

3Q FY2023 Results Presentation

November 10, 2023

Tsubaki Nakashima Co., Ltd.

(Prime Market of TSE 6464)



Summary for 3Q FY2023

Sales

- Sales : ¥59.2 billion, ▲4.3%※ YoY
- Growth Strategies : Sales for Ceramic balls: ¥7.3 billion, +10.4% YoY

Profits

- Operating profit : ¥2.8 billion, +6.1%※ YoY
- Cost improvements continue to compensate for lower profits resulting from sales decline

Dividend

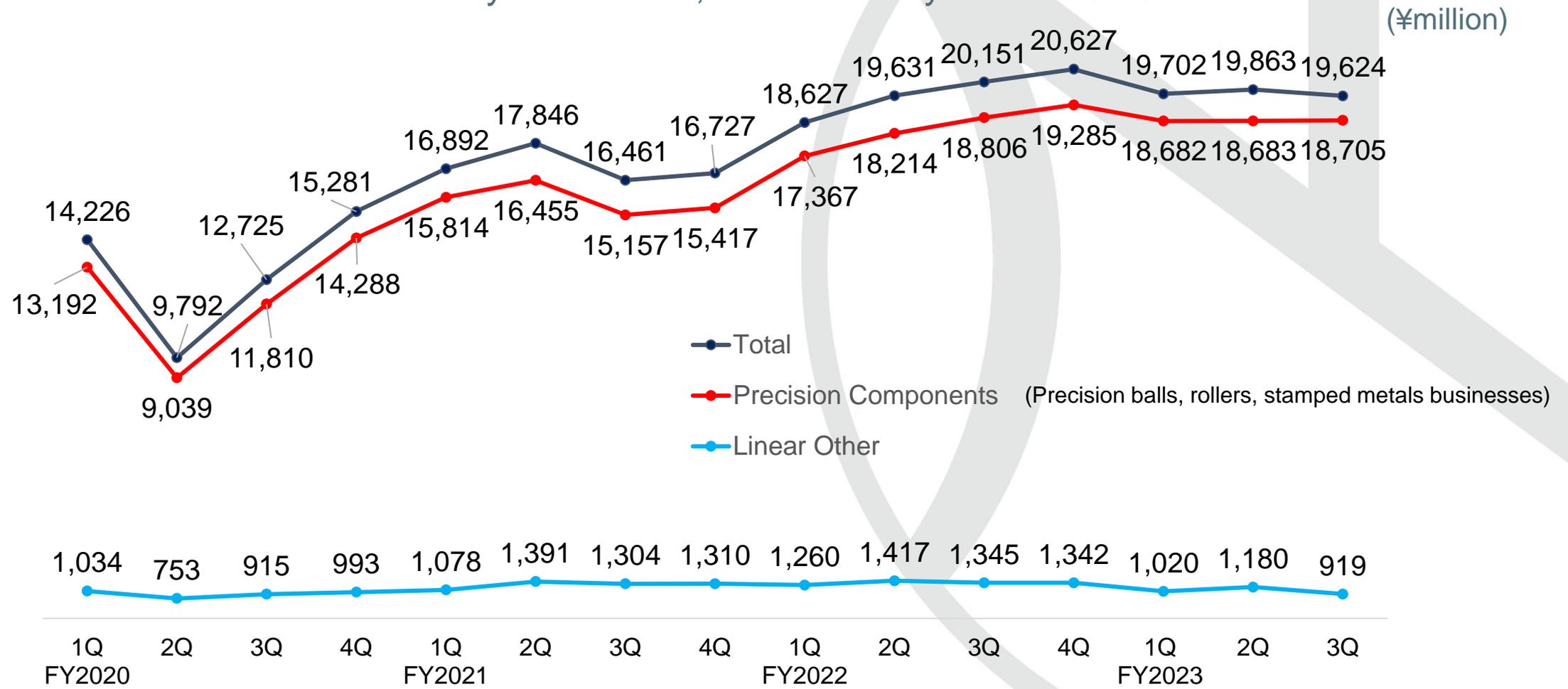
- Year-end dividend ¥17/share (planned)
- Annual dividend ¥30/share, including the interim dividend of ¥13/share

