

No. 1653

### MHI Announces FY2012 Consolidated Financial Results

Tokyo, April 26, 2013 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **consolidated** financial results for fiscal year (FY) 2012 ended March 31, 2013.

	(billions of yen)		
	<b>FY2012</b>	FY2011	Changes (%)
Orders Received	<b>3,032.2</b>	3,188.8	(4.9)
Net Sales	<b>2,817.8</b>	2,820.9	(0.1)
Operating Income	<b>163.5</b>	111.9	46.1
Ordinary Income	<b>149.0</b>	86.1	72.9
Income Before Taxes and Minority Interests	<b>155.4</b>	69.8	122.6
Net Income	<b>97.3</b>	24.5	296.6
Operating Cash Flow	<b>288.3</b>	200.3	
Investment Cash Flow	<b>(76.7)</b>	(47.0)	
Financing Cash Flow	<b>(154.2)</b>	(183.6)	
Net Income Per Share	<b>29.01yen</b>	7.31yen	296.6

Figures in parentheses are negative.

**Consolidated** financial results (continued)

**Sales by Operational Segment**

(billions of yen)

	<b>FY2012</b>	FY2011
Shipbuilding & Ocean Development	<b>225.8</b>	311.6
Power Systems	<b>988.7</b>	955.3
Machinery & Steel Infrastructure Systems	<b>482.5</b>	428.8
Aerospace Systems	<b>485.8</b>	495.9
General Machinery & Special Vehicles	<b>389.1</b>	381.7
Others	<b>345.7</b>	294.4
Eliminations or Corporate	<b>(99.9)</b>	(47.1)
<b>TOTAL</b>	<b>2,817.8</b>	2,820.9

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

(billions of yen)

	<b>FY2012</b>	FY2011
Shipbuilding & Ocean Development	<b>11.5</b>	(3.8)
Power Systems	<b>88.9</b>	92.3
Machinery & Steel Infrastructure Systems	<b>26.4</b>	25.3
Aerospace Systems	<b>29.1</b>	(5.3)
General Machinery & Special Vehicles	<b>12.7</b>	5.1
Others	<b>12.9</b>	16.1
Eliminations or Corporate	<b>(18.3)</b>	(17.8)
<b>TOTAL</b>	<b>163.5</b>	111.9

Figures in parentheses are negative.

Note: Effective FY2012, the method for calculating operating income or loss for each segment has been changed. The FY2011 figures shown in the above table were recalculated based on the new method.

**Consolidated** financial results (continued)

### **Estimate of Consolidated Financial Results for FY 2013**

For the fiscal year 2013 ending March 31, 2014, MHI is expecting 3,150 billion yen in net sales, 190 billion yen in operating income, 160 billion yen in ordinary income, and 100 billion yen in net income. This estimate is based on the assumption of currency exchange rate of US\$ 1.00 = ¥95 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. Also, the results projected here should not be construed in any way as being guaranteed by the company.

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# CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2012	As of Mar.31, 2013
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	262,287	328,365
Trade receivables	968,064	931,469
Securities	1	2
Merchandise and finished products	155,990	139,157
Work in process	773,782	746,640
Raw materials and supplies	123,670	124,038
Deferred income taxes	180,747	138,934
Others	180,826	222,550
Allowance for doubtful receivables	(6,368)	(6,333)
<b>Total current assets</b>	<b>2,639,003</b>	<b>2,624,824</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings and structures	342,243	339,262
Machinery and transportation equipment	234,037	225,547
Tools, equipment and furniture	38,051	41,877
Land	137,337	138,382
Leased assets	5,356	4,599
Construction in progress	40,557	43,263
Subtotal	797,584	792,932
Intangible assets	25,313	29,216
Investments and advances:		
Investment securities	309,054	297,625
Long-term loans and advances	5,478	6,863
Deferred income taxes	11,180	10,087
Others	185,708	182,459
Allowance for doubtful accounts	(9,335)	(8,891)
Subtotal	502,086	488,144
<b>Total fixed assets</b>	<b>1,324,984</b>	<b>1,310,294</b>
<b>TOTAL ASSETS</b>	<b>3,963,987</b>	<b>3,935,119</b>

## CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2012	As of Mar.31, 2013
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade payables	651,101	663,451
Short-term borrowings	152,344	154,014
Current portion of long-term borrowings	131,713	150,171
Current portion of bonds	69,900	50,000
Reserve for product warranties	20,812	22,135
Reserve for losses on construction contracts	77,565	35,405
Reserve for legal claims	3,936	61
Advance payments received on contracts	399,288	427,390
Others	208,034	191,193
<b>Total current liabilities</b>	<b>1,714,695</b>	<b>1,693,822</b>
<b>Long-term liabilities:</b>		
Debentures	250,000	200,000
Long-term borrowings	553,189	477,053
Deferred income taxes	17,832	9,922
Reserve for retirement allowance	47,002	51,904
Reserve for treatment of PCB waste	11,604	10,865
Others	63,296	61,324
<b>Total long-term liabilities</b>	<b>942,925</b>	<b>811,070</b>
<b>TOTAL LIABILITIES</b>	<b>2,657,621</b>	<b>2,504,893</b>
<b><u>NET ASSETS</u></b>		
<b>Stockholders' equity:</b>		
Common stock	265,608	265,608
Capital surplus	203,942	203,956
Retained earnings	822,473	901,397
Treasury stock	(5,418)	(5,394)
<b>Total stockholders' equity</b>	<b>1,286,606</b>	<b>1,365,568</b>
<b>Accumulated other comprehensive income (loss)</b>		
Net unrealized gains on investment securities	22,082	30,979
Deferred losses on hedges	12	142
Foreign currency translation adjustments	(53,611)	(18,040)
<b>Total accumulated other comprehensive income (loss)</b>	<b>(31,517)</b>	<b>13,081</b>
<b>Share subscription rights</b>	<b>1,868</b>	<b>2,243</b>
<b>Minority interests</b>	<b>49,409</b>	<b>49,332</b>
<b>TOTAL NET ASSETS</b>	<b>1,306,366</b>	<b>1,430,225</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,963,987</b>	<b>3,935,119</b>

# CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2011	FY2012
<b>Net sales</b>	<b>2,820,932</b>	<b>2,817,893</b>
Cost of sales	2,375,158	2,297,072
<b>Gross profit</b>	<b>445,774</b>	<b>520,821</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	318	323
Directors' compensations, salaries and allowances	124,207	132,482
Research and development expenses	48,954	56,537
Expenses for inquiries	28,225	31,831
Others	132,106	136,125
<b>Total selling, general and administrative expenses</b>	<b>333,812</b>	<b>357,300</b>
<b>Operating income</b>	<b>111,961</b>	<b>163,520</b>
<b>Non-operating income:</b>		
Interest income	3,637	2,717
Dividend income	4,248	3,876
Equity in earnings of unconsolidated subsidiaries and affiliates	4,960	2,625
Foreign exchange gain	-	7,030
Others	5,107	2,623
<b>Total non-operating income</b>	<b>17,954</b>	<b>18,874</b>
<b>Non-operating expenses:</b>		
Interest expense	20,522	17,256
Foreign exchange loss	5,094	-
Loss on disposal of fixed assets	5,725	4,397
Others	12,390	11,711
<b>Total non-operating expenses</b>	<b>43,733</b>	<b>33,366</b>
<b>Ordinary income</b>	<b>86,182</b>	<b>149,028</b>
<b>Extraordinary gain:</b>		
Gain on sales of investment securities	-	8,676
Gain on sales of fixed assets	28,344	4,157
<b>Total extraordinary gain</b>	<b>28,344</b>	<b>12,833</b>
<b>Extraordinary loss:</b>		
Business structure improvement expenses	38,116	6,414
Expense for treatment of PCB waste	4,098	-
Loss on revaluation of investment securities	2,479	-
<b>Total extraordinary loss</b>	<b>44,695</b>	<b>6,414</b>
<b>Income before income taxes and minority interests</b>	<b>69,831</b>	<b>155,448</b>
Income taxes		
Current	46,031	26,059
Deferred	(855)	33,080
<b>Total income taxes</b>	<b>45,175</b>	<b>59,139</b>
<b>Income before minority interests</b>	<b>24,655</b>	<b>96,308</b>
Minority interests in income (loss) of consolidated subsidiaries	114	(1,021)
<b>Net income</b>	<b>24,540</b>	<b>97,330</b>

