TSUBAKI NAKASHIMA CO.,LTD.

1 Q FY2021 Results Presentation

May 14, 2021

Tsubaki Nakashima Co., Ltd.

(TSE 6464)

Precision for
a changing world

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Highlights

Steady recovery in sales and profits while the macroeconomy is in various stages of growth or stagnation

Sales

- Sales achieved 16.9 billion yen, up from 1Q 2020 and 4Q 2020
- Sales of Non-Japanese customers, Asian markets and Ceramic balls were significantly higher than 1Q 2020.

Profits

- Operating profit achieved ¥ 1.79 billion, also up from 1Q 2020 and 4Q 2020
- In addition to sales growth, steady cost improvements contributed to supporting profits

Dividend

- Annual dividend ¥46 per share as per guidance in February.

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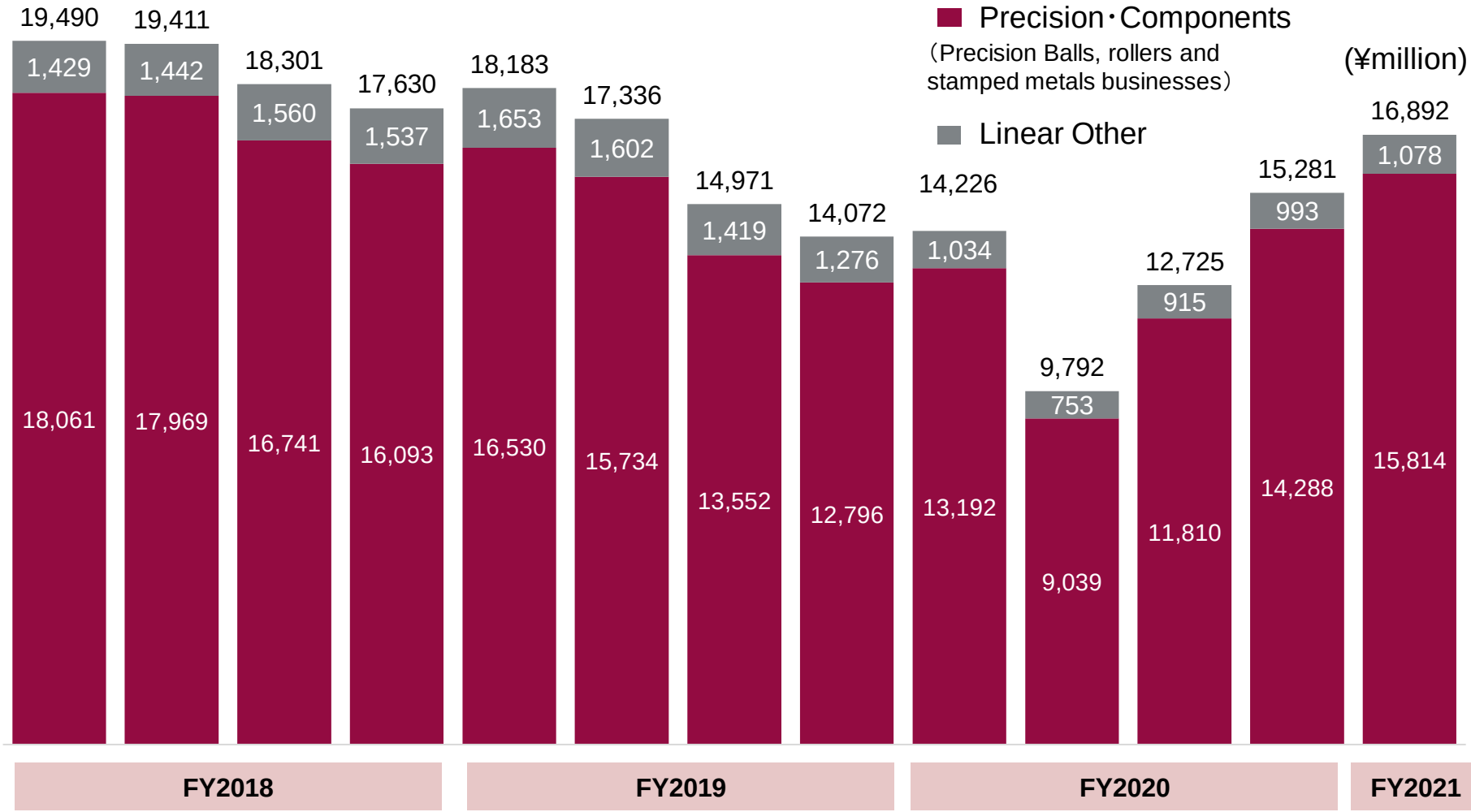
Sales by Quarter

