

To whom it may concern:

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## Notice of Differences between the Forecasts and the Results of Financial Performance for the 2nd quarter of the Fiscal Year Ending March 31, 2020

We hereby inform you of the differences between the forecasts announced on May 16, 2019 and results disclosed today for the 2nd quarter of the fiscal year ending March 2020, as follows:

- Differences between the Forecasts and the Results of Consolidated Financial Performance for the 2nd Quarter Ended September 30, 2019  
(From April 1, 2019 to September 30, 2019)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	69,200	2,100	2,400	1,300	163.33
Actual Result (B)	66,100	1,666	1,633	1,701	224.46
Difference (B-A)	-3,100	-434	-767	401	—
Ratio (%)	-4.5	-20.7	<b>-32.0</b>	<b>30.8</b>	—
Results of 2nd Quarter (Ended September, 2018)	67,580	3,073	3,298	1,540	193.57

- Differences between the Forecasts and the Results of Non-Consolidated Financial Performance for the 2nd Quarter Ended September 30, 2019  
(From April 1, 2019 to September 30, 2019)

(Millions of yen, %)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecast (A)	32,500	50	1,500	1,200	150.76
Actual Result (B)	32,604	(290)	1,565	2,202	290.47
Difference (B-A)	104	-340	65	1,002	—
Ratio (%)	0.3	<b>-680.0</b>	4.3	<b>83.5</b>	—
Results of 2nd Quarter (Ended September, 2018)	32,502	363	1,658	1,186	149.11

- Reason for the differences

(Consolidated)

·With respect to ordinary income, in addition to decrease of the non-consolidated operating income, it decreased from the initial forecast owing to profit decline in the United States subsidiaries and Indian affiliate company. Regarding the profit attributable to owners of parent, it increased from the initial forecast owing to posting gain on sales of investment securities at the non-consolidated.

(Non-Consolidated)

·With respect to operating income, it decreased from the initial forecast owing mainly to decrease of sales for construction and industrial machines. Regarding the net income, it increased from the initial forecast owing to posting gain on sales of investment securities.