

# KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES

## FLASH CONSOLIDATED FINANCIAL RESULTS

February 6, 2020

(Consolidated)

For nine months ended December 31, 2019 and 2018 and one year ended March 31, 2019

### Operating results

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2019	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2019
Net sales	\ 1,135,444	\ 1,094,583	\$ 10,364,619
Operating profit	30,983	36,849	282,821
Profit attributable to owners of parent	4,762	11,385	43,469
Earnings per share (Yen)	28.50	68.15	

### Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Dec. 31, 2019	As of Mar. 31, 2019	As of Dec. 31, 2019
Total assets	\ 2,053,540	\ 1,838,855	\$ 18,745,230
Net assets	475,013	492,261	4,336,038
Number of shares issued and outstanding	167,044	167,045	
Equity Ratio	22.3%	25.9%	

### Cash flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended	Nine months ended	
Operating activities	\ (288,421)	\ (207,489)	\$ (2,632,780)
Investing activities	(46,216)	(67,409)	(421,871)
Financing activities	335,815	254,463	3,065,404
Cash and cash equivalents at end of period	70,914	43,259	647,321

### Fiscal year forecast

One year ending March 31, 2020	\ 1,660,000	\ 60,000	\
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- 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 109.55=\$1, the rate prevailing as of December 30, 2019, solely for the convenience of the readers.

**Consolidated Balance Sheets***As of December 31 and March 31, 2019***Assets**

## Current assets

Cash and deposits	\ 74,408	\ 74,311	\$ 679,215
Notes and accounts receivable - trade	548,257	427,665	5,004,628
Merchandise and finished goods	89,052	68,176	812,889
Work in process	449,740	405,087	4,105,340
Raw materials and supplies	128,011	119,558	1,168,517
Other	66,322	45,333	605,404
Allowance for doubtful accounts	(4,094)	(3,792)	(37,371)
<b>Total current assets</b>	<b>1,351,697</b>	<b>1,136,340</b>	<b>12,338,631</b>

## Non-current assets

Property, plant and equipment			
Buildings and structures, net	195,891	194,939	1,788,142
Other	288,883	290,729	2,636,997
<b>Total property, plant and equipment</b>	<b>484,774</b>	<b>485,669</b>	<b>4,425,139</b>
Intangible assets	18,977	16,797	173,227
Investments and other assets			
Other	199,402	201,471	1,820,192
Allowance for doubtful accounts	(1,311)	(1,422)	(11,967)
<b>Total investments and other assets</b>	<b>198,091</b>	<b>200,048</b>	<b>1,808,225</b>
<b>Total non-current assets</b>	<b>701,843</b>	<b>702,514</b>	<b>6,406,600</b>

## Total assets

<b>2,053,540</b>	<b>1,838,855</b>	<b>18,745,230</b>
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**Liabilities**

## Current liabilities

Notes and accounts payable - trade	227,269	247,191	2,074,569
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**Consolidated Statements of Profit and Loss***For nine months ended December 31, 2019 and 2018*

Net sales	\ 1,135,444 \	1,094,583	\$ 10,364,619
Cost of sales	954,085	910,113	8,709,128
Gross profit	181,359	184,469	1,655,491
Selling, general and administrative expenses			
Salaries and allowances	41,357	40,325	377,517
Research and development expenses	36,371	33,427	332,004
Other	72,645	73,867	663,122
Total selling, general and administrative expenses	150,375	147,620	1,372,661
Operating profit	30,983	36,849	282,821
Non-operating income			
Interest income	530	648	4,838
Dividend income	252	263	2,300
Share of profit of entities accounted for using equity method	867	1,014	7,914
Other	2,157	2,585	19,690
Total non-operating income	3,807	4,512	34,751
Non-operating expenses			
Interest expenses	2,787	2,505	25,440
Foreign exchange losses	4,794	4,620	43,761
Payments for the in-service issues of commercial aircraft jet engines	7,640	9,745	69,740
Other	4,189	4,625	38,238
Total non-operating expenses	19,411	21,496	177,188
Ordinary profit	15,379	19,865	140,383
Extraordinary income			
Gain on sales of non-current assets	1,277		11,657
Total extraordinary income	1,277		11,657
Extraordinary losses			
Loss on withdrawal from business	2,383		21,753
Total extraordinary losses	2,383		21,753
Profit before income taxes	14,273	19,865	130,288
Income taxes	8,416	6,721	76,823
Profit	5,856	13,144	53,455
Profit attributable to non-controlling interests	1,094	1,758	9,986



**Orders by reportable segment**

*For nine months ended December 31, 2019 and 2018*

**Orders :**

Aerospace Systems

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