

**Report of Earnings and Financial Statements for the  
Nine Months Ended December 31, 2022 (Consolidated)**  
<IFRS>

February 10, 2023

Listed company's name: **Kawasaki Heavy Industries, Ltd.**  
 Listed on: TSE (Prime Market), and NSE (Premier Market)  
 Stock code: 7012  
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Scheduled dates:  
 Submission of quarterly securities filing: February 10, 2023  
 Commencement of dividend payments: -  
 Supplementary materials to quarterly earnings: Available  
 Quarterly earnings presentation: Conducted (for institutional investors, analysts and the press)

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

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2022  
(April 1, 2022 – December 31, 2022)**

(1) Operating Results

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

	Revenue		Business profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months Ended December 31, 2022	1,196,330	15.2	80,885	181.4	72,127	191.2	53,727	314.0
Nine Months Ended December 31, 2021	1,038,686	-	28,746	-	24,771	-	12,977	-

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	yen	yen
Nine Months Ended December 31, 2022	52,512	366.8	63,600	189.0	313.55	-
Nine Months Ended December 31, 2021	11,249	-	22,003	-	67.22	-

(2) Financial Condition

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2022	2,436,446	577,300	558,902	22.9
March 31, 2022	2,174,630	524,891	505,484	23.2

2. Dividends

Record date or term	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full year
	yen	yen	yen	yen	yen
Year ended March 31, 2022	-	20.00	-	20.00	40.00
Year ending March 31, 2023	-	30.00	-		
Year ending March 31, 2023 (forecast)				40.00	70.00

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

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

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2023  
(April 1, 2022 – March 31, 2023)

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

	Revenue		Business profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	1,750,000	16.6	86,000	183.2	78,000	181.9	54,000	327.3	322.43

Note: Revisions to the most recently announced earnings forecast: Yes

## Notes

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

December 31, 2022:	167,921,800 shares
March 31, 2022:	167,921,800 shares
  - (2) Number of shares held in treasury as of period-end

December 31, 2022:	439,900 shares
March 31, 2022:	449,527 shares
  - (3) Average number of shares during respective periods

December 31, 2022:	167,476,424 shares
December 31, 2021:	167,325,170 shares

**\*The quarterly report of earnings and financial statements is exempted from quarterly review procedures based on the Financial Instruments and Exchange act.**

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

#### *Forward-Looking Statements*

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

#### *How to Obtain Supplementary Briefing Material on Quarterly Financial Results and Details of the Quarterly Financial Results Briefing*

The Company plans to conduct a briefing for institutional investors, analysts and the press on Friday February 10, 2023, and to post the briefing material on quarterly financial results to be used for the briefing on TDnet and the Company’s website simultaneously with the announcement of financial results.

#### *Adoption of International Financial Reporting Standards (IFRS)*

The Group has applied the IFRS from the first quarter of the consolidated fiscal year ending March 31, 2023. Financial figures for the third quarter of the previous consolidated fiscal year and the previous consolidated fiscal year are also presented in accordance with IFRS. The differences between IFRS and Japanese GAAP regarding financial figures, refer to “2. Condensed Quarterly Consolidated Financial Statements and Notes (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements (First-time adoption of IFRS)” on page 19 in the Accompanying Materials.

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## **1. Qualitative Information about Financial Statements**

Forward-looking statements in the text are based on judgments made as of the end of this quarterly consolidated accounting period. From the first quarter of the consolidated fiscal year, the Group adopted the International Financial Reporting Standards (Hereinafter referred to as “IFRS”) in place of the conventional Japanese GAAP, and the figures for the third quarter of the previous consolidated fiscal year and the previous fiscal year have been reclassified to IFRS basis for comparative analysis.

### **(1) Consolidated operating results**

Although personal consumption in the United States is losing its previous momentum, the global economy as a whole continues to grow moderately due to an increase in air travel demand resulting from easing of travel restrictions in each country and other factors. In Japan, the economy continues to promote a balance between measures against the infection and socio-economic activities and to recover led by domestic demand such as service consumption and capital investment.

On the other hand, while supply constraints with a focus on semiconductors are improving, inflationary pressures such as high raw material prices continue, and there are concerns about an economic recession due to monetary tightening by central banks around the world. In addition, in Japan, it is necessary to continue to closely monitor to the economic outlook since a historic depreciation of yen has been corrected.

In this business environment, the Group’s consolidated orders received during the third quarter of this consolidated fiscal year increased mainly in the Rolling Stock segment and the Powersports & Engine segment. Revenue increased from the same period of the previous fiscal year as a whole, due to higher sales in the Powersports & Engine segment, the Aerospace Systems segment, etc.

Business profit increased year on year due to increases in the Powersports & Engine segment, the Aerospace Systems segment, and the Energy Solution & Marine Engineering segment, despite decreases in the Precision Machinery & Robot segment and the Rolling Stock segment. Profit attributable to owners of parent increased due to an increase in business profit despite a deterioration in foreign exchange gains and losses.

As a result, the Group’s consolidated orders received increased by ¥450.1 billion year on year to ¥1,476.5 billion, consolidated revenue increased by ¥157.6 billion year on year to ¥1,196.3 billion, business profit increased by ¥52.1 billion year on year to ¥80.8 billion, profit before tax increased by ¥47.3 billion year on year to ¥72.1 billion, and profit attributable to owners of parent increased by ¥41.2 billion year on year to ¥52.5 billion.

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

From the third quarter of this consolidated fiscal year, the previous reportable segment of "Motorcycle & Engine" has been changed the name to "Powersports & Engine" for the purpose of aligning with the Group's business strategy. This change is a change in the name of the reportable segments and it has no impact on segment information.

### Segment Information

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

	Nine months ended December 31						Orders received		
	2021(A)		2022(B)		Change (B – A)		Nine months ended December 31		
	Revenue	Business profit (loss)	Revenue	Business profit (loss)	Revenue	Business profit (loss)	2021 (A)	2022 (B)	Change (B – A)
Aerospace Systems	204.9	(9.5)	238.6	13.7	33.6	23.2	160.8	200.7	39.9
Rolling Stock	89.1	2.9	92.3	0.7	3.2	(2.1)	42.2	294.3	252.1
Energy Solution & Marine Engineering	201.7	(9.6)	212.3	9.3	10.5	18.9	253.2	301.8	48.6
Precision Machinery & Robot	179.5	11.7	179.1	7.4	(0.3)	(4.3)	197.4	197.6	0.1
Powersports & Engine	309.5	30.1	413.7	53.7	104.2	23.6	309.5	413.7	104.1
Other	53.7	4.5	60.0	3.3	6.2	(1.2)	63.0	68.1	5.0
Adjustments	-	(1.4)	-	(7.4)	-	(6.0)	-	-	-
<b>Total</b>	<b>1,038.6</b>	<b>28.7</b>	<b>1,196.3</b>	<b>80.8</b>	<b>157.6</b>	<b>52.1</b>	<b>1,026.4</b>	<b>1,476.5</b>	<b>450.1</b>

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

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

## **Aerospace Systems**

Regarding the business environment surrounding the Aerospace Systems segment, demand for Ministry of Defense in Japan is expected to increase going forward under the Ministry of Defense's policy of drastic strengthening of defense capabilities. With respect to commercial aircraft, demand for the passenger, which had been sluggish due to the spread of the infection by COVID-19 pandemic, has been making significant progress toward recovering due to an increase the number of countries prioritizing the resumption of economic activities.

Amid such an operating environment, consolidated orders received increased by ¥39.9 billion year on year to ¥200.7 billion due to an increase in component parts of jet engines for commercial aircraft and orders received from the Ministry of Defense in Japan.

Consolidated revenue increased by ¥33.6 billion year on year to ¥238.6 billion mainly due to an increase in component parts of jet engines for commercial aircraft.

Business profit came to ¥13.7 billion, improving ¥23.2 billion year on year, mainly due to an improvement in component parts of jet engines for commercial aircraft.

## **Rolling Stock**

Regarding the business environment surrounding the Rolling Stock segment, although there was an impact of a decrease in the number of railway users due to the spread of the infection by COVID-19 pandemic, the number of the users is expected to recover with progress in measures against infection by COVID-19 pandemic, and the replacement plan of aging railcars has been moving forward in Japan and overseas. On the other hand, although the impact on the current situation is limited, we need to keep a close watch on shortages of electronic components, logistics disruptions, and rising raw materials prices, while they appear to be converging. In the medium and long term, however, relatively stable growth is expected around the world due to development of urban transportation as an environmental protection measure and to ease congestion in large cities caused by increasing population concentration, as well as demand for railway infrastructure following economic development in Asian countries.

Amid such an operating environment, consolidated orders received increased by ¥252.1 billion to ¥294.3 billion compared to the same period of the previous fiscal year due to orders for the large-scale project such as new generation subway cars for the New York City Transit and new commuter cars for the domestic market.

