


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
February 7, 2025
For nine months ended December 31, 2024 and 2023 and one year ended March 31, 2024
(Consolidated)
Operating results

	(Millions of yen)	
	Nine months ended	Nine months ended
	Dec. 31, 2024	Dec. 31, 2023
Revenue	1,407,362	1,229,069
Business profit	79,039	741
Profit (loss) attributable to owners of parent	44,163	(13,480)
Earnings (loss) per share (yen)	263.64	(80.48)

Financial position

	(Millions of yen / Thousand shares)	
	As of	As of
	Dec. 31, 2024	Mar. 31, 2024
Total assets	3,045,769	2,680,176
Equity	690,300	654,549
Number of shares issued and outstanding	167,519	167,501
Equity Ratio	21.9%	23.7%

Cash flows

	(Millions of yen)	
	Nine months ended	Nine months ended
	Dec. 31, 2024	Dec. 31, 2023
Operating activities	(78,197)	(97,921)
Investing activities	(79,919)	(81,109)
Financing activities	204,172	146,748
Cash and cash equivalents at end of period	129,047	102,015

Fiscal year forecast

	(Millions of yen)		
	Revenue	Business profit	Profit attributable to owners of parent
One year ending March 31, 2025	2,160,000	130,000	78,000

Consolidated Statement of Financial Position*As of December 31 and March 31, 2024*

	(Millions of yen)	
	As of Mar. 31, 2024	As of Dec. 31, 2024
Assets		
Current assets		
Cash and cash equivalents	84,153	129,047
Trade and other receivables	681,030	713,264
Contract assets	136,706	169,359
Inventories	710,207	863,025
Income taxes receivable	2,158	500
Other financial assets	11,024	16,259
Other current assets	101,644	167,085
Total current assets	<u>1,726,925</u>	<u>2,058,543</u>
Non-current assets		
Property, plant and equipment	496,331	511,570
Intangible assets	69,617	71,739
Right-of-use assets	64,824	65,475
Investments accounted for using equity method	90,954	113,866
Other financial assets	80,762	72,410
Deferred tax assets	117,452	120,672
Other non-current assets	33,307	31,492
Total non-current assets	<u>953,250</u>	<u>987,226</u>
Total assets	<u>2,680,176</u>	<u>3,045,769</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	521,734	557,962
Bonds, borrowings and other financial liabilities	453,694	747,983
Income taxes payable	7,928	12,221
Contract liabilities	265,468	315,926
Provisions	34,242	32,805
Refund liabilities	72,518	66,180
Other current liabilities	185,902	183,150
Total current liabilities	<u>1,541,489</u>	<u>1,916,230</u>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	391,539	342,008
Retirement benefit liability	74,604	78,876
Provisions	957	953
Deferred tax liabilities	707	511
Other non-current liabilities	16,327	16,888
Total non-current liabilities	<u>484,137</u>	<u>439,238</u>
Total liabilities	<u>2,025,626</u>	<u>2,355,468</u>
Equity		
Equity attributable to owners of parent		
Share capital	104,484	104,484
Capital surplus	56,455	56,456
Retained earnings	405,156	432,428
Treasury shares	(1,060)	(1,024)
Other components of equity	69,054	75,439
Total equity attributable to owners of parent	<u>634,090</u>	<u>667,784</u>
Non-controlling interests	20,459	22,516
Total equity	<u>654,549</u>	<u>690,300</u>
Total liabilities and equity	<u>2,680,176</u>	<u>3,045,769</u>

Consolidated Statement of Profit or Loss*For nine months ended December 31, 2024 and 2023*

	(Millions of yen)	
	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Revenue	1,229,069	1,407,362
Cost of sales	1,038,299	1,113,498
Gross profit	<u>190,770</u>	<u>293,863</u>
Selling, general and administrative expenses	196,199	226,236
Share of profit of investments accounted for using equity method	6,148	13,538
Other income	3,655	2,502
Other expenses	3,633	4,627
Business profit	<u>741</u>	<u>79,039</u>
Finance income	2,107	1,892
Finance costs	20,780	16,469
Profit (loss) before tax	<u>(17,931)</u>	<u>64,462</u>
Income tax expense	(6,095)	18,193
Profit (loss)	<u>(11,835)</u>	<u>46,268</u>
Profit (loss) attributable to:		
Owners of parent	(13,480)	44,163
Non-controlling interests	<u>1,644</u>	<u>2,105</u>
Earnings per share		
Basic earnings (loss) per share	<u>(80.48)</u>	<u>263.64</u>

