



October 31, 2014

**Hitachi Zosen Fukui Corporation**

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Consolidated Financial Statement for 6 months of FY2014

(April 1, 2014 - September 30, 2014)

**1. Business Results and Financial Positions for 6 months of FY2014**

(1) Consolidated Business Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
<b>6 months of FY2014</b>	<b>12,344</b>	<b>1.6</b>	<b>1,404</b>	<b>4.2</b>	<b>1,413</b>	<b>6.8</b>	<b>910</b>	<b>2.5</b>
6 months of FY2013	12,149	0.4	1,348	Δ 28.4	1,322	Δ 28.2	887	4.0

(Note) Comprehensive income:

6 months of FY2014 888 million yen

6 months of FY2013 1,062 million yen

	Net income per share	Net income per share, diluted
	yen	yen
<b>6 months of FY2014</b>	<b>92.43</b>	-
6 months of FY2013	90.15	-

(2) Consolidated Financial Positions

	Total assets	Net assets	Ratio of Shareholders' equity	Net assets per share
	million yen	million yen	%	yen
<b>As of September 30, 2014</b>	<b>23,174</b>	<b>10,747</b>	<b>46.4</b>	<b>1,091.10</b>
As of March 31, 2014	24,421	10,415	42.6	1,057.41

(Note) Shareholders' equity (consolidated):

As of September 30, 2014 10,747 million yen

As of March 31, 2014 10,415 million yen



## 2. Dividend

	Dividend per share				
	As of June 30	As of September 30	As of December 31	As of March 31	Total
	Yen	Yen	Yen	Yen	Yen
FY2013	-	0.00	-	40.00	40.00
FY2014	-	0.00			
FY2014 (Forecast)			-	40.00	40.00

As of today, we make an amendment on the initial forecast, which indicated that dividend as of March 31, 2015 is to be 30 yen per share.

## 3. Forecast of Consolidated Business Results for FY2014 ( April 1, 2014 - March 31, 2015 )

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
FY2014	23,700	Δ 7.0	2,730	Δ 4.2	2,700	Δ 3.6	1,770	Δ 3.1	179.70

As of today, we make an amendment on the initial forecast, which indicated that net sales, operating income, ordinary income, and net income are to be 23,000 million yen, 2,430 million yen, 2,400 million yen, and 1,570 million yen, respectively.

### Cautionary Statement

These forecasts are based on an assumption in the light of information currently available at the date of this announcement. Therefore, various kinds of factors can cause actual results to differ materially from these forecasts.



## Qualitative information on consolidated business results for 6 months of FY2014 (April 1, 2014 – September 30, 2014)

### 1. Consolidated business results

Japanese economy is recovering at a moderate pace due to effects of policy package, while the economy shows some weak movements lately due to lengthening of the reaction after a last-minute rise in demand before an increase in a consumption tax in Japan. In addition, slowing down of overseas economies is downside risk of Japanese economy.

Automobile manufacturers, our main customers, have been affected by lengthening of the reaction after a last-minute rise in demand before an increase in a consumption tax in Japan. In addition, they have concerns about their sales prospects in overseas due to uncertainty in china and the other emerging countries.

We have received new orders, 11,388 million yen, which is 51.8% of our goal “22,000 million yen” in FY2014. New orders sharply decrease by 34.6% as compared to 6 months of FY2013. Press machines are 4,516 million yen, a sharp decrease of 59.9% due to a reaction after receiving large amount of orders for china in last fiscal year. FA system products are 3,531 million yen, an increase of 20.2%. After sales service is 3,340 million yen, an increase of 4.4%.

Order backlog as of September 30, 2014 is 21,252 million yen, a decrease of 955 million yen as compared to that as of March 31, 2014.

Sales are 12,344 million yen, an increase of 1.6% as compared to 6 months of FY2013. Press machines are 6,996 million yen, an increase of 6.4%. FA system products are 2,468 million yen, a decrease of 17.7%. After sales service is 2,879 million yen, an increase of 11.8%.

