

# 1Q FY2022 Results Presentation

May 13, 2022

Tsubaki Nakashima Co., Ltd  
(Prime Market of TSE 6464)



# TRANSFORM NEXT2023

*Precision for a Changing and Sustainable world*

# Highlights for 1Q FY2022

While sales showed steady growth as quality & inventory issues that occurred in FY2021 were resolved, profit growth was sluggish due to inability to absorb cost increases in energy, raw materials, etc.

## Sales

- While automobile production is declining due to the shortage of semiconductors and other factors, a rapid recovery in machine tools has led to Sales increased YoY and QoQ to ¥18.6 billion. 4.9%※<sup>1</sup> up YoY
- Combined Sales for the growth strategies also increased YoY and QoQ to ¥3.4 billion

## Profits

- Despite efforts to increase profits through sales increasing and cost improvements, operating profits were ¥1.5 billion due to costs increasing, including higher raw material and energy prices  
(Progress remains at 18% of guidance※<sup>2</sup> in February)

## Dividend

- Annual dividend ¥30 per share as per guidance

※<sup>1</sup> Excluding “FX impact”

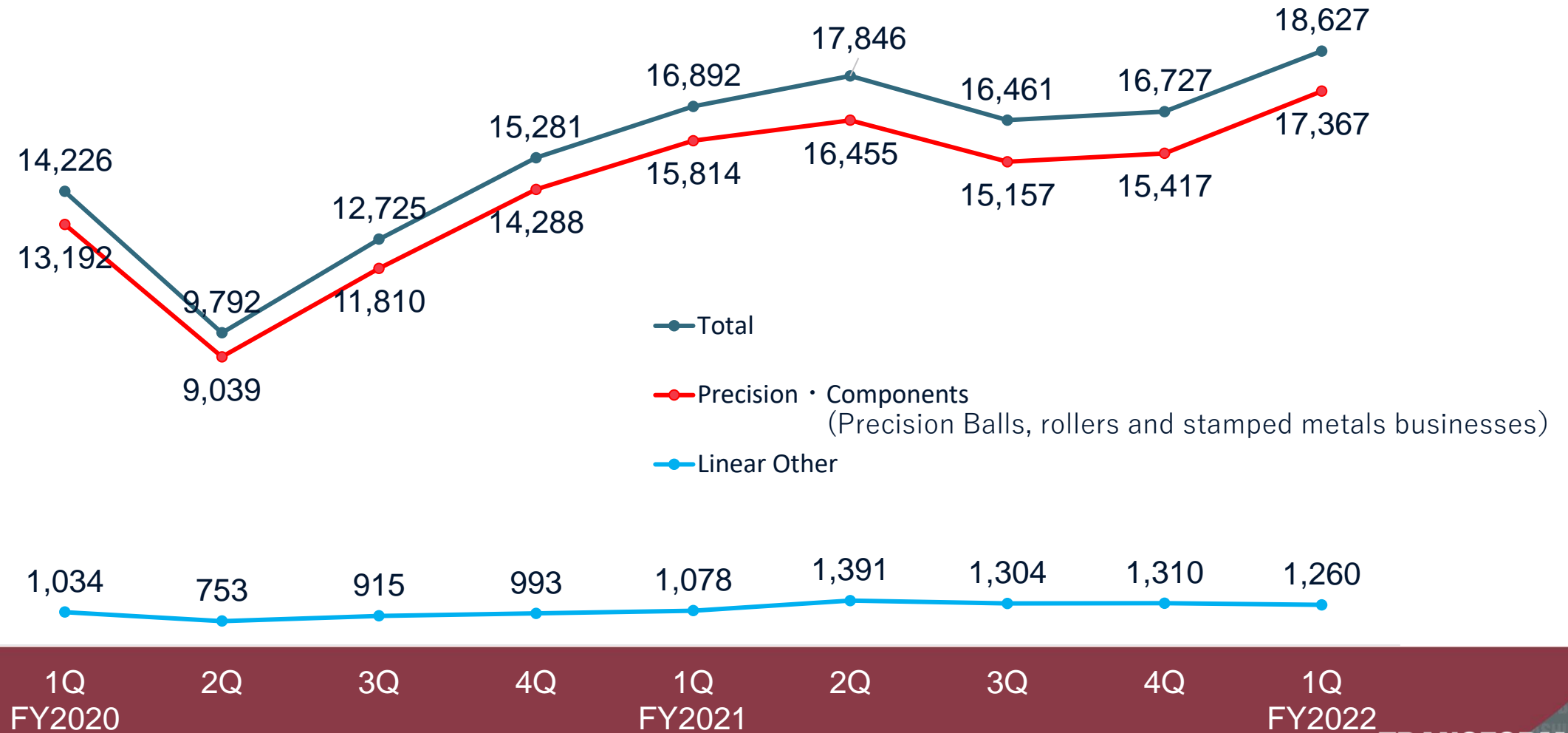
※<sup>2</sup> Excluding ¥3 billion of expenses related to restructuring of European rollers

