Report of Earnings and Financial Statements
for the Fiscal Year Ended March 31, 2015 (Consolidated)
(Prepared pursuant to Japanese GAAP)

April 28, 2015

Listed company's name:	**Kawasaki Heavy Industries, Ltd.**
Listed on:	1st sections of the TSE, and NSE
Stock code:	7012
URL:	http://www.khi.co.jp/
Representative:	Shigeru Murayama, President
Contact:	Ryoji Mori, Senior Manager, Accounting Department
Tel:	+81 3-3435-2130

Scheduled dates:

Ordinary general meeting of shareholders	June 25, 2015
Commencement date of dividend payments	June 26, 2015
Submission of financial statements:	June 25, 2015
Supplementary materials to financial results	Available
Earnings presentation:	Conducted (for institutional investors and analysts)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015
(April 1, 2014 – March 31, 2015)

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

(1) Operating Results

Years ended March 31 (Millions of yen) (Percentage figures indicate change compared with the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income	
		%		%		%		%
2015	1,486,123	7.2	87,259	20.6	84,288	39.0	51,639	33.7
2014	1,385,482	7.4	72,351	72.0	60,605	54.1	38,601	25.0

Note: Comprehensive income Fiscal year ended March 31, 2015: ¥ 87,760 million 27.7%
Fiscal year ended March 31, 2014: ¥ 68,705 million 56.0%

Years ended March 31

	Earnings per share	Earnings per share – diluted	Return on equity	Return on assets	Operating income to net sales
	Yen	Yen	%	%	%
2015	30.89	-	12.9	5.2	5.8
2014	23.09	-	11.0	4.0	5.2

For reference: Equity in income of non consolidated subsidiaries and affiliates
Fiscal year ended March 31, 2015: ¥ 6,208 million
Fiscal year ended March 31, 2014: ¥ 7,016 million

(2) Financial Condition

March 31 (Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
			%	Yen
2015	1,662,283	447,957	25.9	258.58
2014	1,554,430	376,686	23.3	217.16

For reference: Shareholders' equity March 31, 2015: ¥ 431,996 million
March 31, 2014: ¥ 363,041 million

(3) Cash Flow Position

Years ended March 31 (Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
2015	127,651	(67,397)	(57,133)	47,721
2014	151,721	(77,559)	(62,505)	45,431

2. Dividends

Years ended/ending March 31

Record date or term	Dividend per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends / Net assets (consolidated)
	1Q	2Q	3Q	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
2014	-	0.00	-	6.00	6.00	10,030	25.9	2.7
2015	-	3.00	-	7.00	10.00	16,709	32.3	4.2
2016 (forecast)	-	5.00	-	7.00	12.00		29.0	

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Net sales		Operating income		Recurring profit		Net income		Earnings per share
		%		%		%		%	Yen
For six months ending September 30, 2015	785,000	23.9	39,000	68.1	37,000	42.5	26,000	42.9	15.56
Full year	1,650,000	11.0	102,000	16.8	100,000	18.6	69,000	33.6	41.30

***Notes**

(1) Changes affecting the status of material subsidiaries (scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and correction of errors

(ⅰ) Changes in accounting policies in accord with revisions to accounting standards: None

(ⅱ) Changes in accounting policies other than (ⅰ): None

(ⅲ) Changes in accounting estimates: None

(ⅳ) Correction of errors: None

(3) Number of shares issued and outstanding (common stock)

(ⅰ) Number of shares issued as of period-end (including treasury stock)

March 31, 2015: 1,670,805,320 shares

March 31, 2014: 1,671,892,659 shares

(ⅱ) Number of shares held in treasury as of period-end

March 31, 2015: 191,653 shares

March 31, 2014: 141,710 shares

(ⅲ) Average number of shares during respective periods

March 31, 2015: 1,671,637,196 shares

March 31, 2014: 1,671,770,272 shares

For reference: Overview of Non-Consolidated Financial Results

(1) Operating Results

Years ended March 31 (Millions of yen) (Percentage figures indicate change compared with the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income	
		%		%		%		%
2015	1,098,013	8.5	46,409	28.5	55,513	54.6	36,465	13.6
2014	1,011,603	2.8	36,108	187.1	35,905	84.7	32,099	87.0

	Earnings per share	Earnings per share – diluted
	Yen	Yen
2015	21.81	-
2014	19.20	-

(2) Financial Condition

March 31 (Millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
			%	Yen
2015	1,301,125	294,052	22.5	176.01
2014	1,243,533	273,193	21.9	163.41

Note: Shareholders' equity March 31, 2015: ¥294,052 million
March 31, 2014: ¥ 273,193 million

*** Review Status**

This report is exempt from the review of accounts conducted pursuant to Japan's Financial Instruments and Exchange Act. As of this report's publication, the review of the financial results had not been completed.

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

Forward-Looking Statements

These materials contain earnings forecast and other forward-looking statements based on information available to the company at the time of disclosure and the company makes no assurances as to the actual results and/or other outcomes, which may differ from those expressed or implied herein due to various factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to "(iii) Consolidated Earnings Outlook" on page 8 in section "(1) Consolidated Operating Results" of "1. Qualitative Information and Financial Statements" in the Accompanying Materials.

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

The Company plans to conduct a briefing for institutional investors and analysts on Tuesday April 28, 2015, and to post the briefing material on 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

(1) Consolidated operating results

(i) Overview of consolidated operating results

In fiscal 2014 (the year ended March 31, 2015), the global economy continued to grow modestly on the whole in conjunction with the full-fledged recovery of the US economy. However, the situation will continue to bear watching, particularly with respect to the impacts of US monetary policy actions, concerns about economic stagnation in emerging countries, uncertainty with respect to the debt problem in Europe and other factors, as well as the impact of the decline in crude oil prices on resource-rich countries.

While there are concerns about the risk of a downturn in overseas economies negatively impacting the Japanese economy, the ongoing improvement in the employment and income environments as well as the decline in crude oil prices have led to an upturn in consumer sentiment. This, along with other factors, such as the improvement in exporters' earnings due to the weakening of the yen against other currencies, especially the US dollar, are helping the economy rise out of the malaise caused by the recoil decline following last April's consumption tax rate hike, and the economy is expected to continue to grow modestly going forward.

Amid such an operating environment, the Group achieved an increase in orders received during fiscal 2014, centered on order growth in segments such as Plant & Infrastructure, Aerospace, and Ship & Offshore Structure. Overall sales increased on growth in sales in segments such as Aerospace and Gas Turbine & Machinery. Operating income, recurring profit and net income also rose as a result of the increase in profit in Aerospace and most other segments.

The Group's consolidated orders received increased by ¥257.5 billion year on year to ¥1,712.9 billion. Consolidated net sales totaled ¥1,486.1 billion, a ¥100.6 billion year-on-year increase, and consolidated operating income increased by ¥14.9 billion year on year to ¥87.2 billion. As a result of operating income growth and decreasing foreign exchange losses, consolidated recurring profit increased by ¥23.6 billion year on year to ¥84.2 billion. Consolidated net income increased by ¥13.0billion year on year to ¥51.6 billion.

