



- 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 93.04=\$1, the rate prevailing as of March 31, 2010, solely for the convenience of the readers.

(Consolidated)

## Condensed Consolidated Balance Sheets

As of March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars	
	2010	2009		2009
<b>Assets :</b>				
Current assets :				
Cash on hand and in banks	\ 34,745	31,955	\$	373,441
Receivables, less allowance	417,999	418,636		4,492,680
Inventories	418,224	476,441		4,495,098
Other current assets	60,710	68,764		652,517
Total current assets	931,678	995,796		10,013,736
Investments and long-term loans less allowance	60,628	54,289		651,633
Net property, plant and equipment	284,408	284,117		3,056,835
Intangible and other assets	75,725	65,568		813,898
Total assets	\ 1,352,439	1,399,770	\$	14,536,102
<b>Liabilities and net assets :</b>				

# Condensed Consolidated Statements of Income

For the years ended March 31, 2010 and 2009

	Millions of yen		Thousands of U.S. dollars	
	2010	2009	2010	2009
Net sales	1,173,471	1,338,377	\$ 12,612,564	\$ 14,281,127
Cost of sales	1,023,610	1,146,445	11,001,827	12,317,127
Gross profit	149,863	191,932	1,610,737	1,964,000
Selling, general and administrative expenses	151,179	162,913	1,624,881	1,721,113
Operating income (loss)	(1,316)	88,019	(14,144)	948,887
Other income (expenses) :				
Interest and dividend income	3,615	4,351	38,854	45,851
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## Condensed Consolidated Statements of Cash Flows

For the year ended March 31, 2010 and 2009

(Consolidated)

	Millions of yen			Thousands of U.S. dollars 2010
	2010	2009		
<b>Cash flows from operating activities:</b>				
Income (loss) before income taxes and minority interests	¥ (3,821)	23,625	\$	(41,068)
Adjustments to reconcile net income (loss) before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	51,423	44,334		552,697
Decrease (Increase) in assets	49,184	(56,094)		528,632
Decrease in liabilities	(71,410)	(55,670)		(767,519)
Other	4,802	2,549		51,613
<b>Net cash provided by operating activities</b>	<b>¥ 30,178</b>	<b>(41,256)</b>	<b>\$</b>	<b>324,355</b>
<b>Cash flows from investing activities:</b>				
Acquisition of tangible and intangible assets	(65,962)	(74,459)		(708,963)
Acquisition of investments in securities	(123)	(3,043)		(1,322)
Other	2,808	5,219		30,180
<b>Net cash used for investing activities</b>	<b>¥ (63,277)</b>	<b>(72,283)</b>	<b>\$</b>	<b>(680,105)</b>
<b>Cash flows from financing activities:</b>				
Increase in short-term borrowings	(21,463)	67,880		(230,685)
Proceeds from long-term debt	94,793	73,551		1,018,841
Repayment of long-term debt	(31,518)	(25,017)		(338,757)
Other	(5,901)	(8,722)		(63,426)
<b>Net cash provided by financing activities</b>	<b>¥ 35,911</b>	<b>107,692</b>	<b>\$</b>	<b>385,973</b>
<b>Effect of exchange rate changes</b>	<b>(88)</b>	<b>(909)</b>		<b>(945)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>2,724</b>	<b>(6,756)</b>		<b>29,278</b>
<b>Cash and cash equivalents at beginning of term</b>	<b>31,413</b>	<b>38,169</b>		<b>337,628</b>
<b>Cash and cash equivalents at end of term</b>	<b>¥ 34,137</b>	<b>31,413</b>	<b>\$</b>	<b>366,906</b>

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	151,893	1,565	153,458	151,968	1,490	128,948	4,350	6,693
Rolling Stock	167,156	2,414	169,570	161,811	7,759	172,420	3,668	5,264
Aerospace	188,892	2,005	190,897	189,148	1,749	304,371	8,192	9,142
Gas Turbines & Machinery	191,379	22,765	214,144	207,450	6,694	215,874	6,222	10,278
Plant & Infrastructure Engineering	90,495	11,076	101,571	95,294	6,277	104,851	975	1,111
Consumer Products & Machinery	216,990	3,974	220,964	252,613	(31,649)	236,306	19,283	17,105
Hydraulic Machinery	68,809	7,320	76,129	69,168	6,961	57,901	3,883	2,282
Other	97,859	32,550	130,409	130,824	(415)	154,655	3,066	5,554
Total	1,173,473	83,669	1,257,142	1,258,276	(1,134)	1,375,326	49,639	57,429
Eliminations and corporate	-	(83,669)	(83,669)	(83,487)	(182)	(22,887)	1,784	1,843
Consolidated total	1,173,473	-	1,173,473	1,174,789	(1,316)	1,352,439	51,423	59,272

