



# FY2012 Report

(ended on 31<sup>st</sup> March, 2013)



Do challenge, make progress for the bright future

Reported on 8 May, 2013



**MES**

**MITSUI ENGINEERING &  
SHIPBUILDING CO.,LTD.**

# Key Point of FY2012

1. Exceeded operating income and ordinary income target
2. Improvement of business climate
3. Recorded impairment loss



# Key Point of FY2012

1. Exceeded operating income and ordinary income target

	FY12 Plan	FY12 Actual
New Orders	6,800	6,626
Net Sales	5,900	5,771
Operating Income	200	<b>240</b>
Ordinary Income	190	<b>262</b>
Net Income	90	<b>Δ82</b>

Cost Reduction

Adjustment of  
yen appreciation

# Key Point of FY2012

## 2. Improvement of business climate

### Ship & Ocean

- 6 orders of eco-type bulker ⇒ 18 backlogs

EEDI\* become effective in January 2013

⇒ more demand for eco-type ships expected

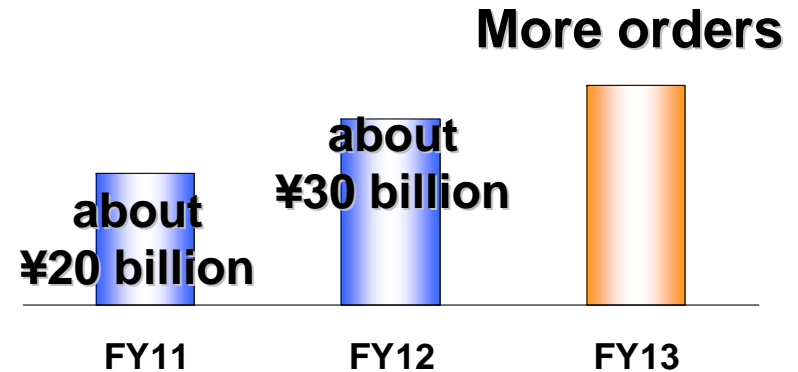
\*EEDI = Energy Efficiency Design Index

- Eco-type LNG “Double Ecomax” is in line up
- Next eco-type is to be introduced depending on the market
- MODEC new orders marked record high

# Key Point of FY2012

## Machinery

Increasing order of cranes

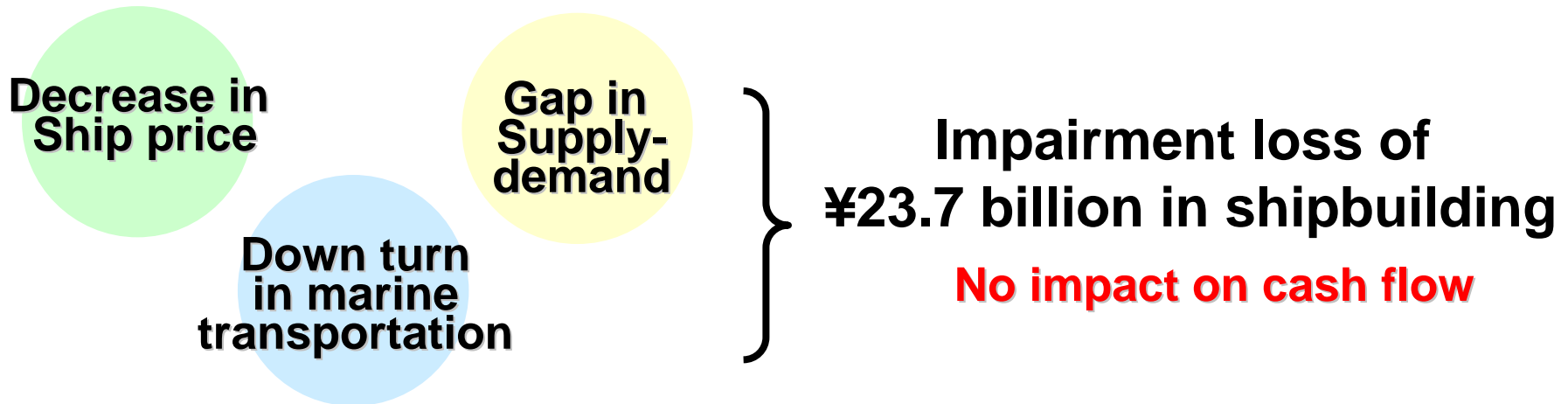


## Engineering

- **Shale gas revolution** ⇒ Increase of petro-chemical plant
- Recovery of investment in Asia market
  - Kurary USA POVAL Plant
  - Prime evolve (Singapore) Evolve TM Plant

