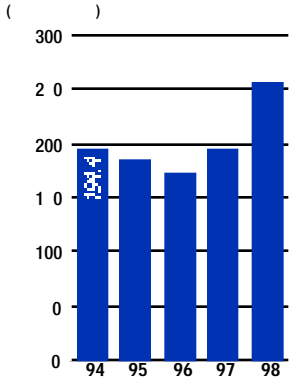


# Composites of Consolidated Sales





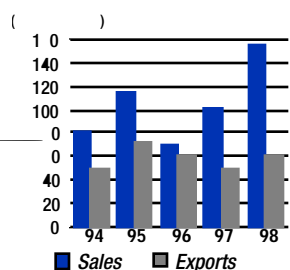
Despite an adverse business climate, consolidated net sales for fiscal 1998, ended March 31, 1998, amounted to ¥1,297.2 billion (\$9,820 million), a 6.0% increase over fiscal 1997. Net income decreased 17.8%, to ¥18.6 billion (\$140 million), as a consequence of a rise in selling, general and administrative (SGA) expenses.

The total cash dividend was ¥6.00 per share.



# Supplementary Information on Non-Consolidated Results

## SHIPS

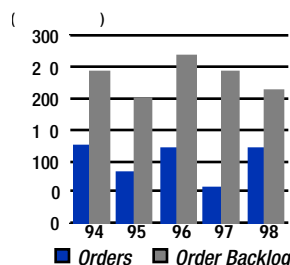


### Major Orders

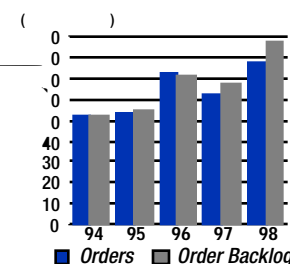
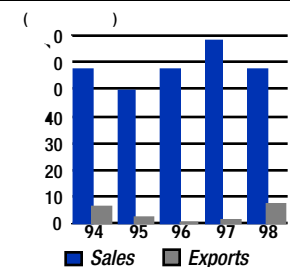
- 4 VLCCs (Very Large Crude-oil Carriers)
- 2 LPG carriers
- 1 submarine
- 1 deep-submergence rescue vehicle
- 1 patrol vessel

### Major Components of Sales

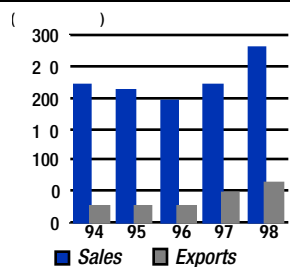
- Container ship
- Bulk carrier
- LNG carrier
- LPG carrier
- Submarine
- Patrol vessel



## ROLLING STOCK

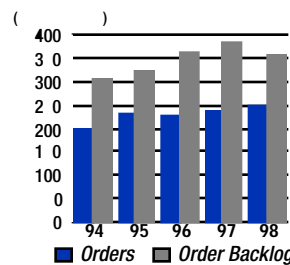


## AEROSPACE



### Major Orders

- T-4 intermediate jet trainers
- CH-47J large transport helicopters
- OH-1 light observation helicopters
- Anti-tank missiles
- Helicopter engines
- Gas turbine engines for naval vessels
- Componentte (p)14 (o e)12 (n)13 (t)-20 (t)8 (e (p)14 (o e)12 (ft (o e)12 (n)



**Major Orders**

- Combined cycle power plants for domestic and Korean steel companies
- Municipal waste incineration plants and bulky waste recycling facilities
- Power generation facilities for an oil chemical company
- Marine turbines and diesel engines
- Ash handling equipment for a domestic electric power company
- Natural gas compression modules for India and Malaysia

**Major Components of Sales**

- Municipal waste incineration plants and bulky waste recycling facilities
- Ash handling equipment for a domestic electric power

