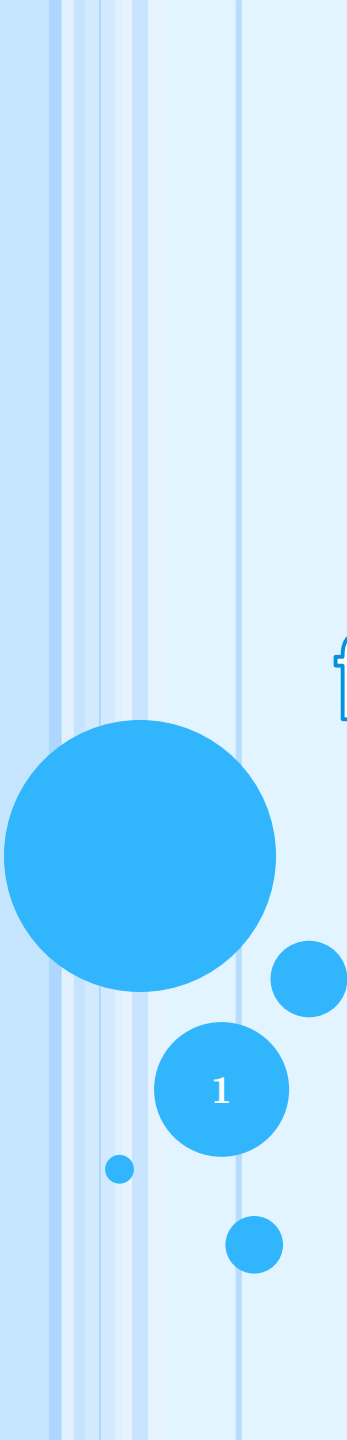




Briefing on Results for the Third quarter of the  
Fiscal Year ending March 31, 2021



# Overview of Results for the Third quarter of FY2021/3

**(April 1, 2020 ~ December 31, 2020)**

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## Highlights of Results for the Third quarter of FY2021/3 (Consolidated)

(million yen)

	Third quarter of FY2020/3		Third quarter of FY2021/3		Change (YoY)	Rate of change (YoY)
Net Sales	46,256	100%	38,988	100%	△7,268	△15.7%
Operating income	4,449	9.6%	3,431	8.8%	△1,018	△22.9%
Ordinary income	4,537	9.8%	3,669	9.4%	△868	△19.1%
Profit attributable to owners of parent	3,102	6.7%	2,496	6.4%	△606	△19.5%
Capital investment	970	—	1,548	—	578	59.5%
Depreciation	850	—	806	—	△44	△5.1%
Net income per share	147.98円	—	119.74円	—	△28.24円	△19.0%
ROE(%)	7.4	Annualized	5.8	Annualized	—	—

## Sales Trends by Product (Consolidated)

(million yen)

		Third quarter of FY2020/3		Third quarter of FY2021/3		Change (YoY)	Rate of Change (YoY)
Net sales		46,256	100%	38,988	100%	△7,268	△15.7%
By product	Generators	37,143	80.3%	31,013	79.5%	△6,129	△16.5%
	Welders	3,714	8.0%	3,216	8.2%	△498	△13.4%
	Compressors	751	1.6%	578	1.5%	△172	△22.9%
	Others	4,648	10.1%	4,179	10.7%	△468	△10.1%

## Engine Generators (Consolidated)

(million yen)

	Third quarter of FY2020/3	Third quarter of FY2021/3	Rate of change (YoY)
Generators	37,143	31,013	△16.5%

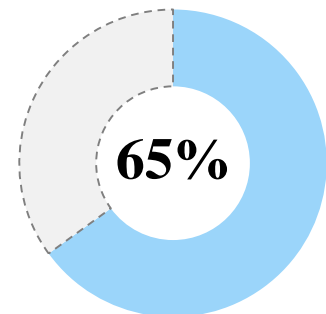
- In Japan, shipment to the rental industry decreased, but shipment of emergency generators increased.
- Overseas, due to the impact of the novel coronavirus infection shipment mainly to America fell sharply.

### 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.



Soundless generator  
“Mālie”



Domestic market share of  
engine generators (mobile-type)

\*According to a Company survey

## Engine Welders (Consolidated)

(million yen)

	Third quarter of FY2020/3	Third quarter of FY2021/3	Rate of change (YoY)
Welders	3,714	3,216	△13.4%

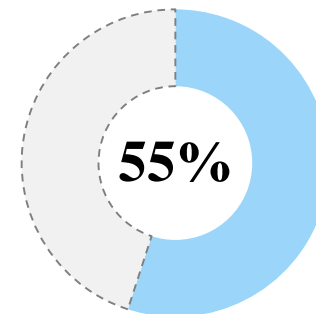
- In Japan and overseas, shipment of the small-type welding machines decreased.

