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

**February 7, 2025**

*For nine months ended December 31, 2024 and 2023 and one year ended March 31, 2024*

**(Consolidated)**

## Operating results

(Millions of yen)

| | **Nine months ended Dec. 31, 2024** | Nine months ended Dec. 31, 2023 |
|---|---|---|
| Revenue | **1,407,362** | 1,229,069 |
| Business profit | **79,039** | 741 |
| Profit (loss) attributable to owners of parent | **44,163** | (13,480) |
| Earnings (loss) per share (yen) | **263.64** | (80.48) |

## Financial position

(Millions of yen / Thousand shares)

| | **As of Dec. 31, 2024** | As of Mar. 31, 2024 |
|---|---|---|
| Total assets | **3,045,769** | 2,680,176 |
| Equity | **690,300** | 654,549 |
| Number of shares issued and outstanding | **167,519** | 167,501 |
| Equity Ratio | **21.9%** | 23.7% |

## Cash flows

(Millions of yen)

| | **Nine months ended Dec. 31, 2024** | Nine months ended Dec. 31, 2023 |
|---|---|---|
| Operating activities | **(78,197)** | (97,921) |
| Investing activities | **(79,919)** | (81,109) |
| Financing activities | **204,172** | 146,748 |
| Cash and cash equivalents at end of period | **129,047** | 102,015 |

## Fiscal year forecast

(Millions of yen)

| | Revenue | Business profit | Profit attributable to owners of parent |
|---|---|---|---|
| One year ending March 31, 2025 | 2,160,000 | 130,000 | 78,000 |

# Consolidated Statement of Financial Position

*As of December 31 and March 31, 2024*

(Millions of yen)

| | As of Mar. 31, 2024 | **As of Dec. 31, 2024** |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 84,153 | **129,047** |
| Trade and other receivables | 681,030 | **713,264** |
| Contract assets | 136,706 | **169,359** |
| Inventories | 710,207 | **863,025** |
| Income taxes receivable | 2,158 | **500** |
| Other financial assets | 11,024 | **16,259** |
| Other current assets | 101,644 | **167,085** |
| Total current assets | 1,726,925 | **2,058,543** |
| Non-current assets | | |
| Property, plant and equipment | 496,331 | **511,570** |
| Intangible assets | 69,617 | **71,739** |
| Right-of-use assets | 64,824 | **65,475** |
| Investments accounted for using equity method | 90,954 | **113,866** |
| Other financial assets | 80,762 | **72,410** |
| Deferred tax assets | 117,452 | **120,672** |
| Other non-current assets | 33,307 | **31,492** |
| Total non-current assets | 953,250 | **987,226** |
| Total assets | 2,680,176 | **3,045,769** |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 521,734 | **557,962** |
| Bonds, borrowings and other financial liabilities | 453,694 | **747,983** |
| Income taxes payable | 7,928 | **12,221** |
| Contract liabilities | 265,468 | **315,926** |
| Provisions | 34,242 | **32,805** |
| Refund liabilities | 72,518 | **66,180** |
| Other current liabilities | 185,902 | **183,150** |
| Total current liabilities | 1,541,489 | **1,916,230** |
| Non-current liabilities | | |
| Bonds, borrowings and other financial liabilities | 391,539 | **342,008** |
| Retirement benefit liability | 74,604 | **78,876** |
| Provisions | 957 | **953** |
| Deferred tax liabilities | 707 | **511** |
| Other non-current liabilities | 16,327 | **16,888** |
| Total non-current liabilities | 484,137 | **439,238** |
| Total liabilities | 2,025,626 | **2,355,468** |
| Equity | | |
| Equity attributable to owners of parent | | |
| Share capital | 104,484 | **104,484** |
| Capital surplus | 56,455 | **56,456** |
| Retained earnings | 405,156 | **432,428** |
| Treasury shares | (1,060) | **(1,024)** |
| Other components of equity | 69,054 | **75,439** |
| Total equity attributable to owners of parent | 634,090 | **667,784** |
| Non-controlling interests | 20,459 | **22,516** |
| Total equity | 654,549 | **690,300** |
| Total liabilities and equity | 2,680,176 | **3,045,769** |

