

Financial Results for Second Quarter FY2023

For the Year ending March 31, 2024

November 8, 2023

Kawasaki Heavy Industries, Ltd.



 **Kawasaki**
Powering your potential

0 Table of Contents

1 Consolidated Results for Second Quarter FY2023

Summary	3
Segment	4
Statement of Comprehensive income	5
Details of Change in business profit	7
Statement of financial position	9
Cash Flows	11

2 Forecasts for FY2023

Summary	13
Segment	14

3 Details by segment

Aerospace Systems	15
Rolling Stock	19
Energy Solution & Marine Engineering (ES&M)	23
Precision Machinery & Robot	27
Powersports & Engine (PS&E)	31

4 Shareholder Return and others

Shareholder Return	35
Project Topics	36
Appendix	39

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.

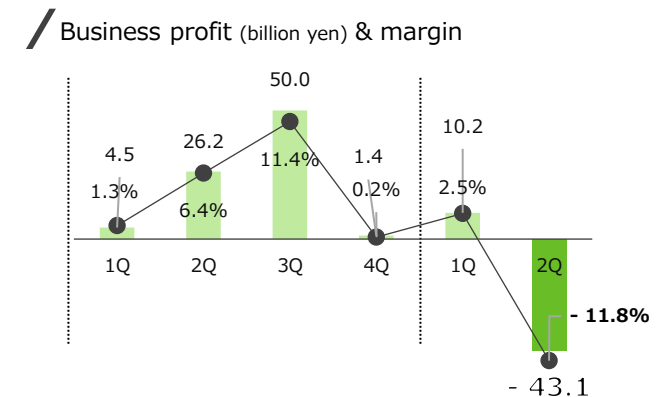
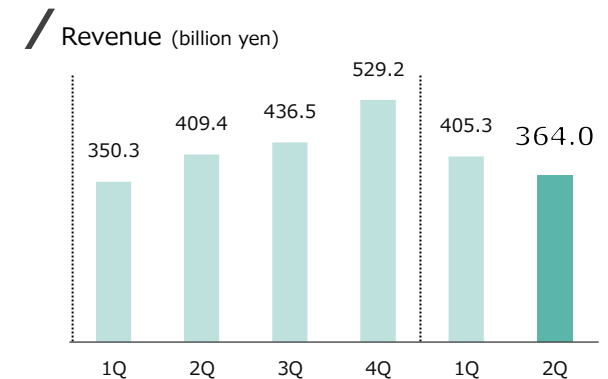
Consolidated Results for Second Quarter FY2023 -Summary-

- ✓ Profit decreased YoY due to lump-sum loss recording related PW1100G-JM engine
- ✓ Except for the above, the overall results are as expected, though there are differences in the degree of achievement of each business

	FY22 Q2	FY23 Q2			(Billion Yen)	
		Apr. to Jun.	Jul. to Sep.	Total	YoY Change	
Orders Received	866.6	457.3	403.4	860.8	-	5.8
Revenue	759.7	405.3	364.0	769.3	+	9.5
Business Profit	30.8	10.2	- 43.1	- 32.8	-	63.6
<i>[margin]</i>	<i>[4.1%]</i>	<i>[2.5%]</i>	<i>[- 11.8%]</i>	<i>[- 4.3%]</i>		<i>[- 8.3pt]</i>
Profit Before Tax	35.9	14.9	- 49.4	- 34.4	-	70.4
<i>[margin]</i>	<i>[4.7%]</i>	<i>[3.7%]</i>	<i>[- 13.6%]</i>	<i>[- 4.5%]</i>		<i>[- 9.2pt]</i>
Profit Attributable to Owners of Parent	23.7	9.0	- 32.4	- 23.3	-	47.1
<i>[margin]</i>	<i>[3.1%]</i>	<i>[2.2%]</i>	<i>[- 8.9%]</i>	<i>[- 3.0%]</i>		<i>[- 6.1pt]</i>
Weighted-average exchange rates (USD/JPY) ^{※1}	130.62	132.09	141.77	137.27	+	6.65
US dollar-based transaction (B\$) ^{※2}	0.86	0.45	0.33	0.78	-	0.08

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

※2 Amount in foreign currency 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 dollar-denominated revenue of loss provisions). The estimated impact on business profit due to a 1yen fluctuation in the exchange rate. See page 42 for the breakdown of these figures by segment.



Consolidated Results for Second Quarter FY2023

-Segment-

- Business profit in ES&M increased due to a significant improvement in Ship & Offshore business ①
- Aerospace Systems recorded a loss related to the PW1100G-JM engine, and Precision Machinery & Robot posted lower sales and profits due to the sluggish market of Chinese construction machinery and semiconductor ②

(Billion Yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY22 Q2	FY23 Q2	Change	FY22 Q2	FY23 Q2	Change	FY22 Q2	FY23 Q2	Change
Aerospace Systems	125.6	193.2	+ 67.5	145.0	129.2	- 15.7	- 3.0	- 52.7	- 49.7
Rolling Stock	39.3	30.1	- 9.2	58.5	84.1	+ 25.5	- 0.0	0.3	+ 0.3
Energy Solution & Marine Engineering	238.4	218.4	- 20.0	134.5	147.8	+ 13.3	3.1	8.5	+ 5.4
Precision Machinery & Robot	139.5	103.0	- 36.4	117.6	103.0	- 14.6	5.5	- 4.6	- 10.1
Powersports & Engine ^{※1}	265.1	267.1	+ 1.9	265.1	267.1	+ 1.9	28.0	23.1	- 4.9
Others	58.4	48.8	- 9.6	38.8	37.9	- 0.8	1.8	0.5	- 1.3
Eliminations and corporate ^{※2}	-	-	-	-	-	-	- 4.6	- 8.0	- 3.4
Total	866.6	860.8	- 5.8	759.7	769.3	+ 9.5	30.8	- 32.8	- 63.6

※1 From Q3 FY'22, the reportable segment name of 'Motorcycle & Engine' has been changed to 'Powersports & Engine'.

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

Consolidated Results for Second Quarter FY2023

-Statement of comprehensive income-

	FY22 Q2		FY23 Q2		Change	
		%		%		
Revenue	759.7	100.0	769.3	100.0	+	9.5
Cost of sales	619.6	81.6	680.9	88.5	+	61.2
Gross profit	140.0	18.4	88.4	11.5	-	51.6
Selling, general and administrative expenses	109.8	14.5	128.2	16.7	+	18.3
Salaries and allowances	31.6		36.7		+	5.1
Research and development expenses	22.0		23.6		+	1.5
Others	56.1		67.7		+	11.6
Share of profit (loss) of investments accounted for using equity method	1.0		6.5		+	5.5
Other income and other expenses	- 0.4		0.4		+	0.8
Gain on sale of property, plant and equipment	0.4		0.7		+	0.2
Others	- 0.8		- 0.2		+	0.5
Business Profit (Loss)	30.8	4.1	- 32.8	- 4.3	-	63.6

(Billion Yen)

Details

- ① Cost to sales ratio deteriorated due to a loss of ¥58 billion yen (reduction in revenue) related to the In-Service issues of PW1100G-JM Engine
- ② Improvement in business performance mainly at a joint venture in China in Ship & offshore structure (in addition to cost reductions, the impact of falling steel prices and the depreciation of Chinese yuan against US dollar)

Consolidated Results for Second Quarter FY2023

-Statement of comprehensive income-

(Billion Yen)

	FY22 Q2	%	FY23 Q2	%	Change
Finance income and Finance costs	5.1		- 1.6		- 6.7
Net Interest expense (incl. dividend income)	- 1.2		- 2.4		- 1.1
Gain and loss on foreign exchange	7.8		3.3		- 4.5
Others	- 1.4		- 2.5		- 1.0
Profit before tax	35.9	4.7	- 34.4	- 4.5	- 70.4
Income tax expense	11.5		- 12.0		- 23.5
Profit attributable to Non-controlling interests	0.6		0.9		+ 0.2
Profit attributable to owners of parent	23.7	3.1	- 23.3	- 3.0	- 47.1

[Details](#)

- ③ Although there is a year-end valuation gain on foreign currency-denominated receivables, foreign exchange gains are reduced due to hedge valuation losses

USD/JPY rate

133.54 Q4/E FY'22

149.58 Q2/E FY'23

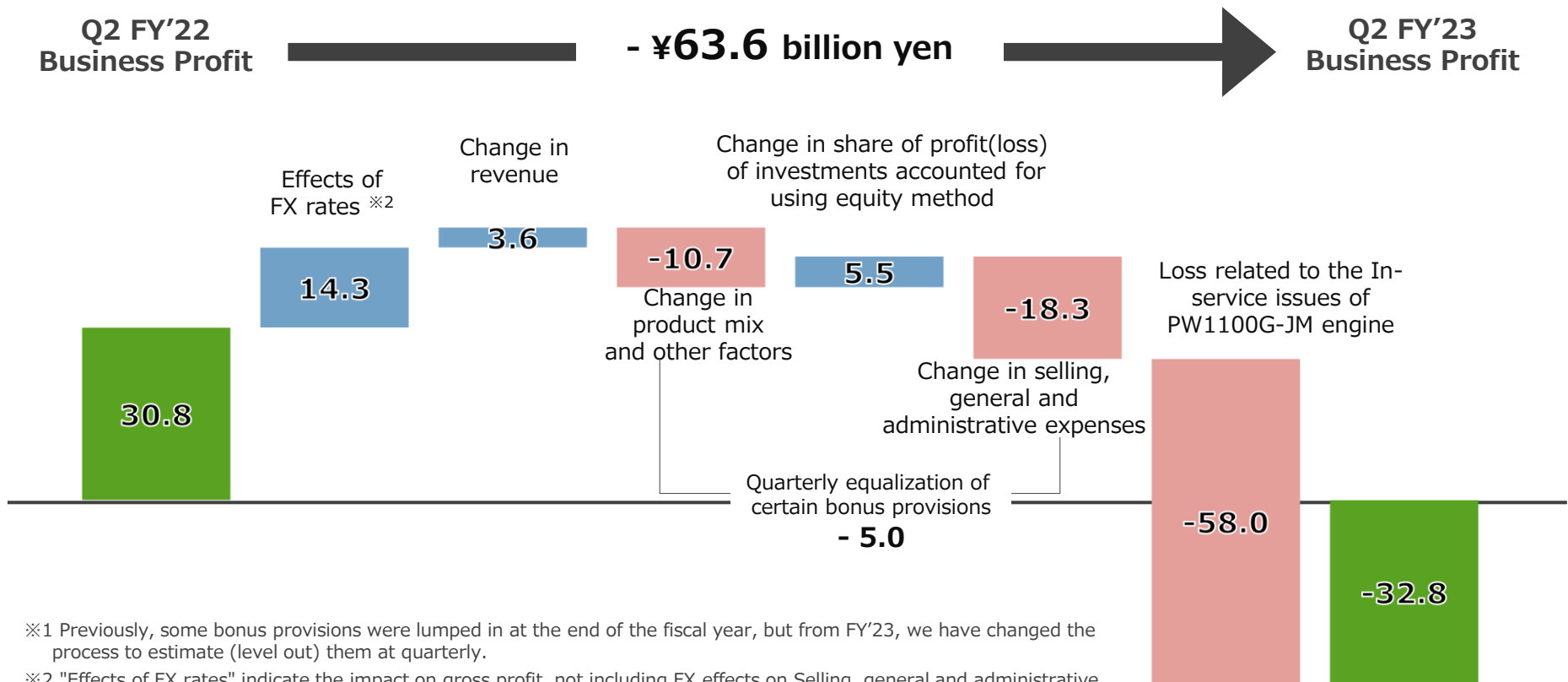
Weighted-average
exchange rates

137.27 Q2 FY'23

Consolidated Results for Second Quarter FY2023

-Details of change in business profit-

- ✓ Change in product mix and other factors was affected by increased sales promotion expenses in PS&E and reduced operation in Precision Machinery & Robot
- ✓ Quarterly equalization of certain bonus provisions^{※1} depressed profit



※1 Previously, some bonus provisions were lumped in at the end of the fiscal year, but from FY'23, we have changed the process to estimate (level out) them at quarterly.

※2 "Effects of FX rates" indicate the impact on gross profit, not including FX effects on Selling, general and administrative expenses.

Also, the impact of price fluctuation due to currency fluctuations is included in "Change in product mix and other factors" and "Changes in Selling, general and administrative expenses".

Consolidated Results for Second Quarter FY2023

-Details of change in business profit-

(Billion Yen)

	FY22 Q2 Business Profit (Loss)	Details of change						Total	FY23 Q2 Business Profit (Loss)
		Effects of FX rates*	Change in sales*	Change in product mix and other factors*	Change in share of profit (loss) of investments accounted for using equity method	Change in SG & A expenses	Loss Related to the In-Service Issues of PW1100G-JM Engine		
Aerospace Systems	- 3.0	2.1	2.4	4.9		- 1.1	- 58.0	- 49.7	- 52.7
Rolling Stock	- 0.0	1.4	1.5	- 1.9	0.0	- 0.7		0.3	0.3
Energy Solution & Marine Engineering	3.1	1.9	1.8	- 1.4	5.8	- 2.7		5.4	8.5
Precision Machinery & Robot	5.5	1.3	- 3.1	- 5.5	- 0.4	- 2.4		- 10.1	- 4.6
Powersports & Engine	28.0	7.5	1.1	- 6.4	- 0.0	- 7.1		- 4.9	23.1
Others	1.8	0.1	- 0.1	- 1.0	0.0	- 0.3		- 1.3	0.5
Eliminations and corporate	- 4.6			0.3	0.1	- 3.8		- 3.4	- 8.0
Total	30.8	14.3	3.6	- 10.7	5.5	- 18.3	- 58.0	- 63.6	- 32.8

※ 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.

