News Release

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

For the year ended March 31, 2018 and 2017

Operating results

		Million	s of yen		Thou	isands of U.S. dollars
	Ye	ear ended	`	lear ended		Year ended
	Ма	r. 31, 2018	Μ	ar. 31, 2017		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 /	Thous	and shares	Thou	sands of U.S. dollars
		As of		As of		As of
	Ma	r. 31, 2018		Mar. 31, 2017		Mar. 31, 2018
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

		Million	s of yen		Thous	ands of U.S. dollars
	Yea	ar ended		Year ended		Year ended
	Mar	31, 2018	Ν	lar. 31, 2017		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

		Net sales	C	Operating income		owners of parent	
One year ending March 31, 2019	¥	1,650,000	¥	75,000	¥	47,000	

Millions of yen

Profit attributable to



April 26, 2018

(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 $\pm 106.27=$ \$1, the rate prevailing as of March 31, 2018, solely for the convenience of the readers.
 - 3. As Kawasaki Heavy Industries 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 twelve months ended March 31, 2017 and the number of shares issued and outstanding as of March 31, 2017 have been calculated assuming that this share consolidation was carried out at the beginning of the fiscal year ended March 31, 2017.
 - Kawasaki Heavy Industries will realign its reportable segments from the first quarter of the fiscal year ended March 31, 2019 as follows: Aerospace Systems, Energy System & Plant Engineering, Precision Machinery & Robot, Ship & Offshore Structure, Rolling Stock, Motorcycle & Engine, and Other.

