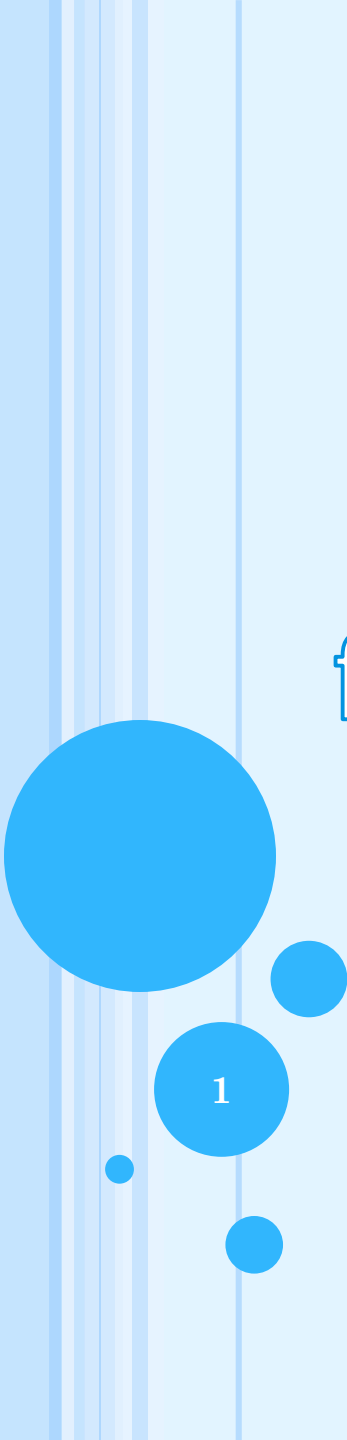




Briefing on Results for the Third quarter of the
Fiscal Year ending March 31, 2020



Overview of Results for the Third quarter of FY2020/3

(April 1, 2019 ~ December 31, 2019)

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Highlights of Results for the Third quarter of FY2020/3 (Consolidated)

(million yen)

	Third quarter of FY2019/3		Third quarter of FY2020/3		Change (YoY)	Rate of change (YoY)
Net Sales	39,982	100%	46,256	100%	6,274	15.7%
Operating income	2,651	6.6%	4,449	9.6%	1,798	67.8%
Ordinary income	2,945	7.4%	4,537	9.8%	1,592	54.1%
Profit attributable to owners of parent	1,947	4.9%	3,102	6.7%	1,155	59.3%
Capital investment	987	—	970	—	△17	△1.7%
Depreciation	834	—	850	—	16	1.9%
Net income per share	91.88円	—	147.98円	—	56.10円	61.1%
ROE(%)	4.8	Annualized	7.4	Annualized	—	—

Sales Trends by Product (Consolidated)

(million yen)

		Third quarter of FY2019/3		Third quarter of FY2020/3		Change (YoY)	Rate of Change (YoY)
Net sales		39,982	100%	46,256	100%	6,274	15.7%
By product	Generators	31,223	78.1%	37,143	80.3%	5,919	19.0%
	Welders	3,746	9.4%	3,714	8.0%	△31	△0.9%
	Compressors	862	2.2%	751	1.6%	△111	△12.9%
	Others	4,150	10.4%	4,648	10.1%	497	12.0%

Engine Generators (Consolidated)

(million yen)

	Third quarter of FY2019/3	Third quarter of FY2020/3	Rate of change (YoY)
Generators	31,223	37,143	19.0%

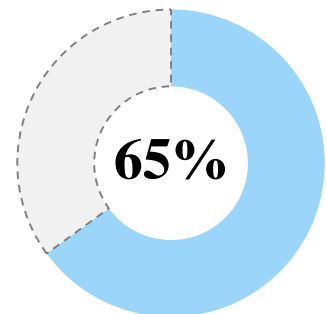
- In Japan, shipment of generators for handling the blackout increased mostly.
- Overseas, shipment to America remained strong.

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.



Simul Generator



Domestic market share of
engine generators (mobile-type)

*According to a Company survey

Engine Welders (Consolidated)

(million yen)

	Third quarter of FY2019/3	Third quarter of FY2020/3	Rate of change (YoY)
Welders	3,746	3,714	△0.9%

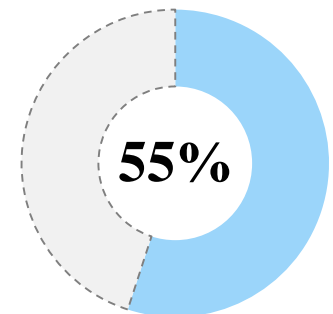
- Shipment to the domestic market slightly decreased.

