



FY2008 Report

(ended on 31st March, 2009)

Growth and Innovation towards the Future

Reported on 11th May, 2009

Key point of FY08

1. Slowdown of order from 2nd Half

- Economic decline caused by world financial crisis
- Restraint of investment plan of customers
- Yen appreciation

2. Record-high sales level

- High level of backlog from past high demand
- Steady performance in the high operation level

3. Improved profitability by cost cutting

- Minimize costs
- Investment for efficiency

Highlights

100 Million Yen

	FY07 Actual	FY08 Original Plan	FY08 Revised Plan	FY08 Actual	FY09 Plan
New Orders	8,054	8,200		8,019	5,000
Net Sales	6,592	7,100	6,850	6,867	7,200
Operating Income	361	350	260	269	270
Ordinary Income	322	320	230	234	240
Net Income	166	160	105	106	115

①

②

③

① New Orders	FY07 Actual	FY08 Actual
Ships	3,789	4,218
Steel	644	1,042
Machinery	2,390	2,042
Plants	1,001	502
Other	231	215
Total	8,054	8,019

② Net Sales	FY07 Actual	FY08 Actual
Ships	3,023	3,109
Steel	538	599
Machinery	1,794	1,970
Plants	1,014	965
Other	223	224
Total	6,592	6,867

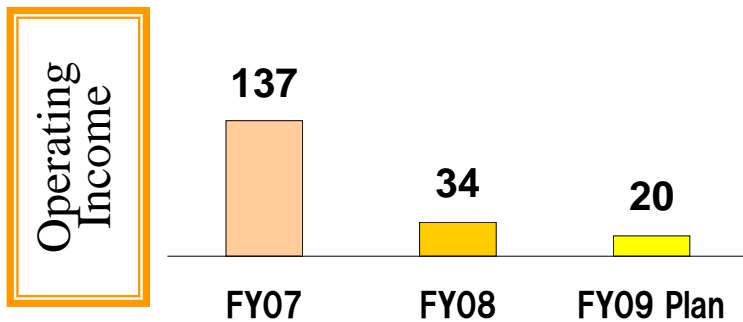
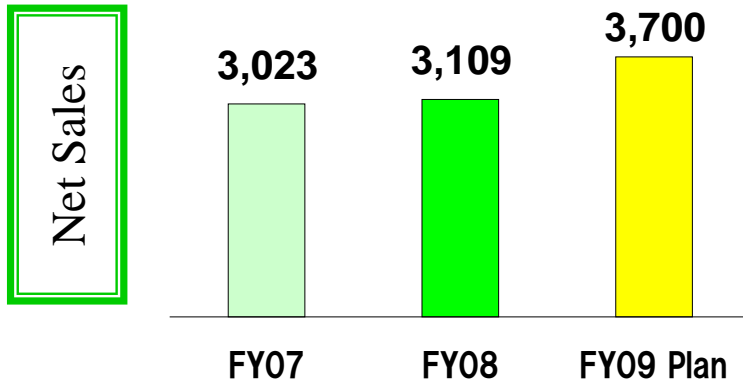
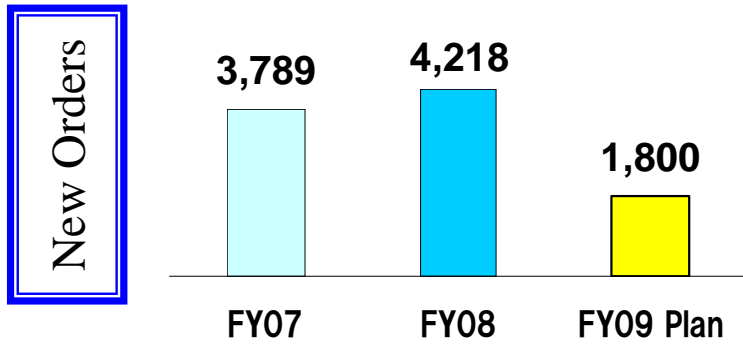
③ Operating Income	FY07 Actual	FY08 Actual
Ships	137	34
Steel	16	26
Machinery	234	214
Plants	Δ58	Δ27
Other	32	22
Total	361	269

*FY08 Revised Plan was reported on 10th April, 2009

*FY09 Plan was reported on 8th May, 2009

Highlights - Ships

100 Million Yen



Demand was steady in 1st Half,
slowdown in 2nd Half

○ New Orders

- Subsidiaries are steady
- Demand on 56BC was steady in 1st Half but slowed down in 2nd Half due to financial crisis
- About 4 years of backlog orders