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	1998	1997	1998
<b>Current assets:</b>			
Cash on hand and in banks (Note 6)	¥ 76,265	¥ 96,617	\$ 577,328
Marketable securities (Notes 4 and 6)	48,834	49,939	369,675
Receivables (Notes 6 and 10):			
Trade	410,644	392,537	3,108,584
Other	9,918	10,174	75,080
Allowance for doubtful receivables	(2,959)	(3,794)	(22,400)
	<b>417,603</b>	<b>398,917</b>	<b>3,161,264</b>
Inventories (Notes 5 and 6)	351,236	440,970	2,658,864
Other current assets (Note 10)	14,493	11,691	109,712
Total current assets	<b>908,431</b>	<b>998,134</b>	<b>6,876,843</b>

**Investments and long-term loans** (Note 10):

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	1998	1997	1998
<b>Current liabilities</b> (Note 10):			
Short-term borrowings and current portion of long-term debt (Note 6)	¥ 239,252	¥ 250,080	\$1,811,143
Trade payables	327,176	364,641	2,476,730
Advances from customers	97,703	145,768	739,614
Accrued income taxes (Note 9)	19,904	24,334	150,674
Accrued expenses	41,721	41,461	315,829
Other current liabilities	20,591	21,091	155,874
Total current liabilities	<b>746,347</b>	<b>847,375</b>	<b>5,649,864</b>
 <b>Long-term liabilities:</b>			
Long-term debt, less current portion (Note 6)	<b>198,135</b>	197,130	<b>1,499,886</b>



	Millions of yen			Thousands of U.S. dollars (Note 1)
	1998	1997	1996	1998
<b>Net sales</b>	<b>¥1,297,212</b>			

	Thousands	Millions of yen			
	Number of shares of common stock	Common stock	Capital surplus	Legal reserve	Retained earnings
<b>Balance at March 31, 1995</b>	<b>1,350,038</b>	<b>¥ 71,108</b>	<b>¥ 14,375</b>	<b>¥ 12,190</b>	<b>¥ 55,318</b>
Net income for the year	-	-	-	-	16,462
Adjustment for changes of interests in an affiliate accounted for by the equity method	-	-	-	-	174
Cash dividends	-	-	-	-	(6,750)
Transfer to legal reserve	-	-	-	687	(687)
Bonuses to directors and statutory auditors	-	-	-	-	(204)

	Millions of yen			Thousands of U.S. dollars (Note 1)
	1998	1997	1996	1998
<b>Cash flows from operating activities:</b>				
Net income	<b>¥18,556</b>	¥ 22,572	¥ 16,462	<b>\$ 140,469</b>
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	<b>32,416</b>	31,245	30,823	<b>245,390</b>
Provision for retirement and severance benefits	<b>1,667</b>	1,866	2,012	<b>12,619</b>
(Gain) loss on disposal of property, plant and equipment	<b>993</b>	(1,064)	(619)	<b>7,517</b>
Provision for allowance for doubtful receivables	<b>352</b>	507	907	<b>2,665</b>
Minority interests in net income of consolidated subsidiaries	<b>541</b>	529	48	<b>4,095</b>
Equity in undistributed earnings of unconsolidated subsidiaries and affiliates	<b>(838)</b>	(390)	(176)	<b>(6,344)</b>
Gain on sale of marketable securities and investments in securities	<b>(799)</b>	(442)	(505)	<b>(6,048)</b>
Changes in assets and liabilities :				
Decrease (increase) in				
Receivables	<b>(18,951)</b>	(48,209)	(32,402)	<b>(143,460)</b>
Inventories	<b>88,306</b>	1,805	(7,792)	<b>668,478</b>
Other current assets	<b>3,342</b>	(2,438)	(488)	<b>25,299</b>
Increase (decrease) in				
Payables	<b>(37,464)</b>	19,999	46,672	<b>(283,603)</b>
Advances received	<b>(48,065)</b>	(21,745)	(17,430)	<b>(363,853)</b>
Accrued income taxes	<b>(4,379)</b>	6,049	11,309	<b>(33,149)</b>
Other liabilities	<b>6,602</b>	3,608	(4,816)	<b>49,977</b>
Other, net	<b>1,378</b>	2,335	2,825	<b>10,432</b>
Net cash provided by operating activities	<b>43,657</b>	16,227	46,830	<b>330,484</b>

## **2. Significant accounting policies**

### *(a) Consolidation*

The consolidated financial statements include the accounts of the Company and 62 (51 in 1997 and 1996) majority-owned subsidiaries.