# Key Point of FY2012

## 3. Recorded impairment loss



Ahead =>

- Less cost burden as a result of impairment loss
- More effort of the cost reduction
- Demand increase in eco-type products
- Expansion of ocean development business

# Highlight

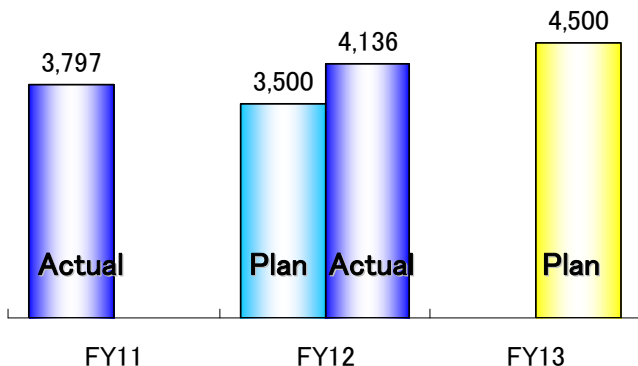
(JPY 100 million)

	FY11 Actual	FY12 Plan	FY12			FY13 Plan
			1st half	2nd half	Actual	
New Orders	6,869	6,800	1,841	4,785	6,626	8,000
Net Sales	5,719	5,900	2,675	3,096	5,771	6,500
Operating Income	314	200	96	144	240	140
Ordinary Income	323	190	98	164	262	150
Net Income	179	90	30	△112	△82	50

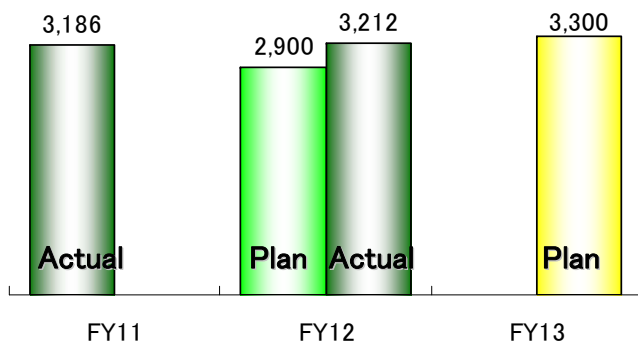
# Highlights – Ship & Ocean

JPY 100 million

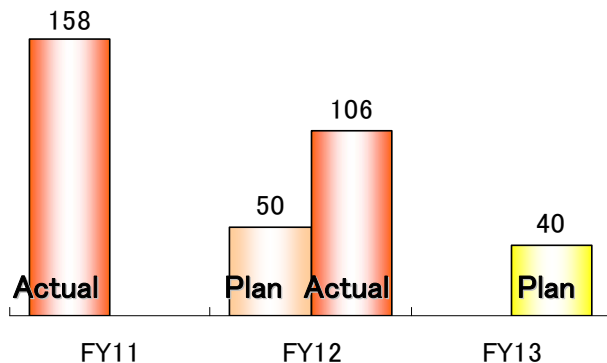
New Orders



Net Sales



Operating Income



## New orders for eco-ship increased Oversupply situation is eased

### ○ New Orders

- Commercial ship market shows recovery
- **New orders for eco-ship increased**  
9 new orders including public ships
- FPSO project of MODEC takes large portion

FY2012 Non-consolidated

Commercial ships :	6 orders
Other :	3 orders
<b>Total :</b>	<b>9 orders</b>

### ○ Net Sales / Operating Income

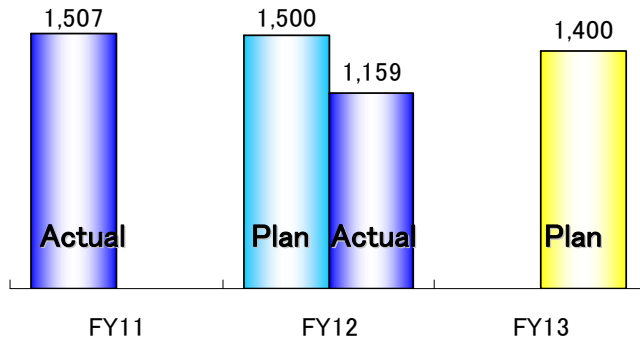
- Steady progress of construction helped maintain sales level from last year
- Operating Income suffered from low ship price



