

Consolidated Results for FY2019 and Forecast for FY2020

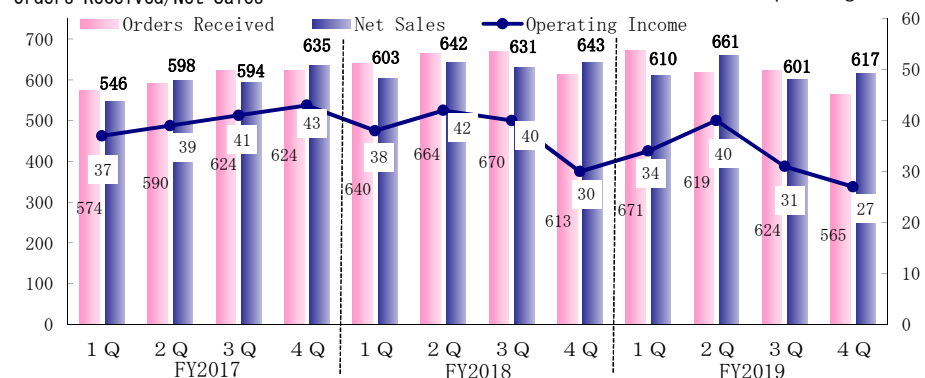
Consolidated Financial Results and Forecast

(Million JPY)

	FY2018	FY2019			FY2020 Forecast		
	Full Year	1 H	2 H	Full Year	1 H	2 H	Full Year
Net Sales YoY	252,209	127,165	121,912	-1.2%	114,200	115,800	-7.7%
Operating Income	(6.1%) 15,306	(5.9%) 7,481	(4.8%) 5,866	-12.8% (5.4%) 13,348	-23.8% (5.0%) 5,700	(5.9%) 6,800	-6.4% (5.4%) 12,500
Ordinary Income	(5.5%) 13,901	(5.2%) 6,604	(4.6%) 5,636	-11.9% (4.9%) 12,241	-21.3% (4.6%) 5,200	(5.4%) 6,300	-6.1% (5.0%) 11,500
Net Income	8,945	4,212	4,033	-7.8% 8,245	-14.5% 3,600	4,400	-3.0% 8,000
Exchange Rate (USD)	JPY 110	JPY 110	JPY 107	JPY 109			JPY 107
(EUR)	JPY 130	JPY 125	JPY 119	JPY 122			JPY 118
(RMB)	JPY 16.7	JPY 16.3	JPY 15.3	JPY 15.8			JPY 15.3
Cash Dividends	JPY 100			JPY 100			JPY 100

Quarterly Results

Orders Received/Net Sales

Cause of Changes in Operating Income
FY2018 → FY2019

	(billion JPY)
Down 1.9 billion JPY	
• Cost reduction	+1.3
• Increase in sales prices	+1.3
Total	+2.6
• Effect of exchange rate	-1.7
• Rise in material price	-0.5
• Increase in other costs	-2.3
Total	-4.5

Sales and Operating Income by Business Segments

(Million JPY)

	FY2018	FY2019			FY2020 Forecast			
	Full Year	1 H	2 H	Full Year	1 H	2 H	Full Year	
Machinery & Tools	Cutting Tools YoY	35,263	17,709	16,809	(-2.1%) 34,518	(-4.6%) 16,900	17,600	(+0.0%) 34,500
	Machine Tools	17,978	11,768	10,742	(+25.2%) 22,510	(-32.0%) 8,000	7,000	(-33.4%) 15,000
	Robots	33,413	16,000	14,710	(-8.1%) 30,710	(-9.4%) 14,500	16,500	(+0.9%) 31,000
	Net Sales	86,654	45,477	42,261	(+1.3%) 87,739	(-13.4%) 39,400	41,100	(-8.3%) 80,500
	Operating Income	5,782	3,481	2,621	(+5.5%) 6,103	(-18.1%) 2,850	3,550	(+4.9%) 6,400
Components	Bearings	83,216	39,556	37,649	(-7.2%) 77,206	(-7.0%) 36,800	36,700	(-4.8%) 73,500
	Hydraulic Equipment	64,635	32,748	33,097	(+1.9%) 65,846	(-6.9%) 30,500	30,500	(-7.4%) 61,000
	Net Sales	147,852	72,304	70,747	(-3.2%) 143,052	(-6.9%) 67,300	67,200	(-6.0%) 134,500
Operating Income	8,152	2,987	2,471	(-33.0%) 5,459	(-21.3%) 2,350	2,850	(-4.7%) 5,200	
Others	Special Steel	16,164	8,617	8,069	(+3.2%) 16,686	(-21.1%) 6,800	6,800	(-18.5%) 13,600
	Others	1,538	765	833	(+3.9%) 1,598	(-8.5%) 700	700	(-12.4%) 1,400
	Net Sales	17,703	9,382	8,902	(+3.3%) 18,285	(-20.1%) 7,500	7,500	(-18.0%) 15,000
Operating Income	1,349	1,011	728	(+29.0%) 1,740	(-50.5%) 500	400	(-48.3%) 900	
Total net sales	252,209	127,165	121,912	(-1.2%) 249,077	(-10.2%) 114,200	115,800	(-7.7%) 230,000	
Total Operating Income	15,306	7,481	5,866	(-12.8%) 13,348	(-23.8%) 5,700	6,800	(-6.4%) 12,500	
Japan	131,038	69,207	65,840	(+3.1%) 135,048	(-12.4%) 60,600	62,100	(-9.1%) 122,700	
Overseas (Overseas Sales Ratio)	121,171 (48.0%)	57,957 (45.6%)	56,071 (46.0%)	(-5.9%) 114,028 (45.8%)	(-7.5%) 53,600 (46.9%)	53,700 (46.4%)	(-5.9%) 107,300 (46.7%)	
America	34,516	16,239	14,494	(-11.0%) 30,733	(-15.0%) 13,800	13,400	(-11.5%) 27,200	
Europe	15,192	7,181	6,655	(-8.9%) 13,836	(-16.4%) 6,000	6,000	(-13.3%) 12,000	
Asia	71,462	34,536	34,921	(-2.8%) 69,458	(-2.1%) 33,800	34,300	(-2.0%) 68,100	
(China)	(35,960)	(17,279)	(18,052)	(-1.7%) (35,332)	(-1.6%) (17,000)	(17,600)	(-2.1%) (34,600)	