News Release

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

For six months ended September 30, 2014 and 2013 and one year ended March 31, 2014

Operating results

		Millions	Thousands of U.S. dollars			
	-	onths ended 5. 30, 2014		nonths ended p. 30, 2013		Six months ended Sep. 30, 2014
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

As Sep. 3 Total assets Y Net assets Number of shares issued and outstanding	lillions of yen / 🛛	Thousar	nd shares	Tł	nousands of U.S. dollars	
	Se	As of p. 30, 2014	Ma	As of rch. 31,2014		As of Sep. 30, 2014
Total assets	¥	1,630,986	¥	1,554,430	\$	14,901,653
Net assets		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

		Millions	of yen		Thous	ands of U.S. dollars	
	-	onths ended 5. 30, 2014		months ended p. 30, 2013	Six months ended Sep. 30, 2014		
Operating activities	¥	(60,807)	¥	(45,605)	\$	(555,568)	
Investing activities Financing activities		(29,707) 78,398		(41,907) 80,983		(271,420) 716,290	
Cash and cash equivalents at end of term		33,664		30,546		307,574	

Millions of yen

Fiscal year forecast

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		Net sales	0	perating income		Net income	-
One year ending March 31, 2015	¥	1,510,000	¥	77,000	¥	48,000	





October 29, 2014 (Consolidated)

(Consolidate

(Consolidated)

- 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 ¥109.45=\$1, the rate prevailing as of September 30, 2014, solely for the convenience of the readers.

