

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES

FLASH CONSOLIDATED FINANCIAL RESULTS

For three months ended June 30, 2016 and 2015 and one year ended March 31, 2016

(Consolidated)

Operating results

	Millions of yen		Thousands of U.S. dollars			
Net sales	\	339,859	\	340,042	\$	3,300,883
Operating income		15,958		14,819		154,992
Profit attributable to owners of parent		4,797		7,492		46,590
Earnings per share (Yen)		2.8		4.4		

Financial position

			Thousands of U.S. dollars			
Total assets	\	1,647,630	\	1,620,458	\$	16,002,622
Net assets		424,680		445,625		4,124,708
Number of shares issued and outstanding		1,670,573		1,670,576		
Equity Ratio						

- 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 $102.96 = \$1$, the rate prevailing as of June 30, 2016, solely for the convenience of the readers.

Condensed Consolidated Statements of Income

For three months ended June 30, 2016 and 2015

	Millions of yen		Change	Thousands of
	Three months ended Jun. 30, 2016	Three months ended Jun. 30, 2015		U.S. dollars
Net sales	\ 339,859	\ 340,042	-0%	\$ 3,300,883
Cost of sales	280,201	281,226		2,721,455
Gross profit	59,658	58,816		579,428
Selling, general and administrative expenses	43,700	43,997		424,436
Operating income	15,958	14,819	+8%	154,992
Other income (expenses) :				
Interest and dividend income	262	295		2,544
Equity in income of unconsolidated subsidiaries and affiliates	930	250		9,032
Interest expense	(722)	(883)		(7,012)
Other, net	(8,488)	877		(82,439)
Income before income taxes and non-controlling interests	7,940	15,358		77,117
Income taxes	(2,855)	(7,568)		(27,730)
Profit attributable to non-controlling interests	(288)	(298)		(2,797)
Profit attributable to owners of parent	\ 4,797	\ 7,492	-36%	\$ 46,590

Segment information

F-Information by reportable segment

Millions of yen

External

Intersegment

Operating

Operating

Net sales, orders and order backlog by reportable segment

For three months ended June 30, 2016 and 2015 and as of June 30 and March 31, 2016

	Millions of yen				% Change	Thousands of U.S. dollars	
	Three months ended Jun. 30, 2016		Three months ended Jun. 30, 2015			Three months ended Jun. 30, 2016	
Net sales :							
Ship H Offshore Structure \	31,155	(9%)	\	23,484	(7%)	+33%	\$ 302,593
Rolling Stock	28,801	(9%)		32,155	(10%)	-10%	279,729
Aerospace	80,054	(24%)		76,038	(22%)	+5%	777,525
Gas Turbine & Machinery	49,107	(14%)		51,970	(15%)	-6%	476,952
Plant & Infrastructure	31,771	(9%)		23,499	(7%)	+35%	308,576
Motorcycle & Engine	69,288	(20%)		72,115	(21%)	-4%	672,960
Precision Machinery	32,945	(10%)		29,985	(9%)	+10%	319,978
Other	16,738	(5%)		30,796	(9%)	-46%	162,570
Total \	339,859	(100%)	\	340,042	(100%)	-0%	\$ 3,300,883
Orders :							
Ship H Offshore Structure \	2,298	(1%)	\	17,259	(5%)	-87%	\$ 22,319
Rolling Stock	23,283	(9%)		46,976	(14%)	-50%	226,136
Aerospace	41,690	(16%)		52,673	(15%)	-21%	404,914
Gas Turbine & Machinery	50,652	(19%)		35,225	(10%)	+44%	491,958
Plant & Infrastructure	18,044	(7%)		55,394	(16%)	-67%	175,252
Motorcycle & Engine	69,288	(27%)		72,115	(21%)	-4%	672,960
Precision Machinery	33,121	(13%)		31,130	(9%)	+6%	321,688
Other	20,228	(8%)		32,951	(10%)	-39%	196,466
Total \	258,604	(100%)	\	343,723	(100%)	-25%	\$ 2,511,693

Thousands of