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# Sales by Quarter

Sales of Precision Components increased by 9.8% YoY, 12.7% QoQ

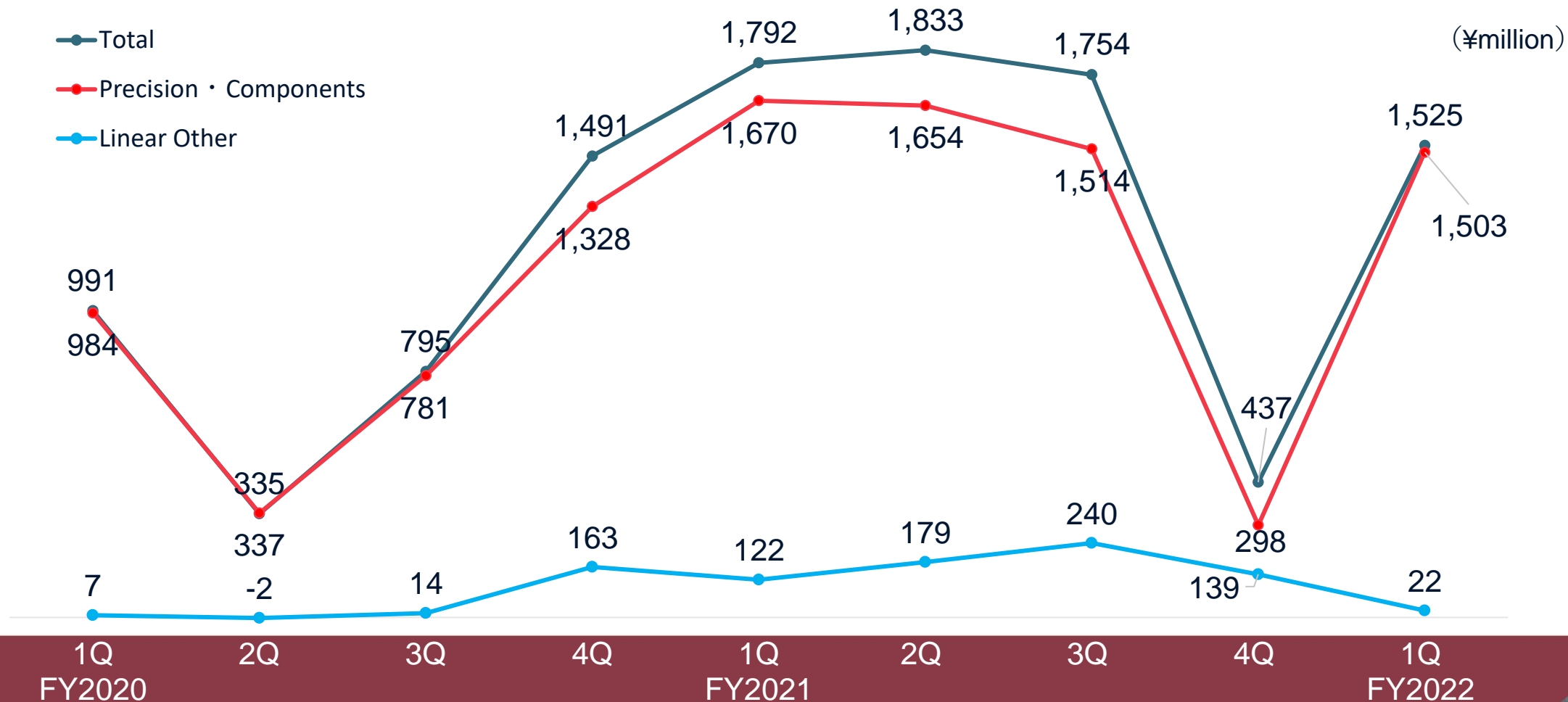
Sales of Linear Other increased by 16.9% YoY, decreased by 3.9% QoQ



