




3 Details by Segment -Aerospace systems-


FY2023 (vs. FY2022)


Orders received  Increased due to increase in orders for MOD and Boeing despite the loss (reduction in orders) related to PW1100G-JM engine
+¥347.0 bil.


Revenue  Increased due to an increase in MOD, Boeing, and commercial aircraft in Aero Engine despite the loss (reduction in revenue) related to PW1100G-JM engine
+¥47.3 bil.

Business profit  Decreased due to loss related to PW1100G-JM engine despite increase in revenue
-¥29.8 bil.

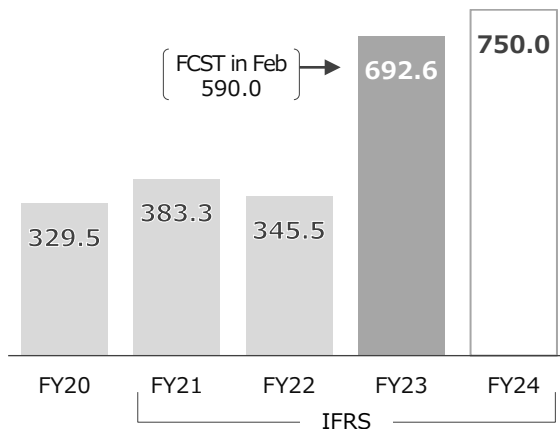
FY2024 forecast (vs. FY2023)

Orders received  Increase due to an increase in orders for MOD and Boeing, as well as a reaction to a loss (reduction in orders) related to PW1100G-JM engine in FY23
+¥57.4 bil.

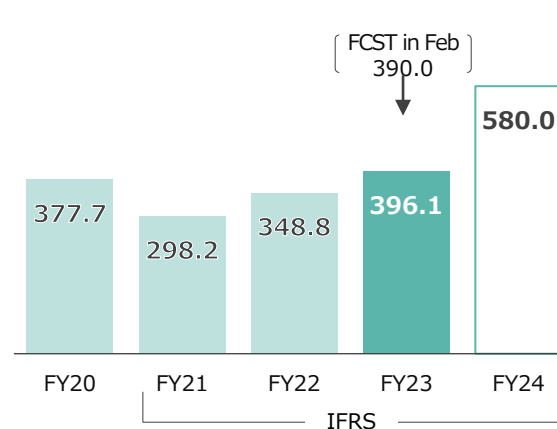
Revenue  Increase due to an increase in revenue for MOD and Boeing, as well as a reaction to a loss (reduction in revenue) related to PW1100G-JM engine in FY23
+¥183.9 bil.

Business profit  Increase due to an increase in revenue, a reaction to a loss related to PW1100G-JM engine in FY23
+¥60.0 bil.

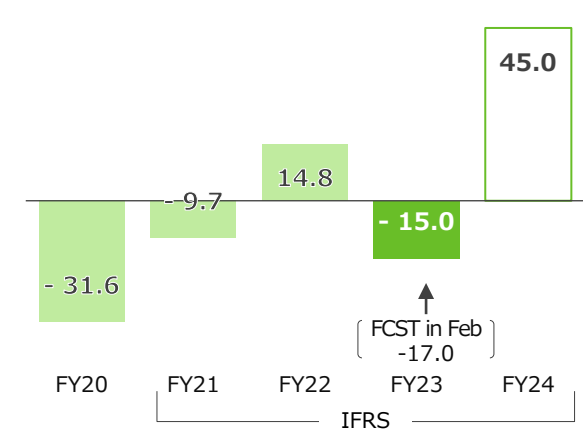
/ Orders received (billion yen)



/ Net Sales or Revenue (billion yen)



/ Operating Profit or Business Profit (billion yen)



