

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

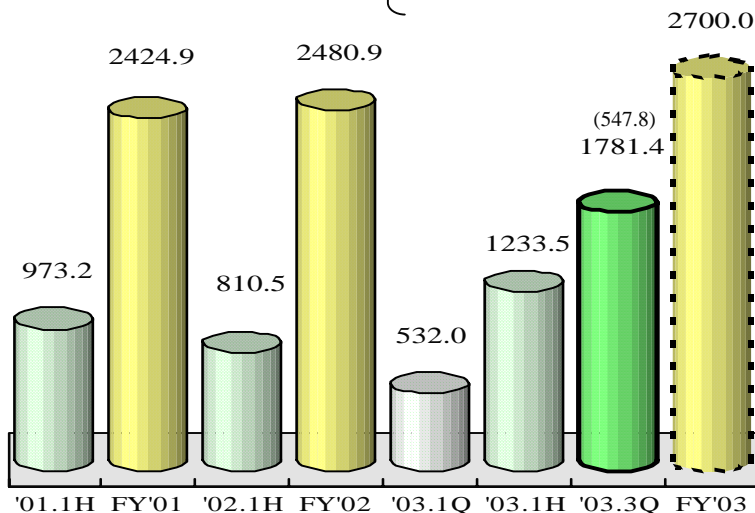
January 2004

FY2003 Third Quarter Operating Highlights

(Billion yen)

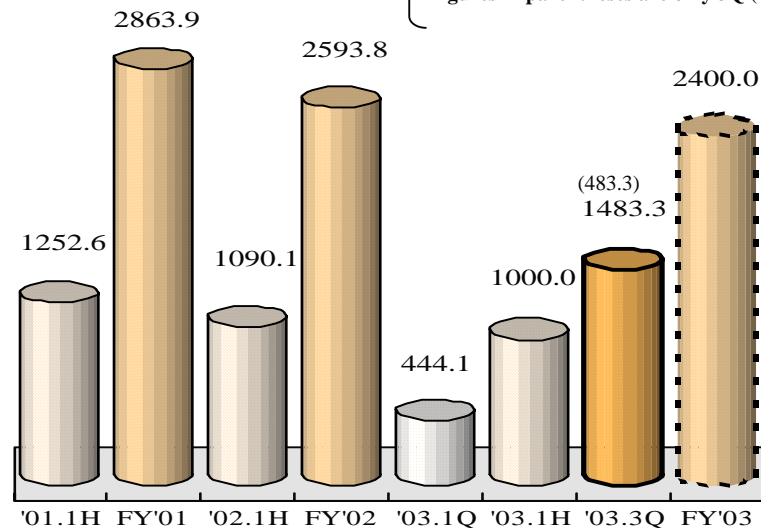
Orders Received

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
Figures in parentheses are only 3Q (Oct.-Dec.)



【 Consolidated 】

(Billion yen)

	Third quarter	First three quarters	Full-Year Forecast
Orders received	547.8	1,781.4	2,700.0
Net sales	483.3	1,483.3	2,400.0

【 Non-Consolidated 】

(Billion yen)

