

TRANSFORM NEXT 2023

Precision for a changing world



3Q FY2021 Results Presentation

November 12, 2021

Tsubaki Nakashima Co., Ltd. (TSE 6464)

Highlights for 3Q FY2021

Both sales and profit increased significantly YoY, but decreased QoQ
Steady increase in sales from growth strategies

Sales

- Sales achieved ¥51.2 billion. 33%※ up YoY
- Combined Sales for the growth strategies achieved ¥8.9 billion. Increase for the fifth consecutive quarter

Profits

- Operating profit achieved ¥5.38 billion. 146%※ up YoY
- Operating profit margin in 3Q 2021 continued to improve to 10.7%

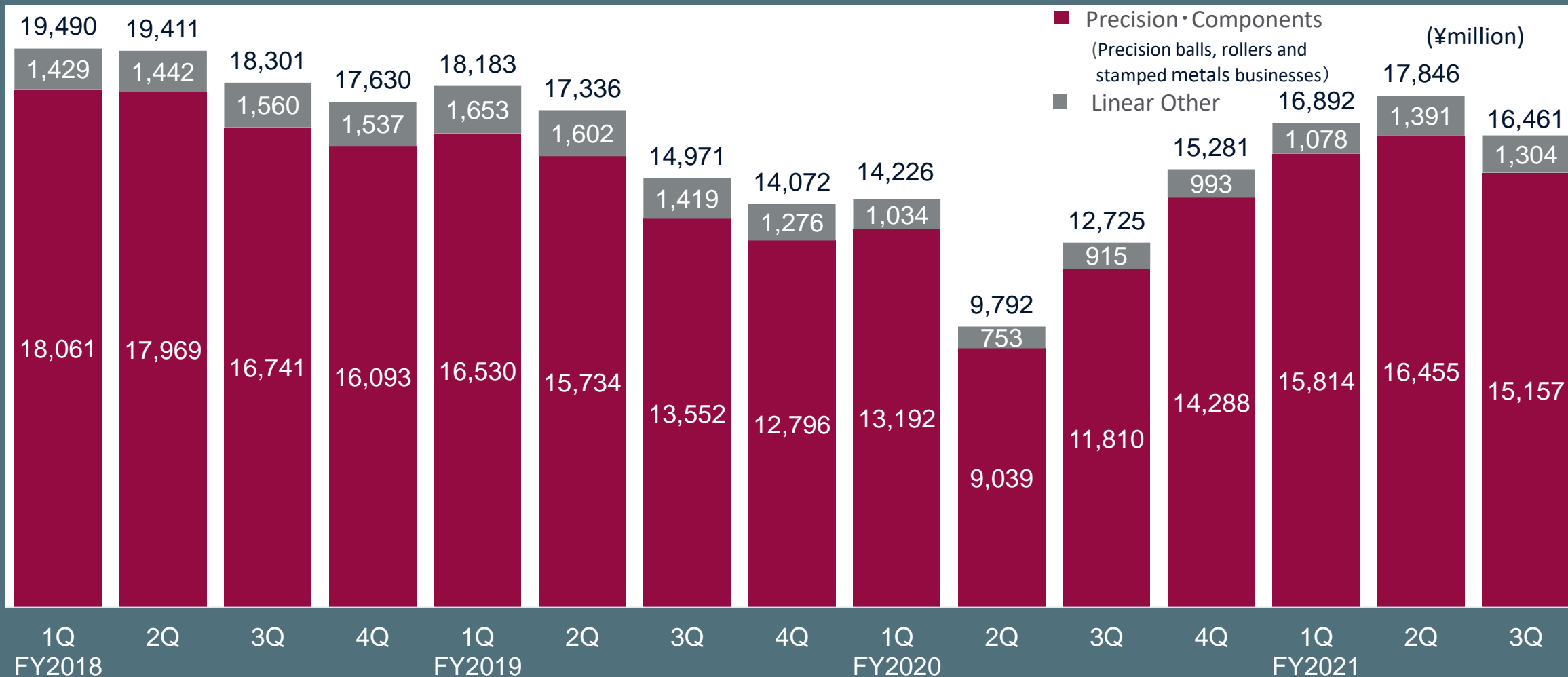
Dividend

- Policy of maintaining a dividend payout ratio of 50% remains unchanged

※ exclude “FX impact”

