

# Financial Results for Third Quarter FY2022

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For the Year ending March 31, 2023

February 10, 2023

Kawasaki Heavy Industries, Ltd.



 **Kawasaki**  
Powering your potential

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### Notice

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. Our company has adopted IFRS (International Financial Reporting Standards) since the first quarter of FY2022, and its financial information for the comparative fiscal year, FY2021, is also based on IFRS, but the financial information on Full Year 2021 (Segment Information) is based on preliminary unaudited figures, and the figures are subject to change in the future.

# Consolidated Results for Third Quarter FY2022

## -Summary-

-  Revenue and profits grew significantly for third consecutive quarters , with quarterly profit hitting a record high in Q3
-  Successful price pass-through of rising costs mainly in PS&E contributed to better results than planned

	FY21 Q3	FY22 Q3				YoY Change
		Apr. to Jun.	Jul. to Sep.	Oct. to Dec.	Total	
Orders Received	1,026.4	412.0	454.5	609.9	<b>1,476.5</b>	+ 450.1
Revenue	1,038.6	350.3	409.4	436.5	<b>1,196.3</b>	+ 157.6
Business Profit <sup>※1</sup>	28.7	4.5	26.2	50.0	<b>80.8</b>	+ 52.1
	<i>[margin]</i> <i>[2.7%]</i>	<i>[1.3%]</i>	<i>[6.4%]</i>	<i>[11.4%]</i>	<i>[6.7%]</i>	<i>[+ 3.9pt]</i>
Profit Before Tax	24.7	10.6	25.3	36.1	<b>72.1</b>	+ 47.3
	<i>[margin]</i> <i>[2.3%]</i>	<i>[3.0%]</i>	<i>[6.1%]</i>	<i>[8.2%]</i>	<i>[6.0%]</i>	<i>[+ 3.6pt]</i>
Profit Attributable to Owners of Parent	11.2	5.4	18.3	28.7	<b>52.5</b>	+ 41.2
	<i>[margin]</i> <i>[1.0%]</i>	<i>[1.5%]</i>	<i>[4.4%]</i>	<i>[6.5%]</i>	<i>[4.3%]</i>	<i>[+ 3.3pt]</i>
Weighted-average exchange rates (USD/JPY)	111.03	124.76	135.72	141.37	<b>134.84</b>	+ 23.81
US dollar-based transaction (B\$) <sup>※2</sup>	1.10	0.41	0.45	0.54	<b>1.40</b>	+ 0.30

### 【Appendix】 FY21 Q3 Results under JGAAP




(Billion Yen)	
	FY21 Q3
Orders Received	1,026.4
Net Sales	1,038.7
Operating Profit <sup>※1</sup>	39.0
	<i>[margin]</i> <i>[3.7%]</i>
Recurring Profit <sup>※1</sup>	21.3
	<i>[margin]</i> <i>[2.0%]</i>
Profit Before Income Taxes	22.6
	<i>[margin]</i> <i>[2.1%]</i>
Profit Attributable to Owners of Parent	7.2
	<i>[margin]</i> <i>[0.7%]</i>

※1 See page 42 for the major changes in the statement of comprehensive income associated with the adoption of IFRS.

※2 Amount in foreign currency calculated by deducting dollar-denominated purchases from dollar-denominated revenue of Kawasaki Heavy Industries, Ltd., Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd.(to include dollar-denominated revenue of loss provisions). The estimated impact on business profit due to a 1 yen fluctuation in the exchange rate. See page 42 for the breakdown of these figures by segment.

# Consolidated Results for Third Quarter FY2022

## -Segment-

-  Profits improved in Aerospace Systems due to the recovery of air passenger demand, the depreciation of the yen, and the period shift ①
-  Profits improved in Energy Solution & Marine Engineering due to a reaction to loss provisions in Chinese shipbuilding joint ventures in the same period last year ②
-  Revenue and profits increased in PS&E due to strong outdoor leisure demand and the depreciation of the yen ③

(Billion Yen)

	Orders Received			Revenue			Business Profit (Loss)		
	FY21 Q3	FY22 Q3	Change	FY21 Q3	FY22 Q3	Change	FY21 Q3	FY22 Q3	Change
Aerospace Systems	160.8	<b>200.7</b>	+ 39.9	204.9	<b>238.6</b>	+ 33.6	- 9.5	<b>13.7</b>	+ 23.2
Rolling Stock	42.2	<b>294.3</b>	+ 252.1	89.1	<b>92.3</b>	+ 3.2	2.9	<b>0.7</b>	- 2.1
Energy Solution & Marine Engineering	253.2	<b>301.8</b>	+ 48.6	201.7	<b>212.3</b>	+ 10.5	- 9.6	<b>9.3</b>	+ 18.9
Precision Machinery & Robot	197.4	<b>197.6</b>	+ 0.1	179.5	<b>179.1</b>	- 0.3	11.7	<b>7.4</b>	- 4.3
Powersports & Engine <sup>※1</sup>	309.5	<b>413.7</b>	+ 104.1	309.5	<b>413.7</b>	+ 104.2	30.1	<b>53.7</b>	+ 23.6
Others	63.0	<b>68.1</b>	+ 5.0	53.7	<b>60.0</b>	+ 6.2	4.5	<b>3.3</b>	- 1.2
Eliminations and corporate <sup>※2</sup>	-	-	-	-	-	-	- 1.4	<b>- 7.4</b>	- 6.0
<b>Total</b>	<b>1,026.4</b>	<b>1,476.5</b>	+ 450.1	<b>1,038.6</b>	<b>1,196.3</b>	+ 157.6	<b>28.7</b>	<b>80.8</b>	+ 52.1

※1 From Q3 FY'22, the reportable segment name of 'Motorcycle & Engine' has been changed to 'Powersports & Engine'.

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

# Consolidated Results for Third Quarter FY2022

## -Statement of comprehensive income-

(Billion Yen)

	FY21 Q3	%	FY22 Q3	%	Change
Revenue	1,038.6	100.0	<b>1,196.3</b>	100.0	+ 157.6
Cost of sales	849.2	81.8	<b>949.5</b>	79.4	+ 100.2
Gross profit	189.4	18.2	<b>246.8</b>	20.6	+ 57.3
Selling, general and administrative expenses	148.3	14.3	<b>168.8</b>	14.1	+ 20.4
Salaries and allowances	42.2		<b>47.9</b>		+ 5.6
Research and development expenses	31.2		<b>33.8</b>		+ 2.6
Others	74.9		<b>87.0</b>		+ 12.1
Share of profit (loss) of investments accounted for using equity method	- 15.1		<b>3.9</b>		+ 19.1
Other income and other expenses	2.8		- 1.0		- 3.9
Gain on sale of property, plant and equipment	1.6		<b>0.5</b>		- 1.0
Others	1.1		- 1.6		- 2.8
Business Profit (Loss)	28.7	2.8	<b>80.8</b>	6.8	+ 52.1

Details

- ① Improved due to increasing sales amount, price pass-through, and depreciation of the yen, despite the rising raw material prices
- ② Increase in expenses related to DX, hydrogen business and other new businesses
- ③ Improvement in business performance mainly at a joint venture in China (Ship & offshore structure)
- ④ Sale of land

(Note)Major changes in the statement of comprehensive income resulting from the adoption of IFRS are described on page 42.

# Consolidated Results for Third Quarter FY2022

## -Statement of comprehensive income-

(Billion Yen)

	FY21 Q3	%	FY22 Q3	%	Change
Finance income and Finance costs	- 3.9		<b>- 8.7</b>		- 4.7
Net Interest expense (incl. dividend income)	- 1.7		<b>- 1.9</b>		- 0.1
Gain and loss on foreign exchange	- 0.9		<b>- 4.0</b>		- 3.0
Others	- 1.1		<b>- 2.6</b>		- 1.4
Profit before tax	24.7	2.4	<b>72.1</b>	6.0	+ 47.3
Income tax expense	11.7		<b>18.3</b>		+ 6.6
Profit attributable to Non-controlling interests	1.7		<b>1.2</b>		- 0.5
Profit attributable to owners of parent	11.2	1.1	<b>52.5</b>	4.4	+ 41.2

[Details](#)

⑤ USD/JPY rate  
 122.41 Mar. 31,'22  
 132.70 Dec. 31,'22

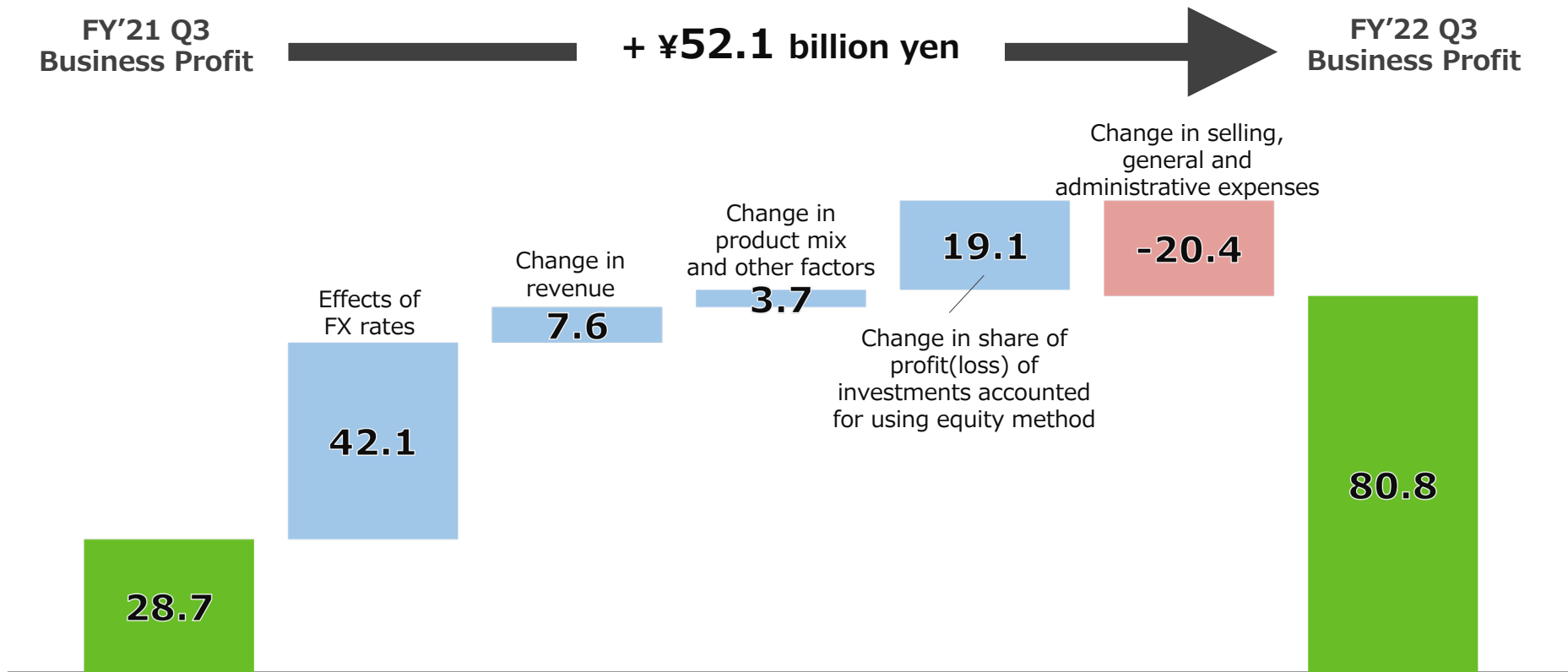
※Weighted-average  
 exchange rates :  
 134.84 Apr-Dec. '22

(Note)Major changes in the statement of comprehensive income resulting from the adoption of IFRS are described on page 42.

# Consolidated Results for Third Quarter FY2022

## -Details of change in business profit-

- The depreciation of the yen and cost reduction covered the rising raw material prices
- Change in product mix and other factors turned positive in PS&E due to successful price pass-through



# Consolidated Results for Third Quarter FY2022

## -Details of change in business profit-

(Billion Yen)

	FY21 Q3 Business Profit (Loss)	Details of change					Total	FY22 Q3 Business Profit (Loss)
		Effects of FX rates <sup>※</sup>	Change in sales <sup>※</sup>	Change in product mix and other factors <sup>※</sup>	Change in share of profit (loss) of investments accounted for using equity method	Change in SG & A expenses		
Aerospace Systems	- 9.5	9.5	0.5	13.8		- 0.6	23.2	13.7
Rolling Stock	2.9	1.0	0.3	- 3.3	- 0.0	- 0.0	- 2.1	0.7
Energy Solution & Marine Engineering	- 9.6	1.0	1.7	- 1.8	19.0	- 1.0	18.9	9.3
Precision Machinery & Robot	11.7	7.4	- 1.2	- 7.5	0.2	- 3.2	- 4.3	7.4
Powersports & Engine	30.1	23.0	5.0	4.0	0.0	- 8.4	23.6	53.7
Others	4.5	0.2	1.3	0.5	- 0.1	- 3.1	- 1.2	3.3
Eliminations and corporate	- 1.4			- 2.2	0.0	- 3.8	- 6.0	- 7.4
<b>Total</b>	<b>28.7</b>	<b>42.1</b>	<b>7.6</b>	<b>3.7</b>	<b>19.1</b>	<b>- 20.4</b>	<b>52.1</b>	<b>80.8</b>

※ Effects of foreign exchange rates, change in revenue, 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 revenue and change in product mix.



