

**Report of Earnings and Financial Statements for the
Nine Months Ended December 31, 2014 (Consolidated)**
(Prepared pursuant to Japanese GAAP)

January 29, 2015

Listed company's name: **Kawasaki Heavy Industries, Ltd.**
 Listed on: 1st sections of the TSE and NSE
 Stock code: 7012
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Scheduled dates:

Submission of quarterly securities filing: February 12, 2015

Commencement of dividend payments: -

Supplementary materials to quarterly earnings: Available

Quarterly earnings presentation: Conducted (for institutional investors and analysts)

1. Consolidated Financial Results for the Nine Months ended December 31, 2014
(April 1 – December 31, 2014)

(Amounts in millions of yen rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent changes versus the year-ago period)

	Net sales		Operating income		Recurring profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine Months Ended December 31, 2014	1,016,447	10.3	60,357	30.9	64,772	67.2	44,928	92.8
Nine Months Ended December 31, 2013	920,852	3.9	46,079	101.0	38,729	23.1	23,292	20.4

Note: Comprehensive income December 31, 2014: 62,927 million yen 46.0%
 December 31, 2013: 43,075 million yen 175.4%

	Earnings per share	Earnings per share – diluted
	yen	yen
Nine Months Ended December 31, 2014	26.87	-
Nine Months Ended December 31, 2013	13.93	-

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
December 31, 2014	1,800,783	424,272	22.6
March 31, 2014	1,554,430	376,686	23.3

Note: Shareholders' equity: December 31, 2014: 408,433 million yen
 March 31, 2014 : 363,041 million yen

2. Dividends

Record date or term	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of financial year	Full year
Year ended March 31, 2014	yen -	yen 0.00	yen -	yen 6.00	yen 6.00
Year ending March 31, 2015	-	3.00	-		
Year ending March 31, 2015 (forecast)				5.00	8.00

Note: Revisions to the most recently announced dividend forecast: None

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentage figures represent changes versus the year-ago period)

	Net sales		Operating income		Recurring profit		Net income		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,510,000	8.9	86,000	18.8	84,000	38.6	56,000	45.0	33.49

Note: Revision to the most recently announced earnings forecast: Yes

4. Notes

- 1) Changes affecting the status of material subsidiaries (scope of consolidation): None
- 2) Accounting procedures specific to preparation of quarterly consolidated financial statements: Yes
*For further details, see “Accounting procedures specific to preparation of quarterly consolidated financial statements” on page 10 in the Accompanying Materials.
- 3) Changes in accounting policies, changes in accounting estimates, and correction of errors
 - (1) Changes in accounting policies in accord with revisions to accounting standards: None
 - (2) Changes in accounting policies other than (1): None
 - (3) Changes in accounting estimates: None
 - (4) Correction of errors: None
- 4) Number of shares issued and outstanding (common stock)
 - (1) Number of shares issued as of period-end (including treasury stock)

December 31, 2014:	1,671,892,659 shares
March 31, 2014:	1,671,892,659 shares
 - (2) Number of shares held in treasury as of period-end

December 31, 2014:	176,574 shares
March 31, 2014:	141,710 shares
 - (3) Average number of shares during respective periods

Nine months ended December 31, 2014:	1,671,734,829 shares
Nine months ended December 31, 2013:	1,671,776,326 shares

***Quarterly review status**

This report is exempt from the quarterly review of accounts conducted in accord with Japan's Financial Instruments and Exchange Act. As of this report's publication, the quarterly review of the quarterly financial results had not been completed.

***Appropriate Use of Financial Forecasts and Other Important Matters**

Forward-Looking Statements

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation, and do not mean that the Company promises to achieve these figures. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to "Consolidated earnings outlook" on page 9 in the Accompanying Materials.

How to Obtain Supplementary Presentation Material on Quarterly Financial Results and Details of the Quarterly Financial Results Presentation

The Company plans to conduct a briefing for institutional investors and analysts by conference call on Thursday January 29, 2015, and to post the briefing material on quarterly financial results to be used for the briefing on TDnet and the Company's website simultaneously with the announcement of financial results.

