

**Report of Earnings and Financial Statements for the
Three Months Ended June 30, 2012 (Consolidated)**
(Prepared pursuant to Japanese GAAP)

July 31, 2012

Listed company's name: **Kawasaki Heavy Industries, Ltd.**
 Listed on: 1st sections of the TSE, OSE, and NSE
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Scheduled dates:

Submission of quarterly securities filing: August 9, 2012

Commencement of dividend payments: -

Supplementary materials to quarterly earnings: Available

Quarterly earnings presentation: Conducted (for institutional investors and analysts)

1. Consolidated Financial Results for the Three Months ended June 30, 2012
(April 1 – June 30, 2012)

(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 | |
|-------------------------------------|-------------|-------|------------------|--------|------------------|--------|-------------|--------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Three Months Ended June 30, 2012 | 283,530 | (2.7) | 6,741 | (45.5) | 11,727 | (20.0) | 6,030 | (36.9) |
| Three Months Ended June 30, 2011 | 291,579 | 5.1 | 12,373 | 6.1 | 14,669 | 28.8 | 9,558 | 62.4 |

Note: Comprehensive income June 30, 2012: 8,886 million yen (19.4%)
 June, 30, 2011: 11,036 million yen 153.0%

| | Earnings per share | Earnings per share – diluted |
|-------------------------------------|--------------------|---------------------------------|
| | yen | yen |
| Three Months Ended June 30, 2012 | 3.60 | - |
| Three Months Ended June 30, 2011 | 5.72 | 5.63 |

(2) Financial Condition

| | Total assets | Net assets | Equity Ratio |
|----------------|--------------|-------------|--------------|
| | million yen | million yen | % |
| June 30, 2012 | 1,374,217 | 315,812 | 22.2 |
| March 31, 2012 | 1,362,139 | 315,922 | 22.4 |

Note: Shareholders' equity: June 30, 2012: 305,434 million yen
 March 31, 2012: 306,054 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 financial year | Full year |
| | yen | yen | yen | yen | yen |
| Year ended March 31, 2012 | - | 0.00 | - | 5.00 | 5.00 |
| Year ending March 31, 2013 | - | | | | |
| Year ending March 31, 2013 (forecast) | | 0.00 | - | 5.00 | 5.00 |

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

3. Forecast of Consolidated Earnings for the Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

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

| | Net sales | | Operating income | | Recurring profit | | Net income | | Earnings per share |
|--|-------------|-----|------------------|--------|------------------|--------|-------------|--------|--------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| For six months ending September 30, 2012 | 620,000 | 5.9 | 20,000 | (24.8) | 24,000 | (11.8) | 14,000 | (21.4) | 8.37 |
| Full year | 1,380,000 | 5.8 | 52,000 | (9.5) | 56,000 | (11.9) | 34,000 | 45.7 | 20.33 |

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

4. Other Information

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

*This refers to additions and removals of material subsidiaries to and from the consolidated group during the period. For further details, see "Changes affecting the status of material subsidiaries (scope of consolidation)" on page 9 in the Accompanying Materials.

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

*For further details, see "Accounting procedures specific to preparation of quarterly consolidated financial statements" on page 9 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: Yes

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

(3) Changes in accounting estimates: Yes

(4) Correction of errors: None

* The above changes correspond to Article 10-5 in the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements." For further details, see "Changes in accounting policies, changes in accounting estimates, and correction of errors" on page 9 in the Accompanying Materials.

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

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

June 30, 2012: 1,671,892,659 shares

March 31, 2012: 1,671,892,659 shares

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

| | |
|-----------------|---------------|
| June 30, 2012: | 79,451 shares |
| March 31, 2012: | 77,126 shares |

(3) Average number of shares during respective periods

| | |
|-----------------------------------|----------------------|
| Three months ended June 30, 2012: | 1,671,813,479 shares |
| Three months ended June 30, 2011: | 1,670,759,373 shares |

Quarterly review status

This report is exempt from the quarterly review of accounts conducted in accord with Japan's Financial Instruments and Exchange Act. As of this report's publication, the quarterly review of the quarterly financial results had not been completed.

*** 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 "Consolidated earnings outlook" on page 8 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 and analysts by conference call on Tuesday July 31, 2012, 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

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1. Qualitative Information and Financial Statements

(1) Consolidated operating results

During the first quarter under review, the world economy as a whole continued to grow moderately, reflecting economic expansion mainly in India, Brazil and Southeast Asian countries, despite a lull in the economic growth of China. However, the risk of a further economic downturn grew in developed countries amid concerns that Europe's debtor nation problems would be prolonged, although signs of an improvement in employment situation were observed in the U.S.

