


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS

 April 25, 2013
 (Consolidated)

For the year ended March 31, 2013 and 2012
Operating results

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Net sales	¥ 1,288,881	¥ 1,303,778	\$ 13,712,958
Operating income	42,062	57,484	447,515
Net income	30,864	23,323	328,375
Earnings per share (Yen)	18.4	13.9	

Financial condition

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of 2013	As of 2012	As of 2013
Total assets	¥ 1,466,290	¥ 1,362,139	\$ 15,600,489
Net assets	349,881	315,922	3,722,534
Number of shares issued and outstanding	1,671,792	1,671,815	
Equity Ratio	23.1%	22.4%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Operating activities	¥ 28,101	¥ 84,737	\$ 298,978
Investing activities	-81,160	(65,959)	-863,496
Financing activities	57,671	-26,831	613,586
Cash and cash equivalents at end of term	36,971	33,245	393,350

Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2014	¥ 1,380,000	¥ 60,000	¥ 34,000

- 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 ¥93.99=\$1, the rate prevailing as of March 31, 2013, solely for the convenience of the readers.

Condensed Consolidated Balance Sheets

As of March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Assets :			
Current assets :			
Cash on hand and in banks	¥ 38,525	¥ 34,316	\$ 409,884
Receivables, less allowance	446,328	416,479	4,748,675
Inventories	460,105	441,897	4,895,255
Other current assets	71,856	74,494	764,507
Total current assets	<u>1,016,814</u>	<u>967,186</u>	<u>10,818,321</u>
Investments and long-term loans less allowance	83,304	59,602	886,307
Net property, plant and equipment	305,793	274,750	3,253,463
Intangible and other assets	60,379	60,601	642,398
Total assets	<u>¥ 1,466,290</u>	<u>¥ 1,362,139</u>	<u>\$ 15,600,489</u>
Liabilities and net assets :			
Current liabilities :			
Short-term borrowings and current portion of long-term debt	¥ 229,857	¥ 147,924	\$ 2,445,547
Payables	281,063	310,775	2,990,350
Advances from customers	108,214	99,051	1,151,335
Other current liabilities	163,406	138,253	1,738,547
Total current liabilities	<u>782,540</u>	<u>696,003</u>	<u>8,325,779</u>
Long-term liabilities :			
Long-term debt, less current portion	254,796	259,243	2,710,884
Others	79,073	90,971	841,292
Total long-term liabilities	<u>333,869</u>	<u>350,214</u>	<u>3,552,176</u>
Net assets :			
Common stock	104,484	104,484	1,111,650
Capital surplus	54,394	54,394	578,721
Retained earnings	198,528	176,414	2,112,224
Treasury stock	(27)	(22)	(287)
Net unrealized gains on securities	4,524	3,989	48,133
Gains (losses) on hedging items	(5,998)	246	(63,815)
Foreign currency translation adjustments	(17,665)	(33,451)	(187,945)
Minority interests	11,641	9,868	123,853
Total net assets	<u>349,881</u>	<u>315,922</u>	<u>3,722,534</u>
Total liabilities and net assets	<u>¥ 1,466,290</u>	<u>¥ 1,362,139</u>	<u>\$ 15,600,489</u>

Condensed Consolidated Statements of Income

For the year ended March 31, 2013 and 2012

	Millions of yen		Change	Thousands of
	2013	2012		U.S. dollars
				2013
Net sales	¥ 1,288,881	¥ 1,303,778	-1%	\$ 13,712,958
Cost of sales	1,085,469	1,088,918		11,548,771
Gross profit	203,412	214,860		2,164,187
Selling, general and administrative expenses	161,350	157,376		1,716,672
Operating income	42,062	57,484	-27%	447,515
Other income (expenses) :				
Interest and dividend income	1,641	2,331		17,459
Equity in income of unconsolidated subsidiaries and affiliates	8,530	8,567		90,754
Interest expense	(4,151)	(4,282)		(44,164)
Other, net	(1,930)	(15,394)		(20,534)
Income before income taxes and minority interests	46,152	48,706		491,030
Income taxes	(13,141)	(22,831)		(139,812)
Minority interests in net income of consolidated subsidiaries	(2,147)	(2,552)		(22,843)
Net income	¥ 30,864	¥ 23,323	+32%	\$ 328,375