Consolidated revenue increased by ¥3.2 billion year on year to ¥92.3 billion mainly due to an increase in sales of railcars for Asia, despite a decrease in sales of railcars for domestic market.

Business profit came to ¥0.7 billion, decreasing ¥2.1 billion year on year, mainly due to the impact of delays in the process of railcar's project for Long Island Rail Road in the United States, despite an increase in the revenue mainly due to an increase in sales of railcars for Asia.

## **Energy Solution & Marine Engineering**

The business environment surrounding the Energy Solution & Marine Engineering segment remains on a recovery track as the global economy moves from stagnation due to the COVID-19 pandemic to normalization. Demand for distributed power sources in Japan and overseas and, for energy infrastructure development in emerging countries, remains strong, while there is ongoing demand for the replacement of aging facilities for refuse incineration plants in Japan. Also, ongoing demand is expected due to factors such as an increase in orders for LPG/NH<sub>3</sub> carriers. In addition, there is a growing worldwide trend toward achieving carbon neutrality, and contacts and requests for cooperation are increasing regarding decarbonization solutions, including hydrogen products of the Company's strength. On the other hand, besides the uncertainty about the current situation, such as the availability of fuel gas required for the operation of power generation facilities, it is necessary to pay attention to the impact on orders and revenues due to the recent persistently high prices of raw material, equipment, fuel, and transportation.

Amid such an operating environment, consolidated orders received increased by ¥48.6 billion from the same period of the previous fiscal year to ¥301.8 billion mainly due to an increase in orders for power generation facilities and orders for large-scale projects such as the domestic waste disposal facilities maintenance and operation business.

Consolidated revenue increased by ¥10.5 billion year on year to ¥212.3 billion mainly due to an increase in the volume of work of energy business and submarines for Ministry of Defense in Japan, despite a decrease in the volume of work of domestic waste disposal facilities.

Business profit came to ¥9.3 billion, improving ¥18.9 billion year on year, mainly due to an improvement in share of profit and loss of investments accounted for using equity method, despite a decrease in the volume of work of domestic waste disposal facilities.

## **Precision Machinery & Robot**

Regarding the business environment surrounding the Precision Machinery & Robot segment, in the precision machinery field, while the performance has continued to be strong in the construction machinery market outside China, demand in the Chinese construction machinery market was sluggish due to the effects of lockdowns associated with the Zero-COVID-19 policy and other factors. In the robotics field, while the performance of robots for semiconductor manufacturing equipment is stay favorable, we need to keep a close watch on the stabilization of demand for some semiconductors such as for smartphones, and future trends in demand for robots for semiconductor manufacturing equipment due to the impact of economic frictions between the United States and China. General industrial robots also have continued high demand for the automation investment.

Amid such an operating environment, consolidated orders received of ¥197.6 billion was on par with the previous year's result, due to an increase in various robots, despite a decrease in hydraulic equipment for the Chinese construction machinery market.



Consolidated revenue of ¥179.1 billion was on par with the previous year's result, mainly due to an increase in the revenue of various robots due to sales expansion, despite a decrease in hydraulic equipment for the Chinese construction machinery market.

Business profit decreased by ¥4.3 billion year on year to ¥7.4 billion due to an increase in soaring costs of electronic components and materials, a temporary decrease in operations during the lockdowns in China, and a decrease in hydraulic equipment for the Chinese construction machinery market.

### **Powersports & Engine**

The business environment surrounding the Powersports & Engine segment continues to be affected by the COVID-19 pandemic. Although logistics disruptions are heading toward improving, we need to keep a close watch on the impact on product supply due to ongoing shortages of semiconductors and raw materials. Although demand in the United States and Europe, the major markets, is slightly slowing down, it is going strong for the time being. In addition, the Southeast Asian market has been recovering from the previous fiscal year as a whole, although it varies by country.

Amid such an operating environment, consolidated revenue increased by ¥ 104.2 billion year on year to ¥ 413.7 billion mainly due to an increase in motorcycles for North America and Southeast Asia, and four-wheeled vehicles for North America, as well as a weaker yen on foreign exchange rates, despite a decrease in motorcycles for Europe due to shortage of product supply.

Business profit increased by ¥23.6 billion year on year to ¥53.7 billion due to the steady progress in price pass-through as well as the sales expansion of motorcycles and four-wheeled vehicles and the impact of foreign exchange rates, despite a rise in raw materials and logistics costs and an increase in fixed costs.

### **Other Operations**

Consolidated revenue increased by ¥ 6.2 billion year on year to ¥ 60.0 billion.

Business profit decreased by ¥ 1.2 billion year on year to ¥ 3.3 billion.

In the Group Vision 2030, the Group will focus on three fields; “A Safe and Secure Remotely-Connected Society”, “Near-Future Mobility” and “Energy and Environmental Solutions” and will transform our business structure into a form which promises faster growth. The Group is making steady progress in new businesses, such as healthcare business which is developed surgical support robots and automated PCR testing services, and moreover the development of delivery robots and unmanned transport helicopters as well as the promotion of hydrogen-related projects.

## **(2) Consolidated financial condition**

### *Assets, liabilities, and equity*

#### 1. Assets

Current assets were ¥1,570.0 billion, ¥ 249.8 billion increase from the previous fiscal year mainly due to an increase in inventories and trade receivables.

Non-current assets were ¥866.3 billion, ¥11.9 billion increase from the previous fiscal year mainly due to an increase in investments accounted for using equity method.

As a result, total assets were ¥2,436.4 billion, ¥261.8 billion increase from the previous fiscal year.

#### 2. Liabilities

Interest-bearing debt was ¥721.7 billion, ¥167.8 billion increase from the previous fiscal year.

Liabilities were ¥1,859.1 billion, ¥209.4 billion increase from the previous fiscal year mainly due to an increase in interest-bearing debt.

#### 3. Equity

Equity was ¥577.3 billion, ¥52.4 billion increase from the previous fiscal year mainly due to the recording of profit attributable to owners of parent.

### *Cash Flows*

Cash and cash equivalents (Hereinafter referred to as “net cash”) during the third quarter of this consolidated fiscal year were ¥ 87.9 billion, an increase of ¥ 19.3 billion compared to the same period of the previous fiscal year. The cash flow situations and relevant factors during the third quarter of this consolidated fiscal year are stated below.

#### 1. Cash flows from operating activities

Cash outflows from operating activities were ¥ 113.1 billion, an improving of ¥ 22.5 billion compared to the same period of the previous fiscal year. Major sources of operating cash flows included depreciation and amortization of ¥ 55.9 billion and an increase in trade and other payables of ¥ 26.1 billion. Major uses of operating cash flows included an increase in inventories of ¥106.0 billion, an increase in trade and other receivables of ¥ 64.2 billion, and an increase in advance payment of ¥ 29.4 billion.

#### 2. Cash flows from investing activities

Investing activities used net cash of ¥53.2 billion, which is ¥6.8 billion more than in the same period of the previous fiscal year. This was mainly due to purchase of property, plant and equipment.

#### 3. Cash flows from financing activities

Financing activities provided net cash of ¥151.5 billion, which is ¥21.8 billion more than in the same period of the previous fiscal year. This was mainly due to net increase in short-term borrowings.

### **(3) Consolidated earnings forecast**

The Group voluntarily applies the IFRS from the first quarter of the consolidated fiscal year, therefore, has calculated the consolidated earnings forecast for the fiscal year ending March 2023, based on IFRS.

Due to the increase in the revenue and the decrease in the risk of the supply chain of the Powersports & Engine segment, and the strong recovery in the Aerospace Systems segment market, the company is forecasting revenue of ¥1,750.0 billion, which is ¥30.0 billion increase from the previous forecast (November 10), and business profit of ¥86.0 billion, which is ¥10.0 billion increase from the previous forecast.

In addition, along with the revision of business profit mentioned above, the Company is forecasting profit before tax of ¥78.0 billion, profit attributable to owners of parent of ¥54.0 billion, ROIC of 7.4%, and ROE of 10.2%.

The forecast of consolidated orders received is expected to be ¥1,950.0 billion, which is ¥50.0 billion increase from the previous forecast.

In this forecast, exchange rates are assumed to be ¥130 to the U.S. dollar and ¥135 to the euro.