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	FY2011	FY2012
<b>Income before minority interests</b>	<b>24,655</b>	<b>96,308</b>
<b>Other comprehensive income (loss)</b>		
Net unrealized gains (losses) on investment securities	(3,607)	9,631
Deferred gains (losses) on hedges	549	236
Foreign currency translation adjustments	(9,455)	25,638
Share of other comprehensive income (loss) of entities accounted for using the equity method	(2,051)	10,547
Changes in equity interest	-	1,725
<b>Total other comprehensive income (loss)</b>	<b>(14,565)</b>	<b>47,780</b>
<b>Comprehensive income (loss)</b>	<b>10,090</b>	<b>144,088</b>
<b>Comprehensive income (loss) attributable to</b>		
Shareholders of the parent	10,223	143,653
Minority interests	(132)	435

## Consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2011	FY2012
<b>Stockholders' equity</b>		
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		
Balance at the beginning of current period	203,939	203,942
Changes in the period		
Disposal of treasury stock	3	13
Total changes in the period	3	13
Balance at the end of current period	203,942	203,956
Retained earnings		
Balance at the beginning of current period	815,145	822,473
Changes in the period		
Cash dividends	(16,775)	(20,131)
Net income	24,540	97,330
Changes in scope of consolidation	19	-
Changes in scope of equity method application	(4)	-
Changes in fiscal year end of consolidated subsidiaries	(452)	-
Changes in equity interest	-	1,725
Total changes in the period	7,327	78,924
Balance at the end of current period	822,473	901,397
Treasury stock		
Balance at the beginning of current period	(5,425)	(5,418)
Changes in the period		
Purchase of treasury stock	(14)	(11)
Disposal of treasury stock	22	35
Total changes in the period	7	23
Balance at the end of current period	(5,418)	(5,394)
<b>Total stockholders' equity</b>		
Balance at the beginning of current period	1,279,267	1,286,606
Changes in the period		
Cash dividends	(16,775)	(20,131)
Net income	24,540	97,330
Changes in scope of consolidation	19	-
Changes in scope of equity method application	(4)	-
Changes in fiscal year end of consolidated subsidiaries	(452)	-
Changes in equity interest	-	1,725
Purchase of treasury stock	(14)	(11)
Disposal of treasury stock	25	49
Total changes in the period	7,338	78,962
Balance at the end of current period	1,286,606	1,365,568



(Millions of Yen)

	FY2011	FY2012
Accumulated other comprehensive income		
Net unrealized gains(losses) on investment securities		
Balance at the beginning of current period	25,579	22,082
Changes in the period		
Net changes in items other than stockholders' equity	(3,497)	8,897
Total changes in the period	(3,497)	8,897
Balance at the end of current period	22,082	30,979
Deferred gains(losses) on hedges		
Balance at the beginning of current period	(467)	12
Changes in the period		
Net changes in items other than stockholders' equity	479	129
Total changes in the period	479	129
Balance at the end of current period	12	142
Foreign currency translation adjustments		
Balance at the beginning of current period	(42,311)	(53,611)
Changes in the period		
Net changes in items other than stockholders' equity	(11,300)	35,570
Total changes in the period	(11,300)	35,570
Balance at the end of current period	(53,611)	(18,040)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(17,199)	(31,517)
Changes in the period		
Net changes in items other than stockholders' equity	(14,317)	44,598
Total changes in the period	(14,317)	44,598
Balance at the end of current period	(31,517)	13,081
Share subscription rights		
Balance at the beginning of current period	1,509	1,868
Changes in the period		
Net changes in items other than stockholders' equity	359	375
Total changes in the period	359	375
Balance at the end of current period	1,868	2,243
Minority interests		
Balance at the beginning of current period	49,101	49,409
Changes in the period		
Net changes in items other than stockholders' equity	307	(76)
Total changes in the period	307	(76)
Balance at the end of current period	49,409	49,332

