


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
July 30, 2019
(Consolidated)
For three months ended June 30, 2019 and 2018 and one year ended March 31, 2019
Operating results

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Net sales	¥ 350,778	¥ 343,785	\$ 3,255,480
Operating profit	1,088	7,103	10,097
Profit attributable to owners of parent	(8,249)	2,561	(76,557)
Earnings per share (Yen)	(49.38)	15.33	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Jun. 30, 2019	As of Jun. 30, 2018	As of Jun. 30, 2019
Total assets	¥ 1,911,544	¥ 1,838,855	\$ 17,740,548
Net assets	474,712	492,261	4,405,680
Number of shares issued and outstanding	167,045	167,045	
Equity Ratio	24.0%	25.9%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019
Operating activities	¥ (163,712)	¥ (74,195)	\$ (1,519,369)
Investing activities	(17,138)	(26,661)	(159,053)
Financing activities	150,583	89,264	1,397,522
Cash and cash equivalents at end of period	39,326	52,487	364,974

Fiscal year forecast

	Millions of yen		
	Net sales	Operating profit	Profit attributable to owners of parent
One year ending March 31, 2020	¥ 1,700,000	¥ 72,000	¥ 38,000

- Notes :
1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.
 2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥107.75=\$1, the rate prevailing as of June 28, 2019, solely for the convenience of the readers.

Consolidated Balance Sheets

As of June 30 and March 31, 2019

	Millions of yen		Thousands of
	As of	As of	U.S. dollars
	Mar. 31, 2019	Jun. 30, 2019	As of Jun. 30, 2019
Assets			
Current assets			
Cash and deposits	¥ 74,311	¥ 44,433	\$ 412,371
Notes and accounts receivable - trade	427,665	467,593	4,339,610
Merchandise and finished goods	68,176	73,968	686,478
Work in process	405,087	435,790	4,044,455
Raw materials and supplies	119,558	122,061	1,132,817
Other	45,333	64,639	599,898
Allowance for doubtful accounts	(3,792)	(3,577)	(33,197)
Total current assets	<u>1,136,340</u>	<u>1,204,908</u>	<u>11,182,441</u>
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	194,939	192,775	1,789,095
Other	290,729	293,815	2,726,821
Total property, plant and equipment	<u>485,669</u>	<u>486,591</u>	<u>4,515,926</u>
Intangible assets	16,797	17,845	165,615
Investments and other assets			
Other	201,471	203,602	1,889,578
Allowance for doubtful accounts	(1,422)	(1,402)	(13,012)
Total investments and other assets	<u>200,048</u>	<u>202,200</u>	<u>1,876,566</u>
Total non-current assets	<u>702,514</u>	<u>706,636</u>	<u>6,558,107</u>
Total assets	<u>1,838,855</u>	<u>1,911,544</u>	<u>17,740,548</u>
Liabilities			
Current liabilities			
Notes and accounts payable - trade	247,191	210,560	1,954,153
Electronically recorded obligations - operating	123,083	127,350	1,181,903
Short-term borrowings	100,023	140,529	1,304,213
Income taxes payable	10,390	5,239	48,622
Provision for sales promotion expenses	497	5,198	48,241
Provision for bonuses	21,168	23,589	218,923
Provision for construction warranties	13,096	12,567	116,631
Provision for loss on construction contracts	27,609	29,766	276,251
Advances received	181,419	173,567	1,610,831
Other	139,800	229,234	2,127,462
Total current liabilities	<u>864,280</u>	<u>957,604</u>	<u>8,887,276</u>
Non-current liabilities			
Bonds payable	140,000	140,000	1,299,304
Long-term borrowings	187,568	187,086	1,736,297
Retirement benefit liability	97,602	97,027	900,483
Provision for the in service issues of commercial aircraft jet engines	11,468	10,333	95,898
Other	45,674	44,781	415,601
Total non-current liabilities	<u>482,313</u>	<u>479,228</u>	<u>4,447,592</u>
Total liabilities	<u>1,346,593</u>	<u>1,436,832</u>	<u>13,334,868</u>
Net assets			
Shareholders' equity			
Share capital	104,484	104,484	969,689
Capital surplus	54,542	54,542	506,190
Retained earnings	324,606	305,561	2,835,833
Treasury shares	(130)	(130)	(1,206)
Total shareholders' equity	<u>483,502</u>	<u>464,457</u>	<u>4,310,506</u>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	2,682	2,654	24,631
Deferred gains or losses on hedges	(227)	426	3,954
Foreign currency translation adjustment	(4,556)	(4,719)	(43,796)
Remeasurements of defined benefit plans	(5,014)	(3,674)	(34,097)
Total accumulated other comprehensive income	<u>(7,115)</u>	<u>(5,313)</u>	<u>(49,309)</u>
Non-controlling interests	15,874	15,568	144,483
Total net assets	<u>492,261</u>	<u>474,712</u>	<u>4,405,680</u>
Total liabilities and net assets	<u>1,838,855</u>	<u>1,911,544</u>	<u>17,740,548</u>