Condensed Consolidated Balance Sheets As of March 31, 2018 and 2017

As of Mar. 31, 2018 As of Mar. 31, 2017 Mar. 31, 2017 Assets : Current assets : Cash on hand and in banks ¥ 70,632 ¥ 55,388 \$ 664,646 Receivables, less allowance 484,209 480,976 4,556,403 Inventories 504,739 484,862 4,749,590 Other current assets 1148,322 1,077,385 10,805,003 Total current assets 1,148,322 1,077,385 10,805,003 Investments and long-term loans less allowance 102,728 95,277 10,805,003 Net property, plant and equipment 479,798 461,882 4,514,897 Intangible and other assets 54,160 52,269 509,833 Total assets \$ 1,276,345 \$ Short-term borrowings and current portion of long-term debt \$ 129,261 \$ 1,216,345 Current liabilities : 104,306 205,872 1,828,418 1,216,345 Current liabilities : 163,570 152,206 1,539, 194 Total curent liabilities : 104,484			Million	ns of yer	h	Th	ousands of U.S. dollars
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$							
Assets : Y 70,632 ¥ 55,388 \$ 664,646 Receivables, less allowance 484,209 460,976 4,556,403 Inventories 504,739 484,862 4,749,550 Other current assets 88,742 76,609 $835,063$ Total current assets 1,148,322 1,077,835 10,805,702 Investments and long-term loans less allowance 102,728 95,277 966,669 Net property, plant and equipment 479,798 461,882 4,514,807 Intangible and other assets 54,180 52,369 509,833 Total assets ¥ 1,785,028 ¥ 1,687,363 \$ 16,797,101 Liabilities and net assets : Current liabilities \$ 322,506 363,116 3,599,378 Advances from customers 194,306 205,872 1,282,418 0ther current liabilities 869,643 843,442 8,183,335 1,097,365 Long-term liabilities 166,617 113,551 1,097,365 1,097,365 Total current liabilities 433,999 392,594 4,063,927 Net assets :		Ma		Ma		Ma	
Current assets : ¥ 70,632 ¥ 55,383 \$ 664,646 Receivables, less allowance 484,209 460,976 4,556,403 Inventories 504,739 484,862 4,749,590 Other current assets 88,742 76,609 835,063 Total current assets 1148,322 1,077,835 10,805,702 Investments and long-term loans less allowance 102,728 95,277 966,669 Net property, plant and equipment 479,798 461,882 4,514,887 Intangible and other assets 54,180 52,369 509,833 Total assets ¥ 1,785,028 ¥ 1,687,363 \$ 16,797,101 Liabilities Short-term borrowings and current loabilities \$ 382,506 363,116 3,599,378 Advances from customers 194,306 205,872 1,828,418 0ther current liabilities 163,570 152,806 1,539,194 Total current liabilities : 114,332 2,79,043 2,986,562 0thers Long-term liabilities : 116,617 113,551 1,097,385 10,097,385	Assets :		<u></u>				
$\begin{array}{c c} Cash on hand and in banks \\ Receivables, less allowance \\ Receivables, less allowance \\ Receivables, less allowance \\ Receivables, less allowance \\ Inventories \\ Other current assets \\ Total current assets \\ Total current assets \\ Total current assets \\ Investments and long-term loans less allowance \\ 102,728 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 95,277 \\ 966,669 \\ 50,933 \\ 54,180 \\ 52,369 \\ 50,933 \\ 51,679,101 \\ \hline Liabilities and net assets : \\ Current liabilities : \\ Short-term borrowings \\ and current portion of long-term debt \\ Payables \\ Advances from customers \\ Other current liabilities \\ Current liabilities : \\ Short-term debt, less current portion of long-term debt \\ Total current liabilities \\ Current liabilities \\ Current liabilities : \\ Short-term debt, less current portion \\ Other current liabilities \\ Current liabilities \\ Current liabilities \\ Current liabilities \\ Short-term debt, less current portion \\ Other current liabilities \\ Cong-term liabilities \\ Common stock \\ Common stoch \\ Co$							
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		¥	70.632	¥	55.388	\$	664.646
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		-			,	7	,
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			•		,		
Total current assets1,148,3221,077,83510,805,702Investments and long-term loans less allowance102,728 $95,277$ $966,669$ Net property, plant and equipment479,798 $461,882$ $4,514,897$ Intangible and other assets $54,180$ $52,369$ $509,833$ Total assets $41,785,028$ $41,687,363$ $$16,797,101$ Liabilities and net assets : $$32,506$ $363,116$ $3,599,378$ Advances from customers $194,306$ $205,872$ $1,628,418$ Other current liabilities $163,570$ $152,806$ $1,539,194$ Total current liabilities $163,570$ $152,806$ $1,097,365$ Long-term liabilities $317,382$ $279,043$ $2,986,562$ Others $116,617$ $113,551$ $1,097,365$ Total long-term liabilities $433,999$ $392,594$ $4,083,927$ Net assets : $004,484$ $104,484$ $983,193$ Capital surplus $54,574$ $54,393$ $513,541$ Retained earnings $308,011$ $287,449$ $2,898,382$ Treasury stock (124) (96) $(1,166)$ Net unrealized gains on securities $3,527$ $3,232$ $33,160$ Of currency translation aljustments 719 (341) $6,765$ Remeasurements of defined benefit plans $(5,532)$ $(10,692)$ $(52,056)$ Non-controlling interests $15,324$ $4,080$ $144,498$ Total net assets $481,386$ $451,327$ $4,529,839$							
