

No. 1890

MHI Announces FY2014 Non-Consolidated Financial Results

Tokyo, May 8, 2015 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2014 ended March 31, 2015.

	(billions of yen)		
	FY2014	FY2013	Changes (%)
Orders Received	1,718.3	2,001.1	(14.1)
Net Sales	1,537.1	2,039.3	(24.6)
Operating Income	105.8	122.0	(13.3)
Ordinary Income	105.5	108.1	(2.4)
Income Before Income Taxes	34.5	27.0	27.7
Net Income	18.7	17.5	6.8
Net Income Per Share	5.58yen	5.22 yen	6.8
Dividend Per Share	11.00yen	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, 2014	As of Mar.31, 2015
<u>ASSETS</u>		
Current assets:		
Cash and deposits	164,225	147,968
Trade notes receivable	1,340	1,565
Trade accounts receivable	582,273	591,829
Merchandise and finished products	24,646	15,035
Work in process	463,342	453,027
Raw materials and supplies	64,528	56,731
Advances to suppliers	87,285	71,825
Prepaid expenses	759	860
Deferred income taxes	88,269	72,133
Short-term loans receivable from subsidiaries and affiliates	92,060	160,755
Others	181,649	181,008
Allowance for doubtful accounts	(60)	(59)
Total current assets	1,750,321	1,752,681
Fixed assets:		
Property, plant and equipment:		
Buildings	199,185	199,713
Structures	17,526	18,867
Docks and facilities for shipbuilding	2,886	2,769
Machinery	101,692	93,047
Vessels	173	138
Aircraft	5	2
Vehicles and transportation equipment	2,165	1,952
Tools, equipment and furniture	25,207	23,539
Land	94,817	100,096
Leased assets	20,670	19,689
Construction in progress	33,505	24,599
Subtotal	497,836	484,416
Intangible assets		
Software	8,911	8,204
Right of using facilities	378	375
Leased assets	27	106
Others	121	48
Subtotal	9,437	8,736
Investments and advances:		
Investment securities	191,852	334,612
Investments in shares of subsidiaries and affiliates	592,670	647,711
Investments in capital	26	15
Investments in capital of subsidiaries and affiliates	73,714	74,351
Long-term loans receivable from employees	40	40
Long-term loans receivable from subsidiaries and affiliates	4,399	80,784
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,728	2,163
Long-term prepaid expense	17,105	4,501
Prepaid pension cost	82,213	32,936
Deferred income taxes	29,620	-
Long-term receivables	21,327	23,264
Others	37,059	42,345
Allowance for doubtful accounts	(12,926)	(12,495)
Subtotal	1,038,829	1,230,233
Total fixed assets	1,546,104	1,723,386
TOTAL ASSETS	3,296,425	3,476,067

