



TSUBAKI NAKASHIMA CO.,LTD.

1 Q FY2019 Results Presentation

May 14, 2019

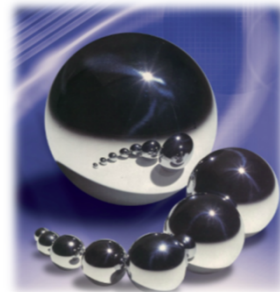
Tsubaki Nakashima Co, Ltd.

(TSE 6464)



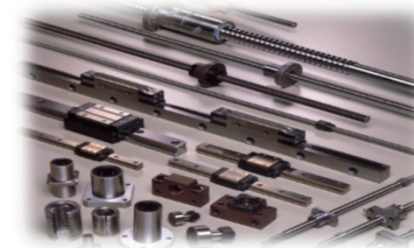
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One ball, One heart

To put our whole heart and soul into crating a single steel ball.



One spirit (precision), one heart (sincerity)

Sincerity is having a true heart, and the same Chinese character stands for both precision and sprit. To put our whole heart and soul into our work and produce excellent, precisely-made products.



1. 1Q FY2019 RESULTS

Highlights for 1Q FY2019



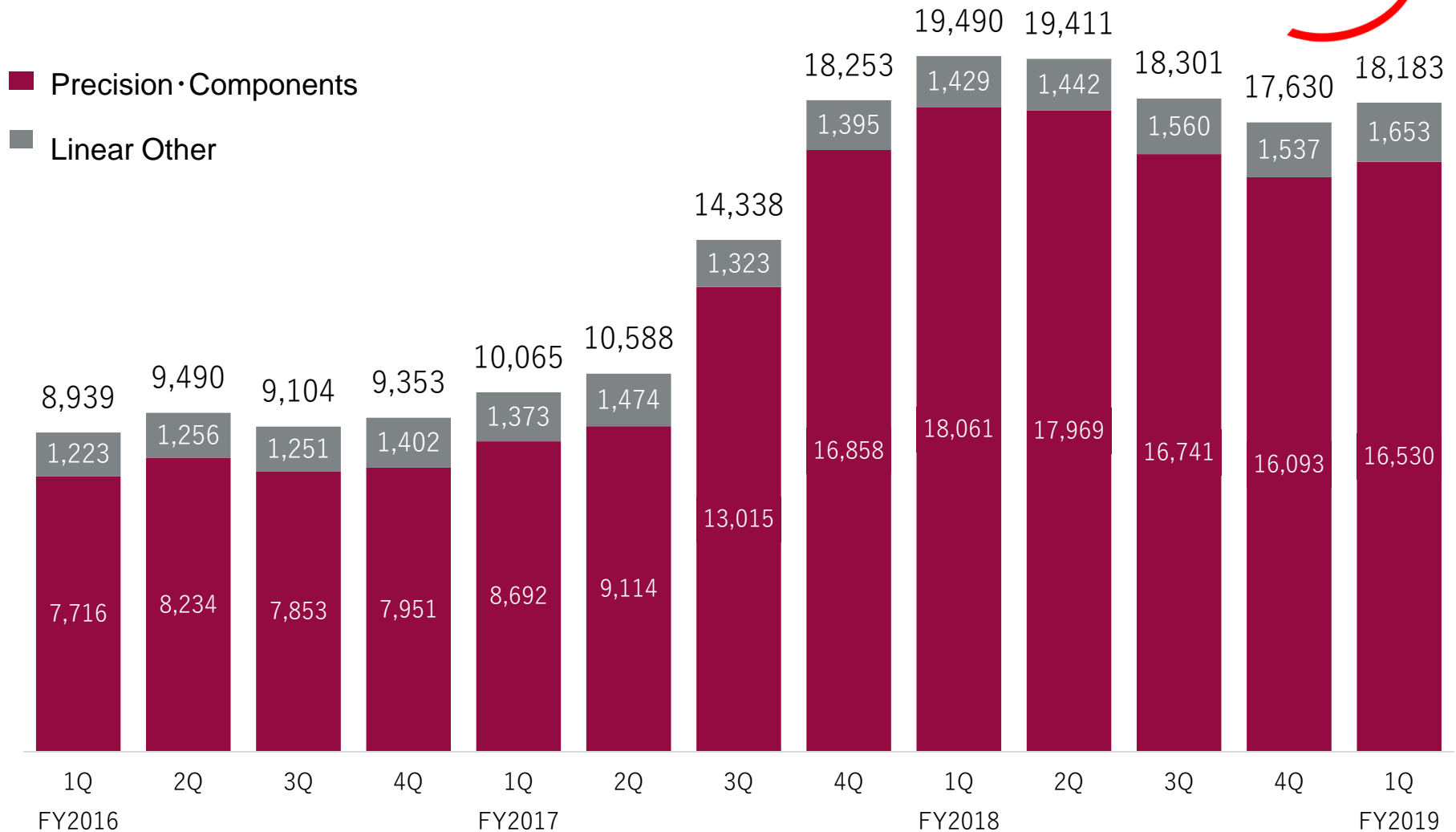
- ❑ Sales and profit were positive compared to the previous quarter, though an unstable global economy continued
- ❑ Sales exceeded 4Q FY2018 by +3.1% QonQ
- ❑ Operating profit is 13.2%, up 1.1% from the previous quarter
- ❑ The synergy effect was cumulative and the contribution to operating profit to 1Q FY2019 was 82 million yen
- ❑ Dividend is as per the guidance, and is planned to be 81 yen
(YonY + 2.5%)

