

Report of Consolidated Financial Results

For the Year ended March 31, 2016

May 11, 2016

Name of Company: Hitachi Zosen Corporation
 Code Number: 7004 URL: <http://www.hitachizosen.co.jp>
 Stock Exchange Listing: Tokyo
 Representative: Takashi Tanisho, President & Chief Executive Officer
 Contact Person: Toshiki Nakamura, General Manager of Accounting Department tel. +81-6-6569-0001

This "Consolidated Financial Results" has been prepared in accordance with accounting principles generally accepted in Japan.

1. Business results and financial positions for the fiscal year (April 1, 2015 - March 31, 2016)

(1) Results of operations

(Percentages show rates of increase or decrease from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of Hitachi Zosen	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Year ended March 31, 2016	387,044	7.7	15,113	17.9	12,273	62.1	5,849	14.7
Year ended March 31, 2015	359,332	7.8	12,819	62.7	7,569	21.7	5,100	37.1

	Net income per share	Net income per share-diluted	Return on equity	Return on assets	Operating income to net sales
	(yen)	(yen)	(%)	(%)	(%)
Year ended March 31, 2016	34.96	—	5.2	3.0	3.9
Year ended March 31, 2015	30.52	—	4.9	1.9	3.6

(Note) Equity in net income of nonconsolidated subsidiaries and affiliates:

Yen -1,269 million (March 31, 2016), Yen -910 million (March 31, 2015)

(2) Financial position

	Total assets	Net assets	Shareholders' equity to total assets	Shareholders' equity per share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2016	401,649	120,666	28.4	677.24
Year ended March 31, 2015	408,803	117,531	26.6	651.24

(Note) Shareholders' equity: Yen 114,158 million (March 31, 2016), Yen 108,766 million (March 31, 2015)

(3) Cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of year
	(million yen)	(million yen)	(million yen)	(million yen)
Year ended March 31, 2016	8,148	-3,666	-15,948	49,672
Year ended March 31, 2015	9,086	-14,680	12,178	60,770

2. Dividends

(Record Date)	Dividends per share			Total amount of dividend payment (million yen)	Dividend payout ratio (Consolidated) (%)	Dividend to net assets ratio (Consolidated) (%)
	Interim (yen)	Year-end (yen)	Annual (yen)			
Year ended March 31, 2015	0.00	10.00	10.00	1,670	32.8	1.5
Year ended March 31, 2016	0.00	12.00	12.00	2,023	34.3	1.8
Year ending March 31, 2017 (Forecast)	0.00	12.00	12.00	—	33.7	—

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2017 (April 1, 2016 - March 31, 2017)

(Percentages show rates of increase or decrease from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of Hitachi Zosen		Net income per share – basic (yen)
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	
Year ending March 31, 2017	400,000	3.3	16,000	5.9	12,000	-2.2	6,000	2.6	35.59

4. Notes

(1) Changes in major subsidiaries during the period: None

(2) Changes in accounting policies, changes in accounting estimates and restatements

(i) Changes in accounting policies as per the revision of accounting standards: Yes

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding (including treasury stock)

March 31, 2016 170,214,843 shares

March 31, 2015 167,843,845 shares

(ii) Number of shares held in treasury

March 31, 2016 1,650,068 shares

March 31, 2015 829,840 shares

(iii) Average number of shares during the period

March 31, 2016 167,269,965 shares

March 31, 2015 167,086,203 shares

(4) At the timing of this report's publication, the audit procedures in accordance with Japanese Financial Instruments and Exchange Act are in progress.

(5) This Report includes forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of Hitachi Zosen Corporation in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Hitachi Zosen Corporation's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

5. Financial Results

(1) Analysis of Financial Results

1) Overview of consolidated operating results

We aimed to evolve into a highly profitable enterprise that enjoys public recognition under the “Hitz Vision II” medium-term management plan, which started from fiscal year 2014. From the perspective of innovation in businesses operation and management, we are constructing optimal business strategies, as well as concentrating management resources to achieve results in our priority fields of “environment/green energy” and “social infrastructure, and disaster prevention”. In particular, with the aims of strengthening profitability and expanding the scale of operations, we have made efforts for key measures such as promoting overseas local businesses, expanding stable business, accelerating profitability of new products and business, using ICT, facilitating synergy by fortifying group strengths, increasing factory productivity through improved product mix, strengthen financial structure, securing diversified human resources, and training personnel.

