

DATA FILE 2002

KAWASAKI HEAVY INDUSTRIES, LTD.

Code No. (7012)

HISTORY

Kawasaki Heavy Industries, Ltd. (KHI) traces its origins to an industrial shipyard in Tsukiji, Tokyo, established by Shozo Kawasaki in 1878. In 1896, the Company was incorporated under the laws of Japan as Kawasaki Dockyard Co., Ltd. The Company later expanded its business to include the manufacture of rolling stock, steel, steel structures, industrial machinery, automobiles and aircraft. The Company also engaged in the shipping business through the company known as Kawasaki Kisen Kaisha, Ltd. (the "K" Line), which later became an independent company. In 1939, the Company adopted its present name, Kawasaki Heavy Industries, Ltd.

In 1950, the Company's steel manufacturing division was divested and Kawasaki Steel Corporation was formed. In 1969, Kawasaki Aircraft Co., Ltd. and Kawasaki Rolling Stock Mfg. Co., Ltd., former divisions which had been divested, were merged back into the Company, forming an integrated heavy industry enterprise.

The Company established a subsidiary in the United States to sell its motorcycles in 1969. In 1975, through its local subsidiary, the Company began to produce motorcycles in the United States ahead of any other Japanese producer of any type of motor vehicle. Subsequently, through its U.S. subsidiaries, the Company began to manufacture rolling stock in New York in 1986, wheel loaders in Georgia in 1987, and small gasoline engines in Missouri in 1989. In 1993, the Company established a local subsidiary to acquire a hydraulic machinery manufacturing business in Plymouth, U.K., its first production facility in Europe.

The Company has been seeking to expand its activities in Asia. The Company has joint ventures in Malaysia, Thailand, Indonesia and the Philippines to manufacture motorcycles. In China, KHI has three joint ventures to manufacture prime movers, ships, and steel structures.

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FINANCIAL HIGHLIGHTS

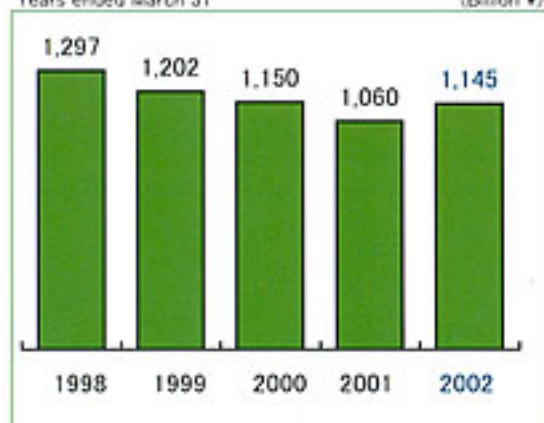
Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

Years ended March 31

	Millions of yen				
	2002	2001	2000	1999	1998
For the year:					
Net sales	¥1,144,534	¥1,060,479	¥1,149,698	¥1,202,189	¥1,297,212
Net income (loss)	6,282	(10,320)	(18,632)	(6,132)	18,556
Net income (loss) per share (yen)	4.5	(7.4)	(13.4)	(4.4)	13.3
Return on average shareholders' equity (%)	3.8%	(6.1%)	(9.9%)	(3.0%)	9.1%
Cash dividends per share (yen)	—	—	—	6.0	6.0
At year end:					
Total assets	1,255,075	1,247,472	1,206,806	1,204,857	1,222,906
Working capital	150,114	148,577	188,403	161,712	162,084
Current ratio (%)	119.9%	120.2%	127.3%	122.4%	121.7%
Total shareholders' equity	167,731	164,081	174,955	199,637	209,040

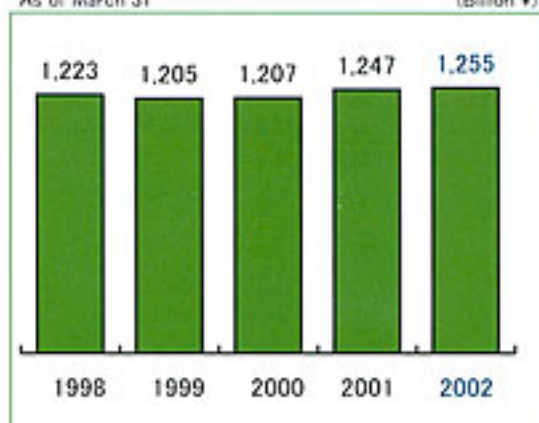
Net Sales

Years ended March 31 (Billion ¥)



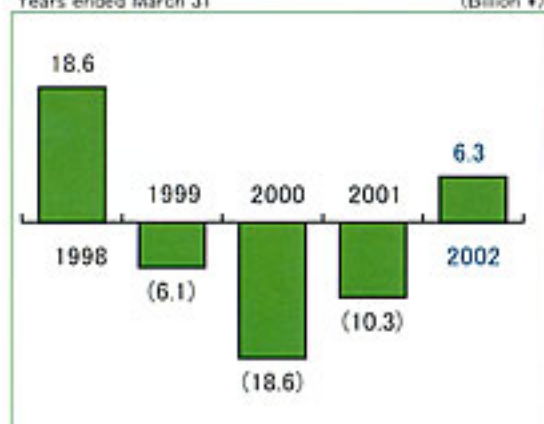
Total Assets

As of March 31 (Billion ¥)



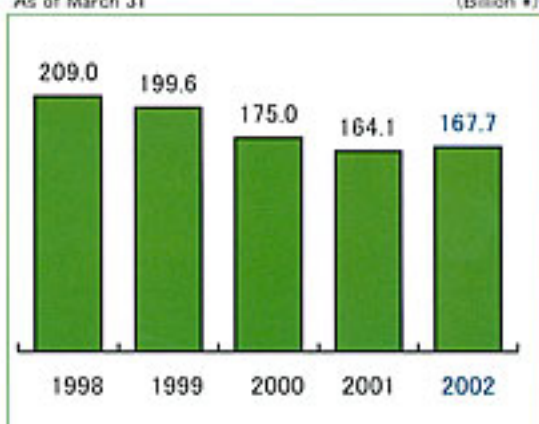
Net Income (Loss)

Years ended March 31 (Billion ¥)



Total Shareholders' Equity

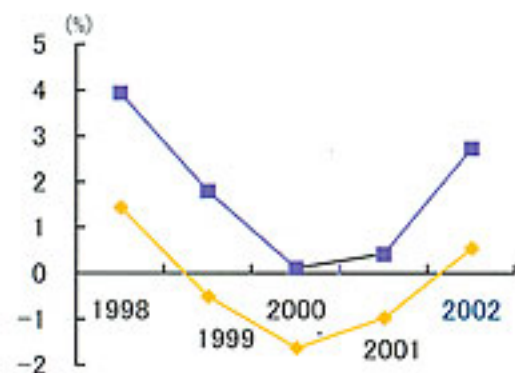
As of March 31 (Billion ¥)



KEY INDICATORS (CONSOLIDATED BASIS)

Ratio of Operating Income to Sales Return on Sales

Years ended March 31

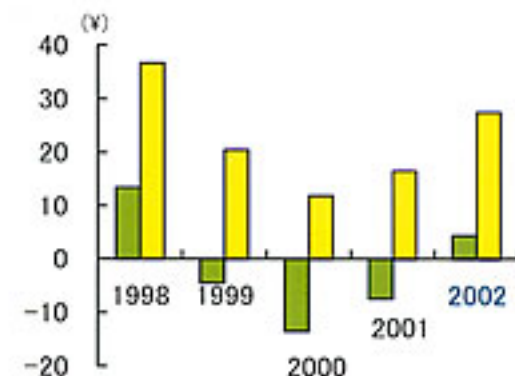


	1998	1999	2000	2001	2002
Operating Income to Sales - ■-	3.94	1.80	0.11	0.42	2.74
ROS - ◆-	1.43	(0.51)	(1.62)	(0.97)	0.55

Operating Income to Sales: Operating Income/Net Sales.
ROS: Net Income/Net Sales.

Earnings per Share Cash Flow per Share

Years ended March 31



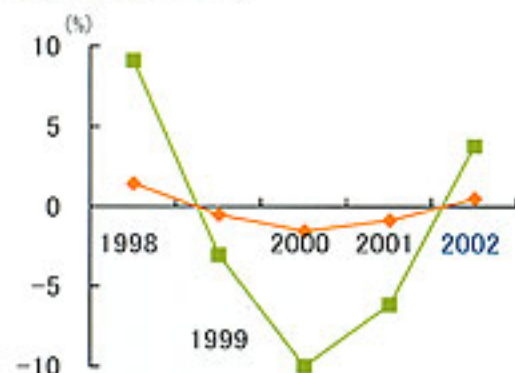
	1998	1999	2000	2001	2002
EPS ■	13.3	(4.4)	(13.4)	(7.4)	4.5
CFPS ■	36.7	20.5	11.8	16.5	27.5

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



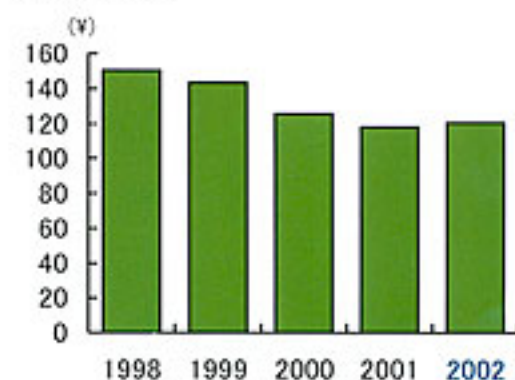
	1998	1999	2000	2001	2002
ROE - ■-	9.14	(3.00)	(9.95)	(6.09)	3.79
ROA - ◆-	1.47	(0.51)	(1.55)	(0.84)	0.50

ROE: Net Income/Average Shareholders' Equity.

ROA: Net Income/Average Total Assets.

Book Value per Share

As of March 31

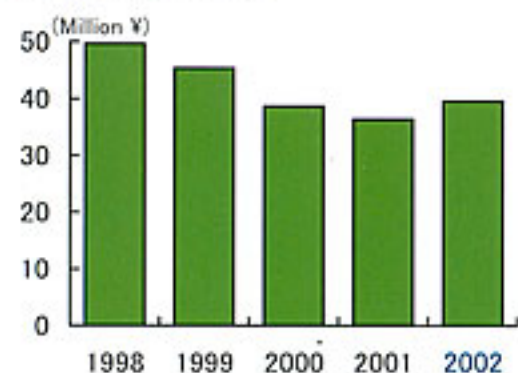


	1998	1999	2000	2001	2002
Book Value per Share	150.32	143.56	125.81	117.99	120.62

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

Net Sales per Employee

Years ended March 31

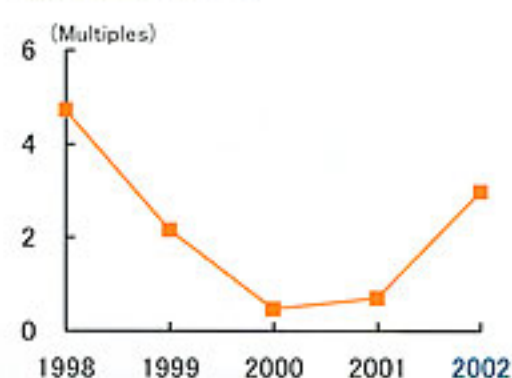


1998	1999	2000	2001	2002
49.70	45.39	38.62	36.37	39.55

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

Interest Coverage

Years ended March 31

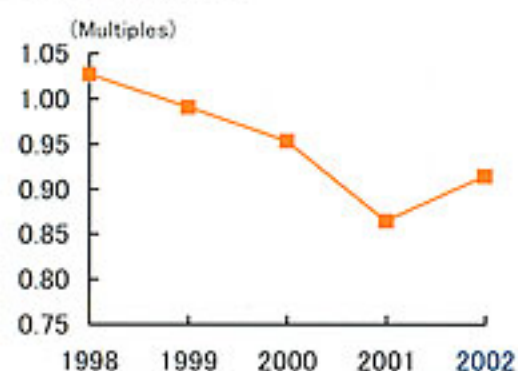


1998	1999	2000	2001	2002
4.72	2.15	0.47	0.70	2.97

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

Asset Turnover

Years ended March 31

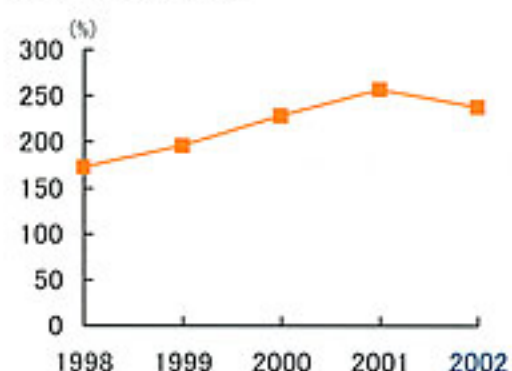


1998	1999	2000	2001	2002
1.03	0.99	0.95	0.86	0.91

Asset Turnover: Net Sales/Average Total Assets.

