

**Report of Earnings and Financial Statements for the  
Three Months Ended June 30, 2016 (Consolidated)**  
(Prepared pursuant to Japanese GAAP)

July 29, 2016

Listed company's name: **Kawasaki Heavy Industries, Ltd.**  
 Listed on: 1st sections of the TSE, and NSE  
 Stock code: 7012  
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Scheduled dates:

Submission of quarterly securities filing: August 4, 2016

Commencement of dividend payments: -

Supplementary materials to quarterly earnings: Available

Quarterly earnings presentation: Conducted (for institutional investors and analysts)

**1. Consolidated Financial Results for the Three Months ended June 30, 2016**  
(April 1, 2016 – June 30, 2016)

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

(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, 2016	339,859	(0.0)	15,958	7.6	5,738	(62.6)	4,797	(35.9)
Three Months Ended June 30, 2015	340,042	11.7	14,819	35.9	15,358	129.4	7,492	38.3

Note: Comprehensive income: Three months ended June 30, 2016: (8,797) million yen (196.5)%  
 Three months ended June 30, 2015: 9,110 million yen 97.5%

	Earnings per share	Earnings per share – diluted
	yen	yen
Three Months Ended June 30, 2016	2.87	-
Three Months Ended June 30, 2015	4.48	-

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
June 30, 2016	1,647,630	424,680	24.9
March 31, 2016	1,620,458	445,625	26.6

Note: Shareholders' equity: June 30, 2016: 411,315 million yen  
 March 31, 2016: 431,368 million yen

## 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, 2016	-	5.00	-	7.00	12.00
Year ending March 31, 2017	-				
Year ending March 31, 2017 (forecast)		4.00	-	6.00	10.00

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

## 3. Forecast of Consolidated Earnings for the Year Ending March 31, 2017

(April 1, 2016 – March 31, 2017)

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

	Net sales		Operating income		Recurring profit		Net income attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
For six months ending September 30, 2016	700,000	(1.1)	22,000	(47.9)	22,000	(45.3)	14,500	(46.0)	8.67
Full year	1,570,000	1.8	70,000	(27.0)	69,000	(25.9)	49,000	6.4	29.33

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

## 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. Summary Information (Notes) (2) Accounting procedures specific to preparation of quarterly consolidated financial statements ” on page 9 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, 2016: 1,670,805,320 shares
    - March 31, 2016: 1,670,805,320 shares
  - (2) Number of shares held in treasury as of period-end
    - June 30, 2016: 232,163 shares
    - March 31, 2016: 228,992 shares
  - (3) Average number of shares during respective periods
    - Three months ended June 30, 2016: 1,670,574,322 shares

Three months ended June 30, 2015:

1,670,606,948 shares

### **Quarterly review status**

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

### **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 9 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 and analysts by conference call on Friday July 29, 2016, 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.

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

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

In the first three months of the fiscal year ending March 31, 2017, the global economy continues to grow modestly, with growth centered on the U.S. On the other hand, it is relatively lacking in vigor due to the economic slowdown in emerging countries and resource-rich countries, especially China. In addition, future economic prospects have become increasingly uncertain in conjunction with the international market turmoil caused by as well as concerns about Brexit's future negative impacts on the real economy. Going forward, these risks with the potential to drag down the global economy must continue to be watched.

The Japanese economy remains at a standstill due to the decline in external demand, lackluster personal consumption, and other factors. Going forward, the economy is expected to grow modestly overall due to steady improvement in the income and employment environments. However, there are concerns that the yen's rapid appreciation since the start of the year will negatively impact corporate earnings, particularly among exporters, and hurt business sentiment.

Amid such an operating environment, the Group's orders received in the first quarter declined versus the same period of the previous fiscal year, mainly in the Plant & Infrastructure segment. Net sales in the first quarter were on par with the same period of the previous fiscal year, as the decline in sales resulting from the assignment of the construction machinery business was offset by the increase in sales in Plant & Infrastructure, Ship & Offshore Structure and other segments. There was an increase in operating income due to higher profit in the Motorcycle & Engine, Aerospace, and other segments, while recurring profit and net income attributable to owners of parent fell due to an increase in foreign exchange losses and other factors.

