

# FY2021 Third Quarter Consolidated Financial Results Highlights

## 1. Overview

3rd Quarter (YTD) Financial Results	Actual	
	2020/12	2021/12
Net sales	59,160	76,073
Operating profit (Operating margin)	-1,608 (-2.7%)	4,079 (5.4%)
Ordinary profit (Ordinary income margin)	-2,064 (-3.5%)	3,950 (5.2%)
Profit attributable to owners of parent (Net profit margin)	-2,282 (-3.9%)	1,941 (2.6%)
Return on Equity (ROE) *1	-5.6%	4.5%
Net assets to total assets	33.3%	36.1%
Net interest bearing debt	41,847	34,547
Capital Expenditure	5,943	5,160
Depreciation	6,381	6,812
R&D expenses	1,491	1,429
Number of consolidated subsidiaries	33	33
Exchange rate (USD)	105.80	111.92
Exchange rate (EUR)	124.17	129.86

\*1 Annualized

Year-on-year comparison	
Amount	%
16,913	28.6%
5,688	—
—	—
6,014	—
—	—
4,224	—
—	—
10.1%	—
2.8%	—
- 7,300	- 17.4%
- 782	- 13.2%
431	6.8%
- 62	- 4.2%
0	—

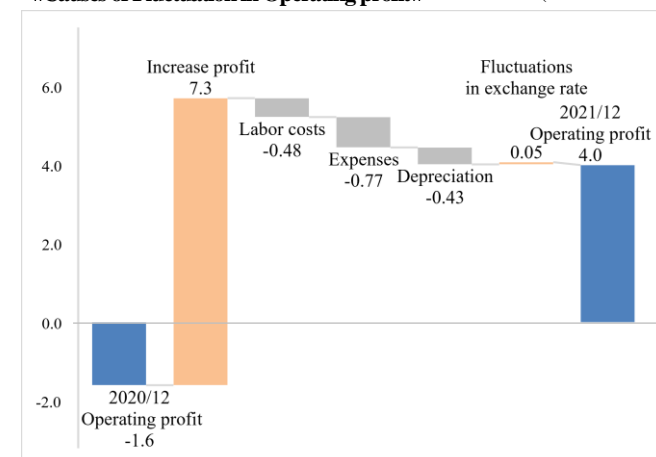
Exchange rate is TTM rate as of September 30.

(Unit: JPY Million)

Forecast
2022/3
100,000
4,900
(4.9%)
4,850
(4.9%)
2,200
(2.2%)
—
6,700
9,400
2,000
—
115.02
130.51

«Causes of Fluctuation in Operating profit»

(Unit: JPY Billion)



«Dividend/Dividend Payout Ratio»

(Unit: JPY)

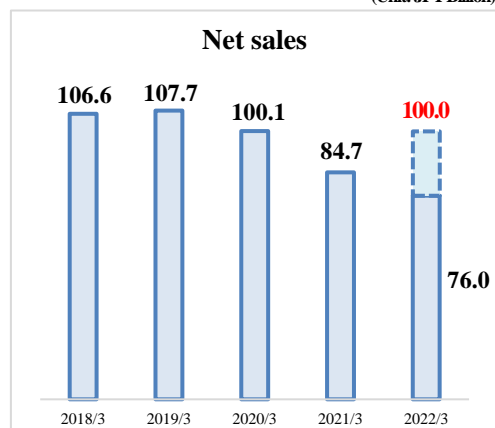
	2018/3	2019/3	2020/3	2021/3	2022/3
Interim	15	15	20 (*1)	10	10
Year-end	15	15	15	10	15 (*2)
Annual	30	30	35	20	25 (*2)
Dividend Payout Ratio	33.3%	32.0%	60.1%	888.7%	53.1% (*2)

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

(\*2) Forecast

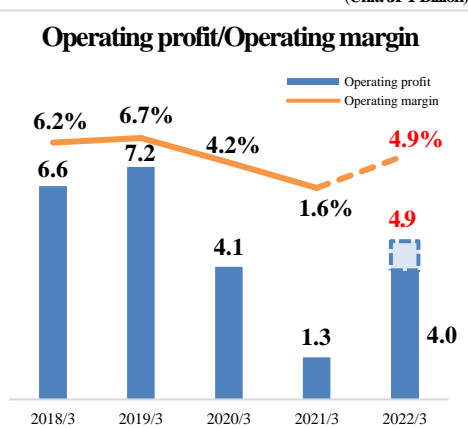
## 2. Consolidated Financial Results/Capital Expenditure and Depreciation

(Unit: JPY Billion)



