

3-3435-2130 Tel: ☎

Scheduled dates:

Ordinary general meeting of shareholders June 26 2013

Commencement date of dividend payments June 27 2013

Submission of financial statements: June 26 2013

Supplementary materials to financial results Available

Earnings presentation: Conducted (for institutional investors)

(3) Cash Flow Position

Years ended March 31

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
2013	28,101	(81,160)	57,671	36,971
2012	84,737	(65,959)	(26,831)	33,245

2. Dividends

Years ended/ending March 31

Record date or term	Dividend per share					Total dividends paid (annual) million yen	Payout ratio (consolidated) %	Dividends / Net assets (consolidated) %
	1Q	2Q	3Q	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen			
2012	-	0.00	-	5.00	5.00	8,359	35.8	2.7
2013	-	0.00	-	5.00	5.00	8,358	27.0	2.5
2014 (forecast)	-	0.00	-	5.00	5.00		24.5	

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2014

(April 1, 2013 – March 31, 2014)

(Millions of yen)(Percentage figures indicate change compared with the previous fiscal year)

	Net sales		Operating income		Recurring profit		Net income		Earnings per share
	%		%		%		%		Yen
For six months ending September 30, 2013	610,000	6.0	20,000	92.4	17,000	(15.6)	11,000	(11.4)	6.57
Full year	1,380,000	7.0	60,000	42.6	53,000	34.7	34,000	10.1	20.33

*Other Information

(1) Changes affecting the status of material subsidiaries (scope of consolidation): None

*This refers to additions and removals of material subsidiaries to and from the consolidated group during the period. For further details, see “Changes in basis of preparation of financial statements” on page 22 in the Accompanying Materials.

(2) Changes in accounting policies, changes in accounting estimates, and correction of errors

() Changes in accounting policies in accord with revisions to accounting standards: Yes

() Changes in accounting policies other than (): None

() Changes in accounting estimates: Yes

() Correction of errors: None

* The above changes correspond to Article 14-7 in the “Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements”. For further details, see “Changes in accounting policies, changes in accounting estimates, and correction of errors” on page 22 in the Accompanying Materials.

(3) Number of shares issued and outstanding (common stock)

() Number of shares issued as of period-end (including treasury stock)

March 31, 2013: 1,671,892,659 shares

March 31, 2012: 1,671,892,659 shares

() Number of shares held in treasury as of period-end

March 31, 2013: 100,116 shares

March 31, 2012: 77,126 shares

Accompanying Materials – Contents

1. Qualitative Information and Financial Statements	5
(1) Consolidated operating results	5
(2) Consolidated financial position	9
(3) Dividend policy and dividends for the fiscal years through March 31, 2014 and 2015	10

1. Qualitative Information and Financial Statements

(1) Consolidated operating results

(i) Overview of consolid

Consolidated operating performance in the fiscal year ended March 31, 2013, is summarized by segment below.

(ii) Segment information

Segment net sales, operating income, and orders received (billions of yen)

Segment	Fiscal year ended March 31				Orders received	
	2013		2012		Fiscal year ended March 31	
	Net sales	Operating income	Net sales	Operating income	2013	2012
Ship & Offshore Structure	90.3	4.1	113.5	3.9	105.7	39.9
Rolling Stock	129.9	2.2	132.6	5.1	124.4	66.0
Aerospace	239.1	14.8	206.5	7.8	283.4	327.2
Gas Turbine & Machinery	207.0	7.0	194.6	7.7	255.5	227.2
Plant & Infrastructure	115.8	9.7	122.8	14.1	113.6	119.2
Motorcycle & Engine	251.8	2.3	235.2	(2.9)	251.8	235.2
Precision Machinery	130.4	8.4	175.0	26.6	109.7	174.5
Other	124.2	1.2	123.2	3.8	125.1	122.2
Adjustments	-	(8.0)	-	(8.8)	-	-
Total	1,288.8	42.0	1,303.7	57.4	1,369.5	1,311.8

Note: Net sales include only sales to external customers.

