



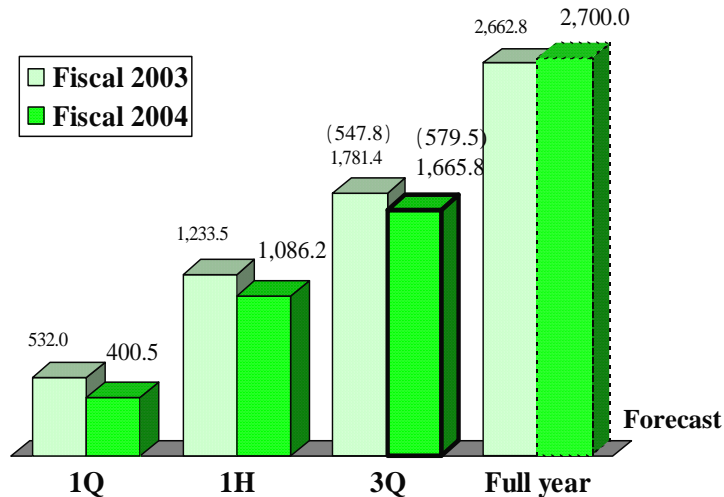
# Outline of Third Quarter Results for FY 2004

February 2005

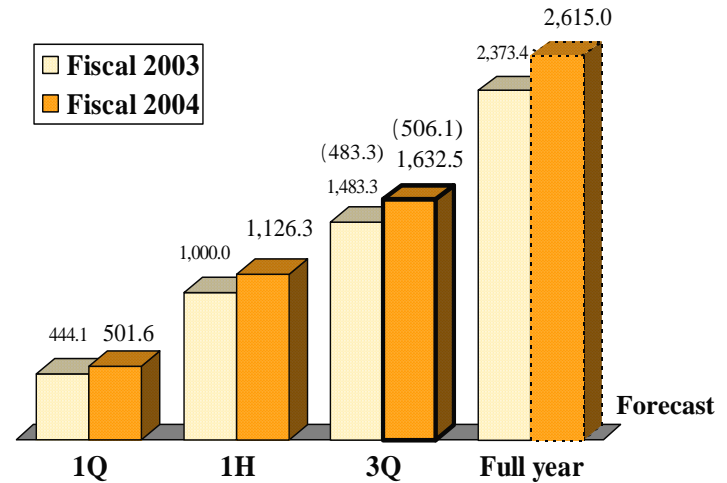
# Overview of FY 2004 Third Quarter Results

(Billion Yen)

## Orders Received



## Net Sales



• 1Q : April-June  
 • 1H : April-September  
 • 3Q: April-December (9 months)  
 Figures in ( ): October-December (3 months)

### [Orders Received]

The total orders received for the first three quarters increased almost in line with the plan although it was down slightly from the same period last year when large orders were concentrated in the first half. However, there were strong orders for mass and medium-lot manufactured machinery of printing machines, all purpose engines, and forklifts, along with large power systems and new carriers.

### [Net Sales]

Due to the increase in the number of new carriers delivered, construction progress on large power systems and the Taiwan Shinkansen, and the growth in the mass and medium-lot manufactured machinery business, respective net sales in the first three quarters surpassed the levels of last year, and full year sales is expected to exceed the previous year's level.

(Billion Yen)

[Consolidated]	Third Quarter FY 2004	Third Quarter FY 2003	Changes
Orders Received	1,665.8	1,781.4	-115.5
Net Sales	1,632.5	1,483.3	149.1

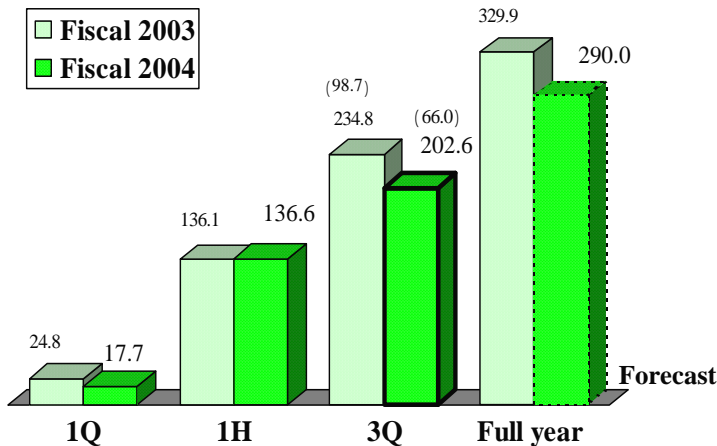
(Billion Yen)

[Reference] Non-Consolidated	Third Quarter FY 2004	Third Quarter FY 2003	Changes
Order Intake	1,294.8	1,400.3	-105.4
Net Sales	1,314.1	1,162.2	151.9

