

**Financial Results for First Quarter FY 2010  
(for the year ending March 31, 2011)**

**July 30, 2010**

**Kawasaki Heavy Industries, Ltd.**



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# **I. Consolidated Results for First Quarter FY2010**

# Summary of Financial Results

(Billion Yen)

	FY2009.1Q	FY2010.1Q	Change
Orders Received	191.7	<b>329.4</b>	137.7
Net Sales	256.7	<b>277.3</b>	20.6
Operating Income/Loss	- 5.3	<b>11.6</b>	17.0
Recurring Profit	- 1.4	<b>11.3</b>	12.8
Net Income/Loss	- 1.7	<b>5.8</b>	7.6

## < Orders Received >

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

## < Net Sales >

Increase in sales as a whole due to a significant sales increase for emerging markets in Precision Machinery segment

## < Profits >

Profit improved significantly due to implementation of the fixed cost reduction especially in mass production businesses and other factors, despite the adverse impact of the appreciation of the yen

Exchange Rates ( weighted-average )

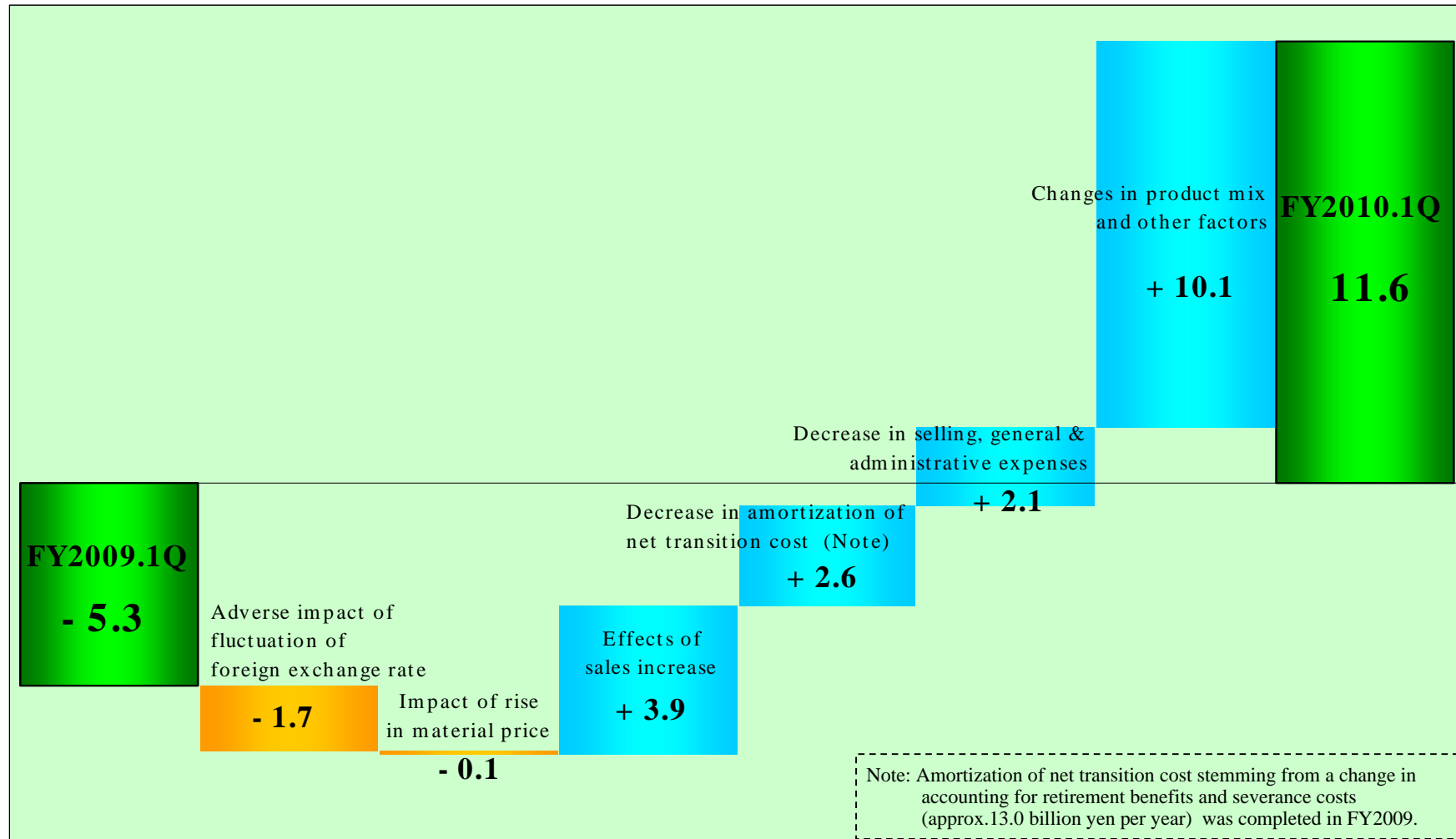
Yen / US\$	97	<b>93</b>
Yen / EUR	132	<b>122</b>

# Details of Change in Profit 1

- FY2010.1Q vs. FY2009.1Q -

(Billion Yen)

【Operating Income/Loss】 + 17.0 ( FY2009.1Q - 5.3 → FY2010.1Q 11.6 )



# Details of Change in Profit 2

## - FY2010.1Q vs. FY2009.1Q -

(Billion Yen)

