**Report of Earnings and Financial Statements for the Six Months Ended September 30, 2010 (Consolidated)**
(Prepared pursuant to Japanese GAAP)

November 2, 2010

Listed company's name: **Kawasaki Heavy Industries, Ltd.**
Listed on: 1st sections of the TSE, OSE, and NSE
Stock code: 7012
URL: http://www.khi.co.jp/
Representative: Satoshi Hasegawa, President
Contact: Hideyuki Matsubara, Senior Manager, Accounting Department
Tel: +81 3-3435-2130

Scheduled dates:
Submission of quarterly securities filing: November 10, 2010
Commencement of dividend payments: -

Supplementary materials to quarterly earnings: Available
Quarterly earnings presentation: Conducted

## 1. Consolidated Financial Results for the Six Months ended September 30, 2010 (April 1 – September 30, 2010)

(Amounts in millions of yen rounded down to the nearest million yen)

(1) Operating Results

(Percentage figures represent changes versus the year-ago period)

| | Net sales | | Operating income | | Recurring profit | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Six Months Ended September 30, 2010 | 571,708 | 10.7 | 20,904 | - | 21,249 | - | 12,334 | - |
| Six Months Ended September 30, 2009 | 516,053 | (21.0) | (6,167) | - | (1,223) | - | (6,294) | - |

| | Earnings per share | Earnings per share – diluted |
|---|---|---|
| | yen | yen |
| Six Months Ended September 30, 2010 | 7.39 | 7.27 |
| Six Months Ended September 30, 2009 | (3.77) | - |

(2) Financial Condition

| | Total assets | Net assets | Ratio of shareholders' equity to total assets | Net assets per share |
|---|---|---|---|---|
| | million yen | million yen | % | yen |
| September 30, 2010 | 1,318,935 | 287,024 | 21.1 | 167.31 |
| March 31, 2010 | 1,352,439 | 283,053 | 20.4 | 166.13 |

Note: Shareholders' equity: September 30, 2010: 279,497 million yen
March 31, 2010: 277,081 million yen

## 2. Dividends

| Record date or term | Dividend per share: End of first quarter | End of second quarter | End of third quarter | End of financial year | Full year |
|---|---|---|---|---|---|
| | yen | yen | yen | yen | yen |
| Year ended March 31, 2010 | - | 0.00 | - | 3.00 | 3.00 |
| Year ending March 31, 2011 | - | 0.00 | | | |
| Year ending March 31, 2011 (forecast) | | | - | 3.00 | 3.00 |

Note: Revision of dividend forecast during the Six Months ended September 30, 2010: None

## 3. Forecast of Consolidated Earnings for the Year Ending March 31, 2011
**(April 1, 2010 – March 31, 2011)**

(Percentage figures represent changes versus the year-ago period)

| | Net sales | | Operating income | | Recurring profit | | Net income | | Earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Full year | 1,280,000 | 9.0 | 32,000 | - | 32,000 | 123.8 | 20,000 | - | 11.97 |

Note: Revision of earnings forecast during the Six Months ended September 30, 2010: None

## 4. Other Information

For further details, see "Other Information" on page 10 in the Accompanying Materials.

1) Changes in material subsidiaries during the period: None

*This refers to additions and removals of material subsidiaries to and from the consolidated group during the period.

2) Use of simplified accounting methods and specific accounting methods: Yes

*This refers to the use of simplified accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements.

3) Changes in accounting principles, procedures, and methods of disclosure

(1) Changes in accord with revisions to accounting standards: Yes

(2) Changes other than the above: None

*This refers to changes in accounting principles, procedures, and methods of disclosure used in the preparation of quarterly consolidated financial statements.

4) Number of shares issued and outstanding (common stock)

(1) Number of shares issued as of period-end (including treasury stock)

September 30, 2010: 1,670,547,571 shares
March 31, 2010: 1,669,629,122 shares

(2) Number of shares held in treasury as of period-end

September 30, 2010: 100,218 shares
March 31, 2010: 1,780,388 shares

(3) Average number of shares during respective periods

Six Months ended September 30, 2010: 1,668,269,268 shares

Six Months ended September 30, 2009: 1,668,216,376 shares

**Quarterly review status**

This report is exempt from the quarterly review of accounts conducted in accord with Japan’s Financial Instruments and Exchange Act. As of this report’s publication, the quarterly review of the quarterly financial results had not been completed.

***Appropriate Use of Financial Forecasts and Other Important Matters**

*Forward-Looking Statements*

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation. Actual results may differ from those expressed or implied by forward-looking statements due to a range of factors. For assumptions underlying earnings forecasts and other information regarding the use of such forecasts, refer to “Consolidated Earnings Outlook” on page 8 in the Accompanying Materials.

## Accompanying Materials – Contents

## 1. Qualitative Information and Financial Statements

### (1) Consolidated operating results

In the six months to September 30, 2010 (first half of the fiscal year ending March 31, 2011), the Japanese economy remained in a recovery trend despite the emergence of headwinds in the form of rapid yen appreciation and a global economic slowdown. Such headwinds resulted in a continued adverse business environment for the KHI Group.

Overseas, certain emerging market economies exhibited strong growth. The US economic outlook, however, remained uncertain. In Europe, renewed credit concerns in certain countries posed a worrisome risk to the global economic outlook.

Amid such an economic environment, most of the Group’s businesses achieved growth in the fiscal second quarter. Overall orders received were up substantially from the year-earlier quarter, bolstered by large orders for rolling stock. Orders received grew across all business segments except Gas Turbine & Machinery, which faced a high year-over-year comparison base. Overall sales also grew year on year as major growth in Precision Machinery sales offset sales declines in other segments, most notably Rolling Stock. By virtue of sales growth and fixed-cost cutting, profits improved substantially from the year-earlier quarter despite the adverse impact of yen appreciation.

In the fiscal first half, the Group’s consolidated orders received grew ¥210.4 billion year on year to ¥613.4 billion. Consolidated net sales increased ¥55.6 billion year on year to ¥571.7 billion. The Group earned first-half operating income of ¥20.9 billion, recurring profit of ¥21.2 billion, and net income of ¥12.3 billion, which respectively represent improvements of ¥27.0 billion, ¥22.4 billion, and ¥18.6 billion from the year-earlier period’s operating, recurring, and net losses.

