



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

For nine months ended December 31, 2011 and 2010 and one year ended March 31, 2011

### **Operating results**

•		Million	s of ye	en	Thousands of U.S. dollars
	Nine	e months ended	Ni	ine months ended	Nine months ended
	Dec. 31, 2011			Dec. 31, 2010	Dec. 31, 2011
Net sales Operating income Net income Earnings per share (Yen)	¥	906,314 47,282 33,679 20.1	¥	870,540 38,750 28,159 16.8	\$ 11,659,771 608,285 433,281
Financial condition	Mill	ions of yen / Thou Total assets	ısandı	s of U.S. dollars Net assets	Ratio of net assets less minority interests to total assets
<b>As of December 31, 2011</b> As of March 31, 2011	¥	<b>1,404,498</b> 1,354,278	¥	<b>319,257</b> 297,433	<b>22%</b> 21%
As of December 31, 2011	\$	18,068,930	\$	4,107,255	<del></del>
	Nu	Thousa mber of shares is			

#### **Cash flows**

As of December 31, 2011

As of March 31, 2011

		Millions	Thousands of U.S. dollars				
	Nine m	onths ended	Nine 1	months ended	Nine months ended		
	Dec	. 31, 2011	Dec. 31, 2010		Dec. 31, 2011		
Operating activities	¥	(16,113)	¥	(33,545)	\$	(207,294)	
Investing activities		(51,417)		(41,504)		(661,482)	
Financing activities		61,232		78,049		787,752	
Cash and cash equivalents at end of term	ı	34,301		35,820		441,283	
•	ı	•		,		,	

1,671,817

1,670,546

iscal year forecast	Millions of yen							
•		Net sales	Ope	erating income	N	let income	_	
One year ending March 31, 2012	¥	1,330,000	¥	50,000	¥	26,000		

#### (Consolidated)

- 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 \(\frac{\pma}{77.73} = \\$1\), the rate prevailing as of December 31, 2011, solely for the convenience of the readers.

