

Hitachi Zosen Fukui Corporation

Code number: 6163, Tokyo Stock Exchange, JASDAQ

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Consolidated Financial Statements for FY2014
(April 1, 2014 - March 31, 2015)

1. Business Results and Financial Positions for FY2014

(1) Business Results

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2014	24,045	Δ 5.6	2,781	Δ 2.4	2,715	Δ 3.0	1,776	Δ 2.8
FY2013	25,474	7.1	2,848	4.9	2,800	4.8	1,827	14.1

(Note) Comprehensive income:

FY2015 1,884 million yen

FY2014 2,065 million yen

	Net income per share	Net income per share, diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	(yen)	(yen)	%	%	%
FY2014	180.35	-	16.0	11.2	11.6
FY2013	185.54	-	19.0	12.1	11.2

(2) Consolidated Financial Positions

	Total assets	Net assets	Ratio of Shareholders' equity	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2015	23,883	11,743	49.2	1,192.22
As of March 31, 2014	24,421	10,415	42.6	1057.41

(Note) Shareholders' equity (consolidated);

As of March 31, 2015 11,743 million yen

As of March 31, 2014 10,415 million yen



(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financial activities	Cash and Cash equivalents at the end of period
	(million yen)	(million yen)	(million yen)	(million yen)
FY2014	1,235	357	398	8,281
FY2013	1,879	413	298	7,797

2. Dividend

	Dividend per share					Yearly amount of dividend payment	Dividend payout ratio (Consolidated)	Dividend to net assets ratio (Consolidated)
	As of June 30	As of September 30	As of December 31	As of March 31	Total			
	Yen	Yen	Yen	Yen	Yen	(million yen)	%	%
FY2013	-	0.00	-	40.00	40.00	393	21.6	4.1
FY2014	-	0.00	-	40.00	40.00	393	22.2	3.6
FY2015 (forecast)	-	0.00	-	40.00	40.00		23.2	

3. Forecast of Consolidated Business Results for FY2015 (April 1, 2015 - March 31, 2016)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(million yen)	Δ %	(million yen)	%	(million yen)	Δ %	(million yen)	%	(yen)
6 months of FY2015	12,000	Δ 2.8	1,420	Δ 1.1	1,400	Δ 0.9	940	Δ 3.2	95.43
FY2015	23,000	4.3	2,580	7.2	2,550	6.1	1,700	4.3	172.59

(Note)

Percentage for 6 months of FY2015 is compared to 6 months of FY2014

Percentage for FY2015 is compared to FY2014

4 Others

(1) Number of shares outstanding (Common stock)

① End of number of shares outstanding (including treasury stock)

As of March 31, 2015 9,850,000

As of March 31, 2014 9,850,000

② End of number of treasury stock

As of March 31, 2015 268

As of March 31, 2014 230

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 FY2013 (April 1, 2014 – March 31, 2015)

1. Consolidated business results

Japanese economy has been recovering at a moderate pace due to effects of various policy package and monetary policy. However, slowing down of overseas economies continues is still downside risk of Japanese economy.

Automobile manufacturers, our main customers, faced a tough challenge last year when Japanese consumer confidence chilled following the consumption tax increase in April and a pre-tax hike rush in demand. Although the automobile sales fell partially in developing countries, the global vehicle market in 2014 was supported by robust demand in the United States. However, optimism is mitigated by the risks of downturn prompted by uncertainty in the global economy and intensified international competition.

We continued to secure high sales and incomes owing to strong demand from automobile manufacturers.

Amount of orders totaled 23,386 million yen, down 10.6% as compared to FY2013. Ones of Press machines were 10,480 million yen, a decrease of 29.0%. However, Amount of orders of FA system products were 6,092 million yen, an increase of 18.3% and ones of After Service rose by 9.2% to 6,813 million yen.

Orders backlog March 31, 2015 were 21,548 million yen which decreased 659 million yen than FY2014.

Net sales totaled 24,045 million Yen, down 5.6% from the previous fiscal year. Net sales of press machines declined 4.0% to 13,109 million yen and also ones of FA system products decreased 24.5% to 4,938 million yen. Net sales of After Service grew 13.7% to 5,997 million yen.

Operating income decreased 2.4% to 2,781 million yen compared with the previous fiscal year. Ordinary income fell 3.0% to 2,715 million yen, and net income declined 2.8% to 1,776 million yen.