Segment information for the fiscal first half is summarized below.

### Segment Information

Effective from the first quarter of the current fiscal year, the Group adopted the Accounting Standards Board of Japan’s *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No.17, March 27, 2009) and its associated *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Guidance No.20, March 21, 2009). The Group also renamed its Consumer Products & Machinery segment the Motorcycle & Engine segment and its Hydraulic Machinery segment the Precision Machinery segment in conjunction with new industry segmentation for internal reporting adopted in April 2010. Also effective from April 2010, the crushing machine business was shifted from the Rolling Stock segment to the Plant &

Infrastructure segment and the industrial robot business was shifted from the Consumer Products & Machinery segment to the Precision Machinery segment. Additionally, in conjunction with its October 2010 organizational restructuring, the Group renamed its Shipbuilding segment the Ship & Offshore Structure segment.

To reflect this change, the previous fiscal year's first-half figures for net sales, operating income/loss, and orders received in the table below have been restated based on the newly adopted accounting standard and guidance and resegmentation of operations.

Segment net sales, operating income, and orders received (billions of yen)

| | Six months ended September 30, | | | | Orders received | |
|---|---|---|---|---|---|---|
| | 2010 | | 2009 | | Six months ended Sept. 30, | |
| Segment | Net sales | Operating income | Net sales | Operating income | 2010 | 2009 |
| Ship & Offshore Structure | 61.2 | 2.0 | 65.2 | 1.4 | 36.4 | 2.7 |
| Rolling Stock | 63.0 | 3.4 | 72.5 | 3.7 | 117.7 | 39.5 |
| Aerospace | 83.0 | (1.1) | 73.3 | 3.3 | 87.9 | 46.5 |
| Gas Turbine & Machinery | 99.2 | 6.1 | 83.4 | 1.4 | 65.3 | 99.8 |
| Plant & Infrastructure | 38.8 | 3.5 | 43.3 | 1.7 | 77.3 | 37.5 |
| Motorcycle & Engine | 113.2 | (1.1) | 100.9 | (13.3) | 113.2 | 100.9 |
| Precision Machinery | 60.9 | 8.6 | 34.2 | (0.6) | 68.0 | 32.8 |
| Other | 51.9 | 0.9 | 42.8 | (0.9) | 47.2 | 42.9 |
| Adjustments | — | (1.5) | — | (2.9) | — | — |
| Total | 571.7 | 20.9 | 516.0 | (6.1) | 613.4 | 403.0 |

Note: Net sales include only sales to external customers.

**Ship & Offshore Structure**

Consolidated orders received increased totaled ¥36.4 billion, a ¥33.7 billion increase from the year-earlier first half, when no newbuild orders were received. The increase was attributable to receipt of one newbuild submarine order.

Consolidated net sales totaled ¥61.2 billion, a decrease of ¥4.0 billion from the year-earlier first half, when revenues were boosted by large newbuild sales.

Despite an increase in provision for losses on construction contracts, consolidated operating income increased ¥500 million year on year to ¥2.0 billion, largely as a result of improved margins.

**Rolling Stock**

Consolidated orders received rose ¥78.1 billion year on year to ¥117.7 billion, largely by virtue of subway car orders from the Washington Metropolitan Area Transit Authority.

Consolidated net sales fell ¥9.5 billion year on year to ¥63.0 billion in the wake of a decline in overseas railway car sales.

As a result of the sales decline coupled with the strong yen's impact, consolidated operating income declined ¥300 million year on year to ¥3.4 billion.

**Aerospace**

Consolidated orders received grew ¥41.4 billion year on year to ¥87.9 billion, bolstered by growth in orders for component parts for the Boeing 777 and 787.

Consolidated net sales increased ¥9.7 billion year on year to ¥83.0 billion, largely as a result of growth in sales to Japan's Ministry of Defense and sales of the Boeing 787 component parts.

The Aerospace segment incurred a consolidated operating loss of ¥1.1 billion, ¥4.4 billion below its year-earlier operating income. The deterioration in profitability was largely attributable to revision of the provision for losses on construction contracts and margin erosion due to yen appreciation.

**Gas Turbine & Machinery**

Consolidated orders received totaled ¥65.3 billion, a ¥34.5 billion decrease from the year-earlier period, when the segment booked large orders for aircraft engine components and gas compression modules.

Consolidated net sales grew ¥15.8 billion year on year to ¥99.2 billion, largely as a result of growth in gas compression module sales and sales to Japan's Ministry of Defense.

Consolidated operating income increased ¥4.7 billion year on year to ¥6.1 billion, largely by virtue of sales growth and increased profits on aircraft engine components.

**Plant & Infrastructure**

Consolidated orders received increased ¥39.8 billion year on year to ¥77.3 billion, lifted by an influx of domestic and overseas orders for a variety of plant facilities.

Consolidated net sales totaled ¥38.8 billion, a ¥4.4 billion decrease from the year-earlier period, when the segment booked overseas sales of major plant installations.

Consolidated operating income rose ¥1.8 billion year on year to ¥3.5 billion as earnings improved amid brisk progress in fulfilling existing orders.

**Motorcycle & Engine**

Consolidated net sales grew ¥12.2 billion year on year to ¥113.2 billion, largely reflecting sales growth in emerging markets.

Consolidated operating loss shrank to ¥1.1 billion, a ¥12.1 billion improvement from the year-earlier period despite the impact of yen appreciation. The improvement was attributable to sales growth, fixed-cost cutting, and contribution margin ratio improvements stemming from emergency profitability improvement measures.

**Precision Machinery**

Consolidated orders received rose ¥35.2 billion to ¥68.0 billion, mainly due to growth in hydraulic equipment orders from the construction machinery industry.

Consolidated net sales grew ¥26.6 billion year on year to ¥60.9 billion, driven largely by growth in hydraulic equipment sales to the construction machinery industry and sales of clean robots for semiconductor production facilities.

Consolidated operating income totaled ¥8.6 billion, a ¥9.2 billion improvement from the year-earlier period's operating loss. The improvement was largely attributable to sales growth and increased capacity utilization.

