

FY2020 Consolidated Financial Results Highlights

1. Overview

2021/3 Financial Results	Actual	
	2020/3	2021/3
Net sales	100,159	84,720
Operating profit (Operating margin)	4,168 (4.2%)	1,315 (1.6%)
Ordinary profit (Ordinary income margin)	3,660 (3.7%)	874 (1.0%)
Profit attributable to owners of parent (Net profit margin)	2,740 (2.7%)	104 (0.1%)
Return on Equity (ROE)	4.9%	0.2%
Net assets to total assets	35.1%	36.3%
Net interest bearing debt	37,211	36,462
Capital Expenditure	10,857	8,128
Depreciation	9,517	8,790
R&D expenses	2,105	1,971
Number of consolidated subsidiaries	33	33
Exchange rate (USD)	109.56	103.50
Exchange rate (EUR)	122.54	126.95

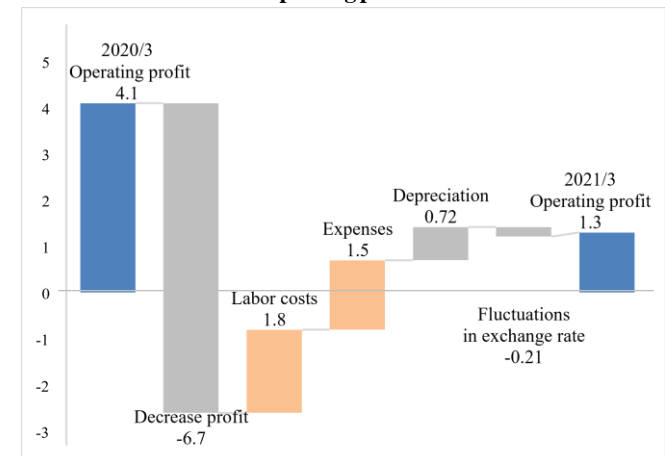
Year-on-year comparison	
Amount	%
-15,438	-15.4%
-2,853	-68.4%
(-2.6%)	—
-2,785	-76.1%
(-2.6%)	—
-2,636	-96.2%
(-2.6%)	—
-4.7%	—
1.2%	—
-748	-2.0%
-2,728	-25.1%
-726	-7.6%
-133	-6.4%
0	—

Exchange rate is TTM rate as of December 31.

(Unit: JPY Million)	
Forecast	
2021/9	2022/3
45,500	92,000
1,750	3,500
(3.8%)	(3.8%)
1,600	3,200
(3.5%)	(3.5%)
700	1,700
(1.5%)	(1.8%)
—	7,700
—	9,400
—	2,000
—	105.00
—	126.00

«Causes of Fluctuation in Operating profit»

(Unit: JPY Billion)



«Dividend/Dividend Payout Ratio»

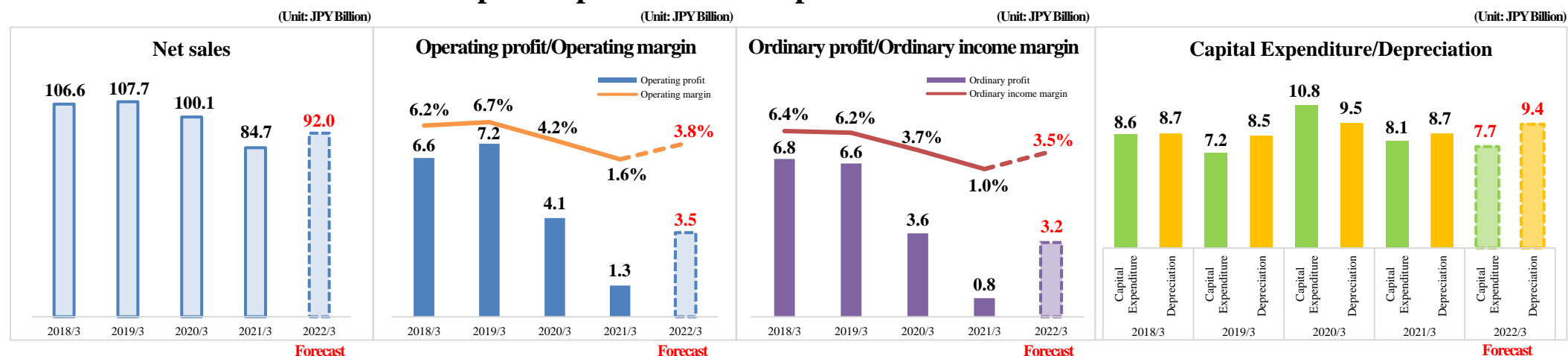
(Unit: JPY)

