


**KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES**  
**FLASH CONSOLIDATED FINANCIAL RESULTS [ IFRS ]**
**August 8, 2023**  
**(Consolidated)**
*For three months ended June 30, 2023 and 2022 and one year ended March 31, 2023*
**Operating results**

	(Millions of yen)	
	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2022
Revenue	405,340	350,344
Business Profit	10,253	4,593
Profit attributable to owners of parent	9,089	5,457
Earnings per share (Yen)	54.27	32.58

**Financial position**

	(Millions of yen / Thousand shares)	
	As of Jun. 30, 2023	As of Mar. 31, 2023
Total assets	2,480,770	2,457,725
Equity	605,244	596,872
Number of shares issued and outstanding	167,481	167,481
Equity Ratio	23.6%	23.4%

**Cash flows**

	(Millions of yen)	
	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2022
Operating activities	(22,434)	(61,995)
Investing activities	(21,989)	(24,035)
Financing activities	1,925	62,769
Cash and cash equivalents at end of period	91,879	78,495

**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

**Consolidated Statement of Financial Position***As of June 30 and March 31, 2023*

	(Millions of yen)	
	As of Mar. 31, 2023	As of Jun. 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	138,420	91,879
Trade and other receivables	470,398	491,155
Contract assets	159,422	131,614
Inventories	690,431	719,180
Income taxes receivable	551	2,292
Other financial assets	10,741	9,278
Other current assets	100,385	122,184
Total current assets	<u>1,570,350</u>	<u>1,567,585</u>
Non-current assets		
Property, plant and equipment	451,010	459,717
Intangible assets	66,248	68,679
Right-of-use assets	68,422	69,368
Investments accounted for using equity method	77,440	85,571
Other financial assets	70,224	76,832
Deferred tax assets	110,264	109,357
Other non-current assets	43,763	43,658
Total non-current assets	<u>887,374</u>	<u>913,184</u>
Total assets	<u>2,457,725</u>	<u>2,480,770</u>
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Trade and other payables	452,250	436,820
Bonds, borrowings and other financial liabilities	340,176	409,777
Income taxes payable	18,071	5,934
Contract liabilities	256,247	277,664
Provisions	22,897	21,658
Other current liabilities	219,019	194,626
Total current liabilities	<u>1,308,661</u>	<u>1,346,482</u>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	445,082	417,687
Retirement benefit liability	91,552	92,839
Provisions	1,942	1,907
Deferred tax liabilities	833	921
Other non-current liabilities	12,779	15,688
Total non-current liabilities	<u>552,190</u>	<u>529,043</u>
Total liabilities	<u>1,860,852</u>	<u>1,875,525</u>
Equity		
Equity attributable to owners of parent		
Share capital	104,484	104,484
Capital surplus	55,716	55,962
Retained earnings	380,255	379,315
Treasury shares	(1,107)	(1,108)
Other components of equity	36,852	46,114
Total equity attributable to owners of parent	<u>576,201</u>	<u>584,768</u>
Non-controlling interests	20,670	20,476
Total equity	<u>596,872</u>	<u>605,244</u>
Total liabilities and equity	<u>2,457,725</u>	<u>2,480,770</u>

**Consolidated Statement of Profit or Loss***For three months ended June 30, 2023 and 2022*

	(Millions of yen)	
	Three months ended Jun. 30, 2022	Three months ended Jun. 30, 2023
Revenue	350,344	<b>405,340</b>
Cost of sales	292,972	<b>339,247</b>
Gross profit	<u>57,372</u>	<u><b>66,093</b></u>
Selling, general and administrative expenses	53,568	<b>62,352</b>
Share of profit (loss) of investments accounted for using equity method	631	<b>6,093</b>
Other income	1,625	<b>1,203</b>
Other expenses	1,467	<b>783</b>
Business profit	<u>4,593</u>	<u><b>10,253</b></u>
Finance income	7,512	<b>7,859</b>
Finance costs	1,500	<b>3,146</b>
Profit before tax	<u>10,605</u>	<u><b>14,966</b></u>
Income tax expense	4,810	<b>5,519</b>
Profit	<u>5,794</u>	<u><b>9,447</b></u>
Profit attributable to		
Owners of parent	5,457	<b>9,089</b>
Non-controlling interests	336	<b>357</b>
Earnings per share		
Basic earnings per share	<u>32.58</u>	<u><b>54.27</b></u>

