



1Q Results Presentation FY 12/2016

May 9, 2016

Tsubaki Nakashima Co, Ltd.

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1Q Results FY12/2016



Results Highlight

- Q1 Results are in line with our expectation, tough macro environment has negatively impacted results vs last year, we think bottom has already been reached and recovery begins
- Execution of Strategies has kept growth momentum which has partially neutralized negative impact of Macro factors
- Japanese Yen has recently appreciated beyond expectation, we anticipate exchange rates to stabilize in second half
- We expect steady recovery after Q2 (Guidance for FY2016 remains unchanged)

Consolidated 1Q Results FY12/2016



(¥ million)

	FY2015 1Q	FY2016 1Q		
	Actual	Actual	QoQ (amount)	QoQ %
Sales	9,896	8,939	Δ957	Δ9.7%
Operating profit	1,965	1,627	Δ338	Δ17.2%
Adjusted** Operating profit	1,977	1,627	Δ350	Δ17.7%
EBITDA	2,410	2,031	Δ379	Δ15.7%
Adjusted** EBITDA	2,422	2,031	Δ391	Δ16.1%
Net profit*	1,507	963	Δ544	Δ36.1%
Adjusted** Net profit	1,326	1,165	Δ161	Δ12.1%
Adjusted** EPS (¥)	33.80	29.28	Δ4.52	Δ13.4%

(※1) “Net profit” on this slide refers to “Profit attributable to owners of the parent”

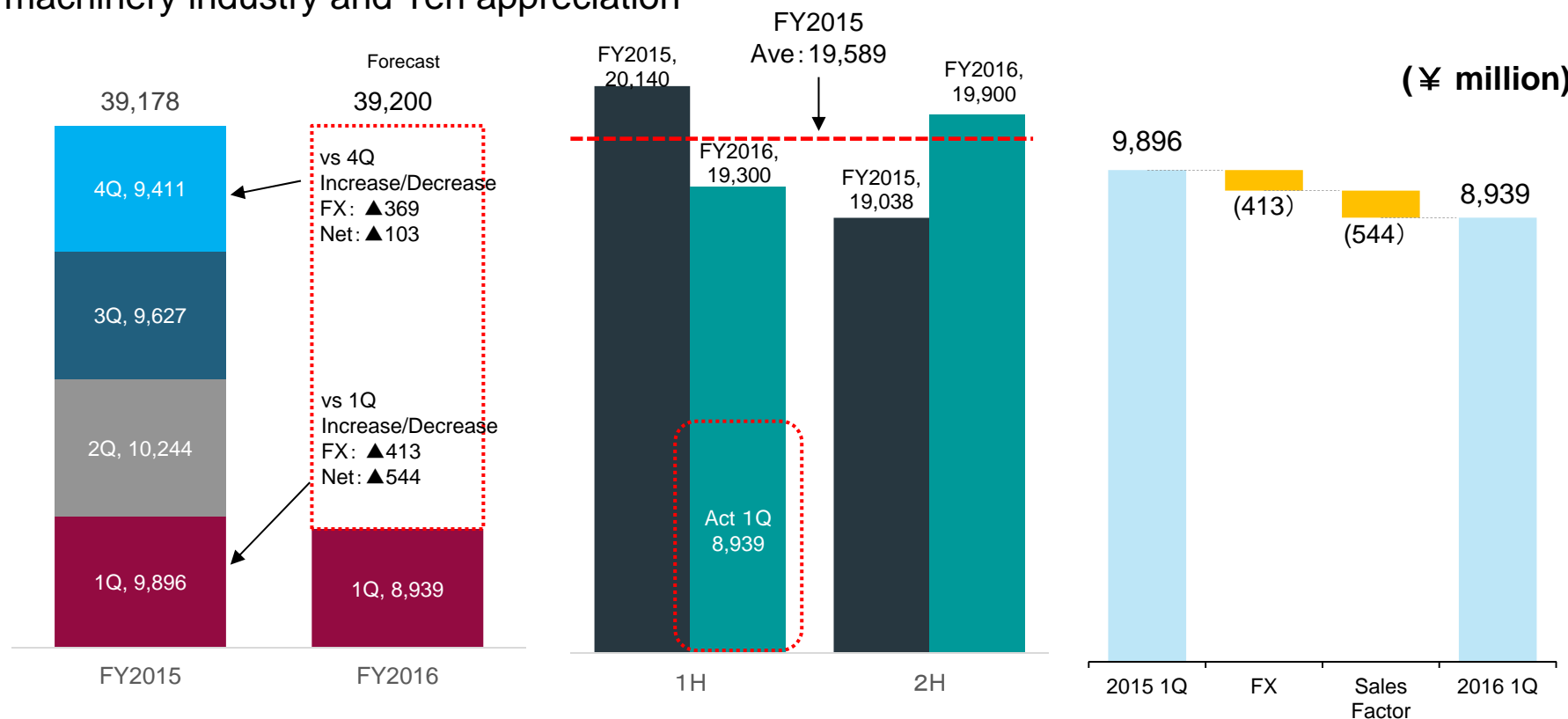
(※2) One time costs are adjusted (IPO related expenses in 2015)

