



Annual Results Presentation FY 12/2015

February 2016

Tsubaki Nakashima Co., Ltd.

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This presentation is an English translation of the material initially written in Japanese, which should be considered to be the primary version.

Agenda



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1. Annual Results FY12/2015

Result Highlight



- Sales, Operating profit, Net profit recorded historic high.
- Free Cash Flow improved significantly.
- Strategic initiatives execution progressed steadily.
- Planned year-end dividend is ¥33 per share.
(Considered to be FY 2H/2015 dividend. Dividend yield based on
IPO offering price = ¥1,550 is 4%)



Consolidated Annual Results FY12/2015

- Sales was up 8.7% from FY2014 to ¥39.2bn, Adjusted Operating profit up 11.1% to ¥7.6bn, Adjusted Net profit up 19.0% to ¥5.2bn. All three recorded historic high.

- Planned end-year dividend of ¥33.

(¥ million)

	FY2014	FY2015	
	Actual	Actual	YOY
Sales	36,049	39,178	+8.7%
Operating profit	5,218	7,110	+36.3%
Adjusted** Operating profit	6,806	7,562	+11.1%
EBITDA	6,924	8,890	+28.4%
Adjusted** EBITDA	8,511	9,342	+9.8%
Net profit*	3,843	4,476	+16.5%
Adjusted** Net profit	4,393	5,230	+19.0%
Adjusted** EPS (¥)	112.24	133.27	+18.7%

- Planned year-end dividend, ¥33 per share, is considered semi-annual payout for 2H/2015. From FY2016 onwards, we plan semi-annual dividend (interim and year-end.)

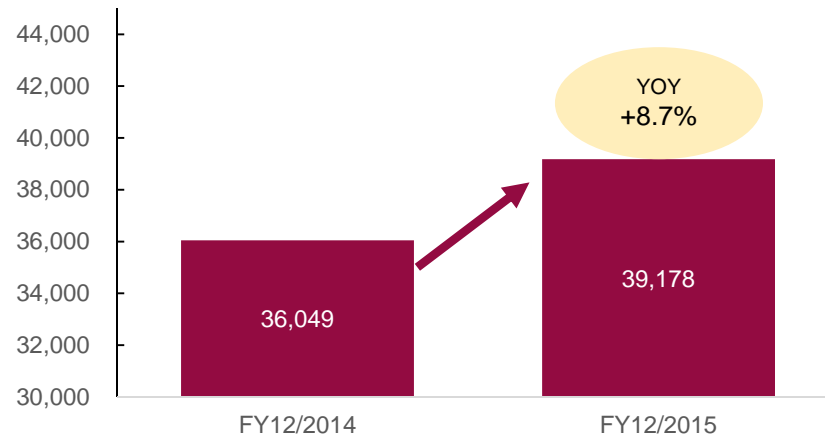
*"Net profit" in this material refers to "Profit for the year attributable to owners of the parent"

