

**Report of Earnings and Financial Statements for the
Nine Months Ended December 31, 2012 (Consolidated)**
(Prepared pursuant to Japanese GAAP)

January 31, 2013

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: February 13, 2013

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 Nine Months ended December 31, 2012
(April 1 – December 31, 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	%
Nine Months Ended December 31, 2012	885,896	(2.2)	22,920	(51.5)	31,446	(45.8)	19,343	(42.5)
Nine Months Ended December 31, 2011	906,314	4.1	47,282	22.0	58,111	28.5	33,679	19.6

Note: Comprehensive income December 31, 2012: 15,640 million yen (43.1%)

December 31, 2011: 27,531 million yen 37.6%

	Earnings per share	Earnings per share – diluted
	yen	yen
Nine Months Ended December 31, 2012	11.57	-
Nine Months Ended December 31, 2011	20.15	19.95

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
December 31, 2012	1,494,484	322,365	20.8
March 31, 2012	1,362,139	315,922	22.4

Note: Shareholders' equity: December 31, 2012: 311,048 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
Year ended March 31, 2012	yen -	yen 0.00	yen -	yen 5.00	yen 5.00
Year ending March 31, 2013	-	0.00	-		
Year ending March 31, 2013 (forecast)				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
Full year	1,300,000	(0.2)	40,000	(30.4)	50,000	(21.4)	30,000	28.6	17.94

Note: Revision to the most recently announced earnings forecast: Yes

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)

December 31, 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

December 31, 2012: 93,582 shares

March 31, 2012: 77,126 shares

(3) Average number of shares during respective periods

Nine months ended December 31, 2012: 1,671,806,157 shares

Nine months ended December 31, 2011: 1,671,347,871 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 preparation. 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 Thursday January 31, 2013, 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.

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1. Qualitative Information and Financial Statements

(1) Consolidated operating results

The global economy is expected to continue on a track toward gradual recovery, but the speed thereof in developed countries remained slow due to uncertainties such as the financial problems and a continuing overall severe employment situation in the U.S. and debtor nation problems in Europe. In addition, emerging countries that have led the global economy are also experiencing economic slowdown, with the economic growth rate of China falling short of initial forecasts.

In Japan, demand for reconstruction related to the Great East Japan Earthquake was moving into full swing, but the economy continued to be uncertain due to expected business slowdown at export companies triggered by the downward global trend. The new fiscal and financial government policies to get out of deflation and realize sustainable economic growth and the movement of the strong yen correction are seen in recent months, while it is thought that more time is needed before the effects of these movements will be reflected in the real economy.

Under such business environment, overall orders received by the Group increased for the third quarter of the fiscal year ending March 2013 because greater orders for the Rolling Stock and Aerospace segments offset fewer orders for the Precision Machinery and other segments. Overall sales fell chiefly due to a decrease in the Precision Machinery segment caused by the economic slowdown in China and a drop in the Ship & Offshore Structure segment, despite increases in the Aerospace and other segments. Overall profits declined, owing to lower profits in the Precision Machinery and Rolling Stock segments, despite rises in profits in the Aerospace and other segments supported larger sales.

As a result, orders received of the Group were ¥802.4 billion on a consolidated basis, up ¥20.3 billion from the previous year. Consolidated net sales were ¥885.8 billion, down ¥20.4 billion year-on-year; operating income was ¥22.9 billion, down ¥24.3 billion; and recurring profit was ¥31.4 billion, down ¥26.6 billion. Net income was ¥19.3 billion, down ¥14.3 billion year-on-year.

The overview of performance results by business segment for the third-quarter cumulative period of the fiscal year ending March 2013 is as follows.

