

No.1061

**MHI ANNOUNCES FY2004 NON-CONSOLIDATED FINANCIAL RESULTS**

Tokyo, April 28, 2005 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2004 ended March 31, 2005.

(billions of yen)

	<b>FY2004</b>	FY2003	Changes (%)
Orders Received	<b>2,202.0</b>	2,159.2	2.0
Net Sales	<b>2,097.9</b>	1,940.1	8.1
Operating Income (Loss)	<b>-9.7</b>	35.2	-
Ordinary Income (Loss)	<b>-9.6</b>	7.5	-
Income Before Tax	<b>0.2</b>	23.7	-98.7
Net Income (Loss)	<b>-2.0</b>	5.2	-
Net Income (Loss) Per Share	<b>-0.60 yen</b>	1.55 yen	-
Dividend Per Share	<b>4.0 yen</b>	6.0 yen	-33.3

**Estimate of Non-Consolidated Financial Results for FY 2005**

For the fiscal year 2005 ending March 31, 2006, MHI is expecting 2,220 billion yen in net sales, 35 billion yen in operating income, 25 billion yen in ordinary income, 25 billion yen in income before tax and 15 billion yen in net income. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥105.00.

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.

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## NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2005) (1/2)

(Millions of Yen)

**ASSETS**

	As of Mar.31,2005	As of Mar.31,2004	Increase (Decrease)
<b>Current assets:</b>			
Cash and deposits	142,917	120,941	21,975
Trade notes receivable	8,791	9,604	(813)
Trade accounts receivable	917,990	873,933	44,056
Securities	8	8	0
Finished products	71,074	73,301	(2,226)
Raw materials and supplies	39,685	34,676	5,009
Work in process	711,284	737,632	(26,348)
Advances to suppliers	51,709	31,941	19,768
Prepaid expenses	606	397	208
Deferred income taxes	50,623	45,399	5,224
Other current assets	124,143	125,801	(1,658)
Allowance for doubtful receivables	(66)	(63)	(3)
<b>Total current assets</b>	<b>2,118,767</b>	<b>2,053,575</b>	<b>65,192</b>
<b>Fixed assets:</b>			
Property, plant and equipment:			
Buildings	204,511	209,523	(5,012)
Structures	22,112	22,055	56
Dock and facilities for ship building	3,241	3,096	145
Machinery	159,038	164,091	(5,052)
Vessels	1,675	2,107	(431)
Aircraft	144	218	(74)
Vehicles and transportation equipment	2,328	2,067	261
Tools, equipment and furniture	45,752	45,399	352
Land	108,551	104,365	4,186
Construction in progress	22,410	20,087	2,322
Subtotal	569,767	573,013	(3,245)
Intangible fixed assets:			
Software	16,020	15,179	841
Right for facility utilization	2,441	2,760	(319)
Other intangible fixed assets	1,113	1,436	(323)
Subtotal	19,575	19,377	198
Investments and advances:			
Investment securities	512,232	437,923	74,308
Long-term loans and advances	18,242	10,760	7,481
Investment capital and guarantee deposits	19,279	17,852	1,426
Long-term prepaid expenses	22,517	16,932	5,585
Other investments	55,932	72,539	(16,606)
Allowance for doubtful accounts	(47,454)	(62,070)	14,615
Subtotal	580,749	493,937	86,811
<b>Total fixed assets</b>	<b>1,170,092</b>	<b>1,086,327</b>	<b>83,764</b>
<b>TOTAL ASSETS</b>	<b>3,288,860</b>	<b>3,139,903</b>	<b>148,956</b>

## NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2005) (2/2)

(Millions of Yen)

