

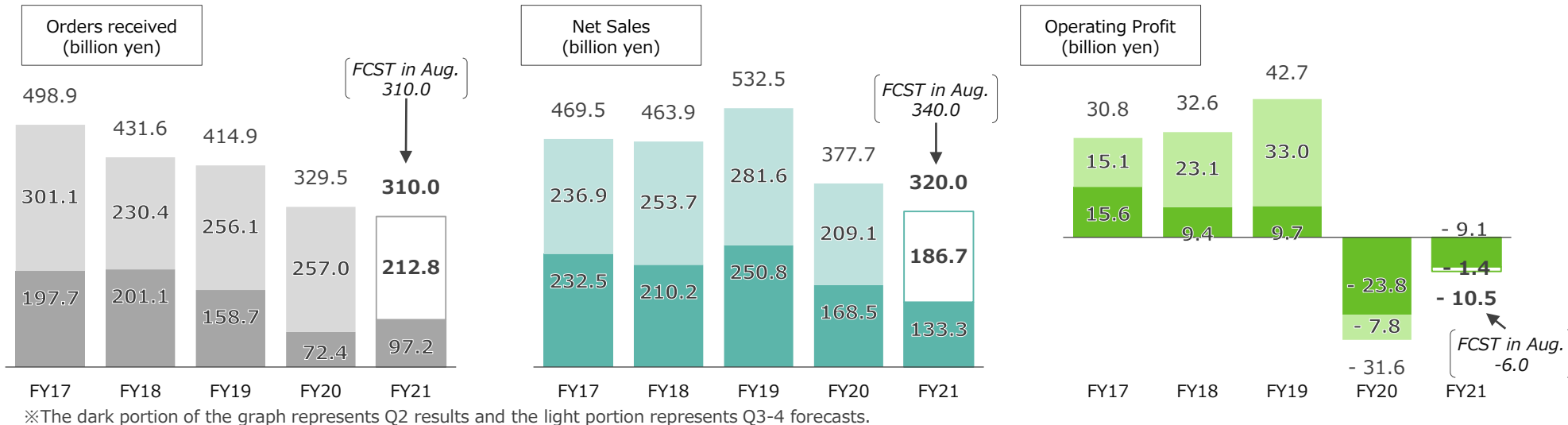
# 3 Details by Segment -Aerospace systems-

## FY2021.Q2 (vs. FY2020.Q2)

Orders received	↑	Increased due to an increase in component parts for Boeing and Ministry of Defense, despite decrease in component parts for commercial aircraft jet engines caused by the application of new Accounting Standard for Revenue Recognition.
Net Sales	↓	Decreased due to a decrease in component parts for commercial aircraft jet engines caused by the application of new Accounting Standard for Revenue Recognition, and a decrease in component parts for Boeing and Ministry of Defense.
Operating profit	↑	Increased due to an improvement in profitability of component parts for commercial aircraft jet engines and component parts for Boeing, despite a decrease in revenue.

## FY2021 forecast (vs. Forecast in August)

Orders received	→	Remained at the same level.
Net Sales	↓	Revised down due to reflection of the latest outlook for Boeing business, despite changes in foreign exchange assumptions.
Operating profit	↓	Revised down due to a decrease in revenue.



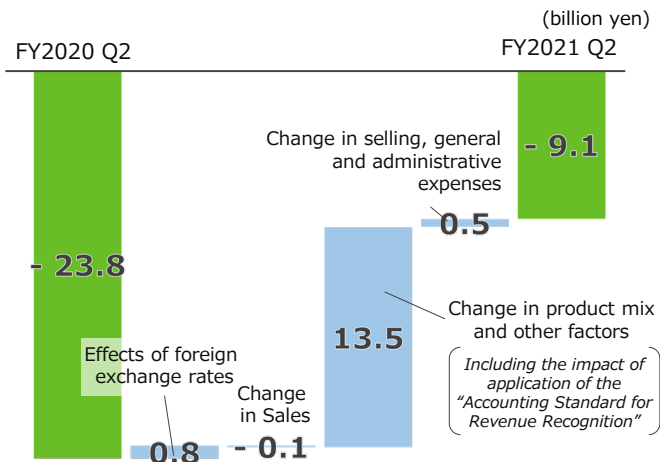
# 3 Details by Segment -Aerospace systems-

(Billion Yen)

