



Briefing on Results for the First quarter of the
Fiscal Year ending March 31, 2019



Overview of Results for the First quarter of FY2019/3

(April 1, 2018 ~ June 30, 2018)

Highlights of Results for the First quarter of FY2019/3 (Consolidated)

(million yen)

	First quarter of FY2018/3		First quarter of FY2019/3		Change (YoY)	Rate of change (YoY)
Net sales	10,575	100%	11,847	100%	1,272	12.0%
Operating income	369	3.5%	598	5.1%	229	62.1%
Ordinary income	411	3.9%	698	5.9%	287	70.0%
Profit attributable to owners of parent	211	2.0%	458	3.9%	247	117.5%
Capital investment	183	—	322	—	139	76.0%
Depreciation	290	—	281	—	△9	△3.1%
Net income per share	9.94yen	—	21.60yen	—	11.66yen	117.3%

Sales Trends by Product (Consolidated)

(million yen)

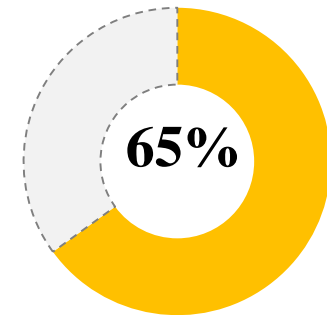
		First quarter of FY2018/3		First quarter of FY2019/3		Change (YoY)	Rate of change (YoY)
Net sales		10,575	100%	11,847	100%	1,271	12.0%
By product	Generators	7,937	75.1%	9,180	77.5%	1,242	15.7%
	Welders	1,113	10.5%	1,229	10.4%	115	10.4%
	Compressors	232	2.2%	236	2.0%	3	1.4%
	Others	1,291	12.2%	1,201	10.1%	△89	△6.9%

Engine Generators (Consolidated)

(million yen)

	First quarter of FY2018/3	First quarter of FY2019/3	Rate of change (YoY)
Generators	7,937	9,180	15.7%

- In Japan, shipment of the mobile-type generators increased overall and shipment of the emergency generator remain robust.
- Overseas, shipment to America increased and shipment to Asia decreased



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

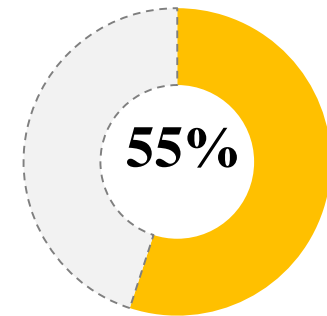
- Mobile-type generators
Power source on a construction site and for civil engineering work and disaster recovery/restoration, etc.
- Stand-by generating sets (stationary type)
Back-up power source such as disaster prevention equipment and offices, etc.
- Power-supply vehicles, etc.

Engine Welders (Consolidated)

(million yen)

	First quarter of FY2018/3	First quarter of FY2019/3	Rate of change (YoY)
Welders	1,113	1,229	10.4%

- In Japan, shipment of the small-type machines increased
- Overseas, shipment is unchanged from the previous year.



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.

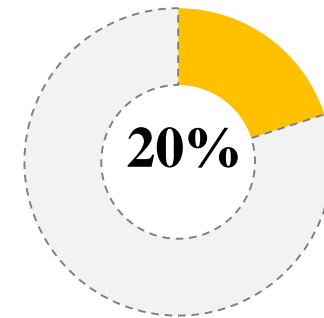
- Welding of steel construction for buildings, condominiums and bridges.
- Welding of important structures such as petroleum storage tanks and pipelines.

Engine Compressors (Consolidated)

(million yen)

	First quarter of FY2018/3	First quarter of FY2019/3	Rate of change (YoY)
Compressors	232	236	1.4%

- Shipment to Japan and overseas is unchanged from previous year.



Domestic market share of engine compressors

*According to a Company survey



Engine compressor



Motor compressor

Manufacturing compressors with air discharge amounts from 1.7 m³/min to 45.3 m³/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 FY2018/3	First quarter of FY2019/3	Rate of change (YoY)
Others	1,291	1,201	△6.9%

- In Japan, shipment of the self-propelled lifer decreased.
- Overseas, shipment of the parts to Asia decreased.