Ship & Offshore Structure

Consolidated orders received totaled ¥105.7 billion, a large increase of ¥65.8 billion from the

received decreased to ¥283.4 billion, down ¥43.7 billion from the previous fiscal year, when the segment booked large orders from Japan's Ministry of Defense.

Consolidated net sales increased ¥32.5 billion year on year to ¥239.1 billion, largely as a result of growth in sales of component parts for the Boeing 777 and 787 coupled with growth in sales of the C-2 transport aircraft and other aircraft to Japan's Ministry of Defense.

Consolidated operating income increased sharply, up ¥7.0 billion year on year to ¥14.8 billion, largely due to sales growth and cost reductions.

Gas Turbine & Machinery

Consolidated orders received increased ¥28.2 billion to ¥255.5 billion, largely as result of growth in orders for component parts for commercial aircraft jet engines.

Consolidated net sales grew ¥12.3 billion year on year to ¥207.0 billion, as increased sales of component parts for commercial aircraft jet engines and gas engines offset a decline in sales of diesel engines for ships.

Consolidated operating income decreased ¥0.7 billion year on year to ¥7.0 billion, largely due to increased amortization of R&D expenditures for new projects.

Plant & Infrastructure

Consolidated orders received decreased ¥5.6 billion yen year on year to ¥113.6 billion. Although the segment won an order for cryogenic tanks for the Ichthys LNG project, domestic orders for LNG storage tanks and conveyance equipment declined.

Consolidated net sales were down ¥6.9 billion year on year to ¥115.8 billion as continued robust sales of LNG storage tank and growth in sales of conveyance equipment and refuse incineration plants failed to offset a decrease in revenues from large overseas projects.

Consolidated operating income totaled ¥9.7 billion, a steep decline of ¥4.3 billion year on year, as a result of the sales decline and shrinkage in profit margins.

Motorcycle & Engine

Consolidated net sales grew ¥16.6 billion year on year to ¥251.8 billion. By region, motorcycle sales declined in Europe but increased in the US and emerging market economies, most notably Indonesia.

Consolidated operating income totaled ¥2.3 billion, a ¥5.3 billion year-on-year improvement largely attributable to sales growth and improved profitability.

Precision Machinery

Consolidated orders received totaled ¥109.7 billion, a steep ¥64.8 billion year-on-year decline mainly due to reduced demand for hydraulic equipment for construction machinery in emerging market economies, most notably China.

This downshift in emerging market, particularly Chinese, demand for hydraulic equipment for construction machinery resulted in a large decline in sales also. Consolidated net sales were down

¥44.6 billion year on year to ¥130.4 billion.

Consolidated operating income totaled ¥8.4 billion, a steep decline of ¥18.1 billion year on year, largely due to the sales decline and growth in fixed expenses stemming from capital investments in the previous fiscal year.

Other Operations

Consolidated net sales increased ¥1.0 billion yen year on year to ¥124.2 billion. Consolidated operating income decreased ¥2.5 billion year on year to ¥1.2 billion.

(iii) Consolidated earnings outlook

The global economy is generally on track toward a moderate growth trajectory against a backdrop of solid growth in emerging-market and resource-producing economies coupled with signs of economic recovery in the US and China. The Japanese economy is also expected to embark on a recovery driven by a pickup in post-earthquake reconstruction and expectations that the government's growth strategy will prove effective. In Europe, however, economies beset by debt problems are expected to remain sluggish for a while longer.

future usage. The effects of this change in depreciation method will extend indefinitely into the future. In the fiscal year ending March 2014, the Company estimates that the change will reduce its depreciation expense by approximately ¥16 billion.

Change in financial statement presentation of FIA

billion and a ¥10.6 billion decrease in trade receivables. Major uses of operating cash flow included a ¥41.1 billion reduction in trade payables and tax payments of ¥15.7 billion.

(B) Cash flows from investing activities

Investing activities used net cash of ¥81.1 billion, a ¥15.2 billion increase from the previous fiscal year, mainly to acquire property, plant and equipment.