#### **Condensed Consolidated Balance Sheets**

As of December 31 and March 31, 2011

Millions Jean Jacobi As of As of As of As of Dec. 31, 2011         As of As of As of As of As of Dec. 31, 2011         As of As of Dec. 31, 2011         As of Dec. 21, 2011         As of Dec. 21, 2011         As of Dec. 21, 20						Thousands of		
Assets :         Current assets :         Cash on hand and in banks         ¥ 35,954         ¥ 47,233         \$ 462,549           Receivables, less allowance         387,923         416,450         4,990,648           Inventories         479,685         425,322         6,171,169           Other current assets         948,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,583           Net property, plant and equipment         281,276         275,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         72,157         70,473         928,303           Total current liabilities :         5         5,50,90         \$ 18,068,930           Liabilities and net assets :           Current liabilities :           Short-term borrowings           and current portion of long-term debt         \$ 235,509         ¥ 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         <			Millions	of yen		U.S. dollars		
Current assets			As of		As of		As of	
Current assets :         Cash on hand and in banks         ¥         35,954         ¥         47,233         \$         462,549           Receivables, less allowance         387,923         416,450         4,990,648           Inventories         479,685         425,322         6,171,169           Other current assets         34,885         62,714         1,092,049           Other current assets         988,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,583           Net property, plant and equipment         281,276         75,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         ** 1,404,498         ** 1,354,278         \$ 18,068,930           Liabilities         ** 235,509         ** 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         256,148         254,447         3,295,355           Others			Dec. 31, 2011	M	ar. 31, 2011	Dec. 31, 2011		
Cash on hand and in banks         ¥         35,954         ¥         47,233         \$ 462,549           Receivables, less allowance         337,923         416,450         4,990,648           Inventories         479,685         425,322         6,171,169           Other current assets         34,885         62,714         1,092,049           Total current assets         988,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,583           Net property, plant and equipment         281,276         275,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         ***         1,404,498         ***         1,354,278         ***         18,068,930           Liabilities and net assets:         ***         225,509         ***         1,74,697         ***         3,029,834           Liabilities and net assets         ***         235,509         ***         1,74,697         ***         3,029,834           Payables         ***         235,509         ***         1,74,697         ***         3,029,834           Payables         ***         235,509         ***	Assets:	<u> </u>			_			
Receivables, less allowance         387,923         416,450         4,990,648           Inventories         479,685         425,322         6,171,169           Other current assets         988,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,553           Net property, plant and equipment         281,276         275,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         *** 1,404,498         *** 1,354,278         *** 18,068,930           Liabilities and net assets:         *** 235,509         *** 174,697         *** 3,029,834           Current liabilities:         *** 290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current protion         256,148         254,447         3,295,355           Others         31,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         2         (22)         (30)	Current assets :							
Inventories         479,685         425,322         6,171,169           Other current assets         84,885         62,714         1,092,049           Total current assets         988,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,583           Net property, plant and equipment         281,276         275,780         3,618,629           Intangible and other assets         ¥ 1,404,498         ¥ 1,354,278         \$ 18,068,930           Total assets           Current liabilities and net assets:           Current liabilities sind net assets:           Short-term borrowings           and current portion of long-term debt         ¥ 235,509         ¥ 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         737,751         703,727         9,491,200           Long-term liabilities         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490 <td< td=""><td>Cash on hand and in banks</td><td>¥</td><td>35,954</td><td>¥</td><td>47,233</td><td>\$</td><td>,</td></td<>	Cash on hand and in banks	¥	35,954	¥	47,233	\$	,	
Other current assets         84,885         62,714         1,092,049           Total current assets         988,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,583           Net property, plant and equipment         281,276         275,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         ***         1,404,498         ***         1,354,278         \$ 18,068,930           Exhibities and net assets:           Current liabilities and current portion of long-term debt         ***         235,509         ***         174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         Common stock <td>,</td> <td></td> <td>387,923</td> <td></td> <td>416,450</td> <td></td> <td></td>	,		387,923		416,450			
Total current assets         988,447         951,719         12,716,415           Investments and long-term loans less allowance         62,618         56,306         805,583           Net property, plant and equipment         281,276         275,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         ¥ 1,404,498         ¥ 1,354,278         \$ 18,068,930           Liabilities and net assets:           Current liabilities :           Short-term borrowings           and current portion of long-term debt         ¥ 235,509         ¥ 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term debt, less current portion         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475	Inventories		479,685		425,322		6,171,169	
Investments and long-term loans less allowance Net property, plant and equipment   281,276   275,780   3,618,629   10,000   10,	Other current assets				62,714			
Net property, plant and equipment Intangible and other assets         281,276         275,780         3,618,629           Intangible and other assets         72,157         70,473         928,303           Total assets         Y 1,404,498         X 1,354,278         18,068,930           Liabilities and net assets:           Current liabilities:           Short-term borrowings           and current portion of long-term debt         Y 235,509         Y 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804	Total current assets		988,447		951,719		12,716,415	
Intangible and other assets         72,157         70,473         928,303           Total assets         ¥ 1,404,498         ¥ 1,354,278         \$ 18,068,930           Liabilities and net assets:           Current liabilities:           Short-term borrowings           and current portion of long-term debt         ¥ 235,509         ¥ 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term debt, less current portion         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         2         4         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock	Investments and long-term loans less allowance		62,618		56,306		805,583	
Total assets         ¥ 1,404,498         ¥ 1,354,278         \$ 18,068,930           Liabilities and net assets:         Current liabilities:           Short-term borrowings         and current portion of long-term debt         ¥ 235,509         ¥ 174,697         \$ 3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities:         737,751         703,727         9,491,200           Long-term debt, less current portion         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178	Net property, plant and equipment		281,276		275,780		3,618,629	
