

Q&A at the Conference on Financial Results for Third Quarter FY2020

Question	Answer
<p>Q1 :</p> <p>In the Aerospace System business, what is the reason of the change from the 4.6 billion operating profit in the three month of the third quarter to the 5.7 billion loss again in the three month of the fourth quarter?</p>	<p>A1 :</p> <p>Main reasons as follows :</p> <p>(1) In the aircraft, our production FY2021 for Boeing 787 is planned to fall additionally from 98 aircraft announced on October 2020 to 77 aircraft for full fiscal year.</p> <p>(2) In the jet engine, it is expected that FIA * burden will be incurred in the fourth quarter to correspond to the sales of new engines concentrated in the third quarter.</p> <p>※When the Company's main partners sell jet engines to airlines, the airlines demand a type of discount called fleet introductory assistance (FIA). The Company needs to bear the loss for FIA in proportion to its involvement in projects.</p>
<p>Q2 :</p> <p>How is the current business environment in the robot business?</p>	<p>A2 :</p> <p>The market for semiconductors is growing well and it is expected to continue to growth steadily in the future. In the Chinese market, robots for automobile industries are also growing very well and demand for robots for general-purpose industry's market is growing.</p>
<p>Q3 :</p> <p>In the Rolling Stock segment, can you achieve a surplus in FY2021, in spite of continuous loss for several years?</p>	<p>A3 :</p> <p>The loss is expected to increase in FY2020 as we anticipate additional allocation in the fourth quarter due to by the impact of COVID-19 in North American projects.</p> <p>We recognize that turning this business into the black in FY2021 is an essential task for management.</p>

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<p>Q4 :</p> <p>In the Motorcycle & Engine business, how is the current business environment in the North American market?</p>	<p>A4 :</p> <p>Sales of off-load motorcycles and ATVs continue to be strong due to outdoor demand expansion by reaction of stay home by the COVID-19. In addition, off-road motorcycles and ATVs for kids are increasing. We recognize we are developing new demand groups.</p>
<p>Q5 :</p> <p>In the Motorcycle & Engine business, what is the reason of operating profit remains low in fourth quarter compared to same period in past years?</p>	<p>A5 :</p> <p>Sales of off-load motorcycles and ATV in North America is strong, but there are some delay in logistics due to a shortage of containers and drivers in North America. In addition, there is some transportation problem in parts for ATV from our Thai works to the North American works. Therefore, it is expected that the profit trend will be different from the usual year.</p>