Sales of other products

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



Self-propelled lifter

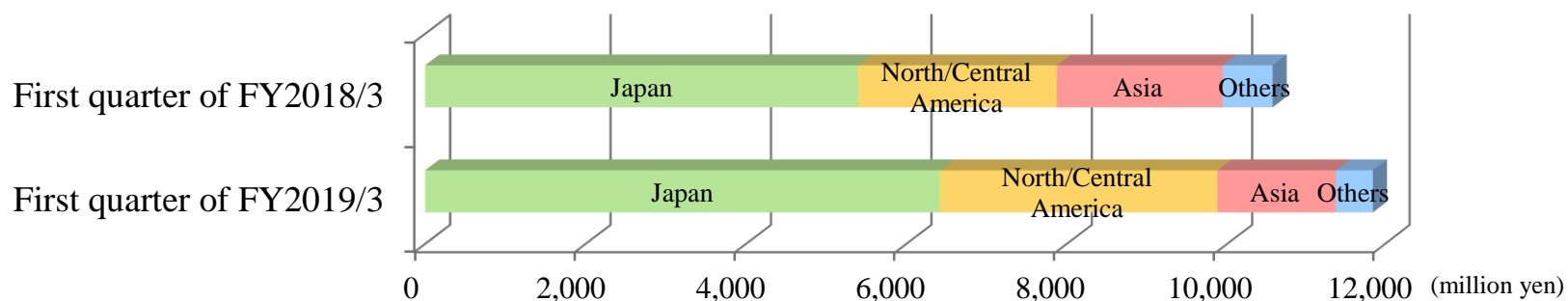


Load testing
equipment

Sales Trends by Region (Consolidated)

(million yen)

		First quarter of FY2018/3		First quarter of FY2019/3		Change (YoY)	Rate of change (YoY)
Net sales		10,575	100%	11,847	100%	1,271	12.0%
Domestic sales		5,403	51.1%	6,422	54.2%	1,018	18.8%
Overseas sales		5,171	48.9%	5,425	45.8%	254	4.9%
By region	North/Central America	2,475	23.4%	3,458	29.2%	982	39.7%
	Asia	2,067	19.5%	1,496	12.6%	△570	△27.6%
	Others	628	5.9%	470	4.0%	△158	△25.2%



Factor Analysis of Changes in Operating Income (Consolidated)

Increase in
Operating income

- The cost of sales ratio and ratio of SG&A to sales are improved.

(million yen)

	First quarter of FY2018/3	First quarter of FY2019/3	Change(YoY)
Operating income	369	598	229
Operating income margin	3.5%	5.1%	1.6 _{percentage point}

	First quarter of FY2018/3	First quarter of FY2019/3	Rate of change (YoY)
Gross profit margin	22.4%	23.1%	0.6 _{percentage point}
Ratio of SG&A to sales	19.0%	18.0%	△1.0 _{percentage point}
Ratio of operating income to sales	3.5%	5.1%	1.6 _{percentage point}

- Gross profit margin increased by an increase in the sales of the product with relatively high profitability.
- Ratio of SG&A to sales is improved by a decrease of the ratio of the fixed costs caused by an increase of the sales.

Outlook for FY2019/3

Outlook for FY2019/3: Consolidated Income and Loss

Key points

- Net sales are expected to be 52.7 billion yen.
- Assumed exchange rate is 110 yen/dollar.