# Consolidated Statement of Profit or Loss

*For nine months ended December 31,2024 and 2023*

(Millions of yen)

| | Nine months ended Dec. 31, 2023 | **Nine months ended Dec. 31, 2024** |
|---|---|---|
| Revenue | 1,229,069 | **1,407,362** |
| Cost of sales | 1,038,299 | **1,113,498** |
| Gross profit | 190,770 | **293,863** |
| Selling, general and administrative expenses | 196,199 | **226,236** |
| Share of profit of investments accounted for using equity method | 6,148 | **13,538** |
| Other income | 3,655 | **2,502** |
| Other expenses | 3,633 | **4,627** |
| Business profit | 741 | **79,039** |
| Finance income | 2,107 | **1,892** |
| Finance costs | 20,780 | **16,469** |
| Profit (loss) before tax | (17,931) | **64,462** |
| Income tax expense | (6,095) | **18,193** |
| Profit (loss) | (11,835) | **46,268** |
| Profit (loss) attributable to: | | |
| Owners of parent | (13,480) | **44,163** |
| Non-controlling interests | 1,644 | **2,105** |
| | | |
| Earnings per share | | |
| Basic earnings (loss) per share | (80.48) | **263.64** |

# Consolidated Statement of Comprehensive Income

*For nine months ended December 31,2024 and 2023*

(Millions of yen)

| | Nine months ended Dec. 31, 2023 | **Nine months ended Dec. 31, 2024** |
|---|---|---|
| **Profit (loss)** | (11,835) | **46,268** |
| **Other comprehensive income** | | |
| Items that will not be reclassified to profit or loss | | |
| Financial assets measured at fair value through other comprehensive income | 2,148 | **(2,018)** |
| Remeasurements of defined benefit plans | (35) | **398** |
| Share of other comprehensive income of investments accounted for using equity method | 1 | **1** |
| Total of items that will not be reclassified to profit or loss | 2,114 | **(1,618)** |
| Items that may be reclassified to profit or loss | | |
| Cash flow hedges | (427) | **(3,766)** |
| Exchange differences on translation of foreign operations | 14,585 | **7,693** |
| Share of other comprehensive income of investments accounted for using equity method | 3,572 | **4,520** |
| Total of items that may be reclassified to profit or loss | 17,730 | **8,447** |
| Total other comprehensive income | 19,844 | **6,828** |
| Comprehensive income | 8,009 | **53,097** |
| | | |
| **Comprehensive income attributable to:** | | |
| Owners of parent | 5,658 | **50,945** |
| Non-controlling interests | 2,351 | **2,152** |

## Consolidated Statement of Changes in Equity

*For nine months ended December 31,2023*

(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 (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 | |
| Capital increase of consolidated subsidiaries | | | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | 717 | | |
| Transfer to non-financial assets | | | | |
| Total transactions with owners | | 717 | (13,656) | 39 |
| Balance as of Dec. 31, 2023 | 104,484 | 56,433 | 353,118 | (1,067) |

| | 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 (loss) | | | | | | (13,480) | 1,644 | (11,835) |
| Other comprehensive income | (32) | 2,107 | 1,026 | 16,036 | 19,138 | 19,138 | 706 | 19,844 |
| Comprehensive income | (32) | 2,107 | 1,026 | 16,036 | 19,138 | 5,658 | 2,351 | 8,009 |
| Purchase of treasury shares | | | | | | (5) | | (5) |
| Disposal of treasury shares | | | | | | 45 | | 45 |
| Dividends | | | | | | (13,430) | (581) | (14,012) |
| Transfer to retained earnings | 32 | 202 | | | 234 | - | | - |
| Change in scope of consolidation | | | | (17) | (17) | (9) | | (9) |
| Capital increase of consolidated subsidiaries | | | | | | | | - |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | 717 | (1,902) | (1,185) |
| Transfer to non-financial assets | | | (393) | | (393) | (393) | | (393) |
| Total transactions with owners | 32 | 202 | (393) | (17) | (176) | (13,076) | (2,484) | (15,560) |
| Balance as of Dec. 31, 2023 | - | 6,418 | 1,309 | 48,085 | 55,814 | 568,783 | 20,537 | 589,321 |

