


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

For the year ended March 31, 2023 and 2022

May 10, 2023
(Consolidated)
Operating results

	(Millions of yen)	
	Year ended Mar. 31, 2023	Year ended Mar. 31, 2022
Revenue	1,725,609	1,500,879
Business Profit	85,294	30,366
Profit attributable to owners of parent	55,071	12,638
Earnings per share (Yen)	329	76

Financial position

	(Millions of yen / Thousand shares)	
	As of Mar. 31, 2023	As of Mar. 31, 2022
Total assets	2,459,767	2,174,630
Equity	598,914	524,891
Number of shares issued and outstanding	167,481	167,472
Equity Ratio	23.5%	23.2%

Cash flows

	(Millions of yen)	
	Year ended Mar. 31, 2023	Year ended Mar. 31, 2022
Operating activities	23,617	156,890
Investing activities	(77,457)	(58,396)
Financing activities	85,305	(108,904)
Cash and cash equivalents at end of period	138,420	108,511

Fiscal year forecast

	(Millions of yen)		
	Revenue	Business profit	Profit attributable to owners of parent
One year ending March 31, 2024	1,900,000	78,000	47,000

Note: The KHI Group has adopted International Financial Reporting Standards(IFRS) from the first quarter ending June 30, 2022, and the fiscal year ended March 31, 2022 are reclassified based on IFRS.

Consolidated Statement of Financial Position*As of March 31, 2023, 2022 and Apr 1, 2021*

	(Millions of yen)		
	As of Apr. 1, 2021	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets			
Current assets			
Cash and cash equivalents	122,166	108,511	138,420
Trade and other receivables	355,061	409,246	473,337
Contract assets	148,523	109,132	159,422
Inventories	565,860	615,476	690,431
Income taxes receivable	3,482	3,046	551
Other financial assets	6,660	10,606	10,741
Other current assets	23,110	64,184	100,385
Total current assets	<u>1,224,865</u>	<u>1,320,204</u>	<u>1,573,289</u>
Non-current assets			
Property, plant and equipment	449,155	444,375	451,010
Intangible assets	62,510	61,940	66,248
Right-of-use assets	55,504	58,524	68,422
Investments accounted for using equity method	73,464	70,438	77,440
Other financial assets	69,913	70,752	70,224
Deferred tax assets	106,430	102,209	109,366
Other non-current assets	48,835	46,183	43,763
Total non-current assets	<u>865,814</u>	<u>854,425</u>	<u>886,477</u>
Total assets	<u>2,090,679</u>	<u>2,174,630</u>	<u>2,459,767</u>
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	418,070	399,892	452,250
Bonds, borrowings and other financial liabilities	266,724	208,773	340,176
Income taxes payable	4,753	8,506	18,071
Contract liabilities	159,476	256,189	256,247
Provisions	26,918	24,409	22,897
Other current liabilities	116,244	161,951	219,019
Total current liabilities	<u>992,187</u>	<u>1,059,723</u>	<u>1,308,661</u>
Non-current liabilities			
Bonds, borrowings and other financial liabilities	478,002	458,068	445,082
Retirement benefit liability	115,218	107,024	91,552
Provisions	7,082	4,136	1,942
Deferred tax liabilities	1,038	1,382	833
Other non-current liabilities	17,504	19,403	12,779
Total non-current liabilities	<u>618,847</u>	<u>590,014</u>	<u>552,190</u>
Total liabilities	<u>1,611,034</u>	<u>1,649,738</u>	<u>1,860,852</u>
Equity			
Equity attributable to owners of parent			
Share capital	104,484	104,484	104,484
Capital surplus	54,542	55,525	55,716
Retained earnings	299,409	320,671	382,297
Treasury shares	(136)	(1,129)	(1,107)
Other components of equity	3,846	25,931	36,852
Total equity attributable to owners of parent	<u>462,146</u>	<u>505,484</u>	<u>578,243</u>
Non-controlling interests	17,498	19,407	20,670
Total equity	<u>479,645</u>	<u>524,891</u>	<u>598,914</u>
Total liabilities and equity	<u>2,090,679</u>	<u>2,174,630</u>	<u>2,459,767</u>