# Operating profit by Quarter

OP of Precision Components decreased by 10.0% YoY

OP of Linear Other decreased by 81.8% YoY



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# 1Q FY2022 Consolidated results (YoY)

Sales increased by 4.9% and OP decreased by 18.9% (excluding FX impact)

(¥million)

	FY2021 1 Q	FY2022 1Q			
	Actual	Actual	FX impact	Inc/dec <sup>※1</sup>	Inc/dec% <sup>※1</sup>
Sales	16,892	18,627	902	834	4.9%
Operating profit	1,792	1,525	72	▲ 339	▲ 18.9%
OP%	10.6%	8.2%	—	—	—
EBITDA	2,620	2,406	118	▲ 332	▲ 12.7%
EBIT	1,772	1,438	61	▲ 395	▲ 22.3%
Net profit	1,327	1,045	44	▲ 327	▲ 24.6%

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

# 1Q FY2022 Segment/Region Sales (YoY)

	FY2021 1 Q	FY2022 1Q				(¥million)
	Actual	Actual	FX impact	Inc/dec <sup>※1</sup>	Inc/dec% <sup>※1</sup>	
Consolidated	16,892	18,627	902	834	4.9%	
Precision Components <sup>※2</sup>	15,814	17,367	874	679	4.3%	
Japan	3,109	3,286	—	177	5.7%	
North America	3,295	3,384	311	▲ 222	▲ 6.7%	
Europe	5,961	6,489	132	396	6.6%	
China	3,037	3,486	406	43	1.4%	
Asia(ex. China)	413	722	26	283	68.5%	
Linear and Other	1,078	1,260	28	154	14.3%	

