

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES FLASH CONSOLIDATED FINANCIAL RESULTS January 31, 2018

For nine months ended December 31, 2017 and 2016 and one year ended March 31, 2017

(Consolidated)

Operating results

		Millions	Thousands of U.S. dollars				
	Nine n	nonths ended	Nine	months ended	N	ine months ended	
	De	c. 31, 2017	De	ec. 31, 2016	Dec. 31, 2017		
Net sales	¥	1,092,369	¥	1,043,052	\$	9,662,706	
Operating income		44,644		22,875		394,904	
Profit (loss) attributable to owners of parent		14,520		17,974		128,438	
Earnings per share (Yen)		86.9		107.6			

Financial position

		Millions of yen /	Thousands of U.S. dollars			
		As of		As of		As of
	De	c. 31, 2017		Mar. 31, 2017		Dec. 31, 2017
Total assets	¥	1,903,409	¥	1,687,363	\$	16,836,877
Net assets		466,524		451,327		4,126,704
Number of shares issued and outstanding		167,048		167,054		
Equity Ratio		23.6%		25.9%		

Cash flows

		Millions	Thousands of U.S. dollars					
	Nine m	onths ended	Nine	months ended	Nine months ended			
	Dec	:. 31, 2017	De	c. 31, 2016		Dec. 31, 2017		
Operating activities	¥	(206,775)	¥	(147,276)	\$	(1,829,057)		
Investing activities		(66,461)		(46,851)		(587,890)		
Financing activities		269,564		206,284		2,384,467		
Cash and cash equivalents at end of term		44,148		48,719		390,517		

Fiscal year forecast

scal year forecast		Millions of yen									
		Net sales	0	perating income	Profit attributable to owners of parent						
One year ending March 31, 2018	¥	1,590,000	¥	62,000	¥	33,500					

(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 \(\frac{\pma}{113.05} = \frac{\pma}{1}\), the rate prevailing as of December 29, 2017, solely for the convenience of the readers.
 - 3. As the Company carried out a share consolidation with a 10:1 ratio of common shares with an effective date of October 1, 2017, earnings per share for nine months ended Dec. 31, 2016 and the number of shares issued and outstanding as of Mar. 31, 2017 have been calculated assuming that this share consolidation was carried out at the beginning of the fiscal year ended March 31, 2017.

Condensed Consolidated Balance Sheets

As of December 31 and March 31, 2017

					Th	nousands of
		Millior	ns of ye	n		U.S. dollars
		As of		As of		As of
	De	ec. 31, 2017	М	ar. 31, 2017	De	ec. 31, 2017
Assets:		_				
Current assets:						
Cash on hand and in banks	¥	50,406	¥	55,388	\$	445,873
Receivables, less allowance		570,607		460,976		5,047,386
Inventories		558,763		484,862		4,942,618
Other current assets		90,619		76,609		801,584
Total current assets		1,270,395		1,077,835		11,237,461
Investments and long-term loans less allowance		103,086		95,277		911,862
Net property, plant and equipment		478,951		461,882		4,236,630
Intangible and other assets		50,977		52,369		450,924
Total assets	¥	1,903,409	¥	1,687,363	\$	16,836,877
Liabilities and net assets:						
Current liabilities :						
Short-term borrowings						
and current portion of long-term debt	¥	351,589	¥	121,648	\$	3,110,030
Payables		363,387		363,116		3,214,391
Advances from customers		164,165		205,872		1,452,145
Other current liabilities		112,591		152,806		995,943
Total current liabilities		991,732		843,442		8,772,509
Long-term liabilities:		•				
Long-term debt, less current portion		326,650		279,043		2,889,429
Others		118,503		113,551		1,048,235
Total long-term liabilities		445,153		392,594		3,937,664
Net assets:		•				
Common stock		104,484		104,484		924,228
Capital surplus		54,573		54,393		482,733
Retained earnings		293,617		287,449		2,597,230
Treasury stock		(120)		(96)		(1,061)
Net unrealized gains on securities		4,280		3,232		37,859
Gains (losses) on hedging items		(1,044)		(1,182)		(9,234)
Foreign currency translation adjustments		2,785		(341)		24,635
Remeasurements of defined benefit plans		(7,474)		(10,692)		(66,112)
Non-controlling interests		15,423		14,080		136,426
Total net assets		466,524		451,327		4,126,704
Total liabilities and net assets	¥	1,903,409	¥	1,687,363	\$	16,836,877