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1. Qualitative Information and Financial Statements

(1) Consolidated operating results

The global economy continues to grow modestly, led by the US economy which is on a full-fledged recovery track, but there is increasing uncertainty about future economic prospects, due to the impacts of the rapid decline in crude oil prices on the economies of natural resource-rich countries and emerging countries, among other factors. Also, the situation will continue to bear watching, particularly the with respect to the impacts of US monetary policy, as well as concerns about economic stagnation in the eurozone and emerging countries, along with geopolitical risks.

The Japanese economic recovery is taking longer than expected, as GDP growth was negative for two consecutive quarters since the consumption tax hike was implemented in April, among other factors. Going forward, the economy is expected to grow modestly, underpinned by the strong employment environment and the improvement in the income environment, as well as the acceleration of the various growth strategies under Abenomics. Still, there are concerns about consumer sentiment languishing for a prolonged period of time as well as a downturn in overseas economies.

Amid such an economic environment, the Group achieved an increase in orders received during the nine months ended December 31, 2014, centered on order growth in segments such as Ship & Offshore Structure and Aerospace. Overall sales increased, as the increase in sales in segments such as Aerospace and Gas Turbine & Machinery offset a decline in sales in Rolling Stock and other segments. There was also a significant increase in operating income, recurring profit and net income as a result of the increase in profit in most business segments, including Aerospace and Ship & Offshore Structure.

The Group's consolidated orders received increased ¥125.6 billion year on year to ¥1,079.4 billion. Consolidated net sales totaled ¥1,016.4 billion, a ¥95.5 billion year-on-year increase, while consolidated operating income rose ¥14.2 billion year on year to ¥60.3 billion. Consolidated recurring profit increased ¥26.0 billion to ¥64.7 billion, as in addition to the increase in operating income there was a narrowing of foreign exchange losses and an increase in equity in income of non-consolidated subsidiaries and affiliates. Meanwhile, consolidated net income grew ¥21.6 billion year on year to ¥44.9 billion.

Consolidated operating performance for the nine months ended December 31, 2014, is summarized by segment below.

Segment Information

Segment net sales, operating income, and orders received (billions of yen)

	Nine months ended December 31						Orders received		
	2014 (A)		2013 (B)		Change (A – B)		Nine months ended December 31		
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	2014 (A)	2013 (B)	Change (A – B)
Ship & Offshore Structure	64.8	3.3	58.6	0.0	6.2	3.3	140.7	54.6	86.0
Rolling Stock	87.8	4.3	97.9	6.2	(10.0)	(1.9)	102.4	108.2	(5.8)
Aerospace	229.3	30.1	187.1	20.9	42.2	9.2	194.9	162.0	32.8
Gas Turbine & Machinery	149.7	7.1	125.3	6.8	24.3	0.2	144.3	140.9	3.3
Plant & Infrastructure	72.2	2.2	58.4	0.8	13.7	1.4	81.4	83.5	(2.1)
Motorcycle & Engine	212.9	4.1	213.0	4.0	(0.1)	0.0	212.9	213.0	(0.1)
Precision Machinery	95.3	7.9	84.9	7.1	10.4	0.7	96.5	92.4	4.1
Other	104.0	2.8	95.3	2.3	8.7	0.4	106.0	98.8	7.2
Adjustments	-	(1.8)	-	(2.5)	-	0.6	-	-	-
Total	1,016.4	60.3	920.8	46.0	95.5	14.2	1,079.4	953.7	125.6

Note: 1. Net sales include only sales to external customers.

2. The Motorcycle & Engine segment's orders received are equal to its net sales as production is based mainly on estimated demand.

Ship & Offshore Structure

Consolidated orders received increased ¥86.0 billion year on year to ¥140.7 billion, as a result of booking orders for a submarine and four liquefied gas carriers (LNG carriers and LPG carrier).

Consolidated net sales increased ¥6.2 billion year on year to ¥64.8 billion, as growth in the amount of construction of LNG carriers and other factors offset the decline in the amount of construction of LPG carriers, bulk carriers, and other vessels.