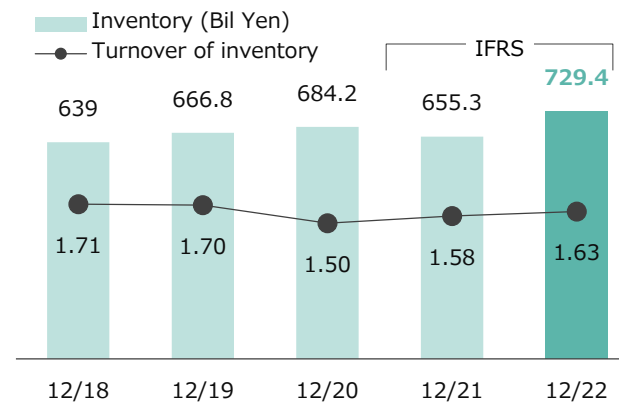
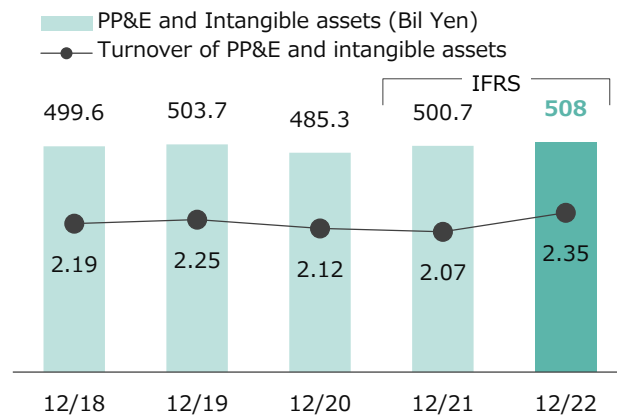
# Consolidated Results for Third Quarter FY2022 –Statement of financial position–

(Billion Yen)

	End of Mar. 2022	%	End of Dec. 2022	%	Change
Cash and cash equivalents	108.5		<b>87.9</b>		- 20.5
Trade receivables (Incl. contract assets)	482.9		<b>568.6</b>		+ 85.6
Inventories	615.4		<b>729.4</b>		+ 114.0
Other current assets	113.2		<b>183.9</b>		+ 70.6
<b>Current assets</b>	<b>1,320.2</b>	<b>60.7</b>	<b>1,570.0</b>	<b>64.4</b>	<b>+ 249.8</b>
PP&E and intangible assets	506.3		<b>508.0</b>		+ 1.7
Right-of-use assets	58.5		<b>62.0</b>		+ 3.4
Deferred tax assets	102.2		<b>102.0</b>		- 0.1
Other non-current assets	187.3		<b>194.1</b>		+ 6.8
<b>Non-current assets</b>	<b>854.4</b>	<b>39.3</b>	<b>866.3</b>	<b>35.6</b>	<b>+ 11.9</b>
<b>Total assets</b>	<b>2,174.6</b>	<b>100.0</b>	<b>2,436.4</b>	<b>100.0</b>	<b>+ 261.8</b>

Details

- ① Increase in PS&E and Aerospace Systems
- ② Increase of advance payment in Aerospace and accounts receivable in Aero Engine and other factors



# Consolidated Results for Third Quarter FY2022 -Statement of financial position-

(Billion Yen)

	End of Mar. 2022	%	End of Dec. 2022	%	Change
Trade payables	344.2		<b>387.0</b>		+ 42.8
Interest-bearing debt	553.9		<b>721.7</b>		+ 167.8
Contract liability (Advances received)	256.1		<b>274.1</b>		+ 18.0
Provision for losses on construction contracts	9.6		<b>4.3</b>		- 5.2
Retirement benefit liability	107.0		<b>110.2</b>		+ 3.2
Other liabilities	378.7		<b>361.5</b>		- 17.2
<b>Total liabilities</b>	<b>1,649.7</b>	<b>75.9</b>	<b>1,859.1</b>	<b>76.3</b>	<b>+ 209.4</b>
Equity attributable to owners of parent	505.4		<b>558.9</b>		+ 53.4
Non-controlling interests	19.4		<b>18.3</b>		- 1.0
<b>Total equity</b>	<b>524.8</b>	<b>24.1</b>	<b>577.3</b>	<b>23.7</b>	<b>+ 52.4</b>
<b>Total liabilities and equity</b>	<b>2,174.6</b>	<b>100.0</b>	<b>2,436.4</b>	<b>100.0</b>	<b>+ 261.8</b>

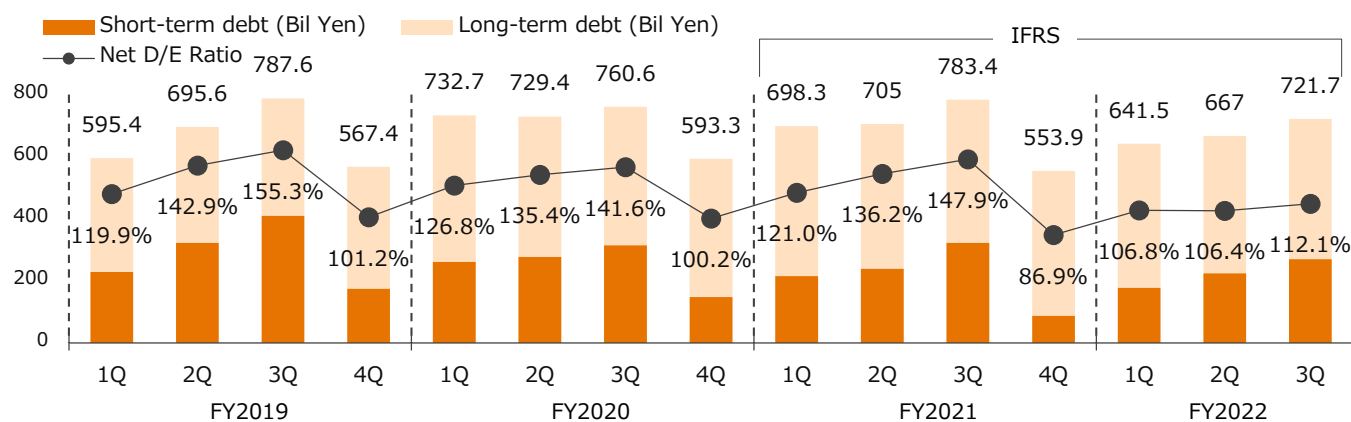
Details

- ③ Increase in borrowings as a normal business cycle

Appendix

\*Cash Conversion Cycle (day)

End of Q3 FY'18	162
End of Q3 FY'19	167
End of Q3 FY'20	168
End of Q3 FY'21	178
End of Q3 FY'22	157



# Consolidated Results for Third Quarter FY2022

## -Cash Flows-

(Billion Yen)

	FY21 Q3	FY22 Q3	Change
Profit before tax	24.7	<b>72.1</b>	+ 47.3
Depreciation and amortization	56.9	<b>55.9</b>	- 0.9
Increase and decrease in working capital	- 166.3	<b>- 161.9</b>	+ 4.4
Trade receivables* <sup>1</sup> (minus notation indicates incr.)	- 28.7	<b>- 80.4</b>	- 51.6
Inventory (minus notation indicates incr.)	- 86.4	<b>- 106.0</b>	- 19.6
Trade payables (minus notation indicates decr.)	- 40.0	<b>39.2</b>	+ 79.3
Advance payment (minus notation indicates incr.)	- 28.2	<b>- 29.4</b>	- 1.1
Contract liabilities* <sup>2</sup> (minus notation indicates decr.)	17.2	<b>14.7</b>	- 2.4
Other	- 51.0	<b>- 79.3</b>	- 28.2
<b>Cash flows from operating activities</b>	<b>- 135.6</b>	<b>- 113.1</b>	<b>+ 22.5</b>
Purchase of PP&E and intangible assets	- 47.9	<b>- 44.9</b>	+ 2.9
Proceeds from sales of PP&E and intangible assets	2.7	<b>1.9</b>	- 0.7
Other	- 1.2	<b>- 10.2</b>	- 9.0
<b>Cash flows from investing activities</b>	<b>- 46.4</b>	<b>- 53.2</b>	- 6.8
<b>Free cash flows</b>	<b>- 182.0</b>	<b>- 166.3</b>	<b>+ 15.7</b>
Net increase and decrease in debt and bonds (minus notation indicates decr.)	135.6	<b>160.8</b>	<b>+ 25.1</b>
Dividends paid (Except payment to non-controlling interests)	- 3.1	<b>- 7.9</b>	- 4.8
Proceeds from fluidity of lease receivables and Repayment of payables under fluidity lease receivables	12.9	<b>14.8</b>	+ 1.9
Other	- 15.7	<b>- 16.1</b>	- 0.4
<b>Cash flows from financing activities</b>	<b>129.7</b>	<b>151.5</b>	<b>+ 21.8</b>

※1,2 Trade receivables include contract assets. The old account name of contract liabilities is advances received

### Details

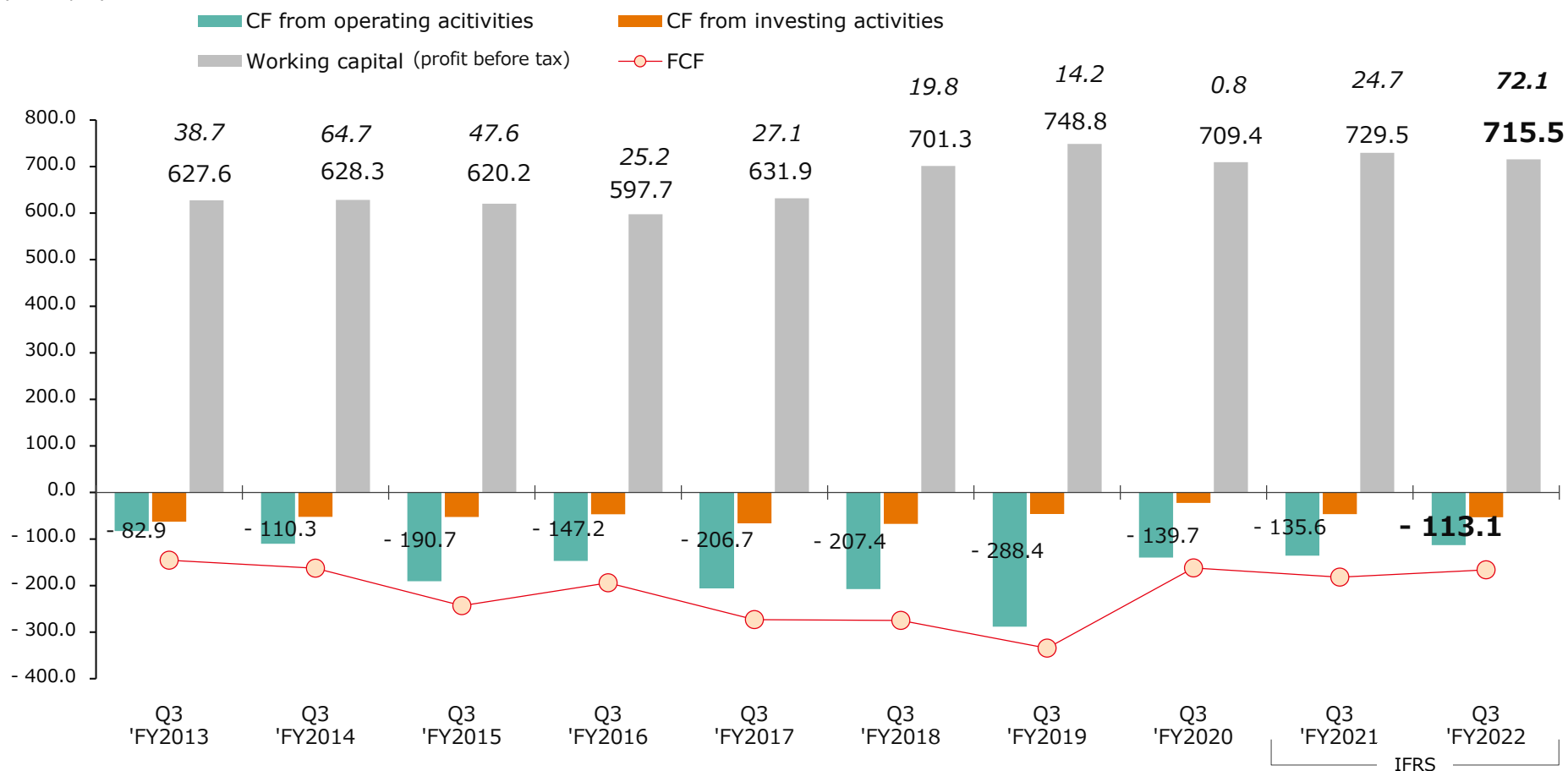
- ① Q3 FY2021 : Significant cash outflows in working capital components, including increase in inventories in PS&E and Aerospace Systems  
Q3 FY2022 : Despite a high level of profit before tax, significant cash outflows in working capital components, including an increase in trade receivables and inventories due to a recovering Aerospace Systems and strong performance in PS&E
- ② Capital increase to equity-method affiliates (about 5 billion yen)
- ③ Q3 FY2021 : Low level as an increase in Q3  
Q3 FY2022 : Increase as a normal business cycle

# Consolidated Results for Third Quarter FY2022



## -Cash Flows-

- ✓ Operating CF is improving and approaching the level of FY2014 Q3
- ✓ Working capital decreased slightly from the same period last year, and the balance to profit before tax improved

(Billion yen)



## Forecasts for FY2022 -Summary-

-  Business profit forecast was revised up due mainly to the strong performance in PS&E, despite a change in FX assumptions
-  Revenue will continue to increase in Q4, but there will be a concentration of provision for performance-based bonuses and various expenses

(Billion Yen)

	FY2021	FY2022 Forecast and Progress							
	Actual	Old FCST	New FCST	Chg. vs. FY21		Chg. vs. Old FCST		Q3 Actual	Q4 FCST
Orders Received	1,602.1	1,900.0	<b>1,950.0</b>	+	347.9	+	50.0	<b>1,476.5</b>	<b>473.5</b>
Revenue	1,500.8	1,720.0	<b>1,750.0</b>	+	249.2	+	30.0	<b>1,196.3</b>	<b>553.7</b>
Business Profit	30.3	76.0	<b>86.0</b>	+	55.7	+	10.0	<b>80.8</b>	<b>5.2</b>
<i>[Margin]</i>	<i>[2.0%]</i>	<i>[4.4%]</i>	<i>[4.9%]</i>		<i>[+ 2.8pt]</i>		<i>[+ 0.4pt]</i>	<i>[6.7%]</i>	<i>[0.9%]</i>
Profit Before Tax	27.6	-	<b>78.0</b>	+	50.4		10.0	<b>72.1</b>	<b>5.9</b>
<i>[Margin]</i>	<i>[1.8%]</i>	<i>[3.9%]</i>	<i>[4.4%]</i>		<i>[+ 2.6pt]</i>		<i>[+ 0.5pt]</i>	<i>[6.0%]</i>	<i>[1.0%]</i>
Profit Attributable to Owners of Parent	12.6	45.0	<b>54.0</b>	+	41.4	+	9.0	<b>52.5</b>	<b>1.5</b>
<i>[Margin]</i>	<i>[0.8%]</i>	<i>[2.6%]</i>	<i>[3.0%]</i>		<i>[+ 2.2pt]</i>		<i>[+ 0.4pt]</i>	<i>[4.3%]</i>	<i>[0.2%]</i>
Before-tax ROIC	3.0%	6.6%	<b>7.4%</b>	+	4.4pt	+	0.8pt	-	-
Weighted-average exchange rates (USD/JPY)	111.90	140.00	-		-		-	<b>134.84</b>	<b>130.00</b>
US dollar-based transaction (B\$)	1.76	2.10	<b>2.02</b>	+	0.26	-	0.08	<b>1.40</b>	<b>0.62</b>

※Amount in foreign currency calculated by deducting dollar-denominated purchases from dollar-denominated revenue of Kawasaki Heavy Industries, Ltd., Kawasaki Railcar manufacturing Co., Ltd., and Kawasaki Motors, Ltd. (to include dollar-denominated of loss provisions). The estimated impact on business profit due to a 1 yen fluctuation in the exchange rate. See page 42 for the breakdown of these figures by segment.