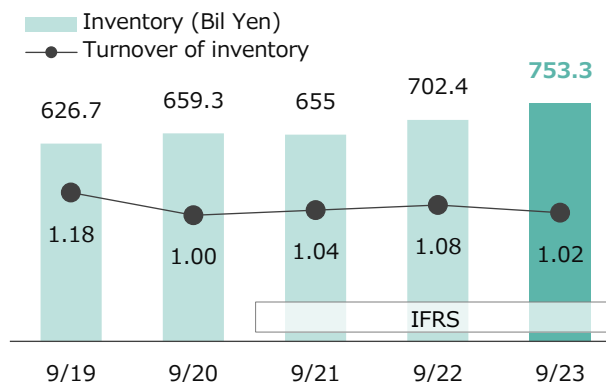
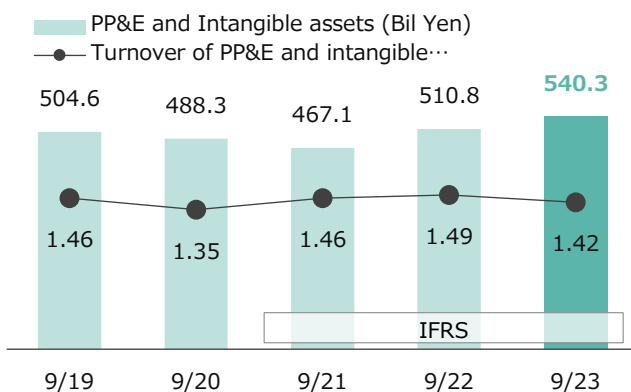
Consolidated Results for Second Quarter FY2023 -Statement of financial position-

(Billion Yen)

	End of Mar. 2023	%	End of Sep. 2023	%	Change
Cash and cash equivalents	138.4		85.4		- 53.0
Trade receivables (Incl. contract assets)	592.6		590.8		- 1.8
Inventories	690.4		753.3		① + 62.9
Other current assets	148.8		174.1		+ 25.3
Current assets	1,570.3	63.9	1,603.8	62.7	+ 33.4
PP&E and intangible assets	517.2		540.3		+ 23.0
Right-of-use assets	68.4		68.3		- 0.0
Deferred tax assets	110.2		131.0		② + 20.7
Other non-current assets	191.4		212.8		+ 21.4
Non-current assets	887.3	36.1	952.6	37.3	+ 65.2
Total assets	2,457.7	100.0	2,556.4	100.0	+ 98.7

Details

- ① Increase in ES&M, PS&E, Aerospace Systems, etc
- ② Increase due to losses related to PW1100G-JM engine



Consolidated Results for Second Quarter FY2023 -Statement of financial position-

(Billion Yen)

	End of Mar. 2023	%	End of Sep. 2023	%	Change
Trade payables	395.1		399.6		+ 4.4
Interest-bearing debt	589.8		706.0		3 + 116.2
Contract liability (Advances received)	256.2		264.1		+ 7.9
Provision for losses on construction contracts	4.6		4.4		- 0.1
Retirement benefit liability	91.5		93.7		+ 2.2
Other liabilities	523.3		506.6		4 - 16.7
Total liabilities	1,860.8	75.7	1,974.7	77.2	+ 113.8
Equity attributable to owners of parent	576.2		561.8		- 14.3
Non-controlling interests	20.6		19.9		- 0.7
Total equity	596.8	24.3	581.7	22.8	- 15.1
Total liabilities and equity	2,457.7	100.0	2,556.4	100.0	+ 98.7

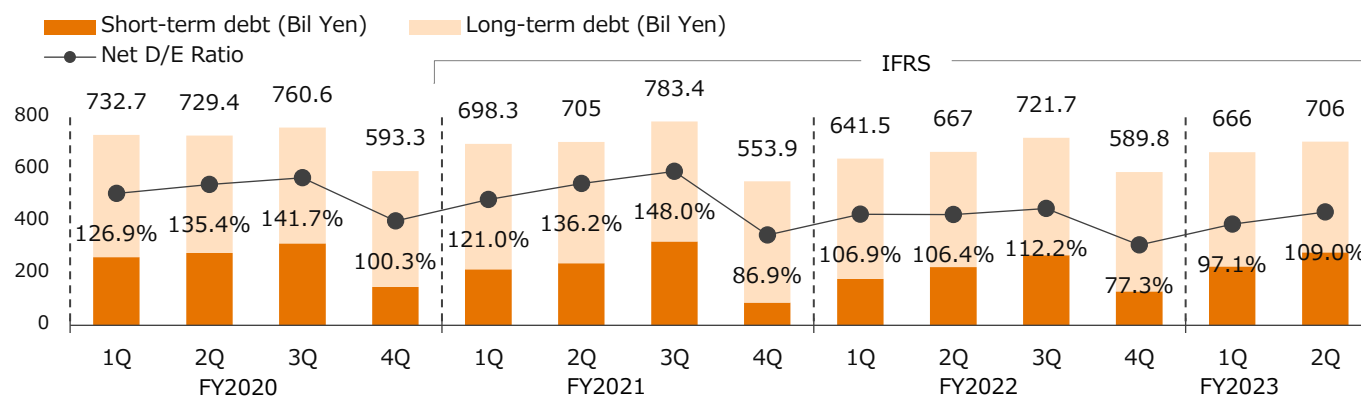
Details

- 3** Increase in borrowing as a normal business cycle in H1
- 4** Decreased due to receivables liquidation in Aerospace Systems

Appendix

Cash Conversion Cycle (day)

End of Q2 FY'19	153
End of Q2 FY'20	156
End of Q2 FY'21	158
End of Q2 FY'22	154
End of Q2 FY'23	154



Consolidated Results for Second Quarter FY2023

-Cash Flows-

(Billion Yen)

	FY22 Q2	FY23 Q2	Change
Profit before tax	35.9	- 34.4	- 70.4
Depreciation and amortization	37.5	43.5	+ 5.9
Increase and decrease in working capital	- 80.7	- 10.1	+ 70.6
Trade receivables ^{※1} (minus notation indicates incr.)	2.3	39.3	+ 37.0
Inventory (minus notation indicates incr.)	- 59.2	- 48.8	+ 10.4
Trade payables (minus notation indicates decr.)	- 0.0	- 0.1	- 0.1
Advance payment (minus notation indicates incr.)	- 27.7	- 0.5	+ 27.2
Contract liabilities ^{※2} (minus notation indicates decr.)	3.9	- 0.0	- 4.0
Other	- 62.7	- 14.3	+ 48.4
Cash flows from operating activities	- 70.0	- 15.4	+ 54.5
Purchase of PP&E and intangible assets	- 28.5	- 48.4	- 19.9
Proceeds from sales of PP&E and intangible assets	1.8	1.2	- 0.5
Other	- 8.7	- 0.8	+ 7.8
Cash flows from investing activities	- 35.4	- 48.0	- 12.6
Free cash flows	- 105.4	- 63.5	+ 41.9
Net increase and decrease in debt and bonds (minus notation indicates decr.)	101.5	109.5	+ 7.9
Dividends paid (Except payment to non-controlling interests)	- 3.3	- 10.0	- 6.6
Proceeds from fluidity of lease receivables and Repayment of payables under fluidity lease receivables	3.8	- 66.6	- 70.4
Other	- 10.8	- 15.2	- 4.3
Cash flows from financing activities	91.2	17.6	- 73.6

Details

① Q2 FY'22 :
Cash outflow in working capital component due to increase in advance payments in Aerospace, despite progress in collection of receivables in PS&E and Plant Engineering

Q2 FY'23 :
Cash outflow in the working capital component due to higher receivables and inventories in Aerospace Systems and higher inventories in the Energy business, despite progress in collecting receivables in PS&E

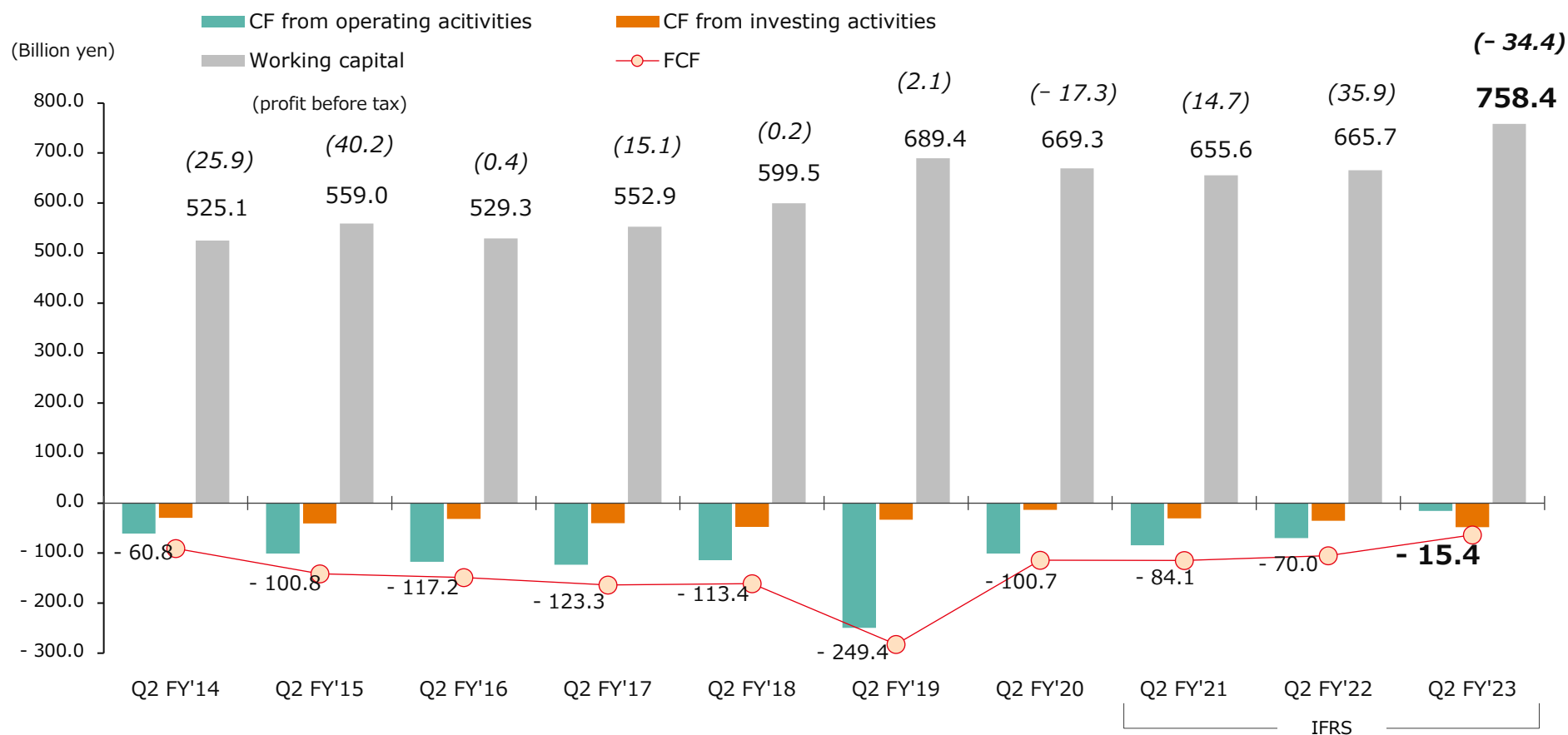
② Capital increase to equity-method affiliates (about ¥ 5 bn)

③ Payment in Aerospace



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

-Cash Flows-

- Historical data shows CF from operating activities and free cash flows are improving
- Working capital temporarily increased due to a strong recovery in order-based businesses and sales growth in Powersports & Engine



Forecasts for FY2023 -Summary-

-  Profit improved and a tailwind from the yen's depreciation enabled the company to remain in the black despite losses in the aero engine business.
-  In the second half of the year, financial expenses are expected to incur a foreign exchange loss due to the progress of forward exchange contracts

(Billion Yen)

	FY2022 Actual	FY2023 Forecast and Progress							
		Old FCST	New FCST	Chg. vs. FY22		Chg. vs. Old FCST	Q2 Actual	Q3-4 FCST	
Orders Received	2,037.4	1,900.0	1,910.0	-	127.4	+	10.0	860.8	1,049.2
Revenue	1,725.6	1,900.0	1,840.0	+	114.4	-	60.0	769.3	1,070.7
Business Profit	82.3	78.0	40.0	-	42.3	-	38.0	- 32.8	72.8
<i>[Margin]</i>	<i>[4.8%]</i>	<i>[4.1%]</i>	<i>[2.2%]</i>		<i>[- 2.5pt]</i>		<i>[- 1.9pt]</i>	<i>[- 4.3%]</i>	<i>[6.8%]</i>
Profit Before Tax	70.3	-	21.0	-	49.3		49.0	- 34.4	55.4
<i>[Margin]</i>	<i>[4.1%]</i>	<i>[3.7%]</i>	<i>[1.1%]</i>		<i>[- 2.9pt]</i>		<i>[- 2.5pt]</i>	<i>[- 4.5%]</i>	<i>[5.2%]</i>
Profit Attributable to Owners of Parent	53.0	47.0	12.0	-	41.0	-	35.0	- 23.3	35.3
<i>[Margin]</i>	<i>[3.1%]</i>	<i>[2.5%]</i>	<i>[0.7%]</i>		<i>[- 2.4pt]</i>		<i>[- 1.8pt]</i>	<i>[- 3.0%]</i>	<i>[3.3%]</i>
After-tax ROIC	5.7%	4.9%	1.5%	-	4.2pt	-	3.4pt	-	-
Weighted-average exchange rates (USD/JPY)	133.96	130.00	-		-		-	137.27	140.00
US dollar-based transaction (B\$) [※]	2.05	2.20	1.87	-	0.18	-	0.33	0.78	0.69

※ Amount in foreign currency 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 dollar-denominated loss provisions). The estimated impact on business profit due to a 1 yen fluctuation in the exchange rate. See page 42 for the breakdown of these figures by segment. If the balance to be revalued is included at the end of each quarter, the sum of the actual value and the forecast value for the remaining period will not be equal to the forecast value for the year.