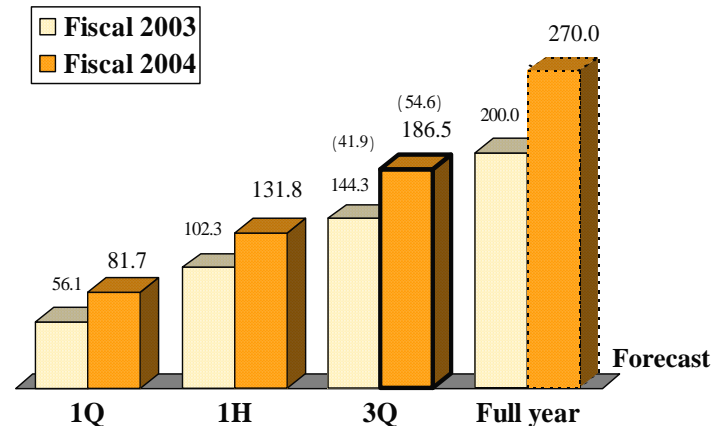
# Shipbuilding & Ocean Development

(Billion Yen)

## Orders Received



## Net Sales



• 1Q : April-June  
 • 1H : April-September  
 • 3Q: April-December (9 months)  
 Figures in ( ) : October-December (3 months)

### [Orders Received]

- Carrier orders received were below last year's level when 15 orders were received, including 5 LPG and 1 LNG vessels. However, in the third quarter, 7 new orders were received including the orders for 2 LNG carriers for Sakhalin
- The conditions in the shipbuilding market continue to be favorable, and new orders are being sought for our specialty of LNG carriers. (67 carrier orders in backlog including 12 LNG carriers)

	[Number of orders received for carriers] Non-Consolidated			
	1Q	1H	3Q	Full Year
FY 2003	2 (122KGT)	16 (1141KGT)	31 (2006KGT)	38 (2448KGT)
FY 2004	3 ( 26KGT)	10 ( 705KGT)	17 (1071KGT)	

### [Net Sales]

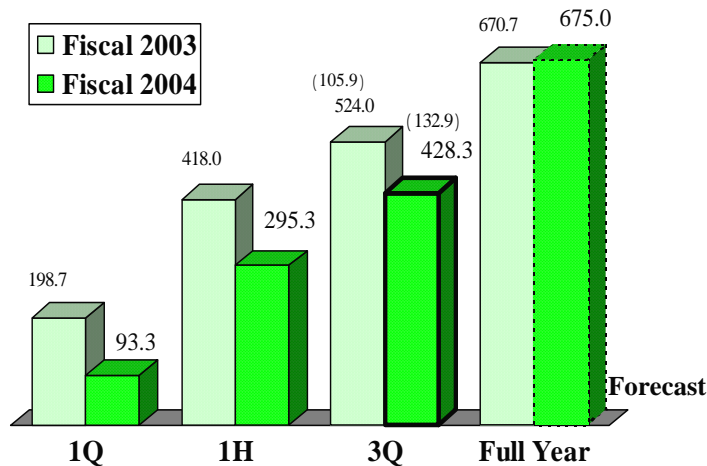
- The number of carrier deliveries was greater than last year, and year-to-date sales increased 29% year-on-year for the third quarter.  
 Full year sales expected to post substantial gains over last year.

	[Number of carriers delivered] Non-Consolidated			
	1Q	1H	3Q	Full Year
FY 2003	4 (166KGT)	8 (435KGT)	14 (568KGT)	21 (871KGT)
FY 2004	7 (385KGT)	12 (802KGT)	15 (1084KGT)	

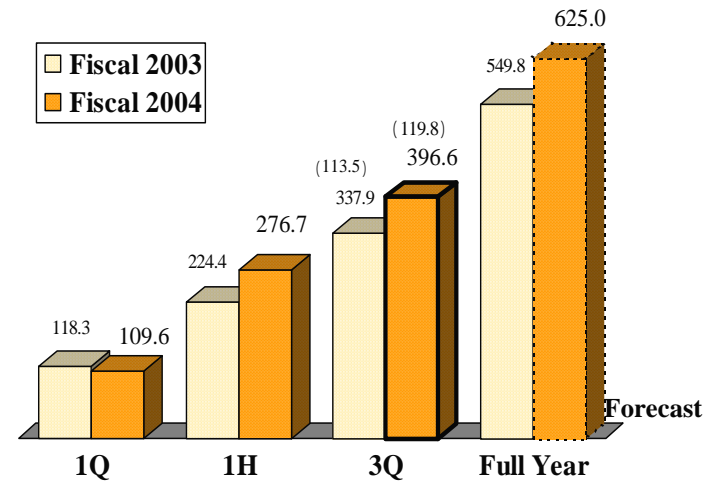
# Power Systems

(Billion Yen)

## Orders Received



## Net Sales



• 1Q : April-June  
 • 1H : April-September  
 • 3Q: April-December (9 months)  
 Figures in ( ): October-December (3 months)

### [Orders Received]

- Orders Received were down from the same period last year when orders for large power systems were concentrated in the first half. However, there was strong demand in Europe and Asia for gas turbines and combined cycle power systems, which are efficient and environmentally friendly. Full year orders are expected to remain flat from last year.