Sales by Quarter



Sales increased by 3.1% QonQ

(¥Million)





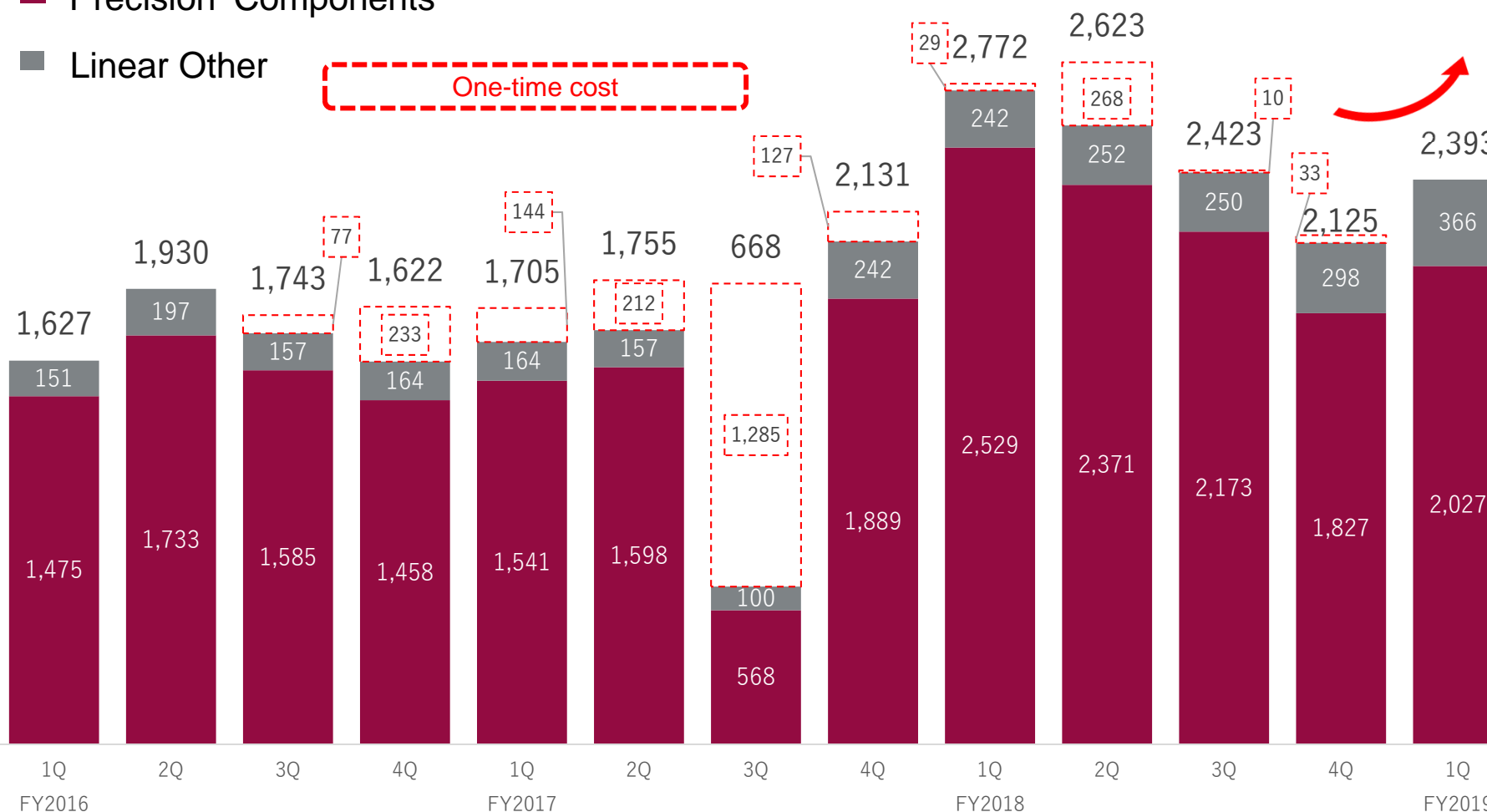
Operating profit by Quarter

OP increased ¥260 million QonQ, OP margin improved 1.1% QonQ

■ Precision·Components

■ Linear Other

(¥Million)



1Q FY2019 Segment/Region Sales QonQ



Precision Components and Linear Other exceeded previous quarter

(¥Million)

	FY2018 4Q	FY2019 1Q		
	Actual	Actual	Inc/dec	Inc/dec%
Consolidated	17,630	18,183	553	3.1%
Precision Components	16,093	16,530	437	2.7%
Japan	3,369	3,035	▲334	▲9.9%
North America	3,642	3,813	171	4.7%
Europe	5,785	6,575	790	13.7%
Asia	3,297	3,107	▲190	▲5.8%
Linear and Other	1,537	1,653	116	7.5%

*Precision Components includes Precision Balls, rollers and stamped metals businesses.

1Q FY2019 Consolidated results



Both sales and operating profit were high in the same period last year, so both were negative compared YonY