** Excluding various one-off expenses such as an antitrust penalty and advisory costs related to IPO.

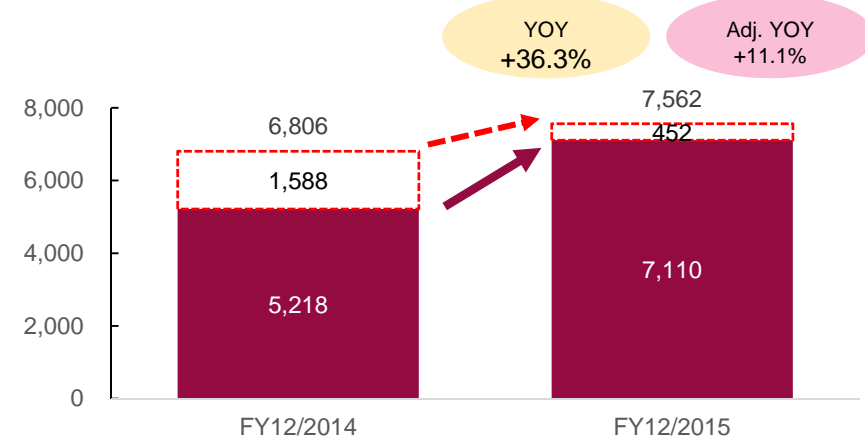
Key Performances - 1



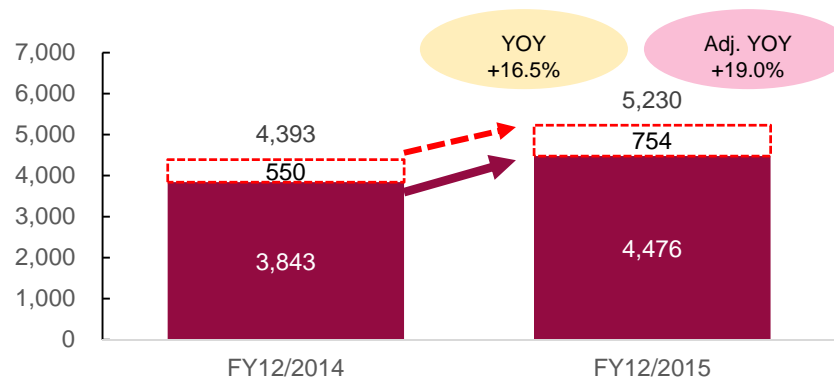
Sales



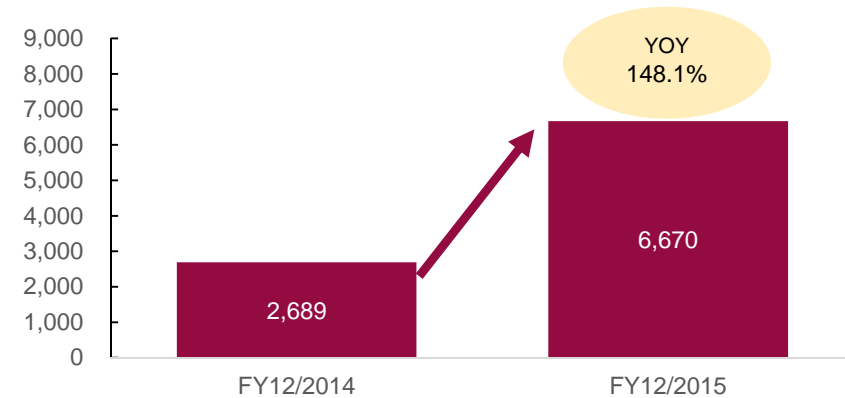
Operating profit (¥ million)



