As the world’s new shipbuilding markets tend to contract due to such factors as the European financial crisis, and as the demand for LNG carriers is growing on the back of an increase in the use of natural gas, MHI concentrated on winning orders for LNG carriers and other technologically advanced, high-value-added vessels. Consequently, orders were received for a total of 29 ships in fiscal 2012, including orders for five LNG carriers and two resource exploration vessels. Consolidated orders received, however, decreased from the previous year to ¥255.4 billion. Pending consolidated orders for Shipbuilding & Ocean Development at the end of fiscal 2012 were for 45 ships.

Consolidated net sales amounted to ¥225.8 billion, with deliveries of a total of 24 ships, including five ferries, four “pure car carriers,” three LPG carriers, two patrol vessels and two RO/RO ships. Operating income rose from the previous year to ¥11.5 billion, in part due to the impact of a weak yen.

As for the outlook for fiscal 2013, by continuing to focus efforts on winning orders for high-value-added vessels, we expect that consolidated orders received will grow substantially, to ¥330.0 billion. We project however, that both consolidated net sales and operating income will decrease from fiscal 2012 to ¥190.0 billion and ¥4.0 billion, respectively.

To successfully complete the 2012 Medium-Term Business Plan, MHI is promoting a domestic shipbuilding business centered on technologically advanced, high-value-added vessels. MHI is also reinforcing its engineering business and advancing its overseas shipbuilding business.

In the domestic shipbuilding business, the Cruise Ship Project Office is spearheading efforts to optimize every aspect of quality, cost and production processes, apply 100% three-dimensional design, and innovate work methods. Backed by these moves, MHI will use the production of two new cruise ships for AIDA Cruises, a cruise company part of Costa Group, Europe’s largest cruise company member of Carnival Corporation & plc., construction on the first of which started in June 2013, to establish cruise ships as a core business.

MHI will also distinguish itself from competitors with technologically advanced, high-value-added LNG carriers, resource exploration vessels and other ships. MHI already delivered its first 3D sea bottom resource exploration vessel in May 2013. For our LNG carriers, MHI will win against intense competition by switching to the next-generation MOSS LNG carrier design, “Sayaendo,” and adopting the high-efficiency Ultra Steam Turbine (or UST) as a main engine. Together, these innovations will boost fuel efficiency.
in LNG carriers by roughly 25%. MHI has also established a joint venture company with Imabari Shipbuilding Co., Ltd. for the design and marketing of LNG carriers, thereby positioning itself ahead of other competitors to respond to large-scale LNG carrier construction projects, which are expected to increase in tandem with expanding global demand for LNG.

Furthermore, in the engineering business, operations are growing through outstanding ship models and energy-efficiency technology made possible by MHI technologies for the development of high-performance products and its talented team of expert designers. MHI is also seeking to broaden opportunities for market entry in overseas shipbuilding through alliances and exchanges with prominent foreign companies, with future joint ventures also possible.

With the promotion of these basic strategies, the targets for Shipbuilding & Ocean Development are orders of ¥270.0 billion and net sales of ¥250.0 billion in fiscal 2014, both on a consolidated basis. MHI is also eyeing operating income of ¥8.0 billion, a figure that should reflect improved earnings driven by production framework reconfiguration and the promotion of material cost reduction activities in this segment, coupled with a larger contribution from the engineering business.

TOPICS

Construction work starts on first new generation cruise ship

In June 2013, MHI began construction at its Nagasaki Shipyard & Machinery Works of the first of two new generation cruise ships for AIDA Cruises, a cruise company part of Costa Group, Europe’s largest cruise company member of Carnival Corporation & plc. The two new ships, which will incorporate an array of the world’s leading-edge environmental technologies, are scheduled for delivery in the spring of March 2015 and 2016 respectively. These ships are the largest MHI has ever built, with around 3,300 passenger capacity and 124,500 gross tonnage. The ships incorporate many advanced environmental technologies, such as MHI’s proprietary “Mitsubishi Air Lubrication System” (MALS).