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## Consolidated Financial Results for the fiscal year ended December 31, 2019 Unaudited [IFRS]



February 12, 2020

Company name: Tsubaki Nakashima Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6464

URL: <http://www.tsubaki-nakashima.com/en/>

Representative: Koji Hirota, Director and Representative Executive Officer, CEO

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Date of the ordinary general shareholder's meeting March 24, 2019

Payment date of cash dividend March 25, 2019

Filing date of securities report March 26, 2019

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled

(Amounts of less than one million yen are rounded.)

### 1. Consolidated Financial Results for the fiscal year ended December 31, 2019 (January 1, 2019 to December 31, 2019)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Sales		Operating profit		Profit before taxes		Net profit for the period		Net profit for the period attributable to owners of the parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Dec. 31, 2019	64,563	(13.7)	8,186	(17.7)	7,214	(18.3)	4,896	(28.2)	4,891	(28.3)	3,519	2.1
Dec. 31, 2018	74,832	40.5	9,942	58.8	8,824	67.5	6,822	156.7	6,819	156.6	3,448	22.9

	Basic earnings per share		Diluted earnings per share		Return on equity (ROE)		Profit before taxes/Total assets		Operating profit margin	
	Yen		Yen		%		%		%	
Dec. 31, 2019	121.74		119.79		10.8		5.3		12.7	
Dec. 31, 2018	171.45		167.46		15.1		6.4		13.3	

(Reference) EBITDA: Fiscal year ended December 31, 2019: ¥11,538 million (down 12.7%)

Fiscal year ended December 31, 2018: ¥13,221 million

EBITDA = Operating profit + depreciation and amortization.

### (2) Consolidated Financial Position

	Total assets		Total equity		Equity attributable to owners of the parent		Ratio of equity attributable to owners of the parent		Equity per share attributable to owners of the parent	
	Million yen		Million yen		Million yen		%		Yen	
As of Dec. 31, 2019	135,156		45,878		45,846		33.9		1,136.81	
As of Dec. 31, 2018	138,681		45,080		45,053		32.5		1,128.60	

### (3) Consolidated Cash flows

	Cash flows from Operating Activities		Cash flows from Investing Activities		Cash flows from Financing Activities		Cash and cash equivalents at the end of the period	
	Million yen		Million yen		Million yen		Million yen	
Dec. 31, 2019	6,040		4,025		(6,210)		16,946	
Dec. 31, 2018	8,110		(3,351)		(3,158)		13,304	

## 2. Dividends

	Annual dividends					Dividend amount (Total)	Payout ratio (Consolidated)	Dividend/ Equity attributable to owners of the parent
	1st Quarter -end	2nd Quarter -end	3rd Quarter -end	Year -end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Dec. 31, 2018	-	39.00	-	40.00	79.00	3,158	46.1	7.0
Fiscal year ending Dec. 31, 2019		40.00	-	41.00	81.00	3,277	66.5	7.2
Fiscal year ending Dec. 31, 2020 (Forecast)		-	-	-	63.00		50.0	

The Company's basic policy on dividends is to pay an interim and year-end twice a year, but the expected interim dividend is undecided at this time, it is shown in total.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2020 (January 1, 2020 to December 31, 2020)

(% indicates changes from the previous corresponding period.)

	Sales		Operating profit		Profit before taxes		Net profit for the period attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	64,000	(0.9)	7,600	(7.2)	6,900	(4.3)	5,100	4.3	125.88

Due to the increased uncertainty of the new coronavirus, especially in China, which is expected to have a significant impact on sales, production and the supply chain. We do not make forecasts for the interim period, which are difficult to make, but only full-year forecasts.

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies and changes in accounting estimates
  - 1) Changes in accounting policies required by IFRS: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
- (3) Total number of issued shares (common shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):
    - December 31, 2019: 41,063,000 shares
    - December 31, 2018: 40,653,500 shares
  - 2) Total number of treasury shares at the end of the period:
    - December 31, 2019: 733,668 shares
    - December 31, 2018: 733,610 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended December 31, 2019: 40,176,128 shares
    - Fiscal year ended December 31, 2018: 39,774,300 shares

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

\* Explanation of the proper use of financial results forecast and other notes:

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed to be reasonable and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from these forecasts due to a wide range of factors.