Consolidated operating performance in the fiscal year ended March 31, 2015, is summarized by segment below.

(ii) Segment information

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

	Fiscal year ended March 31						Orders received		
	2014 (A)		2015(B)		Change (B – A)		Fiscal year ended March 31		
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	2014 (A)	2015 (B)	Change (B – A)
Ship & Offshore Structure	80.8	(2.0)	90.3	2.6	9.4	4.6	117.8	179.2	61.3
Rolling Stock	147.9	7.5	121.5	6.0	(26.4)	(1.5)	133.0	131.4	(1.6)
Aerospace	280.7	26.2	325.0	36.3	44.3	10.0	286.3	357.0	70.6
Gas Turbine & Machinery	189.2	10.4	218.7	11.2	29.5	0.7	222.0	235.7	13.7
Plant & Infrastructure	103.8	6.3	121.1	6.5	17.2	0.2	103.9	203.4	99.5
Motorcycle & Engine	322.2	16.1	329.2	14.9	6.9	(1.1)	322.2	329.2	6.9
Precision Machinery	123.2	10.4	135.7	10.9	12.5	0.4	127.2	136.2	8.9
Other	137.2	4.4	144.2	3.9	6.9	(0.4)	142.6	140.5	(2.1)
Adjustments	-	(7.2)	-	(5.4)	-	1.8	-	-	-
Total	1,385.4	72.3	1,486.1	87.2	100.6	14.9	1,455.4	1,712.9	257.5

Note: 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.

Ship & Offshore Structure

Consolidated orders received increased ¥61.3 billion year on year to ¥179.2 billion, as a result of booking orders for a submarine and five liquefied gas carriers (LNG carriers and LPG carrier).

Consolidated net sales increased ¥9.4 billion year on year to ¥90.3 billion, as growth in the amount of construction of LNG carriers and other factors offset the decline in the amount of construction of LPG carriers, bulk carriers, and other vessels.

The segment incurred a consolidated operating income of ¥2.6 billion, a ¥4.6 billion upturn from the previous fiscal year's consolidated operating income. The amelioration in profitability was chiefly by virtue of sales growth and the reversal of provision for losses on construction contracts.

Rolling Stock

Consolidated orders received were ¥131.4 billion that were equivalent level of the previous fiscal year, as despite receiving an order from the Singapore Land Transport Authority for subway train cars for new lines, there was an absence of large orders from North America and from within Japan such as were received in the same period of the previous fiscal year.

Consolidated net sales decreased ¥26.4 billion year on year to ¥121.5 billion, as a result of a decline in overseas sales to customers in North America.

Consolidated operating income decreased ¥1.5 billion year on year to ¥6.0 billion, attributable to a decline in sales and profit margin.

Aerospace

Consolidated orders received grew ¥70.6 billion year on year to ¥357.0 billion, due to an increase in orders from Japan's Ministry of Defense and for component parts for the Boeing 787.

Consolidated net sales increased ¥44.3 billion year on year to ¥325.0 billion, largely due to the growth in sales to Japan's Ministry of Defense and of component parts for Boeing777 and 787.

Consolidated operating income showed a sharp increase of ¥10.0 billion increase year on year to ¥36.3billion, largely by virtue of sales growth and yen depreciation.

Gas Turbine & Machinery

Consolidated orders received increased ¥13.7 billion year on year to ¥235.7 billion, attributable to the increase in orders for aircraft engine components,industrial gas turbines, natural gas compression modules, and other products.

Consolidated net sales grew ¥29.5 billion year on year to ¥218.7 billion, due to an increase in sales of aircraft engine components, hydraulic machinery, and other products.

Despite the increase in amortization of development costs for the aircraft engine new program, R&D costs, and other factors, the increase in sales resulted in consolidated operating income of ¥11.2billion, a ¥0.7 billion year-on-year increase.

Plant & Infrastructure

Consolidated orders received increased by ¥99.5 billion year on year to ¥203.4 billion as a result of booking orders for gas-to-gasoline plants, boiler power plants and other projects.

Consolidated net sales increased ¥17.2 billion year on year to ¥121.1 billion, due to progress in areas such as LNG storage tank plants and boiler power plants.

The segment posted consolidated operating income of ¥6.5 billion, which was roughly on par with the previous year, as the increase in sales was partly offset by a deterioration in profitability and other factors.

Motorcycle & Engine

Consolidated net sales totaled ¥329.2 billion, a ¥6.9 billion year-on-year increase, as the decline in motorcycle sales to Latin America and Thailand was offset by the increase in vehicle sales and motorcycle sales to Europe.

Consolidated operating income fell ¥1.1 billion year-on-year to ¥14.9 billion, primarily due to factors such as intensifying competition in emerging countries and an increase in fixed costs.

Precision Machinery

Consolidated orders received increased by ¥8.9 billion year on year to ¥136.2 billion as a result of an increase in orders for industrial robots for the automotive industry and other applications.

Consolidated net sales increased ¥12.5 billion year on year to ¥135.7 billion, as although sales of hydraulic components were roughly flat year on year, there was an increase in sales of industrial robots, centered on robots for the automotive industry, along with other factors.

The segment posted consolidated operating income of ¥10.9 billion, which was roughly on par with the previous year, as the increase in sales was offset by a deterioration in profitability and other factors.

Other Operations

Consolidated net sales increased by ¥6.9 billion year on year to ¥144.2 billion.

Consolidated operating income was ¥3.9 billion that were equivalent level of the previous fiscal year.

(iii) Consolidated earnings outlook

The Group's operating environment is generally solid, underpinned by the recovery in the economies of Japan, the US, and other developed countries, despite concerns including the impacts of economic stagnation in emerging countries, uncertainty about the European debt problem, and the decline in crude oil prices. In fiscal 2015 (the final year of *Medium-Term Business Plan 2013*), the Group will put its full efforts into achieving the targets of the medium-term business plan, and with everyone in the Group involved in implementing *Kawasaki-ROIC management*, strive to make the growth scenario envisioned in the *Group Management Model 2018* a reality and enduringly enhance corporate value.

For fiscal 2015, we are forecasting consolidated net sales of ¥1,650 billion, a year-on-year increase of ¥163.9 billion expected to be concentrated mainly in the Rolling Stock, Aerospace and Gas Turbine & Machinery segments. In terms of earnings, we are forecasting consolidated operating income of ¥102 billion, recurring profit of ¥100 billion, and net income of ¥69 billion. We plan to achieve these forecasts by continuing our various measures to improve earnings, such as steadily carrying out investment and development aimed at future growth and boosting productivity.

For fiscal 2015, we are expecting an increase in Ministry of Defense projects in the Aerospace segment, and an increase in train car orders for overseas customers in the Rolling Stock segment. However, due to the fact that we are anticipating a decline in orders in both the Plant & Infrastructure and Ship & Offshore Structure segments which received orders for large projects in the previous fiscal year, we are expecting consolidated orders received of ¥1,680 billion, a ¥32.9 billion year-on-year decline.

Furthermore, we are expecting ROIC of 11.8% and ROE of 15% due to a further improvement in capital productivity achieved by putting Kawasaki-ROIC management into practice.

