

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

October 29, 2014
(Consolidated)

Operating results

Thousands of U.S. dollars

Net sales	\	633,422	\	595,077	\$	5,787,318
Operating income		23,189		26,840		211,868
Net income		18,185		13,001		166,148
Earnings per share (Yen)		10.8		7.7		

Financial condition

Thousands of U.S. dollars

	As o		<i>Sep. 30, 2014</i>			
Total assets	\	1,630,986	\	1,554,430	\$	14,901,653
		382,542		376,686		3,495,130
Number of shares issued and outstanding		1,671,729		1,671,750		
Equity Ratio		22.5%		23.3%		

Cash flows

Thousands of U.S. dollars

	Six months ended		<i>Six months ended</i>			
	Sep. 30, 2014		<i>Sep. 30, 2013</i>			
Operating activities	\	(60,807)	\	(45,605)	\$	(555,568)
Investing activities		(29,707)		(41,907)		(271,420)
Financing activities		78,398		80,983		716,290
Cash and cash equivalents at end of term		33,664		30,546		307,574

Fiscal year forecast

	Net sales	Operating income	Net income
One year ending March 31, 2015	\	\	\

(Consolidated)

Condensed Consolidated Balance Sheets

As of September 30 and March 31, 2014

Millions of yen

*Thousands of
U.S. dollars*

Sep. 30, 2014

Mar. 31, 2014

Sep. 30, 2014

Condensed Consolidated Statements of Income

For six months ended September 30, 2014 and 2013

	Millions of yen		Thousands of U.S. dollars	
			Change	
Net sales	\ 633,422 \	595,077	+6%	\$ 5,787,318
Cost of sales	526,539	486,913		4,810,772
Gross profit	106,883	108,164		976,546
Selling, general and administrative expenses	83,694	81,324		764,678
Operating income	23,189	26,840	-14%	211,868
Other income (expenses) :				
Interest and dividend income	468	751		4,275
Equity in income of unconsolidated subsidiaries and affiliates	5,739	5,016		52,434
Interest expense	(1,894)	(2,018)		(17,304)
Other, net	(1,539)	(7,801)		(14,060)
Income before income taxes and minority interests	25,963	22,788		237,213
Income taxes	(6,511)	(8,778)		(59,488)
Minority interests in ne9d(8)Tj83oi mme				

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(Consolidated)

Condensed Consolidated Statements of Cash Flows

Segment information

Information by reportable segment

Net sales, orders and order backlog by industry segment

For six months ended September 30, 2014 and 2013 and as of September 30 and March 31, 2014

	Millions of yen			% Change	Thousands of
	Six months ended		Six months ended		U.S. dollars
	Sep. 30, 2014	Sep. 30, 2013	Sep. 30, 2014		
Net sales :					
Ship Offshore Structure	\ 34,876	(6%) \ 39,550	(7%)	-12%	\$ 318,647
Rolling Stock	56,915	(9%) 59,990	(10%)	-5%	520,009
Aerospace	144,842	(23%) 122,354	(21%)	+18%	1,323,362
Gas Turbine & Machinery	83,896	(13%) 77,368	(13%)	+8%	766,523
Plant & Infrastructure	47,245	(7%) 39,241	(7%)	+20%	431,658
Motorcycle & Engine	137,728	(22%) 139,705	(23%)	-1%	1,258,364
Precision Machinery	63,774	(10%) 55,636	(9%)	+15%	582,677
Other	64,146	(10%) 61,233	(10%)	+5%	586,078
Total	\ 633,422	(100%) \ 595,077	(100%)	+6%	\$ 5,787,318
Orders :					
Ship Offshore Structure	\ 77,192	(11%) \ 30,732	(5%)	+151%	\$ 705,271
Rolling Stock	91,598	(13%) 75,073	(13%)	+22%	836,893
Aerospace	114,489	(16%) 96,168	(16%)	+19%	1,046,039
Gas Turbine & Machinery	85,964	(12%) 84,157	(14%)	+2%	785,417
Plant & Infrastructure	66,954	(9%) 46,185	(8%)	+45%	611,731
Motorcycle & Engine	137,728	(20%) 139,705	(24%)	-1%	1,258,364
Precision Machinery	64,801	(9%) 61,724	(10%)	+5%	592,060
Other	67,850	(10%) 59,060	(10%)	+15%	619,921
Total	\ 706,576	(100%) \ 592,804	(100%)	+19%	\$ 6,455,696

	Millions of yen			% Change	Thousands of
	As of		As of		U.S. dollars
	Sep. 30, 2014	Mar. 31, 2014	Sep. 30, 2014		
Order backlog :					
Ship Offshore Structure	\ 209,135	(13%) \ 161,134	(11%)	+30%	\$ 1,910,781
Rolling Stock	409,981	(25%) 364,654	(24%)	+12%	3,745,829
Aerospace	425,571	(27%) 450,581	(30%)	-6%	3,888,268
Gas Turbine & Machinery	305,877	(19%) 295,100	(20%)	+4%	2,794,673
Plant & Infrastructure	191,287	(12%) 170,737	(11%)	+12%	1,747,711
Motorcycle & Engine	-	(- %) -	(- %)	-%	-
Precision Machinery	26,848	(2%) 25,821	(2%)	+4%	245,299
Other	35,938	(2%) 32,237	(2%)	+11%	328,352
Total	\ 1,604,637	(100%) \ 1,500,264	(100%)	+7%	\$ 14,660,913

Net Sales by geographic area

For six months ended September 30, 2014 and 2013

	Millions of yen			% Change	Thousands of
	Six months ended		Six months ended		U.S. dollars
	Sep. 30, 2014	Sep. 30, 2013	Sep. 30, 2014		
Japan	\ 258,659	(41%) \ 263,067	(44%)	-1%	\$ 2,363,261
United States	153,779	(24%) 131,578	(22%)	+16%	1,405,015
Europe	48,525	(8%) 40,393	(7%)	+0%	443,353
Asia	115,455	(18%) 106,470	(18%)	+8%	1,054,865
Other	57,004	(9%) 53,569	(9%)	+6%	520,824
Total	\ 633,422	(100%) \ 595,077	(100%)	+6%	\$ 5,787,318