In the fiscal year ended March 31, 2016, Order intake decreased 3.8% to Yen 435.4 billion on a year-on-year basis, reflecting the decline of large new orders in Environmental Systems & Industrial Plants. Net sales expanded 7.7% to Yen 387.0 billion with the boost of sales in Environmental Systems & Industrial Plants and Infrastructure.

Concerning the profitability of operation, Operating income increased 17.9% to Yen 15.1 billion due to the growth of sales in Environmental Systems & Industrial Plants and Infrastructure. Ordinary income also increased 62.1% to Yen 12.2 billion.

Profit attributable to shareholders of Hitachi Zosen rose 14.7% to Yen 5.8 billion. Yen 1.8 billion Impairment loss on overseas subsidiaries and Yen 1.4 billion Reserve for loss on guarantees were compensated by the increase in Operating income and Ordinary income.

2) Business results by segments

Segmentation of our business fields and major products of each business segment and operating results are given below.

(Major businesses and products by segments)

Environmental Systems & Industrial Plants	Solid waste incinerator, EfW, Material recycle system, Water and sludge treatment, Biomass utilization, Desalination plant and other plants, Power generation system, IPP
Machinery	Marine diesel engines, Deck machinery for ships, Press machine, Boiler, SCR system, Pressure vessels, Spent nuclear fuel storage casks & canisters, Plastic machinery, Food and medical packaging machineries, Precision machinery, Electronics control system
Infrastructure	Bridge, Hydraulic gate, Marine civil engineering, Shield tunneling machines, Disaster prevention systems
Other businesses	Transportation, Warehousing, Port cargo handling

(Operating results by business segments)

Environmental Systems & Industrial Plants:

Due to the construction progress of overseas Desalination plant, Net sales grew 6.9% to Yen 241.6 billion and Operating income also increased 8.8% to Yen 14.8 billion.

Machinery:

Net sales increased 0.1% to Yen 104.5 billion. While Operating income was recorded Yen 0.8 billion in the previous fiscal year, Operating loss was Yen 0.8 billion in this fiscal year due mainly to net loss on overseas subsidiaries.

Infrastructure:

Net sales expanded 58.8% to Yen 30.8 billion reflecting the progress of large contracts. Although Operating loss was amounted to Yen 2.1 billion in the last fiscal year, Operating income was Yen 0.4 billion reflecting on-going business reform effort in addition to expansion of Net sales.

Other Businesses:

Both Net sales and Operating income increased from the last fiscal year to Yen 10.1 billion and Yen 0.7 billion respectively.

3) Earning forecast of the next fiscal year

Concerning the forecast of consolidated sales and earnings for the next fiscal year, Order intake is projected at Yen 450.0 billion. And Net sales is expected to grow up to Yen 400.0 billion. As to the profitability, Operating income is projected at Yen 16.0 billion, which exceeds this fiscal year, considering the improvement of profitability in Machinery. Ordinary income and Profit attributable to shareholders of Hitachi Zosen are estimated at Yen 12.0 billion and Yen 6.0 billion respectively.

(2) Analysis of Consolidated Financial Position

1) Assets, Liabilities and Net assets

Total Assets decreased by Yen 7.2 billion from the previous fiscal year to Yen 401.6 billion due to the decrease of Cash and time deposits.

Total Liabilities decreased by Yen 10.3 billion from the previous fiscal year to Yen 281.0 billion reflecting the decline of interest bearing debt.

The Net assets increased by Yen 3.1 billion to Yen 120.6 billion with Profit attributable to shareholders of Hitachi Zosen in this fiscal year .

2) Cash flows

Cash flows from operating activities were cash inflow of Yen 8.1 billion after booking Net profit.

Due to capital investments, Cash flows from investing activities were cash outflow of Yen 3.7 billion.

Cash flows from financing activities were cash outflow of Yen 15.9 billion due to repayment of long-term debt.

On an overall basis, Cash and cash equivalents at the end of year decreased by Yen 11.1 billion to Yen 49.6 billion.

(3) Dividend

Our basic policy for profit distribution is to implement the appropriate level of stable dividend payment in light of underlying business results consecutively, while trying to enhance retained earnings required for future business development. Retained earnings should be employed for capital investment and R&D to strengthen our business base and expansion of business fields.

