

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS

For nine months ended December 31, 2023 and 2022 and one year ended March 31, 2023

(Consolidated)

Operating results

Revenue	1,229,069	1,196,330
Business profit	741	80,885
Profit (loss) attributable to owners of parent	(

Consolidated Statement of Profit or Loss*For nine months ended December 31, 2023 and 2022*

	(Millions of yen)	
	Nine months ended Dec. 31, 2022	Nine months ended Dec. 31, 2023
Revenue	1,196,330	1,229,069
Cost of sales	949,501	1,038,299
Gross profit	<u>246,828</u>	<u>190,770</u>
Selling, general and administrative expenses	168,807	196,199
Share of profit of investments accounted for using equity method	3,935	6,148
Other income	2,818	3,655
Other expenses	3,890	3,633
Business profit	<u>80,885</u>	<u>741</u>
Finance income	1,363	2,107
Finance costs	10,120	20,780
Profit (loss) before tax	<u>72,127</u>	<u>(17,931)</u>
Income tax expense	18,399	(6,095)
Profit (loss)	<u>53,727</u>	<u>(11,835)</u>
Profit (loss) attributable to:		
Owners of parent	52,512	(13,480)
Non-controlling interests	1,214	1,644
	<u>53,727</u>	<u>(11,835)</u>
Earnings per share		
Basic earnings (loss) per share	<u>313.55</u>	<u>(80.48)</u>

Consolidated Statement of Profit or Loss*For three months ended December 31, 2023 and 2022*

	(Millions of yen)	
	Three months ended Dec. 31, 2022	Three months ended Dec. 31, 2023
Revenue	436,584	459,728
Cost of sales	329,845	357,373
Gross profit	106,738	102,354
Selling, general and administrative expenses	58,953	67,960
Share of profit (loss) of investments accounted for using equity method	2,932	(391)
Other income	379	960
Other expenses	1,043	1,374
Business profit	50,054	33,588
Finance income	(7,249)	(2,516)
Finance costs	6,623	14,531
Profit before tax	36,180	16,540
Income tax expense	6,886	5,965
Profit	29,294	10,574
Profit attributable to:		
Owners of parent	28,749	9,866
Non-controlling interests	544	708
Earnings per share		
Basic earnings per share	171.65	58.90

Consolidated Statement of Comprehensive Income*For nine months ended December 31, 2023 and 2022*

	(Millions of yen)	
	Nine months ended Dec. 31, 2022	Nine months ended Dec. 31, 2023
Profit (loss)	53,727	(11,835)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(1,036)	2,148
Remeasurements of defined benefit plans	528	(35)
Share of other comprehensive income of investments accounted for using equity method	0	1
Total of items that will not be reclassified to profit or loss	(507)	2,114
Items that may be reclassified to profit or loss		
Cash flow hedges	2,146	(427)
Exchange differences on translation of foreign operations	7,794	14,585
Share of other comprehensive income of investments accounted for using equity method	439	3,572
Total of items that may be reclassified to profit or loss	10,380	17,730
Total other comprehensive income	9,872	19,844
Comprehensive income	63,600	8,009
Comprehensive income attributable to:		
Owners of parent	62,078	5,658
Non-controlling interests	1,522	2,351

Consolidated Statement of Changes in Equity*For nine months ended December 31, 2022*

Balance as of Apr. 1, 2022	104,484	55,525	320,671	(1,129)
Profit			52,512	
Other comprehensive income				
Comprehensive income			52,512	
Purchase of treasury shares				(3)
Disposal of treasury shares		(0)		26
Dividends			(8,394)	
Transfer to retained earnings			479	
Change in scope of consolidation				
Loss of control of subsidiaries				

For nine months ended December 31, 2023

Balance as of Apr. 1, 2023	104,484	55,716	380,255	(1,107)
Profit (loss)			(13,480)	
Other comprehensive income				
Comprehensive income			(13,480)	
Purchase of treasury shares				(5)
Disposal of treasury shares		0		45
Dividends			(13,430)	
Transfer to retained earnings			(234)	
Change in scope of consolidation			8	
Loss of control of subsidiaries				
Change in ownership interest of parent due to transactions with non-controlling interests		717		
Transfer to non-financial assets				
Other				
Total transactions with owners		717	(13,656)	39
Balance as of Dec. 31, 2023	104,484	56,433	353,118	(1,067)

Balance as of Apr. 1, 2023	-	4,109	676	32,066	36,852	576,201	20,670	596,872
Profit (loss)						(13,480)	1,644	(11,835)
Other comprehensive income	(32)							

(Consolidated)

Consolidated Statement of Cash Flows

For nine months ended December 31, 2023 and 2022

Cash flows from operating activities		
Profit (loss)	53,727	(11,835)
Depreciation and amortization	55,980	61,019
Impairment losses	405	568
Finance income and finance costs	3,137	7,763
Share of loss (profit) of investments accounted for using equity method	(3,935)	(6,148)
Loss (gain) on sale of fixed assets	518	502
Income tax expense	18,399	(6,095)
Increase (decrease) in retirement benefit liability	2,771	2,956
Decrease (increase) in trade and other receivables	(64,277)	(58,082)
Decrease (increase) in contract assets	(26,589)	25,099
Decrease (increase) in inventories	(106,083)	(83,160)
Increase (decrease) in trade and other payables	26,151	17,976
Decrease (increase) in advance payment	(29,416)	1,535
Increase (decrease) in contract liabilities	14,784	(19,181)
Increase (decrease) in refund liability	(749)	53,576
Decrease (increase) in other current assets	(24,778)	(25,917)
Increase (decrease) in other current liabilities	6,257	(19,208)
Other	(21,370)	(15,328)
Subtotal	(95,068)	(73,961)
Interest received	1,131	1,768
Dividends received	327	358
Interest paid	(4,286)	(5,557)
Income taxes paid	(15,221)	(20,528)
Net cash provided by (used in) operating activities	(113,118)	(97,921)
Cash flows from investing activities		

Segment information
Information b