Report of Earnings and Financial Statements for the Three Months Ended June 30, 2018 (Consolidated)
(Prepared pursuant to Japanese GAAP)

July 31, 2018

Listed company's name:	**Kawasaki Heavy Industries, Ltd.**
Listed on:	1st sections of the TSE, and NSE
Stock code:	7012
URL:	https://www.khi.co.jp/
Representative:	Yoshinori Kanehana, President
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Scheduled dates:

Submission of quarterly securities filing:	August 8, 2018
Commencement of dividend payments:	-
Supplementary materials to quarterly earnings:	Available
Quarterly earnings presentation:	Conducted (for institutional investors, analysts and the press)

1. Consolidated Financial Results for the Three Months ended June 30, 2018 (April 1, 2018 – June 30, 2018)

(Amounts in millions of yen rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent changes versus the year-ago period)

	Net sales		Operating income		Recurring profit		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three Months Ended June 30, 2018	343,785	2.5	7,103	44.6	8,550	57.3	2,561	(21.8)
Three Months Ended June 30, 2017	335,329	(1.3)	4,908	(69.2)	5,433	(5.3)	3,278	(31.6)

Note: Comprehensive income: Three months ended June 30, 2018: 1,672 million yen (46.5)%
Three months ended June 30, 2017: 3,130 million yen -%

	Earnings per share	Earnings per share – diluted
	yen	yen
Three Months Ended June 30, 2018	15.33	-
Three Months Ended June 30, 2017	19.62	-

Note: 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 has been calculated assuming this share consolidation was carried out at the beginning of the fiscal year ended March 31, 2017.

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
June 30, 2018	1,847,870	477,549	25.0
March 31, 2018	1,785,028	481,386	26.1

Note: Shareholders' equity: June 30, 2018: 462,698 million yen
March 31, 2018: 466,061 million yen

2. Dividends

Record date or term	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full year
	yen	yen	yen	yen	yen
Year ended March 31, 2018	-	3.00	-	30.00	-
Year ending March 31, 2019	-				
Year ending March 31, 2019 (forecast)		35.00	-	35.00	70.00

Note: Revisions to the most recently announced dividend forecast: None

※ The company conducted a share consolidation with a 10:1 ratio of common shares, with an effective date of October 1, 2017. The expected dividend per share for the fiscal year ended March 31, 2018 factoring in the impact of the share consolidation is shown. The total annual dividend for the fiscal year ended March 31, 2018 is denoted with the "-" mark. Without the impact of the share consolidation factored in, the expected dividend per share for the fiscal year ended March 31, 2018 would be ¥3 per share, and the total annual dividend would be ¥6 per share.

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(Percentage figures represent changes versus the year-ago period)

	Net sales		Operating income		Recurring profit		Net income attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	1,650,000	4.8	75,000	34.1	70,000	61.9	47,000	62.5	281.35

Note: Revisions to the most recently announced earnings forecast: None

Notes

1) Changes affecting the status of material subsidiaries (scope of consolidation): None

2) Accounting procedures specific to preparation of quarterly consolidated financial statements: Yes

*For further details, see “2.Consolidated Financial Statements (3)Notes on financial statements” on page 14 in the Accompanying Materials.

3) Changes in accounting policies, changes in accounting estimates, and correction of errors

(1) Changes in accounting policies in accord with revisions to accounting standards: None

(2) Changes in accounting policies other than (1): None

(3) Changes in accounting estimates: None

(4) Correction of errors: None

4) Number of shares issued and outstanding (common stock)

(1) Number of shares issued as of period-end (including treasury stock)

June 30, 2018:	167,080,532 shares
March 31, 2018:	167,080,532 shares

(2) Number of shares held in treasury as of period-end

June 30, 2018:	33,585 shares
March 31, 2018:	33,049 shares

(3) Average number of shares during respective periods

June 30, 2018:	167,047,117 shares
June 30, 2017:	167,054,407 shares

*As the company carried out a share consolidation with a 10:1 ratio of common shares with an effective date of October 1, 2017, the number of shares issued as of period-end, the number of shares held in treasury as of period-end, and the average number of shares during respective periods have been calculated assuming that this share consolidation was carried out at the beginning of the fiscal year ended March 31, 2017.

