

**Report of Earnings and Financial Statements for the  
Nine Months Ended December 31, 2024 (Consolidated)**  
<IFRS>

February 7, 2025

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/>  
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Scheduled dates:

Commencement of dividend payments: -

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 Nine Months Ended December 31, 2024**  
**(April 1, 2024 – December 31, 2024)**

(1) Operating Results

(Percentage figures represent changes versus the year-ago period)

	Revenue		Business profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months Ended December 31, 2024	1,407,362	14.5	79,039	-	64,462	-	46,268	-
Nine Months Ended December 31, 2023	1,229,069	2.7	741	(99.1)	(17,931)	-	(11,835)	-

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	yen	yen
Nine Months Ended December 31, 2024	44,163	-	53,097	562.9	263.64	-
Nine Months Ended December 31, 2023	(13,480)	-	8,009	(87.4)	(80.48)	-

(2) Financial Condition

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2024	3,045,769	690,300	667,784	21.9
As of March 31, 2024	2,680,176	654,549	634,090	23.7

**2. Dividends**

Record date or term	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full year
	yen	yen	yen	yen	yen
Year ended March 31, 2024	-	20.00	-	30.00	50.00
Year ending March 31, 2025	-	70.00	-		
Year ending March 31, 2025 (forecast)				70.00	140.00

Note: Revisions to the most recently announced dividend forecast: None

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, 2025  
(April 1, 2024 – March 31, 2025)**

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

	Revenue		Business profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	2,160,000	16.8	130,000	181.4	100,000	212.7	78,000	207.4	465.64

Note: Revisions to the most recently announced earnings forecast: Yes

## Notes

1. Significant changes in the scope of consolidation during the period: None

2. Changes in accounting policies and changes in accounting estimates

(1) Changes in accounting policies required by IFRS: None

(2) Changes in accounting policies due to other reasons: None

(3) Changes in accounting estimates: None

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

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

December 31, 2024: 167,921,800 shares

March 31, 2024: 167,921,800 shares

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

December 31, 2024: 402,777 shares

March 31, 2024: 420,086 shares

(3) Average number of shares during respective periods

December 31, 2024: 167,509,334 shares

December 31, 2023: 167,488,925 shares

**\*Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None**

**\*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. Qualitative Information about Financial Statements (3) Consolidated earnings forecast” 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 Friday, February 7, 2025, and to post the presentation material on quarterly financial results to be used for the presentation on TDnet and the Company’s website simultaneously with the announcement of financial results.

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## **1. Qualitative Information about Financial Statements**

### **(1) Consolidated operating results**

The outlook for the global economy remains uncertain due to factors such as policy trends like the review of energy policy and tariff measures by the new government in the United States, and the prolonged stagnation in China's economy, as well as concerns about geographical risks, although the U.S. economy has remained strong supported by solid personal consumption.

In Japan, consumer sentiment shows little improvement, partly because of the impacts of a hike in prices. But the domestic demand is expected to continue driving economic recovery moderately, due to factors such as the favorable employment and income conditions, and increased capital investment and inbound demand. Nevertheless, we need to keep a close watch on the impact on the economy caused by a global economic downturn, an additional rise in interest rates by the Bank of Japan, and subsequent exchange rate movements.

In this business environment, the Group's consolidated orders received during the third quarter of this consolidated fiscal year increased year on year, due to increases mainly in the Aerospace Systems segment and the Energy Solution & Marine Engineering segment. Consolidated revenue increased from the same period of the previous fiscal year due to higher sale in each segment, particularly in the Aerospace Systems segment.

Business profit increased year on year mainly due to improvements in the Aerospace Systems segment and the Precision Machinery & Robot segment, and an increase in the Energy Solution & Marine Engineering segment. Profit and loss attributable to owners of parent improved year on year mainly due to an increase in business profit.

As a result, the Group's consolidated orders received increased by ¥531.8 billion year on year to ¥1,821.9 billion, consolidated revenue increased by ¥178.2 billion year on year to ¥1,407.3 billion, business profit increased by ¥78.2 billion year on year to ¥79.0 billion, profit before tax improved by ¥82.3 billion year on year to ¥64.4 billion, and profit attributable to owners of parent improved by ¥57.6 billion year on year to ¥44.1 billion.