**Other Operations**

Consolidated net sales grew ¥9.1 billion year on year to ¥51.9 billion. Consolidated operating income totaled ¥900 million, a ¥1.8 billion improvement from the year-earlier period.

**(2) Consolidated financial position**

At September 30, 2010, consolidated assets totaled ¥1,318.9 billion, a decrease of ¥33.5 billion from March 31, 2010. The decrease was attributable to reduction in trade receivables through collection. Consolidated liabilities totaled ¥1,031.9 billion at September 30, a decrease of ¥37.4 billion from March 31, 2010. The decrease was largely attributable to reduction in trade payables. Interest-bearing debt as of September 30 was essentially unchanged from six months earlier at ¥429.3 billion. Consolidated net assets increased ¥3.9 billion from March 31, 2010, to ¥287.0 billion at September 30, largely as a result of first-half net income offset by distribution of dividends.

**(3) Consolidated earnings outlook**

Although domestic and overseas economies remain in a recovery trend, the recovery is at risk of pausing as economic stimulus fades. Additionally, with domestic capital investment and consumer spending dampened by the yen’s precipitous appreciation, the economic environment is likely to remain adverse. Nonetheless, the Company will vigorously proceed with rebuilding its earnings foundation to re-embark on a sustained growth trajectory.

The Company has left its existing consolidated sales forecast unchanged at ¥1,280 billion. Although the Company projects sales declines in the Motorcycle & Engine segment, which has been hard-hit by yen appreciation, and the Plant & Infrastructure segment, where sales are under pressure from continued curtailment of capital investment, it expects the Precision Machinery segment’s sales to grow by virtue of robust demand for hydraulic equipment for construction machinery destined for emerging market economies.

The Company will continue to implement various measures to improve earnings across all of its businesses, including cutting fixed costs, improving productivity, and conducting operations in emerging market economies with promising economic growth prospects. However, in light of recent yen appreciation’s impact on earnings and the murky outlook for developed economies, the Company has left its existing consolidated operating income, recurring profit, and net income forecasts unchanged at ¥32 billion, ¥32 billion, and ¥20 billion, respectively.

The Company’s earnings forecasts assume exchange rates of ¥83 to the US dollar and ¥115 to the euro.

## 2. Other Information

(1) Overview of changes in material subsidiaries

Not applicable

(2) Overview of simplified accounting methods and specific accounting methods used

*Simplified accounting methods*

(i) Bad debt estimation method for general claims

The Company estimates the value of uncollectible general claims based on the preceding fiscal year's actual credit loss rate, unless the credit loss rate is deemed to have substantially changed relative to the historical rate calculated at the end of the preceding fiscal year.

(ii) Inventory valuation method

The Company estimates quarter-end inventories by a rational method based on the preceding fiscal year's physical inventory count, without conducting a physical inventory count.

The Company writes down inventory from book value to estimated net realizable value only when its utility has clearly diminished. In the case of inventory expected to be disposed of and slow-moving inventory with a turnover period that extends beyond the Company's operating cycle, the Company writes the inventory down to its estimated liquidation value. Such inventories are carried at their written-down book value, unless their value was deemed to have substantially changed during the six months ended September 30, 2010.

(iii) Fixed-asset depreciation method

For fixed asset depreciated by the declining-balance method, the Company calculates quarterly depreciation expense by prorating annual depreciation expense. For certain consolidated subsidiaries, quarterly depreciation expense is calculated by prorating annual depreciation expense based on a budget that factors in expected acquisitions, sales, and disposals of fixed assets during the fiscal year.

(iv) Income taxes, and deferred-tax asset and liability calculation method

To assess deferred assets' collectability, the Company uses tax planning and earnings forecasts used in the preceding fiscal year if it deems that the operating environment and status of temporary differences have not changed substantially since the preceding fiscal year-end.

If the operating environment or status of temporary differences is deemed to have changed substantially since the preceding fiscal year-end, the Company uses said tax planning and earnings forecasts adjusted to reflect the changes' impact.

(v) Elimination of unrealized gains/losses on inventory

For some products, the Company calculates unrealized gains/losses on inventory using the gain/loss rate used in the preceding fiscal year or quarter or a gain/loss rate based on rational budgeting, unless business conditions are deemed to have changed substantially from the preceding fiscal year or quarter.

*Accounting procedures specific to preparation of quarterly consolidated financial statements*

The Company calculates tax expense by rationally estimating its effective tax rate after application of deferred-tax accounting to pretax net income for the fiscal year, which includes the second quarter under review, and multiplying quarterly pretax net income by said estimated effective tax rate. If unable to use the estimated effective tax rate, the Company calculates tax expense by multiplying the statutory effective tax rate by quarterly pretax net income adjusted to reflect material differences other than temporary differences.

Income taxes are reported inclusive of income tax adjustments.

(3) Overview of changes in accounting principles, procedures, and methods of disclosure

*Changes related to accounting standards*

(i) Adoption of the *Accounting Standard for Asset Retirement Obligations* and the *Guidance on Accounting Standard for Asset Retirement Obligations*

Effective the first quarter of the fiscal year ending March 31, 2011, the Company adopted the *Accounting Standard for Asset Retirement Obligations* (Statement No. 18, March 31, 2008) and its associated *Guidance on Accounting Standard for Asset Retirement Obligations* (Guidance No. 21, March 31, 2008).

Due to adoption of the standard and guidance, operating income and recurring profit each decreased by 10 million yen and income before income taxes decreased by 291 million yen.

(ii) Adoption of the *Accounting Standard for Equity Method of Accounting for Investments* and the *Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method*

Effective the first quarter of the fiscal year ending March 31, 2011, the Company adopted the *Accounting Standard for Equity Method of Accounting for Investments* (ASBJ Statement No. 16, March 10, 2008) and the *Practical Solution on Unification of Accounting*

*Policies Applied to Associates Accounted for Using the Equity Method* (PITF No. 24, March 10, 2008) and made some adjustments required for preparation of consolidated financial statements. The resulting effect on profit and loss is negligible.

