

**Report of Earnings and Financial Statements for the
Fiscal Year Ended March 31, 2022 (Consolidated)**
(Prepared pursuant to Japanese GAAP)

May 10, 2022

Listed company's name: **Kawasaki Heavy Industries, Ltd.**
 Listed on: TSE (Prime Market), and NSE (Premier Market)
 Stock code: 7012
 URL: <https://global.kawasaki.com/>
 Representative: Yasuhiko Hashimoto, President and Chief Executive Officer
 Contact: Takashi Torii, Group Manager, Corporate Communication Group Department
 Tel: +81 3-3435-2130

Scheduled dates:

Ordinary general meeting of shareholders: June 24, 2022
 Submission of financial statements: June 24, 2022
 Commencement of dividend payments: June 27, 2022
 Supplementary materials to financial results: Available
 Financial Results Presentation: Conducted (for institutional investors, analysts and the press)

(Amounts in millions of yen rounded down to the nearest millions of yen)

**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022
(April 1, 2021 – March 31, 2022)**

(1) Operating Results

Years ended March 31 (Percentage figures indicate change compared with the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2022	1,500,879	0.8	45,805	—	29,934	—	21,801	—
2021	1,488,486	(9.3)	(5,305)	—	(2,855)	—	(19,332)	—

Note: Comprehensive income Fiscal year ended March 31, 2022: ¥59,880 million 366.0%
 Fiscal year ended March 31, 2021: ¥12,848 million —%

Years ended March 31

	Earnings per share	Profit per share – diluted	Return on equity	Return on assets	Operating profit margin
	yen	yen	%	%	%
2022	130.26	—	4.6	1.5	3.1
2021	(115.73)	—	(4.2)	(0.1)	(0.4)

For reference: Share of profit of entities accounted for using equity method

Fiscal year ended March 31, 2022: ¥ (14,412) million

Fiscal year ended March 31, 2021: ¥ 411 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020) from this consolidated fiscal year, and the figures for the consolidated fiscal year ended March 2022 are after the application of the accounting standard.

(2) Financial Condition

March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
2022	2,022,748	498,522	23.7	2,861.25
2021	1,963,276	482,775	23.7	2,785.71

For reference: Shareholders' equity March 31, 2022: ¥ 479,180 million
March 31, 2021: ¥ 465,332 million

(3) Cash Flow Position

Years ended March 31

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
2022	144,430	(52,537)	(102,345)	108,511
2021	34,601	(37,392)	23,093	122,166

2. Dividends

Years ended/ending March 31

Record date or term	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends / Net assets (consolidated)
	1Q	2Q	3Q	Year-end	Full year			
	yen	yen	yen	yen	yen	Millions of yen	%	%
2021	—	0.00	—	0.00	0.00	—	—	—
2022	—	20.00	—	20.00	40.00	6,715	30.7	1.4
2023 (forecast)	—	25.00	—	25.00	50.00		29.0	

Note: In the Company's articles of incorporation, the dates of record are set as the last day of the fiscal second quarter and the last day of the fiscal year.

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2023

(April 1, 2022 – March 31, 2023)

(Percentage figures indicate change compared with the previous fiscal year)

	Net sales		Business profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	1,680,000	—	53,000	—	29,000	—	173.28

Note: Due to voluntary application of IFRS from the beginning of the fiscal year ended March 2023, the forecast of consolidated earnings is calculated based on IFRS. Therefore, the percentage change for the consolidated actual results of the fiscal year ended March 2022, to which Japanese GAAP is applied, is not stated.

"Business profit" refers to the conventional operating profit adding non-operating income (expenses), other than financial income (expenses), and extraordinary income (loss).

Notes

1) Changes affecting the status of material subsidiaries (scope of consolidation): None

2) Changes in accounting policies, changes in accounting estimates, and correction of errors

(1) Changes in accounting policies in accord with revisions to accounting standards: Yes

(2) Changes in accounting policies other than (1): None

(3) Changes in accounting estimates: None

(4) Correction of errors: None

*For further details, see “3.Consolidated Financial Statements (5)Notes on financial statements (Changes in accounting policies)” on page 21 in the Accompanying Materials.

3) Number of shares issued and outstanding (common stock)

(1) Number of shares issued as of period-end (including treasury stock)

March 31, 2022: 167,921,800 shares

March 31, 2021: 167,080,532 shares

(2) Number of shares held in treasury as of period-end

March 31, 2022: 449,527 shares

March 31, 2021: 38,282 shares

(3) Average number of shares during respective periods

March 31, 2022: 167,361,902 shares

March 31, 2021: 167,043,192 shares

(Reference) Financial Results of the Company for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(1) Operating Results

Years ended March 31 (Percentage figures indicate change compared with the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2022	892,203	(18.8)	(15,804)	—	9,578	—	21,269	—
2021	1,098,661	(12.1)	(50,722)	—	(35,544)	—	(35,788)	—

	Earnings per share	Earnings per share – diluted
	yen	yen
2022	127.08	—
2021	(214.24)	—

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020) from this fiscal year, and the figures for the fiscal year ended March 2022 are after the application of the accounting standard.

(2) Financial Condition

March 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
2022	1,471,397	266,870	18.1	1,593.52
2021	1,630,571	287,749	17.6	1,722.61

For reference: Shareholders' equity March 31, 2022: ¥ 266,870 million
March 31, 2021: ¥ 287,749 million

***Report of Earnings and Financial Statements are not subject to audit.**

***Appropriate Use of Financial Forecasts and Other Important Matters**

Forward-Looking Statements

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of their preparation, and do not mean that the Company promises to achieve these figures. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to "1. Overview of operating results (4) Consolidated earnings outlook" on page 11 in the Accompanying Materials.

