

DATA FILE 2005

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, KHI 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. KHI also engaged in the shipping business through the company known as Kawasaki Kisen Kaisha, Ltd., which later became an independent company. In 1939, KHI adopted its present name, Kawasaki Heavy Industries, Ltd.

In 1950, KHI'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 KHI, forming an integrated heavy industry enterprise.

KHI established a subsidiary in the United States to sell its motorcycles in 1966. In 1975, through its local subsidiary, KHI 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, KHI 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, KHI established a local subsidiary to acquire a hydraulic machinery manufacturing business in Plymouth, U.K., its first production facility in Europe. In 2001, KHI built a new rolling stock plant in Lincoln, Nebraska, where we already have a motorcycle plant. The new plant started full-scale operation in April 2002.

KHI also reorganised several industry segments of the Group to improve profitability, including spinning off the shipbuilding, hydraulics, plant engineering businesses. In 2002, Kasawaki Shipbuilding Corporation and Kawasaki Precision Machinery, Ltd., in 2005, Kawasaki Plant Systems, Ltd. was established as wholly owned subsidiaries.

KHI has been seeking to expand its activities in Asia. KHI has joint ventures in Malaysia, Thailand, the Philippines and Indonesia to manufacture motorcycles as well as a shipbuilding joint venture in China and other production and/or sales facilities in Brazil, the Philippines and Korea.

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FINANCIAL HIGHLIGHTS

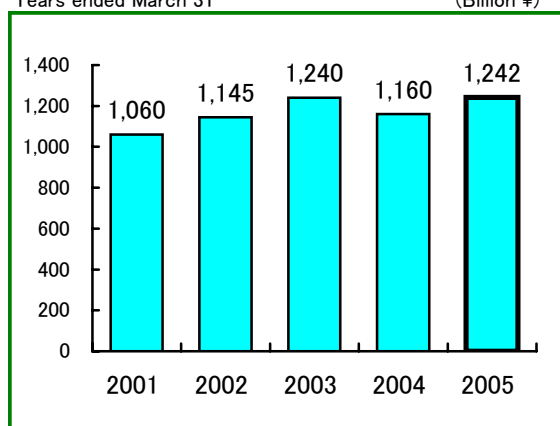
Kawasaki Heavy Industries, Ltd. and consolidated subsidiaries

Years ended March 31

	Millions of yen				
	2001	2002	2003	2004	2005
For the year:					
Net sales	¥1,060,479	¥1,144,534	¥1,239,598	¥1,160,252	¥1,241,592
Net income (loss)	(10,320)	6,282	13,022	6,333	11,479
Net income (loss) per share (yen)	(7.4)	4.5	9.3	4.4	7.9
Return on average shareholders' equity (%)	(6.1%)	3.8%	7.6%	3.5%	5.9%
Cash dividends per share (yen)	—	—	2.0	2.0	2.5
At year end:					
Total assets	1,247,472	1,255,075	1,149,161	1,156,904	1,194,473
Working capital	148,577	150,114	137,771	121,941	138,523
Current ratio (%)	120.2%	119.9%	120.0%	118.0%	119.8%
Total shareholders' equity	164,081	167,731	174,585	190,175	201,465

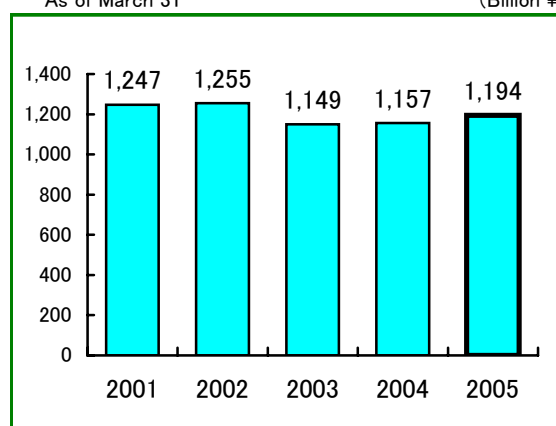
Net Sales

Years ended March 31 (Billion ¥)



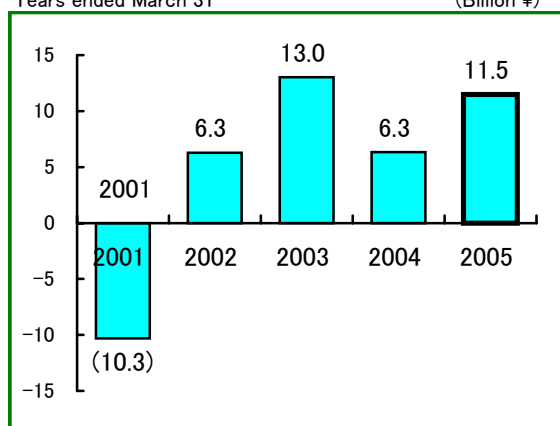
Total Assets

As of March 31 (Billion ¥)



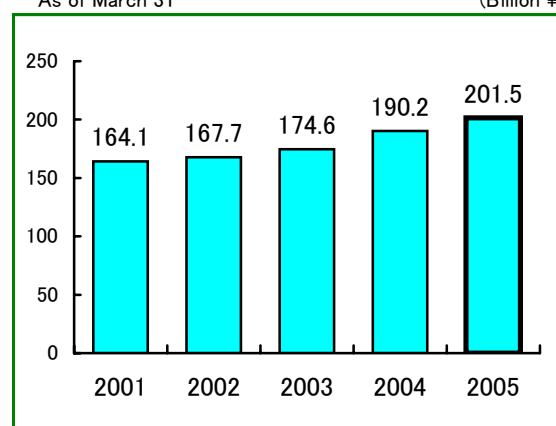
Net Income (Loss)

Years ended March 31 (Billion ¥)



Total Shareholders' Equity

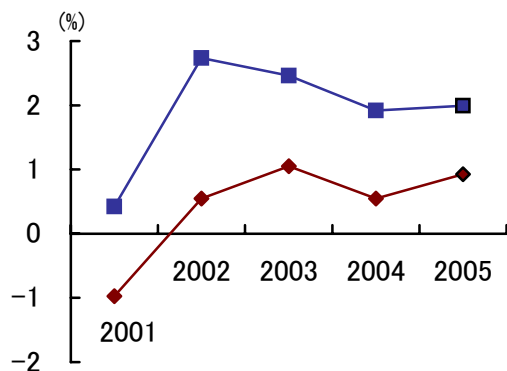
As of March 31 (Billion ¥)



KEY INDICATORS (CONSOLIDATED BASIS)

Ratio of Operating Income to Sales Return on Sales

Years ended March 31



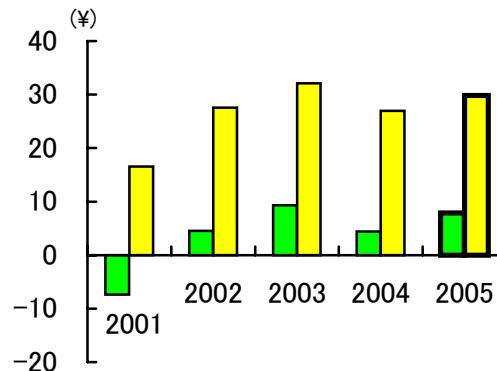
	2001	2002	2003	2004	2005
Operating Income to Sales - ■ -	0.42	2.74	2.46	1.92	1.99
ROS - ◆ -	(0.97)	0.55	1.05	0.55	0.92

Operating Income to Sales: Operating Income/Net Sales.

ROS: Net Income/Net Sales.

Earnings per Share Cash Flow per Share

Years ended March 31



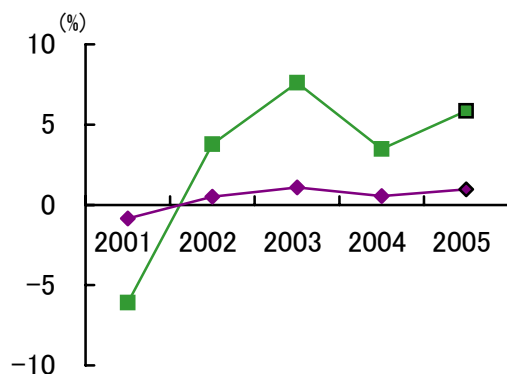
	2001	2002	2003	2004	2005
EPS ■	(7.4)	4.5	9.3	4.4	7.9
CFPS ■	16.5	27.5	32.1	27.0	29.8

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



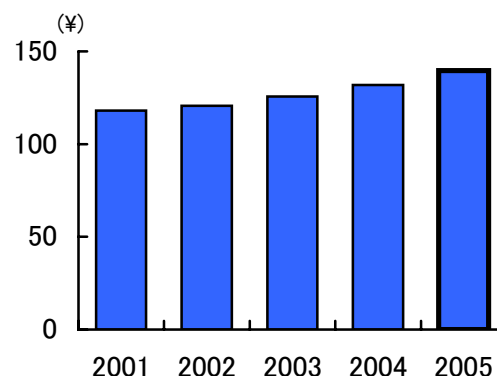
	2001	2002	2003	2004	2005
ROE - ■ -	(6.1)	3.8	7.6	3.5	5.9
ROA - ◆ -	(0.8)	0.5	1.1	0.5	1.0

ROE: Net Income/Average Shareholders' Equity.

ROA: Net Income/Average Total Assets.

Book Value per Share

As of March 31

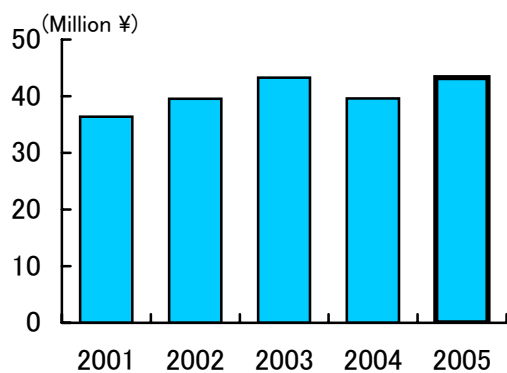


	2001	2002	2003	2004	2005
Book Value per Share	118.0	120.6	125.6	131.8	139.7

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

Net Sales per Employee

Years ended March 31

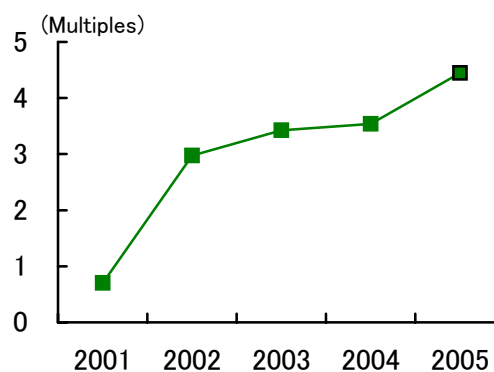


2001	2002	2003	2004	2005
36.37	39.55	43.28	39.59	43.29

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

Interest Coverage

Years ended March 31

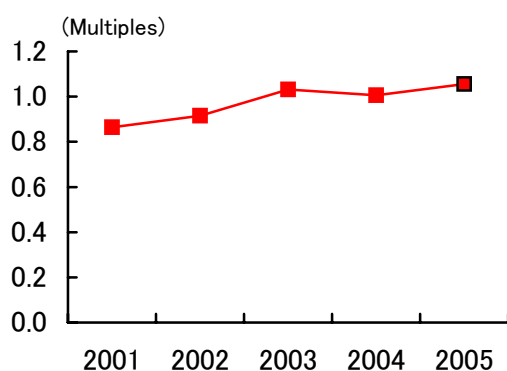


2001	2002	2003	2004	2005
0.70	2.97	3.42	3.54	4.44

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

Asset Turnover

Years ended March 31

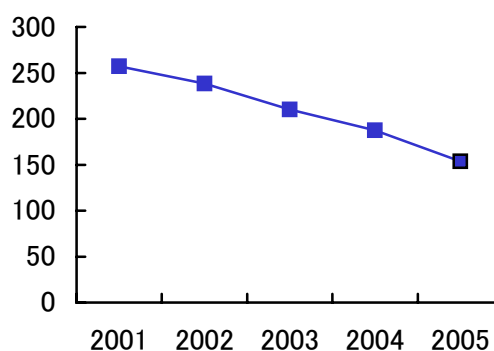


2001	2002	2003	2004	2005
0.86	0.91	1.03	1.01	1.06

Asset Turnover: Net Sales/Average Total Assets.