As a result of the increase in sales, the reversal of provision for losses on construction contracts, and other factors, the segment posted consolidated operating income of ¥3.3 billion, a ¥3.3 billion year-on-year increase.

Rolling Stock

Consolidated orders received declined ¥5.8 billion year on year to ¥102.4 billion, as despite receiving an order from the Singapore Land Transport Authority for subway train cars for new lines, there was an absence of large orders from North America and from within Japan such as were received in the same period of the previous fiscal year.

Consolidated net sales decreased ¥10.0 billion year on year to ¥87.8 billion, as a result of a decline in overseas sales to customers in North America and Asia.

Consolidated operating income decreased ¥1.9 billion year on year to ¥4.3 billion, attributable to a decline in sales and profit margin.

Aerospace

Consolidated orders received grew ¥32.8 billion year on year to ¥194.9 billion, due to an increase in orders from Japan's Ministry of Defense and for component parts for the Boeing 787.

Consolidated net sales increased ¥42.2 billion year on year to ¥229.3 billion, largely due to the growth in sales to Japan's Ministry of Defense and of component parts for Boeing 777 and 787.

Consolidated operating income increased significantly, growing ¥9.2 billion year on year to ¥30.1 billion, due to the increase in sales as well as the booking of sales for highly-profitable projects during the three-month period ended December 31, 2014, among other factors.

Gas Turbine & Machinery

Consolidated orders received increased ¥3.3 billion year on year to ¥144.3 billion, attributable to the increase in orders for industrial gas turbines, natural gas compression modules, and other products.

Consolidated net sales grew ¥24.3 billion year on year to ¥149.7 billion, due to an increase in sales of hydraulic machinery, aircraft engine components, and other products.

Despite the increase in amortization of development costs for the aircraft engine new program, R&D costs, and other factors, the increase in sales resulted in consolidated operating income of ¥7.1 billion, a ¥0.2 billion year-on-year increase.

Plant & Infrastructure

Consolidated orders received fell slightly year on year to ¥81.4 billion, despite receiving orders for boiler plant power projects and shield tunneling machines.

Consolidated net sales grew ¥13.7 billion year on year to ¥72.2 billion, attributable to the increase in overseas projects including LNG storage tank plants, and other factors.

Operating income grew ¥1.4 billion year on year to ¥2.2 billion, due to the increase in sales, among other factors.

Motorcycle & Engine

Consolidated net sales totaled ¥212.9 billion, which was on par with the same period of the previous fiscal year, as the increase in motorcycle sales to Indonesia and countries in Europe was negated by the decline in sales to Latin America and Thailand.

Consolidated operating income totaled ¥4.1 billion, which was roughly flat year on year, as both sales and profit margin were on par with the same period of the previous fiscal year.

Precision Machinery

Consolidated orders received grew ¥4.1 billion to ¥96.5 billion, mainly due to growth in orders for various industrial robots, particularly for the automotive industry.

Consolidated net sales increased ¥10.4 billion year on year to ¥95.3 billion, attributable to the growth in sales for industrial robots for the automotive industry, a rise in sales of hydraulic components for the construction machinery market in Japan, and other factors.

Consolidated operating income was up ¥0.7 billion year on year to ¥7.9 billion, due to the growth in sales and other factors.

Other Operations

Consolidated net sales increased by ¥8.7 billion year on year to ¥104.0 billion.

Consolidated operating income increased by ¥0.4 billion year on year to ¥2.8 billion.

(2) Consolidated financial position

At December 31, 2014, consolidated assets totaled ¥1,800.7 billion, an increase of ¥246.3 billion from March 31, 2014. The increase was attributable to a rise in trade receivables in conjunction with the posting of sales, along with inventory growth stemming from progress toward completion of construction jobs, as well as capital expenditure that added to property, plant and equipment, among other factors. Consolidated liabilities at December 31, 2014, were ¥1,376.5 billion, a ¥198.7 billion increase from March 31, 2014. The rise was largely due to the increase in commercial paper and other interest-bearing debt. At December 31, 2014, interest-bearing debt totaled ¥632.8 billion, an increase of ¥188.2 billion from March 31, 2014. At December 31, 2014, consolidated net assets totaled ¥424.2 billion, a ¥47.5 billion increase from March 31, 2014, largely attributable to the posting of quarterly net income despite the payment of dividends.