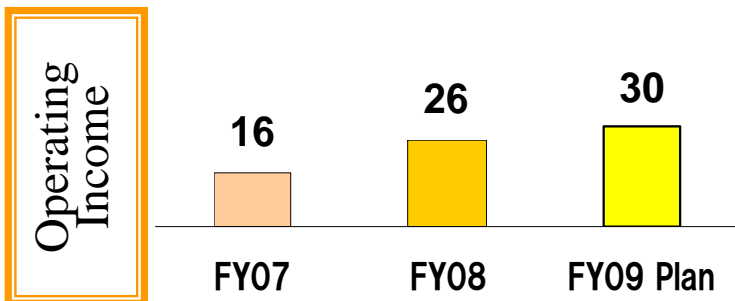
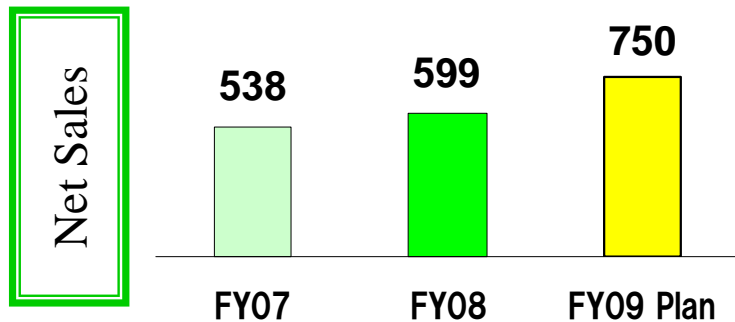
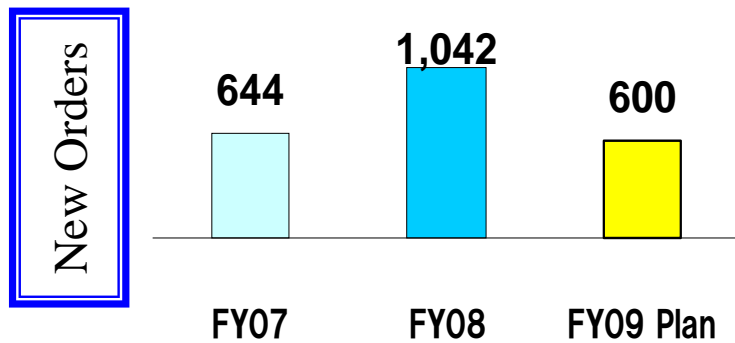
Non-consolidated (Ships)	FY07		FY08	
	New Orders	Delivery	New Orders	Delivery
56BC	25	18	10	10

○ Net Sales / Operating Income

- Sales was same level as last year
- Crane collapse, increase of material costs and yen appreciation caused cost up, but maintained profit

Highlights – Steel Structures/Construction

100 Million Yen



Record-high New orders

○ New Orders

- Record-high new orders: 104.2 Billion Yen
- Received large scale overseas civil work
- Container crane was as planned

