



Financial Results for First Quarter FY2009

July 2009

 **MITSUBISHI HEAVY INDUSTRIES, LTD.**

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I. First Quarter FY2009 Financial Results

Summary of First Quarter Financial Results (1)

(In billion yen)

	FY2008-1Q	FY2009-1Q	Change
Orders received	1,054.2	582.7	- 471.4
Net sales	698.3	603.3	- 95.0
Operating income	22.2	3.8	- 18.4
Ordinary income	32.9	- 3.2	- 36.1
Extraordinary income	- 33.4	-	+33.4
Income before income taxes	- 0.4	- 3.2	- 2.7
Net income	0.1	- 8.2	- 8.4

Summary of First Quarter Financial Results (2)

Orders received ⇒ Down ¥471.4 billion YoY (¥1,054.2 bn → ¥582.7 bn)

- *Compared with the year-ago period, when the volume of orders received was high, orders declined in all segments, especially in the Shipbuilding & Ocean Development and Mass and Medium-Lot Manufactured Machinery segments.*

Net sales ⇒ Down ¥95.0 billion YoY (¥698.3 bn → ¥603.3 bn)

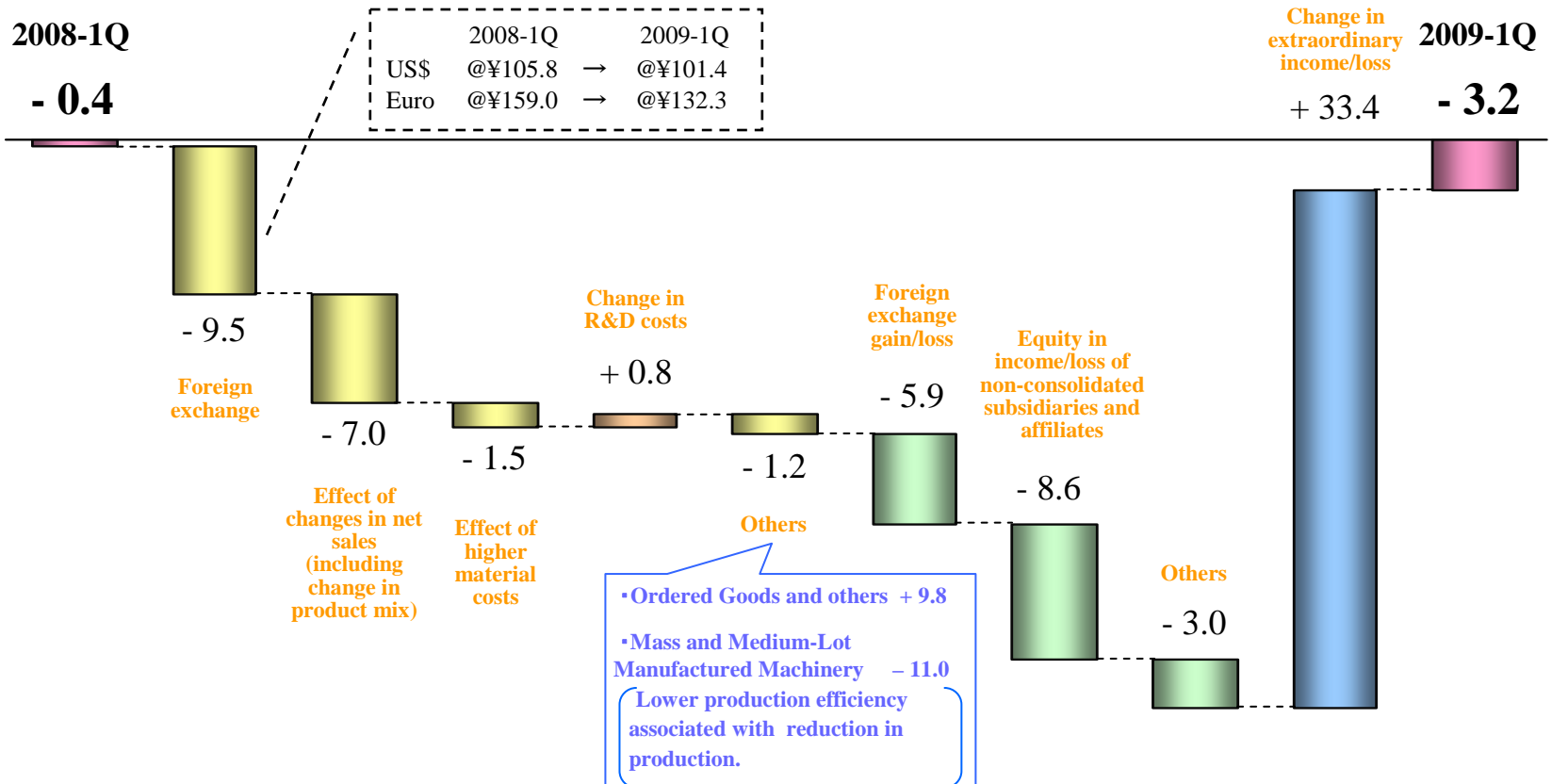
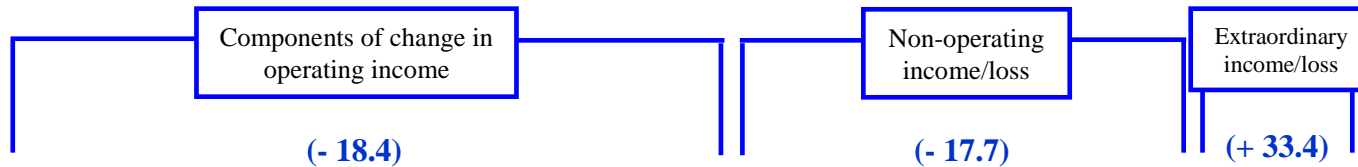
- *Although sales in the Power Systems and Machinery & Steel Structures segments rose, overall net sales were down from a year ago, as sales declined sharply in the Mass and Medium-Lot Manufactured Machinery segment, and fell in the Shipbuilding & Ocean Development and Aerospace segments.*

