

# Financial Results for Second Quarter FY2016 (for the year ending March 31, 2017)

October. 28, 2016

Kawasaki Heavy Industries, Ltd.

# Summary of Forecast for FY2016

## Consolidated Operating Performance

(Billion Yen)

	FY2016 Forecast		Change
	In July	In October	
Net Sales	1,570.0	<b>1,510.0</b>	▲60.0
Operating Income	70.0	<b>34.0</b>	▲36.0
Recurring Profit	69.0	<b>25.0</b>	▲44.0
Net Income Attributable to Owners of Parent	49.0	<b>16.5</b>	▲32.5

Full year dividend per share (Yen)	10	<b>6</b>	▲4
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Exchange Rates (actual & assumed)	Yen / US\$	110	<b>102</b>
	Yen /EUR	125	<b>114</b>

Impact of the yen's appreciation -26.0  
 Loss disposition in Ship & Offshore Structure segment -13.0

<The breakdown of loss disposition  
 in Ship & Offshore Structure segment >

- Loss disposition of drillship construction work for Brazil -5.0
- Increase in cost of the offshore work vessel destined for Norway -6.0
- Increase in construction cost of LNG carriers -2.0

# Table of Contents

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## I. Consolidated Results for Second Quarter FY2016

◇ Summary of Financial Results	4
◇ Financial Results by Segment	5
◇ Summary of Income Statement	6
◇ Financial Results by Segment	
Ship & Offshore Structure	7
Rolling Stock	8
Aerospace	9
Gas Turbine & Machinery	10
Plant & Infrastructure	11
Motorcycle & Engine	12
Precision Machinery	13
◇ Summary of Balance Sheet	14
◇ Summary of Cash Flows	15

## II. Forecast for FY2016

◇ Consolidated Operating Performance	16
◇ Forecast by Segment	17
◇ Before-tax ROIC by Segment	18
◇ R&D/CAPEX/Number of Employees	19
<Appendix> Historical Data	20

# Summary of Financial Results

(Billion Yen)

	FY2015.2Q	FY2016.2Q		Change	
	Actual	Forecast in July	Actual	vs. FY2015.2Q	vs. Forecast in July
Orders Received	738.8	-	<b>538.4</b>	-200.3	-
Net Sales	708.1	700.0	<b>697.2</b>	-10.8	-2.8
Operating Income	42.3	22.0	<b>8.4</b>	-33.8	-13.6
Recurring Profit	40.2	22.0	<b>-1.7</b>	-42.0	-23.7
Net Income Attributable to Owners of Parent	26.8	14.5	<b>-0.2</b>	-27.1	-14.7

## vs. FY2016.2Q

### < Orders Received >

Decreased in mainly in Ship & Offshore Structure and Plant & Infrastructure segments

### < Net Sales >

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

### < Profits >

Decreased in operating income and deteriorated in recurring profit and net income attributable to owners of parent, due to the effect of the appreciation of the yen, loss disposition in Ship & Offshore Structure segment, and other factors

## Weighted-average exchange rates

Yen / US\$	120.65	110	<b>105.94</b>
Yen / EUR	134.45	125	<b>122.63</b>

(For Reference)

Foreign Currencies Amount for FY2016.2Q (Billion)

US\$	EUR
1.17	0.19

# Financial Results by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2015 2Q	FY2016 2Q	Change	FY2015 2Q	FY2016 2Q	Change	FY2015 2Q	FY2016 2Q	Change
Ship & Offshore Structure	67.4	<b>8.6</b>	-58.8	51.8	<b>51.6</b>	-0.2	-3.1	<b>-16.4</b>	-13.3
Rolling Stock	65.7	<b>57.7</b>	-8.0	62.7	<b>62.3</b>	-0.4	3.5	<b>-0.6</b>	-4.1
Aerospace	134.6	<b>98.9</b>	-35.7	166.8	<b>168.9</b>	+2.1	25.6	<b>20.1</b>	-5.5
Gas Turbine & Machinery	115.8	<b>102.6</b>	-13.1	103.3	<b>106.6</b>	+3.2	8.1	<b>2.9</b>	-5.1
Plant & Infrastructure	75.0	<b>34.3</b>	-40.7	55.8	<b>78.5</b>	+22.7	2.6	<b>1.7</b>	-0.9
Motorcycle & Engine	143.0	<b>128.5</b>	-14.4	143.0	<b>128.5</b>	-14.4	0.5	<b>-2.4</b>	-2.9
Precision Machinery	64.0	<b>71.4</b>	+7.3	63.9	<b>65.7</b>	+1.7	3.8	<b>3.9</b>	+0.0
Others	72.8	<b>36.2</b>	-36.6	60.5	<b>34.9</b>	-25.6	1.2	<b>1.3</b>	+0.0
Eliminations and corporate <sup>*</sup>	-	-	-	-	-	-	-0.3	<b>-2.0</b>	-1.7
<b>Total</b>	<b>738.8</b>	<b>538.4</b>	<b>-200.3</b>	<b>708.1</b>	<b>697.2</b>	<b>-10.8</b>	<b>42.3</b>	<b>8.4</b>	<b>-33.8</b>

\* "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)	
			FY2015.2Q	FY2016.2Q
<b>&lt; Operating Income &gt;</b>	<b>-</b>	<b>33.8</b>	<b>( 42.3</b>	<b>→ 8.4 )</b>
Net sales	-	10.8	( 708.1	→ 697.2 )
Cost of sales	+	20.0	( 575.2	→ 595.2 )
Selling, general & administrative expenses	+	2.8	( 90.6	→ 93.5 )
- Salaries and benefits	-	0.8	( 25.8	→ 25.0 )
- R&D expenses	+	1.4	( 19.2	→ 20.6 )
<b>&lt; Non-operating Income/Expenses &gt;</b>	<b>-</b>	<b>8.2</b>	<b>( -2.0</b>	<b>→ -10.2 )</b>
Net Interest expense ( incl. dividend income )	+	0.4	( -1.3	→ -0.8 )
Equity in income of unconsolidated subsidiaries and affiliates	+	1.5	( 1.3	→ 2.9 )
Gain and loss on foreign exchange	-	6.1	( -4.5	→ -10.6 )
Others	-	4.1	( 2.5	→ -1.6 )
<b>&lt; Extraordinary Income/Losses &gt;</b>	<b>+</b>	<b>2.2</b>	<b>( -</b>	<b>→ 2.2 )</b>
Gain on sales of fixed assets	+	2.2	( -	→ 2.2 )