How to Obtain Supplementary Material on Financial Results and Details of the Financial Results

The Company plans to conduct a presentation for institutional investors, analysts and the press on Tuesday, May 10, 2022, and to post the presentation material on financial results to be used for the presentation on TDnet and the Company's website simultaneously with the announcement of financial results.

Accompanying Materials – Contents

1. Overview of operating results	6
(1) Consolidated operating results	6
(2) Consolidated financial condition	11
(3) Cash flows	11
(4) Consolidated earnings outlook	11
2. Basic rationale for selecting accounting standards	12
3. Consolidated Financial Statements	13
(1) Consolidated balance sheets	13
(2) Consolidated statements of income and comprehensive income	15
(3) Consolidated statements of changes in net assets	17
(4) Consolidated statements of cash flows	20
(5) Notes on financial statements	21
(Notes on the going-concern assumption)	21
(Changes in accounting policies)	21
(Related to consolidated balance sheets)	22
(Related to consolidated statements of income)	23
(Segment information)	24
(Per share data)	28
(Material subsequent events)	28
4. Supplementary information on earnings forecasts for the fiscal year ending March 31, 2023	28

1. Overview of operating results

(1) Consolidated operating results

In the global economy, concerns over downside growth and acceleration of inflation are intensifying due to the impact of rise in the prices of resource and energy and supply chain disruptions caused by Russia's invasion of Ukraine. With regard to the Japanese economy, although business capital investment and production activities have continued to recover, uncertainty over the economic outlook has increased with concerns over a deterioration in consumer sentiment due to price increases resulting from simultaneous progress in the depreciation of yen, affected by widening differential between domestic and foreign interest rates, and the rising resource costs. Regarding the impact of COVID-19 pandemic, the continuous attention should be paid because, while there have been the approaches particularly in the developed countries to abolish and relax COVID-19 related regulations, there are the concerns in China about the risk of an economic downturn due to the restricted activities by its Zero-COVID-19 policy.

In this business environment, the Group's consolidated orders received in the fiscal year ended March 31, 2022, increased mainly due to increases in the Motorcycle & Engine segment and the Aerospace Systems segment. Net sales decreased in the Aerospace Systems segment, the Energy Solution & Marine Engineering segment, and other segments, but overall sales increased from the previous fiscal year due to higher sales in the Motorcycle & Engine segment, the Precision Machinery & Robot segment, and other segment. Operating profit improved significantly year on year due to increases in the Motorcycle & Engine segment and the Aerospace Systems segment. Ordinary profit improved significantly due to an improvement in operating profit despite deterioration in share of gains and losses of entities accounted for using equity method, and foreign exchange gains and losses. Profit attributable to owners of parent improved significantly, mainly due to an improvement in ordinary profit.

As a result, the Group's consolidated orders received increased by ¥199.7 billion year on year to ¥1,602.1 billion, consolidated net sales increased by ¥12.3 billion year on year to ¥1,500.8 billion, operating profit improved by ¥51.1 billion year on year to ¥45.8 billion, ordinary profit improved by ¥32.7 billion year on year to ¥29.9 billion, and profit attributable to owners of parent improved by ¥41.1 billion year on year to ¥21.8 billion. ROIC* was 3.5%, while ROE was 4.6%.

* Before-tax ROIC = $\text{EBIT (profit before income taxes + interest expenses)} \div \text{invested capital (interest-bearing debt + shareholders' equity)}$

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29 of March 31, 2020), etc. from the beginning of the current fiscal year. For more information, see "3. (5) Notes on financial statements (Changes in accounting policies) and (Segment information)".

Consolidated operating performance in the fiscal year ended March 31, 2022, is summarized by segment below.

Segment Information

Segment net sales, operating profit, and orders received (billions of yen)

	Fiscal year ended March 31						Orders received		
	2021(A)		2022(B)		Change (B – A)		Fiscal year ended March 31		
	Net sales	Operating profit	Net sales	Operating profit	Net Sales	Operating profit	2021 (A)	2022 (B)	Change (B – A)
Aerospace Systems	377.7	(31.6)	298.2	(9.7)	(79.5)	21.9	329.5	383.3	53.7
Rolling Stock	133.2	(4.5)	126.6	3.2	(6.5)	7.8	77.0	71.5	(5.5)
Energy Solution & Marine Engineering	319.5	10.3	297.3	1.1	(22.2)	(9.1)	317.1	343.5	26.3
Precision Machinery & Robot	240.8	14.0	252.6	16.6	11.8	2.5	259.4	271.8	12.4
Motorcycle & Engine	336.6	11.7	447.9	37.3	111.2	25.5	336.6	447.9	111.2
Other	80.4	0.4	78.0	2.8	(2.3)	2.4	82.5	84.0	1.4
Adjustments	—	(5.7)	—	(5.7)	—	(0)	—	—	—
Total	1,488.4	(5.3)	1,500.8	45.8	12.3	51.1	1,402.4	1,602.1	199.7

Notes: 1. Net sales include only sales to external customers.

2. The Motorcycle & Engine segment's orders received are equal to its net sales as production is based mainly on estimated demand.

3. From the beginning of the current consolidated accounting period, the previous reporting segments of "Energy System & Plant Engineering" and "Ship & Offshore Structure" have been integrated into "Energy Solution & Marine Engineering". As a result, reportable segments have been changed to "Aerospace Systems", "Rolling Stock", "Energy Solution & Marine Engineering", "Precision Machinery & Robot", "Motorcycle & Engine", and "Other".

Segment information for the previous fiscal year is presented using the new classification method.

Aerospace Systems

Regarding the business environment surrounding the Aerospace Systems segment, demand for Ministry of Defense in Japan is generally stable despite the tight defense budget. With respect to commercial aircraft, global passenger demand has been sluggish due to the COVID-19 pandemic, and demand for commercial aircraft airframes and jet engines has declined. Despite signs of a recovery in demand on European, North American and Atlantic routes, the outlook remains uncertain due to delays in the recovery of demand in Asia and elsewhere and the impact of Russia's invasion of Ukraine.

