

Notice Concerning Revision of the Outlook for Performance
for Fiscal Year Ending March 31, 2009

Kawasaki Heavy Industries, Ltd.(KHI) today has announced revision of the outlook for performance published on October 31, 2008 for the fiscal year ending March 31, 2009 as follows.

1. Revision of the Outlook for Performance (Consolidated)

(Millions of yen)

	Net sales	Net income
Previous forecast announced on October 31, 2008(A)	1,450,000	26,000
Revised forecast announced today (B)	1,330,000	11,000
Change (B)–(A)	(120,000)	(15,000)
% Change	(8.3%)	(57.7%)
Results for the previous fiscal year (for reference only)	1,501,097	35,141

2. Reasons for the Revision

The forecast for performance for the year ending March 31, 2009 has decreased from the previously announced forecast due to revision of the expected foreign exchange rate taking into account the recent appreciation of the yen and revision of the sales plan resulted from the unexpected shrink of the market in the mass production sectors such as the Consumer Products and Machinery segment etc.

The expected foreign exchange rate used for the forecast has revised as ¥90=US\$1 from ¥100=US\$1 and ¥120=1 Euro from ¥130=1 Euro.

3. Other

KHI's policy is to pay stable cash dividends to its shareholders, giving due consideration to increasing retained earnings to strengthen and expand its business foundations for future growth.

KHI expected to pay cash dividend ¥5.00 per share for the year ending March 31, 2009 in the previously announced forecast.

However, due to the revision of the forecast above and the uncertainty of the future business environment, cash dividend for the year ending March 31, 2009 is not to be forecasted at present and will be proposed taking into account the actual performance for the year ending March 31, 2009 and the outlook for performance for the year ending March 31, 2010.