



TECHNOLOGY THE WORLD NEEDS

PROFILE

Innovation has always been Tsukishima Kikai's defining trait. Since our foundation in 1905, we have over more than a century developed extensive expertise in diverse technology fields, ranging from waterworks, sewage treatment facilities and incinerators to industrial waste treatment, filtration, separation and other technologies.

Operations of the Tsukishima Kikai Group

TSK
TSUKISHIMA
KIKAI

Basic technologies and applications associated with sugar refining

Core technologies

Reaction, Crystallization, Distillation, Centrifuge separation, Filtration, Dehydration, Incineration, Combustion, Fusion, Vacuum processing

Applications

Applications

Water Environmental Business Division

Water: Filtration and purification, Wastewater treatment

Sewage: Sewage treatment, Sludge treatment

Affiliated companies

Tsukishima Technology Maintenance Services Co., Ltd.

Samukawa Water Services Co., Ltd.

Industrial Business Division

Industrial plant equipment and machinery, Sugar and biotechnology, Incineration, Vacuum processing

Affiliated companies

Tsukishima Kankyo Engineering Ltd.

SUN ECO THERMAL Co., Ltd.

Tsukishima Machine Sales Co., Ltd.



BUSINESS SEGMENTS

Water Environmental Business

| Subsegments | Business description |
|-------------------------------------|--|
| Plants and process equipment | Various plants and equipment |
| Life cycle business | PFI/DBO/Comprehensive O&M contracts |
| Operation and Maintenances | One-year/multi-year O&M contracts/Maintenance/Parts/Repair/Chemicals |

Industrial Business

| Subsegments | Business description |
|-------------------------------------|--|
| Plants and process equipment | Various plants and equipment |
| Incineration | Incineration plants and equipment |
| Operation and Maintenances | Maintenance/Parts |
| Other | Intermediary treatment of industrial and non-industrial waste (incineration) |



Environment and energy power our success



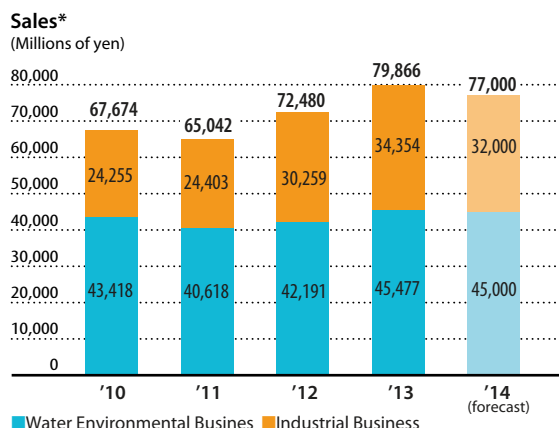
Kazuhiko Yamada
President and Chief Executive Officer,
Representative Director

I am pleased to present this report concerning our activities in fiscal 2013 (April 1, 2012 to March 31, 2013).

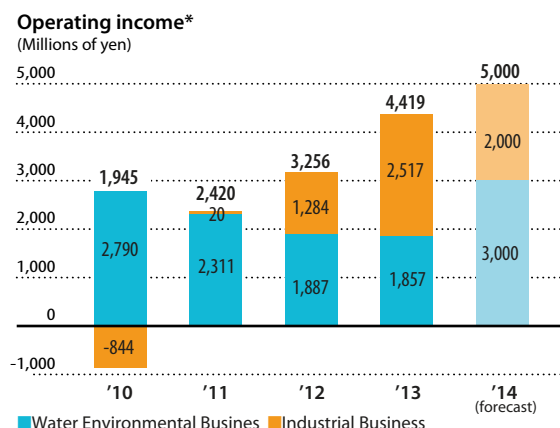
Business conditions in the Japanese economy remained adverse in fiscal 2013 due to continuing yen appreciation in the first half and a gradual decline in corporate production activity. From the second half onward, however, business conditions began to show momentum for gradual recovery, despite lingering weakness in some sectors, as signs of improvement in corporate earnings, mainly at large corporations, began to appear against a backdrop of improvement in the export environment and the impact of government economic policies and monetary easing. At the same time, however, lingering concerns about persistent downside risk in overseas economies negatively affected business conditions.

Amidst this economic environment, the machinery sector saw continuation of generally steady public investment in Japan. The industrial machinery sector as well, saw signs of a recovery trend in capital investment demand in Japan. Although economic recovery overseas remains weak due to uncertainty about the European economy, a firming trend began to appear in the second half.

Responding to these circumstances, in the final year of the three-year medium-term management plan launched in fiscal 2011, the Tsukishima Kikai Group (the Group) has engaged in business activities that centered on the environment and energy, fields of deep interest and concern worldwide. As a result, in fiscal 2013 we achieved increases in sales and income and secured a record-high orders received. Accordingly, we are particularly proud of our business results and the activities featured in this year's report.



* The above figures also include the other segment.



* The above figures also include the other segment.

Orders, Net Sales and Income

Please refer to the information on the business results for fiscal 2013 in the graphs below.

SEGMENT RESULTS

Water Environmental Business

Public investment in Japan was steady, and orders for PFI^{*1} and DBO^{*2} projects combining facility construction with long-term maintenance and management contracts and multi-year and comprehensive O&M^{*3} service contracts continued to increase.

In this business environment, the Group engaged in sales activities to win contracts in Japan for expansion and renewal of sludge treatment facilities for water purification and sewage treatment plants and sludge incineration facilities as well as contracts for PFI and DBO projects and O&M services leveraging energy-producing and energy-saving products.

The following graphs show the results for the Water Environmental Business.

*1 PFI: Private finance initiative

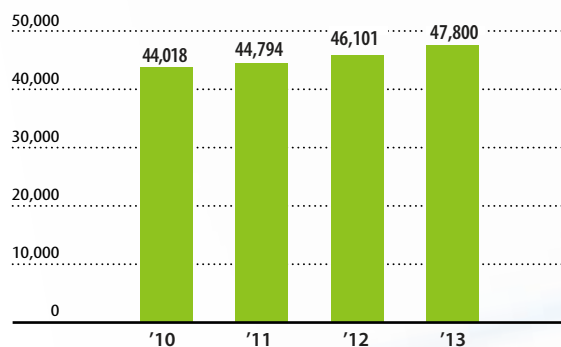
*2 DBO: Design, build, operate

*3 Comprehensive operation and maintenance (O&M) services: In addition to the operation and management of facilities, contracts for comprehensive O&M services also include repair services and the supply of chemicals and other requirements.

Industrial Business

In Japan, concerns about excess capacity in various industrial sectors have gradually abated amid signs of business improvement against a background of improvement in the export environment and the impact of various economic measures. As a result, signs of recovery in capital investment have appeared. Overseas, a certain level of capital investment demand continued in emerging countries and resource-producing countries.

Total shareholders' equity
(Millions of yen)



In this business environment, the Group worked to win large plant projects overseas and engaged in wide-ranging sales activities in Japan and overseas for process equipment such as crystallizers, separators, and gas holders. In environment-related projects, we engaged in sales activities for waste liquid combustion systems and solid waste incineration facilities for Japan as well as for the Middle East and Southeast Asia.

The following graphs show the results for the Industrial Business.

Capital Investment

Capital investment in the year ended March 31, 2013 amounted to ¥1,478 million. Investment centered mainly the cost related to a new head office building.

Research and Development

Research and development are essential to the continuing technology-driven growth of the Group. In particular, we are committed to increased efforts to develop differentiating technologies and expand our offering of new products in the environment and energy fields.

In the Water Environmental Business segment, we will continue to enhance the line of process equipment in the sludge treatment sector, our main market, and pursue further technological differentiation in the area of sludge-to-fuel systems and fluidized bed incineration systems, for which we have already won a sizable amount of orders.

In the Industrial Business segment, we will strengthen our market competitiveness by differentiating our core technologies in the environmental and energy fields, focusing in particular on technology development for drying systems for low-grade coal and secondary battery manufacturing, for which future market growth is forecast.

Progress under the Medium-Term Management Plan

In May 2010, the Group adopted a medium-term management plan covering the three-year period from fiscal 2011 to fiscal 2013. As a result of wholeheartedly implementing the measures set forth in the plan in the key areas "Focusing on environmental and energy business fields" and "Expanding overseas business," we achieved the consolidated operating income targets for all three years of the plan. We achieved operating income of ¥4,400 million in fiscal 2013, the final year of the plan, substantially higher than the target of ¥3,800 million, which was twice the actual result of ¥1,900 million in fiscal 2010.

We look forward to the continuing support and cooperation of our shareholders, investors, and customers.

NEW MEDIUM-TERM MANAGEMENT PLAN (FY2014 TO FY2016)

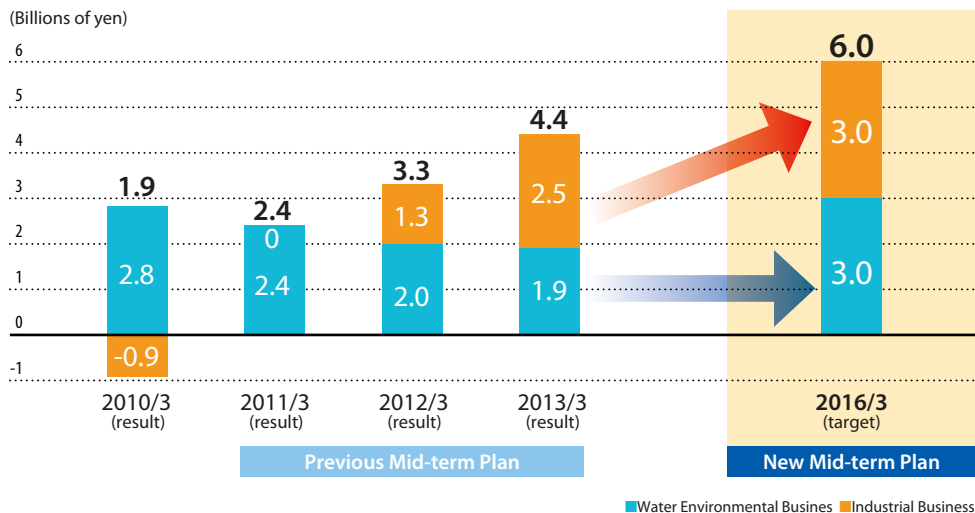
KEY MEASURES

- 1 Focus on the environmental and energy fields
- 2 Expand overseas business
- 3 Implement group-wide cost reductions

FINANCIAL TARGETS

| | 2013/3 | 2016/3 |
|------------------------|---------------|---------------|
| Orders received | ¥84.1 billion | ¥85.0 billion |
| Net sales | ¥79.9 billion | ¥86.0 billion |
| Operating income | ¥4.4 billion | ¥6.0 billion |
| Operating income ratio | 5.5% | 7.0% |

OPERATING INCOME RESULTS AND TARGET



TOPIC 1

Contributing to Preservation of the Global Environment by Applying Incineration Technologies in Industrial Activities around the World

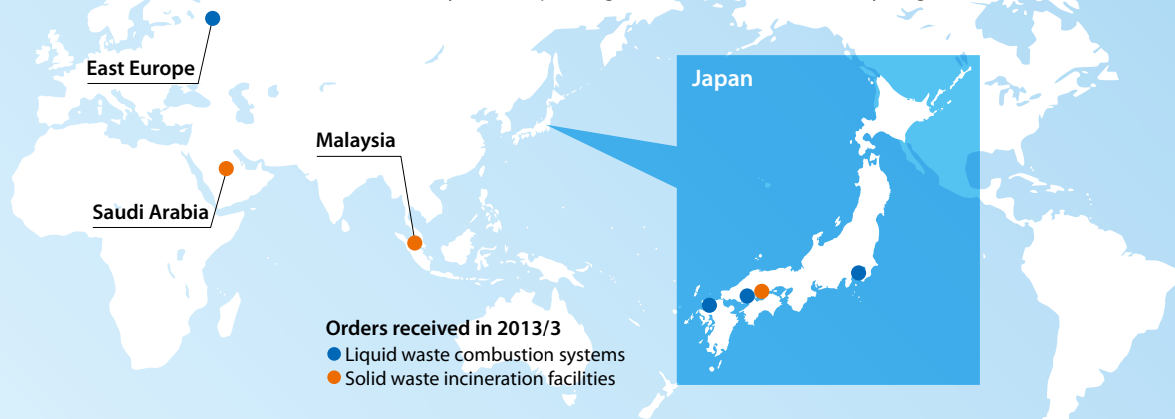


Liquid waste combustion system

Consolidated subsidiary Tsukishima Kankyo Engineering Co., Ltd. is receiving numerous orders for its incineration systems. Needs for these systems are expected to further increase in resource-producing countries and emerging countries.

In liquid waste combustion systems, the company is a market share leader not only in Japan, but worldwide. Its technologies are employed to efficiently incinerate and detoxify industrial-plant liquid waste in industries ranging from petrochemicals to pharmaceuticals and paper.

The company's solid waste treatment facilities incinerate a variety of solid waste emitted from industrial plants. Leveraging a reliable delivery record and advanced incineration technologies, the company proposes optimal systems tailored to specific applications, including waste heat recovery, electric power generation, and materials recycling.

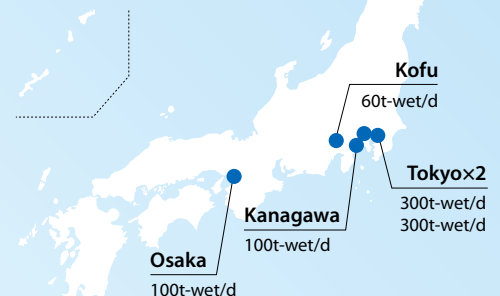


TOPIC 2

Marketing of a Next-Generation Sewage Sludge Incineration System in Japan

Tsukishima Kikai has delivered more than 100 sewage sludge incineration facilities to date. We have now developed a next-generation sewage sludge incineration system that represents the culmination of our proven technologies and have already received orders for five systems (as of July 2013).

In Japan, energy conservation at various facilities is a pressing issue because of both the need to reduce greenhouse gases to prevent global warming and to cope with changes in the electric power supply structure following the catastrophic earthquake of 2011. By performing combustion under pressure within the incinerator, this system efficiently incinerates sewage sludge and improves decomposition of N₂O, a greenhouse gas generated at the time of wastewater sludge combustion. Equipping the system with a turbocharger has made it possible to use flue gas exhaust energy to drive combustion air pumps, eliminating the need for the large blowers required by existing systems. As a result of this innovation, we have succeeded in reducing the amount of N₂O generated by more than 50% and electric power consumption by more than 40% compared to conventional incineration facilities. We aim to contribute to preserving the global environment by offering the system in Japan, and eventually, overseas.



* N₂O (dinitrogen monoxide) has 310 times the global warming potential of CO₂.