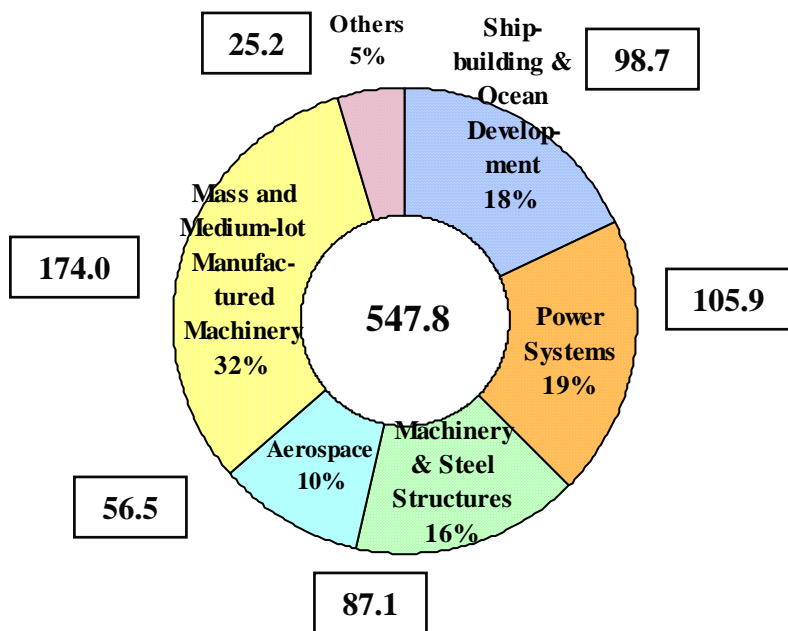
	Third Quarter	First three quarters	Full-Year Forecast
Orders received	398.3	1,400.3	2,200.0
Net sales	374.9	1,162.2	1,900.0

Results by Consolidated Business Segment (For the Third Quarter of FY2003)

(Oct. 1, 2003 ~ Dec. 31, 2003)

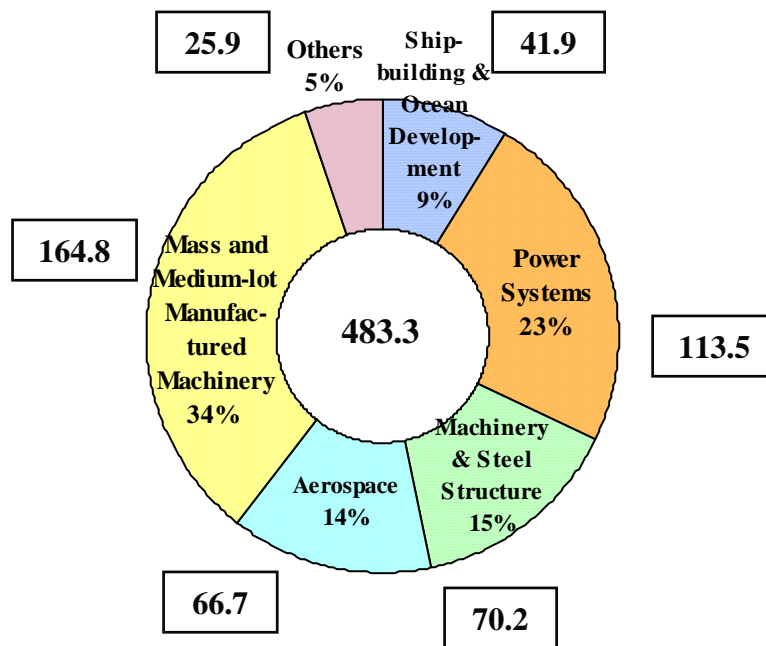
Orders Received

Billion yen



Net sales

Billion yen



Results by Consolidated Business Segment (For the First Three Quarters of FY2003)

