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In fiscal 2016 (the twelve months ended March 31, 2017), the global economy continued to grow modestly, with growth centered on the U.S., where the real economy remains strong. On the other hand, the global economy is relatively lacking in vigor due to languishing crude oil prices, the economic slowdown in emerging countries and resource-rich countries and other factors. In addition, future prospects for the real economy have become increasingly uncertain as a result of factors including the turmoil in international financial markets due to Brexit, concerns about an expansion of protectionist policies and other factors. Going forward, these risks with the potential to drag down the global economy must continue to be watched.

The Japanese economy remains at a standstill due to the deterioration in the external demand environment, lackluster personal consumption and other factors. Going forward, the economy is expected to grow modestly overall due to steady improvement in the income and employment environments, but there is a possibility that economic policies enacted by countries around the world, especially the U.S., geopolitical risks in the Middle East and the Korean Peninsula and other factors could result in both rapid and significant fluctuations in foreign exchange rates. As a result, foreign exchange rates must continue to be watched carefully.

Amid such an operating environment, the Group's orders received in fiscal 2016 declined from the previous fiscal year, mainly in the Aerospace, Ship & Offshore Structure and Plant & Infrastructure segments. Net sales during fiscal 2016 were on par with the same period of the previous fiscal year overall as increases in sales in the Plant & Infrastructure and Precision Machinery segments were offset by the impact of the yen's appreciation, the assignment of the construction machinery business during the previous fiscal year, and other factors. There was a decline in operating income, recurring profit, and profit attributable to owners of parent due to a deterioration in the Ship & Offshore Structure segment and a decline in profits in the Aerospace segment and other segments.

As a result, the Group's consolidated orders received declined ¥344.9 billion from the same period of the previous fi

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Consolidated orders received increased ¥33.6 billion year on year to ¥166.8 billion due to an increase in orders for hydraulic components for construction machinery and various industrial robots, along with other factors.

Consolidated net sales increased ¥22.1 billion year on year to ¥155.2 billion due to an increase in sales of hydraulic components for construction machinery and various industrial robots, along with other factors.

Consolidated operating income increased ¥4.5 billion year on year to ¥13.1 billion due to the increase in sales.

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Consolidated net sales fell ¥31.4 billion year on year to ¥77.4 billion due to the assignment of the construction machinery business in the same period of the previous fiscal

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