Net profit



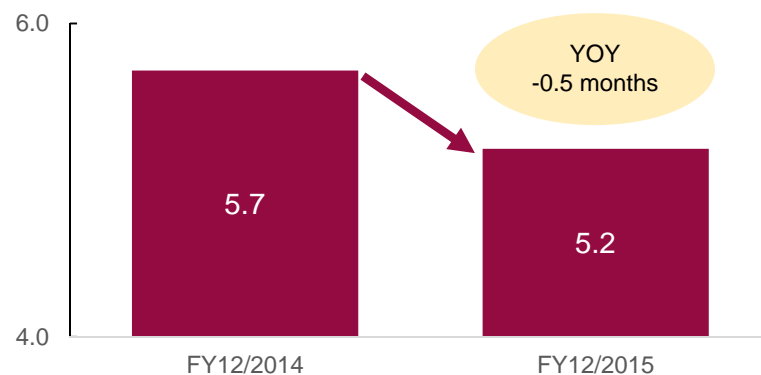
Free Cash Flow



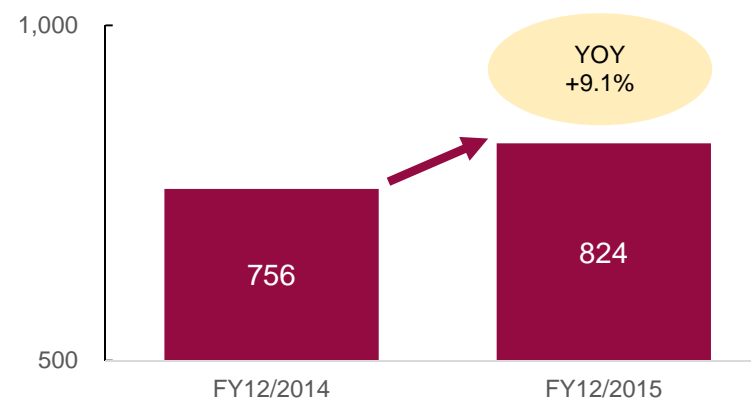


Key Performances - 2

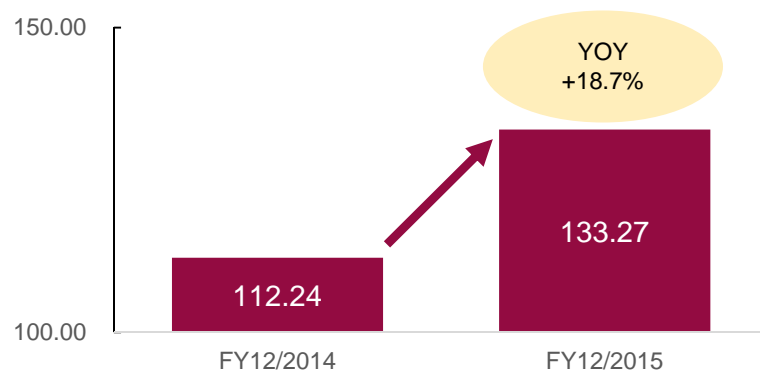
Inventory Turn-over (months)



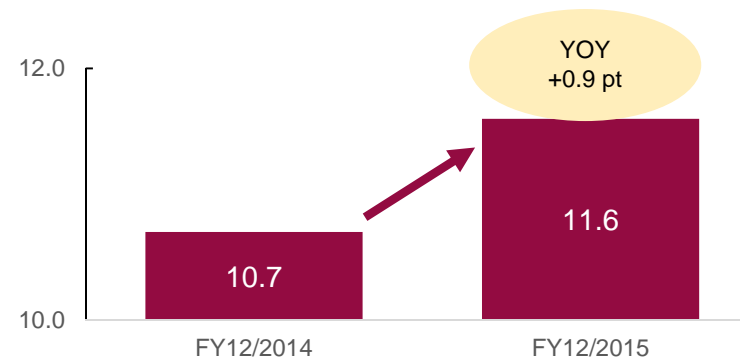
CAPEX (¥ million)



Adjusted EPS (¥)



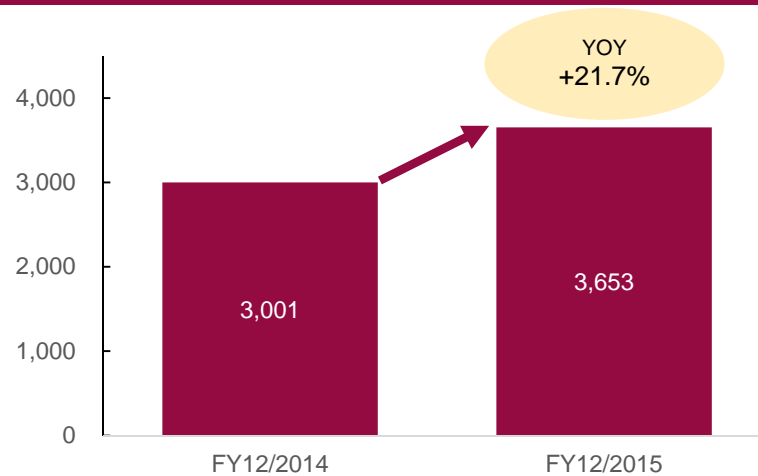
Adjusted ROE (%)