※ exclude “FX impact”

Sales by Quarter

Sales of Precision Components decreased by 0.5% YoY, increased by 0.1% QoQ

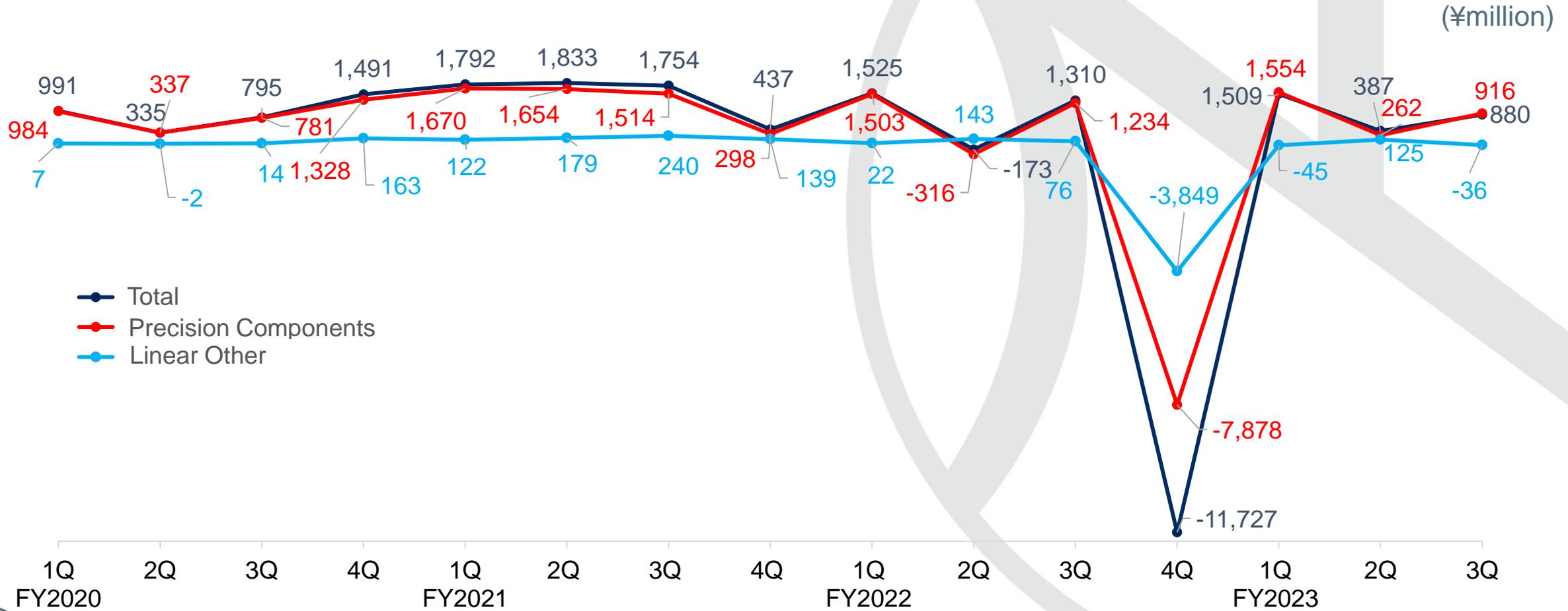
Sales of Linear Other decreased by 31.7% YoY, decreased by 22.1% QoQ



Operating profit by Quarter

OP of Precision Components decreased by 25.8% YoY, increased by 249.6% QoQ

OP of Linear Other : Operating Loss in 3Q



3Q FY2023 Consolidated results (YoY)

Sales decreased by 4.3% and OP increased by 6.1%(excluding FX impact)

(¥million)

