

FOR RELEASE: April 19, 2004

Revision of the Outlook for Performance and Cash Dividend
for Fiscal Year ending March 31, 2004

Kawasaki Heavy Industries, Ltd.(KHI) today has announced revised financial forecasts and a resolution on cash dividend for fiscal year ending March 31, 2004 as follows:

1. Revision of the Outlook for Performance

(1) Parent Company Performance

(Millions of yen)

| | Net sales | Net income |
|--|-----------|------------|
| Previous forecast announced on November 7, 2003(A) | 760,000 | 4,000 |
| Revised forecast announced today (B) | 782,500 | 6,900 |
| Change (B) - (A) | 22,500 | 2,900 |
| % Change | 2.9% | 72.5% |

(2) Reasons for the Revision of the Outlook for Performance

Due to mainly the effects of cost reduction including fixed cost cuts and implementation of some measures to enhance profitability

* KHI also expects increase of income compared to the previous forecast regarding consolidated performance, and its official announcement will be made on May 12,2004.

【for reference only】

(Millions of yen)

| | Net sales | Net income |
|--|-----------|------------|
| Previous consolidated forecast announced on November 7, 2003(A) | 1,140,000 | 4,000 |

2. Cash Dividend for Fiscal Year

The Board of Directors of KHI, today, at its meeting has resolved that KHI should pay a dividend of ¥2 per common share for the fiscal year (April 1, 2003 to March 31, 2004). A formal decision on this matter will be made at the Annual General Meeting of Shareholders to be held near the end of June 2004.