*(f) Appropriations of retained earnings*

- (1) Appropriations of retained earnings are recorded in the fiscal year when the proposed appropriations are approved.
- (2) Legal reserve in the consolidated financial statements includes only that of the Company. The legal reserves of consolidated subsidiaries are included in consolidated retained earnings.

*(g) Revenue recognition*

Sales are principally recognized at the time of completion of the contracts. However, the percentage-of-completion method is applied to long-term contracts exceeding ¥5,000 million. (see Note 3)

*(h) Cash on hand and in banks*

Cash on hand and in banks includes time deposits maturing within one year.

*(i) Allowance for doubtful receivables*

Possible losses from notes and accounts receivable, loans and other receivables are provided for based on relevant income tax laws and the Companies' estimates of losses on collection.

*(j) Inventories*

Inventories are stated at cost, as determined principally by the specific identification cost method, the first-in, first-out method or the moving-average method.

*(k) Marketable securities*

Marketable securities are stated principally at cost, as determined by the moving-average method. When significant impairment of value has been deemed permanent, cost has been appropriately reduced.

*(l) Investments in securities*

Investments in securities are stated at cost, as determined by the moving-average method, except for those accounted for by the equity method as explained in Note 2 (b). When significant impairment of value has been deemed permanent, cost has been appropriately reduced.

*(m) Property, plant and equipment*

Property, plant and equipment are stated at cost. Depreciation is computed principally by the declining-balance method over estimated useful lives.

*(n) Intangible assets*

Amortization of intangible assets is computed by the straight-line method.

*(o) Research and development expenses*

Research and development expenses are charged to income as incurred.

*(p) Bond issue expenses*

Bond issue expenses are charged to income as incurred.

*(q) Foreign currency translation*

Foreign currency accounts of the Company and its domestic subsidiaries are translated into yen as stated below, in accordance with a regulation issued by the Financial Accounting Deliberation Council.

- (1) Foreign currencies and short-term monetary accounts are translated at the rates of exchange prevailing at the balance sheet date. The resulting translation gain or loss is included in the determination of net income for the year.
- (2) Long-term monetary accounts and non-monetary accounts are translated at historical exchange rates prevailing at the time of transactions.
- (3) Monetary accounts which are hedged by forward exchange contracts are translated into yen at the contracted rates of exchange.

Notes denominated in foreign currencies and hedged by long-term forward exchange contracts are translated at the contracted exchange rates. The exchange gain on the transaction is deferred and amortized to income over the period from the date of the contract to the date of settlement.

If long-term monetary items were translated at exchange rates in effect at March 31, 1998, net translation losses of ¥916 million (\$6,934 thousand) would have been recorded.

*(r) Income taxes*

Income taxes are principally provided for based on taxable income for the period, determined in accordance with applicable tax laws. The tax effect resulting from the elimination of inter-company profit is not reflected in the consolidated financial statements.

In accordance with accounting principles generally accepted in Japan, no provision is made for deferred taxes arising from timing differences for financial and tax reporting purposes.

Enterprise tax, which is based on income, has been included in selling, general and administrative expenses in the original consolidated financial statements described in Note 1, but has been reclassified to income taxes in the accompanying consolidated financial statements.

*(s) Retirement and severance benefits*

Employees who terminate their services with the Company and its domestic consolidated subsidiaries are generally entitled to

lump-sum payments, the amounts of which are determined by reference to their current basic rates of pay and length of service. In accordance with Japanese income tax law, the Company and its domestic consolidated subsidiaries provide for 40 percent of the amount which would be required to be paid if all eligible employees voluntarily terminated their services at the balance sheet date.

