

DATA FILE 2001

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

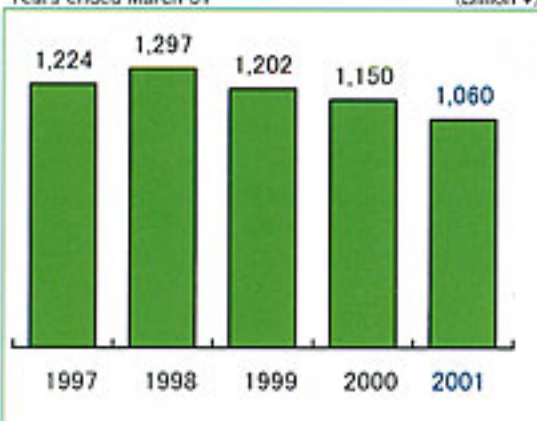
Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

Years ended March 31

	Millions of yen				
	2001	2000	1999	1998	1997
For the year:					
Net sales	¥1,060,479	¥1,149,698	¥1,202,189	¥1,297,212	¥1,224,259
Net income (loss)	(10,320)	(18,632)	(6,132)	18,556	22,572
Net income (loss) per share (yen)	(7.4)	(13.4)	(4.4)	13.3	16.4
Return on average shareholders' equity (%)	(6.1%)	(9.9%)	(3.0%)	9.1%	12.5%
Cash dividends per share (yen)	—	—	6.0	6.0	7.0
At year end:					
Total assets	1,247,472	1,206,806	1,204,857	1,222,906	1,303,168
Working capital	148,577	188,403	161,712	162,084	150,759
Current ratio (%)	120.2%	127.3%	122.4%	121.7%	117.8%
Total shareholders' equity	164,081	174,955	199,637	209,040	197,161

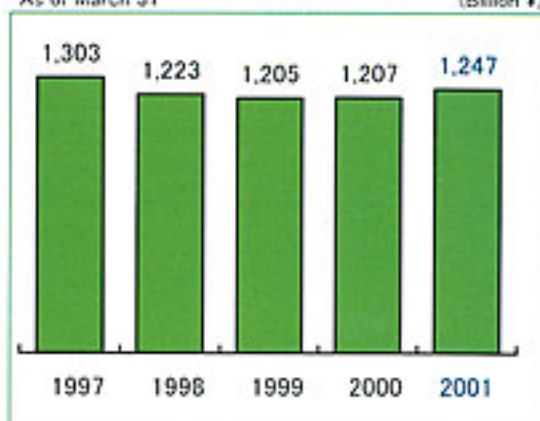
Net Sales

Years ended March 31 (Billion ¥)



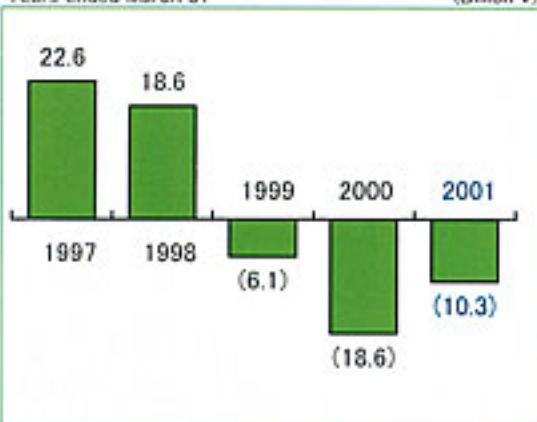
Total Assets

As of March 31 (Billion ¥)



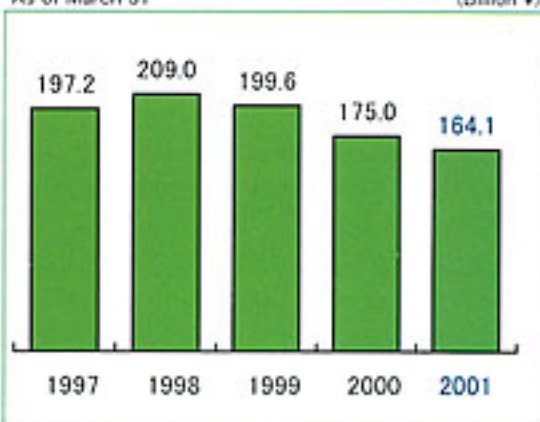
Net Income (Loss)

Years ended March 31 (Billion ¥)



Total Shareholders' Equity

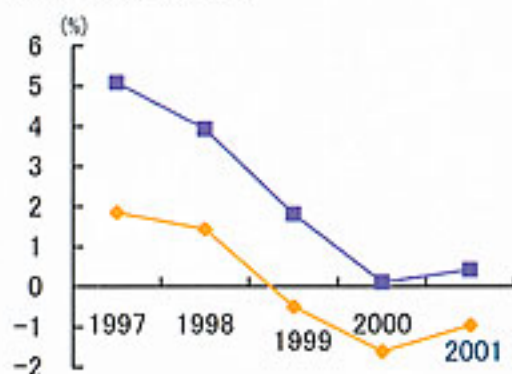
As of March 31 (Billion ¥)



KEY INDICATORS (CONSOLIDATED BASIS)

Ratio of Operating Income to Sales Return on Sales

Years ended March 31

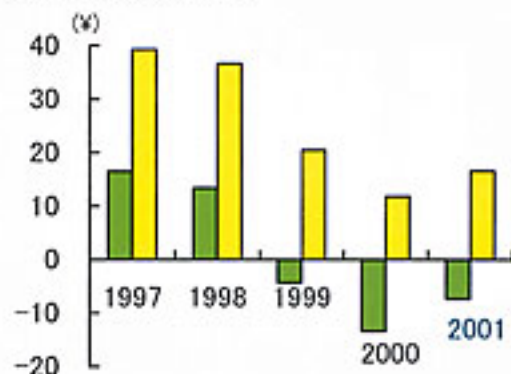


	1997	1998	1999	2000	2001
Operating Income to Sales - ■-	5.08	3.94	1.80	0.11	0.42
ROS - ◆-	1.84	1.43	(0.51)	(1.62)	(0.97)

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

Earnings per Share Cash Flow per Share

Years ended March 31



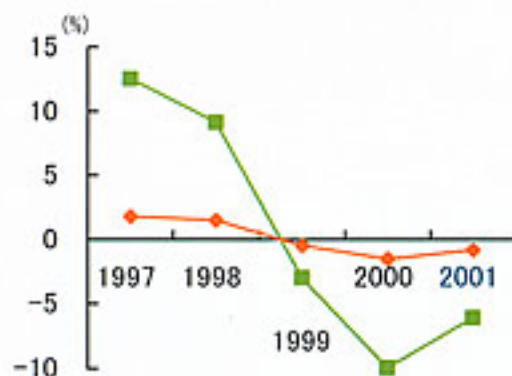
	1997	1998	1999	2000	2001
EPS ■	16.4	13.3	(4.4)	(13.4)	(7.4)
CFPS ■	39.3	36.7	20.5	11.8	16.5

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

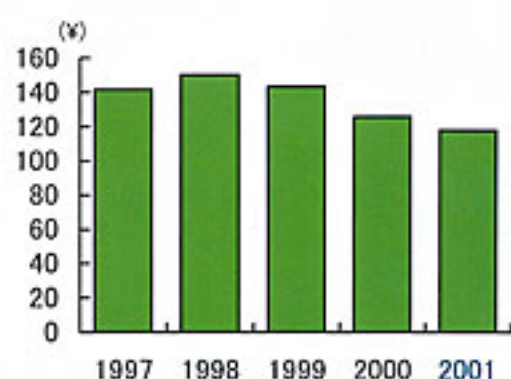


	1997	1998	1999	2000	2001
ROE - ■-	12.53	9.14	(3.00)	(9.95)	(6.09)
ROA - ◆-	1.77	1.47	(0.51)	(1.55)	(0.84)

ROE: Net Income/Average Shareholders' Equity.
ROA: Net Income/Average Total Assets.

Book Value per Share

As of March 31

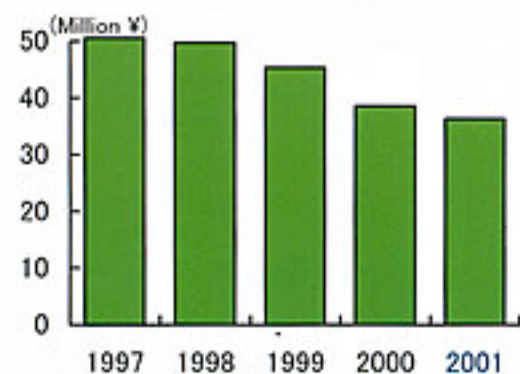


	1997	1998	1999	2000	2001
Book Value per Share	141.93	150.32	143.56	125.81	117.99

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

Net Sales per Employee

Years ended March 31

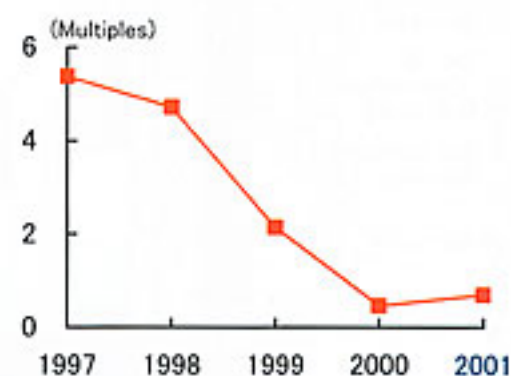


1997	1998	1999	2000	2001
50.57	49.70	45.39	38.62	36.37

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

Interest Coverage

Years ended March 31

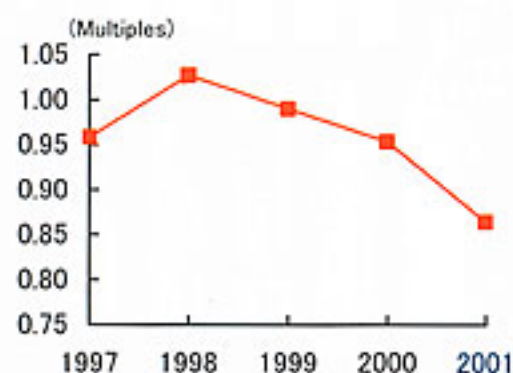


1997	1998	1999	2000	2001
5.38	4.72	2.15	0.47	0.70

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

Asset Turnover

Years ended March 31

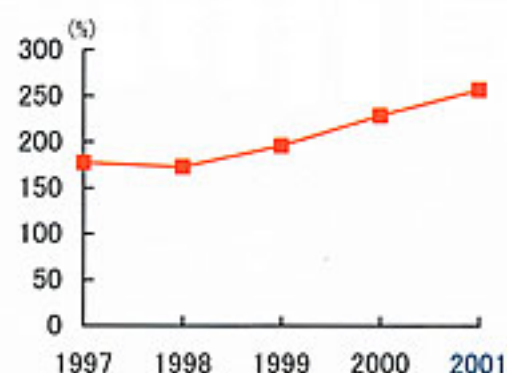


1997	1998	1999	2000	2001
0.96	1.03	0.99	0.95	0.86

Asset Turnover: Net Sales/Average Total Assets.