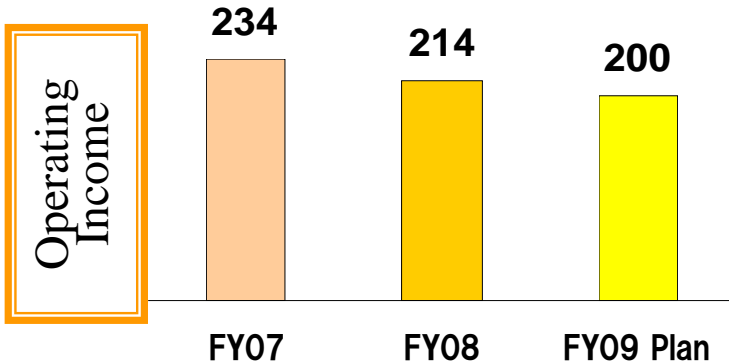
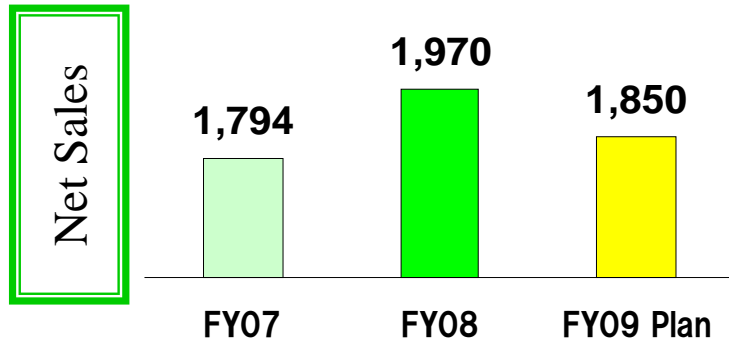
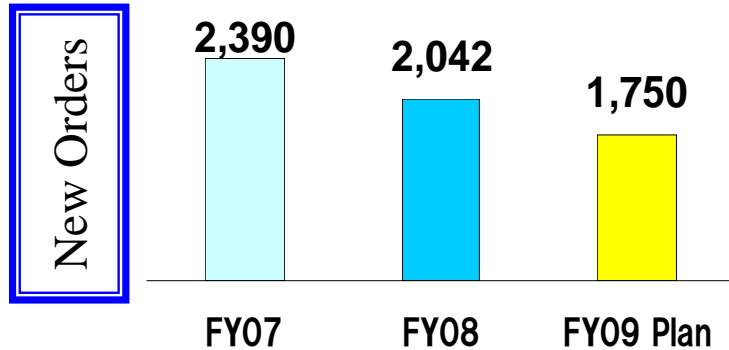
(# of Crane)	FY07		FY08	
	New Orders	Delivery	New Orders	Delivery
Portainer	22	15	17	20
Transtainer	87	40	83	62

○ Net Sales / Operating Income

- Sales of Container crane was record-high
- Steel Structure recorded increase in sales and profit over last year
- All subsidiaries recorded surplus

Highlights - Machinery

100 Million Yen



Rich backlog orders covered decrease in new orders and sustained high operation and profit

○New Orders

- Marine Diesel engine and maintenance business is steady
