

**Report of Earnings and Financial Statements for the
Three Months Ended June 30, 2024 (Consolidated)**
<IFRS>

August 6, 2024

Listed company's name: **Kawasaki Heavy Industries, Ltd.**
Listed on: TSE (Prime Market), and NSE (Premier Market)
Stock code: 7012
URL: <https://global.kawasaki.com/>
Representative: Yasuhiko Hashimoto, President and Chief Executive Officer
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Scheduled dates:

Commencement of dividend payments: -

Supplementary materials to financial results: Available

Financial Results presentation: Conducted (for institutional investors, analysts and the press)

(Amounts in millions of yen rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024
(April 1, 2024 – June 30, 2024)

(1) Operating Results

(Percentage figures represent changes versus the year-ago period)

	Revenue		Business profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three Months Ended June 30, 2024	444,227	9.6	16,935	65.2	25,885	73.0	15,942	68.8
Three Months Ended June 30, 2023	405,340	15.7	10,253	123.2	14,966	41.1	9,447	63.0

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	yen	yen
Three Months Ended June 30, 2024	15,375	69.2	29,029	51.4	91.79	-
Three Months Ended June 30, 2023	9,089	66.5	19,179	2.2	54.27	-

(2) Financial Condition

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2024	2,815,381	677,806	656,812	23.3
As of March 31, 2024	2,680,176	654,549	634,090	23.7

2. Dividends

Record date or term	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full year
	yen	yen	yen	yen	yen
Year ended March 31, 2024	-	20.00	-	30.00	50.00
Year ending March 31, 2025	-				
Year ending March 31, 2025 (forecast)		70.00	-	70.00	140.00

Note: Revisions to the most recently announced dividend forecast: None

In the Company's articles of incorporation, the dates of record are set as the last day of the fiscal second quarter and the last day of the fiscal year.

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentage figures indicate change compared with the previous fiscal year)

	Revenue		Business profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	2,250,000	21.7	130,000	181.4	110,000	244.0	78,000	207.4	465.66

Note: Revisions to the most recently announced earnings forecast: None

Notes

1. Significant changes in the scope of consolidation during the period: None
2. Changes in accounting policies and changes in accounting estimates
 - (1) Changes in accounting policies required by IFRS: None
 - (2) Changes in accounting policies due to other reasons: None
 - (3) Changes in accounting estimates: None
3. Number of shares issued and outstanding (common shares)
 - (1) Number of shares issued as of period-end (including treasury shares)

June 30, 2024:	167,921,800 shares
March 31, 2024:	167,921,800 shares
 - (2) Number of shares held in treasury as of period-end

June 30, 2024:	420,410 shares
March 31, 2024:	420,086 shares
 - (3) Average number of shares during respective periods

June 30, 2024:	167,501,531 shares
June 30, 2023:	167,481,211 shares

***Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None**

***Appropriate Use of Financial Forecasts and Other Important Matters**

Forward-Looking Statements

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of their preparation, and do not mean that the Company promises to achieve these figures. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to “1. Qualitative Information about Financial Statements (3) Consolidated earnings forecast” on page 11 in the Accompanying Materials.

How to Obtain Supplementary Material on Financial Results and Details of the Financial Results

The Company plans to conduct a presentation for institutional investors, analysts and the press on Tuesday, August 6, 2024, and to post the presentation material on quarterly financial results to be used for the presentation on TDnet and the Company’s website simultaneously with the announcement of financial results.

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1. Qualitative Information about Financial Statements

(1) Consolidated operating results

The global economy has remained strong mainly in personal consumption, despite a decline in the inflation rate and an easing trend in labor market supply and demand in the United States. On the other hand, the outlook remains uncertain due to factors such as the timing of the recovery from the downturn in China's economy caused by the prolonged real estate recession, and concerns about an increase in geographical risks, as well as the economic impact of the presidential election in the United States.

