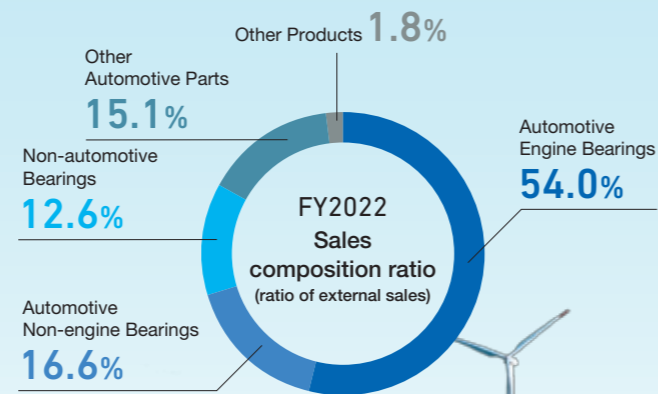


Business Summary

Based on our Mid-Term Business Plan, we aim to capture the top worldwide market share for plain bearings in all fields. At the same time, we are preparing for an impending automotive paradigm shift (from engines to motors) by strengthening our initiatives in new business areas in which we anticipate stronger demand. These include die-cast aluminum products for electric automobiles such as EVs, PHVs, and HVs. We also intend to make progress in expanding our business by boosting the ratio of sales other than for automotive engine bearings. Our plans call for expanding market share by maintaining and reinforcing our worldwide sales system to respond to growing demand for specialized bearings used in wind power generation and other types of renewable energy in general industry, an existing business area where growth is anticipated.



Non-automotive Bearings

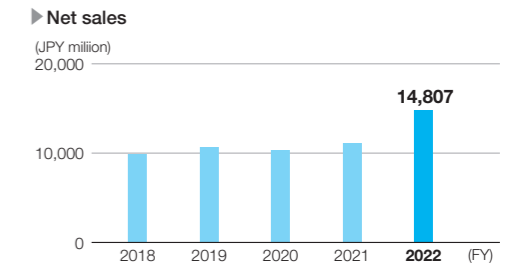


Bearings for marine low-speed engines, bearings for marine/industrial medium and high-speed engines, power generation equipment (water mills / thermal power / turbines), industrial equipment (compressors / acceleration / reductions gears) etc.

Shipbuilding: Demand remained solid, mainly for container ships and bulk carriers, amid a recovery in maintenance-related demand from stagnation that resulted from restrictions on factors including personnel flow. Sales revenue increased greatly from the previous fiscal year due in part to continued growth in market share for low-speed engine bearings for tankers and liquefied natural gas (LNG) carriers resulting from development of the China market, as well as the start of new mass production deliveries for large vessels for China.

Construction machinery: A continuing favorable demand environment, primarily in North America, Central and South America, and Southeast Asia (Indonesia, etc.), also contributed to strong demand for service parts and other products, resulting in a major year-on-year increase in sales revenue.

Energy for general industry: Demand in the general industrial energy market had fallen partly because of prolonged construction periods resulting from the impact that the COVID-19 pandemic had on plants and facilities. More recently, however, a recovery in demand for bearings used in steam and gas turbines, as well as inventory buildup efforts, resulted in an increase in orders taken by the Group, which led in turn to a major increase in sales revenue.



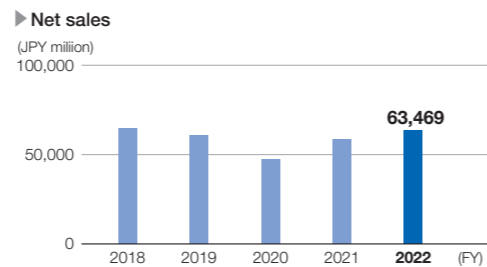
Automotive Engine Bearings



Automotive engine bearings (for cars, trucks, race cars). Motorcycle engine bearings, engine component bearings (turbochargers, balancers), etc

New motor vehicle sales in Japan rose slightly during FY2022 compared to the previous fiscal year, while overseas in Thailand and China, sales increased from the previous year during 2022, while sales in Europe and the U.S. decreased from the previous year. Underlying support for overall global sales remained steady amid the recovery from the COVID-19 pandemic, although there was a minor decrease from the previous year.

Under these circumstances, our Group increased sales both within Japan and overseas as domestic sales benefited from the recovery at the beginning of the year and various companies increased orders as they built up their inventories.



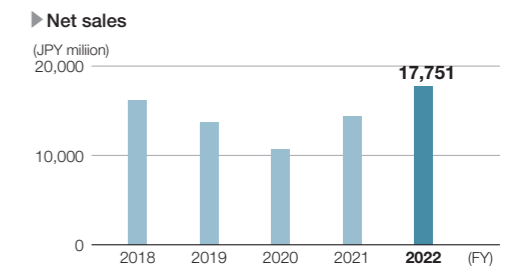
Other Automotive Parts



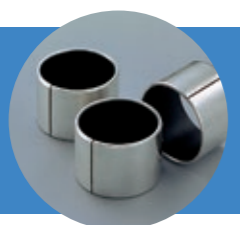
Aluminum die casting parts for automobiles (incl. electric vehicles). Automobiles and motorcycles for bent pipe products, machined products and knock pins etc

Aluminum die-cast products: Demand for Thailand's automotive industry remained strong on the whole, as domestic sales of new vehicles in Thailand increased slightly from the previous fiscal year and the number of finished vehicle exports in Thailand increased due to the recovery trend of the global automotive industry. In our Group, net sales increased significantly from the previous fiscal year due to an increase in sales due to a recovery in demand in Thailand and the start of an increase in new aluminum die cast for electric vehicles at a new plant in Thailand (DM Casting Technology (Thailand) Co., Ltd.). However, segment profit decreased from the previous fiscal year due to delays in improving costs, which increased due to the start of full-scale production of aluminum die cast for electric vehicles, and an increase in costs for new orders.

Formed pipes, knock pins, and NC machined products: Despite the impact of a decline in orders due to global semiconductor supply shortages, the yen's depreciation also contributed to a slight year-on-year increase. Segment profit decreased from the previous fiscal year due to high raw material and energy prices.

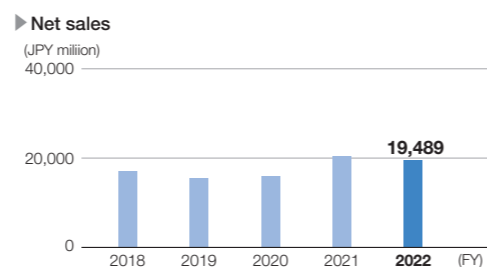


Automotive Non-engine Bearings



Automotive bearings (for shock absorbers, air conditioning compressors, steering columns, transmissions), etc

Although the weaker yen helped boost Group overseas sales, domestic sales decreased from the previous year amid a decrease in orders due to production cutbacks by manufacturers suffering shortages of supplies including semiconductors.



Other Products



Electrode sheet business for electric double layer capacitors, Metal-based unlubricated bearings business, Pump-related products business, Centralized lubricating equipment, Sound absorbing materials (CALME), etc.

Although difficulty in procuring measurement equipment due to the semiconductor supply shortage reduced sales of lubrication equipment for machine tools, market exploration in some areas led to an increase in orders for unlubricated metallic bearings, which increased sales slightly. Market development for value-added bearing products increased sales, which also contributed to the increase in profits.

