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

For the year ended March 31, 2022 and 2021

May 10, 2022
(Consolidated)

Operating results

	Millions of yen		*Thousands of U.S. dollars*
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	*Year ended Mar. 31, 2022*
Net sales	**¥ 1,500,879**	¥ 1,488,486	*$ 12,261,082*
Operating profit	**45,805**	(5,305)	*374,193*
Profit attributable to owners of parent	**21,801**	(19,332)	*178,098*
Earnings per share (Yen)	**130.26**	(115.73)	

Financial position

	Millions of yen / Thousand shares		*Thousands of U.S. dollars*
	As of Mar. 31, 2022	As of Mar. 31, 2021	*As of Mar. 31, 2022*
Total assets	**¥ 2,022,748**	¥ 1,963,276	*$ 16,524,369*
Net assets	**498,522**	482,775	*4,072,559*
Number of shares issued and outstanding	**167,472**	167,042	
Equity Ratio	**23.7%**	23.7%	

Cash flows

	Millions of yen		*Thousands of U.S. dollars*
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	*Year ended Mar. 31, 2022*
Operating activities	**¥ 144,430**	¥ 34,601	*$ 1,179,887*
Investing activities	**(52,537)**	(37,392)	*(429,189)*
Financing activities	**(102,345)**	23,093	*(836,084)*
Cash and cash equivalents at end of period	**108,511**	122,166	*886,455*

Fiscal year forecast

	Millions of yen		
	Net sales	Business profit	Profit attributable to owners of parent
One year ending March 31, 2023	¥ 1,680,000	¥ 53,000	¥ 29,000

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 ￥122.41=$1, the rate prevailing as of March 31, 2022, solely for the convenience of the readers.

Consolidated Balance Sheets

As of March 31, 2022 and 2021

	Millions of yen		*Thousands of U.S. dollars*
	As of Mar. 31, 2021	**As of Mar. 31, 2022**	*As of Mar. 31, 2022*
Assets			
Current assets			
Cash and deposits	¥ 126,702	**¥ 114,469**	*$ 935,128*
Notes and accounts receivable - trade	460,436	**-**	*-*
Notes and accounts receivable - trade, and contract assets	-	**418,625**	*3,419,859*
Merchandise and finished goods	69,223	**78,616**	*642,235*
Work in process	452,848	**419,954**	*3,430,716*
Raw materials and supplies	136,471	**160,113**	*1,308,006*
Other	43,314	**109,911**	*897,892*
Allowance for doubtful accounts	(3,589)	**(3,908)**	*(31,925)*
Total current assets	1,285,407	**1,297,781**	*10,601,920*
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	172,951	**168,409**	*1,375,778*
Machinery, equipment and vehicles, net	142,951	**137,217**	*1,120,962*
Land	57,743	**58,383**	*476,946*
Leased assets, net	10,564	**10,815**	*88,351*
Construction in progress	16,635	**20,224**	*165,215*
Other, net	50,413	**49,212**	*402,026*
Total property, plant and equipment	451,259	**444,262**	*3,629,295*
Intangible assets	22,427	**23,413**	*191,267*
Investments and other assets			
Investment securities	12,721	**14,539**	*118,773*
Retirement benefit asset	155	**200**	*1,634*
Deferred tax assets	70,452	**86,249**	*704,591*
Other	122,254	**157,668**	*1,288,032*
Allowance for doubtful accounts	(1,403)	**(1,366)**	*(11,159)*
Total investments and other assets	204,180	**257,291**	*2,101,879*
Total non-current assets	677,868	**724,967**	*5,922,449*
Total assets	1,963,276	**2,022,748**	*16,524,369*
Liabilities			
Current liabilities			
Notes and accounts payable - trade	247,294	**239,976**	*1,960,428*
Electronically recorded obligations - operating	107,849	**104,336**	*852,349*
Short-term borrowings	141,579	**96,108**	*785,132*
Current portion of bonds payable	30,000	**20,000**	*163,385*
Lease liabilities	1,061	**1,175**	*9,599*
Income taxes payable	4,753	**8,506**	*69,488*
Provision for sales promotion expenses	7,380	**-**	*-*
Provision for bonuses	18,239	**23,938**	*195,556*
Provision for construction warranties	12,550	**14,797**	*120,881*
Provision for loss on construction contracts	14,263	**9,602**	*78,441*
Advances received	153,298	**-**	*-*
Contract liabilities	-	**256,189**	*2,092,876*
Other	179,283	**212,696**	*1,737,570*
Total current liabilities	917,555	**987,328**	*8,065,746*
Non-current liabilities			
Bonds payable	190,000	**180,000**	*1,470,468*
Long-term borrowings	199,177	**194,297**	*1,587,264*
Lease liabilities	9,532	**9,899**	*80,868*
Deferred tax liabilities	1,125	**1,593**	*13,014*
Retirement benefit liability	115,456	**106,803**	*872,502*
Provision for the in service issues of commercial aircraft jet engines	5,984	**3,054**	*24,949*
Other	41,668	**41,249**	*336,974*
Total non-current liabilities	562,944	**536,896**	*4,386,047*
Total liabilities	1,480,500	**1,524,225**	*12,451,801*
Net assets			
Shareholders' equity			
Share capital	104,484	**104,484**	*853,558*
Capital surplus	54,542	**55,526**	*453,607*
Retained earnings	306,576	**285,381**	*2,331,354*
Treasury shares	(136)	**(1,129)**	*(9,223)*
Total shareholders' equity	465,467	**444,262**	*3,629,295*
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,955	**1,424**	*11,633*
Deferred gains or losses on hedges	(179)	**(191)**	*(1,560)*
Foreign currency translation adjustment	(931)	**23,585**	*192,672*
Remeasurements of defined benefit plans	(979)	**10,098**	*82,493*
Total accumulated other comprehensive income	(134)	**34,917**	*285,246*
Non-controlling interests	17,442	**19,342**	*158,010*
Total net assets	482,775	**498,522**	*4,072,559*
Total liabilities and net assets	1,963,276	**2,022,748**	*16,524,369*

