

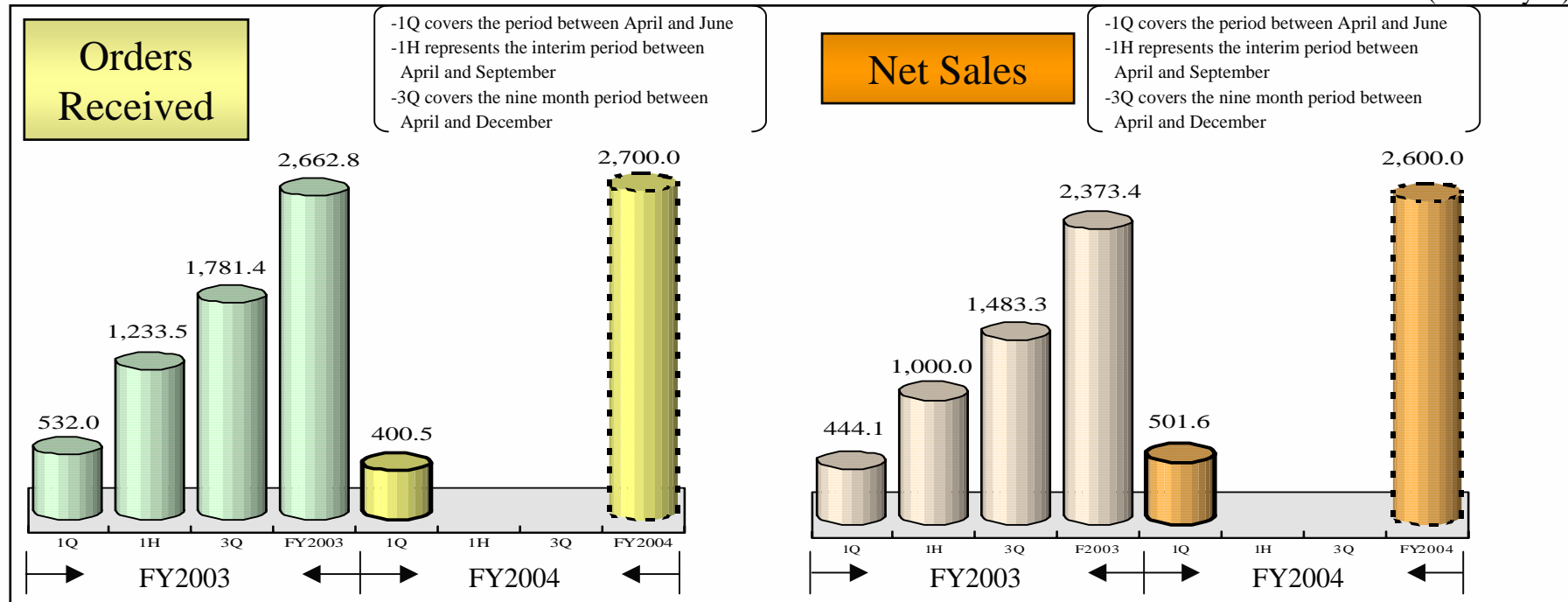
Outline of First Quarter Results for FY2004

(April 1, 2004 – June 30, 2004)

August 2004

Outline of FY 2004 First Quarter Results

(Billion yen)



Note: 1) While large scale orders concentrated in the first half last year, orders tend to gravitate toward the second half this year.
2) 1Q results were favorable vis-à-vis the plan.

Note: 1Q saw net year-on-year increase reflecting the increase in the number of new ships delivered, the progress of Taiwan *Shinkansen* project, and the growth in mass and medium-lot manufactured machinery business.