(¥Million)

	2018 1Q	2019 1Q			
	Actual	Actual	FX impact	Inc/dec (*2)	Inc/dec% (*2)
Sales	19,490	18,183	▲569	▲738	▲3.8%
Operating profit	2,772	2,393	▲60	▲318	▲11.5%
OP%	14.2%	13.2%	—	—	—
EBITDA	3,670	3,234	▲90	▲346	▲9.4%
EBIT	2,381	2,224	175	▲332	▲14.0%
Net profit (*1)	1,737	1,645	165	▲257	▲14.8%

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

(*2)“Inc/dec” and “Inc/dec%” exclude “FX impact”

1Q FY2019 Segment/Regions Sales YonY



Compared YonY basis, Sales were negative because of record high sales in 1Q FY2018

(¥Million)

	2018 1 Q	2019 1 Q			
	Actual	Actual	FX impact	Inc/dec (*1)	Inc/dec% (*1)
Consolidated	19,490	18,183	▲569	▲738	▲3.8%
Precision Components	18,061	16,530	▲560	▲971	▲5.4%
Japan	3,312	3,035	—	▲277	▲8.4%
North America	3,760	3,813	66	▲13	▲0.4%
Europe	7,696	6,575	▲482	▲639	▲8.3%
Asia	3,293	3,107	▲144	▲42	▲1.3%
Linear and Other	1,429	1,653	▲9	233	16.3%

