



KAWASAKI HEAVY INDUSTRIES, LTD. AND CONSOLIDATED SUBSIDIARIES FLASH CONSOLIDATED FINANCIAL RESULTS

For the years ended March 31, 2009 and 2008

One year ending March 31, 2010

Operating results		Millions			ousands of U.S. dollars	
		2009	of yer	2008		2009
Net sales Operating income Net income Earnings per share (Yen)	¥	1,338,597 28,713 11,728 7.0	¥	1,501,097 76,910 35,141 21.1	\$	13,623,010 292,215 119,357
Financial condition	Mil	lions of yen / Tho	usand	s of U.S. dollars		
		Total assets		Net assets		Ratio of net assets to total assets
As of March 31, 2009 As of March 31, 2008	¥	1,399,771 1,378,770	¥	295,246 319,038		21% 23%
As of March 31, 2009	\$	14,245,583	\$	3,004,743		_
	Ye	en / U.S. dollars		ousand shares		
		Net assets		mber of shares		
		per share	issu	ed and outstand	ling	
As of March 31, 2009 As of March 31, 2008	¥	174.1 187.7		1,668,235 1,668,305		
As of March 31, 2009	\$	1.77		_		
Cash flows		Millio	ns of ye	an		nousands of U.S. dollars
		2009	ns or ye	2008		2009
Operating activities Investing activities Financing activities Cash and cash equivalents at end of term	¥	(41,257) (72,284) 107,693 31,414	¥	75,766 (49,090) (27,392) 38,169	\$	(419,876) (735,640) 1,096,000 319,703
Fiscal year forecast			Mi	llions of yen		
·		Net sales		rating income	1	Net income
				_		

1,240,000

5,000

6,000

- Notes: 1. This "FLASH CONSOLIDATED FINANCIAL RESULTS" and following financial statements have been prepared in conformity with generally accepted accounting principles and practices in Japan.
 - 2. All US\$ amounts in these statements represent the arithmetical results of translating Japanese yen to U.S. dollars on the basis of \quantum 98.26=\\$1, the rate prevailing as of March 31, 2009, solely for the convenience of the readers.

Condensed Consolidated Balance Sheets As of March 31, 2009 and 2008

		Millions	s of yen		nousands of U.S. dollars
		2009		2008	2009
Assets:					
Current assets :					
Cash on hand and in banks	¥	31,956	¥	39,875	\$ 325,219
Receivables, less allowance		418,636		433,155	4,260,493
Inventories		476,441		439,310	4,848,779
Other current assets		68,764		69,942	 699,816
Total current assets		995,797		982,282	 10,134,307
Investments and long-term loans less allowance		54,289		79,675	552,504
Net property, plant and equipment		284,118		259,927	2,891,492
Intangible and other assets		65,567		56,886	 667,280
Total assets	¥	1,399,771	¥	1,378,770	\$ 14,245,583
Liabilities and net assets :					
Current liabilities:					
Short-term borrowings					
and current portion of long-term debt	¥	207,082	¥	137,681	\$ 2,107,490
Payables		358,478		431,000	3,648,260
Advances from customers		125,763		124,679	1,279,900
Other current liabilities		138,683		131,182	 1,411,388
Total current liabilities		830,006		824,542	 8,447,038
Long-term liabilities :					
Long-term debt, less current portion		181,706		138,766	1,849,237
Others		92,813		96,424	 944,565
Total long-term liabilities		274,519		235,190	2,793,802
Net assets :					
Common stock		104,329		104,329	1,061,765
Capital surplus		54,282		54,291	<i>552,432</i>
Retained earnings		154,273		151,401	1,570,049
Treasury stock		(468)		(460)	(4,763)
Net unrealized gains on securities		3,140		10,292	31,957
Gains(losses) on hedging items		(264)		5,217	(2,687)
Foreign currency translation adjustments		(24,851)		(11,878)	(252,911)
Minority interests		4,805		5,846	48,901
Total net assets		295,246		319,038	 3,004,743
Total liabilities and net assets	¥	1,399,771	¥	1,378,770	\$ 14,245,583