Amid such an operating environment, consolidated orders received increased by ¥53.7 billion year on year to ¥383.3 billion, mainly due to an increase in component parts of airframes for Ministry of Defense in Japan and commercial aircraft, despite a decrease in component parts of jet engines for commercial aircraft resulting from the application of revenue recognition accounting standards.

Consolidated net sales decreased by ¥79.5 billion year on year to ¥298.2 billion, mainly due to a decrease in component parts of jet engines for commercial aircraft resulting from the application of revenue recognition accounting standards, as well as a decrease in component parts of airframes for Ministry of Defense in Japan and commercial aircraft.

Operating loss came to ¥9.7 billion, improving ¥21.9 billion year on year, due to an improvement in profitability of component parts of airframes and jet engines for commercial aircraft, despite a decrease in sales.

Rolling Stock

Regarding the business environment surrounding the Rolling Stock segment, the effect of the COVID-19 has led to a review railway-related investment plans in Japan, and delays in work processes as well as postponement of biddings overseas. In addition, although the impact on the current situation is limited, we need to keep a close watch on shortages of electronic components, logistics disruptions, and rising raw materials prices. In the medium and long term, however, relatively stable growth is expected around the world due to development of urban transportation as an environmental protection measure and to ease congestion in large cities caused by increasing population concentration, as well as demand for railway infrastructure following economic development in Asian countries.

Amid such an operating environment, consolidated orders received decreased by ¥5.5 billion to ¥71.5 billion compared to the previous fiscal year, when large-scale orders for Shinkansen bullet trains were received, despite the orders for subway rolling stock for the domestic market.

Consolidated net sales decreased by ¥6.5 billion year on year to ¥126.6 billion, mainly due to a decrease in sales of railcars for domestic markets.

Operating profit came to ¥3.2 billion, improving ¥7.8 billion despite a decrease in sales, compared to the previous fiscal year when the profitability of overseas projects deteriorated due to the impact of the COVID-19 pandemic.

Energy Solution & Marine Engineering

The business environment surrounding the Energy Solution & Marine Engineering segment remains on a recovery track as the global economy moves from stagnation due to the COVID-19 pandemic to normalization. Demand for distributed power sources in Japan and overseas and, for energy infrastructure development in emerging countries, remains strong, while there is ongoing demand for the replacement of aging facilities for refuse incineration plants. Also, business opportunities on LPG carriers are increasing. In addition, there is a growing worldwide trend toward achieving carbon neutrality, and contacts and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products of our Company's strength. On the other hand, there are concerns that the rapid normalization of the economy will lead to higher raw material prices and higher transportation costs, which will squeeze earnings.

Amid such an operating environment, consolidated orders received increased by ¥26.3 billion from the previous fiscal year to ¥343.5 billion due to orders received for large-scale projects such as maintenance and operation of domestic waste disposal facilities.

Consolidated net sales decreased by ¥22.2 billion year on year to ¥297.3 billion, mainly due to a decrease in the volume of work of submarines for Ministry of Defense in Japan and a decrease in sales of Gas Turbine Combined Cycle (GTCC) power plants.

Operating profit came to ¥1.1 billion, decreasing ¥9.1 billion year on year, due to a decrease in sales.

Precision Machinery & Robot

Regarding the business environment surrounding the Precision Machinery & Robot segment, in the precision machinery field, demand in the Chinese construction machinery market has continued to be at a high level since the fiscal year 2020 due to strong performance in the first half of the fiscal year 2021, despite the apparent slowdown in demand from the end of this fiscal year. In the construction machinery market outside China, the performance has continued to be strong throughout the year, and overall remained steady. In the robot field, although shortages of electronic components and logistics disruptions have continued, the performance of robots for semiconductor manufacturing equipment is strong due to aggressive capital investment by semiconductor manufacturers, and the general-purpose robots continue to be in strong demand due to investment in automation of production facilities and other factors.

Amid such an operating environment, consolidated orders received increased by ¥12.4 billion year on year to ¥271.8 billion, due to an increase in various robots for semiconductor manufacturing equipment and other applications.

Consolidated net sales increased by ¥11.8 billion year on year to ¥252.6 billion, due to an increase in various robots for semiconductor manufacturing equipment and other applications and weaker yen.

Operating profit increased by ¥2.5 billion year on year to ¥16.6 billion mainly due to sales

increase.

Motorcycle & Engine

The business environment surrounding the Motorcycle & Engine segment continues to be affected by the COVID-19 pandemic. Demand for off-road models such as four-wheeled vehicles continued to be strong in the United States, a major market, as in the previous fiscal year, and the European market also remained strong. On the other hand, although the Southeast Asian market has recovered compared to the previous fiscal year, the outlook remains uncertain. The supply of products is also affected by shortages of semiconductors and raw materials and disruptions in distribution.

Amid such an operating environment, consolidated net sales increased by ¥111.2 billion year on year to ¥447.9 billion due to an increase in motorcycles for Europe and Southeast Asia, as well as an increase in motorcycles for North America and an increase in general-purpose engines.

Operating profit increased by ¥25.5 billion from the previous fiscal year to ¥37.3 billion due to an increase in sales, and a weaker yen compared to the previous fiscal year, despite rising prices of raw materials and parts.

Other Operations

Consolidated net sales decreased by ¥2.3 billion year on year to ¥78.0 billion.

Operating profit increased by ¥2.4 billion year on year to ¥2.8 billion.

In the Group Vision 2030, the Group will focus on three fields; “A Safe and Secure Remotely-Connected Society”, “Near-Future Mobility” and “Energy and Environmental Solutions” and will transform our business structure into a form which promises faster growth. The Group is making steady progress in new businesses, such as the development of surgical support robots and automated PCR testing, the development of delivery robots and unmanned transport helicopters, and the promotion of hydrogen-related projects.

