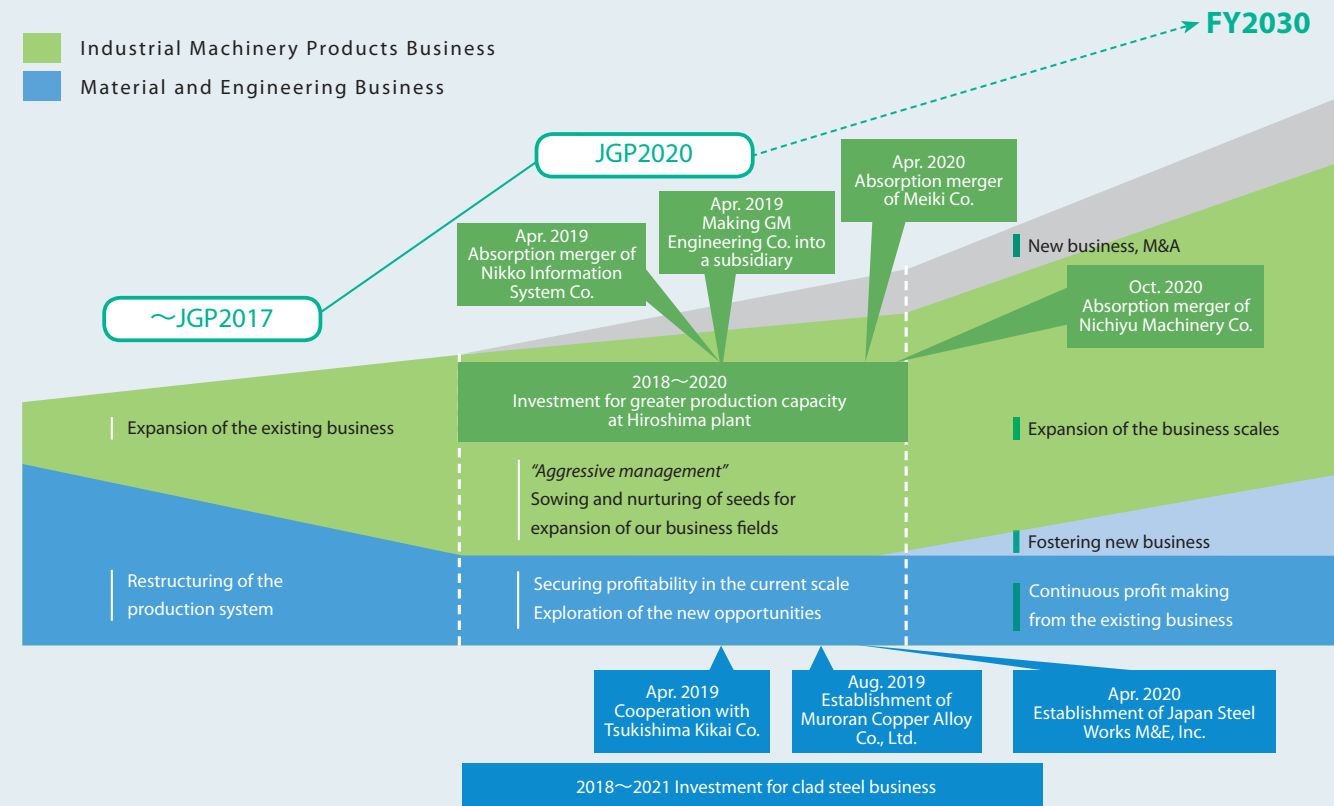


# Progress of Medium-Term Management Plan "JGP2020"

## Developing Foundations for Growth

### To establish the ground to realize our growth in the "Next 10 Years"



### Fiscal year ending March 31, 2021: Forecasts for orders received, net sales, and income as well as plan for cash dividends

With restrictions on overseas travel and Japan's declaration of a state of emergency due to COVID-19, we were unable to conduct business negotiations.

Since July, however, we have been steadily receiving inquiries and expect a recovery going forward.

