This document is an English excerpt translation of the Japanese version of the consolidated financial summary of Tsubaki Nakashima has produced for immediate reference purpose. In the event of any discrepancy between the translated document and the Japanese version, the original shall prevail.

Consolidated Financial Results for the fiscal year ended December 31, 2020 Unaudited [IFRS]

February 12, 2021

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
Contact: Shakil Ohara, Director and Executive Officer, Senior EVP, CFO
Phone: +81-6-6224-0193
Date of the ordinary general shareholder's meeting March 24, 2021
Payment date of cash dividend March 25, 2021
Filing date of securities report March 26, 2021
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, 2020 (January 1, 2020 to December 31, 2020)

(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, 2020	52,024	(19.4)	3,611	(55.9)	2,572	(64.3)	1,874	(61.7)	1,877	(61.6)	1,180	(66.4)
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

	Basic earnings per share	Diluted earnings per share	Return on equity (ROE)	Profit before taxes/Total assets	Operating profit margin
	Yen	Yen	%	%	%
Dec. 31, 2020	46.64	46.64	4.1	1.9	6.9
Dec. 31, 2019	121.74	119.79	10.8	5.3	12.7

(Reference) EBITDA: Fiscal year ended December 31, 2020: ¥6,953 million (down 39.7%)
Fiscal year ended December 31, 2019: ¥11,538 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, 2020	130,466	44,712	44,683	34.2	1,115.22
As of Dec. 31, 2019	135,156	45,878	45,846	33.9	1,136.81

(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, 2020	2,222	(1,272)	(2,745)	14,987
Dec. 31, 2019	6,040	4,025	(6,210)	16,946

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 ending Dec. 31, 2019	—	40.00	—	41.00	81.00	3,277	66.5	7.2
Fiscal year ending Dec. 31, 2020	—	10.00	—	14.00	24.00	968	51.5	2.1
Fiscal year ending Dec. 31, 2021 (Forecast)					46.00		50.0	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(% 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	60,800	16.9	6,100	68.9	5,200	102.2	3,700	97.1	91.95

Since it is still very difficult to predict whether or not the global impact of COVID-19 will be resolved, and there are uncertainties such as the prolonged U.S-China trade friction that are expected to affect sales, production, and the supply chain, we are not forecasting interim results, which are difficult to calculate rationally, 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: No

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, 2020: 41,086,200 shares

December 31, 2019: 41,063,000 shares

2) Total number of treasury shares at the end of the period:

December 31, 2020: 1,020,399 shares

December 31, 2019: 733,668 shares

3) Average number of shares during the period:

Fiscal year ended December 31, 2020: 40,237,815 shares

Fiscal year ended December 31, 2019: 40,176,128 shares

(Reference) Non-Consolidated Financial Results for the fiscal year ended December 31, 2020 (January 1, 2020 to December 31, 2020)

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

	Sales		Operating profit		Ordinary profit		Net profit for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Dec. 31, 2020	10,356	(39.6)	(1,264)	—	809	(67.4)	306	(92.4)
Dec. 31, 2019	17,133	(13.3)	235	(83.7)	2,485	(33.2)	4,054	32.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Dec. 31, 2020	7.62	—
Dec. 31, 2019	100.91	99.29

(Note) Since January 2020, the Company (Tsubaki Nakashima Co., Ltd.) has transferred the commercial distribution of mainly ceramics products to Tsubaki Steel Ball Co.

(2) Financial Position

	Total assets	Total equity	Ratio of equity	Equity per share
	Million yen	Million yen	%	Yen
As of Dec. 31,2020	106,092	31,409	29.6	783.94
As of Dec. 31, 2019	110,055	33,186	30.2	808.19

(Reference) Shareholder equity: Fiscal year ended December 31, 2020: ¥31,409 million
Fiscal year ended December 31, 2019: ¥33,186 million

*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

The business environment surrounding the Company during the current consolidated cumulative period had seen extremely severe situation and world economy have fallen sharply due to the expansion of COVID-19 impact on automobile production volume and machine tool orders.

Under these circumstances, the Group has been conducting business to maintain services to customers, including supply responsibility, while paying attention to ensuring the safety and health of employees and their families.

There were times when many factories on a global scale were forced to temporarily shut down or reduce their operations in response to the suspension or reduction of production by customers, we were able to supply to our customers by taking advantage of the global production system, which is the strength of the Group, by complementing each other.

