

## FY2020 Third Quarter Consolidated Financial Results Highlights

### 1. Overview

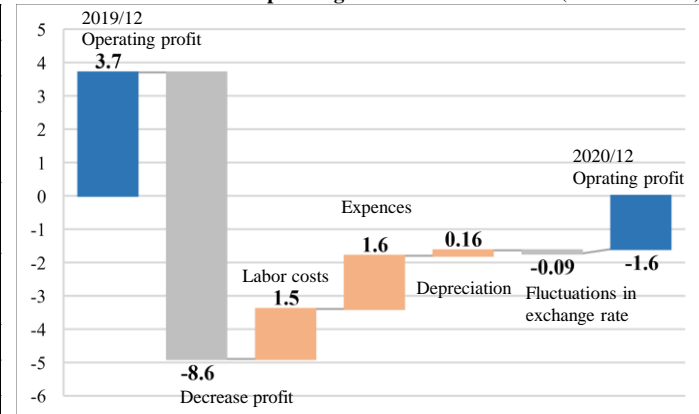
3rd Quarter (YTD) Financial Results	Actual	
	2019/12	2020/12
Net sales	74,770	59,160
Operating profit (Operating margin)	3,730 (5.0%)	-1,608 (-2.7%)
Ordinary profit (Ordinary income margin)	3,482 (4.7%)	-2,064 (-3.5%)
Profit attributable to owners of parent (Net profit margin)	1,552 (2.1%)	-2,282 (-3.9%)
Return on Equity (ROE) (*)	3.7%	-5.6%
Net assets to total assets	34.8%	33.3%
Net interest bearing debt	42,585	41,847
Capital Expenditure	7,085	5,943
Depreciation	6,541	6,381
R&D expenses	1,602	1,491
Number of consolidated subsidiaries	33	33
Exchange rate (USD)	107.92	105.80
Exchange rate (EUR)	118.02	124.17

Year-On-Year Comparison	
Amount	%
-15,610	-20.9%
-5,339	—
(-7.7%)	—
-5,546	—
(-8.1%)	—
-3,835	—
(-5.9%)	—
-9.3%	—
-1.5%	—
-738	-1.7%
-1,142	-16.1%
-160	-2.4%
-111	-6.9%
0	—

Exchange rate is TTM rate as of September 30.

(Unit: JPY Million)	
Actual	Forecast
2020/3	2021/3
100,159	83,000
4,168	30
(4.2%)	(0.04%)
3,660	-500
(3.7%)	(-0.6%)
2,740	-1,150
(2.7%)	(-1.4%)
4.9%	—
35.1%	—
37,211	—
10,857	9,000
9,517	8,700
2,105	2,000
33	—
109.56	103.50
122.54	126.95

### Causes of Fluctuation in Operating Profit



### Dividend/ Dividend Payout Ratio

	(Unit: JPY)				
	2017/3	2018/3	2019/3	2020/3	2021/3
Interim	15	15	15	20 (*1)	10
Year-End	15	15	15	15	10 (*2)
Annual	30	30	30	35	20 (*2)
Dividend Payout Ratio	54.0%	33.3%	32.0%	60.1%	—

