

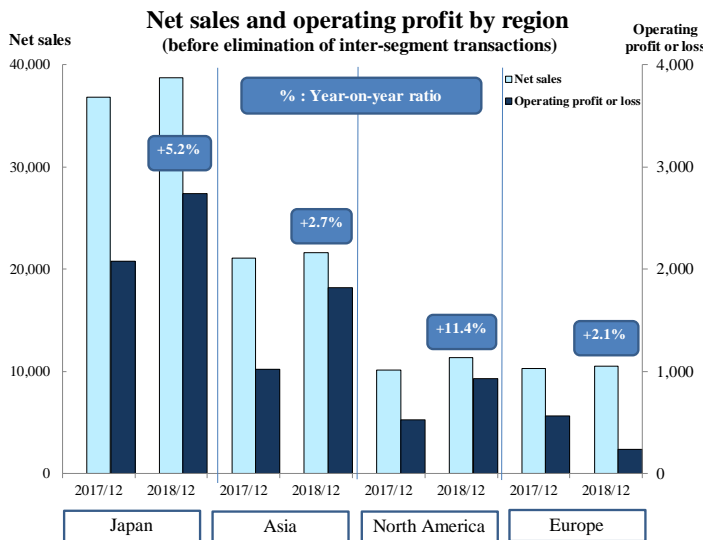
# FY2018 Third Quarter Consolidated Financial Results Highlights (Unit: JPY Million)

3rd Quarter (YTD) Financial Results	2017/12		2018/12		Year-on-year comparison	
	Amount	%	Amount	%	Amount	%
Net sales	78,329	100.0%	82,173	100.0%	3,844	4.9%
Operating income	4,613	5.9%	5,589	6.8%	975	21.1%
Non-operating income	1,052	1.3%	1,023	1.2%	-28	-2.8%
Non-operating expenses	876	1.1%	1,094	1.3%	217	24.8%
Interest expense	565	0.7%	666	0.8%	100	17.8%
Foreign exchange losses	189	0.2%	195	0.2%	5	3.1%
Ordinary Income	4,789	6.1%	5,518	6.7%	729	15.2%
Extraordinary losses	140	0.2%	-	-	-140	-100.0%
Profit before income taxes	4,648	5.9%	5,518	6.7%	869	18.7%
Corporation tax, etc.	1,224	1.6%	1,648	2.0%	424	34.6%
Income taxes-deferred	513	0.7%	115	0.1%	-397	-77.4%
Profit attributable to non-controlling interests	563	0.7%	549	0.7%	-13	-2.4%
Profit attributable to owners of parent	2,346	3.0%	3,203	3.9%	857	36.5%
Exchange rate (USD)	112.73		113.57		Exchange rate is TTM rate as of September 30.	
Exchange rate (EUR)	132.85		132.14			

Results for the period	Results			Results	Forecast
	2016/3	2017/3	2018/3		
Net sales	81,400	85,073	106,648	82,173	107,000
Operating income	7,114	5,103	6,511	5,589	6,700
(Operating margin)	(8.7%)	(6.0%)	(6.1%)	(6.8%)	(6.3%)
Ordinary income	6,796	5,427	6,708	5,518	6,900
(Ordinary income margin)	(8.3%)	(6.4%)	(6.3%)	(6.7%)	(6.4%)
Profit attributable to owners of parent	3,919	2,635	3,281	3,203	4,700
(Net profit margin)	(4.8%)	(3.1%)	(3.1%)	(3.9%)	(4.4%)
Exchange rate (USD)	120.61	116.49	113.00	113.57	107.00
Exchange rate (EUR)	131.77	122.70	134.94	132.14	125.00

Segment	Consolidated Net Sales (including inter-segment sales and transfer)					
	2017/12		2018/12		Year-on-year comparison	
	Amount	%	Amount	%	Amount	%
Automotive engine bearings	48,006	59.9%	50,154	59.4%	2,147	4.5%
Automotive non-engine bearings	11,909	14.8%	12,747	15.1%	837	7.0%
Non-automotive bearings	6,852	8.5%	7,416	8.8%	564	8.2%
Other automotive parts	11,464	14.3%	12,002	14.2%	538	4.7%
Others (*1)	1,994	2.5%	2,088	2.5%	94	4.7%
Total	80,227	100.0%	84,410	100.0%	4,183	5.2%

(\*1) "Others" includes electrode sheets for electric double layer capacitors, the metallic dry bearings business, pump-related products businesses, and real estate leasing business.



