

FY2010 Report
(ended on 31st March 2011)

Reported on 28 April, 2011



Key point of FY10

**1. High level of profit
continued from FY09**

**2. Recovery of the
market is yet to come**

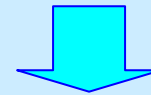
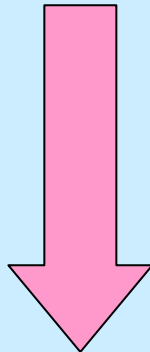
Key point of FY10

1. High level of profit continued from FY09

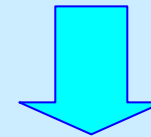
	<u>FY09 Actual</u>	<u>FY10 Plan</u>	<u>FY10 Actual</u>
Operating Income	¥43.0 billion	¥31.0 billion	¥38.9 billion
Ratio to sales	5.6%	5.2%	6.6%

Profitability of ships improved

Yen appreciation and steel price increase



Effort of cost reduction



Exceeded plan of Operating Income

Key point of FY10

2. Recovery of the market is yet to come

	<u>FY09 Actual</u>	<u>FY10 Actual</u>	
New orders	¥359.1 billion	¥499.7 billion	+39%

Ships

– Although bulkers show improvement in the 1st half, 2nd half showed decline

Steel Structure/ Construction

–Market size of the steel structure decreased whereas the crane market shows recovery

Machinery

–Although demand of industrial machinery recovered, order has been postponed

Plants

–Demand for capex increased, but the order placement is slow

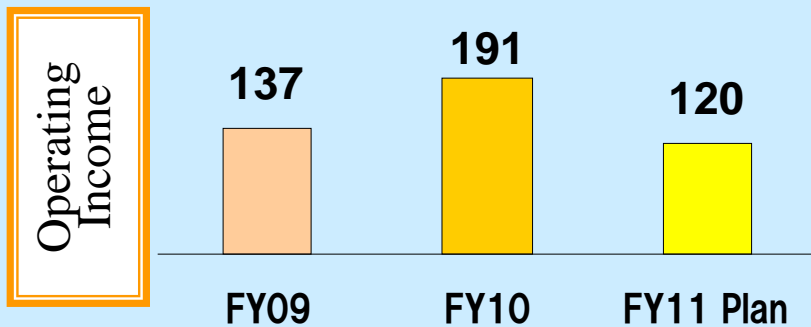
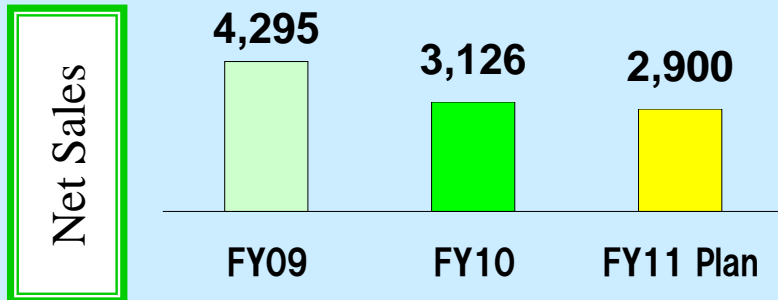
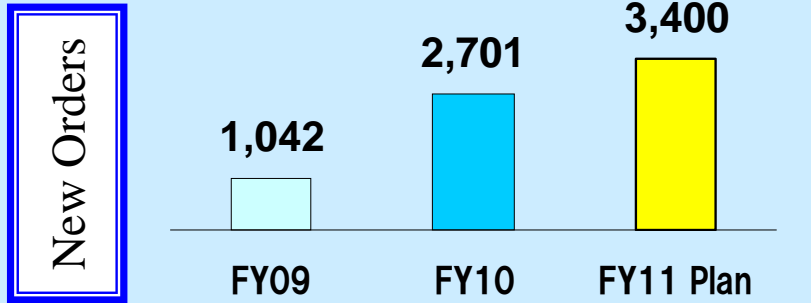
Highlights

100 Million Yen

	FY09 Actual	FY10 Plan	FY10 Actual	FY11 Plan
New Orders	3,591	6,500	4,997	7,100
Net Sales	7,660	6,000	5,892	5,700
Operating Income	430	310	389	280
Ordinary Income	420	280	362	260
Net Income	197	120	135	150

Highlights - Ships

100 Million Yen



(Operating Income of FY09 has been adjusted)

