

## Consolidated Results for the First Quarter of FY2020 (Dec. 2019 to Feb. 2020)

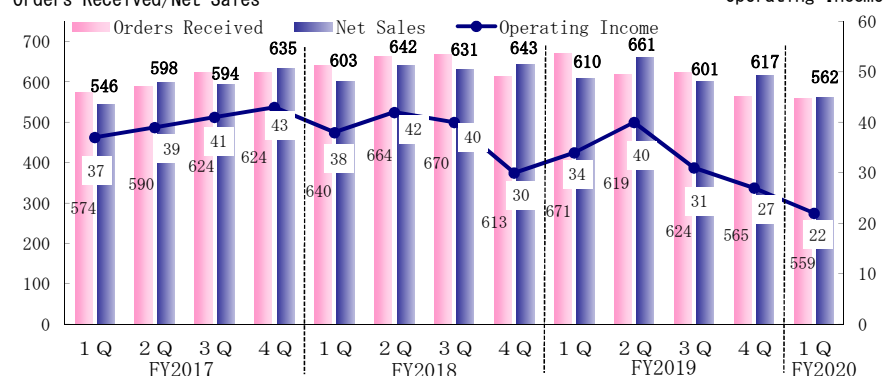
## Consolidated Financial Results and Forecast

(Million JPY)

	FY2019						FY2020			
	1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	1 H Forecast	Full Year Forecast	
Net Sales YoY	61,046	66,118	127,165	60,131	61,780	249,077	-7.8%	56,290	114,200	-7.7%
Operating Income	(5.6%) 3,426	(6.1%) 4,055	(5.9%) 7,481	(5.2%) 3,134	(4.4%) 2,732	(5.4%) 13,348	-33.4% (4.1%) 2,283	(5.0%) 5,700	(5.4%) 12,500	-6.4% (5.4%) 12,500
Ordinary Income	(5.0%) 3,066	(5.3%) 3,537	(5.2%) 6,604	(4.9%) 2,922	(4.4%) 2,714	(4.9%) 12,241	-37.4% (3.4%) 1,921	(4.6%) 5,200	(5.0%) 11,500	-6.1% (5.0%) 11,500
Net Income	2,253	1,959	4,212	2,097	1,935	8,245	-54.1% 1,033	3,600	8,000	-3.0%
Exchange Rate (USD)	JPY 110	JPY 110	JPY 110	JPY 107	JPY 108	JPY 109	JPY 109	JPY 108	JPY 107	
(EUR)	JPY 125	JPY 124	JPY 125	JPY 120	JPY 119	JPY 122	JPY 120	JPY 119	JPY 118	
(RMB)	JPY 16.2	JPY 16.3	JPY 16.3	JPY 15.4	JPY 15.2	JPY 15.8	JPY 15.7	JPY 15.5	JPY 15.4	
Cash Dividends	JPY 100						JPY 100			

## Quarterly Results

## Orders Received/Net Sales



## Factor of Changes in Operating Income

FY2019 1Q → FY2020 1Q

Down 1.1 billion JPY

(billion JPY)

• Cost reduction	+0.7
• Decline in fixed costs, SGA and other costs	+0.6
Total	+1.3
• Decline of Operating rate	-1.8
• Fall in sales price	-0.4
• Fluctuation of exchange rate	-0.2
Total	-2.4

## Sales and Operating Income by Business Segments

(Million JPY)

		FY2019						FY2020		
		1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	1 H Forecast	Full Year Forecast
Machinery & Tools	YoY							(-9.5%)		(+0.0%)
	Cutting Tools	8,607	9,101	17,709	8,485	8,323	34,518	7,791	16,900	34,500
	Machine Tools	4,066	7,701	11,768	4,377	6,364	22,510	4,144	8,000	15,000
	Robots	8,101	7,899	16,000	7,386	7,323	30,710	7,204	14,500	31,000
	Net Sales	20,775	24,702	45,477	20,249	22,012	87,739	19,140	39,400	80,500
Operating Income	1,434	2,047	3,481	1,309	1,311	6,103	865	2,850	6,400	
Components	Bearings	19,870	19,686	39,556	18,921	18,727	77,206	18,179	36,800	73,500
	Hydraulic Equipment	15,750	16,997	32,748	16,637	16,460	65,846	15,279	30,500	61,000
	Net Sales	35,620	36,683	72,304	35,558	35,188	143,052	33,458	67,300	134,500
	Operating Income	1,494	1,493	2,987	1,373	1,098	5,459	1,116	2,350	5,200
Others	Special Steel	4,311	4,305	8,617	3,975	4,093	16,686	3,337	6,800	13,600
	Others	338	426	765	347	485	1,598	353	700	1,400
	Net Sales	4,650	4,732	9,382	4,323	4,579	18,285	3,691	7,500	15,000
	Operating Income	493	518	1,011	405	322	1,740	283	500	900
Total net sales	61,046	66,118	127,165	60,131	61,780	249,077	56,290	114,200	230,000	
Total Operating Income	3,426	4,055	7,481	3,134	2,732	13,348	2,283	5,700	12,500	
Japan	32,766	36,441	69,207	32,324	33,515	135,048	29,973	60,600	122,700	
Overseas (Overseas Sales Ratio)	28,280 (46.3%)	29,677 (44.9%)	57,957 (45.6%)	27,806 (46.2%)	28,264 (45.7%)	114,028 (45.8%)	26,317 (46.8%)	53,600 (46.9%)	107,300 (46.7%)	
America	7,934	8,304	16,239	7,676	6,817	30,733	7,050	13,800	27,200	
Europe	3,331	3,850	7,181	3,380	3,274	13,836	3,108	6,000	12,000	
Asia	17,014	17,522	34,536	16,749	18,171	69,458	16,158	33,800	68,100	
(China)	(8,361)	(8,917)	(17,279)	(8,642)	(9,410)	(35,332)	(7,756)	(17,000)	(34,600)	