Debt to Equity Ratio

Years ended March 31



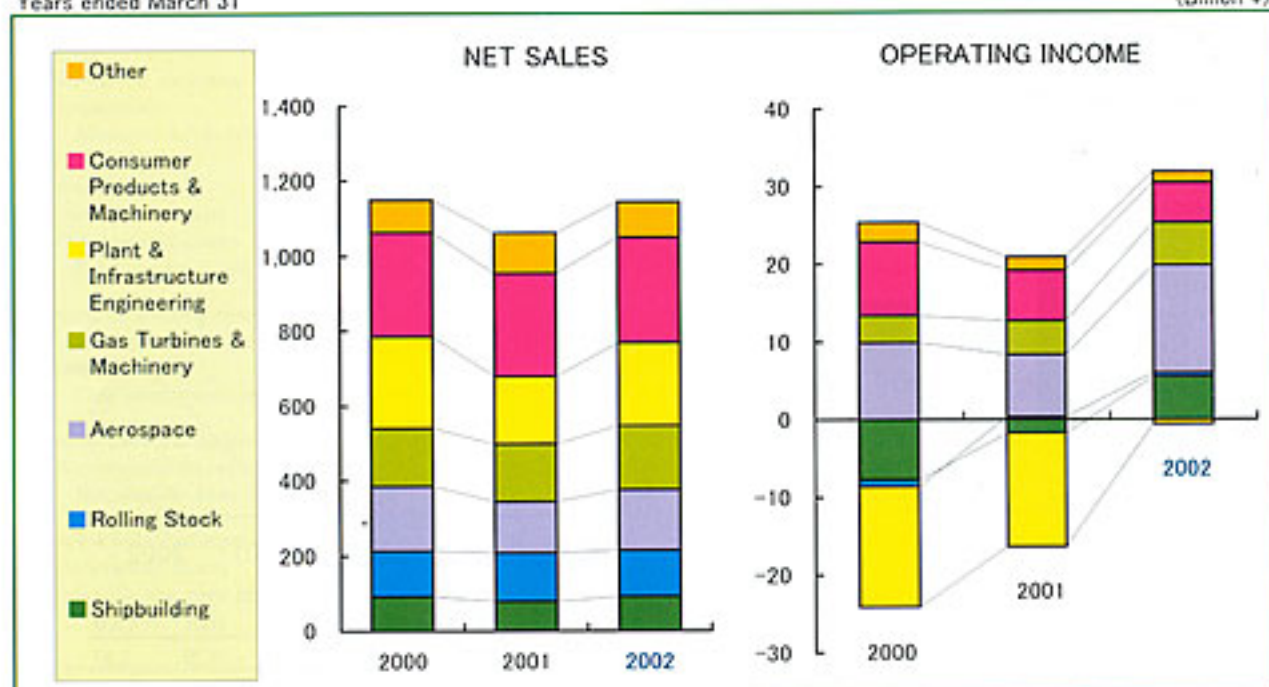
1998	1999	2000	2001	2002
173	196	229	257	238

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 ¥)

	2000	2001	2002
Shipbuilding	91.9	78.7	92.5
Rolling Stock	121.5	129.6	121.8
Aerospace	172.3	136.3	161.0
Gas Turbines & Machinery	153.7	152.3	171.6
Plant & Infrastructure Engineering	245.6	181.2	220.6
Consumer Products & Machinery	277.2	275.9	281.2
Other	87.5	106.5	95.8
Total	1,149.7	1,060.5	1,144.5

Operating Income (Loss)

(Billion ¥)

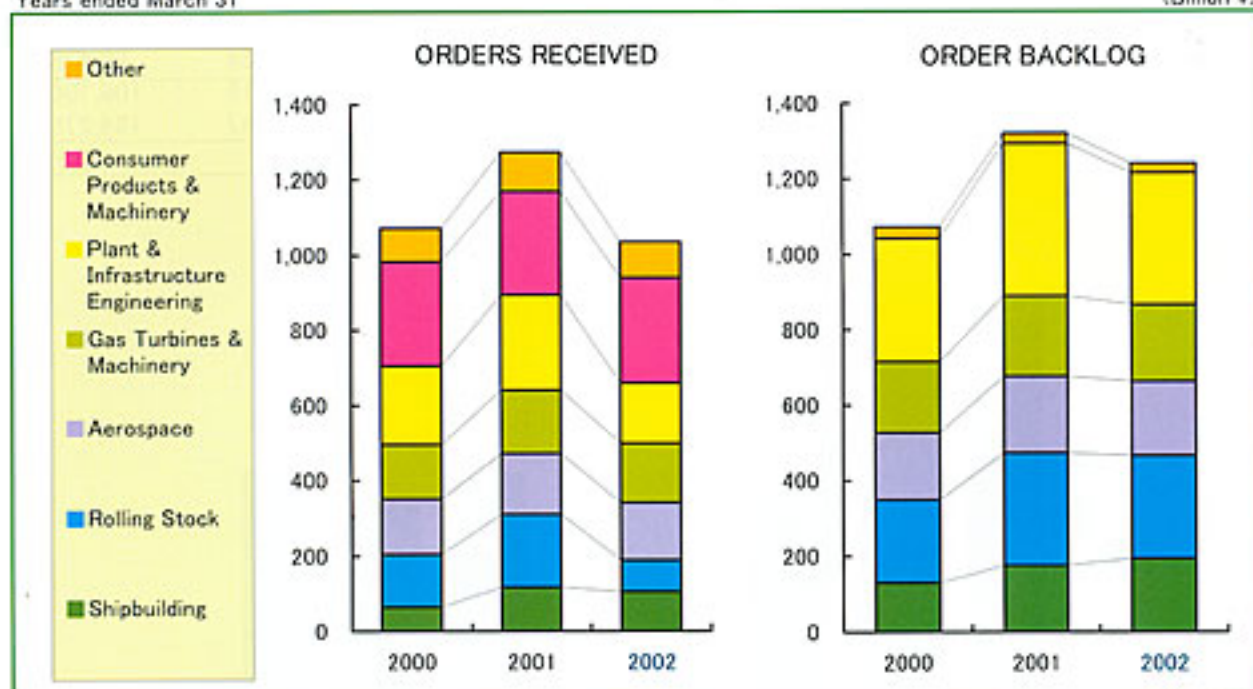
	2000	2001	2002
Shipbuilding	(7.7)	(1.7)	5.5
Rolling Stock	(0.9)	0.3	0.5
Aerospace	9.9	8.1	13.9
Gas Turbines & Machinery	3.5	4.3	5.4
Plant & Infrastructure Engineering	(15.5)	(14.7)	(0.6)
Consumer Products & Machinery	9.5	6.5	5.2
Other & Eliminations	2.5	1.7	1.4
Net Operating Income	1.3	4.5	31.3

Ratio of Operating Income to Sales

	2000	2001	2002
Shipbuilding	(8.4%)	(2.2%)	5.9%
Rolling Stock	(0.7%)	0.2%	0.4%
Aerospace	5.8%	6.0%	8.6%
Gas Turbines & Machinery	2.3%	2.8%	3.1%
Plant & Infrastructure Engineering	(6.3%)	(8.1%)	(0.3%)
Consumer Products & Machinery	3.4%	2.3%	1.8%
Other	2.9%	1.6%	1.5%
Total	0.1%	0.4%	2.7%

Years ended March 31

(Billion ¥)



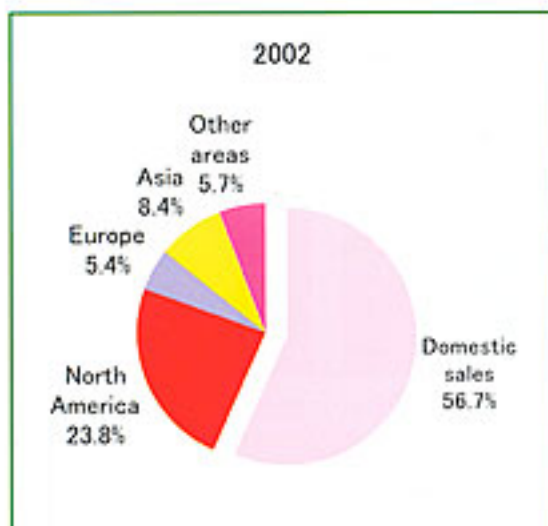
(Billion ¥)

	Orders Received		
	2000	2001	2002
Shipbuilding	64.4	117.5	106.1
Rolling Stock	139.8	192.9	82.6
Aerospace	146.0	162.0	151.7
Gas Turbines & Machinery	145.2	167.8	158.7
Plant & Infrastructure Engineering	209.6	254.3	160.1
Consumer Products & Machinery	277.2	275.9	281.2
Other	88.9	103.3	94.4
Total	1,071.1	1,273.7	1,034.8

	Order Backlog		
	2000	2001	2002
Shipbuilding	130.8	177.0	194.3
Rolling Stock	219.0	296.3	272.6
Aerospace	177.0	203.7	195.4
Gas Turbines & Machinery	188.1	213.2	204.8
Plant & Infrastructure Engineering	327.4	403.6	347.5
Consumer Products & Machinery	0.0	0.0	0.0
Other	30.3	27.1	25.8
Total	1,072.6	1,320.9	1,240.4

OVERSEAS SALES

Years ended March 31



	2002	
	Million ¥	% against net sales
North America	272,066	23.8%
Europe	62,139	5.4%
Asia	95,832	8.4%
Other Areas	65,988	5.7%
Total Overseas Sales	496,025	43.3%
Domestic Sales	648,509	56.7%
Net Sales	1,144,534	100.0%

Shipbuilding

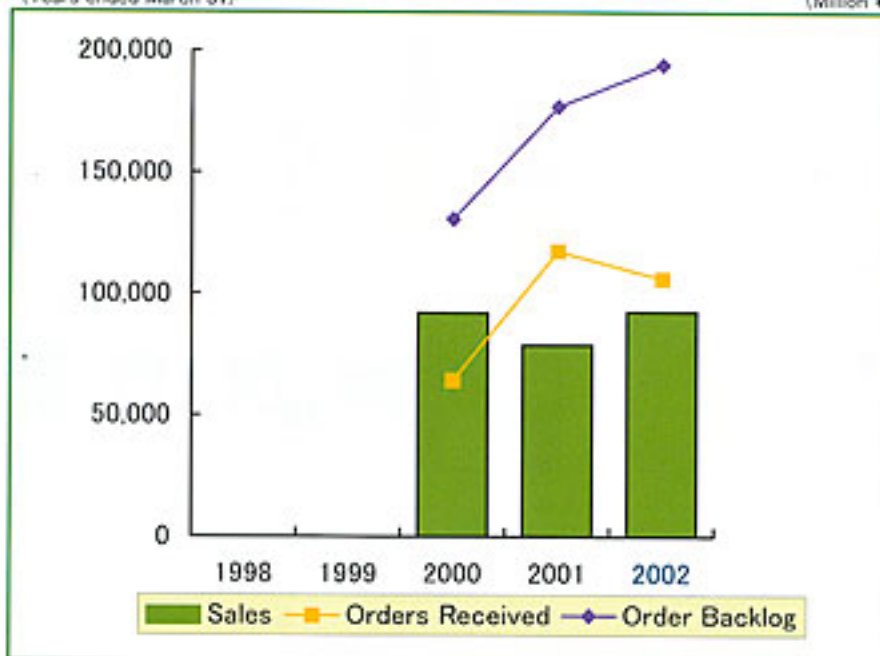
(Years ended March 31) -Consolidated Basis-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	N.A	N.A	91,891	78,734	92,478
Orders Received	N.A	N.A	64,417	117,518	106,106
Order Backlog	N.A	N.A	130,824	176,987	194,275

(Years ended March 31)

(Million ¥)



