



April 28, 2009  
(Consolidated)

## KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES FLASH CONSOLIDATED FINANCIAL RESULTS

For the years ended March 31, 2009 and 2008

### Operating results

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Net sales	¥ 1,338,597	¥ 1,501,097	\$ 13,623,010
Operating income	28,713	76,910	292,215
Net income	11,728	35,141	119,357
Earnings per share (Yen)	7.0	21.1	

### Financial condition

	Millions of yen / Thousands of U.S. dollars		Ratio of net assets to total assets
	Total assets	Net assets	
<b>As of March 31, 2009</b>	¥ 1,399,771	¥ 295,246	21%
As of March 31, 2008	1,378,770	319,038	23%
As of March 31, 2009	\$ 14,245,583	\$ 3,004,743	—
	Yen / U.S. dollars	Thousand shares	
	Net assets per share	Number of shares issued and outstanding	
<b>As of March 31, 2009</b>	¥ 174.1	1,668,235	
As of March 31, 2008	187.7	1,668,305	
As of March 31, 2009	\$ 1.77	—	

### Cash flows

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Operating activities	¥ (41,257)	¥ 75,766	\$ (419,876)
Investing activities	(72,284)	(49,090)	(735,640)
Financing activities	107,693	(27,392)	1,096,000
Cash and cash equivalents at end of term	31,414	38,169	319,703

### Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2010	¥ 1,240,000	¥ 5,000	¥ 6,000

Notes : 1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.

2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of ¥98.26=\$1, the rate prevailing as of March 31, 2009, solely for the convenience of the readers.

## Condensed Consolidated Balance Sheets

As of March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Assets :</b>			
Current assets :			
Cash on hand and in banks	¥ 31,956	¥ 39,875	\$ 325,219
Receivables, less allowance	418,636	433,155	4,260,493
Inventories	476,441	439,310	4,848,779
Other current assets	68,764	69,942	699,816
Total current assets	995,797	982,282	10,134,307
Investments and long-term loans less allowance	54,289	79,675	552,504
Net property, plant and equipment	284,118	259,927	2,891,492
Intangible and other assets	65,567	56,886	667,280
Total assets	¥ 1,399,771	¥ 1,378,770	\$ 14,245,583
<b>Liabilities and net assets :</b>			
Current liabilities :			
Short-term borrowings and current portion of long-term debt	¥ 207,082	¥ 137,681	\$ 2,107,490
Payables	358,478	431,000	3,648,260
Advances from customers	125,763	124,679	1,279,900
Other current liabilities	138,683	131,182	1,411,388
Total current liabilities	830,006	824,542	8,447,038
Long-term liabilities :			
Long-term debt, less current portion	181,706	138,766	1,849,237
Others	92,813	96,424	944,565
Total long-term liabilities	274,519	235,190	2,793,802
Net assets :			
Common stock	104,329	104,329	1,061,765
Capital surplus	54,282	54,291	552,432
Retained earnings	154,273	151,401	1,570,049
Treasury stock	(468)	(460)	(4,763)
Net unrealized gains on securities	3,140	10,292	31,957
Gains(losses) on hedging items	(264)	5,217	(2,687)
Foreign currency translation adjustments	(24,851)	(11,878)	(252,911)
Minority interests	4,805	5,846	48,901
Total net assets	295,246	319,038	3,004,743
Total liabilities and net assets	¥ 1,399,771	¥ 1,378,770	\$ 14,245,583

## Condensed Consolidated Statements of Income

For the years ended March 31, 2009 and 2008

	Millions of yen		%	Thousands of
	2009	2008		U.S. dollars
			Change	2009
Net sales	¥ 1,338,597	¥ 1,501,097	-11%	\$ 13,623,010
Cost of sales	1,146,944	1,262,032		11,672,542
Gross profit	191,653	239,065		1,950,468
Selling, general and administrative expenses	162,940	162,155		1,658,253
Operating income	28,713	76,910	-63%	292,215
Other income (expenses) :				
Interest and dividend income	4,352	5,005		44,291
Equity in income of unconsolidated subsidiaries and affiliates	8,709	7,642		88,632
Interest expense	(6,658)	(7,980)		(67,759)
Other, net	(11,491)	(23,522)		(116,945)
Income before income taxes and minority interests	23,625	58,055	-59%	240,434
Income taxes	(10,761)	(22,011)		(109,516)
Minority interests in net income of consolidated subsidiaries	(1,136)	(903)		(11,561)
Net income	¥ 11,728	¥ 35,141	-67%	\$ 119,357

## Condensed Consolidated Statements of Cash Flows

For the years ended March 31, 2009 and 2008

(Consolidated)

