



Financial Results for FY 2011 (for the year ended March 31, 2012)

April 26, 2012

Kawasaki Heavy Industries, Ltd.

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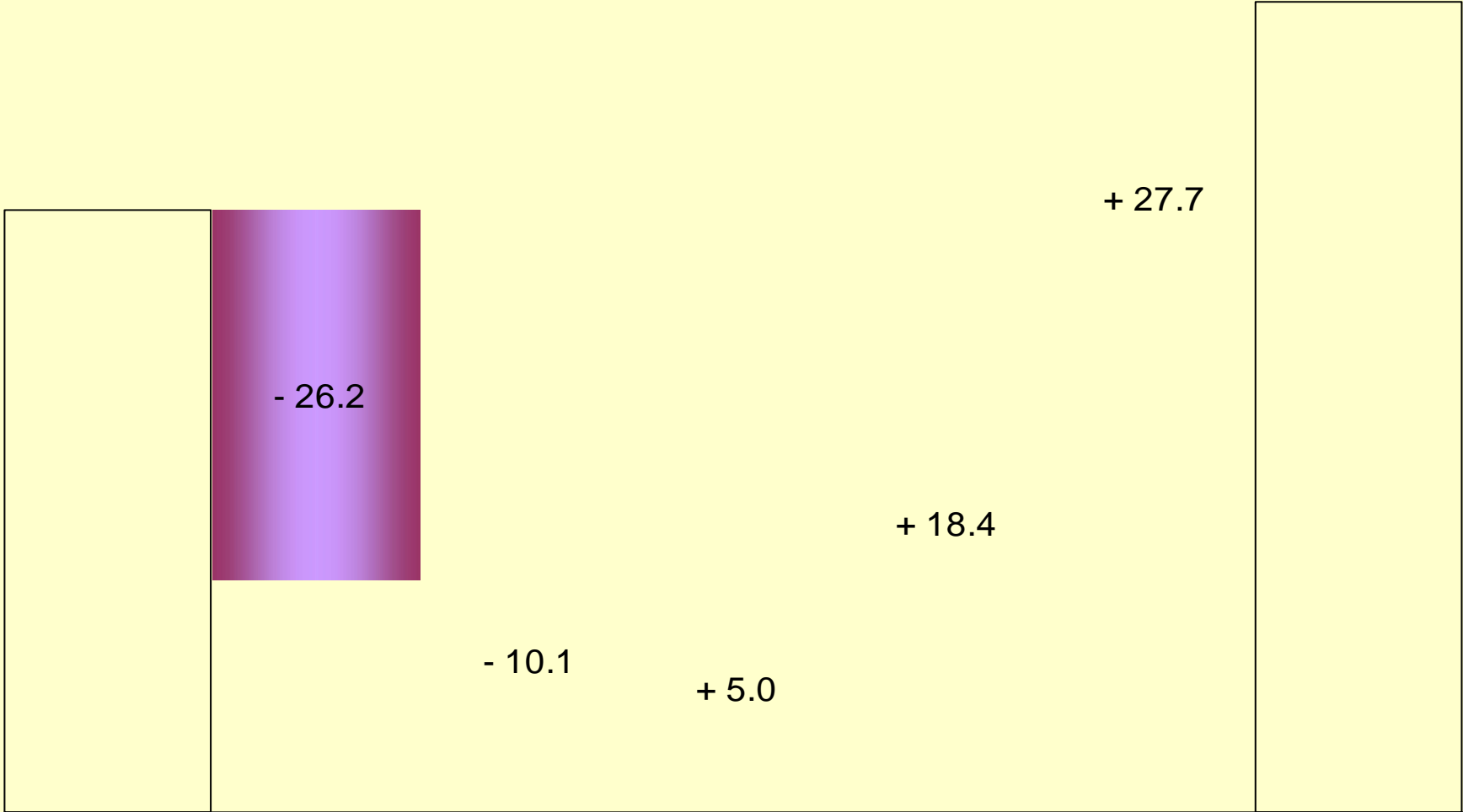
Financial Results by Segment



