


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
May 11, 2021
(Consolidated)
For the year ended March 31, 2021 and 2020
Operating results

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2021	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Net sales	¥ 1,488,486	¥ 1,641,335	\$ 13,443,696
Operating profit	(5,305)	62,063	(47,914)
Profit attributable to owners of parent	(19,332)	18,662	(174,603)
Earnings per share (Yen)	(115.73)	111.72	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Mar. 31, 2021	As of Mar. 31, 2020	As of Mar. 31, 2021
Total assets	¥ 1,963,276	¥ 1,957,845	\$ 17,731,900
Net assets	482,775	471,562	4,360,323
Number of shares issued and outstanding	167,042	167,043	
Equity Ratio	23.7%	23.3%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2021	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021
Operating activities	¥ 34,601	¥ (15,461)	\$ 312,509
Investing activities	(37,392)	(69,401)	(337,717)
Financing activities	23,093	115,803	208,571
Cash and cash equivalents at end of period	122,166	102,546	1,103,378

Fiscal year forecast

	Millions of yen		
	Net sales	Operating profit	Profit attributable to owners of parent
One year ending March 31, 2022	¥ 1,500,000	¥ 30,000	¥ 17,000

- 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 ¥110.72=\$1, the rate prevailing as of March 31, 2021, solely for the convenience of the readers.

Consolidated Balance Sheets

As of March 31, 2021 and 2020

	Millions of yen		Thousands of
	As of Mar. 31, 2020	As of Mar. 31, 2021	U.S. dollars As of Mar. 31, 2021
Assets			
Current assets			
Cash and deposits	¥ 106,108	¥ 126,702	\$ 1,144,346
Notes and accounts receivable - trade	473,204	460,436	4,158,562
Merchandise and finished goods	75,042	69,223	625,208
Work in process	426,256	452,848	4,090,029
Raw materials and supplies	130,359	136,471	1,232,578
Other	51,176	43,314	391,203
Allowance for doubtful accounts	(3,367)	(3,589)	(32,415)
Total current assets	1,258,781	1,285,407	11,609,529
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	193,931	172,951	1,562,057
Machinery, equipment and vehicles, net	151,196	142,951	1,291,104
Land	62,183	57,743	521,523
Leased assets, net	2,694	10,564	95,412
Construction in progress	15,959	16,635	150,244
Other, net	56,604	50,413	455,320
Total property, plant and equipment	482,570	451,259	4,075,677
Intangible assets	21,358	22,427	202,556
Investments and other assets			
Investment securities	12,035	12,721	114,893
Retirement benefit asset	135	155	1,400
Deferred tax assets	70,598	70,452	636,308
Other	114,203	122,254	1,104,173
Allowance for doubtful accounts	(1,838)	(1,403)	(12,672)
Total investments and other assets	195,134	204,180	1,844,111
Total non-current assets	699,063	677,868	6,122,363
Total assets	1,957,845	1,963,276	17,731,900
Liabilities			
Current liabilities			
Notes and accounts payable - trade	261,159	247,294	2,233,508
Electronically recorded obligations - operating	110,526	107,849	974,070
Short-term borrowings	166,188	141,579	1,278,712
Current portion of bonds payable	20,000	30,000	270,954
Lease obligations	1,542	1,061	9,583
Income taxes payable	6,116	4,753	42,928
Provision for sales promotion expenses	12,174	7,380	66,655
Provision for bonuses	22,032	18,239	164,731
Provision for construction warranties	14,454	12,550	113,349
Provision for loss on construction contracts	11,464	14,263	128,820
Advances received	148,610	153,298	1,384,556
Other	173,456	179,283	1,619,247
Total current liabilities	947,726	917,555	8,287,166
Non-current liabilities			
Bonds payable	160,000	190,000	1,716,040
Long-term borrowings	188,859	199,177	1,798,925
Lease obligations	873	9,532	86,091
Deferred tax liabilities	796	1,125	10,161
Retirement benefit liability	129,846	115,456	1,042,775
Provision for the in service issues of commercial aircraft jet engines	15,689	5,984	54,046
Other	42,491	41,668	376,337
Total non-current liabilities	538,556	562,944	5,084,393
Total liabilities	1,486,283	1,480,500	13,371,568
Net assets			
Shareholders' equity			
Share capital	104,484	104,484	943,678
Capital surplus	54,542	54,542	492,612
Retained earnings	326,626	306,576	2,768,931
Treasury shares	(133)	(136)	(1,228)
Total shareholders' equity	485,520	465,467	4,204,001
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,636	1,955	17,657
Deferred gains or losses on hedges	(272)	(179)	(1,617)
Foreign currency translation adjustment	(11,311)	(931)	(8,409)
Remeasurements of defined benefit plans	(19,946)	(979)	(8,842)
Total accumulated other comprehensive income	(29,892)	(134)	(1,210)
Non-controlling interests	15,934	17,442	157,533
Total net assets	471,562	482,775	4,360,323
Total liabilities and net assets	1,957,845	1,963,276	17,731,900

