

No.0989

MHI ANNOUNCES FY2003 NON-CONSOLIDATED FINANCIAL RESULTS

Tokyo, April 28, 2004 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2003 ended March 31, 2004.

(billions of yen)

	FY2003	FY2002	Changes (%)
Orders Received	2,159.2	2,050.7	5.3
Net Sales	1,940.1	2,171.7	-10.7
Operating Income	35.2	103.0	-65.8
Ordinary Income	7.5	65.1	-88.4
Income Before Tax	23.7	54.5	-56.5
Net Income	5.2	30.1	-82.7
Net Income Per Share	1.55 yen	8.91 yen	-82.7
Dividend Per Share	6.0 yen	6.0 yen	-

Estimate of Non-Consolidated Financial Results for FY 2004

For the fiscal year 2004 ending March 31, 2005, MHI is expecting 2,150 billion yen in net sales, 36 billion yen in operating income, 20 billion yen in ordinary income, 20 billion yen in income before tax and 10 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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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)

NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2004) (1/2)

(Millions of Yen)

ASSETS**Current assets:**

Cash and deposits	120,941
Trade notes receivable	9,604
Trade accounts receivable	873,933
Securities	8
Finished products	73,301
Raw materials and supplies	34,676
Work in process	737,632
Advances to suppliers	31,941
Prepaid expenses	397
Deferred tax assets	45,399
Other current assets	125,801
Allowance for doubtful receivables	(63)

Total current assets**2,053,575****Fixed assets:**

Property, plant and equipment:

Buildings	209,523
Structures	22,055
Dock and facilities for ship building	3,096
Machinery	164,091
Vessels	2,107
Aircraft	218
Vehicles and transportation equipment	2,067
Tools, equipment and furniture	45,399
Land	104,365
Construction in progress	20,087

Subtotal

573,013

Intangible fixed assets:

Software	15,179
Right for facility utilization	2,760
Other intangible fixed assets	1,436

Subtotal

19,377

Investments and advances:

Investment securities	437,923
Long-term loans and advances	10,760
Investment capital and guarantee deposits	17,852
Long-term prepaid expenses	16,932
Other investments	72,539
Allowance for doubtful accounts	(62,070)

Subtotal

493,937

Total fixed assets**1,086,327****TOTAL ASSETS****3,139,903**

NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2004) (2/2)

(Millions of Yen)

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

Trade accounts payable	577,812
Bank loans	238,657
Current portion of long-term debt for exports loans from main contractors	9,987
Accrued payables	30,303
Accrued expenses	40,994
Accrued income tax	212
Advance payments received on contracts	311,336
Deposits received	13,046
Allowance for losses on construction contracts	649
Other current liabilities	17,695
Total current liabilities	1,240,695

Long-term liabilities:

Debentures	240,000
Long-term debt	362,449
Long-term debt for exports loans from main contractors	29,538
Deferred tax liabilities	20,409
Reserve for retirement allowance	70,340
Reserve for the exhibition in the 2005 World Exposition Aichi Japan	79
Other long-term liabilities	10,165
Total long-term liabilities	732,981

TOTAL LIABILITIES**1,973,677****STOCKHOLDERS' EQUITY**

Common stock	265,608
Capital surplus:	
Capital reserve	203,536
Gains on sales of treasury stock	0
Retained earnings:	
Legal reserve	66,363
Revenue reserve	
Reserve for reduction in costs of fixed assets	6,620
Reserve for losses on overseas investments	4
General reserves	460,000
Unappropriated earnings	54,872
Subtotal	587,861
Net unrealized gains on investment securities	110,573
Treasury stock	(1,354)

TOTAL STOCKHOLDERS' EQUITY**1,166,225****TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY****3,139,903**

NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
(From April 1, 2003 to March 31, 2004)

(Millions of Yen)

ORDINARY INCOME AND LOSS

Operating income and loss:

Net sales	1,940,133
Cost of sales	1,749,236
Selling, general and administrative expenses	155,648
Operating income	35,248

Non-operating income:

Interest and dividend income	17,216
Other income	4,068
Total	21,285

Non-operating expenses:

Interest expense	13,733
Foreign exchange losses	17,665
Loss on disposal of fixed assets	4,938
Other expenses	12,640
Total	48,978

ORDINARY INCOME

7,555

EXTRAORDINARY INCOME AND LOSS

Extraordinary income:

Prior service cost due to change in defined interest rate of employee retirement annuity	35,845
Gains on sales of fixed assets	6,667
Total	42,512

Extraordinary expenses:

Business improvement and restructuring charges	19,350
Losses on revaluation of investment securities	6,987
Total	26,338

INCOME BEFORE INCOME TAXES

23,730

Income taxes

Current	200
Deferred	18,320

NET INCOME

5,210

Retained earnings carried forward from previous period
Interim dividend

59,782
10,119

UNAPPROPRIATED EARNINGS

54,872