Investments and long-term loans less allowance102,728 $95,277$ $966,669$ Net property, plant and equipment479,798461,882 $4,514,897$ Intagible and other assets $54,180$ $52,369$ $509,833$ Total assets $¥$ $1,785,028$ $¥$ $1,687,363$ $$16,797,101$ Liabilities and net assets :Current liabilities :Short-term borrowingsand current portion of long-term debtY $129,261$ $¥$ $121,648$ $$1,216,345$ PayablesAdvances from customersOther current liabilitiesCong-term debtY $129,261$ $¥$ $121,648$ $$1,216,345$ PayablesAdvances from customersOther current liabilitiesB69,643843,442 $8,183,335$ Long-term liabilitiesLong-term liabilitiesOthersTotal long-term liabilitiesOthersTotal long-term liabilitiesAd33,999392,594AdvanceOthersTotal long-term liabilitiesCommon stockOthersTotal long-term liabilitiesCommon stockCommon stockOthersCom	Total current assets						,
Net property, plant and equipment $479,798$ $461,882$ $4,514,897$ Intangible and other assets $54,180$ $52,369$ $509,833$ Total assets $¥$ $1,785,028$ $¥$ $1,687,363$ $$$ Liabilities and net assets :Current liabilities :Short-term borrowingsand current portion of long-term debt $¥$ $129,261$ $¥$ $121,648$ $$$ $1,216,345$ PayablesAdvances from customersOther current liabilitiesCong-term liabilitiesLong-term debt, less current portion $317,382$ $279,043$ $2,986,562$ OthersTotal long-term liabilitiesLong-term liabilities $433,999$ $392,594$ $403,027$ Net assets :Common stockCommon stock 2014 (124) (96) $(1,166)$ Net unrealized gains on securities $3,527$ $3,232$ $338,011$ $287,449$ $2,888,382$ Toreign currency translation adjustments 719 (341) $6,765$ Remeasurements of defined benefit plans $(5,532)$ $(10,692)$ $(52,056)$ Non-controlling interests $15,324$ $14,080$ $144,198$ $481,386$ $481,386$, ,
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			•				,
Total assets $¥$ 1,785,028 $¥$ 1,687,363 $$$ 16,797,101Liabilities and net assets : Current liabilities : Short-term borrowings and current portion of long-term debt $¥$ 129,261 $¥$ 121,648 $$$ 1,216,345Payables382,506363,1163,599,378Advances from customers194,306205,8721,828,418Other current liabilities163,570152,8061,539,194Total current portion317,382279,0432,986,562Others116,617113,5511,097,365Total long-term liabilities392,5944,083,927Net assets :004,484104,484983,193Common stock104,484104,484983,193Capital surplus54,57454,393513,541Retained earnings308,011287,4492,898,382Treasury stock(124)(96)(1,166)Net unrealized gains on securities3,5273,23233,190Gains (losses) on hedging items403(1,182)3,792Foreign currency translation adjustments719(341)6,765Remeasurements of defined benefit plans(5,532)(10,692)(52,056)Non-controlling interests15,32414,080144,198Total net assets481,386451,3274,529,839							
Liabilities and net assets :Current liabilities :Short-term borrowingsand current portion of long-term debt¥PayablesAdvances from customers194,306205,8721,828,418Other current liabilities163,570152,8061,539,194Total current liabilities104,484205,872116,617113,5511,097,365Total long-term liabilities206,433843,4428,183,335Long-term debt, less current portion317,382279,0432,986,562Others116,617113,5511,097,365Total long-term liabilities433,999392,5944,083,927Net assets :Common stock104,484104,484983,193Capital surplus54,57454,37454,393513,541Retained earnings308,011287,4492,898,382Treasury stock(124)(96)(1,166)Net unrealized gains on securities3,5273,23233,190Gains (losses) on hedging items403(1,182)3,792Foreign currency translation adjustments719(341)6,765Remeasurements of defined benefit plans(5,532)	5	¥		¥		\$	
$\begin{array}{c c} \mbox{Current liabilities :} \\ \mbox{Short-term borrowings} \\ \mbox{and current portion of long-term debt} & \mbox{I} & \mbox{$129,261$} & \mbox{I} & \mbox{$121,648$} & \mbox{$1,216,345$} \\ \mbox{Payables} & \mbox{$382,506$} & \mbox{$363,116$} & \mbox{$3,599,378$} \\ \mbox{Advances from customers} & \mbox{$194,306$} & \mbox{$205,872$} & \mbox{$1,828,418$} \\ \mbox{Other current liabilities} & \mbox{$163,570$} & \mbox{$152,806$} & \mbox{$1,539,194$} \\ \mbox{Total current liabilities} & \mbox{$869,643$} & \mbox{$843,442$} & \mbox{$8,183,335$} \\ \mbox{Long-term liabilities} & \mbox{$317,382$} & \mbox{$279,043$} & \mbox{$2,986,562$} \\ \mbox{Others} & \mbox{$116,617$} & \mbox{$113,551$} & \mbox{$1,097,365$} \\ \mbox{Total long-term liabilities} & \mbox{$433,999$} & \mbox{$392,594$} & \mbox{$4,083,927$} \\ \mbox{Net assets} & \mbox{$104,484$} & \mbox{$104,484$} & \mbox{$983,193$} \\ \mbox{Capital surplus} & \mbox{$54,574$} & \mbox{$54,393$} & \mbox{$51,3541$} \\ \mbox{Retained earnings} & \mbox{$308,011$} & \mbox{$287,449$} & \mbox{$2,898,382$} \\ \mbox{Treasury stock} & (\mbox{124}) & (\mbox{96} & (\mbox{$1,166$}) \\ \mbox{Net unrealized gains on securities} & \mbox{$3,527$} & \mbox{$3,232$} & \mbox{$33,190$} \\ \mbox{Gains (losses) on hedging items} & \mbox{403} & (\mbox{$1,182$}) & \mbox{$3,792$} \\ \mbox{Foreign currency translation adjustments} & \mbox{719} & (\mbox{341}) & \mbox{$6,765$} \\ \mbox{Remeasurements of defined benefit plans} & \mbox{$(5,532)$} & (\mbox{$10,602$}) & (\mbox{$52,056$}) \\ \mbox{Non-controlling interests} & \mbox{$15,324$} & \mbox{$421,327$} & \mbox{$4,529,839$} \\ \end{tabular}$	Liabilities and net assets :		.,,	-	, ,	,	
and current portion of long-term debt¥129,261¥121,648\$1,216,345Payables $382,506$ $363,116$ $3,599,378$ Advances from customers $194,306$ $205,872$ $1,828,418$ Other current liabilities $163,570$ $152,806$ $1,539,194$ Total current liabilities $869,643$ $843,442$ $8,183,335$ Long-term liabilities : $869,643$ $843,442$ $8,183,335$ Long-term liabilities : $116,617$ $113,551$ $1,097,365$ Total long-term liabilities $433,999$ $392,594$ $4,083,927$ Net assets : $004,484$ $104,484$ $983,193$ Common stock $104,484$ $104,484$ $983,193$ Capital surplus $54,574$ $54,393$ $513,541$ Retained earnings $308,011$ $287,449$ $2,898,382$ Treasury stock(124)(966)($1,166$)Net unrealized gains on securities $3,527$ $3,232$ $33,190$ Gains (losses) on hedging items 719 (341) $6,765$ Remeasurements of defined benefit plans($5,532$)($10,692$)($52,056$)Non-controlling interests $15,324$ $14,080$ $144,198$ Total net assets $481,386$ $451,327$ $4,529,839$							
and current portion of long-term debt¥129,261¥121,648\$1,216,345Payables $382,506$ $363,116$ $3,599,378$ Advances from customers $194,306$ $205,872$ $1,828,418$ Other current liabilities $163,570$ $152,806$ $1,539,194$ Total current liabilities $869,643$ $843,442$ $8,183,335$ Long-term liabilities : $869,643$ $843,442$ $8,183,335$ Long-term liabilities : $116,617$ $113,551$ $1,097,365$ Total long-term liabilities $433,999$ $392,594$ $4,083,927$ Net assets : $004,484$ $104,484$ $983,193$ Common stock $104,484$ $104,484$ $983,193$ Capital surplus $54,574$ $54,393$ $513,541$ Retained earnings $308,011$ $287,449$ $2,898,382$ Treasury stock(124)(966)($1,166$)Net unrealized gains on securities $3,527$ $3,232$ $33,190$ Gains (losses) on hedging items 719 (341) $6,765$ Remeasurements of defined benefit plans($5,532$)($10,692$)($52,056$)Non-controlling interests $15,324$ $14,080$ $144,198$ Total net assets $481,386$ $451,327$ $4,529,839$	Short-term borrowings						
Payables 382,506 363,116 3,599,378 Advances from customers 194,306 205,872 1,828,418 Other current liabilities 163,570 152,806 1,539,194 Total current liabilities 869,643 843,442 8,183,335 Long-term liabilities : 116,617 113,551 1,097,365 Long-term liabilities 433,999 392,594 4,083,927 Net assets : Common stock 104,484 104,484 983,193 Capital surplus 54,574 54,393 513,541 Retained earnings 308,011 287,449 2,898,382 Treasury stock (124) (96) (1,166) Net unrealized gains on securities 3,527 3,232 33,190 Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	0	¥	129.261	¥	121.648	\$	1.216.345
Advances from customers $194,306$ $205,872$ $1,828,418$ Other current liabilities $163,570$ $152,806$ $1,539,194$ Total current liabilities $869,643$ $843,442$ $8,183,335$ Long-term liabilities : $104,484$ $813,939$ $2,986,562$ Others $116,617$ $113,551$ $1,097,365$ Total long-term liabilities $433,999$ $392,594$ $4,083,927$ Net assets : $Common stock$ $104,484$ $104,484$ $983,193$ Capital surplus $54,574$ $54,393$ $513,541$ Retained earnings $308,011$ $287,449$ $2,898,382$ Treasury stock (124) (96) $(1,166)$ Net unrealized gains on securities $3,527$ $3,232$ $33,190$ Gains (losses) on hedging items 403 $(1,182)$ $3,792$ Foreign currency translation adjustments 719 (341) $6,765$ Remeasurements of defined benefit plans $(5,532)$ $(10,692)$ $(52,056)$ Non-controlling interests $15,324$ $14,080$ $144,198$ Total net assets $481,386$ $451,327$ $4,529,839$,		,	7	, ,
Other current liabilities $163,570$ $152,806$ $1,539,194$ Total current liabilities $869,643$ $843,442$ $8,183,335$ Long-term liabilities : $109,17,382$ $279,043$ $2,986,562$ Others $116,617$ $113,551$ $1,097,365$ Total long-term liabilities $433,999$ $392,594$ $4,083,927$ Net assets : $Common stock$ $104,484$ $983,193$ Capital surplus $54,574$ $54,393$ $513,541$ Retained earnings $308,011$ $287,449$ $2,898,382$ Treasury stock (124) (96) $(1,166)$ Net unrealized gains on securities $3,527$ $3,232$ $33,190$ Gains (losses) on hedging items 403 $(1,182)$ $3,792$ Foreign currency translation adjustments 719 (341) $6,765$ Remeasurements of defined benefit plans $(5,532)$ $(10,692)$ $(52,056)$ Non-controlling interests $15,324$ $14,080$ $144,198$ Total net assets $481,386$ $451,327$ $4,529,839$							