Debt to Equity Ratio

Years ended March 31



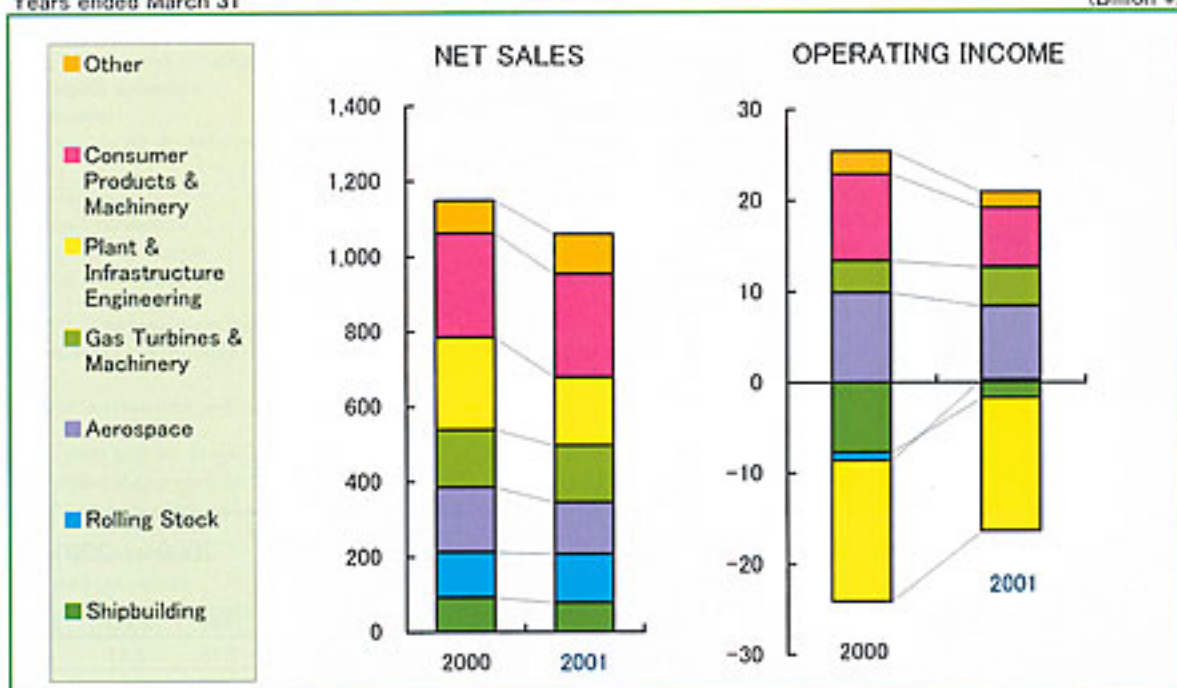
1997	1998	1999	2000	2001
178	173	196	229	257

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
Shipbuilding	91.9	78.7
Rolling Stock	121.5	129.6
Aerospace	172.3	136.3
Gas Turbines & Machinery	153.7	152.3
Plant & Infrastructure Engineering	245.6	181.2
Consumer Products & Machinery	277.2	275.9
Other	87.5	106.5
Total	1,149.7	1,060.5

Operating Income (Loss)

(Billion ¥)

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

Ratio of Operating Income to Sales

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

Years ended March 31

(Billion ¥)

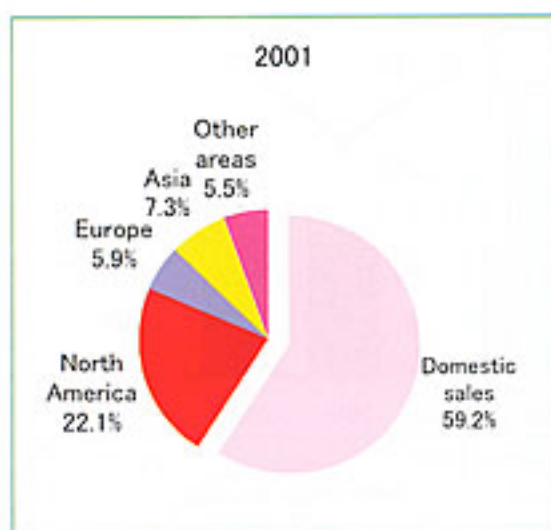


	Orders Received	
	2000	2001
Shipbuilding	64.4	117.5
Rolling Stock	139.8	192.9
Aerospace	146.0	162.0
Gas Turbines & Machinery	145.2	167.8
Plant & Infrastructure Engineering	209.6	254.3
Consumer Products & Machinery	277.2	275.9
Other	88.9	103.3
Total	1,071.1	1,273.7

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

OVERSEAS SALES

Years ended March 31



2001		
	Million ¥	% against net sales
North America	233,976	22.1%
Europe	62,815	5.9%
Asia	76,809	7.3%
Other Areas	58,759	5.5%
Total Overseas Sales	432,359	40.8%
Domestic Sales	628,120	59.2%
Net Sales	1,060,479	100.0%

Shipbuilding

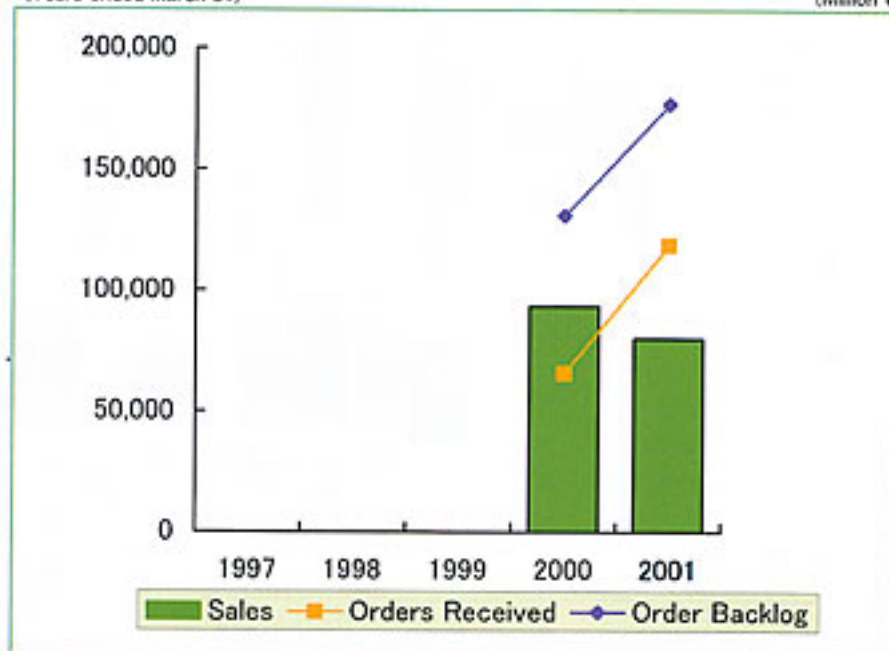
(Years ended March 31) - Consolidated Basis -

(Million ¥)

	1997	1998	1999	2000	2001
Sales	N.A.	N.A.	N.A.	91,891	78,734
Orders Received	N.A.	N.A.	N.A.	64,417	117,518
Order Backlog	N.A.	N.A.	N.A.	130,824	176,987

(Years ended March 31)

(Million ¥)



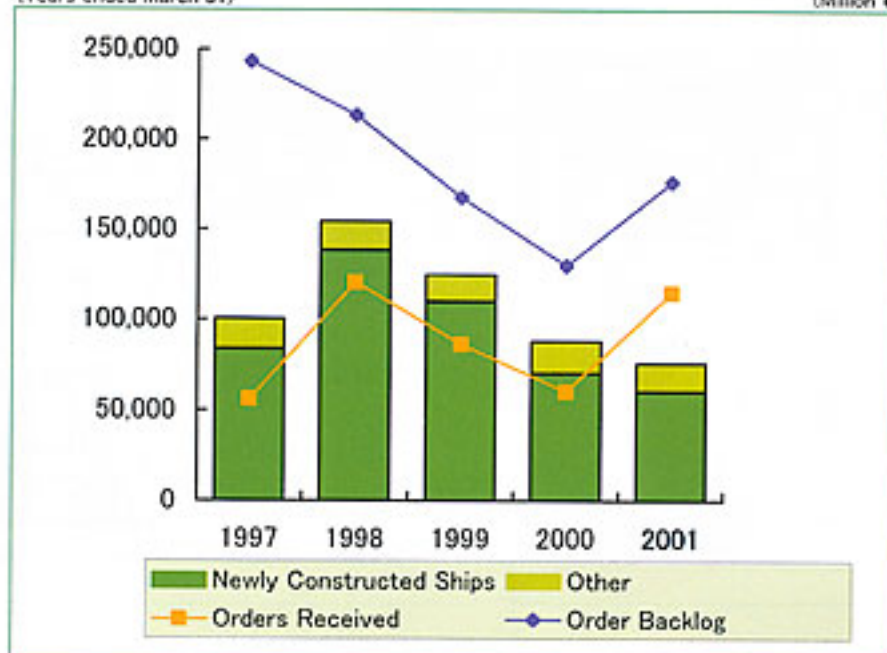
(Years ended March 31) - Parent Only -

(Million ¥)

	1997	1998	1999	2000	2001
Sales	100,620	154,476	124,896	88,030	75,981
Newly Constructed Ships	83,703	138,444	110,027	70,238	60,404
Exports	48,971	59,443	60,248	52,411	45,944
Orders Received	56,263	120,882	86,484	60,576	114,957
Order Backlog	243,498	213,637	168,007	130,138	176,492

(Years ended March 31)

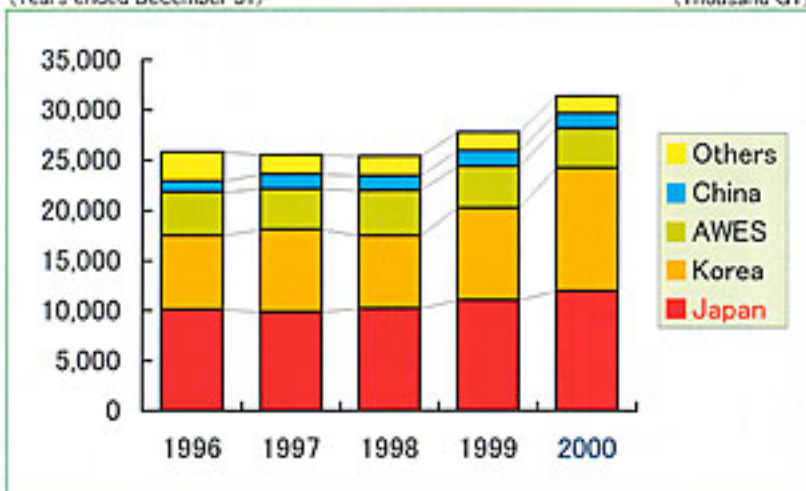
(Million ¥)



Newly Constructed Ships World Market Volume

(Years ended December 31)

(Thousand GT)



(Thousand GT)

	1996	1997	1998	1999	2000
Japan	10,149	9,884	10,244	11,079	12,001
Korea	7,380	8,227	7,250	9,158	12,218
AWES a)	4,313	4,031	4,475	4,142	3,982
China	1,102	1,479	1,466	1,556	1,484
Others	2,888	1,906	1,974	1,865	1,723
World Market Volume	25,832	25,527	25,409	27,800	31,408

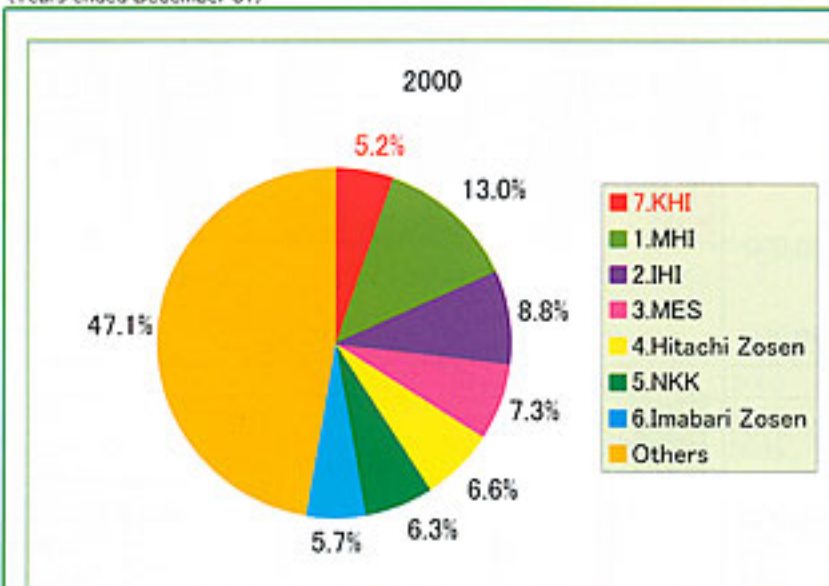
Notes: 1. Figures are on a ships volume completed (tonnage) basis for vessels of 100GT and above.

