

**Financial Results for FY 2009
(for the year ended March 31, 2010)**

April 27, 2010

Kawasaki Heavy Industries, Ltd



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I. Consolidated Results for FY2009

Summary of Financial Results

(¥ Billion / In accumulated amount)

	FY2008	FY2009		Change	
	Actual	Forecast in Jan.	Actual	vs. FY2008	vs. Forecast in Jan.
Orders Received	1,540.5	1,060.0	1,001.2	- 539.2	- 58.7
Net Sales	1,338.5	1,180.0	1,173.4	- 165.1	- 6.5
Operating Income/Loss	28.7	5.0	- 1.3	- 30.0	- 6.3
Recurring Profit	38.7	10.0	14.2	- 24.4	+ 4.2
Net Income/Loss	11.7	3.0	- 10.8	- 22.5	- 13.8

Orders Received

Decrease in all segments except Energy & Environmental Engineering segment

Net Sales

Significant decrease in Consumer Products & Machinery segment due to sales decrease of motorcycles in U.S. & European markets

Profits

Profit declined due to the adverse impact of sales decrease in U.S. & European Markets, and also of the appreciation of the yen, despite implementation of the fixed cost reduction especially in mass production businesses

Exchange Rates (weighted-average)

/US\$	101	90	93
/EUR	142	130	130

Details of Change in Profit

- FY2009 vs. FY2008 -

Operating Income/loss - 30.0 FY2008 28.7 => FY2009 - 1.3

Details of Change in Profit

- FY2009 vs. FY2008-

Non-operating Income/Expenses + 5.6 FY2008 10.0 => FY2009 15.6

Net Interest expense (incl. dividend income)	+ 0.5	- 2.3	- 1.7
Equity in income of unconsolidated subsidiaries and affiliates	- 2.1	8.7	6.5
Gain and loss on foreign exchange	+ 0.5	10.3	10.9
Others	+ 6.6	- 6.7	0

Extraordinary Income/Losses - 3.0 FY2008 - 15.0 => FY2009 - 18.1)

<p style="font-size: small; margin: 0;"> Provision for doubtful accounts 360.0 Impairment loss on investments 198.37 Loss on disposal of assets 531.0 Loss on sale of investments 599.3 Loss on sale of property, plant and equipment 198.37 Loss on sale of intangible assets 15.0 Loss on sale of investments 250.7 Loss on sale of investments (-2) 248.6 Loss on sale of investments (.) 251.8 Loss on sale of investments (300) 195.1 </p>
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Financial Results by Segment

(¥ Billion / In accumulated amount)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2008	FY2009	Change	FY2008	FY2009	Change	FY2008	FY2009	Change
Shipbuilding	71.5	16.1	- 55.3	126.4	151.8	25.4	- 1.0	1.4	2.5
Rolling Stock ¹	235.0	77.1	- 157.8	154.8	167.1	12.3	12.3	7.7	- 4.6
Aerospace	239.1	171.3	- 67.7	200.4	188.8	- 11.5	- 4.1	1.7	5.9
Gas Turbines & Machinery	355.5	226.2	- 129.2	195.1	191.3	- 3.7	11.0	6.6	- 4.3
Energy & Environmental Engineering	83.6	124.7	41.1	105.1	90.4	- 14.6	8.9	6.2	- 2.6
Consumer Products & Machinery	336.4	216.9	- 119.4	336.4	216.9	- 119.4	- 10.1	- 31.6	- 21.5
Hydraulic Machinery	84.1	71.0	- 13.0	84.9	68.8	- 16.1	8.3	6.9	- 1.4
Others ²	135.0	97.5	- 37.4	135.1	97.8	- 37.3	3.2	- 0.4	- 3.6
Eliminations and Corporate	-	-	-	-	-	-	0	- 0.1	- 0.1
Total	1,540.5	1,001.2	- 539.2	1,338.5	1,173.4	- 165.1	28.7	- 1.3	- 30.0

¹ FY2008 figures exclude Construction Machinery business unit
(Figures incl. Construction Machinery: Orders Received ¥264.6bil., Net Sales ¥186.4bil., Operating Income ¥11.3bil.)

