



Financial Results for Third Quarter FY 2011

January 31, 2012

Kawasaki Heavy Industries, Ltd.

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I. Consolidated Results for Third Quarter FY2011

Summary of Financial Results



vs. FY2010.3Q

< Orders Received >

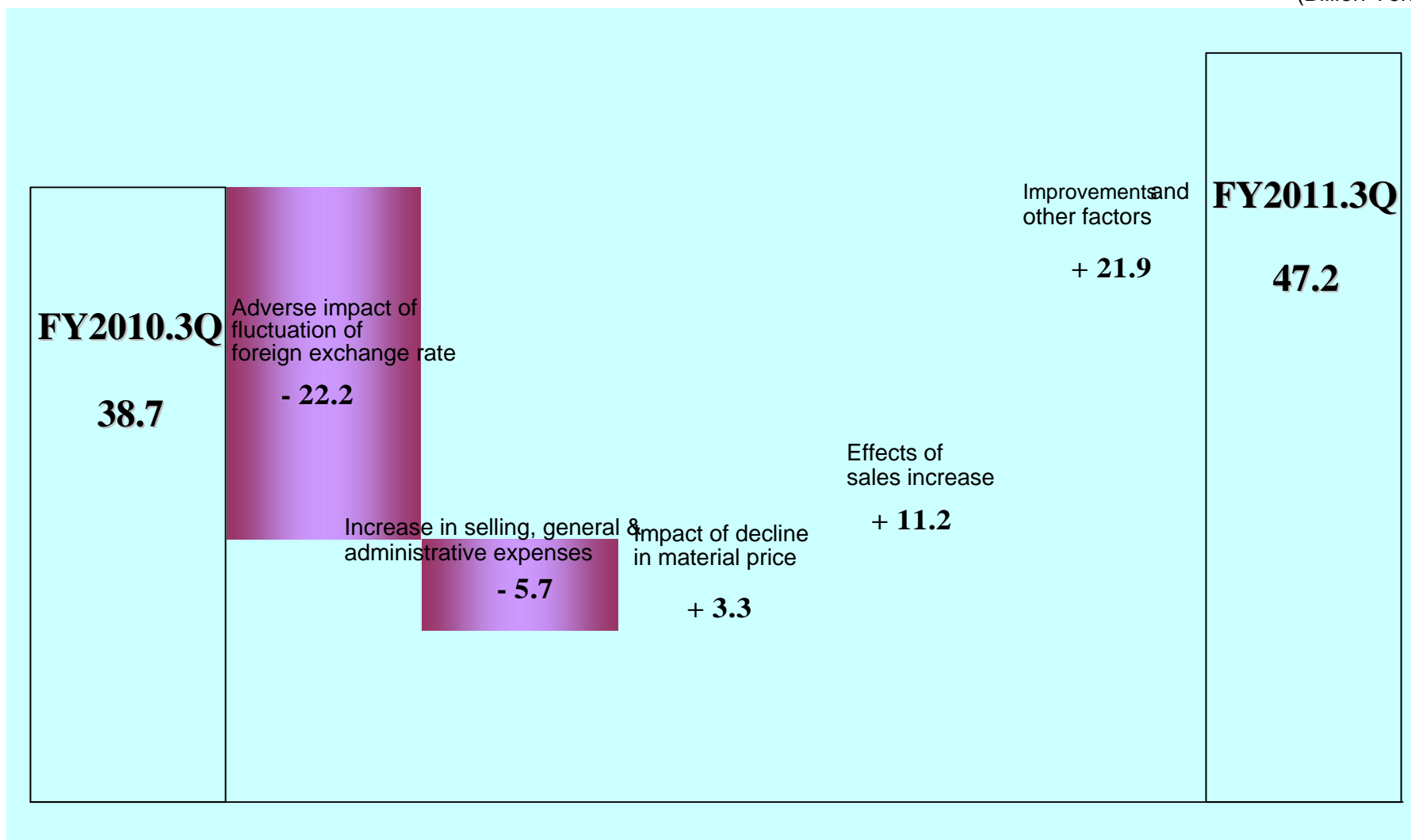
Details of Change in Profit I

- FY2011.3Q vs. FY2010.3Q -



Operating Income \uparrow + 8.5 (FY2010.3Q 38.7 \rightarrow FY2011.3Q 47.2)

(Billion Yen)



FNon-operating Income/ExpensesF

Financial Results by Segment



(Billion Yen)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2010 3Q	FY2011 3Q	Change	FY2010 3Q	FY2011 3Q	Change	FY2010 3Q	FY2011 3Q	Change
Ship & Offshore Structure	67.2	36.9	- 30.3	93.2	87.1	- 6.1	4.9	4.1	- 0.8
Rolling Stock	124.1	49.9	- 74.2	95.5	94.6	- 0.9	5.9	4.9	- 1.0
Aerospace	123.7	114.1	- 9.5	135.0					

Note : "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

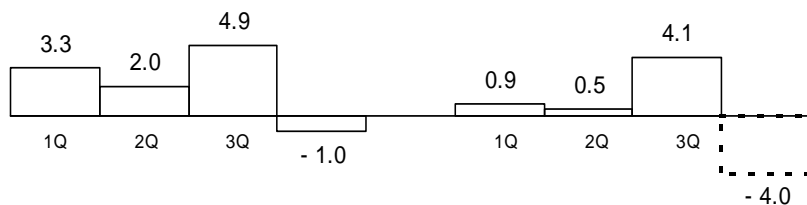
Ship & Offshore Structure



Main Products: LNG carriers, LPG carriers, VLCCs, Bulk carriers, Submarines, Offshore structures