The Group's consolidated orders received decreased by ¥85.1 billion year on year to ¥258.6 billion, consolidated net sales totaled ¥339.8 billion, which was on par with the same period of the previous year, consolidated operating income increased by ¥1.1 billion year on year to ¥15.9 billion, consolidated recurring profit decreased by ¥9.6 billion year on year to ¥5.7 billion, and net income attributable to owners of parent decreased by ¥2.6 billion year on year to ¥4.7 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		
	2015 (A)		2016 (B)		Change (B – A)		Three months ended June 30		
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	2015 (A)	2016 (B)	Change (B – A)
Ship & Offshore Structure	23.4	(0.5)	31.1	0.6	7.6	1.2	17.2	2.2	(14.9)
Rolling Stock	32.1	1.5	28.8	0.7	(3.3)	(0.7)	46.9	23.2	(23.6)
Aerospace	76.0	8.4	80.0	9.5	4.0	1.0	52.6	41.6	(10.9)
Gas Turbine & Machinery	51.9	3.6	49.1	3.2	(2.8)	(0.3)	35.2	50.6	15.4
Plant & Infrastructure	23.4	(0.1)	31.7	0.6	8.2	0.7	55.3	18.0	(37.3)
Motorcycle & Engine	72.1	(1.0)	69.2	0.3	(2.8)	1.3	72.1	69.2	(2.8)
Precision Machinery	29.9	1.8	32.9	2.1	2.9	0.2	31.1	33.1	1.9
Other	30.7	0.8	16.7	0.7	(14.0)	(0.1)	32.9	20.2	(12.7)
Adjustments	-	0.2	-	(1.9)	-	(2.1)	-	-	-
Total	340.0	14.8	339.8	15.9	(0.1)	1.1	343.7	258.6	(85.1)

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.

### Ship & Offshore Structure

Consolidated orders received fell ¥14.9 billion year on year to ¥2.2 billion, due to the drop in demand for newly-built ships.

Consolidated net sales increased ¥7.6 billion year on year to ¥31.1 billion, due to an increase in the amount of shipbuilding of LNG carriers, LPG carriers and submarines, along with other factors, despite the impact of the appreciation of the yen.

Consolidated operating income improved ¥1.2 billion year on year to ¥0.6 billion, attributable to the increase in sales, the reversal of allowance for doubtful receivables resulting from the appreciation of the yen, and other factors.

### **Rolling Stock**

Consolidated orders received declined ¥23.6 billion year on year to ¥23.2 billion, as a large order for North America was received in the same quarter of the previous fiscal year.

Consolidated net sales fell ¥3.3 billion year on year to ¥28.8 billion, due to the decline in rolling stock parts for overseas markets and other factors.

Consolidated operating income fell ¥0.7 billion year on year to ¥0.7 billion, due to the drop in sales and profit margin, along with other factors.

### **Aerospace**

Consolidated orders received fell ¥10.9 billion year on year to ¥41.6 billion, due to the impact of the yen's appreciation, the decline in component parts for commercial aircraft, and other factors.

Consolidated net sales increased ¥4.0 billion year on year to ¥80.0 billion, due to the increase in sales to the Ministry of Defense, a continued high level of sales of component parts for commercial aircraft, and other factors, despite the impact of the yen's appreciation.

Consolidated operating income increased ¥1.0 billion year on year to ¥9.5 billion, due to the increase in sales and other factors.

### **Gas Turbine & Machinery**

Consolidated orders received increased ¥15.4 billion year on year to ¥50.6 billion, due to the increase in orders received for gas engines for the domestic market and other factors.

Consolidated net sales fell ¥2.8 billion year on year to ¥49.1 billion, due to the decline in sales to the Ministry of Defense, the impact of the yen's appreciation and other factors, despite the increase in component parts of commercial aircraft jet engines.

Consolidated operating income fell ¥0.3 billion year over year to ¥3.2 billion, as a result of the decline in sales.

### **Plant & Infrastructure**

Consolidated orders received declined ¥37.3 billion year on year to ¥18.0 billion, as large orders, including municipal refuse incineration plants for the domestic market, were received in the same period of the previous fiscal year.

Consolidated net sales increased ¥8.2 billion year on year to ¥31.7 billion, due to an increase in construction work volume on a chemical plant for an overseas market.

Consolidated operating income increased ¥0.7 billion year on year to ¥0.6 billion, due to the increase in sales.

### **Motorcycle & Engine**

Consolidated net sales declined ¥2.8 billion year on year to ¥69.2 billion due to the impact of the yen's appreciation, the decline in general-purpose gasoline engines, and other factors, despite the increase in sales of motorcycles for developed countries and automobiles.

