

## MHI ANNOUNCES FY2008 CONSOLIDATED FINANCIAL RESULTS

Tokyo, April 28, 2009 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **consolidated** financial results for fiscal year (FY) 2008 ended March 31, 2009.

	<b>FY2008</b>	FY2007	Changes (%)
Orders Received	<b>3,268.7</b>	3,715.2	-12.0
Net Sales	<b>3,375.6</b>	3,203.0	5.4
Operating Income	<b>105.8</b>	136.0	-22.2
Ordinary Income	<b>75.3</b>	109.5	-31.2
Income Before Income Taxes and Minority Interests	<b>64.9</b>	101.3	-36.0
Net Income	<b>24.2</b>	61.3	-60.5
Operating Cash Flow	<b>79.5</b>	161.8	-
Investment Cash Flow	<b>-156.5</b>	-193.0	-
Financing Cash Flow	<b>262.0</b>	71.2	-
Net Income Per Share	<b>7.22 yen</b>	18.28 yen	-60.5

**Consolidated** financial results (continued)

**Orders Received by Operational Segment**

(billions of yen)

	<b>FY2008</b>	FY2007
Shipbuilding & Ocean Development	<b>271.3</b>	353.6
Power Systems	<b>1,148.8</b>	1,214.9
Machinery & Steel Structures	<b>527.8</b>	557.3
Aerospace	<b>510.8</b>	615.8
Mass and Medium-Lot Manufactured Machinery	<b>767.0</b>	901.7
Others	<b>42.8</b>	71.7
<b>TOTAL</b>	<b>3,268.7</b>	3,715.2

**Sales by Operational Segment**

(billions of yen)

	<b>FY2008</b>	FY2007
Shipbuilding & Ocean Development	<b>240.1</b>	283.9
Power Systems	<b>1,209.1</b>	946.9
Machinery & Steel Structures	<b>542.2</b>	472.5
Aerospace	<b>512.3</b>	500.5
Mass and Medium-Lot Manufactured Machinery	<b>805.4</b>	913.6
Others	<b>66.3</b>	85.4
<b>TOTAL</b>	<b>3,375.6</b>	3,203.0

**Operating Income (Loss) by Operational Segment**

(billions of yen)

	<b>FY2008</b>	FY2007
Shipbuilding & Ocean Development	<b>1.6</b>	4.0
Power Systems	<b>80.0</b>	58.2
Machinery & Steel Structures	<b>31.6</b>	11.3
Aerospace	<b>-10.3</b>	14.6
Mass and Medium-Lot Manufactured Machinery	<b>-7.0</b>	40.0
Others	<b>9.9</b>	7.6
<b>TOTAL</b>	<b>105.8</b>	136.0

## **Estimate of Consolidated Financial Results for FY 2009**

For the fiscal year 2009 ending March 31, 2010, MHI is expecting 3,000 billion yen in net sales, 65 billion yen in operating income, 20 billion yen in ordinary income, and 12 billion yen in net income. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥95 and €1.00 = ¥125 for the portion yet to be fixed.

This estimate has been projected with currently available information and data. Therefore please be advised that the actual results may diverge broadly with the influence of the variety of the outside factors such as economics surrounding MHI or currency exchange rate fluctuation.

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# CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2008	As of Mar.31, 2009
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	274,885	435,038
Trade receivables	1,086,580	1,082,569
Securities	3,569	3,010
Inventories	1,164,853	-
Merchandise and finished products	-	170,754
Work in process	-	959,138
Raw materials and supplies	-	138,724
Deferred income taxes	114,548	136,341
Others	298,125	245,100
Allowance for doubtful receivables	(5,677)	(5,617)
<b>Total current assets</b>	<b>2,936,886</b>	<b>3,165,059</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures	316,559	331,063
Machinery and transportation equipment	272,442	282,371
Tools, equipment and furniture	82,779	65,916
Land	153,615	157,986
Leased assets	-	3,044
Construction in progress	50,256	51,966
Subtotal	875,653	892,347
Intangible fixed assets	29,037	30,991
Investments and advances:		
Investment securities	609,248	274,195
Long-term loans and advances	3,119	2,505
Deferred income taxes	7,411	9,372
Others	74,281	162,274
Allowance for doubtful accounts	(18,490)	(10,533)
Subtotal	675,570	437,814
<b>Total fixed assets</b>	<b>1,580,261</b>	<b>1,361,153</b>
<b>TOTAL ASSETS</b>	<b>4,517,148</b>	<b>4,526,213</b>

# CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2008	As of Mar.31, 2009
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade payables	733,500	699,648
Bank loans	233,801	248,734
Current portion of long-term debt	85,416	108,267
Commercial papers	-	115,000
Current portion of debentures	40,300	20,300
Reserve for product warranties	23,660	23,872
Reserve for losses on construction contracts	6,893	37,911
Reserve for legal claims	-	23,300
Advance payments received on contracts	469,285	479,004
Others	233,037	238,853
<b>Total current liabilities</b>	<b>1,825,894</b>	<b>1,994,892</b>
<b>Long-term liabilities:</b>		
Debentures	286,057	264,601
Long-term debt	719,818	855,956
Deferred income taxes	94,134	7,519
Reserve for retirement allowance	89,936	50,776
Reserve for treatment of PCB waste	4,300	4,293
Others	56,577	64,921
<b>Total long-term liabilities</b>	<b>1,250,824</b>	<b>1,248,068</b>
<b>TOTAL LIABILITIES</b>	<b>3,076,719</b>	<b>3,242,961</b>
<b><u>NET ASSETS</u></b>		
<b>Stockholders' equity:</b>		
Common stock	265,608	265,608
Capital surplus	203,893	203,928
Retained earnings	787,007	788,948
Treasury stock	(5,045)	(5,041)
<b>Total stockholders' equity</b>	<b>1,251,464</b>	<b>1,253,443</b>
<b>Valuation, translation adjustments and others:</b>		
Net unrealized gains on investment securities	157,546	17,313
Deferred gains or losses on hedges	7,346	323
Foreign currency translation adjustments	3,847	(29,482)
<b>Total valuation, translation adjustments and others</b>	<b>168,739</b>	<b>(11,845)</b>
<b>Share subscription rights</b>	<b>549</b>	<b>881</b>
<b>Minority interests</b>	<b>19,676</b>	<b>40,772</b>
<b>TOTAL NET ASSETS</b>	<b>1,440,429</b>	<b>1,283,251</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>4,517,148</b>	<b>4,526,213</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2007	FY2008
<b>Net sales</b>	<b>3,203,085</b>	<b>3,375,674</b>
Cost of sales	2,753,951	2,945,340
<b>Gross profit</b>	<b>449,134</b>	<b>430,334</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	4,438	2,286
Directors' compensations, salaries and allowances	115,924	121,494
Research and development expenses	46,801	54,868
Expenses for inquiries	23,389	23,402
Others	122,551	122,423
<b>Total selling, general and administrative expenses</b>	<b>313,103</b>	<b>324,475</b>
<b>Operating income</b>	<b>136,030</b>	<b>105,859</b>
<b>Non-operating income:</b>		
Interest income	7,071	5,575
Dividend income	7,487	8,617
Equity in earnings of unconsolidated subsidiaries and affiliates	8,224	-
Foreign exchange gain	-	1,230
Others	5,425	2,584
<b>Total non-operating income</b>	<b>28,208</b>	<b>18,008</b>
<b>Non-operating expenses:</b>		
Interest expense	20,288	20,224
Equity in losses of unconsolidated subsidiaries and affiliates	-	9,006
Foreign exchange loss	10,784	-
Loss on disposal of fixed assets	7,344	7,080
Others	16,317	12,248
<b>Total non-operating expenses</b>	<b>54,734</b>	<b>48,561</b>
<b>Ordinary income</b>	<b>109,504</b>	<b>75,306</b>
<b>Extraordinary gain:</b>		
Gain on contribution of securities to retirement benefit trust	-	36,104
Gain on sales of investment securities	-	14,286
Gain on sales of fixed assets	18,467	3,932
Gain on transfer of business	3,664	-
<b>Total extraordinary gain</b>	<b>22,132</b>	<b>54,323</b>
<b>Extraordinary loss:</b>		
Effect of the application of the accounting standard for measurement of inventories	-	33,436
Loss on legal claims	-	20,835
Business structure improvement expenses	30,261	10,434
<b>Total extraordinary loss</b>	<b>30,261</b>	<b>64,705</b>
<b>Income before income taxes and minority interests</b>	<b>101,375</b>	<b>64,923</b>
Income taxes:		
Current	58,889	54,206
Deferred	(20,612)	(13,144)
<b>Total income taxes</b>	<b>38,276</b>	<b>41,061</b>
Minority interests	1,765	(355)
<b>Net income</b>	<b>61,332</b>	<b>24,217</b>

## Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2007	FY2008
Stockholders' equity		
Common stock		
Balance at the end of previous period	265,608	265,608
Balance at the end of current period	265,608	265,608
Capital surplus		
Balance at the end of previous period	203,879	203,893
Changes in the period		
Disposal of treasury stock	14	34
Total changes in the period	14	34
Balance at the end of current period	203,893	203,928
Retained earnings		
Balance at the end of previous period	744,562	787,007
Effect of changes in accounting policies applied to foreign subsidiaries	-	(2,142)
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	61,332	24,217
Change of scope of equity method	1,247	3
Total changes in the period	42,444	4,083
Balance at the end of current period	787,007	788,948
Treasury stock		
Balance at the end of previous period	(5,063)	(5,045)
Changes in the period		
Purchase of treasury stock	(118)	(72)
Disposal of treasury stock	136	76
Total changes in the period	18	3
Balance at the end of current period	(5,045)	(5,041)
Total stockholders' equity		
Balance at the end of previous period	1,208,987	1,251,464
Effect of changes in accounting policies applied to foreign subsidiaries	-	(2,142)
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	61,332	24,217
Change of scope of equity method	1,247	3
Purchase of treasury stock	(118)	(72)
Disposal of treasury stock	151	111
Total changes in the period	42,477	4,121
Balance at the end of current period	1,251,464	1,253,443

(Millions of Yen)

	FY2007	FY2008
Valuation, translation adjustments and others		
Net unrealized gains on investment securities		
Balance at the end of previous period	212,165	157,546
Changes in the period		
Net changes in items other than stockholders' equity	(54,619)	(140,232)
Total changes in the period	(54,619)	(140,232)
Balance at the end of current period	157,546	17,313
Deferred gains or losses on hedges		
Balance at the end of previous period	657	7,346
Changes in the period		
Net changes in items other than stockholders' equity	6,688	(7,022)
Total changes in the period	6,688	(7,022)
Balance at the end of current period	7,346	323
Foreign currency translation adjustments		
Balance at the end of previous period	6,211	3,847
Changes in the period		
Net changes in items other than stockholders' equity	(2,364)	(33,329)
Total changes in the period	(2,364)	(33,329)
Balance at the end of current period	3,847	(29,482)
Total Valuation, translation adjustments and others		
Balance at the end of previous period	219,034	168,739
Changes in the period		
Net changes in items other than stockholders' equity	(50,295)	(180,585)
Total changes in the period	(50,295)	(180,585)
Balance at the end of current period	168,739	(11,845)
Share subscription rights		
Balance at the end of previous period	293	549
Changes in the period		
Net changes in items other than stockholders' equity	255	332
Total changes in the period	255	332
Balance at the end of current period	549	881
Minority interests		
Balance at the end of previous period	18,120	19,676
Changes in the period		
Net changes in items other than stockholders' equity	1,555	21,095
Total changes in the period	1,555	21,095
Balance at the end of current period	19,676	40,772



(Millions of Yen)