Condensed Consolidated Statements of Income

For the years ended March 31, 2009 and 2008

For the years ended March 31, 2007 and 2000		Million	s of ye	n		Thousands of U.S. dollars
		2009		2008	 %	2009
		_			Change	_
Net sales	¥	1,338,597	¥	1,501,097	-11%	\$ 13,623,010
Cost of sales		1,146,944		1,262,032		11,672,542
Gross profit		191,653		239,065		1,950,468
Selling, general and administrative expenses		162,940		162,155		1,658,253
Operating income		28,713		76,910	-63%	292,215
Other income (expenses):						
Interest and dividend income		4,352		5,005		44,291
Equity in income of unconsolidated						
subsidiaries and affiliates		8,709		7,642		88,632
Interest expense		(6,658)		(7,980)		(67,759)
Other, net		(11,491)		(23,522)		 (116,945)
Income before income taxes and		_				_
minority interests		23,625		58,055	-59%	240,434
Income taxes		(10,761)		(22,011)		(109,516)
Minority interests in net income of						
consolidated subsidiaries		(1,136)		(903)		(11,561)
Net income	¥	11,728	¥	35,141	-67%	\$ 119,357

Condensed Consolidated Statements of Cash Flows For the years ended March 31, 2009 and 2008

(Consolidated)

Cash flows from operating activities: Income before income taxes and minority interests	¥	23,625		2008	2009
Income before income taxes and minority interests	¥	23,625	37		
	¥	23,625	3.7		
A 1: 1			¥	58,055	\$ 240,434
Adjustments to reconcile net income before income taxes and minority					
interests to net cash provided by operating activities:					
Depreciation and amortization		44,334		37,455	451,191
Increase in assets		(56,094)		(29,042)	(570,873)
Increase (Decrease) in liabilities		(55,670)		36,437	(566,558)
Other		2,548		(27,139)	25,930
Net cash provided by operating activities	¥	(41,257)	¥	75,766	\$ (419,876)
Cash flows from investing activities:					
Acquisition of tangible and intangible assets		(74,459)		(50,836)	(757,775)
Acquisition of investments in securities		(3,043)		(1,183)	(30,969)
Other		5,218		2,929	53,104
Net cash used for investing activities	¥	(72,284)	¥	(49,090)	\$ (735,640)
Cash flows from financing activities:					
Increase in short-term borrowings		67,881		13,099	690,830
Proceeds from long-term debt		73,551		3,328	748,535
Repayment of long-term debt		(25,017)		(34,817)	(254,600)
Other		(8,722)		(9,002)	(88,765)
Net cash provided by (used for) financing activities	¥	107,693	¥	(27,392)	\$ 1,096,000
Effect of exchange rate changes		(907)		(501)	(9,230)
Net decrease in cash and cash equivalents		(6,755)		(1,217)	 (68,746)
Cash and cash equivalents at beginning of year		38,169		39,228	388,449
Increase in cash and cash equivalents		<u> </u>			
due to changes in fiscal period of consolidated subsidiaries		-		158	-
Cash and cash equivalents at end of year	¥	31,414	¥	38,169	\$ 319,703

								Millions o	f yen	l .						
								2009								
		External	Inte	rsegment		Total		Operating	0	perating		Total	De	preciation		Capital
	_	sales		sales		sales	_	expenses	inc	ome (loss)		assets	and a	mortization	exp	penditures
Shipbuilding	¥	126,426	¥	1,762	¥	128,188	¥	129,207	¥	(1,019)	¥	139,017	¥	3,987	¥	7,116
Rolling Stock										,						
& Construction Machinery		186,454		1,368		187,822		176,453		11,369		200,482		5,140		6,147
Aerospace		200,425		1,873		202,298		206,476		(4,178)		331,671		6,659		20,380
Gas Turbines & Machinery		195,156		18,316		213,472		202,446		11,026		203,902		4,607		10,176
Plant & Infrastructure Engineering	3	105,178		13,853		119,031		110,060		8,971		113,158		1,716		1,270
Consumer Products & Machinery		336,459		4,038		340,497		350,640		(10,143)		268,013		14,957		24,298
Hydraulic Machinery		84,919		8,524		93,443		85,054		8,389		60,430		3,729		10,539
Other		103,580		42,142		145,722		141,466		4,256		149,478		1,847		1,174
Total		1,338,597		91,876		1,430,473		1,401,802		28,671		1,466,151		42,642		81,100
Eliminations and corporate				(91,876)		(91,876)		(91,918)		42		(66,380)		1,692		1,350
Consolidated total	¥	1,338,597	¥	-	¥	1,338,597	¥	1,309,884	¥	28,713	¥	1,399,771	¥	44,334	¥	82,450

