Financial Results for FY2021

For the Year ended March 31, 2022

May 10, 2022

Kawasaki Heavy Industries, Ltd.

Powering your potential

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Figures recorded in the business forecasts are forecasts that reflect the judgment of the Company based on the information available at the time of release and include risks and uncertainties. Accordingly, the Company cautions investors not to make investment decisions solely on the basis of these forecasts.

Actual business results may differ materially from these business forecasts due to various important factors resulting from changes in the external environment and internal environment. Important factors that may affect actual business results include, but are not limited to, economic conditions, the yen exchange rate against the U.S. dollar and other currencies, the tax system, and laws and regulations.

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1 Consolidated Results for FY2021 –Summary-

- **Profit increased significantly due to the recovery from the impact of COVID-19**
- **Recurring profit and net income exceeded the previous forecast due to foreign exchange gain and period shift of non-operating expenses**

(Billion Yen)

	FY2020	FY2021						Change	
		Forecast	Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Jan. to Mar.	Total	YoY	vs. Old FCST
Orders Received	1,402.4	**1,530.0**	304.2	355.3	366.8	575.7	**1,602.1**	+ 199.7	+ 72.1
Net Sales	1,488.4	**1,550.0**	355.6	325.4	357.6	462.1	**1,500.8**	+ 12.3	- 49.2
Operating Profit (Loss)	- 5.3	**46.0**	15.1	5.2	18.6	6.7	**45.8**	+ 51.1	- 0.2
[margin]	*[- 0.3%]*	***[2.9%]***	*[4.2%]*	*[1.6%]*	*[5.2%]*	*[1.4%]*	*[3.0%]*	*[+ 3.4pt]*	*[+ 0.0pt]*
Recurring Profit (Loss)	- 2.8	**22.0**	13.1	- 2.0	10.2	8.6	**29.9**	+ 32.7	+ 7.9
[margin]	*[- 0.1%]*	***[1.4%]***	*[3.6%]*	*[- 0.6%]*	*[2.8%]*	*[1.8%]*	*[1.9%]*	*[+ 2.1pt]*	*[+ 0.5pt]*
Net Income (Loss) Attributable to Owners of Parent	- 19.3	**15.0**	9.8	- 5.3	2.7	14.5	**21.8**	+ 41.1	+ 6.8
[margin]	*[- 1.2%]*	***[0.9%]***	*[2.7%]*	*[- 1.6%]*	*[0.7%]*	*[3.1%]*	*[1.4%]*	*[+ 2.7pt]*	*[+ 0.4pt]*
Before-tax ROIC	-1.0%	**2.8%**	-	-	-	-	**3.5%**	+ 4.5pt	+ 0.7pt
Weighted-average exchange rates (USD/JPY)	105.29	**-**	110.71	109.72	112.37	114.34	**111.90**	+ 6.61	-
US dollar-based transaction (B$) ※	1.61	**1.87**	0.42	0.34	0.34	0.66	**1.76**	+ 0.15	- 0.11

※ Amount in foreign currency calculated by deducting dollar-denominated purchases from dollar-denominated sales of Kawasaki Heavy Industries, Ltd. (to include dollar-denominated sales of loss provisions). The estimated impact on operating income due to a 1 yen fluctuation in the exchange rate.
See page 44 for the breakdown of these figures by segment.

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1 Consolidated Results for FY2021 –Segment-

- **Aerospace Systems improved significantly due to the recovery of passenger demand ①**
- **Sales and profit increased significantly in Motorcycle & Engine due to strong demand for outdoor leisure in developed countries ②**

(Billion Yen)

	Orders Received			Net Sales			Operating Profit (Loss)		
	FY2020	**FY2021**	Change	FY2020	**FY2021**	Change	FY2020	**FY2021**	Change
Aerospace Systems	329.5	**383.3**	+ 53.7	377.7	※1 **298.2**	- 79.5	- 31.6	※1 **- 9.7**	+ 21.9
Rolling Stock	77.0	**71.5**	- 5.5	133.2	**126.6**	- 6.5	- 4.5	**3.2**	+ 7.8
Energy Solution & Marine Engineering	317.1	**343.5**	+ 26.3	319.5	**297.3**	- 22.2	10.3	**1.1**	- 9.1
Precision Machinery & Robot	259.4	**271.8**	+ 12.4	240.8	**252.6**	+ 11.8	14.0	**16.6**	+ 2.5
Motorcycle & Engine	336.6	**447.9**	+ 111.2	336.6	**447.9**	+ 111.2	11.7	**37.3**	+ 25.5
Others	82.5	**84.0**	+ 1.4	80.4	※1 **78.0**	- 2.3	0.4	**2.8**	+ 2.4
Eliminations and corporate※2	-	**-**	-	-	**-**	-	- 5.7	**- 5.7**	- 0.0
Total	1,402.4	**1,602.1**	+ 199.7	1,488.4	**1,500.8**	+ 12.3	- 5.3	**45.8**	+ 51.1

※1 As a result of the application of the "*Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)* , net sales in Aerospace Systems decreased by approximately ¥79.4 billion, operating profit in Aerospace Systems increased by approximately ¥5.2 billion, and net sale in Others decreased by approximately ¥23.5 billion.
※2 "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

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1 Consolidated Results for FY2021 –Income Statement-

(Billion Yen)

	FY2020	%	FY2021	%	Change
Net Sales	1,488.4	100.0	**1,500.8**	100.0	+ 12.3
Cost of sales	1,297.3	87.2	**1,244.3**	82.9	- 53.0
Gross profit	191.1	12.8	**256.5**	17.1	+ 65.4
Selling, general and administrative expenses	196.4	13.2	**210.7**	14.0	+ 14.3
Salaries and allowances	56.9		**59.8**		+ 2.9
Research and development expenses	44.9		**47.0**		+ 2.1
Others	94.5		**103.8**		① + 9.2
Operating Profit (Loss)	- 5.3	- 0.4	**45.8**	3.1	+ 51.1
Non-operating Income / Expenses	2.4		**- 15.8**		- 18.3
Gain and loss on foreign exchange	4.0		② **0.5**		- 3.5
Net Interest expense (incl. dividend income)	- 0.9		**- 1.4**		- 0.4
Equity in income of unconsolidated subsidiaries and affiliates	0.4		③ **- 14.4**		- 14.8
Reversal of payments for the in-service issues of commercial aircraft jet engines	3.3		**-**		- 3.3
Others	- 4.3		**- 0.6**		+ 3.7
Recurring Profit (Loss)	- 2.8	- 0.2	**29.9**	2.0	+ 32.7

Details

① Increase in selling expenses in Motorcycle & Engine and Precision Machinery & Robot

② USD/JPY rate
110.72 March 31,'21
122.41 March 31,'22

Conversion of liabilities denominated in USD and other factors offset the foreign exchange gains from the depreciation of the yen

③ Shipbuilding joint ventures in China recorded provision for losses on construction contracts due to rising steel prices and appreciation of the yuan and other factors.

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1 Consolidated Results for FY2021 –Income Statement-

(Billion Yen)

	FY2020	%	FY2021	%	Change
Recurring Profit (Loss)	- 2.8	- 0.2	**29.9**	2.0	+ 32.7
Extraordinary Income / Losses	- 11.8		**0.9**		+ 12.7
Gain on sales of fixed assets	⑤ 3.2		④ **1.6**		- 1.6
Gain on sales of shares of subsidiaries and affiliates	⑥ 1.5		**-**		- 1.5
Impairment loss	⑦ - 15.2		⑧ **- 0.7**		- 14.4
Loss on valuation of shares of subsidiaries and affiliates	⑨ - 1.4		**-**		1.4
Income before income taxes	- 14.6	- 1.0	**30.8**	2.1	+ 45.5
Income taxes	2.7		**6.8**		+ 4.0
Net income attributable to non-controlling interests	1.8		**2.1**		+ 0.3
Net income (Loss) attributable to owners of parent	- 19.3	- 1.3	**21.8**	1.5	+ 41.1

Details

④ Sale of land

⑤ Sale of dormitory /company housing sites

⑥ Certain affiliated company related to Energy System & Plant Engineering

⑦ Sakaide Works
(Ship & Offshore structure)
¥4.0bn All fixed assets
Hyogo & Harima Works
(Rolling stock)
¥11.1bn Partial fixed assets

⑧ All fixed assets obtained in FY'21 at Sakaide Works (Ship & Offshore structure)

⑨ Impairment of shares of subsidiaries and associates not accounted for by the equity method

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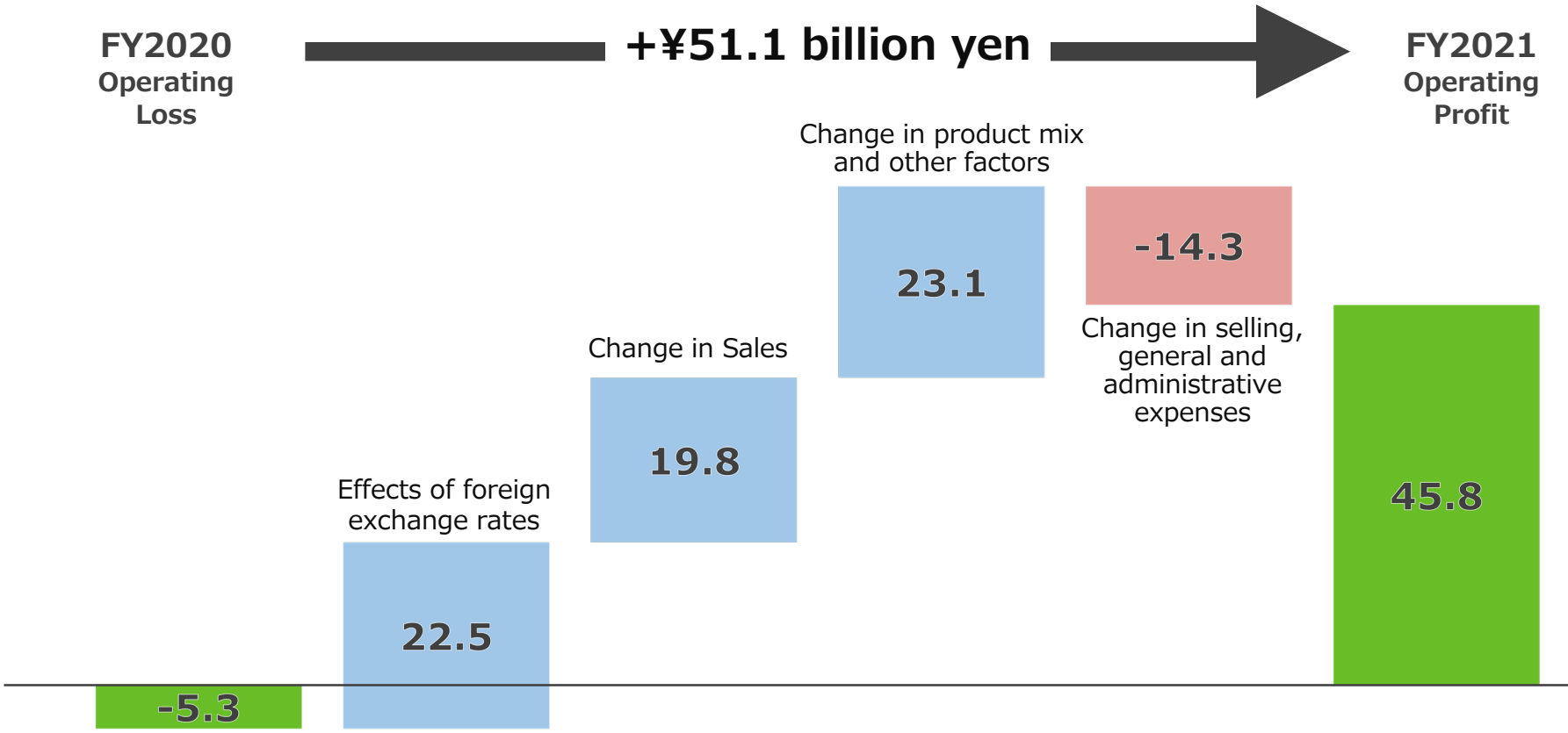
Consolidated Results for FY2021
–Details of change in profit-

- **Motorcycle & Engine contributed to change in sales, enjoying the affect of depreciation of the yen**
- **Jet engine maintenance costs, which were a major burden in FY2020, were decreased**



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Consolidated Results for FY2021
–Details of change in profit-

(Billion Yen)

	FY2020 Operating Profit (Loss)	Effects of FX rates※	Change in sales※	Change in product mix and other factors※	Change in SG & A expenses	Total	FY2021 Operating Profit (Loss)
Aerospace Systems	- 31.6	3.6	0.1	16.6	1.6	21.9	- 9.7
Rolling Stock	- 4.5	0.5	- 0.5	8.0	- 0.2	7.8	3.2
Energy Solution & Marine Engineering	10.3	0.5	- 4.1	- 3.8	- 1.7	- 9.1	1.1
Precision Machinery & Robot	14.0	3.9	1.7	0.3	- 3.4	2.5	16.6
Motorcycle & Engine	11.7	13.9	19.6	0.1	- 8.1	25.5	37.3
Others	0.4	0.1	3.0	3.3	- 4.0	2.4	2.8
Eliminations and corporate	- 5.7			- 1.6	1.6	- 0.0	- 5.7
Total	- 5.3	22.5	19.8	23.1	- 14.3	51.1	45.8

※ Effects of foreign exchange rates, change in sales, and change in product mix are approximate values calculated by our company based on certain criteria. In addition, each factor of change is often indivisible, and in particular, it may be desirable to check the change in sales and change in product mix.

※ As a result of the application of the "*Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)* , operating profit in Aerospace Systems increased by approximately ¥5.2 billion from the previous accounting standard. This impact is included in change in product mix and other factors.