The quarterly report of earnings and financial statements is exempted from quarterly review procedures based on the Financial Instruments and Exchange act.

Appropriate Use of Financial Forecasts and Other Important Matters

Forward-Looking Statements

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of their preparation, and do not mean that the Company promises to achieve these figures. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to “1. Qualitative Information and Financial Statements (3) Consolidated earnings outlook ” on page 10 in the Accompanying Materials.

How to Obtain Supplementary Briefing Material on Quarterly Financial Results and Details of the Quarterly Financial Results Briefing

The Company plans to conduct a briefing for institutional investors ,analysts and the press by conference call on Tuesday July 31, 2018, and to post the briefing material on quarterly financial results to be used for the briefing on TDnet and the Company’s website simultaneously with the announcement of financial results.

Accompanying Materials – Contents

1. Qualitative Information about Financial Statements

(1) Consolidated operating results

In the first three months of the fiscal year ending March 31, 2019, the global economy is relatively lacking in vigor overall due to the economic slowdown in emerging countries and resource-rich countries, along with other factors, despite the ongoing modest growth centered on the U.S., where the real economy remains strong, as well as China, where foreign and domestic demand is robust. In addition, uncertainty about future prospects for the real economy persists, including influence to corporate activities due to Brexit, concerns about economic deterioration due to the trade friction between the U.S. and China, and other factors. Going forward, these risks with the potential to drag down the global economy must continue to be watched.

The Japanese economy has been recovering modestly, due to the modest increasing of capital investment, the improvement in corporate earnings, and other factors. Although overall modest growth is expected to continue, it is necessary to continue to closely watch foreign exchange rates since the economic policies of the U.S. and other countries or other factors may trigger a swing to yen appreciation.

Amid such an operating environment, the Group's orders received in the first three months of the fiscal year ending March 31, 2019, increased versus the previous fiscal year, mainly in the Energy System & Plant Engineering and Rolling Stock segment. Net sales increased overall, due to increases in the Precision Machinery & Robot and Motorcycle & Engine segments, despite a decline in the Rolling Stock segment. Operating income increased overall, due to improvement in the Ship & Offshore Structure segment and other factors, despite the deterioration in the Aerospace Systems segment. Recurring profit increased due to the improvement of foreign exchange income and the other factors. Net income attributable to owners of parent decreased as a result of the increase of tax expenses.

As a result, the Group's consolidated orders received increased ¥81.1 billion versus the same period of the previous fiscal year to ¥353.7 billion, consolidated net sales increased ¥8.4 billion year on year to ¥343.7 billion, consolidated operating income increased ¥2.1 billion year on year to ¥7.1 billion, consolidated recurring profit rose by ¥3.1 billion year on year to ¥8.5 billion, and net income attributable to owners of parent decreased ¥0.7 billion year on year to ¥2.5 billion.

First-quarter consolidated operating performance is summarized by segment below.

Segment Information

Segment net sales, operating income, and orders received (billion yen)

	Three months ended June 30						Orders received		
	2017 (A)		2018 (B)		Change (B – A)		Three months ended June 30		
	Net sales	Net sales	Net sales	Operating income	Net Sales	Operating income	2017 (A)	2018 (B)	Change (B – A)
Aerospace Systems	105.9	7.9	104.9	5.3	(0.9)	(2.6)	67.3	79.0	11.7
Energy System & Plant Engineering	53.5	(0.5)	51.0	0.2	(2.5)	0.7	53.2	93.9	40.6
Precision Machinery & Robot	41.8	4.5	47.9	4.5	6.1	0.0	42.8	50.9	8.0
Ship & Offshore Structure	19.7	(2.8)	22.0	1.3	2.3	4.2	13.3	6.9	(6.4)
Rolling Stock	29.1	(0.9)	23.3	(0.9)	(5.7)	0.0	11.1	24.9	13.7
Motorcycle & Engine	67.7	(3.3)	73.7	(3.3)	5.9	0.0	67.7	73.7	5.9
Other	17.4	0.6	20.6	0.3	3.1	(0.3)	16.9	24.2	7.3
Adjustments	-	(0.6)	-	(0.5)	-	0.1	-	-	-
Total	335.3	4.9	343.7	7.1	8.4	2.1	272.5	353.7	81.1

Notes: 1. Net sales include only sales to external customers.