Recovery of Commercial Ship Order Aim New Order of Ship with CO2 cut

○ New Orders

- New order of 2 Semi-Open BC and 15 56BC
- Backlog of about 3 years
- Aim new order of 66BC, ship with CO2 cut

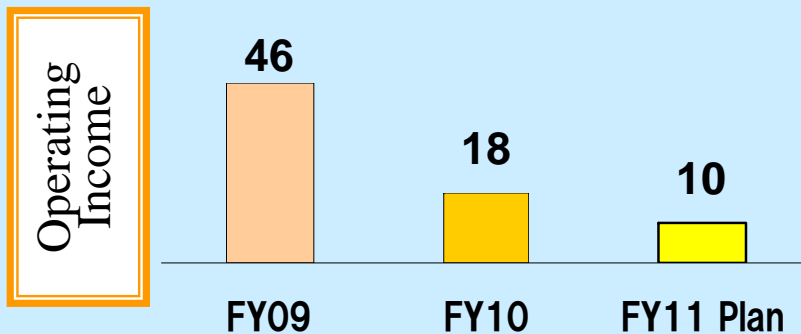
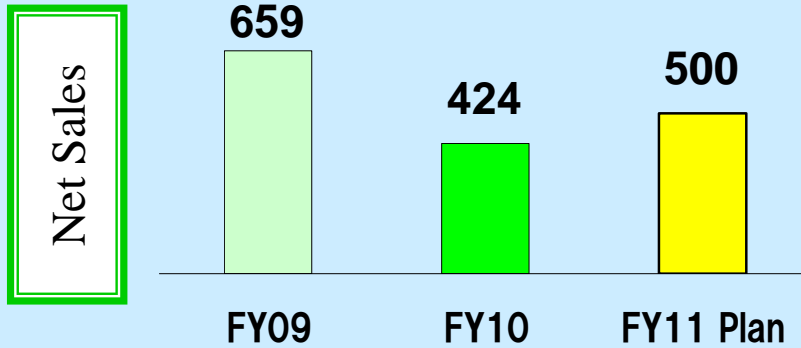
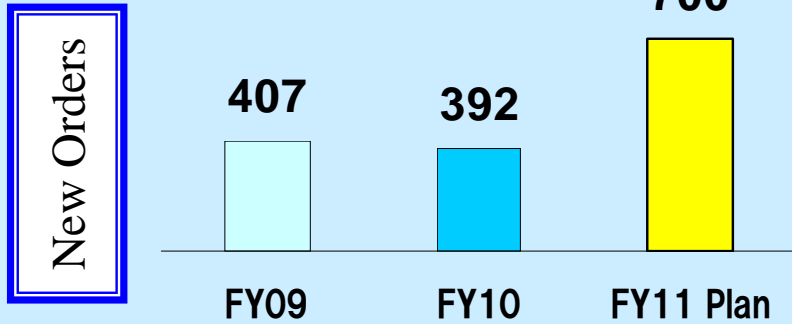
Ships (Non-Consolidated)	FY09		FY10	
	New Orders	Delivery	New Orders	Delivery
56BC	0	18	15	21

○ Net Sales / Operating Income

- Steady sales of backlog orders
- Operating income kept high level due to cost reduction effort although there were unfavorable factors such as Yen appreciation and steel price increase

Highlights – Steel Structure/Construction

100 Million Yen



(Operating Income of FY09 has been adjusted)

Recovery of Crane Market

○ New Orders

- Delivery of electrify Transtainer
- New Hybrid Transtainer was received
- Work on social infrastructure business in South East Asia
- Domestic public works are intense

