

Consolidated Results for the First Half of FY2020 (Dec. 2019 to May. 2020)

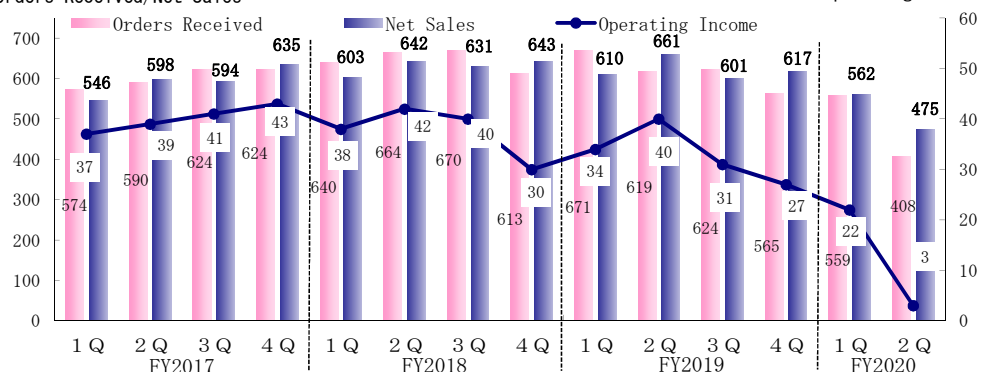
Consolidated Financial Results and Forecast

(Million JPY)

	FY2019						FY2020			
	1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	2 Q	1 H	Full Year Forecast
Net Sales YoY	61,046	66,118	127,165	60,131	61,780	249,077	-7.8% 56,290	-28.2% 47,501	-18.4% 103,792	-23.7% 190,000
Operating Income	(5.6%) 3,426	(6.1%) 4,055	(5.9%) 7,481	(5.2%) 3,134	(4.4%) 2,732	(5.4%) 13,348	-33.4% 2,283 (4.1%)	-91.3% (0.7%) 352	-64.8% (2.5%) 2,636	-73.8% (1.8%) 3,500
Ordinary Income	(5.0%) 3,066	(5.3%) 3,537	(5.2%) 6,604	(4.9%) 2,922	(4.4%) 2,714	(4.9%) 12,241	-37.4% (3.4%) 1,921	(-0.7%) -314	-75.7% (1.5%) 1,606	-82.0% (1.2%) 2,200
Net Income	2,253	1,959	4,212	2,097	1,935	8,245	-54.1% 1,033	-587	-89.4% 445	-90.3% 800
Exchange Rate (USD)	JPY 110	JPY 110	JPY 110	JPY 107	JPY 109	JPY 109	JPY 109	JPY 107	JPY 108	JPY 107
(EUR)	JPY 125	JPY 124	JPY 125	JPY 120	JPY 122	JPY 120	JPY 120	JPY 117	JPY 119	JPY 120
(RMB)	JPY 16.2	JPY 16.3	JPY 16.3	JPY 15.4	JPY 15.8	JPY 15.7	JPY 15.7	JPY 15.2	JPY 15.4	JPY 15.4
Cash Dividends	JPY 100						Undecided			

Quarterly Results

Orders Received/Net Sales



Cause of Changes in Operating Income
FY2019 1H → FY2020 1H
Down 4.8billion JPY
(billion JPY)

• Cost reduction	+1.3
• Decline in fixed costs, SGA and other costs	+3.8
Total	+5.1
• Decline of operating rate	-8.4
• Decrease in sales price	-0.8
• Fluctuation of exchange rate	-0.7
Total	-9.9

Sales and Operating Income by Business Segments

(Million JPY)

		FY2019						FY2020			
		1 Q	2 Q	1 H	3 Q	4 Q	Full Year	1 Q	2 Q	1 H	Full Year Forecast
Machinery & Tools	YoY							(-9.5%)	(-26.9%)	(-18.4%)	(-26.1%)
	Cutting Tools	8,607	9,101	17,709	26,195	16,991	34,518	7,791	6,655	14,446	25,500
	Machine Tools	4,066	7,701	11,768	16,145	9,532	22,510	4,144	3,317	7,462	14,000
	Robots	8,101	7,899	16,000	23,386	16,000	30,710	7,204	6,488	13,693	25,000
	Net Sales	20,775	24,702	45,477	65,727	42,523	87,739	19,140	16,461	35,602	64,500
Operating Income	1,434	2,047	3,481	4,791	2,719	6,103	865	295	1,161	1,800	
Components	Bearings	19,870	19,686	39,556	58,478	37,944	77,206	18,179	13,522	31,701	59,500
	Hydraulic Equipment	15,750	16,997	32,748	49,385	33,752	65,846	15,279	13,978	29,257	53,000
	Net Sales	35,620	36,683	72,304	107,863	71,696	143,052	33,458	27,500	60,959	112,500
	Operating Income	1,494	1,493	2,987	4,361	2,613	5,459	1,116	-98	1,018	1,200
Others	Special Steel	4,311	4,305	8,617	12,593	7,883	16,686	3,337	3,199	6,536	11,600
	Others	338	426	765	1,112	735	1,598	353	340	694	1,400
	Net Sales	4,650	4,732	9,382	13,705	8,618	18,285	3,691	3,539	7,230	13,000
	Operating Income	493	518	1,011	1,417	689	1,740	283	128	411	500
Total net sales	61,046	66,118	127,165	187,297	122,837	249,077	56,290	47,501	103,792	190,000	
Total Operating Income	3,426	4,055	7,481	10,616	6,021	13,348	2,283	352	2,636	3,500	
Japan	32,766	36,441	69,207	101,532	64,793	135,048	29,973	26,460	56,433	98,500	
Overseas (Overseas Sales Ratio)	28,280 (46.3%)	29,677 (44.9%)	57,957 (45.6%)	85,764 (45.8%)	58,044 (47.3%)	114,028 (45.8%)	26,317 (46.8%)	21,041 (44.3%)	47,359 (45.6%)	91,500 (48.2%)	
America	7,934	8,304	16,239	23,915	16,161	30,733	7,050	4,579	11,629	23,000	
Europe	3,331	3,850	7,181	10,562	6,819	13,836	3,108	1,899	5,008	9,500	
Asia	17,014	17,522	34,536	51,286	35,064	69,458	16,158	14,562	30,720	59,000	
(China)	(8,361)	(8,917)	(17,279)	(25,145)	(17,221)	(35,332)	(7,756)	(8,400)	(16,157)	(33,300)	