Summary of Financial Results

(Billion Yen)

	FY2016.1Q	FY2017.1Q	Change
Orders Received	258.6	**272.5**	+13.9
Net Sales	339.8	**335.3**	-4.5
Operating Income	15.9	**4.9**	-11.0
Recurring Profit	5.7	**5.4**	-0.3
Net Income attributable to owners of parent	4.7	**3.2**	-1.5

Weighted-average exchange rates

Yen / US$	110.58	**110.75**
Yen / EUR	126.57	**121.29**

vs. FY2016.1Q

< Orders Received >
Increased mainly in Ship & Offshore Structure and Precision Machinery segments

< Net Sales >
Remained the same level as the previous same period as a whole, due to increase in Gas Turbine & Machinery and Precision Machinery segments, despite decrease in Ship & Offshore Structure, Aerospace and Plant & Infrastructure segments, and other factors

< Profits >

- Operating income decreased as a whole, due to decrease in Aerospace, Motorcycle & Engine, Ship & Offshore Structure, and other segments
- Recurring Profit remained the same level as the previous same period, due to the change of foreign exchange gain or loss, and other factors
- Net Income attributable to owners of parent decreased, mainly because there was an extraordinary gain in the previous same period

(For Reference)
Net Sales in Foreign Currencies for FY2017.1Q (Billion)

US$	EUR
0.48	0.04

Financial Results by Segment

(Billion Yen)

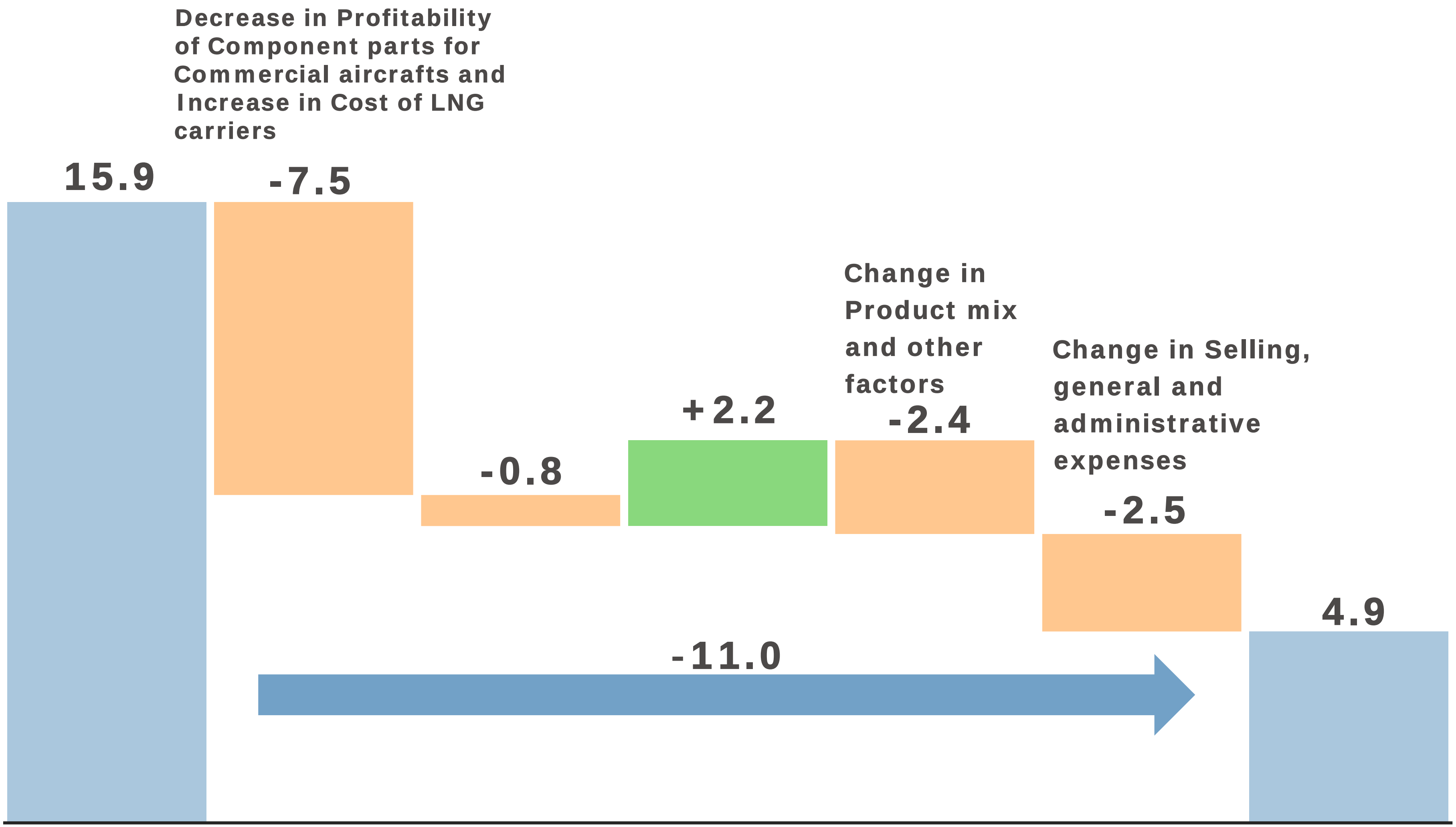
	Orders Received			Net Sales			Operating Income		
	FY2016 1Q	**FY2017 1Q**	Change	FY2016 1Q	**FY2017 1Q**	Change	FY2016 1Q	**FY2017 1Q**	Change
Ship & Offshore Structure	2.2	**13.3**	+11.0	31.1	**19.7**	-11.4	0.6	**-2.8**	-3.4
Rolling Stock	23.2	**11.1**	-12.1	28.8	**29.1**	+0.3	0.7	**-0.9**	-1.6
Aerospace	41.6	**47.0**	+5.3	80.0	**73.3**	-6.7	9.5	**3.7**	-5.7
Gas Turbine & Machinery	50.6	**58.3**	+7.6	49.1	**60.5**	+11.4	3.2	**4.3**	+1.0
Plant & Infrastructure	18.0	**15.1**	-2.8	31.7	**25.5**	-6.2	0.6	**-0.6**	-1.2
Motorcycle & Engine	69.2	**67.7**	-1.5	69.2	**67.7**	-1.5	0.3	**-3.3**	-3.6
Precision Machinery	33.1	**42.8**	+9.7	32.9	**41.8**	+8.8	2.1	**4.5**	+2.4
Others	20.2	**16.9**	-3.3	16.7	**17.4**	+0.6	0.7	**0.6**	-0.0
Eliminations and corporate d	-	**-**	-	-	**-**	-	-1.9	**-0.6**	+1.3
Total	258.6	**272.5**	+13.9	339.8	**335.3**	-4.5	15.9	**4.9**	-11.0