Regarding an inappropriate incident at the workplace for repairing submarines in the Group as well as a misconduct in the testing of marine engines, the Group has established the Special Compliance Promotion Committee, which is chaired by Representative Director, President and CEO Yasuhiko Hashimoto, and also established each of the Special Investigative Committee of external experts. In December 2024 and January 2025, the Group received interim reports on investigations into the facts and analysis of the root causes of these specific incidents from each of the Special Investigative Committee and published the details of these reports. The investigation by the Special Investigative Committee is ongoing. The Group will continue to work to reform the Group's compliance and governance systems, and to enhance the Group's corporate culture.

The Company is currently examining whether these matters will impact its financial results and will immediately reflect in its earnings forecast in case such an impact would be confirmed.

Third-quarter consolidated operating performance is summarized by segment below.

### Segment Information

Segment revenue, business profit (loss), and orders received (billions of yen)

	Nine months ended December 31						Orders received		
	2023(A)		2024(B)		Change (B – A)		Nine months ended December 31		
	Revenue	Business profit (loss)	Revenue	Business profit (loss)	Revenue	Business profit (loss)	2023 (A)	2024 (B)	Change (B – A)
Aerospace Systems	235.5	(35.5)	354.4	29.3	118.9	64.9	332.5	680.1	347.6
Rolling Stock	135.8	2.6	142.7	4.1	6.8	1.5	41.8	41.0	(0.7)
Energy Solution & Marine Engineering	234.3	16.6	260.9	25.1	26.6	8.4	281.2	428.5	147.2
Precision Machinery & Robot	158.7	(4.3)	168.8	3.2	10.1	7.6	157.6	185.8	28.2
Powersports & Engine	404.4	32.0	417.2	28.7	12.8	(3.2)	404.4	417.2	12.8
Other	60.2	1.5	63.0	3.6	2.8	2.1	72.4	69.0	(3.3)
Adjustments	-	(12.1)	-	(15.3)	-	(3.1)	-	-	-
Total	1,229.0	0.7	1,407.3	79.0	178.2	78.2	1,290.1	1,821.9	531.8

Notes: 1. Revenue includes only sales to external customers.

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

## **Aerospace Systems**

Regarding the business environment surrounding the Aerospace Systems segment, demand from Ministry of Defense in Japan is expected to increase continuously under the Ministry of Defense's policy of drastic strengthening of defense capabilities. With respect to commercial aircraft, although there are some effects of Boeing strike, air passenger demand has increased compared to the previous fiscal year and recovered significantly.

Amid such an operating environment, consolidated orders received increased by ¥347.6 billion year on year to ¥680.1 billion due to increases mainly in orders received from Ministry of Defense in Japan and orders for component parts of jet engines for commercial aircraft.

Consolidated revenue increased by ¥118.9 billion to ¥354.4 billion due to increases mainly in sales for Ministry of Defense in Japan and component parts of jet engines for commercial aircraft compared to the same period of the previous fiscal year, when there were losses related to the in-service issues of jet engines for commercial aircraft.

Business profit came to ¥29.3 billion, improving ¥64.9 billion year on year, mainly due to an increase in the revenue.

## **Rolling Stock**

Regarding the business environment surrounding the Rolling Stock segment, the number of railway passengers has recovered to approximately 90% of pre-COVID level due to the resurgence of inbound tourists, and investments in rolling stock have resumed. On the other hand, we need to keep a close watch on the effect of increasing time for procurement of equipment, mainly electronic components, and a hike in prices. In the medium and long term, however, relatively stable growth is expected due to development of urban transportation in overseas markets, as well as demand for railway infrastructure following economic development in Asian countries.

Amid such an operating environment, consolidated orders received of ¥41.0 billion was on par with the same period of the previous fiscal year's result.

Consolidated revenue increased by ¥6.8 billion year on year to ¥142.7 billion mainly due to an increase in sales for the United States, despite a decrease in sales for the domestic and Asian markets.

Business profit came to ¥4.1 billion, increasing ¥1.5 billion year on year, mainly due to an increase in the revenue.

## **Energy Solution & Marine Engineering**

The business environment surrounding the Energy Solution & Marine Engineering segment has been strongly influenced by the worldwide trend toward achieving carbon neutrality. As a result, contacts and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products which are a key strength of the Company. Also, demand for distributed power sources in Japan and overseas, as well as the need for energy infrastructure development in emerging

countries, remain strong, while there is ongoing demand for the replacement of aging facilities for refuse incineration plants in Japan. On the other hand, it is necessary to pay attention to the impact on orders and revenues mainly due to continued rises of raw material, equipment, and fuel prices.