### [Net Sales]

- There was a 17% increase in net sales compared to the same period last year reflecting the increase in revenue from large power systems which is accounted for by the percentage of completion method.  
 - Full year sales expected to post gains over last year.

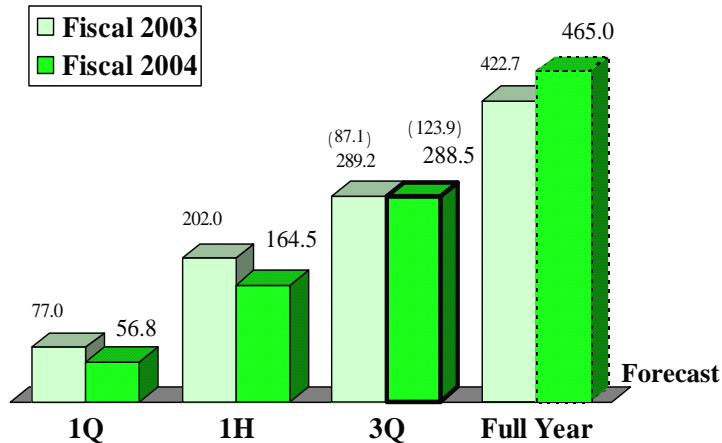
### [Gas turbine order backlog] Non-Consolidated

	1Q	1H	3Q	Full Year
FY 2003	52	55	54	54
FY 2004	57	56	56	

# Machinery & Steel Structures

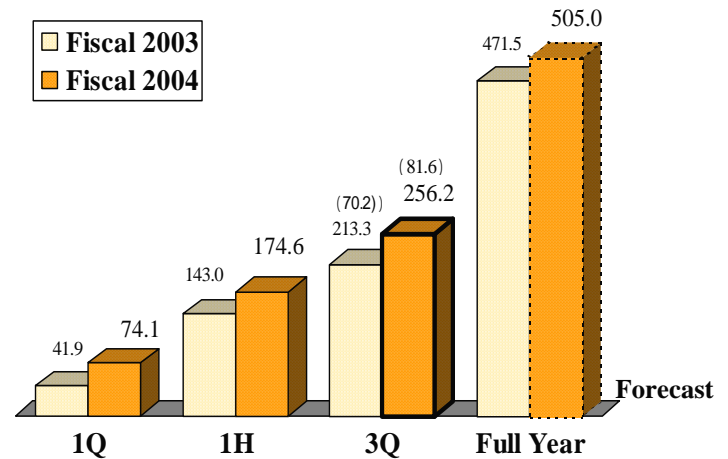
(Billion Yen)

## Orders Received



## Net Sales

• 1Q : April-June  
 • 1H : April-September  
 • 3Q : April-December (9 months)  
 Figures in ( ) : October-December (3 months)



### [Orders Received]

- In the third quarter orders received were at the same level as last year due to a large fertilizer production plant order from Oman.
- Although the business environment in Japan is tight due to declining public investment, there is strong demand from overseas for new traffic systems and chemical plant construction, and full year orders are expected to be better than last year.

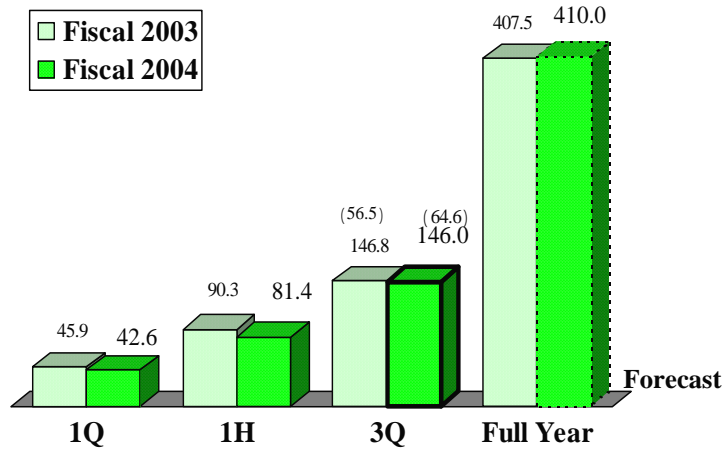
### [Net Sales]

- Net sales were up by 20% reflecting mainly the progress in Taiwan Shinkansen project.

