

# FINANCIAL SUMMARY for FY2018 Second Quarter (April 1, 2017 - September 30, 2017)

## 1. Consolidated financial results

(Billion yen)

|   | FY2017 2nd Quarter          |               | FY2018 2nd Quarter          |               | Change       |      | FY2018 Forecast (April 2017-March 2018) |                              |                                |         |
|---|-----------------------------|---------------|-----------------------------|---------------|--------------|------|---|------------------------------|--------------------------------|---------|
|   | April 2016 - September 2016 |               | April 2017 - September 2017 |               | Amount       | %    | Current plan                            | Changes from previous year % | Previous plan (April 28, 2017) |         |
| Net sales                                   | Profit ratio                | 804.4         | Profit ratio                | 937.9         | 133.5        | 16.6 | Profit ratio                            | 1,950.0                      | 16.4                           | 1,850.0 |
| Operating profit                            | 7.6%                        | 60.9          | 8.2%                        | 77.0          | 16.1         | 26.3 | 7.4%                                    | 145.0                        | 13.9                           | 135.0   |
| Profit before income taxes                  | 10.9%                       | 87.6          | 11.8%                       | 110.3         | 22.7         | 25.9 | 10.5%                                   | 204.0                        | 12.1                           | 188.0   |
| Profit attributable to owners of the parent | 8.0%                        | 64.6          | 8.6%                        | 80.8          | 16.2         | 25.0 | 7.3%                                    | 142.0                        | 8.1                            | 130.0   |
| Earnings per share                          |                             | ¥206.10       |                             | ¥260.49       | ¥54.39       |      |   | ¥457.34                      |                                | ¥418.69 |
| Cash Dividends per share                    |                             | ¥60           |                             | ¥70           | ¥10          |      |   | ¥140                         |                                | ¥130    |
| Investments in tangible assets              |                             | 31.3          |                             | 46.9          | 15.6         | 49.7 |   | 120.0                        | 55.1                           | 120.0   |
| Depreciation                                |                             | 36.5          |                             | 37.5          | 1.0          | 2.7  |   | 76.0                         | 3.7                            | 76.0    |
| Total assets                                | (As of March 31, 2017)      | 4,558.2       | (As of September 30, 2017)  | 5,100.9       | 542.7        | 11.9 |   |                              |                                |         |
| Total net assets                            |                             | 2,316.4       |                             | 2,572.8       | 256.4        | 11.1 |   |                              |                                |         |
| Equity ratio                                |                             | 49.1%         |                             | 48.9%         |              |      |   |                              |                                |         |
| Consolidated subsidiaries                   |                             | 207 companies |                             | 252 companies | 45 companies |      |   |                              |                                |         |
| Exchange rate                               | ¥/US\$                      | 105           |                             | 111           | 6            |      | (October 2017 - March 2018)             |                              |                                | 105     |
|   | ¥/Euro                      | 118           |                             | 126           | 8            |      | 111 (110)                               |                              |                                | 105     |
|   |                             |               |                             |               |              |      | 126 (125)                               |                              |                                | 115     |

## 2. Segment information

Net sales / [Operating profit]

(Billion yen)