Steady recovery amid fears of renewed spread of the new coronavirus infection.
Sales of Precision･Components recover to exceed 2Q 2019 levels before US-China trade friction started



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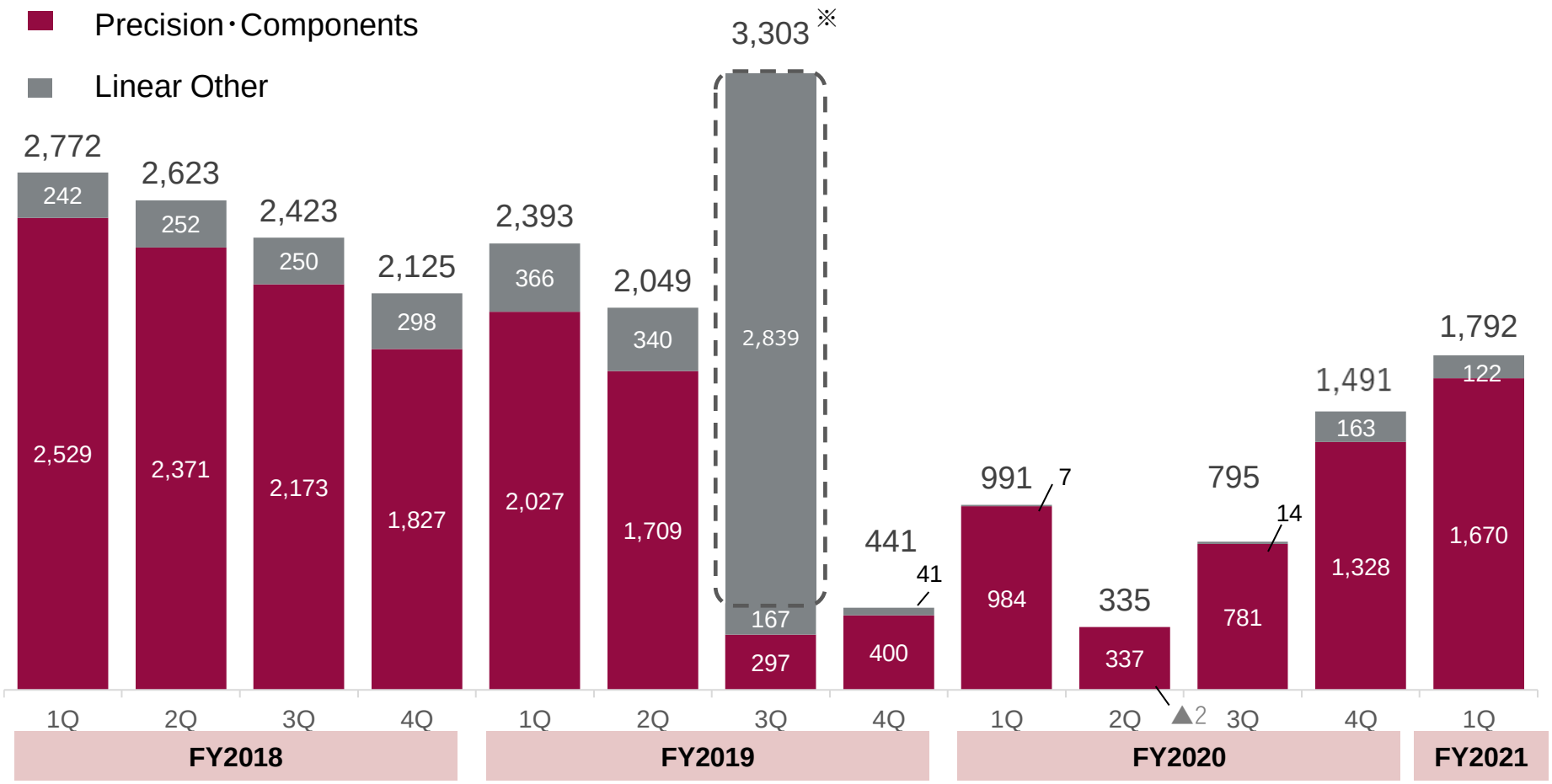
Operating profit by Quarter

OP increased for the third consecutive quarter.
1Q OP increased by 20.1% vs. 4Q 2020

(¥million)



