

# **Financial Results for Fiscal 2008**

**(for the year ended March 31, 2009)**

Apr. 28, 2009

Kawasaki Heavy Industries, Ltd.



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# Summary of FY 2008 Results (Consolidated)

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	FY2007 Actual	FY2008 Actual	Billion FY2009 Projection
Operating Income			.
Net Income			

# Breakdown of Increases/Decreases in Profit for FY2008 compared to FY2007

## ≡ Operating income (- . billion yen)

Adverse impact of the fluctuation of foreign exchange rate	-
Adverse impact of decrease in sales	-
Increase in selling, general and administrative expenses	-
Adverse impact of a rise in material price	-
Adverse impact of changes in accounting method for valuation of inventories	-
Adverse impact of Tax Law Revision regarding Depreciation Methodology	-
Changes in product mix, Other improvements	+

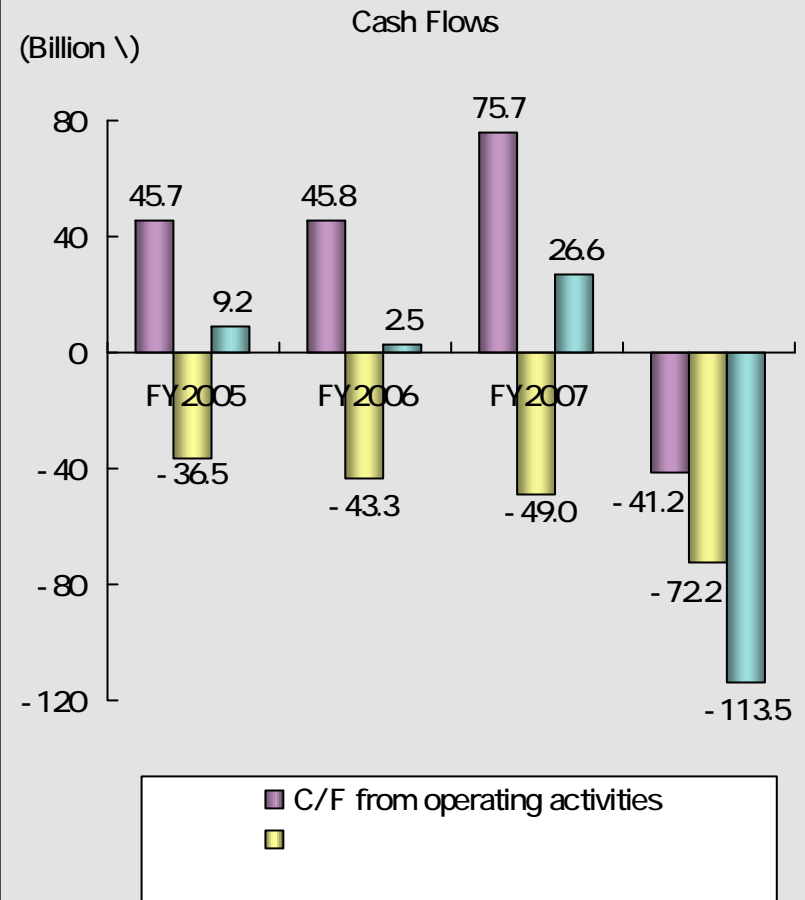
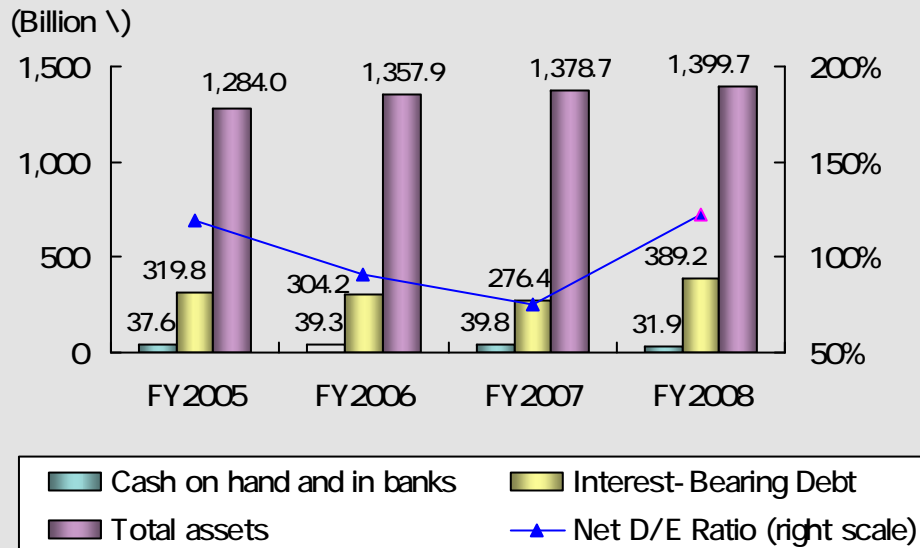
## ≡ Non-operating income ( . billion yen)

