

A photograph of the Tanjung Jati B Coal Fired Power Plant. The image shows several large industrial buildings with red and grey facades, interconnected by a complex network of white pipes and metal scaffolding. A prominent feature is a tall, white smokestack with a red band near the top, emitting a plume of white smoke. The sky is a clear, bright blue with some light clouds. The overall scene is an industrial landscape.

# FY2011 Report

(ended on 31<sup>st</sup> March 2012)

*Do challenge, make progress for the bright future*

Reported on 8 May 2012



**MES**

MITSUI ENGINEERING &  
SHIPBUILDING CO.,LTD.

# Key Point of FY11

1. Environment and Energy Engineering development has come to realization

2. Secured new orders even in the severe business environment

3. Exceeded forecasted profit

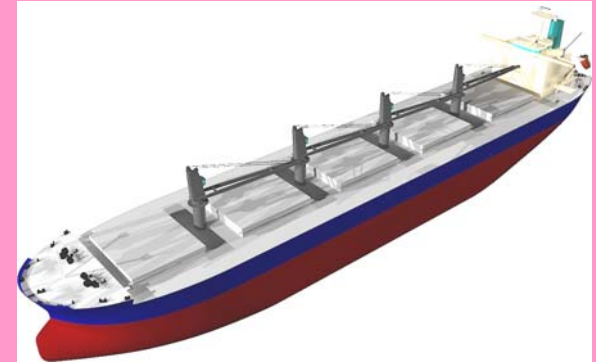
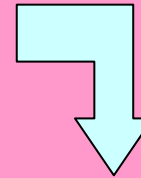
# Key Point of FY11

1. Environment and Energy Engineering development has come to realization

Received orders of  
“neo Supramax 66BC”

Ship price fall makes sever business environment

3 orders of  
Environmental Friendly/  
Energy Saving bulker



Expand this feature to  
new LNG and other ship types  
to secure order at right price

# Key Point of FY11

1. Environment and Energy Engineering development has come to realization

## Bio-mass Power Generation

BWSC, the subsidiary, received order of Large-size high efficiency biomass power generation facility using straw in England

- To be delivered in year 2014
- 12 years of Operation and maintenance after delivery



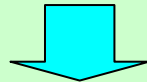
# Key Point of FY11

1. Environment and Energy Engineering development has come to realization

## Wind Power on the Ocean

- R&D of TLP (Tension Leg Platform) has started from year 2009
- R&D of Semi-sub type has also started from year 2011

Participate in experimental study of floating wind farm on the ocean entrusted by METI\*



Planning to manufacture floating wind power generation facility of 2MW at offshore of Fukushima



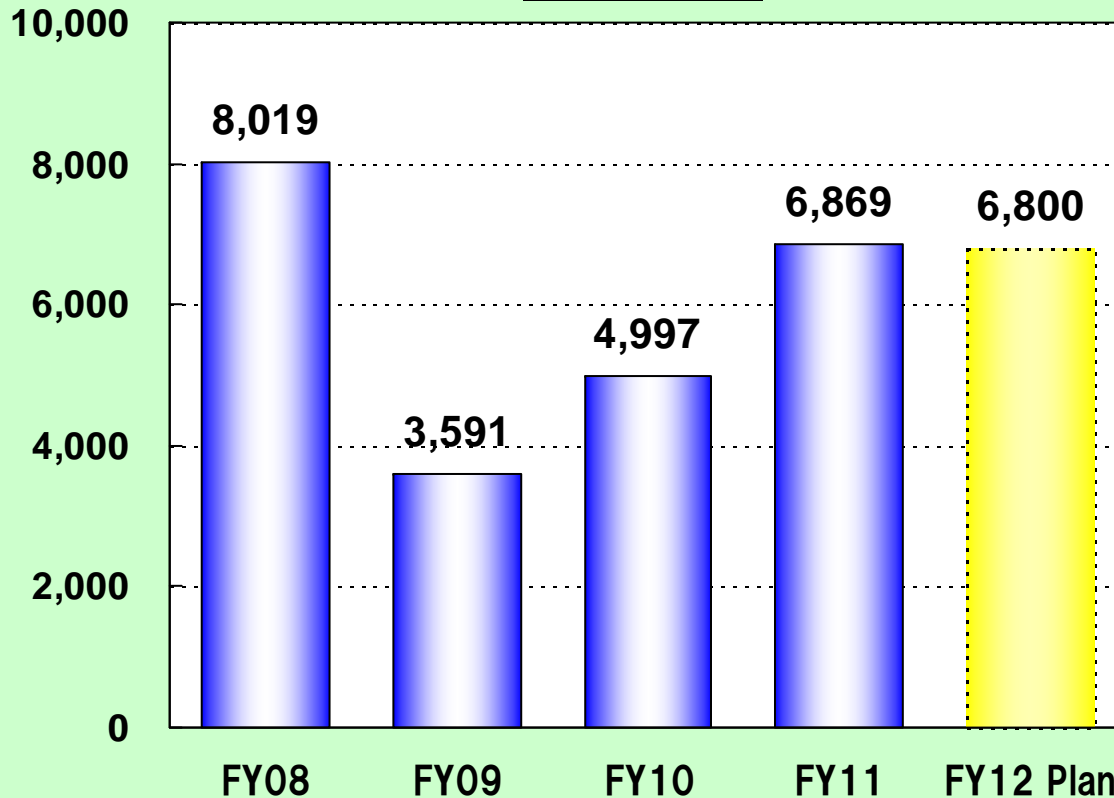
\*METI = Ministry of Economy, Trade, and Industry

