

**Notice Concerning Revision of the Outlook for Performance
for the First Half of Fiscal Year Ending March 31, 2012**

Kawasaki Heavy Industries, Ltd. (KHI) today has announced revision of the outlook for performance published on April 28, 2011 for the first half (cumulative first and second quarters) of fiscal year ending March 31, 2012 as follows.

1. Revision of the Outlook for Performance for the first half of fiscal year ending March 31, 2012 (Consolidated)

	Net sales (Mill. yen)	Operating income (Mill. yen)	Recurring Profit (Mill. yen)	Net income (Mill. yen)	Earnings per share (Yen)
Previous forecast announced on April 28, 2011 (A)	650,000	20,000	21,000	12,000	7.18
Revised forecast announced today (B)	584,900	26,600	27,200	17,800	10.65
Change (B-A)	(65,100)	6,600	6,200	5,800	N/A
% Change	(10.0%)	33.0%	29.5%	48.3%	N/A
Results for the first half of fiscal year ended March 31, 2011 (for reference only)	571,708	20,904	21,249	12,334	7.39

2. Reasons for the Revision

The forecast for net sales for the first half of fiscal year ending March 31, 2012 is expected to decrease from the previously announced forecast. This is mainly because of the strong yen and the slower than expected progress of sales in Rolling Stock segment and Motorcycle & Engine segment.

Despite the negative impact of the strong yen, the forecast for operating income, recurring profit and net income are expected to substantially exceed the previously announced forecast because of high operation in Precision Machinery segment and good progress in contracts in Plant & Infrastructure Engineering segment.

The outlook for performance for fiscal year ending March 31, 2012 will be announced on November 2, 2011 when the financial results for the first half of the fiscal year will be disclosed.