

Consolidated Financial Results Overview

2015 Consolidated Financial Results

(¥million)

	2014fiscal year ①	2015fiscal year ②	Comparison with the previous period	
			②-①	Rate of change
Sales	20,115	16,559	△3,556	△17.7%
Operating Profit	1,690	1,307	△383	△22.7%
Ordinary Profit	2,152	1,593	△558	△26.0%
Net Income devolved to the shareholders of parent company ※	1,386	1,216	△170	△12.3%

(Note)

•Financial results in 2014 is retroactively adjusted due to the changes of the display method. →

Profit on sales of scrap for manufacturing process has been moved from non-operating income to cost of sales return.

* Previous operating profit in 2014 was 1,358 Million ¥, ⇒ After adjustment, 1,690 Million ¥

•We have recorded 1) Extraordinary profit of 297 Million ¥ for the disposition of Claims provable in rehabilitation from bankruptcy, and

2) Extraordinary loss of 145 Million ¥ for the flood damage in 2015 fiscal year.

【Year-end dividend】 14.0 ¥ (14.0 ¥/annual, Comparison with the previous period ; +0.0 ¥)

2016 Business Forecast

* In addition to the above dividend, we acquire the treasury stock as a part of returns to the shareholders.

•Acquisition share total : 1,600,000 shares (Upper limit)

•Acquisition amount : 1,000,000,000 ¥ (Upper limit)

•Acquisition period : 15, Feb. 2016 – 14, Feb. 2017.

(Reference)Current acquisition status at 31, Mar. 2016 : 176,700 shares.(Acquired shares), 112,937,170¥(Acquired amount)

(¥million)

	2015fiscal year ①	2016fiscal year			Comparison with the previous period	
		first half	The second half	Year outlook ②	②-①	Rate of change
Sales	16,559	8,100	8,000	16,100	△459	△2.8%
Operating Profit	1,307	600	500	1,100	△207	△15.9%
Ordinary Profit	1,593	650	650	1,300	△293	△18.4%
Net Income devolved to the shareholders of parent company ※	1,216	400	450	850	△366	△30.1%

(Outlook points of 2016)

1. As for sales in forging business forecasts a reduction of 500 million ¥ less compared with previous year by th

i) Heavy construction machinery continues to expect a weak market.ii) Market recovery delays in Thailand.

As for profit in operating profit, it becomes a decrease in profit due to the sales decreasing and scrap unit price decline, etc.

And net income expects to decrease 400 million ¥ less compared with previous term due to the run out of the previous profit

factor which disposed the disposition of Claims provable in rehabilitation from bankruptcy in 2015.

2. Thai Baht exchange rate in 2016 is planned 3.2¥/Baht. (△0.15¥/Baht compared with actual exchange results in 2015)

1.Sales amount and operating profit By the Segments.

(¥million)

		2014fiscal year ①	2015fiscal year ②	Comparison with the previous period	
				②—①	Rate of change
Forging business	Sales	15,393	12,981	△2,411	△15.7%
	Operating Profit	1,311	1,104	△207	△15.8%
Scaffolding parts business	Sales	3,439	2,408	△1,031	△30.0%
	Operating Profit	591	429	△161	△27.4%
Logistics products business	Sales	1,141	1,042	△99	△8.7%
	Operating Profit	52	76	+23	+45.5%
Real estate business	Sales	140	127	△13	△9.4%
	Operating Profit	67	53	△13	△20.7%
Segments total	Sales	20,115	16,559	△3,556	△17.7%
	Operating Profit	2,023	1,664	△359	△17.8%
Corporate expenses		△332	△356	△23	—
Operating Profit on P/L Account		1,690	1,307	△383	△22.7%

(Note) Results in 2014 are retroactively adjusted due to the changes of display method.

2.Breakdown of forging business

①Sales amount By the country

(¥million)

	2014fiscal year ①	2015fiscal year ②	Comparison with the previous period	
			②—①	Rate of change
Domestic sales amount	7,470	6,341	△1,129	△15.1%
Thailand sales amount	7,922	6,640	△1,281	△16.2%
Total	15,393	12,981	△2,411	△15.7%
(Reference) Thai Baht exchange rates(1Baht:¥)	3.65円	3.35円		

②Sales amount By the industry

	2014fiscal year ①	2015fiscal year ②	Comparison with the previous period	
			②—①	Rate of change
Automotive industry	11,078	9,650	△1,427	△12.9%
Construction machinery industry	4,315	3,330	△984	△22.8%
Total	15,393	12,981	△2,411	△15.7%

※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)

	2014fiscal year ①	2015fiscal year ②	Comparison with the previous period	
			②－①	Rate of change
Non-operating income	557	313	△244	△43.8%
Interest income	52	48	△4	△8.8%
Dividend income	298	147	△150	△50.5%
Steel scrap selling income	30	18	△12	△41.5%
Others	175	99	△76	+40.2%
Non-operating expense	97	27	△69	△1.3%
Interest expense	7	7	0	△13.6%
Severance benefit expense	69		△69	—
Dies disposal loss	14	14	0	+20.9%
Others	4	5	0	△34.8%

(Note)•Dividend income in 2014 includes an extraordinary dividend from the joint venture company.

•Profit on sales of scrap for generating the manufacturing process has been changed from non-operating income to cost of sales ret and retroactively amended in2014 year.

4.Breakdown of capital investment and depreciation

(¥million)

	2014fiscal year ①	2015fiscal year ②	Comparison with the previous period		2016 fiscal year (initial projection)
			②－①	Rate of change	
Amount of capital investment	1,251	2,372	+1,121	+89.6%	1,800
(As for forging business.)	(1,204)	(1,573)	(+369)	+30.7%	(700)
Depreciation implementation Amount	1,028	997	△31	△3.1%	1,000

◎ Major contents of capital investment in fiscal 2015.

1. Land acquisition of Kita-Kanto-Material center in Scaffolding parts business.
2. New machining line for the Thai subsidiary company in forging business.
3. Expansion of Thai die-making factory in forging business.
4. New photovoltaic equipment. * Appropriated in the real estate business.
5. Equipment repair works in domestic forging factories and overseas factories.

◎ Major contents of capital investment in fiscal 2016 year.

1. Land acquisition of Sagami-hara-material center in scaffolding parts business.(Prepaid amount included)
2. New equipment acquisition of Kita-Kanto-Material center in scaffolding parts business.
3. Equipment repair works in domestic forging factorys and overseas factorys.