

Consolidated Financial Results Overview

2019 fiscal year second quarter cumulative(first half)

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

(¥million)

	2018fiscal year (first half) ①	2019fiscal year (first half) ②	year-on-year increase decrease			Previous announcement on May 15	
			②-①	Rate of change	Except influence of Thai Baht	first half ③	Change ②-③
Sales	11,468	10,205	△1,262	△11.0%	△1,427	10,400	△194
Operating Profit	865	480	△384	△44.5%	△400	550	△69
Ordinary Profit	1,030	634	△395	△38.4%	△413	700	△65
Quarterly net profit belong to shareholders of parent company	662	727	+65	9.9%	+54	850	△122
Thai baht Exchange rate	3.33¥/baht	3.51¥/baht				3.35¥/baht	

(Note) Profit attributable to shareholders of parent company for first half of fiscal 2019 includes tax effect of 381 Million Yen associated with the merger of JMT, a wholly owned subsidiary company.

2019Business Forecast

(¥million)

	2018fiscal year ①	2019 fiscal year				Change on year ④-①	Previous announcement on May 15	
		First half result	First half announced ②	Second half outlook ③	Annual outlook ④		2019fiscal year ⑤	Change ④-⑤
Sales	22,769	10,205	10,400	10,700	21,100	△1,669	21,100	—
Operating Profit	1,722	480	550	600	1,150	△572	1,150	—
Ordinary Profit	1,999	634	700	750	1,450	△549	1,450	—
Net Income devolved to the shareholders of parent company	1,317	727	850	500	1,350	+32	1,350	—

(Note) The results of first half of fiscal 2019 is slightly behind the forecast. Annual business outlook announced on 15, May, 2019 is not changed while the outlook of second half is forecasted a severe environment surrounding for our company.

In case of occurring the matters of which should be announced for the correction of business results, we will promptly disclose.

As for the profit attributable to shareholders of parent company, it is expected to forecast increase due to the tax effect associated with the merger of JMT, compared with previous term.

As for Thai Baht exchange rate, it is not changed 3.35Yen/Baht as we have estimated at the beginning of this term.

1.Sales amount and operating profit By the Segments.

(¥million)

		2018fiscal year			2019fiscal year	year-on-year increase decrease	
		First half ①	Second half		First half ②	②-①	Rate of change
Forging business	Sales	9,320	9,595	18,916	8,777	△542	△5.8%
	Operating Profit	827	856	1,684	549	△278	△33.6%
Scaffolding parts business	Sales	826	878	1,705	985	+158	19.2%
	Operating Profit	76	85	161	77	+1	2.1%
Logistics products business	Sales	1,233	740	1,974	356	△877	△71.1%
	Operating Profit	114	66	180	△2	△116	—
Real estate business	Sales	87	86	173	86	±0	△1.1%
	Operating Profit	42	38	81	43	+1	3.8%
Segments total	Sales	11,468	11,301	22,769	10,205	△1,262	△11.0%
	Operating Profit	1,060	1,047	2,108	669	△391	△36.9%
Corporate expenses		△195	△190	△386	△188	+6	—
Operating Profit on P/L Account		865	856	1,722	480	△384	△44.5%

2.Breakdown of forging business
①Sales amount By the country

(¥million)

	2018fiscal year				2019fiscal year		year-on-year increase decrease	
	First half ①	Second half	2018fiscal year	ratio	First half ②	ratio	②-①	Rate of change
Domestic sales amount	5,840	5,881	11,722	62.0%	5,551	63.2%	△289	1.3%
Thailand sales amount	3,479	3,714	7,193	38.0%	3,226	36.8%	△253	△1.3%
Total	9,320	9,595	18,916	100.0%	8,777	100.0%	△542	—
(Reference) Thai Baht exchange rates(1Baht:¥)	3.33¥/Baht	3.41¥/Baht	3.41¥/Baht		3.51¥/Baht			

②Sales amount By the industry

(¥million)

	2018fiscal year				2019fiscal year		year-on-year increase decrease	
	First half ①	Second half	2018fiscal year	ratio	First half ②	ratio	②-①	Rate of change
Automotive industry	7,032	7,163	14,196	75.0%	6,380	72.7%	△651	△2.4%
Construction machinery industry	2,287	2,432	4,719	25.0%	2,397	27.3%	+109	2.4%
Total	9,320	9,595	18,916	100.0%	8,777	100.0%	+806	—

※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)

	2018 fiscal year		2019 fiscal year	year-on-year increase decrease		
	First half	Second half		2019 fiscal year	Rate of change	
	①					②-①
Non-operating income	201	169	371	176	△25	△12.7%
Interest income	18	22	41	32	+14	+79.6%
Dividend income	65	62	128	66	±0	0.6%
Steel scrap selling income	21	19	40	10	△10	△48.7%
Exchange profit/loss		10	10	15	+15	—
Others	96	53	150	51	△45	△51.6%
Non-operating expense	36	56	93	21	△15	△41.1%
Interest expense	4	4	8	4	±0	△4.7%
Dies disposal loss	19	40	60	16	△2	△14.2%
Exchange loss	3	△3			△3	—
Others	9	14	24		△8	△93.9%

(Note) Non operating income & others in first half of 2018 includes the guaranty money receivable due to the production termination by the customer.

(Note) The reason of increase for the interest income is caused by the deposit rate increase in Thailand.

4.Breakdown of capital investment and depreciation

(¥million)

	2018fiscal year		2019fiscal year	year-on-year increase decrease		2019fiscal year	
	First half	Second half		2019 fiscal year	Rate of change		
	①						②-①
Amount of capital investment	493	505	999	717	+223	45.2%	1,400
(Forging division)	(333)	(470)	(803)	(701)	(+368)	110.4%	(1,400)
Depreciation implementation Amount	524	543	1,067	531	+6	1.3%	1,100

(Note) Major items of capital investment in first half of fiscal 2019 are;

① Expansion of Shaft machining line and renewal of the related equipments at Siam Metal Technology Co., Ltd(SMT) Thai subsidiary company in forging business :272 Million Yen.

(Total Investment 610Mill.Yen)

②Repair & Maintenance works for equipments in forging factories of Japan & Overseas.:173Million Yen.

③Tools of forging dies for SMT subsidiary company in Thailand. : 180Million Yen.

etc.

(Note) Capital investment amount of fiscal 2019 is stated in the "Consolidated Financial Results for Fiscal Year Ending March 31, 2019" dated on 15, May 2019.