

Consolidated Results for the First Quarter of FY2019 (Dec. 2018 to Feb. 2019)

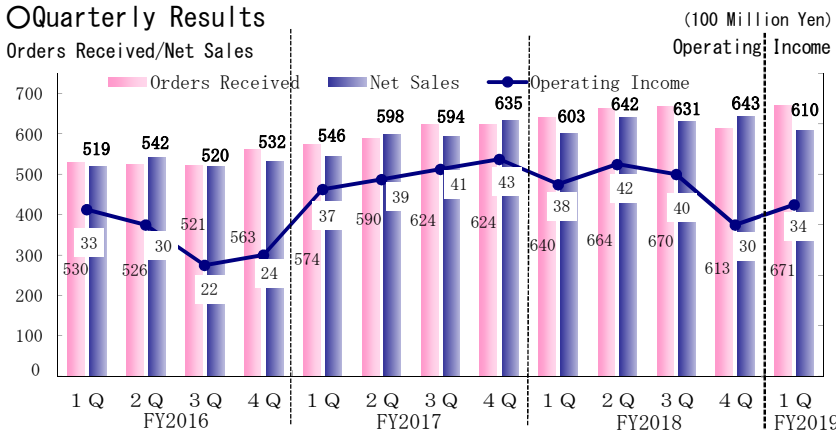
○Consolidated Financial Results and Forecast

(Million Yen)

	FY2018						FY2019		
	1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	1 H Forecast	Full Year Forecast
Net Sales YoY	60,367	64,270	124,638	63,197	64,374	252,209	+1.1% 61,046	128,000	+3.1% 260,000
Operating Income	(6.4%) 3,889	(6.6%) 4,226	(6.5%) 8,115	(6.5%) 4,093	(4.8%) 3,097	(6.1%) 15,306	-11.9% (5.6%) 3,426	(6.3%) 8,000	+11.1% (6.5%) 17,000
Ordinary Income	(5.4%) 3,286	(5.9%) 3,785	(5.7%) 7,072	(6.1%) 3,868	(4.6%) 2,960	(5.5%) 13,901	-6.7% (5.0%) 3,066	(5.7%) 7,300	+11.5% (6.0%) 15,500
Net Income	2,067	2,427	4,494	2,715	1,734	8,945	+9.0% 2,253	5,000	+17.4% 10,500
Exchange Rate (US\$)	110 Yen	107 Yen	109 Yen	110 Yen	112 Yen	110 Yen	110 Yen	108 Yen	
(Euro)	134 Yen	130 Yen	132 Yen	128 Yen	129 Yen	130 Yen	125 Yen	125 Yen	
(RMB)	17.1 Yen	17.0 Yen	17.1 Yen	16.6 Yen	16.3 Yen	16.7 Yen	16.2 Yen	16.0 Yen	
Cash Dividends	100 Yen						100 Yen		

○Quarterly Results

Orders Received/Net Sales



○Cause of Changes in Operating Income

FY2018 1Q → FY2019 1Q

Down 0.4 billion yen
(billion yen)

• Operating rate Improvement	+0.6
• Cost reduction	+0.4
• Increase in sales price	+0.3
Total	+1.3
• Effect of exchange rate	-0.5
• Rise in material price etc.	-0.7
• Increase in other fixed costs and SGA	-0.5
Total	-1.7

○Sales and Operating Income by Business Segments

(Million Yen)

		FY2018						FY2019		
		1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	1 H Forecast	Full Year Forecast
Machinery & Tools	YoY							(+1.8%)		(+4.9%)
	Cutting Tools	8,451	8,865	17,317	9,224	8,721	35,263	8,607	18,000	37,000
	Machine Tools	4,395	4,574	8,970	4,079	4,928	17,978	4,066	9,000	19,000
	Robots	7,871	8,593	16,464	8,379	8,568	33,413	8,101	17,000	34,000
	Net Sales	20,718	22,033	42,752	21,683	22,219	86,654	20,775	44,000	90,000
Operating Income	1,344	1,539	2,884	1,765	1,132	5,782	1,434	3,000	6,500	
Components	Bearings	20,498	20,987	41,486	20,716	21,013	83,216	19,870	42,000	85,000
	Hydraulic Equipment	15,059	16,648	31,707	16,268	16,659	64,635	15,750	33,000	67,000
	Net Sales	35,558	37,635	73,193	36,985	37,672	147,852	35,620	75,000	152,000
	Operating Income	2,090	2,282	4,373	1,978	1,800	8,152	1,494	4,300	9,000
Others	Special Steel	3,737	4,208	7,945	4,143	4,075	16,164	4,311	8,300	16,500
	Others	354	392	746	385	407	1,538	338	700	1,500
	Net Sales	4,091	4,600	8,691	4,528	4,482	17,703	4,650	9,000	18,000
	Operating Income	436	382	818	330	200	1,349	493	700	1,500
Total net sales		60,367	64,270	124,638	63,197	64,374	252,209	61,046	128,000	260,000
Total Operating Income		3,889	4,226	8,115	4,093	3,097	15,306	3,426	8,000	17,000
Japan		30,890	32,634	63,525	32,547	34,964	131,038	32,766	66,500	135,000
Overseas (Overseas Sales Ratio)		29,477 (48.8%)	31,635 (49.2%)	61,112 (49.0%)	30,649 (48.5%)	29,410 (45.7%)	121,171 (48.0%)	28,280 (46.3%)	61,500 (48.0%)	125,000 (48.1%)
America		8,034	9,017	17,051	9,126	8,339	34,516	7,934	17,500	35,500
Europe		3,805	4,124	7,930	3,509	3,754	15,192	3,331	7,500	15,500
Asia (China)		17,637 (9,356)	18,493 (8,819)	36,130 (18,175)	18,014 (9,012)	17,317 (8,772)	71,462 (35,960)	17,014 (8,265)	36,500 (18,300)	74,000 (37,000)