

July 31, 2008 (Consolidated)

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

For three months ended June 30, 2008 and 2007 and one year ended March 31,2008

Operating results			Thousands of
	Millions of	f yen	U.S. dollars
	Three months ended	Three months ended	Three months ended
	Jun. 30, 2008	Jun. 30, 2007	Jun.30, 2008
Net sales	302,531	330,445	\$ 2,842,802
Operating income	8,246	19,198	77,485
Net income	8,102	12,010	76,132
Earnings per share (Yen)	4.9	7.2	
Financial condition	Millions of yen / Tho	usands of U.S. dollars	
	Total assets	Net assets	Ratio of net assets
	1 3000 433003	Tite about	to total assets
As of June 30, 2008	1,345,446	311,059	23%
As of March 31, 2008	1,378,770	319,038	23%
As of June 30, 2008	\$ 12,642,793	\$ 2,922,938	
	Yen / U.S. dollars	Thousand shares	
	Net assets	Number of shares	
	less minority interests	issued and	
	per share	outstanding	
As of June 30, 2008	183.2	1,668,290	
As of March 31, 2008	187.7	1,668,305	
As of June 30, 2008	\$ 1.72	1,000,000	
Cash flows		Thousands of	
Cash nows	Marine C		
	Millions of yen	U.S. dollars	<u> </u>
	Three months ended	Three months ended	
	Jun. 30, 2008	Jun. 30, 2007	<u> </u>
Operating activities	(3,585)	\$ (33,687)	
Investing activities	(14,818)	(139,241)	
Financing activities	12,101	113,710	
Cash and cash equivalents at end of term	31,217	293,338	
Fiscal year forecast	Millions o	f yen	
•	Net sales	Net income	
One year ending March 31, 2009	1,460,000	30,000	