The Company's earnings forecasts assume exchange rates of ¥118 to the US dollar and ¥128 to the euro.

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. 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 position

(i) Financial condition

(A) Assets

At March 31, 2015, consolidated assets totaled ¥1,662.2 billion, a 6.9% increase from March 31, 2014. Of this total, current assets accounted for ¥1,073.0 billion, a 6.6% year-on-year increase, chiefly attributable to an increase in inventories. Fixed assets totaled ¥589.2 billion at March 31, 2015, a 7.3% increase from March 31, 2014, mainly as a result of capital investments that added to holdings of property, plant and equipment.

(B) Liabilities

Consolidated liabilities increased 3.1% year on year to ¥1,214.3 billion at March 31, 2015, mainly attributable to an increase in advances from customers, despite a decline in short-term debt and other factors.

(C) Net assets

Consolidated net assets at March 31, 2015, totaled ¥447.9 billion, an 18.9% increase from March 31, 2014. While dividend payments detracted from consolidated net assets, this was more than offset by net income, improvement in foreign currency translation adjustments due to yen depreciation, and other factors.

(ii) Cash flows

(A) Cash flows from operating activities

Operating activities provided net cash of ¥127.6 billion, a ¥24.0 billion decrease from the previous fiscal year. Major sources of operating cash flow included depreciation expense of ¥44.5 billion, a ¥29.4 billion increase in advances from customers, and a

¥28.9 billion increase in trade payables. Major uses of operating cash flow included expenditure of ¥22.5 billion due to the increase in inventories.

(B) Cash flows from investing activities

Investing activities used net cash of ¥67.3 billion, ¥10.1 billion less than in the previous fiscal year, mainly to acquire property, plant and equipment.

(C) Cash flows from financing activities

Financing activities used net cash of ¥57.1 billion, ¥5.3 billion less than the previous fiscal year. The cash outflow was mainly due to debt repayments.

(iii) Cash flow ratios

Fiscal year ended March 31:	2011	2012	2013	2014	2015
Equity ratio (%)	21.3	22.4	23.0	23.3	25.9
Market-value equity ratio (%)	45.1	31.0	33.6	40.8	61.0
Debt-to-cash-flow ratio (%)	523.7	480.5	1,724.6	293.0	324.6
Interest-coverage ratio (times)	17.2	19.0	6.7	36.0	31.8

Notes:

1. Ratios are calculated as follows.
   Ratio of shareholders' equity to total assets: Shareholders' equity / Total assets
   Market-value equity ratio: Market capitalization / Total assets
   Debt-to-cash-flow ratio: Interest-bearing debt / Cash flow from operating activities
   Interest-coverage ratio: Cash flow from operating activities / Interest paid
2. All ratios are calculated using consolidated-basis financial data.
3. Market capitalization is calculated by multiplying the closing price of the company's stock by the number of shares issued and outstanding (excluding treasury stock) at the end of the fiscal year.
4. The figure for cash flow from operating activities is taken from cash flow from operating activities on the consolidated statement of cash flows.
5. Interest-bearing debt is all interest-bearing debt listed under liabilities on the consolidated balance sheet. Interest paid is the figure for "Cash paid for interest" on the consolidated statement of cash flows.

(3) Dividend policy and dividends for the fiscal years 2014 and 2015

As a basic management policy, the Company aims to increase corporate value, in other words to consistently generate profit exceeding the cost of invested capital throughout the future. In line with this policy, the Company believes that one priority for management is to engage in cutting-edge research and development as well as innovative capital investment required to achieve future growth, and thereby return profits to shareholders by enhancing shareholder value over the long term.

In order to maintain a good balance between enhancing shareholder value and returning profits to shareholders through dividends, the Company has set a medium-to long-term consolidated payout ratio standard of 30%, in light of both the outlook for future earnings and a comprehensive examination of its financial condition, including ROE, free cash flow, the D/E ratio (debt-to-equity ratio) and other factors.

The Company has a basic policy of distributing surplus retained earnings as dividends twice a year, once after the fiscal second quarter and once after the fiscal year-end. Interim dividends are authorized by the Board of Directors; year-end dividends are authorized at general meetings of shareholders.

In fiscal 2015, the Company intends to pay a dividend of ¥12 per share (¥5 interim dividend, ¥7 year-end dividend).

(4) Business and other risks

No risks other than those disclosed under the heading "Business and Other Risks" in the Company's most recent full-year statutory financial report (filed June 26, 2014) have surfaced since said filing. Updated risk disclosures are therefore omitted here.

2. Status of Group

There have been no material changes in the "Chart of Operations (Nature of Operations)" and the "Status of Affiliated Companies" in the Company's most recent full-year statutory financial report (filed June 26, 2014). Updated disclosure of them is therefore omitted here.

3. Management Strategy

(1) Basic management strategy

The *Kawasaki Group Mission Statement* states the Group's mission as "Kawasaki, working as one for the good of the planet." The Group has established the *Kawasaki Business Vision 2020* based on this Group mission, as we aim to be a corporate group that creates new value through integrated technological capabilities and opens the way to new possibilities for our customers and society.

The Group has a basic management policy of increasing corporate value, in other words consistently generating profits exceeding the cost of invested capital throughout the future, and we will continue to carry out cutting-edge research and development as well as innovative capital investment in order to achieve the aims of this management policy.

(2) Target management metrics

The Group has adopted profit targets (operating income, recurring profit, and net income) and ROIC (return on invested capital: earnings before interest and taxes (EBIT) ÷ invested capital), a measure of capital efficiency, as its target metrics of operating performance.

The Group applies ROIC for each of the Group's business units (BU), the smallest unit into which its operations are classified, and evaluates BU based on whether or not ROIC exceeds the weighted-average cost of capital (WACC).

Improving these management metrics ultimately results in higher ROE (net income ÷ shareholders' equity)

(3) Medium- to long-term management strategy

The Group has a medium-term business plan, *Medium-Term Business Plan 2013*, effective from fiscal 2013 through fiscal 2015. In addition, the Group has placed enhancement of corporate value at the heart of its management strategy, and with everyone in the Group committed to "*Kawasaki-ROIC Management*," we will strive to carry out the following: 1) Plan and implement growth strategies through the strengthening of core competencies in each BU; 2)Set optimal financial indicators with a focus on ROIC, and formulate specific action plans to achieve these indicators; 3)Create new value through internal synergies which leverage integrated management; 4)Define scale-down or withdrawal strategies broken down to the sub-BU and individual product level; and 5)Create a business portfolio focused on profitability, stability, and growth.

Furthermore, we have established the *Group Management Model 2018* which lays out what the Group aims to be in fiscal 2018. This *Group Management Model 2018* includes concrete financial indicator targets (operating income margin of 6% or higher, ROIC of 12% or higher, ROE of 14% or higher) and clarifies the philosophy aimed at generating investment capacity targeting future growth. In addition, we have classified the BUs into 4 areas (Aerospace and Transport Systems, Land and Sea Transport Systems, Energy and Environment, and Industrial Equipment) according to their business characteristics, and have established clear growth strategies and optimal business portfolios for each area.