## 1. Qualitative Information on Financial Results

### (1) Explanation of Business Results

In the current fiscal year, the global impact on the macroeconomics increased due to the prolonged U.S.-China trade friction, the continued unstable politics and geopolitical risks in some regions. The situation was generally challenging due to a decline in global car sales and a significant decline in capital investment.

In this environment, despite continuing to create synergies and making efforts in cost control in the process of integration with former PBC, which was acquired in August 2017, Sales decreased 13.7% year on year to ¥ 64,563 million.

Operating profit decreased 17.7% year on year to ¥ 8,186 million due to the effects of the sale of real estate and the realization of synergy effects and cost reductions, but also pressured by the strong yen and lower sales. Net profit for the period attributable to owners of the parent decreased 28.3% year on year to ¥4,891 million.

As such, under the management principle of “We will become a stellar corporation that realizes sustainable profitable growth and continues to create improvements in corporate value,” the Group will provide better value to customers and others, and strive to recover profits and corporate value by growing as a team.

Performance by segment is as follows.

#### Precision Components Business

In this segment, we manufacture and sell precision balls and rollers mainly used as important components of bearings. Bearings using precision balls or rollers are widely used in automobiles, machine tools and other industrial machines. In the current fiscal year, global sales of automobiles decreased and orders for machine tools also decreased significantly.

Sales of the Precision Components Business decreased 14.9% year on year to ¥58,615 million. Segment profit (operating profit) decreased 49.9% year on year to ¥4,463 million due to sluggish sales and one-time cost for the production transfer in European factories.

#### Linear Business

In this segment, we manufacture and sell ball screws and large blowers mainly used for machine tools, etc., but orders for machine tools have decreased significantly in the current fiscal year.

Sales of the Linear Business increased 2.0% year on year to ¥5,705 million. Segment profit (operating profit) increased 2.9% year on year to ¥734 million.

#### Other Business

In this segment, we earn revenue from real estate. We sold land for the lease in the current fiscal year.

Sales of Other Businesses decreased 34.7% year on year to ¥243 million. Segment profit (operating profit) increased 809.0% year on year to ¥2,989 million.

### (2) Explanation of Financial Position

Current assets as of the fiscal year ended increased ¥1,067 million from the end of the previous fiscal year to ¥55,536 million. This is attributable to increases in Cash and cash equivalents by ¥3,642 million, decrease in Trade and other receivables, net by ¥2,052 million and Inventories by ¥496 million.

Non-current assets decreased ¥4,592 million from the end of the previous fiscal year to ¥79,620 million. This is attributable to decreases in Investment property by ¥3,755 million and intangible assets, net and goodwill by ¥1,143 million.

Current liabilities decreased ¥2,800 million from the end of the previous fiscal year to ¥16,595 million. This is attributable to increases in Income taxes payable by ¥1,671 million and decrease in Current portion

of loans and borrowings by ¥2,940 million and Trade and other payables by ¥1,948 million.

Non-current liabilities decreased ¥1,523 million from the end of the previous fiscal year to ¥72,683 million. This is attributable to a decrease in Loans and borrowings, excluding current portion by ¥421 million and deferred tax liabilities by ¥1,272 million.

Equity increased ¥798 million from the end of the previous fiscal year to ¥45,878 million. This is attributable to an increase in retained earnings by ¥1,557 million, decrease in Accumulated other comprehensive loss by ¥1,251 million.

(Analysis of Status of Cash Flows)

Cash and cash equivalents as of the fiscal year ended increased ¥3,642 million year on year to ¥16,946 million. The status of cash flows of each activity during the fiscal year ended December 31, 2019 and its cause are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥6,040 million. This is attributable to cash increase factors including Profit before taxes of ¥7,214 million, Depreciation and amortization of ¥3,352 million and Decrease in trade and other receivables of ¥1,869 million and inventories of ¥167 million, despite cash decrease factors including, Decrease in trade and other payables of ¥1,785 million and Income taxes paid of ¥2,044 million.

