

Q&A at the Conference on Financial Results for Third Quarter FY2018

Question	Answer
<p>Q1 : How is the progress of the assessment by Rolling Stock Business Restructuring Committee?</p>	<p>A1 : Since the committee was established in October, 2018, we have been monitoring the progress of large-scale projects and reviewing our project management structure. We have been discussing what the problems were in unprofitable projects and how to reinforce them, and we are finally able to see our future policy. We continue to discuss the future course of Rolling Stock business.</p>
<p>Q2 : In terms of the option contract with Long Island Rail Road, are orders received and provisions for losses on construction contract recorded within February, 2019?</p>	<p>A2 : Provisions for losses on construction contract are going to be recorded immediately after receiving the order scheduled for February, 2019. We do not carry forward them into FY2019.</p>
<p>Q3 : Why have you revised down the forecast for Precision Machinery & Robot business and how much confidence about achieving it do you have?</p>	<p>A3 : Since the second half of FY2018, the impacts of US-China trade friction has been increasingly pronounced and robots for semiconductor manufacturing equipment have performed sluggishly. Therefore, we have revised down the forecast for Robot business. In terms of hydraulic components, the expansion of production capacity gradually takes effect and they have performed well and thus we believe that we are able to achieve it as a whole.</p>
<p>Q4 : Given the impacts of soaring steel prices in US and weakness of emerging market currency, is it difficult to achieve the forecast for MC&E?</p>	<p>A4 : Our sales for FY2018 are strong and we have been expanding our market share in each major market. Our new models for FY2019 are reputable and given the current sales trend, we believe that we are able to achieve the forecast.</p>
<p>Q5 : In terms of overseas LNG tanks construction project, amount claimed as damage was 48 billion yen as of 2Q, but it is 46 billion yen as of 3Q. Do you have any updates?</p>	<p>A5 : We changed the currency rate so the amount fluctuated.</p>