

Financial Results for First Half of Fiscal 2008

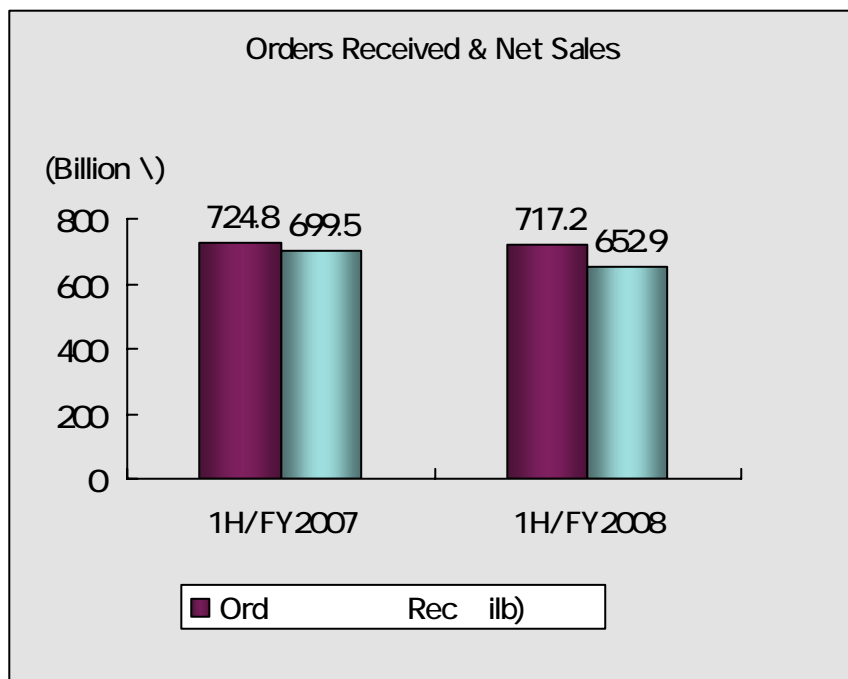
(for the year ending March 31, 2009)

Oct. 31, 2008

Kawasaki Heavy Industries, Ltd.



