

# DATA FILE 2008

**KAWASAKI HEAVY INDUSTRIES, LTD.**

Code No. (7012)

# HISTORY

Kawasaki Heavy Industries, Ltd. (KHI) traces its origins to an industrial shipyard in Tsukiji, Tokyo, established by Shozo Kawasaki in 1878. In 1896, KHI was incorporated under the laws of Japan as Kawasaki Dockyard Co., Ltd. The Company later expanded its business to include the manufacture of rolling stock, steel, steel structures, industrial machinery, automobiles and aircraft. KHI also engaged in the shipping business through the company known as Kawasaki Kisen Kaisha, Ltd., which later became an independent company. In 1939, KHI adopted its present name, Kawasaki Heavy Industries, //

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# FINANCIAL HIGHLIGHTS

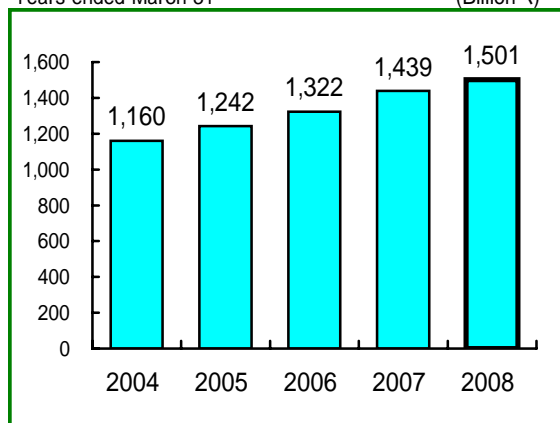
Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

Years ended March 31

	Millions of yen				
	2004	2005	2006	2007	2008
<b>For the year:</b>					
Net sales	\1,160,252	\1,241,592	\1,322,487	\1,438,619	\1,501,097
Net income	6,333	11,479	16,467	29,772	35,141
Net income per share (yen)	4.4	7.9	11.2	18.9	21.1
Return on average shareholders' equity (%)	3.4%	5.7%	7.3%	11.1%	11.4%
Cash dividends per share (yen)	2.0	2.5	3.0	5.0	5.0
<b>At year end:</b>					
Total assets	1,156,904	1,194,473	1,284,085	1,357,980	1,378,770
Working capital	121,941	138,523	113,240	155,412	157,741
Current ratio (%)	118.0%	119.8%	114.1%	119.3%	119.1%
Total shareholders' equity	190,175	201,465	237,588	290,428	313,192

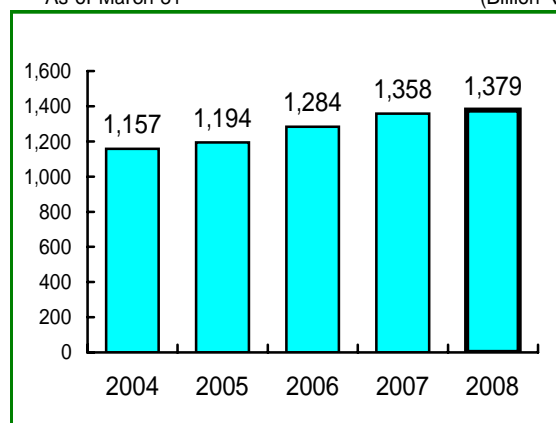
## Net Sales

Years ended March 31 (Billion \)



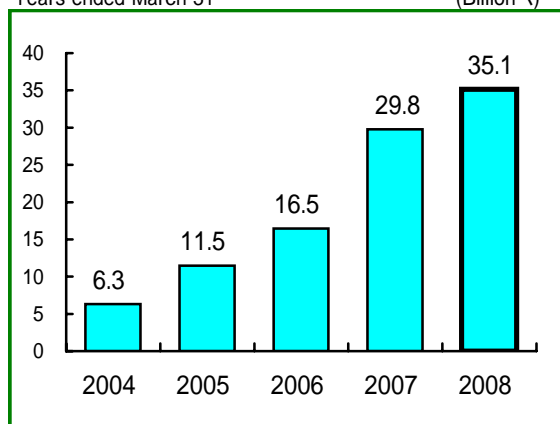
## Total Assets

As of March 31 (Billion \)



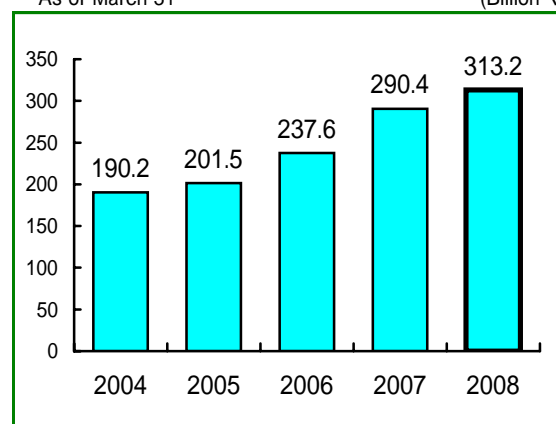
## Net Income (Loss)

Years ended March 31 (Billion \)



## Total Shareholders' Equity

As of March 31 (Billion \)



## ***KEY INDICATORS*** (CONSOLIDATED BASIS)

Ratio of Operating Income to Sales  
Return on Sales

Earnings per Share  
Cash Flow per Share

Years ended March 31

Years ended March 31

	2004	2005	2006	2007	2008
Operating Income to Sales - -					
	1.92	1.99	3.16	4.81	5.12
ROS - -	0.55	0.92	1.25	2.07	2.34

	2004	2005	2006	2007	2008
EPS	4.4	7.9	11.2	18.9	21.1
CFPS	27.0	29.8	32.0	38.2	43.5

*Earnings per Share: Net Income/Average Number of*





Years ended March 31

(Billion \)

	Orders Received			Order Backlog		
	2006	2007	2008	2006	2007	2008
Shipbuilding	128.3	135.6	251.3	289.2	314.0	414.2
Rolling Stock	203.2	269.1	183.3	346	答籤尋番表4 ; M	; 多つ I Y 驛 d