BOARD OF DIRECTORS



Masashi Teranishi

Board Member

Toshio Yonezawa

Board Member

Torahiko Maki

Board Member,
Executive Officer

Akihiko Watanabe

Board Member,
Executive Officer

Katushi Nakayama

Board Member

Kazuo Nakajima

Board Member,
Managing Executive Officer

Kazuhiko Yamada

President and Chief Executive Officer,
Representative Director

Takashi Kikkawa

Board Member,
Managing Executive Officer

FINANCIAL SECTION

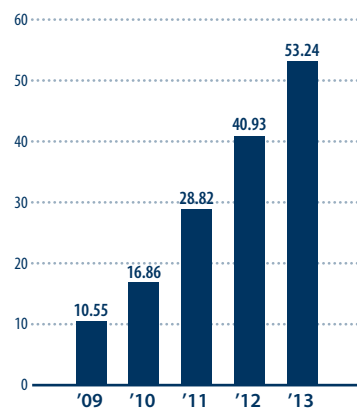
Five-Year Summary (Consolidated)

TSUKISHIMA KIKAI CO., LTD. and its consolidated subsidiaries
Years ended March 31

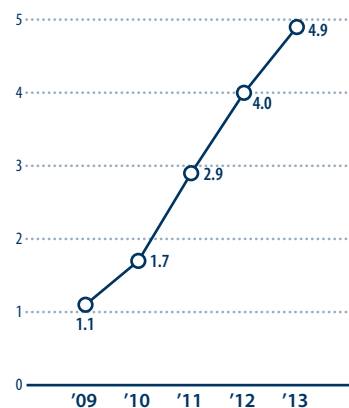
| | Millions of yen (Note 1) | | | | | Thousands of U.S. dollars (Note 1) |
|--|--------------------------|---------|---------|---------|---------|------------------------------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2013 |
| For the year: | | | | | | |
| Net sales..... | ¥79,866 | ¥72,480 | ¥65,042 | ¥67,674 | ¥77,753 | \$849,186 |
| Operating income..... | 4,419 | 3,256 | 2,420 | 1,945 | 2,850 | 46,985 |
| Income before income taxes..... | 4,048 | 3,630 | 2,167 | 2,007 | 1,182 | 43,040 |
| Net income..... | 2,369 | 1,822 | 1,282 | 753 | 480 | 25,188 |
| At year-end: | | | | | | |
| Total assets..... | 92,095 | 89,261 | 84,315 | 89,809 | 92,916 | 979,213 |
| Total shareholders' equity..... | ¥47,800 | ¥46,101 | ¥44,794 | ¥44,018 | ¥44,469 | \$508,240 |
| Per share: | | | | | | |
| Net income..... | ¥53.24 | ¥40.93 | ¥28.82 | ¥16.86 | ¥10.55 | \$0.56 |
| Cash dividends..... | ¥15.00 | ¥15.00 | ¥15.00 | ¥15.00 | ¥15.00 | \$0.15 |
| Number of shares outstanding (in thousands)..... | | | | | | |
| | 45,625 | 45,625 | 45,625 | 45,625 | 45,626 | |

Note: U.S. dollar amounts are translated from yen at the rate of ¥94.05 to US\$1, solely for the convenience of the reader. Amounts less than ¥1 million, \$1 thousand and Number of shares outstanding in thousands had been rounded off until FY2009. These amounts have been rounded down from FY2010.

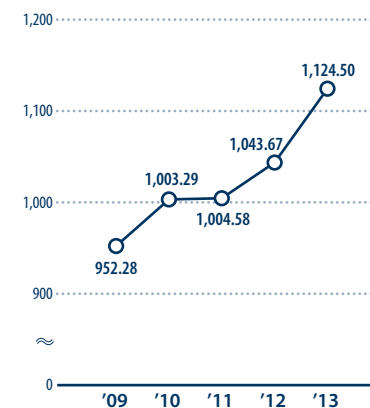
Net Income per Share
(Yen)



Return on Equity
(%)



Equity per Share
(Yen)



Consolidated Balance Sheets

TSUKISHIMA KIKAI CO., LTD. and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|---|--------------------------|-----------------|--|
| | 2013 | 2012 | 2013 |
| ASSETS | | | |
| Current assets: | | | |
| Cash and time deposits (Notes 7, 10) | ¥ 16,905 | ¥ 13,444 | \$ 179,744 |
| Marketable securities (Notes 2, 7, 8) | 6,000 | 3,000 | 63,795 |
| Notes and accounts receivable (Notes 7, 9, 10)..... | 34,126 | 35,729 | 362,849 |
| Less: allowance for doubtful accounts (Note 2)..... | (205) | (72) | (2,179) |
| Work in process (Note 2)..... | 2,678 | 3,045 | 28,474 |
| Raw materials and supplies (Note 2)..... | 127 | 149 | 1,350 |
| Deferred income taxes (Note 14) | 2,530 | 2,480 | 26,900 |
| Other current assets (Note 10) | 548 | 695 | 5,826 |
| Total current assets | 62,712 | 58,474 | 666,794 |
| Property, plant and equipment (Note 2): | | | |
| Land | 7,001 | 7,020 | 74,439 |
| Buildings and structures | 8,721 | 9,272 | 92,727 |
| Machinery and equipment..... | 14,957 | 15,052 | 159,032 |
| Lease assets..... | 638 | 450 | 6,783 |
| Construction in progress..... | 1,319 | 438 | 14,024 |
| | 32,638 | 32,235 | 347,028 |
| Less: accumulated depreciation | (19,789) | (19,144) | (210,409) |
| Net property, plant and equipment..... | 12,848 | 13,090 | 136,608 |
| Investments and other assets: | | | |
| Goodwill (Note 2) | 326 | 372 | 3,466 |
| Software | 235 | 395 | 2,498 |
| Lease assets (Note 2) | 50 | 58 | 531 |
| Investments in securities (Notes 2, 7, 8, 10)..... | 14,299 | 15,024 | 152,036 |
| Long-term loans receivable (Note 10)..... | 189 | 83 | 2,009 |
| Deferred income taxes (Note 14) | 1,127 | 1,351 | 11,982 |
| Other assets..... | 513 | 602 | 5,454 |
| Less: allowance for doubtful accounts (Note 2)..... | (208) | (193) | (2,211) |
| Total investments and other assets | 16,534 | 17,696 | 175,800 |
| Total assets | ¥ 92,095 | ¥ 89,261 | \$ 979,213 |

See Notes to Consolidated Financial Statements.

LIABILITIES AND NET ASSETS

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|---|--------------------------|---------|--|
| | 2013 | 2012 | 2013 |
| Current liabilities: | | | |
| Notes and accounts payable | | | |
| Trade (Notes 7, 9)..... | ¥14,758 | ¥17,298 | \$156,916 |
| Other | 2,032 | 1,503 | 21,605 |
| Short-term loans payable (Note 10) | 50 | 50 | 531 |
| Current portion of long-term loans payable (Notes 7, 9, 10) | 396 | 440 | 4,210 |
| Lease obligations (Note 10) | 154 | 115 | 1,637 |
| Accrued income taxes (Note 14) | 1,043 | 242 | 11,089 |
| Accrued expenses | 2,613 | 2,251 | 27,783 |
| Accrued warranty (Note 2) | 1,570 | 1,180 | 16,693 |
| Reserve for losses on contracts (Note 2) | 448 | 542 | 4,763 |
| Advances received | 4,390 | 5,662 | 46,677 |
| Other current liabilities | 2,615 | 2,444 | 27,804 |
| Total current liabilities | 30,073 | 31,731 | 319,755 |
| Long-term liabilities: | | | |
| Long-term loans payable (Notes 7, 9, 10)..... | 3,603 | 3,999 | 38,309 |
| Lease obligations (Note 10) | 360 | 320 | 3,827 |
| Deferred tax liabilities (Note 14)..... | 1,105 | — | 11,749 |
| Provision for post-employment benefits (Notes 2, 11)..... | 5,826 | 5,590 | 61,945 |
| Reserve for retirement payments to officers (Note 2) | 83 | 103 | 882 |
| Asset retirement obligations..... | 176 | 173 | 1,871 |
| Other long-term liabilities | 523 | 686 | 5,560 |
| Total long-term liabilities..... | 11,676 | 10,873 | 124,146 |
| Contingent liability (Note 15) | | | |
| Net assets: | | | |
| Shareholders' equity: | | | |
| Common stock, | | | |
| Authorized: 180 million shares in 2013 and 2012 | | | |
| Issued: 45,625,800 shares in 2013 and 2012 | 6,646 | 6,646 | 70,664 |
| Additional paid-in capital..... | 5,485 | 5,485 | 58,320 |
| Retained earnings | 36,262 | 34,562 | 385,560 |
| Treasury stock..... | (594) | (593) | (6,315) |
| Total shareholders' equity..... | 47,800 | 46,101 | 508,240 |
| Accumulated Other Comprehensive Income | | | |
| Net unrealized gains or losses on available-for-sale securities | 2,277 | 412 | 24,210 |
| Deferred gains or losses on hedges..... | (39) | (30) | (414) |
| Foreign currency translation adjustment..... | 15 | (27) | 159 |
| Total accumulated other comprehensive income..... | 2,253 | 354 | 23,955 |
| Minority interest | 291 | 198 | 3,094 |
| Total net assets | 50,344 | 46,655 | 535,289 |
| Total liabilities and net assets | ¥92,095 | ¥89,261 | \$979,213 |

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income

TSUKISHIMA KIKAI CO., LTD. and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|---|--------------------------|---------|--|
| | 2013 | 2012 | 2013 |
| Net sales (Notes 2, 20) | ¥79,866 | ¥72,480 | \$849,186 |
| Cost of sales (Note 12) | 65,460 | 60,136 | 696,012 |
| Gross profit | 14,406 | 12,343 | 153,173 |
| Selling, general and administrative expenses (Note 12) | 9,986 | 9,087 | 106,177 |
| Operating income (Note 20) | 4,419 | 3,256 | 46,985 |
| Other income (expenses): | | | |
| Interest and dividend income | 337 | 325 | 3,583 |
| Interest expenses | (91) | (108) | (967) |
| Gain on sales of investments in securities | 198 | 96 | 2,105 |
| Gain on sales of property, plant and equipment | 0 | — | 0 |
| Loss on sales and disposal of property, plant and equipment | (32) | (21) | (340) |
| Impairment loss (Note 13) | (787) | — | (8,367) |
| Equity in earnings of affiliates (Note 2) | 6 | 9 | 63 |
| Other, net (Note 16) | (2) | 72 | (21) |
| Other income (expenses), net | (370) | 374 | (3,934) |
| Income before income taxes | 4,048 | 3,630 | 43,040 |
| Income taxes (Notes 2, 14): | | | |
| Current | 1,343 | 531 | 14,279 |
| Deferred | 259 | 1,215 | 2,753 |
| Total income taxes | 1,602 | 1,747 | 17,033 |
| Income before minority interests | 2,446 | 1,883 | 26,007 |
| Minority interests | (76) | (61) | (808) |
| Net income | ¥ 2,369 | ¥ 1,822 | \$ 25,188 |

| Per share | Yen | U.S. dollars (Note 1) |
|----------------------|------------------|--------------------------|
| | Net income | ¥53.24 | ¥40.93 |
| Cash dividends | ¥15.00 | ¥15.00 |

See Notes to Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

TSUKISHIMA KIKAI CO., LTD. and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|---|--------------------------|--------|--|
| | 2013 | 2012 | 2013 |
| Income before minority interests | ¥2,446 | ¥1,883 | \$26,007 |
| Other comprehensive income (Note 5) | | | |
| Net unrealized gains or losses on available-for-sale securities | 1,864 | 430 | 19,819 |
| Deferred gains or losses on hedges..... | (15) | 7 | (159) |
| Foreign currency translation adjustment..... | 75 | (37) | 797 |
| Share of other comprehensive income of associates accounted for using equity method..... | 3 | 4 | 31 |
| Total other comprehensive income..... | 1,927 | 405 | 20,489 |
| Comprehensive income | ¥4,373 | ¥2,289 | \$46,496 |
| (Breakdown) | | | |
| Comprehensive income attributable to owners of the parent | ¥4,268 | ¥2,261 | \$45,380 |
| Comprehensive income attributable to minority interests | ¥ 105 | ¥ 28 | \$ 1,116 |

See Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Net Assets

TSUKISHIMA KIKAI CO., LTD. and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

| | Thousands | Millions of yen (Note 1) | | | | | | | | | | | |
|---|---|--------------------------|----------------------------|-------------------|----------------|----------------------------|---|------------------------------------|---|--|------|--------------------|------------------|
| | Number of shares of common stock issued | Shareholders' equity | | | | | Accumulated other comprehensive income | | | | | Minority interests | Total net assets |
| | | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity | Net unrealized gains or losses on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance as of April 1, 2011 | 45,625 | ¥6,646 | ¥5,485 | ¥33,254 | ¥(592) | ¥44,794 | ¥ (18) | ¥(58) | ¥ — | ¥ (76) | ¥ — | ¥44,718 | |
| Cash dividends..... | — | — | — | (667) | — | (667) | — | — | — | — | — | (667) | |
| Net income for the year ended March 31, 2012..... | — | — | — | 1,822 | — | 1,822 | — | — | — | — | — | 1,822 | |
| Change of scope of consolidation.... | — | — | — | 153 | — | 153 | — | — | — | — | — | 153 | |
| Change of scope of equity method... | — | — | — | — | — | — | — | — | — | — | — | — | |
| Purchase of treasury stock..... | — | — | — | — | (1) | (1) | — | — | — | — | — | (1) | |
| Net changes of items other than those in shareholders' equity..... | — | — | — | — | — | — | 430 | 27 | (27) | 431 | 198 | 629 | |
| Balance as of March 31, 2012 | 45,625 | ¥6,646 | ¥5,485 | ¥34,562 | ¥(593) | ¥46,101 | ¥412 | ¥(30) | ¥(27) | ¥354 | ¥198 | ¥46,655 | |

| | Thousands | Millions of yen (Note 1) | | | | | | | | | | | |
|---|---|--------------------------|----------------------------|-------------------|----------------|----------------------------|---|------------------------------------|---|--|------|--------------------|------------------|
| | Number of shares of common stock issued | Shareholders' equity | | | | | Accumulated other comprehensive income | | | | | Minority interests | Total net assets |
| | | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity | Net unrealized gains or losses on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance as of April 1, 2012 | 45,625 | ¥6,646 | ¥5,485 | ¥34,562 | ¥(593) | ¥46,101 | ¥ 412 | ¥(30) | ¥(27) | ¥ 354 | ¥198 | ¥46,655 | |
| Cash dividends..... | — | — | — | (667) | — | (667) | — | — | — | — | — | (667) | |
| Net income for the year ended March 31, 2013..... | — | — | — | 2,369 | — | 2,369 | — | — | — | — | — | 2,369 | |
| Change of scope of consolidation.... | — | — | — | — | — | — | — | — | — | — | — | — | |
| Change of scope of equity method... | — | — | — | (2) | — | (2) | — | — | — | — | — | (2) | |
| Purchase of treasury stock..... | — | — | — | — | (0) | (0) | — | — | — | — | — | (0) | |
| Net changes of items other than those in shareholders' equity..... | — | — | — | — | — | — | 1,864 | (9) | 42 | 1,898 | 92 | 1,990 | |
| Balance as of March 31, 2013 | 45,625 | ¥6,646 | ¥5,485 | ¥36,262 | ¥(594) | ¥47,800 | ¥2,277 | ¥(39) | ¥ 15 | ¥2,253 | ¥291 | ¥50,344 | |

| | Thousands | Thousands of U.S. dollars (Note 1) | | | | | | | | | | | |
|---|---|------------------------------------|----------------------------|-------------------|----------------|----------------------------|---|------------------------------------|---|--|---------|--------------------|------------------|
| | Number of shares of common stock issued | Shareholders' equity | | | | | Accumulated other comprehensive income | | | | | Minority interests | Total net assets |
| | | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity | Net unrealized gains or losses on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance as of April 1, 2012 | 45,625 | \$70,664 | \$58,320 | \$367,485 | \$(6,305) | \$490,175 | \$ 4,380 | \$(318) | \$(287) | \$ 3,763 | \$2,105 | \$496,065 | |
| Cash dividends..... | — | — | — | (7,091) | — | (7,091) | — | — | — | — | — | (7,091) | |
| Net income for the year ended March 31, 2013..... | — | — | — | 25,188 | — | 25,188 | — | — | — | — | — | 25,188 | |
| Change of scope of consolidation.... | — | — | — | — | — | — | — | — | — | — | — | — | |
| Change of scope of equity method... | — | — | — | (21) | — | (21) | — | — | — | — | — | (21) | |
| Purchase of treasury stock..... | — | — | — | — | (0) | (0) | — | — | — | — | — | (0) | |
| Net changes of items other than those in shareholders' equity..... | — | — | — | — | — | — | 19,819 | (95) | 446 | 20,180 | 978 | 21,158 | |
| Balance as of March 31, 2013 | 45,625 | \$70,664 | \$58,320 | \$385,560 | \$(6,315) | \$508,240 | \$24,210 | \$(414) | \$ 159 | \$23,955 | \$3,094 | \$535,289 | |