Financial ratios	2016/3	2017/3	2018/3	2018/12	Comparison with 2018/3
Operating margin	8.7%	6.0%	6.1%	6.8%	+0.7pt
Return on Equity (ROE) *	9.0%	5.9%	6.9%	8.0%	+1.1pt
Net assets to total assets	35.8%	29.1%	30.6%	34.6%	+4.0pt
Net interest bearing debt	23,237	49,108	52,129	44,970	-7,159

\* Annualized

Capital Expenditure Depreciation	2015/3	2016/3	2017/3	2018/3	Year-on-year comparison			
					Amount	%		
Capital Expenditure	10,597	14,802	12,329	8,694	6,561	6,990	429	6.5%
Depreciation	5,744	6,259	6,751	8,795	6,431	6,396	-35	-0.5%

## <Overview (year-on-year comparison)>

[Net sales] Increased by 3,844 million yen (up 4.9%)

<Domestic> Increased by 1,899 million yen. (up 5.2%)

Car related sales increased due to increased demand for high value-added engine bearings and continued strong domestic car production and sales. Construction machinery sector sales increased due to stable demand. Ship sector sales also increased.

<Overseas> Increased by 1,944 million yen. (up 4.7%)

Sales increased in all regions due to stable demand in car sector and increased demand in construction machinery sector.

[Profit]

Operating income was 5,589 million yen, increased by 975 million yen, as cost of sales and SG&A (Selling, General & Administrative Expense) decreased and one-off cost incurred by newly acquired two group of companies no longer exists. Ordinary income was 5,518 million yen, increased by 729 million yen. Profit attributable to owners of parent was 3,203 million yen, increased by 857 million yen.

## <Forecast of FY2018 financial results / Dividend >

Forecast of FY 2018 financial results announced on May 11, 2018 remains unchanged.

Planned annual dividend is unchanged with 30 yen per share (interim dividend of 15 yen per share and year-end dividend of 15 yen per share).

## <By region (year-on-year comparison)>

[Domestic] 5.2% up in sales

<Car related> Sales increased due to increased demand for high value-added engine bearings and continued strong domestic car production and sales.

<Construction Machinery related> Sales increased, including exports.

<Ship related> Order shows its moderate recovery trend. Sales increased for bearings for low-speed marine diesel engines and bearings for mid to high-speed marine diesel engines.

<General industry related> Demand for special types of bearings for power generation facilities and electrode sheets for electric double layer capacitors increased strongly.

Operating income increased as one-off cost element incurred by two group of companies acquired in the previous period no longer exists.

[Overseas]

<Asia> 2.7% up in sales

For car sector, sales increased in China and Thailand, while demand was weak in Korea and Indonesia. Profit increased as one-off cost element incurred by two group of companies acquired in the previous period no longer exists.

<North America> 11.4% up in sales

For car sector, sales increased due to continued firm demand in the US and new business development in North America. Increased demand for construction machinery sector also contributed to sales increase. Profit increased as previous period's temporary cost incurred by plant in Mexico to cope with sudden rise in order now disappeared.

<Europe> 2.1% up in sales

Sales increased due to firm demand for car sector. Profit decreased due to increase in expense in R&D center and sales office in Germany, and fluctuations in exchange rate.

(\*2) Future prospects are prepared as information purpose only, based on the information available to us at this moment, and are under certain condition which we assumed reasonable. We will not guarantee the realization of such prospects, and actual performance fluctuates due to various factors.

(\*3) The Company finalized the provisional accounting treatment for the business combination of ATA Casting Technology Japan Co., Ltd. in the previous period. Consolidated financial ratios are restated for the resulting revision of previously allocated cost of acquisition.

(\*4) "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (The Accounting Standards Board of Japan Statement No. 28, February 16, 2018) has been adopted from the beginning of the current first quarter. The change in the accounting standard has been retrospectively applied to Consolidated financial statements for 3rd Quarter of the previous period ended December 31, 2017 and related financial ratios.