

FOR RELEASE: April 21, 2005

Notice Concerning Revision of the Outlook for Cash Dividend and the outlook for Performance of the Parent Company for Fiscal Year ended March 31, 2005

Kawasaki Heavy Industries, Ltd.(KHI) today has announced revision of the outlook for cash dividend and the outlook for performance of the parent company for fiscal year ended March 31, 2005 as follows.

1. Revision of the Outlook for Cash Dividend for Fiscal Year

The basic dividend policy of KHI is to pay stable cash dividends to its shareholders, giving due attention to increasing retained earnings in order to strengthen and enhance profitability and its business foundation for future growth.

On this policy, in consideration of the improved outlook for performance and the expectation of retained earnings to this effect as well, KHI intends to increase a cash dividend to ¥2.50 per common share for fiscal year ended March 31,2005.

This cash dividend is to be proposed to the Annual General Meeting of Shareholders that will be held in late June, 2005.

Previous forecast announced on November 2,2004	¥2.00
Revised forecast announced today	¥2.50
Previous year (reference)	¥2.00

2. The Outlook for Performance of the Parent Company

Due to mainly the effects of cost reduction including fixed cost cuts and implementation of some measures to enhance profitability, KHI currently forecasts performance of the parent company as follows.

(Millions of yen, %)

	Net sales	Net income
Previous forecast announced on November 2, 2004(A)	890,000	7,000
Current forecast announced today (B)	876,200	7,900
Change (B) - (A)	(13,800)	900
% Change	(1.5%)	12.8%
Results for previous year (reference)	782,550	6,908

* KHI also expects increase of income compared to the previous forecast regarding consolidated performance, and its official announcement will be made on April 28, 2005.

【for reference only】

(Millions of yen)

	Net sales	Net income
Previous consolidated forecast announced on November 2, 2004	1,260,000	10,000

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