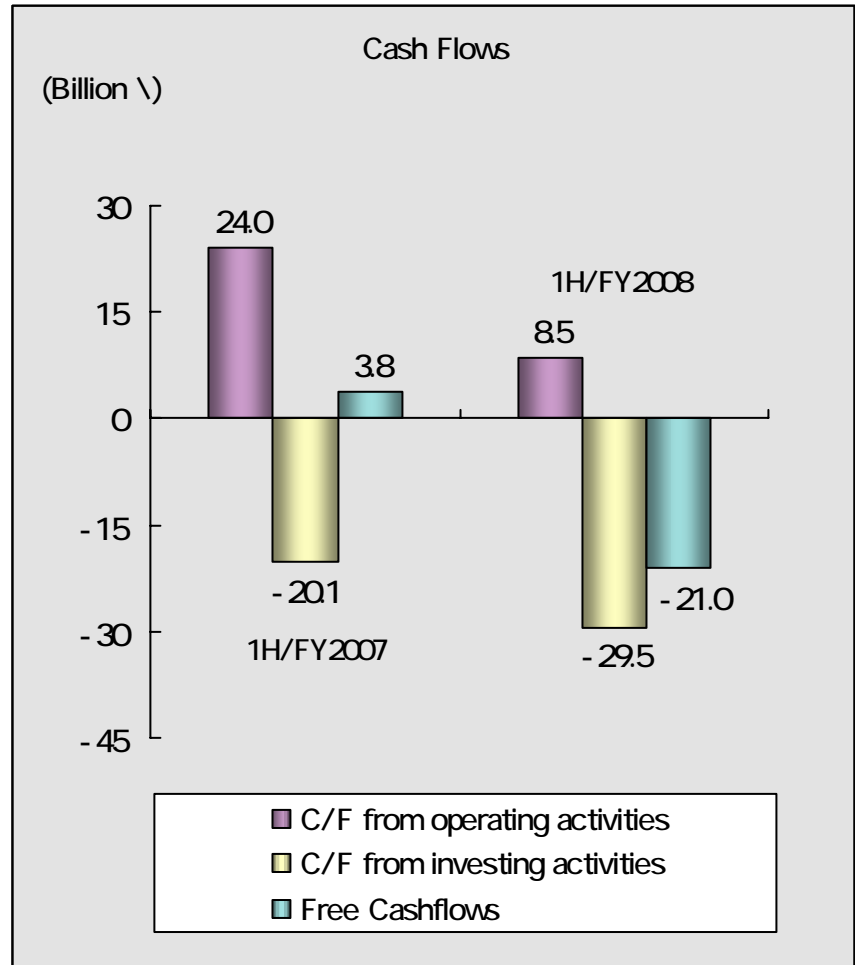
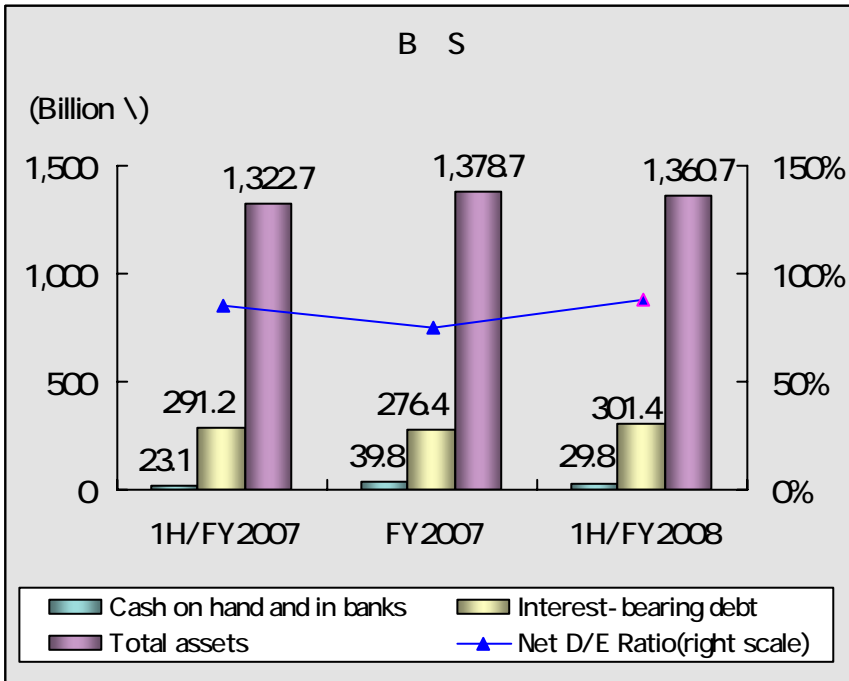
Summary of 1H/FY2008 Results (Consolidated)