(Millions of Yen)

	FY2011	FY2012
Total net assets		
Balance at the beginning of current period	1,312,678	1,306,366
Changes in the period		
Cash dividends	(16,775)	(20,131)
Net income	24,540	97,330
Changes in scope of consolidation	19	-
Changes in scope of equity method application	(4)	-
Changes in fiscal year end of consolidated subsidiaries	(452)	-
Changes in equity interest	-	1,725
Purchase of treasury stock	(14)	(11)
Disposal of treasury stock	25	49
Net changes in items other than stockholders' equity	(13,650)	44,897
Total changes in the period	(6,312)	123,859
Balance at the end of current period	1,306,366	1,430,225

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	FY 2011	FY 2012
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	69,831	155,448
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	123,964	118,557
Increase (decrease) in reserve for retirement allowance	(2,956)	4,687
Interest and dividend income	(7,885)	(6,594)
Interest expense	20,522	17,256
(Income) loss from equity method investments	(4,960)	(2,625)
(Gain) loss on sales of investment securities	(123)	(8,676)
Loss on revaluation of investment securities	2,479	-
(Gain) loss on sales of fixed assets	(28,344)	(4,157)
Loss on disposal of fixed assets	5,725	4,397
Business structure improvement expenses	38,116	6,414
Expense for treatment of PCB waste	4,098	-
(Increase) decrease in receivables	(123,811)	60,932
(Increase) decrease in inventories and advances to suppliers	33,945	32,827
(Increase) decrease in other assets	(1,733)	8,194
Increase (decrease) in payables	38,004	(11,938)
Increase (decrease) in advance payments received on contracts	70,284	23,986
Increase (decrease) in other liabilities	14,622	(44,128)
Others	4,841	1,824
Subtotal	<b>256,621</b>	<b>356,406</b>
Interest and dividends received	8,447	7,962
Interest paid	(20,931)	(17,507)
Income taxes paid	(43,776)	(58,485)
Net cash provided by operating activities	<b>200,361</b>	<b>288,375</b>
<b>Cash flows from investing activities:</b>		
Net (increase) decrease in time deposits	4,417	(372)
Purchases of marketable securities	(40,000)	-
Proceeds from sales and redemption of marketable securities	40,000	-
Purchases of property, plant, equipment and intangible assets	(117,433)	(115,701)
Proceeds from sales of property, plant, equipment and intangible assets	66,963	8,814
Purchases of investment securities	(2,763)	(4,307)
Proceeds from sales and redemption of investment securities	3,557	44,563
Disbursement of long-term loans	(1,930)	(3,338)
Collection of long-term loans	1,887	1,096
Others	(1,746)	(7,494)
Net cash used in investing activities	<b>(47,047)</b>	<b>(76,737)</b>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings and commercial papers	69,278	(1,695)
Proceeds from long-term borrowings	2,835	72,652
Repayment of long-term borrowings	(212,859)	(132,092)
Payment for redemption of bonds	(24,228)	(69,900)
Proceeds from issuance of stock to minority stockholders of subsidiaries	1,775	372
Dividends paid to stockholders	(16,733)	(20,061)
Dividends paid to minority stockholders of subsidiaries	(1,375)	(954)
Others	(2,306)	(2,535)
Net cash used in financing activities	<b>(183,614)</b>	<b>(154,215)</b>
Effect of exchange rate changes on cash and cash equivalents	<b>(4,045)</b>	<b>7,397</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(34,347)</b>	<b>64,820</b>
Cash and cash equivalents at beginning of year	<b>288,868</b>	<b>254,605</b>
Increase in cash and cash equivalents due to changes in scope of consolidation	<b>84</b>	<b>-</b>
Cash and cash equivalents at end of year	<b>254,605</b>	<b>319,426</b>

No. 1654

### MHI Announces FY2012 Non-Consolidated Financial Results

Tokyo, April 26, 2013 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **non-consolidated** financial results for fiscal year (FY) 2012 ended March 31, 2013.

