

**Report of Earnings and Financial Statements for the
Three Months Ended June 30, 2020 (Consolidated)**
(Prepared pursuant to Japanese GAAP)

August 6, 2020

Listed company's name: **Kawasaki Heavy Industries, Ltd.**
 Listed on: 1st sections of the TSE, and NSE
 Stock code: 7012
 URL: <https://www.khi.co.jp/>
 Representative: Yasuhiko Hashimoto, President
 Contact: Tatsuo Hoshino, Senior Manager, Accounting Department
 Tel: +81 3-3435-2130

Scheduled dates:

Submission of quarterly securities filing: August 6, 2020

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 million yen)

**1. Consolidated Financial Results for the Three Months ended June 30, 2020
(April 1, 2020 – June 30, 2020)**

(1) Operating Results

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

	Net sales		Operating income		Recurring profit		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three Months Ended June 30, 2020	300,602	(14.3)	(20,661)	-	(18,931)	-	(11,771)	-
Three Months Ended June 30, 2019	350,778	2.0	1,088	(84.7)	(4,391)	-	(8,249)	-

Note: Comprehensive income Three months ended June 30, 2020: ¥(13,593) million -%
 Three months ended June 30, 2019: ¥(6,232) million -%

	Earnings per share	Earnings per share – diluted
	yen	yen
Three Months Ended June 30, 2020	(70.47)	-
Three Months Ended June 30, 2019	(49.38)	-

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
June 30, 2020	2,013,273	457,557	22.0
March 31, 2020	1,957,845	471,562	23.3

For reference: Shareholders' equity June 30, 2020: ¥ 442,169 million
 March 31, 2020: ¥ 455,627 million

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, 2020	-	35.00	-	0.00	35.00
Year ending March 31, 2021	-				
Year ending March 31, 2021 (forecast)		0.00	-	-	-

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

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 Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

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

	Net sales		Operating income	
	million yen	%	million yen	%
Full year	1,460,000	(11.0)	(30,000)	-

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

Notes

- 1) Changes affecting the status of material subsidiaries (scope of consolidation): None
- 2) Accounting procedures specific to preparation of quarterly consolidated financial statements: Yes
*For further details, see “2.Consolidated Financial Statements (3)Notes on financial statements” on page 14 in the Accompanying Materials.
- 3) Changes in accounting policies, changes in accounting estimates, and correction of errors
 - (1) Changes in accounting policies in accord with revisions to accounting standards: None
 - (2) Changes in accounting policies other than (1): None
 - (3) Changes in accounting estimates: None
 - (4) Correction of errors: None
- 4) Number of shares issued and outstanding (common stock)
 - (1) Number of shares issued as of period-end (including treasury stock)

June 30, 2020:	167,080,532 shares
March 31, 2020:	167,080,532 shares
 - (2) Number of shares held in treasury as of period-end

June 30, 2020:	36,782 shares
March 31, 2020:	36,587 shares
 - (3) Average number of shares during respective periods

June 30, 2020:	167,043,805 shares
June 30, 2019:	167,045,137 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 and Financial Statements (3) Consolidated earnings outlook” on page 10 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 by conference call on Thursday August 6, 2020, 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.

Accompanying Materials – Contents

1. Qualitative Information and Financial Statements	5
(1) Consolidated operating results	5
(2) Consolidated financial condition	10
(3) Consolidated earnings outlook	10
2. Consolidated Financial Statements	11
(1) Consolidated balance sheets	11
(2) Consolidated statements of income and comprehensive income	13
(3) Notes on financial statements	14
(Notes on the going-concern assumption)	14
(Notes on significant changes in the amount of shareholders' equity)	14
(Accounting procedures specific to preparation of quarterly consolidated financial statements)	14
(Related to consolidated statements of income)	14
(Related to consolidated balance sheets)	14
(Segment information)	15
3. Supplementary Information	16
(1) Consolidated cash flow statements (condensed)	16
(2) Supplementary information on consolidated earnings forecasts for the fiscal year ending March 31, 2021	17

1. Qualitative Information about Financial Statements

(1) Consolidated operating results

In the global economy, the worldwide spread of the novel coronavirus has had a significant adverse impact on the real economy. This has included a decline in demand for the transportation of people and goods, and major stagnation in corporate activities on a global level due to factors such as supply chain disruptions. Economic activity has resumed in some countries and regions, but the outlook remains unpredictable.

