



**TSUBAKI NAKASHIMA CO.,LTD.**

# 3Q FY2020 Results Presentation

November 13, 2020  
Tsubaki Nakashima Co., Ltd.  
(TSE 6464)

**Precision for  
a changing world**



# Highlights-1 for 3Q FY2020

3Q Sales and Profit increased sharply versus 2Q. However, Sales and Profit for 9 Months ending September was lower compared to previous year due to the spread of COVID-19 on a global scale

## Sales

- 3Q Sales increased by 30% to ¥12.7billion vs 2Q
- 3Q Sales of each segment/region increased vs 2Q
- YTD 3Q Sales decreased by 25.9%※<sup>1</sup> to ¥36.7billion vs. those of previous year

## Profits

- 3Q OP increased by ¥0.46billion to ¥0.79billion vs 2Q
- 3Q NP increased by ¥0.38billion to ¥0.38billion vs 2Q
- YTD 3Q OP and NP decreased by 72.1%※<sup>1</sup> to ¥2.12 billion and by 78.4%※<sup>1</sup> to ¥1.07 billion respectively vs those of previous year

## Dividend

- Year-end dividend ¥5 per share
- Annual dividend ¥15 per share (Interim dividend ¥10 per share)

※ 1 Excluding “FX impact”

# Highlights-2 for 3Q FY2020



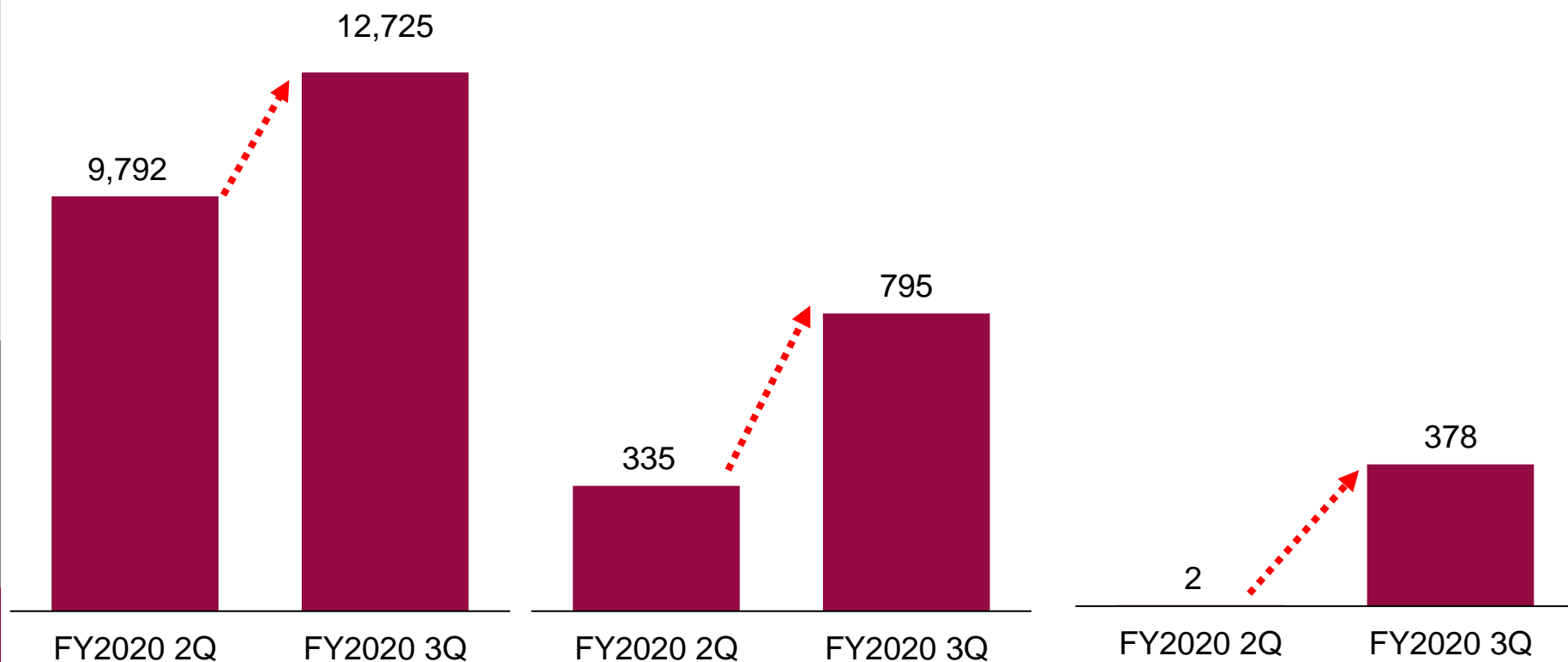
3Q Sales and 3Q Profit increased sharply vs 2Q

