

(Consolidated)

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

For the year ended March 31, 2011 and 2010

Operating results

	Millions of yen		Thousands of
	2011	2010	U.S. dollars
Net sales	> 1,226,949	> 1,173,473	\$ 14,755,850
Operating income	42,628	(1,316)	512,663
Net income	25,965	(10,860)	312,266
Earnings per share (Yen)	15.5	(6.5)	

Financial condition

	Total assets	Net assets	Ratio of net assets less minority interests to total assets
As of March 31, 2011	> 1,354,278	>	21%
As of March 31, 2010	1,352,439		20%
As of March 31, 2011	\$ 16,287,167	\$	9%
	Yen / U.S. dollars	Thousand shares	
	Net assets	Number of shares	
	per share	issued and outstanding	
As of March 31, 2011	> 173.0	1,670,546	
As of March 31, 2010	166.1	1,667,848	
As of March 31, 2011	\$ 2.08	9%	

Cash flows

			Thousands of
	2011	2010	U.S. dollars
Operating activities	> 81,929	> 30,178	\$ 985,315
Investing activities	(52,942)	(63,277)	(636,704)
Financing activities	(18,862)	35,911	(226,843)
Cash and cash equivalents at end of term	44,629	34,137	536,728

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 $108.15 = \$1$, the rate prevailing as of March 31, 2011, solely for the convenience of the readers.

Condensed Consolidated Statements of Operations

For the years ended March 31, 2011 and 2010

	Millions of yen		%	Thousands of
	2011	2010		U.S. dollars
Net sales	> 1,226,949	> 1,173,473	+5%	\$ 14,755,850
Cost of sales	1,037,079	1,023,610		12,472,387
Gross profit	189,870	149,863		2,283,463
Selling, general and administrative expenses	147,242	151,179		1,770,800
Operating income (loss)	42,628	(1,316)		512,663
Other income (expenses) :				
Interest and dividend income	2,306	3,615		27,733
Equity in income of unconsolidated subsidiaries and affiliates	9,205	6,522		110,703
Interest expense	(4,677)	(5,399)		(56,247)
Other, net	(10,867)	(7,243)		(130,691)
Income (loss) before income taxes and minority interests	38,595	(3,821)		464,161
Income taxes	(10,837)	(5,983)		(130,330)
Minority interests in net income of consolidated subsidiaries	(1,793)	(1,056)		(21,565)
Net income (loss)	> 25,965	> (10,860)		\$ 312,266

Condensed Consolidated Statements of Cash Flows

For the year ended March 31, 2011 and 2010

(B)

	Millions of yen		Thousands of
	2011	2010	U.S. dollars
			2011
Income (loss) before income taxes and minority interests	> 38,595	> (3,821)	\$ 464,161
Adjustments to reconcile net income (loss) before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	50,276	51,423	604,642
Decrease in assets	5,774	49,184	69,440
Decrease in liabilities	(7,593)	(71,410)	(91,316)
Other	(5,123)	4,802	(61,612)
	> 81,929	> 30,178	\$ 985,315
Acquisition of tangible and intangible assets	(52,295)	(65,962)	(628,923)
Acquisition of investments in securities	(350)	(123)	(4,209)
Other	(297)	2,808	(3,572)
	> (52,942)	> (63,277)	\$ (636,704)
Increase (Decrease) in short-term borrowings	(53,670)	(21,463)	(645,460)
Proceeds from long-term debt	44,000	94,793	529,164
Repayment of long-term debt	(4,836)	(31,518)	(58,159)
Other	(4,356)	(5,901)	(52,388)
	> (18,862)	> 35,911	\$ (226,843)
	367	(88)	4,413
	10,492	2,724	126,181
	34,137	31,413	410,547
	> 44,629	> 34,137	\$ 536,728

Segment information

(in million yen)

Millions of yen

External	Intersegment	Total	Operating	Operating	Total	Depreciation	Capital
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Segment information

(a) Information by reportable segment

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
Ship Bç Offshore Structure	> 151,893	> 1,565	> 153,458	> 151,908	> 1,550	> 128,948	> 4,350	> -	> 13,133	> 6,693
Rollin g Stock	150,071	1,755	151,826	143,100	8,726	161,648	3,165	-	77	4,843
Aeros pace	188,892	2,005	190,897	187,131	3,766	304,371	8,192	-	-	9,142
Gas Turbine & Machiner y	191,379	22,765	214,144	205,203	8,941	215,874	6,222	-	190	10,278
Plant & Infrastructure	107,580	11,122	118,702	110,758	7,944	115,408	1,478	-	7,719	1,533
Motorc ycle & En gine	203,084	1,550	204,634	231,639	(27,005)	219,150	18,483	-	998	16,335
Precision Machiner y	82,715	10,261	92,976	89,561	3,415	75,066	4,683	-	-	3,052
Other	97,859	32,551	130,410	131,488	(1,078)	154,655	3,066	-	2,210	5,553
Total	1,173,473	83,574	1,257,047	1,250,788	6,259	1,375,120	49,639	-	24,327	57,429
Eliminations and cor porate	-	(83,574)	(83,574)	(75,999)	(7,575)	(22,681)	1,784	-	-	1,843
Consolidated total	> 1,173,473	> -	> 1,173,473	> 1,174,789	> (1,316)	> 1,352,439	> 51,423			

Segment information

(a) Information by reportable segment

External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)	Total assets	Depreciation and amortization	Impairment Loss	Investment for affiliates applied for equity methods	Capital expenditures
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