



Briefing on Results for the First quarter of the
Fiscal Year ending March 31, 2015



Overview of Results for the First quarter of FY2015/3

(April 1, 2014 ~ June 30, 2014)

Highlights of Results for the First quarter of FY2015/3 (Consolidated)

(million yen)

	First quarter of FY2014/3		First quarter of FY2015/3		Change (YoY)	Rate of change (YoY)
Net sales	10,109	100%	11,029	100%	920	9.1%
Operating income	* 534	* 5.3%	613	5.6%	79	14.7%
Ordinary income	* 635	* 6.3%	685	6.2%	50	7.9%
Net income	* 392	* 3.9%	400	3.6%	8	2.1%
Capital investment	—	—	—	—	—	—
Depreciation	—	—	—	—	—	—
Net income per share	* 17.24yen	—	18.62yen	—	1.38yen	8.0%
ROE(%)	—	Annualized	—	Annualized	—	—
Interim dividends per share	—	—	—	—	—	—

*The Company's accounting policy has been changed.

Sales Trends by Product (Consolidated)

(million yen)

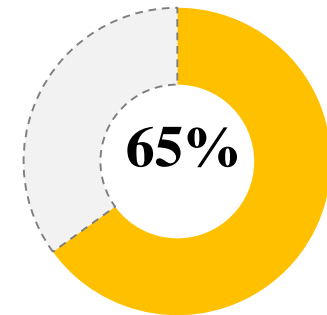
		First quarter of FY2014/3		First quarter of FY2015/3		Change (YoY)	Rate of change (YoY)
Net sales		10,109	100%	11,029	100%	920	9.1%
By product	Generators	7,424	73.4%	8,174	74.1%	750	10.1%
	Welders	1,128	11.2%	1,463	13.3%	335	29.7%
	Compressors	219	2.2%	188	1.7%	△ 31	△ 14.2%
	Others	1,336	13.2%	1,204	10.9%	△ 132	△ 9.9%

Engine Generators (Consolidated)

(million yen)

	First quarter of FY2014/3	First quarter of FY2015/3	Rate of change (YoY)
Generators	7,424	8,174	10.1%

- In Japan, shipment of stand-by generating sets run on LP gas declined. Shipment of stand-by generating sets (for disaster prevention) increased.
- Overseas, the sales for the US recovered.



Domestic market share of engine generators (mobile-type)

*According to a Company survey



Mobile-type generator



Stand-by generating sets

Manufacturing engine-driven generators with capacity from 1kVA to 1100kVA

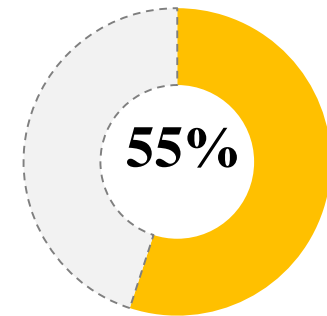
- Mobile-type generators
 - Power source on a construction site and for civil engineering work and disaster recovery/restoration, etc.
- Stand-by generating sets (stationary type)
 - Back-up power source such as disaster prevention equipment and offices, etc.
- Power-supply vehicles, power light, etc.

Engine Welders (Consolidated)

(million yen)

	First quarter of FY2014/3	First quarter of FY2015/3	Rate of change (YoY)
Welders	1,128	1,463	29.7%

- In Japan, the shipment of small welders increased.
- Overseas, the shipment to Russia increased.



Domestic market share of
engine welders

*According to a
Company survey



Engine welder

The Company developed the first engine-driven welder for outdoor work in Japan.

Ranging from 135A for welding light-gauge steel to a 500A engine-driven welder for heavy-gauge steel, a TIG welder and a CO2 welder, etc.

- Welding of steel construction for buildings, condominiums and bridges.
- Welding of important structures such as petroleum storage tanks and pipelines.

Engine Compressors (Consolidated)

(million yen)

	First quarter of FY2014/3	First quarter of FY2015/3	Rate of change (YoY)
Compressors	219	188	△ 14.2%

- Shipment to the domestic and overseas markets slightly declined.



Domestic market share of engine compressors

*According to a Company survey



Engine compressor



Motor compressor

Manufacturing compressors with air discharge amounts from 1.6m³/min to 42.4m³/min.

- Breaking-up of roads and ground improvement work of roads
- Mortar spraying work for preventing landslides of mountain roads.
- For artificial snow machines on ski slopes, etc.

Others (Consolidated)

(million yen)

	First quarter of FY2014/3	First quarter of FY2015/3	Rate of change (YoY)
Others	1,336	1,204	△ 9.9%

- Sales of self-propelled lifters increased.
- Sales of parts declined.

Sales of other products

- Self-propelled lifters
- Water-related equipment
- Parts
- Secondhand equipment and purchased merchandise
- Repair sales, etc.



