

Consolidated Statements of Changes in Net Assets

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
For the years ended March 31, 2018, 2017 and 2016

	Number of shares of common stock (Thousands)	Shareholders' equity					Accumulated other comprehensive income						
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2015	167,080	¥104,484	¥54,393	¥253,606	¥ (67)	¥412,416	¥3,704	¥(1,985)	¥ 25,179	¥ (7,318)	¥ 19,580	¥15,961	¥447,957
Net income for the year	–	–	–	46,043	–	46,043	–	–	–	–	–	–	46,043
Treasury stock purchased, net	–	–	–	–	(21)	(21)	–	–	–	–	–	–	(21)
Cash dividends	–	–	–	(20,047)	–	(20,047)	–	–	–	–	–	–	(20,047)
Loss on sales of treasury stock	–	–	1	–	2	3	–	–	–	–	–	–	3
Increase (decrease) due to changes in fiscal period of consolidated subsidiary	–	–	–	25	–	25	–	–	–	–	–	–	25
Other	–	–	–	–	–	–	(999)	2,678	(16,189)	(12,121)	(26,631)	(1,704)	(28,335)
Balance at March 31, 2016	167,080	¥104,484	¥54,394	¥279,627	¥ (86)	¥438,419	¥2,705	¥ 693	¥ 8,990	¥(19,439)	¥ (7,051)	¥14,257	¥445,625
Net income for the year	–	–	–	26,204	–	26,204	–	–	–	–	–	–	26,204
Treasury stock purchased, net	–	–	–	–	(10)	(10)	–	–	–	–	–	–	(10)
Cash dividends	–	–	–	(18,376)	–	(18,376)	–	–	–	–	–	–	(18,376)
Loss on sales of treasury stock	–	–	(1)	–	1	0	–	–	–	–	–	–	0
Change in the scope of consolidation	–	–	–	(7)	–	(7)	–	–	–	–	–	–	(7)
Other	–	–	–	–	–	–	527	(1,875)	(9,331)	8,747	(1,932)	(177)	(2,109)
Balance at March 31, 2017	167,080	¥104,484	¥54,393	¥287,448	¥ (95)	¥446,230	¥3,232	¥(1,182)	¥ (341)	¥(10,692)	¥ (8,983)	¥14,080	¥451,327
Net income for the year	–	–	–	28,915	–	28,915	–	–	–	–	–	–	28,915
Treasury stock purchased, net	–	–	–	–	(29)	(29)	–	–	–	–	–	–	(29)
Cash dividends	–	–	–	(8,352)	–	(8,352)	–	–	–	–	–	–	(8,352)
Loss on sales of treasury stock	–	–	(0)	–	0	0	–	–	–	–	–	–	0
Capital increase of consolidated subsidiaries	–	–	181	–	–	181	–	–	–	–	–	–	181
Other	–	–	–	–	–	–	295	1,585	1,060	5,160	8,100	1,244	9,344
Balance at March 31, 2018	167,080	¥104,484	¥54,574	¥308,011	¥(124)	¥466,945	¥3,527	¥ 403	¥ 719	¥ (5,532)	¥ (883)	¥15,324	¥481,386

	Number of shares of common stock (Thousands)	Shareholders' equity					Accumulated other comprehensive income						
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2017		\$983,193	\$511,837	\$2,704,884	\$ (893)	\$4,199,021	\$30,412	\$(11,122)	\$(3,208)	\$(100,611)	\$(84,529)	\$132,492	\$4,246,984
Net income for the year		–	–	272,089	–	272,089	–	–	–	–	–	–	272,089
Treasury stock purchased, net		–	–	–	(273)	(273)	–	–	–	–	–	–	(273)
Cash dividends		–	–	(78,591)	–	(78,591)	–	–	–	–	–	–	(78,591)
Loss on sales of treasury stock		–	(0)	–	0	0	–	–	–	–	–	–	0
Capital increase of consolidated subsidiaries		–	1,704	–	–	1,704	–	–	–	–	–	–	1,704
Other		–	–	–	–	–	2,778	14,914	9,973	48,555	76,220	11,706	87,926
Balance at March 31, 2018		\$983,193	\$513,541	\$2,898,382	\$(1,166)	\$4,393,950	\$33,190	\$ 3,792	\$ 6,765	\$ (52,056)	\$ (8,309)	\$144,198	\$4,529,839

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