Condensed Consolidated Statements of Cash Flows

For the year ended March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Cash flows from operating activities:			
Income(loss) before income taxes and minority interests	¥ 46,152	¥ 48,706	\$ 491,031
Adjustments to reconcile net income(loss) before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	48,385	48,901	514,788
Decrease (Increase) in assets	8,325	(23,035)	88,573
Increase (Decrease) in liabilities	(31,463)	20,349	(334,748)
Other	(43,298)	(10,184)	(460,666)
Net cash provided by operating activities	¥ 28,101	¥ 84,737	\$ 298,978
Cash flows from investing activities:			
Acquisition of tangible and intangible assets	(70,416)	(66,048)	(749,186)
Acquisition of investments in securities	(572)	(47)	(6,086)
Other	(10,172)	136	(108,224)
Net cash used for investing activities	¥ (81,160)	¥ (65,959)	\$ (863,496)
Cash flows from financing activities:			
Increase (Decrease) in short-term borrowings	42,129	(569)	448,228
Proceeds from long-term debt	64,327	39,963	684,402
Repayment of long-term debt	(38,837)	(59,887)	(413,203)
Other	(9,948)	(6,338)	(105,841)
Net cash provided by financing activities	¥ 57,671	¥ (26,831)	\$ 613,586
Effect of exchange rate changes	(886)	(1,823)	(9,426)
Net decrease in cash and cash equivalents	3,726	(9,876)	39,642
Cash and cash equivalents at beginning of term	33,245	44,629	353,708
Decrease in cash and cash equivalents due to changes in fiscal period of consolidated subsidiaries	-	(1,508)	-
Cash and cash equivalents at end of term	¥ 36,971	¥ 33,245	\$ 393,350

Segment information

(a) Information by reportable segment

Millions of yen										
2012										
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	¥ 113,532	¥ 1,636	¥ 115,168	¥ 111,204	¥ 3,964	¥ 102,102	¥ 3,819	¥ 13,554	¥ 15,278	¥ 2,297
Rolling Stock	132,684	2,105	134,789	129,635	5,154	157,487	3,693	-	92	2,266
Aerospace	206,580	1,846	208,426	200,611	7,815	295,668	9,633	33	-	10,208
Gas Turbine & Machinery	194,655	20,438	215,093	207,318	7,775	223,649	6,680	-	576	7,310
Plant & Infrastructure	122,800	13,150	135,950	121,832	14,118	109,395	1,703	64	10,171	3,277
Motorcycle & Engine	235,243	1,033	236,276	239,235	(2,959)	222,515	11,151	-	967	11,770
Precision Machinery	175,077	14,245	189,322	162,700	26,622	110,578	6,647	-	-	16,221
Other	123,207	35,281	158,488	154,650	3,838	183,396	2,539	1,270	2,412	3,384
Total	1,303,778	89,734	1,393,512	1,327,185	66,327	1,404,790	45,865	14,921	29,496	56,733
Eliminations and corporate	-	(89,734)	(89,734)	(80,891)	(8,843)	(42,651)	3,036	-	-	7,186
Consolidated total	¥ 1,303,778	¥ -	¥ 1,303,778	¥ 1,246,294	¥ 57,484	¥ 1,362,139	¥ 48,901	¥ 14,921	¥ 29,496	¥ 63,919

