

Financial Results for First Quarter FY2016 (for the year ended March 31, 2017)

July 29, 2016

Kawasaki Heavy Industries, Ltd.

Table of Contents

I. Consolidated Results for First Quarter FY2016

◇ Summary of Financial Results	3
◇ Financial Results by Segment	4
◇ Summary of Income Statement	5
◇ Financial Results by Segment	
Ship & Offshore Structure	6
Rolling Stock	7
Aerospace	8
Gas Turbine & Machinery	9
Plant & Infrastructure	10
Motorcycle & Engine	11
Precision Machinery	12
◇ Summary of Balance Sheet	13
◇ Summary of Cash Flows	14

II. Forecast for FY2016

◇ Consolidated Operating Performance	15
◇ Forecast by Segment	16
◇ Before-tax ROIC by Segment	17
◇ R&D/CAPEX/Number of Employees	18

<Appendix>

Status of offshore service vessels business	19
Historical Data	21

Summary of Financial Results

(Billion Yen)

	FY2015.1Q	FY2016.1Q	Change
Orders Received	343.7	258.6	▲85.1
Net Sales	340.0	339.8	▲0.1
Operating Income	14.8	15.9	+1.1
Recurring Profit	15.3	5.7	▲9.6
Net Income attributable to owners of parent	7.4	4.7	▲2.6

vs. FY2015.1Q

< Orders Received >

Decreased mainly in Plant & Infrastructure segment

< Net Sales >

Net sales was on par with the previous same period as a whole, due to increase in Plant & Infrastructure, Ship & Offshore and other segments, despite decrease due to assignment of Construction Machinery business

< Profits >

- Increased in operating income due to increased profit in Motorcycle & Engine, Aerospace and other segments,
- Decreased in Recurring profit and net income attributable to owners of parent due increase in foreign exchange losses and other factors

Weighted-average exchange rates

Yen / US\$	120.73	110.58
Yen / EUR	132.37	126.57

(For Reference)

Net Sales in Foreign Currencies for FY2016.1Q (Billion)

US\$	EUR
0.46	0.10

Financial Results by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2015 1Q	FY2016 1Q	Change	FY2015 1Q	FY2016 1Q	Change	FY2015 1Q	FY2016 1Q	Change
Ship & Offshore Structure	17.2	2.2	-14.9	23.4	31.1	+7.6	-0.5	0.6	+1.2
Rolling Stock	46.9	23.2	-23.6	32.1	28.8	-3.3	1.5	0.7	-0.7
Aerospace	52.6	41.6	-10.9	76.0	80.0	+4.0	8.4	9.5	+1.0
Gas Turbine & Machinery	35.2	50.6	+15.4	51.9	49.1	-2.8	3.6	3.2	-0.3
Plant & Infrastructure	55.3	18.0	-37.3	23.4	31.7	+8.2	-0.1	0.6	+0.7
Motorcycle & Engine	72.1	69.2	-2.8	72.1	69.2	-2.8	-1.0	0.3	+1.3
Precision Machinery	31.1	33.1	+1.9	29.9	32.9	+2.9	1.8	2.1	+0.2
Others	32.9	20.2	-12.7	30.7	16.7	-14.0	0.8	0.7	-0.1
Eliminations and corporate※	-	-	-	-	-	-	0.2	-1.9	-2.1
Total	343.7	258.6	-85.1	340.0	339.8	-0.1	14.8	15.9	+1.1

※ "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

Summary of Income Statement

(Billion Yen)

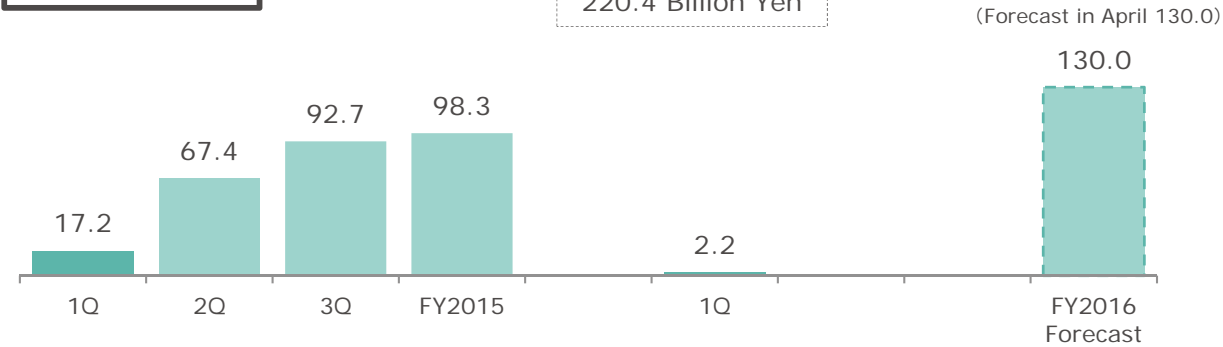
			FY2015.1Q		FY2016.1Q
< Operating Income >	+	1.1	(14.8	→	15.9)
Net sales	-	0.1	(340.0	→	339.8)
Cost of sales	-	1.0	(281.2	→	280.2)
Selling, general & administrative expenses	-	0.2	(43.9	→	43.7)
- Salaries and benefits	-	0.3	(12.4	→	12.0)
- R&D expenses	+	0.7	(8.6	→	9.4)
< Non-operating Income/Expenses >	-	10.7	(0.5	→	-10.2)
Net Interest expense (incl. dividend income)	+	0.1	(-0.5	→	-0.4)
Equity in income of unconsolidated subsidiaries and affiliates	+	0.6	(0.2	→	0.9)
Gain and loss on foreign exchange	-	11.1	(-0.2	→	-11.3)
Others	-	0.4	(1.1	→	0.6)
< Extraordinary Income/Losses >	+	2.2	(-	→	2.2)
Gain on sales of fixed assets	+	2.2	(-	→	2.2)

Ship & Offshore Structure

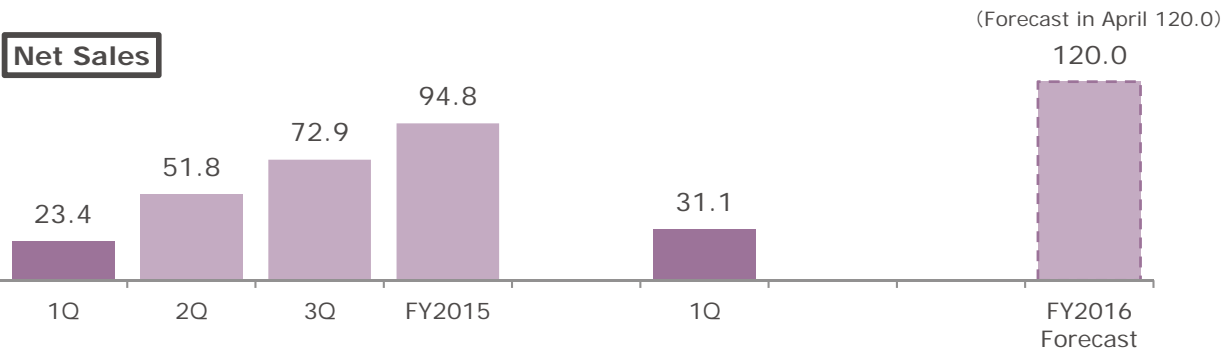
Main Products: LNG carriers, LPG carriers, Offshore structures, Bulk carriers, Submarines

(Billion Yen / In accumulated amount)