Through continuous cost improvement that has taken root in this process, we have strengthened our corporate structure that can provide a certain amount of support against sudden and large fluctuations in sales.

The sales revenue for the current fiscal year decreased 19.4% year on year to ¥52,024 million. Regarding profits, operating profit decreased 55.9% year on year to ¥3,611 million. Net profit for the period attributable to owners of parent decreased 61.6% year on year to ¥1,877 million.

Although the severe business environment continues, the Group faithfully implements "Precision for a changing world" to serve customers. We will continue to do business to maintain and improve our business, and while being aware of our social responsibility to support the global industry, we will strive to provide better value to our customers and improve our profits and corporate value.

The segment performance 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 17.5% year on year to ¥48,329 million. Segment profit (operating profit) decreased 23.2% year on year to ¥3,429 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 decreased 35.2% year on year to ¥3,694 million. Segment profit (operating profit) decreased 78.1% year on year to ¥161 million.

Other Business

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

Sales of Other Businesses decreased 99.4% year on year to ¥1 million. Segment profit (operating profit) decreased 99.3% year on year to ¥21 million.

(2) Explanation of Financial Position

Current assets as of the fiscal year ended decreased ¥2,186 million from the end of the previous fiscal year to ¥53,350 million. This is attributable to decreases in Cash and cash equivalents by ¥1,959 million.

Non-current assets decreased ¥2,504 million from the end of the previous fiscal year to ¥77,116 million. This is attributable to decreases in tangible assets by ¥1,788 million, and intangible assets and goodwill by ¥895 million.

Current liabilities increased ¥5,812 million from the end of the previous fiscal year to ¥22,407 million. This is attributable to increases in borrowings by ¥8,567 million, income taxes payable by ¥1,915 million and decrease in other current liabilities by ¥730 million.

Non-current liabilities decreased ¥9,336 million from the end of the previous fiscal year to ¥63,347 million. This is mainly attributable to a decrease in borrowings by ¥9,835 million.

Equity decreased ¥1,166 million from the end of the previous fiscal year to ¥44,712 million. This is attributable to increase in accumulated other comprehensive loss by ¥801 million and treasury stock by ¥212 million.

(3) Analysis of Status of Cash Flows

Cash and cash equivalents as of the fiscal year ended decreased by ¥1,959 million year on year to ¥14,987 million. The status of cash flows of each activity during the fiscal year ended December 31, 2020 and its cause are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to ¥2,222 million. This is attributable to cash increase factors including Profit before taxes of ¥2,572 million, depreciation and amortization of ¥3,342 million and decrease in inventory of ¥737 million, despite cash decrease factors including, decrease in income taxes payables of ¥3,178 million, increase in trade and other receivables of ¥608 million and decrease in trade and other payables of ¥115 million.

(Cash Flows from Investing Activities)

Net cash provided by investing activities amounted to ¥1,272 million. This is attributable to payments for acquisition of tangible assets of ¥987 million and intangible assets of ¥318 million.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to ¥2,745 million. This is attributable to repayments of short-term loans and borrowings of ¥2,967 million, cash dividends paid of ¥2,057 million, repayments of lease liabilities of ¥313 million, acquisition of treasury stock of ¥251 million and proceeds from short-term loans and borrowings of ¥2,974 million.

(Reference) Cash flow-related financial indicators

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Ratio of equity attributable to owners of the parent (%)	33.9	34.2
Ratio of equity attributable to owners of the parent at market value (%)	47.7	34.5
Ratio of interest-bearing liabilities to cash flows (%)	1,137.6	3099.2
Interest coverage ratio (times)	7.3	2.7

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 ¥60.8 billion, operating profit of ¥6.1 billion, and net profit for the period attributable to owners of the parent of ¥3.7 billion.

Since it is still very difficult to predict whether or not the global impact of COVID-19 will be resolved, and there are uncertainties such as the prolonged U.S-China trade friction that are expected to affect sales, production, and the supply chain, we are not forecasting interim results, which are difficult to calculate rationally, but only full-year forecasts.