Liabilities and net assets :         Current liabilities :         Short-term borrowings       4       235,509       ¥       174,697       \$       3,029,834         Payables       290,034       319,272       3,731,300         Advances from customers       85,993       80,816       1,106,304         Other current liabilities       126,215       128,942       1,623,762         Total current liabilities :       737,751       703,727       9,491,200         Long-term debt, less current portion       256,148       254,447       3,295,355         Others       91,342       98,671       1,175,120         Total long-term liabilities       347,490       353,118       4,470,475         Net assets :       104,484       104,340       1,344,191         Capital surplus       54,394       54,251       699,782         Retained earnings       186,770       158,615       2,402,804         Treasury stock       (22)       (30)       (283)         Net unrealized gains on securities       2,579       3,876       33,178         Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)	Intangible and other assets		72,157		70,473		928,303	
Current liabilities :         Short-term borrowings       # 235,509       # 174,697       \$ 3,029,834         Payables       290,034       319,272       3,731,300         Advances from customers       85,993       80,816       1,106,304         Other current liabilities       126,215       128,942       1,623,762         Total current liabilities       737,751       703,727       9,491,200         Long-term liabilities :       256,148       254,447       3,295,355         Others       91,342       98,671       1,175,120         Total long-term liabilities       347,490       353,118       4,470,475         Net assets :       Common stock       104,484       104,340       1,344,191         Capital surplus       54,394       54,251       699,782         Retained earnings       186,770       158,615       2,402,804         Treasury stock       (22)       (30)       (283)         Net unrealized gains on securities       2,579       3,876       33,178         Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)       (31,006)       (479,364)         Minority interests	Total assets	¥	1,404,498	¥	1,354,278	\$	18,068,930	
Short-term borrowings         ¥         235,509         ¥         174,697         \$         3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term liabilities:         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         2         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261) <td>Liabilities and net assets :</td> <td></td> <td><u> </u></td> <td></td> <td></td> <td></td> <td></td>	Liabilities and net assets :		<u> </u>					
and current portion of long-term debt         ¥         235,509         ¥         174,697         \$         3,029,834           Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term debt, less current portion         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         2         2         699,782           Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004) <td>Current liabilities :</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Current liabilities :							
Payables         290,034         319,272         3,731,300           Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term liabilities:         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951 <td< td=""><td>Short-term borrowings</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Short-term borrowings							
Advances from customers         85,993         80,816         1,106,304           Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term liabilities:         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	and current portion of long-term debt	¥	235,509	¥	174,697	\$	3,029,834	
Other current liabilities         126,215         128,942         1,623,762           Total current liabilities         737,751         703,727         9,491,200           Long-term liabilities:         8         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets:         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Payables		290,034		319,272		3,731,300	
Total current liabilities         737,751         703,727         9,491,200           Long-term liabilities :         Long-term debt, less current portion         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets :         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Advances from customers		85,993		80,816		1,106,304	
Long-term liabilities :         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets :         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Other current liabilities		126,215		128,942		1,623,762	
Long-term liabilities :         256,148         254,447         3,295,355           Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets :         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Total current liabilities		737,751		703,727		9,491,200	
Others         91,342         98,671         1,175,120           Total long-term liabilities         347,490         353,118         4,470,475           Net assets :         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Long-term liabilities :							
Total long-term liabilities         347,490         353,118         4,470,475           Net assets :         Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Long-term debt, less current portion		256,148		254,447		3,295,355	
Net assets :       Common stock       104,484       104,340       1,344,191         Capital surplus       54,394       54,251       699,782         Retained earnings       186,770       158,615       2,402,804         Treasury stock       (22)       (30)       (283)         Net unrealized gains on securities       2,579       3,876       33,178         Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)       (31,006)       (479,364)         Minority interests       9,557       8,377       122,951         Total net assets       319,257       297,433       4,107,255	Others		91,342		98,671		1,175,120	
Common stock         104,484         104,340         1,344,191           Capital surplus         54,394         54,251         699,782           Retained earnings         186,770         158,615         2,402,804           Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Total long-term liabilities		347,490		353,118		4,470,475	
Capital surplus       54,394       54,251       699,782         Retained earnings       186,770       158,615       2,402,804         Treasury stock       (22)       (30)       (283)         Net unrealized gains on securities       2,579       3,876       33,178         Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)       (31,006)       (479,364)         Minority interests       9,557       8,377       122,951         Total net assets       319,257       297,433       4,107,255	Net assets:		_		<u>.</u>		_	
Retained earnings       186,770       158,615       2,402,804         Treasury stock       (22)       (30)       (283)         Net unrealized gains on securities       2,579       3,876       33,178         Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)       (31,006)       (479,364)         Minority interests       9,557       8,377       122,951         Total net assets       319,257       297,433       4,107,255	Common stock		104,484		104,340		1,344,191	
Treasury stock         (22)         (30)         (283)           Net unrealized gains on securities         2,579         3,876         33,178           Gains (losses) on hedging items         (1,244)         (990)         (16,004)           Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Capital surplus		54,394		54,251		699,782	
Net unrealized gains on securities       2,579       3,876       33,178         Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)       (31,006)       (479,364)         Minority interests       9,557       8,377       122,951         Total net assets       319,257       297,433       4,107,255	Retained earnings		186,770		158,615		2,402,804	
Gains (losses) on hedging items       (1,244)       (990)       (16,004)         Foreign currency translation adjustments       (37,261)       (31,006)       (479,364)         Minority interests       9,557       8,377       122,951         Total net assets       319,257       297,433       4,107,255	Treasury stock		(22)		(30)		(283)	
Foreign currency translation adjustments         (37,261)         (31,006)         (479,364)           Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Net unrealized gains on securities		2,579		3,876		33,178	
Minority interests         9,557         8,377         122,951           Total net assets         319,257         297,433         4,107,255	Gains (losses) on hedging items		(1,244)		(990)		(16,004)	
Total net assets 319,257 297,433 4,107,255	Foreign currency translation adjustments		(37,261)		(31,006)		(479,364)	
	Minority interests		9,557		8,377		122,951	
Total liabilities and net assets $\frac{1,404,498}{1,354,278}$ $\frac{1,354,278}{1,354,278}$	Total net assets		319,257		297,433		4,107,255	
	Total liabilities and net assets	¥	1,404,498	¥	1,354,278	\$	18,068,930	