«Consolidated»

(Billion yen)

	First Quarter FY2004	First Quarter FY2003	Changes
Orders Received	400.5	532.0	-131.4
Net Sales	501.6	444.1	57.5

Reference: «Non-Consolidated»

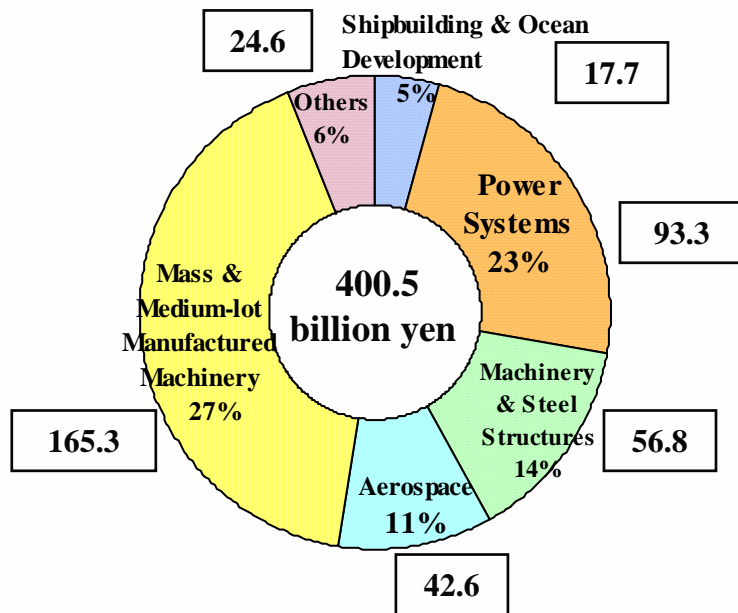
(Billion yen)

	First Quarter FY2004	First Quarter FY2003	Changes
Orders Received	289.9	432.5	-142.5
Net Sales	402.2	339.5	62.7

Consolidated Orders Received and Net Sales by Segment (First Quarter of FY2004)

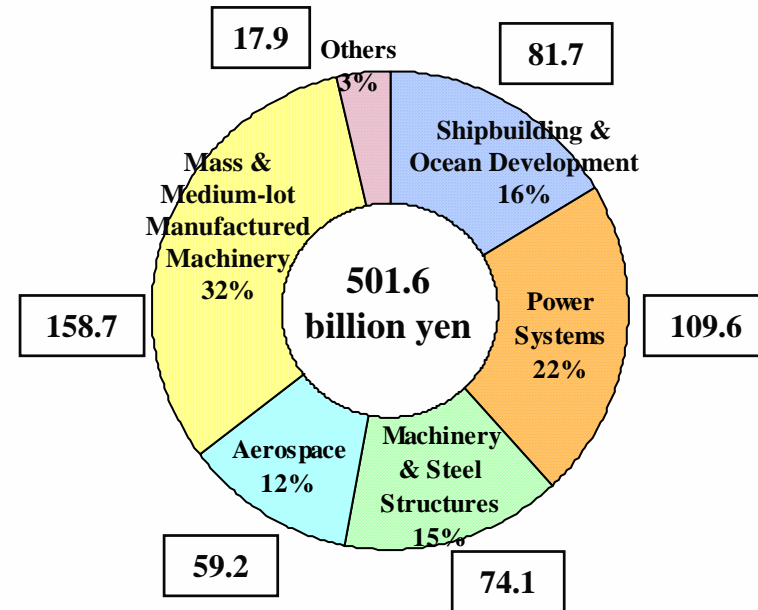
Orders Received

(Billion yen)