Amid such an operating environment, consolidated orders received increased by ¥147.2 billion year on year to ¥428.5 billion mainly due to increases in orders for LPG/NH<sub>3</sub> carriers and orders for submarines for Ministry of Defense in Japan.

Consolidated revenue increased by ¥26.6 billion year on year to ¥260.9 billion mainly due to higher sales from large-scale projects for the domestic waste disposal facilities maintenance and operation business as well as higher sales of naval ships equipment for Ministry of Defense in Japan.

Business profit came to ¥25.1 billion, increasing ¥8.4 billion year on year, mainly due to an increase in the revenue and an increase in share of profit of investments accounted for using equity method.

### **Precision Machinery & Robot**

Regarding the business environment surrounding the Precision Machinery & Robot segment, in the precision machinery field, demand has declined mainly in the European and U.S. markets. On the other hand, the Chinese construction machinery market has continued to be sluggish but shows signs of recovery mainly in small machines. In the robotics field, prices and demand have bottomed out in the semiconductor memory market. Demand for robots for semiconductor manufacturing equipment has recovered from the second half of the previous fiscal year, while capturing new growth in AI related and other areas. Meanwhile, business conditions in China, the biggest consumer country for the general industrial robots, remain sluggish, but demand for automation is surely increasing due to a rise in labor costs and labor shortages.

Amid such an operating environment, consolidated orders received increased by ¥28.2 billion year on year to ¥185.8 billion mainly due to increases in robots for semiconductor manufacturing equipment and hydraulic equipment for the Chinese construction machinery market.

Consolidated revenue increased by ¥10.1 billion year on year to ¥168.8 billion mainly due to higher sales of robots for semiconductor manufacturing equipment and also higher sales in the precision machinery field.

Business profit came to ¥3.2 billion, improving ¥7.6 billion year on year, mainly due to an increase in the revenue, as well as the profit improvement activities such as price pass-through that the Company promoted.

### **Powersports & Engine**

Regarding the business environment surrounding the Powersports & Engine segment, although demand for motorcycles has continued to be generally strong in the major markets, the United States and Europe, demand for four-wheeled vehicles is on a downward trend. The market in Southeast Asia



is still at a low level, despite recovery shown for some cases. In addition, demand in the Chinese market has declined due to the impact of the economic downturn. Overall, the sales activities implemented by every manufacturer have maintained consumer sentiment in the market, but there are concerns about the impact of the additional tariff measures by the new government in the United States.

Amid such an operating environment, consolidated revenue of ¥417.2 billion was on par with the same period of the previous fiscal year's result, due to an increase in the revenue resulting from an increase in motorcycles and a weaker yen on foreign exchange rates, despite a temporary decline in four-wheeled vehicles for North America because of recalls and production delay.

Business profit decreased by ¥3.2 billion year on year to ¥28.7 billion mainly due to an increase in fixed costs associated with investment for production increase.

### **Other Operations**

Consolidated revenue increased by ¥2.8 billion year on year to ¥63.0 billion.

Business profit came to ¥3.6 billion, increasing ¥2.1 billion year on year.

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 is making steady progress in creating solutions to social issues, such as the medical and healthcare business including surgical support robots and the commercialization of delivery robots and unmanned transport helicopters, as well as the promotion of hydrogen business, CO<sub>2</sub> separation and capture business and electrification to realize a carbon neutral society at an early date.

Furthermore, the Group cooperates in providing supports for areas affected by severe damage, such as earthquakes and heavy rains, and enhances support packages that can respond to various natural disasters, which are becoming increasingly likely in the future.

## **(2) Consolidated financial condition**

### *Assets, liabilities, and equity*

#### 1. Assets

Current assets were ¥2,058.5 billion, ¥331.6 billion increase from the previous fiscal year mainly due to increases in inventories and other current assets.

Non-current assets were ¥987.2 billion, ¥33.9 billion increase from the previous fiscal year mainly due to an increase in investments accounted for using equity method.

As a result, total assets were ¥3,045.7 billion, ¥365.5 billion increase from the previous fiscal year.