Consolidated Statement of Profit or Loss*For the year ended March 31, 2023 and 2022*

	(Millions of yen)	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Revenue	1,500,879	1,725,609
Cost of sales	1,247,615	1,391,787
Gross profit	<u>253,263</u>	<u>333,822</u>
Selling, general and administrative expenses	211,134	249,372
Share of profit (loss) of investments accounted for using equity method	(14,410)	3,314
Other income	6,795	4,850
Other expenses	4,147	7,320
Business profit	<u>30,366</u>	<u>85,294</u>
Finance income	2,556	2,291
Finance costs	5,251	14,297
Profit before tax	<u>27,670</u>	<u>73,288</u>
Income tax expense	12,834	15,955
Profit	<u>14,836</u>	<u>57,332</u>
Profit attributable to		
Owners of parent	12,638	55,071
Non-controlling interests	<u>2,198</u>	<u>2,261</u>
Earnings per share		
Basic earnings per share	<u>75.51</u>	<u>328.82</u>

Consolidated Statement of Comprehensive Income*For the year ended March 31, 2023 and 2022*

	(Millions of yen)	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Profit	<u>14,836</u>	<u>57,332</u>
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,350	(363)
Remeasurements of defined benefit plans	10,281	14,353
Share of other comprehensive income of investments accounted for using equity method	(1)	0
Total of items that will not be reclassified to profit or loss	<u>12,630</u>	<u>13,989</u>
Items that may be reclassified to profit or loss		
Cash flow hedges	(125)	1,932
Exchange differences on translation of foreign operations	13,680	10,112
Share of other comprehensive income of investments accounted for using equity method	9,220	508
Total of items that may be reclassified to profit or loss	<u>22,775</u>	<u>12,553</u>
Total other comprehensive income	<u>35,405</u>	<u>26,542</u>
Comprehensive income	<u>50,241</u>	<u>83,875</u>
Comprehensive income attributable to		
Owners of parent	47,186	80,827
Non-controlling interests	<u>3,055</u>	<u>3,048</u>

Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of Apr. 1, 2021	104,484	54,542	299,409	(136)
Profit			12,638	
Other comprehensive income				
Comprehensive income			12,638	
Issuance of new shares		1,916		
Purchase of treasury shares				(994)
Disposal of treasury shares		2		1
Transfer of loss on disposal of treasury shares		0	(0)	
Dividends			(3,357)	
Transfer to retained earnings			12,158	
Change in scope of consolidation				
Loss of control of subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests		(936)		
Transfer to non-financial assets				
Other			(177)	
Total transactions with owners		982	8,623	(992)
Balance as of Mar. 31, 2022	104,484	55,525	320,671	(1,129)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Other components of equity					Total equity attributable to owners of parent		
	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of Apr. 1, 2021	-	4,025	(179)	-	3,846	462,146	17,498	479,645
Profit						12,638	2,198	14,836
Other comprehensive income	10,224	2,343	200	21,779	34,548	34,548	857	35,405
Comprehensive income	10,224	2,343	200	21,779	34,548	47,186	3,055	50,241
Issuance of new shares						1,916		1,916
Purchase of treasury shares						(994)		(994)
Disposal of treasury shares						3		3
Transfer of loss on disposal of treasury shares						-		-
Dividends						(3,357)	(936)	(4,294)
Transfer to retained earnings	(10,224)	(1,933)			(12,158)	-		-
Change in scope of consolidation							795	795
Loss of control of subsidiaries								-
Change in ownership interest of parent due to transactions with non-controlling interests						(936)	(1,004)	(1,940)
Transfer to non-financial assets			(305)		(305)	(305)		(305)
Other				0	0	(176)		(176)
Total transactions with owners	(10,224)	(1,933)	(305)	0	(12,463)	(3,849)	(1,145)	(4,995)
Balance as of Mar. 31, 2022	-	4,435	(284)	21,780	25,931	505,484	19,407	524,891

