

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

October 29, 2015

Financial Results by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2014 2Q	FY2015 2Q	Change	FY2014 2Q	FY2015 2Q	Change	FY2014 2Q	FY2015 2Q	Change
Ship & Offshore Structure	77.1	67.4	-9.6	34.8	51.8	+16.9	-0.7	-3.1	-2.4
Rolling Stock	91.5	65.7	-25.8	56.9	62.7	+5.8	1.2	3.5	+2.3
Aerospace	114.4	134.6	+20.1	144.8	166.8	+21.9	13.5	25.6	+12.0
Gas Turbine & Machinery	85.9	115.8	+29.8	83.8	103.3	+19.4	1.4	8.1	+6.6
Plant & Infrastructure	66.9	75.0	+8.0	47.2	55.8	+8.5	1.0	2.6	+1.6
Motorcycle & Engine	137.7	143.0	+5.3	137.7	143.0	+5.3	1.0	0.5	-0.5
Precision Machinery	64.8	64.0	-0.7	63.7	63.9	+0.1	5.1	3.8	-1.2
Others	67.8	72.8	+5.0	64.1	60.5	-3.6	1.2	1.2	+0.0
Eliminations and corporate ^d	-	-	-	-	-	-	-0.7	-0.3	+0.4
Total	706.5	738.8	+32.2	633.4	708.1	+74.7	23.1	42.3	+19.1

^d "Eliminations and corporate" includes some expenses incurred at Head Office which were not allocated to each industry segment

Summary of Income Statement

(Billion Yen)

< Operating Income > +19.1 (FY2014.2Q 23.1 FY2015.2Q 42.3)

Net sales	+ 74.7 (633.4 708.1)
Cost of sales	
Selling, general & administrative expenses	
- Salaries and benefits	
- R&D expenses	

< Non-operating Income/Expenses > -4.7 (FY2014.2Q 2.7 FY2015.2Q -2.0)

Net Interest expense (incl. dividend income)	
Equity in income of unconsolidated subsidiaries and affiliates	
Gain and loss on foreign exchange	
Others	

< Extraordinary Income/Losses >

Ship & Offshore Structure

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

FY2015.2Q

(vs. FY2014.2Q)

HBillion Yen / In accumulated amount H

Order Backlog
279.6 Billion Yen

HForecast in July 120.0 H

Orders Received: Decreased compared to the previous same period where hull parts of drilling ships were received despite orders received for 2 LNG carriers, 2 LPG carriers and 1 bulk carrier

Net Sales: Increased due to increase in amount of shipbuilding of LNG carriers, LPG carriers and others

Operating Income: Deteriorated due to provision for loss on construction contracts and other factors

FY2015 Forecast

(vs. Forecast in July)