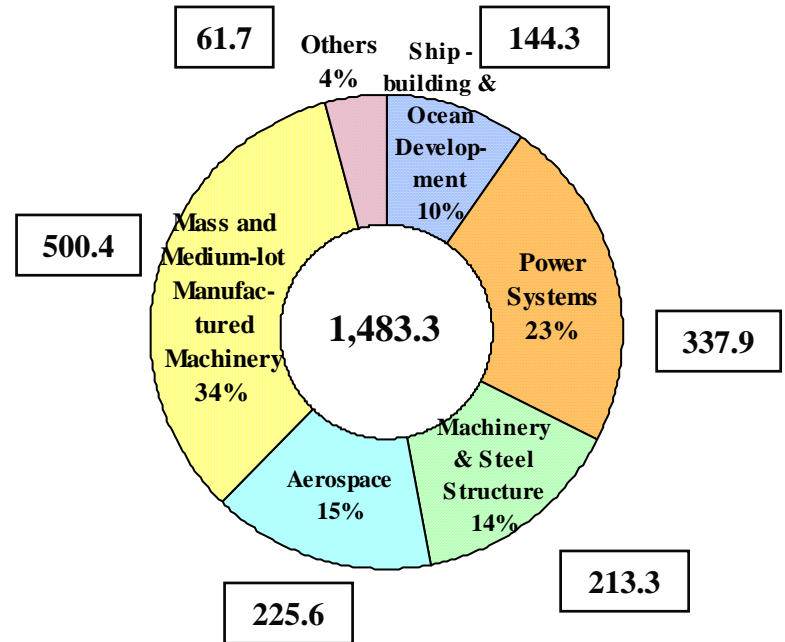
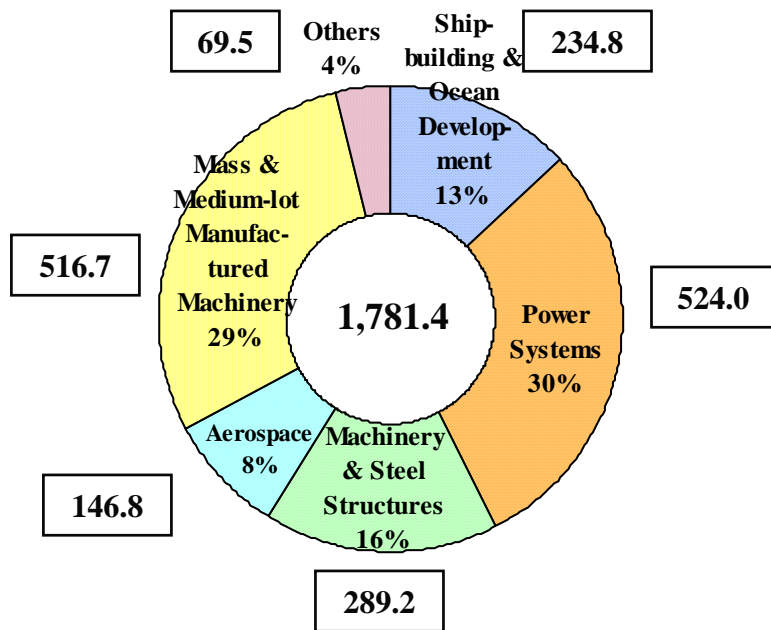
(Apr. 1, 2003 – Dec. 31, 2003)

