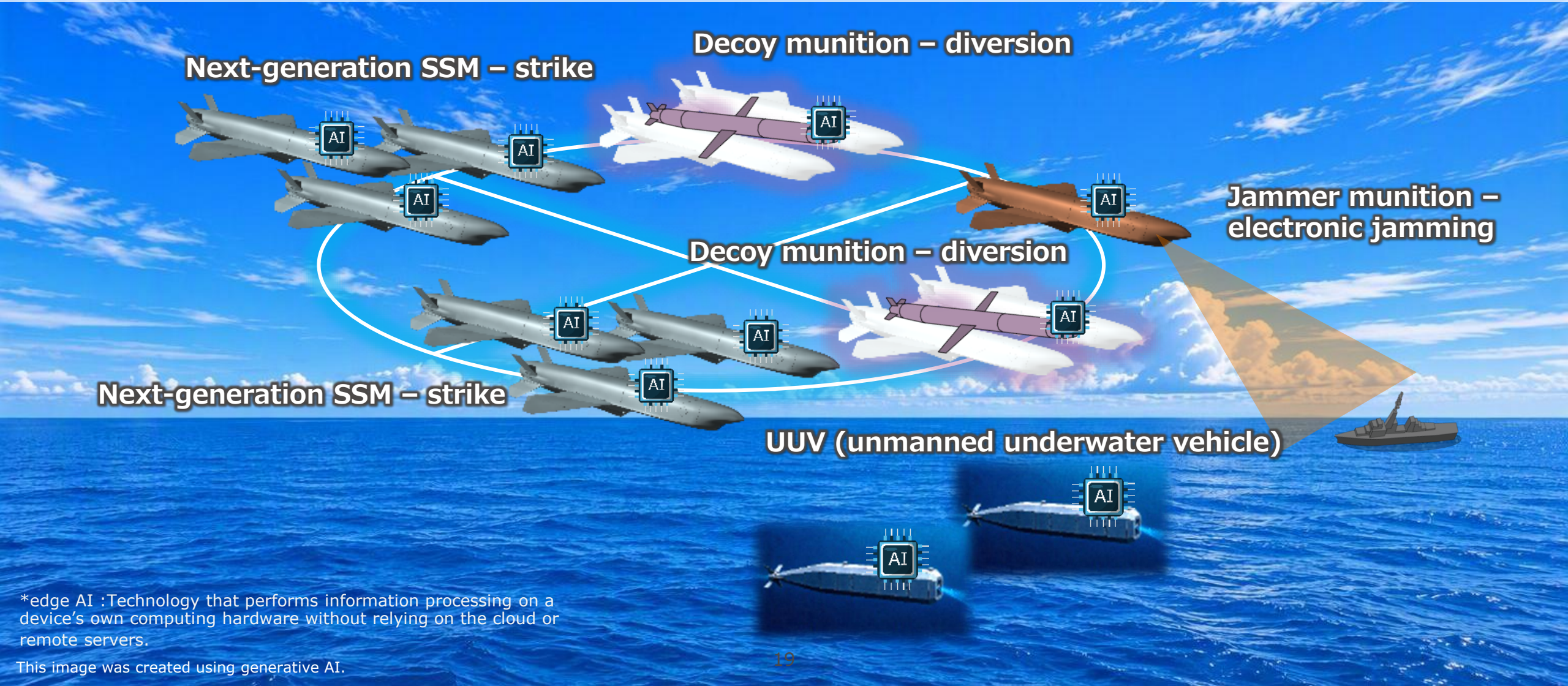
- **Initiatives for unmanned aircraft that complement or substitute for manned aircraft missions**



This image was created using generative AI.

“New Ways of Warfare” ②: Autonomous Collaborative Systems

- In remote, high-threat areas, “edge AI*” units cooperate to accomplish assigned missions



*edge AI :Technology that performs information processing on a device’s own computing hardware without relying on the cloud or remote servers.

This image was created using generative AI.

“New Ways of Warfare” ③: Integrated Education & Training

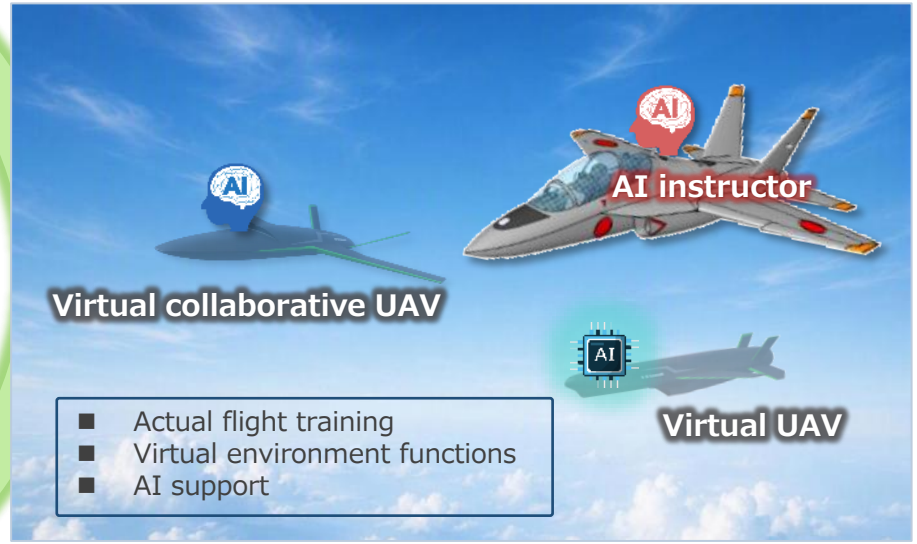
■ Effective AI-enabled education and training system