In Japan, demand for reconstruction related to the Great East Japan Earthquake was moving into full swing, but its economy was faced with possible negative factors, including the prolongation of the yen's strength, power supply shortages and a further downturn of the global economy due to Europe's debtor nation problems. Meanwhile, the social roles by the Group, which is engaged in various key infrastructures, have become increasingly important amid mounting interest in the future of energy.

Under such business circumstances, the Group posted year-on-year decreases in overall sales and profits for the first quarter under review, as many business sectors saw sales or profits decline. Overall orders received increased because greater orders at the Plant & Infrastructure, Ship & Offshore Structure and Aerospace segments offset fewer orders at the Precision Machinery and other segments. Overall sales fell chiefly due to sharp decreases in the Motorcycle & Engine, Ship & Offshore Structure and Precision Machinery segments, caused by economic slowdowns in Europe and China, among others, despite increases in the Aerospace and other segments. Overall profits declined owing to lower profits in the Precision Machinery and Ship & Offshore Structure segments, despite rises in profits at the Aerospace and other segments, where sales advanced.

As a result, in the first quarter under review, orders received increased ¥20.3 billion year on year to ¥271.5 billion on a consolidated basis. Net sales decreased ¥8.0 billion to ¥283.5 billion. Operating income dropped ¥5.6 billion to ¥6.7 billion, recurring profit declined ¥2.9 billion to ¥11.7 billion, and net income fell ¥3.5 billion to ¥6.0 billion.

Consolidated segment information for the first quarter of the fiscal year is summarized below.

Segment Information

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

| Segment | Three months ended June 30 | | | | Orders received | |
|---------------------------|----------------------------|------------------|-----------|------------------|----------------------------|-------|
| | 2011 | | 2012 | | Three months ended June 30 | |
| | Net sales | Operating income | Net sales | Operating income | 2011 | 2012 |
| Ship & Offshore Structure | 27.7 | 0.9 | 22.7 | (0.6) | 17.0 | 30.3 |
| Rolling Stock | 25.8 | 0.0 | 28.8 | 0.1 | 22.6 | 25.3 |
| Aerospace | 40.0 | (0.8) | 49.6 | 0.8 | 30.6 | 34.4 |
| Gas Turbine & Machinery | 45.5 | 3.3 | 45.3 | 2.6 | 31.3 | 32.5 |
| Plant & Infrastructure | 23.8 | 0.9 | 19.8 | 0.1 | 19.1 | 37.1 |
| Motorcycle & Engine | 59.6 | 0.3 | 53.4 | (0.3) | 59.6 | 53.4 |
| Precision Machinery | 40.4 | 7.1 | 36.1 | 3.9 | 43.4 | 28.6 |
| Other | 28.4 | 0.9 | 27.6 | 0.5 | 27.2 | 29.6 |
| Adjustments | - | (0.5) | - | (0.7) | - | - |
| Total | 291.5 | 12.3 | 283.5 | 6.7 | 251.1 | 271.5 |

Note: Net sales include only sales to external customers.

Ship & Offshore Structure

Orders received jumped ¥13.3 billion from a year earlier to ¥30.3 billion on a consolidated basis, due to the receipt of orders for three ships including an LNG carrier.

Net sales decreased ¥5.0 billion to ¥22.7 billion, owing to a fall in construction of Cape size bulk carriers, despite a growth in construction of Handymax size bulk carriers.

Operating income and loss deteriorated ¥1.5 billion from a year ago to an operating loss of ¥0.6 billion, affected by decreased net sales, booking of sales from less profitable projects, and reduced operations.

Rolling Stock

Orders received totaled ¥25.3 billion on a consolidated basis, up ¥2.7 billion year on year, primarily thanks to the receipt of orders from Taiwan for high-speed trains.

Net sales were ¥28.8 billion, up ¥2.9 billion. In Japan, sales rose because of a rise in sales to JR companies. Overseas, sales to Asia decreased, while those to North America increased, and as a result overall sales remained almost unchanged from the previous fiscal year.

Operating income remained virtually unchanged at ¥0.1 billion.

Aerospace

Orders received increased ¥3.8 billion from the previous fiscal year to ¥34.4 billion on a consolidated basis, mainly due to rises in orders from Japan's Ministry of Defense and orders from Boeing for component parts for the Boeing 777 and 787.