	Actual Exchange Rates	

	/	/	Billion Change
Operating Income			-
Net Income			-

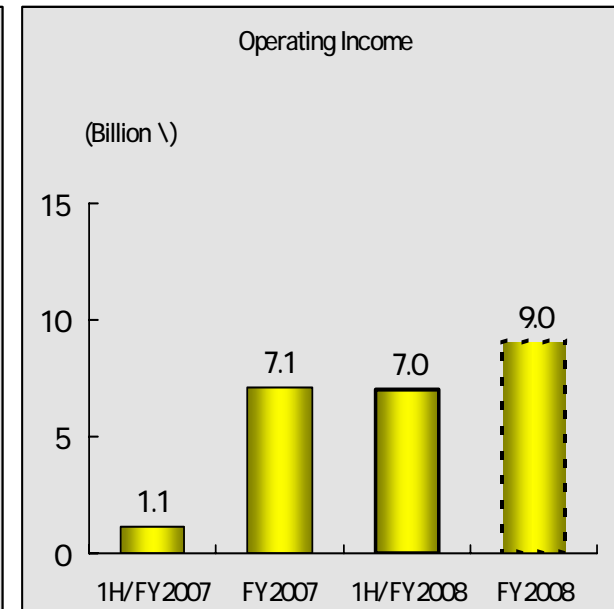
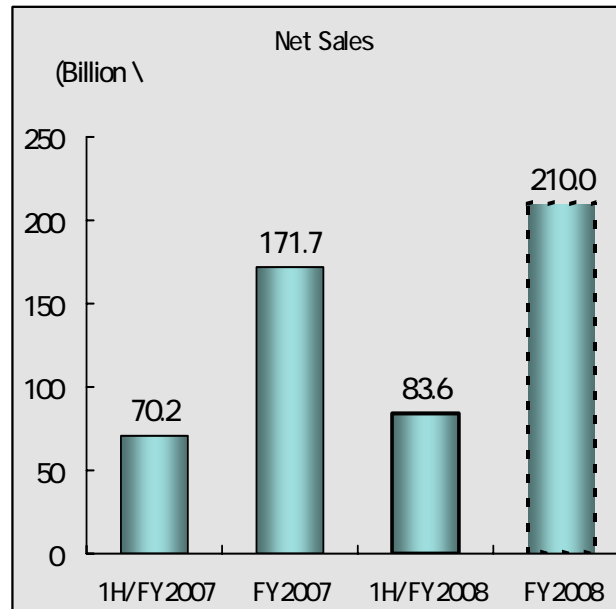
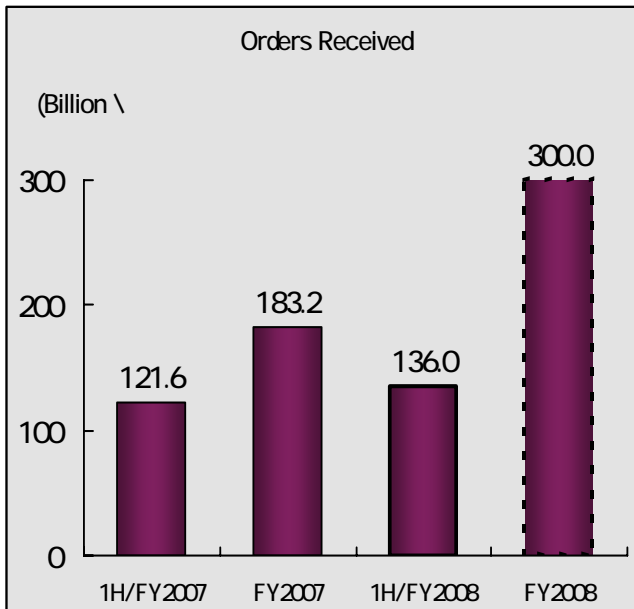
Interest-Bearing Debt and Cash Flows



(Billion ¥)

	1H/FY2007	FY2007	1H/FY2008
Net debt	268.0	236.5	271.5
Shareholders' equity	311.8	313.1	307.8
Net D/E Ratio	85%	75%	88%

Rolling Stock



Business Results for 1H/FY2008 year-on-year comparison

Orders Received

Large-scale orders received of Shinkansen cars for JR

For reference only

Large-scale orders received for 1H/FY2007

Additional order of R160 for N.Y. subway (260 cars/ US\$450 mil)

