

Consolidated Financial Results Overview

2017 fiscal year second quarter cumulative (first half)

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

(¥million)

	2016 fiscal year (first half) ①	2017 fiscal year (first half) ②	year-on-year increase decrease			Previous announcement on May 15	
			②-①	Rate of change	Except the influence of Thai Baht	first half ③	Change ②-③
Sales	7,860	10,199	+2,339	29.8%	+2,009	10,100	+99
Operating Profit	758	755	△3	△0.5%	△40	800	△44
Ordinary Profit	826	860	+33	4.1%	△6	900	△39
Quarterly net profit belong to shareholders of parent company	539	519	△20	△3.8%	△49	500	+19

Thai baht
Exchange rate

2.93¥/baht 3.30¥/baht

3.16¥/baht

(Note) • In the first half of fiscal 2017, contribution (Sales: 2,255 mil.¥, Sales Profit: 140 mil.¥) of Seitan newly subsidised from January this year is
• In the first half of fiscal 2017, due to evacuation of Shanghai Nittan 100% owned subsidiary company in China, we added the extraordi
loss of 42 mil.¥ for subsidiary company's liquidation loss reserve provision amount as associated expense.

2017 Business Forecast

(¥million)

	2016 fiscal year ①	2017 fiscal year				Change on year ④-①	Previous announcement on May 15	
		First half result	First half announced ②	Second half outlook ③	Year outlook ④=②+③		2017 fiscal year ⑤	Change ④-⑤
Sales	17,222	10,199	10,100	10,300	20,400	3,177	20,400	—
Operating Profit	1,565	755	800	900	1,700	134	1,700	—
Ordinary Profit	1,833	860	900	950	1,850	16	1,850	—
Annual net profit belong to shareholders of parent company	1,068	519	500	700	1,200	131	1,200	—

(Note) • The result of 2017 first half is nearly kept as a forecast at the beginning of fiscal year. As for the outlook of second half, it is forecasted as generally profit-increase compared to first half, while each subsidiary companies are increase or decrease compared to first half.
Judging from the above, annual outlook is not changed for the business results announced on 15, May 2017.
From now on, in case of occurring the matter which should be announced for the correction of business results, we will promptly disclose.

1.Sales amount and operating profit By the Segments.

(¥million)

		2016fiscal year			2017fiscal year	year-on-year increase decrease	
		First half ①	Second half			First half ②	②-①
Forging business	Sales	6,022	7,791	13,813	8,514	+2,491	41.4%
	Operating Profit	681	732	1,414	717	+35	5.3%
Scaffolding parts business	Sales	1,208	1,085	2,293	1,075	△132	△11.0%
	Operating Profit	206	195	402	168	△38	△18.6%
Logistics products business	Sales	555	396	951	522	△33	△6.0%
	Operating Profit	54	17	71	14	△39	△72.7%
Real estate business	Sales	74	89	164	88	+13	18.2%
	Operating Profit	32	40	72	45	+13	41.6%
Segments total	Sales	7,860	9,362	17,222	10,199	+2,339	29.8%
	Operating Profit	974	986	1,960	945	△28	△2.9%
Corporate expenses		△215	△179	△394	△190	+24	—
Operating Profit on P/L Account		758	806	1,565	755	△3	△0.5%

(Note) The result of Seitan, wholly owned subsidiary company as from January this year is added on the Forging business.

2.Breakdown of forging business

①Sales amount By the country

(¥million)

	2016fiscal year				2017fiscal year		year-on-year increase decrease	
	First half ①	Second half	2015fiscal year	ratio ③	First half ②	ratio ④	②-①	Rate of change ④-③
Domestic sales amount	3,038	4,511	7,550	54.7%	5,571	65.4%	+2,532	10.8%
Thailand sales amount	2,983	3,279	6,262	45.3%	2,942	34.6%	△40	△10.8%
Total	6,022	7,791	13,813	100.0%	8,514	100.0%	+2,491	—
(Reference) Thai Baht exchange rates(1Baht:¥)	2.93円	3.25円	3.25円		3.30円			

②Sales amount By the industry

(¥million)

	2016fiscal year				2017fiscal year		year-on-year increase decrease	
	First half ①	Second half	2015fiscal year	ratio ③	First half ②	ratio ④	②-①	Rate of change ④-③
Automotive industry	4,359	5,757	10,116	73.2%	6,415	75.3%	+2,056	2.1%
Construction machinery industry	1,663	2,034	3,697	26.8%	2,098	24.7%	+435	△2.1%
Total	6,022	7,791	13,813	100.0%	8,514	100.0%	+2,491	—

※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.

Note: By reviewing the usage of industries, we amended the sales amount sharing. The previous term was amended as well.

3.Non-operating income breakdown

(¥million)

	2016fiscal year			2017fiscal year	year-on-year increase decrease	
	First half	Second half	Annual	First half	②-①	Rate of change
	①			②		
Non-operating income	114	200	314	138	+24	21.3%
Interest income	19	22	42	20	+1	5.7%
Dividend income	48	93	141	63	+15	31.8%
Steel scrap selling income	6	13	20	13	+6	100.1%
Exchange gain	0	0	0	7	+7	—
Others	40	69	109	33	△6	△16.4%
Non-operating expense	46	0	46	33	△13	△28.0%
Interest expense	3	3	6	4	+1	46.1%
Dies disposal loss	5	23	29	25	+19	350.0%
Exchange loss	34	△31	2	0	△34	—
Others	3	4	8	3	±0	△7.9%

(Note) Dividend income of second half of fiscal 2016 includes the joint-venture company.

(Note) As for the increase factor of dies disposal loss, it is included the sum-up of newly joined Seitán in our group.

4.Breakdown of capital investment and depreciation

(¥million)

	2016fiscal year			2017fiscal year	year-on-year increase decrease		2017fiscal year (this time)
	First half	Second half	Annual	First half	②-①	Rate of change	
	①			②			
Amount of capital investment	1,441	635	2,076	752	△688	△47.8%	1,200
(Forging division)	(457)	(403)	(860)	(750)	(+293)	64.2%	(1,150)
Depreciation implementation Amount	443	595	1,039	546	+102	23.2%	1,150

(Note) Major items of capital investment in the first half of FY 2017 are as follows;

1. Factory building repair works of Takahagi plant: 273 mil.¥ (2016 year's investment of 138mil.¥ included)
2. Newly added the axle shaft No.3 line and repair works on the current lines of Siam Metal Technology Co., Ltd. (SMT) in Thailand.
: 201 million ¥,
3. SMT forging tools (Dies): 169 million ¥ etc.

(Note) Capital Investment Amount of FY2017 was announced on May 15, 2017 in the “Supplementary Explanation Materials for Fiscal year ending March 2017”, 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 2017: 1,200 mil.¥ announced on May 15, 2017: No change, .
In details of Forging business: 700 mil.¥ announced on May 15, 2017, →1,150 Mil.¥