

# Financial Results for First Quarter FY2015 (for the year ending March 31, 2016)

July 31, 2015



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# Financial Results by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2014 1Q	FY2015 1Q	Change	FY2014 1Q	FY2015 1Q	Change	FY2014 1Q	FY2015 1Q	Change
Ship & Offshore Structure	14.5	<b>17.2</b>	+2.6	18.3	<b>23.4</b>	+5.1	-0.4	<b>-0.5</b>	-0.1
Rolling Stock	67.4	<b>46.9</b>	-20.4	30.4	<b>32.1</b>	+1.6	0	<b>1.5</b>	+1.4
Aerospace	41.9	<b>52.6</b>	+10.6	65.4	<b>76.0</b>	+10.6	6.2	<b>8.4</b>	+2.2
Gas Turbine & Machinery	43.2	<b>35.2</b>	-8.0	42.7	<b>51.9</b>	+9.1	2.0	<b>3.6</b>	+1.5
Plant & Infrastructure	35.2	<b>55.3</b>	+20.1	21.0	<b>23.4</b>	+2.4	-0.4	<b>-0.1</b>	+0.3
Motorcycle & Engine	64.8	<b>72.1</b>	+7.2	64.8	<b>72.1</b>	+7.2	0.2	<b>-1.0</b>	-1.2
Precision Machinery	31.7	<b>31.1</b>	-0.5	30.6	<b>29.9</b>	-0.6	2.8	<b>1.8</b>	-0.9
Others	34.7	<b>32.9</b>	-1.7	30.5	<b>30.7</b>	+0.2	0.5	<b>0.8</b>	+0.2
Eliminations and corporate	-	-	-	-	-	-	-0.3	<b>0.2</b>	+0.5
<b>Total</b>	<b>333.8</b>	<b>343.7</b>	<b>+9.8</b>	<b>304.1</b>	<b>340.0</b>	<b>+35.8</b>	<b>10.9</b>	<b>14.8</b>	<b>+3.9</b>

# Summary of Income Statement

(Billion Yen)

<b>Operating Income</b>	<b>+3.9 (FY2014.1Q 10.9    FY2015.1Q 14.8)</b>		
Net sales	+	35.8	( 304.1    340.0 )
Cost of sales	+	28.0	( 253.1    281.2 )
Selling, general & administrative expenses	+	3.9	( 40.0    43.9 )
- Salaries and benefits	+	1.1	( 11.3    12.4 )
- R&D expenses	+	0.6	( 8.0    8.6 )

<b>Non-operating Income/Expenses</b>	<b>+4.7 (FY2014.1Q -4.2    FY2015.1Q 0.5)</b>		
Net Interest expense ( incl. dividend income )	+	0.1	( -0.7    -0.5 )
Equity in income of unconsolidated subsidiaries and affiliates	-	2.2	( 2.4    0.2 )
Gain and loss on foreign exchange	+	5.5	( -5.8    -0.2 )
Others			