3.8

+ 1.2

Details of Change in Profit I



Details of Change in Profit II

- FY2011 vs. FY2010



(Billion Yen)

Non-operating Income/Expenses - 0.3 (FY2010 6.5 Æ FY2011 6.1)

Net Interest expense (incl. dividend income)	+ 0.4	- 2.3	Æ - 1.9
Equity in income of unconsolidated subsidiaries and affiliates	- 0.6	9.2	Æ 8.5
Gain and loss on foreign exchange	- 1.2	1.4	Æ 0.2
Others	+ 1.1	- 1.8	Æ - 0.6

Extraordinary Income/Losses - 4.3 (FY2010 - 10.5 Æ FY2011 - 14.9)

Loss on impairment of fixed assets			
Bad debt expense for doubtful accounts of affiliates			
Effect of application of accounting for asset retirement obligations			
<p>¹ Loss on impairment of fixed assets mainly in Motorcycle & Engine segment whose book values were written down to the recoverable amounts</p> <p>² Loss on impairment of fixed assets mainly in Ship & Offshore Structure segment whose book values were written down to the recoverable amounts</p>			

Ship & Offshore Structure



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

Billion Yen / In accumulated amount

—FY2011 vs. FY2010)

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

Net Sales:Slightly decreased as a whole due to decrease in sales of large-scale vessels such as LNG carriers

Operating Income/Loss:Improved due to decrease in provision for losses on construction contracts

—FY2012 Forecast vs. FY2011

Orders Received:Expected to increase due to orders received of new building ship including gas carriers

Net Sales:Expected to decrease due to stagnation of ship price and decrease in amount of shipbuilding

Operating Income/Loss:Expected to deteriorate in profitability due to sales decrease, the effect of prolonged stagnation of ship price and other factors

<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 and diesel locomotives, Passenger coaches, Platform screen doors, Gigacell® (High-Capacity, Full Sealed Ni-MH Battery)

Billion Yen / In accumulated amount

—FY2011 vs. FY2010

Orders Received: Decreased due to the deferrals of orders expected in this fiscal year in addition to the decrease in large-scale orders received for overseas market

Net Sales:

Aerospace



Main Products : Aircrafts for Japan Ministry of Defense, Component parts for commercial aircrafts (Boeing , Embraer), Missiles

Billion Yen / In accumulated amount

Gas Turbine & Machinery



Main Products : Jet engines, Gas turbine co-generation system, Gas turbines & steam turbines for marine & land, Diesel engines, Marine propulsion system, Aero-dynamic machinery

Billion Yen / In accumulated amount

—FY2011 vs. FY2010)

Orders Received:Increase in orders received for component parts of commercial aircraft jet engines, and for gas engine power plant

Net Sales:Decrease in sales of marine diesel engines and gas turbine-driven natural gas compressors

Operating Income: Decreased due to sales decrease, the adverse impact of the appreciation of the yen and other factors

—FY2012 Forecast vs. FY2011

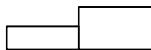
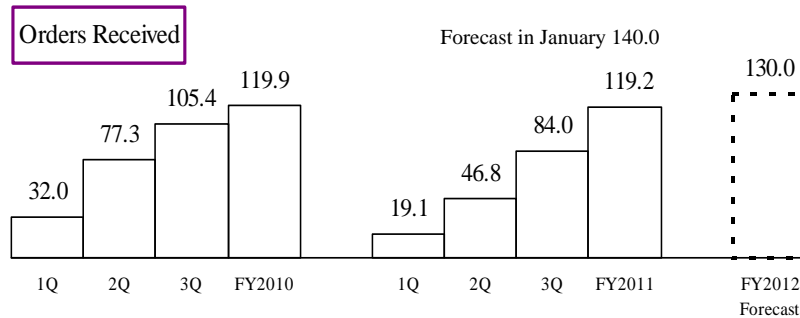
Orders Received:Expected to remain at the same level as in the previous fiscal year due to orders received for energy and environmental products