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 23,625	¥ 58,055	\$ 240,434
Adjustments to reconcile net income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	44,334	37,455	451,191
Increase in assets	(56,094)	(29,042)	(570,873)
Increase (Decrease) in liabilities	(55,670)	36,437	(566,558)
Other	2,548	(27,139)	25,930
<b>Net cash provided by operating activities</b>	<b>¥ (41,257)</b>	<b>¥ 75,766</b>	<b>\$ (419,876)</b>
<b>Cash flows from investing activities:</b>			
Acquisition of tangible and intangible assets	(74,459)	(50,836)	(757,775)
Acquisition of investments in securities	(3,043)	(1,183)	(30,969)
Other	5,218	2,929	53,104
<b>Net cash used for investing activities</b>	<b>¥ (72,284)</b>	<b>¥ (49,090)</b>	<b>\$ (735,640)</b>
<b>Cash flows from financing activities:</b>			
Increase in short-term borrowings	67,881	13,099	690,830
Proceeds from long-term debt	73,551	3,328	748,535
Repayment of long-term debt	(25,017)	(34,817)	(254,600)
Other	(8,722)	(9,002)	(88,765)
<b>Net cash provided by (used for) financing activities</b>	<b>¥ 107,693</b>	<b>¥ (27,392)</b>	<b>\$ 1,096,000</b>
<b>Effect of exchange rate changes</b>	<b>(907)</b>	<b>(501)</b>	<b>(9,230)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,755)</b>	<b>(1,217)</b>	<b>(68,746)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>38,169</b>	<b>39,228</b>	<b>388,449</b>
<b>Increase in cash and cash equivalents</b>			
due to changes in fiscal period of consolidated subsidiaries	-	158	-
<b>Cash and cash equivalents at end of year</b>	<b>¥ 31,414</b>	<b>¥ 38,169</b>	<b>\$ 319,703</b>

Segment information  
(a) Information by industry segment

(Consolidated)

Millions of yen  
2009

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets	Depreciation and amortization	Capital expenditures
Shipbuilding	¥ 126,426	¥ 1,762	¥ 128,188	¥ 129,207	¥ (1,019)	¥ 139,017	¥ 3,987	¥ 7,116
Rolling Stock & Construction Machinery	186,454	1,368	187,822	176,453	11,369	200,482	5,140	6,147
Aerospace	200,425	1,873	202,298	206,476	(4,178)	331,671	6,659	20,380
Gas Turbines & Machinery	195,156	18,316	213,472	202,446	11,026	203,902	4,607	10,176
Plant & Infrastructure Engineering	105,178	13,853	119,031	110,060	8,971	113,158	1,716	1,270
Consumer Products & Machinery	336,459	4,038	340,497	350,640	(10,143)	268,013	14,957	24,298
Hydraulic Machinery	84,919	8,524	93,443	85,054	8,389	60,430	3,729	10,539
Other	103,580	42,142	145,722	141,466	4,256	149,478	1,847	1,174
Total	1,338,597	91,876	1,430,473	1,401,802	28,671	1,466,151	42,642	81,100
Eliminations and corporate	-	(91,876)	(91,876)	(91,918)	42	(66,380)	1,692	1,350
Consolidated total	¥ 1,338,597	¥ -	¥ 1,338,597	¥ 1,309,884	¥ 28,713	¥ 1,399,771	¥ 44,334	¥ 82,450

Millions of yen  
2008

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets	Depreciation and amortization	Capital expenditures
Shipbuilding	¥ 141,397	¥ 1,568	¥ 142,965	¥ 139,712	¥ 3,253	¥ 134,577	¥ 2,459	¥ 4,161
Rolling Stock & Construction Machinery	171,739	727	172,466	165,293	7,173	161,585	3,579	6,454
Aerospace	237,349	1,644	238,993	228,117	10,876	281,517	6,232	6,154
Gas Turbines & Machinery	185,486	16,940	202,426	189,034	13,392	188,133	3,765	5,392
Plant & Infrastructure Engineering	142,547	13,747	156,294	145,455	10,839	132,174	1,926	1,318
Consumer Products & Machinery	433,963	8,244	442,207	422,537	19,670	315,309	13,517	19,367
Hydraulic Machinery	84,028	8,724	92,752	83,635	9,117	53,348	2,659	4,801
Other	104,588	40,234	144,822	142,469	2,353	164,445	1,699	1,674
Total	1,501,097	91,828	1,592,925	1,516,252	76,673	1,431,088	35,836	49,321
Eliminations and corporate	-	(91,828)	(91,828)	(92,065)	237	(52,318)	1,619	1,217
Consolidated total	¥ 1,501,097	¥ -	¥ 1,501,097	¥ 1,424,187	¥ 76,910	¥ 1,378,770	¥ 37,455	¥ 50,538

