

November 2, 2011

(Consolidated)

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

For six months ended September 30, 2011 and 2010 and one year ended March 31, 2011

### Operating results

	Millions of yen		Thousands of U.S. dollars
	Six months ended Sep. 30, 2011	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011
Net sales	> 584,990	> 571,708	\$ 7,633,955
Operating income	26,623	20,904	347,422
Net income	17,813	12,334	232,454
Earnings per share (Yen)	10.6	7.3	

### Financial condition

	Millions of yen / Thousands of U.S. dollars		Ratio of net assets less minority interests to total assets
	Total assets	Net assets	
As of September 30, 2011	> 1,309,588	> 306,652	23%
As of March 31, 2011	1,354,278	297,433	21%
As of September 30, 2011	\$ 17,089,755	\$ 4,001,722	9%

	Thousand shares	
	Number of shares issued and outstanding	
As of September 30, 2011	1,671,820	
As of March 31, 2011	1,670,546	

### Cash flows

	Millions of yen		Thousands of U.S. dollars
	Six months ended Sep. 30, 2011	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011
Operating activities	> 32,572	> 48,168	\$ 425,055
Investing activities	(32,686)	(26,164)	(426,543)
Financing activities	(5,328)	(20,096)	(69,528)
Cash and cash equivalents at end of term	35,701	33,800	465,888

### Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2012	> 1,360,000	> 50,000	> 32,000

- 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  $100 \text{ yen} = \$1$ , the rate prevailing as of September 30, 2011, solely for the convenience of the readers.

## Condensed Consolidated Balance Sheets

As of September 30 and March 31, 2011

	Millions of yen		Thousands of U.S. dollars	
	Sep. 30, 2011	Mar. 31, 2011	Sep. 30, 2011	Mar. 31, 2011
<b>Assets :</b>				
Current assets :				
Cash on hand and in banks	> 37,169	> 47,233	\$ 485,045	
Receivables, less allowance	333,708	416,450	4,354,795	
Inventories	451,177	425,322	5,887,733	
Other current assets	71,949	62,714	938,915	
Total current assets	894,003	951,719	11,666,488	
Investments and long-term loans less allowance	60,702	56,306	792,144	
Net property, plant and equipment	283,061	275,780	3,693,866	
Intangible and other assets	71,822	70,473	937,257	
Total assets	> 1,309,588	> 1,354,278	\$ 17,089,755	
<b>Liabilities and net assets :</b>				
Current liabilities :				
Short-term borrowings				
and current portion of long-term debt	> 167,181	> 174,697	\$ 2,181,665	
Payables	258,894	319,272	3,378,494	
Advances from customers	91,753	80,816	1,197,350	
Other current liabilities	127,598	128,942	1,665,119	
Total current liabilities	645,426	703,727	8,422,628	
Long-term liabilities :				
Long-term debt, less current portion	259,997	254,447	3,392,887	
Others	97,513	98,671	1,272,518	
Total long-term liabilities	357,510	353,118	4,665,405	
<b>Net assets :</b>				
Common stock	104,484	104,484	1,354,278	

Cash on hand and in banks

(Consolidated)

## Condensed Consolidated Statements of Income

For six months ended September 30, 2011 and 2010

		Millions of yen		9 <sup>th</sup> Change		Thousands of U.S. dollars
Net sales	>	<b>584,990</b>	>	571,708	<b>+2%</b>	\$ 7,633,955
Cost of sales		<b>485,826</b>		481,157		

(Consolidated)

## Condensed Consolidated Statements of Cash Flows

For six months ended September 30, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	Six months ended Sep. 30, 2011	Six months ended Sep. 30, 2010	Six months ended Sep. 30, 2011
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	> 26,312	> 20,712	\$ 343,364
Adjustments to reconcile net income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation			
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Income before incom309 1 Tf71			



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

Six months ended September 30, 2011 and 2010 and as of September 30 and March 31, 2011

	Millions of yen				Thousands of U.S. dollars	
	Six months ended Sep. 30, 2011		Six months ended Sep. 30, 2010		% Change	Six months ended Sep. 30, 2011
<b>Net sales :</b>						
Ship Offshore Structure	> 53,183	(9%)	> 61,253	(11%)	-13%	\$ 694,023
Rolling Stock	55,366	(9%)	63,018	(11%)	-12%	722,510
Aerospace	87,479	(15%)	83,070	(15%)	+5%	1,141,576
Gas Turbine & Machinery	84,760	(14%)	99,264	(17%)	-15%	1,106,094
Plant & Infrastructure	56,299	(10%)	38,867	(7%)	+45%	734,686
Motorcycle & Engine	106,202	(18%)	113,247	(20%)	-6%	1,385,906
Precision Machinery	85,251	(15%)	60,988	(10%)	+40%	1,112,501
Other	56,450	(10%)	52,001	(9%)	+9%	736,659
Total	> 584,990	(100%)	>			