Financial Results for First Quarter FY2022

For the Year ending March 31, 2023

August 12, 2022

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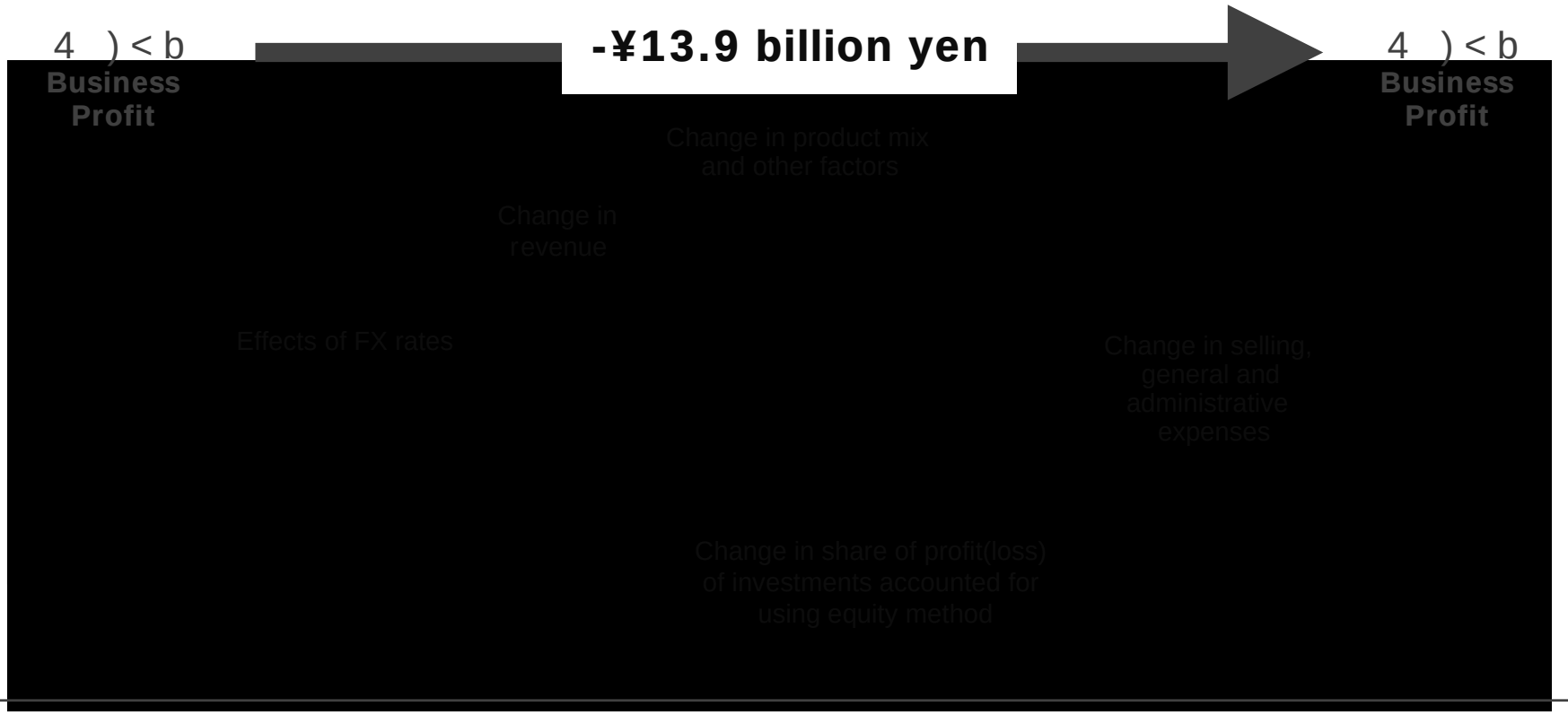
Consolidated Results for First Quarter FY2022
–Details of change in business profit -



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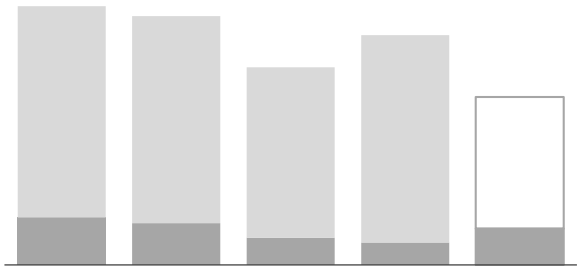