※ Profit on sales of assets (¥2,839mil) included

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1Q FY2021 Consolidated results (YoY)

Sales increased by 16.1% and OP increased by 78.7% (excluding FX impact).
OP% reached 10% range

(¥million)

	FY2020 1Q	FY2021 1Q			
	Actual	Actual	FX impact	Inc/dec※1	Inc/dec%※1
Sales	14,226	16,892	376	2,290	16.1%
Operating profit	991	1,792	21	780	78.7%
OP%	7.0%	10.6%	—	—	—
EBITDA	1,856	2,620	44	720	38.8%
EBIT	935	1,772	158	679	72.7%
Net profit	691	1,327	148	488	70.7%

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

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1Q FY2021 Segment/Region Sales (YoY)

Year-on-year growth in all segments turned positive.

(¥million)

	FY2020 1Q	FY2021 1Q			
	Actual	Actual	FX impact	Inc/dec※1	Inc/dec%※1
Consolidated	14,226	16,892	376	2,290	16.1%
Precision Components※2	13,192	15,814	370	2,252	17.1%
Japan	2,510	3,109	—	599	23.9%
North America	3,235	3,295	▲95	155	4.8%
Europe	5,029	5,961	320	612	12.2%
Asia	2,418	3,451	145	888	36.7%
Linear and Other	1,034	1,078	6	38	3.7%

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

※2 Excluding inter-segment profit

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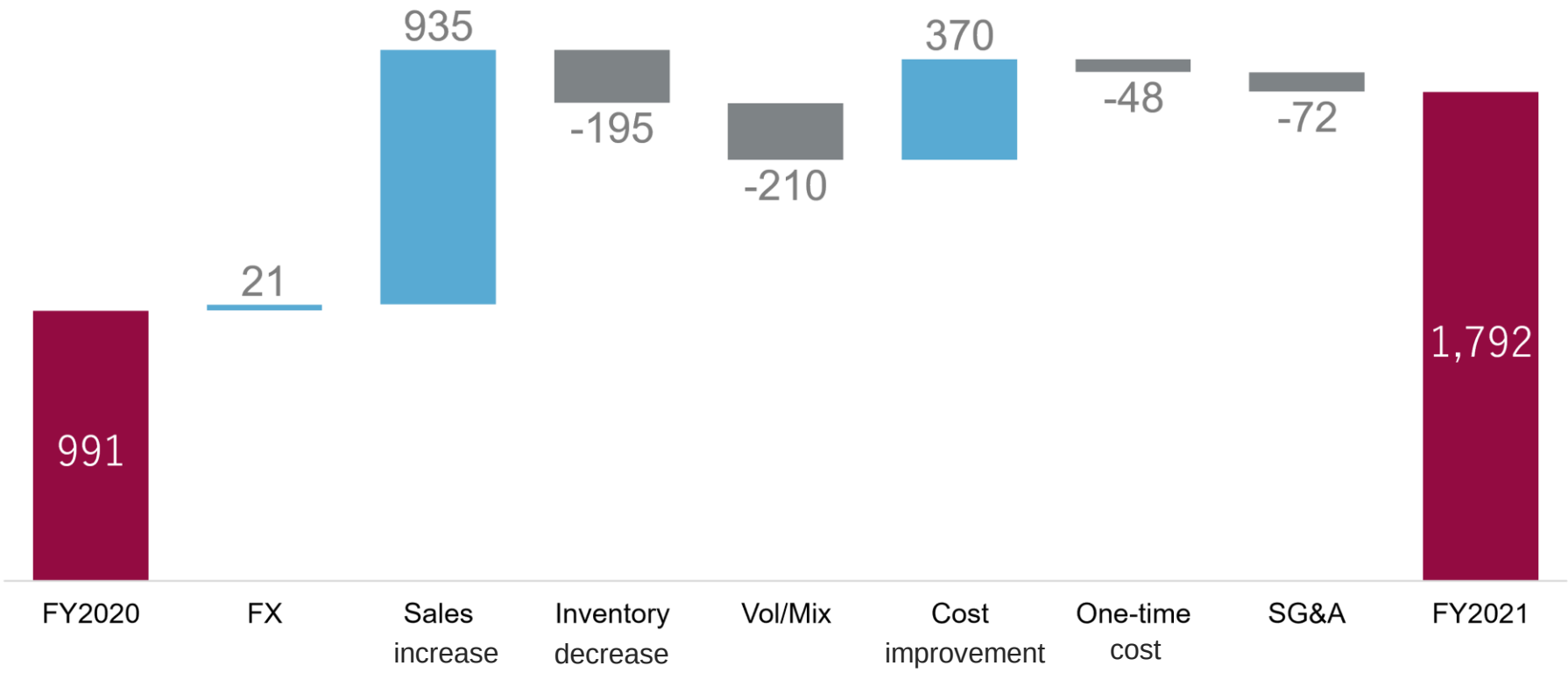
1Q FY2021 Operating profit bridge