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 welder



Domestic market share of
engine welders

*According to a Company survey

Engine Compressors (Consolidated)

(million yen)

	Third quarter of FY2019/3	Third quarter of FY2020/3	Rate of change (YoY)
Compressors	862	751	△12.9%

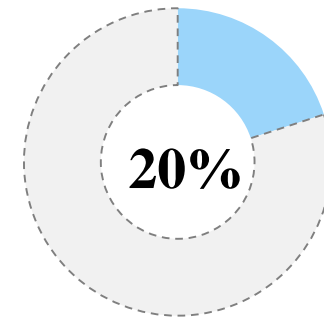
- Shipment to America increased while shipment to the domestic market decreased.

**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.



Engine compressor



Domestic market share of
engine compressors

*According to a Company survey

Others (Consolidated)

(million yen)

	Third quarter of FY2019/3	Third quarter of FY2020/3	Rate of change (YoY)
Others	4,150	4,648	12.0%

- Sales of Self-propelled lifters and Parts sales increased.

Sales of other products

- Self-propelled lifters
- Parts
- Secondhand equipment and purchase merchandise
- Repair sales, etc.



Self-propelled lifter

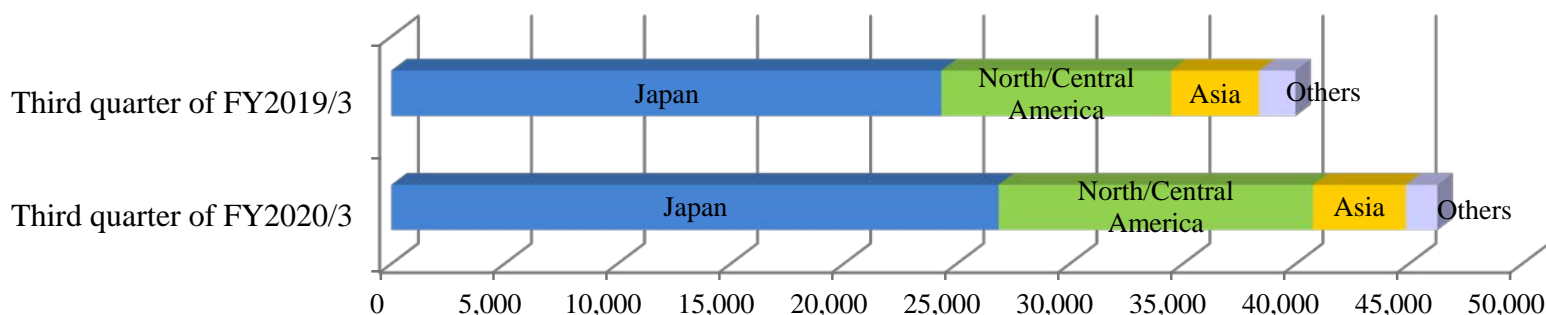


Load testing equipment

Sales Trend by Region (Consolidated)

(million yen)

		Third quarter of FY2019/3		Third quarter of FY2020/3		Change (YoY)	Rate of change (YoY)
Net sales		39,982	100%	46,256	100%	6,274	15.7%
Domestic sales		24,322	60.8%	26,853	58.1%	2,530	10.4%
Overseas sales		15,659	39.2%	19,403	41.9%	3,744	23.9%
By region	North/Central America	10,163	25.4%	13,906	30.0%	3,742	36.8%
	Asia	3,883	9.7%	4,100	8.9%	216	5.6%
	Others	1,612	4.0%	1,396	3.0%	△215	△13.4%



Factor Analysis of Changes in Operating Income (Consolidated)

Increase in Operating income

- The Operating income increased because of an increase of the Net sales and the improvement of the operating income margin.

(million yen)

	Third quarter of FY2019/3	Third quarter of FY2020/3	Change(YoY)
Operating income	2,651	4,449	1,798
Operating income margin	6.6%	9.6%	3.0 _{percentage point}
	Third quarter of FY2019/3	Third quarter of FY2020/3	Rate of change (YoY)
Gross profit margin	22.9%	*23.4%	0.5 _{percentage point}
Ratio of SG&A to sales	16.2%	*13.8%	△2.4 _{percentage point}
Ratio of operating income to sales	6.6%	9.6%	3.0 _{percentage point}

* As a result of reviewing the scope of the cost accounting in some overseas subsidiaries, the classification of some expenses has been reorganized from SG & A expenses to the cost of sales.