Employees of the Company's overseas consolidated

## 5. Inventories

Inventories as of March 31, 1998 and 1997 are comprised as follows:

	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
Finished products	¥ 34,788	¥ 23,952	\$ 263,346
Work in process	275,272	380,835	2,083,815
Raw materials and supplies	41,176	36,183	311,703
Total	¥351,236	¥440,970	\$2,658,864

## 6. Short-term borrowings and long-term debt

Short-term borrowings and long-term debt as of March 31, 1998 and 1997 are comprised as follows:

	Millions of yen		Thousands of U.S. dollars
	1998	1997	1998
Short-term borrowings:			
Short-term debt, principally bank loans and commercial paper	¥204,814	¥ 215,342	\$1,550,447
Current portion of long-term debt	34,438	34,738	260,696
Total short-term debt	¥239,252	¥ 250,080	\$1,811,143

Long-term debt :

Loans from banks and other financial institutions, partly secured  
by mortgage or other collateral, due from 1998 to 2032, bearing interest  
ranging from 1.05 percent to 8.125 percent and from 0.83 percent  
to 8.00 percent as of March 31, 1998 and 1997,12 (7)12 (,)3 TD [c4o2S B5n210 (,)6 (a)-17 (s)40 (,)6 (o)-15 (f)-22 (,)35 (M)20 (a)912 (0)-17 (

As of March 31, 1998 and 1997, the following assets were pledged as collateral for short-term borrowing and long-term debt:

	Millions of yen		Thousands of U.S. dollars
	<b>1998</b>	1997	<b>1998</b>
Time deposits	¥ 157	¥ 157	\$ 1,188
Marketable securities	-	1	-
Trade receivables	20,526	14,541	155,382
Inventories	3,773	19,999	28,562
Property, plant and equipment (at net book value)	12,439	11,691	94,164
Total	<b>¥36,895</b>	¥46,389	<b>\$279,296</b>

The aggregate annual maturities of long-term debt as of March 31, 1998, are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
1999	¥ 34,438	



**9. Income taxes**

Lease payments on non-capitalized finance leases for the years ended March 31, 1998 and 1997 are as follows:

	Millions of yen		Thousands of U.S. dollars
	<b>1998</b>	1997	<b>1998</b>
Lease payments	<b>¥3,419</b>	¥4,992	<b>\$25,882</b>

*(b) As lessor*

The present value of future minimum lease payments to be received under finance leases as of March 31, 1998 is as follows:

	Millions of yen		Thousands of U.S. dollars
	Current portion	¥ 249	
Non-current portion	656		4,966
Total	<u>¥ 905</u>		<u>\$ 6,851</u>

Lease payments received on finance leases for the years ended March 31, 1998 and 1997 are as follows:

	Millions of yen		Thousands of U.S. dollars
	<b>1998</b>	1997	<b>1998</b>
Lease payments received	<b>¥ 334</b>	¥ 401	<b>\$2,528</b>

### 13. Operating leases

Operating lease information, as required to be disclosed commencing with the year ended March 31, 1998, is as follows:

The present value of future minimum lease payments under operating leases as of March 31, 1998 is as follows:

	Millions of yen	Thousands of U.S. dollars



Millions of yen

1996

	External sales	Intersegment sales	Total sales	Operating expenses	Operating income	Total assets	Depreciation and amortization	Capital expenditures
Transportation equipment	¥ 336,934	¥ 5,226	¥ 342,160	¥ 345,016	¥ (2,856)	¥ 309,675	¥11,914	¥16,930
Aerospace	171,900	4,235	176,135	168,557	7,578	228,170	5,202	3,656
Industrial equipment	498,649	46,249	544,898	505,354	39,544	483,171		

*(b) Information by geographic area*

Segment information by geographic area, as required to be disclosed in Japan, for the respective years is as follows:

