



1 Consolidated Results for Third Quarter FY2021

Summary	3
Segment	4
Income Statement	5
Details of Change in Profit	7
Balance Sheet	9
Cash Flows	11

2 Forecasts for FY2021

Summary	13
Segment	14

3 Details by segment

Aerospace Systems	15
Rolling Stock	19
Energy Solution & Marine Engineering	23
Precision Machinery & Robot	27
Motorcycle & Engine	31

4 Shareholder Return and others

Shareholder Return	35
Project Topics	36
Appendix	40

Figures recorded in the business forecasts are forecasts that reflect the judgment of the Company based on the information available at the time of release and include risks and uncertainties. Accordingly, the Company cautions investors not to make investment decisions solely on the basis of these forecasts.

Actual business results Aug. differ materially from these business forecasts due to various important factors resulting from changes in the external environment and internal environment. Important factors that Aug. affect actual business results include, but are not limited to, economic conditions, the yen exchange rate against the U.S. dollar and other currencies, the tax system, and laws and regulations.

- Profit increased significantly and sales increase slightly from Q3 FY2020
- Shipbuilding joint ventures in China recorded provision for losses on construction contracts

Consolidated Results for Third Quarter FY2021 –Segment –

- Aerospace Systems continue to improve as passenger demand recovers, but losses still remain
- Sales and profit increased significantly in Motorcycle & Engine due to strong demand for outdoor leisure in developed countries "E"
- Rolling Stock / Motorcycle & Engine, which were spun off in October 2021, showed solid results

"Ç

(Billion Yen)

	Orders Received			Net Sales			Operating Profit (Loss)		
	FY20 Q3	FY21 Q3	Change	FY20 Q3	FY21 Q3	Change	FY20 Q3	FY21 Q3	Change
Aerospace Systems	224.7	160.8	- 63.8	277.9	~ 204.9	- 73.0	- 19.2	~ - 11.3	+ 7.8
Rolling Stock	49.2	42.2	- 7.0	101.5	89.1	- 12.3	- 1.3	2.5	+ 3.9
Energy Solution & Marine Engineering	187.3	253.2	+ 65.8	215.6	201.7	- 13.8	5.6	3.1	- 2.5
Precision Machinery & Robot	170.2	197.4	+ 27.1	154.2	179.5	+ 25.2	8.1	13.4	+ 5.3
Motorcycle & Engine	225.5	309.5	+ 84.0	225.5	309.5	+ 84.0	1.8	29.6	+ 27.8
Others	56.9	63.0	+ 6.1	57.5	~ 53.7	- 3.7	0.5	3.5	+ 3.0
Eliminations and corporate [~]	-	-	-	-	-	-	0.7	- 2.0	- 2.7
Total	914.0	1,026.4	+ 112.3	1,032.4	1,038.7	+ 6.2	- 3.7	39.0	+ 42.7

-1 As a result of the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), net sales in Aerospace Systems decreased by approximately ¥67.9 billion, operating profit in Aerospace Systems decreased by approximately ¥2.8 billion, and net sale in Others decreased by approximately ¥15.0 billion from the previous accounting standard.

- "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

Consolidated Results for Third Quarter FY2021

-Income Statement-

(Billion Yen)

	FY20 Q3	%	FY21 Q3	%	Change
Net Sales	1,032.4	100.0	1,038.7	100.0	+ 6.2
Cost of sales	899.6	87.1	851.6	82.0	- 47.9
Gross profit	132.8	12.9	187.0	18.0	+ 54.1
Selling, general and administrative expenses	136.6	13.2	148.0	14.3	+ 11.4
Salaries and allowances	40.7		42.2		+ 1.5
Research and development expenses	29.7		31.7		+ 2.0
Others	66.1		74.0		+ 7.8
Operating Profit (Loss)	- 3.7	- 0.4	39.0	3.8	+ 42.7
Non-operating Income / Expenses	3.6		- 17.7		- 21.3
Gain and loss on foreign exchange	1.9		- 0.9		- 2.9
Net Interest expense (incl. dividend income)	- 1.7		- 1.5		+ 0.1
Equity in income of unconsolidated subsidiaries and affiliates	1.4		- 15.1		- 16.6
Reversal of payments for the in-service issues of commercial aircraft jet engines	3.0		0.0		- 2.9
Others	- 0.9		- 0.0		+ 0.9
Recurring Profit (Loss)	- 0.0	-	21.3	2.1	+ 21.3

☞ Increase in sales costs in Motorcycle & Engine and Precision Machinery & Robot

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Consolidated Results for Third Quarter FY2021 –Income Statement–

(Billion Yen)

	FY20 Q3	%	FY21 Q3	%	Change
Recurring Profit (Loss)	- 0.0	-	21.3	2.1	+ 21.3
Extraordinary Income / Losses	0.8		1.3		+ 0.4
Gain on sales of fixed assets	5 3.2		4 1.6		- 1.6
Gain on sales of shares of subsidiaries and affiliates	6 1.5		-		- 1.5
Impairment loss	7 - 3.9		8 - 0.2		- 3.6
Income before income taxes	9 0.8	0.1	22.6	2.2	+ 21.8
Income taxes	13.5		10 13.5		0.0
Net income attributable to non-controlling interests	1.2		1.7		+ 0.5
Net Income (Loss) attributable to owners of parent	- 13.9	- 1.4	7.2	0.7	+ 21.2

Details

- "É Sale of land
- "Ë Sale of dormitory /company housing sites
- "İ Certain affiliated company related to Energy System & Plant Engineering
- "Í All fixed assets at Sakaide Works (Ship & Offshore structure)
- "Î All fixed DVVHWV REWDLQH at Sakaide Works (Ship & Offshore structure)
- "Ï Partial reversal of deferred tax assets (¥5.4 billion), as a result of a review of the future plans for FY 20 and beyond.
- "Ð Equity in losses of affiliates does not contribute to the reduction of tax burden, which resulted in a high proportion of tax rates to income before income taxes.