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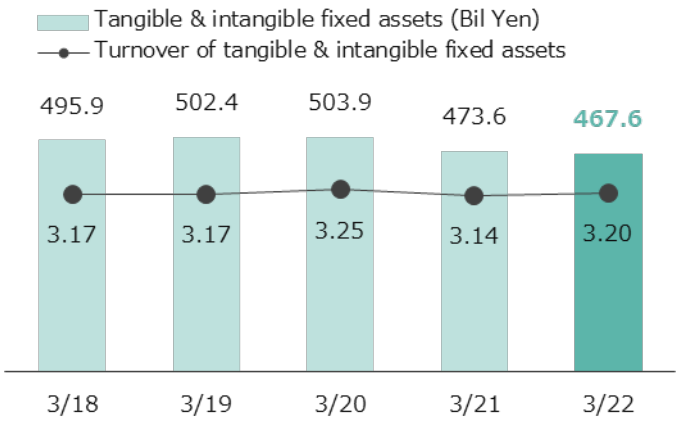
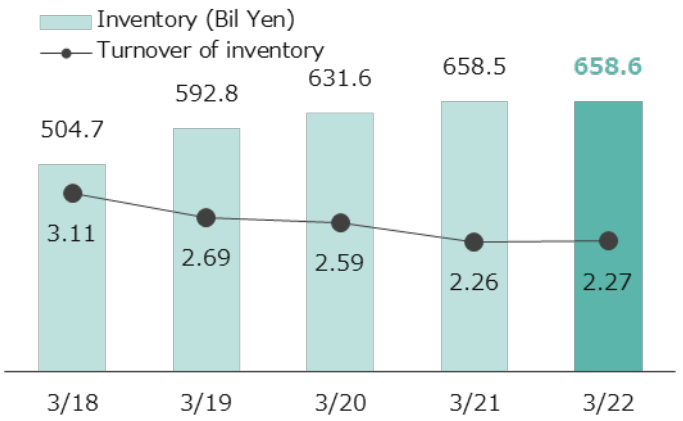
1 Consolidated Results for FY2021 –Balance Sheet-

(Billion Yen)

	End of Mar. 2021	%	End of Mar. 2022	%	Change	
Cash and deposits	126.7		**114.4**		-	12.2
Trade receivables	460.4		**418.6**		-	41.8
Inventory	658.5		**658.6**		+	0.1
Other current assets	39.7		**106.0**		+	66.2
Current assets	1,285.4	65.5	**1,297.7**	64.2	+	12.3
Tangible & intangible fixed assets	473.6		**467.6**		-	6.0
Deferred tax assets	70.4		**86.2**		+	15.7
Other non-current assets	133.7		**171.0**		+	37.3
Non-current assets	677.8	34.5	**724.9**	35.8	+	47.0
Total assets	1,963.2	100.0	**2,022.7**	100.0	+	59.4





Details

① A portion of trade receivable in Aero Engine (approximately ¥22 billion) was reduced as an adjustment of retained earnings at the beginning of the period, as a result of the application of the "*Accounting Standard for Revenue Recognition*"

Progress of receivable collection in Energy Solution & Marine Engineering and Aerospace Systems

② Increase of advance payment and accounts receivable in Aero Engine, as a result of the application of the "*Accounting Standard for Revenue Recognition*"

③ A portion of work in process (approximately 44 billion yen) in Aero Engine was transferred to investments and other assets, as a result of the application of the "*Accounting Standard for Revenue Recognition*"

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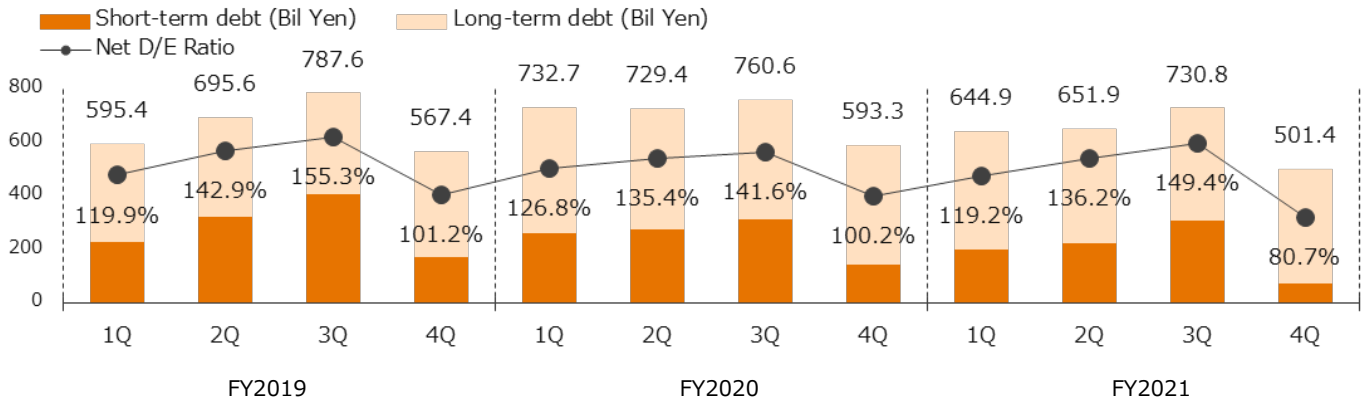
1 Consolidated Results for FY2021 –Balance Sheet-

(Billion Yen)

	End of Mar. 2021	%	End of Mar. 2022	%	Change
Trade payables	355.1		**344.3**		- 10.8
Interest-bearing debt	593.3		**501.4**		- 91.8
Contract liability (Advances received)	153.2		**256.1**		+ 102.8
Provision for losses on construction contracts	14.2		**9.6**		- 4.6
Provision for the in-service issues of commercial aircraft jet engines	5.9		**3.0**		- 2.9
Other liabilities	358.4		**409.5**		+ 51.1
Total liabilities	1,480.5	75.4	**1,524.2**	75.4	+ 43.7
Total shareholders' equity	465.4		**444.2**		- 21.2
Other net assets	17.3		**54.2**		+ 36.9
Total net assets	482.7	24.6	**498.5**	24.6	+ 15.7
Total liabilities & net assets	1,963.2	100.0	**2,022.7**	100.0	+ 59.4



Details

① Progress in repayment of borrowings due to business recovery, despite an increase in borrowings due to the COVID-19.

② Significant increase in Aerospace

③ Decrease in retained earnings at the beginning of the period, as a result of the application of the "*Accounting Standard for Revenue Recognition*" (approximately ¥40 billion)

*Cash Conversion Cycle

(day)

End of FY'17	101
End of FY'18	111
End of FY'19	133
End of FY'20	153
End of FY'21	127

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1 Consolidated Results for FY2021 –Cash Flows-

(Billion Yen)

	FY2020	FY2021	Change
Income before income taxes	- 14.6	**30.8**	+ 45.5
Depreciation and amortization	61.2	**60.8**	- 0.4
Increase and decrease in working capital	- 15.8	**32.2**	+ 48.0
Trade receivables (minus notation indicates incr.)	23.2	**25.9**	+ 2.7
Inventory (minus notation indicates incr.)	- 26.3	**- 39.0**	- 12.6
Trade payables (minus notation indicates decr.)	- 16.7	**- 15.0**	+ 1.7
Advance Payment (minus notation indicates incr.)	- 0.1	**- 31.7**	- 31.5
Advances received※ (minus notation indicates decr.)	4.2	**92.0**	+ 87.8
Other	3.8	**20.4**	+ 16.6
Cash flows from operating activities	34.6	**144.4**	+ 109.8
Purchase of tangible and intangible fixed assets	- 51.6	**- 62.3**	- 10.7
Proceeds from sales of tangible and intangible fixed assets	13.6	**5.5**	- 8.1
Other	0.6	**4.3**	+ 3.6
Cash flows from investing activities	- 37.3	**- 52.5**	- 15.1
Free cash flows	- 2.7	**91.8**	+ 94.6
Net increase and decrease in debt and bonds (minus notation indicates decr.)	16.6	**- 95.7**	- 112.3
Dividends paid (Except payment to non-controlling interests)	- 0.0	**- 3.3**	- 3.3
Proceeds from sale and leaseback transactions	10.0	**-**	- 10.0
Other	- 3.4	**- 3.2**	+ 0.2
Cash flows from financing activities	23.0	**- 102.3**	- 125.4

Details

① Increase of advances received in mainly Aerospace business

② Sale of dormitory / company housing sites

③ FY'20
Increased borrowings in preparation for unforeseen events due to COVID-19

FY'21
Progress in repayment of borrowings due to business recovery

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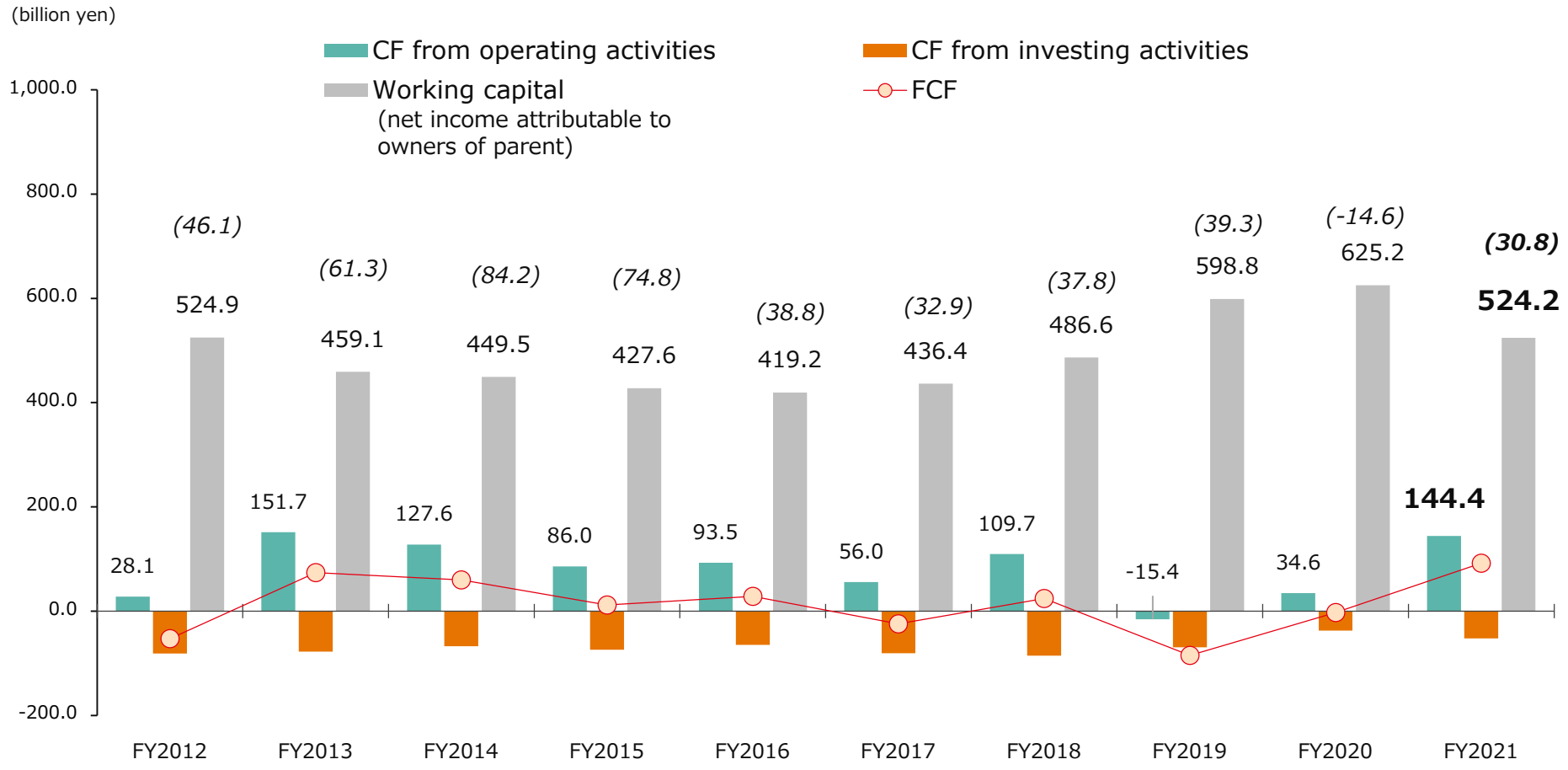
Consolidated Results for FY2021
–Cash Flows-

- **Acquisition of advances received for Aerospace led to the second highest operating cash flow on record in FY2021**
- **Decrease in working capital, which had been on an upward trend, enhanced cash flow generation capacity**



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2 Forecasts for FY2022 -Summary-

International Financial Reporting Standards (IFRS) is adopted from FY2022

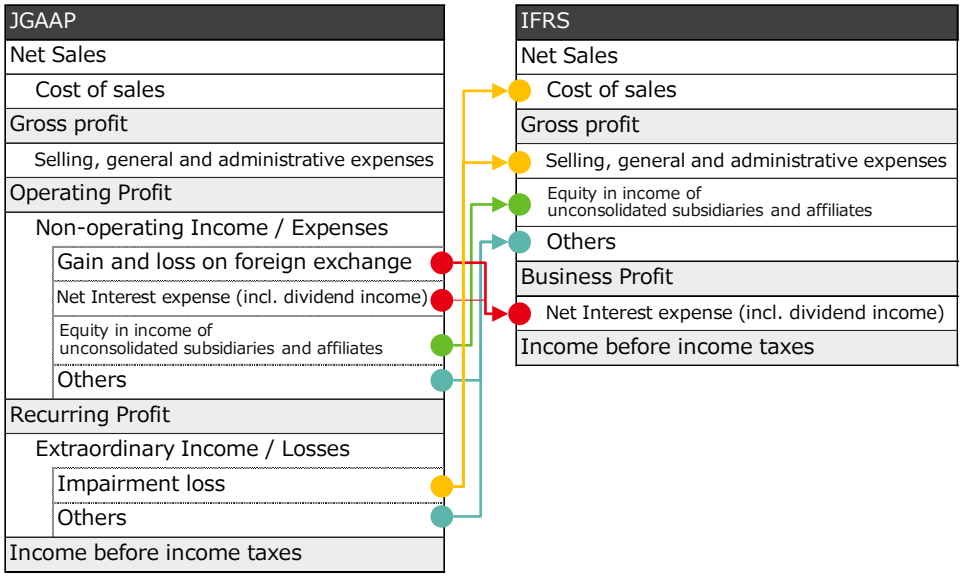
Sales and profits will increase due to price transfer of cost increases and depreciation of yen

(Billion Yen)

	FY2021 Actual	FY2022 JGAAP	FY2022 IFRS	Change (JGAAP)
Orders Received	1,602.1	**1,570.0**	**1,570.0**	- 32.1
Net Sales	1,500.8	**1,680.0**	**1,680.0**	+ 179.2
Operating Profit (Loss)	45.8	**61.0**	**-**	+ 15.2
[Margin]	*[3.0%]*	*[3.6%]*	*[-]*	*[+ 0.5pt]*
Business Profit	-	**-**	**53.0**	-
[Margin]	*[-]*	*[-]*	*[3.1%]*	*[-]*
Recurring Profit (Loss)	29.9	**47.0**	**-**	+ 17.1
[Margin]	*[1.9%]*	*[2.7%]*	*[-]*	*[+ 0.7pt]*
Net Income (Loss) Attributable to Owners of Parent	21.8	**29.0**	**29.0**	+ 7.2
[Margin]	*[1.4%]*	*[1.7%]*	*[1.7%]*	*[+ 0.2pt]*
Before-tax ROIC	3.5%	**-**	**4.7%**	-
Weighted-average exchange rates (USD/JPY)	111.90	**120.00**		+ 8.10
US dollar-based transaction (B$) ※	1.76	**2.01**		+ 0.25

※Amount in foreign currency calculated by deducting dollar-denominated purchases from dollar-denominated sales of Kawasaki Heavy Industries, Ltd. (to include dollar-denominated sales of loss provisions). The estimated impact on operating income/business profit due to a 1 yen fluctuation in the exchange rate. See page 44 for the breakdown of these figures by segment.