Net sales jumped ¥9.5 billion to ¥49.6 billion, thanks to an increase in sales to the Ministry of Defense resulting from the progress of work for P-1 next-generation patrol aircraft and a rise in sales to Boeing of component parts for the Boeing 787. In addition, sales of component parts for the Boeing 777 continued to be robust.

Operating income and loss improved ¥1.7 billion from a year earlier to an operating income of ¥0.8 billion, largely because of increased sales and reduced costs.

Gas Turbine & Machinery

Orders received totaled ¥32.5 billion on a consolidated basis, up ¥1.1 billion from a year earlier, chiefly due to larger orders for component parts for commercial aircraft jet engines.

Net sales remained almost unchanged at ¥45.3 billion, buoyed by increases in sales of component parts for commercial aircraft jet engines and industrial gas turbines, despite a decrease in sales of turbine facilities.

Operating income was ¥2.6 billion, down ¥0.7 billion, primarily affected by the strong yen and higher R&D expenses.

Plant & Infrastructure

Orders received substantially increased ¥18.0 billion year on year to ¥37.1 billion on a consolidated basis, thanks to the receipt of orders for cryogenic tanks and such like for the Ichthys LNG project.

Net sales declined ¥3.9 billion to ¥19.8 billion, owing to a drop in large orders from overseas, although sales of LNG storage tanks continued to be strong and sales of conveying facility and municipal refuse incineration plants went up.

Operating income decreased ¥0.8 billion to ¥0.1 billion, due to falls in sales and profitability.

Motorcycle & Engine

Net sales were ¥53.4 billion, down ¥6.1 billion from a year earlier, hurt by a delayed recovery in developed countries' markets and, in particular, a sharp sales drop in Europe, despite an increase in sales of motorcycles for emerging countries such as Indonesia and Brazil.

Operating income and loss worsened ¥0.7 billion to an operating loss of ¥0.3 billion, largely due to a decrease in sales.

Precision Machinery

Orders received sharply decreased ¥14.8 billion from a year ago to ¥28.6 billion on a consolidated basis, due to a substantial decline in orders for hydraulic equipment from the construction machinery market in emerging countries.

Net sales fell ¥4.3 billion to ¥36.1 billion, owing to a drop in sales of hydraulic equipment to the construction machinery market in emerging countries, mainly China, and a decrease in sales of industrial robots, particularly for semiconductor manufacturing process equipment.

Operating income declined ¥3.1 billion to ¥3.9 billion, because of lower sales and an increase in fixed expenses caused by capital spending and greater number of personnel.

Other Operations

Net sales totaled ¥27.6 billion, down ¥0.8 billion from the previous fiscal year.

Operating income was ¥0.5 billion, down ¥0.3 billion.

(2) Consolidated financial position

At the end of the first quarter under review, total assets stood at ¥1,374.2 billion on a consolidated basis, up ¥12.0 billion from the previous fiscal year, reflecting a decrease in trade receivables, an increase in inventories resulting from progress toward completion of construction jobs, and investments in Dalian COSCO KHI Shipbuilding Engineering Co., Ltd. Liabilities were ¥1,058.4 billion, up ¥12.1 billion, due to rises in short-term debt and advances from customers, despite a fall in trade payables. Interest-bearing debt was ¥435.0 billion, up ¥27.8 billion. Net assets were ¥315.8 billion, down ¥0.1 billion, reflecting payment of dividends and the booking of a net income.

(3) Consolidated earnings outlook

The Company has left unchanged the consolidated earnings forecasts for the fiscal year ending March 31, 2013 (announced April 26, 2012).

The Company's earnings forecasts assume exchange rates of ¥80 to the US dollar and ¥100 to the euro.

2. Summary Information (Notes)

(1) Changes affecting the status of material subsidiaries (scope of consolidation)

Not applicable

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

The Company calculates tax expense by rationally estimating its effective tax rate after application of deferred-tax 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.

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

Change in depreciation method

In accordance with the revision to the Corporate Tax Law, from the first quarter under review, the Company and its domestic consolidated subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after April 1, 2012 to the method stipulated in the revised Corporate Tax Law.