	FY2007	FY2008
Total net assets		
Balance at the end of previous period	1,446,436	1,440,429
Effect of changes in accounting policies applied to foreign subsidiaries	-	(2,142)
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	61,332	24,217
Change of scope of equity method	1,247	3
Purchase of treasury stock	(118)	(72)
Disposal of treasury stock	151	111
Net changes in items other than stockholders' equity	(48,483)	(159,157)
Total changes in the period	(6,006)	(155,035)
Balance at the end of current period	1,440,429	1,283,251

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	FY 2007	FY 2008
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	101,375	64,923
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities		
Depreciation and amortization	128,260	152,989
Decrease in reserve for retirement allowance	(8,554)	(38,827)
Interest and dividend income	(14,558)	(14,193)
Interest expense	20,288	20,224
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	(8,224)	9,006
Gain on sales of investment securities	-	(14,286)
Gain on sales of fixed assets	(18,467)	(3,932)
Loss on disposal of fixed assets	7,344	7,080
Loss on legal claims	-	20,835
Business structure improvement expenses	30,261	10,434
Gain on transfer of business	(3,664)	-
Decrease in investment securities due to the contribution to retirement benefit trust	-	71,735
(Increase) decrease in receivables	80,076	(41,289)
(Increase) decrease in inventories and advances to suppliers	(140,789)	(149,996)
(Increase) decrease in other assets	(3,559)	(40,010)
Increase (decrease) in payables	(14,683)	305
Increase (decrease) in advance payments received on contracts	76,971	26,492
Increase (decrease) in other liabilities	(17,543)	77,159
Others	(504)	(1,397)
Subtotal	<b>214,027</b>	<b>157,255</b>
Interest and dividends received	16,240	18,644
Interest paid	(20,068)	(19,863)
Payments for income taxes	(48,375)	(76,503)
Net cash provided by operating activities	<b>161,823</b>	<b>79,533</b>
<b>Cash flows from investing activities:</b>		
Net decrease in time deposits	2,903	3,029
Purchases of marketable securities	-	(245)
Proceeds from sales and redemption of marketable securities	793	555
Purchases of property, plant, equipment and intangible assets	(194,660)	(182,273)
Proceeds from sales of property, plant, equipment and intangible assets	15,100	6,363
Purchases of investment securities	(28,366)	(41,068)
Proceeds from sales and redemption of investment securities	8,986	53,541
Disbursement of long-term loans	(1,956)	(1,615)
Collection of long-term loans	1,142	5,038
Others	3,000	80
Net cash used in investing activities	<b>(193,055)</b>	<b>(156,593)</b>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in bank loans and commercial papers	(56,816)	134,936
Proceeds from long-term debt	132,219	249,621
Repayment of long-term debt	(60,402)	(84,925)
Proceeds from issuance of bonds	130,000	-
Payment for redemption of bonds	(52,656)	(40,300)
Proceeds from issuance of stock to minority stockholders of subsidiaries	-	23,533
Dividends paid to stockholders	(20,078)	(20,083)
Dividends paid to minority stockholders of subsidiaries	(712)	(501)
Others	(324)	(279)
Net cash provided by financing activities	<b>71,228</b>	<b>262,002</b>
Effect of exchange rate changes on cash and cash equivalents	<b>(5,339)</b>	<b>(23,388)</b>
<b>Net increase in cash and cash equivalents</b>	<b>34,657</b>	<b>161,554</b>
Cash and cash equivalents at beginning of year	<b>227,584</b>	<b>262,852</b>
Increase in cash and cash equivalents resulting from inclusion of consolidated subsidiaries	<b>610</b>	<b>1,506</b>
Cash and cash equivalents at end of year	<b>262,852</b>	<b>425,913</b>

### MHI ANNOUNCES FY2008 NON-CONSOLIDATED FINANCIAL RESULTS

Tokyo, April 28, 2009 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2008 ended March 31, 2009.

