

(Consolidated)

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

- 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.

(Consolidated)

Condensed Consolidated Balance Sheets*As of March 31, 2009 and 2008*

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Assets :			
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
Liabilities and net assets :			
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 Cash Flows

For the years ended March 31, 2009 and 2008

(Consolidated)

	2009	Millions of yen	2008	Thousands of U.S. dollars	2009
Cash flows from operating activities:					
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		

Segment information
(a) Information by industry segment

(Consolidated)

	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

	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

	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	62,559			

(Consolidated)

(b) Information by geographic area

		Millions of yen 2009				
External sales	Intersegment sales	Total sales	Operating expenses	Operating Total	Total	
	Eliminations and corporate	-	(318,152)	(318,152)	(329,217)	1,338,597
	Consolidated total	1,338,597	-	1,338,597	1,309,884	

		Millions of yen 2008				
		External sales	Intersegment sales	Total sales	Operating expenses	Operating income
	Japan	1,058,487	307,546	1,366,033	1,291,102	1,501,097
					\$ 9,917,097	\$ 2,513,940
					2,247,669	249,338
					925,076	46,500

Asia	440,953	425,585	866,538	820,212	46,326	391,014
Americas	92,215	2,555	94,770	91,034	3,736	30,226
Europe	13,623,010	3,237,859	16,860,869	16,681,264	179,605	14,783,014
Other Areas	-	(3,237,859)	(3,350,469)	112,610	(537,431)	
Total	\$ 13,623,010	\$ -	\$ 13,623,010	\$ 13,330,795	\$ 292,215	\$ 14,245,583

(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	
Total	730,638	54.5%	822,551	54.7%	\$ 7,435,762	