Net income ⇒ Down ¥8.4 billion YoY (¥0.1 bn → - ¥8.2 bn)

- *Operating income, ordinary income/loss, and net income all declined from a year ago, reflecting a stronger yen and weaker profitability in the Mass and Medium-Lot Manufactured Machinery segment because of lower sales.*

Components of Change in Income before Income Taxes

Down ¥2.7 billion (- ¥0.4 bn → - ¥3.2 bn)



Ordinary Income and Extraordinary Income

- Ordinary Income (- ¥36.1 billion YoY (¥32.9 bn → - ¥3.2 bn))

(In billion yen)

	2008-1Q	2009-1Q	Change
Operating income	22.2	3.8	- 18.4
Foreign exchange gains	9.8	3.8	- 5.9
Net interest loss	0.6	- 2.6	- 3.3
Equity in gain of non-consolidated subsidiaries and affiliates	1.8	- 6.8	- 8.6
Other	- 1.6	- 1.4	+ 0.2
Non-operating income	10.6	- 7.0	- 17.7
Ordinary income	32.9	- 3.2	- 36.1

- Extraordinary Income (+ ¥33.4 billion YoY)

(In billion yen)

	2008-1Q	2009-1Q	Change
Extraordinary income	-	-	-
Effect of application of the accounting standard for inventories	- 33.4	-	+ 33.4
Extraordinary loss	- 33.4	-	+ 33.4
Extraordinary income/loss	- 33.4	-	+ 33.4

Financial Results by Business Segment

(In billion yen)