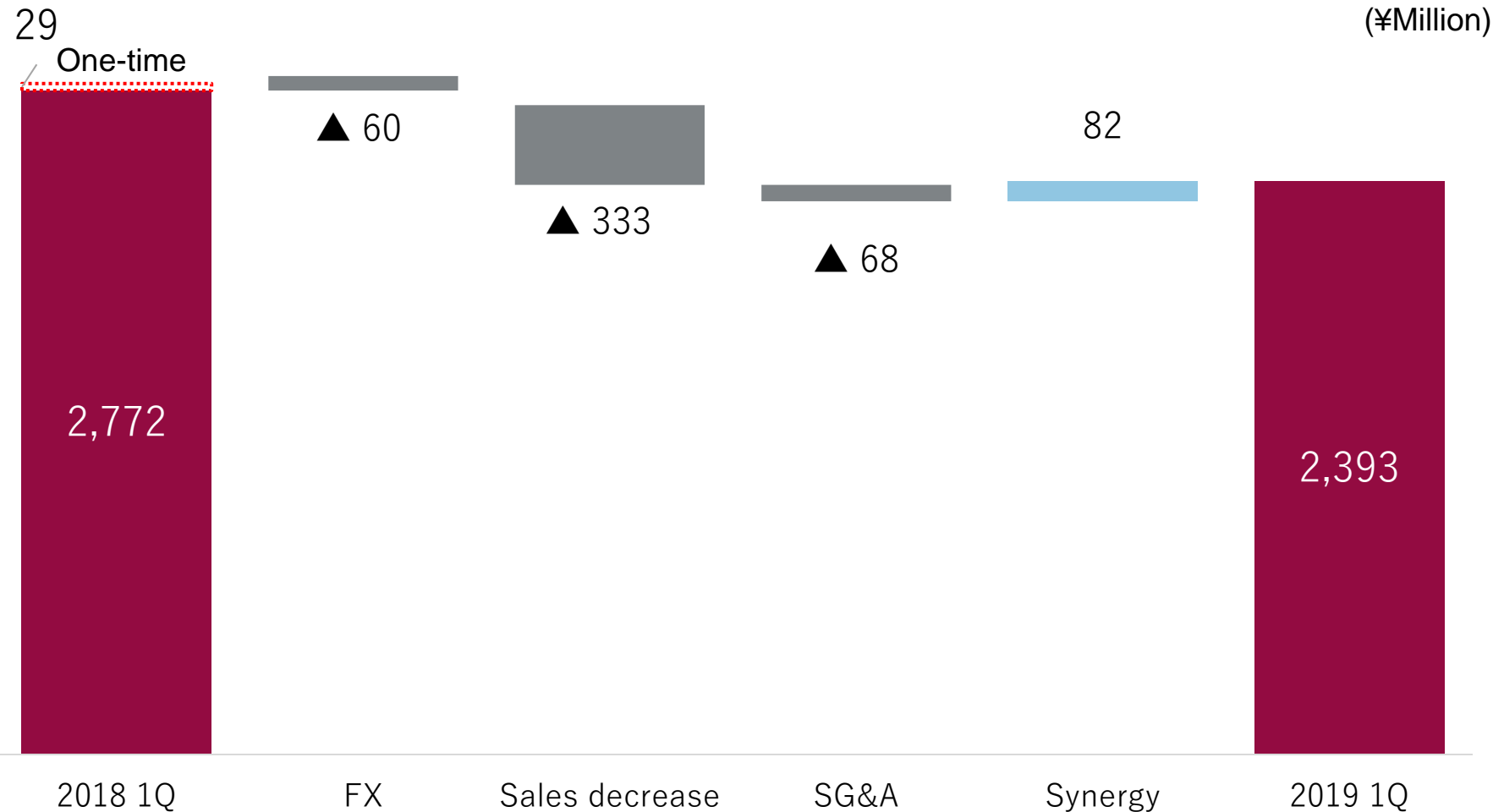
Precision Components includes Precision Balls, rollers and stamped metals businesses.

(*1)“Inc/dec” and “Inc/dec%” exclude “FX impact”

1Q FY2019 Operating profit bridge YonY



The Synergy effect has contributed to the operating profit



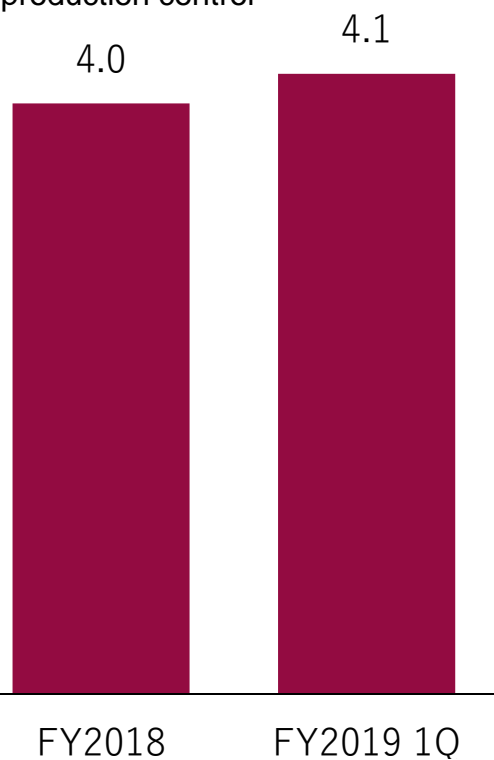
(*)As one-time cost, "Expense related External Investigation Committee etc." in 1Q FY2018.