In Japan, personal consumption has recovered at a sluggish pace due to the impact of a hike in prices. However, the economy is expected to continue to recover moderately because of the improvement in employment and income conditions, and increased capital investment and inbound demand. Nevertheless, we need to keep a close watch on the impact on the economy caused by a global economic downturn, a rise in interest rates resulting from the policy changes made by the Bank of Japan, and subsequent exchange rate movements.

In this business environment, the Group's consolidated orders received during the first quarter of this consolidated fiscal year were on par with the same period of the previous fiscal year's result as a whole, due to a decrease in the Aerospace Systems segment, despite increases mainly in the Energy Solution & Marine Engineering segment and the Precision Machinery & Robot segment. Revenue increased from the same period of the previous fiscal year due to higher sales mainly in the Aerospace Systems segment, the Energy Solution & Marine Engineering segment, and the Precision Machinery & Robot segment.

Business profit increased year on year mainly due to an increase in the Aerospace Systems segment and improvement in the Precision Machinery & Robot segment, despite a decrease in the Powersports & Engine segment and deterioration in the Rolling Stock segment. Profit attributable to owners of parent increased due to an increase in business profit.

As a result, the Group's consolidated orders received decreased by ¥0.4 billion year on year to ¥456.8 billion, consolidated revenue increased by ¥38.8 billion year on year to ¥444.2 billion, business profit increased by ¥6.6 billion year on year to ¥16.9 billion, profit before tax increased by ¥10.9 billion year on year to ¥25.8 billion, and profit attributable to owners of parent increased by ¥6.2 billion year on year to ¥15.3 billion.

First-quarter consolidated operating performance is summarized by segment below.

Segment Information

Segment revenue, business profit (loss), and orders received (billions of yen)

	Three months ended June 30						Orders received		
	2023(A)		2024(B)		Change (B – A)		Three months ended June 30		
	Revenue	Business profit (loss)	Revenue	Business profit (loss)	Revenue	Business profit (loss)	2023 (A)	2024 (B)	Change (B – A)
Aerospace Systems	80.2	(4.6)	104.9	4.8	24.7	9.5	118.7	88.2	(30.5)
Rolling Stock	43.5	(0.0)	43.8	(1.4)	0.3	(1.4)	16.4	17.0	0.6
Energy Solution & Marine Engineering	70.7	5.8	80.1	5.9	9.4	0.1	102.3	121.8	19.5
Precision Machinery & Robot	49.3	(2.5)	52.6	(0.1)	3.3	2.4	54.0	61.6	7.6
Powersports & Engine	143.9	14.3	144.7	11.5	0.7	(2.7)	143.9	144.7	0.7
Other	17.5	0.6	17.8	0.7	0.3	0.0	21.7	23.3	1.5
Adjustments	-	(3.3)	-	(4.5)	-	(1.1)	-	-	-
Total	405.3	10.2	444.2	16.9	38.8	6.6	457.3	456.8	(0.4)

Notes: 1. Revenue includes only sales to external customers.

2. The Powersports & Engine segment's orders received are equal to its revenue as production is based mainly on estimated demand.

Aerospace Systems

Regarding the business environment surrounding the Aerospace Systems segment, demand from Ministry of Defense in Japan is expected to increase continuously under the Ministry of Defense's policy of drastic strengthening of defense capabilities. With respect to commercial aircraft, air passenger demand has entered from recovery to growth phase, and demand increased for both commercial aircraft airframes and jet engines.

Amid such an operating environment, consolidated orders received decreased by ¥30.5 billion to ¥88.2 billion compared to the same period of the previous fiscal year, when there were orders for the large-scale project from Ministry of Defense in Japan, despite an increase mainly in component parts of jet engines for commercial aircraft.

Consolidated revenue increased by ¥24.7 billion year on year to ¥104.9 billion due to increases in sales for Ministry of Defense in Japan and component parts of jet engines for commercial aircraft.

Business profit increased by ¥9.5 billion year on year to ¥4.8 billion, mainly due to an increase in the revenue.