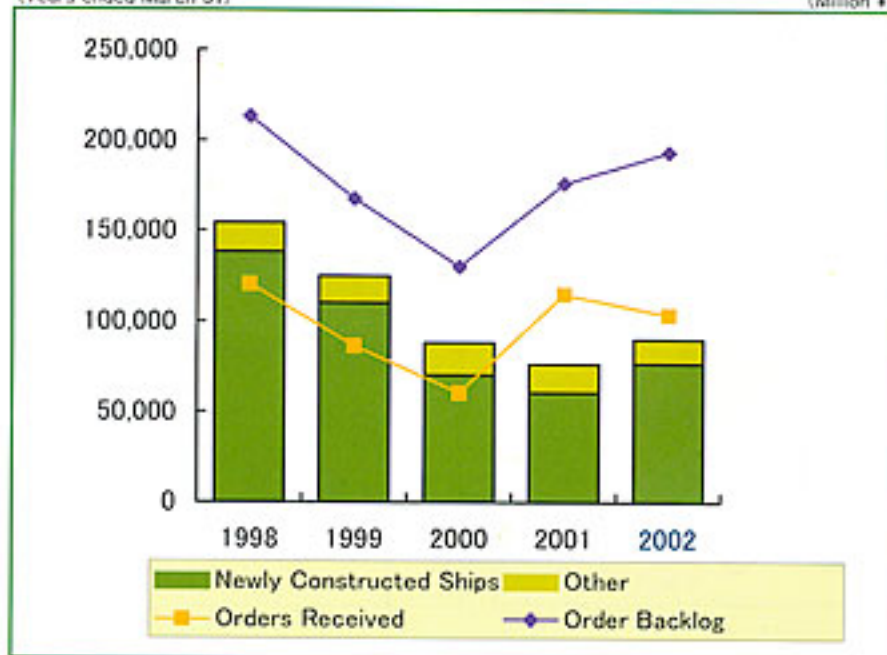
(Years ended March 31) -Parent Only-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	154,476	124,896	88,030	75,981	89,995
Newly Constructed Ships	138,444	110,027	70,238	60,404	76,502
Exports	59,443	60,248	52,411	45,944	62,278
Orders Received	120,882	86,484	60,576	114,957	103,655
Order Backlog	213,637	168,007	130,138	176,492	193,812

(Years ended March 31)

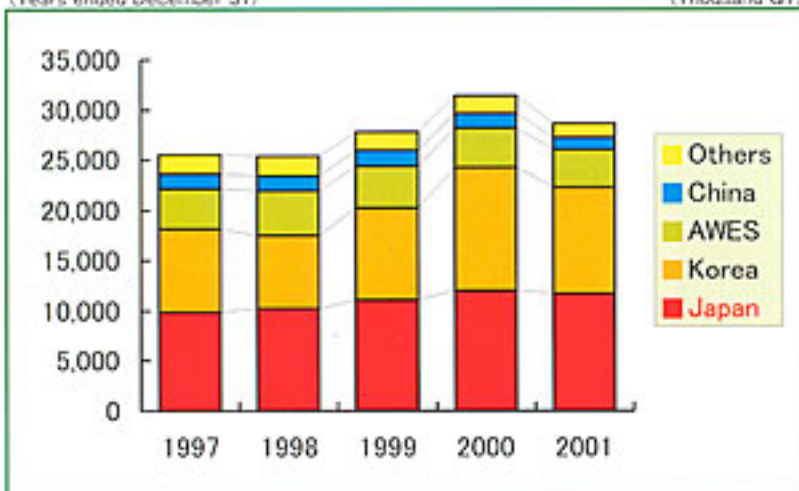
(Million ¥)



Newly Constructed Ships World Market Volume

(Years ended December 31)

(Thousand GT)



(Thousand GT)

	1997	1998	1999	2000	2001
Japan	9,884	10,244	11,079	12,001	11,696
Korea	8,227	7,250	9,158	12,218	10,598
AWES a)	4,031	4,475	4,142	3,982	3,720
China	1,479	1,466	1,556	1,484	1,225
Others	1,906	1,974	1,865	1,723	1,429
World Market Volume	25,527	25,409	27,800	31,408	28,669

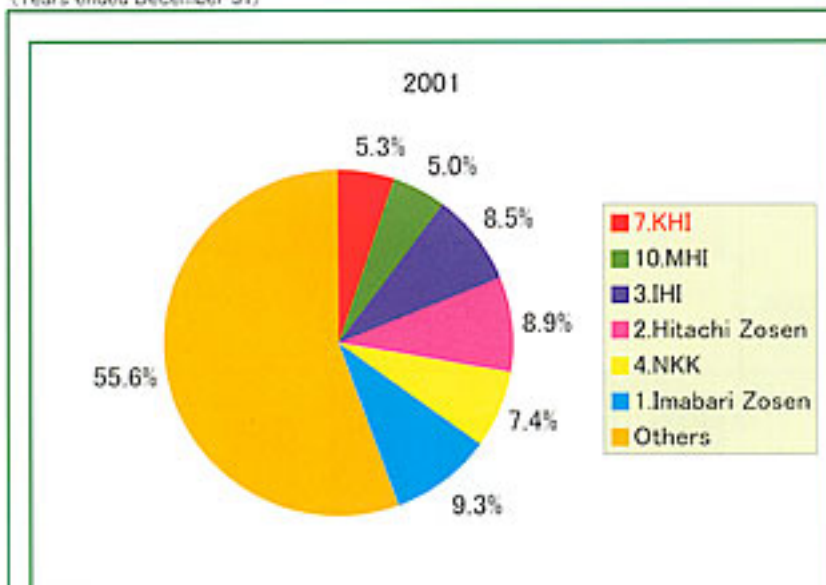
Notes: 1. Figures are on a ships volume completed (tonnage) basis for vessels of 100GT and above.

2. a) The Association of West European Shipbuilders.

Source: Lloyd's World Fleet Statistics 2001.

Newly Constructed Ships Domestic Share

(Years ended December 31)



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

2. a) Mitsubishi Heavy Industries.

b) Ishikawajima-Harima Heavy Industries.

c) Mitsu Engineering & Shipbuilding.

Source: KP Data.

1997 (%)	
1. MHI a)	14.2
2. IHI b)	6.6
2. NKK	6.6
4. KHI	6.6
5. Imabari Zosen	6.5

1998 (%)	
1. MHI	9.1
2. MES c)	7.5
3. Hitachi Zosen	7.3
4. IHI	6.8
5. Imabari Zosen	6.2
10. KHI	4.4

1999 (%)	
1. MHI	12.6
2. IHI	9.6
3. Hitachi Zosen	6.8
4. MES	6.6
5. NKK	6.2
11. KHI	4.0

2000 (%)	
1. MHI	13.0
2. IHI	8.8
3. MES	7.3
4. Hitachi Zosen	6.6
5. NKK	6.3
7. KHI	5.2

Rolling Stock

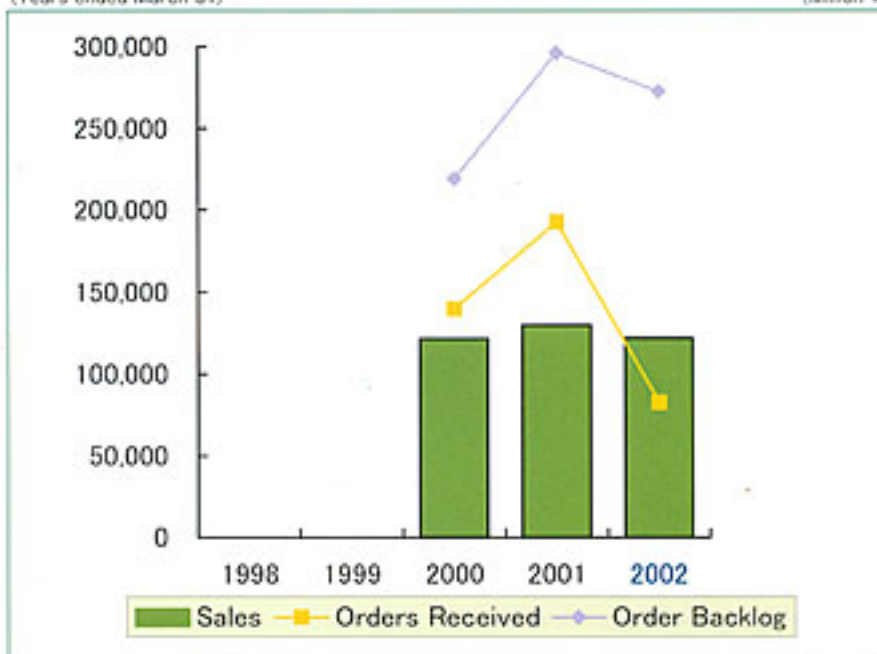
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	N.A	N.A	121,464	129,591	121,781
Orders Received	N.A	N.A	139,807	192,884	82,585
Order Backlog	N.A	N.A	219,064	296,242	272,642

(Years ended March 31)

(Million ¥)



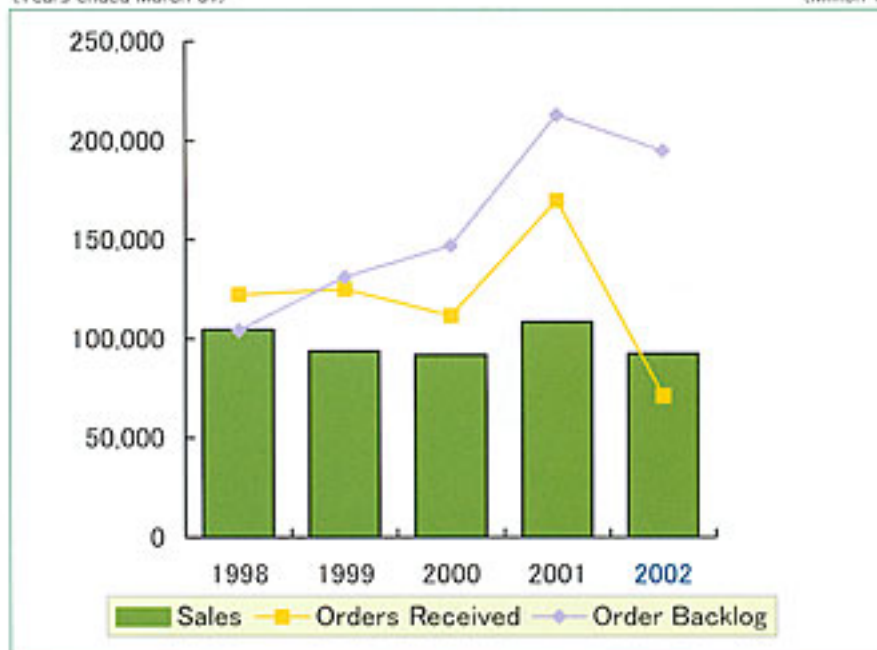
(Years ended March 31)-Parent Only-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	104,861	93,714	91,871	108,573	92,589
Exports	20,599	27,433	16,841	27,999	36,699
Orders Received	122,434	125,201	111,748	169,853	71,436
Order Backlog	104,377	131,376	147,076	213,170	194,985

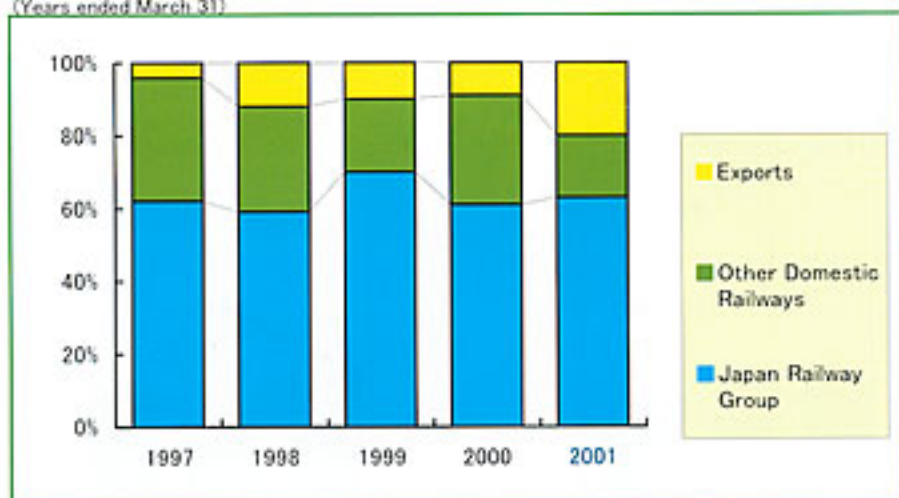
(Years ended March 31)

(Million ¥)



Japanese Rolling Stock Production by Demand Sector

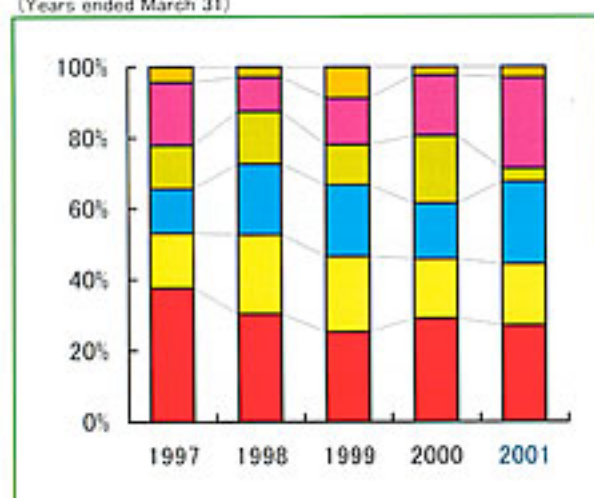
(Years ended March 31)



