


KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS
January 30, 2014
(Consolidated)
For nine months ended December 31, 2013 and 2012 and one year ended March 31, 2013
Operating results

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2012	<i>Nine months ended Dec. 31, 2013</i>
Net sales	¥ 920,852	¥ 885,896	\$ 8,736,736
Operating income	46,079	22,920	437,182
Net income	23,292	19,343	220,986
Earnings per share (Yen)	13.9	11.5	

Financial condition

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Dec. 31, 2013	As of March. 31, 2013	<i>As of Dec. 31, 2013</i>
Total assets	¥ 1,673,392	¥ 1,466,290	\$ 15,876,584
Net assets	352,243	349,881	3,341,963
Number of shares issued and outstanding	1,671,756	1,671,792	
Equity Ratio	20.2%	23.0%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2012	<i>Nine months ended Dec. 31, 2013</i>
Operating activities	¥ (82,941)	¥ (104,274)	\$ (786,916)
Investing activities	(62,728)	(66,116)	(595,142)
Financing activities	141,841	168,493	1,345,740
Cash and cash equivalents at end of term	31,126	29,587	295,313

Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2014	¥ 1,400,000	¥ 63,000	¥ 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 ¥105.40=\$1, the rate prevailing as of December 31, 2013, solely for the convenience of the readers.

Condensed Consolidated Balance Sheets

As of December 31 and March 31, 2013

	Millions of yen		Thousands of U.S. dollars
	As of Dec. 31, 2013	As of Mar. 31, 2013	As of Dec. 31, 2013
Assets :			
Current assets :			
Cash on hand and in banks	¥ 32,976	¥ 38,525	\$ 312,865
Receivables, less allowance	488,235	446,328	4,632,211
Inventories	527,544	460,105	5,005,161
Other current assets	85,797	71,856	814,013
Total current assets	<u>1,134,552</u>	<u>1,016,814</u>	<u>10,764,250</u>
Investments and long-term loans less allowance	98,462	83,304	934,175
Net property, plant and equipment	368,093	305,793	3,492,343
Intangible and other assets	72,285	60,379	685,816
Total assets	<u>¥ 1,673,392</u>	<u>¥ 1,466,290</u>	<u>\$ 15,876,584</u>
Liabilities and net assets :			
Current liabilities :			
Short-term borrowings and current portion of long-term debt	¥ 393,443	¥ 229,857	\$ 3,732,856
Payables	269,644	281,063	2,558,292
Advances from customers	132,556	108,214	1,257,647
Other current liabilities	134,233	163,406	1,273,558
Total current liabilities	<u>929,876</u>	<u>782,540</u>	<u>8,822,353</u>
Long-term liabilities :			
Long-term debt, less current portion	257,429	254,796	2,442,400
Others	133,844	79,073	1,269,868
Total long-term liabilities	<u>391,273</u>	<u>333,869</u>	<u>3,712,268</u>
Net assets :			
Common stock	104,484	104,484	991,309
Capital surplus	54,393	54,394	516,062
Retained earnings	202,201	198,528	1,918,415
Treasury stock	(41)	(27)	(388)
Net unrealized gains on securities	5,891	4,524	55,892
Gains (losses) on hedging items	(8,351)	(5,998)	(79,231)
Foreign currency translation adjustments	54	(17,665)	512
Remeasurements of defined benefit plans	(19,944)	-	(189,222)
Minority interests	13,556	11,641	128,614
Total net assets	<u>352,243</u>	<u>349,881</u>	<u>3,341,963</u>
Total liabilities and net assets	<u>¥ 1,673,392</u>	<u>¥ 1,466,290</u>	<u>\$ 15,876,584</u>

