The Items Published on the Internet Website Concerning the Notice of the 192nd Ordinary General Meeting of Shareholders

Kawasaki Heavy Industries, Ltd.

accounting standards, the Company continues to apply accounting treatment similar to that for ordinary operating leasing transactions.

(ii) Intangible assets

- Other than leased assets

  The straight line method is used. The Company's own software (used by the Company) is subject to amortization based on the period of internal use (generally five years).

- Leased assets

  The leased assets involved in finance lease transactions that do not involve transfer of ownership are subject to the straight-line method, whereby the leasing period is deemed to be the duration of useful life and the residual value as zero.

  With respect to finance lease transactions not involving transfer of ownership undertaken prior to the first year of the implementation of the revision of the lease accounting standards, the Company continues to apply an accounting treatment similar to that for ordinary operating leasing transactions.

(3) Standards for translation of assets and liabilities denominated in foreign currencies into yen

The Company applies the revised accounting standards for transactions denominated in foreign currencies (Opinion Concerning the Revision of Accounting Standards for Transactions Denominated in Foreign Currencies issued by Business Accounting Council on October 22, 1999).

(4) Methods of accounting for provisions

(i) Allowance for doubtful receivables

In order to provide losses due to doubtful receivables, an amount mainly based on the historical write-off rate is recorded for ordinary receivables, and the necessary amount based on the estimated recoverability of individual cases is recorded for specified receivables such as doubtful receivables.

(ii) Accrued bonuses

A provision is recorded based on estimated bonuses to employees.

(iii) Provision for product warranties

A provision is recorded for expenditures for warranties concerning construction contracts based on past experience or on estimations of individual cases.

(iv) Provision for losses on construction contracts

A provision for an estimated amount of losses is recorded for the next fiscal year and thereafter concerning construction works which are anticipated to incur significant losses and which allow reasonable estimation of the loss incurred at the end of fiscal year under review among those construction works that have not been delivered as of the end of the fiscal year.

(v) Provision for environmental measures

The Company provided an estimated amount to cover expenditures such as the disposal of PCB (poly chlorinated biphenyl) waste required under the "Law Concerning Special Measures for Promotion of Appropriate Disposal of PCB Waste."

(5) Method of accounting for retirement benefits

2. Total number of shares outstanding as of end of the fiscal year under review

Common stock 1,670,805,320 shares

3. Dividends

Resolution	Total dividend (million yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders on June 26, 2014	10,030	6	March 31, 2014	June 27, 2014
Directors Meeting on September 30, 2014	5,015	3	September 30, 2014	December 2, 2014

Scheduled date of resolution	Total dividend (million yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders on June 25, 2015	11,694	7	March 31, 2015	June 26, 2015

(Notes to financial instruments)

1. Matters regarding financial instruments

KHI Group raises necessary funds, in light of its business plans; for long-term working capital and capital expenditure funds the Group predominantly raises funds through bank loans and issuance of corporate bonds, for short-term working capital it raises funds through bank loans and issuance of short-term bonds (electronic commercial paper), and so forth. Temporary surplus funds are invested in high

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obligations - operating			
(6) Short-term debt	[122,338]	[122,338]	-
(7) Current bonds payable	[20,000]	[20,000]	-

(8)

Notes to the Non-consolidated Financial Statements

(Notes to significant accounting policies)

1. Marketable securities are evaluated by the following methods. Trading securities and held-to-maturity bonds are not held by the Company.
   (1) Investment securities of subsidiaries and affiliates
   Stated at cost using the moving-average method
   (2) Other marketable securities
   - Securities with market quotations
     Stated at market based on the market price on the settlement date of the fiscal year.
     Evaluation differences are all charged to net assets, and the amount obtained by subtracting the amount of tax effect from the total amount of the evaluation difference is represented in the section of net assets as "Net unrealized gains on securities."
     The cost of sales is calculated chiefly by the moving average method.
   - Securities without market quotations
     Stated at cost using the moving average method

2. Inventories are stated at cost using the specific identification method and the moving-average method (a method for lowering the book value due to deterioration of profitability)

3. Derivatives are stated at market

4. Property, plant and equipment are subject to depreciation conducted by the following methods:
   (1) Other than leased assets
   The straight line method is used.
   (2) Leased assets
   The leased assets involved in finance lease transactions that do not involve transfer of ownership are subject to the straight-

7. Standards of accounting for provisions

(1) Allowance for doubtful receivables

In order to provide losses due to doubtful receivables, an amount based on the historical write-off rate is recorded for ordinary receivables, and the necessary amount based on the estimated recoverability of individual cases is recorded for specified receivables such as doubtful receivables.

(2) Accrued bonuses

The Company has recorded a provision based on the estimated amount of payments in order to cover the bonus payouts to employees in accordance with the Company¶s Rules for Bonus Payment.

(3) Provision for product warranties

A provision is recorded for expenditures for warranties concerning construction contracts based on past experience or on estimations of individual cases.

(4) Provision for losses on construction contracts

A provision for an estimated amount of losses is recorded for the next fiscal year and thereafter concerning construction works which are anticipated to incur significant losses and which allow reasonable estimation of the loss incurred at the end of this fiscal year among those construction works that have not been delivered as of the end of the fiscal year.

(5) Employees¶ retirement and severance benefits

A provision is recorded for the amount deemed to have been incurred as of this fiscal year-end based on the estimated retiree benefits and plan assets as of this fiscal year-end (including the pension trust) to cover employee retirement benefits. With regard to the method for attributing expected retirement benefits to this accounting period under review in calculating projected benefit obligations, the benefit formula basis is applied. Actuarial differences are expensed by the straight-line method over a period of ten years commencing from the current fiscal year, and past service costs are expensed by the straight-line method over a period of ten years commencing from the current fiscal year. Accounting procedures of unrecognized actuarial differences and unrecognized prior service cost on retirement benefits are different from those in the consolidated financial statements.

(Change in Presentation)

1. n5HFXUULQJ SURILW ´ ZKLFK LQ WKH SUHYLRXV ILVFDO... WKH DFFRXQWLQJ... million yen in the previous fiscal year), increased in terms of monetary importance and thus it has been presented separately for the fiscal year under review.

(Notes to Non-Consolidated Balance Sheet)

1. The amounts presented are rounded down to the nearest unit.
2.

fiscal year s beginning on April 1, 2015 and April 1, 2016, respectively.
This tax rate change decreased net deferred tax assets (the amount