Orders Received

Net sales

Billion yen

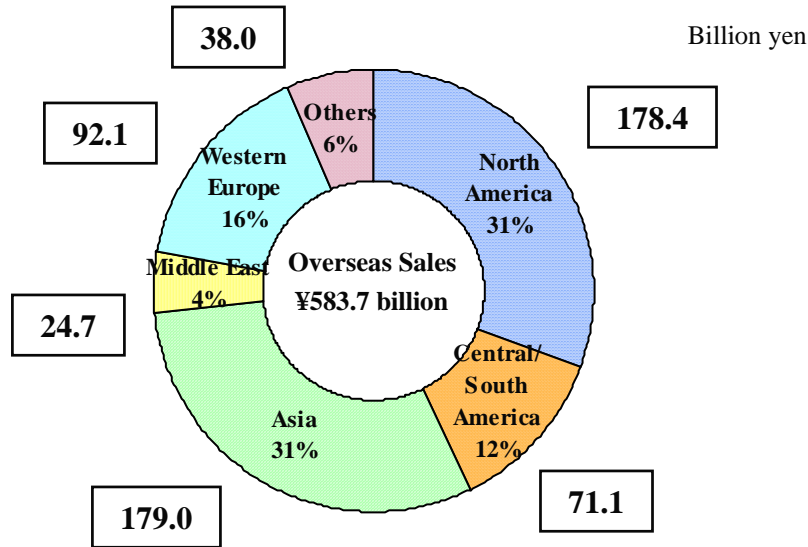
Billion yen



Consolidated Sales by Overseas Region

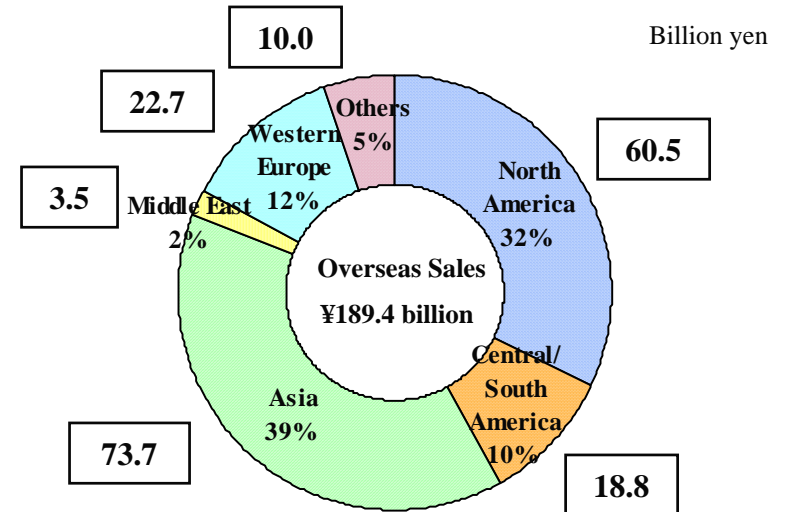
First Three Quarters of FY2003

(Apr. 1, 2003 – Dec. 31, 2003)



Third Quarter of FY2003

(Oct. 1, 2003 – Dec. 31, 2003)

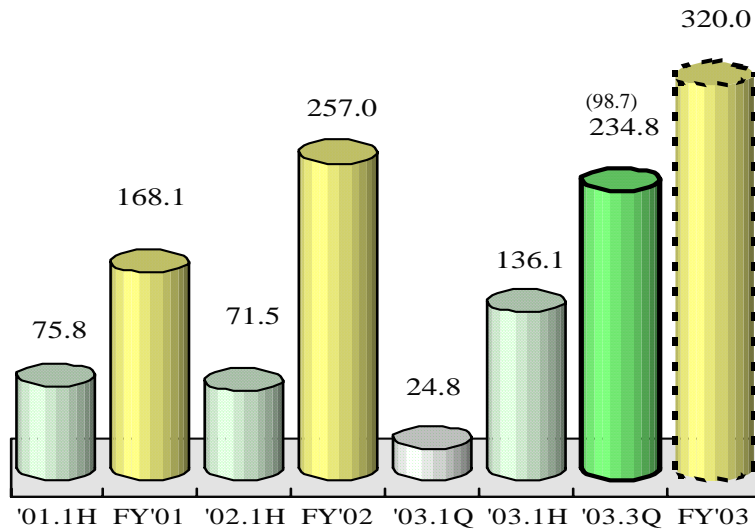


Shipbuilding & Ocean Development

(Billion yen)

Orders Received

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

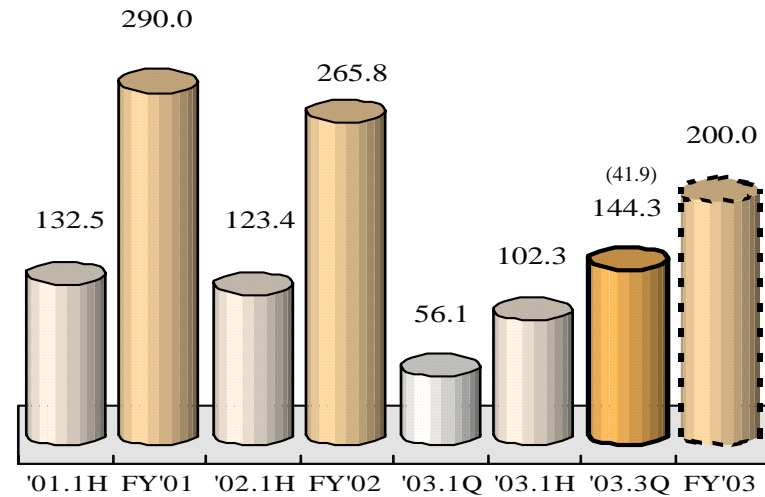


【 No. of ships (non-consolidated) 】

6 14 7 26 2 16 31
(221KGT) (558KGT) (180KGT)(1152KGT)(122KGT)(1141KGT)(2006KGT)

