

FY2018 Consolidated Financial Results Highlights

| 2019/3 Financial Results | 2018/3 | | 2019/3 | | Year-on-year comparison | |
|--|---------|--------|---------|--------|----------------------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Net sales | 106,648 | 100.0% | 107,718 | 100.0% | 1,069 | 1.0% |
| Operating profit | 6,511 | 6.1% | 6,944 | 6.4% | 433 | 6.7% |
| Non-operating profit | 1,416 | 1.3% | 1,442 | 1.3% | 25 | 1.8% |
| Non-operating expenses | 1,219 | 1.1% | 1,411 | 1.3% | 192 | 15.8% |
| Interest expense | 768 | 0.7% | 867 | 0.8% | 98 | 12.9% |
| Foreign exchange losses | 157 | 0.1% | 225 | 0.2% | 68 | 43.6% |
| Ordinary profit | 6,708 | 6.3% | 6,976 | 6.5% | 267 | 4.0% |
| Extraordinary income | - | - | 1,000 | 0.9% | 1,000 | - |
| Extraordinary losses | 141 | 0.1% | - | - | -141 | - |
| Profit before income taxes | 6,567 | 6.2% | 7,976 | 7.4% | 1,408 | 21.5% |
| Income taxes - current | 2,221 | 2.1% | 2,557 | 2.4% | 335 | 15.1% |
| Income taxes - deferred | 217 | 0.2% | 13 | 0.0% | -204 | -93.9% |
| Profit attributable to non-controlling interests | 846 | 0.8% | 840 | 0.8% | -6 | -0.8% |
| Profit attributable to owners of parent | 3,281 | 3.1% | 4,565 | 4.2% | 1,283 | 39.1% |
| Exchange rate (USD) | 113.00 | | 111.00 | | | |
| Exchange rate (EUR) | 134.94 | | 127.00 | | | |

Exchange rate is TTM rate as of December 31.

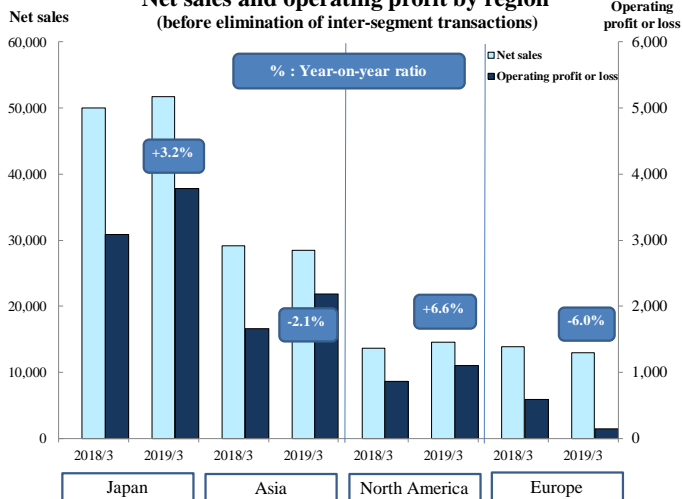
| Results for the period | Results | | | | Forecast 2019/9 |
|---|---------|--------|---------|---------|--------------------|
| | 2016/3 | 2017/3 | 2018/3 | 2019/3 | |
| Net sales | 81,400 | 85,073 | 106,648 | 107,718 | 53,000 |
| Operating profit | 7,114 | 5,103 | 6,511 | 6,944 | 2,900 |
| (Operating margin) | (8.7%) | (6.0%) | (6.1%) | (6.4%) | (5.5%) |
| Ordinary profit | 6,796 | 5,427 | 6,708 | 6,976 | 2,800 |
| (Ordinary income margin) | (8.3%) | (6.4%) | (6.3%) | (6.5%) | (5.3%) |
| Profit attributable to owners of parent | 3,919 | 2,635 | 3,281 | 4,565 | 1,600 |
| (Net profit margin) | (4.8%) | (3.1%) | (3.1%) | (4.2%) | (3.0%) |
| Exchange rate (USD) | 120.61 | 116.49 | 113.00 | 111.00 | 110.00 |
| Exchange rate (EUR) | 131.77 | 122.70 | 134.94 | 127.00 | 123.00 |

Exchange rate is TTM rate as of December 31.

| Segment | Consolidated Net Sales (including inter-segment sales and transfer) | | | | | |
|--------------------------------|---|--------|---------|--------|-------------------------|-------|
| | 2018/3 | | 2019/3 | | Year-on-year comparison | |
| | Amount | % | Amount | % | Amount | % |
| Automotive engine bearings | 65,265 | 61.2% | 64,427 | 59.8% | -837 | -1.3% |
| Automotive non-engine bearings | 14,266 | 13.4% | 15,046 | 14.0% | 779 | 5.5% |
| Non-automotive bearings | 9,324 | 8.7% | 9,889 | 9.2% | 564 | 6.1% |
| Other automotive parts | 15,573 | 14.6% | 16,133 | 15.0% | 559 | 3.6% |
| Others (*1) | 2,219 | 2.1% | 2,222 | 2.0% | 2 | 0.1% |
| Total | 106,648 | 100.0% | 107,718 | 100.0% | 1,069 | 1.0% |

