

**Report of the Impairment Loss in the Rolling Stock Segment
for the Fiscal Year Ending March 31, 2021**

Kawasaki Heavy Industries, Ltd. (KHI) hereby notifies recognition of extraordinary impairment loss in the Rolling Stock segment for the fiscal year ending March 31, 2021 as follows.

1. Outline

In the consolidated and unconsolidated results of operations for the fiscal year ending March 31, 2021, KHI has recorded an extraordinary impairment loss of approximately 11.4 billion yen.

KHI has recognized an impairment loss in the Rolling Stock segment in consideration of recoverability of the related domestic fixed assets. This loss mainly resulted from reviews of investment plans for domestic railway companies, delays in works of overseas projects and postponements of bidding due to the spread of COVID-19 infection.

2. Others

The amount of the financial impact due to the issue stated above is included in "Revision of the Earnings Forecasts for the Fiscal Year Ending March 31, 2021" announced today.

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