			(billions of yen)
	<b>FY2012</b>	FY2011	Changes (%)
Orders Received	<b>1,986.6</b>	2,447.5	(18.8)
Net Sales	<b>2,028.4</b>	2,175.6	(6.8)
Operating Income	<b>95.9</b>	54.6	75.5
Ordinary Income	<b>93.1</b>	37.1	150.9
Income Before Income Taxes	<b>121.2</b>	35.5	241.0
Net Income	<b>91.3</b>	12.9	607.5
Net Income Per Share	<b>27.24 yen</b>	3.85 yen	607.4
Dividend Per Share	<b>8.00 yen</b>	6.00 yen	

Figures in parentheses are negative.

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

(Millions of Yen)

	As of Mar.31, 2012	As of Mar.31, 2013
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and deposits	173,003	215,188
Trade notes receivable	4,570	4,252
Trade accounts receivable	802,996	714,468
Merchandise and finished products	81,547	65,552
Work in process	596,530	548,055
Raw materials and supplies	90,123	86,162
Advances to suppliers	69,892	98,610
Prepaid expenses	2,024	2,135
Deferred income taxes	139,575	103,449
Short-term loans receivable from subsidiaries and affiliates	18,393	41,535
Others	93,338	126,871
Allowance for doubtful receivables	(79)	(62)
<b>Total current assets</b>	<b>2,071,917</b>	<b>2,006,220</b>
<b>Fixed assets:</b>		
Property, plant and equipment:		
Buildings	229,602	222,638
Structures	23,928	22,714
Docks and facilities for shipbuilding	3,068	3,075
Machinery	180,075	162,653
Vessels	29	223
Aircraft	12	9
Vehicles and transportation equipment	2,101	2,455
Tools, equipment and furniture	28,182	30,867
Land	95,876	95,771
Leased assets	23,224	21,825
Construction in progress	27,035	29,473
Subtotal	613,138	591,707
Intangible assets:		
Software	9,569	8,636
Right of using facilities	357	370
Leased assets	12	7
Others	321	448
Subtotal	10,260	9,464
Investments and advances:		
Investment securities	141,265	146,817
Investments in shares of subsidiaries and affiliates	402,094	448,132
Investments in capital	27	26
Investments in capital of subsidiaries and affiliates	12,070	19,435
Long-term loans and advances	202	169
Long-term loans receivable from employees	56	48
Long-term loans receivable from subsidiaries and affiliates	22,116	26,053
Claims provable in bankruptcy, claims provable in rehabilitation and other	6,485	2,020
Long-term prepaid expense	34,449	22,937
Prepaid pension cost	88,233	87,844
Long-term receivables	25,880	24,425
Others	32,852	34,880
Allowance for doubtful accounts	(21,225)	(13,011)
Subtotal	744,509	799,699
<b>Total fixed assets</b>	<b>1,367,907</b>	<b>1,400,871</b>
<b>TOTAL ASSETS</b>	<b>3,439,825</b>	<b>3,407,091</b>

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

(Millions of Yen)