Debt to Equity Ratio

Years ended March 31



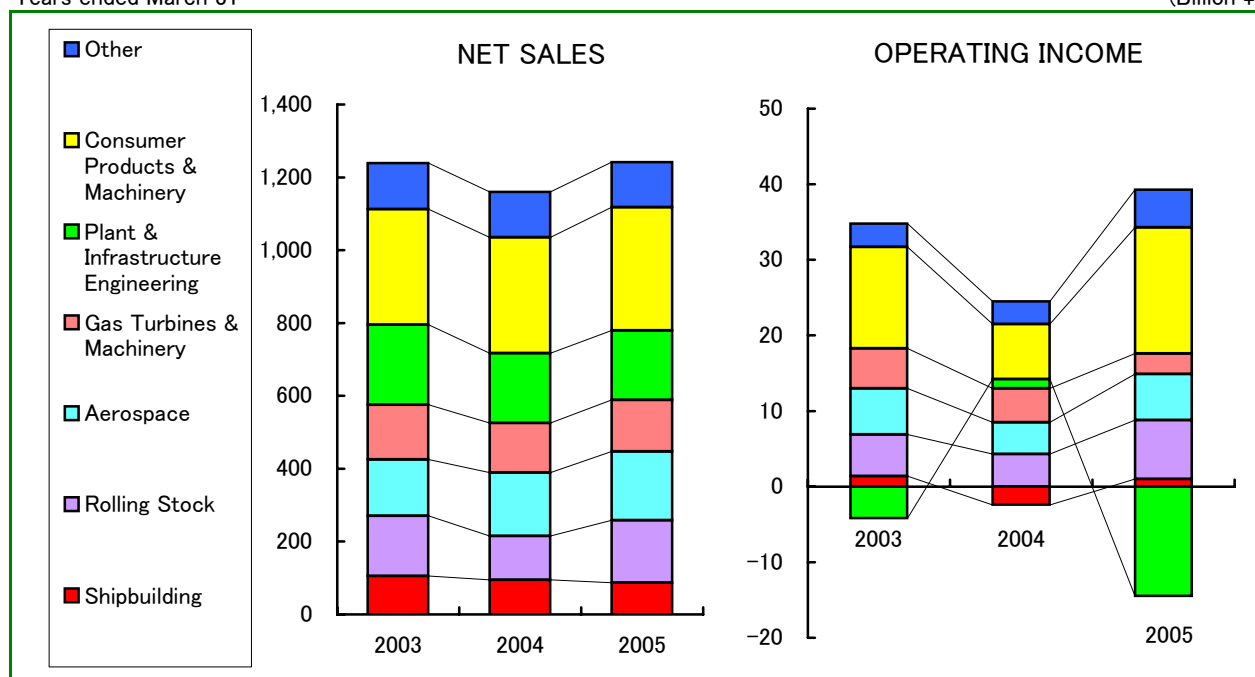
2001	2002	2003	2004	2005
257	238	210	187	154

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 ¥)

	2003	2004	2005
Shipbuilding	105.5	94.9	87.1
Rolling Stock	164.8	120.6	171.7
Aerospace	154.8	173.8	188.3
Gas Turbines & Machinery	150.8	136.5	141.4
Plant & Infrastructure Engineering	219.1	191.4	191.0
Consumer Products & Machinery	318.0	318.3	338.5
Other	126.6	124.7	123.7
Total	1,239.6	1,160.3	1,241.6

Operating Income (Loss)

(Billion ¥)

	2003	2004	2005
Shipbuilding	1.4	(2.4)	1.0
Rolling Stock	5.5	4.3	7.8
Aerospace	6.1	4.2	6.1
Gas Turbines & Machinery	5.3	4.5	2.7
Plant & Infrastructure Engineering	(4.2)	1.2	(14.5)
Consumer Products & Machinery	13.4	7.3	16.7
Other & Eliminations	3.1	3.0	5.0
Net Operating Income	30.5	22.3	24.7

Ratio of Operating Income to Sales

	2003	2004	2005
Shipbuilding	1.3%	(2.5%)	1.1%
Rolling Stock	3.3%	3.6%	4.5%
Aerospace	3.9%	2.4%	3.2%
Gas Turbines & Machinery	3.5%	3.3%	1.9%
Plant & Infrastructure Engineering	(1.9%)	0.6%	(7.6%)
Consumer Products & Machinery	4.2%	2.3%	4.9%
Other	2.4%	2.4%	4.0%
Total	2.5%	1.9%	2.0%

Note: On April 1, 2003, the Company modified its industry segmentation by transferring the Group's hydraulic equipment business from the gas turbines and machinery industry segment to the other industry segment. The prior year amounts have been reclassified to conform to the 2004 presentation.

Years ended March 31

(Billion ¥)



(Billion ¥)

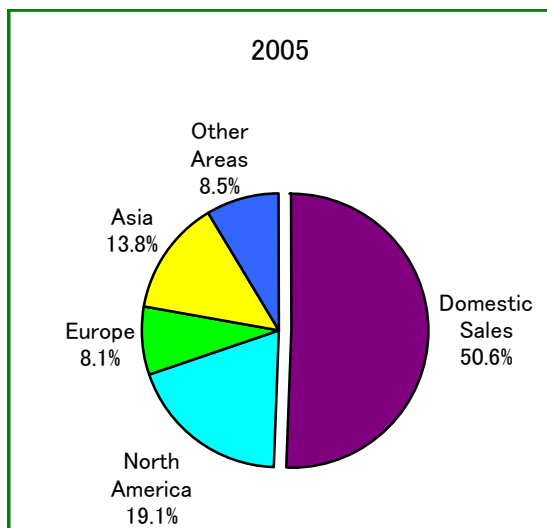
	Orders Received		
	2003	2004	2005
Shipbuilding	110.9	123.8	155.8
Rolling Stock	176.7	153.4	178.4
Aerospace	163.0	216.2	214.7
Gas Turbines & Machinery	133.0	130.0	162.7
Plant & Infrastructure Engineering	208.3	156.1	126.4
Consumer Products & Machinery	318.0	318.3	338.5
Other	117.5	128.9	125.4
Total	1,227.4	1,226.7	1,301.8

	Order Backlog		
	2003	2004	2005
Shipbuilding	173.3	193.7	263.7
Rolling Stock	273.6	294.0	300.8
Aerospace	208.4	260.3	287.4
Gas Turbines & Machinery	160.9	140.3	163.4
Plant & Infrastructure Engineering	327.9	273.8	210.2
Consumer Products & Machinery	0.0	0.0	0.0
Other	31.5	27.2	28.8
Total	1,175.6	1,189.4	1,254.4

Note: On April 1, 2003, the Company modified its industry segmentation by transferring the Group's hydraulic equipment business from the gas turbines and machinery industry segment to the other industry segment. The prior year amounts have been reclassified to conform to the 2004 presentation.

OVERSEAS SALES

Years ended March 31



	2005	
	Million ¥	% against net sales
North America	236,847	19.1%
Europe	100,362	8.1%
Asia	171,461	13.8%
Other Areas	105,274	8.5%
Total Overseas Sales	613,944	49.4%
Domestic Sales	627,648	50.6%
Net Sales	1,241,592	100.0%

Shipbuilding

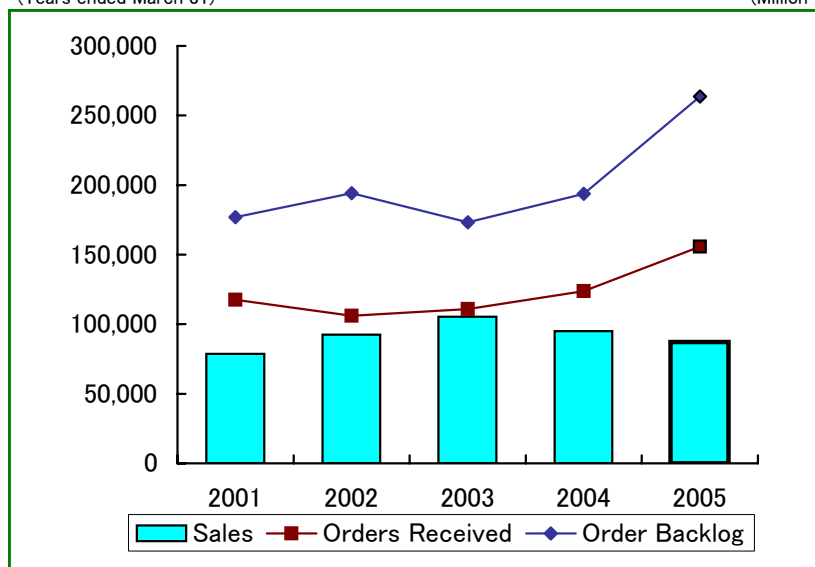
(Years ended March 31) –Consolidated Basis–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	78,734	92,478	105,458	94,939	87,081
Orders Received	117,518	106,106	110,926	123,756	155,832
Order Backlog	176,987	194,275	173,304	193,705	263,707

(Years ended March 31)

(Million ¥)



(Years ended March 31)

–Parent (until 1st half of 2003) and Kawasaki Shipbuilding Corporation (from 2nd half of 2003) –

(Million ¥)

	2001	2002	2003	2004	2005
Sales	75,981	89,995	101,748	92,043	83,654
Newly Constructed Ships	60,404	76,502	90,649	77,507	74,241
Exports	45,944	62,278	66,135	56,448	50,617
Orders Received	114,957	103,655	107,201	121,766	151,800
Order Backlog	176,492	193,812	173,081	194,388	263,504

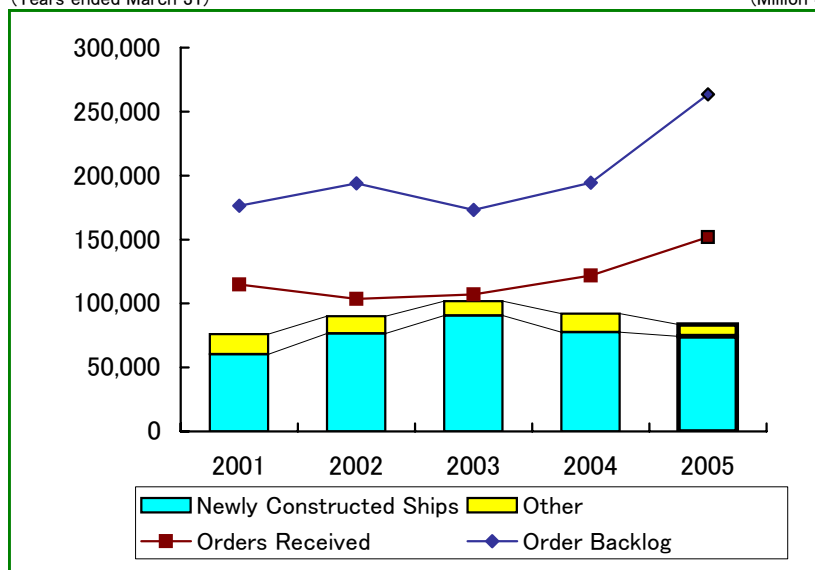
Note: Shipbuilding business in "Kawasaki Heavy Industries, Ltd. (KHI)" was partitioned off on 1st Oct. 2002

as a wholly owned subsidiary, i.e., "Kawasaki Shipbuilding Corporation (Kawasaki SC)".

Therefore the each figure in the column of 2003 represents a total of the figures which the shipbuilding business in KHI before the partition and Kawasaki SC accomplished respectively.