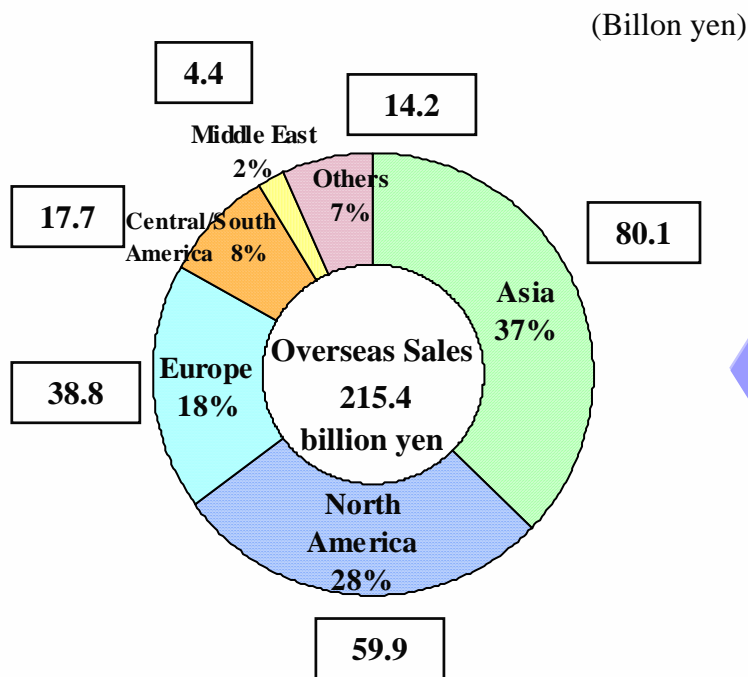
Net Sales

(Billion yen)

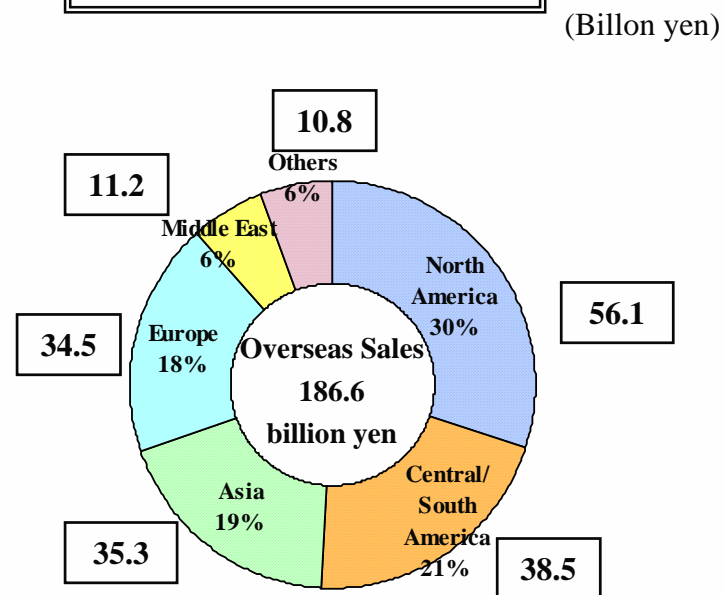


Overseas Consolidated Sales by Region

First Quarter FY2004



**Reference:
First Quarter FY2003**

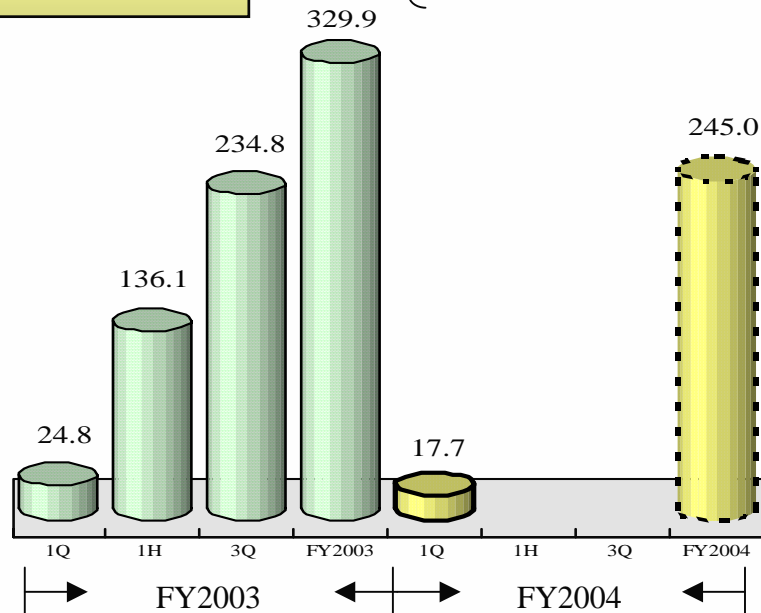


Shipbuilding & Ocean Development

(Billion yen)

