

No.0928

MHI ANNOUNCES FY2002 FIRST HALF NON-CONSOLIDATED FINANCIAL RESULTS

Tokyo, November 13, 2002 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for the first half of fiscal year (FY) 2002 ended September 30, 2002.

(billions of yen)

	FY2002 April – Sept.	FY2001 April – Sept.	Change (%)	FY2001 Full-Year
Orders Received	596.7	756.6	-21.1	1,970.4
Net Sales	890.1	1,037.9	-14.2	2,388.6
Operating Income (Loss)	20.6	16.1	28.0	66.8
Ordinary Income (Loss)	-3.3	6.2	-	59.4
Income (Loss) Before Tax	-1.5	-6.8	-	33.4
Net Income (Loss)	-0.8	-1.7	-	22.4
Net Income (Loss) Per Share (Fiscal)	-0.26 yen	-0.51 yen (-0.51 yen)	- (-)	6.65 yen (6.61 yen)
Dividend Per Share	3.0 yen	2.0 yen	50.0	4.0 yen

Beginning this interim term, interim net income (loss) per share is being calculated using the "Accounting Standard for Earnings per Share" (Financial Accounting Standard No.2) and the "Implementation Guidance for Accounting Standard for Earnings per Share" (Financial Accounting Standards Implementation Guidance No.4). Further, the interim (fiscal) net income (loss) per share for last fiscal year calculated using said accounting standard and implementation guidance has been indicated in parentheses.

Estimate of Non-Consolidated Financial Results for FY 2002

For the fiscal year 2002 ending March 31, 2003, MHI is expecting 2,200 billion yen in net sales, 70 billion yen in ordinary income and 40 billion yen in net income. The estimate is based on the assumption of currency exchange rate of US\$1.00 = ¥125.00.

This estimate has been projected with the information and the data obtained at the date of November 13, 2002. Therefore, please be advised that the real result can be quite different after six months with the influence of the variety of the outside factors such as economics surrounding MHI, currency exchange rate fluctuation, or movement of market prices of stocks. And also be advised not to depend upon too much on this estimate to make your decision for the investments.

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Golin/Harris International (PR for Mitsubishi Heavy Industries)

NON-CONSOLIDATED BALANCE SHEET (As of September 30, 2002) (1/2)

(Millions of Yen)

ASSETS

Current assets:

Cash and deposits	113,460
Trade notes receivable	11,274
Trade accounts receivable	782,359
Securities	20,009
Finished products	68,268
Raw materials and supplies	34,444
Work in process	914,051
Advances to suppliers	38,597
Prepaid expenses	2,141
Deferred income taxes	84,604
Other current assets	75,764
Allowance for doubtful receivables	(182)

Total current assets 2,144,794

Fixed assets:

Property, plant and equipment:	
Buildings	204,063
Structures	23,389
Dock and facilities for ship building	3,383
Machinery	175,251
Vessels	27
Aircraft	357
Vehicles and transportation equipment	2,204
Tools, equipment and furniture	45,258
Land	105,003
Construction in progress	24,947
Subtotal	<u>583,885</u>

Intangible fixed assets:

Software	10,509
Right for facility utilization	3,222
Other intangible fixed assets	1,894
Subtotal	<u>15,626</u>

Investments and advances:

Investment securities	385,016
Long-term loans and advances	4,446
Investment capital and guarantee deposits	21,746
Long-term prepaid expenses	23,473
Deferred income taxes	11,276
Other investments	72,610
Allowance for doubtful advances	(63,792)

Subtotal 454,776

Total fixed assets 1,054,288

TOTAL ASSETS 3,199,082

NON-CONSOLIDATED BALANCE SHEET (As of September 30, 2002) (2/2)

(Millions of Yen)

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Current liabilities:

Trade notes payable	5,976
Trade accounts payable	523,006
Bank loans	261,839
Current portion of long-term debt for exports loans from main contractors	11,372
Commercial papers	20,000
Current portion of debentures	150,000
Accrued payables	21,663
Accrued expenses	70,029
Accrued income tax	531
Advance payments received on contracts	475,484
Deposits received	19,236
Allowance for losses on construction contracts	8,980
Other current liabilities	10,847
Total current liabilities	1,578,968

Long-term liabilities:

Debentures	120,000
Long-term debt	149,958
Long-term debt for exports loans from main contractors	51,909
Reserve for retirement allowance	165,262
Other long-term liabilities	13,949
Total long-term liabilities	501,078

TOTAL LIABILITIES

2,080,047

STOCKHOLDERS' EQUITY

Common stock	265,608
Capital surplus	203,536
Retained earnings:	
Legal reserve	66,363
Reserve for reduction in costs of fixed assets	6,598
Reserve for losses on overseas investments	5
General reserves	460,000
Unappropriated earnings	49,098
Subtotal	582,066
Net unrealized gains on investment securities	67,875
Treasury stock	(50)

TOTAL STOCKHOLDERS' EQUITY

1,119,035

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

3,199,082

NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

(From April 1, 2002 to September 30, 2002)

(Millions of Yen)

ORDINARY INCOME AND LOSS**Operating income and loss:**

Net sales	890,111
Cost of sales	784,450
Selling, general and administrative expenses	84,993

Operating income 20,668**Non-operating income:**

Interest and dividend income	8,492
Other income	444

Total 8,936**Non-operating expenses:**

Interest expense	9,977
Foreign exchange losses	19,649
Other expenses	3,318

Total 32,945**ORDINARY LOSS**(3,340)**EXTRAORDINARY INCOME AND LOSS****Extraordinary income:**

Gains on sales of investment securities	3,280
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Total 3,280**Extraordinary expenses:**

Losses on revaluation of investment securities	1,449
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Total 1,449**LOSS BEFORE INCOME TAXES**(1,508)

Income taxes

Current	100
Deferred	(726)

NET LOSS (882)

Retained earnings carried forward from previous period 49,981

UNAPPROPRIATED EARNINGS 49,098