(Cash Flows from Investing Activities)

Net cash provided by investing activities amounted to ¥4,025 million. This is attributable to Proceeds from sale of investment property of ¥6,500 million, Payments for acquisition of property, plant and equipment of ¥2,118 million and Payments for acquisition of intangible properties of ¥365 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥6,210 million. This is attributable to Repayments of long-term loans and borrowings of ¥8,655 million, Repayments of short-term loans and borrowings of ¥4,824 million, Cash dividends paid of ¥3,208 million, Repayments of lease liabilities of ¥326 million, Proceeds from short-term loans and borrowings of ¥10,383 million and Proceeds from exercise of subscription rights of ¥420 million.

(Reference) Cash flow-related financial indicators

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019
Ratio of equity attributable to owners of the parent (%)	32.5	33.9
Ratio of equity attributable to owners of the parent at market value (%)	46.7	47.7
Ratio of interest-bearing liabilities to cash flows (%)	888.5	1,137.6
Interest coverage ratio (times)	10.0	7.3

Ratio of equity attributable to owners of the parent: Equity attributable to owners of the parent / Total assets

Ratio of equity attributable to owners of the parent at market value: Market capitalization / Total assets

Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities / Cash flows from Operating Activities

Interest coverage ratio: Cash flows from Operating Activities / Interest expense

Notes: 1. All the above indicators are calculated using consolidated financial figures under IFRS.

2. “Market capitalization” is calculated based on the total number of issued shares excluding treasury stock.
3. “Cash flows” refers to cash flows from operating activities.
4. “Interest-bearing liabilities” covers all liabilities bearing interest recorded in the consolidated statement of financial position.

#### (4) Future Outlook

The Group’s financial results are affected by end users, including the automobile industry and machine tool industry, as well as exchange rate fluctuations through translation into yen for consolidated accounting.

Regarding the consolidated financial results forecast for the fiscal year ending December 31, 2020, the Group expects sales of ¥64.0 billion, operating profit of ¥7.6 billion, and net profit for the period attributable to owners of the parent of ¥5.1 billion. Due to the increased uncertainty of the new coronavirus, especially in China, which is expected to have a significant impact on sales, production and the supply chain. We do not make forecasts for the interim period, which are difficult to make, but only full-year forecasts. The assumed exchange rate is 109 yen for 1 dollar, 123 yen for 1 euro, and 15.9 yen for 1 RMB.

#### (5) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company considers profit distribution to shareholders and continuous business growth to be its top management priorities and will decide on the total shareholder return taking into account the optimum balance of returning profits to shareholders, maintaining an appropriate leverage ratio and securing growth capital.

For the current fiscal year, the Company plans to pay a year-end dividend of 41 yen per share, and therefore the annual dividend will be 81 yen per share, including an interim dividend of 40 yen per share. For the next fiscal year, the Company plans to pay an annual dividend of 63 yen per share.

#### 2. Basic idea on selection of accounting standards

The Company adopts International Financial Reporting Standards (IFRS) from the fiscal year ended December 31, 2014 for the purpose of improving international comparability of financial statements on the capital market and unifying accounting treatment within the group.

### 3. Consolidated Financial Statements

#### (1) Consolidated Statements of Financial Position

(Millions of yen)

	As of December 31, 2018	As of December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	13,304	16,946
Trade and other receivables, net	15,024	12,972
Inventories	25,072	24,576
Other current assets	1,069	1,042
Total current assets	54,469	55,536
Non-current assets		
Property, plant and equipment, net	32,759	32,896
Intangible assets, net and goodwill	47,087	45,944
Investment property	3,755	—
Other investments	311	292
Deferred tax assets	177	377
Other non-current assets	123	111
Total non-current assets	84,212	79,620
Total assets	138,681	135,156
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,492	4,544
Current portion of loans and borrowings	8,655	5,715
Income taxes payable	812	2,483
Other current liabilities	3,436	3,835
Total current liabilities	19,395	16,595
Non-current liabilities		
Loans and borrowings, excluding current portion	63,416	62,995
Net defined benefit liability	2,799	2,855
Deferred tax liabilities	3,946	2,674
Other non-current liabilities	4,045	4,159
Total non-current liabilities	74,206	72,683
Total liabilities	93,601	89,278
Equity		
Share capital	16,621	16,831
Capital surplus	10,823	11,100
Treasury stock	(1,439)	(1,439)
Accumulated other comprehensive loss	(5,414)	(6,665)
Retained earnings	24,462	26,019
Equity attributable to owners of the parent	45,053	45,846
Non-controlling interests	27	32
Total equity	45,080	45,878
Total liabilities and equity	138,681	135,156