# Key Point of FY11

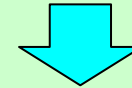
## 2. Secured new orders even in the severe business environment

100 Million Yen

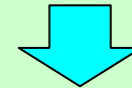
New Orders



Tailored needs of the region, society, and customers



Upward trend of New Orders even in severe environment




Aim more orders by environmental friendly products and global deployment

# Key Point of FY11

3. Exceeded forecasted profit

## Operating Income

Plan	Actual	Variance
¥28.0 b	¥31.4 b	+ ¥3.4 b



Reasonable plan reflecting business environment

Management effort

- Improvement in product competitiveness
- Promotion of overseas procurement

# Highlights

100 Million Yen

	FY10 Actual	FY11 Plan	FY11 Actual	FY12 Plan
<b>New Orders</b>	4,997	7,100	6,869	6,800
<b>Net Sales</b>	5,892	5,700	5,719	5,900
<b>Operating Income</b>	389	280	314	200
<b>Ordinary Income</b>	362	260	323	190
<b>Net Income</b>	135	150	179	90



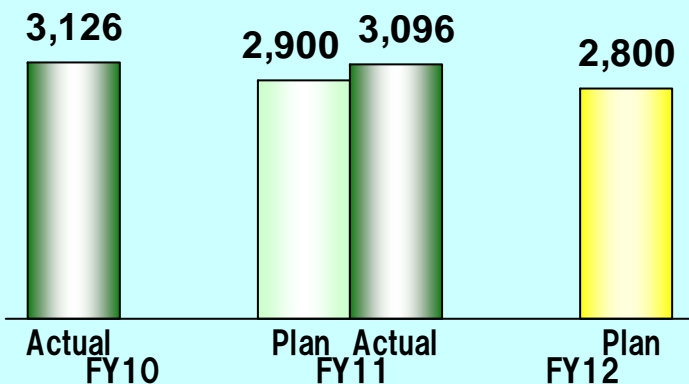
# Highlights - Ships

100 Million Yen

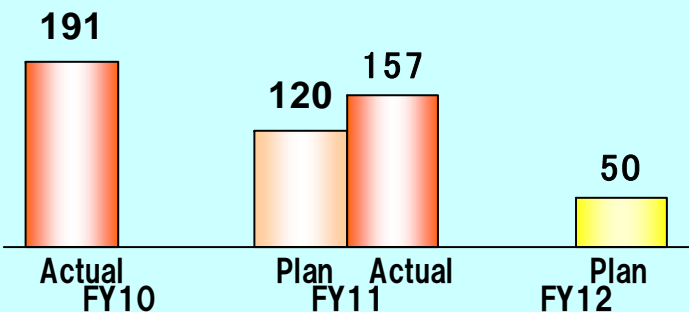
New Orders



Net Sales



Operating Income



## Firm order including Eco-ship

### ○ New Orders

- Secured 7 56BC, 3 66BC, 4 patrol ships, and 1 training ship even in down trend of the market
- MODEC received order of 2 FPSOs

