

# DATA FILE 2010

**KAWASAKI HEAVY INDUSTRIES, LTD.**

Code No. (7012)

From our beginnings as a shipbuilder in the late 19th century, the Kawasaki Heavy Industries (KHI) Group has forged an extensive global presence, encompassing transportation equipment such as rolling stock, aircraft, Kawasaki-brand motorcycles and more. Continually moving forward to meet the ever-changing demands of the marketplace, we have branched out into the energy and environmental sector to provide gas turbines, gas engines and a wide array of related plants and facilities. We have also broken new ground in the field of industrial equipment, where we have introduced state-of-the-art industrial plants, hydraulic equipment and robots.

Today the KHI Group is leveraging the strengths of its advanced technologies to provide superior products and services designed to fulfill our customers' needs and help create a better tomorrow. "Kawasaki, Working as One for the Good of the Planet" (Enriching lifestyles and helping safeguard the environment: Global Kawasaki) is the message at the heart of the Kawasaki Group Mission Statement which we set forth 2007. It is the driving force behind everything we do as a responsible corporate citizen.

Based on this Mission Statement, we will continue to increase customer satisfaction through offering superior products and services that are differentiated by technology and the Kawasaki brand, increase the corporate value of the KHI Group, and meet the expectations of our shareholders as well as customers, employees and the community.

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# FINANCIAL HIGHLIGHTS

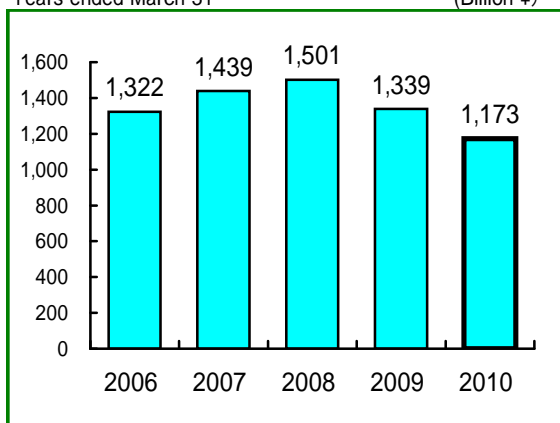
Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

Years ended March 31

	Millions of yen				
	2006	2007	2008	2009	2010
<b>For the year:</b>					
Net sales	¥1,322,487	¥1,438,619	¥1,501,097	¥1,338,597	¥1,173,473
Net income (loss)	16,467	29,772	35,141	11,728	(10,860)
Net income per share (yen)	11.2	18.9	21.1	7.0	(6.5)
Return on average shareholders' equity (%)	7.3%	11.1%	11.4%	3.8%	(3.8%)
Cash dividends per share (yen)	3.0	5.0	5.0	3.0	3.0
<b>At year end:</b>					
Total assets	1,284,085	1,357,980	1,378,770	1,399,771	1,352,439
Working capital	113,240	155,412	157,741	165,791	238,755
Current ratio (%)	114.1%	119.3%	119.1%	120.0%	134.5%
Total shareholders' equity	237,588	290,428	313,192	290,441	277,081

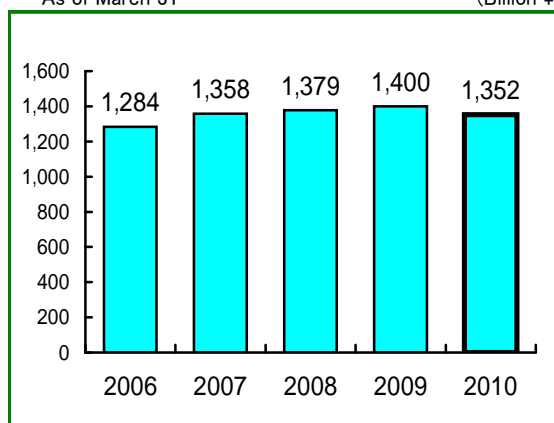
## Net Sales

Years ended March 31 (Billion ¥)



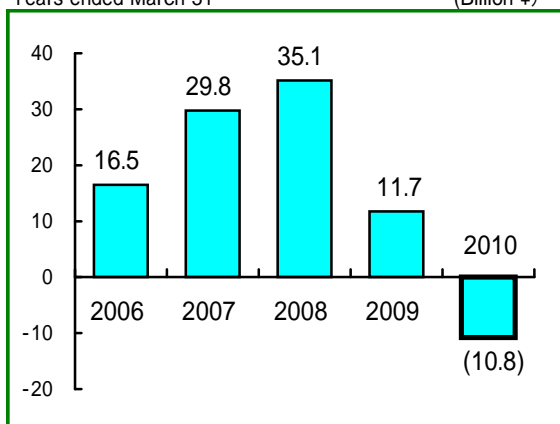
## Total Assets

As of March 31 (Billion ¥)



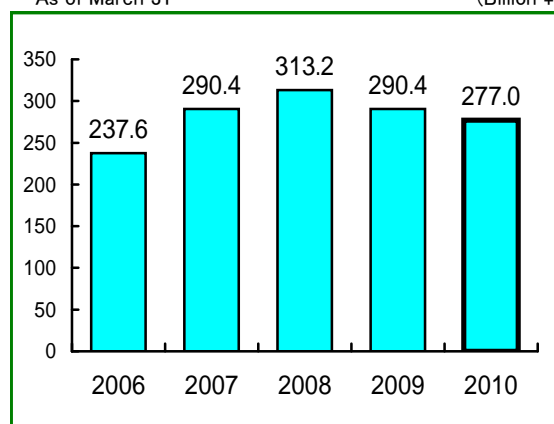
## Net Income (Loss)

Years ended March 31 (Billion ¥)



## Total Shareholders' Equity

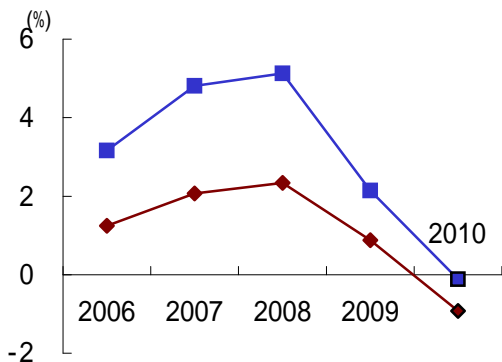
As of March 31 (Billion ¥)



# KEY INDICATORS (CONSOLIDATED BASIS)

## Ratio of Operating Income to Sales Return on Sales

Years ended March 31



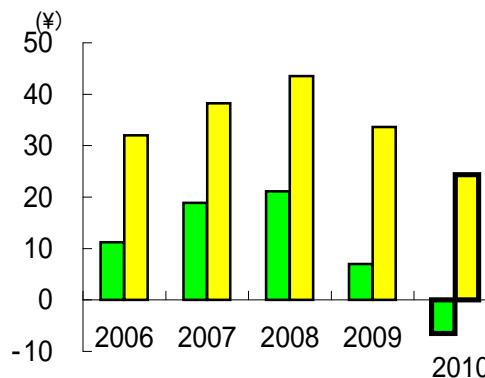
	2006	2007	2008	2009	2010
Operating Income to Sales	-	-	-	-	-
	3.16	4.81	5.12	2.15	(0.11)
ROS	-	1.25	2.07	2.34	0.88
	-	-	-	-	(0.93)

Operating Income to Sales: Operating Income/Net Sales.

ROS: Net Income/Net Sales.

## Earnings per Share Cash Flow per Share

Years ended March 31



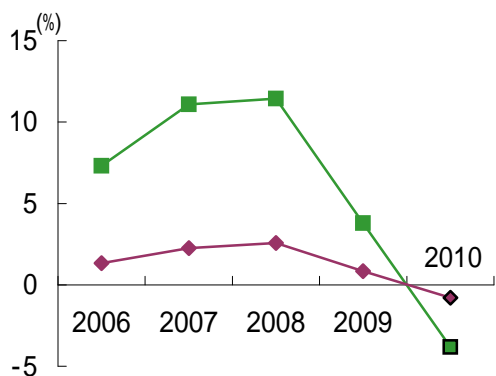
	2006	2007	2008	2009	2010
EPS	11.2	18.9	21.1	7.0	(6.5)
CFPS	32.0	38.2	43.5	33.6	24.3

Earnings per Share: Net Income/Average Number of Shares Outstanding.

Cash Flow per Share: (Net Income + Depreciation) / Average Number of Shares Outstanding.

## Return on Shareholders' Equity Return on Assets

Years ended March 31



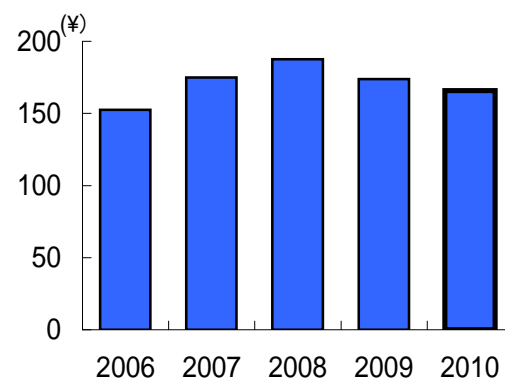
	2006	2007	2008	2009	2010
ROE	-	7.3	11.1	11.4	3.8
	-	-	-	-	(3.8)
ROA	-	1.3	2.3	2.6	0.8
	-	-	-	-	(0.8)

ROE: Net Income/Average Shareholders' Equity.

ROA: Net Income/Average Total Assets.

## Book Value per Share

As of March 31

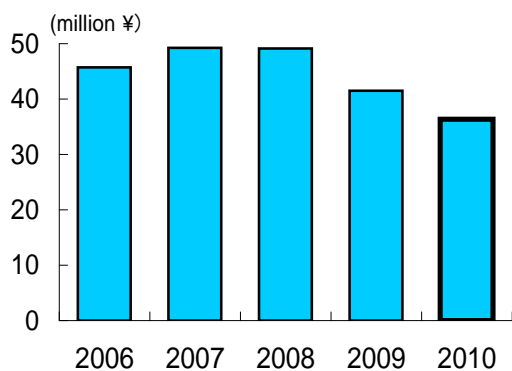


	2006	2007	2008	2009	2010
Book Value per Share	152.5	175.0	187.5	173.9	165.9

Book Value per Share: Total Shareholders' Equity/Number of Shares Outstanding.

## Net Sales per Employee

Years ended March 31

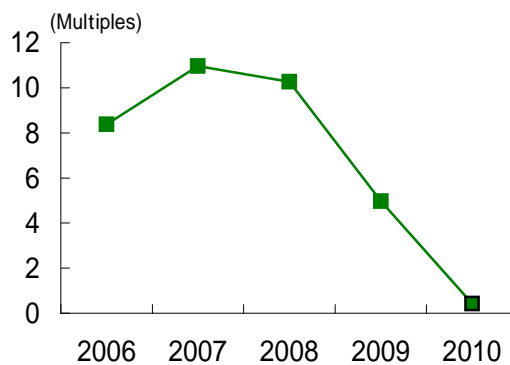


2006	2007	2008	2009	2010
45.73	49.25	49.11	41.49	36.33

Net Sales per Employee: Net Sales/Number of Employees.

## Interest Coverage

Years ended March 31

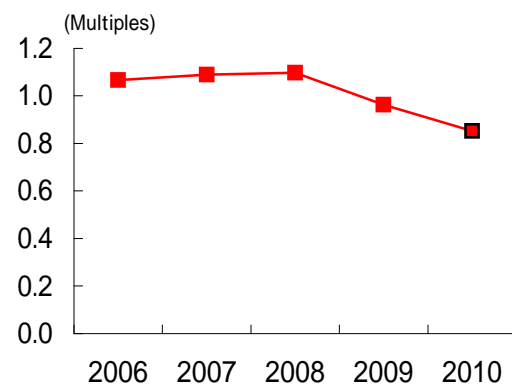


2006	2007	2008	2009	2010
8.37	10.97	10.27	4.97	0.43

Interest Coverage: (Operating Income + Interest and Dividend Income)/Interest Expense.

## Asset Turnover

Years ended March 31

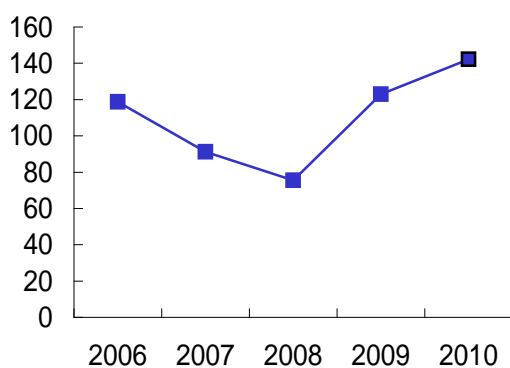


2006	2007	2008	2009	2010
1.07	1.09	1.10	0.96	0.85

Asset Turnover: Net Sales/Average Total Assets.

## Debt to Equity Ratio

Years ended March 31



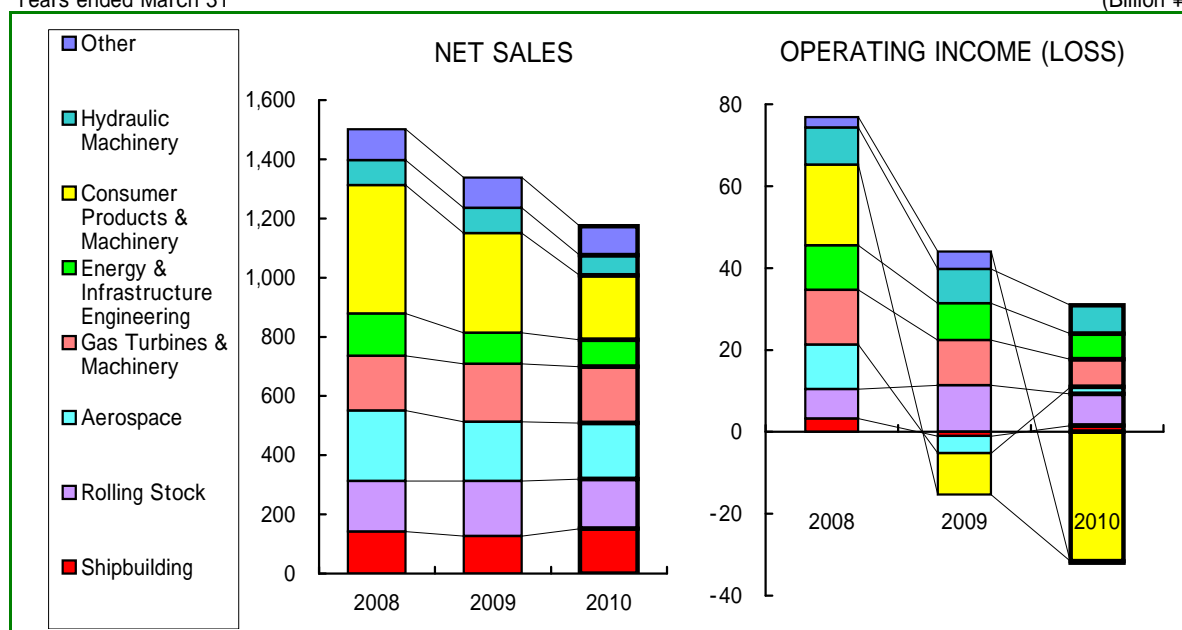
2006	2007	2008	2009	2010
119	91	76	123	142

Debt to Equity Ratio: (Interest Bearing Debt - Cash on Hand and in Banks) / Total Shareholders' Equity.