Rolling Stock

Regarding the business environment surrounding the Rolling Stock segment, the number of railway passengers has recovered to approximately 90% of pre-COVID level due to the resurgence of inbound tourists, and investments in rolling stock have resumed in Japan. On the other hand, we need to keep a close watch on the effect of increasing time for procurement of equipment, mainly electronic components, and a hike in prices. In the medium and long term, however, relatively stable growth is expected around the world due to development of urban transportation in overseas markets, as well as demand for railway infrastructure following economic development in Asian countries.

Amid such an operating environment, consolidated orders received increased by ¥0.6 billion year on year to ¥17.0 billion.

Consolidated revenue increased by ¥0.3 billion year on year to ¥43.8 billion mainly due to an increase in sales for the United States, despite a decrease in sales for the domestic and Asian markets.

Business loss came to ¥1.4 billion, deteriorating ¥1.4 billion year on year, mainly due to a temporary increase in expenses (no impact for the full year) resulting from a review of allocation rate of indirect costs in the first quarter.

Energy Solution & Marine Engineering

The business environment surrounding the Energy Solution & Marine Engineering segment has been strongly influenced by the worldwide trend toward achieving carbon neutrality. As a result, contacts and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products which are a key strength of the Company. Also, demand for distributed power sources in Japan and overseas, as well as the need for energy infrastructure development in emerging

countries, remain strong, while there is ongoing demand for the replacement of aging facilities for refuse incineration plants in Japan. On the other hand, besides the uncertainty about the current situation, such as the stability of fuel gas supply required for the operation of power generation facilities, it is necessary to pay attention to the impact on orders and revenues due to the recent persistently high prices of raw material, equipment, and fuel.

Amid such an operating environment, consolidated orders received increased by ¥19.5 billion year on year to ¥121.8 billion due to receiving orders for LPG/NH₃ carriers, despite a decrease mainly in naval ships equipment for Ministry of Defense in Japan.

Consolidated revenue increased by ¥9.4 billion year on year to ¥80.1 billion mainly due to higher sales of naval ships equipment for Ministry of Defense in Japan.

Business profit of ¥5.9 billion was on par with the same period of the previous fiscal year's result, mainly due to an increase in period costs, despite an increase in the revenue.

Precision Machinery & Robot

Regarding the business environment surrounding the Precision Machinery & Robot segment, in the precision machinery field, the performance was slightly weak mainly in the European and U.S. markets. However, the Chinese construction machinery market, where the demand had continued to decline due to factors such as the prolonged real estate recession, shows signs of bottoming out, mainly in small machines. In the robotics field, prices and demand have bottomed out in the semiconductor memory market. Demand for robots for semiconductor manufacturing equipment has recovered from the second half of the previous fiscal year, while capturing new growth in AI related and other areas. Meanwhile, business conditions in China, the biggest consumer country for the general industrial robots, remain sluggish, but demand for automation is surely increasing due to a rise in labor costs and labor shortages.

Amid such an operating environment, consolidated orders received increased by ¥7.6 billion year on year to ¥61.6 billion mainly due to an increase in demand for robots for semiconductor manufacturing equipment.

Consolidated revenue increased by ¥3.3 billion year on year to ¥52.6 billion mainly due to higher sales of robots for semiconductor manufacturing equipment and also higher sales in the precision machinery field.

Business loss came to ¥0.1 billion, improving ¥2.4 billion year on year, mainly due to an increase in profit resulting from an increase in the revenue, as well as the profit improvement activities such as price pass-through that the Company promoted.

Powersports & Engine

Regarding the business environment surrounding the Powersports & Engine segment, in the major markets of the United States and Europe, although market competition has intensified due to actively supplying products by competitors, demand has remained strong. The market in Southeast Asia is still at a low level, despite signs of recovery shown for some cases. In addition, demand in the Chinese market has declined due to the impact of the economic downturn.

Amid such an operating environment, consolidated revenue of ¥144.7 billion was on par with the same period of the previous fiscal year's result, due to an increase in motorcycles and an increase in the revenue resulting from a weaker yen on foreign exchange rates, despite a temporary decline mainly in four-wheeled vehicles for North America because of delays in shipments.