Net Sales

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



【 No. of ships (non-consolidated) 】

6 17 6 18 4 8 14
(192KGT) (574KGT) (423KGT) (770KGT) (166KGT) (435KGT) (568KGT)

[Topics]

- 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

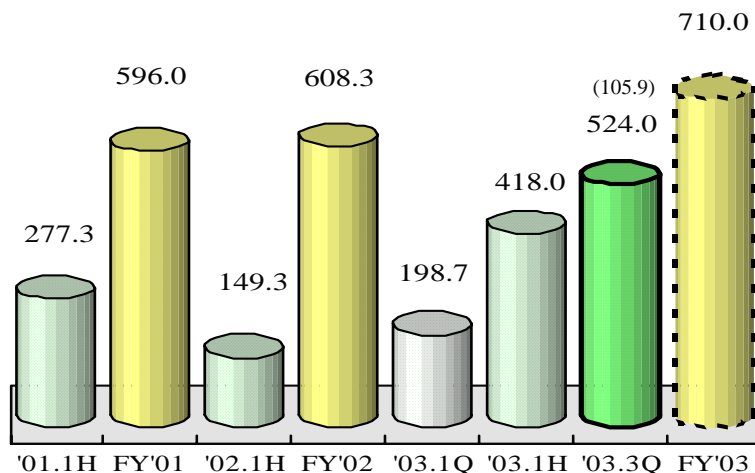
(Forecast at end of 1H: 260.0 / 200.0 / -7.5)

Power Systems

(Billion yen)

Orders Received

1Q – April-June
1H – April-September
3Q – April-December (first three quarters)
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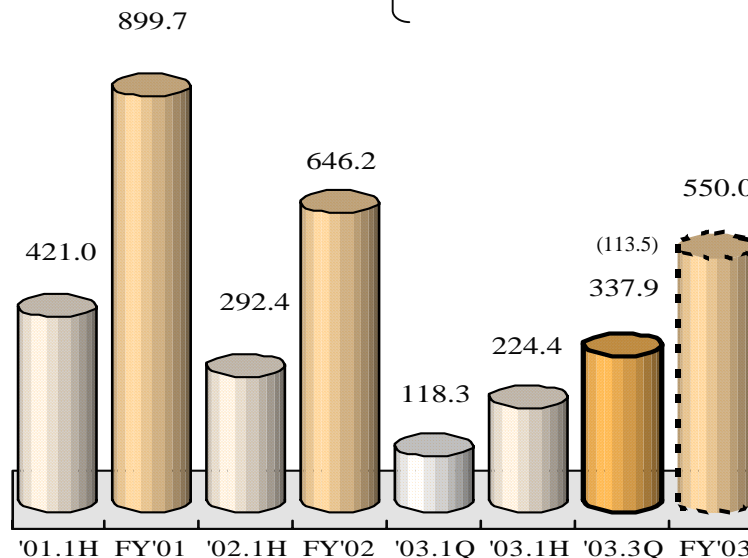


[Gas Turbine Orders Backlog (non-consolidated)]