d “Eliminations and corporate” includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

Details of change in profit – FY20161Q vs. FY20171Q -

Operating Profit

-11.0

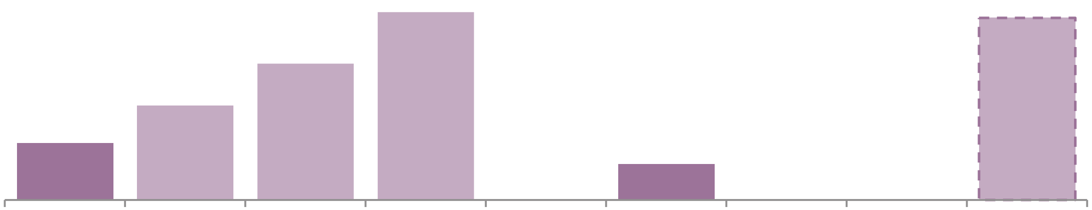


Summary of Income Statement

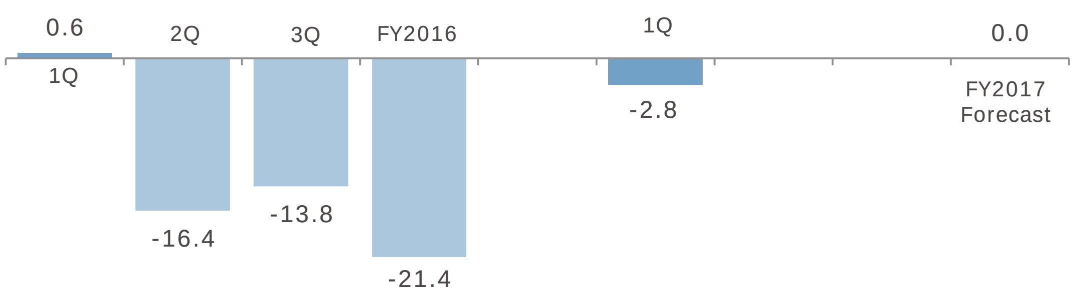
(Billion Yen)

			FY2016.1Q		FY2017.1Q
< Operating Income >	**-**	**11.0**	**(15.9**	**→**	**4.9)**
Net sales	-	4.5	(339.8	→	335.3)
Cost of sales	+	3.9	(280.2	→	284.1)
Selling, general & administrative expenses	+	2.5	(43.7	→	46.2)
- Salaries and benefits	+	0.5	(12.0	→	12.6)
- R&D expenses	+	0.0	(9.4	→	9.4)
< Non-operating Income / Expenses >	**+**	**10.7**	**(-10.2**	**→**	**0.5)**