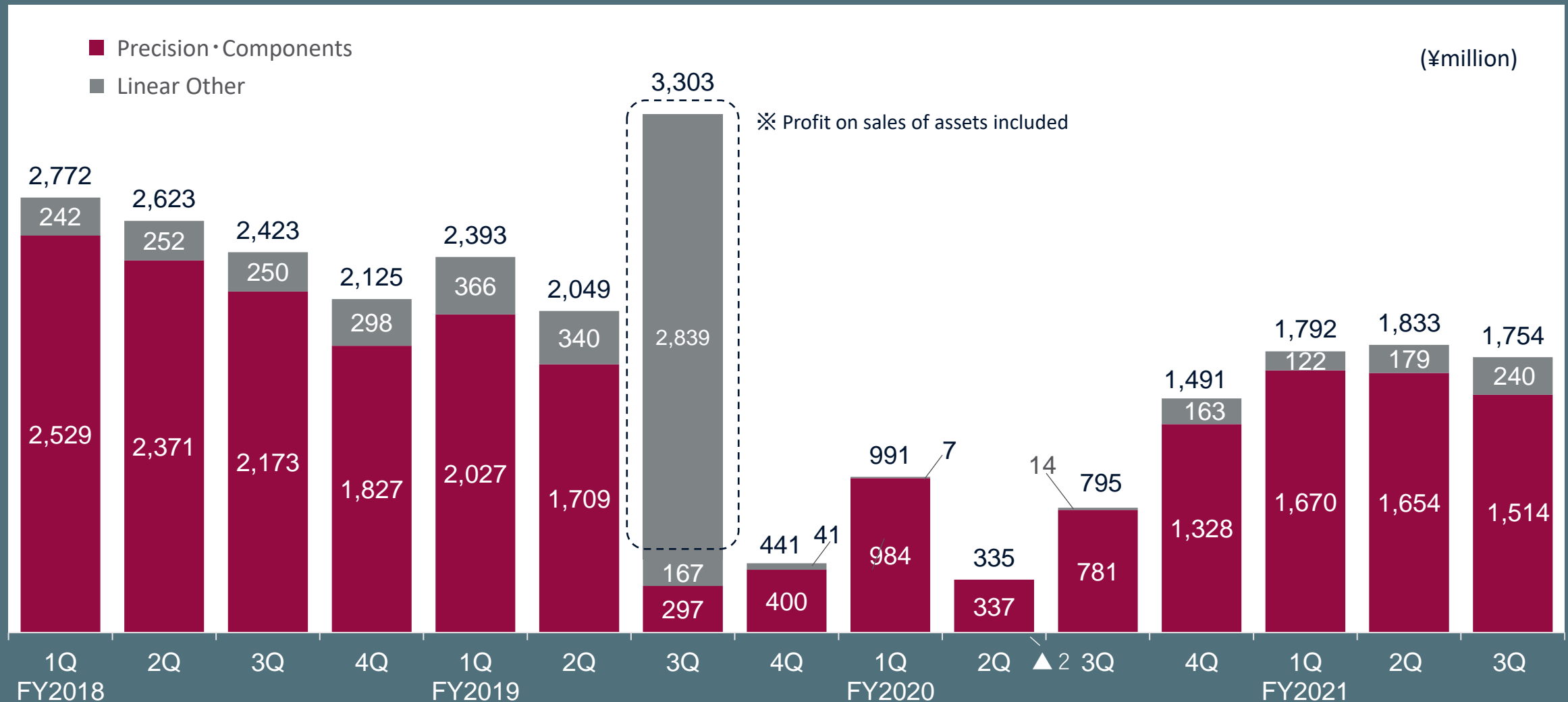
Sales by Quarter

Sales of Precision Components decreased by 7.9% QoQ, and sales of Linear Other decreased by 6.3% QoQ, both due to reduced production of automobiles



Operating profit by Quarter

OP decreased by 4.3% QoQ due to the decrease in sales



3Q FY2021 Consolidated results (YoY)

Sales increased 33.2% YoY, and OP increased 145.9% YoY
(excluding FX impact)