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

TSUKISHIMA KIKAI CO., LTD. and its consolidated subsidiaries
Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|---|--------------------------|----------------|--|
| | 2013 | 2012 | 2013 |
| Cash flows from operating activities: | | | |
| Income before income taxes and minority interests..... | ¥ 4,048 | ¥ 3,630 | \$ 43,040 |
| Adjustments for: | | | |
| Depreciation and amortization | 1,064 | 1,277 | 11,313 |
| Impairment loss..... | 787 | — | 8,367 |
| Amortization of goodwill | 46 | 46 | 489 |
| Increase (decrease) in provision for post-employment benefits..... | 234 | 178 | 2,488 |
| Increase (decrease) in accrued bonus to employees | 102 | 39 | 1,084 |
| Increase (decrease) in reserve for retirement payments to officers..... | (19) | (0) | (202) |
| Increase (decrease) in allowance for doubtful accounts..... | 148 | (36) | 1,573 |
| Increase (decrease) in accrued warranty | 389 | (369) | 4,136 |
| Increase (decrease) in reserve for losses on contracts | (93) | 181 | (988) |
| Interest and dividend income | (337) | (325) | (3,583) |
| Interest expenses..... | 91 | 108 | 967 |
| Equity in (earnings) losses of affiliates | (6) | (9) | (63) |
| Loss (gain) on sales and disposal of property, plant and equipment..... | 32 | 21 | 340 |
| Loss (gain) on sales of investments in securities | (198) | (96) | (2,105) |
| (Increase) decrease in notes and accounts receivable | 1,629 | (4,749) | 17,320 |
| Increase (decrease) in advances received..... | (1,305) | 2,250 | (13,875) |
| (Increase) decrease in inventories..... | 389 | (818) | 4,136 |
| Increase (decrease) in notes and accounts payable, trade | (2,580) | 2,067 | (27,432) |
| Other | 799 | (848) | 8,495 |
| Subtotal | 5,221 | 2,547 | 55,513 |
| Interest and dividend income received | 343 | 332 | 3,646 |
| Interest expenses paid | (91) | (111) | (967) |
| Income taxes paid..... | (381) | (145) | (4,051) |
| Net cash provided by (used in) operating activities..... | 5,091 | 2,623 | 54,130 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment..... | (1,216) | (831) | (12,929) |
| Proceeds from sales of property, plant and equipment..... | 22 | 0 | 233 |
| Purchase of intangible fixed assets | (51) | (82) | (542) |
| Purchase of investments in securities | (115) | (600) | (1,222) |
| Proceeds from sales of investments in securities..... | 3,943 | 392 | 41,924 |
| Payments for loans receivable | (106) | (27) | (1,127) |
| Collection of loans receivable | 9 | 5 | 95 |
| Other | 107 | (36) | 1,137 |
| Net cash provided by (used in) investing activities | 2,593 | (1,178) | 27,570 |
| Cash flows from financing activities: | | | |
| Proceeds from long-term loans payable..... | — | 500 | — |
| Repayments of long-term loans payable..... | (440) | (1,192) | (4,678) |
| Repayments of lease obligations..... | (132) | (89) | (1,403) |
| Additions of treasury stock..... | (0) | (1) | (0) |
| Cash dividends paid | (667) | (667) | (7,091) |
| Cash dividends paid to minority shareholders | (13) | — | (138) |
| Net cash provided by (used in) financing activities..... | (1,254) | (1,450) | (13,333) |
| Effect of exchange rate change on cash and cash equivalents..... | 139 | 4 | 1,477 |
| Net increase (decrease) in cash and cash equivalents..... | 6,570 | (0) | 69,856 |
| Cash and cash equivalents at beginning of period (Notes 2, 6) | 16,294 | 16,108 | 173,248 |
| Increase in cash and cash equivalents from newly consolidated subsidiaries | — | 186 | — |
| Cash and cash equivalents at end of period (Notes 2, 6)..... | ¥22,865 | ¥16,294 | \$243,115 |

See Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of TSUKISHIMA KIKAI Co., Ltd. ("the Company") and its consolidated subsidiaries have been prepared from the financial statements filed with the Financial Services Agency as required by the Japanese Financial Instruments and Exchange Law in accordance with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

Certain reclassifications have been made to present the accompanying consolidated financial statements in a format which is familiar to readers outside Japan.

For the convenience of the reader, the accompanying consolidated financial statements have been presented in U.S. dollars by translating all Japanese yen amounts at the exchange rate of ¥94.05 to \$1, the approximate rate of exchange at March 29, 2013.

Amounts less than ¥1 million have been rounded down. And U.S. dollars are translated from these amounts and have been rounded down.

The total amounts in Japanese yen and translated U.S. dollars shown in the consolidated financial statements and notes do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

The 8 major subsidiaries that have been consolidated with the Company are listed below:

- Tsukishima Technology Maintenance Service Co., Ltd.
- SUN ECO THERMAL Co., Ltd.
- Tsukishima Kankyo Engineering Ltd.
- Samukawa Water Service, Co., Ltd.
- Tsukishima Machine Sales Co., Ltd.
- Tsukishima Business Support Co., Ltd.
- TSK Engineering (Thailand) Co., Ltd.
- TSK Engineering China Co., Ltd.

Effective July 1, 2012, the Company merged with Tsukishima Techno Machinery Co., Ltd.

The fiscal year-end of all entities is March 31, except for 2 consolidated foreign subsidiaries, which use a December 31 year-end, and adjustment is made for any significant transactions between the different fiscal year-ends.

(b) Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

The equity method is applied to the investments in 3 affiliates.

The cost method is applied to investments in the remaining unconsolidated subsidiaries and affiliates since they are not material for the consolidated financial statements.

The affiliates accounted for by the equity method are listed below:

- Edogawa Water Service, Co., Ltd.
- Bio Call Hiroshima-seibu Co., Ltd.
- Bio Call Plant Service Co., Ltd.

Bio Call Hiroshima-seibu Co., Ltd. and Bio Call Plant Service Co., Ltd. have become equity method application companies from this financial year because of its increased materiality, respectively.

(c) Marketable Securities and Investments in Securities

All of the Group's securities are classified as follows: i) Held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are reported at amortized cost. ii) Available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. The cost of securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost, determined by the moving-average method.

(d) Inventories

The Company and its consolidated subsidiaries apply the cost method based on the methods mentioned below, which determines the amount of inventories shown in the balance sheet by writing them down based on the decrease in their profitability.

- (1) Work in process is stated at cost, which is determined by the specific cost method.
- (2) Raw materials are stated at cost, which is determined by the periodic average method.
- (3) Supplies are stated at cost, which is determined by the moving-average method.

(e) Property, Plant and Equipment excluding Lease Assets

Property, plant and equipment are carried at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiaries is principally computed by the declining balance method over the estimated useful lives of the assets, while the straight-line method is applied to buildings placed in service after April 1, 1998 (excluding facilities incidental to buildings), and foreign subsidiaries apply the straight-line method. The range of useful lives is from 3 to 60 years for buildings and structures and from 2 to 17 years for machinery and equipment.

(f) Lease Assets

Depreciation of assets on finance leases that do not transfer ownership of the leased assets to the lessee are calculated by the straight-line method over the lease period with their residual value zero.

Finance lease transactions starting before the fiscal year ended March 31, 2008 that do not transfer ownership of the leased property to the lessee are accounted for as operating leases.

(g) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided for in an amount sufficient to cover possible losses on collection. It consists of the estimated uncollectible amount with respect to identified doubtful receivables and an amount calculated on the historical loss experience with respect to remaining receivables.

(h) Accrued Warranty

The accrued warranty is provided for based on amounts determined as a certain percentage (which is distinguished between domestic and overseas construction) of the amount of completed construction contracts for the year, which is computed as a ratio of the actual repair costs incurred under the warranty against the amounts of completed construction contracts during the past years. In addition, the estimated repair costs for identified individual construction are provided.

(i) Reserve for Losses on Contracts

A reserve for losses on contracts is provided for an estimated amount of probable losses to be incurred in future years in respect of construction projects in progress.

(j) Provision for Post-employment Benefits

Accrued employees' retirement benefits are provided based on the projected retirement benefit obligation and the fair value of the plan assets at the end of the fiscal year.

(k) Reserve for Retirement Payments to Officers

Certain of the Company's consolidated subsidiaries have provided for reserve for retirement payments to officers under the retirement benefits plan which are calculated by the estimated amount to be paid if all officers retired at the balance sheet date.

With respect to officers' resignations, the retirement payments calculated under the retirement benefits plan are normally paid subject to approval of the shareholders. The retirement payments to officers should be provided for when such costs can be reasonably estimated.

(l) Income Taxes

The Company and its consolidated subsidiaries have adopted the asset-liability method of tax effect accounting to recognize the effect of all temporary differences in the recognition of the tax basis assets and liabilities and their financial reporting amounts.

(m) Translation of foreign currency financial statements of foreign subsidiaries

In translating the financial statements of foreign subsidiaries into Japanese yen, all assets and liabilities are translated into yen at current exchange rates while capital accounts and retained earnings are translated at historical rates, and revenue and expense items are translated at the average exchange rates during the year. The resulting translation adjustments are shown as "Foreign currency translation adjustment" in the accompanying consolidated balance sheets as of March 31, 2013 and 2012.

(n) Research and Development Costs

Research and development costs are charged to income as incurred.

(o) Recognition of Contract Revenue

The Company and its consolidated subsidiaries apply the percentage-of-completion method for the construction contracts which fulfill the conditions that the outcome of the construction activity is deemed certain during the course of the activity. Otherwise, the Company and its consolidated subsidiaries apply the completed-contract method.

(p) Goodwill

Any difference between the cost of an investment in a subsidiary and the amount of underlying equity in net assets of the subsidiary is treated as an asset, as the case may be, and amortized over a period of 10 years using the straight-line method.

(q) Cash Equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash on hand, at-call deposits with banks, and highly liquid investments which can be withdrawn without any restriction and with minimum market risk.

(r) Derivative Financial Instruments

The Company and certain consolidated subsidiaries use derivative financial instruments to manage their exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Company and certain consolidated subsidiaries to reduce foreign currency exchange risks and interest rate risks.

If interest rate swap contracts meet certain hedging criteria, the net amount to be paid or received under these swap contracts are added to or deducted from the interest on the assets or liabilities for which the swap contracts were executed ("Short-cut method").

The Company and certain consolidated subsidiaries do not enter into derivatives for trading or speculative purposes.

3. Change in Accounting Policy

Effective from the fiscal year ended March 31, 2013, due to a revision of the corporate tax law in Japan, the Company and its consolidated domestic subsidiaries have applied a depreciation method based on the revised law for tangible assets purchased on or after April 1, 2012. The impact of this change on operating income and income before income taxes for the fiscal year ended March 31, 2013 is immaterial.

4. New Accounting Pronouncement

Accounting Standard for Retirement Benefits

On May 17, 2012, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with effective date of April 1, 2000 and the other related practical guidances.

Major changes are as follows:

(1) Treatment in the consolidated balance sheets

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, "deficit or surplus"), adjusted by such unrecognized amounts, are recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and the deficit or surplus shall be recognized as a liability or asset.

(2) Treatment in the consolidated statements of income and the consolidated statement of comprehensive income

The revised accounting standard would not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and are yet to be recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

This accounting standard and the guidance are effective from the end of fiscal years beginning on or after April 1, 2013 with earlier adoption permitted from the beginning of fiscal years beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required. The Company expects to apply the revised accounting standard from the end of fiscal years beginning on or after April 1, 2013. The Company is currently evaluating the effect these modifications will have on its consolidated results of operations and financial position.

5. Other Comprehensive Income

Reclassification adjustments and tax effects of each component of other comprehensive income for the fiscal year ended March 31, 2013 and 2012 are as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|-------|---------------------------|
| | 2013 | 2012 | 2013 |
| Net unrealized gains or losses on available-for-sale securities | | | |
| Amount arising during the year | ¥ 3,091 | ¥ 767 | \$ 32,865 |
| Reclassification adjustment for gains and losses included in net income | (198) | (96) | (2,105) |
| Net unrealized gains or losses on available-for-sale securities before tax effect.... | 2,893 | 671 | 30,760 |
| Tax effect..... | (1,028) | (240) | (10,930) |
| Net unrealized gains or losses on available-for-sale securities..... | 1,864 | 430 | 19,819 |
| Deferred gains or losses on hedges | | | |
| Amount arising during the year | (46) | (40) | (489) |
| Reclassification adjustment for gains and losses included in net income | 22 | 28 | 233 |
| Deferred gains or losses on hedges before tax effect..... | (24) | (12) | (255) |
| Tax effect..... | 8 | 19 | 85 |
| Deferred gains or losses on hedges..... | (15) | 7 | (159) |
| Foreign currency translation adjustment | | | |
| Amount arising during the year | 75 | (37) | 797 |
| Tax effect..... | — | — | — |
| Foreign currency translation adjustment | 75 | (37) | 797 |
| Share of other comprehensive income of associates accounted for using equity method | | | |
| Amount arising during the year | (1) | (2) | (10) |
| Reclassification adjustment for gains and losses included in net income | 4 | 6 | 42 |
| Share of other comprehensive income of associates accounted for using equity method | 3 | 4 | 31 |
| Total other comprehensive income..... | ¥ 1,927 | ¥ 405 | \$ 20,489 |

6. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|---------|---------------------------|
| | 2013 | 2012 | 2013 |
| Cash and time deposits..... | ¥16,905 | ¥13,444 | \$179,744 |
| Marketable securities..... | 6,000 | 3,000 | 63,795 |
| Less: time deposits that mature or become due over three months after the date of acquisition | (40) | (150) | (425) |
| Cash and cash equivalents..... | ¥22,865 | ¥16,294 | \$243,115 |