#### 2. Liabilities

Interest-bearing debt was ¥908.2 billion, ¥254.3 billion increase from the previous fiscal year.

Liabilities were ¥2,355.4 billion, ¥329.8 billion increase from the previous fiscal year mainly due to an increase in interest-bearing debt.

#### 3. Equity

Equity was ¥690.3 billion, ¥35.7 billion increase from the previous fiscal year mainly due to the recording of profit attributable to owners of parent.

### *Cash flows*

Cash and cash equivalents (Hereinafter referred to as “net cash”) during the third quarter of this consolidated fiscal year were ¥129.0 billion, an increase of ¥27.0 billion compared to the same period of the previous fiscal year. The cash flow situations during the third quarter of this consolidated fiscal year are stated below.

#### 1. Cash flows from operating activities

Cash outflows from operating activities were ¥78.1 billion, an increase of ¥19.7 billion compared to the same period of the previous fiscal year. Major sources of operating cash flows included depreciation and amortization of ¥65.3 billion, an increase in contract liabilities of ¥48.4 billion and an increase in trade and other payables of ¥30.4 billion. Major uses of operating cash flows included an increase in inventories of ¥144.6 billion, an increase in advance payment of ¥51.9 billion and an increase in contract assets of ¥32.6 billion.

#### 2. Cash flows from investing activities

Investing activities used net cash of ¥79.9 billion, which is ¥1.1 billion less than in the same period of the previous fiscal year. This was mainly due to purchase of property, plant and equipment.

#### 3. Cash flows from financing activities

Financing activities provided net cash of ¥204.1 billion, which is ¥57.4 billion more than in the same period of the previous fiscal year. This was mainly due to net increase in short-term borrowings.

### **(3) Consolidated earnings forecast**

With respect to the earnings forecasts for the fiscal year ending March 31, 2025, although the Powersports & Engine segment performed generally well, the Company expects revenue of ¥2,160.0 billion, which is ¥20.0 billion decrease from the previous forecast in consideration of production fluctuation and logistics risks.

The Company expects business profit of ¥130.0 billion, which has been left unchanged from the previous forecast mainly due to an improvement of profitability in the Energy Solution & Marine Engineering segment, despite a decrease in profit resulting from a decrease in the revenue in the Powersports & Engine segment, as well as a decrease in the number of component parts delivered for Boeing, and a decrease in profit due to revaluation of refund liabilities denominated in foreign currencies related to the in-service issues of PW1100G-JM engine in the Aerospace Systems segment.

Reflecting an improvement of the valuation of receivables at the end of the fiscal year due to the revision of the exchange rate, the Company expects profit before tax of ¥100.0 billion, which is ¥5.0 billion increase from the previous forecast, and profit attributable to owners of parent of ¥78.0 billion, which is ¥5.0 billion increase from the previous forecast. The Company expects after-tax ROIC of 6.9% and ROE of 11.9%.

The forecast of consolidated orders received is expected to be ¥2,560.0 billion, which is ¥130.0 billion increase from the previous forecast due to an increase in orders for the United States in the Rolling Stock segment and an increase in orders received from Ministry of Defense in Japan, mainly in the Aerospace Systems segment.

The exchange rates assumed in this forecast are ¥150 to the U.S. dollar and ¥160 to the euro.

#### *Note regarding consolidated earnings forecast*

The above earnings forecast 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 forecast. Please note that actual earnings may differ materially from this forecast, due to a variety of important factors stemming from changes in 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. Condensed Quarterly Consolidated Financial Statements and Notes

### (1) Condensed Quarterly Consolidated Statement of Financial Position

	Millions of yen	
	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
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
<b>Total current assets</b>	<b>1,726,925</b>	<b>2,058,543</b>
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
<b>Total non-current assets</b>	<b>953,250</b>	<b>987,226</b>
<b>Total assets</b>	<b>2,680,176</b>	<b>3,045,769</b>
<b>Liabilities and equity</b>		
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
<b>Total current liabilities</b>	<b>1,541,489</b>	<b>1,916,230</b>
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
<b>Total non-current liabilities</b>	<b>484,137</b>	<b>439,238</b>
<b>Total liabilities</b>	<b>2,025,626</b>	<b>2,355,468</b>
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
<b>Total equity attributable to owners of parent</b>	<b>634,090</b>	<b>667,784</b>
Non-controlling interests	20,459	22,516
<b>Total equity</b>	<b>654,549</b>	<b>690,300</b>
<b>Total liabilities and equity</b>	<b>2,680,176</b>	<b>3,045,769</b>