(2) Consolidated financial condition

(i) Assets

Current assets were ¥1,297.7 billion, ¥12.3 billion increase from the previous fiscal year due to an increase in other items such as accounts receivable-other.

Non-current assets were ¥724.9 billion, ¥47.0 billion increase from the previous fiscal year due to an increase in investments and other assets.

As a result, total assets were ¥2,022.7 billion, ¥59.4 billion increase from the previous fiscal year.

(ii) Liabilities

Interest-bearing debt was ¥501.4 billion, ¥91.8 billion decrease from the previous fiscal year.

Liabilities were ¥1,524.2 billion, ¥43.7 billion increase from the previous fiscal year due to increases in advances received of contract liabilities and other factors.

(iii) Net assets

Net assets were ¥498.5 billion, ¥15.7 billion increase from the previous fiscal year due to an increase in foreign currency translation adjustment.

(3) Cash flows

(i) Cash flows from operating activities

Operating activities provided net cash of ¥144.4 billion, ¥109.8 billion increase from the previous fiscal year. Major sources of operating cash flows included depreciation of ¥60.8 billion and an increase in advances received of contract liabilities of ¥92.0 billion. Major uses of operating cash flows included expenditure of ¥39.0 billion due to an increase in inventory.

(ii) Cash flows from investing activities

Investing activities used net cash of ¥52.5 billion which is ¥15.1 billion more than in the previous fiscal year, mainly due to purchase of property, plant and equipment, as well as intangible assets.

(iii) Cash flows from financing activities

Financing activities used net cash of ¥102.3 billion, which is ¥125.4 billion more than in the previous fiscal year, when financing activities provided net cash of ¥23.0 billion. This was mainly due to net decrease in short-term borrowings.

(4) Consolidated earnings outlook

The Company will voluntarily apply the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ended March 2023, therefore, has calculated the forecast of consolidated earnings based on IFRS.

With respect to the earnings forecasts for the fiscal year ending March 31, 2023, the Company is expecting consolidated net sales of ¥1,680.0 billion, a ¥179.2 billion year on year increase, due to expected increases in the Aerospace Systems segment, the Motorcycle & Engine segment and other segments.

In terms of profit, the Company is forecasting business profit* of ¥53.0 billion and profit attributable to owners of parent of ¥29.0 billion. Furthermore, the Company is expecting ROIC of 4.7% and ROE of 5.9%. These forecasts are based on the expectation for an improvement of profitability of commercial aircraft jet engines with the recovery of commercial aircraft operating hours in the Aerospace Systems segment and for an increase in profits in conjunction with a rise in sales of the Motorcycle and Engine segment and other factors.

Consolidated orders received are expected to decrease ¥32.1 billion year on year to ¥1,570.0 billion.

Assumed exchange rates of ¥120/US\$ and ¥130/Euro are used for the above consolidated earnings outlook.

*"Business profit" refers to the conventional operating profit adding non-operating income (expenses), other than financial income (expenses), and extraordinary income (loss).

Note regarding consolidated earnings outlook

The above earnings outlook is based on information available at the time of preparation, and includes risks and uncertainties. We therefore discourage making investment decisions depending solely on this outlook. Please note that actual earnings may differ materially from this outlook, due to a variety of important factors stemming from changes the external environment and/or the Company's internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the Company's scope of business, foreign exchange rates, in particular the yen/dollar exchange rate, tax codes and other regulatory system-related issues.

2. Basic rationale for selecting accounting standards

Considering the progress of global business activities, the Group will voluntarily apply International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ended March 2023 to enhance the global comparability of financial statements in the capital market and to improve the group management by standardizing the accounting process within the group.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

Years ended March 31	Millions of yen	
	2021	2022
Assets		
Current assets		
Cash and deposits	126,702	114,469
Notes and accounts receivable - trade	460,436	—
Notes and accounts receivable - trade, and contract assets	—	418,625
Merchandise and finished goods	69,223	78,616
Work in process	452,848	419,954
Raw materials and supplies	136,471	160,113
Other	43,314	109,911
Allowance for doubtful accounts	(3,589)	(3,908)
Total current assets	1,285,407	1,297,781
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	172,951	168,409
Machinery, equipment and vehicles, net	142,951	137,217
Land	57,743	58,383
Leased assets, net	10,564	10,815
Construction in progress	16,635	20,224
Other, net	50,413	49,212
Total property, plant and equipment	451,259	444,262
Intangible assets		
	22,427	23,413
Investments and other assets		
Investment securities	12,721	14,539
Retirement benefit asset	155	200
Deferred tax assets	70,452	86,249
Other	122,254	157,668
Allowance for doubtful accounts	(1,403)	(1,366)
Total investments and other assets	204,180	257,291
Total non-current assets	677,868	724,967
Total assets	1,963,276	2,022,748
Liabilities		
Current liabilities		
Notes and accounts payable - trade	247,294	239,976
Electronically recorded obligations - operating	107,849	104,336
Short-term borrowings	141,579	96,108
Current portion of bonds payable	30,000	20,000
Lease liabilities	1,061	1,175
Income taxes payable	4,753	8,506
Provision for sales promotion expenses	7,380	—
Provision for bonuses	18,239	23,938
Provision for construction warranties	12,550	14,797
Provision for loss on construction contracts	14,263	9,602
Advances received	153,298	—
Contract liabilities	—	256,189
Other	179,283	212,696
Total current liabilities	917,555	987,328