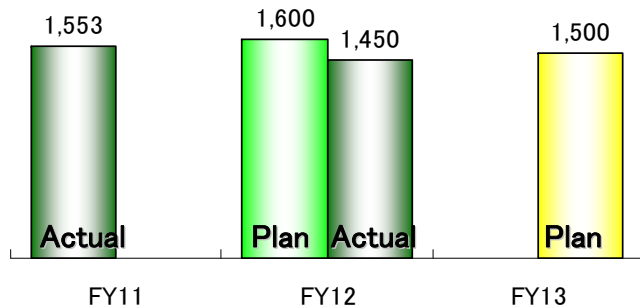
# Highlights – Machinery & Systems

JPY 100 million

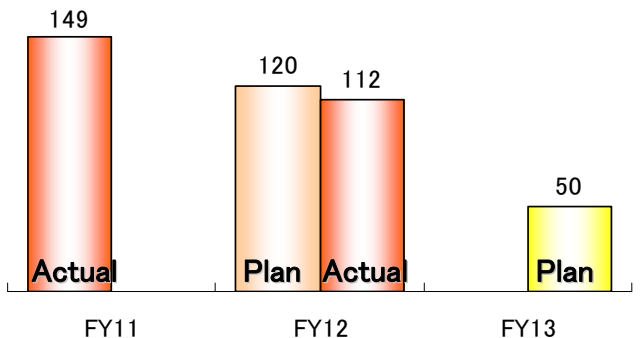
**New Orders**



**Net Sales**



**Operating Income**



## New orders for cranes grew even in tough market condition

### ○ New Orders

- The domestic share of Marine Diesel Engine exceeded more than half
- Demand for industrial machinery is still strong in Mid and South east Asia. More orders are expected including postponed project
- Overseas market of cranes shows recovery. More orders to come in FY13

### ○ Net Sales / Operating Income

- Net sales maintained last year level

(Marine Diesel Engine)

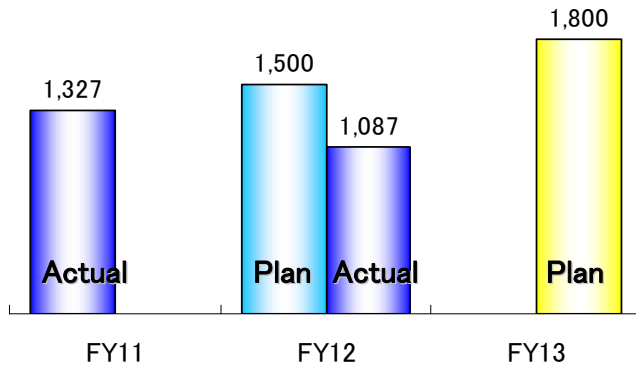
Actual	FY11		FY12	
	New Orders	Net Sales	New Orders	Net Sales
Unit	184	199	126	173
Horse Power (10K)	403	397	232	359