Consolidated Statements of Profit and Loss

For the year ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021	Year ended Mar. 31, 2021
Net sales	¥ 1,641,335	¥ 1,488,486	\$ 13,443,696
Cost of sales	1,370,809	1,297,324	11,717,160
Gross profit	270,526	191,162	1,726,535
Selling, general and administrative expenses			
Salaries and allowances	56,651	56,970	514,541
Research and development expenses	52,608	44,949	405,970
Other	99,203	94,548	853,938
Total selling, general and administrative expenses	208,463	196,468	1,774,458
Operating profit (loss)	62,063	(5,305)	(47,914)
Non-operating income			
Interest income	695	677	6,115
Dividend income	288	2,161	19,518
Share of profit of entities accounted for using equity method	1,255	411	3,712
Foreign exchange gains	—	4,074	36,796
Reversal of provision for the in-service issues of commercial aircraft jet	—	3,306	29,859
Other	7,446	4,587	41,429
Total non-operating income	9,686	15,218	137,446
Non-operating expenses			
Interest expenses	3,615	3,790	34,230
Foreign exchange losses	8,479	—	-
Loss on retirement of non-current assets	1,699	2,886	26,066
Payments for the in service issues of commercial aircraft jet	11,500	—	-
Other	6,025	6,091	55,013
Total non-operating expenses	31,319	12,768	115,318
Ordinary profit (loss)	40,429	(2,855)	(25,786)
Extraordinary income			
Gain on sale of non-current assets	1,277	3,236	29,227
Gain on sale of shares of subsidiaries and associates	—	1,581	14,279
Total extraordinary income	1,277	4,817	43,506
Extraordinary losses			
Loss on withdrawal from business	2,383	—	-
Impairment losses	—	15,205	137,328
Loss on valuation of shares of subsidiaries and associates	—	1,444	13,042
Total extraordinary losses	2,383	16,649	150,370
Profit (loss) before income taxes	39,323	(14,688)	(132,659)
Income taxes - current	10,546	10,506	94,888
Income taxes - deferred	8,500	(7,707)	(69,608)
Total income taxes	19,046	2,798	25,271
Profit (loss)	20,276	(17,486)	(157,930)
Profit attributable to non-controlling interests	1,614	1,846	16,673
Profit (loss) attributable to owners of parent	18,662	(19,332)	(174,603)

(Consolidated)