#### *Note regarding consolidated earnings forecast*

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

## 2. Condensed Quarterly Consolidated Financial Statements and Notes

### (1) Condensed Quarterly Consolidated Financial Position

	Millions of yen		
	Transition date (As of April 1, 2021)	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	122,166	108,511	87,998
Trade and other receivables	355,061	409,246	479,121
Contract assets	148,523	109,132	135,722
Inventories	565,860	615,476	729,479
Income taxes receivable	3,482	3,046	5,832
Other financial assets	6,660	10,606	14,582
Other current assets	23,110	64,184	117,355
<b>Total current assets</b>	<b>1,224,865</b>	<b>1,320,204</b>	<b>1,570,091</b>
<b>Non-current assets</b>			
Property, plant and equipment	449,155	444,375	445,786
Intangible assets	62,510	61,940	62,295
Right-of-use assets	55,504	58,524	62,006
Investments accounted for using equity method	73,464	70,438	78,677
Other financial assets	69,913	70,752	70,817
Deferred tax assets	106,430	102,209	102,074
Other non-current assets	48,835	46,183	44,697
<b>Total non-current assets</b>	<b>865,814</b>	<b>854,425</b>	<b>866,354</b>
<b>Total assets</b>	<b>2,090,679</b>	<b>2,174,630</b>	<b>2,436,446</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	418,070	399,892	433,134
Bonds, borrowings and other financial liabilities	266,724	208,773	412,756
Income taxes payable	4,753	8,506	12,134
Contract liabilities	159,476	256,189	274,197
Provisions	26,918	24,409	20,356
Other current liabilities	116,244	161,951	149,538
<b>Total current liabilities</b>	<b>992,187</b>	<b>1,059,723</b>	<b>1,302,118</b>
<b>Non-current liabilities</b>			
Bonds, borrowings and other financial liabilities	478,002	458,068	430,198
Retirement benefit liability	115,218	107,024	110,244
Provisions	7,082	4,136	2,020
Deferred tax liabilities	1,038	1,382	986
Other non-current liabilities	17,504	19,403	13,578
<b>Total non-current liabilities</b>	<b>618,847</b>	<b>590,014</b>	<b>557,027</b>
<b>Total liabilities</b>	<b>1,611,034</b>	<b>1,649,738</b>	<b>1,859,145</b>
<b>Equity</b>			
<b>Equity attributable to owners of parent</b>			
Share capital	104,484	104,484	104,484
Capital surplus	54,542	55,525	55,773
Retained earnings	299,409	320,671	365,304
Treasury shares	(136)	(1,129)	(1,105)
Other components of equity	3,846	25,931	34,445
<b>Total equity attributable to owners of parent</b>	<b>462,146</b>	<b>505,484</b>	<b>558,902</b>
Non-controlling interests	17,498	19,407	18,397
<b>Total equity</b>	<b>479,645</b>	<b>524,891</b>	<b>577,300</b>
<b>Total liabilities and equity</b>	<b>2,090,679</b>	<b>2,174,630</b>	<b>2,436,446</b>

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

**Condensed Quarterly Consolidated Statements of Profit and Loss**

For nine months ended December 31, 2022 and 2021

	Millions of yen	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Revenue	1,038,686	1,196,330
Cost of sales	849,222	949,501
Gross profit	189,464	246,828
Selling, general and administrative expenses	148,382	168,807
Share of profit (loss) of investments accounted for using equity method	(15,179)	3,935
Other income	5,682	2,818
Other expenses	2,839	3,890
Business profit	28,746	80,885
Finance income	968	1,363
Finance costs	4,942	10,120
Profit before tax	24,771	72,127
Income tax expense	11,793	18,399
Profit	12,977	53,727
Profit attributable to:		
Owners of parent	11,249	52,512
Non-controlling interests	1,728	1,214
Earnings per share		
Basic earnings per share	67.22	313.55

For three months ended December 31, 2022 and 2021

	Millions of yen	
	Three months ended December 31, 2021	Three months ended December 31, 2022
Revenue	357,648	436,584
Cost of sales	286,121	329,845
Gross profit	71,527	106,738
Selling, general and administrative expenses	52,487	58,953
Share of profit (loss) of investments accounted for using equity method	(8,157)	2,932
Other income	92	379
Other expenses	(131)	1,043
Business profit	11,106	50,054
Finance income	226	(7,249)
Finance costs	1,335	6,623
Profit before tax	9,997	36,180
Income tax expense	5,260	6,886
Profit	4,736	29,294
Profit attributable to:		
Owners of parent	4,028	28,749
Non-controlling interests	708	544
Earnings per share		
Basic earnings per share	24.05	171.65

**Condensed Quarterly Consolidated Statement of Comprehensive Income**  
For nine months ended December 31, 2022 and 2021

	Millions of yen	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
<b>Profit</b>	12,977	53,727
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	660	(1,036)
Remeasurements of defined benefit plans	(21)	528
Share of other comprehensive income of investments accounted for using equity method	(1)	0
Total of items that will not be reclassified to profit or loss	638	(507)
Items that may be reclassified to profit or loss		
Cash flow hedges	(230)	2,146
Exchange differences on translation of foreign operations	4,038	7,794
Share of other comprehensive income of investments accounted for using equity method	4,579	439
Total of items that may be reclassified to profit or loss	8,387	10,380
Total other comprehensive income	9,025	9,872
Comprehensive income	22,003	63,600
 <b>Comprehensive income attributable to:</b>		
Owners of parent	20,023	62,078
Non-controlling interests	1,980	1,522

For three months ended December 31, 2022 and 2021

	Millions of yen	
	Three months ended December 31, 2021	Three months ended December 31, 2022
<b>Profit</b>	4,736	29,294
<b>Other comprehensive income</b>		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(128)	(451)
Remeasurements of defined benefit plans	4	(152)
Share of other comprehensive income of investments accounted for using equity method	(0)	238
Total of items that will not be reclassified to profit or loss	(125)	(365)
Items that may be reclassified to profit or loss		
Cash flow hedges	(46)	9,352
Exchange differences on translation of foreign operations	2,680	(12,469)
Share of other comprehensive income of investments accounted for using equity method	2,329	(2,352)
Total of items that may be reclassified to profit or loss	4,963	(5,470)
Total other comprehensive income	4,838	(5,835)
Comprehensive income	9,575	23,458
 <b>Comprehensive income attributable to:</b>		
Owners of parent	8,852	23,502
Non-controlling interests	722	(44)

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

For nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

Millions of yen

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2021	104,484	54,542	299,409	(136)	-	4,025
Profit			11,249			
Other comprehensive income					(9)	636
Comprehensive income			11,249		(9)	636
Issuance of new shares		1,916				
Purchase of treasury shares				(1,025)		
Disposal of treasury shares		4		33		
Dividends			(3,357)			
Transfer to retained earnings			598		9	(607)
Change in scope of consolidation						
Loss of control of subsidiaries						
Change in ownership interest of parent due to transactions with non-controlling interests		(936)				
Transfer to non-financial assets						
Other			150			
Total transactions with owners		984	(2,609)	(991)	9	(607)
Balance as of December 31, 2021	104,484	55,526	308,049	(1,127)	-	4,054

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2021	(179)	-	3,846	462,146	17,498	479,645
Profit				11,249	1,728	12,977
Other comprehensive income	(413)	8,560	8,774	8,774	251	9,025
Comprehensive income	(413)	8,560	8,774	20,023	1,980	22,003
Issuance of new shares				1,916		1,916
Purchase of treasury shares				(1,025)		(1,025)
Disposal of treasury shares				37		37
Dividends				(3,357)	(376)	(3,733)
Transfer to retained earnings			(598)	-		-
Change in scope of consolidation						
Loss of control of subsidiaries						
Change in ownership interest of parent due to transactions with non-controlling interests				(936)		(936)
Transfer to non-financial assets	(286)		(286)	(286)		(286)
Other		0	0	150	(213)	(63)
Total transactions with owners	(286)	0	(884)	(3,501)	(589)	(4,091)
Balance as of December 31, 2021	(879)	8,560	11,735	478,668	18,889	497,558

For nine months ended December 31, 2022 (April 1, 2022– December 31, 2022)

Millions of yen

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2022	104,484	55,525	320,671	(1,129)	-	4,435
Profit			52,512			
Other comprehensive income					538	(1,007)
Comprehensive income			52,512		538	(1,007)
Issuance of new shares						
Purchase of treasury shares				(3)		
Disposal of treasury shares		(0)		26		
Dividends			(8,394)			
Transfer to retained earnings			479		(538)	59
Change in scope of consolidation						
Loss of control of subsidiaries						
Change in ownership interest of parent due to transactions with non-controlling interests		248				
Transfer to non-financial assets						
Other			34			
Total transactions with owners		247	(7,879)	23	(538)	59
Balance as of December 31, 2022	104,484	55,773	365,304	(1,105)	-	3,487