	1997	1998	1999	2000	2001
Japan Railway Group	62%	59%	70%	61%	63%
Other Domestic Railways	34%	29%	20%	30%	17%
Exports	4%	12%	10%	9%	20%
Total	100%	100%	100%	100%	100%

Major Rolling Stock Suppliers to the Japan Railway Group

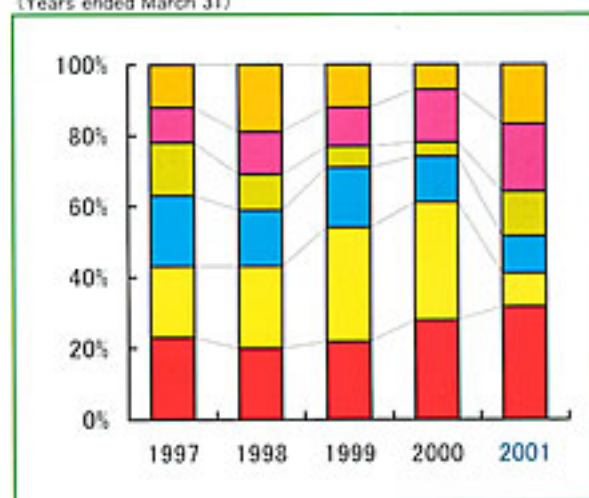
(Years ended March 31)



	1997	1998	1999	2000	2001
KHI	37.6%	30.3%	25.3%	29.0%	27.1%
Nippon Sharyo	15.4%	22.3%	21.1%	16.8%	17.3%
Hitachi	12.5%	20.0%	20.2%	15.6%	23.2%
Kinki Sharyo	12.3%	14.8%	11.5%	19.1%	3.7%
Tokyu Car	17.9%	9.7%	13.1%	17.1%	25.6%
Others	4.3%	2.9%	8.8%	2.4%	3.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Major Rolling Stock Suppliers to Domestic Railways except JR Group

(Years ended March 31)



	1997	1998	1999	2000	2001
KHI	23%	20%	22%	28%	32%
Nippon Sharyo	20%	23%	32%	33%	9%
Hitachi	20%	16%	17%	13%	10%
Kinki Sharyo	15%	10%	6%	4%	13%
Tokyu Car	10%	12%	11%	15%	19%
Others	12%	19%	12%	7%	17%
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

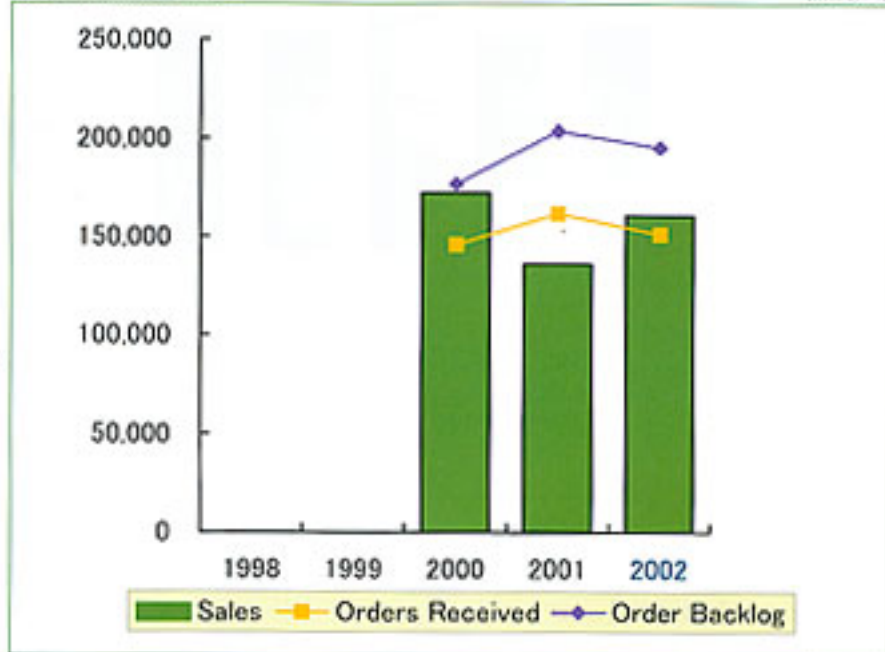
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	NA	NA	172,322	136,342	161,072
Orders Received	NA	NA	146,025	161,939	151,641
Order Backlog	NA	NA	176,996	203,688	195,447

(Years ended March 31)

(Million ¥)



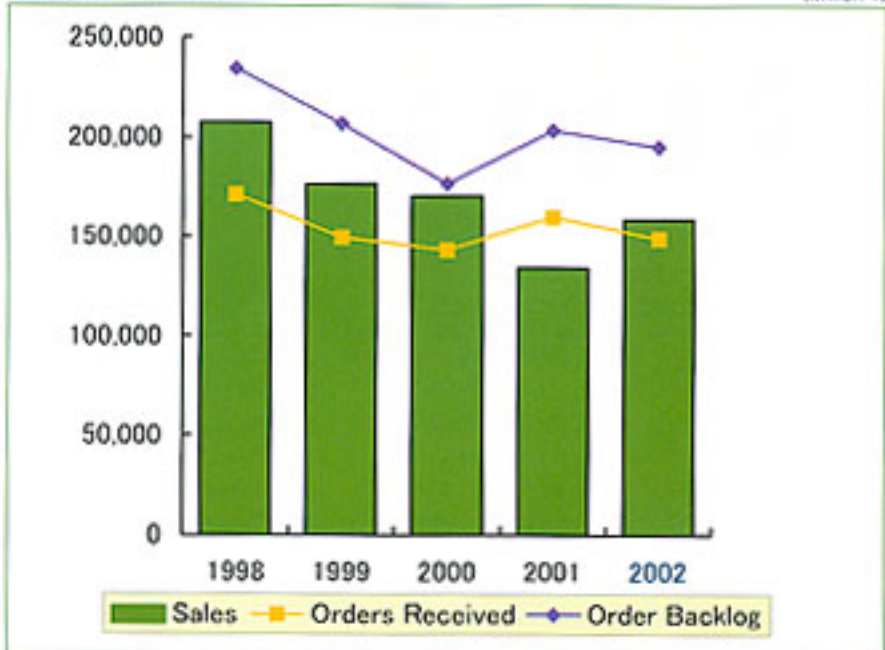
(Years ended March 31)-Parent Only-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	207,297	176,404	170,560	134,273	158,639
Exports	45,903	56,046	39,632	39,773	49,914
Orders Received	171,121	149,727	143,646	159,866	149,133
Order Backlog	234,106	206,473	176,601	203,290	194,975

(Years ended March 31)

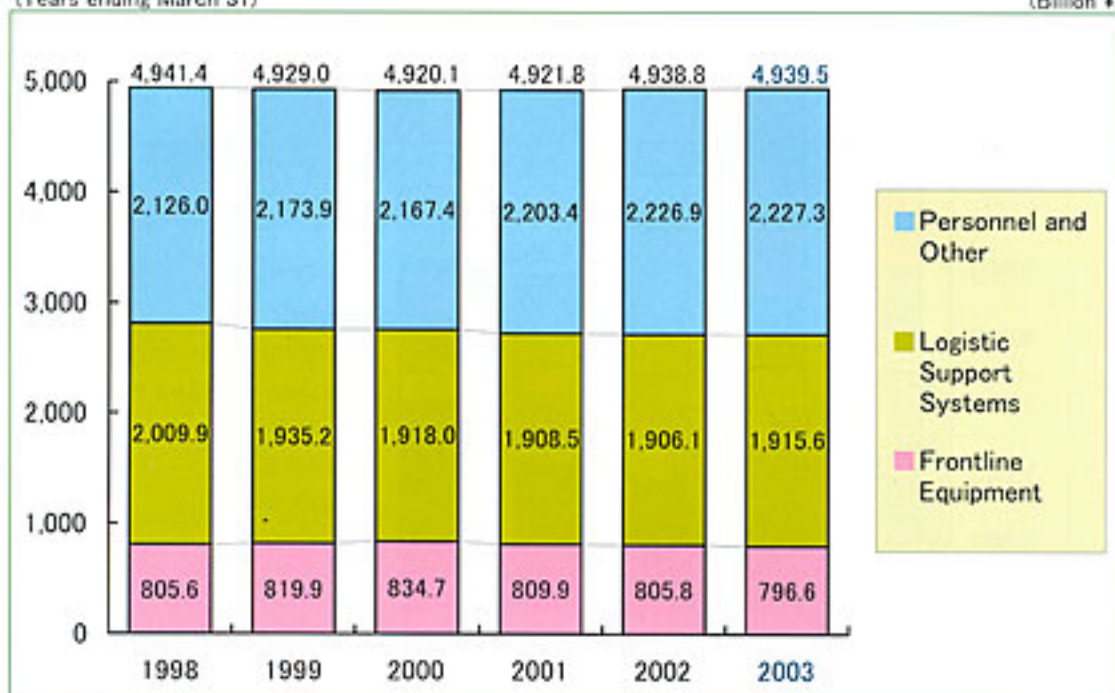
(Million ¥)



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)

1997			1998			1999		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI	329.9	24.3	1. MHI	271.9	20.6	1. MHI	332.4	26.7
2. Mitsubishi Electric	131.8	9.7	2. KHI	146.8	11.1	2. Mitsubishi Electric	103.1	8.3
3. KHI	99.2	7.3	3. Mitsubishi Electric	128.7	9.7	3. KHI	87.3	7.0
4. IHI	71.5	5.3	4. NEC	74.6	5.6	4. IHI	64.4	5.2
5. NEC	57.1	4.2	5. IHI	66.2	5.0	5. NEC	44.6	3.6

2000			2001			2002		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI	279.7	22.1	1. MHI	307.4	24.4	1. MHI	275.5	21.7
2. KHI	132.2	10.5	2. Mitsubishi Electric	120.8	9.6	2. KHI	121.3	9.6
3. Mitsubishi Electric	112.1	8.9	3. KHI	98.7	7.8	3. Mitsubishi Electric	101.0	8.0
4. Toshiba	53.8	4.3	4. IHI	54.0	4.3	4. NEC	57.2	4.5
5. IHI	53.6	4.2	5. NEC	46.5	3.7	5. IHI	54.5	4.3

Notes: a) Mitsubishi Heavy Industries.

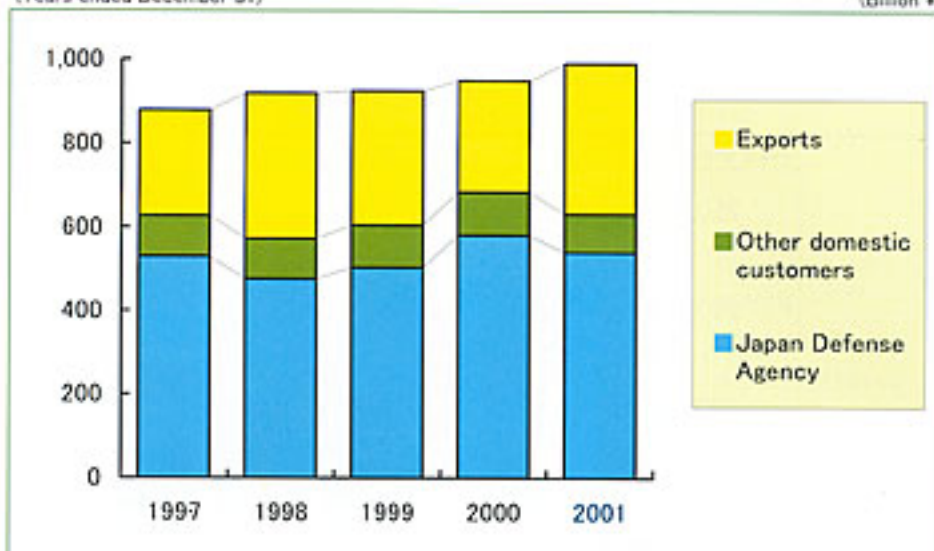
b) Ishikawajima-Harima Heavy Industries.

Source: Japan Defense Agency.

