

Financial Results for FY 2010
(for the year ended March 31, 2011)

April 28, 2011

Kawasaki Heavy Industries, Ltd.

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I. Consolidated Results for FY2010

Summary of Financial Results



(Billion Yen)

	FY2009	FY2010		Change	
	Actual	Forecast in January	Actual	vs. FY2009	vs. Forecast in January
Orders Received	1,001.2	1,340.0	1,270.6	+ 269.3	- 69.4
Net Sales	1,173.4	1,280.0	1,226.9	+ 53.4	- 53.1
Operating Income/Loss	- 1.3	40.0	42.6	+ 43.9	+ 2.6
Recurring Profit	14.2	46.0	49.1	+ 34.8	+ 3.1
Net Income/Loss	- 10.8	29.0	25.9	+ 36.8	- 3.1

vs. FY2009

< Orders Received >

Significant increase as a whole mainly due to large-scale orders received in Rolling Stock segment

< Net Sales >

Increase as a whole due to a significant sales increase in Precision Machinery segment with growth in hydraulic components sales to emerging construction machinery markets

< Profits >

Profit improved significantly as a whole due to the effects of sales increase in Precision Machinery segment and the measures to improve profitability, such as fixed cost reduction, in Motorcycle & Engine segment and other factors, despite the adverse impact of the appreciation of the yen

Exchange Rates (weighted-average)

Yen / US\$	93
Yen / EUR	130

86
113

Details of Change in Profit I

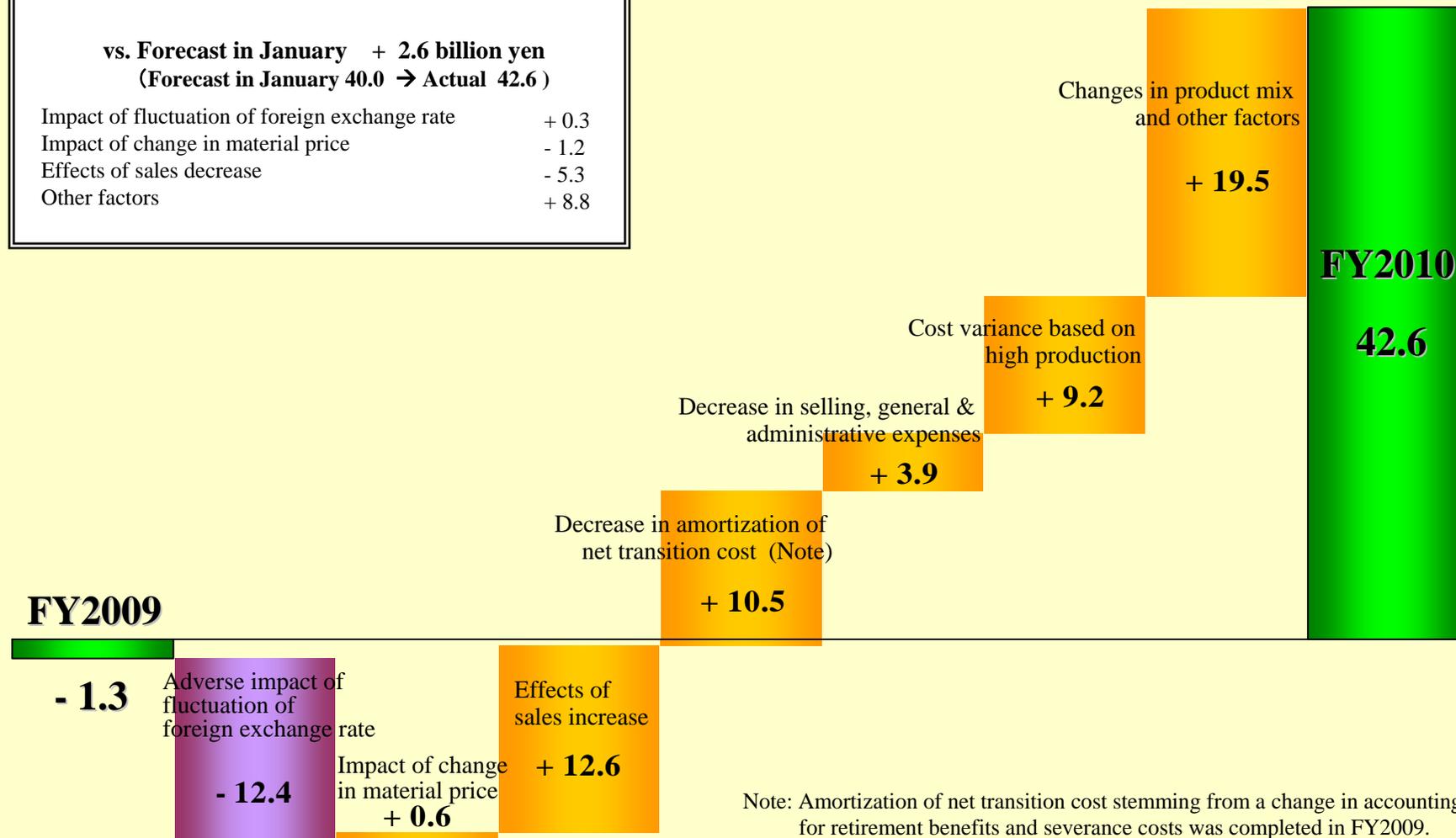
- FY2010 vs. FY2009 -



【Operating Income/Loss】 + 43.9 (FY2009 - 1.3 → FY2010 42.6)

(Billion Yen)

vs. Forecast in January + 2.6 billion yen	
(Forecast in January 40.0 → Actual 42.6)	
Impact of fluctuation of foreign exchange rate	+ 0.3
Impact of change in material price	- 1.2
Effects of sales decrease	- 5.3
Other factors	+ 8.8