Decrease in net interest expenses	+
Increase in equity in income of non-consolidated subsidiaries and affiliates (FY2007 7.6 billion FY2008 8.7 billion)	+
Gain and loss on foreign exchange (FY2007 -11.5 billion FY2008 10.3 billion)	+
Others	-

## ≡ Other income (- . billion yen)

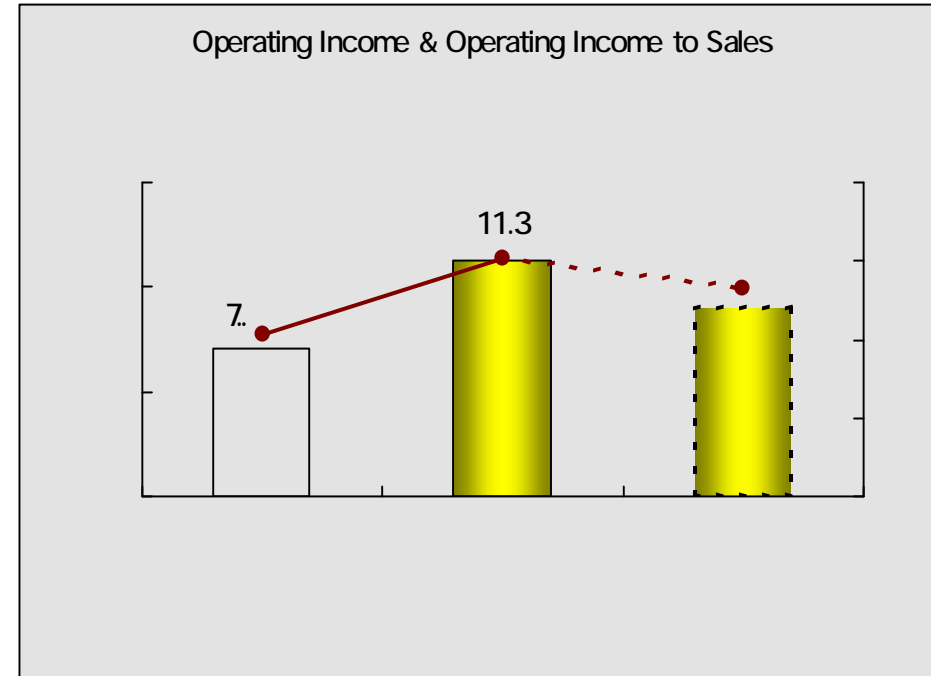
Gain and loss on contribution of securities to employee's retirement benefit trust (FY2007 1.3 billion FY2008 -4.4 billion)	-
Losses on impairment (FY2007 2.7 billion FY2008 1.3 billion)	+
Others	-