								Millions of	<i>J</i> -							
		External sales	Intersegment sales			Total sales		Operating expenses	С	perating ome (loss)	_	Total assets		preciation amortization		Capital penditures
Shipbuilding	¥	141,397	¥	1,568	¥	142,965	¥	139,712	¥	3,253	¥	134,577	¥	2,459	¥	4,161
Rolling Stock																
& Construction Machinery		171,739		727		172,466		165,293		7,173		161,585		3,579		6,454
Aerospace		237,349		1,644		238,993		228,117		10,876		281,517		6,232		6,154
Gas Turbines & Machinery		185,486		16,940		202,426		189,034		13,392		188,133		3,765		5,392
Plant & Infrastructure Engineering	g	142,547		13,747		156,294		145,455		10,839		132,174		1,926		1,318
Consumer Products & Machinery		433,963		8,244		442,207		422,537		19,670		315,309		13,517		19,367
Hydraulic Machinery		84,028		8,724		92,752		83,635		9,117		53,348		2,659		4,801
Other		104,588		40,234		144,822		142,469		2,353		164,445		1,699		1,674
Total		1,501,097		91,828		1,592,925		1,516,252		76,673		1,431,088		35,836		49,321
Eliminations and corporate		-		(91,828)		(91,828)		(92,065)		237		(52,318)		1,619		1,217
Consolidated total	¥	1,501,097	¥	-	¥	1,501,097	¥	1,424,187	¥	76,910	¥	1,378,770	¥	37,455	¥	50,538

						Thousands of U	I.S. c	dollars				
						2009						
	_	External sales	Inte	ersegment sales	Total sales	Operating expenses		Operating come (loss)	Total assets	epreciation amortization	ex	Capital penditures
Shipbuilding	\$	1,286,648	\$	17,932	\$ 1,304,580	\$ 1,314,950	\$	(10,370)	\$ 1,414,787	\$ 40,576	\$	72,420
Rolling Stock												
& Construction Machinery		1,897,558		13,922	1,911,480	1,795,777		115,703	2,040,322	52,310		62,559
Aerospace		2,039,742		19,062	2,058,804	2,101,323		(42,519)	3,375,443	67,769		207,409
Gas Turbines & Machinery		1,986,118		186,403	2,172,521	2,060,309		112,212	2,075,127	46,886		103,562
Plant & Infrastructure Engineering		1,070,405		140,983	1,211,388	1,120,090		91,298	1,151,618	17,464		12,925
Consumer Products & Machinery		3,424,170		41,095	3,465,265	3,568,492		(103,227)	2,727,590	152,219		247,283
Hydraulic Machinery		864,228		86,749	950,977	865,601		85,376	615,001	37,950		107,256
Other		1,054,141		428,884	1,483,025	1,439,711		43,314	1,521,250	18,797		11,947
Total		13,623,010		935,030	14,558,040	14,266,253		291,787	14,921,138	433,971		825,361
Eliminations and corporate		-		(935,030)	(935,030)	(935,458)		428	(675,555)	17,220		13,739
Consolidated total	\$	13,623,010	\$	-	\$ 13,623,010	\$ 13,330,795	\$	292,215	\$ 14,245,583	\$ 451,191	\$	839,100

(b) Information by geographic area

Millions	of yen
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	2009											
		External sales		Intersegment sales		Total sales		Operating expenses		Operating income (loss)		Total assets
Japan	¥	974,454	¥	247,020	¥	1,221,474	¥	1,208,067	¥	13,407	¥	1,169,702
North America		220,856		24,500		245,356		246,742		(1,386)		182,269
Europe		90,898		4,563		95,461		94,753		708		59,217
Asia		43,328		41,818		85,146		80,594		4,552		38,421
Other Areas		9,061		251		9,312		8,945		367		2,970
Total		1,338,597		318,152		1,656,749		1,639,101		17,648		1,452,579
Eliminations and corporate	•	-		(318,152)		(318,152)		(329,217)		11,065		(52,808)
Consolidated total	¥	1,338,597	¥	-	¥	1,338,597	¥	1,309,884	¥	28,713	¥	1,399,771