# Forecasts for FY2022 -Segment-

- Precision Machinery & Robot revised downward due to a temporary deterioration in demand conditions ①
- PS&E continues strong, and revised upward due to a decrease of supply chain risk ②

(Billion Yen)


	Orders Received				Revenue				Business Profit (Loss)			
	FY2021	FY2022 Forecast			FY2021	FY2022 Forecast			FY2021	FY2022 Forecast		
	Actual <sup>※1</sup>	Old FCST	New FCST	Change	Actual <sup>※1</sup>	Old FCST	New FCST	Change	Actual <sup>※1</sup>	Old FCST	New FCST	Change
Aerospace Systems	383.3	300.0	<b>300.0</b>	-	298.2	360.0	<b>360.0</b>	-	- 10.3	10.5	<b>12.5</b>	+ 2.0
Rolling Stock	71.5	300.0	<b>300.0</b>	-	126.6	140.0	<b>140.0</b>	-	2.2	1.0	<b>1.0</b>	-
Energy Solution & Marine Engineering	343.5	390.0	<b>410.0</b>	+ 20.0	297.3	320.0	<b>320.0</b>	-	- 10.8	5.5	<b>5.5</b>	-
Precision Machinery & Robot	271.8	270.0	<b>260.0</b>	- 10.0	252.6	260.0	<b>250.0</b>	- 10.0	13.9	16.0	<b>10.0</b>	- 6.0
Powersports & Engine	447.9	550.0	<b>590.0</b>	+ 40.0	447.9	550.0	<b>590.0</b>	+ 40.0	37.5	56.0	<b>68.0</b>	+ 12.0
Ohters	84.0	90.0	<b>90.0</b>	-	78.0	90.0	<b>90.0</b>	-	3.1	4.0	<b>3.0</b>	- 1.0
Eliminations and corporate <sup>※2</sup>	-	-	-	-	-	-	-	-	- 5.2	- 17.0	<b>- 14.0</b>	+ 3.0
<b>Total</b>	<b>1,602.1</b>	<b>1,900.0</b>	<b>1,950.0</b>	<b>+ 50.0</b>	<b>1,500.8</b>	<b>1,720.0</b>	<b>1,750.0</b>	<b>+ 30.0</b>	<b>30.3</b>	<b>76.0</b>	<b>86.0</b>	<b>+ 10.0</b>

※1 Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.


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

# 3 Details by Segment -Aerospace systems-


## FY2022.Q3 (vs. FY2021.Q3)

**Orders received**   
+¥39.9 bil.

Increased due to an increase for MOD and increase in component parts for commercial aircraft jet engines

**Revenue**   
+¥33.6 bil.


Increased due to an increase in component parts for commercial aircraft jet engines and other factors

**Business profit**   
+¥23.2 bil.


Increased due to an increase in component parts for commercial aircraft jet engines and other factors

(Note) Profit margins improved with significant after-sales revenue growth during 3Q


## FY2022 forecast (vs. Forecast in November)

**Orders received**   
±¥0 bil.

Remained at the same level due to an increase for MOD, despite a decrease for Boeing

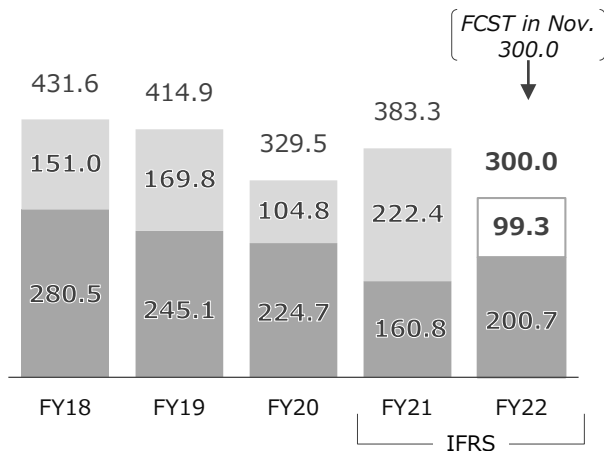
**Revenue**   
±¥0 bil.

Expected to remain at the same level

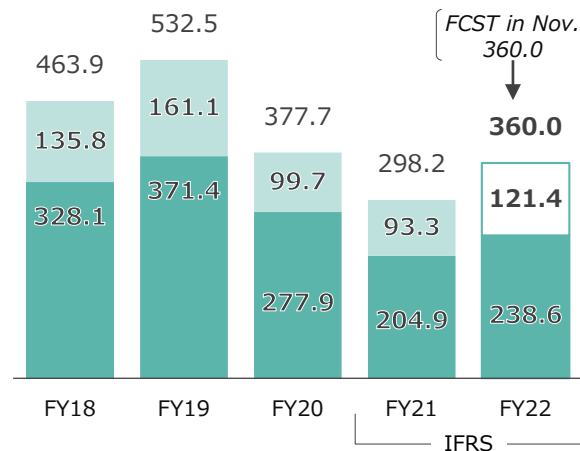
**Business profit**   
+¥2.0 bil.

Revised up due to a strong market recovery, despite changes in FX assumptions

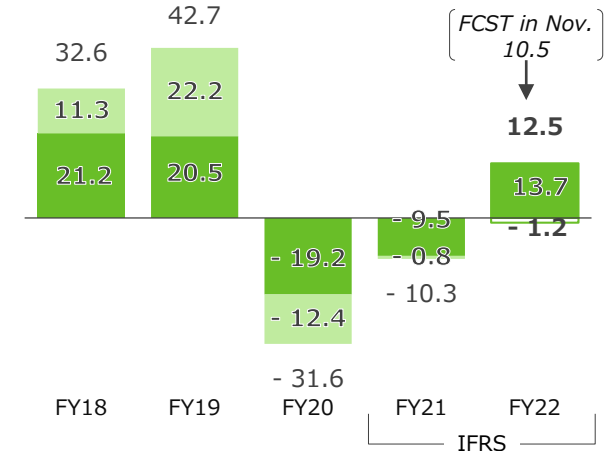
Orders received (billion yen)



Net Sales or Revenue (billion yen)



Operating Profit or Business Profit (billion yen)



(Note) The graph shows the results in Q3 as dark colors and Q4 as light colors. Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

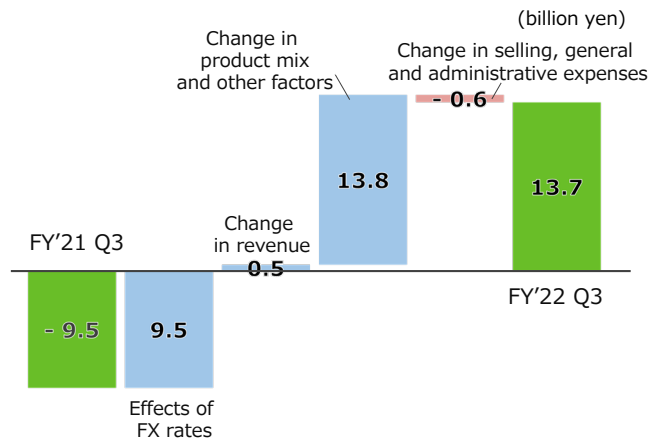
# 3 Details by Segment -Aerospace systems-

(Billion Yen)

	FY2021	FY2022		FY2021	FY2022 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY21	Chg. Vs. Old FCST	Q4 FCST
Orders Received	160.8	200.7	+ 39.9	383.3	300.0	<b>300.0</b>	- 83.3	-	<b>99.3</b>
Aerospace	134.3	140.5	+ 6.1	329.5	225.0	<b>225.0</b>	- 104.5	-	<b>84.5</b>
Aero Engine	26.5	60.2	+ 33.7	53.8	75.0	<b>75.0</b>	+ 21.2	-	<b>14.8</b>
Revenue	204.9	238.6	+ 33.6	298.2	360.0	<b>360.0</b>	+ 61.8	-	<b>121.4</b>
Aerospace	156.6	160.8	+ 4.1	232.0	255.0	<b>255.0</b>	+ 23.0	-	<b>94.2</b>
Aero Engine	48.2	77.7	+ 29.5	66.1	105.0	<b>105.0</b>	+ 38.9	-	<b>27.3</b>
Business Profit (Loss)	- 9.5	13.7	+ 23.2	- 10.3	10.5	<b>12.5</b>	+ 22.8	+ 2.0	<b>- 1.2</b>
[Margin]	[- 4.6%]	[5.7%]	[+ 10.3pt]	[- 3.4%]	[2.9%]	[3.4%]	[+ 6.8pt]	[+ 0.4pt]	[- 0.9%]

(note)Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

## Details of change in Business Profit(Loss)



## Appendix

### Number of aircraft component parts sold to Boeing

	FY'21		FY'22	Change
	Q3	Q1-4	Q3	
767	25	34	23	- 2
777	15	21	20	+ 5
777X	3	4	0	- 3
787	23	35	6	- 17

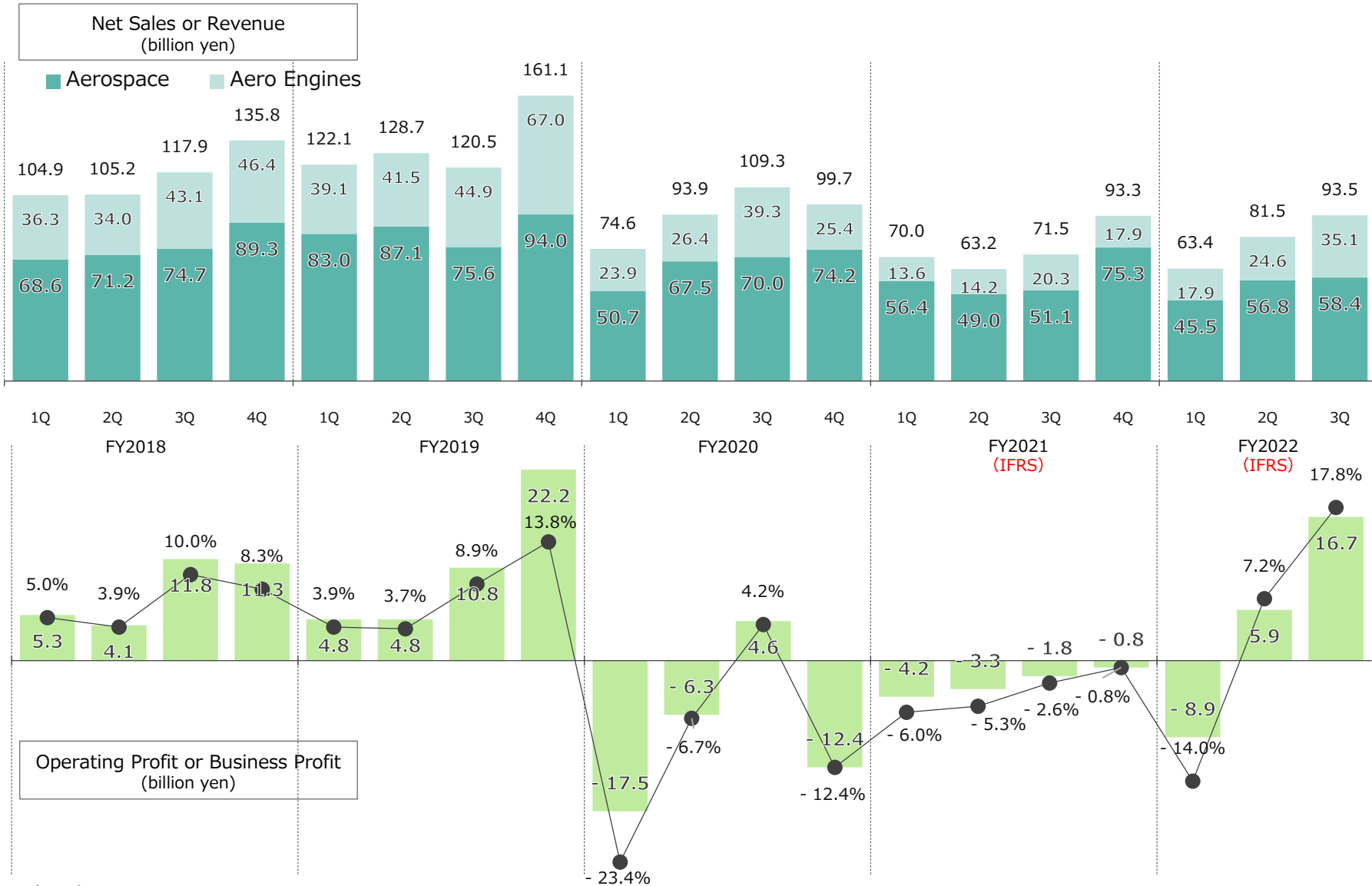
### Number of jet engine component parts sold

	FY'21		FY'22	Change
	Q3	Q1-4	Q3	
V2500	13	16	16	+ 3
PW1100G	358	437	446	+ 88

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



# 3 Details by Segment -Aerospace systems-



(Note) The figures for the end of 4Q FY 2021 in this graph are calculated using IFRS, but the figures are subject to change in the future because they are based on our company estimates that have not been audited.