Orders Received

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December

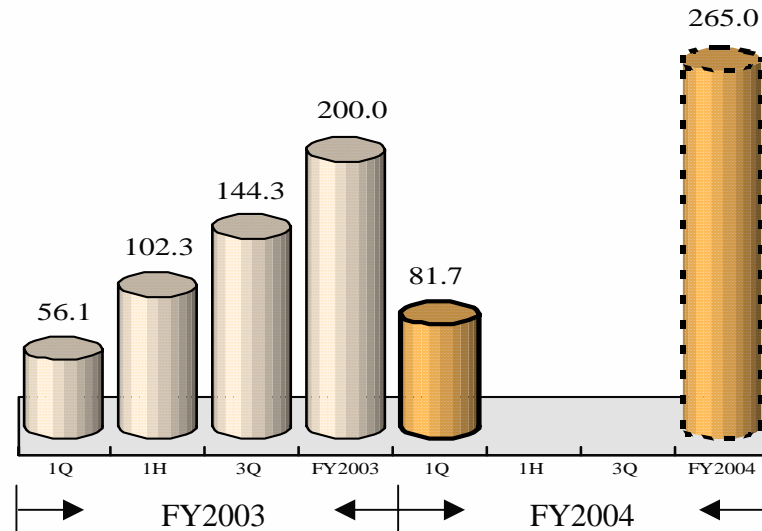


«Number of Ships Ordered (non-consolidated)»

2 16 31 38 3
(122KGT) (1141KGT) (2006KGT) (2448KGT) (26KGT)

Net Sales

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



«Number of Ships Delivered (non-consolidated)»

4 8 14 21 7
(166KGT) (435KGT) (568KGT) (871KGT) (385KGT)

«Topics»

Delivered the cruise ship "Sapphire Princess" (May, 2004)

«Forecast for FY2004: Orders Received/Sales/Operating Income»

Current forecast : 245.0 / 265.0 / -6.0

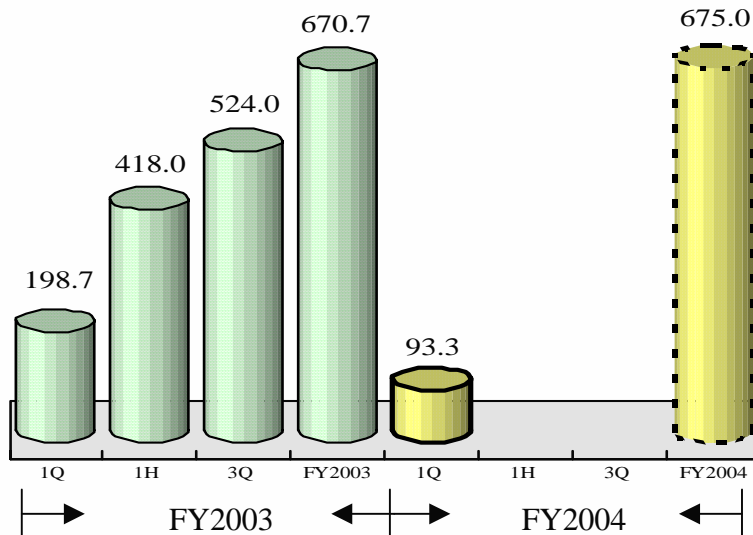
(Original forecast: 245.0 / 265.0 / -6.0)

Power Systems

(Billion yen)

Orders Received

-1Q covers the period between April and June
 -1H represents the interim period between April and September
 -3Q covers the nine month period between April and December