Condensed Consolidated Statements of Income

For nine months ended December 31, 2017 and 2016

	Million	s of yen		Thousands of U.S. dollars
	Nine months ended	Nine months ended	 %	Nine months ended
	Dec. 31, 2017	Dec. 31, 2016	Change	Dec. 31, 2017
Net sales	¥ 1,092,369	¥ 1,043,052	+5%	\$ 9,662,706
Cost of sales	904,290	877,767		7,999,027
Gross profit	188,079	165,285		1,663,679
Selling, general and administrative expenses	143,435	142,410		1,268,775
Operating income	44,644	22,875	+95%	394,904
Other income (expenses):				
Interest and dividend income	782	863		6,917
Equity in income of unconsolidated				
subsidiaries and affiliates	3,097	4,821		27,394
Interest expense	(2,014)	(2,187)		(17,815)
Other, net	(19,343)	(1,162)		(171,100)
Income (loss) before income taxes and				
non-controlling interests	27,166	25,210		240,300
Income taxes	(10,851)	(6,078)		(95,985)
Profit (loss) attributable to non-controlling interests	(1,795)	(1,158)		(15,877)
Profit (loss) attributable to owners of parent	¥ 14,520	¥ 17,974	-19%	\$ 128,438

Segment information Information by reportable segment

		Millions of yen Nine months ended Dec. 31, 2016											
		External sales	Intersegment sales		Total sales		Operating expenses		Operating income (loss)				
Ship & Offshore Structure	¥	74,978	¥	1,916	¥	76,894	¥	90,713	¥	(13,819)			
Rolling Stock		94,964		17		94,981		93,325		1,656			
Aerospace		238,100		1,295		239,395		216,693		22,702			
Gas Turbine & Machinery		165,251		9,381		174,632		168,674		5,958			
Plant & Infrastructure		114,273		5,072		119,345		117,010		2,335			
Motorcycle & Engine		198,702		481		199,183		201,222		(2,039)			
Precision Machinery		103,566		10,487		114,053		107,188		6,865			
Other		53,218		27,497		80,715		78,341		2,374			
Total		1,043,052		56,146		1,099,198		1,073,166		26,032			
Eliminations and corporate		-		(56,146)		(56,146)		(52,989)		(3,157)			
Consolidated total	¥	1,043,052	¥	•	¥	1,043,052	¥	1,020,177	¥	22,875			

					M	illions of yen				
					Nine	months ended	k			
					D	ec. 31, 2017				
		External	Inte	rsegment	Total		Operating		Operating	
	sales		sales		sales		expenses		income (loss)	
Ship & Offshore Structure	¥	69,977	¥	2,173	¥	72,150	¥	76,526	¥	(4,376)
Rolling Stock		99,829		99		99,928		97,545		2,383
Aerospace		246,689		1,081		247,770		230,431		17,339
Gas Turbine & Machinery		185,753		7,887		193,640		181,695		11,945
Plant & Infrastructure		80,058		7,466		87,524		87,623		(99)
Motorcycle & Engine		214,960		463		215,423		212,214		3,209
Precision Machinery		136,349		10,803		147,152		132,359		14,793
Other		58,754		29,063		87,817		85,448		2,369
Total		1,092,369		59,035		1,151,404		1,103,841		47,563
Eliminations and corporate		-		(59,035)		(59,035)		(56,116)		(2,919)
Consolidated total	¥	1,092,369	¥	-	¥	1,092,369	¥	1,047,725	¥	44,644