Consolidated Statements of Profit and Loss

For the year ended March 31, 2022 and 2021

	Millions of yen		*Thousands of U.S. dollars*
	Year ended Mar. 31, 2021	**Year ended Mar. 31, 2022**	*Year ended Mar. 31, 2022*
Net sales	¥ 1,488,486	**¥ 1,500,879**	*$ 12,261,082*
Cost of sales	1,297,324	**1,244,300**	*10,165,019*
Gross profit	191,162	**256,578**	*2,096,054*
Selling, general and administrative expenses			
Salaries and allowances	56,970	**59,872**	*489,110*
Research and development expenses	44,949	**47,098**	*384,756*
Other	94,548	**103,800**	*847,970*
Total selling, general and administrative expenses	196,468	**210,772**	*1,721,853*
Operating profit (loss)	(5,305)	**45,805**	*374,193*
Non-operating income			
Interest income	677	**1,106**	*9,035*
Dividend income	2,161	**865**	*7,066*
Gain on sale of investment securities	771	**2,120**	*17,319*
Share of profit of entities accounted for using equity method	411	**-**	*-*
Foreign exchange gains	4,074	**569**	*4,648*
Reversal of provision for the in-service issues of commercial aircraft jet engines	3,306	**-**	*-*
Other	3,815	**4,680**	*38,232*
Total non-operating income	15,218	**9,342**	*76,317*
Non-operating expenses			
Interest expenses	3,790	**3,398**	*27,759*
Share of loss of entities accounted for using equity method	-	**14,412**	*117,735*
Loss on retirement of non-current assets	2,886	**951**	*7,769*
Other	6,091	**6,451**	*52,700*
Total non-operating expenses	12,768	**25,213**	*205,972*
Ordinary profit (loss)	(2,855)	**29,934**	*244,539*
Extraordinary income			
Gain on sale of non-current assets	3,236	**1,633**	*13,340*
Gain on sale of shares of subsidiaries and associates	1,581	**-**	*-*
Total extraordinary income	4,817	**1,633**	*13,340*
Extraordinary losses			
Impairment losses	15,205	**715**	*5,841*
Loss on valuation of shares of subsidiaries and associates	1,444	**-**	*-*
Total extraordinary losses	16,649	**715**	*5,841*
Profit (loss) before income taxes	(14,688)	**30,853**	*252,046*
Income taxes - current	10,506	**15,053**	*122,972*
Income taxes - deferred	(7,707)	**(8,185)**	*(66,865)*
Total income taxes	2,798	**6,867**	*56,098*
Profit (loss)	(17,486)	**23,985**	*195,940*
Profit attributable to non-controlling interests	1,846	**2,183**	*17,834*
Profit (loss) attributable to owners of parent	(19,332)	**21,801**	*178,098*