**Consolidated Statement of Comprehensive Income***For three months ended June 30, 2023 and 2022*

	(Millions of yen)	
	Three months ended Jun. 30, 2022	Three months ended Jun. 30, 2023
<b>Profit</b>	<u>5,794</u>	<u>9,447</u>
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(575)	1,728
Remeasurements of defined benefit plans	457	35
Share of other comprehensive income of investments accounted for using equity method	(241)	0
Total of items that will not be reclassified to profit or loss	<u>(359)</u>	<u>1,763</u>
Items that may be reclassified to profit or loss		
Cash flow hedges	(3,041)	(7,038)
Exchange differences on translation of foreign operations	12,310	14,385
Share of other comprehensive income of investments accounted for using equity method	4,057	620
Total of items that may be reclassified to profit or loss	<u>13,326</u>	<u>7,967</u>
Total other comprehensive income	<u>12,967</u>	<u>9,731</u>
Comprehensive income	<u>18,761</u>	<u>19,179</u>
<b>Comprehensive income attributable to</b>		
Owners of parent	17,869	18,534
Non-controlling interests	<u>891</u>	<u>644</u>

**Consolidated Statement of Changes in Equity**

For three months ended June 30, 2022

(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			5,457	
Other comprehensive income				
Comprehensive income			5,457	
Purchase of treasury shares				(0)
Dividends			(3,357)	
Transfer to retained earnings			465	
Change in scope of consolidation				
Loss of control of subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests				
Transfer to non-financial assets				
Other			34	
Total transactions with owners			(2,856)	(0)
Balance as of Jun. 30, 2022	104,484	55,525	323,272	(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, 2022	-	4,435	(284)	21,780	25,931	505,484	19,407	524,891
Profit						5,457	336	5,794
Other comprehensive income	465	(792)	(3,291)	16,030	12,412	12,412	554	12,967
Comprehensive income	465	(792)	(3,291)	16,030	12,412	17,869	891	18,761
Purchase of treasury shares						(0)		(0)
Dividends						(3,357)	(560)	(3,918)
Transfer to retained earnings	(465)				(465)	-		-
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								-
Transfer to non-financial assets			(229)		(229)	(229)		(229)
Other						34	0	34
Total transactions with owners	(465)		(229)		(695)	(3,553)	(2,272)	(5,826)
Balance as of Jun. 30, 2022	-	3,642	(3,805)	37,810	37,647	519,800	18,026	537,827

For three months ended June 30, 2023

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of Apr. 1, 2023	104,484	55,716	380,255	(1,107)
Profit			9,089	
Other comprehensive income				
Comprehensive income			9,089	
Purchase of treasury shares				(1)
Dividends			(10,072)	
Transfer to retained earnings			44	
Change in scope of consolidation			(1)	
Loss of control of subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests		246		
Transfer to non-financial assets				
Other				
Total transactions with owners		246	(10,029)	(1)
Balance as of Jun. 30, 2023	104,484	55,962	379,315	(1,108)

	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, 2023	-	4,109	676	32,066	36,852	576,201	20,670	596,872
Profit						9,089	357	9,447
Other comprehensive income	44	1,657	(7,860)	15,602	9,444	9,444	287	9,731
Comprehensive income	44	1,657	(7,860)	15,602	9,444	18,534	644	19,179
Purchase of treasury shares						(1)		(1)
Dividends						(10,072)	(581)	(10,654)
Transfer to retained earnings	(44)				(44)	-		-
Change in scope of consolidation						(1)		(1)
Loss of control of subsidiaries								-
Change in ownership interest of parent due to transactions with non-controlling interests						246	(258)	(11)
Transfer to non-financial assets			(138)		(138)	(138)		(138)
Other								0
Total transactions with owners	(44)		(138)		(182)	(9,967)	(839)	(10,807)
Balance as of Jun. 30, 2023	-	5,767	(7,322)	47,669	46,114	584,768	20,476	605,244

(Consolidated)

