

Financial/Business Summary of 1st Quarter FY2017 ending March

July 29, 2016

Listed Company Name: Showa Aircraft Industry Co., Ltd. Tokyo Stock Exchange 2nd Section
 Code Number: 7404 URL <http://www.showa-aircraft.co.jp/>
 Representative: Representative Director Chiaki Tanuma
 Responsible Officer: Accounting & Finance Manager Takahisa Kinoshita TEL (042)541-2111
 Expected Filing Date: August 12, 2016
 Dividend Payment (Expected) starting: -

(Amounts less than one million yen unit are omitted.)

1. Consolidated Financial Summary of 1st Quarter FY2017 ending March (April 1, 2016 - June 30, 2016)

(1) Consolidated Operating Results (Year-to-date)

(% marks represent rates of change as compared with the corresponding quarter of the previous year)

| | Sales | | Operating Income | | Ordinary Income | | Net Quarterly Income | |
|---------------------------|--------|------|------------------|-------|-----------------|-------|----------------------|-------|
| | ¥ Mil. | % | ¥ Mil. | % | ¥ Mil. | % | ¥ Mil. | % |
| 1 st Q. FY2017 | 5,044 | △6.5 | 230 | △20.0 | 268 | △9.4 | 186 | 10.4 |
| 1 st Q. FY2016 | 5,397 | 5.3 | 287 | △25.5 | 296 | △23.5 | 169 | △25.5 |

Note: Comprehensive income 1st Q. FY2017: △1,511 million yen (-%)/1st Q. FY 2016: 695 million yen (205.1%)

| | Net Quarterly Income per Share | | Net Quarterly Income per Share after Latent Share adjustment | |
|---------------------------|--------------------------------|------|--|-----|
| | Yen | Sen | Yen | Sen |
| 1 st Q. FY2017 | | 5.73 | | - |
| 1 st Q. FY2016 | | 5.19 | | - |

(2) Consolidated Financial Position

| | Gross Asset | Net Asset | Equity Ratio |
|---------------------------|-------------|-----------|--------------|
| | ¥ Mil. | ¥ Mil. | % |
| 1 st Q. FY2017 | 62,069 | 31,031 | 50.0 |
| End FY2016 | 63,990 | 32,673 | 51.1 |

(Ref.) Shareholders' Equity: 1st Q. FY2017 ¥ 31,031 Mil. /End March, 2016 ¥ 32,673 Mil.

2. Dividend Position

| | Dividend per Share | | | | | | | | |
|---------------------------------|------------------------|-----|------------------------|-----|------------------------|-----------------|-----------|-----|------|
| | End 1 st Q. | | End 2 nd Q. | | End 3 rd Q. | Fiscal Year-end | Full Year | | |
| | Yen | Sen | Yen | Sen | Yen | Sen | Yen | Sen | |
| FY2016 ending March | - | | 4.00 | | - | | 4.00 | | 8.00 |
| FY2017 ending March | - | | | | | | | | |
| FY2017 ending March (Projected) | | | 4.00 | | - | | 4.00 | | 8.00 |

(Note) No change has been made in the dividend projection at 1st Quarter end.

3. Earnings Forecast for FY2017 (from April 1, 2016 to March 31, 2017)

(% figures indicate the rates of change from the figures of previous corresponding periods)

| | Sales | | Operating Income | | Recurring Profit | | Net Income | | Net Income per Share |
|-----------|--------|-----|------------------|------|------------------|------|------------|------|----------------------|
| | ¥ Mil. | % | ¥ Mil. | % | ¥ Mil. | % | ¥ Mil. | % | Yen |
| Half Year | 11,500 | 3.0 | 700 | 14.9 | 600 | 8.4 | 350 | 10.0 | 10.73 |
| Full Year | 24,500 | 3.6 | 1,700 | 24.5 | 1,450 | 33.5 | 850 | 23.6 | 26.06 |

(Note) No change has been made in Consolidated Earnings Forecast for FY2017 at 1st Quarter end.

4. Others

- (1) Changes in important subsidiaries (that will result in changes in consolidated accounting): None
- (2) Application of particular accounting treatment for quarterly consolidated financial statements: None
- (3) Changes in accounting principles, procedures, etc. (that will result in changes in important matters of financial statements)
- a) Changes necessitated by changes in accounting standards, etc.: Yes
 - b) Changes other than by a): None
 - c) Changes in accounting estimates: None
 - d) Restatement: None

(4) Outstanding Shares (Common Share)

| | | | | |
|---|---------------------------|-------------------|----------------------------|-------------------|
| a) Outstanding shares at the term end (incl. treasury stock): | 1 st Q. FY2017 | 33,606,132 shares | End FY 2016 | 33,606,132 shares |
| b) Treasury Stocks at the term end: | 1 st Q. FY2017 | 990,820 shares | End FY 2016 | 990,752 shares |
| c) Average Outstanding shares for the term: | 1 st Q. FY2017 | 32,615,346 shares | 1 st Q. FY 2016 | 32,615,815 shares |

* Notice concerning status of audit procedures

This Financial/Business Summary is not subject to audit procedures based on the Financial Instrument and Exchange Act and audit procedures based on the Financial Instrument and Exchange Act are being performed when the Financial/Business Summary is announced.

* Reference for appropriate utilization of the above forecast, etc.

Above forecast is based on the information available to us at this time, and, accordingly, may be affected by various factors surrounding our business during the term, resulting in different actual showing.