		Thousands of U.S. dollars											
					Nine	e months endea	1						
	Dec. 31, 2017												
		External	Inte	ersegment		Total	Operating		Operating				
	sales		sales		sales		expenses		income (loss)				
Ship & Offshore Structure	\$	618,991	\$	19,221	\$	638,212	\$	676,921	\$	(38,709)			
Rolling Stock		883,051		875		883,926		862,848		21,078			
Aerospace		2,182,122		9,562		2,191,684		2,038,311		153,373			
Gas Turbine & Machinery		1,643,104		69,766		1,712,870		1,607,209		105,661			
Plant & Infrastructure		708,164		66,042		774,206		775,081		(875)			
Motorcycle & Engine		1,901,459		4,095		1,905,554		1,877,170		28,384			
Precision Machinery		1,206,094		95,560		1,301,654		1,170,801		130,853			
Other		519,721		257,081		776,802		755,842		20,960			
Total		9,662,706		522,202		10,184,908		9,764,183		420,725			
Eliminations and corporate		-		(522,202)		(522,202)		(496,381)		(25,821)			
Consolidated total	\$	9,662,706	\$	-	\$	9,662,706	\$	9,267,802	\$	394,904			

Net sales, orders and order backlog by reportable segment

For nine months ended December 31, 2017 and 2016 and as of December 31 and March 31, 2017

