

Consolidated Results for FY2018 and Forecast for FY2019**○Consolidated Financial Results and Forecast**

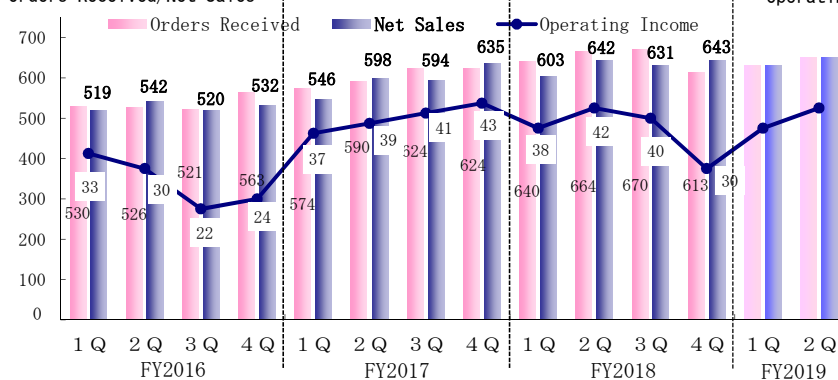
(Million Yen)

	FY2017	FY2018			FY2019 Forecast		
	Full Year	1 H	2 H	Full Year	1 H	2 H	Full Year
YoY				+6.2%	+2.7%		+3.1%
Net Sales	237,461	124,638	127,571	252,209	128,000	132,000	260,000
Operating Income	(6.8%) 16,130	(6.5%) 8,115	(5.6%) 7,191	-5.1% 15,306	-1.4% 8,000	(6.8%) 9,000	+11.1% 17,000
Ordinary Income	(6.2%) 14,690	(5.7%) 7,072	(5.4%) 6,829	-5.4% 13,901	+3.2% 7,300	(6.2%) 8,200	+11.5% 15,500
Net Income	9,747	4,494	4,450	8,945	5,000	5,500	10,500
Exchange Rate (US\$)	112 Yen	109 Yen	111 Yen	110 Yen	108 Yen		
(Euro)	125 Yen	132 Yen	129 Yen	130 Yen	125 Yen		
(RMB)	16.5 Yen	17.1 Yen	16.4 Yen	16.7 Yen	16.0 Yen		

Cash Dividends	10 Yen	*100 Yen			100 Yen		
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○Quarterly Results

Orders Received/Net Sales



*Due to consolidation of shares (10 shares into 1 share)

○Cause of Changes in Operating Income
FY2017 → FY2018

Down 0.8billion yen (billion yen)	
• Operating rate improvement	+5.4
• Increase in sales price	+0.6
• Cost reduction	+2.1
Total	+8.1
• Rise in material price	-3.0
• Increase in other variable cost	-1.5
• Extra shipping cost	-1.1
• Increase in other fixed costs and SGA	-3.3
Total	-8.9

○Sales and Operating Income by Business Segments

(Million Yen)

		FY2017	FY2018			FY2019 Forecast		
		Full Year	1 H	2 H	Full Year	1 H	2 H	Full Year
Machinery & Tools	YoY				(+4.7%)	(+3.9%)		(+4.9%)
	Cutting Tools	33,681	17,317	17,946	35,263	18,000	19,000	37,000
	Machine Tools	18,887	8,970	9,008	17,978	9,000	10,000	19,000
	Robots	34,176	16,464	16,948	33,413	17,000	17,000	34,000
	Net Sales	86,746	42,752	43,902	86,654	44,000	46,000	90,000
Operating Income	6,630	2,884	2,897	5,782	3,000	3,500	6,500	
Components	Bearings	78,383	41,486	41,730	83,216	42,000	43,000	85,000
	Hydraulic Equipment	57,598	31,707	32,928	64,635	33,000	34,000	67,000
	Net Sales	135,982	73,193	74,658	147,852	75,000	77,000	152,000
Operating Income	8,635	4,373	3,779	8,152	4,300	4,700	9,000	
Others	Special Steel	13,450	7,945	8,218	16,164	8,300	8,200	16,500
	Others	1,282	746	792	1,538	700	800	1,500
	Net Sales	14,733	8,691	9,011	17,703	9,000	9,000	18,000
	Operating Income	782	818	530	1,349	700	800	1,500
Total net sales		237,461	124,638	127,571	252,209	128,000	132,000	260,000
Total Operating Income		16,130	8,115	7,191	15,306	8,000	9,000	17,000
Japan		119,184	63,525	67,513	131,038	66,500	68,500	135,000
Overseas (Overseas Sales Ratio)		118,276 (49.8%)	61,112 (49.0%)	60,058 (47.1%)	121,171 (48.0%)	61,500 (48.0%)	63,500 (48.1%)	125,000 (48.1%)
America		33,978	17,051	17,464	34,516	17,500	18,000	35,500
Europe		13,709	7,930	7,262	15,192	7,500	8,000	15,500
Asia (China)		70,589 (32,967)	36,130 (18,175)	35,331 (17,784)	71,462 (35,960)	36,500 (18,300)	37,500 (18,700)	74,000 (37,000)