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total equity attributable to owners of parent		
	Cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2022	(284)	21,780	25,931	505,484	19,407	524,891
Profit				52,512	1,214	53,727
Other comprehensive income	1,546	8,488	9,565	9,565	307	9,872
Comprehensive income	1,546	8,488	9,565	62,078	1,522	63,600
Issuance of new shares						-
Purchase of treasury shares				(3)		(3)
Disposal of treasury shares				26		26
Dividends				(8,394)	(561)	(8,955)
Transfer to retained earnings			(479)	-		-
Change in scope of consolidation					366	366
Loss of control of subsidiaries					(2,079)	(2,079)
Change in ownership interest of parent due to transactions with non-controlling interests				248	(259)	(11)
Transfer to non-financial assets	(571)		(571)	(571)		(571)
Other				34	0	34
Total transactions with owners	(571)		(1,050)	(8,659)	(2,532)	(11,191)
Balance as of December 31, 2022	690	30,268	34,445	558,902	18,397	577,300



#### (4) Condensed Quarterly Consolidated Statement of Cash Flow

	Millions of yen	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit	12,977	53,727
Depreciation and amortization	56,962	55,980
Impairment losses	295	405
Finance income and finance costs	2,047	3,137
Share of loss (profit) of investments accounted for using equity method	15,179	(3,935)
Loss (gain) on sale of fixed assets	790	518
Income tax expense	11,793	18,399
Increase (decrease) in retirement benefit liability	4,051	2,771
Decrease (increase) in trade and other receivables	(18,616)	(64,277)
Decrease (increase) in contract assets	(35,472)	(26,589)
Decrease (increase) in inventories	(86,461)	(106,083)
Increase (decrease) in trade and other payables	(48,539)	26,151
Decrease (Increase) in advance payment	(28,299)	(29,416)
Increase (decrease) in contract liabilities	17,212	14,784
Other	(24,480)	(40,641)
Subtotal	<u>(120,559)</u>	<u>(95,068)</u>
Interest received	682	1,131
Dividends received	302	327
Interest paid	(3,062)	(4,286)
Income taxes paid	(12,999)	(15,221)
Net cash provided by (used in) operating activities	<u>(135,635)</u>	<u>(113,118)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,393)	(38,749)
Proceeds from sale of property, plant and equipment	2,373	1,981
Payments for equity method investment and purchase of other financial assets	(1,162)	(6,313)
Proceeds from equity method investment and sale of other financial assets	1,574	80
Payments for acquisition of subsidiaries	(8)	(525)
Proceeds from acquisition of subsidiaries	489	-
Decrease due to loss of control over subsidiaries	-	(3,224)
Other	(7,325)	(6,515)
Net cash provided by (used in) investing activities	<u>(46,451)</u>	<u>(53,266)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	161,671	177,841
Repayments of lease liabilities	(10,572)	(10,993)
Proceeds from long-term borrowings	11,000	12,500
Repayments of long-term borrowings	(17,001)	(18,500)
Proceeds from issuance of bonds	10,000	9,000
Redemption of bonds	(30,000)	(20,000)
Dividends paid	(3,129)	(7,982)
Proceeds from fluidity of lease receivables	36,230	47,139
Repayment of payables under fluidity lease receivables	(23,293)	(32,302)
Dividends paid to non-controlling interests	(376)	(561)
Net decrease (increase) in treasury shares	(953)	0
Other	(3,817)	(4,579)
Net cash provided by (used in) financing activities	<u>129,757</u>	<u>151,561</u>
Effect of exchange rate changes on cash and cash equivalents	(1,177)	(5,690)
Net increase (decrease) in cash and cash equivalents	<u>(53,507)</u>	<u>(20,513)</u>
Cash and cash equivalents at beginning of period	122,166	108,511
Cash and cash equivalents at end of period	<u>68,658</u>	<u>87,998</u>

## (5) Notes Concerning Condensed Quarterly Consolidated Financial Statements

### Notes on the going-concern assumption

Not applicable

### Segment information

For nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

Millions of yen									
	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	204,907	89,152	201,779	179,531	309,546	53,769	1,038,686	-	1,038,686
Intersegment revenue and transfers*1	5,331	5	10,398	12,401	551	14,099	42,788	(42,788)	-
Total revenue	210,239	89,157	212,178	191,933	310,097	67,869	1,081,474	(42,788)	1,038,686
Business profit (loss) *3	(9,536)	2,985	(9,612)	11,746	30,127	4,529	30,240	(1,494)	28,746
Finance income									968
Finance costs									(4,942)
Profit before tax									24,771

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

2. Eliminations and corporate of negative ¥ 1,494 million include negative ¥ 377 million for intersegment transactions and negative ¥ 1,117 million for general and administrative expenses not attributed reportable segments.

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

For nine months ended December 31, 2022 (April 1, 2022– December 31, 2022)

Millions of yen									
	Aerospace Systems	Rolling Stock	Energy Solution & Marine Engineering	Precision Machinery & Robot	Powersports & Engine	Other	Total	Eliminations and corporate *2	Consolidated total
Revenue from external customers	238,600	92,359	212,353	179,189	413,788	60,039	1,196,330	-	1,196,330
Intersegment revenue and transfers*1	7,273	607	10,417	13,724	664	15,793	48,481	(48,481)	-
Total revenue	245,874	92,966	222,770	192,913	414,453	75,833	1,244,811	(48,481)	1,196,330
Business profit (loss) *3	13,710	793	9,387	7,443	53,728	3,317	88,380	(7,495)	80,885
Finance income									1,363
Finance costs									(10,120)
Profit before tax									72,127

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

2. Eliminations and corporate of negative ¥ 7,495 million include negative ¥ 244 million for intersegment transactions and negative ¥ 7,250 million for general and administrative expenses not attributed reportable segments.

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

### *First-time adoption of IFRS*

The Group disclosed its condensed quarterly consolidated financial statements in accordance with IFRS from the first quarter of the consolidated fiscal year. The most recent consolidated financial statements prepared in accordance with Japanese GAAP are those for the consolidated fiscal year ended March 31, 2022, and IFRS transition date is April 1, 2021.

#### 1. Mandatory exceptions and exemption provisions under IFRS 1

In principle, IFRS requires companies that adopt IFRS for the first time to apply the standards required by IFRS retrospectively. However, for some of the standards required under IFRS, IFRS 1 specifies standards for which the exemption is applied mandatorily and those for which the exemption is applied voluntarily.

Items that must apply mandatory exemptions are “estimates,” “derecognition of financial assets and financial liabilities,” “hedge accounting,” “non-controlling interests,” and “classification and measurement of financial instruments,” and they are prohibited retrospective application of IFRS. Except for “derecognition of financial assets and financial liabilities,” the Group applies the exemptions prospectively from the transition date. “Derecognition of financial assets and financial liabilities” is applied prospectively from the date selected by the Group.

Major exemptions adopted by the Group when transitioning from Japanese GAAP to IFRS are as follows.

##### (1) Business combinations

The Group elects not to apply IFRS 3, “Business combinations” retrospectively to the business combinations that occurred before the date of transition to IFRS.

##### (2) Leases

The Group determines whether a contract existing at the date of transition to IFRS includes leases based on the facts and circumstances existing as of that date, and the lease liability is the present value of the remaining lease payments discounted using the lessee’s incremental borrowing rate as of the transition date. In addition, the right-of-use asset is measured as of the transition date and is equal to the lease liability.

##### (3) Exchange differences on translation of foreign operations

The Group deems the cumulative translation differences of all foreign operations to be zero at the transition date of IFRS.

##### (4) Financial instruments

The designation in accordance with IFRS 9, “Financial Instruments” for financial instruments

recognized prior to the date of transition to IFRS is based on the facts and circumstances that existed at the date of transition to IFRS.

## 2. Reconciliations

In preparing the condensed quarterly consolidated financial statements based on IFRS, the Company reconcile equity, profit and loss, and comprehensive income which previously reported in the quarterly consolidated financial statements based on Japanese GAAP. The effects of this adjustment on the Group's financial condition, operating results and cash flows are as follows.

In the reconciliations below, "Reclassification" includes items that do not affect retained earnings and comprehensive income, while "Differences in recognition and measurement" include items that affect retained earnings and comprehensive income.

