

Consolidated Results for the First Quarter of FY2023 (Dec. 2022 to Feb. 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)	1 H Forecast (Dec-May)	Full Year Forecast (Dec-Nov)
YoY	+13.0%	+5.3%	+9.0%	+14.6%	+17.7%	+12.6%	+9.7%	+4.8%	+0.7%
Net Sales	59,995	62,097	122,092	66,693	69,311	258,097	65,825	128,000	260,000
Operating Income	(6.1%) 3,636	(7.2%) 4,463	(6.6%) 8,100	(7.3%) 4,884	(5.8%) 4,041	(6.6%) 17,025	(5.9%) 3,912	(6.6%) 8,500	(6.7%) 17,500
Ordinary Income	(6.0%) 3,610	(8.3%) 5,159	(7.2%) 8,769	(7.4%) 4,941	(4.9%) 3,389	(6.6%) 17,100	(5.0%) 3,292	(6.3%) 8,000	(6.3%) 16,500
Net Income attributable to owners of the parent	+51.5% 2,379	+18.8% 3,451	+30.3% 5,830	+30.0% 3,446	+3.2% 2,960	+22.5% 12,237	-6.9% 2,216	+2.9% 6,000	+2.1% 12,500
Exchange Rate (USD)	JPY 114	JPY 124	JPY 119	JPY 135	JPY 144	JPY 129	JPY 132	JPY 129	JPY 125
(EUR)	JPY 129	JPY 134	JPY 132	JPY 139	JPY 143	JPY 136	JPY 141	JPY 136	JPY 130
(CNY)	JPY 18.0	JPY 19.1	JPY 18.5	JPY 20.0	JPY 20.2	JPY 19.3	JPY 19.3	JPY 18.9	JPY 18.5
Cash Dividends	JPY 110						JPY 110		

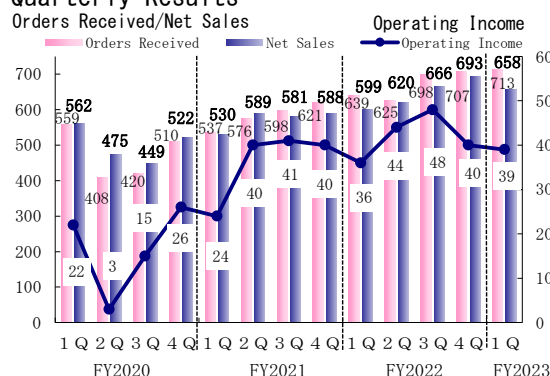
Quarterly Results

(100 Millions of JPY)

(Millions of JPY)

(Billions of JPY)

Orders Received/Net Sales



	FY2022			FY2023		
	1 Q (Dec-Feb)	1 H (Dec-May)	Full Year (Dec-Nov)	1 Q (Dec-Feb)	1 H Forecast (Dec-May)	Full Year Forecast (Dec-Nov)
Total Assets	320,688	332,345	357,457	359,070	356,500	363,000
(Stockholders' Equity Ratio)	(41.2%)	(42.5%)	(41.7%)	(41.0%)	(42.4%)	(43.3%)
Stockholders' Equity	132,256	141,165	148,906	147,257	151,300	157,000
ROE	7.3%	8.6%	8.8%	6.0%	8.0%	8.2%
Interest-bearing Debts	94,911	91,980	99,827	114,308	101,300	100,000
Net D/E ratio	0.47	0.43	0.44	0.57	0.45	0.42
Facility Investment	6,646	9,872	20,374	3,572	13,000	25,000
Depreciation and Amortization	4,227	8,791	18,302	4,672	10,000	20,500
Number of Employees	7,193	7,297	7,259	7,227	7,452	7,473

Operating Income Analysis

FY2022 1Q → FY2023 1Q
0.3 Increase

• Increase in sales price	+1.3
• Fluctuation of exchange rate	+0.9
• Increase of operating rate	+0.8
• Cost reduction	+0.3
Total	+3.3
• Rise in material price	-1.3
• Increase in fixed costs, SGA and others	-1.7
Total	-3.0

