

# FY2022 Third Quarter Consolidated Financial Results Highlights

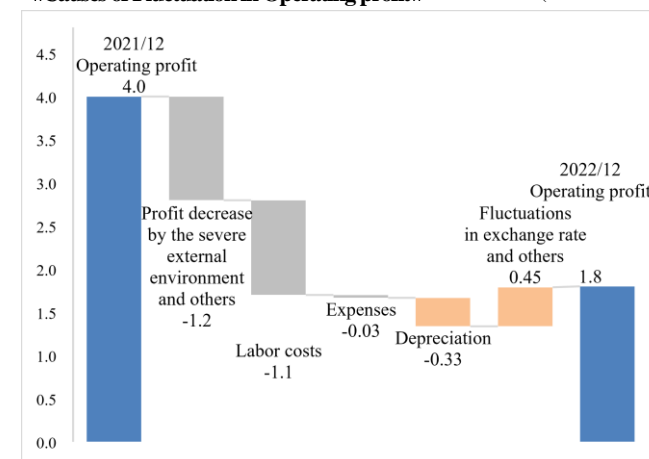
## 1. Overview

3rd Quarter (YTD) Financial Results	Actual		Year-on-year comparison		Forecast
	2021/12	2022/12	Amount	%	2023/3
Net sales	76,073	87,596	11,523	15.1%	110,000
Operating profit (Operating margin)	4,079 (5.4%)	1,826 (2.1%)	- 2,252 (-3.3%)	- 55.2%	1,800 (1.6%)
Ordinary profit (Ordinary income margin)	3,950 (5.2%)	2,020 (2.3%)	- 1,929 (-2.9%)	- 48.9%	2,000 (1.8%)
Profit attributable to owners of parent (Net profit margin)	1,941 (2.6%)	- 2,375 (-2.7%)	- 4,317 (-5.3%)	—	- 3,100 (-2.8%)
Return on Equity (ROE) *1	4.5%	- 5.2%	- 9.7%	—	—
Net assets to total assets	36.1%	34.9%	- 1.2%	—	—
Net interest bearing debt	34,547	41,687	7,140	20.7%	—
Capital Expenditure	5,160	4,300	- 859	- 16.7%	5,500
Depreciation	6,812	7,149	336	4.9%	9,600
R&D expenses	1,429	1,538	109	7.6%	2,000
Number of consolidated subsidiaries	33	33	0	—	—
Exchange rate (USD)	111.92	144.81			132.70
Exchange rate (EUR)	129.86	142.32			141.47

(Unit: JPY Million)

### «Causes of Fluctuation in Operating profit»

(Unit: JPY Billion)



### «Dividend/Dividend Payout Ratio»

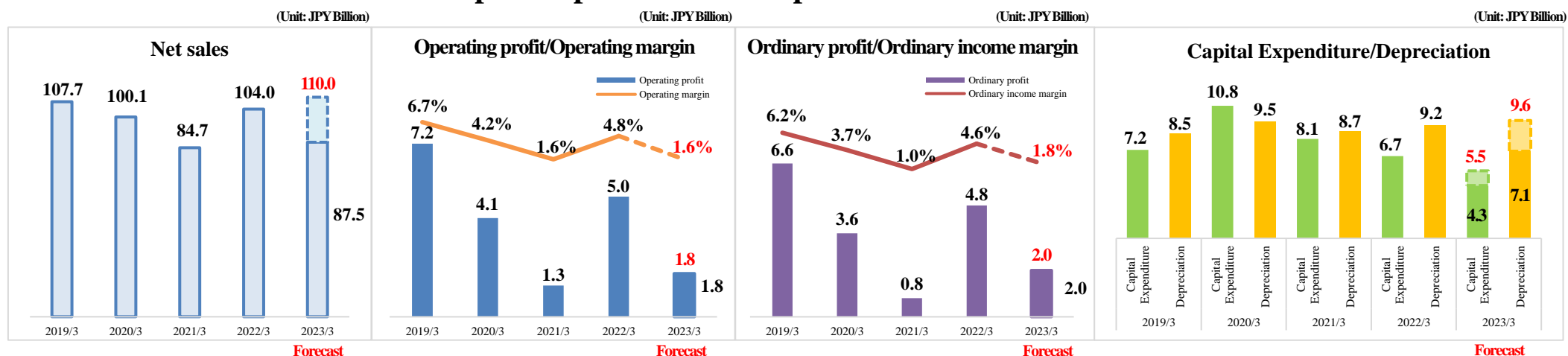
(Unit: JPY)