Total current liabilities 869,643 843,442 8,183,335 Long-term liabilities : 317,382 279,043 2,986,562 Others 116,617 113,551 1,097,365 Total long-term liabilities 433,999 392,594 4,083,927 Net assets : 04,484 104,484 983,193 Capital surplus 54,574 54,393 513,541 Retained earnings 308,011 287,449 2,898,382 Treasury stock (124) (96) (1,166) Net unrealized gains on securities 3,527 3,232 33,190 Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Other current liabilities						
Long-term liabilities : Long-term debt, less current portion $317,382$ $279,043$ $2,986,562$ Others $116,617$ $113,551$ $1,097,365$ Total long-term liabilities $433,999$ $392,594$ $4,083,927$ Net assets : Common stock $104,484$ $104,484$ $983,193$ Capital surplus $54,574$ $54,393$ $513,541$ Retained earnings $308,011$ $287,449$ $2,898,382$ Treasury stock(124)(96)(1,166)Net unrealized gains on securities $3,527$ $3,232$ $33,190$ Gains (losses) on hedging items 403 (1,182) $3,792$ Foreign currency translation adjustments 719 (341) $6,765$ Remeasurements of defined benefit plans(5,532)(10,692)(52,056)Non-controlling interests $15,324$ $14,080$ $144,198$ Total net assets $481,386$ $451,327$ $4,529,839$	Total current liabilities						
Long-term debt, less current portion317,382279,0432,986,562Others116,617113,5511,097,365Total long-term liabilities433,999392,5944,083,927Net assets :433,999392,5944,083,927Common stock104,484104,484983,193Capital surplus54,57454,393513,541Retained earnings308,011287,4492,898,382Treasury stock(124)(96)(1,166)Net unrealized gains on securities3,5273,23233,190Gains (losses) on hedging items403(1,182)3,792Foreign currency translation adjustments719(341)6,765Remeasurements of defined benefit plans(5,532)(10,692)(52,056)Non-controlling interests15,32414,080144,198Total net assets481,386451,3274,529,839	Long-term liabilities :		· · · ·				, ,
Others 116,617 113,551 1,097,365 Total long-term liabilities 433,999 392,594 4,083,927 Net assets :	0		317,382		279,043		2,986,562
Total long-term liabilities433,999392,5944,083,927Net assets :			116,617		113,551		
Net assets : 104,484 104,484 983,193 Capital surplus 54,574 54,393 513,541 Retained earnings 308,011 287,449 2,898,382 Treasury stock (124) (96) (1,166) Net unrealized gains on securities 3,527 3,232 33,190 Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Total long-term liabilities						4,083,927
Capital surplus54,57454,393513,541Retained earnings308,011287,4492,898,382Treasury stock(124)(96)(1,166)Net unrealized gains on securities3,5273,23233,190Gains (losses) on hedging items403(1,182)3,792Foreign currency translation adjustments719(341)6,765Remeasurements of defined benefit plans(5,532)(10,692)(52,056)Non-controlling interests15,32414,080144,198Total net assets481,386451,3274,529,839			· · · ·				
Retained earnings 308,011 287,449 2,898,382 Treasury stock (124) (96) (1,166) Net unrealized gains on securities 3,527 3,232 33,190 Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Common stock		104,484		104,484		983, 193
Treasury stock (124) (96) (1,166) Net unrealized gains on securities 3,527 3,232 33,190 Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Capital surplus		54,574		54,393		513,541
Net unrealized gains on securities 3,527 3,232 33,190 Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Retained earnings		308,011		287,449		2,898,382
Gains (losses) on hedging items 403 (1,182) 3,792 Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	-		(124)		(96)		(1,166)
Foreign currency translation adjustments 719 (341) 6,765 Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Net unrealized gains on securities		3,527		3,232		33,190
Remeasurements of defined benefit plans (5,532) (10,692) (52,056) Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Gains (losses) on hedging items		403		(1,182)		3,792
Non-controlling interests 15,324 14,080 144,198 Total net assets 481,386 451,327 4,529,839	Foreign currency translation adjustments		719		(341)		6,765
Total net assets 481,386 451,327 4,529,839	Remeasurements of defined benefit plans		(5,532)		(10,692)		(52,056)
	Non-controlling interests		15,324		14,080		144,198
Y 1,785,028 ¥ 1,687,363 \$ 16,797,101	Total net assets		481,386		451,327		4,529,839
	Total liabilities and net assets	¥	1,785,028	¥	1,687,363	\$	16,797,101