# Interest-Bearing Debt and Cash Flows



# Shipbuilding

# Rolling Stock



## Business results FY2008

Large-scale orders received of Shinkansen cars for JR and additional order of R160 for N.Y. Bay Area (140 cars/US\$1.5 bil)  
 Increase in profit due to sales increase of rolling stock for overseas

## Outlook for FY2009

Increase in sales of Shinkansen cars for JR and rolling stock for U.S., while decrease in sales due to the reclassification of construction machinery business unit into "Others" segment(\* note)  
 Decrease in profit due to adverse impact of an assumed exchange rate of 95 yen against US dollar

(\* note)

Orders Received/ Net Sales/ Operating Income of construction machinery business unit for FY2009 projection are included in "Others" segment.  
 FY2008 Results of this segment excluding the results of construction machinery business unit are as follows:

[FY2008 Orders Received: ¥235.0 billion Net Sales: ¥150.3 billion  
 Operating Income: ¥12.3 billion ]

# Aerospace

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Sales units of components parts for commercial aircraft  
(unit)

## Business results for FY2008

Orders received of commercial aircraft businesses for BOEING and P-1 maritime patrol aircrafts for JDA

Deterioration in profitability due to sales decrease and adverse impact of changes in accounting method for valuation of inventories

## Outlook for FY2009

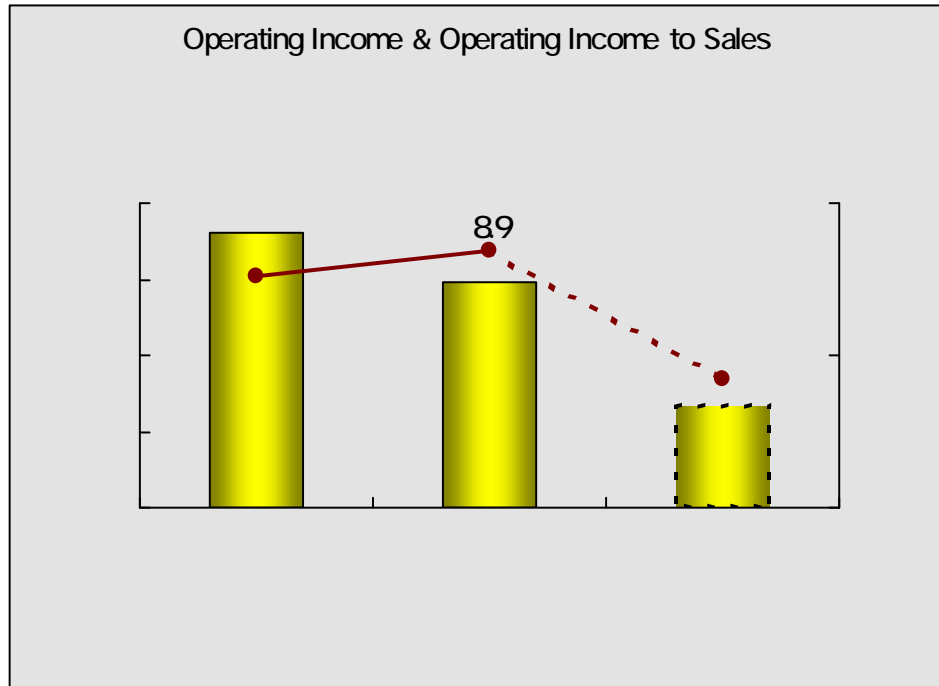
Decrease in sales mainly due to sales decrease regarding development of the XPE E Pv c



# Gas Turbines & Machinery



# Energy & Environmental Engineering



## Business results for FY2008

- Decrease in orders received reflecting the influence of global retrenchment in capital spending
- Decrease in profit due to sales decrease of large-scale industrial plants for overseas

## *For reference only*

- Large-scale projects as sales for FY2008
  - Ferronickel plant/ Korea
  - Urea production facility/ Pakistan
  - Cement plant/ Vietnam