# Shipbuilding

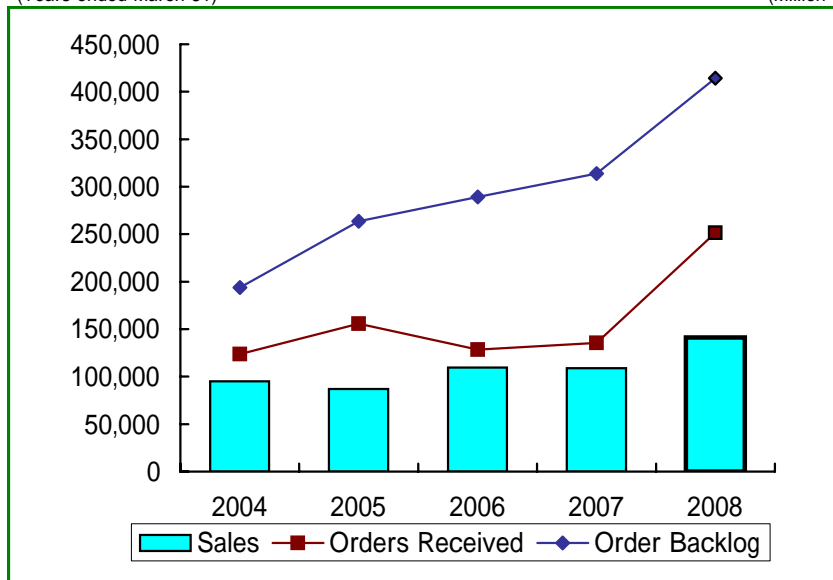
(Years ended March 31) - Consolidated Basis -

(Million ¥)

	2004	2005	2006	2007	2008
Sales	94,939	87,081	109,697	108,849	141,397
Orders Received	123,756	155,832	128,323	135,600	251,331
Order Backlog	193,705	263,707	289,227	313,987	414,176

(Years ended March 31)

(Million ¥)



(Years ended March 31)

-Parent (until 1st half of 2003) and Kawasaki Shipbuilding Corporation (from 2nd half of 2003) -

(Million ¥)

	2004	2005	2006	2007	2008
Sales	92,043	83,655	105,108	104,795	137,328
Newly Constructed Ships	77,507	74,241	90,763	94,146	119,710
Exports	56,448	50,617	64,617	74,729	84,072
Orders Received	121,766	151,799	124,066	131,268	247,010
Order Backlog	194,388	263,503	289,387	313,869	413,806

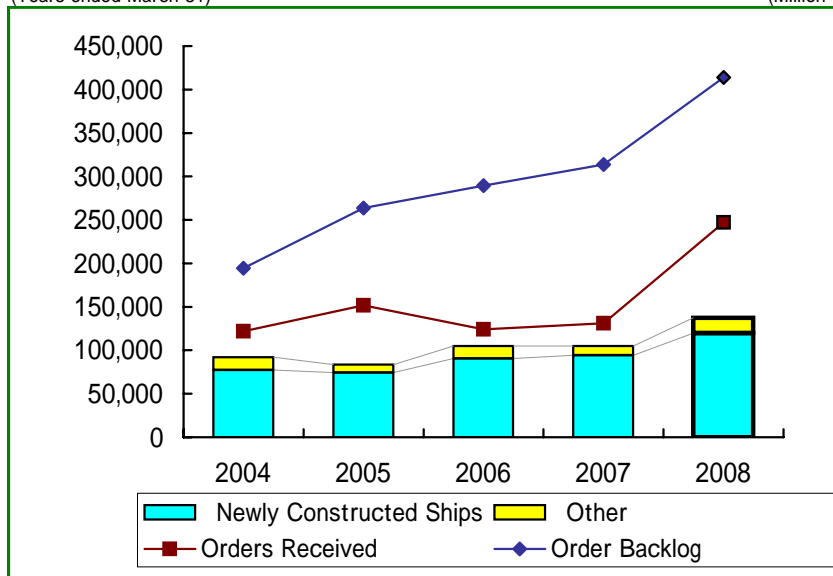
Note: Shipbuilding business in "Kawasaki Heavy Industries, Ltd. (KHI)" was partitioned off on 1st Oct. 2002

as a wholly owned subsidiary, i.e., "Kawasaki Shipbuilding Corporation (Kawasaki SC)".

Therefore the each figure in the column of 2003 represents a total of the figures which the shipbuilding business in KHI before the partition and Kawasaki SC accomplished respectively.

(Years ended March 31)

(Million ¥)

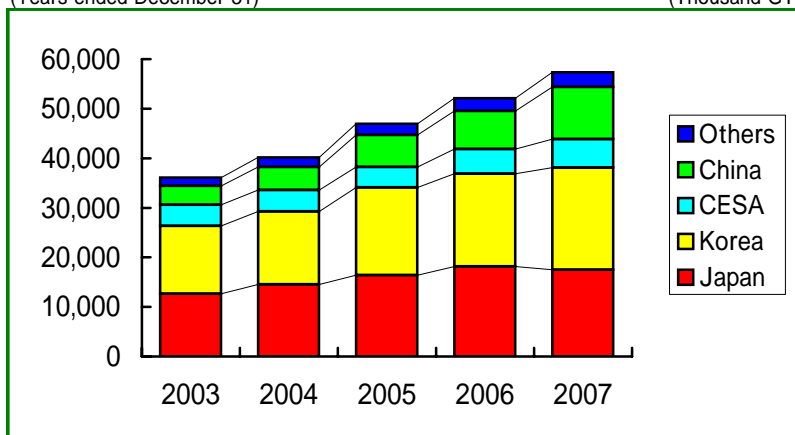




## Newly Constructed Ships World Market Volume

(Years ended December 31)

(Thousand GT)



	(Thousand GT)				
	2003	2004	2005	2006	2007
Japan	12,688	14,515	16,434	18,176	17,525
Korea	13,683	14,768	17,689	18,717	20,593
CESA a)	4,273	4,291	4,100	4,965	5,715
China	3,763	4,679	6,466	7,665	10,553
Others	1,724	1,918	2,280	2,595	2,934
<b>World Market Volume</b>	<b>36,131</b>	<b>40,171</b>	<b>46,969</b>	<b>52,118</b>	<b>57,320</b>