Net Sales

Increase in sales of rolling stock for overseas

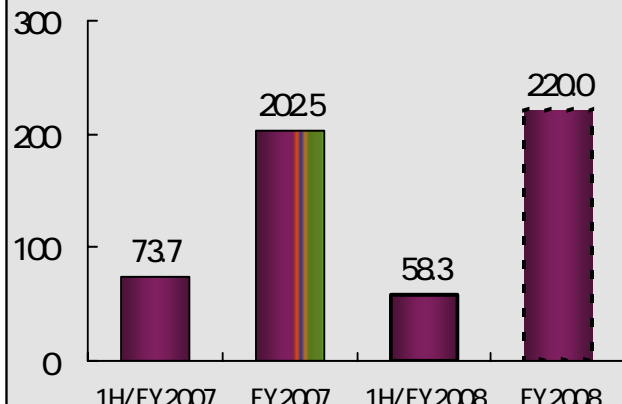
Operating Income

Increase in profit due to sales increase of rolling stock for overseas

Aerospace

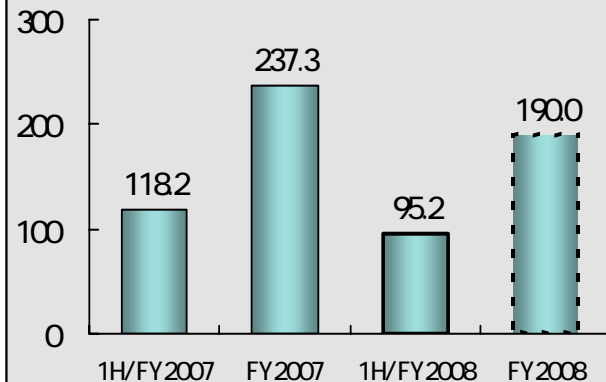
Orders Received

(Billion \)



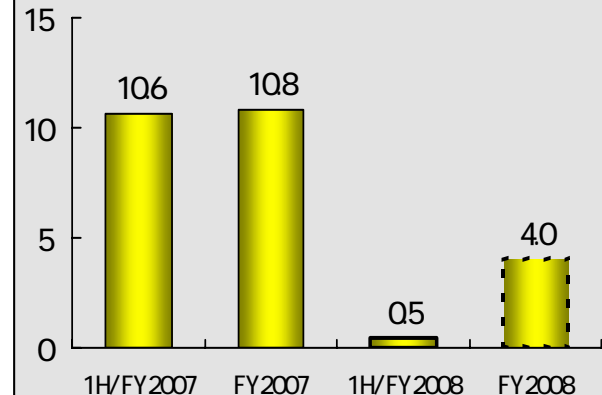
Net Sales

(Billion \)



Operating Income

(Billion \)



Sales units of component parts for commercial aircraft

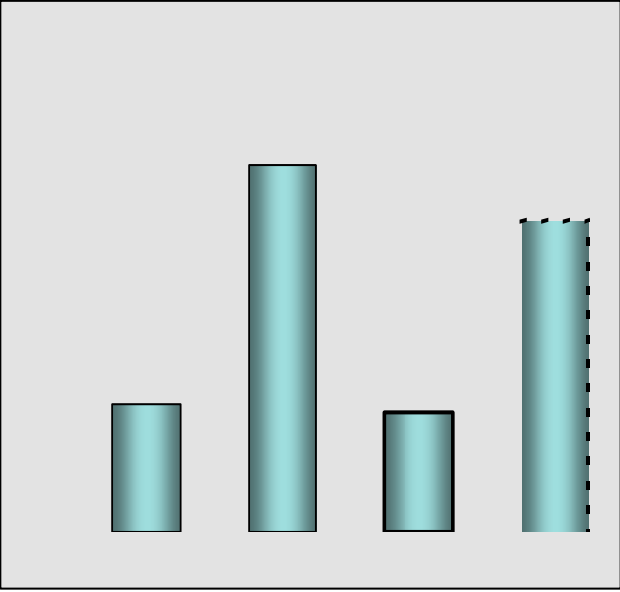
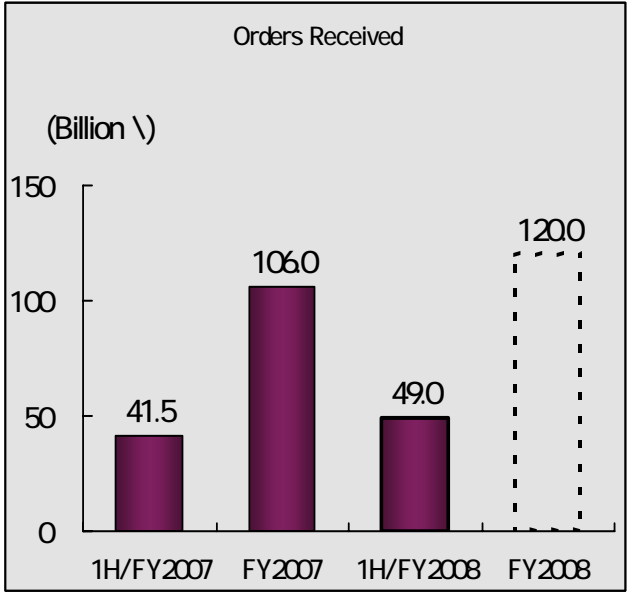
	Sales units			FY2008 Projection
	1H/FY2007	FY2007	1H/FY2008	
B777	42	82	42	73
B767	6	12	7	13
Embraer170/175	32	69	30	60
Embraer190/195	39	79	58	121