(billions of yen)

	<b>FY2008</b>	FY2007	Changes (%)
Orders Received	<b>2,462.7</b>	2,903.1	-15.2
Net Sales	<b>2,647.2</b>	2,471.1	7.1
Operating Income	<b>56.9</b>	94.9	-40.0
Ordinary Income	<b>46.8</b>	68.2	-31.4
Income Before Income Taxes	<b>63.2</b>	54.2	16.6
Net Income	<b>44.8</b>	34.4	30.2
Net Income Per Share	<b>13.36 yen</b>	10.26 yen	30.2
Dividend Per Share	<b>6.00 yen</b>	6.00 yen	—

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## NON-CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2008	As of Mar.31, 2009
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	161,985	326,571
Trade notes receivable	6,916	6,973
Trade accounts receivable	929,749	910,634
Securities	7	7
Finished products	82,268	96,176
Raw materials and supplies	93,197	102,710
Work in process	801,158	818,207
Advances to suppliers	99,206	103,306
Prepaid expenses	835	1,077
Deferred income taxes	86,580	109,921
Others	161,927	110,763
Allowance for doubtful receivables	(69)	(65)
<b>Total current assets</b>	<b>2,423,765</b>	<b>2,586,285</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings	221,457	230,605
Structures	24,107	25,771
Docks and facilities for shipbuilding	2,906	2,781
Machinery	200,847	210,637
Vessels	19	14
Aircraft	221	151
Vehicles and transportation equipment	3,521	4,061
Tools, equipment and furniture	59,307	47,563
Land	114,749	118,872
Leased assets	-	2,626
Construction in progress	36,755	44,654
Subtotal	663,895	687,740
Intangible fixed assets:		
Software	12,048	11,811
Right of using facilities	1,411	1,136
Leased assets	-	16
Others	274	268
Subtotal	13,735	13,233
Investments and advances:		
Investment securities	415,764	144,542
Investments in shares of subsidiaries and affiliates	235,427	304,697
Investments in capital	216	168
Investments in capital of subsidiaries and affiliates	15,336	15,961
Long-term loans and advances	1,049	777
Long-term loans receivable from employees	98	97
Long-term loans receivable from subsidiaries and affiliates	22,297	4,549
Claims provable in bankruptcy, claims provable in rehabilitation and other	3,616	17,200
Long-term prepaid expense	39,052	38,061
Prepaid pension cost	-	96,316
Long-term receivables	8,956	3,770
Others	5,743	5,685
Allowance for doubtful accounts	(9,162)	(20,303)
Subtotal	738,396	611,526
<b>Total fixed assets</b>	<b>1,416,027</b>	<b>1,312,499</b>
<b>TOTAL ASSETS</b>	<b>3,839,792</b>	<b>3,898,785</b>

## NON-CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2008	As of Mar.31, 2009
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade accounts payable	636,946	594,520
Bank loans	165,711	244,080
Current portion of long-term debt	55,744	83,527
Commercial papers	-	115,000
Current portion of debentures	40,000	20,000
Lease obligations	-	283
Accrued payables	40,543	52,146
Accrued expenses	49,498	38,592
Accrued income taxes	25,244	3,795
Advance payments received on contracts	413,842	390,807
Deposits received	13,785	15,465
Unearned revenue	46	38
Reserve for product warranties	23,660	23,872
Reserve for losses on construction contracts	6,893	36,516
Reserve for legal claims	-	23,300
Others	4,914	9,035
<b>Total current liabilities</b>	<b>1,476,831</b>	<b>1,650,983</b>
<b>Long-term liabilities:</b>		
Debentures	280,000	260,000
Long-term debt	659,998	802,470
Lease obligations	-	2,425
Deferred income taxes	102,062	17,491
Reserve for retirement allowance	41,191	-
Reserve for treatment of PCB waste	4,053	4,043
Others	35,240	36,332
<b>Total long-term liabilities</b>	<b>1,122,546</b>	<b>1,122,763</b>
<b>TOTAL LIABILITIES</b>	<b>2,599,377</b>	<b>2,773,746</b>
<b><u>NET ASSETS</u></b>		
<b>Stockholders' equity:</b>		
Common stock	265,608	265,608
Capital surplus:		
Capital reserve	203,536	203,536
Other capital reserve	39	74
Total capital surplus	203,576	203,610
Retained earnings:		
Legal reserve	66,363	66,363
Revenue reserve:		
Reserve for reduction in costs of fixed assets	33,924	32,932
Reserve for accelerated depreciation	3,667	1,697
General reserves	460,000	460,000
Earned surplus brought forward	54,853	82,504
Total revenue reserve	552,445	577,133
Total retained earnings	618,809	643,497
Treasury stock	(5,040)	(5,037)
<b>Total stockholders' equity</b>	<b>1,082,953</b>	<b>1,107,679</b>
<b>Valuation, translation adjustments and others:</b>		
Net unrealized gains on investment securities	150,343	14,980
Deferred gains or losses on hedges	6,568	1,497
<b>Total valuation, translation adjustments and others</b>	<b>156,912</b>	<b>16,478</b>
<b>Share subscription rights</b>	<b>549</b>	<b>881</b>
<b>TOTAL NET ASSETS</b>	<b>1,240,415</b>	<b>1,125,039</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,839,792</b>	<b>3,898,785</b>