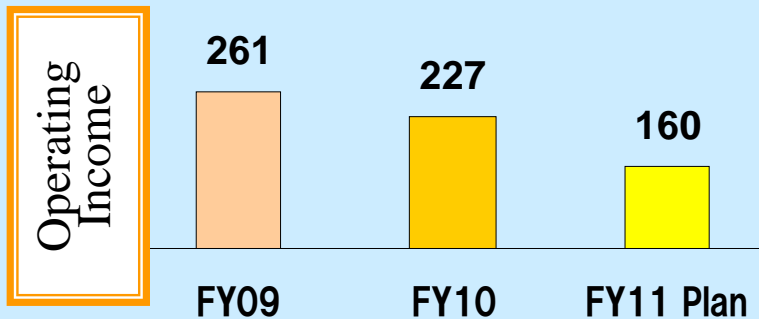
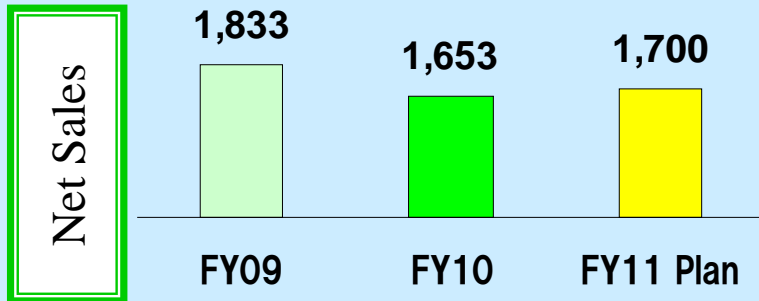
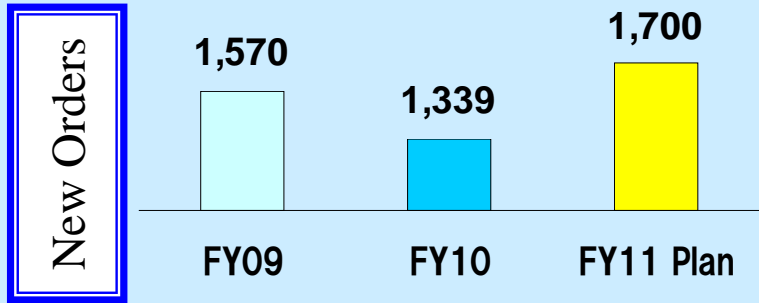
Actual (unit)	FY09		FY10	
	New Orders	Delivery	New Orders	Delivery
Portainer	6	14	10	6
Transtainer	6	32	23	8

○ Net Sales / Operating Income

- Although the Net Sales was below forecast, Operating Income was achieved as a result of cost improvement

Highlights - Machinery

100 Million Yen



(Operating Income of FY09 has been adjusted)

Although the Market is intense, Profit margin is maintained

○New Orders

- Marine Diesel Engine received same level of orders as last year. Aim more orders by developing environmental friendly technology and cost cutting
- Query of Industrial Machinery is increasing in Mideast and South East Asia
- Aim more orders of after service in Marine Diesel Engine

○Net Sales

- Net Sales showed a little decrease as decrease in Industrial Machinery was covered by other businesses

(Marine Diesel Engine)

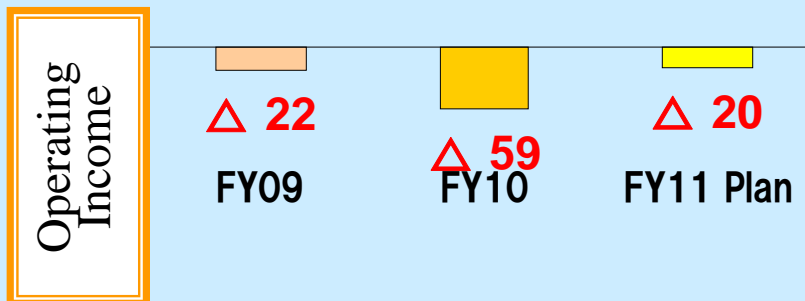
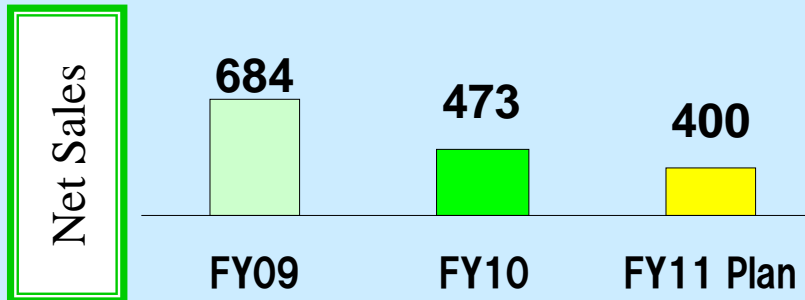
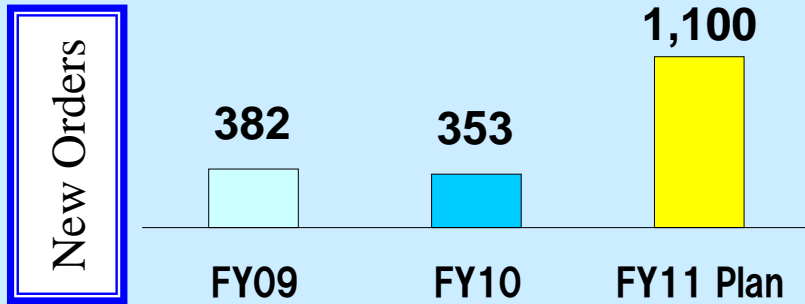
Actual	FY09			FY10		
	New Orders	Sales	Back log	New Orders	Sales	Back log
Unit	190	196	223	191	199	215