Segment Information

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

Segment	Nine months ended December 31,				Orders received	
	2011		2012		Nine months ended December 31,	
	Net sales	Operating income	Net sales	Operating income	2011	2012
Ship & Offshore Structure	87.1	4.1	68.6	4.4	36.9	42.9
Rolling Stock	94.6	4.9	94.1	(0.5)	49.9	93.1
Aerospace	138.5	5.9	165.8	9.3	114.1	138.3
Gas Turbine & Machinery	137.0	8.0	144.6	4.6	123.3	131.6
Plant & Infrastructure	78.7	8.8	71.1	3.7	84.0	69.4
Motorcycle & Engine	154.2	(4.5)	158.8	(2.0)	154.2	158.8
Precision Machinery	129.0	20.7	93.8	4.8	131.1	78.4
Other	86.7	3.3	88.7	1.5	88.2	89.5
Adjustments	-	(4.0)	-	(2.9)	-	-
Total	906.3	47.2	885.8	22.9	782.1	802.4

Note: Net sales include only sales to external customers.

Ship & Offshore Structure

Orders received increased ¥6.0 billion from a year earlier to ¥42.9 billion on a consolidated basis due to the receipt of orders for four ships, including an LNG carrier.

Net sales decreased ¥18.4 billion to ¥68.6 billion, owing to a fall in construction of Cape size bulk carriers, despite a growth in construction of liquefied gas carriers, including an LNG carrier and an LPG carrier.

Operating income increased ¥0.2 billion to ¥4.4 billion due to a reduction in costs and a decrease in provision for losses on construction contracts, despite a decline in sales.

Rolling Stock

Orders received totaled ¥93.1 billion on a consolidated basis, up ¥43.2 billion year on year, primarily thanks to the receipt of orders from Taiwan for high-speed rail cars and from Singapore for subway cars.

Net sales were ¥94.1 billion, mostly unchanged from the previous year, chiefly because sales rose in Japan because of a rise in sales to JR companies, despite a decrease in sales overseas.

Operating income deteriorated ¥5.4 billion from a year ago to an operating loss of

¥0.5 billion, affected by provision for losses on construction contracts for a certain overseas project.

Aerospace

Orders received increased ¥24.2 billion from the previous fiscal year to ¥138.3 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 ¥27.2 billion to ¥165.8 billion, thanks to an increase in sales to the Ministry of Defense, including C-2 transport aircraft, and a rise in sales to Boeing of component parts for the Boeing 777 and 787.

Operating income rose ¥3.4 billion to ¥9.3 billion, largely because of increased sales and reduced costs.

Gas Turbine & Machinery

Orders received totaled ¥131.6 billion on a consolidated basis, up ¥8.3 billion year on year, due to larger orders for component parts for commercial aircraft jet engines.

Net sales increased ¥7.5 billion to ¥144.6 billion, buoyed by increases in sales of industrial gas turbines and gas engines, despite a decrease in sales of turbine facilities.

Operating income was ¥4.6 billion, down ¥3.3 billion, primarily affected by higher R&D expenses.

Plant & Infrastructure

Orders received decreased ¥14.5 billion year on year to ¥69.4 billion on a consolidated basis, due to declines in domestic orders for LNG storage tanks and municipal refuse incineration plants, despite the receipt of orders for cryogenic tanks and such like for the Ichthys LNG project.

Net sales declined ¥7.6 billion to ¥71.1 billion, owing to a drop in large orders from overseas, although sales of LNG storage tanks continued to be strong, and sales of conveying facilities and municipal refuse incineration plants went up.

Operating income decreased ¥5.1 billion to ¥3.7 billion, due to falls in sales and profitability.

Motorcycle & Engine

Net sales were ¥158.8 billion on a consolidated basis, up ¥4.5 billion from a year earlier, mainly thanks to an increase in sales of motorcycles for the U.S. and emerging countries such as Indonesia, despite a decrease in sales of motorcycles for Europe.

Operating income and loss improved ¥2.5 billion year on year chiefly due to increases in sales and profitability, but this figure was adjusted to an operating loss of ¥2.0 billion.

