



FY2012 2Q Report

(ended on 31st September, 2012)

Do challenge, make progress for the bright future

Reported on 2 November, 2012



MES

MITSUI ENGINEERING &
SHIPBUILDING CO.,LTD.

Key Point of FY2012 2Q

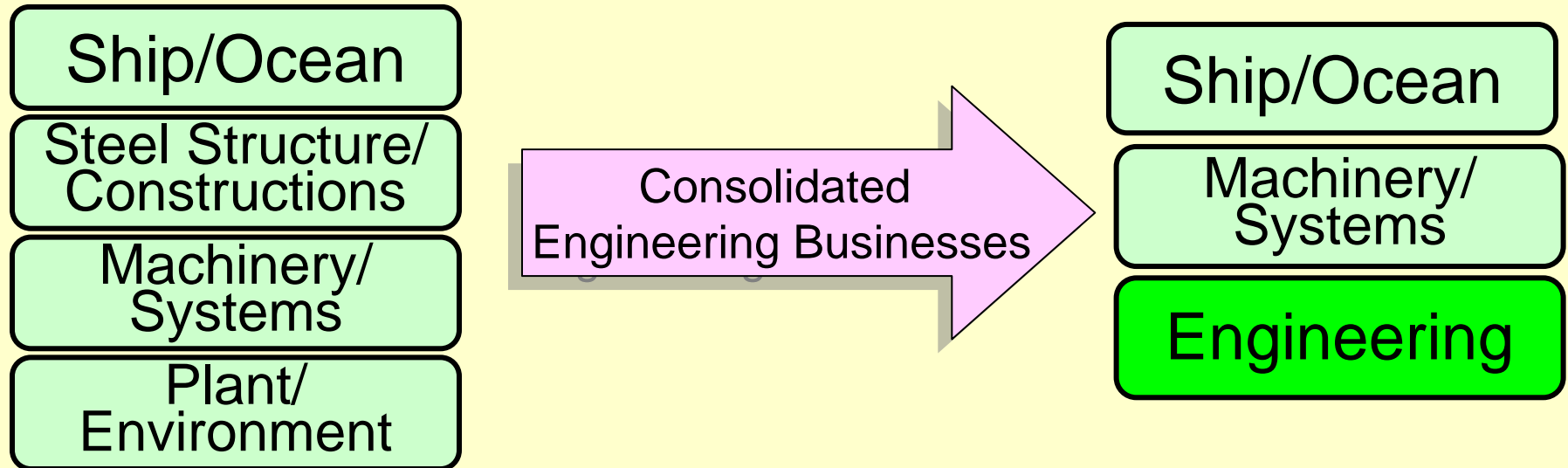
1. Reform of Headquarters

**2. Achieved profit target
even in strong JPY situation**

Key Point of FY2012 2Q

1. Reform of Headquarters

Business Headquarters



Correspond to increasing demand for plant and infrastructure to expand business area

Invest in power generation and O&M to earn stable sales and profit

Key Point of FY2012 2Q

1. Reform of Headquarters

Functional Headquarters

Business Development/
Innovation

Marketing/
Business Coordination

Research/
Development

Consolidated Business
Development and Marketing

Business Development/
Innovation

Research/
Development

Consolidation of Business Development and Marketing will enable close relationship with customer needs to realize early development of new business

Key Point of FY2012 2Q

2. Achieved profit target even in strong JPY situation

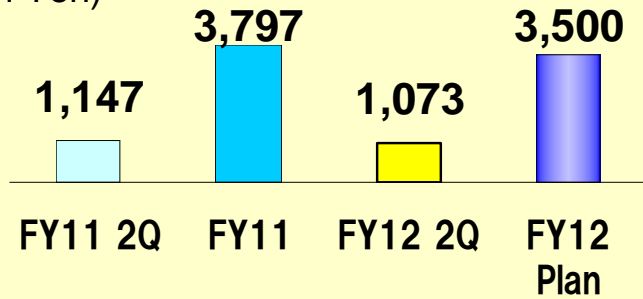
(100 Million Yen)

	FY11 2Q Actual	FY12 2Q Plan	FY12 2Q Actual	FY11 Actual	FY12 Plan
New Orders	2,164		1,841	6,869	6,800
Net Sales	2,684	2,700	2,675	5,719	5,900
Operating Income	129	100	96	314	200
Ordinary Income	144	100	98	323	190
Net Income	72	40	30	179	90