Based on this policy, we are planning to propose Yen 12.00 per share year-end dividends, an increase of Yen 2.00 per share, to the shareholders' meeting on June 23, 2016 because we have achieved a profit level that allows us to raise our dividend due to increased Profit attributable to shareholders of Hitachi Zosen from the previous fiscal year.

6. CONSOLIDATED BALANCE SHEETS
Hitachi Zosen Corporation and Consolidated Subsidiaries
At March 31, 2015 and 2016 (unaudited)

	Millions of yen	
	2015	2016
ASSETS		
Current assets:		
Cash and time deposits	¥ 62,384	¥ 51,585
Receivables:		
Trade notes and accounts:		
Nonconsolidated subsidiaries and affiliates	918	832
Other	135,603	138,445
Other	3,545	5,071
Allowance for doubtful receivables	(1,718)	(3,411)
	138,348	140,937
Marketable securities	1	10
Inventories	26,118	30,978
Deferred tax assets	5,658	5,873
Prepaid expenses and other current assets	6,880	12,476
Total current assets	239,389	241,859
Property, plant and equipment, at cost:		
Land	66,505	61,315
Buildings and structures	79,350	80,370
Machinery and equipment	100,353	105,433
Lease assets	1,442	1,627
Construction in progress	3,010	1,429
	250,660	250,174
Less accumulated depreciation	(125,323)	(130,368)
Property, plant and equipment, net	125,337	119,806
Intangible assets:		
Goodwill	5,701	3,073
Other intangible assets	4,896	4,643
Total intangible assets	10,597	7,716
Investments and other noncurrent assets:		
Investments in nonconsolidated subsidiaries and affiliates	8,276	8,449
Investments in securities	16,213	15,677
Long-term loans receivable	47	37
Net defined benefit assets	542	759
Deferred tax assets	2,161	3,095
Other investments and noncurrent assets	7,209	5,218
Allowance for doubtful receivables	(1,015)	(990)
Total investments and other noncurrent assets	33,433	32,245
Deferred assets	47	23
Total assets	¥ 408,803	¥ 401,649

	Millions of yen	
	2015	2016
LIABILITIES		
Current liabilities:		
Notes and accounts payable:		
Nonconsolidated subsidiaries and affiliates	¥ 155	¥ 543
Other	58,714	62,006
Short-term borrowings	5,205	6,150
Current portion of long-term debt	33,780	22,506
Accrued expenses	57,783	51,960
Accrued income taxes	1,661	2,849
Advances received on work in progress	14,927	18,728
Reserve for directors' and corporate auditors' bonuses	13	—
Reserve for product warranty	4,329	4,902
Reserve for losses on construction contracts	5,569	5,498
Other current liabilities	10,324	8,912
Total current liabilities	192,460	184,054
Long-term liabilities:		
Long-term debt, less current portion	79,242	75,406
Asset retirement obligations	918	967
Deferred tax liabilities	1,236	790
Net defined benefit liability	15,490	17,700
Directors' and corporate auditors' severance and retirement benefits	385	401
Other noncurrent liabilities	1,541	1,665
Total long-term liabilities	98,812	96,929
Total liabilities	291,272	280,983
CONTINGENT LIABILITIES		
NET ASSETS:		
Common stock		
Authorized — 400,000,000 shares		
Issued — 167,843,845 shares at March 31, 2015		
— 170,214,843 shares at March 31, 2016	45,442	45,442
Capital surplus	9,576	12,231
Retained earnings	53,089	57,329
Treasury stock, at cost — 829,840 shares in 2015		
— 1,650,068 shares in 2016	(411)	(1,008)
Net unrealized holding gains (losses) on securities	853	489
Net unrealized holding gains (losses) on hedging derivatives	(844)	(96)
Land revaluation difference	(4)	(50)
Foreign currency translation adjustments	4,266	3,136
Remeasurements of defined benefit plans	(3,201)	(3,315)
Subscription rights to shares	—	—
Non-controlling interests in consolidated subsidiaries	8,765	6,508
Total net assets	117,531	120,666
Total liabilities and net assets	¥ 408,803	¥ 401,649

7. CONSOLIDATED STATEMENTS OF INCOME

Hitachi Zosen Corporation and Consolidated Subsidiaries
For the Years Ended March 31, 2015 and 2016 (unaudited)