## (1) Reconciliations of equity

## (i) Transition date (As of April 1, 2021)

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
<b>Assets</b>						<b>Assets</b>
<b>Current assets</b>						<b>Current assets</b>
Cash and deposits	126,702	(4,536)	-	122,166	(a)	Cash and cash equivalents
Notes and accounts receivable - trade, and contract assets	429,673	(102,212)	27,600	355,061	(b),(c),(d),(j)	Trade and other receivables
Allowance for doubtful accounts	(3,589)	3,589	-	-	(c)	
	-	114,664	33,858	148,523	(d),(j)	Contract assets
Merchandise and finished goods	69,223	(69,223)	-	-	(e)	
Work in process	399,847	(399,847)	-	-	(e)	
Raw materials and supplies	138,215	(138,215)	-	-	(e)	
	-	607,285	(41,425)	565,860	(e),(k)	Inventories
	-	3,482	-	3,482		Income taxes receivable
	-	6,660	-	6,660	(a),(g)	Other financial assets
Other	43,314	(21,648)	1,443	23,110	(b),(g)	Other current assets
<b>Total current assets</b>	<b>1,203,387</b>	<b>-</b>	<b>21,477</b>	<b>1,224,865</b>		<b>Total current assets</b>
<b>Non-current assets</b>						<b>Non-current assets</b>
Property, plant and equipment	451,259	(10,564)	8,460	449,155	(k)	Property, plant and equipment
Intangible assets	22,427	(37)	40,120	62,510	(k)	Intangible assets
	-	10,602	44,902	55,504	(l)	Right-of-use assets
<b>Investments and other assets</b>						
Investment securities	12,721	(12,721)	-	-	(g)	
	-	73,464	-	73,464	(f)	Investments accounted for using equity method
Retirement benefit asset	155	(155)	-	-		
	-	58,057	11,856	69,913	(c),(g),(o)	Other financial assets
Deferred tax assets	81,587	-	24,843	106,430	(p)	Deferred tax assets
Other	165,967	(120,047)	2,916	48,835	(f),(g)	Other non-current assets
Allowance for doubtful accounts	(1,403)	1,403	-	-	(c)	
<b>Total non-current assets</b>	<b>732,715</b>	<b>-</b>	<b>133,099</b>	<b>865,814</b>		<b>Total non-current assets</b>
<b>Total assets</b>	<b>1,936,103</b>	<b>-</b>	<b>154,576</b>	<b>2,090,679</b>		<b>Total assets</b>

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
<b>Liabilities</b>						<b>Liabilities</b>
Current liabilities						Current liabilities
Notes and accounts payable - trade	247,294	170,776	-	418,070	(b)	Trade and other payables
Electronically recorded obligations - operating	107,849	(107,849)	-	-	(b)	
Short-term borrowings	141,579	(141,579)	-	-	(h)	
Current portion of bonds payable	30,000	(30,000)	-	-	(h)	
Lease liabilities	1,061	(1,061)	-	-	(h)	
	-	207,395	59,328	266,724	(g),(h),(j),(l)	Bonds, borrowings and other financial liabilities
Income taxes payable	4,753	-	-	4,753		Income taxes payable
Contract liabilities	159,476	-	-	159,476		Contract liabilities
Provision for bonuses	18,239	(18,239)	-	-	(i)	
Provision for construction warranties	12,550	(12,550)	-	-	(i)	
Provision for loss on construction contracts	14,367	(14,367)	-	-	(i)	
	-	26,918	-	26,918	(i)	Provisions
Other	192,849	(79,441)	2,836	116,244	(b),(g),(h),(i),(m)	Other current liabilities
<b>Total current liabilities</b>	<b>930,022</b>	<b>-</b>	<b>62,165</b>	<b>992,187</b>		<b>Total current liabilities</b>
Non-current liabilities						Non-current liabilities
Bonds payable	190,000	(190,000)	-	-	(h)	
Long-term borrowings	199,177	(199,177)	-	-	(h)	
Lease liabilities	9,532	(9,532)	-	-	(h)	
	-	421,831	56,170	478,002	(g),(h),(j),(l)	Bonds, borrowings and other financial liabilities
Retirement benefit liability	115,456	-	(238)	115,218	(n)	Retirement benefit liability
Provision for the in-service issues of commercial aircraft jet engines	5,984	(5,984)	-	-	(i)	
	-	7,082	-	7,082	(i)	Provisions
Deferred tax liabilities	1,125	-	(87)	1,038	(p)	Deferred tax liabilities
Other	41,668	(24,220)	57	17,504	(g),(n)	Other non-current liabilities
<b>Total non-current liabilities</b>	<b>562,944</b>	<b>-</b>	<b>55,902</b>	<b>618,847</b>		<b>Total non-current liabilities</b>
<b>Total liabilities</b>	<b>1,492,967</b>	<b>-</b>	<b>118,067</b>	<b>1,611,034</b>		<b>Total liabilities</b>
Net assets						Equity
Share capital	104,484	-	-	104,484		Share capital
Capital surplus	54,542	-	-	54,542		Capital surplus
Retained earnings	266,937	-	32,472	299,409	(r)	Retained earnings
Treasury shares	(136)	-	-	(136)		Treasury shares
Total accumulated other comprehensive income	(134)	-	3,980	3,846	(n),(o),(q)	Other components of equity
	425,693	-	36,453	462,146		Total equity attributable to owners of parent
Non-controlling interests	17,442	-	55	17,498		Non-controlling interests
<b>Total net assets</b>	<b>443,135</b>	<b>-</b>	<b>36,509</b>	<b>479,645</b>		<b>Total equity</b>
<b>Total liabilities and net assets</b>	<b>1,936,103</b>	<b>-</b>	<b>154,576</b>	<b>2,090,679</b>		<b>Total liabilities and equity</b>

## (ii) As of December 31, 2021

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
<b>Assets</b>						<b>Assets</b>
<b>Current assets</b>						<b>Current assets</b>
Cash and deposits	75,250	(6,591)	-	68,658	(a)	Cash and cash equivalents
Notes and accounts receivable - trade, and contract assets	447,438	(87,465)	20,343	380,316	(b),(c),(d),(j)	Trade and other receivables
Allowance for doubtful accounts	(3,680)	3,680	-	0	(c)	
	-	125,255	58,751	184,006	(d),(j)	Contract assets
Merchandise and finished goods	90,703	(90,703)	-	0	(e)	
Work in process	454,071	(454,071)	-	0	(e)	
Raw materials and supplies	151,917	(151,917)	-	0	(e)	
	-	696,692	(41,320)	655,372	(e),(k)	Inventories
	-	2,945	-	2,945		Income taxes receivable
	-	10,610	(0)	10,610	(a),(g)	Other financial assets
Other	118,694	(48,434)	1,452	71,712	(b),(g)	Other current assets
<b>Total current assets</b>	<b>1,334,395</b>	<b>-</b>	<b>39,226</b>	<b>1,373,622</b>		<b>Total current assets</b>
<b>Non-current assets</b>						<b>Non-current assets</b>
Property, plant and equipment	442,060	(10,927)	7,828	438,962	(k)	Property, plant and equipment
Intangible assets	22,095	12	39,691	61,799	(k)	Intangible assets
	-	10,915	47,299	58,214	(l)	Right-of-use assets
Investments and other assets	-	64,140	2	64,142	(f)	Investments accounted for using equity method
	-	56,759	12,328	69,088	(c),(g),(o)	Other financial assets
	-	82,677	25,199	107,877	(p)	Deferred tax assets
Other	248,444	(204,884)	2,938	46,498	(f),(g)	Other non-current assets
Allowance for doubtful accounts	(1,306)	1,306	-	-	(c)	
<b>Total non-current assets</b>	<b>711,293</b>	<b>-</b>	<b>135,289</b>	<b>846,583</b>		<b>Total non-current assets</b>
<b>Total assets</b>	<b>2,045,689</b>	<b>-</b>	<b>174,516</b>	<b>2,220,205</b>		<b>Total assets</b>

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
<b>Liabilities</b>						<b>Liabilities</b>
<b>Current liabilities</b>						<b>Current liabilities</b>
Notes and accounts payable - trade	206,830	152,641	-	359,471	(b)	Trade and other payables
Electronically recorded obligations - operating	109,694	(109,694)	-	-	(b)	
Short-term borrowings	178,077	(178,077)	-	-	(h)	
	-	362,564	88,709	451,273	(g),(h),(j),(l)	Bonds, borrowings and other financial liabilities
Income taxes payable	9,016	-	-	9,016		Income taxes payable
Contract liabilities	178,724	-	-	178,724		Contract liabilities
Provision for bonuses	9,563	(9,563)	-	-	(i)	
Provision for construction warranties	12,091	(12,091)	-	-	(i)	
Provision for loss on construction contracts	10,443	(10,443)	-	-	(i)	
	-	22,545	-	22,545	(i)	Provisions
Other	327,214	(217,880)	1,141	110,475	(b),(g),(h),(i),(m)	Other current liabilities
<b>Total current liabilities</b>	<b>1,041,656</b>	<b>-</b>	<b>89,851</b>	<b>1,131,507</b>		<b>Total current liabilities</b>
<b>Non-current liabilities</b>						<b>Non-current liabilities</b>
Bonds payable	180,000	(180,000)	-	-	(h)	
Long-term borrowings	191,749	(191,749)	-	-	(h)	
	-	403,232	44,499	447,731	(g),(h),(j),(l)	Bonds, borrowings and other financial liabilities
Retirement benefit liability	119,472	-	120	119,593	(n)	Retirement benefit liability
Provision for the in-service issues of commercial aircraft jet engines	3,132	(3,132)	-	-	(i)	
	-	4,202	-	4,202	(i)	Provisions
	-	1,307	(57)	1,250	(p)	Deferred tax liabilities
Other	52,160	(33,861)	62	18,362	(g),(n)	Other non-current liabilities
<b>Total non-current liabilities</b>	<b>546,514</b>	<b>-</b>	<b>44,625</b>	<b>591,139</b>		<b>Total non-current liabilities</b>
<b>Total liabilities</b>	<b>1,588,170</b>	<b>-</b>	<b>134,476</b>	<b>1,722,647</b>		<b>Total liabilities</b>
<b>Net assets</b>						<b>Equity</b>
Share capital	104,484	-	-	104,484		Share capital
Capital surplus	55,527	-	(0)	55,526		Capital surplus
Retained earnings	270,876	-	37,173	308,049	(r)	Retained earnings
Treasury shares	(1,127)	-	-	(1,127)		Treasury shares
Total accumulated other comprehensive income	8,911	-	2,824	11,735	(n),(o),(q)	Other components of equity
	438,671	-	39,996	478,668		Total equity attributable to owners of parent
Non-controlling interests	18,846	-	42	18,889		Non-controlling interests
<b>Total net assets</b>	<b>457,518</b>	<b>-</b>	<b>40,039</b>	<b>497,558</b>		<b>Total equity</b>
<b>Total liabilities and net assets</b>	<b>2,045,689</b>	<b>-</b>	<b>174,516</b>	<b>2,220,205</b>		<b>Total liabilities and equity</b>