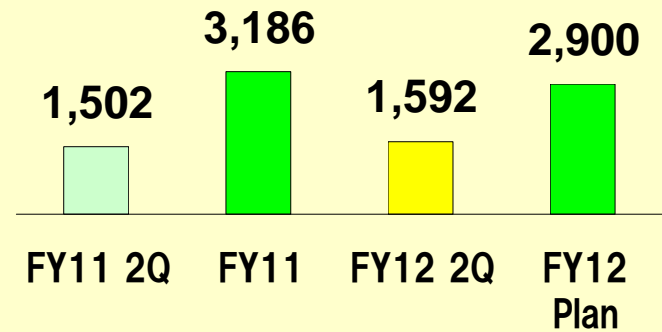
Highlights – Ship & Ocean

(100 Million Yen)

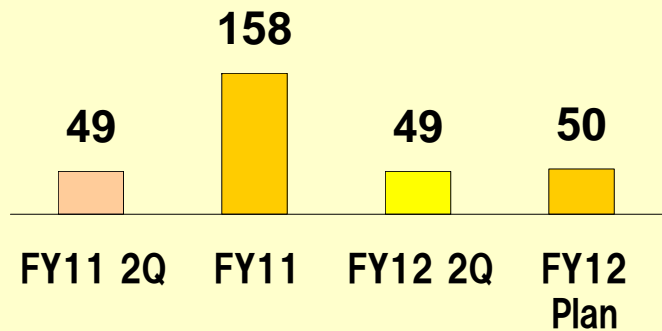
New Orders



Net Sales



Operating Income



Energy saving vessels are the key

○New Orders

- 5 orders of 66BC in total
- Brisk inquiry of energy saving vessels even in low market situation
- 1 Training ship received
- MODEC contributed highly with FPSO related orders

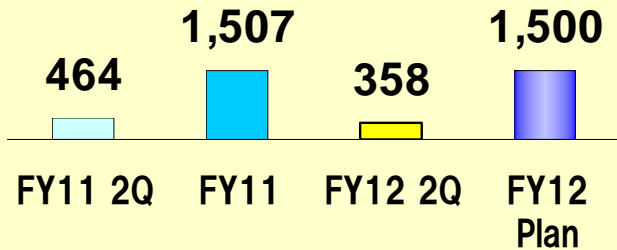
○Net Sales / Operating Income

- JPY 9 billion increased from last 2Q due to good progress on the construction
- Operating Income stayed even in super strong JPY

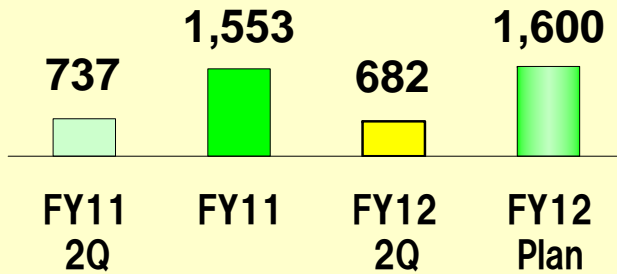
Highlights – Machinery & Systems

(100 Million Yen)

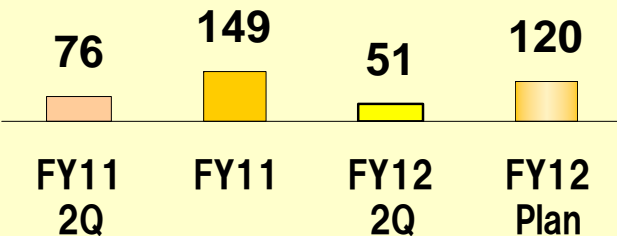
New Orders



Net Sales



Operating Income



New orders and Net sales will maintain last year level

○ New Orders

- Marine Diesel Engines: Enough work until FY2013, but the price negotiation is getting tough
- Industrial Machinery: Brisk inquiry in Mideast, Southeast Asia, and India
- Cranes : Aim increase of new orders as the projects are increasing in both domestic and overseas