# SEGMENT INFORMATION

Years ended March 31

(Billion ¥)



## Net Sales

(Billion ¥)

	2008	2009	2010
Shipbuilding	141.4	126.4	151.8
Rolling Stock	171.7	186.5	167.1
Aerospace	237.3	200.4	188.8
Gas Turbines & Machinery	185.5	195.2	191.3
Energy & Infrastructure Engineering	142.5	105.2	90.4
Consumer Products & Machinery	434.0	336.5	216.9
Hydraulic Machinery	84.0	84.9	68.8
Other	104.6	103.6	97.8
<b>Total</b>	<b>1,501.1</b>	<b>1,338.6</b>	<b>1,173.4</b>

## Operating Income (Loss)

(Billion ¥)

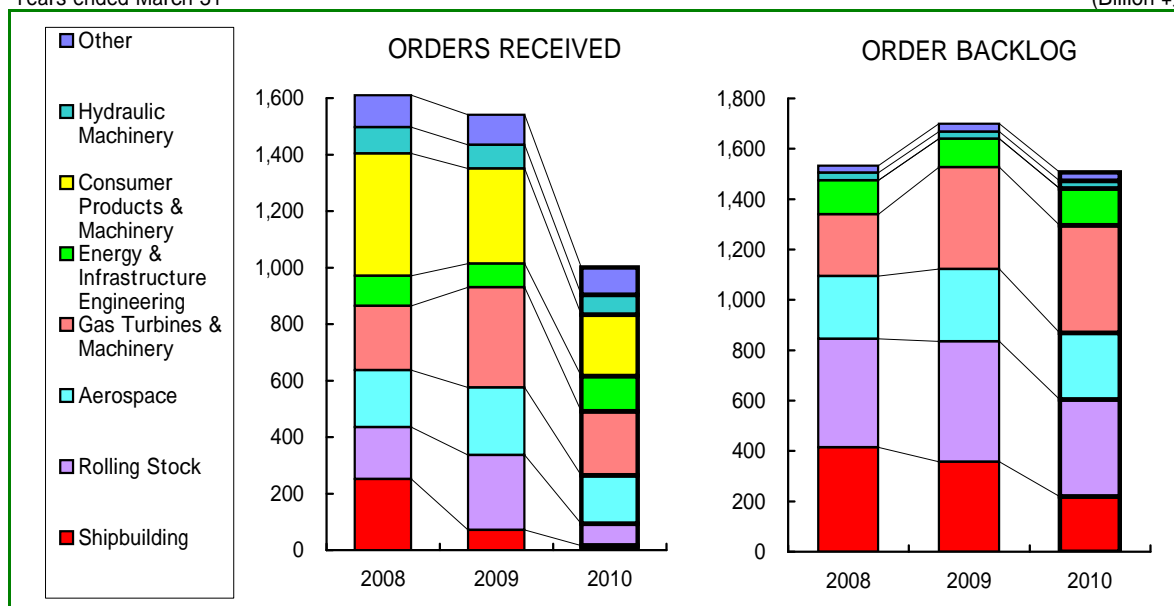
	2008	2009	2010
Shipbuilding	3.3	(1.0)	1.4
Rolling Stock	7.2	11.4	7.7
Aerospace	10.9	(4.2)	1.7
Gas Turbines & Machinery	13.4	11.0	6.6
Energy & Infrastructure Engineering	10.8	9.0	6.2
Consumer Products & Machinery	19.7	(10.1)	(31.6)
Hydraulic Machinery	9.1	8.4	6.9
Other	2.6	4.3	(0.4)
<b>Net Operating Income (Loss)</b>	<b>76.9</b>	<b>28.7</b>	<b>(1.3)</b>

## Ratio of Operating Income to Sales

	2008	2009	2010
Shipbuilding	2.3%	(0.8%)	1.0%
Rolling Stock	4.2%	6.1%	4.6%
Aerospace	4.6%	(2.1%)	0.9%
Gas Turbines & Machinery	7.2%	5.6%	3.5%
Energy & Infrastructure Engineering	7.6%	8.5%	6.9%
Consumer Products & Machinery	4.5%	(3.0%)	(14.6%)
Hydraulic Machinery	10.8%	9.9%	10.1%
Other	2.5%	4.1%	(0.4%)
<b>Total</b>	<b>5.1%</b>	<b>2.1%</b>	<b>(0.1%)</b>

Years ended March 31

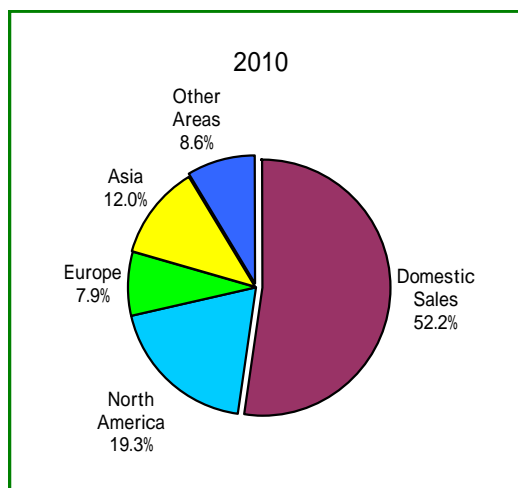
(Billion ¥)



	Orders Received			Order Backlog		
	2008	2009	2010	2008	2009	2010
Shipbuilding	251.3	71.5	16.1	414.2	356.9	218.1
Rolling Stock	183.3	264.6	77.1	431.4	478.6	385.6
Aerospace	202.5	239.2	171.3	248.3	286.6	264.7
Gas Turbines & Machinery	227.4	355.5	226.2	246.0	405.2	426.5
Energy & Infrastructure Engineering	106.0	83.6	124.7	135.3	112.2	146.5
Consumer Products & Machinery	434.0	336.5	216.9	0.0	0.0	0.0
Hydraulic Machinery	92.3	84.1	71.0	29.3	28.5	30.7
Other	113.9	105.5	97.5	29.2	31.2	34.6
<b>Total</b>	<b>1,610.8</b>	<b>1,540.6</b>	<b>1,001.2</b>	<b>1,533.7</b>	<b>1,699.2</b>	<b>1,507.0</b>

## OVERSEAS SALES

Years ended March 31



	2010	
	Million ¥	% against net sales
North America	226,859	19.3%
Europe	93,035	7.9%
Asia	141,577	12.0%
Other Areas	100,124	8.6%
<b>Total Overseas Sales</b>	<b>561,595</b>	<b>47.8%</b>
<b>Domestic Sales</b>	<b>611,878</b>	<b>52.2%</b>
<b>Net Sales</b>	<b>1,173,473</b>	<b>100.0%</b>

# Shipbuilding

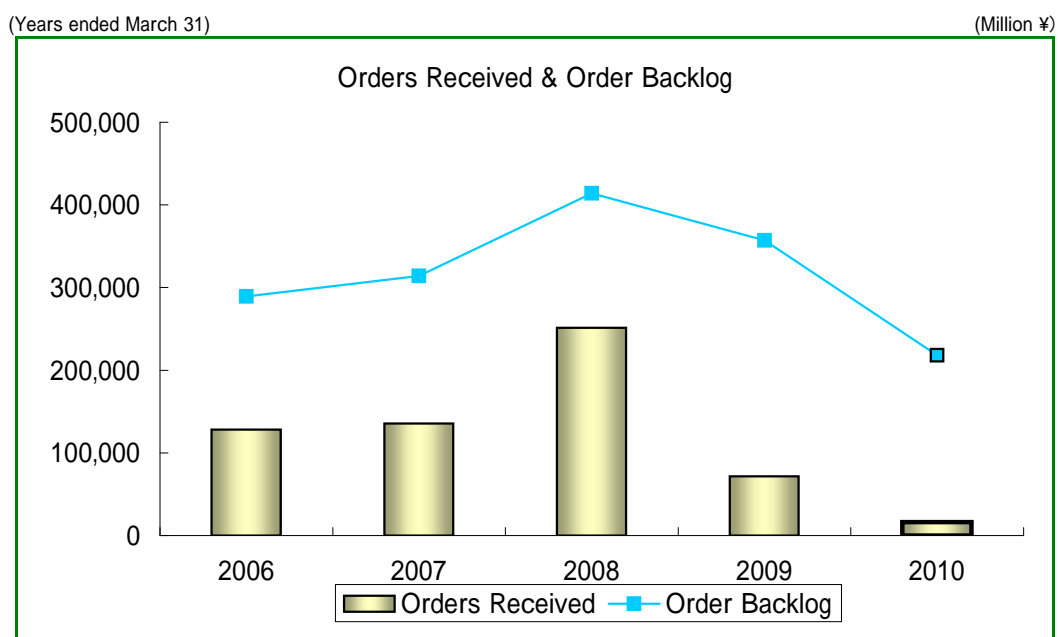
Main Products: LNG Carriers, LPG Carriers, VLCCs, Bulk Carriers, Submarines

(Years ended March 31) -Consolidated Basis-

(Million ¥)

	2006	2007	2008	2009	2010
Sales	109,697	108,849	141,397	126,426	151,893
Orders Received	128,323	135,600	251,331	71,513	16,128
Order Backlog	289,227	313,987	414,176	356,937	218,134

Note: Shipbuilding business in "Kawasaki Heavy Industries, Ltd. (KHI)" was partitioned off on 1st Oct. 2002 as a wholly owned subsidiary, i.e., "Kawasaki Shipbuilding Corporation (Kawasaki SC)".

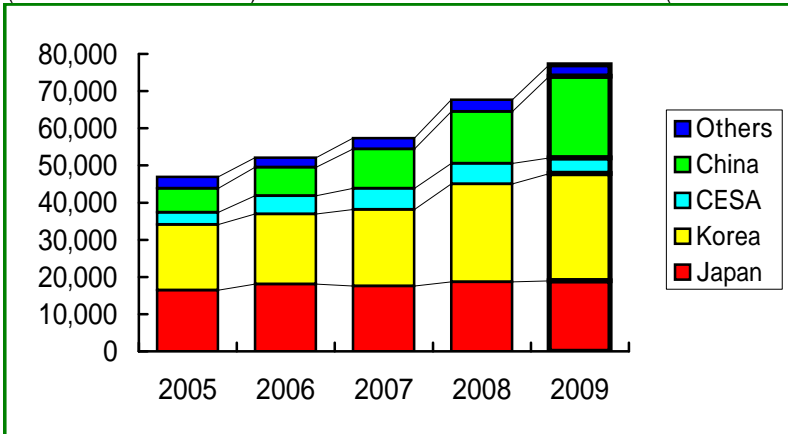




## Newly Constructed Ships World Market Volume

(Years ended December 31)

(Thousand GT)



(Thousand GT)

	2005	2006	2007	2008	2009
Japan	16,434	18,103	17,525	18,656	18,972
Korea	17,689	18,843	20,593	26,379	28,849
CESA a)	3,227	4,915	5,715	5,479	4,162
China	6,466	7,695	10,553	13,956	21,969
Others	3,153	2,531	2,934	3,220	3,120
<b>World Market Volume</b>	<b>46,969</b>	<b>52,087</b>	<b>57,320</b>	<b>67,690</b>	<b>77,072</b>

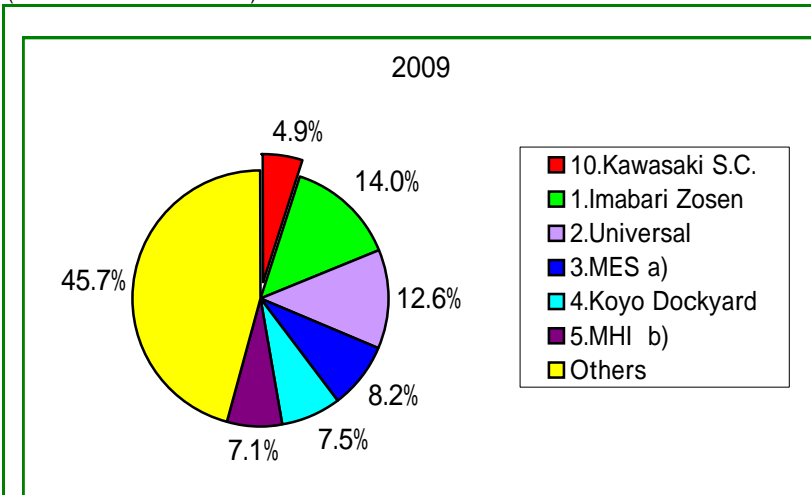
Notes: 1. Figures are on a ships volume completed (tonnage) basis for vessels of 100GT and above.

2. a)Community of European Shipyards' Associations

Source: IHS Fairplay "World Fleet Statistics"

## Newly Constructed Ships Domestic Share

(Years ended December 31)



Notes: 1. Figures are on a ships volume completed (tonnage) basis.

2. a) Mitsui Engineering & Shipbuilding.

b) Mitsubishi Heavy Industries.

