

Kawasaki Heavy Industries, Ltd.

February 6, 2020

**With regard to the payments related to the in-service issues  
of the Trent 1000 engine**

1. Outline

We participate as a risk and revenue sharing partner on the Rolls-Royce Trent1000 engine program, which has been impacted by the challenge of managing significant in-service issues. As Rolls-Royce announced on November 7 2019, the additional costs are expected to be incurred mainly due to the delayed introduction of the new Trent 1000 TEN HP turbine blade. As member of this program, we would cover our portion of the cash costs associated with in-service issues. In the FY2019 3rd quarterly financial results, we made a provision of approximately ¥65 million as non-operating expenses.

2. Impact on Consolidated Financial Forecast

For the consolidated financial forecast for the fiscal year ending March 31, 2020, please refer to "Flash Report for Third Quarter of the Fiscal Year Ending March 31, 2020 (Consolidated Basis)" which was announced today.

- End of document -