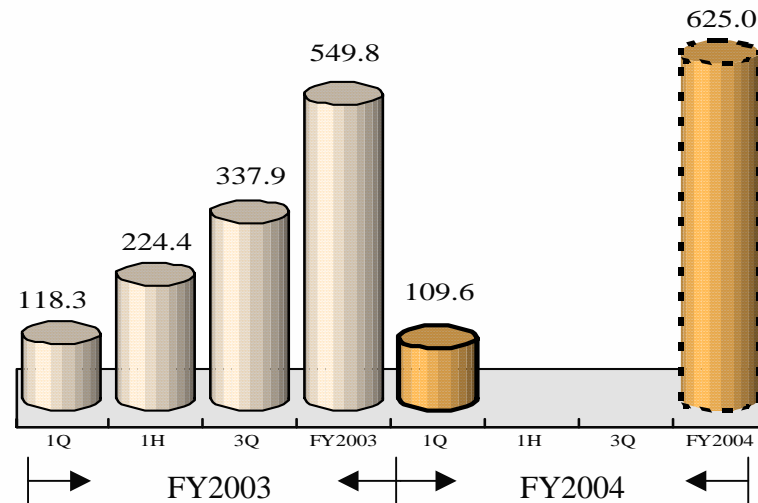


«Gas Turbine Order Backlog (non-consolidated)»

52 55 54 54 57

Net Sales

-1Q covers the period between April and June
 -1H represents the interim period between April and September
 -3Q covers the nine month period between April and December



«Topics»

- Received an order for gas turbine combined cycle power plant from China's Anshan Iron & Steel Group Co.
- Received an order for gas turbine from China's Shagang Group.

«Forecast for FY2004: Orders Received/Sales/Operating Income»

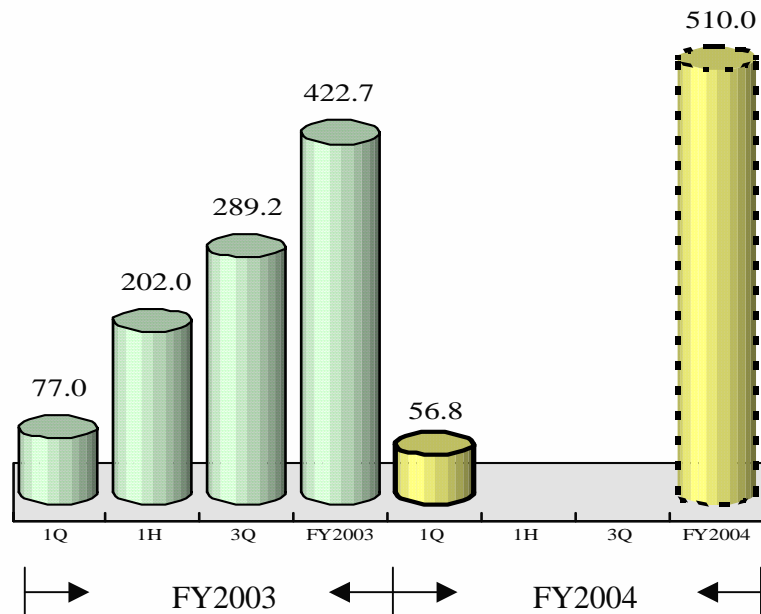
Current forecast : 675.0 / 625.0 / 20.0
 (Original forecast: 675.0 / 625.0 / 20.0)

Machinery & Steel Structures

(Billion yen)