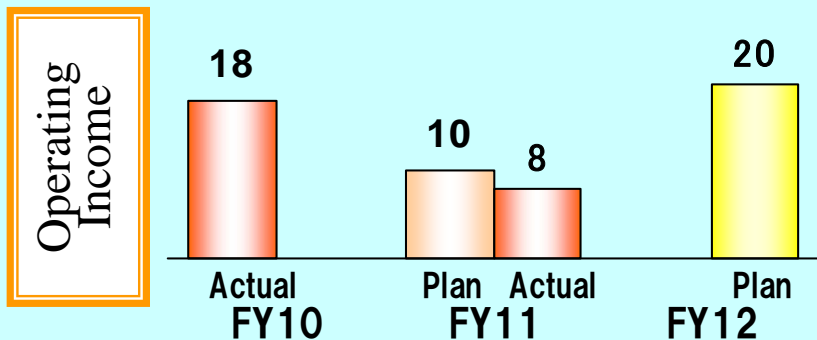
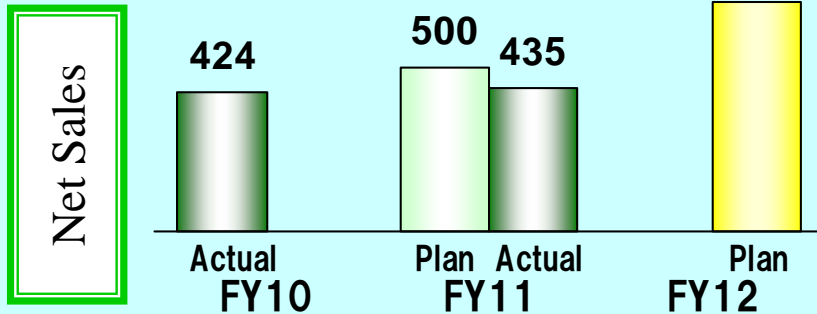
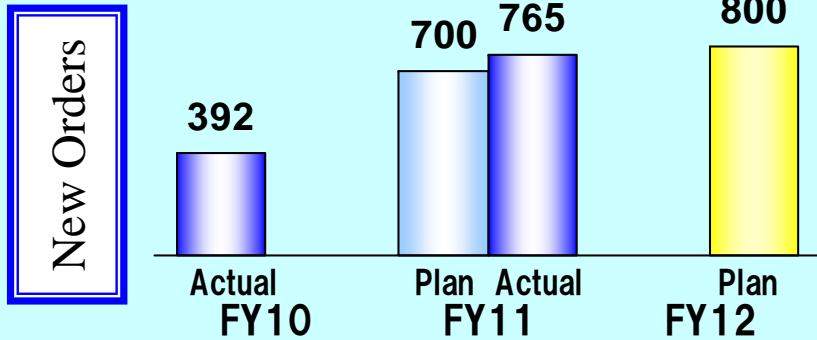
Non-consolidated (Ship)	FY10		FY11	
	New Orders	Delivery	New Orders	Delivery
56BC	15	21	7	18
66BC	—	—	3	—

### ○ Net Sales / Operating Income

- Favorable progress maintained sales level of last year even Yen appreciation has big influence
- Various improvements helped to keep the reduction of profit at minimum even though there's downward effect such as forex and cost up of steel plat

# Highlights – Steel Structure/Construction

100 Million Yen



## Achieved plan of New Orders

### ○ New Orders

- Mainly from domestic and Southeast Asia Demand to be continued in year 2012
- Secured order of civil engineering of power plant and Infrastructure in Southeast Asia
- In July 2012, Domestic Bridge and Shore work will be merged to subsidiary to improve competitiveness

Actual (Unit)	FY10		FY11	
	New Orders	Delivery	New Orders	Delivery
Portainer	10	6	13	7
Transtainer	23	8	57	33

### ○ Net Sales / Operating Income

- Net Sales could not reach the target as New Orders were secured mainly in 2<sup>nd</sup> half

# Highlights - Machinery

## New Orders exceeded last year

### ○ New Orders

- Marine Diesel Engines maintained last year level  
Aim more orders by adding environmental friendly type and decreasing cost
- Inquiry and orders of Industrial Machinery increased in Mideast and Southeast Asia
- After service network and improvement in technological support leads more orders

### ○ Net Sales

- Maintained last year level (Marine Diesel Engines)

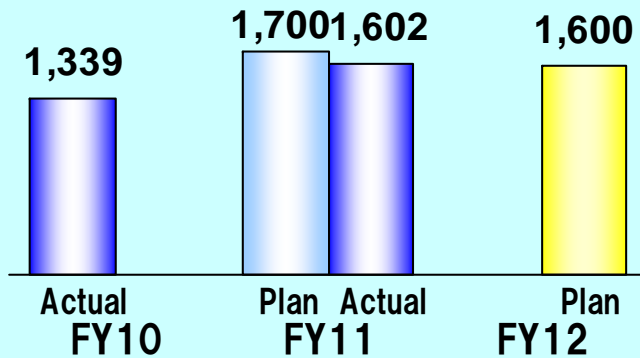
Actual	FY10		FY11	
	New Orders	Delivery	New Orders	Delivery
Unit	191	199	184	199
Horse Power(10k)	351	395	403	397

### ○ Operating Income

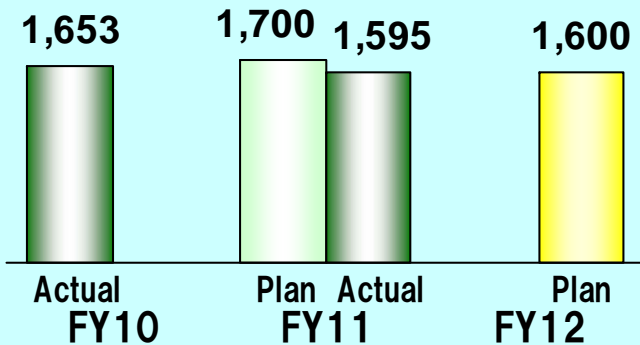
- Although the pricing is tough due to Yen appreciation, cost cut minimized profit decrease