Business profit decreased by ¥2.7 billion year on year to ¥11.5 billion due to an increase in fixed costs.

Other Operations

Consolidated revenue increased by ¥0.3 billion year on year to ¥17.8 billion.

Business profit of ¥0.7 billion was on par with the same period of the previous fiscal year's result.

In the Group Vision 2030, the Group will focus on three fields; “A Safe and Secure Remotely Connected Society,” “Near-Future Mobility” and “Energy and Environmental Solutions,” and is making steady progress in creating solutions to social issues, such as the medical and healthcare business including surgical support robots and the commercialization of delivery robots and unmanned transport helicopters, as well as the promotion of hydrogen and large-scale CO₂ capture business and electrification to realize a carbon neutral society at an early date.

Furthermore, the Group cooperates in providing supports for the early recovery of areas affected by the Noto Peninsula Earthquake and enhances support packages that can respond to various natural disasters, which are becoming increasingly likely in the future.

(2) Consolidated financial condition

Assets, liabilities, and equity

1. Assets

Current assets were ¥1,828.0 billion, ¥101.0 billion increase from the previous fiscal year mainly due to increases in inventories and other current assets.

Non-current assets were ¥987.3 billion, ¥34.1 billion increase from the previous fiscal year mainly due to an increase in property, plant and equipment.

As a result, total assets were ¥2,815.3 billion, ¥135.2 billion increase from the previous fiscal year.

2. Liabilities

Interest-bearing debt was ¥732.6 billion, ¥78.7 billion increase from the previous fiscal year.

Liabilities were ¥2,137.5 billion, ¥111.9 billion increase from the previous fiscal year mainly due to an increase in interest-bearing debt and an increase in contract liabilities.

3. Equity

Equity was ¥677.8 billion, ¥23.2 billion increase from the previous fiscal year mainly due to an increase in exchange differences on translation of foreign operations.

Cash flows

Cash and cash equivalents (Hereinafter referred to as “net cash”) during the first quarter of this consolidated fiscal year were ¥102.8 billion, an increase of ¥10.9 billion compared to the same period of the previous fiscal year. The cash flow situations during the first quarter of this consolidated fiscal year are stated below.

1. Cash flows from operating activities

Operating activities provided net cash of ¥23.6 billion, an increase of ¥46.0 billion compared to the same period of the previous fiscal year. Major sources of operating cash flows included an increase in contract liabilities of ¥51.0 billion, a decrease in trade and other receivables of ¥40.0 billion, and depreciation and amortization of ¥20.8 billion. Major uses of operating cash flows included an increase in inventories of ¥49.9 billion, an increase in advance payment of ¥33.2 billion, and a decrease in trade and other payables of ¥17.2 billion.

2. Cash flows from investing activities

Investing activities used net cash of ¥26.1 billion, which is ¥4.1 billion more than in the same period of the previous fiscal year. This was mainly due to purchase of property, plant and equipment.

3. Cash flows from financing activities

Financing activities provided net cash of ¥27.1 billion, which is ¥25.1 billion more than in the same period of the previous fiscal year. This was mainly due to an increase in short-term borrowings.

(3) Consolidated earnings forecast

With respect to the earnings forecasts for the fiscal year ending March 31, 2025, the Company has left its forecast unchanged from the previous forecast (May 9) because the sales plan progressed as expected, such as the strong performance at order-based business, as well as the expected recovery in demand for robots for semiconductor manufacturing equipment in the Precision Machinery & Robot segment toward the second half of the fiscal year, and the recovery in supply in the Powersports & Engine segment.

The forecast of consolidated orders received is expected to be ¥2,410.0 billion, which is ¥50.0 billion increase from the previous forecast due to an increase in orders received from Ministry of Defense in Japan, mainly in the Aerospace Systems segment.

The exchange rates assumed in this forecast are ¥140 to the U.S. dollar and ¥150 to the euro.

