

FY2021 Second Quarter Consolidated Financial Results Highlights

1. Overview

2nd Quarter (YTD) Financial Results	Actual	
	2020/9	2021/9
Net sales	36,349	50,315
Operating profit (Operating margin)	-2,555 (-7.0%)	2,677 (5.3%)
Ordinary profit (Ordinary income margin)	-2,875 (-7.9%)	2,602 (5.2%)
Profit attributable to owners of parent (Net profit margin)	-2,549 (-7.0%)	1,188 (2.4%)
Return on Equity (ROE) *1	-9.5%	4.2%
Net assets to total assets	32.6%	36.3%
Net interest bearing debt	40,762	32,125
Capital Expenditure	4,034	3,368
Depreciation	4,215	4,532
R&D expenses	987	944
Number of consolidated subsidiaries	33	33
Exchange rate (USD)	107.74	110.58
Exchange rate (EUR)	121.08	131.58

*1 Annualized

Year-on-year comparison	
Amount	%
13,966	38.4%
5,232	—
—	—
5,477	—
—	—
3,737	—
—	—
13.6%	—
3.7%	—
- 8,636	- 21.2%
- 665	- 16.5%
317	7.5%
- 43	- 4.4%
0	—

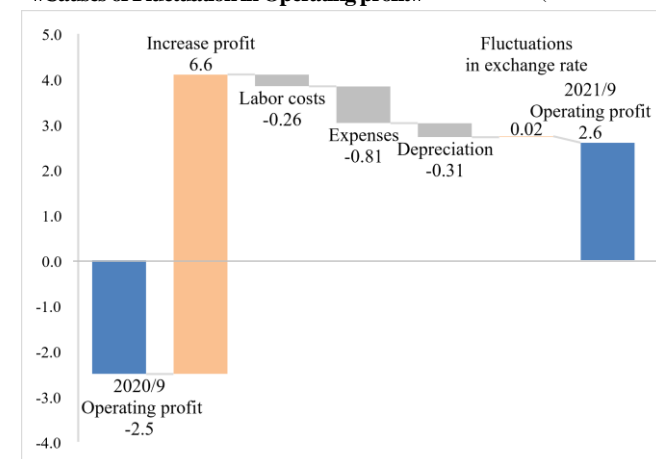
Exchange rate is TTM rate as of June 30.

(Unit: JPY Million)

Forecast
2022/3
92,000
3,500
(3.8%)
3,200
(3.5%)
1,700
(1.8%)
—
—
—
6,700
9,400
2,000
107.00
128.00

«Causes of Fluctuation in Operating profit»

(Unit: JPY Billion)



«Dividend/Dividend Payout Ratio»

(Unit: JPY)

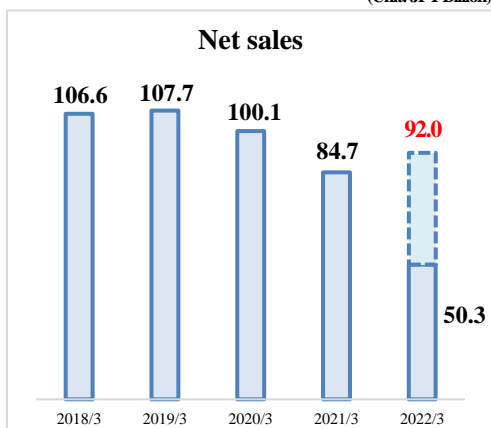
	2018/3	2019/3	2020/3	2021/3	2022/3
Interim	15	15	20 (*1)	10	10
Year-end	15	15	15	10	15 (*2)
Annual	30	30	35	20	25 (*2)
Dividend Payout Ratio	33.3%	32.0%	60.1%	888.7%	68.5% (*2)

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

(*2) Forecast

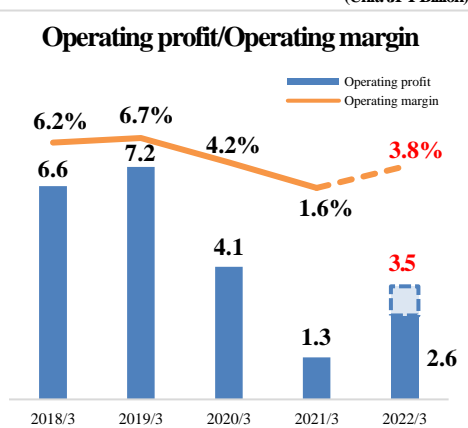
2. Consolidated Financial Results/Capital Expenditure and Depreciation