Millions of yen

								<i>y</i> -				
						20	008					
		External]	Intersegment		Total		Operating		Operating		Total
	sa		_	sales	_	sales		expenses		ncome (loss)		assets
Japan	¥	1,058,487	¥	307,546	¥	1,366,033	¥	1,291,102	¥	74,931	¥	1,103,514
North America		267,560		25,202		292,762		293,276		(514)		191,075
Europe		131,608		5,321		136,929		132,449		4,480		83,928
Asia		33,297		24,752		58,049		56,597		1,452		37,917
Other Areas		10,145		247		10,392		10,119		273		3,335
Total		1,501,097		363,068		1,864,165		1,783,543		80,622		1,419,769
Eliminations and corporate		-		(363,068)		(363,068)		(359,356)		(3,712)		(40,999)
Consolidated total	¥	1,501,097	¥	-	¥	1,501,097	¥	1,424,187	¥	76,910	¥	1,378,770

Thousands of U.S. dollars

						_				
					20	009				
		External	Ir	ntersegment	Total		Operating	C	Operating	Total
	_	sales	_	sales	 sales	_	expenses	inc	ome (loss)	 assets
Japan	\$	9,917,097	\$	2,513,943	\$ 12,431,040	\$	12,294,596	\$	136,444	\$ 11,904,152
North America		2,247,669		249,338	2,497,007		2,511,113		(14,106)	1,854,966
Europe		925,076		46,438	971,514		964,309		7,205	602,656
Asia		440,953		425,585	866,538		820,212		46,326	391,014
Other Areas		92,215		2,555	94,770		91,034		3,736	30,226
Total		13,623,010		3,237,859	 16,860,869		16,681,264		179,605	14,783,014
Eliminations and corporate		-		(3,237,859)	(3,237,859)		(3,350,469)		112,610	(537,431)
Consolidated total	\$	13,623,010	\$	-	\$ 13,623,010	\$	13,330,795	\$	292,215	\$ 14,245,583

(c) Overseas sales

Europe

Asia

Total

North America

Other Areas

Thousands of Millions of yen U.S. dollars 2009 2008 2009 Overseas % against Overseas % against Overseas sales net sales sales net sales sales **23.1%** ¥ 309,979 358,717 23.9% 3,154,681 116,298 153,613 10.2% 8.7% 1,183,574 174,310 13.0% 161,906 10.7% 1,773,967 130,051 9.7% 148,315 9.9% 1,323,540 730,638 54.5% 822,551 54.7% 7,435,762