### 【Non-operating Income/Expenses】 - 4.1 ( FY2009.1Q 3.8 → FY2010.1Q - 0.2 )

Net Interest expense ( incl. dividend income )	0	( - 0.3 → - 0.3 )
Equity in income of unconsolidated subsidiaries and affiliates	+ 1.9	( 0.3 → 2.2 )
Gain and loss on foreign exchange	- 4.2	( 3.2 → - 0.9 )
Others	- 1.9	( 0.6 → - 1.2 )

### 【Extraordinary Income/Losses】 - 0.4 ( FY2009.1Q 0 → FY2010.1Q - 0.4 )

Effect of application of accounting for asset retirement obligations	- 0.2	( 0 → - 0.2 )
Bad debt expense for doubtful accounts of affiliates	- 0.2	( 0 → - 0.2 )

# Financial Results by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2009 1Q	FY2010 1Q	Change	FY2009 1Q	FY2010 1Q	Change	FY2009 1Q	FY2010 1Q	Change
Shipbuilding	1.8	1.6	- 0.1	39.4	28.6	- 10.7	- 0.6	3.3	3.9
Rolling Stock	25.5	101.5	76.0	37.5	26.6	- 10.8	1.9	1.7	- 0.1
Aerospace	11.4	36.5	25.1	26.6	34.2	7.5	- 1.9	- 1.8	0.1
Gas Turbines & Machinery	52.3	33.0	- 19.2	44.7	49.9	5.1	1.2	4.0	2.7
Plant & Infrastructure Engineering	15.8	32.0	16.2	16.5	20.4	3.9	- 0.5	0.2	0.8
Motorcycle & Engine	58.0	65.1	7.0	58.0	65.1	7.0	- 3.9	0.7	4.7
Precision Machinery	13.1	35.0	21.8	16.5	27.8	11.3	- 0.3	3.9	4.2
Other	13.5	24.2	10.7	17.2	24.4	7.1	- 0.3	0	0.4
Eliminations and corporate	-	-	-	-	-	-	- 0.8	- 0.6	0.1
<b>Total</b>	<b>191.7</b>	<b>329.4</b>	<b>137.7</b>	<b>256.7</b>	<b>277.3</b>	<b>20.6</b>	<b>- 5.3</b>	<b>11.6</b>	<b>17.0</b>

Note1: 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 17](#)

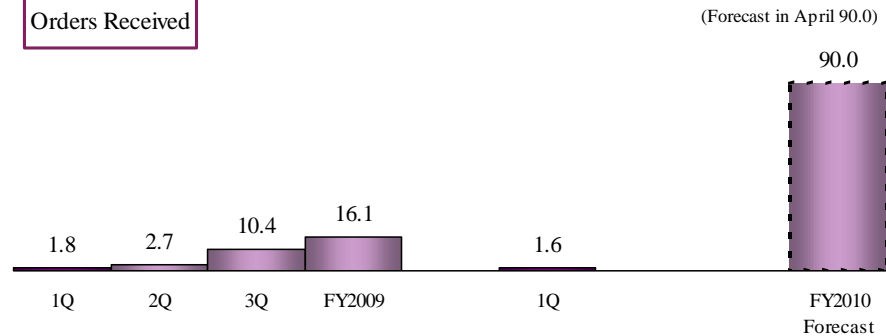
Note2: "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting.

# Shipbuilding

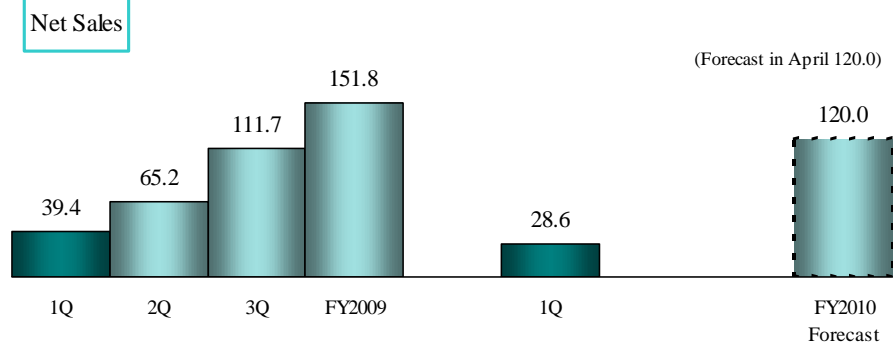
Main Products: LNG Carriers, LPG Carriers, VLCCs, Bulk Carriers, Submarines and others

Note: FY2009 Operating Income is the recalculated figures based on the new accounting standard which has been adopted since FY2010 → **Refer to Page 17**

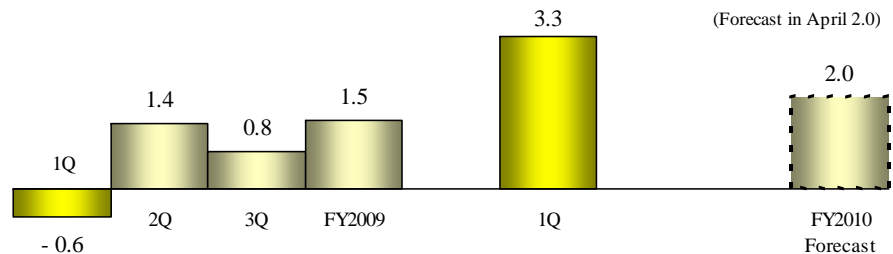
## Orders Received



## Net Sales



## Operating Income



(Billion Yen / In accumulated amount)