100 Million Yen

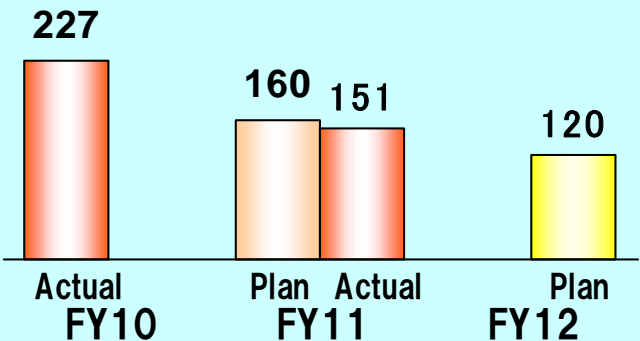
New Orders



Net Sales



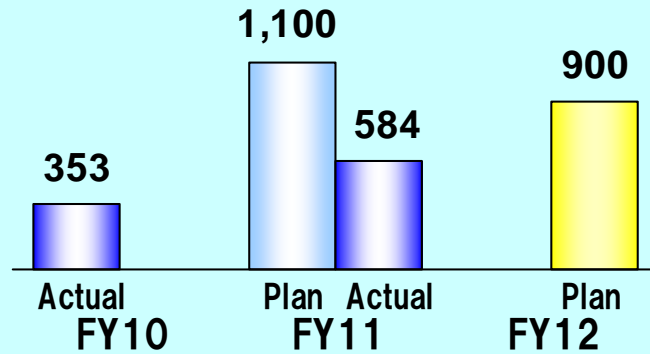
Operating Income



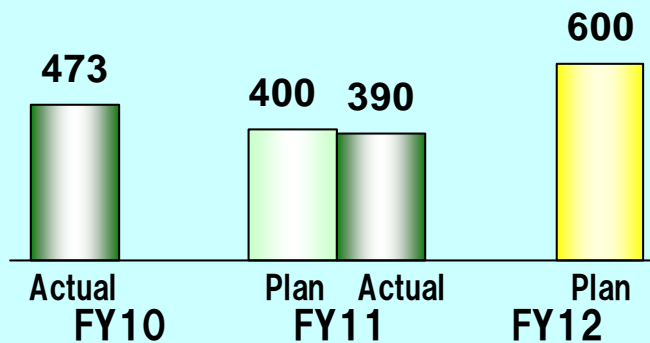
# Highlights - Plants

100 Million Yen

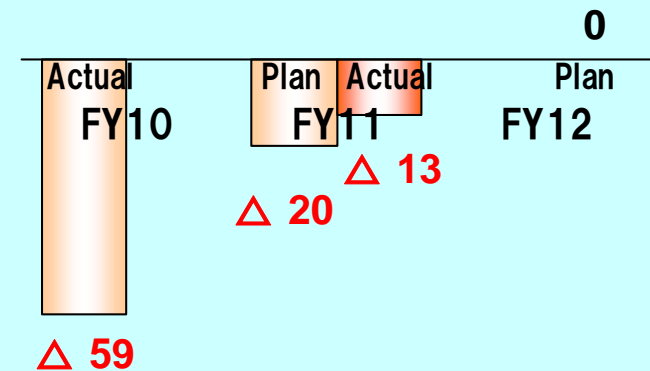
New Orders



Net Sales



Operating Income



## New Orders are coming back

### ○ New Orders

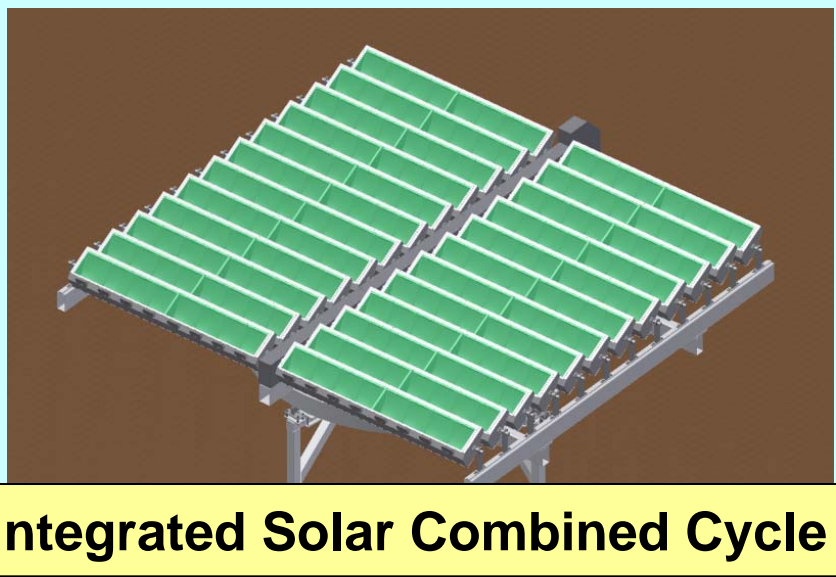
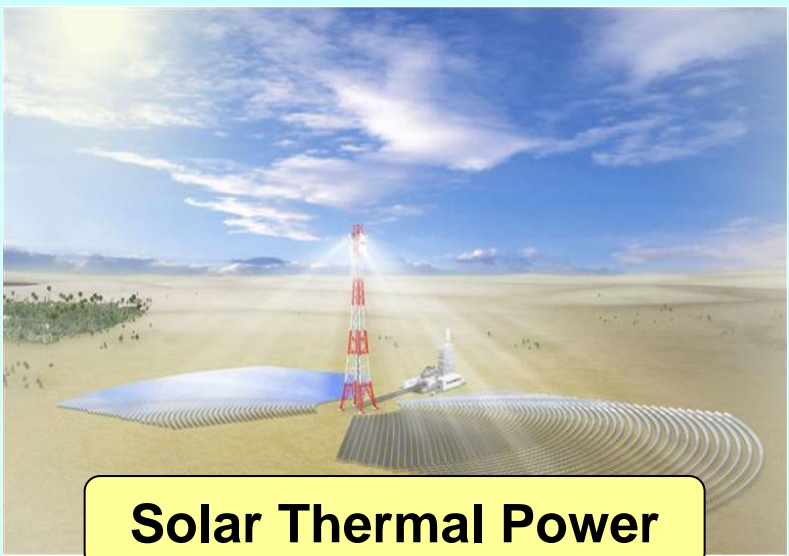
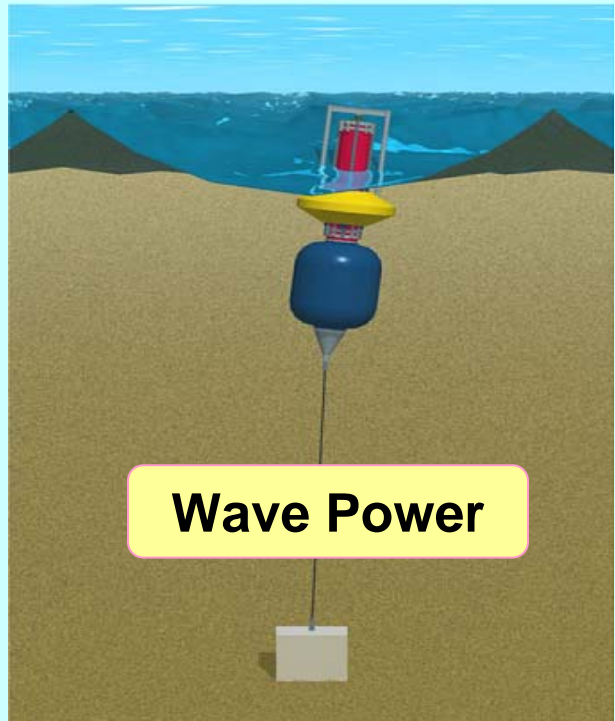
- Obtained Synthetic Rubber Plant and Reinforcement work of Ethylene Plant and others
- Work volume is recovering

### ○ Net Sales / Operating Income

- Net Sales did not reach the plan as the volume of New Orders was small
- Operating Income shows recovery as New Orders recover
- Profit will be achieved in FY13

# Highlights – New Business

## Recyclable Energy



# Consolidated Income Statement (Summary)

100 Million Yen

	FY10		FY11		Var.
	Amount	%	Amount	%	
Net Sales	5,892	(100.0%)	5,719	(100.0%)	△ 174
Cost of Sales	5,071		4,999		
Gross Profit	821		720		
Selling, General and Admin. Exp.	432		406		
Operating Income	389	(6.6%)	314	(5.5%)	△ 75
Other Income	42		82		
Other Expenses	68		72		
Ordinary Income	362	(6.1%)	323	(5.6%)	△ 39
Extraordinary Income	2		21		
Extraordinary Losses	91		15		
Income Before Income Taxes and Minority Interest	274	(4.6%)	329	(5.8%)	56
Income Taxes - Current	135		84		
Income Taxes - Deferred	△ 9		69		
Minority Interest	13		△ 3		
Net Income	135	(2.3%)	179	(3.1%)	44

