

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.