Details of Change in Profit II

- FY2010 vs. FY2009 -



(Billion Yen)

【Non-operating Income/Expenses】 - 9.1 (FY2009 15.6 → FY2010 6.5)

Net Interest expense (incl. dividend income)	- 0.5 (- 1.7 → - 2.3)
Equity in income of unconsolidated subsidiaries and affiliates	+ 2.6 (6.5 → 9.2)
Gain and loss on foreign exchange	- 9.4 (10.9 → 1.4)
Others	- 1.7 (0 → - 1.8)

【Extraordinary Income/Losses】 + 7.5 (FY2009 - 18.1 → FY2010 - 10.5)

Loss on impairment of fixed assets	- 6.7 ((- 3.1) ^{※1} → (- 9.9) ^{※2})
Business restructuring expenses on Motorcycle & Engine segment	+ 7.6 ((- 7.6) ^{※3} → 0)
Provision for losses on damages suit	+ 6.9 ((- 6.9) ^{※4} → 0)
Others	- 0.2 (- 0.3 → - 0.6)

※1 Loss on impairment of fixed assets in subsidiaries whose book values were written down to the recoverable amounts

※2 Loss on impairment of fixed assets mainly in Motorcycle & Engine segment whose book values were written down to the recoverable amounts

※3 Expenses estimated to need to liquidate the excess inventory (¥6.3bil.), Expenses on early retirement of employees (¥1.3bil.)

※4 Estimated loss for the company in case of losing a suit for damages by owner of refuse incineration plants

Financial Results by Segment



(Billion Yen)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2009	FY2010	Change	FY2009	FY2010	Change	FY2009	FY2010	Change
Ship & Offshore Structure	16.1	78.9	+ 62.8	151.8	118.4	- 33.4	1.5	- 1.0	- 2.5
Rolling Stock	66.2	187.1	+ 120.8	150.0	131.1	- 18.9	8.7	8.1	- 0.5
Aerospace	171.3	206.7	+ 35.3	188.8	196.8	+ 7.9	3.7	3.0	- 0.7
Gas Turbine & Machinery	226.2	187.5	- 38.6	191.3	202.6	+ 11.3	8.9	9.5	+ 0.6
Plant & Infrastructure	135.6	119.9	- 15.6	107.5	89.0	- 18.5	7.9	8.2	+ 0.3
Motorcycle & Engine	203.0	234.4	+ 31.3	203.0	234.4	+ 31.3	- 27.0	- 4.9	+ 22.0
Precision Machinery	84.9	148.9	+ 64.0	82.7	140.3	+ 57.6	3.4	22.3	+ 18.9
Others	97.5	106.8	+ 9.2	97.8	114.0	+ 16.1	- 1.0	2.5	+ 3.6
Eliminations and corporate	-	-	-	-	-	-	- 7.5	- 5.3	+ 2.2
Total	1,001.2	1,270.6	+ 269.3	1,173.4	1,226.9	+ 53.4	- 1.3	42.6	+ 43.9

Note I : FY2009 figures are the recalculated figures based on the new industry segmentation and the new accounting standard which have been adopted since FY2010 → [Refer to Page 16](#)

Note II: "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

Ship & Offshore Structure

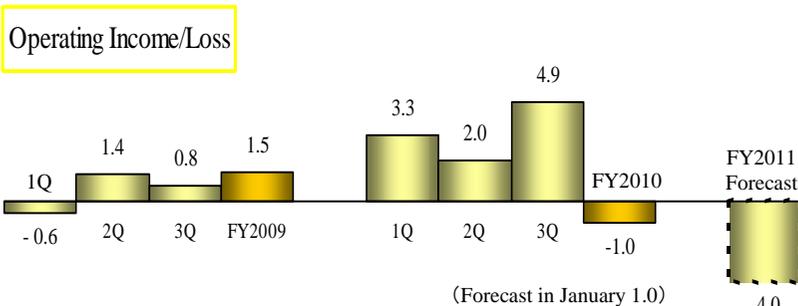
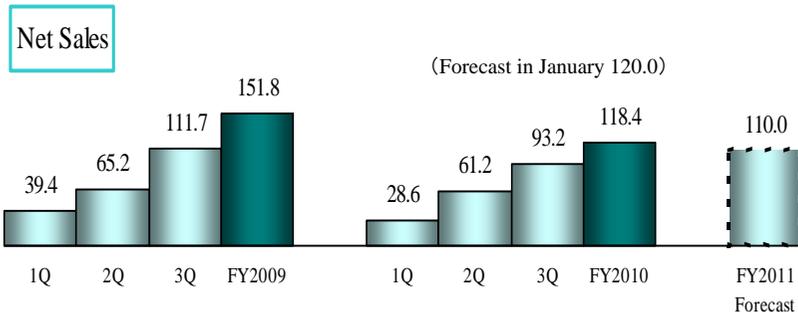
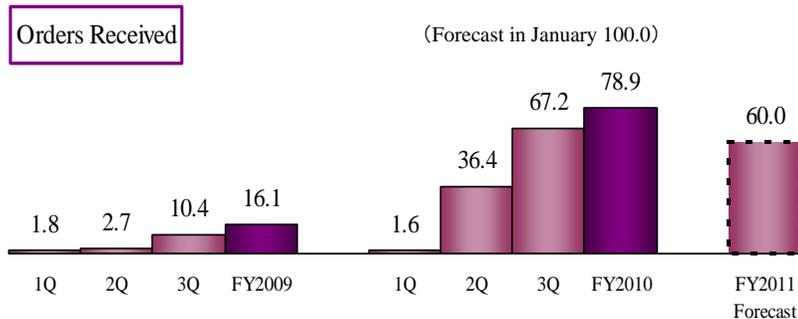