	FY2022	FY2023			
	3Q	3Q			
	Actual	Actual	FX impact	Inc/dec ^{※1}	Inc/dec% ^{※1}
Sales	58,409	59,189	3,271	▲ 2,491	▲ 4.3%
Operating profit	2,662	2,776	▲ 48	162	6.1%
OP%	4.6%	4.7%	—	—	—
EBITDA	5,401	5,134	60	▲ 327	▲ 6.1%
PBT	2,974	2,706	▲ 60	▲ 208	▲ 7.0%
Net profit	1,494	1,192	▲ 103	▲ 199	▲ 13.3%

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

3Q FY2023 Segment/Region Sales (YoY)

(¥million)

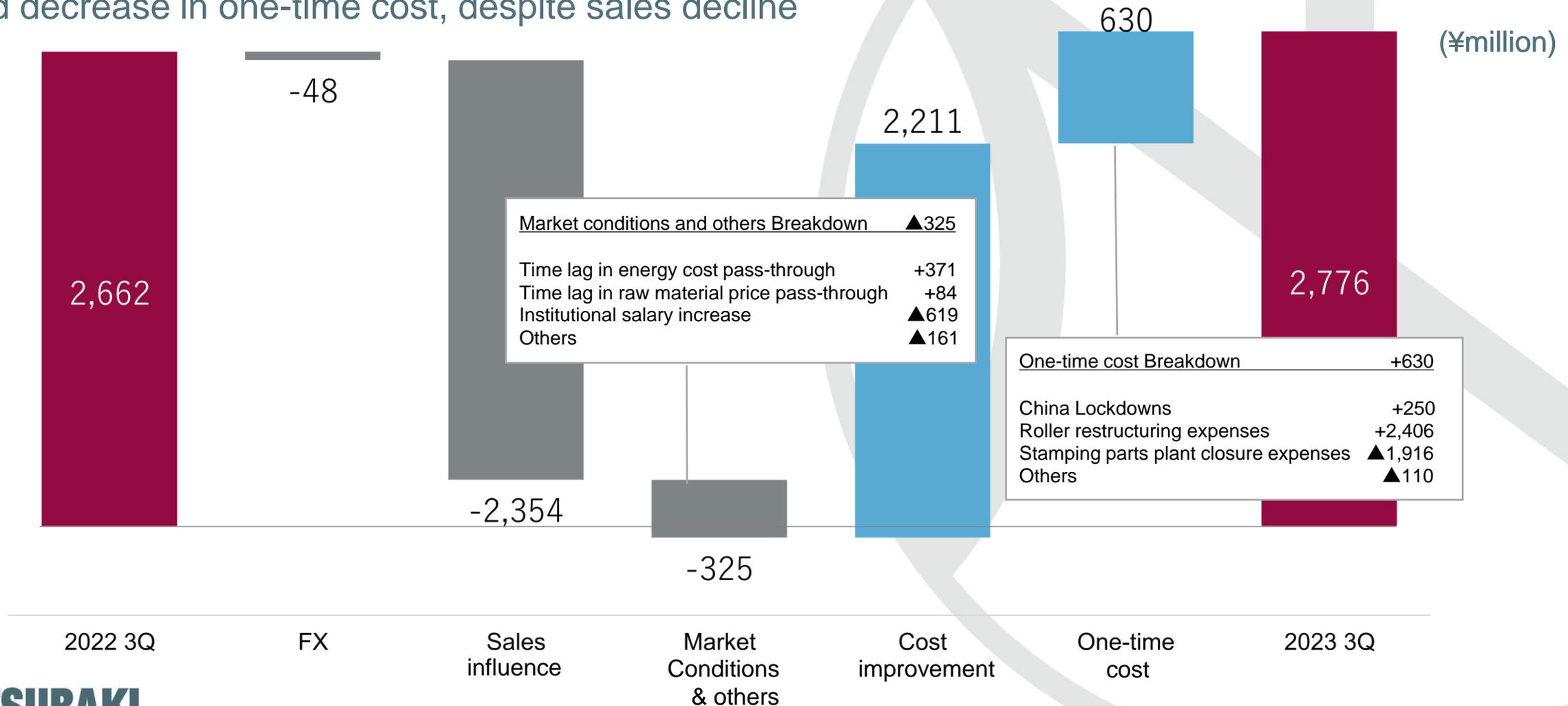
	FY2022	FY2023			
	3Q	3Q			
	Actual	Actual	FX impact	Inc/dec ^{※1}	Inc/dec% ^{※1}
Consolidated	58,409	59,189	3,271	▲ 2,491	▲ 4.3%
Precision Components ^{※2}	54,387	56,070	3,259	▲ 1,576	▲ 2.9%
Japan	10,040	10,347	—	307	3.1%
North America	11,156	11,682	870	▲ 344	▲ 3.1%
Europe	20,391	20,200	2,008	▲ 2,199	▲ 10.8%
China	10,676	10,998	177	145	1.4%
Asia(ex. China)	2,128	2,845	204	513	24.1%
Linear Other	4,022	3,119	12	▲ 915	▲ 22.7%