# Aerospace

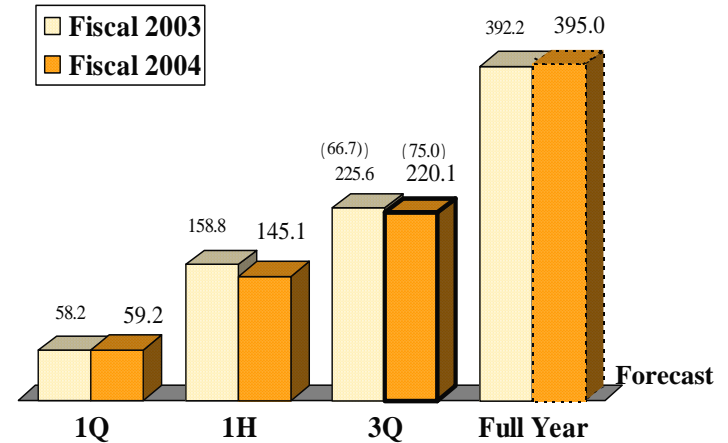
(Billion Yen)

## Orders Received



## Net Sales

• 1Q : April-June  
 • 1H : April-September  
 • 3Q : April-December (9 months)  
 Figures in ( ) : October-December (3 months)



### [Orders Received]

- In this segment the orders tend to be concentrated toward the end of the fiscal year. Order intake for the first three quarters was about the same as last year.
- Civil aircraft related orders are also recovering, and total orders are expected to be about the same as last year on a full year basis.

### [Net Sales]

- Total net sales are expected to remain flat vis-à-vis last year for the first three quarters as well as for the year as a whole.

### [Number of B777 aircrafts for which component parts are delivered]

	1Q	1H	3Q	Full Year
FY 2003	10	21	29	39
FY 2004	8	18	27	

# Mass & Medium-lot Manufactured Machinery

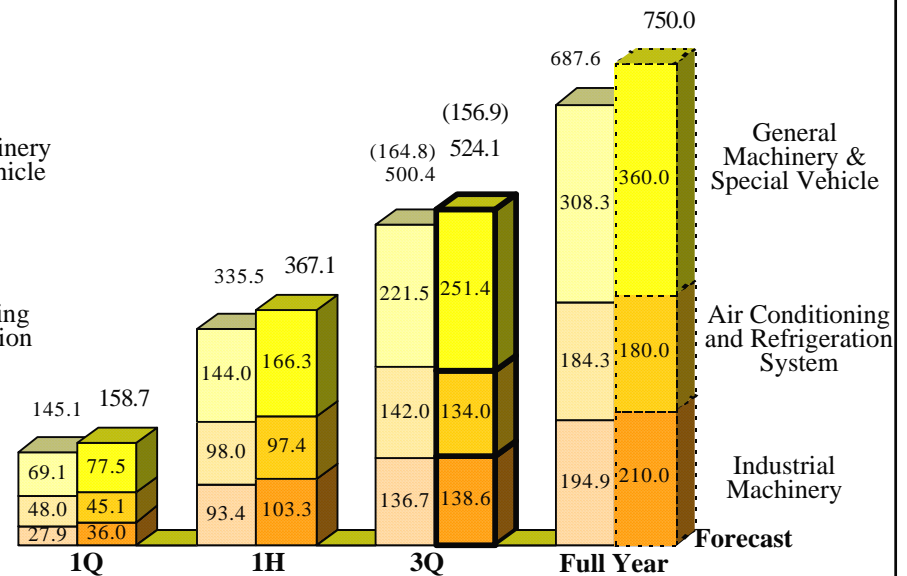
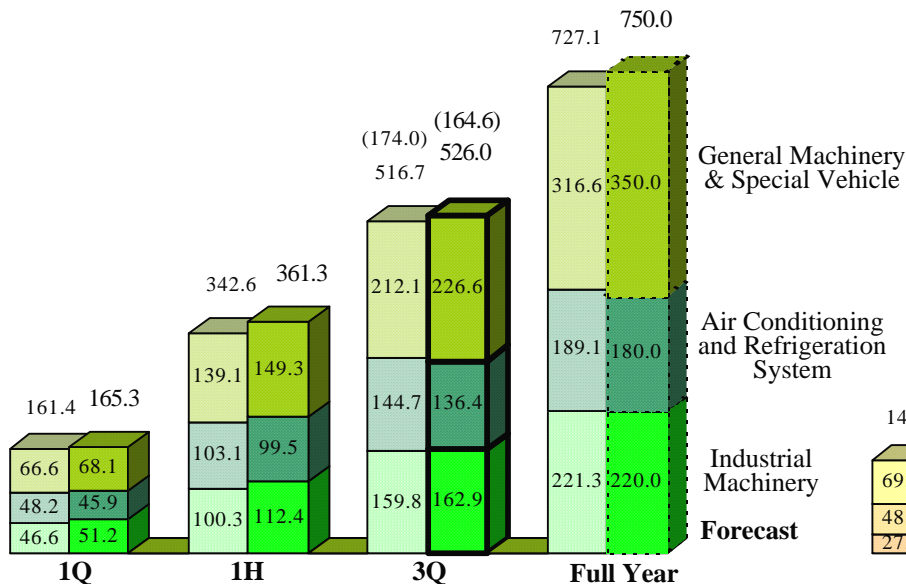
(Billion Yen)