Condensed Consolidated Balance Sheets

As of Septemver 30 and March 31, 2014

Millions of yen U.S. dollars As of As of As of Sep. 30, 2014 Mar. 31, 2014 Sep. 30, 2014 Assets : Current assets Cash on hand and in banks ¥ 37,187 ¥ 47,049 \$ 339,762 Cash on hand and in banks ¥ 37,187 ¥ 47,049 \$ 339,762 Cash on hand and in banks ¥ 37,187 ¥ 47,049 \$ 339,762 Cash on hand and in banks ¥ 37,187 ¥ 47,049 \$ 339,762 Cash on hand and in banks ¥ 37,187 ¥ 47,049 \$ 339,762 Outer current assets 061,255 1,005,754 9,696,253 9,696,253 1,042,377 9,896,253 Investments and long-term loans less allowance 98,082 94,237 9,896,253 14,901,653 Liabilities and net assets ¥ 1,630,966 ¥ 1,554,430 \$ 14,901,653 Liabilities : Short-term borrowings and current portion of long-term debt ¥						Τł	nousands of
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			Million	s of yen			U.S. dollars
Assets : ¥ $37,187$ ¥ $47,949$ \$ $339,762$ Cash on hand and in banks ¥ $37,187$ ¥ $47,949$ \$ $339,762$ Receivables, less allowance $426,090$ $426,676$ $3,893,010$ Inventories $509,451$ $458,033$ $4,654,645$ Other current assets $88,527$ $73,096$ $808,836$ Total current assets $1,061,255$ $1,005,754$ $9,696,253$ Investments and long-term loans less allowance $98,082$ $94,257$ $896,137$ Net property, plant and equipment $401,304$ $383,912$ $3,666,550$ Intangible and other assets $70,345$ $70,507$ $642,713$ Total assets ¥ $1,630,986$ ¥ $1,554,430$ \$ $14,901,653$ Liabilities and net assets : Current liabilities S $306,031$ $2,580,054$ Advances from customers $151,777$ $137,598$ $1,386,724$ Other current liabilities $144,536$ $160,625$ $1,320,568$ Total current liabilities $128,481$ $128,4845$			As of		As of		As of
Assets : ¥ $37,187$ ¥ $47,949$ \$ $339,762$ Cash on hand and in banks ¥ $37,187$ ¥ $47,949$ \$ $339,762$ Receivables, less allowance $426,090$ $426,676$ $3,893,010$ Inventories $509,451$ $458,033$ $4,654,645$ Other current assets $88,527$ $73,096$ $808,836$ Total current assets $1,061,255$ $1,005,754$ $9,696,253$ Investments and long-term loans less allowance $98,082$ $94,257$ $896,137$ Net property, plant and equipment $401,304$ $383,912$ $3,666,550$ Intangible and other assets $70,345$ $70,507$ $642,713$ Total assets ¥ $1,630,986$ ¥ $1,554,430$ \$ $14,901,653$ Liabilities and net assets : Current liabilities S $306,031$ $2,580,054$ Advances from customers $151,777$ $137,598$ $1,386,724$ Other current liabilities $144,536$ $160,625$ $1,320,568$ Total current liabilities $128,481$ $128,4845$		S	ер. 30, 2014	М	ar. 31, 2014	3	Sep. 30, 2014
$\begin{array}{c c} Cash on hand and in banks & $$ $$ $$ $$ $$ $$ $$ $$ $$ $$ $$ $$ $$	Assets :						
Receivables, less allowance $426,090$ $426,676$ $3,893,010$ Inventories $509,451$ $458,033$ $4,654,645$ Other current assets $1,061,255$ $1,005,754$ $9,696,253$ Investments and long-term loans less allowance $98,082$ $94,257$ $896,137$ Net property, plant and equipment $401,304$ $383,912$ $3,666,550$ Intargible and other assets $70,507$ $642,713$ Total assets $¥$ $1,630,986$ $¥$ $1,554,430$ Liabilities :Short-term borrowingsand current portion of long-term debt $¥$ $254,082$ $¥$ Advances from customers $151,777$ $37,598$ $1,386,724$ Other current liabilities $832,782$ $795,416$ $7,608,789$ Long-term liabilities : $128,481$ $128,845$ $1,173,879$ Long-term liabilities $128,481$ $128,845$ $1,173,879$ Total current liabilities $415,662$ $382,232$ $3,797,734$ Net assets : $Common stock$ $104,484$ $104,484$ $954,627$ Capital surplus $54,393$ $54,393$ $496,966$ Retained earnings $220,811$ $217,450$ $2,077,460$ Treasury stock (51) (43) (465) Net unrealized gains on securities $5,902$ $6,416$ $53,924$ Remeasurements of defined benefit plans $(17,520)$ $(18,509)$ $(160,073)$ Minority interests $34,2542$ $376,686$ $3,495,130$	Current assets :						
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Cash on hand and in banks	¥	37,187	¥	47,949	\$	339,762
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Receivables, less allowance		426,090		426,676		3,893,010
Total current assets1,061,2551,005,7549,696,253Investments and long-term loans less allowance98,082 $94,257$ $896,137$ Net property, plant and equipment401,304 $383,912$ $3,666,550$ Intangible and other assets70,345 $70,507$ $642,713$ Total assets¥1,630,986¥ $1,554,430$ \$Liabilities and net assets :Short-term borrowings $1,554,430$ \$ $14,901,653$ Current liabilities :Short-term borrowings $282,387$ $306,031$ $2,580,054$ Advances from customers151,777 $137,598$ $1,320,568$ Other current liabilities $144,536$ $160,625$ $1,220,568$ Total current liabilities $832,782$ $795,416$ $7,608,789$ Long-term liabilities $287,181$ $253,483$ $2,623,855$ Others $128,481$ $128,845$ $1,173,879$ Total long-term liabilities $415,662$ $382,328$ $3,797,734$ Net assets : $044,484$ $954,627$ Capital surplus $54,393$ $54,393$ $496,966$ Retained earnings $220,811$ $217,450$ $2,017,460$ Treasury stock(61)(43)(465)Net unrealized gains on securities $3,058$ $2,653$ $27,939$ Gains (losses) on hedging items $5,902$ $6,416$ $53,924$ Remeasurements of defined benefit plans $(17,520)$ $(18,509)$ $(160,073)$ Minority interests $342,513$ $376,686$ $3,495,130$ </td <td>Inventories</td> <td></td> <td>509,451</td> <td></td> <td>458,033</td> <td></td> <td>4,654,645</td>	Inventories		509,451		458,033		4,654,645