○Operating Income

- Operating Income level of main business was maintained

Highlights - Plants

100 Million Yen



(Operating Income of FY09 has been adjusted)

Large projects will be obtained in FY11

○ New Orders

- Small domestic projects were obtained
- Projects are increasing in the market. Aim orders in FY11

○ Net Sales / Operating Income

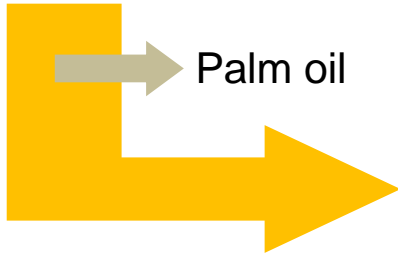
- Net Sales decreased due to decrease in Orders

Net Sales (100 Million Yen)	FY09	FY10
Petro-chemical Plant	496	239
Environmental	188	234

Bio-ethanol production

- Bio-ethanol production based on EFB (Empty Fruits Bunches)

Oil Palm



- Key points of business

【Ingredients】

- utilize non-utilized resource
- Huge volume (40 million tons/year of EFB in Malaysia and Indonesia)
- Does not compete with food as EFB is non-edible
- Stable supply without seasonal variation

【Business Partner】

Cooperating with Sime Darby (World leading palm oil producer)

Aim commercialization in Year 2013

LIB Cathode Material Production

■ Iron Phosphate Lithium Cathode Material

Issue of existing Lithium Ion Battery

- Using limited resource (rare metal; Co, Ni, Cr, Ti)
- Safety and Life cycle
- High cost and fluctuation of price



Next generation Lithium Ion Battery Cathode Material

Current Characteristics of Iron Phosphate Lithium cathode Material

Strength	<p>Not limited resource</p> <p>Less fluctuation of price</p> <p>Safe and long life</p> <p>Theoretical Capacity is large</p>
Weakness	<p>Low Conductivity</p>