## Orders Received

The left-hand bar represents relevant period for fiscal 2003, and the right-hand bar for fiscal 2004

## Net Sales

• 1Q : April-June  
• 1H : April-September  
• 3Q : April-December (9 months)  
Figures in ( ): October-December (3 months)



### [Orders Received]

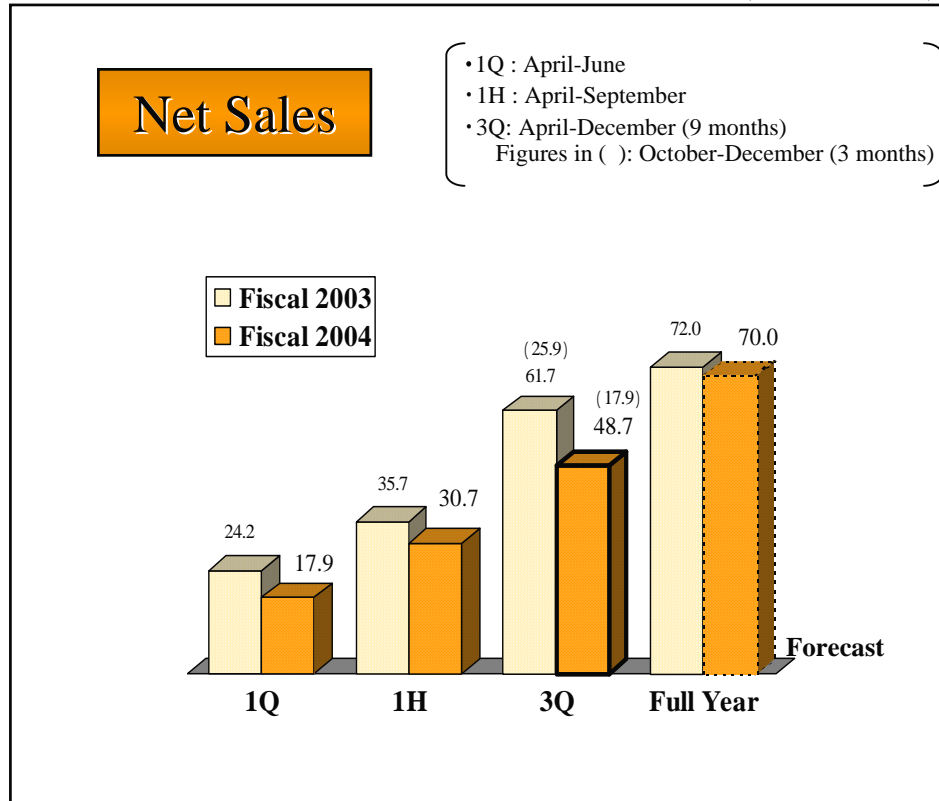
Orders received especially for general machinery and special vehicles (forklifts, all purpose engines, etc.) has surpassed even the strong results of last year. Although the market environments vary for each product, orders continue to be favorable overall.

### [Net Sales]

Just as for order intake, net sales were better than last year in the area of general machinery and special vehicles (forklifts, all purpose engines, etc.), and domestic printing machines. Full year sales are also expected to exceed last year's level.

# Others

(Billion Yen)



