

FY2021 First Quarter Consolidated Financial Results Highlights

1. Overview

1st Quarter (YTD) Financial Results	Actual	
	2020/6	2021/6
Net sales	18,870	24,995
Operating profit (Operating margin)	-1,054 (-5.6%)	1,399 (5.6%)
Ordinary profit (Ordinary income margin)	-1,403 (-7.4%)	1,403 (5.6%)
Profit attributable to owners of parent (Net profit margin)	-1,151 (-6.1%)	726 (2.9%)
Return on Equity (ROE) *1	-8.4%	5.1%
Net assets to total assets	33.1%	36.4%
Net interest bearing debt	37,334	33,810
Capital Expenditure	1,688	1,368
Depreciation	2,088	2,282
R&D expenses	451	476
Number of consolidated subsidiaries	33	33
Exchange rate (USD)	108.83	110.71
Exchange rate (EUR)	119.55	129.80

*1 Annualized

Year-on-year comparison	
Amount	%
6,124	32.5%
2,454	—
—	—
2,806	—
—	—
1,878	—
—	—
13.5%	—
3.3%	—
- 3,524	- 9.4%
- 320	- 19.0%
193	9.3%
25	5.5%
0	—

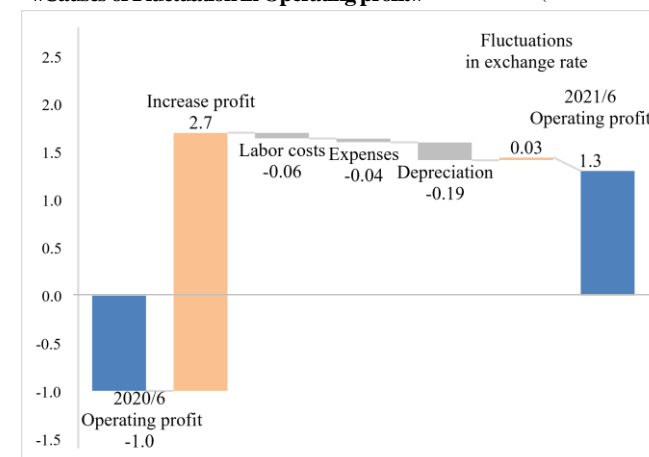
Exchange rate is TTM rate as of March 31.

(Unit: JPY Million)	
Forecast	
2021/9	2022/3
50,000	92,000
2,200	3,500
(4.4%)	(3.8%)
2,100	3,200
(4.2%)	(3.5%)
850	1,700
(1.7%)	(1.8%)
—	7,700
—	9,400
—	2,000
—	—
110.58	105.00
131.58	126.00

TTM rate as of June 30.

«Causes of Fluctuation in Operating profit»

(Unit: JPY Billion)



«Dividend/Dividend Payout Ratio»

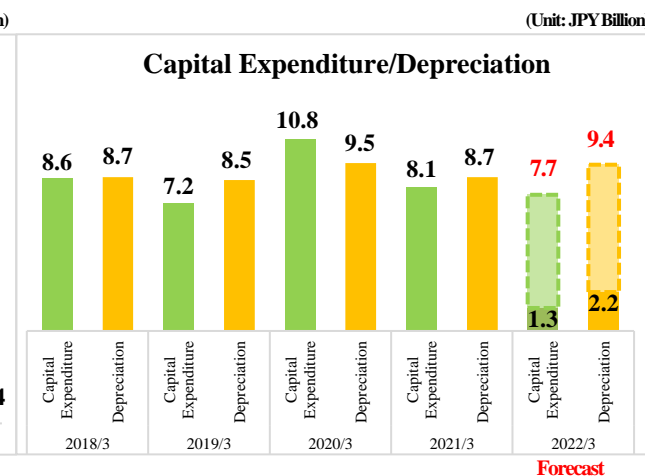
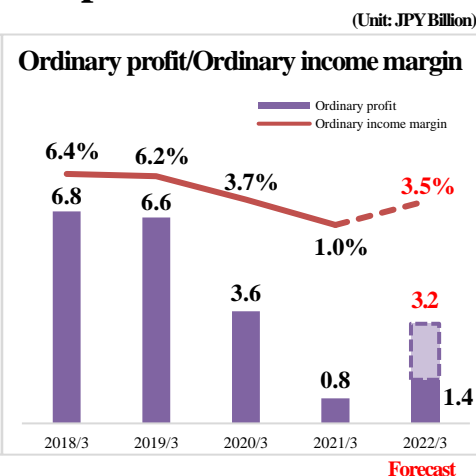
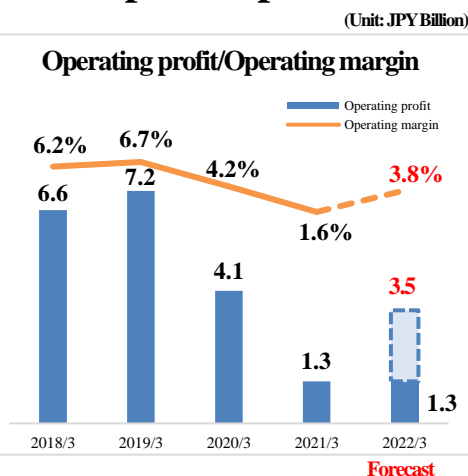
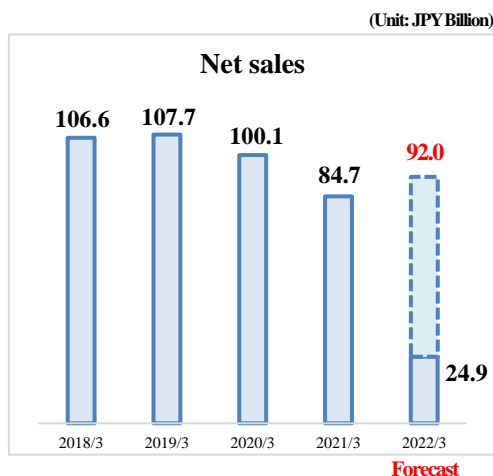
(Unit: JPY)

