

No. 1561

MHI Announces Outline of FY2012 First 3 Month Financial Results
Ended June 30, 2012 (Consolidated)

Tokyo, July 31, 2012 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **consolidated** financial results for the first three months of fiscal year (FY) 2012 ended June 30, 2012.

(billions of yen)

	FY2012 First 3 Months (From April 1 to June 30, 2012)	FY2011 First 3 Months (From April 1 to June 30, 2011)	Changes (%)
Orders Received	492.4	621.3	(20.7)
Net Sales	649.1	613.6	5.8
Operating Income	36.5	38.7	(5.6)
Ordinary Income	25.3	29.6	(14.7)
Income Before Taxes and Minority Interests	29.2	27.4	6.5
Net Income	18.8	9.6	95.7
Net Income Per Share	5.63 yen	2.88 yen	95.7

Figures in parentheses are minus value.

Consolidated financial results (continued)

Sales by Operational Segment

(billions of yen)

	FY2012 First 3 Months (From April 1 to June 30, 2012)	FY2011 First 3 Months (From April 1 to June 30, 2011)
Shipbuilding & Ocean Development	83.7	63.2
Power Systems	228.3	213.5
Machinery & Steel Infrastructure Systems	93.6	84.2
Aerospace Systems	94.2	107.5
General Machinery & Special Vehicles	93.1	86.8
Others	87.0	66.3
Eliminations or Corporate	(30.9)	(8.1)
TOTAL	649.1	613.6

Operating Income (Loss) by Operational Segment

(billions of yen)

	FY2012 First 3 Months (From April 1 to June 30, 2012)	FY2011 First 3 Months (From April 1 to June 30, 2011)
Shipbuilding & Ocean Development	(2.4)	4.5
Power Systems	36.5	35.4
Machinery & Steel Infrastructure Systems	3.4	2.9
Aerospace Systems	0.0	(1.4)
General Machinery & Special Vehicles	1.3	(1.4)
Others	2.2	2.3
Eliminations or Corporate	(4.6)	(3.7)
TOTAL	36.5	38.7

Figures in parentheses are minus value.

Estimate of Consolidated Financial Results for FY 2012

For the fiscal year 2012 ending March 31, 2013, MHI is expecting 3,000 billion yen in net sales, 120 billion yen in operating income, 80 billion yen in ordinary income, and 40 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. Also, the results projected here should not be construed in any way as being guaranteed by the company.

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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 2,820.9 billion yen in fiscal 2011, the year ended March 31, 2012. 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>).

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CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2012	As of Jun.30, 2012
<u>ASSETS</u>		
Current assets:		
Cash and deposits	262,287	440,974
Trade receivables	968,064	800,671
Securities	1	2
Merchandise and finished products	155,990	159,033
Work in process	773,782	791,119
Raw materials and supplies	123,670	126,909
Deferred income taxes	180,747	178,656
Others	180,826	229,021
Allowance for doubtful receivables	(6,368)	(6,622)
Total current assets	2,639,003	2,719,766
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	342,243	343,377
Machinery and transportation equipment	234,037	230,524
Tools, equipment and furniture	38,051	38,829
Land	137,337	137,925
Leased assets	5,356	5,040
Construction in progress	40,557	47,490
Subtotal	797,584	803,187
Intangible assets	25,313	26,008
Investments and advances:		
Investment securities	309,054	257,600
Long-term loans and advances	5,478	5,747
Deferred income taxes	11,180	11,702
Others	185,708	176,293
Allowance for doubtful accounts	(9,335)	(10,492)
Subtotal	502,086	440,852
Total fixed assets	1,324,984	1,270,048
TOTAL ASSETS	3,963,987	3,989,814

CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2012	As of Jun.30, 2012
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	651,101	649,425
Short-term borrowings	152,344	167,034
Current portion of long-term borrowings	131,713	155,736
Commercial papers	-	41,000
Current portion of bonds	69,900	119,900
Reserve for product warranties	20,812	21,295
Reserve for losses on construction contracts	77,565	68,662
Reserve for legal claims	3,936	3,378
Advance payments received on contracts	399,288	410,760
Others	208,034	193,551
Total current liabilities	1,714,695	1,830,743
Long-term liabilities:		
Debentures	250,000	200,000
Long-term borrowings	553,189	514,093
Deferred income taxes	17,832	10,732
Reserve for retirement allowance	47,002	47,863
Reserve for treatment of PCB waste	11,604	11,804
Others	63,296	62,808
Total long-term liabilities	942,925	847,302
TOTAL LIABILITIES	2,657,621	2,678,046
<u>NET ASSETS</u>		
Stockholders' equity:		
Common stock	265,608	265,608
Capital surplus	203,942	203,945
Retained earnings	822,473	831,298
Treasury stock	(5,418)	(5,413)
Total stockholders' equity	1,286,606	1,295,439
Accumulated other comprehensive income (loss)		
Net unrealized gains on investment securities	22,082	9,335
Deferred losses on hedges	12	556
Foreign currency translation adjustments	(53,611)	(44,675)
Total accumulated other comprehensive income (loss)	(31,517)	(34,783)
Share subscription rights	1,868	1,858
Minority interests	49,409	49,253
TOTAL NET ASSETS	1,306,366	1,311,768
TOTAL LIABILITIES AND NET ASSETS	3,963,987	3,989,814

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2011 First 3 Months (From Apr.1 to Jun.30, 2011)	FY2012 First 3 Months (From Apr.1 to Jun.30, 2012)
Net sales	613,628	649,183
Cost of sales	496,489	529,202
Gross profit	117,139	119,980
Selling, general and administrative expenses:		
Provision of allowance for doubtful accounts	-	1,301
Directors' compensations, salaries and allowances	30,852	32,386
Research and development expenses	8,995	10,154
Expenses for inquiries	7,189	7,907
Others	31,399	31,682
Total selling, general and administrative expenses	78,438	83,431
Operating income	38,701	36,548
Non-operating income:		
Interest income	832	800
Dividend income	1,635	1,521
Equity in earnings of unconsolidated subsidiaries and affiliates	133	-
Others	2,070	1,312
Total non-operating income	4,672	3,633
Non-operating expenses:		
Interest expense	5,315	4,509
Equity in losses of unconsolidated subsidiaries and affiliates	-	652
Foreign exchange loss	4,548	8,462
Loss on disposal of fixed assets	651	785
Others	3,185	461
Total non-operating expenses	13,700	14,871
Ordinary income	29,673	25,311
Extraordinary gain:		
Gain on sales of investment securities	-	6,860
Total extraordinary gain	-	6,860
Extraordinary loss:		
Loss on revaluation of investment securities	2,183	2,905
Total extraordinary loss	2,183	2,905
Income before income taxes and minority interests	27,490	29,266
Income taxes	18,195	10,259
Income before minority interests	9,295	19,006
Minority interests in loss after taxes	(356)	115
Net income	9,651	18,891

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	FY2011 First 3 Months (From Apr.1 to Jun.30, 2011)	FY2012 First 3 Months (From Apr.1 to Jun.30, 2012)
Income before minority interests	9,295	19,006
Other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	(3,956)	(11,202)
Deferred gains (losses) on hedges	12	355
Foreign currency translation adjustments	5,998	10,141
Share of other comprehensive income (loss) of entities accounted for using the equity method	52	(2,315)
Total other comprehensive income (loss)	2,106	(3,021)
Comprehensive income (loss)	11,401	15,984
Comprehensive income (loss) attributable to		
Shareholders of the parent	11,640	15,624
Minority interests	(238)	360