

CONSOLIDATED STATEMENTS OF INCOME

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net sales	¥4,110,816	¥3,914,018	\$38,693,674
Cost of sales	3,379,874	3,180,898	31,813,573
Gross profit	730,942	733,119	6,880,101
Selling, general and administrative expenses	604,412	582,576	5,689,118
Operating income	126,530	150,543	1,190,982
Non-operating income (expense):			
Interest income	4,155	3,799	39,109
Dividend income	12,211	11,637	114,937
Foreign exchange gain	—	10,213	—
Income from equity method investments	3,230	—	30,402
Gain on arbitration expenses awarded in the arbitration relating to nuclear equipment in the US	—	6,558	—
Other income	15,674	9,945	147,533
Interest expense	(9,036)	(11,461)	(85,052)
Foreign exchange loss	(10,385)	—	(97,750)
Loss from equity method investments	—	(22,845)	—
Loss on disposal of fixed assets	(7,022)	(7,627)	(66,095)
Other expenses	(20,896)	(26,470)	(196,686)
Total non-operating income (expense)	(12,067)	(26,249)	(113,582)
Ordinary income	114,462	124,293	1,077,390
Extraordinary gain (loss):			
Gain on sales of investment securities	31,303	61,047	294,644
Gain on sales of fixed assets	—	53,861	—
Business structure improvement expenses	(14,548)	(12,810)	(136,935)
Impairment loss	(3,174)	—	(29,875)
Loss on passenger vessel construction business provision	—	(34,323)	—
Compensation for damages decided in the arbitration relating to nuclear equipment in the US	—	(16,076)	—
Loss on revaluation of investment securities	—	(6,272)	—
Total extraordinary gain (loss)	13,579	45,424	127,814
Profit before income taxes	128,042	169,718	1,205,214
Income taxes:			
Current	63,184	49,856	594,728
Deferred	(31,315)	14,584	(294,757)
Total income taxes	31,868	64,440	299,962
Profit	96,173	105,278	905,242
Profit attributable to non-controlling interests	25,689	17,557	241,801
Profit attributable to owners of the parent	¥ 70,484	¥ 87,720	\$ 663,441

	Yen		U.S. dollars
	2018	2017	2018
Per share information of common stock:			
Profit attributable to owners of the parent - basic	¥209.82	¥261.24	\$1.975
Profit attributable to owners of the parent - diluted	209.39	260.71	1.971
Cash dividends	—*	12.00	—

* The Company conducted a 1-for-10 reverse stock split on common shares on October 1, 2017. Taking this reverse stock split into account, dividends for fiscal 2017 amount to ¥120 per share.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Mitsubishi Heavy Industries, Ltd. and Consolidated Subsidiaries
For the fiscal years ended March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Profit	¥ 96,173	¥105,278	\$905,242
Other comprehensive income (loss):			
Valuation difference on available-for-sale securities	(648)	60,914	(6,099)
Deferred gains or losses on hedges	2,488	3,676	23,418
Translation adjustments	(1,790)	(23,946)	(16,848)
Remeasurements of defined benefit plans	9,501	20,893	89,429
Share of other comprehensive income (loss) of entities accounted for by the equity method	(857)	(6,165)	(8,066)
Total other comprehensive income (loss)	8,694	55,371	81,833
Comprehensive income (loss)	¥104,868	¥160,649	\$987,085
Comprehensive income (loss) attributable to:			
Owners of the parent	¥ 75,244	¥152,495	\$708,245
Non-controlling interests	29,623	8,154	278,830