- New orders of Industrial machinery decreased due to restraint of investment
→The key point is the timing of recovery

○Net Sales

- Increase in Marine Diesel engine, industrial machinery, and overseas subsidiaries.

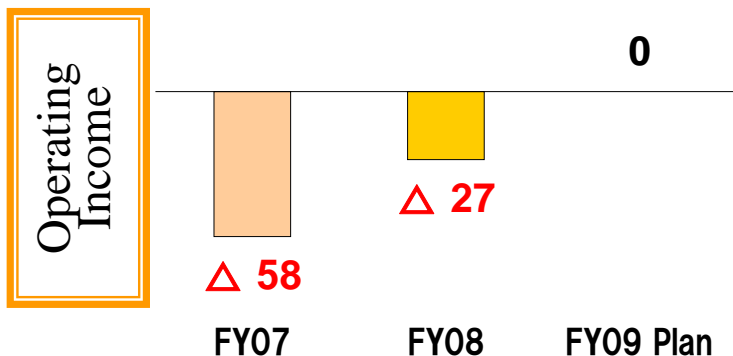
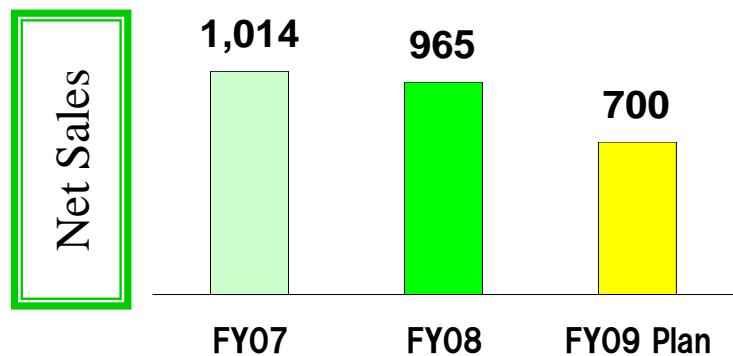
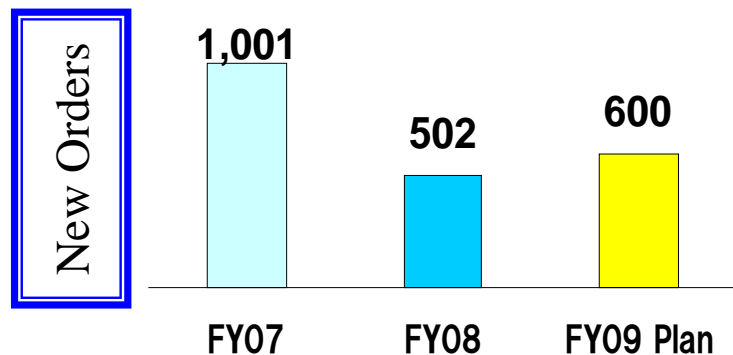
Marine Diesel Engine	FY07			FY08		
	New Orders	Delivery	Backlog Orders	New Orders	Delivery	Backlog Orders
Units	218	179	224	195	180	236

○Operating Income

- Main business maintained the same level of profitability as last year although the Advanced machinery for semiconductor and liquid crystal related business deteriorated.