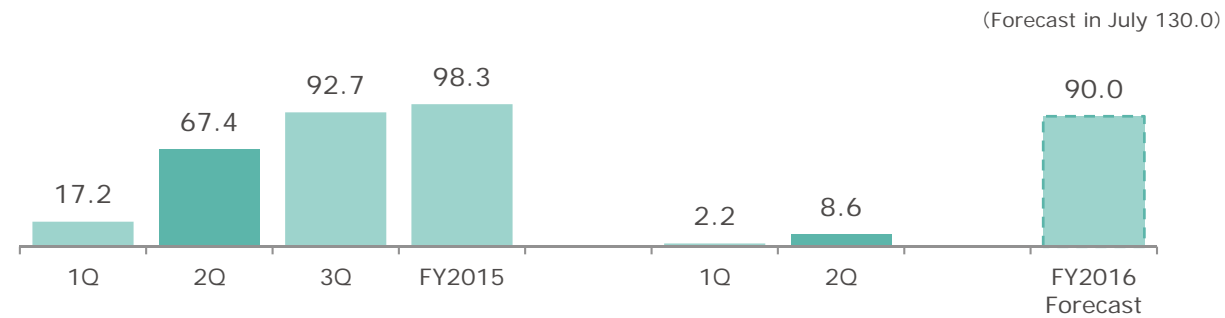
# Ship & Offshore Structure

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

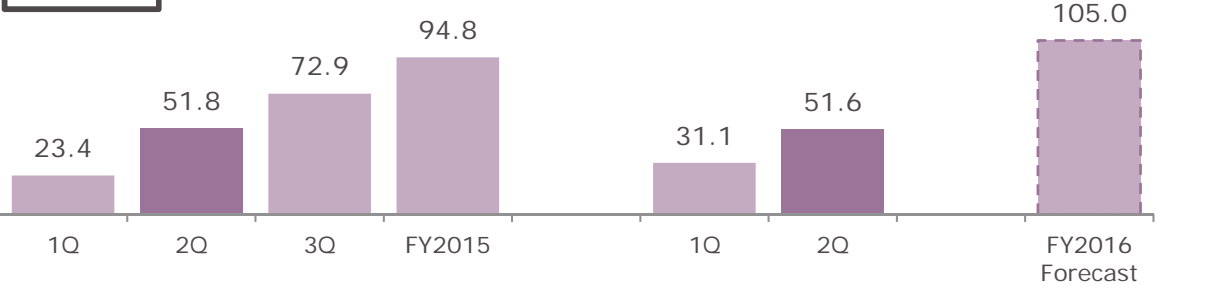
(Billion Yen / In accumulated amount)

## Orders Received

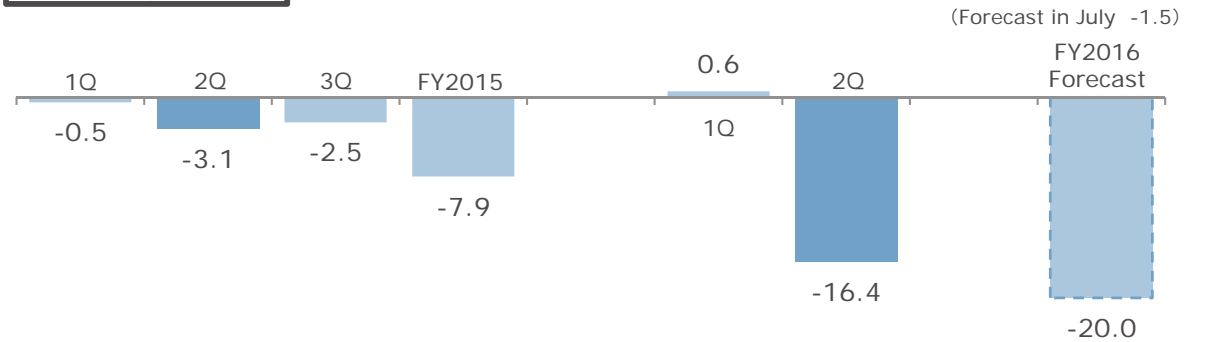
Order Backlog  
206.5 Billion Yen



## Net Sales



## Operating Income



## FY2016.2Q

( vs. FY2015.2Q )

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

**Net Sales:** Remained the same level as the previous same period

**Operating Income:** Deteriorated due to increase of the amount of allowance for doubtful accounts on trade receivables from the joint venture in Brazil, increase in provision for loss on construction contracts resulting from the effect of the appreciation of the yen and increase in cost, and other factors

## FY2016 Forecast

(vs. Forecast in July)

**Orders Received:** Revised down due to order deferrals

**Net Sales :** Revised down due to review of progress in the offshore work vessel destined for Norway

**Operating Income:** Revised down due to increase of the amount of allowance for doubtful accounts on trade receivables from the joint venture in Brazil, increase in provision for loss on construction contracts resulting from the effect of the appreciation of the yen and increase in cost, and other factors

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

(unit)

	Orders Received		Sales			
	FY2015.2Q	FY2016.2Q	FY2015.2Q		FY2016.2Q	
			Completed	In Process ※	Completed	In Process ※
LNG carriers	2			5	1	8
Small-sized LNG carriers						
LPG carriers	2			3		4
Offshore service vessel						
Bulk carriers	1		1	2		1
Submarines				2		2
Deep submergence rescue vehicle				1		1
Total	5	0	1	13	1	16

※ Sales units by percentage-of-completion method

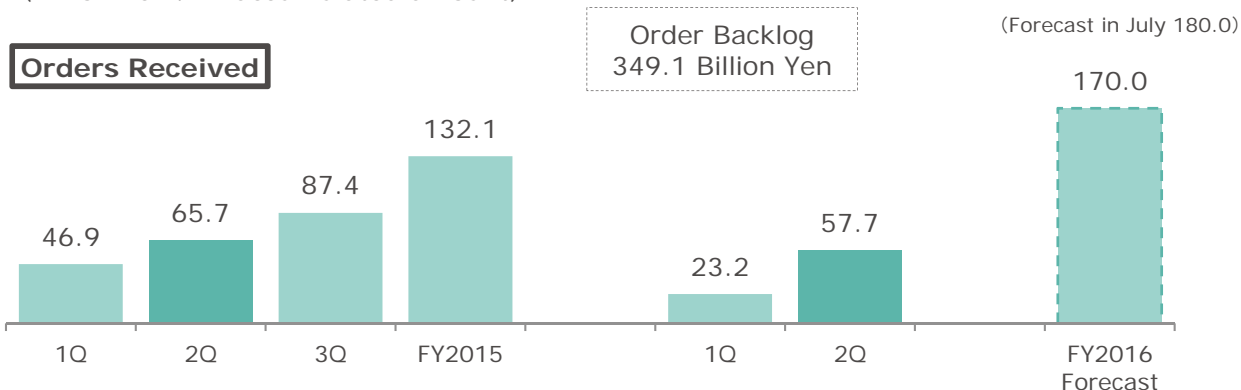
	FY2014 Actual	FY2015 Actual	FY2016 Forecast	
			In July	In October
Before-tax ROIC	6.0%	-38.4%	1.0%	-28.8%

# Rolling Stock

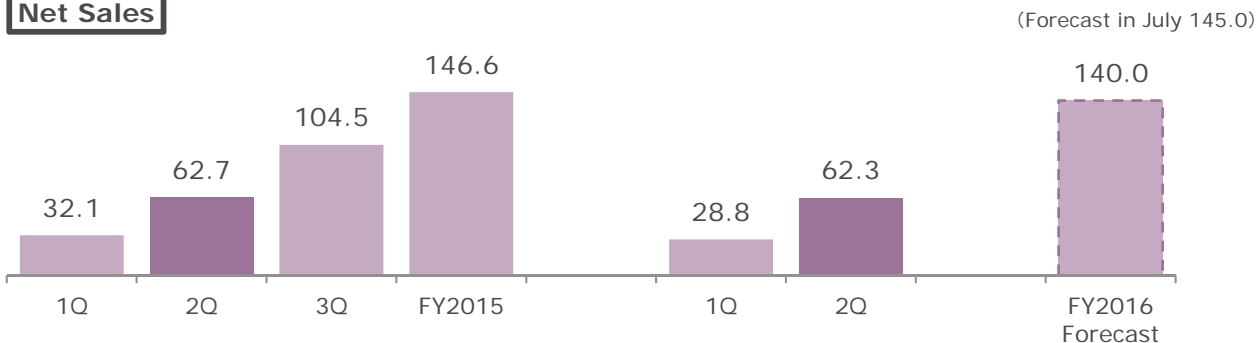
Main Products : Electric train cars (incl. Shinkansen), Electric and diesel locomotives, Passenger coaches, Bogies, Gigacell® (High-Capacity, Full Sealed Ni-MH Battery)