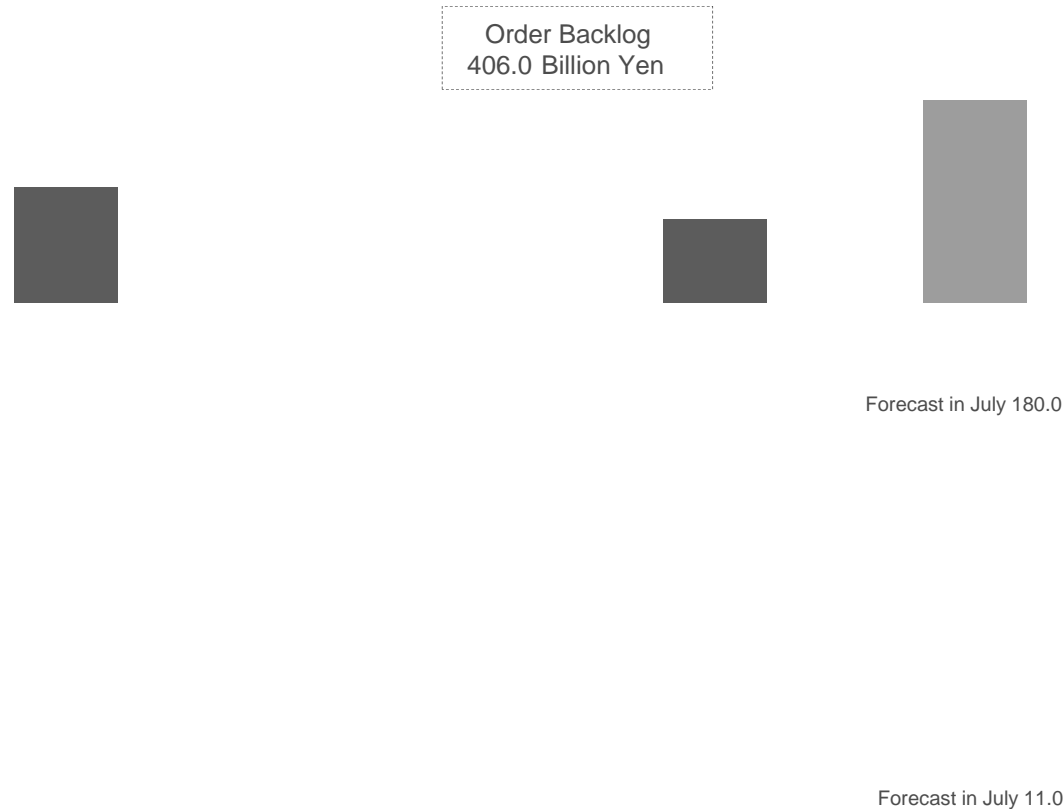
Orders Received: No Change

Net Sales :

HForecast in July 105.0 H

Rolling Stock

Billion Yen / In accumulated amount



FY2015.2Q

(vs. FY2014.2Q)

Orders Received: Decreased compared to the previous same period where orders for a large-scale overseas project was received

Net Sales: Increased due to sales increase in overseas markets including Singapore and Taiwan, despite sales decrease in domestic market

Operating Income: Increased due to sales increase and other factors

FY2015 Forecast

(vs. Forecast in July)

Orders Received: No Change

Net Sales: Revised down due to deferrals in some projects and other factors

Operating Income: Remains unchanged due to cost reduction and other factors despite there being the effect of downward revision of net sales forecast

	FY2014 Actual	FY2015 Forecast	
		In July	In October
Before-tax ROIC	8.7%	12.5%	12.5%

Aerospace

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

Billion Yen / In accumulated amount

Order Backlog
454.2 Billion Yen

Forecast in July 440.0

FY2015.2Q

(vs. FY2014.2Q)

Orders Received: Increased due to continued high level of orders received for component parts for commercial aircrafts, the effect of the depreciation of the yen and other factors