7. Financial Instruments

Amounts on the consolidated balance sheets as of March 31, 2013 and 2012, fair value and variance were as follows:

| | Millions of yen | | |
|--|--|------------|----------|
| | 2013 | | |
| | Amounts on the consolidated Balance Sheets | Fair value | Variance |
| (1) Cash and time deposits..... | ¥16,905 | ¥16,905 | ¥ — |
| (2) Notes and accounts receivable | 34,126 | 33,741 | (385) |
| (3) Marketable securities and Investments in securities Securities classified as available-for-sale | 19,735 | 19,735 | — |
| Total..... | 70,767 | 70,382 | (385) |
| (4) Notes and accounts payable-trade..... | 14,758 | 14,758 | — |
| (5) Long-term loans payable (Include portion due within one year)..... | 3,999 | 4,020 | 21 |
| Total..... | 18,758 | 18,779 | 21 |
| (6) Derivative transactions* | ¥ (81) | ¥ (93) | ¥ (11) |

| | Millions of yen | | |
|--|--|------------|----------|
| | 2012 | | |
| | Amounts on the consolidated Balance Sheets | Fair value | Variance |
| (1) Cash and time deposits..... | ¥13,444 | ¥13,444 | ¥ — |
| (2) Notes and accounts receivable | 35,729 | 35,106 | (622) |
| (3) Marketable securities and Investments in securities Securities classified as available-for-sale | 17,540 | 17,540 | — |
| Total..... | 66,714 | 66,091 | (622) |
| (4) Notes and accounts payable-trade..... | 17,298 | 17,298 | — |
| (5) Long-term loans payable (Include portion due within one year)..... | 4,439 | 4,461 | 21 |
| Total..... | 21,738 | 21,759 | 21 |
| (6) Derivative transactions* | ¥ (57) | ¥ (56) | ¥ 0 |

| | Thousands of U.S. dollars | | |
|--|--|------------|----------|
| | 2013 | | |
| | Amounts on the consolidated Balance Sheets | Fair value | Variance |
| (1) Cash and time deposits..... | \$179,744 | \$179,744 | \$ — |
| (2) Notes and accounts receivable | 362,849 | 358,755 | (4,093) |
| (3) Marketable securities and Investments in securities Securities classified as available-for-sale | 209,835 | 209,835 | — |
| Total..... | 752,440 | 748,346 | (4,093) |
| (4) Notes and accounts payable-trade..... | 156,916 | 156,916 | — |
| (5) Long-term loans payable (Include portion due within one year)..... | 42,519 | 42,743 | 223 |
| Total..... | 199,447 | 199,670 | 223 |
| (6) Derivative transactions* | \$ (861) | \$ (988) | \$ (116) |

* Receivables and payables arising from derivative transactions are presented on a net basis, and if the total represents a liability, it is indicated in parentheses.

- Notes a. Method of measurement of fair values of financial instruments and matters concerning securities and derivative transactions
- (1) Cash and time deposits
As these items are settled in a short period of time and the fair value is almost equal to the book value, their book value is presented.
 - (2) Notes and accounts receivable
As these items are settled in a short period of time and the fair value is almost equal to the book value, their book value is presented. However, the fair value of Accounts receivable-installment is measured by taking the debtor's financial position into consideration due to the long-term repayment period, and discounted at the interest rate determined by the debtor's financial position.
 - (3) Marketable securities and Investments in securities
Marketable securities are negotiable certificate of deposit and settled in a short period of time and the fair value is almost equal to the book value, their book value is presented. Investment securities are valued at the exchange trading price.
 - (4) Notes and accounts payable-trade
As these items are settled in a short period of time and the fair value is almost equal to the book value, their book value is presented.
 - (5) Long-term loans payable (Include portion due within one year)
The fair values of long-term loans payable are determined by discounting the aggregate amount of the principle and interest at the rate assumed based on interest rates on government securities and credit risk.
In cases subject to the short-cut method with interest-rate swaps, the fair value is estimated based on the total of principal and interest under the short-cut method discounted by the interest rate that would be applied if similar new loans payable were entered into.
 - (6) Derivative transactions
The fair values of derivative transactions qualifying for hedge accounting are the forward quotation or the price presented by correspondent financial institutions.
The fair value of interest-rate swaps accounted for by the short-cut method is included in the fair value of long-term loans payable which is designated as the hedged item.

b. The following table summarizes financial instruments whose fair value is extremely difficult to estimate.

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Non-listed stocks | ¥420 | ¥412 | \$4,465 |
| Non-consolidated subsidiary and associated company stocks | ¥144 | ¥ 71 | \$1,531 |

These stocks were not included in "(3) Marketable securities and Investments in securities", since the identification of the current values thereof was deemed extremely difficult, due to the absence of market values.

c. The aggregate maturities of monetary claims and available-for-sale securities with maturity outstanding as of March 31, 2013 and 2012 were as follows:

| | Millions of yen | | | |
|--|-----------------|-------------------------------|---------------------------------|---------------|
| | 2013 | | | |
| | Within 1 year | Over 1 year Within 5 years | Over 5 years Within 10 years | Over 10 years |
| Cash and time deposits | ¥16,905 | ¥ — | ¥ — | ¥ — |
| Notes and accounts receivable | 30,040 | 1,433 | 1,647 | 1,004 |
| Marketable securities and Investments in securities Securities classified as available-for-sale | 6,000 | — | — | — |
| Total | ¥52,945 | ¥1,433 | ¥1,647 | ¥1,004 |

| | Millions of yen | | | |
|--|-----------------|-------------------------------|---------------------------------|---------------|
| | 2012 | | | |
| | Within 1 year | Over 1 year Within 5 years | Over 5 years Within 10 years | Over 10 years |
| Cash and time deposits | ¥13,444 | ¥ — | ¥ — | ¥ — |
| Notes and accounts receivable | 31,271 | 1,465 | 1,679 | 1,312 |
| Marketable securities and Investments in securities Securities classified as available-for-sale | 3,000 | — | — | — |
| Total | ¥47,715 | ¥1,465 | ¥1,679 | ¥1,312 |

| | Thousands of U.S. dollars | | | |
|---|---------------------------|-------------------------------|---------------------------------|------------------|
| | 2013 | | | |
| | Within 1 year | Over 1 year Within 5 years | Over 5 years Within 10 years | Over 10 years |
| Cash and time deposits..... | \$179,744 | \$ — | \$ — | \$ — |
| Notes and accounts receivable..... | 319,404 | 15,236 | 17,511 | 10,675 |
| Marketable securities and Investments in securities Securities classified as available-for-sale..... | 63,795 | — | — | — |
| Total..... | \$562,945 | \$15,236 | \$17,511 | \$10,675 |

d. The aggregate maturities of long-term loans payable outstanding as of March 31, 2013 and 2012 were as follows:

| | Millions of yen | | | | | |
|---|------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|
| | 2013 | | | | | |
| | Within 1 year | Over 1 year Within 2 years | Over 2 years Within 3 years | Over 3 years Within 4 years | Over 4 years Within 5 years | Over 5 years |
| Long-term loans payable (Include portion due within one year)... | ¥396 | ¥384 | ¥390 | ¥325 | ¥273 | ¥2,228 |
| Total..... | ¥396 | ¥384 | ¥390 | ¥325 | ¥273 | ¥2,228 |

| | Millions of yen | | | | | |
|---|------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|
| | 2012 | | | | | |
| | Within 1 year | Over 1 year Within 2 years | Over 2 years Within 3 years | Over 3 years Within 4 years | Over 4 years Within 5 years | Over 5 years |
| Long-term loans payable (Include portion due within one year)... | ¥440 | ¥396 | ¥384 | ¥390 | ¥325 | ¥2,502 |
| Total..... | ¥440 | ¥396 | ¥384 | ¥390 | ¥325 | ¥2,502 |

| | Thousands of U.S. dollars | | | | | |
|---|---------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------|
| | 2013 | | | | | |
| | Within 1 year | Over 1 year Within 2 years | Over 2 years Within 3 years | Over 3 years Within 4 years | Over 4 years Within 5 years | Over 5 years |
| Long-term loans payable (Include portion due within one year)... | \$4,210 | \$4,082 | \$4,146 | \$3,455 | \$2,902 | \$23,689 |
| Total..... | \$4,210 | \$4,082 | \$4,146 | \$3,455 | \$2,902 | \$23,689 |

8. Marketable Securities and Investments in Securities

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2013 and 2012 were as follows:

| | Millions of yen | | | |
|----------------------------------|-----------------|------------------|-------------------|------------|
| | 2013 | | | |
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Securities classified as: | | | | |
| Available-for-sale: | | | | |
| Equity securities | ¥10,201 | ¥4,779 | ¥(1,245) | ¥13,735 |
| Others..... | 6,000 | — | — | 6,000 |
| | ¥16,201 | ¥4,779 | ¥(1,245) | ¥19,735 |
| Held-to-maturity securities..... | ¥ — | ¥ — | ¥ — | ¥ — |

| | Millions of yen | | | |
|----------------------------------|-----------------|------------------|-------------------|------------|
| | 2012 | | | |
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Securities classified as: | | | | |
| Available-for-sale: | | | | |
| Equity securities | ¥13,894 | ¥2,386 | ¥(1,746) | ¥14,534 |
| Others..... | 3,004 | 1 | — | 3,006 |
| | ¥16,899 | ¥2,387 | ¥(1,746) | ¥17,540 |
| Held-to-maturity securities..... | ¥ — | ¥ — | ¥ — | ¥ — |

| | Thousands of U.S. dollars | | | |
|----------------------------------|---------------------------|------------------|-------------------|------------|
| | 2013 | | | |
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Securities classified as: | | | | |
| Available-for-sale: | | | | |
| Equity securities | \$108,463 | \$50,813 | \$(13,237) | \$146,039 |
| Others..... | 63,795 | — | — | 63,795 |
| | \$172,259 | \$50,813 | \$(13,237) | \$209,835 |
| Held-to-maturity securities..... | \$ — | \$ — | \$ — | \$ — |

9. Derivative transactions

Derivative financial instruments with fair value as of March 31, 2013 and 2012 were as follows:

(a) Derivative transactions not qualifying for hedge accounting

There is not the matter.

(b) Derivative transactions qualifying for hedge accounting

(1) Currency-related

(Foreign exchange contracts and other derivative transactions qualifying for designation accounting)

| | | Millions of yen | | |
|---|--------------------------------|--------------------------|---|--------------|
| | | 2013 | | |
| | | Contracts outstanding | Contracts outstanding (Over one year) | Fair value |
| Forward foreign currency exchange contracts: | Principal items hedged: | | | |
| Sell U.S. dollar, buy Japanese yen | Accounts receivable..... | ¥ 590 | ¥ 45 | ¥(33) |
| Sell Euro, buy Japanese yen | ..... | — | — | — |
| Sell Ringgit Malaysia, buy Japanese yen | ..... | 271 | — | (13) |
| Sell Chinese yuan, buy Japanese yen | ..... | 102 | 90 | (2) |
| Buy U.S. dollar, sell Japanese yen | Accounts payable-trade..... | 277 | — | 15 |
| Buy Euro, sell Japanese yen | ..... | 48 | — | 5 |
| Buy Thai baht, sell Japanese yen | ..... | — | — | — |
| Buy Singapore dollar, sell Japanese yen | ..... | 29 | — | 0 |
| Total..... | | ¥1,321 | ¥135 | ¥(28) |

| | | Millions of yen | | |
|---|--------------------------------|--------------------------|---|--------------|
| | | 2012 | | |
| | | Contracts outstanding | Contracts outstanding (Over one year) | Fair value |
| Forward foreign currency exchange contracts: | Principal items hedged: | | | |
| Sell U.S. dollar, buy Japanese yen | Accounts receivable..... | ¥ 980 | ¥— | ¥(16) |
| Sell Euro, buy Japanese yen | ..... | 388 | — | 14 |
| Sell Ringgit Malaysia, buy Japanese yen | ..... | — | — | — |
| Sell Chinese yuan, buy Japanese yen | ..... | — | — | — |
| Buy U.S. dollar, sell Japanese yen | Accounts payable-trade..... | 442 | — | 5 |
| Buy Euro, sell Japanese yen | ..... | 209 | — | (3) |
| Buy Thai baht, sell Japanese yen | ..... | 19 | — | 0 |
| Buy Singapore dollar, sell Japanese yen | ..... | — | — | — |
| Total..... | | ¥2,039 | ¥— | ¥ (1) |

| | | Thousands of U.S. dollars | | |
|---|--------------------------------|---------------------------|---|------------|
| | | 2013 | | |
| | | Contracts outstanding | Contracts outstanding (Over one year) | Fair value |
| Forward foreign currency exchange contracts: | Principal items hedged: | | | |
| Sell U.S. dollar, buy Japanese yen | Accounts receivable..... | \$ 6,273 | \$ 478 | \$(350) |
| Sell Euro, buy Japanese yen | ..... | — | — | — |
| Sell Ringgit Malaysia, buy Japanese yen | ..... | 2,881 | — | (138) |
| Sell Chinese yuan, buy Japanese yen | ..... | 1,084 | 956 | (21) |
| Buy U.S. dollar, sell Japanese yen | Accounts payable-trade..... | 2,945 | — | 159 |
| Buy Euro, sell Japanese yen | ..... | 510 | — | 53 |
| Buy Thai baht, sell Japanese yen | ..... | — | — | — |
| Buy Singapore dollar, sell Japanese yen | ..... | 308 | — | 0 |
| Total..... | | \$14,045 | \$1,435 | \$(297) |

Note The fair value is the forward quotation.

(2) Interest rate-related
(Derivative transactions qualifying for principle method or short-cut method)

| | | Millions of yen | | |
|-----------------------------|--------------------------------|--------------------------|---|------------|
| | | 2013 | | |
| | | Contracts outstanding | Contracts outstanding (Over one year) | Fair value |
| Interest rate swaps: | Principal items hedged: | | | |
| (Principle method) | | | | |
| Receive floating, pay fixed | Long-term loans payable | ¥3,497 | ¥3,236 | ¥(65) |
| (Short-cut method) | | | | |
| Receive floating, pay fixed | Long-term loans payable | 350 | 250 | Notes b. |
| Total..... | | ¥3,847 | ¥3,486 | ¥(65) |

| | | Millions of yen | | |
|-----------------------------|--------------------------------|--------------------------|---|------------|
| | | 2012 | | |
| | | Contracts outstanding | Contracts outstanding (Over one year) | Fair value |
| Interest rate swaps: | Principal items hedged: | | | |
| (Principle method) | | | | |
| Receive floating, pay fixed | Long-term loans payable | ¥3,752 | ¥3,497 | ¥(55) |
| (Short-cut method) | | | | |
| Receive floating, pay fixed | Long-term loans payable | 450 | 350 | Notes b. |
| Total..... | | ¥4,202 | ¥3,847 | ¥(55) |

| | | Thousands of U.S. dollars | | |
|-----------------------------|--------------------------------|---------------------------|---|-----------------|
| | | 2013 | | |
| | | Contracts outstanding | Contracts outstanding (Over one year) | Fair value |
| Interest rate swaps: | Principal items hedged: | | | |
| (Principle method) | | | | |
| Receive floating, pay fixed | Long-term loans payable | \$37,182 | \$34,407 | \$(691) |
| (Short-cut method) | | | | |
| Receive floating, pay fixed | Long-term loans payable | 3,721 | 2,658 | Notes b. |
| Total..... | | \$40,903 | \$37,065 | \$(691) |

Notes a. The fair value is the price presented by correspondent financial institutions.

b. The fair value of interest-rate swaps accounted for by the short-cut method is included in the fair value of long-term loans payable which is designated as the hedged item.