(¥million)

	FY2020 3Q	FY2021 3Q			
	Actual	Actual	FX impact	Inc/dec ^{※1}	Inc/dec% ^{※1}
Sales	36,743	51,199	2,245	12,211	33.2%
Operating profit	2,121	5,379	163	3,095	145.9%
OP%	5.8%	10.5%	—	—	—
EBITDA	4,648	7,912	288	2,976	64.0%
EBIT	1,494	4,835	415	2,926	195.9%
Net profit	1,071	3,352	364	1,917	179.0%

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

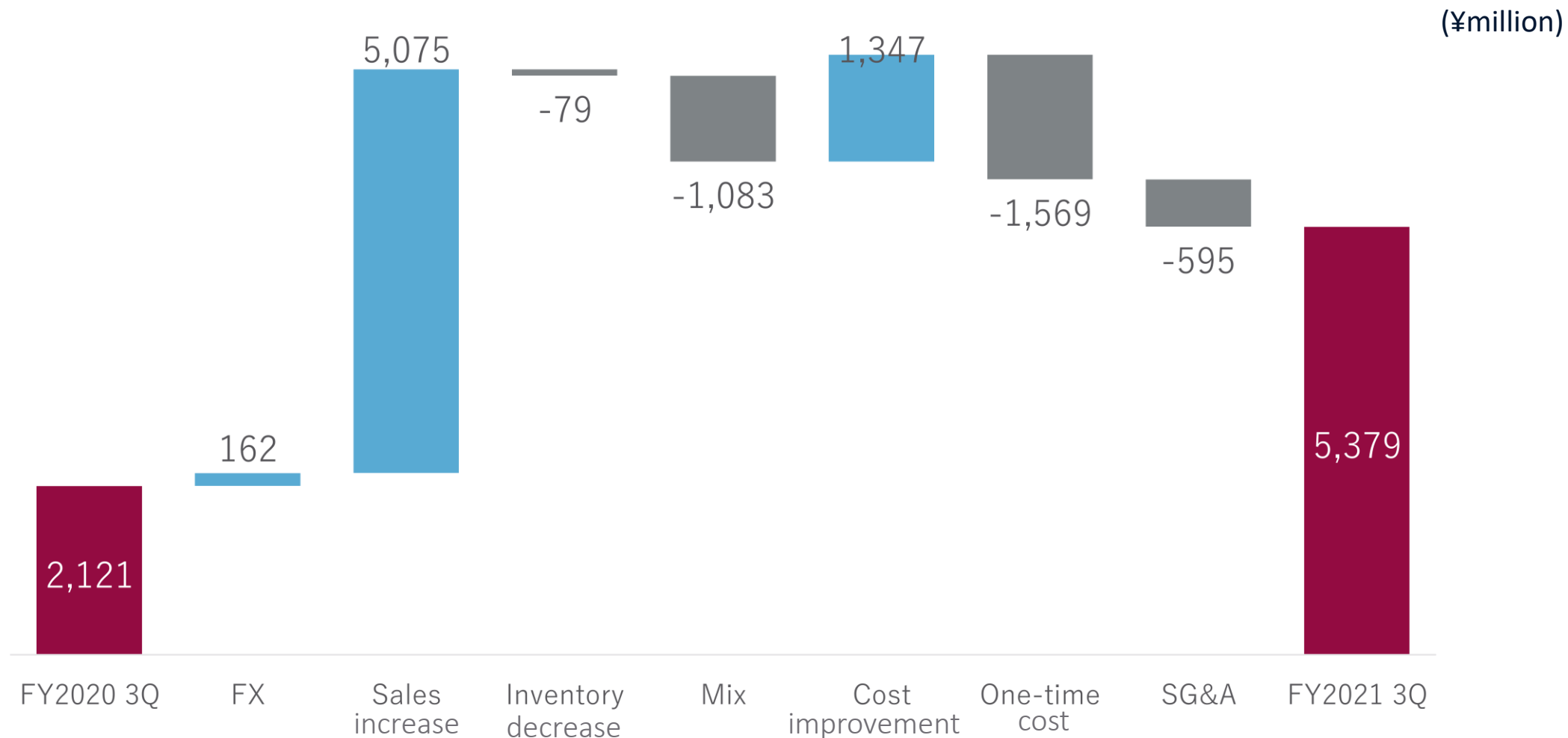
3Q FY2021 Segment/Region Sales (YoY)

YoY growth rate of the Precision Components segment was Japan, Europe, Asia, and North America, in that order. All regions exceeded macro growth.