NON-CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2014	As of Mar.31, 2015
<u>LIABILITIES</u>		
Current liabilities:		
Electronically recorded obligations	27,365	52,886
Trade accounts payable	412,430	341,999
Short-term borrowings	259,861	400,823
Current portion of long-term borrowings	175,478	46,978
Commercial papers	-	95,000
Current portion of bonds	70,000	-
Lease obligations	1,381	1,480
Accrued payables	19,982	24,399
Accrued expenses	59,260	96,612
Income taxes payable	46,681	-
Advance payments received on contracts	307,985	325,761
Deposits received	36,241	21,132
Reserve for product warranties	95	44
Reserve for loss on construction contracts	30,136	23,927
Reserve for loss on passenger vessel construction business	64,126	105,280
Reserve for legal claims	-	105
Others	5,679	2,323
Total current liabilities	1,516,706	1,538,753
Long-term liabilities:		
Bonds	175,000	245,000
Long-term borrowings	341,369	354,416
Lease obligations	19,586	18,445
Deferred income taxes	-	19,663
Reserve for retirement allowance	1,972	-
Reserve for treatment of PCB waste	9,900	9,341
Asset retirement obligations	2,827	2,856
Others	29,362	24,460
Total long-term liabilities	580,019	674,184
TOTAL LIABILITIES	2,096,725	2,212,937
<u>NET ASSETS</u>		
Stockholders' equity:		
Common stock	265,608	265,608
Capital surplus:		
Capital reserve	203,536	203,536
Other capital reserve	124	185
Total capital surplus	203,660	203,721
Retained earnings:		
Legal reserve	66,363	66,363
Revenue reserve:		
Reserve for specified business restructuring investment loss	-	90,125
Reserve for reduction in costs of fixed assets	43,713	44,890
Reserve for accelerated depreciation	-	1,306
General reserves	460,000	460,000
Earned surplus brought forward	126,647	61,524
Total Retained earnings	696,724	724,209
Treasury stock	(5,380)	(5,244)
Total stockholders' equity	1,160,613	1,188,296
Valuation, translation adjustments and others		
Net unrealized gains (losses) on investment securities	36,500	71,789
Deferred gains (losses) on hedges	(6)	-
Total Valuation, translation adjustments and others	36,493	71,789
Share subscription rights	2,592	3,044
TOTAL NET ASSETS	1,199,700	1,263,130
TOTAL LIABILITIES AND NET ASSETS	3,296,425	3,476,067

NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2013 (From Apr.1, 2013 to Mar.31, 2014)	FY2014 (From Apr.1, 2014 to Mar.31, 2015)
Net sales	2,039,361	1,537,157
Cost of sales	1,735,466	1,316,816
Gross profit	303,895	220,341
Selling, general and administrative expenses:		
Provision of allowance for doubtful accounts	922	475
Directors' compensations, salaries and allowances	51,634	40,574
Depreciation	9,299	10,909
Research and development expenses	39,369	21,829
Commission fee	22,692	21,233
Expenses for inquiries	20,727	11,258
Others	37,214	8,254
Total selling, general and administrative expenses	181,859	114,536
Operating income	122,035	105,804
Non-operating income:		
Interest income	2,263	2,392
Dividend income	16,511	26,853
Others	1,791	974
Total non-operating income	20,566	30,220
Non-operating expenses:		
Interest expense	10,602	9,240
Interest on bonds	3,269	3,188
Foreign exchange loss	2,895	4,243
Loss on disposal of fixed assets	5,095	4,246
Litigation expenses	2,517	3,654
Others	10,041	5,864
Total non-operating expenses	34,422	30,437
Ordinary income	108,179	105,588
Extraordinary gain:		
Gain on return of assets from retirement benefits trust	-	11,986
Gain on sales of investment securities	31,501	11,572
Gain on sales of fixed assets	11,456	4,310
Total extraordinary gain	42,957	27,869
Extraordinary loss:		
Loss on passenger vessel construction business reserve	64,126	69,534
Loss on revaluation of investment securities	2,639	24,205
Business structure improvement expenses	54,078	5,119
Impairment loss	3,203	-
Total extraordinary loss	124,047	98,858
Income before income taxes	27,089	34,599
Income taxes		
Current	38,856	(14,397)
Deferred	(29,292)	30,285
Total income taxes	9,564	15,888
Net income	17,525	18,710

Non-consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2013	FY2014
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	102	124
Changes in the period		
Disposal of treasury stock	22	61
Total changes in the period	22	61
Balance at the end of current period	124	185
Total capital surplus		
Balance at the beginning of current period	203,638	203,660
Changes in the period		
Disposal of treasury stock	22	61
Total changes in the period	22	61
Balance at the end of current period	203,660	203,721
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 specified business restructuring investment loss		
Balance at the beginning of current period	-	-
Changes in the period		
Provision of reserve for specified business restructuring investment loss	-	90,125
Total changes in the period	-	90,125
Balance at the end of current period	-	90,125
Reserve for reduction in costs of fixed assets		
Balance at the beginning of current period	46,683	43,713
Changes in the period		
Provision of reserve for reduction in costs of fixed assets	5,966	2,212
Reversal of reserve for reduction in costs of fixed assets	(8,937)	(1,035)
Total changes in the period	(2,970)	1,176
Balance at the end of current period	43,713	44,890
Reserve for accelerated depreciation		
Balance at the beginning of current period	-	-
Changes in the period		
Provision of reserve for accelerated depreciation	-	1,306
Total changes in the period	-	1,306
Balance at the end of current period	-	1,306