Consolidated operating income increased ¥1.3 billion year on year to ¥0.3 billion, due to the improvement in the model mix and other factors, despite the drop in profit resulting from the decline in sales.

### **Precision Machinery**

Consolidated orders received increased ¥1.9 billion year on year to ¥33.1 billion, due to the increase in industrial robots and other factors.

Consolidated net sales increased ¥2.9 billion year on year to ¥32.9 billion, due to an increase in sales of industrial robots, hydraulic components, and other factors.

Consolidated operating income increased ¥0.2 billion to ¥2.1 billion, due to the increase in sales.

### **Other Operations**

Consolidated net sales fell ¥14.0 billion year on year to ¥16.7 billion, due to the assignment of the construction machinery business and other factors.

Consolidated operating income was ¥0.7 billion, on par with the same period of the previous fiscal year.

## **(2) Consolidated financial position**

At June 30, 2016, consolidated assets totaled ¥1,647.6 billion, an increase of ¥27.1 billion from March 31, 2016. This was attributable to an increase in trade receivables. Liabilities as of June 30, 2016, totaled ¥1,222.9 billion, a ¥48.1 billion increase versus March 31, 2016, due to the increase in commercial paper and other interest-bearing debt, despite the decline in trade payables. Interest-bearing debt increased ¥86.2 billion to ¥484.6 billion. Net assets fell ¥20.9 billion to ¥424.6 billion, due to the decline in foreign currency translation adjustments in conjunction with the yen's appreciation, dividend payments, and other factors.



### **(3) Consolidated earnings outlook**

The business environment surrounding the Group has become increasingly uncertain, as despite expectations for continued moderate growth centered on the U.S., there are concerns about the impacts of the economic slowdown in emerging countries along with crude oil price movements, in addition to turmoil in international financial markets due to Brexit and worries about an overall global economic downturn, among other concerns. Given this kind of environment, the Company has decided to spend more time analyzing the future outlook. Consequently, the Company has left its earnings forecasts for the fiscal year ending March 31, 2017 unchanged from the values previously announced on April 27, 2016.

Given the extremely unstable conditions in the foreign exchange market, the Company has left the exchange rates used in making these earnings forecasts unchanged from the previously announced values. As such, the Company's earnings forecasts assume exchange rates of ¥110 to the U.S. dollar and ¥125 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. Summary Information (Notes)**

### **(1) Changes affecting the status of material subsidiaries (scope of consolidation)**

Not applicable

### **(2) Accounting procedures specific to preparation of quarterly consolidated financial statements**

The Company calculates tax expense by rationally estimating its effective tax rate after application of deferred-tax 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.

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

Not applicable

**(4) Additional information**

(Application of the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016) has been applied starting with the first quarter ended June 30, 2016.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

		Million yen	
		As of March 31, 2016	As of June 30, 2016
<b>Assets</b>			
Current assets			
Cash on hand and in banks		42,157	39,131
Trade receivables		381,339	401,377
Merchandise and finished products		57,092	50,445
Work in process		324,915	339,444
Raw materials and supplies		110,956	108,989
Other		104,019	116,247
Allowance for doubtful receivables		(2,578)	(2,307)
	Total current assets	1,017,903	1,053,328
Fixed assets			
Net property, plant and equipment		436,557	433,500
Intangible assets		15,475	15,098
Investments and other assets			
Other		160,423	154,542
Allowance for doubtful receivables		(9,902)	(8,838)
	Total investments and other assets	150,521	145,703
	Total fixed assets	602,554	594,301
	<b>Total assets</b>	1,620,458	1,647,630
<b>Liabilities</b>			
Current liabilities			
Trade payables		233,979	203,312
Electronically recorded obligations-operating		87,798	94,805
Short-term debt		105,891	105,256
Income taxes payable		10,889	5,984
Accrued bonuses		25,138	27,830
Provision for product warranties		12,642	12,394
Provision for losses on construction contracts		7,926	7,687
Advances from customers		170,454	169,568
Other		112,990	202,963
	Total current liabilities	767,711	829,802
Long-term liabilities			
Bonds payable		120,000	110,000
Long-term debt		160,809	159,572
Provision for environmental measures		1,693	1,269
Net defined benefit liability		90,789	89,438
Other		33,828	32,867
	Total long-term liabilities	407,120	393,147
	<b>Total liabilities</b>	1,174,832	1,222,949