Major changes in the income statement associated with the adoption of IFRS



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Forecasts for FY2022
-Segment-

- **Aerospace Systems will return on the black, and Motorcycle & Engine will achieve the highest operating profit** ①
- **Investment in DX-related infrastructure and others is expected to increase in Eliminations and corporate** ②

(Billion Yen)

	Orders Received			Net Sales			Operating Profit (Loss)			Business Profit
	FY2021	**FY2022**	Change	FY2021	**FY2022**	Change	FY2021	**FY2022**	Change	**FY2022**
Aerospace Systems	383.3	**280.0**	- 103.3	298.2	**350.0**	+ 51.8	- 9.7	① **1.5**	+ 11.2	**2.5**
Rolling Stock	71.5	**80.0**	+ 8.5	126.6	**140.0**	+ 13.4	3.2	**3.5**	+ 0.3	**3.0**
Energy Solution & Marine Engineering	343.5	**340.0**	- 3.5	297.3	**330.0**	+ 32.7	1.1	**2.5**	+ 1.4	**2.5**
Precision Machinery & Robot	271.8	**280.0**	+ 8.2	252.6	**270.0**	+ 17.4	16.6	**20.0**	+ 3.4	**17.0**
Motorcycle & Engine	447.9	**500.0**	+ 52.1	447.9	**500.0**	+ 52.1	37.3	① **45.0**	+ 7.7	**43.0**
Ohters	84.0	**90.0**	+ 6.0	78.0	**90.0**	+ 12.0	2.8	**4.0**	+ 1.2	**4.0**
Eliminations and corporate※	-	**-**	-	-	**-**	-	- 5.7	② **- 15.5**	- 9.8	**- 19.0**
Total	1,602.1	**1,570.0**	- 32.1	1,500.8	**1,680.0**	+ 179.2	45.8	**61.0**	+ 15.2	**53.0**

※ *"Eliminations and corporate"* includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

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3 Details by Segment -Aerospace systems-

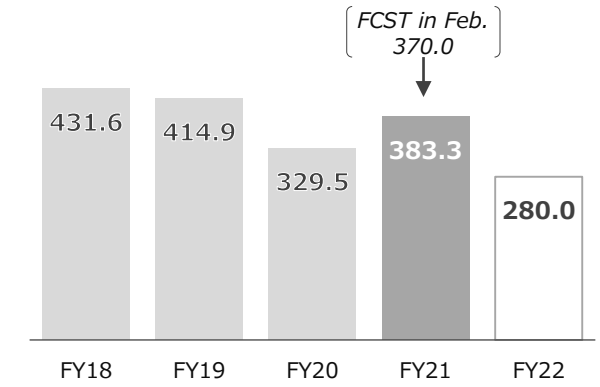
FY2021 (vs. FY2020)

Orders received ↗	Increased due to an increase in component parts for Ministry of Defense and Boeing, despite a decrease in component parts for commercial aircraft jet engines caused by the application of new 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 new Accounting Standard for Revenue Recognition, and a decrease in component parts for Ministry of Defense and Boeing
Operating profit ↗	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

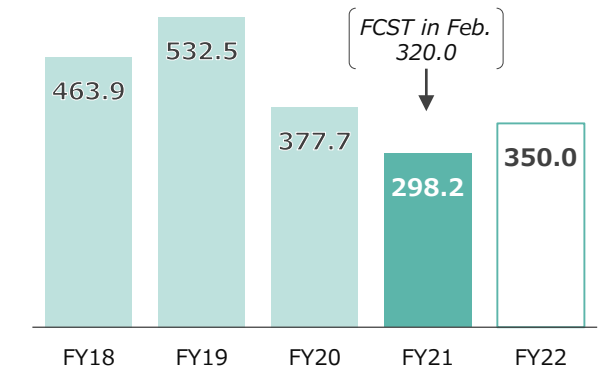
FY2022 (vs. FY2021)

Orders received ↘	Expected to decrease compared to FY2021, when the orders from Ministry of Defense were large
Net Sales ↗	Expected to increase due to an increase in component parts for commercial aircraft jet engines and component parts for Ministry of Defense
Operating profit ↗	Expected to improve due to an increase in revenue and an improvement of profitability in component parts for commercial aircraft jet engines due to a recovery of flight hours

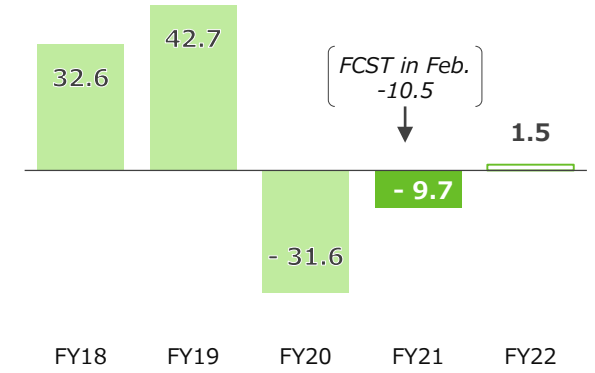
Orders received (billion yen)



Net Sales (billion yen)



Operating Profit (billion yen)



※ *"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)* was adopted since FY2021

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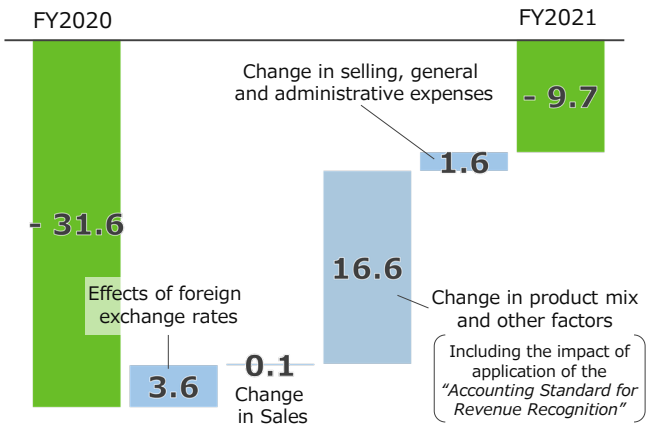
3 Details by Segment -Aerospace systems-

(Billion Yen)

	FY2020	FY2021				FY2022	
	Actual	FCST in Feb.	Actual	Chg. Vs. FY20	Chg. Vs. FCST	Forecast	Chg. Vs. FY21
Orders Received	329.5	370.0	**383.3**	+ 53.7	+ 13.3	**280.0**	- 103.3
Aerospace	*236.2*	*310.0*	***329.5***	*+ 93.2*	*+ 19.5*	***205.0***	*- 124.5*
Aero Engine	*93.3*	*60.0*	***53.8***	*- 39.5*	*- 6.2*	***75.0***	*+ 21.2*
Net Sales	377.7	320.0	※ **298.2**	- 79.5	- 21.8	**350.0**	+ 51.8
Aerospace	*262.5*	*245.0*	***232.0***	*- 30.5*	*- 13.0*	***255.0***	*+ 23.0*
Aero Engine	*115.1*	*75.0*	***66.1***	*- 48.9*	*- 8.9*	***95.0***	*+ 28.9*
Operating Profit (Loss)	- 31.6	- 10.5	※ **- 9.7**	+ 21.9	+ 0.8	**1.5**	+ 11.2
[Margin]	*[- 8.3%]*	*[- 3.2%]*	*[- 3.2%]*	*[+ 5.1pt]*	*[+ 0.0pt]*	*[0.4%]*	*[+ 3.6pt]*
Business Profit	-	-	**-**	-	-	**2.5**	-

Details of change in Operating Profit(Loss)

(billion yen)



Appendix

Number of aircraft component parts sold to Boeing

	FY'20	FY'21	Change
767	30	34	+ 4
777	24	21	- 3
777X	9	4	- 5
787	77	35	- 42

Number of jet engine component parts sold

	FY'20	FY'21	Change
V2500	5	16	+ 11
PW1100G	360	437	+ 77

※Number of jet engine component parts sold to Rolls-Royce is not disclosed

※ As a result of the application of the "*Accounting Standard for Revenue Recognition*" *(ASBJ Statement No. 29, March 31, 2020)* , net sales decreased by approximately ¥79.4 billion, and operating profit increased by approximately ¥5.2 billion from the previous accounting standard.

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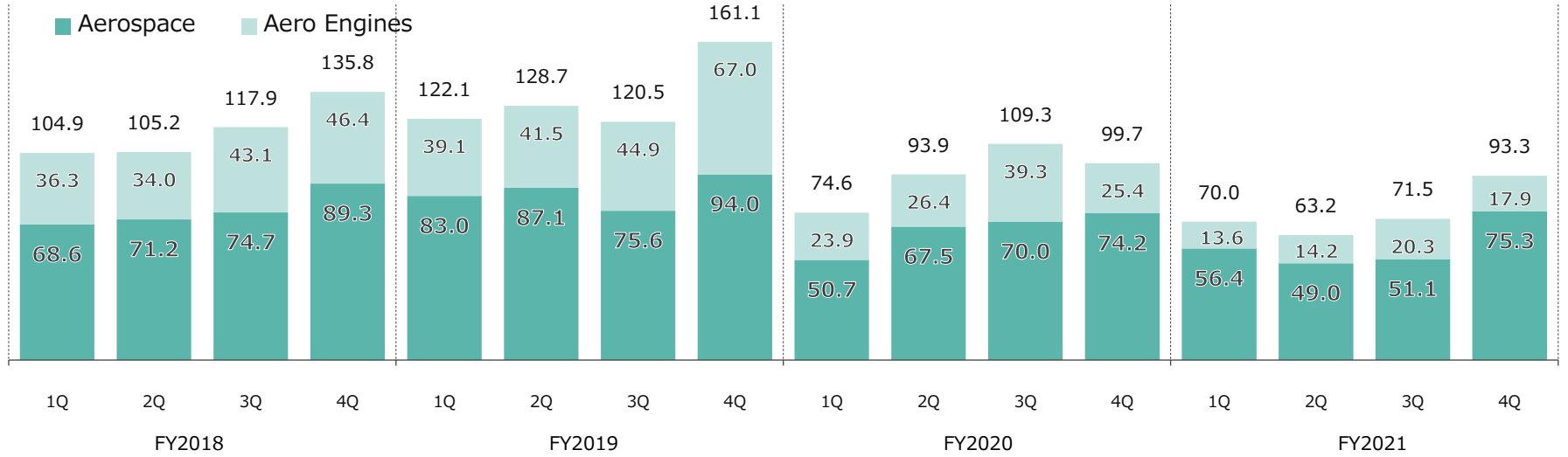
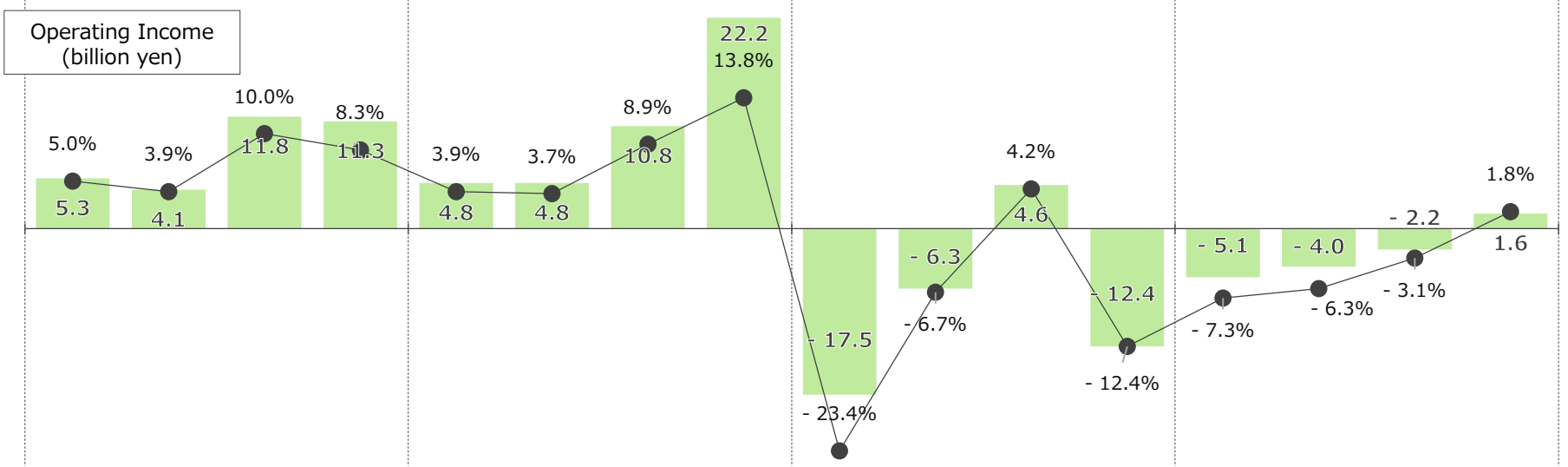
3 Details by Segment -Aerospace systems-

Net Sales (billion yen)



Operating Income (billion yen)



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3 Details by Segment -Aerospace systems-

Market Overview

- Commercial business
  - Demand for aircrafts and aircraft jet engines is sluggish because global passenger demand remains weak due to the great impact of and COVID-19
  - Demand for some domestic short flights are gradually recovering particularly in North America and Europe, but not in Asia.
  - Market outlook is still uncertain due to the Russian invasion of Ukraine.
  - It will take a considerable amount of time for the market to recover.
  - However, jet engine business is expected to recover faster than aircraft business
- MOD business
  - There is a certain demand within tight defense budget
  - Stable orders are expected over the medium- and long- term

Specific Efforts

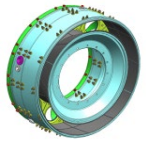
Securing stable revenue in core business

- Cost reductions in existing orders of aircrafts for Boeing and commercial aircrafts jet engines
- Steady promotion of existing projects of development and mass production for MOD aircrafts and helicopters

C-2 Transport Aircraft
2 orders received in FY21

Technology strategy in accordance with the change in marked trends

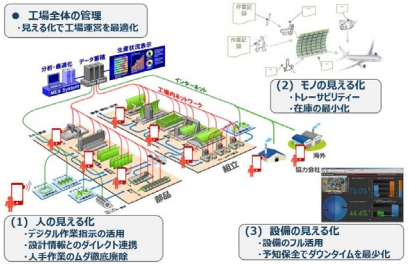
- Rebuilding R&D in line with future vision
- Utilization of *Green Innovation fund* of government for development of decarbonization technology