Business Results for 1H/FY2008 year-on-year comparison)

Decrease in orders received from commercial aircraft businesses
Decrease in sales and profit due to sales decrease for JDA and adverse impact of the fluctuation of foreign exchange rate

Gas Turbines & Machinery

Energy & Environmental Engineering

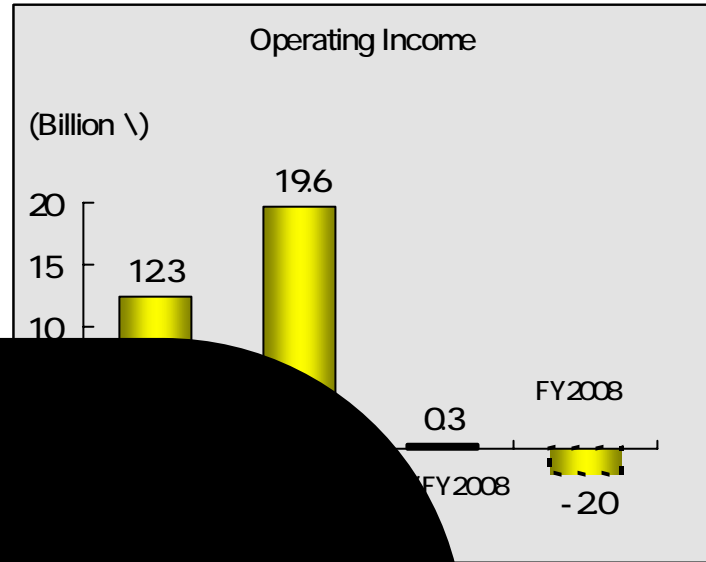
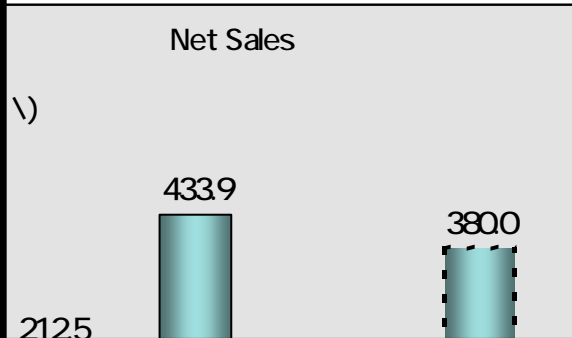


Business Results for 1H/FY2008 year-on-year comparison

Orders Received
Increase in orders received of LNG tanks

Net Sales
Decrease in sales of municipal refuse incineration plants

Operating Income
Increase in profit due to sales increase of profitable projects under our selective order-taking policy



for 1H/FY2008
(year-on-year comparison)