Sales and Operating Income 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)	1 H Forecast (Dec-May)	Full Year Forecast (Dec-Nov)
Machinery & Tools	YoY	(+14.9%)	(+13.8%)	(+14.4%)	(+15.8%)	(+8.1%)	(+13.1%)	(+5.1%)	(+3.7%)	(+1.0%)
	Cutting Tools	7,814	8,673	16,487	8,984	8,685	34,157	8,216	17,100	34,500
	Machine Tools	(-38.9%) 2,239	(-38.0%) 2,298	(-38.5%) 4,538	(-4.9%) 2,903	(-4.8%) 2,502	(-23.8%) 9,944	(+31.0%) 2,934	(+1.4%) 4,600	(-9.5%) 9,000
	Robots	(+32.9%) 8,037	(+6.9%) 8,234	(+18.3%) 16,271	(+40.7%) 10,115	(+66.4%) 12,118	(+36.4%) 38,505	(+46.1%) 11,743	(+28.4%) 20,900	(+10.4%) 42,500
	Net Sales	(+9.6%) 18,091	(+0.9%) 19,206	(+4.9%) 37,297	(+22.2%) 22,004	(+29.9%) 23,305	(+15.5%) 82,607	(+26.5%) 22,893	(+14.2%) 42,600	(+4.1%) 86,000
Operating Income	(+260.6%) 1,294	(+26.8%) 1,814	(+73.7%) 3,108	(+81.4%) 2,411	(+65.0%) 2,457	(+73.1%) 7,977	(+90.6%) 2,467	(+35.1%) 4,200	(+6.5%) 8,500	
Components	Bearings	(+12.0%) 19,853	(+7.4%) 20,068	(+9.6%) 39,921	(+14.1%) 21,815	(+20.5%) 22,743	(+13.6%) 84,480	(+7.9%) 21,420	(+5.0%) 41,900	(+0.6%) 85,000
	Hydraulic Equipment	(+21.9%) 13,183	(+6.1%) 12,979	(+13.6%) 26,163	(+12.3%) 13,441	(+1.4%) 13,190	(+10.0%) 52,795	(-0.1%) 13,167	(+1.7%) 26,600	(+2.3%) 54,000
	Automotive Hydraulics	(-3.4%) 5,088	(-1.8%) 5,670	(-2.6%) 10,758	(-9.4%) 5,239	(+5.2%) 5,787	(-2.4%) 21,786	(-17.4%) 4,202	(-9.8%) 9,700	(-8.2%) 20,000
	Net Sales	(+12.8%) 38,125	(+5.5%) 38,718	(+9.0%) 76,844	(+9.9%) 40,496	(+11.6%) 41,721	(+9.9%) 159,062	(+1.7%) 38,790	(+1.8%) 78,200	(-0.0%) 159,000
	Operating Income	(+4.1%) 2,105	(-14.7%) 2,242	(-6.5%) 4,348	(-22.8%) 2,094	(-52.1%) 1,216	(-22.6%) 7,660	(-42.1%) 1,218	(-13.8%) 3,750	(+4.4%) 8,000
Other	Special Steel	(+40.7%) 3,330	(+32.1%) 3,757	(+36.0%) 7,088	(+28.1%) 3,754	(+23.6%) 3,798	(+30.5%) 14,641	(+11.4%) 3,710	(-6.9%) 6,600	(-6.4%) 13,700
	Others	(+15.6%) 448	(+1.7%) 414	(+8.4%) 862	(+9.0%) 437	(+2.3%) 484	(+6.9%) 1,785	(-3.9%) 430	(-30.4%) 600	(-27.2%) 1,300
	Net Sales	(+37.2%) 3,778	(+28.3%) 4,172	(+32.4%) 7,951	(+25.8%) 4,192	(+20.7%) 4,283	(+27.5%) 16,426	(+9.6%) 4,141	(-9.4%) 7,200	(-8.7%) 15,000
	Operating Income	-	-	-	(+436.6%) 381	(+411.0%) 373	(+30.5%) 1,396	(+5.6%) 247	(-14.2%) 550	(-28.4%) 1,000
	Total net sales	(+13.0%) 59,995	(+5.3%) 62,097	(+9.0%) 122,092	(+14.6%) 66,693	(+17.7%) 69,311	(+12.6%) 258,097	(+9.7%) 65,825	(+4.8%) 128,000	(+0.7%) 260,000
Total Operating Income	(+50.5%) 3,636	(+11.1%) 4,463	(+26.0%) 8,100	(+16.8%) 4,884	(-1.4%) 4,041	(+15.7%) 17,025	(+7.6%) 3,912	(+4.9%) 8,500	(+2.8%) 17,500	
Japan	(+8.9%) 29,880	(+2.6%) 30,704	(+5.6%) 60,585	(+1.4%) 30,125	(+4.3%) 30,966	(+4.2%) 121,677	(-2.6%) 29,112	(-1.1%) 59,900	(+0.3%) 122,000	
Overseas (Overseas Sales Ratio)	(+17.5%) 30,114 (50.2%)	(+8.1%) 31,392 (50.6%)	(+12.5%) 61,507 (50.4%)	(+28.3%) 36,567 (54.8%)	(+31.4%) 38,344 (55.3%)	(+21.4%) 136,419 (52.9%)	(+21.9%) 36,713 (55.8%)	(+10.7%) 68,100 (53.2%)	(+1.2%) 138,000 (53.1%)	
Americas	(+7.9%) 6,588	(+26.6%) 8,700	(+17.8%) 15,289	(+35.2%) 9,666	(+51.0%) 9,814	(+30.6%) 34,770	(+52.3%) 10,032	(+12.5%) 17,200	(+0.7%) 35,000	
Europe	(+28.3%) 3,560	(+20.3%) 3,869	(+24.0%) 7,430	(+19.0%) 4,076	(+22.8%) 4,052	(+22.3%) 15,559	(+13.9%) 4,056	(+3.6%) 7,700	(-0.4%) 15,500	
China	(+19.4%) 11,666	(-15.4%) 9,933	(+0.4%) 21,599	(+30.7%) 13,669	(+29.5%) 14,534	(+15.3%) 49,803	(+12.7%) 13,142	(+17.1%) 25,300	(+2.4%) 51,000	
ASEAN and other areas	(+19.0%) 8,299	(+23.3%) 8,888	(+21.2%) 17,187	(+22.6%) 9,155	(+21.8%) 9,943	(+21.7%) 36,286	(+14.3%) 9,481	(+4.1%) 17,900	(+0.6%) 36,500	