Improvement of performance using technology of MES

Planned Capacity
2,000 tons/year

Commercialization in
FY12 2nd half

Progress of technology in NGH chain for next pilot project

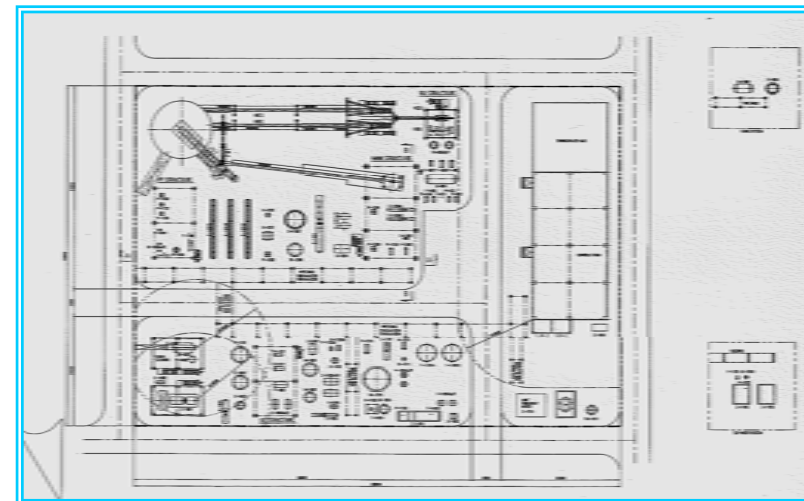
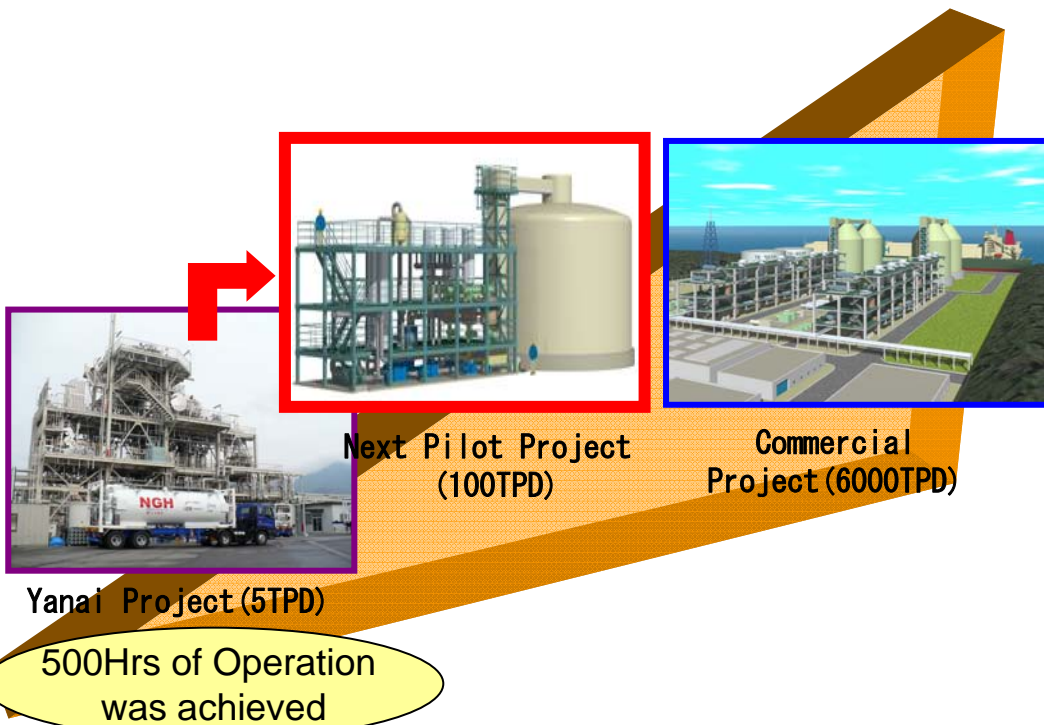
- Demand of gas in emerging countries
- Reduction of Greenhouse gas

Development of Middle to Small field

Supply and demand will be tight from year 2017

Strength of NGH

- Low cost
- Safety
- Low CO2



Plot Plan of Next Pilot Plant
Operation in year 2014 is the target

Ballast water treatment

For both new and existing ships

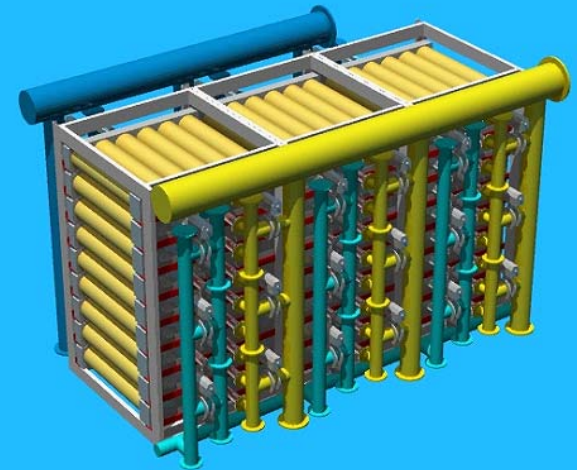
■ FineBallast™ OZ

- Type approval was obtained
- Using Special pipe and ozone
- Throw into market in FY11

G9 Final was approved in September 2010 by IMO

■ FineBallast™ MF

- Using Membrane
- Type approval will be obtained in FY11



Solar Thermal Power

Integrated Solar Combined Cycle (ISCC) Plant



Pilot Plant in Tunisia

Solar Concentration

Gas Turbine
combined cycle

ISCC

(Integrated Solar Combined Cycle)

FS was awarded in November 2010

Consolidated Income Statement (Summary)