(3) Consolidated earnings outlook

Despite the uncertainty surrounding economic prospects in the eurozone and the future outlook for natural resource-rich countries and emerging countries due to the sharp decline in the price of crude oil, the economic environment surrounding the Group's business remains solid. Amid this economic environment, we are forecasting consolidated net sales of ¥1,510.0 billion for the current fiscal year ending March 31, 2015, the same amount as previously announced on October 29, 2014. We expect improvements in the Ship & Offshore Structure, Aerospace, Gas Turbine & Machinery, and Motorcycle & Engine segments based on our revisions to foreign exchange rate assumptions and other factors. We are now forecasting consolidated operating income of ¥86.0 billion, a ¥9.0 billion increase versus the previous announcement, consolidated recurring profit of ¥84.0 billion (up ¥12.0 billion) and consolidated net income of ¥56.0 billion (up ¥8.0 billion)

We are forecasting consolidated orders received of ¥1,660.0 billion (up ¥20.0 billion versus the previous forecast), due to an increase in orders received in both the Ship & Offshore Structure and Aerospace segments, and other factors, despite the impact of a revision to an order we had expected to receive in the Rolling Stock segment.

The Company's earnings forecasts assume exchange rates of ¥115 to the US dollar and ¥135 to the euro. The above outlooks do not factor in the impact of tax code changes expected to occur in the future.

Note regarding consolidated earnings outlook

The above earnings outlook is based on information available at the time of preparation, and includes risks and uncertainties. We therefore discourage making investment decisions depending solely on this outlook. Actual earnings may differ materially from this outlook, due to a variety of important factors stemming from changes the external environment and/or the Company's internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the Company's scope of business, foreign exchange rates, in particular the yen/dollar exchange rate, tax codes and other regulatory system-related issues.

2. Summary Information (Notes)

(1) Changes affecting the status of material subsidiaries (scope of consolidation)

Not applicable

(2) Accounting procedures specific to preparation of quarterly consolidated financial statements

The Company calculates tax expense by rationally estimating its effective tax rate after application of deferred-tax accounting to pretax net income for the fiscal year, which includes the Third quarter under review, and multiplying quarterly pretax net income by the said estimated effective tax rate. If unable to use the estimated effective tax rate, the Company calculates tax expense by multiplying the statutory effective tax rate by quarterly pretax net income adjusted to reflect material differences other than temporary differences.

Income taxes are reported inclusive of income tax adjustments.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

		Millions of yen	
		As of March 31, 2014	Nine months ended December 31, 2014
Assets			
Current assets			
Cash on hand and in banks		47,949	45,585
Trade receivables		415,664	509,040
Merchandise and finished products		56,673	74,249
Work in process		302,511	350,913
Raw materials and supplies		98,848	115,763
Other current assets		87,211	116,183
Allowance for doubtful receivables		(3,104)	(3,161)
	Total current assets	1,005,754	1,208,574
Fixed assets			
Net property, plant and equipment		383,912	414,429
Intangible assets		17,262	16,286
Investments and other assets			
Other		148,210	162,381
Allowance for doubtful receivables		(710)	(888)
	Total investments and other assets	147,500	161,493
	Total fixed assets	548,675	592,209
Total assets		1,554,430	1,800,783
Liabilities			
Current liabilities			
Trade payables		252,107	231,163
Electronically recorded obligations-operating		53,923	84,912
Short-term debt		190,757	195,236
Income taxes payable		10,100	15,098
Accrued bonuses		22,118	10,785
Provision for losses on construction contracts		13,560	5,837
Other provisions		10,535	10,021
Advances from customers		137,598	145,605
Other		104,714	280,341
	Total current liabilities	795,415	979,003
Long-term liabilities			
Bonds payable		110,000	110,000
Long-term debt		141,343	155,008
Provisions		4,064	2,845
Net defined benefit liability		97,048	96,404
Other		29,871	33,249
	Total long-term liabilities	382,328	397,508
Total liabilities		1,177,744	1,376,511