Precision Machinery

Orders received sharply decreased ¥52.7 billion from a year ago to ¥78.4 billion on a consolidated basis, primarily due to a decline in orders for hydraulic equipment to the construction machinery market in emerging countries, mainly China.

Net sales significantly fell ¥35.2 billion to ¥93.8 billion, owing to a drop in sales of hydraulic equipment to the construction machinery market in emerging countries, mainly China.

Operating income sharply declined ¥15.9 billion to ¥4.8 billion, because of lower sales and an increase in fixed expenses caused by capital spending in previous years.

Other Operations

Net sales totaled ¥88.7 billion on a consolidated basis, up ¥2.0 billion from the previous fiscal year.

Operating income was ¥1.5 billion, down ¥1.8 billion.

(2) Consolidated financial position

At the end of the third quarter under review, total assets stood at ¥1,494.4 billion on a consolidated basis, up ¥132.3 billion from the end of the previous fiscal year, reflecting an increase in trade receivables following the booking of net sales, an increase in inventories resulting from progress toward completion of construction jobs, and an increase in property, plant and equipment due to capital investment and investments in Dalian COSCO KHI Shipbuilding Engineering Co., Ltd. Liabilities were ¥1,172.1 billion, up ¥125.9 billion, due to rises in commercial paper, short-term borrowing and corporate bonds, despite a fall in trade payables. Interest-bearing debt was ¥587.1 billion, up ¥180.0 billion. Net assets were ¥322.3 billion, up ¥6.4 billion, reflecting payment of dividends and the booking of net income.

(3) Consolidated earnings outlook

The future direction of the business environment surrounding the Company stays uncertain given that the speed of economic recovery in developed countries remains slow and economies in emerging countries, mainly China, are also decelerating. At the moment, signs of a correction in the excessive strength of the yen are appearing, but it will likely take some more time before such correction will be reflected in the real economy.

The earnings outlook for the current fiscal year is as follows. Consolidated net sales are expected to be ¥1,300.0 billion, unchanged from the forecast previously announced. Operating income is projected to increase ¥4.0 billion from the forecast announced previously to ¥40.0 billion, chiefly due to improvements resulting from changing the assumption of exchange rates, despite the continued low demand in the Precision

Machinery segment for hydraulic equipment to the construction machinery market in emerging countries and robots for semiconductor manufacturing equipment. Recurring profit and net income are expected to remain unchanged from the forecasts previously announced at ¥50.0 billion and ¥30.0 billion, respectively, as the effects of a change in exchange rates will be limited due to forward exchange contracts the Company has conducted so far.

The above earnings outlook assumes exchange rates of ¥85 to the U.S. dollar and ¥110 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 Third 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 of the fiscal year ending March 2013, 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.

As a result, operating income, recurring profit and income before income taxes and minority interests for the third-quarter cumulative period increased ¥768 million respectively.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

	Millions of yen	
	As of March 31, 2012	Nine months ended December 31, 2012
Assets		
Current assets		
Cash on hand and in banks	34,316	30,839
Trade receivables	404,054	427,642
Merchandise and finished products	53,558	74,922
Work in process	300,224	344,640
Raw materials and supplies	88,113	89,094
Other current assets	90,174	90,710
Allowance for doubtful receivables	(3,255)	(3,329)
Total current assets	967,186	1,054,521
Fixed assets		
Net property, plant and equipment	274,750	296,365
Intangible assets		
Goodwill	300	65
Other	18,485	19,335
Total intangible assets	18,786	19,400
Investments and other assets		
Other	102,356	125,368
Allowance for doubtful receivables	(940)	(1,171)
Total investments and other assets	101,416	124,196
Total fixed assets	394,953	439,962
Total assets	1,362,139	1,494,484
Liabilities		
Current liabilities		
Trade payables	310,775	263,547
Short-term debt	137,568	227,409
Income taxes payable	4,627	3,511
Accrued bonuses	20,582	9,818
Provision for losses on construction contracts	30,977	19,626
Other provisions	7,128	5,671
Advances from customers	99,050	102,834
Other	85,291	208,238
Total current liabilities	696,002	840,659
Long-term liabilities		
Bonds payable	60,000	70,000
Long-term debt	198,737	169,917
Employees' retirement and severance benefits	75,052	72,613
Other provisions	4,192	4,737
Other	12,232	14,189
Total long-term liabilities	350,214	331,459
Total liabilities	1,046,216	1,172,118
Net assets		
Shareholders' equity		
Common stock	104,484	104,484
Capital surplus	54,393	54,393
Retained earnings	176,414	187,008
Treasury stock	(22)	(25)
Total shareholders' equity	335,270	345,860