**(2) Condensed Quarterly Consolidated Statement of Profit and Loss and  
Condensed Quarterly Consolidated Statement of Comprehensive Income**

**Condensed Quarterly Consolidated Statement of Profit and Loss**

	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	1,229,069	1,407,362
Cost of sales	1,038,299	1,113,498
Gross profit	190,770	293,863
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	741	79,039
Finance income	2,107	1,892
Finance costs	20,780	16,469
Profit (loss) before tax	(17,931)	64,462
Income tax expense	(6,095)	18,193
Profit (loss)	(11,835)	46,268
Profit (loss) attributable to:		
Owners of parent	(13,480)	44,163
Non-controlling interests	1,644	2,105
Earnings per share		
Basic earnings (loss) per share	(80.48)	263.64

**Condensed Quarterly Consolidated Statement of Comprehensive Income**

	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
<b>Profit (loss)</b>	(11,835)	46,268
<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	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
<b>Comprehensive income attributable to:</b>		
Owners of parent	5,658	50,945
Non-controlling interests	2,351	2,152

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

For nine months ended December 31, 2023 (April 1, 2023 – December 31, 2023)

Millions of yen

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	104,484	55,716	380,255	(1,107)	-	4,109
Profit (loss)			(13,480)			
Other comprehensive income					(32)	2,107
Comprehensive income			(13,480)		(32)	2,107
Purchase of treasury shares				(5)		
Disposal of treasury shares		0		45		
Dividends			(13,430)			
Transfer to retained earnings			(234)		32	202
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	32	202
Balance as of December 31, 2023	104,484	56,433	353,118	(1,067)	-	6,418

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2023	676	32,066	36,852	576,201	20,670	596,872
Profit (loss)				(13,480)	1,644	(11,835)
Other comprehensive income	1,026	16,036	19,138	19,138	706	19,844
Comprehensive income	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			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	(393)	(17)	(176)	(13,076)	(2,484)	(15,560)
Balance as of December 31, 2023	1,309	48,085	55,814	568,783	20,537	589,321

For nine months ended December 31, 2024 (April 1, 2024 – December 31, 2024)

Millions of yen

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	104,484	56,455	405,156	(1,060)	-	10,407
Profit (loss)			44,163			
Other comprehensive income					355	(1,990)
Comprehensive income			44,163		355	(1,990)
Purchase of treasury shares				(9)		
Disposal of treasury shares		0		45		
Dividends			(16,787)			
Transfer to retained earnings			(102)		(355)	458
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	(355)	458
Balance as of December 31, 2024	104,484	56,456	432,428	(1,024)	-	8,875

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2024	355	58,291	69,054	634,090	20,459	654,549
Profit (loss)				44,163	2,105	46,268
Other comprehensive income	(1,813)	10,230	6,782	6,782	46	6,828
Comprehensive income	(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			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	(499)		(397)	(17,250)	(95)	(17,346)
Balance as of December 31, 2024	(1,958)	68,521	75,439	667,784	22,516	690,300

#### (4) Condensed Quarterly Consolidated Statement of Cash Flow

	Millions of yen	
	Nine months ended December 31, 2023	Nine months ended December 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	<u>(73,961)</u>	<u>(54,887)</u>
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	<u>(97,921)</u>	<u>(78,197)</u>
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	<u>(81,109)</u>	<u>(79,919)</u>
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	<u>146,748</u>	<u>204,172</u>
Effect of exchange rate changes on cash and cash equivalents	(4,122)	(1,161)
Net increase (decrease) in cash and cash equivalents	<u>(36,404)</u>	<u>44,894</u>
Cash and cash equivalents at beginning of period	<u>138,420</u>	<u>84,153</u>
Cash and cash equivalents at end of period	<u>102,015</u>	<u>129,047</u>



## (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

### Notes on the going-concern assumption

Not applicable.