(¥million)

【Sales】

【Operating profit】

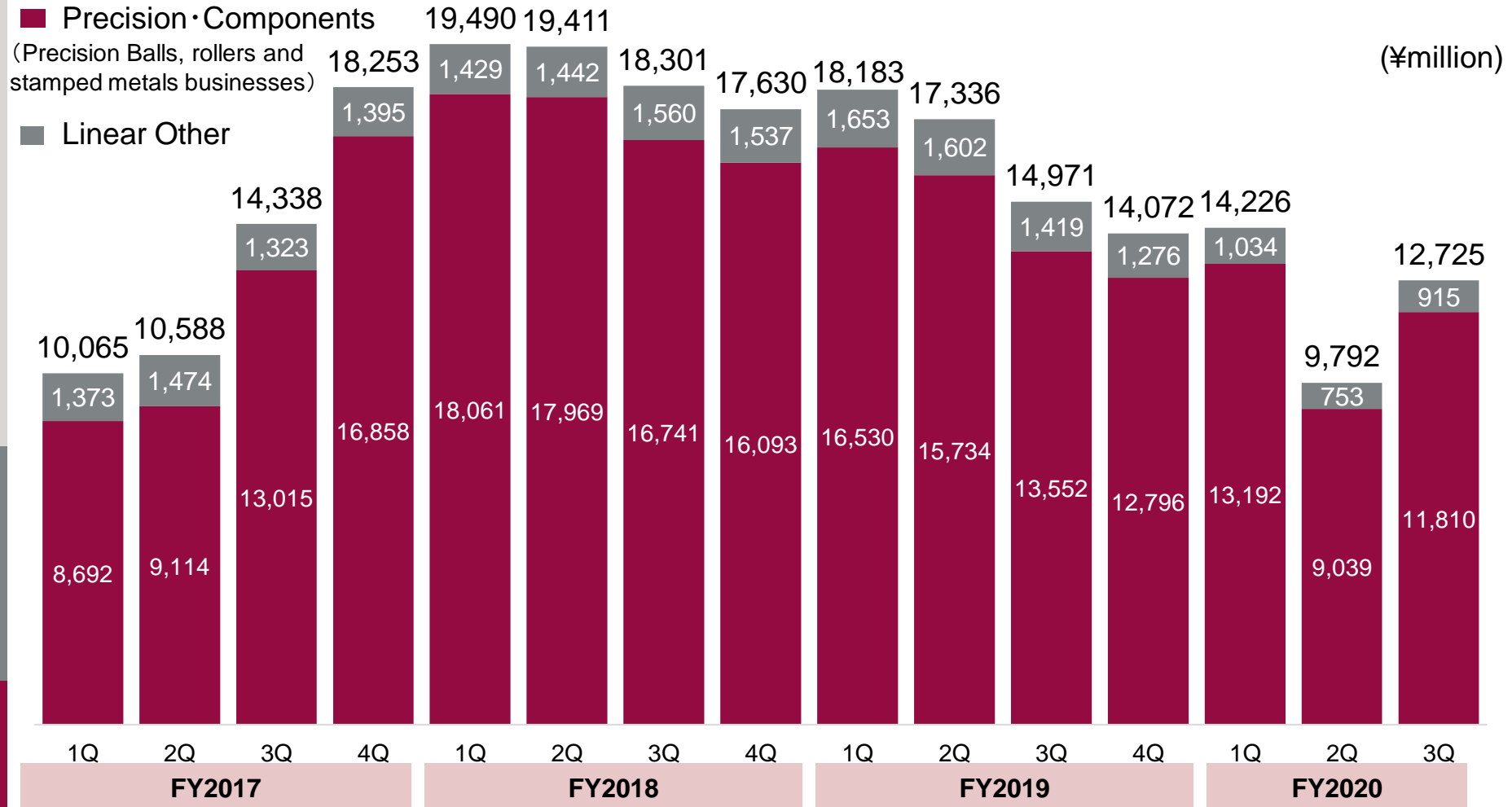
【Net profit】





# Sales by Quarter

Sales of Precision Component, sales of Linear Others increased by 30.7%, 21.5%, respectively