Accumulated other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	3,989	3,416
Deferred gains (losses) on hedges	246	(5,999)
Foreign currency translation adjustments	(33,451)	(32,229)
Total accumulated other comprehensive income	<u>(29,215)</u>	<u>(34,811)</u>
Minority interests	<u>9,868</u>	<u>11,316</u>
Total net assets	<u>315,922</u>	<u>322,365</u>
Total liabilities and net assets	<u>1,362,139</u>	<u>1,494,484</u>

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

	Millions of yen	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net sales	906,314	885,896
Cost of sales	749,211	748,339
Gross profit	157,102	137,557
Selling, general and administrative expenses		
Salaries and benefits	30,039	31,333
R&D expenses	25,222	27,258
Provision for doubtful accounts	95	260
Other	54,461	55,784
Total selling, general and administrative expenses	109,819	114,637
Operating income (loss)	47,282	22,920
Non-operating income		
Interest income	1,172	1,335
Dividend income	641	592
Equity in income of non-consolidated subsidiaries and affiliates	7,100	7,082
Foreign exchange gain, net	2,723	1,724
Other	6,046	4,141
Total non-operating income	17,684	14,877
Non-operating expenses		
Interest expense	3,237	3,130
Loss on valuation of securities	12	20
Other	3,606	3,199
Total non-operating expenses	6,856	6,351
Recurring profit (loss)	58,111	31,446
Extraordinary losses		
Provision for environmental measures	-	1,395
Loss on impairment of fixed assets	924	212
Total extraordinary losses	924	1,608
Income (loss) before income taxes and minority interests	57,186	29,837
Income taxes	21,442	8,694
Income before minority interests	35,744	21,143
Minority interests in net income of consolidated subsidiaries	2,065	1,800
Net income (loss)	33,679	19,343

Consolidated statements of comprehensive income

	Millions of yen	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income before minority interests	35,744	21,143
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	(1,349)	(585)
Deferred gains (losses) on hedges	(241)	(6,226)
Foreign currency translation adjustments	(6,270)	2,476
Share of other comprehensive income of associates accounted for using equity method	(352)	(1,167)
Total other comprehensive income	(8,213)	(5,503)
Comprehensive Income attributable to:	27,531	15,640
Owners of the parent company	25,872	13,746
Minority interests	1,658	1,893

(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. Nine months ended December 31, 2011 (April 1, 2011 – December 31, 2011)

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

	External sales	Intersegment sales	Total sales	Operating income (loss)
Ship & Offshore Structure	87,113	1,047	88,161	4,132
Rolling Stock	94,651	1,641	96,292	4,905
Aerospace	138,586	1,433	140,019	5,905
Gas Turbine & Machinery	137,070	14,427	151,498	8,034
Plant & Infrastructure	78,773	8,312	87,086	8,837
Motorcycle & Engine	154,277	765	155,043	(4,581)
Precision Machinery	129,097	9,497	138,594	20,789
Other	86,743	24,973	111,716	3,349
Reportable segment total	906,314	62,098	968,412	51,373
Adjustments*1	-	(62,098)	(62,098)	(4,090)
Consolidated total	906,314	-	906,314	47,282

Notes: 1. Breakdown of adjustments:

Income	Amount
Intersegment transactions	(89)
Corporate expenses*	(4,000)
Total	(4,090)

*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 quarterly consolidated statements of income for the corresponding period.