## Outlook for FY2009

- Continuing of selective order-taking policy
- Decrease in sales and profit due to completion of large-scale industrial plants for overseas

# Consumer Products & Machinery

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## Business results for FY2008

Decrease in sales due to

sales decrease of Motorcycles for U.S. and European markets and industrial robots for automobile and semiconductor manufacturing equipment  
adverse impact of the fluctuation of foreign exchange rate

Deterioration in profitability due to sales decrease and adverse impact of the fluctuation of foreign exchange rate

## Outlook for FY2009

Significant decrease in sales reflecting our prospect that the Motorcycles market volume in developing countries such as U.S. and Europe would shrink by 25% against FY2008 and the lower-level of capital spending would last among automobile and semiconductor manufacturers

Larger loss due to

sales decrease

adverse impact of an assumed exchange rate of 95 yen against US dollar

vs. foreign exchange rate decrease in sales



# R&D/Capital Expenditures/Number of Employees

(Billion / Persons)

	FY Actual	FY Actual	FY Projection
R&D	36.2	38.2	40.0
Capital Expenditures	50.5	82.4	78.0
Depreciation and Amortization	37.4	44.3	54.0
Domestic	23,542	24,311	24,600
Overseas	7,021	7,955	8,400
Number of Employees	30,563	32,266	33,000



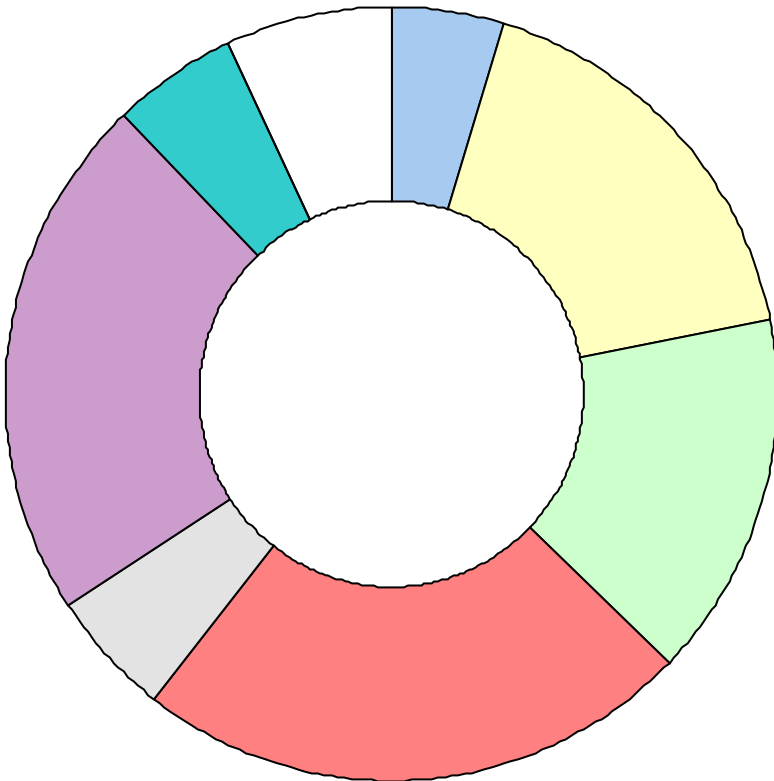


# Business Portfolio (FY 2008)

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Orders Received

Net Sales





# **Kawasaki, Working as One for the Good of the Planet**

## **Cautionary Statement**

The performance outlook and the forecasts stated in this material were prepared by Kawasaki Heavy Industries, Ltd. (hereinafter, KHI) based on the circumstances at the release point, and include potential risks and uncertain factors that relate to economic conditions, foreign currency exchange rates, tax rules, regulations and other factors. Accordingly, please note that the actual operating results, financial position, and business deployment of KHI may sometimes differ considerably from the descriptions in the present projections.