2. Forecast of consolidated business results for FY2015

Net Sales are to be 23,000 million yen, a decrease of 4.3% as compared to FY2014 due to uncertainty of investment in plant and equipment by automobile manufacturers.

With respect to profits, operating income is to decrease 7.2% from the previous fiscal year, to 2,580 million yen. Ordinary income fell 6.1% to 2,550 million yen, and net income declined 4.3% to 1,700 million yen as compared to FY2014.

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.

Consolidated Balance Sheet [1/2]

(In thousands of yens)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	8,446,134	8,252,069
Notes and accounts receivable - trade	8,999,295	7,728,100
Merchandise and finished goods	47,498	58,404
Work in process	567,029	1,071,301
Raw materials and supplies	205,887	148,011
Deferred tax assets	335,091	280,928
Other	1,457,298	1,599,307
Allowance for doubtful accounts	△980	△910
Total current assets	20,057,255	19,137,212
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,487,632	3,632,278
Accumulated depreciation	△2,465,770	△2,530,012
Buildings and structures, net	1,021,861	1,102,265
Machinery, equipment and vehicles	4,550,741	4,771,857
Accumulated depreciation	△3,559,723	△3,680,589
Machinery, equipment and vehicles, net	991,017	1,091,267
Land	833,057	833,057
Leased assets	26,859	24,672
Accumulated depreciation	△3,951	△5,716
Leased assets, net	22,908	18,955
Construction in progress	47,304	—
Other	568,858	593,277
Accumulated depreciation	△439,581	△471,479
Other, net	129,277	121,797
Total property, plant and equipment	3,045,427	3,167,343
Intangible assets		
Goodwill	3,109	—
Software	142,293	124,684
Other	8,242	8,242
Total intangible assets	153,645	132,927
Investments and other assets		
Investment securities	706,839	975,060
Other	458,396	471,577
Allowance for doubtful accounts	△280	△280
Total investments and other assets	1,164,956	1,446,357
Total non-current assets	4,364,029	4,746,628
Total assets	24,421,285	23,883,841

Consolidated Balance Sheet [2/2]

(単位：千円)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,464,480	1,233,268
Short-term loans payable	100,000	100,000
Lease obligations	5,167	5,401
Accounts payable - other	5,726,682	4,553,260
Accrued expenses	1,157,847	1,064,112
Income taxes payable	861,997	391,810
Advances received	2,151,193	1,916,142
Provision for bonuses	417,000	352,000
Provision for product warranties	368,096	368,626
Provision for loss on order received	261,494	367,056
Other	37,760	86,198
Total current liabilities	12,551,721	10,437,876
Non-current liabilities		
Lease obligations	15,950	15,142
Deferred tax liabilities	50,910	65,132
Provision for directors' retirement benefits	45,248	54,656
Net defined benefit liability	1,325,076	1,551,380
Other	16,620	16,620
Total non-current liabilities	1,453,805	1,702,931
Total liabilities	14,005,527	12,140,807
Net assets		
Shareholders' equity		
Capital stock	1,055,000	1,055,000
Capital surplus	747,400	747,400
Retained earnings	8,628,099	9,847,820
Treasury shares	△163	△224
Total shareholders' equity	10,430,336	11,649,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113,492	157,078
Deferred gains or losses on hedges	△4,941	△32,673
Foreign currency translation adjustment	68,091	147,055
Remeasurements of defined benefit plans	△191,721	△178,423
Total accumulated other comprehensive income	△15,078	93,037
Subscription rights to shares	500	-
Total net assets	10,415,757	11,743,033
Total liabilities and net assets	24,421,285	23,883,841

Year End Consolidated Statement of Income

(In thousands of yens)