Main Products: LNG carriers, LPG carriers, VLCCs, Bulk carriers, Submarines, Offshore structures

Note I : Segment denomination has changed from “Shipbuilding” to “Ship & Offshore Structure” in accordance with reorganization of company structure as of October 1, 2010

Note II: FY2009 Operating Income is the recalculated figures based on the new accounting standard which has been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)



◇ **FY2010** (vs. FY2009)

Orders Received: Significant increase due to orders received of a submarine and 11 bulk carriers

Net Sales: Decrease in sales of large-scale vessels

Operating Income/Loss: Deterioration in profitability due to increase in provision for losses on construction contracts

<Units of Orders Received and Sales of New Building Ships> (unit)

	Orders Received		Sales	
	FY2009	FY2010	FY2009	FY2010
LNG carriers			6 (3)	3 (2)
Small-sized LNG carriers	1			1 (1)
LPG carriers			2 (1)	4 (2)
VLCCs			1 (0)	
Bulk carriers		11	15 (7)	23 (13)
Submarines		1	2 (1)	2(2)
Total	1	12	26 (12)	33 (20)

◇ **FY2011 Forecast** (vs. FY2010) Note: () = Sales units by percentage-of-completion method

Orders Received: Decrease in orders received of new building ships

Net Sales: Net sales are expected to decrease due to sales decrease of large-scale vessels

Operating Income/Loss: Loss is expected to expand due to the adverse impact of the appreciation of the yen, and other factors

<For Reference> Joint Venture in China

NACKS was established in Nantong, Jiangsu in December 1995, as a fifty-fifty joint venture between KHI and China Ocean Shipping(Group) Company (COSCO), one of the world’s largest shipping company, and its capacity was expanded in 2008. At NACKS, various types of commercial vessels such as very large-size container ships, VLCCs, bulk carriers and car carriers are built for domestic shipping company such as COSCO as well as for Japanese and European customers.

Under close partnership between KHI and COSCO groups, we will expand its operations and increase profitability by utilizing building capacity of two large-scale docks. (NACKS is an equity method affiliate)

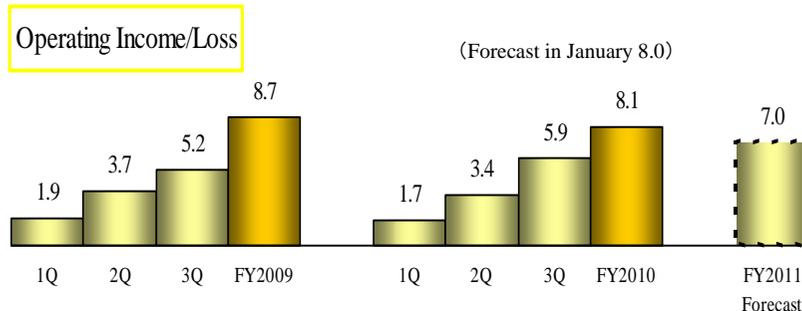
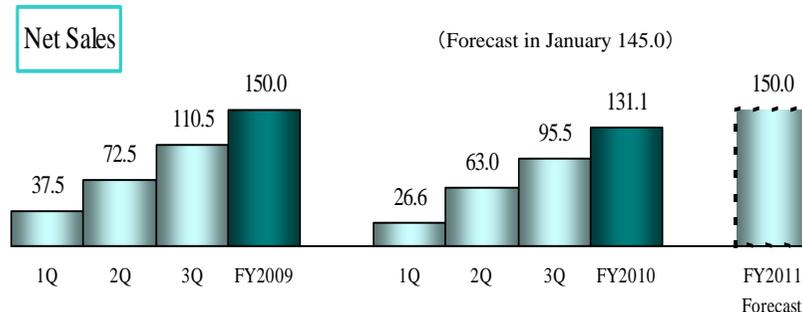
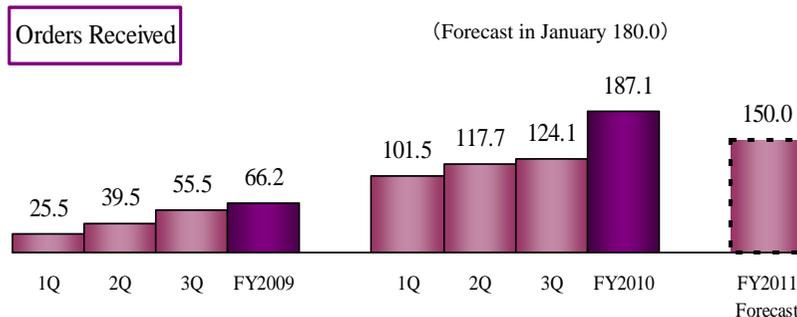
Rolling Stock



Main Products : Electric train cars (incl. Shinkansen), Electric and diesel locomotives, Passenger coaches, Platform screen doors, Gigacell (High-Capacity, Full Sealed Ni-MH Battery)

Note: FY2009 figures are the recalculated figures based on the new industry segmentation (excl. crushing machine) and the new accounting standard which have been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)



◇ **FY2010** (vs. FY2009)

Orders Received: Significant increase due to large-scale orders received of subway cars for Washington Metropolitan Area Transit Authority

Net Sales: Decrease in sales for overseas market

Operating Income/Loss: Income remained the same level as in the previous fiscal year due to profitability improvement and other factors, despite sales decrease

◇ **FY2011 Forecast** (vs. FY2010)

Orders Received: Orders received is expected to decrease compared with in the previous fiscal year that had large-scale orders received for overseas market

Net Sales: Net sales are expected to increase due to sales increase for overseas market

Operating Income/Loss: Income is expected to decrease due to the adverse impact of the appreciation of the yen and other factors, despite sales increase

<For Reference> Present Status of New Overseas Projects

North America :

- Working to win orders mainly for heavy rails and commuter rails
- Extension of product lineup such as efSET® and K-Star Express® to meet demand for Medium- to High-speed rail projects

High-speed railways :

- KHI self-developed efSET® (Environmentally Friendly Super Express Trains), a new high-speed train that will achieve maximum service speed of 350km/h to satisfy demand for overseas markets, and completed principle designs by the end of March 2010.
- California High-speed Rail: Working with other Japanese companies aiming to win E&M system including rail cars.
- There are plans in India, Vietnam and other countries.