BS/CF



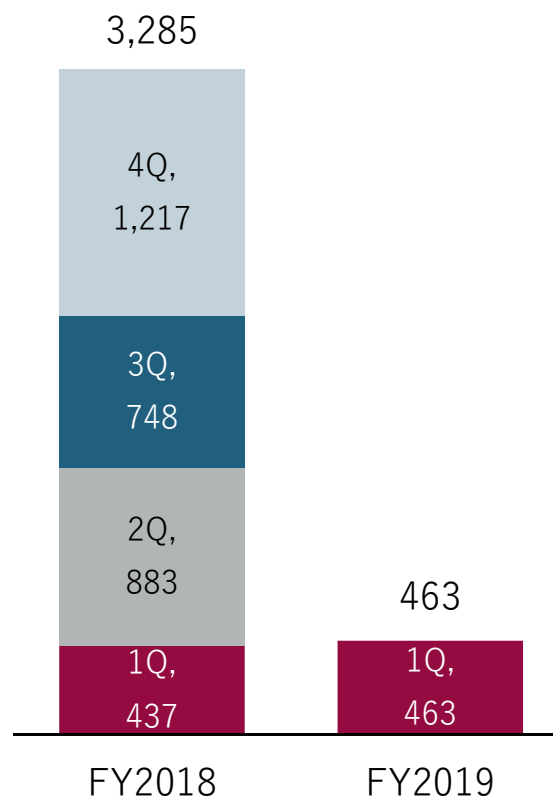
Inventory Turn-over (months)

Inventory increased due to a decrease in sales. Aiming at an optimized level by production control



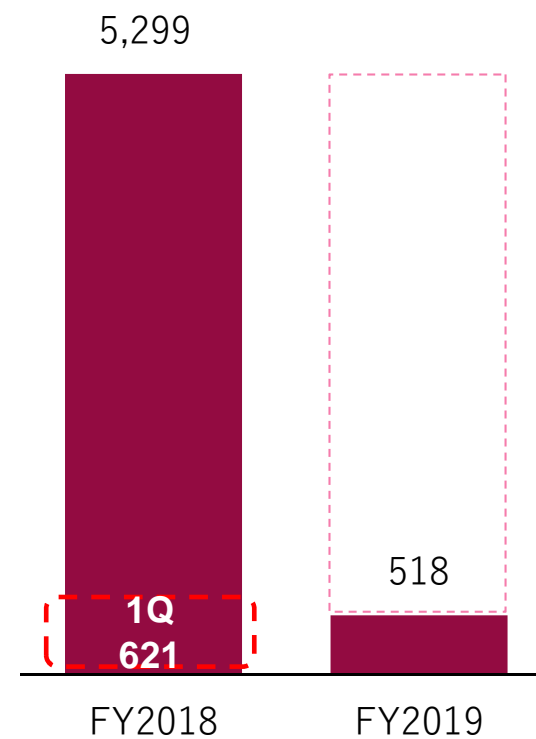
CAPEX(¥ million)

IT investments in US and China



Adjusted FCF (¥ million)(*1)

Ensuring FY2018 level of FCF



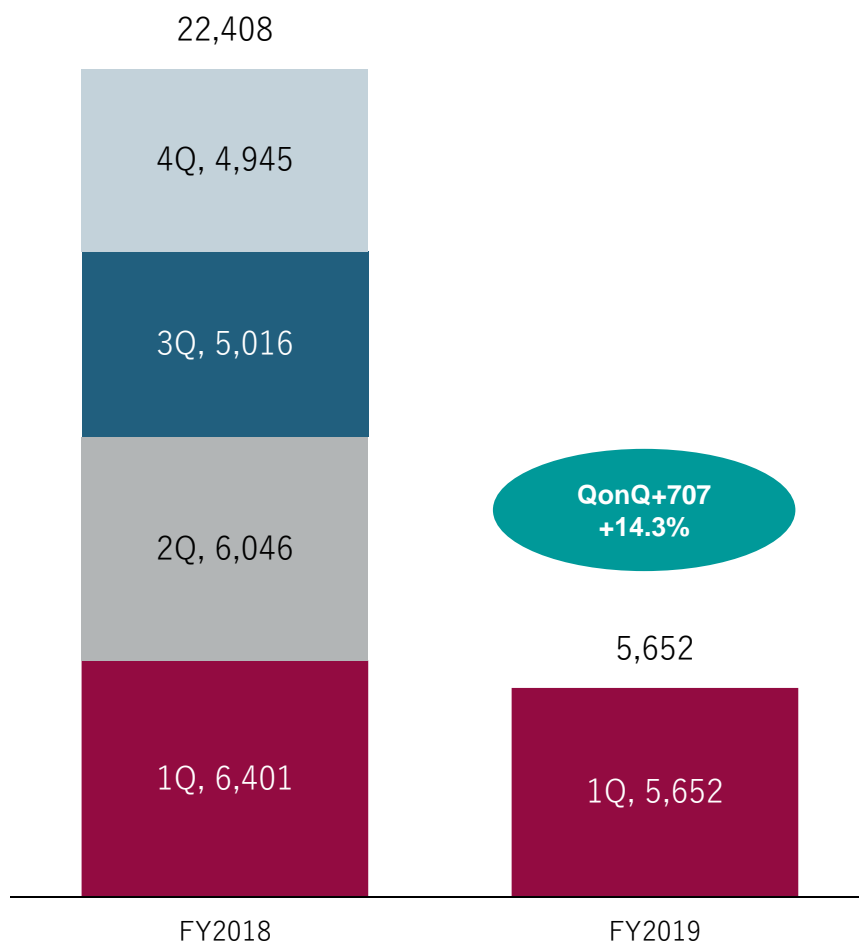
(*1) Adjusted FCF excludes ¥540 million due to the US tax revision in FY2018