2. The Motorcycle & Engine segment's orders received are equal to its net sales as production is based mainly on estimated demand.

3. The Company has reviewed the method of business segment classification from the first three months of the fiscal year ending March 31, 2019 and has changed its reportable segments from the previous Ship & Offshore Structure, Rolling Stock, Aerospace, Gas Turbine & Machinery, Plant & Infrastructure, Motorcycle & Engine, Precision Machinery, and Other Operations to Aerospace Systems, Energy System & Plant Engineering, Precision Machinery & Robots, Ship & Offshore Structure, Rolling Stock, Motorcycle & Engine, and Other Operations .

Consolidated segment information for the first three months of the fiscal year ended March 31, 2018 has been prepared using the revised segment classification method.

Aerospace Systems

Concerning the business environment surrounding the Aerospace Systems segment, there is a certain level of demand from the Ministry of Defense in Japan amid the tight defense budget, while demand for new and replacement of commercial aircraft airframes and jet engines is increasing in conjunction with the rise in the number of air passengers.

Amid such an operating environment, consolidated orders received increased ¥11.7 billion year on year to ¥79.0 billion due to remains for a high level of demand for component parts for commercial aircraft and the increase of a demand of component parts for commercial aircraft jet engines.

Consolidated net sales was ¥104.9 billion on par with the same period of the previous fiscal year, due to remains for a high level of demand of component parts for commercial aircraft and increasing of a demand for component parts for e commercial aircraft engines.

Consolidated operating income fell ¥2.6 billion year on year to ¥5.3 billion due to factors including an increase in amortization of new program development costs of component parts for commercial aircraft jet engines.

Energy System & Plant Engineering

Regarding the business environment surrounding the Energy System & Plant Engineering segment, in addition to the recovery in resources development and oil and natural gas-related investment overseas due to the rise in crude oil prices, there is still demand for energy infrastructure maintenance in Asia. Besides, demand for distributed power sources is increasing due to stronger interest in investment in the environment and energy conservation, among other factors. In Japan, there is ongoing demand for replacing aging facilities for refuse incineration plants and industrial machinery. Meanwhile, in the energy and environmental field, although there is large potential demand for distributed power sources in Japan, investment plans are slightly delayed in light of the liberalization of electricity.

Amid such an operating environment, consolidated orders received increased ¥40.6 billion year on year to ¥93.9 billion, due to the order received of a LNG tank and industrial gas turbine for the domestic market.

Consolidated net sales fell ¥2.5 billion year on year to ¥51.0 billion, due to the decline in construction work volume on a chemical plant for overseas market, and other factors.

Despite the drop in sales, operating income was ¥0.2 billion, a ¥0.7 billion increase compared to the previous year due to the profitability improvement in the Energy System segment and the other factors.

Precision Machinery & Robot

With respect to the business environment surrounding the Precision Machinery segment, the construction machinery market is brisk, centered on robust demand for vigorous excavators in China, and our construction machinery manufacturers, which are our customers, are competing to increase production. As for robots, in addition to increased demand in the automotive and semiconductor fields, demand is growing due to the expansion of the application coverage of industrial robots caused by the shortage of workers.

Amid such an operating environment, consolidated orders received increased ¥8.0 billion year on year to ¥50.9 billion, due to the increase in hydraulic components for construction machinery and various industrial robots.

Consolidated net sales increased ¥6.1 billion year on year to ¥47.9 billion, due to an increase in sales of hydraulic components for construction machinery and a sustained high demand for various industrial robots.

Although net sales increased, consolidated operating income was ¥4.5 billion, nearly unchanged year on year, as a result of factors including an increase in costs associated with increased production.