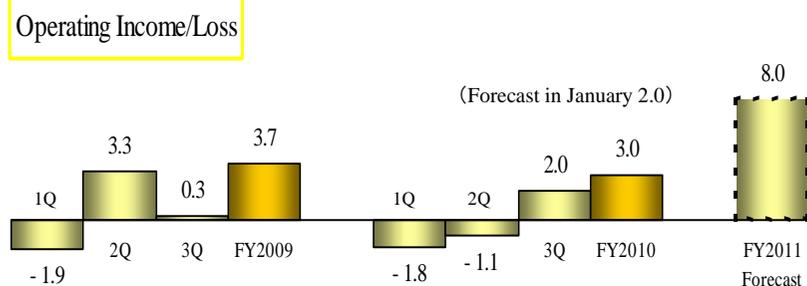
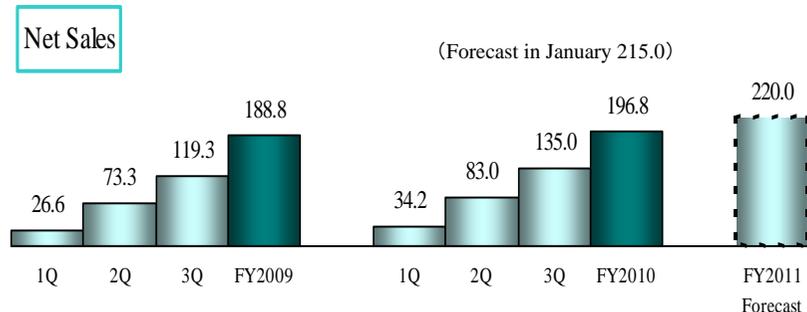
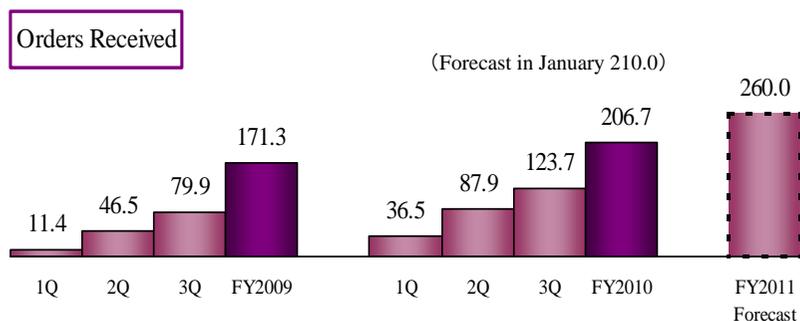
E&M System Projects in Asian region :

Taichung City Railway System: Won the package contract of 36 cars and E&M system under cooperation with other companies. KHI as a leader of consortium will play its role to oversee the whole project and system integration as well as supply the cars and rail yard facilities.

Main Products : Aircrafts for Japan Ministry of Defense, Component parts for commercial aircrafts (Boeing , Embraer), Missiles

Note: FY2009 Operating Income is the recalculated figures based on the new accounting standard which has been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)



◇ **FY2010** (vs. FY2009)

Orders Received: Increase in orders received for component parts for Boeing including B777 and B787

Net Sales: Increase in sales for Japan Ministry of Defense (MOD) and sales of component parts for Boeing B787

Operating Income/Loss: Income decreased due to the adverse impact of the appreciation of the yen and other factors, despite sales increase

<Sales units of component parts for commercial aircrafts>
(unit)

	Sales	
	FY2009	FY2010
B777	77	64
B767	10	16
B787	16	22
Embraer170/175	16	14
Embraer190/195	50	91

◇ **FY2011 Forecast** (vs. FY2010)

Orders received: Increase in orders received for MOD and component parts for Boeing B787

Net Sales: Net sales are expected to increase due to increase in sales for MOD and sales of component parts for Boeing including B777 and B787

Operating Income/Loss: Income is expected to increase due to sales increase, profitability improvement by cost reduction and other factors, despite the adverse impact of the appreciation of the yen

<For Reference> Present Status of Main Projects

Aircrafts for MOD :

The #2 test XC-2 transport aircraft was manufactured at Kawasaki's Gifu Works and delivered to MOD on March 29, 2011 at the Works. KHI will continue to work toward commencement of the mass production.

Component parts for commercial aircrafts :

B777- According to the production rate increase for Boeing B777 program announced by Boeing, KHI's production rate for the program has increased to 7 units per month from the second half of FY2010. During FY2012, the production rate is expected to increase up to 8.3 units per month.

B787- The North Plant and the South Plant at Kawasaki's Nagoya Works I have been furnished with the state-of-the-art equipment and the production system for ramp-up production has been established. These facilities have enabled Kawasaki to perform integrated production that includes everything from composite component fabrication to forward fuselage assembly.

