

## MHI Announces Outline of FY2011 First 3 Month Financial Results Ended June 30, 2011 (Consolidated)

Tokyo, August 4, 2011 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **consolidated** financial results for the first three months of fiscal year (FY) 2011 ended June 30, 2011.

(billions of yen)

	<b>FY2011</b> <b>First 3 Months</b> (From April 1 to June 30, 2011)	FY2010 First 3 Months (From April 1 to June 30, 2010)	Changes (%)
Orders Received	<b>621.3</b>	534.7	16.2
Net Sales	<b>613.6</b>	664.1	(7.6)
Operating Income	<b>38.7</b>	39.0	(1.0)
Ordinary Income	<b>29.6</b>	28.1	5.3
Income Before Taxes and Minority Interests	<b>27.4</b>	24.6	11.5
Net Income	<b>9.6</b>	10.4	(7.9)
Net Income Per Share	<b>2.88 yen</b>	3.12 yen	(7.8)

Figures in parentheses are minus value.

**Consolidated** financial results (continued)

**Sales by Operational Segment**

(billions of yen)

	<b>FY2011 First 3 Months</b> (From April 1 to June 30, 2011)	FY2010 First 3 Months (From April 1 to June 30, 2010)
Shipbuilding & Ocean Development	<b>63.2</b>	83.4
Power Systems	<b>213.5</b>	239.2
Machinery & Steel Infrastructure Systems	<b>84.2</b>	141.0
Aerospace Systems	<b>107.5</b>	80.6
General Machinery & Special Vehicles	<b>86.8</b>	71.1
Others	<b>66.3</b>	61.2
Eliminations or Corporate	<b>(8.1)</b>	(12.6)
<b>TOTAL</b>	<b>613.6</b>	664.1

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

(billions of yen)

	<b>FY2011 First 3 Months</b> (From April 1 to June 30, 2011)	FY2010 First 3 Months (From April 1 to June 30, 2010)
Shipbuilding & Ocean Development	<b>3.8</b>	5.8
Power Systems	<b>34.2</b>	34.3
Machinery & Steel Infrastructure Systems	<b>3.4</b>	8.5
Aerospace Systems	<b>(2.9)</b>	(2.8)
General Machinery & Special Vehicles	<b>(1.8)</b>	(6.1)
Others	<b>2.0</b>	(0.5)
<b>TOTAL</b>	<b>38.7</b>	39.0

Figures in parentheses are minus value.

## **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.

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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### **About Mitsubishi Heavy Industries**

Mitsubishi Heavy Industries, Ltd. (MHI), headquartered in Tokyo, Japan, is one of the world's leading heavy machinery manufacturers, with consolidated sales of 2,903.7 billion yen in fiscal 2010, the year ended March 31, 2011. MHI's diverse lineup of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space rocketry and air-conditioning systems.

For more information, please visit the MHI website (<http://www.mhi.co.jp/en/index.html>).

### **PRESS CONTACT:**

Hideo Ikuno: [h.ikuno@daiya-pr.co.jp](mailto:h.ikuno@daiya-pr.co.jp)

Tel: +813-6716-5277, Fax: +813-6716-5929

Daiya PR (in charge of public relations for Mitsubishi Heavy Industries, Ltd.)

# CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Jun.30, 2011	As of Mar.31, 2011
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	169,079	301,047
Trade receivables	738,911	852,645
Securities	200,003	8
Merchandise and finished products	185,743	175,630
Work in process	825,794	803,874
Raw materials and supplies	137,274	136,701
Deferred income taxes	168,322	161,823
Others	188,095	151,383
Allowance for doubtful receivables	(8,013)	(7,500)
<b>Total current assets</b>	<b>2,605,211</b>	<b>2,575,613</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures	355,038	355,449
Machinery and transportation equipment	251,563	251,507
Tools, equipment and furniture	39,714	39,714
Land	166,674	166,494
Leased assets	5,832	6,004
Construction in progress	37,808	42,358
Subtotal	856,631	861,528
Intangible assets	24,595	25,165
Investments and advances:		
Investment securities	314,900	321,285
Long-term loans and advances	5,243	5,180
Deferred income taxes	10,632	10,824
Others	187,480	198,938
Allowance for doubtful accounts	(9,517)	(9,535)
Subtotal	508,739	526,693
<b>Total fixed assets</b>	<b>1,389,966</b>	<b>1,413,387</b>
<b>TOTAL ASSETS</b>	<b>3,995,178</b>	<b>3,989,001</b>

## CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Jun.30, 2011	As of Mar.31, 2011
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade payables	591,137	619,107
Short-term borrowings	73,130	85,488
Current portion of long-term borrowings	220,361	211,114
Current portion of bonds	14,157	14,074
Reserve for product warranties	22,147	23,123
Reserve for losses on construction contracts	48,856	50,753
Reserve for legal claims	2,351	2,167
Advance payments received on contracts	373,480	330,275
Others	198,586	197,965
<b>Total current liabilities</b>	<b>1,544,210</b>	<b>1,534,070</b>
<b>Long-term liabilities:</b>		
Debentures	330,000	330,000
Long-term borrowings	670,396	684,989
Deferred income taxes	9,688	3,607
Reserve for retirement allowance	50,688	49,842
Reserve for treatment of PCB waste	6,994	7,007
Others	66,463	66,805
<b>Total long-term liabilities</b>	<b>1,134,231</b>	<b>1,142,251</b>
<b>TOTAL LIABILITIES</b>	<b>2,678,441</b>	<b>2,676,322</b>
<b><u>NET ASSETS</u></b>		
<b>Stockholders' equity:</b>		
Common stock	265,608	265,608
Capital surplus	203,939	203,939
Retained earnings	818,045	815,145
Treasury stock	(5,410)	(5,425)
<b>Total stockholders' equity</b>	<b>1,282,182</b>	<b>1,279,267</b>
<b>Accumulated other comprehensive income (loss)</b>		
Net unrealized gains on investment securities	21,837	25,579
Deferred losses on hedges	(844)	(467)
Foreign currency translation adjustments	(36,203)	(42,311)
<b>Total accumulated other comprehensive income (loss)</b>	<b>(15,210)</b>	<b>(17,199)</b>
<b>Share subscription rights</b>	<b>1,509</b>	<b>1,509</b>
<b>Minority interests</b>	<b>48,255</b>	<b>49,101</b>
<b>TOTAL NET ASSETS</b>	<b>1,316,737</b>	<b>1,312,678</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,995,178</b>	<b>3,989,001</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2010 First 3 Months (From Apr.1 to Jun.30, 2010)	FY2011 First 3 Months (From Apr.1 to Jun.30, 2011)
<b>Net sales</b>	<b>664,124</b>	<b>613,628</b>
Cost of sales	546,090	496,489
<b>Gross profit</b>	<b>118,034</b>	<b>117,139</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	399	-
Directors' compensations, salaries and allowances	30,171	30,852
Research and development expenses	10,492	8,995
Expenses for inquiries	8,117	7,189
Others	29,766	31,399
<b>Total selling, general and administrative expenses</b>	<b>78,947</b>	<b>78,438</b>
<b>Operating income</b>	<b>39,086</b>	<b>38,701</b>
<b>Non-operating income:</b>		
Interest income	873	832
Dividend income	1,473	1,635
Equity in earnings of unconsolidated subsidiaries and affiliates	969	133
Others	3,392	2,070
<b>Total non-operating income</b>	<b>6,708</b>	<b>4,672</b>
<b>Non-operating expenses:</b>		
Interest expense	5,763	5,315
Foreign exchange loss	9,100	4,548
Loss on disposal of fixed assets	959	651
Others	1,799	3,185
<b>Total non-operating expenses</b>	<b>17,623</b>	<b>13,700</b>
<b>Ordinary income</b>	<b>28,172</b>	<b>29,673</b>
<b>Extraordinary gain:</b>		
Gain on sales of investment securities	2,666	-
<b>Total extraordinary gain</b>	<b>2,666</b>	<b>-</b>
<b>Extraordinary loss:</b>		
Loss on revaluation of investment securities	4,175	2,183
Effect of the application of the accounting standard for asset retirement obligations	2,012	-
<b>Total extraordinary loss</b>	<b>6,187</b>	<b>2,183</b>
<b>Income before income taxes and minority interests</b>	<b>24,651</b>	<b>27,490</b>
Income taxes	14,925	18,195
<b>Income before minority interests</b>	<b>9,725</b>	<b>9,295</b>
Minority interests in loss after taxes	(748)	(356)
<b>Net income</b>	<b>10,474</b>	<b>9,651</b>

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	FY2010 First 3 Months (From Apr.1 to Jun.30, 2010)	FY2011 First 3 Months (From Apr.1 to Jun.30, 2011)
<b>Income before minority interests</b>	<b>9,725</b>	<b>9,295</b>
<b>Other comprehensive income (loss)</b>		
Net unrealized gains (losses) on investment securities	(10,312)	(3,956)
Deferred gains (losses) on hedges	(1,128)	12
Foreign currency translation adjustments	(1,620)	5,998
Share of other comprehensive income (loss) of entities accounted for using the equity method	(2,396)	52
<b>Total other comprehensive income (loss)</b>	<b>(15,458)</b>	<b>2,106</b>
<b>Comprehensive income (loss)</b>	<b>(5,733)</b>	<b>11,401</b>
<b>Comprehensive income (loss) attributable to</b>		
Shareholders of the parent	(4,986)	11,640
Minority interests	(746)	(238)