


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

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2014
Net sales	¥ 304,154	¥ 282,509	\$ 3,002,507
Operating income	10,904	16,752	107,640
Net income	5,416	4,496	53,464
Earnings per share (Yen)	3.2	2.6	

Financial condition

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Jun. 30, 2014	As of March. 31, 2014	As of Jun. 30, 2014
Total assets	¥ 1,570,651	¥ 1,554,430	\$ 15,504,945
Net assets	370,760	376,686	3,660,019
Number of shares issued and outstanding	1,671,745	1,671,750	
Equity Ratio	22.7%	23.3%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2013	Three months ended Jun. 30, 2014
Operating activities	¥ (38,067)	¥ (1,133)	\$ (375,784)
Investing activities	(11,747)	(18,310)	(115,962)
Financing activities	49,936	20,128	492,951
Cash and cash equivalents at end of term	40,033	37,142	395,192

Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2015	¥ 1,490,000	¥ 73,000	¥ 42,500

- 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 ¥101.30=\$1, the rate prevailing as of June 30, 2014, solely for the convenience of the readers.

Condensed Consolidated Balance Sheets

As of June 30 and March 31, 2014

	Millions of yen		Thousands of
	As of	As of	U.S. dollars
	Jun. 30, 2014	Mar. 31, 2014	As of Jun. 30, 2014
Assets :			
Current assets :			
Cash on hand and in banks	¥ 43,312	¥ 47,949	\$ 427,562
Receivables, less allowance	403,498	426,676	3,983,198
Inventories	478,121	458,033	4,719,852
Other current assets	92,079	73,096	908,973
Total current assets	<u>1,017,010</u>	<u>1,005,754</u>	<u>10,039,585</u>
Investments and long-term loans less allowance	94,727	94,257	935,114
Net property, plant and equipment	388,567	383,912	3,835,804
Intangible and other assets	70,347	70,507	694,442
Total assets	<u>¥ 1,570,651</u>	<u>¥ 1,554,430</u>	<u>\$ 15,504,945</u>
Liabilities and net assets :			
Current liabilities :			
Short-term borrowings			
and current portion of long-term debt	¥ 249,307	¥ 191,162	\$ 2,461,076
Payables	273,866	306,031	2,703,514
Advances from customers	156,516	137,598	1,545,074
Other current liabilities	140,087	160,625	1,382,892
Total current liabilities	<u>819,776</u>	<u>795,416</u>	<u>8,092,556</u>
Long-term liabilities :			
Long-term debt, less current portion	252,445	253,483	2,492,054
Others	127,670	128,845	1,260,316
Total long-term liabilities	<u>380,115</u>	<u>382,328</u>	<u>3,752,370</u>
Net assets :			
Common stock	104,484	104,484	1,031,431
Capital surplus	54,393	54,393	536,949
Retained earnings	212,824	217,450	2,100,927
Treasury stock	(45)	(43)	(444)
Net unrealized gains on securities	2,755	2,653	27,196
Gains (losses) on hedging items	(629)	(3,803)	(6,209)
Foreign currency translation adjustments	1,463	6,416	14,442
Remeasurements of defined benefit plans	(17,915)	(18,509)	(176,850)
Minority interests	13,430	13,645	132,577
Total net assets	<u>370,760</u>	<u>376,686</u>	<u>3,660,019</u>
Total liabilities and net assets	<u>¥ 1,570,651</u>	<u>¥ 1,554,430</u>	<u>\$ 15,504,945</u>

Condensed Consolidated Statements of Income

For three months ended June 30, 2014 and 2013

	Millions of yen		% Change	Thousands of
	Three months ended Jun.30, 2014	Three months ended Jun.30, 2013		U.S. dollars
				<i>Three months ended Jun.30, 2014</i>
Net sales	¥ 304,154	¥ 282,509	+8%	\$ 3,002,507
Cost of sales	253,170	226,810		2,499,210
Gross profit	50,984	55,699		503,297
Selling, general and administrative expenses	40,080	38,947		395,657
Operating income	10,904	16,752	-35%	107,640
Other income (expenses) :				
Interest and dividend income	246	469		2,428
Equity in income of unconsolidated subsidiaries and affiliates	2,465	1,523		24,333
Interest expense	(990)	(1,030)		(9,772)
Other, net	(5,931)	(8,314)		(58,549)
Income before income taxes and minority interests	6,694	9,400		66,080
Income taxes	(619)	(4,588)		(6,110)
Minority interests in net income of consolidated subsidiaries	(659)	(316)		(6,506)
Net income	¥ 5,416	¥ 4,496	+21%	\$ 53,464

Segment information
Information by reportable segment

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

Millions of yen					
Three months ended					
Jun.30,2014					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	¥ 18,350	¥ 381	¥ 18,731	¥ 19,147	¥ (416)
Rolling Stock	30,464	144	30,608	30,596	12
Aerospace	65,403	653	66,056	59,782	6,274
Gas Turbine & Machinery	42,799	2,034	44,833	42,777	2,056
Plant & Infrastructure	21,053	3,430	24,483	24,908	(425)
Motorcycle & Engine	64,892	163	65,055	64,792	263
Precision Machinery	30,634	3,159	33,793	30,943	2,850
Other	30,559	6,220	36,779	36,188	591
Total	304,154	16,184	320,338	309,133	11,205
Eliminations and corporate	-	(16,184)	(16,184)	(15,883)	(301)
Consolidated total	¥ 304,154	¥ -	¥ 304,154	¥ 293,250	¥ 10,904