Japanese Aircraft Production by Demand Sector

(Years ended December 31)

(Billion ¥)



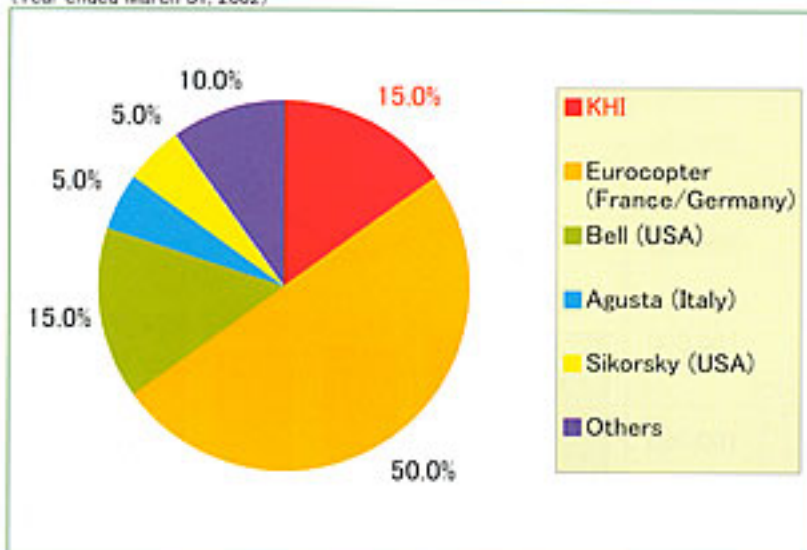
(Million ¥)

	1997	1998	1999	2000	2001
Japan Defense Agency	528,322	475,477	503,458	580,634	540,288
Other domestic customers	99,067	96,434	101,007	103,470	90,854
Exports	252,223	346,455	320,749	265,920	359,781
Total	879,612	918,366	925,214	950,024	990,923

Source: Ministry of Economy, Trade and Industry, "Machinery Statistics Year Book".

Helicopters Domestic Share for Civilian Use

(Year ended March 31, 2002)



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

Source: Civil Aviation Bureau, Ministry of Land, Infrastructure and Transport.

Gas Turbines & Machinery

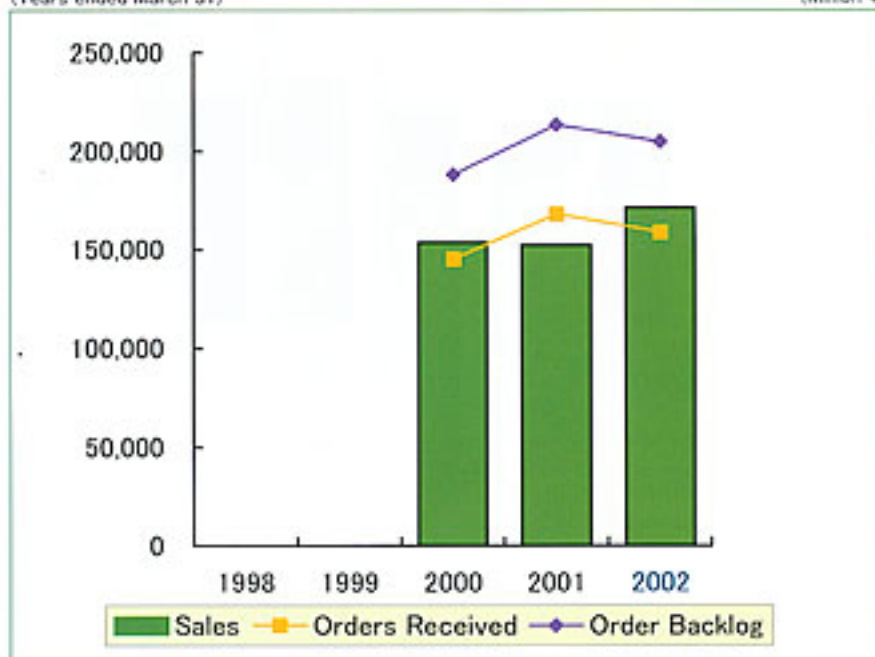
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	N.A	N.A	153,682	152,307	171,586
Orders Received	N.A	N.A	145,157	167,812	158,662
Order Backlog	N.A	N.A	188,074	213,228	204,819

(Years ended March 31)

(Million ¥)



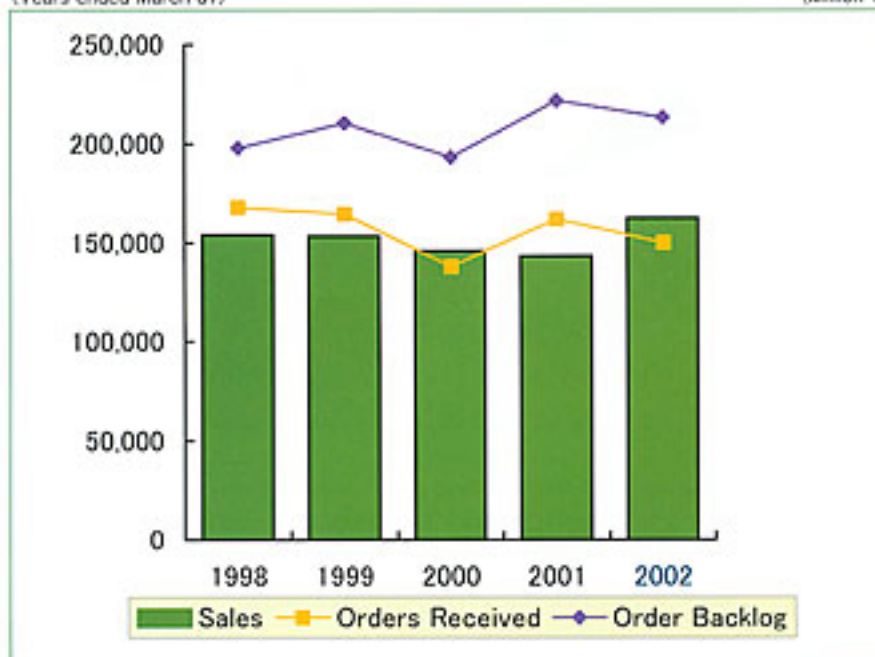
(Years ended March 31)-Parent Only-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	154,047	153,484	145,843	143,278	162,334
Exports	39,587	51,249	45,306	40,700	56,218
Orders Received	167,481	164,285	137,997	161,950	149,824
Order Backlog	197,542	210,113	193,309	221,462	213,299

(Years ended March 31)

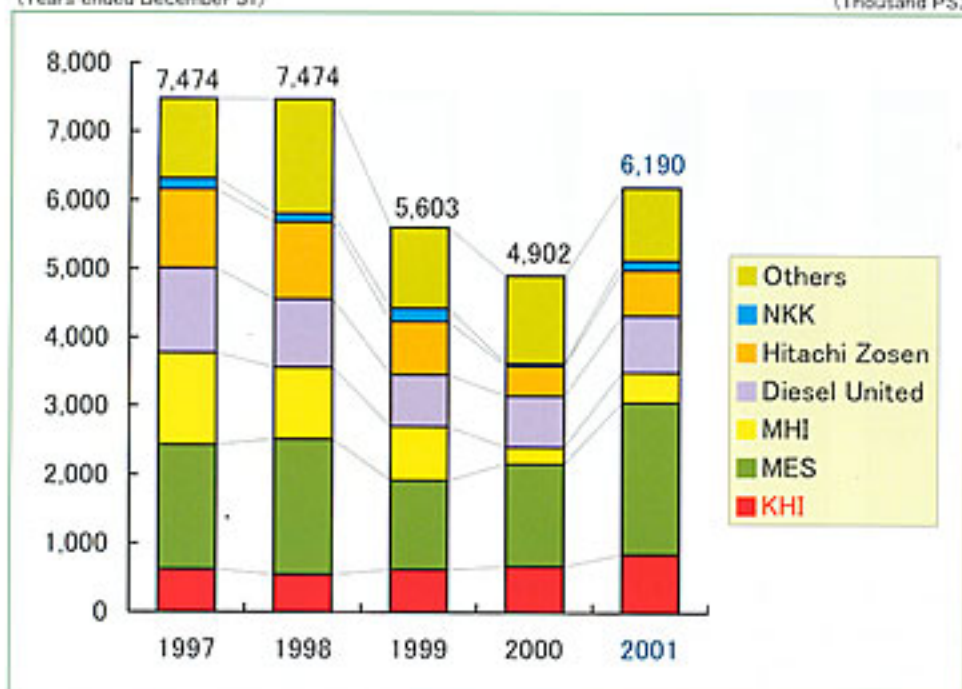
(Million ¥)



Diesel Engines Domestic Production

(Years ended December 31)

(Thousand PS)



	(Thousand PS)				
	1997	1998	1999	2000	2001
KHI	629	552	627	673	853
MES a)	1,803	1,964	1,294	1,492	2,205
MHI	1,346	1,050	784	238	442
Diesel United	1,225	997	756	745	827
Hitachi Zosen	1,148	1,111	776	438	658
NKK	160	122	194	44	140
Others	1,163	1,678	1,172	1,272	1,065
Total	7,474	7,474	5,603	4,902	6,190

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

2. a) Mitsui Engineering & Shipbuilding.

Source: KP Data.

Diesel Engines Domestic Share

(Years ended December 31)

	1997	1998	1999	2000	2001
KHI	8.4%	7.4%	11.2%	13.7%	13.8%
MES	24.1%	26.3%	23.1%	30.4%	35.6%
MHI	18.0%	14.0%	14.0%	4.9%	7.1%
Diesel United	16.4%	13.3%	13.5%	15.2%	13.4%
Hitachi Zosen	15.4%	14.9%	13.8%	8.9%	10.6%
NKK	2.1%	1.6%	3.5%	0.9%	2.3%
Others	15.6%	22.5%	20.9%	26.0%	17.2%

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

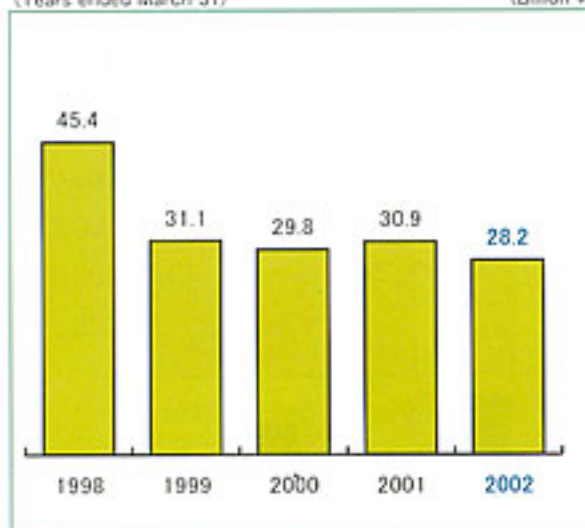
Source: KP Data.

Hydraulic Equipment Sales

-Parent Only-

(Years ended March 31)

(Billion ¥)

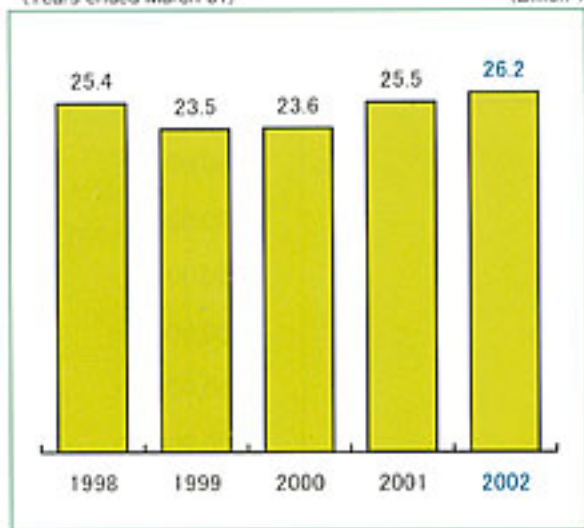


Gas Turbine Generator Sales

-Parent Only-

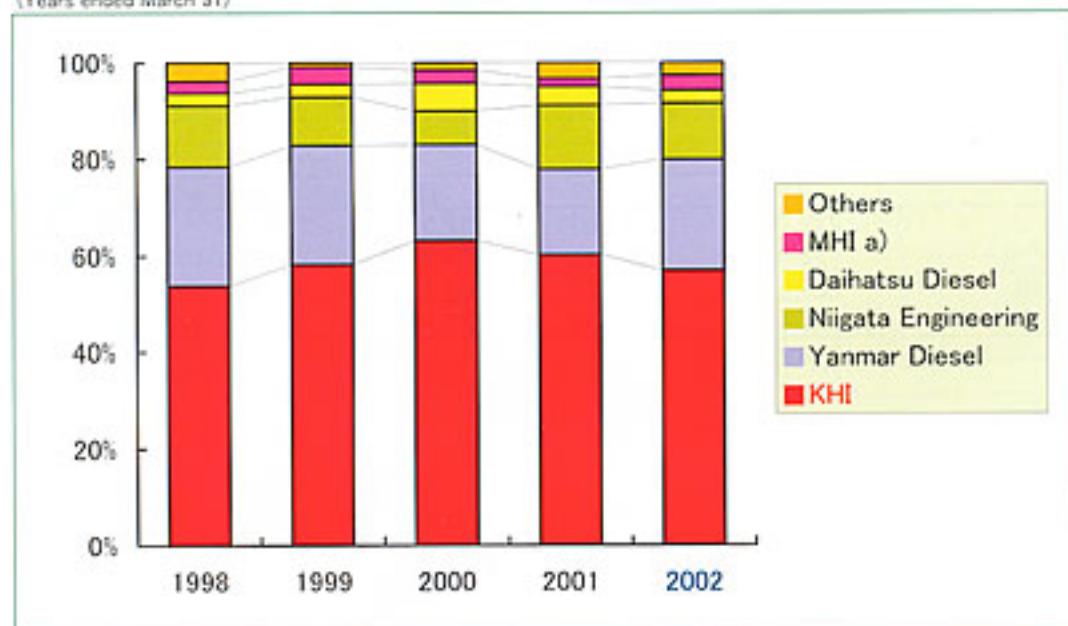
(Years ended March 31)

