


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

For three months ended June 30, 2015 and 2014 and one year ended March 31, 2015

**July 31, 2015**  
**(Consolidated)**
**Operating results**

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2015	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015
Net sales	¥ 340,042	¥ 304,154	\$ 2,776,306
Operating income	14,819	10,904	120,991
Profit attributable to owners of parent	7,492	5,416	61,169
Earnings per share (Yen)	4.4	3.2	

**Financial condition**

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Jun. 30, 2015	As of March. 31, 2015	As of Jun. 30, 2015
Total assets	¥ 1,707,876	¥ 1,662,283	\$ 13,944,121
Net assets	444,768	447,957	3,631,352
Number of shares issued and outstanding	1,670,604	1,670,613	
Equity Ratio	25.1%	25.9%	

**Cash flows**

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2015	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015
Operating activities	¥ (67,444)	¥ (38,067)	\$ (550,653)
Investing activities	(20,850)	(11,747)	(170,231)
Financing activities	84,381	49,936	688,936
Cash and cash equivalents at end of term	42,865	40,033	349,975

**Fiscal year forecast**

	Millions of yen		
	Net sales	Operating income	Profit attributable to owners of parent
One year ending March 31, 2016	¥ 1,650,000	¥ 102,000	¥ 69,000

- Notes : 1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.
2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥122.48=\$1, the rate prevailing as of June 30, 2015, solely for the convenience of the readers.

## Condensed Consolidated Balance Sheets

As of June 30 and March 31, 2015

	Millions of yen		Thousands of
	As of Jun. 30, 2015	As of Mar. 31, 2015	U.S. dollars As of Jun. 30, 2015
<b>Assets :</b>			
Current assets :			
Cash on hand and in banks	¥ 46,744	¥ 51,645	\$ 381,645
Receivables, less allowance	432,427	436,831	3,530,592
Inventories	530,197	498,652	4,328,845
Other current assets	102,509	85,934	836,947
Total current assets	<u>1,111,877</u>	<u>1,073,062</u>	<u>9,078,029</u>
Investments and long-term loans less allowance	112,941	110,410	922,119
Net property, plant and equipment	425,105	420,554	3,470,811
Intangible and other assets	57,953	58,257	473,162
Total assets	<u>¥ 1,707,876</u>	<u>¥ 1,662,283</u>	<u>\$ 13,944,121</u>
<b>Liabilities and net assets :</b>			
Current liabilities :			
Short-term borrowings			
and current portion of long-term debt	¥ 239,117	¥ 142,614	\$ 1,952,294
Payables	303,092	347,032	2,474,624
Advances from customers	180,109	171,607	1,470,517
Other current liabilities	155,931	163,371	1,273,115
Total current liabilities	<u>878,249</u>	<u>824,624</u>	<u>7,170,550</u>
Long-term liabilities :			
Long-term debt, less current portion	271,511	271,761	2,216,778
Others	113,348	117,941	925,441
Total long-term liabilities	<u>384,859</u>	<u>389,702</u>	<u>3,142,219</u>
Net assets :			
Common stock	104,484	104,484	853,069
Capital surplus	54,393	54,393	444,096
Retained earnings	249,430	253,606	2,036,498
Treasury stock	(73)	(67)	(596)
Net unrealized gains on securities	4,495	3,704	36,699
Gains (losses) on hedging items	(1,950)	(1,985)	(15,920)
Foreign currency translation adjustments	25,333	25,179	206,833
Remeasurements of defined benefit plans	(6,990)	(7,318)	(57,070)
Non-controlling interests	15,646	15,961	127,743
Total net assets	<u>444,768</u>	<u>447,957</u>	<u>3,631,352</u>
Total liabilities and net assets	<u>¥ 1,707,876</u>	<u>¥ 1,662,283</u>	<u>\$ 13,944,121</u>