(Billion Yen / In accumulated amount)

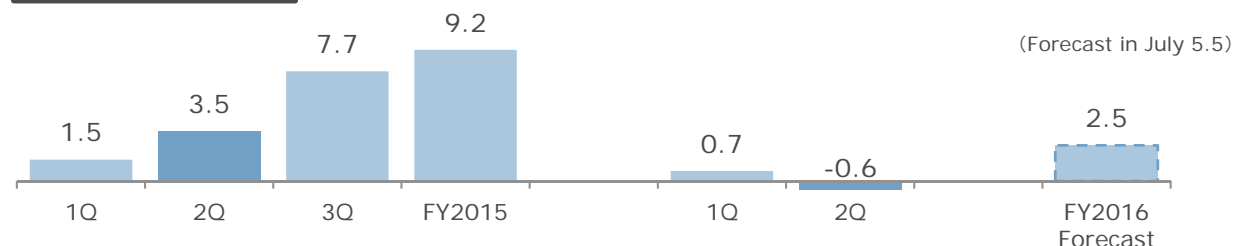
## Orders Received



## Net Sales



## Operating Income



## FY2016.2Q

( vs. FY2015.2Q )

**Orders Received:** Decreased from the previous same period when a large scale order for North America was won

**Net Sales:** Remained the same level as the previous same period, due to the effect of the appreciation of the yen and decrease in overseas market, despite increase in domestic market

**Operating Income:** Deteriorated due to the effect of the appreciation of the yen, decrease of profitable projects increase in cost and other factors

## FY2016 Forecast

(vs. Forecast in July)

**Orders Received & Net Sales :** Revised down due to order/sales deferrals and the effect of the appreciation of the yen

**Operating Income:** Revised down due to the effect of the appreciation of the yen

	FY2014 Actual	FY2015 Actual	FY2016 Forecast	
			In July	In October
Before-tax ROIC	8.7%	11.7%	8.0%	3.2%



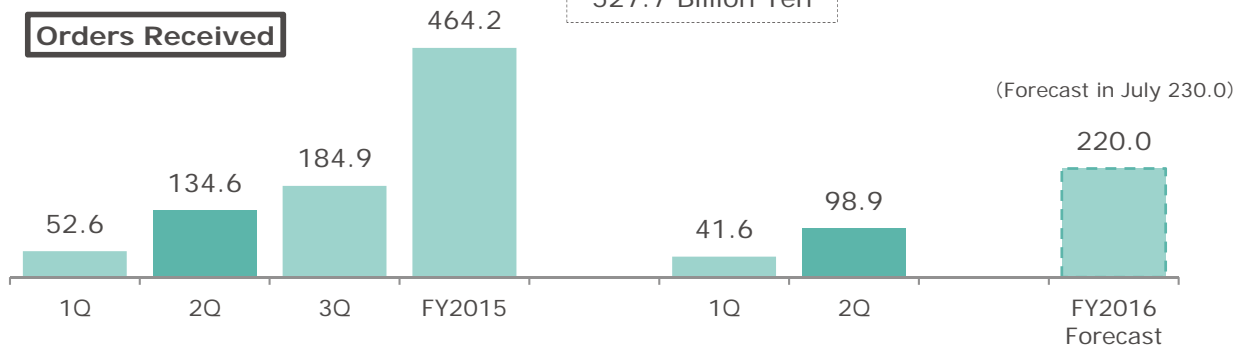
# Aerospace

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

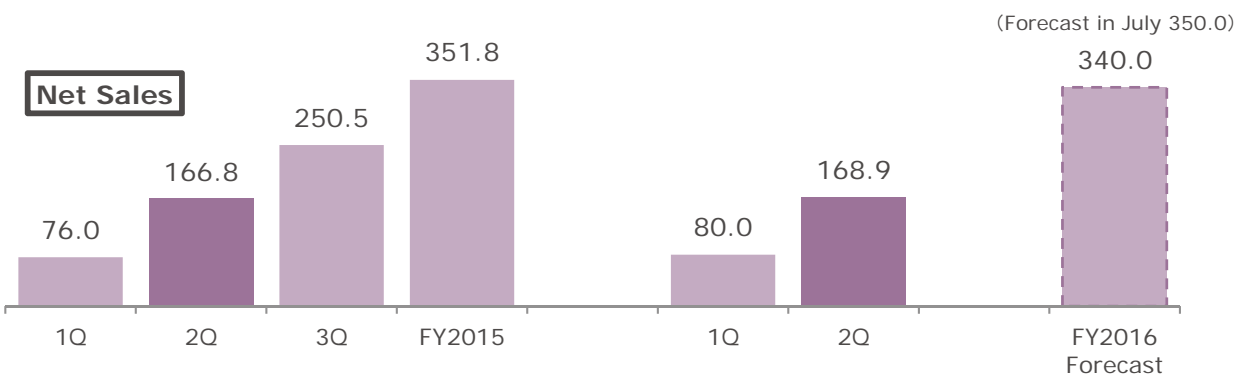
(Billion Yen / In accumulated amount)

Order Backlog  
527.7 Billion Yen

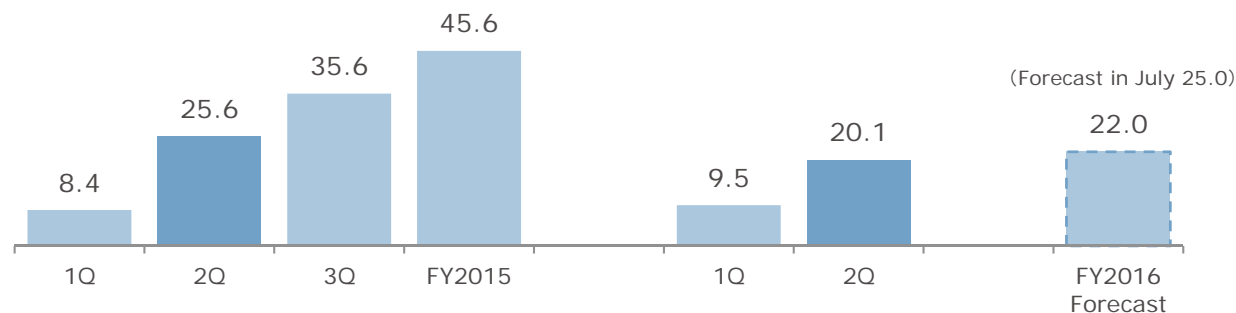
## Orders Received



## Net Sales



## Operating Income



## FY2016.2Q

(vs. FY2015.2Q)

**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:** Remained the same level as the previous same period, 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:** Decreased due to decrease in profitability of component parts for commercial aircrafts and other factors

## FY2016 Forecast

(vs. Forecast in July)

**Orders Received & Net Sales :** Revised down due to the effect of the appreciation of the yen

**Operating Income:** Revised down due to the effect of the appreciation of the yen, despite promotion of profit improvement measures including cost reduction

