

FY2019 Third Quarter Consolidated Financial Results Highlights

1. Overview

| 3rd Quarter (YTD) Financial Results | Actual | | Year-on-year comparison | |
|--|-----------------|-----------------|-------------------------|---------|
| | 2018/12 | 2019/12 | Amount | % |
| Net sales | 82,173 | 74,770 | - 7,403 | - 9.0% |
| Operating profit (Operating margin) | 5,817 (7.1%) | 3,730 (5.0%) | - 2,086 (-2.1%) | - 35.9% |
| Ordinary profit (Ordinary income margin) | 5,228 (6.4%) | 3,482 (4.7%) | - 1,745 (-1.7%) | - 33.4% |
| Profit attributable to owners of parent (Net profit margin) | 2,742 (3.3%) | 1,552 (2.1%) | - 1,189 (-1.3%) | - 43.4% |
| Return on Equity (ROE) * 1 | 7.0% | 3.7% | - 3.3% | - |
| Net assets to total assets | 34.1% | 34.8% | 0.6% | - |
| Net interest bearing debt | 44,970 | 42,585 | - 2,384 | - 5.3% |
| Capital Expenditure | 6,990 | 7,085 | 95 | 1.4% |
| Depreciation | 6,396 | 6,541 | 145 | 2.3% |
| R&D expenses | 1,516 | 1,602 | 52 | 3.4% |
| Number of consolidated subsidiaries | 33 | 33 | 0 | - |
| Exchange rate (USD) | 113.57 | 107.92 | | |
| Exchange rate (EUR) | 132.14 | 118.02 | | |

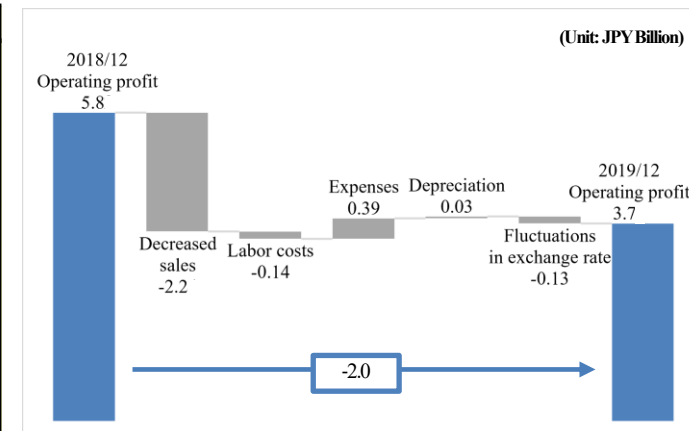
Exchange rate is TTM rate as of September 30.

* 1 Annualized

(Unit: JPY Million)

| Actual | Forecast |
|---------|----------|
| 2019/3 | 2020/3 |
| 107,718 | 100,100 |
| 7,262 | 4,500 |
| (6.7%) | (4.5%) |
| 6,630 | 4,400 |
| (6.2%) | (4.4%) |
| 4,135 | 4,800 |
| (3.8%) | (4.8%) |
| 7.9% | - |
| 35.0% | - |
| 39,811 | - |
| 7,273 | 10,200 |
| 8,528 | 9,200 |
| 2,047 | 2,000 |
| 111.00 | 109.00 |
| 127.00 | 122.00 |

« Causes of Fluctuation in Operating profit for FY2019 3rd Quarter »

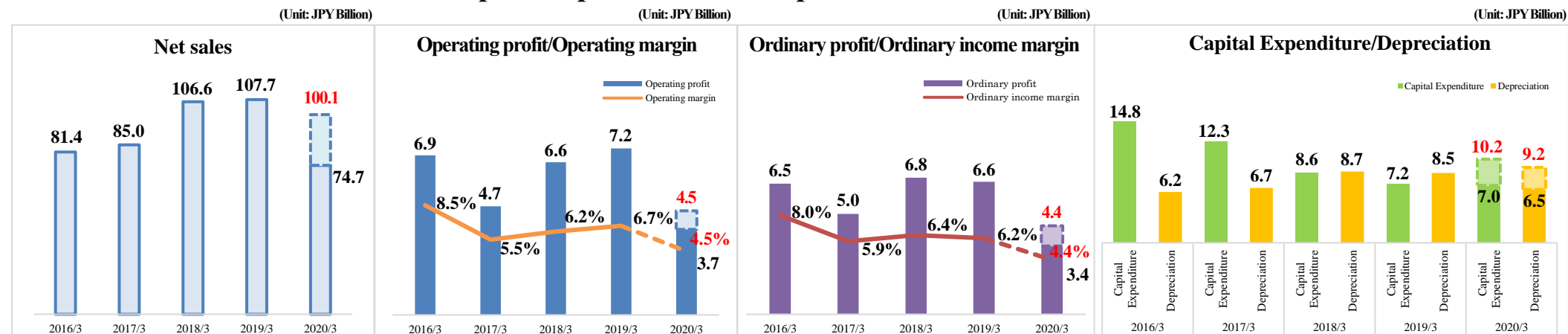


« Dividend/ Dividend Payout Ratio » * Planned annual dividend announced on May 10, 2019 remains unchanged.