- Gross profit margin is affected by the impact of reviewing the scope of cost accounting in some overseas subsidiaries (△0.6%), and improved by an increase of the sales of the profitable machines.
- Ratio of SG&A to sales is improved by the impact of reviewing the scope of cost accounting in some overseas subsidiaries (△0.6%), and also decreased because of the rate of the fixed cost decline which is caused by an increase of the net sales.

Outlook for FY2020/3

Outlook for FY2020/3 : Consolidated Income and Loss

Key points

- Net sales are expected to be 59.5 billion yen.
- Assumed exchange rate is 110 yen/dollar.

(million yen)

	FY2019/3		FY2020/3(forecast)		Change(YoY)	Rate of Change(YoY)
Net sales	55,554	100	59,500	100%	3,946	7.1%
Operating income	4,201	7.6%	5,200	8.7%	999	23.8%
Ordinary income	4,592	8.3%	5,400	9.1%	808	17.6%
Profit attributable to owners of parent	3,166	5.7%	3,600	6.1%	434	13.7%
Capital investment	1,499		1,900		401	26.8%
Depreciation	1,132		1,300		168	14.8%
Net income per share	149.8yen		171.7yen		21.9 yen	
ROE	5.9%		*6.6%			
Cash dividends per share	42.0yen		44.0yen			

* Equity is calculated by using the amount of money at the end of FY2019/3.

Outlook for Sales by Product (Consolidated)

Overview

- Sales of generators are expected to increase by 4,040 million yen (9.3 %).
- Sales of welders are anticipated to decrease by 115 million yen (2.2%).
- Sales of compressors are anticipated to decline by 59 million yen (5.6%).

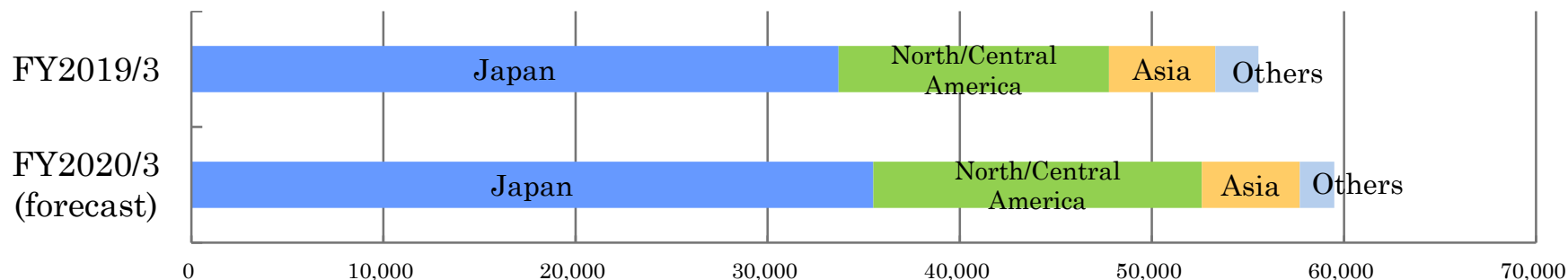
(million yen)

		FY2019/3		FY2020/3 (forecast)		Change (YoY)	Rate of change (YoY)
Consolidated sales		55,554	100%	59,500	100%	3,946	7.1%
By products	Generators	43,660	78.6%	47,700	80.2%	4,040	9.3%
	Welders	5,115	9.2%	5,000	8.4%	△ 115	△ 2.2%
	Compressors	1,059	1.9%	1,000	1.7%	△ 59	△ 5.6%
	Others	5,719	10.3%	5,800	9.7%	81	1.4%

Outlook for Sales by Region (Consolidated)

(million yen)

		FY2019/3		FY2020/3 (forecast)		Change (YoY)	Rate of change (YoY)
Consolidated sales		55,554	100%	59,500	100%	3,946	7.1%
Domestic sales		33,693	60.6%	35,500	59.7%	1,807	5.4%
Overseas sales		21,860	39.3%	24,000	40.3%	2,140	9.8%
By region	North/Central America	14,080	25.3%	17,100	28.7%	3,020	21.4%
	Asia	5,527	9.9%	5,100	8.6%	△ 427	△ 7.7%
	Others	2,252	4.1%	1,800	3.0%	△ 452	△ 20.0%



Details of the Operating Income Forecast (Consolidated)

Increase in operating income

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

(million yen)

	FY2019/3	FY2020/3 (forecast)	Change (YoY)
Operating income	4,201	5,200	999
Operating income margin	7.6%	8.7%	1.1 percentage point