Source: The Shipbuilders' Association of Japan

(%)

2005	
1.Imabari Zosen	14.5
2.Universal	13.6
3.MES a)	8.6
4.IHI Marine United	8.1
5.Tsuneishi	7.9
<b>8.Kawasaki S.C.</b>	<b>5.6</b>

2006	
1.Imabari Zosen	14.7
2.Universal	11.4
3.MES a)	9.3
4.MHI b)	9.2
5.Tsuneishi	8.8
<b>8.Kawasaki S.C.</b>	<b>6.2</b>

2007	
1.Imabari Zosen	14.9
2.Universal	13.2
3.Tsuneishi	8.8
4.MES a)	7.8
5.Oshima	7.4
<b>12.Kawasaki S.C.</b>	<b>3.6</b>

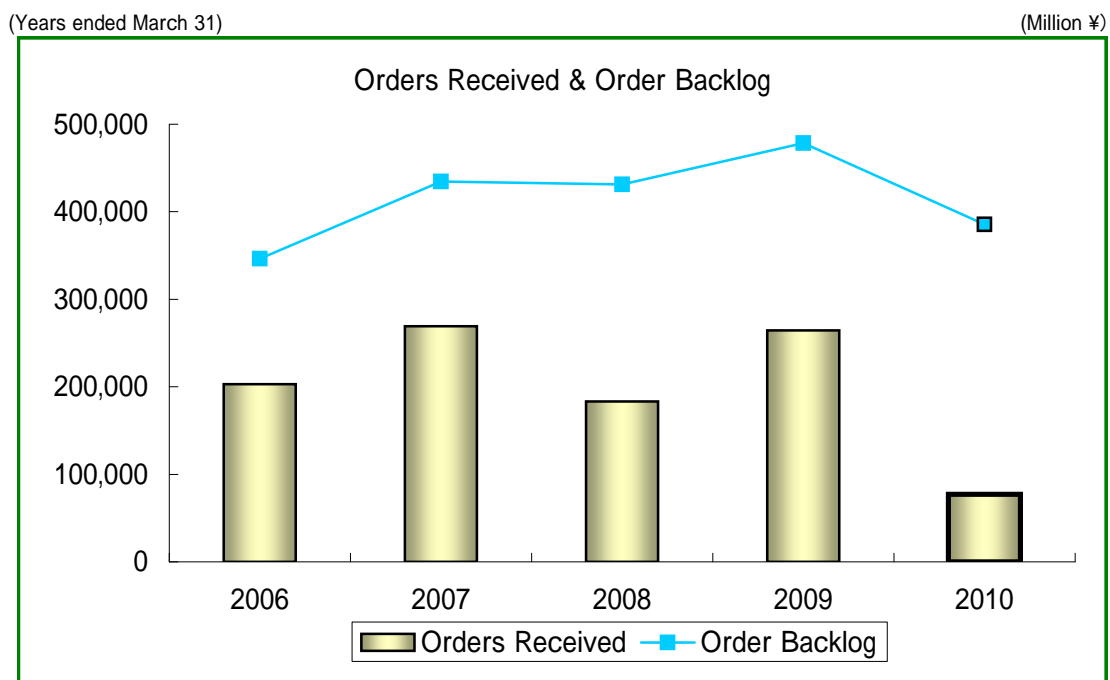
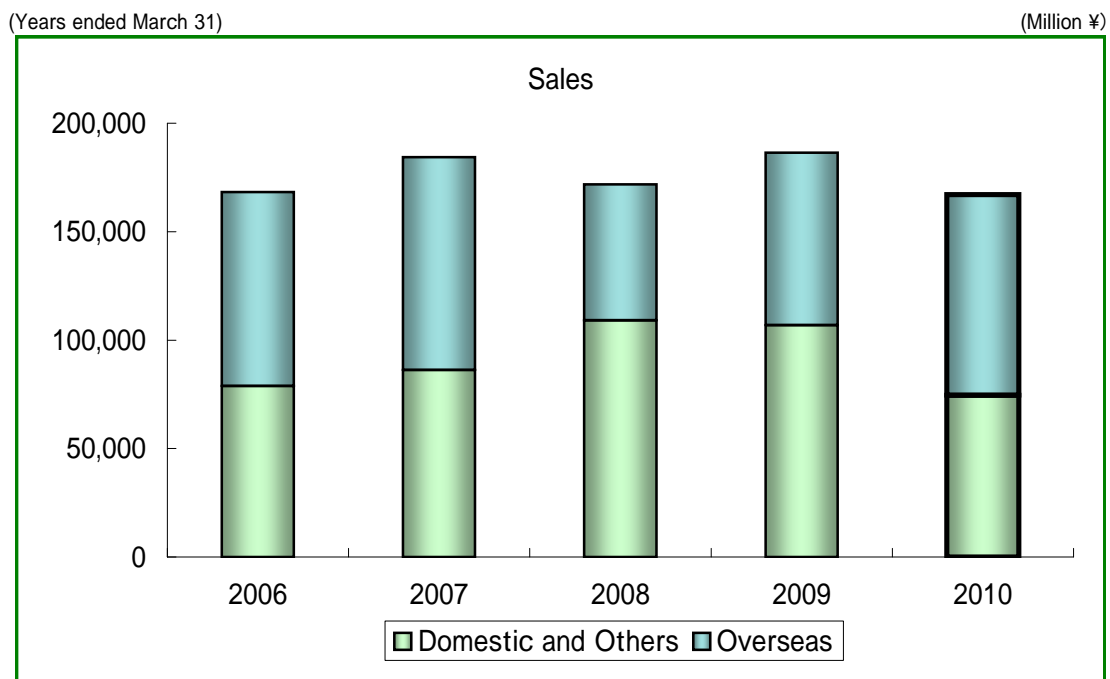
2008	
1.Imabari Zosen	13.6
2.Universal	12.8
3.MES a)	8.4
4.MHI b)	8.3
5.Oshima	7.4
<b>10.Kawasaki S.C.</b>	<b>4.9</b>

2009	
1.Imabari Zosen	14.0
2.Universal	12.6
3.MES a)	8.2
4.Koyo Dockyard	7.5
5.MHI b)	7.1
<b>10.Kawasaki S.C.</b>	<b>4.9</b>

# Rolling Stock

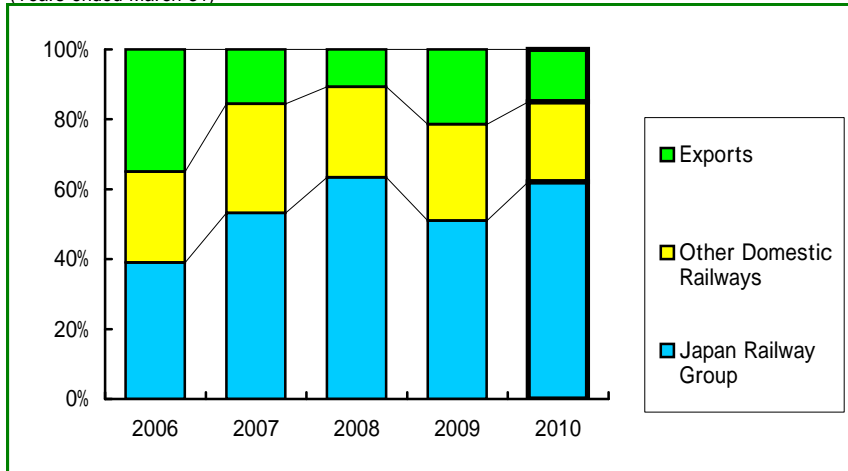
Main Products: Electric train cars(incl. Shinkansen), Electric and diesel locomotives, Passenger coaches, Monorail cars, Platform screen doors, Gigacell (High-Capacity, Full Sealed Ni-MH Battery), Crushing Machine

(Years ended March 31)-Consolidated Basis-					(Million ¥)
	2006	2007	2008	2009	2010
Sales	168,306	184,283	171,739	186,454	167,156
Orders Received	203,165	269,120	183,254	264,604	77,166
Order Backlog	346,310	434,419	431,377	478,566	385,655



### Japanese Rolling Stock Production by Demand Sector

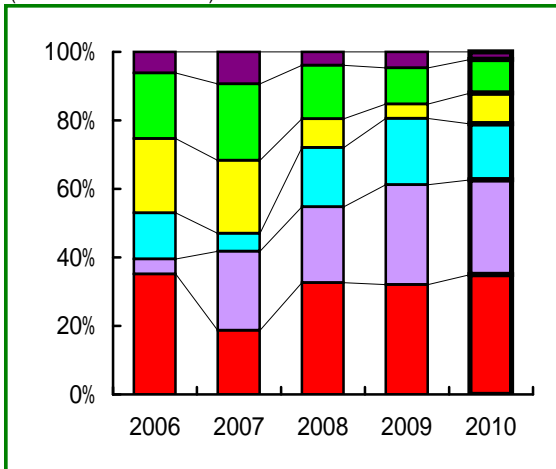
(Years ended March 31)



	2006	2007	2008	2009	2010
Japan Railway Group	39%	53%	63%	51%	62%
Other Domestic Railways	26%	31%	26%	28%	23%
Exports	35%	16%	11%	21%	15%
Total	100%	100%	100%	100%	100%

### Major Rolling Stock Suppliers to the Japan Railway Group

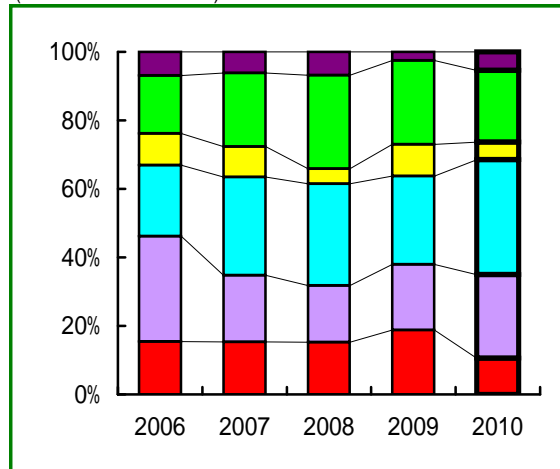
(Years ended March 31)



	2006	2007	2008	2009	2010
KHI	35.1%	18.7%	32.6%	32.0%	34.9%
Nippon Sharyo	4.4%	23.1%	22.2%	29.2%	27.6%
Hitachi	13.5%	5.2%	17.3%	19.3%	16.4%
Kinki Sharyo	21.7%	21.3%	8.4%	4.2%	9.0%
Tokyu Car	19.1%	22.4%	15.6%	10.6%	9.8%
Others	6.2%	9.3%	3.9%	4.7%	2.3%
Total	100%	100%	100%	100%	100%

### Major Rolling Stock Suppliers to Domestic Railways except JR Group

(Years ended March 31)



	2006	2007	2008	2009	2010
KHI	15.4%	15.3%	15.2%	18.8%	10.6%
Nippon Sharyo	30.8%	19.5%	16.5%	19.1%	24.4%
Hitachi	20.7%	28.7%	29.7%	25.8%	33.5%
Kinki Sharyo	9.3%	8.9%	4.5%	9.3%	5.1%
Tokyu Car	16.9%	21.5%	27.3%	24.5%	21.0%
Others	6.9%	6.2%	6.8%	2.5%	5.4%
Total	100%	100%	100%	100%	100%

Note: For the purpose of comparing corporate market shares, rail car procurement volume has been converted into standardized numerical values based on the type of car (i.e., conventional passenger cars, freight cars, Shinkansen cars and locomotives).

Source: Japan Association of Rolling Stock Industries.

# Aerospace

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

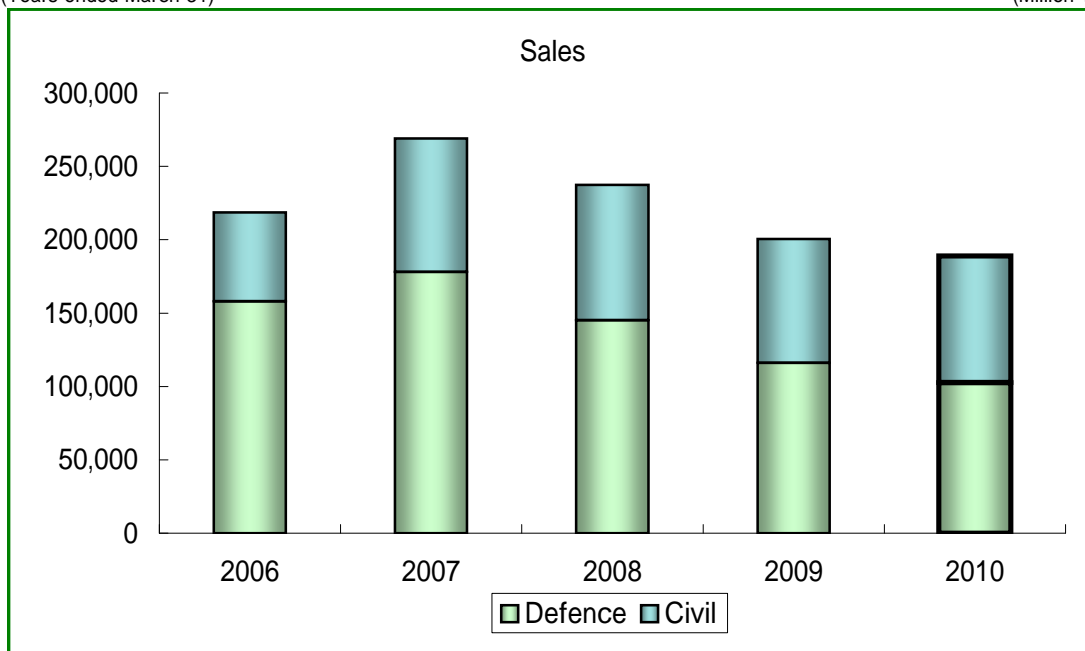
(Years ended March 31) - Consolidated Basis -

(Million ¥)

	2006	2007	2008	2009	2010
Sales	218,533	269,108	237,349	200,425	188,892
Orders Received	229,257	255,613	202,506	239,177	171,380
Order Backlog	301,599	286,699	248,332	286,601	264,788

