



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

For nine months ended December 31, 2013 and 2012 and one year ended March 31, 2013

(Consolidated)

Operating results

	Millions of yen		Thousands of U.S. dollars		
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

	Dec. 31, 2013		Dec. 31, 2012		Dec. 31, 2013	
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		1,671,791		
Equity Ratio		20.2%		23.0%		

Cash flows

	Nine months ended		Nine months ended		Thousands of U.S. dollars		
	Dec. 31, 2013		Dec. 31, 2012		Nine months ended		
	Dec. 31, 2013		Dec. 31, 2012		Dec. 31, 2013		
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		31,126		29,587		295,313	

Fiscal year forecasts

	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 H 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	
Assets :				
Current assets :				
Cash on hand and in banks	?	32,976	?	38,525
Receivables, less allowance		488,235		446,328
Inventories		527,544		460,105
Other current assets		85,797		71,856
Total current assets		1,134,552		1,016,814
Investments and long-term loans less allowance		98,462		83,304
Net property, plant and equipment		368,093		305,793
Intangible and other assets		72,285		60,379
Total assets	?	1,673,392	?	1,466,290
Liabilities and net assets :				
Current liabilities :				
Short-term borrowings and current portion of long-term debt	?	393,443	?	229,857
Payables		269,644		281,063
Advances from customers		132,556		108,214
Other current liabilities		134,233		163,406
Total current liabilities		929,876		782,540
Other current liabilities		743,516		683,750
Total liabilities		1,673,392		1,466,290

Other current liabilities 19e0054a7 Current liabilities 188 1 Tf 9.5121 0 TD .0038 Tc Tj /TT16299f 30.4575687-1.2 TD .5(l c)6.5(u)-

Condensed Consolidated Statements of Income

For nine months ended December 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars	
Net sales	?	920,852	?	885,896
Cost of sales		750,864		748,339
Grossprofit		169,988		137,557
Selling, general and administrative expenses		123,909		114,637
Operating income		46,079		22,920
Other income (expenses):				
Interest and dividend income		1,075		1,928
Equity in income of unconsolidated subsidiaries and affiliates		4,039		7,082
Interest expense		(3,011)		(3,131)
Other, net		(9,453)		1,038
Income before income taxes and minority interests		38,729		29,837
Income taxes		(13,658)		(8,694)
Minority interests in net income				

>#
Change

+4%

\$

+101%

8,736,736

7,123,947

1,612,789

1,175,607

437,182

10,199

38,320

(28,567)

(89,687)

367,447

(129,583)

Segment information

F-Information by reportable segment

Millions of yen

	External sales	Intersegment 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

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		% Change	Nine months ended		
	Dec. 31, 2013		Dec. 31, 2012			Dec. 31, 2013		
Net sales :								
Ship H 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 H 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		% Change	As of		
	Dec. 31, 2013		Mar. 31, 2013			Dec. 31, 2013		
Order backlog :								
Ship H 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		% Change	Nine months ended		
	Dec. 31, 2013		Dec. 31, 2012			Dec. 31, 2013		
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