	Millions of yen					
	<b>1998</b>					
	External sales	Intersegment sales	Total sales	Operating expenses	Operating income	Total assets
Japan	<b>¥1,105,123</b>	<b>¥ 125,662</b>	<b>¥1,230,785</b>	<b>¥1,183,543</b>	<b>¥47,242</b>	<b>¥1,096,854</b>
North America	<b>127,613</b>	<b>9,830</b>	<b>137,443</b>	<b>136,519</b>	<b>924</b>	<b>120,853</b>
Europe	<b>36,922</b>	<b>6,194</b>	<b>43,116</b>	<b>41,810</b>	<b>1,306</b>	<b>20,830</b>
Asia	<b>23,056</b>	<b>682</b>	<b>23,738</b>	<b>21,398</b>	<b>2,340</b>	<b>5,987</b>
Other Areas	<b>4,498</b>	-	<b>45,664</b>	<b>45,664</b>	<b>(m)20 (a) (o)13 ( ) 6 (A)-149.4</b>	<b>149.4</b>



# Report of Independent Public Accountants

To the Shareholders and the Board of Directors of Kawasaki Heavy Industries, Ltd.:

We have audited the accompanying consolidated balance sheets of Kawasaki Heavy Industries, Ltd. (a Japanese corporation) and subsidiaries as of March 31, 1998 and 1997, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended March 31, 1998, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Kawasaki Heavy Industries, Ltd. and subsidiaries as of March 31, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 1998 in conformity with accounting principles generally accepted in Japan which, except for the change in the method of accounting for revenue referred to in Note 3, effective April 1, 1997, were applied on consistent basis.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.



Asahi & Co.

(Member Firm of Andersen Worldwide SC)

Kobe, Japan

June 26, 1998

# Six-Year Summary

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

	Millions of yen					
	1998	1997	1996	1995	1994	1993
<b>Operating results:</b>						
Net sales	<b>¥1,297,212</b>	¥ 1,224,259	¥1,086,244	¥1,070,444	¥1,070,257	¥1,090,521
Cost of sales	<b>1,114,693</b>	1,041,697	928,126	912,432	919,092	935,162
Gross profit	<b>182,519</b>	182,562	158,118	158,012	151,165	155,359
Selling, general and administrative expenses	<b>131,440</b>	120,351	111,362	110,413	109,800	108,049
Operating income	<b>51,079</b>	62,211	46,756	47,599	41,365	47,310
Net Income	<b>18,556</b>	22,572	16,462	10,216	17,122	14,381
<b>Financial position at year-end:</b>						
Working capital	<b>¥ 162,084</b>	¥ 150,759	¥ 127,644	¥ 106,458	¥ 68,998	¥ 111,006
Net property, plant and equipment	<b>242,435</b>	233,196	231,615	227,173	227,213	208,590
Total assets	<b>1,222,906</b>	1,303,168	1,252,371	1,191,664	1,239,137	1,192,430
Long-term debt, less current portion	<b>198,135</b>	197,130	204,801	184,535	155,904	187,166
Total shareholders' equity	<b>209,040</b>	197,161	162,984	152,991	148,253	131,611
<b>Per share amounts (yen):</b>						
Net income	<b>¥ 13.3</b>	¥ 16.4	¥ 12.2	¥ 7.6	¥ 12.8	¥ 10.8
Cash dividends	<b>6.0</b>	7.0	5.5	5.0	5.0	5.0
Shareholders' equity	<b>150.3</b>	141.9	120.7	113.3	110.2	98.6
<b>Other data:</b>						
Number of shares issued (millions)	<b>1,391</b>	1,389	1,350	1,350	1,345	1,335
Number of employees	<b>26,102</b>	24,211	24,401	24,266	23,913	22,222