For the year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of Apr. 1, 2022	104,484	55,525	320,671	(1,129)
Profit			55,071	
Other comprehensive income				
Comprehensive income			55,071	
Issuance of new shares				
Purchase of treasury shares				(4)
Disposal of treasury shares		(0)		26
Transfer of loss on disposal of treasury shares		0	(0)	
Dividends			(8,394)	
Transfer to retained earnings			14,191	
Change in scope of consolidation				
Loss of control of subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests		190		
Transfer to non-financial assets				
Other			756	
Total transactions with owners		190	6,554	22
Balance as of Mar. 31, 2023	104,484	55,716	382,297	(1,107)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Other components of equity					Total equity attributable to owners of parent		
	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of Apr. 1, 2022	-	4,435	(284)	21,780	25,931	505,484	19,407	524,891
Profit						55,071	2,261	57,332
Other comprehensive income	14,235	(370)	1,603	10,286	25,755	25,755	787	26,542
Comprehensive income	14,235	(370)	1,603	10,286	25,755	80,827	3,048	83,875
Issuance of new shares								-
Purchase of treasury shares						(4)		(4)
Disposal of treasury shares						26		26
Transfer of loss on disposal of treasury shares						-		-
Dividends						(8,394)	(964)	(9,358)
Transfer to retained earnings	(14,235)	43			(14,191)	-		-
Change in scope of consolidation							366	366
Loss of control of subsidiaries							(2,079)	(2,079)
Change in ownership interest of parent due to transactions with non-controlling interests						190	891	1,082
Transfer to non-financial assets			(643)		(643)	(643)		(643)
Other						756		756
Total transactions with owners	(14,235)	43	(643)		(14,834)	(8,067)	(1,785)	(9,852)
Balance as of Mar. 31, 2023	-	4,109	676	32,066	36,852	578,243	20,670	598,914

(Consolidated)

Consolidated Statement of Cash Flows*For the year ended March 31, 2023 and 2022*

	(Millions of yen)	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Cash flows from operating activities		
Profit	14,836	57,332
Depreciation and amortization	76,998	77,374
Impairment losses	728	4,606
Finance income and finance costs	2,172	7,312
Share of loss (profit) of investments accounted for using equity method	14,410	(3,314)
Loss (gain) on sale of fixed assets	(554)	1,042
Income tax expense	12,834	15,955
Increase (decrease) in retirement benefit liability	4,778	1,281
Decrease (increase) in trade and other receivables	(38,213)	(59,334)
Decrease (increase) in contract assets	39,412	(50,291)
Decrease (increase) in inventories	(37,984)	(64,217)
Increase (decrease) in trade and other payables	(11,848)	42,213
Decrease (increase) in advance payment	(31,707)	(28,508)
Increase (decrease) in contract liabilities	92,072	(3,730)
Increase(decrease) in other current liabilities	40,939	43,231
Other	(8,122)	3,023
Subtotal	170,751	43,975
Interest received	1,755	3,328
Dividends received	865	332
Interest paid	(4,318)	(5,005)
Income taxes paid	(12,164)	(19,013)
Net cash provided by (used in) operating activities	156,890	23,617
Cash flows from investing activities		
Purchase of property, plant and equipment	(58,943)	(58,943)
Proceeds from sale of property, plant and equipment	2,929	2,180
Purchase of intangible assets	(8,700)	(11,001)
Payments for equity method investment and purchase of other financial assets	(2,042)	(6,702)
Proceeds from equity method investment and sale of other financial assets	6,347	160
Payments for acquisition of subsidiaries	-	(648)
Decrease due to loss of control over subsidiaries	-	(3,224)
Proceeds from acquisition of subsidiaries	489	-
Other	1,522	722
Net cash provided by (used in) investing activities	(58,396)	(77,457)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(74,247)	36,664
Repayments of lease liabilities	(13,436)	(14,545)
Proceeds from long-term borrowings	15,500	18,500
Repayments of long-term borrowings	(17,001)	(21,987)
Proceeds from issuance of bonds	10,000	9,000
Redemption of bonds	(30,000)	(20,000)
Dividends paid	(3,384)	(8,383)
Proceeds from fluidity of lease receivables	62,749	130,662
Repayment of payables under fluidity lease receivables	(56,186)	(37,861)
Dividends paid to non-controlling interests	(913)	(964)
Other	(1,983)	(5,777)
Net cash provided by (used in) financing activities	(108,904)	85,305
Effect of exchange rate changes on cash and cash equivalents	(3,244)	(1,556)
Net increase (decrease) in cash and cash equivalents	(13,654)	29,909
Cash and cash equivalents at beginning of period	122,166	108,511
Cash and cash equivalents at end of period	108,511	138,420