Non-current liabilities		
Bonds payable	190,000	180,000
Long-term borrowings	199,177	194,297
Lease liabilities	9,532	9,899
Deferred tax liabilities	1,125	1,593
Retirement benefit liability	115,456	106,803
Provision for the in-service issues of commercial aircraft jet engines	(*1) 5,984	(*1) 3,054
Other	41,668	41,249
	Total non-current liabilities	562,944
Total liabilities	1,480,500	1,524,225
Net assets		
Shareholders' equity		
Share capital	104,484	104,484
Capital surplus	54,542	55,526
Retained earnings	306,576	285,381
Treasury shares	(136)	(1,129)
	Total shareholders' equity	465,467
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,955	1,424
Deferred gains or losses on hedges	(179)	(191)
Foreign currency translation adjustment	(931)	23,585
Remeasurements of defined benefit plans	(979)	10,098
	Total accumulated other comprehensive income	(134)
Non-controlling interests	17,442	19,342
Total net assets	482,775	498,522
Total liabilities and net assets	1,963,276	2,022,748

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income		Millions of yen	
Years ended March 31		2021	2022
Net sales		1,488,486	1,500,879
Cost of sales		1,297,324	1,244,300
Gross profit		191,162	256,578
Selling, general and administrative expenses			
Salaries and allowances		56,970	59,872
Research and development expenses		44,949	47,098
Other		94,548	103,800
Total selling, general and administrative expenses		196,468	210,772
Operating profit (loss)		(5,305)	45,805
Non-operating income			
Interest income		677	1,106
Dividend income		2,161	865
Gain on sale of investment securities		771	2,120
Share of profit of entities accounted for using equity method		411	—
Foreign exchange gains		4,074	569
Reversal of provision for the in-service issues of commercial aircraft jet engines		(*1) 3,306	—
Other		3,815	4,680
Total non-operating income		15,218	9,342
Non-operating expenses			
Interest expenses		3,790	3,398
Share of loss of entities accounted for using equity method		—	14,412
Loss on retirement of non-current assets		2,866	951
Other		6,091	6,451
Total non-operating expenses		12,768	25,213
Ordinary profit (loss)		(2,855)	29,934
Extraordinary income			
Gain on sale of non-current assets		(*2) 3,236	(*2) 1,633
Gain on sale of shares of subsidiaries and associates		(*3) 1,581	—
Total extraordinary income		4,817	1,633
Extraordinary losses			
Impairment losses		(*4) 15,205	(*4) 715
Loss on valuation of shares of subsidiaries and associates		1,444	—
Total extraordinary losses		16,649	715
Profit (loss) before income taxes		(14,688)	30,853
Income taxes - current		10,506	15,053
Income taxes - deferred		(7,707)	(8,185)
Total income taxes		2,798	6,867
Profit (loss)		(17,486)	23,985
Profit attributable to non-controlling interests		1,846	2,183
Profit (loss) attributable to owners of parent		(19,332)	21,801

Consolidated statements of comprehensive income

Years ended March 31

Millions of yen

	2021	2022
Profit (loss)	(17,486)	23,985
Other comprehensive income		
Net unrealized gains (losses) on securities	426	(524)
Deferred losses on hedges	(284)	(337)
Foreign currency translation adjustment	6,727	16,407
Remeasurement of defined benefit plans	18,969	11,130
Share of other comprehensive income of associates accounted for using equity method	4,496	9,218
Total other comprehensive income	<u>30,335</u>	<u>35,895</u>
Comprehensive Income attributable to:	<u>12,848</u>	<u>59,880</u>
Owners of parent	10,423	56,854
Non-controlling interests	2,425	3,026

(3) Consolidated statements of changes in net assets

Years ended March 31	Millions of yen	
	2021	2022
Shareholders' equity		
Common stock		
Balance at end of previous year	104,484	104,484
Total changes during the period	—	—
Balance at end of year	104,484	104,484
Capital surplus		
Balance at end of previous year	54,542	54,542
Changes during the period		
Issuance of new shares		1,916
Loss on sales of treasury stock	(0)	2
Transfer of loss on sales of treasury stock	0	0
Changes in equity of parent company in transactions with non-controlling shareholders	(0)	(935)
Total changes during the period	(0)	983
Balance at end of year	54,542	55,526
Retained earnings		
Balance at end of previous year	326,626	306,576
Cumulative effect of changes in accounting policies		(39,639)
Restated balance		266,937
Changes during the period		
Cash dividend		(3,357)
Profit (loss) attributable to owners of parent	(19,332)	21,801
Transfer of loss on sales of treasury stock	(0)	(0)
Other	(716)	—
Total changes during the period	(20,049)	18,444
Balance at end of year	306,576	285,381
Treasury stock		
Balance at end of previous year	(133)	(136)
Changes during the period		
Treasury stock purchased, net	(3)	(994)
Loss on sales of treasury stock	0	1
Total changes during the period	(3)	(992)
Balance at end of year	(136)	(1,129)
Total shareholders' equity		
Balance at end of previous year	485,520	465,467
Cumulative effect of changes in accounting policies		(39,639)
Restated balance		425,827
Changes during the period		
Issuance of new shares		1,916
Cash dividend		(3,357)
Profit (loss) attributable to owners of parent	(19,332)	21,801
Treasury stock purchased, net	(3)	(994)
Loss on sales of treasury stock	0	3
Transfer of loss on disposal of treasury stock	—	—
Changes in equity of parent company in transactions with non-controlling shareholders	(0)	(935)