Net assets

Shareholders' equity		
Common stock	104,484	104,484
Capital surplus	54,393	54,393
Retained earnings	217,449	247,555
Treasury stock	(43)	(58)
Total shareholders' equity	<u>376,284</u>	<u>406,374</u>
Accumulated other comprehensive income		
Net unrealized gains on securities, net of tax	2,652	3,503
Deferred gains (losses) on hedges	(3,803)	(4,249)
Foreign currency translation adjustments	6,416	19,941
Remeasurements of defined benefit plans	(18,509)	(17,137)
Total accumulated other comprehensive income	<u>(13,243)</u>	<u>2,058</u>
Minority interests	<u>13,645</u>	<u>15,839</u>
Total net assets	<u>376,686</u>	<u>424,272</u>
Total liabilities and net assets	<u>1,554,430</u>	<u>1,800,783</u>

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	920,852	1,016,447
Cost of sales	750,864	827,638
Gross profit	169,987	188,808
Selling, general and administrative expenses		
Salaries and benefits	33,910	36,322
R&D expenses	27,378	27,146
Provision for doubtful accounts	73	143
Other	62,546	64,838
Total selling, general and administrative expenses	123,908	128,450
Operating income	46,079	60,357
Non-operating income		
Interest income	688	474
Dividend income	387	305
Equity in income of non-consolidated subsidiaries and affiliates	4,039	8,199
Other	2,635	2,776
Total non-operating income	7,750	11,756
Non-operating expenses		
Interest expense	3,011	2,872
Foreign exchange loss, net	9,154	468
Other	2,934	4,000
Total non-operating expenses	15,100	7,341
Recurring profit	38,729	64,772
Income before income taxes and minority interests	38,729	64,772
Income taxes	13,657	17,798
Income before minority interests	25,072	46,974
Minority interests in net income of consolidated subsidiaries	1,779	2,045
Net income (loss)	23,292	44,928

Consolidated statements of comprehensive income

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	25,072	46,974
Other comprehensive income		
Net unrealized gains (losses) on securities	1,368	892
Deferred gains (losses) on hedges	(2,361)	(394)
Foreign currency translation adjustments	10,921	12,926
Remeasurements of defined benefit plans	449	1,174
Share of other comprehensive income of associates accounted for using equity method	7,625	1,354
Total other comprehensive income	18,003	15,952
Comprehensive Income attributable to:	43,075	62,927
Owners of the parent company	40,436	60,230
Minority interests	2,639	2,696

(3) Notes on financial statements

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable

Segment information and others

Segment information

1. Nine months ended December 31, 2013 (April 1, 2013 – December 31, 2013)

(1) Sales and income (loss) by reportable segment

	External sales	Intersegment sales	Total sales	Operating income (loss)
Ship & Offshore Structure	58,635	1,168	59,803	12
Rolling Stock	97,956	3,734	101,690	6,287
Aerospace	187,125	1,468	188,593	20,935
Gas Turbine & Machinery	125,368	12,112	137,481	6,892
Plant & Infrastructure	58,494	10,776	69,270	859
Motorcycle & Engine	213,030	499	213,530	4,038
Precision Machinery	84,906	8,717	93,623	7,190
Other	95,335	23,850	119,186	2,398
Reportable segment total	920,852	62,328	983,181	48,614
Adjustments*1	-	(62,328)	(62,328)	(2,535)
Consolidated total	920,852	-	920,852	46,079

Notes: 1. Breakdown of adjustments:

Income	Amount
Intersegment transactions	(37)
Corporate expenses*	(2,498)
Total	(2,535)

*Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

2. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

(2) Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

2. Nine months ended December 31, 2014 (April 1, 2014 – December 31, 2014)

(1) Sales and income (loss) by reportable segment

	Millions of yen			
	External sales	Intersegment sales	Total sales	Operating income (loss)
Ship & Offshore Structure	64,890	1,686	66,576	3,347
Rolling Stock	87,884	3,061	90,945	4,374
Aerospace	229,364	1,736	231,101	30,173
Gas Turbine & Machinery	149,734	9,861	159,595	7,113
Plant & Infrastructure	72,248	14,475	86,723	2,285
Motorcycle & Engine	212,925	522	213,448	4,134
Precision Machinery	95,314	10,183	105,497	7,951
Other	104,086	26,140	130,226	2,834
Reportable segment total	1,016,447	67,667	1,084,114	62,215
Adjustments*1	-	(67,667)	(67,667)	(1,858)
Consolidated total	1,016,447	-	1,016,447	60,357