Forecasts for FY2023 -Segment-

-  ES&M reflected improvement in Ship & Offshore business and Marine & Machinery business to raise its forecast 1
-  The outlook for Precision Machinery and Robot is revised down to reflect the delay in the stagnation of the Chinese construction machinery market and the recovery of the semiconductor market 2




(Billion Yen)

	Orders Received				Revenue				Business Profit (Loss)			
	FY2022	FY2023 Forecast			FY2022	FY2023 Forecast			FY2022	FY2023 Forecast		
	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change	Actual	Old FCST	New FCST	Change
Aerospace Systems	345.5	550.0	560.0	+ 10.0	348.8	440.0	390.0	- 50.0	14.8	24.0	- 24.0	- 48.0
Rolling Stock	313.2	80.0	80.0	-	131.9	190.0	190.0	-	1.3	4.0	4.0	-
Energy Solution & Marine Engineering	439.0	330.0	340.0	+ 10.0	314.5	350.0	350.0	-	3.9	11.0	22.0	+ 11.0
Precision Machinery & Robot	262.0	250.0	240.0	- 10.0	252.6	240.0	230.0	- 10.0	8.7	6.0	3.0	- 3.0
Powersports & Engine	591.1	590.0	590.0	-	591.1	590.0	590.0	-	71.5	50.0	50.0	-
Ohters	86.4	100.0	100.0	-	86.3	90.0	90.0	-	- 1.8	2.0	2.0	-
Eliminations and corporate*	-	-	-	-	-	-	-	-	- 16.2	- 19.0	- 17.0	+ 2.0
Total	2,037.4	1,900.0	1,910.0	+ 10.0	1,725.6	1,900.0	1,840.0	- 60.0	82.3	78.0	40.0	- 38.0




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

3 Details by Segment -Aerospace systems-

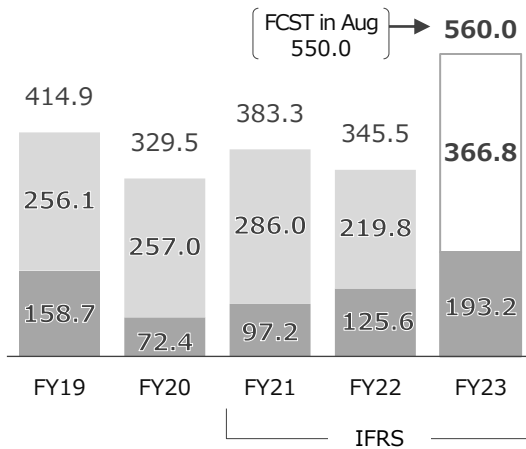
FY2023.Q2 (vs. FY2022.Q2)

- Orders received**  Increase due to increase in sales to MOD and Boeing, despite the loss (reduction in orders) related to PW1100G-JM engines
+¥67.5 bil.
- Revenue**  Decrease due to loss on PW1100G-JM engine (reduction in sales revenue), despite increase for MOD & Boeing, and commercial aero engines
-¥15.7 bil.
- Business profit**  Deteriorated due to losses related to PW1100G-JM engines despite increase in income due to revenue increase
-¥49.7 bil.

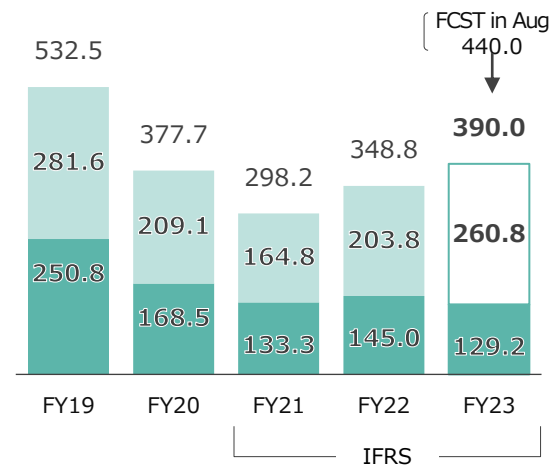
FY2023 forecast (vs. Forecast in August)

- Orders received**  Revised up due to increase in orders to MOD and Boeing, despite the loss (reduction in orders) related to PW1100G-JM engines
+¥10.0 bil.
- Revenue**  Revised down despite the change in foreign exchange assumptions, due to the loss related to PW1100G-JM engines (reduction in sales revenue)
-¥50.0 bil.
- Business profit**  Same as above
-¥48.0 bil.

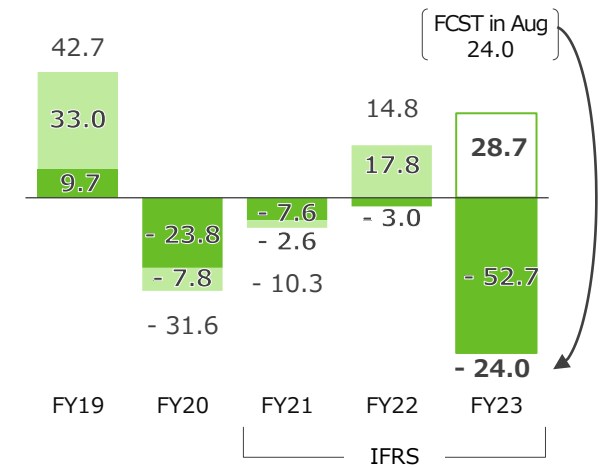
/ Orders received (billion yen)



/ Net Sales or Revenue (billion yen)



/ Operating Profit or Business Profit (billion yen)

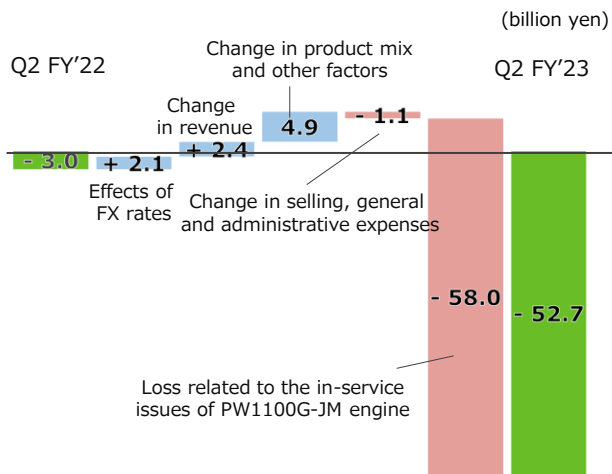


Details by Segment -Aerospace systems-

(Billion Yen)

	FY2022	FY2023		FY2022	FY2023 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	125.6	193.2	+ 67.5	345.5	550.0	560.0	+ 214.5	+ 10.0	366.8
<i>Aerospace</i>	92.4	202.5	+ 110.1	253.9	415.0	475.0	+ 221.1	+ 60.0	272.5
<i>Aero Engine</i>	33.2	- 9.3	- 42.5	91.5	135.0	85.0	- 6.5	- 50.0	94.3
Revenue	145.0	129.2	- 15.7	348.8	440.0	390.0	+ 41.2	- 50.0	260.8
<i>Aerospace</i>	102.3	132.2	+ 29.8	249.3	320.0	320.0	+ 70.7	-	187.8
<i>Aero Engine</i>	42.6	- 2.9	- 45.6	99.5	120.0	70.0	- 29.5	- 50.0	72.9
Business Profit (Loss)	- 3.0	- 52.7	- 49.7	14.8	24.0	- 24.0	- 38.8	- 48.0	28.7
<i>[Margin]</i>	<i>[- 2.1%]</i>	<i>[- 40.8%]</i>	<i>[- 38.7pt]</i>	<i>[4.3%]</i>	<i>[5.5%]</i>	<i>[- 6.2%]</i>	<i>[- 10.4pt]</i>	<i>[- 11.6pt]</i>	<i>[11.0%]</i>

Details of change in Business Profit(Loss)



Appendix

Number of aircraft component parts sold to Boeing

	FY'22		FY'23	Change
	Q2	Q1-4	Q2	
767	16	31	16	-
777	14	28	16	+ 2
777X	0	0	0	-
787	0	20	11	+ 11

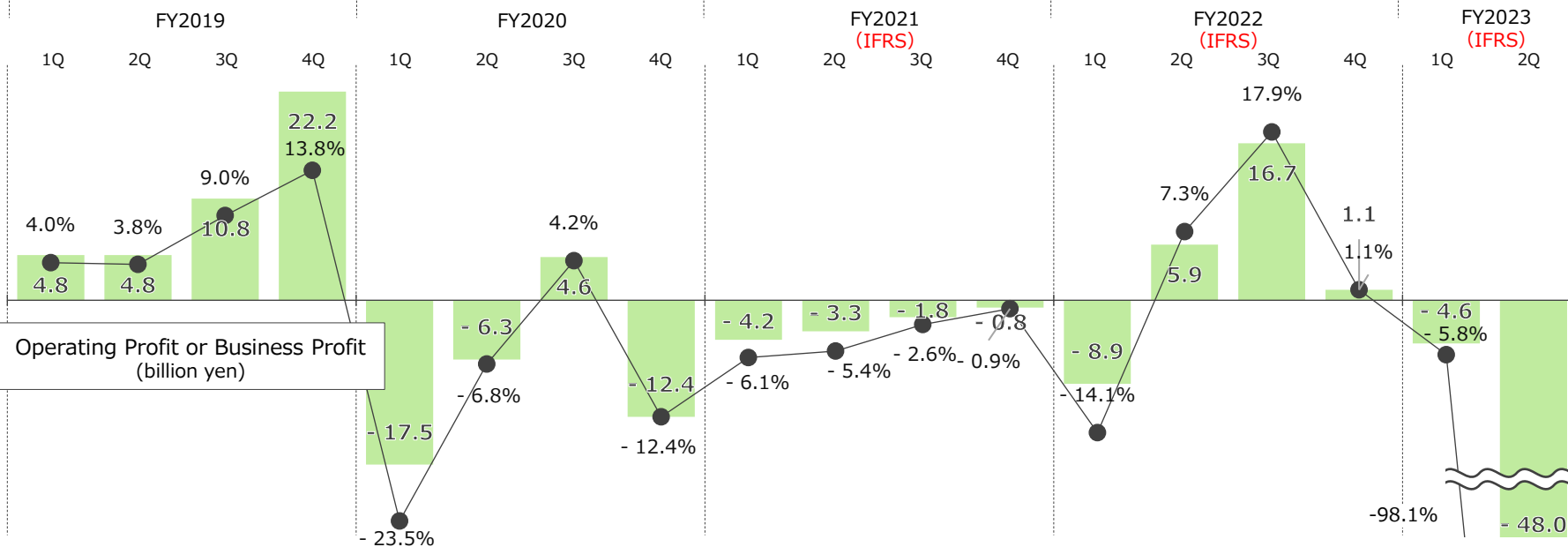
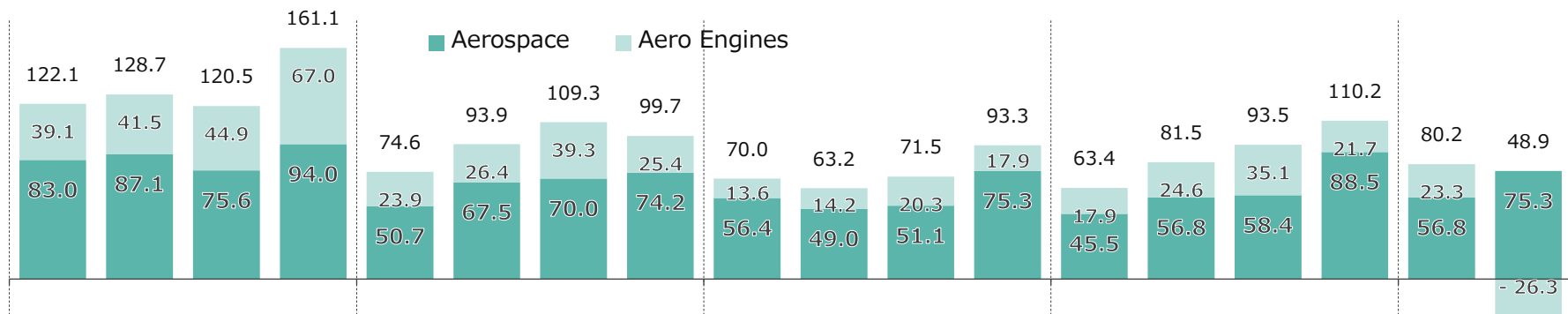
Number of jet engine component parts sold

	FY'22		FY'23	Change
	Q2	Q1-4	Q2	
V2500	9	20	4	- 5
PW1100G	283	564	326	+ 43

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

Details by Segment -Aerospace systems-

Net Sales or Revenue
(billion yen)



Operating Profit or Business Profit
(billion yen)

Market Overview

- Commercial business
 - Air passenger demand is almost back to pre-COVID-19 levels
 - Higher production rates of Boeing 787 are expected
- 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*

- ✦ The engines have been experiencing significant operational issues and a number of 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.
- ✦ Our press release about this matter
https://global.kawasaki.com/news_230913-1e.pdf
https://global.kawasaki.com/en/corp/ir/library/pdf/etc_231026-1e.pdf

* International Aero Engines, LLC

Specific Efforts

✓ Securing stable revenue in core business

- Cost reductions in existing orders of aircrafts for Boeing and commercial aircrafts jet engines
- Arranging supply chain and production system to prepare for increased production
- Steady promotion of existing projects of development and mass production for MOD aircrafts and helicopters



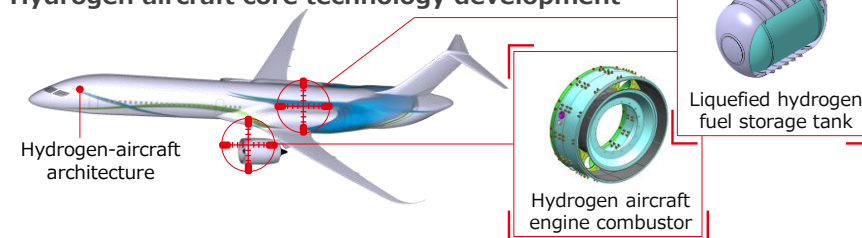
RC-2

(ELINT- electronic intelligence)

✓ Technology strategy in accordance with the change in 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

✈ Hydrogen aircraft core technology development



✓ Improving financial foundation

- Review of fixed cost structure
- Reduction of inventories through production innovation activities

Details by Segment - Rolling Stock -

FY2023.Q2 (vs. FY2022.Q2)

Orders received 

-¥9.2 bil.

