

Consolidated Results for the Third Quarter of FY2018 (Dec. 2017 to Sept. 2018)

OConsolidated Financial Results and Forecast

(Million Yen)

	FY2017			FY2018		
	1 H	3 Q	Full Year	1 H	3 Q	Full Year Forecast
Net Sales	114,485	173,952	237,461	124,638	187,835	250,000
YoY	(6.7%)	(6.8%)	(6.8%)	(6.5%)	+8.0%	+5.3%
Operating Income	7,723	11,826	16,130	8,115	12,208	18,000
YoY	(5.9%)	(6.1%)	(6.2%)	(5.7%)	+3.2%	+11.6%
Ordinary Income	6,793	10,664	14,690	7,072	10,941	16,500
YoY	(5.9%)	(6.1%)	(6.2%)	(5.7%)	(5.8%)	(6.6%)
Net Income	4,647	7,222	9,747	4,494	7,210	11,000
YoY	(5.9%)	(6.1%)	(6.2%)	(5.7%)	-0.2%	+12.8%
Exchange Rate (US\$)	113 yen	112 yen	112 yen	109 yen	109 yen	109 yen
(Euro)	121 yen	123 yen	125 yen	132 yen	131 yen	128 yen
(RMB)	16.4 yen	16.4 yen	16.5 yen	17.1 yen	16.9 yen	16.8 yen
Cash Dividends	10 yen			*100 yen		

Quarterly Results

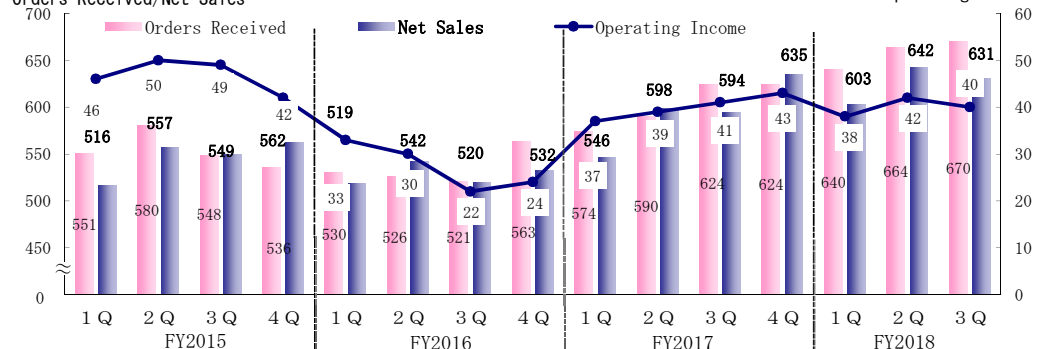
(Million Yen)

FY2018		
1 Q	2 Q	3 Q
60,367	64,270	63,197
3,889	4,226	4,093
3,286	3,785	3,868
2,067	2,427	2,715
110 yen	107 yen	110 yen
134 yen	130 yen	128 yen
17.1 yen	17.0 yen	16.9 yen

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

OQuarterly Results

Orders Received/Net Sales

○ Causes of Changes in Operating Income
3Q of FY2017 → 3Q of FY2018
up 0.4 billion yen

(billion yen)	
• Operating rate improvement	+4.9
• Cost reduction	+1.6
• Increase in sales price	+0.2
• Effect of exchange rate	+0.2
Total	+6.9
• Rise in material price	-2.5
• Increase in fixed costs and SGA	-4.0
Total	-6.5

OSales by Business Segments

(Million Yen)

	FY2017			FY2018		
	1 H	3 Q	Full Year	1 H	3 Q	Full Year Forecast
Machinery & Tools						
Cutting Tools	16,573	24,870	33,681	17,317	26,541	35,000
YoY				(+4.5%)	(+6.7%)	(+3.9%)
Machine Tools	9,520	13,869	18,887	8,970	13,049	18,000
YoY				(-5.8%)	(-5.9%)	(-4.7%)
Robots	16,036	25,123	34,176	16,464	24,844	35,000
YoY				(+2.7%)	(-1.1%)	(+2.4%)
Net Sales	42,130	63,863	86,746	42,752	64,435	88,000
YoY				(+1.5%)	(+0.9%)	(+1.4%)
Operating Income	3,180	4,934	6,630	2,884	4,649	6,700
YoY				(-9.3%)	(-5.8%)	(+1.1%)
Components						
Bearings	37,699	57,327	78,383	41,486	62,203	83,000
YoY				(+10.0%)	(+8.5%)	(+5.9%)
Hydraulic Equipment	27,678	42,002	57,598	31,707	47,976	64,000
YoY				(+14.6%)	(+14.2%)	(+11.1%)
Net Sales	65,378	99,330	135,982	73,193	110,179	147,000
YoY				(+12.0%)	(+10.9%)	(+8.1%)
Operating Income	4,117	6,216	8,635	4,373	6,352	9,600
YoY				(+6.2%)	(+2.2%)	(+11.2%)
Others						
Special Steel	6,352	9,822	13,450	7,945	12,088	14,000
YoY				(+25.1%)	(+23.1%)	(+4.1%)
Others	624	935	1,282	746	1,131	1,000
YoY				(+19.6%)	(+21.0%)	(-22.0%)
Net Sales	6,976	10,758	14,733	8,691	13,220	15,000
YoY				(+24.6%)	(+22.9%)	(+1.8%)
Operating Income	388	619	782	818	1,148	1,700
YoY				(× 2.1)	(+85.5%)	(× 2.2)
Total net sales	114,485	173,952	237,461	124,638	187,835	250,000
YoY				(+8.9%)	(+8.0%)	(+5.3%)
Total Operating Income	7,723	11,826	16,130	8,115	12,208	18,000
YoY				(+5.1%)	(+3.2%)	(+11.6%)
Japan	57,128	87,455	119,184	63,525	96,072	127,000
YoY				(+11.2%)	(+9.9%)	(+6.6%)
Overseas	57,356	86,497	118,276	61,112	91,762	123,000
(Overseas Sales %)	(50.1%)	(49.7%)	(49.8%)	(49.0%)	(48.9%)	(49.2%)
YoY				(+6.5%)	(+6.1%)	(+4.0%)
America	16,545	24,908	33,978	17,051	26,178	34,000
YoY				(+3.1%)	(+5.1%)	(+0.1%)
Europe	6,777	9,995	13,709	7,930	11,439	14,000
YoY				(+17.0%)	(+14.4%)	(+2.1%)
Asia	34,032	51,592	70,589	36,130	54,145	75,000
YoY				(+6.2%)	(+4.9%)	(+6.2%)
(China)	(14,880)	(23,128)	(32,967)	(18,175)	(27,188)	(38,000)
YoY				(+22.1%)	(+17.6%)	(+15.3%)

Quarterly Results

(Million Yen)

FY2018		
1 Q	2 Q	3 Q
8,451	8,865	9,224
4,395	4,574	4,079
7,871	8,593	8,379
20,718	22,033	21,683
1,344	1,539	1,765
20,498	20,987	20,716
15,059	16,648	16,268
35,558	37,635	36,985
2,090	2,282	1,978
3,737	4,208	4,143
354	392	385
4,091	4,600	4,528
436	382	330
60,367	64,270	63,197
3,889	4,226	4,093
30,890	32,634	32,547
29,477	31,635	30,649
(48.8%)	(49.2%)	(48.5%)
8,034	9,017	9,126
3,805	4,124	3,509
17,637	18,493	18,014
(9,356)	(8,819)	(9,012)