Net Sales: Increased due to increase

Forecast in July 360.0

Forecast in July 41.0

Gas Turbine & Machinery

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

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

Billion Yen / In accumulated amount

Forecast in July 250.0

Forecast in July 260.0

Forecast in July 16.0

Plant & Infrastructure

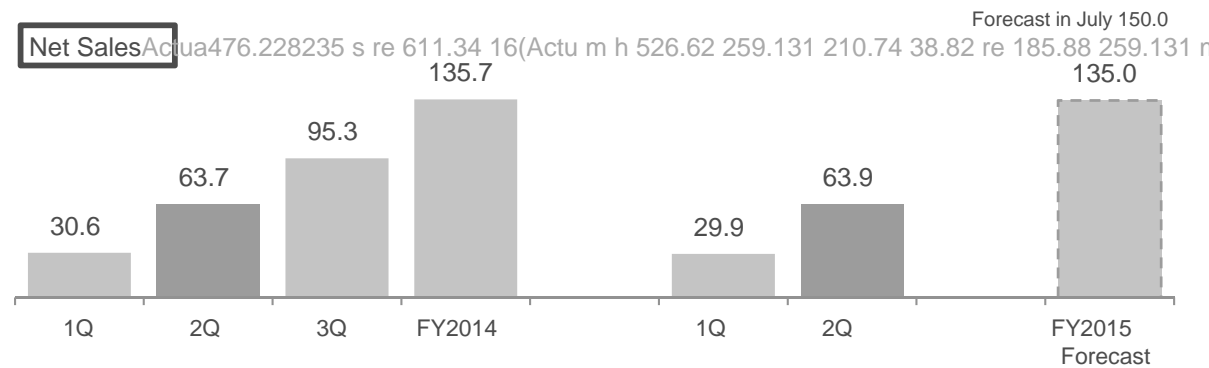
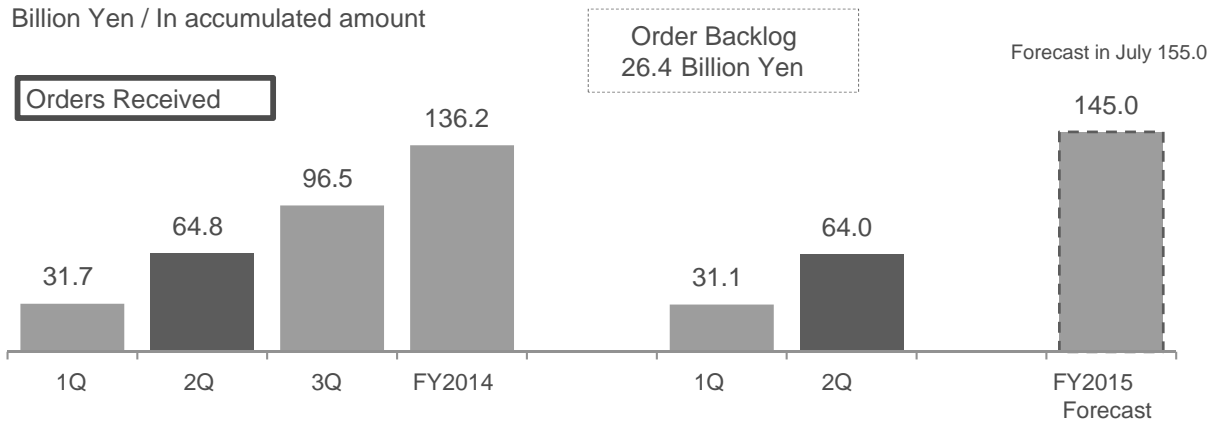
Main Products: Industrial plants (cement, fertilizer and others),

Motorcycle & Engine

Precision Machinery

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

Billion Yen / In accumulated amount



FY2015.2Q

(vs. FY2014.2Q)

Orders Received: Decreased due to decrease in hydraulic components and other factors despite increase in industrial robots mainly for semiconductor industries

Net Sales: Remained at the same level due to decrease in hydraulic components and other factors despite increase in industrial robots mainly for semiconductor industries

Operating Income: Decreased due to sales decrease in hydraulic components and other factors

FY2015 Forecast

(vs. Forecast in July)

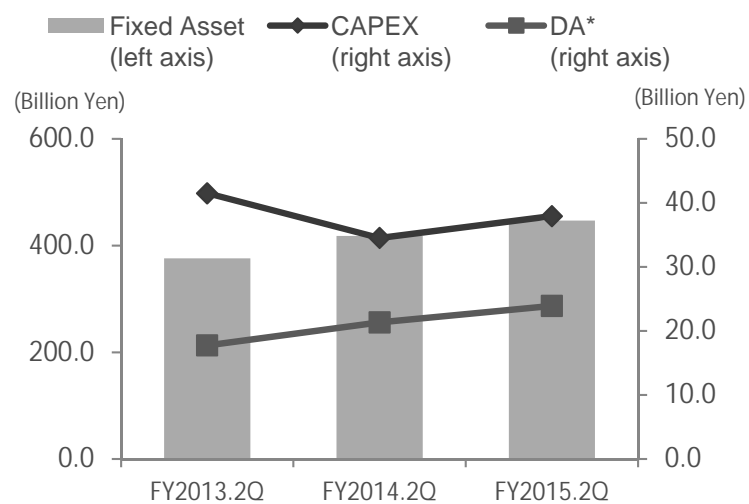
Orders Received, Net Sales & Operating Income: Revised down due to decrease in hydraulic components for construction machinery for emerging countries