(Years ended March 31)

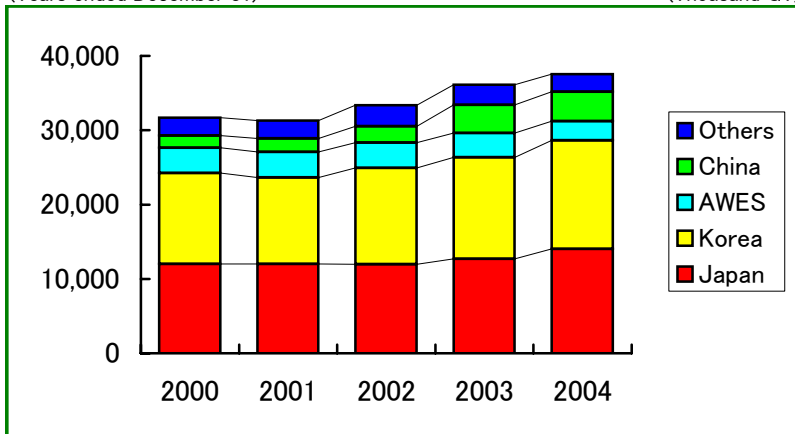
(Million ¥)



Newly Constructed Ships World Market Volume

(Years ended December 31)

(Thousand GT)



(Thousand GT)

	2000	2001	2002	2003	2004
Japan	12,020	12,024	11,957	12,688	14,027
Korea	12,228	11,608	12,967	13,683	14,603
AWES a)	3,402	3,435	3,414	3,258	2,591
China	1,647	1,827	2,207	3,763	3,952
Others	2,400	2,398	2,839	2,738	2,372
World Market Volume	31,696	31,292	33,383	36,131	37,546

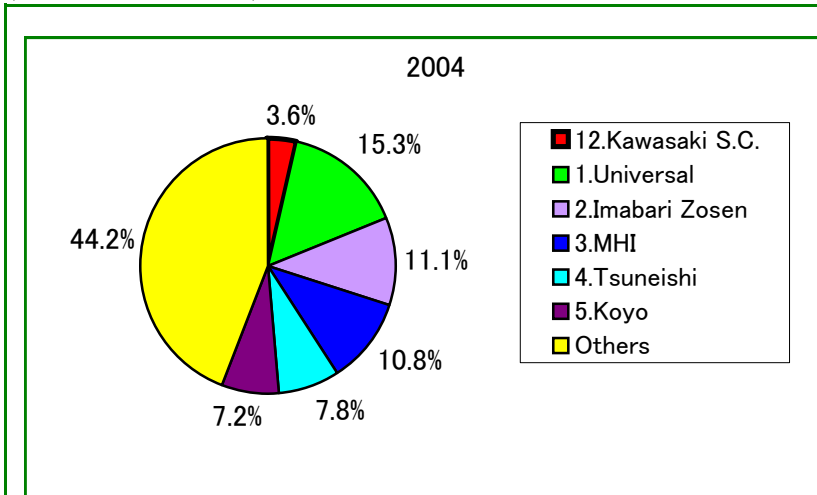
Notes: 1. Figures are on a ships volume completed (tonnage) basis for vessels of 100GT and above.

2. a) The Association of West European Shipbuilders.

Source: Lloyd's Register "World Fleet Statistics 2004"

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: The Shipbuilders' Association of Japan

2000 (%)	
1. MHI a)	13.0
2. IHI b)	8.8
3. MES c)	7.3
4. Hitachi Zosen	6.6
5. NKK	6.3
7. KHI	5.2

2001 (%)	
1.Imabari Zosen	9.3
2.Hitachi Zosen	8.9
3.IHI	8.5
4.NKK	7.4
5.Tsuneishi	6.6
7. KHI	5.3

2002 (%)	
1.Universal	19.6
2.Imabari Zosen	11.0
3.IHI Marine United	8.2
4.MES	7.6
5.Tsuneishi	7.1
11.Kawasaki S.C.	3.8

2003 (%)	
1.Universal	17.0
2.Imabari Zosen	12.6
3.IHI Marine United	7.5
4.MES	6.9
5.Tsuneishi	6.7
10.Kawasaki S.C.	4.9

2004 (%)	
1.Universal	15.3
2.Imabari Zosen	11.1
3.MHI	10.8
4.Tsuneishi	7.8
5.Koyo	7.2
12.Kawasaki S.C.	3.6

Rolling Stock

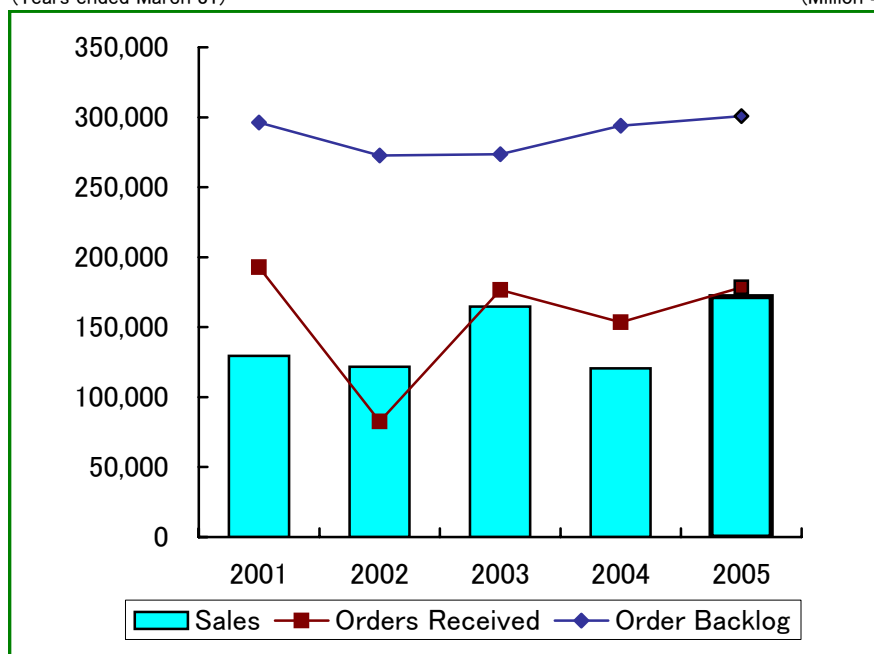
(Years ended March 31)–Consolidated Basis–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	129,591	121,780	164,774	120,597	171,731
Orders Received	192,884	82,585	176,693	153,399	178,369
Order Backlog	296,242	272,642	273,563	294,017	300,837

(Years ended March 31)

(Million ¥)



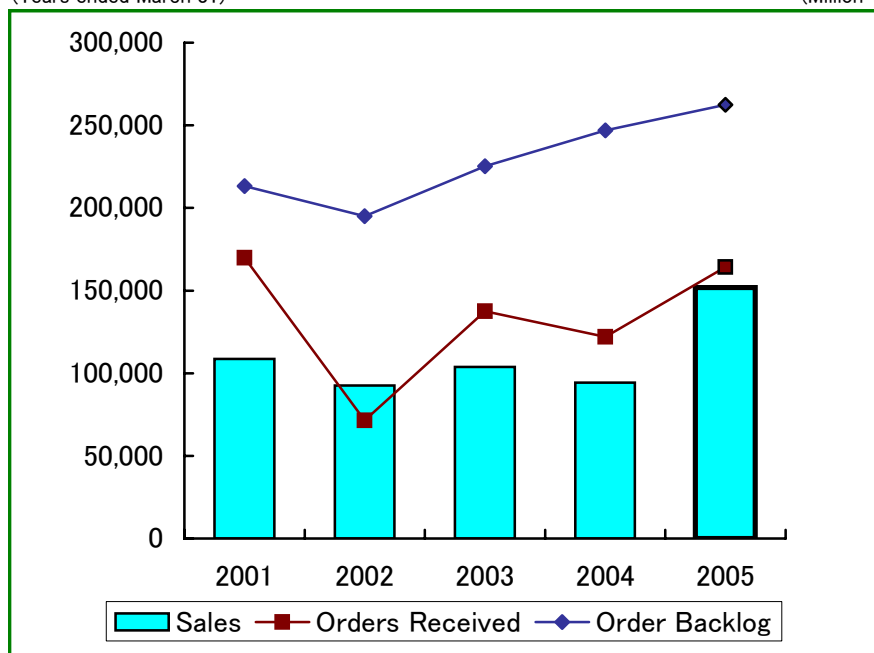
(Years ended March 31)–Parent Only–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	108,573	92,589	103,846	94,239	151,824
Exports	27,999	36,699	36,326	28,082	84,458
Orders Received	169,853	71,436	137,531	122,079	164,285
Order Backlog	213,170	194,985	225,319	246,999	262,499

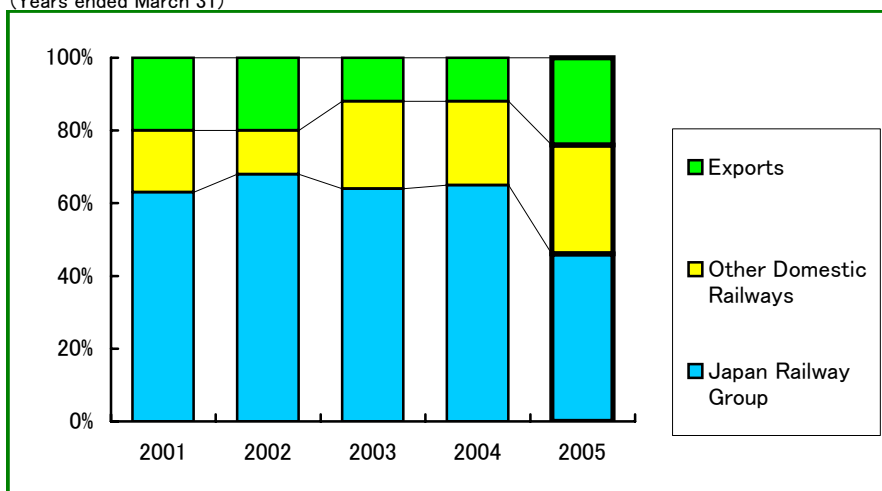
(Years ended March 31)

(Million ¥)



Japanese Rolling Stock Production by Demand Sector

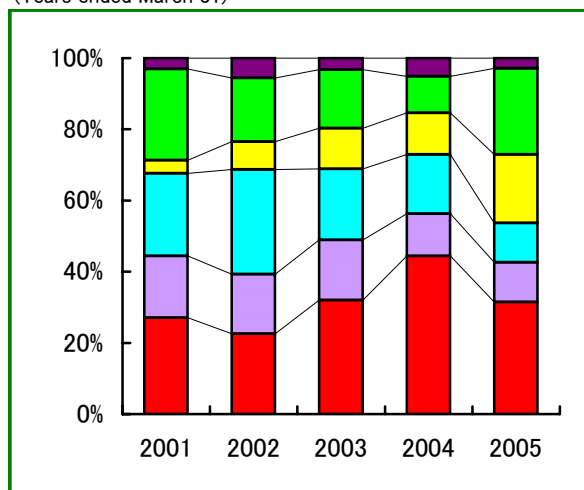
(Years ended March 31)



	2001	2002	2003	2004	2005
Japan Railway Group	63%	68%	64%	65%	46%
Other Domestic Railways	17%	12%	24%	23%	30%
Exports	20%	20%	12%	12%	24%
Total	100%	100%	100%	100%	100%

Major Rolling Stock Suppliers to the Japan Railway Group

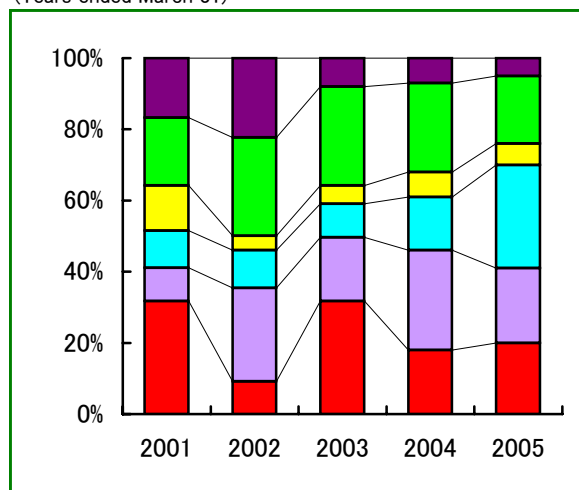
(Years ended March 31)



	2001	2002	2003	2004	2005
KHI	27%	23%	32%	44%	32%
Nippon Sharyo	17%	17%	17%	12%	11%
Hitachi	23%	29%	20%	17%	11%
Kinki Sharyo	4%	8%	11%	12%	19%
Tokyu Car	26%	18%	17%	10%	24%
Others	3%	6%	3%	5%	3%
Total	100%	100%	100%	100%	100%

Major Rolling Stock Suppliers to Domestic Railways except JR Group

(Years ended March 31)



	2001	2002	2003	2004	2005
KHI	32%	9%	32%	18%	20%
Nippon Sharyo	9%	26%	18%	28%	21%
Hitachi	10%	11%	9%	15%	29%
Kinki Sharyo	13%	4%	5%	7%	6%
Tokyu Car	19%	28%	28%	25%	19%
Others	17%	22%	8%	7%	5%
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

