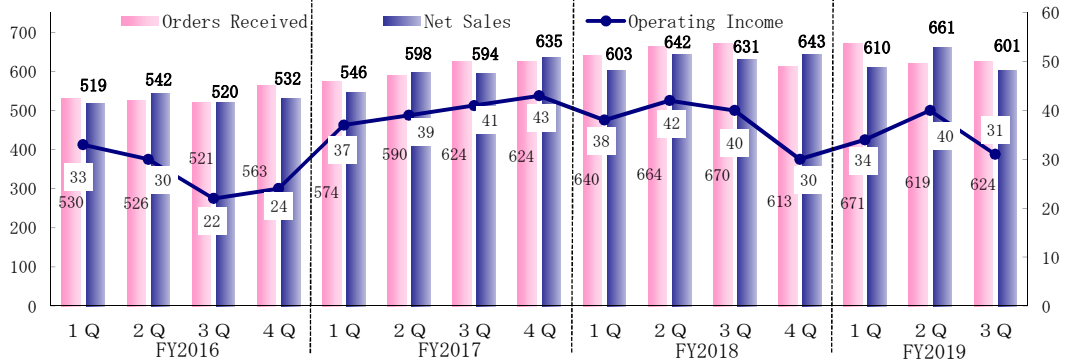


**Consolidated Results for the Third Quarter of FY2019 (Dec. 2018 to Aug. 2019)****○Consolidated Financial Results and Forecast**

(Million Yen)

• Quarterly Results (Million Yen)

	FY2018			FY2019			FY2019		
	1 H	3 Q	Full Year	1 H	3 Q	Full Year Forecast	1 Q	2 Q	3 Q
YoY					-0.3%	-0.9%			
Net Sales	124,638	187,835	252,209	127,165	187,297	250,000	61,046	66,118	60,131
Operating Income	8,115 (6.5%)	12,208 (6.5%)	15,306 (6.1%)	7,481 (5.9%)	10,616 (5.7%)	13,500 (5.4%)	3,426 (5.6%)	4,055 (6.1%)	3,134 (5.2%)
Ordinary Income	7,072 (5.7%)	10,941 (5.8%)	13,901 (5.5%)	6,604 (5.2%)	9,527 (5.1%)	12,100 (4.8%)	3,066 (5.0%)	3,537 (5.3%)	2,922 (4.9%)
Net Income	4,494	7,210	8,945	4,212	6,309	8,100	2,253	1,959	2,097
Exchange Rate (USD)	109 Yen	109 Yen	110 Yen	110 Yen	109 Yen	108 Yen	110 Yen	110 Yen	107 Yen
(EUR)	132 Yen	131 Yen	130 Yen	130 Yen	123 Yen	121 Yen	125 Yen	124 Yen	120 Yen
(RMB)	17.1 Yen	16.9 Yen	16.7 Yen	16.3 Yen	16.0 Yen	15.7 Yen	16.2 Yen	16.3 Yen	15.4 Yen
Cash Dividends			100 Yen			100 Yen			

**○Quarterly Results****Orders Received/Net Sales**○Cause of Changes in Operating Income  
FY2018 3Q → FY2019 3Q  
Down 1.6billion yen

	(billion yen)
• Operating rate improvement	+0.6
• Cost reduction	+1.1
• Increase in sales prices	+1.0
<b>Total</b>	<b>+2.7</b>
• Effect of exchange rate	-1.2
• Rise in material prices	-0.9
• Increase in other costs	-2.2
<b>Total</b>	<b>-4.3</b>

**○Sales and Operating Income by Business Segment**

(Million Yen)

• Quarterly Results (Million Yen)

		FY2018			FY2019			FY2019		
		1 H	3 Q	Full Year	1 H	3 Q	Full Year Forecast	1 Q	2 Q	3 Q
Machinery & Tools	YoY									
	Cutting Tools	17,317	26,541	35,263	17,709	26,195 (-1.3%)	34,700 (-1.6%)	8,607	9,101	8,485
	Machine Tools	8,970	13,049	17,978	11,768	16,145 (+23.7%)	21,300 (+18.5%)	4,066	7,701	4,377
	Robots	16,464	24,844	33,413	16,000	23,386 (-5.9%)	32,000 (-4.2%)	8,101	7,899	7,386
	Net Sales	42,752	64,435	86,654	45,477	65,727 (+2.0%)	88,000 (+1.6%)	20,775	24,702	20,249
Operating Income	2,884	4,649	5,782	3,481	4,791 (+3.1%)	6,200 (+7.2%)	1,434	2,047	1,309	
Components	Bearings	41,486	62,203	83,216	39,556	58,478 (-6.0%)	77,500 (-6.9%)	19,870	19,686	18,921
	Hydraulic Equipment	31,707	47,976	64,635	32,748	49,385 (+2.9%)	66,500 (+2.9%)	15,750	16,997	16,637
	Net Sales	73,193	110,179	147,852	72,304	107,863 (-2.1%)	144,000 (-2.6%)	35,620	36,683	35,558
Operating Income	4,373	6,352	8,152	2,987	4,361 (-31.3%)	5,600 (-31.3%)	1,494	1,493	1,373	
Others	Special Steel	7,945	12,088	16,164	8,617	12,593 (+4.2%)	16,500 (+2.1%)	4,311	4,305	3,975
	Others	746	1,131	1,538	765	1,112 (-1.7%)	1,500 (-2.5%)	338	426	347
	Net Sales	8,691	13,220	17,703	9,382	13,705 (+3.7%)	18,000 (+1.7%)	4,650	4,732	4,323
	Operating Income	818	1,148	1,349	1,011	1,417 (+23.4%)	1,700 (+26.0%)	493	518	405
Total net sales	124,638	187,835	252,209	127,165	187,297 (-0.3%)	250,000 (-0.9%)	61,046	66,118	60,131	
Total Operating Income	8,115	12,208	15,306	7,481	10,616 (-13.0%)	13,500 (-11.8%)	3,426	4,055	3,134	
Japan	63,525	96,072	131,038	69,207	101,532 (+5.7%)	134,000 (+2.3%)	32,766	36,441	32,324	
Overseas (Overseas Sales Ratio)	61,112 (49.0%)	91,762 (48.9%)	121,171 (48.0%)	57,957 (45.6%)	85,764 (-6.5%) (45.8%)	116,000 (-4.3%) (46.4%)	28,280 (46.3%)	29,677 (44.9%)	27,806 (46.2%)	
America	17,051	26,178	34,516	16,239	23,915 (-8.6%)	32,400 (-6.1%)	7,934	8,304	7,676	
Europe	7,930	11,439	15,192	7,181	10,562 (-7.7%)	14,000 (-7.8%)	3,331	3,850	3,380	
Asia	36,130	54,145	71,462	34,536	51,286 (-5.3%)	69,600 (-2.6%)	17,014	17,522	16,749	
(China)	(18,175)	(27,188)	(35,960)	(16,972)	(25,145) (-7.5%)	(34,500) (-4.1%)	(8,265)	(8,706)	(8,173)	