


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
February 4, 2021
(Consolidated)
For nine months ended December 31, 2020 and 2019 and one year ended March 31, 2020
Operating results

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Net sales	¥ 1,032,484	¥ 1,135,444	\$ 9,973,764
Operating profit	(3,735)	30,983	(36,080)
Profit attributable to owners of parent	(13,969)	4,762	(134,940)
Earnings per share (Yen)	(83.62)	28.50	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Dec. 31, 2020	As of March. 31, 2020	As of Dec. 31, 2020
Total assets	¥ 2,041,646	¥ 1,957,845	\$ 19,722,237
Net assets	456,632	471,562	4,411,051
Number of shares issued and outstanding	167,042	167,043	
Equity Ratio	21.6%	23.3%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020
Operating activities	¥ (139,750)	¥ (288,421)	\$ (1,349,981)
Investing activities	(22,400)	(46,216)	(216,383)
Financing activities	192,645	335,815	1,860,945
Cash and cash equivalents at end of period	133,085	70,914	1,285,597

Fiscal year forecast

	Millions of yen		
	Net sales	Operating profit	Profit attributable to owners of parent
One year ending March 31, 2021	¥ 1,500,000	¥ (10,000)	¥ (25,000)

- Notes :
1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.
 2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥103.52=\$1, the rate prevailing as of December 30, 2020, solely for the convenience of the readers.

Consolidated Balance Sheets

As of December 31 and March 31, 2020

	Millions of yen		Thousands of
	As of Mar. 31, 2020	As of Dec. 31, 2020	U.S. dollars As of Dec. 31, 2020
Assets			
Current assets			
Cash and deposits	¥ 106,108	¥ 137,326	\$ 1,326,565
Notes and accounts receivable - trade	473,204	477,359	4,611,273
Merchandise and finished goods	75,042	66,620	643,547
Work in process	426,256	482,563	4,661,544
Raw materials and supplies	130,359	135,067	1,304,743
Other	51,176	68,168	658,501
Allowance for doubtful accounts	(3,367)	(3,407)	(32,912)
Total current assets	1,258,781	1,363,698	13,173,281
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	193,931	179,453	1,733,510
Other	288,639	283,811	2,741,605
Total property, plant and equipment	482,570	463,264	4,475,116
Intangible assets	21,358	22,092	213,408
Investments and other assets			
Other	196,973	193,966	1,873,706
Allowance for doubtful accounts	(1,838)	(1,375)	(13,282)
Total investments and other assets	195,134	192,590	1,860,413
Total non-current assets	699,063	677,947	6,548,947
Total assets	1,957,845	2,041,646	19,722,237
Liabilities			
Current liabilities			
Notes and accounts payable - trade	261,159	221,257	2,137,336
Electronically recorded obligations - operating	110,526	112,685	1,088,534
Short-term borrowings	166,188	183,605	1,773,619
Income taxes payable	6,116	5,804	56,066
Provision for sales promotion expenses	12,174	6,176	59,660
Provision for bonuses	22,032	9,199	88,862
Provision for construction warranties	14,454	11,941	115,350
Provision for loss on construction contracts	11,464	12,245	118,286
Advances received	148,610	135,126	1,305,313
Other	194,998	303,687	2,933,607
Total current liabilities	947,726	1,001,729	9,676,671
Non-current liabilities			
Bonds payable	160,000	190,000	1,835,394
Long-term borrowings	188,859	196,258	1,895,846
Retirement benefit liability	129,846	136,253	1,316,200
Provision for the in-service issues of commercial aircraft jet engines	15,689	9,656	93,277
Other	44,161	51,116	493,779
Total non-current liabilities	538,556	583,284	5,634,505
Total liabilities	1,486,283	1,585,013	15,311,177
Net assets			
Shareholders' equity			
Share capital	104,484	104,484	1,009,312
Capital surplus	54,542	54,542	526,874
Retained earnings	326,626	311,888	3,012,828
Treasury shares	(133)	(134)	(1,294)
Total shareholders' equity	485,520	470,780	4,547,720
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,636	1,378	13,311
Deferred gains or losses on hedges	(272)	403	3,893
Foreign currency translation adjustment	(11,311)	(13,777)	(133,085)
Remeasurements of defined benefit plans	(19,946)	(18,752)	(181,144)
Total accumulated other comprehensive income	(29,892)	(30,748)	(297,025)
Non-controlling interests	15,934	16,600	160,355
Total net assets	471,562	456,632	4,411,051
Total liabilities and net assets	1,957,845	2,041,646	19,722,237

