


**KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES**  
**FLASH CONSOLIDATED FINANCIAL RESULTS**
**July 30, 2013**
**(Consolidated)**
*For three months ended June 30, 2013 and 2012 and one year ended March 31, 2013*
**Operating results**

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
Net sales	¥ 282,509	¥ 283,530	\$ 2,864,331
Operating income	16,752	6,741	169,846
Net income	4,496	6,030	45,584
Earnings per share (Yen)	2.6	3.6	

**Financial condition**

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Jun. 30, 2013	As of March. 31, 2013	As of Jun. 30, 2013
Total assets	¥ 1,525,071	¥ 1,466,290	\$ 15,462,546
Net assets	325,761	349,881	3,302,859
Number of shares issued and outstanding	1,671,785	1,671,792	
Equity Ratio	20.5%	23.0%	

**Cash flows**

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2012	Three months ended Jun. 30, 2013
Operating activities	¥ (1,133)	¥ 7,995	\$ 298,978
Investing activities	(18,310)	(30,618)	(863,496)
Financing activities	20,128	22,629	613,586
Cash and cash equivalents at end of term	37,142	32,490	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 ¥98.63=\$1, the rate prevailing as of June 30, 2013, solely for the convenience of the readers.

## Condensed Consolidated Balance Sheets

As of June 30 and March 31, 2013

	Millions of yen		Thousands of
	As of Jun. 30, 2013	As of Mar. 31, 2013	U.S. dollars As of Jun. 30, 2013
<b>Assets :</b>			
Current assets :			
Cash on hand and in banks	¥ 38,824	¥ 38,525	\$ 393,633
Receivables, less allowance	415,993	446,328	4,217,712
Inventories	479,408	460,105	4,860,671
Other current assets	81,527	71,856	826,594
Total current assets	<u>1,015,752</u>	<u>1,016,814</u>	<u>10,298,610</u>
Investments and long-term loans less allowance	92,084	83,304	933,631
Net property, plant and equipment	343,875	305,793	3,486,516
Intangible and other assets	73,360	60,379	743,789
Total assets	<u>¥ 1,525,071</u>	<u>¥ 1,466,290</u>	<u>\$ 15,462,546</u>
<b>Liabilities and net assets :</b>			
Current liabilities :			
Short-term borrowings			
and current portion of long-term debt	¥ 306,740	¥ 229,857	\$ 3,110,007
Payables	251,487	281,063	2,549,802
Advances from customers	130,272	108,214	1,320,815
Other current liabilities	158,376	163,406	1,605,759
Total current liabilities	<u>846,875</u>	<u>782,540</u>	<u>8,586,383</u>
Long-term liabilities :			
Long-term debt, less current portion	214,422	254,796	2,174,004
Others	138,013	79,073	1,399,300
Total long-term liabilities	<u>352,435</u>	<u>333,869</u>	<u>3,573,304</u>
Net assets :			
Common stock	104,484	104,484	1,059,353
Capital surplus	54,393	54,394	551,485
Retained earnings	183,403	198,528	1,859,505
Treasury stock	(29)	(27)	(294)
Net unrealized gains on securities	4,950	4,524	50,187
Gains (losses) on hedging items	(6,150)	(5,998)	(62,354)
Foreign currency translation adjustments	(6,907)	(17,665)	(70,029)
Remeasurements of defined benefit plans	(20,146)	-	(204,258)
Minority interests	11,763	11,641	119,264
Total net assets	<u>325,761</u>	<u>349,881</u>	<u>3,302,859</u>
Total liabilities and net assets	<u>¥ 1,525,071</u>	<u>¥ 1,466,290</u>	<u>\$ 15,462,546</u>