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	) < b		) < b	Change
	Q1	Q1-4	Q1	
767	8	34	8	-
777	6	21	7	+ 1
777X	1	4	0	{ 1
787	16	35	0	{ 16

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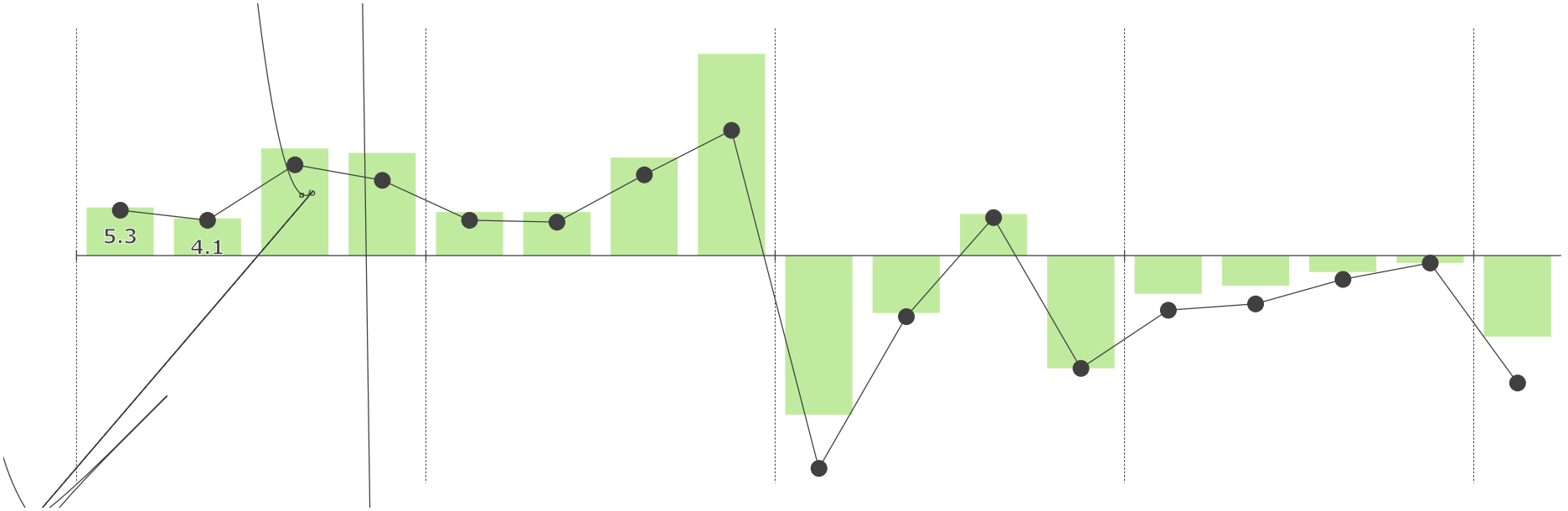

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Market Overview

z Commercial business
- Demand for aircrafts and aircraft jet engines is sluggish because global passenger demand remains weak due to the great impact of COVID-19
- Air passenger demand is recovering with an increase in the number of countries prioritizing the resumption of economic activities, including North America and Europe, but not in Asia
- Market outlook is still uncertain due to the situation in Ukraine
- It will take a considerable amount of time for the market to recover

z MOD business
- There is a certain demand within tight defense budget
- Stable orders are expected over the medium to long term

Specific Efforts

Securing stable revenue in core business

z

Improving financial foundation

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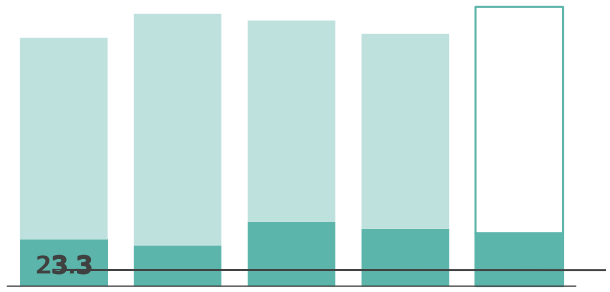

