


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
August 6, 2024
(Consolidated)
For three months ended June 30, 2024 and 2023 and one year ended March 31, 2024
Operating results

	(Millions of yen)	
	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2023
Revenue	444,227	405,340
Business profit	16,935	10,253
Profit attributable to owners of parent	15,375	9,089
Earnings per share (yen)	91.79	54.27

Financial position

	(Millions of yen / Thousand shares)	
	As of Jun. 30, 2024	As of Mar. 31, 2024
Total assets	2,815,381	2,680,176
Equity	677,806	654,549
Number of shares issued and outstanding	167,501	167,501
Equity Ratio	23.3%	23.7%

Cash flows

	(Millions of yen)	
	Three months ended Jun. 30, 2024	Three months ended Jun. 30, 2023
Operating activities	23,623	(22,434)
Investing activities	(26,122)	(21,989)
Financing activities	27,114	1,925
Cash and cash equivalents at end of period	102,859	91,879

Fiscal year forecast

	(Millions of yen)		
	Revenue	Business profit	Profit attributable to owners of parent
One year ending March 31, 2025	2,250,000	130,000	78,000

Consolidated Statement of Financial Position*As of June 30 and March 31, 2024*

	(Millions of yen)	
	As of Mar. 31, 2024	As of Jun. 30, 2024
Assets		
Current assets		
Cash and cash equivalents	84,153	102,859
Trade and other receivables	681,030	653,666
Contract assets	136,706	126,193
Inventories	710,207	775,321
Income taxes receivable	2,158	2,144
Other financial assets	11,024	14,675
Other current assets	101,644	153,154
Total current assets	<u>1,726,925</u>	<u>1,828,014</u>
Non-current assets		
Property, plant and equipment	496,331	513,527
Intangible assets	69,617	70,593
Right-of-use assets	64,824	67,093
Investments accounted for using equity method	90,954	101,893
Other financial assets	80,762	83,441
Deferred tax assets	117,452	117,589
Other non-current assets	33,307	33,227
Total non-current assets	<u>953,250</u>	<u>987,366</u>
Total assets	<u>2,680,176</u>	<u>2,815,381</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	521,734	512,234
Bonds, borrowings and other financial liabilities	453,694	539,752
Income taxes payable	7,928	12,720
Contract liabilities	265,468	319,906
Provisions	34,242	33,312
Refund liabilities	72,518	74,869
Other current liabilities	185,902	190,077
Total current liabilities	<u>1,541,489</u>	<u>1,682,872</u>
Non-current liabilities		
Bonds, borrowings and other financial liabilities	391,539	360,193
Retirement benefit liability	74,604	75,744
Provisions	957	966
Deferred tax liabilities	707	705
Other non-current liabilities	16,327	17,091
Total non-current liabilities	<u>484,137</u>	<u>454,702</u>
Total liabilities	<u>2,025,626</u>	<u>2,137,574</u>
Equity		
Equity attributable to owners of parent		
Share capital	104,484	104,484
Capital surplus	56,455	56,455
Retained earnings	405,156	415,782
Treasury shares	(1,060)	(1,062)
Other components of equity	69,054	81,151
Total equity attributable to owners of parent	<u>634,090</u>	<u>656,812</u>
Non-controlling interests	20,459	20,994
Total equity	<u>654,549</u>	<u>677,806</u>
Total liabilities and equity	<u>2,680,176</u>	<u>2,815,381</u>

Consolidated Statement of Profit or Loss*For three months ended June 30, 2024 and 2023*

	(Millions of yen)	
	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Revenue	405,340	444,227
Cost of sales	339,247	358,808
Gross profit	66,093	85,418
Selling, general and administrative expenses	62,352	73,841
Share of profit of investments accounted for using equity method	6,093	5,819
Other income	1,203	983
Other expenses	783	1,444
Business profit	10,253	16,935
Finance income	7,859	13,711
Finance costs	3,146	4,761
Profit before tax	14,966	25,885
Income tax expense	5,519	9,942
Profit	9,447	15,942
Profit attributable to:		
Owners of parent	9,089	15,375
Non-controlling interests	357	566
Earnings per share		
Basic earnings per share	54.27	91.79