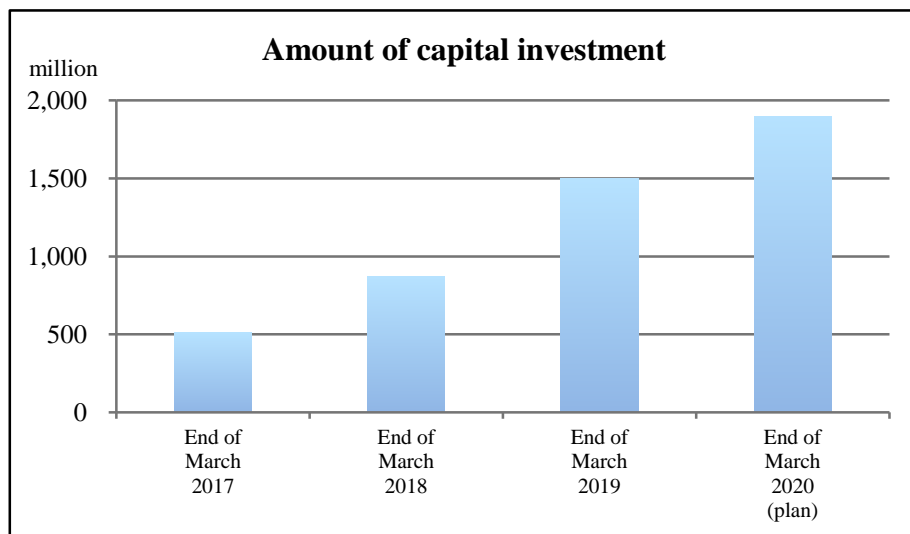
	FY2019/3	FY2020/3 (forecast)	Change (YoY)
Gross profit margin	22.3%	22.9%	0.6 percentage point
Ratio of SG&A to sales	14.8%	14.1%	△0.7 percentage point
Ratio of operating income to sales	7.6%	8.7%	1.1 percentage point

- 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 because of the rate of the fixed cost such as personnel expenses decline which is caused by an increase of the net sales.

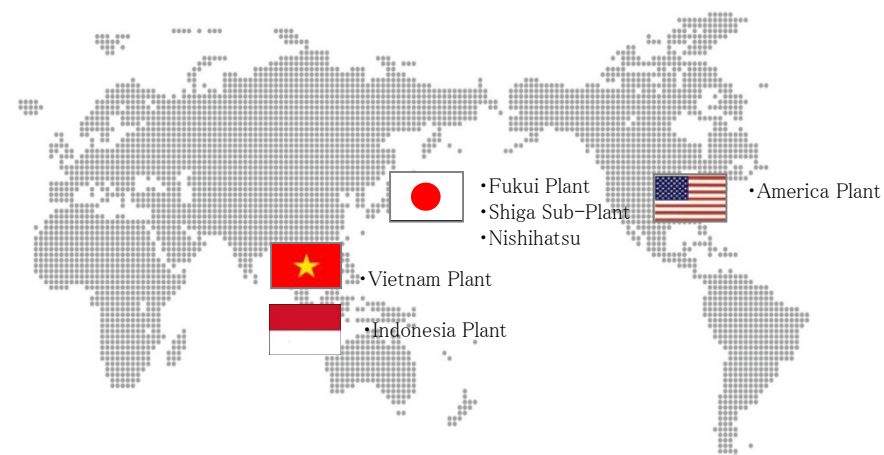
Changes in the Amount of Capital Investment (Consolidated)

(million yen)

	End of March 2017	End of March 2018	End of March 2019	End of March 2020 (plan)
Cost of equipment	511	870	1,499	1,900
Main uses	<ul style="list-style-type: none"> •Machinery of Fukui plant, etc. 100 •Nishihatsu 50 •U.S. Plant 250 •Vietnam Plant 20 	<ul style="list-style-type: none"> •Machinery of Fukui plant, etc. 310 •Nishihatsu 50 •U.S. Plant 450 •Vietnam Plant 20 •Others 40 	<ul style="list-style-type: none"> •Machinery of Fukui plant, etc. 730 •Nishihatsu 50 •U.S. Plant 670 •Others 40 	<ul style="list-style-type: none"> •Machinery of Fukui plant, etc. 1,500 •Nishihatsu 40 •U.S. Plant 260 •Vietnam Plant 40 •Others 60



Production Sites:



Notes on Our Outlook

This material contains assumptions and outlooks for the future and forecasts based on plans as of February 13, 2020. 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.