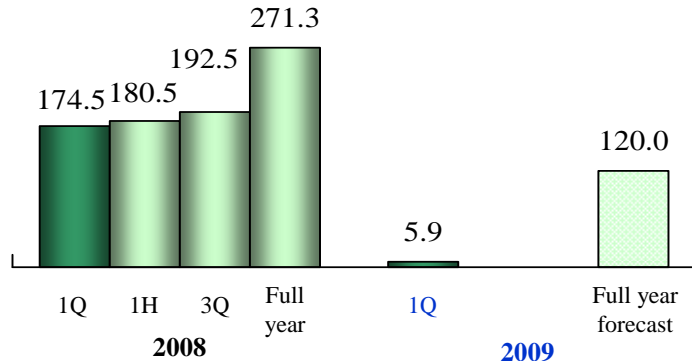
	Orders received		Net sales		Operating income		
	2008-1Q	2009-1Q	2008-1Q	2009-1Q	2008-1Q	2009-1Q	
Shipbuilding & Ocean Development	174.5	5.9	71.0	34.6	4.8	8.4	
Power Systems	477.3	346.8	226.4	233.0	13.8	13.4	
Machinery & Steel Structures	124.4	71.2	83.7	93.8	- 2.2	- 3.9	
Aerospace	55.9	35.2	99.3	90.1	- 2.5	0.0	
Mass and Medium-Lot Manufactured Machinery	GM & SV	111.9	59.9	113.4	63.5	3.0	- 8.2
	Air-Con	51.3	30.6	50.6	30.3	2.5	- 3.1
	Industrial	48.5	27.9	42.1	24.6	0.7	- 3.7
Others	211.8	118.5	206.3	118.4	6.3	- 15.0	
Inter-group consolidation adjustments	25.2	18.4	26.2	42.7	2.0	0.9	
	- 15.0	- 13.5	- 14.7	- 9.6	-	-	
Total	1,054.2	582.7	698.3	603.3	22.2	3.8	

GM&SV: General Machinery & Special Vehicles
 Air con: Air-conditioning and Refrigeration Systems
 Industrial: Industrial Machinery

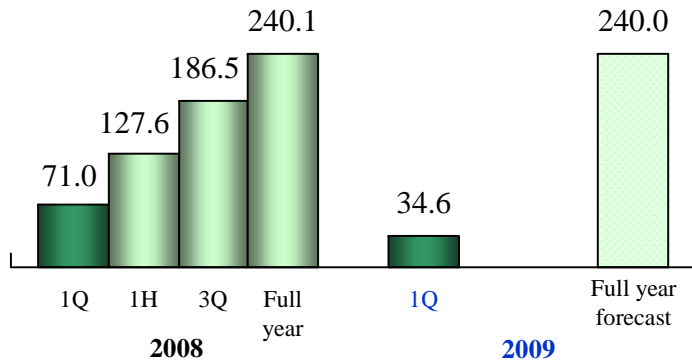
< Shipbuilding & Ocean Development >

(In billion yen, accumulated amount)

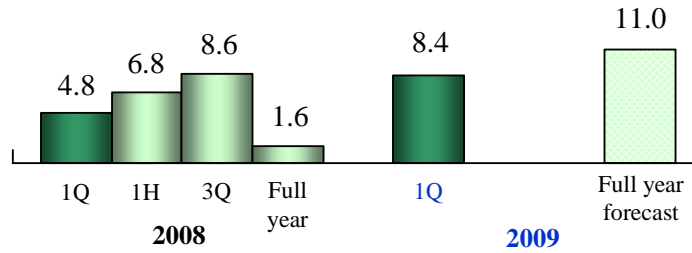
Orders Received



Net Sales



Operating Income



Orders received: Down ¥168.5 billion YoY

- Interest in new commercial vessels remained weak. Orders for ship repairs were the only orders received during the period under review.