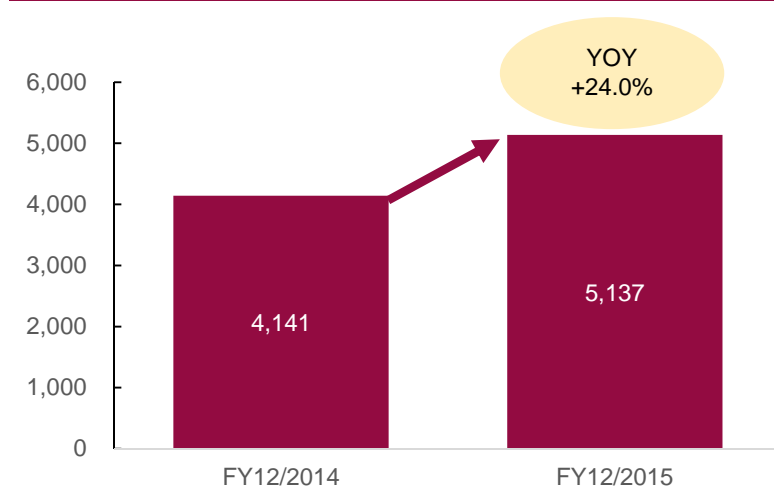
Growth Strategy Progress 2014-2015



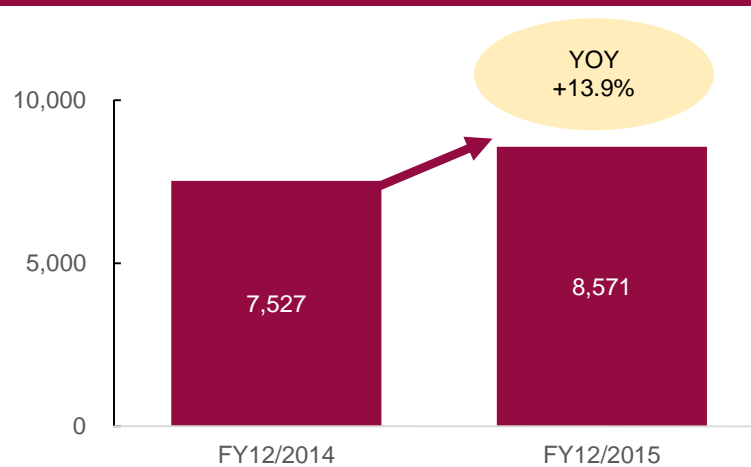
Sales to non-Japanese Customers



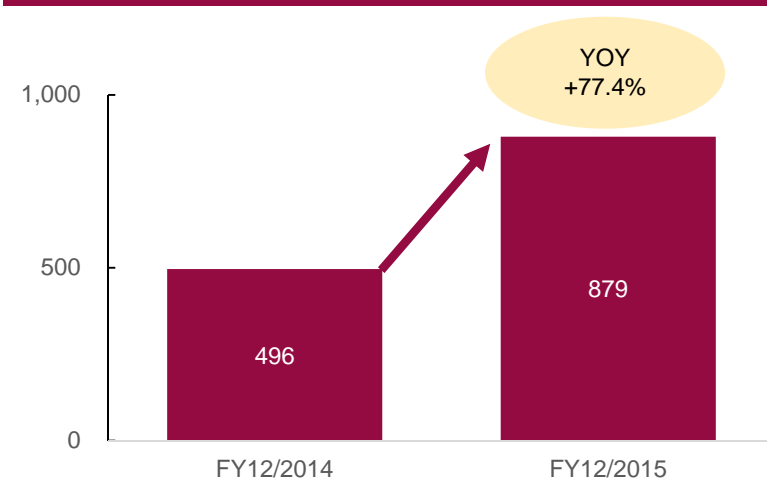
Ceramic Ball Sales (¥ million)