Net Sales:Expected to increase due to sales increase in energy and environmental

Plant & Infrastructure

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

Billion Yen / In accumulated amount



—FY2011 vs. FY2010

Orders Received: Remained at the same level as in the previous fiscal year due to orders received of municipal refuse incineration plants for domestic customers and other projects

Net Sales: Increase in sales of overseas projects

Operating Income: Increased due to sales increase and improvement in profitability by steady progress in some projects

—FY2012 Forecast vs. FY2011)

Orders Received: Expected to increase as a whole due to orders received of energy and environmental projects, and projects related infrastructure for resource-producing countries

Net Sales: Expected to increase due to increase in sales of municipal refuse incineration plants for domestic customers and other projects

Operating Income: Expected to decrease due to decline in profit margin resulting from severe competitiveness

<For Reference>

Orders Received for Boilers of the Floating LNG Facility

In parallel with an expected increase of worldwide energy consumption, a lot of floating LNG facilities are planned to be constructed. Under these circumstances, KHI's proven track record of boilers for land and marine use (more than 1,200 units) and technical capability, which has realized reliable and robust boilers that can operate under severe offshore condition, are highly evaluated, and in July 2011, KHI won the contract with Technip to supply 7 units of boilers for the SHELL's floating LNG facility of "Prelude", the world's first floating LNG facility.

Motorcycle & Engine



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

Billion Yen / In accumulated amount

<For Reference>

Business Development in Asia and Other Emerging Markets

Financial Condition and Cash Flows



Financial Condition

(Billion Yen)

Shareholders' Equity

289.0

1,362.1

306.0

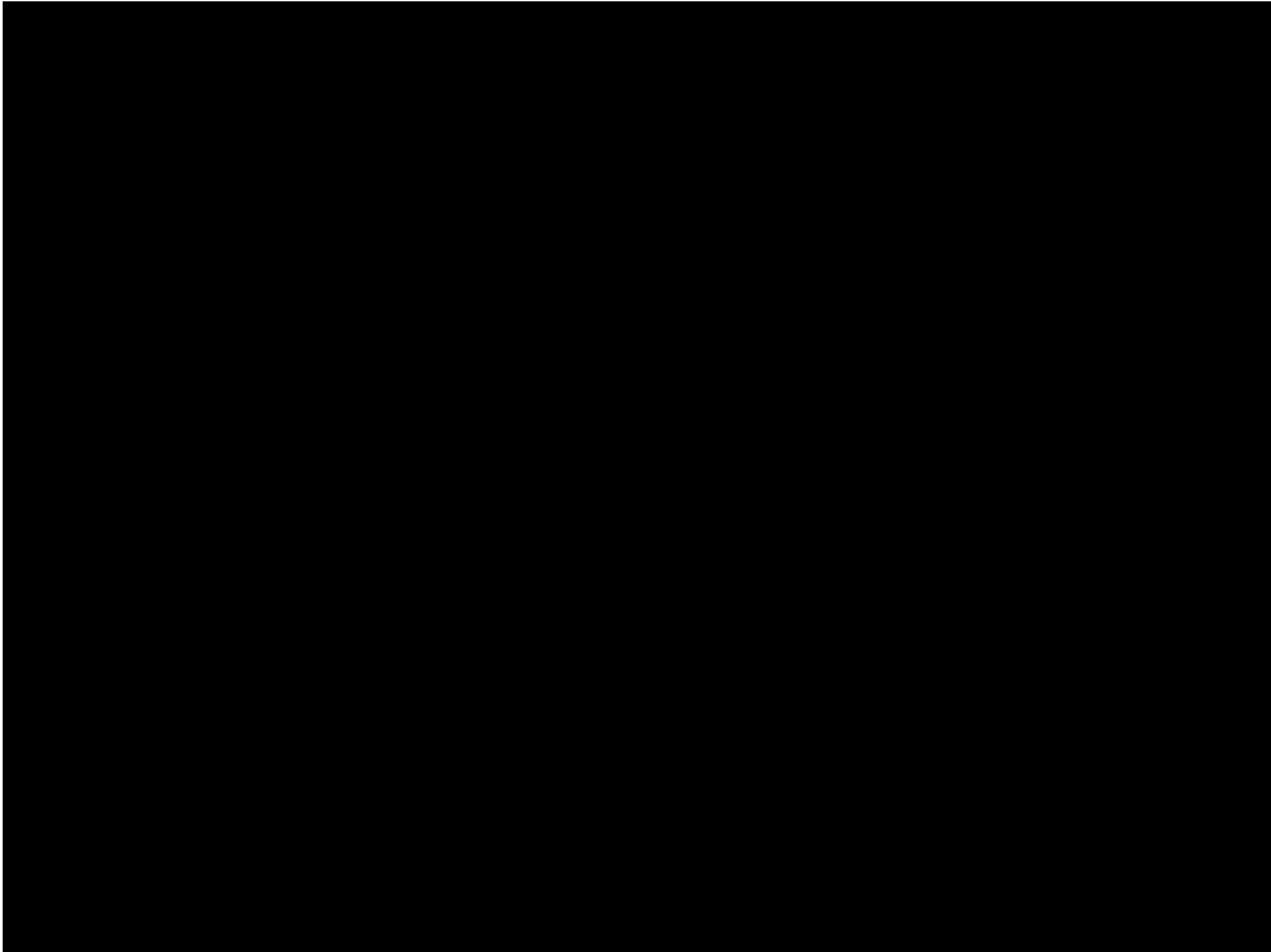
Ratio of shareholders' equity to total assets