Consolidated Statements of Cash Flows

For the year ended March 31, 2022 and 2021

	Millions of yen		*Thousands of U.S. dollars*
	Year ended Mar. 31, 2021	**Year ended Mar. 31, 2022**	*Year ended Mar. 31, 2022*
Cash flows from operating activities			
Profit (loss) before income taxes	¥ (14,688)	**¥ 30,853**	*$ 252,046*
Depreciation	61,258	**60,853**	*497,124*
Impairment losses	15,205	**715**	*5,841*
Loss on valuation of shares of subsidiaries and associates	1,444	**-**	*-*
Increase (decrease) in allowance for doubtful accounts	(343)	**(110)**	*(899)*
Increase (decrease) in provision for sales promotion expenses	(5,085)	**-**	*-*
Increase (decrease) in provision for bonuses	(3,819)	**5,566**	*45,470*
Increase (decrease) in provision for construction warranties	(1,938)	**2,083**	*17,017*
Increase (decrease) in provision for loss on construction contracts	2,788	**(4,838)**	*(39,523)*
Increase (decrease) in retirement benefit liability	11,611	**4,778**	*39,033*
Increase (decrease) in provision for the in-service issues of commercial aircraft jet engines	(9,705)	**(2,930)**	*(23,936)*
Interest and dividend income	(2,839)	**(1,972)**	*(16,110)*
Interest expenses	3,790	**3,398**	*27,759*
Share of loss (profit) of entities accounted for using equity method	-	**14,412**	*117,735*
Loss (gain) on sale of non-current assets	(3,236)	**(1,633)**	*(13,340)*
Loss (gain) on sale of shares of subsidiaries and associates	(1,581)	**-**	*-*
Decrease (increase) in trade receivables	23,267	**-**	*-*
Decrease (increase) in notes and accounts receivable - trade and contract assets	-	**25,995**	*212,360*
Decrease (increase) in inventories	(26,374)	**(39,039)**	*(318,920)*
Increase (decrease) in trade payables	(16,784)	**(15,067)**	*(123,086)*
Decrease (increase) in advance payments to suppliers	(132)	**(31,724)**	*(259,162)*
Increase (decrease) in advances received	4,209	**-**	*-*
Increase (decrease) in contract liabilities	-	**92,098**	*752,373*
Decrease (increase) in other current assets	8,900	**(28,723)**	*(234,646)*
Increase (decrease) in other current liabilities	2,988	**43,354**	*354,170*
Other, net	(5,570)	**(470)**	*(3,840)*
Subtotal	42,953	**157,599**	*1,287,468*
Interest and dividends received	6,370	**2,629**	*21,477*
Interest paid	(3,646)	**(3,634)**	*(29,687)*
Income taxes paid	(11,076)	**(12,164)**	*(99,371)*
Net cash provided by (used in) operating activities	34,601	**144,430**	*1,179,887*
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(51,692)	**(62,399)**	*(509,754)*
Proceeds from sale of property, plant and equipment and intangible assets	13,656	**5,556**	*45,388*
Purchase of investment securities	(1,042)	**(2,114)**	*(17,270)*
Proceeds from sale of investment securities	1,407	**5,717**	*46,704*
Purchase of shares of subsidiaries and associates	(97)	**(11)**	*(90)*
Proceeds from sale of shares of subsidiaries and associates	1,927	**-**	*-*
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	**489**	*3,995*
Other, net	(1,551)	**224**	*1,830*
Net cash provided by (used in) investing activities	(37,392)	**(52,537)**	*(429,189)*
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(28,409)	**(74,242)**	*(606,503)*
Proceeds from long-term borrowings	27,310	**15,500**	*126,624*
Repayments of long-term borrowings	(22,297)	**(17,001)**	*(138,886)*
Proceeds from issuance of bonds	60,000	**10,000**	*81,693*
Redemption of bonds	(20,000)	**(30,000)**	*(245,078)*
Dividends paid	(59)	**(3,384)**	*(27,645)*
Dividends paid to non-controlling interests	(960)	**(913)**	*(7,459)*
Proceeds from sale and leaseback transactions	10,014	**-**	*-*
Other, net	(2,505)	**(2,303)**	*(18,814)*
Net cash provided by (used in) financing activities	23,093	**(102,345)**	*(836,084)*
Effect of exchange rate change on cash and cash equivalents	(682)	**(3,202)**	*(26,158)*
Net increase (decrease) in cash and cash equivalents	19,619	**(13,654)**	*(111,543)*
Cash and cash equivalents at beginning of period	102,546	**122,166**	*998,007*
Cash and cash equivalents at end of period	122,166	**108,511**	*886,455*

