

**Report of Extraordinary Impairment Loss and Notice Concerning Revision of the
Outlook for Performance for the Fiscal Year Ended March 31, 2011**

Kawasaki Heavy Industries, Ltd. (KHI) today has announced recognition of extraordinary impairment loss and revision of the outlook for performance published on January 31, 2011 for the fiscal year ending March 31, 2011 as follows.

1. Report of Extraordinary Impairment Losses

In the consolidated and unconsolidated results of operations for the fiscal year ended March 31, 2011, KHI has recorded an extraordinary impairment loss of ¥9,923million.

KHI recognized an impairment loss in Motorcycle & Engine segment in consideration of recoverability of the related domestic fixed assets. This loss mainly resulted from slow recovery of motorcycle market in advanced countries, strong yen and production transfer to foreign subsidiaries.

**2. Revision of the Outlook for Performance for the fiscal year ended March 31, 2011
(Consolidated)**

There is no significant change for net sales, operating income and recurring profit from the previously announced forecast.

Net income is expected to decrease from the previously announced forecast because of an impairment loss on fixed assets as extraordinary losses.

	Net sales (Mill. yen)	Operating income (Mill. yen)	Recurring Profit (Mill. yen)	Net income (Mill. yen)	Earnings per share (Yen)
Previous forecast announced on Jan. 31, 2011 (A)	1,280,000	40,000	46,000	29,000	17.36
Revised forecast announced today (B)	1,226,900	42,600	49,100	25,800	15.45
Change (B-A)	(53,100)	2,600	3,100	(3,200)	(1.91)
% Change	(4.1%)	6.5%	6.7%	(11.0%)	(11.0%)
Results for the previous fiscal year (for reference only)	1,173,473	(1,316)	14,293	(10,860)	(6.51)