Outline of FY2003 Third Quarter Results
(October 1, 2003 – December 31, 2003)

January 2004
## FY2003 Third Quarter Operating Highlights

### Consolidated

<table>
<thead>
<tr>
<th></th>
<th>Third quarter</th>
<th>First three quarters</th>
<th>Full-Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>547.8</td>
<td>1,781.4</td>
<td>2,700.0</td>
</tr>
<tr>
<td>Net sales</td>
<td>483.3</td>
<td>1,483.3</td>
<td>2,400.0</td>
</tr>
</tbody>
</table>

### Non-Consolidated

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>First three quarters</th>
<th>Full-Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>398.3</td>
<td>1,400.3</td>
<td>2,200.0</td>
</tr>
<tr>
<td>Net sales</td>
<td>374.9</td>
<td>1,162.2</td>
<td>1,900.0</td>
</tr>
</tbody>
</table>
Results by Consolidated Business Segment
(For the Third Quarter of FY2003)


Orders Received

- Mass and Medium-lot Manufactured Machinery: 32%
- Machinery & Steel Structures: 16%
- Aerospace: 10%
- Power Systems: 19%
- Shipbuilding & Ocean Development: 18%
- Others: 5%

Net sales

- Mass and Medium-lot Manufactured Machinery: 34%
- Machinery & Steel Structure: 15%
- Aerospace: 14%
- Power Systems: 23%
- Shipbuilding & Ocean Development: 9%
- Others: 5%
Results by Consolidated Business Segment
(For the First Three Quarters of FY2003)

Orders Received

- Mass & Medium-lot Manufactured Machinery: 29%
- Machinery & Steel Structures: 16%
- Aerospace: 8%
- Power Systems: 30%
- Shipbuilding & Ocean Development: 13%
- Others: 4%

Net sales

- Mass and Medium-lot Manufactured Machinery: 34%
- Machinery & Steel Structures: 14%
- Aerospace: 15%
- Power Systems: 23%
- Shipbuilding & Ocean Development: 10%
- Others: 4%
Consolidated Sales by Overseas Region


Overseas Sales ¥583.7 billion

North America 31%
Central/South America 12%
Asia 31%
Middle East 4%
Western Europe 16%
Others 6%

179.0
71.1
38.0
92.1
24.7


Overseas Sales ¥189.4 billion

North America 32%
Central/South America 10%
Asia 39%
Middle East 12%
Western Europe 5%
Others 2%

18.8
73.7
22.7
60.5
3.5
10.0
During the third quarter, MHI received orders for 15 vessels, including 5 LPG carriers, 1 LNG carrier, 2 container ships and 5 pure car carriers. (Shipbuilding order backlog is 65 vessels including 6 LNG carriers)

During the first three quarters of FY2003, MHI received orders for 31 vessels.

< FY2003 Forecasts:Orders received/Net sales/Operating income >
Current forecast: 320.0 / 200.0 / -7.5
(Forecast at end of 1H: 260.0 / 200.0 / -7.5)
Orders Received

1Q – April-June
1H – April-September
3Q – April-December (first three quarters)
Figures in parentheses are only 3Q (Oct.-Dec.)

Net Sales

1Q – April-June
1H – April-September
3Q – April-December (first three quarters)
Figures in parentheses are only 3Q (Oct.-Dec.)

[Topics]
- Received lump-sum order for major components for ultra-supercritical boilers in China

< FY2003 Forecasts: Orders received/Net sales/Operating income >
Current forecast: 710.0 / 550.0 / 26.0
(Forecast at end of 1H: 720.0 / 550.0 / 26.0)
Machinery & Steel Structures

[Topics]

- In environmental systems, MHI received its first order for a gasification melting furnace (Oct. 2003)
- Received order for automated people mover (APM) using rubber-tire cars at Incheon International Airport in Korea (Nov. 2003)

< FY2003 Forecasts: Orders received/Net sales/Operating income >
Current forecast: 430.0 / 480.0 / 12.0
(Forecast at end of 1H: 460.0 / 480.0 / 12.0)
[Topics]
- Shipped the first cargo door for the A380 (Oct. 2003)
- Delivery of F-15J Modernization Program Phase 1 (Oct. 2003)

< FY2003 Forecasts: Orders received/Net sales/Operating income >
Current forecast: 410.0 / 380.0 / 24.5
(Forecast at end of 1H: 450.0 / 380.0 / 24.5)
Mass and Medium-Lot Manufactured Machinery

[Topics]
- Established joint venture in Shanghai for manufacturing and sales of turbochargers

< FY2003 Forecasts: Orders received/Net sales/Operating income >
Current forecast: \(720.0 / 720.0 / 6.0\)
(Forecast at end of 1H: 700.0 / 720.0 / 6.0)
Others

- Construction and real estate
- Information and communication systems
- Others

<FY2003 Forecasts: Net sales/Operating income>

Current forecast: 70.0 / 8.0
(Forecast at end of 1H: 70.0 / 8.0)
## Consolidated Forecasts for FY2003

(Billion yen)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2002 Actual</th>
<th>Forecast at end of 1H</th>
<th>Revised forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received</td>
<td>2,480.9</td>
<td>2,700.0</td>
<td>2,700.0</td>
</tr>
<tr>
<td>Net sales</td>
<td>2,593.8</td>
<td>2,400.0</td>
<td>2,400.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>115.3</td>
<td>69.0</td>
<td>69.0</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>78.1</td>
<td>30.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>66.1</td>
<td>30.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Net income</td>
<td>34.3</td>
<td>15.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Forecasts are based on exchange rates of ¥105 to the U.S. dollar and ¥130 to the euro.

Forecasts of operating results and other forward-looking statements are based on management’s judgments in accordance with information available at the time these materials were prepared, and thus embody risks and uncertainties. Investors are cautioned not to make investment decisions based solely on these forecasts. Actual results may be significantly different for a number of reasons. Important factors that can affect operating results include, but are not limited to, economic trends that affect the operating environment, the yen’s value vs. the U.S. dollar and other foreign exchange rates, and trends in Japanese equity markets.
Non-Consolidated Forecasts for FY2003

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2002</th>
<th>2003</th>
<th>Revised forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Forecast at end of 1H</td>
<td></td>
</tr>
<tr>
<td>Orders received</td>
<td>2,050.7</td>
<td>2,200.0</td>
<td>2,200.0</td>
</tr>
<tr>
<td>Net sales</td>
<td>2,171.7</td>
<td>1,900.0</td>
<td>1,900.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>103.0</td>
<td>41.0</td>
<td>41.0</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>65.1</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>54.5</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Net income</td>
<td>30.1</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Annual dividend (per share)</td>
<td>6.0 yen</td>
<td>6.0 yen</td>
<td>6.0 yen</td>
</tr>
</tbody>
</table>

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