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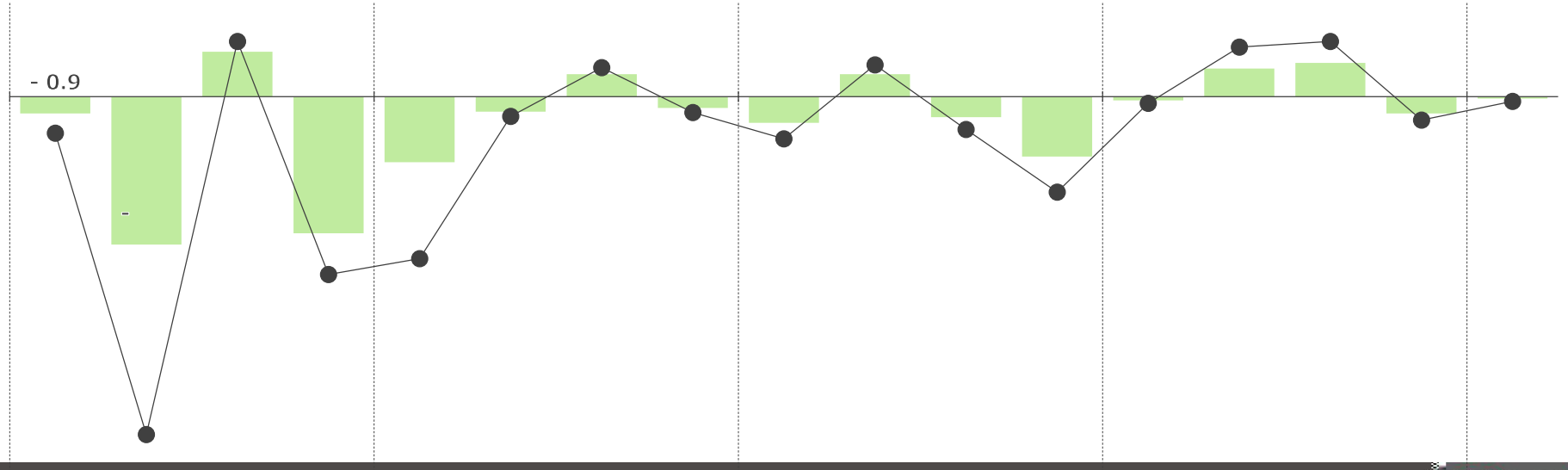

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Details by Segment

- Energy Solution & Marine Engineering -

FY2022.Q1 Bvs. FY2021.Q1 C

Orders received +¥63.6 bil.

Increased due to an increase mainly in orders for LPG carriers and major orders for construction and operation of domestic municipal waste incineration plants

Revenue -¥6.8 bil.

Decreased due to a decrease in construction work for domestic municipal waste incineration plants, despite an increase for LPG carriers

Business profit -¥0.4

Deteriorated due to a decrease in revenue and rising raw material prices, despite an improved equity in gains

FY2022 forecast Bvs. Forecast in May C

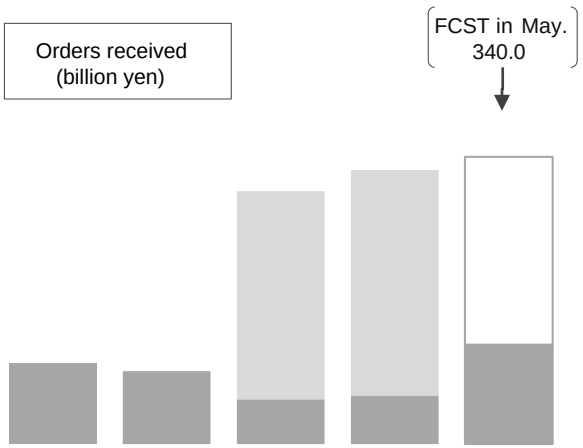
Orders received +¥20.0 bil.

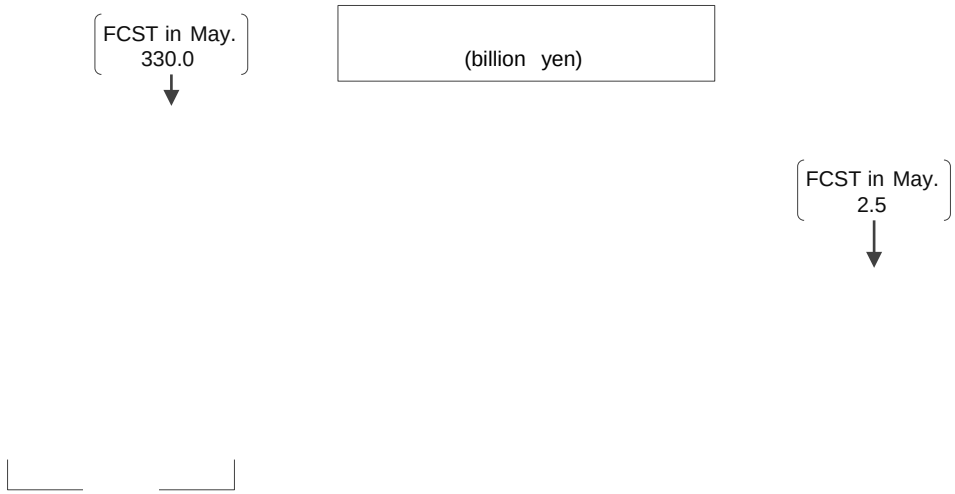
Expected to increase due to an increase in Plant Engineering for construction and operation of domestic municipal waste incineration plants