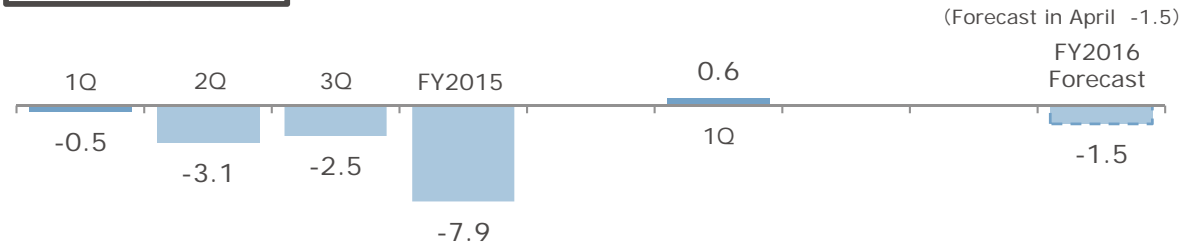
Orders Received



Net Sales



Operating Income



FY2016.1Q

(vs. FY2015.1Q)

Orders Received: Decreased due to decrease in demand for newly built ships

Net Sales: Increased due to increase in amount of shipbuilding of LNG carriers, LPG carriers and submarines and others factors, despite the effect of the appreciation of the yen

Operating Income: Improved due to sales increase, reversal of allowance for doubtful accounts resulting from appreciation of the yen, and other factors

FY2016 Forecast

(vs. FY2015)

Orders Received: Expected to increase with orders received for a submarine for the MOD

Net Sales : Expected to increase due to increase in amount of shipbuilding of gas carriers

Operating Income: Expected to improve compared to the previous fiscal year where there was provision for loss on construction contracts

<Units of Orders Received and Sales of New Building Ships>

	Orders Received		Sales			
	FY2015.1Q	FY2016.1Q	FY2015.1Q		FY2016.1Q	
			completed	In Process ※	completed	In Process ※
LNG carriers				4	1	8
Small-sized LNG carriers						
LPG carriers	2			2		4
Offshore service vessels						
Bulk carriers	1		1	2		1
Submarines				1		2
Deep submergence rescue vehicle				1		1
Total	3	0	1	10	1	16

※ Sales units by percentage-of-completion method

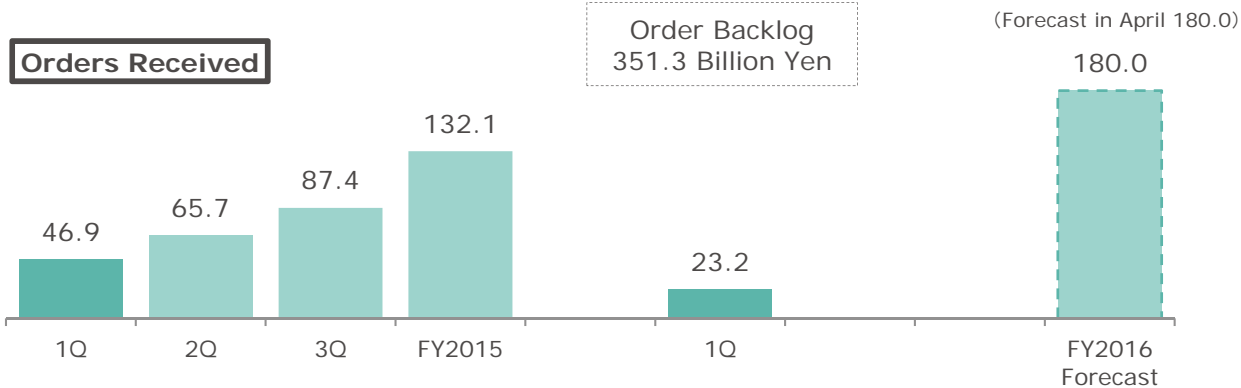
	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	6.0%	-38.4%	1.0%

Rolling Stock

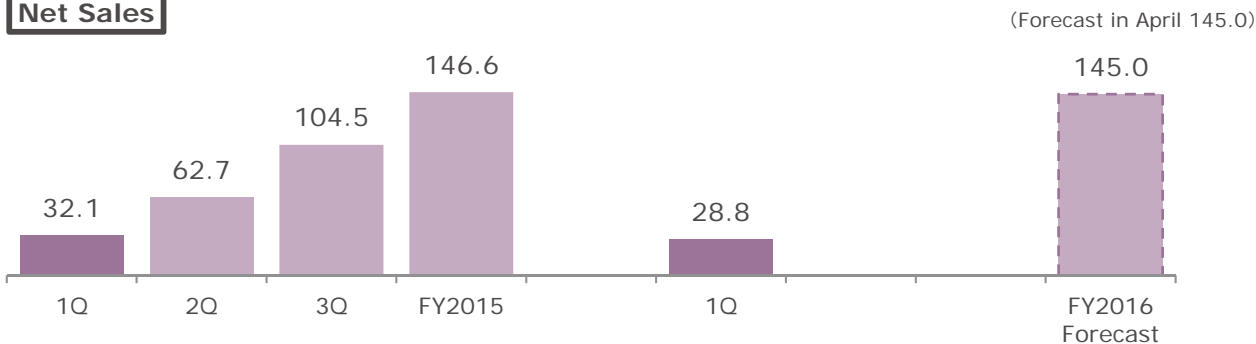
Main Products : Electric train cars (incl. Shinkansen), Electric and diesel locomotives, Passenger coaches, Bogies, Gigacell® (High-Capacity, Full Sealed Ni-MH Battery)

(Billion Yen / In accumulated amount)

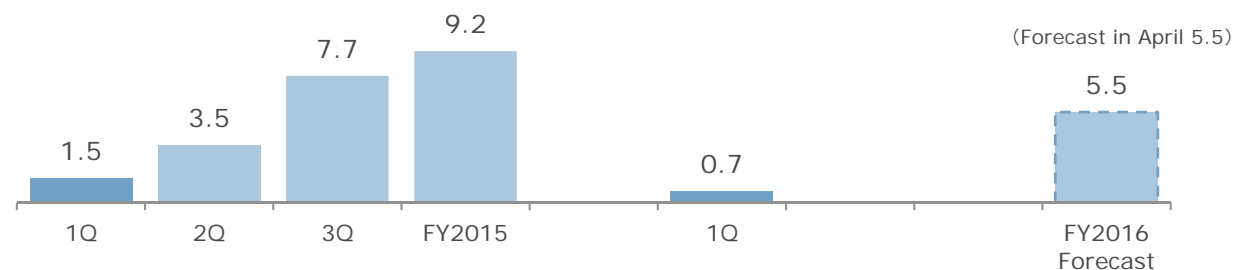
Orders Received



Net Sales



Operating Income



FY2016.1Q

(vs. FY2015.1Q)

Orders Received: Decreased compared to the previous same period where a large-scale order for North America was received

Net Sales: Decreased due to decrease in rolling stock parts for overseas market and other factors

Operating Income: Decreased due to sales reduction, decrease in profitability and other factors

FY2016 Forecast

(vs. FY2015)

Orders Received: Expected to increase due to increase in orders received for overseas markets

Net Sales: Expected to remain at the same level as the previous fiscal year due to there being no significant change in both domestic and overseas markets

Operating Income: Expected to decrease due to decrease in profitability and other factors