(Millions of Yen)

	FY2013	FY2014
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	136,349	126,647
Cumulative effects of changes in accounting policies	-	38,973
Restated balance	136,349	165,621
Changes in the period		
Provision of reserve for specified business restructuring investment loss	-	(90,125)
Provision of reserve for reduction in costs of fixed assets	(5,966)	(2,212)
Reversal of reserve for reduction in costs of fixed assets	8,937	1,035
Provision of reserve for accelerated depreciation	-	(1,306)
Cash dividends	(30,198)	(30,199)
Net income	17,525	18,710
Total changes in the period	(9,702)	(104,097)
Balance at the end of current period	126,647	61,524
Total retained earnings		
Balance at the beginning of current period	709,397	696,724
Cumulative effects of changes in accounting policies	-	38,973
Restated balance	709,397	735,698
Changes in the period		
Cash dividends	(30,198)	(30,199)
Net income	17,525	18,710
Total changes in the period	(12,672)	(11,488)
Balance at the end of current period	696,724	724,209
Treasury stock		
Balance at the beginning of current period	(5,387)	(5,380)
Changes in the period		
Purchase of treasury stock	(43)	(32)
Disposal of treasury stock	51	168
Total changes in the period	7	136
Balance at the end of current period	(5,380)	(5,244)
Total stockholders' equity		
Balance at the beginning of current period	1,173,257	1,160,613
Cumulative effects of changes in accounting policies	-	38,973
Restated balance	1,173,257	1,199,587
Changes in the period		
Cash dividends	(30,198)	(30,199)
Net income	17,525	18,710
Purchase of treasury stock	(43)	(32)
Disposal of treasury stock	73	230
Total changes in the period	(12,643)	(11,291)
Balance at the end of current period	1,160,613	1,188,296

(Millions of Yen)

	FY2013	FY2014
Valuation, translation adjustments and others		
Net unrealized gains(losses) on investment securities		
Balance at the beginning of current period	26,575	36,500
Changes in the period		
Net changes in items other than stockholders' equity	9,924	35,289
Total changes in the period	9,924	35,289
Balance at the end of current period	36,500	71,789
Deferred gains(losses) on hedges		
Balance at the beginning of current period	(65)	(6)
Changes in the period		
Net changes in items other than stockholders' equity	59	6
Total changes in the period	59	6
Balance at the end of current period	(6)	-
Total Valuation, translation adjustments and others		
Balance at the beginning of current period	26,509	36,493
Changes in the period		
Net changes in items other than stockholders' equity	9,983	35,296
Total changes in the period	9,983	35,296
Balance at the end of current period	36,493	71,789
Share subscription rights		
Balance at the beginning of current period	2,243	2,592
Changes in the period		
Net changes in items other than stockholders' equity	348	451
Total changes in the period	348	451
Balance at the end of current period	2,592	3,044
Total net assets		
Balance at the beginning of current period	1,202,010	1,199,700
Cumulative effects of changes in accounting policies	-	38,973
Restated balance	1,202,010	1,238,673
Changes in the period		
Cash dividends	(30,198)	(30,199)
Net income	17,525	18,710
Purchase of treasury stock	(43)	(32)
Disposal of treasury stock	73	230
Net changes in items other than stockholders' equity	10,332	35,747
Total changes in the period	(2,310)	24,456
Balance at the end of current period	1,199,700	1,263,130