10. Short-term Loans Payable, Long-term Loans Payable and Lease Obligations

Short-term loans payable are represented by 12-month notes, and the weighted average interest rates applicable to such loans payable as of March 31, 2013 and 2012 were approximately 0.6 percent for both years.

Interest rates of long-term loans payable as of March 31, 2013 and 2012 were between 0.75 percent and 4.00 percent for both years.

Long-term loans payable as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|--------|------------------------------|
| | 2013 | 2012 | 2013 |
| Loans payable, due 2026..... | ¥3,999 | ¥4,439 | \$42,519 |
| Less: portion due within one year..... | (396) | (440) | (4,210) |
| | ¥3,603 | ¥3,999 | \$38,309 |

Lease obligations as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|------------------|-----------------|------|------------------------------|
| | 2013 | 2012 | 2013 |
| Current..... | ¥154 | ¥115 | \$1,637 |
| Non-current..... | 360 | 320 | 3,827 |
| | ¥514 | ¥435 | \$5,465 |

The following assets were pledged as collateral for the long-term loans payable of ¥3,497 million (\$37,182 thousand) and ¥3,752 million for the year ended March 31, 2013 and 2012, respectively.

| | Millions of yen | | Thousands of U.S. dollars |
|-------------------------|-----------------|------|------------------------------|
| | 2013 | 2012 | 2013 |
| Deposit..... | ¥730 | ¥744 | \$7,761 |
| Account receivable..... | 163 | 170 | 1,733 |
| | ¥894 | ¥915 | \$9,505 |

The following assets were pledged as collateral for the long-term loans payable at affiliated companies and others of ¥2,432 million (\$25,858 thousand) and ¥2,404 million for the year ended March 31, 2013 and 2012, respectively.

| | Millions of yen | | Thousands of U.S. dollars |
|-----------------------------------|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Short-term loans receivable | ¥ 4 | ¥ 5 | \$ 42 |
| Investments in securities | 55 | 36 | 584 |
| Long-term loans receivable..... | 189 | 83 | 2,009 |
| | ¥250 | ¥125 | \$2,658 |

11. Provision for Post-employment Benefits

Provision for post-employment benefit obligations as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|----------|---------------------------|
| | 2013 | 2012 | 2013 |
| a. Post-employment benefit obligations..... | ¥(7,434) | ¥(6,785) | \$(79,043) |
| b. Pension assets..... | 888 | 817 | 9,441 |
| c. Net-total (a+b)..... | (6,545) | (5,967) | (69,590) |
| d. Unrecognized actuarial differences..... | 718 | 391 | 7,634 |
| e. Unrecognized prior service cost..... | 0 | (14) | 0 |
| f. Provisions for post-employment benefits (c+d+e)..... | ¥(5,826) | ¥(5,590) | \$(61,945) |

Post-employment benefit expenses for the years ended March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| a. Service costs | ¥560 | ¥500 | \$5,954 |
| b. Interest costs | 121 | 121 | 1,286 |
| c. Expected return | (12) | (13) | (127) |
| d. Amortization of unrecognized actuarial differences | 144 | 90 | 1,531 |
| e. Amortization of prior service cost | (15) | (15) | (159) |
| f. Post-employment benefit expenses total..... | 798 | 683 | 8,484 |
| g. Others..... | 64 | 65 | 680 |
| Total (f+g)..... | ¥862 | ¥748 | \$9,165 |

Basic measurement of post-employment benefit obligations and other items

| | 2013 | 2012 |
|--|-----------------------------|----------------------|
| a. Allocation method for projected post-employment benefits | Straight-line method | Straight-line method |
| b. Discount rate | 1.2% | 2.0% |
| c. Expected rate of return | 1.5% | 1.5% |
| d. Amortization period of prior service cost | 11–14 years | 11–14 years |
| e. Amortization period of actuarial differences | 7 years | 7 years |

12. Research and Development Costs

Research and development costs charged to income for the years ended March 31, 2013 and 2012 amounted to ¥1,165 million (\$12,387 thousand) and ¥953 million, respectively.

13. Impairment loss

For the fiscal year ended March 31, 2013, the Company and its consolidated subsidiaries recognized impairment loss of fixed assets on the following groups of assets.

| Use | Type of Assets | Location |
|---------------------------------|----------------------|--|
| Electron beam welding equipment | Buildings, machinery | Ichikawa Plant (Ichikawa city Chiba Prefecture) |

(Background of the recognition)

For the fiscal year ended March 31, 2013, the Company and its consolidated subsidiaries recognized impairment loss of the electron beam welding (EBW) equipment which is used to manufacture aluminum vacuum chambers, mainly for liquid crystal panel manufacturing equipment. This recognition reflected the anticipation of future continuous loss due to a decrease in the order volume and declines in sales prices.

(Amount of impairment loss)

| Type of Assets | Millions of yen | Thousands of U.S. dollars |
|-----------------|-----------------|---------------------------|
| | 2013 | 2013 |
| Buildings | ¥522 | \$5,550 |
| Machinery | 264 | 2,807 |
| | ¥787 | \$8,367 |

(Method for grouping assets)

Until the fiscal year ended March 31, 2012, for the purpose of recognition of impairment loss, a grouping method was adopted due to difficulty to closely associate certain fixed assets to a specific business. The Company grouped the fixed assets of the Company and its manufacturing subsidiary as one asset group. Fixed assets of other consolidated subsidiaries were grouped basically as one asset group per one company, owing to immateriality in amount and other aspects. However, upon the merger of a manufacturing subsidiary during the fiscal year under review under the Group reorganization, the Company reclassified EBW equipment in its managerial accounting system. This move was taken to improve profit and loss management regarding EBW equipment, which was faced with severe market conditions. Accordingly, fixed assets of the Group were re-grouped into "machinery and equipment for the water environmental business and industrial business of the Company", "EBW-related machinery and equipment among the industrial business of the Company" and other assets which are grouped basically as one asset group per one company of the consolidated subsidiaries.

(Method for calculating recoverable values)

The recoverable amount for the assets was net realizable value.

The recoverable amount was measured at the net realizable value of the memorandum value since it was difficult to calculate the selling price.

14. Income Taxes

Income tax applicable to the Company and its consolidated subsidiaries consists of corporate income tax, enterprise taxes and corporate inhabitants' taxes.

The effective income tax rate of the Company and its consolidated subsidiaries differs from the statutory tax rate for the following reasons:

| | 2012 |
|---|--------------|
| Statutory tax rate..... | 40.7% |
| Expenses not deductible for tax purposes..... | 3.4 |
| Non-taxable dividend income..... | (1.7) |
| Per capita levy of inhabitant taxes..... | 0.8 |
| Valuation allowance..... | (3.1) |
| Effects from the income tax rate change..... | 7.3 |
| Other—net..... | 0.7 |
| Effective tax rate..... | <u>48.1%</u> |

Note of the reasons for the year ended March 31, 2013 is omitted because the difference between the statutory tax rate and effective tax rate is less than 5% of the statutory tax rate.

Deferred tax assets and liabilities at March 31, 2013 and 2012 were composed of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|----------|------------------------------|
| | 2013 | 2012 | 2013 |
| Deferred tax assets: | | | |
| Accrued cost of sales..... | ¥ 540 | ¥ 274 | \$ 5,741 |
| Accrued enterprise taxes..... | 79 | 50 | 839 |
| Reserve for losses on contracts..... | 170 | 206 | 1,807 |
| Accrued warranty..... | 595 | 448 | 6,326 |
| Provision for post-employment benefits..... | 2,092 | 2,024 | 22,243 |
| Unrealized profit..... | 40 | 47 | 425 |
| Accrued bonus to employees..... | 655 | 616 | 6,964 |
| Tax loss carryforward..... | 73 | 761 | 776 |
| Allowance for doubtful accounts..... | 150 | 96 | 1,594 |
| Long-term accounts payable-other..... | 167 | 233 | 1,775 |
| Impairment loss..... | 282 | — | 2,998 |
| Others..... | 853 | 993 | 9,069 |
| Less: valuation allowance..... | (660) | (523) | (7,017) |
| Total deferred tax assets..... | ¥ 5,040 | ¥ 5,228 | \$ 53,588 |
| Deferred tax liabilities: | | | |
| Reserve for deferred gains on sales of fixed assets for tax purposes..... | ¥(1,228) | ¥(1,164) | \$(13,056) |
| Net unrealized gains on available-for-sale securities..... | (1,257) | (228) | (13,365) |
| Others..... | (1) | (3) | (10) |
| Total deferred tax liabilities..... | (2,487) | (1,396) | (26,443) |
| Net deferred tax assets (liabilities)..... | ¥ 2,553 | ¥ 3,832 | \$ 27,145 |

15. Contingent Liability

The Company and its consolidated subsidiaries were contingently liable for the following items:

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|------|------------------------------|
| | 2013 | 2012 | 2013 |
| Guarantees for indebtedness of non-consolidated subsidiaries and employees | ¥ 13 | ¥ 26 | \$ 138 |
| Guarantees liability for performance guarantees insurance contracts of equity method non-application affiliates for PFI business | 843 | 295 | 8,963 |
| | ¥856 | ¥322 | \$9,101 |

16. Other Income/ (Expenses)—Other, Net

Other income/(expenses)—other, net consisted of the following items:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------|------------------------------|
| | 2013 | 2012 | 2013 |
| Gain on insurance | ¥ 7 | ¥14 | \$ 74 |
| Depreciation of prepaid expenses | (1) | (1) | (10) |
| Reversal of allowance for doubtful accounts | 0 | 42 | 0 |
| Other, net | (9) | 16 | (95) |
| | ¥(2) | ¥72 | \$ (21) |

17. Subsequent Events

Appropriation of Retained Earnings

The following appropriation of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2013, was approved at the Board of Directors meeting held on May 30, 2013:

| | Millions of yen | Thousands of U.S. dollars |
|---|-----------------|------------------------------|
| Year-end cash dividends of ¥8.00 (\$0.08) per share | ¥356 | \$3,785 |

18. Finance Leases

Finance leases that existed at March 31, 2008 and do not transfer ownership of the leased property to the lessee are accounted for as operating lease transactions.

The pro forma information of such leases existing at the transition date on an "as if capitalized" basis for the years ended March 31, 2013 and 2012 are as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|-------------------------------------|-----------------|-------|---------------------------|
| | 2013 | 2012 | 2013 |
| Machinery and equipment..... | ¥— | ¥ 112 | \$ — |
| Tools, furniture and fixtures..... | 10 | 10 | 106 |
| Other assets..... | — | 28 | — |
| Less: accumulated depreciation..... | (8) | (138) | (85) |
| | ¥ 2 | ¥ 11 | \$ 21 |

Obligations under finance leases as of March 31, 2013 and 2012 were as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|--------------------------|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Due within one year..... | ¥1 | ¥ 9 | \$10 |
| Due after one year..... | 1 | 2 | 10 |
| | ¥2 | ¥11 | \$21 |

Total rental expenses for the above leases were ¥9 million (\$95 thousand) and ¥27 million for the years ended March 31, 2013 and 2012, respectively.

The pro forma depreciation expense computed by the straight-line method was ¥9 million (\$95 thousand) and ¥27 million for the years ended March 31, 2013 and 2012, respectively.

The pro forma information above does not exclude the imputed interest portion because the remaining financial lease obligations are not material, compared with the book values of property, plant and equipment.

19. Business Combinations

Transaction under common control

1. Overview of the transaction

(1) Reorganization of the Group (an absorption-type merger and an absorption-type split by the Company and its consolidated subsidiaries)

Effective on July 1, 2012, Tsukishima Techno Machinery Co., Ltd., a wholly owned subsidiary of the Company, transferred its industrial machines business to Tsukishima Techno Solution Co., Ltd., another wholly owned subsidiary of the Company, in a form of absorption-type split. In addition, effective on the same date, Tsukishima Techno Machinery Co., Ltd. was merged by the Company in a form of absorption-type merger in which the Company was the surviving company and Tsukishima Techno Machinery Co., Ltd. was the extinct company. Accordingly, Tsukishima Techno Solution Co., Ltd. changed its trade name to Tsukishima Machine Sales Co., Ltd. effective on the same date.

(2) Purposes of the merger and split

The Group engages in the water environmental business, the major market of which covers water and sewer services facilities; and the industrial business which targets industrial facilities for the chemistry, iron and steel, and foods industries, as well as environment conservation facilities for various industries, including those for waste water treatment and solid waste treatment. The Company considers these two businesses are its major business domain, and develops marketing activities to promote them.

The services of the Group are formed through its own value chain, which consists of such processes as development, design, procurement, manufacturing, construction, and after-sales services. In the domestic market, however, the Group faces a challenging business climate with a shrinking market, the strong yen and a steep rise in the material prices. In the overseas markets as well, in spite of the steady demands in capital expenditure in emerging countries with growing markets, price competition is increasingly intense. In such circumstances, it is the Group's prioritized task to reduce costs, as well as to develop new products and markets.

As a result of the reorganization outlined in (1) above, Tsukishima Techno Machinery Co., Ltd., which had been originally founded to optimize the manufacturing function, was re-absorbed into the Company. Through this reorganization, the Group aims at realizing thorough cost reduction in design, procurement and manufacturing processes, as well as securing the price competitiveness by promoting contract-manufacturing of certain machinery in overseas markets. This reorganization and other related initiatives are the urgent tasks for the Group in order to expand future marketing activities and revenues, therefore to increase corporate value of the Group.

2. Overview of the merger

(1) Names of companies involved in the absorption-type merger and their businesses

| | Surviving company | Extinct company |
|----------|---|---|
| Name | TSUKISHIMA KIKAI CO., LTD. | Tsukishima Techno Machinery Co., Ltd. |
| Business | Design and manufacturing of environment conservation facilities and industrial facilities | Contract manufacturing of environment conservation facilities and industrial facilities |

(2) Date of business combination

July 1, 2012

(3) Legal form of business combination

An absorption-type merger in which the Company shall be the surviving company and Tsukishima Techno Machinery Co., Ltd. shall be the extinct company

(4) Name of the company after business combination

TSUKISHIMA KIKAI CO., LTD. (the Company)

(5) Overview of the accounting method applied

The merger was accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, issued on December 26, 2008).

3. Overview of the split

(1) Name and contents of the split business

Name of the business: The industrial machines business of Tsukishima Techno Machinery Co., Ltd.
Contents of the business: Sales of equipment components of industrial machines

(2) Date of business combination

July 1, 2012

(3) Legal form of business combination

An absorption-type split in which Tsukishima Techno Machinery Co., Ltd. shall split part of its business and Tsukishima Techno Solution Co., Ltd. shall absorb the business as the succeeding company.

(4) Name of the company after business combination

Tsukishima Machine Sales CO., LTD. (former Tsukishima Techno Solutions Co., Ltd.)

(5) Overview of the accounting method applied

The split was accounted for as a transaction under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, issued on December 26, 2008) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, issued on December 26, 2008).

20. Segment Information

(a) Description of reportable segments

The Tsukishima Kikai Group's reportable segments are those for which separately financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Tsukishima Kikai Group.

The Tsukishima Kikai Group conducts Water environmental business and Industrial business mainly. Therefore, these 2 business are specified as reportable segments.

Water environmental business: Water purification plant, Others

Industrial business: Chemistry plant, Iron and steel plant, Food plant, Others

(b) Methods of measurement for the amounts of sales, income, assets, liabilities and other items of reportable segments

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, "Summary of Significant Accounting Policies."