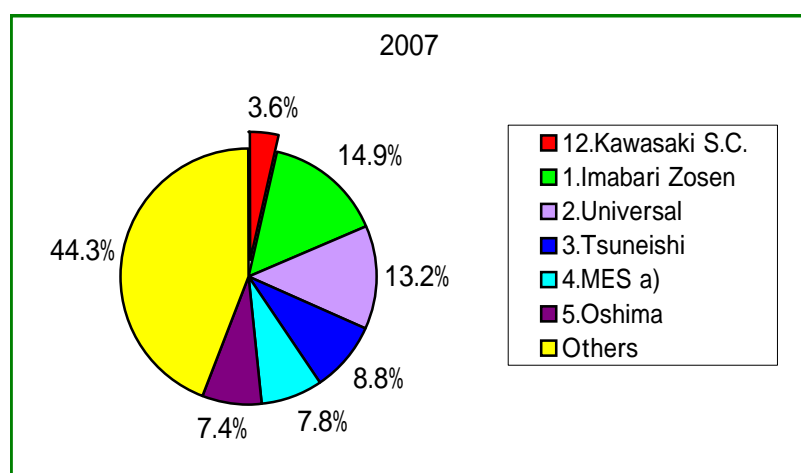
Notes: 1. Figures are on a ships volume completed (tonnage) basis for vessels of 100GT and above.

2. a) Community of European Shipyard's Associations

Source: Lloyd's Register "World Shipbuilding Statistics 2007"

## Newly Constructed Ships Domestic Share

(Years ended December 31)



Notes: 1. Figures are on a ships volume completed (tonnage) basis.

2. a) Mitsui Engineering & Shipbuilding.

b) Mitsubishi Heavy Industries.

Source: The Shipbuilders' Association of Japan

2003 (%)	
1.Universal	17.0
2.Imabari Zosen	12.6
3.IHI Marine United	7.5
4.MES a)	6.9
5.Tsuneishi	6.7
<b>10.Kawasaki S.C.</b>	<b>4.9</b>

2004 (%)	
1.Universal	15.3
2.Imabari Zosen	11.1
3.MHI b)	10.8
4.Tsuneishi	7.8
5.Koyo	7.2
<b>12.Kawasaki S.C.</b>	<b>3.6</b>

2005 (%)	
1.Imabari Zosen	14.5
2.Universal	13.6
3.MES a)	8.6
4.IHI Marine United	8.1
5.Tsuneishi	7.9
<b>8.Kawasaki S.C.</b>	<b>5.6</b>

2006 (%)	
1.Imabari Zosen	14.7
2.Universal	11.4
3.MES a)	9.3
4.MHI b)	9.2
5.Tsuneishi	8.8
<b>8.Kawasaki S.C.</b>	<b>6.2</b>

2007 (%)	
1.Imabari Zosen	14.9
2.Universal	13.2
3.Tsuneishi	8.8
4.MES a)	7.8
5.Oshima	7.4
<b>12.Kawasaki S.C.</b>	<b>3.6</b>

## *Rolling Stock*

(Years ended March 31)-Consolidated Basis-

	2004	2005	2006	2007	(Million \) 2008
Sales	120,597	171,731	168,306	184,283	171,739
Orders Received	153,399	178,369	203,165	269,120	183,254



# Aerospace

(Years ended March 31)-Consolidated Basis-

	2004	2005	2006
Sales	173,783	188,255	218,533
Orders Received	216,201	214,702	229,257
Order Backlog	260,321	287,441	301,599

(Years ended March 31)

(Million \)

	2008
Sales	237,349
Orders Received	202,506
Order Backlog	248,332

(Million \)

(Years ended March 31)-Parent Only-

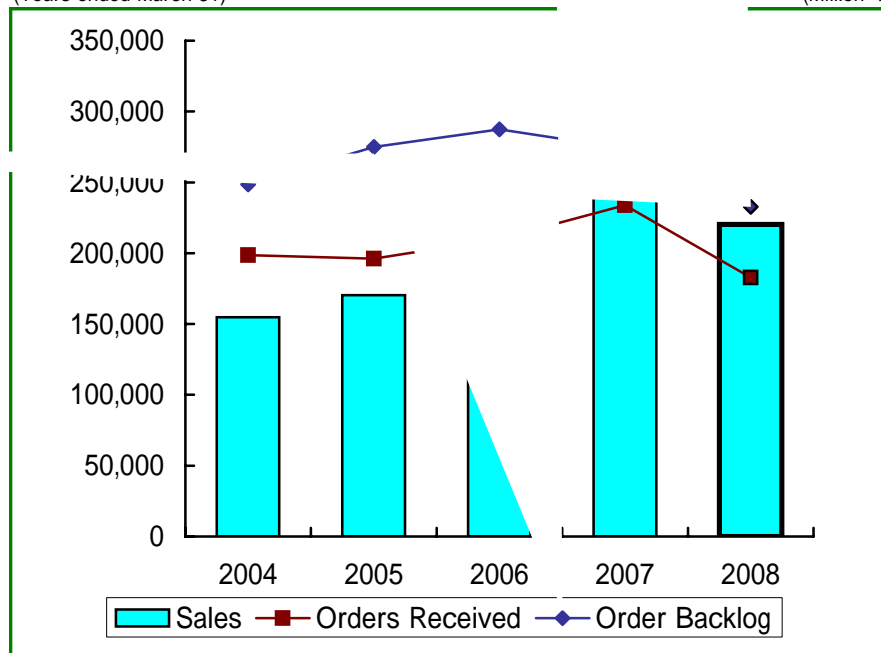
	2004	2005	2006
Sales	154,769	170,425	201,121
Exports	31,712	31,368	45,770
Orders Received	198,577	196,161	210,070
Order Backlog	248,567	274,975	287,516

(Years ended March 31)

(Million \)