Condensed Consolidated Statements of Income

For the year ended March 31, 2018 and 2017

	Millior	is of ven		Thousands of U.S. dollars
	Year ended	Year ended		Year ended
	Mar. 31, 2018	Mar. 31, 2017	Change	Mar. 31, 2018
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

Condensed Consolidated Statements of Cash Flows

For the year ended March 31, 2018 and 2017

1 of the year entited march 51, 2010 and 2017		Mill	ions of y	en	Т	housands of U.S. dollars
		ar ended 31, 2018	Ye	ar ended . 31, 2017		ear ended ar. 31, 2018
Cash flows from operating activities:						
Income before income taxes and minority interests	¥	32,999	¥	38,873	\$	310,520
Adjustments to reconcile net income before income taxes and minority interests to net cash provided by operating activities:						
Depreciation and amortization		56,137		51,564		528,248
Increase in assets		(79,192)		(53,596)		(745,196)
Increase in liabilities		20,121		57,777		189,338
Other		25,985		(1,104)		244,520
Net cash provided by operating activities	¥	56,050	¥	93,514	\$	527,430
Cash flows from investing activities:						
Acquisition of tangible and intangible assets		(82,238)		(69,341)		(773,859)
Acquisition of investments in securities		(512)		(1,208)		(4,817)
Other		2,160		5,670		20,325
Net cash used for investing activities	¥	(80,590)	¥	(64,879)	\$	(758,351)
Cash flows from financing activities:						
Increase (Decrease) in short-term borrowings		16,363		(20,843)		153,975
Proceeds from long-term debt		84,363		51,734		793,855
Repayment of long-term debt		(52,694)		(26,946)		(495,850)
Other		(10,262)		(19,795)		(96,565)
Net cash provided by financing activities	¥	37,770	¥	(15,850)	\$	355,415
Effect of exchange rate changes		410		543		3,858
Net increase in cash and cash equivalents		13,640		13,328		128,352
Cash and cash equivalents at beginning of term		50,722		37,832		477,293
Decrease in cash and cash equivalents resulting from						
exclusion of subsidiaries from consolidation		-		(438)		-
Cash and cash equivalents at end of term	¥	64,362	¥	50,722	\$	605,645

Segment information Information by reportable segment For the year ended March 31, 2017

								<u>y</u>		ions of yen ed Mar. 31, 201	17							
	Exte	ernal sales		segment sales	To	otal sales		Operating expenses	Op	perating pere(loss)		tal assets		reciation nortization	affiliates	tment for applied for methods		Capital enditures
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)		(32,859)		5,134		-		5,191
Consolidated total	¥	1,518,830	¥	-	¥	1,518,830	¥	1,472,870	¥	45,960	¥	1,687,363	¥	51,564	¥	69,493	¥	82,744