(C) Cash flows from financing activities

Financing activities provided net cash of ¥57.6 billion, an ¥84.5 billion increase from the previous fiscal year. This cash inflow stemmed mainly from increased borrowings.

(iii) Cash flow ratios

Fiscal year ended March 31:	2009	2010	2011	2012	2013
Equity ratio (%)	20.7	20.4	21.3	22.4	23.0
Market-value equity ratio (%)	23.3	31.8	45.1	31.0	33.6
Debt-to-cash-flow ratio (%)	-	1,421.2	523.7	480.5	1,724.6
Interest-coverage ratio (times)	-	5.5	17.2	19.0	6.7

Notes:

- Ratios are calculated as follows.
 Ratio of shareholders' equity to total assets: Shareholders' equity / Total assets
 Market-value equity ratio: Market capitalization / Total assets
 Debt-to-cash-flow ratio: Interest-bearing debt / Cash flow from operating activities
 Interest-coverage ratio: Cash flow from operating activities / Interest paid
- All ratios are calculated using consolidated-basis financial data.
- Market capitalization is calculated by multiplying the closing price of the company's stock by the number of shares issued and outstanding (excluding treasury stock) at the end of the fiscal year.
- The figure for cash flow from operating activities is taken from cash flow from operating activities on the consolidated statement of cash flows.
- Interest-bearing debt is all interest-bearing debt listed under liabilities on the consolidated balance sheet. Interest paid is the figure for "Cash paid for interest" on the consolidated statement of cash flows.
- The debt-to-cash-flow ratio and interest coverage ratio are omitted for the fiscal year ended March 31, 2009, because that fiscal year's operating cash flow was negative.

(3) Dividend policy and dividends for the fiscal years 2013 and 2014

The Company's basic policy is to pay shareholders stable dividends commensurate with earnings on an ongoing basis while internally retaining sufficient funds to strengthen and expand its earnings power and operating foundation in pursuit of future growth. After comprehensively considering its earnings performance, the sufficiency of its retained earnings, and other relevant factors in light of said policy, the Company intends to pay a dividend of ¥5 per share for the fiscal year ended March 31, 2013.

For the fiscal year ending March 31, 2014, the Company plans to pay a dividend of ¥5 per share.

(4) Business and other risks

No risks other than those disclosed under the heading "Business and Other Risks" in the Company's most recent full-year statutory financial report (filed June 27, 2012) have surfaced since said filing. Updated risk disclosures are therefore omitted here.

2. Status of Group

There have been no material changes in the “Chart

fiscal 2012, *Medium-Term Business Plan 2010*'s final year, the Group fell short of the plan's initial operational targets in the wake of a Chinese economic slowdown, continued yen appreciation and intensification of competition in global markets. Even amid such an environment, the Group achieved profitability across all of its business segments, including the previously unprofitable Motorcycle & Engine segment. The Group believes that it further enhanced the soundness of its business operations in fiscal 2012.

[Formulation of *Medium-Term Business Plan (FY2013–2015)*]

The Group has formulated a new medium-term business plan (*Medium-Term Business-12508 0 TDc0a8(n)880tf24(h3(*

to diverse customer needs. Specifically, the Group intends to reorient its business model from internally-driven product development to a customer-centric approach. The Group is also promoting cross-organizational sharing of diverse knowledge cultivated in different business segments and strengthening its businesses that offer customers solutions in the form of complete energy systems.

