

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

For nine months ended December 31, 2009 and 2008 and one year ended March 31, 2009

Operating results

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2008	Nine months ended Dec. 31, 2009
Net sales	\ 798,060	\ 954,962	\$ 8,667,970
Operating income	(14,046)	14,706	(152,557)
Net income	(10,323)	7,460	(112,121)
Earnings per share (Yen)	(6.1)	4.4	

Financial condition

	Millions of yen / Thousands of U.S. dollars		Ratio of net assets to total assets
	Total assets	Net assets	
As of December 31, 2009	\ 1,422,898	\ 283,640	19%
As of March 31, 2009	1,399,770	295,245	20%
As of December 31, 2009	\$ 15,454,523	\$ 3,080,699	

	Yen / U.S. dollars	Thousand shares
	Net assets per share	Number of shares issued and outstanding
As of December 31, 2009	\ 166.6	1,668,018
As of March 31, 2009	174.1	1,668,234
As of December 31, 2009	\$ 1.80	

Cash flows

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2008	Nine months ended Dec. 31, 2009
Operating activities	\ (98,714)	\ (73,215)	\$ (1,072,162)
Investing activities	(52,643)	(46,885)	(571,771)
Financing activities	151,667	135,384	1,647,300
Cash and cash equivalents at end of term	32,607	51,586	354,154

Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2010	\ 1,180,000	\ 5,000	\ 3,000

- 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 92.07=\$1, the rate prevailing as of December 31, 2009, solely for the convenience of the readers.

(Consolidated)

Condensed Consolidated Balance Sheets

As of December 31 and March 31, 2009

	Millions of yen		Thousands of
	As of Dec. 31, 2009	As of Mar. 31, 2009	U.S. dollars As of Dec. 31, 2009
Assets :			
Current assets :			
Cash on hand and in banks	\ 32,995	\ 31,955	\$ 358,368
Receivables, less allowance	403,316	418,636	4,380,536
Inventories	477,748	476,441	5,188,964
Other current assets	84,093	68,764	913,361
Total current assets	998,152	995,796	10,841,229
Investments and long-term loans less allowance	62,567	54,290	679,559
Net property, plant and equipment	289,967	284,117	3,149,418
Intangible and other assets	72,212	65,567	784,317
Total assets	\ 1,422,898	\ 1,399,770	\$ 15,454,523

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Condensed Consolidated Statements of Income

For nine months ended December 31, 2009 and 2008

	Millions of yen			Thousands of
	Nine months ended Dec.31, 2009	Nine months ended Dec.31, 2008		U.S. dollars
Net sales	\ 798,060	\ 954,962	-16%	\$ 8,667,970
Cost of sales	702,313	819,888		7,628,033
Gross profit	95,747	135,074		1,039,937
Selling, general and administrative expenses	109,793	120,368		1,192,494
Operating income (loss)	(14,046)	14,706	-196%	(152,557)
Other income (expenses) :				
Interest and dividend income	2,937	3,561		31,899
Equity in income of unconsolidated subsidiaries and affiliates	4,363	6,512		47,387
Interest expense	(4,184)	(4,965)		(45,443)
Other, net	(1,759)	(2,807)		(19,105)
Income (loss) before income taxes and minority interests	(12,689)	17,007	-175%	(137,819)
Income taxes	3,078	(8,389)		33,431
Minority interests in net income of consolidated subsidiaries	(712)	(1,158)		(7,733)
Net income (loss)	\ (10,323)	\ 7,460	-238%	\$ (112,121)

Segment information
(a) Information by industry segment

(Consolidated)

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Shipbuilding	111,725	1,116	112,841	112,062	779
Rolling Stock	122,339	1,814	124,153	119,499	4,654
Aerospace	119,368	1,513	120,881	121,498	(617)
Gas Turbines & Machinery	128,858	16,100	144,958	142,161	2,797
Plant & Infrastructure Engineering	47,195	6,667	53,862	54,020	(158)
Consumer Products & Machinery	152,380	1,895	154,275	179,928	(25,653)
Hydraulic Machinery	47,187	5,336	52,523	48,184	4,339
Other	69,008	22,847	91,855	92,063	(208)
Total	798,060	57,288	855,348	869,415	(14,067)
Eliminations and corporate	-	(57,288)	(57,288)	(57,309)	21
Consolidated total	798,060	-	798,060	812,106	(14,046)

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)
Shipbuilding	95,805	1,064	96,869	99,446	(2,577)
Rolling Stock & Construction Machinery	131,801	1,050	132,851	125,144	7,707
Aerospace	126,484	1,294	127,778	132,111	(4,333)