[Number of ships orders received]
 FY2008-1Q: 16 (FY2008: 18)
 FY2009-1Q: 0

[Backlog of ship orders] 63
 (22 pure car carriers, 14 container ships, 9 LPG carriers, 4 roll-on/roll-off vessels, and others)

Net sales/Earnings: Increased earning (+ ¥3.6 billion YoY) on decreased sales (- ¥36.4 billion YoY)

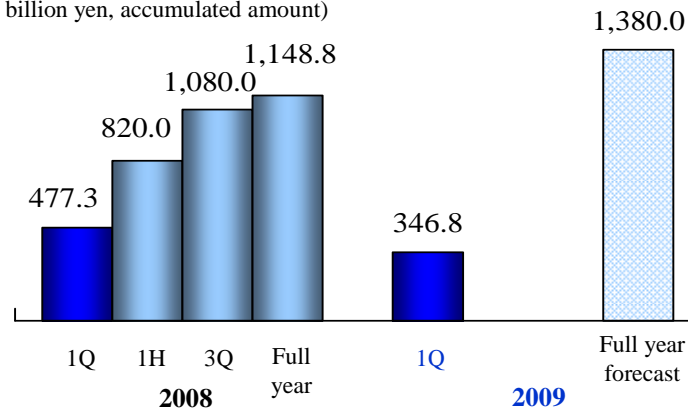
- We delivered a total of 3 vessels, including two pure car carriers and one LPG carrier.

[Number of ships delivered]
 FY2008-1Q: 5 (FY2008: 23)
 FY2009-1Q: 3

- Earnings rose from a year ago, reflecting revised allowance for losses made in the previous year in association with changes in the exchange rate, which is assumption of estimate, in addition to improvements in profitability.

< Power Systems >

(In billion yen, accumulated amount)



Orders Received

Orders received: Down ¥130.4 billion YoY

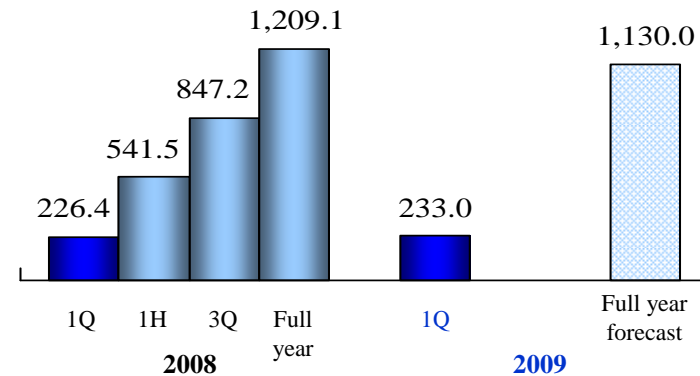
- Orders for wind turbines in the United States fell sharply from the strong level of a year ago, attributable to a decline in aggregate demand due to the effect of an economic downturn. Orders for thermal power plants overseas also fell. As a result, orders received were below the year-ago level.

[Wind turbines (Output-based)]

FY2008-1Q: 900MW

(FY2008: Orders 963MW, Cancels -1,094MW)

FY2009-1Q: 0MW



Net Sales

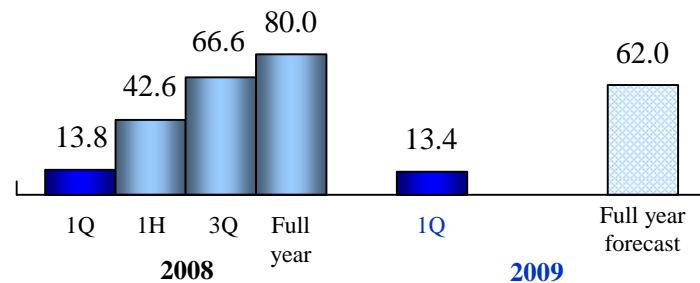
[Backlog of Gas turbine orders (Non-consolidated)]

FY2008-1Q: 77 (FY2008: 66)

FY2009-1Q: 70

Net sales/Earnings: Decreased earning (- ¥0.3 billion YoY) on increased sales (+ ¥6.6 billion YoY)

- Net sales remained at a high level and slightly exceeded the year-ago level.



