

MHI ANNOUNCES FY2003 FIRST-HALF NON-CONSOLIDATED FINANCIAL RESULTS

Tokyo, November 6, 2003 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for the first-half of fiscal year (FY) 2003 ended September 30, 2003.

(billions of yen)

	FY2003 April – Sept.	FY2002 April – Sept.	Change (%)	FY2002 Full-Year
Orders Received	1,001.9	596.7	67.9	2,050.7
Net Sales	787.3	890.1	- 11.5	2,171.7
Operating Income (Loss)	- 8.7	20.6	-	103.0
Ordinary Income (Loss)	- 23.8	- 3.3	-	65.1
Income (Loss) Before Tax	- 25.9	- 1.5	-	54.5
Net Income (Loss)	- 16.8	- 0.8	-	30.1
Net Income (Loss) Per Share (Fiscal)	- 5.00 yen	- 0.26 yen	-	8.91 yen
Dividend Per Share	3.0 yen	3.0 yen		6.0 yen

Estimate of Non-Consolidated Financial Results for FY 2003

For the fiscal year 2003 ending March 31, 2004, MHI is expecting 1,900 billion yen in net sales, 41 billion yen in operating income, 10 billion yen in ordinary income, 10 billion yen in income before tax and 5 billion yen in net income. The estimate is based on the assumption of currency exchange rate of US\$1.00 = ¥110.00.

This estimate has been projected with currently available information and data. Therefore please be advised that the actual results may diverge broadly with the influence of the variety of the outside factors such as economics surrounding MHI or currency exchange rate fluctuation.

#

PRESS CONTACT:

Hideo Ikuno: h.ikuno@daiya-pr.co.jp

Tel: +813-6716-5277, Fax: +813-6716-5929

Daiya PR (in charge of public relations for Mitsubishi Heavy Industries)

For more information, please visit the MHI website (<http://www.mhi.co.jp>).

NON-CONSOLIDATED BALANCE SHEET (As of September 30, 2003) (1/2)

(Millions of Yen)

ASSETS

Current assets:

Cash and deposits	136,772
Trade notes receivable	10,201
Trade accounts receivable	772,632
Securities	8
Finished products	70,844
Raw materials and supplies	36,082
Work in process	815,364
Advances to suppliers	36,415
Prepaid expenses	2,347
Deferred income taxes	33,923
Other current assets	82,247
Allowance for doubtful receivables	(60)

Total current assets 1,996,780

Fixed assets:

Property, plant and equipment:	
Buildings	212,640
Structures	22,110
Dock and facilities for ship building	3,168
Machinery	168,068
Vessels	18
Aircraft	279
Vehicles and transportation equipment	2,009
Tools, equipment and furniture	45,257
Land	104,380
Construction in progress	19,735
Subtotal	<u>577,668</u>

Intangible fixed assets:	
Software	14,400
Right for facility utilization	2,902
Other intangible fixed assets	1,581
Subtotal	<u>18,884</u>

Investments and advances:	
Investment securities	389,555
Long-term loans and advances	1,741
Investment capital and guarantee deposits	16,603
Long-term prepaid expenses	19,349
Deferred income taxes	36,971
Other investments	70,266
Allowance for doubtful accounts	(63,133)
Subtotal	<u>471,354</u>

Total fixed assets 1,067,907

TOTAL ASSETS 3,064,688

NON-CONSOLIDATED BALANCE SHEET (As of September 30, 2003) (2/2)

(Millions of Yen)

LIABILITIES AND STOCKHOLDERS' EQUITY**LIABILITIES****Current liabilities:**

Trade accounts payable	502,539
Bank loans	218,432
Current portion of long-term debt for exports loans from main contractors	11,505
Commercial papers	70,000
Accrued payables	23,736
Accrued expenses	33,028
Accrued income tax	224
Advance payments received on contracts	371,343
Deposits received	8,143
Allowance for losses on construction contracts	1,059
Other current liabilities	11,971
Total current liabilities	1,251,984

Long-term liabilities:

Debentures	240,000
Long-term debt	281,027
Long-term debt for exports loans from main contractors	36,994
Reserve for retirement allowance	113,382
Reserve for the exhibition in the 2005 World Exposition Aichi Japan	62
Other long-term liabilities	12,263
Total long-term liabilities	683,730

TOTAL LIABILITIES**1,935,714****STOCKHOLDERS' EQUITY**

Common stock	265,608
Capital surplus	203,536
Retained earnings:	
Legal reserve	66,363
Reserve for reduction in costs of fixed assets	6,620
Reserve for losses on overseas investments	4
General reserves	460,000
Unappropriated earnings	42,921
Subtotal	575,909
Net unrealized gains on investment securities	84,060
Treasury stock	(141)
TOTAL STOCKHOLDERS' EQUITY	1,128,974

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY**3,064,688**

NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

(From April 1, 2003 to September 30, 2003)

(Millions of Yen)

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

Net sales	787,307
Cost of sales	717,052
Selling, general and administrative expenses	79,009

Operating loss (8,754)**Non-operating income:**

Interest and dividend income	10,668
Other income	609

Total 11,278**Non-operating expenses:**

Interest expense	7,797
Foreign exchange losses	13,541
Other expenses	5,047

Total 26,387**ORDINARY LOSS** (23,863)**EXTRAORDINARY INCOME AND LOSS****Extraordinary expenses:**

Business improvement and restructuring charges	2,057
--	-------

Total 2,057**LOSS BEFORE INCOME TAXES** (25,920)

Income taxes

Current	100
Deferred	(9,160)

NET LOSS (16,860)

Retained earnings carried forward from previous period 59,782

UNAPPROPRIATED EARNINGS 42,921