## Condensed Consolidated Statements of Income

For three months ended June 30, 2013 and 2012

	Millions of yen		<b>% Change</b>	Thousands of
	<b>Three months ended Jun.30, 2013</b>	Three months ended Jun.30, 2012		U.S. dollars
				<b>Three months ended Jun.30, 2013</b>
Net sales	¥ <b>282,509</b>	¥ 283,530	<b>-0%</b>	\$ 2,864,331
Cost of sales	<b>226,810</b>	240,095		<b>2,299,605</b>
Gross profit	<b>55,699</b>	43,435		<b>564,726</b>
Selling, general and administrative expenses	<b>38,947</b>	36,694		<b>394,880</b>
Operating income	<b>16,752</b>	6,741	<b>+149%</b>	<b>169,846</b>
Other income (expenses) :				
Interest and dividend income	<b>469</b>	684		<b>4,755</b>
Equity in income of unconsolidated subsidiaries and affiliates	<b>1,523</b>	2,296		<b>15,441</b>
Interest expense	<b>(1,030)</b>	(1,017)		<b>(10,443)</b>
Other, net	<b>(8,314)</b>	3,023		<b>(84,294)</b>
Income before income taxes and minority interests	<b>9,400</b>	11,727		<b>95,305</b>
Income taxes	<b>(4,588)</b>	(5,101)		<b>(46,517)</b>
Minority interests in net income of consolidated subsidiaries	<b>(316)</b>	(596)		<b>(3,204)</b>
Net income	¥ <b>4,496</b>	¥ 6,030	<b>-25%</b>	\$ <b>45,584</b>

**Segment information**  
**Information by reportable segment**

Millions of yen					
Three months ended					
Jun.30,2012					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	¥ 22,712	¥ 291	¥ 23,003	¥ 23,647	¥ (644)
Rolling Stock	28,830	105	28,935	28,789	146
Aerospace	49,614	708	50,322	49,433	889
Gas Turbine & Machinery	45,387	3,756	49,143	46,467	2,676
Plant & Infrastructure	19,840	3,080	22,920	22,723	197
Motorcycle & Engine	53,430	162	53,592	53,939	(347)
Precision Machinery	36,101	2,763	38,864	34,872	3,992
Other	27,616	7,960	35,576	35,019	557
<b>Total</b>	<b>283,530</b>	<b>18,825</b>	<b>302,355</b>	<b>294,889</b>	<b>7,466</b>
Eliminations and corporate	-	(18,825)	(18,825)	(18,100)	(725)
<b>Consolidated total</b>	<b>¥ 283,530</b>	<b>¥ -</b>	<b>¥ 283,530</b>	<b>¥ 276,789</b>	<b>¥ 6,741</b>

Millions of yen					
Three months ended					
Jun.30,2013					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
<b>Ship &amp; Offshore Structure</b>	<b>¥ 21,073</b>	<b>¥ 565</b>	<b>¥ 21,638</b>	<b>¥ 18,257</b>	<b>¥ 3,381</b>
<b>Rolling Stock</b>	<b>30,562</b>	<b>192</b>	<b>30,754</b>	<b>28,844</b>	<b>1,910</b>
<b>Aerospace</b>	<b>55,624</b>	<b>462</b>	<b>56,086</b>	<b>48,535</b>	<b>7,551</b>
<b>Gas Turbine &amp; Machinery</b>	<b>36,452</b>	<b>3,898</b>	<b>40,350</b>	<b>39,506</b>	<b>844</b>
<b>Plant &amp; Infrastructure</b>	<b>16,712</b>	<b>3,225</b>	<b>19,937</b>	<b>20,543</b>	<b>(606)</b>
<b>Motorcycle &amp; Engine</b>	<b>67,493</b>	<b>144</b>	<b>67,637</b>	<b>65,155</b>	<b>2,482</b>
<b>Precision Machinery</b>	<b>25,124</b>	<b>2,456</b>	<b>27,580</b>	<b>26,018</b>	<b>1,562</b>
<b>Other</b>	<b>29,469</b>	<b>8,305</b>	<b>37,774</b>	<b>37,426</b>	<b>348</b>
<b>Total</b>	<b>282,509</b>	<b>19,247</b>	<b>301,756</b>	<b>284,284</b>	<b>17,472</b>
Eliminations and corporate	-	(19,247)	(19,247)	(18,527)	(720)
<b>Consolidated total</b>	<b>¥ 282,509</b>	<b>¥ -</b>	<b>¥ 282,509</b>	<b>¥ 265,757</b>	<b>¥ 16,752</b>

Thousands of U.S. dollars					
Three months ended					
Jun.30,2013					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	\$ 213,657	\$ 5,728	\$ 219,385	\$ 185,106	\$ 34,279
Rolling Stock	309,865	1,947	311,812	292,446	19,366
Aerospace	563,966	4,684	568,650	492,092	76,558
Gas Turbine & Machinery	369,583	39,521	409,104	400,547	8,557
Plant & Infrastructure	169,442	32,698	202,140	208,283	(6,143)
Motorcycle & Engine	684,305	1,460	685,765	660,600	25,165
Precision Machinery	254,730	24,901	279,631	263,794	15,837
Other	298,783	84,204	382,987	379,459	3,528
<b>Total</b>	<b>2,864,331</b>	<b>195,143</b>	<b>3,059,474</b>	<b>2,882,327</b>	<b>177,147</b>
Eliminations and corporate	-	(195,143)	(195,143)	(187,842)	(7,301)
<b>Consolidated total</b>	<b>\$ 2,864,331</b>	<b>\$ -</b>	<b>\$ 2,864,331</b>	<b>\$ 2,694,485</b>	<b>\$ 169,846</b>