Mile months ended Dec. 31, 2017 Dec. 31, 2016 Change Ch									Th	ousands of	
Net sales : Dec. 31, 2017 Dec. 31, 2016 Change Dec. 31, 2017 Ship & Olfshore Structure ¥ 69,977 (6%) ¥ 74,978 (7%) -7% \$ 618,991 Rolling Stock 99,829 (9%) 94,964 (9%) +5% 883,051 Aerospace 246,689 (23%) 238,100 (23%) 44% 2,182,122 Gas Turbine & Machinery 185,753 (17%) 165,251 (16%) +12% 1,643,104 Plant & Infrastructure 80,058 (7%) 114,273 (11%) +30% 708,164 Motorcycle & Engine 214,960 (20%) 198,702 (19%) +4% 1,901,469 Precision Machinery 136,349 (13%) 103,566 (10%) +22,060 10% 519,721 106 100% 14,043,052 (10%) 59 9,662,706 1076 100% 14,043,052 (10%) 59 9,662,706 1076,709 100% 100% 100% 100% 100% 100% 100% 1										U.S. dollars	
Net sales		N	ine months	ended		Nine months	ended	%	Nine	e months ended	
Ship & Offshore Structure Rolling Stock 99,829 (9%) 94,964 (9%) 4.5% 883,051			Dec. 31, 2	2017		Dec. 31, 2	2016	Change	D	ec. 31, 2017	
Rolling Stock 99,829 (9%) 94,964 (9%) +5% 883,051 Aerospace 246,689 (23%) 238,100 (23%) +4% 2,182,122 Gas Turbine & Machinery 185,753 (17%) 165,251 (16%) +12% 1,643,104 Plant & Infrastructure 80,058 (7%) 114,273 (11%) -30% 708,164 Motorcycle & Engine 214,960 (20%) 198,702 (19%) +8% 1,901,459 Precision Machinery 136,349 (13%) 103,566 (10%) +32% 1,206,094 Other 58,754 (5%) 53,218 (5%) +10% 519,721 Total ¥ 1,092,369 (10%) ¥ 10,43,052 (100%) 5% 59,662,706 Orders Ship & Offshore Structure ¥ (2,447) (0%) ¥ 28,793 (3%) -108% ₹ (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospac											
Aerospace 246,689 (23%) 238,100 (23%) ±4% 2,182,122 Gas Turbine & Machinery 185,753 (17%) 165,251 (16%) ±12% 1,643,104 Plant & Infrastructure 80,058 (7%) 114,273 (11%) -30% 708,164 Motorcycle & Engine 214,960 (20%) 198,702 (19%) ±8% 1,901,459 Precision Machinery 136,349 (13%) 103,566 (10%) ±32% 1,206,094 Other 58,754 (5%) 53,218 (5%) ±10% 519,721 Total ¥ 1,092,369 (100%) ¥ 1,043,052 (100%) 5% 9,662,706 Other \$ (2,447) (0%) ¥ 28,793 (3%) -108% \$ (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (1	•	¥	•	. ,	¥		. ,		\$		
Gas Turbine & Machinery Plant & Infrastructure 185,753 (17%) 165,251 (16%) +12% 1,643,104 Plant & Infrastructure 80,058 (7%) 114,273 (11%) -30% 708,164 Motorcycle & Engine 214,960 (20%) 198,702 (19%) +8% 1,901,459 Precision Machinery 136,349 (13%) 103,566 (10%) +32% 1,206,094 Other 58,754 (5%) 53,218 (5%) +10% 519,721 Total ¥ 1,092,369 (100%) ¥ 28,793 (3%) -108% \$ 9,662,706 Orders: Ship & Offshore Structure ¥ (2,447) (0%) ¥ 28,793 (3%) -108% \$ 21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Acrospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) +48% 1	Rolling Stock		,	(9%)		,	. ,			883,051	
Plant & Infrastructure Motorcycle & Engine 214,960 (20%) 198,702 (19%) 48% 1,901,459 136,349 (13%) 103,566 (10%) +32% 1,206,094 (15%) 1,004,094 (15%) 1,004,095 (10%) 1,004,0094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%) 1,004,052 (10%) 1,006,094 (10%)	*			, ,		238,100				, , ,	
Motorcycle & Engine 214,960 (20%) 198,702 (19%) +8% 1,901,459 Precision Machinery 136,349 (13%) 103,566 (10%) +32% 1,206,094 Other 58,754 (5%) 53,218 (5%) +10% 519,721 Total ¥ 1,092,369 (100%) ¥ 1,043,052 (100%) 5% \$ 9,662,706 Orders: Ship & Offshore Structure ¥ (2,447) (0%) ¥ 28,793 (3%) -108% (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,469 <	Gas Turbine & Machinery		185,753			,		+12%			
Precision Machinery Other 136,349 (5%) 103,566 (10%) +32% (5%) 1,206,094 (519,721) Total \$8,754 (5%) 53,218 (5%) +10% (5%) 519,721 Total ¥ 1,092,369 (100%) ¥ 1,043,052 (100%) 5% \$ 9,662,706 Orders : Ship & Offshore Structure Y (2,447) (0%) ¥ 28,793 (3%) -108% (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% 58,863,396 <td colsp<="" th=""><th>Plant & Infrastructure</th><th></th><th>80,058</th><th>(7%)</th><th></th><th>114,273</th><th>(11%)</th><th>-30%</th><th></th><th>708,164</th></td>	<th>Plant & Infrastructure</th> <th></th> <th>80,058</th> <th>(7%)</th> <th></th> <th>114,273</th> <th>(11%)</th> <th>-30%</th> <th></th> <th>708,164</th>	Plant & Infrastructure		80,058	(7%)		114,273	(11%)	-30%		708,164