	Millions of yen	
	2015	2016
Net sales	¥ 359,332	¥ 387,044
Cost of sales	302,495	322,766
Gross profit	56,837	64,278
Selling, general and administrative expenses	44,018	49,165
Operating income	12,819	15,113
Other income (expenses):		
Interest and dividend income	352	393
Interest expense	(1,056)	(992)
Foreign exchange loss	(2,983)	(532)
Equity in net loss of nonconsolidated subsidiaries and affiliates	(910)	(1,269)
Gain on bargain purchase	3,146	—
Impairment loss	(1,336)	(1,786)
Reserve for loss on guarantees	—	(1,406)
Other, net	(653)	(440)
Total other expenses	(3,440)	(6,032)
Profit before income taxes and non-controlling interests	9,379	9,081
Income taxes		
Current	2,765	3,478
Deferred	465	(1,298)
Profit before non-controlling interests	6,149	6,901
Profit attributable to non-controlling interests	1,049	1,052
Profit attributable to shareholders of Hitachi Zosen	¥ 5,100	¥ 5,849

	Yen	
	2015	2016
Amounts per share		
Net income - basic	¥ 30.52	¥ 34.96
Cash dividends	10.00	12.00

8. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Hitachi Zosen Corporation and Consolidated Subsidiaries
For the Years Ended March 31, 2015 and 2016 (unaudited)

	Millions of yen	
	2015	2016
Profit before non-controlling interests	¥ 6,149	¥ 6,901
Other comprehensive income		
Net unrealized holding gains (losses) on securities	259	(255)
Net unrealized holding gains (losses) on hedging derivatives	(83)	763
Foreign currency translation adjustments	1,348	(538)
Remeasurements of defined benefit plans	(1,558)	(61)
Equity of nonconsolidated subsidiaries and affiliates accounted for using equity method	747	(703)
Total other comprehensive income	713	(794)
Total comprehensive income	6,862	6,107
Comprehensive income attributable to		
Owners of the parent	5,735	5,004
Non-controlling interests	1,127	1,103

9. CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Hitachi Zosen Corporation and Consolidated Subsidiaries
For the Years Ended March 31, 2015 and 2016 (unaudited)

For the year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	45,442	5,974	50,467	(1,995)	99,888
Cumulative effects of changes in accounting policies			(691)		(691)
Restated balance	45,442	5,974	49,776	(1,995)	99,197
Changes of items during the period					
Cash dividends			(1,564)		(1,564)
Increase by merger		3,602		1,990	5,592
Profit attributable to shareholders of Hitachi Zosen			5,100		5,100
Treasury stock disposed, net		0		0	0
Treasury stock purchased, net				(406)	(406)
Change arising from decrease in equity in affiliates			(205)		(205)
Reversal of land revaluation difference			(18)		(18)
Net changes of items other than shareholders' equity					
Total changes during the period	—	3,602	3,313	1,584	8,499
Balance at end of year	45,442	9,576	53,089	(411)	107,696

	Other accumulated comprehensive income						Subscription rights to shares	Non-controlling interests in consolidated subsidiaries	Total net assets
	Net unrealized holding gains (losses) on securities	Net unrealized holding gains (losses) on hedging derivatives	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income			
Balance at beginning of year	416	(775)	(22)	2,504	(1,688)	435	1	17,241	117,565
Cumulative effects of changes in accounting policies									(691)
Restated balance	416	(775)	(22)	2,504	(1,688)	435	1	17,241	116,874
Changes of items during the period									
Cash dividends									(1,564)
Increase by merger									5,592
Profit attributable to shareholders of Hitachi Zosen									5,100
Treasury stock disposed, net									0
Treasury stock purchased, net									(406)
Change arising from decrease in equity in affiliates									(205)
Reversal of land revaluation difference			18			18			—
Net changes of items other than shareholders' equity	437	(69)	—	1,762	(1,513)	617	(1)	(8,476)	(7,860)
Total changes during the period	437	(69)	18	1,762	(1,513)	635	(1)	(8,476)	657
Balance at end of year	853	(844)	(4)	4,266	(3,201)	1,070	—	8,765	117,531

For the year ended March 31, 2016

(Millions of yen)