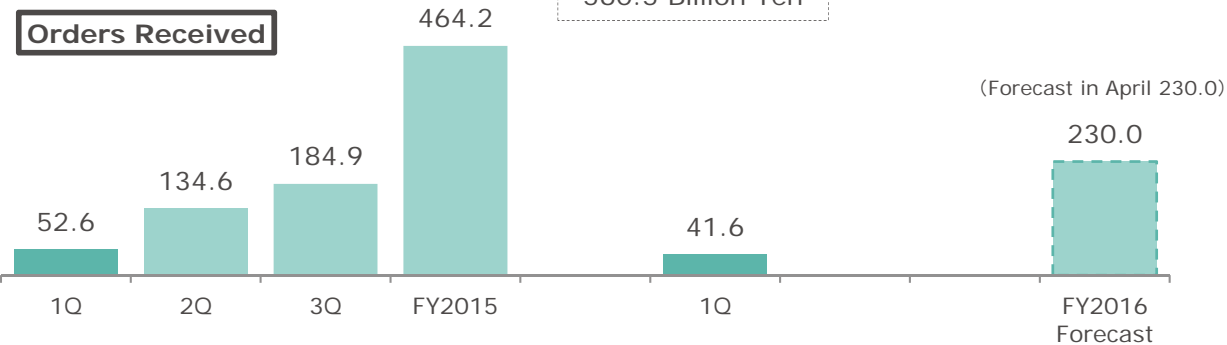
	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	8.7%	11.7%	8.0%

Aerospace

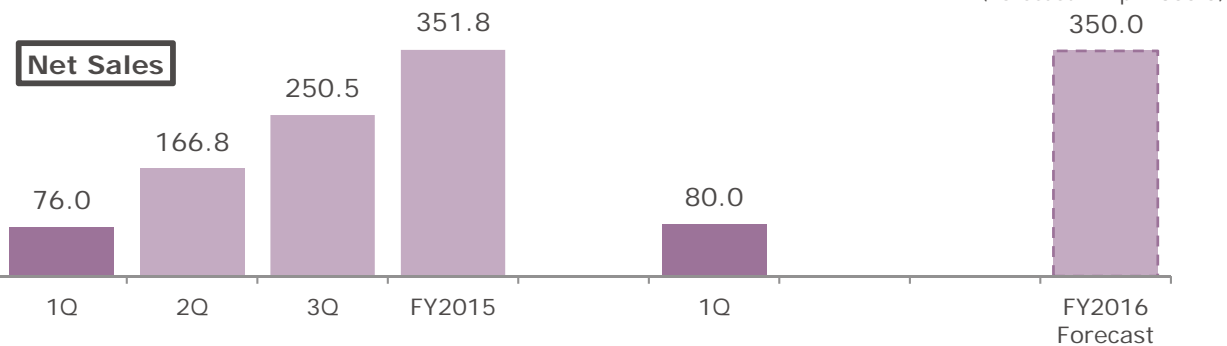
Main Products : Aircrafts for Japan Ministry of Defense, Component parts for commercial aircrafts, Commercial helicopters, Missiles, Space equipment

(Billion Yen / In accumulated amount)

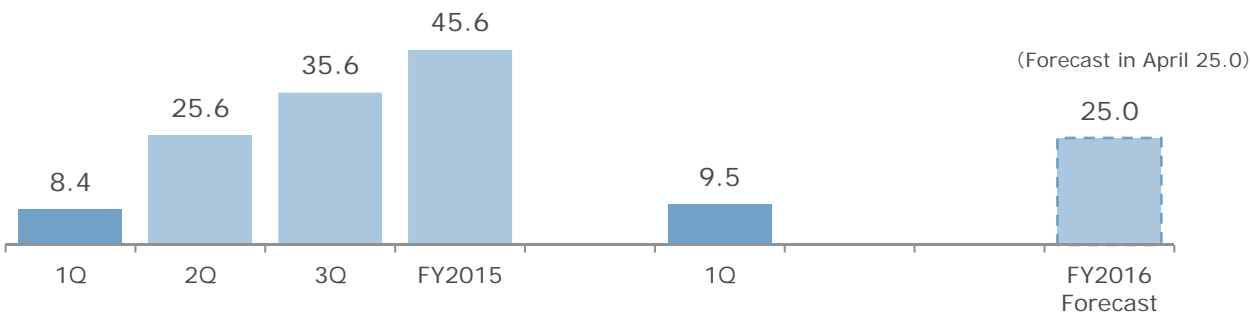
Orders Received



Net Sales



Operating Income



FY2016.1Q

(vs. FY2015.1Q)

Orders Received: Decreased due to the effect of the appreciation of the yen, decrease in component parts for commercial aircrafts and other factors

Net Sales: Increased due to increase in sales to the MOD, continued high level of sales of component parts for commercial aircrafts and other factors, despite the effect of the appreciation of the yen

Operating Income: Increased due to sales increase and other factors

FY2016 Forecast

(vs. FY2015)

Orders Received: Expected to decrease due to decrease in orders received for the MOD

Net Sales: Expected to remain at the same level as the previous fiscal year due to decrease in component parts for commercial aircrafts and the effect of the appreciation of the yen, despite increase in sales to the MOD

Operating Income: Expected to decrease due to the effect of the appreciation of the yen and decrease in profitability of the component parts for commercial aircrafts

< Sales units of component parts for commercial aircrafts > (units)

	FY2015.1Q	FY2016.1Q
Boeing 777	26	26
Boeing 767	4	6
Boeing 787	32	33
Embraer170/175	18	18
Embraer190/195	0	6

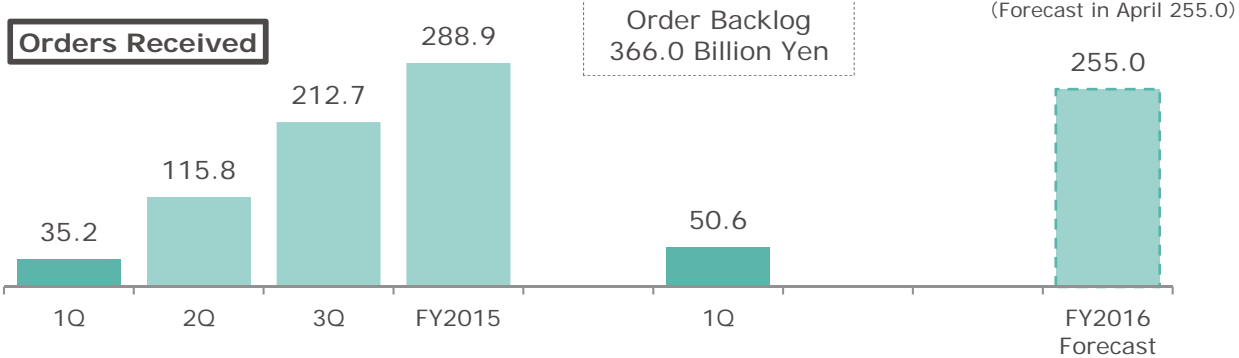
	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	35.1%	33.9%	13.5%

Gas Turbine & Machinery

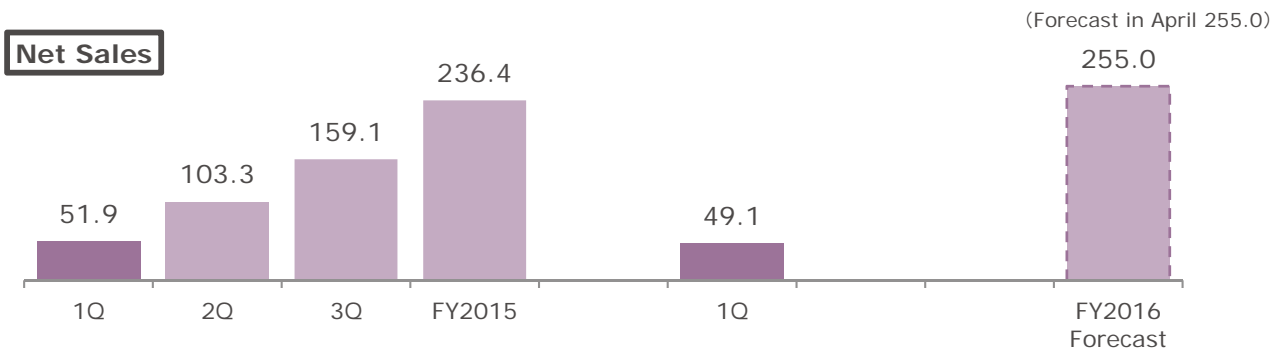
Main Products : Jet engines, Gas turbine co-generation system, Gas engines, Diesel engines, Gas turbines & steam turbines for marine & land, Marine propulsion system, Aero-dynamic machinery