100 Million Yen

	FY09		FY10		Var.
	Amount	%	Amount	%	
Net Sales	7,660	(100.0%)	5,892	(100.0%)	△ 1,768
Cost of Sales	6,812		5,071		
Gross Profit	848		821		
Selling, General and Admin. Exp.	418		432		
Operating Income	430	(5.6%)	389	(6.6%)	△ 41
Other Income	63		42		
Other Expenses	73		68		
Ordinary Income	420	(5.5%)	362	(6.1%)	△ 58
Extraordinary Income	5		2		
Extraordinary Losses	93		91		
Income Before Income Taxes and Minority Interest	332	(4.3%)	274	(4.6%)	△ 58
Income Taxes - Current	154		135		
Income Taxes - Deferred	△ 18		△ 9		
Minority Interest	△ 1		13		
Net Income	197	(2.6%)	135	(2.3%)	△ 62

Consolidated Balance Sheet (Summary)

100 Million Yen

	FY09	FY10	Var.		FY09	FY10	Var.
Current Assets	(4,203)	(3,557)	(Δ 646)	Trade payables	1,665	1,403	Δ 262
Cash and time deposits	713	517	Δ 196	Advances from customers	795	609	Δ 187
Receivables	2,158	1,558	Δ 600	Interest-bearing debts	1,978	1,720	Δ 257
Inventories	388	382	Δ 6	Others	1,189	1,193	4
Short-term loans	490	663	172	Liabilities	(5,627)	(4,926)	(Δ 701)
Other current assets	454	438	Δ 15	Common stock	444	444	0
Fixed Assets	(3,226)	(3,306)	(80)	Capital surplus	182	182	0
Property, plant and equipment	2,101	2,219	118	Retained earnings	764	859	95
Intangible assets	115	121	5	Treasury stock	Δ 6	Δ 7	0
Investment securities	512	472	Δ 40	Accu. other comprehensive Income	222	165	Δ 56
Others	498	494	Δ 4	Minority interests	197	294	98
Total	7,429	6,863	Δ 565	Net Assets	(1,802)	(1,937)	(136)
				Total	7,429	6,863	Δ 565

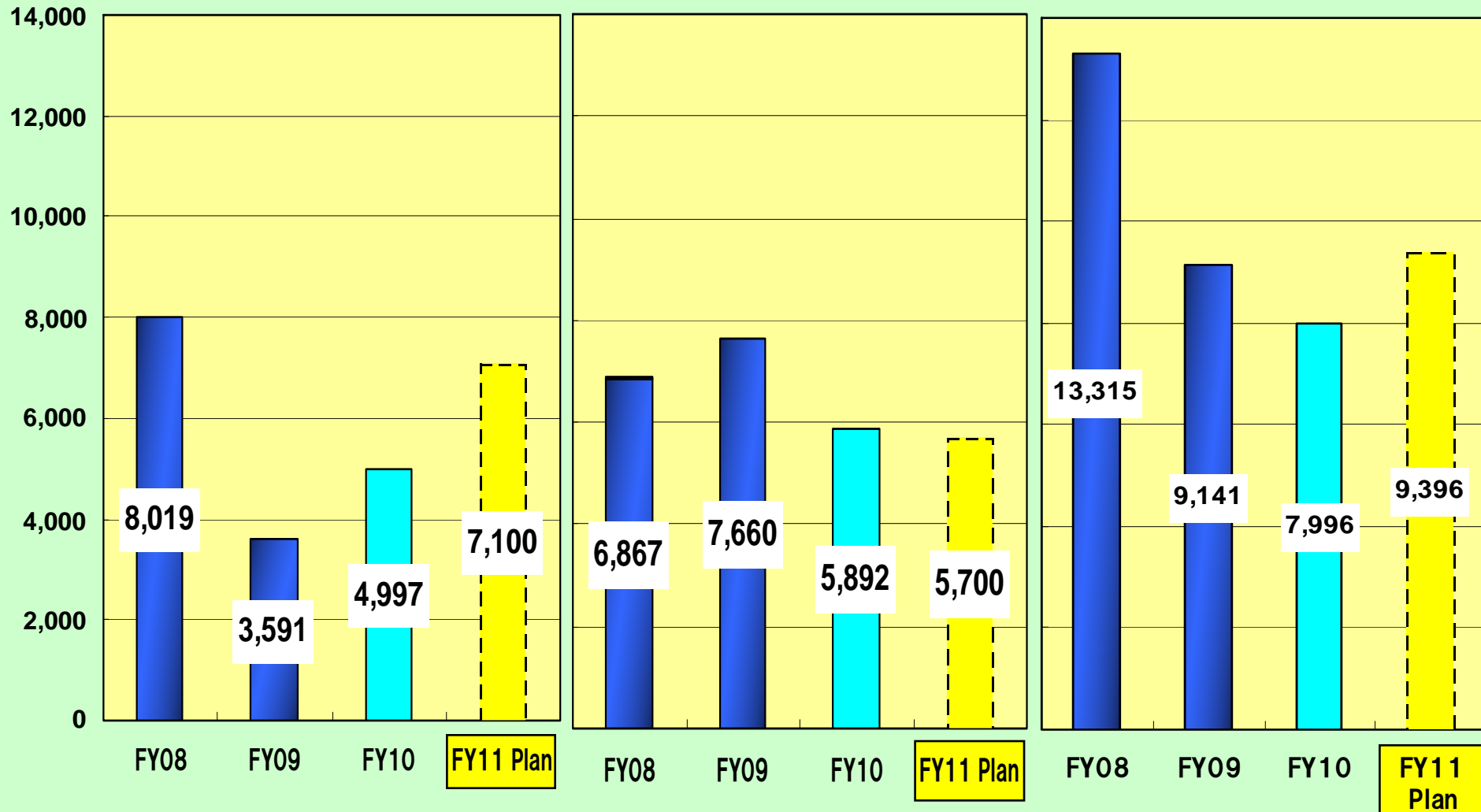
Consolidated New Orders, Net Sales and Backlog Orders

