


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
August 5, 2021
(Consolidated)
For three months ended June 30, 2021 and 2020 and one year ended March 31, 2021
Operating results

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
Net sales	¥ 355,631	¥ 300,602	\$ 3,215,179
Operating profit	15,166	(20,661)	137,112
Profit attributable to owners of parent	9,869	(11,771)	89,223
Earnings per share (Yen)	59.08	(70.47)	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Jun. 30, 2021	As of Mar. 31, 2021	As of Jun. 30, 2021
Total assets	¥ 1,953,865	¥ 1,963,276	\$ 17,664,452
Net assets	456,187	482,775	4,124,284
Number of shares issued and outstanding	167,041	167,042	
Equity Ratio	22.4%	23.7%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021
Operating activities	¥ (42,861)	¥ (101,107)	\$ (387,497)
Investing activities	(12,404)	2,649	(112,142)
Financing activities	49,809	163,834	450,312
Cash and cash equivalents at end of period	117,064	167,929	1,058,349

Fiscal year forecast

	Millions of yen		
	Net sales	Operating profit	Profit attributable to owners of parent
One year ending March 31, 2022	¥ 1,530,000	¥ 40,000	¥ 19,000

- 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 ¥110.61=\$1, the rate prevailing as of June 30, 2021, solely for the convenience of the readers.

Consolidated Balance Sheets*As of June 30 and March 31, 2021*

	Millions of yen		Thousands of
	As of	As of	U.S. dollars
	Mar. 31, 2021	Jun. 30, 2021	As of Jun. 30, 2021
Assets			
Current assets			
Cash and deposits	¥ 126,702	¥ 122,051	\$ 1,103,435
Notes and accounts receivable - trade	460,436	—	—
Notes and accounts receivable - trade, and contract assets	—	410,009	3,706,799
Merchandise and finished goods	69,223	66,471	600,949
Work in process	452,848	410,871	3,714,592
Raw materials and supplies	136,471	143,876	1,300,750
Other	43,314	77,695	702,423
Allowance for doubtful accounts	(3,589)	(3,636)	(32,872)
Total current assets	1,285,407	1,227,338	11,096,085
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	172,951	170,845	1,544,571
Other	278,308	276,020	2,495,434
Total property, plant and equipment	451,259	446,866	4,040,014
Intangible assets	22,427	22,099	199,792
Investments and other assets			
Other	205,584	258,957	2,341,172
Allowance for doubtful accounts	(1,403)	(1,396)	(12,621)
Total investments and other assets	204,180	257,560	2,328,542
Total non-current assets	677,868	726,526	6,568,357
Total assets	1,963,276	1,953,865	17,664,452
Liabilities			
Current liabilities			
Notes and accounts payable - trade	247,294	202,788	1,833,360
Electronically recorded obligations - operating	107,849	112,025	1,012,793
Short-term borrowings	141,579	138,279	1,250,149
Income taxes payable	4,753	5,028	45,457
Provision for sales promotion expenses	7,380	—	—
Provision for bonuses	18,239	19,347	174,912
Provision for construction warranties	12,550	12,261	110,849
Provision for loss on construction contracts	14,263	12,457	112,621
Advances received	153,298	—	—
Contract liabilities	—	160,078	1,447,229
Other	210,345	276,391	2,498,789
Total current liabilities	917,555	938,658	8,486,195
Non-current liabilities			
Bonds payable	190,000	190,000	1,717,747
Long-term borrowings	199,177	195,214	1,764,886
Retirement benefit liability	115,456	115,610	1,045,204
Provision for the in service issues of commercial aircraft jet engines	5,984	5,052	45,674
Other	52,326	53,141	480,436
Total non-current liabilities	562,944	559,019	5,053,964
Total liabilities	1,480,500	1,497,677	13,540,159
Net assets			
Shareholders' equity			
Share capital	104,484	104,484	944,616
Capital surplus	54,542	54,542	493,102
Retained earnings	306,576	276,806	2,502,540
Treasury shares	(136)	(137)	(1,239)
Total shareholders' equity	465,467	435,696	3,939,029
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,955	1,576	14,248
Deferred gains or losses on hedges	(179)	(653)	(5,904)
Foreign currency translation adjustment	(931)	2,484	22,457
Remeasurements of defined benefit plans	(979)	(670)	(6,057)
Total accumulated other comprehensive income	(134)	2,736	24,736
Non-controlling interests	17,442	17,754	160,510
Total net assets	482,775	456,187	4,124,284
Total liabilities and net assets	1,963,276	1,953,865	17,664,452