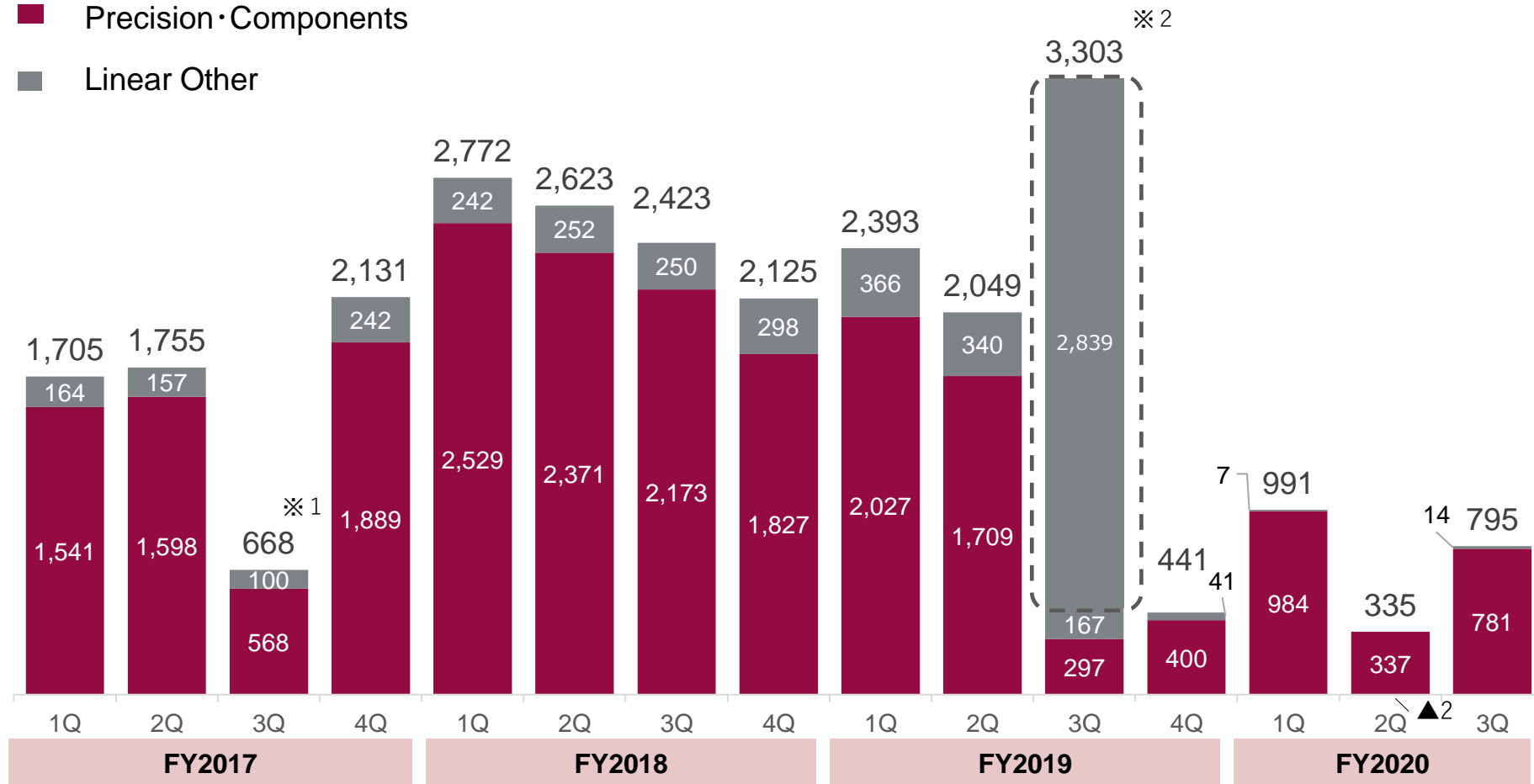


# Operating profit by Quarter

3Q OP increased owing to increase of 3Q Sales

(¥million)

