



# Outline of First Quarter Results for FY2005

(April 1,2005 - June 30,2005)

August 2005

# Summary of First Quarter Consolidated Results of Operations

(billion yen)

	IQ FY2004	1Q FY2005	Changes
Orders received	400.5	530.6	+130.0
Net sales	501.6	536.0	+34.4
Operating income	-	4.3	-
Foreign exchange income	-	1.8	-
Net interest expenses	-	0.3	-
Equity-method income	-	1.1	-
Others	-	1.2	-
Non-operating income	-	1.4	-
Ordinary income	-	5.7	-
Extraordinary income	-	-	-
Income before income taxes	-	5.7	-
Net income	-	4.3	-

# Orders Received and Net Sales by Business Segment

## [Orders Received]

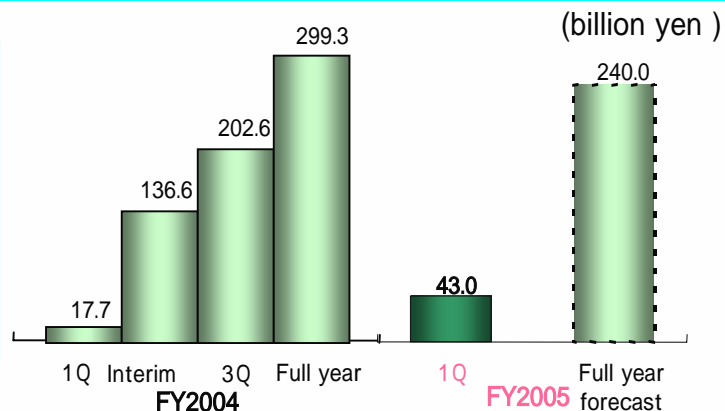
	1Q FY2004	1Q FY2005	(billion yen) Changes
Shipbuilding & Ocean Development	17.7	43.0	+25.3
Power Systems	93.3	149.4	+56.1
Machinery & Steel Structures	56.8	95.0	+38.2
Aerospace	42.6	50.0	+7.3
Mass & Medium-lot Manufactured Machinery	165.3	172.4	+7.1
Others	24.6	20.4	4.1
Total	400.5	530.6	+130.0

## [Net Sales]

	1Q FY2004	1Q FY2005	Changes
Shipbuilding & Ocean Development	81.7	42.7	38.9
Power Systems	109.6	138.2	+28.5
Machinery & Steel Structures	74.1	105.5	+31.3
Aerospace	59.2	62.0	+2.8
Mass & Medium-lot Manufactured Machinery	158.7	170.0	+11.3
Others	17.9	17.3	0.6
Total	501.6	536.0	+34.4

# <Shipbuilding & Ocean Development>

## Orders Received



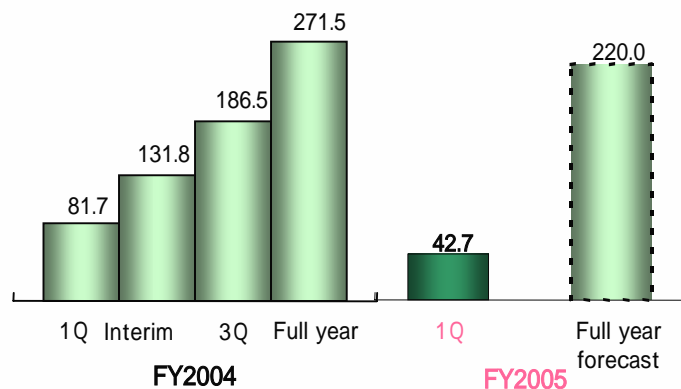
**Orders received : Up 25.3billion yen  
(from 17.7billion yen to 43.0billion yen)**

Received orders for 2 containerships and 2 car carriers during the first quarter. The shipbuilding market remains healthy due to strength in the ocean transport industry. Sales activities are targeting LNG carriers and other value-added vessels.

### 【 Non-consolidated orders received 】

	1 Q	Full Year
FY 2004	3 (26KGT)	23 (1482KGT)
FY 2005	4 (268KGT)	

## Net Sales



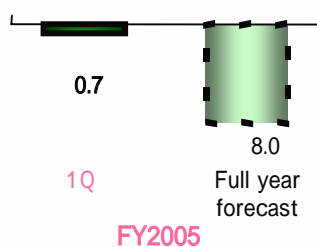
**Net sales : Down 38.9billion yen  
(from 81.7billion yen to 42.7billion yen)**

Seven vessels were delivered in first quarter of FY 2004, including 3 large ferries and 1 LPG carrier. Only 2 containerships were delivered in first quarter of FY2005.