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

Not applicable

2. Nine months ended December 31, 2012 (April 1, 2012 – December 31, 2012)

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

Millions of yen				
	External sales	Intersegment sales	Total sales	Operating income (loss)
Ship & Offshore Structure	68,629	1,446	70,075	4,417
Rolling Stock	94,181	2,467	96,649	(585)
Aerospace	165,848	1,656	167,504	9,346
Gas Turbine & Machinery	144,667	12,227	156,894	4,655
Plant & Infrastructure	71,132	11,460	82,592	3,712
Motorcycle & Engine	158,855	512	159,368	(2,018)
Precision Machinery	93,830	9,381	103,212	4,851
Other	88,750	23,536	112,287	1,500
Reportable segment total	885,896	62,688	948,584	25,879
Adjustments* 1	-	(62,688)	(62,688)	(2,959)
Consolidated total	885,896	-	885,896	22,920

Notes: 1. Breakdown of adjustments:

Millions of yen	
Income	Amount
Intersegment transactions	809
Corporate expenses*	(3,768)
Total	(2,959)

* 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 quarterly 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) Consolidated cash flow statements (condensed)

	Millions of yen	
	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Cash flow from operating activities	(16,113)	(104,274)
Cash flow from investing activities	(51,417)	(66,116)
Cash flow from financing activities	61,232	168,493
Cash and cash equivalents at end of period	34,301	29,587

(2) Orders and sales (consolidated)

Orders received

	Nine months ended December 31, 2011		Nine months ended December 31, 2012		Year ended March 31, 2012	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	36,911	4.7	42,982	5.3	39,909	3.0
Rolling Stock	49,937	6.3	93,149	11.6	66,099	5.0
Aerospace	114,110	14.5	138,359	17.2	327,233	24.9
Gas Turbine & Machinery	123,344	15.7	131,670	16.4	227,281	17.3
Plant & Infrastructure	84,069	10.7	69,481	8.6	119,284	9.0
Motorcycle & Engine	154,277	19.7	158,855	19.7	235,243	17.9
Precision Machinery	131,185	16.7	78,403	9.7	174,587	13.3
Other	88,270	11.2	89,530	11.1	122,239	9.3
Total	782,106	100.0	802,433	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

	Nine months ended December 31, 2011		Nine months ended December 31, 2012		Year ended March 31, 2012	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	87,113	9.6	68,629	7.7	113,532	8.7
Rolling Stock	94,651	10.4	94,181	10.6	132,684	10.1
Aerospace	138,586	15.2	165,848	18.7	206,580	15.8
Gas Turbine & Machinery	137,070	15.1	144,667	16.3	194,655	14.9
Plant & Infrastructure	78,773	8.6	71,132	8.0	122,800	9.4
Motorcycle & Engine	154,277	17.0	158,855	17.9	235,243	18.0
Precision Machinery	129,097	14.2	93,830	10.5	175,077	13.4
Other	86,743	9.5	88,750	10.0	123,205	9.4
Total	906,314	100.0	885,896	100.0	1,303,778	100.0

Order backlog

	Year ended March 31, 2012		Nine months ended December 31, 2012		Nine months ended December 31, 2011	
	million yen	% of total	million yen	% of total	million yen	% of total
Ship & Offshore Structure	102,870	6.8	77,657	5.4	124,552	9.3
Rolling Stock	345,170	23.1	348,644	24.4	353,272	26.5
Aerospace	386,376	25.8	359,572	25.2	240,560	18.0
Gas Turbine & Machinery	409,819	27.4	411,817	28.9	350,921	26.3
Plant & Infrastructure	181,698	12.1	172,076	12.0	190,502	14.2
Motorcycle & Engine	-	-	-	-	-	-
Precision Machinery	42,300	2.8	26,873	1.8	44,878	3.3
Other	25,879	1.7	26,641	1.8	28,371	2.1
Total	1,494,116	100.0	1,423,283	100.0	1,333,058	100.0