Hydrogen combustor

Improving financial foundation

- Review of fixed cost structure
- Reduction of inventories through production innovation activities



Smart-K Project

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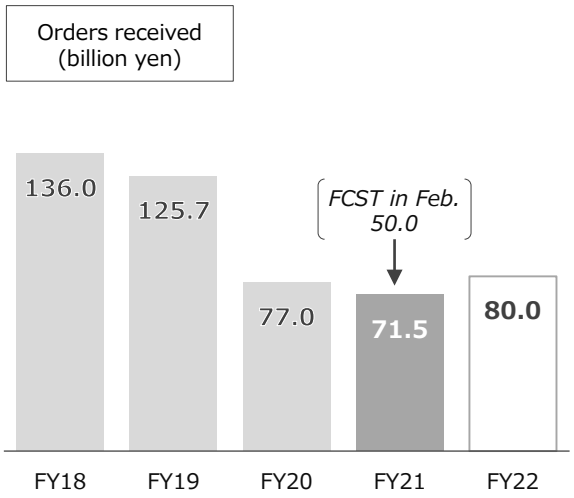
3 Details by Segment - Rolling Stock -

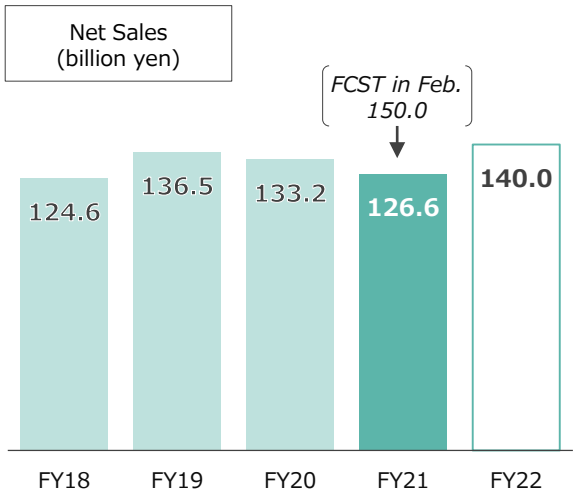
FY2021 (vs. FY2020)

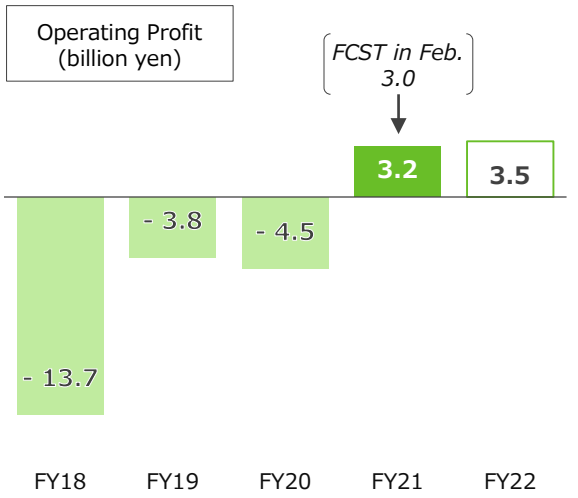
Orders received	↘	Decreased compared with FY2020, when orders for Shinkansen were large, despite orders for subway in FY2021
Net Sales	↘	Decreased due to a decrease in other regions despite an increase in the U.S.
Operating profit	↗	Improved due to improvement in profitability of overseas projects due to recovery from the impact of COVID-19, despite a decrease in revenue

FY2022 (vs. FY2021)

Orders received	↗	Expected to increase due to an increase in Japan and other factors
Net Sales	↗	Expected to increase due to an increase in the U.S. and other factors
Operating profit	→	Expected to remain at the same level despite an increase in revenue







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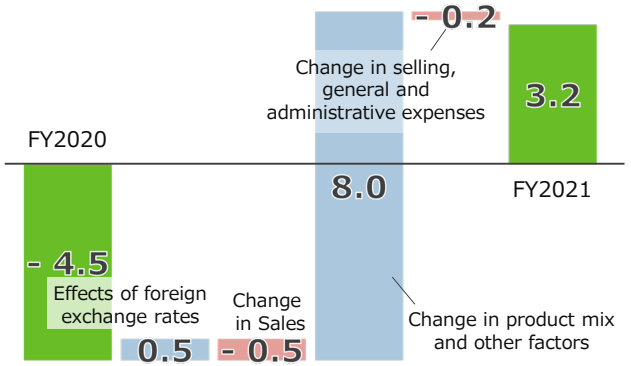
3 Details by Segment - Rolling Stock -

(Billion Yen)

	FY2020	FY2021				FY2022	
	Actual	FCST in Feb.	**Actual**	Chg. Vs. FY20	Chg. Vs. FCST	**Forecast**	Chg. Vs. FY21
Orders Received	77.0	50.0	**71.5**	- 5.5	+ 21.5	**80.0**	+ 8.5
Domestic & Asia	*66.2*	*44.0*	***66.2***	*- 0.0*	*+ 22.2*	***74.5***	*+ 8.3*
North America	*10.8*	*6.0*	***6.4***	*- 4.4*	*+ 0.4*	***5.5***	*- 0.9*
Net Sales	133.2	150.0	**126.6**	- 6.5	- 23.4	**140.0**	+ 13.4
Domestic & Asia	*107.5*	*100.0*	***92.2***	*- 15.3*	*- 7.8*	***95.5***	*+ 3.3*
North America	*25.6*	*50.0*	***34.4***	*+ 8.7*	*- 15.6*	***44.5***	*+ 10.1*
Operating Profit (Loss)	- 4.5	3.0	**3.2**	+ 7.8	+ 0.2	**3.5**	+ 0.3
[Margin]	*[- 3.4%]*	*[2.0%]*	*[2.5%]*	*[+ 6.0pt]*	*[+ 0.5pt]*	*[2.5%]*	*[+ 0.0pt]*
Business Profit	-	-	**-**	-	-	**3.0**	-

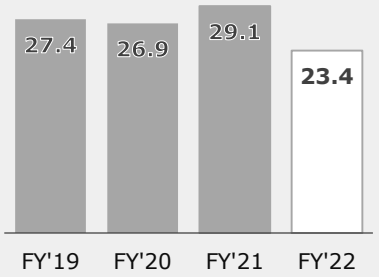
Details of change in Operating Profit(Loss)

(billion yen)



Appendix

Sales in components, overhaul and after-sales service(billion yen)



Progress of the M9 Project for Long Island Rail Road in the United States (End of Mar. 2022)

- 126 cars out of 202 were delivered
- KMM, the North American works, has started production of the last unit, and its delivery is scheduled for Q3 2022

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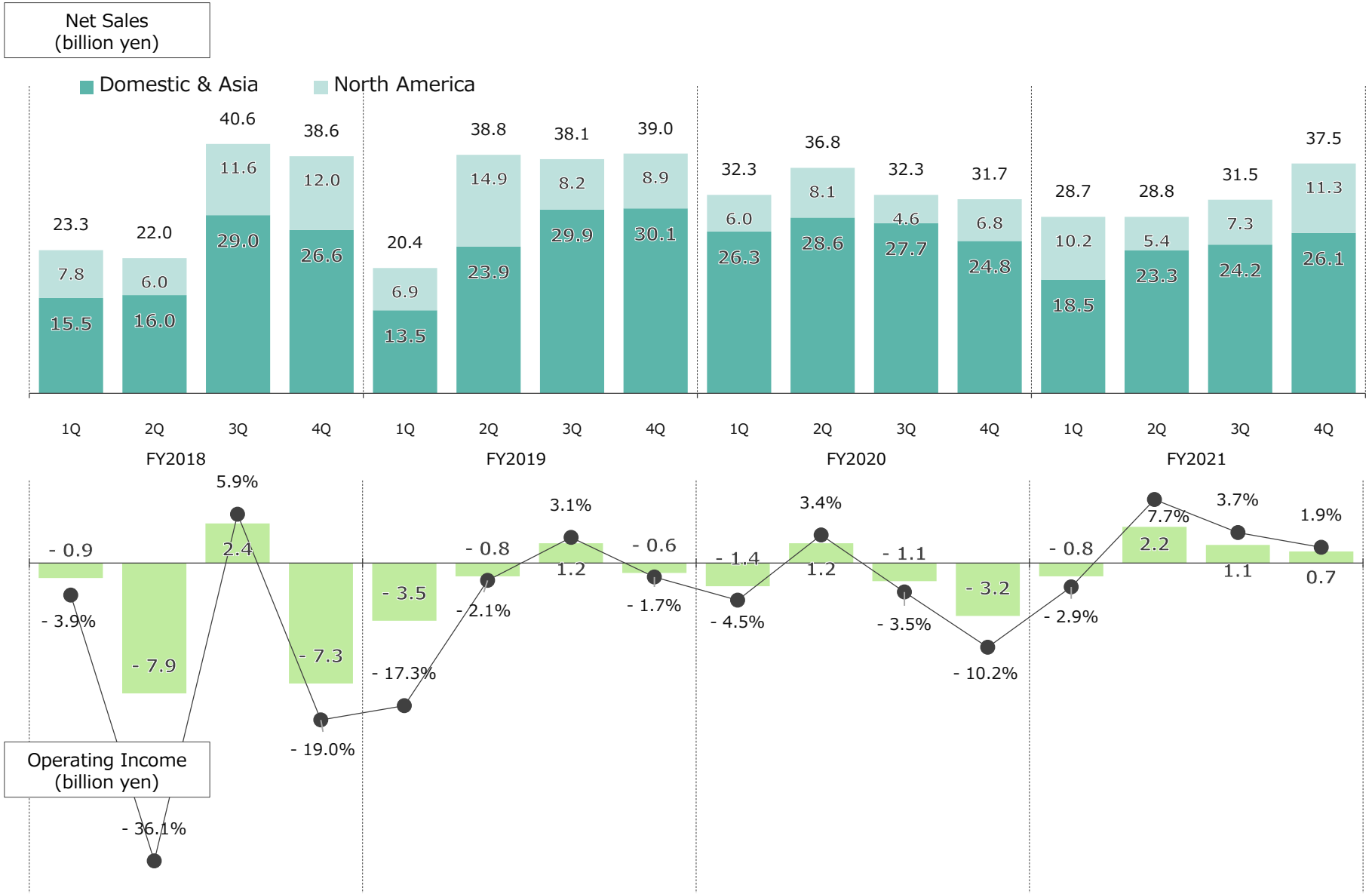
3 Details by Segment - Rolling Stock -



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3 Details by Segment - Rolling Stock -

Market Overview

- The impact of COVID-19
  - Some domestic railway operators are reviewing their railway related investment
  - Delays in overseas projects and postponement of bids are normalizing.
- Supply chain Risk
  - The impact of shortage of electronic components, logistics disruption, and the rise in raw material is limited, but caution should be exercised.
- Medium and long term forecast
  - Stable growth is expected in the railway business, based on the needs of railway infrastructure to deal with the congestion mitigation and environmental measures in emerging countries.

Rolling stock for Dhaka Mass Transit Company Limited

Specific Efforts

Compliance with delivery schedules for overseas projects

Dhaka ***MRT Line-6***	*The first and second trains are undergoing functional tests* *12 trains(72 cars) out of 24 trains (144cars) were shipped by FY'21* ***The last car will be shipped in Q4 FY'22***
Singapore ***T251***	*75 trains(300 cars) out of 91trains(364cars) were delivered by FY'21* ***The last car will be delivered in Q3 FY'22***
U.S. ***R211***	*2 proto-trains (10 cars) for R211A are undergoing spec tests at NYCT* *The mass production in KMM started in Q3 FY'21* ***The first prototype train will be delivered in Q3 FY'22***
U.S. ***M-9***	*All trains (92 cars) under the base contract were delivered by Q1 FY'21* *Option cars are being produced* ***The last car will be delivered in Q3 FY'22***

Achieving quality levels trusted by customers

- Reduction of spoilage and repair costs
- Further promotion of Kawasaki Production System, and installation to the U.S. works

Expansion of components sales, after-sales service, and maintenance business

- Promotion of remote track monitoring service for north American market
- Promotion of train condition monitoring equipment for domestic market

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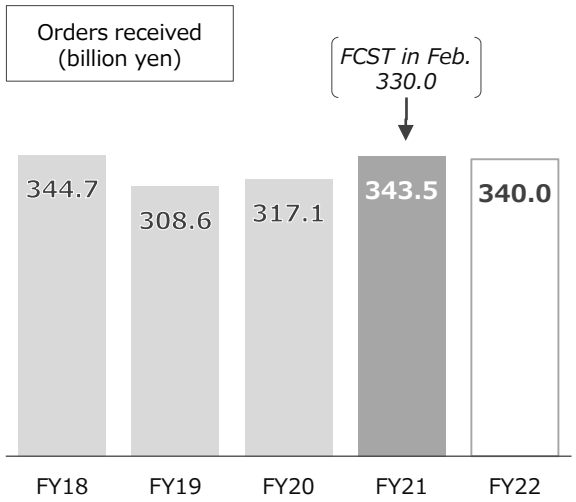
3 Details by Segment
- Energy Solution & Marine Engineering -

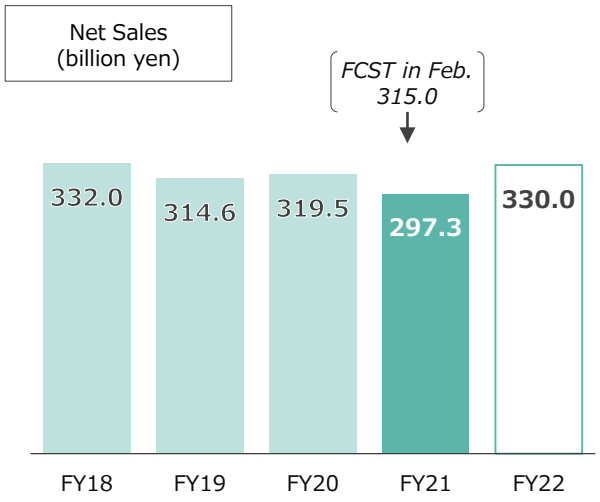
FY2021 （vs. FY2020）

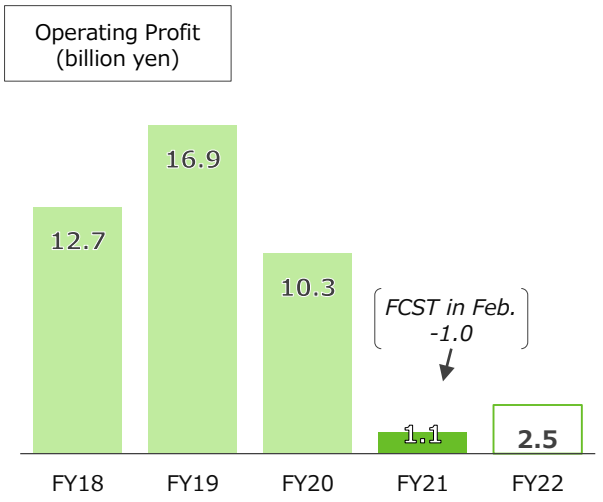
Orders received	↗	Increased due to major orders for construction and operation of domestic municipal waste incineration plants and other projects
Net Sales	↘	Decreased due to a decrease in construction work for submarines and decrease in combined cycle power plants and other factors
Operating profit	↘	Deteriorated due to a decrease in revenue and rising raw material prices