○ Net Sales

- Maintain last year level as production of the marine diesel engines are steady

Actual	FY11 2Q			FY11			FY12 2Q		
	New Orders	Net Sales	Back Log	New Orders	Net Sales	Back Log	New Orders	Net Sales	Back Log
Unit	12	98	129	184	199	200	18	93	124
Horse Power (10K)	29	191	322	403	397	490	34	197	326

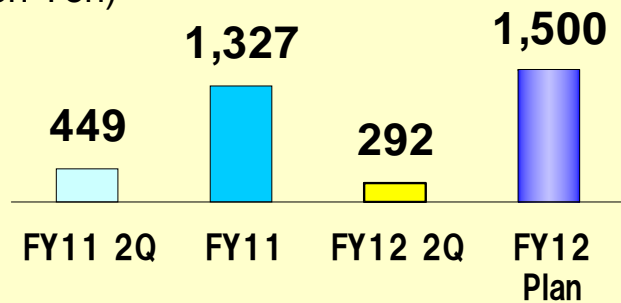
○ Operating Income

- Aim achievement of the target by cost reduction such as overseas procurement

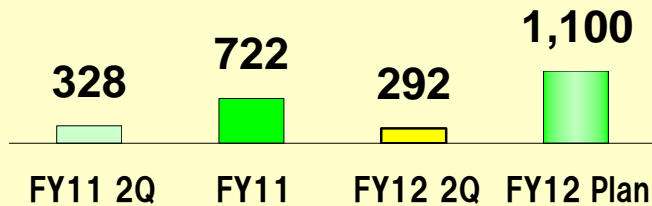
Highlights - Engineering

(100 Million Yen)

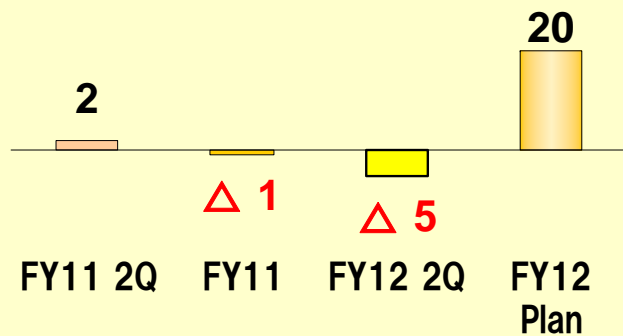
New Orders



Net Sales



Operating Income



Put effort into order taking in 2nd half

○ New Orders

- Several promising projects have been postponed. Aim order taking in 2nd half

○ Net Sales

- Delay in progress and order taking caused sales shortage. Aim recovery of sales with process controlling

○ Operating Income

- Sales shortage caused loss. Aim improvement of profitability and order taking to achieve the plan

Highlights - Engineering

Mega Solar @ Oita works

Joint venture with Mitsui Fudosan Co., Ltd.

17MW
Sales of Power

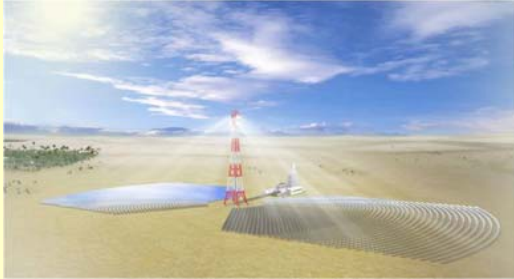
Start of construction:
October, 2012

Completion:
November, 2013



Highlights – Renewable Energy and others

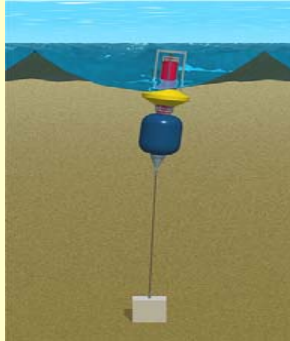
Solar Thermal Power



Wind Power



Wave Power



Integrated Solar Combined Cycle



LIB Cathode Material Production



Bio-ethanol Production



NGH



Consolidated Income Statement (Summary)

(100 Million Yen)