<b>Net assets</b>		
Shareholders' equity		
Common stock	104,484	104,484
Capital surplus	54,394	54,394
Retained earnings	279,627	272,723
Treasury stock	(86)	(87)
Total shareholders' equity	<u>438,419</u>	<u>431,514</u>
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	2,705	1,994
Deferred gains (losses) on hedges	692	1,104
Foreign currency translation adjustment	8,990	(4,770)
Remeasurements of defined benefit plans	(19,439)	(18,526)
Total accumulated other comprehensive income	<u>(7,051)</u>	<u>(20,198)</u>
Non-controlling interests	<u>14,257</u>	<u>13,364</u>
<b>Total net assets</b>	<u>445,625</u>	<u>424,680</u>
<b>Total net assets and liabilities</b>	<u>1,620,458</u>	<u>1,647,630</u>

## (2) Consolidated statements of income and comprehensive income

### Consolidated statements of income

	Million yen	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	340,042	339,859
Cost of sales	281,225	280,201
Gross profit	58,816	59,658
Selling, general and administrative expenses		
Salaries and benefits	12,466	12,097
R&D expenses	8,620	9,414
Other	22,909	22,188
Total selling, general and administrative expenses	43,996	43,700
Operating income	14,819	15,958
Non-operating income		
Interest income	167	141
Dividend income	127	121
Equity in income of non-consolidated subsidiaries and affiliates	250	929
Gain on sale of fixed assets	615	676
Reversal of allowance for doubtful accounts	66	1,212
Other	924	576
Total non-operating income	2,152	3,657
Non-operating expenses		
Interest expense	883	722
Foreign exchange losses	276	11,382
Other	452	1,773
Total non-operating expenses	1,613	13,878
Recurring profit	15,358	5,738
Extraordinary income		
Gain on sale of fixed assets	-	(1*) 2,202
Total extraordinary income	-	2,202
Income before income taxes	15,358	7,940
Income taxes	7,568	2,854
Net income	7,790	5,085
Net income attributable to non-controlling interests	297	288
Net income attributable to owners of parent	7,492	4,797

### Consolidated statements of comprehensive income

	Million yen	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	7,790	5,085
Other comprehensive income		
Net unrealized gains (losses) on securities	416	(730)
Deferred gains (losses) on hedges	39	415
Foreign currency translation adjustment	662	(10,497)
Remeasurements of defined benefit plans	332	931
Share of other comprehensive income of associates accounted for using equity method	(130)	(4,002)
Total other comprehensive income	1,320	(13,882)
Comprehensive Income attributable to:	9,110	(8,797)
Owners of parent	8,801	(8,349)
Non-controlling interests	309	(447)

### (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

#### Related to consolidated statements of income

(1\*)Gain on sale of fixed assets

Three months ended June 30, 2016 (April 1, 2016 – June 30, 2016)

In conjunction with the sale of the land and building of the Company's Tokyo office.

#### Segment information and others

##### Segment information

#### 1. Three months ended June 30, 2015 (April 1, 2015 – June 30, 2015)

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

	External sales	Intersegment sales	Total sales	Operating income (loss)
Ship & Offshore Structure	23,484	683	24,168	(591)
Rolling Stock	32,155	126	32,282	1,500
Aerospace	76,038	344	76,382	8,477
Gas Turbine & Machinery	51,970	3,309	55,280	3,619
Plant & Infrastructure	23,499	2,574	26,073	(120)
Motorcycle & Engine	72,115	167	72,283	(1,025)
Precision Machinery	29,985	3,269	33,255	1,869
Other	30,792	8,443	39,235	864
Reportable segment total	340,042	18,918	358,961	14,594
Adjustments*1	-	(18,918)	(18,918)	225
Consolidated total	340,042	-	340,042	14,819

Notes: 1. Breakdown of adjustments:

Income	Amount
Intersegment transactions	(83)
Corporate expenses*	308
Total	225

\*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, 2016 (April 1, 2016 – June 30, 2016)

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

Million yen				
	External sales	Intersegment sales	Total sales	Operating income (loss)
Ship & Offshore Structure	31,155	468	31,623	614
Rolling Stock	28,801	8	28,810	711
Aerospace	80,054	600	80,654	9,573
Gas Turbine & Machinery	49,107	3,142	52,249	3,246
Plant & Infrastructure	31,771	2,041	33,813	611
Motorcycle & Engine	69,288	198	69,487	331
Precision Machinery	32,945	3,039	35,984	2,135
Other	16,735	7,875	24,610	700
Reportable segment total	339,859	17,375	357,235	17,926
Adjustments*1	-	(17,375)	(17,375)	(1,968)
Consolidated total	339,859	-	339,859	15,958