Consolidated Results for Third Quarter FY2021 –Details of change in profit–

Mass production businesses: Motorcycle & Engine contributed to change in sales

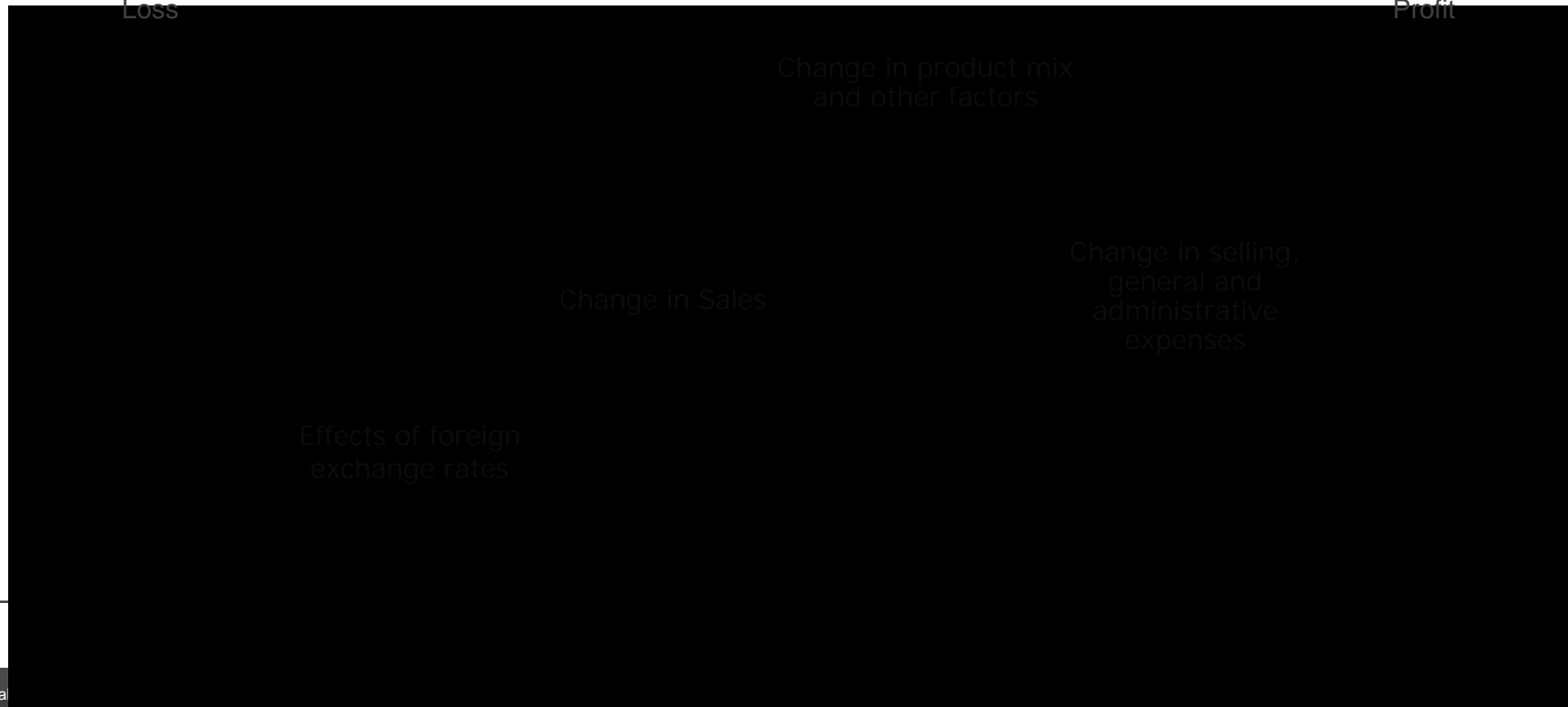
and Precision Machinery & Robot,

Jet engine maintenance costs, which were a major burden in Q2 FY2020, were decreased

Q3 FY2020
Operating
Loss



Q3 FY2021
Operating
Profit



- ~ (IIHFWV RI IRUHLJQ H[FKDQJH UDWHV FKDQJH LQ VDOHV DQG Gwa Fks Dg Hated by SUR Company based on certain criteria. In addition, each factor of change is often indivisible, and in particular, it Aug. be desirable to check the change in sales and change in product mix.
- ~ \$ Va result of the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) , operating profit in Aerospace Systems decreased by approximately ¥2.8 billion from the previous accounting standard. This impact is included in change in product mix and other factors.

Consolidated Results for Third Quarter FY2021

- Balance Sheet -

(Billion Yen)

	End of		End of		Change
	Mar. 2021	%	Dec. 2021	%	
Cash and deposits	126.7		75.2		- 51.4
Trade receivables	460.4		447.4		- 12.9
Inventory	658.5		696.6		+ 38.1
Other current assets	39.7		115.0		+ 75.2
Current assets	1,285.4	65.5	1,334.3	65.2	+ 48.9
Tangible & intangible fixed assets	473.6		464.1		- 9.5
Deferred tax assets	70.4		82.6		+ 12.2
Other non-current assets	133.7		164.4		+ 30.7
Non-current assets	677.8	34.5	711.2	34.8	+ 33.4
Total assets	1,963.2	100.0	2,045.6	100.0	+ 82.4

[Details](#)

"Ç

"È A portion of trade receivable in Aero Engine (approximately ¥22 billion) was reduced as an adjustment of retained earnings at the beginning of the period, as a result of the application of the "Accounting Standard for Revenue Recognition"

Progress of receivable collection in Energy Plant & Marine Engineering and Motorneof &

Actual inventories increased mainly in Precision Machinery & Robot and Motorcycle & Engine

A portion of work in process (approximately 44 billion yen) in Aero Engine was transferred to investments and other assets, as a result of the application of the "Accounting Standard for Revenue Recognition"



(Billion Yen)

