

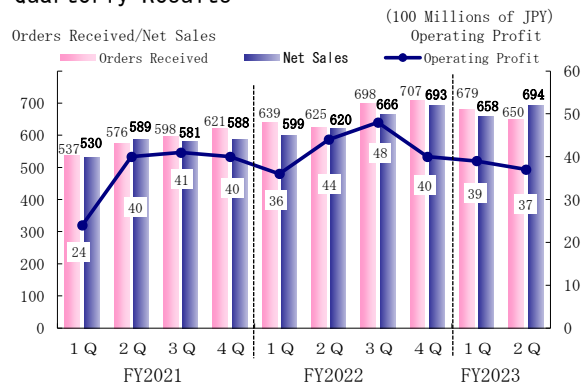
Consolidated Results for the First Half of FY2023 (Dec. 2022 to May 2023)

Consolidated Financial Results and Forecast

(Millions of JPY)

	FY2022						FY2023			
	1 Q (Dec-Feb)	2 Q (Mar-May)	1 H (Dec-May)	3 Q (Jun-Aug)	4 Q (Sep-Nov)	Full Year (Dec-Nov)	1 Q (Dec-Feb)	2 Q (Mar-May)	1 H (Dec-May)	Full Year Forecast (Dec-Nov)
Net Sales YoY	59,995	62,097	122,092	66,693	69,311	258,097	+9.7%	+11.8%	+10.8%	+4.6%
Operating Profit	(6.1%) 3,636	(7.2%) 4,463	(6.6%) 8,100	(7.3%) 4,884	(5.8%) 4,041	(6.6%) 17,025	+7.6% (5.9%) 3,912	-17.1% (5.3%) 3,700	-6.0% (5.6%) 7,612	-3.1% (6.1%) 16,500
Ordinary Profit	(6.0%) 3,610	(8.3%) 5,159	(7.2%) 8,769	(7.4%) 4,941	(4.9%) 3,389	(6.6%) 17,100	-8.8% (5.0%) 3,292	-27.2% (5.4%) 3,755	-19.6% (5.2%) 7,047	-9.4% (5.7%) 15,500
Profit attributable to owners of the parent	2,379	3,451	5,830	3,446	2,960	12,237	-6.9%	-27.2%	-18.9%	-10.1%
Exchange Rate (USD)	JPY 114	JPY 124	JPY 119	JPY 135	JPY 144	JPY 129	JPY 132	JPY 134	JPY 133	JPY 134
(EUR)	JPY 129	JPY 134	JPY 132	JPY 139	JPY 143	JPY 136	JPY 141	JPY 146	JPY 144	JPY 145
(CNY)	JPY 18.0	JPY 19.1	JPY 18.5	JPY 20.0	JPY 20.2	JPY 19.3	JPY 19.3	JPY 19.4	JPY 19.3	JPY 19.3
Cash Dividend per share	JPY 110						JPY 110			

Quarterly Results



Financial Data

	FY2022		FY2023	
	1 H	Full Year	1 H	Full Year Forecast
Total Assets	332,345	357,457	358,802	362,700
(Stockholders' Equity Ratio)	(42.5%)	(41.7%)	(42.3%)	(43.6%)
Stockholders' Equity	141,165	148,906	151,927	158,200
ROE	8.6%	8.8%	6.3%	7.2%
Interest-bearing Debts	91,980	99,827	110,221	110,100
Net D/E ratio	0.43	0.44	0.51	0.48
Facility Investment	9,872	20,374	9,774	22,000
Depreciation and Amortization	8,791	18,302	9,537	19,500
Number of Employees	7,297	7,259	7,245	7,250

Operating Profit Analysis
FY2022 1H → FY2023 1H
0.5 Decrease

- Increase in sales price +2.5
- Increase of operating rate +1.8
- Fluctuation of exchange rate +1.7
- Cost reduction +0.7
- Total +6.7
- Rise in material price -2.5
- Increase in fixed costs, SGA and others -4.7
- Total -7.2

Sales and Operating Profit by Business Segments

(Millions of JPY)