**NON-CONSOLIDATED STATEMENTS OF INCOME**

(Millions of Yen)

	FY2007	FY2008
<b>Net sales</b>	<b>2,471,101</b>	<b>2,647,266</b>
Cost of sales	2,217,247	2,422,060
<b>Gross profit</b>	<b>253,853</b>	<b>225,205</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	-	3,676
Directors' compensations, salaries and allowances	39,218	41,390
Depreciation	6,167	5,927
Research and development expenses	44,244	46,835
Commission fee	18,539	20,591
Expenses for inquiries	17,518	17,235
Others	33,245	32,554
<b>Total selling, general and administrative expenses</b>	<b>158,934</b>	<b>168,211</b>
<b>Operating income</b>	<b>94,919</b>	<b>56,993</b>
<b>Non-operating income:</b>		
Interest income	4,130	3,159
Dividend income	13,015	15,000
Foreign exchange gain	-	2,477
Others	3,583	1,374
<b>Total non-operating income</b>	<b>20,729</b>	<b>22,012</b>
<b>Non-operating expenses:</b>		
Interest expense	11,776	13,662
Interest on debentures	4,730	4,079
Foreign exchange loss	10,230	-
Loss on disposal of fixed assets	6,614	6,320
Others	14,017	8,115
<b>Total non-operating expenses</b>	<b>47,369</b>	<b>32,177</b>
<b>Ordinary income</b>	<b>68,279</b>	<b>46,828</b>
<b>Extraordinary gain:</b>		
Gain on sales of investment securities	-	44,477
Gain on contribution of securities to retirement benefit trust	-	36,104
Gain on sales of fixed assets	21,027	2,414
Gain on transfer of business	3,664	-
<b>Total extraordinary gain</b>	<b>24,692</b>	<b>82,997</b>
<b>Extraordinary loss:</b>		
Effect of the application of the accounting standard for measurement of inventories	-	33,322
Loss on legal claims	-	20,835
Business structure improvement expenses	35,201	8,626
Loss on revaluation of investment securities	3,561	3,815
<b>Total extraordinary loss</b>	<b>38,762</b>	<b>66,599</b>
<b>Income before income taxes</b>	<b>54,208</b>	<b>63,226</b>
<b>Income taxes:</b>		
Current	35,484	30,725
Deferred	(15,697)	(12,324)
<b>Total income taxes</b>	<b>19,787</b>	<b>18,401</b>
<b>Net income</b>	<b>34,421</b>	<b>44,825</b>