**Condensed Consolidated Statements of Income**

For three months ended June 30, 2015 and 2014

	Millions of yen		<b>% Change</b>	Thousands of U.S. dollars
	<b>Three months ended Jun.30, 2015</b>	Three months ended Jun.30, 2014		<i>Three months ended Jun.30, 2015</i>
Net sales	<b>¥ 340,042</b>	¥ 304,154	<b>+12%</b>	\$ 2,776,306
Cost of sales	<b>281,226</b>	253,170		2,296,097
Gross profit	<b>58,816</b>	50,984		480,209
Selling, general and administrative expenses	<b>43,997</b>	40,080		359,218
Operating income	<b>14,819</b>	10,904	<b>+36%</b>	120,991
Other income (expenses) :				
Interest and dividend income	<b>295</b>	246		2,408
Equity in income of unconsolidated subsidiaries and affiliates	<b>250</b>	2,465		2,041
Interest expense	<b>(883)</b>	(990)		(7,209)
Other, net	<b>877</b>	(5,931)		7,160
Income before income taxes and non-controlling interests	<b>15,358</b>	6,694		125,391
Income taxes	<b>(7,568)</b>	(619)		(61,789)
Profit attributable to non-controlling interests	<b>(298)</b>	(659)		(2,433)
Profit attributable to owners of parent	<b>¥ 7,492</b>	¥ 5,416	<b>+38%</b>	\$ 61,169

**Segment information**  
**Information by reportable segment**

	Millions of yen				
	Three months ended				
	Jun.30,2014				
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	¥ 18,350	¥ 381	¥ 18,731	¥ 19,147	¥ (416)
Rolling Stock	30,464	144	30,608	30,596	12
Aerospace	65,403	653	66,056	59,782	6,274
Gas Turbine & Machinery	42,799	2,034	44,833	42,777	2,056
Plant & Infrastructure	21,053	3,430	24,483	24,908	(425)
Motorcycle & Engine	64,892	163	65,055	64,792	263
Precision Machinery	30,634	3,159	33,793	30,943	2,850
Other	30,559	6,220	36,779	36,188	591
Total	304,154	16,184	320,338	309,133	11,205
Eliminations and corporate	-	(16,184)	(16,184)	(15,883)	(301)
Consolidated total	¥ 304,154	¥ -	¥ 304,154	¥ 293,250	¥ 10,904

	Millions of yen				
	Three months ended				
	Jun.30,2015				
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	¥ 23,484	¥ 684	¥ 24,168	¥ 24,759	¥ (591)
Rolling Stock	32,155	127	32,282	30,782	1,500
Aerospace	76,038	344	76,382	67,905	8,477
Gas Turbine & Machinery	51,970	3,310	55,280	51,661	3,619
Plant & Infrastructure	23,499	2,574	26,073	26,193	(120)
Motorcycle & Engine	72,115	168	72,283	73,308	(1,025)
Precision Machinery	29,985	3,270	33,255	31,386	1,869
Other	30,796	8,442	39,238	38,373	865
Total	340,042	18,919	358,961	344,367	14,594
Eliminations and corporate	-	(18,919)	(18,919)	(19,144)	225
Consolidated total	¥ 340,042	¥ -	¥ 340,042	¥ 325,223	¥ 14,819

	Thousands of U.S. dollars				
	Three months ended				
	Jun.30,2015				
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	\$ 191,737	\$ 5,585	\$ 197,322	\$ 202,147	\$ (4,825)
Rolling Stock	262,532	1,037	263,569	251,322	12,247
Aerospace	620,819	2,808	623,627	554,417	69,210
Gas Turbine & Machinery	424,314	27,025	451,339	421,791	29,548
Plant & Infrastructure	191,859	21,015	212,874	213,855	(981)
Motorcycle & Engine	588,790	1,372	590,162	598,530	(8,368)
Precision Machinery	244,815	26,699	271,514	256,254	15,260
Other	251,440	68,925	320,365	313,302	7,063
Total	2,776,306	154,466	2,930,772	2,811,618	119,154
Eliminations and corporate	-	(154,466)	(154,466)	(156,303)	1,837
Consolidated total	\$ 2,776,306	\$ -	\$ 2,776,306	\$ 2,655,315	\$ 120,991