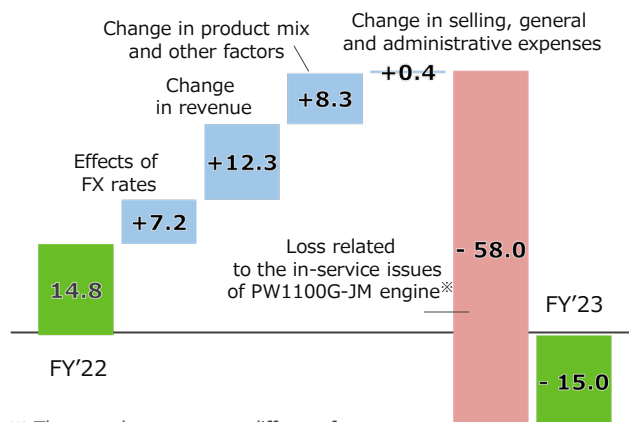
Details by Segment -Aerospace systems-

(Billion Yen)

	FY2022	FY2023				FY2024	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY22	Chg. Vs. FCST	Forecast	Chg. Vs. FY23
Orders Received	345.5	590.0	692.6	+ 347.0	+ 102.6	750.0	+ 57.4
<i>Aerospace</i>	253.9	500.0	556.9	+ 302.9	+ 56.9	600.0	+ 43.1
<i>Aero Engine</i>	91.5	90.0	135.6	+ 44.0	+ 45.6	150.0	+ 14.4
Revenue	348.8	390.0	396.1	+ 47.3	+ 6.1	580.0	+ 183.9
<i>Aerospace</i>	249.3	320.0	307.4	+ 58.0	- 12.6	420.0	+ 112.6
<i>Aero Engine</i>	99.5	70.0	88.7	- 10.7	+ 18.7	160.0	+ 71.3
Business Profit (Loss)	14.8	- 17.0	- 15.0	- 29.8	+ 2.0	45.0	+ 60.0
<i>[Margin]</i>	<i>[4.3%]</i>	<i>[- 4.4%]</i>	<i>[- 3.8%]</i>	<i>[- 8.0pt]</i>	<i>[+ 0.5pt]</i>	<i>[7.8%]</i>	<i>[+ 11.5pt]</i>

Details of change in Business Profit(Loss)

(billion yen)



* The actual amounts are different from the amounts recognized in the financial statements due to revaluation at the end of the current fiscal year

Appendix

Number of aircraft component parts sold to Boeing

	FY'22	FY'23	Change
767	31	33	+ 2
777	28	32	+ 5
777X	0	6	+ 6
787	20	41	+ 21

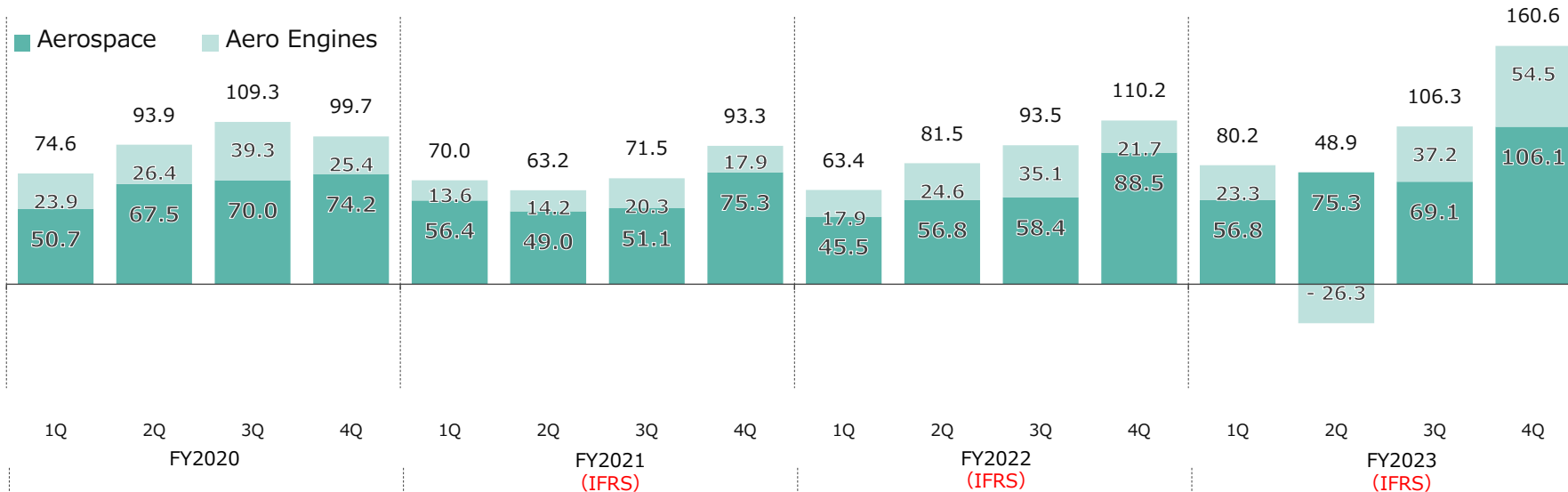
Number of jet engine component parts sold