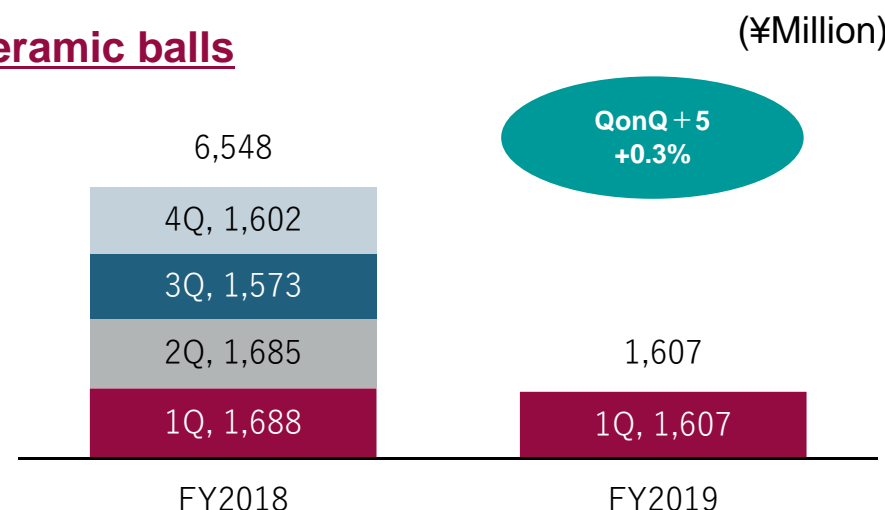
1Q FY2019 Sales initiatives

Sales initiatives progressed steadily except weak China market

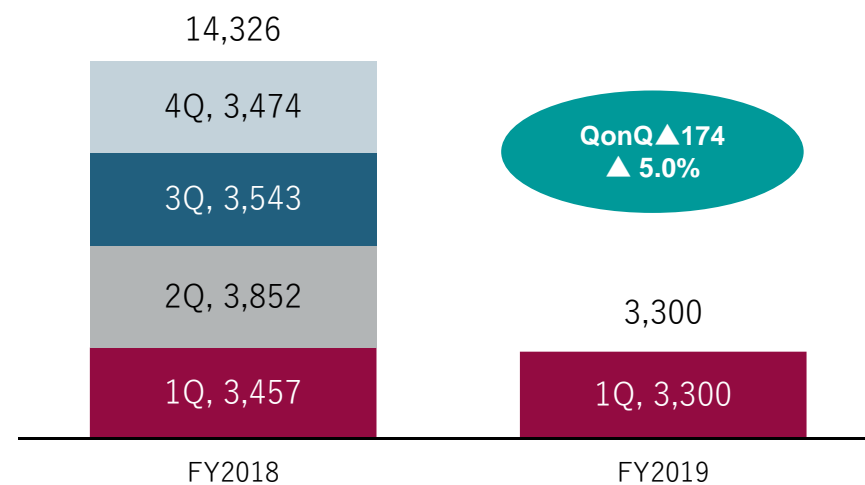
Non-Japanese Customers



Ceramic balls



Growth in Asia



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