# 3 Details by Segment -Aerospace systems-

## Market Overview

- Commercial business
  - Air passenger demand is recovering from the great impact of COVID-19, with an increase in the number of countries prioritizing the resumption of economic activities
  - Boeing resumed delivery of 787 to operators. Higher production rates are expected.
- MOD business
  - Demand is expected to increase due to Japan's defense reinforcement policy

## 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

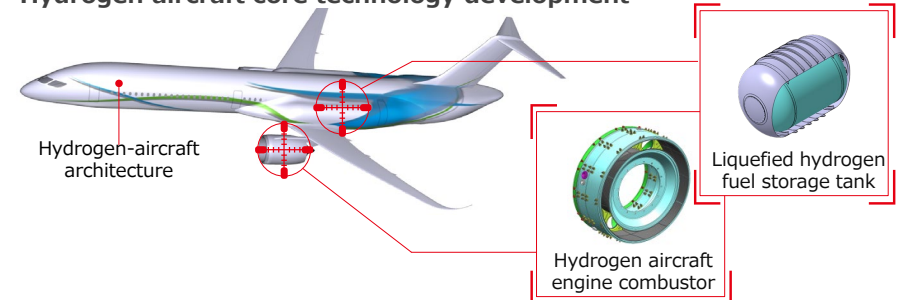


H145//BK117 D-3  
the sixth aircraft delivered

### ✓ Technology strategy in accordance with the change in market trends

- R&D, including the use of civilian technology in defense fields
- Utilization of *Green Innovation fund* of government for development of carbon-free technology

#### Hydrogen aircraft core technology development




### ✓ Improving financial foundation


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

## Details by Segment - Rolling Stock -


### FY2022.Q3 (vs. FY2021.Q3)

**Orders received**   
+¥252.1bil.

Increased due to major orders for domestic new commuter trains and new subway cars for New York City Transit


**Revenue**   
+¥3.2 bil.

Increased due to an increase in Asia, despite a decrease in Japan


**Business profit**   
-¥2.1 bil.

Deteriorated due to the impact of delays in Long Island Rail Road project in the U.S., despite an increase in revenue


### FY2022 forecast (vs. Forecast in November)

**Orders received**   
±¥0 bil.

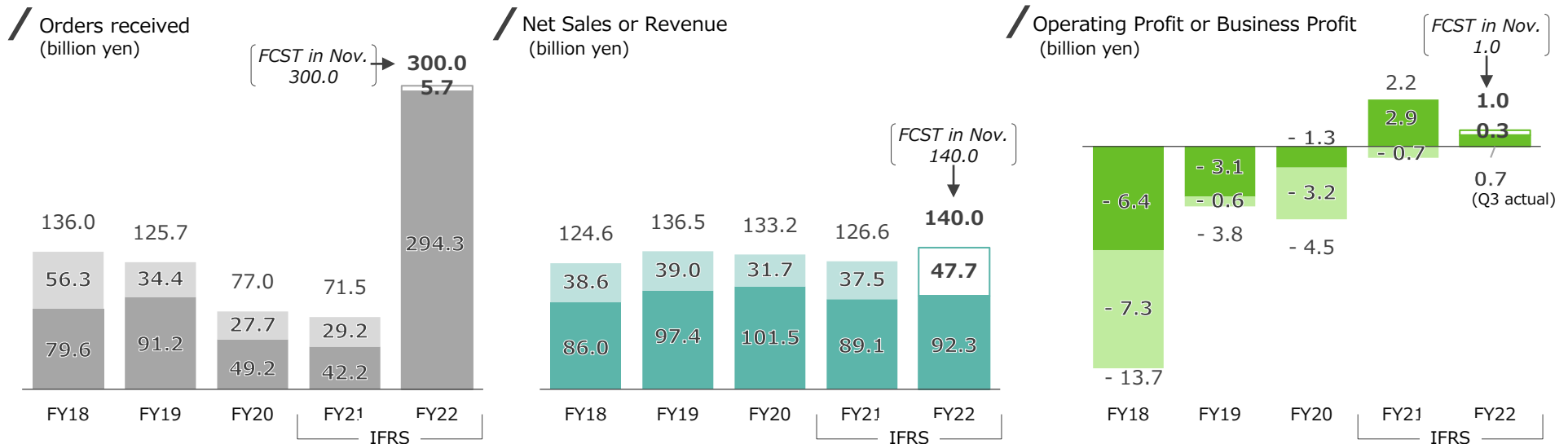
Expected to remain at the same level

**Revenue**   
±¥0 bil.

Same as above

**Business profit**   
±¥0 bil.

Same as above



(Note) The graph shows the results in Q3 as dark colors and Q4 as light colors. Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

# Details by Segment - Rolling Stock -

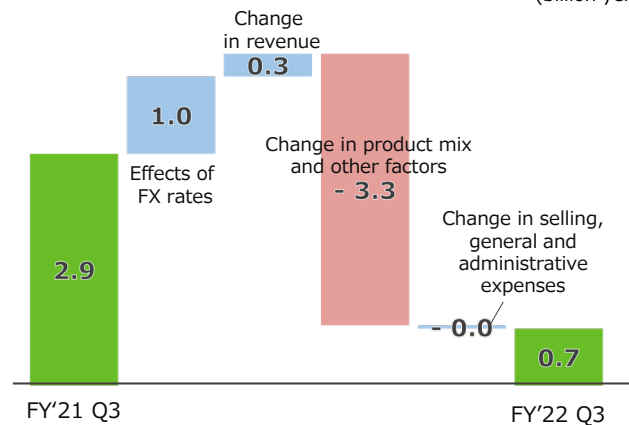
(Billion Yen)

	FY2021	FY2022		FY2021	FY2022 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY21	Chg. Vs. Old FCST	Q4 FCST
Orders Received	42.2	294.3	+ 252.1	71.5	300.0	<b>300.0</b>	+ 228.5	-	<b>5.7</b>
<i>Domestic &amp; Asia</i>	36.2	41.5	+ 5.3	65.1	56.5	<b>47.0</b>	- 18.1	- 9.5	<b>5.5</b>
<i>North America</i>	6.0	252.8	+ 246.8	6.4	243.5	<b>253.0</b>	+ 246.6	+ 9.5	<b>0.2</b>
Revenue	89.1	92.3	+ 3.2	126.6	140.0	<b>140.0</b>	+ 13.4	-	<b>47.7</b>
<i>Domestic &amp; Asia</i>	66.1	66.1	+ 0.0	92.2	99.5	<b>99.5</b>	+ 7.3	-	<b>33.4</b>
<i>North America</i>	23.0	26.2	+ 3.1	34.4	40.5	<b>40.5</b>	+ 6.1	-	<b>14.3</b>
Business Profit	2.9	0.7	- 2.1	2.2	1.0	<b>1.0</b>	- 1.2	-	<b>0.3</b>
<i>[Margin]</i>	<i>[3.3%]</i>	<i>[0.8%]</i>	<i>[- 2.4pt]</i>	<i>[1.7%]</i>	<i>[0.7%]</i>	<i>[0.7%]</i>	<i>[- 1.0pt]</i>	<i>[-]</i>	<i>[0.6%]</i>

(note) Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

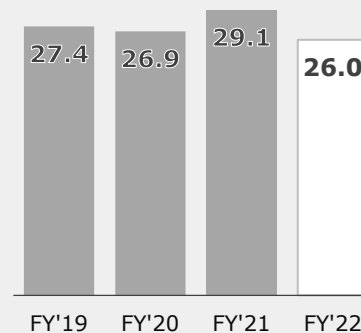
## Details of change in Business Profit(Loss)

(billion yen)



## Appendix

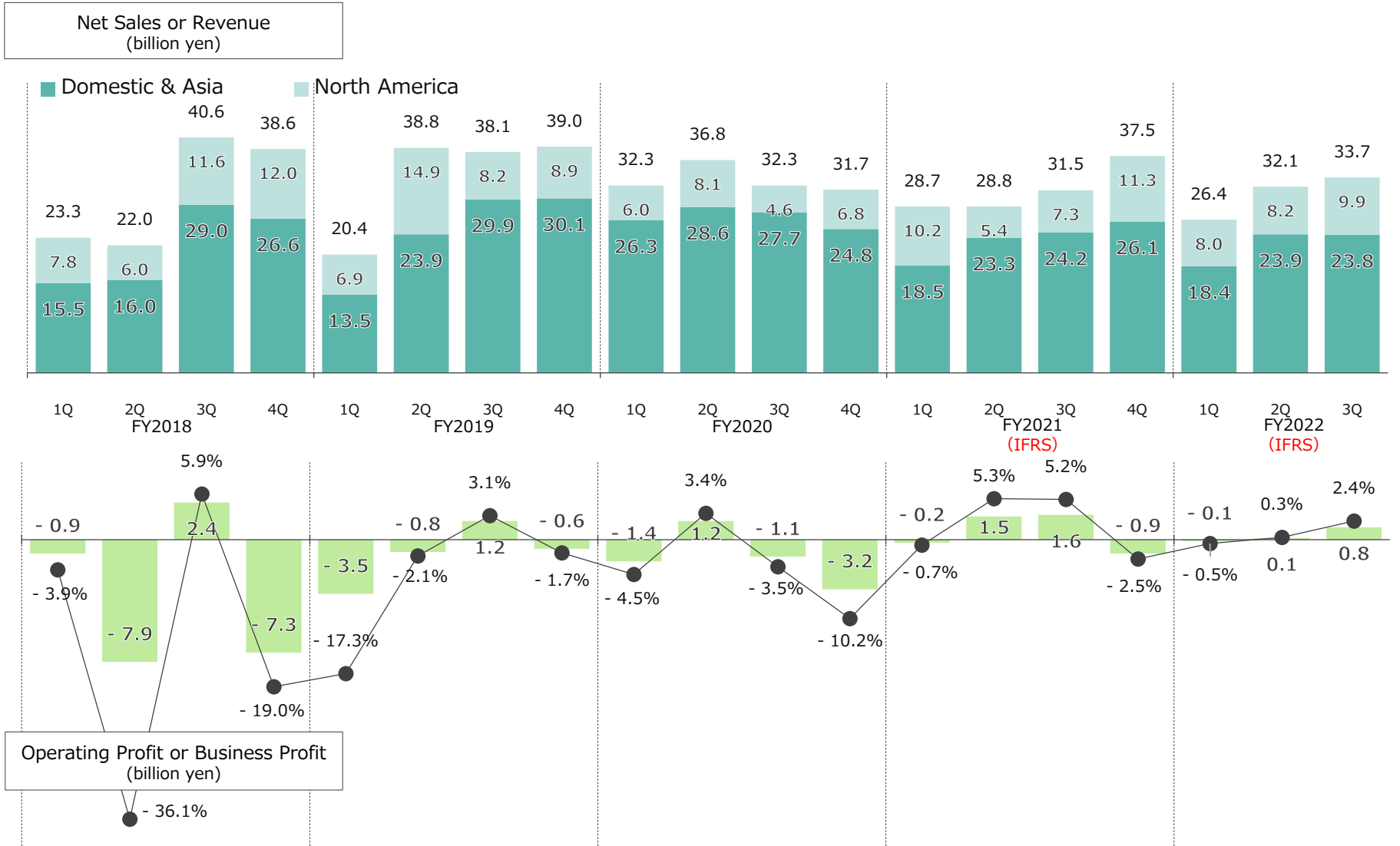
### Revenue in components, overhaul and after-sales service (billion yen)



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

- 146 cars out of 202 were delivered
- KMM, the North American works, has started production of the last unit, and its delivery is scheduled for Q2 FY'23

# Details by Segment - Rolling Stock -



(Note) The figures for the end of 4Q FY 2021 in this graph are calculated using IFRS, but the figures are subject to change in the future because they are based on our company estimates that have not been audited.

## 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 rising raw material prices is limited, but still 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 FY'22 Q4**

#### Singapore **T251**

- ▶ All of 91trains(364cars) were delivered
- ▶ **The last car was delivered in FY'22 Q3**

#### 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 production of trains under the optional contract will start in FY'24
- ▶ **The first prototype train will be delivered in FY'22 Q4**

#### 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 FY'23 Q2**



### 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

# Details by Segment - Energy Solution & Marine Engineering -


## FY2022.Q3 (vs. FY2021.Q3)

**Orders received**   
+¥48.6 bil.

Increased due to an increase in orders for power generation facilities, and construction and operation of domestic municipal waste incineration plants


**Revenue**   
+¥10.5 bil.

Increased due to an increase in Energy business and construction work for submarines, despite a decrease in construction work for domestic municipal waste incineration plants


**Business profit**   
+¥18.9 bil.

Improved due to an improved equity in gains, despite a decrease in construction work for domestic municipal waste incineration plants

## FY2022 forecast (vs. Forecast in November)

**Orders received**   
+¥20.0 bil.

Revised up due to an increase in LPG/LAG carriers

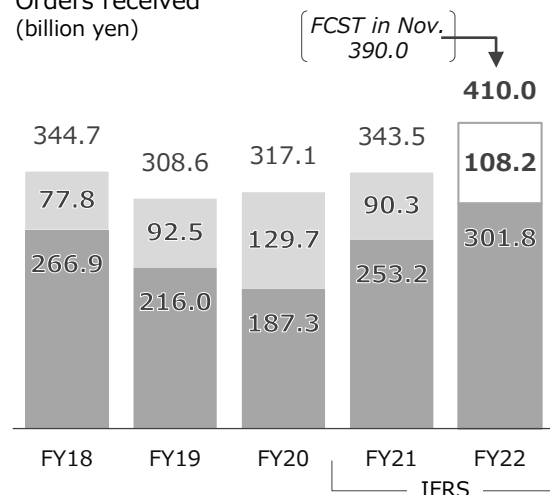
**Revenue**   
±¥0 bil.

Remained at the same level due to an increase for MOD in Marine Machinery, despite a period shift of a project in Ship & Offshore Structure

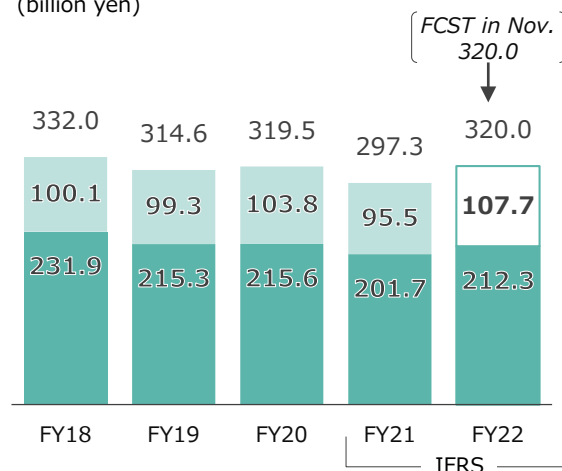
**Business profit**   
±¥0 bil.