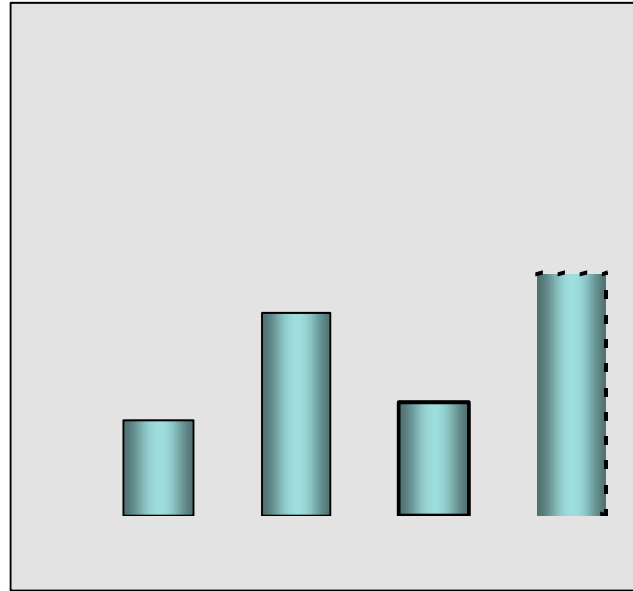
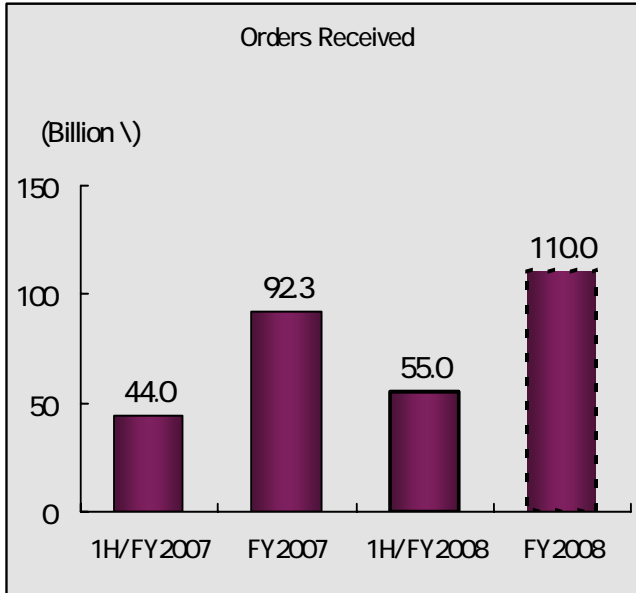
sales of
 for U.S. and European markets
 robots for semiconductor manufacturing
 equipment
 decrease in profit due to sales decrease and adverse
 impact of the fluctuation of foreign exchange rate

and parts for these products.
 supply.
 unit.