Consolidated Statements of Profit and Loss

For nine months ended December 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2020
Net sales	¥ 1,135,444	¥ 1,032,484	\$ 9,973,764
Cost of sales	954,085	899,606	8,690,166
Gross profit	181,359	132,877	1,283,588
Selling, general and administrative expenses			
Salaries and allowances	41,357	40,709	393,248
Research and development expenses	36,371	29,751	287,394
Other	72,645	66,152	639,026
Total selling, general and administrative expenses	150,375	136,612	1,319,668
Operating profit (loss)	30,983	(3,735)	(36,080)
Non-operating income			
Interest income	530	396	3,825
Dividend income	252	797	7,699
Share of profit of entities accounted for using equity method	867	1,454	14,046
Foreign exchange gains	—	1,936	18,702
Reversal of provision for the in-service issues of commercial aircraft jet engines	—	3,005	29,028
Other	2,157	3,096	29,907
Total non-operating income	3,807	10,687	103,236
Non-operating expenses			
Interest expenses	2,787	2,918	28,188
Foreign exchange losses	4,794	—	-
Payments for the in-service issues of commercial aircraft jet engines	7,640	—	-
Other	4,189	4,090	39,509
Total non-operating expenses	19,411	7,008	67,697
Ordinary profit (loss)	15,379	(56)	(541)
Extraordinary income			
Gain on sales of non-current assets	1,277	3,236	31,260
Gain on sales of shares of subsidiaries and associates	—	1,581	15,272
Total extraordinary income	1,277	4,817	46,532
Extraordinary losses			
Loss on withdrawal from business	2,383	—	-
Impairment loss	—	3,948	38,138
Total extraordinary losses	2,383	3,948	38,138
Profit before income taxes	14,273	811	7,834
Income taxes	8,416	13,580	131,182
Profit (loss)	5,856	(12,768)	(123,338)
Profit attributable to non-controlling interests	1,094	1,200	11,592
Profit (loss) attributable to owners of parent	4,762	(13,969)	(134,940)

Segment information
Information by reportable segment

	Millions of yen			
	Nine months ended			
	Dec. 31, 2019			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 371,446	¥ 6,913	¥ 378,360	¥ 20,517
Energy System & Plant Engineering	162,317	23,379	185,697	13,027
Precision Machinery & Robot	147,080	11,422	158,503	5,216
Ship & Offshore Structure	53,016	6,514	59,531	(788)
Rolling Stock	97,477	12	97,489	(3,147)
Motorcycle & Engine	230,171	497	230,668	(4,517)
Other	73,934	27,782	101,716	2,055
Total	1,135,444	76,522	1,211,967	32,364
Eliminations and corporate	-	(76,522)	(76,522)	(1,380)
Consolidated total	¥ 1,135,444	¥ -	¥ 1,135,444	¥ 30,983

	Millions of yen			
	Nine months ended			
	Dec. 31, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 277,994	¥ 4,351	¥ 282,346	¥ (19,257)
Energy System & Plant Engineering	159,912	14,734	174,646	8,695
Precision Machinery & Robot	154,244	9,576	163,820	8,128
Ship & Offshore Structure	55,756	2,460	58,216	(3,051)
Rolling Stock	101,513	5	101,519	(1,341)
Motorcycle & Engine	225,511	483	225,995	1,884
Other	57,550	26,939	84,490	500
Total	1,032,484	58,552	1,091,036	(4,443)
Eliminations and corporate	-	(58,552)	(58,552)	707
Consolidated total	¥ 1,032,484	¥ -	¥ 1,032,484	¥ (3,735)

	Thousands of U.S. dollars			
	Nine months ended			
	Dec. 31, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\$ 2,685,413	\$ 42,031	\$ 2,727,454	\$ (186,022)
Energy System & Plant Engineering	1,544,745	142,330	1,687,075	83,993
Precision Machinery & Robot	1,489,992	92,504	1,582,496	78,516
Ship & Offshore Structure	538,601	23,764	562,365	(29,473)
Rolling Stock	980,612	48	980,670	(12,954)
Motorcycle & Engine	2,178,429	4,666	2,183,105	18,199
Other	555,931	260,230	816,171	4,830
Total	9,973,764	565,611	10,539,374	(42,919)
Eliminations and corporate	-	(565,611)	(565,611)	6,830
Consolidated total	\$ 9,973,764	\$ -	\$ 9,973,764	\$ (36,080)

Orders by reportable segment*For nine months ended December 31, 2020 and 2019*

	Billions of yen		Millions of U.S. dollars	
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2020	
Orders :				
Aerospace Systems	¥ 245.1	¥ 224.7	\$ 2,171	
Energy System & Plant Engineering	184.3	154.6	1,493	
Precision Machinery & Robot	157.1	170.2	1,644	
Ship & Offshore Structure	31.6	32.7	316	
Rolling Stock	91.2	49.2	475	
Motorcycle & Engine	230.1	225.5	2,178	
Other	82.8	56.9	550	
Total	¥ 1,022.6	¥ 914.0	\$ 8,829	