- Precision・Components
- Linear Other



※ 1 After reflection of PBC Business Acquisition-related expenses (¥1,285mil)

※ 2 Profit on sales of assets (¥2,839mil) included



# 3Q FY2020 Consolidated results (YoY)

As COVID-19 infections spread worldwide, severe conditions continued, sales decreased by 25.9% and OP decreased by 72.1% compared to 3Q FY2019 (excluding FX impact)

(¥million)

	FY2019 3Q	FY2020 3Q			
	Actual	Actual	FX impact	Inc/dec※ 1	Inc/dec%※ 1
Sales	50,490	36,743	▲671	▲13,076	▲25.9%
Operating profit	7,745	2,121	▲42	▲5,582	▲72.1%
OP%	15.3%	5.8%	—	—	—
EBITDA	10,272	4,648	▲88	▲5,536	▲53.9%
EBIT	7,071	1,494	▲16	▲5,561	▲78.6%
Net profit	5,033	1,071	▲17	▲3,945	▲78.4%

※ 1 “Inc/dec” and “Inc/dec%” exclude “FX impact”



# 3Q FY2020 Segment/Region Sales (YoY)

Sales of each segment/region declined, but decline is slowing down

(¥million)

	FY2019 3 Q	FY2020 3Q			
	Actual	Actual	FX impact	Inc/dec※ <sup>1</sup>	Inc/dec%※ <sup>1</sup>
Consolidated	50,490	36,743	▲671	▲13,076	▲25.9%
Precision Components※ <sup>2</sup>	45,816	34,041	▲684	▲11,091	▲24.2%
Japan	8,528	6,822	—	▲1,706	▲20.0%
North America	10,492	7,854	▲117	▲2,521	▲24.0%
Europe	17,490	11,954	▲253	▲5,273	▲30.1%
Asia	9,313	7,403	▲314	▲1,596	▲17.1%
Linear and Other	4,674	2,702	13	▲1,985	▲42.5%

※<sup>1</sup> “Inc/dec” and “Inc/dec%” exclude “FX impact”

