



KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES

FLASH CONSOLIDATED FINANCIAL RESULTS

For the year ended March 31, 2016 and 2015

April 27, 2016

(Consolidated)

Operating results

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2016	Year ended Mar. 31, 2015	Year ended Mar. 31, 2016
Net sales	? 1,541,096	\ 1,486,123	\$ 13,675,534
Operating income	95,996	87,259	851,859
Profit attributable to owners of parent	46,043	51,639	408,581
Earnings per share (Yen)	27.5	30.8	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Mar. 31, 2016	As of Mar. 31, 2015	As of Mar. 31, 2016
Total assets	? 1,620,458	\ 1,662,283	\$ 14,379,785
Total liabilities	445,625	447,957	3,954,432
Number of shares issued and outstanding	1,670,576	1,670,613	
Equity Ratio	26.6%	25.9%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2016	Year ended Mar. 31, 2015	Year ended Mar. 31, 2016
Operating activities	? 86,059	\ 127,651	\$ 763,679
Investing activities	(74,185)	(67,397)	(658,310)
Financing activities	(23,400)	(57,133)	(207,649)
Cash and cash equivalents at end of term	37,832	47,721	335,717

Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Profit attributable to owners of parent
One year ending March 31, 2017	\ 1,570,000	\ 70,000	\ 49,000

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Condensed Consolidated Balance Sheets

As of March 31, 2016 and 2015

Thousands of
U.S. dollars

Assets :

Current assets :

Cash on hand and in banks	?	42,157	\	51,645	\$	374,097
Receivables, less allowance		396,750		436,831		3,520,720
Inventories		492,965		498,652		4,374,523
Other current assets		86,031		85,934		763,431
Total current assets		1,017,903		1,073,062		9,032,771

Condensed Consolidated Statements of Income

For the year ended March 31, 2016 and 2015

Millions of yen

%
Change

Thousands of
U.S. dollars

Net sales

Condensed Consolidated Statements of Cash Flows

For the year ended March 31, 2016 and 2015

	Millions of yen		F.F.F. thousands of U.S. dollars	
	Year ended Mar. 31, 2016	Year ended Mar. 31, 2015	Year ended Mar. 31, 2016	Year ended Mar. 31, 2016
Cash flows from operating activities:				
Income before income taxes and minority interests	? 74,832	? 84,288	\$	664,051
Adjustments to reconcile net income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	49,004	44,572		434,856
Decrease in assets	(36,784)	(32,598)		(326,417)
Decrease in liabilities	6,996	58,331		62,081
Other	(7,989)	(26,942)		(70,892)
Net cash provided by operating activities	<u>? 86,059</u>	<u>? 127,651</u>	<u>\$</u>	<u>763,679</u>
Cash flows from investing activities:				
Acquisition of tangible and intangible assets	(79,463)	(77,361)		(705,146)
Acquisition of investments in securities	(173)	(486)		(1,535)
Other	5,451	10,450		48,371
Net cash used for investig activities	<u>? (74,185)</u>	<u>? (67,397)</u>	<u>\$</u>	<u>(658,310)</u>
Cash flows from financing activities:				
Decrease in short-term borrowings	4,132	(16,587)		36,667
Proceeds from long-term debt	39,648	62,456		351,832
Repayment of long-term debt	(45,651)	(86,233)		(405,102)
Other	(21,529)	(16,769)		(191,046)
Net cash provided by financing activities	<u>? (23,400)</u>	<u>? (57,133)</u>	<u>\$</u>	<u>(207,649)</u>
Effect of exchange rate changes	1,639	(953)		14,544
Net decrease in cash and cash equivalents	<u>(9,887)</u>	<u>2,168</u>		<u>(87,736)</u>
Cash and cash equivalents at beginning of term	<u>47,721</u>	<u>45,431</u>		<u>423,471</u>
Increase in cash and cash equivalents due to changes in fiscal period of consolidated subsidiaries	(2)	122		(18)
Cash and cash equivalents at end of term	<u>? 37,832</u>	<u>? 47,721</u>	<u>\$</u>	<u>335,717</u>

Segment information

(a) Information by reportable segment

For the year ended March 31, 2015

	External sales		Intersegment sales		Total sales		Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Ship H Offshore Structure	?	90,327	?	3,289	?	93,616	?						

Segment information

(a) Information by reportable segment

For the year ended March 31, 2016

Ship H

Net sales, orders and order backlog by