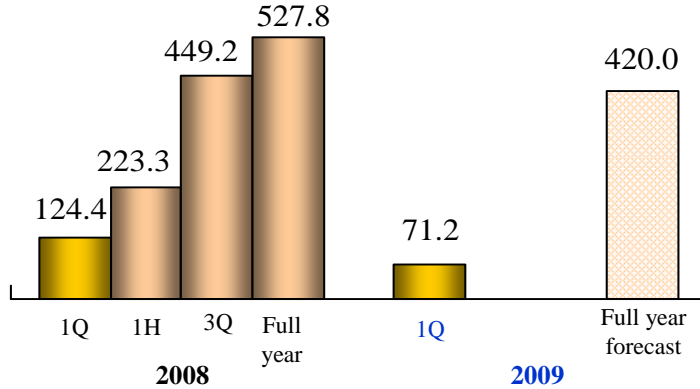
Operating Income

- Earnings remained almost unchanged from a year ago, reflecting the effect of a stronger yen offset by improved profitability.

< Machinery & Steel Structures >

(In billion yen, accumulated amount)

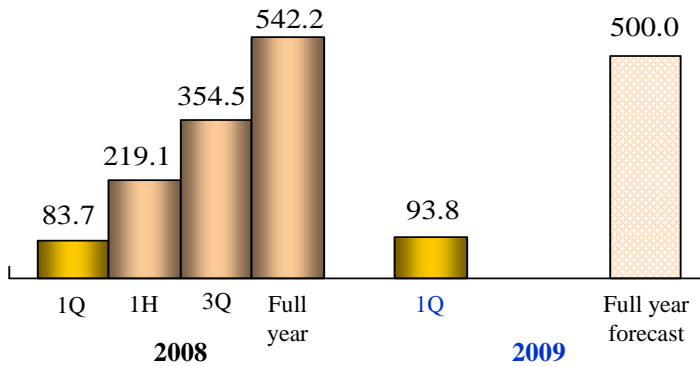
Orders Received



Orders received: Down ¥53.2 billion YoY

- Orders for steel machinery, which were strong a year ago, declined with a fall in demand for new capital expenditure.

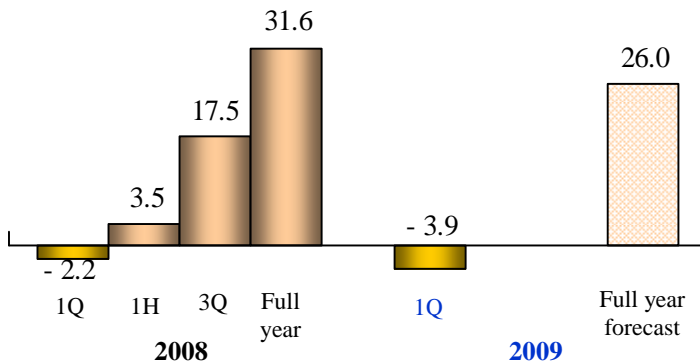
Net Sales



Net sales/Earnings: Decreased earning (- ¥1.6 billion YoY) on increased sales (+ ¥10.0 billion YoY)

- Net sales climbed from a year ago, reflecting a rise in orders for chemical plants, among other factors. Earnings were slightly below the year-ago level because of the rising costs of certain types of construction work, among other factors.

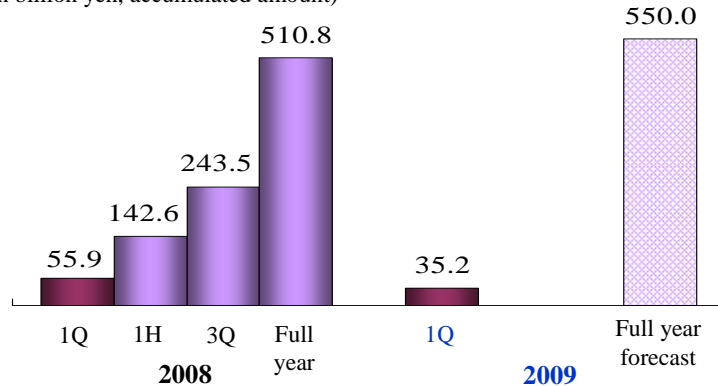
Operating Income



< Aerospace >

(In billion yen, accumulated amount)