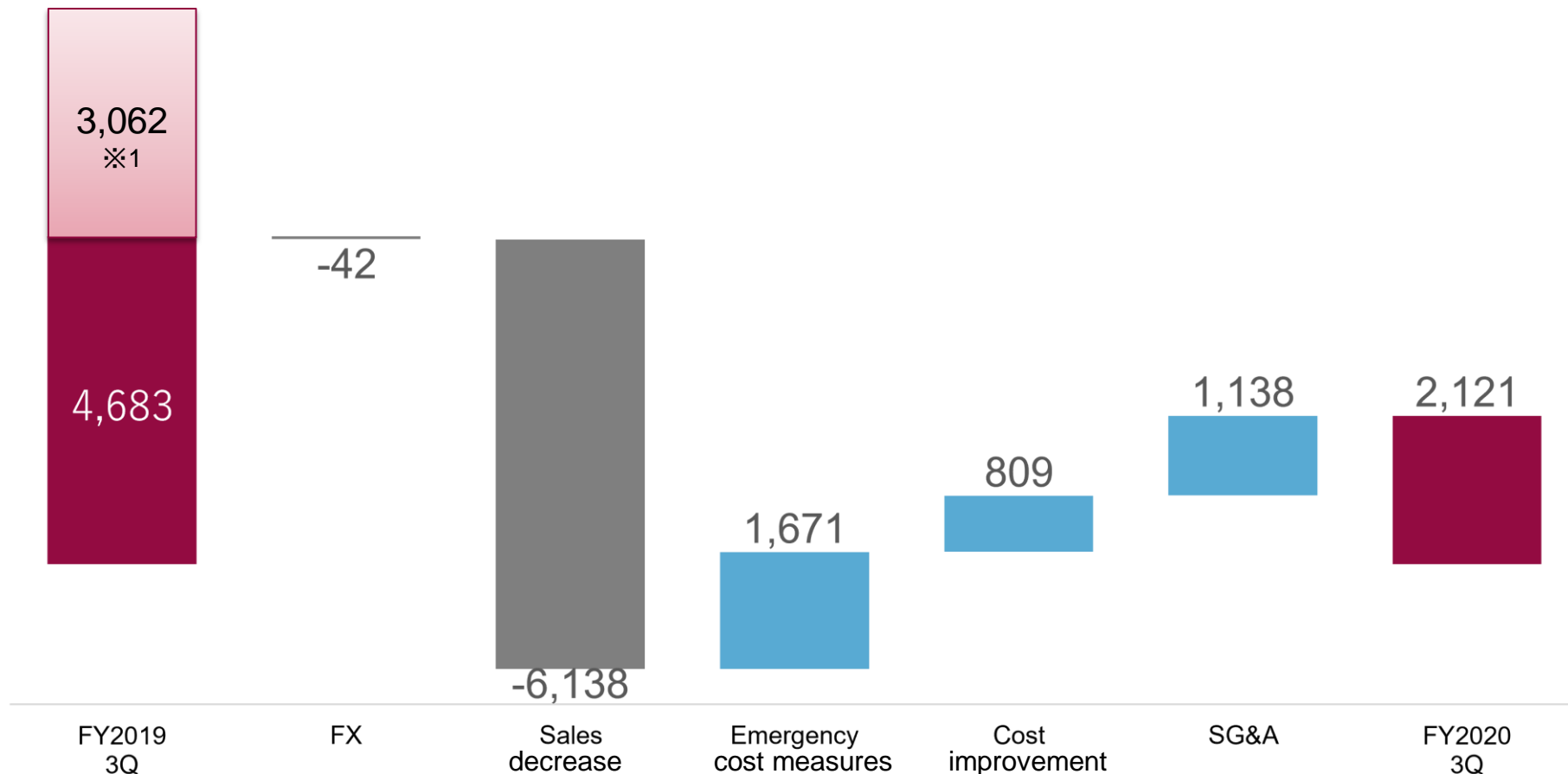
※<sup>2</sup> Excluding inter-segment profit

# 3Q FY2020 Operating profit bridge vs 3Q FY2019



Cost improvements and SG&A cuts plus Emergency cost measures contributed to profits. Meanwhile, sales decline due to the impact of COVID-19 infection had a significant impact.

(¥million)

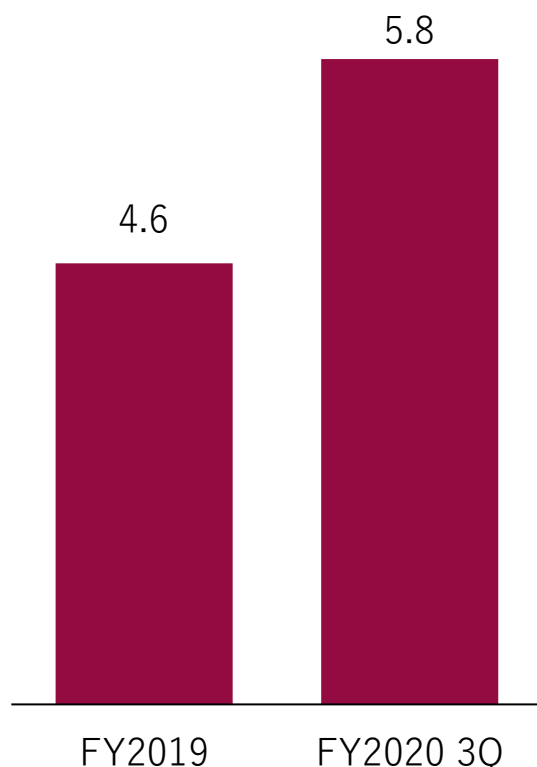


※1 Gain on sale and rent income associated with the sale of leased land conducted in fiscal 2019.