	FY2020	FY2021		FY2020	FY2021 Forecast				
	Q2 Actual	Q2 Actual	Change	Actual	Old FCST	New FCST	Chg. Vs. FY20	Chg. Vs. Old FCST	Q3-4 FCST
Orders Received	72.4	97.2	+ 24.7	329.5	310.0	<b>310.0</b>	- 19.5	-	<b>212.8</b>
Aerospace	32.1	80.4	+ 48.2	236.2	250.0	<b>250.0</b>	+ 13.8	-	<b>169.6</b>
Aero Engine	40.3	16.8	- 23.5	93.3	60.0	<b>60.0</b>	- 33.3	-	<b>43.2</b>
Net Sales	168.5	※ 133.3	- 35.2	377.7	340.0	※ <b>320.0</b>	- 57.7	- 20.0	<b>186.7</b>
Aerospace	118.2	105.4	- 12.8	262.5	265.0	<b>245.0</b>	- 17.5	- 20.0	<b>139.6</b>
Aero Engine	50.3	27.9	- 22.4	115.1	75.0	<b>75.0</b>	- 40.1	-	<b>47.1</b>
Operating Profit (Loss)	- 23.8	※ - 9.1	+ 14.7	- 31.6	- 6.0	※ <b>- 10.5</b>	+ 21.1	- 4.5	<b>- 1.4</b>
[Margin]	[- 14.1%]	[- 6.8%]	[+ 7.2pt]	[- 8.3%]	[- 1.7%]	[- 3.2%]	[+ 5.1pt]	[- 1.4pt]	[- 0.7%]

※ As a result of the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), net sales decreased by approximately ¥40.2 billion, and operating profit increased by approximately ¥2.1 billion in Q2 from the previous accounting standard. In FY2021, net sales are expected to decrease by approximately ¥61 billion, and operating profit is expected to increase by approximately ¥3 billion from the previous accounting standard.

## Details of change in Operating Profit(Loss)



## Appendix

Number of aircraft component parts sold to Boeing

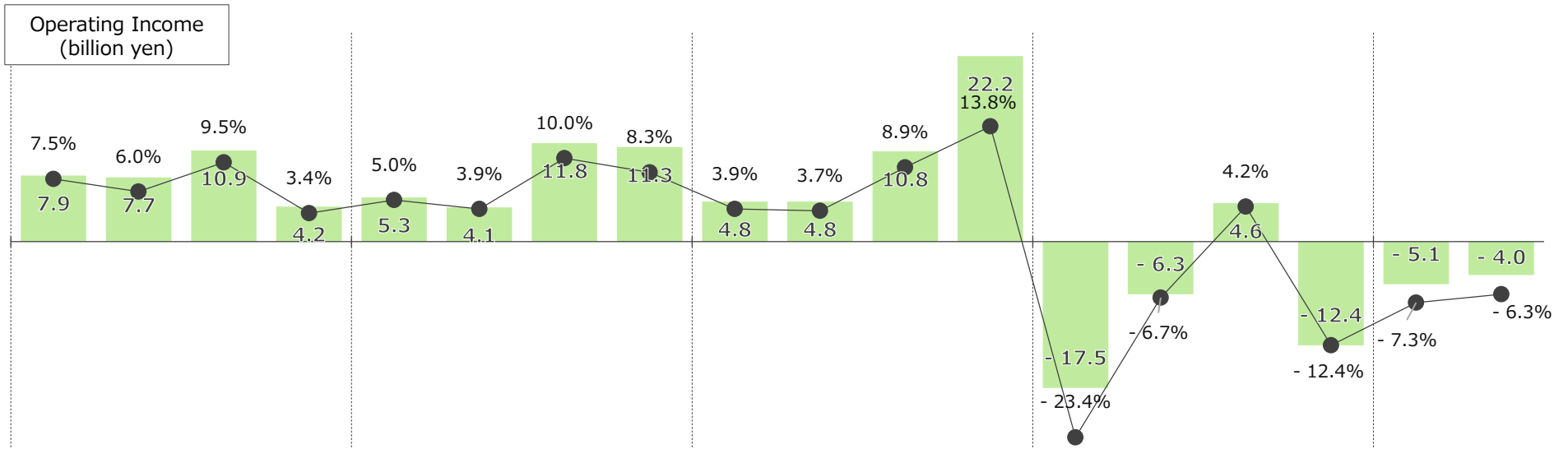
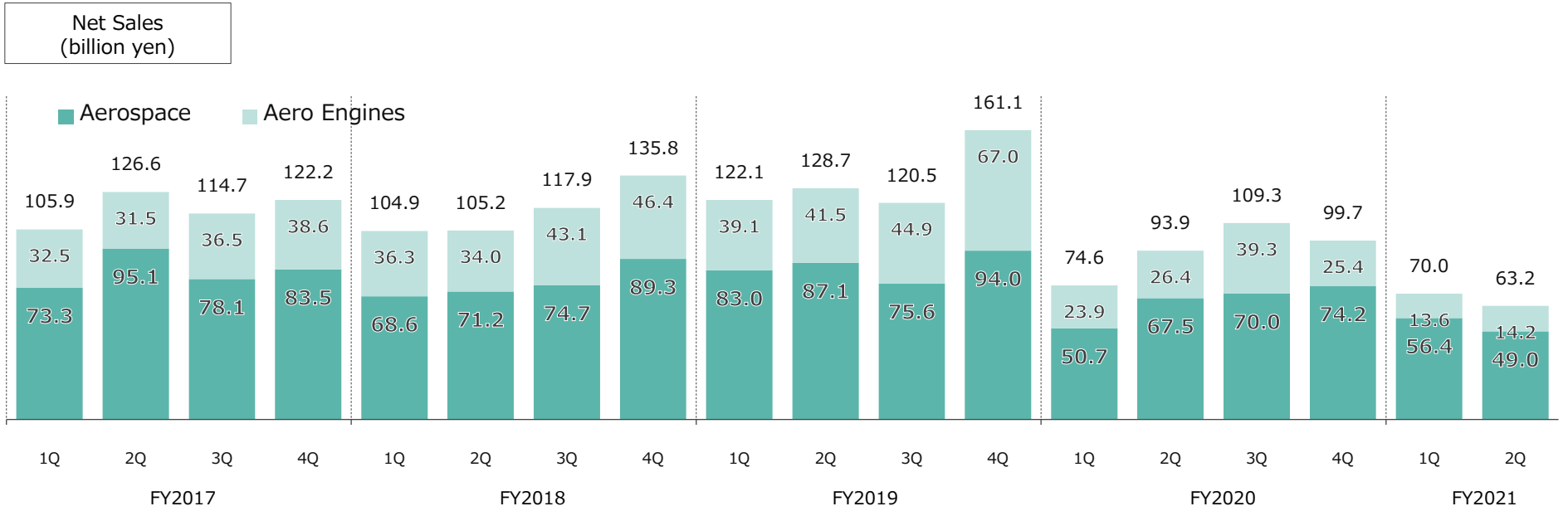
	FY'20		FY'21		Change
	Q2	Q1-4	Q2		
767	13	30	17		+ 4
777	14	24	11		- 3
777X	6	9	2		- 4
787	48	77	21		- 27