(Billion Yen / In accumulated amount)

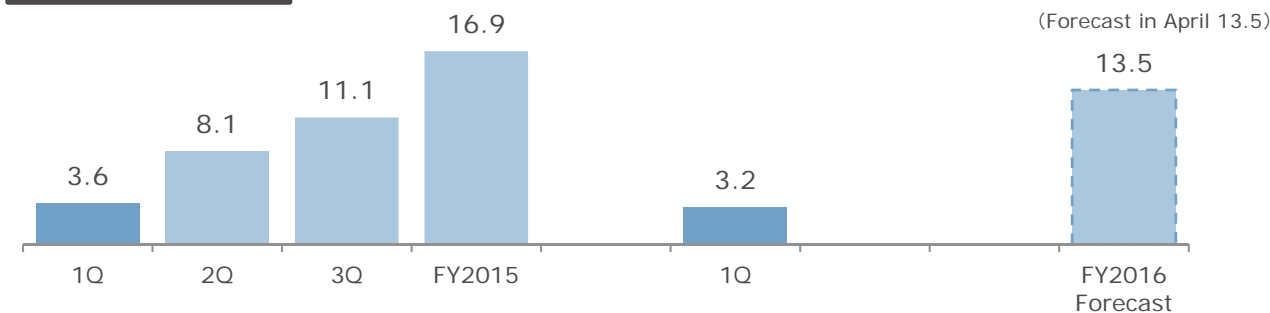
Orders Received



Net Sales



Operating Income



FY2016.1Q

(vs. FY2015.1Q)

Orders Received: Increased due to increase in orders received for gas engines for domestic market and other factors

Net Sales: Decreased due to decrease in sales to the MOD, the effect of the appreciation of the yen and other factors, despite increase in component parts of commercial aircraft jet engines

Operating Income: Decreased due to sales decrease

FY2016 Forecast

(vs. FY2015)

Orders Received: Expected to decrease due to decrease in component parts of commercial aircraft jet engines compared to the previous fiscal year where there were concentrated orders received for commercial aircraft jet engines, and decrease in marine machineries and other factors

Net Sales: Expected to increase due to increase in component parts of commercial aircraft jet engines, gas engines and other factors

Operating Income: Expected to decrease due to the effect of the appreciation of the yen, increase in allocation of non-recurring cost for new commercial aircraft jet engines projects and other factors, despite increase due to sales increase

	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	5.7%	8.8%	6.3%

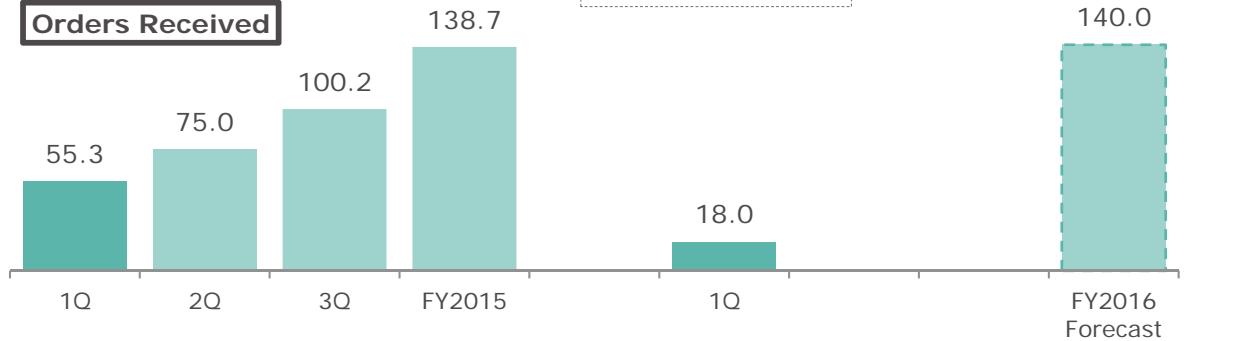
Plant & Infrastructure

Main Products: Industrial plants (cement, fertilizer and others), Power plants, LNG tanks, Municipal refuse incineration plants, Tunnel boring machines, Crushing machines

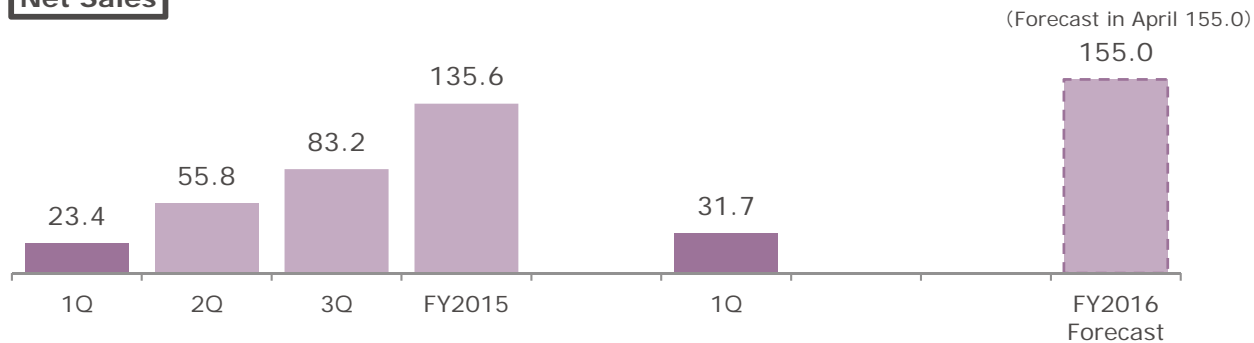
(Billion Yen / In accumulated amount)

Order Backlog
264.6 Billion Yen

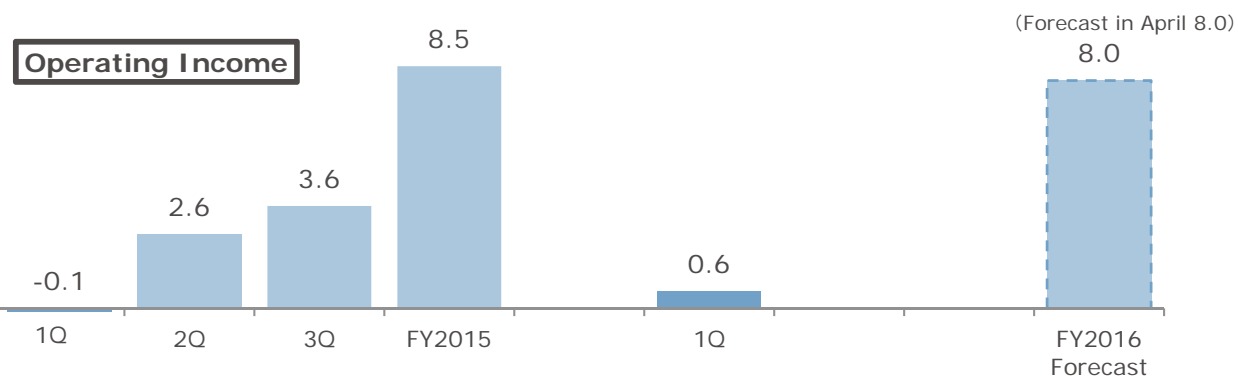
Orders Received



Net Sales



Operating Income



FY2016.1Q

(vs. FY2015.1Q)

Orders Received: Decreased compared to the previous same period where large-scale orders including municipal refuse incineration plants were received