	2008
Sales	220,264
Exports	75,814
Orders Received	182,699
Order Backlog	232,667

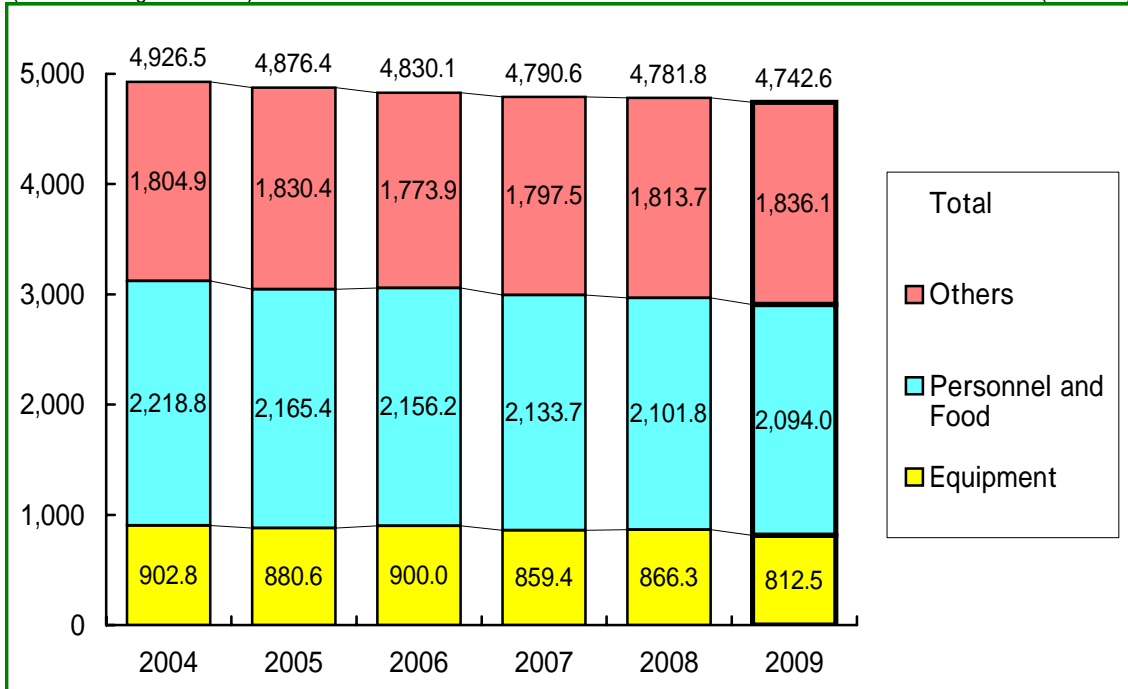
(Million \)



### Japan's Defense Budget (Initial Budget Base)

(Years ending March 31)

(Billion ¥)



Source: Japan Defense Agency.

### Major Suppliers to the Japan Defense Agency

(Years ended March 31)

2003			2004			2005		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI a)	347.9	27.2	1. MHI	281.7	22.1	1. MHI	270.6	20.7
2. KHI	110.2	8.6	2. KHI	158.8	12.5	2. KHI	142.9	10.9
3. Mitsubishi Electric	73.5	5.7	3. Mitsubishi Electric	94.9	7.5	3. Mitsubishi Electric	103.2	7.9
4. IHI b)	52.7	4.1	4. IHI	56.3	4.4	4. NEC	90.6	6.9
5. Toshiba	49.8	3.9	5. Toshiba	38.9	3.1	5. IHI	49.3	3.8

2006			2007			2008		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI	241.7	17.6	1. MHI	277.6	21.0	1. MHI	327.5	25.1
2. KHI	129.7	9.4	2. KHI	130.6	9.9	2. Mitsubishi Electric	96.1	7.4
3. Mitsubishi Electric	114.2	8.3	3. Mitsubishi Electric	117.7	8.9	3. NEC	71.7	5.5
4. NEC	107.8	7.8	4. NEC	83.1	6.3	4. KHI	66.8	5.1
5. Toshiba	49.5	3.6	5. IHIMU	44.6	3.4	5. Toshiba	57.0	4.4

Notes: a) Mitsubishi Heavy Industries.

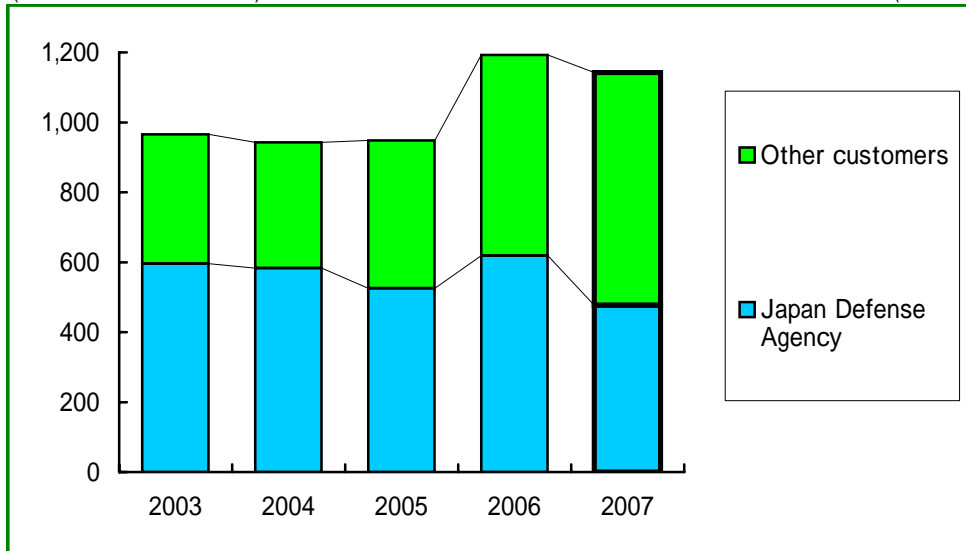
b) IHI Marine United.

Source: Japan Defense Agency.