Note regarding consolidated earnings forecast

The above earnings forecast is based on information available at the time of preparation, and includes risks and uncertainties. We therefore discourage making investment decisions depending solely on this forecast. Please note that actual earnings may differ materially from this forecast, due to a variety of important factors stemming from changes in the external environment and/or the Company's internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the Company's scope of business, foreign exchange rates, in particular the yen/dollar exchange rate, tax codes and other regulatory system-related issues.

2. Condensed Quarterly Consolidated Financial Statements and Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

	Millions of yen	
	As of March 31, 2024	As of June 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	1,726,925	1,828,014
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	953,250	987,366
Total assets	2,680,176	2,815,381
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	1,541,489	1,682,872
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	484,137	454,702
Total liabilities	2,025,626	2,137,574
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	634,090	656,812
Non-controlling interests	20,459	20,994
Total equity	654,549	677,806
Total liabilities and equity	2,680,176	2,815,381

**(2) Condensed Quarterly Consolidated Statement of Profit and Loss and
Condensed Quarterly Consolidated Statement of Comprehensive Income**

Condensed Quarterly Consolidated Statement of Profit and Loss

	Millions of yen	
	Three months ended June 30, 2023	Three months ended June 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

Condensed Quarterly Consolidated Statement of Comprehensive Income

	Millions of yen	
	Three months ended June 30, 2023	Three months ended June 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

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For three months ended June 30, 2023 (April 1, 2023 – June 30, 2023)

Millions of yen

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	104,484	55,716	380,255	(1,107)	-	4,109
Profit			9,089			
Other comprehensive income					44	1,657
Comprehensive income			9,089		44	1,657
Purchase of treasury shares				(1)		
Dividends			(10,072)			
Transfer to retained earnings			44		(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)	(44)	
Balance as of June 30, 2023	104,484	55,962	379,315	(1,108)	-	5,767

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2023	676	32,066	36,852	576,201	20,670	596,872
Profit				9,089	357	9,447
Other comprehensive income	(7,860)	15,602	9,444	9,444	287	9,731
Comprehensive income	(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)	-		-
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	(138)		(182)	(9,967)	(839)	(10,807)
Balance as of June 30, 2023	(7,322)	47,669	46,114	584,768	20,476	605,244

For three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

Millions of yen

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2024	104,484	56,455	405,156	(1,060)	-	10,407
Profit			15,375			
Other comprehensive income					284	(1,655)
Comprehensive income			15,375		284	(1,655)
Purchase of treasury shares				(1)		
Dividends			(5,036)			
Transfer to retained earnings			286		(284)	(1)
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)	(284)	(1)
Balance as of June 30, 2024	104,484	56,455	415,782	(1,062)	-	8,750

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2024	355	58,291	69,054	634,090	20,459	654,549
Profit				15,375	566	15,942
Other comprehensive income	(860)	14,890	12,659	12,659	427	13,086
Comprehensive income	(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			(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	(275)		(561)	(5,313)	(458)	(5,771)
Balance as of June 30, 2024	(780)	73,181	81,151	656,812	20,994	677,806

(4) Condensed Quarterly Consolidated Statement of Cash Flow

	Millions of yen	
	Three months ended June 30, 2023	Three months ended June 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	<u>(9,052)</u>	<u>29,796</u>
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	<u>(22,434)</u>	<u>23,623</u>
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	0	969
Other	346	(2,566)
Net cash provided by (used in) investing activities	<u>(21,989)</u>	<u>(26,122)</u>
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	<u>1,925</u>	<u>27,114</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(4,042)</u>	<u>(5,909)</u>
Net increase (decrease) in cash and cash equivalents	<u>(46,541)</u>	<u>18,706</u>
Cash and cash equivalents at beginning of period	<u>138,420</u>	<u>84,153</u>
Cash and cash equivalents at end of period	<u>91,879</u>	<u>102,859</u>

(5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

Notes on the going-concern assumption

Not applicable.