	FY2020 3Q	FY2021 3Q				(¥million)
	Actual	Actual	FX impact	Inc/dec ^{※1}	Inc/dec% ^{※1}	
Consolidated	36,743	51,199	2,245	12,211	33.2%	
Precision Components ^{※2}	34,041	47,426	2,205	11,180	32.8%	
Japan	6,822	9,545	—	2,723	39.9%	
North America	7,854	9,641	82	1,705	21.7%	
Europe	11,964	17,440	1,216	4,260	35.6%	
Asia	7,403	10,804	907	2,494	33.7%	
Linear and Other	2,702	3,773	40	1,031	38.2%	

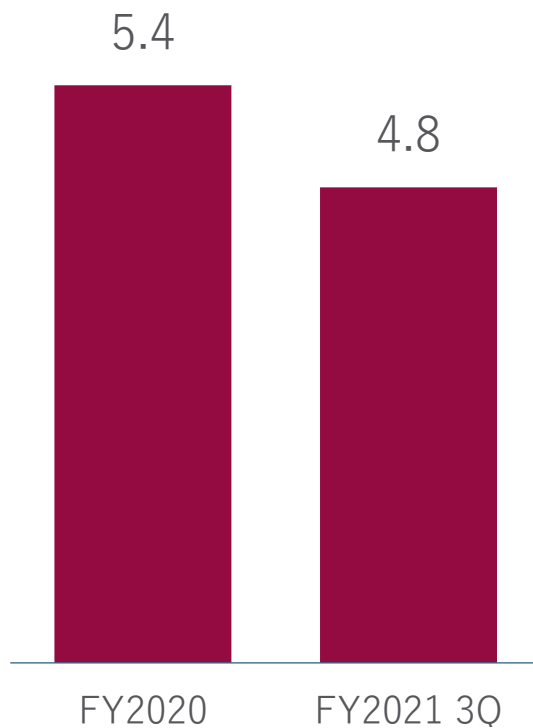
3Q FY2021 Operating profit bridge vs 3Q FY2020

Owing to contribution from sales increase and cost improvement, OP increased by 153.6% to ¥5.379 billion vs. 3Q FY2020



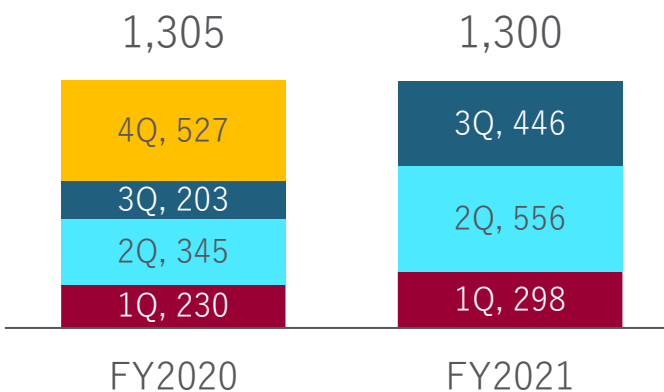
Inventory Turn-over (months)

The Turn-over period improved
owing to the increase in sales



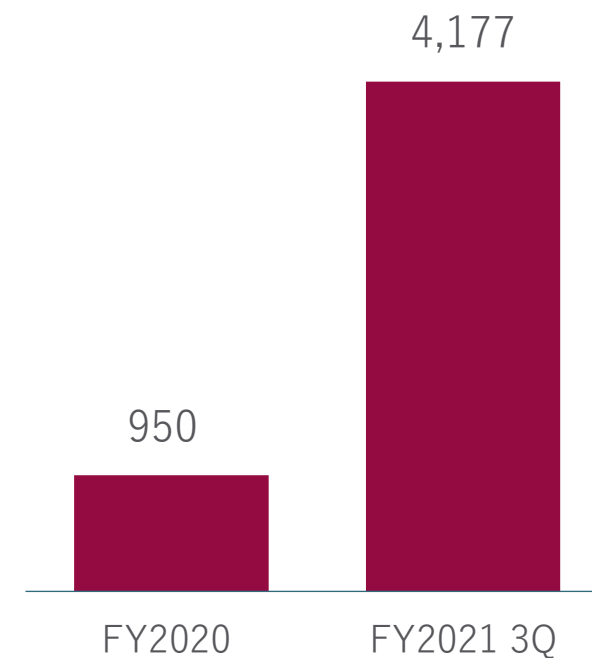
CAPEX (¥million)

