

No. 1695

MHI Announces Outline of FY2013 First 3 Month Financial Results
Ended June 30, 2013 (Consolidated)

Tokyo, July 31, 2013 -- Mitsubishi Heavy Industries, Ltd. (MHI) today announced its **consolidated** financial results for the first three months of fiscal year (FY) 2013 ended June 30, 2013.

(billions of yen)

	FY2013 First 3 Months (From April 1 to June 30, 2013)	FY2012 First 3 Months (From April 1 to June 30, 2012)	Changes (%)
Orders Received	585.4	492.4	18.9
Net Sales	747.4	649.1	15.1
Operating Income	35.3	36.5	(3.3)
Ordinary Income	28.0	25.3	10.7
Income Before Taxes and Minority Interests	24.1	29.2	(17.5)
Net Income	13.6	18.8	(27.7)
Net Income Per Share	4.07 yen	5.63 yen	(27.7)

Figures in parentheses are negative.

Consolidated financial results (continued)

Sales by Operational Segment

(billions of yen)

	FY2013 First 3 Months (From April 1 to June 30, 2013)	FY2012 First 3 Months (From April 1 to June 30, 2012)
Shipbuilding & Ocean Development	60.6	83.7
Power Systems	265.8	228.3
Machinery & Steel Infrastructure Systems	107.7	93.6
Aerospace Systems	132.7	94.2
General Machinery & Special Vehicles	117.6	93.1
Others	83.9	87.0
Eliminations or Corporate	(21.1)	(30.9)
TOTAL	747.4	649.1

Operating Income (Loss) by Operational Segment

(billions of yen)

	FY2013 First 3 Months (From April 1 to June 30, 2013)	FY2012 First 3 Months (From April 1 to June 30, 2012)
Shipbuilding & Ocean Development	0.4	(2.4)
Power Systems	20.1	36.5
Machinery & Steel Infrastructure Systems	4.4	3.4
Aerospace Systems	10.3	0.0
General Machinery & Special Vehicles	3.6	1.3
Others	0.9	2.2
Eliminations or Corporate	(4.8)	(4.6)
TOTAL	35.3	36.5

Figures in parentheses are negative.

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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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 2,817.8 billion yen in fiscal 2012, the year ended March 31, 2013. MHI's diverse lineup of products and services encompasses shipbuilding, power plants, chemical plants, environmental equipment, steel structures, industrial and general machinery, aircraft, space systems and air-conditioning systems.

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

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

CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2013	As of Jun.30, 2013
<u>ASSETS</u>		
Current assets:		
Cash and deposits	328,365	252,109
Trade receivables	931,469	904,571
Securities	2	2
Merchandise and finished products	139,157	160,085
Work in process	746,640	784,616
Raw materials and supplies	124,038	126,306
Deferred income taxes	138,934	143,472
Others	222,550	286,939
Allowance for doubtful receivables	(6,333)	(7,349)
Total current assets	2,624,824	2,650,754
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	339,262	348,508
Machinery and transportation equipment	225,547	240,223
Tools, equipment and furniture	41,877	43,295
Land	138,382	150,489
Leased assets	4,599	4,293
Construction in progress	43,263	44,950
Subtotal	792,932	831,761
Intangible assets	29,216	78,087
Investments and advances:		
Investment securities	297,625	323,996
Long-term loans and advances	6,863	7,163
Deferred income taxes	10,087	11,042
Others	182,459	182,552
Allowance for doubtful accounts	(8,891)	(8,937)
Subtotal	488,144	515,815
Total fixed assets	1,310,294	1,425,663
TOTAL ASSETS	3,935,119	4,076,418

CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2013	As of Jun.30, 2013
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	663,451	696,176
Short-term borrowings	154,014	149,856
Current portion of long-term borrowings	150,171	151,823
Current portion of bonds	50,000	-
Reserve for product warranties	22,135	21,862
Reserve for losses on construction contracts	35,405	31,677
Reserve for legal claims	61	200
Advance payments received on contracts	427,390	485,387
Others	191,193	213,988
Total current liabilities	1,693,822	1,750,971
Long-term liabilities:		
Bonds	200,000	200,000
Long-term borrowings	477,053	462,958
Deferred income taxes	9,922	16,531
Reserve for retirement allowance	51,904	65,732
Reserve for treatment of PCB waste	10,865	10,831
Others	61,324	84,135
Total long-term liabilities	811,070	840,189
TOTAL LIABILITIES	2,504,893	2,591,161
<u>NET ASSETS</u>		
Stockholders' equity:		
Common stock	265,608	265,608
Capital surplus	203,956	203,967
Retained earnings	901,397	898,040
Treasury stock	(5,394)	(5,374)
Total stockholders' equity	1,365,568	1,362,241
Accumulated other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	30,979	43,165
Deferred gains (losses) on hedges	142	(40)
Foreign currency translation adjustments	(18,040)	4,177
Total accumulated other comprehensive income (loss)	13,081	47,302
Share subscription rights	2,243	2,219
Minority interests	49,332	73,494
TOTAL NET ASSETS	1,430,225	1,485,257
TOTAL LIABILITIES AND NET ASSETS	3,935,119	4,076,418

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2012 First 3 Months (From Apr.1 to Jun.30, 2012)	FY2013 First 3 Months (From Apr.1 to Jun.30, 2013)
Net sales	649,183	747,491
Cost of sales	529,202	612,016
Gross profit	119,980	135,475
Selling, general and administrative expenses:		
Provision of allowance for doubtful accounts	1,301	-
Directors' compensations, salaries and allowances	32,386	40,549
Research and development expenses	10,154	11,601
Expenses for inquiries	7,907	8,448
Others	31,682	39,550
Total selling, general and administrative expenses	83,431	100,150
Operating income	36,548	35,325
Non-operating income:		
Interest income	800	654
Dividend income	1,521	1,258
Others	1,312	2,508
Total non-operating income	3,633	4,420
Non-operating expenses:		
Interest expense	4,509	3,824
Equity in losses of unconsolidated subsidiaries and affiliates	652	913
Foreign exchange loss	8,462	3,849
Loss on disposal of fixed assets	785	1,244
Others	461	1,892
Total non-operating expenses	14,871	11,724
Ordinary income	25,311	28,022
Extraordinary gain:		
Gain on bargain purchase	-	3,281
Gain on sales of investment securities	6,860	-
Total extraordinary gain	6,860	3,281
Extraordinary loss:		
Impairment Loss	-	4,676
Business structure improvement expenses	-	2,481
Loss on revaluation of investment securities	2,905	-
Total extraordinary loss	2,905	7,158
Income before income taxes and minority interests	29,266	24,145
Income taxes	10,259	9,951
Income before minority interests	19,006	14,194
Minority interests in loss after taxes	115	529
Net income	18,891	13,665

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	FY2012 First 3 Months (From Apr.1 to Jun.30, 2012)	FY2013 First 3 Months (From Apr.1 to Jun.30, 2013)
Income before minority interests	19,006	14,194
Other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	(11,202)	12,132
Deferred gains (losses) on hedges	355	110
Foreign currency translation adjustments	10,141	22,238
Share of other comprehensive income (loss) of entities accounted for using the equity method	(2,315)	1,521
Changes in equity interest	-	4
Total other comprehensive income (loss)	(3,021)	36,006
Comprehensive income (loss)	15,984	50,201
Comprehensive income (loss) attributable to		
Shareholders of the parent	15,624	47,890
Minority interests	360	2,310