Condensed Consolidated Balance Sheets

As of June 30 and March 31, 2008

As of Jun 30, 2008 As of Jun 30, 2008 As of Jun 30, 2008 Assets: Jun 30, 2008 Mar.31, 2008 Jun 30, 2008 Current assets: Section 10, 2008 Section 10, 2008 Section 10, 2008 Cash on hand and in banks 32,655 39,875 \$306,850 Trade receivables, less allowance 361,013 433,155 3,392,342 Inventories 474,647 439,310 4,460,130 Other current assets 72,996 69,942 685,923 Total current assets 941,311 982,282 8,452,455 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 13,45,466 1,378,770 12,642,793 Total current labilities and net assets: 13,45,466 1,378,770 12,642,793 Ebhritterm borrowings 174,363 137,681 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 <td< th=""><th>·</th><th>Millions</th><th colspan="3">Thousands of U.S. dollars</th></td<>	·	Millions	Thousands of U.S. dollars		
Current assets : Cash on hand and in banks 32,655 39,875 306,850 Trade receivables, less allowance 361,013 433,155 3,392,342 Inventories 474,647 439,310 4,460,130 Other current assets 72,996 69,942 685,923 Total current assets 941,311 982,282 8,845,245 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$12,642,793 Liabilities and net assets: Current liabilities Short-term borrowings 356,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,365,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term lebt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets Common stock 104,329 104,329 960,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 311,095 319,038 2,922,938 Total long terms 50,666 151,401 1,415,712 Retained earnings 150,660 151,401 1,415,712 Returned carriers 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 311,095 319,038 2,922,938 Total long terms 319,038 2,922,938 Total long terms 319,038 2,922,938 Total long terms 319,038 2,922,938 Total long		As of	As of		As of
Current assets : 32,655 39,875 \$ 306,850 Cash on hand and in banks 361,013 433,155 3,392,342 Inventories 474,647 439,310 4,460,130 Other current assets 72,996 69,942 685,923 Total current assets 941,311 982,282 8,845,245 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 12,642,793 Liabilities and net assets: 2 2 484,647 Current liabilities: 355,629 431,000 3,341,750 Trade payables 355,629 431,000 3,341,750 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 128,989 131,181 1,212,074 Total ong-term liabilities 128,246 138,766 1,205,093		Jun. 30, 2008	Mar.31, 2008	J	un. 30, 2008
Cash on hand and in banks 32,655 39,875 \$ 306,850 Trade receivables, less allowance 361,013 433,155 3,392,342 Inventories 474,647 439,310 4,460,130 Other current assets 72,996 69,942 685,923 Total current assets 941,311 982,282 8,845,245 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$ 12,642,793 Liabilities and net assets: 2 2 2 Current liabilities 1 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 806,373 824,541 7,577,269 Long-term liabilities 806,373 824,541 7,577,269	Assets:				
Trade receivables, less allowance 361,013 433,155 3,392,342 Inventories 474,647 439,310 4,460,130 Other current assets 72,996 69,942 685,923 Total current assets 941,311 982,282 8,845,245 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$ 12,642,793 Liabilities and net assets: 2 2 431,000 3,341,750 Current liabilities: 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current protion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Others 99,768 96,425 937,493	Current assets :				
Inventories	Cash on hand and in banks	,	,	\$,
Other current assets 72,996 69,942 685,923 Total current assets 941,311 982,282 8,845,245 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 56,774 56,886 533,490 Liabilities and net assets: 56,874 \$6,886 533,490 Current liabilities: 58,744 \$1,378,770 \$12,642,793 Liabilities and net assets: 58,744 \$1,378,770 \$12,642,793 Liabilities: 58,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities: 806,373 824,541 7,577,269 Long-term liabilities 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 <t< td=""><td>Trade receivables, less allowance</td><td>361,013</td><td>433,155</td><td></td><td>3,392,342</td></t<>	Trade receivables, less allowance	361,013	433,155		3,392,342
Total current assets 941,311 982,282 8,845,245 Investments and long-term loans less allowance 82,838 79,675 778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$ 12,642,793 Liabilities and net assets : Current liabilities : Short-term borrowings	Inventories	,			, ,
Investments and long-term loans less allowance 82,838 79,675 7778,407 Net property, plant and equipment 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$ 12,642,793 Liabilities and net assets : Current liabilities : Short-term borrowings and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities : 306,373 824,541 7,577,269 Long-term liabilities : 128,246 138,766 1,205,093 Others 93,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets : Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Other current assets	72,996	69,942		685,923
Net property, plant and equipment Intengible and other assets 264,523 259,927 2,485,651 Intangible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$ 12,642,793 Liabilities and net assets: Use and net assets: Current liabilities: Short-term borrowings and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities: 128,989 131,181 1,225,074 Long-term liabilities: 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,488 </td <td>Total current assets</td> <td>941,311</td> <td>982,282</td> <td></td> <td>8,845,245</td>	Total current assets	941,311	982,282		8,845,245
Intargible and other assets 56,774 56,886 533,490 Total assets 1,345,446 1,378,770 \$ 12,642,793 Liabilities and net assets: Current liabilities: Short-term borrowings and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term lebt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: 2 28,014 235,191 2,142,586 Net assets: 3 150,660 151,401 1,415,712 Capital surplus 54,324 54,291 510,468 Retained ea	Investments and long-term loans less allowance	82,838	79,675		778,407
Total assets \$ 12,642,793 Liabilities and net assets: Current liabilities: Short-term borrowings and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities: 806,373 824,541 7,577,269 Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: 104,329 104,329 980,351 Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 <t< td=""><td>Net property, plant and equipment</td><td>264,523</td><td>259,927</td><td></td><td>2,485,651</td></t<>	Net property, plant and equipment	264,523	259,927		2,485,651
Current liabilities and net assets : Current liabilities : Short-term borrowings	Intangible and other assets	56,774	56,886		533,490
Current liabilities : Short-term borrowings and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term liabilities :	Total assets	1,345,446	1,378,770	\$	12,642,793
Short-term borrowings and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities: 806,373 824,541 7,577,269 Long-term liabilities: 1 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Net assets: 228,014 235,191 2,142,586 Net assets: 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846	Liabilities and net assets :				
and current portion of long-term debt 174,363 137,681 \$ 1,638,442 Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term liabilities : 1 1,205,093 Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets : 2 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Tre	Current liabilities :				
Trade payables 355,629 431,000 3,341,750 Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864	Short-term borrowings				
Advances from customers 147,392 124,679 1,385,003 Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term liabilities: 806,373 824,541 7,577,269 Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,93	and current portion of long-term debt	174,363	137,681	\$	1,638,442
Other current liabilities 128,989 131,181 1,212,074 Total current liabilities 806,373 824,541 7,577,269 Long-term liabilities: 806,373 824,541 7,577,269 Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Trade payables	355,629	431,000		3,341,750
Total current liabilities 806,373 824,541 7,577,269 Long-term liabilities : 2 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets : Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Advances from customers	147,392	124,679		1,385,003
Long-term liabilities : Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets : Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Other current liabilities	128,989	131,181		1,212,074
Long-term debt, less current portion 128,246 138,766 1,205,093 Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Total current liabilities	806,373	824,541		7,577,269
Others 99,768 96,425 937,493 Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Use assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Long-term liabilities :				
Total long-term liabilities 228,014 235,191 2,142,586 Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Long-term debt, less current portion	128,246	138,766		1,205,093
Net assets: Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Others	99,768	96,425		937,493
Common stock 104,329 104,329 980,351 Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Total long-term liabilities	228,014	235,191		2,142,586
Capital surplus 54,324 54,291 510,468 Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Net assets :	<u> </u>			
Retained earnings 150,660 151,401 1,415,712 Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Common stock	104,329	104,329		980,351
Net unrealized gains on securities 13,025 10,292 122,393 Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Capital surplus	54,324	54,291		510, 46 8
Gains/losses on hedging items (376) 5,217 (3,533) Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Retained earnings	150,660	151,401		1,415,712
Foreign currency translation adjustments (15,852) (11,878) (148,957) Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Net unrealized gains on securities	13,025	10,292		122,393
Treasury stock (464) (460) (4,360) Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Gains/losses on hedging items	(376)	5,217		(3,533)
Minority interests 5,413 5,846 50,864 Total net assets 311,059 319,038 2,922,938	Foreign currency translation adjustments	(15,852)	(11,878)		(148,957)
Total net assets 311,059 319,038 2,922,938	Treasury stock	(464)	(460)		(4,360)
	Minority interests	5,413			50,864
Total liabilities and net assets 1,345,446 1,378,770 \$ 12,642,793	Total net assets	311,059	319,038		2,922,938
	Total liabilities and net assets	1,345,446	1,378,770	\$	12,642,793

