

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)

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

Figures in parentheses are minus value.

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

NON-CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2010	As of Mar.31, 2011
<u>ASSETS</u>		
Current assets:		
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)
Total current assets	2,284,173	2,031,139
Fixed assets:		
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
Total fixed assets	1,411,435	1,423,553
TOTAL ASSETS	3,695,608	3,454,692

NON-CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2010	As of Mar.31, 2011
<u>LIABILITIES</u>		
Current liabilities:		
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
Total current liabilities	1,278,994	1,265,710
Long-term liabilities:		
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
Total long-term liabilities	1,274,129	1,060,632
TOTAL LIABILITIES	2,553,124	2,326,343
<u>NET ASSETS</u>		
Stockholders' equity:		
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)
Total stockholders' equity	1,109,338	1,106,153
Accumulated other comprehensive income(loss)		
Net unrealized gains on investment securities	32,431	21,469
Deferred losses on hedges	(469)	(782)
Total valuation, translation adjustments and others	31,961	20,686
Share subscription rights	1,184	1,509
TOTAL NET ASSETS	1,142,484	1,128,348
TOTAL LIABILITIES AND NET ASSETS	3,695,608	3,454,692

NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2009	FY2010
Net sales	2,327,783	2,188,508
Cost of sales	2,105,992	1,947,259
Gross profit	221,791	241,249
Selling, general and administrative expenses:		
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
Total selling, general and administrative expenses	174,633	178,584
Operating income	47,157	62,664
Non-operating income:		
Interest income	2,330	2,297
Dividend income	12,716	14,276
Others	2,851	3,461
Total non-operating income	17,899	20,035
Non-operating expenses:		
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
Total non-operating expenses	45,009	43,580
Ordinary income	20,047	39,119
Extraordinary gain:		
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	-
Total extraordinary gain	17,686	12,305
Extraordinary loss:		
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
Total extraordinary loss	15,803	47,963
Income before income taxes	21,929	3,461
Income taxes:		
Current	4,878	15,065
Deferred	(1,360)	(22,243)
Total income taxes	3,518	(7,178)
Net income	18,411	10,639

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