Years ended March 31	Millions of yen	
	2021	2022
Other	(716)	—
Total changes during the period	(20,052)	18,435
Balance at end of year	465,467	444,262
Comprehensive income		
Net unrealized gains (losses) on securities		
Balance at end of previous year	1,636	1,955
Changes during the period		
Net changes in items other than shareholder's equity	319	(530)
Total changes during the period	319	(530)
Balance at end of year	1,955	1,424
Deferred gains (losses) on hedges		
Balance at end of previous year	(272)	(179)
Changes during the period		
Net changes in items other than shareholders' equity	92	(11)
Total changes during the period	92	(11)
Balance at end of year	(179)	(191)
Foreign currency translation adjustments		
Balance at end of previous year	(11,311)	(931)
Changes during the period		
Net changes in items other than shareholders' equity	10,379	24,516
Total changes during the period	10,379	24,516
Balance at end of year	(931)	23,585
Remeasurements of defined benefit plans		
Balance at end of previous year	(19,946)	(979)
Changes during the period		
Net changes in items other than shareholders' equity	18,966	11,078
Total changes during the period	18,966	11,078
Balance at end of year	(979)	10,098
Total comprehensive income		
Balance at end of previous year	(29,892)	(134)
Changes during the period		
Net changes in items other than shareholders' equity	29,758	35,052
Total changes during the period	29,758	35,052
Balance at end of year	(134)	34,917
Non-controlling interests		
Balance at end of previous year	15,934	17,442
Changes during the period		
Net changes in items other than shareholders' equity	1,507	1,899
Total changes during the period	1,507	1,899
Balance at end of year	17,442	19,342

Years ended March 31	Millions of yen	
	2021	2022
Total net assets		
Balance at end of previous year	471,562	482,775
Cumulative effect of changes in accounting policies		(39,639)
Restated balance		443,135
Changes during the period		
Issuance of new shares		1,916
Cash dividend	—	(3,357)
Profit attributable to owners of parent (loss)	(19,332)	21,801
Treasury stock purchased, net	(3)	(994)
Loss on sales of treasury stock	0	3
Transfer of loss on disposal of treasury stock	—	—
Changes in equity of parent company in transactions with non-controlling shareholders	(0)	(935)
Other	(716)	—
Net changes in items other than shareholders' equity	31,265	36,951
Total changes during the period	11,213	55,386
Balance at end of year	482,775	498,522

(4) Consolidated statements of cash flows

Years ended March 31	Millions of yen	
	2021	2022
Cash flows from operating activities		
Profit (loss) before income taxes	(14,688)	30,853
Depreciation	61,258	60,853
Impairment loss	15,205	715
Loss on valuation of shares of subsidiaries and associates	1,444	—
Increase (decrease) in allowance for doubtful accounts	(343)	(110)
Increase (decrease) in provision for sales promotion expenses	(5,085)	—
Increase (decrease) in provision for bonuses	(3,819)	5,566
Increase (decrease) in provision for construction warranties	(1,938)	2,083
Increase (decrease) in provision for loss on construction contracts	2,788	(4,838)
Increase (decrease) in retirement benefit liability	11,611	4,778
Increase (decrease) in provision for the in-service issues of commercial aircraft jet engines	(9,705)	(2,930)
Interest and dividend income	(2,839)	(1,972)
Interest expenses	3,790	3,398
Share of loss (profit) of entities accounted for using equity method	(411)	14,412
Loss (gain) on sale of non-current assets	(3,236)	(1,633)
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
Decrease (increase) in inventories	(26,374)	(39,039)
Increase (decrease) in trade payables	(16,784)	(15,067)
Decrease (increase) in advance payments to suppliers	(132)	(31,724)
Increase (decrease) in advances received	4,209	—
Increase (decrease) in contract liabilities	—	92,098
Decrease (increase) in other current assets	8,900	(28,723)
Increase (decrease) in other current liabilities	2,988	43,354
Other, net	(5,570)	(470)
Subtotal	42,953	157,599
Interest and dividends received	6,370	2,629
Interest paid	(3,646)	(3,634)
Income taxes paid	(11,076)	(12,164)
Net cash provided by (used in) operating activities	34,601	144,430
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(51,692)	(62,399)
Proceeds from sales of property, plant and equipment and intangible assets	13,656	5,556
Purchase of investment securities	(1,042)	(2,114)
Proceeds from sale of investment securities	1,407	5,717
Purchase of shares of subsidiaries and associates	(97)	(11)
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
Other, net	(1,551)	224
Net cash provided by (used in) investing activities	(37,392)	(52,537)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(28,409)	(74,242)
Proceeds from long-term borrowings	27,310	15,500
Repayments of long-term borrowings	(22,297)	(17,001)
Proceeds from issuance of bonds	60,000	10,000
Redemption of bonds	(20,000)	(30,000)
Dividends paid	(59)	(3,384)
Dividends paid to non-controlling interests	(960)	(913)
Proceeds from sale and leaseback transactions	10,014	—
Other, net	(2,505)	(2,303)
Net cash provided by (used in) financing activities	23,093	(102,345)
Effect of exchange rate change on cash and cash equivalents	(682)	(3,202)
Net increase (decrease) in cash and cash equivalents	19,619	(13,654)
Cash and cash equivalents at beginning of period	102,546	122,166
Cash and cash equivalents at end of period	122,166	108,511

(5) Notes on financial statements

Notes on the going-concern assumption

Not applicable

Changes in accounting policies

(Application of Accounting Standards for Revenue Recognition)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 of March 31, 2020. Hereinafter referred to as “revenue recognition accounting standards”), etc. from the beginning of this consolidated fiscal year, and recognizes revenue at the amount expected to be received in exchange for the promised goods or services when the control of those goods or services is transferred to customers.

As a result of this adoption, a portion of the costs incurred in connection with the civil aviation engine program in which the Company is participating, which was previously recorded in cost of sales, has been reduced from sales in consideration of payments to customers. As a result, the development contribution for the civil aviation engine program, which was previously accounted for in work in process, has been transferred to investments and other assets. In addition, for after-sales services for the civil aviation engine program, although sales and cost of sales were previously recorded based on information provided by the Company's main partner, revenue is now recognized based on fulfillment of performance obligations, and variable compensation and compensation paid to customers are estimated when revenue is recognized. In addition, the Company changed the method of accounting for certain types of discounts the Company is willing to pay in accordance with the ratio of participation in the civil aviation engine program from the method previously reported based on information provided by the main partner to the method in which the amount of such discounts is estimated as variable compensation at the time of revenue recognition.