	FY20 Q3	FY21 Q3	Change
Income before income taxes	0.8	22.6	+ 21.8
Depreciation and amortization	45.4	45.4	- 0.0
Increase and decrease in working capital	- 107.1	- 148.5	- 41.4
Trade receivables (minus notation indicates incr.)	- 0.8	- 11.7	- 10.9
Inventory (minus notation indicates incr.)	- 56.7	- 85.6	- 28.8
Trade payables (minus notation indicates decr.)	- 35.8	- 40.0	- 4.2
Advance Payment (minus notation indicates incr.)	- 2.9	- 28.3	- 25.4
Advances received ~ (minus notation indicates decr.)	- 10.8	17.2	+ 28.0
Other	- 78.8	- 58.4	+ 20.4
Cash flows from operating activities	- 139.7	- 138.9	+ 0.7
Purchase of tangible and intangible fixed assets	- 37.1	- 45.4	- 8.3
Proceeds from sales of tangible and intangible fixed assets	13.7	2.7	- 10.9
Other	1.0	- 0.9	- 1.9
Cash flows from investing activities	- 22.4	- 43.5	- 21.1
Free cash flows	- 162.1	- 182.5	- 20.3
	185.2	135.6	- 49.5
Dividends paid (Except payment to non-controlling interests)	- 0.0	- 3.1	- 3.0
Proceeds from sale and leaseback transactions	10.0	-	- 10.0
Other	- 2.5	- 2.3	+ 0.2
Cash flows from financing activities	192.6	130.1	- 62.4

Earnings Forecasts for FY2021 - Summary -

- ☑ Recurring profit remains unchanged due to deterioration in earnings of unconsolidated subsidiaries despite the upward revision to operating profit
- ☑ Deferred tax assets are expected to be recognized in the fourth quarter, which will reduce tax expenses

(Billion Yen)

	FY2020		FY2021 Forecast and Progress						
	Actual	Old FCST	New FCST	Chg. vs. FY20		Chg. vs. Old FCST		Q3 Actual	Q4 FCST
Orders Received	1,402.4	1,460.0	1,530.0	+	127.6	+	70.0	1,026.4	503.6
Net Sales	1,488.4	1,550.0	1,550.0	+	61.6	-	-	1,038.7	511.3
Operating Profit (Loss)	- 5.3	40.0	46.0	+	51.3	+	6.0	39.0	7.0
[Margin]	[- 0.3%]	[2.5%]	[2.9%]		[+ 3.3pt]		[+ 0.3pt]	[3.7%]	[1.3%]
Recurring Profit (Loss)	- 2.8	22.0	22.0	+	24.8	-	-	21.3	0.7
[Margin]	[- 0.1%]	[1.4%]	[1.4%]		[+ 1.6pt]		[-]	[2.0%]	[0.1%]
	- 19.3	15.0	15.0	+	34.3	-	-	7.2	7.8
[Margin]	[- 1.2%]	[0.9%]	[0.9%]		[+ 2.2pt]		[-]	[0.7%]	

~ Assumed rate for 6 months from the Q3-4 (from October 2021 to March 2022)

~ \$PRXQW foreign currency calculated by deducting dollar-denominated purchases from dollar-denominated sales of Kawasaki Heavy Industries, Ltd. (to include dollar-denominated sales of loss provisions). The estimated impact on operating income due to a 1 yen fluctuation in the exchange rate. See page 42 for the breakdown of these figures by segment.

Forecasts for FY2021 -Segment -

- Operating profit of Energy Solution & Marine Engineering was revised down due to cost deterioration in Ship & Offshore Structure
- Operating profit of Motorcycle & Engine was revised up due to reduction in material procurement risk

-1 As a result of the application of the "Accounting Standard for Revenue Recognition" v6 (f)0.7 (ta)-8.1 (nd)-9.9 (a)-8.1 (r)eser l2l97 (o)(o)-0eN7 (o)3(n")-4.82-10.9 Tn34.3 (As)94.3 (

Details by Segment

-Aerospace systems-

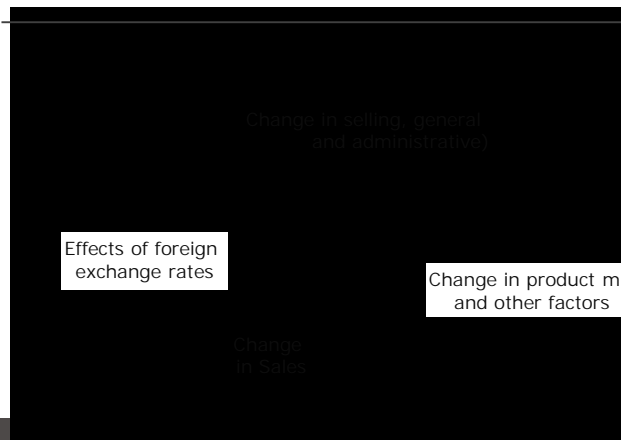
Orders received

[FCST in Nov.]
310.0
↓

[FCST in Nov.]
320.0
↓

[FCST in Nov.]
-10.5
↓

Details of change in Operating Profit(Loss) (billion yen)



Appendix

Number of aircraft component parts sold to Boeing

) < b) < b	Change
	Q3	Q1-4	Q3	
767	21	30	25	+ 4
777	21	24	15	- 6
777X	7	9	3	- 4
787	69	77	23	- 46