Number of jet engine component parts sold

	FY'20		FY'21		Change
	Q2	Q1-4	Q2		
V2500	-	5	8		+ 8
PW1100G	174	360	227		+ 53

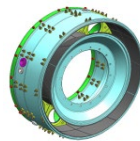
※Number of jet engine component parts sold to Rolls-Royce is not disclosed

# Details by Segment -Aerospace systems-



## Market Overview

- Commercial aircraft business
  - Global passenger demand remains weak due to the great impact of COVID-19 except for some domestic short flights in North America and Europe, and demand for aircrafts and aircraft jet engines is sluggish
  - It will take a considerable amount of time for the market to recover to the same level as the conditions before COVID-19
  - However, jet engine business is expected to recover faster than aircraft business
- MOD aircraft business
  - There is a certain demand within tight defense budget
  - Stable orders are expected over the medium- and long- term



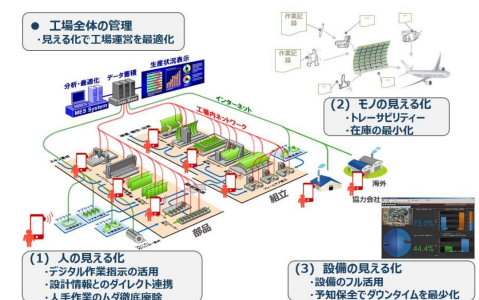
Hydrogen combustor  
(decarbonization technology)

## Specific Efforts

- ✓ **Securing stable revenue in core business**
  - Cost reductions in existing orders of aircrafts for Boeing and commercial aircrafts jet engines
  - Steady promotion of existing projects of development and mass production for MOD aircrafts and helicopters
- ✓ **Revising technology strategy in accordance with the change in marked trends**
  - Rebuilding R&D in line with future vision
  - Development of environmental technologies for a decarbonized society
- ✓ **Improving financial foundation**
  - Review of fixed cost structure
  - Reduction of inventories through production innovation activities



The First  
H145//BK117 D-3 in Japan  
(Delivered in August 2021)



Smart-K Project