(4) Management priorities

In fiscal 2015, the final fiscal year of *Medium-Term Business Plan 2013*, the Group will work on the following priorities in order to ensure that the targets of *Medium-Term Business Plan 2013* are achieved and to make the *Group Management Model 2018* a reality.

1. Enhance corporate value

The Group is striving to increase ROIC at the BU level. BUs with an ROIC lower than the hurdle rate (WACC) will carry out action plans which set a detailed timetable for clearing the hurdle rate and define the issues to be resolved, while BUs that have already cleared the hurdle rate will endeavor to boost their ROIC to the highest level in the industry and to increase their economic value-added, thereby enhancing the Group's overall corporate value.

2. Focus on cash flows

The Group will ensure appropriate levels of free cash flow while steadily investing and developing with an eye to future growth, and use free cash flow as a source for dividends and to reduce interest-bearing debt, thereby generating spare investment capacity. To this end, the Group has made securing operating cash flow a particular priority in fiscal 2015, and in addition to bolstering profitability, the Group plans to develop specific measures aimed at increasing operating capital efficiency.

3. Strengthen risk management through integrated management

The Group's businesses are exposed to various risks, including foreign exchange rates and economic changes. In addition to monitoring anticipated risks with frequent risk tolerance checks and carrying out efficient risk management, among other initiatives the Group is working to review prices and production bases, and on the development of high value-added products capable of withstanding changes in the external environment. The Group is also striving to enhance risk management by leveraging the strengths of integrated management. This includes well-balanced management of the size of the 7 segments with different business characteristics, and inspecting the business portfolio from the standpoint of diversifying risk among, for example, private sector and public sector demand, between advanced countries and emerging markets, and between order-made products and mass-produced products.

4. Enhance the corporate governance framework and focus on engagement

In Japan, companies are being asked to make a wide range of changes concerning the way they interact with the capital markets. Examples of this include the Japanese Version of the Stewardship Code, the final report ("Ito Review") of the "Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationships between Companies and Investors" project, and the Corporate Governance Code. In addition to getting started on building a framework in compliance with the Corporate Governance Code, the Group will continue to work with shareholders and investors to increase corporate value by engaging in quality dialogue with the capital markets.

5. Bolster core competencies and pursue synergies

The Group is working to strengthen core competencies, which enable BUs to produce profits, and is pursuing synergies leveraging the strengths of integrated management. Examples of synergistic effects mobilizing the Group's technologies include the next-generation efWING® rolling stock bogie which has a CFRP frame, and the Ninja H2/H2R which uses a supercharged engine developed by the Company. Going forward, we will launch full-scale development towards the creation of a complete hydrogen (the ultimate clean energy source) supply chain, including production, transport, storage and use, as well as work on technologies to differentiate our products and businesses, and develop base technologies.

6. Develop human capital and value diversity

The Group's core competencies are underpinned by the Group's personnel. Therefore, the Group works to retain, develop, and enhance talented personnel, and also focuses on creating a global workforce in conjunction with the global expansion of the Group, fostering exchange between personnel extending beyond organizational lines, and passing along skills and capabilities to our younger personnel. In addition, the Group is endeavoring to create working environments that value diversity, such as enhancing work-life balance, which includes promoting active roles for women and offering childcare support, as well as establishing accommodating workplaces for persons with disabilities and ensuring opportunities for persons with disabilities to work by establishing special subsidiaries.

Individual business segments' priorities are as follows.

① Ship & Offshore Structure

Continue to receive orders for liquefied gas carriers (LNG carriers, LPG carriers); complete offshore work vessels and LNG-fueled propulsion ships; further boost the competitiveness of the China business; launch the Brazil business; and bolster the foundations of the naval shipping business

② Rolling Stock

Enhance competitiveness by developing leading-edge technologies, new rolling stock, and other technologies and products that meet customers' needs; further boost system integration capabilities by strengthening personnel development; build a global, optimal business execution platform, including overseas production, overseas procurement, and utilization of partnerships

③ Aerospace

Establish a mass production system for C-2 transport and P-1 fixed-wing patrol aircraft, including repair services and parts supply, and apply to derivative aircraft; increase production of Boeing 787 component parts and apply to derivative aircraft, and develop and launch mass production for 777X

④ Gas Turbine & Machinery

Develop an energy solutions business based on high-efficiency industrial gas turbines and gas engines; promote overseas business development; develop new models of jet engines for civilian aircraft and handle increased production

⑤ Plant & Infrastructure

Enhance competitiveness by making existing products more advanced and rapidly commercialize new products and technologies; expand overseas businesses centered on emerging markets and resource-producing countries by strengthening overseas partnerships; further bolster engineering capabilities by cultivating human resources; steadily complete large projects

⑥ Motorcycle & Engine

Continue to introduce attractive, strong models that possess the Kawasaki appeal; establish position as a premium brand; further boost presence in advanced countries where economies are on a recovery track; enhance the strength of the brand and cultivate new markets in emerging markets; thoroughly promote management efficiency for the global supply chain

⑦ Precision Machinery

Maintain high market share and expand market share for hydraulic components for excavators; grow sales in market for construction machinery besides excavators; enhance system proposal capabilities and upgrade and expand overseas production framework in the industrial robot field; engage in ongoing initiatives targeting new fields for the future, such as medical robots

Notes:

These materials contain earnings forecast and other forward-looking statements based on information available to the company at the time of disclosure and the company makes no assurances as to the actual results and/or other outcomes.

4. Basic rationale for selecting accounting standards

In light of the fact that the difference in accounting standards continues to narrow, the Group plans to continue to use Japanese accounting standards in the near term. The Group has been studying the possible adoption of IFRS, and will continue to consider the situation surrounding the Group both in Japan and overseas, and will address this issue as appropriate from the perspective of increasing corporate value.

5. Consolidated Financial Statements

(1) Consolidated balance sheets

March 31	Millions of yen	
	2014	2015
Assets		
Current assets		
Cash on hand and in banks	47,949	51,645
Trade receivables	415,664	421,890
Merchandise and finished products	56,673	59,487
Work in process	302,511	321,326
Raw materials and supplies	98,848	117,837
Deferred tax assets	33,046	33,292
Other	54,165	70,576
Allowance for doubtful receivables	(3,104)	(2,995)
Total current assets	1,005,754	1,073,062
Fixed assets		
Net property, plant and equipment		
Buildings and structures,	144,147	161,840
Machinery and equipment,	99,768	121,210
Land	62,866	64,708
Leased assets,	1,987	2,108
Construction in progress	29,330	18,356
Other,	45,810	52,330
Total property, plant and equipment	383,912	420,554
Intangible assets	17,262	16,409
Investments and other assets		
Investments in securities	14,167	15,488
Long-term loans	424	363
Deferred tax assets	52,711	41,611
Net defined benefit assets	1,444	317
Other	79,461	95,299
Allowance for doubtful receivables	(710)	(823)
Total investments and other assets	147,500	152,257
Total fixed assets	548,675	589,220
Total assets	1,554,430	1,662,283