Condensed Consolidated Statements of Income

For nine months ended December 31, 2013 and 2012

	Millions of yen		% Change	Thousands of
	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2012		U.S. dollars
				<i>Nine months ended Dec. 31, 2013</i>
Net sales	¥ 920,852	¥ 885,896	+4%	\$ 8,736,736
Cost of sales	750,864	748,339		7,123,947
Gross profit	169,988	137,557		1,612,789
Selling, general and administrative expenses	123,909	114,637		1,175,607
Operating income	46,079	22,920	+101%	437,182
Other income (expenses) :				
Interest and dividend income	1,075	1,928		10,199
Equity in income of unconsolidated subsidiaries and affiliates	4,039	7,082		38,320
Interest expense	(3,011)	(3,131)		(28,567)
Other, net	(9,453)	1,038		(89,687)
Income before income taxes and minority interests	38,729	29,837		367,447
Income taxes	(13,658)	(8,694)		(129,583)
Minority interests in net income of consolidated subsidiaries	(1,779)	(1,800)		(16,878)
Net income	¥ 23,292	¥ 19,343	+20%	\$ 220,986

Segment information
Information by reportable segment

Millions of yen					
Nine months ended					
Dec. 31, 2012					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	¥ 68,629	¥ 1,446	¥ 70,075	¥ 65,658	¥ 4,417
Rolling Stock	94,181	2,468	96,649	97,234	(585)
Aerospace	165,848	1,656	167,504	158,158	9,346
Gas Turbine & Machinery	144,667	12,227	156,894	152,239	4,655
Plant & Infrastructure	71,132	11,460	82,592	78,880	3,712
Motorcycle & Engine	158,855	513	159,368	161,386	(2,018)
Precision Machinery	93,830	9,382	103,212	98,361	4,851
Other	88,754	23,536	112,290	110,789	1,501
Total	885,896	62,688	948,584	922,705	25,879
Eliminations and corporate	-	(62,688)	(62,688)	(59,729)	(2,959)
Consolidated total	¥ 885,896	¥ -	¥ 885,896	¥ 862,976	¥ 22,920

Millions of yen					
Nine months ended					
Dec. 31, 2013					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	¥ 58,635	¥ 1,168	¥ 59,803	¥ 59,791	¥ 12
Rolling Stock	97,956	3,734	101,690	95,403	6,287
Aerospace	187,125	1,468	188,593	167,658	20,935
Gas Turbine & Machinery	125,368	12,113	137,481	130,589	6,892
Plant & Infrastructure	58,494	10,776	69,270	68,411	859
Motorcycle & Engine	213,030	500	213,530	209,492	4,038
Precision Machinery	84,906	8,717	93,623	86,433	7,190
Other	95,338	23,852	119,190	116,789	2,401
Total	920,852	62,328	983,180	934,566	48,614
Eliminations and corporate	-	(62,328)	(62,328)	(59,793)	(2,535)
Consolidated total	¥ 920,852	¥ -	¥ 920,852	¥ 874,773	¥ 46,079

Thousands of U.S. dollars					
Nine months ended					
Dec. 31, 2013					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	\$ 556,309	\$ 11,081	\$ 567,390	\$ 567,277	\$ 113
Rolling Stock	929,374	35,427	964,801	905,152	59,649
Aerospace	1,775,379	13,928	1,789,307	1,590,683	198,624
Gas Turbine & Machinery	1,189,450	114,924	1,304,374	1,238,985	65,389
Plant & Infrastructure	554,972	102,239	657,211	649,061	8,150
Motorcycle & Engine	2,021,157	4,744	2,025,901	1,987,590	38,311
Precision Machinery	805,560	82,704	888,264	820,047	68,217
Other	904,535	226,300	1,130,835	1,108,055	22,780
Total	8,736,736	591,347	9,328,083	8,866,850	461,233
Eliminations and corporate	-	(591,347)	(591,347)	(567,296)	(24,051)
Consolidated total	\$ 8,736,736	\$ -	\$ 8,736,736	\$ 8,299,554	\$ 437,182