Thousands of

#### **Condensed Consolidated Statements of Income**

For nine months ended December 31, 2011 and 2010

		Millions	of yen			U.S. dollars		
	Nine months ended Dec.31, 2011		Nine months ended		<del>%</del>	Nine months ende		
			De	c.31, 2010	Change	Dec.31, 2011		
Net sales	¥	906,314	¥	870,540	+4%	\$	11,659,771	
Cost of sales		749,212		727,703			9,638,647	
Gross profit		157,102		142,837			2,021,124	
Selling, general and administrative expenses		109,820		104,087			1,412,839	
Operating income	<u></u>	47,282		38,750			608,285	
Other income (expenses):								
Interest and dividend income		1,813		1,901			23,324	
Equity in income of unconsolidated								
subsidiaries and affiliates		7,100		7,076			91,341	
Interest expense		(3,237)		(3,590)			(41,644)	
Other, net		4,228		505			54,394	
Income before income taxes and	<u></u>							
minority interests		57,186		44,642			735,700	
Income taxes		(21,442)		(15,029)			(275,853)	
Minority interests in net income of								
consolidated subsidiaries		(2,065)		(1,454)			(26,566)	
Net income	¥	33,679	¥	28,159		\$	433,281	

# Segment information Information by reportable segment

		Millions of yen  Nine months ended  Dec.31,2010										
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income (loss)							
Ship & Offshore Structure	¥ 93,222	¥ 1,332	¥ 94,554	¥ 89,564	¥ 4,990							
Rolling Stock	95,588	1,458	97,046	91,126	5,920							
Aerospace	135,020	1,309	136,329	134,253	2,076							
Gas Turbine & Machinery	149,644	15,071	164,715	155,036	9,679							
Plant & Infrastructure	56,479	9,416	65,895	61,242	4,653							
Motorcycle & Engine	159,219	866	160,085	162,711	(2,626)							
Precision Machinery	99,091	9,060	108,151	93,460	14,691							
Other	82,277	23,632	105,909	104,227	1,682							
Total	870,540	62,144	932,684	891,619	41,065							
Eliminations and corporate	-	(62,144)	(62,144)	(59,829)	(2,315)							
Consolidated total	¥ 870,540	¥ -	¥ 870,540	¥ 831,790	¥ 38,750							

			Millions of yen	Millions of yen										
_			Nine months ende	ed										
		Dec.31,2011												
_	External	Intersegment	Total	Operating	Operating									
	sales	sales	sales	expenses	income (loss)									
Ship & Offshore Structure ¥	87,113	¥ 1,048	¥ 88,161	¥ 84,029	¥ 4,132									
Rolling Stock	94,651	1,641	96,292	91,387	4,905									
Aerospace	138,586	1,433	140,019	134,114	5,905									
Gas Turbine & Machinery	137,070	14,428	151,498	143,464	8,034									
Plant & Infrastructure	78,773	8,313	87,086	78,249	8,837									
Motorcycle & Engine	154,277	766	155,043	159,624	(4,581)									
Precision Machinery	129,097	9,497	138,594	117,805	20,789									
Other	86,747	24,972	111,719	108,367	3,352									
Total	906,314	62,098	968,412	917,039	51,373									
Eliminations and corporate	-	(62,098)	(62,098)	(58,007)	(4,091)									
Consolidated total ¥	906,314	¥ -	¥ 906,314	¥ 859,032	¥ 47,282									

		Thousands of U.S. dollars  Nine months ended											
		Dec.31,2011											
		External	Int	ersegment		Total		Operating		Operating			
		sales		sales		sales		expenses	income (loss)				
Ship & Offshore Structure	\$	1,120,713	\$	13,483	\$	1,134,196	\$	1,081,037	\$	53,159			
Rolling Stock		1,217,689		21,111		1,238,800		1,175,698		63,102			
Aerospace		1,782,915		18,436		1,801,351		1,725,383		75,968			
Gas Turbine & Machinery		1,763,412	185,617		1,949,029		1,845,671			103,358			
Plant & Infrastructure		1,013,418		106,947	1,120,365		1,006,677		113,688				
Motorcycle & Engine		1,984,781		9,854		1,994,635		2,053,570		(58,935)			
Precision Machinery		1,660,839		122,179		1,783,018		1,515,566		267,452			
Other		1,116,004		321,266		1,437,270		1,394,146		43,124			
Total		11,659,771		798,893		12,458,664		11,797,748		660,916			
Eliminations and corporate		-		(798,893)		(798,893)	(746,262)		(52,631)				
Consolidated total	\$	11,659,771	\$	-	\$	11,659,771	\$	11,051,486	\$	608,285			