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

※2 Excluding inter-regional transaction

3Q FY2023 Operating profit bridge

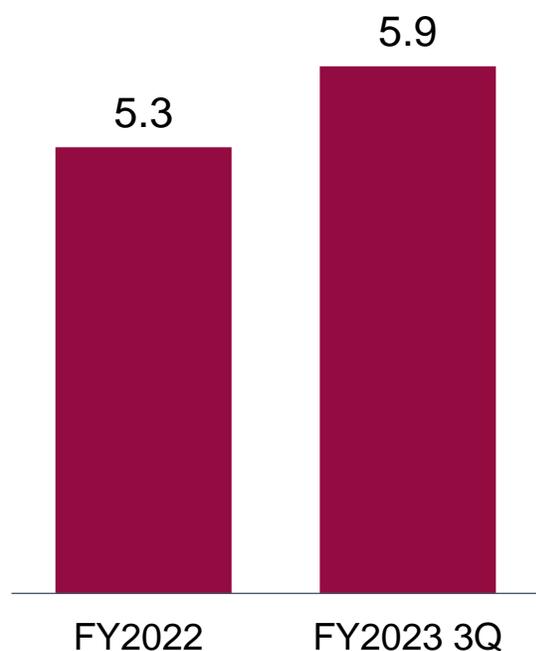
Operating profit increased by 4.3% YoY to ¥2,776 million due to cost improvement and decrease in one-time cost, despite sales decline



BS/CF

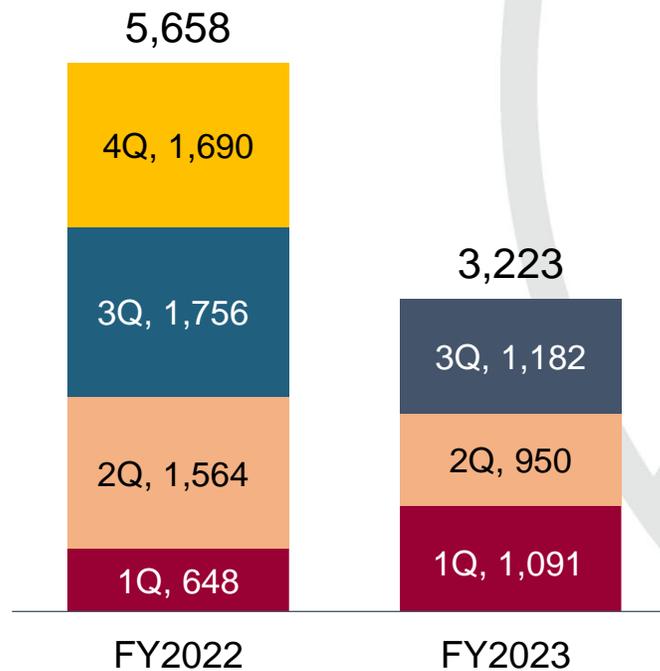
Inventory Turn-over (months)