### ◇ **FY2010.1Q** ( vs. FY2009.1Q )

**Orders Received:** No orders received of new building ships as in the previous first quarter

**Net Sales:** Decrease in sales of large-scale vessels

**Operating Income:** Income improved significantly due to profitability improvement, and other factors

<Units of Orders Received and Sales of New Building Ships>

	Orders Received		Sales	
	FY2009.1Q	FY2010.1Q	FY2009.1Q	FY2010.1Q
LNG carriers			3(2)	3(3)
Small-sized LNG carriers				
LPG carriers			2(2)	2(2)
VLCCs			1(0)	
Bulk carriers			3(2)	9(7)
Submarines			2(2)	1(1)
Total			11(8)	15(13)

Note: ( ) = Sales units by percentage-of-completion method

### ◇ **FY2010 Forecast** ( vs. FY2009 )

**Orders Received:** Increase 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:** Income is expected to increase due to profitability improvement, and other factors

### ◇ **(For Reference) Joint Venture in China**

NACKS was established in Nantong in December 1995, as a joint venture between KHI and China Ocean Shipping(Group) Company, the biggest shipping company in China 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 by utilizing two large-scale docks for both domestic and overseas customers under the technical support from Kawasaki Shipbuilding Corporation.

(NACKS is an equity method affiliate.)

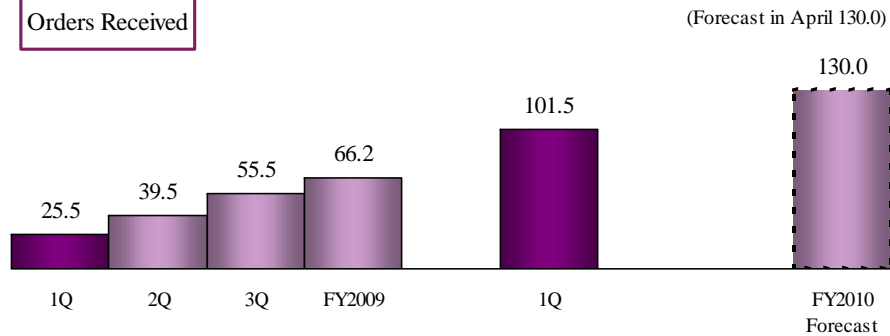


# Rolling Stock

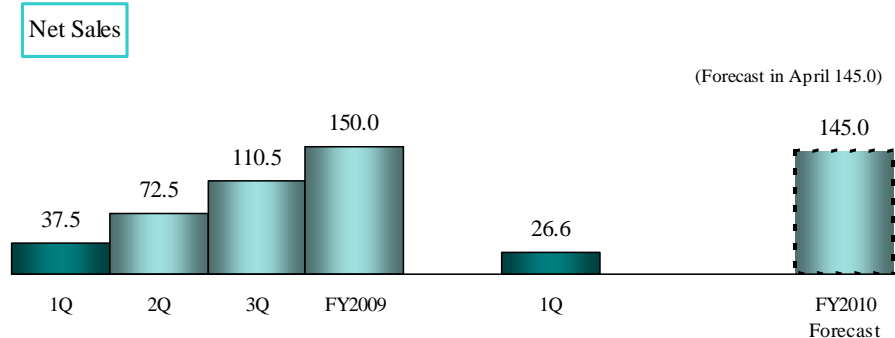
Main Products : Electric train cars (incl. Shinkansen), Electric and diesel locomotives, Passenger coaches, Platform screen doors, Gigacell (High-Capacity, Full Sealed Ni-MH Battery)

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 17](#)

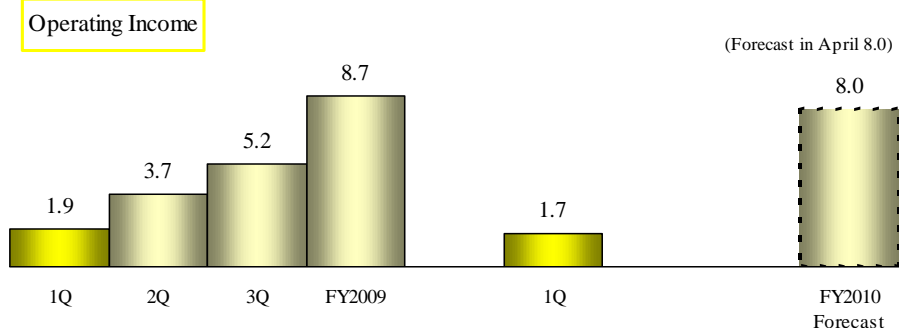
## Orders Received



## Net Sales



## Operating Income



(Billion Yen / In accumulated amount)

### ◇ FY2010.1Q ( vs. FY2009.1Q )

**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:** Profitability remained the same level as in the previous first quarter due to the cost reduction and other factors, despite the adverse impact of sales decrease and the appreciation of the yen

### ◇ FY2010 Forecast ( vs. FY2009 )

**Orders Received:** Increase in orders received for Japan Railways and overseas market

**Net sales:** Net sales is expected to be the same level as in the previous fiscal year despite decrease in small projects such as spare parts

**Operating Income:** Income is expected to be the same level as in the previous fiscal year despite the adverse impact of the appreciation of the yen, and other factors