## (2) Consolidated Statements of Profit or Loss and Other Comprehensive Income (Loss)

(Millions of yen)

	For the year ended December 31, 2018	For the year ended December 31, 2019
Sales	74,832	64,563
Cost of sales	57,705	51,690
Gross profit	17,127	12,873
Selling, general and administrative expenses	7,168	7,611
Other income	173	3,030
Other expenses	190	106
Operating profit	9,942	8,186
Financial income	36	47
Financial expenses	1,154	1,019
Profit before taxes	8,824	7,214
Income tax expense	2,002	2,318
Net profit for the period	6,822	4,896
Net profit for the period attributable to:		
Owners of the parent	6,819	4,891
Non-controlling interests	3	5
Net profit for the period	6,822	4,896
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Financial assets measured at FVOCI	(50)	(16)
Remeasurements of defined benefit plans	(45)	(126)
Total items that will not be reclassified to profit or loss	(95)	(142)
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation differences	(3,304)	(1,492)
Cash flow hedges	(19)	180
Hedges costs	44	77
Total items that may subsequently be reclassified to profit or loss	(3,279)	(1,235)
Other comprehensive income (loss), net of tax	(3,374)	(1,377)
Total comprehensive income (loss)	3,448	3,519
Total comprehensive income attributable to:		
Owners of the parent	3,445	3,514
Non-controlling interests	3	5
Total comprehensive income (loss)	3,448	3,519
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	171.45	121.74
Diluted earnings per share (yen)	167.46	119.79

### (3) Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2018

	(Millions of yen)					
	Equity attributable to owners of the parent					
	Accumulated Other Comprehensive Income (Loss)					
	Share capital	Capital surplus	Treasury stock	Financial assets measured at FVOCI	Remeasurements of defined benefit plans	Foreign currency translation differences
Balance as of January 1, 2018	16,459	10,630	(971)	135	—	(1,110)
Net profit for the period	—	—	—	—	—	—
Other comprehensive income (loss), net of tax	—	—	—	(50)	(45)	(3,304)
Total comprehensive Income (loss)	—	—	—	(50)	(45)	(3,304)
Issuance of new shares	162	161	—	—	—	—
Dividends	—	—	—	—	—	—
Purchase of treasury Stock	—	—	(468)	—	—	—
Stock-based rewards	—	32	—	—	—	—
Expired of Stock acquisition right	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	45	—
Total transactions with owners and other	162	193	(468)	—	45	—
Balance as of December 31, 2018	16,621	10,823	(1,439)	85	—	(4,414)

	Equity attributable to owners of the parent					(Millions of yen)	
	Accumulated Other Comprehensive Income (Loss)			Retained earnings	Total	Non- controlling interests	Total equity
	Cash flow hedge	Hedge costs	Total				
Balance as of January 1, 2018	(1,240)	130	(2,085)	20,549	44,582	24	44,606
Net profit for the period	—	—	—	6,819	6,819	3	6,822
Other comprehensive income (loss), net of tax	(19)	44	(3,374)	—	(3,374)	—	(3,374)
Total comprehensive income (loss)	(19)	44	(3,374)	6,819	3,445	3	3,448
Issuance of new shares	—	—	—	—	323	—	323
Dividends	—	—	—	(2,861)	(2,861)	—	(2,861)
Purchase of treasury Stock	—	—	—	—	(468)	—	(468)
Stock-based rewards	—	—	—	—	32	—	32
Expired of Stock acquisition right	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	45	(45)	—	—	—
Total transactions with owners and other	—	—	45	(2,906)	(2,974)	—	(2,974)
Balance as of December 31, 2018	(1,259)	174	(5,414)	24,462	45,053	27	45,080



For the fiscal year ended December 31, 2019

	(Millions of yen)					
				Accumulated Other Comprehensive Income (Loss)		
	Share capital	Capital surplus	Treasury stock	Financial assets measured at FVOCI	Remeasurements of defined benefit plans	Foreign currency translation differences
Balance as of January 1, 2019	16,621	10,823	(1,439)	85	—	(4,414)
Net profit for the period	—	—	—	—	—	—
Other comprehensive income (loss), net of tax	—	—	—	(16)	(126)	(1,492)
Total comprehensive income (loss)	—	—	—	(16)	(126)	(1,492)
Issuance of new shares	210	208	—	—	—	—
Dividends	—	—	—	—	—	—
Purchase of treasury Stock	—	—	—	—	—	—
Stock-based rewards	—	69	—	—	—	—
Expired of Stock acquisition right	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	—	126	—
Total transactions with owners and other	210	277	—	—	126	—
Balance as of December 31, 2018	16,831	11,100	(1,439)	69	—	(5,906)