Increase in inventory due to sales decline



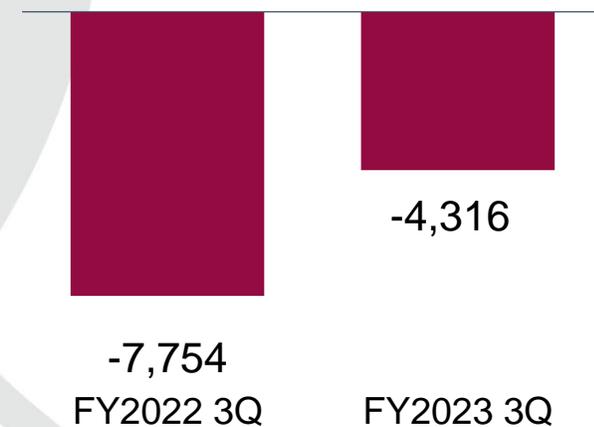
CAPEX (¥million)

Promoting capital investment for future growth is underway



Free CF (¥million)

Improved working capital, mainly in trade receivables



Progress in Growth Strategies (3Q FY2023)

Ceramic ball growth temporarily slows

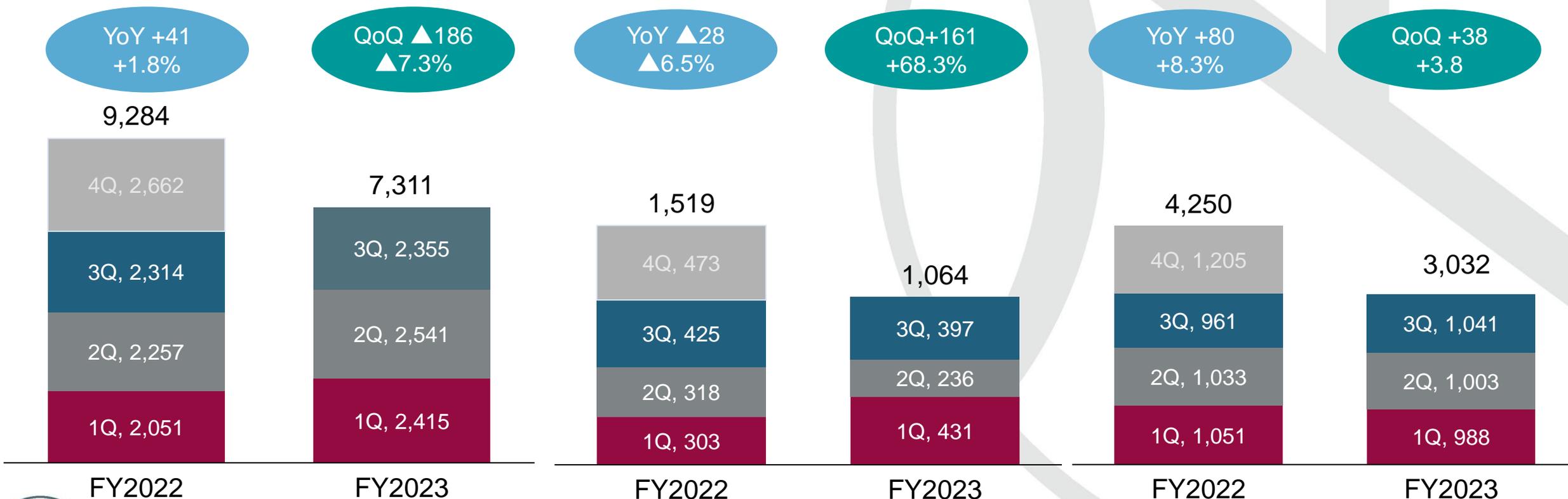
Sales in medical device and in Asia increased QoQ

(¥million)