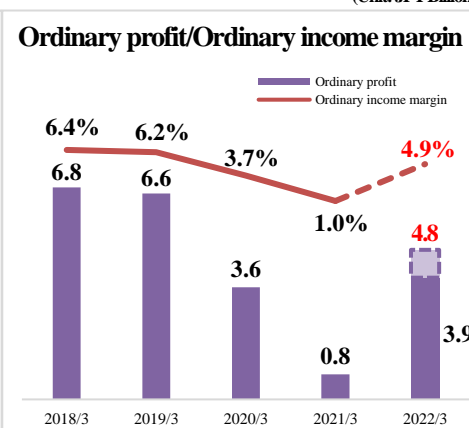
Forecast

(Unit: JPY Billion)



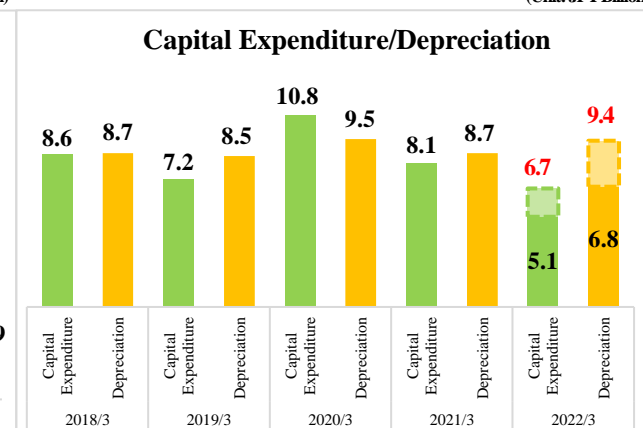
Forecast

(Unit: JPY Billion)



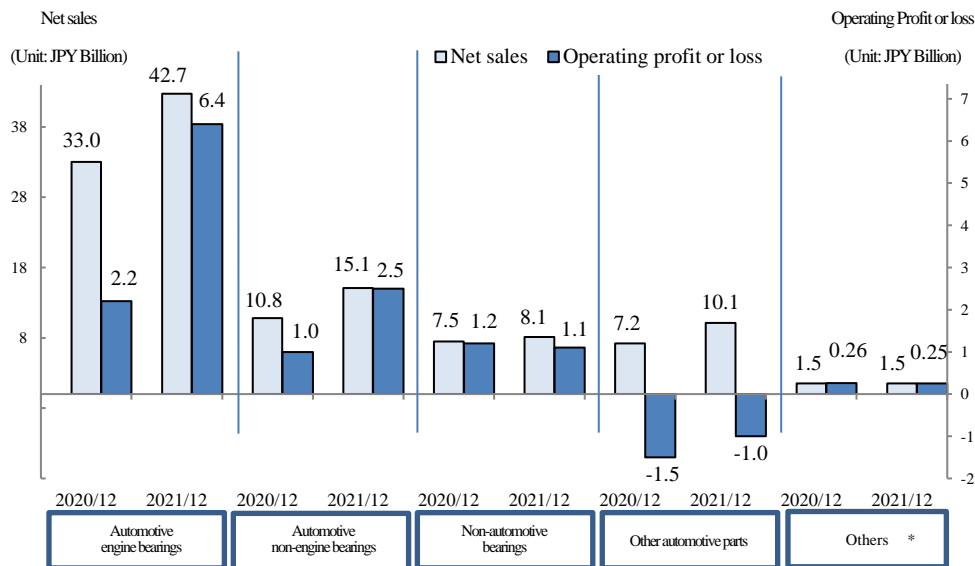
Forecast

(Unit: JPY Billion)



Forecast

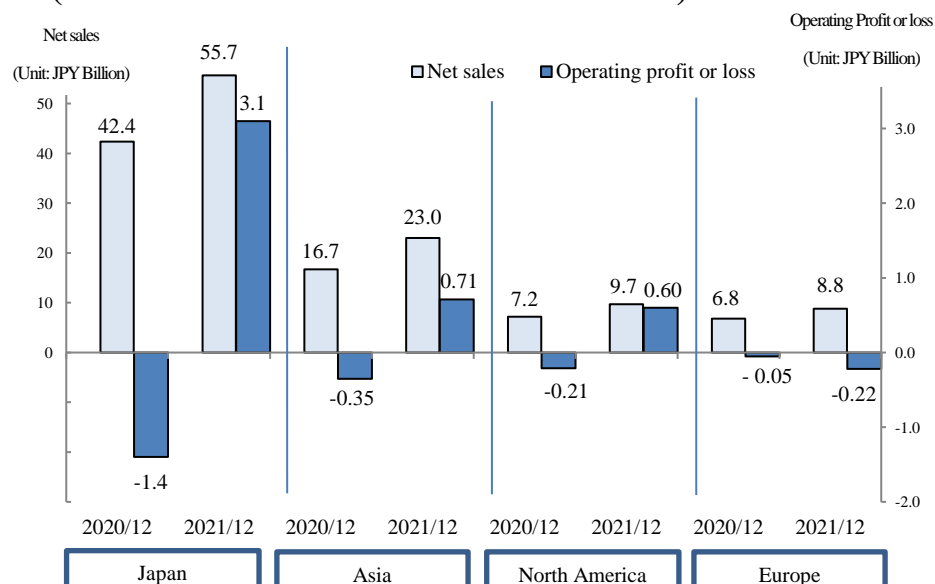
### 3. Sales and Operating profit by Segment (Before elimination of inter-segment transactions)