Forecast in July 11.5

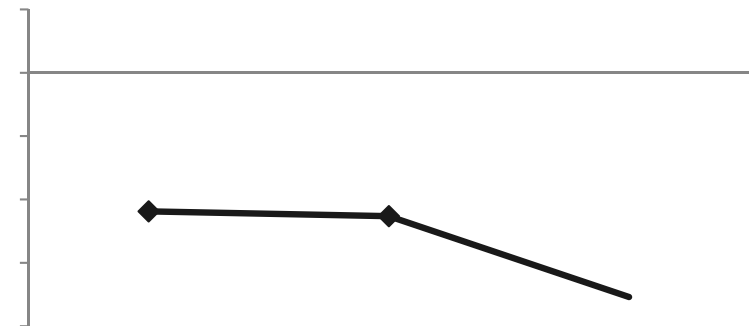
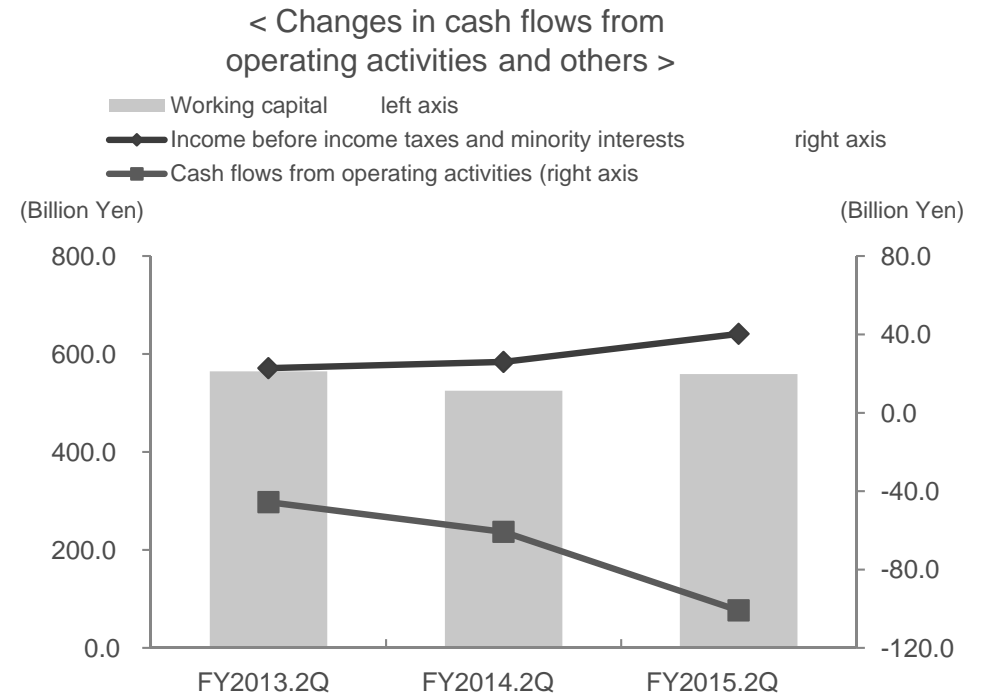
	FY2014 Actual	FY2015 Forecast	
		In July	In October
Before-tax ROIC	16.7%	12.9%	10.8%

	End of Mar. 2015	End of Sep. 2015	Change
Cash on hand and in banks	51.6	45.8	-5.7
Trade receivables	421.8	422.6	+0.7
Inventories	498.6	547.9	+49.3
Total fixed assets	436.9	447.0	+10.0
Other assets	253.1	264.1	+11.0
Total assets	1,662.2	1,727.7	+65.4
Trade payables	339.3	290.3	-48.9
Interest-bearing debt	414.3	560.4	+146.1
Advances from customers	171.6	167.0	-4.5

< Changes in CAPEX and others >



Summary of Cash Flows



R&D/CAPEX/Number of Employees

(Billion Yen / Persons)

	FY2014 Actual	FY2015 Forecast		
		In July	In October	vs. Forecast in July
R&D Expenses	41.6	46.0	46.0	0.0
CAPEX (Construction Base)	80.0	92.0	92.0	0.0
Depreciation & Amortization	44.5	54.0	52.0	-2.0
Domestic	26,019	26,200	26,200	0
Overseas	9,452	9,200	9,100	-100
Number of Employees	35,471	35,400	35,300	-100

> 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