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



CO<sub>2</sub> welder



Domestic market share of  
engine welders

\*According to a Company survey

## Engine Compressors (Consolidated)

(million yen)

	Third quarter of FY2020/3	Third quarter of FY2021/3	Rate of change (YoY)
Compressors	751	578	△22.9%

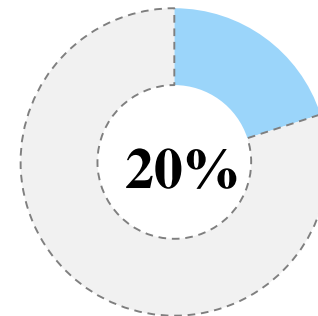
- Shipment mainly to Japan decreased.

**Manufacturing compressors  
with air discharge amounts from 1.6m<sup>3</sup>/min to 42.4m<sup>3</sup>/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 FY2020/3	Third quarter of FY2021/3	Rate of change (YoY)
Others	4,648	4,179	△10.1%

- Sales of Self-propelled lifters and the purchased merchandise etc. decreased.

### Sales of other products

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



Self-propelled lifter



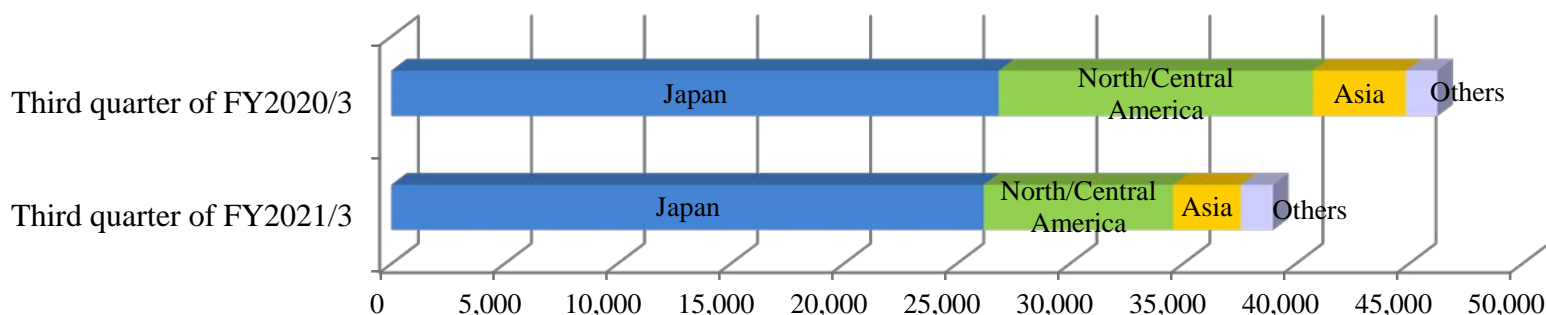
Load testing equipment



## Sales Trend by Region (Consolidated)

(million yen)

		Third quarter of FY2020/3		Third quarter of FY2021/3		Change (YoY)	Rate of change (YoY)
Net sales		46,256	100%	38,988	100%	△7,268	△15.7%
Domestic sales		26,853	58.1%	26,190	67.2%	△662	△2.5%
Overseas sales		19,403	41.9%	12,797	32.8%	△6,606	△34.0%
By region	North/Central America	13,906	30.0%	8,381	21.5%	△5,525	△39.7%
	Asia	4,100	8.9%	2,988	7.7%	△1,112	△27.1%
	Others	1,396	3.0%	1,427	3.7%	31	2.2%



## Factor Analysis of Changes in Operating Income (Consolidated)

### Decrease in Operating income

- The operating income decreased mainly due to a decrease of the net sales.

(million yen)

	Third quarter of FY2020/3	Third quarter of FY2021/3	Change(YoY)
Operating income	4,449	3,431	△1,018
Operating income margin	9.6%	8.8%	△0.8 <sub>percentage point</sub>
	Third quarter of FY2020/3	Third quarter of FY2021/3	Rate of change (YoY)
Gross profit margin	23.4%	23.8%	0.4 <sub>percentage point</sub>
Ratio of SG&A to sales	13.8%	15.0%	1.2 <sub>percentage point</sub>
Ratio of operating income to sales	9.6%	8.8%	△0.8 <sub>percentage point</sub>

- Gross profit margin was improved by the increased sales of relatively profitable products, although the net sales fell sharply.
- The Ratio of SG&A to sales were worsened by significant decrease of the net sales, although the SG&A expenses decreased.

# Outlook for FY2021/3

## Outlook for FY2021/3 : Consolidated Income and Loss

### Key points

- Net sales are expected to be 52.0 billion yen.
- Assumed exchange rate is 105 yen/dollar.