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

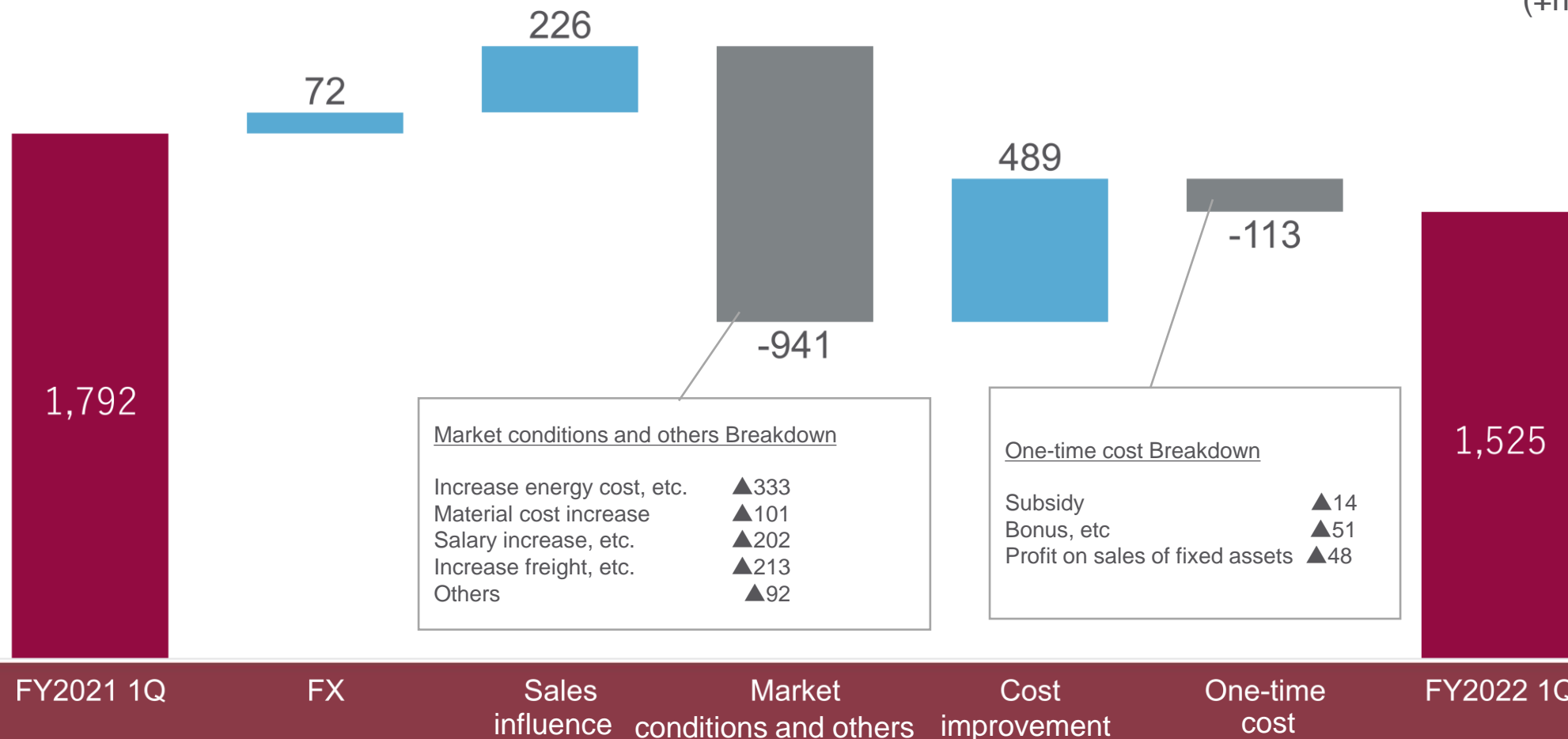
※2 Excluding inter-segment profit

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# 1Q FY2022 Operating profit bridge

OP decreased by 14.8% to ¥1.525 billion due to energy cost increasing, raw material cost increasing and other factors, while sales increasing

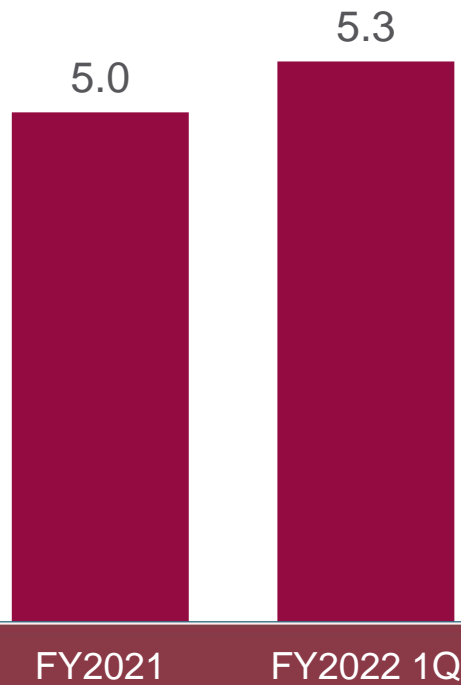
(¥million)



# BS/CF

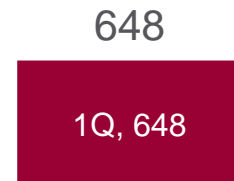
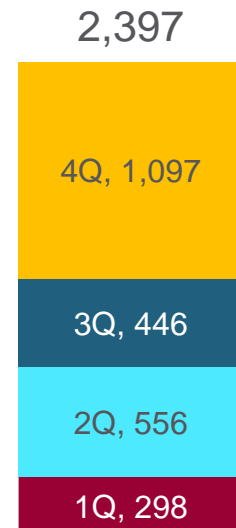
## Inventory Turn-over (months)

Increase in inventory towards sales expansion forecast in 2Q and beyond



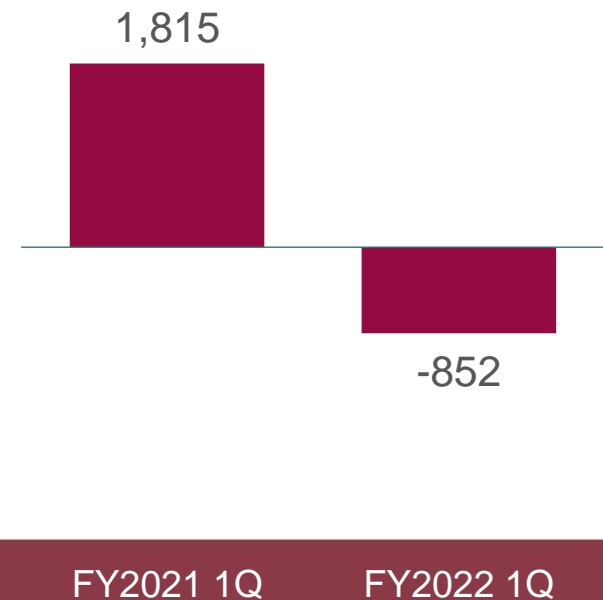
## CAPEX (¥million)