								ls of U.S. dollar						
							Year ende	ed Mar. 31, 201	7					
	Ext	ternal sales	rsegment sales	T	otal sales	perating expenses	•	perating pme(loss)	Te	otal assets	reciation and rtization	affiliate	stment for es applied for tv methods	apital enditures
Ship & Offshore Structure	\$	919,821	\$ 21,809	\$	941,630	\$ 1,132,575	\$	(190,945)	\$	1,502,468	\$ 11,381	\$	424,625	\$ 33,022
Rolling Stock		1,222,450	677		1,223,127	1,192,058		31,069		1,465,356	23,405		1,149	24,322
Aerospace		2,940,419	14,393		2,954,812	2,731,703		223,109		3,861,328	133,895		-	296,551
Gas Turbine & Machinery		2,156,444	114,287		2,270,731	2,134,421		136,310		3,096,738	42,460		-	79,723
Plant & Infrastructure		1,433,841	70,660		1,504,501	1,481,238		23,263		1,062,014	12,976		150,614	19,671
Motorcycle & Engine		2,789,929	6,087		2,796,016	2,691,302		104,714		2,169,448	117,113		12,032	163,031
Precision Machinery		1,383,940	141,471		1,525,411	1,408,619		116,792		1,403,761	57,674		2,647	64,420
Other		689,965	 356,872		1,046,837	 1,018,850		27,987		770,633	 14,910		28,300	 10,463
Total		13,536,809	 726,256		14,263,065	 13,790,766		472,299		15,331,746	413,814		619,367	691,203
Eliminations and corporate		-	 (726,256)		(726,256)	 (663,582)		(62,674)		(292,861)	 45,758			 46,265
Consolidated total	\$	13,536,809	\$ -	\$	13,536,809	\$ 13,127,184	\$	409,625	\$	15,038,885	\$ 459,572	\$	619,367	\$ 737,468

Segment information Information by reportable segment For the year ended March 31, 2018

								· · · · · · · · · · · · · · · · · · ·		ons of yen d Mar. 31. 201	8							
	Extern	nal sales		rsegment sales	To	otal sales		Operating expenses	Op	perating me(loss)	-	tal assets		eciation nortization	affiliates	atment for applied for methods		apital nditures
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

			 			 	Thousanc	ds of U.S. dollars			 			
						 	Year ende	ed Mar. 31, 2018						
	Ext	ternal sales	ersegment sales	Т	Total sales	Operating expenses		perating ome(loss)	Т	Sotal assets	preciation and ortization	affiliate	stment for es applied for ty methods	Capital penditures
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 by reportable segment *For the year ended March 31, 2018 and 2017*

			Millions	of y		<u> </u>		7	housands of U.S. dollars
		Year en			Year end		%		Year ended
		Mar. 31, 2	2018		Mar. 31, 2	2017	Change		Mar. 31, 2018
Net sales :									
Ship & Offshore Structure	¥	95,610	(6%)	¥	103,204	(7%)	-7%	\$	899,689
Rolling Stock		141,760	(9%)		137,159	(9%)	+3%		1,333,960
Aerospace		330,211	(21%)		329,915	(22%)	0%		3,107,284
Gas Turbine & Machinery		266,471	(17%)		241,953	(16%)	+10%		2,507,491
Plant & Infrastructure		124,465	(8%)		160,877	(11%)	-23%		1,171,214
Motorcycle & Engine		331,659	(21%)		313,030	(20%)	+6%		3,120,909
Precision Machinery		198,996	(13%)		155,278	(10%)	+28%		1,872,551
Other		85,070	(5%)		77,414	(5%)	+10%		800,508
Total	¥	1,574,242	(100%)	¥	1,518,830	(100%)	4%	\$	14,813,606
Orders :				.,		<i>(</i> -)			
Ship & Offshore Structure	¥	4,748	(0%)	¥	36,979	(3%)	-87%	\$	44,678
Rolling Stock		257,137	(16%)		158,597	(12%)	+62%		2,419,658
Aerospace		374,408	(23%)		237,016	(18%)	+58%		3,523,177
Gas Turbine & Machinery		248,105	(16%)		260,354	(19%)	-5%		2,334,666
Plant & Infrastructure		100,110	(6%)		95,012	(7%)	+5%		942,034
Motorcycle & Engine		331,659	(21%)		313,030	(23%)	+6%		3,120,910
Precision Machinery		207,106	(13%)		166,832	(12%)	+24%		1,948,866
Other		84,803	(5%)		80,953	(6%)	+5%		797,995
Total	¥	1,608,076	(100%)	¥	1,348,773	(100%)	+19%	\$	15,131,984