Expected to remain at the same level

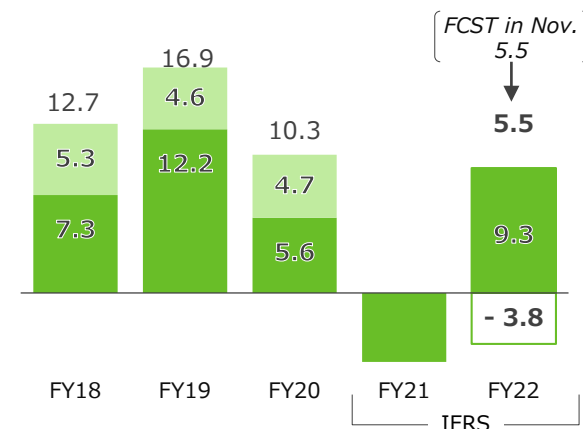
### Orders received (billion yen)



### Net Sales or Revenue (billion yen)



### Operating Profit or Business Profit (billion yen)



(Note) The graph shows the results in Q3 as dark colors and Q4 as light colors. Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

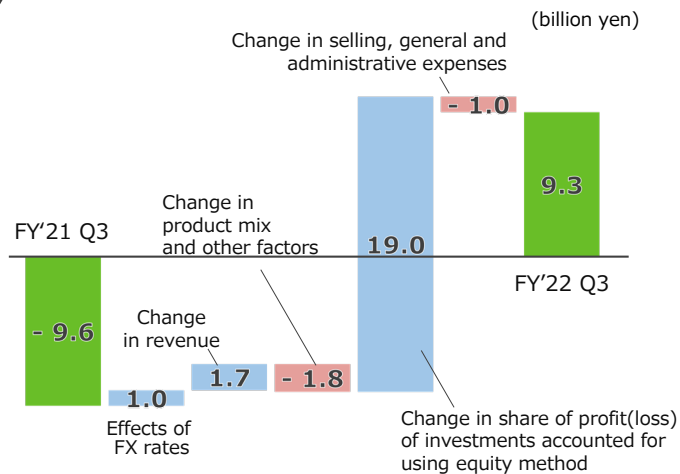
# Details by Segment - Energy Solution & Marine Engineering -

(Billion Yen)

	FY2021	FY2022		FY2021	FY2022 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY21	Chg. Vs. Old FCST	Q4 FCST
Orders Received	253.2	301.8	+ 48.6	343.5	390.0	<b>410.0</b>	+ 66.5	+ 20.0	<b>108.2</b>
<i>Energy, Plant &amp; Marine Machinery</i>	193.0	236.0	+ 42.9	272.7	280.0	<b>280.0</b>	+ 7.3	-	<b>44.0</b>
<i>Ship &amp; Offshore Structure</i>	60.1	65.8	+ 5.6	70.8	110.0	<b>130.0</b>	+ 59.2	+ 20.0	<b>64.2</b>
Revenue	201.7	212.3	+ 10.5	297.3	320.0	<b>320.0</b>	+ 22.7	-	<b>107.7</b>
<i>Energy, Plant &amp; Marine Machinery</i>	151.9	154.8	+ 2.8	232.3	235.0	<b>240.0</b>	+ 7.7	+ 5.0	<b>85.2</b>
<i>Ship &amp; Offshore Structure</i>	49.7	57.4	+ 7.6	64.9	85.0	<b>80.0</b>	+ 15.1	- 5.0	<b>22.6</b>
Business Profit (Loss)	- 9.6	9.3	+ 18.9	- 10.8	5.5	<b>5.5</b>	+ 16.3	-	<b>- 3.8</b>
[Margin]	[- 4.7%]	[4.4%]	[+ 9.1pt]	[- 3.6%]	[1.7%]	[1.7%]	[+ 5.3pt]	[-]	[- 3.5%]
Share of profit (loss) of investments accounted for using equity method	- 13.4	5.5	+ 19.0	- 11.2	4.0	<b>4.0</b>	+ 15.2	-	<b>- 1.5</b>

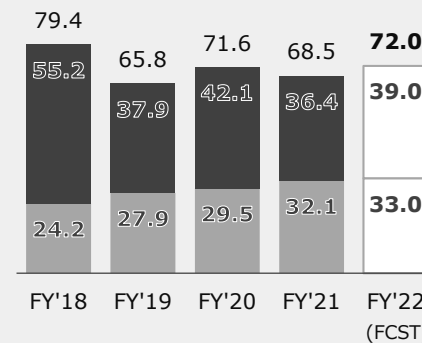
(note) Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

## Details of change in Business Profit(Loss)

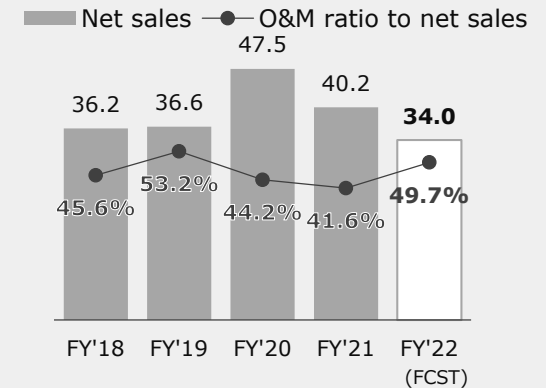


## Appendix

Revenue of major products in the energy business  
above : components  
below : after-sales service



Revenue of municipal waste incineration plants  
(billion yen)

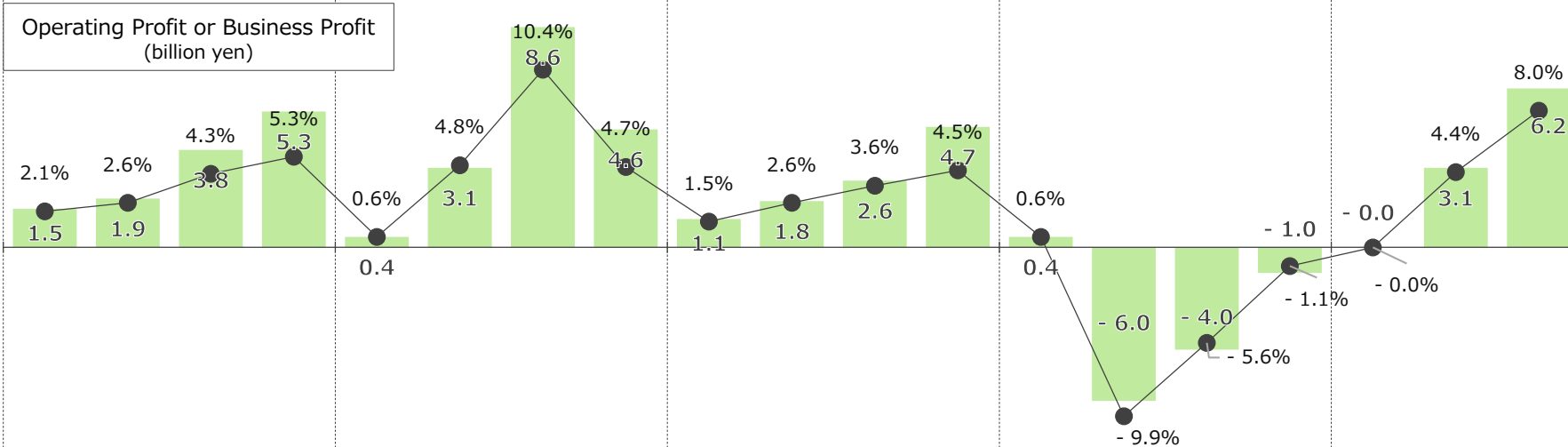
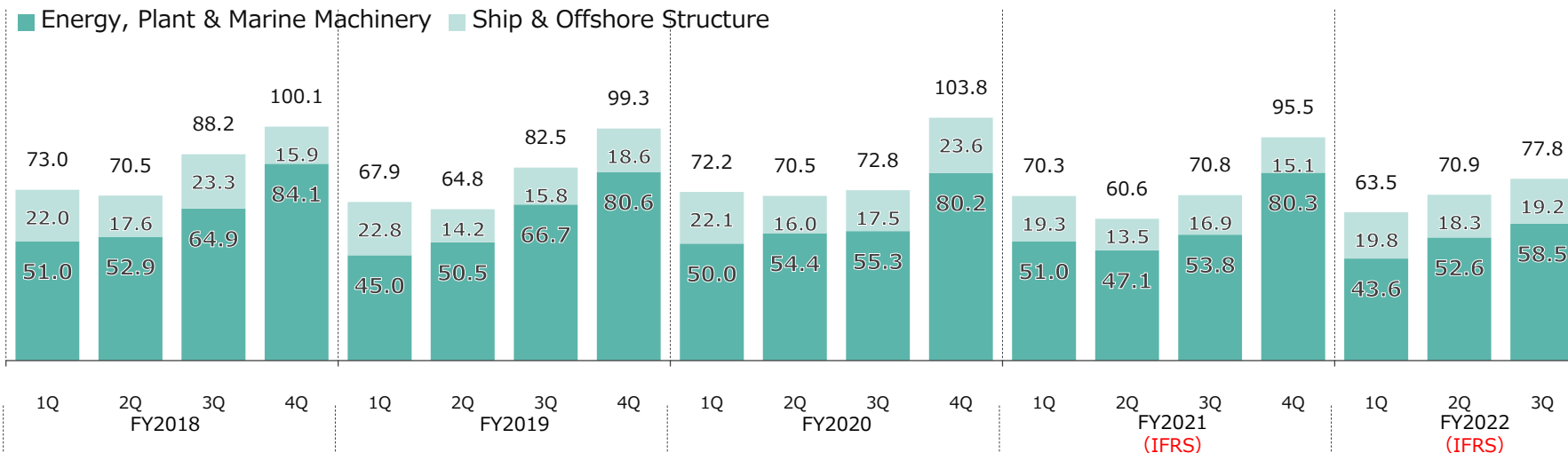




# Details by Segment - Energy Solution & Marine Engineering -

Net Sales or Revenue  
(billion yen)

(Note) The prior results of previous segment have been reclassified to current segment



(Note) The figures for the end of 4Q FY 2021 in this graph are calculated using IFRS, but the figures are subject to change in the future because they are based on our company estimates that have not been audited.

## 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 solid

### ● Ship & Offshore Structure

Commercial ships	Submarines and others
- Continuous demand for LPG/LAG carriers is expected due to higher ammonia demand	Stable orders for submarines are expected

### ● Entire segment

COVID-19 and other risks	Carbon neutrality
- Demand is recovering - Gas fuel supply for power plants is in short - Rising raw materials prices and logistics costs, and parts supply shortage are concerned	Inquiries and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products

## Specific Efforts

### ✓ Providing of products and services for a low-carbon and decarbonized society

#### Topics (FY'22)

- Received two DBO\* orders for new incineration plants (right) (Responding to the demand for renewal of aging facilities)  
\*Design, Build and Operate
- Received orders for fundamental facility improvements for incineration plants in Tokyo and Kanuma City (Contributing to lengthen the life of the facilities, energy saving and CO2 reduction)



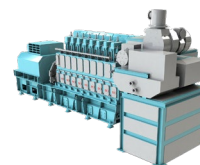
New incineration plant in Nagasaki Prefecture (conceptual drawing)



New incineration plant in Takarazuka City (conceptual drawing)

### ✓ Developing products for the transition to decarbonized energy


- Received an order for modification of gas turbine from a petrochemical company in Belgium
  - Modifying a natural-gas-fired 1.8-MW class gas turbine cogeneration system into one with a hydrogen mixed fuel combustor adds **up to 30% hydrogen**
  - Operators can utilize hydrogen while maintaining the advantages of the existing system (①stable power and steam supply, ②highly efficient power generation, and ③high environmental performance).
- World's first AiP was granted by ClassNK for dual fuel generator engine using hydrogen gas as fuel, which will be installed on a 160,000m<sup>3</sup> liquefied hydrogen carrier
  - Will be installed on a hydrogen carrier for a long-term demonstration of a four-stroke engine for hydrogen-powered propulsion, which is under development. Durability tests are planned to be carried out on board hydrogen carriers as an auxiliary power generator using boil-off gas




Dual fuel generator engine using hydrogen gas as fuel (rendering image)

## Details by Segment - Precision Machinery & Robot -


### FY2022.Q3 (vs. FY2021.Q3)

**Orders received**   
+¥0.1 bil.

Remained at the same level due to a decrease in hydraulic components for Chinese construction machinery market despite an increase in Robotics


**Revenue**   
-0.3 bil.

Same as above


**Business profit**   
-4.3 bil.

Deteriorated due to rising raw materials prices and electrical components, temporarily reduced operations resulting from the lockdown in China, and decrease in hydraulic components for Chinese construction machinery market


### FY2022 forecast (vs. Forecast in November)

**Orders received**   
-10.0 bil.

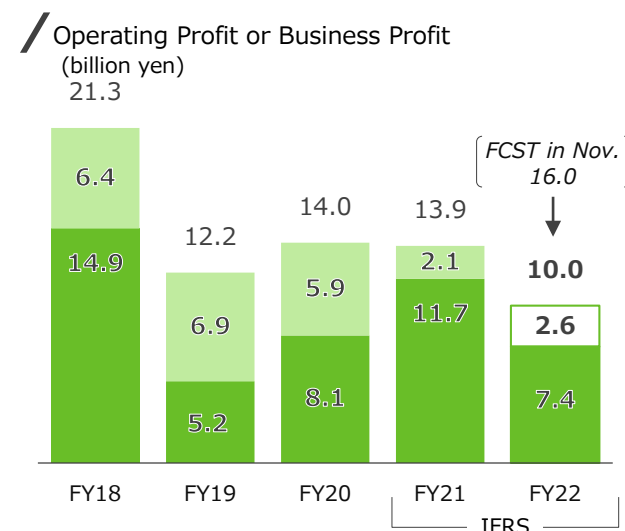
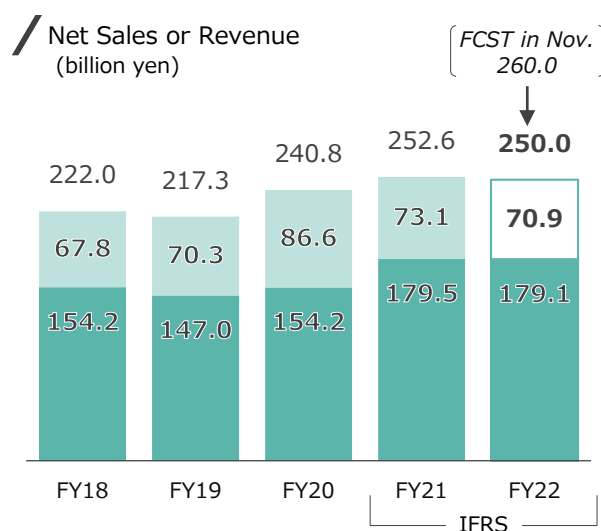
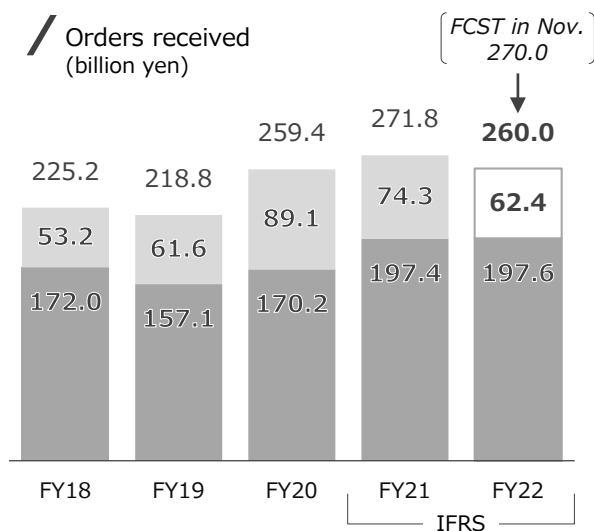
Revised down due to a decrease in hydraulic components for Chinese construction machinery market, robots for semiconductors