Segment information

For three months ended June 30, 2023 (April 1, 2023 – June 30, 2023)

Millions of yen									
	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	80,217	43,519	70,765	49,315	143,982	17,540	405,340	-	405,340
Intersegment revenue and transfers *1	2,403	12	4,927	3,604	207	5,505	16,661	(16,661)	-
Total revenue	82,621	43,531	75,692	52,919	144,189	23,046	422,002	(16,661)	405,340
Business profit (loss) *3	(4,650)	(6)	5,860	(2,552)	14,300	645	13,597	(3,343)	10,253
Finance income									7,859
Finance costs									(3,146)
Profit before tax									14,966

Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.

2. Eliminations and corporate of negative ¥3,343 million include negative ¥186 million for intersegment transactions and negative ¥3,156 million for general and administrative expenses not attributed reportable segments.

3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

For three months ended June 30, 2024 (April 1, 2024 – June 30, 2024)

Millions of yen									
	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	104,960	43,831	80,177	52,651	144,742	17,864	444,227	-	444,227
Intersegment revenue and transfers *1	4,770	6	3,871	3,748	235	5,504	18,137	(18,137)	-
Total revenue	109,731	43,837	84,048	56,400	144,977	23,368	462,364	(18,137)	444,227
Business profit (loss) *3	4,870	(1,473)	5,983	(142)	11,519	717	21,475	(4,539)	16,935
Finance income									13,711
Finance costs									(4,761)
Profit before tax									25,885

Notes: 1. Intersegment revenue and transfers are made with reference to prevailing market prices.

2. Eliminations and corporate of negative ¥4,539 million include negative ¥96 million for intersegment transactions and negative ¥4,443 million for general and administrative expenses not attributed reportable segments.

3. Business profit (loss) is calculated by deducting cost of sales, selling, general and administrative expenses, share of profit and loss of investments accounted for using equity method, other income, and other expenses from revenue.

3. Supplementary information

(1) Supplementary information on consolidated earnings forecasts for the fiscal year ending March 31, 2025

(i) Revenue and business profit (loss)

Billions of yen

Reportable segment	Forecast for the year ending March 31, 2025 (fiscal 2024)						Year ended March 31, 2024 (fiscal 2023) (Actual)	
	Revised forecast (A)		Forecast issued May 9, 2024 (B)		Change (A – B)		Revenue	Business profit (loss)
	Revenue	Business profit (loss)	Revenue	Business profit (loss)	Revenue	Business profit (loss)		
Aerospace Systems	580.0	45.0	580.0	45.0	-	-	396.1	(15.0)
Rolling Stock	210.0	7.0	210.0	7.0	-	-	195.9	3.7
Energy Solution & Marine Engineering	410.0	30.0	410.0	30.0	-	-	353.2	31.9
Precision Machinery & Robot	230.0	7.0	230.0	7.0	-	-	227.9	(1.9)
Powersports & Engine	720.0	68.0	720.0	68.0	-	-	592.4	48.0
Other	100.0	5.0	100.0	5.0	-	-	83.5	1.1
Adjustments		(32.0)		(32.0)		-		(21.7)
Total	2,250.0	130.0	2,250.0	130.0	-	-	1,849.2	46.2

(ii) Orders received

Billions of yen

Reportable segment	Forecast for the year ending March 31, 2025 (fiscal 2024)			Year ended March 31, 2024 (fiscal 2023) (Actual)
	Revised forecast (A)	Forecast issued May 9, 2024 (B)	Change (A – B)	
Aerospace Systems	790.0	750.0	40.0	692.6
Rolling Stock	160.0	160.0	-	88.7
Energy Solution & Marine Engineering	400.0	390.0	10.0	401.6
Precision Machinery & Robot	240.0	240.0	-	213.3
Powersports & Engine	720.0	720.0	-	592.4
Other	100.0	100.0	-	94.5
Total	2,410.0	2,360.0	50.0	2,083.4

Note: 1. Assumed exchange rate for the fiscal year ending March 31, 2025: ¥140/USD, ¥150/EUR

2. The Powersports & Engine segment's orders received are equal to its revenue as production is based mainly on estimated demand.