70 59 46 41 52 55 54

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**

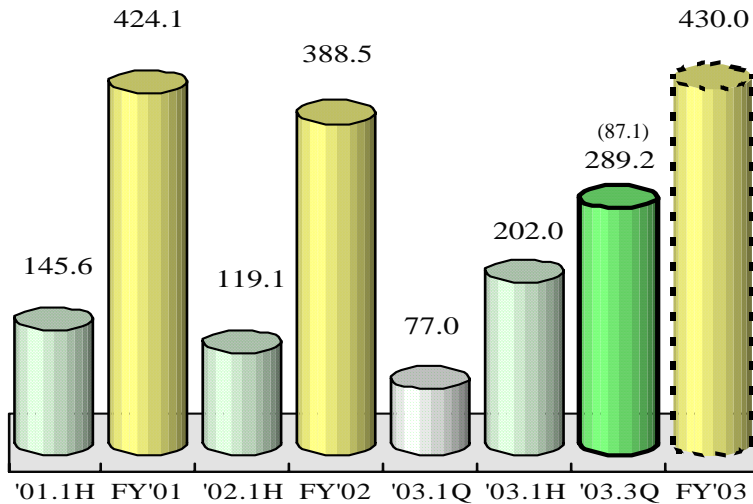
(Forecast at end of 1H: 720.0 / 550.0 / 26.0)

Machinery & Steel Structures

(Billion yen)

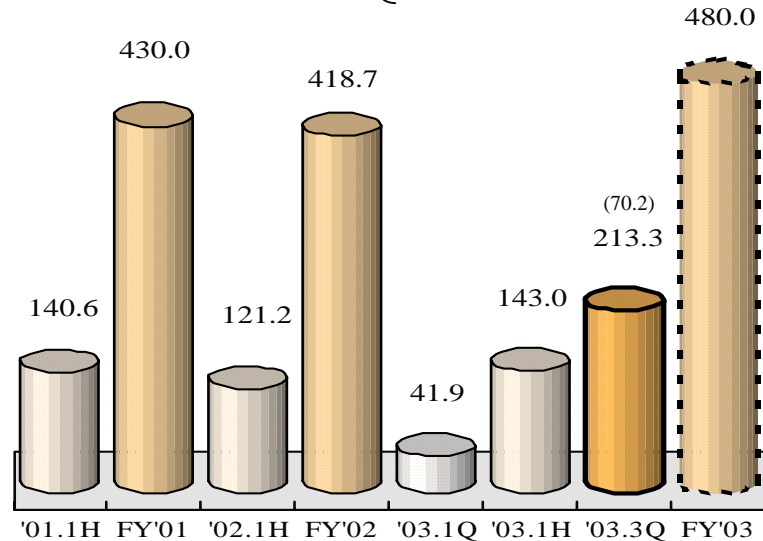
Orders Received

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]

- 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**

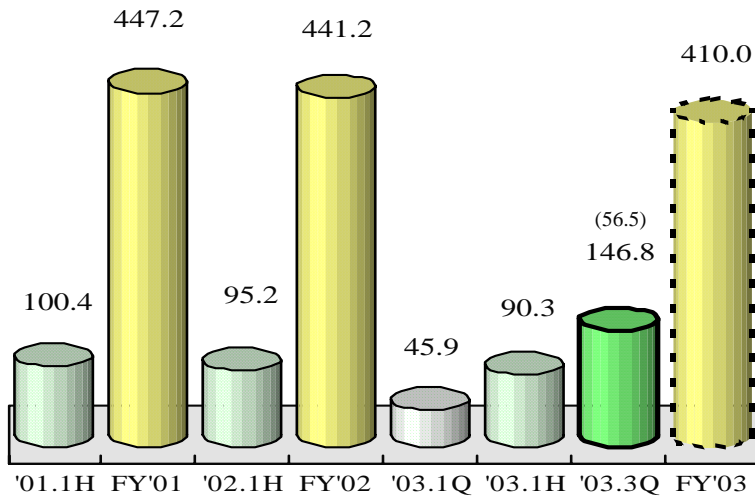
(Forecast at end of 1H: 460.0 / 480.0 / 12.0)

Aerospace

(Billion yen)