Investments and long-term loans less allowance $98,082$ $94,257$ $896,137$ Net property, plant and equipment $401,304$ $383,912$ $3,666,550$ Intangible and other assets $70,345$ $70,507$ $642,713$ Total assets $¥$ $1,630,986$ $¥$ $1,554,430$ $$14,901,653$ Liabilities and net assets : x $1,630,986$ $¥$ $1,554,430$ $$2,321,443$ Current liabilities :short-term borrowingsand current portion of long-term debt $¥$ $254,082$ $¥$ $191,162$ $$2,321,443$ Payables $282,387$ $306,031$ $2,580,054$ $340,054$ $340,054$ $340,0568$ Advances from customers $151,777$ $137,598$ $1,326,568$ $160,625$ $1,320,568$ Total current liabilities : $832,782$ $795,416$ $7,608,789$ Long-term liabilities : $832,782$ $795,416$ $7,738$ Long-term liabilities $415,662$ $382,328$ $3,797,734$ Net assets : $104,484$ $104,484$ $954,627$ Capital surplus $54,393$ $54,393$ $496,966$ Retained earnings $220,811$ $217,450$ $2,017,460$ Treasury stock(51)(43)(465)Net unrealized gains on securities $3,058$ $2,653$ $27,939$ Gains (losses) on hedging items $(2,883)$ $(3,803)$ $(26,340)$ Net assets $5,902$ $6,416$ $53,924$ Remeasurements of defined benefit plans $(17,520)$ $(18,509)$ $(160$	Other current assets		88,527		73,096		808,836
Net property, plant and equipment Intangible and other assets401,304 70,345 $383,912$ 70,507 $3,666,550$ $642,713$ Total assets Y 1,630,986 Y $1,554,430$ $$$ $14,901,653$ Liabilities and net assets : Current liabilities : and current portion of long-term debt Y $254,082$ Y $191,162$ $$$ $2,321,443$ Payables282,387306,031 $2,580,054$ Advances from customers151,777137,598 $1,326,526$ Total current liabilities144,536160,625 $1,320,568$ Total current liabilities832,782795,416 $7,608,789$ Long-term liabilities : Long-term liabilities287,181253,483 $2,623,855$ Others128,481128,485 $1,173,879$ Total long-term liabilities415,662382,328 $3,797,734$ Net assets : Common stock104,484104,484954,627Capital surplus54,39354,393496,966Retained earnings220,811217,4502,017,460Treasury stock(51)(43)(465)Net unrealized gains on securities3,0582,65327,939Gains (losses) on hedging items(2,883)(3,803)(26,340)Foreign currency translation adjustments5,9026,41653,924Remeasurements of defined benefit plans(17,520)(18,509)(160,073)Minority interests14,34813,645131,092Total net assets382,542376,686 <td< td=""><td>Total current assets</td><td></td><td>1,061,255</td><td></td><td>1,005,754</td><td></td><td>9,696,253</td></td<>	Total current assets		1,061,255		1,005,754		9,696,253
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Investments and long-term loans less allowance				94,257		896,137
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Net property, plant and equipment		401,304		383,912		3,666,550
Total assets¥1,630,986¥1,554,430\$14,901,653Liabilities and net assets : Current liabilities : Short-term borrowings and current portion of long-term debt¥254,082¥191,162\$2,321,443Payables282,387306,0312,580,054Advances from customers151,777137,5981,386,724Other current liabilities144,536160,6251,320,568Total current liabilities832,782795,4167,608,789Long-term liabilities : Long-term liabilities : Long-term liabilities :287,181253,4832,623,855Others128,481128,8451,173,879Total long-term liabilities415,662382,3283,797,734Net assets :104,484104,484954,627Capital surplus54,39354,393496,966Retained earnings220,811217,4502,017,460Treasury stock(51)(43)(465)Net unrealized gains on securities3,0582,65327,939Gains (losses) on hedging items(2,883)(3,803)(26,340)Foreign currency translation adjustments5,9026,41653,924Remeasurements of defined benefit plans(17,520)(18,509)(160,073)Minority interests14,34813,645131,092Total net assets382,542376,6863,495,130	Intangible and other assets				70,507		