Meanwhile, relations between the U.S. and China have further deteriorated, and there are concerns about the risk of a separation of the economies of both countries. In light of this, future developments in U.S.-China relations will continue to require close monitoring.

Amid such an operating environment, the Group's orders received in the first three months of the fiscal year ending March 31, 2020, decreased versus the previous fiscal year, mainly in the Aerospace Systems segment, and the Energy System & Plant Engineering. Net sales decreased overall, due to decreases in the Aerospace Systems and the Motorcycle & Engine segment and other segments, despite increases in the Rolling Stock segment and other segments. Both operating income and recurring profit declined due to a deterioration in the Aerospace Systems segment and other segments, despite an improvement in the Rolling Stock segment. Net income attributable to owners of parent decreased due to a decline in recurring profit, despite gains on sales of fixed assets being recorded under extraordinary income and a decrease in tax expenses.

As a result, the Group's consolidated orders received decreased ¥79.9 billion versus the same period of the previous fiscal year to ¥248.2 billion, consolidated net sales decreased ¥50.1 billion year on year to ¥300.6 billion, operating loss deteriorated ¥21.7 billion year on year to ¥20.6 billion, recurring loss deteriorated ¥14.5 billion year on year to ¥18.9 billion, and net loss attributable to owners of parent deteriorated ¥3.5 billion year on year to ¥11.7 billion.

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

Segment Information

Segment net sales, operating income, and orders received (billion yen)

	Three months ended June 30						Orders received		
	2019(A)		2020(B)		Change (B – A)		Three months ended June 30		
	Net sales	Operating income	Net sales	Operating income	Net Sales	Operating income	2019 (A)	2020 (B)	Change (B – A)
Aerospace Systems	122.1	4.8	74.6	(17.5)	(47.5)	(22.3)	69.7	45.4	(24.3)
Energy System & Plant Engineering	45.0	0.8	50.0	1.5	5.0	0.7	69.8	46.2	(23.6)
Precision Machinery & Robot	48.3	1.7	45.4	1.3	(2.9)	(0.4)	52.9	50.7	(2.1)
Ship & Offshore Structure	22.8	(0.3)	22.1	(0.4)	(0.7)	0.0	21.5	9.9	(11.6)
Rolling Stock	20.4	(3.5)	32.3	(1.4)	11.9	2.0	16.0	18.7	2.7
Motorcycle & Engine	68.3	(2.8)	58.9	(5.9)	(9.3)	(3.0)	68.3	58.9	(9.3)
Other	23.5	0.4	16.9	(0.1)	(6.5)	(0.6)	29.7	18.0	(11.6)
Adjustments	—	(0.0)	—	1.9	—	1.9	—	—	—
Total	350.7	1.0	300.6	(20.6)	(50.1)	(21.7)	328.2	248.2	(79.9)

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

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

Aerospace Systems

Regarding the business environment surrounding the Aerospace Systems segment, there is a certain level of demand from the Ministry of Defense in Japan amid the tight defense budget. With respect to commercial aircraft, global passenger demand has been sluggish due to the novel coronavirus pandemic, and demand for commercial aircraft airframes and jet engines has declined.

Amid such an operating environment, consolidated orders received decreased ¥24.3 billion year on year to ¥45.4 billion due to decreases in component parts of airframes and jet engines for commercial aircraft.

Consolidated net sales decreased ¥47.5 billion year on year to ¥74.6 billion due to decreases in component parts of airframes for Ministry of Defense and commercial aircraft, and component parts of commercial aircraft jet engines.

Operating loss deteriorated ¥22.3 billion year on year to ¥17.5 billion due to a decrease in sales.

Energy System & Plant Engineering

Regarding the business environment surrounding the Energy System & Plant Engineering segment, in Japan, there is ongoing demand for replacing aging facilities for refuse incineration plants, while over the medium to long term, demand for distributed power sources in Japan and overseas, and for energy infrastructure development in emerging markets remains firmly-rooted. Meanwhile, the uncertain situation continues, as stagnation in economic activity and instability in resource prices due to the novel coronavirus pandemic has resulted in developments such as customers revising their short-term capital investment decisions

Amid such an operating environment, consolidated orders received declined ¥23.6 billion year on year to ¥46.2 billion, as in the same quarter of the previous year orders for major repair work on domestic waste incineration plants were received, along with other orders.