#### Net sales, orders and order backlog by industry segment

For nine months ended December 31,2011 and 2010 and as of December 31 and March 31, 2011

									Thousands of
			Millions	s of y				U.S. dollars	
		Nine month			Nine months	%	Ni	ne months ended	
		Dec. 31,	2011		Dec. 31, 2	010	Change		Dec. 31, 2011
Net sales :									
Ship & Offshore Structure	¥	87,113	(10%)	¥	93,222	(10%)	-7%	\$	1,120,712
Rolling Stock		94,651	(10%)		95,588	(11%)	-1%		1,217,689
Aerospace		138,586	(15%)		135,020	(16%)	+3%		1,782,915
Gas Turbine & Machinery		137,070	(15%)		149,644	(17%)	-8%		1,763,411
Plant & Infrastructure		78,773	(9%)		56,479	(7%)	+39%		1,013,418
Motorcycle & Engine		154,277	(17%)		159,219	(18%)	-3%		1,984,780
Precision Machinery		129,097	(14%)		99,091	(12%)	+30%		1,660,838
Other		86,747	(10%)		82,277	(9%)	+5%		1,116,008
Total	¥	906,314	(100%)	¥	870,540	(100%)	+4%	\$	11,659,771
Ondone :									
Orders: Ship & Offshore Structure	¥	36,911	(5%)	¥	67,256	(8%)	-45%	\$	474,861
Rolling Stock	•	49,937	(6%)	1	124,166	(14%)	-60%	Ψ	642,441
Aerospace		114,110	(14%)		123,700	(14%)	-8%		1,468,030
Gas Turbine & Machinery		123,344	(14%)		113,677	(13%)	+9%		1,586,826
Plant & Infrastructure		84,069	(10%)		105,436	(12%)	-20%		1,081,551
Motorcycle & Engine		154,277	(20%)		159,219	(12%)	-3%		1,984,780
Precision Machinery		134,277	(20 <i>%)</i> (17%)		106,719	(12%)	+23%		1,687,701
Other		88,273	. ,		,	, ,	+19%		
	¥	•	(11%)	¥	73,897	(9%)	-11%	\$	1,135,639
Total	-	782,106	(100%)	+	874,070	(100%)	-11%	Φ	10,061,829
									Thousands of
			Millions	s of y	en			_	U.S. dollars
		As	of		As o	f	%		As of
		Dec. 31,	2011		Mar. 31,	2011	Change		Dec. 31, 2011
Order backlog :									
Ship & Offshore Structure	¥	124,552	(9%)	¥	177,254	(12%)	-30%	\$	1,602,367
Rolling Stock		353,272	(27%)		411,560	(28%)	-14%		4,544,860
Aerospace		240,560	(18%)		269,470	(18%)	-11%		3,094,815
Gas Turbine & Machinery		350,921	(26%)		382,269	(26%)	-8%		4,514,614
Plant & Infrastructure		190,502	(14%)		185,414	(12%)	+3%		2,450,816
Motorcycle & Engine		-	( - %)		-	( - %)	-%		-
Precision Machinery		44,878	(4%)		42,790	(3%)	+5%		577,357
Other		28,373	(2%)		26,592	(1%)	7%	_	365,023
Total	¥	1,333,058	(100%)	¥	1,495,349	(100%)	-11%	\$	17,149,852
			· <u></u>			· <del></del>			

#### Net Sales by geographic area

For nine months ended December 31, 2011 and 2010

								Tł	nousands of	
			Million				U.S. dollars			
		As of			As o	f	%		As of	
		Dec. 31,	2011		Dec. 31, 2	010	Change		Dec. 31, 2011	
Japan	¥	385,211	(42%)	¥	391,842	(45%)	-2%	\$	4,955,757	
United States		152,505	(17%)		164,453	(19%)	-7%		1,961,983	
Europe		89,937	(10%)		58,459	(7%)	+54%		1,157,043	
Asia		179,109	(20%)		168,258	(19%)	+6%		2,304,245	
Other		99,552	(11%)		87,528	(10%)	+14%		1,280,743	
Total	¥	906,314	(100%)	¥	870,540	(100%)	+4%	\$	11,659,771	