Net Sales: Increased due to progress in construction works of a chemical plant for overseas market

Operating Income: Improved due to sales increase

FY2016 Forecast

(vs.2015)

Orders Received: Expected to increase due to increase in orders received for municipal refuse incineration plants and others

Net Sales: Expected to increase due to increase in sales for overseas markets

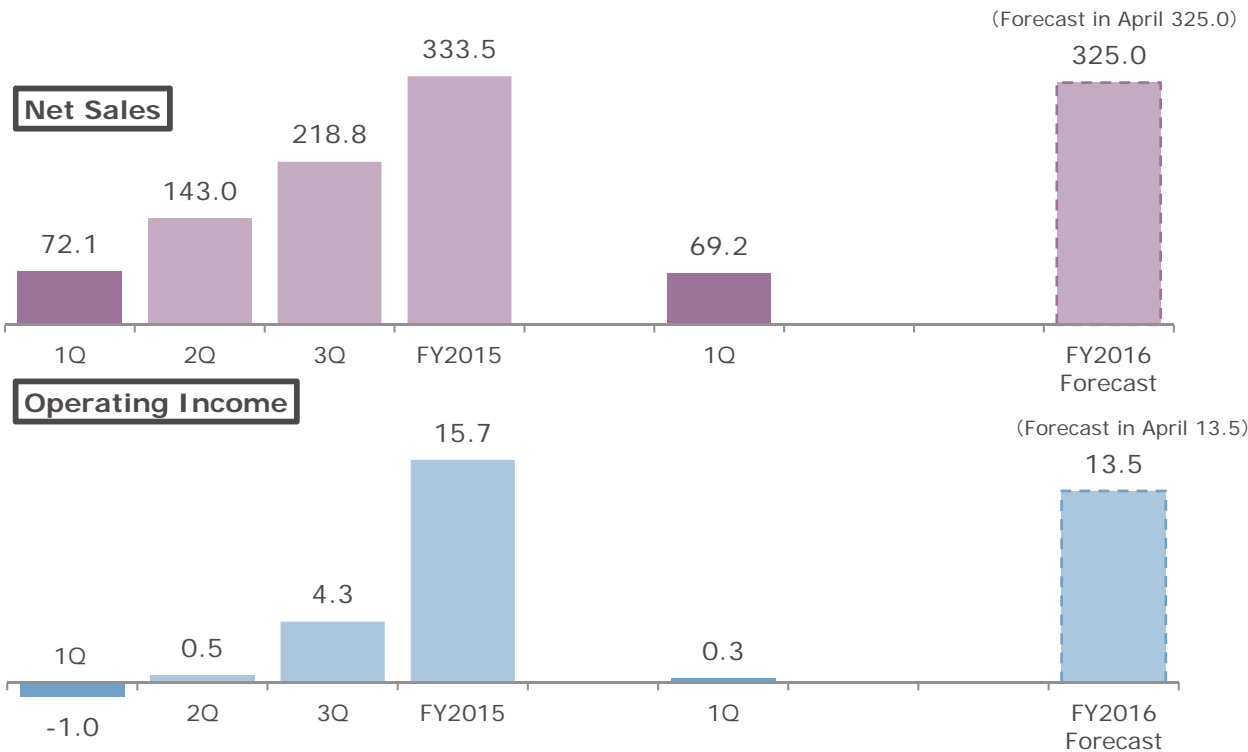
Operating Income: Expected to decrease due to decrease in profitability resulting from increase in cost of construction and other factors, despite sales increase

	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	14.3%	17.5%	16.3%

Motorcycle & Engine

Main Products: Motorcycles, Utility Vehicles, All-Terrain Vehicles(ATVs), Personal Watercraft, General-purpose Gasoline Engines

(Billion Yen / In accumulated amount)



FY2016.1Q

(vs. FY2015.1Q)

Net Sales: Decreased due to the effect of the appreciation of the yen, sales decrease in general-purpose gasoline Engines and other factors, despite increase in motorcycles for developed countries and utility vehicles

Operating Income: Recovered due to improvement in model mix, despite decrease in profit resulting from sales decrease

FY2016 Forecast

(vs.2015)

Net Sales: Expected to decrease due to sales decrease of motorcycles for Indonesia and the effect of the appreciation of the yen

Operating Income: Expected to decrease due to sales decrease

<Wholesales by Geographic Area for Consumer Products>

(Thousands of units / Billion Yen)

	FY2015.1Q		FY2015		FY2016.1Q		FY2016 Forecast	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Domestic	6	4.2	15	13.2	4	3.9	16	13.6
North America (incl. Canada)	18(11)	18.9	100(51)	112.2	22(10)	18.8	113(54)	106.6
Europe	15	13.6	64	55.2	19	15.0	64	51.8
Emerging Countries & Others	64	21.5	340	106.3	73	20.8	319	101.9
Total	103	58.2	524	286.9	118	58.5	512	273.9

Note: 1) Sales units and amount include the following products.

Units: Motorcycles, All-Terrain Vehicles (ATVs), Utility Vehicles and Personal Watercraft (Jet Ski®)

Amount: The products mentioned above and parts for those products.

2) Figures in the parenthesis () represent motorcycle sales units.

	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	7.3%	14.1%	10.2%

Precision Machinery

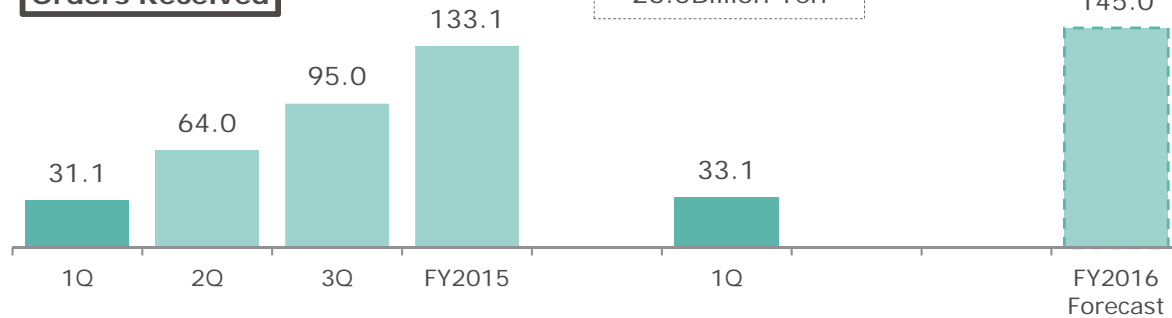
Main Products: Hydraulic components for construction machineries, Hydraulic components and systems for industrial machines, Marine application machines, Deck cranes and other marine deck equipment, Industrial robots, Medical and pharmaceutical robot

(Billion Yen / In accumulated amount)

Order Backlog
26.5 Billion Yen

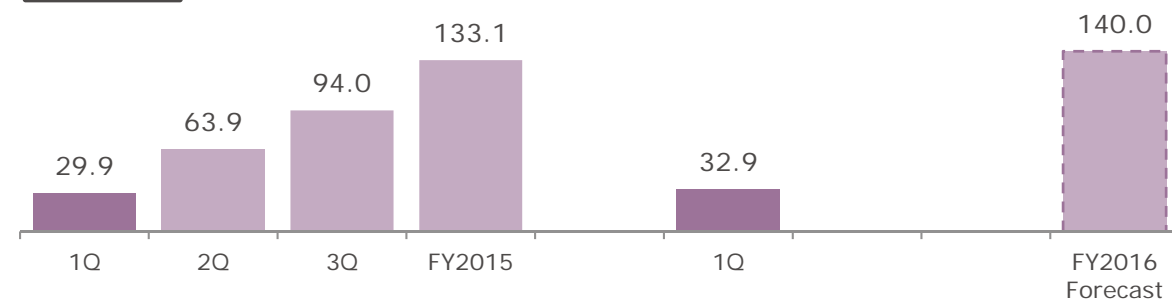
Orders Received

(Forecast in April 145.0)