Consolidated Statements of Cash Flows

For the year ended March 31, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021	Year ended Mar. 31, 2021
Cash flows from operating activities			
Profit (loss) before income taxes	¥ 39,323	¥ (14,688)	\$ (132,659)
Depreciation	61,283	61,258	553,270
Impairment losses	—	15,205	137,328
Loss on valuation of shares of subsidiaries and associates	—	1,444	13,042
Increase (decrease) in allowance for doubtful accounts	238	(343)	(3,098)
Increase (decrease) in provision for sales promotion expenses	707	(5,085)	(45,927)
Increase (decrease) in provision for bonuses	889	(3,819)	(34,492)
Increase (decrease) in provision for construction warranties	1,412	(1,938)	(17,504)
Increase (decrease) in provision for loss on construction contracts	(16,133)	2,788	25,181
Increase (decrease) in retirement benefit liability	10,574	11,611	104,868
Increase (decrease) in provision for the in-service issues of commercial aircraft jet engines	4,221	(9,705)	(87,654)
Interest and dividend income	(983)	(2,839)	(25,641)
Interest expenses	3,615	3,790	34,230
Share of loss (profit) of entities accounted for using equity method	(1,255)	(411)	(3,712)
Loss (gain) on sale of non-current assets	(1,277)	(3,236)	(29,227)
Loss on withdrawal from business	2,383	—	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(1,581)	(14,279)
Decrease (increase) in trade receivables	(46,753)	23,267	210,143
Decrease (increase) in inventories	(48,068)	(26,374)	(238,204)
Increase (decrease) in trade payables	2,401	(16,784)	(151,590)
Decrease (increase) in advance payments to suppliers	3,326	(132)	(1,192)
Increase (decrease) in advances received	(31,827)	4,209	38,015
Decrease (increase) in other current assets	(8,986)	8,900	80,383
Increase (decrease) in other current liabilities	18,303	2,988	26,987
Other, net	6,004	(5,570)	(50,307)
Subtotal	(600)	42,953	387,943
Interest and dividends received	2,500	6,370	57,533
Interest paid	(3,630)	(3,646)	(32,930)
Income taxes paid	(13,731)	(11,076)	(100,036)
Net cash provided by (used in) operating activities	(15,461)	34,601	312,509
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	(71,947)	(51,692)	(466,871)
Proceeds from sale of property, plant and equipment and intangible assets	6,087	13,656	123,338
Purchase of investment securities	(935)	(1,042)	(9,411)
Proceeds from sale of investment securities	1,232	1,407	12,708
Purchase of shares of subsidiaries and associates	(5,400)	(97)	(876)
Proceeds from sale of shares of subsidiaries and associates	—	1,927	17,404
Other, net	1,562	(1,551)	(14,008)
Net cash provided by (used in) investing activities	(69,401)	(37,392)	(337,717)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	103,758	(28,409)	(256,584)
Proceeds from long-term borrowings	24,348	27,310	246,658
Repayments of long-term borrowings	(28,938)	(22,297)	(201,382)
Proceeds from issuance of bonds	40,000	60,000	541,908
Redemption of bonds	(10,000)	(20,000)	(180,636)
Dividends paid	(11,710)	(59)	(533)
Dividends paid to non-controlling interests	(989)	(960)	(8,671)
Proceeds from sale and leaseback transactions	—	10,014	90,444
Other, net	(664)	(2,505)	(22,625)
Net cash provided by (used in) financing activities	115,803	23,093	208,571
Effect of exchange rate change on cash and cash equivalents	3,293	(682)	(6,160)
Net increase (decrease) in cash and cash equivalents	34,234	19,619	177,195
Cash and cash equivalents at beginning of period	68,311	102,546	926,174
Cash and cash equivalents at end of period	102,546	122,166	1,103,378

Segment information
Information by reportable segment

For the year ended March 31, 2020

Millions of yen									
Year ended Mar. 31, 2020									
	External sales	Intersegment sales	Total sales	Operating income(loss)	Total assets	Depreciation and amortization	Investment for affiliates applied for equity methods	Capital expenditures	
Aerospace Systems	¥ 532,549	¥ 6,477	¥ 539,027	¥ 42,777	¥ 745,048	¥ 22,539	¥ -	¥ 25,121	
Energy System & Plant Engineering	242,972	30,871	273,843	17,566	314,753	3,362	18,621	3,048	
Precision Machinery & Robot	217,387	15,529	232,917	12,211	203,525	9,279	1,737	12,845	
Ship & Offshore Structure	71,680	9,049	80,730	(637)	125,642	1,625	44,930	1,355	
Rolling Stock	136,553	18	136,571	(3,819)	211,759	2,533	135	2,740	
Motorcycle & Engine	337,757	772	338,529	(1,948)	282,185	15,963	1,601	21,353	
Other	102,435	38,927	141,362	1,235	94,174	1,562	3,682	745	
Total	1,641,335	101,647	1,742,983	67,386	1,977,089	56,866	70,708	67,210	
Eliminations and corporate	-	(101,647)	(101,647)	(5,322)	(19,243)	4,417	-	3,284	
Consolidated total	¥ 1,641,335	¥ -	¥ 1,641,335	¥ 62,063	¥ 1,957,845	¥ 61,283	¥ 70,708	¥ 70,495	

Thousands of U.S. dollars									
Year ended Mar. 31, 2020									
	External sales	Intersegment sales	Total sales	Operating income(loss)	Total assets	Depreciation and amortization	Investment for affiliates applied for equity methods	Capital expenditures	
Aerospace Systems	\$ 4,893,403	\$ 59,515	\$ 4,952,927	\$ 393,063	\$ 6,845,980	\$ 207,103	\$ -	\$ 230,828	
Energy System & Plant Engineering	2,232,583	283,663	2,516,246	161,408	2,892,153	30,892	171,102	28,007	
Precision Machinery & Robot	1,997,492	142,690	2,140,191	112,203	1,870,119	85,261	15,961	118,028	
Ship & Offshore Structure	658,642	83,148	741,799	(5,853)	1,154,479	14,932	412,846	12,451	
Rolling Stock	1,254,737	165	1,254,902	(35,091)	1,945,778	23,275	1,240	25,177	
Motorcycle & Engine	3,103,528	7,094	3,110,622	(17,899)	2,592,897	146,678	14,711	196,205	
Other	941,239	357,686	1,298,925	11,348	865,331	14,353	33,833	6,846	
Total	15,081,641	933,998	16,015,648	619,186	18,166,765	522,521	649,711	617,569	
Eliminations and corporate	-	(933,998)	(933,998)	(48,902)	(176,817)	40,586	-	30,176	
Consolidated total	\$ 15,081,641	\$ -	\$ 15,081,641	\$ 570,275	\$ 17,989,938	\$ 563,108	\$ 649,711	\$ 647,733	

