

## MHI Announces FY2010 Consolidated Financial Results

Tokyo, April 28, 2011 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **consolidated** financial results for fiscal year (FY) 2010 ended March 31, 2011.

(billions of yen)

	<b>FY2010</b>	FY2009	Changes (%)
Orders Received	<b>2,995.4</b>	2,476.2	21.0
Net Sales	<b>2,903.7</b>	2,940.8	(1.3)
Operating Income	<b>101.2</b>	65.6	54.2
Ordinary Income	<b>68.1</b>	24.0	183.7
Income Before Taxes and Minority Interests	<b>39.4</b>	28.1	40.4
Net Income	<b>30.1</b>	14.1	112.6
Operating Cash Flow	<b>337.8</b>	117.9	
Investment Cash Flow	<b>(137.2)</b>	(180.7)	
Financing Cash Flow	<b>(169.7)</b>	(105.2)	
Net Income Per Share	<b>8.97 yen</b>	4.22 yen	112.6

Figures in parentheses are minus value.

**Consolidated** financial results (continued)

**Sales by Operational Segment**

(billions of yen)

	<b>FY2010</b>	FY2009
Shipbuilding & Ocean Development	<b>302.4</b>	230.6
Power Systems	<b>996.9</b>	1,066.1
Machinery & Steel Structures	<b>557.5</b>	625.7
Aerospace	<b>472.2</b>	500.2
General Machinery & Special Vehicles	<b>343.0</b>	286.8
Others	<b>282.7</b>	284.3
Eliminations or Corporate	<b>(51.2)</b>	(53.2)
<b>TOTAL</b>	<b>2,903.7</b>	2,940.8

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

(billions of yen)

	<b>FY2010</b>	FY2009
Shipbuilding & Ocean Development	<b>1.8</b>	14.5
Power Systems	<b>83.0</b>	82.6
Machinery & Steel Structures	<b>27.0</b>	3.0
Aerospace	<b>(3.4)</b>	(6.4)
General Machinery & Special Vehicles	<b>(16.6)</b>	(23.2)
Others	<b>9.3</b>	(4.8)
<b>TOTAL</b>	<b>101.2</b>	65.6

Figures in parentheses are minus value.

**Consolidated** financial results (continued)

## **Estimate of Consolidated Financial Results for FY 2011**

For the fiscal year 2011 ending March 31, 2012, MHI is expecting 2,850 billion yen in net sales, 110 billion yen in operating income, 70 billion yen in ordinary income, and 35 billion yen in net income. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥85 and €1.00 = ¥120 for the portion yet to be fixed.

Please note that this estimate has been projected with currently available information and data. As such, these projections involve risks and uncertainties. For this reason, investors are recommended not to depend solely on these projections for making investment decisions. The actual results, therefore, may diverge broadly with the influence of a variety of outside factors such as economics surrounding MHI, currency movement of the yen to the U.S. dollar and other foreign currencies, and trends of stock markets in Japan.

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## CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2010	As of Mar.31, 2011
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	274,061	301,047
Trade receivables	948,200	852,645
Securities	9	8
Merchandise and finished products	171,699	175,630
Work in process	937,740	803,874
Raw materials and supplies	130,622	136,701
Deferred income taxes	142,720	161,823
Others	230,490	151,383
Allowance for doubtful receivables	(8,881)	(7,500)
<b>Total current assets</b>	<b>2,826,662</b>	<b>2,575,613</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures	344,601	355,449
Machinery and transportation equipment	277,390	251,507
Tools, equipment and furniture	49,527	39,714
Land	163,784	166,494
Leased assets	5,871	6,004
Construction in progress	55,176	42,358
Subtotal	896,350	861,528
Intangible assets	29,149	25,165
Investments and advances:		
Investment securities	342,480	321,285
Long-term loans and advances	3,597	5,180
Deferred income taxes	9,367	10,824
Others	164,917	198,938
Allowance for doubtful accounts	(9,665)	(9,535)
Subtotal	510,697	526,693
<b>Total fixed assets</b>	<b>1,436,197</b>	<b>1,413,387</b>
<b>TOTAL ASSETS</b>	<b>4,262,859</b>	<b>3,989,001</b>

## CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2010	As of Mar.31, 2011
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade payables	646,538	619,107
Short-term borrowings	117,679	85,488
Current portion of long-term borrowings	109,539	211,114
Commercial papers	6,000	-
Current portion of bonds	20,000	14,074
Reserve for product warranties	28,636	23,123
Reserve for losses on construction contracts	24,490	50,753
Reserve for legal claims	13,941	2,167
Advance payments received on contracts	389,041	330,275
Others	199,928	197,965
<b>Total current liabilities</b>	<b>1,555,796</b>	<b>1,534,070</b>
<b>Long-term liabilities:</b>		
Debentures	344,605	330,000
Long-term borrowings	897,501	684,989
Deferred income taxes	17,886	3,607
Reserve for retirement allowance	48,542	49,842
Reserve for treatment of PCB waste	7,358	7,007
Others	62,396	66,805
<b>Total long-term liabilities</b>	<b>1,378,290</b>	<b>1,142,251</b>
<b>TOTAL LIABILITIES</b>	<b>2,934,087</b>	<b>2,676,322</b>
<b><u>NET ASSETS</u></b>		
<b>Stockholders' equity:</b>		
Common stock	265,608	265,608
Capital surplus	203,938	203,939
Retained earnings	800,199	815,145
Treasury stock	(5,025)	(5,425)
<b>Total stockholders' equity</b>	<b>1,264,721</b>	<b>1,279,267</b>
<b>Accumulated other comprehensive income(loss)</b>		
Net unrealized gains on investment securities	35,942	25,579
Deferred losses on hedges	(721)	(467)
Foreign currency translation adjustments	(21,894)	(42,311)
<b>Total valuation, translation adjustments and others</b>	<b>13,327</b>	<b>(17,199)</b>
<b>Share subscription rights</b>	<b>1,184</b>	<b>1,509</b>
<b>Minority interests</b>	<b>49,540</b>	<b>49,101</b>
<b>TOTAL NET ASSETS</b>	<b>1,328,772</b>	<b>1,312,678</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>4,262,859</b>	<b>3,989,001</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2009	FY2010
<b>Net sales</b>	<b>2,940,887</b>	<b>2,903,770</b>
Cost of sales	2,537,257	2,461,857
<b>Gross profit</b>	<b>403,629</b>	<b>441,913</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	7,223	2,790
Directors' compensations, salaries and allowances	123,188	120,926
Research and development expenses	61,125	58,912
Expenses for inquiries	28,162	31,228
Others	118,267	126,835
<b>Total selling, general and administrative expenses</b>	<b>337,968</b>	<b>340,693</b>
<b>Operating income</b>	<b>65,660</b>	<b>101,219</b>
<b>Non-operating income:</b>		
Interest income	3,652	4,029
Dividend income	3,305	3,499
Equity in earnings of unconsolidated subsidiaries and affiliates	-	6,804
Others	5,678	5,867
<b>Total non-operating income</b>	<b>12,636</b>	<b>20,201</b>
<b>Non-operating expenses:</b>		
Interest expense	22,632	22,471
Equity in losses of unconsolidated subsidiaries and affiliates	2,074	-
Foreign exchange loss	419	14,556
Loss on disposal of fixed assets	6,279	5,882
Others	22,882	10,396
<b>Total non-operating expenses</b>	<b>54,288</b>	<b>53,307</b>
<b>Ordinary income</b>	<b>24,009</b>	<b>68,113</b>
<b>Extraordinary gain:</b>		
Gain on sales of fixed assets	10,086	10,870
Gain on sales of investment securities	5,063	4,972
Gain on revision of retirement benefit plan	4,950	-
<b>Total extraordinary gain</b>	<b>20,100</b>	<b>15,842</b>
<b>Extraordinary loss:</b>		
Business structure improvement expenses	15,972	22,684
Loss on disaster	-	10,240
Loss on revaluation of investment securities	-	9,519
Effect of the application of the accounting standard for asset retirements obligations	-	2,012
<b>Total extraordinary loss</b>	<b>15,972</b>	<b>44,456</b>
<b>Income before income taxes and minority interests</b>	<b>28,137</b>	<b>39,499</b>
Income taxes:		
Current	26,146	39,905
Deferred	(7,920)	(29,423)
<b>Total income taxes</b>	<b>18,226</b>	<b>10,481</b>
<b>Income before minority interests</b>	<b>-</b>	<b>29,018</b>
Minority interests in loss after taxes	(4,252)	(1,099)
<b>Net income</b>	<b>14,163</b>	<b>30,117</b>

