

Financial Results for Second Quarter FY2016 (for the year ending March 31, 2017)

October. 28, 2016

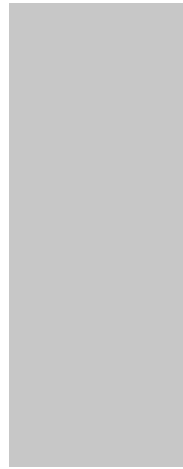
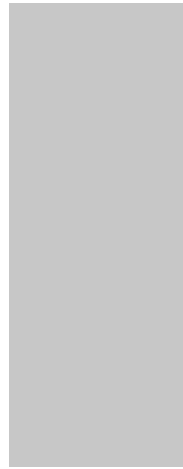
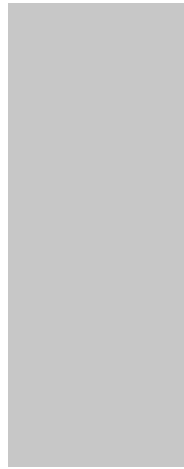
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Summary of Income Statement

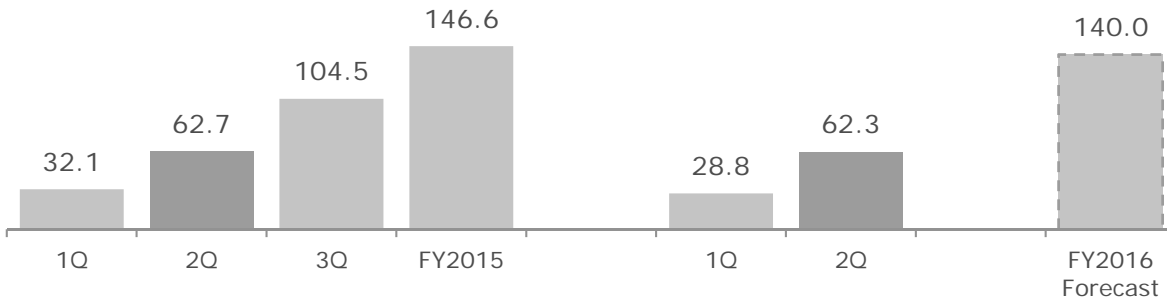
(Billion Yen)

< Operating Income >	-	33.8	(42.3	→	8.4)
Net sales	-	10.8	(708.1	→	697.2)

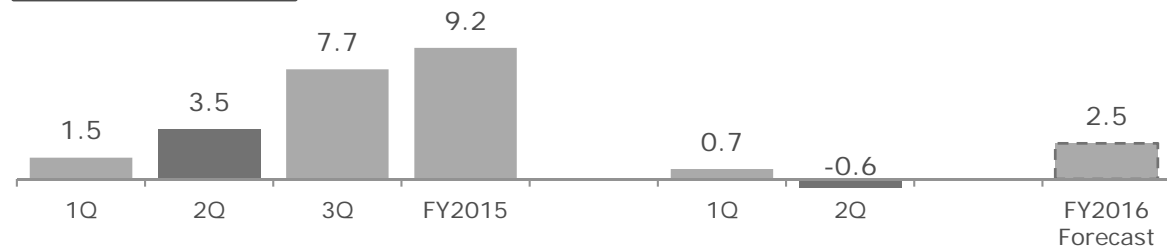
Rolling Stock

Billion Yen / In accumulated amount

Net Sales



Operating Income



FY2016.2Q

(vs. FY2015.2Q)

Orders Received: Decreased from the previous same period when a large scale order for North America was won

Net Sales: Remained the same level as the previous same period, due to the effect of the appreciation of the yen and decrease in overseas market, despite increase in domestic market

Operating Income: Deteriorated due to the effect of the appreciation of the yen, decrease of profitable projects increase in cost and other factors

FY2016 Forecast

(vs. Forecast in July)

Orders Received & Net Sales : Revised down due to order/sales deferrals and the effect of the appreciation of the yen

Operating Income: Revised down due to the effect of the appreciation of the yen

Gas Turbine & Machinery

Main Products : Jet engines, Gas turbine co-generation system, Gas engines, Diesel engines, Gas turbines & steam turbines for marine & land,
Marine propulsion system, Aero-dynamic machinery

Billion Yen / In accumulated amount

FY2016.2Q

(vs. FY2015.2Q)

Orders Received: Decreased from the previous
same period when we participated in the new

Plant & Infrastructure

Main Products: Industrial plants (cement, fertilizer and others), Power plants, LNG tanks, Municipal refuse incineration plants, Tunnel boring machines,
Crushing machines

Billion Yen / In accumulated amount

FY2016.2Q

(vs. FY2015.2Q)