Segment income is based on operating income. The same or similar general business conditions are applied to "Sales to external customers" and "Intersegment sales or transfers." Assets are not allocated in the reportable segments.

(c) Information regarding income (loss) and others of reportable segments

| | Year ended March 31, 2013 | | | | | | | Consolidated financial statements | | |
|--------------------------------------|------------------------------|---------------------|----------|------|---------|-------|---------|-----------------------------------|-------|------------|
| | Reportable segments | | | | | | Other | | Total | Adjustment |
| | Water environmental business | Industrial business | Subtotal | | | | | | | |
| Sales: | | | | | | | | | | |
| Sales to external customers..... | ¥45,477 | ¥34,354 | ¥79,832 | ¥ 34 | ¥79,866 | ¥ — | ¥79,866 | | | |
| Intersegment sales or transfers..... | 16 | 5 | 21 | 534 | 556 | (556) | — | | | |
| Total..... | 45,494 | 34,359 | 79,853 | 568 | 80,422 | (556) | 79,866 | | | |
| Segment income (loss)..... | 1,857 | 2,517 | 4,375 | 44 | 4,419 | — | 4,419 | | | |
| Depreciation and amortization..... | 529 | 532 | 1,061 | 3 | 1,064 | — | 1,064 | | | |
| Amortization of goodwill..... | ¥ — | ¥ 46 | ¥ 46 | ¥ — | ¥ 46 | ¥ — | ¥ 46 | | | |

| | Year ended March 31, 2012 | | | | | | | Consolidated financial statements | | |
|--------------------------------------|------------------------------|---------------------|----------|-------|---------|---------|---------|-----------------------------------|-------|------------|
| | Reportable segments | | | | | | Other | | Total | Adjustment |
| | Water environmental business | Industrial business | Subtotal | | | | | | | |
| Sales: | | | | | | | | | | |
| Sales to external customers..... | ¥42,191 | ¥30,259 | ¥72,450 | ¥ 30 | ¥72,480 | ¥ — | ¥72,480 | | | |
| Intersegment sales or transfers..... | 25 | 164 | 189 | 1,168 | 1,358 | (1,358) | — | | | |
| Total..... | 42,217 | 30,423 | 72,640 | 1,199 | 73,839 | (1,358) | 72,480 | | | |
| Segment income (loss)..... | 1,887 | 1,284 | 3,172 | 83 | 3,256 | — | 3,256 | | | |
| Depreciation and amortization..... | 647 | 621 | 1,268 | 8 | 1,277 | — | 1,277 | | | |
| Amortization of goodwill..... | ¥ — | ¥ 46 | ¥ 46 | ¥ — | ¥ 46 | ¥ — | ¥ 46 | | | |

Year ended March 31, 2013

Thousands of U.S. dollars

| | Reportable segments | | | Other | Total | Adjustment | Consolidated financial statements |
|--------------------------------------|------------------------------|---------------------|-----------|--------|-----------|------------|-----------------------------------|
| | Water environmental business | Industrial business | Subtotal | | | | |
| Sales: | | | | | | | |
| Sales to external customers..... | \$483,540 | \$365,273 | \$848,825 | \$ 361 | \$849,186 | \$ — | \$849,186 |
| Intersegment sales or transfers..... | 170 | 53 | 223 | 5,677 | 5,911 | (5,911) | — |
| Total..... | 483,721 | 365,326 | 849,048 | 6,039 | 855,098 | (5,911) | 849,186 |
| Segment income (loss)..... | 19,744 | 26,762 | 46,517 | 467 | 46,985 | — | 46,985 |
| Depreciation and amortization..... | 5,624 | 5,656 | 11,281 | 31 | 11,313 | — | 11,313 |
| Amortization of goodwill..... | \$ — | \$ 489 | \$ 489 | \$ — | \$ 489 | \$ — | \$ 489 |

(d) Related Information
Information by geographical segment

(1) Net Sales

| | Millions of yen | | Thousands of U.S. dollars |
|--------------|-----------------|---------|---------------------------|
| | 2013 | 2012 | 2013 |
| Area: | | | |
| Japan..... | ¥60,684 | ¥58,805 | \$645,231 |
| Asia..... | 18,021 | 12,858 | 191,610 |
| Other..... | 1,160 | 817 | 12,333 |
| | ¥79,866 | ¥72,480 | \$849,186 |

(2) Property, plant and equipment

Geographical segment information is not presented as the amount of property, plant and equipment in Japan exceeded 90% of total of property, plant and equipment at March 31, 2013 and 2012 for both years.

(e) Information about Impairment

| | Millions of yen | | | | |
|-----------------------|------------------------------|---------------------|-------|-----------------------------|-------|
| | Water environmental business | Industrial business | Other | Elimination or common asset | Total |
| 2013 | | | | | |
| Impairment loss | ¥— | ¥787 | ¥— | ¥— | ¥787 |

| | Thousands of U.S. dollars | | | | |
|-----------------------|------------------------------|---------------------|-------|-----------------------------|---------|
| | Water environmental business | Industrial business | Other | Elimination or common asset | Total |
| 2013 | | | | | |
| Impairment loss | \$— | \$8,367 | \$— | \$— | \$8,367 |

(f) Information by amortization of goodwill and unamortized balance

| Millions of yen | | | | | |
|--------------------------------|------------------------------------|------------------------|-------|-----------------------------------|-------|
| 2013 | | | | | |
| | Water environmental business | Industrial business | Other | Elimination or common asset | Total |
| Amortization of goodwill | ¥— | ¥ 46 | ¥— | ¥— | ¥ 46 |
| Unamortized balance | ¥— | ¥326 | ¥— | ¥— | ¥326 |

| Millions of yen | | | | | |
|--------------------------------|------------------------------------|------------------------|-------|-----------------------------------|-------|
| 2012 | | | | | |
| | Water environmental business | Industrial business | Other | Elimination or common asset | Total |
| Amortization of goodwill | ¥— | ¥ 46 | ¥— | ¥— | ¥ 46 |
| Unamortized balance | ¥— | ¥372 | ¥— | ¥— | ¥372 |

| Thousands of U.S. dollars | | | | | |
|--------------------------------|------------------------------------|------------------------|-------|-----------------------------------|---------|
| 2013 | | | | | |
| | Water environmental business | Industrial business | Other | Elimination or common asset | Total |
| Amortization of goodwill | \$— | \$ 489 | \$— | \$— | \$ 489 |
| Unamortized balance | \$— | \$3,466 | \$— | \$— | \$3,466 |

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

INOUE AUDITING CO., INC.

To the Board of Directors of
Tsukishima Kikai Co., Ltd.

We have audited the accompanying consolidated balance sheets of Tsukishima Kikai Co., Ltd. and consolidated subsidiaries as of March 31, 2013, and the related consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tsukishima Kikai Co., Ltd. and consolidated subsidiaries as of March 31, 2013, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1 of the notes to consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Tokyo, Japan
June 27, 2013


Inoue Auditing Co., Inc.

Non-Consolidated Balance Sheets

TSUKISHIMA KIKAI CO., LTD.
Years ended March 31, 2013 and 2012

ASSETS

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|--|--------------------------|-----------------|--|
| | 2013 | 2012 | 2013 |
| Current assets: | | | |
| Cash and time deposits..... | ¥ 10,984 | ¥ 8,626 | \$ 116,788 |
| Marketable securities (Notes 2, 5)..... | 6,000 | 3,000 | 63,795 |
| Notes and accounts receivable..... | 21,903 | 23,565 | 232,886 |
| Less: allowance for doubtful accounts (Note 2)..... | (170) | (38) | (1,807) |
| Work in process (Note 2)..... | 2,382 | 1,982 | 25,326 |
| Raw materials and supplies (Note 2)..... | 46 | 50 | 489 |
| Deferred income taxes (Note 9)..... | 1,842 | 1,838 | 19,585 |
| Other current assets (Note 6)..... | 1,199 | 2,273 | 12,748 |
| Total current assets..... | 44,188 | 41,299 | 469,835 |
| Property, plant and equipment (Note 2): | | | |
| Land..... | 6,718 | 6,738 | 71,430 |
| Buildings and structures..... | 7,872 | 8,409 | 83,700 |
| Machinery and equipment..... | 10,390 | 10,215 | 110,473 |
| Lease assets..... | 574 | 407 | 6,103 |
| Construction in progress..... | 1,319 | 438 | 14,024 |
| | 26,875 | 26,209 | 285,752 |
| Less: accumulated depreciation..... | (15,449) | (14,752) | (164,263) |
| Net property, plant and equipment..... | 11,425 | 11,457 | 121,477 |
| Investments and other assets: | | | |
| Software..... | 202 | 357 | 2,147 |
| Lease assets (Note 2)..... | 50 | 58 | 531 |
| Investments in securities (Notes 2, 5)..... | 14,146 | 14,951 | 150,409 |
| Stocks of subsidiaries and affiliates and long-term loans receivable from subsidiaries and affiliates (Note 6)..... | 784 | 721 | 8,335 |
| Investments in capital of subsidiaries..... | 200 | 200 | 2,126 |
| Deferred income taxes (Note 9)..... | — | 119 | — |
| Other assets..... | 296 | 402 | 3,147 |
| Less: allowance for doubtful accounts (Note 2)..... | (134) | (149) | (1,424) |
| Total investments and other assets..... | 15,544 | 16,661 | 165,273 |
| Total assets | ¥ 71,158 | ¥ 69,417 | \$ 756,597 |

See Notes to Non-Consolidated Financial Statements.

LIABILITIES AND NET ASSETS

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|---|--------------------------|----------------|--|
| | 2013 | 2012 | 2013 |
| Current liabilities: | | | |
| Accounts payable | | | |
| Trade..... | ¥10,123 | ¥14,177 | \$107,634 |
| Other | 1,700 | 1,269 | 18,075 |
| Short-term loans payable (Note 6) | 50 | 50 | 531 |
| Current portion of long-term loans payable (Note 6) | 17 | 66 | 180 |
| Lease obligations (Note 6) | 141 | 107 | 1,499 |
| Accrued income taxes (Note 9) | 857 | 47 | 9,112 |
| Accrued expenses | 1,082 | 859 | 11,504 |
| Accrued warranty (Note 2) | 1,413 | 1,086 | 15,023 |
| Reserve for losses on contracts (Note 2) | 320 | 395 | 3,402 |
| Advances received | 2,693 | 5,016 | 28,633 |
| Other current liabilities | 3,064 | 1,083 | 32,578 |
| Total current liabilities | 21,463 | 24,159 | 228,208 |
| Long-term liabilities: | | | |
| Long-term loans payable (Note 6) | — | 17 | — |
| Lease obligations (Note 6) | 329 | 297 | 3,498 |
| Deferred tax liabilities (Note 9) | 1,145 | — | 12,174 |
| Provision for post-employment benefits (Note 2) | 3,043 | 2,709 | 32,355 |
| Asset retirement obligations | 67 | 66 | 712 |
| Other long-term liabilities | 578 | 631 | 6,145 |
| Total long-term liabilities | 5,163 | 3,723 | 54,896 |
| Contingent liability (Note 10) | | | |
| Net assets: | | | |
| Shareholders' equity: | | | |
| Common stock, | | | |
| Authorized: 180 million shares in 2013 and 2012 | | | |
| Issued: 45,625,800 shares in 2013 and 2012 | 6,646 | 6,646 | 70,664 |
| Additional paid-in capital | 5,485 | 5,485 | 58,320 |
| Retained earnings | 30,727 | 29,582 | 326,709 |
| Treasury stock | (594) | (593) | (6,315) |
| Total shareholders' equity | 42,266 | 41,121 | 449,399 |
| Valuation and translation adjustments | | | |
| Net unrealized gains or losses on available-for-sale securities | 2,277 | 412 | 24,210 |
| Deferred gains or losses on hedges | (11) | (0) | (116) |
| Total valuation and translation adjustments | 2,265 | 412 | 24,082 |
| Total net assets | 44,531 | 41,534 | 473,482 |
| Total liabilities and net assets | ¥71,158 | ¥69,417 | \$756,597 |

See Notes to Non-Consolidated Financial Statements.

Non-Consolidated Statements of Income

TSUKISHIMA KIKAI CO., LTD.
Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|--|--------------------------|---------|--|
| | 2013 | 2012 | 2013 |
| Net sales (Note 2) | ¥51,120 | ¥47,590 | \$543,540 |
| Cost of sales (Note 7) | 42,348 | 40,202 | 450,271 |
| Gross profit | 8,772 | 7,388 | 93,269 |
| Selling, general and administrative expenses (Note 7) | 6,623 | 6,190 | 70,419 |
| Operating income | 2,148 | 1,198 | 22,838 |
| Other income (expenses): | | | |
| Interest and dividend income | 839 | 1,061 | 8,920 |
| Interest expenses | (0) | (1) | (0) |
| Gain on sales of investments in securities | 198 | 96 | 2,105 |
| Gain on sales of property, plant and equipment | 0 | — | 0 |
| Loss on sales and disposal of property, plant and equipment | (18) | (11) | (191) |
| Gain on extinguishment of tie-in shares | 195 | — | 2,073 |
| Impairment loss (Note 8) | (787) | — | (8,367) |
| Other, net (Note 11) | (31) | 75 | (329) |
| Other income (expenses), net | 395 | 1,220 | 4,199 |
| Income before income taxes | 2,544 | 2,418 | 27,049 |
| Income taxes (Notes 2, 9): | | | |
| Current | 392 | (102) | 4,167 |
| Deferred | 339 | 955 | 3,604 |
| Total income taxes | 731 | 853 | 7,772 |
| Net income | ¥ 1,812 | ¥ 1,565 | \$ 19,266 |

| Per share | Yen | U.S. dollars (Note 1) |
|----------------------|------------------|--------------------------|
| | Net income | ¥40.72 | ¥35.17 $0.43 |
| Cash dividends | ¥15.00 | ¥15.00 \$0.15 |

See Notes to Non-Consolidated Financial Statements.

Non-Consolidated Statements of Changes in Net Assets

TSUKISHIMA KIKAI CO., LTD.

Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | | | | | | | | | |
|---|---|----------------------|----------------------------|-------------------|----------------|----------------------------|---|------------------------------------|---|---------|------------------|
| | Thousands | Shareholders' equity | | | | | Valuation and translation adjustments | | | | Total net assets |
| | Number of shares of common stock issued | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity | Net unrealized gains or losses on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | | |
| Balance as of April 1, 2011 | 45,625 | ¥6,646 | ¥5,485 | ¥28,685 | ¥(592) | ¥40,225 | ¥ (18) | ¥(0) | ¥ (18) | ¥40,206 | |
| Cash dividends..... | — | — | — | (667) | — | (667) | — | — | — | (667) | |
| Net income for the year ended March 31, 2012..... | — | — | — | 1,565 | — | 1,565 | — | — | — | 1,565 | |
| Purchase of treasury stock..... | — | — | — | — | (1) | (1) | — | — | — | (1) | |
| Net changes of items other than those in shareholders' equity..... | — | — | — | — | — | — | 430 | (0) | 430 | 430 | |
| Balance as of March 31, 2012 | 45,625 | ¥6,646 | ¥5,485 | ¥29,582 | ¥(593) | ¥41,121 | ¥412 | ¥(0) | ¥412 | ¥41,534 | |

| | Millions of yen (Note 1) | | | | | | | | | | |
|---|---|----------------------|----------------------------|-------------------|----------------|----------------------------|---|------------------------------------|---|---------|------------------|
| | Thousands | Shareholders' equity | | | | | Valuation and translation adjustments | | | | Total net assets |
| | Number of shares of common stock issued | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity | Net unrealized gains or losses on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | | |
| Balance as of April 1, 2012 | 45,625 | ¥6,646 | ¥5,485 | ¥29,582 | ¥(593) | ¥41,121 | ¥ 412 | ¥ (0) | ¥ 412 | ¥41,534 | |
| Cash dividends..... | — | — | — | (667) | — | (667) | — | — | — | (667) | |
| Net income for the year ended March 31, 2013..... | — | — | — | 1,812 | — | 1,812 | — | — | — | 1,812 | |
| Purchase of treasury stock..... | — | — | — | — | (0) | (0) | — | — | — | (0) | |
| Net changes of items other than those in shareholders' equity..... | — | — | — | — | — | — | 1,864 | (10) | 1,853 | 1,853 | |
| Balance as of March 31, 2013 | 45,625 | ¥6,646 | ¥5,485 | ¥30,727 | ¥(594) | ¥42,266 | ¥2,277 | ¥(11) | ¥2,265 | ¥44,531 | |

| | Thousands of U.S. dollars (Note 1) | | | | | | | | | | |
|---|---|----------------------|----------------------------|-------------------|----------------|----------------------------|---|------------------------------------|---|-----------|------------------|
| | Thousands | Shareholders' equity | | | | | Valuation and translation adjustments | | | | Total net assets |
| | Number of shares of common stock issued | Common stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity | Net unrealized gains or losses on available-for-sale securities | Deferred gains or losses on hedges | Total valuation and translation adjustments | | |
| Balance as of April 1, 2012 | 45,625 | \$70,664 | \$58,320 | \$314,534 | \$(6,305) | \$437,224 | \$ 4,380 | \$ (0) | \$ 4,380 | \$441,616 | |
| Cash dividends..... | — | — | — | (7,091) | — | (7,091) | — | — | — | (7,091) | |
| Net income for the year ended March 31, 2013..... | — | — | — | 19,266 | — | 19,266 | — | — | — | 19,266 | |
| Purchase of treasury stock..... | — | — | — | — | (0) | (0) | — | — | — | (0) | |
| Net changes of items other than those in shareholders' equity..... | — | — | — | — | — | — | 19,819 | (106) | 19,702 | 19,702 | |
| Balance as of March 31, 2013 | 45,625 | \$70,664 | \$58,320 | \$326,709 | \$(6,315) | \$449,399 | \$24,210 | \$(116) | \$24,082 | \$473,482 | |

See Notes to Non-Consolidated Financial Statements.

Non-Consolidated Statements of Cash Flows

TSUKISHIMA KIKAI CO., LTD.
Years ended March 31, 2013 and 2012

| | Millions of yen (Note 1) | | Thousands of U.S. dollars (Note 1) |
|--|--------------------------|----------------|--|
| | 2013 | 2012 | 2013 |
| Cash flows from operating activities: | | | |
| Income before income taxes | ¥ 2,544 | ¥ 2,418 | \$ 27,049 |
| Adjustments for: | | | |
| Depreciation and amortization | 847 | 1,046 | 9,005 |
| Impairment loss | 787 | — | 8,367 |
| Increase (decrease) in provision for post-employment benefits | 91 | 41 | 967 |
| Increase (decrease) in accrued bonus to employees | 137 | 65 | 1,456 |
| Increase (decrease) in allowance for doubtful accounts | 116 | (30) | 1,233 |
| Increase (decrease) in accrued warranty | 316 | (242) | 3,359 |
| Increase (decrease) in reserve for losses on contracts | (186) | 186 | (1,977) |
| Interest and dividend income | (839) | (1,061) | (8,920) |
| Interest expenses | 0 | 1 | 0 |
| Loss (gain) on sales and disposal of property, plant and equipment | 18 | 11 | 191 |
| Loss (gain) on sales of investments in securities | (198) | (96) | (2,105) |
| (Increase) decrease in notes and accounts receivable | 1,923 | (5,487) | 20,446 |
| Increase (decrease) in advances received | (2,322) | 2,252 | (24,688) |
| (Increase) decrease in inventories | 260 | (457) | 2,764 |
| Increase (decrease) in accounts payable, trade | (4,228) | 3,259 | (44,954) |
| Other | 2,376 | (1,944) | 25,263 |
| Subtotal | 1,648 | (35) | 17,522 |
| Interest and dividend income received | 839 | 1,062 | 8,920 |
| Interest expenses paid | (0) | (1) | (0) |
| Income taxes (paid) refund | 350 | 474 | 3,721 |
| Net cash provided by (used in) operating activities | 2,837 | 1,498 | 30,164 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment | (1,130) | (684) | (12,014) |
| Proceeds from sales of property, plant and equipment | 22 | 0 | 233 |
| Purchase of intangible fixed assets | (38) | (74) | (404) |
| Purchase of investments in securities | (85) | (600) | (903) |
| Proceeds from sales of investments in securities | 3,943 | 392 | 41,924 |
| Payments for investments in capital of subsidiaries | — | (200) | — |
| Payments for loans receivable | (289) | (802) | (3,072) |
| Collection of loans receivable | 761 | 485 | 8,091 |
| Other | 67 | (5) | 712 |
| Net cash provided by (used in) investing activities | 3,250 | (1,490) | 34,556 |
| Cash flows from financing activities: | | | |
| Repayments of long-term loans payable | (66) | (66) | (701) |
| Repayments of lease obligations | (116) | (81) | (1,233) |
| Additions of treasury stock | (0) | (1) | (0) |
| Cash dividends paid | (667) | (667) | (7,091) |
| Net cash provided by (used in) financing activities | (851) | (816) | (9,048) |
| Effect of exchange rate change on cash and cash equivalents | 23 | 35 | 244 |
| Net increase (decrease) in cash and cash equivalents | 5,259 | (772) | 55,917 |
| Cash and cash equivalents at beginning of period (Notes 2, 4) | 11,626 | 12,398 | 123,615 |
| Increase in cash and cash equivalents resulting from merger | 98 | — | 1,041 |
| Cash and cash equivalents at end of period (Notes 2, 4) | ¥16,984 | ¥11,626 | \$180,584 |

See Notes to Non-Consolidated Financial Statements.

Notes to Non-Consolidated Financial Statements

1. Basis of Presenting Non-Consolidated Financial Statements

The accompanying non-consolidated financial statements have been prepared from the financial statements filed with the Financial Services Agency as required by the Japanese Financial Instruments and Exchange Law in accordance with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

Certain reclassifications have been made to present the accompanying non-consolidated financial statements in a format which is familiar to readers outside Japan.

For the convenience of the reader, the accompanying non-consolidated financial statements have been presented in U.S. dollars by translating all Japanese yen amounts at the exchange rate of ¥94.05 to \$1, the approximate rate of exchange at March 29, 2013.

Amounts less than ¥1 million have been rounded down. And U.S. dollars are translated from these amounts and have been rounded down.

The total amounts in Japanese yen and translated U.S. dollars shown in the non-consolidated financial statements and notes do not necessarily agree with the sum of the individual amounts.

2. Summary of Significant Accounting Policies

(a) Marketable Securities and Investments in Securities

The Company's securities are classified as follows: i) Held-to-maturity debt securities, which management has the positive intent and ability to hold to maturity, are reported at amortized cost. ii) Equity securities, which were issued by subsidiaries and affiliates, are stated at moving-average cost. iii) Available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets. The cost of securities sold is determined based on the moving-average method.

Non-marketable available-for-sale securities are stated at cost, determined by the moving-average method.

(b) Inventories

The Company applies the cost method based on the methods mentioned below, which determines the amount of inventories shown in the balance sheet by writing them down based on the decrease in their profitability.

(1) Work in process is stated at cost, which is determined by the specific cost method.

(2) Raw materials are stated at cost, which is determined by the periodic average method.

(3) Supplies are stated at cost, which is determined by the moving-average method.

(c) Property, Plant and Equipment excluding Lease Assets

Property, plant and equipment are carried at cost. Depreciation of property, plant and equipment is principally computed by the declining balance method over the estimated useful lives of the assets, while the straight-line method is applied to buildings placed in service after April 1, 1998 (excluding facilities incidental to buildings). The range of useful lives is from 3 to 60 years for buildings and structures and from 2 to 17 years for machinery and equipment.

(d) Lease Assets

Depreciation of assets on finance leases that do not transfer ownership of the leased assets to the lessee are calculated by the straight-line method over the lease period with their residual value zero.

Finance lease transactions starting before the fiscal year ended March 31, 2008 that do not transfer ownership of the leased property to the lessee are accounted for as operating leases.

(e) Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided for in an amount sufficient to cover possible losses on collection. It consists of the estimated uncollectible amount with respect to identified doubtful receivables and an amount calculated on the historical loss experience with respect to remaining receivables.

(f) Accrued Warranty

The accrued warranty is provided for based on amounts determined as a certain percentage (which is distinguished between domestic and overseas construction) of the amount of completed construction contracts for the year, which is computed as a ratio of the actual repair costs incurred under the warranty against the amounts of completed construction contracts during the past years. In addition, the estimated repair costs for identified individual construction are provided.

(g) Reserve for Losses on Contracts

A reserve for losses on contracts is provided for an estimated amount of probable losses to be incurred in future years in respect of construction projects in progress.

(h) Provision for Post-employment Benefits

Accrued employees' retirement benefits are provided based on the projected retirement benefit obligation and the fair value of the plan assets at the end of the fiscal year.

(i) Income Taxes

The Company has adopted the asset-liability method of tax effect accounting to recognize the effect of all temporary differences in the recognition of the tax basis assets and liabilities and their financial reporting amounts.

(j) Translation of Foreign Currencies

Foreign currency receivables and payables are translated at appropriate year-end current rate.

Revenue and expense accounts are translated at the rates closely approximate to those prevailing on the transaction dates.

Exchange gains and losses arising from above foreign currency translations and transactions are included in other income or expenses.

(k) Research and Development Costs

Research and development costs are charged to income as incurred.

(l) Recognition of Contract Revenue

The Company applies the percentage-of-completion method for the construction contracts which fulfill the conditions that the outcome of the construction activity is deemed certain during the course of the activity. Otherwise, the Company applies the completed-contract method.

(m) Cash Equivalents

For the purpose of the non-consolidated statements of cash flows, cash and cash equivalents include highly liquid investments which can be withdrawn without any restriction and with minimum market risk.

(n) Derivative Financial Instruments

The Company uses derivative financial instruments to manage their exposures to fluctuations in foreign exchange rates. Foreign exchange forward contracts are utilized by the Company to reduce foreign currency exchange risks. The Company does not enter into derivatives for trading or speculative purposes.

3. Change in Accounting Policy

Effective from the fiscal year ended March 31, 2013, due to revision of the corporate tax law in Japan, the Company has applied a depreciation method based on the revised law for tangible assets purchased on or after April 1, 2012. The impact of this change on operating income and income before income taxes for the fiscal year ended March 31, 2013 is immaterial.

4. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|--------------------------------|-----------------|---------|---------------------------|
| | 2013 | 2012 | 2013 |
| Cash and time deposits..... | ¥10,984 | ¥ 8,626 | \$116,788 |
| Marketable securities..... | 6,000 | 3,000 | 63,795 |
| Cash and cash equivalents..... | ¥16,984 | ¥11,626 | \$180,584 |

5. Marketable Securities and Investments in Securities

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2013 and 2012 were as follows:

| | Millions of yen | | | |
|----------------------------------|-----------------|------------------|-------------------|------------|
| | 2013 | | | |
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Securities classified as: | | | | |
| Available-for-sale: | | | | |
| Equity securities..... | ¥10,200 | ¥4,779 | ¥(1,245) | ¥13,734 |
| Others..... | 6,000 | — | — | 6,000 |
| | ¥16,200 | ¥4,779 | ¥(1,245) | ¥19,734 |
| Held-to-maturity securities..... | ¥ — | ¥ — | ¥ — | ¥ — |

| | Millions of yen | | | |
|----------------------------------|-----------------|------------------|-------------------|------------|
| | 2012 | | | |
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Securities classified as: | | | | |
| Available-for-sale: | | | | |
| Equity securities..... | ¥13,893 | ¥2,386 | ¥(1,746) | ¥14,533 |
| Others..... | 3,004 | 1 | — | 3,006 |
| | ¥16,898 | ¥2,387 | ¥(1,746) | ¥17,539 |
| Held-to-maturity securities..... | ¥ — | ¥ — | ¥ — | ¥ — |

| | Thousands of U.S. dollars | | | |
|----------------------------------|---------------------------|------------------|-------------------|------------|
| | 2013 | | | |
| | Cost | Unrealized gains | Unrealized losses | Fair value |
| Securities classified as: | | | | |
| Available-for-sale: | | | | |
| Equity securities..... | \$108,452 | \$50,813 | \$(13,237) | \$146,028 |
| Others..... | 63,795 | — | — | 63,795 |
| | \$172,248 | \$50,813 | \$(13,237) | \$209,824 |
| Held-to-maturity securities..... | \$ — | \$ — | \$ — | \$ — |

6. Short-term Loans Payable, Long-term Loans Payable and Lease Obligations

Short-term loans payable are represented by 12-month notes, and the weighted average interest rates applicable to such loans payable as of March 31, 2013 and 2012 were approximately 0.6 percent for both years.

Interest rates of long-term loans payable as of March 31, 2013 and 2012 were approximately 0.75 percent for both years.

Long-term loans payable as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Loans payable, due 2013 | ¥ 17 | ¥ 83 | \$ 180 |
| Less: portion due within one year | (17) | (66) | (180) |
| | ¥ — | ¥ 17 | \$ — |

Lease obligations as of March 31, 2013 and 2012 consisted of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|-------------------|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Current | ¥141 | ¥107 | \$1,499 |
| Non-current | 329 | 297 | 3,498 |
| | ¥470 | ¥405 | \$4,997 |

The following assets were pledged as collateral for the long-term loans payable at affiliated companies and others of ¥3,792 million (\$40,318 thousand) and ¥3,870 million for the year ended March 31, 2013 and 2012, respectively.

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Short-term loans receivable | ¥ 20 | ¥ 20 | \$ 212 |
| Investments in securities | 7 | 7 | 74 |
| Stocks of subsidiaries and affiliates and long-term loans receivable from subsidiaries and affiliates | 322 | 230 | 3,423 |
| | ¥350 | ¥258 | \$3,721 |

7. Research and Development Costs

Research and development costs charged to income for the years ended March 31, 2013 and 2012 amounted to ¥985 million (\$10,473 thousand) and ¥776 million, respectively.

8. Impairment loss

For the fiscal year ended March 31, 2013, the Company recognized impairment loss of fixed assets on the following groups of assets.

| Use | Type of Assets | Location |
|---------------------------------|----------------------|--|
| Electron beam welding equipment | Buildings, machinery | Ichikawa Plant (Ichikawa city Chiba Prefecture) |

(Background of the recognition)

For the fiscal year ended March 31, 2013, the Company recognized impairment loss of the electron beam welding (EBW) equipment which is used to manufacture aluminum vacuum chambers, mainly for liquid crystal panel manufacturing equipment. This recognition reflected the anticipation of future continuous loss due to a decrease in the order volume and declines in sales prices.