## Non-consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2007	FY2008
Stockholders' equity		
Common stock		
Balance at the end of previous period	265,608	265,608
Balance at the end of current period	265,608	265,608
Capital surplus		
Capital reserve		
Balance at the end of previous period	203,536	203,536
Balance at the end of current period	203,536	203,536
Other capital reserve		
Balance at the end of previous period	25	39
Changes in the period		
Disposal of treasury stock	14	34
Total changes in the period	14	34
Balance at the end of current period	39	74
Total capital surplus		
Balance at the end of previous period	203,561	203,576
Changes in the period		
Disposal of treasury stock	14	34
Total changes in the period	14	34
Balance at the end of current period	203,576	203,610
Retained earnings		
Legal reserve		
Balance at the end of previous period	66,363	66,363
Balance at the end of current period	66,363	66,363
Revenue reserve		
Reserve for reduction in costs of fixed assets		
Balance at the end of previous period	24,938	33,924
Changes in the period		
Provision of reserve for reduction		
in costs of fixed assets	10,210	914
Reversal of reserve for reduction		
in costs of fixed assets	(1,223)	(1,906)
Total changes in the period	8,986	(992)
Balance at the end of current period	33,924	32,932
Reserve for accelerated depreciation		
Balance at the end of previous period	5,838	3,667
Changes in the period		
Reversal of reserve for accelerated depreciation	(2,170)	(1,970)
Total changes in the period	(2,170)	(1,970)
Balance at the end of current period	3,667	1,697

(Millions of Yen)

	FY2007	FY2008
General reserves		
Balance at the end of previous period	460,000	460,000
Balance at the end of current period	460,000	460,000
Earned surplus brought forward		
Balance at the end of previous period	47,383	54,853
Changes in the period		
Provision of reserve for reduction		
in costs of fixed assets	(10,210)	(914)
Reversal of reserve for reduction		
in costs of fixed assets	1,223	1,906
Reversal of reserve for accelerated depreciation	2,170	1,970
Cash dividends	(20,135)	(20,137)
Net income	34,421	44,825
Total changes in the period	7,469	27,651
Balance at the end of current period	54,853	82,504
Total revenue reserve		
Balance at the end of previous period	538,160	552,445
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	34,421	44,825
Total changes in the period	14,285	24,688
Balance at the end of current period	552,445	577,133
Total retained earnings		
Balance at the end of previous period	604,523	618,809
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	34,421	44,825
Total changes in the period	14,285	24,688
Balance at the end of current period	618,809	643,497
Treasury stock		
Balance at the end of previous period	(5,062)	(5,040)
Changes in the period		
Purchase of treasury stock	(114)	(72)
Disposal of treasury stock	136	76
Total changes in the period	22	3
Balance at the end of current period	(5,040)	(5,037)
Total stockholders' equity		
Balance at the end of previous period	1,068,631	1,082,953
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	34,421	44,825
Purchase of treasury stock	(114)	(72)
Disposal of treasury stock	151	111
Total changes in the period	14,322	24,726
Balance at the end of current period	1,082,953	1,107,679



(Millions of Yen)

	FY2007	FY2008
<b>Valuation, translation adjustments and others</b>		
Net unrealized gains on investment securities		
Balance at the end of previous period	203,768	150,343
Changes in the period		
Net changes in items other than stockholders' equity	(53,424)	(135,363)
Total changes in the period	(53,424)	(135,363)
Balance at the end of current period	150,343	14,980
Deferred gains or losses on hedges		
Balance at the end of previous period	362	6,568
Changes in the period		
Net changes in items other than stockholders' equity	6,206	(5,070)
Total changes in the period	6,206	(5,070)
Balance at the end of current period	6,568	1,497
<b>Total Valuation, translation adjustments and others</b>		
Balance at the end of previous period	204,131	156,912
Changes in the period		
Net changes in items other than stockholders' equity	(47,218)	(140,434)
Total changes in the period	(47,218)	(140,434)
Balance at the end of current period	156,912	16,478
<b>Share subscription rights</b>		
Balance at the end of previous period	293	549
Changes in the period		
Net changes in items other than stockholders' equity	255	332
Total changes in the period	255	332
Balance at the end of current period	549	881
<b>Total net assets</b>		
Balance at the end of previous period	1,273,056	1,240,415
Changes in the period		
Cash dividends	(20,135)	(20,137)
Net income	34,421	44,825
Purchase of treasury stock	(114)	(72)
Disposal of treasury stock	151	111
Net changes in items other than stockholders' equity	(46,963)	(140,102)
Total changes in the period	(32,641)	(115,375)
Balance at the end of current period	1,240,415	1,125,039