Operating income, ordinary income, and net income are 1,404 million yen, 1,413 million yen, and 910 million yen, respectively. Operating income, ordinary income, and net income increase by 4.2%, 6.8%, and 2.5%, respectively, as compared to 6 months of FY2013 due to an increase in our sales and so on.

### 2. Forecast of consolidated business results for FY2014

As of today, we make amendments on the initial forecast, which was announced at May 9, 2014. Further information is available at our website. Please refer to “Announcement concerning amendments to the forecasts for FY2014 and Dividends forecasts for FY2014, ending March 31, 2015”.

#### **Cautionary Statement**

These forecasts are based on an assumption in the light of information currently available at the date of this announcement. Therefore, various kinds of factors can cause actual results to differ materially from these forecasts.

Quarterly Consolidated Balance Sheet [1/2]

( In thousands of yens )

	As of March 31, 2014	As of September 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	8,446,134	7,473,794
Notes and accounts receivable - trade	8,999,295	7,582,955
Merchandise and finished goods	47,498	51,936
Work in process	567,029	625,213
Raw materials and supplies	205,887	144,890
Deferred tax assets	335,091	371,849
Other	1,457,298	2,345,925
Allowance for doubtful accounts	980	930
<b>Total current assets</b>	<b>20,057,255</b>	<b>18,595,635</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,021,861	996,713
Machinery, equipment and vehicles, net	991,017	911,209
Land	833,057	833,057
Other, net	199,490	229,591
<b>Total property, plant and equipment</b>	<b>3,045,427</b>	<b>2,970,572</b>
Intangible assets		
Goodwill	3,109	-
Other	150,535	134,819
<b>Total intangible assets</b>	<b>153,645</b>	<b>134,819</b>
Investments and other assets		
Investment securities	706,839	1,003,292
Other	458,396	470,194
Allowance for doubtful accounts	280	280
<b>Total investments and other assets</b>	<b>1,164,956</b>	<b>1,473,207</b>
<b>Total non-current assets</b>	<b>4,364,029</b>	<b>4,578,599</b>
<b>Total assets</b>	<b>24,421,285</b>	<b>23,174,234</b>

Quarterly Consolidated Balance Sheet [2/2]

( In thousands of yens )

	As of March 31, 2014	As of September 30, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,464,480	1,164,225
Short-term loans payable	100,000	100,000
Accounts payable - other	5,726,682	4,865,790
Accrued expenses	1,157,847	933,242
Income taxes payable	861,997	541,834
Advances received	2,151,193	1,979,095
Provision for bonuses	417,000	356,800
Provision for product warranties	368,096	422,502
Provision for loss on order received	261,494	329,278
Other	42,928	65,289
<b>Total current liabilities</b>	<b>12,551,721</b>	<b>10,758,058</b>
Non-current liabilities		
Provision for directors' retirement benefits	45,248	49,952
Net defined benefit liability	1,325,076	1,527,281
Other	83,481	91,853
<b>Total non-current liabilities</b>	<b>1,453,805</b>	<b>1,669,087</b>
<b>Total liabilities</b>	<b>14,005,527</b>	<b>12,427,146</b>
Net assets		
Shareholders' equity		
Capital stock	1,055,000	1,055,000
Capital surplus	747,400	747,400
Retained earnings	8,628,099	8,981,901
Treasury shares	163	163
<b>Total shareholders' equity</b>	<b>10,430,336</b>	<b>10,784,137</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113,492	135,404
Deferred gains or losses on hedges	4,941	26,530
Foreign currency translation adjustment	68,091	33,788
Remeasurements of defined benefit plans	191,721	179,712
<b>Total accumulated other comprehensive income</b>	<b>15,078</b>	<b>37,048</b>
Subscription rights to shares	500	-
<b>Total net assets</b>	<b>10,415,757</b>	<b>10,747,088</b>
<b>Total liabilities and net assets</b>	<b>24,421,285</b>	<b>23,174,234</b>

Year to Quarter End Consolidated Statement Of Income

( In thousands of yens )