Self-propelled lifter

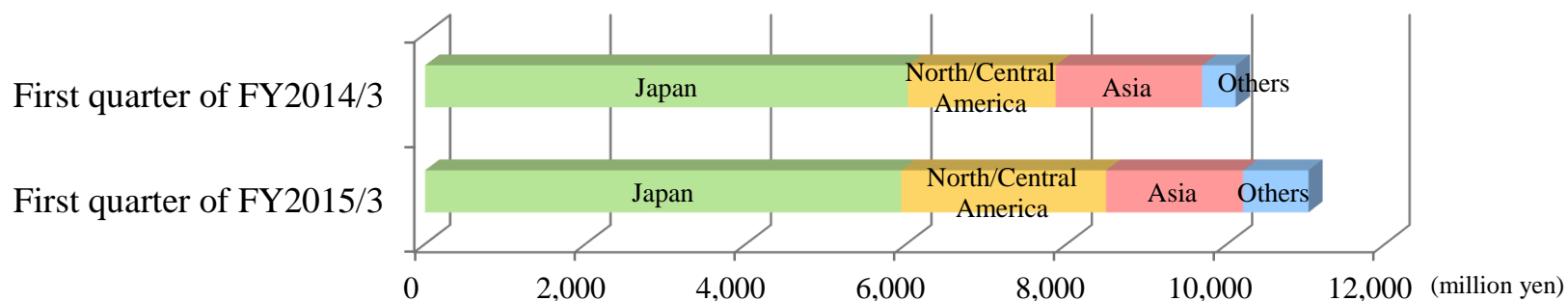


Water-related
equipment

Sales Trends by Region (Consolidated)

(million yen)

		First quarter of FY2014/3		First quarter of FY2015/3		Change (YoY)	Rate of change (YoY)
Net sales		10,109	100%	11,029	100%	920	9.1%
Domestic sales		6,021	59.6%	5,935	53.8%	△ 86	△ 1.4%
Overseas sales		4,088	40.4%	5,094	46.2%	1,006	24.6%
By region	North/Central America	1,841	18.2%	2,556	23.2%	715	38.8%
	Asia	1,827	18.1%	1,708	15.5%	△ 119	△ 6.5%
	Others	418	4.1%	830	7.5%	412	98.6%



Factor Analysis of Changes in Operating Income

Operating income slightly increase

- The improvement of cost ratio due to stable production in Denyo Vietnam and higher consolidated sales made a contribution.

(million yen)

	First quarter of FY2014/3	First quarter of FY2015/3	Change(YoY)
Operating income	* 534	613	79
Operating income margin(%)	* 5.3%	5.6%	0.3 percentage point

	First quarter of FY2014/3	First quarter of FY2015/3	Rate of change (YoY)
Gross profit margin	* 23.1%	22.7%	△ 0.4 percentage point
Ratio of SG&A to sales	* 17.9%	17.1%	△ 0.8 percentage point
Ratio of operating income to sales	* 5.3%	5.6%	0.3 percentage point

- Gross profit margin worsened in Japan due to a fall in the shipment of profitable products, etc. but improved overseas due to stable production in Denyo Vietnam, etc.
- Ratio of SG&A to sales improved due to higher sales.

*The Company's accounting policy has been changed.

Outlook for FY2015/3

Outlook for FY2015/3: Consolidated Income and Loss

Key points

- Net sales are expected to be 51.0 billion yen.
- Assumed exchange rate is 100 yen/dollar.

(million yen)

	FY2014/3		FY2015/3 (forecast)		Change (YoY)	Rate of change(YoY)
Net sales	49,832	100%	51,000	100%	1,168	2.3%
Operating income	* 5,407	10.9%	5,400	10.6%	△ 7	△ 0.1%
Ordinary income	* 5,723	11.5%	5,700	11.2%	△ 23	△ 0.4%
Net income	* 3,726	7.5%	3,550	7.0%	△ 176	△ 4.7%
Capital investment	2,453	—	3,100	—	647	26.4%
Depreciation	837	—	900	—	63	7.5%
Net income per share	* 165.2 _{yen}	—	165.0 _{yen}	—	△0.2 _{yen}	—
ROE (%)	* 9.1%	—	8.3%	*Shareholders' equity is calculated by using the amount of money at the end of the previous fiscal year.		
Cash dividends per share (yen)	24.0 _{yen}	—	24.0 _{yen}	—	—	—

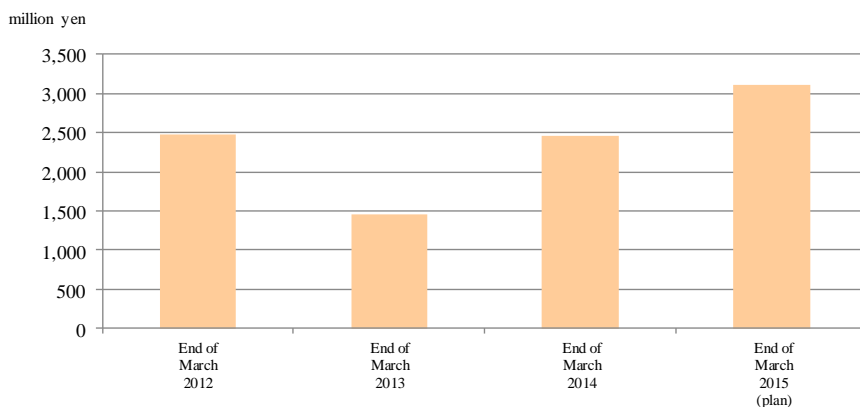
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Changes in the Amount of Capital Investment