- Construction and real estate
- Information and communication system and other



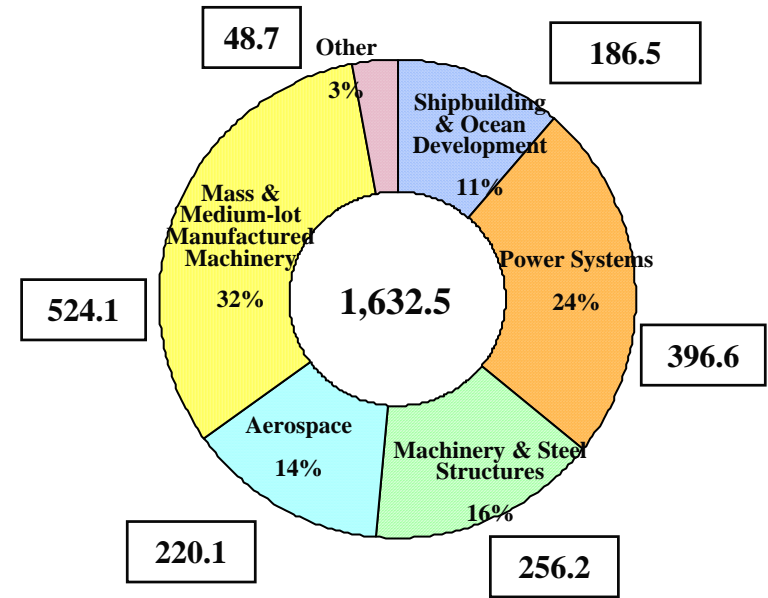
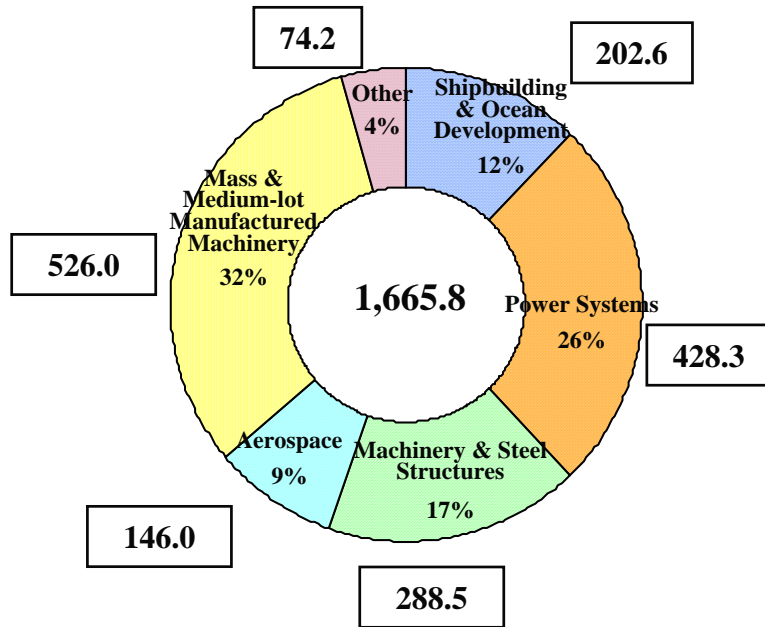
# Consolidated Orders Received and Net Sales By Segment (Third Quarter of FY 2004)

(April 1, 2004 - December 31, 2004)

## Orders Received

## Net Sales

(Billion Yen)

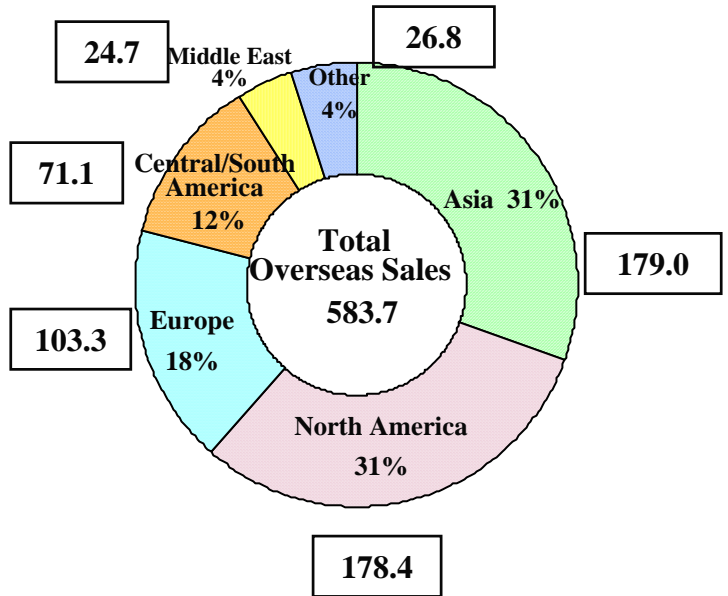
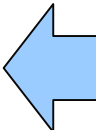
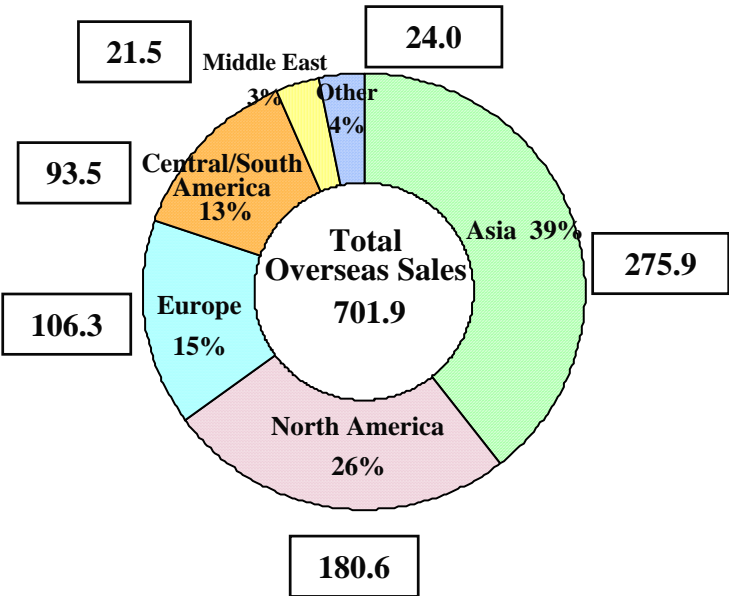