	2019/3	2020/3	2021/3	2022/3	2023/3
Interim	15	20 (*1)	10	10	10
Year-end	15	15	10	15	TBD
Annual	30	35	20	25	—
Dividend Payout Ratio	32.0%	60.1%	888.7%	61.4%	—

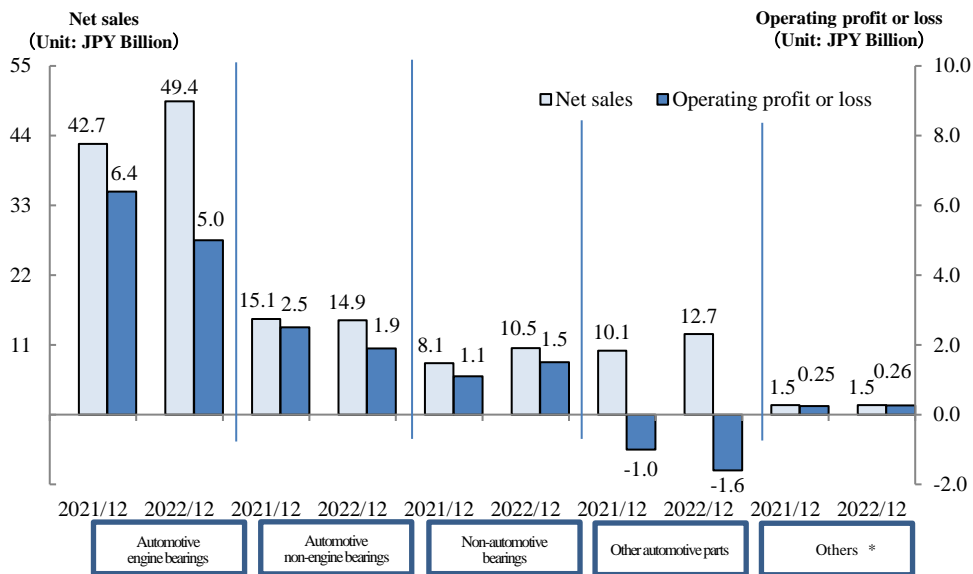
(\*1) The interim dividend for FY2019 : Regular dividend (15 yen) + Commemorative dividend (5 yen)

