

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders and  
Board of Directors  
of Kawasaki Steel Corporation

We have audited the consolidated balance sheets of Kawasaki Steel Corporation and subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan 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 Steel Corporation and subsidiaries as of March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2002 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

*Shin Nihon & Co.*

Osaka, Japan  
June 26, 2002

*See Note 1 to the consolidated financial statements which explains the basis of preparing the consolidated financial statements of Kawasaki Steel Corporation under Japanese accounting principles and practices.*