## Net sales, orders and order backlog by industry segment

For three months ended June 30, 2013 and 2012 and as of June 30 and March 31, 2013

	Millions of yen			% Change	Thousands of U.S. dollars	
	Three months ended		Three months ended		Three months ended	
	Jun. 30, 2013		Jun. 30, 2012		Jun. 30, 2013	
<b>Net sales :</b>						
Ship & Offshore Structure	¥ 21,073	(7%)	¥ 22,712	(8%)	-7%	\$ 213,657
Rolling Stock	30,562	(11%)	28,830	(10%)	+6%	309,865
Aerospace	55,624	(20%)	49,614	(17%)	+12%	563,966
Gas Turbine & Machinery	36,452	(13%)	45,387	(16%)	-20%	369,583
Plant & Infrastructure	16,712	(6%)	19,840	(7%)	-16%	169,442
Motorcycle & Engine	67,493	(24%)	53,430	(19%)	+26%	684,305
Precision Machinery	25,124	(9%)	36,101	(13%)	-30%	254,730
Other	29,469	(10%)	27,616	(10%)	+7%	298,783
Total	¥ 282,509	(100%)	¥ 283,530	(100%)	-0%	\$ 2,864,331
<b>Orders :</b>						
Ship & Offshore Structure	¥ 27,185	(10%)	¥ 30,345	(11%)	-10%	\$ 275,626
Rolling Stock	35,046	(12%)	25,350	(9%)	+38%	355,328
Aerospace	41,567	(15%)	34,434	(13%)	+21%	421,444
Gas Turbine & Machinery	35,685	(13%)	32,531	(12%)	+10%	361,807
Plant & Infrastructure	16,662	(6%)	37,186	(14%)	-55%	168,934
Motorcycle & Engine	67,493	(24%)	53,430	(20%)	+26%	684,305
Precision Machinery	29,814	(10%)	28,606	(10%)	+4%	302,281
Other	29,691	(10%)	29,675	(11%)	-%	301,034
Total	¥ 283,143	(100%)	¥ 271,557	(100%)	+4%	\$ 2,870,759

	Millions of yen			% Change	Thousands of U.S. dollars	
	As of		As of		As of	
	Jun. 30, 2013		Mar. 31, 2013		Jun. 30, 2013	
<b>Order backlog :</b>						
Ship & Offshore Structure	¥ 128,913	(9%)	¥ 120,112	(7%)	+7%	\$ 1,307,036
Rolling Stock	374,856	(26%)	359,980	(22%)	+4%	3,800,628
Aerospace	425,026	(30%)	432,729	(27%)	-2%	4,309,297
Gas Turbine & Machinery	241,996	(18%)	237,410	(30%)	+2%	2,453,574
Plant & Infrastructure	169,743	(13%)	171,486	(11%)	-1%	1,721,008
Motorcycle & Engine	-	(- %)	-	(- %)	-%	-
Precision Machinery	26,491	(2%)	21,571	(1%)	+23%	268,590
Other	27,026	(2%)	26,798	(2%)	+1%	274,014
Total	¥ 1,394,051	(100%)	¥ 1,370,086	(100%)	+2%	\$ 14,134,147

## Net Sales by geographic area

For three months ended June 30, 2013 and 2012

	Millions of yen			% Change	Thousands of U.S. dollars	
	As of		As of		As of	
	Jun. 30, 2013		Jun. 30, 2012		Jun. 30, 2013	
Japan	¥ 118,426	(42%)	¥ 133,519	(47%)	-11%	\$ 1,200,709
United States	66,615	(24%)	58,545	(21%)	+14%	675,403
Europe	19,742	(7%)	21,595	(7%)	-9%	200,162
Asia	51,700	(18%)	44,946	(16%)	+15%	524,181
Other	26,026	(9%)	24,925	(9%)	+4%	263,876
Total	¥ 282,509	(100%)	¥ 283,530	(100%)	-%	\$ 2,864,331