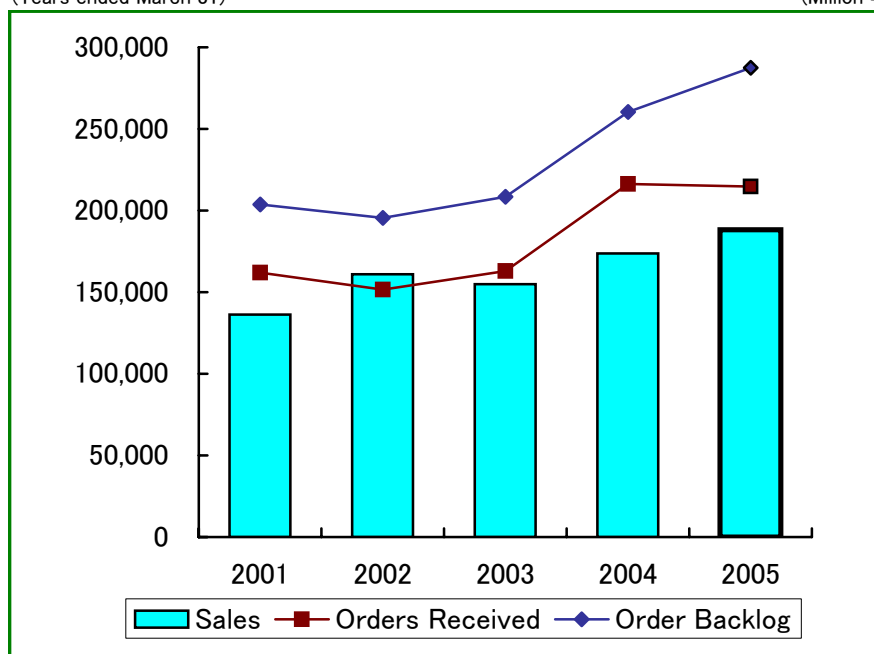
(Years ended March 31)–Consolidated Basis–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	136,342	161,072	154,848	173,783	188,255
Orders Received	161,939	151,641	163,023	216,201	214,702
Order Backlog	203,688	195,447	208,410	260,321	287,441

(Years ended March 31)

(Million ¥)



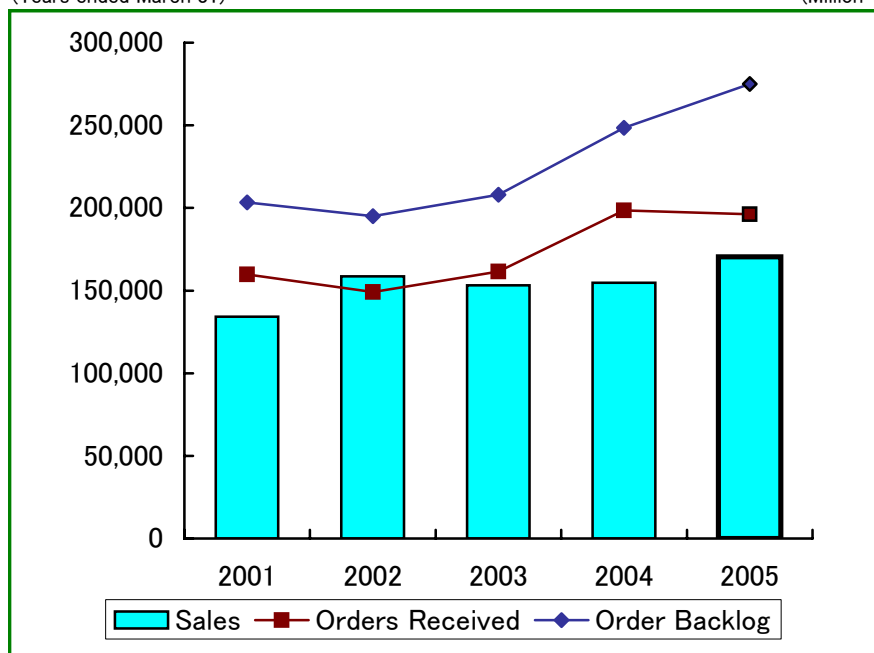
(Years ended March 31)–Parent Only–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	134,273	158,639	153,224	154,769	170,425
Exports	39,773	49,914	35,134	31,712	31,368
Orders Received	159,866	149,133	161,485	198,577	196,161
Order Backlog	203,290	194,975	208,024	248,567	274,975

(Years ended March 31)

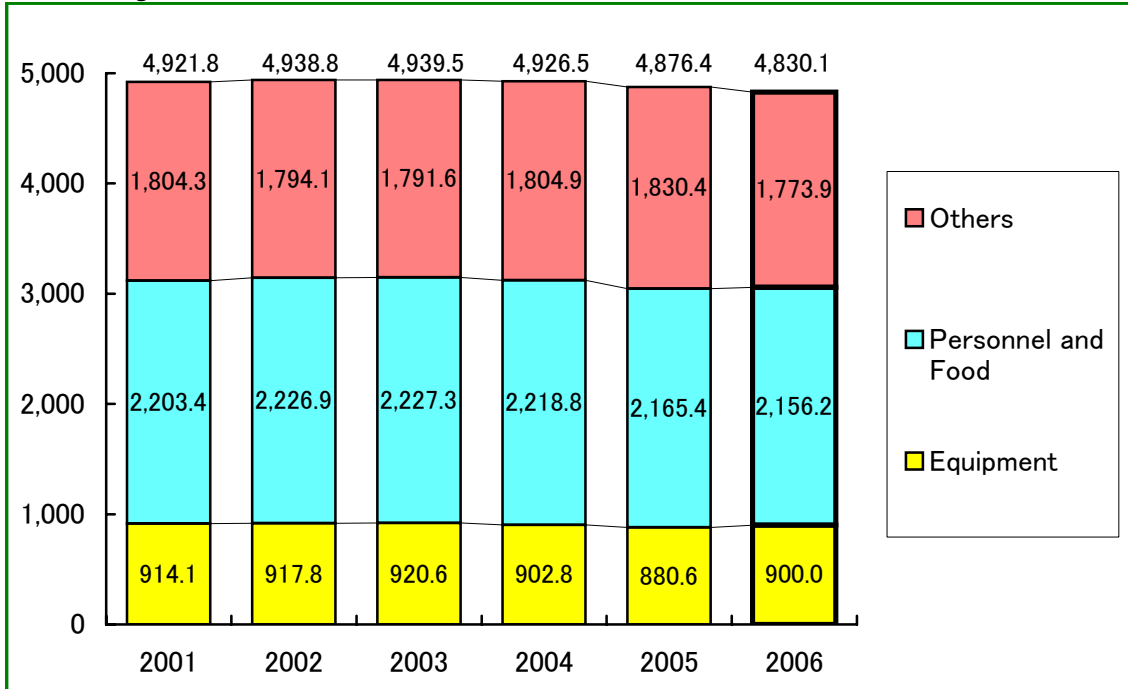
(Million ¥)



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)

2000			2001			2002		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI a)	279.7	22.1	1. MHI	307.4	24.4	1. MHI	275.5	21.7
2. KHI	132.2	10.5	2. Mitsubishi Electric	120.8	9.6	2. KHI	121.3	9.6
3. Mitsubishi Electric	112.1	8.9	3. KHI	98.7	7.8	3. Mitsubishi Electric	101.0	8.0
4. Toshiba	53.8	4.3	4. IHI	54.0	4.3	4. NEC	57.2	4.5
5. IHI b)	53.6	4.2	5. NEC	46.5	3.7	5. IHI	54.5	4.3

2003			2004			2005		
	Billion ¥	% Share		Billion ¥	% Share		Billion ¥	% Share
1. MHI	347.9	27.2	1. MHI	281.7	22.1	1. MHI	270.6	20.7
2. KHI	110.2	8.6	2. KHI	158.8	12.5	2. KHI	142.9	10.9
3. Mitsubishi Electric	73.5	5.7	3. Mitsubishi Electric	94.9	7.5	3. Mitsubishi Electric	103.2	7.9
4. IHI	52.7	4.1	4. IHI	56.3	4.4	4. NEC	90.6	6.9
5. Toshiba	49.8	3.9	5. Toshiba	38.9	3.1	5. IHI	49.3	3.8

Notes: a) Mitsubishi Heavy Industries.

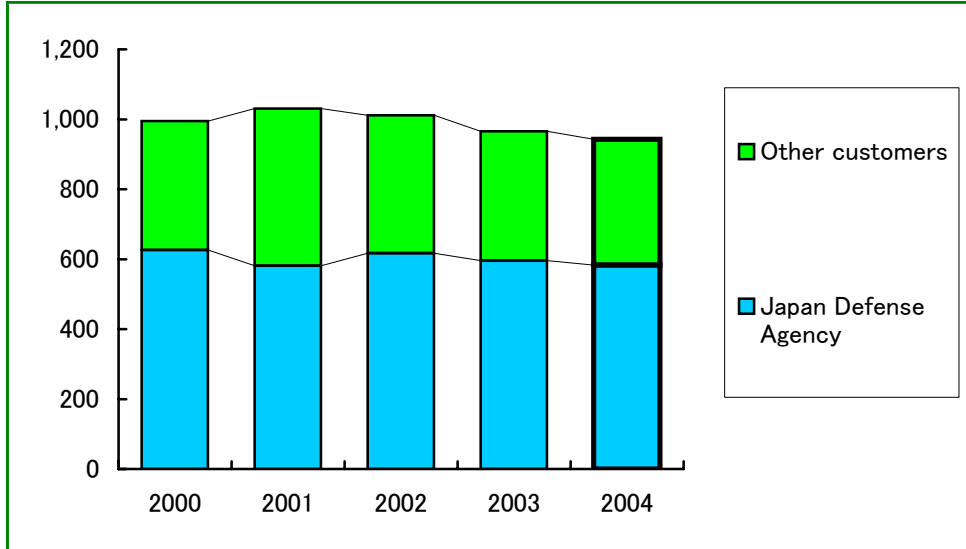
b) Ishikawajima-Harima Heavy Industries.

Source: Japan Defense Agency.

Japanese Aircraft Production by Demand Sector

(Years ended December 31)

(Billion ¥)



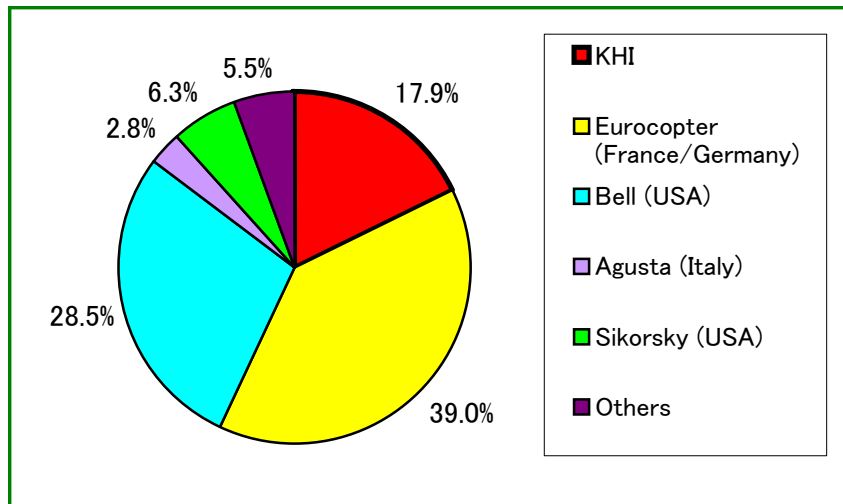
(Million ¥)

	2000	2001	2002	2003	2004
Japan Defense Agency	626,347	581,344	617,027	596,205	582,941
Other customers	368,216	449,261	394,031	369,822	360,041
Total	994,563	1,030,605	1,011,058	966,027	942,982

Source: The Society of Japanese Aerospace Companies

Helicopters Domestic Share for Civilian Use (2004)

(Year ended March 31)



KHI	17.9%
Eurocopter (France/Germany)	39.0%
Bell (USA)	28.5%
Agusta (Italy)	2.8%
Sikorsky (USA)	6.3%
Others	5.5%
Total	100.0%

Note: Figures are calculated on the basis of the enrollment number of double-turbine helicopters.