Decrease due to decrease in Japan

Revenue 

+¥25.5 bil.

Increased due to an increase in the U.S., despite a decrease in Japan

Business profit 

+¥0.3 bil.


Remained at the same level due to a decline in domestic operations despite an increase in revenue

FY2023 forecast (vs. Forecast in August)

Orders received 

±¥0.0 bil.

Expected to remain at the same level

Revenue 

±¥0.0 bil.

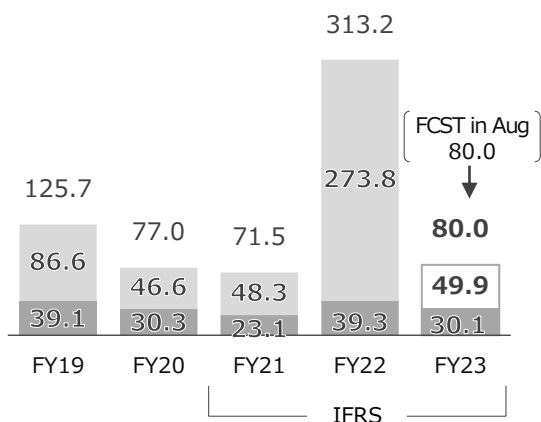
Same as above

Business profit 

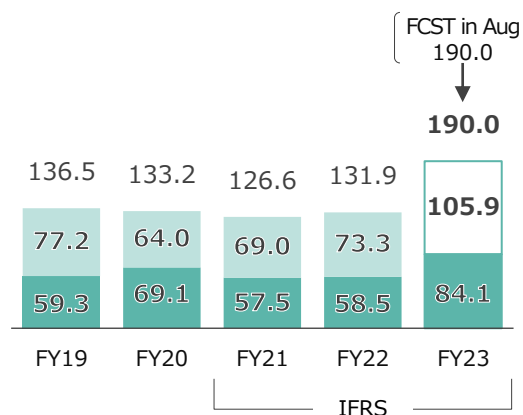
±¥0.0 bil.

Same as above

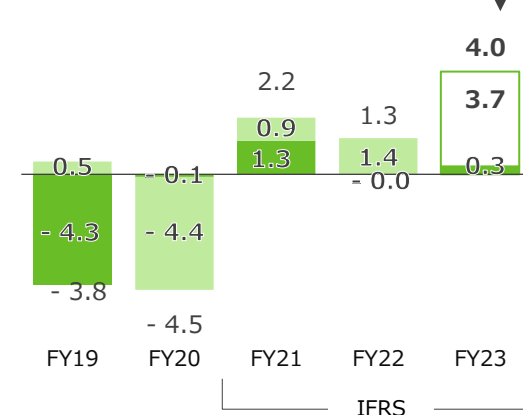
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen) (FCST in Aug)



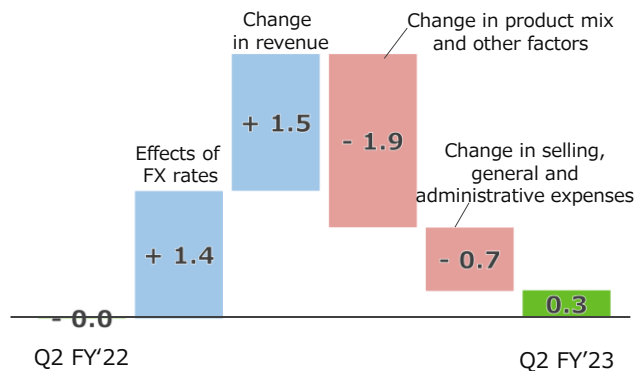
Details by Segment - Rolling Stock -

(Billion Yen)

	FY2022	FY2023		FY2022	FY2023 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	39.3	30.1	- 9.2	313.2	80.0	80.0	- 233.2	-	49.9
<i>Domestic & Asia</i>	31.7	27.4	- 4.3	58.1	76.0	76.0	+ 17.9	-	48.6
<i>North America</i>	7.6	2.7	- 4.9	255.1	4.0	4.0	- 251.1	-	1.3
Revenue	58.5	84.1	+ 25.5	131.9	190.0	190.0	+ 58.1	-	105.9
<i>Domestic & Asia</i>	42.3	28.9	- 13.3	94.8	80.0	80.0	- 14.8	-	51.1
<i>North America</i>	16.2	55.1	+ 38.9	37.1	110.0	110.0	+ 72.9	-	54.9
Business Profit (Loss)	- 0.0	0.3	+ 0.3	1.3	4.0	4.0	+ 2.7	-	3.7
<i>[Margin]</i>	<i>[- 0.0%]</i>	<i>[0.4%]</i>	<i>[+ 0.4pt]</i>	<i>[1.0%]</i>	<i>[2.1%]</i>	<i>[2.1%]</i>	<i>[+ 1.0pt]</i>	<i>[-]</i>	<i>[3.5%]</i>

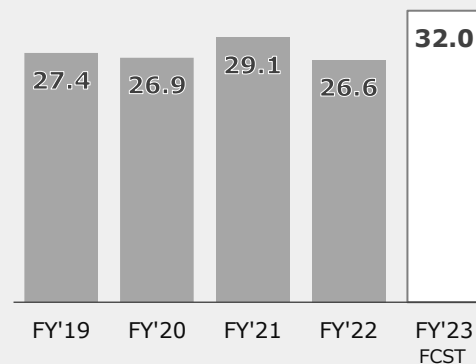
Details of change in Business Profit(Loss)

(billion yen)



Appendix

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

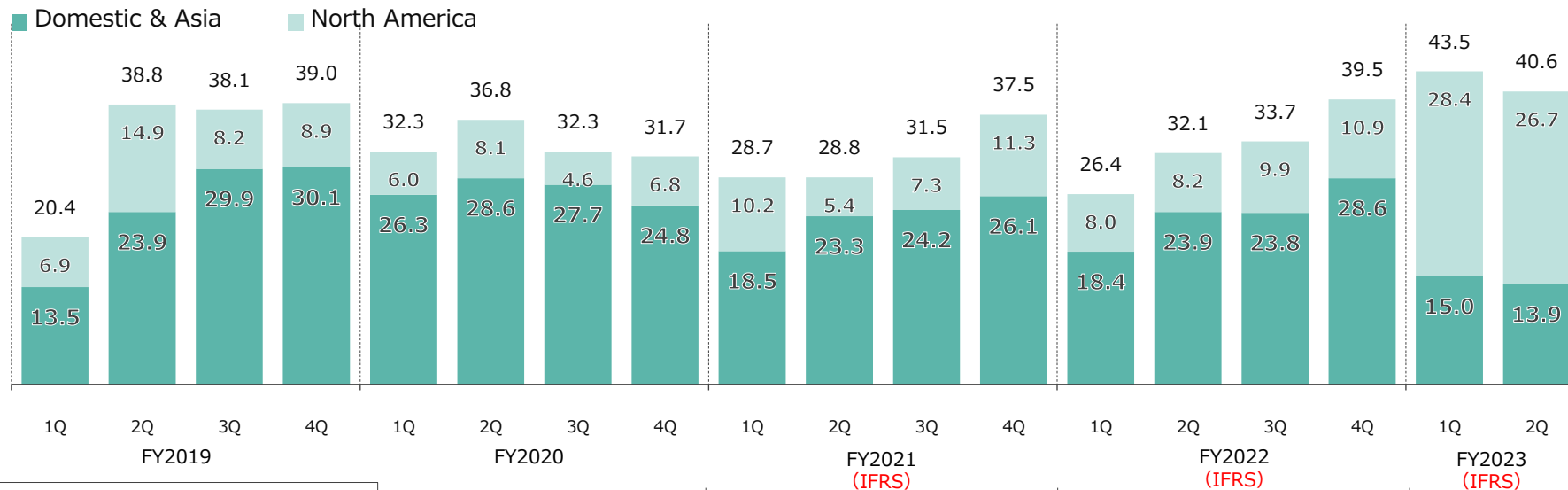


Progress of the M9 Project for Long Island Rail Road in the U.S. (End of September '23)

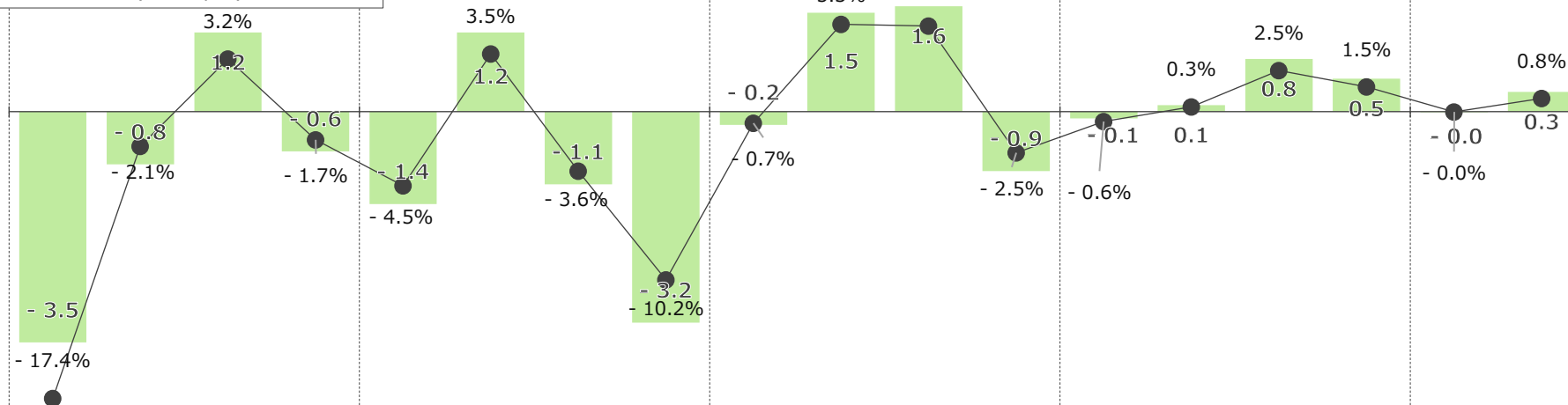
- 176 cars out of 202 were delivered
- Delivery of the last unit is scheduled for **Q4 FY'23**
- Cost impact due to delay in delivery has been factored into earnings forecast

Details by Segment - Rolling Stock -

Net Sales or Revenue
(billion yen)



Operating Profit or Business Profit
(billion yen)



Market Overview

- The impact of COVID-19
 - Railway relate investment is resuming in both domestic and foreign markets as the impact of COVID-19 subsides
- Supply chain Risk
 - The impact of shortage of electronic components, logistics disruption, and rising raw material prices is limited, but still caution should be exercised
- Medium and long term forecast
 - The overseas railway market is expected to grow steadily due to the need for railway infrastructure in emerging countries and environmental measures in urban areas.



Rolling stock for Dhaka Mass Transit Company Limited

Specific Efforts



Compliance with delivery schedules for overseas projects

-
- Dhaka MRT Line-6** ▶ All the 24 trains(144cars) have been shipped and 6 trains out of them have been delivered to the customer
- ▶ **The last car and facilities will be delivered in FY'23 Q3**

-
- U.S. R211** ▶ Proto-trains for R211A has completed verification test in operation line and have been delivered
- ▶ The production of trains(640 cars) for the option1 contract will start in FY'24
- ▶ **Verification test of proto-trains has been completed in FY'23 Q1**
- ▶ **The last car for the base contract will be delivered in FY'24 Q4**
- ▶ **The delivery of cars for the option1 contract will start in FY'25**

-
- U.S. M-9** ▶ All trains (92 cars) under the base contract were delivered by Q1 FY'21
- ▶ Option cars are being delivered
- ▶ **The last car will be delivered in FY'23 Q4**
-



Achieving quality levels trusted by customers

- Reduction of spoilage and repair costs
- Further promotion of Kawasaki Production System, and installation to the U.S. works




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 -


FY2023.Q2 (vs. FY2022.Q2)

Orders received 
-¥20.0 bil.