# Board of Directors



Kenjiro Ogata  
*Executive Vice President*

Shuzo Susei  
*Executive Vice President*

Ryozo Tsutsui  
*Executive Vice President*

Yasuhiko Ono  
*Executive Vice President*

Junji Hayashi  
*Vice Chairman*

Hiroshi Ohba  
*Chairman and CEO*

Toshio Kamei  
*President*

**Chairman and CEO**

Hiroshi Ohba\*

**Vice Chairman**

Junji Hayashi\*

**President**

Toshio Kamei\*

**Executive Vice Presidents**

Ryozo Tsutsui\*

*Senior General Manager of Aerospace Group*

Shuzo Susei\*

*Senior General Manager of Technology Group*

Kenjiro Ogata\*

*Overall Administration of Machinery,  
Environment & Power Plant Group*

*Senior General Manager of Corporate Marketing  
& Business Development Group*

Yasuhiko Ono\*

*Senior General Manager of Ship & Rolling Stock  
Group*

**Executive Managing Directors**

Tadashi Uno\*

*Senior General Manager of Plant Engineering &  
Steel Structure Group*

Mitsuo Ozawa\*

*Senior General Manager of Machinery,  
Environment & Power Plant Group*

Minoru Higuchi\*

*Overall Administration of Secretariat Office,  
Public Relations Department, Legal Department  
and General Administration Department*

*Deputy Senior General Manager of Corporate  
Marketing & Business Development Group*

Masayuki Yokoyama\*

*Overall Administration of Subsidiary Company  
Control Office, Finance Department and  
Accounting Department*

Masamoto Tazaki\*

*Senior General Manager of Consumer Products &  
Machinery Group*

\*Representative Director

## Consolidated Subsidiaries

Name	Paid-In Capital (Millions of yen, unless otherwise noted)	Equity (% ownership by KHI, unless otherwise noted)	Principal Businesses
K-GES Co., Ltd.	100 (20.00% owned by Kawasaki Motors Corporation Japan)	100.00	Domestic wholesale of small gasoline engines
Ishihara Dockyard Co., Ltd.	96	97.11	Manufacture and sale of various ships for public agency/gov't use and rescue boats; repair of small-sized ships
Uji Kanko Co., Ltd.	240	100.00	Management of a golf course
Kawasaki Helicopter System Ltd.	200	100.00	Transportation of passengers or cargo by helicopter; maintenance and repair of helicopters and flight training services;

<b>Name</b>	<b>Paid-In Capital</b> (Millions of yen, unless otherwise noted)	<b>Equity</b> (% ownership by KHI, unless otherwise noted)	<b>Principal Businesses</b>
Kawasaki Thermal Engineering Co., Ltd.	1,461	83.01	Manufacture, sale and installation of general purpose boilers and air-conditioning equipment
Kawasaki Engineering Co., Ltd.	100	100.00	Design and engineering of plant facilities; manufacture and sale of pool and high pressure oxygen medical equipment
Kawasaki Kosan Co., Ltd.	300	100.00	Insurance representation; real estate leasing, administration and maintenance; leasing and provision of loans
Kawasaki Foods Co., Ltd.	160	100.00	Food supply to Company facilities; operation of dining facilities
Kawasaki Metal Industries, Ltd.	350	100.00	Manufacture, processing and assembly of various steel products
Kawasaki Hydromechanics Corporation	272	99.71	Manufacture, sale and installation of hydraulic presses and various hydraulic equipment
KHI JPS Co., Ltd.	30	100.00	Parts supply, repairs and overhaul of gas turbines for high speed vessels such as the Jetfoil and Jet Piercer
Kawasaki Construction Machinery, Kanto Ltd.	68	68.68	Sale and repair of construction machinery
Kawasaki Gas Turbine Research Center	30	100.00	Research and testing of gas turbine generator sets; sale of surplus electric power
Kawasaki Gasturbine Technologies Co., Ltd.	50	100.00	Inspection and repair of cogeneration and standby systems and industrial gas turbines
Kawasaki Construction Machinery, Kyushu Ltd.	50	100.00	Sale and repair of construction machinery
Kawaju Gifu Manufacturing Co., Ltd.	70	100.00	Processing and assembly of parts and components for aircraft and the maintenance of tools and equipment
Kawaju Harima Tech Inc.	50	100.00	Manufacture, maintenance and inspection of machinery, equipment and watergates
Kawasaki Construction Machinery, Nishi-Nihon Ltd.	54	100.00	Sale and repair of construction machinery
Kawaju Tomakomai Kanko Kaihatsu Co., Ltd.	300	100.00	Management of a golf course
Kawasaki Construction Machinery, Tohoku Ltd.	57	54.39	Sale and repair of construction machinery
Nichijo Manufacturing Co., Ltd.	120	50.04	Manufacture and sale of snow removal equipment
Kawasaki Construction Machinery, Kinki Ltd.	70	88.57	Sale and repair of construction machinery
Kawasaki Construction Machinery, Chubu Ltd.	60	95.00	Sale and repair of construction machinery
Union Precision Die Co., Ltd.	50	100.00	Manufacture, sale and repair of die-casting parts
Kawasaki Motors Corp., U.S.A.	US\$65,900*	100.00	Distribution of motorcycles, all-terrain vehicles (ATVs), Jet Ski® watercraft and small gasoline engines in the United States
Kawasaki Motors (UK) Ltd.	£2,000*	100.00	Distribution of motorcycles, all-terrain vehicles (ATVs) and Jet Ski® watercraft in the United Kingdom
Kawasaki Motoren GmbH	DM12,300*	100.00	Distribution of motorcycles, all-terrain vehicles (ATVs) and Jet Ski® watercraft in Germany
Kawasaki Motors Pty. Ltd.	A\$2,000*	100.00	Distribution of motorcycles, all-terrain vehicles (ATVs) and Jet Ski® watercraft in Australia