(million yen)

	FY2020/3		FY2021/3(forecast)		Change(YoY)	Rate of Change(YoY)
Net sales	62,887	100%	52,000	100%	△ 10,887	△ 17.3%
Operating income	6,057	9.6%	4,100	7.9%	△ 1,957	△ 32.3%
Ordinary income	6,202	9.9%	4,400	8.5%	△ 1,802	△ 29.1%
Profit attributable to owners of parent	4,071	6.5%	2,800	5.4%	△ 1,271	△ 31.2%
Capital investment	1,201		2,000		799	66.5%
Depreciation	1,162		1,250		88	7.6%
Net income per share	194.3yen		134.3yen		△ 60.0 yen	△ 30.1%
ROE	7.4%		*5.0%			
Cash dividends per share	46.0yen		46.0yen			

\* Equity is calculated by using the amount of money at the end of FY2020/3. 11

## Outlook for Sales by Product (Consolidated)

### Overview

- Sales of generators are expected to decrease by 8,736 million yen (17.3 %).
- Sales of welders are anticipated to decrease by 772 million yen (15.2%).
- Sales of compressors are forecasted to be down by 112 million yen (11.1%).

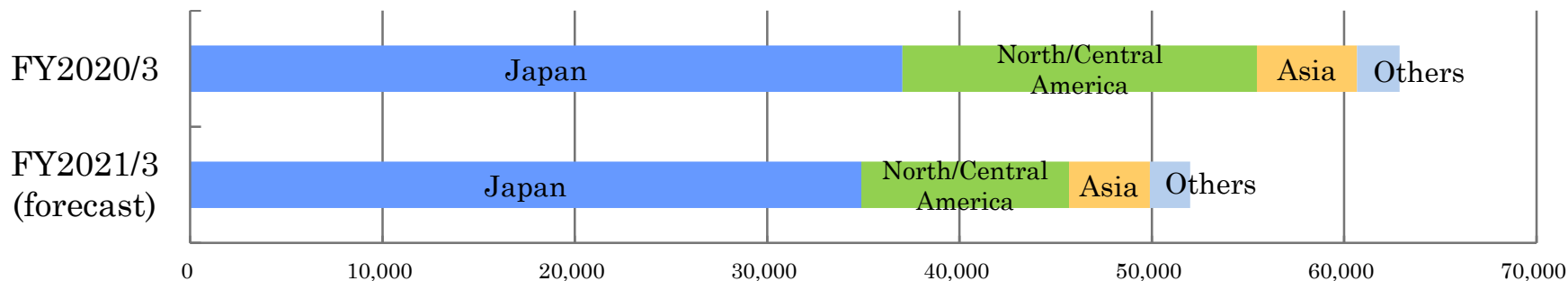
(million yen)

		FY2020/3		FY2021/3 (forecast)		Change (YoY)	Rate of change (YoY)
Consolidated sales		62,887	100%	52,000	100%	△ 10,887	△ 17.3%
By products	Generators	50,436	80.2%	41,700	80.2%	△ 8,736	△ 17.3%
	Welders	5,072	8.1%	4,300	8.3%	△ 772	△ 15.2%
	Compressors	1,012	1.6%	900	1.7%	△ 112	△ 11.1%
	Others	6,365	10.1%	5,100	9.8%	△ 1,265	△ 19.9%

## Outlook for Sales by Region (Consolidated)

(million yen)

		FY2020/3		FY2021/3 (forecast)		Change (YoY)	Rate of change (YoY)
Consolidated sales		62,887	100%	52,000	100%	△ 10,887	△ 17.3%
Domestic sales		37,043	58.9%	34,900	67.1%	△ 2,143	△ 5.8%
Overseas sales		25,844	41.1%	17,100	32.9%	△ 8,744	△ 33.8%
By region	North/Central America	18,430	29.3%	10,800	20.8%	△ 7,630	△ 41.4%
	Asia	5,197	8.3%	4,200	8.1%	△ 997	△ 19.2%
	Others	2,216	3.5%	2,100	4.0%	△ 116	△ 5.2%



## Details of the Operating Income Forecast (Consolidated)

Increase in operating income

- Mainly with the decrease of the net sales, operating income is expected to decrease by 1,957 million yen.