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	FY2009	FY2010
<b>Income before minority interests</b>	-	<b>29,018</b>
<b>Other comprehensive income (loss)</b>		
Net unrealized gains (losses) on investment securities	-	(10,934)
Deferred gains (losses) on hedges	-	(262)
Foreign currency translation adjustments	-	(17,337)
Share of other comprehensive income (loss) of associates accounted for using equity method	-	(2,676)
<b>Total other comprehensive income (loss)</b>	-	<b>(31,211)</b>
<b>Comprehensive income (loss)</b>	-	<b>(2,192)</b>
<b>Comprehensive income (loss) attributable to</b>		
Owners of the parent	-	(408)
Minority interests	-	(1,784)

## Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2009	FY2010
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	203,928	203,938
Changes in the period		
Disposal of treasury stock	10	0
Total changes in the period	10	0
Balance at the end of current period	203,938	203,939
Retained earnings		
Balance at the end of previous period	788,948	800,199
Changes in the period		
Cash dividends	(16,781)	(13,425)
Net income	14,163	30,117
Change of scope of consolidation	(0)	(1,763)
Change of scope of equity method	884	18
Changes in equity interest mainly due to reorganization	12,984	-
Total changes in the period	11,250	14,946
Balance at the end of current period	800,199	815,145
Treasury stock		
Balance at the end of previous period	(5,041)	(5,025)
Changes in the period		
Change of scope of equity method	(1)	-
Purchase of treasury stock	(21)	(412)
Disposal of treasury stock	38	12
Total changes in the period	16	(400)
Balance at the end of current period	(5,025)	(5,425)
Total stockholders' equity		
Balance at the end of previous period	1,253,443	1,264,721
Changes in the period		
Cash dividends	(16,781)	(13,425)
Net income	14,163	30,117
Change of scope of consolidation	(0)	(1,763)
Change of scope of equity method	882	18
Changes in equity interest mainly due to reorganization	12,984	-
Purchase of treasury stock	(21)	(412)
Disposal of treasury stock	49	12
Total changes in the period	11,277	14,546
Balance at the end of current period	1,264,721	1,279,267



(Millions of Yen)

	FY2009	FY2010
Accumulated other comprehensive income(loss)		
Net unrealized gains(losses) on investment securities		
Balance at the end of previous period	17,313	35,942
Changes in the period		
Net changes in items other than stockholders' equity	18,629	(10,363)
Total changes in the period	18,629	(10,363)
Balance at the end of current period	35,942	25,579
Deferred gains(losses) on hedges		
Balance at the end of previous period	323	(721)
Changes in the period		
Net changes in items other than stockholders' equity	(1,045)	254
Total changes in the period	(1,045)	254
Balance at the end of current period	(721)	(467)
Foreign currency translation adjustments		
Balance at the end of previous period	(29,482)	(21,894)
Changes in the period		
Net changes in items other than stockholders' equity	7,588	(20,416)
Total changes in the period	7,588	(20,416)
Balance at the end of current period	(21,894)	(42,311)
Total Valuation, translation adjustments and others		
Balance at the end of previous period	(11,845)	13,327
Changes in the period		
Net changes in items other than stockholders' equity	25,172	(30,526)
Total changes in the period	25,172	(30,526)
Balance at the end of current period	13,327	(17,199)
Share subscription rights		
Balance at the end of previous period	881	1,184
Changes in the period		
Net changes in items other than stockholders' equity	303	324
Total changes in the period	303	324
Balance at the end of current period	1,184	1,509
Minority interests		
Balance at the end of previous period	40,772	49,540
Changes in the period		
Net changes in items other than stockholders' equity	8,767	(439)
Total changes in the period	8,767	(439)
Balance at the end of current period	49,540	49,101