**Consolidated Statement of Cash Flows***For three months ended June 30, 2023 and 2022*

	(Millions of yen)	
	Three months ended Jun. 30, 2022	Three months ended Jun. 30, 2023
Cash flows from operating activities		
Profit	5,794	9,447
Depreciation and amortization	19,005	21,391
Impairment losses	62	109
Finance income and finance costs	721	2,329
Share of loss (profit) of investments accounted for using equity method	(631)	(6,093)
Loss (gain) on sale of fixed assets	317	(527)
Income tax expense	4,810	5,519
Increase (decrease) in retirement benefit liability	(205)	1,113
Decrease (increase) in trade and other receivables	23,667	7,677
Decrease (increase) in contract assets	(7,652)	27,816
Decrease (increase) in inventories	(27,732)	(19,445)
Increase (decrease) in trade and other payables	(25,523)	(17,928)
Decrease (increase) in advance payment	(28,373)	(3,123)
Increase (decrease) in contract liabilities	8,640	15,786
Increase (decrease) in other current assets	(13,918)	(18,736)
Increase(decrease) in other current liabilities	(6,492)	(33,886)
Other	(6,717)	(504)
Subtotal	<u>(54,226)</u>	<u>(9,052)</u>
Interest received	401	614
Dividends received	206	294
Interest paid	(954)	(1,729)
Income taxes paid	(7,421)	(12,561)
Net cash provided by (used in) operating activities	<u>(61,995)</u>	<u>(22,434)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,315)	(19,019)
Proceeds from sale of property, plant and equipment	1,212	1,087
Payments for equity method investment and purchase of other financial assets	(5,111)	(166)
Proceeds from equity method investment and sale of other financial assets	1	0
Payments for acquisition of subsidiaries	(501)	-
Decrease due to loss of control over subsidiaries	(3,224)	-
Other	(3,097)	(3,891)
Net cash provided by (used in) investing activities	<u>(24,035)</u>	<u>(21,989)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	84,208	90,299
Repayments of lease liabilities	(3,267)	(3,490)
Repayments of long-term borrowings	(4,000)	(1,030)
Redemption of bonds	-	(20,000)
Dividends paid	(3,082)	(9,329)
Proceeds from factoring agreements	7,106	-
Repayment of liabilities under factoring agreements	(14,596)	(49,033)
Dividends paid to non-controlling interests	(560)	(581)
Other	(3,038)	(4,908)
Net cash provided by (used in) financing activities	<u>62,769</u>	<u>1,925</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(6,754)</u>	<u>(4,042)</u>
Net increase (decrease) in cash and cash equivalents	<u>(30,015)</u>	<u>(46,541)</u>
Cash and cash equivalents at beginning of period	<u>108,511</u>	<u>138,420</u>
Cash and cash equivalents at end of period	<u>78,495</u>	<u>91,879</u>

## Segment information

### Information by reportable segment

	(Millions of yen)			
	Three months ended			
	Jun. 30, 2022			
	Revenue from external customers	Intersegment revenue and transfers	Total revenue	Business profit (loss)
Aerospace Systems	63,458	2,727	66,185	(8,929)
Rolling Stock	26,404	5	26,410	(158)
Energy Solution & Marine Engineering	63,514	3,455	66,970	(27)
Precision Machinery & Robot	52,607	3,980	56,588	1,482
Powersports & Engine	126,047	148	126,195	12,883
Other	18,311	4,382	22,694	1,347
<b>Total</b>	<b>350,344</b>	<b>14,700</b>	<b>365,044</b>	<b>6,597</b>
Eliminations and corporate	-	(14,700)	(14,700)	(2,004)
<b>Consolidated total</b>	<b>350,344</b>	<b>-</b>	<b>350,344</b>	<b>4,593</b>

	(Millions of yen)			
	Three months ended			
	Jun. 30, 2023			
	Revenue from external customers	Intersegment revenue and transfers	Total revenue	Business profit (loss)
Aerospace Systems	80,217	2,403	82,621	(4,650)
Rolling Stock	43,519	12	43,531	(6)
Energy Solution & Marine Engineering	70,765	4,927	75,692	5,860
Precision Machinery & Robot	49,315	3,604	52,919	(2,552)
Powersports & Engine	143,982	207	144,189	14,300
Other	17,540	5,505	23,046	645
<b>Total</b>	<b>405,340</b>	<b>16,661</b>	<b>422,002</b>	<b>13,597</b>
Eliminations and corporate	-	(16,661)	(16,661)	(3,343)
<b>Consolidated total</b>	<b>405,340</b>	<b>-</b>	<b>405,340</b>	<b>10,253</b>

## Orders by reportable segment

For three months ended June 30, 2023 and 2022

	(Billions of yen)	
	Three months ended	Three months ended
	Jun. 30, 2022	Jun. 30, 2023
<b>Orders :</b>		
Aerospace Systems	60.4	118.7
Rolling Stock	11.7	16.4
Energy Solution & Marine Engineering	124.5	102.3
Precision Machinery & Robot	67.9	54.0
Powersports & Engine	126.0	143.9
Other	21.3	21.7
<b>Total</b>	<b>412.0</b>	<b>457.3</b>