

## Consolidated Financial Results Overview

2017 Consolidated Financial Results

(¥million)

	2016fiscal year ①	2017fiscal year ②	Comparison with the previous period	
			②-①	Rate of change
Sales	17,222	21,752	+4,529	26.3%
Operating Profit	1,565	1,559	△8	△0.4%
Ordinary Profit	1,833	1,868	+34	1.9%
Net Income devolved to the shareholders of parent company	1,068	1,508	+439	41.1%

(Note)

•In the fiscal year 2017, Contribution for the achievement of SEITAN newly subsidised from January 2017 is included in the fiscal 2017. SEITAN's Contribution Amount; for Sales amount is 3,348 mill. Yen and Profit amount is 180mill Yen.

•Investment gains on sale for valuable securities of 305 mill Yen and Investment gains for equity transfer of 102 mill.Yen are being appropriated as extraordinary profit in fiscal 2017. On the other hand, we add the related company's reiquidation loss of 58 mill.Yen as extraordinary loss by the evacuation of the subsidiary company in China

**【Year-end dividend】** 17.0 ¥ (17.0 ¥/annual, Comparison with the previous period ; +3.0 ¥)

2018 Business Forecast

(¥million)

	2017fiscal year ①	2018fiscal year			Comparison with the previous period	
		first half	The second half	Year outlook ②	②-①	Rate of change
Sales	21,752	11,200	11,000	22,200	+447	2.1%
Operating Profit	1,559	950	800	1,750	+190	12.2%
Ordinary Profit	1,868	1,050	900	1,950	+81	4.4%
Net Income devolved to the shareholders of parent company	1,508	650	700	1,350	△158	△10.5%

(Outlook points of 2018 fiscal year)

1. For the sales, we forecast the overall increased income in the forging business stated below; (i) we forecast that the domestic passenger and commercial vehicles are moving steady flat.. (ii) as for the heavy construction machinery are firmly solid. (iii) Expectation of new parts' start up of production in Thai subsidiary company.

2. As for the Profit and Loss point of view, We forecast profit increase until at the stage of ordinary profit by the sales amount increase. But dividend receipt is decreased due to the share buy-out in the previous term. Net profit of this term is estimated decrease by the run-out of the special causes appropriated in the previous period ( stated in the notes referred to the 2017's consolidated statement.)

3. Our forecasted Thai Baht exchange rate in 2018 fiscal year is 3.35 ¥ /Thai Baht. (▲0.11 ¥/Baht compared with actual result in 2017).

## 1.Sales amount and operating profit By the Segments.

(¥million)

		2016fiscal year ①	2017fiscal year ②	Comparison with the previous period	
				②－①	Rate of change
Forging business	Sales	13,813	18,041	+4,227	30.6%
	Operating Profit	1,414	1,498	+84	6.0%
Scaffolding parts business	Sales	2,293	2,094	△199	△8.7%
	Operating Profit	402	279	△123	△30.7%
Logistics products business	Sales	951	1,439	+488	51.3%
	Operating Profit	71	89	+18	25.3%
Real estate business	Sales	164	176	+12	7.6%
	Operating Profit	72	85	+13	18.2%
Segments total	Sales	17,222	21,752	+4,529	26.3%
	Operating Profit	1,906	1,953	△7	△0.4%
Corporate expenses		△394	△394	0	—
Operating Profit on P/L Account		1,565	1,559	△6	△0.4%

(Note) Achievement result of SEITAN subsidized in January 2017, is appropriated in the forging business.

## 2.Breakdown of forging business

### ①Sales amount By the country

(¥million)

	2015fiscal year ①	2016fiscal year ②	Comparison with the previous period	
			②－①	Rate of change
Domestic sales amount	7,550	11,485	+3,934	52.1%
Thailand sales amount	6,262	6,556	+293	4.7%
Total	13,813	18,041	+4,227	30.6%
(Reference) Thai Baht exchange rates(1Baht:¥)	3.25¥/Baht	3.46¥/Baht	398 mil.Yen among the Thai sales increase is caused by the Baht appreciation.	

### ②Sales amount By the industry. (Note) we perform a part of review for the usage classification and we amend a part of results in the previous term.

	2016fiscal year ①	2017fiscal year ②	Comparison with the previous period	
			②－①	Rate of change
Automotive industry	10,123	13,553	+3,429	33.9%
Construction machinery industry	3,690	4,488	+798	21.6%
Total	13,813	18,041	+4,227	30.6%

※Sales amount for Automotive industry includes for passenger vehicles, commercial vehicles, trucks and forklifts.

※Sales amount for Construction machinery industry includes for Industrial machines and Scaffolding parts.

### 3.Non-operating income breakdown

(¥million)

	2016fiscal year ①	2017fiscal year ②	Comparison with the previous period	
			②-①	Rate of change
Non-operating income	314	372	+57	0.5%
Interest income	42	40	△1	△12.0%
Dividend income	141	201	+59	△4.0%
Steel scrap selling income	20	26	+5	+14.0%
Others	109	103	△6	+10.8%
Non-operating expense	46	63	+16	+71.0%
Interest expense	6	9	+2	△12.8%
Dies disposal loss	29	47	+18	+103.1%
Others	10	5	△4	△102.4%

(Note) The above dividend receipt from the joint venture company which shares has been transferred to the another shareholder in 2017 is included..(Rference) Dividend receiving amount in 2016 year was 37 mil.¥. and dividend receiving amount in 2017 was 76 mil.¥.

(Note) As for the increase factor of Die Disposal loss is included by the sum-up of the SEITAN which joined in our group.

### 4.Breakdown of capital investment and depreciation

(¥million)

	2016fiscal year ①	2017fiscal year ②	Comparison with the previous period		2018 fiscal year (initial projection)
			②-①	Rate of change	
Amount of capital investment	2,076	1,174	△902	△43.5%	1,150
(As for forging business.)	(860)	(1,144)	(283)	+32.9%	(1,000)
Depreciation implementation Amount	1,039	1,153	113	+10.9%	1,150

#### ◎ Major contents of capital investment in fiscal 2017.

- ① New installation of Axle Shaft Line NO.3 and modification of existing lines in the Thai subsidiary company in forging business. : 306mill. Yen.
- ② Renewal of roof for the domestic factory's in forging business( included changing to LED-lights) : 291 mill.Yen.
- ③ Equipment repair woks in domestic and overseas' forging factories etc. : 577 mill. Yen.

#### ◎ Major contents of capital investment in fiscal 2018.

- ① Renewal of Axle Shaft Machining Line in Thai subsidiary company in forging business. : 170 mill. Yen
- ② Expansion works of Tsukuba iquipment center in scaffolding business ( Obtaining of the land included). : 150 mill. Yen
- ③ Equipment repair woks in domestic and overseas' forging factories etc.: 830 mill. Yen