2. a) The Association of West European Shipbuilders.

Source: Lloyd's World Fleet Statistics 2000.

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) Mitsui Engineering & Shipbuilding.

Source: KP Data.

1996 (%)	
1. MHI a)	12.3
2. IHI b)	6.8
3. Hitachi Zosen	6.5
4. MES c)	6.1
5. Imabari Zosen	6.0
11. KHI	4.1

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

1998 (%)	
1. MHI	9.1
2. MES	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

Rolling Stock

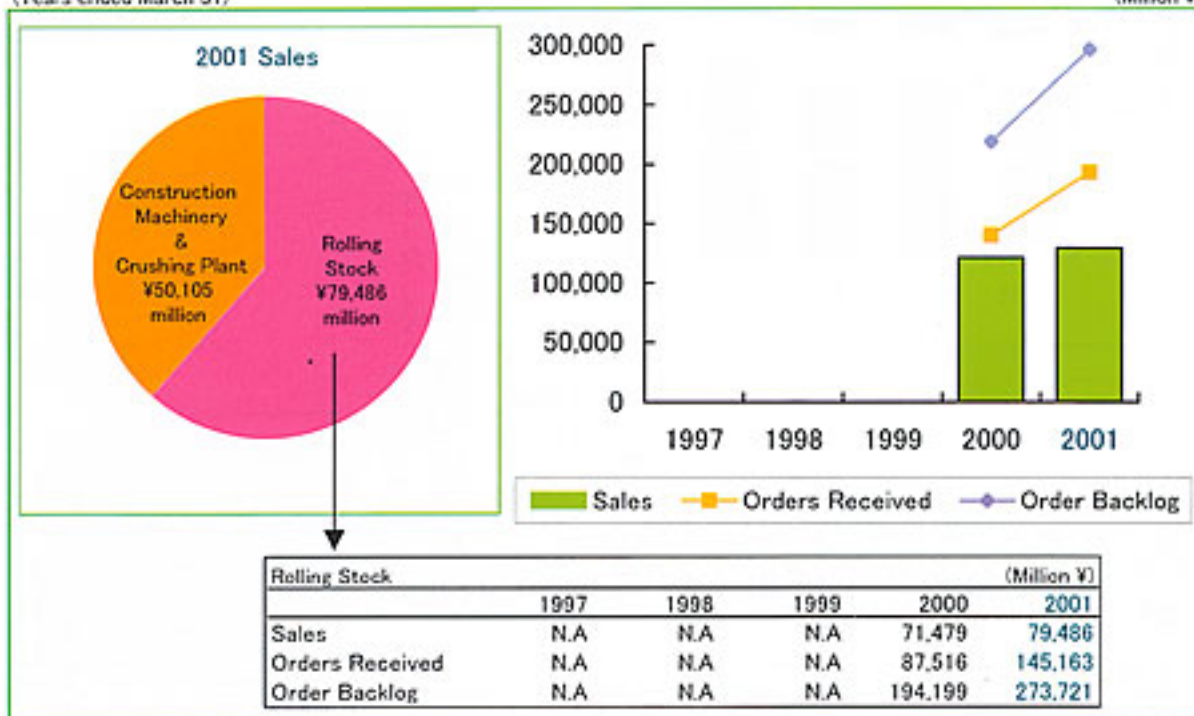
(Years ended March 31) –Consolidated Basis–

(Million ¥)

	1997	1998	1999	2000	2001
Sales	N.A	N.A	N.A	121,464	129,591
Orders Received	N.A	N.A	N.A	139,807	192,884
Order Backlog	N.A	N.A	N.A	219,064	296,242

(Years ended March 31)

(Million ¥)



Rolling Stock					(Million ¥)
	1997	1998	1999	2000	2001
Sales	N.A	N.A	N.A	71,479	79,486
Orders Received	N.A	N.A	N.A	87,516	145,163
Order Backlog	N.A	N.A	N.A	194,199	273,721

(Years ended March 31) –Parent Only–

(Million ¥)

	1997	1998	1999	2000	2001
Sales	119,064	104,861	93,714	91,871	108,573
Exports	13,249	20,599	27,433	16,841	27,999
Orders Received	117,646	122,434	125,201	111,748	169,853
Order Backlog	85,621	104,377	131,376	147,076	213,170

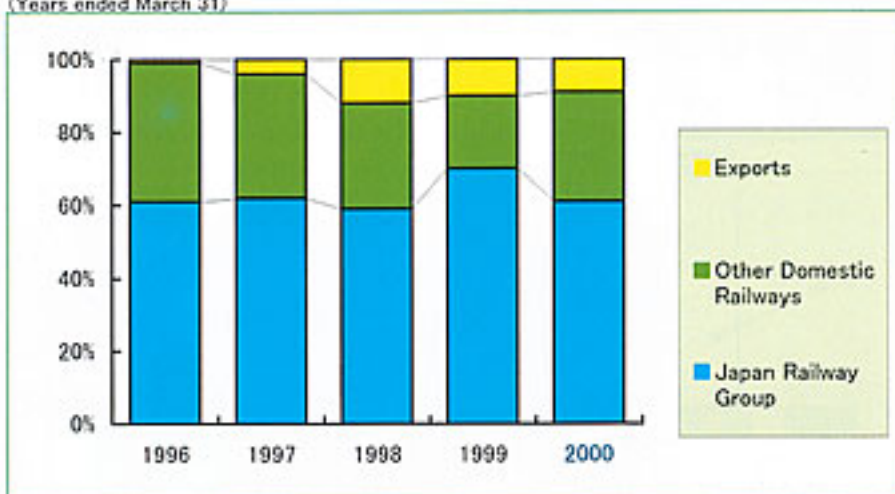
(Years ended March 31)

(Million ¥)



Japanese Rolling Stock Production by Demand Sector

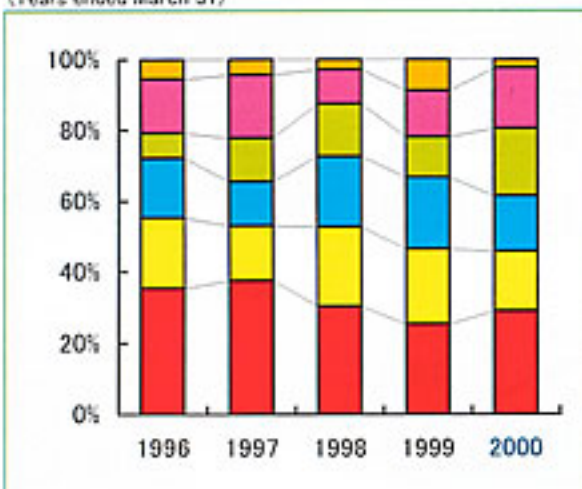
(Years ended March 31)



	1996	1997	1998	1999	2000
Japan Railway Group	61%	62%	59%	70%	61%
Other Domestic Railways	38%	34%	29%	20%	30%
Exports	1%	4%	12%	10%	9%
Total	100%	100%	100%	100%	100%

Major Rolling Stock Suppliers to the Japan Railway Group

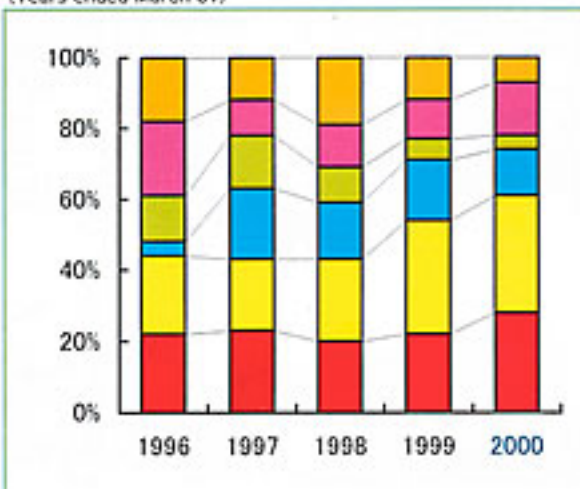
(Years ended March 31)



	1996	1997	1998	1999	2000
KHI	35.4%	37.6%	30.3%	25.3%	29.0%
Nippon Sharyo	19.9%	15.4%	22.3%	21.1%	16.8%
Hitachi	16.8%	12.5%	20.0%	20.2%	15.6%
Kinki Sharyo	7.1%	12.3%	14.8%	11.5%	19.1%
Tokyu Car	15.3%	17.9%	9.7%	13.1%	17.1%
Others	5.5%	4.3%	2.9%	8.8%	2.4%
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)



	1996	1997	1998	1999	2000
KHI	22%	23%	20%	22%	28%
Nippon Sharyo	22%	20%	23%	32%	33%
Hitachi	4%	20%	16%	17%	13%
Kinki Sharyo	13%	15%	10%	6%	4%
Tokyu Car	21%	10%	12%	11%	15%
Others	18%	12%	19%	12%	7%
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

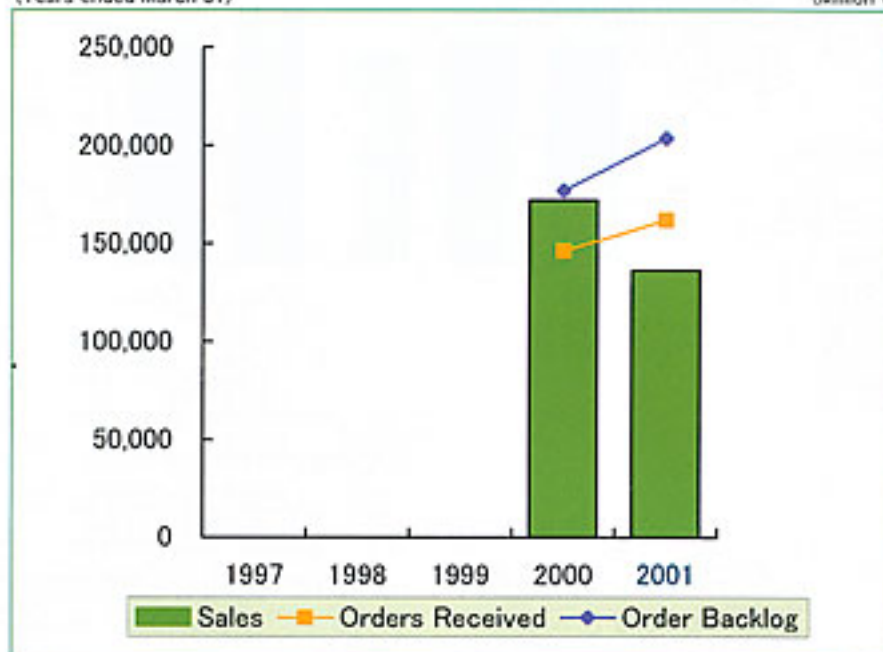
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1997	1998	1999	2000	2001
Sales	N.A	N.A	N.A	172,322	136,342
Orders Received	N.A	N.A	N.A	146,025	161,939
Order Backlog	N.A	N.A	N.A	176,996	203,688

(Years ended March 31)

(Million ¥)