Growth in Asia



New Frontiers

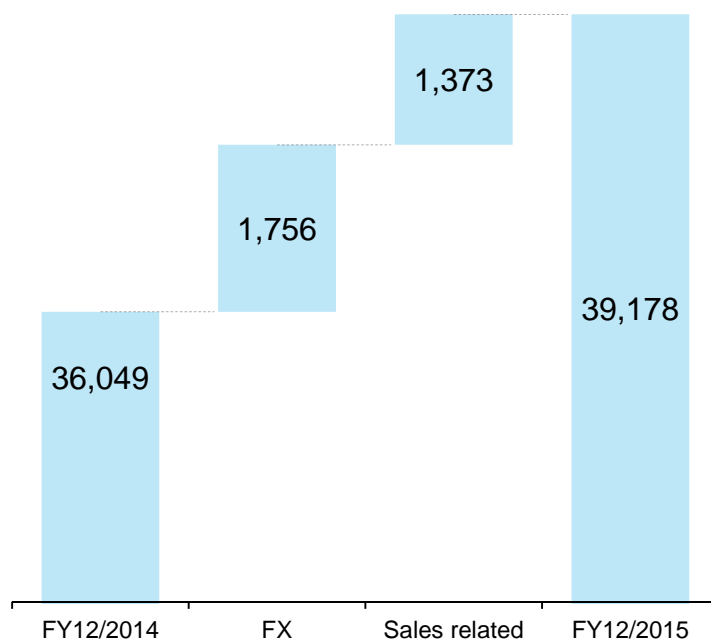


Sales & Operating profit Bridge Analysis 2014 - 2015

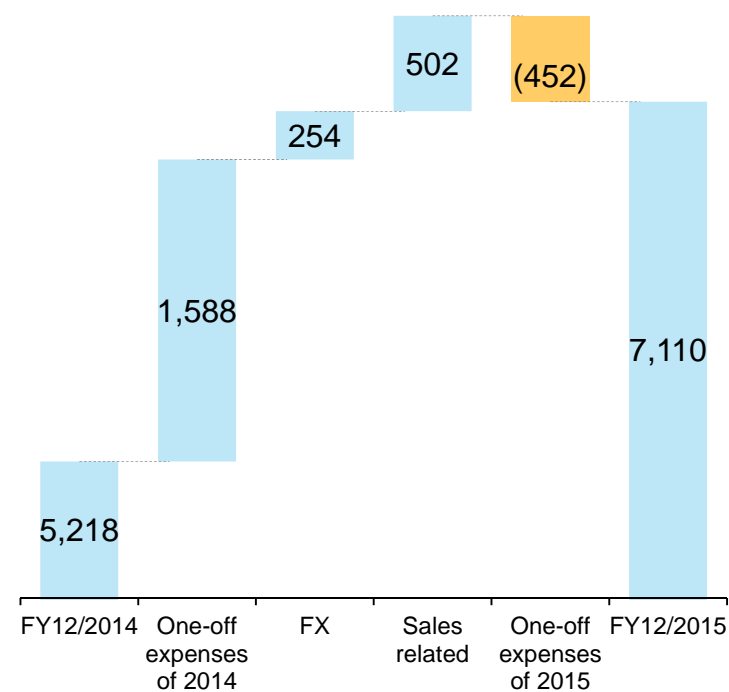


(¥ million)

Sales



Operating profit





2. Guidance FY12/2016

Highlight for FY12/2016



- Target to surpass the Operating profit record of FY2015
- Further drive growth strategies
- Achieve further efficiency through global team effort
- Continue actions to strengthen balance sheet management
- Continue 50% dividend pay-out ratio



Forecast FY12/2016

Maintain high margin and cover FX impact with sales initiatives.

Sales almost flat but Operating Profit grows +6.9%

(¥ million)

	FY2015	FY2016	
	Actual	Forecast	YoY
Sales	39,178	39,200	+0.1%
OP profit	7,110	7,600	+6.9%
EBITDA	8,890	9,300	+4.6%
Adjusted** EBITDA	9,342	9,300	-0.5%
Net profit*	4,476	5,000	+11.7%
Adjusted** Net profit	5,230	5,100	-2.5%
EPS (¥)	114.06	125.72	+10.2%

- Annual payout ratio target 50%. Interim dividend of ¥30 and year-end dividend of ¥33 are planned.
- FX rate assumptions for 2016: \$1=¥115, 1 RMB=¥17.5 (For 2015, \$1=121.05, 1 RMB=¥19.22)

* Excluding various one-off expenses such as advisory costs related to IPO.