	Shareholders' equity					Total shareholders' equity
	Common stock	Capital surplus	Retained earnings	Treasury stock		
Balance at beginning of year	45,442	9,576	53,089	(411)		107,696
Cumulative effects of changes in accounting policies						—
Restated balance	45,442	9,576	53,089	(411)		107,696
Changes of items during the period						
Cash dividends			(1,670)			(1,670)
Increase by share exchanges		1,531		397		1,928
Profit attributable to shareholders of Hitachi Zosen			5,849			5,849
Treasury stock disposed, net		0		0		0
Treasury stock purchased, net				(994)		(994)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		1,124				1,124
Reversal of land revaluation difference			61			61
Net changes of items other than shareholders' equity						
Total changes during the period	—	2,655	4,240	(597)		6,298
Balance at end of year	45,442	12,231	57,329	(1,008)		113,994

	Other accumulated comprehensive income						Subscription rights to shares	Non-controlling interests in consolidated subsidiaries	Total net assets
	Net unrealized holding gains (losses) on securities	Net unrealized holding gains (losses) on hedging derivatives	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income			
Balance at beginning of year	853	(844)	(4)	4,266	(3,201)	1,070	—	8,765	117,531
Cumulative effects of changes in accounting policies									—
Restated balance	853	(844)	(4)	4,266	(3,201)	1,070	—	8,765	117,531
Changes of items during the period									
Cash dividends									(1,670)
Increase by share exchanges									1,928
Profit attributable to shareholders of Hitachi Zosen									5,849
Treasury stock disposed, net									0
Treasury stock purchased, net									(994)
Change in treasury shares of parent arising from transactions with non-controlling shareholders									1,124
Reversal of land revaluation difference			(46)			(46)			15
Net changes of items other than shareholders' equity	(364)	748	—	(1,130)	(114)	(860)	—	(2,257)	(3,118)
Total changes during the period	(364)	748	(46)	(1,130)	(114)	(906)	—	(2,257)	3,135
Balance at end of year	489	(96)	(50)	3,136	(3,315)	164	—	6,508	120,666

10. CONSOLIDATED STATEMENTS OF CASH FLOWS
Hitachi Zosen Corporation and Consolidated Subsidiaries
For the Years Ended March 31, 2015 and 2016 (unaudited)

	Millions of yen	
	2015	2016
Cash flows from operating activities:		
Profit before income taxes and non-controlling interests	¥ 9,379	¥ 9,081
Adjustments to reconcile profit before income taxes and non-controlling interests to net cash provided by operating activities:		
Depreciation	8,196	8,429
Impairment loss	1,336	1,786
Amortization of goodwill	590	817
Gain on bargain purchase	(3,146)	—
Increase (decrease) in allowance for doubtful receivables	(67)	1,668
Increase of net defined benefit liability	1,562	1,596
Decrease in reserve for losses on construction contracts	(1,948)	(71)
Interest and dividend income	(352)	(393)
Interest expense	1,056	992
Foreign exchange loss	2,983	532
Equity in net loss of nonconsolidated subsidiaries and affiliates	910	1,269
Increase in trade receivables	(13,379)	(2,756)
Increase in inventories	(4,618)	(4,860)
Decrease (increase) in other current assets	2,542	(8,044)
Increase (decrease) in trade payables	(575)	3,679
Increase (decrease) in accrued expenses	15,644	(5,809)
Increase (decrease) in advances received	(1,724)	3,802
Increase (decrease) in other current liabilities	386	(1,063)
Other	(6,369)	(306)
Subtotal	12,406	10,349
Interest and dividends received	365	405
Interest paid	(1,181)	(951)
Income taxes paid	(2,504)	(1,655)
Net cash and cash equivalents provided by operating activities	9,086	8,148
Cash flows from investing activities:		
Increase in time deposits	(2,061)	(2,204)
Decrease in time deposits	3,103	1,847
Purchase of property, plant and equipment	(11,944)	(8,249)
Proceeds from sales of property, plant and equipment	125	5,671
Purchase of intangible assets	(1,594)	(771)
Purchase of investments in securities	(523)	(271)
Payments for investments in capital of affiliates	—	(495)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,803)	—
Other	17	806
Net cash and cash equivalents used in investing activities	(14,680)	(3,666)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings, net	(5,246)	945
Proceeds from long-term debt	33,254	19,713
Payment of long-term debt	(23,457)	(24,786)
Proceeds from issuance of bonds	10,000	—
Redemption of bonds	—	(10,000)
Cash dividends paid	(1,565)	(1,670)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(107)
Other	(808)	(43)
Net cash and cash equivalents provided by (used in) financing activities	12,178	(15,948)
Effect of exchange rate changes on cash and cash equivalents	4,225	196
Net increase (decrease) in cash and cash equivalents	10,809	(11,270)
Cash and cash equivalents at beginning of year	49,961	60,770
Cash and cash equivalents of newly consolidated subsidiaries, at beginning of year	—	172
Cash and cash equivalents at end of year	¥ 60,770	¥ 49,672