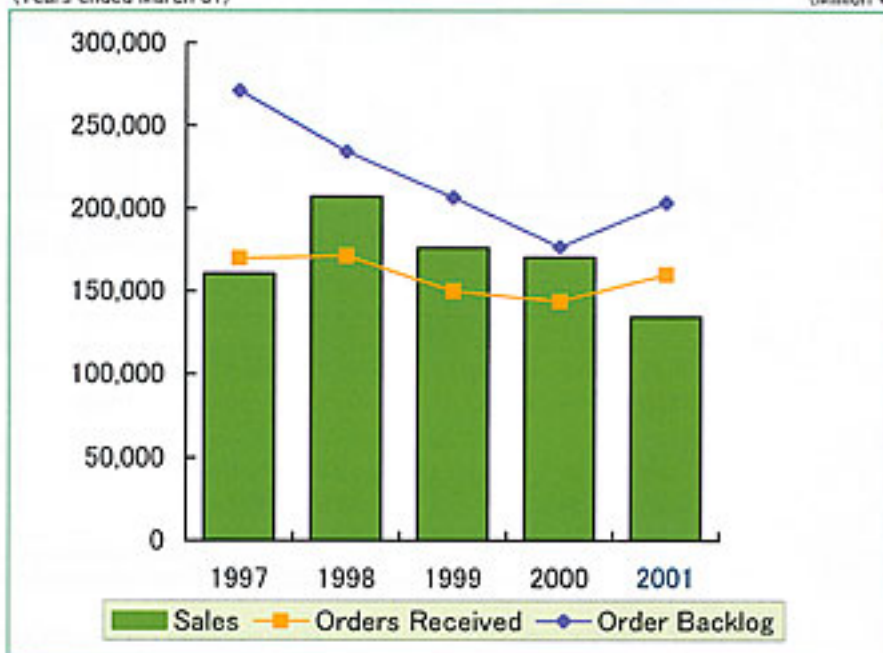
(Years ended March 31)-Parent Only-

(Million ¥)

	1997	1998	1999	2000	2001
Sales	160,558	207,297	176,404	170,560	134,273
Exports	32,572	45,903	56,046	39,632	39,773
Orders Received	169,766	171,121	149,727	143,646	159,866
Order Backlog	270,905	234,106	206,473	176,601	203,290

(Years ended March 31)

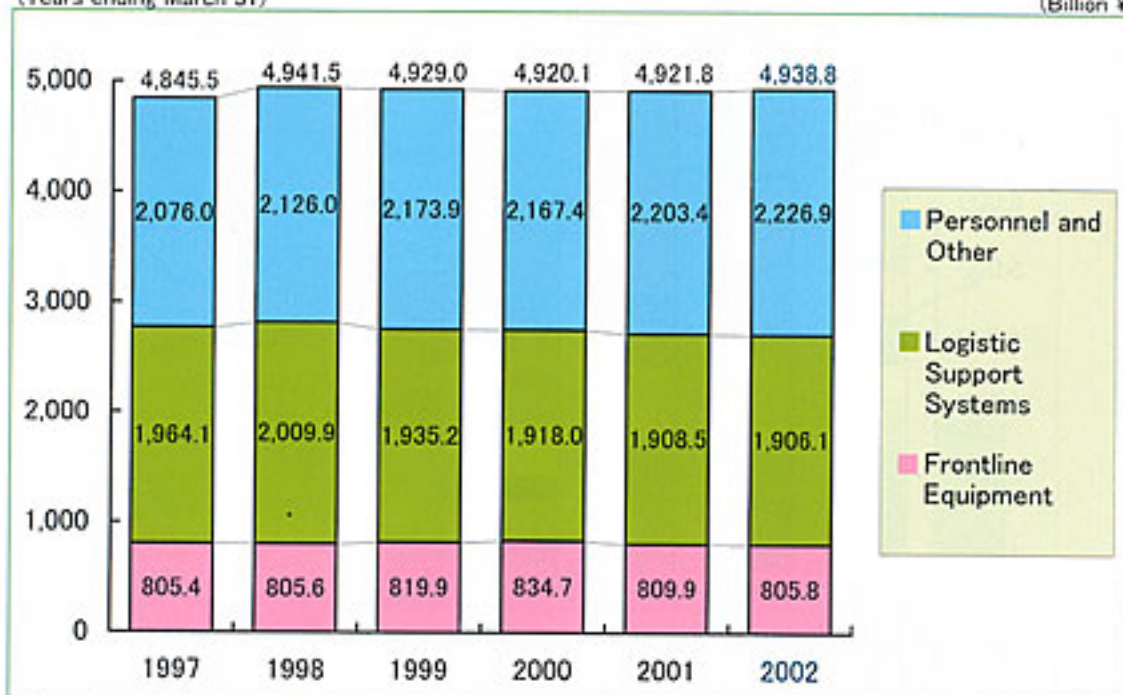
(Million ¥)



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)

1996			1997			1998		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI a)	229.0	17.2	1. MHI	329.9	24.3	1. MHI	271.9	20.6
2. KHI	156.9	11.7	2. Mitsubishi Electric	131.8	9.7	2. KHI	146.8	11.1
3. Mitsubishi Electric	108.5	8.1	3. KHI	99.2	7.3	3. Mitsubishi Electric	128.7	9.7
4. NEC	72.9	5.5	4. IHI	71.5	5.3	4. NEC	74.6	5.6
5. IHI b)	56.3	4.2	5. NEC	57.1	4.2	5. IHI	66.2	5.0

1999			2000			2001		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI	332.4	26.7	1. MHI	279.7	22.1	1. MHI	307.4	24.4
2. Mitsubishi Electric	103.1	8.3	2. KHI	132.2	10.5	2. Mitsubishi Electric	120.8	9.6
3. KHI	87.3	7.0	3. Mitsubishi Electric	112.1	8.9	3. KHI	98.7	7.8
4. IHI	64.4	5.2	4. Toshiba	53.8	4.3	4. IHI	54.0	4.3
5. NEC	44.6	3.6	5. IHI	53.6	4.2	5. NEC	46.5	3.7

Notes: a) Mitsubishi Heavy Industries.

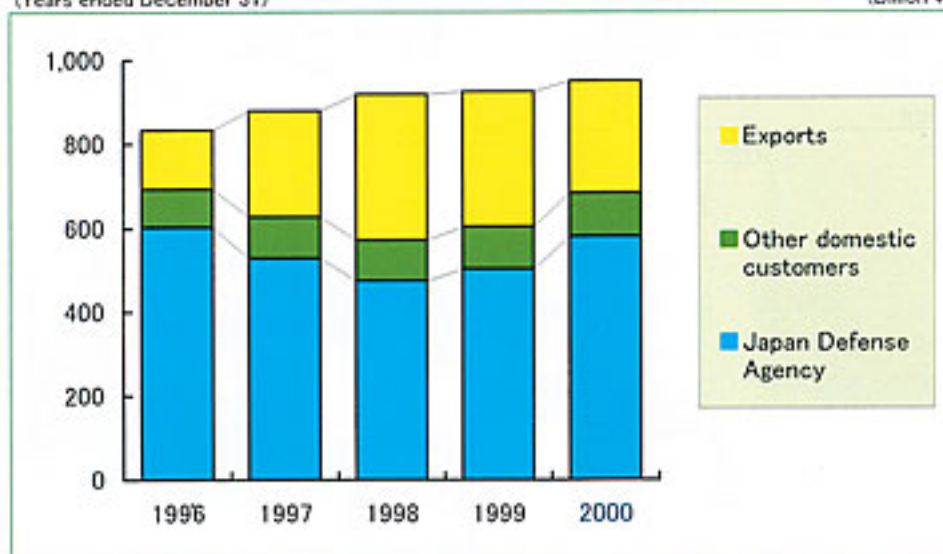
b) Ishikawajima-Harima Heavy Industries.

Source: Japan Defense Agency.

Japanese Aircraft Production by Demand Sector

(Years ended December 31)

(Billion ¥)



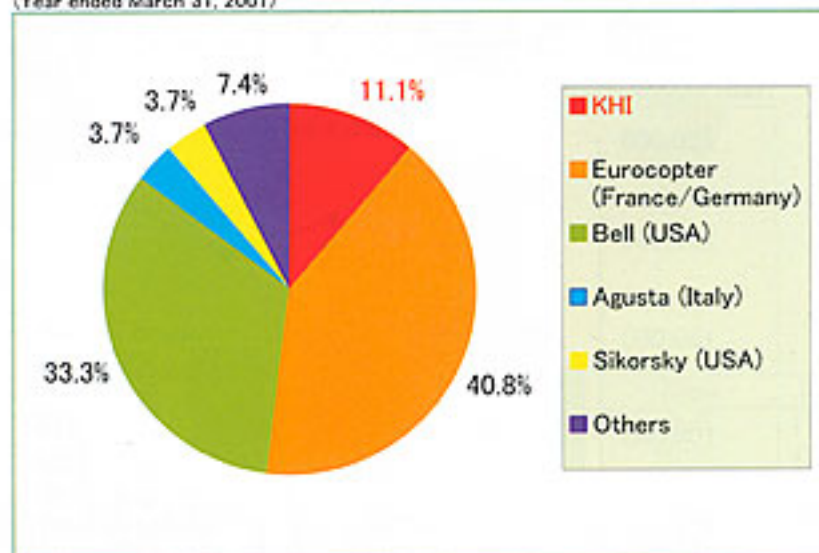
(Million ¥)

	1996	1997	1998	1999	2000
Japan Defense Agency	602,772	528,322	475,477	503,458	580,634
Other domestic customers	89,773	99,067	96,434	101,007	103,470
Exports	141,144	252,223	346,455	320,749	265,920
Total	833,689	879,612	918,366	925,214	950,024

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

Helicopters Domestic Share for Civilian Use

(Year ended March 31, 2001)



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

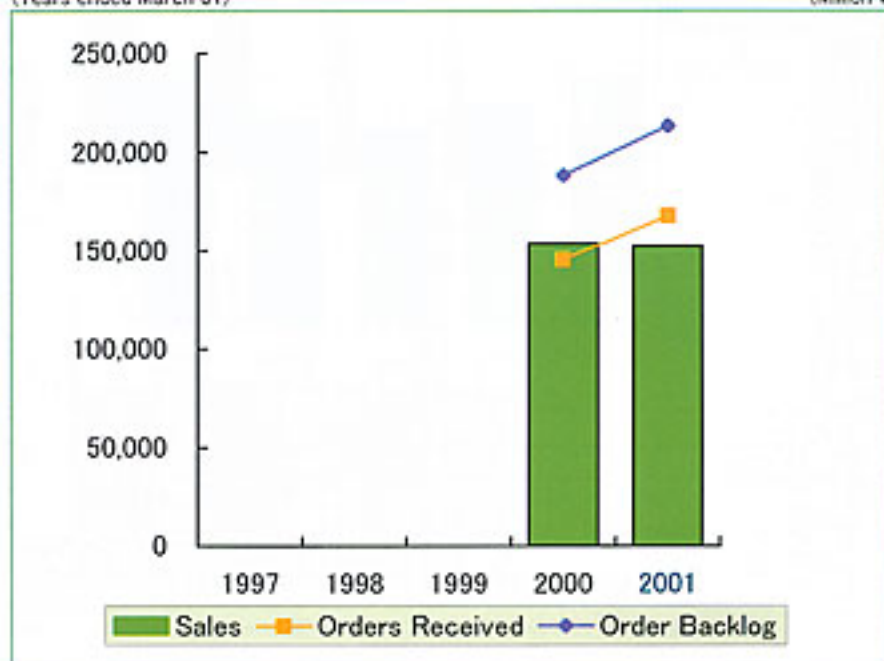
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1997	1998	1999	2000	2001
Sales	N.A	N.A	N.A	153,682	152,307
Orders Received	N.A	N.A	N.A	145,157	167,812
Order Backlog	N.A	N.A	N.A	188,074	213,228

(Years ended March 31)

(Million ¥)