(Millions of Yen)

	FY2009	FY2010
Total net assets		
Balance at the end of previous period	1,283,251	1,328,772
Changes in the period		
Cash dividends	(16,781)	(13,425)
Net income	14,163	30,117
Change of scope of consolidation	(0)	(1,763)
Change of scope of equity method	882	18
Changes in equity interest mainly due to reorganization	12,984	-
Purchase of treasury stock	(21)	(412)
Disposal of treasury stock	49	12
Net changes in items other than stockholders' equity	34,243	(30,640)
Total changes in the period	45,521	(16,093)
Balance at the end of current period	1,328,772	1,312,678

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	FY 2009	FY 2010
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	28,137	39,499
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities		
Depreciation and amortization	138,045	132,159
Increase (decrease) in reserve for retirement allowance	(665)	819
Interest and dividend income	(6,957)	(7,529)
Interest expense	22,632	22,471
Equity in losses (earnings) of unconsolidated subsidiaries and affiliates	2,074	(6,804)
Gain on sales of investment securities	(5,063)	(4,972)
Loss on revaluation of investment securities	-	9,519
Gain on sales of fixed assets	(10,086)	(10,870)
Loss on disposal of fixed assets	6,279	5,882
Effect of the application of the accounting standard for asset retirement obligations	-	2,012
Business structure improvement expenses	15,972	22,684
Loss on disaster	-	10,240
(Increase) decrease in receivables	136,737	82,377
(Increase) decrease in inventories and advances to suppliers	40,913	167,088
(Increase) decrease in other assets	(2,519)	(22,024)
Increase (decrease) in payables	(55,822)	(27,390)
Increase (decrease) in advance payments received on contracts	(91,386)	(54,465)
Increase (decrease) in other liabilities	(49,177)	8,297
Others	1,139	(301)
Subtotal	<b>170,253</b>	<b>368,694</b>
Interest and dividends received	8,326	9,472
Interest paid	(22,105)	(22,871)
Payments for income taxes	(38,497)	(17,490)
Net cash provided by operating activities	<b>117,977</b>	<b>337,805</b>
<b>Cash flows from investing activities:</b>		
Net (increase) decrease in time deposits	(607)	(154)
Purchases of property, plant, equipment and intangible assets	(183,304)	(138,099)
Proceeds from sales of property, plant, equipment and intangible assets	30,657	12,899
Purchases of investment securities	(38,841)	(16,835)
Proceeds from sales and redemption of investment securities	8,084	6,246
Disbursement of long-term loans	(15,820)	(2,729)
Collection of long-term loans	19,337	3,124
Others	(208)	(1,699)
Net cash used in investing activities	<b>(180,704)</b>	<b>(137,248)</b>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings and commercial papers	(241,103)	(32,522)
Proceeds from long-term borrowings	182,705	13,537
Repayment of long-term borrowings	(120,038)	(116,220)
Proceeds from issuance of bonds	100,000	-
Payment for redemption of bonds	(20,350)	(20,000)
Proceeds from issuance of stock to minority stockholders of subsidiaries	13,873	1,899
Dividends paid to stockholders	(16,698)	(13,351)
Dividends paid to minority stockholders of subsidiaries	(819)	(598)
Others	(2,860)	(2,537)
Net cash used in financing activities	<b>(105,291)</b>	<b>(169,793)</b>
Effect of exchange rate changes on cash and cash equivalents	<b>3,478</b>	<b>(2,512)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(164,539)</b>	<b>28,251</b>
Cash and cash equivalents at beginning of year	<b>425,913</b>	<b>261,373</b>
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	275
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(1,031)
Cash and cash equivalents at end of year	<b>261,373</b>	<b>288,868</b>

## MHI Announces FY2010 Non-Consolidated Financial Results

Tokyo, April 28, 2011 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2010 ended March 31, 2011.