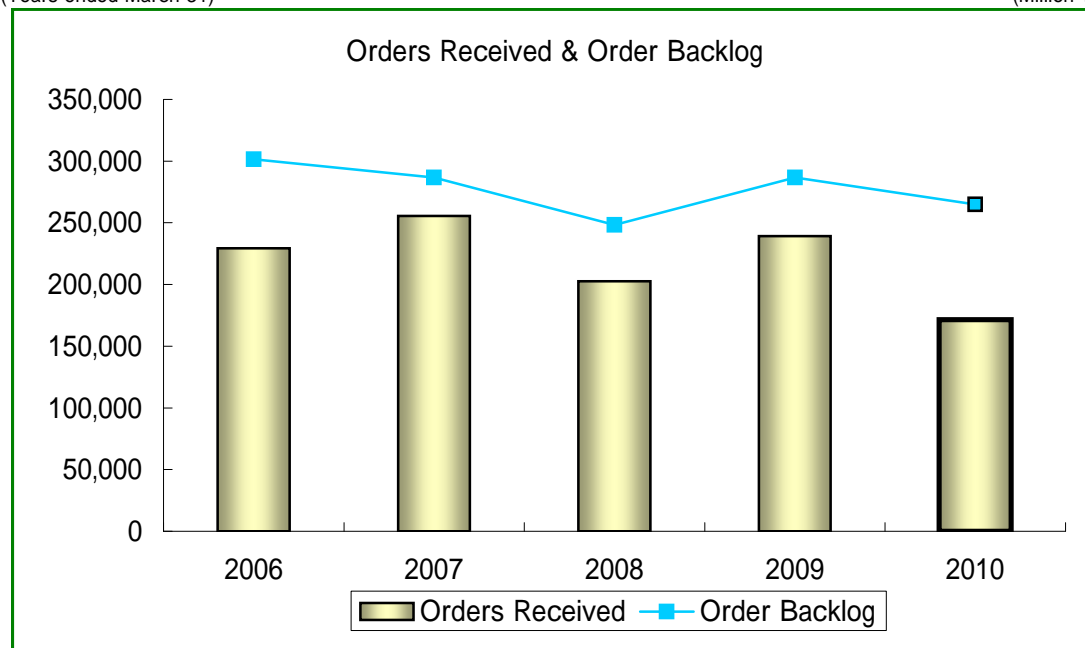
(Years ended March 31)

(Million ¥)



(Years ended March 31)

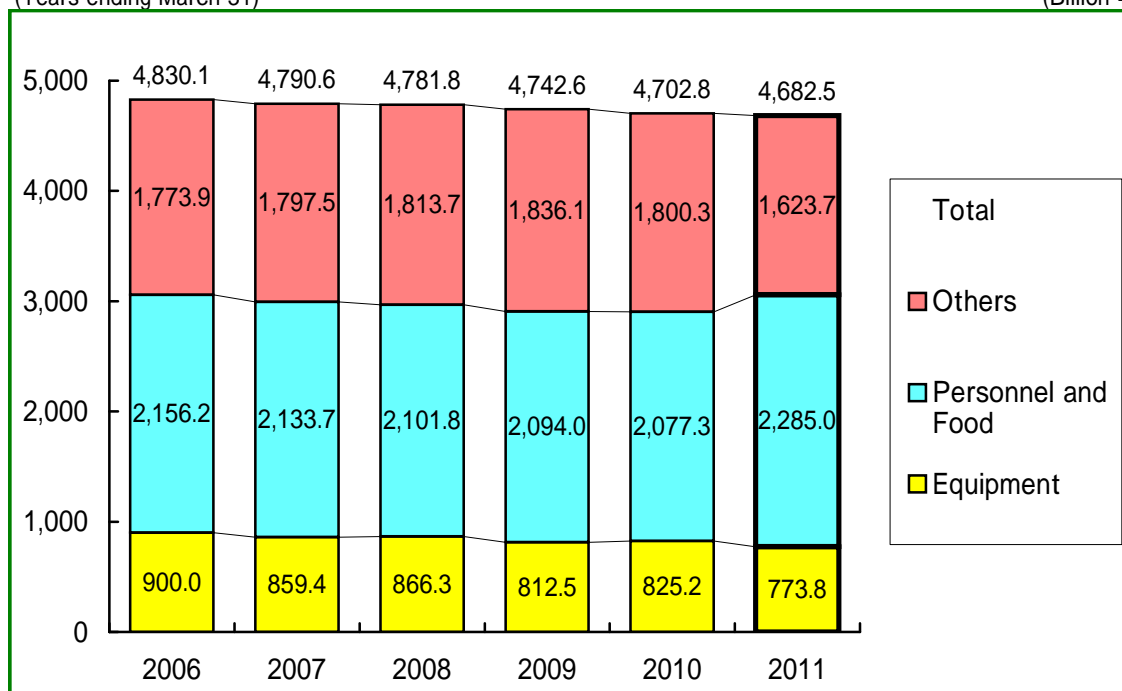
(Million ¥)



### Japan's Defense Budget (Initial Budget Base)

(Years ending March 31)

(Billion ¥)



Source: Japan Defense Agency.

### Major Suppliers to the Japan Defense Agency

(Years ended March 31)

2005			2006			2007		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI a)	270.6	20.7	1. MHI a)	241.7	17.6	1. MHI a)	277.6	21.0
2. KHI	142.9	10.9	2. KHI	129.7	9.4	2. KHI	130.6	9.9
3. Mitsubishi Electric	103.2	7.9	3. Mitsubishi Electric	114.2	8.3	3. Mitsubishi Electric	117.7	8.9
4. NEC	90.6	6.9	4. NEC	107.8	7.8	4. NEC	83.1	6.3
5. IHI	49.3	3.8	5. Toshiba	49.5	3.6	5. IHIMU b)	44.6	3.4

2008			2009			2010		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI a)	327.5	25.1	1. MHI a)	314.0	22.7	1. MHI a)	262.9	20.8
2. Mitsubishi Electric	96.1	7.4	2. Mitsubishi Electric	155.6	11.3	2. Mitsubishi Electric	182.7	14.5
3. NEC	71.7	5.5	3. KHI	153.0	11.1	3. KHI	104.3	8.3
4. KHI	66.8	5.1	4. NEC	98.2	7.1	4. NEC	72.2	5.7
5. Toshiba	57.0	4.4	5. Fujitsu	44.3	3.2	5. Fujitsu	49.5	3.9

Notes: a) Mitsubishi Heavy Industries.

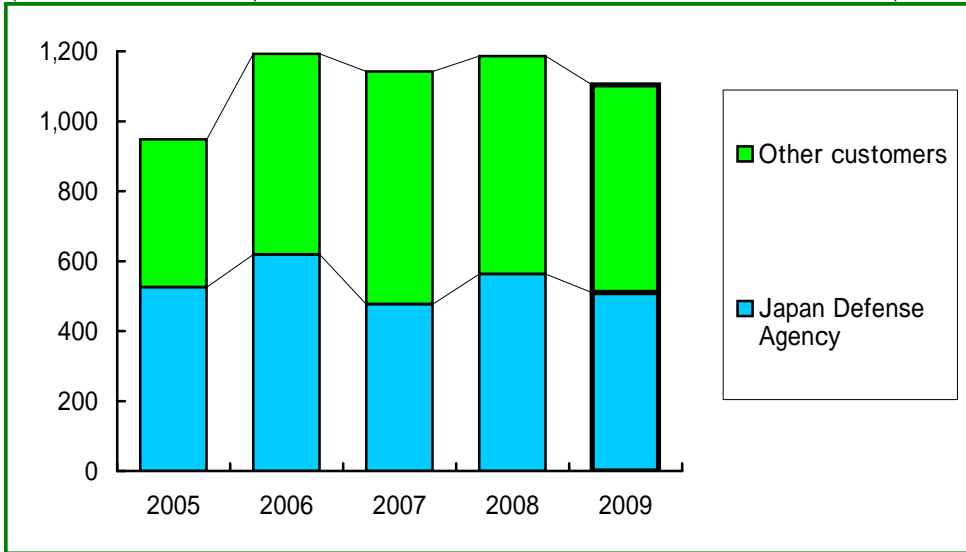
b) IHI Marine United.

Source: Japan Defense Agency.

### Japanese Aircraft Production by Demand Sector

(Years ended December 31)

(Billion ¥)



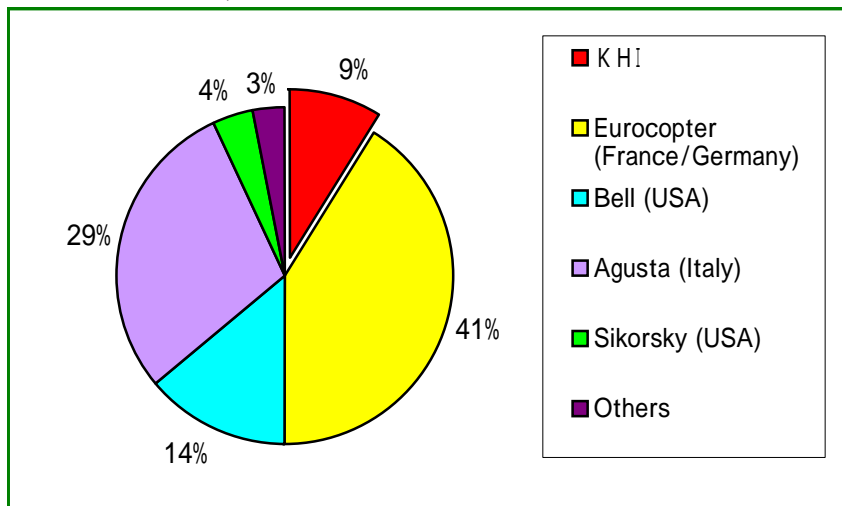
(Million ¥)

	2005	2006	2007	2008	2009
Japan Defense Agency	524,697	619,308	477,103	563,416	509,751
Other customers	423,356	574,178	664,827	622,913	593,912
<b>Total</b>	<b>948,053</b>	<b>1,193,486</b>	<b>1,141,930</b>	<b>1,186,329</b>	<b>1,103,663</b>

Source: The Society of Japanese Aerospace Companies

### Helicopters Domestic Share for Civilian Use (The average of 2005-2009)

(Years ended December 31)



KHI	9%
Eurocopter (France/Germany)	41%
Bell (USA)	14%
Agusta (Italy)	29%
Sikorsky (USA)	4%
Others	3%
<b>Total</b>	<b>100%</b>

Note: Figures are calculated on the basis of the enrollment number of double-turbine helicopters.

Source: Japan Aeronautical Engineers' Association

## Gas Turbines & Machinery

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

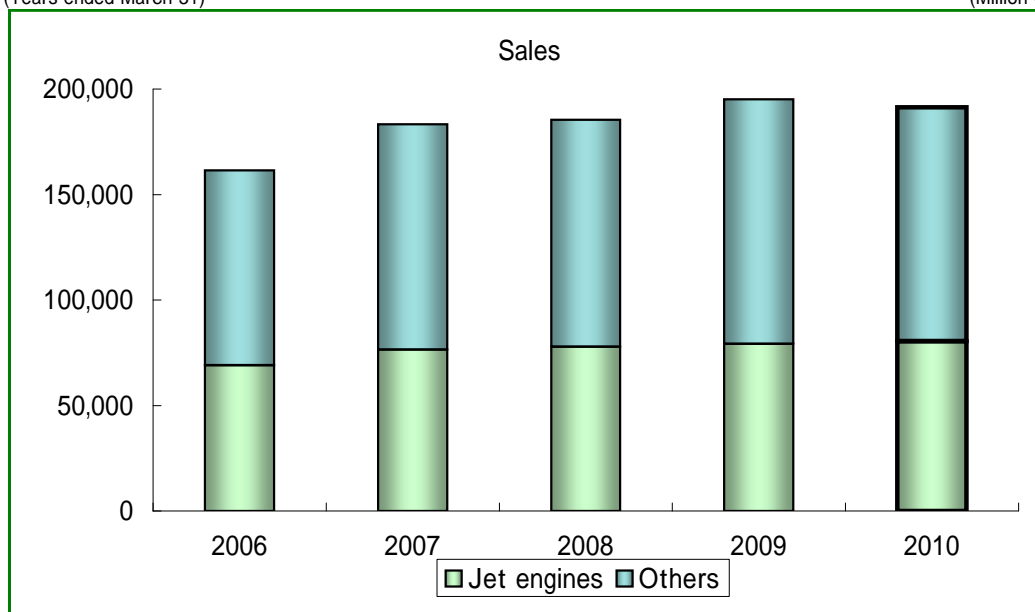
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	2006	2007	2008	2009	2010
Sales	161,431	183,309	185,486	195,156	191,379
Orders Received	188,068	204,847	227,422	355,517	226,228
Order Backlog	195,108	216,886	245,962	405,196	426,506

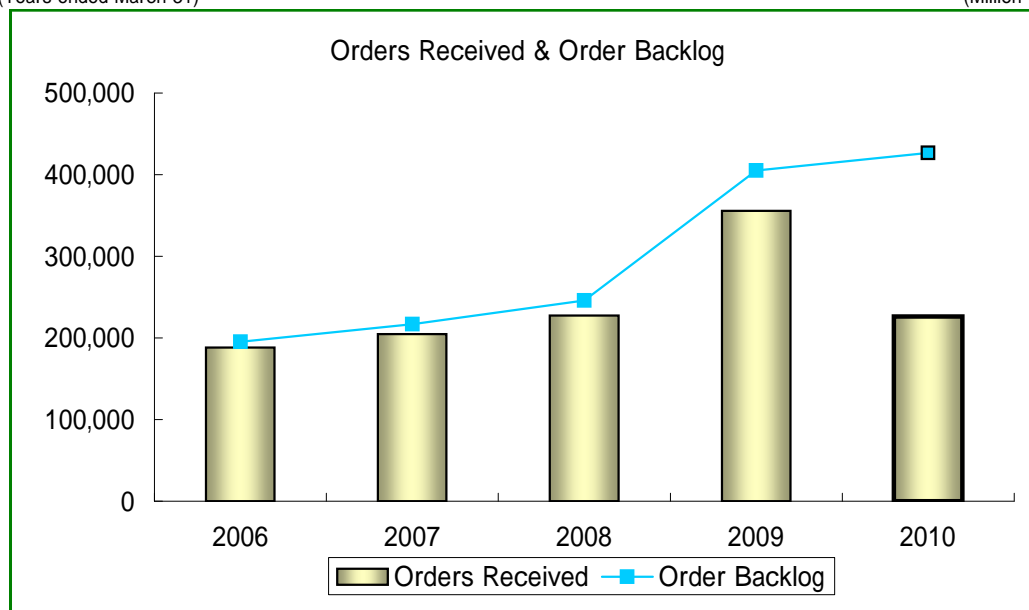
(Years ended March 31)