For the fiscal year ending March 31, 2021, we forecast orders received of ¥198.0 billion, a decrease of ¥13.5 billion year on year; net sales of ¥190.0 billion, a decrease of ¥27.5 billion; operating income of ¥7.0 billion, a decrease of ¥11.7 billion; and profit attributable to owners of parent of ¥4.0 billion, a decrease of ¥5.3 billion.

Our basic approach is to maintain and increase cash dividends on a stable and continuous basis.

We plan to pay an interim dividend per share of ¥17.5 for the fiscal year ending March 31, 2021, the same amount as the previous fiscal year, for annual dividends per share of ¥35.0.

(in billions of yen)	FY2019 Result (A)	FY2020 Forecast (B)	Change from year-ago period (B)-(A)	Ratio to year-ago period (B)÷(A)
Orders received	211.5	198.0	(13.5)	93.6%
Net sales	217.5	190.0	(27.5)	87.4%
Operating income (ratio)	18.7 8.6%	7.0 3.7%	(11.7) (4.9%)	37.4% -
Ordinary income	19.9	7.0	(12.9)	35.2%
Profit/Loss	9.3	4.0	(5.3)	43.0%
Profit/Loss per share (yen)	126.66	54.38	(72.28)	42.9%
Dividends per share (yen)	45.0	35.0	(10.0)	77.8%

### Business overview by segment for fiscal year ending March 31, 2021

#### (1) Industrial Machinery Products Business

The Industrial Machinery Products Business plans to achieve orders received of ¥147.0 billion, net sales of ¥147.0 billion, and operating income of ¥11.5 billion.

Regarding film and sheet manufacturing equipment, our customers are making plans for proactive capital investment up until 2023 as regulations on CO<sub>2</sub> emissions become ever more stringent around the world. Amid this situation, exports for China and Europe in particular have been brisk. As for molding machines, with people spending more time at home, demand has increased since July 2020 among container, game console, and home appliance manufacturers. Accordingly, in the second half of the fiscal year we expect orders for the molding machines to be back at the same level as the previous year. There are also signs of recovery in demand for the automobile industry.

#### (2) Material and Engineering Business

The Material and Engineering Business plans to achieve orders received of ¥48.5 billion, net sales of ¥40.0 billion, and operating income of ¥1.5 billion.

For clad steel and pipes, we anticipate orders for large clad pipes, but due to a delay in project progress caused by COVID-19, the orders are expected to come in the fourth quarter.

#### Industrial Machinery Products Business

(in billions of yen)	FY2019 Result (A)	FY2020 Forecast (B)	Change from year-ago period (B)-(A)	Ratio to year-ago period (B)÷(A)
Orders received	162.6	147.0	(15.6)	90.4%
Net sales	171.4	147.0	(24.4)	85.8%
Operating income (ratio)	19.2 11.2%	11.5 7.8%	(7.7) (3.4%)	59.9% -

#### Material and Engineering Business

(in billions of yen)	FY2019 Result (C)	FY2020 Forecast (D)	Change from year-ago period (D)-(C)	Ratio to year-ago period (D)÷(C)
Orders received	46.2	48.5	2.3	105.0%
Net sales	42.8	40.0	(2.8)	93.5%
Operating income (ratio)	2.7 6.3%	1.5 3.8%	(1.2) (2.6%)	55.6% -

### 3 Basic Policies (Priority Issues) in "JGP2020"

**Growth**  
Industry Machinery Products Business

#### I. Optimization of Management Resources and Strengthening of Alliances

Optimization through rearrangement of the resources

→ Active investment for industry machinery product business, Rebuild of cost structure in the material and engineering business that suits the current sales scale

Expansion of the businesses through alliance and M&A

→ Breaking free of adherence toward self-sufficient policies

#### II. Strengthening After-Sales Services (Stock-Based Business)

Enhancement of service force mainly in industrial machinery

→ Securing stable profitability, improvement of customer satisfaction

Strengthening customer relationship through service business

→ Development of foundations for the next business

#### III. Acceleration in Exploration and Development of New Businesses

Exploration of new businesses from the view point of mega trends

Fostering and commercialization in the 4 fields (aircrafts, hydrogen, crystals and thin films) + α

**Rebirth**  
Material and Engineering Business

\*Effective from April 1, 2020, the Steel and Energy Products Business was renamed the Material and Engineering Business.