


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

 May 10, 2022  
 (Consolidated)

For the year ended March 31, 2022 and 2021

**Operating results**

	Millions of yen		Thousands of U.S. dollars
	Year ended	Year ended	Year ended
	Mar. 31, 2022	Mar. 31, 2021	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	As of	As of
	Mar. 31, 2022	Mar. 31, 2021	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	Year ended	Year ended
	Mar. 31, 2022	Mar. 31, 2021	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
	As of Mar. 31, 2021	As of Mar. 31, 2022	U.S. dollars As of Mar. 31, 2022
<b>Assets</b>			
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
<b>Liabilities</b>			
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
<b>Net assets</b>			
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)

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