(Million ¥)



(Years ended March 31)

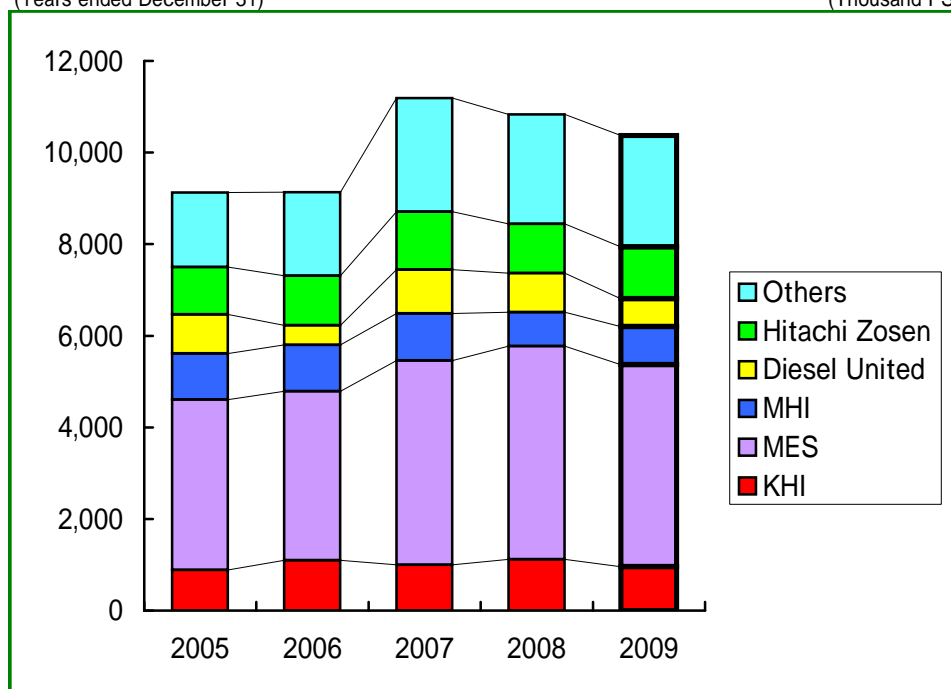
(Million ¥)



## Diesel Engines Domestic Production

(Years ended December 31)

(Thousand PS)



(Thousand PS)

	2005	2006	2007	2008	2009
KHI	891	1,095	1,001	1,121	954
MES a)	3,712	3,693	4,459	4,650	4,414
MHI b)	1,010	1,012	1,027	742	829
Diesel United	851	428	954	852	612
Hitachi Zosen	1,034	1,085	1,264	1,079	1,130
Others	1,628	1,824	2,486	2,388	2,436
<b>Total</b>	<b>9,126</b>	<b>9,137</b>	<b>11,191</b>	<b>10,832</b>	<b>10,375</b>

Notes: 1. Figures are shown on the basis of horse power (PS).

2. a) Mitsui Engineering & Shipbuilding.

b) Mitsubishi Heavy Industries.

Source: KP Data.

## Diesel Engines Domestic Share

(Years ended December 31)

	2005	2006	2007	2008	2009
KHI	9.8%	12.0%	8.9%	10.3%	9.2%
MES	40.7%	40.4%	39.8%	42.9%	42.5%
MHI	11.1%	11.1%	9.2%	6.9%	8.0%
Diesel United	9.3%	4.7%	8.5%	7.9%	5.9%
Hitachi Zosen	11.3%	11.9%	11.3%	10.0%	10.9%
Others	17.8%	19.9%	22.3%	22.0%	23.5%

Note: Figures are shown on the basis of horse power (PS).

Source: KP Data.

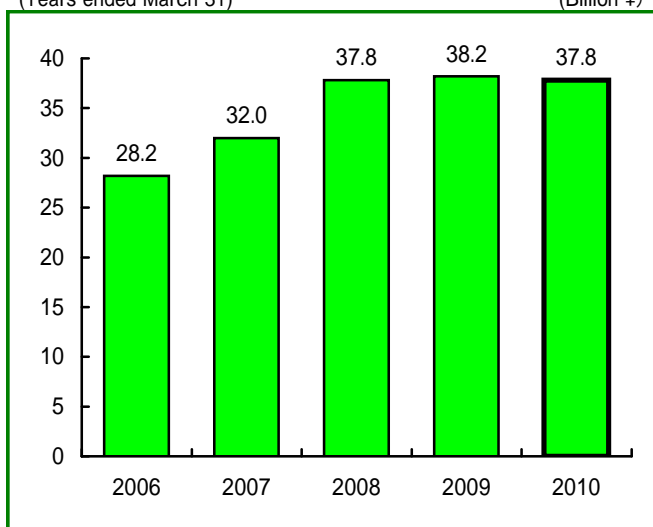


## Gas Turbine Generator Sales

- Consolidated Basis -

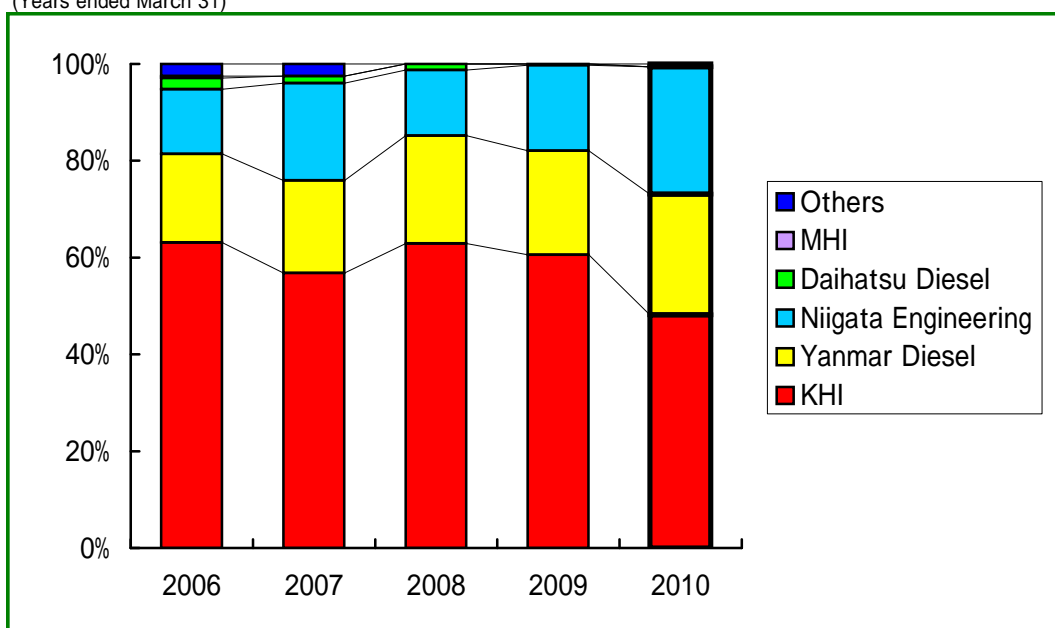
(Years ended March 31)

(Billion ¥)



## Gas Turbine Generators Domestic Share

(Years ended March 31)



	2006	2007	2008	2009	2010
KHI	63.1%	56.8%	62.9%	60.6%	48.2%
Yanmar Diesel	18.3%	19.1%	22.3%	21.4%	24.9%
Niigata Engineering	13.4%	20.1%	13.6%	17.7%	26.4%
Daihatsu Diesel	2.3%	1.5%	1.2%	0.3%	0.0%
MHI a)	0.4%	0.0%	0.0%	0.0%	0.0%
Others	2.5%	2.5%	0.0%	0.0%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Notes: 1. Figures represent sales for medium- and small-sized gas turbine generators (up to 2,000kW).

2. a) Mitsubishi Heavy Industries.

Source: *Denki Nichinichi Shimbun*, "Ranking Series".

## Energy & Infrastructure Engineering

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

(Years ended March 31)-Consolidated Basis-

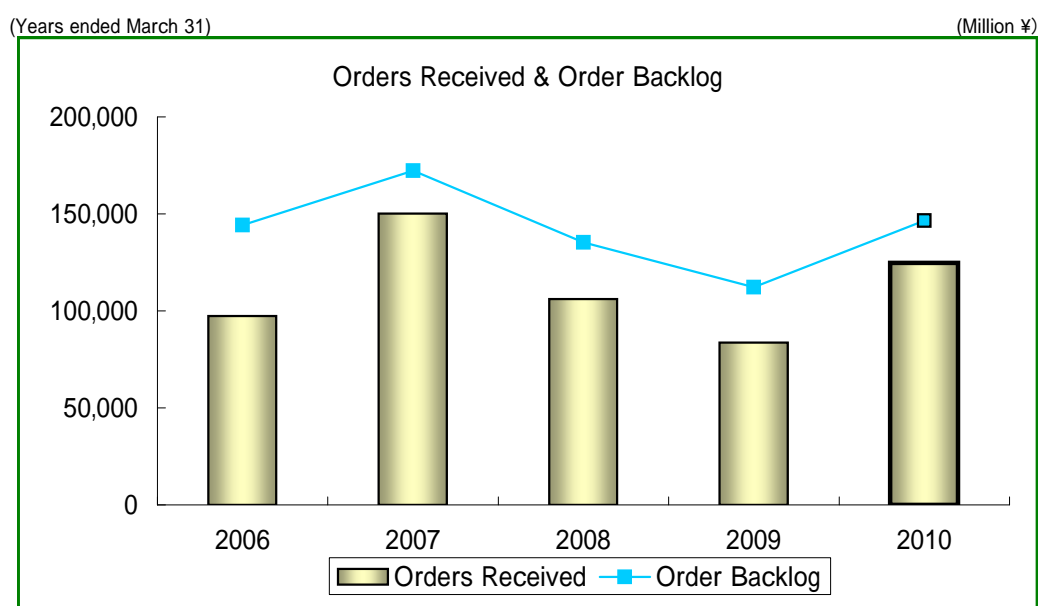
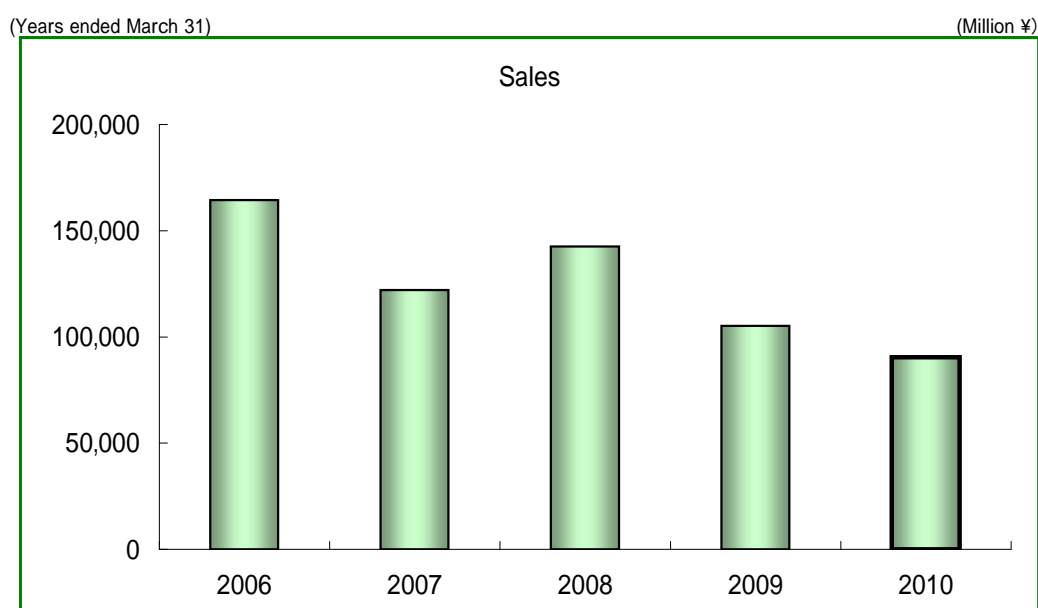
(Million ¥)

	2006	2007	2008	2009	2010
Sales	164,506	122,062	142,547	105,178	90,495
Orders Received	97,332	150,221	106,046	83,649	124,767
Order Backlog	144,147	172,255	135,288	112,163	146,565

Note: Environmental engineering business unit in the Energy & Environmental Engineering segment of "Kawasaki Heavy Industries, Ltd.

(KHI)" was separated from KHI in Oct. 2006, as a wholly owned subsidiary, i.e., "Kawasaki Environmental Engineering, Ltd.(KEE)".

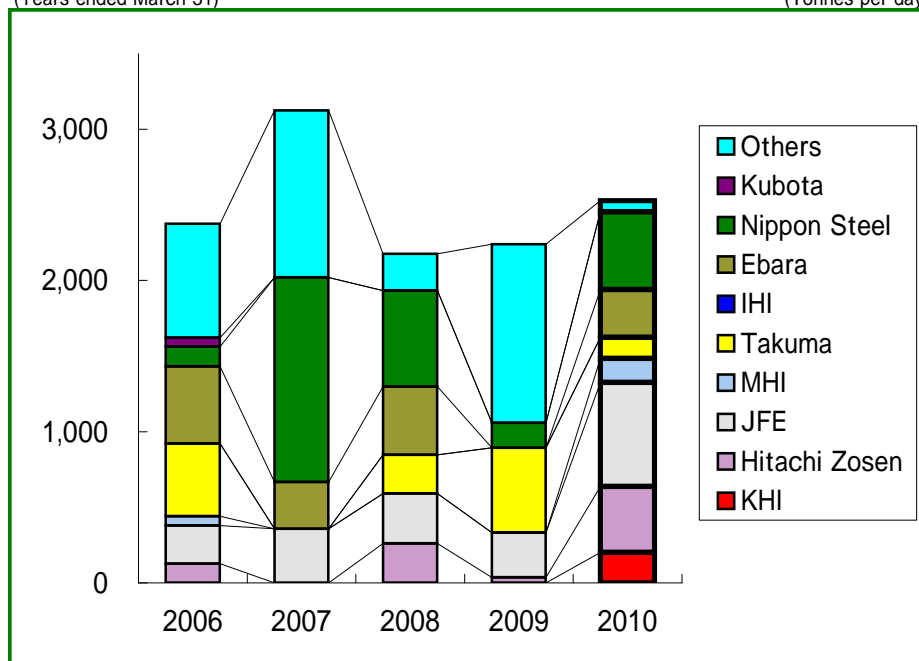
The merger of KEE and Kawasaki Plant Systems, Ltd.(K Plant) in Apr. 2007 created the new K Plant.