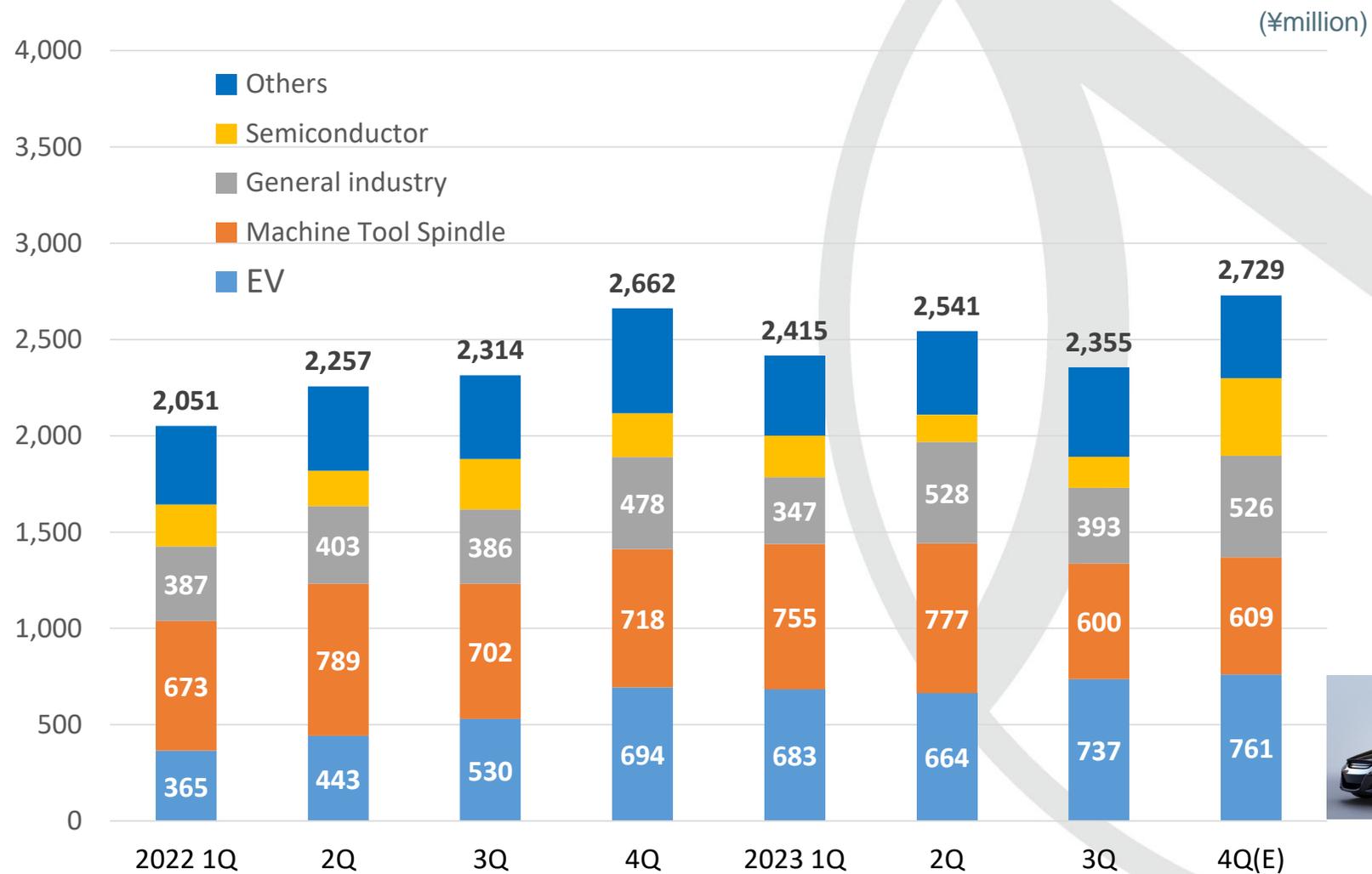
Ceramic balls

Medical Device

Growth in Asia (ex. China, ceramic)