(iii) Adoption of the *Accounting Standard for Business Combinations*

Effective the first quarter of the fiscal year ending March 31, 2011, the Company adopted the *Accounting Standard for Business Combinations* (ASBJ Statement No. 21, December 26, 2008), the *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No. 22, December 26, 2008), the *Amendments to Accounting Standard for Research and Development Costs* (ASBJ Statement No. 23, December 26, 2008), the *Revised Accounting Standard for Business Divestitures* (ASBJ Statement No. 7, December 26, 2008), the *Revised Accounting Standard for Equity Method of Accounting for Investments* (ASBJ Statement No. 16, December 26, 2008), and the *Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures* (ASBJ Guidance No. 10, December 26, 2008).

*Changes related to methods of disclosure*

Due to adoption of the *Cabinet Office Ordinance on Partial Revision of the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements and Others* (Cabinet Office Ordinance No. 5, March 24, 2009) based on the *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No. 22, December 26, 2008), the Company used the account title “Income before minority interests” for the six months ended September 30, 2010.

## 3. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

| | Millions of yen | |
|---|---|---|
| | Six months ended September 30, 2010 | As of March 31, 2010 |
| **Assets** | | |
| Current assets | | |
| Cash on hand and in banks | 35,201 | 34,745 |
| Trade receivables | 356,320 | 400,264 |
| Merchandise and finished products | 43,535 | 56,807 |
| Work in process | 305,507 | 281,023 |
| Raw materials and supplies | 78,385 | 80,392 |
| Other current assets | 79,822 | 80,868 |
| Allowance for doubtful receivables | (2,504) | (2,424) |
| Total current assets | 896,269 | 931,678 |
| Fixed assets | | |
| Net property, plant and equipment | 282,122 | 284,407 |
| Intangible assets | | |
| Goodwill | 746 | 866 |
| Other | 19,170 | 19,852 |
| Total intangible assets | 19,916 | 20,718 |
| Investments and other assets | | |
| Other | 121,593 | 116,905 |
| Allowance for doubtful receivables | (966) | (1,270) |
| Total investments and other assets | 120,627 | 115,635 |
| Total fixed assets | 422,666 | 420,761 |
| **Total assets** | 1,318,935 | 1,352,439 |
| | | |
| **Liabilities** | | |
| Current liabilities | | |
| Trade payables | 279,713 | 302,739 |
| Short-term debt | 104,104 | 125,614 |
| Income taxes payable | 8,943 | 4,833 |
| Accrued bonuses | 14,867 | 14,202 |
| Provision for losses on construction contracts | 23,736 | 17,991 |
| Other provisions | 14,235 | 18,910 |
| Advances from customers | 96,361 | 99,532 |
| Other | 104,164 | 109,098 |
| Total current liabilities | 646,125 | 692,923 |
| | | |
| Long-term liabilities | | |
| Bonds payable | 60,000 | 60,513 |
| Long-term debt | 220,789 | 209,360 |
| Employees’ retirement and severance benefits | 85,040 | 89,240 |
| Other provisions | 10,540 | 10,419 |
| Other | 9,415 | 6,929 |
| Total long-term liabilities | 385,785 | 376,463 |
| **Total liabilities** | 1,031,911 | 1,069,386 |
| | | |
| **Net assets** | | |
| Shareholders’ equity | | |
| Common stock | 104,328 | 104,328 |
| Capital surplus | 54,242 | 54,275 |
| Retained earnings | 145,047 | 137,689 |
| Treasury stock | (30) | (552) |
| Total shareholders’ equity | 303,587 | 295,741 |

| | | |
|---|---|---|
| Valuation and translation adjustments | | |
| Net unrealized gains (losses) on securities | 3,612 | 5,305 |
| Gains (losses) on hedging items | (714) | (162) |
| Foreign currency translation adjustment | (28,415) | (23,803) |
| Total valuation and translation adjustments | (24,089) | (18,659) |
| Minority interests | 7,526 | 5,972 |
| **Total net assets** | 287,024 | 283,053 |
| **Total net assets and liabilities** | 1,318,935 | 1,352,439 |

## (2) Consolidated Statements of Income

| | Millions of yen | |
|---|---|---|
| | Six months ended September 30, 2009 | Six months ended September 30, 2010 |
| Net sales | 516,053 | 571,708 |
| Cost of sales | 448,226 | 481,156 |
| Gross profit | 67,827 | 90,551 |
| Selling, general and administrative expenses | | |
| Salaries and benefits | 19,975 | 19,533 |
| R&D expenses | 17,213 | 16,007 |
| Other | 36,805 | 34,105 |
| Total selling, general and administrative expenses | 73,994 | 69,647 |
| Operating income (loss) | (6,167) | 20,904 |
| Non-operating income | | |
| Interest income | 1,651 | 945 |
| Dividend income | 434 | 366 |
| Equity in income of non-consolidated subsidiaries and affiliates | 2,582 | 4,875 |
| Foreign exchange gain, net | 3,277 | - |
| Other | 2,917 | 2,424 |
| Total non-operating income | 10,864 | 8,610 |
| Non-operating expenses | | |
| Interest expense | 2,848 | 2,435 |
| Foreign exchange loss, net | - | 1,963 |
| Loss on valuation of securities | - | 1,715 |
| Other | 3,071 | 2,150 |
| Total non-operating expenses | 5,920 | 8,265 |
| Recurring profit (loss) | (1,223) | 21,249 |
| Extraordinary income | | |
| Reversal of provision for environmental measures | 1,212 | - |
| Total extraordinary income | 1,212 | - |
| Extraordinary losses | | |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | - | 280 |
| Provision for doubtful accounts of affiliates | - | 256 |
| Provision for losses on damages suit | 6,983 | - |
| Total extraordinary losses | 6,983 | 536 |
| Income (loss) before income taxes and minority interests | (6,994) | 20,712 |
| Income taxes | (1,043) | 7,434 |
| Income before minority interests | - | 13,278 |
| Minority interests in net income of consolidated subsidiaries | 343 | 943 |
| Net income (loss) | (6,294) | 12,334 |