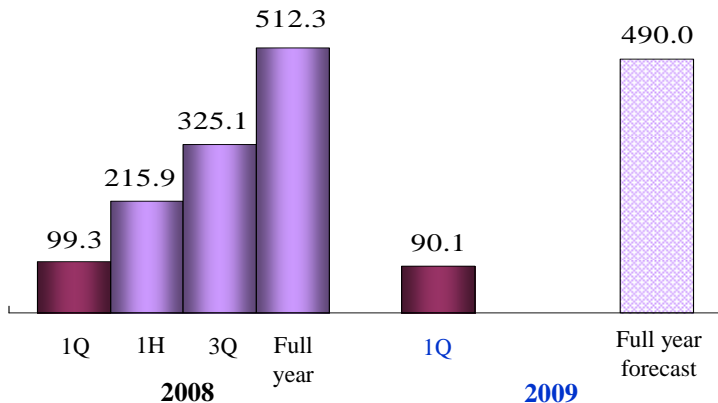
Orders Received



Orders received: Down ¥20.6 billion YoY

- Orders received fell below the year-ago level, with orders for commercial aircraft declining as customers revised their production plans and orders for defense-related products also falling.

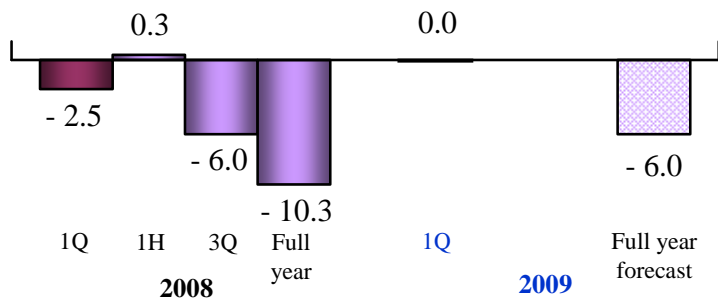
Net Sales



Net sales/Earnings: Increased earning (+ ¥2.5 billion YoY) on decreased sales (- ¥9.1 billion YoY)

- Net sales were down year on year, attributable to a decrease in sales of defense-related products. The loss was smaller than that of a year ago, thanks to an improvement in earnings relating to commercial aircraft.

Operating Income



[Number of B777s delivered]

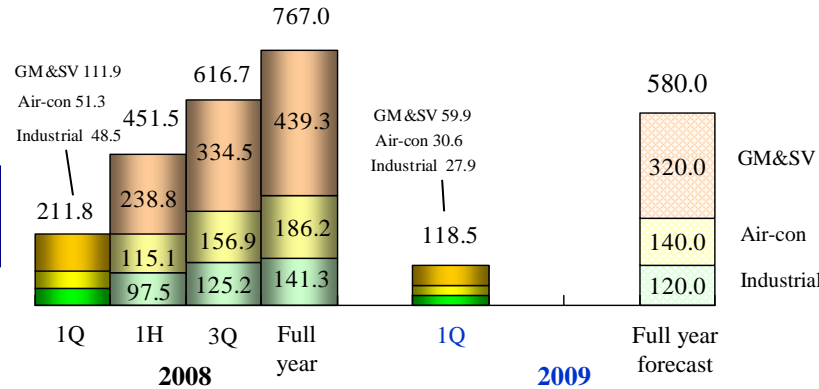
FY2008-1Q: 21 (FY2008: 67)

FY2009-1Q: 21

< Mass and Medium-Lot Manufactured Machinery >

(In billion yen, accumulated amount)