## Refuse Incineration Plants Domestic Market Volume

(Years ended March 31)

(Tonnes per day)



	(Tonnes per day)				
	2006	2007	2008	2009	2010
KHI	0	0	0	0	202
Hitachi Zosen	128	0	260	36	435
JFE a)	250	358	330	297	688
MHI b)	62	0	0	0	160
Takuma	480	0	258	560	139
IHI c)	0	0	0	0	0
Ebara	511	309	450	0	315
Nippon Steel	132	1,352	635	165	515
Kubota	58	0	0	0	0
Others	755	1,106	244	1,182	74
<b>Total Market Volume</b>	<b>2,376</b>	<b>3,125</b>	<b>2,177</b>	<b>2,240</b>	<b>2,528</b>

Notes: 1. Figures represent tonnes of processing capacity per day for ordered units.

2. a) JFE Engineering Corporation. (Until 2003, "NKK")

b) Mitsubishi Heavy Industries.

c) IHI Corporation. (Until 2006, "Ishikawajima-Harima Heavy Industries")

Source: Company's estimates.

## Refuse Incineration Plants Domestic Share

(Years ended March 31)

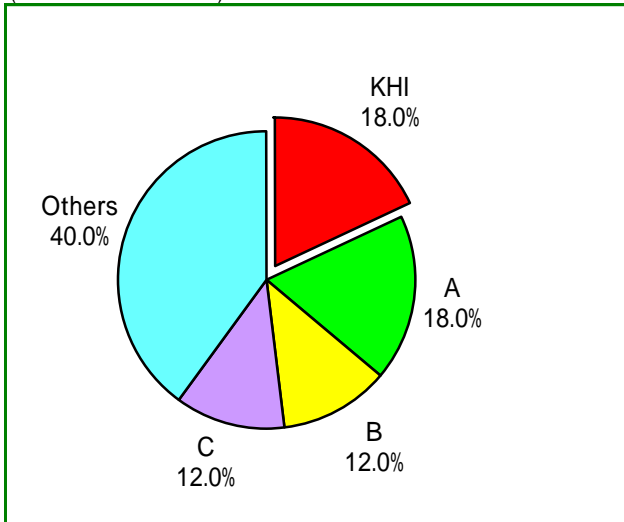
	2006	2007	2008	2009	2010
KHI	0.0%	0.0%	0.0%	0.0%	8.0%
Hitachi Zosen	5.4%	0.0%	11.9%	1.6%	17.2%
JFE	10.5%	11.5%	15.2%	13.3%	27.2%
MHI	2.6%	0.0%	0.0%	0.0%	6.3%
Takuma	20.2%	0.0%	11.9%	25.0%	5.5%
IHI	0.0%	0.0%	0.0%	0.0%	0.0%
Ebara	21.5%	9.9%	20.7%	0.0%	12.5%
Nippon Steel	5.6%	43.3%	29.2%	7.4%	20.4%
Kubota	2.4%	0.0%	0.0%	0.0%	0.0%
Others	31.8%	35.3%	11.1%	52.7%	2.9%

Note: Figures are calculated on the basis of tonnes of processing capacity per day for ordered units.

Source: Company's estimates.

**Shield Machines and Tunnel Boring Machines  
- Large-Diameter Model  
Domestic Share (2006-2010 Total)**

(Years ended March 31)



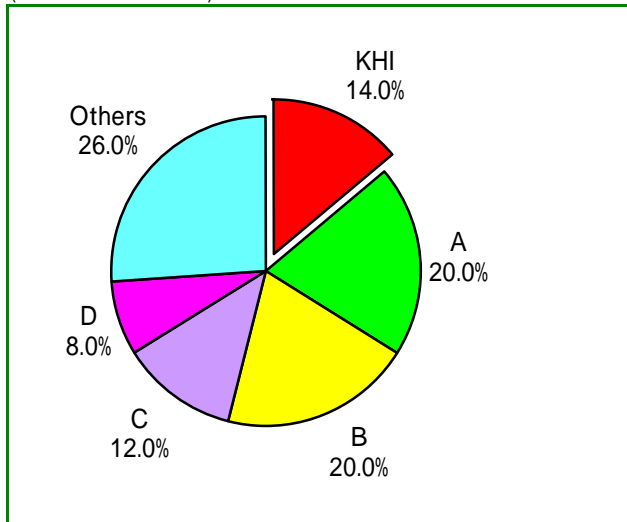
Notes: 1. Segments A, B and C represent the shares of the three other major companies in this market.

2. Figures are shown on a sales amount basis.

Source: Company's estimates.

**Shield Machines and Tunnel Boring Machines  
Domestic Share (2010)**

(Year ended March 31)



Notes: 1. Segments A, B, C and D represent the shares of the four other major companies in this market.

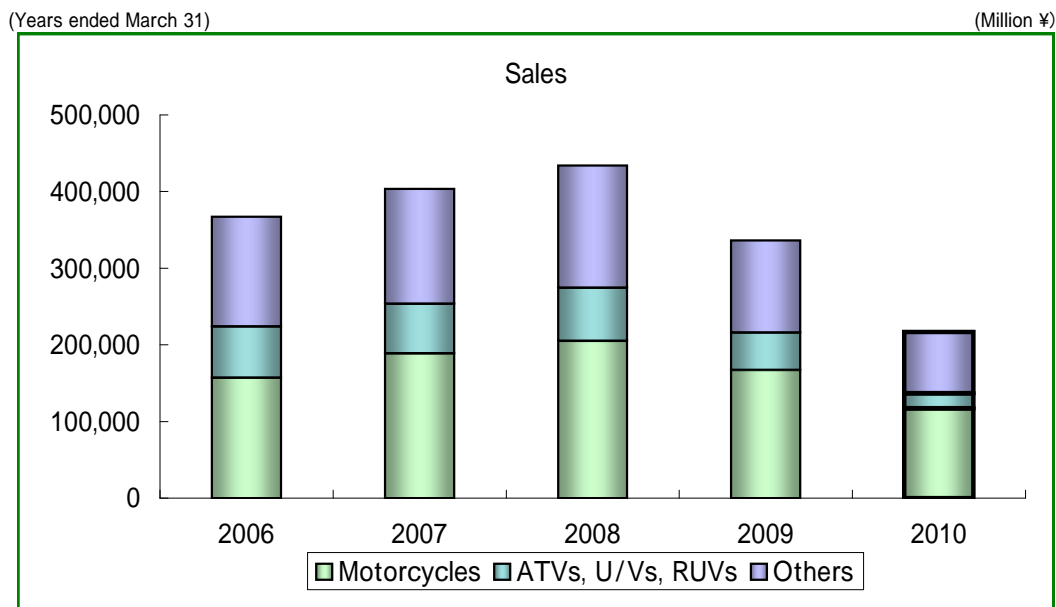
2. Figures are shown on a sales amount basis.

Source: Company's estimates.

## Consumer Products & Machinery

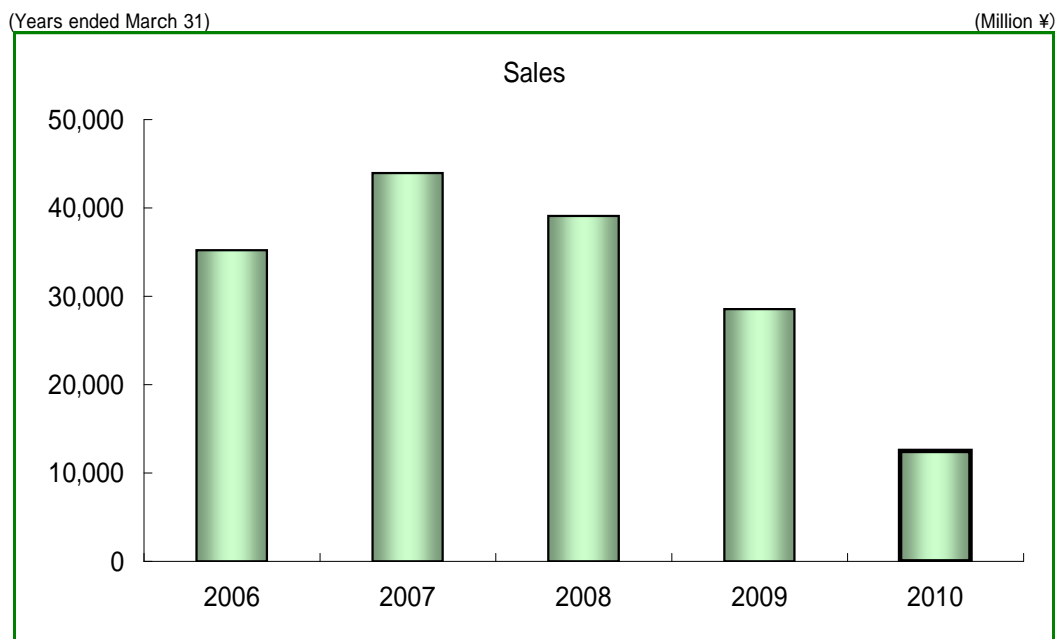
Main Products: Motorcycles, All-Terrain Vehicles(ATVs), Utility Vehicles, Personal Watercraft, General-Purpose Gasoline Engines, Industrial Robots

(Years ended March 31)-Consolidated Basis-					(Million ¥)
	2006	2007	2008	2009	2010
Sales	366,960	403,702	433,963	336,459	216,990



## Industrial Robot Sales

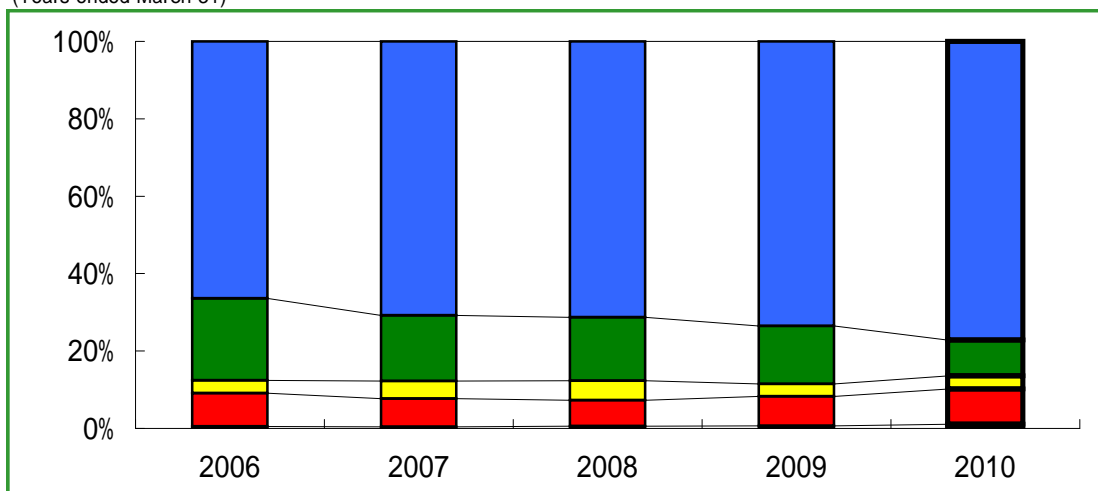
(Years ended March 31)-Parent Only-					(Million ¥)
	2006	2007	2008	2009	2010
Sales	35,232	43,936	39,098	28,533	12,487



## Composites of Consumer Product Sales

-Parent Only-

(Years ended March 31)



	2006	2007	2008	2009	2010
Motorcycles	66.4%	70.8%	71.3%	73.6%	77.1%
ATVs, U/Vs, RUVs	21.2%	16.9%	16.4%	14.9%	9.3%
Personal Watercraft	3.3%	4.6%	5.0%	3.2%	3.3%
Gasoline Engines	8.6%	7.3%	6.8%	7.6%	9.1%
Automobile Transmissions	0.5%	0.4%	0.5%	0.7%	1.1%

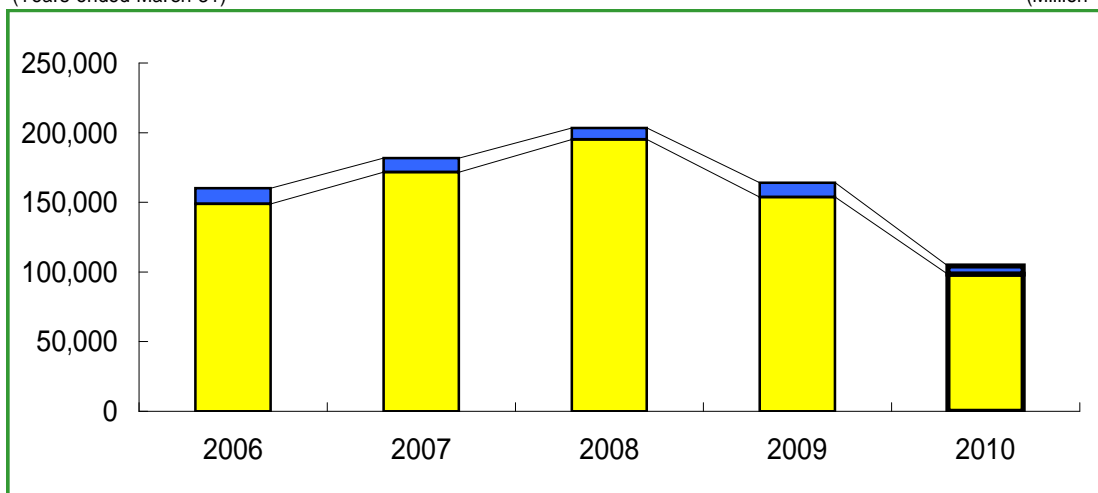
ATVs: All-Terrain Vehicles U/Vs: Utility Vehicles RUVs: Recreation Utility Vehicles

## Motorcycle Sales

-Parent Only-

(Years ended March 31)

(Million ¥)

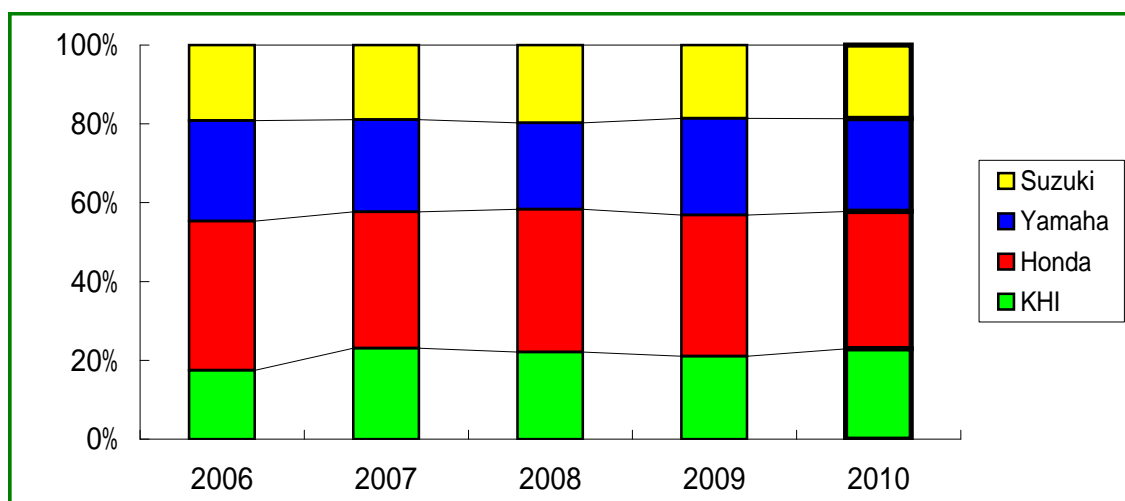


(Million ¥)

	2006	2007	2008	2009	2010
Domestic Sales	11,241	10,040	8,421	10,323	5,959
Export Sales	148,937	171,755	195,017	153,674	98,273
<b>Total Motorcycle Sales</b>	<b>160,178</b>	<b>181,795</b>	<b>203,438</b>	<b>163,997</b>	<b>104,232</b>

Note: Including sales of spare parts.