- Operating income achieved plan due to cost reduction effort

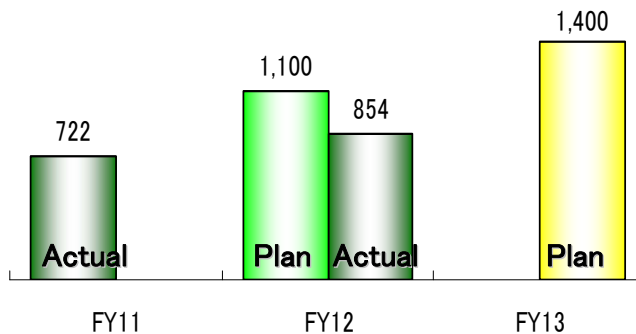
# Highlights - Engineering

JPY 100 million

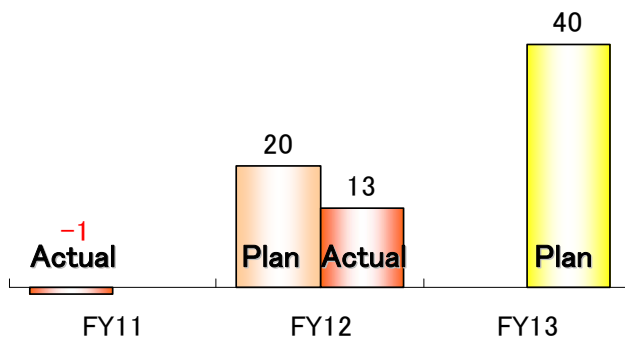
**New Orders**



**Net Sales**



**Operating Income**



## Exit for the stagnation is close

### ○ New Orders

- The plan was not achieved due to the delay in decision making of the big project
- Investment plan in South East Asia are plenty. Orders for 2 petro chemical plant received. Several FEED projects are expected to become EPC projects.
- Investments are active due to Shale gas revolution in N. America. 1 project for petro chemical plant received and more to come.
- BWSC leads power generation plant project. 1 project in FY12. 2 projects already received in FY13.
- 2 wind power plant project received in domestic.

### ○ Net Sales / Operating Income

- About 20% increase in net sales. Operating Income shows surplus.

# Highlights – Renewable Energy, etc.

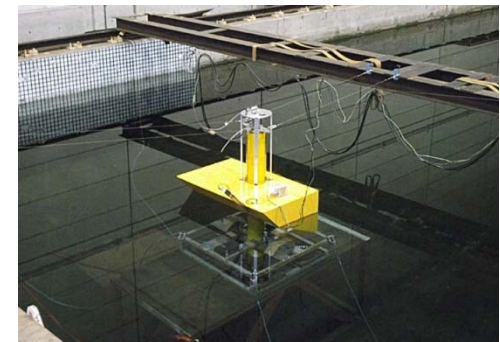
## LIB Cathode Material Production



## Wind Power



## Wave Power



# Consolidated Income Statement (Summary)

(100 Million Yen)

	FY11		FY12		Var.
	Amount	%	Amount	%	
<b>Net Sales</b>	5,719	(100.0%)	5,771	(100.0%)	52
<b>Cost of Sales</b>	4,999		5,110		
<b>Gross Profit</b>	720		661		
<b>Selling, General and Admin. Exp.</b>	406		421		
<b>Operating Income</b>	314	(5.5%)	240	(4.2%)	△ 74
<b>Other Income</b>	82		83		
<b>Other Expenses</b>	72		61		
<b>Ordinary Income</b>	323	(5.7%)	262	(4.5%)	△ 62
<b>Extraordinary Income</b>	25		10		
<b>Extraordinary Losses</b>	19		271		
<b>Income Before Income Taxes and Minority Interest</b>	329	(5.8%)	1	(0.0%)	△ 328
<b>Income Taxes - Current</b>	84		101		
<b>Income Taxes - Deferred</b>	69		△ 41		
<b>Minority Interest</b>	△ 3		22		
<b>Net Income</b>	179	(3.1%)	△ 82	(△1.4%)	△ 261

# Consolidated Balance Sheet (Summary)

(100 Million Yen)