Decreased due to a decrease in orders for domestic municipal waste incineration plants and LPG/LAG carriers despite orders for naval equipment for MOD.

Revenue 
+¥13.3 bil.

Increased due to an increase in Energy business and construction work for LPG/LAG carriers


Business profit 
+¥5.4 bil.

Improved due to revenue increase and an improved equity in gains


FY2023 forecast (vs. Forecast in August)

Orders received 
+¥10.0 bil.

Revised up mainly due to increase in for naval equipment for MOD

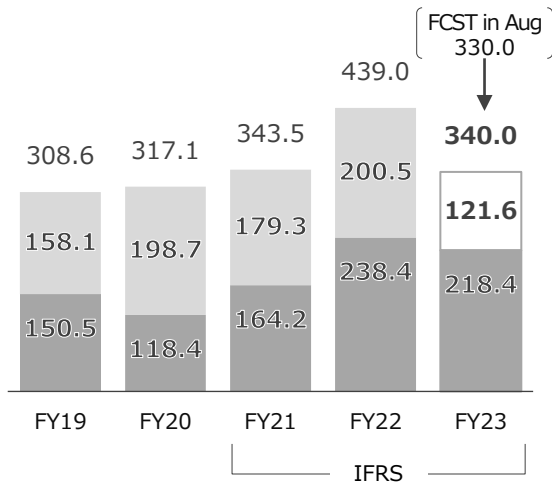
Revenue 
±¥0.0 bil.

Expected to remain at the same level

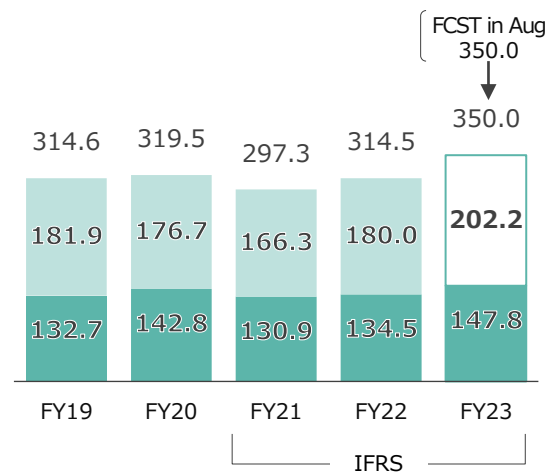
Business profit 
+¥11.0 bil.

Revised up due to profitability improvement and an improved equity in gains

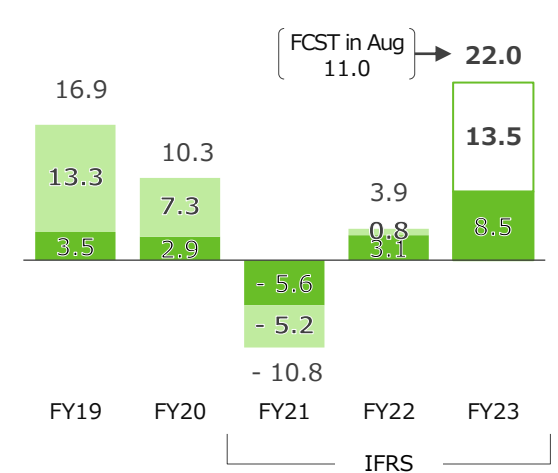
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)

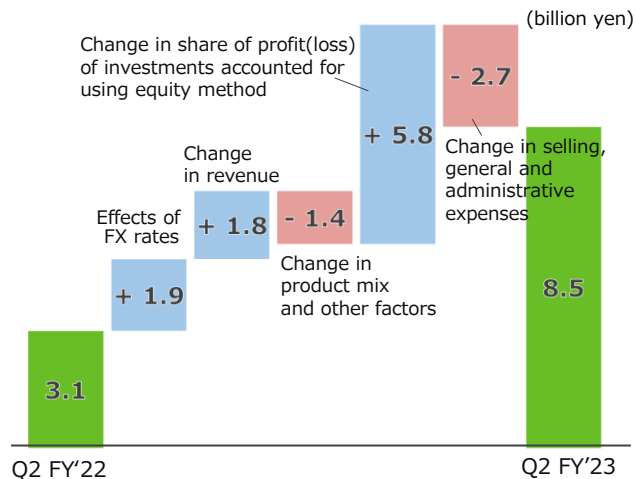


Details by Segment - Energy Solution & Marine Engineering -

(Billion Yen)

	FY2022	FY2023		FY2022	FY2023 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	238.4	218.4	- 20.0	439.0	330.0	340.0	- 99.0	+ 10.0	121.6
<i>Energy, Plant & Marine Machinery</i>	191.0	188.0	- 2.9	292.6	290.0	300.0	+ 7.4	+ 10.0	112.0
<i>Ship & Offshore Structure</i>	47.3	30.3	- 17.0	146.3	40.0	40.0	- 106.3	-	9.7
Revenue	134.5	147.8	+ 13.3	314.5	350.0	350.0	+ 35.5	-	202.2
<i>Energy, Plant & Marine Machinery</i>	96.3	103.8	+ 7.5	234.4	260.0	260.0	+ 25.6	-	156.2
<i>Ship & Offshore Structure</i>	38.2	44.0	+ 5.7	80.0	90.0	90.0	+ 10.0	-	46.0
Business Profit	3.1	8.5	+ 5.4	3.9	11.0	22.0	+ 18.1	+ 11.0	13.5
<i>[Margin]</i>	[2.3%]	[5.8%]	[+ 3.4pt]	[1.2%]	[3.1%]	[6.3%]	[+ 5.0pt]	[+ 3.1pt]	[6.7%]
<i>Share of profit (loss) of investments accounted for using equity method</i>	2.2	8.0	+ 5.8	6.0	7.5	11.5	+ 5.5	+ 4.0	3.5

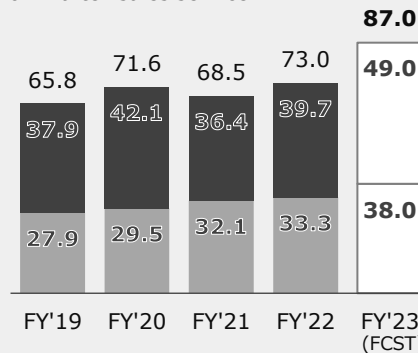
Details of change in Business Profit(Loss)



Appendix

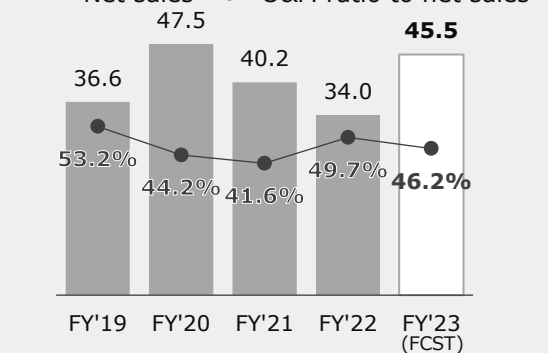
Revenue of major products in the energy business

(billion yen)
above : components
below : after-sales service



Revenue of municipal waste incineration plants

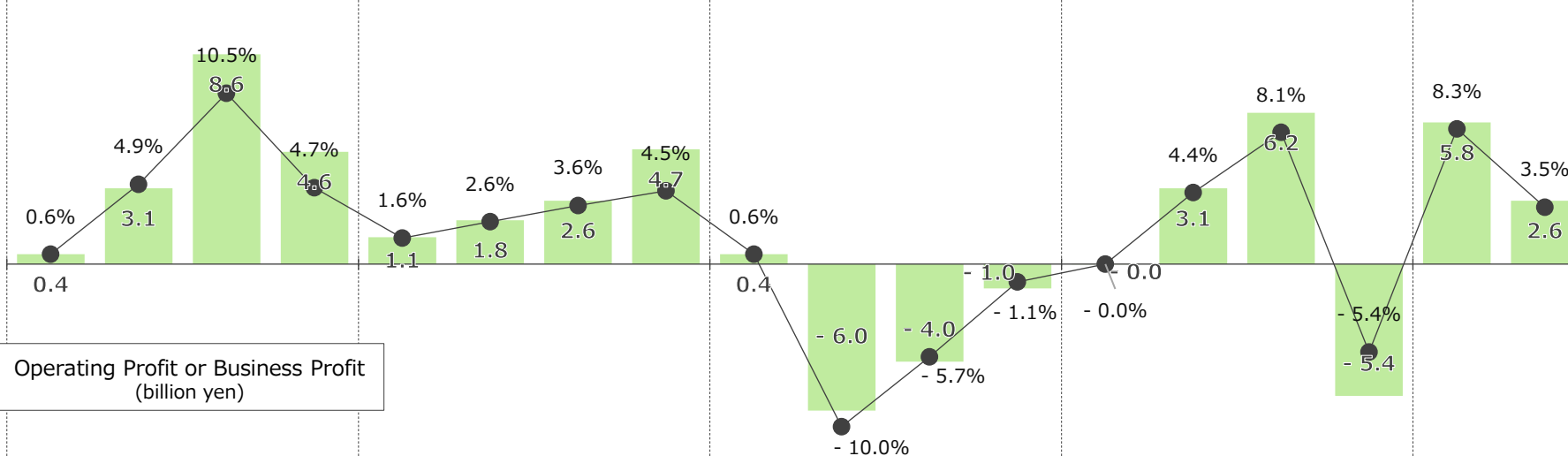
(billion yen)
■ Net sales ● O&M ratio to net sales



Details by Segment - Energy Solution & Marine Engineering -

Net Sales or Revenue
(billion yen)

(Note) The prior results of previous segment have been reclassified to current segment



Operating Profit or Business Profit
(billion yen)

Market Overview

● Energy system & Plant Engineering

Domestic	Emerging Markets
Steady demand for distributed power plants and municipal waste incineration plants is expected to continue	Steady demand for distributed power plants and other energy infrastructure is expected to remain solid

● Ship & Offshore Structure

Commercial ships	Submarines and others
<ul style="list-style-type: none"> - Ship prices continue to be high, affected by the soaring cost of materials and equipment - Demand for LPG/ammonia carriers remains strong, in line with the carbon neutral trend 	Stable orders for submarines are expected

● Entire segment

COVID-19 and other risks	Carbon neutrality
<ul style="list-style-type: none"> - Gas fuel supply for power plants is in short - Rising raw materials prices and logistics costs, and parts supply shortage are concerned 	Inquiries and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products

Specific Efforts



Providing products and services that enable a seamless transition from low carbon to decarbonization

- Expand gas turbines (GT) that can handle all stages of natural gas, hydrogen co-firing, and pure firing, while utilizing customers' existing facilities

Topic (FY' 23 Q2)

Received order for 8MW-class GT cogeneration system with hydrogen co-firing using DLE^{※1} combustor

Commenced sales of the world's first 1.8MW-class GT cogeneration system dedicated to hydrogen combustion using a micromix^{※2} combustor

MOU signed with a major petrochemical company in Thailand to study the development, construction, and operation of a hydrogen GT power generation facility

※1 Dry Low Emission

※2 A combustion method developed by KHI that can keep NOx emissions stable and low by injecting fuel in small portions through injection holes of 1 mm or less in diameter



「M7A-03D」
With
DLE combustor



Micromix
combustor



Efforts to provide decarbonization solutions

Topic **Japan's first** demonstration of CO₂ capture from exhaust gas of a thermal power plant


- Adoption of the solid absorption method significantly reduces the energy required for CO₂ separation and recovery compared to conventional methods.
- In-house Development of Compact and Efficient Mobile Bed System for CO₂ Separation and Recovery
- **World's first** application of amine solid absorber to a mobile bed system




Demonstration facility
in Maizuru Power Station,
The Kansai Electric Power Co., Inc.

Details by Segment - Precision Machinery & Robot -


FY2023.Q2 (vs. FY2022.Q2)

Orders received 
-¥36.4 bil.

Decreased due to a decrease in hydraulic components for construction machinery market in China and in robots for semiconductors


Revenue 
-¥14.6 bil.

Same as above


Business profit 
-¥10.1 bil.

Decrease due to revenue decrease and reduced operation


FY2023 forecast (vs. Forecast in August)

Orders received 
-¥10.0 bil.

Revised down due to decrease in hydraulic equipment for the construction machinery market in China and robots for semiconductors

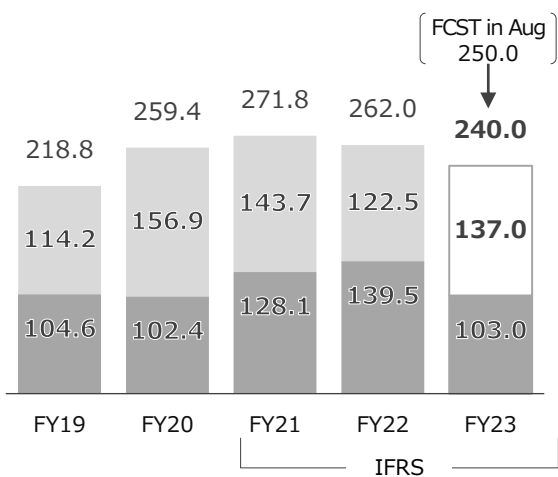
Revenue 
-¥10.0 bil.