Segment information

Information by reportable segment

For the year ended March 31, 2021

	Millions of yen Year ended Mar. 31, 2021							
	External sales	Intersegment sales	Total sales	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Aerospace Systems	¥ 377,720	¥ 7,681	¥ 385,402	¥ (31,668)	¥ 757,342	¥ 23,043	¥ -	¥ -	¥ 22,113
Rolling Stock	133,248	7	133,256	(4,593)	215,688	2,551	11,129	148	2,424
Energy Solution & Marine Engineering	319,543	19,756	339,300	10,349	476,254	4,747	4,076	67,921	5,193
Precision Machinery & Robot	240,864	14,853	255,717	14,086	213,792	10,071	-	(24)	9,836
Motorcycle & Engine	336,694	730	337,424	11,758	256,997	14,904	-	1,538	12,790
Other	80,415	36,979	117,395	469	73,211	947	-	3,880	548
Total	1,488,486	80,009	1,568,496	403	1,993,286	56,267	15,205	73,464	52,907
Eliminations and corporate	-	(80,009)	(80,009)	(5,709)	(30,010)	4,991	-	-	12,772
Consolidated total	¥ 1,488,486	¥ -	¥ 1,488,486	¥ (5,305)	¥ 1,963,276	¥ 61,258	¥ 15,205	¥ 73,464	¥ 65,679

	Thousands of U.S. dollars *Year ended Mar. 31, 2021*							
	External sales	*Intersegment sales*	*Total sales*	*Operating income(loss)*	*Total assets*	*Depreciation and amortization*	*Impairment Loss*	*Investment for affiliates applied for equity methods*	*Capital expenditures*
Aerospace Systems	$ 3,411,488	$ 69,373	$ 3,480,871	$ (286,019)	$ 6,840,155	$ 208,120	$ -	$ -	$ 199,720
Rolling Stock	1,203,468	63	1,203,540	(41,483)	1,948,049	23,040	100,515	1,337	21,893
Energy Solution & Marine Engineering	2,886,037	216,908	3,102,954	93,470	4,303,035	42,874	36,814	613,449	46,893
Precision Machinery & Robot	2,175,434	134,149	2,309,583	127,222	1,930,925	90,959	-	(217)	88,837
Motorcycle & Engine	3,040,950	6,593	3,047,543	106,196	2,321,143	134,610	-	13,891	115,517
Other	726,292	333,987	1,060,287	4,236	661,227	8,553	-	35,043	4,949
Total	13,443,696	761,109	14,204,814	3,640	18,004,561	508,192	137,328	663,512	477,845
Eliminations and corporate	-	(761,109)	(761,109)	(51,563)	(272,661)	45,078	-	-	115,354
Consolidated total	$ 13,443,696	$ -	$ 13,443,696	$ (47,914)	$ 17,731,900	$ 553,270	$ 137,328	$ 663,512	$ 593,199

