

KAWASAKI STEEL CORPORATION
NON-CONSOLIDATED BALANCE SHEETS
MARCH 31, 2002 AND 2001

<u>ASSETS</u>	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Current assets:			
Cash and time deposits	81,197	4,122	\$ 609,362
Short-term investments	59	-	448
Notes and accounts receivable:			
Trade	41,389	52,775	310,617
Associates	67,966	53,334	510,068
Other	8,416	10,481	63,161
Allowance for doubtful accounts	(200)	(100)	(1,501)
	<u>117,572</u>	<u>116,491</u>	<u>882,345</u>
Inventories	161,239	174,697	1,210,052
Deferred tax assets (Note 5)	9,386	15,025	70,439
Other current assets	6,195	3,849	46,492
Total current assets	<u>375,650</u>	<u>314,187</u>	<u>2,819,138</u>
Property, plant and equipment :			
Land	82,982	86,949	622,761
Buildings and structures	621,996	632,005	4,667,888
Machinery and equipment	2,275,479	2,282,918	17,076,768
Construction in progress	15,999	18,531	120,070
	<u>2,996,457</u>	<u>3,020,405</u>	<u>22,487,487</u>
Accumulated depreciation	(2,378,660)	(2,375,197)	(17,851,109)
Total property, plant and equipment	<u>617,797</u>	<u>645,207</u>	<u>4,636,378</u>
Investments and other assets:			
Investments in and advances to associates	348,537	236,381	2,615,668
Investments in securities	104,950	169,942	787,619
Deferred tax assets (Note 5)	65,731	32,775	493,293
Other	60,272	52,881	452,325
Less allowance for doubtful accounts	(26,744)	(9,414)	(200,713)
Total investments and other assets	<u>552,746</u>	<u>482,566</u>	<u>4,148,192</u>
Total assets	<u>1,546,194</u>	<u>1,441,961</u>	<u>\$ 11,603,708</u>

The accompanying notes are an integral part of these statements.

<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>Millions of yen</u>		<u>Thousands of</u>
	<u>2002</u>	<u>2001</u>	<u>U.S. dollars</u>
			<u>(Note 1)</u>
Current liabilities:			
Short-term bank loans and commercial paper	81,386	10,100	\$ 610,777
Current portion of long-term debt	165,953	139,820	1,245,431
Notes and accounts payable:			
Trade	23,390	44,066	175,539
Associates	40,183	77,176	301,566
Other	10,445	2,880	78,389
	<u>74,019</u>	<u>124,124</u>	<u>555,494</u>
Accrued income taxes (Note 5)	57	62	428
Other current liabilities	90,518	90,745	679,315
Total current liabilities	<u>411,935</u>	<u>364,853</u>	<u>3,091,445</u>
Long-term liabilities:			
Long-term debt	667,174	528,828	5,006,940
Accrued severance indemnities	9,696	46,766	72,773
Other liabilities	45,133	45,237	338,716
Total long-term liabilities	<u>722,005</u>	<u>620,832</u>	<u>5,418,429</u>
Total liabilities	<u>1,133,940</u>	<u>985,686</u>	<u>8,509,874</u>
Contingencies (Note 3)			
Shareholders' equity :			
Common stock			
Authorized 5,940,400,000 shares			
Issued 3,191,956,286 shares	239,644	239,644	1,798,458
Additional paid-in capital	112,134	112,134	841,538
Legal reserve	40,688	40,688	305,358
Retained earnings	14,688	30,221	110,230
Net unrealized holding gains on securities	5,121	33,585	38,434
	<u>412,277</u>	<u>456,275</u>	<u>3,094,018</u>
Less, treasury stock, at cost			
2002-182,877 shares	(24)	-	(184)
Total shareholders' equity	<u>412,253</u>	<u>456,275</u>	<u>3,093,834</u>
Total liabilities and shareholders' equity	<u>1,546,194</u>	<u>1,441,961</u>	<u>\$ 11,603,708</u>

KAWASAKI STEEL CORPORATION
NON-CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED MARCH 31, 2002 AND 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Net sales	712,630	778,536	\$ 5,348,075
Cost of sales	619,060	645,922	4,645,857
Gross profit	93,570	132,614	702,218
Selling, general and administrative expenses	72,247	78,694	542,193
Operating income	21,323	53,920	160,025
Non-operating income (expenses):			
Interest and dividend income	3,958	4,306	29,709
Interest expenses	(9,774)	(12,113)	(73,353)
Other, net	(2,046)	(3,111)	(15,362)
Ordinary profit	13,460	43,002	101,019
Special profit (loss)(Note 6)	(32,334)	(88,179)	(242,659)
Income (loss) before income taxes	(18,873)	(45,177)	(141,640)
Income taxes (Note 5):			
Current	46	60	345
Deferred	(8,173)	(17,636)	(61,340)
	(8,127)	(17,576)	(60,995)
Net income (loss)	(10,745)	(27,600)	\$ (80,645)
			U.S. dollars (Note 1)
	Yen		2002
	2002	2001	
Basic net income (loss) per share	(3.36)	(8.52)	\$ (0.025)
Cash dividends per share	-	1.50	-

The accompanying notes are an integral part of these statements.

KAWASAKI STEEL CORPORATION
NON-CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED MARCH 31, 2002 AND 2001

	Number of shares issued (thousands)	Millions of yen				
		Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Net unrealized holding gains on securities
Balance at March 31, 2000	3,251,556	239,644	119,611	40,209	63,178	-
Net income for the year					(27,600)	
Net unrealized holding gains on securities						33,585
Cash dividends					(4,877)	
Transfer to legal reserve				479	(479)	
Purchase of treasury stock	(59,600)		(7,476)			
Balance at March 31, 2001	<u>3,191,956</u>	<u>239,644</u>	<u>112,134</u>	<u>40,688</u>	<u>30,221</u>	<u>33,585</u>
Net income for the year					(10,745)	
Net unrealized holding gains on securities						(28,464)
Cash dividends					(4,787)	
Balance at March 31, 2002	<u><u>3,191,956</u></u>	<u><u>239,644</u></u>	<u><u>112,134</u></u>	<u><u>40,688</u></u>	<u><u>14,688</u></u>	<u><u>5,121</u></u>

	Thousands of U.S. dollars (Note 1)				
	Common stock	Additional paid-in capital	Legal reserve	Retained earnings	Net unrealized holding gains on securities
Balance at March 31, 2001	\$ 1,798,458	\$ 841,538	\$ 305,358	\$ 226,807	\$ 252,046
Net income for the year				(80,645)	
Net unrealized holding gains on securities					(213,612)
Cash dividends				(35,932)	
Balance at March 31, 2002	<u><u>\$ 1,798,458</u></u>	<u><u>\$ 841,538</u></u>	<u><u>\$ 305,358</u></u>	<u><u>\$ 110,230</u></u>	<u><u>\$ 38,434</u></u>

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