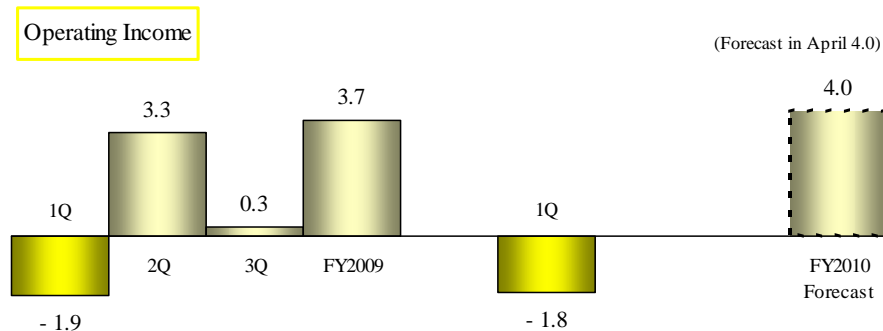
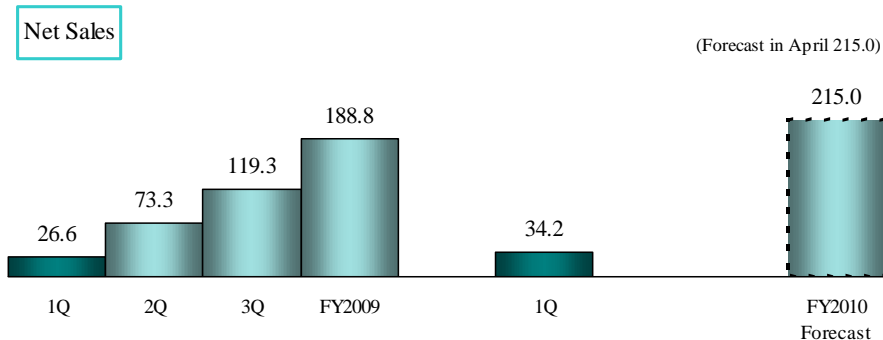
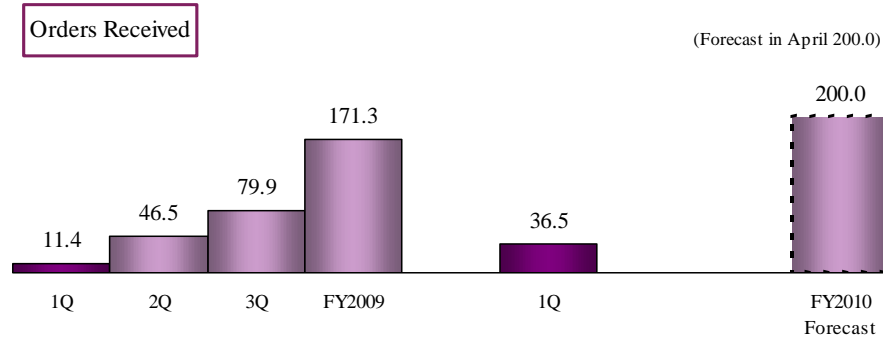
### ◇ (For Reference) The Present Status of New Overseas Projects

- North America
  - Working to receive orders mainly for heavy rails and commuter rails
  - Light Rail Vehicles (LRVs) for U.S. market is currently under development
- High-speed railways
  - There are plans in U.S., Vietnam and other countries
- Dedicated Freight Corridor - Western Corridor Phase I (Delhi – Mumbai)
  - Japanese ODA project, working to receive orders for electric locomotives
- E&M system projects in Asian region
  - Working with other companies

# Aerospace

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 17**



(Billion Yen / In accumulated amount)

◇ **FY2010.1Q** ( vs. FY2009.1Q )

**Orders Received:** Increase in orders received for component parts for BOEING including B777

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

**Operating Income/Loss:** The same level as in the previous first quarter due to the adverse impact of the appreciation of the yen, despite sales increase

◇ **FY2010 Forecast** ( vs. FY2009 )

**Orders Received:** Increase in orders received of component parts for BOEING including B787 & B777

**Net Sales:** Net sales are expected to increase due to the production increase of XP-1 on the mass production phase and of component parts for BOEING B787

**Operating Income:** Income is expected to increase slightly despite the considerable amortized cost of investment incurred by initiating mass production of component parts for commercial aircraft

◇ **For Reference**

- **Aircrafts for Japan Ministry of Defense**

The #1 test XC-2 transport aircraft manufactured at Kawasaki's Gifu Works completed a successful first flight in January 2010, and was delivered to Japan Ministry of Defense on March 30, 2010 at the Works after a series of in-house testing.

- **Component parts for commercial aircrafts**

A new production facility (the South Plant) was completed in Kawasaki's Nagoya Works 1 in March, 2010 to support increasing production demands for the Boeing 787 Dreamliner. The South Plant is furnished with the same kind of state-of-the-art equipment that is used in the North Plant which an extension was completed in July 2006. The new facility will enable Kawasaki to perform integrated production that includes everything from composite component fabrication to forward fuselage assembly.