	Equity attributable to owners of the parent					(Millions of yen)	
	Accumulated Other Comprehensive Income (Loss)			Retained earnings	Total	Non-controlling interests	Total equity
	Cash flow hedge	Hedge costs	Total				
Balance as of January 1, 2019	(1,259)	174	(5,414)	24,462	45,053	27	45,080
Net profit for the period	—	—	—	4,891	4,891	5	4,896
Other comprehensive income (loss), net of tax	180	77	(1,377)	—	(1,377)	—	(1,377)
Total comprehensive income (loss)	180	77	(1,377)	4,891	3,514	5	3,519
Issuance of new shares	—	—	—	—	418	—	418
Dividends	—	—	—	(3,208)	(3,208)	—	(3,208)
Purchase of treasury Stock	—	—	—	—	—	—	—
Stock-based rewards	—	—	—	—	69	—	69
Expired of Stock acquisition right	—	—	—	—	—	—	—
Transfer to retained earnings	—	—	126	(126)	—	—	—
Total transactions with owners and other	—	—	126	(3,334)	(2,721)	—	(2,721)
Balance as of December 31, 2019	(1,079)	251	(6,665)	26,019	45,846	32	45,878

## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended December 31, 2018	For the year ended December 31, 2019
Cash flows from operating activities		
Profit before taxes	8,824	7,214
Depreciation and amortization	3,279	3,352
Increase (decrease) in net defined benefit liability	(65)	76
Interest and dividend income	(27)	(37)
Interest expense	809	822
Foreign exchange losses (gains)	113	85
(Gains) losses on sale of fixed assets	10	(6)
(Gains) losses on sale of investment property	—	(2,839)
Decrease (increase) in trade and other receivables	1,124	1,869
Decrease (increase) in inventories	(2,510)	167
(Decrease) increase in trade and other payables	385	(1,785)
Other, net	(16)	(61)
Sub Total	11,926	8,857
Interest received	12	27
Dividend received	8	8
Interest paid	(827)	(808)
Income taxes paid	(2,988)	(2,044)
Net cash provided by operating activities	8,131	6,040
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(3,083)	(2,118)
Proceeds from sale of property, plant and equipment	5	6
Proceeds from sale of investment property	—	6,500
Payments for acquisition of intangible properties	(202)	(365)
Payments for acquisition of subsidiary stock	(90)	—
Other, net	19	2
Net cash provided by investing activities	(3,351)	4,025
Cash flows from financing activities		
Proceeds from short-term loans and borrowings	1,000	10,383
Repayments of short-term loans and borrowings	(1,000)	(4,824)
Repayments of long-term loans and borrowings	(155)	(8,655)
Payments of lease liabilities (※)	(21)	(326)
Proceeds from exercise of subscription rights	326	420
Cash dividends paid	(2,861)	(3,208)
Payments for purchase of treasury stock	(468)	(0)
Net cash used in financing activities	(3,179)	(6,210)
Effect of exchange rate changes on cash and cash equivalents	(298)	(213)
Net (decrease) increase in cash and cash equivalents	1,303	3,642
Cash and cash equivalents at the beginning of the period	12,001	13,304
Cash and cash equivalents at the end of the period	13,304	16,946

(※) For the year ended December 31, 2019 the payment was for repayment of finance lease liabilities.

## Operating Segments

### 1. General information

#### (1) Basis of segmentation

The Group is composed of segments by product and service and there are "Precision component Business," "Linear Business" and "Others" as reporting segments.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, for which discrete financial information is available and is subject to regular review by the Chief Executive Officer of the Group for assessing performance and making resource allocation decisions. The Company's operating segments consist of "Precision component business", "Linear business" and "Others business". These businesses offer different products and are managed separately because they require different technologies and marketing strategies.