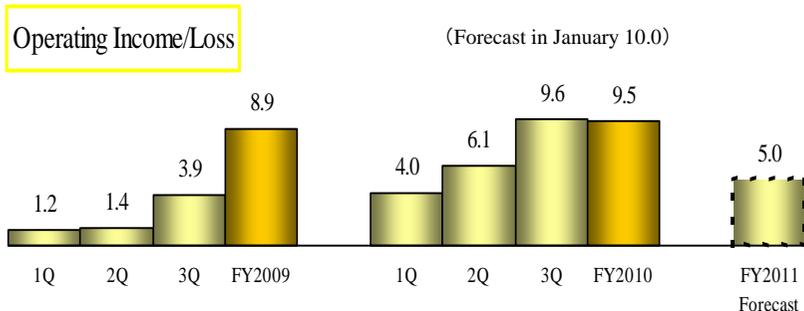
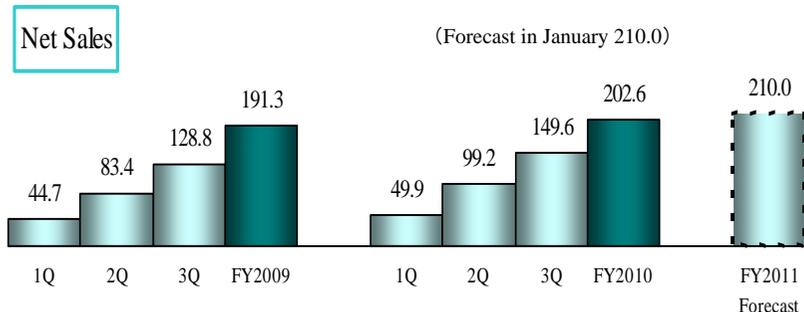
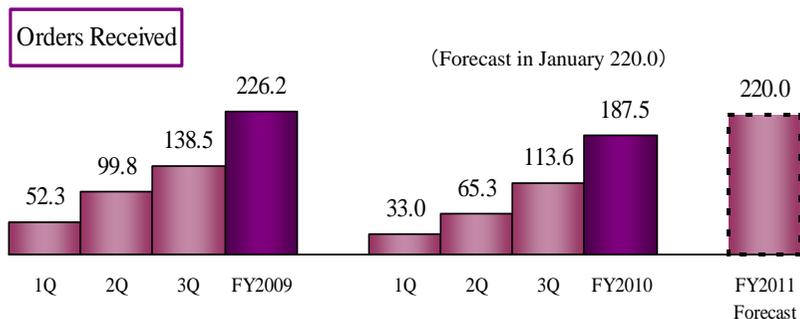
Gas Turbine & Machinery



Main Products : Jet engines, Gas turbine co-generation system, Gas turbines & steam turbines for marine & land, Diesel engines, Marine propulsion system, Aero-dynamic machinery

Note: FY2009 Operating Income is the recalculated figures based on the new accounting standard which has been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)



◇ **FY2010** (vs. FY2009)

Orders Received: Decrease in orders received for component parts for commercial aircraft jet engines that had a large order received in the previous fiscal year, and for gas turbine-driven natural gas compressors

Net Sales: Increase in sales of gas turbine-driven natural gas compressors and diesel generator sets

Operating Income/Loss: Income increased due to sales increase, and other factors

◇ **FY2011 Forecast** (vs. FY2010)

Orders Received: Increase in orders received of gas turbine-driven natural gas compressors

Net Sales: Net sales are expected to increase due to sales increase in component parts for commercial aircraft jet engines, despite sales decrease in marine machinery and gas turbine-driven natural gas compressors

Operating Income/Loss: Income is expected to decrease due to the adverse impact of the appreciation of the yen and increase in the amortization expenses of component parts for newly developed commercial aircraft jet engines, and other factors

<For Reference>

Gas Turbine Division : Major Projects for Commercial Aircraft Jet Engines

	Trent1000	TrentXWB
Aircraft	B787	A350
Participation Type	RRSP ^(*)	RRSP ^(*)
Share	Approx. 8.5%	Approx. 7%
Responsible Components	Intermediate pressure compressor (IPC) module	Intermediate pressure compressor (IPC) module
Present Status	Development was completed and mass production started in FY2010. To be delivered in accordance with production schedule of airplanes.	First IPC module shipped to Rolls-Royce in March 2011.

^(*)Risk & Revenue Sharing Partner

Machinery Division : Gas Engines

In response to the increased demand for dispersed power source in domestic and overseas markets and the increasing awareness of environmental issues, KHI will expand its sales of self-developed Kawasaki Green Gas Engine that achieved world record with 49 % generating efficiency.