Revenue ±¥0 bil.

Expected to remain at the same level

Expected to remain at the same level due to the change in FX assumptions, despite the impact of rising raw material prices and other factors





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Details by Segment
- Energy Solution & Marine Engineering -

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

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FY2022.Q1 B vs. FY2021.Q1 C

Orders received ↗ +¥2.8 bil.

Increased due to an increase in various robots including robots for semiconductor manufacturing equipment, despite decrease in hydraulic components for China construction machinery market

Revenue ↘ -¥5.0 bil.

Decreased due to lower transaction volume in in hydraulic components for China construction machinery market, despite FX gains resulting from the depreciation of JPY

Business profit -¥3.1 bil.

Decreased due to decreasing rev2.2 (ns)[(b)-0.7 (il)3(es)]TJ 10.617 Tc 0.017 Tw 1.836 0 0 1 0 0 Tm 0.014 Tw 1.153 l 0

FY2022 forecast B vs. Forecast in May C

Orders received ↘ -¥10.0 bil.

Revised down due to lower volume of hydraulic components for China construction machinery market, despite an increase in various robots resulting from the changes in FX assumptions

Revenue ↘ -¥10.0 bil.

Revised down due to decrease

Business profit

Revised down due to decrease despite the changes in FX assumptions

Orders received (billion yen)

FCST in May. 270.0

FCST in May. 270.0

FCST in May. 17.0

IFRS

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Deflection of each segment are calculated usi

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Market Overview

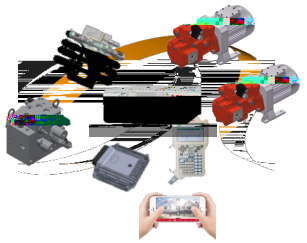
- Construction machinery
  - & K L Q demand slumps due to the impact of lockdown by Zero-COVID policy
  - Demand outside China was recovered from the impact of COVID-19 and remains solid
  - Electrification will be promoted due to the environmental regulations
  - Automation and autonomy will be promoted due to a shortage of skilled workers

- Robots
  - General purpose robots supply remains constrained due to supply chain issues such as shortages of electric components, logistical disruptions, and lockdowns in China, despite strong demand for capital investment in automation
  - Demand for robots for semiconductors remains strong due to continued high levels of capital investment by semiconductor manufacturers

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

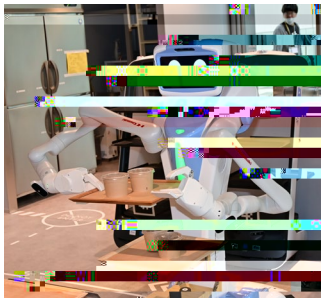


Developing hydrogen-related products for decarbonized society

- High-pressure hydrogen regulator Hydrogen supply system Hydraulic hydrogen compressor

Open innovation

- “Nyokkey ”, an autonomous service robot, is developed as **~platform for the service industry.**
  ~Partners can develop applications on software platforms provided by Kawasaki



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Details by Segment

- Motorcycle & Engine -

FY2022.Q1 Bvs. FY2021.Q1 C

Revenue

FCST in May.
500.0

FY2022 forecast B

FCST in Feb.
43.0

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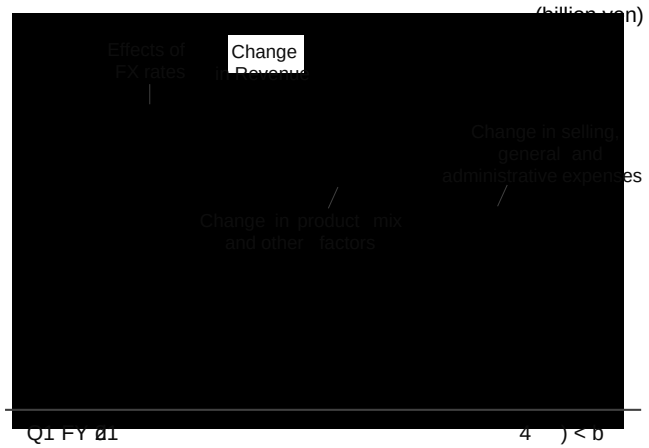
Details by Segment