**LIABILITIES AND STOCKHOLDERS' EQUITY****LIABILITIES**

	As of Mar.31,2005	As of Mar.31,2004	Increase (Decrease)
<b>Current liabilities:</b>			
Trade accounts payable	593,999	577,812	16,186
Bank loans	218,657	238,657	(20,000)
Current portion of long-term debt for exports loans from main contractors	6,741	9,987	(3,246)
Current portion of debentures	30,000	-	30,000
Accrued payables	32,445	30,303	2,141
Accrued expenses	32,733	40,994	(8,260)
Accrued income taxes	-	212	(212)
Advance payments received on contracts	345,721	311,336	34,384
Deposits received	15,909	13,046	2,863
Reserve for product warranties	11,913	-	11,913
Allowance for losses on construction contracts	6,401	649	5,752
Reserve for the exhibition in the 2005 World Exposition Aichi Japan	86	-	86
Other current liabilities	12,275	17,695	(5,419)
<b>Total current liabilities</b>	<b>1,306,883</b>	<b>1,240,695</b>	<b>66,187</b>
<b>Long-term liabilities:</b>			
Debentures	210,000	240,000	(30,000)
Long-term debt	504,643	362,449	142,194
Long-term debt for exports loans from main contractors	20,808	29,538	(8,729)
Deferred tax liabilities	27,365	20,409	6,956
Reserve for retirement allowance	63,000	70,340	(7,340)
Reserve for the exhibition in the 2005 World Exposition Aichi Japan	-	79	(79)
Other long-term liabilities	8,565	10,165	(1,599)
<b>Total long-term liabilities</b>	<b>834,382</b>	<b>732,981</b>	<b>101,400</b>
<b>TOTAL LIABILITIES</b>	<b>2,141,266</b>	<b>1,973,677</b>	<b>167,588</b>
<b><u>STOCKHOLDERS' EQUITY</u></b>			
Common stock	265,608	265,608	0
Capital surplus:			
Capital reserve	203,536	203,536	0
Other capital reserve:			
Gains on sales of treasury stock	1	0	0
Retained earnings:			
Legal reserve	66,363	66,363	0
Revenue reserve:			
Reserve for reduction in costs of fixed assets	9,703	6,620	3,082
Reserve for accelerated depreciation	4,347	-	4,347
Reserve for losses on overseas investments	2	4	(2)
General reserves	460,000	460,000	0
Unappropriated earnings	35,329	54,872	(19,543)
Subtotal	575,746	587,861	(12,114)
Net unrealized gains on investment securities	107,870	110,573	(2,703)
Treasury stock	(5,169)	(1,354)	(3,814)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>1,147,594</b>	<b>1,166,225</b>	<b>(18,631)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>3,288,860</b>	<b>3,139,903</b>	<b>148,956</b>

**NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS**

(From April 1, 2004 to March 31, 2005)

(Millions of Yen)

**ORDINARY INCOME AND LOSS**

	FY2004	FY2003	Increase (Decrease)
<b>Operating income and loss:</b>			
Net sales	2,097,918	1,940,133	157,784
Cost of sales	1,949,423	1,749,236	200,187
Selling, general and administrative expenses	158,221	155,648	2,572
<b>Operating income (loss)</b>	<b>(9,726)</b>	<b>35,248</b>	<b>(44,975)</b>
<b>Non-operating income:</b>			
Interest and dividend income	14,857	17,216	(2,359)
Foreign exchange gains	1,523	-	1,523
Other income	3,669	4,068	(399)
<b>Total</b>	<b>20,050</b>	<b>21,285</b>	<b>(1,234)</b>
<b>Non-operating expenses:</b>			
Interest expense	12,574	13,733	(1,158)
Loss on disposal of fixed assets	3,946	4,938	(992)
Foreign exchange losses	-	17,665	(17,665)
Other expenses	3,438	12,640	(9,201)
<b>Total</b>	<b>19,960</b>	<b>48,978</b>	<b>(29,017)</b>
<b>ORDINARY INCOME (LOSS)</b>	<b>(9,635)</b>	<b>7,555</b>	<b>(17,191)</b>

**EXTRAORDINARY INCOME AND LOSS**

<b>Extraordinary income:</b>			
Gains on sales of investment securities	15,743	-	15,743
Gains on sales of fixed assets	10,826	6,667	4,158
Prior service cost due to change in defined interest rate of employee retirement annuity	-	35,845	(35,845)
<b>Total</b>	<b>26,570</b>	<b>42,512</b>	<b>(15,942)</b>
<b>Extraordinary expenses:</b>			
Provision of reserve for product warranties	10,889	-	10,889
Losses on damage from natural disasters	3,445	-	3,445
Business improvement and restructuring charges	1,778	19,350	(17,571)
Losses on impairment for fixed assets	521	-	521
Losses on revaluation of investment securities	-	6,987	(6,987)
<b>Total</b>	<b>16,634</b>	<b>26,338</b>	<b>(9,703)</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>299</b>	<b>23,730</b>	<b>(23,430)</b>
<b>Income taxes</b>			
Current	(2,839)	200	(3,039)
Deferred	5,147	18,320	(13,173)
<b>NET INCOME (LOSS)</b>	<b>(2,008)</b>	<b>5,210</b>	<b>(7,218)</b>
Retained earnings carried forward from previous period	37,337	59,782	(22,444)
Interim dividend	-	10,119	(10,119)
<b>UNAPPROPRIATED EARNINGS</b>	<b>35,329</b>	<b>54,872</b>	<b>(19,543)</b>