Liabilities		
Current liabilities		
Trade payables	252,107	253,907
Electronically recorded obligations-operating	53,923	85,453
Short-term debt	190,757	122,338
Lease obligations, current	404	276
Income taxes payable	10,100	17,094
Deferred tax liabilities	442	442
Accrued bonuses	22,118	26,440
Provision for product warranties	10,535	11,480
Provision for losses on construction contracts	13,560	5,873
Advances from customers	137,598	171,607
Current portion of bonds	-	20,000
Asset retirement obligations	49	15
Other	103,818	109,691
Total current liabilities	795,415	824,623
Long-term liabilities		
Bonds payable	110,000	110,000
Long-term debt	141,343	159,749
Lease obligations	2,139	2,011
Deferred tax liabilities	6,630	8,199
Provision for loss on damages suit	395	-
Provision for environmental measures	3,669	2,535
Net defined benefit liability	97,048	79,272
Asset retirement obligations	487	464
Other	20,614	27,468
Total long-term liabilities	382,328	389,702
Total liabilities	1,177,744	1,214,326
Net assets		
Shareholders' equity		
Common stock	104,484	104,484
Capital surplus	54,393	54,393
Retained earnings	217,449	253,605
Treasury stock	(43)	(67)
Total shareholders' equity	376,284	412,416
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	2,652	3,704
Deferred gains (losses) on hedges	(3,803)	(1,985)
Foreign currency translation adjustments	6,416	25,179
Remeasurements of defined benefit plans	(18,509)	(7,318)
Total accumulated other comprehensive income	(13,243)	19,579
Minority interests	13,645	15,961
Total net assets	376,686	447,957
Total liabilities and net assets	1,554,430	1,662,283

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

Years ended March 31	Millions of yen	
	2014	2015
Net sales	1,385,482	1,486,123
Cost of sales	1,140,293	1,216,680
Gross profit	245,189	269,443
Selling, general and administrative expenses		
Salaries and benefits	46,662	50,587
Advertising expenses	10,633	10,481
R&D expenses	40,398	41,606
Provision for doubtful accounts	10	104
Other	75,132	79,403
Total selling, general and administrative expenses	172,837	182,184
Operating income	72,351	87,259
Non-operating income		
Interest income	919	796
Dividend income	397	395
Gain on sales of securities	1,187	1,138
Equity in income of non-consolidated subsidiaries and affiliates	7,016	6,208
Other	2,669	4,714
Total non-operating income	12,190	13,253
Non-operating expenses		
Interest expense	3,991	3,761
Foreign exchange losses	14,785	5,097
Other	5,159	7,365
Total non-operating expenses	23,936	16,223
Recurring profit	60,605	84,288
Extraordinary income		
Gain on contribution of securities to retirement benefit trust	3,323	-
Total extraordinary income	3,323	-
Extraordinary losses		
Loss on disaster	2,142	-
Loss on impairment of fixed assets	476	-
Total extraordinary losses	2,618	-
Income before income taxes and minority interests	61,310	84,288
Income taxes		
Current	15,902	23,563
Deferred	4,409	6,779
Total income taxes	20,311	30,343
Income before minority interests	40,998	53,945
Minority interests in net income of consolidated subsidiaries	2,396	2,306
Net income	38,601	51,639

Consolidated statements of comprehensive income

Years ended March 31	Millions of yen	
	2014	2015
Income before minority interests	40,998	53,945
Other comprehensive income		
Net unrealized gains (losses) on securities	(1,852)	783
Deferred gains (losses) on hedges	2,314	1,860
Foreign currency translation adjustments	11,996	12,384
Remeasurements of defined benefit plans	1,870	10,952
Share of other comprehensive income of associates accounted for using equity method	13,377	7,834
Total other comprehensive income	27,706	33,815
Comprehensive Income attributable to:	68,705	87,760
Owners of the parent company	64,908	84,462
Minority interests	3,797	3,298

(3) Consolidated statements of changes in net assets

Years ended March 31	Millions of yen	
	2014	2015
Shareholders' equity		
Common stock		
Balance at end of previous year	104,484	104,484
Changes during the period		
Total changes during the period	-	-
Balance at end of year	104,484	104,484
Capital surplus		
Balance at end of previous year	54,393	54,393
Changes during the period		
Treasury stock disposed	0	0
Treasury stock retired	-	(0)
Total changes during the period	0	0
Balance at end of year	54,393	54,393
Retained earnings		
Balance at end of previous year	198,528	217,449
Cumulative effect of changes in accounting policies	(11,523)	-
Restated Balance	187,005	217,449
Changes during the period		
Cash dividend	(8,358)	(15,045)
Net income	38,601	51,639
Treasury stock retired	-	(659)
Increase (decrease) by change of consolidation period of subsidiaries	201	221
Total changes during the period	30,444	36,156
Balance at end of year	217,449	253,605
Treasury stock		
Balance at end of previous year	(27)	(43)
Changes during the period		
Treasury stock purchased	(16)	(684)
Treasury stock disposed	0	0
Treasury stock retired	-	660
Total changes during the period	(16)	(23)
Balance at end of year	(43)	(67)
Total shareholders' equity		
Balance at end of previous year	357,379	376,284
Cumulative effect of changes in accounting policies	(11,523)	-
Restated Balance	345,856	376,284
Changes during the period		
Cash dividend	(8,358)	(15,045)
Net income	38,601	51,639
Treasury stock purchased	(16)	(684)
Treasury stock disposed	0	0
Treasury stock retired	-	-
Increase (decrease) by change of consolidation period of subsidiaries	201	221
Total changes during the period	30,428	36,132
Balance at end of year	376,284	412,416

Comprehensive income		
Net unrealized gain (loss) on securities		
Balance at end of previous year	4,524	2,652
Changes during the period		
Net changes in items other than shareholders' equity	(1,871)	1,051
Total changes during the period	(1,871)	1,051
Balance at end of year	2,652	3,704
Deferred gains (losses) on hedges		
Balance at end of previous year	(5,998)	(3,803)
Changes during the period		
Net changes in items other than shareholders' equity	2,195	1,818
Total changes during the period	2,195	1,818
Balance at end of year	(3,803)	(1,985)
Foreign currency translation adjustments		
Balance at end of previous year	(17,665)	6,416
Changes during the period		
Net changes in items other than shareholders' equity	24,081	18,762
Total changes during the period	24,081	18,762
Balance at end of year	6,416	25,179
Remeasurements of defined benefit plans		
Balance at end of previous year	-	(18,509)
Cumulative effect of changes in accounting policies	(20,410)	-
Restated Balance	(20,410)	(18,509)
Changes during the period		
Net changes in items other than shareholders' equity	1,900	11,190
Total changes during the period	1,900	11,190
Balance at end of year	(18,509)	(7,318)
Total comprehensive income		
Balance at end of previous year	(19,139)	(13,243)
Cumulative effect of changes in accounting policies	(20,410)	-
Restated Balance	(39,549)	(13,243)
Changes during the period		
Net changes in items other than shareholders' equity	26,306	32,822
Total changes during the period	26,306	32,822
Balance at end of year	(13,243)	19,579
Minority interests		
Balance at end of previous year	11,641	13,645
Changes during the period		
Net changes in items other than shareholders' equity	2,004	2,316
Total changes during the period	2,004	2,316
Balance at end of year	13,645	15,961
Total net assets		
Balance at end of previous year	349,881	376,686
Cumulative effect of changes in accounting policies	(31,933)	-
Restated Balance	317,947	376,686
Changes during the period		
Cash dividend	(8,358)	(15,045)
Net income for the year (loss)	38,601	51,639
Treasury stock purchased	(16)	(684)
Treasury stock disposed	0	0