Consolidated net sales increased ¥5.0 billion year on year to ¥50.0 billion, mainly due to an increase in projects for public offices such as domestic waste disposal facilities.

Operating income increased ¥0.7 billion year on year to ¥1.5 billion due to an increase in revenue, despite losses on operations due to the impact of the novel coronavirus pandemic.

Precision Machinery & Robot

Regarding the business environment surrounding the Precision Machinery & Robot segment, in the construction machinery market, demand throughout the world was extremely sluggish due to the impact of the novel coronavirus pandemic. The impacts of the pandemic remain unclear even now, but the construction machinery market in China is quickly recovering, and the Company will closely monitor future developments. In the robot market, sales of general purpose robots have been strong in the Chinese market where the recovery was quick, despite delays in some projects to future periods due to the impact of the novel coronavirus pandemic. With respect to robots for the semiconductor market, despite concerns about delays in deliveries from client suppliers, demand is expected to steadily expand over the medium to long term due to the resumption of investment by major semiconductor manufacturers.

Amid such an operating environment, consolidated orders received decreased ¥2.1 billion year on year to ¥50.7 billion, due to a decrease in hydraulic components for the construction machinery market although an increase in robots for the semiconductor market.

Consolidated net sales decreased ¥2.9 billion year on year to ¥45.4 billion, due to a decrease in hydraulic components for the construction machinery market although an increase in robots for the semiconductor market.

Operating income decreased ¥0.4 billion year on year to ¥1.3 billion, due to the drop in sales.

Ship & Offshore Structure

Regarding the business environment surrounding the Ship & Offshore Structure segment, despite the emergence of demand for gas-fueled vessels in conjunction with tighter environmental regulations and LNG development projects taking shape, the situation remains challenging due to the prolonged slump in the marine transport market, stagnation in business talks due to the novel coronavirus pandemic, and other factors.

Amid such an operating environment, consolidated orders received decreased by ¥11.6 billion to ¥9.9 billion from the previous fiscal year when we received order for the LPG carrier.

Consolidated net sales decreased ¥0.7 billion year on year to ¥22.1 billion, due to a decrease in sales of vessel repair although an increase in volume of construction of LPG carrier and submarine.

Operating loss of ¥0.4 billion was on par with the previous year's result.

Rolling Stock

Regarding the business environment surrounding the Rolling Stock segment, there continues to be demand in Japan for the replacement of aging railcars in the medium and long term. Overseas, demand for new and replacement railcars is expected to increase in the U.S., including in the core New York area market. Meanwhile, in Asia, the urban transportation construction project for emerging markets is planned in tandem with the Japanese government's efforts to promote infrastructure-related exports. On the other hand, plans for domestic and overseas rolling stock procurement projects, and delivery deadlines, are expected to be reviewed, due to significant declines in revenues for railway operators, as well as delays in construction work on new lines overseas, due to the impact of the novel coronavirus pandemic.

Amid such an operating environment, consolidated orders received increased by ¥2.7 billion year on year to ¥18.7 billion, due to orders for railcars of Shinkansen and the other factors.

Consolidated net sales increased ¥11.9 billion year on year to ¥32.3 billion, due to an increase in sales of railcars for Japan and the other factors.

Operating income improved ¥2.0 billion year on year to an operating loss of ¥1.4 billion, due to an increase in sales, a decline in period expenses, and other factors, despite a deterioration in the profitability of overseas projects caused by the impact of the novel coronavirus pandemic.

Motorcycle & Engine

Regarding the business environment surrounding the Motorcycle & Engine segment, the novel coronavirus spread in the main markets of Europe, North America, and Southeast Asia, significantly impacting these markets.

Amid such an operating environment, consolidated net sales decreased ¥9.3 billion year on year to ¥58.9 billion, as the impact of the novel coronavirus pandemic led to significantly lower sales of motorcycles in emerging markets and Europe, as well as a sharp decline in sales of general-purpose engines in the U.S., along with other factors.