With resource development picking up in countries such as Australia, Brazil, and the US, where a shale gas boom is underway, the Group aims to expand its operations in a wide range of domains,

- cultivate overseas markets; and develop new models of jet engines for civilian aircraft and improve jet engine production efficiency
- (v) Plant & Infrastructure: Improve competitiveness in the energy and environmental engineering sector by upgrading existing products; and expand overseas operations, mainly in emerging-market and resource-producing economies, by rapidly commercializing new products and technologies, cultivating human resources, and strengthening overseas partnerships
 - (vi) Motorcycle & Engine: Improve cost-competitiveness by optimizing production operations and expanding supply chains globally; expand sales in emerging markets in which the segment is already active (e.g., Southeast Asia, Brazil); cultivate new markets, and develop advanced technologies for environmental compliance
 - (vii) Precision Machinery: Maintain high share of market for hydraulic components for excavators and expand presence in global market for construction machinery other than excavators; improve cost-competitiveness in the robot sector, and expand robot sales in emerging markets
 - (viii) Other: Strengthen development capabilities, expand global market share and increase earnings through an alliance with Hitachi Construction Machinery Co., Ltd. in the construction machinery business

4. Consolidated Financial Statements

(1) Consolidated balance sheets

Liabilities

Current liabilities

Trade payables	310,775	281,062
Short-term debt	137,568	213,510
Lease obligations, current	355	347
Income taxes payable	4,627	3,756
Deferred tax liabilities	1,465	1,793
Accrued bonuses	20,582	20,060
Provision for product warranties	7,128	6,148
Provision for losses on construction contracts	30,977	18,719
Advances from customers	99,050	108,213
Current portion of bonds	10,000	10,000
Commercial paper	-	6,000
Asset retirement obligations	150	133
Other	73,321	112,793
Total current liabilities	696,002	782,540

Long-term liabilities

Bonds payable	60,000	70,000
Long-term debt	198,737	184,362
Lease obligations	506	433
Deferred tax liabilities	4,060	5,511
Provision for loss on damages suit	910	569
Provision for environmental measures	3,282	4,512
Employees' retirement and severance benefits	75,052	62,300
Asset retirement obligations	611	551
Other	7,053	5,626
Total long-term liabilities	350,214	333,868
Total liabilities	1,046,216	1,116,409

Net assets

Shareholders' equity

Common stock	104,484	104,484
Capital surplus	54,393	54,393
Retained earnings	176,414	198,528
Treasury stock	(22)	(27)
Total shareholders' equity	335,270	357,379

Accumulated other comprehensive income

Net unrealized gains (losses) on securities, net of tax	3,989	4,524
Deferred gains (losses) on hedges	246	(5,998)
Foreign currency translation adjustments	(33,451)	(17,665)
Total accumulated other comprehensive income	(29,215)	(19,139)

Minority interests

Total net assets	315,922	349,881
Total liabilities and net assets	1,362,139	1,466,290

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

Years ended March 31	Millions of yen	
	2012	2013
Net sales	1,303,778	1,288,881
Cost of sales	1,088,918	1,085,469
Gross profit	214,860	203,412
Selling, general and administrative expenses		
Salaries and benefits	41,565	43,088
Advertising expenses	8,166	8,130

Consolidated statements of comprehensive income

Years ended March 31	Millions of yen	
	2012	2013
Income before minority interests	25,875	33,011
Other comprehensive income		
Net unrealized gains (losses) on securities, net of tax	106	541
Deferred gains (losses) on hedges	1,281	(6,381)
Foreign currency translation adjustments	(2,925)	11,712

(3) Consolidated statements of changes in net assets

Years ended March 31	Millions of yen	
	2012	2013
Shareholders' equity		
Common stock		
Balance at end of previous year	104,340	104,484
Changes during the period		
Conversion of convertible bonds	144	-
Total changes during the period	144	-
Balance at end of year	104,484	104,484
Capital surplus		
Balance at end of previous year	54,251	54,393
Changes during the period		
Conversion of convertible bonds	142	-
Treasury stock disposed	(0)	-
Total changes during the period	142	-
Balance at end of year	54,393	54,393
Retained earnings		
Balance at end of previous year	158,615	176,414
Changes during the period		
Cash dividend	(5,011)	(8,359)
Net income	23,323	30,864
Treasury stock disposed	(3)	(0)
Increase (decrease) by change of consolidation period of subsidiaries	(509)	(204)
Other	-	(185)
Total changes during the period	17,798	22,114
Balance at end of year	176,414	198,528
Treasury stock		
Balance at end of previous year	(30)	(22)
Changes during the period		
Conversion of convertible bonds	13	-
Treasury stock purchased	(6)	(5)
Treasury stock disposed	1	0
Total changes during the period	7	(4)
Balance at end of year	(22)	(27)
Total shareholders' equity		
Balance at end of previous year	317,176	335,270
Changes during the period		
Conversion of convertible bonds	300	-
Cash dividend	(5,011)	(8,359)
Net income	23,323	30,864
Treasury stock purchased	(6)	(5)
Treasury stock disposed	(2)	0
Increase (decrease) by change of consolidation period of subsidiaries	(509)	(204)
Other	-	(185)
Total changes during the period	18,093	22,109
Balance at end of year	335,270	357,379