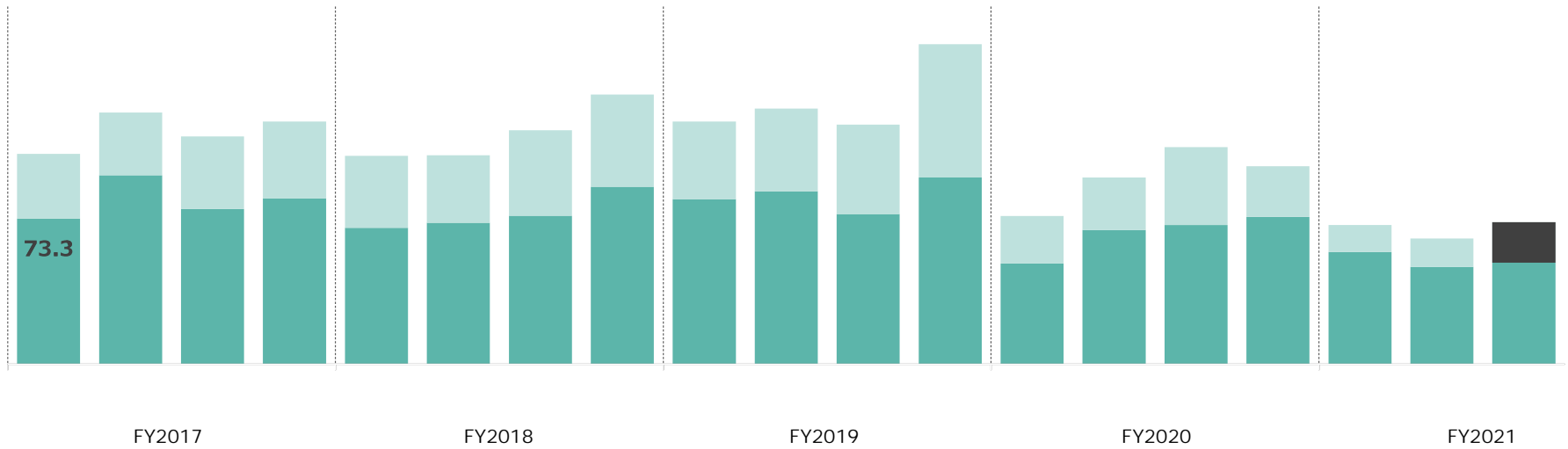
Number of jet engine component parts sold

) < b) < b	Change
	Q3	Q1-4	Q3	
V2500	3	5	13	+ 10
PW1100G	270	360	358	+ 88

~ 1 X P E H U R I M H W H Q J L Q H F R P S R Q H Q W
sold to Rolls-Royce is not disclosed

Details by Segment -Aerospace systems-

Net Sales
(billion yen)






Market Overview

- z Commercial aircraft business
 - Global passenger demand remains weak due to the great impact of COVID-19 except for some domestic short flights in North America and Europe, and


Specific Efforts

Details by Segment - Rolling Stock -

FY2021.Q3 Bvs. FY2020.Q3 C

Orders received		Decreased compared with FY2020 Q3, when major orders for Shinkansen were received.
Net Sales		Decreased due to a decrease in other regions despite an increase to the U.S..
Operating profit		Improved due to improvement in profitability of overseas projects due to recovery from the impact of COVID-19, despite a decrease in revenue.

FY2021 forecast Bvs. Forecast in November C

Operating profit		Remained at the same level.

{ FCST in Nov.
50.0 }

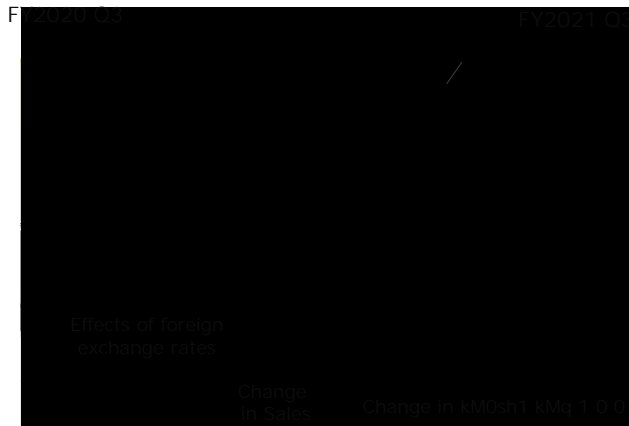
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{ FCST in Nov.
150.0 }

↓

Details by Segment - Rolling Stock -

Details of change in Operating Profit(Loss) (billion yen)



Appendix

Sales in components, overhaul and after-sales service

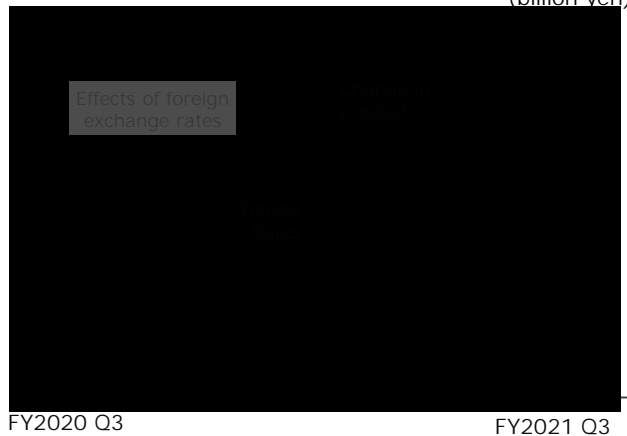
Progress of the M9 Project for Long Island Rail Road in the United States (End of Dec. 2021)