**Revenue**   
-10.0 bil.

Same as above

**Business profit**   
-6.0 bil.

Revised down due to a decreased revenue, rising raw materials prices, and reduced operations



(Note) The graph shows the results in Q3 as dark colors and Q4 as light colors. Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

# Details by Segment - Precision Machinery & Robot -

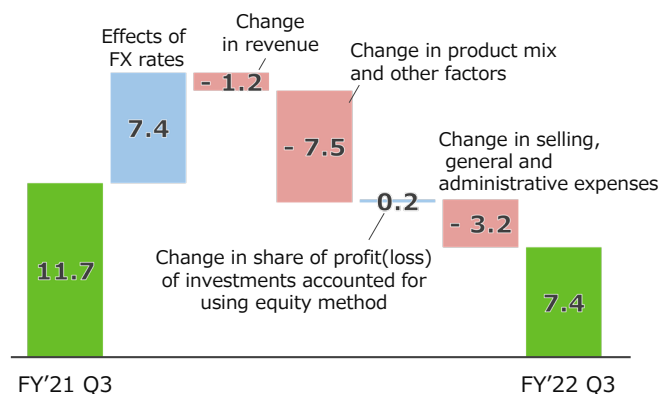
(Billion Yen)

	FY2021	FY2022		FY2021	FY2022 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY21	Chg. Vs. Old FCST	Q4 FCST
Orders Received	197.4	197.6	+ 0.1	271.8	270.0	<b>260.0</b>	- 11.8	- 10.0	<b>62.4</b>
Hydraulic Components & Systems	124.5	118.1	- 6.3	171.6	160.0	<b>155.0</b>	- 16.6	- 5.0	<b>36.9</b>
Robotics	72.9	79.4	+ 6.5	100.1	110.0	<b>105.0</b>	+ 4.9	- 5.0	<b>25.6</b>
Revenue	179.5	179.1	- 0.3	252.6	260.0	<b>250.0</b>	- 2.6	- 10.0	<b>70.9</b>
Hydraulic Components & Systems	119.0	108.0	- 11.0	163.1	155.0	<b>150.0</b>	- 13.1	- 5.0	<b>42.0</b>
Robotics	60.4	71.1	+ 10.6	89.5	105.0	<b>100.0</b>	+ 10.5	- 5.0	<b>28.9</b>
Business Profit	11.7	7.4	- 4.3	13.9	16.0	<b>10.0</b>	- 3.9	- 6.0	<b>2.6</b>
[Margin]	[6.5%]	[4.1%]	[- 2.3pt]	[5.5%]	[6.1%]	[4.0%]	[- 1.5pt]	[- 2.1pt]	[3.6%]
Share of profit (loss) of investments accounted for using equity method	- 1.9	- 1.7	+ 0.2	- 2.5	- 2.5	<b>- 2.5</b>	-	-	<b>- 0.8</b>

(note) Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

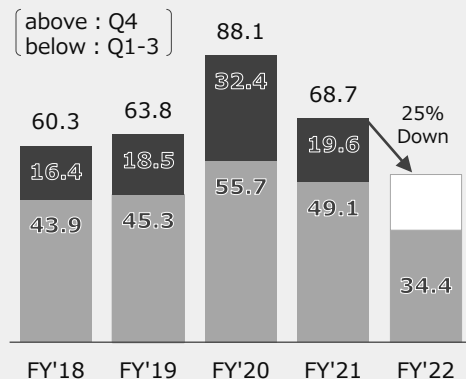
## Details of change in Business Profit(Loss)

(billion yen)



## Appendix

### Revenue of hydraulic components to China (billion yen)

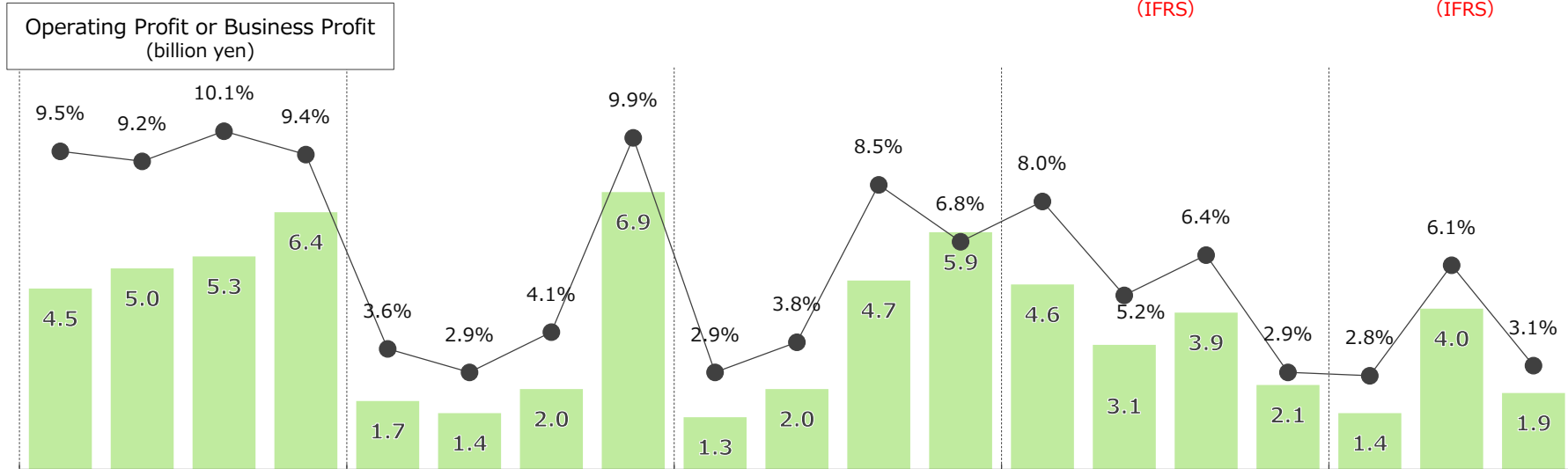
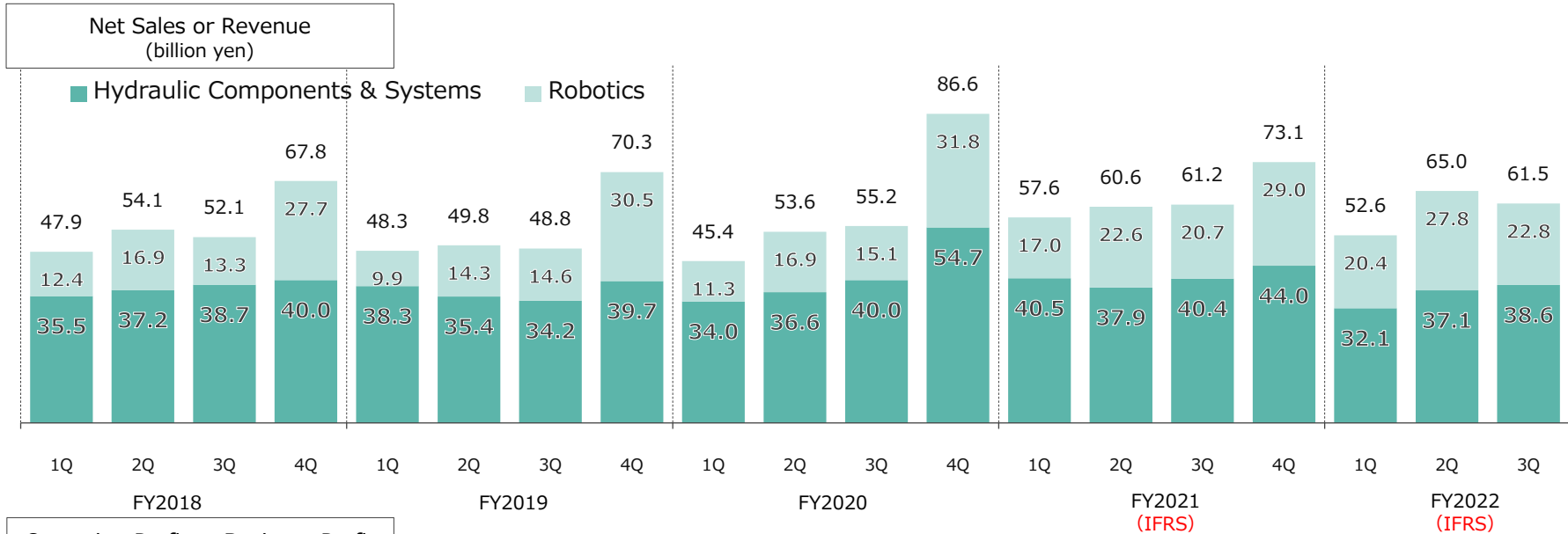


### Revenue of robots by segment (billion yen)

	FY'21	FY'22 (FCST)	Change (FCST)
Automobile assembly and painting	23.0	22.1 (35.0)	-0.9 (-0.7)
Semiconductor	25.7	32.7 (44.0)	+7.0 (+7.7)
General robots for industrial use and others	18.8	24.2 (32.0)	+5.3 (+3.0)
合計	67.6	79.0 (111.0)	+11.4 (+9.9)

※Including intercompany revenue

# Details by Segment - Precision Machinery & Robot -



(Note) The figures for the end of 4Q FY 2021 in this graph are calculated using IFRS, but the figures are subject to change in the future because they are based on our company estimates that have not been audited.

## Market Overview

- Construction machinery
  - China's lockdown under the zero-COVID policy depressed demand
  - Demand outside China was recovered from the impact of COVID-19 and remains solid
  - Electrification will be promoted due to the environmental regulations
  - Automation and autonomy will be promoted due to a shortage of skilled workers
  
- Robots
  - General purpose robots  
Demand remains strong for capital investment in automation
  - Robots for semiconductors  
Attention should be paid to the subdued demand for some products such as semiconductors for smartphones and the impact of the U.S.-China economic friction.
  - Supply chain risk  
Electronic components shortage and logistics disruption are improving

## 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

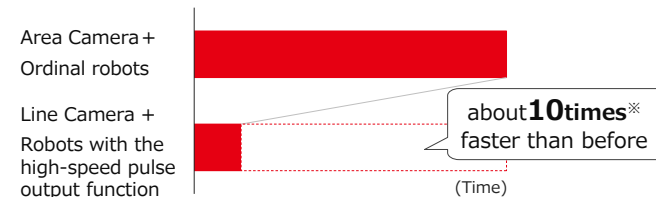


### ✓ Developing hydrogen-related products for decarbonized society

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

### ✓ Open innovation

- Solutions to visual inspection automation  
The high-speed pulse output function by Kawasaki combined with a scanning line cameras by scanning inspection camera manufacturers to speed up visual inspection of products with complex curved surfaces




Visual inspection of complex curved surfaces


※ Depending on equipment and imaging conditions

## Details by Segment - Powersports & Engine -

### FY2022.Q3 (vs. FY2021.Q3)


**Revenue**   
+¥104.2 bil.

Increased due to an increase in motorcycles for North America and Southeast Asia, four-wheelers for North America, and general-purpose gasoline engines, in addition to the impact from the depreciation of the yen and price pass-through


**Business profit**   
+¥23.6 bil.

Improved due to an increase in revenue, despite rising raw material prices, logistics and fixed costs

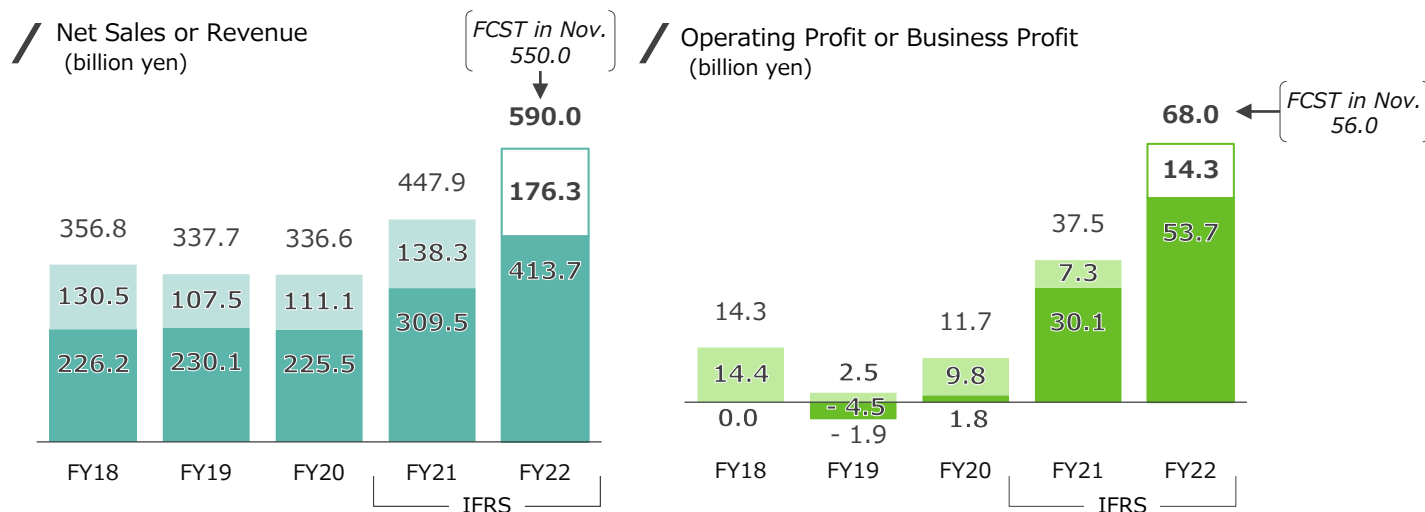
### FY2022 forecast (vs. Forecast in November)

**Revenue**   
+¥40.0 bil.

Revised up due to an increase in motorcycles for developed countries, especially in North America, despite changes in FX assumptions