\*1 Annualized

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

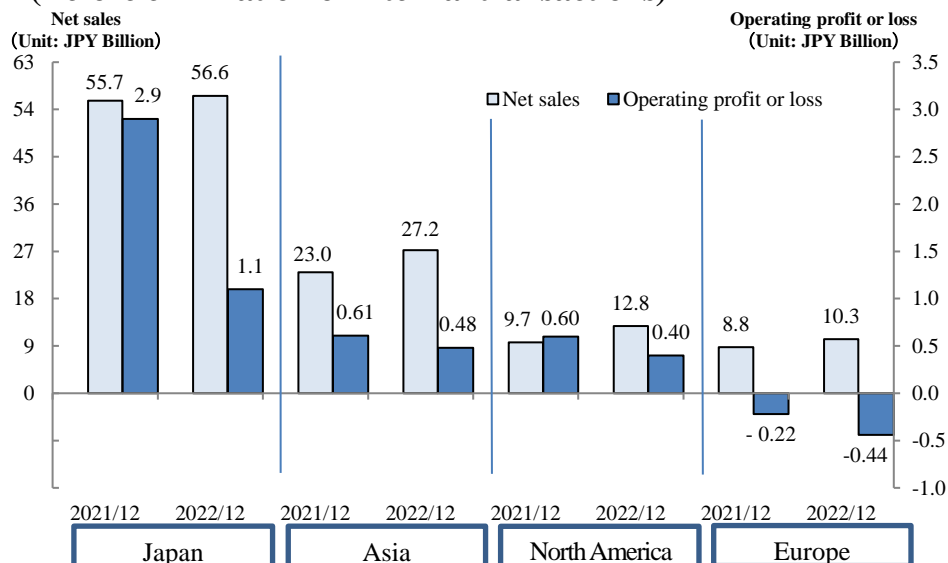


### 3. Sales and Operating profit by Segment (Before elimination of inter-segment transactions)



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

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



\* Figures for 2021/12 have been revised for operating profit or loss by the review of the elimination method 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 2022/12 [ Q3 ]	[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%	6,680 (15.6%)	①(+) <b>Japan</b> : Orders slightly increased due to strong overseas sales despite the impact of production cuts at car manufacturers caused by semiconductor supply shortage for passenger cars. ②(+) <b>Japan</b> : In trucks, the demand remained firm and orders increased, despite the impact of semiconductor supply shortages. ③(+) <b>Indonesia</b> : Orders increased due to strong demand.	- 1,407 (-21.7%)	④(-) Impact of higher raw materials and energy costs.
Automotive non-engine bearings	16.7%	- 196 (-1.3%)	⑤(-) <b>Japan</b> : Orders decreased due to the impact of production cuts at car manufacturers caused by semiconductor supply shortage despite steady demand for passenger cars. ⑥(+) <b>North America</b> : Orders increased by the steady recovery from the COVID-19.	- 550 (-21.6%)	(-) Same as ④ above.
Non-automotive bearings	11.9%	2,435 (29.9%)	⑦(+) <b>Ships</b> : Due to the favorable business environment and new business developments such as increase in offshore cargo movement due to the recovery of the global economy, rising demand for maintenance, as well as increase in orders for LNG carriers, etc., orders increased. ⑧(+) <b>Construction machinery etc.</b> : Orders increased due to increase in demand for assembly and service parts of construction machinery and generators. ⑨(+) <b>Energy sector</b> : Increase in orders of gas and steam turbine bearings for thermal power generation to mitigate power shortages, and strong demand of maintenance parts.	336 (28.5%)	(+) As sales increased on the left.
Other automotive parts	14.3%	2,583 (25.4%)	⑩(+) <b>Formed pipes, Knock pins, NC milled parts, etc.</b> : Despite order decrease in local currencies due to global semiconductor supply shortage, sales in yen increased because of the depreciation of yen. ⑪(+) <b>Aluminum die cast products</b> : Orders increased due to recovery from COVID-19 and new delivery of parts for electric vehicles.	- 642 (-)	⑫(-) <b>Formed pipes, Knock pins, NC milled parts, etc.</b> : Same as ⑩ above. ⑬(-) <b>Aluminum die cast products</b> : Impact of the slow improvement of production costs increased at the start of the full-scale operations last year and higher production costs for new orders.
Others	1.7%	- 12 (-0.8%)	⑭(-) Despite a decrease in orders of the metallic dry bearings due to inventory adjustment, the decline of total orders is not large due to steady demand of lubrication systems for machine tools.	14 (5.9%)	(+) Impact of improved selling prices
Elimination of inter-segment transactions		33		- 3	
<b>Total</b>		11,523 (15.1%)		- 2,252 (-55.2%)	

Region	Net sales ratio 2022/12 [ Q3 ]	[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	52.9%	840 (1.5%)	(+) Same as ①, ②, ⑦ above.	- 1,842 (-62.1%)	(-) Same as ④ above.
Asia	25.5%	4,221 (18.3%)	(+) <b>Thailand</b> : Same as ⑩ above. (+) Same as ⑧ above.	- 126 (-20.6%)	(-) Same as ④ above.
North America	12.0%	3,046 (31.1%)	(+) Orders increased from steady demand for passenger cars and trucks. (+) <b>Construction machinery</b> : Orders increased due to continued strong demand.	- 204 (-33.7%)	(-) Impact of reduced sales of value-added products.
Europe (including Russia)	9.7%	1,503 (17.0%)	(+) Orders increased due to new business development of non-automotive bearings, (for medium and high speed diesel engines, etc.) (-) Orders decreased due to shortages of semiconductors, as well as to the situation in Ukraine.	-218 (-)	(-) As sales decreased on the left.
Elimination of internal transactions		1,911		138	
<b>Total</b>		11,523 (15.1%)		- 2,252 (-55.2%)	