(Billion ¥)



Gas Turbine Generators Domestic Share

(Years ended March 31)



	1998	1999	2000	2001	2002
KHI	53.7%	58.2%	63.1%	60.2%	56.9%
Yanmar Diesel	24.8%	24.6%	19.8%	17.7%	23.0%
Niigata Engineering	12.6%	10.1%	7.0%	13.3%	11.7%
Daihatsu Diesel	2.6%	2.6%	5.8%	3.8%	2.6%
MHI a)	2.5%	3.6%	2.7%	1.7%	3.2%
Others	3.8%	0.9%	1.6%	3.3%	2.6%
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".

Plant & Infrastructure Engineering

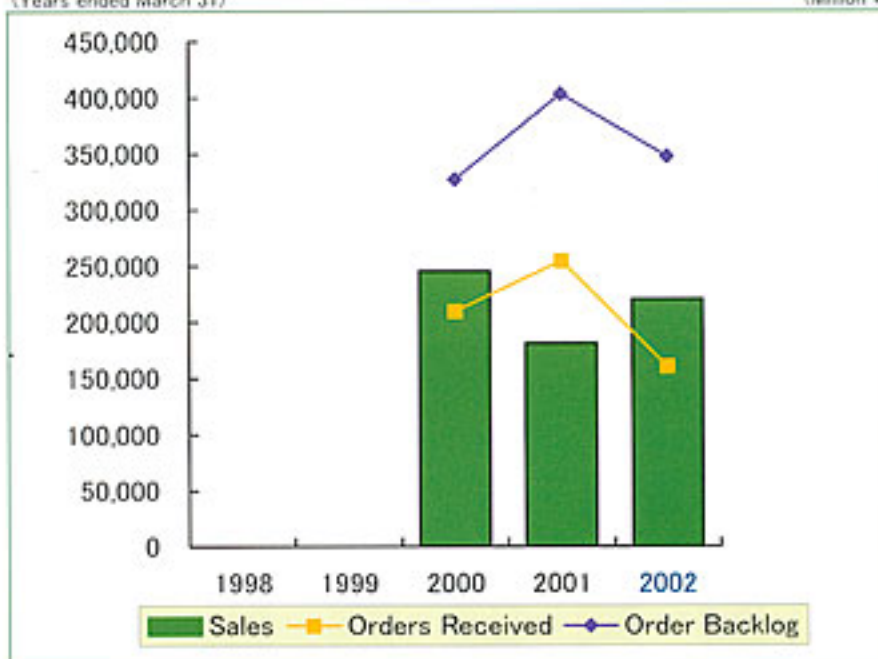
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	N.A	N.A	245,642	181,174	220,605
Orders Received	N.A	N.A	209,574	254,330	160,143
Order Backlog	N.A	N.A	327,422	403,612	347,496

(Years ended March 31)

(Million ¥)



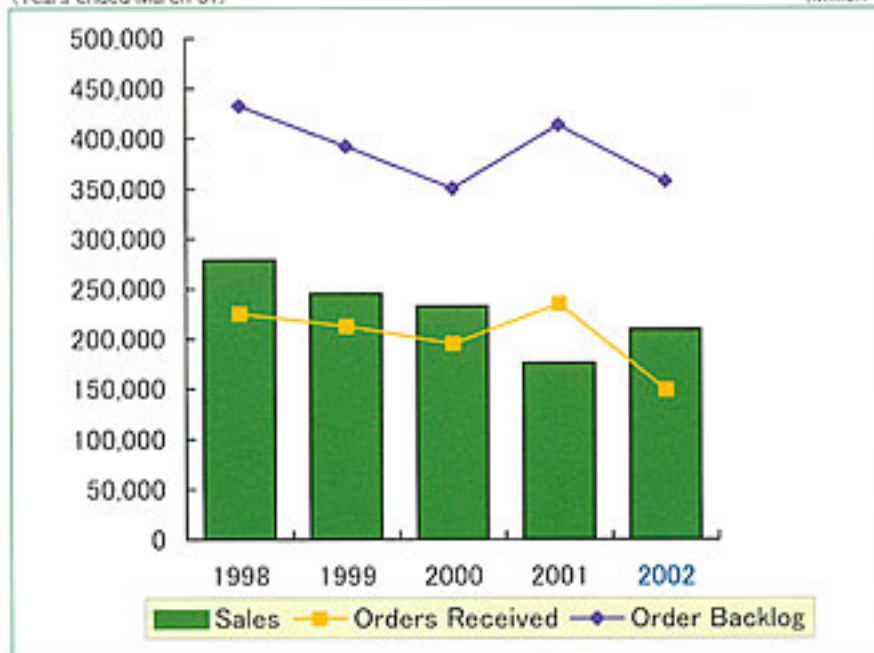
(Years ended March 31)-Parent Only-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	279,105	245,400	232,514	175,616	208,985
Exports	52,868	30,470	52,535	31,152	30,639
Orders Received	224,967	212,877	195,398	234,957	148,891
Order Backlog	432,478	392,807	350,493	413,171	357,425

(Years ended March 31)

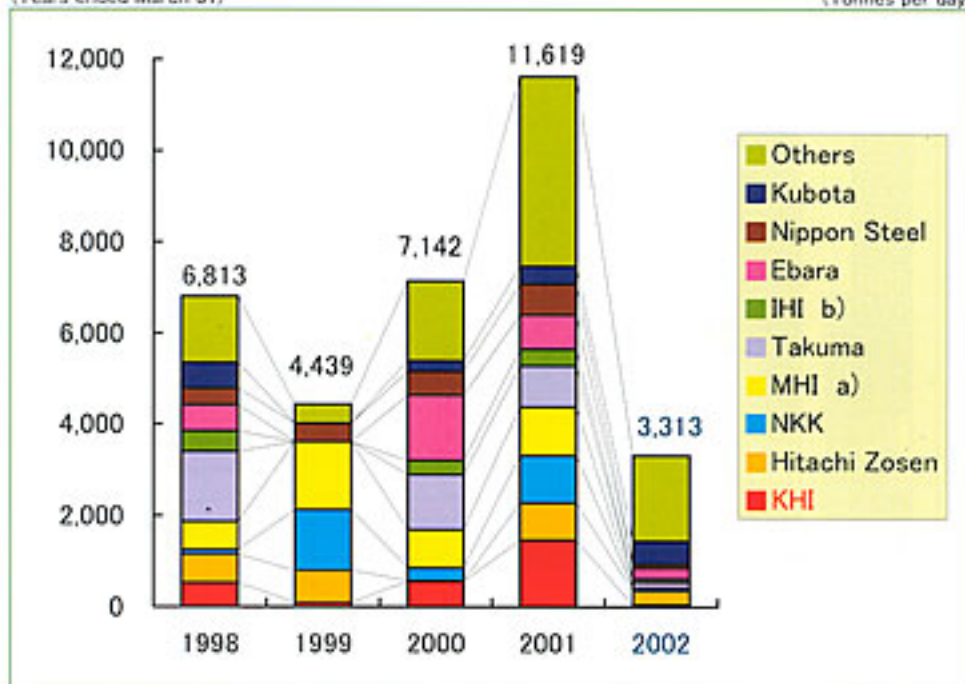
(Million ¥)



Refuse Incineration Plants Domestic Market Volume

(Years ended March 31)

(Tonnes per day)



	1998	1999	2000	2001	2002
KHI	528	100	559	1,460	43
Hitachi Zosen	619	700	22	815	312
NKK	96	1,320	280	1,040	62
MHI a)	617	1,490	825	1,061	-
Takuma	1,538	0	1,210	897	126
IHI b)	450	0	300	370	80
Ebara	579	0	1,436	759	232
Nippon Steel	362	400	521	665	90
Kubota	560	0	240	406	480
Others	1,464	429	1,749	4,146	1,888
Total Market Volume	6,813	4,439	7,142	11,619	3,313

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

2. a) Mitsubishi Heavy Industries. b) Ishikawajima-Harima Heavy Industries.

Source: Kankyo Sangyo Shimbunsha.

Refuse Incineration Plants Domestic Share

(Years ended March 31)

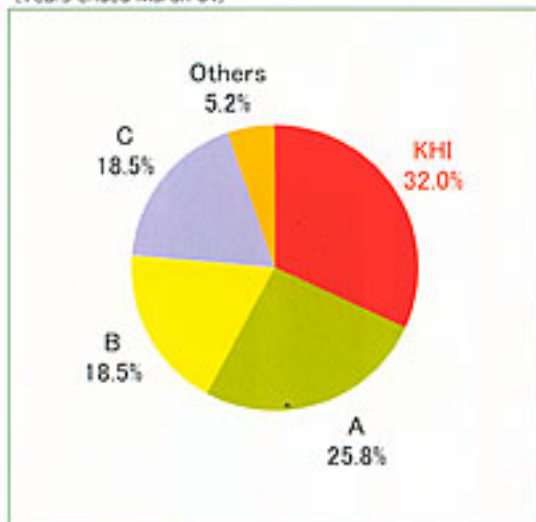
	1998	1999	2000	2001	2002
KHI	7.7%	2.3%	7.8%	12.6%	1.3%
Hitachi Zosen	9.1%	15.8%	0.3%	7.0%	9.4%
NKK	1.4%	29.7%	3.9%	9.0%	1.9%
MHI	9.1%	33.6%	11.6%	9.1%	-
Takuma	22.6%	0.0%	16.9%	7.7%	3.8%
IHI	6.6%	0.0%	4.2%	3.2%	2.4%
Ebara	8.5%	0.0%	20.1%	6.5%	7.0%
Nippon Steel	5.3%	9.0%	7.3%	5.7%	2.7%
Kubota	8.2%	0.0%	3.4%	3.5%	14.5%
Others	21.5%	9.6%	24.5%	35.7%	57.0%

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

Source: Kankyo Sangyo Shimbunsha.

**Shield Machines and Tunnel Boring Machines
—Large-Diameter Model
Domestic Share (1991–2001 Total)**

(Years ended March 31)



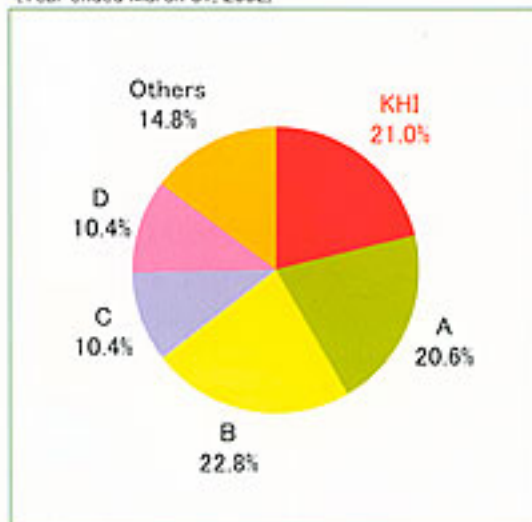
Notes: 1. Segments A, B and C represent the shares of the three other major companies in this market.

2. Figures are shown on a sales amount basis.

Source: Company's estimates.