Regarding the application of the revenue recognition accounting standard, in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the revenue recognition accounting standard, the cumulative effect of retroactive application of the new accounting policy prior to the beginning of this consolidated fiscal year is added to or subtracted from retained earnings at the beginning of this consolidated fiscal year, and the new accounting policy is applied from the beginning balance. However, the new accounting policy has not been retroactively applied to contracts that have been recognized almost all amounts of revenue in accordance with the previous treatment prior to the beginning of this consolidated fiscal year by applying the method specified in Paragraph 86 of the Accounting Standard for Revenue Recognition. In addition, by applying the method specified in Paragraph 86 and Item (1) of the Accounting Standard for Revenue Recognition, changes in contracts made prior to the beginning of this consolidated fiscal year are accounted for under the terms and conditions after reflecting all changes in contracts, and the cumulative effect of such changes is recorded in the consolidated financial statements for the beginning of this

consolidated fiscal year. The amount is adjusted to retained earnings at the beginning of this consolidated fiscal year.

Due to the application of revenue recognition accounting standards, “notes and accounts receivable - trade”, which were included in “current assets” in the consolidated balance sheets for the previous fiscal year, are included in “notes and accounts receivable - trade, and contract assets” from the beginning of this consolidated fiscal year. “Advances received”, which were presented as “current liabilities” in the consolidated balance sheets for the previous fiscal year, have been presented as “contract liabilities” from the beginning of this consolidated fiscal year, and “provision for sales promotion expenses” in “current liabilities” have been included in “other” under “current liabilities”. The Company has not reclassified the previous consolidated fiscal year using the new presentation method in accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition.

As a result, compared with the figures before the application of the revenue recognition accounting standards, net sales and cost of sales decreased respectively by ¥102,800 million and by ¥108,128 million, and operating profit, ordinary profit and profit before income tax increased by ¥5,327 million respectively.

Due to the reflection of the cumulative effect on net assets at the beginning of this consolidated fiscal year, the beginning balance of retained earnings decreased by ¥39,639 million.

(Application of Accounting Standards for Fair Value Measurements)

The Company has applied the “Accounting Standard for Fair Value Measurements” (ASBJ Statement No. 30 of July 4, 2019. Hereinafter referred to as “Accounting Standard for Fair Value Measurements”), etc. from the beginning of this consolidated fiscal year, and in accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurements and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10 of July 4, 2019), the new accounting policy set forth in the Accounting Standard for Fair Value Measurements, etc. will be applied in the future. There is no impact on the consolidated financial statements.

Related to consolidated balance sheets

(*1) Provision for the in-service issues of commercial aircraft jet engines

The Company participates as a risk and revenue sharing partner on the Rolls-Royce Trent 1000 engine program, which has been impacted by the challenge of managing significant in-service issues. Rolls-Royce continues to work hard to remedy this situation and has made further substantial progress on the implementation of long-term solutions and mitigation of the near-term impact on customers. The Company has made a provision of the abnormal cost related to in-service issues which the Company would cover as a member of this program.

Related to consolidated statements of income

(*1) Reversal of provision for the in-service issues of commercial aircraft jet engines

The Company participates as a risk and revenue sharing partner on the Rolls-Royce Trent 1000 engine program, which has been impacted by the challenge of managing significant in-service issues. Rolls-Royce continues to work hard to remedy this situation. The Company has made a provision of the cost related to in-service issues which the Company would cover as a member of this program. The reversal of the provision was included within the non-operating income.

(*2) Gain on sale of non-current assets

Fiscal year ended March 31, 2021

Proceeds from the sale of housing sites of the Company and subsidiaries.

Fiscal year ended March 31, 2022

Proceeds from the sale of the land of the Company in Yokkaichi, Japan.

(*3) Gain on sale of shares of subsidiaries and associates

Proceeds from the sale of shares of associates of subsidiaries.

(*4) Impairment losses

Due to a decline in profitability from the assets of the Sakaide Works of the Energy Solution & Marine Engineering segment based on the current market environment.

Segment information

1. Overview of reportable segments

The Company's reportable segments are components of the Company about which separate financial information is available. These segments are subject to periodic reviews by the Company's board of directors to decide how to allocate resources and assess performance. The Company's operations are divided into internal companies based on product categories. Certain authority is delegated to each of the internal companies, based on which they conduct businesses in Japan and overseas. The Company's operations are therefore segmented based on each internal company's product categories. The Company's six reportable segments are the Aerospace Systems segment, the Rolling Stock segment, the Energy Solution & Marine Engineering segment, the Precision Machinery & Robot segment, the Motorcycle & Engine segment, and the Other segment.

From the beginning of this consolidated fiscal year, the previous reporting segments of "Energy System & Plant Engineering" and "Ship & Offshore Structure" have been integrated into "Energy Solution & Marine Engineering". As a result, reportable segments have been changed to "Aerospace Systems" and "Rolling Stock", "Energy Solution & Marine Engineering", "Precision Machinery & Robot", "Motorcycle & Engine", "Other". Segment information for the previous consolidated fiscal year is presented using the new classification method.

Main segment businesses are listed below.

Industry segment	Major products
Aerospace Systems	Production and sale of aircraft, jet engines, etc.
Rolling Stock	Production and sale of rolling stock, snow plows, etc.
Energy Solution & Marine Engineering	Production and sale of energy-related machinery and system, marine machinery and system, industrial equipment, environmental equipment, ultralow temperature tank, hydrogen-related structures, crushers, ships and other vessels, etc.
Precision Machinery & Robot	Production and sale of industrial hydraulic products, industrial robots, etc.
Motorcycle & Engine	Production and sale of motorcycles, vehicles of off-road models (SxS, ATV), personal watercraft ("JET SKI"), general-purpose gasoline engines, etc.
Other	Commercial activities, sales/order agency and intermediary activities, administration of welfare facilities, etc.