Industrial Hydraulic Products

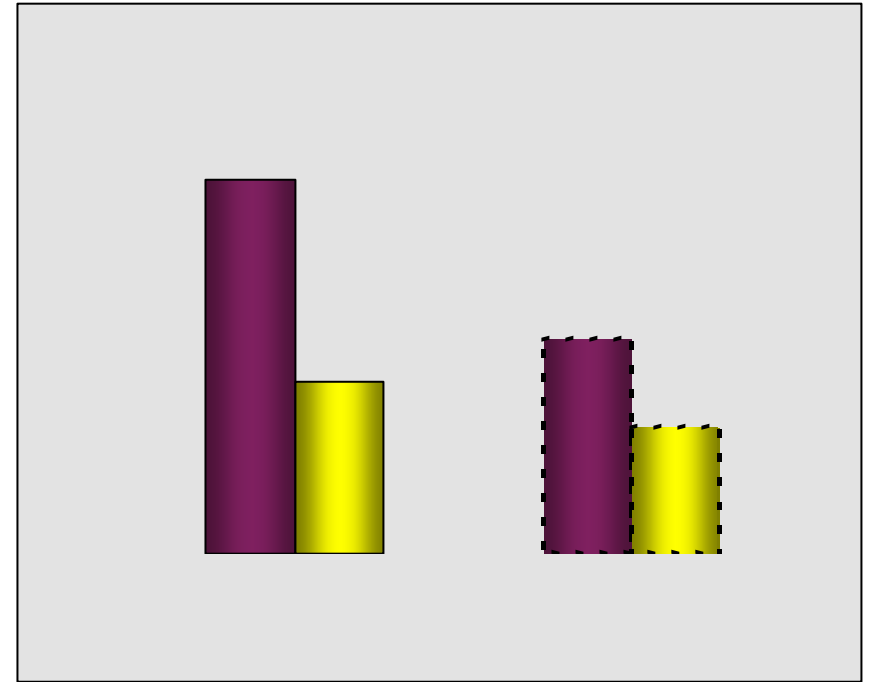
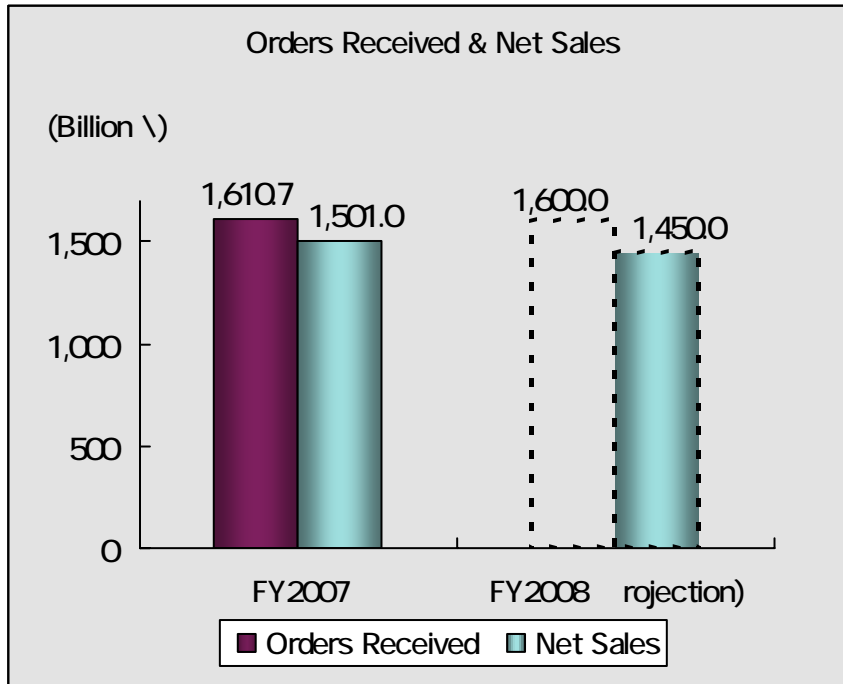
Orders Received

(Billion \)



R&D/Capital Expenditures/Number of Employees

Outlook for FY2008



Exchange Rates

	FY2007 Actual	FY2008 Assumption	
		As of April	As of October
/			
/			

Billion ¥

	FY2007 Actual	FY2008 Projection	
		As of April	As of October
Operating Income			
Net Income			

Outlook for FY2008 by Segment

Billion

	FY Actual		FY Projection			
	Net Sales	Operating Income	As of April		As of October	
			Net Sales	Operating Income	Net Sales	Operating Income
Shipbuilding	141.3	3.2	1200	20	1200	- 1.0
Rolling Stock	171.7	7.1	2100	80	2100	9.0
Aerospace	237.3	10.8	2000	5.0	1900	4.0
Gas Turbines & Machinery	185.4	13.3	2000	9.0	2100	11.0
Energy & Environmental Engineering	142.5	10.8	1100	9.0	1200	11.0
Consumer Products & Machinery	433.9	19.6	4200	10.0	3800	- 2.0
Industrial Hydraulic Products	84.0	9.1	1000	9.0	1000	9.0
Others	104.5	2.5	1000	3.0	1200	3.0
Total	1,501.0	76.9	1,460.0	55.0	1,450.0	44.0

/						
/						

Outlook of Orders Received for FY2008

Billion

	FY Actual	FY Projection	
		As of April	As of October
Shipbuilding	251.3	180.0	110.0
Rolling Stock	183.2	330.0	300.0
Aerospace	202.5	270.0	220.0
Gas Turbines & Machinery	227.4	250.0	250.0
Energy & Environmental Engineering	106.0	130.0	120.0
Consumer Products & Machinery	433.9	420.0	380.0
Industrial Hydraulic Products	92.3	100.0	110.0
Others	113.9	100.0	110.0
Total	1,610.7	1,780.0	1,600.0

Kawasaki, let the good times roll !