Same as above

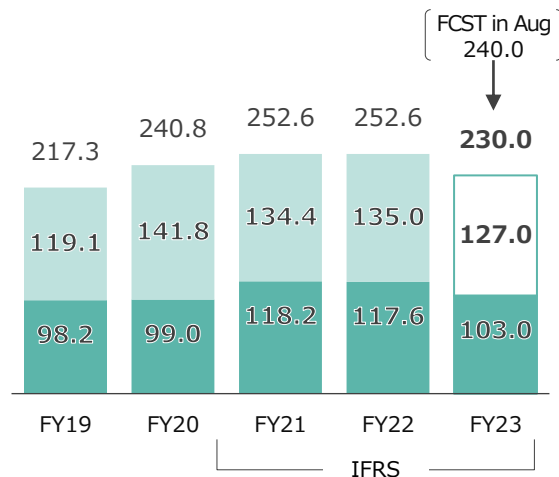
Business profit 
-¥3.0 bil.

Revised down due to revenue decrease

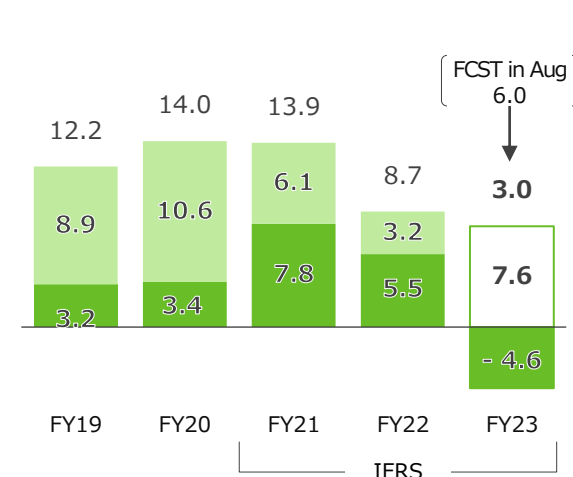
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



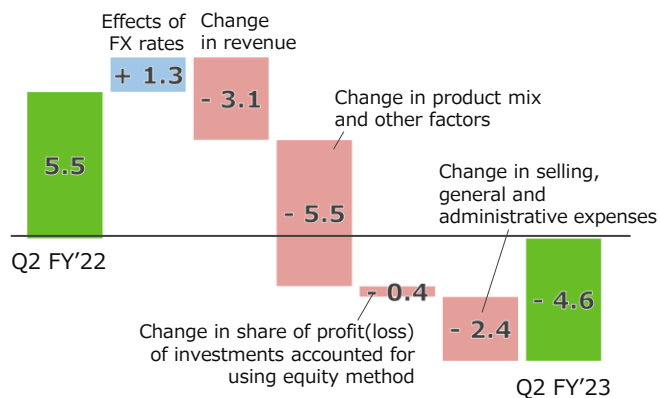
Details by Segment - Precision Machinery & Robot -

(Billion Yen)

	FY2022	FY2023		FY2022	FY2023 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	139.5	103.0	- 36.4	262.0	250.0	240.0	- 22.0	- 10.0	137.0
Hydraulic Components & Systems	80.7	67.5	- 13.1	154.6	145.0	140.0	- 14.6	- 5.0	72.5
Robotics	58.8	35.5	- 23.2	107.4	105.0	100.0	- 7.4	- 5.0	64.5
Revenue	117.6	103.0	- 14.6	252.6	240.0	230.0	- 22.6	- 10.0	127.0
Hydraulic Components & Systems	69.3	66.9	- 2.4	153.0	145.0	140.0	- 13.0	- 5.0	73.1
Robotics	48.2	36.1	- 12.1	99.6	95.0	90.0	- 9.6	- 5.0	53.9
Business Profit (Loss)	5.5	- 4.6	- 10.1	8.7	6.0	3.0	- 5.7	- 3.0	7.6
[Margin]	[4.7%]	[- 4.5%]	[- 9.1pt]	[3.5%]	[2.5%]	[1.3%]	[- 2.1pt]	[- 1.2pt]	[6.0%]
Share of profit (loss) of investments accounted for using equity method	- 1.0	- 1.4	- 0.4	- 2.7	- 2.0	- 2.0	+ 0.7	-	- 0.6

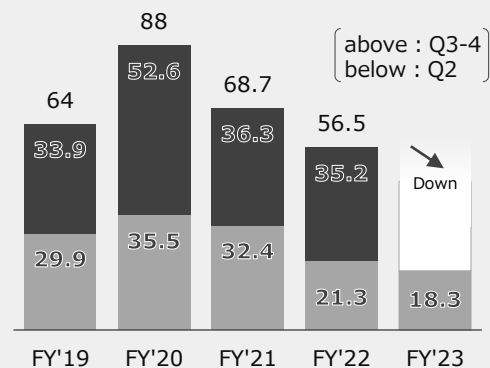
Details of change in Business Profit(Loss)

(billion yen)



Appendix

Revenue of hydraulic components to China (billion yen)

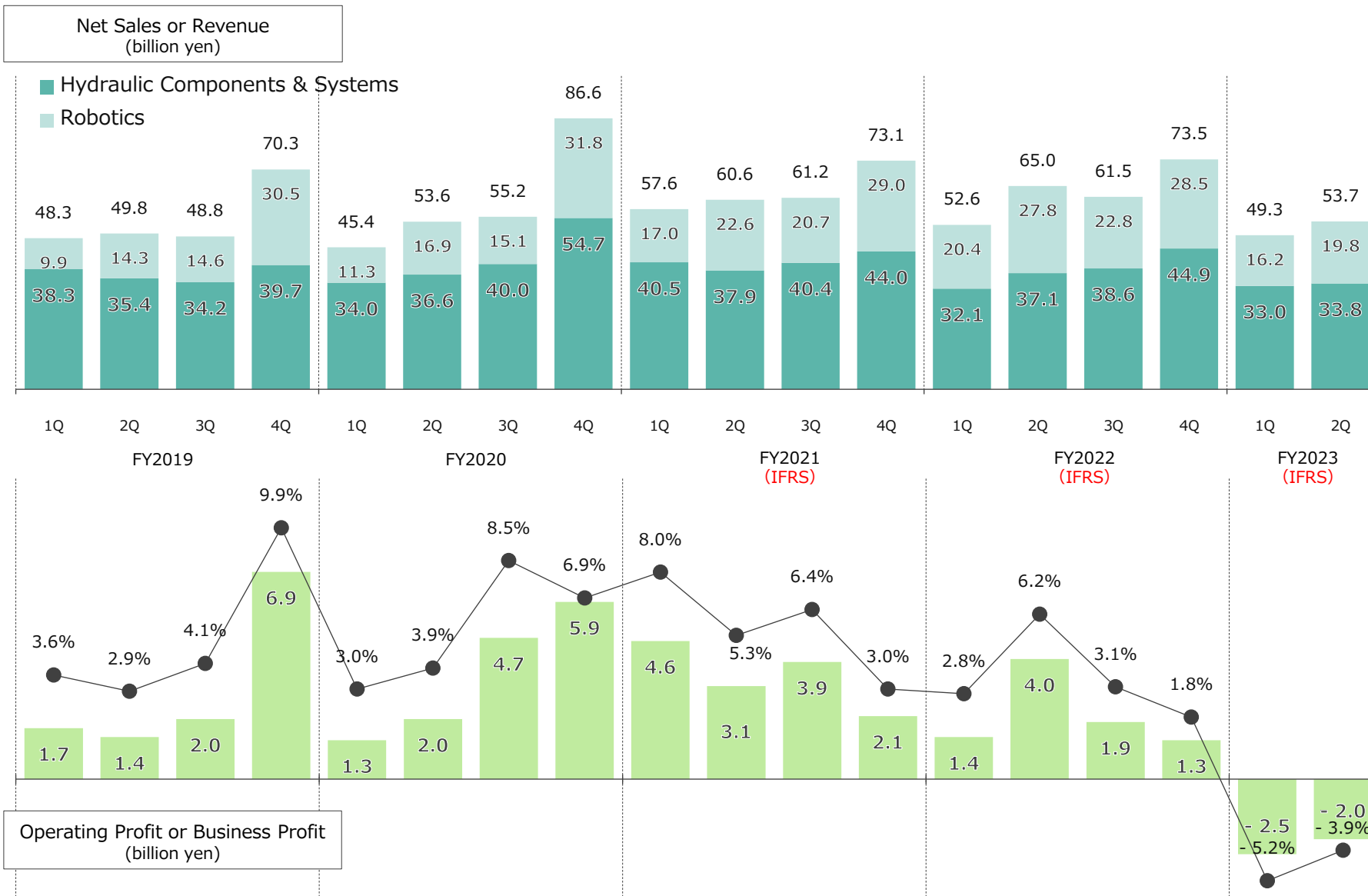


Revenue of robots by segment* (billion yen)

	FY'22	FY'23	Change
Automobile assembly and painting	13.9	15.4	+1.4
Semiconductor	22.3	11.1	-11.0
General robots for industrial use and others	17.0	12.6	-4.3
Total	53.3	39.2	-14.0
	110.6	(FCST)103.5	-7.1

*Including intercompany revenue

Details by Segment - Precision Machinery & Robot -



Details by Segment - Precision Machinery & Robot -

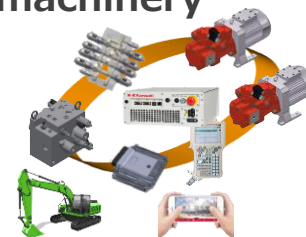
Market Overview

- Construction machinery
 - Weak demand due to prolonged real estate recession, etc
 - Demand outside China remains solid
 - Electrification will be promoted due to the environmental regulations
 - Automation and autonomy will be promoted due to a shortage of skilled workers
- Robots
 - General purpose robots
Slower growth, but potentially higher demand for automation due to rising labor costs
 - Robots for semiconductors
Demand has been stagnating at this moment due to the decline in the semiconductor memory market and the U.S.-China economic friction, but new demand for semiconductors is emerging, such as AI-related and green investment-related demand
 - Supply chain risk
Electronic components shortage and logistics disruption are improving but the prices of electronic components and materials keep rising

Specific Efforts

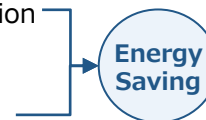
✓ Developing electrification and automation technology for construction machinery

- Support customer development of future construction equipment by developing and supplying the latest hydraulic equipment and systems for electrification and automation



✓ Developing hydrogen-related products for decarbonization

- Launch of energy-saving hydraulic hydrogen compressors for hydrogen stations
 - Hydrogen gas compression control technology
 - Rotation control pumps system "ECO SERVO"



Hydrogen Station image

✓ Initiatives for A Safe and Secure Remotely-Connected Society

- Successor-G® remote controlled grinder robot system delivered to Murase Ironworks Co. (Hakodate, Japan)
 - Grinding and deburring can be done remotely
 - Combining and integrating our technologies to realize A Safe and Secure Remotely-Connected Society
 - Technology of robot
 - Know-How from ES&M Company
 - Software of Corporate Technology Division



Details by Segment - Powersports & Engine -

FY2023.Q2 (vs. FY2022.Q2)

Revenue



+¥1.9 bil.

Increased due to an increase in motorcycles for Europe and four-wheelers for North America, in addition to the depreciation of the yen, despite a decrease in motorcycles for Southeast Asia

Business profit



-¥4.9 bil.

Profit decreased due to increase in upfront investment such as expenses of sales promotion, R&D and marketing despite revenue increase

FY2023 forecast (vs. Forecast in August)

Revenue



±¥0.0 bil.

Expected to remain at the same level due to decrease in motorcycles in emerging countries and decrease in general-purpose engines, despite increase in motorcycles and four-wheelers for North America and change in foreign exchange assumptions

Business profit



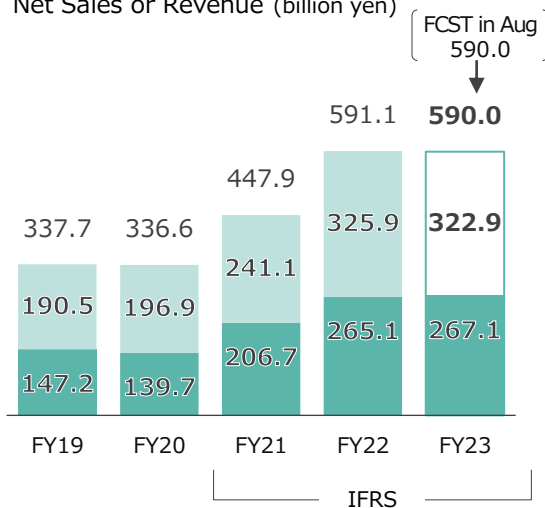
±¥0.0 bil.

Expected to remain at the same level

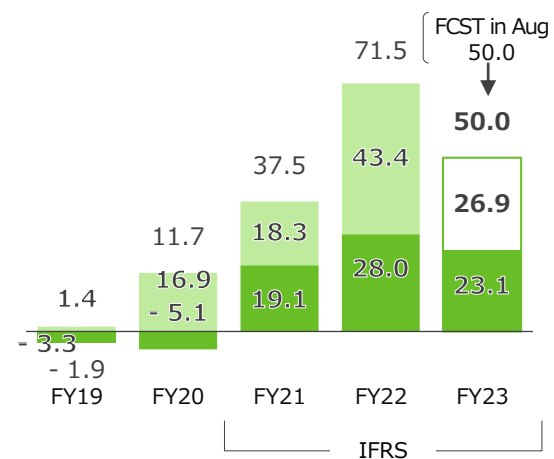
Orders received (billion yen)

Qualitative information and graph are omitted because this segment is mainly engaged in estimated production, and orders received are the same as sales or net sales.

Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



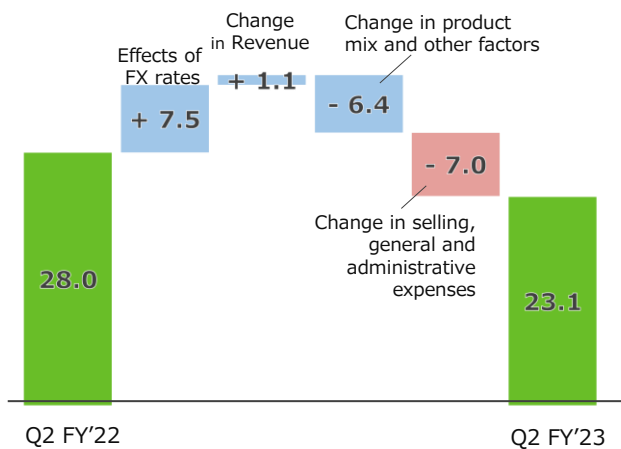
3 Details by Segment - Powersports & Engine -

(Billion Yen)

	FY2022	FY2023		FY2022	FY2023 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST	Q3-4 FCST
Revenue	265.1	267.1	+ 1.9	591.1	590.0	590.0	- 1.1	-	322.9
Motorcycles for developed countries	90.0	93.4	+ 3.3	211.2	190.0	210.0	- 1.2	+ 20.0	116.6
Motorcycles for emerging market	55.4	42.8	- 12.5	115.8	125.0	100.0	- 15.8	- 25.0	57.2
Utility Vehicles, ATVs & PWC	72.4	86.5	+ 14.0	160.4	170.0	185.0	+ 24.6	+ 15.0	98.5
General-purpose gasoline engines	47.1	44.2	- 2.8	103.5	105.0	95.0	- 8.5	- 10.0	50.8
Business Profit	28.0	23.1	- 4.9	71.5	50.0	50.0	- 21.5	-	26.9
[Margin]	[10.6%]	[8.7%]	[- 1.9pt]	[12.1%]	[8.5%]	[8.5%]	[- 3.6pt]	[-]	[8.3%]

Details of change in Business Profit

(billion yen)



Appendix

Wholesales of motorcycles by country (thousand units)

Developed countries

	Q2 FY'22	Q2 FY'23	Change
Japan	14	15	+0
U.S.	45	33	-11
Canada	6	4	-1
Europe	25	30	+4
Australia	5	3	-1
Total	96	87	-9

Emerging countries

	Q2 FY'22	Q2 FY'23	Change
Brazil	5	4	-0
Thailand	1	1	-0
Philippines	103	62	-40
Indonesia	23	11	-12
China	13	11	-2
Others	10	7	-2
Total	158	98	-60

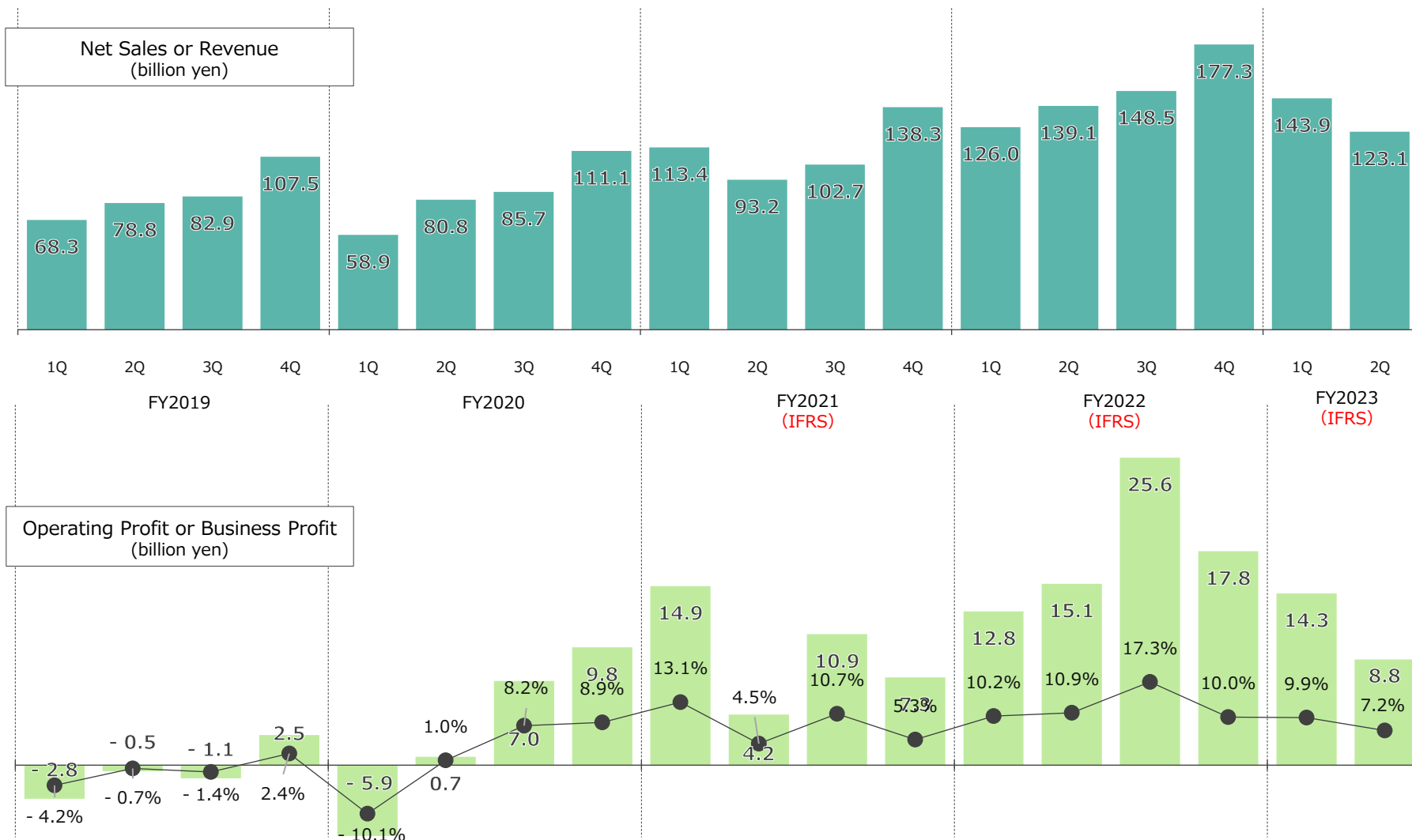
Wholesale plan of motorcycles for FY'23

Developed countries : 215 thousand units
Emerging countries : 240 thousand units

Wholesales of four-wheeler and PWC

Q2 FY'22 : 39 thousand units
Q2 FY'23 : 41 thousand units
FY'23 : 95 thousand units (plan)

Details by Segment - Powersports & Engine -



Market Overview

- U.S.
 - Our company's share of the retail market is growing while the market remains strong
 - Dealer inventory is satisfied and each company is strengthening sales promotion.
- Europe
 - Retail market is recovering from COVID-19 pandemic
- Southeast Asia
 - Retail market is recovering, although it varies by country
 - However, the sports segment remained weak
- Supply Chain risks
 - Continued impact on production due to shortage of parts

Specific Efforts

- ✓ **Supplying products as much as demanded**
 - Flexibly change production and sales plans according to sales conditions
 - Continuously introduce new models
 - Maintain appropriate inventory levels
- ✓ **Expansion of the four-wheeler business and electrification**
 - Investment in development to enhance product competitiveness
 - Preparation of the U.S. Plant and Mexico Plant to expand production capacity
 - Accelerating development of BEVs and HEVs
 - Accelerating the construction of basic technology for hydrogen engines through the activities of HySE (Hydrogen Small mobility & Engine technology)
- ✓ **Promoting business process re-engineering through DX**
 - Achieving agile management through digitalization
 - Shortened development time and reduced development costs through the use of digital technology
- ✓ **Securing Free Cash Flows**
 - Aiming to secure stable FCF for future investment



Kawasaki's First Electric Motorcycle Unveiled



MULE PRO-FXT 1000 popular in the U.S.

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

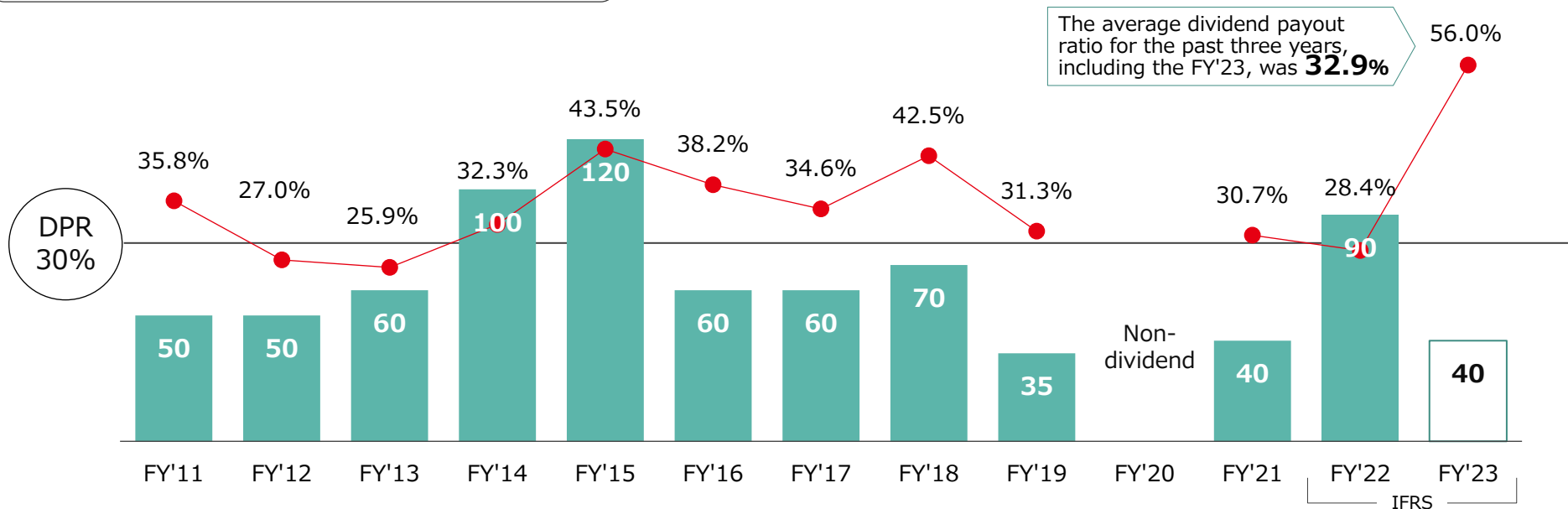
2 Stable dividends

Dividend for FY2023

- Due to the loss recorded in the second quarter results related to the In-Service issues of PW1100G-JM Engine, full-year net income attributable to owners of the parent company has been revised downward by ¥35 billion yen from the initial forecast

Annual dividend per share will be reduced from 80 yen to **40 yen**

(Interim dividend : 20yen, year-end dividend : 20yen, payout ratio : 56%)



4 Project Topics

✓ International Voyage and Diplomacy of "SUIISO Frontier"

Kanehana, Chairman of the Board of KHI giving an explanation of the ship

Madeleine King, Minister for Resources of Australia, Nishimura, Minister of Economy, Trade and Industry of Japan and others smile on board the ship



Prince Abdulaziz bin Salman, Minister of Energy of Saudi Arabia and Khalid Al-Falih, Minister of Investment of Saudi Arabia inspected the ship.

Saudi Arabia is looking to build environmentally friendly hydrogen economy and sustainable transportation system and has shown strong interest in our liquefied hydrogen transportation technology.

The ship then called at ports in the UAE and Oman for tours.

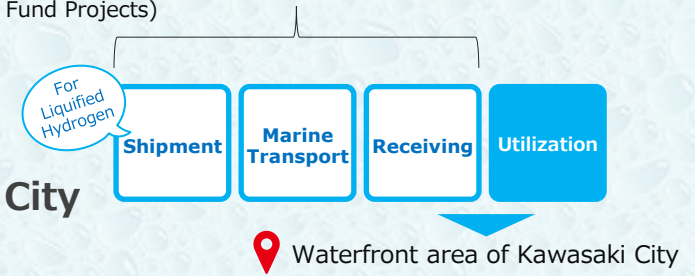


Madeleine King, Minister for Resources of Australia and Tim Pallas, Minister for Economic Growth of Victoria inspected the ship.

Nishimura, Minister of Economy, Trade and Industry of Japan, and several Japanese business representatives also participated in this inspection, confirmed that they would continue to promote further cooperation in the transport of liquefied hydrogen between Australia and Japan, as this is an important project for the two countries.