Source: Japan Civil Aviation Promotion Foundation

Gas Turbines & Machinery

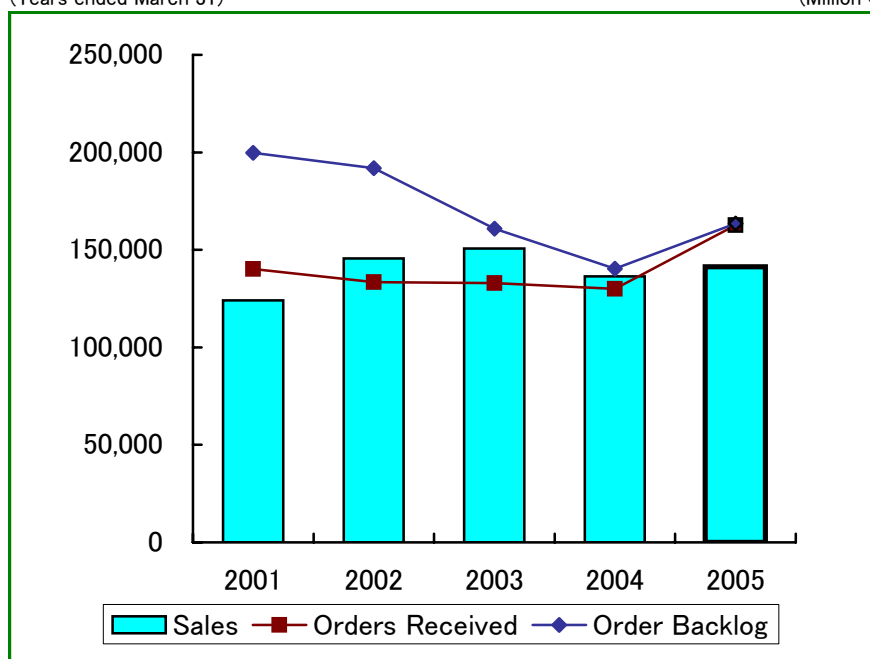
(Years ended March 31)–Consolidated Basis–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	124,136	145,651	150,767	136,468	141,366
Orders Received	140,248	133,467	132,989	129,987	162,700
Order Backlog	199,833	191,947	160,874	140,327	163,440

(Years ended March 31)

(Million ¥)



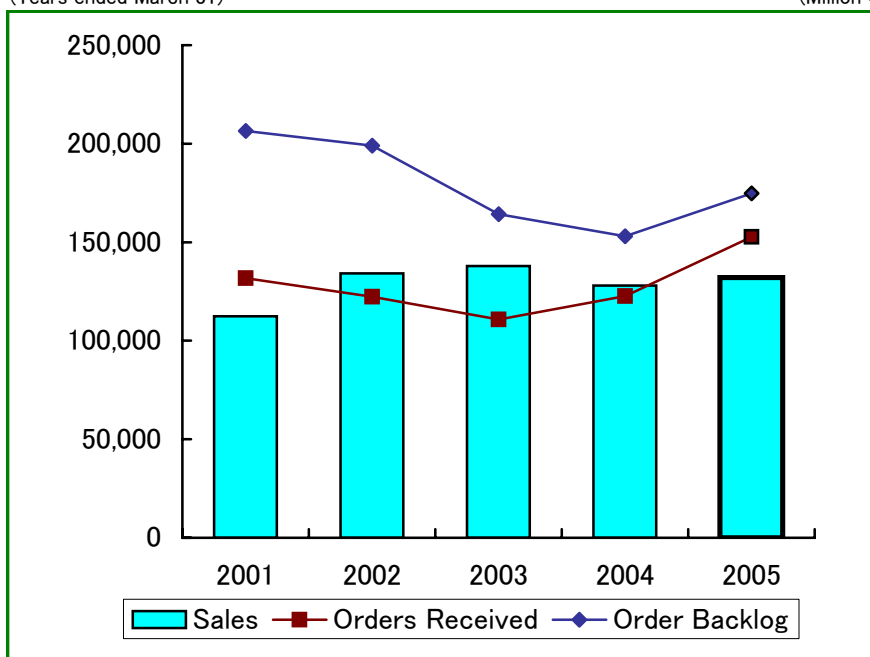
(Years ended March 31)–Parent Only–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	112,425	134,150	137,900	128,000	132,103
Exports	32,290	48,426	52,129	45,279	51,829
Orders Received	131,737	122,344	110,733	122,593	152,718
Order Backlog	206,437	198,981	164,234	152,943	174,824

(Years ended March 31)

(Million ¥)

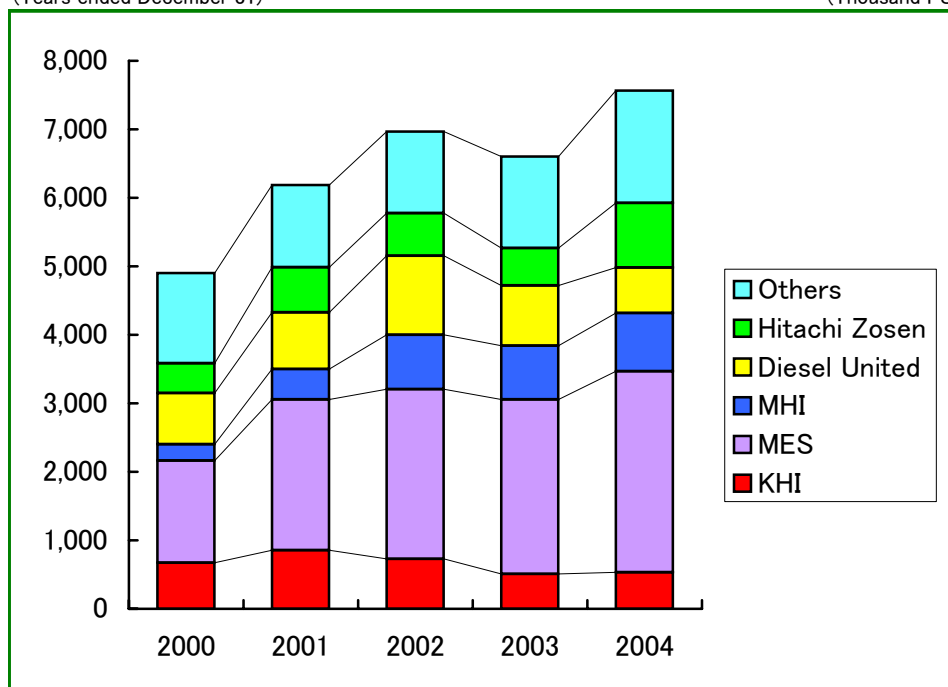


Note: On April 1, 2003, the Company modified its industry segmentation by transferring the Group's hydraulic equipment business from the gas turbines and machinery industry segment to the other industry segment. The prior year amounts have been reclassified to conform to the 2004 presentation.

Diesel Engines Domestic Production

(Years ended December 31)

(Thousand PS)



(Thousand PS)

	2000	2001	2002	2003	2004
KHI	673	853	729	510	531
MES a)	1,492	2,205	2,475	2,546	2,938
MHI b)	238	442	795	784	848
Diesel United	745	827	1,153	878	665
Hitachi Zosen	438	658	624	549	941
Others	1,316	1,205	1,193	1,339	1,641
Total	4,902	6,190	6,969	6,606	7,564

Notes: 1. Figures are shown on the basis of horse power (PS).

2. a) Mitsui Engineering & Shipbuilding.

b) Mitsubishi Heavy Industries.

Source: KP Data.

Diesel Engines Domestic Share

(Years ended December 31)

	2000	2001	2002	2003	2004
KHI	13.7%	13.8%	10.5%	7.7%	7.0%
MES	30.4%	35.6%	35.5%	38.5%	38.8%
MHI	4.9%	7.1%	11.4%	11.9%	11.2%
Diesel United	15.2%	13.4%	16.5%	13.3%	8.8%
Hitachi Zosen	8.9%	10.6%	9.0%	8.3%	12.4%
Others	26.9%	19.5%	17.1%	20.3%	21.8%

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

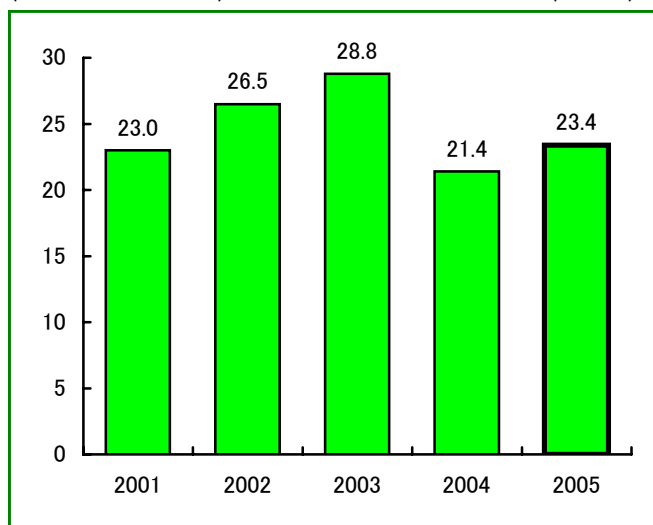
Source: KP Data.

Gas Turbine Generator Sales

-Parent Only-

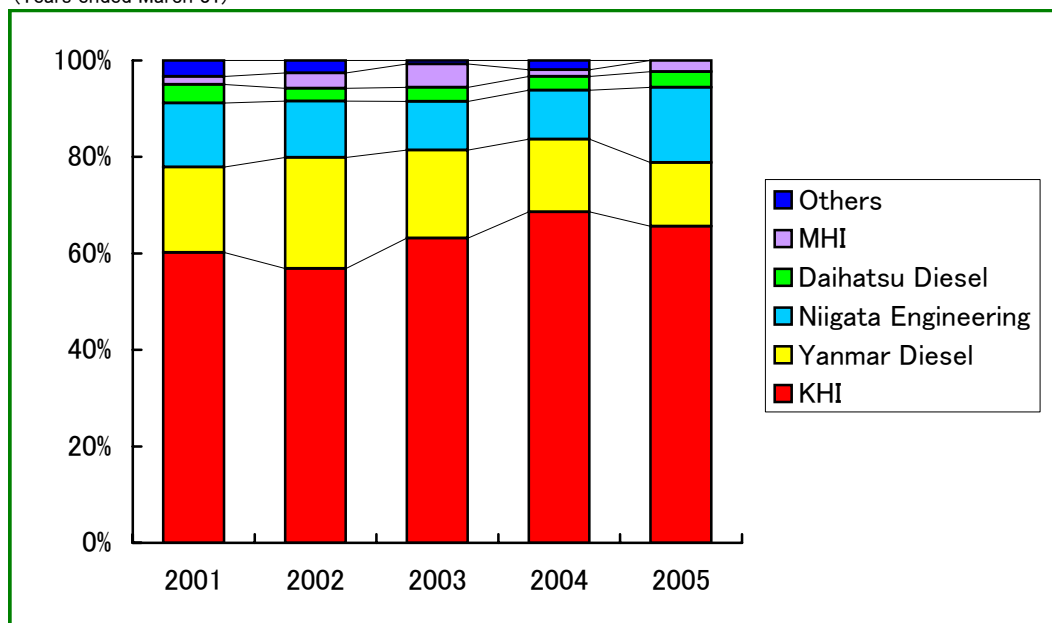
(Years ended March 31)

(Billion ¥)



Gas Turbine Generators Domestic Share

(Years ended March 31)



	2001	2002	2003	2004	2005
KHI	60.2%	56.9%	63.2%	68.6%	65.6%
Yanmar Diesel	17.7%	23.0%	18.2%	15.1%	13.2%
Niigata Engineering	13.3%	11.7%	10.1%	10.1%	15.6%
Daihatsu Diesel	3.8%	2.6%	2.9%	2.9%	3.3%
MHI a)	1.7%	3.2%	4.9%	1.4%	2.3%
Others	3.3%	2.6%	0.7%	1.9%	0.0%
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 Shimbum, "Ranking Series".