	As of Mar.31, 2012	As of Mar.31, 2013
<b><u>LIABILITIES</u></b>		
<b>Current liabilities:</b>		
Trade accounts payable	539,921	529,573
Short-term borrowings	154,505	209,504
Current portion of long-term borrowings	133,178	142,978
Current portion of bonds	69,900	50,000
Lease obligations	1,644	1,408
Accrued payables	23,349	26,599
Accrued expenses	40,954	39,925
Accrued income taxes	21,724	-
Advance payments received on contracts	347,639	372,747
Deposits received	14,520	19,623
Unearned revenue	3	-
Reserve for product warranties	20,812	22,135
Reserve for losses on construction contracts	68,842	30,554
Reserve for legal claims	3,936	61
Asset retirement obligations	60	48
Others	6,829	21,729
<b>Total current liabilities</b>	<b>1,447,824</b>	<b>1,466,889</b>
<b>Long-term liabilities:</b>		
Debentures	250,000	200,000
Long-term borrowings	533,470	460,492
Lease obligations	22,123	20,791
Deferred income taxes	17,173	9,496
Reserve for retirement allowance	-	3,151
Reserve for treatment of PCB waste	11,296	10,391
Asset retirement obligations	3,122	3,177
Others	32,756	30,691
<b>Total long-term liabilities</b>	<b>869,942</b>	<b>738,192</b>
<b>TOTAL LIABILITIES</b>	<b>2,317,766</b>	<b>2,205,081</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	88	102
Total capital surplus	203,624	203,638
Retained earnings:		
Legal reserve	66,363	66,363
Revenue reserve:		
Reserve for reduction in costs of fixed assets	48,879	46,683
Reserve for accelerated depreciation	2	-
General reserves	460,000	460,000
Earned surplus brought forward	63,238	136,349
Total retained earnings	638,483	709,397
Treasury stock	(5,411)	(5,387)
<b>Total stockholders' equity</b>	<b>1,102,305</b>	<b>1,173,257</b>
<b>Valuation, translation adjustments and others</b>		
Net unrealized gains on investment securities	17,956	26,575
Deferred losses on hedges	(70)	(65)
<b>Total valuation, translation adjustments and others</b>	<b>17,885</b>	<b>26,509</b>
<b>Share subscription rights</b>	<b>1,868</b>	<b>2,243</b>
<b>TOTAL NET ASSETS</b>	<b>1,122,059</b>	<b>1,202,010</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,439,825</b>	<b>3,407,091</b>

**NON-CONSOLIDATED STATEMENTS OF INCOME**

(Millions of Yen)

	FY2011	FY2012
<b>Net sales</b>	<b>2,175,666</b>	<b>2,028,448</b>
Cost of sales	1,932,208	1,743,262
<b>Gross profit</b>	<b>243,458</b>	<b>285,186</b>
<b>Selling, general and administrative expenses:</b>		
Provision of allowance for doubtful accounts	11,866	417
Directors' compensations, salaries and allowances	46,971	51,098
Depreciation	9,206	9,003
Research and development expenses	42,167	47,293
Commission fee	22,791	23,519
Expenses for inquiries	18,925	21,650
Others	36,839	36,220
<b>Total selling, general and administrative expenses</b>	<b>188,768</b>	<b>189,202</b>
<b>Operating income</b>	<b>54,689</b>	<b>95,983</b>
<b>Non-operating income:</b>		
Interest income	1,870	1,783
Dividend income	13,784	13,013
Foreign exchange gain	-	4,286
Others	3,546	1,027
<b>Total non-operating income</b>	<b>19,202</b>	<b>20,111</b>
<b>Non-operating expenses:</b>		
Interest expense	13,523	11,499
Interest on debentures	4,423	3,918
Foreign exchange loss	4,932	-
Loss on disposal of fixed assets	5,017	3,873
Others	8,873	3,656
<b>Total non-operating expenses</b>	<b>36,771</b>	<b>22,948</b>
<b>Ordinary income</b>	<b>37,120</b>	<b>93,145</b>
<b>Extraordinary gain:</b>		
Gain on sales of investment securities	-	33,134
Gain on sales of fixed assets	26,933	3,136
<b>Total extraordinary gain</b>	<b>26,933</b>	<b>36,271</b>
<b>Extraordinary loss:</b>		
Business structure improvement expenses	18,064	4,706
Loss on revaluation of investment securities	6,344	3,501
Expense for treatment of PCB waste	4,098	-
<b>Total extraordinary loss</b>	<b>28,508</b>	<b>8,207</b>
<b>Income before income taxes</b>	<b>35,545</b>	<b>121,209</b>
Income taxes:		
Current	27,607	3,533
Deferred	(4,978)	26,296
<b>Total income taxes</b>	<b>22,629</b>	<b>29,829</b>
<b>Net income</b>	<b>12,916</b>	<b>91,380</b>