Thousands of U.S. dollars  
2009

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets	Depreciation and amortization	Capital expenditures
Shipbuilding	\$ 1,286,648	\$ 17,932	\$ 1,304,580	\$ 1,314,950	\$ (10,370)	\$ 1,414,787	\$ 40,576	\$ 72,420
Rolling Stock & Construction Machinery	1,897,558	13,922	1,911,480	1,795,777	115,703	2,040,322	52,310	62,559
Aerospace	2,039,742	19,062	2,058,804	2,101,323	(42,519)	3,375,443	67,769	207,409
Gas Turbines & Machinery	1,986,118	186,403	2,172,521	2,060,309	112,212	2,075,127	46,886	103,562
Plant & Infrastructure Engineering	1,070,405	140,983	1,211,388	1,120,090	91,298	1,151,618	17,464	12,925
Consumer Products & Machinery	3,424,170	41,095	3,465,265	3,568,492	(103,227)	2,727,590	152,219	247,283
Hydraulic Machinery	864,228	86,749	950,977	865,601	85,376	615,001	37,950	107,256
Other	1,054,141	428,884	1,483,025	1,439,711	43,314	1,521,250	18,797	11,947
Total	13,623,010	935,030	14,558,040	14,266,253	291,787	14,921,138	433,971	825,361
Eliminations and corporate	-	(935,030)	(935,030)	(935,458)	428	(675,555)	17,220	13,739
Consolidated total	\$ 13,623,010	\$ -	\$ 13,623,010	\$ 13,330,795	\$ 292,215	\$ 14,245,583	\$ 451,191	\$ 839,100

## (b) Information by geographic area

	Millions of yen					
	2009					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets
Japan	¥ 974,454	¥ 247,020	¥ 1,221,474	¥ 1,208,067	¥ 13,407	¥ 1,169,702
North America	220,856	24,500	245,356	246,742	(1,386)	182,269
Europe	90,898	4,563	95,461	94,753	708	59,217
Asia	43,328	41,818	85,146	80,594	4,552	38,421
Other Areas	9,061	251	9,312	8,945	367	2,970
<b>Total</b>	<b>1,338,597</b>	<b>318,152</b>	<b>1,656,749</b>	<b>1,639,101</b>	<b>17,648</b>	<b>1,452,579</b>
Eliminations and corporate	-	(318,152)	(318,152)	(329,217)	11,065	(52,808)
<b>Consolidated total</b>	<b>¥ 1,338,597</b>	<b>¥ -</b>	<b>¥ 1,338,597</b>	<b>¥ 1,309,884</b>	<b>¥ 28,713</b>	<b>¥ 1,399,771</b>

	Millions of yen					
	2008					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets
Japan	¥ 1,058,487	¥ 307,546	¥ 1,366,033	¥ 1,291,102	¥ 74,931	¥ 1,103,514
North America	267,560	25,202	292,762	293,276	(514)	191,075
Europe	131,608	5,321	136,929	132,449	4,480	83,928
Asia	33,297	24,752	58,049	56,597	1,452	37,917
Other Areas	10,145	247	10,392	10,119	273	3,335
<b>Total</b>	<b>1,501,097</b>	<b>363,068</b>	<b>1,864,165</b>	<b>1,783,543</b>	<b>80,622</b>	<b>1,419,769</b>
Eliminations and corporate	-	(363,068)	(363,068)	(359,356)	(3,712)	(40,999)
<b>Consolidated total</b>	<b>¥ 1,501,097</b>	<b>¥ -</b>	<b>¥ 1,501,097</b>	<b>¥ 1,424,187</b>	<b>¥ 76,910</b>	<b>¥ 1,378,770</b>

	Thousands of U.S. dollars					
	2009					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets
Japan	\$ 9,917,097	\$ 2,513,943	\$ 12,431,040	\$ 12,294,596	\$ 136,444	\$ 11,904,152
North America	2,247,669	249,338	2,497,007	2,511,113	(14,106)	1,854,966
Europe	925,076	46,438	971,514	964,309	7,205	602,656
Asia	440,953	425,585	866,538	820,212	46,326	391,014
Other Areas	92,215	2,555	94,770	91,034	3,736	30,226
<b>Total</b>	<b>13,623,010</b>	<b>3,237,859</b>	<b>16,860,869</b>	<b>16,681,264</b>	<b>179,605</b>	<b>14,783,014</b>
Eliminations and corporate	-	(3,237,859)	(3,237,859)	(3,350,469)	112,610	(537,431)
<b>Consolidated total</b>	<b>\$ 13,623,010</b>	<b>\$ -</b>	<b>\$ 13,623,010</b>	<b>\$ 13,330,795</b>	<b>\$ 292,215</b>	<b>\$ 14,245,583</b>

## (c) Overseas sales

	Millions of yen				Thousands of U.S. dollars
	2009		2008		2009
	Overseas sales	% against net sales	Overseas sales	% against net sales	Overseas sales
North America	¥ 309,979	23.1%	¥ 358,717	23.9%	\$ 3,154,681
Europe	116,298	8.7%	153,613	10.2%	1,183,574
Asia	174,310	13.0%	161,906	10.7%	1,773,967
Other Areas	130,051	9.7%	148,315	9.9%	1,323,540
<b>Total</b>	<b>¥ 730,638</b>	<b>54.5%</b>	<b>¥ 822,551</b>	<b>54.7%</b>	<b>\$ 7,435,762</b>