(million yen)

	FY2020/3	FY2021/3 (forecast)	Change (YoY)
Operating income	6,057	4,100	△ 1,957
Operating income margin	9.6%	7.9%	△ 1.7 percentage point

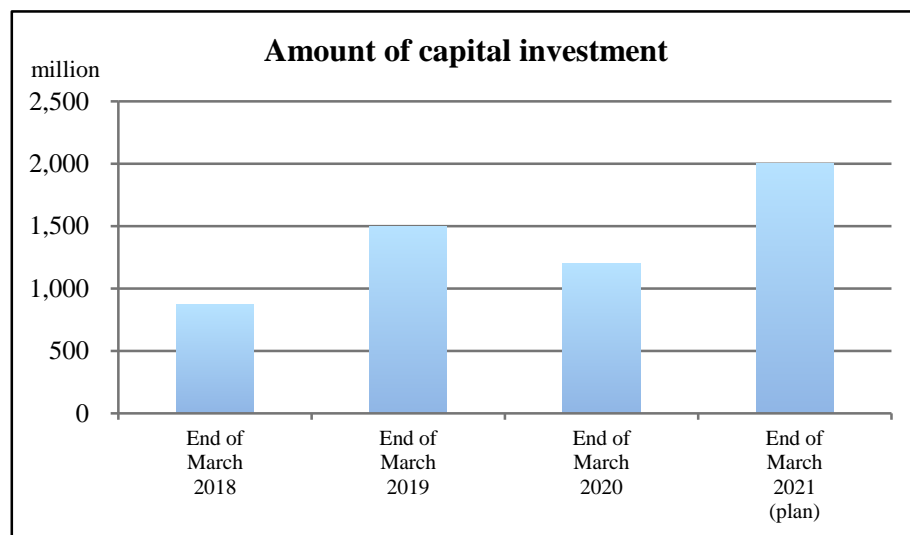
	FY2020/3	FY2021/3 (forecast)	Change (YoY)
Gross profit margin	23.2%	23.0%	△ 0.2 percentage point
Ratio of SG&A to sales	13.6%	15.1%	1.5 percentage point
Ratio of operating income to sales	9.6%	7.9%	△ 1.7 percentage point

- The gross profit margin is expected to be only dropped by 0.2 percentage point by the demand for the relatively profitable products are expected to be remain robust, although the net sales decrease.
- The ratio of SG&A to sales are expected to be worsend by significant decrease of the net sales, although the SG&A expenses decrease.

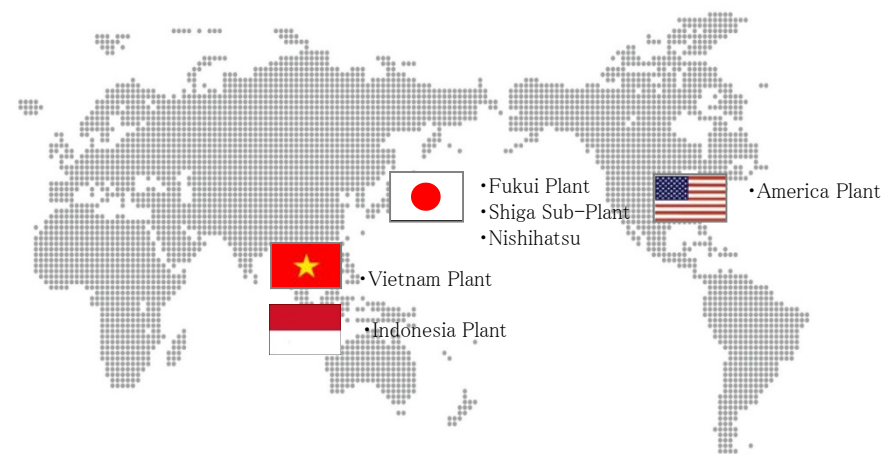
# Changes in the Amount of Capital Investment (Consolidated)

(million yen)

	End of March 2018	End of March 2019	End of March 2020	End of March 2021 (plan)
Cost of equipment	870	1,499	1,201	2,000
Main uses	<ul style="list-style-type: none"> <li>•Machinery of Fukui plant, etc. 310</li> <li>•Nishihatsu 50</li> <li>•U.S. Plant 450</li> <li>•Vietnam Plant 20</li> <li>•Others 40</li> </ul>	<ul style="list-style-type: none"> <li>•Machinery of Fukui plant, etc. 730</li> <li>•Nishihatsu 50</li> <li>•U.S. Plant 670</li> <li>•Others 40</li> </ul>	<ul style="list-style-type: none"> <li>•Machinery of Fukui plant, etc. 810</li> <li>•Nishihatsu 20</li> <li>•U.S. Plant 290</li> <li>•Vietnam Plant 10</li> <li>•Others 70</li> </ul>	<ul style="list-style-type: none"> <li>•Machinery of Fukui plant, etc. 1,600</li> <li>•Nishihatsu 50</li> <li>•U.S. Plant 150</li> <li>•Vietnam Plant 80</li> <li>•Others 120</li> </ul>



Production Sites:





## Notes on Our Outlook

This material contains assumptions and outlooks for the future and forecasts based on plans as of February 10, 2021. 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.