

FY2022 First Quarter Consolidated Financial Results Highlights

1. Overview

1st Quarter (YTD) Financial Results	Actual	
	2021/6	2022/6
Net sales	24,995	27,569
Operating profit (Operating margin)	1,399 (5.6%)	557 (2.0%)
Ordinary profit (Ordinary income margin)	1,403 (5.6%)	651 (2.4%)
Profit attributable to owners of parent (Net profit margin)	726 (2.9%)	63 (0.2%)
Return on Equity (ROE) *1	5.1%	0.4%
Net assets to total assets	36.4%	35.9%
Net interest bearing debt	33,810	38,066
Capital Expenditure	1,368	1,584
Depreciation	2,282	2,223
R&D expenses	476	496
Number of consolidated subsidiaries	33	33
Exchange rate (USD)	110.71	122.39
Exchange rate (EUR)	129.80	136.70

*1 Annualized

Year-on-year comparison	
Amount	%
2,573	10.3%
- 842	- 60.2%
(-3.6%)	—
- 751	- 53.6%
(-3.3%)	—
- 662	- 91.3%
(-2.7%)	—
- 4.7%	—
- 0.5%	—
4,255	12.6%
216	15.8%
- 58	- 2.6%
19	4.2%
0	—

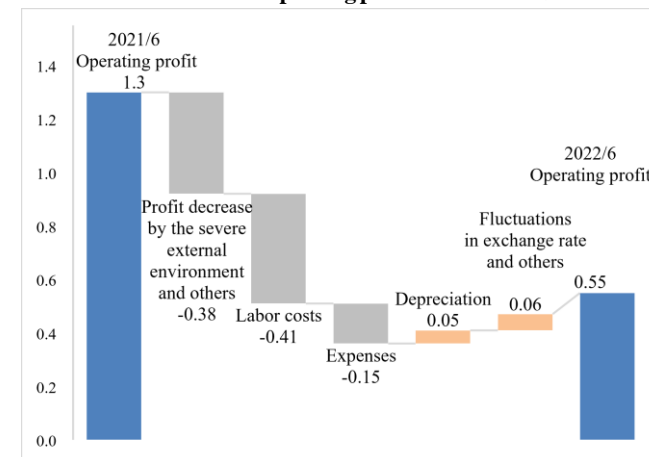
Exchange rate is TTM rate as of March 31.

(Unit: JPY Million)	
Forecast	
2022/9	2023/3
52,500	108,000
1,050	2,800
(2.0%)	(2.6%)
1,150	2,700
(2.2%)	(2.5%)
30	300
(0.1%)	(0.3%)
—	—
—	7,700
—	9,100
—	—
—	—
136.68	120.00
142.67	130.00

TTM rate as of June 30.

«Causes of Fluctuation in Operating profit»

(Unit: JPY Billion)



«Dividend/Dividend Payout Ratio»

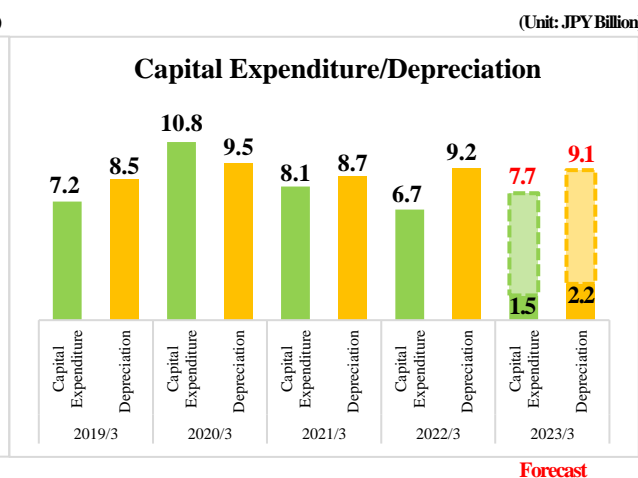
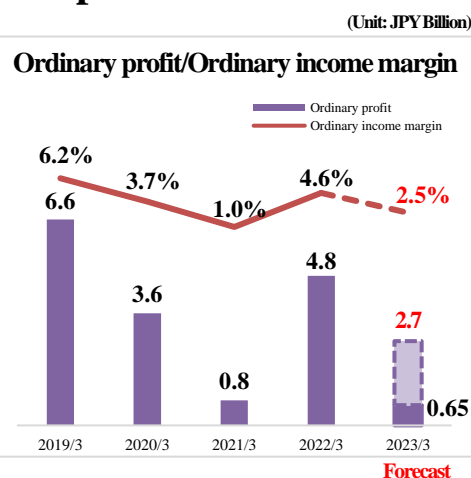
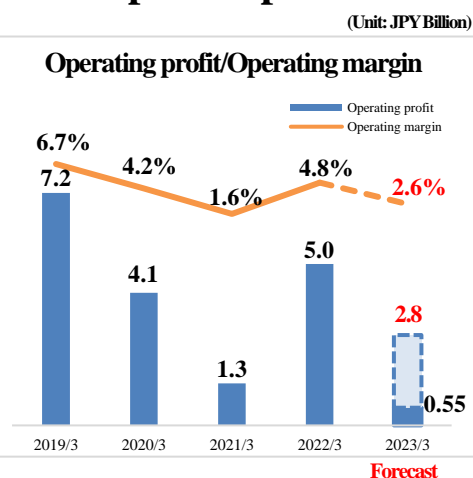
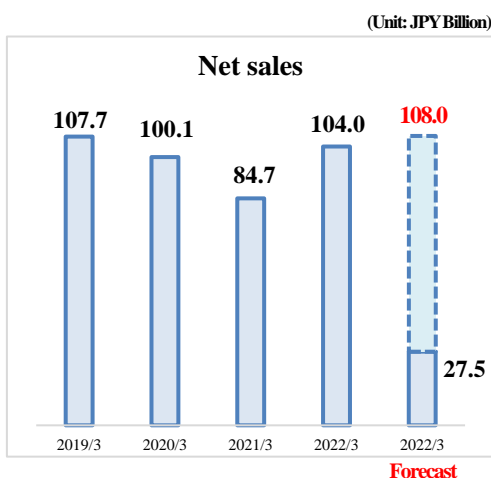
(Unit: JPY)