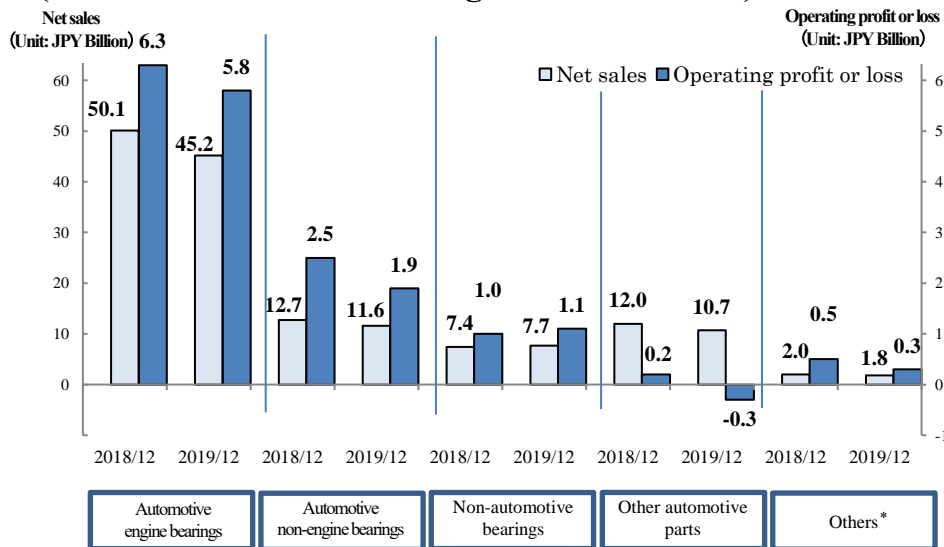
| | 2016/3 | 2017/3 | 2018/3 | 2019/3 | 2020/3 (Plan) |
|-----------------------|--------|--------|--------|--------|------------------|
| Interim | 13 | 15 | 15 | 15 | 20 |
| Year-end | 13 | 15 | 15 | 15 | Plan 15 |
| Annual | 26 | 30 | 30 | 30 | Plan 35 |
| Dividend Payout Ratio | 27.9% | 54.0% | 33.3% | 32.0% | Plan 34.7% |

* 2 The interim dividend for FY2019: Regular dividend (15 yen) + Commemorative dividend (5 yen)

2. Consolidated Financial Results/Capital Expenditure and Depreciation

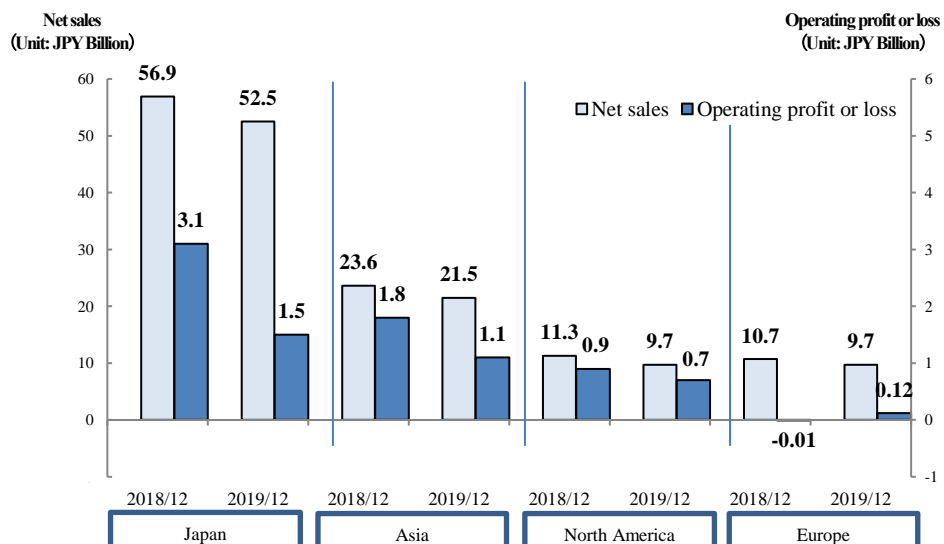


3. Sales and Operating profit by Segment (before elimination of inter-segment transactions)



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

4. Sales and Operating profit by Region (before elimination of internal transactions)



(* 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.