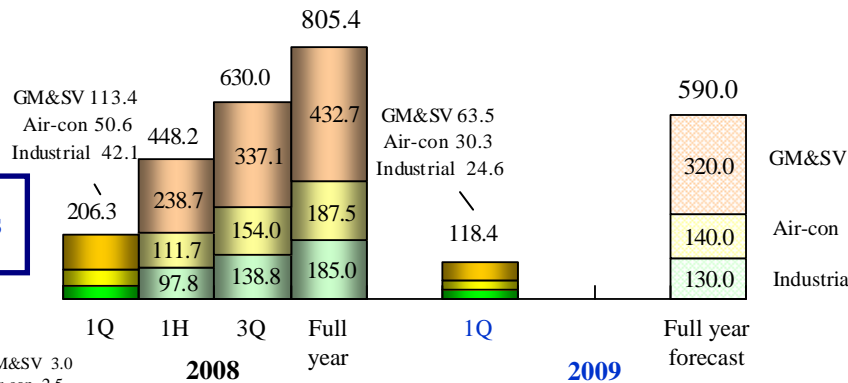
Orders Received



Orders received: Down ¥93.2 billion YoY

-A year-on-year decline in orders received increased in all of GM&SV, Air-Con, and Industrial, reflecting a fall in orders received for automobile-related products in association with production adjustment by auto manufacturers in addition to sluggish demand associated with continued weak appetite in the corporate sector for capital expenditure.

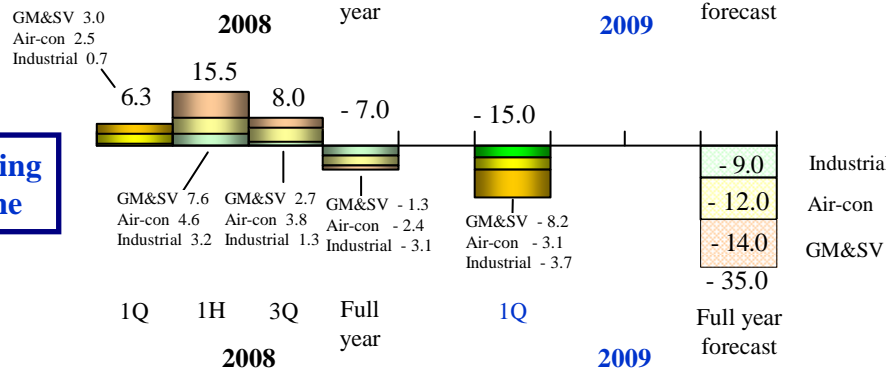
Net Sales



Net sales/Earnings: Decreased earnings (- ¥21.3 billion YoY) on decreased sales (- ¥87.8 billion YoY)

-Net sales declined from a year ago in association with a fall in orders received.

Operating Income

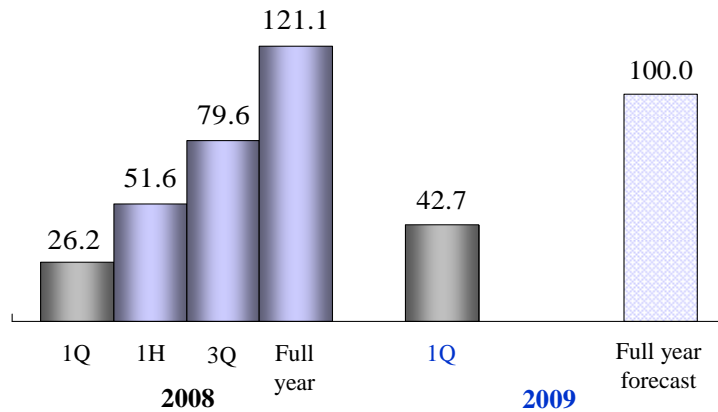


- Earnings reflected the deterioration of profitability from a year ago because of the stronger yen, a decline in profit associated with a fall in sales, and lower production efficiency in association with reduced production level.

