

At a Glance

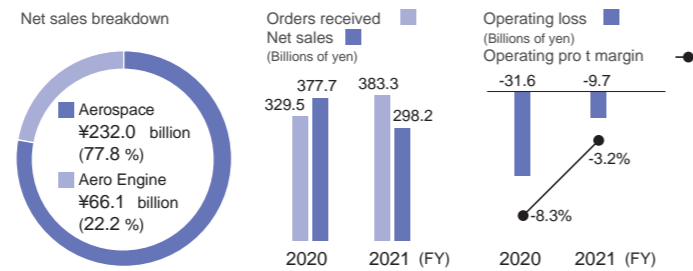
/ Aerospace Systems

Aerospace Systems

Orders received Increased due to increases for Ministry of Defense, component parts for Boeing, etc., despite a decrease in component parts for commercial aircraft jet engines due to application of Accounting Standard for Revenue Recognition

Net sales Decreased due to a decrease in component parts for commercial aircraft jet engines caused by the application of Accounting Standard for Revenue Recognition, and decreases for Ministry of Defense and component parts for Boeing

Operating profit (loss) Improved due to an improvement in profitability of component parts for commercial aircraft jet engines and component parts for Boeing, despite a decrease in revenue

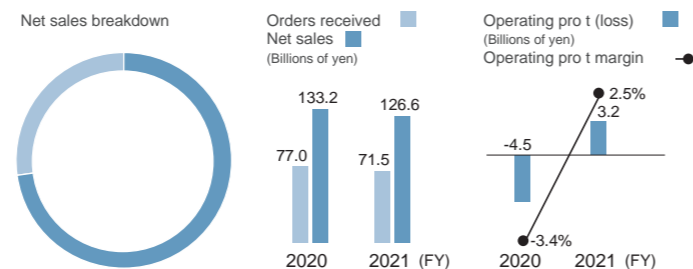


Rolling Stock

Orders received Decreased compared with the previous period, when orders for Shinkansen (bullet train) were large, despite domestic orders for subway in this period

Net sales Decreased due to a decrease in other regions despite an increase in the United States

Operating profit (loss) Improved due to an improvement in profitability of overseas projects due to recovery from the impact of COVID-19, despite decrease in revenue

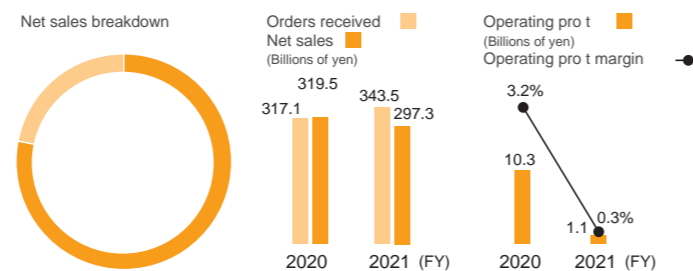


Energy Solution & Marine Engineering

Orders received Increased due to major orders for construction and operation of domestic municipal waste incineration plants and other projects

Net sales Decreased due to a decrease in construction work for submarines for the Ministry of Defense in Ship & Offshore Structure and decrease in combined cycle power plants (CCPP) in Energy and other factors

Operating profit Decreased due to a decrease in revenue and rising raw material prices

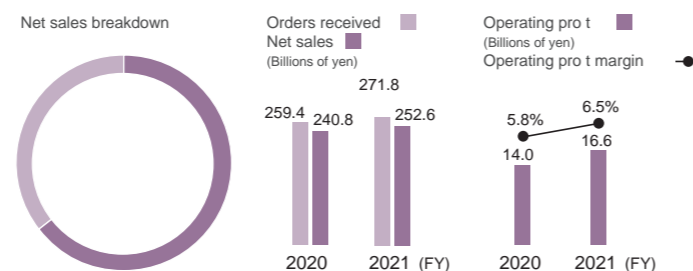


Precision Machinery & Robot

Orders received Increased due to an increase in various robots, including robots for semiconductor manufacturing equipment

Net sales Increased due to an increase in various robots, including robots for semiconductor manufacturing equipment and foreign exchange gains resulting from the depreciation of the yen

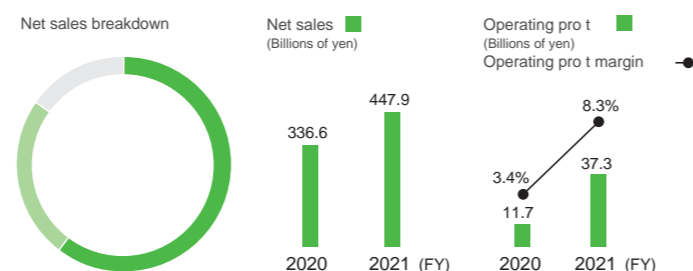
Operating profit Increased due to an increase in revenue and other factors



Motorcycle & Engine

Net sales Increased due to an increase in motorcycles for North America, Europe, and Southeast Asia, and an increase in general-purpose gasoline engines for North America

Operating profit Increased due to an increase in revenue, depreciation of yen compared to the previous period, and other factors despite rising raw material and parts prices



While this segment was seriously impacted by the spread of COVID-19, prospects are finally looking up, driven primarily by a full-fledged recovery in air travel demand and passenger footfall. We will endeavor to further enhance profitability by securing revenue in focal business fields, reviews of our technical strategies, and strengthening of our financial standing, while managing our full emergence from the COVID-19 pandemic.

Hiroyoshi Shimokawa
President, Aerospace Systems Company

SWOT Analysis by Business

Strengths	Aerospace	Technological capabilities as a manufacturer of finished aircraft acquired through the defense aircraft business (system integration capabilities) Technological capabilities based on international joint development with Boeing, and sophisticated, large-scale production facilities High quality and productivity through the Kawasaki Production System (KPS)
	Aero Engine	Sophisticated technological capabilities built through international joint development projects and developing engines for defense aircraft High quality and productivity through leading-edge production technology
Challenges (Weaknesses)	Defense Aircraft	High degree of reliance on specific customers (high-volatility revenue structure) Businesses that require large volumes of invested capital
	Commercial Aircraft	
Opportunities	Commercial Aircraft	
	Aero Engine Shared	
Risks (Threats)	Defense Aircraft	
	Commercial Aircraft	
	Aero Engine	

Initiatives to Achieve Group Vision 2030

A safe and secure remotely connected society

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Other Concrete Initiatives

Securing stable revenue in core business

Revising technology strategy in accordance with market changes

/ Rolling Stock

Energy Solution & Marine Engineering

/ Precision Machinery & Robot



/ Motorcycle & Engine

Let the good times roll Kawasaki delivers the ultimate in excitement

In fiscal 2021, this business made significant breakthroughs, including but not limited to recording its highest net sales and operating profit to date. In addition to the leisure boom occasioned by the COVID-19 pandemic, Kawasaki is now reaping the rewards of our sustained efforts to strengthen the brand power. Kawasaki will continue to pursue further growth oriented by our company mission to “Let the good times roll.”