## (3) Consolidated Cash Flow Statement

| | Millions of yen | |
|---|---|---|
| | Six months ended September 30, 2009 | Six months ended September 30, 2010 |
| Cash flow from operating activities | | |
| Income (loss) before income taxes and minority interests | (6,994) | 20,712 |
| Depreciation and amortization | 23,556 | 23,348 |
| Increase (decrease) in provisions | 1,289 | (1,629) |
| Interest and dividend income | (2,086) | (1,311) |
| Interest expense | 2,848 | 2,435 |
| (Gain) loss on valuation of securities | - | 1,715 |
| Investment (gain) loss on equity method | (2,582) | (4,875) |
| (Gain) loss on sale and disposal of property, plant, and equipment | 322 | - |
| (Increase) decrease in trade receivables | 64,575 | 58,874 |
| (Increase) decrease in inventories | (6,842) | (15,666) |
| Increase (decrease) in trade payables | (80,247) | (14,662) |
| Increase (decrease) in advances from customers | 1,915 | (361) |
| Other | (11,762) | (13,061) |
| Subtotal | (16,008) | 55,518 |
| Cash received for interest and dividends | 2,354 | 1,298 |
| Cash paid for interest | (2,661) | (2,440) |
| Cash paid for income taxes | (8,910) | (6,207) |
| Net cash provided by operating activities | (25,226) | 48,168 |
| | | |
| Cash flow from investing activities | | |
| Acquisition of property, plant and equipment and intangible assets | (36,141) | (25,854) |
| Proceeds from sale of property, plant and equipment and intangible assets | 381 | 402 |
| Acquisition of investments in securities | (102) | (28) |
| Proceeds from sale of investments in securities | 10 | 0 |
| Acquisition of investments in subsidiaries of affiliate | (1,331) | - |
| (Increase) decrease in short-term loans receivable | 160 | 16 |
| Additions to long-term loans receivable | (55) | (10) |
| Proceeds from collection of long-term loans receivable | 71 | 50 |
| Other | 537 | (740) |
| Net cash used for investing activities | (36,470) | (26,164) |
| | | |
| Cash flow from financing activities | | |
| Increase (decrease) in short-term debt | 6,921 | (47,923) |
| Proceeds from long-term debt | 69,500 | 15,580 |
| Repayment of long-term debt | (4,418) | (3,516) |
| Proceeds from issuance of bonds | - | 20,000 |
| Redemption of bonds payable | (10,000) | - |
| Acquisition of treasury stock | (6) | (5) |
| Proceeds from stock issuance to minority shareholders | - | 1,209 |
| Cash dividends paid | (4,986) | (4,985) |
| Cash dividends paid to minority interests | (426) | (418) |
| Other | (19) | (37) |
| Net cash provided by financing activities | 56,564 | (20,096) |
| Effect of exchange rate changes | (1,629) | (2,244) |
| Increase (decrease) in cash and cash equivalents | (6,762) | (336) |
| Cash and cash equivalents at beginning of period | 31,413 | 34,137 |
| Cash and cash equivalents at end of period | 24,651 | 33,800 |

## (4) Notes on the going-concern assumption

Not applicable

## (5) Segment information

### 1) Information by industry segment

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009)

Millions of yen

| | External sales | Intersegment sales | Total sales | Operating income (loss) |
|---|---|---|---|---|
| Shipbuilding | 65,261 | 857 | 66,118 | 1,433 |
| Rolling Stock | 80,142 | 578 | 80,720 | 3,273 |
| Aerospace | 73,322 | 1,097 | 74,419 | 2,646 |
| Gas Turbines & Machinery | 83,446 | 9,800 | 93,247 | 638 |
| Plant & Infrastructure Engineering | 35,745 | 3,990 | 39,736 | 1,098 |
| Consumer Products & Machinery | 106,252 | 1,179 | 107,432 | (16,609) |
| Hydraulic Machinery | 29,006 | 3,620 | 32,626 | 1,991 |
| Other | 42,876 | 15,351 | 58,227 | (311) |
| Total | 516,053 | 36,476 | 552,529 | (5,839) |
| Eliminations/corporation | - | (36,476) | (36,476) | (328) |
| Consolidated total | 516,053 | - | 516,053 | (6,167) |

Notes: 1. Method of segmentation

Business segmentation is based on the categorization used by management.

2. Major products by industry segment

| Industry segment | Major products |
|---|---|
| Shipbuilding | Ships and vessels |
| Rolling Stock | Rolling stock, snow plows, crushers |
| Aerospace | Aircraft |
| Gas Turbines & Machinery | Jet engines, general-purpose gas turbine generators, prime movers |
| Plant & Infrastructure Engineering | Industrial equipment, boilers, environmental equipment, steel structures |
| Consumer Products & Machinery | Motorcycles, personal watercraft, all-terrain vehicles (ATV), utility vehicles, general-purpose gasoline engines, industrial robots |
| Hydraulic Machinery | Industrial hydraulic products |
| Other | Construction machinery, commercial activities, sales/order agency and intermediary activities, administration of welfare facilities |

3. Change in method of segmentation

In October 2008, the Company, Hitachi Construction Machinery Co., Ltd., and TCM Corporation reached an agreement on forming an alliance with respect to their wheel loader businesses. The alliance is to involve (i) joint research and development and (ii) a spin-off of the Company’s wheel loader operation into a newly created subsidiary of the Company, and Hitachi’s investment in that subsidiary.

In accord with the agreement, the construction machinery business was spun-off in April 2009 and succeeded by the Company's subsidiary, KCM Corporation. As a result, said business's relationship with the Rolling Stock & Construction Machinery segment was weakened, and effective the first quarter of the fiscal year ending March 31, 2010, it was therefore shifted from the Rolling Stock & Construction Machinery segment to the Other segment.

Due to this change, compared with what they would have been under the previous method, net sales for the six months ended September 30, 2009, in the Rolling Stock segment was 7,997 million yen lower (including 8,198 million yen of external sales) and in the Other segment, 7,882 million yen higher (including 8,198 million yen of external sales). By the same comparison, operating income in the Rolling Stock segment was 1,441 million yen higher and operating loss in the Other segment, 1,441 million yen higher.