Liabilities and net assets : Current liabilities : Short-term borrowings and current portion of long-term debt ¥ Payables 282,387 Advances from customers 151,777 Other current liabilities 144,536 Total current liabilities : 832,782 Long-term debt, less current portion 287,181 Dong-term liabilities : 287,181 Long-term debt, less current portion 287,181 Others 128,481 Total long-term liabilities 415,662 Others 104,484 104,484 954,627 Capital surplus 54,393 54,393 Retained earnings 220,811 217,450 Net assets : (51) (43) (465) Net unrealized gains on securities 3,058 2,653 27,939 Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,416 53,924 Remeasurements of defined benefit plans (17,520) (18,509) (160,073) Minority interests <td< td=""><td></td><td>¥</td><td></td><td>¥</td><td></td><td>\$</td><td></td></td<>		¥		¥		\$	
Current liabilities : Short-term borrowings and current portion of long-term debt ¥ 254,082 ¥ 191,162 \$ 2,321,443 Payables 282,387 306,031 2,580,054 Advances from customers 151,777 137,598 1,386,724 Other current liabilities 144,536 160,625 1,320,568 Total current liabilities : 832,782 795,416 7,608,789 Long-term liabilities : 287,181 253,483 2,623,855 Others 128,481 128,845 1,173,879 Total long-term liabilities 415,662 382,328 3,797,734 Net assets : 20 104,484 104,484 954,627 Capital surplus 54,393 54,393 496,966 Retained earnings 220,811 217,450 2,017,460 Treasury stock (51) (43) (465) Net unrealized gains on securities 3,058 2,653 27,939 Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,41	Liabilities and net assets :						
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and current portion of long-term debt $¥$ $254,082$ $¥$ $191,162$ $$$ $2,321,443$ Payables $282,387$ $306,031$ $2,580,054$ Advances from customers $151,777$ $137,598$ $1,386,724$ Other current liabilities $144,536$ $160,625$ $1,320,568$ Total current liabilities $832,782$ $795,416$ $7,608,789$ Long-term liabilities : $832,782$ $795,416$ $7,608,789$ Long-term liabilities : $832,782$ $795,416$ $7,608,789$ Nort along-term liabilities $415,662$ $382,328$ $3,797,734$ Net assets : $415,662$ $382,328$ $3,797,734$ Net assets : $104,484$ $104,484$ $954,627$ Capital surplus $54,393$ $54,393$ $496,966$ Retained earnings $220,811$ $217,450$ $2,017,460$ Treasury stock(51)(43)(465)Net unrealized gains on securities $3,058$ $2,653$ $27,939$ Gains (losses) on hedging items $(2,883)$ $(3,803)$ $(26,340)$ Foreign currency translation adjustments $5,902$ $6,416$ $53,924$ Remeasurements of defined benefit plans $(17,520)$ $(18,509)$ $(160,073)$ Minority interests $14,348$ $13,645$ $131,092$ Total net assets $382,542$ $376,686$ $3,495,130$	Short-term borrowings						
Payables 282,387 306,031 2,580,054 Advances from customers 151,777 137,598 1,386,724 Other current liabilities 144,536 160,625 1,320,568 Total current liabilities 832,782 795,416 7,608,789 Long-term liabilities : 287,181 253,483 2,623,855 Others 128,481 128,845 1,173,879 Total long-term liabilities 415,662 382,328 3,797,734 Net assets : Common stock 104,484 104,484 954,627 Capital surplus 54,393 54,393 496,966 Retained earnings 220,811 217,450 2,017,460 Treasury stock (51) (43) (465) Net unrealized gains on securities 3,058 2,653 27,939 Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,416 53,924 Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130	e	¥	254.082	¥	191.162	\$	2.321.443
Advances from customers $151,777$ $137,598$ $1,386,724$ Other current liabilities $144,536$ $160,625$ $1,320,568$ Total current liabilities $832,782$ $795,416$ $7,608,789$ Long-term liabilities : $287,181$ $253,483$ $2,623,855$ Others $128,481$ $128,845$ $1,173,879$ Total long-term liabilities $415,662$ $382,328$ $3,797,734$ Net assets : $Common stock$ $104,484$ $104,484$ $954,627$ Capital surplus $54,393$ $54,393$ $496,966$ Retained earnings $220,811$ $217,450$ $2,017,460$ Treasury stock(51)(43)(465)Net unrealized gains on securities $3,058$ $2,653$ $27,939$ Gains (losses) on hedging items($2,883$) $(3,803)$ ($26,340$)Foreign currency translation adjustments $5,902$ $6,416$ $53,924$ Remeasurements of defined benefit plans($17,520$)($18,509$)($160,073$)Minority interests $14,348$ $13,645$ $131,092$ Total net assets $382,542$ $376,686$ $3,495,130$			•		,	r	
Other current liabilities $144,536$ $160,625$ $1,320,568$ Total current liabilities $832,782$ $795,416$ $7,608,789$ Long-term liabilities : $287,181$ $253,483$ $2,623,855$ Others $128,481$ $128,845$ $1,173,879$ Total long-term liabilities $415,662$ $382,328$ $3,797,734$ Net assets : $Common stock$ $104,484$ $104,484$ $954,627$ Capital surplus $54,393$ $54,393$ $496,966$ Retained earnings $220,811$ $217,450$ $2,017,460$ Treasury stock (51) (43) (465) Net unrealized gains on securities $3,058$ $2,653$ $27,939$ Gains (losses) on hedging items $(2,883)$ $(3,803)$ $(26,340)$ Foreign currency translation adjustments $5,902$ $6,416$ $53,924$ Remeasurements of defined benefit plans $(17,520)$ $(18,509)$ $(160,073)$ Minority interests $14,348$ $13,645$ $131,092$ Total net assets $382,542$ $376,686$ $3,495,130$	•		,		,		