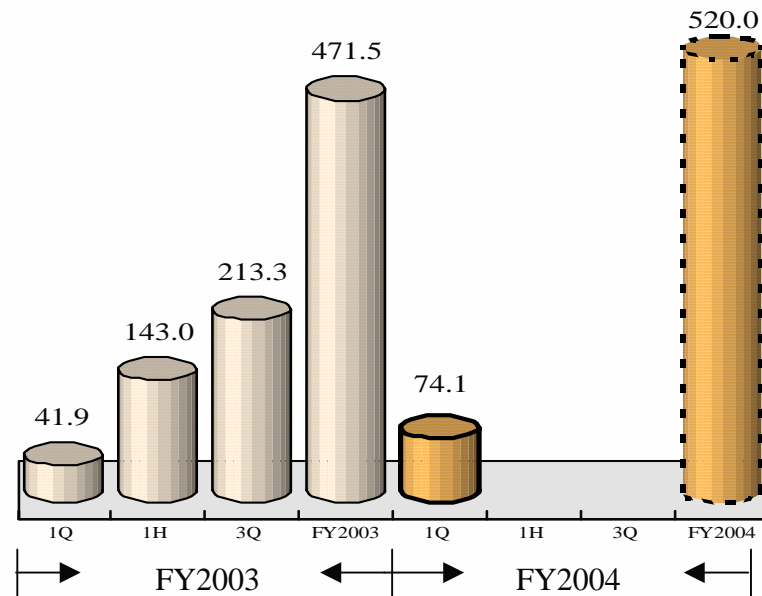
Orders Received

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



Net Sales

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



«Topics»

Received an order for four container handling quayside cranes for use at Chittagong Port in Bangladesh

«Forecast for FY2004: Orders Received/Sales/Operating Income»

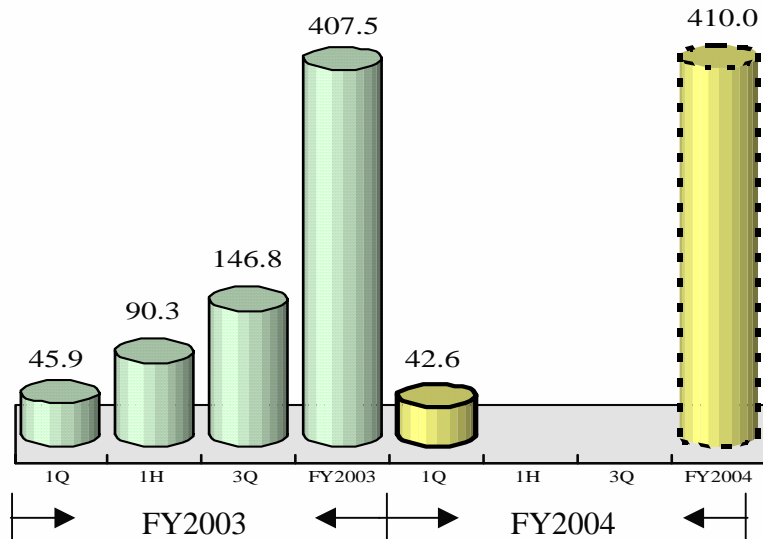
Current forecast : 510.0 / 520.0 / 10.0
(Original forecast: 510.0 / 520.0 / 10.0)

Aerospace

(Billion yen)

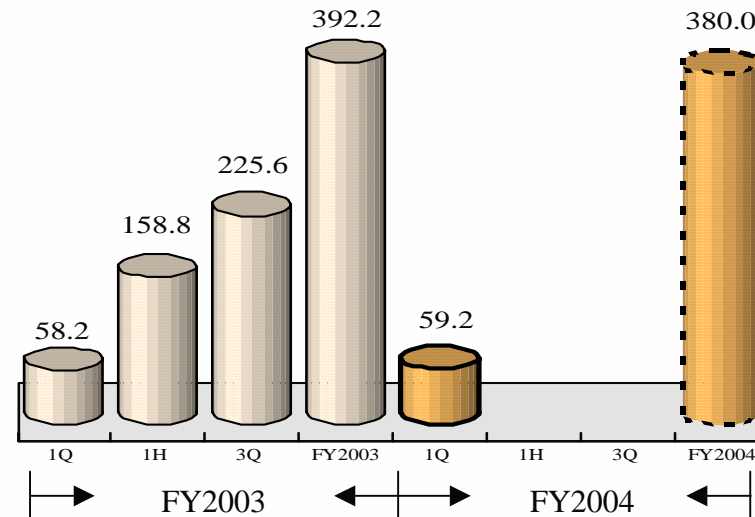
Orders Received

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



Net Sales

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



«Number of B777's Delivered»

10 21 29 39 8

«Topics»

The Boeing launched the Boeing 7E7 (April, 2004) accelerating R&D on main wings made of composite materials

«Forecast for FY2004: Orders Received/Sales/Operating Income»

