

Notice Concerning Revision of the Outlook for Performance

Kawasaki Heavy Industries, Ltd. (KHI) is announcing today a revision of the outlook for performance published on April 25, 2014 for the first half (cumulative first and second quarters) of fiscal year ending March 31, 2015 and the fiscal year ending March 31, 2015 as follows.

1. Revision of the Outlook for Performance for the first half (cumulative first and second quarters) of fiscal year ending March 31, 2015 (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 25, 2014 (A)	650,000	22,000	14,000	8,500	5.08
Revised forecast announced today (B)	650,000	22,000	17,000	12,500	7.47
Change (B-A)	—	—	3,000	4,000	N/A
% Change	—	—	21.4%	47.0%	N/A
Results for the previous fiscal year (for reference only)	595,077	26,840	22,788	13,001	7.77

2. Revision of the Outlook for Performance for the fiscal year ending March 31, 2015 (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 25, 2014 (A)	1,490,000	73,000	66,000	41,000	24.52
Revised forecast announced today (B)	1,490,000	73,000	66,000	42,500	25.42
Change (B-A)	—	—	—	1,500	N/A
% Change	—	—	—	3.6%	N/A
Results for the previous fiscal year (for reference only)	1,385,482	72,351	60,905	38,601	23.09

3 . Reasons for the Revision

The earnings outlook for the first half (cumulative first and second quarters) of fiscal year ending March 31, 2015 has upward revision in recurring profit at 17 billion yen (3 billion yen higher than previously announced on April 25th) , the reason is that relatively profitable projects are scheduled to be realized mainly within the first half of the year, these projects are expected to generate investment gains on equity method.

Reflecting upturn in recurring profit and reviewing tax effect, net income is upwardly revised to 12.5 billion yen (4 billion yen higher than previously announced).

Regards to our earnings outlook for the fiscal year ending March 31, 2015, the impact of investment gain or loss on equity method throughout the fiscal year could be limited. Hence we are keeping our outlook for recurring profit at the same amount as previously announced. Whereas, after review of the tax effect, net income is expected to result to 42.5 billion yen (1.5 billion yen higher than previously announced).

Our outlook is based on the following foreign currency exchange rate: 1US dollar=100yen, 1Euro=135yen.

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