Operating income deteriorated ¥3.0 billion year on year to an operating loss of ¥5.9 billion, due to the decrease in revenue, as well as the appreciation of the yen against the U.S. dollar, the euro, and emerging market currencies, along with other factors.

Other Operations

Consolidated net sales decreased ¥6.5 billion year on year to ¥16.9 billion.

Operating loss deteriorated ¥0.6 billion year on year to ¥0.1 billion.

(2) Consolidated financial condition

(i) Assets

Current assets were ¥1,318.8 billion, ¥60.0 billion increase from the previous fiscal year.

Fixed assets were ¥694.3 billion, ¥4.6 billion decrease from the previous fiscal year due to the sale of former dormitory/company housing sites of our company and subsidiary.

As a result, total assets were ¥2,013.2 billion, ¥55.4 billion increase from the previous fiscal year.

(ii) Liabilities

Interest bearing liabilities were ¥165.2 billion, ¥732.7 billion increase from the previous fiscal year.

Liabilities were ¥1,555.7 billion, ¥69.4 billion increase from the previous fiscal year due to an increase in interest bearing liabilities and other factors.

(iii) Net assets

Net assets were ¥457.5 billion, ¥14.0 billion decrease from the previous fiscal year due to posting of net loss attributable to owners of parent and other factors.

(3) Consolidated earnings outlook

With respect to the earnings forecasts for the fiscal year ending March 31, 2021, the Company expects to be severely impacted by the stagnation in global economic activity caused by the novel coronavirus pandemic. The earnings forecasts had been left undetermined as the Company was unable to make a reasonably accurate estimation of the impact on earnings, but the Company has now calculated earnings forecast figures based on currently available information.

For the fiscal year ending March 31, 2021, the Company is forecasting consolidated net sales of ¥1,460.0 billion, operating loss of ¥30.0 billion. The Company is forecasting consolidated orders received of ¥1,400.0 billion.

Forecasts for recurring profit and subsequent profit lines, as well as ROIC and other indicators, remain undetermined. The Company will swiftly announce forecasts for these as soon as it is able to make reasonable estimates. For details, please refer to “Revision of the Earnings and Dividend Forecasts for the Fiscal Year Ending March 31, 2021” released today.

Note regarding consolidated earnings outlook

The above earnings outlook 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 outlook. Please note that actual earnings may differ materially from this outlook, 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. Consolidated Financial Statements

(1) Consolidated balance sheets

		Million yen	
		As of March 31, 2020	As of June 30, 2020
Assets			
Current assets			
Cash and deposits		106,108	171,686
Trade receivables		473,204	430,165
Merchandise and finished products		75,042	64,214
Work in process		426,256	457,700
Raw materials and supplies		130,359	136,462
Other		51,176	61,965
Allowance for doubtful receivables		(3,367)	(3,321)
	Total current assets	1,258,781	1,318,873
Fixed assets			
Net property, plant and equipment			
Buildings and structures		193,931	178,160
Other		288,639	293,708
	Total property, plant and equipment	482,570	471,869
	Intangible assets	21,358	21,989
Investments and other assets			
Other		196,973	202,371
Allowance for doubtful receivables		(1,838)	(1,831)
	Total investments and other assets	195,134	200,540
	Total fixed assets	699,063	694,399
Total assets		1,957,845	2,013,273
Liabilities			
Current liabilities			
Trade payables		261,159	198,541
Electronically recorded obligations - operating		110,526	108,833
Short-term debt		166,188	191,664
Income taxes payable		6,116	6,037
Provision for sales promotion expenses		12,174	7,594
Accrued bonuses		22,032	24,761
Provision for product warranties		14,454	12,384
Provision for losses on construction contracts		11,464	13,697
Advances received		148,610	143,381
Other		194,998	229,298
	Total current liabilities	947,726	936,195
Non-current liabilities			
Bonds payable		160,000	220,000
Long-term debt		188,859	198,859
Retirement benefit liability		129,846	131,213
Provision for the in-service issues of commercial aircraft jet engines		(*1)15,689	(*1)14,057
Other		44,161	55,390
	Total non-current liabilities	538,556	619,520
Total liabilities		1,486,283	1,555,716