FY2022 （vs. FY2021）

Orders received	→	Expected to remain at the same level due to a decrease in Plant Engineering, despite an increase in MOD business in Ship & Offshore
Net Sales	↗	Expected to increase due to an increase in Energy System and an increase in construction works in Ship & Offshore
Operating profit	↗	Expected to improve due to an improvement in profitability in Ship & Offshore







※ The prior results of previous segment have been reclassified to current segment

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3 Details by Segment
- Energy Solution & Marine Engineering -

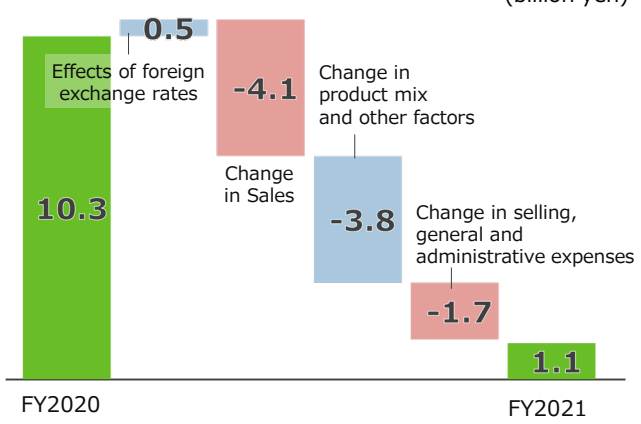
(Billion Yen)

	FY2020	FY2021					FY2022		
	Actual	FCST in Feb.	**Actual**	Chg. Vs. FY20		Chg. Vs. FCST	**Forecast**	Chg. Vs. FY21	
Orders Received	317.1	330.0	**343.5**	+	26.3	+ 13.5	**340.0**	-	3.5
Energy System & Plant Engineering	*219.0*	*260.0*	***272.7***	+	*53.6*	+ *12.7*	***250.0***	-	*22.7*
Ship & Offshore Structure	*98.1*	*70.0*	***70.8***	-	*27.2*	+ *0.8*	***90.0***	+	*19.2*
Net Sales	319.5	315.0	**297.3**	-	22.2	- 17.7	**330.0**	+	32.7
Energy System & Plant Engineering	*240.1*	*240.0*	***232.3***	-	*7.7*	- *7.7*	***250.0***	+	*17.7*
Ship & Offshore Structure	*79.4*	*75.0*	***64.9***	-	*14.4*	- *10.1*	***80.0***	+	*15.1*
Operating Profit (Loss)	10.3	- 1.0	**1.1**	-	9.1	+ 2.1	**2.5**	+	1.4
[Margin]	*[3.2%]*	*[- 0.3%]*	*[0.3%]*		*[- 2.8pt]*	*[+ 0.6pt]*	*[0.7%]*		*[+ 0.3pt]*
Business Profit	-	-	**-**		-	-	**2.5**		-

※ The prior results of previous segment have been reclassified to current segment

Details of change in Operating Profit(Loss)

(billion yen)

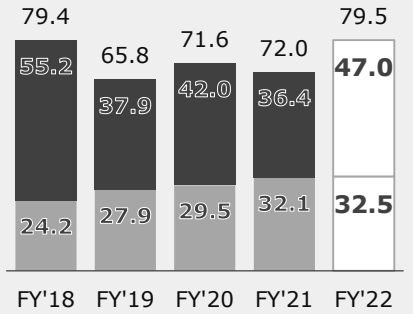


Appendix

Sales of major products in the energy business

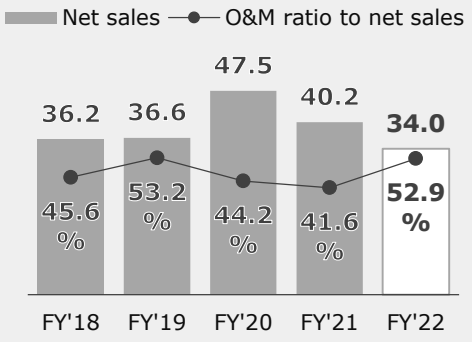
above : components
below : after-sales service

(billion yen)



Sales of municipal waste incineration plants

(billion yen)



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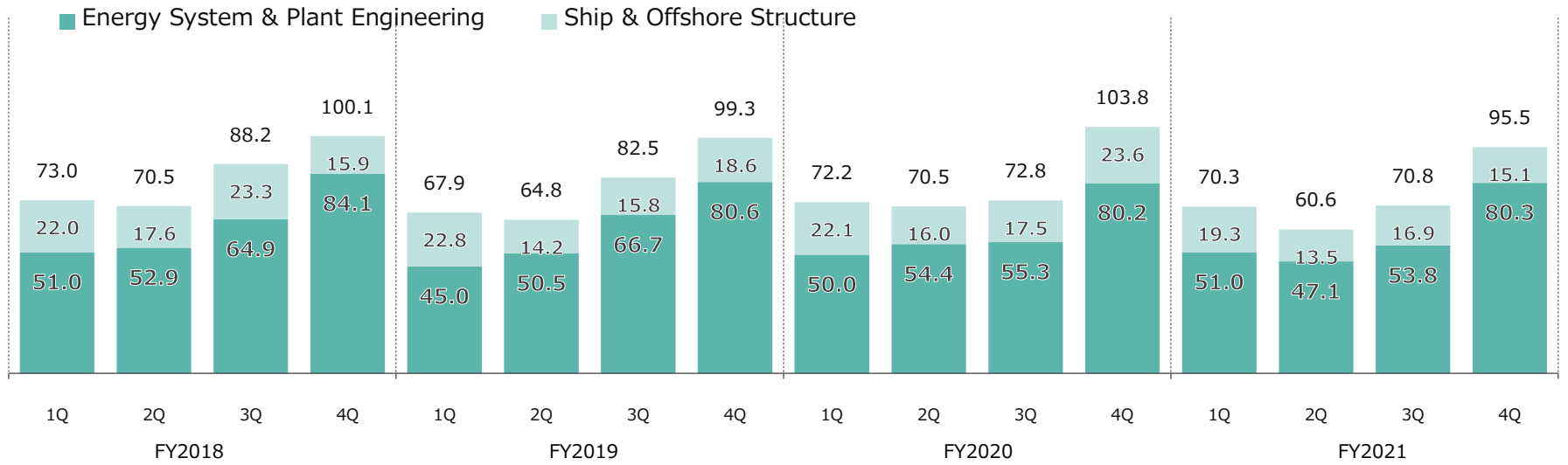
3

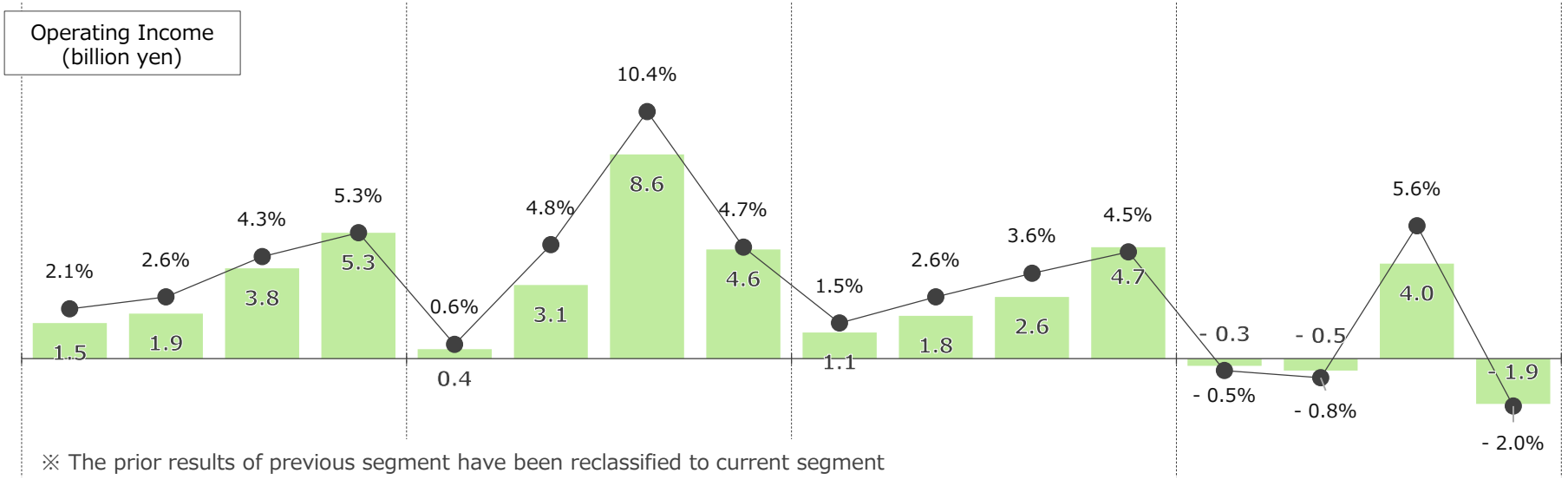
Details by Segment

- Energy Solution & Marine Engineering -

Net Sales (billion yen)



Operating Income (billion yen)



※ The prior results of previous segment have been reclassified to current segment

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Details by Segment
- Energy Solution & Marine Engineering -

Market Overview

- Energy system & Plant Engineering

Domestic	Emerging Markets
Steady demand for distributed power plants and municipal waste incineration plants is expected to continue	Steady demand for distributed power plants and other energy infrastructure is expected to remain

- Ship & Offshore Structures

Commercial ships	Submarines and others
Inquiries of LPG/LAG carriers are increasing, as demand for ammonia is expected to increase.	Stable orders for submarines are expected

- Entire segment

COVID-19 and other risks	Carbon neutrality
– Demand is recovering – Prices of raw materials and logistics costs are rising due to the rapid normalization of the economy.	Inquiries and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products.

Specific Efforts

Promotion of energy equipment for a low-carbon and decarbonized society

Major orders received in FY2021
Malaysia 5MW class gas turbine cogeneration system
Thailand 4 unit of 7.8MW class new gas engines
Taiwan 45MW class steam turbine
Korea Cement waste heat power plant
China 50th order for *VEGA® boiler* (high efficient waste heat recovery boiler)

KG-18-T
Most efficient gas engine

VEGA® boiler

Establishing a leading position in the decarbonization field

– Technology development for the spread of hydrogen energy

✓ Developed 40% hydrogen co-firing technology for Dry Low Emission combustors of gas turbines and 30% hydrogen co-firing technology for gas engines of 5 MW class or more

✓ Confirmed a liquefied hydrogen transport between Japan and Australia (See page 36 for details.)

✓ Began development of larger and more efficient hydrogen liquefiers to reduce liquefaction costs.

SUISO FRONTIER
liquefied hydrogen carrier

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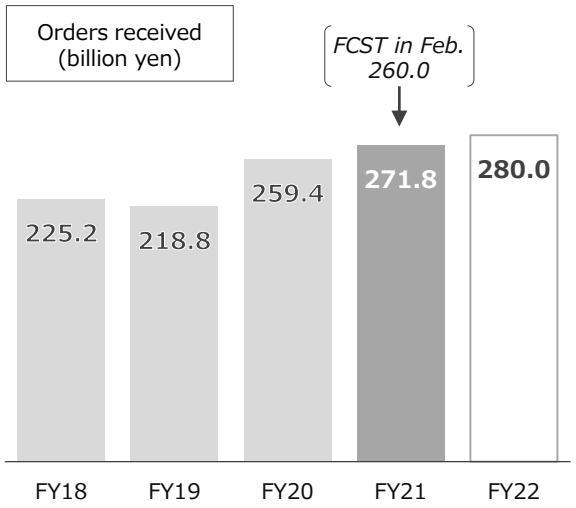
3 Details by Segment - Precision Machinery & Robot -

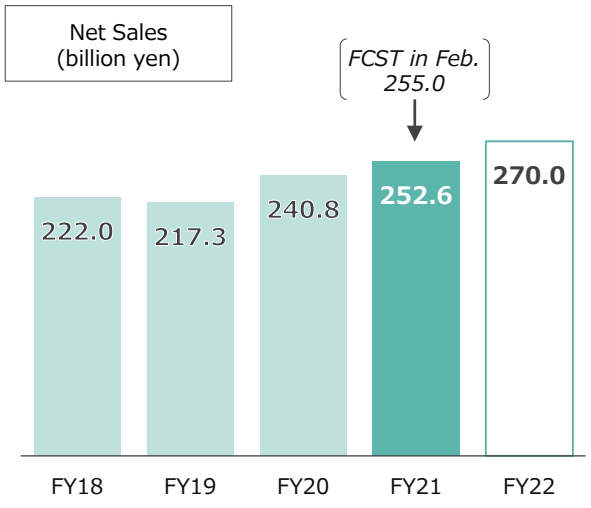
FY2021 （vs. FY2020）

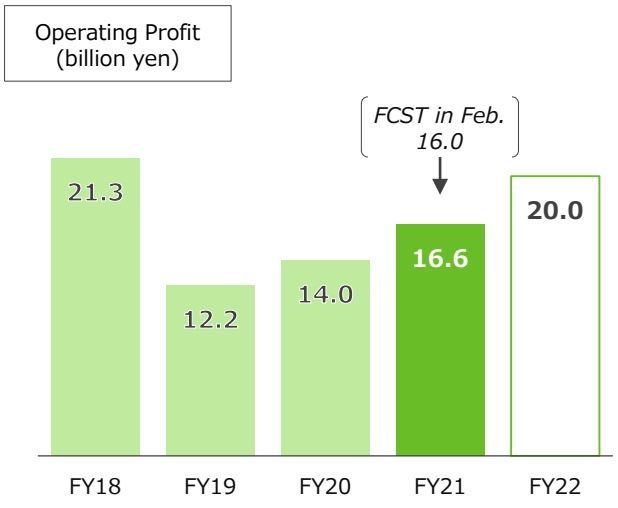
Orders received	Increased due to an increase in various robots including robots for semiconductor manufacturing equipment
Net Sales	Increased due to an increase in various robots including robots for semiconductor manufacturing equipment and foreign exchange gains resulting from the depreciation of the yen
Operating profit	Increased due to an increase in revenue and other factors