Plant & Infrastructure Engineering

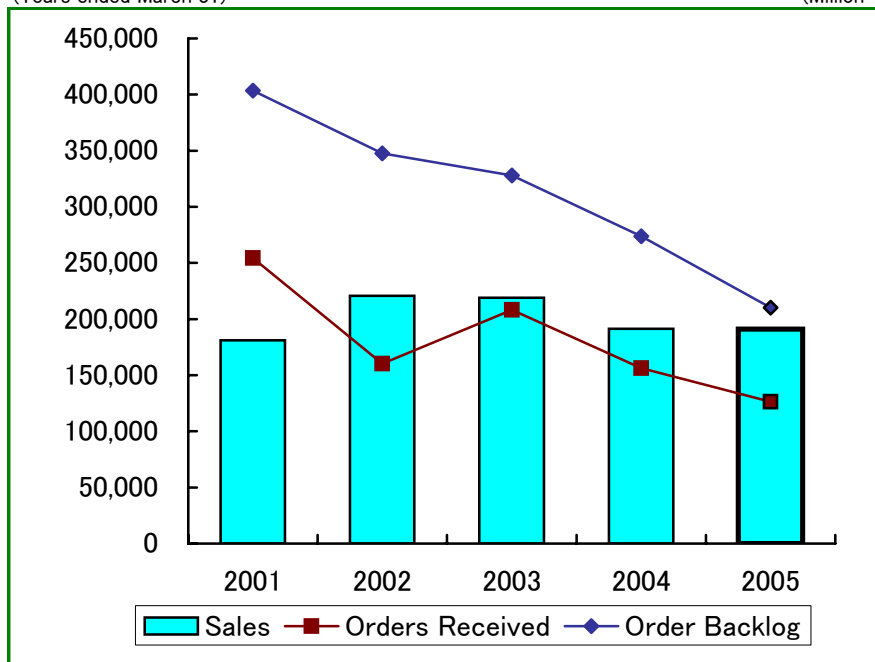
(Years ended March 31)–Consolidated Basis–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	181,174	220,605	219,092	191,412	191,012
Orders Received	254,330	160,143	208,268	156,145	126,403
Order Backlog	403,612	347,496	327,911	273,837	210,160

(Years ended March 31)

(Million ¥)



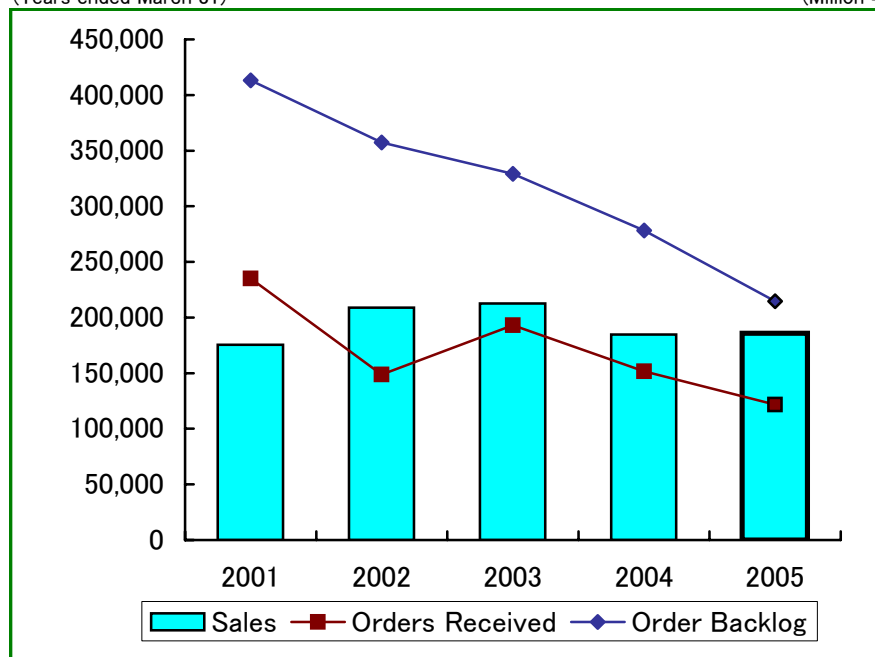
(Years ended March 31)–Parent Only–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	175,616	208,985	212,764	184,659	185,896
Exports	31,152	30,639	51,147	54,236	77,921
Orders Received	234,957	148,891	193,199	151,755	121,579
Order Backlog	413,171	357,425	329,104	278,101	214,715

(Years ended March 31)

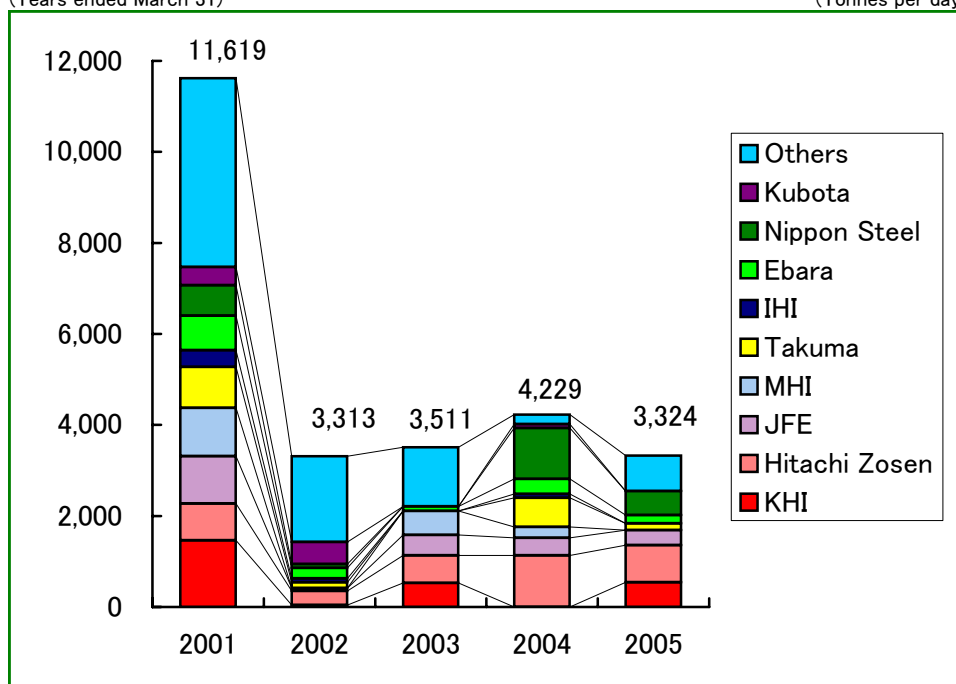
(Million ¥)



Refuse Incineration Plants Domestic Market Volume

(Years ended March 31)

(Tonnes per day)



	2001	2002	2003	2004	2005
KHI	1,460	43	531	0	540
Hitachi Zosen	815	312	600	1,135	815
JFE a)	1,040	62	450	383	333
MHI b)	1,061	0	530	240	0
Takuma	897	126	0	640	150
IHI c)	370	80	0	84	0
Ebara	759	232	100	330	180
Nippon Steel	665	90	0	1,118	530
Kubota	406	480	0	84	0
Others	4,146	1,888	1,300	215	776
Total Market Volume	11,619	3,313	3,511	4,229	3,324

Notes: 1. Figures represent tonnes of processing capacity per day for ordered units.

2. a) JFE Engineering Corporation. (Until 2003, "NKK")

b) Mitsubishi Heavy Industries. c) Ishikawajima-Harima Heavy Industries.

Source: Kankyo Sangyo Shimbussha.

Refuse Incineration Plants Domestic Share

(Years ended March 31)

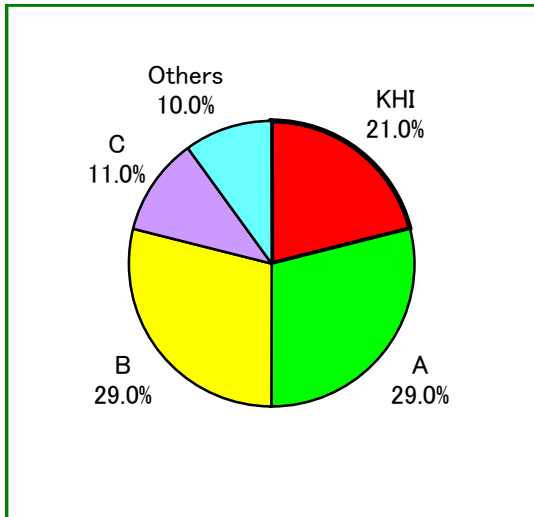
	2001	2002	2003	2004	2005
KHI	12.6%	1.3%	15.1%	0.0%	16.2%
Hitachi Zosen	7.0%	9.4%	17.1%	26.8%	24.5%
JFE	9.0%	1.9%	12.8%	9.1%	10.0%
MHI	9.1%	0.0%	15.1%	5.7%	0.0%
Takuma	7.7%	3.8%	0.0%	15.1%	4.5%
IHI	3.2%	2.4%	0.0%	2.0%	0.0%
Ebara	6.5%	7.0%	2.8%	7.8%	5.4%
Nippon Steel	5.7%	2.7%	0.0%	26.4%	15.9%
Kubota	3.5%	14.5%	0.0%	2.0%	0.0%
Others	35.7%	57.0%	37.1%	5.1%	23.5%

Note: Figures are calculated on the basis of tonnes of processing capacity per day for ordered units.

Source: Kankyo Sangyo Shimbussha.

**Shield Machines and Tunnel Boring Machines
—Large-Diameter Model
Domestic Share (2001–2005 Total)**

(Years ended March 31)



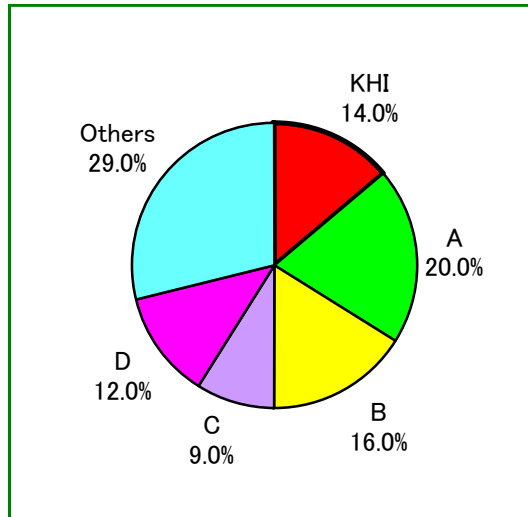
Notes: 1. Segments A, B and C represent the shares of the three other major companies in this market.

2. Figures are shown on a sales amount basis.

Source: Company's estimates.

**Shield Machines and Tunnel Boring Machines
Domestic Share (2005)**

(Year ended March 31)



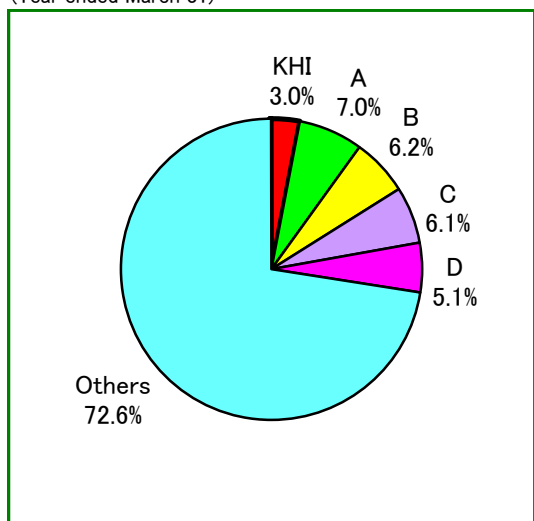
Notes: 1. Segments A, B, C and D represent the shares of the four other major companies in this market.

2. Figures are shown on a sales amount basis.

Source: Company's estimates.