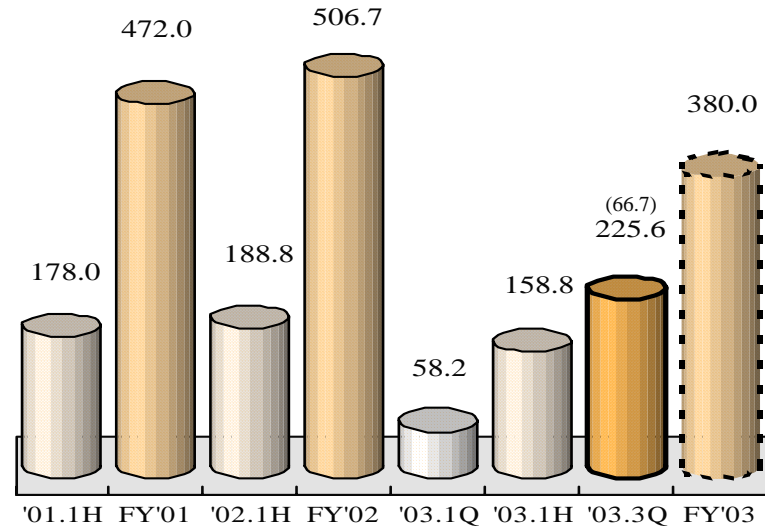
Orders Received

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.)



[Boeing 777 Aircraft Deliveries]

31 61 18 36 10 21 29

[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**

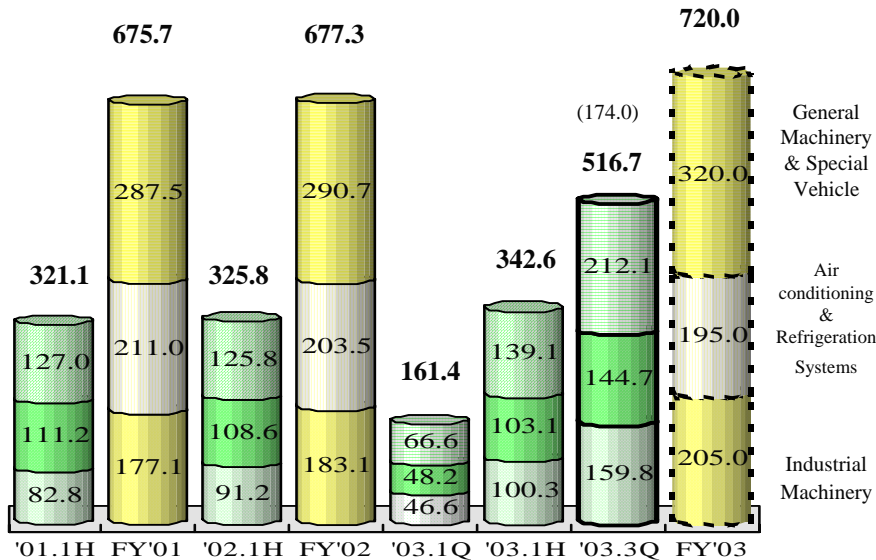
(Forecast at end of 1H: 450.0 / 380.0 / 24.5)

Mass and Medium-Lot Manufactured Machinery

(Billion yen)