Notes: 1. Breakdown of adjustments:

Millions of yen	
Income	Amount
Intersegment transactions	(600)
Corporate expenses*	(1,258)
Total	(1,858)

* Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

2. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

(2) Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

4. Supplementary information

(1) Consolidated cash flow statements (condensed)

	Millions of yen	
	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flow from operating activities	(82,941)	(110,348)
Cash flow from investing activities	(62,728)	(52,480)
Cash flow from financing activities	141,841	161,068
Cash and cash equivalents at end of period	31,126	41,468

(2) Orders and sales (consolidated)

Orders received

	Nine months ended December 31, 2013		Nine months ended December 31, 2014		Year ended March 31, 2014	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	54,683	5.7	140,773	13.0	117,872	8.0
Rolling Stock	108,259	11.3	102,457	9.4	133,049	9.1
Aerospace	162,052	16.9	194,939	18.0	286,383	19.6
Gas Turbine & Machinery	140,990	14.7	144,318	13.3	222,013	15.2
Plant & Infrastructure	83,573	8.7	81,465	7.5	103,912	7.1
Motorcycle & Engine	213,030	22.3	212,925	19.7	322,248	22.1
Precision Machinery	92,401	9.6	96,519	8.9	127,297	8.7
Other	98,807	10.3	106,052	9.8	142,684	9.8
Total	953,798	100.0	1,079,453	100.0	1,455,462	100.0

Note: The Motorcycle & Engine segment's orders received are equal to its net sales as production is based mainly on estimated demand.

Net sales

	Nine months ended December 31, 2013		Nine months ended December 31, 2014		Year ended March 31, 2014	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	58,635	6.3	64,890	6.3	80,863	5.8
Rolling Stock	97,956	10.6	87,884	8.6	147,951	10.6
Aerospace	187,125	20.3	229,364	22.5	280,737	20.2
Gas Turbine & Machinery	125,368	13.6	149,734	14.7	189,241	13.6
Plant & Infrastructure	58,494	6.3	72,248	7.1	103,898	7.4
Motorcycle & Engine	213,030	23.1	212,925	20.9	322,248	23.2
Precision Machinery	84,906	9.2	95,314	9.3	123,276	8.8
Other	95,335	10.3	104,086	10.2	137,264	9.9
Total	920,852	100.0	1,016,447	100.0	1,385,482	100.0

Order backlog

	Year ended March 31, 2014		Nine months ended December 31, 2014		Nine months ended December 31, 2013	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	161,134	10.7	251,730	15.3	120,876	8.2
Rolling Stock	364,654	24.3	411,147	25.0	397,180	27.2
Aerospace	450,581	30.0	421,862	25.7	419,064	28.7
Gas Turbine & Machinery	295,100	19.6	313,075	19.0	266,664	18.2
Plant & Infrastructure	170,737	11.3	182,082	11.0	195,667	13.4
Motorcycle & Engine	-	-	-	-	-	-
Precision Machinery	25,821	1.7	27,027	1.6	29,295	2.0
Other	32,234	2.1	34,199	2.0	30,281	2.0
Total	1,500,264	100.0	1,641,124	100.0	1,459,029	100.0

(3) Net sales by geographic area (consolidated)

Nine months ended December 31, 2013 (April 1, 2013 – December 31, 2013)

Millions of yen

Japan	405,697	44.0%
United States	209,367	22.7%
Europe	62,130	6.7%
Asia	162,530	17.6%
Other areas	81,125	8.8%
Total	920,852	100.0%

Nine months ended December 31, 2014 (April 1, 2014 – December 31, 2014)