(iii) As of March 31, 2022

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
<b>Assets</b>						<b>Assets</b>
<b>Current assets</b>						<b>Current assets</b>
Cash and deposits	114,469	(5,957)	-	108,511	(a)	Cash and cash equivalents
Notes and accounts receivable - trade, and contract assets	418,625	(39,268)	29,890	409,246	(b),(c),(d),(j)	Trade and other receivables
Allowance for doubtful accounts	(3,908)	3,908	-	-	(c)	
	-	74,130	35,002	109,132	(d),(j)	Contract assets
Merchandise and finished goods	78,616	(78,616)	-	-	(e)	
Work in process	419,954	(419,954)	-	-	(e)	
Raw materials and supplies	160,113	(160,113)	-	-	(e)	
	-	658,684	(43,208)	615,476	(e),(k)	Inventories
	-	3,046	-	3,046		Income taxes receivable
	-	10,606	-	10,606	(a),(g)	Other financial assets
Other	109,911	(46,465)	739	64,184	(b),(g)	Other current assets
<b>Total current assets</b>	<b>1,297,781</b>	<b>-</b>	<b>22,423</b>	<b>1,320,204</b>		<b>Total current assets</b>
<b>Non-current assets</b>						<b>Non-current assets</b>
Property, plant and equipment	444,262	(10,815)	10,928	444,375	(k)	Property, plant and equipment
Intangible assets	23,413	(112)	38,638	61,940	(k)	Intangible assets
	-	10,927	47,597	58,524	(l)	Right-of-use assets
<b>Investments and other assets</b>						
Investment securities	14,539	(14,539)	-	-	(g)	
	-	70,436	2	70,438	(f)	Investments accounted for using equity method
Retirement benefit asset	200	(200)	-	-		
	-	57,858	12,894	70,752	(c),(g),(o)	Other financial assets
Deferred tax assets	86,249	-	15,959	102,209	(p)	Deferred tax assets
Other	157,668	(114,921)	3,437	46,183	(f),(g)	Other non-current assets
Allowance for doubtful accounts	(1,366)	1,366	-	-	(c)	
<b>Total non-current assets</b>	<b>724,967</b>	<b>-</b>	<b>129,458</b>	<b>854,425</b>		<b>Total non-current assets</b>
<b>Total assets</b>	<b>2,022,748</b>	<b>-</b>	<b>151,881</b>	<b>2,174,630</b>		<b>Total assets</b>

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
<b>Liabilities</b>						<b>Liabilities</b>
Current liabilities						Current liabilities
Notes and accounts payable - trade	239,976	159,935	(19)	399,892	(b)	Trade and other payables
Electronically recorded obligations - operating	104,336	(104,336)	-	-	(b)	
Short-term borrowings	96,108	(96,108)	-	-	(h)	
Current portion of bonds payable	20,000	(20,000)	-	-	(h)	
Lease liabilities	1,175	(1,175)	-	-	(h)	
	-	141,069	67,704	208,773	(g),(h),(j),(l)	Bonds, borrowings and other financial liabilities
Income taxes payable	8,506	-	-	8,506		Income taxes payable
Contract liabilities	256,189	-	-	256,189		Contract liabilities
Provision for bonuses	23,938	(23,938)	-	-	(i)	
Provision for construction warranties	14,797	(14,797)	-	-	(i)	
Provision for loss on construction contracts	9,602	(9,602)	-	-	(i)	
	-	24,409	-	24,409	(i)	Provisions
Other					(b),(g),(h),(i),(m)	Other current liabilities
	212,696	(55,455)	4,709	161,951		
<b>Total current liabilities</b>	<b>987,328</b>	<b>-</b>	<b>72,394</b>	<b>1,059,723</b>		<b>Total current liabilities</b>
Non-current liabilities						Non-current liabilities
Bonds payable	180,000	(180,000)	-	-	(h)	
Long-term borrowings	194,297	(194,297)	-	-	(h)	
Lease liabilities	9,899	(9,899)	-	-	(h)	
	-	404,821	53,247	458,068	(g),(h),(j),(l)	Bonds, borrowings and other financial liabilities
Retirement benefit liability	106,803	-	220	107,024	(n)	Retirement benefit liability
Provision for the in-service issues of commercial aircraft jet engines	3,054	(3,054)	-	-	(i)	
	-	4,112	24	4,136	(i)	Provisions
Deferred tax liabilities	1,593	-	(210)	1,382	(p)	Deferred tax liabilities
Other	41,249	(21,683)	(162)	19,403	(g),(n)	Other non-current liabilities
<b>Total non-current liabilities</b>	<b>536,896</b>	<b>-</b>	<b>53,117</b>	<b>590,014</b>		<b>Total non-current liabilities</b>
<b>Total liabilities</b>	<b>1,524,225</b>	<b>-</b>	<b>125,512</b>	<b>1,649,738</b>		<b>Total liabilities</b>
<b>Net assets</b>						<b>Equity</b>
Share capital	104,484	-	-	104,484		Share capital
Capital surplus	55,526	-	(0)	55,525		Capital surplus
Retained earnings	285,381	-	35,290	320,671	(r)	Retained earnings
Treasury shares	(1,129)	-	-	(1,129)		Treasury shares
Total accumulated other comprehensive income	34,917	-	(8,986)	25,931	(n),(o),(q)	Other components of equity
	479,180	-	26,303	505,484		Total equity attributable to owners of parent
Non-controlling interests	19,342	-	65	19,407		Non-controlling interests
<b>Total net assets</b>	<b>498,522</b>	<b>-</b>	<b>26,369</b>	<b>524,891</b>		<b>Total equity</b>
<b>Total liabilities and net assets</b>	<b>2,022,748</b>	<b>-</b>	<b>151,881</b>	<b>2,174,630</b>		<b>Total liabilities and equity</b>

(iv) Notes on reconciliation of equity

(Reclassification)

(a) Reclassification of cash and deposits

Time deposits with maturities of more than three months, which were included in “Cash and deposits” under Japanese GAAP, are reclassified to “Other financial assets” of current assets under IFRS.

(b) Reclassification of account receivables, electronically recorded obligations-operating, and account payable

Account receivables which were included in “Other” of current assets under Japanese GAAP, are reclassified to “Trade and other receivables” under IFRS. In addition, “Electronically recorded obligations-operating,” which were presented separately, and account payable which was included in “Other” of current liabilities under Japanese GAAP, are reclassified to “Trade and other payables” under IFRS.

(c) Reclassification of allowance for doubtful accounts

“Allowance for doubtful accounts,” which was presented separately in current assets under Japanese GAAP, is reclassified to directly deducting the item from “Trade and other receivables” etc. under IFRS. In addition, “Allowance for doubtful accounts” which was presented separately in non-current assets under Japanese GAAP, is reclassified to directly deducting the item from “Other financial assets” of non-current assets.

(d) Reclassification of contract assets

“Contract assets,” which were included in “Notes and accounts receivable - trade, and contract assets” under Japanese GAAP, are presented separately under IFRS.

(e) Reclassification of inventories

“Merchandise and finished goods,” “Work in process,” and “Raw materials and supplies,” which were presented separately under Japanese GAAP, are reclassified to “Inventories” under IFRS.

(f) Reclassification of investments accounted for using equity method

“Investments accounted for using equity method,” which were included in “Other” of investments and other assets under Japanese GAAP, are presented separately under IFRS.

