

September 21, 2017

To whom it may concern

Kawasaki Heavy Industries, Ltd.

**Notice regarding Change in Ratio of American Depositary Receipts (ADRs)
to Common stocks (Underlying Shares)**

Kawasaki Heavy Industries, Ltd. (hereinafter “KHI”) hereby announces that KHI decided that the ratio of American Depositary Receipts (hereinafter “ADRs”) to its common stocks (hereinafter “Underlying Shares”) for its sponsored ADR program shall be changed in accordance with the share consolidation scheduled to take effect on October 1, 2017.

1. Purpose of the change in the ratio

KHI plans to implement the share consolidation at the ratio of 10 shares to 1 share as of October 1, 2017 on the basis of the resolution of its ordinary general meeting of shareholders for the 194 fiscal year held on June 28, 2017.

Due to the share consolidation, KHI will change the ratio of ADRs to Underlying Shares, from the ratio of 1 ADR to 4 Underlying Share to the new ratio of 5 ADRs to 2 Underlying Share as of October 2, 2017 (U.S. EST), in order to maintain the continuity of ADRs’ price level for holders and investors of KHI ADRs.

2. Summary of the change in the ratio

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|---------------------------------|-------------------------------|
| (1) Current ratio | : 1ADR = 4 Underlying Share |
| (2) New ratio | : 5ADRs = 2 Underlying Share |
| (3) Effective date of new ratio | : October 2, 2017 (U.S. EST) |
| (4) Trading market | : OTC (Over-the-Counter) |
| (5) Symbol | : KWHIY |
| (6) CUSIP number | : 486359201 |
| (7) Depositary bank | : The Bank of New York Mellon |

3. Contact for inquiries regarding KHI ADR Program

The Bank of New York Mellon Depositary Receipts Division

101 Barclays Street, 22nd Floor, New York, NY 10286, U.S.A.

TEL (toll free within the U.S.): +1-888-269-2377 (888-BNY-ADRS)

TEL (outside the U.S.): +1-201-680-6825

E-mail: shrrelations@bnymellom.com

Website: <http://www.adrbnymellon.com>

<Notes>

The purpose of this notice is to make a general announcement of the change in the exchange ratio of the Company’s sponsored ADR program and not to solicit investments.

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