Segment information

Information by reportable segment

For the year ended March 31, 2022

	Millions of yen Year ended Mar. 31, 2022								
	External sales	Intersegment sales	Total sales	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Aerospace Systems	¥ 298,212	¥ 10,123	¥ 308,335	¥ (9,702)	¥ 746,450	¥ 23,350	¥ -	¥ -	¥ 10,755
Rolling Stock	126,684	33	126,718	3,288	213,462	1,244	-	173	1,922
Energy Solution & Marine Engineering	297,306	15,936	313,243	1,166	450,045	4,601	715	65,309	4,483
Precision Machinery & Robot	252,678	19,746	272,425	16,607	238,338	10,713	-	3	11,544
Motorcycle & Engine	447,927	845	448,773	37,338	288,876	14,447	-	815	13,565
Other	78,070	20,164	98,234	2,890	157,136	813	-	4,104	1,598
Total	1,500,879	66,850	1,567,730	*51,590*	2,094,310	55,171	715	70,405	43,870
Eliminations and corporate	-	(66,850)	(66,850)	*(5,785)*	(71,561)	5,681	-	-	9,647
Consolidated total	¥ 1,500,879	¥ -	¥ 1,500,879	¥ 45,805	¥ 2,022,748	¥ 60,853	¥ 715	¥ 70,405	¥ 53,517

	Thousands of U.S. dollars *Year ended Mar. 31, 2022*								
	External sales	*Intersegment sales*	*Total sales*	*Operating income(loss)*	*Total assets*	*Depreciation and amortization*	*Impairment Loss*	*Investment for affiliates applied for equity methods*	*Capital expenditures*
Aerospace Systems	$ 2,436,174	$ 82,697	$ 2,518,871	$ (79,258)	$ 6,097,950	$ 190,752	$ -	$ -	$ 87,860
Rolling Stock	1,034,915	270	1,035,193	26,861	1,743,828	10,163	-	1,413	15,701
Energy Solution & Marine Engineering	2,428,772	130,185	2,558,966	9,525	3,676,538	37,587	5,841	533,527	36,623
Precision Machinery & Robot	2,064,194	161,310	2,225,513	135,667	1,947,047	87,517	-	25	94,306
Motorcycle & Engine	3,659,235	6,903	3,666,147	305,024	2,359,905	118,021	-	6,658	110,816
Other	637,775	164,725	802,500	23,609	1,283,686	6,642	-	33,527	13,054
Total	12,261,082	546,116	12,807,205	421,452	17,108,978	450,707	5,841	575,157	358,386
Eliminations and corporate	-	(546,116)	(546,116)	(47,259)	(584,601)	46,410	-	-	78,809
Consolidated total	$ 12,261,082	$ -	$ 12,261,082	$ 374,193	$ 16,524,369	$ 497,124	$ 5,841	$ 575,157	$ 437,195

Orders by reportable segment

For the year ended March 31, 2022 and 2021

	Billions of yen		*Millions of U.S. dollars*
	Year ended Mar. 31, 2021	**Year ended Mar. 31, 2022**	*Year ended Mar. 31, 2022*
Orders :			
Aerospace Systems	¥ 329.5	**¥ 383.3**	*$ 3,131*
Rolling Stock	77.0	**71.5**	*584*
Energy Solution & Marine Engineering	317.1	**343.5**	*2,806*
Precision Machinery & Robot	259.4	**271.8**	*2,220*
Motorcycle & Engine	336.6	**447.9**	*3,659*
Other	82.5	**84.0**	*686*
Total	¥ 1,402.4	**¥ 1,602.1**	*$ 13,088*