# Consolidated Balance Sheet (Summary)

100 Million Yen

	FY10	FY11	Var.		FY10	FY11	Var.
<b>Current Assets</b>	(3,557)	(3,347)	( $\Delta$ 210)	<b>Trade payables</b>	1,403	1,468	64
Cash and time deposits	517	635	118	Advances from customers	609	490	$\Delta$ 119
Receivables	1,558	1,718	160	Interest-bearing debts	1,720	1,446	$\Delta$ 275
Inventories	382	367	$\Delta$ 15	Others	1,193	1,060	$\Delta$ 134
Other current assets	1,100	627	$\Delta$ 474	<b>Liabilities</b>	(4,926)	(4,463)	( $\Delta$ 463)
				Common stock	444	444	0
				Capital surplus	182	182	0
<b>Fixed Assets</b>	(3,306)	(3,212)	( $\Delta$ 94)	Retained earnings	859	1,011	152
Property, plant and equipment	2,219	2,168	$\Delta$ 52	Treasury stock	$\Delta$ 7	$\Delta$ 7	0
Intangible assets	121	125	5	Accu. other comp. Income	165	186	20
Investment securities	472	476	4	Minority interests	294	281	$\Delta$ 13
Others	494	443	$\Delta$ 51	<b>Net Assets</b>	(1,937)	(2,096)	(159)
<b>Total</b>	<b>6,863</b>	<b>6,559</b>	$\Delta$ 304	<b>Total</b>	<b>6,863</b>	<b>6,559</b>	$\Delta$ 304

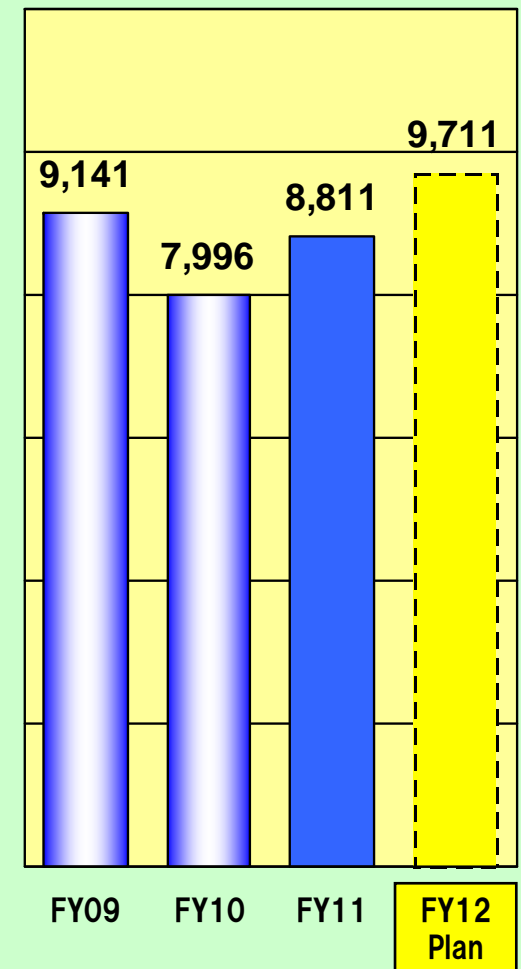
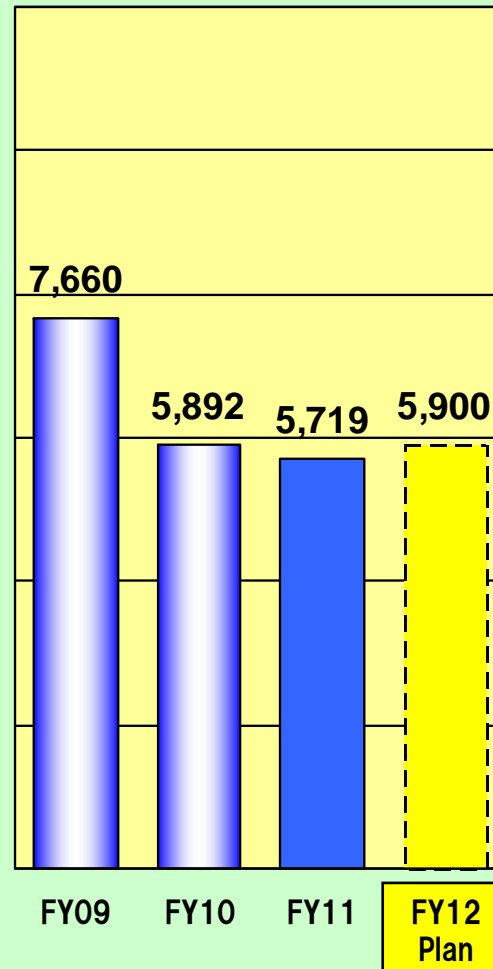
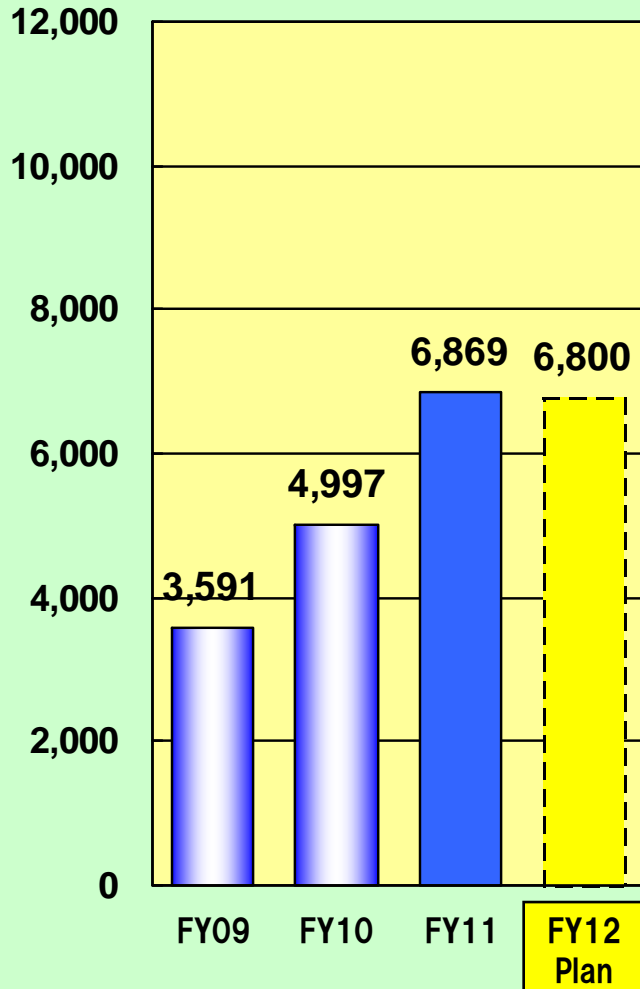
# Consolidated New Orders, Net Sales and Backlog Orders