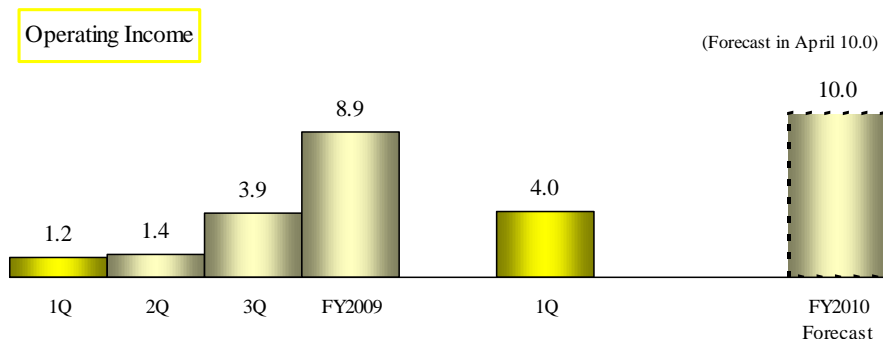
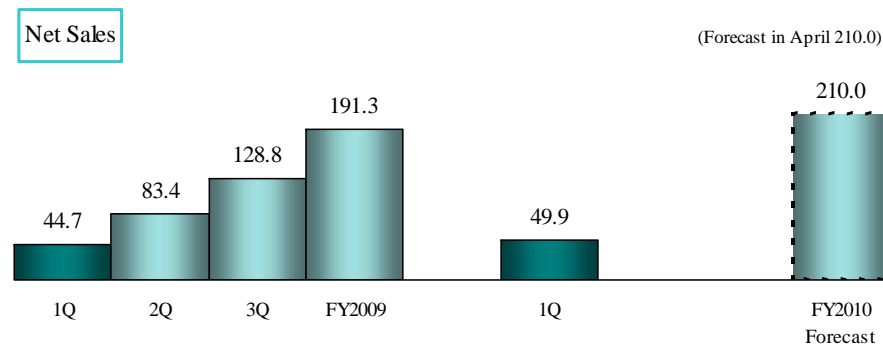
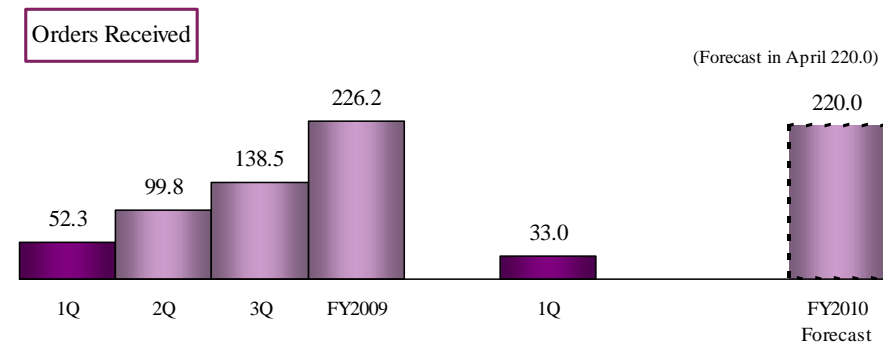
- **Space systems**

A payload fairing for the H-IIA Launch Vehicle No.18 was shipped in June 2010.

# Gas Turbines & Machinery

Main Products : Jet engines, Gas turbine co-generation system, Gas turbines & Steam turbines for marines & 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 17**



## ◇ **FY2010.1Q** ( vs. FY2009.1Q )

**Orders Received:** Decrease in orders received for component parts for commercial aircraft jet engines that had a large order received in the previous first quarter, and for marine diesel engines

**Net Sales:** Increase in sales of gas turbine-driven natural gas compressors

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

## ◇ **FY2010 Forecast** ( vs. FY2009 )

**Orders Received:** Orders received remain the same level as in the previous fiscal year

**Net Sales:** Net sales are expected to increase due to sales increase in marine machinery and aero-dynamic machinery

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

### <Summary of Major Projects for Commercial Aircraft Jet Engines>

	<b>V2500</b>	<b>Trent1000</b>	<b>TrentXWB</b>
Aircraft	A320 and others	B787	A350
Participation Type	Full Partner	RRSP (※)	RRSP (※)
Share	Approx. 6%	Approx. 8.5%	Approx. 7%
Responsible Components	Fan case, vane, disc, low-pressure compressor blade	Intermediate pressure compressor (IPC) module	Intermediate pressure compressor (IPC) module

(※) Risk & Revenue Sharing Partner

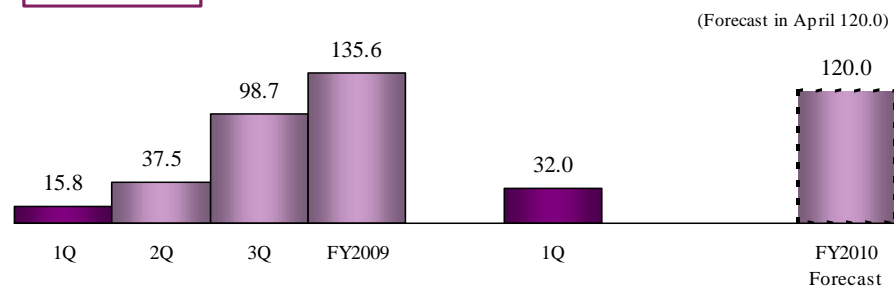
(Billion Yen / In accumulated amount)

# Plant & Infrastructure Engineering

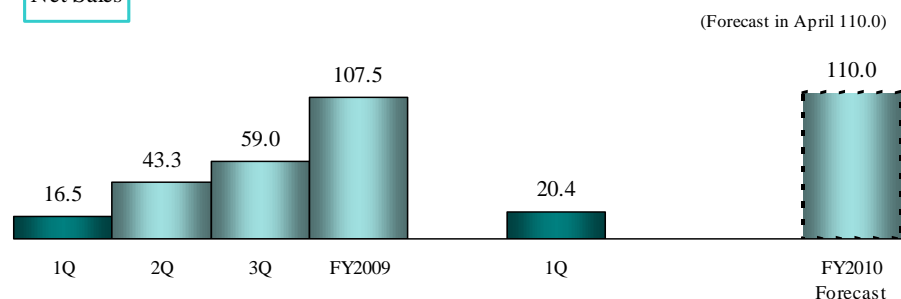
Main Products: Industrial plants (cement, chemical and others), Power plants, LNG & LPG tanks, Municipal refuse incineration plants, Shield machines, Crushing Machine