Total current liabilities 832,782 795,416 7,608,789 Long-term liabilities : 287,181 253,483 2,623,855 Others 128,481 128,845 1,173,879 Total long-term liabilities 415,662 382,328 3,797,734 Net assets : Common stock 104,484 104,484 954,627 Capital surplus 54,393 54,393 496,966 Retained earnings 220,811 217,450 2,017,460 Treasury stock (51) (43) (465) Net unrealized gains on securities 3,058 2,653 27,939 Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,416 53,924 Remeasurements of defined benefit plans (17,520) (18,509) (160,073) Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130	Other current liabilities				,		, ,
Long-term liabilities : 287,181 253,483 2,623,855 Others 128,481 128,845 1,173,879 Total long-term liabilities 415,662 382,328 3,797,734 Net assets : 000000000000000000000000000000000000	Total current liabilities						
Long-term debt, less current portion287,181253,4832,623,855Others128,481128,8451,173,879Total long-term liabilities415,662382,3283,797,734Net assets : </td <td>Long-term liabilities :</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>,,</td>	Long-term liabilities :						,,
Others 128,481 128,845 1,173,879 Total long-term liabilities 415,662 382,328 3,797,734 Net assets :	•		287.181		253,483		2,623,855
Total long-term liabilities415,662382,3283,797,734Net assets :							
Net assets : 104,484 104,484 954,627 Capital surplus 54,393 54,393 496,966 Retained earnings 220,811 217,450 2,017,460 Treasury stock (51) (43) (465) Net unrealized gains on securities 3,058 2,653 27,939 Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,416 53,924 Remeasurements of defined benefit plans (17,520) (18,509) (160,073) Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130	Total long-term liabilities						
Capital surplus54,39354,393496,966Retained earnings220,811217,4502,017,460Treasury stock(51)(43)(465)Net unrealized gains on securities3,0582,65327,939Gains (losses) on hedging items(2,883)(3,803)(26,340)Foreign currency translation adjustments5,9026,41653,924Remeasurements of defined benefit plans(17,520)(18,509)(160,073)Minority interests14,34813,645131,092Total net assets382,542376,6863,495,130			, , , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , , , , , , , , , ,		, , ,
Capital surplus54,39354,393496,966Retained earnings220,811217,4502,017,460Treasury stock(51)(43)(465)Net unrealized gains on securities3,0582,65327,939Gains (losses) on hedging items(2,883)(3,803)(26,340)Foreign currency translation adjustments5,9026,41653,924Remeasurements of defined benefit plans(17,520)(18,509)(160,073)Minority interests14,34813,645131,092Total net assets382,542376,6863,495,130	Common stock		104.484		104.484		954.627
Retained earnings220,811217,4502,017,460Treasury stock(51)(43)(465)Net unrealized gains on securities3,0582,65327,939Gains (losses) on hedging items(2,883)(3,803)(26,340)Foreign currency translation adjustments5,9026,41653,924Remeasurements of defined benefit plans(17,520)(18,509)(160,073)Minority interests14,34813,645131,092Total net assets382,542376,6863,495,130	Capital surplus		54,393		54,393		496,966
Treasury stock(51)(43)(465)Net unrealized gains on securities3,0582,65327,939Gains (losses) on hedging items(2,883)(3,803)(26,340)Foreign currency translation adjustments5,9026,41653,924Remeasurements of defined benefit plans(17,520)(18,509)(160,073)Minority interests14,34813,645131,092Total net assets382,542376,6863,495,130			220,811		217,450		2,017,460
Net unrealized gains on securities 3,058 2,653 27,939 Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,416 53,924 Remeasurements of defined benefit plans (17,520) (18,509) (160,073) Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130			(51)				(465)
Gains (losses) on hedging items (2,883) (3,803) (26,340) Foreign currency translation adjustments 5,902 6,416 53,924 Remeasurements of defined benefit plans (17,520) (18,509) (160,073) Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130			3,058		2,653		27,939
Remeasurements of defined benefit plans (17,520) (18,509) (160,073) Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130			(2,883)		(3,803)		(26,340)
Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130	Foreign currency translation adjustments		5,902		6,416		53,924
Minority interests 14,348 13,645 131,092 Total net assets 382,542 376,686 3,495,130	Remeasurements of defined benefit plans		(17,520)		(18,509)		(160,073)
Total net assets 382,542 376,686 3,495,130	-				13,645		
	•				376,686		
$101a1 ha01h11es and het assets \overline{7} 1,030,300 1 1,534,430 \overline{9} 14,901,033$	Total liabilities and net assets	¥	1,630,986	¥	1,554,430	\$	14,901,653

