

Consolidated Financial Results Overview

2016 fiscal year second quarter cumulative (first half)

(Amounts less than one million yen are rounded down.)

(¥million)

	2015 fiscal year (first half) ①	2016 fiscal year (first half) ②	year-on-year increase decrease			Previous announcement on May 13	
			②-①	Rate of change	Except the influence of Thai Baht	first half ③	Change ②-③
Sales	8,951	7,860	△1,091	△12.2%	△368	8,100	△239
Operating Profit	756	758	+2	0.3%	+102	600	+158
Ordinary Profit	928	826	△101	△11.0%	△4	650	+176
Net profit	468	539	+71	15.2%	+104	400	+139

Thai baht
Exchange rate

3.64¥/baht 2.93¥/baht

3.20¥/baht

(Note) In the first half of 2015, we have recorded extraordinary loss of 104 million ¥ due to flooded damage.

2016 Business Forecast

(¥million)

	2015 fiscal year ①	2016 fiscal year			Change on 1st/2nd half ③-②	Change on year ④-①	Previous announcement on May 13	
		first half ②	The second half outlook ③	Year outlook ④			2016 fiscal year ⑤	Change ④-⑤
Sales	16,559	7,860	8,239	16,100	+379	△459	16,100	—
Operating Profit	1,307	758	341	1,100	△417	△207	1,100	—
Ordinary Profit	1,593	826	473	1,300	△353	△293	1,300	—
Net profit	1,216	539	310	850	△229	△366	850	—

(Note) Sales result of the first half of FY 2016 was lower than the forecast, but the profit of each stages were exceeded the forecast. The business forecast for fiscal 2016 is currently under review as to the impact on the consolidated business result of “ Notice on acquisition of shares of Seitan Co., Ltd. (Making it a Subsidiary)” as disclosed today, so the revision of forecast for the earnings was not done at this moment.

In the future, we will promptly disclose the revised forecast of earnings in the cases when the necessity of revision forecast has taken place and the matters to be announced has taken place.

1.Sales amount and operating profit By the Segments.

(¥million)

		2015fiscal year			2016fiscal year	year-on-year increase decrease	
		First half ①	Second half			First half ②	②-①
Forging business	Sales	6,928	6,053	12,981	6,022	△906	△13.1%
	Operating Profit	612	491	1,104	681	+68	11.2%
Scaffolding parts business	Sales	1,416	991	2,408	1,208	△208	△14.7%
	Operating Profit	249	179	429	206	△42	△17.2%
Logistics products business	Sales	546	495	1,042	555	+9	1.7%
	Operating Profit	42	33	76	54	+11	26.3%
Real estate business	Sales	60	67	127	74	+14	23.9%
	Operating Profit	28	25	53	32	+3	13.8%
Segments total	Sales	8,951	7,608	16,559	7,860	△1,091	△12.2%
	Operating Profit	933	730	1,664	974	+40	4.4%
Corporate expenses		△176	△179	△356	△215	△38	—
Operating Profit on P/L Account		756	551	1,307	758	+2	0.3%

(Note) Sales from the sell power of Photovoltaic power generating, that started operation in January 2016 are included in the “ Real estate Business” .

2.Breakdown of forging business

①Sales amount By the country

(¥million)

	2015fiscal year				2016fiscal year		year-on-year increase decrease	
	First half ①	Second half	2015fiscal year	ratio	First half ②	ratio	②-①	Rate of change
Domestic sales amount	3,259	3,081	6,341	48.8%	3,038	50.5%	△220	△6.8%
Thailand sales amount	3,669	2,971	6,640	51.2%	2,983	49.5%	△686	△18.7%
Total	6,928	6,053	12,981	100.0%	6,022	100.0%	△906	△13.1%
(Reference) Thai Baht exchange rates(1Baht:¥)	3.64¥	3.35¥	3.35¥		2.93¥			

②Sales amount By the industry

(¥million)

	2015fiscal year				2016fiscal year		year-on-year increase decrease	
	First half ①	Second half	2015fiscal year	ratio	First half ②	ratio	②-①	Rate of change
Automotive industry	5,003	4,231	9,235	71.1%	4,236	70.4%	△766	△15.3%
Construction machinery industry	1,924	1,821	3,745	28.9%	1,785	29.6%	△139	△7.2%
Total	6,928	6,053	12,981	100.0%	6,022	100.0%	△906	△13.1%

※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)

	2015fiscal year		2016fiscal year	year-on-year increase decrease		
	First half	Second half		2016fiscal year	year-on-year increase decrease	
	①					First half
Non-operating income	182	130	313	114	△67	△37.2%
Interest income	29	18	48	19	△9	△33.3%
Dividend income	89	58	147	48	△40	△46.0%
Steel scrap selling income	9	8	18	6	△2	△29.4%
Others	54	44	99	40	△14	△26.3%
Non-operating expense	10	17	27	46	+36	+350%
Interest expense	3	3	7	3	0	△17.4%
Dies disposal los	5	8	14	5	0	△1.5%
Exchange loss				34	+34	—
Others	0	4	5	3	+3	+430%

(Note) Dividend income of the first half of fiscal 2015 includes special dividend from the joint-venture company.

※The dividend from the joint-venture company will be received after the third quarter in this term.

(Note) From FY 2015, gain on sales of scraps generated during the manufacturing process have been changed from the non-operating income to the cost of sales return.

4.Breakdown of capital investment send depreciation

(¥million)

	2015fiscal year		2016fiscal year	year-on-year increase decrease		2016fiscal year	
	First half	Second half		2016fiscal year	year-on-year increase decrease		
	①						First half
Amount of capital investment	1,160	1,212	2,372	1,441	+281	24.2%	1,950
(Forging division)	(1,067)	(397)	(1,464)	(457)	(△610)	△57.2%	(800)
Depreciation implementation Amount	517	479	997	443	△73	△14.2%	930

(Note) Major items of capital investment in the first half of FY 2016 are as follows:

1. Acquisition of land (Already paid portion included) for Construction Machinery Business of Sagamihara Machinery Materials Center: 978 million ¥ (66 million ¥ invested in 2015 year.)
2. Thai subsidiary company of Siam Metal Technology Co., Ltd. (SMT): Add on the power receiving facility: 202 million ¥, (86 million ¥ was invested in 2015 year.)
3. SMT forging tool (Dies): 109 million ¥ etc.

(Note) Capital Investment Amount of FY2016 was announced on May 13, 2016 in the “Supplementary Explanation Materials for Fiscal year ending March 2016”, but changed as follows ;This is due to the review of plans for facility repair works etc. at the domestic and overseas’ forging plants.

* Capital investment amount in FY 2016: 1,800 million ¥ announced on May 13, 2016.
This time announced 1,950 million ¥, (+150 million ¥ compared from last time)

(Note) Acquisition amount of 387 million ¥ for the “ Notice on Acquisition of Stock of Seitan Co., Ltd. (Making it a Subsidiary)” as disclosed today is not included in the above investment amount.