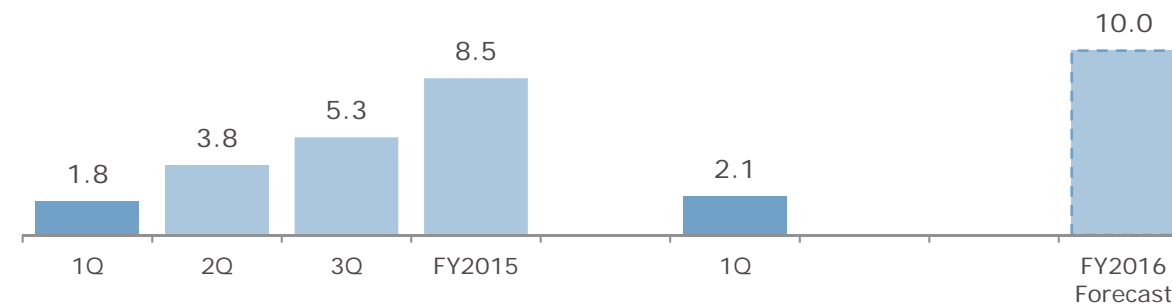
Net Sales

(Forecast in April 140.0)



Operating Income

(Forecast in April 10.0)



FY2016.1Q

(vs. FY2015.1Q)

Orders Received : Increased due to increase in various industrial robots and other factors

Net Sales : Increased due to increase in various industrial robots and hydraulic components and other factors

Operating Income: Increased due to sales increase

FY2016 Forecast

(vs.2015)

Orders Received & Net Sales : Expected to increase in various industrial robots

Operating Income: Expected to increase due to sales increase

	FY2014 Actual	FY2015 Actual	FY2016 Forecast
Before-tax ROIC	16.7%	9.5%	10.8%

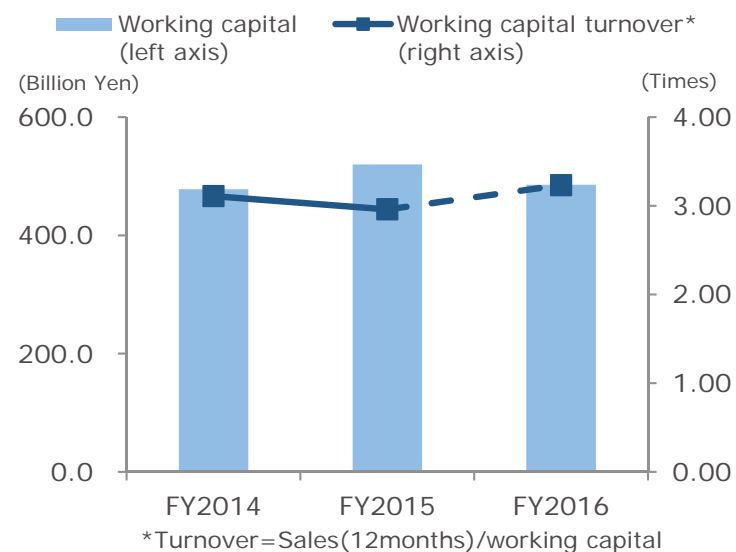
Summary of Balance Sheet

(Billion Yen)

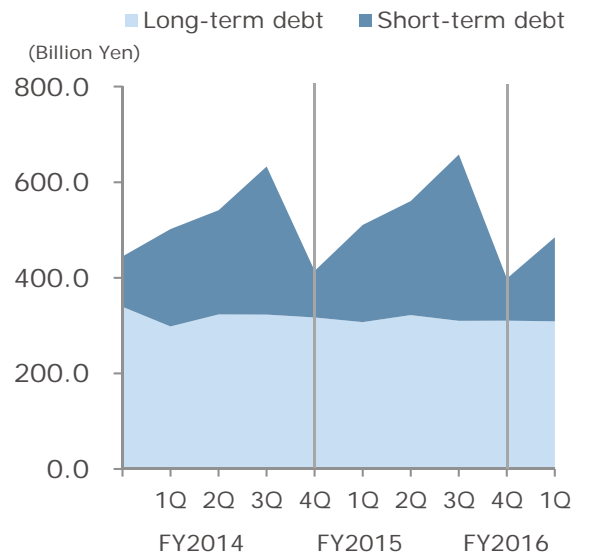
	End of Mar. 2016	End of Jun. 2016	Change
Cash on hand and in banks	42.1	39.1	-3.0
Trade receivables	381.3	401.3	+20.0
Inventories	492.9	498.8	+5.9
Total fixed assets	452.0	448.5	-3.4
Other assets	251.9	259.6	+7.6
Total assets	1,620.4	1,647.6	+27.1
Trade payables	321.7	298.1	-23.6
Interest-bearing debt	398.4	484.6	+86.2
Advances from customers	170.4	169.5	-0.8
Other liabilities	284.1	270.6	-13.5
Total liabilities	1,174.8	1,222.9	+48.1
Total shareholders' equity	438.4	431.5	-6.9
Other net assets	7.2	-6.8	-14.0
Total net assets	445.6	424.6	-20.9
Total liabilities and net assets	1,620.4	1,647.6	+27.1

Ratio of shareholders' equity to total assets	26.6%	24.9%
Net Debt Equity Ratio	82.5%	108.3%

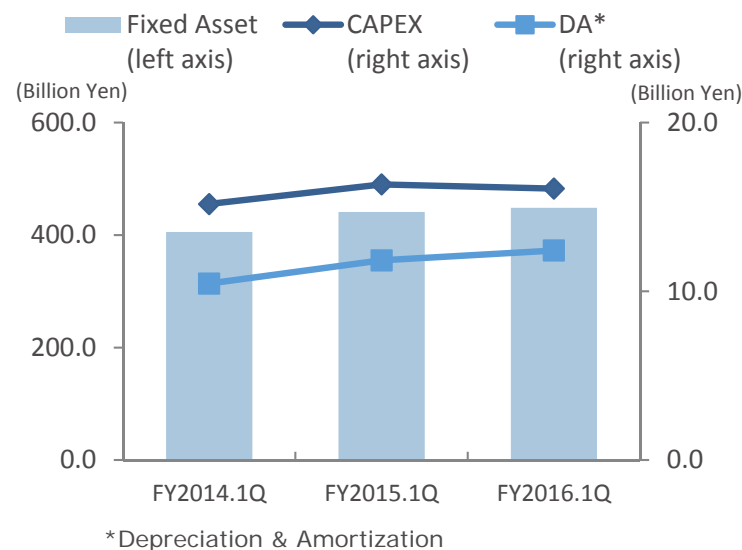
< Changes in working capital >



[Changes in interest-bearing debt]



[Changes in CAPEX and others]



< Overview of Balance Sheet >

On June 30, 2016, total assets increased from March 31, 2016, resulting from increase in trade receivables and advance payments. Total liabilities on June 30, 2016, increased due to increase in interest-bearing debt, despite decrease in trade payables. Total net assets decreased due to decrease in foreign currency translation adjustments, dividend payments and other factors

Summary of Cash Flows

	(Billion Yen)		
	FY2015 1Q	FY2016 1Q	Change
Cash flows from operating activities	-67.4	-70.3	-2.8
Cash flows from investing activities	-20.8	-13.0	+7.8
Free Cash Flows	-88.2	-83.3	+4.9
Cash flows from financing activities	84.3	78.4	-5.9