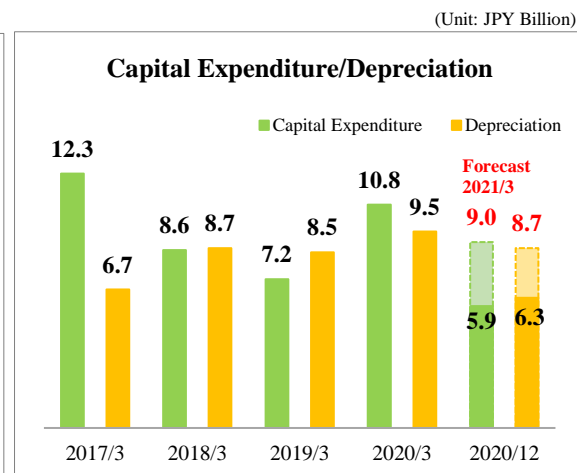
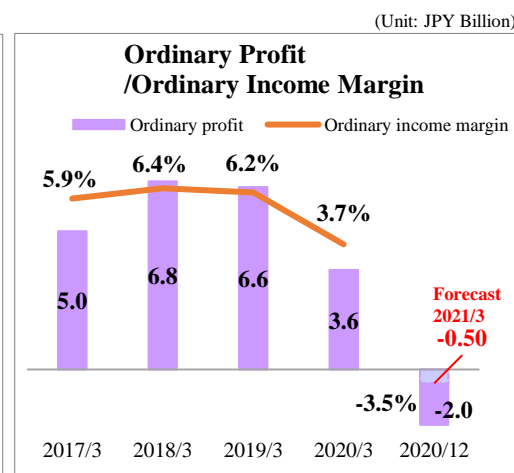
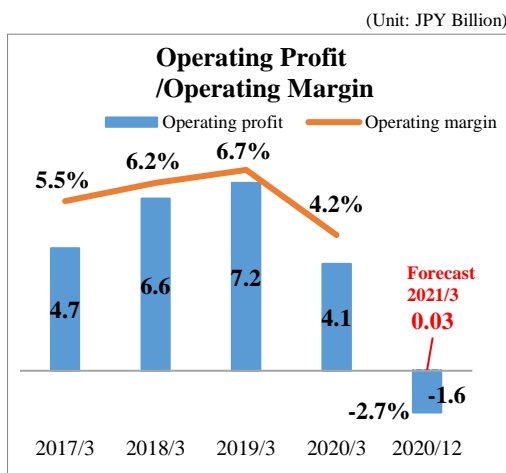
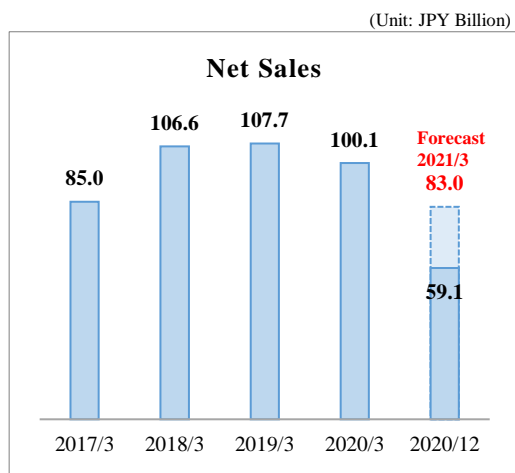
(\* 1) The interim dividend for FY2019:

Regular dividend (15 yen) + Commemorative dividend (5 yen)

(\* 2) Forecast.

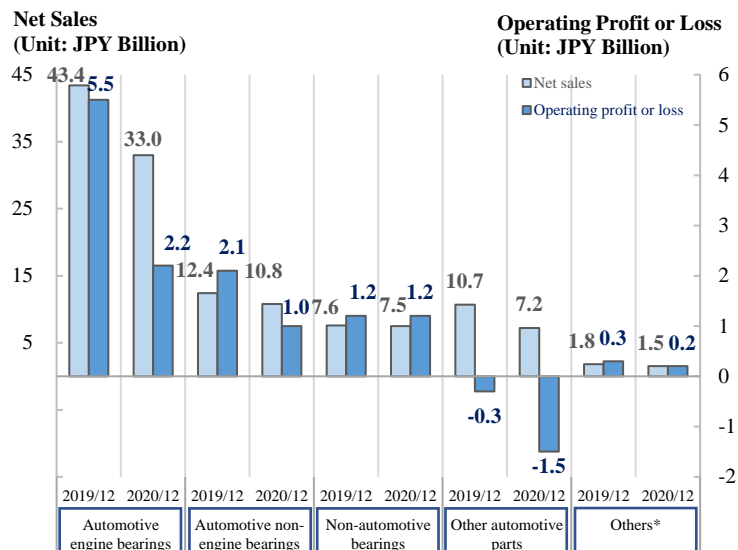
(\* ) Annualized.

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



### 3. Sales and Operating Profit by Segment

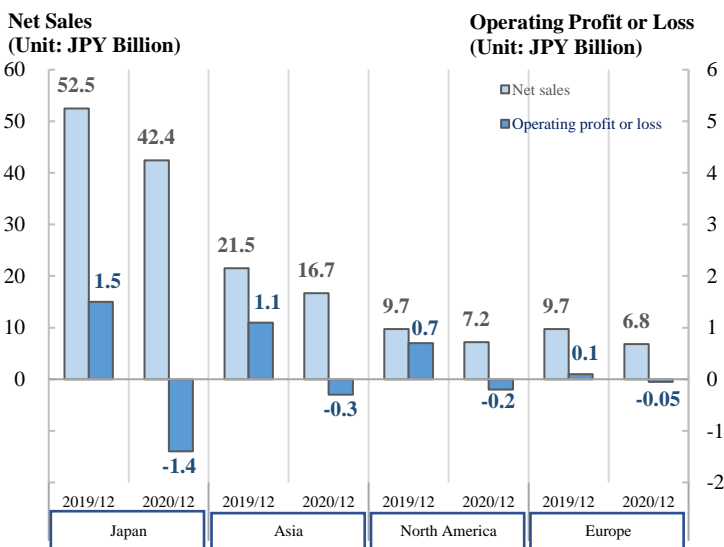
(Before Elimination of Inter-Segment Transactions)