Thousands of U.S. dollars										
2012										
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	\$ 1,382,177	\$ 19,917	\$ 1,402,094	\$ 1,353,835	\$ 48,259	\$ 1,243,024	\$ 46,494	\$ 165,011	\$ 186,000	\$ 27,964
Rolling Stock	1,615,340	25,627	1,640,967	1,578,220	62,747	1,917,300	44,960	-	1,120	27,587
Aerospace	2,514,974	22,474	2,537,448	2,442,306	95,142	3,599,562	117,275	402	-	124,276
Gas Turbine & Machinery	2,369,795	248,819	2,618,614	2,523,959	94,655	2,722,778	81,324	-	7,012	88,994
Plant & Infrastructure	1,495,009	160,092	1,655,101	1,483,224	171,877	1,331,811	20,733	779	123,825	39,895
Motorcycle & Engine	2,863,927	12,576	2,876,503	2,912,527	(36,024)	2,708,972	135,756	-	11,773	143,292
Precision Machinery	2,131,446	173,423	2,304,869	1,980,764	324,105	1,346,214	80,923	-	-	197,480
Other	1,499,964	429,523	1,929,487	1,882,761	46,726	2,232,725	30,910	15,461	29,364	41,198
Total	15,872,632	1,092,451	16,965,083	16,157,596	807,487	17,102,386	558,375	181,653	359,094	690,686
Eliminations and corporate	-	(1,092,451)	(1,092,451)	(984,794)	(107,657)	(519,248)	36,962	-	-	87,485
Consolidated total	\$ 15,872,632	\$ -	\$ 15,872,632	\$ 15,172,802	\$ 699,830	\$ 16,583,138	\$ 595,337	\$ 181,653	\$ 359,094	\$ 778,171

(b) Net Sales by geographic area

For the year ended March 31, 2012

	Thousands of	
	Millions of yen	U.S. dollars
	2012	2012
Japan	¥ 567,044	\$ 6,903,384
United States	237,941	2,896,774
Europe	123,317	1,501,303
Asia	239,627	2,917,300
Other	135,849	1,653,871
Total	¥ 1,303,778	\$ 15,872,632

Segment information

(a) Information by reportable segment

Millions of yen

2013

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	¥ 90,343	¥ 1,999	¥ 92,342	¥ 88,180	¥ 4,162	¥ 112,612	¥ 1,364	¥ -	¥ 35,434	¥ 1,781
Rolling Stock	129,973	2,888	132,861	130,646	2,215	163,528	3,536	-	99	2,808
Aerospace	239,172	2,289	241,461	226,634	14,827	311,659	10,769	-	-	17,171
Gas Turbine & Machinery	207,008	19,404	226,412	219,379	7,033	251,808	6,100	-	1,086	9,324
Plant & Infrastructure	115,813	15,115	130,928	121,156	9,772	115,470	1,861	-	11,768	4,376
Motorcycle & Engine	251,858	757	252,615	250,218	2,397	271,548	10,480	-	994	14,866
Precision Machinery	130,455	14,027	144,482	136,030	8,452	114,699	7,713	-	-	12,320
Other	124,259	32,873	157,132	155,859	1,273	144,211	2,427	363	2,521	2,149
Total	1,288,881	89,352	1,378,233	1,328,102	50,131	1,485,535	44,250	363	51,902	64,795
Eliminations and corporate	-	(89,352)	(89,352)	(81,283)	(8,069)	(19,245)	4,135	-	-	13,829
Consolidated total	¥ 1,288,881	¥ -	¥ 1,288,881	¥ 1,246,819	¥ 42,062	¥ 1,466,290	¥ 48,385	¥ 363	¥ 51,902	¥ 78,624

Thousands of U.S. dollars

2013

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	\$ 961,197	\$ 21,268	\$ 982,465	\$ 938,185	\$ 44,280	\$ 1,198,127	\$ 14,512	\$ -	\$ 376,998	\$ 18,949
Rolling Stock	1,382,839	30,727	1,413,566	1,389,999	23,567	1,739,845	37,621	-	1,053	29,875
Aerospace	2,544,654	24,354	2,569,008	2,411,256	157,752	3,315,874	114,576	-	-	182,689
Gas Turbine & Machinery	2,202,447	206,447	2,408,894	2,334,067	74,827	2,679,093	64,900	-	11,554	99,202
Plant & Infrastructure	1,232,184	160,815	1,392,999	1,289,031	103,968	1,228,535	19,800	-	125,204	46,558
Motorcycle & Engine	2,679,625	8,054	2,687,679	2,662,177	25,502	2,889,116	111,501	-	10,576	158,166
Precision Machinery	1,387,967	149,239	1,537,206	1,447,281	89,925	1,220,332	82,062	-	-	131,078
Other	1,322,045	349,750	1,671,795	1,658,251	13,544	1,534,323	25,822	3,862	26,822	22,864
Total	13,712,958	950,654	14,663,612	14,130,247	533,365	15,805,245	470,794	3,862	552,207	689,381
Eliminations and corporate	-	(950,654)	(950,654)	(864,804)	(85,850)	(204,756)	43,994	-	-	147,133
Consolidated total	\$ 13,712,958	\$ -	\$ 13,712,958	\$ 13,265,443	\$ 447,515	\$ 15,600,489	\$ 514,788	\$ 3,862	\$ 552,207	\$ 836,514