Ship & Offshore Structure

With respect to the business environment surrounding the Ship & Offshore Structure segment, while new-build vessel prices are recovering after bottoming out and demand for gas-fueled vessels has been increasing in conjunction with the tightening of environmental regulations, competition remains intense due to factors including the pushing back of demand for LNG carriers due to the delay in LNG development projects and the continuation of policies by the Chinese and South Korean governments to support their domestic shipbuilding industries.

Amid such an operating environment, consolidated orders received were ¥6.9 billion, a ¥6.4 billion year on year decline versus the same period of the previous fiscal year when orders for LPG carriers and Kawasaki JETFOIL were received.

Consolidated net sales increased ¥2.3 billion year on year to ¥22.0 billion, due to an increase of a volume of vessel repair.

Consolidated operating income was ¥1.3 billion, a ¥4.2 billion improvement from the same period of the previous fiscal year due to the sale increase, improvement of shipbuilding cost and other factors..

Rolling Stock

With respect to the business environment surrounding the Rolling Stock segment, there continues to be stable demand in Japan for the replacement of aging railcars. In North America, demand for new and replacement railcars have been increasing in the New York area, which is the core market, and the other areas. Meanwhile, in Asia, demand in emerging markets is increasing in tandem with the Japanese government's efforts to promote infrastructure-related exports.

In this business environment, consolidated orders received increased ¥13.7 billion year on year to ¥24.9 billion due to factors including receipt of orders for rolling stock and modification work for North America.

Consolidated net sales decreased ¥5.7 billion year on year to ¥23.3 billion, due to the decrease of sales for overseas market, North America and other countries.

Although sales decreased, consolidated operating loss was ¥0.9 billion, nearly unchanged year on year, as a result of factors including higher profits from components and construction work.

Motorcycle & Engine

Regarding the business environment surrounding the Motorcycle & Engine segment, the modest growth in motorcycle markets mainly in Europe is continuing, and the decline in demand for motorcycles in emerging countries is signaling a bottoming out. With respect to utility vehicles, the market continues to grow stably mainly in North America, and the general-purpose engine market is also growing steadily.

Amid such an operating environment, consolidated net sales increased ¥5.9 billion year on year to ¥73.7 billion, due to the increase in motorcycles and vehicles for developed countries, despite the decline in motorcycles for emerging markets.

Although sales increased, consolidated operating loss was ¥3.3 billion, nearly unchanged year on year, as a result of factors including a temporary increase in selling, general, and administrative expenses.

Other Operations

Consolidated net sales increased ¥3.1 billion year on year to ¥20.6 billion.

Consolidated net operating income was ¥0.3 billion on per with the same period in the previous fiscal year.

(2) Consolidated financial position

(i) Assets

Total assets at June 30, 2018, were ¥1,847.8 billion, ¥62.8 billion increase from March 31, 2018. Current assets increased ¥68.0 billion year on year to ¥1,183.8 billion, due to increasing of work in process. Fixed assets decreased ¥5.2 billion year on year to ¥663.9 billion, primarily due to depreciation and amortization.

(ii) Liabilities

Liabilities increased ¥66.6 billion year on year to ¥1,370.3 billion due to the increasing of interest bearing liabilities such as Short-term debt and other factors.

Interest bearing liabilities increased ¥94.5 billion year on year to ¥541.1 billion.

(iii) Net assets

Consolidated net assets decreased ¥3.8 billion year on year to ¥477.5 billion due to the increase the posting of net income attributable to owners of parent and the decrease of dividends.

(3) Consolidated earnings outlook

The Company has left its earnings forecasts for the fiscal year ending March 31, 2019, unchanged from the figures previously announced on April 26, 2018.

The Company's earnings forecasts assume exchange rates of ¥107 to the U.S. dollar and ¥130 to the euro.