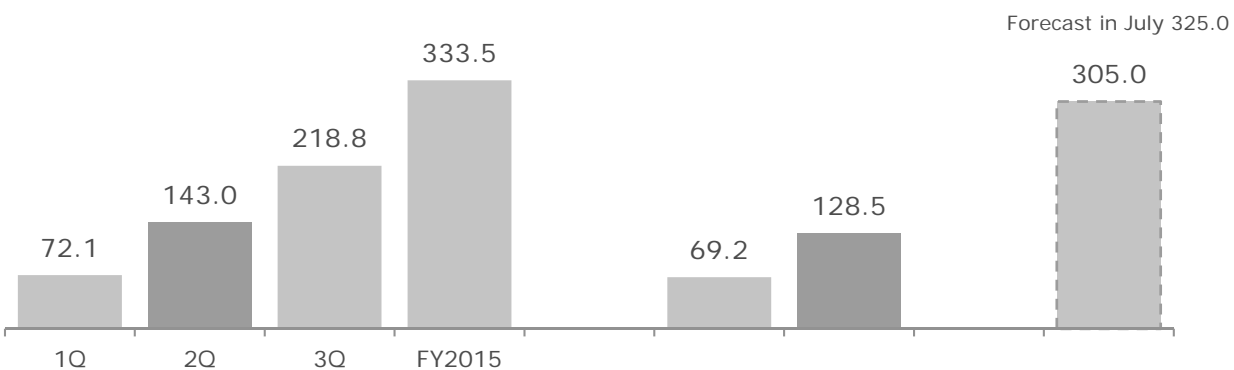
Orders Received: Decreased from the previous same period when large scale orders including municipal refuse incineration plants were won

Net Sales:

Motorcycle & Engine

Main Products: Motorcycles, Utility Vehicles, All-Terrain Vehicles(ATVs), Personal Watercraft, General-purpose Gasoline Engines

Billion Yen / In accumulated amount



FY2016.2Q

(vs. FY2015.2Q)

Net Sales: Decreased due to the effect of the appreciation of the yen, sales decrease in general-purpose gasoline Engines and other factors, despite increase in motorcycles for developed countries and utility vehicles

Operating Income: Deteriorated due to sales decrease

FY2016 Forecast

(vs. Forecast in July)

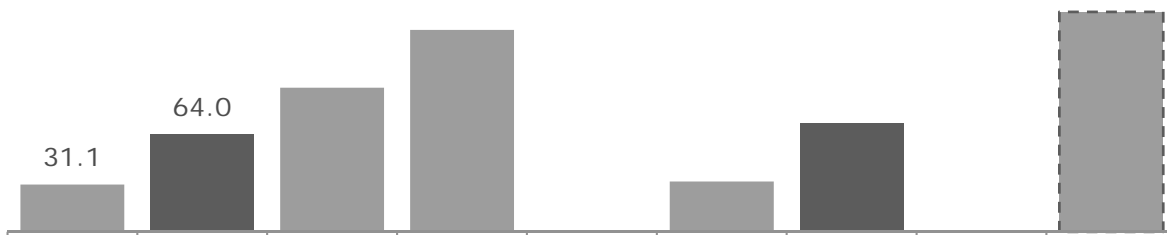
Net Sales: Revised down due to the effect of the appreciation of the yen, despite increase in motorcycles for developed countries

Operating Income: Revised down due to the effect of the appreciation of the yen, despite the effect on profits of sales increase and profit improvement measures

Precision Machinery

Main Products Hydraulic components for construction machineries, Hydraulic components and systems for industrial machines, Marine application machines, Deck cranes and other marine deck equipment, Industrial robots, Medical and pharmaceutical robot

Billion Yen / In accumulated amount



FY2016.2Q

(vs. FY2015.2Q)

Orders Received : Increased due to increase in hydraulic components and various industrial robots, and other factors

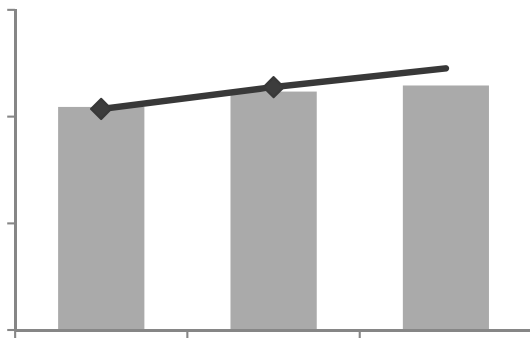
Net Sales & Operating Income : Remained the same level as the previous same period