(※3) Adjusted Net profit is after adjustment of one time costs and Foreign currencies gains and losses.



Key performance -1 Sales

Sales growth from strategic initiatives partially offset negative impact of weak demand from machinery industry and Yen appreciation



Q1/2016/2015 was ▲5.5%, while Q1 2016/4Q/2015 was ▲1.1% which shows signs of bottoming out

- FY2015 1H had growth but 2H slowed down
- Expect recovery in 2H of FY2016

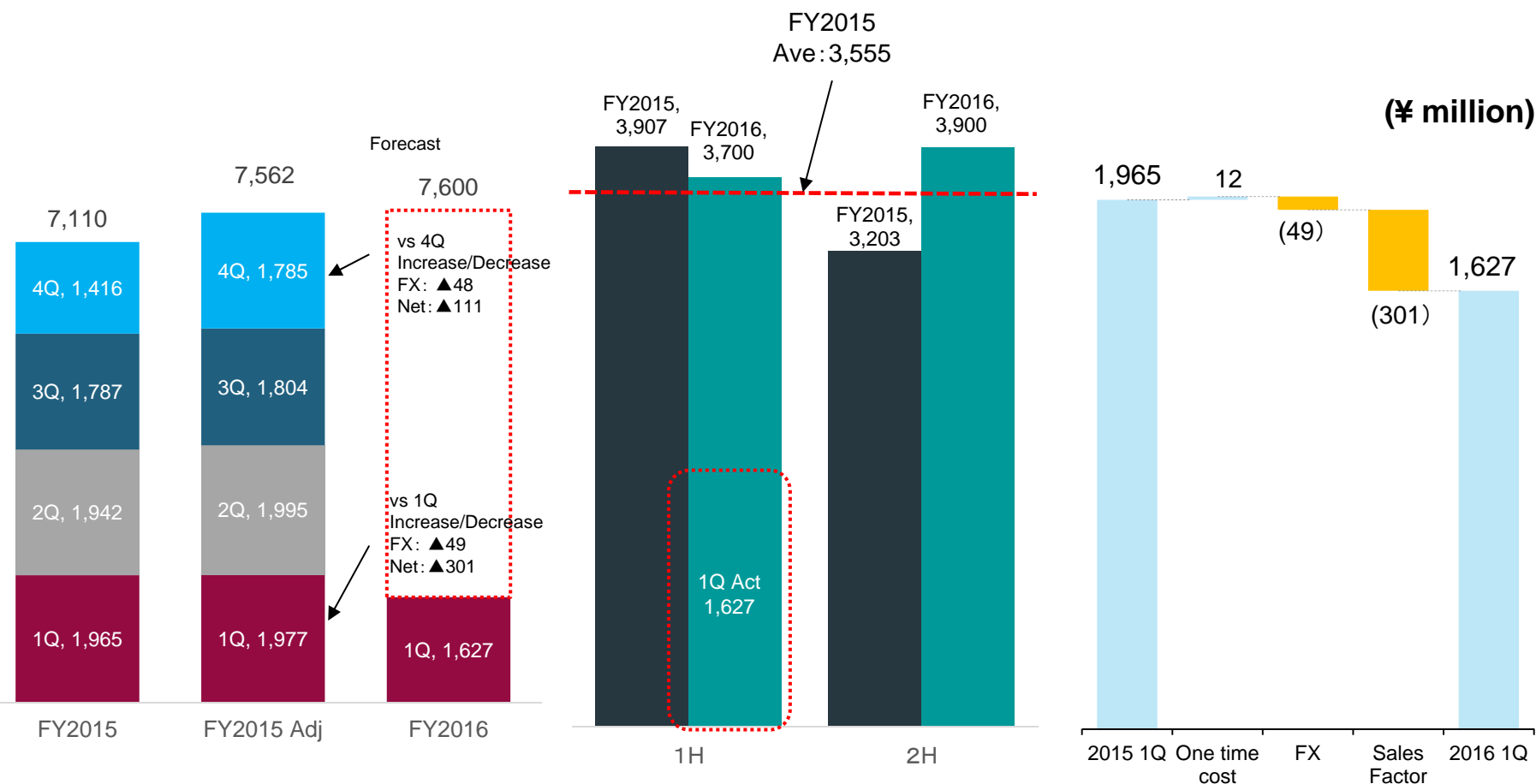
- Weak demands from machinery industry, Linear ▲2.5%、Ball▲6.0%
- Inventory reduction by Japanese customers ▲2.5%
- Strategic initiatives +4.3%
- Macro growth Auto industry +1.1%