Other Total 58,754 (5%) ¥ 1,092,369 (100%) 53,218 (5%) (100%) +10% (5%) \$ 9,662,706 Orders: Ship & Offshore Structure Rolling Stock ¥ (2,447) (0%) ¥ 28,793 (3%) -108% \$ (21,645) (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 764,582 Motorcycle & Engine Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 214,960 (21%) 198,702 (22%) +8% 1,901,460 128,0380 Other 59,203 (6%) 55,770 (6%) 4 +6% 523,688 50,203 (6%) 55,770 (6%) +6% 523,688 523,688 Total 70,007 (100%) 70,007 (100%) 70,007 (100%) 8 +85,302 (100%) 113% 120% 13% 5,863,396 Order backlog : Nillions of yen Mar. 31, 2017 (100%) 113% 120% 13% 5,863,396 Ship & Offshore Structure Rolling Stock 375,074 (23%) 392,224 (22%) 4-4% 3,317,770 3317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 438,076 Gas Turbine & Machinery Plant & Infrastructure 221,839 (13%) 214,926 (12%) 4-3% 1,962,308 Motorcycle & Engine Precision Machinery Precision Machinery Plant & Infrastructure 221,839 (13%) 37,912 (2%) 4-2% 409,668 Other 1000000000000000000000000000000000000	Motorcycle & Engine		214,960	(20%)		198,702	(19%)	+8%		1,901,459	
Total ¥ 1,092,369 (100%) ¥ 1,043,052 (100%) 5% \$ 9,662,706 Orders: Ship & Offshore Structure Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine Precision Machinery Other 214,960 (21%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,663,396 Millions of yen Mort at July 1 Mar. 31, 2017 7 7 7 7 7 7 8 8,663,396 1 1 1 1 1 1 1 1 1 1 1 1 1 2 </th <th>Precision Machinery</th> <th></th> <th>136,349</th> <th>(13%)</th> <th></th> <th>103,566</th> <th>(10%)</th> <th>+32%</th> <th></th> <th>1,206,094</th>	Precision Machinery		136,349	(13%)		103,566	(10%)	+32%		1,206,094	
Orders: Ship & Offshore Structure ¥ (2,447) (0%) ¥ 28,793 (3%) -108% \$ (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +443% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Millions of yen Millions of yen Thousands of U.S. dollars Na s of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308	Other		58,754	(5%)		53,218	(5%)	+10%		519,721	
Ship & Offshore Structure ¥ (2,447) (0%) ¥ 28,793 (3%) -108% (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% 8,863,396 Millions of yen Milling Stock As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%)	Total	¥ 1,	,092,369	(100%)	¥	1,043,052	(100%)	5%	\$	9,662,706	
Ship & Offshore Structure ¥ (2,447) (0%) ¥ 28,793 (3%) -108% (21,645) Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% 8,863,396 Millions of yen Milling Stock As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%)	0.1										
Rolling Stock 79,796 (8%) 84,729 (10%) -6% 705,846 Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% 8,863,396 As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling St		¥	(2.447)	(0%)	v	29 702	(20/)	_100%	¢	(21.645)	
Aerospace 251,272 (25%) 148,828 (17%) +69% 2,222,663 Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% 8,863,396 Order backlog: As of Dec. 31, 2017 As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offishore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3	1	Ŧ	• •	• •	+	,			Φ	1 / /	
Gas Turbine & Machinery 168,040 (17%) 192,337 (22%) -13% 1,486,422 Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Order backlog: As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076	_		-	. ,			. ,				
Plant & Infrastructure 86,436 (9%) 60,401 (7%) +43% 764,582 Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Order backlog: As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738	•		-	. ,		•	. ,			, ,	
Motorcycle & Engine 214,960 (21%) 198,702 (22%) +8% 1,901,460 Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Order backlog : Ship & Offshore Structure As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog : Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3%						,				, , ,	