### 【 Non-consolidated vessels delivered 】

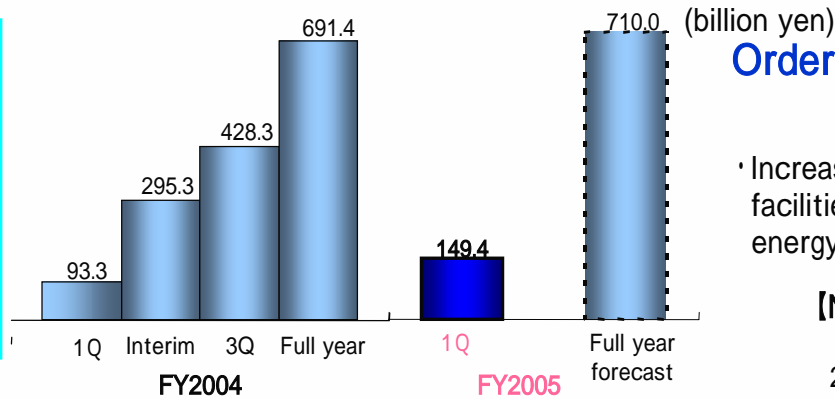
	1 Q	Full Year
FY 2004	7 (385KGT)	28 (1545KGT)
FY 2005	2 (48KGT)	

## Operating Income



# <Power Systems>

Orders Received



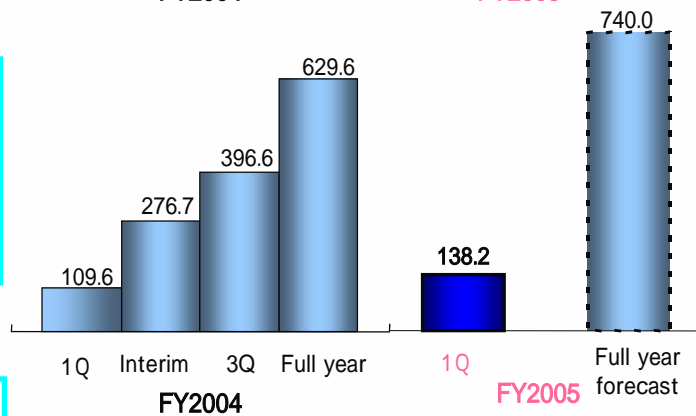
**Orders Received :Up 56.1billion yen  
(from 93.3billion yen to 149.4billion yen)**

- Increased due to solid demand for gas turbine combined-cycle facilities, as well as to growth in orders for industrial and nuclear energy projects in Japan.

**[Non-consolidated gas turbine order backlog ]**

	1Q	Full Year
2004	57	71
2005	70	

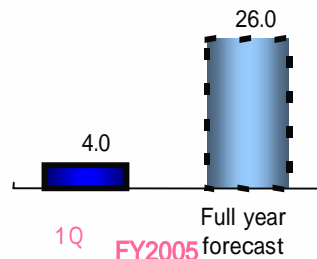
Net Sales



**Net Sales : Up 28.5billion yen  
(from 109.6billion yen to 138.2billion yen)**

- Sales increased because of growth in domestic and export sales of power plants to companies other than utilities due to an increase in the order backlog.

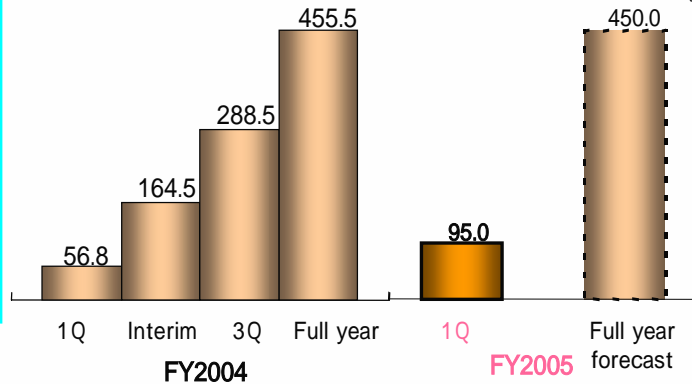
Operating Income



# <Machinery & Steel Structures>

(billion yen)