Condensed Consolidated Statements of Income

For six months ended September 30, 2014 and 2013

1 or six months child September 50, 2014 and		Millions	of ven				ousands of U.S. dollars
	Six m	onths ended	2	onths ended	%		nonths ended
	-	p. 30, 2014		30, 2013	Change	-	p. 30, 2014
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 net income of							
consolidated subsidiaries		(1,267)		(1,009)			(11,577)
Net income	¥	18,185	¥	13,001	+40%	\$	166,148

(Consolidated)

Condensed Consolidated Statements of Cash Flows

For six months ended September. 30, 2014 and 2013

		Mill	ions of ye	'n		housands of U.S. dollars	
		nths ended 30, 2014	Six m	onths ended . 30, 2013	Six months ended Sep. 30, 2014		
Cash flows from operating activities:							
Income before income taxes and minority interests	¥	25,963	¥	22,788	\$	237,213	
Adjustments to reconcile net income before income taxes and minority							
interests to net cash provided by operating activities:							
Depreciation and amortization		21,530		17,931		196,710	
Decrease in assets		(53,978)		(27,895)		(493,174)	
Decrease in liabilities		(27,827)		(36,748)		(254,243)	
Other		(26,495)		(21,681)		(242,074)	
Net cash provided by operating activities	¥	(60,807)	¥	(45,605)	\$	(555,568)	
Cash flows from investing activities:							
Acquisition of tangible and intangible assets		(28,757)		(41,576)		(262,740)	
Acquisition of investments in securities		(49)		(36)		(447)	
Other		(901)		(295)		(8,233)	
Net cash used for investing activities	¥	(29,707)	¥	(41,907)	\$	(271,420)	
Cash flows from financing activities:							
Decrease in short-term borrowings		105,340		86,616		962,448	
Proceeds from long-term debt		57,019		27,000		520,959	
Repayment of long-term debt		(73,379)		(23,652)		(670,433)	
Other		(10,582)		(8,981)		(96,684)	
Net cash provided by financing activities	¥	78,398	¥	80,983	\$	716,290	
Effect of exchange rate changes		227		(700)		2,074	
Net decrease in cash and cash equivalents		(11,889)		(7,229)		(108,624)	
Cash and cash equivalents at beginning of term		45,431		36,971		415,084	
Increase in cash and cash equivalents							
due to changes in fiscal period of consolidated subsidiaries		122		804		1,114	
Cash and cash equivalents at end of term	¥	33,664	¥	30,546	\$	307,574	