Promoting capital investment for growth



Free CF (¥million)

Generated FCF significantly higher than
the previous fiscal year



Progress in Growth Strategies

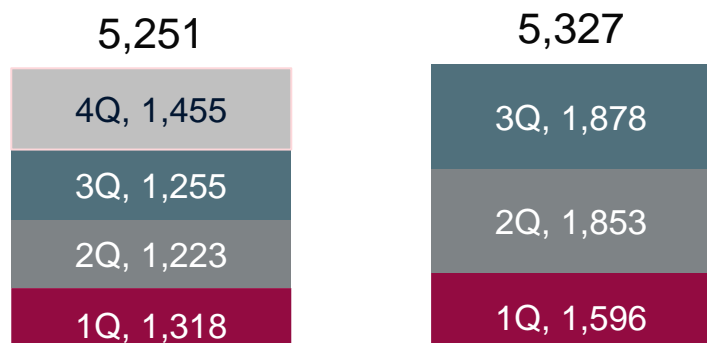
In the three growth strategies, each strategic division performed well

(¥million)

Ceramic balls

YoY +623
+49.6%

QoQ +25
+1.3%



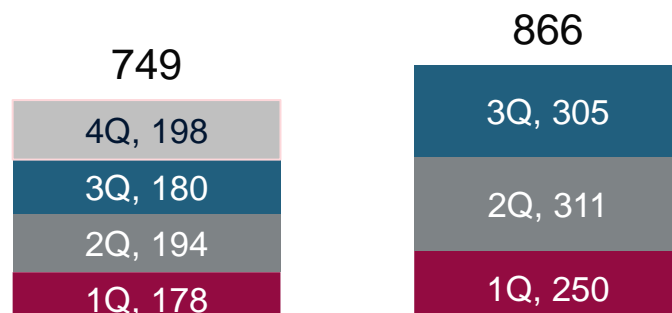
FY2020

FY2021

Medical Device

YoY +125
+69.4%

QoQ ▲6
▲1.9%



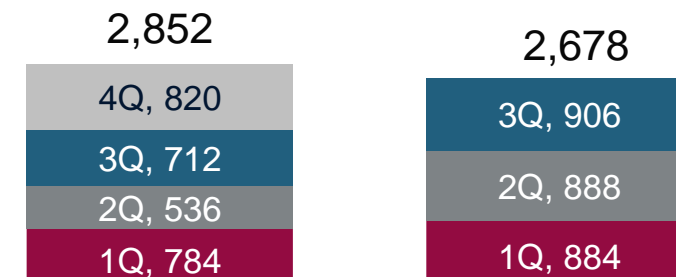
FY2020

FY2021

Growth in Asia (ex. China, ceramic)

YoY +194
+27.2%

QoQ +18
+2.0%



FY2020

FY2021

FY2021 Revised forecast

Revision to the financial results forecast announced most recently: No
Although defects have occurred in some of the products delivered to a specific customer and some costs to deal with this are anticipated, it is difficult to make a reasonable estimate at this time and these costs have not been incorporated into the full-year consolidated forecast.

(¥million)

	Previous	Revised	Inc/dec	Inc/dec
Sales	60,800	69,000	8,200	13.5%
Operating profit	6,100	7,100	1,000	16.4%
EBIT	5,200	6,100	900	17.3%
Net profit※	3,700	4,600	900	24.3%
EPS(Yen)	91.95	114.41	22.46	24.4%
Dividend per share(Yen)	46	57	11	23.9%

※"Net profit" on this slide refers to "Profit attributes to owners of the parent"



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