**Shield Machines and Tunnel Boring Machines
Domestic Share**

(Year ended March 31, 2002)



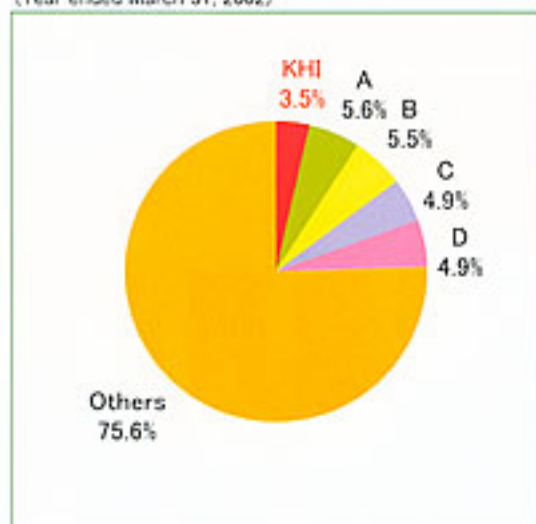
Notes: 1. Segments A, B, C and D represent the shares of the four other major companies in this market.

2. Figures are shown on a sales amount basis.

Source: Company's estimates.

Steel Bridges Domestic Share

(Year ended March 31, 2002)



Notes: 1. Figures are shown on the basis of steel volume to be used for the contracts.

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

Source: Company's estimates.

Consumer Products & Machinery

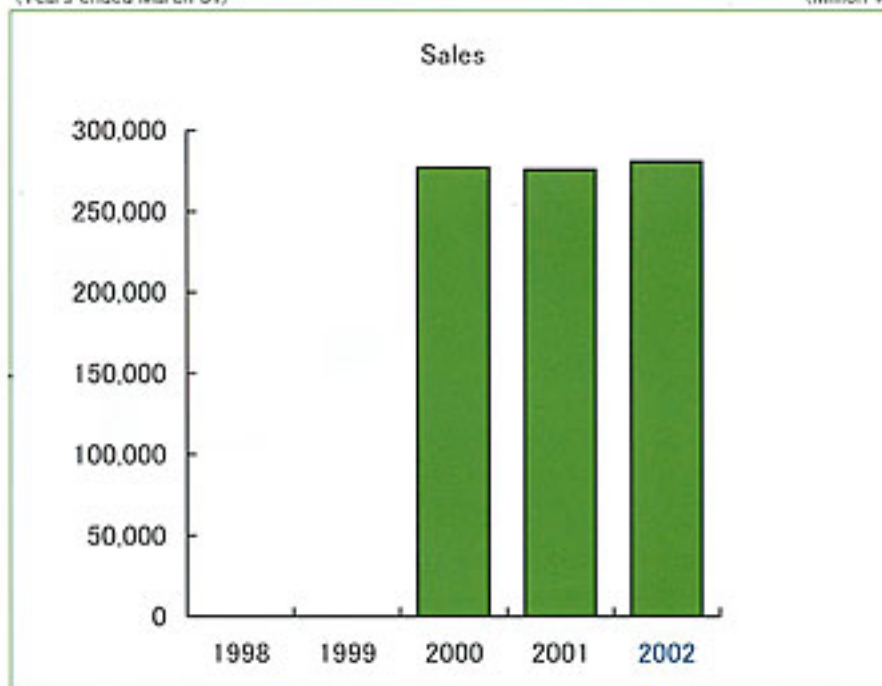
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	N.A	N.A	277,176	275,903	281,207

(Years ended March 31)

(Million ¥)



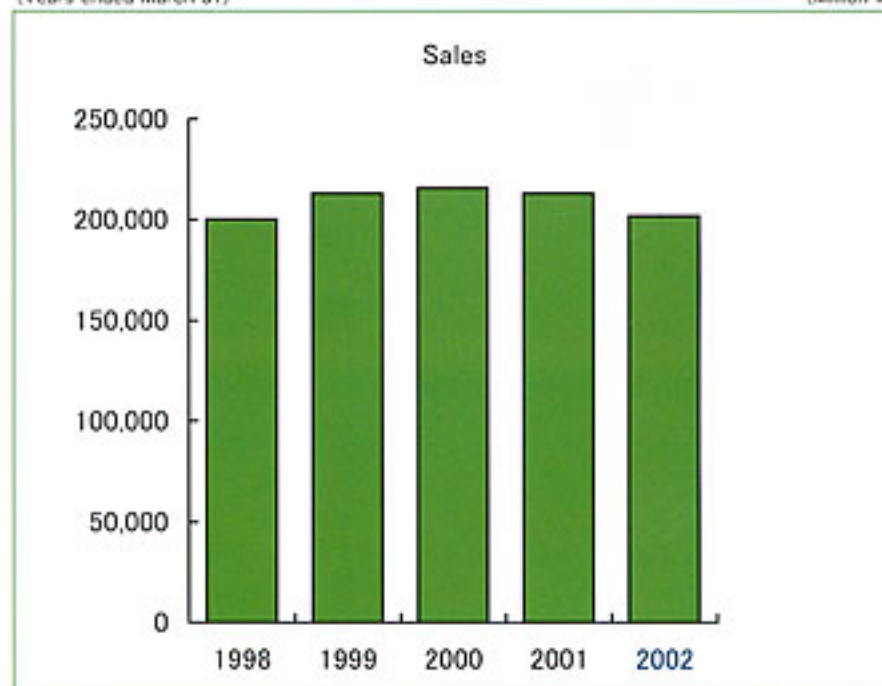
(Years ended March 31)-Parent Only-

(Million ¥)

	1998	1999	2000	2001	2002
Sales	200,393	213,079	215,953	213,080	202,074
Exports	160,170	178,637	180,784	179,495	170,559

(Years ended March 31)

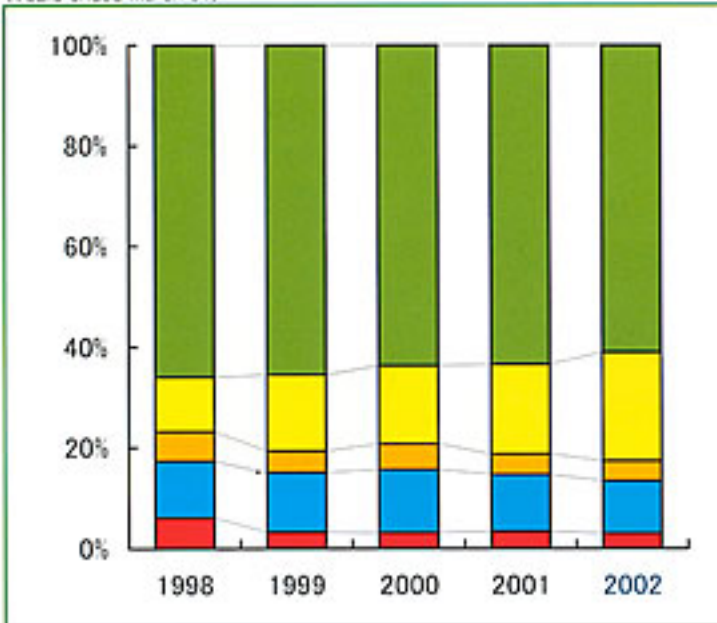
(Million ¥)



Composites of Consumer Product Sales

-Parent Only-

(Years ended March 31)



	1998	1999	2000	2001	2002
Motorcycles	66.0%	65.5%	63.8%	63.5%	61.1%
ATVs, U/Vs	10.8%	15.1%	15.4%	17.8%	21.6%
Personal Watercraft	5.9%	4.4%	5.1%	4.1%	4.0%
Gasoline Engines	11.2%	11.7%	12.5%	11.2%	10.3%
Automobile Transmissions	6.1%	3.3%	3.2%	3.4%	3.0%

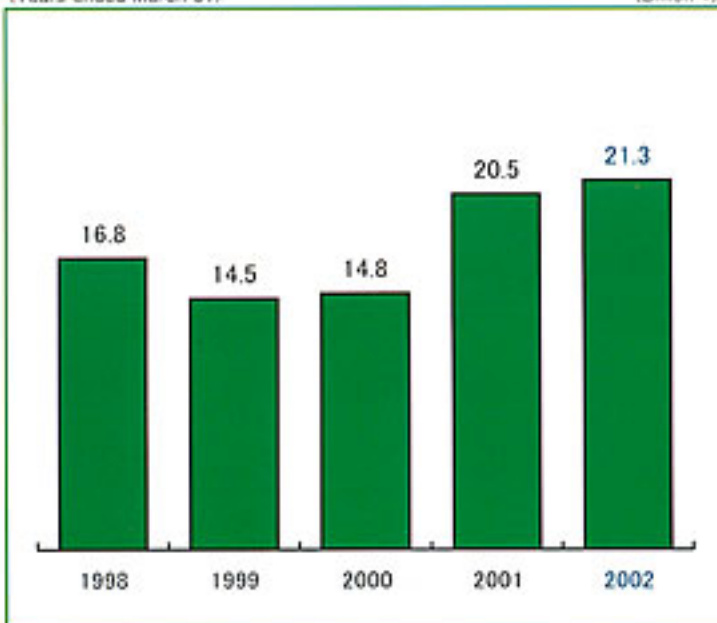
ATVs: All-Terrain Vehicles U/Vs: Utility Vehicles

Industrial Robot Sales

-Parent Only-

(Years ended March 31)

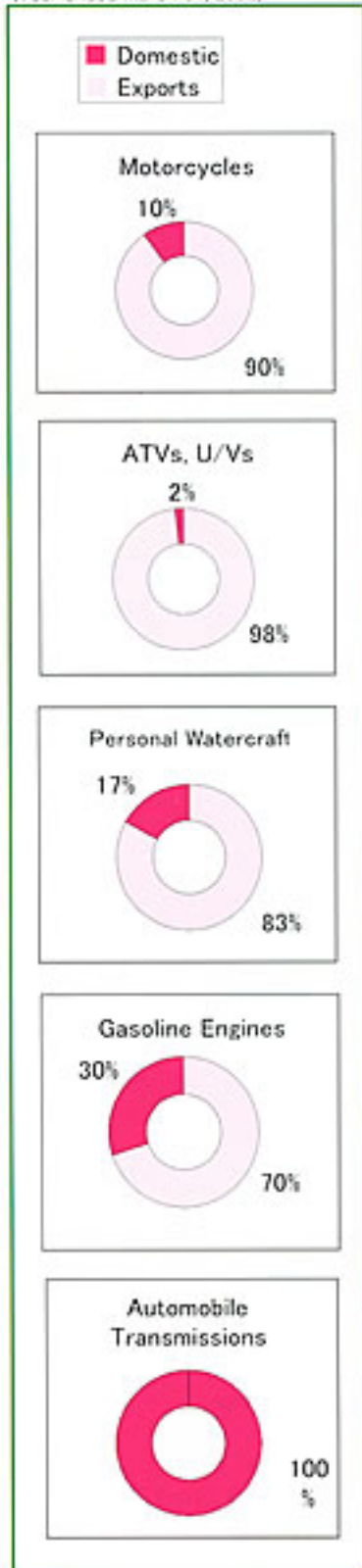
(Billion ¥)



Domestic/Export Sales by Product

-Parent Only-

(Year ended March 31, 2002)

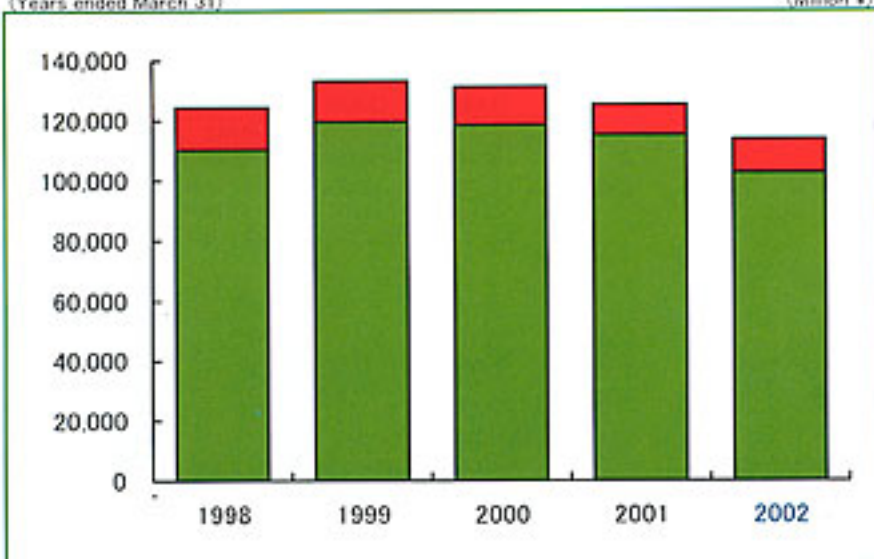


Motorcycle Sales

-Parent Only-

(Years ended March 31)

(Million ¥)

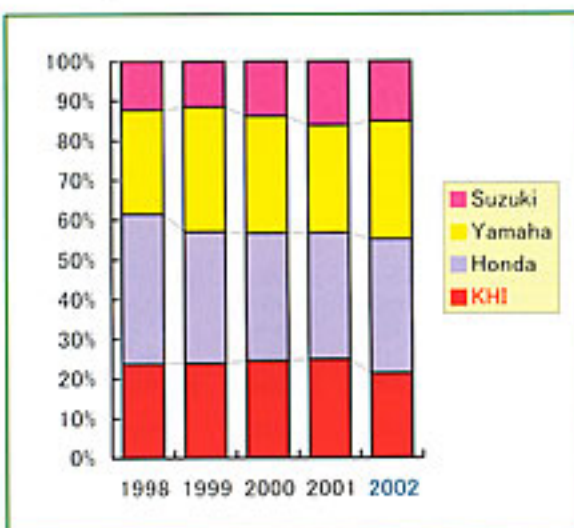


(Million ¥)

	1998	1999	2000	2001	2002
■ Domestic Sales	14,141	13,488	12,874	10,063	11,216
■ Export Sales	110,262	119,629	118,464	115,176	102,638
Total Motorcycle Sales	124,403	133,117	131,338	125,239	113,854

Note: Including sales of spare parts.

