

Revision of the Earnings and Dividend Forecasts
for the Fiscal Year Ending March 31, 2021

Kawasaki Heavy Industries, Ltd. hereby notifies that it has revised its consolidated earnings and dividend forecasts for the fiscal year ending March 2021 (April 1, 2020 to March 31, 2021; FY 2020) announced on August 6, 2020 as follows.

1. Revised earnings forecast

(1) Revised consolidated earnings forecast for FY 2020 (from April 1, 2020 to March 31, 2021)

	Net sales (Mil. yen)	Operating income (Mil. yen)	Recurring profit (Mil. yen)	Net income attributable to owners of parent (Mil. yen)	Earnings per share (Mil. yen)
Previous forecast Announced on August 6, 2020(A)	1,460,000	-30,000	-	-	-
Revised forecast (B)	1,500,000	-20,000	-25,000	-27,000	-161.63
Change (B - A)	40,000	10,000	-	-	
Change (%)	2.7%	-	-	-	
Results for FY 2019 (for reference only)	1,641,335	62,063	40,429	18,662	111.72

(2) Reason for the revision

Net sales and operating income are both expected to improve over last time due to recent sales in the Motorcycle & Engine segment trending above plans in North America and some parts of Europe, and sales of hydraulic equipment to the Chinese construction machinery market being strong in the Precision Machinery & Robot segment.

The Company has decided to calculate and announce recurring profit, net income attributable to owners of parent, and earnings per share, which were undetermined at the time of the previous announcement, based on the information available at the present time.

In addition, the impact of the spread of COVID-19 has not changed since the time of the previous announcement, and the Company has calculated the forecasts based on the following assumptions in each segment.

- ① It will take quite some time for the Aerospace Systems segment to recover fully due to declining passenger demand worldwide.
- ② In other business segments, while demand for some products such as hydraulic equipment sold in the Chinese construction machinery market and robots used in semiconductor manufacturing is already on an upward trajectory, it will be a while before demand for other products bounces back.

These forecasts are based on exchange rate assumptions of ¥106/USD and ¥123/euro.

2. Revised dividend forecast

(1) Revision

	Year-end dividend (yen)				
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	Total
Previous forecast Announced on August 6, 2020(A)	-	0.00	-	-	-
Revised forecast	-	0.00	-	0.00	0.00
Actual result	-	0.00			
Results for FY 2019 (for reference only)	-	35.00	-	0.00	35.00

(2) Reason for the revision

The year-end dividend forecast for FY 2020 has been undetermined to this point, but as a result of comprehensive consideration of our results forecasts for the term and preparation for financial risks due to the future spread of COVID-19, we regret to announce that no year-end dividend will be paid.

(Note regarding outlook for performance)

The above outlook is based on information available at the time of preparation, and includes risks and uncertainties. KHI therefore discourages making investment decisions depending solely on this outlook. Please note that actual earnings may differ materially from this outlook, due to a variety of important factors stemming from changes in the external environment and/or the KHI's internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the KHI's scope of business, foreign exchange rates in particular the yen/US dollar exchange rate, tax codes and other regulatory system-related issues.

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