(3) Net sales by geographic area (consolidated)

Nine months ended December 31, 2011 (April 1, 2011 – December 31, 2011)

Millions of yen

Japan	385,211	42.5%
United States	152,505	16.8%
Europe	89,937	9.9%
Asia	179,109	19.7%
Other areas	99,550	10.9%
Total	906,314	100.0%

Nine months ended December 31, 2012 (April 1, 2012 – December 31, 2012)

Millions of yen

Japan	438,227	49.4%
United States	177,244	20.0%
Europe	61,025	6.8%
Asia	137,881	15.5%
Other areas	71,517	8.0%
Total	885,896	100.0%

(4) Supplementary information on earnings forecasts for the fiscal year ending March 31, 2013

1) Consolidated earnings outlook

Billions of yen

	Outlook for the year ending March 31, 2013 (fiscal 2012)			Fiscal 2011 (ended March 31, 2012) (actual)
	Revised forecast (A)	Forecast issued October 31, 2012 (B)	Change (A – B)	
Net sales	1,300.0	1,300.0	-	1,303.7
Operating income	40.0	36.0	4.0	57.4
Recurring profit	50.0	50.0	-	63.6
Net income	30.0	30.0	-	23.3
Orders received	1,330.0	1,350.0	(20.0)	1,311.8
Before-tax ROIC (%)	7.3%	7.3%	-	7.4%

Notes: 1. Outlook's assumed foreign exchange rates: ¥85 = US\$1, ¥110= 1 euro

2. Before-tax ROIC = (income before income taxes + interest expense) / invested capital.

2) Outlook by reportable segment

(a) Net sales and operating income (loss)

Billions of yen

	Outlook for the year ending March 31, 2013 (fiscal 2012)						Fiscal 2011 (ended March 31, 2012) (actual)	
	Revised forecast (A)		Forecast issued October 31, 2012 (B)		Change (A - B)		Net sales	Operating income (loss)
	Net sales	Operating income (loss)	Net sales	Operating income (loss)	Net sales	Operating income (loss)		
Ship & Offshore Structure	80.0	3.0	80.0	(2.0)	-	5.0	113.5	3.9
Rolling Stock	130.0	2.0	130.0	2.0	-	-	132.6	5.1
Aerospace	250.0	12.0	250.0	9.0	-	3.0	206.5	7.8
Gas Turbine & Machinery	210.0	8.0	210.0	8.0	-	-	194.6	7.7
Plant & Infrastructure	130.0	11.0	130.0	11.0	-	-	122.8	14.1
Motorcycle & Engine	250.0	2.0	250.0	2.0	-	-	235.2	(2.9)
Precision Machinery	130.0	8.0	130.0	12.0	-	(4.0)	175.0	26.6
Other	120.0	3.0	120.0	3.0	-	-	123.2	3.8
Adjustments		(9.0)		(9.0)		-		(8.8)
Total	1,300.0	40.0	1,300.0	36.0	-	4.0	1,303.7	57.4

(b) Orders received

Billions of yen

	Outlook for the year ending March 31, 2013 (fiscal 2012)			Fiscal 2011 (ended March 31, 2012) (actual)
	Revised outlook (A)	Forecast issued October 31, 2012 (B)	Change (A - B)	
Ship & Offshore Structure	110.0	110.0	-	39.9
Rolling Stock	140.0	140.0	-	66.0
Aerospace	220.0	220.0	-	327.2
Gas Turbine & Machinery	240.0	240.0	-	227.2
Plant & Infrastructure	130.0	130.0	-	119.2
Motorcycle & Engine	250.0	250.0	-	235.2
Precision Machinery	110.0	130.0	(20.0)	174.5
Other	130.0	130.0	-	122.2
Total	1,330.0	1,350.0	(20.0)	1,311.8