Owing to contribution from sales increase and cost improvement, OP increased by 80.8% to ¥1.792 billion vs. 1Q FY2020

(¥million)



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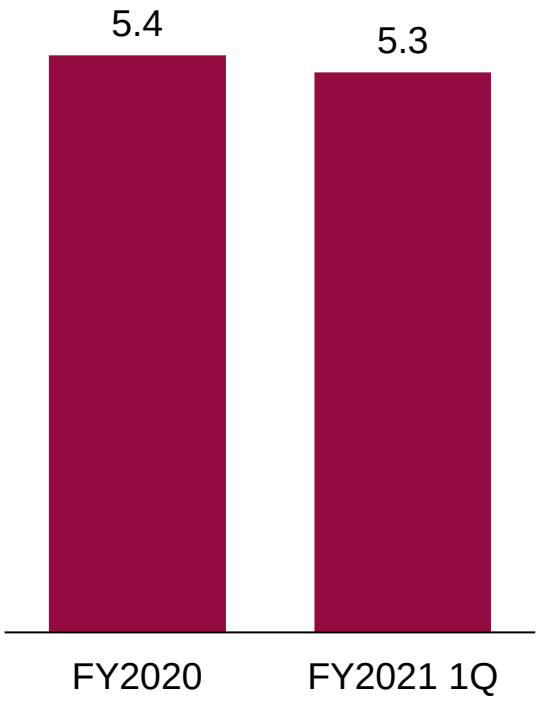
BS/CF

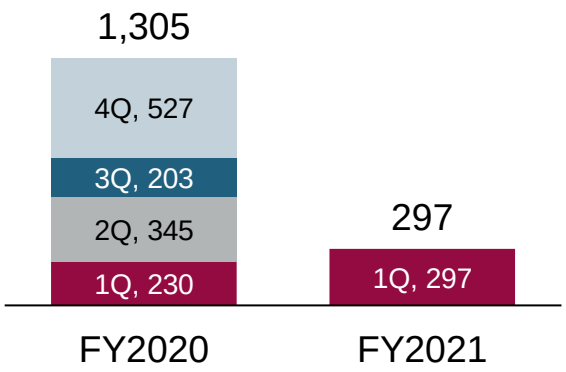
Inventory Turn-over (months)

The Turn-over period improved owing to the increase in sales



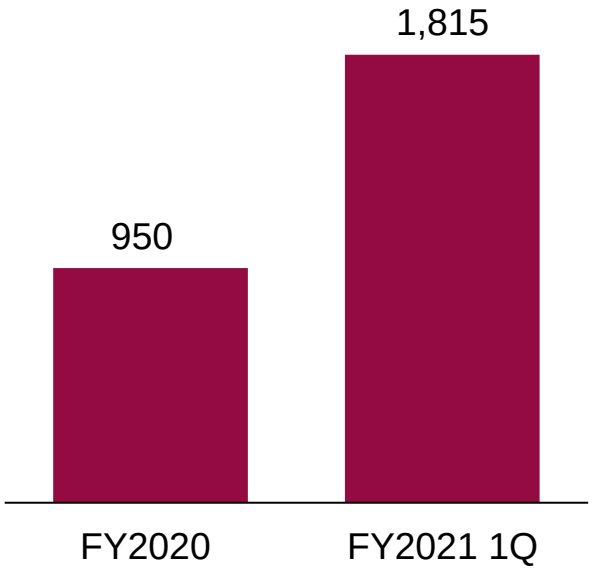
CAPEX(¥million)

Focused on maintenance in 1Q



Adjusted Free CF (¥million)

Significantly improved by generating FCF in 1Q that was twice as much as the previous year's total



