

MHI ANNOUNCES FY2001 FIRST-HALF NON-CONSOLIDATED FINANCIAL RESULTS

Tokyo, November 15, 2001 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for the first half of fiscal year (FY) 2001 ended September 30, 2001.

(billions of yen)

	FY2001 April – Sept.	FY2000 April – Sept.	Change (%)	FY2000 Full-Year
Orders Received	756.6	804.8	- 6.0	2,213.8
Net Sales	1,037.9	1,124.9	- 7.7	2,637.7
Operating Income (Loss)	16.1	10.3	55.3	52.8
Ordinary Income (Loss)	6.2	1.1	447.8	46.5
Income (Loss) Before Tax	- 6.8	- 12.5	-	24.4
Income (Loss) After Tax (per share)	- 1.7 (- 0.51 yen)	- 6.1 (- 1.82 yen)	-	15.0 (4.47 yen)
Dividend Per Share	2.0 yen	0.0 yen	-	4.0 yen

Estimate of Non-Consolidated Financial Results for FY 2001

For the fiscal year 2001 ending March 31, 2002, MHI is expecting 2,420 billion yen in net sales, 47 billion yen in ordinary income and 15 billion yen in net income.

This estimate has been projected with the information and the data obtained at the date of November 15, 2001. Therefore, please be advised 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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For further information, please call MHI's Public Relations Section at +81-3-3212-9173.

Or

Hideo Ikuno, hikuno@golinharris.com Tel: +81-3-5721-2521, Fax: +81-3-5721-2591
UPR Golin/Harris International (PR for Mitsubishi Heavy Industries, Ltd.)

NON-CONSOLIDATED BALANCE SHEET (As of September 30, 2001)

(Millions of Yen)

ASSETS	
Current assets:	
Cash and deposits	122,302
Trade notes receivable	14,560
Trade accounts receivable	801,334
Marketable securities	70,009
Finished products	72,405
Raw materials and supplies	33,151
Work in process	1,016,547
Advances to suppliers	56,264
Prepaid expenses	1,534
Deferred income taxes	71,825
Other current assets	63,918
Allowance for doubtful receivables	-342
Total Current Assets	2,323,512
Fixed assets:	
Property, plant and equipment:	
Buildings	210,256
Structures	24,288
Dock and facilities for ship building	3,375
Machinery	177,371
Vessels	24
Aircraft	101
Vehicles and transportation equipment	2,327
Tools, equipment and furniture	42,908
Land	105,428
Construction in progress	18,442
Subtotal	584,524
Intangible fixed assets:	
Software	7,904
Right for facility utilization	3,533
Other intangible fixed assets	2,186
Subtotal	13,624
Investments and advances:	
Investment securities	376,591
Long-term loans and advances	11,574
Investment capital and guarantee deposits	22,284
Long-term prepaid expenses	17,724
Deferred income taxes	26,933
Insurance assets under management	7,568
Other investments	83,308
Allowance for doubtful advances	-64,070
Subtotal	481,914
Total Fixed Assets	1,080,063
TOTAL ASSETS	3,403,575

(Millions of Yen)

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Trade notes payable	100,601
Trade accounts payable	478,817
Bank loans	226,577
Current portion of long-term debt for exports loans from main contractors	15,502
Current portion of debentures	40,000
Accrued payables	19,600
Accrued income tax	299
Accrued expenses	71,322
Advances payments received on contracts	549,196
Deposits received	32,219
Allowance for losses on construction contracts	13,091
Other current liabilities	10,186
Total	1,557,414

Long-term liabilities:

Debentures	270,000
Long-term debt	162,665
Long-term debt for exports loans from main contractors	72,278
Reserve for retirement allowances	220,923
Other long-term liabilities	16,624
Total	742,492
Total liabilities	2,299,907

Stockholders' equity:

Common stock	265,608
Statutory reserves:	
Capital surplus	203,536
Legal reserve	66,363
Total	269,899

Retained earnings:

Reserve for reduction in costs of fixed assets	4,799
Reserve for loss on overseas investments	6
General reserves	460,000
Unappropriated earnings	41,227
Retained earnings	506,033
Net unrealized gains on investment securities	62,126
Total stockholders' equity	1,103,668
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	3,403,575

NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
(From April 1, 2001 to September 30, 2001)

(Millions of Yen)

Ordinary income and loss:	
Operating income and loss:	
Net Sales	1,037,943
Cost of sales	938,295
Selling, general and administrative expenses	83,504
Operating income :	16,144
Non-operating income :	
Interest and dividend income	10,076
Other income	1,914
Total	11,990
Non-operating expenses :	
Interest expenses	10,863
Foreign exchange losses	5,939
Other expenses	5,061
Total	21,864
Ordinary income :	6,269
Extraordinary income :	
Gains on sales of investment securities	2,191
Total	2,191
Extraordinary expenses :	
Losses on revaluation of investment securities	15,307
Total	15,307
Income before income taxes	-6,845
Income taxes	
Current	3,000
Deferred	-8,110
Net income	-1,735
Retained earnings carried forward from previous period	42,963
Unappropriated earnings	41,227