### Japanese Aircraft Production by Demand Sector

(Years ended December 31)

(Billion ¥)



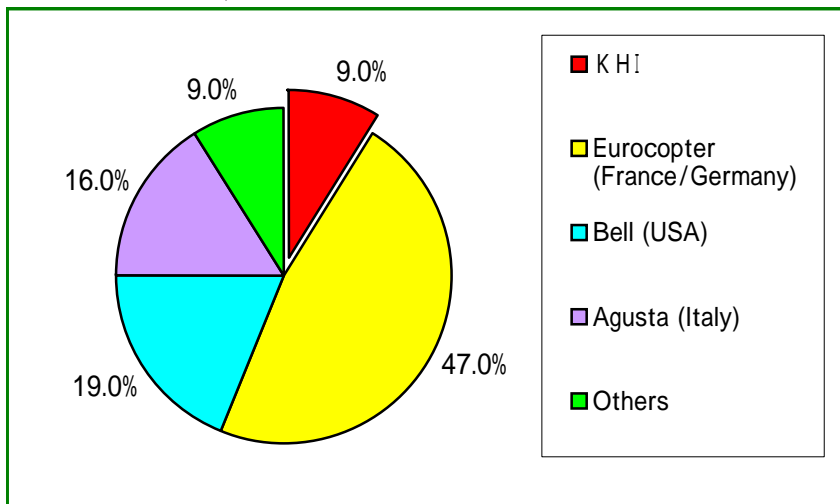
(Million ¥)

	2003	2004	2005	2006	2007
Japan Defense Agency	596,205	582,941	524,697	619,308	477,103
Other customers	369,822	360,041	423,356	574,178	664,827
<b>Total</b>	<b>966,027</b>	<b>942,982</b>	<b>948,053</b>	<b>1,193,486</b>	<b>1,141,930</b>

Source: The Society of Japanese Aerospace Companies

### Helicopters Domestic Share for Civilian Use (The average of 2003-2007)

(Years ended December 31)



KHI	9.0%
Eurocopter (France/Germany)	47.0%
Bell (USA)	19.0%
Agusta (Italy)	16.0%
Others	9.0%
<b>Total</b>	<b>100.0%</b>

Note: Figures are calculated on the basis of the new registration number of double-turbine helicopters.

Source: Aviation Engineering

## *Gas Turbines & Machinery*

(Years ended March 31)-Consolidated Basis-

	2004	2005	2006	2007	(Million \)
Sales	136,468	141,366	161,431	183,309	2008 185,486
Orders Received	129,987	162,700	188,068	204,847	227,422
Order Backlog	140,327	163,440	195,108	216,886	245,962

(Years ended March 31)

(Million)



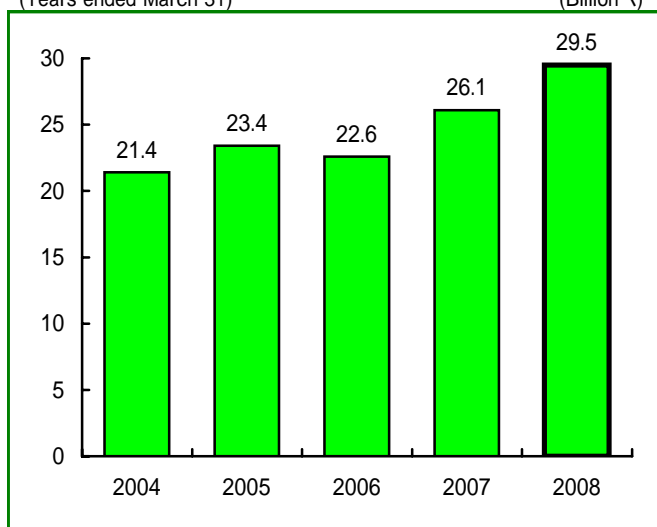


## Gas Turbine Generator Sales

-Parent Only-

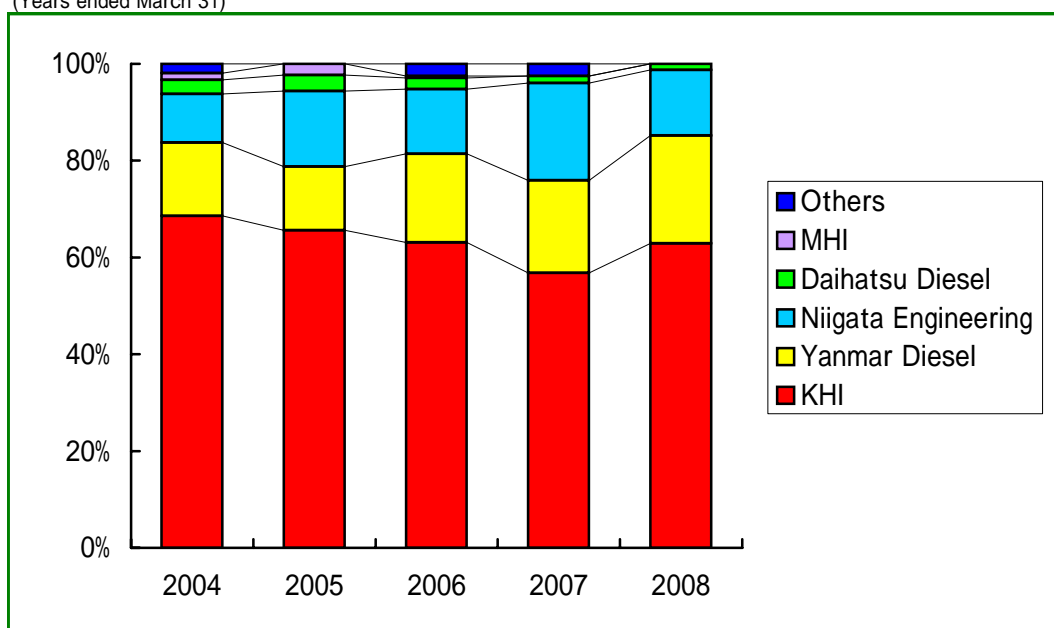
(Years ended March 31)

(Billion ¥)



## Gas Turbine Generators Domestic Share

(Years ended March 31)



	2004	2005	2006	2007	2008
KHI	68.6%	65.6%	63.1%	56.8%	62.9%
Yanmar Diesel	15.1%	13.2%	18.3%	19.1%	22.3%
Niigata Engineering	10.1%	15.6%	13.4%	20.1%	13.6%
Daihatsu Diesel	2.9%	3.3%	2.3%	1.5%	1.2%
MHI a)	1.4%	2.3%	0.4%	0.0%	0.0%
Others	1.9%	0.0%	2.5%	2.5%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: 1. Figures represent sales for medium- and small-sized gas turbine generators (up to 2,000kW).

2. a) Mitsubishi Heavy Industries.

Source: *Denki Nichinichi Shimbun*, "Ranking Series".

