

CONSOLIDATED BALANCE SHEETS (1/2)

(Millions of Yen)

	As of Mar.31, 2014	As of Sep.30, 2014
<u>ASSETS</u>		
Current assets:		
Cash and deposits	381,056	287,785
Trade receivables	1,188,928	1,058,697
Merchandise and finished products	161,401	176,951
Work in process	846,201	963,798
Raw materials and supplies	143,298	154,604
Deferred income taxes	177,253	177,966
Others	290,737	355,950
Allowance for doubtful accounts	(8,015)	(7,282)
Total current assets	3,180,861	3,168,471
Fixed assets:		
Property, plant and equipment:		
Buildings and structures	373,000	374,684
Machinery and transportation equipment	262,123	250,532
Tools, equipment and furniture	43,502	46,584
Land	176,418	177,543
Leased assets	4,843	4,865
Construction in progress	70,609	76,110
Subtotal	930,498	930,321
Intangible assets:		
Goodwill	116,175	81,181
Others	54,925	119,741
Subtotal	171,100	200,923
Investments and advances:		
Investment securities	402,827	440,518
Long-term loans and advances	3,212	25,158
Asset for retirement benefit	80,468	106,138
Deferred income taxes	41,091	19,094
Others	85,056	90,599
Allowance for doubtful accounts	(9,081)	(10,395)
Subtotal	603,575	671,113
Total fixed assets	1,705,174	1,802,359
TOTAL ASSETS	4,886,035	4,970,830

CONSOLIDATED BALANCE SHEETS (2/2)

(Millions of Yen)

	As of Mar.31, 2014	As of Sep.30, 2014
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	760,444	648,454
Electronically recorded obligations	41,000	71,316
Short-term borrowings	166,296	186,929
Current portion of long-term borrowings	186,245	77,017
Commercial papers	-	35,000
Current portion of bonds	70,000	50,000
Income taxes payable	64,487	32,731
Reserve for product warranties	18,314	16,757
Reserve for loss on construction contracts	62,523	58,136
Reserve for loss on passenger vessel construction business	64,126	103,413
Advance payments received on contracts	567,470	611,906
Others	284,368	271,691
Total current liabilities	2,285,278	2,163,355
Long-term liabilities:		
Bonds	175,000	245,000
Long-term borrowings	359,946	379,220
Deferred income taxes	25,377	64,926
Reserve for treatment of PCB waste	10,459	10,364
Liability for retirement benefit	189,937	131,035
Others	65,812	65,207
Total long-term liabilities	826,533	895,753
TOTAL LIABILITIES	3,111,812	3,059,109
<u>NET ASSETS</u>		
Stockholders' equity:		
Common stock	265,608	265,608
Capital surplus	203,978	204,008
Retained earnings	1,031,371	1,092,652
Treasury stock	(5,385)	(5,328)
Total stockholders' equity	1,495,573	1,556,940
Accumulated other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	43,188	54,442
Deferred gains (losses) on hedges	(1,001)	341
Foreign currency translation adjustments	34,658	43,547
Remeasurements of defined benefit plans	(29,019)	(24,178)
Total accumulated other comprehensive income (loss)	47,825	74,153
Share subscription rights	2,635	3,233
Minority interests	228,188	277,392
TOTAL NET ASSETS	1,774,223	1,911,721
TOTAL LIABILITIES AND NET ASSETS	4,886,035	4,970,830

CONSOLIDATED STATEMENTS OF INCOME

(Millions of Yen)

	FY2013 First 6 Months (From Apr.1 to Sep.30, 2013)	FY2014 First 6 Months (From Apr.1 to Sep.30, 2014)
Net sales	1,505,573	1,759,121
Cost of sales	1,227,128	1,387,523
Gross profit	278,444	371,597
Selling, general and administrative expenses:		
Provision of allowance for doubtful accounts	-	(18)
Directors' compensations, salaries and allowances	78,785	90,574
Research and development expenses	27,278	32,744
Expenses for inquiries	16,645	21,049
Others	80,266	108,978
Total selling, general and administrative expenses	202,975	253,328
Operating income	75,469	118,269
Non-operating income:		
Interest income	1,774	3,770
Dividend income	1,785	3,498
Equity in earnings of unconsolidated subsidiaries and affiliates	144	3,469
Foreign exchange gain	-	13,561
Others	4,214	2,768
Total non-operating income	7,918	27,068
Non-operating expenses:		
Interest expense	7,709	7,862
Foreign exchange loss	8,024	-
Loss on disposal of fixed assets	2,122	2,352
Others	5,723	7,180
Total non-operating expenses	23,578	17,394
Ordinary income	59,809	127,943
Extraordinary gain:		
Gain on negative goodwill	4,781	-
Gain on changes in equity interest	1,688	-
Total extraordinary gain	6,470	-
Extraordinary loss:		
Loss on passenger vessel construction business reserve	-	39,841
Impairment loss	4,677	-
Business structure improvement expenses	2,481	-
Total extraordinary loss	7,159	39,841
Income before income taxes and minority interests	59,120	88,102
Income taxes	25,665	33,506
Income before minority interests	33,455	54,596
Minority interests in income after taxes	644	16,578
Net income	32,811	38,017