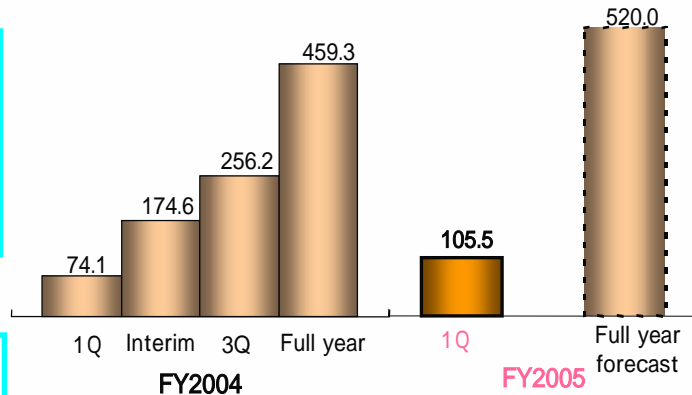
Orders Received



**Orders Received : Up 38.2billion yen  
(from 56.8billion yen to 95.0billion yen)**

- Market conditions for capturing new orders remained difficult as public-works expenditures in Japan continued to shrink. However, rising exports translated into growth in orders for metals machinery, environmental systems, chemical plants and in other sectors.

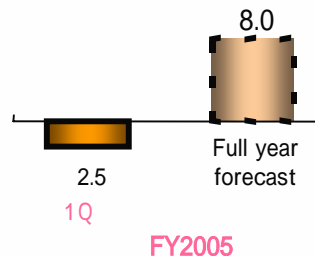
Net Sales



**Net Sales : Up 31.3billion yen  
(from 74.1billion yen to 105.5billion yen)**

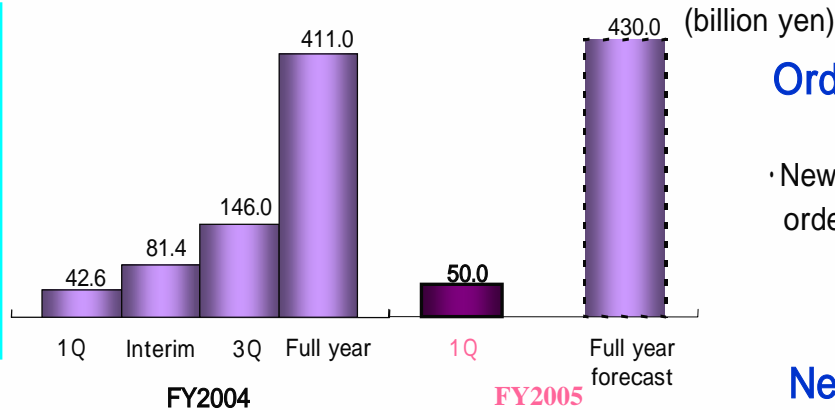
- There was growth in sales of chemical plants, environmental systems and LNG storage tanks.

Operating Income



# <Aerospace>

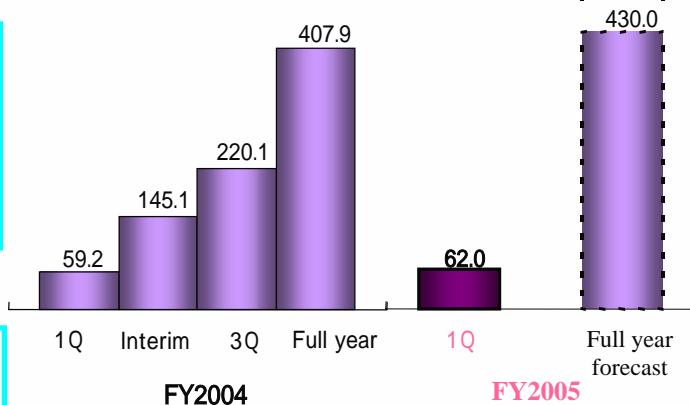
Orders Received



**Orders Received : Up 7.3billion yen  
(from 42.6billion yen to 50.0billion yen)**

- New orders for B787 composite wings raised commercial aircraft orders.

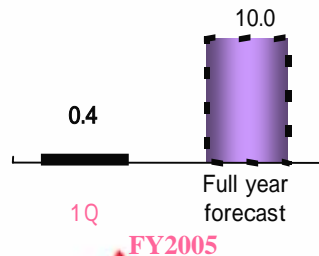
Net Sales



**Net Sales : Up 2.8billion yen  
(from 59.2billion yen to 62.0billion yen)**

- Although defense sales, including for the F-2 support fighter, were lower, sales increased slightly because of higher sales of commercial freighters and space equipment.