Thousands of U.S. dollars					
Three months ended					
Jun.30,2014					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Ship & Offshore Structure	\$ 181,145	\$ 3,761	\$ 184,906	\$ 189,013	\$ (4,107)
Rolling Stock	300,730	1,421	302,151	302,034	117
Aerospace	645,636	6,446	652,082	590,148	61,934
Gas Turbine & Machinery	422,497	20,079	442,576	422,280	20,296
Plant & Infrastructure	207,828	33,860	241,688	245,883	(4,195)
Motorcycle & Engine	640,593	1,609	642,202	639,605	2,597
Precision Machinery	302,409	31,185	333,594	305,459	28,135
Other	301,669	61,402	363,071	357,236	5,835
Total	3,002,507	159,763	3,162,270	3,051,658	110,612
Eliminations and corporate	-	(159,763)	(159,763)	(156,791)	(2,972)
Consolidated total	\$ 3,002,507	\$ -	\$ 3,002,507	\$ 2,894,867	\$ 107,640

Net sales, orders and order backlog by industry segment

For three months ended June 30, 2014 and 2013 and as of June 30 and March 31, 2014

	Millions of yen			Thousands of U.S. dollars		
	Three months ended		Three months ended	%	Three months ended	
	Jun. 30, 2014		Jun. 30, 2013	Change	Jun. 30, 2014	
Net sales :						
Ship & Offshore Structure	¥ 18,350	(6%)	¥ 21,073	(7%)	-13%	\$ 181,145
Rolling Stock	30,464	(10%)	30,562	(11%)	-0%	300,730
Aerospace	65,403	(22%)	55,624	(20%)	+18%	645,637
Gas Turbine & Machinery	42,799	(14%)	36,452	(13%)	+17%	422,498
Plant & Infrastructure	21,053	(7%)	16,712	(6%)	+26%	207,828
Motorcycle & Engine	64,892	(21%)	67,493	(24%)	-4%	640,592
Precision Machinery	30,634	(10%)	25,124	(9%)	+22%	302,409
Other	30,559	(10%)	29,469	(10%)	+4%	301,668
Total	¥ 304,154	(100%)	¥ 282,509	(100%)	+8%	\$ 3,002,507
Orders :						
Ship & Offshore Structure	¥ 14,586	(4%)	¥ 27,185	(10%)	-46%	\$ 143,988
Rolling Stock	67,426	(20%)	35,046	(12%)	+92%	665,607
Aerospace	41,983	(13%)	41,567	(15%)	+1%	414,442
Gas Turbine & Machinery	43,261	(13%)	35,685	(13%)	+21%	427,058
Plant & Infrastructure	35,275	(11%)	16,662	(6%)	+112%	348,223
Motorcycle & Engine	64,892	(20%)	67,493	(24%)	-4%	640,592
Precision Machinery	31,700	(9%)	29,814	(10%)	+6%	312,932
Other	34,740	(10%)	29,691	(10%)	+17%	342,942
Total	¥ 333,863	(100%)	¥ 283,143	(100%)	+18%	\$ 3,295,784

	Millions of yen			Thousands of U.S. dollars		
	As of		As of	%	As of	
	Jun. 30, 2014		Mar. 31, 2014	Change	Jun. 30, 2014	
Order backlog :						
Ship & Offshore Structure	¥ 155,748	(10%)	¥ 161,134	(11%)	-3%	\$ 1,537,493
Rolling Stock	396,986	(26%)	364,654	(24%)	+9%	3,918,914
Aerospace	426,324	(28%)	450,581	(30%)	-5%	4,208,529
Gas Turbine & Machinery	293,065	(19%)	295,100	(20%)	-1%	2,893,040
Plant & Infrastructure	184,831	(12%)	170,737	(11%)	+8%	1,824,590
Motorcycle & Engine	-	(- %)	-	(- %)	-%	-
Precision Machinery	26,887	(2%)	25,821	(2%)	+4%	265,420
Other	36,419	(3%)	32,237	(2%)	+13%	359,516
Total	¥ 1,520,260	(100%)	¥ 1,500,264	(100%)	+1%	\$ 15,007,502

Net Sales by geographic area

For three months ended June 30, 2014 and 2013

	Millions of yen			Thousands of U.S. dollars		
	Three months ended		Three months ended	%	Three months ended	
	Jun. 30, 2014		Jun. 30, 2013	Change	Jun. 30, 2014	
Japan	¥ 120,208	(39%)	¥ 118,426	(42%)	+1%	\$ 1,186,653
United States	73,408	(24%)	66,615	(24%)	+11%	724,659
Europe	27,865	(9%)	19,742	(7%)	+40%	275,074
Asia	58,021	(19%)	51,700	(18%)	+12%	572,764
Other	24,652	(9%)	26,026	(9%)	-5%	243,357
Total	¥ 304,154	(100%)	¥ 282,509	(100%)	+7%	\$ 3,002,507