Condensed Consolidated Statements of Income

Millions of yen Three months ended

	External sales	Intersegment sales	Total sales	Operating income (loss)
Shipbuilding	19,090	186	19,276	23
Rolling Stock				
& Construction Machinery	36,104	259	36,363	2,382
Aerospace	39,563	394	39,957	219
Gas Turbines & Machinery	44,984	4,260	49,244	2,258
Plant & Infrastructure Engineering	20,284	2,891	23,175	1,695
Consumer Products & Machinery	94,007	1,862	95,869	(1,834)
Hydraulic Machinery	23,009	2,040	25,049	2,633
Other	25,490	9,956	35,446	939
Total	302,531	21,848	324,379	8,315
Eliminations and corporate	-	(21,848)	(21,848)	(69)
Consolidated total	302,531	-	302,531	8,246

1056n Three months ended

	External sales		Intersegment sales		Total sales		Operating income (loss)	
Shipbuilding Rolling Stock	\$	179,384	\$	1,748	\$ 181,132	\$	217	
& Construction Machinery		339,260		2,434	341.694		22,384	
Aerospace		371,763		3,702	375,465		2,058	
Gas Turbines & Machinery		422,702		40,030	462,732		21,217	
Plant & Infrastructure Engineering		190,603		27,166	217,769		15,927	
Consumer Products & Machinery		883,358		17,497	900,855		(17,234)	
Hydraulic Machinery		216,209		19,169	235,378		24,741	
Other		239,523		93,554	333,077		8,824	
Total		2,842,802		205,300	3,048,102		78,134	
Eliminations and corporate		-		(205,300)	(205,300)		(649)	
Consolidated total	\$	2,842,802	\$	_	\$ 2,842,802	\$	77,485	

1,723

8,246

(74,353)