(Unit: JPY Billion)



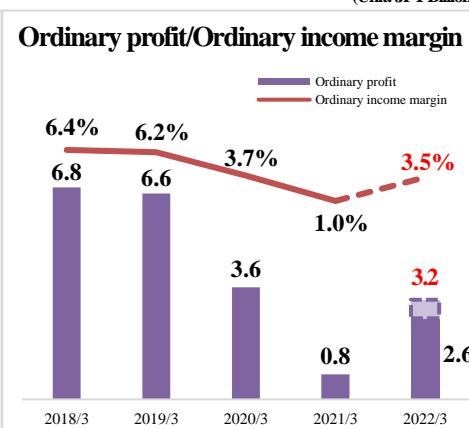
Forecast

(Unit: JPY Billion)



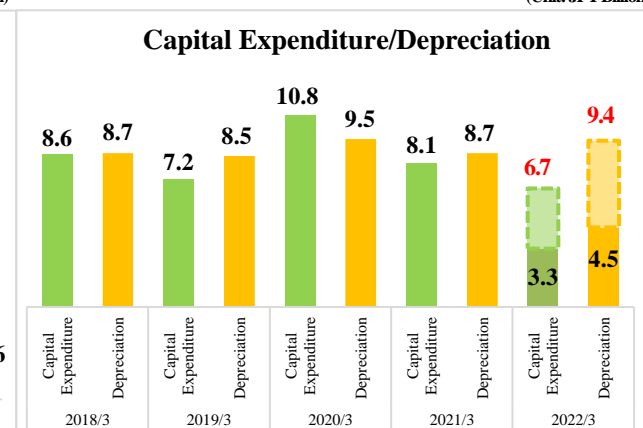
Forecast

(Unit: JPY Billion)



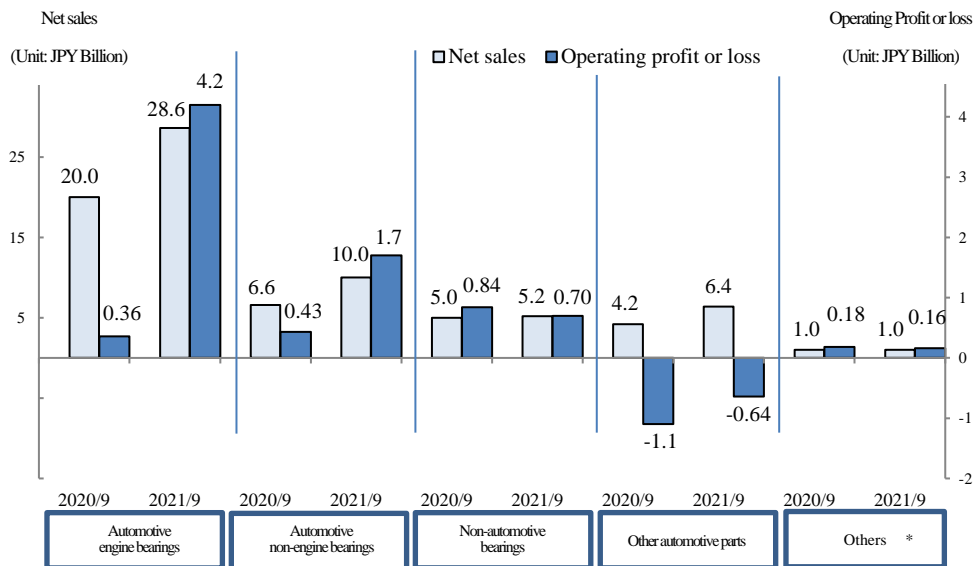
Forecast

(Unit: JPY Billion)



