

Kawasaki Heavy Industries, Ltd.

Consolidated Statement of Changes in Net Assets

(April 1, 2015 - March 31, 2016)

(Unit: million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity

The fair market value of derivatives is stated at the forward exchange rate or the price offered by the trading financial institution.

(Note 2) Financial instruments whose fair market value is deemed extremely difficult to ascertain
Shares of affiliates, investments in affiliates and unlisted stocks, and investments in silent
partnerships (amount recorded in the consolidated balance sheet was ¥

³\$ FFRXQWLQJ 6WDQGDUG IRU %XVLQHVV 'LYHVW September 13, 2013 and 6WDWHPHQW
³Guidance on Accounting Standard for Business Combinations and Accounting Standard for
 Business Divestitures (ASBJ Guidance No. 10, September 13, 2013).

(3) Estimated amount of profit or losses pertaining to the divested business, which is reported in
 the consolidated fiscal year under review

Net sales	¥18,777 million
Operating income	¥159 million

Non - consolidatNon

Notes to the Non - consolidated Financial Statements

7. Standards of accounting for provisions

(1) Allowance for doubtful receivables

In order to provide losses due to doubtful receivables, an amount based on the historical write-off rate is recorded for ordinary receivables, and the necessary amount

