

(Consolidated)

KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES
FLASH CONSOLIDATED FINANCIAL RESULTS OF THE FIRST QUARTER (Unaudited)

For three months ended June 30, 2007 and 2006 and one year ended March 31, 2007

Operating results	Millions of yen			Thousands of U.S. dollars	
	Three months ended Jun. 30, 2007	Three months ended Jun. 30, 2006	% Change	Three months ended Jun. 30, 2007	
Net sales	\ 330,445	302,200	+9%	\$	2,680,660
Operating income	19,198	10,058	+91%		155,739
Net income	12,010	5,525	+117%		97,428
Net income per share (Yen)	7.2	3.5			

Financial condition	Millions of yen / Thousands of U.S. dollars		Ratio of net assets to total assets
	Total assets	Net assets	
As of June 30, 2007	\ 1,337,935	\ 300,230	22%
As of March 31, 2007	1,357,980	295,378	21%
As of June 30, 2007	\$ 10,853,695	\$ 2,435,548	

- 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 $123.27 = \$1$, the rate prevailing as of June 30, 2007, solely for the convenience of the readers.

(Consolidated)

Condensed Consolidated Balance Sheets

As of June 30 and March 31, 2007

	Millions of yen		Thousands of
	As of Jun. 30, 2007	As of Mar. 31, 2007	U.S. dollars As of Jun. 30, 2007
Assets :			
Current assets :			
Cash on hand and in banks	53,899	39,351	\$ 437,243
Receivables, less allowance	381,725	442,577	3,096,658
Inventories	435,948	427,934	3,536,530
Other current assets	69,266	52,056	561,905
Total current assets	940,838	961,918	7,632,336
Investments and long-term loans less allowance :	100,695	96,994	816,865
Net property, plant and equipment :	255,338	253,819	2,071,372
Intangible and other assets :	41,064	45,249	333,122

Aerospace	24,330	(7%)	27,706	(9%)	-44%	232,319
Gas Turbines & Machinery	49,116	(14%)	35,858	(11%)	+37%	197,372
Plant & Infrastructure Engineering	20,023	(6%)	31,395	(10%)	-36%	398,442
Consumer products & Machinery	119,329	(35%)	106,692	(34%)	+12%	162,432
Other	45,954	(13%)	39,253	(12%)	+17%	968,031
Total	\ 345,785	(100%)	316,021	(100%)	+9%	\$ 2,805,103

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