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 17](#)

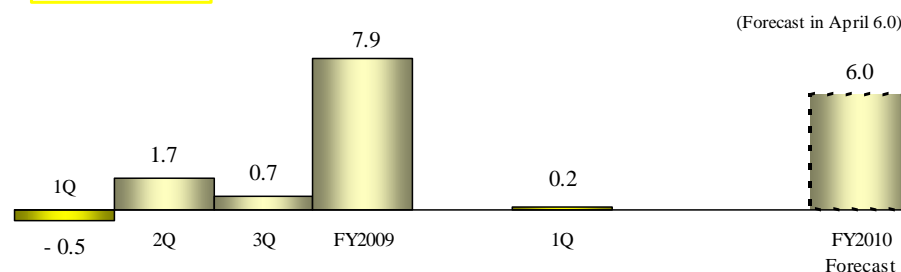
## Orders Received



## Net Sales



## Operating Income



### ◇ FY2010.1Q ( vs. FY2009.1Q )

**Orders Received:** Increase in orders received for various types of plants in both domestic and overseas markets

**Net Sales:** Increase in sales of large-scale fertilizer plant for Turkmenistan and LNG tanks for domestic market

**Operating Income:** Income improved due to sales increase, and other factors

### ◇ FY2010 Forecast ( vs. FY2009 )

**Orders Received:** Decrease in large-scale orders received for overseas customers

**Net Sales:** Net sales are expected to increase slightly despite decrease in large-scale projects

**Operating Income:** Income is expected to decrease due to decrease in highly profitable projects

### ◇ (For Reference) Joint Ventures in China

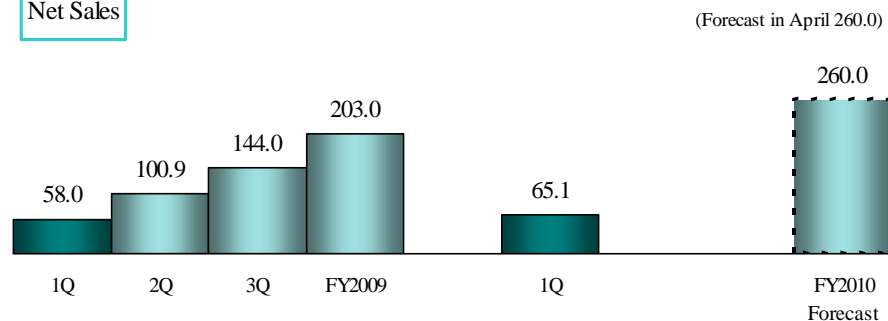
In 2006, KHI started a joint venture with Anhui Conch Cement Company Ltd., China's largest cement manufacturer. KHI has established three joint ventures for the time being and set up an integrated system in China encompassing the design, production, sales and after-sale services of waste heat recovery power generation systems for cement plants and cement producing facilities (Pre-heaters, Rotary Kilns and Roller Mills) with sophisticated technologies it has accumulated. KHI will contribute further to bring technologies such as a waste gasification system that can be integrated with cement kilns and a membrane sewage treatment system, for environment and energy conservation in China.

# Motorcycle & Engine

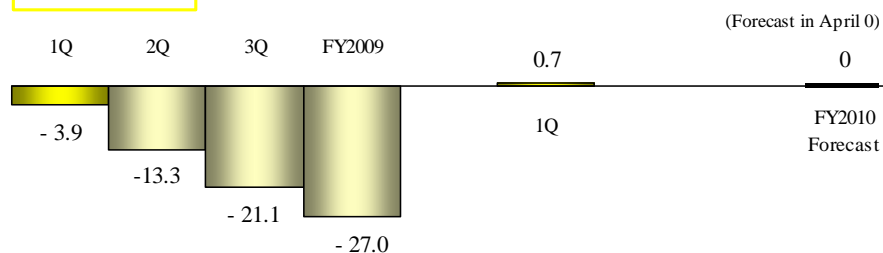
Main Products: Motorcycles, All-Terrain Vehicles(ATVs), Utility Vehicles, Personal Watercraft, General-Purpose Gasoline Engines

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 17**

## Net Sales



## Operating Income



(Billion Yen / In accumulated amount)

## <Sales by Geographic Area for Consumer Products>

(Thousands of unit / Billion Yen)

	FY2009.1Q		FY2009		FY2010.1Q		FY2010 Forecast	
	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount
Domestic	6	4.7	17	12.9	4	2.9	16	12.2
North America	25(19)	17.9	80(49)	56.3	27(15)	20.8	126(66)	87.0
Europe	24	18.8	72	56.2	22	16.1	72	58.8
Emerging Countries & Others	46	8.3	228	45.1	66	14.4	296	62.3
<b>Total</b>	<b>101</b>	<b>49.7</b>	<b>397</b>	<b>170.5</b>	<b>119</b>	<b>54.2</b>	<b>510</b>	<b>220.3</b>

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

Units: Motorcycles, All-Terrain Vehicles(ATV), Utility Vehicles and Personal Water Craft(Jet Ski)

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

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

## ◇ **FY2010.1Q** ( vs. FY2009.1Q )

**Net Sales:** Sales increase in emerging countries, and other factors

**Operating Income:** Income improved significantly due to sales increase and the effects of business restructuring measures implemented through the previous fiscal year, despite the adverse impact of the appreciation of the yen