	FY11 2Q		FY12 2Q		Variance
	Amount	%	Amount	%	
Net Sales	2,684	(100.0%)	2,675	(100.0%)	△ 9
Cost of Sales	2,356		2,380		
Gross Profit	328		294		
Selling, General and Admin. Exp.	200		199		
Operating Income	129	(4.8%)	96	(3.6%)	△ 33
Other Income	57		33		
Other Expenses	41		30		
Ordinary Income	144	(5.4%)	98	(3.7%)	△ 46
Extraordinary Income	1		–		
Extraordinary Losses	15		29		
Income Before Income Taxes and Minority Interest	130	(4.8%)	69	(2.6%)	△ 60
Income Taxes – Current	30		44		
Income Taxes – Deferred	35		△ 9		
Minority Interest	△ 8		5		
Net Income	72	(2.7%)	30	(1.1%)	△ 42

Consolidated Balance Sheet (Summary)

(100 Million Yen)

	FY11	FY12 2Q	Variance		FY11	FY12 2Q	Variance
Current Assets	(3,347)	(3,176)	(△ 171)	Trade payables	1,468	1,329	△ 139
Cash and time deposits	635	629	△ 6	Advances from customers	490	492	2
Receivables	1,718	1,526	△ 192	Interest-bearing debts	1,446	1,347	△ 99
Inventories	367	433	66	Others	1,059	1,042	△ 17
Other current assets	627	588	△ 39	Liabilities	(4,463)	(4,210)	(△ 253)
Fixed Assets	(3,212)	(3,106)	(△ 106)	Common stock and surplus	626	626	—
Property, plant and equip	2,168	2,131	△ 37	Retained earnings	1,011	1,009	△ 1
Intangible assets	125	120	△ 5	Treasury stock	△ 7	△ 7	△ 0
Others	919	855	△ 64	Accu. other comprehensive Income	186	158	△ 27
				Minority interests	281	285	4
				Net Assets	(2,096)	(2,072)	(△ 25)
Total	6,559	6,281	△ 278	Total	6,559	6,281	△ 278

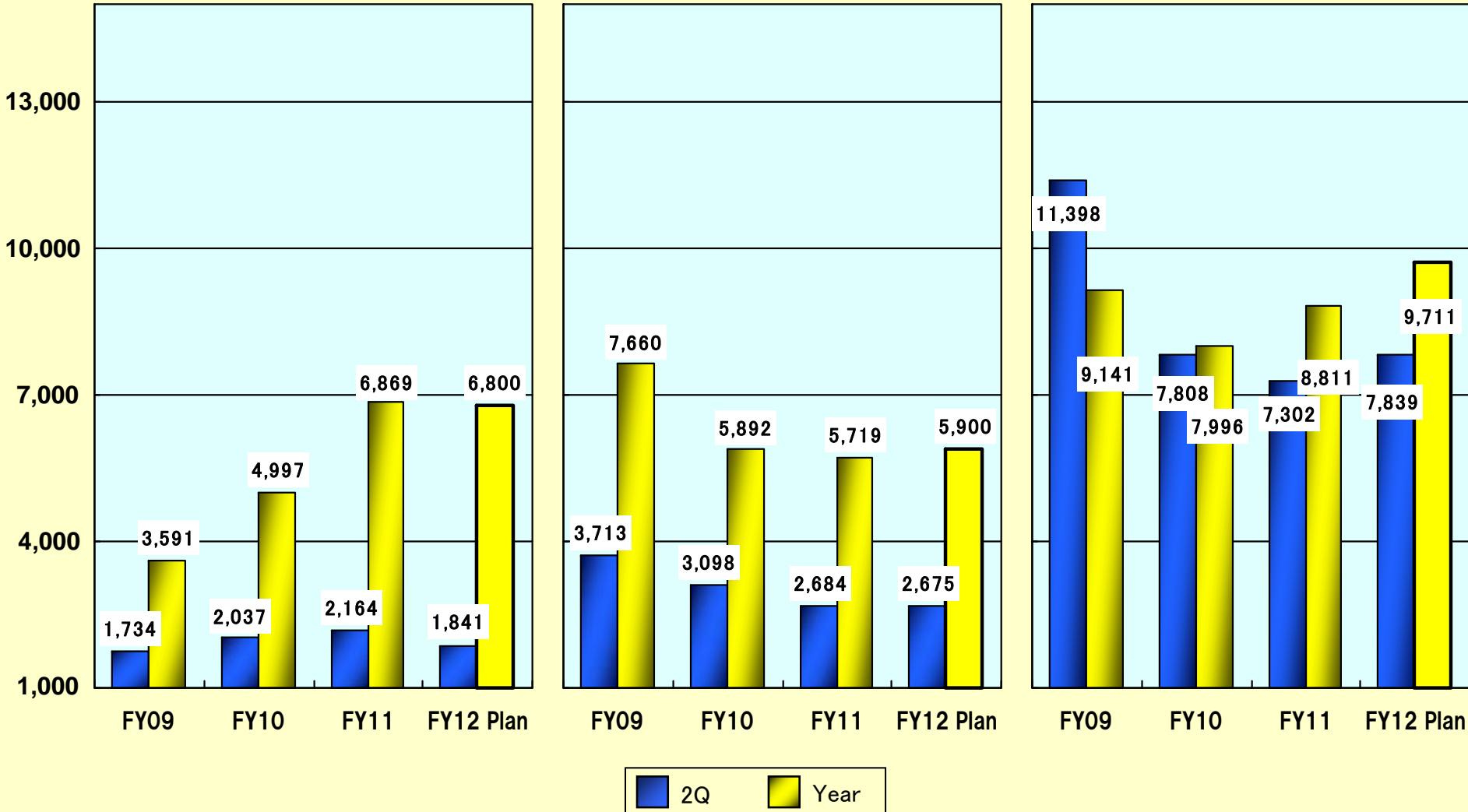
Consolidated New Orders, Net Sales and Backlog Orders