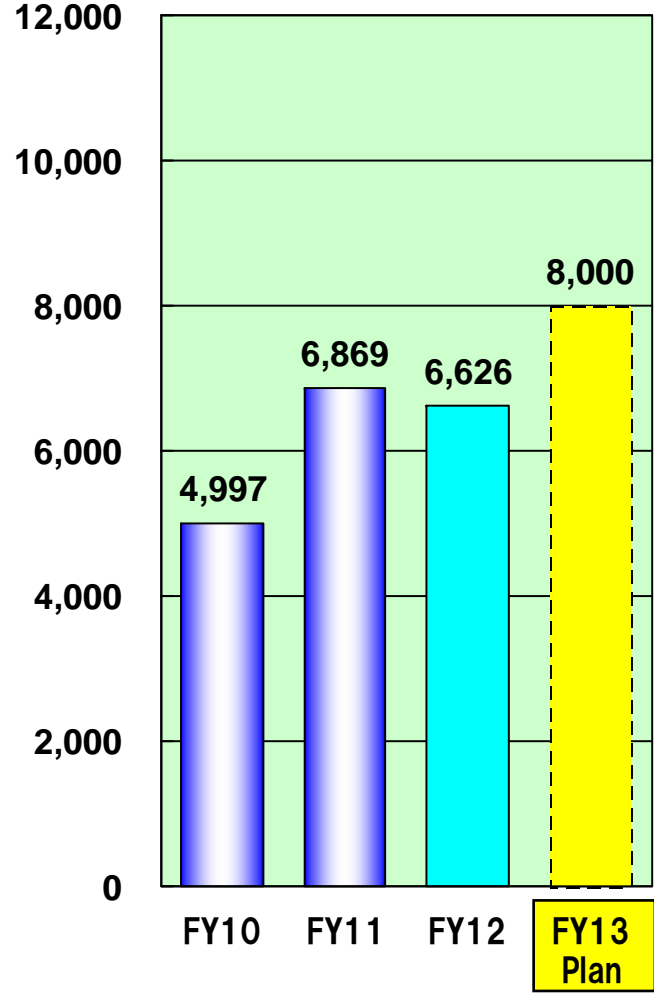
	FY11	FY12	Var.		FY11	FY12	Var.
<b>Current Assets</b>	(3,347)	(3,536)	(189)	<b>Trade payables</b>	1,468	1,362	△ 106
Cash and time deposits	635	866	231	Advances from customers	490	541	51
Receivables	1,718	1,611	△ 107	Interest-bearing debts	1,446	1,483	37
Inventories	367	311	△ 56	Others	1,060	1,146	86
Other current assets	628	749	121	<b>Liabilities</b>	(4,463)	(4,531)	(68)
				Common stock	444	444	0
				Capital surplus	182	182	0
<b>Fixed Assets</b>	(3,212)	(3,068)	(△ 144)	Retained earnings	1,011	955	△ 55
Property, plant and equipment	2,168	1,919	△ 248	Treasury stock	△ 7	△ 7	△ 1
Intangible assets	125	119	△ 7	Accu. other comp. Income	186	183	△ 3
Investment Securities	476	509	33	Minority interests	281	317	36
Others	443	521	78	<b>Net Assets</b>	(2,096)	(2,073)	(△ 23)
<b>Total</b>	6,559	6,604	45	<b>Total</b>	6,559	6,604	45



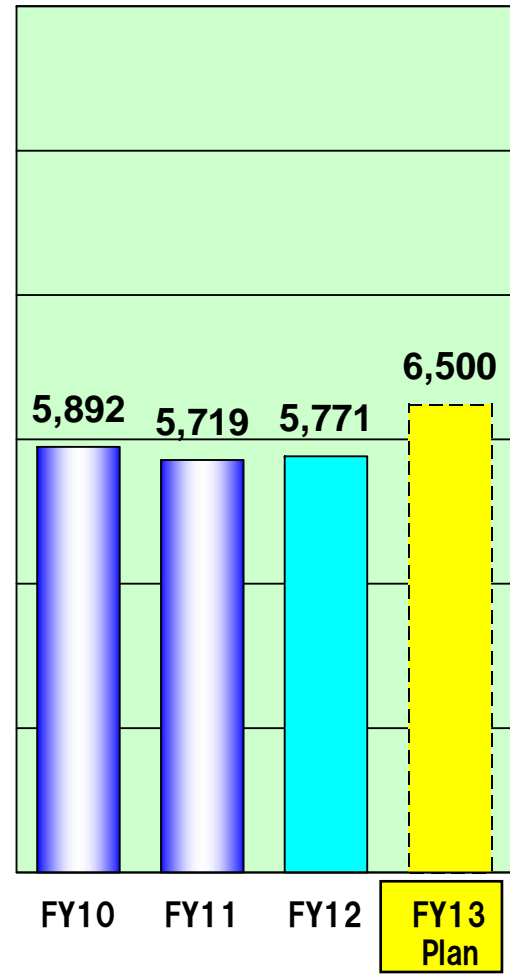
# Consolidated New Orders, Net Sales and Backlog Orders

