

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES

FLASH CONSOLIDATED FINANCIAL RESULTS

For the year ended March 31, 2018 and 2017

April 26, 2018
(Consolidated)

Operating results

	Millions of yen		Thousands of U.S. dollars
	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017	Year ended Mar. 31, 2018
Net sales	\ 1,574,242	\ 1,518,830	\$ 14,813,606
Operating income	55,925	45,960	526,253
Profit attributable to owners of parent	28,915	26,204	272,089
Earnings per share (Yen)	173.09	156.85	

Financial position

	Millions of yen / Thousand shares		Thousands of U.S. dollars
	As of Mar. 31, 2018	As of Mar. 31, 2017	As of
Total assets	\ 1,785,028	\ 1,687,363	\$ 16,797,101
Net assets	481,386	451,327	4,529,839
Number of shares issued and outstanding	167,047	167,054	
Equity Ratio	26.1%	25.9%	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2018	Mar. 31, 2017	Year ended Mar. 31, 2018
Operating activities	\ 56,050	\ 93,514	\$ 527,430
Investing activities	(80,590)	(64,879)	(758,351)
Financing activities	37,770	(15,850)	355,415
Cash and cash equivalents at end of term	64,362	50,722	605,645

Fiscal year forecast

One year ending March 31, 2019	\ 1,650,000	\ 75,000	\ 47,000
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Condensed Consolidated Balance Sheets

As of March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2018	Mar. 31, 2017	Mar. 31, 2018
Assets :			
Current assets :			
Cash on hand and in banks	\ 70,632	\ 55,388	

Condensed Consolidated Statements of Income

For the year ended March 31, 2018 and 2017

	Millions of yen		Change	Thousands of
	Year ended Mar. 31, 2018	Year ended Mar. 31, 2017		U.S. dollars
Net sales	\ 1,574,242	\ 1,518,830	+4%	\$ 14,813,606
Cost of sales	1,319,715	1,278,907		12,418,509
Gross profit	254,527	239,923		2,395,097
Selling, general and administrative expenses	198,602	193,963		1,868,844
Operating income	55,925	45,960	+22%	526,253
Other income (expenses) :				
Interest and dividend income	1,011	1,100		9,513
Equity in income of unconsolidated subsidiaries and affiliates	4,492	5,537		42,269
Interest expense	(2,794)	(2,859)		(26,291)
Other, net	(25,635)	(10,865)		(241,224)
Income before income taxes and non-controlling interests	32,999	38,873		310,520
Income taxes	(1,652)	(10,948)		(15,545)
Profit (loss) attributable to non-controlling interests	(2,432)	(1,721)		(22,886)
Profit attributable to owners of parent	\ 28,915	\ 26,204	+10%	\$ 272,089

Segment information

Information by reportable segment

For the year ended March 31, 2017

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	\ 103,204	\ 2,447	\ 105,651	\ 127,075	\ (21,424)	\ 168,577	\ 1,277	\ 47,643	\ 3,705
Rolling Stock	137,159	76	137,235	133,749	3,486	164,413	2,626	129	2,729
Aerospace	329,915	1,615	331,530	306,497	25,033	433,241	15,023	-	33,273
Gas Turbine & Machinery	241,953	12,823	254,776	239,482	15,294	347,454	4,764	-	8,945
Plant & Infrastructure	160,877	7,928	168,805	166,195	2,610	119,158	1,456	16,899	2,207
Motorcycle & Engine	313,030	683	313,713	301,964	11,749	243,412	13,140	1,350	18,292
Precision Machinery	155,278	15,873	171,151	158,047	13,104	157,502	6,471	297	7,228
Other	77,414	40,041	117,455	114,315	3,140	86,465	1,673	3,175	1,174
Total	1,518,830	81,486	1,600,316	1,547,324	52,992	1,720,222	46,430	69,493	77,553
Eliminations and corporate	-	(81,486)	(81,486)	(74,454)	(7,032)				

Segment information
Information by reportable segment

For the year ended March 31, 2018

Millions of yen									
Year ended Mar. 31, 2018									
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	\ 95,610	\ 3,786	\ 99,396	\ 103,217	\ (3,821)	\ 147,963	\ 1,444	\ 49,749	\ 4,774
Rolling Stock	141,760	105	141,865	154,305	(12,440)	180,792	2,567	138	2,505
Aerospace	330,211	1,829	332,040	311,118	20,922	424,110	17,485	-	28,876
Gas Turbine & Machinery	266,471	11,988	278,459	263,756	14,703	373,640	5,018	-	7,785
Plant & Infrastructure	124,465	11,024	135,489	132,551	2,938	136,130	1,508	19,118	1,689
Motorcycle & Engine	331,659	669	332,328	317,075	15,253	266,550	14,164	1,474	20,543
Precision Machinery	198,996	15,891	214,887	193,238	21,649	188,155	7,166	411	10,975
Other	85,070	41,508	126,578	123,649	2,929	85,062	1,580	3,338	697
Total	1,574,242	86,800	1,661,042	1,598,909	62,133	1,802,402	50,932	74,228	77,844
Eliminations and corporate	-	(86,800)	(86,800)	(80,592)	(6,208)	(17,374)	5,205	-	4,319
Consolidated total	\ 1,574,242	\ -	\ 1,574,242	\ 1,518,317	\ 55,925	\ 1,785,028	\ 56,137	\ 74,228	\ 82,163

Thousands of U.S. dollars									
Year ended Mar. 31, 2018									
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income(loss)	Total assets	Depreciation and amortization	Investment for affiliates applied for equity methods	Capital expenditures
Ship & Offshore Structure	\$ 899,689	\$ 35,626	\$ 935,315	\$ 971,271	\$ (35,956)	\$ 1,392,330	\$ 13,588	\$ 468,137	\$ 44,923
Rolling Stock	1,333,960	988	1,334,948	1,452,009	(117,061)	1,701,251	24,155	1,298	23,572
Aerospace	3,107,284	17,210	3,124,494	2,927,619	196,875	3,990,873	164,534	-	271,723
Gas Turbine & Machinery	2,507,490	112,808	2,620,298	2,481,942	138,356	3,515,950	47,219	-	73,256
Plant & Infrastructure	1,171,214	103,735	1,274,949	1,247,304	27,645	1,280,982	14,190	179,900	15,893
Motorcycle & Engine	3,120,910	6,295	3,127,205	2,983,674	143,531	2,508,234	133,284	13,870	193,310
Precision Machinery	1,872,551	149,534	2,022,085	1,818,368	203,717	1,770,537	67,432	3,867	103,275
Other	800,508	390,591	1,191,099	1,163,536	27,563	800,433	14,867	31,412	6,559
Total	14,813,606	816,787	15,630,393	15,045,723	584,670	16,960,590	479,269	698,484	732,511
Eliminations and corporate	-	(816,787)	(816,787)	(758,370)	(58,417)	(163,489)	48,979	-	40,642
Consolidated total	\$ 14,813,606	\$ -	\$ 14,813,606	\$ 14,287,353	\$ 526,253	\$ 16,797,101	\$ 528,248	\$ 698,484	\$ 773,153

Net sales, orders and order backlog