

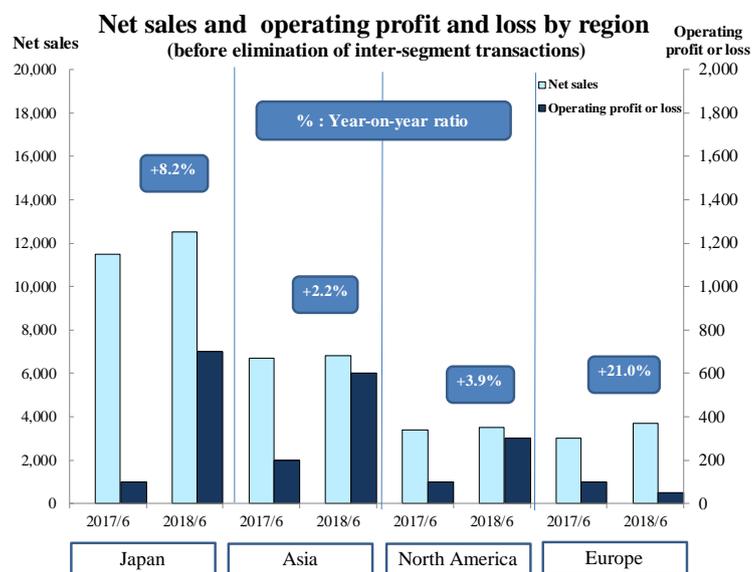
FY2018 First Quarter Consolidated Financial Results Highlights (Unit: JPY Million)

1st Quarter (YTD) Financial Results	2017/6		2018/6		Year-on-year comparison	
	Amount	%	Amount	%	Amount	%
Net sales	24,811	100.0%	26,686	100.0%	1,875	7.6%
Operating income	963	3.9%	1,654	6.2%	690	71.7%
Non-operating income	326	1.3%	371	1.4%	44	13.7%
Foreign exchange gains	4	0.0%	-	-	-4	-
Non-operating expenses	192	0.8%	436	1.6%	243	126.2%
Interest expense	157	0.6%	212	0.8%	54	34.9%
Foreign exchange losses	-	-	183	0.7%	183	-
Ordinary Income	1,097	4.4%	1,589	6.0%	491	44.8%
Profit before income taxes	1,097	4.4%	1,589	6.0%	491	44.8%
Corporation tax, etc.	555	2.2%	663	2.5%	107	19.4%
Income taxes-deferred	-68	-0.3%	-254	-1.0%	-185	-269.2%
Profit attributable to non-controlling interests	181	0.7%	167	0.6%	-14	-7.8%
Profit attributable to owners of parent	429	1.7%	1,013	3.8%	583	135.9%
Exchange rate (USD)	112.19		106.24		Exchange rate is TTM rate as of March 31.	
Exchange rate (EUR)	119.79		130.52			

Results for the period	Results			Results / Forecast		
	2017/6	2017/9 (YTD)	2018/3	2018/6 Results	2018/9 (YTD) Forecast	2019/3 Forecast
Net sales	24,811	51,085	106,648	26,686	52,500	107,000
Operating income	963	2,195	6,511	1,654	2,800	6,700
(Operating margin)	(3.9%)	(4.3%)	(6.1%)	(6.2%)	(5.3%)	(6.3%)
Ordinary income	1,097	2,552	6,708	1,589	2,900	6,900
(Ordinary income margin)	(4.4%)	(4.4%)	(6.3%)	(6.0%)	(5.5%)	(6.4%)
Profit attributable to owners of parent	429	757	3,281	1,013	1,800	4,700
(Net profit margin)	(1.7%)	(1.5%)	(3.1%)	(3.8%)	(3.4%)	(4.4%)
Exchange rate (USD)	112.19	112.00	113.00	106.24	107.00	
Exchange rate (EUR)	119.79	127.97	134.94	130.52	125.00	

Segment	Consolidated Net Sales (including inter-segment sales and transactions)				Year-on-year comparison	
	2017/6	%	2018/6	%	Amount	%
	Automotive engine bearings	15,366	60.5%	16,600	60.6%	1,234
Automotive non-engine bearings	3,753	14.8%	4,009	14.6%	256	6.8%
Non-automotive bearings	2,116	8.3%	2,276	8.3%	160	7.6%
Other automotive parts	3,520	13.9%	3,818	14.0%	297	8.5%
Others (*1)	621	2.5%	678	2.5%	56	9.1%
Total	25,378	100.0%	27,383	100.0%	2,005	7.9%

(*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	2017/3	2017/6	2018/3	2018/6	Comparison with 2018/3
Operating margin	6.0%	3.9%	6.1%	6.2%	+0.1pt
Return on Equity (ROE) *	5.9%	3.8%	6.9%	8.3%	+1.4pt
Net assets to total assets	29.1%	28.9%	30.6%	30.7%	+0.1pt
Net interest bearing debt	49,108	50,157	52,129	48,802	-3,326

* Annualized

Capital Expenditure	FY2015	FY2016	FY2017	FY2017 1Q	FY2018 1Q	Year-on-year comparison
Depreciation	14,802	12,329	8,694	2,654	1,240	-1,414
Capital Expenditure	6,259	6,751	8,795	2,040	2,087	47

<Overview (year-on-year comparison)>

[Net sales] Increased by 1,875 million yen (up 7.6%)

<Domestic> Increased by 945 million yen. (up 8.2%)

Car related sales increased for automotive engine bearings and bearings for turbochargers due to increased domestic car production backed by strong export. Construction machinery sector sales increased due to increased demand in China and America. Ship sector sales also increased.

<Overseas> Increased by 929 million yen. (up 7.0%)

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

[Profit]

Operating income was 1,654 million yen, increased by 690 million yen, as previous period's one-off/temporary cost elements, such as one-off cost incurred by newly acquired two group of companies, or the temporary cost incurred by plant in Mexico to cope with sudden rise in order, no longer exist. Ordinary income was 1,589 million yen, increased by 491 million yen. Profit attributable to owners of parent was 1,013 million yen, increased by 583 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] Up 8.2%

<Car related> Sales increased for automotive engine bearings and bearings for turbochargers, due to increased domestic car production supported by strong exports.

<Construction Machinery related> Sales increased, including exports.

<Ship related> Sale 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 fossil fuel power plant was weak, while demand increased for bearings for renewable energy facilities.

Operating income increased as one-off cost element incurred by two group of companies acquired in the previous period no longer exists and the production cost at DAIDO METAL SAGA CO., LTD. decreased thanks to increased capacity utilization.

[Overseas]

<Asia> Up 2.2%.

Only a slight increase in sales due to low demand in Korea and Indonesia, despite firm demand for car sector in China and Thailand. Profit increased as one-off cost element incurred by two group of companies acquired in the previous period no longer exists.

[North America] Up 3.9%.

Increase in sales due to continued firm demand for car sector in North America and increased demand for construction machinery sector. Profit increased as previous period's temporary cost incurred by plant in Mexico to cope with sudden rise in order now disappeared.

[Europe] Up 21.0%.

Sales increased due to firm demand for car sector. Profit decreased due to increase in cost in R&D 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 statements for 1st Quarter of the previous period ended June 30, 2017 and related 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 1st Quarter of the previous period ended June 30, 2017 and related financial ratios.