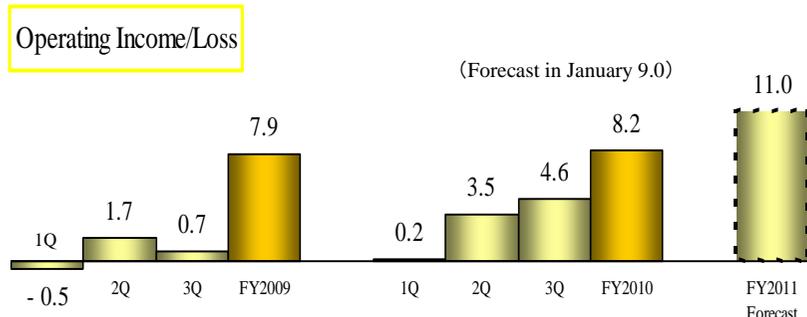
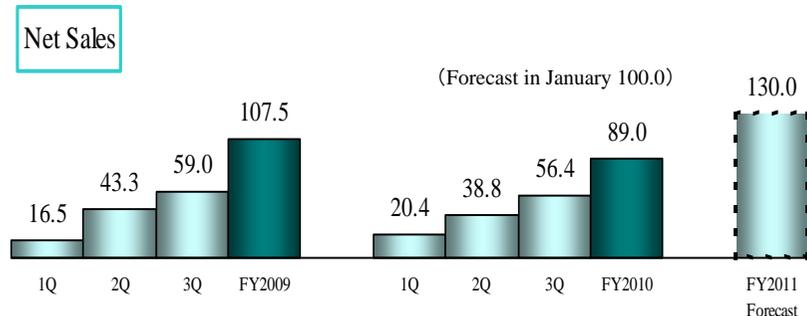
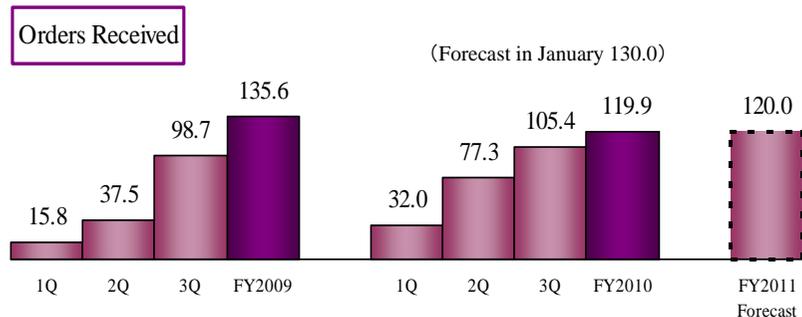
Plant & Infrastructure



Main Products: Industrial plants (cement, chemical and others), Power plants, LNG & LPG tanks, Municipal refuse incineration plants, Shield machines, Crushing machines

Note: FY2009 figures are the recalculated figures based on the new industry segmentation (incl. crushing machine) and the new accounting standard which have been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)



◇ **FY2010** (vs. FY2009)

Orders Received: Decrease in large-scale projects for overseas customers

Net Sales: Decrease in large-scale projects for overseas customers

Operating Income/Loss: Income increased due to steady progress in some projects, and other factors

◇ **FY2011 Forecast** (vs. FY2010)

Orders Received: Orders received remain the same level as in the previous fiscal year due to orders received of environment-related projects and projects related infrastructure for emerging countries

Net Sales: Net sales are expected to increase due to sales increase in large-scale projects for overseas customers

Operating Income/Loss: Income is expected to increase due to sales increase, and other factors

<For Reference> Joint Ventures in China

In 2006, KHI started a joint venture with Anhui Conch Cement Company Ltd., China's largest cement manufacturer. KHI has established three joint ventures for the time being and set up, in China, an integrated system for waste heat recovery power generation systems for cement plants and cement producing facilities.

As well as further intensifying partnership with CONCH, KHI will develop and contribute to bring new technologies such as Zero Emission Eco Town System (ZEET) that is an integration of cement plant with waste treatment technology and sludge processing technology in order to establish new business model for global environment conservation.

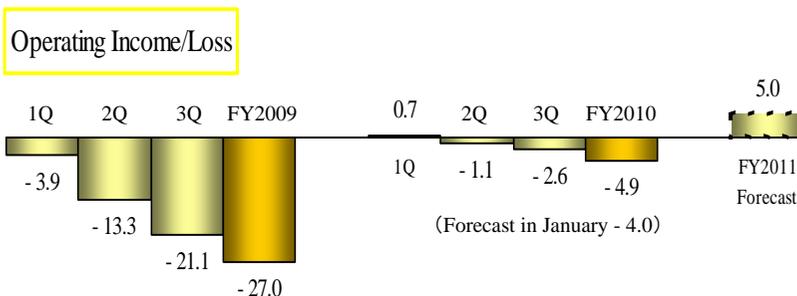
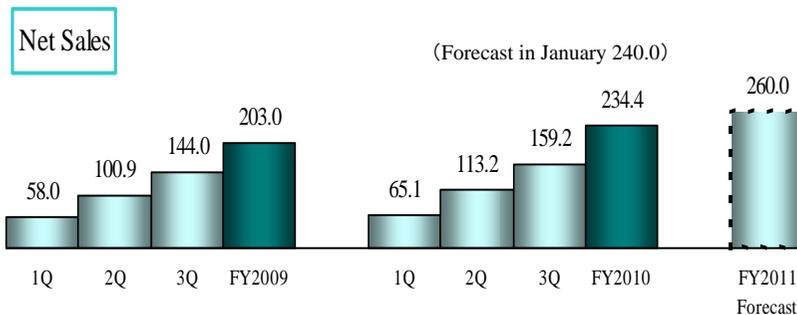
Motorcycle & Engine



Main Products: Motorcycles, All-Terrain Vehicles(ATVs), Utility Vehicles, Personal Watercraft, General-purpose Gasoline Engines

Note: FY2009 figures are the recalculated figures based on the new industry segmentation (excl. industrial robots) and the new accounting standard which have been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)



<Wholesales by Geographic Area for Consumer Products>

(Thousands of unit / Billion Yen)

	FY2009		FY2010		FY2011 Forecast	
	Unit	Amount	Unit	Amount	Unit	Amount
Domestic	17	12.9	14	11.3	15	12.1
North America (incl. Canada)	80(49)	56.3	118(67)	78.5	123(73)	89.3
Europe	72	56.2	67	47.7	65	49.1
Emerging Countries & Others	228	45.1	272	61.0	304	67.4
Total	397	170.5	471	198.5	507	217.9

Note: 1) Sales units and amount include the following products.

Units: Motorcycles, All-Terrain Vehicles(ATVs), Utility Vehicles and Personal Watercraft(Jet Ski)

Amount: The products mentioned above and parts for those products.