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

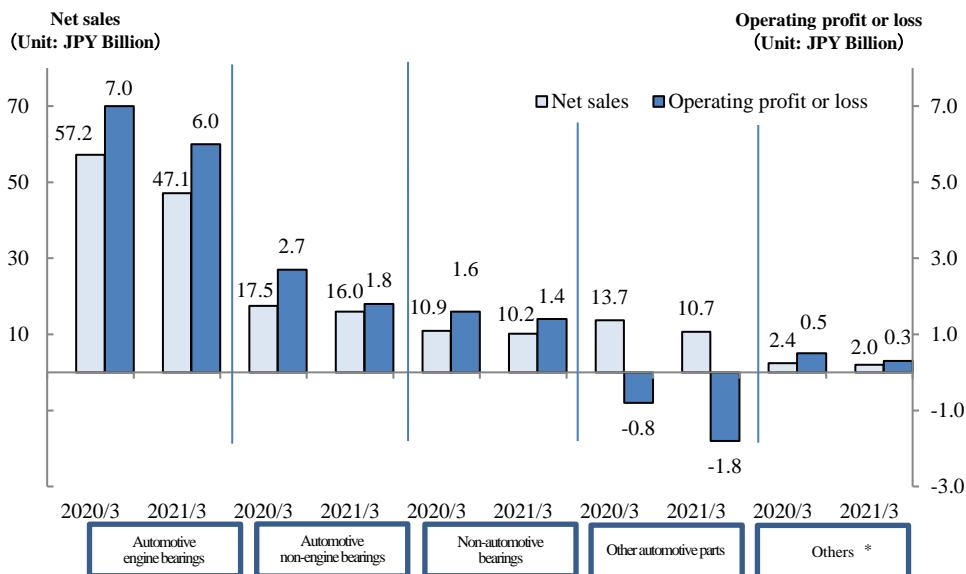
(*1) The interim dividend for FY2019 : Regular dividend (15 yen) + Commemorative dividend (5 yen)

