FOR RELEASE: October 31 2012

Notice Concerning Revision of the Outlook for Performance for the Fiscal Year Ending March 31, 2013

Kawasaki Heavy Industries, Ltd. (KHI) today has announced revision of the outlook for performance published on April 26, 2012 for the fiscal year ending March 31, 2013 as follows.

1. Revision of the Outlook for Performance for the fiscal year ending March 31, 2013 (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 26, 2012 (A)	1,380,000	52,000	56,000	34,000	20.33
Revised forecast announced today (B)	1,300,000	36,000	50,000	30,000	17.94
Change (B-A)	(80,000)	(16,000)	(6,000)	(4,000)	N/A
% Change	(5.7%)	(30.7%)	(10.7%)	(11.7%)	N/A
Results for the previous fiscal year (for reference only)	1,303,778	57,484	63,627	23,323	13.95

2. Reasons for the Revision

The forecast for net sales for the fiscal year ending March 31, 2013 is expected to decrease from the previously announced forecast because of the declines in the Precision Machinery segment caused by economic slowdown in emerging countries and in the Motorcycle & Engine segment due to strong yen rate and economic slowdown in Europe.

Operating income is expected to decrease from the previously announced forecast because of the lower sales and Rolling Stock segment's provision for loss on construction contracts in an overseas project, and so on, despite improvements in the Ship & Offshore Structure segment. Recurring profit and net income are expected to decrease from the previously announced forecast but the declining margin is expected to be less than that of operating income because of improvements in gains on foreign exchange and income of unconsolidated subsidiaries and affiliates, and so on.

KHI's earnings forecasts assume exchange rates of ¥80 to the US dollar and ¥100 to the euro.

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