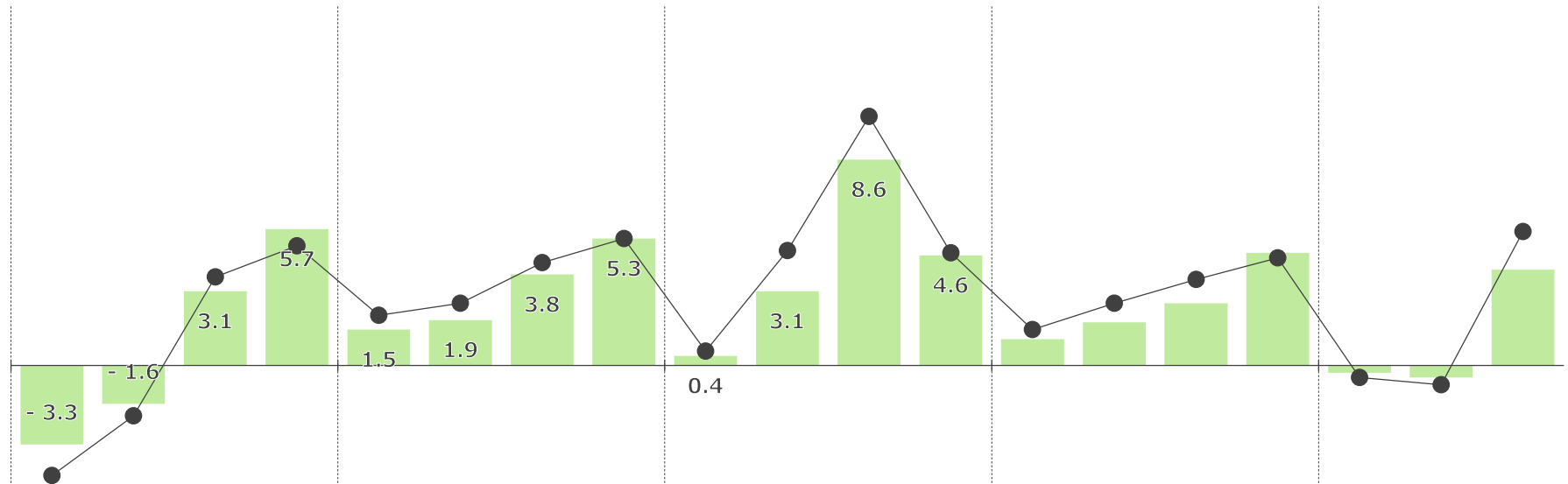
Details by Segment - Energy Solution & Marine Engineering -

~ The prior results of previous segment have been reclassified to current segment

Details of change in Operating Profit(Loss)

(billion yen)





- Energy Solution & Marine Engineering -

Market Overview

z Energy system & Plant Engineering

Domestic	Emerging Markets
Steady demand for distributed power plants and municipal waste incineration plants is expected to continue	Steady demand for distributed power plants and other energy infrastructure is expected to remain

z Ship & Offshore Structures

Commercial ships	Submarines and others
Inquiries of LPG/LAG carriers are increasing, as demand for ammonia is expected to increase.	Stable orders for submarines are expected

z Entire segment

COVID-19 and other risks	Carbon neutrality
<ul style="list-style-type: none"> - Demand is recovering - Prices of raw materials and logistics costs are rising due to the rapid normalization of the economy. 	Inquiries and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products.

Specific Efforts

- ✓ Securing orders to improve profitability

"Renewal and "Life extension work for domestic municipal waste incineration plants




"Received 2 successive orders for design, build and operation of new waste incineration plants from Aizu-Takama

iT* 07 ((i)Tr


- ✓ Establishing a leading position in the decarbonization field

Details by Segment - Precision Machinery & Robot -


FY2021.Q3 Bvs. FY2020.Q3 C

Orders received		Increased due to an increase in hydraulic components for construction machinery and various robots including robots for semiconductor manufacturing equipment.
Net Sales		Same as above.
Operating profit		Increased due to an increase in revenue.


FY2021 forecast Bvs. Forecast in November C

Orders received		Remained at the same level.
Net Sales		Revised down due to a decrease in revenue in hydraulic
Operating profit		Revised down due to a decrease in revenue and rising raw material prices.

FCST in Nov.
260.0



FCST in Nov.
19.0



Appendix

Sales of hydraulic components to China

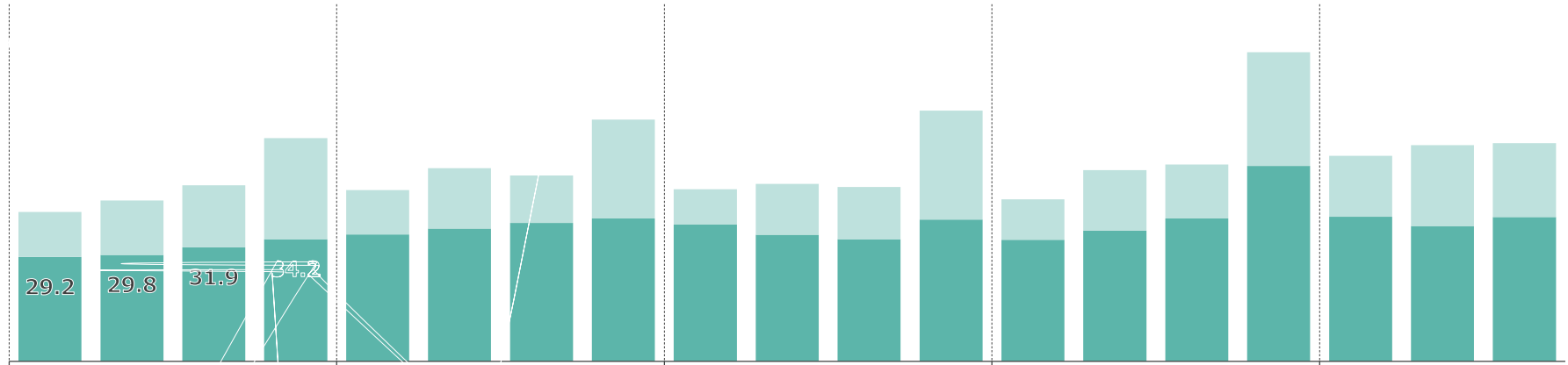
Sales of robots by segment -

) < b	FY 21	Change
Automobile assembly and painting	20.5 36.8	23.0 (FCST)36.0	+2.4 -0.8
Semiconductor	16.0 23.8	25.7 (FCST)35.0	+9.7 +11.2
General robots for industrial use and others	10.9 21.2	18.8 (FCST)28.5	+7.9 +7.3
Total	47.4 81.9	67.6 (FCST)99.5	+20.1 +17.6

~, Q F O X G L Q J

Details by Segment - Precision Machinery & Robot -

Net Sales
(billion yen)



