

Q&A of the Financial Results for FY2024/12 Q3

Date: Thursday, October 31, 2024, 17:00-17:45

No	Items	Questions	Answers
1	Company-wide	Are there any impacts from the US election?	Direct impact is the timing of capital expenditures from automobile manufacturers who are currently waiting and see the outcome of the election. Indirect impact is the risk from tariffs
2	Company-wide	Is the Q3 result in line with your plan?	The progress of the plan was 71.0% in sales and 71.4% in operating profit. Because of that, our results is generally in line with our plan.
3	Company-wide	Are there any highlights for the next medium-term plan?	We have deepened the discussion for the next medium-term plan at the moment, especially how we can create new value. Please look forward to the announcement next February.
4	CMP	Is there any progress on price pass-through?	We have agreed with our customers on the price pass-through regarding the material cost hike. We occasionally pass-through costs such as electric price increases. From a profitability improvement perspective, we are cutting our procurement costs and reducing costs at the same time. The timing of the price pass-through differs for each customers, but an increase in sales maximize the effectiveness of the cost reduction
5	Precision Reduction Gears	Orders have increased three consecutive quarters. Will this continues?	Compared to the past actual order recovery trend, the current order trend is more for temporary and calm, focusing on small project based orders. We do not identify this as a sign of massive recovery in orders because there are no rushing orders as we observed during historical recovery periods. We expect actual recovery to begin in 2025.
6	Hydraulic Equipment	Are there any integration merits from the merger of the Chinese factory and sales company?	We are expecting a cost reduction of few hundreds of million yen from next year onward.

7	TRS	What caused the profitability increase in Q3?	Sales composition, cost recognition timing delays and cost reduction have contributed
8	Aircraft Equipment	Is there any impact from the Boeing strike?	<p>If the strike ends within November, our impact on business results will be limited.</p> <p>If it continues, we might have a greater impact on our results, both in sales and operating profit.</p> <p>If the impact is limited we can cover it with MRO expansion and an increase in sales of the Japan defense business.</p>