Consolidated Statement of Comprehensive Income

For three months ended June 30, 2024 and 2023

	(Millions of yen)	
	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Profit	9,447	15,942
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,728	(1,640)
Remeasurements of defined benefit plans	35	303
Share of other comprehensive income of investments accounted for using equity method	0	0
Total of items that will not be reclassified to profit or loss	1,763	(1,336)
Items that may be reclassified to profit or loss		
Cash flow hedges	(7,038)	(1,109)
Exchange differences on translation of foreign operations	14,385	11,819
Share of other comprehensive income of investments accounted for using equity method	620	3,712
Total of items that may be reclassified to profit or loss	7,967	14,422
Total other comprehensive income	9,731	13,086
Comprehensive income	19,179	29,029
Comprehensive income attributable to:		
Owners of parent	18,534	28,035
Non-controlling interests	644	993

Consolidated Statement of Changes in Equity

For three months ended June 30, 2023

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of Apr. 1, 2023	104,484	55,716	380,255	(1,107)
Profit			9,089	
Other comprehensive income				
Comprehensive income			9,089	
Purchase of treasury shares				(1)
Dividends			(10,072)	
Transfer to retained earnings			44	
Change in scope of consolidation			(1)	
Change in ownership interest of parent due to transactions with non-controlling interests		246		
Transfer to non-financial assets				
Total transactions with owners		246	(10,029)	(1)
Balance as of Jun. 30, 2023	104,484	55,962	379,315	(1,108)

	Equity attributable to owners of parent							Non-controlling interests	Total
	Other components of equity					Total equity attributable to owners of parent			
	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance as of Apr. 1, 2023	-	4,109	676	32,066	36,852	576,201	20,670	596,872	
Profit						9,089	357	9,447	
Other comprehensive income	44	1,657	(7,860)	15,602	9,444	9,444	287	9,731	
Comprehensive income	44	1,657	(7,860)	15,602	9,444	18,534	644	19,179	
Purchase of treasury shares						(1)		(1)	
Dividends						(10,072)	(581)	(10,654)	
Transfer to retained earnings	(44)				(44)	-		-	
Change in scope of consolidation						(1)		(1)	
Change in ownership interest of parent due to transactions with non-controlling interests						246	(258)	(11)	
Transfer to non-financial assets			(138)		(138)	(138)		(138)	
Total transactions with owners	(44)		(138)		(182)	(9,967)	(839)	(10,807)	
Balance as of Jun. 30, 2023	-	5,767	(7,322)	47,669	46,114	584,768	20,476	605,244	

For three months ended June 30, 2024

(Millions of yen)

	Equity attributable to owners of parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance as of Apr. 1, 2024	104,484	56,455	405,156	(1,060)
Profit			15,375	
Other comprehensive income				
Comprehensive income			15,375	
Purchase of treasury shares				(1)
Dividends			(5,036)	
Transfer to retained earnings			286	
Change in scope of consolidation				
Change in ownership interest of parent due to transactions with non-controlling interests				
Transfer to non-financial assets				
Total transactions with owners			(4,750)	(1)
Balance as of Jun. 30, 2024	104,484	56,455	415,782	(1,062)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Other components of equity					Total equity attributable to owners of parent		
	Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of Apr. 1, 2024	-	10,407	355	58,291	69,054	634,090	20,459	654,549
Profit						15,375	566	15,942
Other comprehensive income	284	(1,655)	(860)	14,890	12,659	12,659	427	13,086
Comprehensive income	284	(1,655)	(860)	14,890	12,659	28,035	993	29,029
Purchase of treasury shares						(1)		(1)
Dividends						(5,036)	(458)	(5,494)
Transfer to retained earnings	(284)	(1)			(286)	-		-
Change in scope of consolidation								-
Change in ownership interest of parent due to transactions with non-controlling interests								-
Transfer to non-financial assets			(275)		(275)	(275)		(275)
Total transactions with owners	(284)	(1)	(275)		(561)	(5,313)	(458)	(5,771)
Balance as of Jun. 30, 2024	-	8,750	(780)	73,181	81,151	656,812	20,994	677,806

(Consolidated)