This change had little impact on consolidated earnings for the quarter under review.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

| | Millions of yen | |
|--|-------------------------|-------------------------------------|
| | As of March 31, 2012 | Three months ended June 30, 2012 |
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 34,316 | 33,439 |
| Trade receivables | 404,054 | 371,389 |
| Merchandise and finished products | 53,558 | 53,540 |
| Work in process | 300,224 | 320,798 |
| Raw materials and supplies | 88,113 | 86,074 |
| Other current assets | 90,174 | 93,384 |
| Allowance for doubtful receivables | (3,255) | (3,174) |
| Total current assets | 967,186 | 955,452 |
| Fixed assets | | |
| Net property, plant and equipment | 274,750 | 279,221 |
| Intangible assets | | |
| Goodwill | 300 | 215 |
| Other | 18,485 | 18,507 |
| Total intangible assets | 18,786 | 18,723 |
| Investments and other assets | | |
| Other | 102,356 | 121,723 |
| Allowance for doubtful receivables | (940) | (901) |
| Total investments and other assets | 101,416 | 120,821 |
| Total fixed assets | 394,953 | 418,765 |
| Total assets | 1,362,139 | 1,374,217 |
| Liabilities | | |
| Current liabilities | | |
| Trade payables | 310,775 | 286,779 |
| Short-term debt | 137,568 | 158,685 |
| Income taxes payable | 4,627 | 3,996 |
| Accrued bonuses | 20,582 | 22,983 |
| Provision for losses on construction contracts | 30,977 | 29,122 |
| Other provisions | 7,128 | 6,343 |
| Advances from customers | 99,050 | 119,097 |
| Other | 85,291 | 82,104 |
| Total current liabilities | 696,002 | 709,112 |
| Long-term liabilities | | |
| Bonds payable | 60,000 | 60,000 |
| Long-term debt | 198,737 | 196,374 |
| Employees' retirement and severance benefits | 75,052 | 73,917 |
| Other provisions | 4,192 | 3,904 |
| Other | 12,232 | 15,096 |
| Total long-term liabilities | 350,214 | 349,293 |
| Total liabilities | 1,046,216 | 1,058,405 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 104,484 | 104,484 |
| Capital surplus | 54,393 | 54,393 |
| Retained earnings | 176,414 | 173,881 |
| Treasury stock | (22) | (23) |
| Total shareholders' equity | 335,270 | 332,736 |

| | | |
|---|------------------|------------------|
| Accumulated other comprehensive income | | |
| Net unrealized gains (losses) on securities, net of tax | 3,989 | 2,808 |
| Deferred gains (losses) on hedges | 246 | 1,900 |
| Foreign currency translation adjustment | (33,451) | (32,010) |
| Total accumulated other comprehensive income | <u>(29,215)</u> | <u>(27,302)</u> |
| Minority interests | <u>9,868</u> | <u>10,377</u> |
| Total net assets | <u>315,922</u> | <u>315,812</u> |
| Total net assets and liabilities | <u>1,362,139</u> | <u>1,374,217</u> |

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

| | Millions of yen | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2011 | Three months ended June 30, 2012 |
| Net sales | 291,579 | 283,530 |
| Cost of sales | 244,360 | 240,094 |
| Gross profit | 47,218 | 43,435 |
| Selling, general and administrative expenses | | |
| Salaries and benefits | 9,668 | 9,970 |
| R&D expenses | 7,009 | 8,190 |
| Provision for doubtful accounts | 195 | 8 |
| Other | 17,971 | 18,524 |
| Total selling, general and administrative expenses | 34,844 | 36,693 |
| Operating income (loss) | 12,373 | 6,741 |
| Non-operating income | | |
| Interest income | 367 | 419 |
| Dividend income | 321 | 264 |
| Equity in income of non-consolidated subsidiaries and affiliates | 2,098 | 2,296 |
| Foreign exchange gain, net | 313 | 2,658 |
| Other | 1,218 | 1,068 |
| Total non-operating income | 4,318 | 6,707 |
| Non-operating expenses | | |
| Interest expense | 1,104 | 1,017 |
| Loss on valuation of securities | 7 | 18 |
| Other | 910 | 686 |
| Total non-operating expenses | 2,022 | 1,722 |
| Recurring profit (loss) | 14,669 | 11,727 |
| Extraordinary losses | | |
| Loss on impairment of fixed assets | 564 | - |
| Total extraordinary losses | 564 | - |
| Income (loss) before income taxes and minority interests | 14,104 | 11,727 |
| Income taxes | 3,946 | 5,100 |
| Income before minority interests | 10,158 | 6,626 |
| Minority interests in net income of consolidated subsidiaries | 599 | 595 |
| Net income (loss) | 9,558 | 6,030 |