Net assets

Shareholders' equity		
Share capital	104,484	104,484
Capital surplus	54,542	54,542
Retained earnings	326,626	314,854
Treasury shares	(133)	(133)
Total shareholders' equity	<u>485,520</u>	<u>473,748</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,636	1,242
Deferred gains (losses) on hedges	(272)	(262)
Foreign currency translation adjustment	(11,311)	(13,014)
Remeasurements of defined benefit plans	(19,946)	(19,543)
Total accumulated other comprehensive income	<u>(29,892)</u>	<u>(31,578)</u>
Non-controlling interests	<u>15,934</u>	<u>15,387</u>
Total net assets	<u>471,562</u>	<u>457,557</u>
Total net assets and liabilities	<u>1,957,845</u>	<u>2,013,273</u>

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

	Million yen	
	As of June 30, 2019	As of June 30, 2020
Net sales	350,778	300,602
Cost of sales	301,426	278,357
Gross profit	49,351	22,244
Selling, general and administrative expenses		
Salaries and allowances	13,344	13,458
Research and development expenses	11,118	8,145
Other	23,799	21,302
Total selling, general and administrative expenses	48,262	42,906
Operating income(loss)	1,088	(20,661)
Non-operating income		
Interest income	135	138
Dividend income	223	119
Share of profit of entities accounted for using equity method	338	—
Foreign exchange gain	—	2,377
Other	732	1,492
Total non-operating income	1,430	4,128
Non-operating expenses		
Interest expense	911	1,030
Share of losses of entities accounted for using equity method	—	20
Foreign exchange losses	5,039	—
Other	959	1,347
Total non-operating expenses	6,910	2,398
Recurring profit(loss)	(4,391)	(18,931)
Extraordinary income		
Gain on sales of fixed assets	—	(*1)3,236
Gain on sales of sales of shares of subsidiaries and associates	—	(*2)1,581
Total extraordinary income	—	4,817
Income(loss) before income taxes	(4,391)	(14,114)
Income taxes	3,578	(2,366)
Net income(loss)	(7,969)	(11,747)
Net income attributable to non-controlling interests	279	24
Net income(loss) attributable to owners of parent	(8,249)	(11,771)

Consolidated statements of comprehensive income

	Million yen	
	As of June 30, 2019	As of June 30, 2020
Net income(loss)	(7,969)	(11,747)
Other comprehensive income		
Net unrealized gains (losses) on securities	(30)	(352)
Deferred gains (losses) on hedges	695	3
Foreign currency translation adjustment	(1,685)	(285)
Remeasurement of defined benefit plans	1,342	400
Share of other comprehensive income(loss) of associates accounted for using equity method	1,414	(1,612)
Total other comprehensive income(loss)	1,737	(1,846)
Comprehensive Income(loss) attributable to:	(6,232)	(13,593)
Owners of parent	(6,446)	(13,459)
Non-controlling interests	214	(134)

(3) Notes on financial statements

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable

Accounting procedures specific to preparation of quarterly consolidated financial statements

(Calculation of tax expense)

The Company calculates tax expense by rationally estimating its effective tax rate after application of tax effect accounting to pretax net income for the fiscal year which includes the first quarter under review, and multiplying quarterly pretax net income by said estimated effective tax rate. If unable to use the estimated effective tax rate, the Company calculates tax expense by multiplying the statutory effective tax rate by quarterly pretax net income adjusted to reflect material differences other than temporary differences.

Income taxes are reported inclusive of income tax adjustments.

Related to consolidated balance sheets

*(*1) Provision for the in-service issues of commercial aircraft jet engines*

The Company participates as a risk and revenue sharing partner on the Rolls-Royce Trent 1000 engine program, which has been impacted by the challenge of managing significant in-service issues. Rolls-Royce continues to work hard to remedy this situation and has made further substantial progress on the implementation of long-term solutions and mitigation of the near-term impact on customers. In the FY2020 1st quarterly financial results, the Company has made a provision of the abnormal cost related to in-service issues which the Company would cover as a member of this program.

Related to consolidated statements of income

*(*1) Gain on sales of fixed assets*

Proceeds from the sale of former dormitory/company housing sites.

