

Notice Concerning Revision of the Outlook for Performance
for Fiscal Year Ended March 31, 2007

Kawasaki Heavy Industries, Ltd.(KHI) today has announced revision of the outlook for performance published on October 31, 2006 for the fiscal year ended March 31, 2007 as follows.

1. Revision of the Outlook for Performance (Consolidated)

(Millions of yen)

	Net sales	Net income
Previous forecast announced on October 31, 2006(A)	1,430,000	26,000
Revised forecast announced today (B)	1,438,600	29,700
Change (B)–(A)	8,600	3,700
% Change	0.6%	14.2%
Results for the previous fiscal year (for reference only)	1,322,487	16,467

2. Reasons for the Revision

There is no large change in the forecast of net sales.

As for the forecast of net income, KHI expects it to improve due to cost reduction and the effects of yen depreciation.

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