	FY'22	FY'23	Change
V2500	20	6	- 14
PW1100G	564	675	+ 111

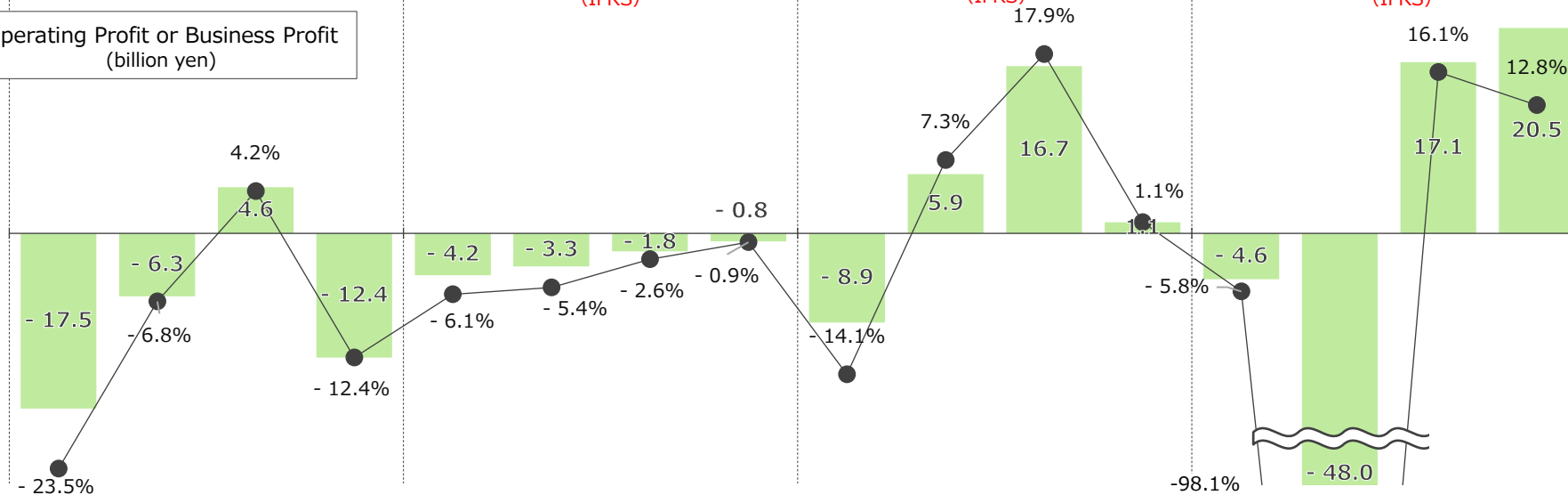
※Number of jet engine component parts sold to Rolls-Royce is not disclosed

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 has recovered to pre-COVID-19 levels and aircraft rebound demand has been strong
- 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※1

- ✦ 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.
- ✦ In FY'23, the estimated future loss was recorded in a lump-sum※2, and there is no change at present (except for the effect of revaluation due to exchange rate fluctuations).
- ✦ 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

※1 International Aero Engines,LLC

※2 Recorded lump-sum loss (¥58 billion yen in terms of business profit and loss).

Specific Efforts

✓ Development of systems for business recovery and expansion

- 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
- Increase productivity by increasing operational efficiency to acquire new business opportunities



C-2 Transport Aircraft
Orders received 2nd in FY'23

✓ 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 | |



New anti-ship missiles
for islands defense



Standoff electronic
warfare aircraft※

※Source : DEFENSE OF JAPAN 2020
https://www.mod.go.jp/en/publ/w_p_aper/wp2020/DOJ2020_EN_Full.pdf

✓ 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