Q&A at the Conference for FY2019 MTBP

Question	Answer
Q1 : Why did you divide the conference for FY2019 MTBP twice that one is for outline this time and another one is for segments in fall?	A1 : We have already received forecast from each segment, however we analyze more detail of risks to achieve FY2019 MTBP. Also, we set the strengthen finance bases as one of our basic FY2019 MTBP policies. In order to selective investment for growth business, it takes more time to make business growth plan with large amount of CAPEX from the perspective of business portfolio management.
Q2 : What kind of risks do you assume for the difference of 30billion yen; total amount of profit could be 130billion yen although operating profit plan in FY2021 is 100 billion yen?	A2 : There are exchange rates, changing in the business environment, and Rolling stock and Ship & Offshore Structure segment.
Q3 : Which do you prioritize profit rate or amount though one of management goals in FY2021 is operating profit margin 6% and 100 billion yen?	A3 : We prioritize OP margin because we set ROIC as key performance indicator based on our capital cost management. Also each segment works on improving profitability by setting profit margin as the benchmark.
Q4 : When is the CAPEX for Aerospace expected to peak out?	A4 : The CAPEX which is for business development until 2030 will peak out during FY2019 MTBP. We still need time for development in FY 2019 however it will reduce to FY 2020 to 2021.
Q5 : Rolling Stock and Ship & Offshore Structure had made significant losses in the past 3 years; do you have any other risks in the next 3 years	A5 : There are no additional risk projects so far. For Rolling Stock and Ship & Offshore Structure, we follow progresses of their projects every month. Also we have similar meetings for other big projects every month. If there is a risk on a project, we will set up another committee as soon as possible.
Q6 : How much are assumed exchange rates?	A6 : 110Yen / US$, 125Yen / Euro. We absorb certain level of forex fluctuations by risk buffer and aim OP margin 6% or more (operating income 100 billion yen).