Comprehensive income

Net unrealized gain (loss) on securities

Balance at end of previous year	3,876	3,989
Changes during the period		
Net changes in items other than shareholders' equity	112	535
Total changes during the period	112	535
Balance at end of year	3,989	4,524

Deferred gains (losses) on hedges

Balance at end of previous year	(990)	246
Changes during the period		
Net changes in items other than shareholders' equity	1,236	(6,244)
Total changes during the period	1,236	(6,244)
Balance at end of year	246	(5,998)

(4) Consolidated statements of cash flows

Years ended March 31	Millions of yen	
	2012	2013
Cash flows from operating activities		
Income before income taxes and minority interests	48,706	46,152
Depreciation and amortization	48,901	48,385
Loss on impairment of fixed assets	14,921	363
Increase (decrease) in employees' retirement and severance benefits	(5,257)	(10,970)
Increase (decrease) in accrued bonuses	4,885	(521)
Increase (decrease) in allowance for doubtful receivables	449	(653)
Increase (decrease) in provision for product warranties	(750)	(1,195)
Increase (decrease) in provision for losses on construction contracts	(2,016)	(12,617)
Increase (decrease) in provision for restructuring charges	(1,077)	-
Increase (decrease) in provision for losses on damages suit	(4,957)	(340)
Increase (decrease) in provision for environmental measures	(545)	1,261
Loss on disposal of inventories	(70)	1,711
(Gain) loss on sale of marketable and investment securities	(591)	(1,424)
(Gain) loss on valuation of securities	918	55
(Gain) loss on sale of property, plant, and equipment	1,177	1,032
Equity in income non-consolidated subsidiaries and affiliates	(8,567)	(8,530)
Interest and dividend income	(2,331)	(1,641)
Interest expense	4,282	4,151
(Increase) decrease in trade receivables	(942)	10,601
(Increase) decrease in inventories	(18,705)	(10,711)
(Increase) decrease in other current assets	(2,139)	8,073
Increase (decrease) in trade payables	(7,332)	(41,150)
Increase (decrease) in advances from customers	18,973	5,670
Increase (decrease) in other current liabilities	8,708	4,015
Other	4,138	(2,332)
Subtotal	100,775	39,384
Cash received for interest and dividends	6,656	8,668
Cash paid for interest	(4,455)	(4,194)
Cash paid for income taxes	(18,238)	(15,756)
Payment of levies	-	-
Net cash provided by operating activities	84,737	28,101
Cash flows from investing activities		
Decrease (increase) in time deposits with maturities over three months	1,446	(310)
Acquisition of property, plant and equipment	(61,126)	(65,517)
Proceeds from sale of property, plant and equipment	535	348
Acquisition of intangible assets	(4,921)	(4,898)
Proceeds from sale of intangible assets	16	33
Acquisition of investments in securities	(47)	(571)
Proceeds from sale of investments in securities	663	2,899
Acquisition of investments in subsidiaries of affiliate	(1,761)	(12,339)
Decrease (increase) in short-term loans receivable	(11)	(11)
Additions to long-term loans receivable	(70)	(44)
Proceeds from collection of long-term loans receivable	89	101
Payments for lease and guarantee deposits	-	(1,152)
Other	(771)	305
Net cash used for investi		

(5) Notes on financial statements

Notes on the going-concern assumption

Not applicable

Basis of preparation of financial statements

Other than information disclosed under the heading “(7) Changes in basis of preparation of financial statements” below, no material changes have been made from the information disclosed in the Company’s most recent full-year statutory financial report (filed June 27, 2012). An updated disclosure is therefore omitted here.