Motorcycle Sales Domestic Share

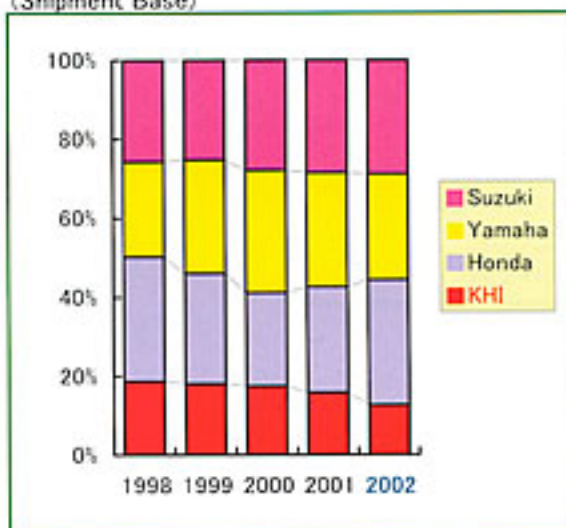


(Years ended March 31)

	1998	1999	2000	2001	2002
KHI	23.8%	23.9%	24.6%	24.9%	21.4%
Honda Motor	37.6%	33.1%	32.1%	31.7%	33.7%
Yamaha Motor	26.2%	31.4%	29.4%	27.2%	29.6%
Suzuki Motor	12.4%	11.6%	13.9%	16.2%	15.3%

Motorcycle Sales Export Share

(Shipment Base)



(Years ended March 31)

	1998	1999	2000	2001	2002
KHI	18.7%	18.0%	17.5%	15.8%	12.6%
Honda Motor	31.4%	28.0%	23.7%	26.8%	31.8%
Yamaha Motor	24.1%	28.6%	30.9%	28.8%	26.8%
Suzuki Motor	25.8%	25.4%	27.9%	28.6%	28.8%

Note: Engine displacement of more than 251cc.

Source: Japan Automobile Manufacturers Association Inc.

CONDENSED STATEMENTS OF INCOME

Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

Years ended March 31

	Millions of yen					
	2002	2001	2000	1999	1998	1997
Net sales	¥1,144,534	¥1,060,479	¥1,149,698	¥1,202,189	¥1,297,212	¥1,224,259
Cost of sales	977,875	924,522	1,008,860	1,045,143	1,114,693	1,041,697
Gross profit	166,659	135,957	140,838	157,046	182,519	182,562
Selling, general and administrative expenses	135,348	131,497	139,587	135,380	131,440	120,351
Operating income	31,311	4,460	1,251	21,666	51,079	62,211
Other income (expenses):						
Interest and dividend income	4,798	4,480	4,274	5,495	5,122	5,424
Equity in income (loss) of unconsolidated subsidiaries and affiliates	379	(1,586)	(654)	683	1,236	320
Interest expense	(12,146)	(12,779)	(11,782)	(12,646)	(11,907)	(12,578)
Other, net	(8,348)	(12,981)	(15,819)	(15,723)	(3,815)	(5,148)
Income (loss) before income taxes and minority interests	15,994	(18,406)	(22,730)	(525)	41,715	50,229
Income taxes						
Current	(6,114)	(5,609)	(5,899)	(9,358)	(22,618)	(27,128)
Deferred	(3,131)	13,309	9,466	2,943	-	-
Minority interests in net (income) loss of consolidated subsidiaries	(467)	386	531	808	(541)	(529)
Foreign currency translation adjustments	-	-	-	-	-	-
Net income (loss)	¥6,282	(¥10,320)	(¥18,632)	(¥6,132)	¥18,556	¥22,572

	Millions of yen					
	2002	2001	2000	1999	1998	1997
Per share amounts (yen):						
Net income (loss)	¥4.5	(¥7.4)	(¥13.4)	(¥4.4)	¥13.3	¥16.4
Cash dividends	-	-	-	6.0	6.0	7.0
Other data:						
Capital expenditures (Million ¥)	33,132	32,687	39,685	42,143	35,000	36,992
Depreciation (Million ¥)	31,998	33,303	35,081	34,607	32,416	31,245
R&D expenses (Million ¥)	16,549	17,548	19,905	18,615	17,800	17,400
Number of employees	28,936	29,162	29,772	26,486	26,102	24,211

Major Changes in Accounting Policies

Revenue recognition: Effective April 1, 1997, the method of accounting for revenue from long-term construction contracts was changed from the completed contract method to the percentage-of-completion method. The percentage-of-completion method is applied to long-term contracts exceeding ¥5,000 million.

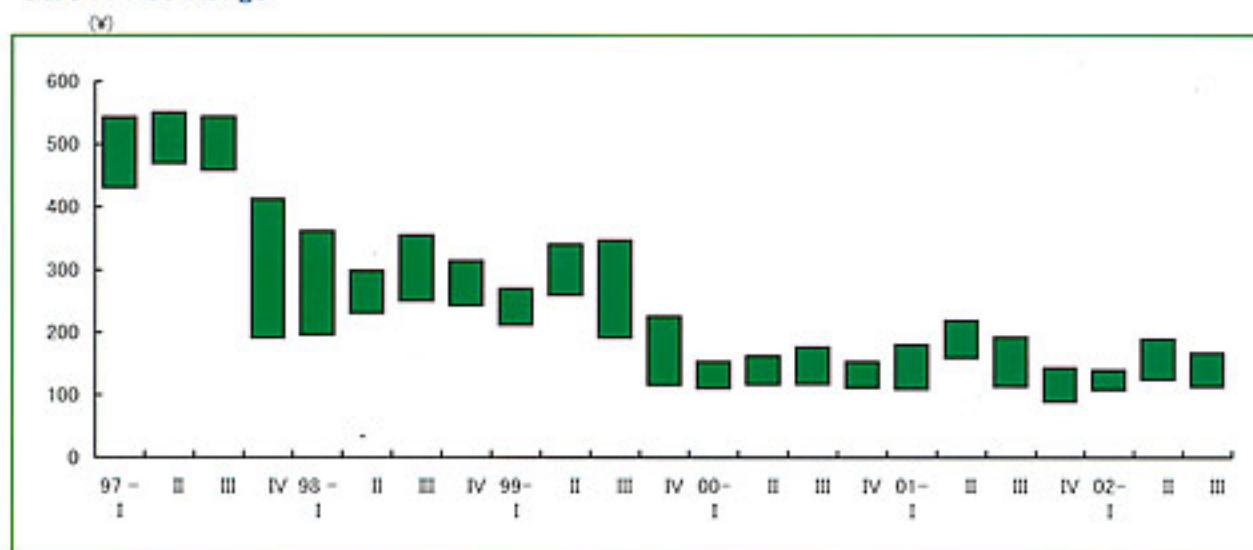
Income taxes: Effective from the year ended March 31, 1999, the Company recognizes tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting. Income taxes were principally provided for based on taxable income for the period, determined in accordance with applicable tax laws, for 1998 and before.

Investments in securities: Effective from the year ended March 31, 2001, securities of the Company are reclassified and available-for-sale securities with available fair market values are stated at fair market value. Securities of the Company were stated at moving-average cost for 2000 and before.

Retirement and severance benefits: Effective from the year ended March 31, 2001, the liabilities and expenses for retirement and severance benefits are determined based on the amounts actually calculated using certain assumption. The excess of the projected benefit obligation over the liabilities for retirement and severance benefits recorded as of April 1, 2000 amounted to ¥130,928 million, which will be recognized in expenses in equal amounts primarily over 10 years commencing with the year ended March 31, 2001.

STOCK INFORMATION

Stock Price Range

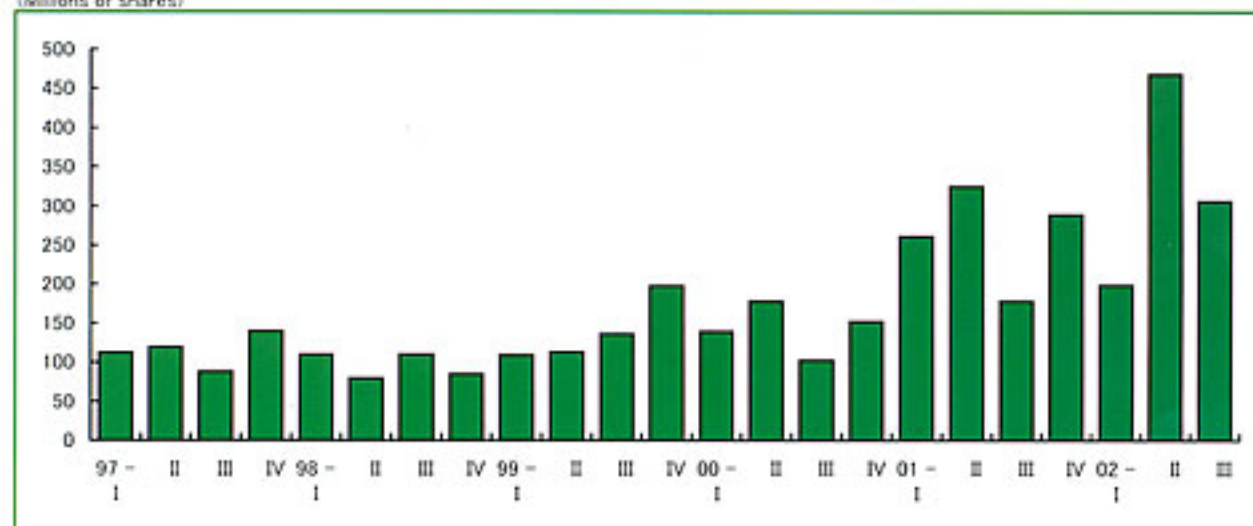


(Y)

	1997				1998				1999				2000				2001				2002		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
High	543	551	544	413	362	298	356	314	270	340	347	225	153	162	176	153	180	219	193	144	140	189	167
Low	431	470	458	190	196	230	250	242	211	259	191	115	110	116	117	111	109	159	113	89	108	124	113

Stock Trading Volume

(Millions of shares)



(Millions of shares)

	1997				1998				1999				2000				2001				2002		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
	112	120	88	140	110	80	110	85	109	113	136	198	139	178	103	152	261	325	178	289	199	468	306

Paid-in Capital
¥81,426,590,792

Number of Shares

Authorized---3,360,000,000 shares
Outstanding--1,390,595,964 shares
(Dilution-----114,226,034 shares)

As of March 31, 2002

Paid-in Capital
¥81,427,090,720

Number of Shares

Authorized---3,360,000,000 shares
Outstanding--1,390,597,636 shares
(Dilution-----114,224,361 shares)

As of September 30, 2002

Stock Listings

Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

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: 486 359 20 1

Depository: The Bank of New York

101 Barclay St., 22 West, New York, NY 10268, U.S.A.

Phone: (212)815-2042 U.S. Toll Free: 888-269-2377 (888-BNY-ADRS)

CORPORATE DATA

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Chuo-ku, Kobe 650-8670, Japan

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4-1, Hamamatsu-cho 2-chome,
Minato-ku, Tokyo 105-6116, Japan
Phone: (03)3435-2111
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Year of Incorporation

1896

For more information please contact at:

IR Desk

Finance & Accounting Department

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Minato-ku, Tokyo 105-6116, Japan

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KAWASAKI
HEAVY INDUSTRIES, LTD.