The "Precision component business" segment engages in manufacturing and sales of various types of steel balls, rollers, cages and sheet metal parts. The "Linear business" segment engages in manufacturing and sales of ball screws and air blowers. The "Others business" segment engages primarily in the leasing of real estate.

Segment information is determined in conformity with the accounting policies used in preparing the condensed interim consolidated financial statements. Operating profit (loss) of each reportable segment is measured in a consistent manner with consolidated operating profit, which is profit before income taxes before finance income and finance costs. Pricing for the inter-segment transactions are determined on an arm's length basis.

#### (2) Segment Information

Segment information for the fiscal year ended December 31, 2018 and 2019 is as follows.

For the fiscal year ended December 31, 2018

(Millions of yen)						
	Precision component business	Linear business	Others business	Total	Reconciling items	Consolidated financial statements
Sales						
External sales	68,864	5,595	373	74,832	—	74,832
Inter-segment sales	9	—	43	52	(52)	—
Total consolidated sales	68,873	5,595	416	74,884	(52)	74,832
Segment profit	8,899	713	330	9,942	—	9,942
				Financial income		36
				Financial expense		(1,154)
				Profit before taxes		8,824

Reconciling items to segment profit include elimination of inter-segment transactions.

	Precision component business	Linear business	Others business	Total	Reconciling items	Consolidated financial statements
Depreciation and amortization	(3,018)	(261)	—	(3,279)	—	(3,279)
Segment assets	116,491	13,826	3,755	134,072	4,609	138,681
Capital expenditure	3,124	238	—	3,362	—	3,362

For the fiscal year ended December 31, 2019

(Millions of yen)

	Precision component business	Linear business	Others business	Total	Reconciling items	Consolidated financial statements
Sales						
External sales	58,615	5,705	243	64,563	—	64,563
Inter-segment sales	8	—	29	37	(37)	—
Total consolidated sales	58,623	5,705	272	64,600	(37)	64,563
Segment profit	4,463	734	2,989	8,186	—	8,186
				Financial income		47
				Financial expense		(1,019)
				Profit before taxes		7,214

Reconciling items to segment profit include elimination of inter-segment transactions.

	Precision component business	Linear business	Others business	Total	Reconciling items	Consolidated financial statements
Depreciation and amortization	(3,040)	(312)	—	(3,352)	—	(3,352)
Segment assets	112,152	14,024	39	126,215	8,941	135,156
Capital expenditure	2,112	250	—	2,362	—	2,362

(Earnings per share)

	For the fiscal year ended December 31, 2018	For the fiscal year ended December 31, 2019
Net profit for the period attributable to Owners of the parent (Millions of yen)	6,819	4,891
Adjustment for earnings	—	—
Adjusted Net profit for the period attributable to Owners of the parent (Millions of yen)	6,819	4,891
Weighted average numbers of issued common shares	39,774,300	40,176,128
Impact of dilution		
Stock options	940,208	631,437
BIP Trust	5,525	25,161
Weighted average numbers of issued common shares after dilution	40,720,033	40,832,726
Basic earnings per share (Yen)	171.45	121.74
Diluted earnings per share (Yen)	167.46	119.79

(Events after the reporting period)

Tsubaki Nakashima Co., Ltd. (“the Company”) advises that the Board of Directors resolved at its meeting held on February 10, 2020 matters regarding the purchase of treasury shares pursuant to the provision of Paragraph 1, Article 156, of the Companies Act as applied by replacing certain terms under the provisions of Paragraph 3, Article 165, of the same act.

1. Reasons for the purchase of treasury shares

The Company will acquire treasury stock to improve shareholder returns, improve capital efficiency and implement flexible capital policies in response to changes in the business environment.

2. Buyback details

- |   |   |
|---|---|
| (1) Class of shares to be purchased:        | Tsubaki Nakashima Common stock  |
| (2) Total number of shares to be purchased: | 300,000 shares (maximum)<br>(Percentage of shares issued (excluding treasury shares): 0.7%) |
| (3) Total purchase amount:                  | ¥500 million (Max)  |
| (4) Purchase period:                        | From February 13, 2020 to December 31, 2020   |
| (5) Method:                                 | Open market purchase through a trust bank   |

(Reference) Status of treasury shares held as of December 31, 2019

Total number of shares issued (excluding treasury shares):	40,329,332 shares
Number of treasury shares:	733,668 shares