4 Project Topics

Scope of the NEDO Green Innovation Fund Projects
(GI Fund Projects)



Expanding Circle of Hydrogen "Utilization" from Kawasaki City — Role models for **Hydrogen power generation** —



Concluded a cooperative agreement with Kawasaki City for the establishment of a liquefied hydrogen supply chain centered on the waterfront area of Kawasaki City

In September 2023, KHI concluded a cooperative agreement with Kawasaki City, the host city for NEDO GI Fund Projects "Liquefied Hydrogen Supply Chain Commercialization Demonstration Project" which is expected to have potential for hydrogen demand as Keihin Industrial Area

< Role of both parties in this agreement >

- | | | | |
|---------------|---|-----|--|
| Kawasaki City | <ul style="list-style-type: none"> ✓ Promote cooperation with the government and other municipalities ✓ Promote awareness among local residents and neighboring companies ✓ Promote cooperation with companies located in Kawasaki city | KHI | <ul style="list-style-type: none"> ✓ Advise on and review technology development and demonstration ✓ Promote collaboration with companies in other regions, including overseas ✓ Support for public awareness activities conducted by Kawasaki City |
|---------------|---|-----|--|



Concluded "Memorandum of Understanding (MOU) for Collaboration in Development of Hydrogen Power Generation Project in Kawasaki Area" with Resonac Corporation

In October 2023, KHI concluded a MOU to collaborate on future hydrogen utilization with Resonac Corporation, a power generation company in the Kawasaki area. The MOU aims to **start a hydrogen power generation business of more than 100 MW (equivalent to 700,000 tons of CO² reduction)** at the Resonac Kawasaki Plant around 2030, when an international liquefied hydrogen supply chain is expected to be established, to supply clean energy to the electric power market, and to decarbonize the energy by utilizing it at both companies

- Point**
- ✓ **A role model project** for companies seeking to become carbon neutral
 - ✓ Newly established hydrogen power generation projects using imported hydrogen (first mover)

KHI Press Release (only in Japanese)
https://www.khi.co.jp/pressrelease/news_230927-4.pdf
https://www.khi.co.jp/pressrelease/news_231017-1.pdf



4 Project Topics



"Ninja e-1" and "Z e-1" Kawasaki's first EV motorcycles start of sales

Realization of Kawasaki "fun to ride" style
even in EV motorcycles

Z e-1



Now

Introducing two types
of BEVs in 2023

Next

Introducing HEV
in 2024

Expected to introduce
hydrogen motorcycle
in early 2030s

GO WITH GREEN POWER

Ninja e-1

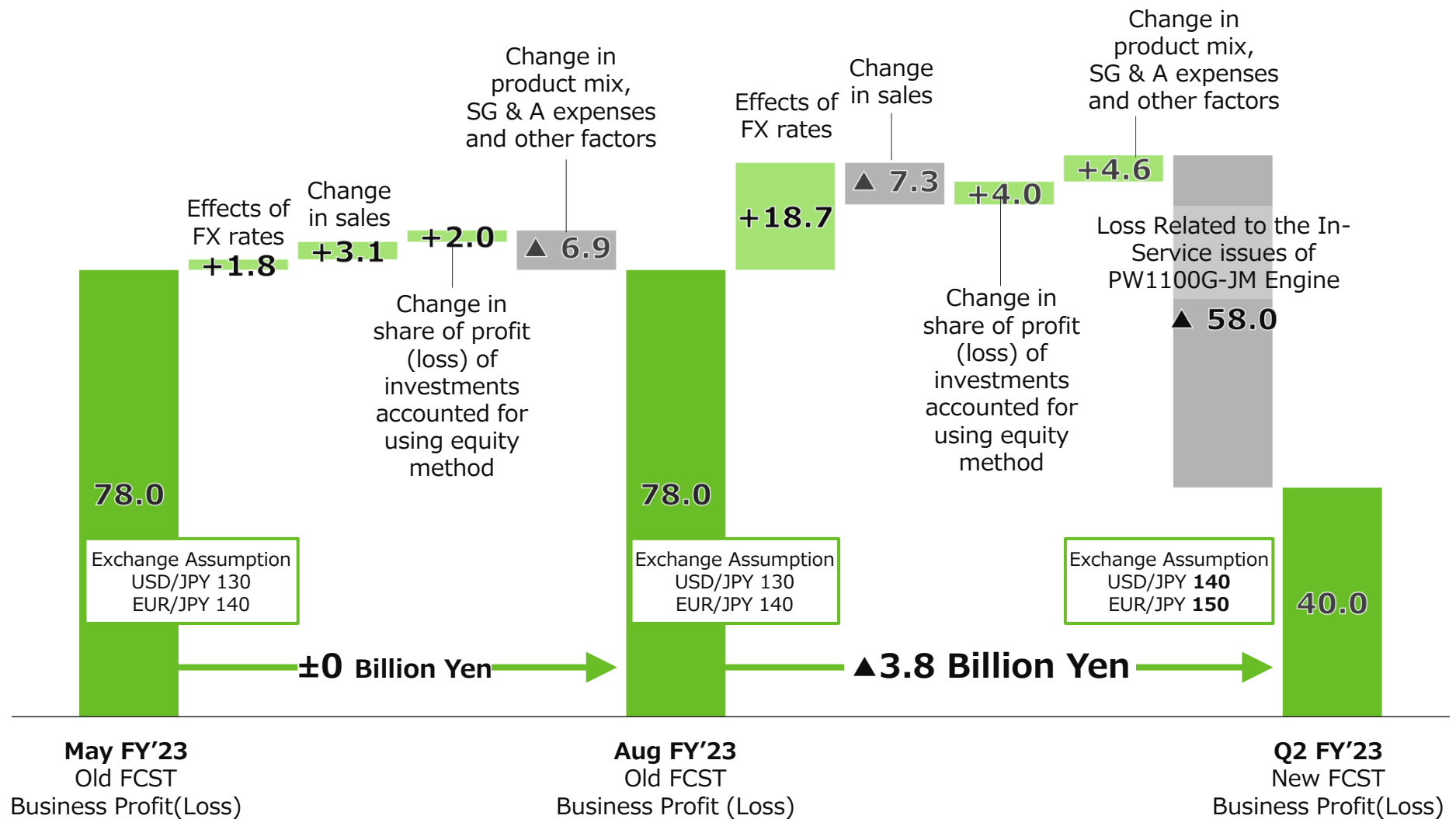


KHI Press Release (only in Japanese)
https://www.khi.co.jp/pressrelease/detail/20230921_1.html



Appendix

- Details of change (FY'23 FCST)-



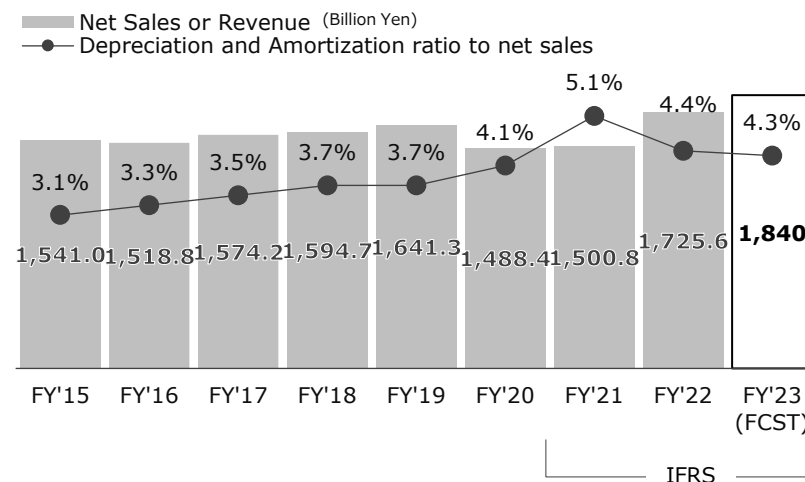
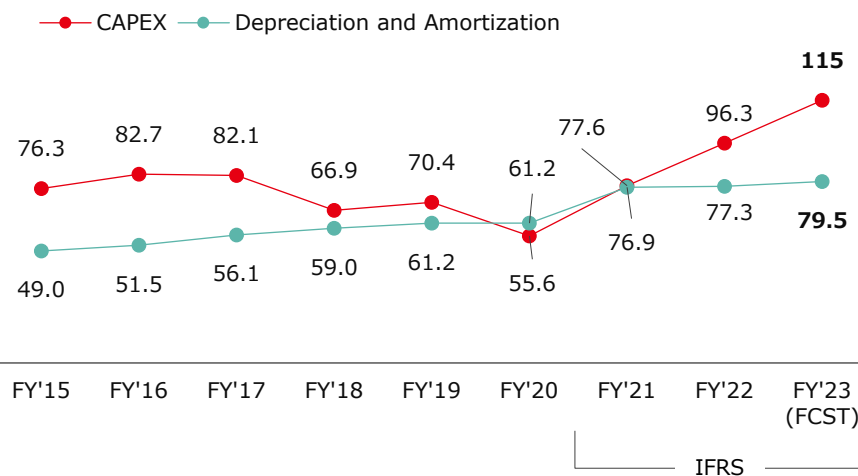
※ Factors of Increase/Decrease are calculated by our company based on certain criteria. The impact of exchange rate fluctuations is calculated for USD and EUR, and the impact of fluctuations in other currencies is included in "Change in product mix, SG & A expenses and other factors".

Appendix

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

(Billion Yen, Persons)

	FY2022	FY2023		FY2022	2024年度			
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY22	Chg. Vs. Old FCST
CAPEX	41.9	55.8	+ 13.8	96.3	125.0	115.0	+ 18.7	- 10.0
Depreciation and amortization	37.4	39.8	+ 2.4	77.3	79.5	79.5	+ 2.2	+ -
R & D expenses	22.0	23.6	+ 1.5	50.7	55.0	55.0	+ 4.3	-
Number of Employees				38,254	40,460	40,070	+ 182	- 39.0
Domestic				27,583	28,720	28,670	+ 109	- 5.0
Overseas				10,671	11,740	11,400	+ 73	- 34.0



● Order Backlog (billion yen)

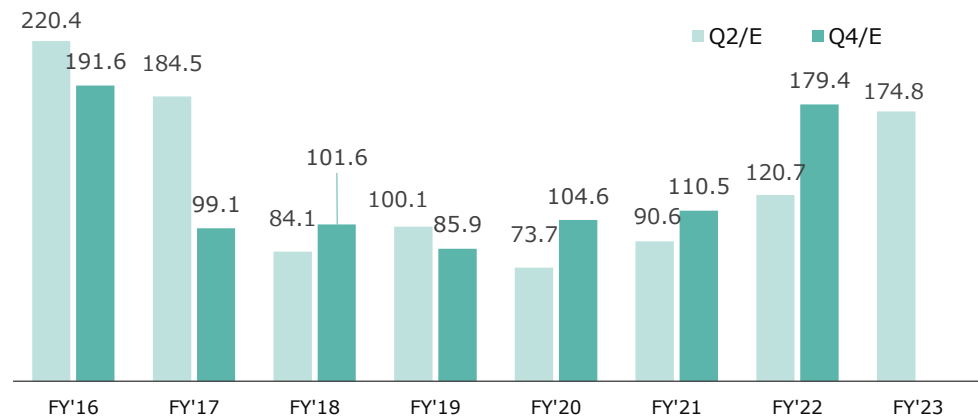
	FY22 Q2	FY23 Q2	
	Actual	Actual	Change
Aerospace Systems	619.0	832.7	+ 213.6
Rolling Stock	368.9	541.1	+ 172.1
Energy Solution & Marine Engineering	611.0	709.9	+ 98.9
Precision Machinery & Robot	110.3	98.2	- 12.1
Powersports & Engine	-	-	-
Others	47.3	38.7	- 8.6
Total	1,756.7	2,220.7	+ 463.9

● Revenue by Region (billion yen)

	FY22 Q2	FY23 Q2	
	Actual	Actual	Change
Japan	299.6	299.3	- 0.2
USA	212.6	217.5	+ 4.8
Europe	61.4	80.4	+ 19.0
Asia	129.7	115.2	- 14.4
Other	56.3	56.7	+ 0.4
Total	759.7	769.3	+ 9.5

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

● Order Backlog in Ship & Offshore (billion yen)



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

	FY23 Q2 Received Orders	Delivery Year				Order Backlog
		FY23 Q2 Actual	FY'23 Q3~	FY'24	FY'25~	
			Plan			
LPG Carrier	1	2	2	3	6	11
Submarine				1	1	2
Others						
Total	1	※1 2	2	4	7	※2 13

※ 1 Delivered in FY'23 Q2 : 100,800GT

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

● Revenue in Foreign Currencies by Segment (USD)

(billion USD)

	FY2022	FY2023	
	Actual	Actual	Q3-4 FCST
Aerospace Systems	0.22	0.20	0.15
Rolling Stock	0.02	0.12	0.05
Energy Solution & Marine Engineering	0.14	0.15	0.14
Precision Machinery & Robot	0.12	0.06	0.08
Powersports & Engine	0.36	0.25	0.27
Total	0.86	0.78	0.69

※ Impact on business profit by FX fluctuation of 1 yen

● Weighted-average Exchange Rates

(EUR/JPY)

FY2021 actual	130.47
FY2022 actual	141.38
FY2023 Q2 actual	152.98
FY2023 Q3-4 forecast	150.00

● Revenue in Foreign Currencies(EUR)

(billion EUR)

FY2021 actual	0.44
FY2022 actual	0.57
FY2023 Q2 actual	0.22
FY2023 Q3-4 forecast	0.32

※ Impact on business profit by FX fluctuation of 1 yen

<Formulas for Calculating Before-tax ROIC and After-tax ROIC>

Before-tax ROIC = (Profit before tax + Interest expenses) ÷ Invested capital^{※2}

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

※2 Invested Capital = Net debt+Equity

Kawasaki, working as one for the good of the planet
“Global Kawasaki”