Consolidated Statements of Profit and Loss*For three months ended June 30, 2019 and 2018*

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2019
Net sales	¥ 343,785	¥ 350,778	\$ 3,255,480
Cost of sales	288,048	301,426	2,797,457
Gross profit	55,737	49,351	458,014
Selling, general and administrative expenses			
Salaries and allowances	12,960	13,344	123,842
Research and development expenses	10,323	11,118	103,183
Other	25,349	23,799	220,872
Total selling, general and administrative expenses	48,634	48,262	447,907
Operating profit	7,103	1,088	10,097
Non-operating income			
Interest income	93	135	1,253
Dividend income	142	223	2,070
Share of profit of entities accounted for using equity method	323	338	3,137
Foreign exchange gains	2,038	-	-
Other	601	732	6,794
Total non-operating income	3,198	1,430	13,271
Non-operating expenses			
Interest expenses	753	911	8,455
Foreign exchange losses	-	5,039	46,766
Other	998	959	8,900
Total non-operating expenses	1,751	6,910	64,130
Ordinary profit (loss)	8,550	(4,391)	(40,752)
Profit (loss) before income taxes	8,550	(4,391)	(40,752)
Income taxes	5,636	3,578	33,206
Profit (loss)	2,913	(7,969)	(73,958)
Profit attributable to non-controlling interests	352	279	2,589
Profit (loss) attributable to owners of parent	2,561	(8,249)	(76,557)

Segment information
Information by reportable segment

	Millions of yen			
	Three months ended			
	Jun. 30, 2018			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 104,946	¥ 3,886	¥ 108,832	¥ 5,325
Energy System & Plant Engineering	51,004	4,248	55,253	233
Precision Machinery & Robot	47,992	3,734	51,726	4,596
Ship & Offshore Structure	22,085	663	22,748	1,358
Rolling Stock	23,392	3	23,395	(915)
Motorcycle & Engine	73,757	160	73,917	(3,308)
Other	20,607	8,988	29,595	359
Total	343,785	21,684	365,470	7,649
Eliminations and corporate	-	(21,684)	(21,684)	(546)
Consolidated total	¥ 343,785	¥ -	¥ 343,785	¥ 7,103

	Millions of yen			
	Three months ended			
	Jun. 30, 2019			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	¥ 122,188	¥ 2,383	¥ 124,572	¥ 4,869
Energy System & Plant Engineering	45,017	5,407	50,425	828
Precision Machinery & Robot	48,347	3,253	51,600	1,760
Ship & Offshore Structure	22,895	2,100	24,996	(398)
Rolling Stock	20,424	8	20,433	(3,548)
Motorcycle & Engine	68,356	138	68,494	(2,849)
Other	23,546	9,162	32,709	472
Total	350,778	22,454	373,232	1,134
Eliminations and corporate	-	(22,454)	(22,454)	(45)
Consolidated total	¥ 350,778	¥ -	¥ 350,778	¥ 1,088

	Thousands of U.S. dollars			
	Three months ended			
	Jun. 30, 2019			
	External sales	Intersegment sales	Total sales	Operating profit (loss)
Aerospace Systems	\$ 1,133,995	\$ 22,116	\$ 1,156,121	\$ 45,188
Energy System & Plant Engineering	417,791	50,181	467,981	7,684
Precision Machinery & Robot	448,696	30,190	478,886	16,334
Ship & Offshore Structure	212,483	19,490	231,981	(3,694)
Rolling Stock	189,550	74	189,633	(32,928)
Motorcycle & Engine	634,394	1,281	635,675	(26,441)
Other	218,524	85,030	303,564	4,381
Total	3,255,480	208,390	3,463,870	10,524
Eliminations and corporate	-	(208,390)	(208,390)	(418)
Consolidated total	\$ 3,255,480	\$ -	\$ 3,255,480	\$ 10,097

Orders by reportable segment*For three months ended June 30, 2019 and 2018*

	Billions of yen		Millions of U.S. dollars	
	Three months ended Jun. 30, 2018	Three months ended Jun. 30, 2019	Three months ended Jun. 30, 2019	
Orders :				
Aerospace Systems	¥ 79.0	¥ 69.7	\$	647
Energy System & Plant Engineering	93.9	69.8		648
Precision Machinery & Robot	57.1	52.9		491
Ship & Offshore Structure	6.9	21.5		200
Rolling Stock	24.9	16.0		148
Motorcycle & Engine	73.7	68.3		634
Other	24.2	29.7		276
Total	¥ 359.9	¥ 328.2	\$	3,046