### Segment information

For nine months ended December 31, 2023 (April 1, 2023 – December 31, 2023)

Millions of yen									
	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	235,542	135,829	234,350	158,717	404,422	60,208	1,229,069	-	1,229,069
Intersegment revenue and transfers *1	6,977	393	16,269	12,218	820	17,262	53,942	(53,942)	-
<b>Total revenue</b>	<b>242,519</b>	<b>136,222</b>	<b>250,620</b>	<b>170,935</b>	<b>405,242</b>	<b>77,470</b>	<b>1,283,012</b>	<b>(53,942)</b>	<b>1,229,069</b>
Business profit (loss) *3	(35,555)	2,637	16,699	(4,368)	32,011	1,514	12,938	(12,196)	741
Finance income									2,107
Finance costs									(20,780)
Profit (loss) before tax									(17,931)

- Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.  
2. Eliminations and corporate of negative ¥12,196 million include negative ¥689 million for intersegment transactions and negative ¥11,506 million for general and administrative expenses not attributed reportable segments.  
3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

For nine months ended December 31, 2024 (April 1, 2024 – December 31, 2024)

Millions of yen									
	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	354,488	142,714	260,978	168,874	417,267	63,038	1,407,362	-	1,407,362
Intersegment revenue and transfers *1	13,008	50	16,083	13,408	823	19,837	63,213	(63,213)	-
<b>Total revenue</b>	<b>367,497</b>	<b>142,765</b>	<b>277,062</b>	<b>182,283</b>	<b>418,091</b>	<b>82,876</b>	<b>1,470,575</b>	<b>(63,213)</b>	<b>1,407,362</b>
Business profit (loss) *3	29,376	4,139	25,128	3,275	28,763	3,658	94,342	(15,303)	79,039
Finance income									1,892
Finance costs									(16,469)
Profit (loss) before tax									64,462

- Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.  
2. Eliminations and corporate of negative ¥15,303 million include negative ¥380 million for intersegment transactions and negative ¥14,922 million for general and administrative expenses not attributed reportable segments.  
3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

### 3. Supplementary information

#### (1) Supplementary information on consolidated earnings forecasts for the fiscal year ending March 31, 2025

##### (i) Revenue and business profit (loss)

Billions of yen

Reportable segment	Forecast for the year ending March 31, 2025 (fiscal 2024)						Year ended March 31, 2024 (fiscal 2023) (Actual)	
	Revised forecast (A)		Forecast issued November 8, 2024 (B)		Change (A – B)		Revenue	Business profit (loss)
	Revenue	Business profit (loss)	Revenue	Business profit (loss)	Revenue	Business profit (loss)		
Aerospace Systems	570.0	46.0	570.0	52.0	-	(6.0)	396.1	(15.0)
Rolling Stock	220.0	8.0	210.0	7.0	10.0	1.0	195.9	3.7
Energy Solution & Marine Engineering	400.0	40.0	400.0	32.0	-	8.0	353.2	31.9
Precision Machinery & Robot	230.0	7.0	240.0	8.0	(10.0)	(1.0)	227.9	(1.9)
Powersports & Engine	640.0	48.0	660.0	51.0	(20.0)	(3.0)	592.4	48.0
Other	100.0	5.0	100.0	5.0	-	-	83.5	1.1
Adjustments		(24.0)		(25.0)		1.0		(21.7)
<b>Total</b>	<b>2,160.0</b>	<b>130.0</b>	<b>2,180.0</b>	<b>130.0</b>	<b>(20.0)</b>	<b>-</b>	<b>1,849.2</b>	<b>46.2</b>

##### (ii) Orders received

Billions of yen

Reportable segment	Forecast for the year ending March 31, 2025 (fiscal 2024)			Year ended March 31, 2024 (fiscal 2023) (Actual)
	Revised forecast (A)	Forecast issued November 8, 2024 (B)	Change (A – B)	
Aerospace Systems	810.0	770.0	40.0	692.6
Rolling Stock	220.0	160.0	60.0	88.7
Energy Solution & Marine Engineering	550.0	500.0	50.0	401.6
Precision Machinery & Robot	240.0	240.0	-	213.3
Powersports & Engine	640.0	660.0	(20.0)	592.4
Other	100.0	100.0	-	94.5
<b>Total</b>	<b>2,560.0</b>	<b>2,430.0</b>	<b>130.0</b>	<b>2,083.4</b>

Note: 1. Assumed exchange rate for the fiscal year ending March 31, 2025: ¥150/USD, ¥160/EUR

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