

**Notice Concerning Revision of the Outlook for Performance  
for the First Half of Fiscal Year Ending March 31, 2011**

Kawasaki Heavy Industries, Ltd. (KHI) today has announced revision of the outlook for performance published on July 30, 2010 for the first half (cumulative first and second quarters) of fiscal year ending March 31, 2011 as follows.

1. Revision of the Outlook for Performance for the first half of fiscal year ending March 31, 2011 (Consolidated)

	Net sales (Mill. yen)	Operating income (Mill. yen)	Recurring Profit (Mill. yen)	Net income (Mill. yen)	Earnings per share (Yen)
					July 30, 2010 (A)
Revised forecast announced today (B)	571,700	20,900	21,200	12,300	7.37
Change (B-A)	(8,300)	5,900	7,200	5,300	N/A
% Change	(1.4%)	39.3%	51.4%	75.7%	N/A
Results for the first half of fiscal year ended March 31, 2010 (for reference only)	516,053	(6,167)	(1,223)	(6,294)	(3.77)

2. Reasons for the Revision

There is no significant change for net sales for the first half of fiscal year ending March 31, 2011 from the previously announced forecast.

Despite the negative impact of the strong yen, the forecast for operating income, recurring profit and net income are expected to substantially exceed the previously announced forecast because of continuing high operation in Precision Machinery segment and good progress in contracts in Plant & Infrastructure Engineering segment.

The outlook for performance for fiscal year ending March 31, 2011 will be announced on November 2, 2010 when the financial results for the first half of the fiscal year will be disclosed.