## *Energy & Environmental Engineering*

(Years ended March 31)-Consolidated Basis-

	2004	2005	2006	2007	(Million ¥) 2008
Sales	191,412	191,012	164,506	122,062	142,547
Orders Received	156,145	126,403	97,332	150,221	106,046
Order Backlog	273,837	210,160	144,147	172,255	135,288

(Years ended March 31)

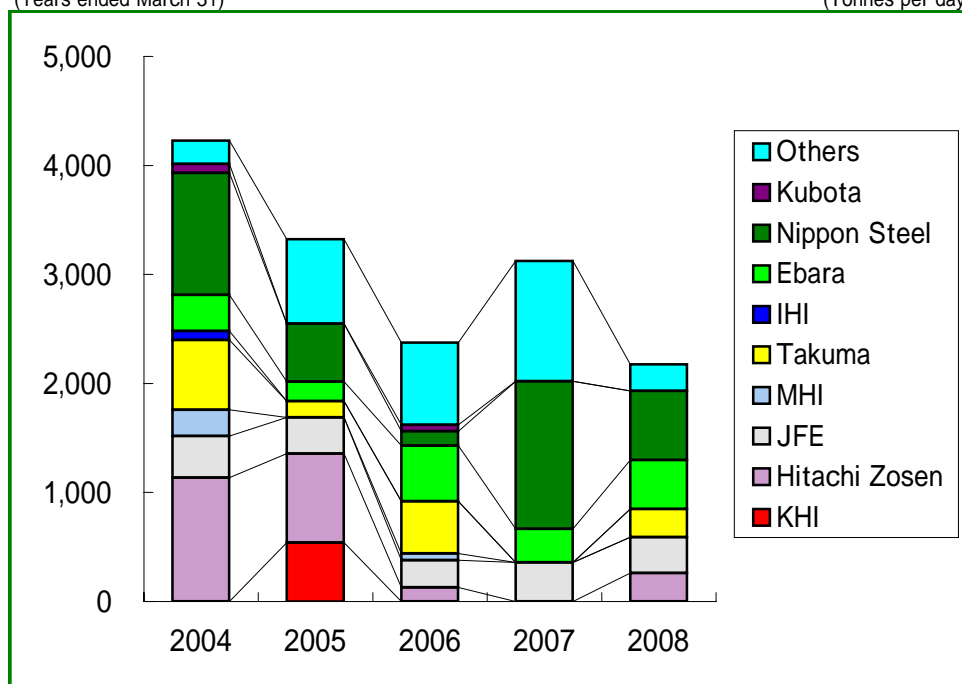
(Million ¥)

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## Refuse Incineration Plants Domestic Market Volume

(Years ended March 31)

(Tonnes per day)



(Tonnes per day)

	2004	2005	2006	2007	2008
KHI	0	540	0	0	0
Hitachi Zosen	1,135	815	128	0	260
JFE a)	383	333	250	358	330
MHI b)	240	0	62	0	0
Takuma	640	150	480	0	258
IHI c)	84	0	0	0	0
Ebara	330	180	511	309	450
Nippon Steel	1,118	530	132	1,352	635
Kubota	84	0	58	0	0
Others	215	776	755	1,106	244
<b>Total Market Volume</b>	<b>4,229</b>	<b>3,324</b>	<b>2,376</b>	<b>3,125</b>	<b>2,177</b>

Notes: 1. Figures represent tonnes of processing capacity per day for ordered units.

2. a) JFE Engineering Corporation. (Until 2003, "NKK")

b) Mitsubishi Heavy Industries.

c) IHI Corporation. (Until 2006, "Ishikawajima-Harima Heavy Industries")

Source: Company's estimates.

## Refuse Incineration Plants Domestic Share

(Years ended March 31)

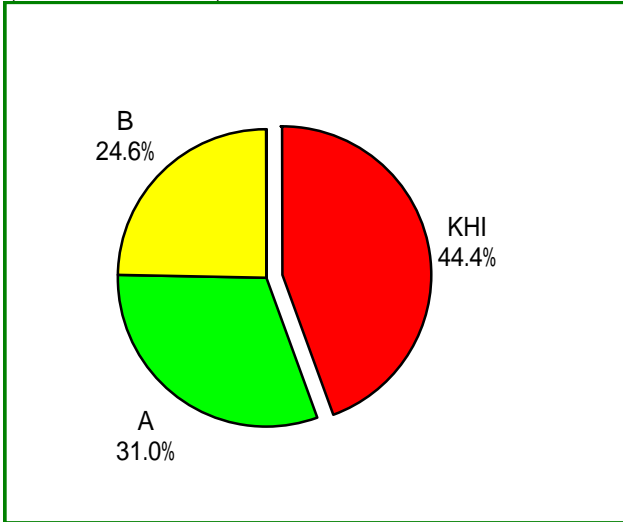
	2004	2005	2006	2007	2008
KHI	0.0%	16.2%	0.0%	0.0%	0.0%
Hitachi Zosen	26.8%	24.5%	5.4%	0.0%	11.9%
JFE	9.1%	10.0%	10.5%	11.5%	15.2%
MHI	5.7%	0.0%	2.6%	0.0%	0.0%
Takuma	15.1%	4.5%	20.2%	0.0%	11.9%
IHI	2.0%	0.0%	0.0%	0.0%	0.0%
Ebara	7.8%	5.4%	21.5%	9.9%	20.7%
Nippon Steel	26.4%	15.9%	5.6%	43.3%	29.2%
Kubota	2.0%	0.0%	2.4%	0.0%	0.0%
Others	5.1%	23.5%	31.8%	35.3%	11.1%

Note: Figures are calculated on the basis of tonnes of processing capacity per day for ordered units.

Source: Company's estimates.