Market Overview

z Construction machinery

- High level of demand in China continues in FY2021 despite the risk of declining demand
- Demand outside China was recovered from the impact of COVID-19 and remains strong
- Electrification will be promoted due to the environmental regulations
- Automation and autonomy will be promoted due to the decline of skilled workers

z Robots

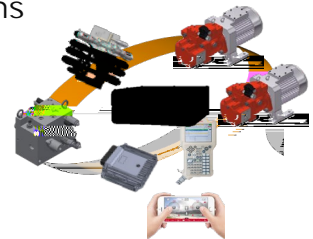
- General purpose robots for industrial use markets is good, particularly in regions where recovery from the impact of COVID-19 is rapid.
- In semiconductor markets, demand is strong due to increased capital investment.
- Shortage of electronic components and logistics disruption continue

Specific Efforts



Developing electrification and automation technology for construction machinery

- Development and supply of the latest hydraulic equipment and systems for electrification and automation to support customers



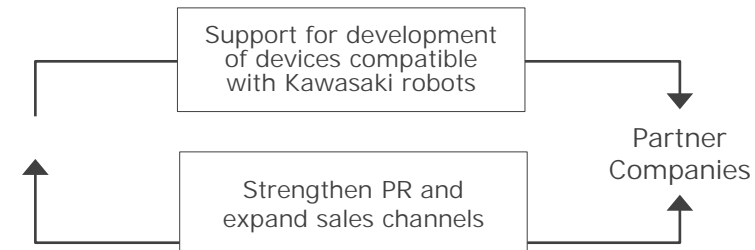
Promotion of open innovation

- K-AddOn was launched in June, 2021.

K-AddOn

A platform that makes devices of our partner companies with guaranteed connectivity to Kawasaki robots widely available to the public.

- ▶ System integrators and robot users can use the "K-AddOn" registration device without verifying connectivity.



3 Details by Segment - Motorcycle & Engine -

FY2021.Q3 Bvs. FY2020.Q3 C

Increased due to an increase in revenue, depreciation of yen compare to Q3o w 4.06 0 Td39.()0.5 (d)-9.9 (ueTw 06433t7 4.433t7 4

FY2021 forecast Bvs. Forecast in November C

Net Sales

Remained at the same level.

Operating profit

Revised up due to reduction in parts procurement risk, price increases, cost reductions, changes in foreign exchange assumptions, and other factors.

{ FCST in Nov. }
440.0

{ FCST in Nov. }
31.0



Appendix

Wholesales of motorcycles by country

) < b Q3



Supplying products as much as demanded

- All efforts to achieve production plans
- Changing production and sales plans promptly according to the available parts, if production cannot be carried out as planned due to logistics disruption or insufficient parts supply