Steel Bridges Domestic Share (2005)

(Year ended March 31)



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

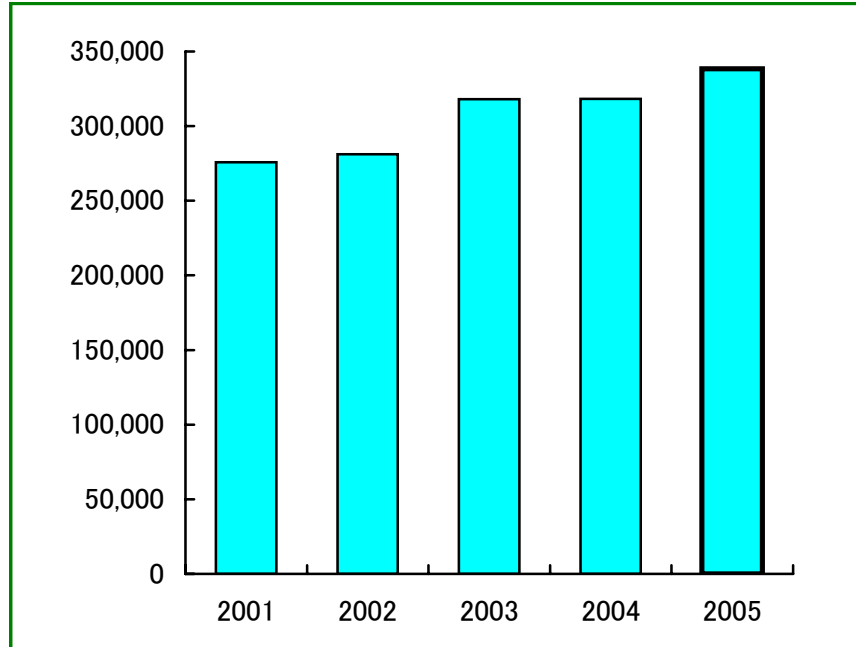
(Years ended March 31)–Consolidated Basis–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	275,903	281,207	318,025	318,325	338,450

(Years ended March 31)

(Million ¥)



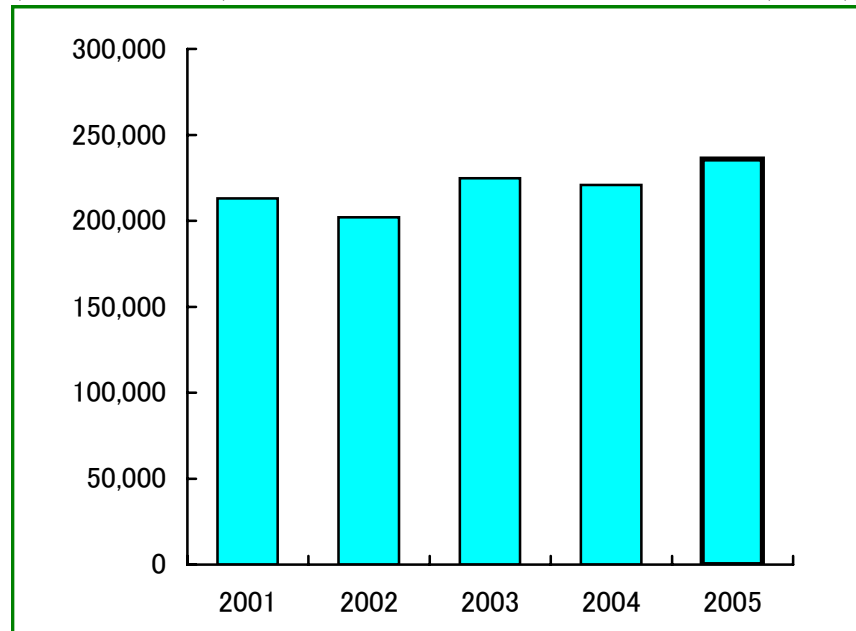
(Years ended March 31)–Parent Only–

(Million ¥)

	2001	2002	2003	2004	2005
Sales	213,080	202,074	224,731	220,883	235,983
Exports	179,495	170,559	193,311	184,451	202,405

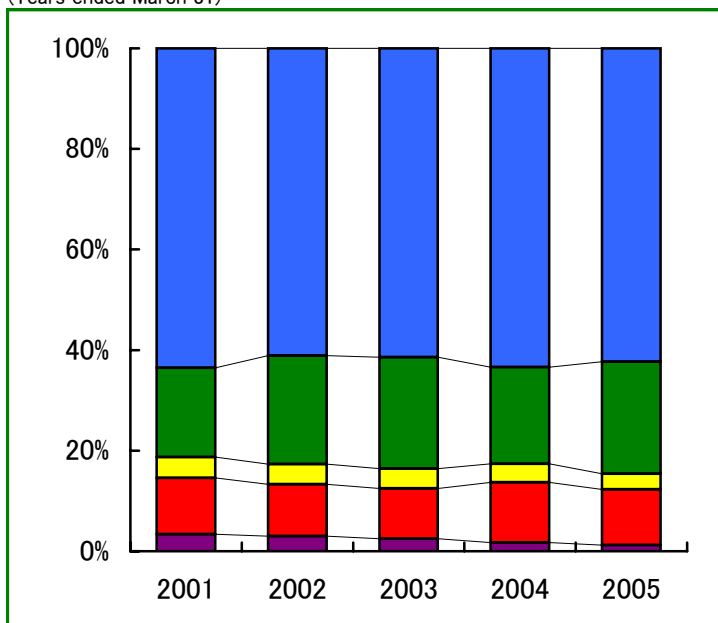
(Years ended March 31)

(Million ¥)



Composites of Consumer Product Sales

-Parent Only-
(Years ended March 31)

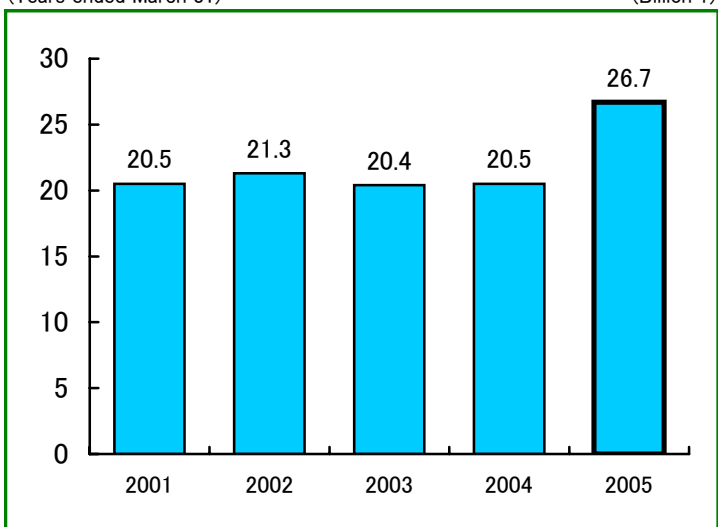


	2001	2002	2003	2004	2005
Motorcycles	63.5%	61.1%	61.4%	63.4%	62.3%
ATVs, U/Vs	17.8%	21.6%	22.2%	19.2%	22.3%
Personal Watercraft	4.1%	4.0%	3.9%	3.7%	3.1%
Gasoline Engines	11.2%	10.3%	10.0%	12.0%	11.1%
Automobile Transmissions	3.4%	3.0%	2.5%	1.7%	1.2%

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

Industrial Robot Sales

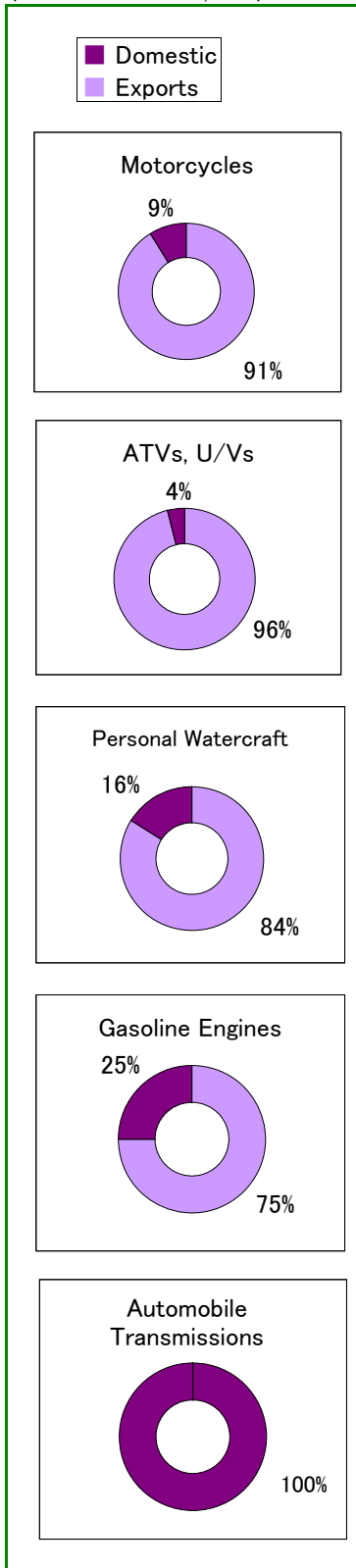
-Parent Only-
(Years ended March 31) (Billion ¥)



	2001	2002	2003	2004	2005
Sales	20.5	21.3	20.4	20.5	26.7

Domestic/Export Sales by Product

-Parent Only-
(Year ended March 31, 2005)

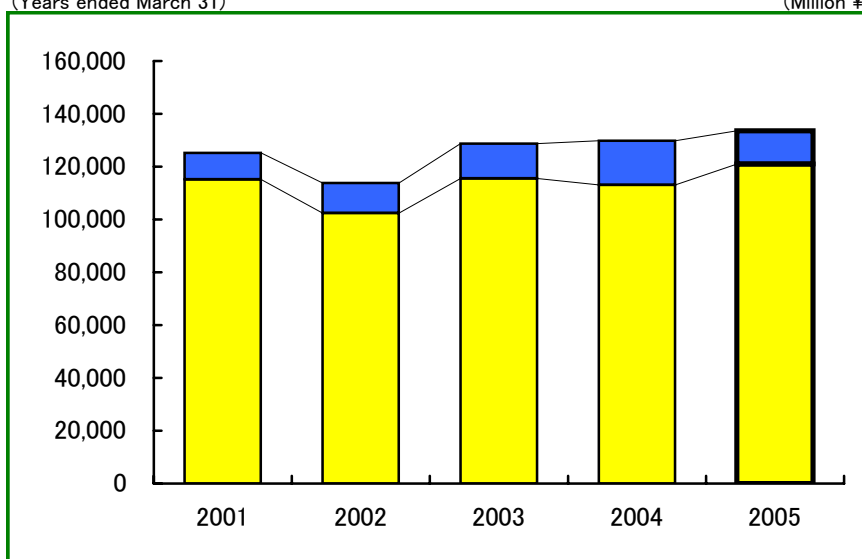


Motorcycle Sales

-Parent Only-

(Years ended March 31)

(Million ¥)

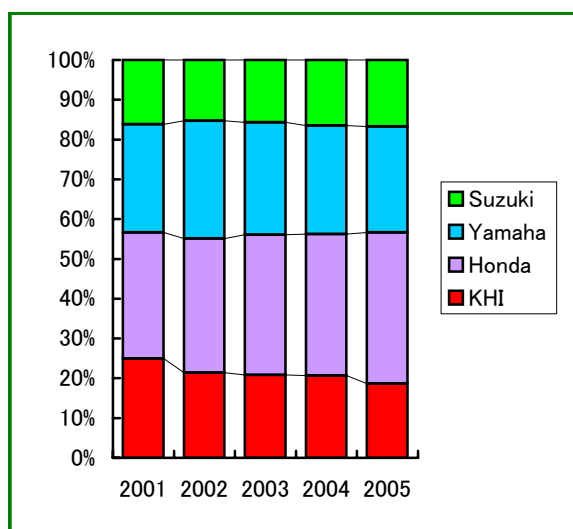


(Million ¥)

	2001	2002	2003	2004	2005
■ Domestic Sales	10,063	11,486	13,109	16,774	12,630
■ Export Sales	115,176	102,368	115,569	113,058	120,934
Total Motorcycle Sales	125,239	113,854	128,678	129,832	133,564

Note: Including sales of spare parts.