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

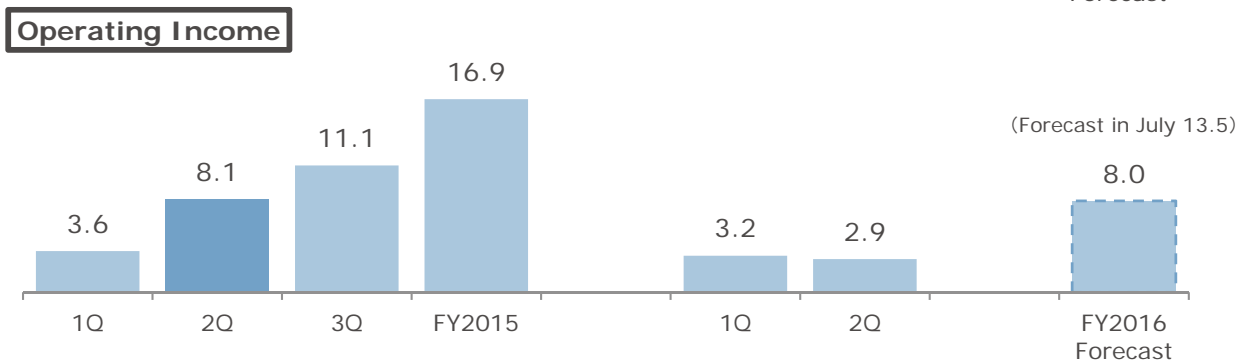
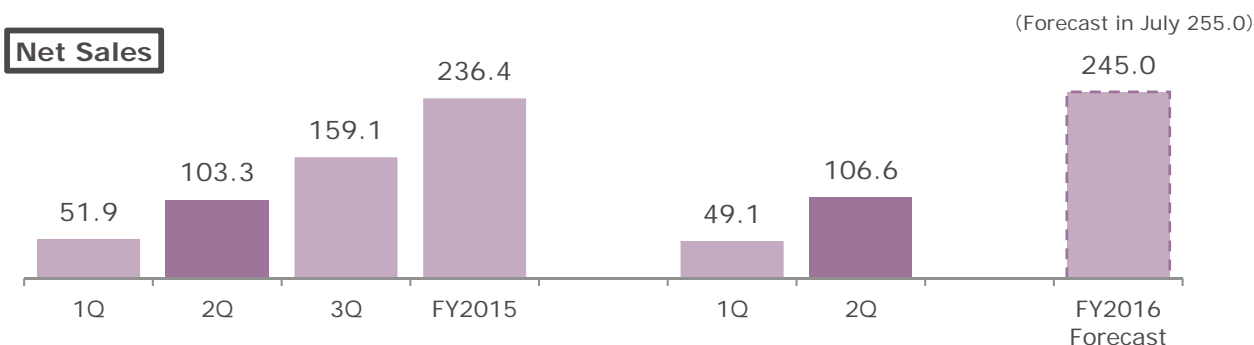
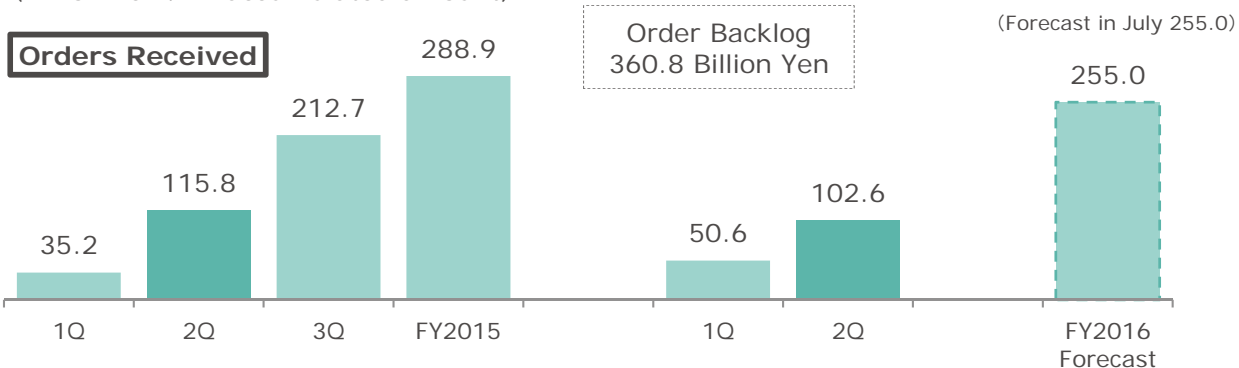
	FY2015.2Q	FY2016.2Q
Boeing 777	51	51
Boeing 767	8	13
Boeing 787	61	65
Embraer170/175	40	49
Embraer190/195	5	10

	FY2014 Actual	FY2015 Actual	FY2016 Forecast	
			In July	In October
Before-tax ROIC	35.1%	33.9%	13.5%	10.4%

# 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)



## FY2016.2Q

( vs. FY2015.2Q)

**Orders Received:** Decreased from the previous same period when we participated in the new commercial aircraft jet engine project and won concentrated orders

**Net Sales:** Remained the same level as the previous same period, due to sales increase of component parts of commercial aircraft jet engines and gas engine power generation systems and other factors, despite the effect of the appreciation of the yen

**Operating Income:** Decreased due to increase in depreciation of development costs of new commercial aircraft jet engine project and other factors

## FY2016 Forecast

(vs. Forecast in July)

**Orders Received:** No Change

**Net Sales & Operating Income:** Revised down due to the effect of the appreciation of the yen and sales deferrals

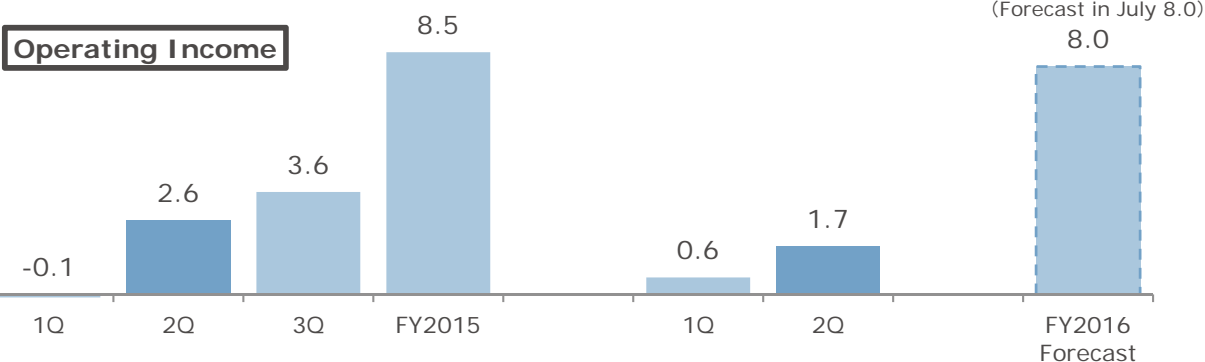
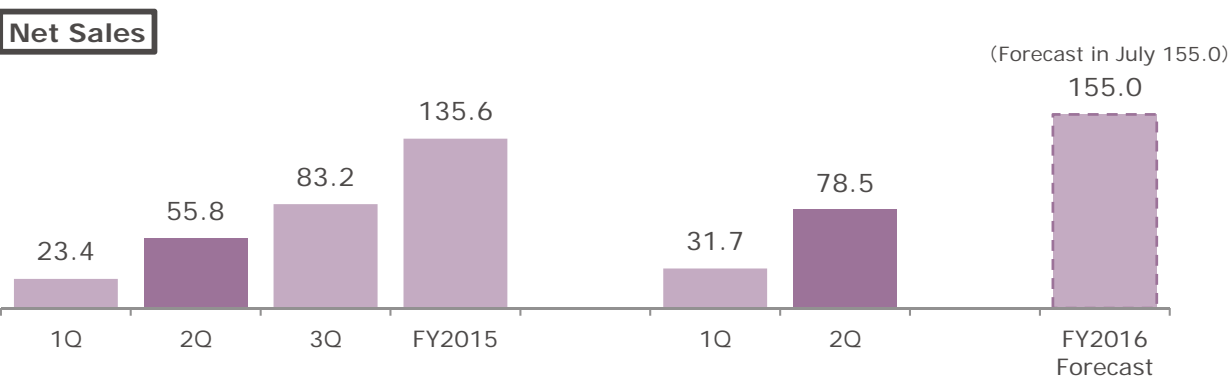
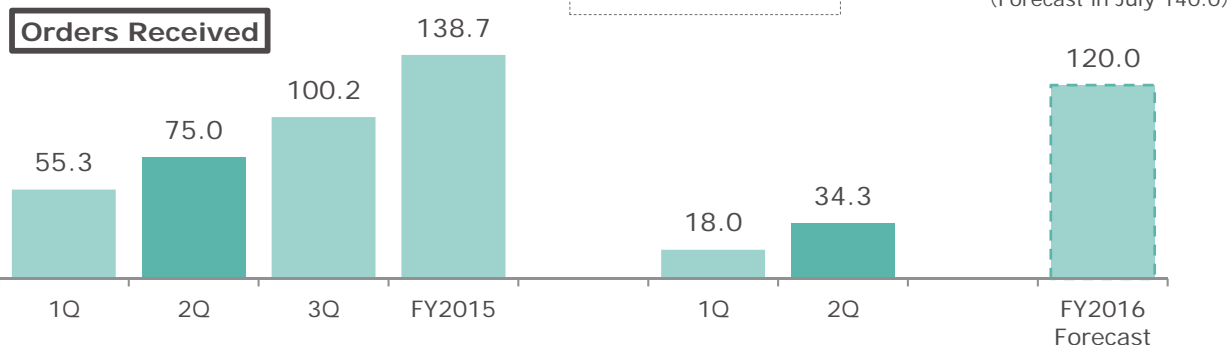
	FY2014 Actual	FY2015 Actual	FY2016 Forecast	
			In July	In October
Before-tax ROIC	5.7%	8.8%	6.3%	4.3%