(g) Reclassification of other financial assets and other financial liabilities

Derivative assets, etc. which were included in “Other” of current assets under Japanese GAAP, are reclassified to “Other financial assets” of current assets under IFRS. In addition, “Investment securities,” which were presented separately under Japanese GAAP, and long-term accounts receivable,

etc. which were included in “Other” of investments and other assets under Japanese GAAP, are reclassified to “Other financial assets” of non-current assets under IFRS.

Derivative liabilities, which were included in “Other” of current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of current liabilities under IFRS. In addition, long-term accounts payable, etc. which were included in “Other” of non-current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of non-current liabilities under IFRS.

(h) Reclassification of bonds payable, commercial paper, borrowings, and lease liabilities

“Short-term borrowings,” “Current portion of bonds payable,” and “Lease liabilities,” which were presented separately in current liabilities under Japanese GAAP, and commercial paper which was included in “Other” of current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of current liabilities under IFRS. In addition, “Bonds payable,” “Long-term borrowings,” and “Lease liabilities,” which were presented separately in non-current liabilities under Japanese GAAP, are reclassified to “Bonds, borrowings and other financial liabilities” of non-current assets under IFRS.

(i) Reclassification of provisions

“Provision for construction warranties,” and “Provision for loss on construction contracts,” which were presented separately under Japanese GAAP, are reclassified to “Provisions” of current liabilities under IFRS. In addition, “Provision for the in-service issues of commercial aircraft jet engines,” which was presented separately under Japanese GAAP, is reclassified to “Provisions” of non-current liabilities under IFRS.

“Provision for bonuses,” which was presented separately under Japanese GAAP, is reclassified to “Other current liabilities” under IFRS.

(Differences in recognition and measurement)

(j) Adjustments to receivables securitization transaction

Certain trade receivables that were derecognized regarding receivables securitization transaction under Japanese GAAP, are recognized as “Contract assets” instead of being derecognized because they do not meet the derecognition criteria under IFRS. In addition, payables associated with receivables securitization are recognized as “Bonds, borrowings and other financial liabilities” under current and non-current liabilities.

(k) Adjustments to property, plant and equipment, and intangible assets

Under Japanese GAAP, development expenses were treated as research and development expenses and expensed as “Selling, general and administrative expenses” when incurred as well as a portion of

costs related to mass production of new products and models, etc. was recorded as “Work in process.” Under IFRS, development expenses that meet the criteria for capitalization are recorded as “Intangible assets.” In addition, certain expenses that were expensed as “Selling, general and administrative expenses” when incurred development expenses under Japanese GAAP are recorded as “Property, plant and equipment” as they have the criteria for capitalization under IFRS. Furthermore, since IFRS does not allow depreciation for asset acquisitions other than government subsidies, and records processed using the direct depreciation method under Japanese GAAP have been canceled.

(l) Adjustments to right-of-use assets and lease liabilities

Under Japanese GAAP, except for finance lease transactions, lease payments are expensed at the time they incurred. Under IFRS, the present value is measured based on the future lease payments at the lease commencement date and recorded as “Right-of-use assets” and “Lease liabilities.” “Lease liabilities” are included in “Bonds, borrowings and other financial liabilities” under current and non-current liabilities.

(m) Adjustments to levies

Under Japanese GAAP, expenses were recognized for items qualified as levies such as property taxes, over the fiscal year. On the other hand, under IFRS, they are expensed at the time the tax assessment is determined and recognized as “Other current liabilities” under current liabilities.

(n) Adjustments to employee benefit

With respect to retirement benefit liability, under Japanese GAAP, actuarial gains and losses and prior service costs were recognized in other comprehensive income as incurred, and for the amount prorated over a certain number of years within the average remaining service period of employees at the incurrence, actuarial gains and losses were expensed from the following fiscal year of the incurrence while prior service costs were expensed from the fiscal year in which they incurred. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately reclassified to “Retained earnings.” Prior service costs are recognized in profit or loss as incurred.

In addition, special holidays, etc. granted subject to a certain number of years of service, which were not accounted for under Japanese GAAP, are recorded as “Other non-current liabilities” under IFRS.

(o) Adjustments to equity financial instruments

Under Japanese GAAP, unlisted shares and investments with no market value were measured using the cost method, however, they are measured at fair value under IFRS. In addition, for equity financial assets, gains or losses on sales and impairment losses were recognized as profit or loss under Japanese GAAP, however, under IFRS, the changes in fair value are recognized as other comprehensive income

when subsequent changes in fair value are designated to be presented in other comprehensive income.

(p) Adjustment to tax effects

Regarding the adoption of IFRS, “Deferred tax assets” and “Deferred tax liabilities” have increased or decreased due to the reconsideration of the recoverability of all deferred tax assets. In addition, under Japanese GAAP, tax effects arising from the elimination of unrealized profits and losses are calculated using the effective tax rate of the seller, however, under IFRS, these are calculated using the effective tax rate of the buyer.

(q) Reclassification of exchange differences on translation of foreign operations

At a first-time adoption, the Group has opted to apply the exemption provided in IFRS 1 and transferred the entire balance of cumulative exchange differences of foreign operations to “Retained earnings” at the transition date.

(r) Retained earnings

The impact of the above adjustments on retained earnings is as follows. (loss)

Consolidated Financial Position	Millions of yen		
	IFRS transition date (As of April 1, 2021)	As of December 31, 2021	As of March 31, 2022
(k) Adjustments to property, plant and equipment, and intangible assets	6,785	6,189	6,646
(l) Adjustments to right-of-use assets and lease liabilities	-	(265)	(132)
(m) Adjustments to levies	(3,402)	(844)	(3,395)
(n) Adjustments to employee benefit	(2,240)	(2,253)	8,563
(o) Adjustments to equity financial instruments	5,094	5,069	5,116
(p) Adjustment to tax effects	28,940	31,607	22,262
(q) Reclassification of exchange differences on translation of foreign operations	(931)	(931)	(931)
Other	(1,772)	(1,397)	(2,840)
Adjustments on retained earnings	32,472	37,173	35,290

## (2) Reconciliations of profit or loss and comprehensive income

(i) For nine months ended December 31, 2021 (April 1, 2021 – December 31, 2021)

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Net sales	1,038,731	(44)	-	1,038,686		Revenue
Cost of sales	851,679	-	(2,456)	849,222	(a),(c)	Cost of sales
Gross profit	187,052	(44)	2,456	189,464		Gross profit
Selling, general and administrative expenses	148,031	-	351	148,382	(c)	Selling, general and administrative expenses
	-	(15,181)	2	(15,179)	(a)	Share of profit (loss) of investments accounted for using equity method
	-	5,352	330	5,682	(a)	Other income
	-	4,411	(1,571)	2,839	(a)	Other expenses
Operating profit	39,020	(14,284)	4,010	28,746		Business profit
Non-operating income	5,666	(5,666)	-	-	(a)	
Non-operating expenses	23,383	(23,383)	-	-	(a)	
Extraordinary income	1,633	(1,633)	-	-	(a)	
Extraordinary losses	295	(295)	-	-	(a)	
	-	1,948	(980)	968	(a),(d)	Finance income
	-	4,042	900	4,942	(a),(d)	Finance costs
Profit before income taxes	22,642	-	2,128	24,771		Profit before tax
Income taxes	13,590	-	(1,797)	11,793	(b),(e)	Income tax expense
Profit	9,051	-	3,926	12,977		Profit
Other comprehensive income						Other comprehensive income
Net unrealized losses on securities	(437)	-	1,097	660	(d)	Items that will not be reclassified to profit or loss : Financial assets measured at fair value through other comprehensive income
Remeasurement of defined benefit plans	191	-	(212)	(21)	(c)	Remeasurements of defined benefit plans
	-	(1)	-	(1)		Share of other comprehensive income of investments accounted for using equity method
Deferred losses on hedges	(429)	-	199	(230)		Items that may be reclassified to profit or loss : Cash flow hedges
Foreign currency translation adjustment	5,382	-	(1,343)	4,038		Exchange differences on translation of foreign operations
Share of other comprehensive income of associates accounted for using equity method	4,578	1	-	4,579		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	9,285	-	(259)	9,025		Total other comprehensive income
Comprehensive Income	18,336	-	3,666	22,003		Comprehensive income

