

No.0943

## MHI ANNOUNCES FY2002 NON-CONSOLIDATED FINANCIAL RESULTS

Tokyo, May 14, 2003 – Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2002 ended March 31, 2003.

	(billions of yen)		
	FY2002	FY2001	Change(%)
Orders Received	<b>2050.7</b>	1970.4	4.1
Net Sales	<b>2171.7</b>	2388.6	-9.1
Operating Income	<b>103.0</b>	66.8	54.1
Ordinary Income	<b>65.1</b>	59.4	9.6
Income Before Tax	<b>54.5</b>	33.4	63.0
Net Income	<b>30.1</b>	22.4	34.6
(per share)	<b>(8.91 yen)</b>	(6.65yen)	34.0
Dividend Per Share	<b>6.0 yen</b>	4.0 yen	50.0

### 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, 67 billion yen in operating income, 50 billion yen in ordinary income, 50 billion yen in income before tax and 30 billion yen in net income.

(This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥120.00)

This estimate has been projected with the information and the data obtained at the date of May 14, 2003. Therefore please be advised the real result can be quite different after a year with the influence of the variety of the outside factors such as economics surrounding MHI or currency exchange rate fluctuation.

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 UPR Golin/Harris International (PR for Mitsubishi Heavy Industries)

**NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2003) (1/2)**

(Millions of Yen)

**ASSETS**

**Current assets:**

Cash and deposits	133,171
Trade notes receivable	11,886
Trade accounts receivable	926,975
Securities	9
Finished products	69,138
Raw materials and supplies	36,224
Work in process	695,874
Advances to suppliers	33,051
Prepaid expenses	581
Deferred income taxes	47,093
Other current assets	84,490
Allowance for doubtful receivables	(135)

**Total current assets** 2,038,361

**Fixed assets:**

Property, plant and equipment:	
Buildings	212,258
Structures	22,698
Dock and facilities for ship building	3,248
Machinery	173,365
Vessels	18
Aircraft	331
Vehicles and transportation equipment	2,097
Tools, equipment and furniture	43,959
Land	105,002
Construction in progress	23,046
Subtotal	<u>586,028</u>

Intangible fixed assets:	
Software	11,799
Right for facility utilization	3,058
Other intangible fixed assets	1,954
Subtotal	<u>16,812</u>

Investments and advances:	
Investment securities	342,303
Long-term loans and advances	2,809
Investment capital and guarantee deposits	20,843
Long-term prepaid expenses	21,071
Deferred income taxes	33,317
Other investments	72,464
Allowance for doubtful advances	(62,371)
Subtotal	<u>430,437</u>

**Total fixed assets** 1,033,278

**TOTAL ASSETS** 3,071,640

**NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2003) (2/2)**

(Millions of Yen)

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**LIABILITIES**

**Current liabilities:**

Trade notes payable	1,080
Trade accounts payable	562,889
Bank loans	224,727
Current portion of long-term debt for exports loans from main contractors	11,836
Commercial papers	133,000
Current portion of debentures	100,000
Accrued payables	27,668
Accrued expenses	40,757
Advance payments received on contracts	289,319
Deposits received	17,361
Allowance for losses on construction contracts	5,798
Other current liabilities	4,478
<b>Total current liabilities</b>	<b>1,418,917</b>

**Long-term liabilities:**

Debentures	170,000
Long-term debt	193,605
Long-term debt for exports loans from main contractors	45,550
Reserve for retirement allowance	106,375
Reserve for the exhibition in the 2005 World Exposition Aichi Japan	31
Other long-term liabilities	7,961
<b>Total long-term liabilities</b>	<b>523,523</b>

**TOTAL LIABILITIES**

**1,942,440**

**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	70,042
Subtotal	603,010
Net unrealized gains on investment securities	57,183
Treasury stock	(139)

**TOTAL STOCKHOLDERS' EQUITY**

**1,129,199**

**TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY**

**3,071,640**

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

(From April 1, 2002 to March 31, 2003)

(Millions of Yen)

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

Net sales	2,171,770
Cost of sales	1,908,250
Selling, general and administrative expenses	160,451

**Operating income** 103,068**Non-operating income:**

Interest and dividend income	16,656
Other income	1,526

**Total** 18,182**Non-operating expenses:**

Interest expense	18,401
Foreign exchange losses	23,371
Other expenses	14,315

**Total** 56,087**ORDINARY INCOME**65,164**EXTRAORDINARY INCOME AND LOSS****Extraordinary income:**

Gains on contribution of investment securities to trust for retirement allowance	14,790
Gains on sales of investment securities	5,571

**Total** 20,362**Extraordinary expenses:**

Losses on revaluation of investment securities	17,992
Losses on damage from the cruise ship fire incident	12,996

**Total** 30,988**INCOME BEFORE INCOME TAXES**54,537

## Income taxes

Current	200
Deferred	24,156

**NET INCOME** 30,181

Retained earnings carried forward from previous period 49,981

Interim dividend 10,120

**UNAPPROPRIATED EARNINGS** 70,042