# Overseas Consolidated Sales by Region

**Third Quarter FY2004**  
April 1, 2004 - December 31, 2004

**Reference**  
**Third Quarter FY2003**  
April 1, 2003 - December 31, 2003

(Billion Yen)



# Full Year Forecast for FY 2004 (Consolidated)

(Billion Yen)

	Mid-term Forecast	<b>Newly Revised Forecast</b>	Change
Orders Received	2,700.0	<b>2,700.0</b>	0.0
Net Sales	2,600.0	<b>2,615.0</b>	15.0
Operating Income	55.0	<b>35.0</b>	-20.0
Ordinary Income	37.0	<b>17.0</b>	-20.0
Income before Income Taxes	37.0	<b>17.0</b>	-20.0
Net Income	22.0	<b>10.0</b>	-12.0

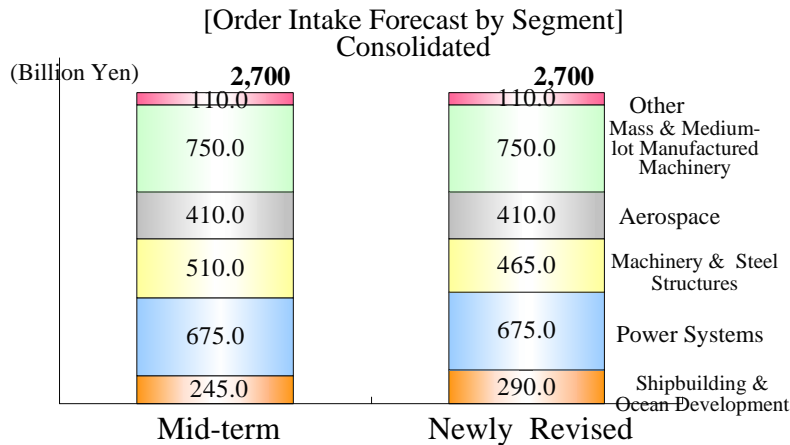
Forecasts regarding future performance in these materials are based on judgments made in accordance with information available at the time this presentation was prepared. As such, those projections imply risks and insecurity. For this reason, investors are recommended not to depend solely on these projections for making investment decision. It is possible that actual results may change significantly from these projections for a number of factors. Such factors include, but are not limited to, economic trends affecting the company's operating environment, currency movement of the Yen value to the U.S. dollar and other foreign currencies, and trends of stock market in Japan.

# Forecast for FY 2004 (Orders Received)

(Billion Yen)	Mid-term Forecast	Newly Revised Forecast
Consolidated	2,700.0	2,700.0
Non-Consolidated (Export)	2,200.0	2,200.0
	970.0	1,000.0

## Forecast by Segment

Forecast for total orders received unchanged  
Orders received forecasts by segment revised as follows:



### Shipbuilding & Ocean Development

**45 billion yen**

- Results likely to exceed forecast on account of strong shipbuilding demand and customer requests for accelerated delivery

### Machinery & Steel Structures

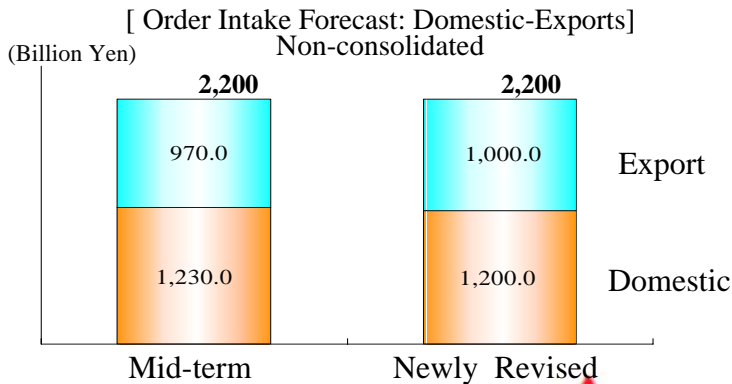
**(minus) 45 billion yen**

- Weaker domestic demand for environmental plants & equipment;  
Possible postponement of export orders