\* "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	[Sales] (+)Gains (-)Losses (Unit: JPY Million)		Causes of Gains and Losses	[Operating profit] (+)Gains (-)Losses (Unit: JPY Million)	
	Net sales ratio	Year-on-year comparison		Year-on-year comparison	Causes of Gains and Losses
	2020/12	Amount(%)		Amount(%)	
Automotive engine bearings	54.8%	-10,435 (-24.0%)	①(-) <b>Japan</b> : Orders decreased due to slowdown in automotive production caused by COVID-19. Currently orders received show the signs of recovery. ②(-) <b>Japan</b> : Orders decreased due to delayed recovery of the export truck market (mainly exports to Indonesia). ③(-) <b>Japan/Overseas</b> : Orders decreased due to decreased demand for turbocharger bearings. ④(-) <b>Thailand</b> : Orders decreased due to sluggish automotive market in Thailand and the decrease in automotive exports by COVID-19. ⑤(-) <b>North America</b> : Orders decreased due to slowdown in automotive production caused by COVID-19. Currently, orders decrease is bottoming out. ⑥(-) <b>Europe</b> : Orders decreased due to production adjustments at automotive manufacturers caused by COVID-19. Currently, orders decrease is bottoming out. ⑦(+) <b>China</b> : Orders increase because of expansion of the commercial vehicle market and winning over new customers.	-3,347 (-60.1%)	(-) As sales decreased on the left. (+) As sales increased on the left.
Automotive non-engine bearings	18.0%	-1,550 (-12.5%)	⑧(-) <b>Japan/Overseas</b> : Orders decreased due to slowdown in automotive production caused by COVID-19. Currently orders received show the signs of recovery. Especially in North America and China, orders are on an upward trend compared to the third quarter of the previous period.	-1,139 (-51.9%)	(-) As sales decreased on the left.
Non-automotive bearings	12.5%	-113 (-1.5%)	⑨(-) <b>Japan/Overseas</b> : Orders decreased for low-speed diesel engines bearings due to falling demand. ⑩(+) <b>China</b> : Orders increase for low-speed diesel engines bearings by increase demand and winning over new customers. ⑪(+) <b>Overseas</b> : Orders increase for medium-speed diesel engines bearings. ⑫(-) Orders decrease for construction machinery sector market due to weak demand. ⑬(+) Orders increase for power-generating turbine bearings in the energy sector. ⑭(+) Orders increase for bearing assembly of hydraulic power generation in the energy sector by winning over new customers.	5 (0.5%)	(-) As sales decreased on the left. (+) As sales increased on the left.
Other automotive parts	12.1%	-3,482 (-32.3%)	⑮(-) <b>Formed pipes, Knock pins, NC milled parts, etc.</b> : Orders decreased in Japan and Overseas due to COVID-19. Currently orders received show the signs of recovery. ⑯(-) <b>Aluminum die cast products</b> : Orders decreased due to a global sluggish automotive market, slowdown in automotive production and the decrease in automotive exports from Thailand by COVID-19.	-1,195	(-) As sales decreased on the left. ⑰(-) Increased depreciation of buildings and facilities for new factory for aluminum die cast parts in Thailand.
Others*	2.6%	-234 (-13.0%)	⑰(-) Orders decreased for specialty-shaped bearings due to demand slowdown in industrial machinery.	-108 (-29.2%)	(-) As sales decreased on the left.
Elimination of inter-segment transactions		205		446	
Total		-15,610 (-20.9%)	⑱(-) Fluctuations in exchange rate.	-5,339	(-) As sales decreased on the left.

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

Region	[Sales] (+)Gains (-)Losses (Unit: JPY Million)		Causes of Gains and Losses	[Operating profit] (+)Gains (-)Losses (Unit: JPY Million)	
	Net sales ratio	Year-on-year comparison		Year-on-year comparison	Causes of Gains and Losses
	2020/12	Amount(%)		Amount(%)	
Japan	57.9%	-10,102 (-19.2%)	(-) Same as ①, ②, ③ above.	-3,024	(-) As sales decreased on the left.
Asia	22.8%	-4,801 (-22.3%)	(+) Same as ⑦, ⑩ above. (-) Same as ⑩, ⑬, ⑭ above.	-1,462	(-) As sales decreased on the left. (+) As sales increased on the left. (-) Same as ⑩ above.
North America	10.0%	-2,426 (-24.9%)	(-) Same as ⑤, ⑥ above.	-922	(-) As sales decreased on the left.
Europe (including Russia)	9.4%	-2,817 (-29.0%)	(-) Same as ⑤, ⑥ above.	-180	(-) As sales decreased on the left. (+) Effect of progress in collection of accounts receivable recorded as allowance for doubtful accounts
Elimination of inter-segment transactions		4,537		249	
Total		-15,610 (-20.9%)	(-) Same as ⑱ above.	-5,339	