| Segment | Net sales ratio 2019/12 | [Sales] | | Causes of Gains and Losses | [Operating profit] | |
|---|----------------------------|--|--|----------------------------|---|---|
| | | Year-on-year comparison Amount (%) | (+)/Gains (-)/Losses (Unit: JPY Million) | | Year-on-year comparison Amount (%) | (+)/Gains (-)/Losses (Unit: JPY Million) |
| Automotive engine bearings | 58.6% | - 4,952 (-9.9%) | (+)Japan: New business development for cars (-)Japan: Continued decrease in demand from trucks for exports (-)Order decrease for bearings for turbochargers (+)China: Order increase from new customers (+)Korea: Recovery trend in demand/Order increase (+)Indonesia: New business development and order increase for marketed products (-)Weak demand from Thailand and North America | - 524 (-8.2%) | (+)Korea: Profit increase due to increased sales /Recovered earnings (+)Reduction in cost at Mexico plant (-)Decreased sales due to weak car production globally | |
| Automotive non-engine bearings | 15.1% | - 1,075 (-8.4%) | (-)Decreased car demand globally | - 553 (-21.9%) | | |
| Non-automotive bearings | 10.0% | 317 (4.3%) | (+)Firm demand from ship sector/Share increase in overseas market (-)Weak demand from construction machinery sector in overseas market (China, Asia) | 127 (12.4%) | (+)Increase in sales for high value-added bearings | |
| Other automotive parts | 13.9% | - 1,235 (-10.3%) | (-)Iino Group: Order decrease due to weak domestic demand, despite firm demand from North America and China (-)Order decrease for aluminum die cast parts due to weak car production globally | - 606 (-) | (-)Temporary cost to reorganize domestic/overseas sites of Iino Group (-)Increase in expenses due to setup of DMCT (New factory for aluminum die cast parts in Thailand) | |
| Others | 2.4% | - 269 (-12.9%) | (-)Demand decrease for special types of bearings from general industry sector | - 150 (-27.8%) | (-)Decrease in sales | |
| Elimination of inter-segment transactions | | - 187 | | - 379 | | |
| Total | | - 7,403 (-9.0%) | (-)Fluctuations in exchange rate | - 2,086 (-35.9%) | (-)Fluctuations in exchange rate | |

| Region | Net sales ratio 2019/12 | [Sales] | | Causes of Gains and Losses | [Operating profit] | |
|--------------------------------------|----------------------------|--|---|----------------------------|--|---|
| | | Year-on-year comparison Amount (%) | (+)/Gains (-)/Losses (Unit: JPY Million) | | Year-on-year comparison Amount (%) | (+)/Gains (-)/Losses (Unit: JPY Million) |
| Japan | 56.2% | - 4,385 (-7.7%) | (+)New business development for cars (-)Continued decrease in demand from trucks for exports (-)Order decrease for bearings for turbochargers (+)Firm demand from ship sector/Share increase in overseas market (-)Weak demand from construction machinery sector in overseas market (China, Asia) (-)Iino Group: Order decrease due to weak domestic demand | - 1,563 (-49.5%) | (-)Decrease in sales (-)Temporary cost to reorganize domestic sites of Iino Group (-)Decrease of material exports to overseas subsidiaries due to demand decrease | |
| Asia | 23.0% | - 2,135 (-9.0%) | (+)China: Order increase from new customers/Stable demand from Japanese automotive customers (+)Korea: Recovery trend in demand/Order increase (+)Indonesia: New business development and order increase for marketed products (-)Thailand: Order decrease due to weak demand from car sector (+)Iino Group: Order increase due to firm demand from China (-)ACT: Order decrease for aluminum die cast parts due to weak car production globally | - 759 (-40.6%) | (+)Korea: Profit increase due to increased sales /Recovered earnings (-)Thailand: Decreased sales (-)Increase in expenses due to setup of DMCT (New factory for aluminum die cast parts in Thailand) | |
| North America | 10.4% | - 1,593 (-14.1%) | (-)Weak demand from car and construction machinery sector (+)Iino Group: Firm demand from the market | - 229 (-24.5%) | (-)Iino Group: Temporary cost to transfer production site from North America to Mexico | |
| Europe (including Russia) | 10.4% | - 1,083 (-10.0%) | (+) Firm demand for Automotive engine bearings (-) Slight decrease in sales due to weak demand for bearings for turbochargers (+) Sales stayed flat for Non-automotive bearings | 145 (-) | (+) Increased order for high value-added bearings | |
| Elimination of internal transactions | | 1,795 | | 321 | | |
| Total | | - 7,403 (-9.0%) | (-)Fluctuations in exchange rate | - 2,086 (-35.9%) | (-)Fluctuations in exchange rate | |