(billions of yen)

	<b>FY2010</b>	FY2009	Changes (%)
Orders Received	<b>2,159.1</b>	1,938.7	11.4
Net Sales	<b>2,188.5</b>	2,327.7	(6.0)
Operating Income	<b>62.6</b>	47.1	32.9
Ordinary Income	<b>39.1</b>	20.0	95.1
Income Before Income Taxes	<b>3.4</b>	21.9	(84.2)
Net Income	<b>10.6</b>	18.4	(42.2)
Net Income Per Share	<b>3.17 yen</b>	5.49 yen	(42.2)
Dividend Per Share	<b>4.00 yen</b>	4.00 yen	

Figures in parentheses are minus value.

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

(Millions of Yen)

	As of Mar.31, 2010	As of Mar.31, 2011
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	186,384	211,178
Trade notes receivable	5,120	4,465
Trade accounts receivable	816,594	697,221
Securities	7	6
Merchandise and finished products	93,841	88,412
Work in process	783,246	658,254
Raw materials and supplies	103,630	106,099
Advances to suppliers	89,029	62,572
Prepaid expenses	1,042	1,733
Deferred income taxes	110,696	124,623
Others	94,686	76,639
Allowance for doubtful receivables	(107)	(67)
<b>Total current assets</b>	<b>2,284,173</b>	<b>2,031,139</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings	238,588	241,362
Structures	25,427	25,146
Docks and facilities for shipbuilding	3,516	3,308
Machinery	215,196	194,371
Vessels	10	36
Aircraft	105	246
Vehicles and transportation equipment	3,334	2,402
Tools, equipment and furniture	37,989	29,044
Land	122,100	121,905
Leased assets	3,265	21,390
Construction in progress	47,218	29,437
Subtotal	696,753	668,652
Intangible assets:		
Software	9,622	7,747
Right of using facilities	924	643
Leased assets	27	20
Others	244	226
Subtotal	10,819	8,637
Investments and advances:		
Investment securities	171,656	151,441
Investments in shares of subsidiaries and affiliates	357,413	384,757
Investments in capital	28	27
Investments in capital of subsidiaries and affiliates	18,661	11,628
Long-term loans and advances	538	203
Long-term loans receivable from employees	65	57
Long-term loans receivable from subsidiaries and affiliates	7,251	26,208
Claims provable in bankruptcy, claims provable in rehabilitation and other	13,736	4,893
Long-term prepaid expense	32,770	44,693
Prepaid pension cost	92,502	94,501
Long-term receivables	5,637	6,842
Others	17,634	31,055
Allowance for doubtful accounts	(14,036)	(10,049)
Subtotal	703,861	746,263
<b>Total fixed assets</b>	<b>1,411,435</b>	<b>1,423,553</b>
<b>TOTAL ASSETS</b>	<b>3,695,608</b>	<b>3,454,692</b>

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

(Millions of Yen)