Notes: 1. Breakdown of adjustments:

Million yen	
Income	Amount
Intersegment transactions	(22)
Corporate expenses*	(1,945)
Total	(1,968)

\* 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

**4. Supplementary information**

**(1) Consolidated cash flow statements (condensed)**

	Million yen	
	Three months ended June 30, 2015	Three months ended June 30, 2016
Cash flow from operating activities	(67,444)	(70,326)
Cash flow from investing activities	(20,850)	(13,032)
Cash flow from financing activities	84,381	78,439
Cash and cash equivalents at end of period	42,865	35,165

## (2) Orders and sales (consolidated)

### Orders received

	Three months ended June 30, 2015		Three months ended June 30, 2016		Year ended March 31, 2016	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	17,259	5.0	2,298	0.8	98,394	5.8
Rolling Stock	46,976	13.6	23,283	9.0	132,133	7.8
Aerospace	52,673	15.3	41,690	16.1	464,286	27.4
Gas Turbine & Machinery	35,225	10.2	50,652	19.5	288,903	17.0
Plant & Infrastructure	55,394	16.1	18,044	6.9	138,775	8.1
Motorcycle & Engine	72,115	20.9	69,288	26.7	333,595	19.6
Precision Machinery	31,130	9.0	33,121	12.8	133,191	7.8
Other	32,947	9.5	20,223	7.8	104,407	6.1
<b>Total</b>	<b>343,723</b>	<b>100.0</b>	<b>258,604</b>	<b>100.0</b>	<b>1,693,687</b>	<b>100.0</b>

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

### Net sales

	Three months ended June 30, 2015		Three months ended June 30, 2016		Year ended March 31, 2016	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	23,484	6.9	31,155	9.1	94,888	6.1
Rolling Stock	32,155	9.4	28,801	8.4	146,646	9.5
Aerospace	76,038	22.3	80,054	23.5	351,858	22.8
Gas Turbine & Machinery	51,970	15.2	49,107	14.4	236,445	15.3
Plant & Infrastructure	23,499	6.9	31,771	9.3	135,668	8.8
Motorcycle & Engine	72,115	21.2	69,288	20.3	333,595	21.6
Precision Machinery	29,985	8.8	32,945	9.6	133,175	8.6
Other	30,792	9.0	16,735	4.9	108,817	7.0
<b>Total</b>	<b>340,042</b>	<b>100.0</b>	<b>339,859</b>	<b>100.0</b>	<b>1,541,096</b>	<b>100.0</b>

### Order backlog

	Year ended March 31, 2016		Three months ended June 30, 2016		Three months ended June 30, 2015	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	259,921	13.4	220,413	12.1	260,407	14.1
Rolling Stock	375,729	19.5	351,393	19.4	428,608	23.2
Aerospace	608,352	31.5	560,512	30.9	484,663	26.2
Gas Turbine & Machinery	381,787	19.8	366,046	20.2	323,275	17.5
Plant & Infrastructure	255,944	13.2	264,604	14.6	290,129	15.7
Motorcycle & Engine	-	-	-	-	-	-
Precision Machinery	26,358	1.3	26,534	1.4	27,471	1.4
Other	17,863	0.9	21,352	1.1	30,690	1.6
<b>Total</b>	<b>1,925,957</b>	<b>100.0</b>	<b>1,810,857</b>	<b>100.0</b>	<b>1,845,246</b>	<b>100.0</b>



**(3) Net sales by geographic area (consolidated)**

**Three months ended June 30, 2015 (April 1, 2015 – June 30, 2015)**

Million yen

Japan	130,340	38.3%
United States	92,293	27.1%
Europe	34,597	10.1%
Asia	51,648	15.1%
Other areas	31,162	9.1%
Total	340,042	100.0%

**Three months ended June 30, 2016(April 1, 2016 – June 30, 2016)**

Million yen

Japan	131,728	38.7%
United States	90,364	26.5%
Europe	43,083	12.6%
Asia	48,383	14.2%
Other areas	26,299	7.7%
Total	339,859	100.0%