	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	129,206	(1,018)	139,016	3,986	7,115
Rolling Stock & Construction Machinery	186,454	1,368	187,822	176,453	11,369	200,481	5,139	6,147
Aerospace	200,424	1,874	202,298	206,475	(4,177)	331,670	6,659	20,380
Gas Turbines & Machinery	195,156	18,315	213,471	202,446	11,025	203,902	4,606	10,176
Plant & Infrastructure Engineering	105,178	13,852	119,030	110,059	8,971	113,157	1,716	1,270
Consumer Products & Machinery	336,459	4,038	340,497	350,639	(10,142)	268,013	14,957	24,297
Hydraulic Machinery	84,919	8,524	93,443	85,054	8,389	60,429	3,729	10,539
Other	103,581	42,143	145,724	141,470	4,254	149,483	1,850	1,175
Total	1,338,597	91,876	1,430,473	1,401,802	28,671	1,466,151	42,642	81,099

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(b) Information by geographic area

Millions of yen

External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets
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(Consolidated)

## Net sales, orders and order backlog by industry segment

For the year ended March 31, 2010 and 2009

Since Kawasaki Heavy Industries, Ltd. (KHI) separated its construction machinery business as of April 1, 2009, the relation between the Rolling Stock business and construction machinery business were reduced. Therefore while the construction machinery business was included in the Rolling Stock Construction Machinery segment, this business is included in the other segment and we change the industry segment name from Rolling Stock Construction Machinery to Rolling Stock from this fiscal year.

	Millions of yen		% Change	Thousands of U.S. dollars
	2010	2009		2010
<b>Net sales :</b>				
Shipbuilding	\ 151,893 (13%)	126,426 (9%)	+20%	\$ 1,632,555
Rolling Stock	167,156 (14%)	186,454 (14%)	-10%	1,796,603
Aerospace	188,892 (16%)	200,424 (15%)	-5%	2,030,223
Gas Turbines & Machinery	191,379 (16%)	195,156 (15%)	-1%	2,056,953
Plant & Infrastructure Engineering	90,495 (8%)	105,178 (8%)	-13%	972,646
Consumer products & Machinery	216,990 (18%)	336,459 (25%)	-35%	2,332,222
Hydraulic Machinery	68,809 (6%)	84,919 (6%)	-18%	739,563
Other	97,859 (9%)	103,581 (8%)	-5%	1,051,799
Total	\ 1,173,473 (100%)	1,338,597 (100%)	-12%	\$ 12,612,564

<b>Orders :</b>				
Shipbuilding	\ 16,128 (1%)	71,512 (5%)	-77%	\$ 173,344
Rolling Stock	77,166 (8%)	264,603 (17%)	-70%	829,385
Aerospace	171,380 (17%)	239,176 (16%)	-28%	1,842,003
Gas Turbines & Machinery	226,228 (23%)	355,517 (23%)	-36%	2,431,513
Plant & Infrastructure Engineering	124,767 (12%)	83,648 (5%)	+49%	1,341,003
Consumer products & Machinery	216,990 (22%)	336,459 (22%)	-35%	2,332,222
Hydraulic Machinery	71,042 (7%)	84,142 (5%)	-15%	763,564
Other	97,589 (10%)	105,532 (7%)	-7%	1,048,896
Total	\ 1,001,290 (100%)	1,540,589 (100%)	-35%	\$ 10,761,930

	Millions of yen		% Change	Thousands of U.S. dollars
	As of Mar. 31, 2010	As of Mar. 31, 2009		As of Mar. 31, 2010
<b>Order backlog :</b>				
Shipbuilding	\ 218,134 (15%)	356,937 (21%)	-38%	\$ 2,344,518
Rolling Stock	385,655 (26%)	478,565 (28%)	-19%	4,145,045
Aerospace	264,788 (17%)	286,600 (17%)	-7%	2,845,958
Gas Turbines & Machinery	426,506 (28%)	405,196 (24%)	+5%	4,584,114
Plant & Infrastructure Engineering	146,565 (10%)	112,162 (6%)	30%	1,575,290
Consumer products & Machinery	- (- %)	- (- %)	0%	-
Hydraulic Machinery	30,772 (2%)	28,539 (2%)	+7%	330,739
Other	34,637 (2%)	31,163 (2%)	11%	372,283
Total	\ 1,507,057 (100%)	1,699,162 (100%)	-11%	\$ 16,197,947