Consolidated Statement of Comprehensive Income

For nine months ended December 31, 2024 and 2023

	(Millions of yen)	
	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Profit (loss)	(11,835)	46,268
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,148	(2,018)
Remeasurements of defined benefit plans	(35)	398
Share of other comprehensive income of investments accounted for using equity method	1	1
Total of items that will not be reclassified to profit or loss	2,114	(1,618)
Items that may be reclassified to profit or loss		
Cash flow hedges	(427)	(3,766)
Exchange differences on translation of foreign operations	14,585	7,693
Share of other comprehensive income of investments accounted for using equity method	3,572	4,520
Total of items that may be reclassified to profit or loss	17,730	8,447
Total other comprehensive income	19,844	6,828
Comprehensive income	8,009	53,097
Comprehensive income attributable to:		
Owners of parent	5,658	50,945
Non-controlling interests	2,351	2,152

Consolidated Statement of Changes in Equity

For nine months ended December 31, 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 (loss)			(13,480)	
Other comprehensive income				
Comprehensive income			(13,480)	
Purchase of treasury shares				(5)
Disposal of treasury shares		0		45
Dividends			(13,430)	
Transfer to retained earnings			(234)	
Change in scope of consolidation			8	
Capital increase of consolidated subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests		717		
Transfer to non-financial assets				
Total transactions with owners		717	(13,656)	39
Balance as of Dec. 31, 2023	104,484	56,433	353,118	(1,067)

	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 (loss)						(13,480)	1,644	(11,835)
Other comprehensive income	(32)	2,107	1,026	16,036	19,138	19,138	706	19,844
Comprehensive income	(32)	2,107	1,026	16,036	19,138	5,658	2,351	8,009
Purchase of treasury shares						(5)		(5)
Disposal of treasury shares						45		45
Dividends						(13,430)	(581)	(14,012)
Transfer to retained earnings	32	202			234	-		-
Change in scope of consolidation				(17)	(17)	(9)		(9)
Capital increase of consolidated subsidiaries								-
Change in ownership interest of parent due to transactions with non-controlling interests						717	(1,902)	(1,185)
Transfer to non-financial assets			(393)		(393)	(393)		(393)
Total transactions with owners	32	202	(393)	(17)	(176)	(13,076)	(2,484)	(15,560)
Balance as of Dec. 31, 2023	-	6,418	1,309	48,085	55,814	568,783	20,537	589,321

For nine months ended December 31, 2024

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of Apr. 1, 2024	104,484	56,455	405,156	(1,060)
Profit			44,163	
Other comprehensive income				
Comprehensive income			44,163	
Purchase of treasury shares				(9)
Disposal of treasury shares		0		45
Dividends			(16,787)	
Transfer to retained earnings			(102)	
Change in scope of consolidation				
Capital increase of consolidated subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests				
Transfer to non-financial assets				
Total transactions with owners		0	(16,890)	36
Balance as of Dec. 31, 2024	104,484	56,456	432,428	(1,024)

	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, 2024	-	10,407	355	58,291	69,054	634,090	20,459	654,549
Profit						44,163	2,105	46,268
Other comprehensive income	355	(1,990)	(1,813)	10,230	6,782	6,782	46	6,828
Comprehensive income	355	(1,990)	(1,813)	10,230	6,782	50,945	2,152	53,097
Purchase of treasury shares						(9)		(9)
Disposal of treasury shares						46		46
Dividends						(16,787)	(458)	(17,246)
Transfer to retained earnings	(355)	458			102	-		-
Change in scope of consolidation						-		-
Capital increase of consolidated subsidiaries							363	363
Change in ownership interest of parent due to transactions with non-controlling interests						-		-
Transfer to non-financial assets			(499)		(499)	(499)		(499)
Total transactions with owners	(355)	458	(499)		(397)	(17,250)	(95)	(17,346)
Balance as of Dec. 31, 2024	-	8,875	(1,958)	68,521	75,439	667,784	22,516	690,300

(Consolidated)