Treasury stock retired	-	-
Increase (decrease) by change of consolidation period of subsidiaries	201	221
Net changes in items other than shareholders' equity	28,310	35,139
Total changes during the period	58,738	71,271
Balance at end of year	376,686	447,957

(4) Consolidated statements of cash flows

Years ended March 31	Millions of yen	
	2014	2015
Cash flows from operating activities		
Income before income taxes and minority interests	61,310	84,288
Depreciation and amortization	37,838	44,572
Loss on impairment of fixed assets	476	-
Increase (decrease) in net defined benefit liability	(2,830)	(2,521)
Increase (decrease) in accrued bonuses	1,839	4,255
Increase (decrease) in allowance for doubtful receivables	(129)	(160)
Increase (decrease) in provision for product warranties	4,117	666
Increase (decrease) in provision for losses on construction contracts	(5,345)	(7,957)
Increase (decrease) in provision for losses on damages suit	(102)	(467)
Increase (decrease) in provision for environmental measures	(915)	(1,134)
Loss on disposal of inventories	1,339	1,966
(Gain) loss on sale of marketable and investment securities	(1,187)	(1,138)
(Gain) loss on valuation of securities	619	52
(Gain) loss on sale of property, plant, and equipment	1,043	1,428
Equity in income non-consolidated subsidiaries and affiliates	(7,016)	(6,208)
Interest and dividend income	(1,317)	(1,191)
Interest expense	3,991	3,761
(Increase) decrease in trade receivables	17,750	630
(Increase) decrease in inventories	(1,295)	(22,583)
(Increase) decrease in advance payments	(6,927)	(11,086)
(Increase) decrease in other current assets	8,277	(623)
Increase (decrease) in trade payables	20,059	28,933
Increase (decrease) in advances from customers	25,978	29,460
Increase (decrease) in other current liabilities	7,713	(62)
Other	2,969	1,390
Subtotal	168,258	146,272
Cash received for interest and dividends	6,018	6,099
Cash paid for interest	(4,210)	(4,012)
Cash paid for income taxes	(18,345)	(20,707)
Net cash provided by operating activities	151,721	127,651
Cash flows from investing activities		
Decrease (increase) in time deposits with maturities over three months	(584)	(1,276)
Acquisition of property, plant and equipment	(77,396)	(73,917)
Proceeds from sale of property, plant and equipment	2,212	11,890
Acquisition of intangible assets	(2,778)	(3,443)
Proceeds from sale of intangible assets	595	23
Acquisition of investments in securities	(610)	(486)
Proceeds from sale of investments in securities	2,695	1,470
Acquisition of investments in subsidiaries of affiliate	(2,063)	(1,261)
Decrease (increase) in short-term loans receivable	196	(1,164)
Additions to long-term loans receivable	(64)	(63)
Proceeds from collection of long-term loans receivable	84	141
Other	152	690
Net cash used for investing activities	(77,559)	(67,397)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	(64,139)	(16,587)
Proceeds from long-term debt	40,430	42,456
Repayment of long-term debt	(58,749)	(86,233)
Proceeds from issuance of bonds	40,000	20,000
Redemption of bonds payable	(10,000)	-
Acquisition of treasury stock	(17)	(25)
Proceeds from stock issuance to minority shareholders	-	1
Cash dividends paid	(8,363)	(15,675)
Cash dividends paid to minority shareholders	(1,532)	(986)
Other	(132)	(83)
Net cash used for financing activities	(62,505)	(57,133)
Effect of exchange rate changes	(4,001)	(953)
Net increase (decrease) in cash and cash equivalents	7,655	2,167
Cash and cash equivalents at beginning of period	36,971	45,431
Increase (decrease) in cash and cash equivalents by change of consolidation period of subsidiaries	804	122
Cash and cash equivalents at end of period	45,431	47,721

(5) Notes on financial statements

Notes on the going-concern assumption

Not applicable

Basis of preparation of financial statements

Other than information disclosed under the heading "*Changes in basis of preparation of financial statements*" below, no material changes have been made from the information disclosed in the Company's most recent full-year statutory financial report (filed June 26, 2014). An updated disclosure is therefore omitted here.

Changes in basis of preparation of financial statements

1. Change in the scope of consolidation

(1) Change in the scope of consolidation

Two companies were added as consolidated subsidiaries because they were newly established by the Company.

One company ceased to be consolidated subsidiaries as they were completed of liquidation .

(2) Number of consolidated subsidiaries after change

97 companies

2. Change in application of the equity method

(1) Non-consolidated subsidiaries which are accounted for under the equity method

None

(2) Associated companies which are accounted for under the equity method

(i) Change in associated companies which are accounted for under the equity method

One company was removed from the use of the equity method due to the sale of shares in said company.

(ii) Number of associated companies accounted for under the equity method after change

17 companies

Additional Information

Not applicable

Consolidated balance sheets

Fiscal year ended March 31, 2015 (As of March 31, 2015)

Information is omitted here as its disclosure in this report is not of material importance.

Consolidated Statements of Income

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

Information is omitted here as its disclosure in this report is not of material importance.

Information Omitted

Notes on the unapplied accounting policies, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity, the consolidated cash flow statements, lease transactions, related-party transactions, tax-effect accounting, financial instruments, securities, derivative transactions, retirement benefits, stock-based compensation, business combination, asset retirement obligations, investment and rental property are omitted here, as their disclosure in this report is not of material importance.

Segment information and others

1. Segment information

(1) Overview of reportable segments

The Company's reportable segments are components of the company about which separate financial information is available. These segments are subject to periodic reviews by the Company's board of directors to decide how to allocate resources and assess performance. The Company's operations are divided into internal companies based on product categories. Certain authority is delegated to each of the internal companies, based on which they conduct businesses in Japan and overseas. The Company's operations are therefore segmented based on each internal company's product categories. The Company's eight reportable segments are the Ship & Offshore Structure segment, the Rolling Stock segment, the Aerospace segment, the Gas Turbine & Machinery segment, the Plant & Infrastructure segment, the Motorcycle & Engine segment, the Precision Machinery segment, and the Other segment.

Main segment businesses are listed below.

Industry segment	Major products
Ship & Offshore Structure	Construction and sale of ships and other vessels, etc.
Rolling Stock	Production and sale of rolling stock, snow plows, etc.
Aerospace	Production and sale of aircraft, etc.
Gas Turbines & Machinery	Production and sale of jet engines, general-purpose gas turbine generators, prime movers, etc.
Plant & Infrastructure	Production and sale of industrial equipment, boilers, environmental equipment, steel structures, crushers, etc.
Motorcycle & Engine	Production and sale of motorcycles, all-terrain vehicles (ATV), utility vehicles, personal watercraft ("JET SKI"), general-purpose gasoline engines, etc.
Precision Machinery	Production and sale of industrial hydraulic products, industrial robots, etc.
Other	Production and sale of construction machinery, commercial activities, sales/order agency and intermediary activities, administration of welfare facilities, etc.