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4

Shareholder Return

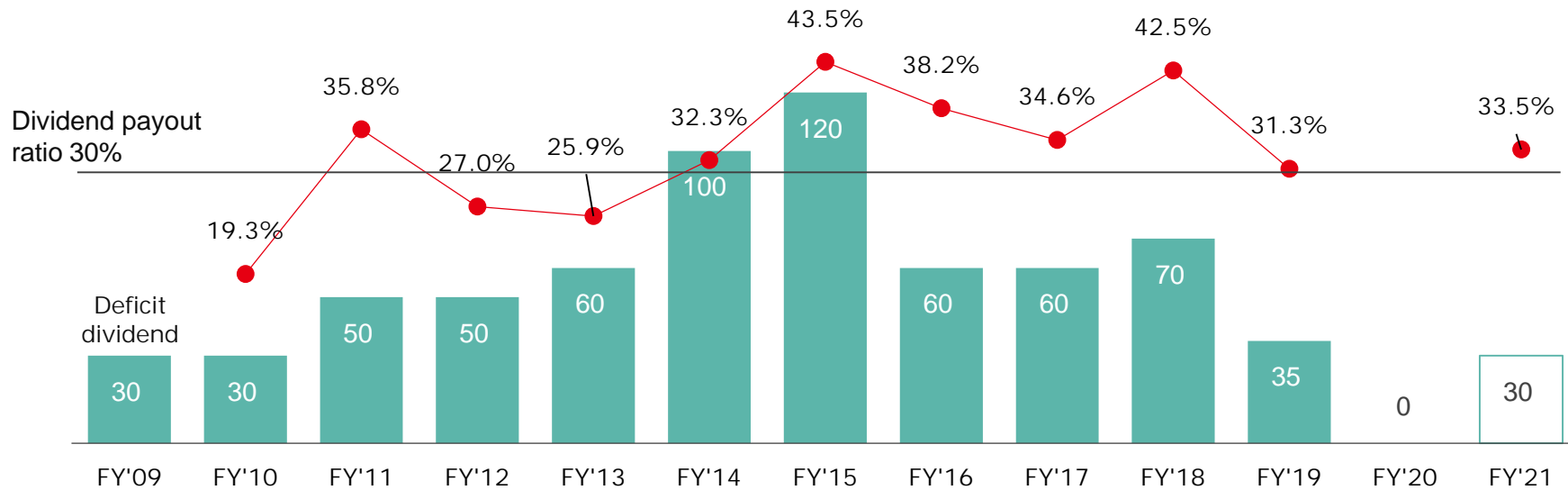
Dividend Policy

Fu

The medium- to long-term consolidated dividend payout ratio

30 %

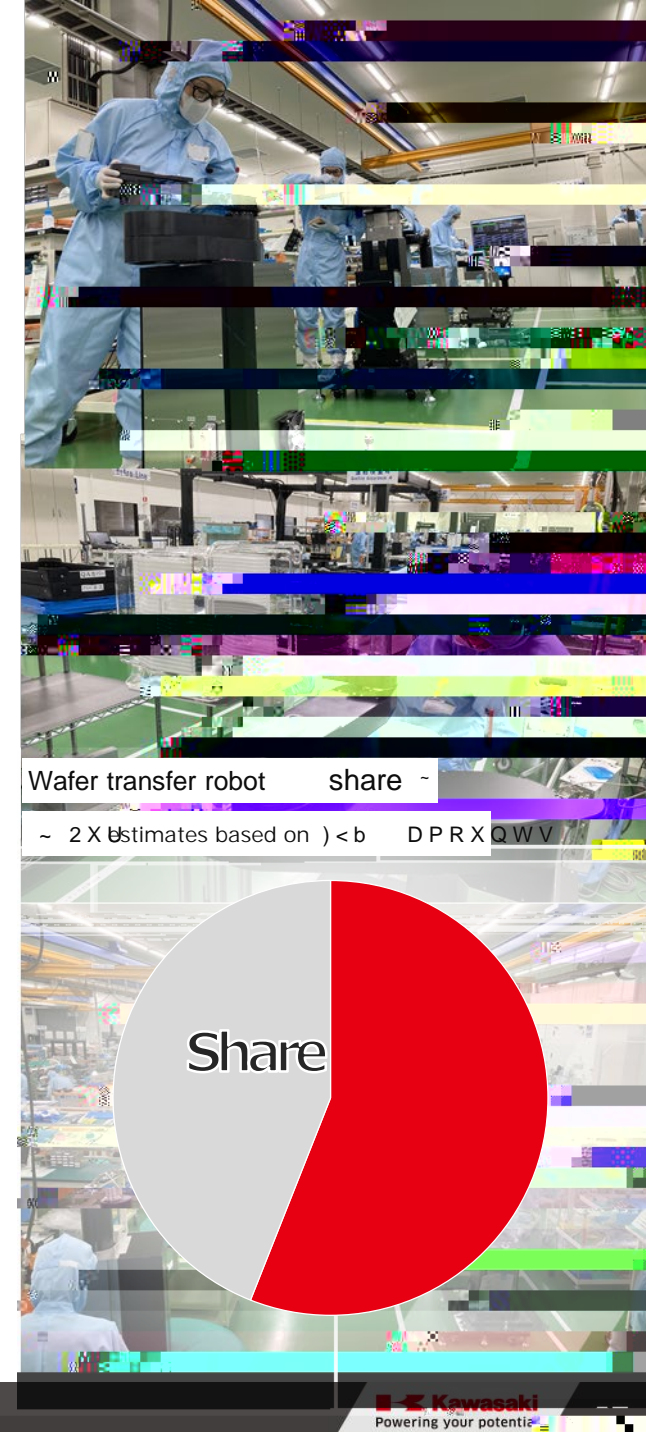
Dividend for FY2021



✔ Wafer transfer robot “today”
~ Full production to support global semiconductor supply~

- z We continue to produce wafer transfer robots for semiconductor manufacturing equipment at full capacity, in response to growing demand for semiconductors worldwide.
- z The semiconductor manufacturing equipment market will exceed **\$100 billion** in 2021 for the first time in history, and continue to grow in 2022 and beyond .

Active in semiconductor manufacturing equipment



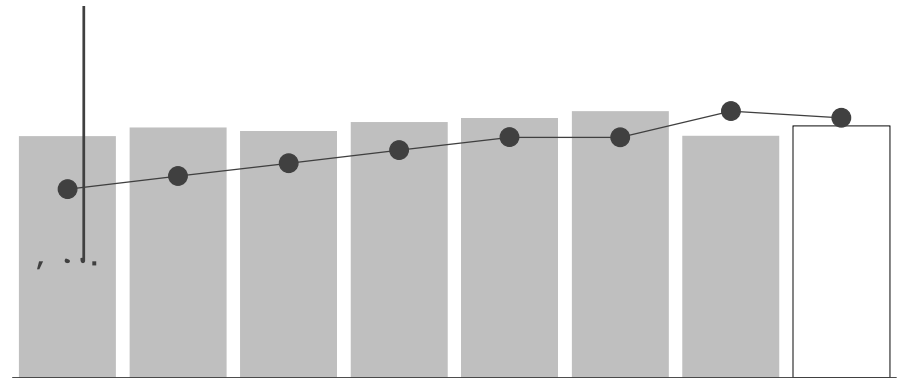
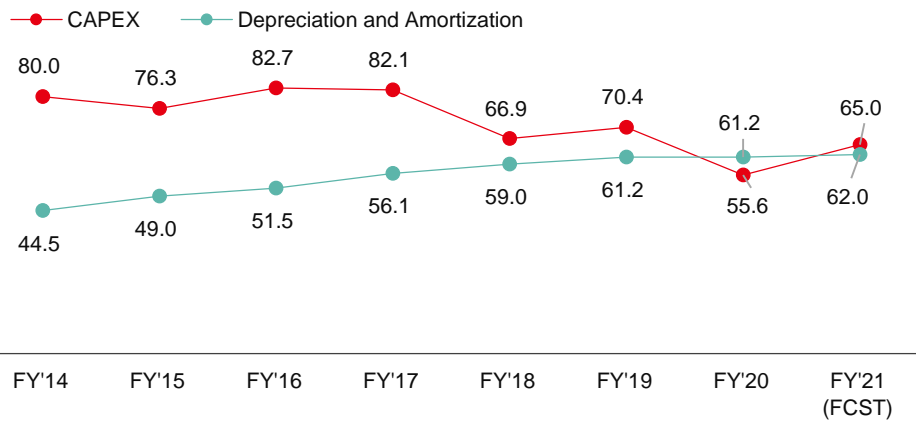


- Viability of loading and maritime transport of r4(f)-r4d (o8 (f)3770 0 780 54TJET).8 (f.6 (r4(f)37e))sr4(45.4 BV.0.667 er(r4(f)-rg.6 (7 (r4(f)37n(r4(f)3r -1.196 4