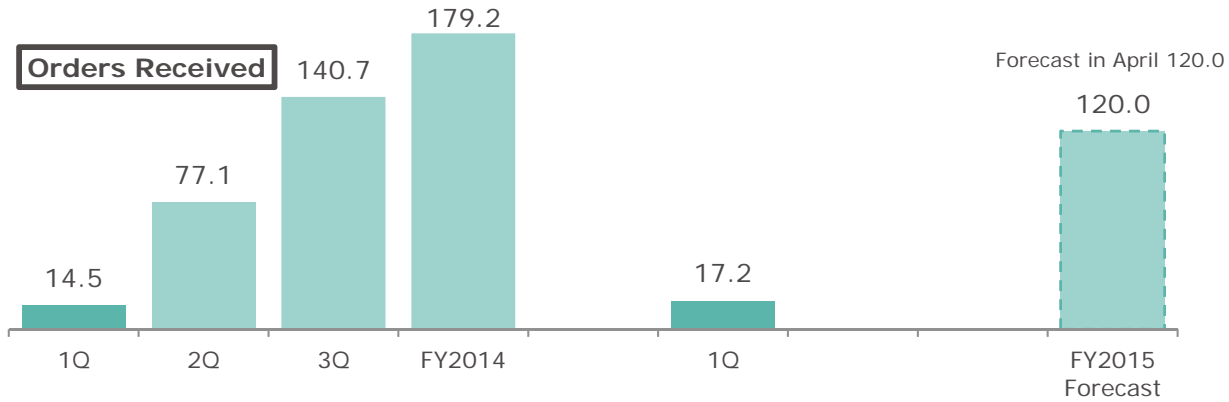
## Extraordinary Income/Losses

# Ship & Offshore Structure

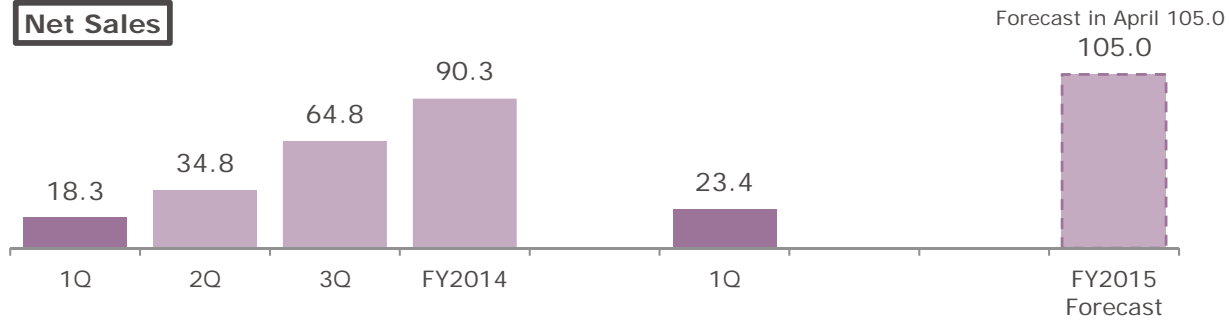
Main Products LNG carriers, LPG carriers, Offshore structures, VLCCs, Bulk carriers, Submarines