Advanced ground training device





Next-generation trainer aircraft



Integrated Education & Training Data Platform

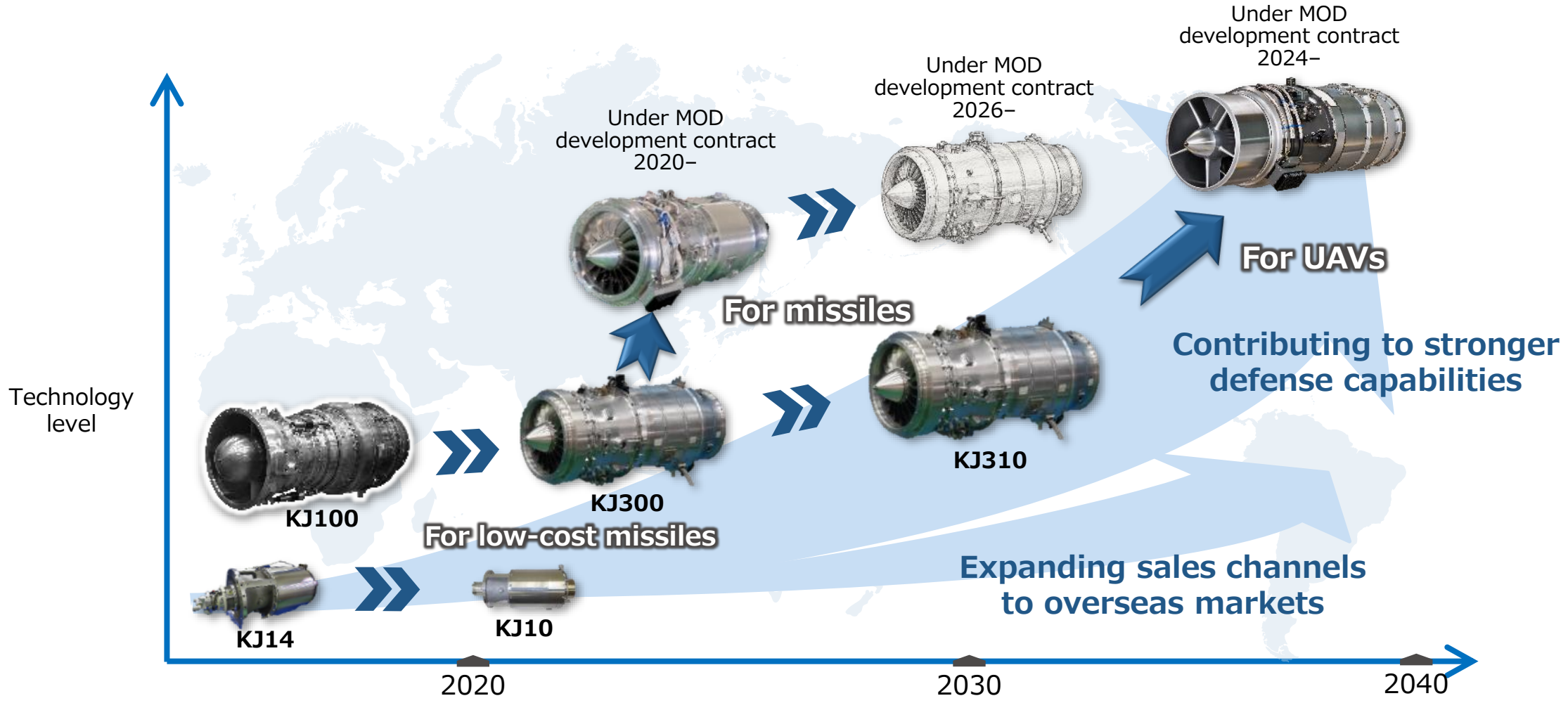
■ Integrated training data management
■ Common training environment platform
■ AI support

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“New Ways of Warfare” ④: KJ Engines

- Promoting in-house development and lineup expansion of the KJ engine series for unmanned assets
- Japan’s only small turbofan engine that can supply high electrical power



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