(2) Calculation methods for sales, income (loss), assets, liabilities and other items by reportable segment

Accounting methods applied for calculation of sales, income (loss), assets, liabilities, and other items by industry segment largely correspond to information presented under "*Basis of preparation of financial statements*" on page 24. Segment income is based on operating income. Intersegment sales or transfers are based on market prices.

(3) Sales, income (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

	Sales			Segment income (loss)	Segment assets	Other items			
	External sales	Intersegment sales or transfer	Total			Depreciation/ amortization	Loss on impairment of fixed assets	Investment in equity-method affiliates	Increase in property, plant and equipment and intangibles
Ship & Offshore Structure	80,863	1,776	82,640	(2,006)	129,542	755	-	49,089	1,532
Rolling Stock	147,951	5,821	153,772	7,572	159,363	2,630	-	125	5,490
Aerospace	280,737	2,537	283,274	26,254	348,608	9,937	-	-	25,699
Gas Turbines & Machinery	189,241	16,922	206,164	10,486	279,356	3,155	-	1,424	8,300
Plant & Infrastructure	103,898	15,639	119,537	6,312	109,878	1,297	476	15,234	2,424
Motorcycle & Engine	322,248	794	323,042	16,100	252,933	10,241	-	1,099	17,250
Precision Machinery	123,276	13,567	136,844	10,415	124,989	4,435	-	6	7,734
Other Operations	137,264	33,016	170,280	4,481	120,529	2,078	-	2,717	4,236
Total	1,385,482	90,075	1,475,557	79,616	1,525,202	34,531	476	69,697	72,670
Adjustments	-	(90,075)	(90,075)	(7,264)	29,227	3,306	-	-	15,055
Consolidated total	1,385,482	-	1,385,482	72,351	1,554,430	37,838	476	69,697	87,726

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(Millions of yen)

	Sales			Segment income (loss)	Segment assets	Other items		
	External sales	Intersegment sales or transfer	Total			Depreciation/ amortization	Investment in equity-method affiliates	Increase in property, plant and equipment and intangibles
Ship & Offshore Structure	90,327	3,289	93,616	2,675	171,736	805	56,749	3,317
Rolling Stock	121,519	3,736	125,256	6,044	169,469	2,837	144	3,256
Aerospace	325,083	2,160	327,244	36,318	363,417	10,823	-	34,780
Gas Turbines & Machinery	218,794	17,637	236,432	11,269	296,359	3,913	1,436	7,053
Plant & Infrastructure	121,113	18,859	139,973	6,574	124,938	1,345	17,306	2,293
Motorcycle & Engine	329,240	808	330,048	14,923	271,746	13,245	1,212	15,788
Precision Machinery	135,782	14,423	150,205	10,908	134,868	5,162	7	6,175
Other Operations	144,261	40,952	185,213	3,986	101,982	2,222	2,861	2,169
Total	1,486,123	101,866	1,587,990	92,701	1,634,518	40,356	79,719	74,835
Adjustments	-	(101,866)	(101,866)	(5,442)	27,765	4,216	-	5,260
Consolidated total	1,486,123	-	1,486,123	87,259	1,662,283	44,572	79,719	80,096

(4) Reconciliation and main components of difference between total for reportable segments and amounts on the consolidated financial statements

Fiscal year ended March 31 (Millions of yen)

Sales	2014	2015
Total for reportable segments	1,475,557	1,587,990
Intersegment transactions	(90,075)	(101,866)
Net sales reported on the consolidated financial statements	1,385,482	1,486,123

Fiscal year ended March 31 (Millions of yen)

Income	2014	2015
Total for reportable segments	79,616	92,701
Intersegment transactions	(79)	(1,042)
Corporate expenses*	(7,185)	(4,399)
Operating income (loss) on consolidated financial statements	72,351	87,259

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

Fiscal year ended March 31 (Millions of yen)

Assets	2014	2015
Total for reportable segments	1,525,202	1,634,518
Corporate assets shared by all segments*	129,822	117,990
Intersegment transactions etc.	(100,595)	(90,225)
Total assets on consolidated financial statements	1,554,430	1,662,283

*Note: Corporate assets shared by all segments mainly comprise fixed assets not attributed to reportable segments.

Fiscal year ended March 31 (Millions of yen)

Other items	Total for reportable segments		Adjustments*		Amounts reported on the consolidated financial statements	
	2014	2015	2014	2015	2014	2015
Depreciation/amortization	34,531	40,356	3,306	4,216	37,838	44,572
Increase in property, plant and equipment and intangibles	72,670	74,835	15,055	5,260	87,726	80,096

*Note: Adjustments are mainly due to fixed assets not attributed to reportable segments.

Related information

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

1. Information by product and service

Information by product and service is omitted here as segmentation is equivalent to that used for reportable segments.

2. Information by geographic area

(a) Net sales

(Millions of yen)

Japan	USA	Europe	Asia	Other areas	Total
605,328	326,337	101,381	240,221	112,212	1,385,482

Note: Net sales are classified by country or region based on the location of customers.

(b) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Asia	Other areas	Total
324,502	26,059	3,704	28,363	1,281	383,912

3. Information by major clients

(Millions of yen)

Clients	Net sales	Related segments
Ministry of Defense	197,640	Ship & Offshore Structure, Aerospace, Gas Turbines & Machinery

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

1. Information by product and service

Information by product and service is omitted here as segmentation is equivalent to that used for reportable segments.

2. Information by geographic area

(a) Net sales

(Millions of yen)

Japan	USA	Europe	Asia	Other areas	Total
631,018	356,806	115,145	252,371	130,782	1,486,123

Note: Net sales are classified by country or region based on the location of customers.

(b) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Asia	Other areas	Total
358,868	24,048	3,794	32,792	1,051	420,554

3. Information by major clients

(Millions of yen)

Clients	Net sales	Related segments
Ministry of Defense	220,745	Ship & Offshore Structure, Aerospace, Gas Turbines & Machinery

Impairment loss on fixed assets by reportable segment

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

Information is omitted here as it is equivalent to that stated in “1. Segment information”.

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

Not applicable.

*Amortization amount for and unamortized balance of goodwil*l

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

Not applicable.

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

Not applicable.

Gain on negative goodwill by reportable segment

Fiscal year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

Not applicable.

Fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

Not applicable.