11. Supplementary Information

(1) Consolidated Information by segments

1) Statements of Operations

(Unit: billion yen)

	Fiscal year ended March 31, 2015		Fiscal year ended March 31, 2016		Difference	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Environmental Systems & Industrial Plants	226.0	13.6	241.6	14.8	15.6	1.2
Machinery	104.4	0.8	104.5	-0.8	0.1	-1.6
Infrastructure	19.4	-2.1	30.8	0.4	11.4	2.5
Other Businesses	9.5	0.5	10.1	0.7	0.6	0.2
Total	359.3	12.8	387.0	15.1	27.7	2.3

2) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Difference
Environmental Systems & Industrial Plants	315.0	283.7	-31.3
Machinery	100.6	107.2	6.6
Infrastructure	27.7	34.5	6.8
Other Businesses	9.4	10.0	0.6
Total	452.7	435.4	-17.3

3) Order Backlog

(Unit: billion yen)

Business Segment	March 31, 2015	March 31, 2016	Difference
Environmental Systems & Industrial Plants	439.9	482.0	42.1
Machinery	90.1	92.8	2.7
Infrastructure	27.5	31.2	3.7
Other Businesses	0.2	0.1	-0.1
Total	557.7	606.1	48.4

(Notes)

As per reorganization effective April 1, 2015, Process Equipment and Precision Machinery are merged into Machinery segment.

In the above table, the figures of the previous fiscal year are restated to reflect this organizational change.

4) Consolidated Balance Sheet

(Unit: billion yen)

	As of March 31, 2015	As of March 31, 2016	Difference
Cash and time deposits	62.4	51.6	-10.8
Trade notes and accounts	136.5	139.2	2.7
Inventories	26.1	31.0	4.9
Tangible & intangible fixed assets	135.9	127.5	-8.4
Others	47.9	52.3	4.4
Total Assets	408.8	401.6	-7.2
Notes and accounts payable	58.9	62.6	3.7
Interest bearing debt	119.0	105.1	-13.9
Others	113.4	113.3	-0.1
Total Liabilities	291.3	281.0	-10.3
Shareholders' equity	107.7	114.0	6.3
Accumulated other comprehensive income	1.1	0.1	-1.0
Non-controlling interests	8.7	6.5	-2.2
Total Net Assets	117.5	120.6	3.1
Total Liabilities and Net Assets	408.8	401.6	-7.2

5) Consolidated Statements of Cash Flows

(Unit: billion yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Difference
Cash flows from operating activities	9.1	8.1	-1.0
Cash flows from investing activities	-14.7	-3.7	11.0
Cash flows from financing activities	12.2	-15.9	-28.1
Foreign exchange translation	4.2	0.2	-4.0
Increase/decrease in cash & cash equivalents	10.8	-11.3	-22.1
Cash & cash equivalents at beginning of year	49.9	60.7	10.8
Other increase/decrease	-	0.2	0.2
Cash & cash equivalents at end of year	60.7	49.6	-11.1

(2) Forecast of Consolidated Information by segments for fiscal year ending March 31, 2017

1) Statements of Operations

(Unit: billion yen)

		Fiscal year ended March 31, 2016		Fiscal year ending March 31, 2017		Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Net sales & Operating income	Environmental Systems & Industrial Plants	241.6	14.8	250.0	14.0	8.4	-0.8
	Machinery	104.5	-0.8	110.0	1.0	5.5	1.8
	Infrastructure	30.8	0.4	30.0	0.7	-0.8	0.3
	Other Businesses	10.1	0.7	10.0	0.3	-0.1	-0.4
	Total	387.0	15.1	400.0	16.0	13.0	0.9
Ordinary Income		12.2		12.0		-0.2	
Profit attributable to shareholders of Hitachi Zosen		5.8		6.0		0.2	

2) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended March 31, 2016	Fiscal year ending March 31, 2017	Difference
Environmental Systems & Industrial Plants	283.7	300.0	16.3
Machinery	107.2	110.0	2.8
Infrastructure	34.5	30.0	-4.5
Other Businesses	10.0	10.0	0.0
Total	435.4	450.0	14.6