# 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  
233.6 Billion Yen



## FY2016.2Q

(vs. FY2015.2Q)

**Orders Received:** Decreased from the previous same period when large scale orders including municipal refuse incineration plants were won

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

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

## FY2016 Forecast

(vs. Forecast in July)

**Orders Received:** Revised down due to order deferrals

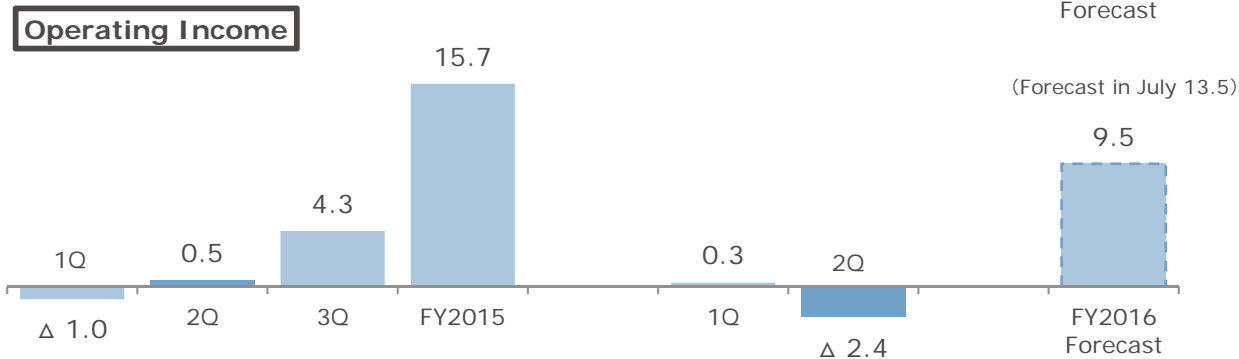
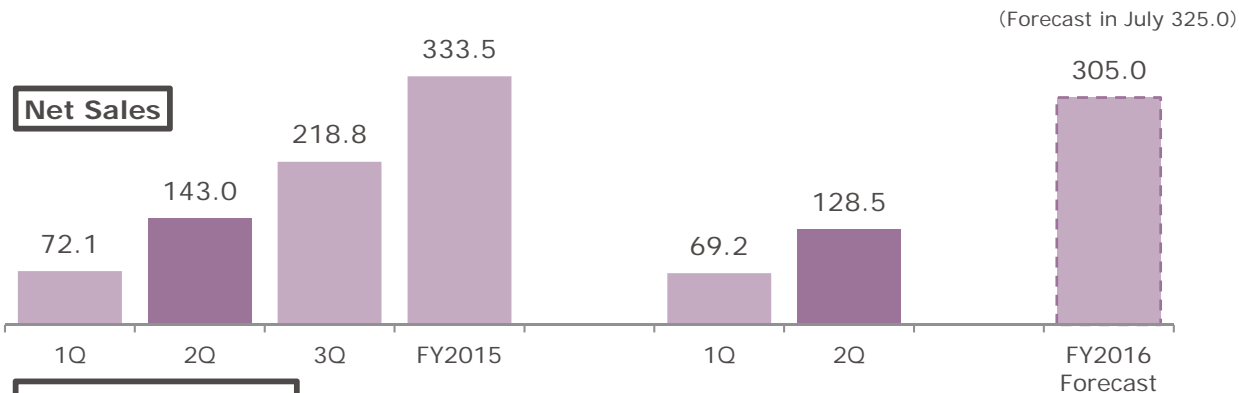
**Net Sales & Operating Income** : No Change

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

# Motorcycle & Engine

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

(Billion Yen / In accumulated amount)



<Wholesales by Geographic Area for Consumer Products> (Thousands of units / Billion Yen)

	FY2015.2Q		FY2015		FY2016.2Q		FY2016 Forecast	
	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount
Domestic	9	7.8	15	13.2	10	8.0	17	13.4
North America (incl. Canada)	40(19)	42.1	105(51)	112.2	42(20)	37.2	113(60)	101.3
Europe	26	23.7	64	55.2	30	23.7	66	52.0
Emerging Countries & Others	145	46.9	340	106.3	157	42.0	332	92.4
Total	221	120.5	524	286.9	239	110.9	528	259.1

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.

## FY2016.2Q

( vs. FY2015.2Q )

**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:** Deteriorated due to sales decrease

## FY2016 Forecast

(vs. Forecast in July)

**Net Sales:** Revised down due to the effect of the appreciation of the yen, despite increase in motorcycles for developed countries

**Operating Income:** Revised down due to the effect of the appreciation of the yen, despite the effect on profits of sales increase and profit improvement measures

	FY2014 Actual	FY2015 Actual	FY2016 Forecast	
			In July	In October
Before-tax ROIC	7.3%	14.1%	10.2%	6.0%

# 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  
32.0 Billion Yen  
(Forecast in July 145.0)

## FY2016.2Q

( vs. FY2015.2Q )

**Orders Received** : Increased due to increase in hydraulic components and various industrial robots, and other factors

**Net Sales & Operating Income** : Remained the same level as the previous same period

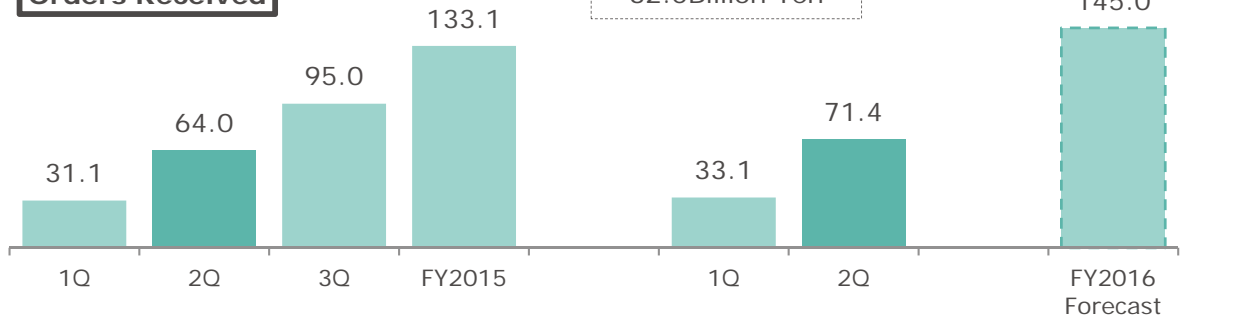
## FY2016 Forecast

(vs. Forecast in July)