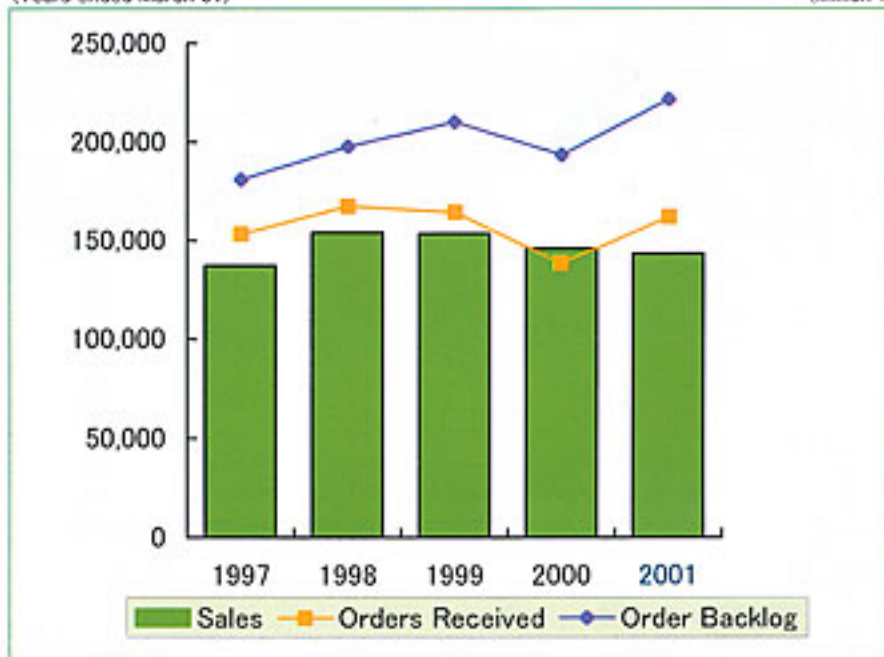
(Years ended March 31)-Parent, Only-

(Million ¥)

	1997	1998	1999	2000	2001
Sales	137,250	154,047	153,484	145,843	143,278
Exports	33,163	39,587	51,249	45,306	40,700
Orders Received	153,119	167,481	164,285	137,997	161,950
Order Backlog	180,838	197,542	210,113	193,309	221,462

(Years ended March 31)

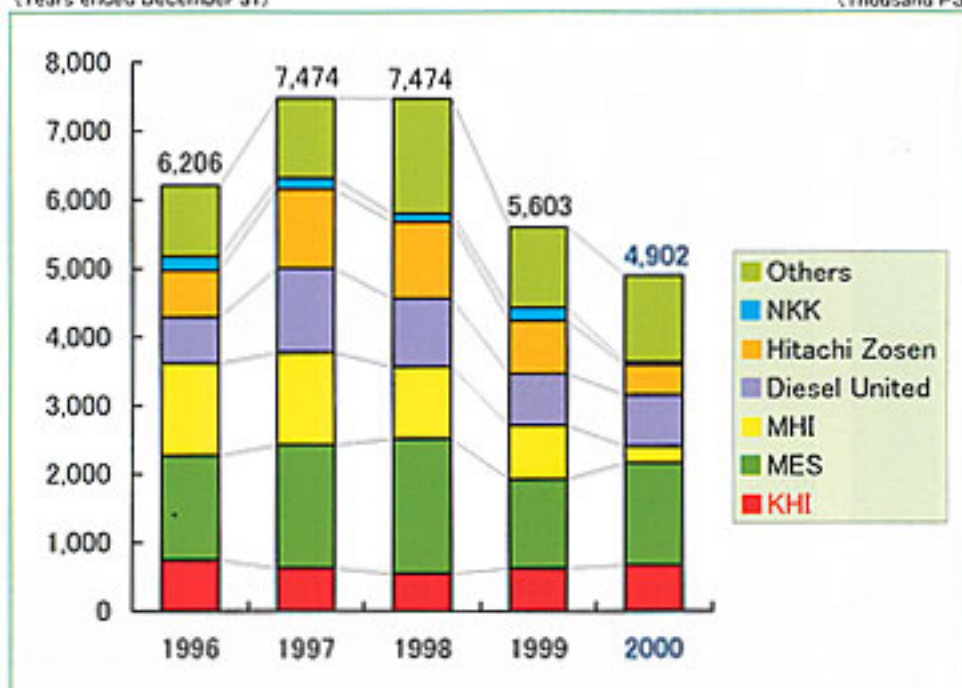
(Million ¥)



Diesel Engines Domestic Production

(Years ended December 31)

(Thousand PS)



	(Thousand PS)				
	1996	1997	1998	1999	2000
KHI	748	629	552	627	673
MES a)	1,519	1,803	1,964	1,294	1,492
MHI	1,349	1,346	1,050	784	238
Diesel United	672	1,225	997	756	745
Hitachi Zosen	678	1,148	1,111	776	438
NKK	212	160	122	194	44
Others	1,028	1,163	1,678	1,172	1,272
Total	6,206	7,474	7,474	5,603	4,902

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)

	1996	1997	1998	1999	2000
KHI	12.1%	8.4%	7.4%	11.2%	13.7%
MES	24.5%	24.1%	26.3%	23.1%	30.4%
MHI	21.7%	18.0%	14.0%	14.0%	4.9%
Diesel United	10.8%	16.4%	13.3%	13.5%	15.2%
Hitachi Zosen	10.9%	15.4%	14.9%	13.8%	8.9%
NKK	3.4%	2.1%	1.6%	3.5%	0.9%
Others	16.6%	15.6%	22.5%	20.9%	26.0%

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

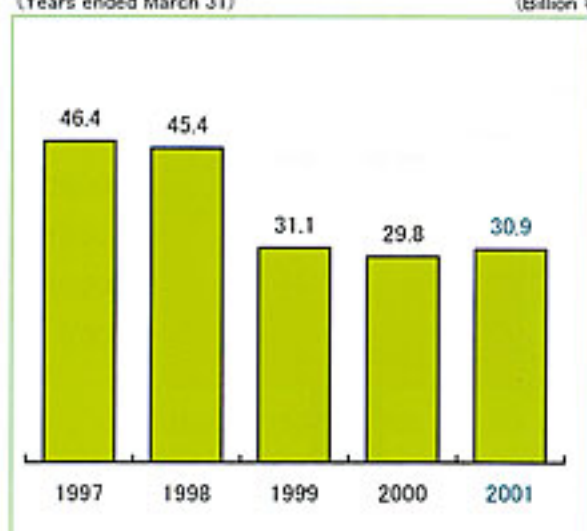
Source: KP Data.

Hydraulic Equipment Sales

-Parent Only-

(Years ended March 31)

(Billion ¥)

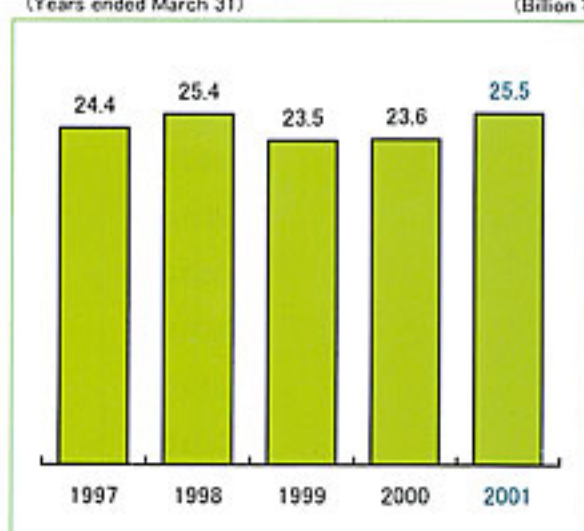


Gas Turbine Generator Sales

-Parent Only-

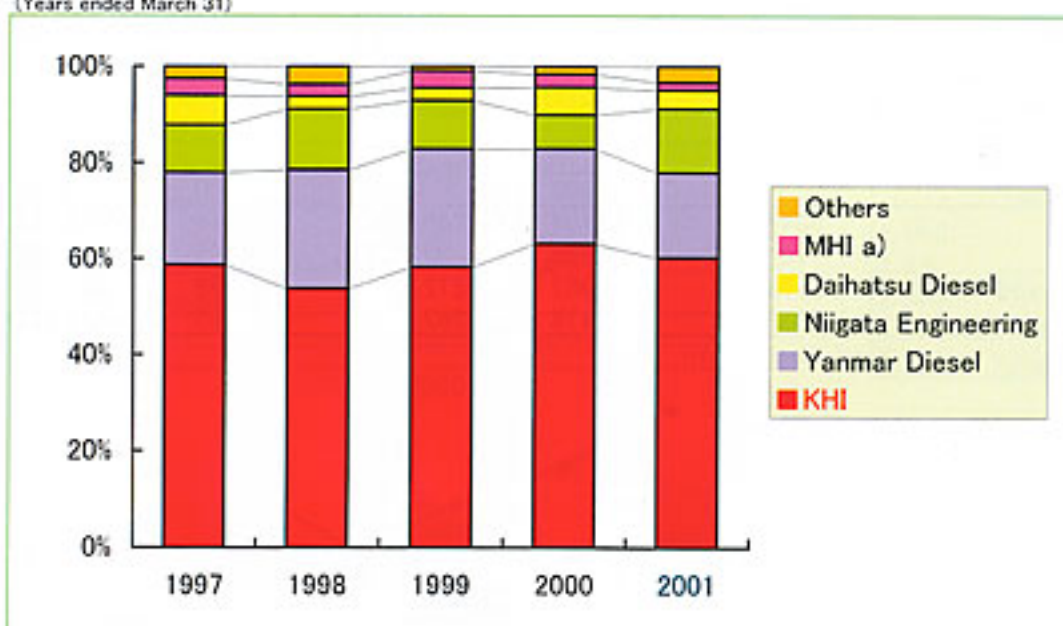
(Years ended March 31)

(Billion ¥)



Gas Turbine Generators Domestic Share

(Years ended March 31)



	1997	1998	1999	2000	2001
KHI	58.7%	53.7%	58.2%	63.1%	60.2%
Yanmar Diesel	19.2%	24.8%	24.6%	19.8%	17.7%
Niigata Engineering	9.9%	12.6%	10.1%	7.0%	13.3%
Daihatsu Diesel	6.1%	2.6%	2.6%	5.8%	3.8%
MHI a)	3.5%	2.5%	3.6%	2.7%	1.7%
Others	2.6%	3.8%	0.9%	1.6%	3.3%
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 Shinbun, "Ranking Series".

Plant & Infrastructure Engineering

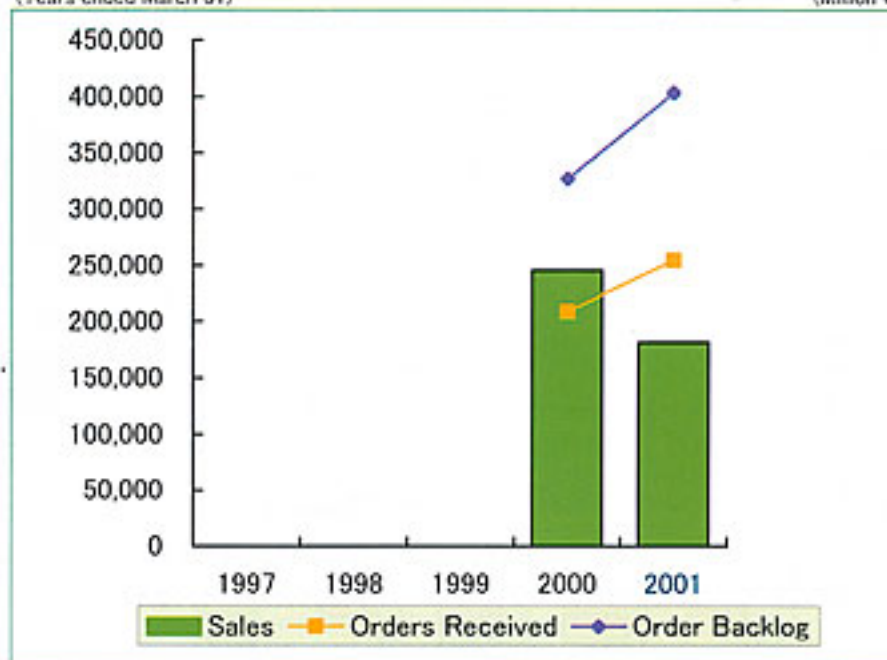
(Years ended March 31)-Consolidated Basis-

(Million ¥)

	1997	1998	1999	2000	2001
Sales	N.A.	N.A.	N.A.	245,642	181,174
Orders Received	N.A.	N.A.	N.A.	209,574	254,330
Order Backlog	N.A.	N.A.	N.A.	327,422	403,612

(Years ended March 31)

(Million ¥)