Note regarding consolidated earnings outlook

The above earnings outlook is based on information available at the time of preparation, and includes risks and uncertainties. We therefore discourage making investment decisions depending solely on this outlook. Please note that actual earnings may differ materially from this outlook, due to a variety of important factors stemming from changes the external environment and/or the Company's internal environment. Important factors that impact actual operating performance include, but are not limited to, the economic situation surrounding the Company's scope of business, foreign exchange rates, in particular the yen/dollar exchange rate, tax codes and other regulatory system-related issues.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

	Million yen	
	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash on hand and in banks	70,632	58,055
Trade receivables	470,110	483,864
Merchandise and finished products	62,385	65,327
Work in process	326,459	382,486
Raw materials and supplies	115,893	112,966
Other	72,542	85,108
Allowance for doubtful receivables	(2,247)	(3,937)
Total current assets	1,115,776	1,183,871
Fixed assets		
Net property, plant and equipment		
Buildings and structures	186,623	195,890
Other	293,173	287,037
Total property, plant and equipment	479,797	482,928
Intangible assets	16,178	16,196
Investments and other assets		
Other	176,961	168,326
Allowance for doubtful receivables	(3,685)	(3,452)
Total investments and other assets	173,276	164,874
Total fixed assets	669,252	663,999
Total assets	1,785,028	1,847,870
Liabilities		
Current liabilities		
Trade payables	245,398	217,536
Electronically recorded obligations - operating	117,772	118,317
Short-term debt	108,978	121,756
Income taxes payable	6,042	5,822
Accrued bonuses	19,903	21,742
Provision for product warranties	13,000	11,819
Provision for losses on construction contracts	18,258	16,874
Advances from customers	194,306	186,119
Other	145,737	222,888
Total current liabilities	869,398	922,877
Long-term liabilities		
Bonds payable	130,000	130,000
Long-term debt	185,685	181,419
Net defined benefit liability	86,836	87,482
Other	31,721	48,541
Total long-term liabilities	434,244	447,443
Total liabilities	1,303,642	1,370,321

Net assets		
Shareholders' equity		
Common stock	104,484	104,484
Capital surplus	54,573	54,573
Retained earnings	308,010	305,560
Treasury stock	(124)	(126)
Total shareholders' equity	466,944	464,492
Accumulated other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	3,526	3,699
Deferred gains (losses) on hedges	403	(731)
Foreign currency translation adjustment	719	(5)
Remeasurements of defined benefit plans	(5,532)	(4,756)
Total accumulated other comprehensive income	(883)	(1,793)
Non-controlling interests	15,324	14,850
Total net assets	481,386	477,549
Total net assets and liabilities	1,785,028	1,847,870

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

	Million yen	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	335,329	343,785
Cost of sales	284,154	288,048
Gross profit	51,175	55,737
Selling, general and administrative expenses		
Salaries and benefits	12,601	12,960
R&D expenses	9,455	10,323
Other	24,209	25,349
Total selling, general and administrative expenses	46,266	48,634
Operating income	4,908	7,103
Non-operating income		
Interest income	193	93
Dividend income	158	142
Equity in income of non-consolidated subsidiaries and affiliates	1,335	323
Foreign exchange gain	553	2,038
Other	549	601
Total non-operating income	2,790	3,198
Non-operating expenses		
Interest expense	667	753
Other	1,598	998
Total non-operating expenses	2,266	1,751
Recurring profit	5,433	8,550
Income before income taxes	5,433	8,550
Income taxes	1,749	5,636
Net income	3,683	2,913
Net income attributable to non-controlling interests	405	352
Net income attributable to owners of parent	3,278	2,561

Consolidated statements of comprehensive income

	Million yen	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Net income	3,683	2,913
Other comprehensive income		
Net unrealized gains (losses) on securities	270	175
Deferred gains (losses) on hedges	248	(1,127)
Foreign currency translation adjustment	23	536
Remeasurement of defined benefit plans	863	777
Share of other comprehensive income of associates accounted for using equity method	(1,958)	(1,604)
Total other comprehensive income	(553)	(1,241)
Comprehensive Income attributable to:	3,130	1,672
Owners of parent	2,633	1,651
Non-controlling interests	497	20

(3) Notes on financial statements

Notes on the going-concern assumption

Not applicable

Notes on significant changes in the amount of shareholders' equity

Not applicable

Accounting procedures specific to preparation of quarterly consolidated financial statements

(Calculation of tax expense)

The Company calculates tax expense by rationally estimating its effective tax rate after application of tax effect accounting to pretax net income for the fiscal year which includes the first quarter under review, and multiplying quarterly pretax net income by said estimated effective tax rate. If unable to use the estimated effective tax rate, the Company calculates tax expense by multiplying the statutory effective tax rate by quarterly pretax net income adjusted to reflect material differences other than temporary differences.