## New Orders

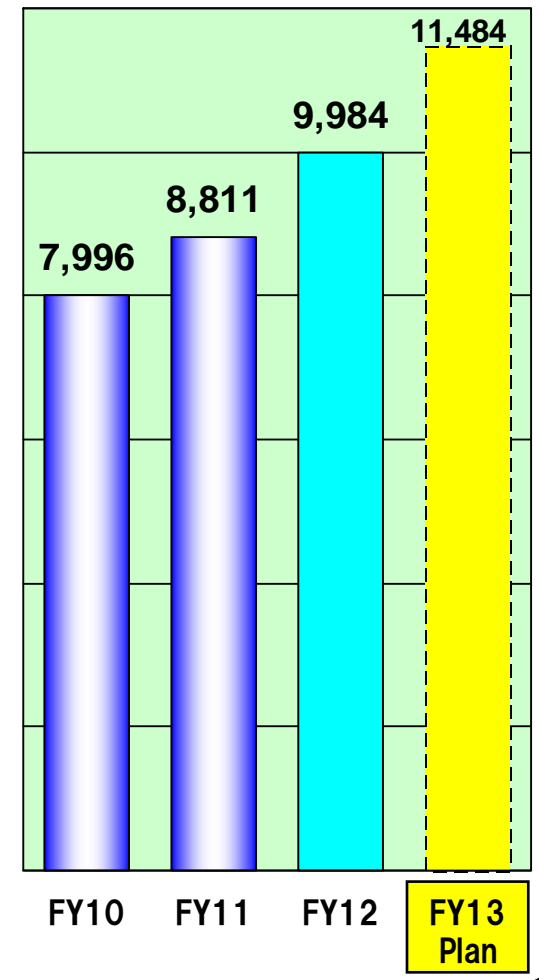
(100 Million Yen)



## Net Sales



## Backlog Orders



# Segment Information

(100 Million Yen)

	New Orders			Net Sales			Operating Income		
	FY11	FY12	FY13 Plan	FY11	FY12	FY13 Plan	FY11	FY12	FY13 Plan
Ship & Ocean	3,797	4,136	<b>4,500</b>	3,186	3,212	<b>3,300</b>	158	106	<b>40</b>
Machinery & Systems	1,507	1,159	<b>1,400</b>	1,553	1,450	<b>1,500</b>	149	112	<b>50</b>
Engineering	1,327	1,087	<b>1,800</b>	722	854	<b>1,400</b>	△1	13	<b>40</b>
Other	237	244	<b>300</b>	257	255	<b>300</b>	8	8	<b>10</b>
<b>Total</b>	<b>6,869</b>	<b>6,626</b>	<b>8,000</b>	<b>5,719</b>	<b>5,771</b>	<b>6,500</b>	<b>314</b>	<b>240</b>	<b>140</b>