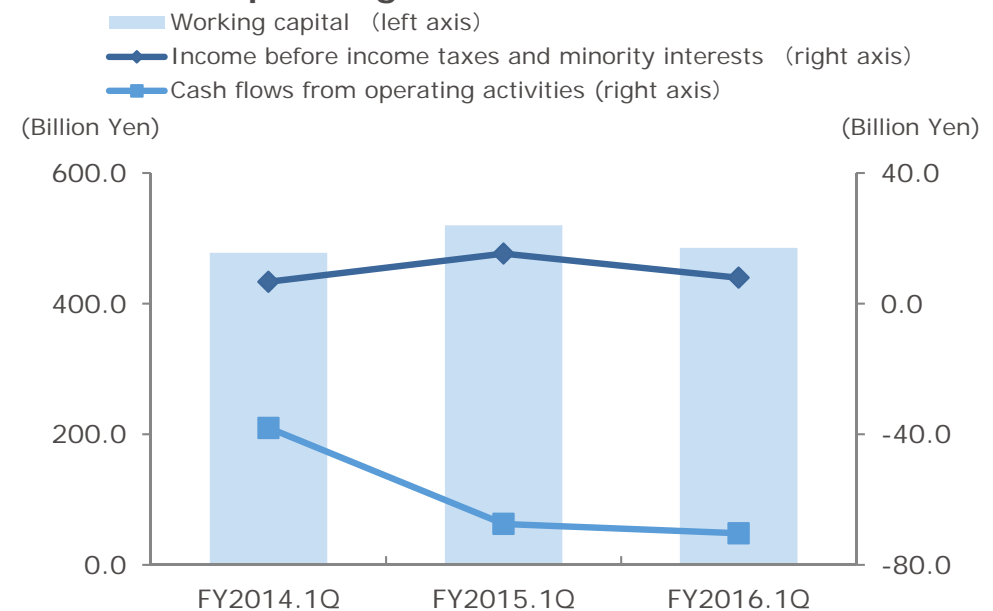
【Overview of Cash Flows】 (vs.FY2015.1Q)

Cash flows from operating activities decreased due to increase in working capital in Aerospace segment and Gas Turbine & Machinery segments and other factors.

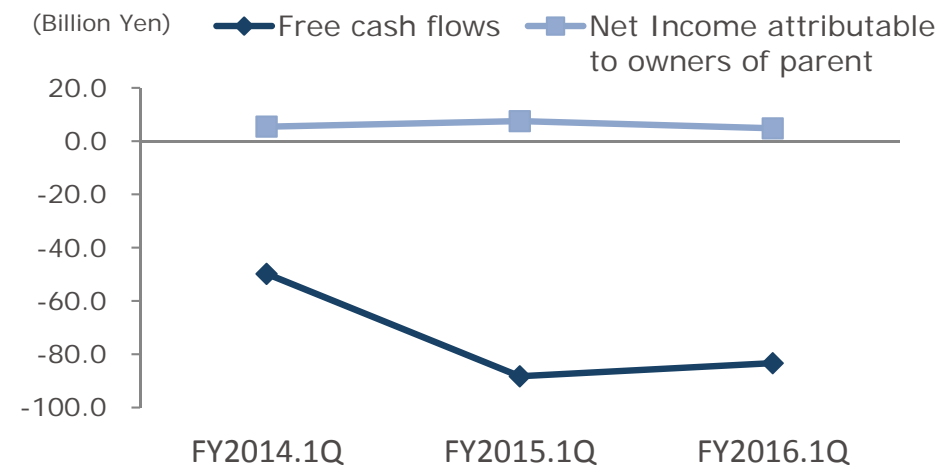
Cash outflows from investing activities decreased due to decrease in expenditures for CAPEX, income from sale of fixed assets and other factors.

Given the above mentioned changes, free cash flows increased compared to the previous same period.

【Changes in cash flows from operating activities and others】



【Changes in free cash flows and net income attributable to owners of parent】



Consolidated Operating Performance

• No changes in the forecast for FY2016 from April 27, 2016.

(Billion Yen)

vs. FY2015

< Orders Received >

Expected to decrease as a whole due to decrease in Aerospace segment where a large-scale order was received in the previous fiscal year and other factors

< Net Sales >

Expected to increase mainly in Ship & Offshore Structure, Gas Turbine & Machinery, Plant and Infrastructure and other segments

< Profits >

- Operating income and recurring profit are expected to decrease due to the effect of the appreciation of the yen, decrease in profitability of the component parts for commercial aircrafts in Aerospace segment and other factors, despite continuing profit improvement activities such as improving productivity
- Net income attributable to owners of parent is expected to increase, because there will not be partial write-down of deferred tax assets arising from changes in tax system and overseas business-related loss of a joint shipbuilding venture in Brazil

	FY2015 Actual	FY2016 Forecast	Change
Orders Received	1,693.6	1,500.0	-193.6
Net Sales	1,541.0	1,570.0	+29.0
Operating Income	95.9	70.0	-25.9
Recurring Profit	93.2	69.0	-24.2
Net Income Attributable to Owners of Parent	46.0	49.0	+3.0
Before-tax ROIC	9.4%	8.3%	-1.1%
ROE	10.6%	11.0%	+0.4%

Exchange Rates (actual & assumed)

Yen / US\$	118.99	110
Yen / EUR	132.43	125

Note : Assumed rates are applied to the outstanding foreign exchange exposure as of July 29, 2016

(For Reference)

Impact on profit by FX fluctuation of 1 Yen

	(Billion Yen)	
	Operating Income	Recurring Profit
US\$	2.10 (2.46)	2.07 (2.49)
EUR	0.14 (0.19)	0.19 (0.23)

* Figures in the parenthesis () represent impact as of April 27, 2016

Forecast by Segment

· No changes in the forecast for FY2016 from April 27, 2016.

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2015 Actual	FY2016 Forecast	Change	FY2015 Actual	FY2016 Forecast	Change	FY2015 Actual	FY2016 Forecast	Change
Ship & Offshore Structure	98.3	130.0	+31.7	94.8	120.0	+25.2	-7.9	-1.5	+6.4
Rolling Stock	132.1	180.0	+47.9	146.6	145.0	-1.6	9.2	5.5	-3.7
Aerospace	464.2	230.0	-234.3	351.8	350.0	-1.8	45.6	25.0	-20.6
Gas Turbine & Machinery	288.9	255.0	-33.9	236.4	255.0	+18.6	16.9	13.5	-3.4
Plant & Infrastructure	138.7	140.0	+1.2	135.6	155.0	+19.4	8.5	8.0	-0.5
Motorcycle & Engine	333.5	325.0	-8.5	333.5	325.0	-8.5	15.7	13.5	-2.2
Precision Machinery	133.1	145.0	+11.9	133.1	140.0	+6.9	8.5	10.0	+1.5
Others	104.4	95.0	-9.4	108.8	80.0	-28.8	2.8	4.0	+1.2
Eliminations and corporate [※]	-	-	-	-	-	-	-3.7	-8.0	-4.3
Total	1,693.6	1,500.0	-193.7	1,541.0	1,570.0	+29.0	95.9	70.0	-25.9

※ "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

Before-tax ROIC by Segment

• No changes in the forecast for FY2016 from April 27, 2016.