Net Inte0est expense (incl. ee7.1QNe.41

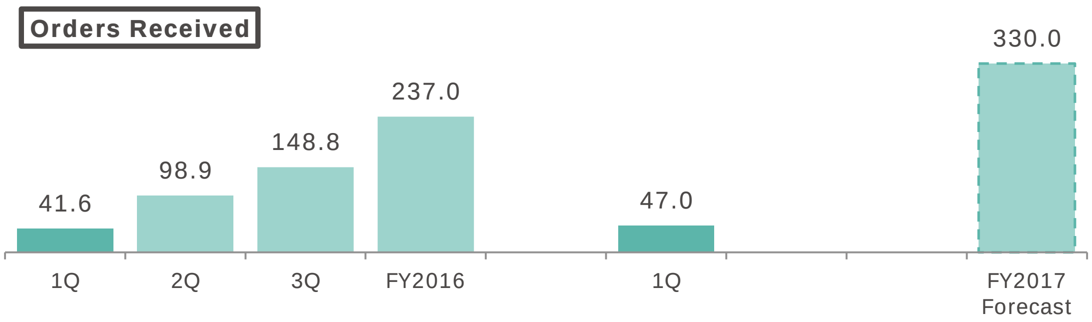


Operating Income



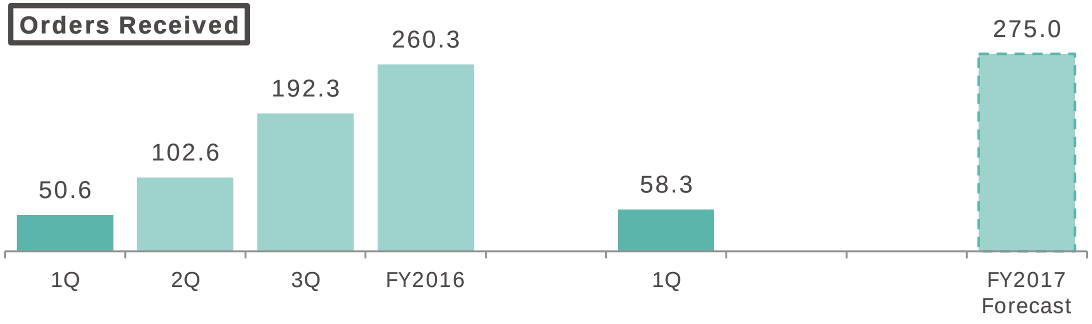
Aerospace

Main Products : Aircrafts for Japan Ministry of Defense, Component parts for commercial aircrafts, Commercial helico73



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



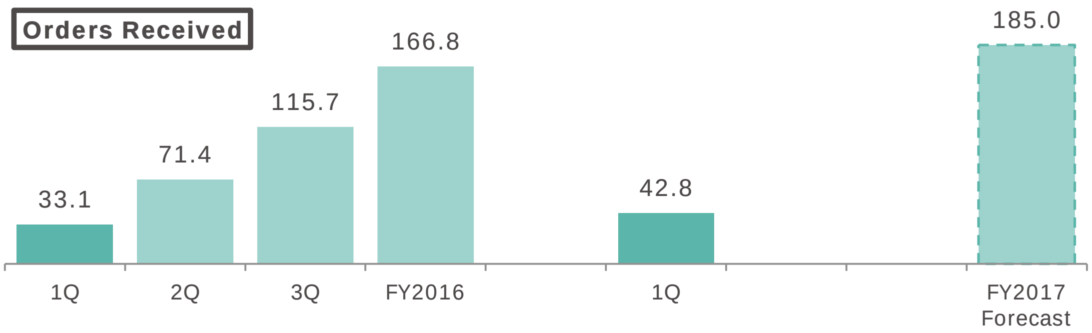
Motorcycle & Engine

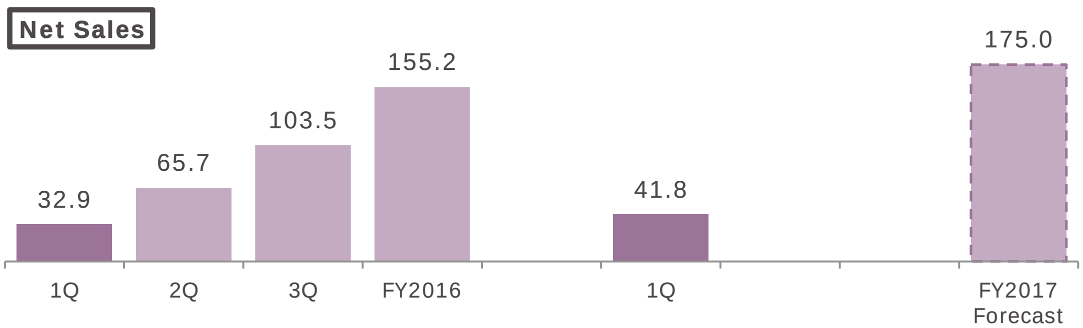
Main Products: Motorcycles, Utility Vehicles, All-Terrain Vehicles(ATVs), Personal Watercraft(PWC),