Motorcycle Sales Domestic Share

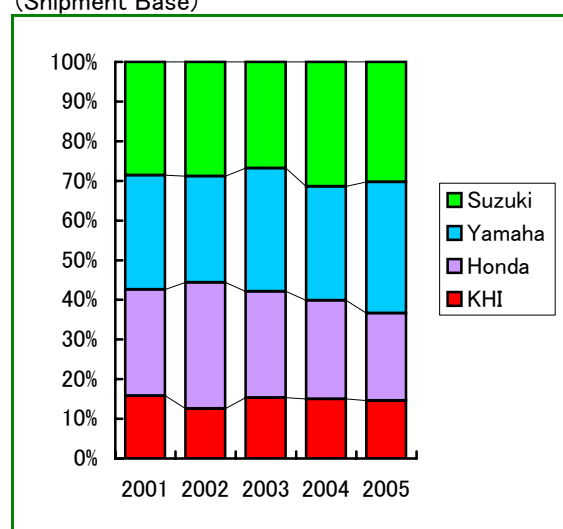


(Years ended March 31)

	2001	2002	2003	2004	2005
KHI	24.9%	21.4%	20.8%	20.7%	18.7%
Honda Motor	31.7%	33.7%	35.3%	35.5%	37.9%
Yamaha Motor	27.2%	29.6%	28.2%	27.3%	26.7%
Suzuki Motor	16.2%	15.3%	15.7%	16.5%	16.7%

Motorcycle Sales Export Share

(Shipment Base)



(Years ended March 31)

	2001	2002	2003	2004	2005
KHI	15.8%	12.6%	15.3%	15.0%	14.6%
Honda Motor	26.8%	31.8%	26.8%	24.8%	22.0%
Yamaha Motor	28.8%	26.8%	31.1%	28.7%	33.1%
Suzuki Motor	28.6%	28.8%	26.8%	31.4%	30.2%

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					
	2005	2004	2003	2002	2001	2000
Current assets:						
Cash on hand and in banks	¥44,629	¥43,064	¥61,185	¥91,344	¥77,048	¥85,782
Marketable securities		-	-	-	-	46,021
Receivables	419,633	383,532	398,243	402,808	431,006	413,920
Allowance for doubtful receivables	(6,014)	(6,725)	(5,176)	(5,893)	(5,076)	(3,375)
	413,619	376,807	393,067	396,915	425,930	410,545
Inventories	332,333	335,064	342,387	372,269	346,567	316,529
Deferred tax assets	20,219	19,429	18,423	16,994	14,922	4,216
Other current assets	26,205	25,116	12,900	25,149	19,830	16,345
Total current assets	837,005	799,480	827,962	902,671	884,297	879,438
Investments and long-term loans:						
Investments in securities	69,972	65,008	52,146	81,222	91,154	32,136
other	9,597	12,831	13,598	14,176	16,064	15,123
Total Investments and long-term loans	79,569	77,839	65,744	95,398	107,218	47,259
Property, plant and equipment						
Accumulated depreciation	(542,960)	(531,973)	(526,758)	(532,636)	(515,925)	(499,352)
Net property, plant and equipment	243,166	248,922	234,352	241,517	241,893	245,278
Intangible and other assets						
Deferred tax assets	19,260	14,456	10,765	4,917	4,924	9,315
Intangible and other assets	15,473	16,207	10,338	10,572	9,140	7,676
	34,733	30,663	21,103	15,489	14,064	16,991
Foreign currency translation adjustments						
Total assets	¥1,194,473	¥1,156,904	¥1,149,161	¥1,255,075	¥1,247,472	¥1,206,806

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen					
	2005	2004	2003	2002	2001	2000
Current liabilities:						
Short-term borrowings and current portion						
of long-term debt	¥146,605	¥188,652	¥201,248	¥243,113	¥228,462	¥222,302
Trade payables	348,389	286,117	294,769	325,664	326,257	310,557
Advances from customers	106,574	110,900	100,829	111,423	104,194	86,012
Accrued income taxes	12,276	12,491	7,560	3,347	3,393	2,441
Accrued bonuses	13,958	14,289	19,540	18,954	15,583	19,549
Provision for product warranty	2,551	2,156	2,303	2,479	1,551	1,648
Provision for restructuring charges	-	-	2,260	-	-	-
Provision for losses on construction contracts	6,833	5,018	832	80	6,571	3,794
Deferred tax liabilities	317	188	284	321	457	515
Other current liabilities	60,979	57,728	60,566	47,176	49,252	44,217
Total current liabilities	698,482	677,539	690,191	752,557	735,720	691,035
Long-term liabilities:						
Long-term debt, less current portion	207,279	210,819	226,936	248,170	270,605	264,048
Retirement and severance benefits	73,422	64,902	42,368	67,812	57,719	58,332
Deferred tax liabilities	1,980	2,035	2,825	4,338	4,654	2,705
Other	7,154	7,579	6,665	9,284	10,025	9,313
Total long-term liabilities	289,835	285,335	278,794	329,604	343,003	334,398
Minority interests	4,691	3,855	5,591	5,183	4,668	6,418
Shareholders' equity:						
Authorized—3,360,000,000 shares						
Issued—1,443,394,172 shares						
	81,427	81,427	81,427	81,427	81,427	81,427
Capital surplus	31,390	31,388	24,683	24,682	24,682	24,682
Retained earnings	88,704	80,469	77,069	64,110	58,452	68,846
Net unrealized gains on securities	16,910	13,266	3,671	5,925	13,091	-
Foreign currency translation adjustments	(16,843)	(16,283)	(12,225)	(8,407)	(13,571)	-
Treasury stock, at cost	(123)	(92)	(40)	(6)	-	-
Total shareholders' equity	201,465	190,175	174,585	167,731	164,081	174,955
Total liabilities and shareholders' equity	¥1,194,473	¥1,156,904	¥1,149,161	¥1,255,075	¥1,247,472	¥1,206,806

CONDENSED STATEMENTS OF INCOME

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

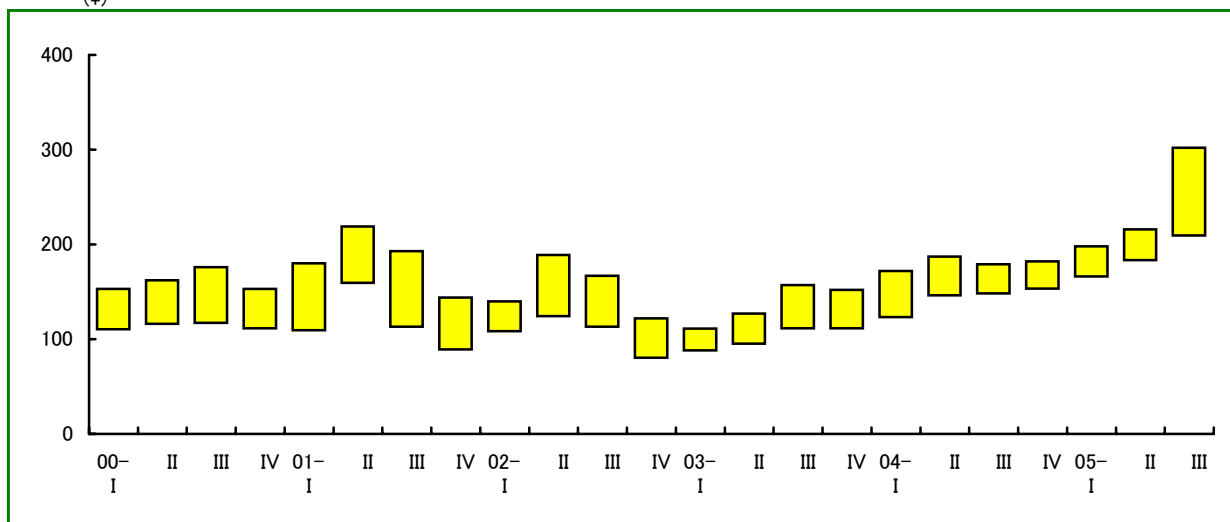
	Millions of yen					
	2005	2004	2003	2002	2001	2000
Net sales	¥1,241,592	¥1,160,252	¥1,239,598	¥1,144,534	¥1,060,479	¥1,149,698
Cost of sales	1,088,219	998,416	1,069,341	977,875	924,522	1,008,860
Gross profit	153,373	161,836	170,257	166,659	135,957	140,838
Selling, general and administrative expenses	128,629	139,586	139,714	135,348	131,497	139,587
Operating income	24,744	22,250	30,543	31,311	4,460	1,251
Other income (expenses):						
Interest and dividend income	3,240	3,476	4,684	4,798	4,480	4,274
Equity in income (loss) of unconsolidated subsidiaries and affiliates	506	941	(467)	379	(1,586)	(654)
Interest expense	(6,296)	(7,274)	(10,291)	(12,146)	(12,779)	(11,782)
Other, net	(1,630)	(8,151)	(7,241)	(8,348)	(12,981)	(15,819)
Income (loss) before income taxes and minority interests	20,564	11,242	17,228	15,994	(18,406)	(22,730)
Income taxes						
Current	(15,869)	(16,604)	(11,395)	(6,114)	(5,609)	(5,899)
Deferred	7,374	11,890	7,555	(3,131)	13,309	9,466
Minority interests in net (income) loss of consolidated subsidiaries	(590)	(195)	(366)	(467)	386	531
Foreign currency translation adjustments	-	-	-	-	-	-
Net income (loss)	¥11,479	¥6,333	¥13,022	¥6,282	(¥10,320)	(¥18,632)

	Millions of yen					
	2005	2004	2003	2002	2001	2000
Per share amounts (yen):						
Net income (loss)	¥7.9	¥4.4	¥9.3	¥4.5	(¥7.4)	(¥13.4)
Cash dividends	2.5	2.0	2.0	-	-	-
Other data:						
Capital expenditures (Million ¥)	29,692	41,502	35,165	33,132	32,687	39,685
Depreciation (Million ¥)	31,555	32,590	31,595	31,998	33,303	35,081
R&D expenses (Million ¥)	13,183	14,741	15,494	16,549	17,548	19,905
Number of employees	28,682	29,306	28,642	28,936	29,162	29,772

STOCK INFORMATION

Stock Price Range

(¥)

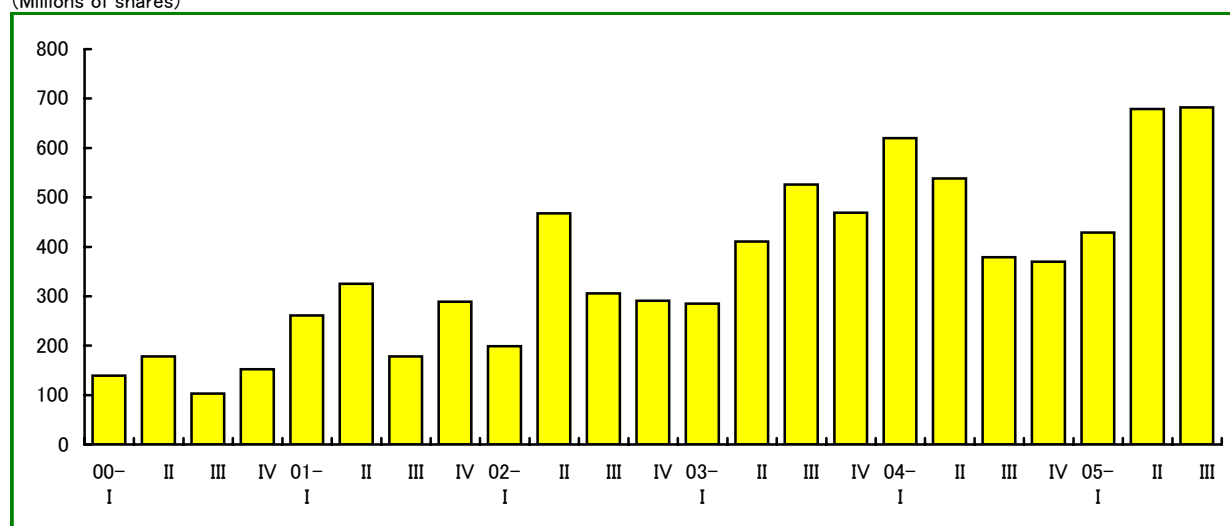


(¥)

	2000				2001				2002				2003				2004				2005		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
High	153	162	176	153	180	219	193	144	140	189	167	122	111	127	157	152	172	187	179	182	198	216	302
Low	110	116	117	111	109	159	113	89	108	124	113	80	88	95	111	111	123	146	148	153	166	183	209

Stock Trading Volume

(Millions of shares)



(Millions of shares)

	2000				2001				2002				2003				2004				2005		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III
Volume	139	178	103	152	261	325	178	289	199	468	306	291	285	411	526	469	620	538	379	370	429	679	682

Paid-in Capital	
¥81,427,090,720	
Number of Shares	
Authorized	3,360,000,000 shares
Outstanding	1,443,394,172 shares
(Dilution)	322,830,088 shares)
As of March 31, 2005	

Paid-in Capital	
¥81,427,090,720	
Number of Shares	
Authorized	3,360,000,000 shares
Outstanding	1,443,394,172 shares
(Dilution)	322,830,088 shares)
As of September 30, 2005	

Stock Listings

Tokyo, Osaka, Nagoya

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 10286, U.S.A.

Phone: (212)815-2042 U.S. Toll Free: 888-269-2377 (888-BNY-ADRS)

CORPORATE DATA

Registered Office

1-1, Higashikawasaki-cho 3-chome,
Chuo-ku, Kobe 650-8670, Japan

Kobe Head Office

Kobe Crystal Tower,
1-3, Higashikawasaki-cho 1-chome,
Chuo-ku, Kobe 650-8680, Japan
Phone: (078)371-9530
Fax: (078)371-9568

Tokyo Head Office

World Trade Center Bldg.,
4-1, Hamamatsu-cho 2-chome,
Minato-ku, Tokyo 105-6116, Japan
Phone: (03)3435-2111
Fax: (03)3436-3037

Year of Incorporation

1896

For more information please contact at:

IR Desk

Finance & Accounting Department

Kawasaki Heavy Industries, Ltd.

4-1, Hamamatsu-cho 2-chome,

Minato-ku, Tokyo 105-6116, Japan

Phone: (03)3435-2383

Fax: (03)5402-7391