## New Orders

## Net Sales

## Backlog Orders

100 Million Yen





# Segment Information

100 Million Yen

	New Orders			Net Sales			Operating Income		
	FY10 Actual	FY11 Actual	FY12 Plan	FY10 Actual	FY11 Actual	FY12 Plan	FY10 Actual	FY11 Actual	FY12 Plan
Ships	2,701	3,712	3,300	3,126	3,096	2,800	191	157	50
Steel	392	765	800	424	435	700	18	8	20
Machinery	1,339	1,602	1,600	1,653	1,595	1,600	227	151	120
Plants	353	584	900	473	390	600	△59	△13	0
Other	211	206	200	216	202	200	12	12	10
<b>Total</b>	<b>4,997</b>	<b>6,869</b>	<b>6,800</b>	<b>5,892</b>	<b>5,719</b>	<b>5,900</b>	<b>389</b>	<b>314</b>	<b>200</b>

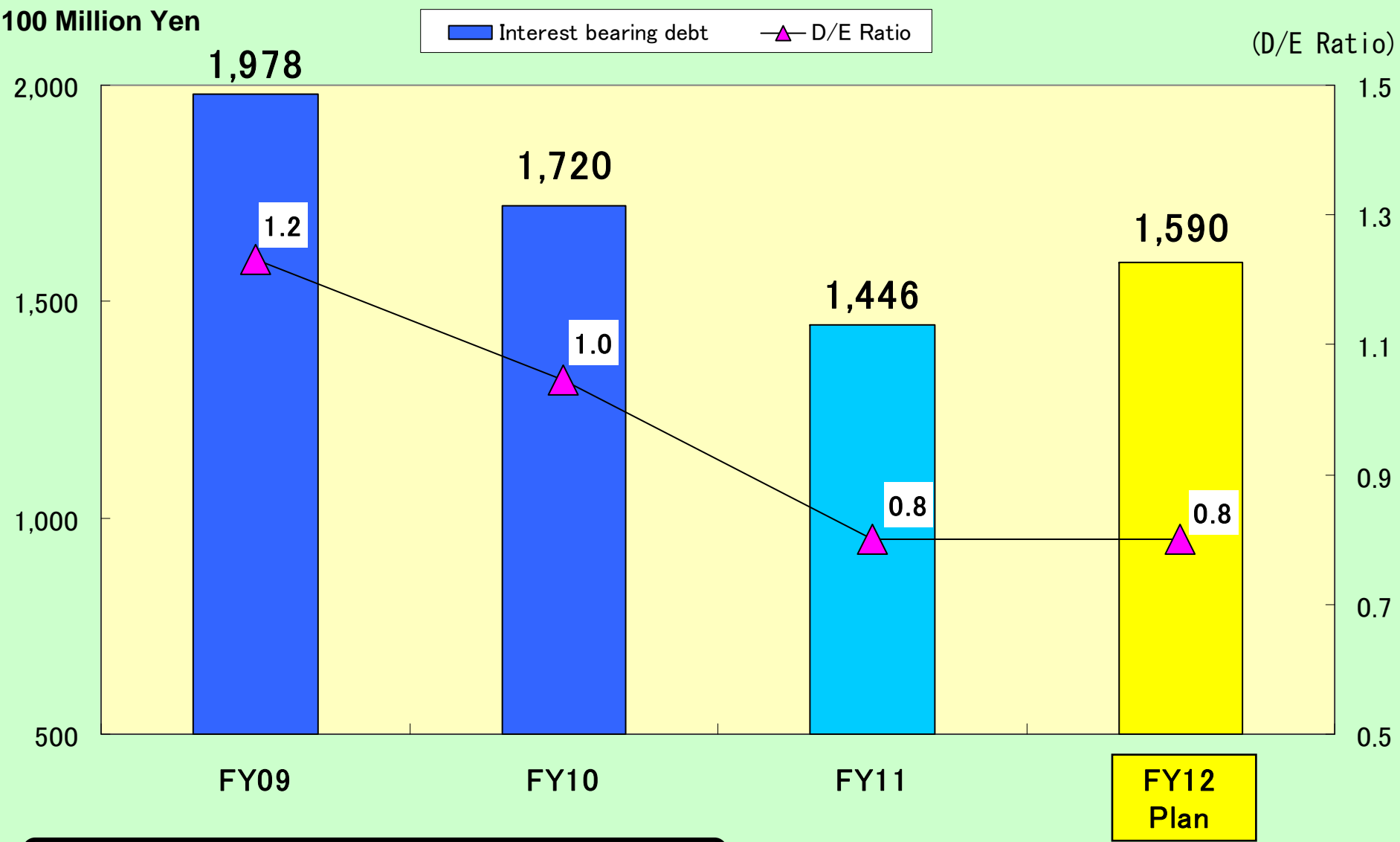
# Consolidated Cash Flow

100 Million Yen

	FY10 Actual	FY11 Plan	FY11 Actual	FY12 Plan
Operating Cash Flow	292	120	136	110
Investing Cash Flow	△428	△50	115	△270
Financing Cash Flow	△65	△90	△324	100
Interest-bearing Debts	1,720	1,630	1,446	1,590

\* Interest-bearing Debts exclude Lease Liability

# Interest-bearing Debts and DE Ratio



\* Interest-bearing Debts exclude Lease Liability

# Appendix

## Consolidated Segments

100 Million Yen

### New Orders

Segment	FY09	FY10	FY11
Ships	1,042	2,701	3,712
Steel	407	392	765
Machinery	1,570	1,339	1,602
Plants	382	353	584
Other	189	211	206