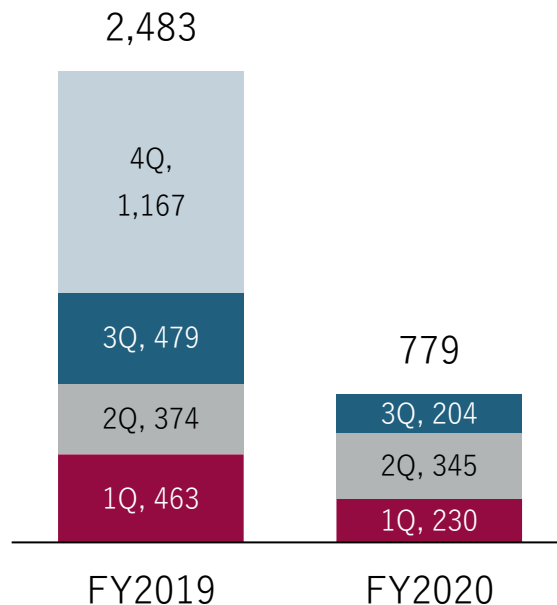
## Inventory Turn-over (months)

Decrease in sales worsened  
Turn-over period



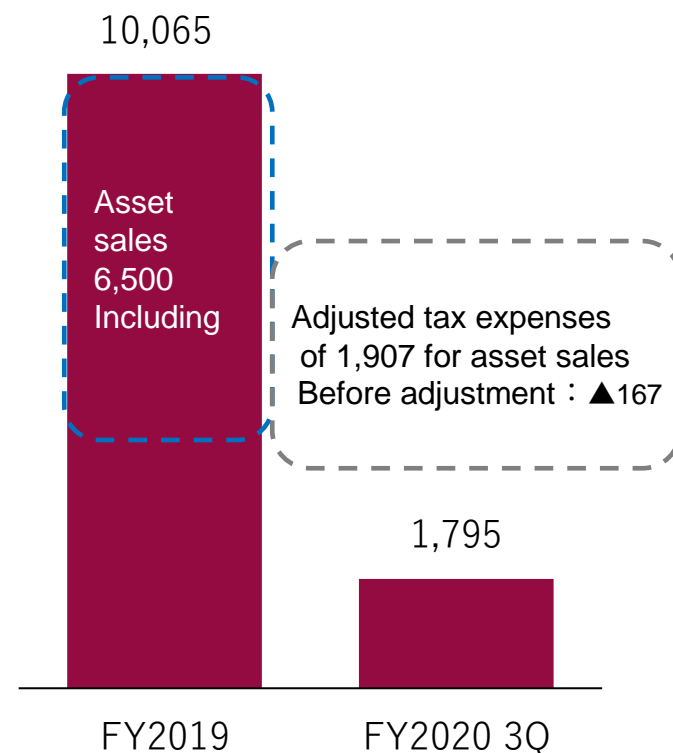
## CAPEX(¥million)

Dropped capex to bare minimum,  
excluding investments that  
contribute to growth and prevent  
operational risk