## Non-consolidated Statements of Changes in Net Assets

(Millions of Yen)

	FY2011	FY2012
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	85	88
Changes in the period		
Disposal of treasury stock	3	13
Total changes in the period	3	13
Balance at the end of current period	88	102
Total capital surplus		
Balance at the beginning of current period	203,621	203,624
Changes in the period		
Disposal of treasury stock	3	13
Total changes in the period	3	13
Balance at the end of current period	203,624	203,638
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	37,841	48,879
Changes in the period		
Provision of reserve for reduction		
in costs of fixed assets	12,072	1,648
Reversal of reserve for reduction		
in costs of fixed assets	(1,034)	(3,844)
Total changes in the period	11,038	(2,195)
Balance at the end of current period	48,879	46,683
Reserve for accelerated depreciation		
Balance at the beginning of current period	12	2
Changes in the period		
Reversal of reserve for accelerated depreciation	(10)	(2)
Total changes in the period	(10)	(2)
Balance at the end of current period	2	-



(Millions of Yen)

	FY2011	FY2012
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	78,124	63,238
Changes in the period		
Provision of reserve for reduction in costs of fixed assets	(12,072)	(1,648)
Reversal of reserve for reduction in costs of fixed assets	1,034	3,844
Reversal of reserve for accelerated depreciation	10	2
Cash dividends	(16,775)	(20,131)
Net income	12,916	91,380
Decrease by corporate division	-	(334)
Total changes in the period	(14,886)	73,111
Balance at the end of current period	63,238	136,349
Total retained earnings		
Balance at the beginning of current period	642,342	638,483
Changes in the period		
Cash dividends	(16,775)	(20,131)
Net income	12,916	91,380
Decrease by corporate division	-	(334)
Total changes in the period	(3,859)	70,914
Balance at the end of current period	638,483	709,397
Treasury stock		
Balance at the beginning of current period	(5,419)	(5,411)
Changes in the period		
Purchase of treasury stock	(14)	(11)
Disposal of treasury stock	22	35
Total changes in the period	7	23
Balance at the end of current period	(5,411)	(5,387)
Total stockholders' equity		
Balance at the beginning of current period	1,106,153	1,102,305
Changes in the period		
Cash dividends	(16,775)	(20,131)
Net income	12,916	91,380
Purchase of treasury stock	(14)	(11)
Disposal of treasury stock	25	49
Decrease by corporate division	-	(334)
Total changes in the period	(3,848)	70,951
Balance at the end of current period	1,102,305	1,173,257

(Millions of Yen)

	FY2011	FY2012
Valuation, translation adjustments and others		
Net unrealized gains(losses) on investment securities		
Balance at the beginning of current period	21,469	17,956
Changes in the period		
Net changes in items other than stockholders' equity	(3,512)	8,618
Total changes in the period	(3,512)	8,618
Balance at the end of current period	17,956	26,575
Deferred gains(losses) on hedges		
Balance at the beginning of current period	(782)	(70)
Changes in the period		
Net changes in items other than stockholders' equity	711	5
Total changes in the period	711	5
Balance at the end of current period	(70)	(65)
Total Valuation, translation adjustments and others		
Balance at the beginning of current period	20,686	17,885
Changes in the period		
Net changes in items other than stockholders' equity	(2,800)	8,623
Total changes in the period	(2,800)	8,623
Balance at the end of current period	17,885	26,509
Share subscription rights		
Balance at the beginning of current period	1,509	1,868
Changes in the period		
Net changes in items other than stockholders' equity	359	375
Total changes in the period	359	375
Balance at the end of current period	1,868	2,243
Total net assets		
Balance at the beginning of current period	1,128,348	1,122,059
Changes in the period		
Cash dividends	(16,775)	(20,131)
Net income	12,916	91,380
Purchase of treasury stock	(14)	(11)
Disposal of treasury stock	25	49
Decrease by corporate division	-	(334)
Net changes in items other than stockholders' equity	(2,441)	8,999
Total changes in the period	(6,289)	79,951
Balance at the end of current period	1,122,059	1,202,010