## (ii) For three months ended December 31, 2021 (October 1, 2021 – December 31, 2021)

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Net sales	357,648	-	-	357,648		Revenue
Cost of sales	287,096	-	(975)	286,121	(a),(c)	Cost of sales
Gross profit	70,552	-	975	71,527		Gross profit
Selling, general and administrative expenses	51,937	-	550	52,487	(c)	Selling, general and administrative expenses
	-	(8,157)	(0)	(8,157)	(a)	Share of profit (loss) of investments accounted for using equity method
	-	156	(63)	92	(a)	Other income
	-	656	(787)	(131)	(a)	Other expenses
Operating profit	18,614	(8,657)	1,148	11,106		Business profit
Non-operating income	1,120	(1,120)	-	-	(a)	
Non-operating expenses	9,517	(9,517)	-	-	(a)	
Extraordinary income	-	-	-	-	(a)	
Extraordinary losses	72	(72)	-	-	(a)	
	-	1,071	(844)	226	(a),(d)	Finance income
	-	883	452	1,335	(a),(d)	Finance costs
Profit before income taxes	10,145	-	(148)	9,997		Profit before tax
Income taxes	6,656	-	(1,395)	5,260	(b),(e)	Income tax expense
Profit	3,489	-	1,247	4,736		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss:
Net unrealized gains on securities	(244)	-	115	(128)	(d)	Financial assets measured at fair value through other comprehensive income
Remeasurement of defined benefit plans	(22)	-	26	4	(c)	Remeasurements of defined benefit plans
	-	(0)	-	(0)		Share of other comprehensive income of investments accounted for using equity method
						Items that may be reclassified to profit or loss:
Deferred gains on hedges	(90)	-	44	(46)		Cash flow hedges
Foreign currency translation adjustment	3,271	-	(591)	2,680		Exchange differences on translation of foreign operations
Share of other comprehensive income of associates accounted for using equity method	2,329	0	-	2,329		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	5,243	-	(405)	4,838		Total other comprehensive income
Comprehensive Income	8,733	-	842	9,575		Comprehensive income



## (iii) For consolidated fiscal year ended March 31,2022 (April 1, 2021 – March 31, 2022)

Millions of yen

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRS	Notes	Line items under IFRS
Net sales	1,500,879	-	-	1,500,879		Revenue
Cost of sales	1,244,300	-	3,314	1,247,615	(a),(c)	Cost of sales
Gross profit	256,578	-	(3,314)	253,263		Gross profit
Selling, general and administrative expenses	210,772	123	239	211,134	(c)	Selling, general and administrative expenses
	-	(14,289)	(120)	(14,410)	(a)	Share of profit (loss) of investments accounted for using equity method
	-	6,292	503	6,795	(a)	Other income
	-	7,245	(3,098)	4,147	(a)	Other expenses
Operating profit	45,805	(15,366)	(72)	30,366		Business profit
Non-operating income	9,342	(9,342)	-	-	(a)	
Non-operating expenses	25,213	(25,213)	-	-	(a)	
Extraordinary income	1,633	(1,633)	-	-	(a)	
Extraordinary losses	715	(715)	-	-	(a)	
	-	4,684	(2,128)	2,556	(a),(d)	Finance income
	-	4,270	981	5,251	(a),(d)	Finance costs
Profit before income taxes	30,853	-	(3,182)	27,670		Profit before tax
Income taxes	6,867	-	5,966	12,834	(b),(e)	Income tax expense
Profit	23,985	-	(9,149)	14,836		Profit
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss:
Net unrealized losses on securities	(524)	-	2,874	2,350	(d)	Financial assets measured at fair value through other comprehensive income
Remeasurement of defined benefit plans	11,130	-	(848)	10,281	(c)	Remeasurements of defined benefit plans
	-	(1)	-	(1)		Share of other comprehensive income of investments accounted for using equity method
						Items that may be reclassified to profit or loss:
Deferred losses on hedges	(337)	-	211	(125)		Cash flow hedges
Foreign currency translation adjustment	16,407	-	(2,727)	13,680		Exchange differences on translation of foreign operations
Share of other comprehensive income of associates accounted for using equity method	9,218	1	-	9,220		Share of other comprehensive income of investments accounted for using equity method
Total other comprehensive income	35,895	-	(489)	35,405		Total other comprehensive income
Comprehensive Income	59,880	-	(9,639)	50,241		Comprehensive income

(iv) Notes on reconciliation of profit and loss and comprehensive income

(Reclassification)

(a) Reclassification of presentation items

For items presented as “Non-operating income,” “Non-operating expenses,” “Extraordinary income” and “Extraordinary losses” under Japanese GAAP, finance-related profits or losses are recorded as “Finance income” and “Finance costs”, and other items are presented as “Cost of sales,” “Other income,” “Other expenses,” and “Share of profit (loss) of investments accounted for using equity method,” under IFRS.

(b) Income tax expense

“Income taxes - current” and “Income taxes - deferred,” which were separately presented under Japanese GAAP, are presented in total as “Income tax expense” under IFRS.

(Differences in recognition and measurement)

(c) Adjustment to employee benefit

Under Japanese GAAP, actuarial gains and losses and prior service costs were recognized in other comprehensive income as incurred, and for the amount prorated over a certain number of years within the average remaining service period of employees at the incurrence, actuarial gains and losses were expensed from the following fiscal year of the incurrence while prior service costs were expensed from the fiscal year in which they incurred. Under IFRS, actuarial gains and losses are recognized in other comprehensive income as incurred and immediately reclassified to “Retained earnings.” Prior service costs are recognized in profit or loss as incurred.

(d) Adjustments to equity financial instruments

Under Japanese GAAP, unlisted shares and investments with no market value were measured using the cost method, however, they are measured at fair value under IFRS. In addition, for equity financial assets, gains or losses on sales and impairment losses were recognized as profit or loss under Japanese GAAP, however, under IFRS, the changes in fair value are recognized as other comprehensive income when subsequent changes in fair value are designated to be presented in other comprehensive income.

(e) Adjustment to tax effects

Regarding the adoption of IFRS, “Deferred tax assets” and “Deferred tax liabilities” have increased or decreased due to the occurrence of temporary differences and the reconsideration of the recoverability of all deferred tax assets. In addition, under Japanese GAAP, tax effects arising from the elimination of unrealized profits and losses are calculated using the effective tax rate of the seller, however, under IFRS, these are calculated using the effective tax rate of the buyer.

### (3) Adjustment to Cash Flow

Major differences between the consolidated cash flows statement based on Japanese GAAP and the consolidated cash flows statement based on IFRS are as follows.

- Receivables securitization transactions that do not meet the criteria for derecognition of financial assets under IFRS have been changed the classification from cash flows from operating activities to cash flows from financing activities.
- With the application of IFRS 16, lease payments under operating leases have been changed the classification from cash flows from operating activities to cash flows from financing activities as “Repayments of lease liabilities.”
- Expenditures of development expenses that meet the criteria for capitalization under IFRS have been changed the classification from cash flows from operating activities to cash flows from investing activities.

### 3. Supplementary information

#### (1) Supplementary information on consolidated earnings forecasts for the fiscal year ending March 31, 2023

##### (i) Revenue and business profit (loss)

Billions of yen

Reportable segment	Forecast for the year ending March 31, 2023 (fiscal 2022)						Year ended March 31, 2022 (Fiscal 2021) (Actual)	
	Revised forecast (A)		Forecast issued November 10, 2022 (B)		Change (A – B)		Revenue	Business profit (loss)
	Revenue	Business profit (loss)	Revenue	Business profit (loss)	Revenue	Business profit (loss)		
Aerospace Systems	360.0	12.5	360.0	10.5	-	2.0	298.2	(10.3)
Rolling Stock	140.0	1.0	140.0	1.0	-	-	126.6	2.2
Energy Solution & Marine Engineering	320.0	5.5	320.0	5.5	-	-	297.3	(10.8)
Precision Machinery & Robot	250.0	10.0	260.0	16.0	(10.0)	(6.0)	252.6	13.9
Powersports & Engine	590.0	68.0	550.0	56.0	40.0	12.0	447.9	37.5
Other	90.0	3.0	90.0	4.0	-	(1.0)	78.0	3.1
Adjustments		(14.0)		(17.0)		3.0		(5.2)
Total	1,750.0	86.0	1,720.0	76.0	30.0	10.0	1,500.8	30.3

##### (ii) Orders received

Billions of yen

Reportable segment	Forecast for the year ending March 31, 2023 (fiscal 2022)			Year ended March 31, 2022 (Fiscal 2021) (Actual)
	Revised forecast (A)	Forecast issued November 10, 2022 (B)	Change (A – B)	
Aerospace Systems	300.0	300.0	-	383.3
Rolling Stock	300.0	300.0	-	71.5
Energy Solution & Marine Engineering	410.0	390.0	20.0	343.5
Precision Machinery & Robot	260.0	270.0	(10.0)	271.8
Powersports & Engine	590.0	550.0	40.0	447.9
Other	90.0	90.0	-	84.0
Total	1,950.0	1,900.0	50.0	1,602.1

Note: 1. Assumed exchange rate for the fiscal year ending March 2023: ¥130/USD, ¥135/EUR

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