Outline of First Quarter Results for FY2004

August 2004
Outline of FY 2004 First Quarter Results

**Orders Received**
- FY2003: 532.0
- FY2004: 400.5

**Net Sales**
- FY2003: 444.1
- FY2004: 501.6

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.

**Reference: «Non-Consolidated»**

<table>
<thead>
<tr>
<th></th>
<th>First Quarter FY2004</th>
<th>First Quarter FY2003</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders Received</td>
<td>289.9</td>
<td>432.5</td>
<td>-142.5</td>
</tr>
<tr>
<td>Net Sales</td>
<td>402.2</td>
<td>339.5</td>
<td>62.7</td>
</tr>
</tbody>
</table>

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.

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

#### Orders Received

<table>
<thead>
<tr>
<th>Segment</th>
<th>Orders Received (Billon yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass &amp; Medium-lot Manufactured Machinery</td>
<td>165.3</td>
</tr>
<tr>
<td>Machinery &amp; Steel Structures</td>
<td>56.8</td>
</tr>
<tr>
<td>Aerospace</td>
<td>42.6</td>
</tr>
<tr>
<td>Power Systems</td>
<td>93.3</td>
</tr>
<tr>
<td>Shipbuilding &amp; Ocean Development</td>
<td>24.6</td>
</tr>
<tr>
<td>Others</td>
<td>17.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>400.5 billion yen</strong></td>
</tr>
</tbody>
</table>

#### Net Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Sales (Billon yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass &amp; Medium-lot Manufactured Machinery</td>
<td>158.7</td>
</tr>
<tr>
<td>Machinery &amp; Steel Structures</td>
<td>74.1</td>
</tr>
<tr>
<td>Aerospace</td>
<td>59.2</td>
</tr>
<tr>
<td>Power Systems</td>
<td>109.6</td>
</tr>
<tr>
<td>Shipbuilding &amp; Ocean Development</td>
<td>81.7</td>
</tr>
<tr>
<td>Others</td>
<td>17.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>501.6 billion yen</strong></td>
</tr>
</tbody>
</table>
Overseas Consolidated Sales by Region

First Quarter FY2004

Overseas Sales
215.4 billion yen

Asia 37%
North America 28%
Europe 18%
Central/South America 8%
Middle East 2%
Others 7%

Reference: First Quarter FY2003

Overseas Sales
186.6 billion yen

Asia 37%
North America 30%
Central/South America 21%
Europe 18%
Middle East 6%
Others 6%

(Million yen)
Shipbuilding & Ocean Development

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

**Forecast for FY2004: Orders Received/Sales/Operating Income**

Current forecast: 245.0 / 265.0 / -6.0

(Original forecast: 245.0 / 265.0 / -6.0)

**Number of Ships Ordered (non-consolidated)**

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

**Number of Ships Delivered (non-consolidated)**

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

**Topics**

Delivered the cruise ship “Sapphire Princess” (May, 2004)
Power Systems

(Billion yen)

Orders Received

Net Sales

1Q represents 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

Forecast for FY2004: Orders Received/Sales/Operating Income

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

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.

Gas Turbine Order Backlog (non-consolidated)

<table>
<thead>
<tr>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>FY2003</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>FY2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>198.7</td>
<td>524.0</td>
<td></td>
<td>670.7</td>
<td></td>
<td></td>
<td></td>
<td>675.0</td>
</tr>
<tr>
<td>418.0</td>
<td></td>
<td>93.3</td>
<td></td>
<td>118.3</td>
<td>224.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>109.6</td>
<td>625.0</td>
</tr>
</tbody>
</table>
### Machinery & Steel Structures

**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

<table>
<thead>
<tr>
<th></th>
<th>FY2003</th>
<th>FY2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Machinery &amp; Steel Structures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q</td>
<td>77.0</td>
<td>41.9</td>
</tr>
<tr>
<td>1H</td>
<td>202.0</td>
<td>143.0</td>
</tr>
<tr>
<td>3Q</td>
<td>289.2</td>
<td>213.3</td>
</tr>
<tr>
<td>FY2003</td>
<td>56.8</td>
<td>74.1</td>
</tr>
<tr>
<td>FY2004</td>
<td>510.0</td>
<td>520.0</td>
</tr>
</tbody>
</table>

- **Forecast for FY2004: Orders Received/Sales/Operating Income**
  - Current forecast: 510.0 / 520.0 / 10.0
  - (Original forecast: 510.0 / 520.0 / 10.0)

**Topics**
- Received an order for four container handing 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

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

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

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

«Topics»

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

«Number of B777’s Delivered»

1Q 1H 3Q FY2003 1Q 1H 3Q FY2004

1Q: 45.9 90.3 146.8 42.6
2Q: 407.5
3Q: 410.0
FY2004: 380.0

1Q: 58.2
2Q: 158.8
3Q: 225.6
FY2003: 392.2
FY2004: 39.2

10 21 29 39 8
Mass and Medium-Lot Manufactured Machinery

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

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

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

«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)
- 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)

<table>
<thead>
<tr>
<th></th>
<th>FY2003 Actual</th>
<th>FY2003 Original</th>
<th>FY2004 Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders Received</td>
<td>2,662.8</td>
<td>2,700.0</td>
<td>2,700.0</td>
</tr>
<tr>
<td>Net Sales</td>
<td>2,373.4</td>
<td>2,600.0</td>
<td>2,600.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>66.6</td>
<td>55.0</td>
<td>55.0</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>29.7</td>
<td>37.0</td>
<td>37.0</td>
</tr>
<tr>
<td>Income before Income Taxes</td>
<td>50.1</td>
<td>37.0</td>
<td>37.0</td>
</tr>
<tr>
<td>Net Income</td>
<td>21.7</td>
<td>22.0</td>
<td>22.0</td>
</tr>
</tbody>
</table>

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.
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### Full Year Forecast for FY2004 (Non-Consolidated) (Billion yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2003</th>
<th>FY2004</th>
<th>Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Original</td>
<td>Updated</td>
</tr>
<tr>
<td>Orders Received</td>
<td>2,159.2</td>
<td>2,200.0</td>
<td>2,200.0</td>
</tr>
<tr>
<td>Net Sales</td>
<td>1,940.1</td>
<td>2,150.0</td>
<td>2,150.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>35.2</td>
<td>36.0</td>
<td>36.0</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>7.5</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Income before Income Taxes</td>
<td>23.7</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Net Income</td>
<td>5.2</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td><strong>Total Annual Dividend per Share</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim Dividend</td>
<td>3.0 yen</td>
<td>0.0 yen</td>
<td>0.0 yen</td>
</tr>
<tr>
<td>Year-end Dividend</td>
<td>6.0 yen</td>
<td>4.0 yen</td>
<td>4.0 yen</td>
</tr>
</tbody>
</table>