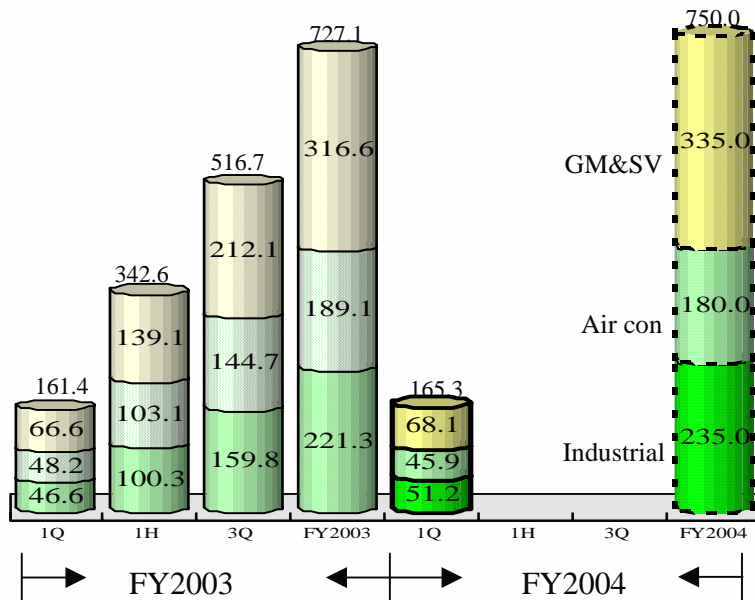
Current forecast : 410.0 / 380.0 / 14.0
(Original forecast: 410.0 / 380.0 / 14.0)

Mass and Medium-Lot Manufactured Machinery

(Billion yen)

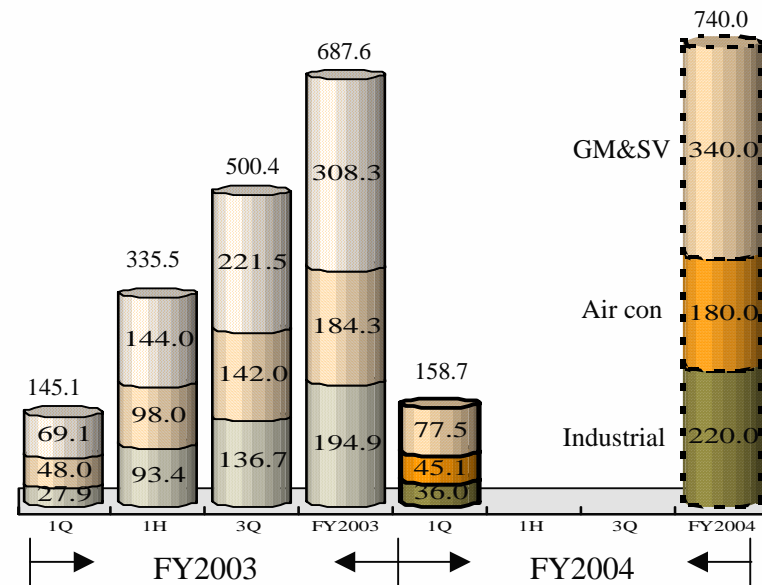
Orders Received

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



Net Sales

-1Q covers the period between April and June
-1H represents the interim period between April and September
-3Q covers the nine month period between April and December



GM&SV: General Machinery & Special Vehicle

Air con: Air-conditioning and Refrigeration System

Industrial: Industrial Machinery

«Topics»

Reached a basic agreement on the integration of air-conditioning and refrigeration business with Hitachi Ltd. and Hitachi Air Conditioning Systems Co., Ltd. (2004.6)