Changes in basis of preparation of financial statements

1. Change in the scope of consolidation

(1) Change in the scope of consolidation

Two companies were added as consolidated subsidiaries because they were newly established by the Company.

Four companies ceased to be consolidated subsidiaries as they were dissolved through absorption or liquidated.

(2) Number of consolidated

(5) Loss on impairment of fixed assets

A write-down of 363 million yen was recorded as loss on impairment of fixed assets in extraordinary losses. Amounts by asset type are listed below.

Buildings and structures	246 million yen
Land, etc.	116 million yen
	<hr/>
	363 million yen

Other than the notes on consolidated statements of income stated above, information is omitted here as its disclosure in this report is not of material importance.

Information Omitted

Notes on the unapplied accounting policies, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity, the consolidated cash flow statements, lease transactions, related-party transactions, tax-effect accounting, financial instruments, securities, derivative transactions, retirement benefits, stock-based compensation, business combination, asset retirement obligations, investment and rental property, and special purpose companies are omitted here, as their disclosure in this report is not of material importance.

Segment information and others

1. Segment information

(1) Overview of reportable segments

The Company's reportable segments are components of the company about which separate financial information is available. These segments are subject to periodic reviews by the Company's board of directors to decide how to allocate resources and assess performance. The Company's operations are divided into internal companies based on product categories. Certain authority is delegated to each of the internal companies, based on which they conduct businesses in Japan and overseas. The Company's operations are therefore segmented based on each internal company's product categories. The Company's eight reportable segments are the Ship & Offshore Structure segment, the Rolling Stock segment, the Aerospace segment, the Gas Turbine & Machinery segment, the Plant & Infrastructure segment, the Motorcycle & Engine segment, the Precision Machinery segment, and the Other segment.

Main segment businesses are listed below.

Industry segment	Major products
Ship & Offshore Structure	Construction and sale of ships and other vessels, etc.
Rolling Stock	Production and sale of rolling stock, snow plows, etc.
Aerospace	Production and sale of aircraft, etc.
Gas Turbines & Machinery	Production and sale of jet engines, general-purpose gas turbine generators, prime movers, etc.
Plant & Infrastructure	Production and sale of industrial equipment, boilers, environmental equipment, steel structures, crushers, etc.
Motorcycle & Engine	Production and sale of motorcycles, all-terrain vehicles (ATV), utility vehicles, personal watercraft ("JET SKI"), general-purpose gasoline engines, etc.
Precision Machinery	Production and sale of industrial hydraulic products, industrial robots, etc.
Other	Production and sale of construction machinery, commercial activities, sales/order agency and intermediary activities, administration of welfare facilities, etc.

(2) Calculation methods for sales, income (loss), assets, liabilities and other items by reportable segment

Other items	Total for reportable segments		Adjustments*		Amounts reported on the consolidated financial statements	
	2012	2013	2012	2013	2012	2013
Depreciation/amortization	45,865	44,250	3,035	4,135	48,901	48,385
Increase in property, plant and equipment and intangibles	56,733	64,795	7,185	13,829	63,919	78,624

(b) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Asia	Other areas	Total
259,212	21,298	2,618	21,638	1,023	305,792

(3) Information by major clients

(Millions of yen)

Clients	Net sales	Related segments
Ministry of Defense	193,685	Ship & Offshore Structure, Aerospace, Gas Turbines & Machinery

3. Impairment loss on fixed assets by reportable segment

Fiscal year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

3. Net income/loss per share and net income per share (diluted) were calculated based on the following:
 Years ended March 31 (Millions of yen)