FY2022 （vs. FY2021）

Orders received	Expected to increase due to an increase in hydraulic components for construction machinery market in developed countries
Net Sales	Expected to increase due to an increase in hydraulic components for construction machinery market in developed countries and an increase in general robots for industrial use
Operating profit	Expected to increase due to an increase in revenue







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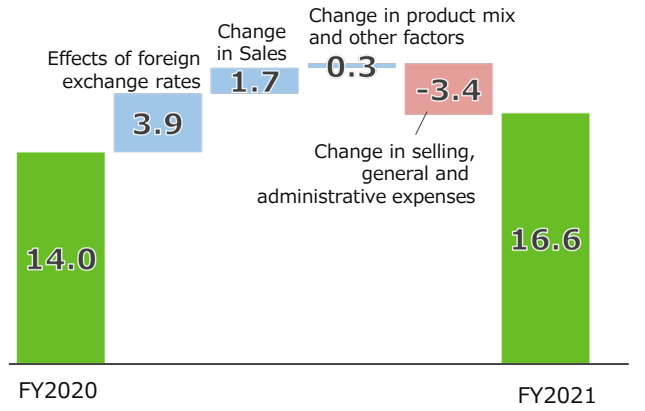
3 Details by Segment - Precision Machinery & Robot -

(Billion Yen)

	FY2020	FY2021				FY2022	
	Actual	FCST in Feb.	**Actual**	Chg. Vs. FY20	Chg. Vs. FCST	**Forecast**	Chg. Vs. FY21
Orders Received	259.4	260.0	**271.8**	+ 12.4	+ 11.8	**280.0**	+ 8.2
Hydraulic Components & Systems	*172.6*	*165.0*	***171.6***	*- 1.0*	*+ 6.6*	***180.0***	*+ 8.4*
Robotics	*86.7*	*95.0*	***100.1***	*+ 13.4*	*+ 5.1*	***100.0***	*- 0.1*
Net Sales	240.8	255.0	**252.6**	+ 11.8	- 2.4	**270.0**	+ 17.4
Hydraulic Components & Systems	*165.5*	*160.0*	***163.1***	*- 2.4*	*+ 3.1*	***170.0***	*+ 6.9*
Robotics	*75.2*	*95.0*	***89.5***	*+ 14.2*	*- 5.5*	***100.0***	*+ 10.5*
Operating Profit	14.0	16.0	**16.6**	+ 2.5	+ 0.6	**20.0**	+ 3.4
[Margin]	*[5.8%]*	*[6.2%]*	*[6.5%]*	*[+ 0.7pt]*	*[+ 0.2pt]*	*[7.4%]*	*[+ 0.8pt]*
Business Profit	-	-	**-**	-	-	**17.0**	-

Details of change in Operating Profit(Loss)

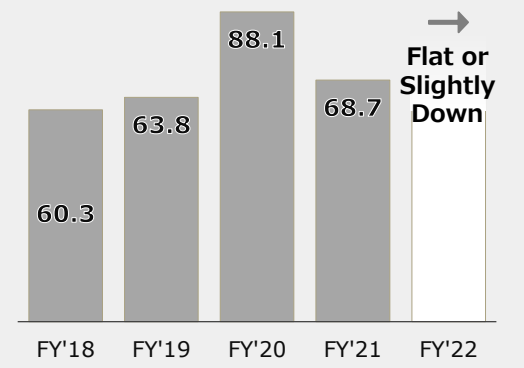
(billion yen)



Appendix

Sales of hydraulic components to China

(billion yen)



Sales of robots by segment (billion yen)

	FY'20	FY'21 (YoY)	FY'22 (YoY)
Automobile assembly and painting	36.8	35.7 (-1.0)	36.0 (+0.2)
Semiconductor	23.8	36.3 (+12.4)	36.5 (+0.2)
General robots for industrial use and others	21.2	29.0 (+7.7)	35.0 (+6.1)
Total	81.9	101.1 (+19.1)	107.5 (+6.4)

※Including intercompany sales

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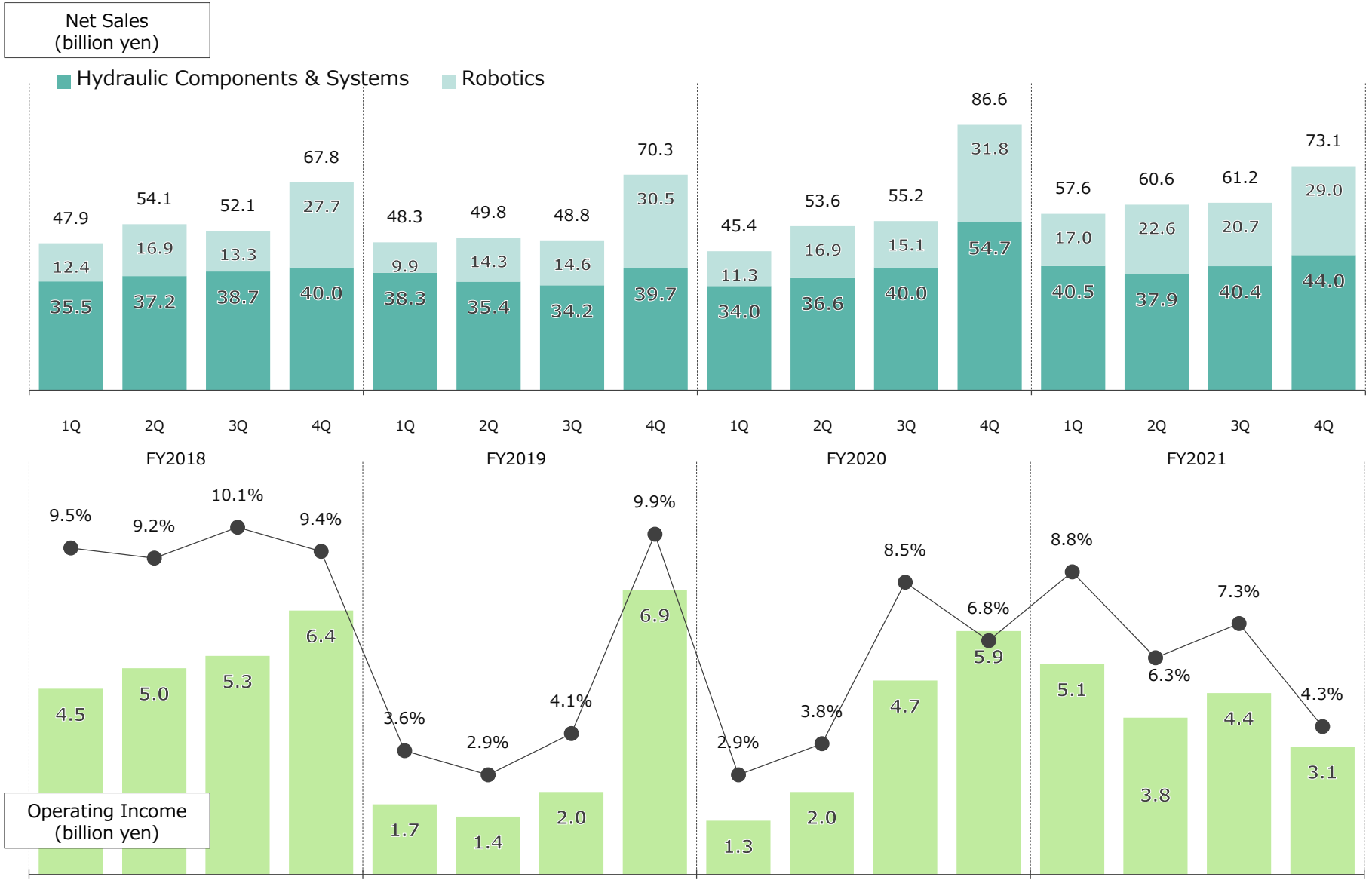
3 Details by Segment - Precision Machinery & Robot -



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3 Details by Segment - Precision Machinery & Robot -

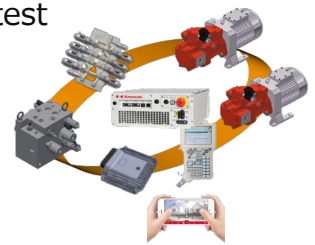
Market Overview

- Construction machinery
  - High level of demand in China still continues despite a slight slowdown in 2022
  - Demand outside China was recovered from the impact of COVID-19 and remains strong
  - Electrification will be promoted due to the environmental regulations
  - Automation and autonomy will be promoted due to the decline of skilled workers
- Robots
  - General purpose robots for industrial use markets is good, particularly in regions where recovery from the impact of COVID-19 is rapid.
  - In semiconductor markets, demand is strong due to increased capital investment.
  - Shortage of electronic components and logistics disruption continue

Specific Efforts

Developing electrification and automation technology for construction machinery

- Development and supply of the latest hydraulic equipment and systems for electrification and automation to support customers



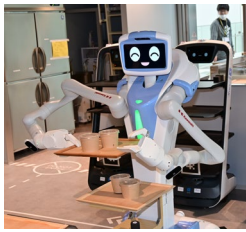
Developing hydrogen-related products for decarbonized society

- High-pressure hydrogen regulator・Hydrogen supply system・Hydraulic hydrogen compressor

Open innovation

- “Nyokkey”, an autonomous service robot, is developed as **an platform for the service industry.** Partners can develop applications on software platforms provided by Kawasaki

Meet us at the “AI SCAPE” demonstration site in the open- innovation hub “Future Lab HANEDA”.



Nyokkey serving in AI SCAPE restaurant

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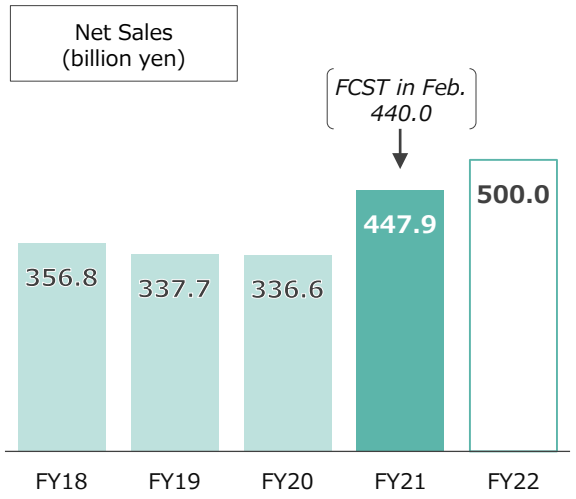
3 Details by Segment - Motorcycle & Engine -

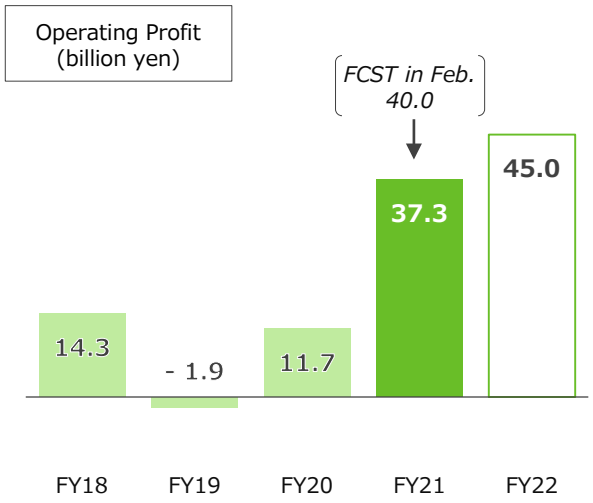
FY2021 （vs. FY2020）

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, and other factors despite rising raw material and components prices

FY2022 （vs. FY2021）

Net Sales ↗	Expected to increase due to an increase in off-road four-wheelers and general-purpose gasoline engines for North America
Operating profit ↗	Expected to increase due to an increase in revenue





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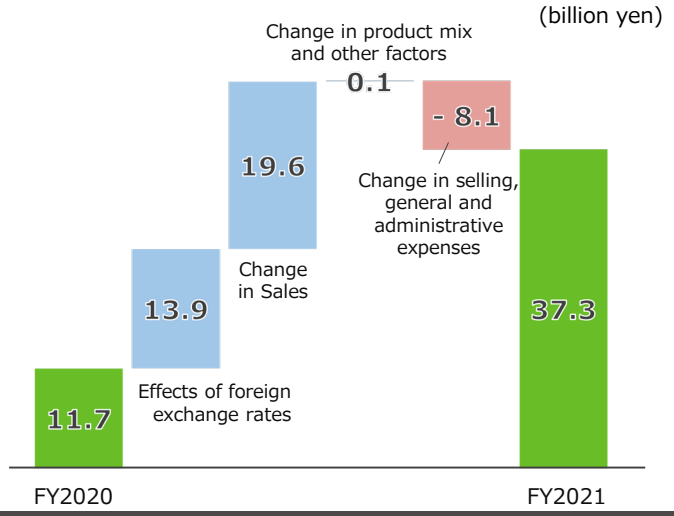
3 Details by Segment - Motorcycle & Engine -

(Billion Yen)

	FY2020	FY2021				FY2022	
	Actual	FCST in Feb.	**Actual**	Chg. Vs. FY20	Chg. Vs. FCST	**Forecast**	Chg. Vs. FY21
Net Sales	336.6	440.0	**447.9**	+ 111.2	+ 7.9	**500.0**	+ 52.1
Motorcycles for developed contries	*114.2*	-	***169.9***	+ *55.6*	-	***172.0***	+ *2.1*
Motorcycles for emerging market	*67.4*	-	***100.8***	+ *33.4*	-	***98.0***	- *2.8*
Utility Vehicles, ATVs & PWC	*101.4*	-	***108.8***	+ *7.4*	-	***140.0***	+ *31.2*
General-purpose gasoline engines	*53.5*	-	***68.2***	+ *14.7*	-	***90.0***	+ *21.8*
Operating Profit	11.7	40.0	**37.3**	+ 25.5	- 2.7	**45.0**	+ 7.7
[Margin]	*[3.4%]*	*[9.0%]*	*[8.3%]*	*[+ 4.8pt]*	*[- 0.7pt]*	*[9.0%]*	*[+ 0.6pt]*
Business Profit	-	-	**-**	-	-	**43.0**	-

Details of change in Operating Profit(Loss)



Appendix

Wholesales of motorcycles by country

Developed countries (Thousand units)

	FY'20	FY'21	Change
Japan	16	31	+ 15
U.S.	54	86	+ 32
Canada	5	6	+ 1
Europe	58	71	+ 12
Australia	11	12	+ 0
Total	146	208	+ 62