Per share data

Years ended March 31 (Yen)

2014		2015	
Net assets per share	217.16	Net assets per share	258.58
Earnings per share - basic	23.09	Earnings per share - basic	30.89

Notes:
1. Diluted net earnings per share is not stated because there are no potential shares.
2. Net assets per share were calculated based on the following:

March31 (Millions of yen)

	2014	2015
Total net assets	376,686	447,957
Amounts excluded from total net assets	13,645	15,961
Of which: minority interest	(13,645)	*(15,961)*
Net assets attributable to the common shares	363,041	431,996
Number of common shares used to compute net assets per share (Thousands of share	1,671,750	1,670,613

3. Net income/loss per share and net income per share (diluted) were calculated based on the following:

Years ended March 31 (Millions of yen)

	2014	2015
Earnings per share - basic		
Net income	38,601	51,639
Earnings not attributable to common shareholders	-	-
Net income allocated to the common shares	38,601	51,639
Average number of common shares outstanding (thousands of s	1,671,770	1,671,637

Material subsequent events

Not applicable

6. Others

(1) Corporate officer changes

Refer to the Company's press release on March 31, 2015, titled "New Directors and Corporate Auditor to be Nominated."

(2) Consolidated orders and sales

Orders received

Years ended March 31 (Millions of yen)

	2014（A）		2015（B）		Change（B-A）	
		% of total		% of total		%
Ship & Offshore Structure	117,872	8.0	179,221	10.4	61,348	52.0
Rolling Stock	133,049	9.1	131,428	7.6	(1,620)	(1.2)
Aerospace	286,383	19.6	357,031	20.8	70,648	24.6
Gas Turbine & Machinery	222,013	15.2	235,722	13.7	13,708	6.1
Plant & Infrastructure	103,912	7.1	203,473	11.8	99,560	95.8
Motorcycle & Engine	322,248	22.1	329,240	19.2	6,991	2.1
Precision Machinery	127,297	8.7	136,286	7.9	8,989	7.0
Other	142,684	9.8	140,558	8.2	(2,125)	(1.4)
Total	1,455,462	100.0	1,712,963	100.0	257,500	17.6

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

Net sales

Years ended March 31 (Millions of yen)

	2014（A）		2015（B）		Change（B-A）	
		% of total		% of total		%
Ship & Offshore Structure	80,863	5.8	90,327	6.0	9,463	11.7
Rolling Stock	147,951	10.6	121,519	8.1	(26,431)	(17.8)
Aerospace	280,737	20.2	325,083	21.8	44,346	15.7
Gas Turbine & Machinery	189,241	13.6	218,794	14.7	29,553	15.6
Plant & Infrastructure	103,898	7.4	121,113	8.1	17,215	16.5
Motorcycle & Engine	322,248	23.2	329,240	22.1	6,991	2.1
Precision Machinery	123,276	8.8	135,782	9.1	12,505	10.1
Other	137,264	9.9	144,261	9.7	6,996	5.0
Total	1,385,482	100.0	1,486,123	100.0	100,641	7.2

Order backlog

Years ended March 31 (Millions of yen)

	2014（A）		2015（B）		Change（B-A）	
		% of total		% of total		%
Ship & Offshore Structure	161,134	10.7	264,281	14.6	103,146	64.0
Rolling Stock	364,654	24.3	405,999	22.4	41,344	11.3
Aerospace	450,581	30.0	488,431	27.0	37,850	8.4
Gas Turbine & Machinery	295,100	19.6	336,441	18.6	41,341	14.0
Plant & Infrastructure	170,737	11.3	255,522	14.1	84,785	49.6
Motorcycle & Engine	-	-	-	-	-	-
Precision Machinery	25,821	1.7	26,325	1.4	504	1.9
Other	32,234	2.1	28,531	1.5	(3,702)	(11.4)
Total	1,500,264	100.0	1,805,533	100.0	305,269	20.3

(3) Supplementary information on earnings forecasts for the fiscal year ending March 31, 2016

1. Consolidated earnings outlook

(Billions of yen)

	Outlook for the fiscal year ending March 31, 2016 (A)	Fiscal year ended March 31, 2015(actual) (B)	Change (A – B)
Net sales	1,650.0	1,486.1	163.9
Operating income	102.0	87.2	14.8
Recurring profit	100.0	84.2	15.8
Net income	69.0	51.6	17.4

Orders received	1,680.0	1,712.9	(32.9)
Before-tax ROIC (%)	11.8%	10.4%	1.4%
R&D expenses	46.0	41.6	4.4
Capital expenditures	92.0	80.0	12.0
Depreciation/ amortization	54.0	44.5	9.5
Number of employees at end of period	35,400	35,471	(71)
*Number of employees outside of Japan included therein	*9,200	*9,452	*(252)

Notes: 1. Outlook's assumed foreign exchange rates: ¥118 = US$1, ¥128 = 1 euro
2. Before-tax ROIC = (income before income taxes + interest expense) / invested capital.
3. Capital expenditures represent the total of newly recorded property, plant and equipment and newly recorded intangible assets. Depreciation/amortization represents depreciation/amortization expenses for property, plant and equipment and intangible assets.

2. Outlook by reportable segment

(a) Net sales and operating income (loss)

(Billions of yen)

	Outlook for the fiscal year ending March 31, 2016 (A)		Fiscal year ended March 31, 2015 (actual) (B)		Change (A – B)	
	Net sales	Operating Income (loss)	Net sales	Operating Income (loss)	Net sales	Operating Income (loss)
Ship & Offshore Structure	105.0	3.0	90.3	2.6	14.7	0.4
Rolling Stock	180.0	11.0	121.5	6.0	58.5	5.0
Aerospace	360.0	41.0	325.0	36.3	35.0	4.7
Gas Turbine & Machinery	260.0	16.0	218.7	11.2	41.3	4.8
Plant & Infrastructure	125.0	6.0	121.1	6.5	3.9	(0.5)
Motorcycle & Engine	350.0	15.5	329.2	14.9	20.8	0.6
Precision Machinery	150.0	11.5	135.7	10.9	14.3	0.6
Other	120.0	3.0	144.2	3.9	(24.2)	(0.9)
Adjustments		(5.0)		(5.4)		0.4
Total	1,650.0	102.0	1,486.1	87.2	163.9	14.8

(b) Orders received

(Billions of yen)

	Outlook for the fiscal year ending March 31, 2016 (A)	Fiscal year ended March 31, 2015 (actual) (B)	Change (A – B)
Ship & Offshore Structure	120.0	179.2	(59.2)
Rolling Stock	160.0	131.4	28.6
Aerospace	440.0	357.0	83.0
Gas Turbine & Machinery	250.0	235.7	14.3
Plant & Infrastructure	100.0	203.4	(103.4)
Motorcycle & Engine	350.0	329.2	20.8
Precision Machinery	155.0	136.2	18.8
Other	105.0	140.5	(35.5)
Total	1,680.0	1,712.9	(32.9)

(c) Before-tax ROIC

(%)

	Outlook for the fiscal year ending March 31, 2016 (A)	Fiscal year ended March 31, 2015 (actual) (B)	Change (A – B)
Ship & Offshore Structure	5.4	6.0	(0.6)
Rolling Stock	12.5	8.7	3.8
Aerospace	29.0	35.1	(6.1)
Gas Turbine & Machinery	8.6	5.7	2.9
Plant & Infrastructure	12.6	14.3	(1.7)
Motorcycle & Engine	12.0	7.3	4.7
Precision Machinery	12.9	16.7	(3.8)
Total	11.8	10.4	1.4