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

Net sales and operating profit by region (before elimination of inter-segment transactions)



| Financial ratios | 2016/3 | 2017/3 | 2018/3 | 2019/3 | Comparison with 2018/3 |
|----------------------------|--------|--------|--------|--------|------------------------|
| Operating margin | 8.7% | 6.0% | 6.1% | 6.4% | 0.3pt |
| Return on Equity (ROE) * | 9.0% | 5.9% | 6.9% | 8.5% | 1.6pt |
| Net assets to total assets | 35.8% | 29.1% | 30.6% | 35.4% | 4.8pt |
| Net interest bearing debt | 23,237 | 49,108 | 52,129 | 39,811 | -12,317 |

* Annualized

| Capital Expenditure | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 | Year-on-year comparison |
|---------------------|--------|--------|--------|--------|--------|-------------------------|
| Depreciation | 10,597 | 14,802 | 12,329 | 8,694 | 7,273 | -1,421 |
| Depreciation | 5,744 | 6,259 | 6,751 | 8,795 | 8,528 | -266 |

(*) 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.

[Sales by segment] *before elimination of inter-segment transactions

| Segment | Year-on-year comparison | | Reasons for gains | Reasons for losses |
|--------------------------------|-------------------------|-------|---|----------------------------------|
| | Amount | % | | |
| Automotive engine bearings | -837 | -1.3% | • Increased domestic demand for engine bearings | • Weak demand in China and Korea |
| Automotive non-engine bearings | 779 | 5.5% | • Firm demand in North America | |
| Non-automotive bearings | 564 | 6.1% | • Firm order for ship sector • Demand increase for construction machinery sector | |
| Other automotive parts | 559 | 3.6% | • Order increase for aluminum die cast parts | |
| Others | 2 | 0.1% | | |
| Total | 1,069 | 1.0% | | • Strong yen |

[Operating profit by segment] *before elimination of inter-segment transactions

| Segment | Year-on-year comparison | | Reasons for profit increase | Reasons for profit decrease |
|--------------------------------|-------------------------|--------|---|---|
| | Amount | % | | |
| Automotive engine bearings | -989 | -10.7% | | • Decreased sales • Decreased demand for high value-added bearings |
| Automotive non-engine bearings | 266 | 9.0% | • Increased sales | |
| Non-automotive bearings | 258 | 24.9% | • Increased sales for high value-added bearings | |
| Other automotive parts | 1,103 | - | • Large reduction of cost of sales and Selling & Administrative Expense • Reduction in cost of sales (one-off cost incurred by newly acquired two group of companies) • Reduction in amortization of goodwill | |
| Others | 14 | 2.1% | | |
| Total | 652 | 5.0% | | • Strong yen |

<Forecast of FY2020 financial results >

Please refer to the left column for forecast of 2019/9 financial results.

Forecast of 2020/3 financial results is not available at this moment due to unconfirmed elements that may have impact on financial results. Forecast will be announced when more information is available.

<Dividend >

| | 2017/3 | 2018/3 | 2019/3 | 2020/3 (Plan) |
|----------|--------|--------|---------|------------------|
| Interim | 15 | 15 | 15 | Plan 20 |
| Year-end | 15 | 15 | Plan 15 | Plan 15 |
| Annual | 30 | 30 | Plan 30 | Plan 35 |

For next period, annual dividend is planned as 35 yen per share (interim dividend of 20 yen per share, including commemorative dividend of 5 yen per share for company's 80th anniversary and year-end dividend of 15 yen per share).

[Sales by region] *before elimination of inter-segment transactions

| Region | Year-on-year comparison | | Reasons for gains | Reasons for losses |
|---------------------------|-------------------------|-------|---|---|
| | Amount | % | | |
| Japan | 1,606 | 3.2% | • Firm domestic demand for car related sector • Increased order for ship sector | |
| Asia | -615 | -2.1% | • Order increase in Thailand and Indonesia • Order increase for aluminum die cast parts • Order increase of Iino Group | • Weak demand for car sector in China, Korea and Taiwan • Strong yen |
| North America | 904 | 6.6% | • Stable demand for car and construction machinery sector • Stable high production of Mexico plant • Order increase of Iino Group | • Strong yen |
| Europe (including Russia) | -826 | -6.0% | • Order increase for car sector • Order increase for ship sector | • Strong yen |
| Total | 1,069 | 1.0% | | • Strong yen |

[Operating profit by region] *before elimination of inter-segment transactions

| Region | Year-on-year comparison | | Reasons for profit increase | Reasons for profit decrease |
|---------------------------|-------------------------|--------|--|--|
| | Amount | % | | |
| Japan | 695 | 22.5% | • Increased sales • Profit increase in two acquired companies | |
| Asia | 524 | 31.6% | • Profit increase in two acquired companies | • Strong yen |
| North America | 243 | 28.2% | • Increased sales • Strong gains in Mexico | • Strong yen |
| Europe (including Russia) | -450 | -76.3% | | • Decreased demand for high value-added bearings • Strong yen |
| Total | 1,012 | 16.3% | | • Strong yen |