Millions of yen

Japan	430,930	42.3%
United States	246,440	24.2%
Europe	74,730	7.3%
Asia	171,983	16.9%
Other areas	92,361	9.0%
Total	1,016,447	100.0%

(4) Supplementary information on earnings forecasts for the fiscal year ending March 31, 2015

1) Consolidated earnings outlook

Billions of yen

	Outlook for the year ending March 31, 2015 (fiscal 2014)			Fiscal 2013 (ended March 31, 2014) (actual)
	Revised forecast (A)	Forecast issued October 29, 2014 (B)	Change (A – B)	
Net sales	1,510.0	1,510.0	-	1,385.4
Operating income	86.0	77.0	9.0	72.3
Recurring profit	84.0	72.0	12.0	60.6
Net income	56.0	48.0	8.0	38.6
Orders received	1,660.0	1,640.0	20.0	1,455.4
Before-tax ROIC (%)	10.0%	9.3%	0.7%	8.1%

Notes: 1. Outlook's assumed foreign exchange rates: ¥115 = US\$1, ¥135 = 1 euro

2. Before-tax ROIC = (income before income taxes + interest expense) / invested capital.

2) Outlook by reportable segment

(a) Net sales and operating income (loss)

Billions of yen

	Outlook for the year ending March 31, 2015 (fiscal 2014)						Fiscal 2013 (ended March 31, 2014) (actual)	
	Revised forecast (A)		Forecast issued October 29, 2014 (B)		Change (A – B)			
	Net sales	Operating income (loss)	Net sales	Operating income (loss)	Net sales	Operating income (loss)	Net sales	Operating income (loss)
Ship & Offshore Structure	95.0	4.0	95.0	2.0	-	2.0	80.8	(2.0)
Rolling Stock	135.0	6.0	135.0	6.0	-	-	147.9	7.5
Aerospace	330.0	35.0	330.0	30.0	-	5.0	280.7	26.2
Gas Turbine & Machinery	220.0	11.0	230.0	10.0	(10.0)	1.0	189.2	10.4
Plant & Infrastructure	120.0	6.0	120.0	6.0	-	-	103.8	6.3
Motorcycle & Engine	330.0	14.0	320.0	13.0	10.0	1.0	322.2	16.1
Precision Machinery	140.0	12.0	140.0	12.0	-	-	123.2	10.4
Other	140.0	5.0	140.0	5.0	-	-	137.2	4.4
Adjustments		(7.0)		(7.0)		-		(7.2)
Total	1,510.0	86.0	1,510.0	77.0	-	9.0	1,385.4	72.3

(b) Orders received

Billions of yen

	Outlook for the year ending March 31, 2015 (fiscal 2014)			Fiscal 2013 (ended March 31, 2014) (actual)
	Revised outlook (A)	Forecast issued October 29, 2014 (B)	Change (A – B)	
Ship & Offshore Structure	160.0	150.0	10.0	117.8
Rolling Stock	130.0	150.0	(20.0)	133.0
Aerospace	330.0	310.0	20.0	286.3
Gas Turbine & Machinery	240.0	240.0	-	222.0
Plant & Infrastructure	190.0	190.0	-	103.9
Motorcycle & Engine	330.0	320.0	10.0	322.2
Precision Machinery	140.0	140.0	-	127.2
Other	140.0	140.0	-	142.6
Total	1,660.0	1,640.0	20.0	1,455.4

(c) Before-tax ROIC

(%)

	Outlook for the year ending March 31, 2015 (fiscal 2014)			Fiscal 2013 (ended March 31, 2014) (actual)
	Revised outlook (A)	Forecast issued October 29, 2014 (B)	Change (A – B)	
Ship & Offshore Structure	8.0	5.4	2.6	3.4
Rolling Stock	7.3	7.9	(0.6)	10.2
Aerospace	25.6	20.8	4.8	19.6
Gas Turbine & Machinery	5.3	5.2	0.1	4.6
Plant & Infrastructure	13.3	13.5	(0.2)	14.9
Motorcycle & Engine	8.0	7.0	1.0	1.4
Precision Machinery	16.6	17.9	(1.3)	17.5
Total	10.0	9.3	0.7	8.1