	As of Mar.31, 2010	As of Mar.31, 2011
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade accounts payable	558,207	522,518
Short-term borrowings	137,232	87,486
Current portion of long-term borrowings	69,298	204,038
Commercial papers	6,000	-
Current portion of bonds	20,000	10,000
Lease obligations	532	1,538
Accrued payables	37,280	28,150
Accrued expenses	38,878	32,183
Accrued income taxes	-	15,026
Advance payments received on contracts	334,011	282,659
Deposits received	11,761	8,190
Unearned revenue	20	12
Reserve for product warranties	28,636	23,123
Reserve for losses on construction contracts	21,752	45,966
Reserve for legal claims	13,941	2,167
Asset retirement obligations	-	8
Others	1,440	2,640
<b>Total current liabilities</b>	<b>1,278,994</b>	<b>1,265,710</b>
<b>Long-term liabilities:</b>		
Debentures	340,000	330,000
Long-term borrowings	859,172	654,648
Lease obligations	2,730	20,507
Deferred income taxes	27,452	11,455
Reserve for treatment of PCB waste	6,993	6,627
Asset retirement obligations	-	3,102
Others	37,780	34,292
<b>Total long-term liabilities</b>	<b>1,274,129</b>	<b>1,060,632</b>
<b>TOTAL LIABILITIES</b>	<b>2,553,124</b>	<b>2,326,343</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	84	85
Total capital surplus	203,621	203,621
Retained earnings:		
Legal reserve	66,363	66,363
Revenue reserve:		
Reserve for reduction in costs of fixed assets	34,614	37,841
Reserve for accelerated depreciation	541	12
General reserves	460,000	460,000
Earned surplus brought forward	83,608	78,124
Total retained earnings	645,128	642,342
Treasury stock	(5,019)	(5,419)
<b>Total stockholders' equity</b>	<b>1,109,338</b>	<b>1,106,153</b>
<b>Accumulated other comprehensive income(loss)</b>		
Net unrealized gains on investment securities	32,431	21,469
Deferred losses on hedges	(469)	(782)
<b>Total valuation, translation adjustments and others</b>	<b>31,961</b>	<b>20,686</b>
<b>Share subscription rights</b>	<b>1,184</b>	<b>1,509</b>
<b>TOTAL NET ASSETS</b>	<b>1,142,484</b>	<b>1,128,348</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,695,608</b>	<b>3,454,692</b>

**NON-CONSOLIDATED STATEMENTS OF INCOME**

(Millions of Yen)

	FY2009	FY2010
<b>Net sales</b>	<b>2,327,783</b>	<b>2,188,508</b>
Cost of sales	2,105,992	1,947,259
<b>Gross profit</b>	<b>221,791</b>	<b>241,249</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	5,147	393
Directors' compensations, salaries and allowances	44,314	43,071
Depreciation	5,494	9,820
Research and development expenses	45,319	50,088
Commission fee	21,699	19,850
Expenses for inquiries	21,056	21,781
Others	31,600	33,578
<b>Total selling, general and administrative expenses</b>	<b>174,633</b>	<b>178,584</b>
<b>Operating income</b>	<b>47,157</b>	<b>62,664</b>
<b>Non-operating income:</b>		
Interest income	2,330	2,297
Dividend income	12,716	14,276
Others	2,851	3,461
<b>Total non-operating income</b>	<b>17,899</b>	<b>20,035</b>
<b>Non-operating expenses:</b>		
Interest expense	15,769	14,967
Interest on debentures	4,014	4,605
Foreign exchange loss	1,260	13,134
Loss on disposal of fixed assets	5,597	5,200
Others	18,367	5,673
<b>Total non-operating expenses</b>	<b>45,009</b>	<b>43,580</b>
<b>Ordinary income</b>	<b>20,047</b>	<b>39,119</b>
<b>Extraordinary gain:</b>		
Gain on sales of fixed assets	7,754	9,667
Gain on sales of investment securities	4,980	2,637
Gain on revision of retirement benefit plan	4,950	-
<b>Total extraordinary gain</b>	<b>17,686</b>	<b>12,305</b>
<b>Extraordinary loss:</b>		
Business structure improvement expenses	13,677	20,645
Loss on revaluation of investment securities	2,125	17,632
Loss on disaster	-	8,104
Effect of the application of the accounting standard for asset retirement obligations	-	1,581
<b>Total extraordinary loss</b>	<b>15,803</b>	<b>47,963</b>
<b>Income before income taxes</b>	<b>21,929</b>	<b>3,461</b>
Income taxes:		
Current	4,878	15,065
Deferred	(1,360)	(22,243)
<b>Total income taxes</b>	<b>3,518</b>	<b>(7,178)</b>
<b>Net income</b>	<b>18,411</b>	<b>10,639</b>