Consolidated Statement of Cash Flows

For three months ended June 30, 2024 and 2023

	(Millions of yen)	
	Three months ended Jun. 30, 2023	Three months ended Jun. 30, 2024
Cash flows from operating activities		
Profit	9,447	15,942
Depreciation and amortization	21,391	20,880
Impairment losses	109	-
Finance income and finance costs	2,329	3,987
Share of loss (profit) of investments accounted for using equity method	(6,093)	(5,819)
Loss (gain) on sale of fixed assets	(527)	(346)
Income tax expense	5,519	9,942
Increase (decrease) in retirement benefit liability	1,113	1,350
Decrease (increase) in trade and other receivables	7,677	40,007
Decrease (increase) in contract assets	27,816	10,513
Decrease (increase) in inventories	(19,445)	(49,904)
Increase (decrease) in trade and other payables	(17,928)	(17,270)
Decrease (increase) in advance payment	(3,123)	(33,229)
Increase (decrease) in contract liabilities	15,786	51,015
Increase (decrease) in refund liability	(2,414)	1,679
Decrease (increase) in other current assets	(18,736)	(17,178)
Increase (decrease) in other current liabilities	(33,886)	(6,371)
Other	1,910	4,598
Subtotal	(9,052)	29,796
Interest received	614	744
Dividends received	294	220
Interest paid	(1,729)	(2,576)
Income taxes paid	(12,561)	(4,562)
Net cash provided by (used in) operating activities	(22,434)	23,623
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,019)	(22,633)
Proceeds from sale of property, plant and equipment	1,087	1,352
Purchase of intangible assets	(4,248)	(2,945)
Proceeds from sale of intangible assets	10	26
Payments for equity method investment and purchase of other financial assets	(166)	(325)
Proceeds from equity method investment and sale of other financial assets	-	969
Other	346	(2,566)
Net cash provided by (used in) investing activities	(21,989)	(26,122)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	90,299	74,118
Repayments of lease liabilities	(3,490)	(3,667)
Repayments of long-term borrowings	(1,030)	(4,500)
Redemption of bonds	(20,000)	-
Dividends paid	(9,329)	(4,766)
Proceeds from factoring agreements	-	5,902
Repayment of liabilities under factoring agreements	(49,033)	(33,580)
Dividends paid to non-controlling interests	(581)	(458)
Other	(4,908)	(5,933)
Net cash provided by (used in) financing activities	1,925	27,114
Effect of exchange rate changes on cash and cash equivalents	(4,042)	(5,909)
Net increase (decrease) in cash and cash equivalents	(46,541)	18,706
Cash and cash equivalents at beginning of period	138,420	84,153
Cash and cash equivalents at end of period	91,879	102,859

Segment information

Information by reportable segment

	(Millions of yen)			
	Three months ended			
	Jun. 30, 2023			
	Revenue from external customers	Intersegment revenue and transfers	Total revenue	Business profit (loss)
Aerospace Systems	80,217	2,403	82,621	(4,650)
Rolling Stock	43,519	12	43,531	(6)
Energy Solution & Marine Engineering	70,765	4,927	75,692	5,860
Precision Machinery & Robot	49,315	3,604	52,919	(2,552)
Powersports & Engine	143,982	207	144,189	14,300
Other	17,540	5,505	23,046	645
Total	405,340	16,661	422,002	13,597
Eliminations and corporate	-	(16,661)	(16,661)	(3,343)
Consolidated total	405,340	-	405,340	10,253

	(Millions of yen)			
	Three months ended			
	Jun. 30, 2024			
	Revenue from external customers	Intersegment revenue and transfers	Total revenue	Business profit (loss)
Aerospace Systems	104,960	4,770	109,731	4,870
Rolling Stock	43,831	6	43,837	(1,473)
Energy Solution & Marine Engineering	80,177	3,871	84,048	5,983
Precision Machinery & Robot	52,651	3,748	56,400	(142)
Powersports & Engine	144,742	235	144,977	11,519
Other	17,864	5,504	23,368	717
Total	444,227	18,137	462,364	21,475
Eliminations and corporate	-	(18,137)	(18,137)	(4,539)
Consolidated total	444,227	-	444,227	16,935

Orders by reportable segment

For three months ended June 30, 2024 and 2023

	(Billions of yen)	
	Three months ended	Three months ended
	Jun. 30, 2023	Jun. 30, 2024
Orders :		
<i>Aerospace Systems</i>	118.7	88.2
<i>Rolling Stock</i>	16.4	17.0
<i>Energy Solution & Marine Engineering</i>	102.3	121.8
<i>Precision Machinery & Robot</i>	54.0	61.6
<i>Powersports & Engine</i>	143.9	144.7
<i>Other</i>	21.7	23.3
Total	457.3	456.8