*Shield Machines and Tunnel Boring Machines  
- Large-Diameter Model  
Domestic Share (2004-2008 Total)*

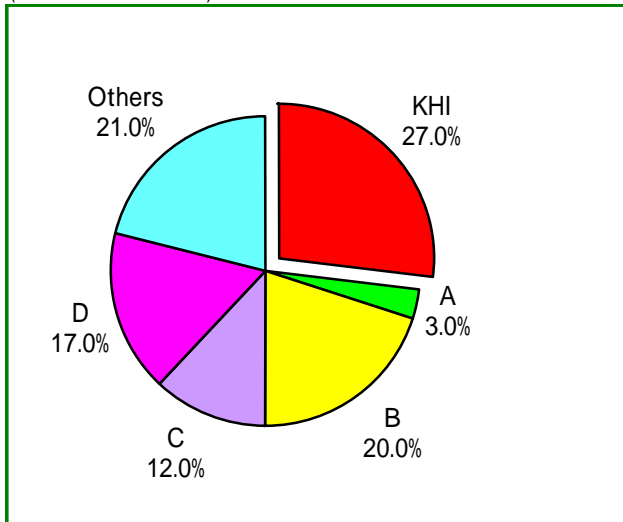
(Years ended March 31)



Notes: 1. Segments A and B represent the shares of the two other major companies in this market.  
2. Figures are shown on a sales amount basis.  
Source: Company's estimates.

*Shield Machines and Tunnel Boring Machines  
Domestic Share (2008)*

(Year ended March 31)



Notes: 1. Segments A, B, C and D represent the shares of the four other major companies in this market.  
2. Figures are shown on a sales amount basis.  
Source: Company's estimates.



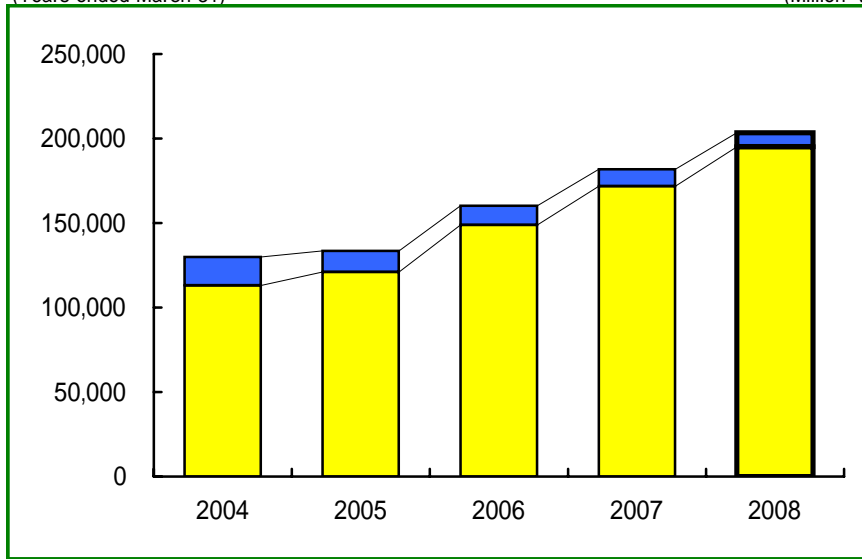


### Motorcycle Sales

- Parent Only -

(Years ended March 31)

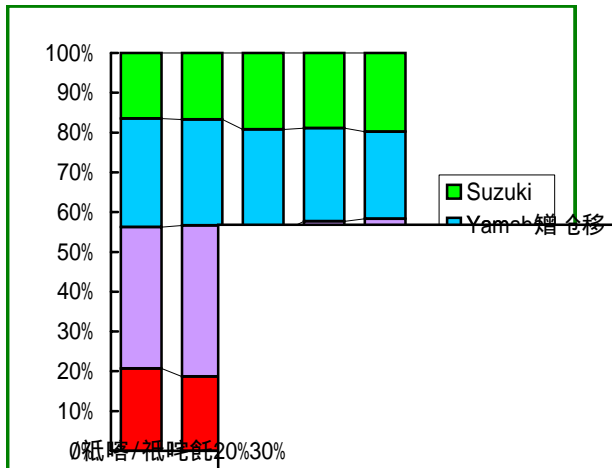
(Million ¥)



### Motorcycle Sales Domestic Share

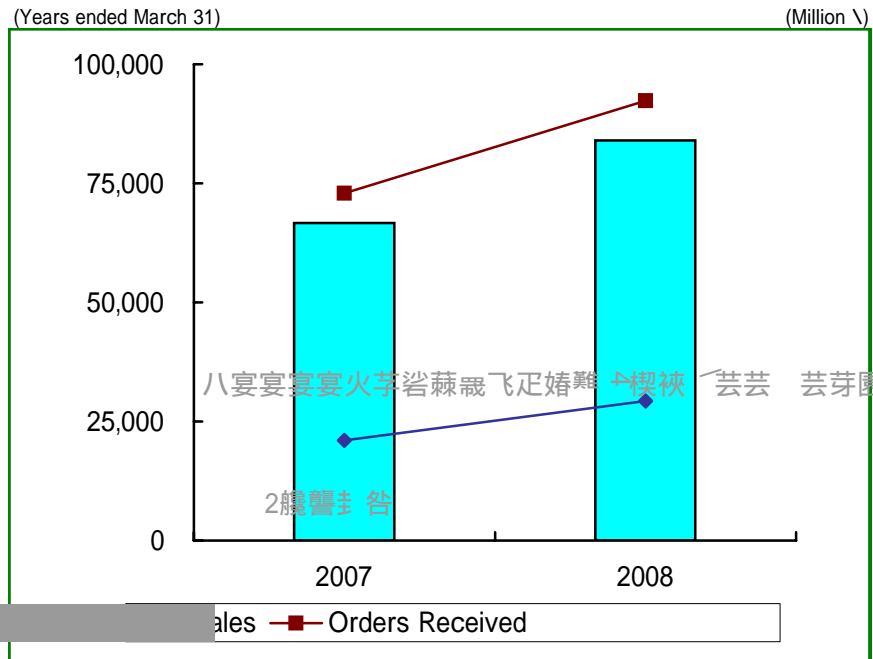
### Motorcycle Sales Export Share

(Shipment Base)



# Industrial Hydraulic Products

	(Years ended March 31)-Consolidated Basis-		(Million ¥)
	2007	2008	
Sales	66,649	84,028	
Orders Received	72,918	92,335	
Order Backlog	21,010	29,317	



	(Years ended March 31)-Parent Only-		(Million ¥)
	2007	2008	
Sales	66,956	80,721	
Exports	24,282	32,272	
Orders Received	72,649	89,396	
Order Backlog	25,968	34,644	

(Years ended March 31) (Million ¥)

Note: Industrial Hydraulic Products segment which had been included in "Other" until the year 2007 is disclosed separately for the year 2008 as its materiality increased in the company.



