


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
February 2, 2022
(Consolidated)
For nine months ended December 31, 2021 and 2020 and one year ended March 31, 2021
Operating results

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Net sales	¥ 1,038,731	¥ 1,032,484	\$ 9,030,873
Operating profit	39,020	(3,735)	339,245
Profit attributable to owners of parent	7,296	(13,969)	63,432
Earnings per share (Yen)	43.60	(83.62)	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Dec. 31, 2021	As of Mar. 31, 2021	As of Dec. 31, 2021
Total assets	¥ 2,045,689	¥ 1,963,276	\$ 17,785,507
Net assets	457,518	482,775	3,977,726
Number of shares issued and outstanding	167,472	167,042	
Equity Ratio	21.4%	23.7%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Operating activities	¥ (138,956)	¥ (139,750)	\$ (1,208,103)
Investing activities	(43,548)	(22,400)	(378,612)
Financing activities	130,176	192,645	1,131,768
Cash and cash equivalents at end of period	68,658	133,085	596,922

Fiscal year forecast

	Millions of yen		
	Net sales	Operating profit	Profit attributable to owners of parent
One year ending March 31, 2022	¥ 1,550,000	¥ 46,000	¥ 15,000

- 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 ¥115.02=\$1, the rate prevailing as of December 30, 2021, solely for the convenience of the readers.

Consolidated Balance Sheets

As of December 31 and March 31, 2021

	Millions of yen		Thousands of
	As of	As of	U.S. dollars
	Mar. 31, 2021	Dec. 31, 2021	As of Dec. 31, 2021
Assets			
Current assets			
Cash and deposits	¥ 126,702	¥ 75,250	\$ 654,234
Notes and accounts receivable - trade	460,436	—	-
Notes and accounts receivable - trade, and contract assets	—	447,438	3,890,089
Merchandise and finished goods	69,223	90,703	788,585
Work in process	452,848	454,071	3,947,757
Raw materials and supplies	136,471	151,917	1,320,788
Other	43,314	118,694	1,031,942
Allowance for doubtful accounts	(3,589)	(3,680)	(31,994)
Total current assets	1,285,407	1,334,395	11,601,417
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	172,951	168,935	1,468,745
Other	278,308	273,125	2,374,587
Total property, plant and equipment	451,259	442,060	3,843,332
Intangible assets	22,427	22,095	192,097
Investments and other assets			
Other	205,584	248,444	2,160,007
Allowance for doubtful accounts	(1,403)	(1,306)	(11,355)
Total investments and other assets	204,180	247,137	2,148,644
Total non-current assets	677,868	711,293	6,184,081
Total assets	1,963,276	2,045,689	17,785,507
Liabilities			
Current liabilities			
Notes and accounts payable - trade	247,294	206,830	1,798,209
Electronically recorded obligations - operating	107,849	109,694	953,695
Short-term borrowings	141,579	178,077	1,548,226
Income taxes payable	4,753	9,016	78,386
Provision for sales promotion expenses	7,380	—	-
Provision for bonuses	18,239	9,563	83,142
Provision for construction warranties	12,550	12,091	105,121
Provision for loss on construction contracts	14,263	10,443	90,793
Advances received	153,298	—	-
Contract liabilities	—	178,724	1,553,852
Other	210,345	327,214	2,844,844
Total current liabilities	917,555	1,041,656	9,056,303
Non-current liabilities			
Bonds payable	190,000	180,000	1,564,945
Long-term borrowings	199,177	191,749	1,667,093
Retirement benefit liability	115,456	119,472	1,038,706
Provision for the in service issues of commercial aircraft jet engines	5,984	3,132	27,230
Other	52,326	52,160	453,486
Total non-current liabilities	562,944	546,514	4,751,469
Total liabilities	1,480,500	1,588,170	13,807,773
Net assets			
Shareholders' equity			
Share capital	104,484	104,484	908,399
Capital surplus	54,542	55,527	482,760
Retained earnings	306,576	270,876	2,355,034
Treasury shares	(136)	(1,127)	(9,798)
Total shareholders' equity	465,467	429,760	3,736,394
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,955	1,495	12,998
Deferred gains or losses on hedges	(179)	(792)	(6,886)
Foreign currency translation adjustment	(931)	8,984	78,108
Remeasurements of defined benefit plans	(979)	(776)	(6,747)
Total accumulated other comprehensive income	(134)	8,911	77,473
Non-controlling interests	17,442	18,846	163,850
Total net assets	482,775	457,518	3,977,726
Total liabilities and net assets	1,963,276	2,045,689	17,785,507