2. Method for calculating sales, profit/loss, assets, liabilities, and other items for reportable segments

The accounting methods applied to the reported business segments generally follow the accounting policies used to prepare the consolidated financial statements. The income of reporting segments is based on operating profit. Inter-segment earnings and transfers are based on market prices.

As stated in *Changes in Accounting Policies*, the Company has applied revenue recognition accounting standards, etc. from the beginning of this consolidated fiscal year and has changed the

accounting method for revenue recognition.

As a result of this change, compared with the previous method, net sales of the “Aerospace Systems” segment decreased by ¥79,490 million, segment loss improved ¥5,202 million, net sales of the “Rolling stock” segment decreased by ¥55 million, segment profit increased by ¥0 million, net sales of the “Energy Solution & Marine Engineering” segment increased by ¥328 million, segment profit increased by ¥66 million, and net sales of “Other” decreased by ¥23,582 million, segment profit increased by ¥58 million.

3. Sales, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Sales			Operating profit (loss)	Total assets	Other items			
	External sales	Intersegment sales	Total sales			Depreciation	Impairment loss	Investment for affiliates applied for equity methods	Increase in property, plant and equipment and intangibles
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
Adjustments	—	(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

Fiscal year ended March 31, 2022 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Sales			Operating profit (loss)	Total assets	Other items			
	External sales	Intersegment sales	Total sales			Depreciation	Impairment loss	Investment for affiliates applied for equity methods	Increase in property, plant and equipment and intangibles
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
Adjustments	—	(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

4. Reconciliation and main components of difference between total for reportable segments and amounts on the consolidated financial statements

Fiscal year ended March 31		(Millions of yen)	
Sales	2021	2022	
Total for reportable segments	1,568,496	1,567,730	
Intersegment transactions	(80,009)	(66,850)	
Net sales reported on the consolidated financial statements	1,488,486	1,500,879	

Fiscal year ended March 31		(Millions of yen)	
Income	2021	2022	
Total for reportable segments	403	51,590	
Intersegment transactions	36	135	
Corporate expenses*	(5,745)	(5,921)	
Operating profit (loss) on consolidated financial statements	(5,305)	45,805	

Note: Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

Fiscal year ended March 31		(Millions of yen)	
Assets	2021	2022	
Total for reportable segments	1,993,286	2,094,310	
Intersegment transactions etc.	(138,799)	(203,588)	
Corporate assets shared by all segments*	108,788	132,027	
Total assets on consolidated financial statements	1,963,276	2,022,748	

Note: Corporate assets shared by all segments mainly comprise non-current assets not attributed to reportable segments.

Fiscal year ended March 31		(Millions of yen)				
Other items	Total for reportable segments		Adjustments*		Amounts reported on the consolidated financial statements	
	2021	2022	2021	2022	2021	2022
Depreciation	56,267	55,171	4,991	5,681	61,258	60,853
Increase in property, plant and equipment and intangibles	52,907	43,870	12,772	9,647	65,679	53,517

Note: Adjustments are mainly due to non-current assets not attributed to reportable segments.

Per share data

Fiscal year ended March 31		(Yen)	
	2021	2022	
Net assets per share	2,875.71	2,861.25	
Earnings per share - basic	(115.73)	130.26	

Notes:

1. Diluted net earnings per share are not stated because there are no potential shares.
2. Profit/loss per share and net income per share (diluted) were calculated based on the following:

Fiscal year ended March 31		(Millions of yen)	
	2021	2022	
Earnings per share – basic			
Profit (loss) attributable to owners of parent	(19,332)	21,801	
Earnings not attributable to common shareholders	—	—	
Profit (loss) allocated to the common stock	(19,332)	21,801	
Average number of common stock outstanding (Thousands of shares)	167,043	167,361	

Material subsequent events

Not applicable.

4. Supplementary information on earnings forecasts for the fiscal year ending March 31, 2023

(1) Net sales and operating profit (loss)

Fiscal year ended March 31				(Billions of yen)			
Reportable segment	Net sales			Operating profit			Business profit
	2022	2023	Change	2022	2023	Change	2023
	(A)	(B)	(B – A)	(A)	(B)	(B – A)	(B)
Aerospace Systems	298.2	350.0	51.8	(9.7)	1.5	11.2	2.5
Rolling Stock	126.6	140.0	13.4	3.2	3.5	0.3	3.0
Energy Solution & Marine Engineering	297.3	330.0	32.7	1.1	2.5	1.4	2.5
Precision Machinery & Robot	252.6	270.0	17.4	16.6	20.0	3.4	17.0
Motorcycle & Engine	447.9	500.0	52.1	37.3	45.0	7.7	43.0
Other	78.0	90.0	12.0	2.8	4.0	1.2	4.0
Adjustments				(5.7)	(15.5)	(9.8)	(19.0)
Total	1,500.8	1,680.0	179.2	45.8	61.0	15.2	53.0

(2) Orders received

Fiscal year ended March 31

(Billions of yen)

Reportable segment	2022 (A)	2023 (B)	Change (B - A)
Aerospace Systems	383.3	280.0	(103.3)
Rolling Stock	71.5	80.0	8.5
Energy Solution & Marine Engineering	343.5	340.0	(3.5)
Precision Machinery & Robot	271.8	280.0	8.2
Motorcycle & Engine	447.9	500.0	52.1
Other	84.0	90.0	6.0
Total	1,602.1	1,570.0	(32.1)

Note: 1. Assumed exchange rate for the fiscal year ending March 31, 2023 would be ¥120/US\$ and ¥130/Euro.

2. The Motorcycle & Engine segment's orders received are equal to its net sales as production is based mainly on estimated demand.

3. "Business profit" refers to the conventional operating profit adding non-operating income (expenses), other than financial income (expenses), and extraordinary income (loss).