Highlights - Plants

100 Million Yen



Decrease in New orders due to economic decline

○ New Orders

- Down by half compared to last year

○ Sales / Operating Income

- Ample backlog orders led to the same level of sales as last year

Net Sales (100 M Yen)	FY07	FY08
Petrochemical Plant	850	756
Environmental	164	209

2008 Mid-term Plan

1. Maintain the “basic policy” of the Mid-term Plan in accordance with “100th Anniversary Vision”

2. Add “FY09 policy” to incorporate the recent change of business environment into the Mid-term Plan

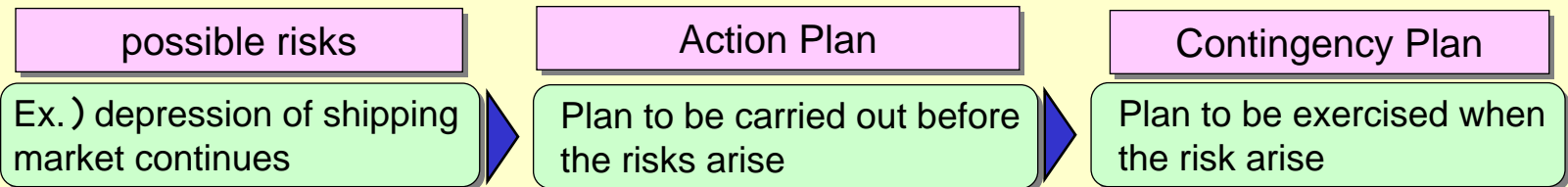
FY09 policy

- ① Core business: Improve profitability and secure new order (1st priority)
- ② Growing / New business: Accelerate expansion / creation by focusing on important projects

3. Review the strategies and investment plans of each business unit based on FY09 policy

4. Develop “Contingency Plan” for possible change from base assumption in environment

FY09 departmental strategy shall include the Action Plan against possible risks



5. Numerical plan for FY10 will be issued after checking the economic trend

Consolidated Balance Sheet (Summary)

100 Million Yen

	FY07	FY08	Var.		FY07	FY08	Var.
Cash and time deposits	539	843	304	Trade payables	1,540	1,813	273
Receivables	1,284	1,334	50	Advances from customers	1,304	1,331	27
Marketable Securities	65	24	△ 41	Interest-bearing debts	1,488	1,535	46
Inventories	964	1,179	216	Others	1,027	1,107	80
Other current assets	1,084	939	△ 145	Liabilities	(5,359)	(5,786)	(427)
Current Assets	(3,935)	(4,320)	(385)	Common stock	444	444	0
Property, plant and equip	1,927	2,084	157	Capital surplus	182	182	0
Intangible assets	161	123	△ 38	Retained earnings	523	590	67
Investment securities	687	420	△ 267	Treasury stock	△ 6	△ 6	0
Others	406	447	41	Valuation and translation	370	195	△ 174
Fixed Assets	(3,180)	(3,073)	(△107)	Minority interests	243	202	△ 41
				Net Assets	(1,756)	(1,607)	(△149)
Total	7,115	7,393	278	Total	7,115	7,393	278

Consolidated Income Statement (Summary)

100 Million Yen

	FY07		FY08		Var.
	Amount	%	Amount	%	
Net Sales	6,592	(100.0%)	6,867	(100.0%)	274
Cost of Sales	5,817		6,171		
Gross Profit	775		696		
Selling, General and Admin. Exp.	413		427		
Operating Income	361	(5.5%)	269	(3.9%)	△ 93
Other Income	70		65		
Other Expenses	109		100		
Ordinary Income	322	(4.9%)	234	(3.4%)	△ 88
Extraordinary Income	59		44		
Extraordinary Losses	78		94		
Income Before Income Taxes and Minority Interest	303	(4.6%)	184	(2.7%)	△ 119
Income Taxes – Current	129		67		
Income Taxes – Deferred	△ 9		8		
Minority Interest	17		3		
Net Income	166	(2.5%)	106	(1.5%)	△ 59