※ Management estimation



Key performance-2 Operating profit

Operating profit in 1Q 2016 was 18.2% . Weak demand from machinery impacted negatively

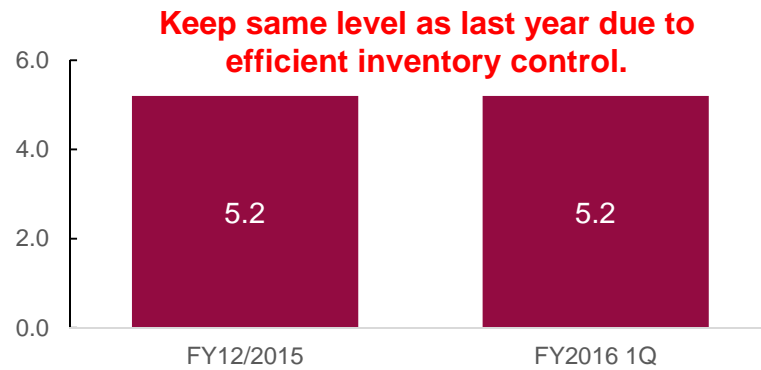


(※)FY2015 Adj: Adjusted one time cost (IPO related expenses of 452MJPY)

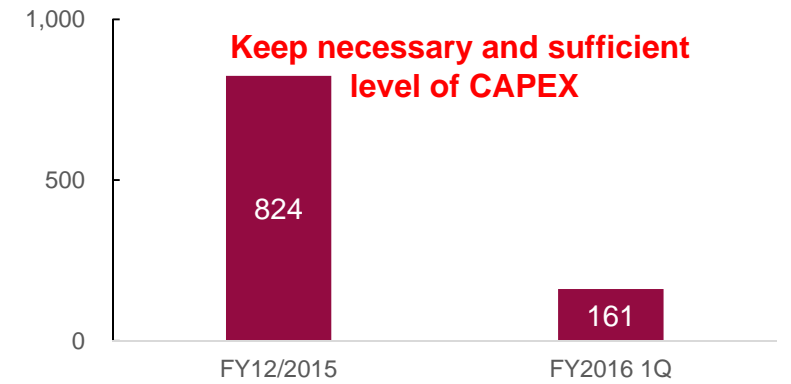
Key performance-3



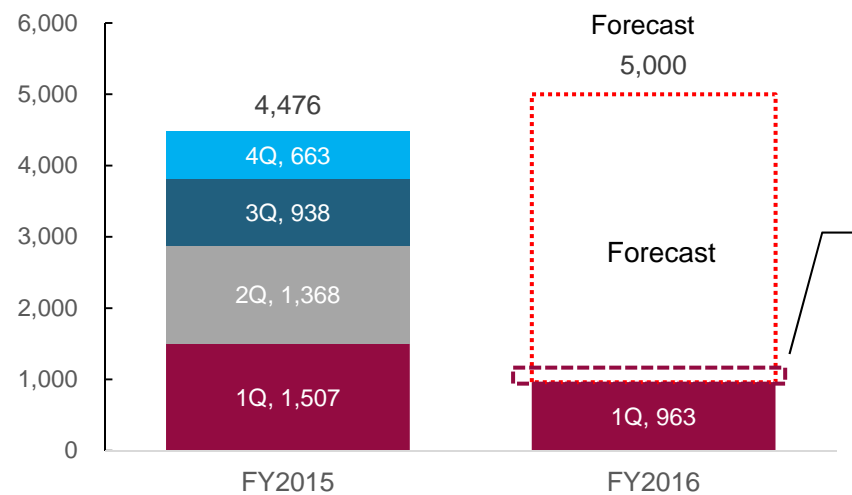
Inventory Turn-over (months)