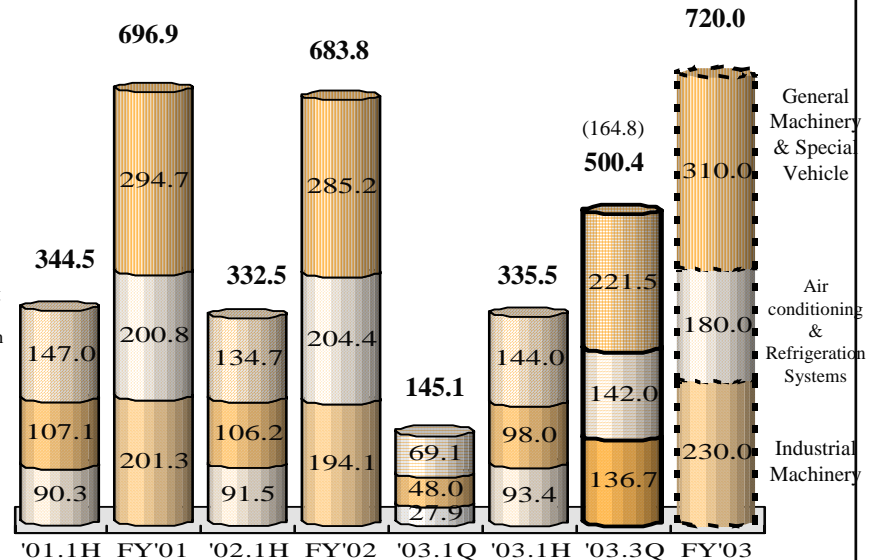
Orders Received

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)
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[Topics]

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

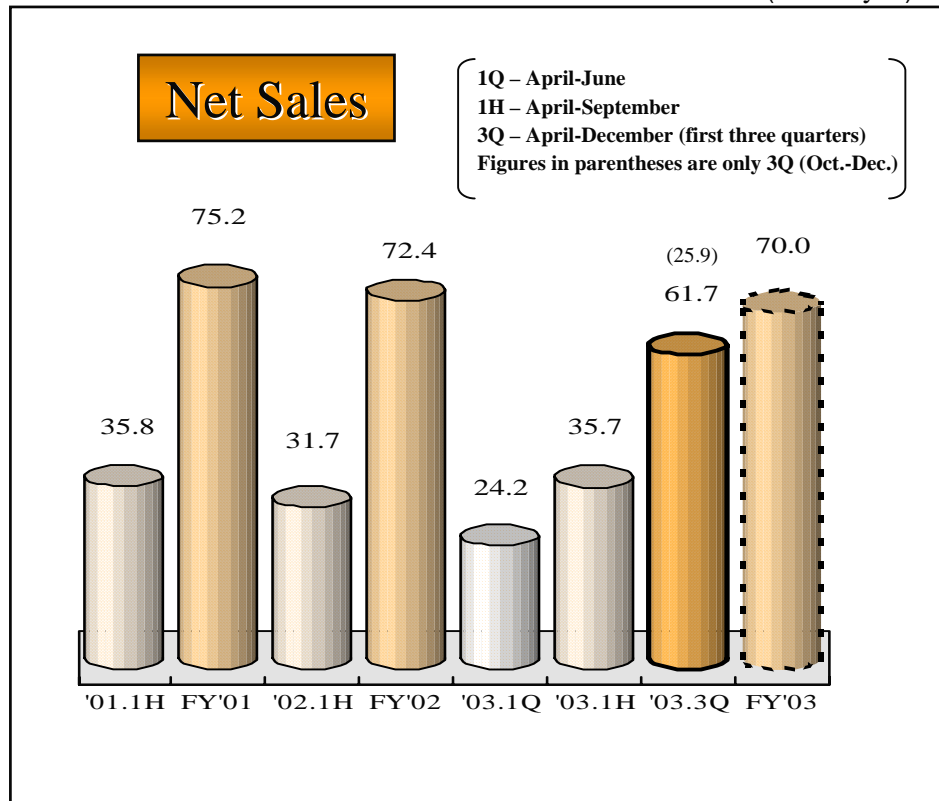
< FY2003 Forecasts: Orders received/Net sales/Operating income >

Current forecast: **720.0 / 720.0 / 6.0**

(Forecast at end of 1H: 700.0 / 720.0 / 6.0)

Others

(Billion yen)



- 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)

Fiscal Year	2002	2003	
	Actual	Forecast at end of 1H	Revised forecast
Orders received	2,480.9	2,700.0	2,700.0
Net sales	2,593.8	2,400.0	2,400.0
Operating income	115.3	69.0	69.0
Ordinary income	78.1	30.0	30.0
Income before income taxes	66.1	30.0	30.0
Net income	34.3	15.0	15.0

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

(Billion yen)

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

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