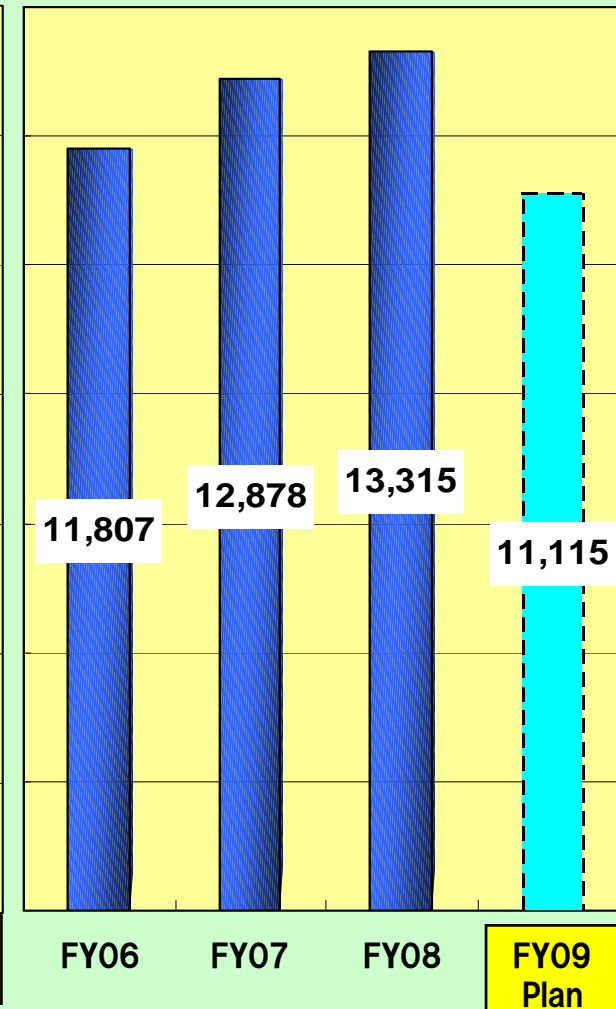
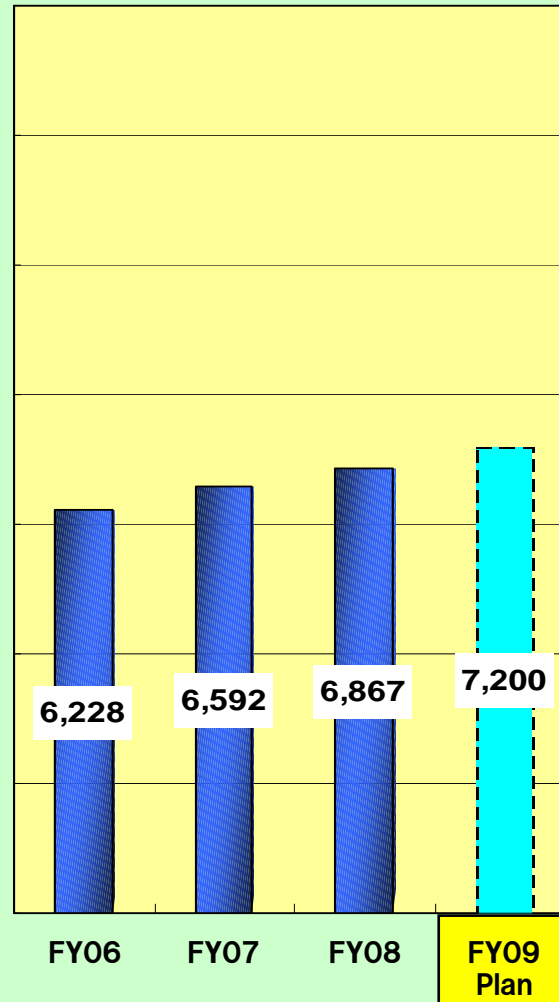
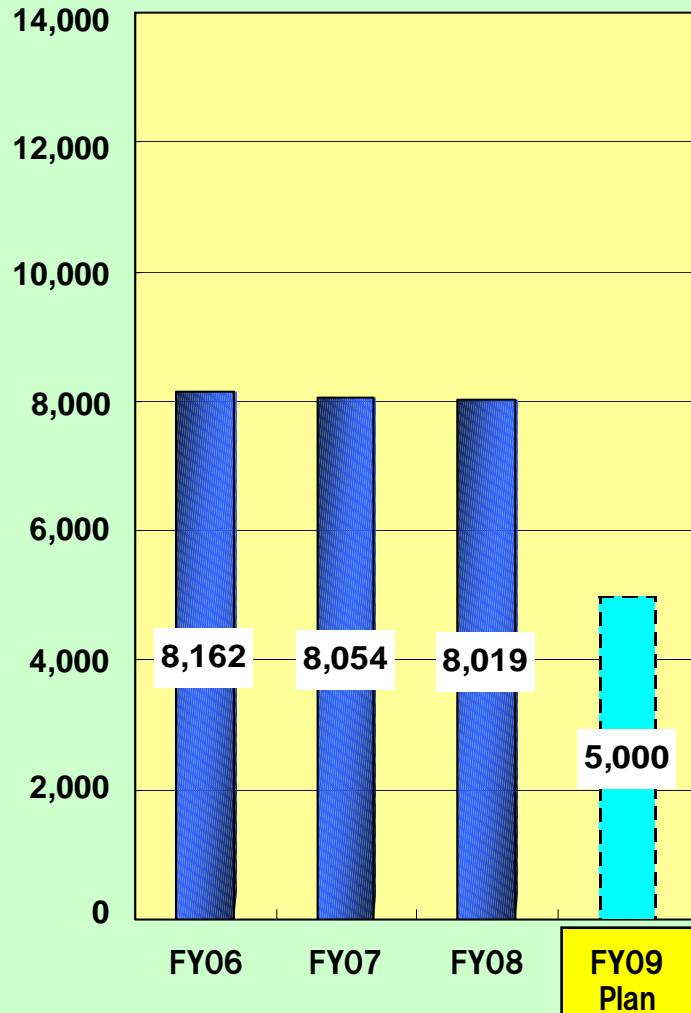
Consolidated New Orders, Net Sales and Backlog Orders