	6 months of FY2013	6 months of FY2014
	From April 1, 2013 To September 30, 2013	From April 1, 2014 To September 30, 2014
Net sales	12,149,013	12,344,031
Cost of sales	9,737,153	9,894,256
Gross profit	2,411,859	2,449,774
Selling, general and administrative expenses	1,063,825	1,044,969
Operating income	1,348,034	1,404,804
Non-operating income		
Interest income	15,833	15,222
Dividend income	4,944	7,659
Other	46,322	4,225
Total non-operating income	67,100	27,106
Non-operating expenses		
Interest expenses	352	278
Foreign tax and dues	133	13,313
Other	91,704	5,196
Total non-operating expenses	92,190	18,788
Ordinary income	1,322,943	1,413,122
Income before income taxes and minority interests	1,322,943	1,413,122
Income taxes	435,027	502,670
Income before minority interests	887,915	910,452
Net income	887,915	910,452

Year To Quarter End Consolidated Statement Of Comprehensive Income

( In thousands of yens )

	6 months of FY2013	6 months of FY2014
	From April 1, 2013 To September 30, 2013	From April 1, 2014 To September 30, 2014
Income before minority interests	887,915	910,452
Other comprehensive income		
Valuation difference on available-for-sale securities	34,461	21,912
Deferred gains or losses on hedges	84,235	21,589
Foreign currency translation adjustment	55,869	34,302
Remeasurements of defined benefit plans, net of tax	-	12,009
Total other comprehensive income	174,566	21,970
Comprehensive income	1,062,482	888,481
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,062,482	888,481
Comprehensive income attributable to minority interests	-	-

Quarterly Consolidated Statement Of Cash Flows

( In thousands of yens )

	6 months of FY2013	6 months of FY2014
	From April 1, 2013 To September 30, 2013	From April 1, 2014 To September 30, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	1,322,943	1,413,122
Depreciation	173,848	229,416
Amortization of goodwill	18,657	3,109
Increase (decrease) in provision for bonuses	2,000	60,200
Increase (decrease) in provision for product warranties	43,112	54,406
Increase (decrease) in provision for loss on order received	37,269	67,784
Increase (decrease) in provision for retirement benefits	6,294	-
Increase (decrease) in net defined benefit liability	-	51,553
Increase (decrease) in provision for directors' retirement benefits	4,704	4,704
Increase (decrease) in allowance for doubtful accounts	120	50
Interest and dividend income	20,777	22,881
Interest expenses	352	278
Loss on retirement of non-current assets	3,999	2,894
Decrease (increase) in notes and accounts receivable - trade	1,578,876	1,411,762
Decrease (increase) in inventories	93,043	10,025
Decrease (increase) in other current assets	306,003	110,126
Increase (decrease) in notes and accounts payable - trade	102,423	297,605
Increase (decrease) in accrued expenses	436,226	216,579
Increase (decrease) in accounts payable - other	407,449	480,245
Increase (decrease) in advances received	600,136	165,531
Increase (decrease) in other current liabilities	43,685	8,776
Other, net	6,452	2,370
Subtotal	259,716	2,084,893
Interest and dividend income received	24,609	22,975
Interest expenses paid	352	278
Income taxes paid	431,080	848,598
Net cash provided by (used in) operating activities	666,540	1,258,991
<b>Cash flows from investing activities</b>		
Payments into time deposits	1,446,192	1,471,491
Proceeds from withdrawal of time deposits	2,221,995	1,704,750
Purchase of investment securities	3,926	264,265
Proceeds from sales of investment securities	207	1,547
Purchase of property, plant and equipment	471,966	505,275
Purchase of intangible assets	53,241	23,038
Other, net	5,965	15,019
Net cash provided by (used in) investing activities	240,911	572,792
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	80	-
Cash dividends paid	294,973	392,866
Other, net	1,182	2,658
Net cash provided by (used in) financing activities	296,236	395,525
Effect of exchange rate change on cash and cash equivalents	350	27,967
Net increase (decrease) in cash and cash equivalents	722,216	262,706
Cash and cash equivalents at beginning of period	6,574,833	7,797,933
Cash and cash equivalents at end of period	5,852,617	8,060,640