	2018/3	2019/3	2020/3	2021/3	2022/3
Interim	15	15	20 (*1)	10	10 (*2)
Year-end	15	15	15	10	15 (*2)
Annual	30	30	35	20	25 (*2)
Dividend Payout Ratio	33.3%	32.0%	60.1%	888.7%	68.4% (*2)

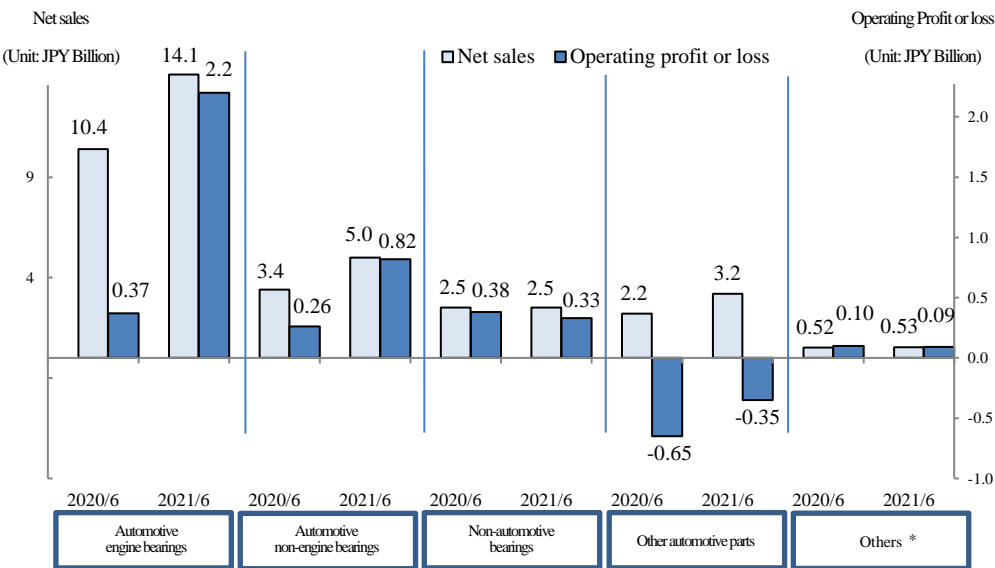
(*1) The interim dividend for FY2019 : Regular dividend (15 yen) + Commemorative dividend (5 yen)