<b>Total</b>	<b>3,591</b>	<b>4,997</b>	<b>6,869</b>

FY12 Plan
3,300
800
1,600
900
200
<b>6,800</b>

### Net Sales

Segment	FY09	FY10	FY11
Ships	4,295	3,126	3,096
Steel	659	424	435
Machinery	1,833	1,653	1,595
Plants	684	473	390
Other	190	216	202
<b>Total</b>	<b>7,660</b>	<b>5,892</b>	<b>5,719</b>

FY12 Plan
2,800
700
1,600
600
200
<b>5,900</b>

### Backlog Orders

Segment	FY09	FY10	FY11
Ships	6,016	5,435	5,742
Steel	573	522	848
Machinery	1,886	1,506	1,502
Plants	633	505	693
Other	34	28	27
<b>Total</b>	<b>9,141</b>	<b>7,996</b>	<b>8,811</b>

FY12 Plan
6,242
948
1,502
993
27
<b>9,711</b>

100 Million Yen

Main Subsidiaries	Company	FY09		FY10		FY11		FY12 Plan	
		New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales
	MODEC	450	2,042	1,738	1,467	2,777	1,300		1,500
	BWSC	321	270	34	204	263	176		200

100 Million Yen

Cap. Ex. And Others	Consolidated	FY09	FY10	FY11	FY12 Plan
	Cap. Expenditure		208	156	119
Depreciation		147	149	172	
R&D		66	75	61	70

Employees	Consolidated	FY09	FY10	FY11	FY12 Plan
	# of Employees		10,563	10,326	10,025

## Breakdown of Ships (FY11)

Non-Consolidated  
(Ship)

Type of Ships	New Orders	Delivery	Backlog Orders
Tanker	0	1	1
Bulk Carrier	10	23	43
Other	5	0	6
<b>Total</b>	<b>15</b>	<b>24</b>	<b>50</b>