Net sales, orders and order backlog by reportable segment

For nine months ended December 31, 2013 and 2012 and as of December 31 and March 31, 2013

	Millions of yen			Thousands of U.S. dollars	
	Nine months ended		%	Nine months ended	
	Dec. 31, 2013	Dec. 31, 2012			
Net sales :					
Ship & Offshore Structure	¥ 58,635 (6%)	¥ 68,629 (8%)	-15%	\$ 556,309	
Rolling Stock	97,956 (11%)	94,181 (11%)	+4%	929,374	
Aerospace	187,125 (20%)	165,848 (19%)	+13%	1,775,379	
Gas Turbine & Machinery	125,368 (14%)	144,667 (16%)	-13%	1,189,450	
Plant & Infrastructure	58,494 (6%)	71,132 (8%)	-18%	554,972	
Motorcycle & Engine	213,030 (23%)	158,855 (18%)	+34%	2,021,157	
Precision Machinery	84,906 (9%)	93,830 (10%)	-10%	805,560	
Other	95,338 (11%)	88,754 (10%)	+7%	904,535	
Total	¥ 920,852 (100%)	¥ 885,896 (100%)	+4%	\$ 8,736,736	
Orders :					
Ship & Offshore Structure	¥ 54,683 (6%)	¥ 42,982 (5%)	+27%	\$ 518,814	
Rolling Stock	108,259 (11%)	93,149 (12%)	+16%	1,027,125	
Aerospace	162,052 (17%)	138,359 (17%)	+17%	1,537,495	
Gas Turbine & Machinery	140,990 (15%)	131,670 (16%)	+7%	1,337,666	
Plant & Infrastructure	83,573 (9%)	69,481 (9%)	+20%	792,913	
Motorcycle & Engine	213,030 (22%)	158,855 (20%)	+34%	2,021,158	
Precision Machinery	92,401 (10%)	78,403 (10%)	+18%	876,670	
Other	98,810 (10%)	89,534 (11%)	+10%	937,476	
Total	¥ 953,798 (100%)	¥ 802,433 (100%)	+19%	\$ 9,049,317	

	Millions of yen			Thousands of U.S. dollars	
	As of		%	As of	
	Dec. 31, 2013	Mar. 31, 2013		Change	Dec. 31, 2013
Order backlog :					
Ship & Offshore Structure	¥ 120,876 (8%)	¥ 120,112 (9%)	+1%	\$ 1,146,831	
Rolling Stock	397,180 (27%)	359,980 (26%)	+10%	3,768,311	
Aerospace	419,064 (29%)	432,729 (32%)	-3%	3,975,939	
Gas Turbine & Machinery	266,664 (18%)	237,410 (17%)	+12%	2,530,019	
Plant & Infrastructure	195,667 (14%)	171,486 (12%)	+14%	1,856,423	
Motorcycle & Engine	- (- %)	- (- %)	-%	-	
Precision Machinery	29,295 (2%)	21,571 (2%)	+36%	277,941	
Other	30,283 (2%)	26,798 (2%)	+13%	287,316	
Total	¥ 1,459,029 (100%)	¥ 1,370,086 (100%)	+6%	\$ 13,842,780	

Net Sales by geographic area

For nine months ended December 31, 2013 and 2012

	Millions of yen			Thousands of U.S. dollars	
	Nine months ended		%	Nine months ended	
	Dec. 31, 2013	Dec. 31, 2012			
Japan	¥ 405,697 (44%)	¥ 438,227 (49%)	-7%	\$ 3,849,118	
United States	209,367 (23%)	177,244 (20%)	+18%	1,986,404	
Europe	62,130 (7%)	61,025 (7%)	+2%	589,469	
Asia	162,530 (17%)	137,881 (16%)	+18%	1,542,030	
Other	81,128 (9%)	71,519 (8%)	+13%	769,715	
Total	¥ 920,852 (100%)	¥ 885,896 (100%)	+4%	\$ 8,736,736	