Consolidated statements of comprehensive income

| | Millions of yen | |
|---|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2011 | Three months ended June 30, 2012 |
| Income before minority interests | 10,158 | 6,626 |
| Other comprehensive income | | |
| Net unrealized gains (losses) on securities, net of tax | (251) | (1,203) |
| Deferred gains (losses) on hedges | 614 | 1,653 |
| Foreign currency translation adjustment | (488) | 340 |
| Share of other comprehensive income of associates accounted for using equity method | 1,003 | 1,469 |
| Total other comprehensive income | 878 | 2,260 |
| Comprehensive Income attributable to: | 11,036 | 8,886 |
| Owners of the parent company | 10,235 | 7,944 |
| Minority interests | 801 | 942 |

(3) Notes on the going-concern assumption

Not applicable

(4) Notes on significant changes in the amount of shareholders' equity

Not applicable

(5) Segment information and others

Segment information

1. Three months ended June 30, 2011 (April 1, 2011 – June 30, 2011)

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

Millions of yen

| | External sales | Intersegment sales | Total sales | Operating income (loss) |
|---------------------------|----------------|--------------------|-------------|-------------------------|
| Ship & Offshore Structure | 27,751 | 101 | 27,853 | 950 |
| Rolling Stock | 25,878 | 63 | 25,941 | 48 |
| Aerospace | 40,029 | 442 | 40,471 | (898) |
| Gas Turbine & Machinery | 45,569 | 3,896 | 49,466 | 3,386 |
| Plant & Infrastructure | 23,825 | 1,919 | 25,744 | 999 |
| Motorcycle & Engine | 59,611 | 209 | 59,820 | 353 |
| Precision Machinery | 40,481 | 3,219 | 43,700 | 7,125 |
| Other | 28,432 | 7,670 | 36,102 | 922 |
| Reportable segment total | 291,579 | 17,522 | 309,101 | 12,889 |
| Adjustments*1 | - | (17,522) | (17,522) | (515) |
| Consolidated total | 291,579 | - | 291,579 | 12,373 |

Notes: 1. Breakdown of adjustments:

Millions of yen

| Income | Amount |
|---------------------------|--------|
| Intersegment transactions | 47 |
| Corporate expenses* | (563) |
| Total | (515) |

*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, 2012 (April 1, 2012 – June 30, 2012)

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

| Millions of yen | | | | |
|---------------------------|----------------|--------------------|-------------|-------------------------|
| | External sales | Intersegment sales | Total sales | Operating income (loss) |
| Ship & Offshore Structure | 22,712 | 290 | 23,003 | (644) |
| Rolling Stock | 28,830 | 105 | 28,935 | 146 |
| Aerospace | 49,614 | 708 | 50,322 | 889 |
| Gas Turbine & Machinery | 45,387 | 3,756 | 49,143 | 2,676 |
| Plant & Infrastructure | 19,840 | 3,079 | 22,920 | 197 |
| Motorcycle & Engine | 53,430 | 162 | 53,592 | (347) |
| Precision Machinery | 36,101 | 2,763 | 38,864 | 3,992 |
| Other | 27,613 | 7,959 | 35,573 | 554 |
| Reportable segment total | 283,530 | 18,825 | 302,355 | 7,466 |
| Adjustments*1 | - | (18,825) | (18,825) | (724) |
| Consolidated total | 283,530 | - | 283,530 | 6,741 |

Notes: 1. Breakdown of adjustments:

| Millions of yen | |
|---------------------------|--------|
| Income | Amount |
| Intersegment transactions | 72 |
| Corporate expenses* | (797) |
| Total | (724) |

* 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

4. Supplementary information

(1) Condensed consolidated cash flow statements

| | Millions of yen | |
|--|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2011 | Three months ended June 30, 2012 |
| Cash flow from operating activities | (10,239) | 7,995 |
| Cash flow from investing activities | (14,869) | (30,618) |
| Cash flow from financing activities | 11,189 | 22,629 |
| Cash and cash equivalents at end of period | 27,538 | 32,490 |

(2) Orders and sales (consolidated)