Income taxes are reported inclusive of income tax adjustments.

Segment information

1. Three months ended June 30, 2017 (April 1, 2017 – June 30, 2017)

(1) Sales and income (loss) by reportable segment

Million yen

	External sales	Intersegment sales	Total sales	Operating income (loss)
Aerospace Systems	105,903	975	106,879	7,978
Energy System & Plant Engineering	53,522	4,097	57,619	(514)
Precision Machinery & Robot	41,823	3,376	45,200	4,576
Ship & Offshore structure	19,711	709	20,421	(2,861)
Rolling stock	29,171	47	29,219	(944)
Motorcycle & Engine	67,769	138	67,907	(3,327)
Other	17,427	9,840	27,268	664
Reportable segment total	335,329	19,186	354,516	5,571
Adjustments*1	-	(19,186)	(19,186)	(662)
Consolidated total	335,329	-	335,329	4,908

Notes: 1. Breakdown of adjustments:

Million yen

Income	Amount
Intersegment transactions	(18)
Corporate expenses*	(643)
Total	(662)

*Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

2. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

(2) Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

2. Three months ended June 30, 2018 (April 1, 2018 – June 30, 2018)

(1) Sales and income (loss) by reportable segment

Million yen

	External sales	Intersegment sales	Total sales	Operating income (loss)
Aerospace Systems	104,946	3,886	108,832	5,325
Energy System & Plant Engineering	51,004	4,248	55,253	233
Precision Machinery & Robot	47,992	3,734	51,726	4,596
Ship & Offshore structure	22,085	663	22,748	1,358
Rolling stock	23,392	3	23,395	(915)
Motorcycle & Engine	73,757	160	73,917	(3,308)
Other	20,607	8,988	29,595	359
Reportable segment total	343,785	21,684	365,470	7,649
Adjustments*1	-	(21,684)	(21,684)	(546)
Consolidated total	343,785	-	343,785	7,103

Notes: 1. Breakdown of adjustments:

Million yen

Income	Amount
Intersegment transactions	13
Corporate expenses*	(560)
Total	(546)

* Corporate expenses mainly comprise general and administrative expenses not attributed to reportable segments.

2. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

(2)Review of reportable segment

The Company has reviewed the method of business segment classification from the first three months of the fiscal year ending March 31, 2019 and has changed its reportable segments from the previous Ship & Offshore Structure, Rolling Stock, Aerospace, Gas Turbine & Machinery, Plant & Infrastructure, Motorcycle & Engine, Precision Machinery, and Other Operations to Aerospace Systems, Energy System & Plant Engineering, Precision Machinery & Robots, Ship & Offshore Structure, Rolling Stock, Motorcycle & Engine, and Other Operations .

Consolidated segment information for the first three months of the fiscal year ended March 31, 2018 has been prepared using the revised segment classification method.

(3) Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

3. Other

(1) Claim for damages in overseas LNG tank construction work

On a certain overseas LNG tanks construction project, overall costs increased from initially expected due to a breach of contract by the overseas subcontractor. In July 2018, we claimed compensation for the part of damages totaling approximately ¥40.0 billion, caused by the breach of contract. Part of the claimed amount is recorded as “Other” in current assets, which is deducted from estimated overall costs.

4. Supplementary information

(1) Consolidated cash flow statements (condensed)

	Million yen	
	Three months ended June 30, 2017	Three months ended June 30, 2018
Cash flow from operating activities	(86,681)	(74,195)
Cash flow from investing activities	(27,599)	(26,661)
Cash flow from financing activities	105,647	89,264
Cash and cash equivalents at end of period	42,872	52,487