	2019/3	2020/3	2021/3	2022/3	2023/3
Interim	15	20 (*1)	10	10	10 (*2)
Year-end	15	15	10	15	15 (*2)
Annual	30	35	20	25	25 (*2)
Dividend Payout Ratio	32.0%	60.1%	888.7%	61.4%	389.9% (*2)

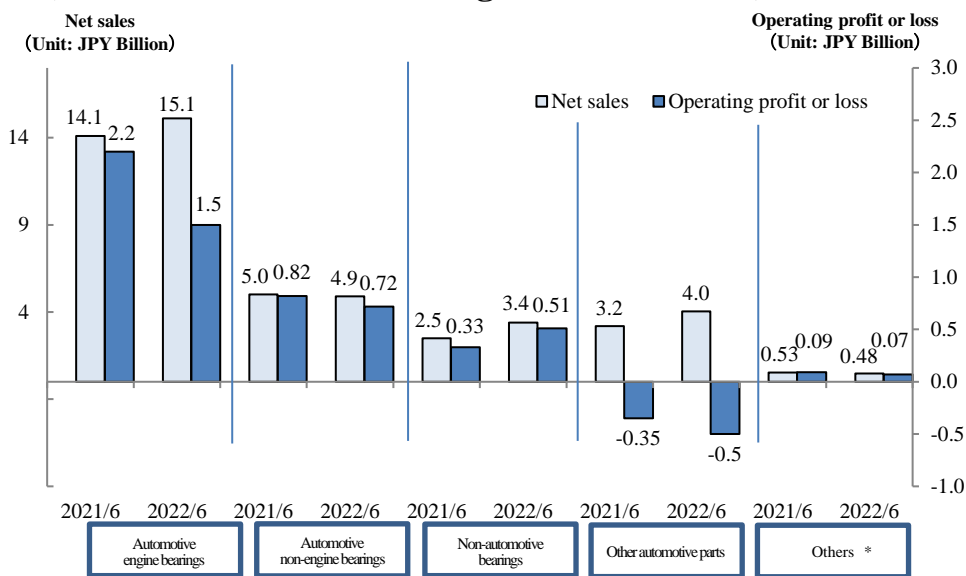
(*1) The interim dividend for FY2019 : Regular dividend (15 yen) + Commemorative dividend (5 yen)

