

**Notice Concerning Revision of the Forecast for Performance and Dividend Forecast
for the Fiscal Year Ending March 31, 2015**

Kawasaki Heavy Industries, Ltd. (KHI) is announcing today a revision of the forecast for performance and dividend forecast published on July 30, 2014, for the fiscal year ending March 31, 2015, as follows.

1. Revision of the Forecast for Performance

(1) Revision of the Forecast for Performance for the fiscal year ending March 31, 2015
(Consolidated)

	Net sales (Mill. yen)	Operating income (Mill. yen)	Recurring Profit (Mill. Yen)	Net income (Mill. yen)	Earnings per share (Yen)
Previous forecast announced on July 30, 2014 (A)	1,490,000	73,000	66,000	42,500	25.42
Revised forecast announced today (B)	1,510,000	77,000	72,000	48,000	28.71
Change (B-A)	20,000	4,000	6,000	5,500	N/A
% Change	1.3%	5.4%	9.0%	12.9%	N/A
Results for the previous fiscal year (for reference only)	1,385,482	72,351	60,605	38,601	23.09

(2) Reasons for the Revision

Economic environments surrounding our company have remained steady, although uncertainty is still remaining in the euro area and emerging countries. In addition, foreign exchange market indicates yen depreciation more than initially expected and taking into consideration of these economic circumstances, we have reviewed the earnings forecast for the fiscal year ending March 31, 2015, as a result, Sales is expected to achieve 1 trillion and 510 billion yen (increased 20 billion yen from our previous announcement on July 30). In regards to the profit, despite decrease of profit margin in emerging countries over the motorcycle may cause declining profits, under favor of overall impacts of yen depreciation, operating income is expected to achieve 77 billion yen (increased 4 billion yen from our previous announcement), recurring profit to 72 billion yen (increased 6 billion yen from our previous announcement) and net income to 48 billion yen (increased 5.5 billion yen from our previous announcement).

Our forecast is based on the following foreign currency exchange rate: 1US dollar=105yen, 1Euro=135yen.

2. Revision of the year-end dividend forecast for the fiscal year ending March 31, 2015.

(1) Contents of revision

	End of Second Quarter	Year End	Annual
Previous forecast announced on July 30, 2014	¥3.00	¥4.00	¥7.00
Revised forecast announced today	—	¥5.00	¥8.00
Current year actual	¥3.00	—	—
Previous year actual (for the fiscal year ended March 31, 2014)	¥0.00	¥6.00	¥6.00

(2) Reasons for the Revision

KHI, regarded as a social flagship infrastructure company, has been planning to pay out appropriate profits to the shareholders in cyclical processes to maintain and strengthen under our basic policy of meeting our shareholder's expectation appropriately, conduct our businesses to improve corporate value by implementing performance-related dividend distribution with due considerations to be fulfilled retained earnings. To achieve these targets, we set consolidated dividend payout ratio approximately 30% into the medium and long term basis.

KHI had expected to pay cash dividend ¥4.00 per share for the year ending previously announced on July 30, 2014, however, after taking into consideration of current our business circumstances, such as essential strategic investment for enhancing the corporate value, business performance trends and improvement of financial strength, KHI has decided to increase ¥1.00 per share from prior dividend decision as the year-end dividend forecast.

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