Operating Income

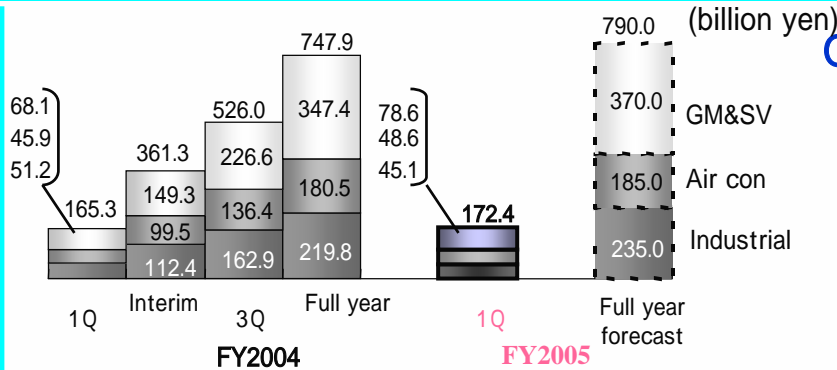


**[Number of B777 aircraft for which components were delivered]**

	1 Q	Full Year
2004	8	39
2005	12	

# <Mass and Medium-Lot Manufactured Machinery>

## Orders Received

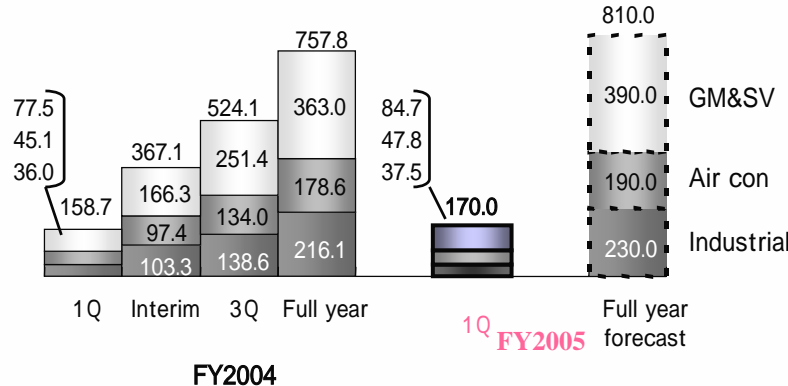


**Orders Received : Up ¥7.1 billion  
(from ¥165.3 billion to ¥172.4 billion.)**

• Orders for industrial machinery (paper converting machinery, pulp&paper machinery, etc.) were down, but other orders increased, mainly for general machinery & special vehicles (forklifts, engines, turbochargers, etc.).

General Machinery & Special Vehicles:  
Up ¥10.4 billion (from ¥68.1 billion to ¥78.6 billion)  
Air Conditioning & Refrigeration Systems:  
Up ¥2.7 billion (from ¥45.9 billion to ¥48.6 billion)  
Industrial Machinery:  
Down ¥6.1 billion (from ¥51.2 billion to ¥45.1 billion)

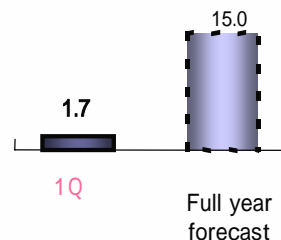
## Net Sales



**Net Sales : Up ¥11.3 billion  
(from ¥158.7 billion to ¥170.0 billion)**

• General Machinery & Special Vehicles :  
(Up ¥7.1 billion from ¥77.5 billion to ¥84.7 billion)  
Forklifts and turbochargers were the main sources of growth  
• Air Conditioning & Refrigeration Systems :  
(Up ¥2.6 billion from ¥45.1 billion to ¥47.8 billion)  
Small increase as sales of commercial, room and car air conditioners were all basically unchanged.  
• Industrial Machinery :  
(Up ¥1.4 billion from ¥36.0 billion to ¥37.5 billion)  
Extrusion machinery sales were down, but sales of printing machinery and machine tools were higher in Japan.

## Operating Income



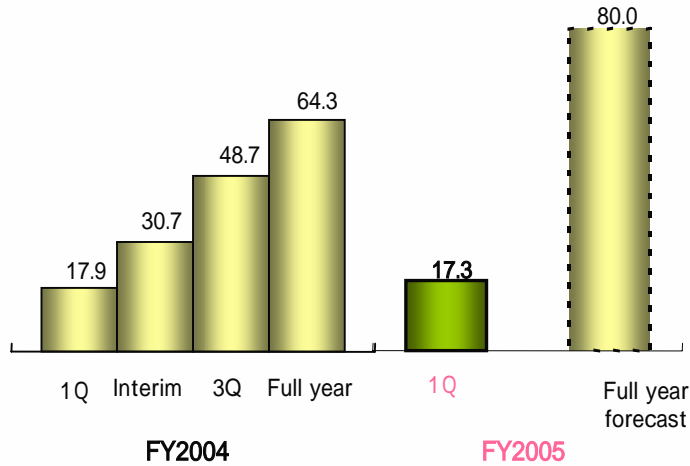
GM&SV : General Machinery & Special Vehicles  
Air con : Air Conditioning & Refrigeration Systems  
Industrial : Industrial Machinery



# <Others>

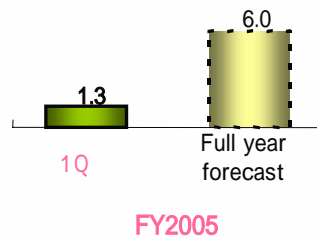
(billion yen)

Net Sales



- Construction and real estate
- Information and communication systems , etc .