Net sales, orders and order backlog by industry segment

For the years ended March 31, 2009 and 2008

							T	housands of
		Millions	of y	en				J.S. dollars
						%		
	2009			2008		Change		2009
		_						
f	126,426	(9%)	¥	141,397	(10%)	-11%	\$	1,286,648
	186,454	(14%)		171,739	(11%)	+9%		1,897,558
	200,425	(15%)		237,349	(16%)	-16%		2,039,742
	195,156	(15%)		185,486	(12%)	+5%		1,986,118
	105,178	(8%)		142,547	(9%)	-26%		1,070,405
	336,459	(25%)		433,963	(29%)	-22%		3,424,170
	84,919	(6%)		84,028	(6%)	+1%		864,228
	103,580	(8%)		104,588	(7%)	-1%		1,054,141
f 1	,338,597	(100%)	¥	1,501,097	(100%)	-11%	\$	13,623,010
f	71,513	(5%)	¥	251,331	(16%)	-72%	\$	727,794
	264,604	(17%)		183,254	(11%)	+44%		2,692,896
	239,177	(16%)		202,506	(13%)	+18%		2,434,124
	355,517	(23%)		227,422	(14%)	+56%		3,618,125
	83,649	(5%)		106,046	(7%)	-21%		851,303
	336,459	(22%)		433,963	(27%)	-22%		3,424,171
	84,143	(5%)		92,335	(6%)	-9%		856,330
	105,528	(7%)		113,900	(6%)	-7%		1,073,967
f 1	1,540,590	(100%)	¥	1,610,757	(100%)	-4%	\$	15,678,710
	£ 1	126,426 186,454 200,425 195,156 105,178 336,459 84,919 103,580 1,338,597 71,513 264,604 239,177 355,517 83,649 336,459 84,143	2009 1 126,426 (9%) 186,454 (14%) 200,425 (15%) 195,156 (15%) 105,178 (8%) 336,459 (25%) 84,919 (6%) 103,580 (8%) 1,338,597 (100%) 264,604 (17%) 239,177 (16%) 355,517 (23%) 83,649 (5%) 336,459 (22%) 84,143 (5%) 105,528 (7%)	2009 2 126,426 (9%) ¥ 186,454 (14%) 200,425 (15%) 195,156 (15%) 105,178 (8%) 336,459 (25%) 84,919 (6%) 103,580 (8%) 3 1,338,597 (100%) 4 71,513 (5%) 2 264,604 (17%) 239,177 (16%) 355,517 (23%) 83,649 (5%) 336,459 (22%) 84,143 (5%) 105,528 (7%)	126,426 (9%) ¥ 141,397 186,454 (14%) 171,739 200,425 (15%) 237,349 195,156 (15%) 185,486 105,178 (8%) 142,547 336,459 (25%) 433,963 84,919 (6%) 84,028 103,580 (8%) 104,588 ₹ 1,338,597 (100%) ¥ 1,501,097 ₹ 71,513 (5%) ¥ 251,331 264,604 (17%) 183,254 239,177 (16%) 202,506 355,517 (23%) 227,422 83,649 (5%) 106,046 336,459 (22%) 433,963 84,143 (5%) 92,335 105,528 (7%) 113,900	2009 2008 4 126,426 (9%) ¥ 141,397 (10%) 186,454 (14%) 171,739 (11%) 200,425 (15%) 237,349 (16%) 195,156 (15%) 185,486 (12%) 105,178 (8%) 142,547 (9%) 336,459 (25%) 433,963 (29%) 84,919 (6%) 84,028 (6%) 103,580 (8%) 104,588 (7%) 4 1,338,597 (100%) ¥ 1,501,097 (100%) 4 71,513 (5%) ¥ 251,331 (16%) 264,604 (17%) 183,254 (11%) 239,177 (16%) 202,506 (13%) 355,517 (23%) 227,422 (14%) 83,649 (5%) 106,046 (7%) 84,143 (5%) 92,335 (6%) 105,528 (7%) 113,900 (6%)	2009 2008 Change 2 126,426 (9%) ¥ 141,397 (10%) -11% 186,454 (14%) 171,739 (11%) +9% 200,425 (15%) 237,349 (16%) -16% 195,156 (15%) 185,486 (12%) +5% 105,178 (8%) 142,547 (9%) -26% 336,459 (25%) 433,963 (29%) -22% 84,919 (6%) 84,028 (6%) +1% 103,580 (8%) 104,588 (7%) -1% 3 1,338,597 (100%) ¥ 1,501,097 (100%) -11% 2 71,513 (5%) ¥ 251,331 (16%) -72% 264,604 (17%) 183,254 (11%) +44% 239,177 (16%) 202,506 (13%) +18% 355,517 (23%) 227,422 (14%) +56% 83,649 (5%) 106,046 (7%) -21% 336,459 (22%) 433,963 (27%) -22% 84,143 (5%) 92,335 (6%) -9% 105,528 (7%) 113,900 (6%) -7%	Millions of yen

	Millions of yen							Thousands of U.S. dollars	
	As of		As of			%	As of		
		Mar. 31, 2009		Mar. 31, 2008			Change	Mar. 31, 2009	
Order backlog :									
Shipbuilding	¥	356,937	(21%)	¥	414,176	(27%)	-14%	\$	3,632,577
Rolling Stock									
& Construction Machinery		478,566	(28%)		431,377	(28%)	+11%		4,870,405
Aerospace		286,601	(17%)		248,332	(16%)	+15%		2,916,762
Gas Turbines & Machinery		405,196	(24%)		245,962	(16%)	+65%		4,123,713
Plant & Infrastructure Engineering		112,163	(6%)		135,288	(9%)	-17%		1,141,492
Consumer products & Machinery		-	(- %)		-	(-%)	-%		-
Hydraulic Machinery		28,539	(2%)		29,317	(2%)	-3%		290,444
Other		31,161	(2%)		29,211	(2%)	+7%		317,127
Total	¥	1,699,163	(100%)	¥	1,533,663	(100%)	+11%	\$	17,292,520