4. Change in accounting standard for construction revenue and cost
The Company previously used the percentage-of-completion method for accounting of revenues associated mainly with construction contracts with a contract amount of three billion yen or more and a construction period of over one year, and other construction works were accounted for with the completed-contract method. Effective the first quarter of the fiscal year ending March 31, 2010, however, in conjunction with adoption of the *Accounting Standard for Construction Contracts* (ASBJ Statement No.15, December 27, 2007) and its accompanying *Guidance on Accounting Standard for Construction Contracts* (ASBJ Guidance No.18, December 27, 2007), the percentage-of-completion method was applied to construction contracts that were started during the first quarter ended June 30, 2009, for which certain elements were determinable with certainty at the end of the second quarter. The percentage of completion is estimated with the proportion-of-cost method, under which the percentage of construction completed during the period is calculated as the ratio of the construction cost incurred during that period relative to the total construction cost. The completed-contract method was applied to other works.

Due to this change, net sales for the six months ended September 30, 2009, in the Shipbuilding segment was 2,201 million yen higher; in the Gas Turbines & Machinery segment, 1,199 million yen higher; and in the Plant & Infrastructure Engineering segment, 211 million yen higher. Also due to the change, operating income in the Shipbuilding segment was 90 million yen higher; in the Gas Turbines & Machinery segment, 150 million yen higher; and in the Plant & Infrastructure Engineering segment, 52 million yen higher.

## 2) Information by geographic area

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009)

Millions of yen

| | External sales | Intersegment sales | Total sales | Operating income (loss) |
|---|---|---|---|---|
| Japan | 392,484 | 67,195 | 459,679 | (6,547) |
| North America | 66,935 | 8,531 | 75,467 | (2,171) |
| Europe | 33,700 | 887 | 34,588 | 929 |
| Asia | 19,299 | 22,845 | 42,145 | 3,337 |
| Other areas | 3,633 | 85 | 3,718 | 49 |
| Total | 516,053 | 99,545 | 615,599 | (4,402) |
| Eliminations/corporate | - | (99,545) | (99,545) | (1,765) |
| Consolidated total | 516,053 | - | 516,053 | (6,167) |

Notes: 1. Classification method of geographic segment: by geographic proximity

2. Major countries or regions in each segment other than Japan:

| | |
|---|---|
| North America | The U.S.A. and Canada |
| Europe | The Netherlands, the United Kingdom, and Germany |
| Asia | Thailand, Indonesia, the Philippines, and Korea |
| Other areas | Australia and Brazil |

3. Change in accounting standard for construction revenue and cost

The Company previously used the percentage-of-completion method for accounting of revenues associated mainly with construction contracts with a contract amount of three billion yen or more and a construction period of over one year, and other construction works were accounted for with the completed-contract method. Effective the first quarter of the fiscal year ending March 31, 2010, however, in conjunction with adoption of the *Accounting Standard for Construction Contracts* (ASBJ Statement No.15, December 27, 2007) and its accompanying *Guidance on Accounting Standard for Construction Contracts* (ASBJ Guidance No.18, December 27, 2007), the percentage-of-completion method was applied to construction contracts initiated during the first quarter ended June 30, 2009, for which certain elements were determinable with certainty at the end of the second quarter. The percentage of completion is estimated with the proportion-of-cost method, under which the percentage of construction completed during the period is calculated as the ratio of the construction cost incurred during that period relative to the total construction cost. The completed-contract method was applied to other works.

Due to this change, net sales for the six months ended September 30, 2009, in Japan was 3,612 million yen higher, while operating loss in Japan was 293 million yen lower.

## 3) Overseas sales

Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009)

Millions of yen

| | Overseas sales | Consolidated net sales | Ratio of overseas sales to consolidated sales (%) |
|---|---|---|---|
| North America | 108,843 | - | 21.0 |
| Europe | 43,738 | - | 8.4 |
| Asia | 74,718 | - | 14.4 |
| Other areas | 45,446 | - | 8.8 |
| Total | 272,746 | 516,053 | 52.8 |

Notes: 1. “Overseas sales” includes sales by the Company and its consolidated subsidiaries to the countries and regions other than Japan.

2. Classification method of geographic segment: by geographic proximity

3. Major countries or regions in each segment:

| | |
|---|---|
| North America | The U.S.A. and Canada |
| Europe | The United Kingdom, Germany, France, Italy, and the Netherlands |
| Asia | China, Taiwan, the Philippines, Indonesia, and Korea |
| Other areas | Panama, Australia and Brazil |

**Segment Information**

**1. Overview of reportable segments**

The Company's reportable segments are components of the company about which separate financial information is available. These segments are subject to periodic reviews by the Company's board of directors to decide how to allocate resources and assess performance. The Company's operations are divided into internal companies based on product categories. Certain authority is delegated to each of the internal companies, based on which they conduct businesses in Japan and overseas. The Company's operations are therefore segmented based on each internal company's product categories. The Company's eight reportable segments are the Ship & Offshore Structure segment, the Rolling Stock segment, the Aerospace segment, the Gas Turbine & Machinery segment, the Plant & Infrastructure segment, the Motorcycle & Engine segment, the Precision Machinery segment, and the Other segment.

In conjunction with its October 2010 organizational restructuring, the Group renamed its Shipbuilding segment the Ship & Offshore Structure segment.

Main segment businesses are listed below.

| Industry segment | Major products |
|---|---|
| Ship & Offshore Structure | Construction and sale of ships and other vessels, etc. |
| Rolling Stock | Production and sale of rolling stock, snow plows, etc. |
| Aerospace | Production and sale of aircraft, etc. |
| Gas Turbine & Machinery | Production and sale of jet engines, general-purpose gas turbine generators, prime movers, etc. |
| Plant & Infrastructure | Production and sale of industrial equipment, boilers, environmental equipment, steel structures, crushers, etc. |
| Motorcycle & Engine | Production and sale of motorcycles, personal watercraft, all-terrain vehicles (ATV), utility vehicles, general-purpose gasoline engines, etc. |
| Precision Machinery | Production and sale of industrial hydraulic products, industrial robots, etc. |
| Other | Production and sale of construction machinery, commercial activities, sales/order agency and intermediary activities, administration of welfare facilities, etc. |

**2. Sales and income (loss) by reportable segment**

Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010)

