

## Consolidated Balance Sheets

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES  
At March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	2018
<b>Assets</b>			
Current assets:			
Cash on hand and in banks (Note 19)	¥ 70,632	¥ 55,388	\$ 664,646
Receivables:			
Trade	470,110	444,633	4,423,732
Other	16,346	18,936	153,815
Allowance for doubtful receivables	(2,247)	(2,593)	(21,144)
	484,209	460,976	4,556,403
Inventories (Notes 5 and 9)	504,739	484,862	4,749,590
Deferred tax assets (Note 18)	32,546	26,566	306,257
Other current assets	56,196	50,043	528,806
Total current assets	1,148,322	1,077,835	10,805,702
Property, plant and equipment (Note 8):			
Land	62,694	64,743	589,950
Buildings and structures	431,466	420,590	4,060,092
Machinery, equipment and others	763,775	735,854	7,187,118
Construction in progress	25,724	21,133	242,062
	1,283,659	1,242,320	12,079,222
Accumulated depreciation	(803,861)	(780,438)	(7,564,325)
Net property, plant and equipment	479,798	461,882	4,514,897
Investments and intangible and other assets:			
Investments in securities (Notes 6, 7 and 8)	93,114	85,289	876,202
Deferred tax assets (Note 18)	37,086	36,499	348,979
Intangible assets	16,178	15,284	152,234
Allowance for doubtful receivables	(3,685)	(14,727)	(34,675)
Net defined benefit asset (Note 10)	88	86	828
Other (Note 8)	14,127	25,215	132,934
Total investments and intangible and other assets	156,908	147,646	1,476,502
Total assets	¥1,785,028	¥1,687,363	\$16,797,101

The accompanying notes to the consolidated financial statements are an integral part of these statements.

## Liabilities and Net Assets

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2018	2017	2018
Current liabilities:			
Short-term debt and current portion of long-term debt (Note 8)	¥ 129,261	¥ 121,648	\$ 1,216,345
Trade payables (Note 8)	245,398	240,572	2,309,193
Electronically recorded obligations	117,772	101,449	1,108,233
Advances from customers	194,306	205,871	1,828,418
Income taxes payable (Note 18)	6,042	4,295	56,855
Accrued bonuses	19,903	20,288	187,287
Provision for product warranties	13,000	12,175	122,329
Provision for losses on construction contracts (Note 9)	18,258	18,103	171,807
Deferred tax liabilities (Note 18)	244	22	2,296
Other current liabilities	125,459	119,019	1,180,572
Total current liabilities	869,643	843,442	8,183,335
Long-term liabilities:			
Long-term debt, less current portion (Note 8)	317,382	279,043	2,986,562
Liability for retirement benefits (Note 10)	86,836	81,563	817,126
Deferred tax liabilities (Note 18)	8,942	8,476	84,144
Other	20,839	23,512	196,095
Total long-term liabilities	433,999	392,594	4,083,927
Contingent liabilities (Note 11)			
Net assets (Note 12):			
Shareholders' equity:			
Common stock:			
Authorized—336,000,000 shares			
Issued—167,080,532 shares in 2018			
—167,080,532 shares in 2017	104,484	104,484	983,193
Capital surplus	54,574	54,393	513,541
Retained earnings	308,011	287,448	2,898,382
Treasury stock—33,049 shares in 2018			
—25,910 shares in 2017	(124)	(95)	(1,166)
Total shareholders' equity	466,945	446,230	4,393,950
Accumulated other comprehensive income:			
Net unrealized gains on securities, net of tax	3,527	3,232	33,190
Deferred gains (losses) on hedges	403	(1,182)	3,792
Foreign currency translation adjustments	719	(341)	6,765
Accumulated adjustments for retirement benefits	(5,532)	(10,692)	(52,056)
Total accumulated other comprehensive income	(883)	(8,983)	(8,309)
Non-controlling interests	15,324	14,080	144,198
Total net assets	481,386	451,327	4,529,839
Total liabilities and net assets	¥1,785,028	¥1,687,363	\$16,797,101