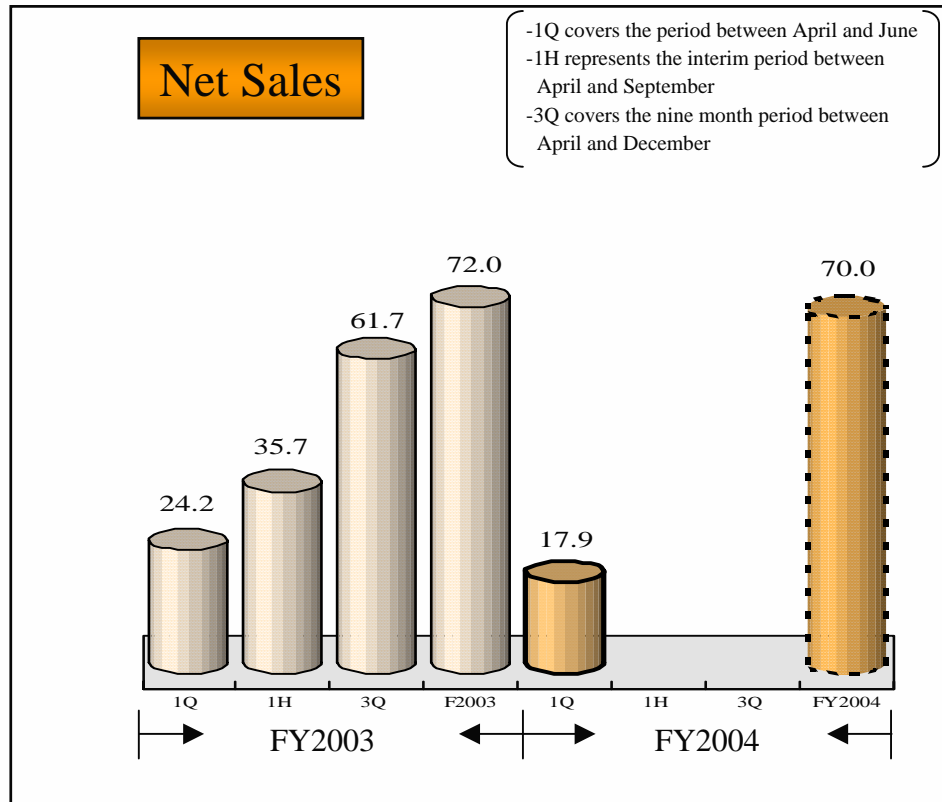
«Forecast for FY2004: Orders Received/Sales/Operating Income»

Current forecast : 750.0 / 740.0 / 12.0
(Original forecast: 750.0 / 740.0 / 12.0)



Others

(Billion yen)



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

«Forecast for FY2004: Sales/Operating Income»

Current forecast : 70.0 / 5.0

(Original forecast: 70.0 / 5.0)

Full Year Forecast for FY2004 (Consolidated)

(Billion yen)

	FY2003	FY2004	
	Actual	Original	Updated
Orders Received	2,662.8	2,700.0	2,700.0
Net Sales	2,373.4	2,600.0	2,600.0
Operating Income	66.6	55.0	55.0
Ordinary Income	29.7	37.0	37.0
Income before Income Taxes	50.1	37.0	37.0
Net Income	21.7	22.0	22.0

Forecasts are based on exchange rates of Yen105 to the U.S. dollar and Yen130 to the euro.

Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this presentation was prepared. Forecasts therefore embody risks and uncertainties. For this reason, investors are urged not to make decisions based solely on these forecasts. Actual results may differ significantly from these forecasts for a number of factors. Such factors include, but are not limited to, economic trends affecting the company's operating environment, the value of the yen relative to the U.S. dollar and other foreign currencies and trends in Japan's stock market.

Full Year Forecast for FY2004

(Non-Consolidated)

(Billion yen)

		FY2003	FY2004	
		Actual	Original	Updated
Orders Received		2,159.2	2,200.0	2,200.0
Net Sales		1,940.1	2,150.0	2,150.0
Operating Income		35.2	36.0	36.0
Ordinary Income		7.5	20.0	20.0
Income before Income Taxes		23.7	20.0	20.0
Net Income		5.2	10.0	10.0
Total Annual Divident per Share	Interim Dividend	3.0 yen	0.0 yen	0.0 yen
	Year-end Dividend	6.0 yen	4.0 yen	4.0 yen

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