



KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES

FLASH CONSOLIDATED FINANCIAL RESULTS

November 9, 2021

(Consolidated)

For six months ended September 30, 2021 and 2020 and one year ended March 31, 2021

Operating results

	Millions of yen		Thousands of U.S. dollars
	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Net sales	\ 681,082	\ 657,325	\$ 6,083,805
Operating profit	20,406	(21,883)	182,278
Profit attributable to owners of parent	4,513	(27,267)	40,313
Earnings per share (Yen)	26.98	(163.23)	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Sep. 30, 2021	As of Mar. 31, 2021	As of Sep. 30, 2021
Total assets	\ 1,939,967	\ 1,963,276	\$ 17,328,870
Net assets	452,160	482,775	4,038,946
Number of shares issued and outstanding	167,458	167,042	
Equity Ratio	22.4%	23.7%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Six months ended Sep. 30, 2021	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021
Operating activities	\ (94,853)	\ (100,757)	\$ (847,280)
Investing activities	(28,185)	(13,668)	(251,764)
Financing activities	55,478	161,243	495,561
Cash and cash equivalents at end of period	54,769	149,395	489,227

Fiscal year forecast

	Millions of yen		
	Net sales	Operating profit	Profit attributable to owners of parent
One year ending March 31, 2022	\ 1,550,000	\ 40,000	\ 15,000

- 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 111.95=¥1, the rate prevailing as of September 30, 2021, solely for the convenience of the readers.

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

Assets						
Current assets						
Cash and deposits	\	126,702	\	60,590	\$	541,224
Notes and accounts receivable - trade		460,436				-
Notes and accounts receivable - trade, and contract assets				405,928		3,625,976
Merchandise and finished goods		69,223		72,320		646,003
Work in process		452,848		432,986		3,867,673
Raw materials and supplies		136,471		149,766		1,337,794
Other		43,314		102,887		919,044
Allowance for doubtful accounts		(3,589)		(3,624)		(32,372)
Total current assets		1,285,407		1,220,856		10,905,368
Non-current assets						
Property, plant and equipment						
Buildings and structures, net		172,951		170,157		1,519,937
Other		278,308		274,928		2,455,811
Total property, plant and equipment		451,259		445,085		3,975,748
Intangible assets		22,427		22,113		197,526
Investments and other assets						
Other		205,584		253,287		2,262,501
Allowance for doubtful accounts		(1,403)		(1,375)		(12,282)
Total investments and other assets		204,180		251,911		2,250,210
Total non-current assets		677,868		719,111		6,423,502
Total assets		1,963,276		1,939,967		17,328,870
Liabilities						
Current liabilities						
Notes and accounts payable - trade		247,294		205,673		1,837,186
Electronically recorded obligations - operating		107,849		95,809		855,820
Short-term borrowings		141,579		177,461		1,585,181
Income taxes payable		4,753		5,361		47,887
Provision for sales promotion expenses		7,380				-
Provision for bonuses		18,239		16,827		150,308
Provision for construction warranties		12,550		11,997		107,164
Provision for loss on construction contracts		14,263		11,991		107,110
Advances received		153,298				-
Contract liabilities						
Other		210,345		243,923		2,178,857
Total current liabilities		917,555		937,503		8,374,301
Non-current liabilities						
Bonds payable		190,000		180,000		1,607,861
Long-term borrowings		199,177		195,256		1,744,136
Retirement benefit liability		115,456		118,370		1,057,347
Provision for the in service issues of commercial aircraft jet engines		5,984		4,022		35,927
Other		52,326		52,654		470,335
Total non-current liabilities		562,944		550,303		4,915,614
Total liabilities		1,480,500		1,487,807		13,289,924
Net assets						
Shareholders' equity						
Share capital		104,484		104,484		933,310
Capital surplus		54,542		55,525		495,980
Retained earnings		306,576		271,454		2,424,779
Treasury shares		(136)		(1,160)		(10,362)
Total shareholders' equity		465,467		430,304		3,843,716
Accumulated other comprehensive income						
Valuation difference on available-for-sale securities		1,955		1,736		15,507
Deferred gains or losses on hedges		(179)		(822)		(7,343)
Foreign currency translation adjustment		(931)		3,510		31,353
Remeasurements of defined benefit plans		(979)		(758)		(6,771)
Total accumulated other comprehensive income		(134)				