	2012	2013
Earnings per share - basic		
Net income	23,323	30,864
Earnings not attributable to common shareholders	-	-
Net income allocated to the common shares	23,323	30,864
Average number of common shares outstanding (thousands of shares)	1,671,465	1,671,803

Material subsequent events

Not applicable

titled "Directors and Executive

(Millions of yen)

2013 B		Change B-A	
	% of total		%
05,733	7.7	65,823	164.9
24,441	9.0	58,342	88.2
283,485	20.6	(43,747)	(13.3)
255,553	18.6	28,271	12.4
13,600	8.2	5,683	(4.7)
251,858	18.3	16,615	7.0
09,725	8.0	(64,861)	(37.1)
25,188	9.1	2,949	2.4
69,588	100.0	57,709	4.3

to its net sales as production is based mainly

(Millions of yen)

2013 B		Change B-A	
	% of total		%
90,343	7.0	(23,189)	(20.4)
29,973	10.0	(2,711)	(2.0)

251,858	19.5	16,615	7.0
130,455	10.1	(44,622)	(25.4)

(3) Supplementary information on earnings forecasts for the fiscal year ending March 31, 2014

1. Consolidated earnings outlook

(Billions of yen)

	Outlook for the fiscal year ending March 31, 2014 (A)	Fiscal year ended March 31, 2013(actual) (B)	Change (A – B)
Net sales	1,380.0	1,288.8	91.2
Operating income	60.0	42.0	18.0
Recurring profit	53.0	39.3	13.7
Net income	34.0	30.8	3.2

Orders received	1,450.0	1,369.5	80.5
Before-tax ROIC (%)	7.4%	6.1%	1.3%
R&D expenses	44.0	41.7	2.3
Capital expenditures	84.0	78.6	5.4
Depreciation/ amortization	43.0	48.3	(5.3)
Number of employees at end of period	34,900	34,010	890
*Number of employees outside of Japan included therein	*9,200	*8,788	*412

Notes: 1. Outlook's assumed foreign exchange rates: ¥95 = US\$1, ¥120 = 1 euro

2. Before-tax ROIC = (income before income taxes + interest expense) / invested capital.

3. 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.

2. Outlook by reportable segment

(a) Net sales and operating income (loss)

(Billions of yen)

	Outlook for the fiscal year ending March 31, 2014 (A)		Fiscal year ended March 31, 2013 (actual) (B)		Change (A – B)	
	Net sales	Operating Income (loss)	Net sales	Operating Income (loss)	Net sales	Operating Income (loss)
Ship & Offshore Structure	70.0	0	90.3	4.1	(20.3)	(4.1)
Rolling Stock	155.0	6.0	129.9	2.2	25.1	3.8
Aerospace	290.0	19.0	239.1	14.8	50.9	4.2
Gas Turbine & Machinery	185.0	11.0	207.0	7.0	(22.0)	4.0
Plant & Infrastructure	115.0	7.0	115.8	9.7	(0.8)	(2.7)
Motorcycle & Engine	290.0	10.0	251.8	2.3	38.2	7.7
Precision Machinery	140.0	14.0	130.4	8.4	9.6	5.6
Other	135.0	3.0	124.2	1.2	10.8	1.8
Adjustments		(10.0)		(8.0)		(2.0)
Total	1,380.0	60.0	1,288.8	42.0	91.2	18.0

(b) Orders received

(Billions of yen)

	Outlook for the fiscal year ending March 31, 2014 (A)	Fiscal year ended March 31, 2013 (actual) (B)	Change (A – B)
Ship & Offshore Structure	120.0	105.7	14.3
Rolling Stock	160.0	124.4	35.6
Aerospace	250.0	283.4	(33.4)
Gas Turbine & Machinery	220.0	255.5	(35.5)
Plant & Infrastructure	130.0	113.6	16.4
Motorcycle & Engine	290.0	251.8	38.2
Precision Machinery	150.0	109.7	40.3
Other	130.0	125.1	4.9
Total	1,450.0	1,369.5	80.5