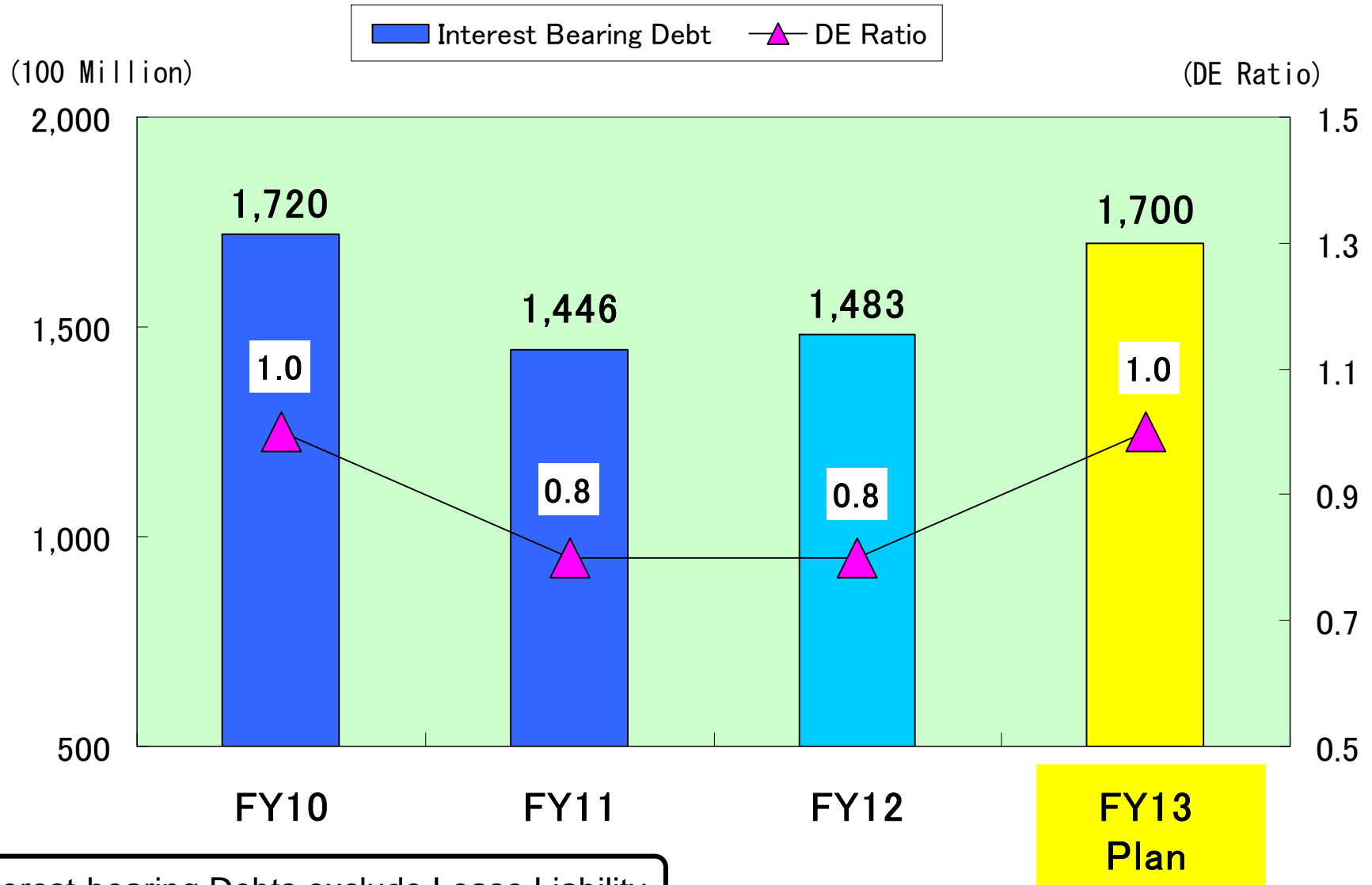
# Consolidated Cash Flow

(100 Million Yen)

	FY11	FY12 Plan	FY12 Actual	FY13 Plan
Operating Cash Flow	136	110	472	80
Investing Cash Flow	115	△270	△121	△320
Financing Cash Flow	△324	100	△48	190
Interest-bearing Debts	1,446	1,590	1,483	1,700

\* 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	FY11	FY12
Ship & Ocean	3,797	4,136
Machinery & Systems	1,507	1,159
Engineering	1,327	1,087
Others	237	244
<b>Total</b>	<b>6,869</b>	<b>6,626</b>

FY13 Plan
4,500
1,400
1,800
300
<b>8,000</b>

### Net Sales

Segment	FY11	FY12
Ship & Ocean	3,186	3,212
Machinery & Systems	1,553	1,450
Engineering	722	854
Others	257	255
<b>Total</b>	<b>5,719</b>	<b>5,771</b>

FY13 Plan
3,300
1,500
1,400
300
<b>6,500</b>

### Backlog Orders

Segment	FY11	FY12
Ship & Ocean	5,803	6,972
Machinery & Systems	1,526	1,221
Engineering	1,392	1,712
Others	90	80
<b>Total</b>	<b>8,811</b>	<b>9,984</b>

FY13 Plan
8,172
1,121
2,112
80
<b>11,484</b>



# Appendix

## Other Information

(100 Million Yen)

Main Subsidiaries	FY10		FY11		FY12		FY13 Plan	
	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales
<b>MODEC</b>	1,738	1,467	2,777	1,300	3,427	1,869		2,000
<b>BWSC</b>	34	204	263	176	116	164		300

(100 Million Yen)

Capex and others	Consolidated	FY10	FY11	FY12	FY13 Plan
	<b>Cap. Ex.</b>		156	119	126
<b>Depreciation</b>		149	172	163	
<b>R&amp;D</b>		75	61	49	55

Employees	Consolidated	FY10	FY11	FY12	FY13 Plan
	<b>Employees</b>		10,326	10,025	9,881

Appendix

# Breakdown of Ships (FY12)

Non-Consolidated

(Ship)

Type of ships	New Orders	Delivery	Back Log
Tanker	0	1	0
Bulk Carrier	6	16	31
Other	3	0	9
<b>Total</b>	<b>9</b>	<b>17</b>	<b>40</b>