## Non-consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2009	FY2010
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	74	84
Changes in the period		
Disposal of treasury stock	10	0
Total changes in the period	10	0
Balance at the end of current period	84	85
Total capital surplus		
Balance at the end of previous period	203,610	203,621
Changes in the period		
Disposal of treasury stock	10	0
Total changes in the period	10	0
Balance at the end of current period	203,621	203,621
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	32,932	34,614
Changes in the period		
Provision of reserve for reduction		
in costs of fixed assets	3,898	5,211
Reversal of reserve for reduction		
in costs of fixed assets	(2,216)	(1,984)
Total changes in the period	1,682	3,226
Balance at the end of current period	34,614	37,841
Reserve for accelerated depreciation		
Balance at the end of previous period	1,697	541
Changes in the period		
Reversal of reserve for accelerated depreciation	(1,155)	(529)
Total changes in the period	(1,155)	(529)
Balance at the end of current period	541	12



(Millions of Yen)

	FY2009	FY2010
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	82,504	83,608
Changes in the period		
Provision of reserve for reduction		
in costs of fixed assets	(3,898)	(5,211)
Reversal of reserve for reduction		
in costs of fixed assets	2,216	1,984
Reversal of reserve for accelerated depreciation	1,155	529
Cash dividends	(16,781)	(13,425)
Net income	18,411	10,639
Total changes in the period	1,103	(5,483)
Balance at the end of current period	83,608	78,124
Total retained earnings		
Balance at the end of previous period	643,497	645,128
Changes in the period		
Cash dividends	(16,781)	(13,425)
Net income	18,411	10,639
Total changes in the period	1,630	(2,785)
Balance at the end of current period	645,128	642,342
Treasury stock		
Balance at the end of previous period	(5,037)	(5,019)
Changes in the period		
Purchase of treasury stock	(21)	(412)
Disposal of treasury stock	38	12
Total changes in the period	17	(400)
Balance at the end of current period	(5,019)	(5,419)
Total stockholders' equity		
Balance at the end of previous period	1,107,679	1,109,338
Changes in the period		
Cash dividends	(16,781)	(13,425)
Net income	18,411	10,639
Purchase of treasury stock	(21)	(412)
Disposal of treasury stock	49	12
Total changes in the period	1,658	(3,185)
Balance at the end of current period	1,109,338	1,106,153

(Millions of Yen)

	FY2009	FY2010
Accumulated other comprehensive income(loss)		
Net unrealized gains on investment securities		
Balance at the end of previous period	14,980	32,431
Changes in the period		
Net changes in items other than stockholders' equity	17,451	(10,962)
Total changes in the period	17,451	(10,962)
Balance at the end of current period	32,431	21,469
Deferred gains(losses) on hedges		
Balance at the end of previous period	1,497	(469)
Changes in the period		
Net changes in items other than stockholders' equity	(1,967)	(312)
Total changes in the period	(1,967)	(312)
Balance at the end of current period	(469)	(782)
Total Valuation, translation adjustments and others		
Balance at the end of previous period	16,478	31,961
Changes in the period		
Net changes in items other than stockholders' equity	15,483	(11,275)
Total changes in the period	15,483	(11,275)
Balance at the end of current period	31,961	20,686
Share subscription rights		
Balance at the end of previous period	881	1,184
Changes in the period		
Net changes in items other than stockholders' equity	303	324
Total changes in the period	303	324
Balance at the end of current period	1,184	1,509
Total net assets		
Balance at the end of previous period	1,125,039	1,142,484
Changes in the period		
Cash dividends	(16,781)	(13,425)
Net income	18,411	10,639
Purchase of treasury stock	(21)	(412)
Disposal of treasury stock	49	12
Net changes in items other than stockholders' equity	15,786	(10,950)
Total changes in the period	17,445	(14,135)
Balance at the end of current period	1,142,484	1,128,348