New Orders

Net Sales

Backlog Orders

100 Million Yen



Segment Information

100 Million Yen

	FY07 Actual		FY08 Actual		FY09 Plan	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Ships	3,023	137	3,109	34	3,700	20
Steel	538	16	599	26	750	30
Machinery	1,794	234	1,970	214	1,850	200
Plants	1,014	△58	965	△27	700	0
Other	223	32	224	22	200	20
Total	6,592	361	6,867	269	7,200	270

Consolidated Cash Flow

100 Million Yen

	FY07 Actual	FY08 Revised Plan	FY08 Actual	FY09 Plan
Operating Cash Flow	483	20	264	△110
Investing Cash Flow	△180	△180	△141	△370
Financing Cash Flow	△370	△50	79	310
Interest-bearing Debts	1,488	1,440	1,535	1,875

*FY08 Revised Plan was reported on 10th April, 2009

*FY09 Plan was reported on 8th May, 2009

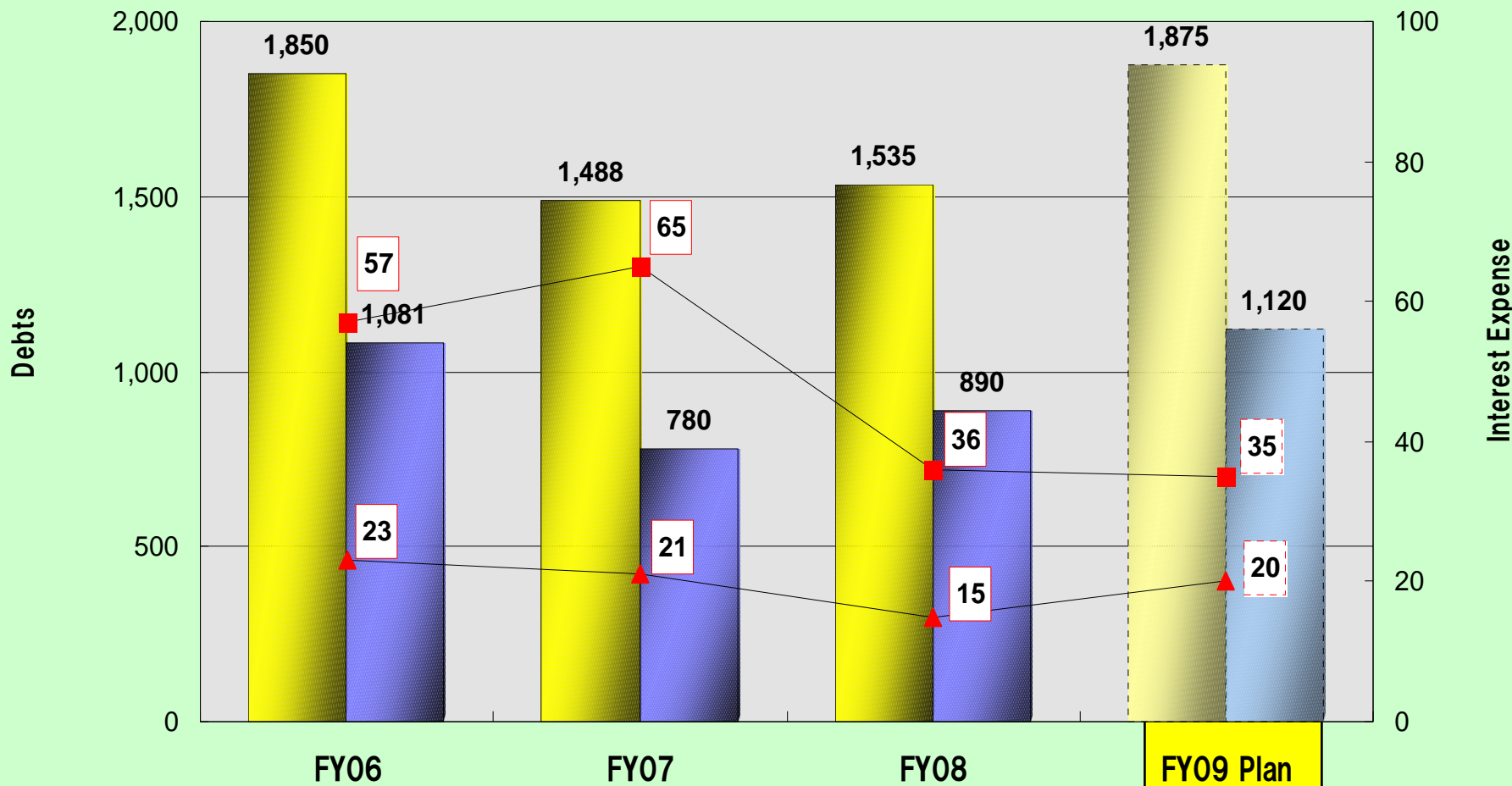
*Interest-bearing Debts exclude Lease Liability

Interest-bearing Debts and Interest Expense



100 Million Yen

100 Million Yen



*Interest-bearing Debts exclude Lease Liability

Appendix

Consolidated Segments

100 Million Yen

New Orders

Segment	FY06	FY07	FY08	FY09 Plan
Ships	4,326	3,789	4,218	1,800
Steel	428	644	1,042	600
Machinery	2,315	2,390	2,042	1,750
Plants	806	1,001	502	600
Other	287	231	215	250
Total	8,162	8,054	8,019	5,000

Net Sales

Segment	FY06	FY07	FY08	FY09 Plan
Ships	2,542	3,023	3,109	3,700
Steel	589	538	599	750
Machinery	1,991	1,794	1,970	1,850
Plants	804	1,014	965	700
Other	302	223	224	200
Total	6,228	6,592	6,867	7,200

Backlog Orders

Segment	FY06	FY07	FY08	FY09 Plan
Ships	8,176	8,622	9,138	7,238
Steel	416	513	949	799
Machinery	1,644	2,250	2,257	2,157
Plants	1,509	1,445	937	837
Other	63	48	34	84
Total	11,807	12,878	13,315	11,115