## Net sales, orders and order backlog by reportable segment

For three months ended June 30, 2015 and 2014 and as of June 30 and March 31, 2015

	Millions of yen			% Change	Thousands of	
	Three months ended		Three months ended		U.S. dollars	
	Jun. 30, 2015		Jun. 30, 2014		Three months ended Jun. 30, 2015	
<b>Net sales :</b>						
Ship & Offshore Structure	¥ 23,484	(7%)	¥ 18,350	(6%)	+28%	\$ 191,737
Rolling Stock	32,155	(10%)	30,464	(10%)	+6%	262,532
Aerospace	76,038	(22%)	65,403	(22%)	+16%	620,819
Gas Turbine & Machinery	51,970	(15%)	42,799	(14%)	+21%	424,314
Plant & Infrastructure	23,499	(7%)	21,053	(7%)	+12%	191,859
Motorcycle & Engine	72,115	(21%)	64,892	(21%)	+11%	588,790
Precision Machinery	29,985	(9%)	30,634	(10%)	-2%	244,815
Other	30,796	(9%)	30,559	(10%)	+1%	251,440
Total	¥ 340,042	(100%)	¥ 304,154	(100%)	+12%	\$ 2,776,306
<b>Orders :</b>						
Ship & Offshore Structure	¥ 17,259	(5%)	¥ 14,586	(4%)	+18%	\$ 140,912
Rolling Stock	46,976	(14%)	67,426	(20%)	-30%	383,540
Aerospace	52,673	(15%)	41,983	(13%)	+25%	430,053
Gas Turbine & Machinery	35,225	(10%)	43,261	(13%)	-19%	287,597
Plant & Infrastructure	55,394	(16%)	35,275	(11%)	+57%	452,269
Motorcycle & Engine	72,115	(21%)	64,892	(20%)	+11%	588,790
Precision Machinery	31,130	(9%)	31,700	(9%)	-2%	254,163
Other	32,951	(10%)	34,740	(10%)	-5%	269,036
Total	¥ 343,723	(100%)	¥ 333,863	(100%)	+3%	\$ 2,806,360

	Millions of yen			% Change	Thousands of	
	As of		As of		U.S. dollars	
	Jun. 30, 2015		Mar. 31, 2015		As of Jun. 30, 2015	
<b>Order backlog :</b>						
Ship & Offshore Structure	¥ 260,407	(14%)	¥ 264,281	(15%)	-1%	\$ 2,126,118
Rolling Stock	428,608	(23%)	405,999	(22%)	+6%	3,499,412
Aerospace	484,663	(26%)	488,431	(27%)	-1%	3,957,078
Gas Turbine & Machinery	323,275	(18%)	336,441	(19%)	-4%	2,639,410
Plant & Infrastructure	290,129	(16%)	255,522	(14%)	+14%	2,368,786
Motorcycle & Engine	-	(- %)	-	(- %)	-%	-
Precision Machinery	27,471	(1%)	26,325	(1%)	+4%	224,289
Other	30,693	(2%)	28,534	(2%)	+8%	250,599
Total	¥ 1,845,246	(100%)	¥ 1,805,533	(100%)	+2%	\$ 15,065,692

## Net Sales by geographic area

For nine months ended December 31, 2014 and 2013

	Millions of yen			% Change	Thousands of	
	Three months ended		Three months ended		U.S. dollars	
	Jun. 30, 2015		Jun. 30, 2014		Three months ended Jun. 30, 2015	
Japan	¥ 130,340	(39%)	¥ 120,208	(39%)	+8%	\$ 1,064,173
United States	92,293	(27%)	73,408	(24%)	+26%	753,535
Europe	34,597	(10%)	27,865	(9%)	+24%	282,470
Asia	51,648	(15%)	58,021	(19%)	-11%	421,685
Other	31,164	(9%)	24,652	(9%)	+26%	254,443
Total	¥ 340,042	(100%)	¥ 304,154	(100%)	+12%	\$ 2,776,306