**Business profit**   
+¥12.0 bil.

Revised up due to an increase in revenue and lower supply chain risk



(Note) The graph shows the results in Q3 as dark colors and Q4 as light colors. Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

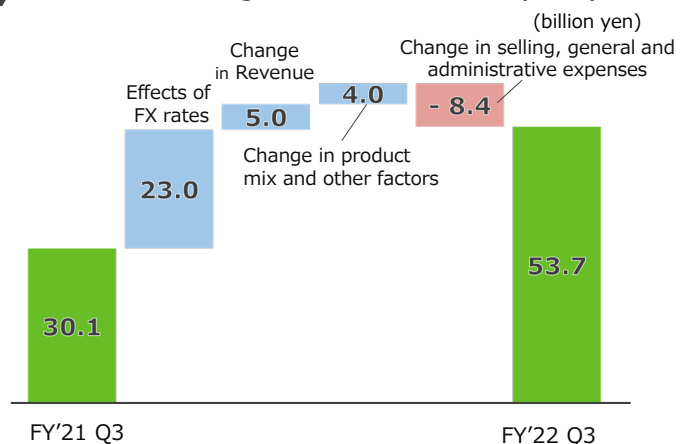
# Details by Segment - Powersports & Engine -

(Billion Yen)

	FY2021	FY2022		FY2021	FY2022 Forecast				
	Q3 Actual	Q3 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY21	Chg. Vs. Old FCST	Q4 FCST
Revenue	309.5	413.7	+ 104.2	447.9	550.0	<b>590.0</b>	+ 142.1	+ 40.0	<b>176.3</b>
Motorcycles for developed countries	111.9	139.5	+ 27.5	169.9	193.0	<b>215.0</b>	+ 45.1	+ 22.0	<b>75.5</b>
Motorcycles for emerging market	72.8	85.9	+ 13.0	100.8	111.0	<b>112.0</b>	+ 11.2	+ 1.0	<b>26.1</b>
Utility Vehicles, ATVs & PWC	75.1	112.8	+ 37.6	108.8	154.0	<b>162.0</b>	+ 53.2	+ 8.0	<b>49.2</b>
General-purpose gasoline engines	49.6	75.4	+ 25.8	68.2	92.0	<b>101.0</b>	+ 32.8	+ 9.0	<b>25.6</b>
Business Profit	30.1	53.7	+ 23.6	37.5	56.0	<b>68.0</b>	+ 30.5	+ 12.0	<b>14.3</b>
[Margin]	[9.7%]	[12.9%]	[+ 3.2pt]	[8.3%]	[10.1%]	[11.5%]	[+ 3.1pt]	[+ 1.3pt]	[8.1%]

(note)Results for FY2021 for each segment are calculated using IFRS, but the figures are subject to change because preliminary figures that have not been audited are included.

## Details of change in Business Profit(Loss)



## Appendix

### Wholesales of motorcycles by country

Developed countries (Thousand units)

	FY'21 Q3	FY'22 Q3	Change
Japan	20	20	▲ 0
U.S.	56	81	+ 25
Canada	5	8	+ 3
Europe	45	38	▲ 6
Australia	9	8	▲ 0
Total	137	157	+ 20

Emerging countries (Thousand units)

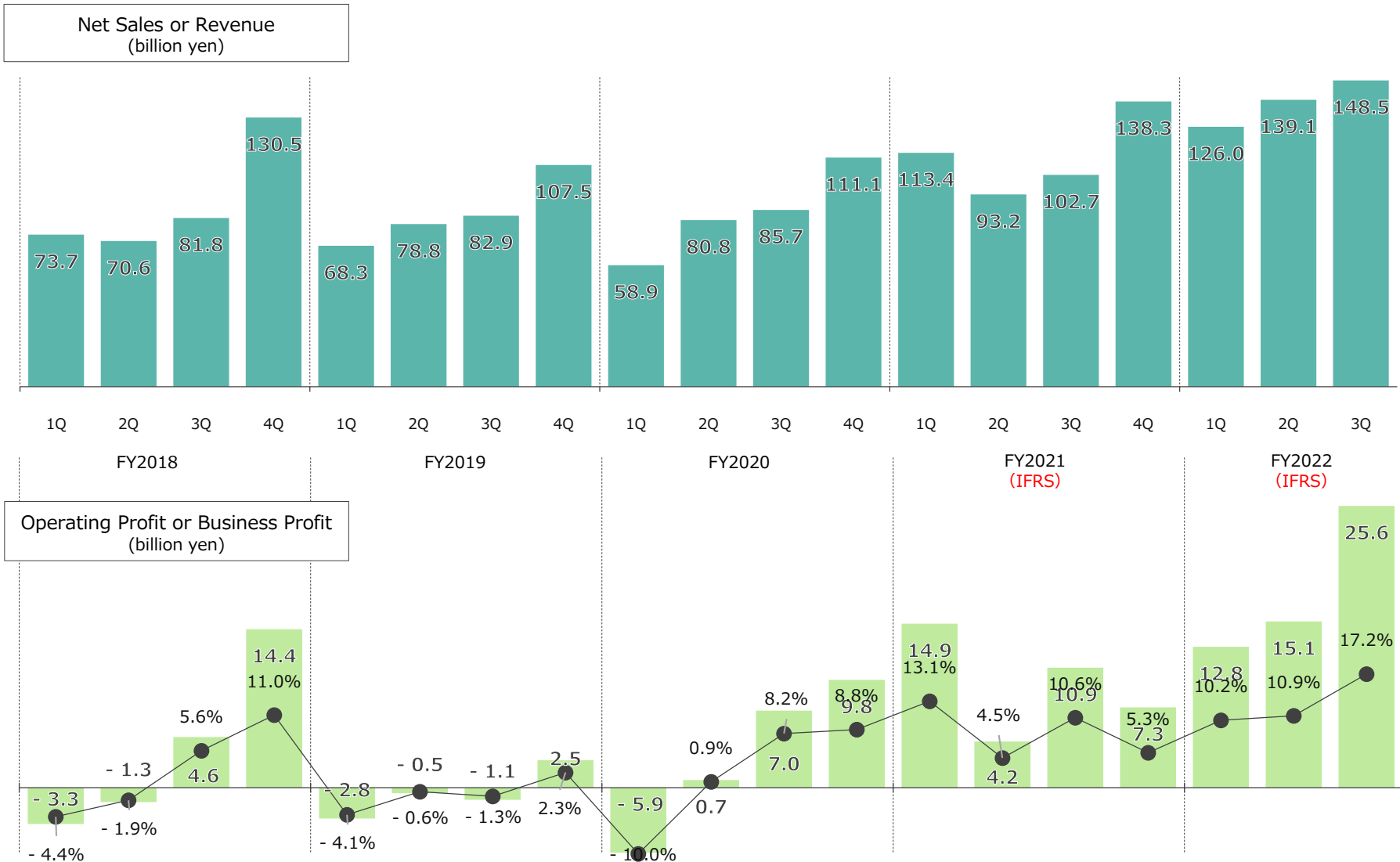
	FY'21 Q2	FY'22 Q2	Change
Brazil	7	7	▲ 0
Thailand	5	2	▲ 3
Philippines	106	158	+ 52
Indonesia	31	33	+ 1
China	30	20	▲ 9
Others	13	15	+ 2
Total	195	238	+ 42

Wholesales of four-wheeler and PWC FY'21 Q3 : 55 thousand units FY'22 Q3 : 61 thousand units

<Wholesale plan for FY'22 (Thousand units)> Motorcycles for developed countries: 245  
Motorcycles for emerging countries: 320 Four-wheeler and PWC: 90



## Details by Segment - Powersports & Engine -



(Note) The figures for the end of 4Q FY 2021 in this graph are calculated using IFRS, but the figures are subject to change in the future because they are based on our company estimates that have not been audited.

# 3 Details by Segment - Powersports & Engine -

## Market Overview

- U.S.& Europe
  - Retail market remains strong despite a slight slowdown
- Southeast Asia
  - Demand is recovering, although it varies by country
- Supply Chain risks
  - Shortage of semiconductors and raw materials affect our product supply
  - Logistics disruption is improving

## Specific Efforts

### ✓ Supplying products as much as demanded

- All efforts to achieve production plans
- Flexibly change production and sales plans according to sales conditions
- Continuously introduce new models

Proto HEV  
on display at EICMA  
(held in Nov. 22)

### ✓ Expansion of the four wheeler business and electrification

- Investment in development to enhance product competitiveness
- Preparation of the U.S. Plant and Mexico Plant to expand production capacity
- Accelerating development of BEVs and HEVs
- Topic: Kawasaki's first EV/HEV were on display at EICMA
- Joint research on hydrogen engine by Toyota, DENSO and four motorcycle manufacturing companies



### ✓ Promoting business process re-engineering through DX

- Achieving agile management through digitalization
- Shortened development time and reduced development costs through the use of digital technology

TERYX4 KRX 1000  
popular in the U.S.



### ✓ Securing Free Cash Flows

- Aiming to secure stable FCF for future investment

## Dividend Policy

The medium- to long-term consolidated dividend payout ratio **30%**

1 Comprehensively considering the following points - future business forecasts, financial conditions such as free cash flow and debt-to-equity ratio, and other factors

2 Stable dividends

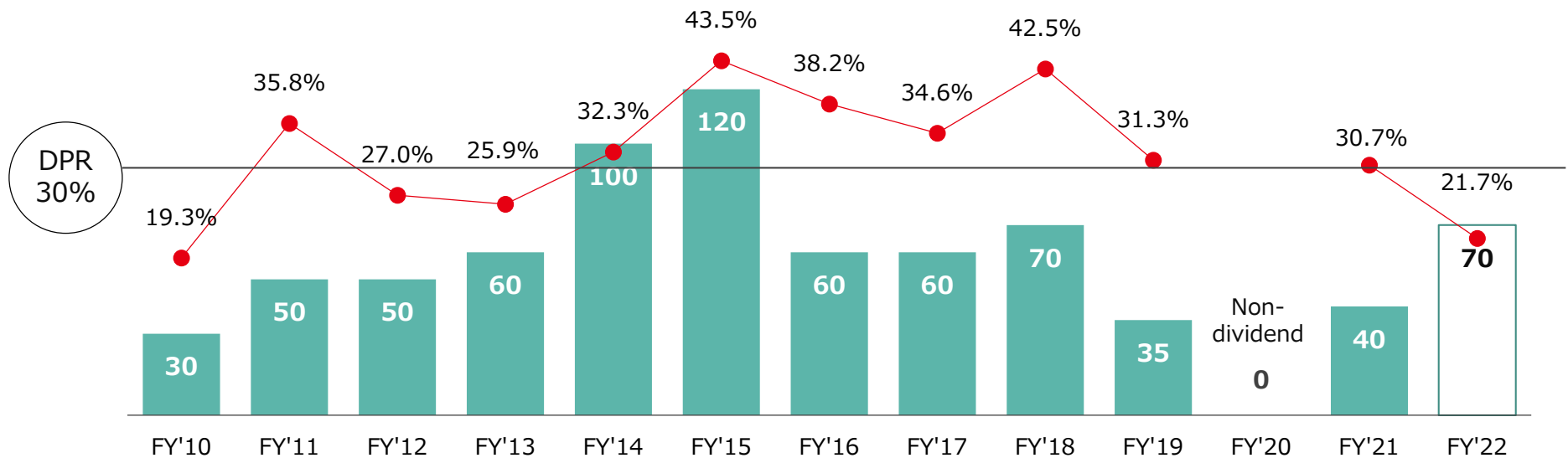
## Dividend for FY2022

- Profit attributable to owners of the parent was revised upward by 9 billion yen from the forecast in November<sup>\*</sup>, on the back of good results in PS&E and the depreciation of the yen

<sup>\*</sup>revised upward by 25 billion yen from the initial forecast

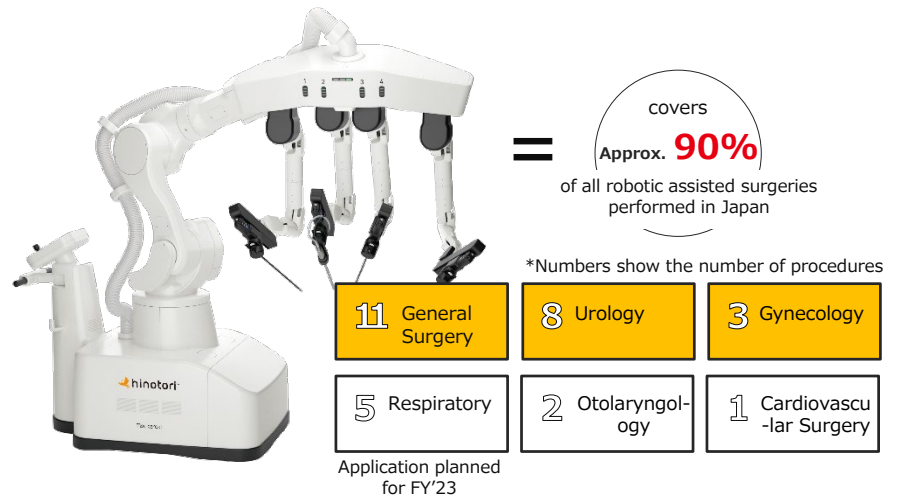
- On the other hand, social unrest, rising raw material and energy prices and logistics costs, the risk of sharp currency fluctuations in the future remain concerns
- Also, considering wage revisions to accommodate higher prices

▶ Maintain Full year dividend of **70yen** per share (dividend payout ratio of **21.7%**) but will reconsider depending on the full-year results



## hinotori™ surgical robot system Business Progress and Future Developments

- Received the regulatory approval for the use of the hinotori Surgical Robot System in gastroenterological and gynecology in October 2022
- Of the 30 procedures in Japan for which robotic-assisted surgery is covered by insurance, 22 are approved



### Achievements of hinotori™

Share in a single year  
(First half of FY'22, estimate)

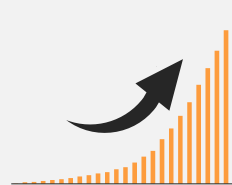
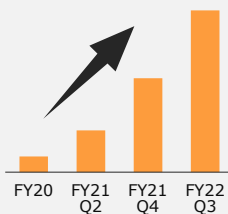
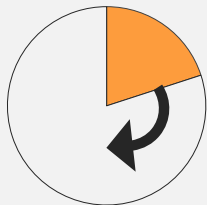
20<sup>+</sup>%

Cumulative number of facilities  
introduced hinotori™  
(as of December '22)

31

Cumulative number of cases  
(as of December '22)

900<sup>+</sup>



Press Release

[https://www.medicaroid.com/en/release/pdf/20221013-1\\_en.pdf](https://www.medicaroid.com/en/release/pdf/20221013-1_en.pdf)



Won the ninth Monodukuri Nippon Grand Awards ↓  
[https://www.meti.go.jp/english/press/2023/0110\\_001.html](https://www.meti.go.jp/english/press/2023/0110_001.html)

### Status of Overseas Expansion

#### United States

- held a pre-submission meeting with the FDA to determine regulatory submission policy
- have begun preparations for data acquisition based on that policy

#### Europe

- Have begun discussions with certification bodies to comply with European Medical Device Regulations (MDR).
- Holding discussions about establishing a European training center at the ORSI Academy \* 2 .

