

No. 1796

### MHI Announces FY2013 Non-Consolidated Financial Results

Tokyo, May 9, 2014 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2013 ended March 31, 2014.

			(billions of yen)
	<b>FY2013</b>	FY2012	Changes (%)
Orders Received	<b>2,001.1</b>	1,986.6	0.7
Net Sales	<b>2,039.3</b>	2,028.4	0.5
Operating Income	<b>122.0</b>	95.9	27.1
Ordinary Income	<b>108.1</b>	93.1	16.1
Income Before Income Taxes	<b>27.0</b>	121.2	(77.7)
Net Income	<b>17.5</b>	91.3	(80.8)
Net Income Per Share	<b>5.22 yen</b>	27.24 yen	(80.8)
Dividend Per Share	<b>8.00 yen</b>	8.00 yen	

Figures in parentheses are negative.

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# NON-CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2013	As of Mar.31, 2014
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	215,188	164,225
Trade notes receivable	4,252	1,340
Trade accounts receivable	714,468	582,273
Merchandise and finished products	65,552	24,646
Work in process	548,055	463,342
Raw materials and supplies	86,162	64,528
Advances to suppliers	98,610	87,285
Prepaid expenses	2,135	759
Deferred income taxes	103,449	88,269
Short-term loans receivable from subsidiaries and affiliates	41,535	92,060
Others	126,871	181,649
Allowance for doubtful accounts	(62)	(60)
<b>Total current assets</b>	<b>2,006,220</b>	<b>1,750,321</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings	222,638	199,185
Structures	22,714	17,526
Docks and facilities for shipbuilding	3,075	2,886
Machinery	162,653	101,692
Vessels	223	173
Aircraft	9	5
Vehicles and transportation equipment	2,455	2,165
Tools, equipment and furniture	30,867	25,207
Land	95,771	94,817
Leased assets	21,825	20,670
Construction in progress	29,473	33,505
Subtotal	591,707	497,836
Intangible assets		
Software	8,636	8,911
Right of using facilities	370	378
Leased assets	7	27
Others	448	121
Subtotal	9,464	9,437
Investments and advances:		
Investment securities	146,817	191,852
Investments in shares of subsidiaries and affiliates	448,132	592,670
Investments in capital	26	26
Investments in capital of subsidiaries and affiliates	19,435	73,714
Long-term loans and advances	169	-
Long-term loans receivable from employees	48	40
Long-term loans receivable from subsidiaries and affiliates	26,053	4,399
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,020	1,728
Long-term prepaid expense	22,937	17,105
Prepaid pension cost	87,844	82,213
Deferred income taxes	-	29,620
Long-term receivables	24,425	21,327
Others	34,880	37,059
Allowance for doubtful accounts	(13,011)	(12,926)
Subtotal	799,699	1,038,829
<b>Total fixed assets</b>	<b>1,400,871</b>	<b>1,546,104</b>
<b>TOTAL ASSETS</b>	<b>3,407,091</b>	<b>3,296,425</b>