Orders received

| | Three months ended June 30, 2011 | | Three months ended June 30, 2012 | | Year ended March 31, 2012 | |
|---------------------------|-------------------------------------|--------------|-------------------------------------|--------------|------------------------------|--------------|
| | million yen | % of total | million yen | % of total | million yen | % of total |
| Ship & Offshore Structure | 17,003 | 6.7 | 30,345 | 11.1 | 39,909 | 3.0 |
| Rolling Stock | 22,646 | 9.0 | 25,350 | 9.3 | 66,099 | 5.0 |
| Aerospace | 30,610 | 12.1 | 34,434 | 12.6 | 327,233 | 24.9 |
| Gas Turbine & Machinery | 31,377 | 12.4 | 32,531 | 11.9 | 227,281 | 17.3 |
| Plant & Infrastructure | 19,143 | 7.6 | 37,186 | 13.6 | 119,284 | 9.0 |
| Motorcycle & Engine | 59,611 | 23.7 | 53,430 | 19.6 | 235,243 | 17.9 |
| Precision Machinery | 43,490 | 17.3 | 28,606 | 10.5 | 174,587 | 13.3 |
| Other | 27,297 | 10.8 | 29,673 | 10.9 | 122,239 | 9.3 |
| Total | 251,181 | 100.0 | 271,557 | 100.0 | 1,311,878 | 100.0 |

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

Net sales

| | Three months ended June 30, 2011 | | Three months ended June 30, 2012 | | Year ended March 31, 2012 | |
|---------------------------|-------------------------------------|--------------|-------------------------------------|--------------|------------------------------|--------------|
| | million yen | % of total | million yen | % of total | million yen | % of total |
| Ship & Offshore Structure | 27,751 | 9.5 | 22,712 | 8.0 | 113,532 | 8.7 |
| Rolling Stock | 25,878 | 8.8 | 28,830 | 10.1 | 132,684 | 10.1 |
| Aerospace | 40,029 | 13.7 | 49,614 | 17.4 | 206,580 | 15.8 |
| Gas Turbine & Machinery | 45,569 | 15.6 | 45,387 | 16.0 | 194,655 | 14.9 |
| Plant & Infrastructure | 23,825 | 8.1 | 19,840 | 6.9 | 122,800 | 9.4 |
| Motorcycle & Engine | 59,611 | 20.4 | 53,430 | 18.8 | 235,243 | 18.0 |
| Precision Machinery | 40,481 | 13.8 | 36,101 | 12.7 | 175,077 | 13.4 |
| Other | 28,432 | 9.7 | 27,613 | 9.7 | 123,205 | 9.4 |
| Total | 291,579 | 100.0 | 283,530 | 100.0 | 1,303,778 | 100.0 |

Order backlog

| | Year ended March 31, 2012 | | Three months ended June 30, 2012 | | Three months ended June 30, 2011 | |
|---------------------------|------------------------------|--------------|-------------------------------------|--------------|-------------------------------------|--------------|
| | million yen | % of total | million yen | % of total | million yen | % of total |
| Ship & Offshore Structure | 102,870 | 6.8 | 109,070 | 7.5 | 165,306 | 11.4 |
| Rolling Stock | 345,170 | 23.1 | 329,214 | 22.7 | 412,178 | 28.4 |
| Aerospace | 386,376 | 25.8 | 368,469 | 25.4 | 257,654 | 17.7 |
| Gas Turbine & Machinery | 409,819 | 27.4 | 386,963 | 26.7 | 360,192 | 24.8 |
| Plant & Infrastructure | 181,698 | 12.1 | 189,747 | 13.1 | 180,677 | 12.4 |
| Motorcycle & Engine | - | - | - | - | - | - |
| Precision Machinery | 42,300 | 2.8 | 34,805 | 2.4 | 45,800 | 3.1 |
| Other | 25,879 | 1.7 | 27,936 | 1.9 | 25,709 | 1.7 |
| Total | 1,494,116 | 100.0 | 1,446,207 | 100.0 | 1,447,519 | 100.0 |

(2) Net sales by geographic area (consolidated)

Three months ended June 30, 2011 (April 1, 2011 – June 30, 2011)

Millions of yen

| | | |
|---------------|---------|--------|
| Japan | 117,989 | 40.4% |
| United States | 55,427 | 19.0% |
| Europe | 33,279 | 11.4% |
| Asia | 53,583 | 18.3% |
| Other areas | 31,299 | 10.7% |
| Total | 291,579 | 100.0% |

Three months ended June 30, 2012 (April 1, 2012 – June 30, 2012)

Millions of yen

| | | |
|---------------|---------|--------|
| Japan | 133,519 | 47.0% |
| United States | 58,545 | 20.6% |
| Europe | 21,595 | 7.6% |
| Asia | 44,946 | 15.8% |
| Other areas | 24,923 | 8.7% |
| Total | 283,530 | 100.0% |