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of Yen)

	FY2013 First 6 Months (From Apr. 1 to Sep 30, 2013)	FY2014 First 6 Months (From Apr. 1 to Sep 30, 2014)
Income before minority interests	33,455	54,596
Other comprehensive income (loss)		
Net unrealized gains (losses) on investment securities	17,196	11,448
Deferred gains (losses) on hedges	(165)	707
Foreign currency translation adjustments	27,136	10,521
Remeasurements of defined benefit plans	-	5,094
Share of other comprehensive income (loss) of entities accounted for using the equity method	3,092	1,178
Changes in equity interest	4	-
Total other comprehensive income (loss)	47,264	28,949
Comprehensive income (loss)	80,720	83,545
Comprehensive income (loss) attributable to		
Shareholders of the parent	77,469	64,345
Minority interests	3,250	19,200

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Millions of Yen)

	FY2013 First 6 Months (From Apr.1 to Sep.30,2013)	FY2014 First 6 Months (From Apr.1 to Sep.30,2014)
Cash flows from operating activities:		
Income before income taxes and minority interests	59,120	88,102
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation and amortization	60,261	75,318
Impairment loss	4,677	-
Amortization of goodwill	2,268	6,000
Gain on negative goodwill	(4,781)	-
Increase (decrease) in reserve for retirement allowance	9,405	-
Increase (decrease) in liability for retirement benefit	-	(2,399)
Interest and dividend income	(3,560)	(7,269)
Interest expense	7,709	7,862
(Income) loss from equity method investments	(144)	(3,469)
(Gain) loss on changes in equity interest	(1,688)	-
(Gain) loss on sales of investment securities	-	(1,451)
Loss on disposal of fixed assets	2,122	2,352
Business structure improvement expenses	2,481	-
Loss on passenger vessel construction business reserve	-	39,841
(Increase) decrease in receivables	72,298	138,703
(Increase) decrease in inventories and advances to suppliers	(85,428)	(144,777)
(Increase) decrease in other assets	(16,422)	(36,496)
Increase (decrease) in payables	(27,375)	(95,403)
Increase (decrease) in advance payments received on contracts	17,398	42,283
Increase (decrease) in other liabilities	(30,803)	(31,748)
Others	11,531	1,620
Subtotal	79,068	79,068
Interest and dividends received	4,064	10,530
Interest paid	(7,982)	(8,194)
Income taxes paid	(1,201)	(75,457)
Net cash provided by operating activities	73,948	5,948
Cash flows from investing activities:		
Net (increase) decrease in time deposits	2,159	(858)
Purchases of property, plant, equipment and intangible assets	(67,381)	(81,182)
Proceeds from sales of property, plant, equipment and intangible assets	3,713	7,921
Purchases of investment securities	(658)	(29,857)
Proceeds from sales and redemption of investment securities	4,936	14,989
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(52,095)	-
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	3,819	-
Disbursement of long-term loans	(1,852)	(19,455)
Collection of long-term loans	507	9,480
Others	509	(1,489)
Net cash used in investing activities	(106,341)	(100,451)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings and commercial papers	41,406	50,803
Proceeds from long-term borrowings	25,320	23,733
Repayment of long-term borrowings	(46,466)	(114,306)
Proceeds from issuance of bonds	45,000	70,000
Payment for redemption of bonds	(50,000)	(20,000)
Proceeds from issuance of stock to minority stockholders of subsidiaries	664	11,482
Dividends paid to stockholders	(16,711)	(13,394)
Dividends paid to minority stockholders of subsidiaries	(1,066)	(1,930)
Others	(2,629)	(1,473)
Net cash provided by (used in) financing activities	(4,482)	4,914
Effect of exchange rate changes on cash and cash equivalents	(9,968)	6,481
Net increase (decrease) in cash and cash equivalents	(46,843)	(83,107)
Cash and cash equivalents at beginning of year	319,426	370,710
Increase in cash and cash equivalents due to changes in scope of consolidation	3,933	-
Decrease in cash and cash equivalents due to changes in scope of consolidation	-	(10,845)
Cash and cash equivalents at end of period	276,516	276,758