Billion Yen / In accumulated amount

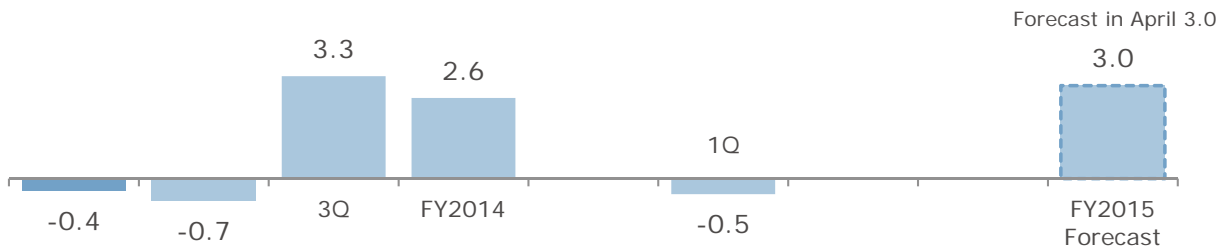
## Orders Received



## Net Sales



## Operating Income



# Rolling Stock

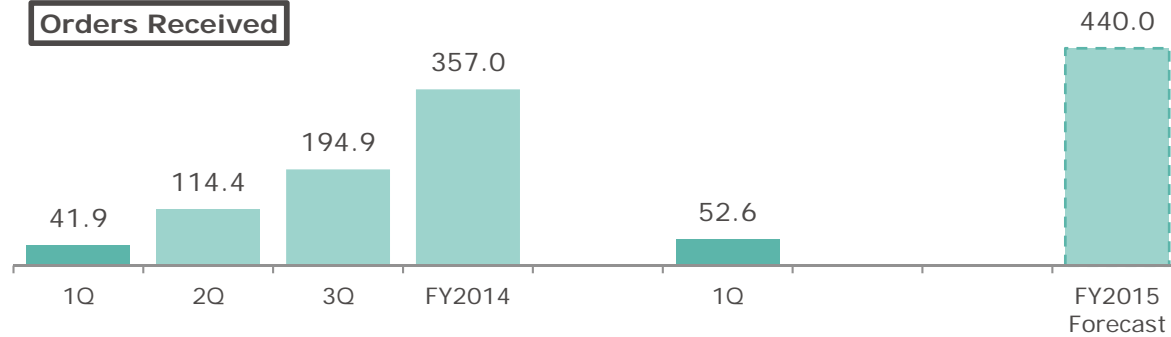
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Main Products : Electric train cars (incl. Shinkansen),

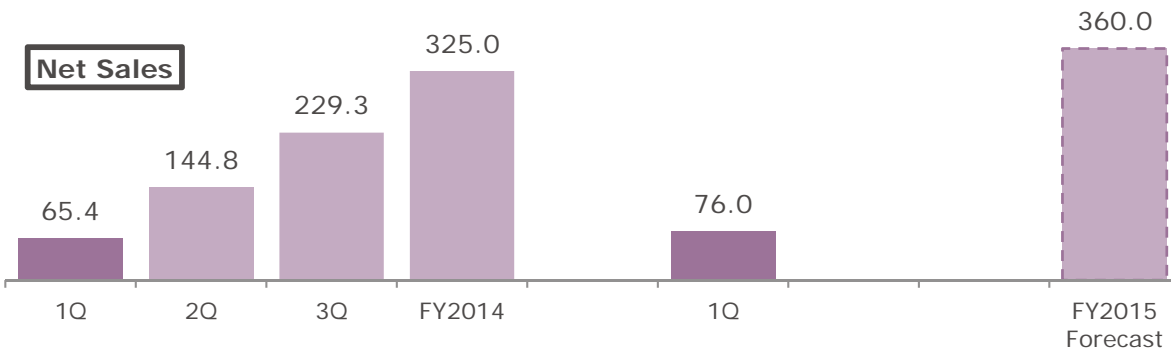
# Aerospace

Main Products : Aircrafts for Japan Ministry of Defense, Component parts for commercial aircrafts, Commercial helicopters, Missiles, Space equipment

## Orders Received



## Net Sales





# Gas Turbine & Machinery

Main Products : Jet engines, Gas turbine co-generation system, Gas  
Marine propulsion system, Aero-dynamic machinery

s engines, Diesel engines, Gas turbines & steam turbines for marine & land,

FY2015.1Q

( vs. FY2014.1Q )

Orders Received: Decreased due to decrease in orders



# Motorcycle & Engine

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# Precision Machinery

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Main Products Hydraulic components (pumps, motors & valves), Hydraulic systems for industrial use, Hydraulic marine machinery,  
Precision Machinery / Electric-powered devices, Industrial Robots

## FY2015.1Q

( vs. FY2014.1Q )

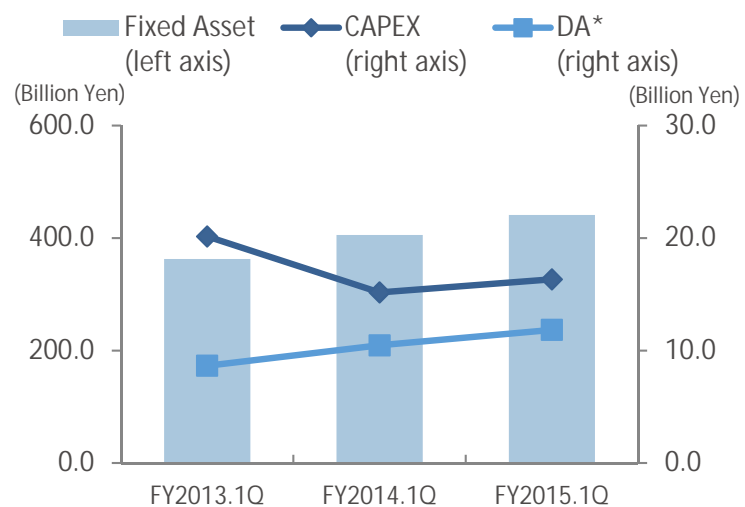
**Orders Received:** Remained at the same level due to decrease in orders for hydraulic components despite increase in orders for industrial robots mainly for semiconductor industries