(million yen)

	FY2018/3		FY2019/3 (forecast)		Change (YoY)	Rate of change(YoY)
Net sales	50,182	100%	52,700	100%	2,518	5.0%
Operating income	3,902	7.8%	4,600	8.7%	698	17.9%
Ordinary income	4,187	8.3%	4,900	9.3%	713	17.0%
Profit attributable to owners of parent	2,762	5.5%	3,200	6.1%	438	15.9%
Capital investment	870		2,100		1,230	141.4%
Depreciation	1,198		1,300		102	8.5%
Net income per share	130.0yen		150.6yen		20.6 yen	
ROE	5.3%		5.8%			
Cash dividends per share	40.0yen		40.0yen		—	—

Outlook for Sales by Product (Consolidated)

Overview

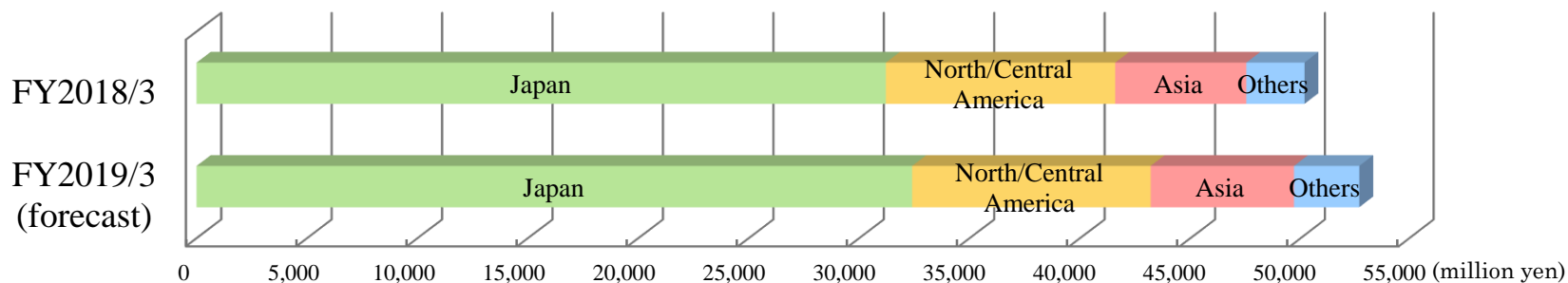
- Sales of generators are expected to increase by 2,097 million yen (5.4%).
- Sales of welders are anticipated to increase by 31 million yen (0.6%).
- Sales of compressors are forecasted to be up by 17 million yen (1.6%).

		FY2018/3		FY2019/3 (forecast)		Change (YoY)	Rate of change (YoY)
						(million yen)	
Consolidated sales		50,182	100%	52,700	100%	2,518	5.0%
By products	Generators	38,653	77.0%	40,750	77.3%	2,097	5.4%
	Welders	4,919	9.8%	4,950	9.4%	31	0.6%
	Compressors	1,083	2.2%	1,100	2.1%	17	1.6%
	Others	5,525	11.0%	5,900	11.2%	375	6.8%

Outlook for Sales by Region (Consolidated)

(million yen)

		FY2018/3		FY2019/3 (forecast)		Change (YoY)	Rate of change(YoY)
Consolidated sales		50,182	100%	52,700	100%	2,518	5.0%
Domestic sales		31,211	62.2%	32,400	61.5%	1,189	3.8%
Overseas sales		18,970	37.8%	20,300	38.5%	1,330	7.0%
By region	North/Central America	10,382	20.7%	10,800	20.5%	418	4.0%
	Asia	5,938	11.8%	6,500	12.3%	562	9.5%
	Others	2,648	5.3%	3,000	5.7%	352	13.3%



Details of the Operating Income Forecast

Increase in operating income

- With the implement of the medium-term management plan, operating income is aimed to increase by 698 million yen.

(million yen)

	FY2018/3	FY2019/3 (forecast)	Change (YoY)
Operating income	3,902	4,600	698
Operating income margin	7.8%	8.7%	0.9percentage point

