

Notice Concerning Revision of the Outlook for Performance
for the First Half of Fiscal Year Ending March 31, 2013

Kawasaki Heavy Industries, Ltd. (KHI) today has announced revision of the outlook for performance published on April 26, 2012 for the first half (cumulative first and second quarters) of fiscal year ending March 31, 2013 as follows.

Revision of the Outlook for Performance for the first half of fiscal year ending March 31,
2013 (Consolidated)

	Net sales (Mill. yen)	Operating income (Mill. yen)	Recurring Profit (Mill. yen)	Net income (Mill. yen)	Earnings per share (Yen)
Previous forecast announced on April 26, 2012 (A)	620,000	20,000	24,000	14,000	8.37
Revised forecast announced today (B)	574,900	10,300	20,100	12,400	7.41
Change (B-A)	(45,100)	(9,700)	(3,900)	(1,600)	N/A
% Change	(7.2%)	(48.5%)	(16.2%)	(11.4%)	N/A
Results for the first half of fiscal year ended March 31, 2012 (for reference only)	584,990	26,623	27,237	17,813	10.65

Reasons for the Revision

The forecast for net sales for the first half of fiscal year ending March 31, 2013 is expected to decrease from the previously announced forecast mainly due to declines in the Precision Machinery and Motorcycle & Engine segments caused by economic slowdowns in China and Europe.

Operating income is expected to decrease from the previously announced forecast because of the lower sales and Rolling Stock segment's provision for loss on construction contracts in an overseas project, and so on. Recurring profit/net income is expected to decrease from the previously announced forecast but the operating margin is expected to be less than that of operating income because of improvements in gains on foreign exchange and income of unconsolidated subsidiaries and affiliates, and so on.

The outlook for performance for fiscal year ending March 31, 2013 will be announced on October 31, 2012 when the financial results for the first half of the fiscal year will be disclosed.