New Orders

Net Sales

Backlog Orders

(100 Million Yen)



Segment Information

(100 Million Yen)

	FY11 2Q			FY12 2Q			FY12 Plan		
	New Orders	Net Sales	Operating Income	New Orders	Net Sales	Operating Income	New Orders	Net Sales	Operating Income
Ship & Ocean	1,147	1,502	49	1,073	1,592	49	3,500	2,900	50
Machinery & Systems	464	737	76	358	682	51	1,500	1,600	120
Engineering	449	328	2	292	292	△5	1,500	1,100	20
Other	104	117	2	119	108	0	300	300	10
Total	2,164	2,684	129	1,841	2,675	96	6,800	5,900	200

Consolidated Cash Flow

(100 Million Yen)

	FY11 2Q Actual	FY12 2Q Actual	FY11 Actual	FY12 Plan
Operating Cash Flow	5	131	136	110
Investing Cash Flow	59	△49	115	△60
Financing Cash Flow	△246	△149	△324	0
Interest-bearing Debts	1,519	1,347	1,446	1,490

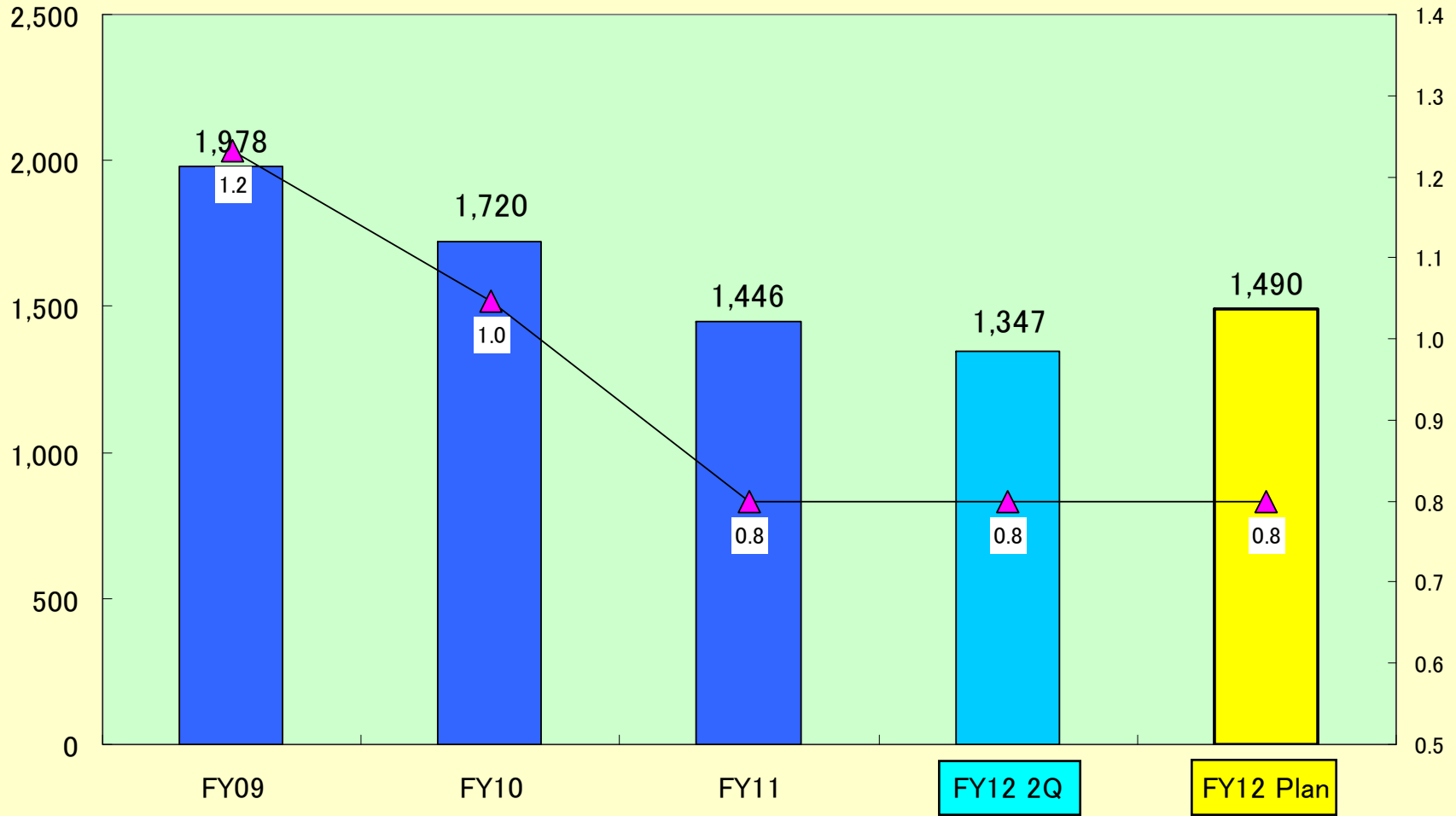
* Interest-bearing Debts exclude Lease Liability

Interest-bearing Debts and DE Ratio

(100 Million Yen)

Interest Bearing Debt DE Ratio

(DE Ratio)



* Interest-bearing Debts exclude Lease Liability

Appendix

Consolidated Segments

(100 Million Yen)

New Orders

	FY11 2Q	FY12 2Q	FY12 Plan
Ship & Ocean	1,147	1,073	3,500
