

Consolidated Statements of Income and Comprehensive Income

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

Consolidated Statements of Income

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2018	2017	2016	2018
Net sales	¥ 1,574,242	¥ 1,518,830	¥ 1,541,096	\$ 14,813,606
Cost of sales (Note 13)	(1,319,715)	(1,278,907)	(1,253,691)	(12,418,509)
Gross profit	254,527	239,923	287,405	2,395,097
Selling, general and administrative expenses (Note 14)	(198,602)	(193,963)	(191,409)	(1,868,844)
Operating income	55,925	45,960	95,996	526,253
Other income (expenses):				
Interest and dividend income	1,011	1,100	1,164	9,513
Equity in income of nonconsolidated subsidiaries and affiliates	4,492	5,537	2,876	42,269
Interest expense	(2,794)	(2,859)	(3,637)	(26,291)
Other expenses, net (Note 15)	(25,635)	(10,865)	(21,567)	(241,224)
Income before income taxes	32,999	38,873	74,832	310,520
Income taxes (Note 18)				
Current	(11,634)	(7,471)	(20,154)	(109,475)
Deferred	9,982	(3,477)	(7,000)	93,930
Net income	31,347	27,925	47,678	294,975
Profit attributable to non-controlling interests	2,432	1,721	1,635	22,886
Profit attributable to owners of parent	¥ 28,915	¥ 26,204	¥ 46,043	\$ 272,089

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

Consolidated Statements of Comprehensive Income

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2018	2017	2016	2018
Net income	¥31,347	¥27,925	¥ 47,678	\$294,975
Other comprehensive income (loss):				
Net unrealized gains (losses) on securities	338	559	(910)	3,180
Deferred gains (losses) on hedges	1,616	(1,844)	2,649	15,206
Foreign currency translation adjustments	(1,085)	(3,742)	(11,763)	(10,209)
Remeasurements of defined benefit plans	5,171	8,777	(12,155)	48,659
Share of other comprehensive income of associates accounted for using equity method	2,296	(6,340)	(5,269)	21,605
Total other comprehensive income (loss) (Note 16)	8,336	(2,590)	(27,448)	78,441
Comprehensive income	39,683	25,335	20,230	373,416
Comprehensive income attributable to:				
Owners of the parent company	37,015	24,273	19,412	348,311
Non-controlling interests	¥ 2,668	¥ 1,062	¥ 818	\$ 25,105
		Yen		U.S. dollars (Note 1)
Per share amounts (Notes 17 and 20)				
Net income per share - basic	¥173.1	¥156.9	¥275.6	\$1.63
Cash dividends	5.0	11.0	12.0	0.05