< Others >

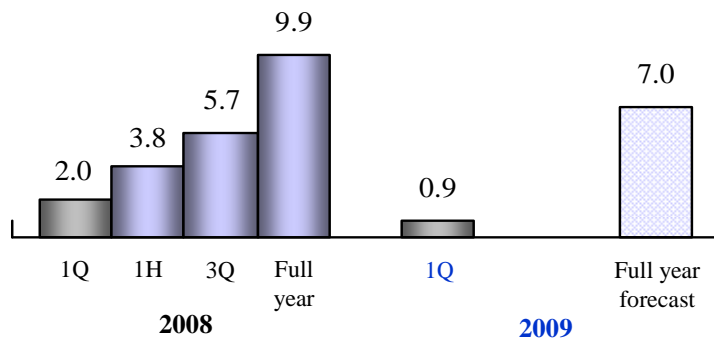
(In billion yen, accumulated amount)

Net Sales



- Real estate and construction
- Information and communication systems, etc.

Operating Income



Balance Sheets

(In billion yen)

	As of March 31, 2009	As of June 30, 2009	Changes
Assets			
Trade receivables	1,082.5	848.5	-234.0
Inventories	1,268.6	1,365.4	+96.8
Other current assets	813.8	802.4	-11.3
Total current assets	3,165.0	3,016.4	-148.5
Total fixed assets	1,361.1	1,408.0	+46.8
Total assets	4,526.2	4,424.4	-101.7
Liabilities			
Trade payables	699.6	624.5	-75.0
Advance payments received on contracts	479.0	571.3	+92.3
Other current liabilities	816.2	625.6	-190.6
Total current liabilities	1,994.8	1,821.5	-173.3
Total long-term liabilities	1,248.0	1,288.6	+40.5
Total liabilities	3,242.9	3,110.1	-132.7
Net assets			
Stockholders' equity	1,253.4	1,248.2	-5.1
Valuation, translation adjustments and others	-11.8	12.0	+23.8
Others (Minority interests, etc.)	41.6	53.9	+12.3
Total net assets	1,283.2	1,314.2	+31.0
Total liabilities and net assets	4,526.2	4,424.4	-101.7
Interest-bearing debt outstanding	1,612.8	1,448.2	-164.6

Including Interest-bearing debt outstanding -196.3

 Including Interest-bearing debt outstanding +31.7
 Deferred income taxes +10.9 etc.

II. Forecast for FY2009

Forecasts regarding future performance in these materials are based on judgment made in accordance with information available at the time this presentation was prepared. As such, those projection simply 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 markets in Japan.

Summary of Forecast for FY2009

(In billion yen)

	2008 (Actual)	2009 (Forecast)
Orders received	3,268.7	3,100.0
Net sales	3,375.6	3,000.0
Operating income	105.8	65.0
Ordinary income	75.3	20.0
Net income	24.2	12.0

- ◇ Assumes foreign exchange rates of undetermined amount ¥95 to the U.S. dollar and ¥125 to the Euro (US\$ 3.0 billion, Euro 0.6 billion undetermined)

Forecast for FY2009 by Business Segment

(In billion yen)

	Orders received		Net sales		Operating income	
	2008	2009 Forecast	2008	2009 Forecast	2008	2009 Forecast
Shipbuilding & Ocean Development	271.3	120.0	240.1	240.0	1.6	11.0
Power Systems	1,148.8	1,380.0	1,209.1	1,130.0	80.0	62.0
Machinery & Steel Structures	527.8	420.0	542.2	500.0	31.6	26.0
Aerospace	510.8	550.0	512.3	490.0	-10.3	-6.0
GM & SV	439.3	320.0	432.7	320.0	-1.3	-14.0
Air-Con	186.2	140.0	187.5	140.0	-2.4	-12.0
Industrial	141.3	120.0	185.0	130.0	-3.1	-9.0
Mass & Medium-Lot Manufactured machinery	767.0	580.0	805.4	590.0	-7.0	-35.0
Others	99.0	100.0	121.1	100.0	9.9	7.0
Inter-group consolidation adjustments	-56.2	-50.0	-54.7	-50.0	-	-
Total	3,268.7	3,100.0	3,375.6	3,000.0	105.8	65.0

GM&SV: General Machinery & Special Vehicles
 Air con: Air-conditioning and Refrigeration Systems
 Industrial: Industrial Machinery