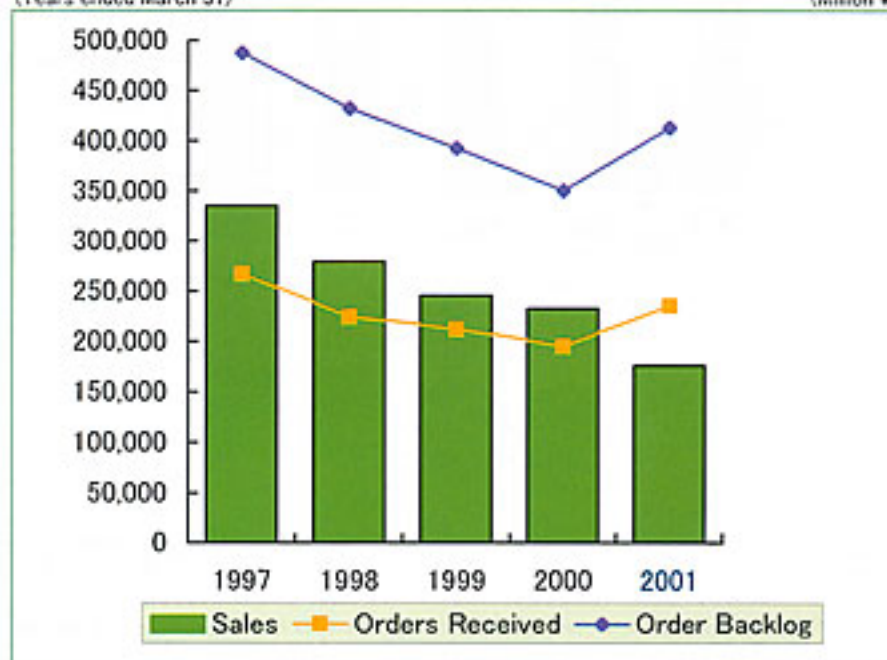
(Years ended March 31)-Parent Only-

(Million ¥)

	1997	1998	1999	2000	2001
Sales	334,887	279,105	245,400	232,514	175,616
Exports	70,763	52,868	30,470	52,535	31,152
Orders Received	267,625	224,967	212,877	195,398	234,957
Order Backlog	487,755	432,478	392,807	350,493	413,171

(Years ended March 31)

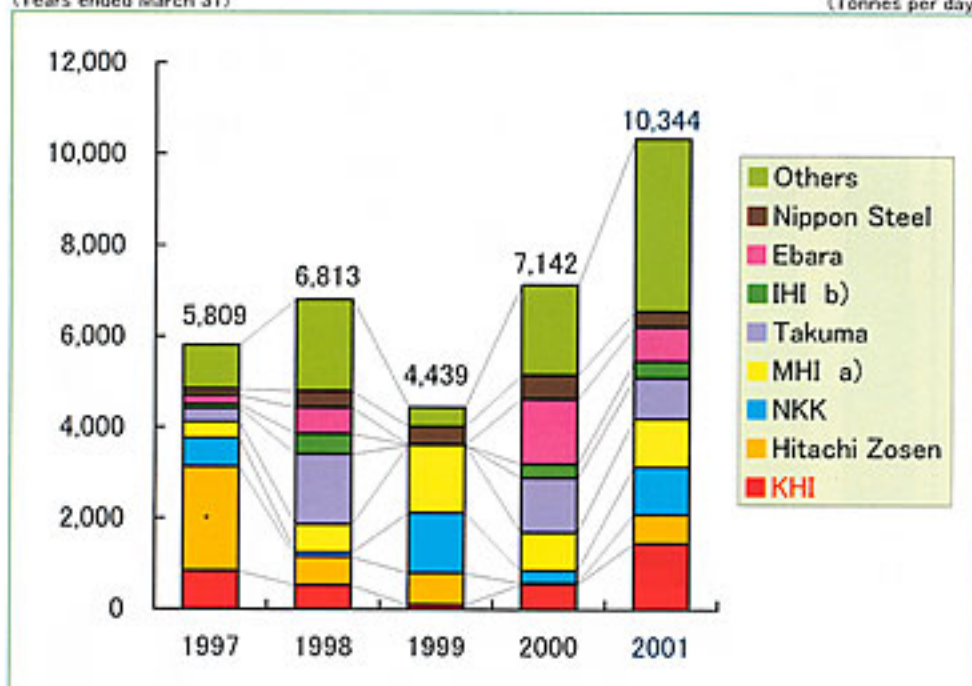
(Million ¥)



Refuse Incineration Plants Domestic Market Volume

(Years ended March 31)

(Tonnes per day)



	(Tonnes per day)				
	1997	1998	1999	2000	2001
KHI	847	528	100	559	1,460
Hitachi Zosen	2,283	619	700	22	630
NKK	626	96	1,320	280	1,040
MHI a)	353	617	1,490	825	1,061
Takuma	305	1,538	0	1,210	897
IHI b)	91	450	0	300	370
Ebara	186	579	0	1,436	759
Nippon Steel	150	362	400	521	335
Others	968	2,024	429	1,989	3,792
Total Market Volume	5,809	6,813	4,439	7,142	10,344

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)

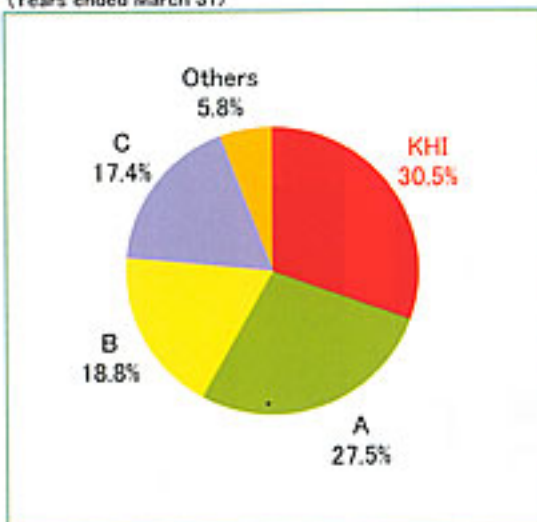
	1997	1998	1999	2000	2001
KHI	14.6%	7.7%	2.3%	7.8%	14.1%
Hitachi Zosen	39.3%	9.1%	15.8%	0.3%	6.1%
NKK	10.8%	1.4%	29.7%	3.9%	10.1%
MHI	6.1%	9.1%	33.6%	11.6%	10.3%
Takuma	5.3%	22.6%	0.0%	16.9%	8.7%
IHI	1.6%	6.6%	0.0%	4.2%	3.6%
Ebara	3.2%	8.5%	0.0%	20.1%	7.3%
Nippon Steel	2.6%	5.3%	9.0%	7.3%	3.2%
Others	16.5%	29.7%	9.6%	27.9%	36.6%

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 (1991–2000 Total)**

(Years ended March 31)

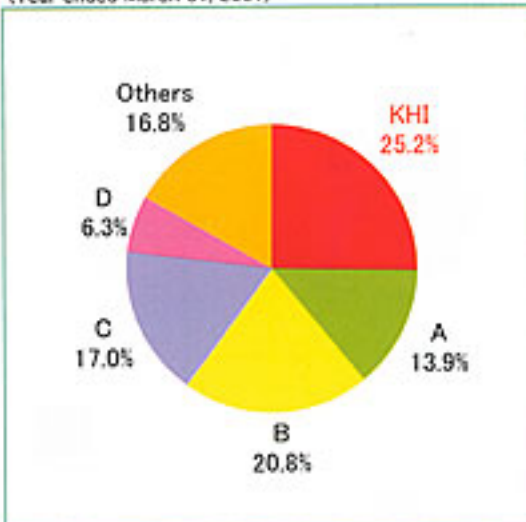


Notes: 1. Segments A, B and C represent the shares of the three other major companies in this market.
2. Figures are shown on a sales amount basis.

Source: Company's estimates.

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

(Year ended March 31, 2001)

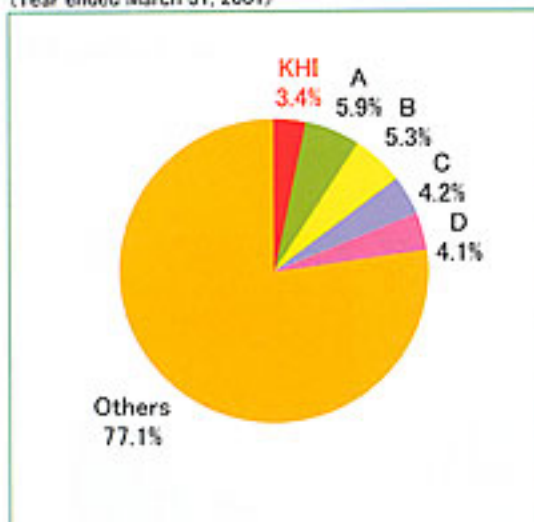


Notes: 1. Segments A, B, C and D represent the shares of the four other major companies in this market.
2. Figures are shown on a sales amount basis.

Source: Company's estimates.

Steel Bridges Domestic Share

(Year ended March 31, 2001)

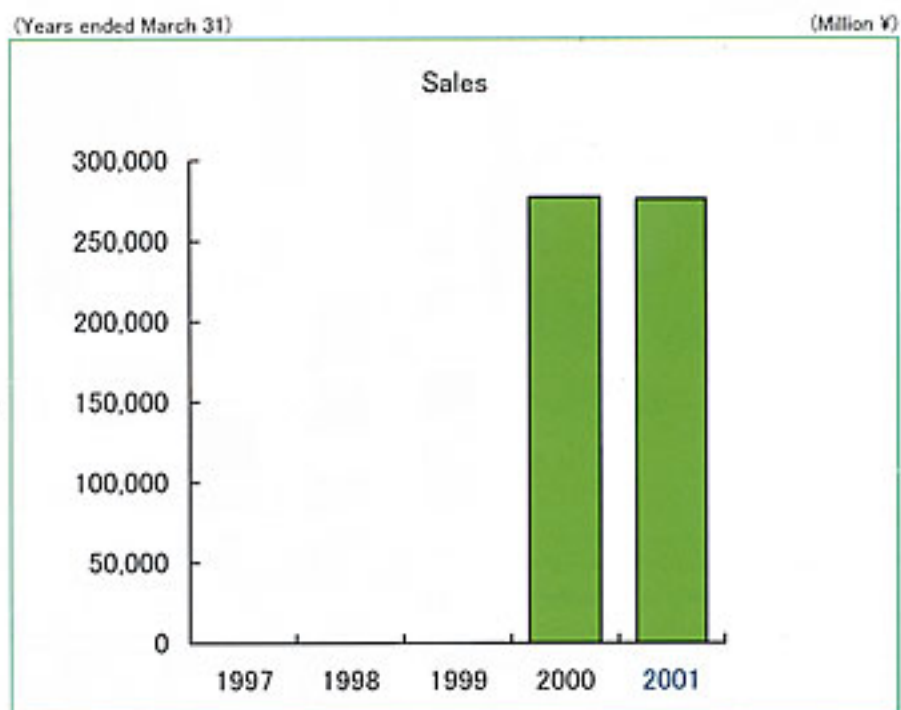


Notes: 1. Figures are shown on the basis of steel volume to be used for the contracts.
2. Segments A, B, C and D represent the shares of the four other major companies in this market.