302,531

(b) Information by geographic area

Eliminations and corporate

Consolidated total

		Millions of yen							
		Three mor	nths ended						
		Jun.30), 2008						
	External	External Intersegment Total							
	sales	sales	sales	income (loss)					
Japan	206,345	56,974	263,319	4,741					
North America	51,067	6,647	57,714	72					
Europe	34,858	1,333	36,191	1,023					
Asia	7,810	9,345	17,155	529					
Other Areas	2,451	54	2,505	158					
Total	302,531	74,353	376,884	6,523					

(74,353)

	Thousands of U.S. dollars									
	Three months ended									
	Jun.30, 2008									
		External	Int	ersegment		Total	Operating			
		sales		sales sales		sales	income (loss)			
Japan	\$	1,938,968	\$	535,369	\$	2,474,337	\$	44,549		
North America		479,863		62,460		542,323		677		
Europe		327,551		12,526		340,077		9,613		
Asia		73,388		87,812		161,200		4,970		
Other Areas		23,032		508		23,540		1,486		
Total		2,842,802		698,675		3,541,477		61,295		
Eliminations and corporate		-		(698,675)		(698,675)		16,190		
Consolidated total	\$	2,842,802	\$	-	\$	2,842,802	\$	77,485		

(c) Overseas sales	Millior	s of yen		housands of U.S dollars
		Three months ended Jun.30, 2008		months ended un.30, 2008
	Overseas sales	% against net sales		Overseas sales
North America	69,691	23.0%	\$	654,868
Europe	39,455	13.0%		370,748
Asia	35,588	11.7%		334,411
Other Areas	29,238	9.6%		274,742
Total	173,972	57.5%	\$	1,634,769

302,531

Thousands of

U.S. dollars

Net sales, orders and order backlog by industry segment

For three months ended June 30, 2008 and 2007 and as of Jun. 30, 2007 and Mar. 31,2008

	Three months ended Three months ended						Three months ended
	Jun. 30			Jun. 30, 2007			Jun. 30,2008
Net sales :		,			Change		
Shipbuilding	19,090	(6%)	42,885	(13%)	-55%	\$	179,384
Rolling Stock,	.,	()	,	(,	-,
& Construction Machinery	36,104	(12%)	30,331	(9%)	+19%		339,260
Aerospace	39,563	(13%)	43,206	(13%)	-8%		371,763
Gas Turbines & Machinery	44,984	(15%)	39,538	(12%)	+14%		422,702
Plant & Infrastructure Engineering	20,284	(7%)	15,264	(5%)	+33%		190,603
Consumer Products & Machinery	94,007	(31%)	119,329	(36%)	-21%		883,358
Hydraulic Machinery	23,009	(8%)	19,251	(6%)	+20%		216,209
Other	25,490	(8%)	20,641	(6%)	+23%		239,523
Total	302,531	(100%)	330,445	(100%)	-8%		2,842,802
Orders :							
Shipbuilding	20,628	(5%)	58,395	(17%)	-65%		193,836
Rolling Stock,	20,020	(070)	30,373	(1770)	0070		700,000
& Construction Machinery	98,201	(26%)	28,638	(8%)	+243%		922,768
Aerospace	27,517	(7%)	24,330	(7%)	+13%		258,570
Gas Turbines & Machinery	59,149	(15%)	49,116	(14%)	+20%		555,807
Plant & Infrastructure Engineering	28,751	(7%)	20,023	(6%)	+44%		270,165
Consumer Products & Machinery	94,007	(24%)	119,329	(35%)	-21%		883,358
Hydraulic Machinery	28,921	(7%)	21,769	(6%)	+33%		271,763
Other	32,197	(9%)	24,185	(7%)	+33%		302,547
Total	389,371	(100%)	345,785	(100%)	+13%	\$	3,658,814
		Millian					Thousands of
	۸۵۵	Millions	•	r	%		U.S. dollars As of
	As of As of Jun. 30, 2008 Mar. 31, 2008						
Order backlog :	Jun. 30,	2000	iviai. 31, 2	.000	Change		Jun. 30, 2008
Shipbuilding Rolling Stock,	420,168	(26%)	414,176	(27%)	+26%	\$	3,948,205
& Construction Machinery	485,123	(30%)	431,377	(28%)	+7%		4,558,570

Millions of yen