100 Million Yen

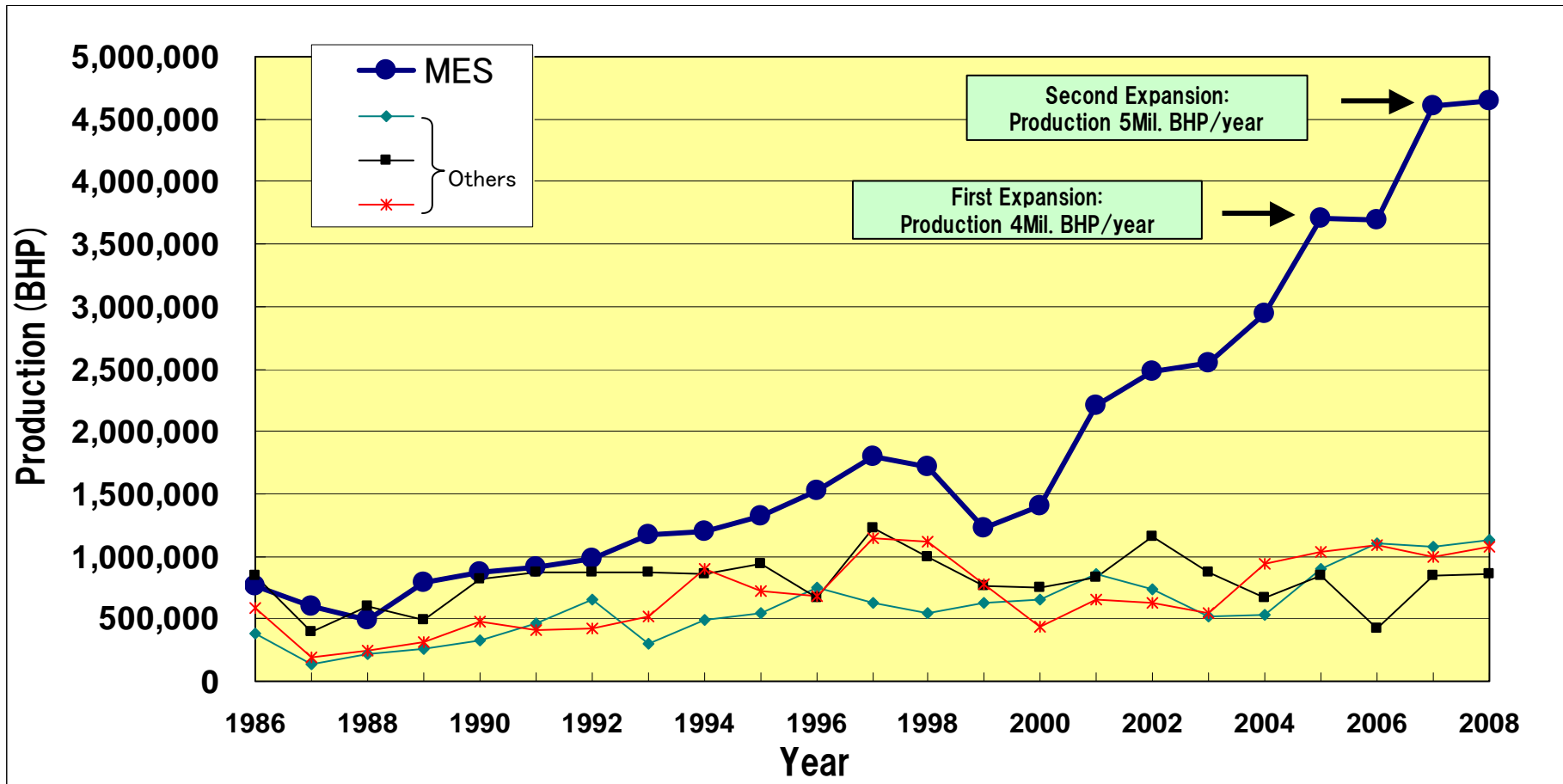
Main Subsidiaries	Company	FY06		FY07		FY08		FY09 Plan	
		New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales	New Orders	Net Sales
	MODEC	1,794	991	1,268	1,440	3,196	1,437		1,500
	BWSC	202	201	254	188	306	255		235

100 Million Yen

Cap. Ex. And Others		FY06		FY07		FY08		FY09 Plan	
		Consolidated		Consolidated		Consolidated		Consolidated	
	Cap. Expenditure	103		136		183		135	
	Depreciation	90		106		137			
	R&D	38		47		71		68	

Employees		FY06		FY07		FY08		FY09 Plan	
		Consol.	Non-Consol.	Consol.	Non-Consol.	Consol.	Non-Consol.	Consol.	Non-Consol.
	# of Employees	9,434	3,699	9,910	3,716	10,324	4,335		

Output of Marine Diesels by Japanese Manufacturers



Based on KP database.

Breakdown of Ships (FY08)

(Non-consolidated)

(Ship)

Type of Ships	New Orders	Delivery	Backlog Orders
LNG Carrier	0	1	0
Tanker	0	7	8
(VLCC)	0	1	6
Bulk Carrier	12	13	85
(Handy Max BC)	10	10	69
Other	0	5	5
Total	12	26	98