Segment information
Information by reportable segment

For the year ended March 31, 2021

Millions of yen									
Year ended Mar. 31, 2021									
	External sales	Intersegment sales	Total sales	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Aerospace Systems	¥ 377,720	¥ 7,681	¥ 385,402	¥ (31,668)	¥ 757,342	¥ 23,043	¥ -	¥ -	¥ 22,113
Energy System & Plant Engineering	240,117	20,252	260,370	13,408	342,500	3,340	-	18,080	4,162
Precision Machinery & Robot	240,864	14,853	255,717	14,086	213,792	10,071	-	(24)	9,836
Ship & Offshore Structure	79,425	3,764	83,189	(3,059)	133,932	1,407	4,076	49,841	1,030
Rolling Stock	133,248	7	133,256	(4,593)	215,688	2,551	11,129	148	2,424
Motorcycle & Engine	336,694	730	337,424	11,758	256,997	14,904	-	1,538	12,790
Other	80,415	36,979	117,395	469	73,211	947	-	3,880	548
Total	1,488,486	84,270	1,572,757	403	1,993,465	56,267	15,205	73,464	52,907
Eliminations and corporate	-	(84,270)	(84,270)	(5,709)	(30,189)	4,991	-	-	12,772
Consolidated total	¥ 1,488,486	¥ -	¥ 1,488,486	¥ (5,305)	¥ 1,963,276	¥ 61,258	¥ 15,205	¥ 73,464	¥ 65,679

Thousands of U.S. dollars									
Year ended Mar. 31, 2021									
	External sales	Intersegment sales	Total sales	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Aerospace Systems	\$ 3,411,488	\$ 69,373	\$ 3,480,871	\$ (286,019)	\$ 6,840,155	\$ 208,120	\$ -	\$ -	\$ 199,720
Energy System & Plant Engineering	2,168,687	182,912	2,351,608	121,098	3,093,389	30,166	-	163,295	37,590
Precision Machinery & Robot	2,175,434	134,149	2,309,583	127,222	1,930,925	90,959	-	(217)	88,837
Ship & Offshore Structure	717,350	33,996	751,346	(27,628)	1,209,646	12,708	36,814	450,154	9,303
Rolling Stock	1,203,468	63	1,203,540	(41,483)	1,948,049	23,040	100,515	1,337	21,893
Motorcycle & Engine	3,040,950	6,593	3,047,543	106,196	2,321,143	134,610	-	13,891	115,517
Other	726,292	333,987	1,060,287	4,236	661,227	8,553	-	35,043	4,949
Total	13,443,696	761,109	14,204,814	3,640	18,004,561	508,192	137,328	663,512	477,845
Eliminations and corporate	-	(761,109)	(761,109)	(51,563)	(272,661)	45,078	-	-	115,354
Consolidated total	\$ 13,443,696	\$ -	\$ 13,443,696	\$ (47,914)	\$ 17,731,900	\$ 553,270	\$ 137,328	\$ 663,512	\$ 593,199

Orders by reportable segment*For the year ended March 31, 2021 and 2020*

	Billions of yen		Millions of U.S. dollars	
	Year ended Mar. 31, 2020	Year ended Mar. 31, 2021	Year ended Mar. 31, 2021	
Orders :				
Aerospace Systems	¥ 414.9	¥ 329.5	\$ 2,976	
Energy System & Plant Engineering	252.3	219.0	1,978	
Precision Machinery & Robot	218.8	259.4	2,343	
Ship & Offshore Structure	56.2	98.1	886	
Rolling Stock	125.7	77.0	695	
Motorcycle & Engine	337.7	336.6	3,040	
Other	107.5	82.5	745	
Total	¥ 1,513.5	¥ 1,402.4	\$ 12,666	