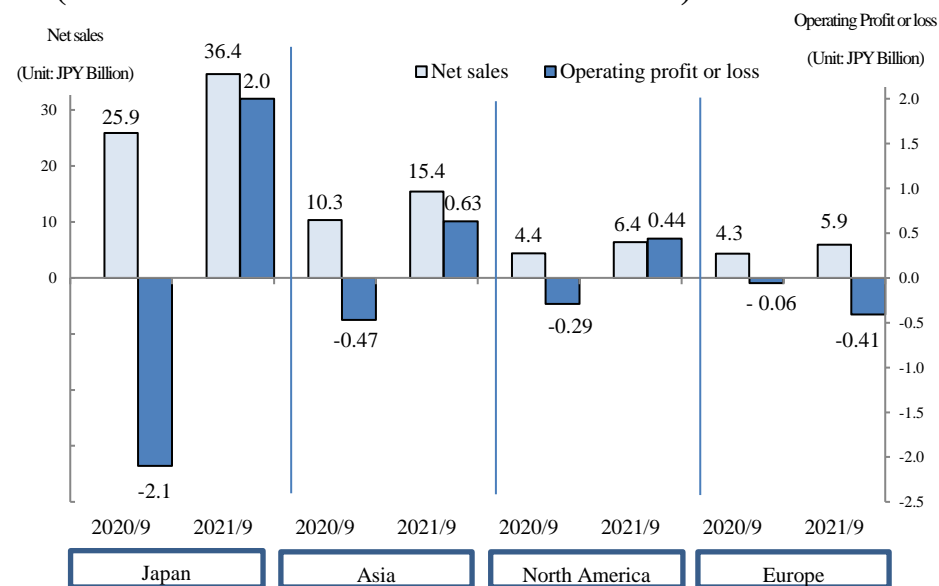
Forecast

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.

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 2021/9	[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	55.7%	8,570 (42.8%)	①(+) Japan : Orders increase due to strong recovery for the passenger car sales and in export truck market for Southeast Asia, etc. ②(+) Orders increase due to strong demand recovery for turbocharger bearings. ③(+) Orders increase due to in globally strong demand recovery from COVID-19.	3,914 (1066.3%)	(+) As sales increased on the left.
Automotive non-engine bearings	19.5%	3,358 (50.5%)	④(+) Orders increase due to strong recovery in global automotive production from COVID-19.	1,277 (293.7%)	(+) As sales increased on the left.
Non-automotive bearings	10.2%	185 (3.7%)	⑤(+) Low-speed diesel engines for ships : Increase orders for the development of new customers in China, despite of decline in overall demand in the marine industry. ⑥(+) Construction machinery : Orders increased due to recovery in demand for service parts and inventory build-up. ⑦(-) Energy sector : Orders decreased for gas and steam turbine bearings, despite of increasing assembly bearing of water turbines and drainage pump stations by winning over new customers.	- 149 (-17.6%)	(+) As sales increased on the left. (-) As sales decreased on the left.
Other automotive parts	12.6%	2,183 (51.0%)	⑧(+) Formed pipes, Knock pins, NC milled parts, etc. : Orders increase due to strong demand recovery from COVID-19 in Japan, China and North America. ⑨(+) Aluminum die cast products : Orders increase due to demand recovery in Thailand from COVID-19 in Automotive Industry and new entrants for electric vehicles.	522 (44.9%)	⑩(+) Formed pipes, Knock pins, NC milled parts, etc. : Impact of profit improvement by recovery from COVID-19, and productivity improvement and rationalization efforts. ⑪(+) 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	2.0%	- 46 (-4.3%)		- 13 (-7.1%)	
Elimination of inter-segment transactions		- 285		- 319	
Total		13,966 (38.4%)		5,232 (-)	

Region	Net sales ratio 2021/9	[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%	10,492 (40.4%)	(+) Same as ①, ② above.	4,229 (-)	(+) Same as ⑩, ⑪ above. ⑫(+) Formed pipes, Knock pins, NC milled parts, etc. : Impact of profit improvement by recovery from COVID-19.
Asia	24.0%	5,089 (49.2%)	⑬(+) China : Strong performance for local automobile manufacturers in China and orders increase of Japanese manufacturers due to demand recovery from COVID-19. ⑭(+) Thailand : Orders increase due to demand recovery from COVID-19 in Automotive Industry.(Automobile-related and aluminum die cast products)	1,106 (-)	(+) As sales increased on the left. (+) Same as ⑩ above.
North America	10.1%	2,076 (47.1%)	(+) Same as ⑩, ⑪, ⑫ above.	744 (-)	(+) Same as ⑩, ⑪ above.
Europe (including Russia)	9.3%	1,577 (35.9%)	(+) Same as ⑩, ⑪ above.	-357 (-575.4%)	
Elimination of internal transactions		-5,270		-490	
Total		13,966 (38.4%)		5,232 (-)	