**Net Sales:** Decreased due to sales decrease in hydraulic components despite increase in sales for industrial robots mainly for semiconductor industries

**Operating Income:**

	End of Mar. 2015	End of Jun. 2015	Change
Cash on hand and in banks	51.6	<b>46.7</b>	-4.9
Trade receivables	421.8	<b>413.6</b>	-8.2
Inventories	498.6	<b>530.1</b>	+31.5
Total fixed assets	436.9	<b>441.1</b>	+4.1
Other assets	253.1	<b>276.1</b>	+22.9
<b>Total assets</b>	<b>1,662.2</b>	<b>1,707.8</b>	<b>+45.5</b>
Trade payables	339.3	<b>295.4</b>	-43.9
Interest-bearing debt	414.3	<b>510.6</b>	+96.2
Advances from customers	171.6	<b>180.1</b>	+8.5
Other liabilities	288.9	<b>276.9</b>	-12.0
<b>Total liabilities</b>	<b>1,214.3</b>		

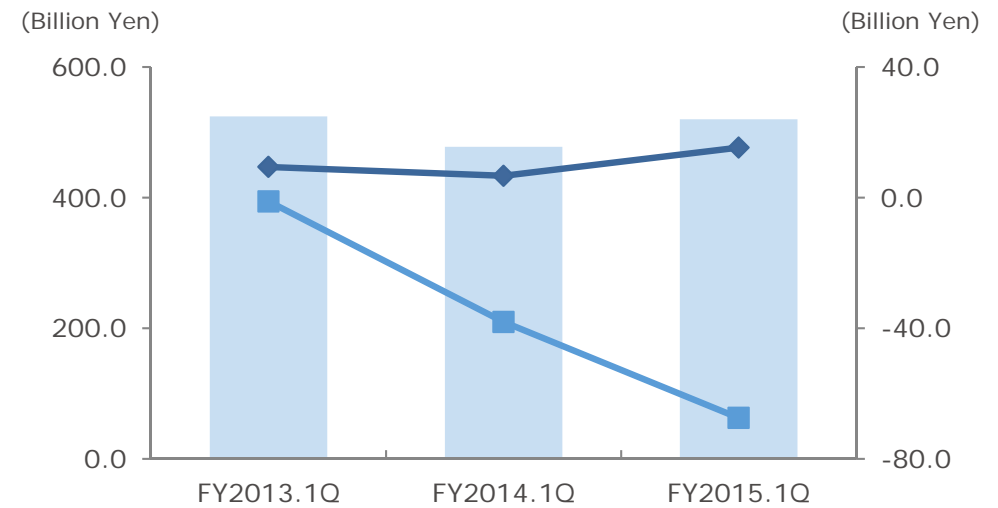

### Changes in CAPEX and others



# Summary of Cash Flows

Changes in cash flows from operating activities and others

Working capital left axis



# Consolidated Operating Performance

(Billion Yen)

## vs. FY2014

### < Orders Received >

Expected to decrease as a whole, due to decrease in Plant & Infrastructure and Ship & Offshore Structure segments, where a large-scale orders were received in the previous fiscal year, despite increase in Aerospace segment due to increase in orders for the Japan Ministry

Exchange Rates (actual & assumed)

Note : Assumed rates are applied to the outstanding foreign exchange exposure as of July 31, 2015

# Forecast by Segment

No changes in the forecast for FY2015 from April 28, 2015.