¥Billion Yen / In accumulated amount

Operating Income/Loss



— **FY2011.3Q** (vs. FY2010.3Q)

Orders Received: Orders received of a small-sized LNG carrier, a LPG carrier and 6 bulk carriers

Net Sales: Decrease in sales of large-scale vessels such as LNG carriers

Operating Income: Decreased due to the effect of sales decrease, the adverse impact of the appreciation of the yen and materials price rise

— **FY2011 Forecast** (vs. Forecast in November)

Orders Received & Net Sales: Remain unchanged because of no significant change

Operating Income/Loss: Remains unchanged due to cost reduction and materials price decline and other factors, despite the adverse impact of the appreciation of the yen

<For Reference> **Joint Venture in China**

NACKS was established in December 1995, as a fifty-fifty joint venture between KHI and

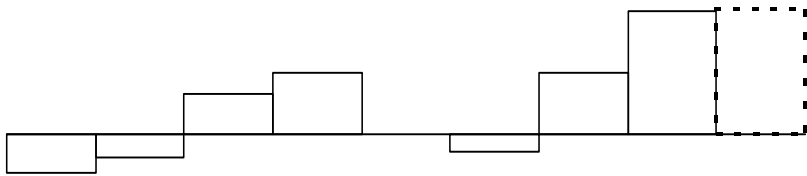
Rolling Stock



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

¥Billion Yen / In accumulated amount

<p>—FY2011.3Q (vs. FY2010.3Q)</p> <p>Orders Received: Decrease in large-scale orders received for overseas market</p> <p>Net Sales:</p>
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Plant & Infrastructure



Main Products: Industrial plants (cement, chemical and other power plants, LNG & LPG tanks, Municipal refuse incineration plants),
Shield machines, Crushing machines

Unit: Billion Yen / In accumulated amount

— **FY2011.3Q** (vs. FY2010.3Q)

Orders Received: Decrease in orders received from domestic customers

Net Sales: Increase in sales of overseas projects

Operating Income: Increased due to sales increase and other factors

— **FY2011 Forecast** (vs. Forecast in November)

Orders Received & Net Sales: Remain unchanged because of no significant change

Operating Income: Revised up due to improvement in profitability by steady progress in some projects

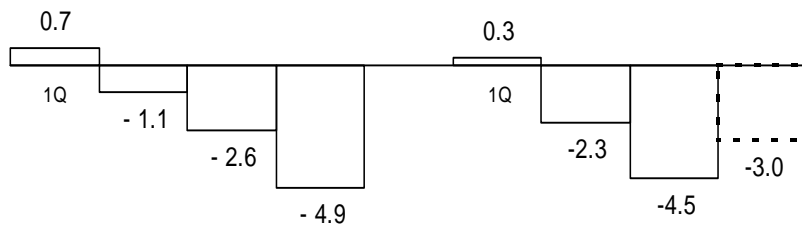
<For Reference> Joint Ventures in China

Motorcycle & Engine

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

Unit: Billion Yen / In accumulated amount

Operating Income/Loss



<Business Development in Emerging Markets>

Since KHI started motorcycle business in Philippines in 1974, KHI established subsidiaries in Indonesia, Thailand and Brazil to manufacture and sell motorcycles. In emerging markets, as demand for leisure motorcycles is increasing, and expected to increase further on following further economic growth and increased purchasing power, KHI focuses on expansion and reinforcement of business operations in those markets. In India, KHI established new subsidiary

Precision Machinery



Main Products Hydraulic components (pumps, motors & valves), Hydraulic systems for industrial use, Hydraulic marine machinery, Industrial Robots

1 Billion Yen / In accumulated amount

—**FY2011.3Q** (vs. FY2010.3Q)

Orders Received : Increase in orders received for hydraulic components for construction machinery in emerging countries

Net Sales: Increase in sales of hydraulic components for construction machinery and painting robots

Operating Income: Increased due to sales increase and other factors

—**FY2011 Forecast** (vs. Forecast in November)

Orders Received & Net Sales:

Financial Condition and Cash Flows



Financial Condition

(Billion Yen)

FY2010
End of March 2011

Cash Flows

	FY2010.3Q	FY2011.3Q
Cash flows from operating activities	- 33.5	- 16.1
Cash flows from investing activities	- 41.5	- 51.4
Free Cash Flows	- 75.0	- 67.5
Cash flows from financing activities	78.0	61.2



II. Forecast for FY2011

Forecast by Segment



(Billion Yen)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2010	FY2011 Forecast		FY2010	FY2011 Forecast		FY2010	FY2011 Forecast	
	Actual	in November	in January	Actual	in November	in January	Actual	in November	in January
Ship & Offshore Structure	78.9	60.0	60.0	118.4	110.0	110.0	- 1.0	- 4.0	- 4.0
Rolling Stock	187.1	150.0	110.0	131.1	130.0	130.0	8.1	6.0	7.0
Aerospace	206.7	280.0	300.0	196.8	220.0	220.0	3.0	5.0	6.0
Gas Turbine & Machinery	187.5	230.0	230.0	202.6	210.0	210.0	9.5	6.0	7.0
Plant & Infrastructure	119.9	140.0	140.0	89.0	130.0	130.0	8.2	14.0	15.0
Motorcycle & Engine									

Note : "Eliminations and corporate" includes some expenses incurred in the Head Office which are not allocated to each industry segment for internal reporting



Kawasaki, Working as One for the Good of the Planet

Cautionary Statement

The performance outlook and the forecasts stated in this mate