(21.3%)

(22.4%)

Cash Flows

	FY2010	FY2011
Cash flows from operating activities	81.9	84.7
Cash flows from investing activities	- 52.9	- 65.9
Free Cash Flows	28.9	18.7
Cash flows from financing activities	- 18.8	- 26.8



Forecast by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income/Loss		
	FY2011 Actual	FY2012 Forecast	Change	FY2011 Actual	FY2012 Forecast	Change	FY2011 Actual	FY2012 Forecast	Change
Ship & Offshore Structure	39.9	110.0	+ 70.1	113.5	80.0	- 33.5	3.9	- 5.0	- 8.9
Rolling Stock	66.0	150.0	+ 84.0	132.6	130.0	- 2.6	5.1	6.0	+ 0.9
Aerospace	327.2	220.0	- 107.2	206.5	250.0	+ 43.5	7.8	9.0	+ 1.2
Gas Turbine & Machinery	227.2	230.0	+ 2.8	194.6	210.0	+ 15.4	7.7	8.0	+ 0.3
Plant & Infrastructure	119.2	130.0	+ 10.8	122.8	130.0	+ 7.2	14.1	10.0	- 4.1
Motorcycle & Engine	235.2	260.0	+ 24.8	235.2	260.0	+ 24.8	- 2.9	5.0	+ 7.9
Precision Machinery	174.5	210.0	+ 35.5	175.0	200.0	+ 25.0	26.6	27.0	+ 0.4
Others	122.2	120.0	- 2.2	123.2	120.0	- 3.2	3.8	2.0	- 1.8
Eliminations and corporate	-	-	-	-	-	-	- 8.8	- 10.0	- 1.2
Total	1,311.8	1,430.0	+ 118.2	1,303.7	1,380.0	+ 76.3	57.4	52.0	- 5.4

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

R&D/CAPEX/Number of Employees



(Billion Yen / Persons)

	FY2010 Actual	FY2011 Actual	FY2012 Forecast
R&D Expenses	37.0	39.9	45.0
CAPEX (Construction Base)	55.3	63.9	79.0
Depreciation & Amortization	50.3	48.8	54.0
Domestic	24,511	24,770	25,500
Overseas	8,195	8,497	9,200
Number of Employees	32,706	33,267	34,700



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.