CAPEX (¥ million)



Net profit (¥ million)



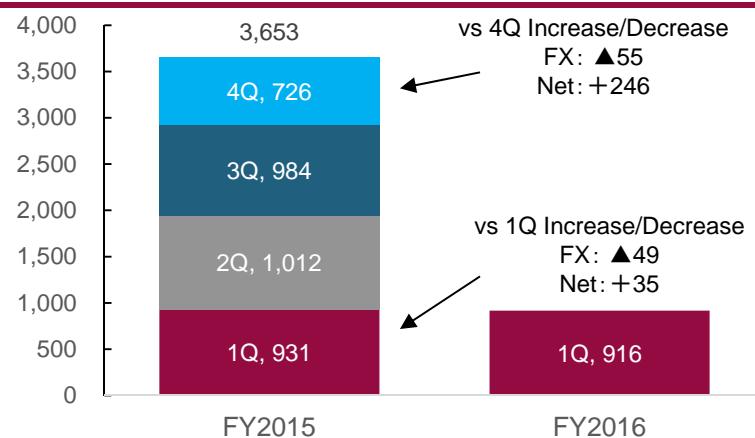
After taxes FX adjusted Net profit is 1,165MJPY. (13% of Sales)



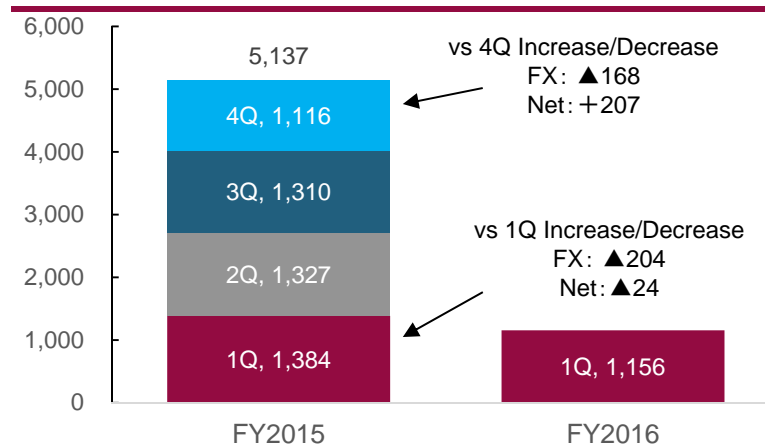
Growth strategy execution 2015-2016

Growth strategy execution yielding results which helps partially offset negative impact from machinery industry

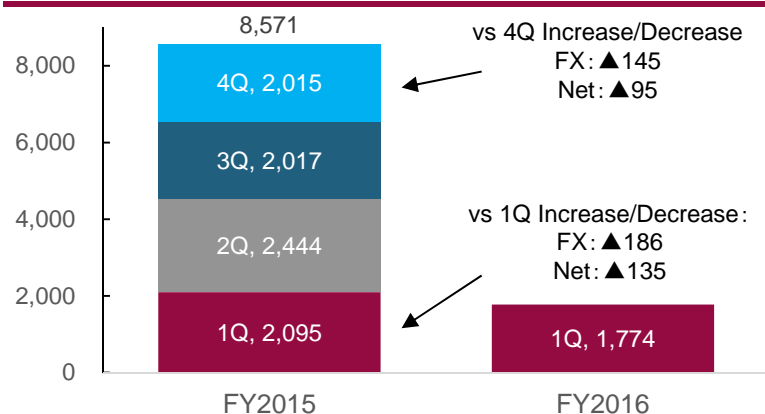
Sales to Non-Japanese Customers



Ceramic ball (¥ million)



Growth in Asia



New Frontiers