(*2) Forecast

2. Consolidated Financial Results/Capital Expenditure and Depreciation

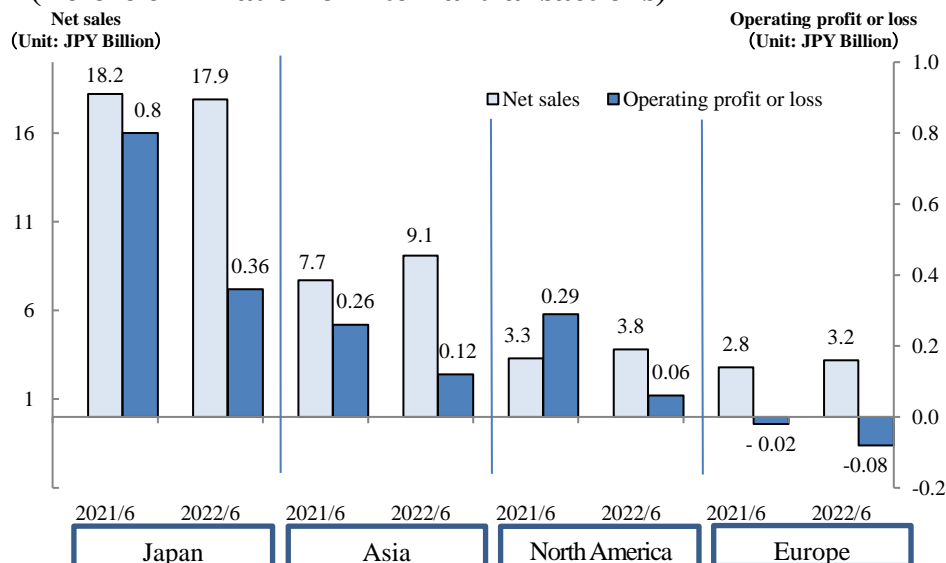


3. Sales and Operating profit by Segment (Before elimination of inter-segment transactions)



*"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 2021/6 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 2022/6 [Q1]	[Sales] (+)Gains (-)Losses (Unit:JPY Million)		Causes of Gains and Losses	[Operating profit] (+)Gains (-)Losses (Unit:JPY Million)	
		Year-on-year comparison Amount (%)	Year-on-year comparison Amount (%)		Year-on-year comparison Amount (%)	Causes of Gains and Losses
Automotive engine bearings	53.9%	1,023 (7.3%)		①(-) Japan : In passenger cars, orders decrease due to the impact of production cuts at car manufacturers caused by the shortage of semiconductor supplies and component supply problems caused by the Shanghai lockdown in China. ②(+) Japan : In trucks, the demand remained firm and orders slightly increased, despite the impact of semiconductor supply shortages. ③(+) Overseas : orders increase by the steady recovery from the COVID-19.	- 693 (-30.6%)	②(-) Impact of higher raw materials and energy costs.
Automotive non-engine bearings	17.7%	- 76 (-1.5%)		(-) Same as ① above. ④(-) Asia : Orders decrease due to inventory adjustments. ⑤(+) North America : Same as ⑤ above.	- 97 (-11.8%)	(-) Same as ② above.
Non-automotive bearings	12.3%	925 (36.5%)		⑥(+) Ships : 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 an increase in orders for LNG carriers, etc., orders increased. ⑦(+) Construction machinery etc. : Orders increased due to recovery in demand for service parts of construction machinery, and generators. ⑧(+) Energy sector : Increase in orders of gas and steam turbine bearings due to the restart of plant projects which had been stalled under the impact of COVID-19.	182 (55.4%)	(+) As sales increased on the left.
Other automotive parts	14.4%	815 (25.2%)		⑨(-) Formed pipes, Knock pins, NC milled parts, etc. : Orders decrease due to global semiconductor supply shortages. ⑩(+) Aluminum die cast products : Orders increase due to recovery from COVID-19 and new delivery of parts for electric vehicles.	- 147 (-)	③(+) Formed pipes, Knock pins, NC milled parts, etc. : Profit improvement impact of productivity improvement and rationalization efforts. ④(-) Aluminum die cast products : Impact of increased initial costs associated with vertical start-up of newly delivered electric vehicle parts.
Others	1.7%	- 49 (-9.2%)		⑪(-) Orders decrease due to inventory adjustment of the metallic dry bearings and difficulty in procuring pump driving equipment due to semiconductor shortage.	- 20 (-22.1%)	(-) As sales decreased on the left.
Elimination of inter-segment transactions		- 65			- 65	
Total		2,573 (10.3%)			- 842 (-60.2%)	

Region	Net sales ratio 2022/6 [Q1]	[Sales] (+)Gains (-)Losses (Unit:JPY Million)		Causes of Gains and Losses	[Operating profit] (+)Gains (-)Losses (Unit:JPY Million)	
		Year-on-year comparison Amount (%)	Year-on-year comparison Amount (%)		Year-on-year comparison Amount (%)	Causes of Gains and Losses
Japan	52.6%	- 294 (-1.6%)		(-) Same as ① above. (+) Same as ②, ③ above.	- 459 (-55.6%)	(-) Same as ② above.
Asia	26.8%	1,402 (18.1%)		(+) Korea : Orders increase due to strong demand for automotive production. (+) Indonesia : Orders increase due to recovery in demand for truck market. (+) Thailand : Same as ⑤ above.	- 134 (-50.8%)	(-) Same as ④ above.
North America	11.2%	498 (15.0%)		(+) Orders increase from steady demand for passenger cars and trucks. (+) Construction machinery: Orders increase due to continued strong demand.	- 232 (-79.4%)	(-) Impact of reduced sales of value-added products.
Europe (including Russia)	9.4%	343 (11.9%)		(+) Orders slightly increase due to steady demand for automotive production. (+) Orders increase due to new development business of non-automotive bearings. (for medium and high speed diesel engines, etc.)	- 57 (-)	
Elimination of internal transactions		623			41	
Total		2,573 (10.3%)			- 842 (-60.2%)	