Promoting capital investment for future growth



## Free CF (¥million)

Increased inventory and CAPEX associated with future growth





# Progress in Growth Strategies (1Q FY2022)

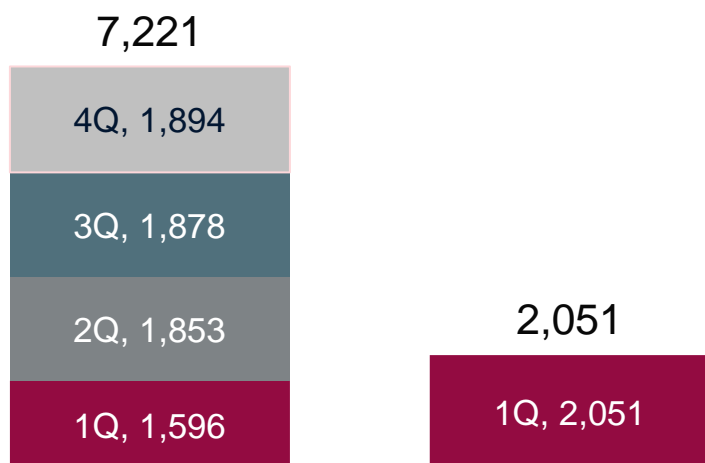
In the three growth strategies, each strategic division saw significant YoY growth.  
Sales of Ceramic balls and Growth in Asia increased for seven consecutive quarters

(¥million)

## Ceramic balls

YoY +455  
+28.5%

QoQ +157  
+8.3%



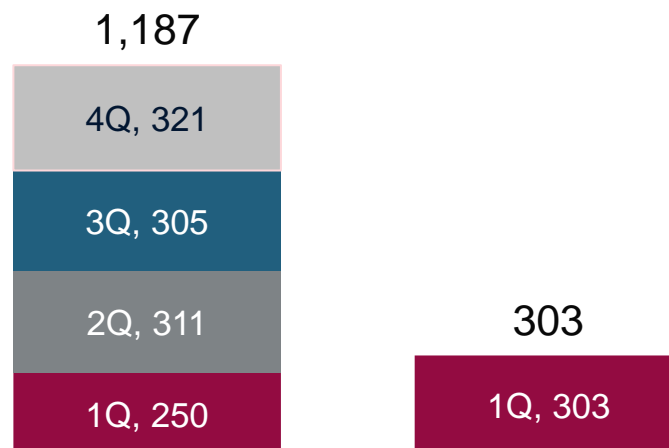
FY2021

FY2022

## Medical Device

YoY +53  
+21.2%

QoQ ▲18  
▲5.6%



FY2021

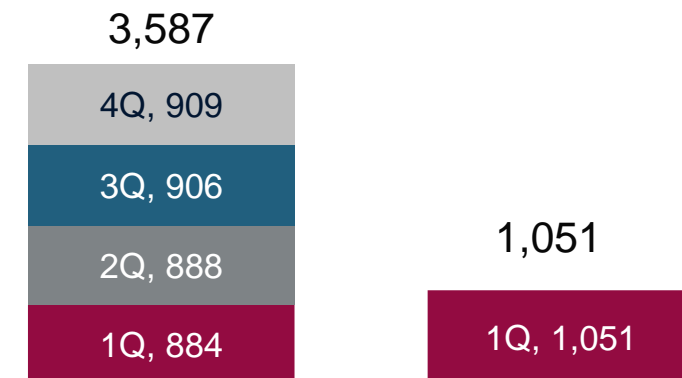
FY2022

## Growth in Asia

(ex. China, ceramic)

YoY +167  
+18.9%

QoQ +142  
+15.6%



FY2021

FY2022

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# Sustainability Initiatives

## CO<sub>2</sub> Emission Reduction Targets



- -27.5% Ton CO<sub>2</sub> by 2030 compared to 2019
- Aiming to achieve carbon neutrality by 2050

182.923 TON CO <sub>2</sub>	166.276 TON CO <sub>2</sub>	190.849 TON CO <sub>2</sub>	169.204 TON CO <sub>2</sub>	164.631 TON CO <sub>2</sub>	160.058 TON CO <sub>2</sub>	155.485 TON CO <sub>2</sub>	150.911 TON CO <sub>2</sub>	146.338 TON CO <sub>2</sub>	141.765 TON CO <sub>2</sub>	137.192 TON CO <sub>2</sub>	132.619 TON CO <sub>2</sub>
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### OUR TARGETS



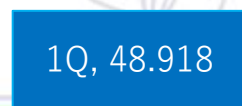
190.849



FY2021

48.918

1Q, 48.918



FY2022



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# ESG Strategy

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