New Orders

Net Sales

Backlog Orders

100 Million Yen



Segment Information

100 Million Yen

	New Orders			Net Sales			Operating Income		
	FY09 Actual	FY10 Actual	FY11 Plan	FY09 Actual	FY10 Actual	FY11 Plan	FY09 Actual	FY10 Actual	FY11 Plan
Ships	1,042	2,701	3,400	4,295	3,126	2,900	137	191	120
Steel	407	392	700	659	424	500	46	18	10
Machinery	1,570	1,339	1,700	1,833	1,653	1,700	261	227	160
Plant	382	353	1,100	684	473	400	△22	△59	△20
Other	189	211	200	190	216	200	8	12	10
Total	3,591	4,997	7,100	7,660	5,892	5,700	430	389	280

(Operating Income of FY09 has been adjusted)

Consolidated Cash Flow

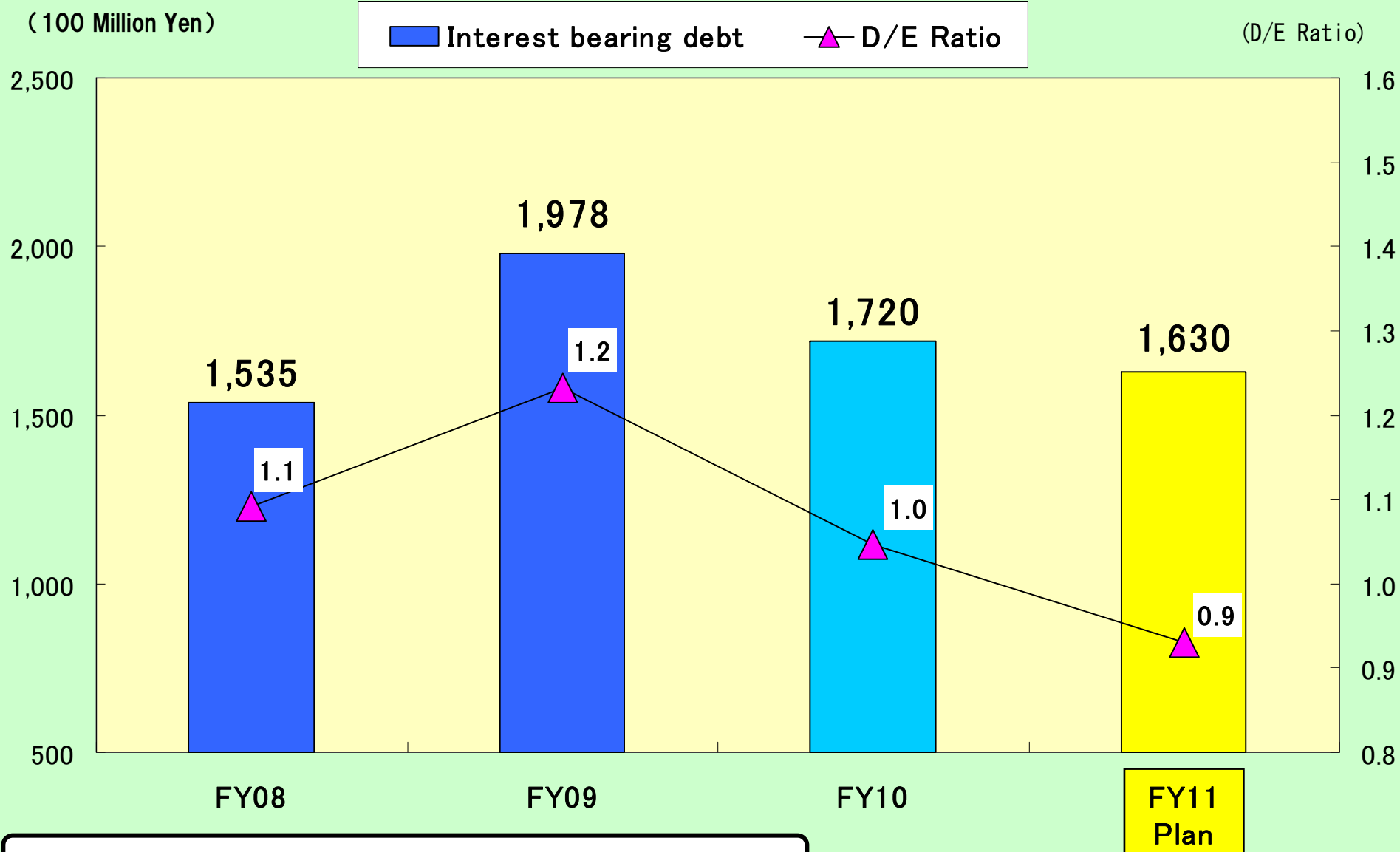
(100 Million Yen)