FY2016 Forecast

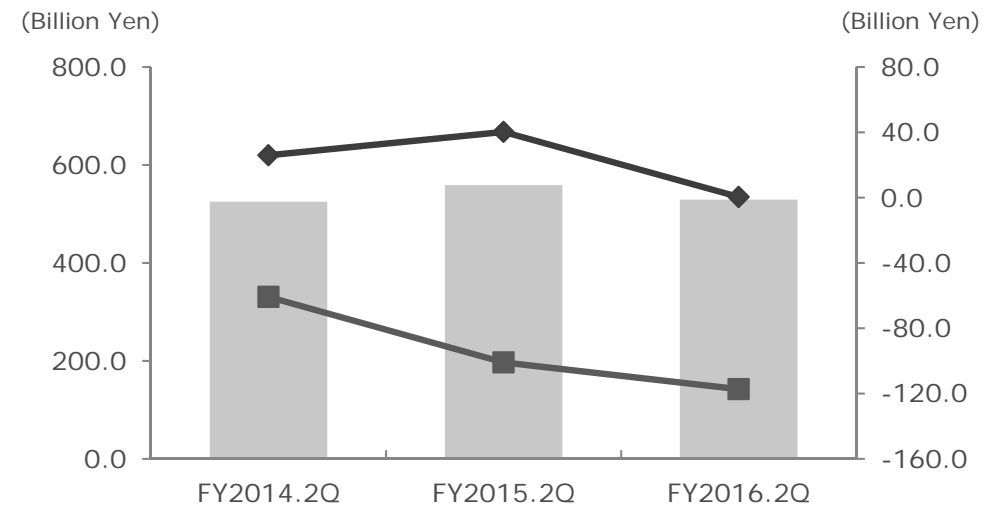
(vs. Forecast in July)

Orders Received & Net Sales : Remains unchanged due to the effect of the appreciation of the yen, despite increase of hydraulic components for construction machinery in China

Operating Income: Revised down due to the effect of the appreciation of the yen, despite sales increase of hydraulic components for construction machinery in China



Summary of Cash Flows



Consolidated Operating Performance

	FY2015 Actual	FY2016 Forecast		Change	
		In July	In October	vs. FY2015	vs. Forecast in July
Orders Received	1,693.6	1,500.0	1,390.0	-303.6	-110.0
Net Sales	1,541.0	1,570.0	1,510.0	-31.0	-60.0
Operating Income	95.9	70.0	34.0	-61.9	-36.0
Recurring Profit	93.2	69.0	25.0	-68.2	-44.0
Net Income Attributable to Owners of Parent *	46.0	49.0	16.5	-11.4	(Net Income 53102 -1.2083 TD.09)-3e/T Tw(*)6.6105

Forecast by Segment

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2015 Actual	FY2016 Forecast		FY2015 Actual	FY2016 Forecast		FY2015 Actual	FY2016 Forecast	
		In July	In October		In July	In October		In July	In October
Ship & Offshore Structure	98.3	130.0	90.0	94.8	120.0	105.0	-7.9	-1.5	-20.0
Rolling Stock	132.1	180.0	170.0	146.6	145.0	140.0	9.2	5.5	2.5
Aerospace	464.2	230.0	220.0	351.8	350.0	340.0	45.6	25.0	22.0
Gas Turbine & Machinery	288.9	255.0	255.0	236.4	255.0	245.0	16.9	13.5	8.0
Plant & Infrastructure	138.7	140.0	120.0	135.6	155.0	155.0	8.5	8.0	8.0
Motorcycle & Engine	333.5	325.0	305.0	333.5	325.0	305.0	15.7	13.5	9.5
Precision Machinery	133.1	145.0	145.0	133.1	140.0	140.0	8.5	10.0	9.0
Others	104.4	95.0	85.0	108.8	80.0	80.0	2.8	4.0	3.5
Eliminations and corporate*	-	-	-	-	-	-	-3.7	-8.0	-8.5
Total	1,693.6	1,500.0	1390.0	1,541.0	1,570.0	1,510.0	95.9	70.0	34.0

* "Eliminations and corporate" includes some expenses incurred at Head Office which are not allocated to each industry segment for internal reporting

R&D/CAPEX/Number of Employees

(Billion Yen / Persons)

	FY2015 Actual	FY2016 Forecast		
		In July	In October	vs. Forecast in July
R&D Expenses	43.6	47.0	47.0	0.0
CAPEX (Construction Base)	76.3	98.0	87.0	-11.0
Depreciation & Amortization	49.0	56.0	52.0	-4.0
Domestic	25,897	26,700	26,600	-100
Overseas	8,708	9,000	8,900	-100
Number of Employees	34,605	35,700	35,500	-200

Capital expenditures represent the total of newly recorded property, plant and equipment and newly recorded intangible assets.
 Depreciation/amortization represents depreciation/amortization expenses for property, plant and equipment and intangible assets.