(Amount of impairment loss)

| Type of Assets | Millions of yen | Thousands of U.S. dollars |
|-----------------|-----------------|---------------------------|
| | 2013 | 2013 |
| Buildings | ¥522 | \$5,550 |
| Machinery | 264 | 2,807 |
| | ¥787 | \$8,367 |

(Method for grouping assets)

Until the fiscal year ended March 31, 2012, for the purpose of recognition of impairment loss, a grouping method was adopted due to difficulty to closely associate certain fixed assets to a specific business. The Company grouped the fixed assets of the Company as one asset group. However, upon the merger of a manufacturing subsidiary during the fiscal year under review under the Group reorganization, the Company reclassified EBW equipment in its managerial accounting system. This move was taken to improve profit and loss management regarding EBW equipment, which was faced with severe market conditions. Accordingly, fixed assets of the Group were re-grouped into "machinery and equipment for the water environmental business and industrial business" and "EBW-related machinery and equipment among the industrial business".

(Method for calculating recoverable values)

The recoverable amount for the assets was net realizable value.

The recoverable amount was measured at the net realizable value of the memorandum value since it was difficult to calculate the selling price.

9. Income Taxes

Income tax applicable to the Company consists of corporate income tax, enterprise taxes and corporate inhabitants' taxes.

The effective income tax rate of the Company differs from the statutory tax rate for the following reasons:

| | 2013 | 2012 |
|---|---------------|--------|
| Statutory tax rate..... | 38.0 % | 40.7% |
| Expenses not deductible for tax purposes..... | 3.7 | 4.2 |
| Non-taxable dividend income..... | (9.9) | (15.0) |
| Per capita levy of inhabitant taxes..... | 0.9 | 0.8 |
| Valuation allowance..... | 10.4 | 0.4 |
| Effects from the income tax rate change..... | — | 3.5 |
| Tax credit of experiment and research expenses..... | (13.9) | — |
| Other—net..... | (0.4) | 0.7 |
| Effective tax rate..... | 28.8 % | 35.3% |

Deferred tax assets and liabilities at March 31, 2013 and 2012 were composed of the following:

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|----------|------------------------------|
| | 2013 | 2012 | 2013 |
| Deferred tax assets: | | | |
| Accrued cost of sales..... | ¥ 422 | ¥ 231 | \$ 4,486 |
| Reserve for losses on contracts..... | 121 | 150 | 1,286 |
| Accrued warranty..... | 536 | 412 | 5,699 |
| Provision for post-employment benefits..... | 1,094 | 982 | 11,632 |
| Accrued bonus to employees..... | 327 | 259 | 3,476 |
| Tax loss carryforward..... | 73 | 642 | 776 |
| Allowance for doubtful accounts..... | 109 | 67 | 1,158 |
| Long-term accounts payable-other..... | 167 | 233 | 1,775 |
| Impairment loss..... | 282 | — | 2,998 |
| Others..... | 610 | 670 | 6,485 |
| Less: valuation allowance..... | (563) | (299) | (5,986) |
| Total deferred tax assets..... | ¥3,182 | ¥ 3,351 | \$ 33,833 |
| Deferred tax liabilities: | | | |
| Reserve for deferred gains on sales of fixed assets for tax purposes..... | ¥(1,228) | ¥(1,164) | \$(13,056) |
| Net unrealized gains on available-for-sale securities..... | (1,257) | (228) | (13,365) |
| Total deferred tax liabilities..... | (2,485) | (1,393) | (26,422) |
| Net deferred tax assets (liabilities)..... | ¥ 696 | ¥ 1,958 | \$ 7,400 |

10. Contingent Liability

The Company was contingently liable for the following items:

| | Millions of yen | | Thousands of U.S. dollars |
|--|-----------------|--------|------------------------------|
| | 2013 | 2012 | 2013 |
| Guarantees for indebtedness of subsidiaries and employees | ¥1,738 | ¥ 886 | \$18,479 |
| Guarantees liability for performance guarantees insurance contracts of equity method non-application affiliates for PFI business | 843 | 295 | 8,963 |
| | ¥2,582 | ¥1,181 | \$27,453 |

11. Other Income/ (Expenses)—Other, Net

Other income/(expenses)—other, net consisted of the following items:

| | Millions of yen | | Thousands of U.S. dollars |
|---|-----------------|------|------------------------------|
| | 2013 | 2012 | 2013 |
| Exchange gain (loss) | ¥ 17 | ¥ 40 | \$ 180 |
| Reversal of allowance for doubtful accounts | — | 35 | — |
| Guarantee commission | (19) | (20) | (202) |
| Other, net..... | (29) | 19 | (308) |
| | ¥(31) | ¥ 75 | \$(329) |

12. Subsequent Events

Appropriation of Retained Earnings

The following appropriation of retained earnings of the Company, which has not been reflected in the accompanying non-consolidated financial statements for the year ended March 31, 2013, was approved at the Board of Directors meeting held on May 30, 2013.

| | Millions of yen | Thousands of U.S. dollars |
|---|-----------------|------------------------------|
| Year-end cash dividends of ¥8.00 (\$0.08) per share | ¥356 | \$3,785 |

13. Finance Leases

Finance leases that existed at March 31, 2008 and do not transfer ownership of the leased property to the lessee are accounted for as operating lease transactions.

The pro forma information of such leases existing at the transition date on an "as if capitalized" basis for the years ended March 31, 2013 and 2012 are as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|-------------------------------------|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Tools, furniture and fixtures | ¥10 | ¥ 10 | \$106 |
| Other assets..... | — | 11 | — |
| Less: accumulated depreciation..... | (8) | (18) | (85) |
| | ¥ 2 | ¥ 3 | \$ 21 |

Obligations under finance leases as of March 31, 2013 and 2012 were as follows:

| | Millions of yen | | Thousands of U.S. dollars |
|--------------------------|-----------------|------|---------------------------|
| | 2013 | 2012 | 2013 |
| Due within one year..... | ¥1 | ¥1 | \$10 |
| Due after one year..... | 1 | 2 | 10 |
| | ¥2 | ¥3 | \$21 |

Total rental expenses for the above leases were ¥1 million (\$10 thousand) and ¥4 million for the years ended March 31, 2013 and 2012, respectively.

The pro forma depreciation expense computed by the straight-line method was ¥1 million (\$10 thousand) and ¥4 million for the years ended March 31, 2013 and 2012, respectively.

The pro forma information above does not exclude the imputed interest portion because the remaining financial lease obligations are not material, compared with the book values of property, plant and equipment.

14. Business Combinations

Because the explanatory note of Business Combinations is mentioned in Notes to Consolidated Financial Statements, a mention in Notes to Non-Consolidated Financial Statements is omitted.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

INOUE AUDITING CO., INC.

To the Board of Directors of
Tsukishima Kikai Co., Ltd.

We have audited the accompanying non-consolidated balance sheets of Tsukishima Kikai Co., Ltd. as of March 31, 2013, and the related non-consolidated statements of income, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in conformity with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of Tsukishima Kikai Co., Ltd. as of March 31, 2013, and the non-consolidated results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1 of the notes to non-consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Inoue Auditing Co., Inc.

Inoue Auditing Co., Inc.

Tokyo, Japan
June 27, 2013

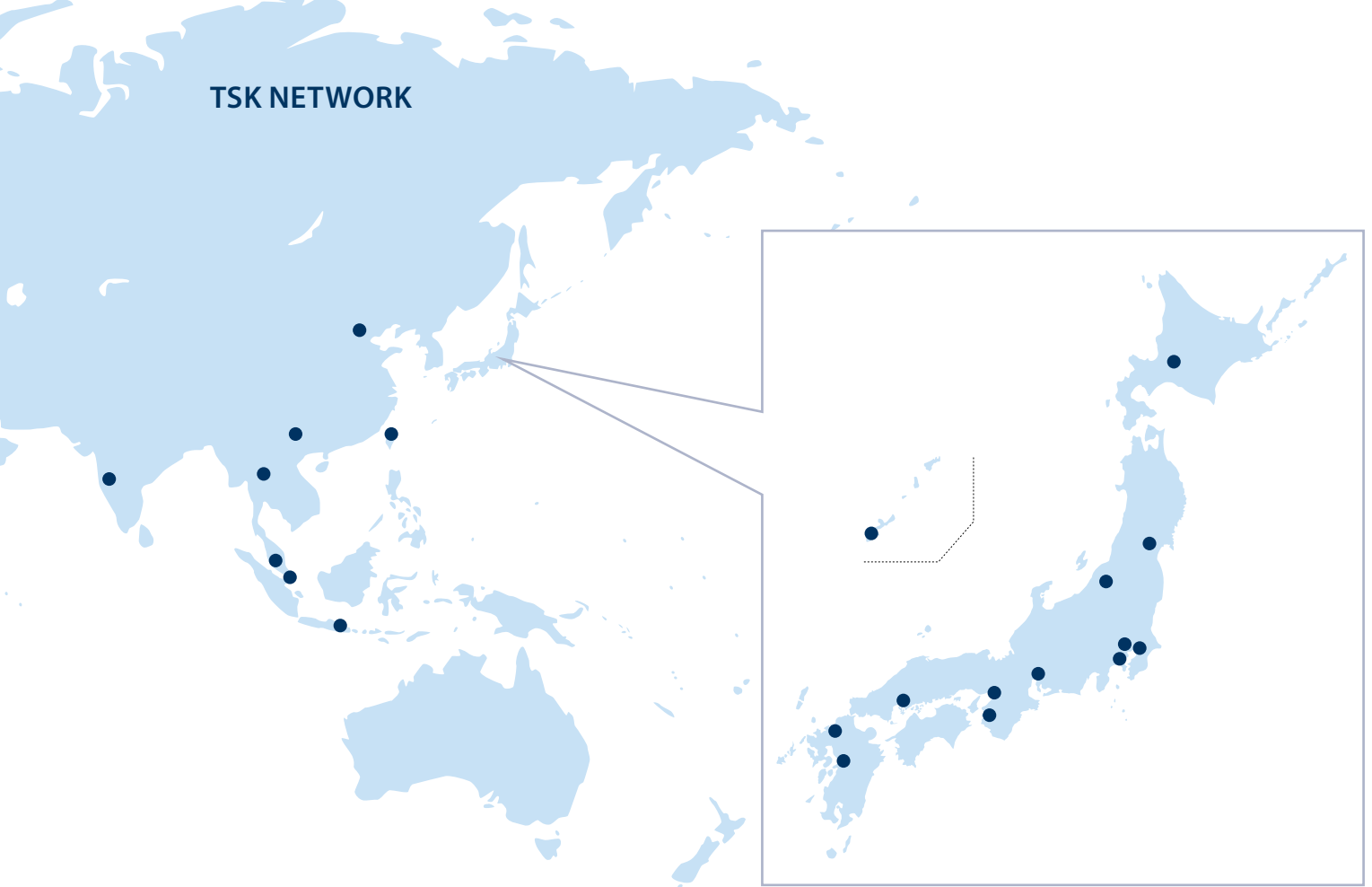
CORPORATE DATA (As of march 31, 2013)

| | |
|-------------------------------|---|
| Company name | TSUKISHIMA KIKAI CO., LTD |
| Established | August 1905 |
| Fiscal year | From April 1 to March 31 |
| Capital stock | ¥6,646,801,824 |
| Number of employees | 748 |
| Stock listing | Tokyo Stock Exchange and Osaka Securities Exchange |
| Common stock | Authorized: 180,000,000 shares Issued: 45,625,800 shares |
| Number of shareholders | 5,027 |
| Transfer agent | Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan |

CORPORATE HISTORY

| | |
|-----------------------|---|
| 1905 August | Densaku Kuroita founded Tokyo Tsukishima Kikai Seisakusho. |
| 1917 May | Tsukishima Kikai Co., Ltd. incorporated. |
| 1937 December | Daini Tsukishima Kikai, Co., Ltd. in Tsurumi-ku, Yokohama City, merged. |
| 1944 March | The company merged with Tsukishima Kikai Chuko Co., Ltd. |
| 1949 May | Stock listed on the Tokyo Stock Exchange. |
| 1961 September | Stock listed on the Second Section of the Osaka Securities Exchange. |
| October | A laboratory built within the Tsukudajima Factory to strengthen research and development. |
| 1962 April | Tsukishima Kikai Engineer Training Center created. |
| 1976 January | The Ichikawa Factory began its operations. |
| 1977 July | The Ichikawa Factory acquired the ASME (American Society of Mechanical Engineers) certificate. |
| 1991 February | TSK Engineering Malaysia Sdn. Bhd. was founded. |
| 1993 April | TSK Engineering (Thailand) Co., Ltd. was founded. |
| 1994 November | TSK Engineering Taiwan Co., Ltd. was founded. |
| 1996 October | The company acquired ISO 9001. |
| 2000 June | The company acquired ISO 14001. |
| October | Environmental Process Development Center opened. |
| November | Tsukishima Techno Maintenance Service Co., Ltd. was formed as the result of the merger of Tsukishima Maintenance Co., Ltd. and Tsukishima Plant Koji Co., Ltd. |
| 2001 December | Tsukishima Techno Machinery Co., Ltd. was founded. |
| 2003 June | Electron beam welding equipment, one of the biggest in Japan, installed at the Ichikawa Factory. |
| December | Tsukishima Techno Solution Co., Ltd. was founded. |
| 2004 January | Kanuma Kankyo Bika Center changed its name to Sun Eco Thermal Co., Ltd. |
| 2005 March | The company acquired the management rights of Nittetsu Chemical Engineering Ltd. |
| 2006 April | Nittetsu Chemical Engineering Ltd. changed its name to Tsukishima Kankyo Engineering Ltd. |
| 2008 December | The Company absorbed Tsukishima Real Estate Co., Ltd., formerly a non-consolidated subsidiary. |
| 2011 March | TSK Engineering China Co., Ltd. was founded as a business base in China. |
| 2012 July | Tsukishima Techno Solution Co., Ltd. acquired the Industrial Machinery Business from Tsukishima Techno Machinery Co., Ltd. and changed its name to Tsukishima Machine Sales Co., Ltd. Tsukishima Kikai Co., Ltd. merged with Tsukishima Techno Machinery Co., Ltd. in an absorption type merger. |

TSK NETWORK



JAPAN

Offices

Head Office, Tokyo Branch, Osaka Branch
Sapporo Branch, Sendai Branch
Yokohama Branch, Nagoya Branch
Hiroshima Branch, Fukuoka Branch
Okinawa Sales Office
Wakayama Office, Niigata Office
Kumamoto Office, Chiba Office, Yokosuka Office

Factories and Laboratories

Ichikawa Factory, Ichikawa R&D Center
Environmental Process Development Center

Group Companies (consolidated subsidiary)

Tsukishima Technology Maintenance Service Co., Ltd.
Tsukishima Machine Sales Co., Ltd.
Tsukishima Kankyo Engineering Ltd.
SUN ECO THERMAL Co., Ltd.
Samukawa Water Service Co., Ltd.
Tsukishima Business Support Co., Ltd.

OVERSEAS

Offices

TSK Jakarta Representative Office
TSK Hanoi Representative Office
TSK Mumbai Liaison Office

Group Companies (consolidated subsidiary*)

Tsukishima Engineering Malaysia Sdn. Bhd.
Tsukishima Engineering Singapore Pte. Ltd.
TSK Engineering (Thailand) Co., Ltd.*
TSK Engineering Taiwan Co., Ltd.
Tsukishima Engineering China Co., Ltd.*

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