

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

For the year ended March 31, 2012 and 2011

### Operating results

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Net sales	> 1,303,778	> 1,226,949	\$ 15,872,632
Operating income	57,484	42,628	699,829
Net income	23,323	25,965	283,942
Earnings per share (Yen)	13.9	15.5	

### 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 March 31, 2012	> 1,362,139	> 315,922	22%
As of March 31, 2011	1,354,278	297,433	21%
As of March 31, 2012	\$ 16,583,138	\$ 3,846,140	9%

	Thousand shares	
	Number of shares issued and outstanding	
As of March 31, 2012	1,671,815	
As of March 31, 2011	1,670,546	

### Cash flows

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Operating activities	> 84,737	> 81,929	\$ 1,031,616
Investing activities	(65,959)	(52,942)	(803,007)
Financing activities	(26,831)	(18,862)	(326,649)
Cash and cash equivalents at end of term	33,245	44,629	404,735

### Fiscal year forecast

	Millions of yen		
	Net sales	Operating income	Net income
One year ending March 31, 2013	> 1,380,000	> 52,000	> 34,000

- 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  $\text{¥}82.14 = \$1$ , the rate prevailing as of March 31, 2012, solely for the convenience of the readers.

## Condensed Consolidated Balance Sheets

As of March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars	
Assets :				
Current assets :				
Cash on hand and in banks	> 34,316	> 47,233	\$	417,774
Receivables, less allowance	416,479	416,450		5,070,355
Inventories	441,897	425,322		5,379,803
Other current assets	74,494	62,714		906,915
Total current assets	967,186	951,719		11,774,847
Investments and long-term loans less allowance	59,602	56,306		725,615
Net property, plant and equipment	274,750	275,780		3,344,899
Intangible and other assets	60,601	70,473		737,777
Total assets	> 1,362,139	> 1,354,278	\$	16,583,138
Liabilities and net assets :				



# Condensed Consolidated Statements of Cash Flows

For the year ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars	
	2012	2011		
Cash flows from operating activities:				
Income(loss) before income taxes and minority interests	> 48,706	> 38,595	\$	592,963
Adjustments to reconcile net income(loss) before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	48,901	50,276		595,337
Increase in assets	(23,035)	5,774		(280,436)
Increase in liabilities	20,349	(7,593)		247,735
Other	(10,184)	(5,123)		(123,983)
Net cash provided by o				



## Segment information

(a) Information by reportable segment

Millions of yen  
2012

	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 & Offshore Structure	> 113,532	> 1,636	> 115,168	> 111,204	> 3,964	> 102,102	> 3,819	> 13,554	> 15,278	> 2,297
Rolling Stock	132,684	2,105	134,789	129,635	5,154	157,487	3,693	-	92	2,266
Aerospace	206,580	1,846	208,426	200,611	7,815	295,668	9,633	33	-	10,208
Gas Turbine & Machinery	194,655	20,438	215,093	207,318	7,775	223,649	6,680	-	576	7,310
Plant & Infrastructure	122,800	13,150	135,950	121,832	14,118	109,395	1,703	64	10,171	3,277
Motorcycle & Engine	235,243	1,033	236,276	239,235	(2,959)	222,515	11,151	-	967	11,770
Precision Machinery	175,077	14,245	189,322	162,700	26,622	110,578	6,647	-	-	16,221
Other	123,207	35,281	158,488	154,650	3,838	183,396	2,539	1,270	2,412	3,384
Total	1,303,778	89,734	1,393,512	1,327,185	66,327	1,404,790	45,865	14,921	29,496	56,733
Eliminations and corporate	-	(89,734)	(89,734)	(80,891)	(8,843)	(42,651)	3,036	-	-	7,186
Consolidated total	> 1,303,778	> -	> 1,303,778	> 1,246,294	> 57,484	> 1,362,139	> 48,901	> 14,921	> 29,496	> 63,919