(b) Net Sales by geographic area

For the year ended March 31, 2013

	Millions of yen	Thousands of U.S. dollars
	2013	2013
Japan	¥ 616,220	\$ 6,556,229
United States	272,531	2,899,574
Europe	97,540	1,037,770
Asia	202,704	2,156,655
Other	99,886	1,062,730
Total	¥ 1,288,881	\$ 13,712,958

Net sales, orders and order backlog by industry segment

For the year ended March 31, 2013 and 2012

	Millions of yen				Change %	Thousands of U.S. dollars
	2013		2012			2013
Net sales :						
Ship & Offshore Structure	¥ 90,343	(7%)	¥ 113,532	(9%)	-20%	\$ 961,197
Rolling Stock	129,973	(10%)	132,684	(10%)	-2%	1,382,839
Aerospace	239,172	(19%)	206,580	(16%)	+16%	2,544,654
Gas Turbine & Machinery	207,008	(16%)	194,655	(15%)	+6%	2,202,447
Plant & Infrastructure	115,813	(9%)	122,800	(9%)	-6%	1,232,184
Motorcycle & Engine	251,858	(19%)	235,243	(18%)	+7%	2,679,625
Precision Machinery	130,455	(10%)	175,077	(13%)	-25%	1,387,967
Other	124,259	(10%)	123,207	(10%)	+1%	1,322,045
Total	¥ 1,288,881	(100%)	¥ 1,303,778	(100%)	-1%	\$ 13,712,958

Orders :						
Ship & Offshore Structure	¥ 105,733	(8%)	¥ 39,909	(3%)	+165%	\$ 1,124,939
Rolling Stock	124,441	(9%)	66,099	(5%)	+88%	1,323,981
Aerospace	283,485	(21%)	327,233	(25%)	-13%	3,016,119
Gas Turbine & Machinery	255,553	(19%)	227,281	(18%)	+12%	2,718,938
Plant & Infrastructure	113,600	(8%)	119,284	(9%)	-5%	1,208,639
Motorcycle & Engine	251,858	(18%)	235,243	(18%)	+7%	2,679,625
Precision Machinery	109,725	(8%)	174,587	(13%)	-37%	1,167,411
Other	125,193	(9%)	122,242	(9%)	+2%	1,331,983
Total	¥ 1,369,588	(100%)	¥ 1,311,878	(100%)	+4%	\$ 14,571,635

	Millions of yen				Change %	Thousands of U.S. dollars
	As of Mar. 31, 2013		As of Mar. 31, 2012			As of Mar. 31, 2013
Order backlog :						
Ship & Offshore Structure	¥ 120,112	(7%)	¥ 102,870	(7%)	+17%	\$ 1,277,923
Rolling Stock	359,980	(22%)	345,170	(23%)	+4%	3,829,982
Aerospace	432,729	(27%)	386,376	(26%)	+12%	4,603,990
Gas Turbine & Machinery	495,717	(30%)	409,819	(27%)	+21%	5,274,146
Plant & Infrastructure	171,486	(11%)	181,698	(12%)	-6%	1,824,513
Motorcycle & Engine	-	(- %)	-	(- %)	-%	-
Precision Machinery	21,571	(1%)	42,300	(3%)	-49%	229,503
Other	26,798	(2%)	25,883	(2%)	+4%	285,115
Total	¥ 1,628,393	(100%)	¥ 1,494,116	(100%)	+9%	\$ 17,325,172