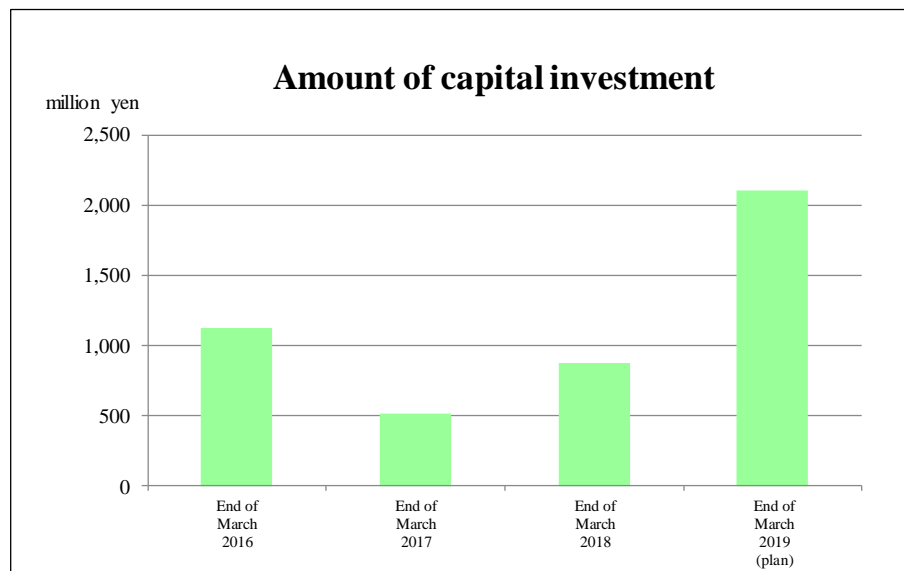
	FY2018/3	FY2019/3 (forecast)	Change (YoY)
Gross profit margin	24.1%	24.5%	0.4percentage point
Ratio of SG&A to sales	16.3%	15.7%	△ 0.6percentage point
Ratio of operating income to sales	7.8%	8.7%	0.9percentage point

- The gross profit margin is aimed to be improved by enhancement of the sales in the profitable product and the cost reduction activities.
- The ratio of SG&A to sales are expected to be improved by the decrease in the fixed cost rate which is caused from the increase in the sales.

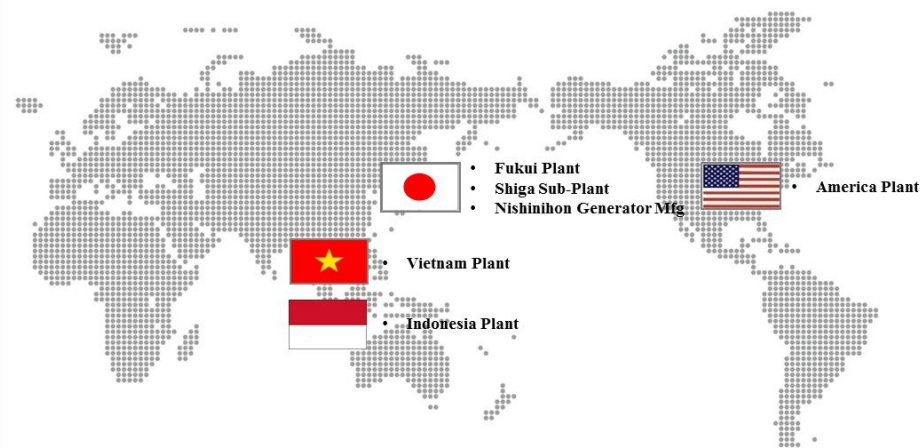
Changes in the Amount of Capital Investment

(million yen)

	End of March 2016	End of March 2017	End of March 2018	End of March 2019 (plan)
Cost of equipment	1,125	511	870	2,100
Main uses	<ul style="list-style-type: none"> • Machinery of Fukui plant, etc. 430 • Nishinohon Generator Mfg. 80 • Vietnam Plant 100 • Singapore 280 	<ul style="list-style-type: none"> • Machinery of Fukui plant, etc. 100 • Nishinohon Generator Mfg. 50 • U.S. Plant 250 • Vietnam Plant 20 	<ul style="list-style-type: none"> • Machinery of Fukui plant, etc. 310 • Nishinohon Generator Mfg. 50 • U.S. Plant 450 • Vietnam Plant 20 • Others 40 	<ul style="list-style-type: none"> • Machinery of Fukui plant, etc. 830 • Nishinohon Generator Mfg. 70 • U.S. Plant 930 • Vietnam Plant 20 • Others 250



Production Sites:



Notes on Our Outlook

This material contains assumptions and outlooks for the future and forecasts based on plans as of August 9, 2018.

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.