

## **Summary of Q&A at FY2018 Financial Results Presentation**

**(May 9, 2019)**

(Responses were based on information available at the time of the presentation.)

**Q. In FY2018, revenue underperformed the level of FY2017 but profit from business activities improved significantly. What are the reasons behind this?**

A. The Company posted approximately ¥30 billion in profit from the sale of fixed assets carried out to make effective use of management resources and to strengthen the Company's financial position. In addition, profit increased on the back of improvement of the Company's fundamental earning power, largely the result of productivity and efficiency enhancements.

**Q. In FY2019, the Company is forecasting profit increases in all three segments. What are the reasons behind these projections?**

A. In the Power Systems segment, revenue is expected to increase year-on-year, and this should drive up profit. In the Industry & Infrastructure segment, the provision set aside earlier for a loss-making business ended in FY2018; in FY2019, we expect to generate profits of a level matching our usual business scale. Regarding the Aircraft, Defense & Space segment, profit is expected to increase on the back of reduced MRJ R&D costs and increased revenue from commercial aircraft.

**Q. In the past several years the Company has succeeded in generating stable cash flows. Going forward, in what manner does the Company intend to undertake growth investments?**

A. Regarding growth investments, we believe it's important to achieve a good balance between investments that target fairly solid returns within the short term – for example, our acquisition of a North American dealer in our material handling equipment business – and investments carried out from a medium to long-term perspective. Going forward, we intend to establish growth advancement unit and undertake growth investments, working closely with all regions.