### Mass & Medium-lot Manufactured Machinery ± 0 billion yen

General Machinery and Special Vehicle 15 billion yen  
Industrial Machinery (minus) 15 billion yen

- General Machinery and Special Vehicle  
Brisk orders received for engines and forklift export
- Industrial Machinery  
Possible order postponement by export customers



# Forecast for FY 2004 (Net Sales and Income)

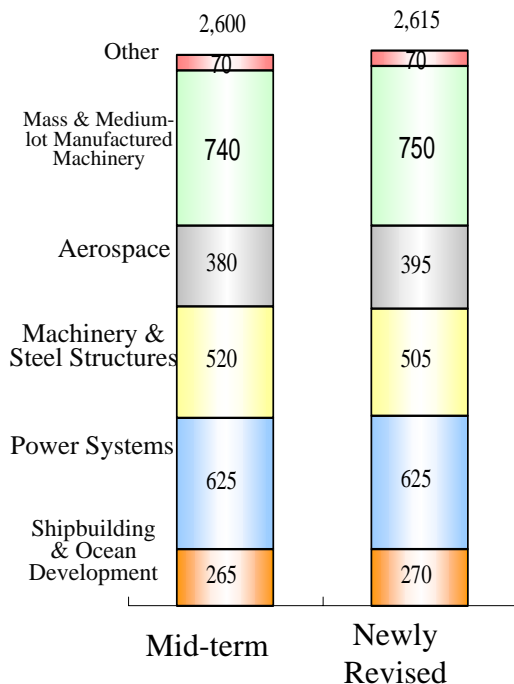
(Billion Yen)	Mid-term Forecast	Newly Revised Forecast
Net Sales	2,600.0	2,615.0
Operating Income	55.0	35.0
Ordinary Income	37.0	17.0
Income before Income Taxes	37.0	17.0

## Net Sales (15 billion yen)

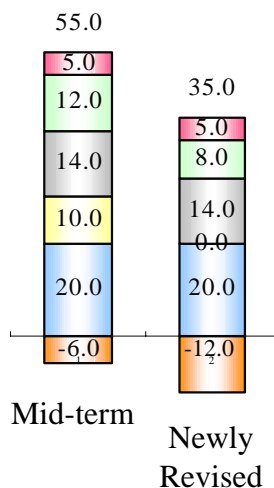
### Revision of Original Forecast

- **Shipbuilding & Ocean Development** **5 billion yen**  
Increase in repair orders
- **Machinery & Steel Structures** **(minus) 15 billion yen**  
Decrease in sales of port equipment and sporting/ amusement related facilities/equipment
- **Aerospace** **15 billion yen**  
Progress in manufacturing of F-2 fighter jet  
Increase in sales to Bonbardier
- **Mass & Medium-lot Manufactured Machinery** **10 billion yen**  
General Machinery and Special Vehicle 20 billion yen  
Brisk orders received for engines and forklift exports  
Industrial Machinery **(minus) 10 billion yen**  
Decreased sales of extrusion machinery, food machinery, pulp & paper machinery

Net Sales Forecast by Segment - Consolidated



Operating Income Forecast by Segment - Consolidated



## Income/Loss (Operating income/loss (minus)20 billion yen, Income before income taxes (minus)20 billion yen)

### Revision of Original Forecast

- **Shipbuilding & Ocean Development** **(minus) 6 billion yen**  
Sharp increases in material cost  
Increase in labor cost due to extended production lead time caused by tightening of supply of materials
- **Machinery & Steel Structures** **(minus) 10 billion yen**  
Decreased sales; Increased cost of construction; Sharp increases in material costs
- **Mass & Medium-lot Manufactured Machinery** **(minus) 4 billion yen**  
Decreased sales (extrusion machinery, food machinery, pulp & paper machinery); Sharp increases in material costs; Increases in processing costs

# Full Year Forecast for FY 2004 (Non-Consolidated)

(Billion Yen)

		Mid-term Forecast	<b>Newly Revised Forecast</b>	Changes
Orders Received		2,200.0	<b>2,200.0</b>	0.0
Net Sales		2,150.0	<b>2,140.0</b>	-10.0
Operating Income		36.0	<b>16.0</b>	-20.0
Ordinary Income		20.0	<b>0.0</b>	-20.0
Income before Income Taxes		20.0	<b>0.0</b>	-20.0
Net Income		10.0	<b>0.0</b>	-10.0
Dividend per Share	Interim	0 yen	<b>0 yen</b>	
	Full year	4 yen	<b>4 yen</b>	

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