<b>Name</b>	<b>Paid-In Capital</b> (Millions of yen, unless otherwise noted)	<b>Equity</b> (% ownership by KHI, unless otherwise noted)	<b>Principal Businesses</b>
Kawasaki Precision Machinery (UK) Ltd.	£3,500*	100.00	Manufacture and sale of hydraulic products
P.T. Kawasaki Motor Indonesia	US\$10,000*	51.00	Manufacture and distribution of motorcycles in Indonesia
Kawasaki Heavy Industries (H.K.) Ltd.	HKS2,820*	100.00	Product sales, mediation of orders and procurement of materials in Southeast Asia and Oceania
Kawasaki Heavy Industries (Europe) B.V.	DGL500*	100.00	Product sales, mediation of orders and procurement of materials in Europe (mainly Benelux countries), the Middle East, and Africa
Kawasaki Heavy Industries (U.S.A.), Inc.	US\$600*	100.00	Product sales, mediation of orders and provision of various engineering support services in North America
Kawasaki Motors (Phils.) Corporation	P101,430*	50.001	Manufacture and distribution of motorcycles in the Philippines
Kawasaki Motors Manufacturing	US\$30,000*	100.00	Manufacture of motorcycles, all-terrain

**Kobe Head Office**

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**KHI (Dalian) Computer Technology Co., Ltd.**  
Building Foreign Specialist  
of the Dalian Maritime University  
Ling Shui Qiao, Dalian  
People's Republic of China

**Kawasaki Heavy Industries, Ltd.**

**Head Office:**

Kobe Crystal Tower  
1-3, Higashikawasaki-cho 1-chome  
Chuo-ku, Kobe 650-8680, Japan

**Founded:** 1878

**Incorporated:** 1896

**Paid-in Capital:**

¥81,426,590,792

**Number of Shares Outstanding:**

1,390,595,964 shares

**Number of Shareholders:**

118,542

**Number of Employees:**

26,102

**Stock Exchange Listings:**

Tokyo, Osaka, Nagoya, Kyoto,  
Hiroshima, Fukuoka, Niigata, Sapporo

**Newspapers in which public notices are made:**

The Nihon Keizai Shimbun  
The Kobe Shimbun

**Transfer Agent:**

The Chuo Trust & Banking Company, Limited  
7-1, Kyobashi 1-chome  
Chuo-ku, Tokyo 104-0031, Japan

Handling Office

The Chuo Trust & Banking Company, Limited  
Osaka Branch Office  
6-26, Kitahama 2-chome  
Chuo-ku, Osaka 541-0041, Japan



**Kawasaki**

**KAWASAKI HEAVY INDUSTRIES, LTD.**