*For nine months ended December 31,2024*

(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 | | | 44,163 | |
| Other comprehensive income | | | | |
| Comprehensive income | | | 44,163 | |
| Purchase of treasury shares | | | | (9) |
| Disposal of treasury shares | | 0 | | 45 |
| Dividends | | | (16,787) | |
| Transfer to retained earnings | | | (102) | |
| Change in scope of consolidation | | | | |
| Capital increase of consolidated subsidiaries | | | | |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | |
| Transfer to non-financial assets | | | | |
| Total transactions with owners | | 0 | (16,890) | 36 |
| Balance as of Dec. 31, 2024 | 104,484 | 56,456 | 432,428 | (1,024) |

| | 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 | | | | | | 44,163 | 2,105 | 46,268 |
| Other comprehensive income | 355 | (1,990) | (1,813) | 10,230 | 6,782 | 6,782 | 46 | 6,828 |
| Comprehensive income | 355 | (1,990) | (1,813) | 10,230 | 6,782 | 50,945 | 2,152 | 53,097 |
| Purchase of treasury shares | | | | | | (9) | | (9) |
| Disposal of treasury shares | | | | | | 46 | | 46 |
| Dividends | | | | | | (16,787) | (458) | (17,246) |
| Transfer to retained earnings | (355) | 458 | | | 102 | - | | - |
| Change in scope of consolidation | | | | | | - | | - |
| Capital increase of consolidated subsidiaries | | | | | | | 363 | 363 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | - | | - |
| Transfer to non-financial assets | | | (499) | | (499) | (499) | | (499) |
| Total transactions with owners | (355) | 458 | (499) | | (397) | (17,250) | (95) | (17,346) |
| Balance as of Dec. 31, 2024 | - | 8,875 | (1,958) | 68,521 | 75,439 | 667,784 | 22,516 | 690,300 |

# Consolidated Statement of Cash Flows

*For nine months ended December 31,2024 and 2023*

(Millions of yen)

| | Nine months ended Dec. 31, 2023 | **Nine months ended Dec. 31, 2024** |
|---|---|---|
| Cash flows from operating activities | | |
| Profit (loss) | (11,835) | **46,268** |
| Depreciation and amortization | 61,019 | **65,395** |
| Impairment losses | 568 | **-** |
| Finance income and finance costs | 7,763 | **12,462** |
| Share of loss (profit) of investments accounted for using equity method | (6,148) | **(13,538)** |
| Loss (gain) on sale of fixed assets | 502 | **136** |
| Income tax expense | (6,095) | **18,193** |
| Increase (decrease) in retirement benefit liability | 2,956 | **4,586** |
| Decrease (increase) in trade and other receivables | (58,082) | **(28,346)** |
| Decrease (increase) in contract assets | 25,099 | **(32,662)** |
| Decrease (increase) in inventories | (83,160) | **(144,624)** |
| Increase (decrease) in trade and other payables | 17,976 | **30,445** |
| Decrease (increase) in advance payment | 1,535 | **(51,992)** |
| Increase (decrease) in contract liabilities | (19,181) | **48,467** |
| Increase (decrease) in refund liability | 53,576 | **(6,696)** |
| Decrease (increase) in other current assets | (25,917) | **(11,436)** |
| Increase (decrease) in other current liabilities | (19,208) | **1,240** |
| Other | (15,328) | **7,213** |
| Subtotal | (73,961) | **(54,887)** |
| Interest received | 1,768 | **1,550** |
| Dividends received | 358 | **507** |
| Interest paid | (5,557) | **(9,467)** |
| Income taxes paid | (20,528) | **(15,901)** |
| Net cash provided by (used in) operating activities | (97,921) | **(78,197)** |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (68,359) | **(67,468)** |
| Proceeds from sale of property, plant and equipment | 2,400 | **2,851** |
| Purchase of intangible assets | (12,203) | **(9,543)** |
| Proceeds from sale of intangible assets | 47 | **125** |
| Payments for equity method investment and purchase of other financial assets | (163) | **(4,272)** |
| Proceeds from equity method investment and sale of other financial assets | 249 | **2,422** |
| Decrease due to loss of control over subsidiaries | (92) | **-** |
| Other | (2,988) | **(4,034)** |
| Net cash provided by (used in) investing activities | (81,109) | **(79,919)** |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 269,826 | **277,947** |
| Repayments of lease liabilities | (12,304) | **(12,114)** |
| Proceeds from long-term borrowings | 23,682 | **26,136** |
| Repayments of long-term borrowings | (12,540) | **(25,500)** |
| Redemption of bonds | (40,000) | **(20,000)** |
| Dividends paid | (13,196) | **(16,142)** |
| Proceeds from factoring agreements | 27,114 | **46,546** |
| Repayment of liabilities under factoring agreements | (84,744) | **(62,193)** |
| Dividends paid to non-controlling interests | (581) | **(458)** |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (1,195) | **-** |
| Other | (9,312) | **(10,049)** |
| Net cash provided by (used in) financing activities | 146,748 | **204,172** |
| Effect of exchange rate changes on cash and cash equivalents | (4,122) | **(1,161)** |
| Net increase (decrease) in cash and cash equivalents | (36,404) | **44,894** |
| Cash and cash equivalents at beginning of period | 138,420 | **84,153** |
| Cash and cash equivalents at end of period | 102,015 | **129,047** |