Emerging countries (Thousand units)

	FY'20	FY'21	Change
Brazil	9	10	+ 1
Thailand	6	7	+ 1
Philippines	143	161	+ 18
Indonesia	30	45	+ 15
China	25	37	+ 11
Others	11	21	+ 9
Total	226	283	+ 57

Wholesales of four-wheeler and PWC : FY20' 82 thousand units
FY21' 81 thousand units

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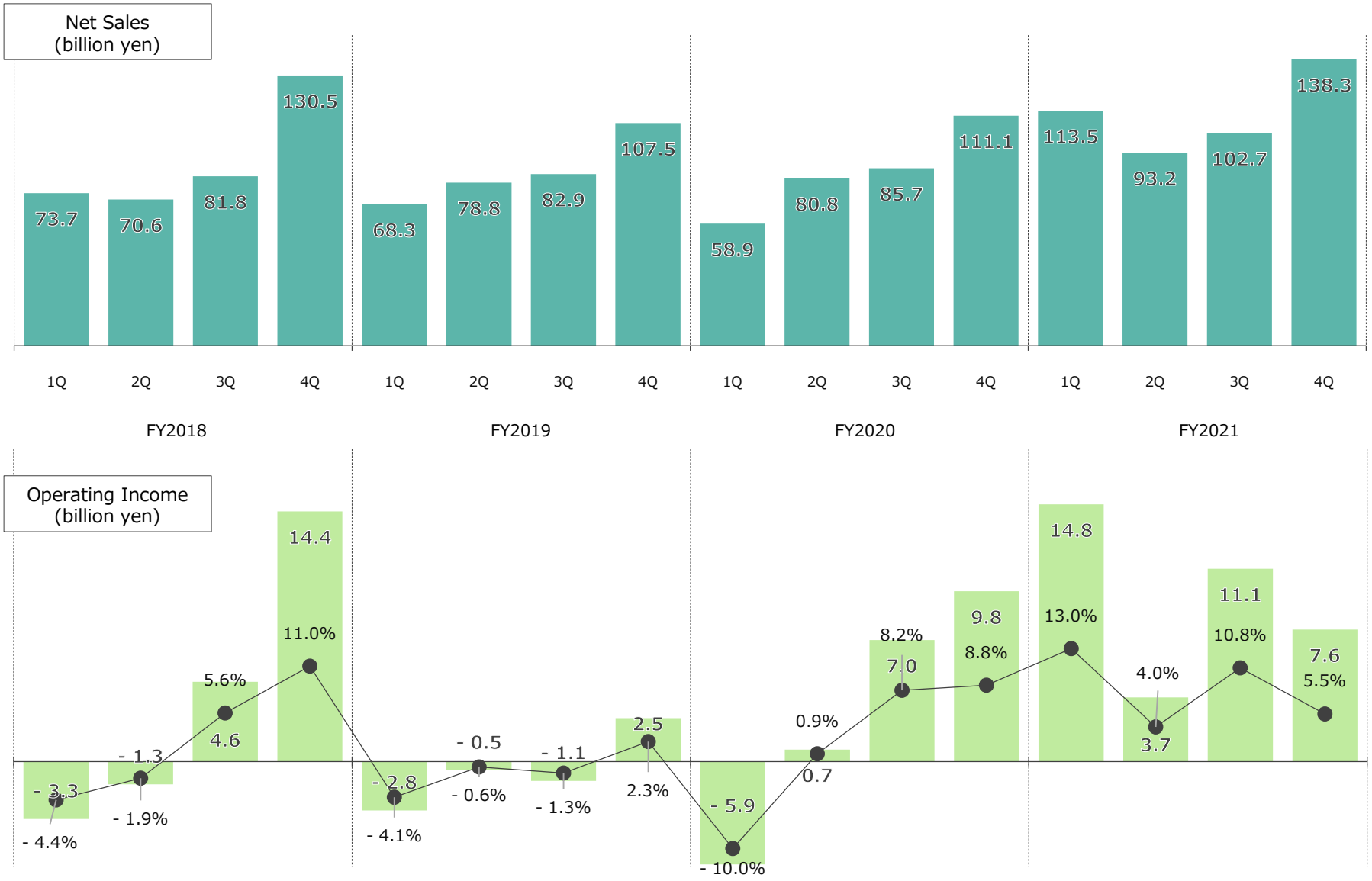
3 Details by Segment
- Motorcycle & Engine -



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Details by Segment
- Motorcycle & Engine -

Market Overview

- U.S.
  - Demand for off-road motorcycles and four-wheelers remains strong
  - Strong demand is expected to continue
- Europe
  - Retail markets recovered from the impact of COVID-19 and remain strong
- Southeast Asia
  - Improved YoY, but outlook remains uncertain
- Supply Chain risks
  - Shortage of parts such as semiconductor parts and logistics disruption affect our product supply

SxS TERYX KRX 1000
popular in the U.S.

EV Project
EICMA2019

Specific Efforts

Supplying products as much as demanded

- All efforts to achieve production plans
- Changing production and sales plans promptly according to the available parts, if production cannot be carried out as planned due to logistics disruption or insufficient parts supply

Expansion of the four wheeler business and electrification

- Focus on development investment to increase four wheeler production and to decarbonization
- Preparation of the U.S. Plant and Mexico Plant to expand production capacity
- Accelerating development toward the launch of BEVs and HEVs
- Consideration of joint research with Yamaha Motor on hydrogen engines

Strict control of fixed cost to slimming down

- Continuation of concrete measures to thoroughly reduce fixed costs
- R&D, however, is promoted

Securing Free Cash Flows

- Aiming to secure stable FCF for future investment

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4 Shareholder Return

Dividend Policy

1. Future business forecasts, Financial conditions such as free cash flow and debt-to-equity ratio, and other factors
2. Stable dividends

▶ The medium- to long-term consolidated dividend payout ratio

30%

Dividend for FY2021

Net income attributable to owners of the parent exceeded the previous forecast by 6.8 billion yen, due in part to the depreciation of the yen

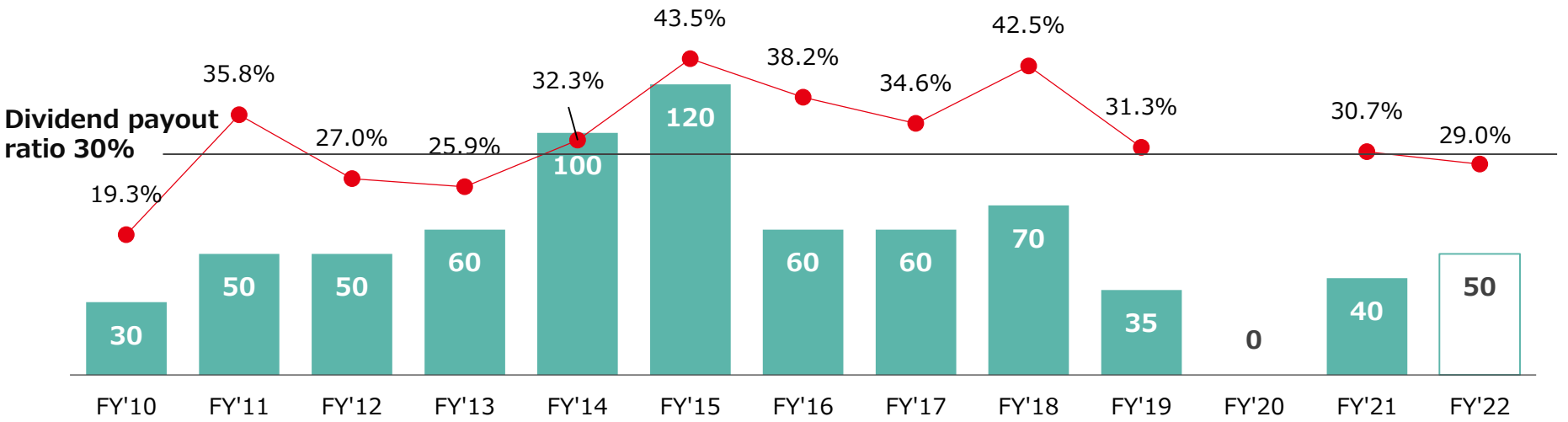
▶ **Full year** dividend is **40yen** per share

- ✓ Year-end dividend: **20yen** *upward revision by 10yen
- ✓ payout ratio: **30.7%**

Dividend for FY2021

Full year dividend will be **50yen** per share

- ✓ Payout ratio: **29.0%**



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4 Project Topics

The world's first liquefied hydrogen vessel voyage completed

- An international liquefied hydrogen supply chain became a reality
- The completion ceremony was held in Kobe, Japan, with Prime Minister Kishida in attendance
- Knowledge from the demonstration voyage will guide the development of international safety standards and codes for transporting liquefied hydrogen

Press release
https://global.kawasaki.com/news_220409-1e.pdf

Marking a significant step towards the utilization of hydrogen as a new energy source

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4 Project Topics

Kawasaki & Airbus to study use of hydrogen in Japan

- The scope will include different aspects of the hydrogen supply chain, from the production of hydrogen to its delivery to airports and transfer on-board aircraft.
- Companies will jointly prepare a roadmap to address challenges and define an advocacy plan on hydrogen aviation needs.

Dr. Motohiko Nishimura
Executive Officer,
Deputy General Manager
Hydrogen Strategy Division

Each* *Contribution

Kawasaki	AIRBUS
Technology drivers on the various elements of the supply chain	Aircraft characteristics
Infrastructure deployment scenarios for the supply of targeted airports	Fleet energy usage
	Insight on hydrogen-powered aircraft for ground operations

> We are very pleased to work with Japan's Japanese government to achieve a carbleading hydrogen supplier Kawasaki.
>
> This partnership will obviously accelerate and promote efforts by the on-neutral, decarbonised society from overall aircraft operations in 2050.

Stéphane Ginoux
President & CEO
Airbus Japan

Press release
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20220412_3007

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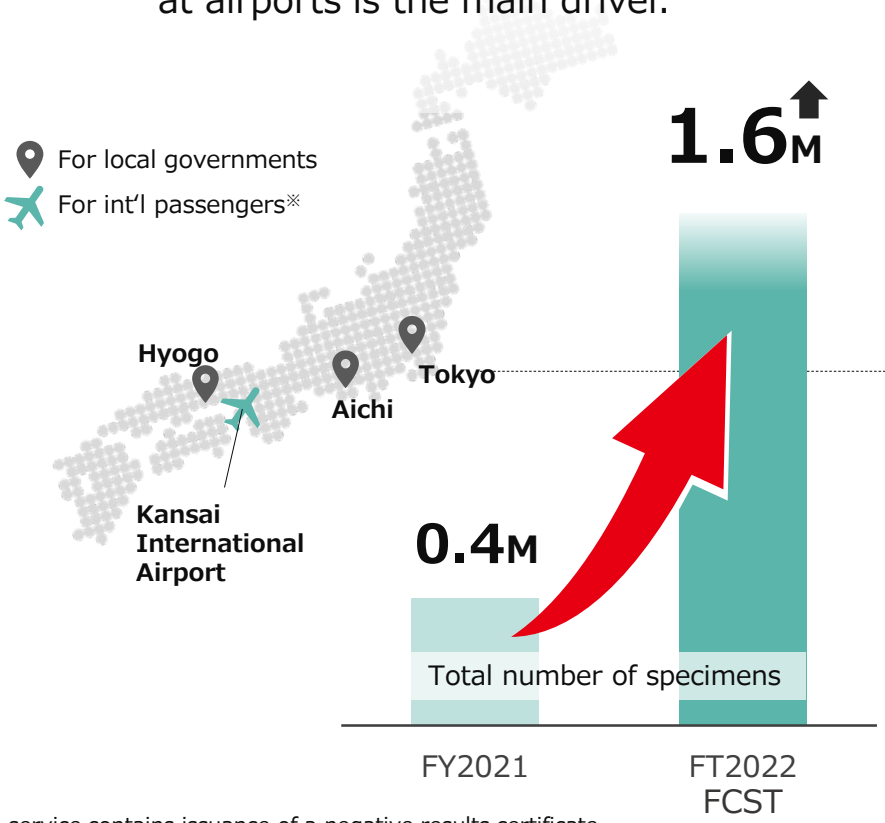
4 Project Topics

Growth in PCR viral testing business

- In FY 22, we aim to **quadruple** the number of specimens compared to the previous year.
- International passenger services at airports is the main driver.



※ The service contains issuance of a negative results certificate

Topics Other aspects of the business

Check Point

Utilization of aviation talents

Working on the business with talents from Japanese major airlines, aiming to recover passenger demand together

Cultivation of HR who sell "services"

Sharing the knowledge of the business in-house and promoting a change in awareness from selling **"products"** to selling **"services"**.

Screening tests for a large event

INTERNATIONAL ROBOT EXHIBITION 2022

Conducted PCR viral tests for exhibitors on Mar. 12.

Continue to promote services so that event can be held safely and securely.

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4 Project Topics

Launched “Indoor location solutions “

- Kawasaki’s **completely new business model selling “services”** rather than “products”
- In addition to map app deployment, Software Development Kit subscription enables higher profitability
- The area, where services can be provided, already covers about 15,000 floors in 1,300 facilities nationwide.
- Kawasaki aims to become the Defacto Standard for Indoor Location Solutions

What’s “Indoor location solutions” ?

The demand for services that utilize indoor location information of people and goods is increasing year by year from the viewpoint of improving living and working environments.

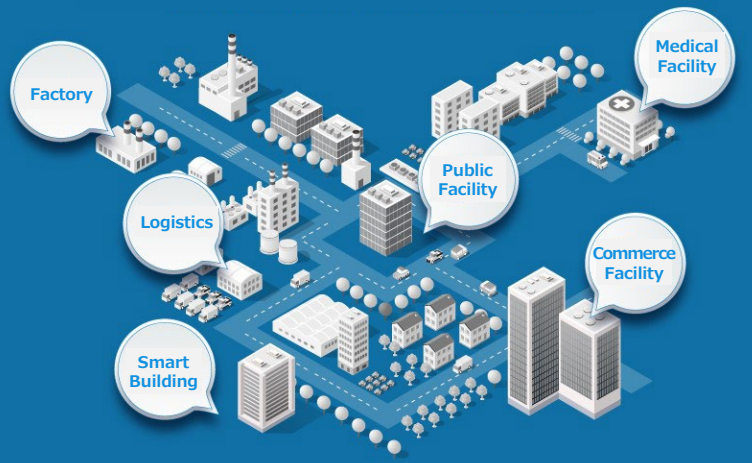
The market is expected to grow to **1.17 trillion yen** in 2035※.