2) Figures in the parenthesis () represent motorcycle sales units.

◇ **FY2010** (vs. FY2009)

Net Sales: Increase in sales due to demand growth in Asian and other emerging countries and the effects of liquidation of the excess inventory in North America

Operating Income/Loss: Losses reduced significantly due to sales increase, the effects of improvement in profitability and fixed cost reduction and other factors, despite the adverse impact of the appreciation of the yen

◇ **FY2011 Forecast** (vs. FY2010)

Net Sales: Net sales are expected to increase due to sales increase in Asian and other emerging countries and other factors, despite the adverse impact of the appreciation of the yen

Operating Income/Loss: Profitability is expected to return due to sales increase, the effects of impairment of fixed assets implemented in the previous fiscal year and other factors, despite the adverse impact of the appreciation of the yen

<Business Development in Emerging Markets>

Since KHI started motorcycle business in the Philippines in 1974, KHI established subsidiaries in Indonesia, Thailand and Brazil to manufacture and sell motorcycles. In emerging markets, as demand for motorcycles is expected to expand in the coming years due to further economic growth and increased purchasing power, KHI focuses on expansion and reinforcement of business operations in those markets. In India, KHI established new subsidiary in 2010 to import and sell motorcycles in order to cultivate its market.

Precision Machinery

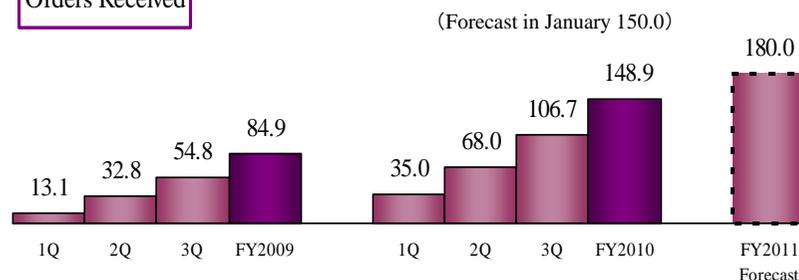


Main Products: Hydraulic components (pumps, motors & valves), Hydraulic systems for industrial use, Hydraulic marine machinery, Industrial Robots

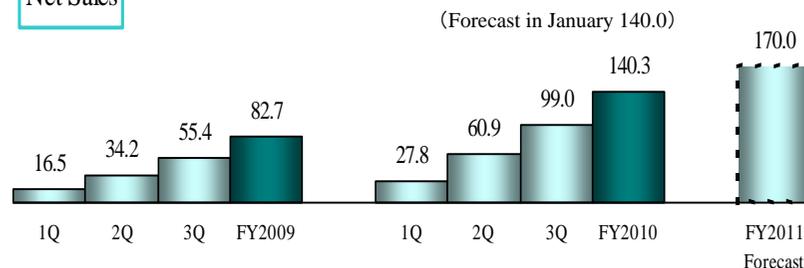
Note: FY2009 figures are the recalculated figures based on the new industry segmentation (incl. industrial robots) and the new accounting standard which have been adopted since FY2010 → **Refer to Page 16**

(Billion Yen / In accumulated amount)

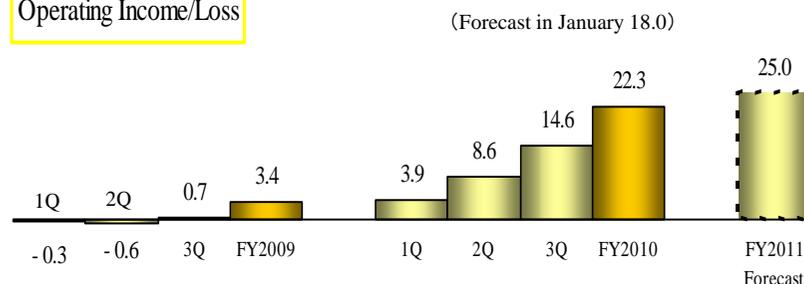
Orders Received



Net Sales



Operating Income/Loss



◇ **FY2010** (vs. FY2009)

Orders Received : Increase in orders received for hydraulic components for construction machinery in emerging countries

Net Sales: Increase in sales of hydraulic components for construction machinery and industrial robots for manufacturers of semiconductor production equipments

Operating Income/Loss: Income improved due to improvement in profitability by sales growth and increased capacity utilization

◇ **FY2011 Forecast** (vs. FY2010)

Orders Received & Net Sales: Orders received and net sales are expected to increase due to increasing demand of hydraulic components for construction machinery in emerging countries

Operating Income/Loss: Income is expected to increase due to sales growth, and other factors

<Businesses Development in China>

In August 2006, production of hydraulic pumps started at Chinese subsidiary in Suzhou to meet the increasing demand of hydraulic components for construction machinery in China. In April 2010, production of hydraulic components started in a joint venture with a Chinese company in Zhejiang, while a sales subsidiary in Shanghai provides the products manufactured at the above manufacturing companies to customers throughout China.

In order to respond to the increased demand in China, KHI group as a whole focuses on upgrading production by building a new plant in Suzhou, expanding the plant in Zhejiang, and increasing production capacity at main factory in Japan.