# NON-CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2013	As of Mar.31, 2014
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade notes payable	-	27,365
Trade accounts payable	529,573	412,430
Short-term borrowings	209,504	259,861
Current portion of long-term borrowings	142,978	175,478
Current portion of bonds	50,000	70,000
Lease obligations	1,408	1,381
Accrued payables	26,599	19,982
Accrued expenses	39,925	59,260
Income taxes payable	-	46,681
Advance payments received on contracts	372,747	307,985
Deposits received	19,623	36,241
Reserve for product warranties	22,135	95
Reserve for loss on construction contracts	30,554	30,136
Reserve for loss on passenger vessel construction business	-	64,126
Reserve for legal claims	61	-
Asset retirement obligations	48	-
Others	21,729	5,679
<b>Total current liabilities</b>	<b>1,466,889</b>	<b>1,516,706</b>
<b>Long-term liabilities:</b>		
Bonds	200,000	175,000
Long-term borrowings	460,492	341,369
Lease obligations	20,791	19,586
Deferred income taxes	9,496	-
Reserve for retirement allowance	3,151	1,972
Reserve for treatment of PCB waste	10,391	9,900
Asset retirement obligations	3,177	2,827
Others	30,691	29,362
<b>Total long-term liabilities</b>	<b>738,192</b>	<b>580,019</b>
<b>TOTAL LIABILITIES</b>	<b>2,205,081</b>	<b>2,096,725</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	102	124
<b>Total capital surplus</b>	<b>203,638</b>	<b>203,660</b>
Retained earnings:		
Legal reserve	66,363	66,363
Revenue reserve:		
Reserve for reduction in costs of fixed assets	46,683	43,713
General reserves	460,000	460,000
Earned surplus brought forward	136,349	126,647
<b>Total Retained earnings</b>	<b>709,397</b>	<b>696,724</b>
Treasury stock	(5,387)	(5,380)
<b>Total stockholders' equity</b>	<b>1,173,257</b>	<b>1,160,613</b>
<b>Valuation, translation adjustments and others</b>		
Net unrealized gains (losses) on investment securities	26,575	36,500
Deferred gains (losses) on hedges	(65)	(6)
<b>Total Valuation, translation adjustments and others</b>	<b>26,509</b>	<b>36,493</b>
<b>Share subscription rights</b>	<b>2,243</b>	<b>2,592</b>
<b>TOTAL NET ASSETS</b>	<b>1,202,010</b>	<b>1,199,700</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,407,091</b>	<b>3,296,425</b>

# NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2012 (From Apr.1, 2012 to Mar.31, 2013)	FY2013 (From Apr.1, 2013 to Mar.31, 2014)
<b>Net sales</b>	<b>2,028,448</b>	<b>2,039,361</b>
Cost of sales	1,743,262	1,735,466
<b>Gross profit</b>	<b>285,186</b>	<b>303,895</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	417	922
Directors' compensations, salaries and allowances	51,098	51,634
Depreciation	9,003	9,299
Research and development expenses	47,293	39,369
Commission fee	23,519	22,692
Expenses for inquiries	21,650	20,727
Others	36,220	37,214
<b>Total selling, general and administrative expenses</b>	<b>189,202</b>	<b>181,859</b>
<b>Operating income</b>	<b>95,983</b>	<b>122,035</b>
<b>Non-operating income:</b>		
Interest income	1,783	2,263
Dividend income	13,013	16,511
Foreign exchange gain	4,286	-
Others	1,027	1,791
<b>Total non-operating income</b>	<b>20,111</b>	<b>20,566</b>
<b>Non-operating expenses:</b>		
Interest expense	11,499	10,602
Interest on bonds	3,918	3,269
Foreign exchange loss	-	2,895
Loss on disposal of fixed assets	3,873	5,095
Others	3,656	12,559
<b>Total non-operating expenses</b>	<b>22,948</b>	<b>34,422</b>
<b>Ordinary income</b>	<b>93,145</b>	<b>108,179</b>
<b>Extraordinary gain:</b>		
Gain on sales of investment securities	33,134	31,501
Gain on sales of fixed assets	3,136	11,456
<b>Total extraordinary gain</b>	<b>36,271</b>	<b>42,957</b>
<b>Extraordinary loss:</b>		
Loss on passenger vessel construction business reserve	-	64,126
Business structure improvement expenses	4,706	54,078
Impairment loss	-	3,203
Loss on revaluation of investment securities	3,501	2,639
<b>Total extraordinary loss</b>	<b>8,207</b>	<b>124,047</b>
<b>Income before income taxes</b>	<b>121,209</b>	<b>27,089</b>
Income taxes		
Current	3,533	38,856
Deferred	26,296	(29,292)
<b>Total income taxes</b>	<b>29,829</b>	<b>9,564</b>
<b>Net income</b>	<b>91,380</b>	<b>17,525</b>