Precision Machinery 144,747 (14%) 115,742 (13%) +25% 1,280,380 Other 59,203 (6%) 55,770 (6%) +6% 523,688 Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Order backlog : Ship & Offshore Structure As of Dec. 31, 2017 Mar. 31, 2017 Change Dec. 31, 2017 Order backlog : Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - </td <td></td> <td></td> <th>-</th> <td></td> <td></td> <td></td> <td>. ,</td> <td></td> <td></td> <td></td>			-				. ,				
Other Total 59,203 (6%) ¥ 1,002,007 55,770 (6%) (6%) (6%) +6% (523,688) Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Order backlog : Ship & Offshore Structure Y 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	•			, ,		,	'			, ,	
Total ¥ 1,002,007 (100%) ¥ 885,302 (100%) +13% \$ 8,863,396 Thousands of Millions of yen Thousands of U.S. dollars As of Dec. 31, 2017 As of As of One Dec. 31, 2017 Change Dec. 31, 2017 Order backlog :	•		-			•					
Millions of yen Thousands of U.S. dollars As of Dec. 31, 2017 As of Dec. 31, 2017 Change Thousands of U.S. dollars Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292						,					
Millions of yen U.S. dollars As of Dec. 31, 2017 As of Dec. 31, 2017 Change Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Total	¥ 1,	,002,007	(100%)	¥	885,302	(100%)	+13%	\$	8,863,396	
As of Dec. 31, 2017 As of Mar. 31, 2017 % Change As of Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292									Th	ousands of	
As of Dec. 31, 2017 As of Mar. 31, 2017 % Change As of Dec. 31, 2017 Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292				Millions	of y	en				U.S. dollars	
Order backlog: Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292			As o	f		As c	of	%			
Ship & Offshore Structure ¥ 118,500 (7%) ¥ 191,604 (11%) -38% \$ 1,048,208 Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292			Dec. 31, 2	2017		Mar. 31, 2	2017	Change	D	ec. 31, 2017	
Rolling Stock 375,074 (23%) 392,224 (22%) -4% 3,317,770 Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) - -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Order backlog:			·							
Aerospace 493,811 (30%) 508,759 (29%) -3% 4,368,076 Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Ship & Offshore Structure	¥	118,500	(7%)	¥	191,604	(11%)	-38%	\$	1,048,208	
Gas Turbine & Machinery 378,914 (23%) 394,977 (23%) -4% 3,351,738 Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Rolling Stock		375,074	(23%)		392,224	(22%)	-4%		3,317,770	
Plant & Infrastructure 221,839 (13%) 214,926 (12%) +3% 1,962,308 Motorcycle & Engine - (-%) - (-%) - -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Aerospace		493,811	(30%)		508,759	(29%)	-3%		4,368,076	
Motorcycle & Engine - (-%) - (-%) -% - Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Gas Turbine & Machinery		378,914	(23%)		394,977	(23%)	-4%		3,351,738	
Precision Machinery 46,313 (3%) 37,912 (2%) +22% 409,668 Other 21,060 (1%) 21,404 (1%) -2% 186,292	Plant & Infrastructure		221,839	(13%)		214,926	(12%)	+3%		1,962,308	
Other 21,060 (1%) 21,404 (1%) -2% 186,292	Motorcycle & Engine		-	(- %)		-	(- %)	-%		-	
Other 21,060 (1%) 21,404 (1%) -2% 186,292			46,313	(3%)		37,912	(2%)	+22%		409,668	
Total ¥ 1,655,511 (100%) ¥ 1,761,806 (100%) -6% \$ 14,644,060					_			-2%		186,292	
	Total	¥ 1,	,655,511	(100%)	¥	1,761,806	(100%)	-6%	\$	14,644,060	

Net Sales by geographic area

For nine months ended December 31, 2017 and 2016

		Millions	s of y	/en			Th	ousands of U.S. dollars
		Nine months ended Dec. 31, 2017		Nine months Dec. 31, 2	% Change	Nine months ended Dec. 31, 2017		
Japan	¥ 459,298	(42%)	¥	437,252	(42%)	+5%	\$	4,062,786
United States	273,061	(25%)		255,144	(24%)	+7%		2,415,400
Europe	115,370	(10%)		127,796	(12%)	-9%		1,020,522
Asia	161,347	(15%)		151,377	(15%)	+6%		1,427,218
Other	83,293	(8%)		71,483	(7%)	+16%		736,780
Total	¥ 1,092,369	(100%)	¥	1,043,052	(100%)	+4%	\$	9,662,706