## ◇ **FY2010 Forecast** ( vs. FY2009 )

**Net Sales:** Net sales are expected to increase due to the effects of liquidation of the excess inventory implemented in the previous fiscal year and the effects of sales increase in Asian and other emerging markets

## **Operating Income:**

Income is expected to improve dramatically due to sales increase and the effects of business restructuring measures implemented through the previous fiscal year

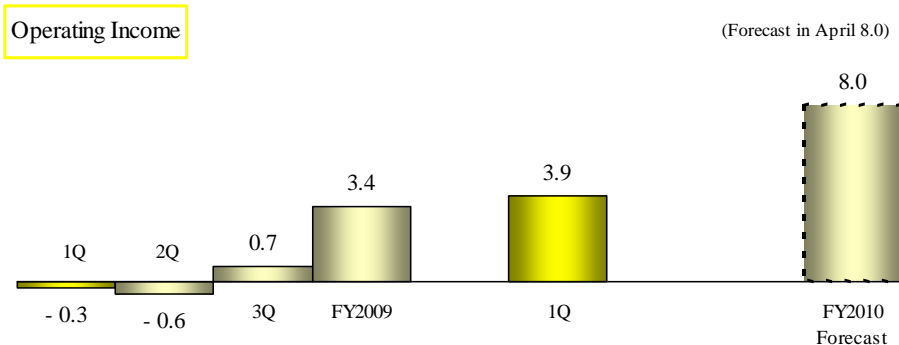
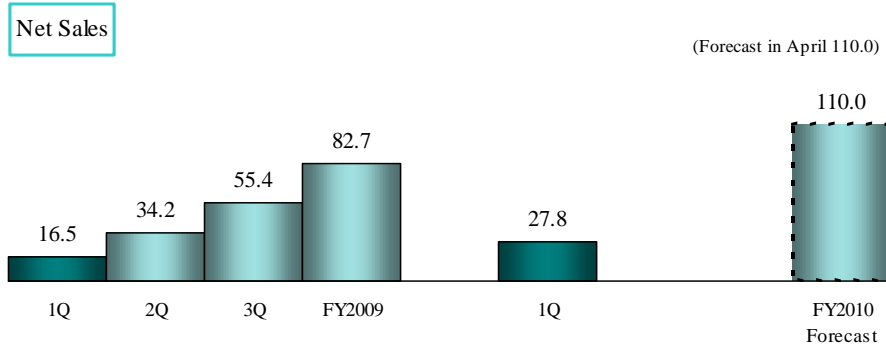
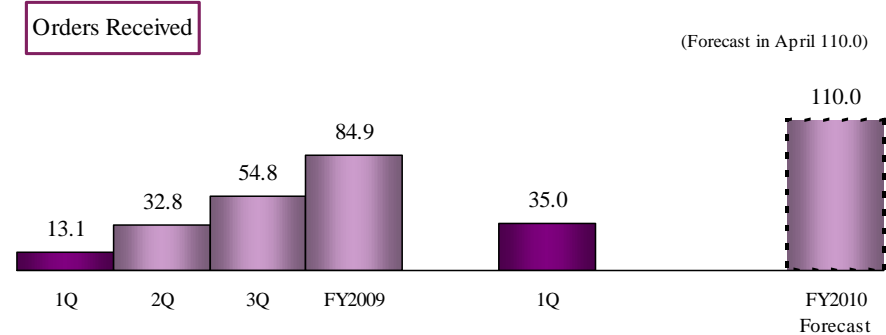
## ◇ **For Reference**

- A joint venture, CK&K, was established in China with Kwang Yang Motor Co., Ltd.(KYMCO) of Taiwan for production and sales of general purpose gasoline engines. Production started in January 2010. (CK&K is an equity method affiliate.)
- New motorcycle production plant started up at Kawasaki's Brazilian subsidiary, KMB, in October 2009.
- New subsidiary, IKM, was established in India on July 1, 2010 to import and sell motorcycles.

# 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 17**



(Billion Yen / In accumulated amount)

◇ **FY2010.1Q** ( vs. FY2009.1Q )

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

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

**Operating Income** : Income improved due to sales increase, and other factors

◇ **FY2010 Forecast** ( vs. FY2009 )

**Orders Received & Net Sales** :

Both orders received and net sales are expected to increase due to the recovering demand for hydraulic machinery for construction machinery in Asian and other emerging markets, and industrial robots for manufacturers of semiconductor production equipments

**Operating Income** : Income is expected to increase due to sales increase

◇ **(For Reference) Businesses Development in China**

In August 2006, production of hydraulic pumps started at Chinese subsidiary in Suzhou to meet the increasing demand in China. Also, in Zhejiang, a joint venture of hydraulic machinery manufacturing was established with a Chinese company and production started in April 2010. In order to provide the products manufactured at the above two manufacturing companies to customers throughout China, a sales subsidiary was established in Shanghai and its operation started in April 2010. Through establishment of the subsidiaries and a joint venture, we have consolidated our operating system to enhance our presence in Chinese construction machinery market in which a tremendous growth potential is expected, and to further expand and deepen our business operations.