	FY09 Actual	FY10 Revised Plan	FY10 Actual	FY11 Plan
Operating Cash Flow	△ 186	110	292	120
Investing Cash Flow	21	△ 400	△ 428	△ 50
Financing Cash Flow	238	△ 100	△ 65	△ 90
Interest-bearing Debts	1,978	1,650	1,720	1,630

* FY10 Revised Plan was reported on 1 November, 2010

* Interest-bearing Debts exclude Lease Liability

Interest-bearing Debts and DE Ratio



Consolidated Segments

100 Million Yen

New Orders

Segment	FY08	FY09	FY10
Ships	4,218	1,042	2,701
Steel	1,042	407	392
Machinery	2,042	1,570	1,339
Plants	502	382	353
Other	215	189	211
Total	8,019	3,591	4,997

FY11 Plan
3,400
700
1,700
1,100
200
7,100

Net Sales

Segment	FY08	FY09	FY10
Ships	3,109	4,295	3,126
Steel	599	659	424
Machinery	1,970	1,833	1,653
Plants	965	684	473
Other	224	190	216
Total	6,867	7,660	5,892

FY11 Plan
2,900
500
1,700
400
200
5,700

Backlog Orders

Segment	FY08	FY09	FY10
Ships	9,138	6,016	5,435
Steel	949	573	522
Machinery	2,257	1,886	1,506
Plants	937	633	505
Other	34	34	28
Total	13,315	9,141	7,996

FY11 Plan
5,935
722
1,506
1,205
28
9,396

100 Million Yen

Main Subsidiaries	Company	FY08		FY09		FY10		FY11 Plan	
		New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales
	MODEC	3,196	1,437	450	2,042	1,738	1,467		1,200
	BWSC	306	255	321	270	34	204		160

100 Million Yen

Cap. Ex. And Others		FY08	FY09	FY10	FY11 Plan
		Consolidated	Consolidated	Consolidated	Consolidated
	Cap. Expenditure	183	208	156	150
	Depreciation	137	147	149	
	R&D	71	66	75	75

Employees		FY08		FY09		FY10		FY11 Plan	
		Consol.	Non-Consol.	Consol.	Non-Consol.	Consol.	Non-Consol.	Consol.	Non-Consol.
	# of Employees	10,324	4,335	10,563	4,451	10,326	4,412		

Breakdown of Ships (FY10)

(Ship)

Type of Ships	New Orders	Delivery	Backlog Orders
Tanker	0	2	3
(VLCC)	0	2	3
Bulk Carrier	17	25	56
(Handy Max BC)	15	21	45
Other	0	2	1
Total	17	29	60