Millions of yen

| | External sales | Intersegment sales | Total sales | Operating income (loss) |
|---|---|---|---|---|
| Ship & Offshore Structure | 61,253 | 1,107 | 62,360 | 2,063 |
| Rolling Stock | 63,018 | 384 | 63,402 | 3,436 |
| Aerospace | 83,070 | 840 | 83,910 | (1,138) |
| Gas Turbine & Machinery | 99,264 | 10,527 | 109,792 | 6,166 |
| Plant & Infrastructure | 38,867 | 6,130 | 44,998 | 3,537 |
| Motorcycle & Engine | 113,247 | 572 | 113,820 | (1,175) |
| Precision Machinery | 60,988 | 6,150 | 67,138 | 8,610 |
| Other | 51,997 | 15,056 | 67,054 | 938 |
| Reportable segment total | 571,708 | 40,769 | 612,477 | 22,440 |
| Adjustments*1 | - | (40,769) | (40,769) | (1,536) |
| Consolidated total | 571,708 | - | 571,708 | 20,904 |

Notes:

1. Breakdown of adjustments:

Millions of yen

| Income | Amount |
|---|---|
| Intersegment sales eliminated | 67 |
| Corporate expenses* | (1,603) |
| Total | (1,536) |

*Corporate expenses represent expenses not attributable to reportable segments such as selling, general and administrative expenses.

2. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

### 3. Impairment loss on fixed assets and goodwill by reportable segment

Not applicable

### Additional information

Effective the first quarter of the fiscal year ending March 31, 2011, the Company adopted the *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No. 17, revised March 27, 2009) and its associated *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (Guidance No. 20, March 21, 2008).

### (6) Notes on significant changes in the amount of shareholders' equity

Not applicable

## 4. Supplementary information

### (1) Orders and sales (consolidated)

Effective from the first quarter of the fiscal year ending March 31, 2011, the Group adopted the *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No.17, March 27, 2009) and its associated *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Guidance No.20, March 21, 2009). The Group also changed the name of its Consumer Products & Machinery segment to the Motorcycle & Engine segment and the name of its Hydraulic Machinery segment to the Precision Machinery segment in conjunction with the April 2010 adoption of new industry segmentation for internal reporting. Also effective from April 2010, the crushing machine business was shifted from the Rolling Stock segment to the Plant & Infrastructure segment and the industrial robot business was shifted from the Consumer Products & Machinery segment to the Precision Machinery segment. Additionally, in conjunction with its October 2010 organizational restructuring, the Group renamed its Shipbuilding segment the Ship & Offshore Structure segment.

To reflect this change, orders received, net sales, and order backlog for the six months ended September 30, 2009 and the year ended March 31, 2010 in the table below have been restated based on the newly adopted accounting standard and guidance and the resegmentation of operations.

**Orders received**

| | Six months ended September 30, 2009 | | Six months ended September 30, 2010 | | Year ended March 31, 2010 | |
|---|---|---|---|---|---|---|
| | million yen | % of total | million yen | % of total | million yen | % of total |
| Ship & Offshore Structure | 2,728 | 0.6 | 36,468 | 5.9 | 16,128 | 1.6 |
| Rolling Stock | 39,587 | 9.8 | 117,712 | 19.1 | 66,269 | 6.6 |
| Aerospace | 46,545 | 11.5 | 87,956 | 14.3 | 171,380 | 17.1 |
| Gas Turbine & Machinery | 99,897 | 24.7 | 65,381 | 10.6 | 226,228 | 22.5 |
| Plant & Infrastructure | 37,528 | 9.3 | 77,378 | 12.6 | 135,664 | 13.5 |
| Motorcycle & Engine | 100,968 | 25.0 | 113,247 | 18.4 | 203,084 | 20.2 |
| Precision Machinery | 32,820 | 8.1 | 68,042 | 11.0 | 84,948 | 8.4 |
| Other | 42,952 | 10.6 | 47,252 | 7.7 | 97,584 | 9.7 |
| Total | 403,029 | 100.0 | 613,440 | 100.0 | 1,001,290 | 100.0 |

Note: The Motorcycle & Engine segment’s orders received are equal to its net sales as production is based mainly on estimated demand.

**Net sales**

| | Six months ended September 30, 2009 | | Six months ended September 30, 2010 | | Year ended March 31, 2010 | |
|---|---|---|---|---|---|---|
| | million yen | % of total | million yen | % of total | million yen | % of total |
| Ship & Offshore Structure | 65,261 | 12.6 | 61,253 | 10.7 | 151,893 | 12.9 |
| Rolling Stock | 72,532 | 14.0 | 63,018 | 11.0 | 150,071 | 12.7 |
| Aerospace | 73,322 | 14.2 | 83,070 | 14.5 | 188,892 | 16.1 |
| Gas Turbine & Machinery | 83,446 | 16.1 | 99,264 | 17.3 | 191,379 | 16.3 |
| Plant & Infrastructure | 43,355 | 8.4 | 38,867 | 6.7 | 107,580 | 9.1 |
| Motorcycle & Engine | 100,968 | 19.5 | 113,247 | 19.8 | 203,084 | 17.3 |
| Precision Machinery | 34,290 | 6.6 | 60,988 | 10.6 | 82,715 | 7.0 |
| Other | 42,876 | 8.3 | 51,997 | 9.0 | 97,855 | 8.3 |
| Total | 516,053 | 100.0 | 571,708 | 100.0 | 1,173,473 | 100.0 |

**Order backlog**

| | Year ended March 31, 2010 | | Six months ended September 30, 2010 | | Six months ended September 30, 2009 | |
|---|---|---|---|---|---|---|
| | million yen | % of total | million yen | % of total | million yen | % of total |
| Ship & Offshore Structure | 218,134 | 14.4 | 191,779 | 12.7 | 291,772 | 18.6 |
| Rolling Stock | 378,391 | 25.1 | 423,389 | 28.0 | 434,489 | 27.7 |
| Aerospace | 264,788 | 17.5 | 264,846 | 17.5 | 254,072 | 16.2 |
| Gas Turbine & Machinery | 426,506 | 28.3 | 365,470 | 24.2 | 401,857 | 25.6 |
| Plant & Infrastructure | 153,830 | 10.2 | 192,899 | 12.7 | 119,758 | 7.6 |
| Motorcycle & Engine | - | - | - | - | - | - |
| Precision Machinery | 30,772 | 2.0 | 41,218 | 2.7 | 27,069 | 1.7 |
| Other | 34,635 | 2.2 | 29,044 | 1.9 | 34,981 | 2.2 |
| Total | 1,507,057 | 100.0 | 1,508,648 | 100.0 | 1,564,001 | 100.0 |

## (2) Net sales by geographic area (consolidated)

Net sales by geographic area for the six months ended September 30, 2009 and 2010, in accordance with *the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No.17, March 27, 2009) and its associated *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Guidance No.20, March 21, 2009) are listed below.

