

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
For the years ended March 31, 2014, 2013, and 2012

	Shareholders' equity					Accumulated other comprehensive income					Minority interests	Total net assets	
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefit			Total accumulated other comprehensive income
	(Thousands)						(Millions of yen)						
Balance at March 31, 2011	1,670,646	¥ 104,340	¥ 54,251	¥ 158,615	¥ (30)	¥ 317,176	¥ 3,876	¥ (990)	¥ (31,006)	¥ -	(28,120)	¥ 8,377	¥ 297,433
Net income for the year	-	-	-	23,323	-	23,323	-	-	-	-	-	-	23,323
Adjustments from translation of foreign currency financial statements	-	-	-	-	-	-	-	-	(2,445)	-	(2,445)	-	(2,445)
Increase in net unrealized gains on securities, net of tax	-	-	-	-	-	-	113	-	-	-	113	-	113
Treasury stock purchased, net	-	-	-	-	(6)	(6)	-	-	-	-	-	-	(6)
Cash dividends	-	-	-	(5,011)	-	(5,011)	-	-	-	-	-	-	(5,011)
Loss on sales of treasury stock	-	-	(0)	(3)	1	(2)	-	-	-	-	-	-	(2)
Conversion of convertible bonds	1,246	144	143	-	13	300	-	-	-	-	-	-	300
Increase (decrease) due to changes in fiscal period of consolidated subsidiaries	-	-	-	(510)	-	(510)	-	-	-	-	-	-	(510)
Decrease resulting from increase in equity method affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1,236	-	-	1,236	1,491	2,727
Balance at March 31, 2012	1,671,892	¥ 104,484	¥ 54,394	¥ 176,414	¥ (22)	¥ 335,270	¥ 3,989	¥ 246	¥ (33,451)	¥ -	(29,216)	¥ 9,868	¥ 315,922
Net income for the year	-	-	-	30,864	-	30,864	-	-	-	-	-	-	30,864
Adjustments from translation of foreign currency financial statements	-	-	-	-	-	-	-	-	15,786	-	15,786	-	15,786
Increase in net unrealized gains on securities, net of tax	-	-	-	-	-	-	535	-	-	-	535	-	535
Treasury stock purchased, net	-	-	-	-	(5)	(5)	-	-	-	-	-	-	(5)
Cash dividends	-	-	-	(8,359)	-	(8,359)	-	-	-	-	-	-	(8,359)
Loss on sales of treasury stock	-	-	-	(1)	0	(1)	-	-	-	-	-	-	(1)
Conversion of convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to changes in fiscal period of a consolidated subsidiary	-	-	-	(205)	-	(205)	-	-	-	-	-	-	(205)
Decrease resulting from increase in equity method affiliate	-	-	-	(185)	-	(185)	-	-	-	-	-	-	(185)
Other	-	-	-	-	-	-	-	(6,244)	-	-	(6,244)	1,773	(4,471)
Balance at March 31, 2013	1,671,892	¥ 104,484	¥ 54,394	¥ 198,528	¥ (27)	¥ 357,379	¥ 4,524	¥ (5,998)	¥ (17,665)	¥ -	(19,139)	¥ 11,641	¥ 349,881
Cumulative effect of changes in accounting policies	-	-	-	(11,523)	-	(11,523)	-	-	-	(20,410)	(20,410)	-	(31,933)
Restated Balance	-	104,484	54,394	187,005	(27)	345,856	4,524	(5,998)	(17,665)	(20,410)	(39,549)	11,641	317,948
Net income for the year	-	-	-	38,601	-	38,601	-	-	-	-	-	-	38,601
Adjustments from translation of foreign currency financial statements	-	-	-	-	-	-	-	-	24,081	-	24,081	-	24,081
Increase in net unrealized gains on securities, net of tax	-	-	-	-	-	-	(1,871)	-	-	-	(1,871)	-	(1,871)
Treasury stock purchased, net	-	-	-	-	(16)	(16)	-	-	-	-	-	-	(16)
Cash dividends	-	-	-	(8,358)	-	(8,358)	-	-	-	-	-	-	(8,358)
Loss on sales of treasury stock	-	-	0	-	0	0	-	-	-	-	-	-	0
Conversion of convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to changes in fiscal period of a consolidated subsidiary	-	-	-	201	-	201	-	-	-	-	-	-	201
Decrease resulting from increase in equity method affiliate	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2,195	-	1,901	4,096	2,004	6,100
Balance at March 31, 2014	1,671,892	¥ 104,484	¥ 54,394	¥ 217,449	¥ (43)	¥ 376,284	¥ 2,653	¥ (3,803)	¥ 6,416	¥ (18,509)	(13,243)	¥ 13,645	¥ 376,688
Balance at March 31, 2013		\$ 1,015,196	\$ 528,507	\$ 1,928,954	\$ (262)	\$ 3,472,395	\$ 43,956	\$ (58,278)	\$ (171,638)	\$ (198,309)	(185,960)	\$ 113,107	\$ 3,399,542
Cumulative effect of changes in accounting policies		-	-	(111,960)	-	(111,960)	-	-	-	(198,309)	(198,309)	-	(310,269)
Restated Balance		1,015,196	528,507	1,816,994	(262)	3,360,435	43,956	(58,278)	(171,638)	(198,309)	(384,269)	113,107	3,089,273
Net income for the year		-	-	375,058	-	375,058	-	-	-	-	-	-	375,058
Adjustments from translation of foreign currency financial statements		-	-	-	-	-	-	-	233,977	-	233,977	-	233,977
Increase in net unrealized gains on securities, net of tax		-	-	-	-	-	(18,179)	-	-	-	(18,179)	-	(18,179)
Treasury stock purchased, net		-	-	-	(155)	(155)	-	-	-	-	-	-	(155)
Cash dividends		-	-	(81,208)	-	(81,208)	-	-	-	-	-	-	(81,208)
Loss on sales of treasury stock		-	0	-	0	0	-	-	-	-	-	-	0
Conversion of convertible bonds		-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) due to changes in fiscal period of consolidated subsidiaries		-	-	1,952	-	1,952	-	-	-	-	-	-	1,952
Decrease resulting from increase in equity method affiliate		-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	21,327	-	18,472	39,799	19,471	59,270
Balance at March 31, 2014		\$ 1,015,196	\$ 528,507	\$ 2,112,796	\$ (417)	\$ 3,656,082	\$ 25,777	\$ (36,951)	\$ 62,339	\$ (179,837)	(128,672)	\$ 132,578	\$ 3,659,988

(Note)

The translations of the Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2014, which was ¥102.92 to U.S. \$1.00. The translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars at this or any other rate of exchange.