## Adjusted Free CF (¥million)

Continued to promote increase in  
cash on hand

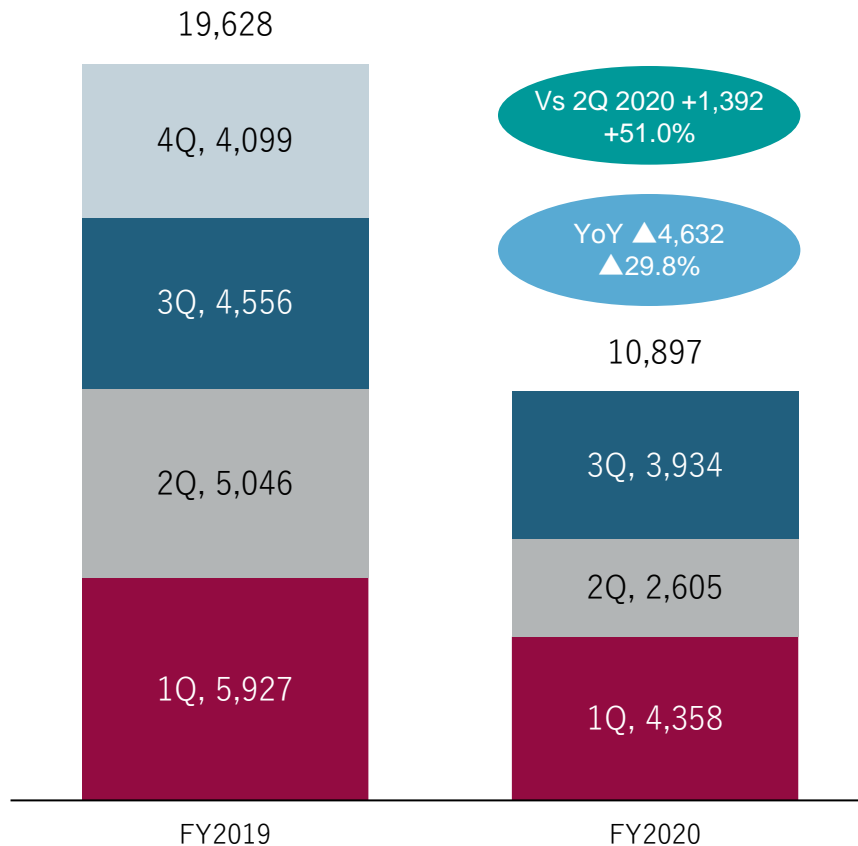




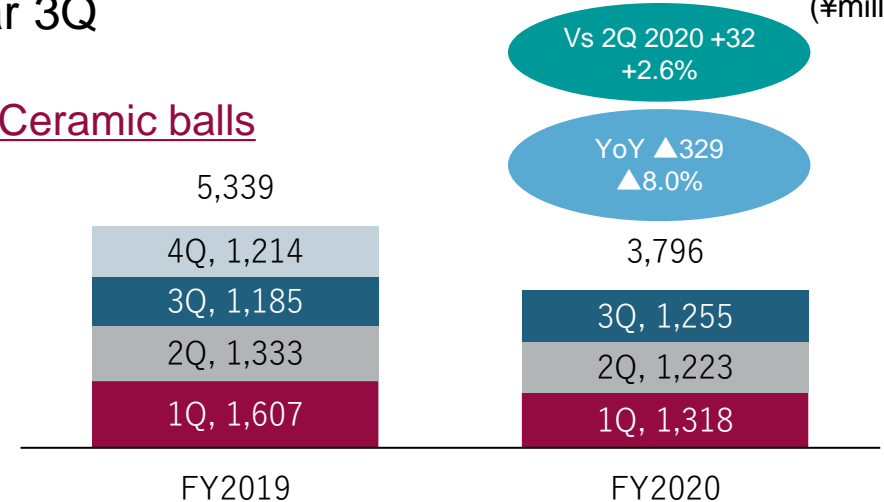
# 3Q FY2020 Sales initiatives

3Q Sales of each segments increased vs 2Q. Sales of Ceramic balls increased by 5.9%, ¥70 million also from previous year 3Q (¥million)

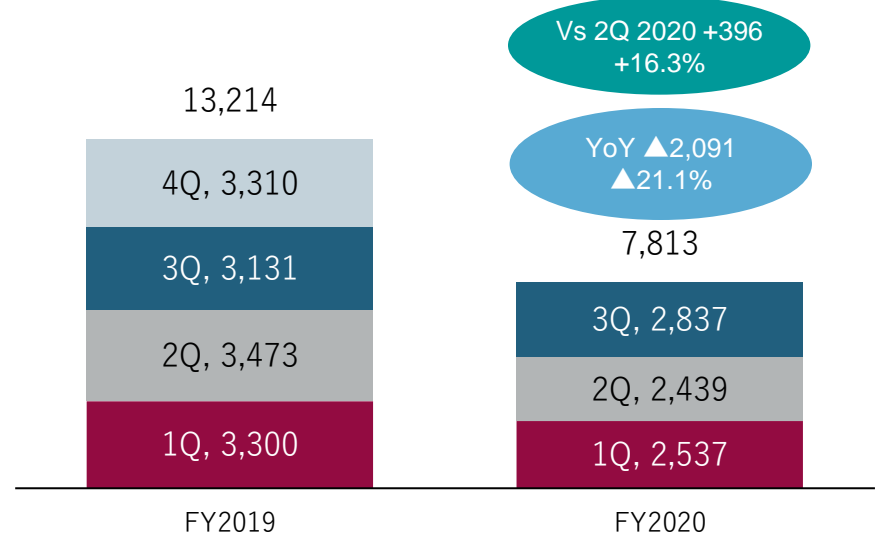
## Non-Japanese customers



## Ceramic balls



## Asian Markets (China and others)



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