Thousands of U.S. dollars  
2012

	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 & Offshore Structure	\$ 1,382,177	\$ 19,917	\$ 1,402,094	\$ 1,353,835	\$ 48,259	\$ 1,243,024	\$ 46,494	\$ 165,011	\$ 186,000	\$ 27,964
Rolling Stock	1,615,340	25,627	1,640,967	1,578,220	62,747	1,917,300	44,960	-	1,120	27,587
Aerospace	2,514,974	22,474	2,537,448	2,442,306	95,142	3,399,562	117,275	432	27,588	142,766
Gas Turbine & Machinery	2,369,795	248,819	2,618,614	2,523,959	94,655	2,722,778	81,324	-	7,012	88,994
Plant & Infrastructure	1,495,009	160,092	1,655,101	1,483,224	171,877	1,331,811	20,733	779	123,825	39,895
Motorcycle & Engine	2,863,927	12,576	2,876,503	2,912,527	(36,024)	2,708,972	135,756	-	11,773	143,292
Precision Machinery	2,131,446	173,423	2,304,869	1,980,764	324,105	1,346,214	80,923	-	-	197,480
Other	1,499,964	429,523	1,929,487	1,882,761	46,726	2,232,725	30,910	15,461	29,364	41,198
Total	15,872,632	1,092,451	16,965,083	16,157,596	807,487	17,102,386	558,375	181,653	359,094	690,686
Eliminations and corporate	-	(1,092,451)	(1,092,451)	(984,794)	(107,657)	(519,245)	36,962	-	-	87,485
Consolidated total	\$ 15,872,632	\$ -	\$ 15,872,632	\$ 15,172,802	\$ 699,830	\$ 16,583,138	\$ 595,337	\$ 181,653	\$ 359,094	\$ 778,171

## (b) Net Sales by geographic area

For the year ended March 31, 2012

	Millions of yen 2012	Thousands of U.S. dollars 2012
Japan	> 567,044	\$ 6,903,384
United States	237,941	2,896,774
Europe	123,317	1,501,303
Asia	239,627	2,917,300
Other	135,849	1,653,871
Total	> 1,303,778	\$ 15,872,632

# Net sales, orders and order backlog by industry segment

For the year ended March 31, 2012 and 2011

	Millions of yen				Change %	Thousands of U.S. dollars	
	2012		2011			2012	
<b>Net sales :</b>							
Ship Bç Offshore Structure >	113,532	(9%)	> 118,416	(10%)	-4%	\$	1,382,177
Rolling Stock	132,684	(10%)	131,104	(11%)	+1%		1,615,340
Aerospace	206,580	(16%)	196,876	(16%)	+5%		2,514,974
Gas Turbine & Machinery	194,655	(15%)	202,692	(17%)	-4%		2,369,795
Plant & Infrastructure	122,800	(9%)	89,012	(7%)	+38%		1,495,009
Motorcycle & Engine	235,243	(18%)	234,479	(19%)	0%		2,863,927
Precision Machinery	175,077	(13%)	140,328	(11%)	+25%		2,131,446
Other	123,207	(10%)	114,042	(9%)	+8%		1,499,964
<b>Total</b>	<b>&gt; 1,303,778</b>	<b>(100%)</b>	<b>&gt; 1,226,949</b>	<b>(100%)</b>	<b>+6%</b>	<b>\$</b>	<b>15,872,632</b>

## Orders :

Ship Bç Offshore Structure >	39,909	(3%)	> 78,953	(6%)	-49%	\$	485,866
Rolling Stock	66,099	(5%)	187,122	(15%)	-65%		804,711
Aerospace	327,233	(25%)	206,730	(16%)	+58%		3,983,845
Gas Turbine & Machinery	227,2(16%)		3,983,845				

(T)9.6933 0 TD (3.983-4%)Tj /TT6.875,227.33 0 TD (2,514,974)Tj /TT8 1 Tf -47.4 -1.36 TD (Motorccle & Engine)Tj /TT10 1 Tf 14.4267 0 TD (235,243)