Ceramic Ball Sales Trend / Forecasts by Application



Sustainability Initiatives

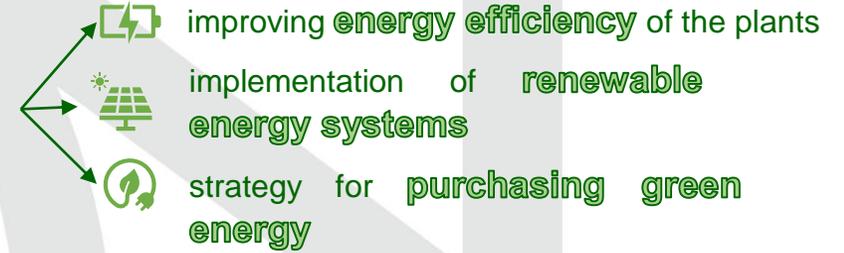


Last year, we underwent our first CDP audit and received a "B" rating, the third highest on an eight-point scale. We will continue our efforts to strengthen our climate change measures.

CO₂ Emission Reduction Targets



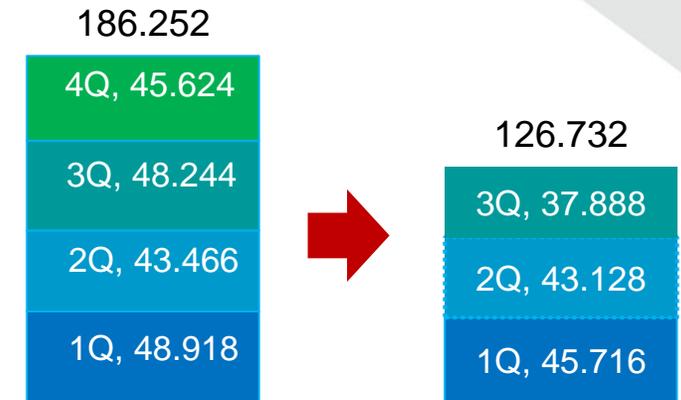
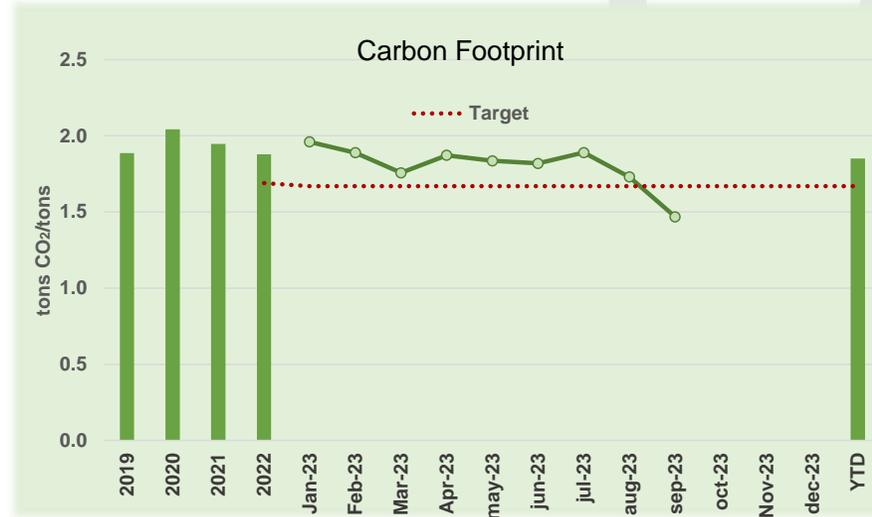
- -27.5% Ton CO₂ by 2030 compared to 2019
- Aiming to achieve carbon neutrality by 2050



OUR TARGETS



CARBON FOOTPRINT	YTD Q3 (Q1+Q2+Q3) 2022	YTD Q3 (Q1+Q2+Q3) 2023	2023 vs 2022 %
JAPAN	2.6	2.5	-6%
AMERICAS	1.6	1.6	-2%
EUROPE	1.4	1.4	0%
CHINA	2.2	2.0	-10%
CERAMIC	32.8	29.3	-12%
MEDICAL	3.8	4.4	15%
TN	1.9	1.8	-4%



Total CO₂ Emissions



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