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

Segment	Net sales ratio 2021/12	[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	55.0%	9,711 (29.4%)	①(+) <b>Japan</b> : Orders increase due to the new business development. ②(+) <b>Japan</b> : Orders increase of export truck market for Southeast Asia, etc., due to recovery from COVID-19. ③(+) <b>Orders increase due to in globally strong demand recovery from COVID-19.</b> ④(+) <b>Orders increase due to strong demand recovery for turbocharger bearings.</b>	4,272 (192.4%)	(+) As sales increased on the left.
Automotive non-engine bearings	19.4%	4,251 (39.2%)	⑤(+) <b>Orders increase due to recovery in global automotive production from COVID-19.</b>	1,491 (140.9%)	(+) As sales increased on the left.
Non-automotive bearings	10.5%	626 (8.3%)	⑥(+) <b>Ships</b> : Increase orders for the development of new customers in China, despite of decline in overall demand in the marine industry. ⑦(+) <b>Construction machinery etc.</b> : Orders increased due to recovery in demand for service parts of construction machinery, and generators. ⑧(-) <b>Energy sector</b> : Orders decreased for gas and steam turbine bearings, despite of increasing assembly bearing for Hydraulic power generation by winning over new customers.	-63 (-5.1%)	(+) As sales increased on the left. (-) As sales decreased on the left.
Other automotive parts	13.1%	2,899 (39.8%)	⑨(+) <b>Formed pipes, Knock pins, NC milled parts, etc.</b> : Orders increase due to strong demand recovery from COVID-19 in Japan, China and North America. ⑩(+) <b>Aluminum die cast products</b> : Orders increase due to demand recovery in Thailand from COVID-19 in Automotive Industry and new entrants for electric vehicles.	520 (33.5%)	⑪(+) <b>Formed pipes, Knock pins, NC milled parts, etc.</b> : Impact of profit improvement by recovery from COVID-19, and productivity improvement and rationalization efforts. ⑫(+) <b>Aluminum die cast products</b> : Impact of increased due to recovery from COVID-19 in Thailand and profit improvement due to efforts to reduce labor costs, etc.
Others	2.0%	4 (0.3%)		-12 (-4.6%)	
Elimination of inter-segment transactions		-580		-520	
<b>Total</b>		16,913 (28.6%)		5,688 (-)	

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



Region	Net sales ratio 2021/12	[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	57.2%	13,309 (31.4%)	(+) Same as ①, ② above. ⑬(+) <b>Orders increase due to recovery in demand for service parts of construction machinery.</b>	4,547 (-)	(+) Same as ⑫ above. ⑭(+) <b>Formed pipes, Knock pins, NC milled parts, etc.</b> : Impact of profit improvement by recovery from COVID-19.
Asia	23.6%	6,315 (37.8%)	⑮(+) <b>China</b> : Strong performance for local automobile manufacturers in China. ⑯(+) <b>Thailand</b> : Orders increase due to demand recovery from COVID-19 in Automotive Industry, and new delivery of aluminum die cast products for electric vehicles.	1,063 (-)	(+) As sales increased on the left. (+) Same as ⑫ above.
North America	10.0%	2,480 (34.0%)	⑰(+) <b>Orders increase due to strong recovery in automotive production from COVID-19.</b> ⑱(+) <b>Orders increase due to continued recovery in demand in the construction machinery.</b>	819 (-)	(+) As sales increased on the left.
Europe (including Russia)	9.1%	1,952 (28.3%)	(+) Same as ⑫ above.	-169 (-314.1%)	
Elimination of internal transactions		-7,145		-572	
<b>Total</b>		16,913 (28.6%)		5,688 (-)	

\* 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.