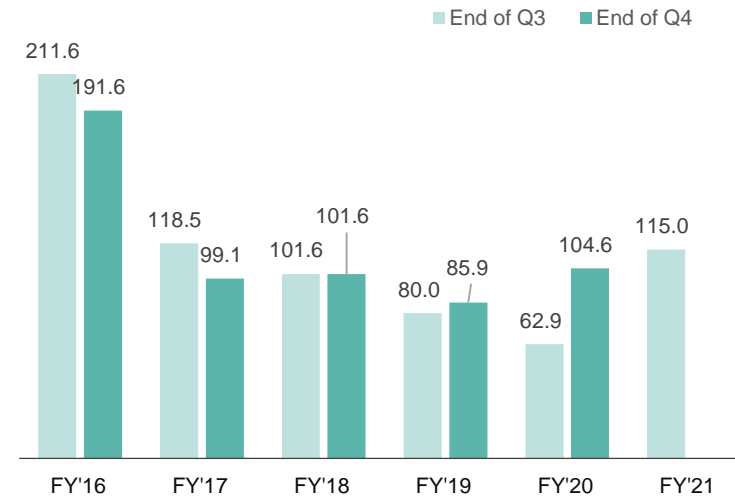
Appendix

- CAPEX, Depreciation and Amortization, R&D Expenses, Number of employees -



z Order Backlog (billion yen)

z Order Backlog in Ship & Offshore



z Net sales by region (billion yen)

z

~ FODV by country or region based on the customer's location.

z Net Sales in Foreign Currencies by Segment (billion USD)

	FY2020	FY2021	
	Actual	Actual	Q4 FCST
Aerospace Systems	0.32	0.23	0.01
Rolling Stock	0.05	0.05	0.06
	0.21	0.20	0.34
Precision Machinery & Robot	0.12	0.17	0.06
Motorcycle & Engine	0.27	0.45	0.29
Total	0.97	1.10	0.77

~ , P S D 51W profit by FX fluctuation of 1 yen

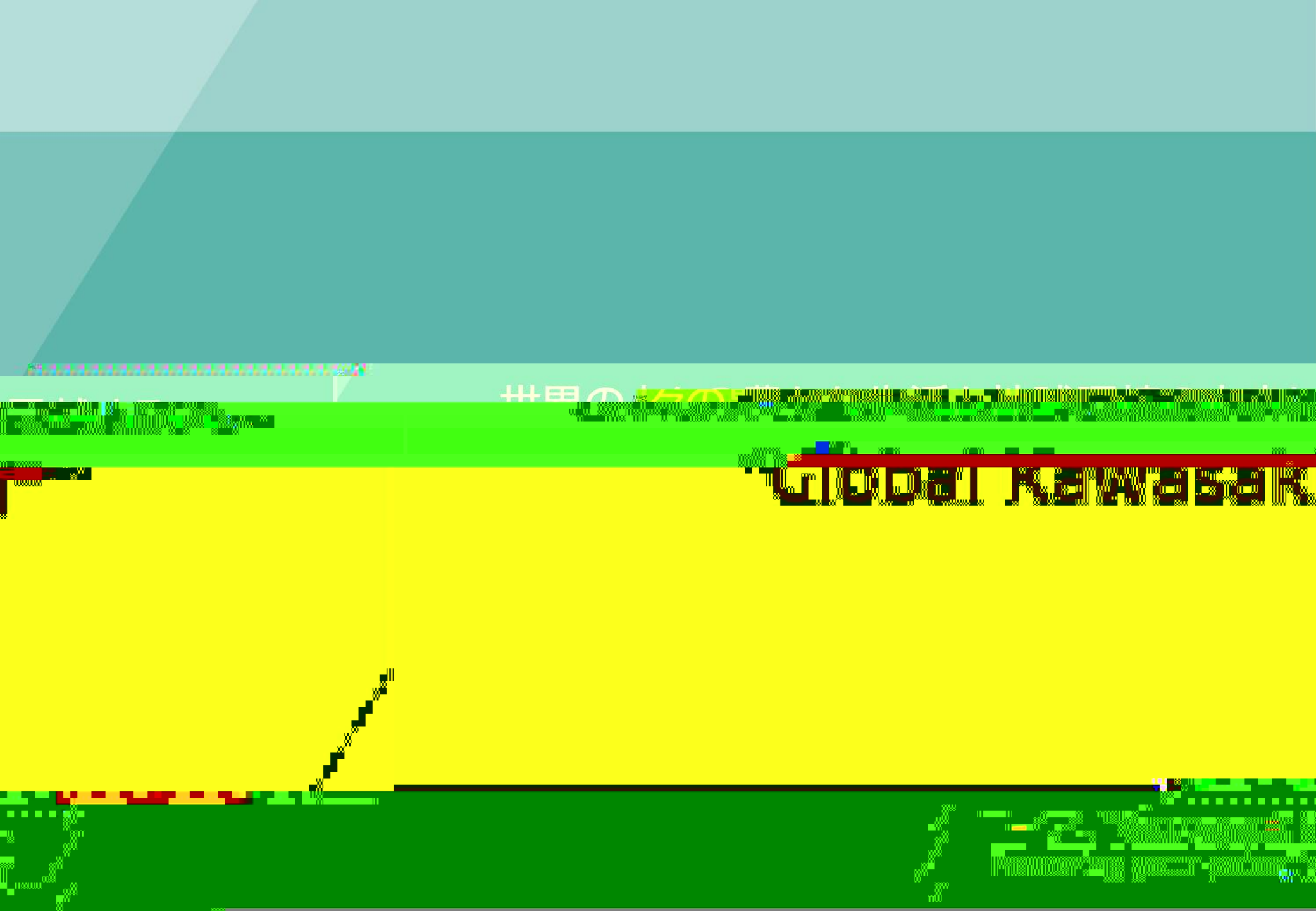
z Weighted -average exchange rates (EUR/ JPY)

FY2019 actual	121.70
FY2020 actual	124.61
FY2021 Q3 actual	130.78
FY2021 Q4 forecast	130.00

z Net Sales in Foreign Currencies (billion EUR)

FY2019 actual	0.44
FY2020 actual	0.32
FY2021 Q3 actual	0.31
FY2021 Q4 forecast	0.18

~ , P S D 51W profit by FX fluctuation of 1 yen



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