Solution Examples

- Support for optimizing the flow of people and goods in offices and warehouses
- Analyze human behavior data in shopping malls
- Watch the elderly and children

A New Widened World with Indoor Maps

Location information required in all situations



※ SEED PLANNING ” *Indoor Location Information Services Market Trends and Future Outlook 2020*”

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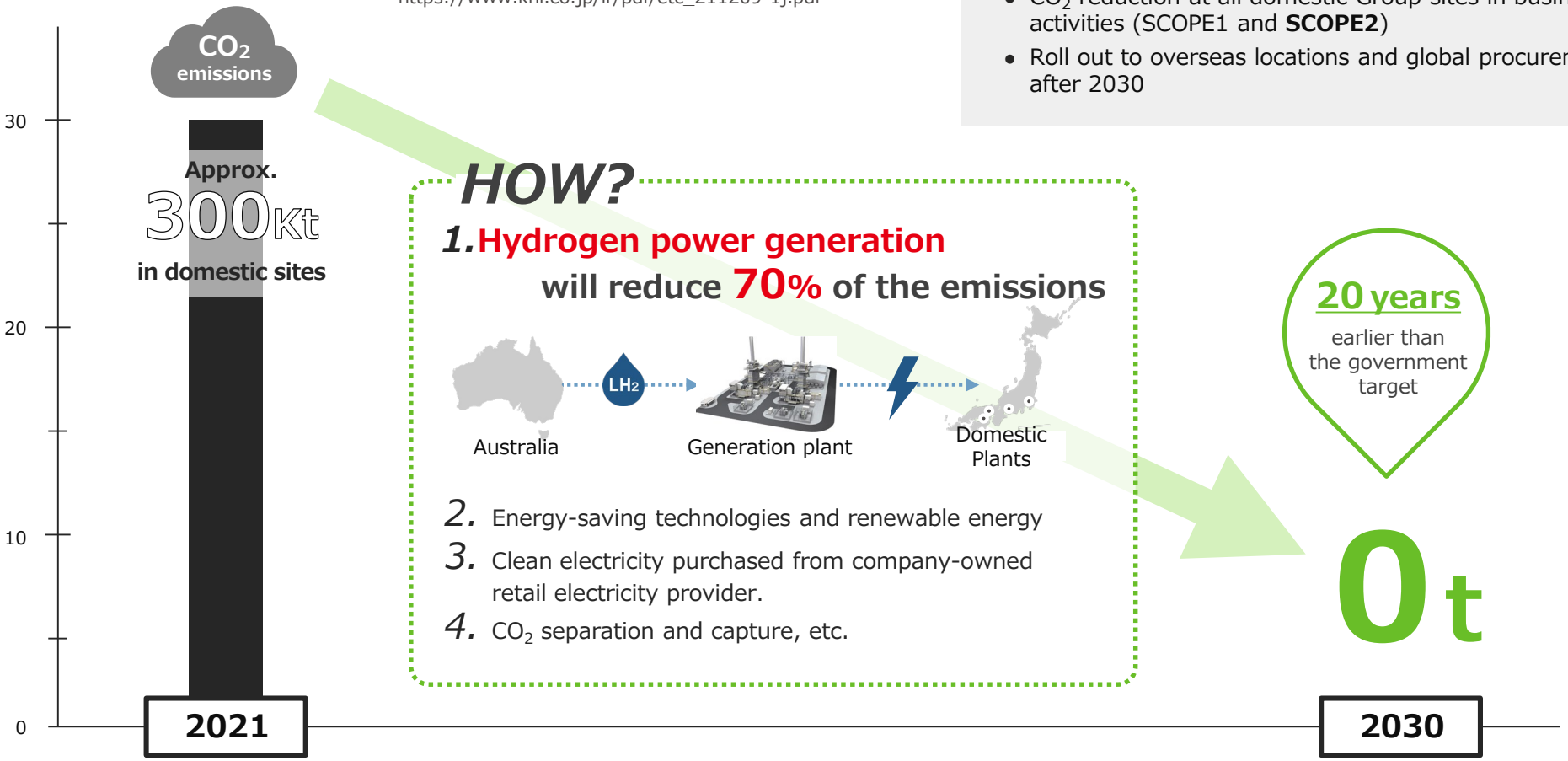
Zero Emission Plant in 2030※
for "Standalone carbon neutrality"

※ Group Vision 2030・Business Report Meeting （Dec,9,2021）
https://www.khi.co.jp/ir/pdf/etc_211209-1j.pdf

- **45 thousand ton/year** out of 225 thousand ton/year procured from Australia to Japan in 2030 will be used for private power generation(100MW)
- CO_2 reduction at all domestic Group sites in business activities (SCOPE1 and **SCOPE2**)
- Roll out to overseas locations and global procurement after 2030



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4 ESG Topics

A new Co-chair of the Hydrogen Council

Chairman of Kawasaki, Mr. Yoshinori Kanehana became a new Co-chair of the Hydrogen Council, an initiative led by CEOs of global companies working to accelerate the global clean energy transition with hydrogen.
https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20220203_1000

Sustainable Finance

KPI: the ratio of Sustainable Finance to long-term borrowings
- The target is to raise 50% of long-term borrowings by 2030 and 100% by 2050.
- The ratio of sustainable finance procurement in FY2021 reached approximately 75%. This is about 5% of the balance.

Jul.2021	**Sustainability Bond(SDGs Bond)** Kawasaki's First Sustainability Bond
Aug.2021	**Positive Impact Finance** Loan agreement with Sumitomo Mitsui Trust Bank
Mar.2022	**Sustainability Linked Loan** Loan agreement with Development Bank of Japan Inc.
Mar.2022	**Mizuho Eco Finance** Commitment line agreement with Mizuho Bank

https://global.kawasaki.com/en/corp/sustainability/finance/index.html

Director Compensation with long-term incentives

Based on the concept of "pay-for-mission," we introduced Long-term incentives paid in the form of performance-based stock compensation (20% of total compensation).
*Audit & Supervisory Committee Members and Outside Directors are excluded.
https://global.kawasaki.com/en/corp/sustainability/report/2021/pdf/21_houkokusyo_12.pdf

Award for Excellent Corporate Governance Report

The corporate governance report, released on December 2021, was selected by the Government Pension Investment Fund as one of 44 listed companies for its Excellent Corporate Governance Report.
https://global.kawasaki.com/en/corp/sustainability/report/environmental/pdf/Kawasaki%20Corporate%20Governance%20Report_2021_en.pdf

Revision of Material Issues

In response to the announcement of the Group Vision 2030 in November 2020, we reviewed our Material Issues. Kawasaki's solutions to social issues have been organized as a story of value creation in the three focus fields.
https://global.kawasaki.com/en/corp/sustainability/report/2021/pdf/21_houkokusyo_05.pdf

ESG Indices

We have been selected for all five ESG investment indices adopted by the Government Pension Investment Fund.
https://global.kawasaki.com/en/corp/sustainability/mgmt/evaluation.html

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA
Selected for the 9th consecutive years

2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX
Selected for the 5th consecutive years

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
Selected for the 2nd consecutive years

FTSE4Good
Selected for the 5th consecutive years

FTSE Blossom Japan Sector Relative Index
Selected for the 1st time

CDP DISCLOSER 2021
B⁻ → Score B

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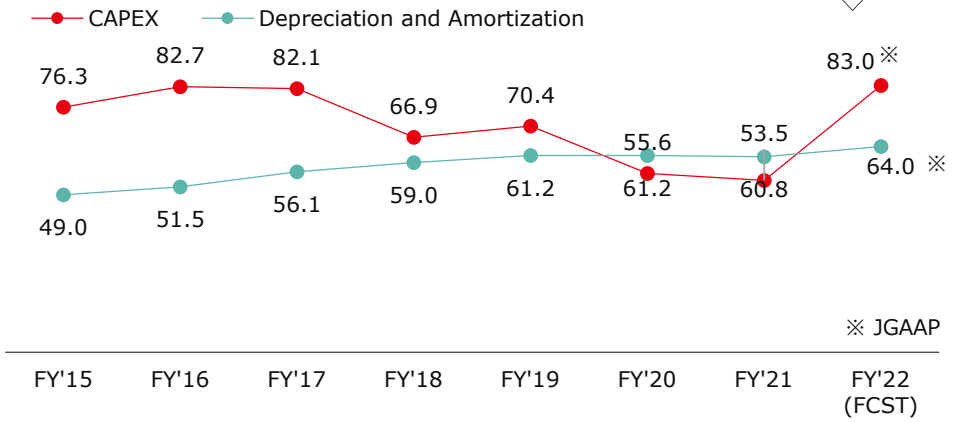
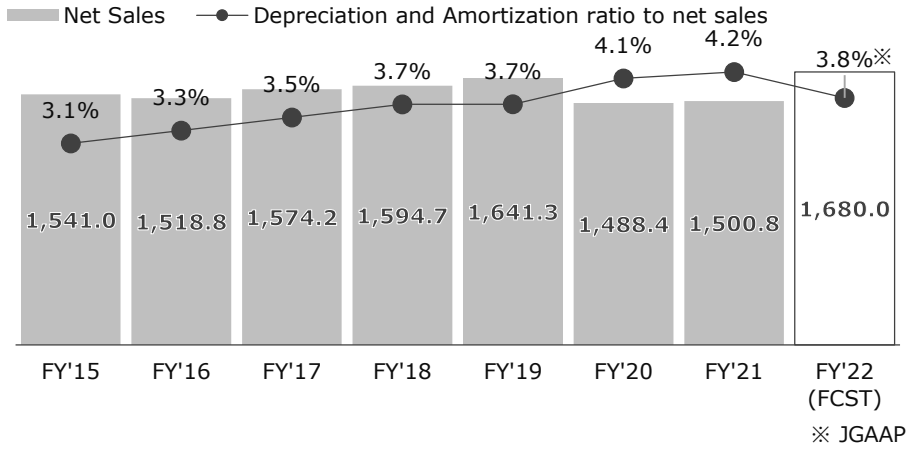
4 Appendix
- CAPEX, Depreciation and Amortization, R&D Expenses, Number of employees -

(Billion Yen, Persons)

	FY2020	FY2021			FY2022 Forcast			
	Actual	**Actual**	Chg. Vs. FY20		**JGAAP**	**IFRS**	Chg. Vs. FY21(JGAAP)	
CAPEX	55.6	**53.5**	-	2.1	**83.0**	**100.0**	+	29.5
Depreciation and amortization	61.2	**60.8**	-	0.4	**64.0**	**78.0**	+	3.2
R & D expenses	44.9	**47.0**	+	2.1	**53.0**	**51.5**	+	6.0
Number of Employees	36,691	**36,587**	-	104	**38,300**		+	1,713
Domestic	26,901	**26,596**	-	305	**27,400**		+	804
Overseas	9,790	**9,991**	+	201	**10,900**		+	909

Investment for Growth : ¥20bn
Other Investment: ¥63bn





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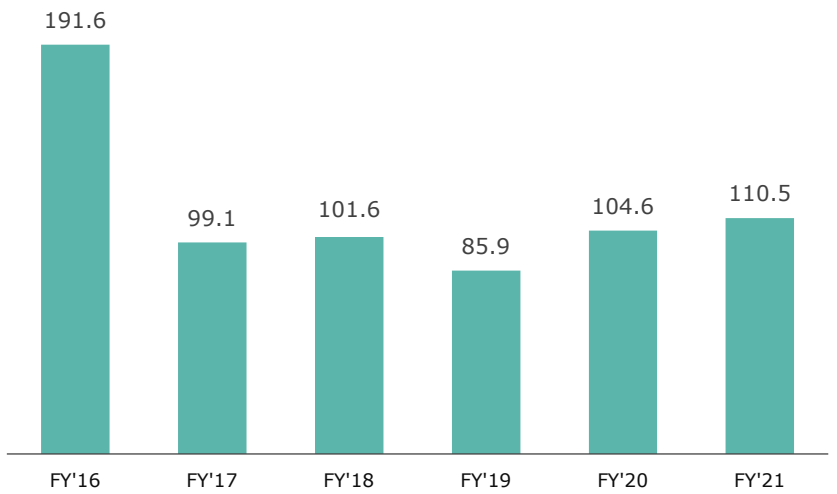
4 Appendix
- Others -

● Order Backlog (billion yen)

	FY2020	FY2021	
	Actual	**Actual**	Change
Aerospace Systems	527.8	**619.8**	+ 92.0
Rolling Stock	443.2	**388.1**	- 55.0
Energy Solution & Marine Engineering	474.3	**507.1**	+ 32.7
Precision Machinery & Robot	69.2	**88.4**	+ 19.1
Motorcycle & Engine	-	**-**	-
Others	26.6	**27.7**	+ 1.0
Total	1,541.4	**1,631.3**	+ 89.8

● Order Backlog in Ship & Offshore (billion yen)



● Net sales by region (billion yen)

	FY2020	FY2021	
	Actual	**Actual**	Change
Japan	704.1	**664.4**	- 39.6
USA	313.6	**357.9**	+ 44.3
Europe	143.4	**122.9**	- 20.4
Asia	277.2	**277.5**	+ 0.3
Other	50.0	**77.8**	+ 27.8
Total	1,488.4	**1,500.8**	+ 12.3

※ classified by country or region based on the customer's location.

● Ship orders received and delivery year (number of ships)

	FY'21 Received Orders	Delivery Year				Order Backlog
		FY'21 Actual	FY'22	FY'23	FY'24	
LPG Carrier	5	3	4	4	1	9
Submarine		-	1	-	1	2
Others		-	-	-	-	-
Total	5	3	5	4	2	11

※ Orders received in FY'21 : 252,000GT
Delivered in FY'21: 151,200GT
Order Backlog: 454,800GT *Submarines are excluded

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4 Appendix
- Others -

- **Net Sales in Foreign Currencies by Segment (USD)**

(billion USD)

	FY2020 Actual	FY2021 **Actual**	FY2022 Forecast
Aerospace Systems	0.68	**0.57**	0.94
Rolling Stock	0.08	**0.06**	0.02
Energy Solution & Marine Engineering	0.27	**0.28**	0.22
Precision Machinery & Robot	0.17	**0.23**	0.20
Motorcycle & Engine	0.42	**0.62**	0.63
Total	1.61	**1.76**	2.01

※ Impact on operating profit / business profit by FX fluctuation of 1 yen

- **Weighted-average exchange rates**

	(EUR/JPY)
FY2019 actual	121.70
FY2020 actual	124.61
FY2021 actual	130.47
FY2022 forecast	130.00

- **Net Sales in Foreign Currencies(EUR)**

	(billion EUR)
FY2019 actual	0.44
FY2020 actual	0.32
FY2021 actual	0.44
FY2022 forecast	0.57

※ Impact on operating profit / business profit by FX fluctuation of 1 yen

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Powering your potential