	FY2013 From April 1, 2013 To March 31, 2014	FY2014 From April 1, 2014 To March 31, 2015
Net sales	25,474,265	24,045,176
Cost of sales	20,439,809	19,030,712
Gross profit	5,034,455	5,014,463
Selling, general and administrative expenses		
Salaries	589,287	607,796
Provision for bonuses	97,730	80,070
Retirement benefit expenses	44,159	46,342
Research and development expenses	257,998	241,092
Other	1,196,520	1,257,550
Total selling, general and administrative expenses	2,185,696	2,232,850
Operating income	2,848,758	2,781,612
Non-operating income		
Interest income	32,721	32,528
Dividend income	8,934	12,023
Other	54,172	3,021
Total non-operating income	95,828	47,573
Non-operating expenses		
Interest expenses	628	537
Foreign exchange losses	106,407	20,481
Foreign tax and dues	5,585	20,976
Loss on retirement of subscription rights to shares	—	59,500
Other	31,553	12,393
Total non-operating expenses	144,173	113,888
Ordinary income	2,800,414	2,715,296
Income before income taxes and minority interests	2,800,414	2,715,296
Income taxes - current	1,039,490	868,872
Income taxes - deferred	△66,628	70,053
Total income taxes	972,862	938,925
Income before minority interests	1,827,551	1,776,371
Net income	1,827,551	1,776,371

Year End Consolidated Statement of Comprehensive Income

(In thousands of yens)

	FY2013 From April 1, 2013 To March 31, 2014	FY2014 From April 1, 2014 To March 31, 2015
Income before minority interests	1,827,551	1,776,371
Other comprehensive income		
Valuation difference on available-for-sale securities	49,451	43,586
Deferred gains or losses on hedges	74,209	△27,732
Foreign currency translation adjustment	114,571	78,963
Remeasurements of defined benefit plans, net of tax	—	13,298
Total other comprehensive income	238,232	108,116
Comprehensive income	2,065,783	1,884,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,065,783	1,884,487
Comprehensive income attributable to minority interests	—	—

Consolidated Statement of Cash Flows [1/2]

(In thousands of yens)

	FY2013 From April 1, 2013 To March 31, 2014	FY2014 From April 1, 2014 To March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	2,800,414	2,715,296
Depreciation	321,922	436,326
Impairment loss	5,306	—
Amortization of goodwill	37,314	3,109
Increase (decrease) in provision for bonuses	83,000	△65,000
Increase (decrease) in provision for product warranties	△66,764	530
Increase (decrease) in provision for loss on order received	△155,190	105,562
Increase (decrease) in net defined benefit liability	47,842	76,941
Increase (decrease) in provision for directors' retirement benefits	9,408	9,408
Increase (decrease) in allowance for doubtful accounts	△1,671	△70
Interest and dividend income	△41,656	△44,551
Interest expenses	628	537
Loss on retirement of non-current assets	22,680	3,378
Decrease (increase) in notes and accounts receivable - trade	△1,256,165	1,329,669
Decrease (increase) in inventories	△46,206	△405,949
Decrease (increase) in other current assets	284,006	△131,940
Increase (decrease) in notes and accounts payable - trade	122,296	△228,715
Increase (decrease) in accrued expenses	△352,765	△98,432
Increase (decrease) in accounts payable - other	△4,251	△927,560
Increase (decrease) in advances received	709,751	△301,446
Increase (decrease) in other current liabilities	△37,684	303
Other, net	△9,764	56,135
Subtotal	2,472,452	2,533,530
Interest and dividend income received	41,662	43,189
Interest expenses paid	△628	△537
Income taxes paid	△633,579	△1,340,232
Net cash provided by (used in) operating activities	1,879,907	1,235,951
Cash flows from investing activities		
Payments into time deposits	△2,877,300	△2,270,467
Proceeds from withdrawal of time deposits	3,450,786	2,993,378
Purchase of investment securities	△8,244	△268,771
Proceeds from sales of investment securities	416	1,895
Purchase of property, plant and equipment	△576,215	△771,363
Purchase of intangible assets	△59,267	△25,177
Other, net	△343,478	△17,416
Net cash provided by (used in) investing activities	△413,304	△357,922

Consolidated Statement of Cash Flows [2/2]

(In thousands of yens)

	FY2013 From April 1, 2013 To March 31, 2014	FY2014 From April 1, 2014 To March 31, 2015
Cash flows from financing activities		
Purchase of treasury shares	△80	△60
Cash dividends paid	△295,152	△393,290
Other, net	△3,149	△4,889
Net cash provided by (used in) financing activities	△298,382	△398,241
Effect of exchange rate change on cash and cash equivalents	54,879	4,276
Net increase (decrease) in cash and cash equivalents	1,223,099	484,063
Cash and cash equivalents at beginning of period	6,574,833	7,797,933
Cash and cash equivalents at end of period	7,797,933	8,281,997