


**KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES**  
**FLASH CONSOLIDATED FINANCIAL RESULTS**

 August 6, 2020  
 (Consolidated)

For three months ended June 30, 2020 and 2019 and one year ended March 31, 2020

**Operating results**

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020
Net sales	¥ 300,602	¥ 350,778	\$ 2,790,069
Operating profit	(20,661)	1,088	(191,767)
Profit attributable to owners of parent	(11,771)	(8,249)	(109,254)
Earnings per share (Yen)	(70.47)	(49.38)	

**Financial position**

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Jun. 30, 2020	As of March. 31, 2020	As of Jun. 30, 2020
Total assets	¥ 2,013,273	¥ 1,957,845	\$ 18,686,402
Net assets	457,557	471,562	4,246,863
Number of shares issued and outstanding	167,043	167,043	
Equity Ratio	22.0%	23.3%	

**Cash flows**

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020
Operating activities	¥ (101,107)	¥ (163,712)	\$ (938,435)
Investing activities	2,649	(17,138)	24,587
Financing activities	163,834	150,583	1,520,642
Cash and cash equivalents at end of period	167,929	39,326	1,558,650

**Fiscal year forecast**

	Millions of yen	
	Net sales	Operating profit
One year ending March 31, 2021	¥ 1,460,000	¥ (30,000)

- Notes :
1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.
  2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥107.74=\$1, the rate prevailing as of June 30, 2020, solely for the convenience of the readers.

## Consolidated Balance Sheets

As of June 30 and March 31, 2020

	Millions of yen		Thousands of
	As of Mar. 31, 2020	As of Jun. 30, 2020	U.S. dollars As of Jun. 30, 2020
<b>Assets</b>			
Current assets			
Cash and deposits	¥ 106,108	¥ 171,686	\$ 1,593,521
Notes and accounts receivable - trade	473,204	430,165	3,992,621
Merchandise and finished goods	75,042	64,214	596,009
Work in process	426,256	457,700	4,248,190
Raw materials and supplies	130,359	136,462	1,266,586
Other	51,176	61,965	575,135
Allowance for doubtful accounts	(3,367)	(3,321)	(30,824)
Total current assets	1,258,781	1,318,873	12,241,257
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	193,931	178,160	1,653,611
Other	288,639	293,708	2,726,081
Total property, plant and equipment	482,570	471,869	4,379,701
Intangible assets	21,358	21,989	204,093
Investments and other assets			
Other	196,973	202,371	1,878,327
Allowance for doubtful accounts	(1,838)	(1,831)	(16,995)
Total investments and other assets	195,134	200,540	1,861,333
Total non-current assets	699,063	694,399	6,445,136
Total assets	1,957,845	2,013,273	18,686,402
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable - trade	261,159	198,541	1,842,779
Electronically recorded obligations - operating	110,526	108,833	1,010,145
Short-term borrowings	166,188	191,664	1,778,949
Income taxes payable	6,116	6,037	56,033
Provision for sales promotion expenses	12,174	7,594	70,484
Provision for bonuses	22,032	24,761	229,822
Provision for construction warranties	14,454	12,384	114,943
Provision for loss on construction contracts	11,464	13,697	127,130
Advances received	148,610	143,381	1,330,806
Other	194,998	229,298	2,128,253
Total current liabilities	947,726	936,195	8,689,391
Non-current liabilities			
Bonds payable	160,000	220,000	2,041,953
Long-term borrowings	188,859	198,859	1,845,730
Retirement benefit liability	129,846	131,213	1,217,867
Provision for the in service issues of commercial aircraft jet engines	15,689	14,057	130,472
Other	44,161	55,390	514,108
Total non-current liabilities	538,556	619,520	5,750,139
Total liabilities	1,486,283	1,555,716	14,439,540
<b>Net assets</b>			
Shareholders' equity			
Share capital	104,484	104,484	969,779
Capital surplus	54,542	54,542	506,237
Retained earnings	326,626	314,854	2,922,350
Treasury shares	(133)	(133)	(1,234)
Total shareholders' equity	485,520	473,748	4,397,141
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,636	1,242	11,528
Deferred gains or losses on hedges	(272)	(262)	(2,432)
Foreign currency translation adjustment	(11,311)	(13,014)	(120,791)
Remeasurements of defined benefit plans	(19,946)	(19,543)	(181,390)
Total accumulated other comprehensive income	(29,892)	(31,578)	(293,094)
Non-controlling interests	15,934	15,387	142,816
Total net assets	471,562	457,557	4,246,863
Total liabilities and net assets	1,957,845	2,013,273	18,686,402