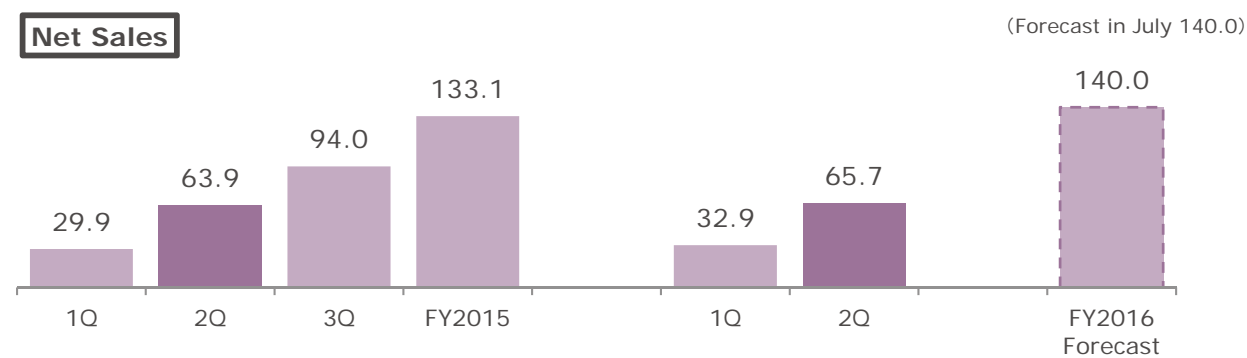
**Orders Received & Net Sales** : Remains unchanged due to the effect of the appreciation of the yen, despite increase of hydraulic components for construction machinery in China

**Operating Income**: Revised down due to the effect of the appreciation of the yen, despite sales increase of hydraulic components for construction machinery in China

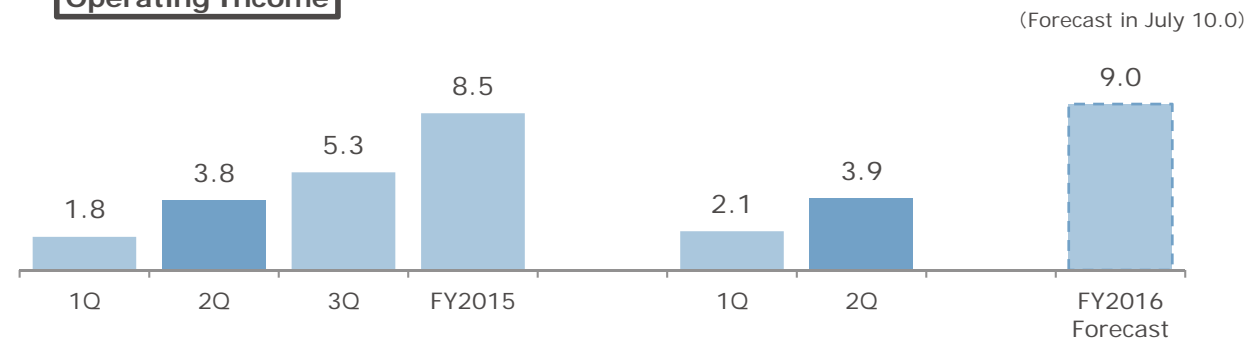
### **Orders Received**



### **Net Sales**



### **Operating Income**



	FY2014 Actual	FY2015 Actual	FY2016 Forecast	
			In July	In October
Before-tax ROIC	16.7%	9.5%	10.8%	8.0%

# Summary of Balance Sheet

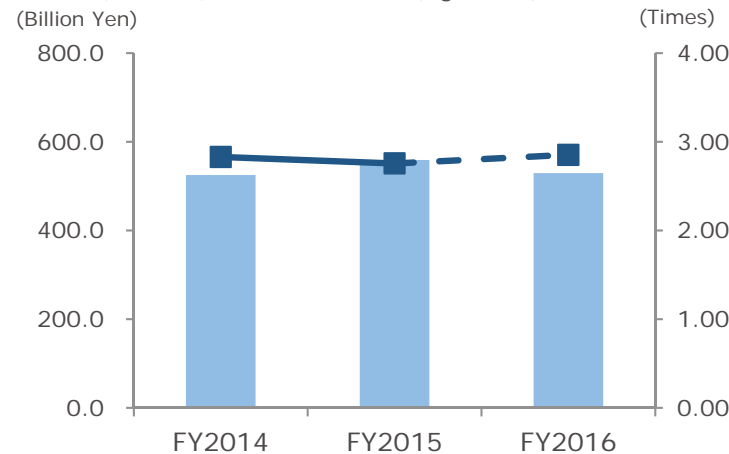
(Billion Yen)

	End of Mar. 2016	End of Sep. 2016	Change
Cash on hand and in banks	42.1	39.4	-2.6
Trade receivables	381.3	430.0	+48.7
Inventories	492.9	496.5	+3.5
Total fixed assets	452.0	458.3	+6.3
Other assets	251.9	232.6	-19.3
<b>Total assets</b>	<b>1,620.4</b>	<b>1,657.0</b>	<b>+36.6</b>
Trade payables	321.7	291.6	-30.0
Interest-bearing debt	398.4	550.6	+152.2
Advances from customers	170.4	146.7	-23.6
Other liabilities	284.1	266.2	-17.9
<b>Total liabilities</b>	<b>1,174.8</b>	<b>1,255.3</b>	<b>+80.5</b>
Total shareholders' equity	438.4	419.7	-18.6
Other net assets	7.2	-18.0	-25.2
<b>Total net assets</b>	<b>445.6</b>	<b>401.6</b>	<b>-43.9</b>
<b>Total liabilities and net assets</b>	<b>1,620.4</b>	<b>1,657.0</b>	<b>+36.6</b>

Ratio of shareholders' equity to total assets	26.6%	23.4%
Net Debt Equity Ratio	82.5%	131.3%

## < Changes in working capital >

Working capital(2Q) (left axis) Working capital turnover\* (right axis)

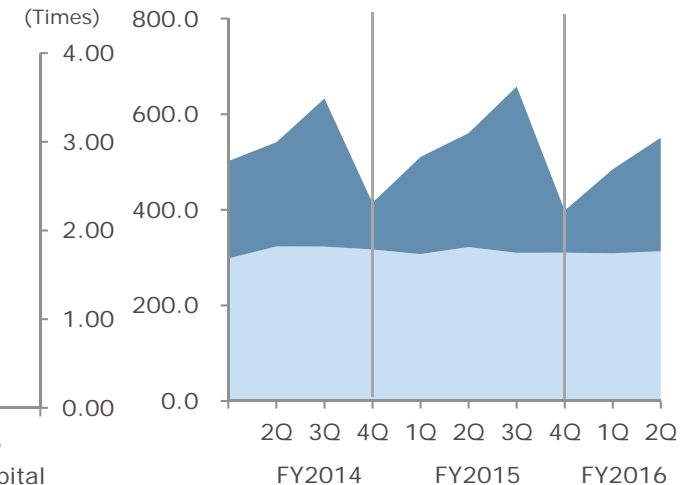


\*Turnover=Sales(12months)/working capital  
\*Sales for FY2016 is a forecast number