### Motorcycle Sales Domestic Share



(Years ended March 31)

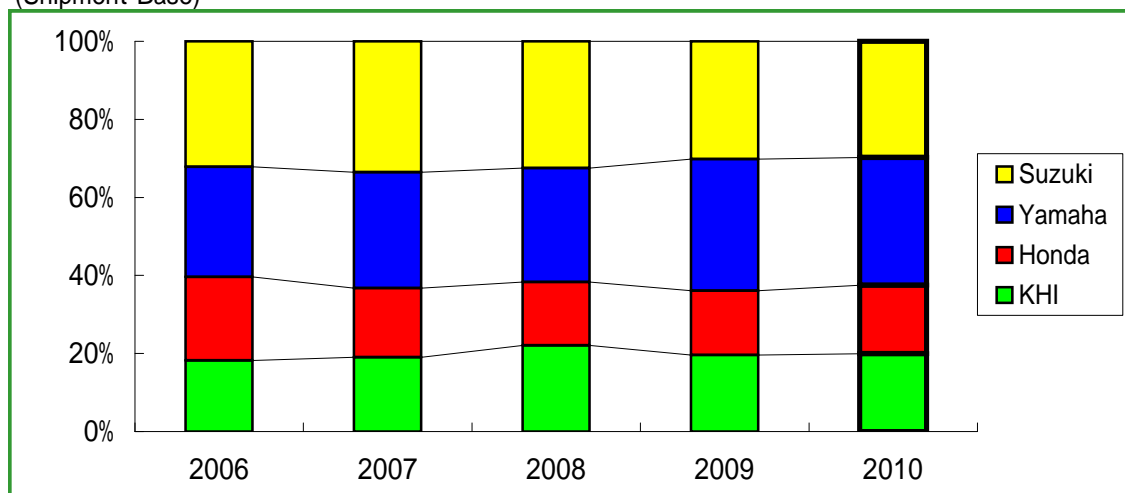
	2006	2007	2008	2009	2010
KHI	17.5%	23.1%	22.1%	21.0%	22.9%
Honda Motor	37.8%	34.6%	36.2%	35.9%	34.9%
Yamaha Motor	25.5%	23.4%	21.9%	24.5%	23.5%
Suzuki Motor	19.2%	18.9%	19.8%	18.6%	18.7%

Note: Engine displacement of more than 251cc.

Source: Japan Automobile Manufacturers Association Inc.

### Motorcycle Sales Export Share

(Shipment Base)



(Years ended March 31)

	2006	2007	2008	2009	2010
KHI	18.2%	19.0%	22.1%	19.6%	20.0%
Honda Motor	21.4%	17.7%	16.2%	16.5%	17.5%
Yamaha Motor	28.2%	29.8%	29.2%	33.7%	32.7%
Suzuki Motor	32.1%	33.5%	32.5%	30.2%	29.8%

Note: Engine displacement of more than 251cc.

Source: Japan Automobile Manufacturers Association Inc.

# Hydraulic Machinery

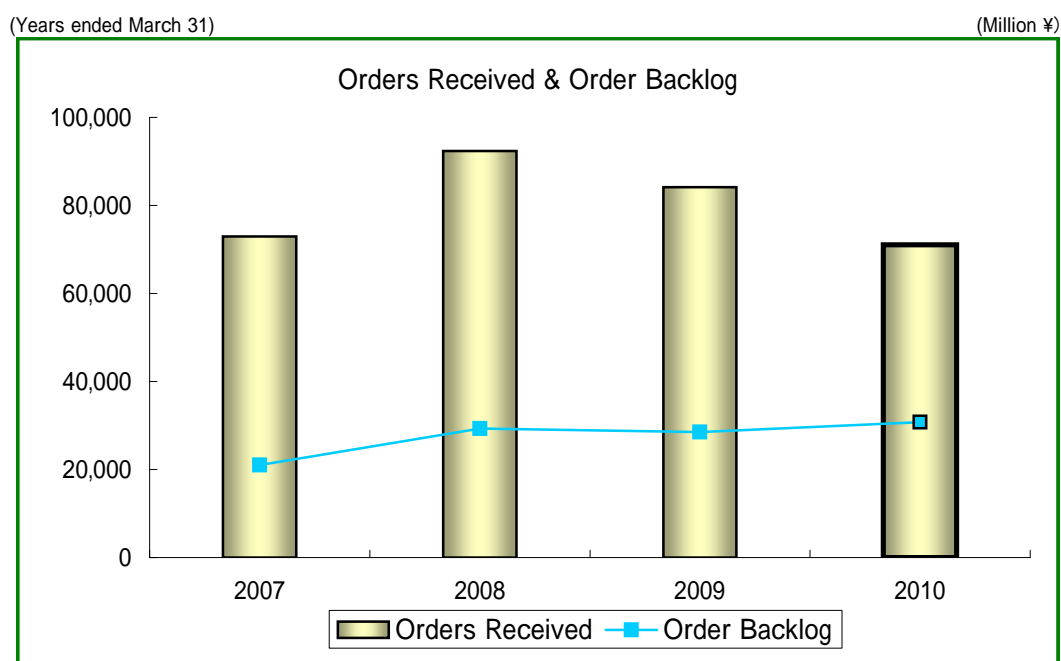
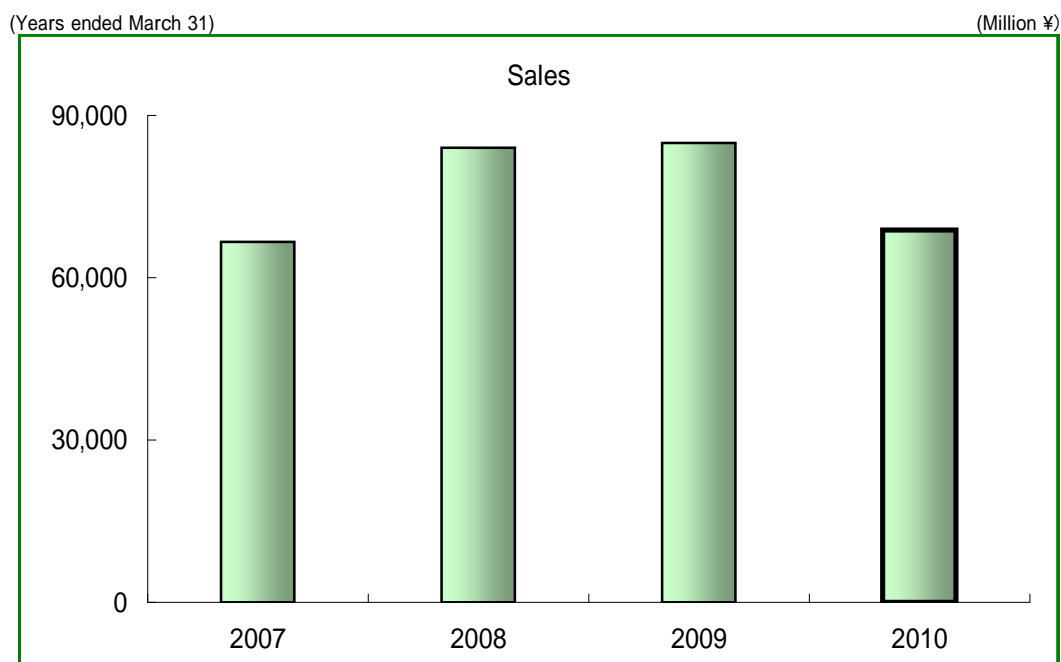
Main Products : Hydraulic components (pumps, motors & valves), Hydraulic systems for industrial use, Hydraulic marine machinery

(Years ended March 31) -Consolidated Basis-

(Million ¥)

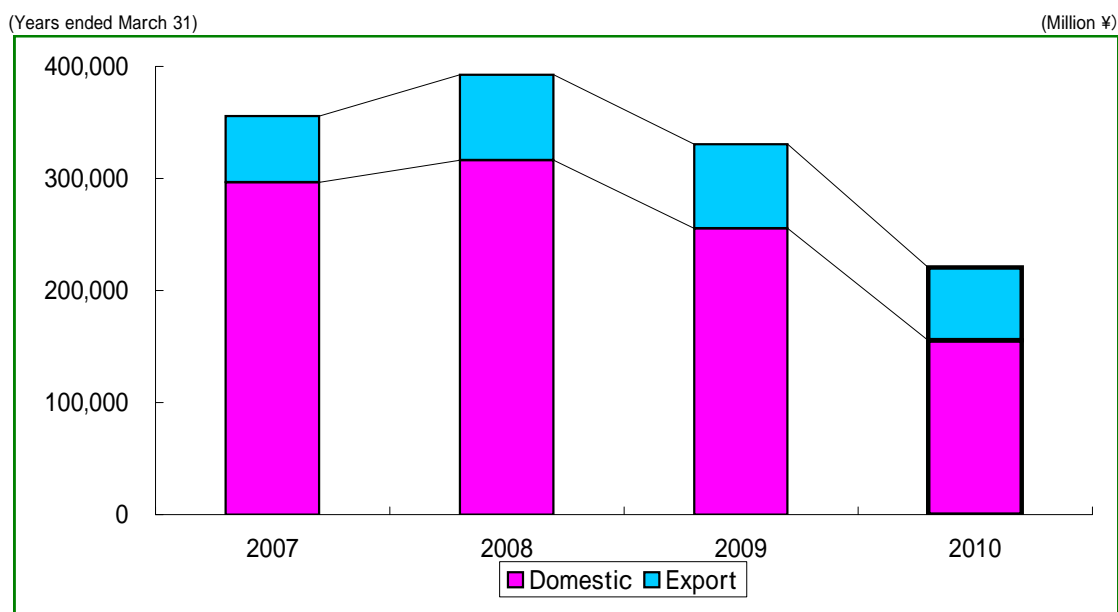
	2007	2008	2009	2010
Sales	66,649	84,028	84,919	68,809
Orders Received	72,918	92,335	84,143	71,042
Order Backlog	21,010	29,317	28,539	30,772

Note: The Hydraulic Machinery segment, which had been included in "Other" until the year 2007, is presented separately from the year 2008 as its materiality has increased. The information for the 2007 above had been retroactively restated based on the new industry segment categories.





## Hydraulic Products Market Volume

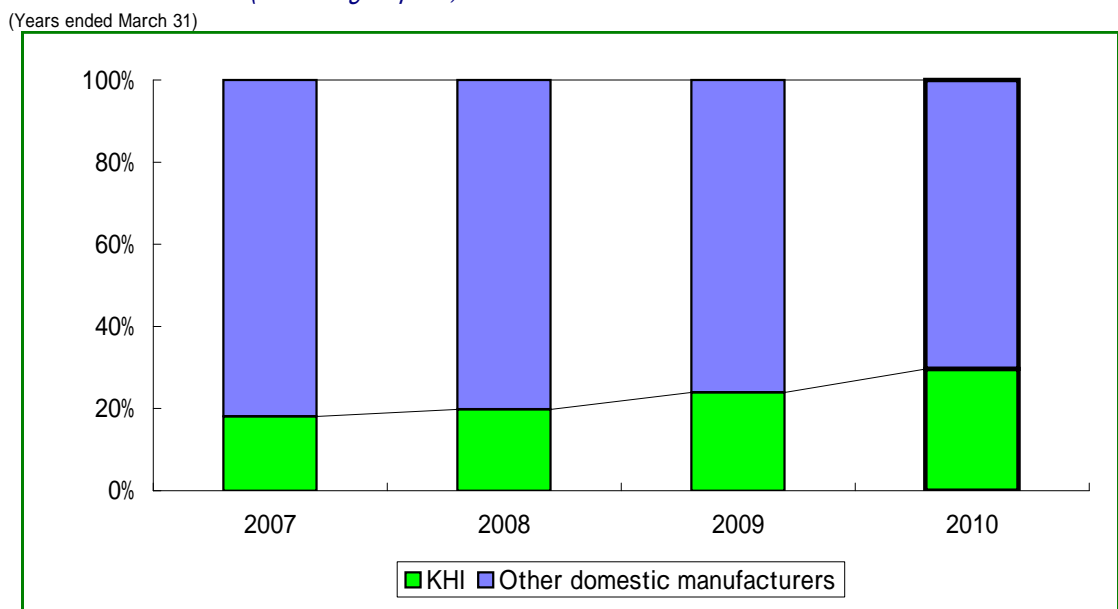


Note: Figures represent the total sales of domestic hydraulic manufacturers which are affiliated with Japan Fluid Power Association.