(Consolidated)

Consolidated Statements of Profit and Loss

For six months ended September 30, 2021 and 2020

Net sales	\	657,325	\	681,082	\$	6,083,805
Cost of sales		588,959		564,582		5,043,162
Gross profit		68,366		116,500		1,040,643
Selling, general and administrative expenses						
Salaries and allowances		27,475		27,901		249,227
Research and development expenses		19,041		19,824		177,079
Other						

(Consolidated)

Consolidated Statements of Cash Flows

For six months ended September 30, 2021 and 2020

*Thousands of
U.S. dollars*

Cash flows from operating activities

Profit (loss) before income taxes

Depreciation

Impairment losses

Six months ended
Sep. 30, 2020

**Six months ended
Sep. 30, 2021**

\ (17,385)

30,223

3,916

\ **12,496**

30,105

223

\$

111,621

268,915

Segment information
Information by reportable segment

	Millions of yen			
	Six months ended			
	Sep. 30, 2020			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\ 168,595	\ 3,048	\ 171,643	\ (23,865)
Rolling Stock	69,194	4	69,199	(186)
Energy Solution & Marine Engineering	142,828	10,496	153,325	2,994
Precision Machinery & Robot	99,020	5,972	104,993	3,412
Motorcycle & Engine	139,784	298	140,083	(5,169)
Other	37,901	18,799	56,701	(175)
Total	657,325	38,619	695,945	(22,989)
Eliminations and corporate	-	(38,619)	(38,619)	1,106
Consolidated total	\ 657,325	\ -	\ 657,325	\ (21,883)

	Millions of yen			
	Six months ended			
	Sep. 30, 2021			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\ 133,360	\ 3,573	\ 136,934	\ (9,162)
Rolling Stock	57,598	4	57,603	1,377
Energy Solution & Marine Engineering	130,968	7,409	138,377	(900)
Precision Machinery & Robot	118,266	7,977	126,243	8,980
Motorcycle & Engine	206,815	358	207,174	18,591
Other	34,072	8,490	42,563	1,565
Total	681,082	27,814	708,896	20,452
Eliminations and corporate	-	(27,814)	(27,814)	(46)
Consolidated total	\ 681,082	\ -	\ 681,082	\ 20,406

	Thousands of U.S. dollars			
	Six months ended			
	Sep. 30, 2021			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\$ 1,191,246	\$ 31,916	\$ 1,223,171	\$ (81,840)
Rolling Stock	514,498	36	514,542	12,300
Energy Solution & Marine Engineering	1,169,879	66,181	1,236,061	(8,039)
Precision Machinery & Robot	1,056,418	71,255	1,127,673	80,214
Motorcycle & Engine	1,847,387	3,198	1,850,594	166,065
Other	304,350	75,837	380,197	13,979
Total	6,083,805	248,450	6,332,255	182,689
Eliminations and corporate	-	(248,450)	(248,450)	(411)
Consolidated total	\$ 6,083,805	\$ -	\$ 6,083,805	\$ 182,278

Orders by reportable segment*For six months ended September 30, 2021 and 2020*

	Billions of yen		Millions of
	Six months ended Sep. 30, 2020	Six months ended Sep. 30, 2021	U.S. dollars Six months ended Sep. 30, 2021
Orders :			
Aerospace Systems	\ 72.4	\ 97.2	\$ 868
Rolling Stock	30.3	23.1	206
Energy Solution & Marine Engineering	118.4	164.2	1,467
Precision Machinery & Robot	102.4	128.1	1,144
Motorcycle & Engine	139.7	206.8	1,847
Other	38.6	40.0	357
Total	\ 502.2	\ 659.5	\$ 5,891