*(*2) Gain on sales of shares of subsidiaries and associates*

Proceeds from the sale of shares of subsidiaries and associates

Segment information

1. Three months ended June 30, 2019 (April 1, 2019 – June 30, 2019)

(1) Sales and income (loss) by reportable segment

	Million yen			
	External sales	Intersegment sales	Total sales	Operating income (loss)
Aerospace Systems	122,188	2,383	124,572	4,869
Energy System & Plant Engineering	45,017	5,407	50,425	828
Precision Machinery & Robot	48,347	3,253	51,600	1,760
Ship & Offshore structure	22,895	2,100	24,996	(398)
Rolling stock	20,424	8	20,433	(3,548)
Motorcycle & Engine	68,356	138	68,494	(2,849)
Other	23,546	9,162	32,709	472
Reportable segment total	350,778	22,454	373,232	1,134
Adjustments*1	-	(22,454)	(22,454)	(45)
Consolidated total	350,778	-	350,778	1,088

Notes: 1. Breakdown of adjustments:

Million yen	
Income	Amount
Intersegment transactions	92
Corporate expenses*	(138)
Total	(45)

* Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

2. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

(2) Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

2. Three months ended June 30, 2020 (April 1, 2020 – June 30, 2020)

(1) Sales and income (loss) by reportable segment

	Million yen			
	External sales	Intersegment sales	Total sales	Operating income (loss)
Aerospace Systems	74,619	1,874	76,493	(17,518)
Energy System & Plant Engineering	50,081	4,859	54,941	1,580
Precision Machinery & Robot	45,403	2,549	47,953	1,343
Ship & Offshore structure	22,191	706	22,897	(437)
Rolling stock	32,362	1	32,364	(1,463)
Motorcycle & Engine	58,974	126	59,100	(5,944)
Other	16,969	8,381	25,350	(153)
Reportable segment total	300,602	18,499	319,102	(22,593)
Adjustments*1	—	(18,499)	(18,499)	1,931
Consolidated total	300,602	—	300,602	(20,661)

Notes: 1. Breakdown of adjustments:

Million yen	
Income	Amount
Intersegment transactions	2
Corporate expenses*	1,928
Total	1,931

* Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

2. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

(2) Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

3. Supplementary information

(1) Consolidated cash flow statements (condensed)

	Million yen	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flow from operating activities	(163,712)	(101,107)
Cash flow from investing activities	(17,138)	2,649
Cash flow from financing activities	150,583	163,834
Cash and cash equivalents at end of period	39,326	167,929

(2) Supplementary information on consolidated earnings forecasts for the fiscal year ending March 31, 2021

(i) Net sales and operating income (loss)

Billion yen

Reportable segment	Outlook for the year ending March 31, 2021 (fiscal 2020)						Year ended March 31, 2020 (Fiscal 2019) (actual)	
	Revised forecast (A)		Forecast issued May 12, 2020 (B)		Change (A – B)		Net sales	Operating income (loss)
	Net sales	Operating income (loss)	Net sales	Operating income (loss)	Net sales	Operating income (loss)		
Aerospace Systems	420.0	(21.0)	We didn't disclose.				532.5	42.7
Energy System & Plant Engineering	240.0	6.0					242.9	17.5
Precision Machinery & Robot	200.0	7.0					217.3	12.2
Ship & Offshore Structure	80.0	(4.0)					71.6	(0.6)
Rolling Stock	150.0	(2.0)					136.5	(3.8)
Motorcycle & Engine	280.0	(17.0)					337.7	(1.9)
Other	90.0	5.0					102.4	1.2
Adjustments		(4.0)						(5.3)
Total	1,460.0	(30.0)					1,641.3	62.0

(ii) Orders received

Billion yen

Reportable segment	Outlook for the year ending March 31, 2021 (fiscal 2020)			Year ended March 31, 2020 (Fiscal 2019) (actual)
	Revised forecast (A)	Forecast issued May 12, 2020 (B)	Change (A – B)	
Aerospace Systems	360.0	We didn't disclose.		414.9
Energy System & Plant Engineering	280.0			252.3
Precision Machinery & Robot	200.0			218.8
Ship & Offshore Structure	120.0			56.2
Rolling Stock	70.0			125.7
Motorcycle & Engine	280.0			337.7
Other	90.0			107.5
Total	1,400.0			

Note: The Motorcycle & Engine segment's orders received are equal to its net sales as production is based mainly on estimated demand.