Segment information Information by reportable segment

			Millions of yen Six months ended								
	Sep. 30, 2013										
	External	Intersegment	Total	Operating	Operating						
	sales	sales	sales	expenses	income (loss)						
Ship & Offshore Structure	¥ 39,550	¥ 921	¥ 40,471	¥ 38,928	¥ 1,543						
Rolling Stock	59,990	1,455	61,445	57,693	3,752						
Aerospace	122,354	1,035	123,389	113,110	10,279						
Gas Turbine & Machinery	77,368	8,458	85,826	82,317	3,509						
Plant & Infrastructure	39,241	8,084	47,325	45,620	1,705						
Motorcycle & Engine	139,705	313	140,018	137,426	2,592						
Precision Machinery	55,636	5,616	61,252	57,008	4,244						
Other	61,233	16,472	77,705	76,320	1,385						
Total	595,077	42,354	637,431	608,422	29,009						
Eliminations and corporate	-	(42,354)	(42,354)	(40,185)	(2,169)						
Consolidated total	¥ 595,077	¥ -	¥ 595,077	¥ 568,237	¥ 26,840						

			Millions of yen Six months endec Sep. 30, 2014	1		
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	
Ship & Offshore Structure	¥ 34,876	¥ 909	¥ 35,785	¥ 36,493	¥ (708)	
Rolling Stock	56,915	923	57,838	56,637	1,201	
Aerospace	144,842	1,181	146,023	132,430	13,593	
Gas Turbine & Machinery	83,896	4,917	88,813	87,318	1,495	
Plant & Infrastructure	47,245	7,534	54,779	53,774	1,005	
Motorcycle & Engine	137,728	349	138,077	137,025	1,052	
Precision Machinery	63,774	6,878	70,652	65,523	5,129	
Other	64,146	15,731	79,877	78,656	1,221	
Total	633,422	38,422	671,844	647,856	23,988	
Eliminations and corporate	-	(38,422)	(38,422)	(37,623)	(799)	
Consolidated total	¥ 633,422	¥ -	¥ 633,422	¥ 610,233	¥ 23,189	

	Thousands of U.S. dollars											
	Six months ended											
	Sep. 30, 2014											
		External	Inte	ersegment		Total		Operating	(Operating		
		sales		sales		sales		expenses	inc	come (loss)		
Ship & Offshore Structure	\$	318,647	\$	8,305	\$	326,952	\$	333,421	\$	(6,469)		
Rolling Stock		520,009		8,433		528,442		517,469		10,973		
Aerospace		1,323,362		10,790		1,334,152		1,209,958		124,194		
Gas Turbine & Machinery		766,523		44,924		811,447		797,788		13,659		
Plant & Infrastructure		431,658		68,835		500,493		491,311		9,182		
Motorcycle & Engine		1,258,364		3,188		1,261,552		1,251,941		9,611		
Precision Machinery		582,677		62,841		645,518		598,656		46,862		
Other		586,078		143,730		729,808		718,651		11,157		
Total		5,787,318		351,046		6,138,364		5,919,195		219,169		
Eliminations and corporate		-		(351,046)		(351,046)		(343,746)		(7,300)		
Consolidated total	\$	5,787,318	\$	-	\$	5,787,318	\$	5,575,449	\$	211,868		

(Consolidated)

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	s of ye	en			Th	ousands of U.S. dollars
		Six months ended			Six months	ended	%	Six months ended	
		Sep. 30, 2	2014		Sep. 30, 2	013	Change	S	ep. 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

			Million	s of y	ren			7	Thousands of U.S. dollars
		As o	of		As o	f	%		As of
		Sep. 30, 2	2014		Mar. 31,	2014	Change		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						Thousands of U.S. dollars	
	Six months ended Sep. 30, 2014			Six months ended Sep. 30, 2013			% Change	Six months ended Sep. 30, 2014	
Japan	¥	258,659	(41%)	¥	263.067	(44%)	<u>-1%</u>	\$	2,363,261
United States	+	250,059 153,779	(41%) (24%)	т	131,578	(22%)	+16%	Ψ	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