* The assumed exchange rate is 107 yen for 1 dollar, 121 yen for 1 euro, and 15.4 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 14 yen per share, and therefore the annual dividend will be 24 yen per share, including an interim dividend of 10 yen per share. For the next fiscal year, the Company plans to pay an annual dividend of 46 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, 2019	As of December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	16,946	14,987
Trade and other receivables, net	12,972	13,463
Inventories	24,576	23,597
Other current assets	1,042	1,303
Total current assets	55,536	53,350
Non-current assets		
Property, plant and equipment, net	32,896	31,108
Intangible assets, net and goodwill	45,944	45,049
Other investments	292	288
Deferred tax assets	377	553
Other non-current assets	111	118
Total non-current assets	79,620	77,116
Total assets	135,156	130,466
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	4,544	4,434
Current portion of loans and borrowings	5,715	14,282
Income taxes payable	2,483	568
Other current liabilities	3,835	3,123
Total current liabilities	16,595	22,407
Non-current liabilities		
Loans and borrowings, excluding current portion	62,995	53,160
Net defined benefit liability	2,855	2,682
Deferred tax liabilities	2,674	2,651
Other non-current liabilities	4,159	4,854
Total non-current liabilities	72,683	63,347
Total liabilities	89,278	85,754
Equity		
Share capital	16,831	16,843
Capital surplus	11,100	11,010
Treasury stock	(1,439)	(1,651)
Accumulated other comprehensive loss	(6,665)	(7,466)
Retained earnings	26,019	25,947
Equity attributable to owners of the parent	45,846	44,683
Non-controlling interests	32	29
Total equity	45,878	44,712
Total liabilities and equity	135,156	130,466

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

(Millions of yen)

	For the year ended December 31, 2019	For the year ended December 31, 2020
Sales	64,563	52,024
Cost of sales	51,690	42,807
Gross profit	12,873	9,217
Selling, general and administrative expenses	7,611	5,820
Other income	3,030	255
Other expenses	106	41
Operating profit	8,186	3,611
Financial income	47	32
Financial expenses	1,019	1,071
Profit before taxes	7,214	2,572
Income tax expense	2,318	698
Net profit for the period	4,896	1,874
Net profit for the period attributable to.		
Owners of the parent	4,891	1,877
Non-controlling interests	5	(3)
Net profit for the period	4,896	1,874
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Financial assets measured at FVOCI	(16)	(8)
Remeasurements of defined benefit plans	(126)	106
Total items that will not be reclassified to profit or loss	(142)	98
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation differences	(1,492)	(966)
Cash flow hedges	180	130
Hedges costs	77	44
Total items that may subsequently be reclassified to profit or loss	(1,235)	(792)
Other comprehensive income (loss), net of tax	(1,377)	(694)
Total comprehensive income (loss)	3,519	1,180
Total comprehensive income attributable to.		
Owners of the parent	3,514	1,183
Non-controlling interests	5	(3)
Total comprehensive income (loss)	3,519	1,180
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	121.74	46.64
Diluted earnings per share (yen)	119.79	46.64

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended December 31, 2019

(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, 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	—	—	—	—	—	—
Disposition of treasury stock	—	—	—	—	—	—
Stock-based rewards	—	69	—	—	—	—
Transfer to retained earnings	—	—	—	—	126	—
Total transactions with owners and other	210	277	—	—	126	—
Balance as of December 31, 2019	16,831	11,100	(1,439)	69	—	(5,906)

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Accumulated Other Comprehensive Income (Loss)			Retained earnings	Total		
	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	—	—	—	—	—	—	—
Disposition of treasury stock	—	—	—	—	—	—	—
Stock-based rewards	—	—	—	—	69	—	69
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

For the fiscal year ended December 31, 2020

(Millions of yen)

	Share capital	Capital surplus	Treasury stock	Accumulated Other Comprehensive Income (Loss)		
				Financial assets measured at FVOCI	Remeasurements of defined benefit plans	Foreign currency translation differences
Balance as of January 1, 2020	16,831	11,100	(1,439)	69	—	(5,906)
Net profit for the period	—	—	—	—	—	—
Other comprehensive income (loss), net of tax	—	—	—	(8)	106	(966)
Total comprehensive Income (loss)	—	—	—	(8)	106	(966)
Issuance of new shares	12	11	—	—	—	—
Dividends	—	—	—	—	—	—
Purchase of treasury Stock	—	(1)	(251)	—	—	—
Disposition of treasury stock	—	—	39	—	—	—
Stock-based rewards	—	(100)	—	—	—	—
Transfer to retained earnings	—	—	—	(1)	(106)	—
Total transactions with owners and other	12	(90)	(212)	(1)	(106)	—
Balance as of December 31, 2020	16,843	11,010	(1,651)	60	—	(6,872)