**Six months ended September 30, 2009 (April 1, 2009 – September 30, 2009)**

Millions of yen

| | | |
|---|---|---|
| Japan | 243,307 | 47.1% |
| The U.S.A | 102,353 | 19.8% |
| Europe | 43,738 | 8.4% |
| Asia | 74,718 | 14.4% |
| Other areas | 51,936 | 10.0% |
| Total | 516,053 | 100% |

**Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010)**

Millions of yen

| | | |
|---|---|---|
| Japan | 253,062 | 44.2% |
| The U.S.A | 116,170 | 20.3% |
| Europe | 42,492 | 7.4% |
| Asia | 104,041 | 18.1% |
| Other areas | 55,940 | 9.7% |
| Total | 571,708 | 100% |

## (3) Supplementary information on earnings forecasts for the fiscal year ending March 31, 2011

### 1) Consolidated earnings outlook

Billions of yen

| | Outlook for the year ending March 31, 2011 (fiscal 2011) | | | Fiscal 2010 (ended March 31, 2010) (actual) |
|---|---|---|---|---|
| | Revised forecast (A) | Forecast issued April 27, 2010 (B) | Change (A – B) | |
| Net sales | 1,280.0 | 1,280.0 | - | 1,173.4 |
| Operating income | 32.0 | 32.0 | - | (1.3) |
| Recurring profit | 32.0 | 32.0 | - | 14.2 |
| Net income | 20.0 | 20.0 | - | (10.8) |

| | | | | |
|---|---|---|---|---|
| Orders received | 1,340.0 | 1,240.0 | 100.0 | 1,001.2 |
| Before-tax ROIC (%) | 5.6% | 5.6% | - | 0.2% |
| R&D expenses | 40.5 | 40.5 | - | 38.0 |
| Capital expenditures | 70.0 | 66.0 | 4.0 | 59.2 |
| Depreciation/amortization | 51.0 | 54.0 | (3.0) | 51.4 |
| Number of employees at end of fiscal year | 32,700 | 32,400 | 300 | 32,297 |
| *Of which, employees outside of Japan* | *8,100* | *7,800* | *300* | *7,901* |

Notes: 1. Outlook's assumed foreign exchange rates: ¥83 = US$1, ¥115 = 1 euro

2. Before-tax ROIC = (income before income taxes + interest expense) / invested capital.

3. Capital expenditures represent the total of newly recorded property, plant and equipment and newly recorded intangible assets. Depreciation/amortization represents depreciation and amortization expenses on property, plant and equipment and intangible assets.

### 2) Outlook by reportable segment

(a) Net sales and operating income (loss)

Billions of yen

| | Outlook for the year ending March 31, 2011 (fiscal 2011) | | | | | | Fiscal 2010 (ended March 31, 2010) (actual) | |
|---|---|---|---|---|---|---|---|---|
| | Revised forecast (A) | | Forecast issued April 27, 2010 (B) | | Change (A – B) | | | |
| | Net sales | Operating income (loss) | Net sales | Operating income (loss) | Net sales | Operating income (loss) | Net sales | Operating income (loss) |
| Ship & Offshore Structure | 120.0 | 1.0 | 120.0 | 2.0 | - | (1.0) | 151.8 | 1.5 |
| Rolling Stock | 145.0 | 7.0 | 145.0 | 8.0 | - | (1.0) | 150.0 | 8.7 |
| Aerospace | 215.0 | 2.0 | 215.0 | 4.0 | - | (2.0) | 188.8 | 3.7 |
| Gas Turbine & Machinery | 210.0 | 9.0 | 210.0 | 10.0 | - | (1.0) | 191.3 | 8.9 |
| Plant & Infrastructure | 100.0 | 8.0 | 110.0 | 6.0 | (10.0) | 2.0 | 107.5 | 7.9 |
| Motorcycle & Engine | 250.0 | (4.0) | 260.0 | 0.0 | (10.0) | (4.0) | 203.0 | (27.0) |
| Precision Machinery | 130.0 | 15.0 | 110.0 | 8.0 | 20.0 | 7.0 | 82.7 | 3.4 |
| Other | 110.0 | 1.0 | 110.0 | 1.0 | - | - | 97.8 | (1.0) |
| Adjustments | | (7.0) | | (7.0) | | - | | (7.5) |
| Total | 1,280.0 | 32.0 | 1,280.0 | 32.0 | - | - | 1,173.4 | (1.3) |

(b) Orders received

Billions of yen

| | Outlook for the year ending March 31, 2011 (fiscal 2011) | | | Fiscal 2010 (ended March 31, 2010) (actual) |
|---|---|---|---|---|
| | Revised outlook (A) | Forecast issued April 27, 2010 (B) | Change (A – B) | |
| Ship & Offshore Structure | 100.0 | 90.0 | 10.0 | 16.1 |
| Rolling Stock | 180.0 | 130.0 | 50.0 | 66.2 |
| Aerospace | 210.0 | 200.0 | 10.0 | 171.3 |
| Gas Turbine & Machinery | 220.0 | 220.0 | - | 226.2 |
| Plant & Infrastructure | 130.0 | 120.0 | 10.0 | 135.6 |
| Motorcycle & Engine | 250.0 | 260.0 | (10.0) | 203.0 |
| Precision Machinery | 140.0 | 110.0 | 30.0 | 84.9 |
| Other | 110.0 | 110.0 | - | 97.5 |
| Total | 1,340.0 | 1,240.0 | 100.0 | 1,001.2 |

Note: Fiscal 2010 (ended March 31, 2010) figures for net sales, operating income (loss) and orders received appear in the tables above for reference purposes. They were recalculated based on the same segmentation and calculation methods used for the second quarter ended September 30, 2010. Accordingly, they differ from those for net sales and operating income (loss) reported in the "Segment Information" section.