Financial Condition and Cash Flows



【Financial Condition】

(Billion Yen)

	FY2009 End of March 2010	FY2010 End of March 2011
Total Assets	1,352.4	1,354.2
Shareholders' Equity (Ratio of shareholders' equity to total assets)	277.0 (20.4%)	289.0 (21.3%)
Interest-bearing debt (Net Interest-bearing debt)	428.9 (394.1)	429.1 (381.9)
Net Debt Equity Ratio	142%	132%

Note: Interest-bearing debt includes lease obligations

【Cash Flows】

(Billion Yen)

	FY2009	FY2010
Cash flows from operating activities	30.1	81.9
Cash flows from investing activities	- 63.2	- 52.9
Free Cash Flows	- 33.0	28.9
Cash flows from financing activities	35.9	- 18.8

II. Forecast for FY2011

Consolidated Operating Performance



(Billion Yen)

	FY2010	FY2011	Change
	Actual	Forecast	
Orders Received	1,270.6	1,360.0	+ 89.4
Net Sales	1,226.9	1,360.0	+ 133.1
Operating Income	42.6	50.0	+ 7.4
Recurring Profit	49.1	52.0	+ 2.9
Net Income	25.9	32.0	+ 6.1

< Orders Received >

Continuous increase in orders received is expected mainly in Aerospace and Precision Machinery segments, while decrease in orders received is expected in Rolling Stock segment that had large-scale orders received in the previous fiscal year

< Net Sale >

Net sales are expected to increase as a whole, due to increase in sales of a large-scale project for overseas customer in Plant & Infrastructure segment and sales of hydraulic components for construction machinery in Precision Machinery segment

< Profits >

Profits are expected to increase due to the effects of sales growth in emerging countries especially in Motorcycle & Engine and Precision Machinery segments, as well as the company-wide measures to improve profitability, such as fixed cost reduction and improvement in productivity, despite the adverse impact of the appreciation of the yen

Exchange Rates (actual & assumed)

Yen / US\$	86	83
Yen / EUR	113	115

Note : Assumed rates are applied to the outstanding foreign exchange exposure as of April 28, 2011

(For Reference)
Impact on profit by FX fluctuation of 1 yen
(Billion Yen)

	Operating Income	Recurring Profit
US\$	3.1	3.5
EUR	0.3	0.2

Forecast by Segment



(Billion Yen)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2010	FY2011	Change	FY2010	FY2011	Change	FY2010	FY2011	Change
Ship & Offshore Structure	78.9	60.0	- 18.9	118.4	110.0	- 8.4	- 1.0	- 4.0	- 3.0
Rolling Stock	187.1	150.0	- 37.1	131.1	150.0	+ 18.9	8.1	7.0	- 1.1
Aerospace	206.7	260.0	+ 53.3	196.8	220.0	+ 23.2	3.0	8.0	+ 5.0
Gas Turbine & Machinery	187.5	220.0	+ 32.5	202.6	210.0	+ 7.4	9.5	5.0	- 4.5
Plant & Infrastructure	119.9	120.0	+ 0.1	89.0	130.0	+ 41.0	8.2	11.0	+ 2.8
Motorcycle & Engine	234.4	260.0	+ 25.6	234.4	260.0	+ 25.6	- 4.9	5.0	+ 9.9
Precision Machinery	148.9	180.0	+ 31.1	140.3	170.0	+ 29.7	22.3	25.0	+ 2.7
Others	106.8	110.0	+ 3.2	114.0	110.0	- 4.0	2.5	2.0	- 0.5
Eliminations and corporate	-	-	-	-	-	-	- 5.3	- 9.0	- 3.7
Total	1,270.6	1,360.0	+ 89.4	1,226.9	1,360.0	+ 133.1	42.6	50.0	+ 7.4

Note : "Eliminations and corporate" includes some expenses incurred at Head Office which are not allocated to each industry segment for internal reporting

R&D/CAPEX/Number of Employees



(Billion Yen / Persons)

	FY2009	FY2010	FY2011
	Actual	Actual	Forecast
R&D Expenses	38.0	37.0	43.0
CAPEX (Construction Base)	59.2	55.3	76.0
Depreciation & Amortization	51.4	50.3	55.0
Number of Employees	Domestic	24,396	25,000
	Overseas	7,901	8,200
Number of Employees	32,297	32,706	33,200

(Note) Change in Segment Information Disclosure

<Change in Industry Segment and Segment Denomination>

Industry segment and segment denomination have been changed as stated below, in accordance with the new industry segmentation for internal reporting which has been adopted since April 2010.

Change in Industry Segment

Crushing Machine business unit :

(Previous) “Rolling Stock segment” → (Current) “Plant & Infrastructure Engineering segment”

* “Plant & Infrastructure segment” as of October 1, 2010

Industrial Robots business unit :

(Previous) “Consumer Products & Machinery segment” → (Current) “Precision Machinery segment”

Change in Segment Denomination

(Previous) “Consumer Products & Machinery segment” → (Current) “Motorcycle & Engine segment”

(Previous) “Hydraulic Machinery segment” → (Current) “Precision Machinery segment”

<Application of New Financial Accounting Standard for Segment Information Disclosure>

With the previous accounting standard, operating income by industry segment was presented with reflecting re-allocation of some expenses incurred at Head Office which were not allocated to each segment for internal reporting.

However, as a new accounting standard adopting "Management Approach" has applied since FY 2010 in Japan, such expenses will not have been re-allocated to each segment.

Accordingly, for the readers' convenience, recalculated FY2009 operating income based on the new accounting standard is presented on certain pages of this material to easily compare with the financial results for the previous fiscal year.



Kawasaki, Working as One for the Good of the Planet

Cautionary Statement

The performance outlook and the forecasts stated in this material were prepared by Kawasaki Heavy Industries, Ltd. (hereinafter, KHI) based on the circumstances at the release point, and include potential risks and uncertain factors that relate to economic conditions, foreign currency exchange rates, tax rules, regulations and other factors. Accordingly, please note that the actual operating results, financial position, and business deployment of KHI may sometimes differ considerably from the descriptions in the present projections.