Segment information
Information by reportable segment

For the year ended March 31, 2023 and 2022

Millions of yen										
Year ended Mar. 31, 2022										
	External sales	Intersegment sales	Total sales	Business profit(loss)	Finance income	Finance costs	Profit before tax	Depreciation and amortization	Impairment Loss	Share of profit (loss) of investments accounted for using equity method
Aerospace Systems	¥ 298,212	¥ 10,123	¥ 308,335	¥ (10,346)				¥ 30,906	¥ -	¥ -
Rolling Stock	126,684	33	126,718	2,250				1,567	-	17
Energy Solution & Marine Engineering	297,306	15,936	313,243	(10,884)				6,184	728	(11,261)
Precision Machinery & Robot	252,678	19,746	272,425	13,928				10,835	-	(3,437)
Motorcycle & Engine	447,927	845	448,773	37,523				17,521	-	81
Other	78,070	20,164	98,234	3,151				1,285	-	156
Total	1,500,879	66,850	1,567,730	35,623				68,301	728	(14,442)
Eliminations and corporate	0	(66,850)	(66,850)	(5,257)				8,696	-	32
Consolidated total	¥ 1,500,879	¥ -	¥ 1,500,879	¥ 30,366	¥ 2,556	¥ (5,251)	¥ 27,670	¥ 76,998	¥ 728	¥ (14,410)

Millions of yen										
Year ended Mar. 31, 2023										
	External sales	Intersegment sales	Total sales	Business profit(loss)	Finance income	Finance costs	Profit before tax	Depreciation and amortization	Impairment Loss	Share of profit (loss) of investments accounted for using equity method
Aerospace Systems	¥ 348,880	¥ 10,254	¥ 359,134	¥ 17,816				¥ 29,499	¥ 1,649	¥ -
Rolling Stock	131,935	14	131,949	1,372				1,913	-	8
Energy Solution & Marine Engineering	314,552	21,303	335,856	3,905				6,231	554	6,016
Precision Machinery & Robot	252,697	19,315	272,013	8,766				11,271	-	(2,761)
Motorcycle & Engine	591,151	1,033	592,184	71,533				17,408	-	(40)
Other	86,392	23,270	109,662	(1,845)				1,413	2,402	104
Total	1,725,609	75,191	1,800,801	101,550				67,738	4,606	3,328
Eliminations and corporate	-	(75,191)	(75,191)	(16,256)				9,636	-	(14)
Consolidated total	¥ 1,725,609	¥ -	¥ 1,725,609	¥ 85,294	¥ 2,291	¥ (14,297)	¥ 73,288	¥ 77,374	¥ 4,606	¥ 3,314

Orders by reportable segment*For the year ended March 31, 2023 and 2022*

	(Billions of yen)	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023
Orders :		
<i>Aerospace Systems</i>	383.3	345.5
<i>Rolling Stock</i>	71.5	313.2
<i>Energy Solution & Marine Engineering</i>	343.5	439.0
<i>Precision Machinery & Robot</i>	271.8	262.0
<i>Powersports & Engine</i>	447.9	591.1
<i>Other</i>	84.0	86.4
Total	1,602.1	2,037.4