Consolidated Statements of Profit and Loss

For three months ended June 30, 2021 and 2020

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2021
Net sales	¥ 300,602	¥ 355,631	\$ 3,215,179
Cost of sales	278,357	293,604	2,654,407
Gross profit	22,244	62,027	560,772
Selling, general and administrative expenses			
Salaries and allowances	13,458	13,966	126,263
Research and development expenses	8,145	8,885	80,327
Other	21,302	24,008	217,051
Total selling, general and administrative expenses	42,906	46,860	423,651
Operating profit (loss)	(20,661)	15,166	137,112
Non-operating income			
Interest income	138	272	2,459
Dividend income	119	167	1,510
Foreign exchange gains	2,377	—	—
Other	1,492	1,412	12,766
Total non-operating income	4,128	1,853	16,753
Non-operating expenses			
Interest expenses	1,030	885	8,001
Share of loss of entities accounted for using equity method	20	1,049	9,484
Foreign exchange losses	—	714	6,455
Other	1,347	1,244	11,247
Total non-operating expenses	2,398	3,893	35,196
Ordinary profit (loss)	(18,931)	13,126	118,669
Extraordinary income			
Gain on sale of non-current assets	3,236	1,633	14,764
Gain on sale of shares of subsidiaries and associates	1,581	—	—
Total extraordinary income	4,817	1,633	14,764
Extraordinary losses			
Impairment losses	—	76	687
Total extraordinary losses	—	76	687
Profit (loss) before income taxes	(14,114)	14,683	132,746
Income taxes	(2,366)	4,332	39,165
Profit (loss)	(11,747)	10,351	93,581
Profit attributable to non-controlling interests	24	481	4,349
Profit (loss) attributable to owners of parent	(11,771)	9,869	89,223

Segment information
Information by reportable segment

	Millions of yen			
	Three months ended			
	Jun. 30, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 74,619	¥ 1,874	¥ 76,493	¥ (17,518)
Rolling Stock	32,362	1	32,364	(1,463)
Energy Solution & Marine Engineering	72,273	5,098	77,372	1,143
Precision Machinery & Robot	45,403	2,549	47,953	1,343
Motorcycle & Engine	58,974	126	59,100	(5,944)
Other	16,969	8,381	25,350	(153)
Total	300,602	18,033	318,635	(22,593)
Eliminations and corporate	-	(18,033)	(18,033)	1,931
Consolidated total	¥ 300,602	¥ -	¥ 300,602	¥ (20,661)

	Millions of yen			
	Three months ended			
	Jun. 30, 2021			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 70,075	¥ 2,333	¥ 72,409	¥ (5,147)
Rolling Stock	28,796	2	28,798	(851)
Energy Solution & Marine Engineering	70,331	3,463	73,794	(358)
Precision Machinery & Robot	57,651	3,990	61,642	5,112
Motorcycle & Engine	113,539	138	113,677	14,851
Other	15,236	3,968	19,204	622
Total	355,631	13,896	369,527	14,230
Eliminations and corporate	-	(13,896)	(13,896)	936
Consolidated total	¥ 355,631	¥ -	¥ 355,631	¥ 15,166

	Thousands of U.S. dollars			
	Three months ended			
	Jun. 30, 2021			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\$ 633,532	\$ 21,092	\$ 654,633	\$ (46,533)
Rolling Stock	260,338	18	260,356	(7,694)
Energy Solution & Marine Engineering	635,847	31,308	667,155	(3,237)
Precision Machinery & Robot	521,210	36,073	557,291	46,216
Motorcycle & Engine	1,026,480	1,248	1,027,728	134,265
Other	137,745	35,874	173,619	5,623
Total	3,215,179	125,631	3,340,810	128,650
Eliminations and corporate	-	(125,631)	(125,631)	8,462
Consolidated total	\$ 3,215,179	\$ -	\$ 3,215,179	\$ 137,112

Orders by reportable segment*For three months ended June 30, 2021 and 2020*

	Billions of yen		Millions of U.S. dollars	
	Three months ended Jun. 30, 2020	Three months ended Jun. 30, 2021	Three months ended Jun. 30, 2021	
Orders :				
Aerospace Systems	¥ 45.4	¥ 37.4	\$	338
Rolling Stock	18.7	9.3		84
Energy Solution & Marine Engineering	56.2	60.9		551
Precision Machinery & Robot	50.7	65.1		589
Motorcycle & Engine	58.9	113.5		1,026
Other	18.0	17.8		161
Total	¥ 248.2	¥ 304.2	\$	2,750