Machinery & Systems	464	358	1,500
Engineering	449	292	1,500
Other	104	119	300
Total	2,164	1,841	6,800

Net Sales

	FY11 2Q	FY12 2Q	FY12 Plan
Ship & Ocean	1,502	1,592	2,900
Machinery & Systems	737	682	1,600
Engineering	328	292	1,100
Other	117	108	300
Total	2,684	2,675	5,900

Backlog Orders

	FY11	FY12 2Q	FY12 Plan
Ship & Ocean	5,803	5,231	6,403
Machinery & Systems	1,526	1,157	1,426
Engineering	1,392	1,359	1,792
Other	90	92	90
Total	8,811	7,839	9,711

Appendix

Other Information

(100 Million Yen)

Main Subsidiaries

Company	FY11 2Q		FY11		FY12 2Q		FY12 Plan	
	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales
MODEC	672	574	2,777	1,300	840	856		1,500
BWSC	128	84	263	176	17	62		200

(100 Million Yen)

Cap. Ex. And Others

	Consolidated			
	FY11 2Q	FY11	FY12 2Q	FY12 Plan
Cap. Expenditure	51	119	44	125
Depreciation	83	172	81	
R&D	20	61	20	70

Employees

# of Employees	Consolidated			
	FY11 2Q	FY11	FY12 2Q	FY12
	10,209	10,025	10,014	

Appendix

Breakdown of Ships (FY12 2Q)

(Ship)

Type of ships	New Orders	Delivery	Back Log
Tanker	0	1	0
Bulk Carrier	0	7	36
Other	1	0	7
Total	1	8	43