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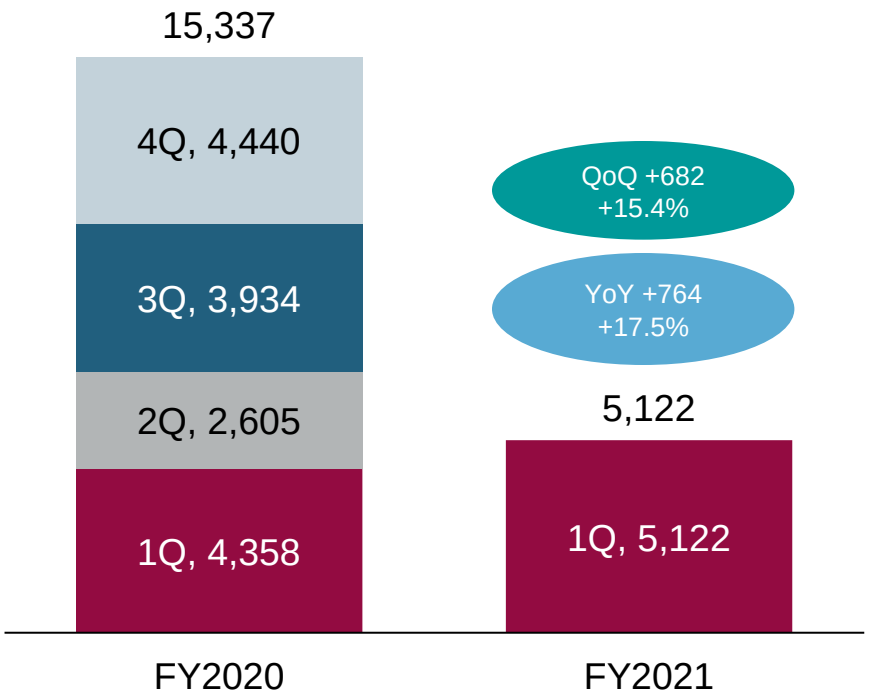
1Q FY2021 Sales initiatives

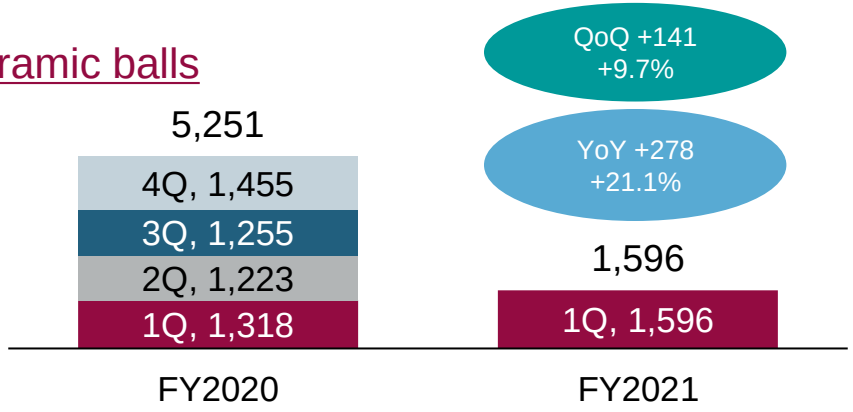
Significant increase in all segments vs. 1Q FY2020.
Sales of ceramic balls for EVs increased steadily

(¥million)

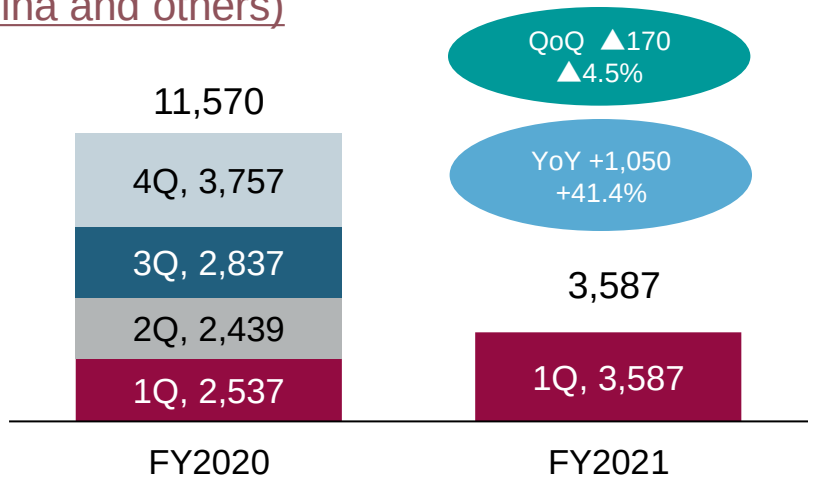
Non-Japanese customers



Ceramic balls



Asian Markets (China and others)



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