## [Changes in interest-bearing debt]

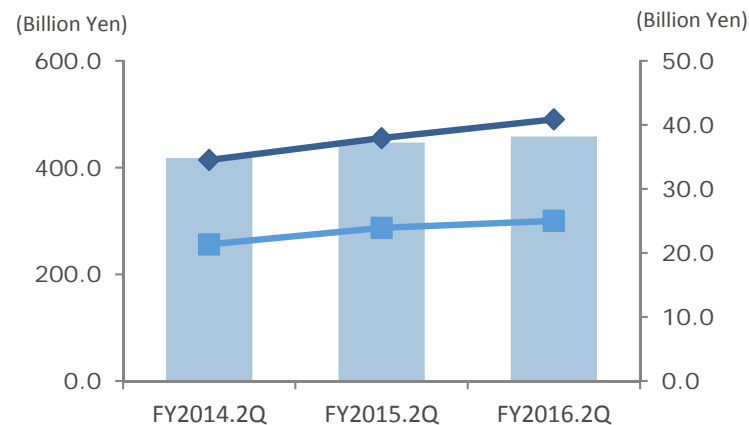
Long-term debt Short-term debt

(Billion Yen)



## < Changes in CAPEX and others >

Fixed Asset (left axis) CAPEX (right axis) DA\* (right axis)



\*Depreciation & Amortization

## < Overview of Balance Sheet >

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

# Summary of Cash Flows

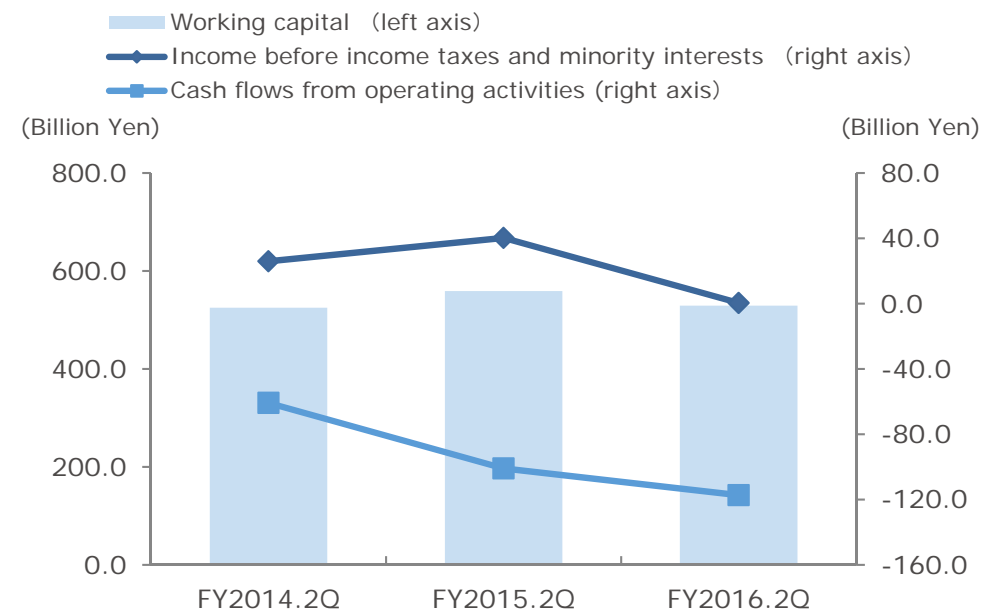
(Billion Yen)

	FY2015 2Q	FY2016 2Q	Change
Cash flows from operating activities	-100.8	<b>-117.2</b>	-16.3
Cash flows from investing activities	-40.7	<b>-31.6</b>	9.1
Free Cash Flows	-141.6	<b>-148.8</b>	-7.2
Cash flows from financing activities	135.5	<b>143.9</b>	+8.4

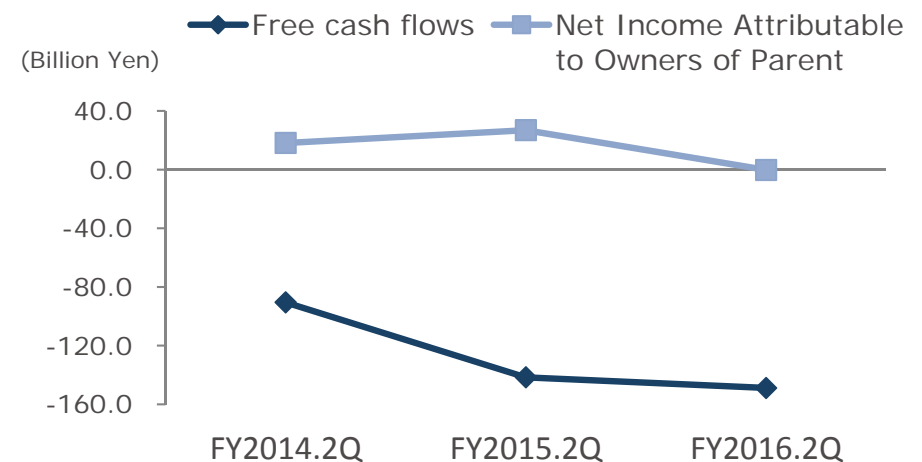
## < Overview of Cash Flows > (vs.FY2016.2Q)

- Cash flows from operating activities deteriorated, due to increase in working capital in Aerospace segment and other factors.
- Cash flows from investing activities improved due to decrease in expenditures for CAPEX and other factors.
- Given the above mentioned changes, free cash flows deteriorated.

## < 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

(Billion Yen)

	FY2015 Actual	FY2016 Forecast		Change	
		In July	In October	vs. FY2015	vs. Forecast in July
Orders Received	1,693.6	1,500.0	<b>1,390.0</b>	-303.6	-110.0
Net Sales	1,541.0	1,570.0	<b>1,510.0</b>	-31.0	-60.0
Operating Income	95.9	70.0	<b>34.0</b>	-61.9	-36.0
Recurring Profit	93.2	69.0	<b>25.0</b>	-68.2	-44.0
Net Income Attributable to Owners of Parent *	46.0	49.0	<b>16.5</b>	-29.5	-32.5
Before-tax ROIC	9.4%	8.3%	<b>3.8%</b>	-5.6%	-4.5%
ROE	10.6%	11.0%	<b>3.9%</b>	-6.7%	-7.1%

Exchange Rates (actual &amp; assumed)

Yen / US\$	118.99	110	<b>102</b>
Yen / EUR	132.43	125	<b>114</b>

\* Assumed rates are applied to the outstanding foreign exchange exposure as of October 28, 2016

## Reasons for the Revision

### < Orders Received >

Revised down mainly in Ship & Offshore Structures segment

### < Net Sales >

Revised down due to decrease in Ship & Offshore Structures, Motorcycle & Engine and other segments

### < Profits >

- Operating income was revised down, due to the effect of the appreciation of the yen, loss disposition in Ship & Offshore Structure segment including increase of the amount of allowance for doubtful accounts on trade receivables from the joint venture in Brazil, and increase in provision for loss on construction contracts resulting from increase in cost of the offshore work vessel destined for Norway, and other factors

- Recurring profit and net income attributable to owners of parent was revised down due to decrease in operating income

(For Reference)

Impact on profit by FX fluctuation of 1 Yen

(Billion Yen)