² FY2008 figures include Construction Machinery business unit
(Figures excl. Construction Machinery: Orders Received ¥105.5bil., Net Sales ¥103.5bil., Operating Income ¥ 4.2bil.)

Shipbuilding

¥ Billion / In accumulated amount

Boxed figures (“Recalculation”) show the recalculated figures ba

Main Products LNG Carriers LPG Carriers VLCCs Bulk Carries Submarines and others

Rolling Stock

ount

Main Products : Electric train cars (incl. Shinkansen), Electric and diesel locomotives, Passenger coaches,
Platform screen doors, Gigacell (High-Capacity, Full Sealed Ni-MH Battery)

on”) show the recalculated figures based on the new business segmentation (excl. crushing machine) and the new accounting standard which have been adopted

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Aerospace

¥ Billion / In accumulated amount Main Products : Aircrafts for Japan Ministry of Defense, Component parts for commercial aircrafts (BOEING , Embraer), Missiles

Boxed figures (“Recalculation”) show the recalculated figures based on the new accounting standard which has been adopted since FY2010 => **Refer to Page 17**

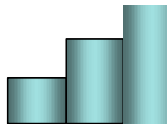


Motorcycle & Engine

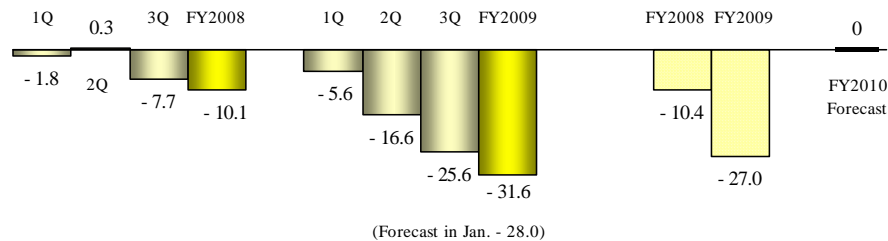
Main Products: Motorcycles, All-Terrain Vehicles(ATVs), Utility Vehicles, Personal Watercraft General-Purpose Gasoline Engines

¥ Billion / In accumulated amount

Boxed figures ("Recalculation") show the recalculated figures based on the new business segmentation (excl. industrial robots) and the new accounting standard which have been adopted since FY2010 => **Refer to Page 17**



Operating Income



Sales by Geographic Segment for Consumer Products (Thousands of unit/ ¥ Billion)

	FY2008		FY2009		FY2010 Forecast	
	Unit	Amount	Unit	Amount	Unit	Amount
Domestic	19	14.7	17	12.9	16	12.2
North America	197(118)	134.3	80(49)	56.3	126(66)	87.0
Europe	97	73.2	72	56.2	72	58.8
Other	210	44.9	228	45.1	296	62.3
Total	523	267.1	397	170.5	510	220.3

Note: 1) Sales units and amount include the following products.

Units: Motorcycles, All-Terrain Vehicles(ATV), Utility Vehicles and Personal Water Craft(Jet Ski)

Amount: The products mentioned above and parts for those products.

2) Figures in the Parenthesis () represent motorcycle sales units.

Main Products

Others

¥ Billion / In accumulated amount

Main Products Trading, Construction Machinery and others



Financial Condition and Cash Flows

Cash flows from operating activities	- 41.2	30.1
Cash flows from investing activities	- 72.2	- 63.2
Free Cash Flows	- 113.5	- 33.0
Cash flows from financing activities	107.6	35.9

II. Forecast for FY2010

Consolidated Operating Performance

Orders Received

Net Sales

Operating Income/Loss

- 1.3

32.0

+ 33.3

Recurring Profit

+ 17.7

Net Income/Loss

- 10.8

20.0

+ 30.8

/US\$

93

90

/EUR

R&D/CAPEX/Number of Employees

(Note) Change in Segment Information Disclosure

Change in Industry Segme

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.