# ***CONDENSED BALANCE SHEETS***

Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

As of March 31

<b>ASSETS</b>	2008	2007	2006	2005	2004	2003
Current assets:						
Cash on hand and in banks	\39,875	\39,351	\37,650	\44,629	\43,064	\0从0哇

# CONDENSED STATEMENTS OF INCOME

Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries  
Years ended March 31

	Millions of yen					
	2008	2007	2006	2005	2004	2003
Net sales	\1,501,097	\1,438,619	\1,322,487	\1,241,592	\1,160,252	\1,239,598
Cost of sales	1,262,032	1,213,524	1,148,547	1,088,219	998,416	1,069,341
Gross profit	239,065	225,095	173,940	153,373	161,836	170,257
Selling, general and administrative expenses	162,155	155,953	132,145	128,629	139,586	139,714
Operating income	76,910	69,142	41,795	24,744	22,250	30,543
Other income (expenses):						
Interest and dividend income	5,005	3,807	3,225	3,240	3,476	4,684
Equity in income (loss) of unconsolidated subsidiaries and affiliates	7,642	2,694	(197)	506	941	(467)
Interest expense	(7,980)	(6,650)	(5,377)	(6,296)	(7,274)	(10,291)
Other, net	(23,522)	(23,725)	(16,146)	(1,630)	(8,151)	(7,241)
Income (loss) before income taxes and minority interests	58,055	45,268	23,300	20,564	11,242	17,228
Income taxes						
Current	(23,271)	(16,623)	(24,148)	(15,869)	(16,604)	(11,395)
Deferred	1,260	1,337	17,843	7,374	11,890	7,555
Minority interests in net (income) loss of consolidated subsidiaries	(903)	(210)	(528)	(590)	(195)	(366)
Foreign currency translation adjustments	-	-	-	-	-	-
Net income (loss)	\35,141	\29,772	\16,467	\11,479	\6,333	\13,022

	Millions of yen					
	2008	2007	2006	2005	2004	2003
Per share amounts (yen):						
Net income (loss)	\21.1	\18.9	\11.2	\7.9	\4.4	\9.3
Cash dividends	5.0	5.0	3.0	2.5	2.0	\2.0
Other data:						
Capital expenditures (Million \)	50,538	39,269	41,724	29,692	41,502	35,165
Depreciation (Million \)	37,455	30,279	30,551	31,555	32,590	31,595
R&D expenses (Million \)	36,228	33,819	27,040	13,183	14,741	15,494
Number of employees	30,563	29,211	28,922	28,682	29,306	28,642

# STOCK INFORMATION

## Stock Price Range

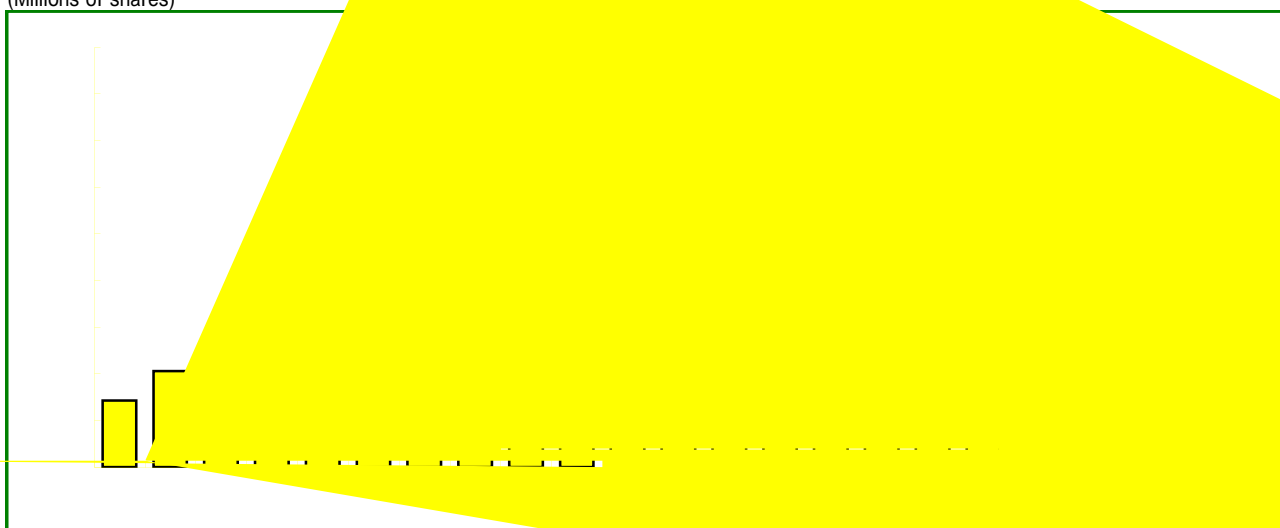
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(N)

	2003				2004				2005				2006				2007				2008			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	
High	111	127	157	152	172	187	179	171	302	496	465	439	405	460	529	520	570	468	324	369	312			
Low	88	95	111	111	123	146	148	148	265	360	325	308	393	423	450	394	312	206	220	199				

## Stock Trading Volume

(Millions of shares)



(Millions of shares)

	2003				2004				2005				2006				2007				2008		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Volume	285	411	526	469	620	538	379	370	429	679	682	1,422	832	956	1,063	1,133	1,585	1,177	1,419	1,094	1,141	1,215	956

**Paid-in Capital**  
¥ 104,328,628,664

**Number of Shares**

Authorized 3,360,000,000 shares  
Outstanding 1,669,629,122 shares  
(Dilution 41,940,463 shares)

As of March 31, 2008

**Paid-in Capital**  
¥ 104,328,628,664

**Number of Shares**

Authorized 3,360,000,000 shares  
Outstanding 1,669,629,122 shares  
(Dilution 29,479,123 shares)

As of September 30, 2008

**Stock Listings**

Tokyo, Osaka, Nagoya

**Transfer Agent**

The Chuo Mi-

KAWASAKI HEAVY INDUSTRIES, LTD.