	Before-tax ROIC ((EBIT+ Interest Expense)/ Invested Capital)		
	FY2015 Actual	FY2016 Forecast	Change
Ship & Offshore Structure	-38.4%	1.0%	+39.4%
Rolling Stock	11.7%	8.0%	-3.7%
Aerospace	33.9%	13.5%	-20.4%
Gas Turbine & Machinery	8.8%	6.3%	-2.5%
Plant & Infrastructure	17.5%	16.3%	-1.2%
Motorcycle & Engine	14.1%	10.2%	-3.9%
Precision Machinery	9.5%	10.8%	+1.3%
Total	9.4%	8.3%	-1.1%

Operating Income Margin (Operating Income / Net Sales)			Asset Turnover (Times) (Net Sales / Total Assets)		
FY2015 Actual	FY2016 Forecast	Change	FY2015 Actual	FY2016 Forecast	Change
-8.3%	-1.2%	+7.1%	0.61	0.75	+0.14
6.3%	3.7%	-2.6%	0.85	0.90	+0.05
12.9%	7.1%	-5.8%	0.92	0.80	-0.12
7.1%	5.2%	-1.9%	0.75	0.70	-0.05
6.2%	5.1%	-1.1%	1.12	1.30	+0.18
4.7%	4.1%	-0.6%	1.36	1.30	-0.06
6.4%	7.1%	+0.7%	0.93	0.95	+0.02
6.2%	4.4%	-1.8%	0.95	0.95	0.00

R&D/CAPEX/Number of Employees

• No changes in the forecast for FY2016 from April 27, 2016.

(Billion Yen / Persons)

	FY2014 Actual	FY2015 Actual	FY2016 Forecast
R&D Expenses	41.6	43.6	47.0
CAPEX (Construction Base)	80.0	76.3	98.0
Depreciation & Amortization	44.5	49.0	56.0
Domestic	26,019	25,897	26,700
Overseas	9,452	8,708	9,000
Number of Employees	35,471	34,605	35,700

• 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.

Status of offshore service vessels business

1. Joint Venture Project in Brazil

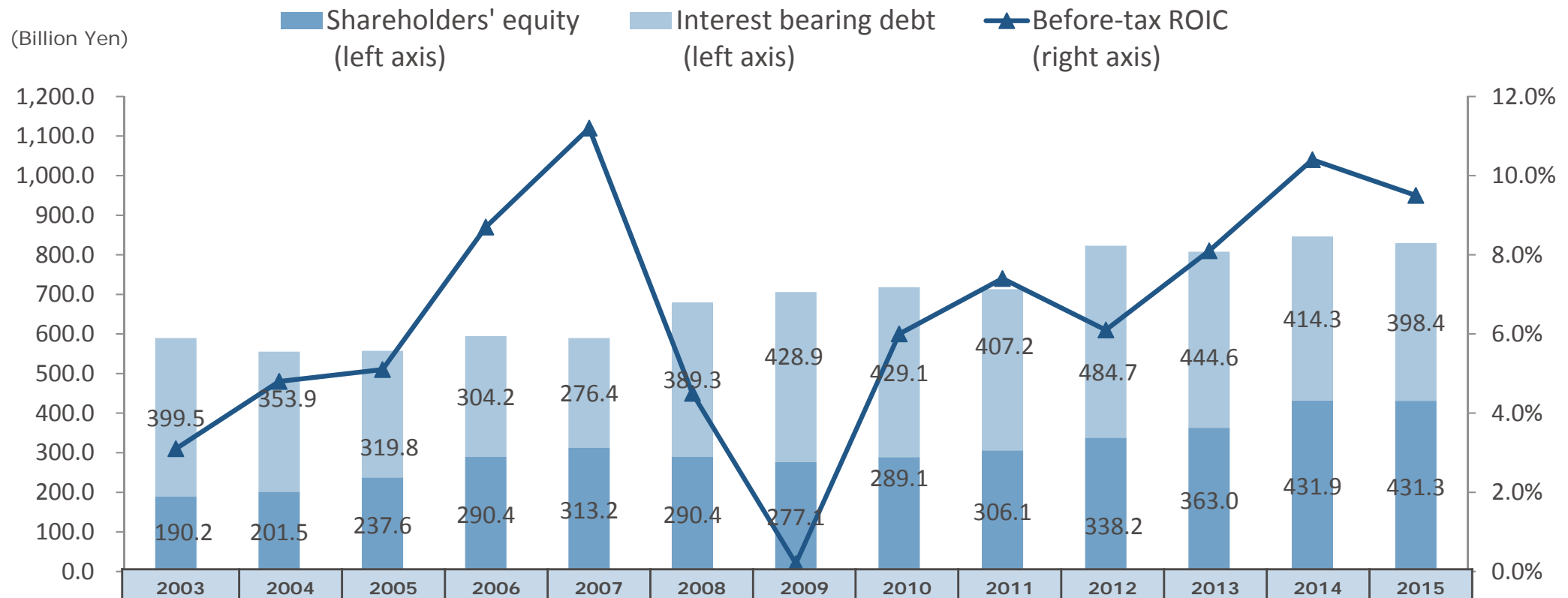
- A Brazilian court accepted the request made by Sete Brasil, the parent company of orderer of drill ships, for bankruptcy protection on June 13th.
Sete Brasil has 60 working days to present a recovery plan for creditors.
- The recovery plan of Sete Brasil will affect business condition of Enseada, our Brazilian joint venture, and two drill ships, now construction activities have been suspended, that Enseada originally received order and KHI undertook construction of hull parts.
Therefore, we are collecting relevant information and looking into our future course of action.
- KHI wrote off total amount of investment on and loans receivable to Enseada, and all trade receivable and work in process for hull parts of drill ships, except possible collection of about ¥5 billion which is evaluated by the third party.
- KHI does not give any debt guarantee to Enseada, nor bear any contractual obligation to increase funding for Enseada.

Status of offshore service vessels business

2. Offshore service vessel for a ship owner in Norway

- KHI now designs the offshore service vessel for a ship owner in Norway, and procures major equipment for the ship.
Although progress of design is behind the schedule, we plan to start building the ship within fiscal year 2016, and we expect to complete the building and deliver it to the ship owner by the delivery date agreed on the shipbuilding contract.
- The ship has high general usefulness. It can be used for maintenance for working oil well tubular or abandoning a well as well as drilling new offshore oil wells or gas fields.
- It is smaller than drill ship or semisubmersible oil drilling rig and can reduce work cost.
- Business environment related to offshore is severe due to low oil price. We will focus on building the ship for the time being, watching the trend of offshore market.

Historical Data



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Before-tax ROIC	3.1%	4.8%	5.1%	8.7%	11.2%	4.5%	0.2%	6.0%	7.4%	6.1%	8.1%	10.4%	9.4%
Invested Capital	589.6	555.3	557.3	594.6	589.6	679.7	705.9	718.2	713.2	822.8	807.6	846.3	829.7
Net Sales	1,160.2	1,241.5	1,322.4	1,438.6	1,501.0	1,338.5	1,173.4	1,226.9	1,303.7	1,288.8	1,385.4	1,486.1	1,541.0
Operating Profit	22.2	24.7	41.7	69.1	76.9	28.7	-1.3	42.6	57.4	42.0	72.3	87.2	95.9
Recurring Profit	12.1	21.0	30.8	49.0	63.9	38.7	14.2	49.1	63.6	39.3	60.6	84.2	93.2
Net Income Attributable to Owners of Parent ※	6.3	11.4	16.4	29.7	35.1	11.7	-10.8	25.9	23.3	30.8	38.6	51.6	46.0

※ Net income before FY2014

Yen / US\$	113	108	112	117	115	101	93	86	79	82	99	109	118

Kawasaki, Working as one for the good of the planet

Figures recorded in the business forecasts are forecasts that reflect the judgment of the Company based on the information available at the time of release and include risks and uncertainties. Accordingly, the Company cautions investors not to make investment decisions solely on the basis of these forecasts.

Actual business results may differ materially from these business forecasts due to various important factors resulting from changes in the external environment and internal environment. Important factors that may affect actual business results include, but are not limited to, economic conditions, the yen exchange rate against the U.S. dollar and other currencies, the tax system, and laws and regulations.