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Accumulated Other Comprehensive Income (Loss)			Retained earnings	Total		
	Cash flow hedge	Hedge costs	Total				
Balance as of January 1, 2020	(1,079)	251	(6,665)	26,019	45,846	32	45,878
Net profit for the period	—	—	—	1,877	1,877	(3)	1,874
Other comprehensive income (loss), net of tax	130	44	(694)	—	(694)	—	(694)
Total comprehensive income (loss)	130	44	(694)	1,877	1,183	(3)	1,180
Issuance of new shares	—	—	—	—	23	—	23
Dividends	—	—	—	(2,056)	(2,056)	—	(2,056)
Purchase of treasury Stock	—	—	—	—	(252)	—	(252)
Disposition of treasury stock	—	—	—	—	39	—	39
Stock-based rewards	—	—	—	—	(100)	—	(100)
Transfer to retained earnings	—	—	(107)	107	—	—	—
Total transactions with owners and other	—	—	(107)	(1,949)	(2,346)	—	(2,346)
Balance as of December 31, 2020	(949)	295	(7,466)	25,947	44,683	29	44,712

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended December 31, 2019	For the year ended December 31, 2020
Cash flows from operating activities		
Profit before taxes	7,214	2,572
Depreciation and amortization	3,352	3,342
Increase (decrease) in net defined benefit liability	76	(182)
Interest and dividend income	(37)	(26)
Interest expense	822	818
Foreign exchange losses (gains)	85	248
(Gains) losses on sale of fixed assets	(6)	2
(Gains) losses on sale of investment property	(2,839)	—
Decrease (increase) in trade and other receivables	1,869	(608)
Decrease (increase) in inventories	167	737
(Decrease) increase in trade and other payables	(1,785)	(115)
Other, net	(61)	(621)
Sub Total	8,857	6,167
Interest received	27	21
Dividend received	8	5
Interest paid	(808)	(793)
Income taxes paid	(2,044)	(3,178)
Net cash provided by operating activities	6,040	2,222
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(2,118)	(987)
Proceeds from sale of property, plant and equipment	6	25
Proceeds from sale of investment property	6,500	—
Payments for acquisition of intangible properties	(365)	(318)
Other, net	2	8
Net cash provided by investing activities	4,025	(1,272)
Cash flows from financing activities		
Proceeds from short-term loans and borrowings	10,383	2,974
Repayments of short-term loans and borrowings	(4,824)	(2,967)
Repayments of long-term loans and borrowings	(8,655)	(155)
Payments of lease liabilities	(326)	(313)
Proceeds from exercise of subscription rights	420	24
Cash dividends paid	(3,208)	(2,057)
Payments for purchase of treasury stock	(0)	(251)
Net cash used in financing activities	(6,210)	(2,745)
Effect of exchange rate changes on cash and cash equivalents	(213)	(164)
Net (decrease) increase in cash and cash equivalents	3,642	(1,959)
Cash and cash equivalents at the beginning of the period	13,304	16,946
Cash and cash equivalents at the end of the period	16,946	14,987

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, 2019 and 2020 is as follows.

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

For the fiscal year ended December 31, 2020

(Millions of yen)

	Precision component business	Linear business	Others business	Total	Reconciling items	Consolidated financial statements
Sales						
External sales	48,329	3,694	1	52,024	—	52,024
Inter-segment sales	3	—	29	32	(32)	—
Total consolidated sales	48,332	3,694	30	52,056	(32)	52,024
Segment profit	3,429	161	21	3,611	0	3,611
				Financial income		32
				Financial expense		(1,071)
				Profit before taxes		2,572

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	(3,047)	(295)	—	(3,342)	—	(3,342)
Segment assets	109,354	13,311	39	122,704	7,762	130,466
Capital expenditure	1,207	48	—	1,255	—	1,255

(Earnings per share)

	For the fiscal year ended December 31, 2019	For the fiscal year ended December 31, 2020
Net profit for the period attributable to Owners of the parent (Millions of yen)	4,891	1,877
Adjustment for earnings	—	—
Adjusted Net profit for the period attributable to Owners of the parent (Millions of yen)	4,891	1,877
Weighted average numbers of issued common shares	40,176,128	40,237,815
Impact of dilution		
Stock options	631,437	—
BIP Trust	25,161	—
Weighted average numbers of issued common shares after dilution	40,832,726	40,237,815
Basic earnings per share (Yen)	121.74	46.64
Diluted earnings per share (Yen)	119.79	46.64