|                                       | FY2017 2nd Quarter          |         | FY2018 2nd Quarter          |         | Change   |      | FY2018 Forecast (April 2017-March 2018) |                              |                                |         |
|---------------------------------------|-----------------------------|---------|-----------------------------|---------|----------|------|---|------------------------------|--------------------------------|---------|
|                                       | April 2016 - September 2016 |         | April 2017 - September 2017 |         | Amount   | %    | Current plan                            | Changes from previous year % | Previous plan (April 28, 2017) |         |
| Sales distribution ratio              | Sales distribution ratio    |         | Sales distribution ratio    |         |          |      | Sales distribution ratio                |                              |                                |         |
| Vehicle                               | 4.3%                        | 34.7    | 3.8%                        | 35.3    | 0.6      | 1.7  | 3.7%                                    | 72.0                         | (1.6)                          | 72.0    |
| Engine                                | 5.6%                        | 45.2    | 5.0%                        | 46.8    | 1.6      | 3.7  | 5.1%                                    | 99.0                         | 9.9                            | 94.0    |
| Car air-conditioning compressor       | 20.5%                       | 164.9   | 18.2%                       | 170.4   | 5.5      | 3.4  | 17.9%                                   | 349.0                        | 4.3                            | 347.0   |
| Electronics parts, foundry and others | 3.7%                        | 29.8    | 3.6%                        | 34.3    | 4.5      | 15.0 | 3.4%                                    | 67.0                         | 3.5                            | 67.0    |
| Automobile total                      | 34.1%                       | 274.7   | 30.6%                       | 287.0   | 12.3     | 4.5  | 30.1%                                   | 587.0                        | 4.3                            | 580.0   |
|                                       |                             | [ 12.3] |                             | [ 19.4] | [ 7.1]   |      |   |                              |                                |         |
| Materials handling equipment          | 58.7%                       | 472.2   | 63.1%                       | 591.7   | 119.5    | 25.3 | 63.9%                                   | 1,246.0                      | 26.1                           | 1,156.0 |
|                                       |                             | [ 42.4] |                             | [ 51.2] | [ 8.8]   |      |   |                              |                                |         |
| Textile machinery                     | 3.6%                        | 28.5    | 3.2%                        | 30.0    | 1.5      | 5.1  | 3.0%                                    | 59.0                         | (11.0)                         | 56.0    |
|                                       |                             | [ 2.6]  |                             | [ 3.3]  | [ 0.7]   |      |   |                              |                                |         |
| Others                                | 3.6%                        | 28.8    | 3.1%                        | 29.0    | 0.2      | 1.0  | 3.0%                                    | 58.0                         | (0.1)                          | 58.0    |
|                                       |                             | [ 3.5]  |                             | [ 2.8]  | [ (0.7)] |      |   |                              |                                |         |
| Total                                 | 100.0%                      | 804.4   | 100.0%                      | 937.9   | 133.5    | 16.6 | 100.0%                                  | 1,950.0                      | 16.4                           | 1,850.0 |
|                                       |                             | [ 60.9] |                             | [ 77.0] | [ 16.1]  |      |   |                              |                                |         |

## 3. Unit sales

(Thousand units)

|                                   | FY2017                                    | FY2018                                    | Change | FY2018 Forecast (April 2017-March 2018) |                            |                                |
|-----------------------------------|---|---|--------|---|----------------------------|--------------------------------|
|                                   | 2nd Quarter (April 2016 - September 2016) | 2nd Quarter (April 2017 - September 2017) |        | Current plan                            | Changes from previous year | Previous plan (April 28, 2017) |
| RAV4                              | 100                                       | 101                                       | 1      | 205                                     | (1)                        | 205                            |
| Vitz (Yaris)                      | 44  | 47  | 3      | 95                                      | (6)                        | 95                             |
| Vehicle total                     | 144                                       | 148                                       | 4      | 300                                     | (7)                        | 300                            |
| Diesel                            | 149                                       | 157                                       | 8      | 324                                     | 30                         | 281                            |
| Gasoline                          | 93  | 112                                       | 19     | 246                                     | 39                         | 249                            |
| Engine total                      | 242                                       | 269                                       | 27     | 570                                     | 69                         | 530                            |
| Car air-conditioning compressor * | 1,627                                     | 1,635                                     | 8      | 3,350                                   | 95                         | 3,350                          |
| Materials handling equipment      | 120                                       | 123                                       | 3      | 265                                     | 12                         | 255                            |
| Air-jet loom                      | 2.6                                       | 2.1                                       | (0.5)  | 5.5                                     | (1.4)                      | 5.0                            |

## 4. Changes in profit before income taxes

(Billion yen)

|  |               |
|--|---------------|
| Sales efforts                                      | 6.3           |
| Positive impact of exchange rate fluctuations      | 6.3           |
| Cost reduction                                     | 4.2           |
| Changes in retirement benefit plan                 | 14.3          |
| Financial income and financial expenses            | 6.6           |
| <b>Increases total</b>                             | <b>37.7</b>   |
| Increase in raw material costs                     | (4.7)         |
| Increase in labor costs                            | (4.3)         |
| Increase in expenses                               | (6.0)         |
| <b>Decreases total</b>                             | <b>(15.0)</b> |
| <b>Total changes in profit before income taxes</b> | <b>22.7</b>   |

\*(Note) The unit of car air-conditioning compressor is ten thousand.

English translation from the original Japanese-language document