(million yen)

	End of March 2012	End of March 2013	End of March 2014	End of March 2015 (plan)
Cost of equipment	2,480	1,457	2,453	3,100
Main uses	<ul style="list-style-type: none"> Laboratory & Training Center 744 Fukui office building, company dormitory 397 Vietnam Plant 744 	<ul style="list-style-type: none"> Laboratory & Training Center 814 Machinery of Fukui plant, etc. 150 U.S. Plant 237 Vietnam Plant 127 	<ul style="list-style-type: none"> Machinery of Fukui plant, etc. 480 Nishinihon Generator Mfg. 270 Vietnam Plant 440 Singapore 1,100 	<ul style="list-style-type: none"> Machinery of Fukui plant, etc. 370 Nishinihon Generator Mfg. 200 Vietnam Plant 2,000 Singapore 400

Amount of capital investment



Denyo Vietnam

Outlook for Sales by Product (Consolidated)

Overview

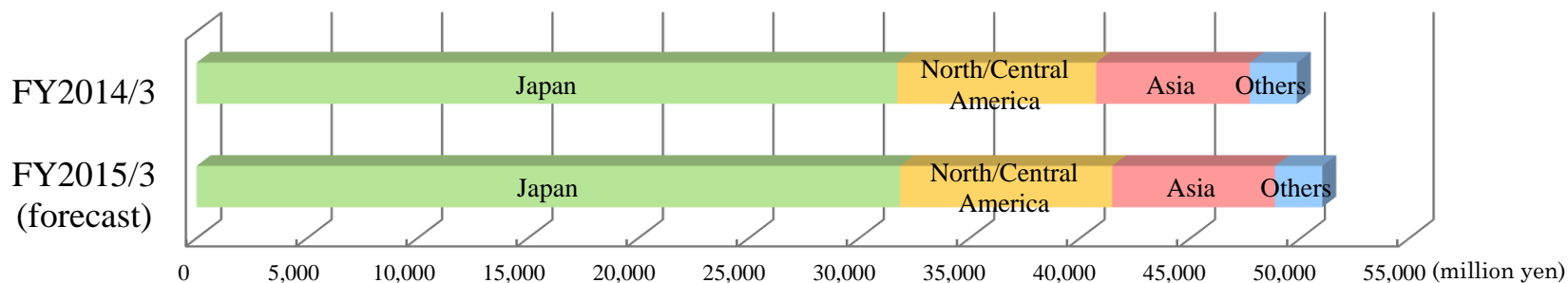
- Sales of generators are expected to increase 1,059 million yen(2.8%).
- Sales of welders are anticipated to rise 37 million yen (0.7%).
- Sales of compressors are forecast to be up 157 million yen (15.8%).

		FY2014/3		FY2015/3 (forecast)		Change (YoY)	Rate of change (YoY)
		(million yen)					
Consolidated sales		49,832	100%	51,000	100%	1,168	2.3%
By products	Generators	38,241	76.7%	39,300	77.1%	1,059	2.8%
	Welders	5,263	10.6%	5,300	10.4%	37	0.7%
	Compressors	993	2.0%	1,150	2.3%	157	15.8%
	Others	5,334	10.7%	5,250	10.3%	△84	△1.6%

Outlook for Sales by Region (Consolidated)

(million yen)

		FY2014/3		FY2015/3 (forecast)		Change (YoY)	Rate of change(YoY)
Consolidated sales		49,832	100%	51,000	100%	1,168	2.3%
Domestic sales		31,727	63.7%	31,850	62.5%	123	0.4%
Overseas sales		18,104	36.3%	19,150	37.5%	1,046	5.8%
By region	North/Central America	9,007	18.1%	9,610	18.8%	603	6.7%
	Asia	6,959	14.0%	7,370	14.5%	411	5.9%
	Others	2,137	4.3%	2,170	4.3%	33	1.5%



Details of the Operating Income Forecast

Slight decrease in operating income

- The operating income margin, as well as the operating income are expected to decline 0.3 percentage point and 7 million yen, respectively.

(million yen)

	FY2014/3	FY2015/3 (forecast)	Change (YoY)
Operating income	* 5,407	5,400	△ 7
Operating income margin(%)	* 10.9%	10.6%	△0.3percentage point
	FY2014/3	FY2015/3 (forecast)	Change (YoY)
Gross profit margin	* 26.0%	25.9%	△ 0.1percentage point
Ratio of SG&A to sales	* 15.1%	15.3%	0.2percentage point
Ratio of operating income to sales	* 10.9%	10.6%	△ 0.3percentage point

Both the gross profit margin and the ratio of SG&A to sales are expected to worsen slightly year on year.

*The Company's accounting policy has been changed.

Notes on Our Outlook

This material contains assumptions and outlooks for the future and forecasts based on plans as of August 7, 2014.

Actual results may differ materially from projected values due to future economic changes and competition.

This material is prepared for the purpose of providing information and is not meant to solicit investment in securities issued by the Company.

Investors are responsible for making their own final investment decision.