Operating Income



# Balance Sheets

	June 30, 2005	March 31, 2005	Changes
<b>Assets</b>			
Trade receivables	883.7	1,048.8	165.1
Inventories	1,070.1	958.5	111.5
Other current assets	554.5	458.2	96.2
Total current assets	2,508.3	2,465.6	42.6
Total Fixed assets	1,359.7	1,365.4	5.7
Total assets	3,868.0	3,831.1	36.9
<b>Liabilities and shareholders equity</b>			
Trade payables	603.8	649.1	45.3
Advances received	439.2	363.4	75.7
Other current liabilities	566.7	555.3	11.3
Total current liabilities	1,609.8	1,567.9	41.8
Total Long-term liabilities	934.0	937.9	3.9
Total liabilities	2,543.9	2,505.9	37.9
Minority interests	16.7	15.2	1.5
Total shareholders equity	1,307.4	1,309.9	2.5
Total shareholders equity and liabilities	3,868.0	3,831.1	36.9
Interest-bearing debt	1,162.2	1,172.8	10.6

(billion yen)

Cash and deposits : Up 56.8billion yen  
Securities, etc. : Up 34.2billion yen

Retained earnings : Down 8.1billion yen  
(Net income 4.3billion yen, dividends  
13.4billion yen, etc.)  
Valuation items , etc. : Up 4.7billion yen

# Summary of Consolidated Forecast for FY 2005

	FY 2004 (actual)	FY 2005 (initial forecast)	FY 2005 (revised forecast)
Orders received	2,722.8	2,730.0	2,730.0
Net sales	2,590.7	2,800.0	2,800.0
Operating income	14.7	57.0	57.0
Ordinary income	12.5	36.0	36.0
Income before income taxes	16.3	36.0	36.0
Net income	4.0	18.0	18.0

Based on exchange rates of 105 yen to the U.S. dollar and 130 yen to the euro  
(not hedged:US\$1.0billion, euro0.3billion)

[Orders received, sales and profit]

- No change in forecast for total orders received
- Forecast for orders received by segment
  - Machinery & Steel Structures
    - Japan : Down 80.0 billion yen  
(effect of suspension of right to receive certain orders)
    - Exports: Up 60.0 billion yen  
(increase in large-scale projects of transportation system and chemical plant)
  - Power systems: Up 10.0 billion yen  
(increase in GTCC\*)
  - Mass and Medium-Lot Manufactured Machinery: Up 10billion yen  
(increase in engines, fork lifts and other products)

\*GTCC : Gas Turbine Combined Cycle

# Summary of Consolidated Business Segment Forecast for FY 2005

(billion yen)

	Orders received	Net sales	Operating income	Operating margin
Shipbuilding & Ocean Development	240.0	220.0	8.0	3.6%
Power Systems	710.0	740.0	26.0	3.5%
Machinery & Steel Structures	450.0	520.0	8.0	1.5%
Aerospace	430.0	430.0	10.0	2.3%
Mass & Medium-lot Manufactured Machinery	790.0	810.0	15.0	1.9%
Others	110.0	80.0	6.0	7.5%
Total	2,730.0	2,800.0	57.0	2.0%

# Summary of First Quarter Non-Consolidated Results of Operation

(billion yen)

	1Q FY2004	1Q FY2005	Changes
Orders received	289.9	372.4	82.4
Net sales	402.2	427.0	24.8
Operating income	-	1.2	-
Ordinary income	-	5.6	-
Extraordinary items	-	-	-
Income before income taxes	-	5.6	-
Net income	-	5.1	-

# Summary of Non-Consolidated Forecast for FY 2005

(billion yen)

	FY 2004 (actual)	FY 2005 (initial forecast)	FY 2005 (revised forecast)
Orders received	2,202.0	2,200.0	2,200.0
Net sales	2,097.9	2,220.0	2,220.0
Operating income	9.7	35.0	35.0
Ordinary income	9.6	25.0	25.0
Income before income taxes	0.2	25.0	25.0
Net income	2.0	15.0	15.0

Projected dividend is ¥4 per share (no interim dividend).