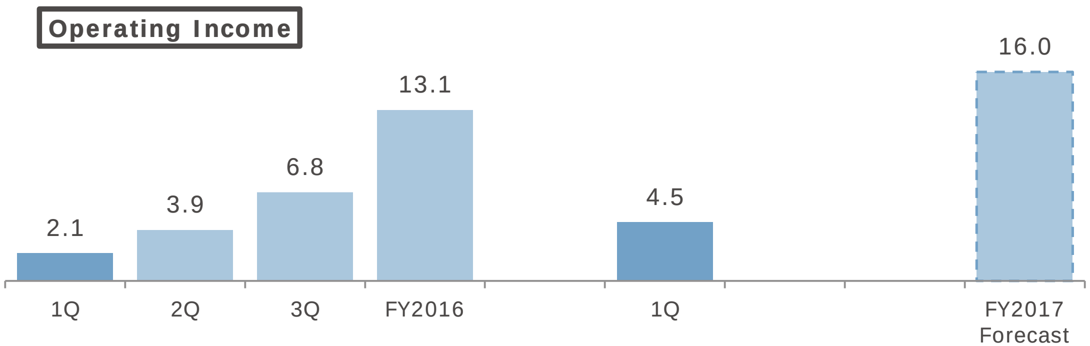
Precision Machinery

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







FY2017.1Q

(vs. FY2016.1Q)

Orders Received : Increased due to increase in hydraulic components for construction machinery

Net Sales : Increased due to increase in hydraulic components for construction machinery and various industrial robots, and other factors

Operating Income: Increased

	End of Mar. 2017	**End of Jun. 2017**	Change
Cash on hand and in banks	55.3	**48.2**	-7.1
Trade receivables	444.6	**445.7**	+1

Consolidated Operating Performance

	FY2016 Actual	**FY2017 Forecast**	Change
Orders Received	1,348.7	**1,560.0**	+211.3
Net Sales	1,518.8	**1,550.0**	+36.2
Operating Income	45.9	**58.0**	+12.1
Recurring Profit	36.6	**51.5**	+14.9
Net Income Attributable to Owners of Parent	26.2	**36.0**	+9.8
Before-			

Forecast by Segment

No changes in the forecast for FY2017 from April 27, 2017.

(Billion Yen)

	Orders Received			Net Sales			Operating Income		
	FY2016 Actual	**FY2017 Forecast**	Change	FY2016 Actual	**FY2017 Forecast**	Change	FY2016 Actual	**FY2017Forecast**	Change
Ship & Offshore Structure	36.9	**55.0**	+18.1	103.2	**100.0**	-3.2	-21.4	**0.0**	+21.4
Rolling Stock	158.5	**190.0**	+31.5	137.1	**150.0**	+12.9	3.4	**5.5**	+2.1
Aerospace	237.0	**330.0**	+93.0	329.9	**325.0**	-4.9	25.0	**13.0**	-12.0
Gas Turbine & Machinery	260.3	**275.0**	+14.7	241.9	**265.0**	+23.1	15.2	**11.0**	-4.2
Plant & Infrastructure	95.0	**110.0**	+15.0	160.8	**125.0**	-35.8	2.6	**3.5**	+0.9
Motorcycle & Engine	313.0	**330.0**	+17.0	313.0	**330.0**	+17.0	11.7	**13.0**	+1.3
Precision Machinery	166.8	**185.0**	+18.2	155.2	**175.0**	+19.8	13.1	**16.0**	+2.9
Others	80.9	**85.0**	+4.1	77.4	**85.0**	+7.6	3.1	**4.0**	+0.9
Eliminations and corporate[d]	-	**-**	-	-	**-**	-	-7.0	**-8.0**	-1.0
Total	1,348.7	**1,560.0**	+211.3	1,518.8	**1,555.0**	+36.2	45.9	**58.0**	+12.1

d “Eliminations and corporate” includes some expenses incurred at Head Office which were not allocated to each industry segment for internal reporting

R&D / CAPEX / Number of Employees

No changes in the forecast for FY2017from April 27, 2017.

(Billion Yen / Persons)

		FY2015 Actual	FY2016 Actual	**FY2017 Forecast**
R&D Expenses		43.6	43.6	**48.0**
CAPEX (Construction Base)		76.3	82.7	**99.0**
Depreciation & Amortization		49.0	51.5	**53.0**
	Domestic	25,897	26,348	**27,300**
	Overseas	8,708	8,779	**9,100**
Number of Employees		34,605	35,127	**36,400**

>/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.

Historical Data