**Consolidated Statements of Profit and Loss**

For three months ended June 30, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2020
Net sales	¥ 350,778	¥ 300,602	\$ 2,790,069
Cost of sales	301,426	278,357	2,583,599
Gross profit	49,351	22,244	206,460
Selling, general and administrative expenses			
Salaries and allowances	13,344	13,458	124,912
Research and development expenses	11,118	8,145	75,599
Other	23,799	21,302	197,717
Total selling, general and administrative expenses	48,262	42,906	398,236
Operating profit (loss)	1,088	(20,661)	(191,767)
Non-operating income			
Interest income	135	138	1,281
Dividend income	223	119	1,105
Share of profit of entities accounted for using equity method	338	—	—
Foreign exchange gains	—	2,377	22,062
Other	732	1,492	13,848
Total non-operating income	1,430	4,128	38,314
Non-operating expenses			
Interest expenses	911	1,030	9,560
Share of loss of entities accounted for using equity method	—	20	186
Foreign exchange losses	5,039	—	—
Other	959	1,347	12,502
Total non-operating expenses	6,910	2,398	22,257
Ordinary loss	(4,391)	(18,931)	(175,710)
Extraordinary income			
Gain on sales of non-current assets	—	3,236	30,035
Gain on sales of shares of subsidiaries and associates	—	1,581	14,674
Total extraordinary income	—	4,817	44,709
Loss before income taxes	(4,391)	(14,114)	(131,001)
Income taxes	3,578	(2,366)	(21,960)
Loss	(7,969)	(11,747)	(109,031)
Profit attributable to non-controlling interests	279	24	223
Loss attributable to owners of parent	(8,249)	(11,771)	(109,254)

**Segment information**  
**Information by reportable segment**

	Millions of yen			
	Three months ended			
	Jun. 30, 2019			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 122,188	¥ 2,383	¥ 124,572	¥ 4,869
Energy System & Plant Engineering	45,017	5,407	50,425	828
Precision Machinery & Robot	48,347	3,253	51,600	1,760
Ship & Offshore Structure	22,895	2,100	24,996	(398)
Rolling Stock	20,424	8	20,433	(3,548)
Motorcycle & Engine	68,356	138	68,494	(2,849)
Other	23,546	9,162	32,709	472
<b>Total</b>	<b>350,778</b>	<b>22,454</b>	<b>373,232</b>	<b>1,134</b>
Eliminations and corporate	-	(22,454)	(22,454)	(45)
<b>Consolidated total</b>	<b>¥ 350,778</b>	<b>¥ -</b>	<b>¥ 350,778</b>	<b>¥ 1,088</b>

	Millions of yen			
	Three months ended			
	Jun. 30, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 74,619	¥ 1,874	¥ 76,493	¥ (17,518)
Energy System & Plant Engineering	50,081	4,859	54,941	1,580
Precision Machinery & Robot	45,403	2,549	47,953	1,343
Ship & Offshore Structure	22,191	706	22,897	(437)
Rolling Stock	32,362	1	32,364	(1,463)
Motorcycle & Engine	58,974	126	59,100	(5,944)
Other	16,969	8,381	25,350	(153)
<b>Total</b>	<b>300,602</b>	<b>18,499</b>	<b>319,102</b>	<b>(22,593)</b>
Eliminations and corporate	-	(18,499)	(18,499)	1,931
<b>Consolidated total</b>	<b>¥ 300,602</b>	<b>¥ -</b>	<b>¥ 300,602</b>	<b>¥ (20,661)</b>

	Thousands of U.S. dollars			
	Three months ended			
	Jun. 30, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\$ 692,584	\$ 17,394	\$ 709,978	\$ (162,595)
Energy System & Plant Engineering	464,832	45,099	509,941	14,665
Precision Machinery & Robot	421,413	23,659	445,081	12,465
Ship & Offshore Structure	205,968	6,553	212,521	(4,056)
Rolling Stock	300,371	9	300,390	(13,579)
Motorcycle & Engine	547,373	1,169	548,543	(55,170)
Other	157,500	77,789	235,289	(1,420)
<b>Total</b>	<b>2,790,069</b>	<b>171,700</b>	<b>2,961,778</b>	<b>(209,699)</b>
Eliminations and corporate	-	(171,700)	(171,700)	17,923
<b>Consolidated total</b>	<b>\$ 2,790,069</b>	<b>\$ -</b>	<b>\$ 2,790,069</b>	<b>\$ (191,767)</b>

**Orders by reportable segment***For three months ended June 30, 2020 and 2019*

	Billions of yen		Millions of U.S. dollars	
	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2020	
<b>Orders :</b>				
Aerospace Systems	¥ 69.7	¥ 45.4	\$	421
Energy System & Plant Engineering	69.8	46.2		429
Precision Machinery & Robot	52.9	50.7		471
Ship & Offshore Structure	21.5	9.9		92
Rolling Stock	16.0	18.7		174
Motorcycle & Engine	68.3	58.9		547
Other	29.7	18.0		167
Total	¥ 328.2	¥ 248.2	\$	2,304