#### Asia-Pacific

- Based in Singapore and expanding gradually
- In discussions with Singapore's certification agency (HSA) for market launch scheduled for FY2023

\*1 US Food and Drug Administration

\*2 One of Europe's two largest robotic surgery training centers

## ✓ Service robot "FORRO" - Toward the launch of in-hospital delivery services-

- Fujita Health University Hospital and Kawasaki have been jointly conducting demonstration tests to reduce the workload of healthcare workers and streamline operations since Oct. 2021
- Service robot "FORRO" takes care of in-hospital specimen transport and medication delivery on behalf of healthcare workers
- Multiple robots and infrastructure equipment such as elevators can be interlinked

Check Point

### Open innovation with other companies

#### Collaboration with SEQSENSE

Achieving the world's highest level of autonomous driving performance by introducing the 3D LiDAR system\* developed by SEQSENSE and autonomous driving control technology

\* Three-dimensional optical radar

#### PLAN

Establishing a system for always-on operation of robots and preparing for the launch of trial services at Fujita Health University Hospital

**Aiming to launch Full-scale service in FY2023**



Elevator

**OK!!**

Multiple-unit operation

**OK!!**

Security door

**OK!!**

wide view

**360°**

Optimal compartment space

**77L**

Weight that a person can push

**65Kg**

World-leading autonomous driving performance

Smaller robot



Press Release

[https://www.khi.co.jp/pressrelease/detail/20221220\\_1.html](https://www.khi.co.jp/pressrelease/detail/20221220_1.html)

<https://answers.khi.co.jp/en/connected-society/20221026e-01/>



## Growing Kawasaki and offering products to achieve carbon neutrality

- **Top domestic market share**※ for a cumulative total of 5 years ※401cc or more

Domestic sales  
(401cc or more)

**63108** units  
(5 years)

**No.1**

- Motorcycle-style battery EV and strong hybrid motorcycle (HEV) were on display at EICMA 2022

- EV Intended for short-distance commuting
- HEV Offers the ability to switch between its internal combustion engine and electric motive power depending on the riding situation



Press Release

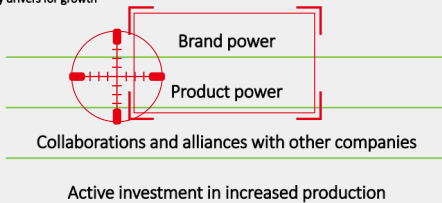
[https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20221109\\_8798](https://global.kawasaki.com/en/corp/newsroom/news/detail/?f=20221109_8798)

[https://global.kawasaki.com/en/corp/ir/library/other\\_presen\\_211006.html](https://global.kawasaki.com/en/corp/ir/library/other_presen_211006.html)

Kawasaki Motors, Ltd.  
Excerpt from Business Policy Briefing Materials (Oct.6, 2021)

### 3 Toward a Path of Sustainable Growth

#### 1 Key drivers for growth



### 2 Toward Being Carbon Neutral

#### Promote switching to electric power

##### Motorcycles

- By 2035, go electric (BEV/HEV) with all major models for developed countries
- Planning to introduce at least 10 models by 2025



##### Off-road four-wheelers

- Develop BEV and HEV four-wheelers
- Introduce 5 models by 2025



The first motorcycle-style BEV  
Release 2 models in 2023

The first HEV in the industry  
Release in 2024

Aim to release hydrogen-fueled motorcycles※ in the Early 2030s



※This product (concept model / technology) is based on the results of joint research conducted by Kawasaki Heavy Industries, Kawasaki Motors, Suzuki, Toyota, Denso, Honda, Yamaha Motor in the Hydrogen Internal Combustion Engine Study Group.

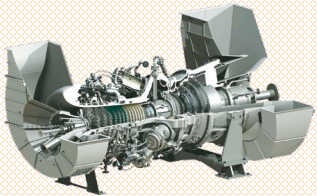


## For the diffusion of hydrogen gas turbines in the European distributed power generation market

- Business opportunities are expanding in Europe, where there is an increasing momentum to move away from fossil fuels with the formulation of the REPowerEU
- Because output from Renewable energy (especially solar and wind) is unstable due to constraints such as weather conditions, **Backup output by other power sources** is required

A

### Distributed power generation with small and medium-sized hydrogen gas turbines



Gas turbine "L30A"

Aiming to receive multiple orders in Europe by 2030

#### Point 1 Being proven in urban area

Kawasaki is **the first company in the world**※2 to supply heat and electricity by **100% hydrogen power generation** in an urban area, and it is still in operation.

※2 April 2018



Demonstration Facility (Kobe)

#### Point 2 Inquiries from around the world

Hydrogen power inquiries are coming from around the world※3, and we are recognized as a **front-runner** in both name and reality.

※3 An order received from Chevron Phillips Chemical in Belgium (For details, please see p.26)

[https://global.kawasaki.com/en/corp/ir/library/other\\_present\\_221212.html](https://global.kawasaki.com/en/corp/ir/library/other_present_221212.html)



Video message from RWE

#### Point 3 Extensive lineup

**30% hydrogen co-firing is possible in all the models** (up to 30 MW class) \*4.

And pure firing (MMX system) is expected to be compatible in all the models by 2030.

\*4 5 MW class M5A to be ready by 2024

#### Point 4 Accomplishments in Europe

Existing Kawasaki Gas Turbine can be hydrogen-compatible only by replacing the nozzle as a smooth decarbonization solution.

#### What is REPowerEU ?

In May 2022, the European Commission presented REPowerEU Plan, aimed at weaning off the countries off its dependence on Russian fossil fuels

##### Highlights

- ✓ There will be 20 million tons of hydrogen demand in 2030 in Europe
- ✓ The share of renewable energy will increase from 20%※1 at present to more than 45% in 2030

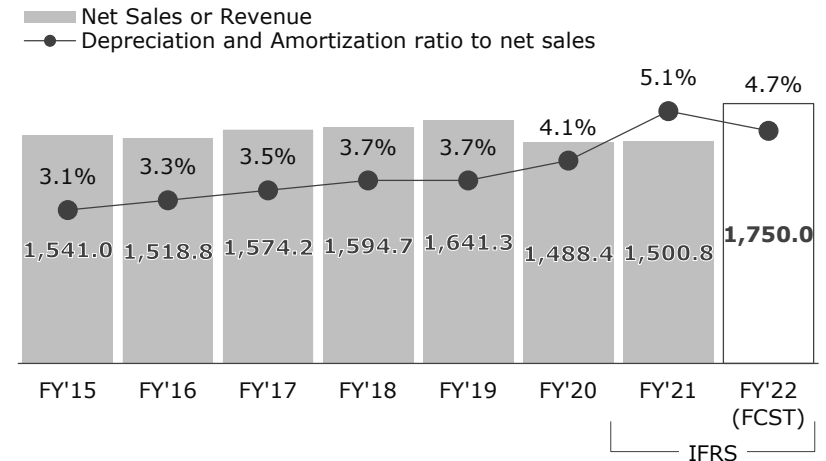
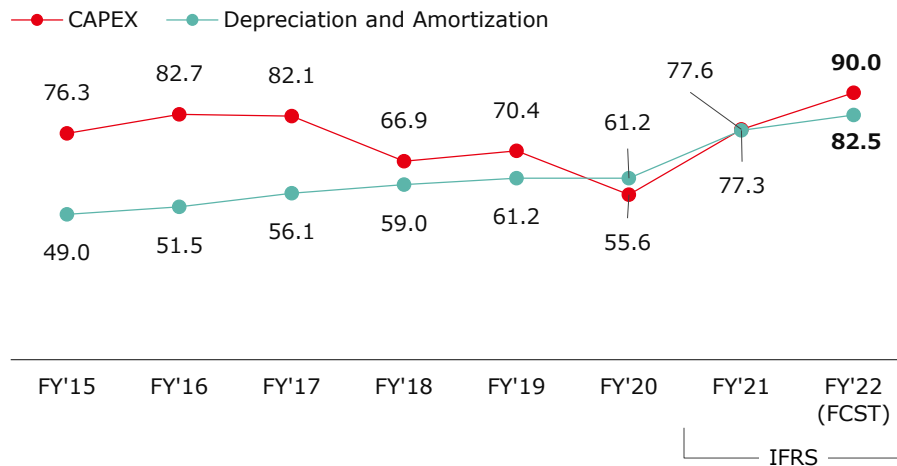
※1 European Environmental Agency estimates it at 22% (period covered: 2021).

## Appendix

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

(Billion Yen, Persons)

	FY2021	FY2022		FY2021	FY2022	
	Q3 Actual	Q3 Actual	Change	Actual	FCST	Chg. Vs. FY21
CAPEX	48.4	<b>61.3</b>	+ 12.8	77.6	<b>90.0</b>	+ 12.4
Depreciation and amortization	56.8	<b>55.8</b>	- 1.0	77.3	<b>82.5</b>	+ 5.2
R & D expenses	31.2	<b>33.8</b>	+ 2.6	45.7	<b>51.5</b>	+ 5.8
Number of Employees				36,691	<b>38,300</b>	+ 161
Domestic				26,901	<b>27,400</b>	+ 50
Overseas				9,790	<b>10,900</b>	+ 111





## ● Order Backlog (billion yen)

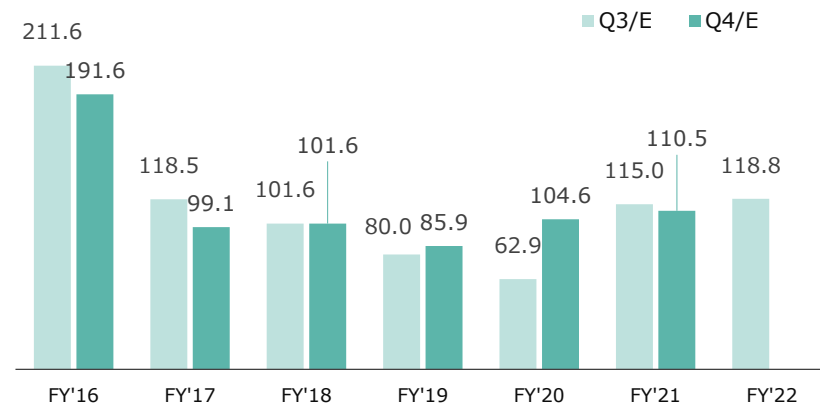
	FY21 Q3	FY22 Q3	
	Actual	Actual	Change
Aerospace Systems	486.9	<b>600.5</b>	+ 113.5
Rolling Stock	396.4	<b>590.2</b>	+ 193.7
Energy Solution & Marine Engineering	525.8	<b>596.6</b>	+ 70.8
Precision Machinery & Robot	87.1	<b>106.8</b>	+ 19.6
Powersports & Engine	-	-	-
Others	31.0	<b>35.8</b>	+ 4.7
<b>Total</b>	<b>1,527.5</b>	<b>1,930.1</b>	+ 402.6

## ● Revenue by region (billion yen)

	FY21 Q3	FY22 Q3	
	Actual	Actual	Change
Japan	453.9	<b>467.0</b>	+ 13.0
USA	243.6	<b>346.6</b>	+ 102.9
Europe	85.7	<b>101.8</b>	+ 16.1
Asia	200.6	<b>197.7</b>	- 2.8
Other	54.5	<b>82.9</b>	+ 28.3
<b>Total</b>	<b>1,038.6</b>	<b>1,196.3</b>	+ 157.6

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

## ● Order Backlog in Ship & Offshore (billion yen)



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

	FY'22 Q3 Received Orders	FY'22 Q3 Actual	Delivery Year			Order Backlog
			FY'22 Q4~	FY'23	FY'24	
			Plan			
LPG Carrier	4	2	2	4	5	11
Submarine			1		1	2
Others						
<b>Total</b>	※1 3	※2 2	3	4	6	※3 13

※ 1 Orders received in Q3 FY'22 : 201,600GT

※ 2 Delivered in Q3 FY'22 : 101,400GT

※ 3 Order Backlog : 555,000GT

\*Submarines are excluded

## ● Revenue in Foreign Currencies by Segment (USD)

(billion USD)

	FY2021	FY2022	
	Actual	Actual	Q4 FCST
Aerospace Systems	0.23	<b>0.39</b>	0.27
Rolling Stock	0.05	<b>0.05</b>	- 0.01
Energy Solution & Marine Engineering	0.20	<b>0.19</b>	0.08
Precision Machinery & Robot	0.17	<b>0.18</b>	0.06
Powersports & Engine	0.45	<b>0.59</b>	0.22
<b>Total</b>	<b>1.10</b>	<b>1.40</b>	0.62

※ Impact on business profit by FX fluctuation of 1 yen

## ● Weighted-average exchange rates

(EUR/JPY)

FY2020 actual	124.61
FY2021 actual	130.47
Q3 FY2022 actual	140.92
Q4 FY2022 forecast	135.00

## (Note) Major changes in the income statement associated with the adoption of IFRS

JGAAP	IFRS
Net Sales	Revenue
Cost of sales	Cost of sales
Gross profit	Gross profit
Selling, general and administrative expenses	Selling, general and administrative expenses
Operating Profit	Share of profit (loss) of investments accounted for using equity method
Non-operating Income / Expenses	Others
Gain and loss on foreign exchange	Business Profit
Net Interest expense (incl. dividend income)	Finance income and Finance costs
Equity in income of unconsolidated subsidiaries and affiliates	Profit before tax
Others	
Recurring Profit	
Extraordinary Income / Losses	
Impairment loss	
Others	
Income before income taxes	

## ● Revenue in Foreign Currencies(EUR)

(billion EUR)

FY2020 actual	0.32
FY2021 actual	0.44
Q3 FY2022 actual	0.39
Q4 FY2022 forecast	0.22

※ Impact on business profit by FX fluctuation of 1 yen

世界の人々の豊かな生活と地球環境の未来に貢献する  
“Global Kawasaki”