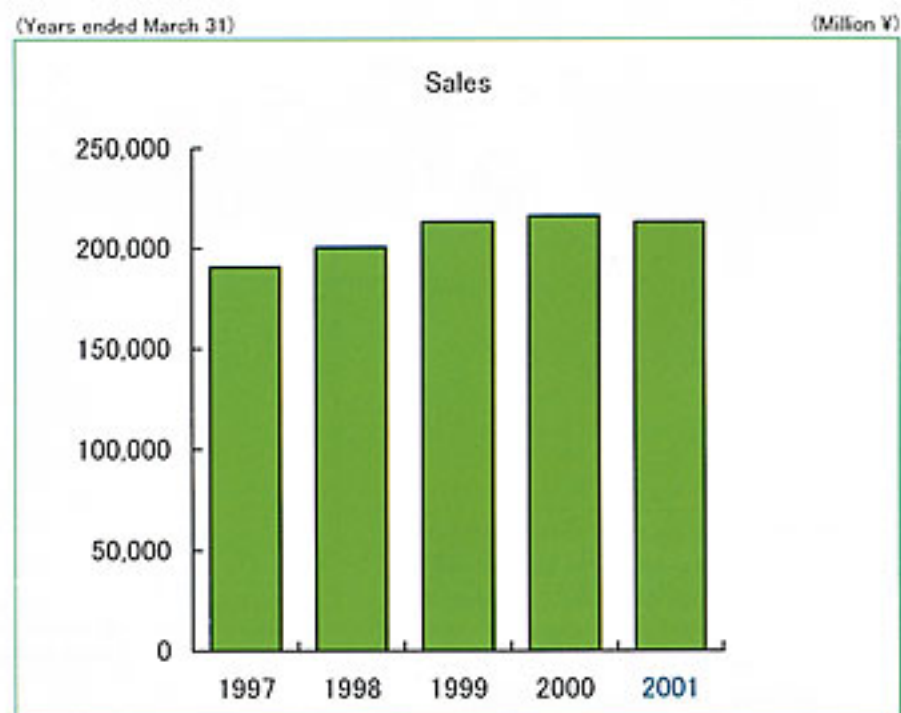
Source: Company's estimates.

Consumer Products & Machinery

(Years ended March 31)-Consolidated Basis-					(Million ¥)
	1997	1998	1999	2000	2001
Sales	N.A	N.A	N.A	277,176	275,903



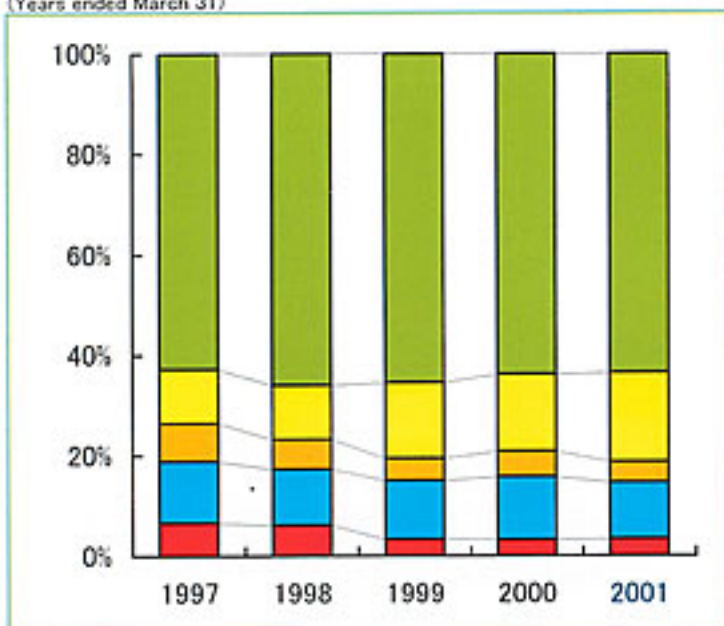
(Years ended March 31)-Parent Only-					(Million ¥)
	1997	1998	1999	2000	2001
Sales	190,655	200,393	213,079	215,953	213,080
Exports	146,996	160,170	178,637	180,784	179,495



Composites of Consumer Product Sales

-Parent Only-

(Years ended March 31)



	1997	1998	1999	2000	2001
Motorcycles	62.8%	66.0%	65.5%	63.8%	63.5%
ATVs, U/Vs	10.8%	10.8%	15.1%	15.4%	17.8%
Personal Watercraft	7.6%	5.9%	4.4%	5.1%	4.1%
Gasoline Engines	12.2%	11.2%	11.7%	12.5%	11.2%
Automobile Transmissions	6.6%	6.1%	3.3%	3.2%	3.4%

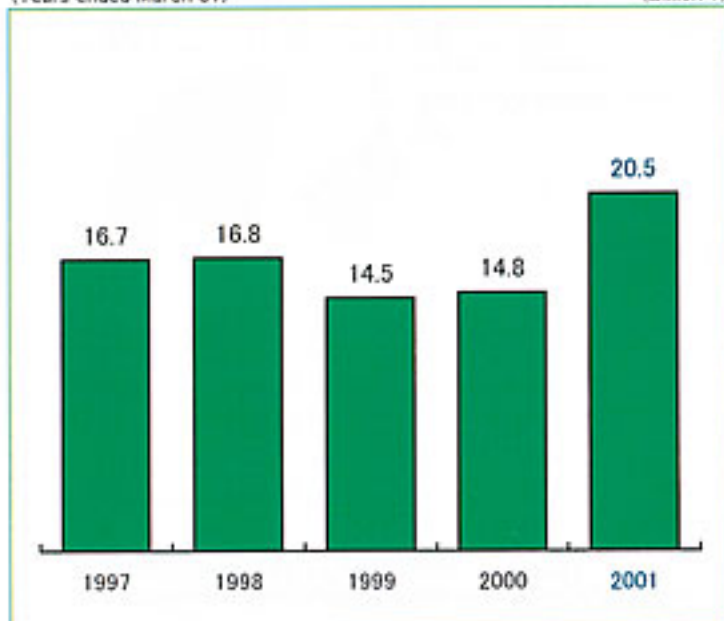
ATVs: All-Terrain Vehicles U/Vs: Utility Vehicles

Industrial Robot Sales

-Parent Only-

(Years ended March 31)

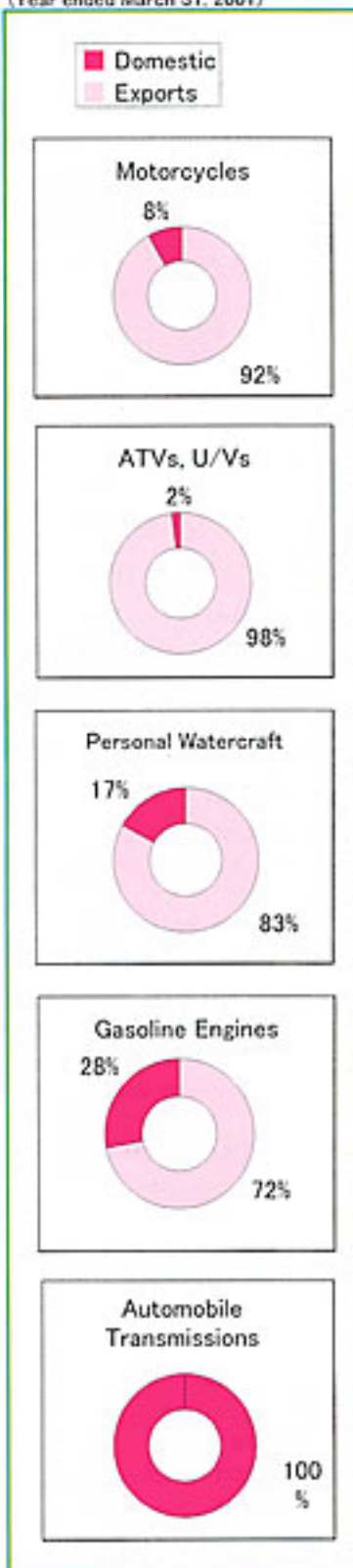
(Billion ¥)



Domestic/Export Sales by Product

-Parent Only-

(Year ended March 31, 2001)

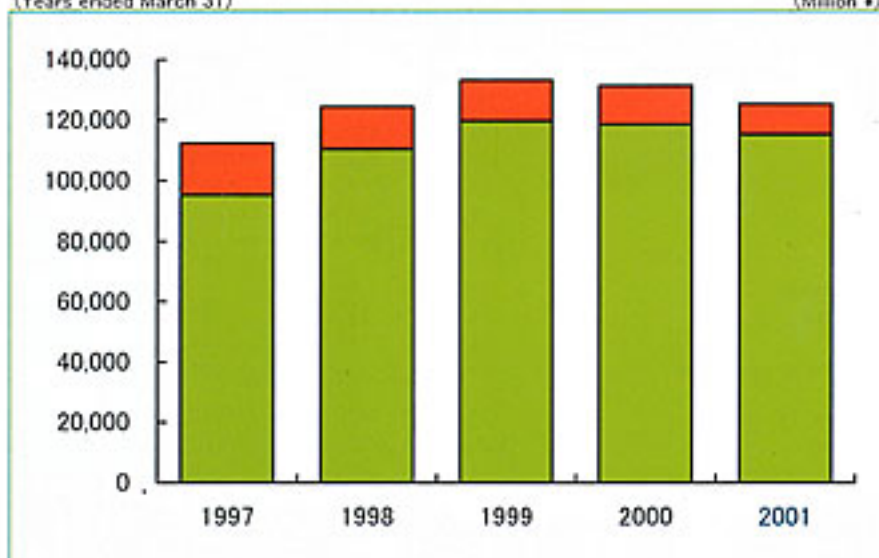


Motorcycle Sales

-Parent Only-

(Years ended March 31)

(Million ¥)

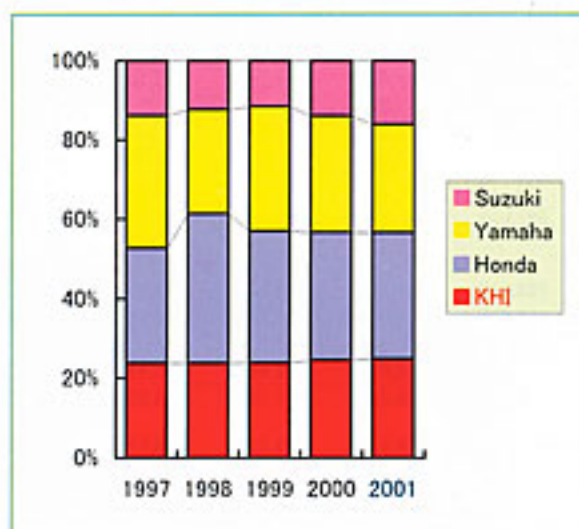


(Million ¥)

	1997	1998	1999	2000	2001
Domestic Sales	17,106	14,141	13,488	12,874	10,063
Export Sales	95,227	110,262	119,629	118,464	115,176
Total Motorcycle Sales	112,333	124,403	133,117	131,338	125,239

Note: Including sales of spare parts.

Motorcycle Sales Domestic Share

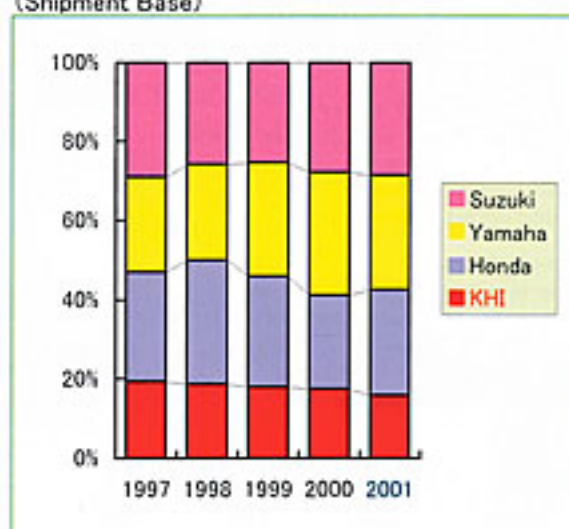


(Years ended March 31)

	1997	1998	1999	2000	2001
KHI	23.8%	23.8%	23.9%	24.6%	24.9%
Honda Motor	29.0%	37.6%	33.1%	32.1%	31.7%
Yamaha Motor	33.4%	26.2%	31.4%	29.4%	27.2%
Suzuki Motor	13.8%	12.4%	11.6%	13.9%	16.2%

Motorcycle Sales Export Share

(Shipment Base)



(Years ended March 31)

	1997	1998	1999	2000	2001
KHI	19.4%	18.7%	18.0%	17.5%	15.8%
Honda Motor	27.6%	31.4%	28.0%	23.7%	26.8%
Yamaha Motor	24.0%	24.1%	28.6%	30.9%	28.8%
Suzuki Motor	29.0%	25.8%	25.4%	27.9%	28.6%

Note: Engine displacement of more than 251cc.