Source: Japan Fluid Power Association

	2007	2008	2009	2010
Domestic	296,462	316,310	255,370	155,496
Export	59,277	76,297	75,121	65,016
Total	355,739	392,607	330,491	220,512

## Hydraulic Products Share (Including Export)



Note: Hydraulic machinery business in "Kawasaki Heavy Industries, Ltd. (KHI)" was partitioned off on 1st Oct. 2002 as a wholly owned subsidiary, i.e., "Kawasaki Precision Machinery Ltd.(KPM)".

Source: Company's estimates.

	2007	2008	2009	2010
KHI	18.1%	19.8%	23.9%	29.6%
Other domestic manufacturers	81.9%	80.2%	76.1%	70.4%
Total	100.0%	100.0%	100.0%	100.0%

# CONDENSED BALANCE SHEETS

Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

As of March 31

ASSETS	Millions of yen					
	2010	2009	2008	2007	2006	2005
Current assets:						
Cash on hand and in banks	¥34,745	¥31,956	¥39,875	¥39,351	¥37,650	¥44,629
Receivables	420,423	421,748	437,295	446,850	442,033	419,633
Allowance for doubtful receivables	(2,424)	(3,112)	(4,140)	(4,273)	(3,829)	(6,014)
	417,999	418,636	433,155	442,577	438,204	413,619
Inventories	418,224	476,441	439,310	427,934	383,017	332,333
Deferred tax assets	25,204	33,232	25,250	32,694	32,398	20,219
Other current assets	35,506	35,532	44,692	19,362	24,630	26,205
Total current assets	931,678	995,797	982,282	961,918	915,899	837,005
Property, plant and equipment:	899,636	880,831	835,610	814,101	793,926	786,126
Accumulated depreciation	(615,228)	(596,713)	(575,683)	(560,282)	(547,707)	(542,960)
Net property, plant and equipment	284,408	284,118	259,927	253,819	246,219	243,166
Investments, intangible and other assets:						
Investments in securities	53,285	45,852	70,052	87,277	67,130	69,972
Deferred tax assets	51,503	42,773	38,337	27,725	28,186	19,260
Goodwill and other intangible assets	20,719	19,574	16,053	15,128	15,795	14,773
other	10,846	11,657	12,119	12,113	10,856	10,297
Total investments, intangible and other assets	136,353	119,856	136,561	142,243	121,967	114,302
Total assets	¥1,352,439	¥1,399,771	¥1,378,770	¥1,357,980	¥1,284,085	¥1,194,473
LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen					
	2010	2009	2008	2007	2006	2005
Current liabilities:						
Short-term borrowings and current portion						
of long-term debt	¥158,799	¥207,355	¥137,681	¥138,463	¥162,746	¥146,605
Trade payables	302,739	358,478	431,000	412,501	409,942	348,389
Advances from customers	99,532	125,763	124,679	124,445	98,590	106,574
Income taxes payable	4,833	8,710	16,836	13,365	19,978	12,276
Accrued bonuses	14,202	14,242	19,263	17,811	15,198	13,958
Provision for product warranties	6,640	7,638	6,734	5,100	4,200	2,551
Provision for restructuring charges	6,326	-	-	-	9,557	-
Provision for losses on construction contracts	17,991	20,931	8,836	12,363	12,613	6,833
Deferred tax liabilities	859	932	270	296	111	317
Other current liabilities	81,002	85,957	79,242	82,162	69,724	60,979
Total current liabilities	692,923	830,006	824,541	806,506	802,659	698,482
Long-term liabilities:						
Long-term debt, less current portion	270,110	181,933	138,766	165,754	157,057	207,279
Employees' retirement and severance benefits	89,240	79,969	81,928	77,484	69,113	73,422
Deferred tax liabilities	2,526	2,938	5,433	3,996	3,733	1,980
Other	14,587	9,679	9,064	8,862	8,427	7,154
Total long-term liabilities	376,463	274,519	235,191	256,096	238,330	289,835
Minority interests:	5,972	4,805	5,846	4,950	5,508	4,691
Shareholders' equity:						
Authorized--- 3,360,000,000 shares						
Issued----- 1,669,629,122 shares in 2010	104,329	104,329	104,329	103,188	92,085	81,427
Capital surplus	54,275	54,282	54,291	53,179	42,094	31,390
Retained earnings	137,689	154,273	151,401	125,799	100,776	88,704
Net unrealized gains on securities	5,305	3,140	10,292	19,342	14,097	16,910
Gains/losses on hedging items	(162)	(264)	5,217	(1,608)	-	-
Foreign currency translation adjustments	(23,803)	(24,851)	(11,878)	(9,417)	(11,426)	(16,843)
Treasury stock, at cost	(552)	(468)	(460)	(55)	(38)	(123)
Total shareholders' equity	277,081	290,441	313,192	290,428	237,588	201,465
Total liabilities and shareholders' equity	¥1,352,439	¥1,399,771	¥1,378,770	¥1,357,980	¥1,284,085	¥1,194,473

# CONDENSED STATEMENTS OF OPERATIONS

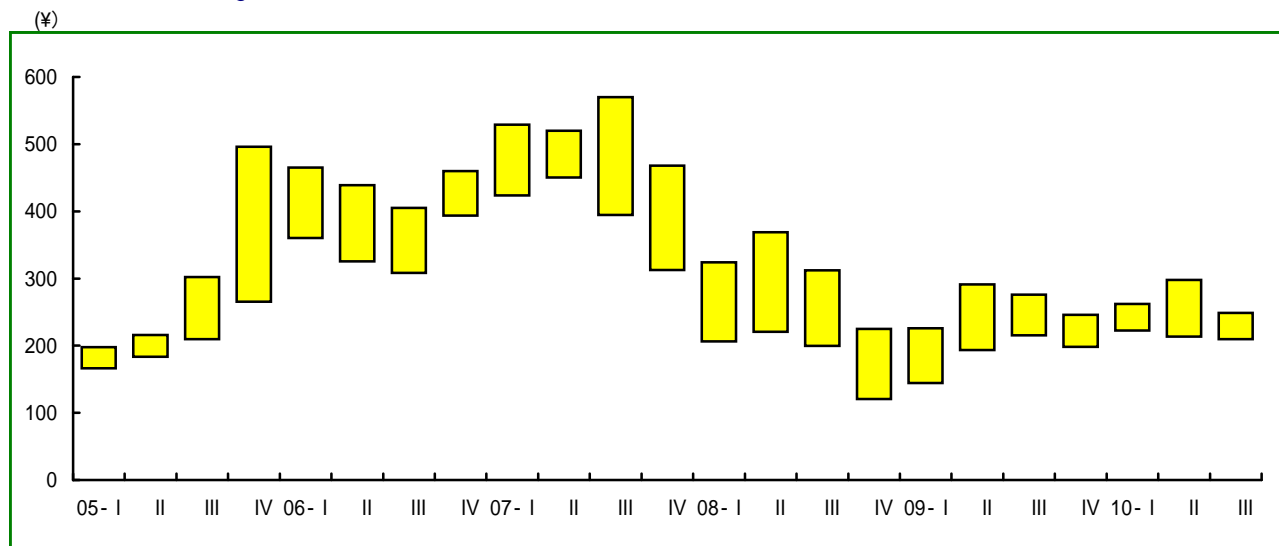
Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries  
Years ended March 31

	Millions of yen					
	2010	2009	2008	2007	2006	2005
Net sales	¥1,173,473	¥1,338,597	¥1,501,097	¥1,438,619	¥1,322,487	¥1,241,592
Cost of sales	1,023,610	1,146,944	1,262,032	1,213,524	1,148,547	1,088,219
Gross profit	149,863	191,653	239,065	225,095	173,940	153,373
Selling, general and administrative expenses	151,179	162,940	162,155	155,953	132,145	128,629
Operating income (loss)	(1,316)	28,713	76,910	69,142	41,795	24,744
Other income (expenses):						
Interest and dividend income	3,615	4,352	5,005	3,807	3,225	3,240
Equity in income (loss) of unconsolidated subsidiaries and affiliates	6,522	8,709	7,642	2,694	(197)	506
Interest expense	(5,399)	(6,658)	(7,980)	(6,650)	(5,377)	(6,296)
Other, net	(7,243)	(11,491)	(23,522)	(23,725)	(16,146)	(1,630)
Income (loss) before income taxes and minority interests	(3,821)	23,625	58,055	45,268	23,300	20,564
Income taxes						
Current	(8,805)	(16,783)	(23,271)	(16,623)	(24,148)	(15,869)
Deferred	2,822	6,022	1,260	1,337	17,843	7,374
Minority interests in net (income) loss of consolidated subsidiaries	(1,056)	(1,136)	(903)	(210)	(528)	(590)
Foreign currency translation adjustments	-	-	-	-	-	-
Net income (loss)	(¥10,860)	¥11,728	¥35,141	¥29,772	¥16,467	¥11,479

	Millions of yen					
	2010	2009	2008	2007	2006	2005
Per share amounts (yen):						
Net income (loss)	(¥6.5)	¥7.0	¥21.1	¥18.9	¥11.2	¥7.9
Cash dividends	3.0	3.0	5.0	5.0	3.0	2.5
Other data:						
Capital expenditures (Million ¥)	59,272	82,450	50,538	39,269	41,724	29,692
Depreciation (Million ¥)	51,423	44,334	37,455	30,279	30,551	31,555
R&D expenses (Million ¥)	38,057	38,256	36,228	33,819	27,040	13,183
Number of employees	32,297	32,266	30,563	29,211	28,922	28,682

# STOCK INFORMATION

## Stock Price Range

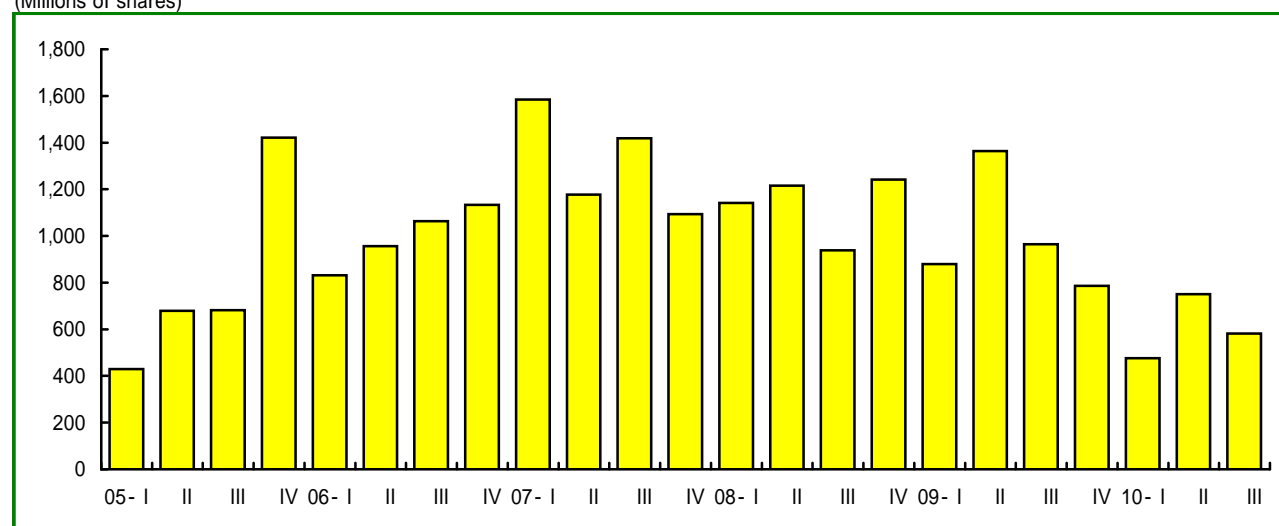


(¥)

	2005				2006				2007				2008				2009				2010		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
High	198	216	302	496	465	439	405	460	529	520	570	468	324	369	312	225	226	291	276	246	262	298	249
Low	166	183	209	265	360	325	308	393	423	450	394	312	206	220	199	120	144	193	215	198	222	213	209

## Stock Trading Volume

(Millions of shares)



(Millions of shares)

	2005				2006				2007				2008				2009				2010		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
	429	679	682	1,422	832	956	1,063	1,133	1,585	1,177	1,419	1,094	1,141	1,215	938	1,241	880	1,364	965	786	476	750	582

<b>Paid-in Capital</b>	
¥ 104,328,628,664	
<b>Number of Shares</b>	
Authorized	3,360,000,000 shares
Outstanding	1,669,629,122 shares
(Dilution)	29,479,123 shares)
As of March 31, 2010	

<b>Paid-in Capital</b>	
¥ 104,328,628,664	
<b>Number of Shares</b>	
Authorized	3,360,000,000 shares
Outstanding	1,670,547,571 shares
(Dilution)	26,858,244 shares)
As of September 30, 2010	

### Stock Listings

Tokyo, Osaka, Nagoya

### Transfer Agent

The Chuo Mitsui Trust & Banking Co., Ltd.  
33-1, Shiba 3-chome, Minato-ku, Tokyo 105-8574, Japan

Handling Office

The Chuo Mitsui Trust & Banking Co., Ltd., Osaka Branch  
2-21, Kitahama 2-chome, Chuo-ku, Osaka 541-0041, Japan

### ADR (American Depositary Receipt) Information

Ratio: 1 ADR = 4 Ordinary Shares

Exchange: OTC (Over-the-Counter)

Symbol: KWHIY

CUSIP: 486359201

Depository: The Bank of New York Mellon

101 Barclay St., 22 West, New York, NY 10286, U.S.A.

Phone: (866)680-6825 U.S. Toll Free: 888-269-2377 (888-BNY-ADRS)

## ***CORPORATE DATA***

### Registered Office

1-1, Higashikawasaki-cho 3-chome,  
Chuo-ku, Kobe 650-8670, Japan

### Kobe Head Office

Kobe Crystal Tower,  
1-3, Higashikawasaki-cho 1-chome,  
Chuo-ku, Kobe 650-8680, Japan  
Phone: (078)371-9530  
Fax: (078)371-9568

### Tokyo Head Office

World Trade Center Bldg.,  
4-1, Hamamatsu-cho 2-chome,  
Minato-ku, Tokyo 105-6116, Japan  
Phone: (03)3435-2111  
Fax: (03)3436-3037

### Year of Incorporation

1896

**KAWASAKI HEAVY INDUSTRIES, LTD.**