

Notice Concerning Decision of Total Amount of Issue of Euro Yen Convertible Bonds due 2011  
(convertible bonds type - bonds with stock acquisition rights,  
tenkanshasaigata shinkabu yoyakuken-tsuki shasai)

Kawasaki Heavy Industries, Ltd. (KHI) notifies the decision of the following total amount of issue of Euro Yen Convertible Bonds due 2011 (hereinafter referred to as the "Bonds", which term shall, unless the context requires otherwise, include stock acquisition rights incorporated in the Bonds; and the stock acquisition rights attached thereto are hereinafter referred to as the "Stock Acquisition Rights"), issuance of which was resolved by the Board of Directors of KHI on September 2, 2004.

**1. Total amount of issue of the Bonds:**

¥25,000,000,000 and an aggregate principal amount of replacement Bond Certificate that may be issued against appropriate evidence and indemnity in case of loss, theft or destruction of any Bond Certificate.

**2. Total number of Stock Acquisition Rights to be issued:**

25,000 and an additional number obtained by dividing the aggregate principal amount of replacement Bond Certificate that may be issued against appropriate evidence and indemnity in case of loss, theft or destruction of any Bond Certificate, by ¥1,000,000.

**【for reference only】**

(1) The date of resolution on issuance:

September 2, 2004.

(2) The date of decision of terms and conditions of the Bonds:

September 2, 2004.

(3) Date of payment and date of issuance:

September 21, 2004 (London time).

(4) Having granted to the Managers an option to additionally subscribe to the Bonds in an aggregate principal amount of up to ¥3,000,000,000, KHI has received the option exercise notice from the managers that the managers intend to exercise the entire option, and as a result, total amount of issue of the Bonds was determined as noted above.

These materials are not an offer of securities for sale into the United States. The securities may not be offered or sold in the United States unless they are registered or exempt from registration and any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about the Issuer and management, as well as financial statements.