Source: Japan Automobile Manufacturers Association Inc.

CONDENSED BALANCE SHEETS

Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

As of March 31

ASSETS	Millions of yen					
	2001	2000	1999	1998	1997	1996
Current assets:						
Cash on hand and in banks	¥77,048	¥85,782	¥55,306	¥76,265	¥96,617	¥100,134
Marketable securities	-	46,021	47,785	48,834	49,939	46,814
Receivables	431,006	413,920	416,596	420,562	402,711	355,707
Allowance for doubtful receivables	(5,076)	(3,375)	(3,041)	(2,959)	(3,794)	(3,649)
	425,930	410,545	413,555	417,603	398,917	352,058
Inventories	346,567	316,529	347,765	351,236	440,970	444,378
Deferred tax assets	14,922	4,216	5,507	-	-	-
Other current assets	19,830	16,345	14,481	14,493	11,691	9,233
Total current assets	884,297	879,438	884,399	908,431	998,134	952,617
Investments and long-term loans:						
Investments in securities	91,154	32,136	38,967	38,604	40,650	35,044
other	16,064	15,123	12,039	15,944	15,729	16,071
Total investments and long-term loans	107,218	47,259	51,006	54,548	56,379	51,115
Property, plant and equipment	757,818	744,630	723,349	704,184	665,523	648,232
Accumulated depreciation	(515,925)	(499,352)	(478,483)	(461,749)	(432,327)	(416,617)
Net property, plant and equipment	241,893	245,278	244,866	242,435	233,196	231,615
Intangible and other assets						
Deferred tax assets	4,924	9,315	2,956	-	-	-
Intangible and other assets	9,140	7,676	6,989	5,699	5,429	5,405
	14,064	16,991	9,945	5,699	5,429	5,405
Foreign currency translation adjustments						
	-	17,840	14,641	11,793	10,030	11,619
Total assets	¥1,247,472	¥1,206,806	¥1,204,857	¥1,222,906	¥1,303,168	¥1,252,371

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen					
	2001	2000	1999	1998	1997	1996
Current liabilities:						
Short-term borrowings and current portion of long-term debt	¥228,462	¥222,302	¥238,265	¥239,252	¥250,080	¥236,636
Trade payables	326,257	310,557	321,830	327,176	364,641	344,641
Advances from customers	104,194	86,012	81,409	97,703	145,768	167,512
Accrued income taxes	3,393	2,441	3,424	19,904	24,334	18,335
Accrued expenses	15,583	19,549	21,375	41,721	41,461	39,364
Provision for product warranty	1,551	1,648	1,386	-	-	-
Provision for losses on construction contracts	6,571	3,794	8,478	2,693	-	-
Deferred tax liabilities	457	515	5,162	-	-	-
Other current liabilities	49,252	44,217	41,358	17,897	21,091	18,485
Total current liabilities	735,720	691,035	722,687	746,346	847,375	824,973
Long-term liabilities:						
Long-term debt, less current portion	270,605	264,048	208,763	198,100	197,130	204,801
Retirement and severance benefits	57,719	58,332	54,024	52,182	50,514	48,649
Deferred tax liabilities	4,654	2,705	2,573	-	-	-
Other	10,025	9,313	10,894	11,466	6,411	6,733
Total long-term liabilities	343,003	334,398	276,254	261,783	254,055	260,183
Minority interests	4,668	6,418	6,279	5,736	4,577	4,231
Shareholders' equity:						
Common stock of ¥50 par value:						
Authorized—3,360,000,000 shares						
Issued—1,390,595,964 shares	81,427	81,427	81,427	81,427	81,088	71,108
Capital surplus	24,682	24,682	24,682	24,682	24,345	14,375
Retained earnings	58,452	68,846	93,528	102,931	91,728	77,502
Net unrealized gains on securities	13,091	-	-	-	-	-
Foreign currency translation adjustments	(13,571)	-	-	-	-	-
Treasury stock, at cost	-	-	-	-	-	(1)
Total shareholders' equity	164,081	174,955	199,637	209,040	197,161	162,984
Total liabilities and shareholders' equity	¥1,247,472	¥1,206,806	¥1,204,857	¥1,222,906	¥1,303,168	¥1,252,371

CONDENSED STATEMENTS OF INCOME

Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries
Years ended March 31

	Millions of yen					
	2001	2000	1999	1998	1997	1996
Net sales	¥1,060,479	¥1,149,698	¥1,202,189	¥1,297,212	¥1,224,259	¥1,086,244
Cost of sales	924,522	1,008,860	1,045,143	1,114,693	1,041,697	928,126
Gross profit	135,957	140,838	157,046	182,519	182,562	158,118
Selling, general and administrative expenses	131,497	139,587	135,380	131,440	120,351	111,362
Operating income	4,460	1,251	21,666	51,079	62,211	46,756
Other income (expenses):						
Interest and dividend income	4,480	4,274	5,495	5,122	5,424	5,156
Equity in income (loss) of unconsolidated subsidiaries and affiliates	(1,586)	(654)	683	1,236	320	343
Interest expense	(12,779)	(11,782)	(12,646)	(11,907)	(12,578)	(13,694)
Other, net	(12,981)	(15,819)	(15,723)	(3,815)	(5,148)	(553)
Income (loss) before income taxes and minority interest	(18,406)	(22,730)	(525)	41,715	50,229	38,008
Income taxes						
Current	(5,609)	(5,899)	(9,358)	(22,618)	(27,128)	(21,777)
Deferred	13,309	9,466	2,943	-	-	-
Minority interests in net (income) loss of consolidated subsidiaries	386	531	808	(541)	(529)	(48)
Foreign currency translation adjustments	-	-	-	-	-	279
Net income (loss)	(¥10,320)	(¥18,632)	(¥6,132)	¥18,556	¥22,572	¥16,462

	Millions of yen					
	2001	2000	1999	1998	1997	1996
Per share amounts (yen):						
Net income (loss)	(¥7.4)	(¥13.4)	(¥4.4)	¥13.3	¥16.4	¥12.2
Cash dividends	-	-	6.0	6.0	7.0	5.5
Other data:						
Capital expenditures (Million ¥)	32,687	39,685	42,143	35,030	36,992	38,036
Depreciation (Million ¥)	33,303	35,081	34,607	32,416	31,245	30,823
R&D expenses (Million ¥)	17,548	19,905	18,615	17,800	17,400	17,300
Number of employees	29,162	29,772	26,486	26,102	24,211	24,401

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.

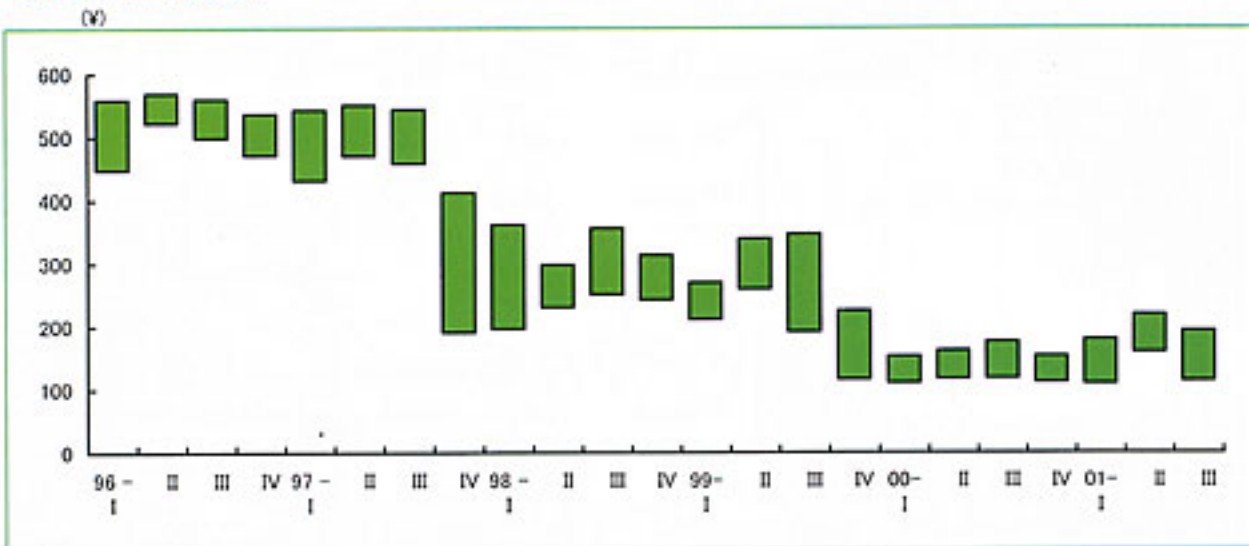
Income taxes: Effective from the year ended March 31, 1999, the Company recognizes tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting. Income taxes were principally provided for based on taxable income for the period, determined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

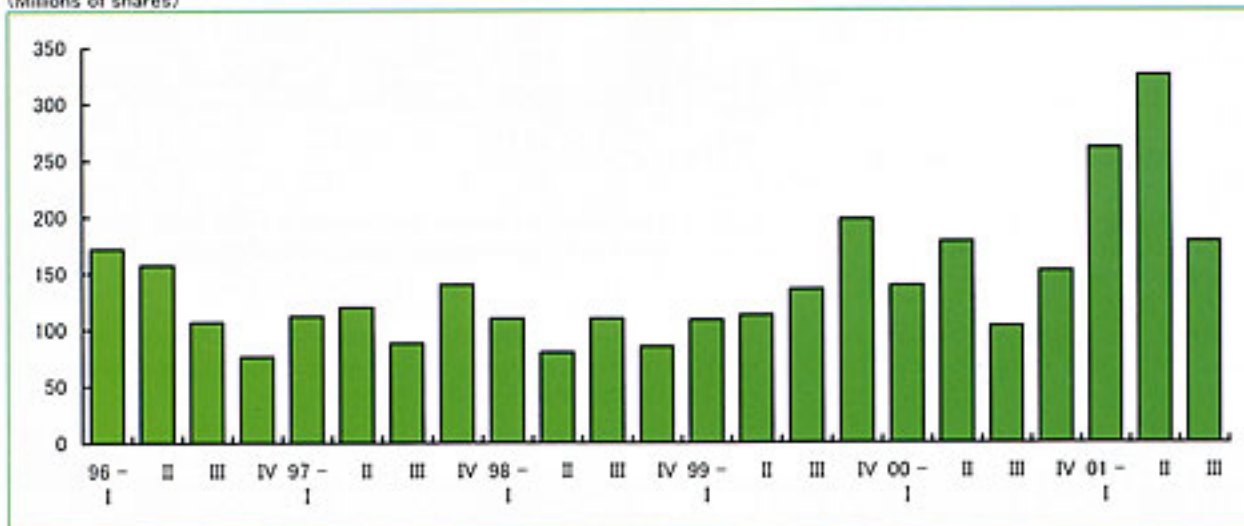


(V)

	1996				1997				1998				1999				2000				2001		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
High	559	569	560	537	543	551	544	413	362	298	356	314	270	340	347	225	153	162	176	153	180	219	193
Low	448	522	498	471	431	470	458	190	196	230	250	242	211	259	191	115	110	116	117	111	109	159	113

Stock Trading Volume

(Millions of shares)



(Millions of shares)

	1996				1997				1998				1999				2000				2001		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
	172	157	107	76	112	120	88	140	110	80	110	85	109	113	136	198	139	178	103	152	261	325	178

Paid-in Capital
¥81,426,590,792

Number of Shares

Authorized---3,360,000,000 shares
Outstanding---1,390,595,964 shares
(Dilution-----136,905,000 shares)

As of March 31, 2001

Paid-in Capital
¥81,426,590,792

Number of Shares

Authorized---3,360,000,000 shares
Outstanding---1,390,595,964 shares
(Dilution-----136,905,000 shares)

As of September 30, 2001

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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