(*2) Forecast

2. Consolidated Financial Results/Capital Expenditure and Depreciation

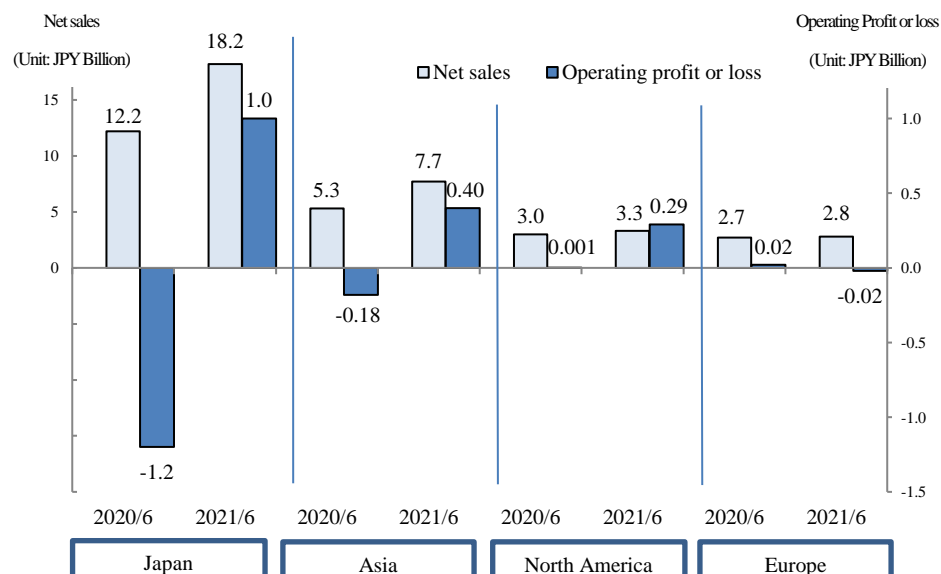


3. Sales and Operating profit by Segment (Before elimination of inter-segment transactions)



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

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 2021/6	[Sales] (+)Gains (-)Losses (Unit: JPY Million)		[Operating profit] (+)Gains (-)Losses (Unit: JPY Million)	
		Year-on-year comparison Amount (%)	Causes of Gains and Losses	Year-on-year comparison Amount (%)	Causes of Gains and Losses
Automotive engine bearings	55.4%	3,620 (34.5%)	①(+) Japan : Especially for the passenger car sales have been recovery from COVID-19 and winning over new customers. Increased orders due to recovery in demand for (China, Southeast Asia and the Middle East) in export truck market. ②(+) Japan : Orders increase due to strong demand recovery for turbocharger bearings. ③(+) North America : Strong recovery from COVID-19. ④(+) China : Rebound increase due to recovery in demand from COVID-19.	1,895 (507.5%)	(+) As sales increased on the left.
Automotive non-engine bearings	19.8%	1,618 (47.1%)	⑤(+) Recovery in global automotive production from COVID-19.	558 (210.0%)	(+) As sales increased on the left.
Non-automotive bearings	10.0%	- 50 (-1.9%)	⑥(-) Mainly impact of a decline in overall demand in the marine industry, despite of increasing partially in orders for low-speed diesel engines for ships by the development of new customers and demand in China. ⑦(+) Increase orders for construction machinery sector in Asia (especially China) and Latin America due to recovery of demand and build-up of inventories. ⑧(-) Energy sector : Orders decreased for gas and steam turbine bearings, despite of increasing also bearing assembly of hydraulic power generation by winning over new customers.	- 58 (-14.9%)	(+) As sales increased on the left. (-) As sales decreased on the left.
Other automotive parts	12.7%	966 (42.7%)	⑨(+) Formed pipes, Knock pins, NC milled parts, etc. : Increased orders for strong recovery in demand in Japan and North America and the recovery from COVID-19 in China. ⑩(+) Aluminum die cast products : Automotive Industry recovery from COVID-19 in Thailand.	299 (45.5%)	⑪(+) Formed pipes, Knock pins, NC milled parts, etc. : Impact of profit improvement by productivity improvement and rationalization efforts, and increase in demand recovery. ⑫(+) Aluminum die cast products : Impact of increased due to recovery from COVID-19 in Thailand and profit improvement due to efforts to reduce labor costs, etc.
Others	2.1%	6 (1.1%)	⑬(+) Signs of recovery in demand for construction machinery and machine tools due to recovery in the Chinese, European and American economies.	- 8 (-8.4%)	
Elimination of inter-segment transactions		- 36		- 232	
Total		6,124 (32.5%)	⑭(+) Fluctuations in exchange rate.	2,454 (-)	

Region	Net sales ratio 2021/6	[Sales] (+)Gains (-)Losses (Unit: JPY Million)		[Operating profit] (+)Gains (-)Losses (Unit: JPY Million)	
		Year-on-year comparison Amount (%)	Causes of Gains and Losses	Year-on-year comparison Amount (%)	Causes of Gains and Losses
Japan	56.7%	6,076 (49.8%)	(+) Same as ①, ② above.	2,367 (-)	(+) Same as ③, ④ above.
Asia	24.1%	2,409 (44.9%)	(+) Same as ⑤, ⑥ above.	596 (-)	(+) Same as ⑦, ⑧ above.
North America	10.3%	300 (10.0%)	(+) Same as ⑨, ⑩ above.	291 (-)	(+) Same as ⑪ above.
Europe (including Russia)	8.9%	100 (3.6%)	(+) Same as ⑬ above.	-49 (-)	
Elimination of internal transactions		-2,761		-751	
Total		6,124 (32.5%)	(+) Same as ⑭ above.	2,454 (-)	