

## Consolidated Results for the First Half of FY2019 (Dec. 2018 to May. 2019)

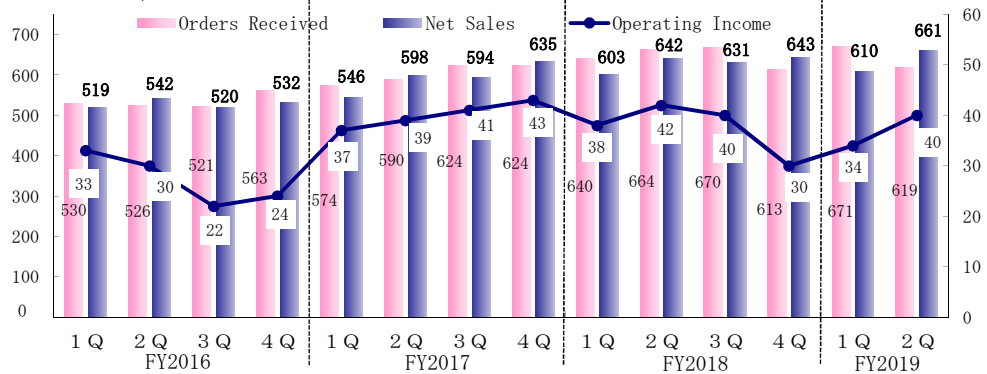
## Consolidated Financial Results and Forecast

(Million Yen)

	FY2018						FY2019			
	1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	2 Q	1 H	Full Year Forecast
Net Sales	60,367	64,270	124,638	63,197	64,374	252,209	+1.1% 61,046	+2.9% 66,118	+2.0% 127,165	+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% 3,426	-4.0% 4,055	-7.8% 7,481	+11.1% 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% 3,066	-6.6% 3,537	-6.6% 6,604	+11.5% 15,500
Net Income	2,067	2,427	4,494	2,715	1,734	8,945	+9.0% 2,253	-19.3% 1,959	-6.3% 4,212	+17.4% 10,500
Exchange Rate (USD)	110 Yen	107 Yen	109 Yen	110 Yen	112 Yen	110 Yen	110 Yen	110 Yen	110 Yen	109 Yen
(EUR)	134 Yen	130 Yen	132 Yen	128 Yen	129 Yen	130 Yen	125 Yen	124 Yen	125 Yen	123 Yen
(RMB)	17.1 Yen	17.0 Yen	17.1 Yen	16.6 Yen	16.3 Yen	16.7 Yen	16.2 Yen	16.3 Yen	16.3 Yen	15.9 Yen
Cash Dividends	100 Yen						100 Yen			

## Quarterly Results

## Orders Received/Net Sales



○Cause of Changes in Operating Income  
FY2018 1H → FY2019 1H  
Down 0.6billion yen

	(billion yen)
• Operating rate improvement	+1.0
• Cost reduction	+0.7
• Increase in sales prices	+0.9
<b>Total</b>	<b>+2.6</b>
• Effect of exchange rate	-0.6
• Rise in material price	-0.9
• Increase in other costs	-1.7
<b>Total</b>	<b>-3.2</b>

## Sales and Operating Income by Business Segment

(Million Yen)

		FY2018						FY2019			
		1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	2 Q	1 H	Full Year Forecast
Machinery & Tools	YoY							(+1.8%)	(+2.7%)	(+2.3%)	(+4.9%)
	Cutting Tools	8,451	8,865	17,317	9,224	8,721	35,263	8,607	9,101	17,709	37,000
	Machine Tools	4,395	4,574	8,970	4,079	4,928	17,978	4,066	7,701	11,768	22,000
	Robots	7,871	8,593	16,464	8,379	8,568	33,413	8,101	7,899	16,000	34,000
	Net Sales	20,718	22,033	42,752	21,683	22,219	86,654	20,775	24,702	45,477	93,000
Operating Income	1,344	1,539	2,884	1,765	1,132	5,782	1,434	2,047	3,481	7,700	
Components	Bearings	20,498	20,987	41,486	20,716	21,013	83,216	19,870	19,686	39,556	79,500
	Hydraulic Equipment	15,059	16,648	31,707	16,268	16,659	64,635	15,750	16,997	32,748	68,500
	Net Sales	35,558	37,635	73,193	36,985	37,672	147,852	35,620	36,683	72,304	148,000
	Operating Income	2,090	2,282	4,373	1,978	1,800	8,152	1,494	1,493	2,987	7,400
Others	Special Steel	3,737	4,208	7,945	4,143	4,075	16,164	4,311	4,305	8,617	17,500
	Others	354	392	746	385	407	1,538	338	426	765	1,500
	Net Sales	4,091	4,600	8,691	4,528	4,482	17,703	4,650	4,732	9,382	19,000
	Operating Income	436	382	818	330	200	1,349	493	518	1,011	1,900
Total net sales	60,367	64,270	124,638	63,197	64,374	252,209	61,046	66,118	127,165	260,000	
Total Operating Income	3,889	4,226	8,115	4,093	3,097	15,306	3,426	4,055	7,481	17,000	
Japan	30,890	32,634	63,525	32,547	34,964	131,038	32,766	36,441	69,207	139,000	
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%)	29,677 (44.9%)	57,957 (45.6%)	121,000 (46.5%)	
America	8,034	9,017	17,051	9,126	8,339	34,516	7,934	8,304	16,239	34,500	
Europe	3,805	4,124	7,930	3,509	3,754	15,192	3,331	3,850	7,181	14,500	
Asia	17,637	18,493	36,130	18,014	17,317	71,462	17,014	17,522	34,536	72,000	
(China)	(9,356)	(8,819)	(18,175)	(9,012)	(8,772)	(35,960)	(8,265)	(8,706)	(16,972)	(35,000)	