Consolidated Statements of Profit and Loss

For nine months ended December 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2021
Net sales	¥ 1,032,484	¥ 1,038,731	\$ 9,030,873
Cost of sales	899,606	851,679	7,404,617
Gross profit	132,877	187,052	1,626,256
Selling, general and administrative expenses			
Salaries and allowances	40,709	42,245	367,284
Research and development expenses	29,751	31,768	276,195
Other	66,152	74,017	643,514
Total selling, general and administrative expenses	136,612	148,031	1,287,002
Operating profit (loss)	(3,735)	39,020	339,245
Non-operating income			
Interest income	396	665	5,782
Dividend income	797	302	2,626
Share of profit of entities accounted for using equity method	1,454	—	-
Foreign exchange gains	1,936	—	-
Reversal of provision for the in-service issues of commercial aircraft jet engines	3,005	70	609
Other	3,096	4,628	40,236
Total non-operating income	10,687	5,666	49,261
Non-operating expenses			
Interest expenses	2,918	2,553	22,196
Share of loss of entities accounted for using equity method	—	15,181	131,986
Foreign exchange losses	—	990	8,607
Other	4,090	4,658	40,497
Total non-operating expenses	7,008	23,383	203,295
Ordinary profit (loss)	(56)	21,304	185,220
Extraordinary income			
Gain on sale of non-current assets	3,236	1,633	14,198
Gain on sale of shares of subsidiaries and associates	1,581	—	-
Total extraordinary income	4,817	1,633	14,198
Extraordinary losses			
Impairment losses	3,948	295	2,565
Total extraordinary losses	3,948	295	2,565
Profit before income taxes	811	22,642	196,853
Income taxes	13,580	13,590	118,153
Profit (loss)	(12,768)	9,051	78,691
Profit attributable to non-controlling interests	1,200	1,754	15,250
Profit (loss) attributable to owners of parent	(13,969)	7,296	63,432

Segment information
Information by reportable segment

	Millions of yen			
	Nine months ended			
	Dec. 31, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 277,994	¥ 4,351	¥ 282,346	¥ (19,257)
Rolling Stock	101,513	5	101,519	(1,341)
Energy Solution & Marine Engineering	215,668	15,802	231,471	5,643
Precision Machinery & Robot	154,244	9,576	163,820	8,128
Motorcycle & Engine	225,511	483	225,995	1,884
Other	57,550	26,939	84,490	500
Total	1,032,484	57,160	1,089,644	(4,443)
Eliminations and corporate	-	(57,160)	(57,160)	707
Consolidated total	¥ 1,032,484	¥ -	¥ 1,032,484	¥ (3,735)

	Millions of yen			
	Nine months ended			
	Dec. 31, 2021			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 204,907	¥ 5,331	¥ 210,239	¥ (11,387)
Rolling Stock	89,152	5	89,157	2,563
Energy Solution & Marine Engineering	201,779	10,398	212,178	3,126
Precision Machinery & Robot	179,531	12,401	191,933	13,456
Motorcycle & Engine	309,590	551	310,141	29,698
Other	53,769	14,099	67,869	3,580
Total	1,038,731	42,788	1,081,519	41,037
Eliminations and corporate	-	(42,788)	(42,788)	(2,016)
Consolidated total	¥ 1,038,731	¥ -	¥ 1,038,731	¥ 39,020

	Thousands of U.S. dollars			
	Nine months ended			
	Dec. 31, 2021			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\$ 1,781,490	\$ 46,348	\$ 1,827,847	\$ (99,000)
Rolling Stock	775,100	43	775,143	22,283
Energy Solution & Marine Engineering	1,754,295	90,402	1,844,705	27,178
Precision Machinery & Robot	1,560,868	107,816	1,668,692	116,988
Motorcycle & Engine	2,691,619	4,790	2,696,409	258,199
Other	467,475	122,579	590,063	31,125
Total	9,030,873	372,005	9,402,878	356,781
Eliminations and corporate	-	(372,005)	(372,005)	(17,527)
Consolidated total	\$ 9,030,873	\$ -	\$ 9,030,873	\$ 339,245

Orders by reportable segment*For nine months ended December 31, 2021 and 2020*

	Billions of yen		Millions of
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021	U.S. dollars Nine months ended Dec. 31, 2021
Orders :			
Aerospace Systems	¥ 224.7	¥ 160.8	\$ 1,398
Rolling Stock	49.2	42.2	367
Energy Solution & Marine Engineering	187.3	253.2	2,201
Precision Machinery & Robot	170.2	197.4	1,716
Motorcycle & Engine	225.5	309.5	2,691
Other	56.9	63.0	548
Total	¥ 914.0	¥ 1,026.4	\$ 8,924