# Financial Condition and Cash Flows

## 【Financial Condition】

(Billion Yen)

	FY2009 End of March 2010	FY2010 End of June 2010
Total Assets	1,352.4	<b>1,325.5</b>
Shareholders' Equity (Ratio of shareholders' equity to total assets)	277.0 (20.4%)	<b>275.7</b> <b>(20.8%)</b>
Interest-bearing debt (Net Interest-bearing debt)	428.9 (394.1)	<b>450.1</b> <b>(424.6)</b>
Net Debt Equity Ratio	142%	<b>153%</b>

Note: Interest-bearing debt includes lease obligations

## 【Cash Flows】

(Billion Yen)

	FY2009.1Q	FY2010.1Q
Cash flows from operating activities	- 27.2	<b>0.1</b>
Cash flows from investing activities	- 22.8	<b>- 12.3</b>
Free Cash Flows	- 50.0	<b>- 12.1</b>
Cash flows from financing activities	40.3	<b>1.9</b>

## **II. Forecast for FY2010**



# Revision of Forecast for the First Half of FY2010

(Billion Yen / In accumulated amount)

	FY2010.2Q Forecast			(FYI) FY2009.2Q
	Forecast in Apr.	Forecast in Jul.	Change	Actual
Net Sales	580.0	<b>580.0</b>	0	516.0
Operating Income/Loss	7.0	<b>15.0</b>	8.0	- 6.1
Recurring Profit	6.0	<b>14.0</b>	8.0	- 1.2
Net Income/Loss	5.0	<b>7.0</b>	2.0	- 6.2

Exchange Rates (actual & assumed)

Yen / US\$	90	<b>90</b>	96
Yen / EUR	125	<b>115</b>	133

Note: Assumed rate is applied to the foreign exchange exposure as of July 30, 2010.

## < Reasons for the Revision >

- \* The forecast for operating income, recurring profit and net income of second quarter (accumulated) were revised up, reflecting steady sales for emerging markets in the first quarter period
- \* However, the full year forecast remains unchanged because of uncertainty about economies in developed countries, material price, foreign exchange rates, and other factors
- \* Assumed rate for Yen/EUR was changed from 125 yen to 115 yen

# Consolidated Operating Performance

(Billion Yen / In accumulated amount)

	FY2009 Actual	FY2010 Forecast	Change
Orders Received	1,001.2	<b>1,240.0</b>	238.7
Net Sales	1,173.4	<b>1,280.0</b>	106.5
Operating Income/Loss	- 1.3	<b>32.0</b>	33.3
Recurring Profit	14.2	<b>32.0</b>	17.7
Net Income/Loss	- 10.8	<b>20.0</b>	30.8

## < Orders Received >

Significant recovery of orders received is expected in Shipbuilding, Rolling Stock and other segments, despite orders received in Plant & Infrastructure Engineering segment are expected to decrease

## < Net Sales >

Net sales are expected to increase in mass production businesses such as Motorcycle & Engine and Precision Machinery segments due to gradual recovery of the demand, while sales decrease is expected in Shipbuilding segment

## < Profits >

Significant improvement is expected in Motorcycle & Engine segment due to sales increase in motorcycles and the effects of business restructuring measures implemented through the previous fiscal year

Exchange Rates (actual & assumed)

Yen / US\$	93	<b>90</b>
Yen / EUR	130	<b>115</b>

Note1: Assumed rate for Yen/EUR was changed from 125 yen to 115 yen.

Note2: Assumed rate is applied to the foreign exchange exposure as of July 30, 2010.

(For Reference)

Impact on profit by FX fluctuation of 1 yen

(Billion Yen)

	Operating Income	Recurring Profit
US\$	1.8	1.2
EUR	0.3	0.3

# Forecast by Segment

(Billion Yen / In accumulated amount)

	Orders Received		Net Sales		Operating Income/Loss	
	FY2009 Actual	<b>FY2010 Forecast</b>	FY2009 Actual	<b>FY2010 Forecast</b>	FY2009 Actual	<b>FY2010 Forecast</b>
Shipbuilding	16.1	<b>90.0</b>	151.8	<b>120.0</b>	1.5	<b>2.0</b>
Rolling Stock	66.2	<b>130.0</b>	150.0	<b>145.0</b>	8.7	<b>8.0</b>
Aerospace	171.3	<b>200.0</b>	188.8	<b>215.0</b>	3.7	<b>4.0</b>
Gas Turbines & Machinery	226.2	<b>220.0</b>	191.3	<b>210.0</b>	8.9	<b>10.0</b>
Plant & Infrastructure Engineering	135.6	<b>120.0</b>	107.5	<b>110.0</b>	7.9	<b>6.0</b>
Motorcycle & Engine	203.0	<b>260.0</b>	203.0	<b>260.0</b>	- 27.0	<b>0</b>
Precision Machinery	84.9	<b>110.0</b>	82.7	<b>110.0</b>	3.4	<b>8.0</b>
Other	97.5	<b>110.0</b>	97.8	<b>110.0</b>	- 1.0	<b>1.0</b>
Eliminations and corporate	-	<b>-</b>	-	<b>-</b>	- 7.5	<b>- 7.0</b>
<b>Total</b>	<b>1,001.2</b>	<b>1,240.0</b>	<b>1,173.4</b>	<b>1,280.0</b>	<b>- 1.3</b>	<b>32.0</b>

Note1: 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 17](#)

Note2: "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting.

# R&D/CAPEX/Number of Employees

(Billion Yen / Persons)

	FY2009 Actual	FY2010 Forecast	Change
R&D Expenses	38.0	<b>40.5</b>	2.4
CAPEX (Construction Base)	59.2	<b>66.0</b>	6.8
Depreciation & Amortization	51.4	<b>54.0</b>	2.6
Domestic	24,396	<b>24,600</b>	204
Overseas	7,901	<b>7,800</b>	- 101
Number of Employees	32,297	<b>32,400</b>	103

# (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”

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.