## Non-consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2012	FY2013
Stockholders' equity		
Common stock		
Balance at the beginning of current period	265,608	265,608
Balance at the end of current period	265,608	265,608
Capital surplus		
Capital reserve		
Balance at the beginning of current period	203,536	203,536
Balance at the end of current period	203,536	203,536
Other capital reserve		
Balance at the beginning of current period	88	102
Changes in the period		
Disposal of treasury stock	13	22
Total changes in the period	13	22
Balance at the end of current period	102	124
Total capital surplus		
Balance at the beginning of current period	203,624	203,638
Changes in the period		
Disposal of treasury stock	13	22
Total changes in the period	13	22
Balance at the end of current period	203,638	203,660
Retained earnings		
Legal reserve		
Balance at the beginning of current 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 beginning of current period	48,879	46,683
Changes in the period		
Provision of reserve for reduction in costs of fixed assets	1,648	5,966
Reversal of reserve for reduction in costs of fixed assets	(3,844)	(8,937)
Total changes in the period	(2,195)	(2,970)
Balance at the end of current period	46,683	43,713
Reserve for accelerated depreciation		
Balance at the beginning of current period	2	-
Changes in the period		
Reversal of reserve for accelerated depreciation	(2)	-
Total changes in the period	(2)	-
Balance at the end of current period	-	-

(Millions of Yen)

	FY2012	FY2013
General reserves		
Balance at the beginning of current period	460,000	460,000
Balance at the end of current period	460,000	460,000
Earned surplus brought forward		
Balance at the beginning of current period	63,238	136,349
Changes in the period		
Provision of reserve for reduction		
in costs of fixed assets	(1,648)	(5,966)
Reversal of reserve for reduction		
in costs of fixed assets	3,844	8,937
Reversal of reserve for accelerated depreciation	2	-
Cash dividends	(20,131)	(30,198)
Net income	91,380	17,525
Decrease by corporate division	(334)	-
Total changes in the period	73,111	(9,702)
Balance at the end of current period	136,349	126,647
Total retained earnings		
Balance at the beginning of current period	638,483	709,397
Changes in the period		
Cash dividends	(20,131)	(30,198)
Net income	91,380	17,525
Decrease by corporate division	(334)	-
Total changes in the period	70,914	(12,672)
Balance at the end of current period	709,397	696,724
Treasury stock		
Balance at the beginning of current period	(5,411)	(5,387)
Changes in the period		
Purchase of treasury stock	(11)	(43)
Disposal of treasury stock	35	51
Total changes in the period	23	7
Balance at the end of current period	(5,387)	(5,380)
Total stockholders' equity		
Balance at the beginning of current period	1,102,305	1,173,257
Changes in the period		
Cash dividends	(20,131)	(30,198)
Net income	91,380	17,525
Purchase of treasury stock	(11)	(43)
Disposal of treasury stock	49	73
Decrease by corporate division	(334)	-
Total changes in the period	70,951	(12,643)
Balance at the end of current period	1,173,257	1,160,613

(Millions of Yen)

	FY2012	FY2013
Valuation, translation adjustments and others		
Net unrealized gains(losses) on investment securities		
Balance at the beginning of current period	17,956	26,575
Changes in the period		
Net changes in items other than stockholders' equity	8,618	9,924
Total changes in the period	8,618	9,924
Balance at the end of current period	26,575	36,500
Deferred gains(losses) on hedges		
Balance at the beginning of current period	(70)	(65)
Changes in the period		
Net changes in items other than stockholders' equity	5	59
Total changes in the period	5	59
Balance at the end of current period	(65)	(6)
Total Valuation, translation adjustments and others		
Balance at the beginning of current period	17,885	26,509
Changes in the period		
Net changes in items other than stockholders' equity	8,623	9,983
Total changes in the period	8,623	9,983
Balance at the end of current period	26,509	36,493
Share subscription rights		
Balance at the beginning of current period	1,868	2,243
Changes in the period		
Net changes in items other than stockholders' equity	375	348
Total changes in the period	375	348
Balance at the end of current period	2,243	2,592
Total net assets		
Balance at the beginning of current period	1,122,059	1,202,010
Changes in the period		
Cash dividends	(20,131)	(30,198)
Net income	91,380	17,525
Purchase of treasury stock	(11)	(43)
Disposal of treasury stock	49	73
Decrease by corporate division	(334)	-
Net changes in items other than stockholders' equity	8,999	10,332
Total changes in the period	79,951	(2,310)
Balance at the end of current period	1,202,010	1,199,700