Consolidated Statement of Cash Flows

For nine months ended December 31, 2024 and 2023

	(Millions of yen)	
	Nine months ended Dec. 31, 2023	Nine months ended Dec. 31, 2024
Cash flows from operating activities		
Profit (loss)	(11,835)	46,268
Depreciation and amortization	61,019	65,395
Impairment losses	568	-
Finance income and finance costs	7,763	12,462
Share of loss (profit) of investments accounted for using equity method	(6,148)	(13,538)
Loss (gain) on sale of fixed assets	502	136
Income tax expense	(6,095)	18,193
Increase (decrease) in retirement benefit liability	2,956	4,586
Decrease (increase) in trade and other receivables	(58,082)	(28,346)
Decrease (increase) in contract assets	25,099	(32,662)
Decrease (increase) in inventories	(83,160)	(144,624)
Increase (decrease) in trade and other payables	17,976	30,445
Decrease (increase) in advance payment	1,535	(51,992)
Increase (decrease) in contract liabilities	(19,181)	48,467
Increase (decrease) in refund liability	53,576	(6,696)
Decrease (increase) in other current assets	(25,917)	(11,436)
Increase (decrease) in other current liabilities	(19,208)	1,240
Other	(15,328)	7,213
Subtotal	(73,961)	(54,887)
Interest received	1,768	1,550
Dividends received	358	507
Interest paid	(5,557)	(9,467)
Income taxes paid	(20,528)	(15,901)
Net cash provided by (used in) operating activities	(97,921)	(78,197)
Cash flows from investing activities		
Purchase of property, plant and equipment	(68,359)	(67,468)
Proceeds from sale of property, plant and equipment	2,400	2,851
Purchase of intangible assets	(12,203)	(9,543)
Proceeds from sale of intangible assets	47	125
Payments for equity method investment and purchase of other financial assets	(163)	(4,272)
Proceeds from equity method investment and sale of other financial assets	249	2,422
Decrease due to loss of control over subsidiaries	(92)	-
Other	(2,988)	(4,034)
Net cash provided by (used in) investing activities	(81,109)	(79,919)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	269,826	277,947
Repayments of lease liabilities	(12,304)	(12,114)
Proceeds from long-term borrowings	23,682	26,136
Repayments of long-term borrowings	(12,540)	(25,500)
Redemption of bonds	(40,000)	(20,000)
Dividends paid	(13,196)	(16,142)
Proceeds from factoring agreements	27,114	46,546
Repayment of liabilities under factoring agreements	(84,744)	(62,193)
Dividends paid to non-controlling interests	(581)	(458)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,195)	-
Other	(9,312)	(10,049)
Net cash provided by (used in) financing activities	146,748	204,172
Effect of exchange rate changes on cash and cash equivalents	(4,122)	(1,161)
Net increase (decrease) in cash and cash equivalents	(36,404)	44,894
Cash and cash equivalents at beginning of period	138,420	84,153
Cash and cash equivalents at end of period	102,015	129,047

Segment information

Information by reportable segment

(Millions of yen)

	Nine months ended			
	Dec. 31, 2023			
	Revenue from external customers	Intersegment revenue and transfers	Total revenue	Business profit (loss)
Aerospace Systems	235,542	6,977	242,519	(35,555)
Rolling Stock	135,829	393	136,222	2,637
Energy Solution & Marine Engineering	234,350	16,269	250,620	16,699
Precision Machinery & Robot	158,717	12,218	170,935	(4,368)
Powersports & Engine	404,422	820	405,242	32,011
Other	60,208	17,262	77,470	1,514
Total	1,229,069	53,942	1,283,012	12,938
Eliminations and corporate	-	(53,942)	(53,942)	(12,196)
Consolidated total	1,229,069	-	1,229,069	741

(Millions of yen)

	Nine months ended			
	Dec. 31, 2024			
	Revenue from external customers	Intersegment revenue and transfers	Total revenue	Business profit (loss)
Aerospace Systems	354,488	13,008	367,497	29,376
Rolling Stock	142,714	50	142,765	4,139
Energy Solution & Marine Engineering	260,978	16,083	277,062	25,128
Precision Machinery & Robot	168,874	13,408	182,283	3,275
Powersports & Engine	417,267	823	418,091	28,763
Other	63,038	19,837	82,876	3,658
Total	1,407,362	63,213	1,470,575	94,342
Eliminations and corporate	-	(63,213)	(63,213)	(15,303)
Consolidated total	1,407,362	-	1,407,362	79,039

Orders by reportable segment

For nine months ended December 31, 2024 and 2023

(Billions of yen)

	Nine months ended	Nine months ended
	Dec. 31, 2023	Dec. 31, 2024
Orders :		
<i>Aerospace Systems</i>	332.5	680.1
<i>Rolling Stock</i>	41.8	41.0
<i>Energy Solution & Marine Engineering</i>	281.2	428.5
<i>Precision Machinery & Robot</i>	157.6	185.8
<i>Powersports & Engine</i>	404.4	417.2
<i>Other</i>	72.4	69.0
Total	1,290.1	1,821.9