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2014 Actual	FY2015 Forecast	Change	FY2014 Actual	FY2015 Forecast	Change	FY2014 Actual	FY2015 Forecast	Change
Ship & Offshore Structure	179.2	120.0	-59.2	90.3	105.0	+14.7	2.6	3.0	+0.4
Rolling Stock	131.4	160.0	+28.6	121.5	180.0	+58.5	6.0	11.0	+5.0
Aerospace	357.0	440.0	+83.0	325.0	360.0	+35.0	36.3	41.0	+4.7
Gas Turbine & Machinery	235.7	250.0	+14.3	218.7	260.0	+41.3	11.2	16.0	+4.8
Plant & Infrastructure	203.4	100.0	-103.4	121.1	125.0	+3.9	6.5	6.0	-0.5
Motorcycle & Engine	329.2	350.0	+20.8	329.2	350.0	+20.8	14.9	15.5	+0.6
Precision Machinery	136.2	155.0	+18.8	135.7	150.0	+14.3	10.9	11.5	+0.6
Others	140.5	105.0	-35.5	144.2	120.0	-24.2	3.9	3.0	-0.9
Eliminations and corporate	-	-	-	-	-	-	-5.4	-5.0	+0.4
<b>Total</b>	<b>1,712.9</b>	<b>1,680.0</b>	<b>-32.9</b>	<b>1,486.1</b>	<b>1,650.0</b>	<b>+163.9</b>	<b>87.2</b>	<b>102.0</b>	<b>+14.8</b>

"Eliminations and corporate" includes some expenses incurred at Head Office which are not allocated to each industry segment for internal reporting



# Before-tax ROIC by Segment

No changes in the forecast for FY2015 from April 28, 2015.

	Before-tax ROIC ((EBIT+ Interest Expense)/ Invested Capital)		
	FY2013 Actual	FY2014 Actual	FY2015 Forecast
Ship & Offshore Structure	3.4%	6.0%	5.4%
Rolling Stock	10.2%	8.7%	12.5%
Aerospace	19.6%	35.1%	29.0%
Gas Turbine & Machinery	4.6%	5.7%	8.6%
Plant & Infrastructure	14.9%	14.3%	12.6%
Motorcycle & Engine	1.4%	7.3%	12.0%
Precision Machinery	17.5%	16.7%	12.9%
Total	8.1%	10.4%	11.8%

Operating Income Margin (Operating Income / Net Sales)			Asset Turnover (Times) (Net Sales / Total Assets)		
FY2013 Actual	FY2014 Actual	FY2015 Forecast	FY2013 Actual	FY2014 Actual	FY2015 Forecast
-2.4%	2.9%	2.8%	0.62	0.52	0.70
5.1%	4.9%	6.1%	0.92	0.71	1.00
9.3%	11.1%	11.3%	0.80	0.89	0.90
5.5%	5.1%	6.1%	0.67	0.73	0.80
6.0%	5.4%	4.8%	0.94	0.96	1.00
4.9%	4.5%	4.4%	1.27	1.21	1.30
8.4%	8.0%	7.6%	0.98	1.00	1.00
5.2%	5.8%	6.1%	0.89	0.89	1.00

# R&D/CAPEX/Number of Employees

No changes in the forecast for FY2015 from April 28, 2015.

(Billion Yen / Persons)

	FY2013 Actual	FY2014 Actual	FY2015 Forecast
R&D Expenses	40.3	41.6	<b>46.0</b>
CAPEX (Construction Base)	87.7	80.0	<b>92.0</b>
Depreciation & Amortization	37.8	44.5	<b>54.0</b>
Domestic	25,531	26,019	<b>26,200</b>
Overseas	9,089	9,452	<b>9,200</b>
Number of Employees	34,620	35,471	<b>35,400</b>

>Capital expenditures represent the total of newly recorded property, plant and equipment and newly recorded intangible assets.  
Depreciation/amortization represents depreciation/amortization expenses for property, plant and equipment and intangible assets.

# Historical Data

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