		FY2022						FY2023			
		1 Q (Dec-Feb)	2 Q (Mar-May)	1 H (Dec-May)	3 Q (Jun-Aug)	4 Q (Sep-Nov)	Full Year (Dec-Nov)	1 Q (Dec-Feb)	2 Q (Mar-May)	1 H (Dec-May)	Full Year Forecast (Dec-Nov)
Machinery & Tools	Cutting Tools	7,814	8,673	16,487	8,984	8,685	34,157	(+5.1%) 8,216	(-0.1%) 8,666	(+2.4%) 16,882	(+1.0%) 34,500
	Machine Tools	2,239	2,298	4,538	2,903	2,502	9,944	(+31.0%) 2,934	(+69.8%) 3,902	(+50.6%) 6,837	(+10.6%) 11,000
	Robots	8,037	8,234	16,271	10,115	12,118	38,505	(+46.1%) 11,743	(+40.3%) 11,552	(+43.2%) 23,295	(+20.8%) 46,500
	Net Sales	18,091	19,206	37,297	22,004	23,305	82,607	(+26.5%) 22,893	(+25.6%) 24,121	(+26.1%) 47,015	(+11.4%) 92,000
	Operating Profit	1,294	1,814	3,108	2,411	2,457	7,977	(+90.6%) 2,467	(+24.6%) 2,260	(+52.1%) 4,727	(+19.1%) 9,500
Components	Bearings	19,853	20,068	39,921	21,815	22,743	84,480	(+7.9%) 21,420	(+10.8%) 22,241	(+9.4%) 43,662	(+3.6%) 87,500
	Hydraulic Equipment	13,183	12,979	26,163	13,441	13,190	52,795	(-0.1%) 13,167	(+1.5%) 13,168	(+0.7%) 26,336	(-0.6%) 52,500
	Automotive Hydraulics	5,088	5,670	10,758	5,239	5,787	21,786	(-17.4%) 4,202	(+2.2%) 5,796	(-7.1%) 9,999	(+1.0%) 22,000
	Net Sales	38,125	38,718	76,844	40,496	41,721	159,062	(+1.7%) 38,790	(+6.4%) 41,207	(+4.1%) 79,998	(+1.8%) 162,000
	Operating Profit	2,105	2,242	4,348	2,094	1,216	7,660	(-42.1%) 1,218	(-46.2%) 1,207	(-44.2%) 2,426	(-21.7%) 6,000
Other	Special Steel	3,330	3,757	7,088	3,754	3,798	14,641	(+11.4%) 3,710	(-2.2%) 3,674	(+4.2%) 7,384	(-0.3%) 14,600
	Others	448	414	862	437	484	1,785	(-3.9%) 430	(+4.9%) 435	(+0.3%) 865	(-21.6%) 1,400
	Net Sales	3,778	4,172	7,951	4,192	4,283	16,426	(+9.6%) 4,141	(-1.5%) 4,109	(+3.8%) 8,250	(-2.6%) 16,000
	Operating Profit	234	407	641	381	373	1,396	(+5.6%) 247	(-46.2%) 219	(-27.3%) 466	(-28.4%) 1,000
Total net sales	59,995	62,097	122,092	66,693	69,311	258,097	(+9.7%) 65,825	(+11.8%) 69,438	(+10.8%) 135,264	(+4.6%) 270,000	
Total Operating Profit	3,636	4,463	8,100	4,884	4,041	17,025	(+7.6%) 3,912	(-17.1%) 3,700	(-6.0%) 7,612	(-3.1%) 16,500	
Japan	29,880	30,704	60,585	30,125	30,966	121,677	(-2.6%) 29,112	(+4.5%) 32,098	(+1.0%) 61,211	(+0.8%) 122,700	
Overseas (Overseas Sales Ratio)	30,114 (50.2%)	31,392 (50.6%)	61,507 (50.4%)	36,567 (54.8%)	38,344 (55.3%)	136,419 (52.9%)	(+21.9%) 36,713 (55.8%)	(+18.9%) 37,340 (53.8%)	(+20.4%) 74,053 (54.7%)	(+8.0%) 147,300 (54.6%)	
Americas	6,588	8,700	15,289	9,666	9,814	34,770	(+52.3%) 10,032	(+17.1%) 10,185	(+32.2%) 20,218	(+10.2%) 38,300	
Europe	3,560	3,869	7,430	4,076	4,052	15,559	(+13.9%) 4,056	(+7.8%) 4,171	(+10.7%) 8,227	(+2.8%) 16,000	
China	11,666	9,933	21,599	13,669	14,534	49,803	(+12.7%) 13,142	(+27.5%) 12,662	(+19.5%) 25,804	(+8.4%) 54,000	
ASEAN and other areas	8,299	8,888	17,187	9,155	9,943	36,286	(+14.3%) 9,481	(+16.1%) 10,320	(+15.2%) 19,802	(+7.5%) 39,000	