

## Q&A at the Conference on Financial Results for FY2020

質問	回答
<p>Q1 : What are the assumptions for the forecasts for the Aerospace Systems for FY2021?</p>	<p>A1 :</p> <ul style="list-style-type: none"> <li>● Aerospace business Although Production will remain sluggish due to the product mix centered on large aircrafts, we plan to increase profits in FY2021 by reducing fixed costs and improving production efficiency.</li> <li>● Aero Engine business Profitability will gradually improve from medium and small sized jet engines for domestic flights, as flight hours recover. However, we expect an operating loss in FY2021 due to the deterioration in after-sales profits caused by the cost of replacing defective component parts for certain jet engines and other factors. The application of the new revenue recognition accounting standard* in FY2021 is expected to have a negative impact of approximately ¥10 billion in operating income. *"Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020)</li> </ul>
<p>Q2 : Is all of the negative impact of application of the new revenue recognition accounting standard (¥73 billion in net sales and ¥10 billion in operating income) in FY 2021 on the Aerospace Systems related to the aero engine business?</p>	<p>A2 : Almost all of the impact is related to aero engine business.</p>
<p>Q3 : In Rolling Stock business, what factors will significantly improve its profitability in FY2021?</p>	<p>A3 : The impact of COVID-19, which was a major negative factor in FY2020, will diminish in FY2021.</p>

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Q4 : What are the earnings forecasts of Energy Solutions & Marine Engineering business by segment?	A4 : ● Energy System & Plant Engineering business Compared with FY2020, profits will decrease due to a decrease in profitable projects and uncertainty about the reversal of contingency reserves for ongoing projects, despite an increase in revenue.  ● Ship & Offshore structure business Compared with FY2020, when operating loss was ¥3 billion, a slight deterioration is expected due to occurrence of operation losses.
Q5 : What are the operating income in Robot business in FY2020 (actual) and in FY2021 (forecast)?	A5 : Although we achieved a profit in FY 2020, the contribution to the segment as a whole was negligible. In FY2021, we plan to increase profits thanks to the strong demand in semiconductor markets, and the resumption of after-sales activities, which had been sluggish due to COVID-19.
Q6 : How much impact will the global shortage of semiconductors and shipping containers have on the earnings forecasts of Motors Cycle & Engine business for FY2021?	A6 : Risks associated with semiconductor shortages are included in the earnings forecasts for FY2021. Risks of container shortages will not have a significant impact on our business in FY2021.

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