	Operating Income	Recurring Profit
US\$	1.92	1.55
EUR	0.09	0.09



# Forecast by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2015 Actual	FY2016 Forecast		FY2015 Actual	FY2016 Forecast		FY2015 Actual	FY2016 Forecast	
		In July	In October		In July	In October		In July	In October
Ship & Offshore Structure	98.3	130.0	<b>90.0</b>	94.8	120.0	<b>105.0</b>	-7.9	-1.5	<b>-20.0</b>
Rolling Stock	132.1	180.0	<b>170.0</b>	146.6	145.0	<b>140.0</b>	9.2	5.5	<b>2.5</b>
Aerospace	464.2	230.0	<b>220.0</b>	351.8	350.0	<b>340.0</b>	45.6	25.0	<b>22.0</b>
Gas Turbine & Machinery	288.9	255.0	<b>255.0</b>	236.4	255.0	<b>245.0</b>	16.9	13.5	<b>8.0</b>
Plant & Infrastructure	138.7	140.0	<b>120.0</b>	135.6	155.0	<b>155.0</b>	8.5	8.0	<b>8.0</b>
Motorcycle & Engine	333.5	325.0	<b>305.0</b>	333.5	325.0	<b>305.0</b>	15.7	13.5	<b>9.5</b>
Precision Machinery	133.1	145.0	<b>145.0</b>	133.1	140.0	<b>140.0</b>	8.5	10.0	<b>9.0</b>
Others	104.4	95.0	<b>85.0</b>	108.8	80.0	<b>80.0</b>	2.8	4.0	<b>3.5</b>
Eliminations and corporate*	-	-	-	-	-	-	-3.7	-8.0	<b>-8.5</b>
<b>Total</b>	<b>1,693.6</b>	<b>1,500.0</b>	<b>1390.0</b>	<b>1,541.0</b>	<b>1,570.0</b>	<b>1,510.0</b>	<b>95.9</b>	<b>70.0</b>	<b>34.0</b>

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

# Before-tax ROIC by Segment

	Before-tax ROIC (EBIT / Invested Capital)		
	FY2015 Actual	FY2016 Forecast	
		In July	In October
Ship & Offshore Structure	-38.4%	1.0%	<b>-28.8%</b>
Rolling Stock	11.7%	8.0%	<b>3.2%</b>
Aerospace	33.9%	13.5%	<b>10.4%</b>
Gas Turbine & Machinery	8.8%	6.3%	<b>4.3%</b>
Plant & Infrastructure	17.5%	16.3%	<b>16.3%</b>
Motorcycle & Engine	14.1%	10.2%	<b>6.0%</b>
Precision Machinery	9.5%	10.8%	<b>8.0%</b>
Total	9.4%	8.3%	<b>3.8%</b>

	Operating Income Margin (Operating Income / Net Sales)			Asset Turnover (Times) (Net Sales / Total Assets)		
	FY2015 Actual	FY2016 Forecast		FY2015 Actual	FY2016 Forecast	
		In July	In October		In July	In October
	-8.3%	-1.2%	<b>-19.0%</b>	0.61	0.75	<b>0.77</b>
	6.3%	3.7%	<b>1.7%</b>	0.85	0.90	<b>0.83</b>
	12.9%	7.1%	<b>6.4%</b>	0.92	0.80	<b>0.83</b>
	7.1%	5.2%	<b>3.2%</b>	0.75	0.70	<b>0.72</b>
	6.2%	5.1%	<b>5.1%</b>	1.12	1.30	<b>1.31</b>
	4.7%	4.1%	<b>3.1%</b>	1.36	1.30	<b>1.29</b>
	6.4%	7.1%	<b>6.4%</b>	0.93	0.95	<b>1.00</b>
	6.2%	4.4%	<b>2.2%</b>	0.95	0.95	<b>0.92</b>

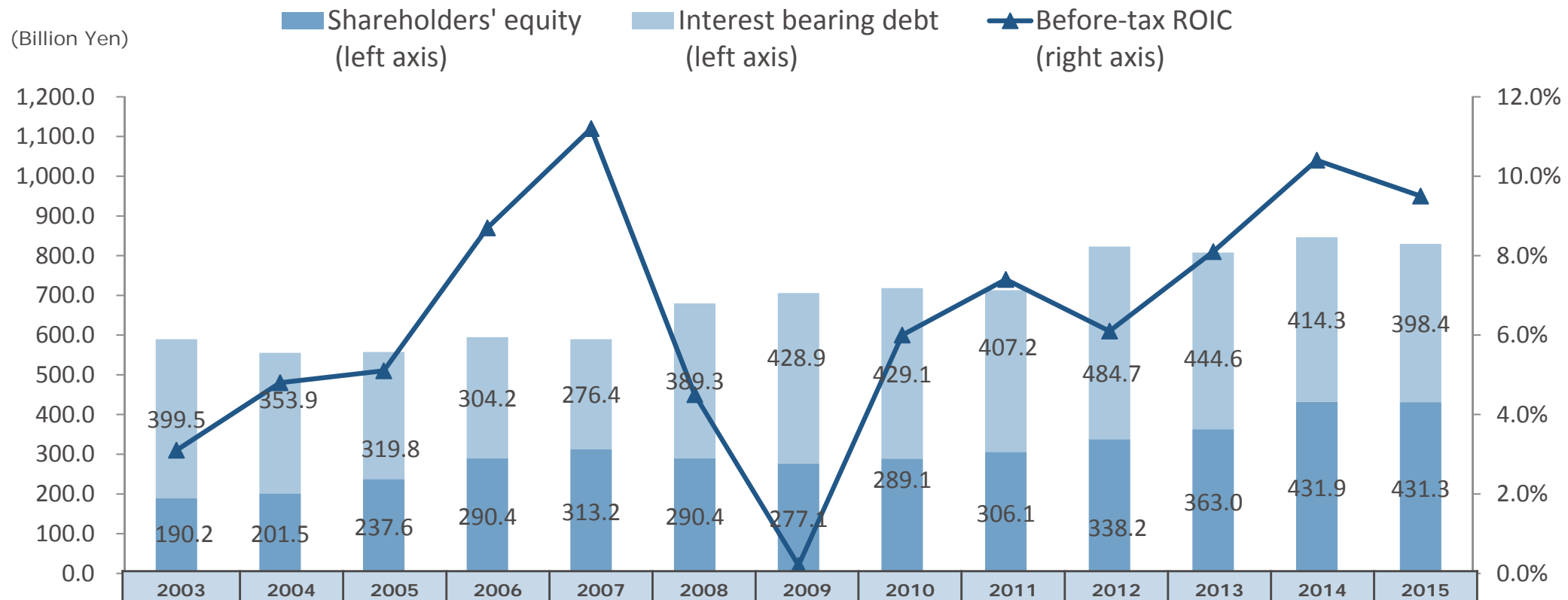
# R&D/CAPEX/Number of Employees

(Billion Yen / Persons)

	FY2015 Actual	FY2016 Forecast		
		In July	In October	vs. Forecast in July
R&D Expenses	43.6	47.0	<b>47.0</b>	0.0
CAPEX (Construction Base)	76.3	98.0	<b>87.0</b>	-11.0
Depreciation & Amortization	49.0	56.0	<b>52.0</b>	-4.0
Domestic	25,897	26,700	<b>26,600</b>	-100
Overseas	8,708	9,000	<b>8,900</b>	-100
Number of Employees	34,605	35,700	<b>35,500</b>	-200

- 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.

# Historical Data



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Before-tax ROIC</b>	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%
<b>Invested Capital</b>	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
<b>Net Sales</b>	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
<b>Operating Profit</b>	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
<b>Recurring Profit</b>	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
<b>Net Income Attributable to Owners of Parent ※</b>	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
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# 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.