(*2) Forecast

2. Consolidated Financial Results/Capital Expenditure and Depreciation

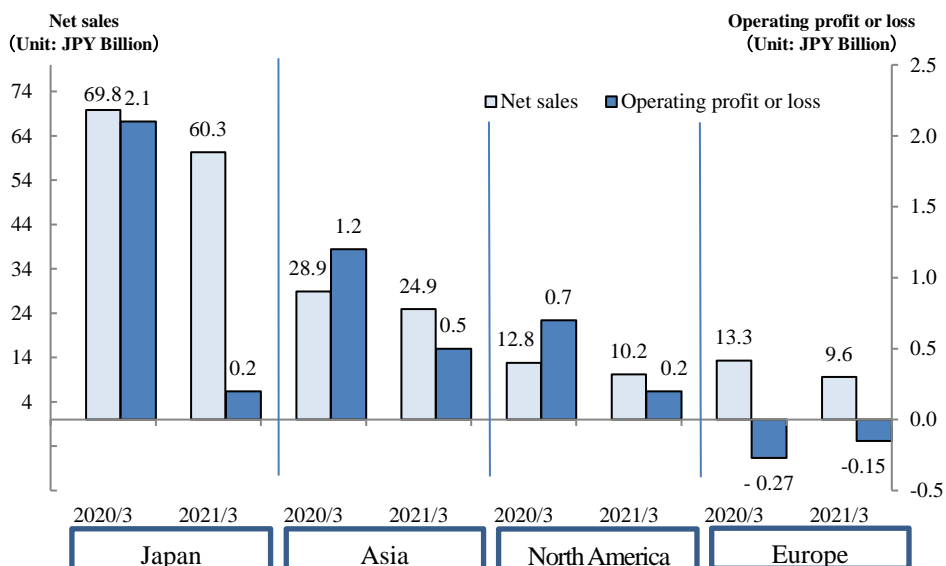


3. Sales and Operating profit by Segment (Before elimination of inter-segment transactions)



*"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	[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 Amount (%)		Year-on-year comparison Amount (%)	Causes of Gains and Losses
Automotive engine bearings	54.7%	- 10,072 (-17.6%)	<p>①(-)Japan: Especially for the passenger car sales have been on a rapid recovery trend, but were unable to cover the significant decline in the first half of this year, and the impact of the delayed recovery in the export truck market.</p> <p>②(-)Japan/Overseas: Orders decreased due to decreased demand for turbocharger bearings.</p> <p>③(-)Thailand: In the first half of this year, orders decreased due to sluggish automotive market in Thailand and the decrease in automotive exports by COVID-19. Currently orders received show the signs of strong recovery.</p> <p>④(-)North America: In the first half of this year, orders decreased due to slowdown in automotive production caused by COVID-19.</p> <p>⑤(+)-China: Orders continued increase because of expansion of the commercial vehicle market, and winning over new customers, recovery in demand for Japanese-brand vehicles.</p>	- 993 (-14.1%)	(-) As sales decreased on the left. (+) As sales increased on the left.
Automotive non-engine bearings	18.6%	- 1,514 (-8.6%)	⑥(-) In the first half of this year, orders decreased due to slowdown in automotive production caused by COVID-19. Especially in Thailand and China, currently orders received show the signs of recovery.	- 917 (-33.4%)	(-) As sales decreased on the left. (+) Same as ⑥ above.
Non-automotive bearings	11.9%	- 651 (-6.0%)	<p>⑦(-) Mainly impact of a decline in overall demand in the marine industry, despite of increasing partially in orders for low-speed and medium-speed diesel engines for ships by the development of new customers and demand in overseas.</p> <p>⑧(-) In the first half of this year, orders decrease for construction machinery sector market in overseas due to weak demand. Currently orders received show the signs of recovery gradually.</p> <p>⑨(+)-Energy Sector: Order increase for power-generating steam turbine bearing, also bearing assembly of hydraulic power generation by winning over new customers.</p>	- 234 (-13.8%)	(-) As sales decreased on the left. (+) As sales increased on the left.
Other automotive parts	12.4%	- 3,027 (-22.0%)	<p>⑩(-) Formed pipes, Knock pins, NC milled parts, etc.: Orders decreased in Japan and Overseas due to COVID-19. Currently orders received show the signs of recovery.</p> <p>⑪(-) Aluminum die cast products: Same as ⑩ above.</p>	- 1,040 (-)	<p>⑫(+)-Formed pipes, Knock pins, NC milled parts, etc.: Impact of profit improvement by productivity improvement and rationalization efforts.</p> <p>⑬(-)-Aluminum die cast products: Substantial decline due to COVID-19 and material cost increase due to rising aluminum market. Increased depreciation of buildings and facilities for new factory for aluminum die cast parts in Thailand.</p>
Others	2.4%	- 383 (-15.8%)	⑭(-) Orders decreased for specialty-shaped bearings due to demand slowdown in industrial machinery by U.S.-China trade war and COVID-19.	- 193 (-37.7%)	(-) As sales decreased on the left.
Elimination of inter-segment transactions		210		524	
Total		- 15,438 (-15.4%)	⑮(-) Fluctuations in exchange rate. Excluding Euro and RMB.	- 2,853 (-68.4%)	(-) As sales decreased on the left.

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 Amount (%)		Year-on-year comparison Amount (%)	Causes of Gains and Losses
Japan	57.3%	- 9,491 (-13.6%)	(-) Same as ①, ②, ③ above.	- 1,980 (-90.6%)	(-) As sales decreased on the left.
Asia	23.7%	- 3,940 (-13.6%)	(+) Same as ⑤ above. (-) Same as ⑥, ⑦ above.	- 723 (-58.5%)	(+) Same as ⑧, ⑨ above. (-) Same as ⑩, ⑪ above.
North America	9.7%	- 2,655 (-20.6%)	(-) Same as ⑫, ⑬ above.	- 520 (-65.9%)	(-) As sales decreased on the left.
Europe (including Russia)	9.2%	- 3,659 (-27.4%)	(-) Orders decrease for bearings of automobiles and turbochargers due to slowdown in the first half of this year due to COVID-19. Currently orders received show the signs of recovery.	117 (-)	(-) As sales decreased on the left. (+) Effect of progress in collection of accounts receivable recorded as allowance for doubtful accounts.
Elimination of internal transactions		4,309		254	
Total		- 15,438 (-15.4%)	(-) Same as ⑮ above.	- 2,853 (-68.4%)	