## Segment information

### Information by reportable segment

(Millions of yen)

| | Nine months ended Dec. 31, 2023 | | | |
|---|---|---|---|---|
| | Revenue from external customers | Intersegment revenue and transfers | Total revenue | Business profit (loss) |
| Aerospace Systems | 235,542 | 6,977 | 242,519 | (35,555) |
| Rolling Stock | 135,829 | 393 | 136,222 | 2,637 |
| Energy Solution & Marine Engineering | 234,350 | 16,269 | 250,620 | 16,699 |
| Precision Machinery & Robot | 158,717 | 12,218 | 170,935 | (4,368) |
| Powersports & Engine | 404,422 | 820 | 405,242 | 32,011 |
| Other | 60,208 | 17,262 | 77,470 | 1,514 |
| Total | 1,229,069 | 53,942 | 1,283,012 | 12,938 |
| Eliminations and corporate | - | (53,942) | (53,942) | (12,196) |
| Consolidated total | 1,229,069 | - | 1,229,069 | 741 |

**(Millions of yen)**

| | **Nine months ended Dec. 31, 2024** | | | |
|---|---|---|---|---|
| | **Revenue from external customers** | **Intersegment revenue and transfers** | **Total revenue** | **Business profit (loss)** |
| **Aerospace Systems** | **354,488** | **13,008** | **367,497** | **29,376** |
| **Rolling Stock** | **142,714** | **50** | **142,765** | **4,139** |
| **Energy Solution & Marine Engineering** | **260,978** | **16,083** | **277,062** | **25,128** |
| **Precision Machinery & Robot** | **168,874** | **13,408** | **182,283** | **3,275** |
| **Powersports & Engine** | **417,267** | **823** | **418,091** | **28,763** |
| **Other** | **63,038** | **19,837** | **82,876** | **3,658** |
| **Total** | **1,407,362** | **63,213** | **1,470,575** | **94,342** |
| **Eliminations and corporate** | **-** | **(63,213)** | **(63,213)** | **(15,303)** |
| **Consolidated total** | **1,407,362** | **-** | **1,407,362** | **79,039** |

## Orders by reportable segment

*For nine months ended December 31,2024 and 2023*

**(Billions of yen)**

| | Nine months ended Dec. 31, 2023 | **Nine months ended Dec. 31, 2024** |
|---|---|---|
| **Orders :** | | |
| *Aerospace Systems* | 332.5 | **680.1** |
| *Rolling Stock* | 41.8 | **41.0** |
| *Energy Solution & Marine Engineering* | 281.2 | **428.5** |
| *Precision Machinery & Robot* | 157.6 | **185.8** |
| *Powersports & Engine* | 404.4 | **417.2** |
| *Other* | 72.4 | **69.0** |
| *Total* | 1,290.1 | **1,821.9** |