- Motorcycle & Engine -

Details of change in Business Profit(Loss)



Appendix

Wholesales of motorcycles by country

Developed countries — BThousand units

	4) < b	4) < b	Change
Japan	6	8	+ 1
U.S.	20	23	+ 3
Canada	2	3	+ 0
Europe	21	11	- 10
Australia	3	2	- 0
Total	55	49	- 5

Emerging countries — BThousand units

	4) < b	4) < b	Change
Brazil	2	2	+ 0
Thailand	2	1	- 0
Philippines	31	46	+ 14
Indonesia	11	11	- 0
China	9	6	- 3
Others	4	3	- 0
Total	61	72	+ 11

Wholesales of four- wheeler and PWC : 4) < b W K R X V D Q G X Q L W V
4) < b W K R X V D Q G X Q L W V

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- **Supplying products as much as demanded**

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4 Shareholder Return

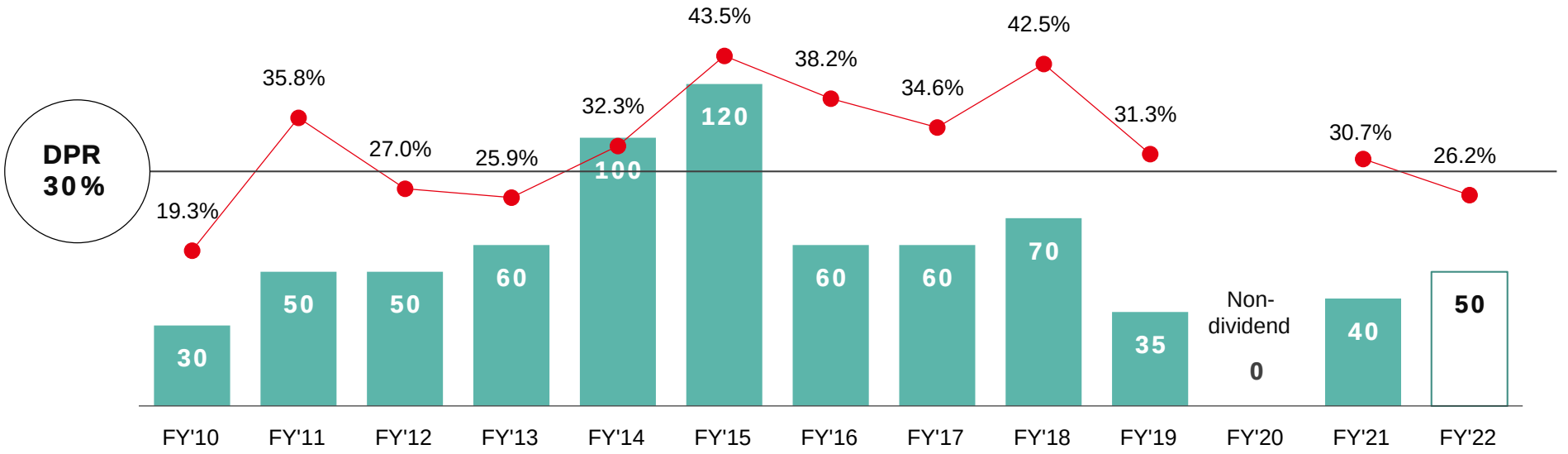
Dividend Policy

The medium - to long-term consolidated dividend payout ratio **30%**

1. Comprehensively considering the following points - future business forecasts, Financial conditions such as free cash flow and debt -to-equity ratio, and other factors
2. Stable dividends

Dividend for FY2022

- Profit attributable to owners of the parent was revised upward by 3 billion yen from the initial forecast, partly on the back of the weaker yen.
- On the other hand, social unrest and rising raw material and energy prices, as well as logistics costs, continue to cause



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Appendix

- CAPEX,

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IFRS
Revenue
Cost of sales
Gross profit
Selling, general and administrative expenses
Share of profit (loss) of investments accounted for using equity method
Others
Business Profit
Finance income and Finance costs
Profit before tax

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