

Financial Results Briefing

Second Quarter of Fiscal Year ending March 31, 2024



November 15, 2023

NIPPON THOMPSON CO., LTD.

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for 1st Half of Fiscal Year ending March 31, 2024
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for Fiscal Year ending March 31, 2024
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and Sustainable Management Promotion

【Supplementary Information】 Financial Data

Note 1: The forecast of operations results in this summary is prepared based on the earnings preannouncement released on November 13, 2023. Therefore the reader should be aware that actual results may be different from any future results expressed herein due to various factors.

Note 2: Amounts in these graphs and tables are rounded down to the million of Yen.

Note 3: Percentages in these graphs and tables are rounded off the fractions to two decimal places.

Financial Summary

for 1st Half of Fiscal Year ending March 31, 2024

- **Net sales decreased by 17.1% YoY as the adjustment phase of demand continued, including for electronics-related devices.**
- **Despite the effects of yen depreciation, operating profit decreased by 53.0% YoY, mainly due to the impact of reduced revenue and production.**
- **Orders received decreased by 37.1% YoY due to decelerating demand in the European and North American markets as well as the delay in China's economic recovery.**
Inventories increased by 3,564 million yen compared to the end of the previous period due to a strategic increase in inventories in anticipation of an increase in future demand.

Consolidated Financial Summary



(Millions of yen)

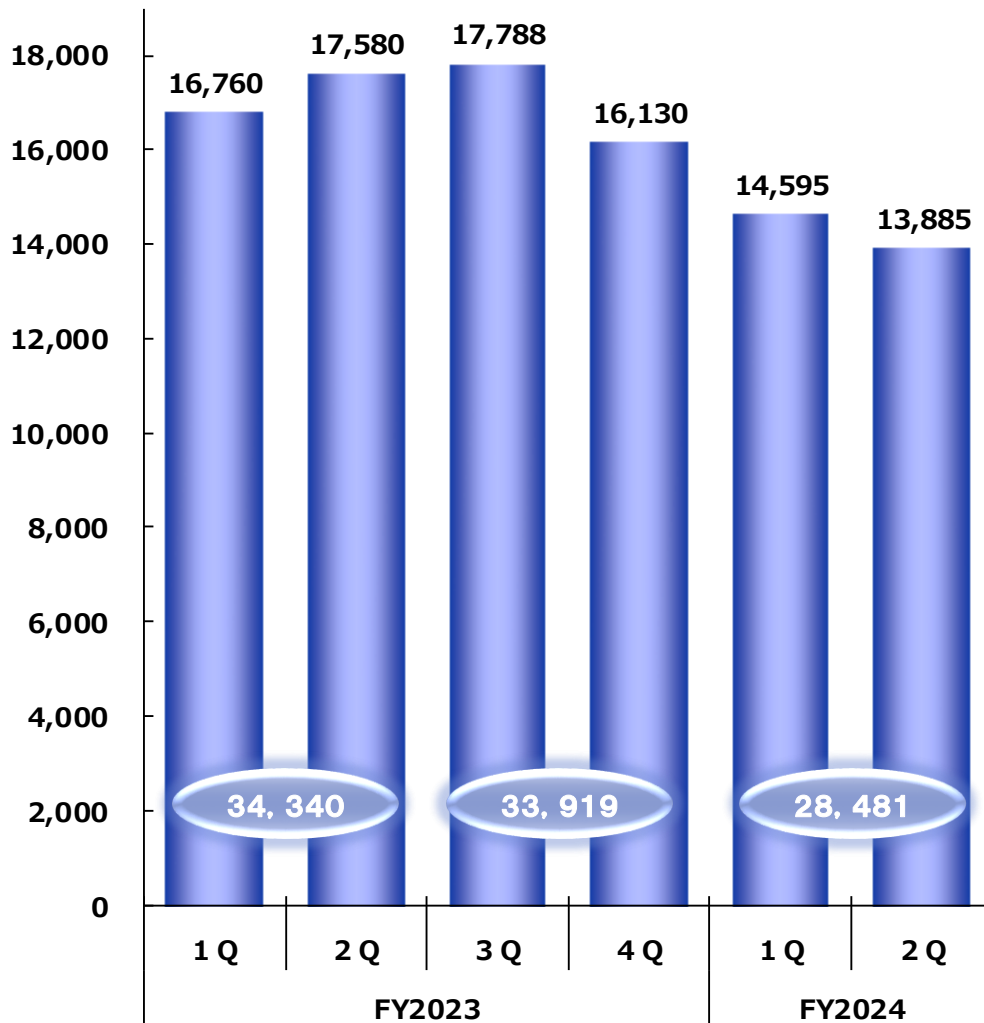
	FY2023	Composition Ratio	FY2023	Composition Ratio	FY2023	Composition Ratio	FY2024	Composition Ratio	Change	
	1st. Half(A)	(%)	2st. Half(B)	(%)		(%)	1st. Half(C)	(%)	C/A(%)	C/B(%)
Net Sales	34,340		33,919		68,260		28,481		(17.1)	(16.0)
Gross profit	11,787	34.3	12,690	37.4	24,477	35.9	9,514	33.4	(19.3)	(25.0)
Selling expenses, General and Administrative expenses	7,446	21.7	7,571	22.3	15,017	22.0	7,474	26.2	0.4	(1.3)
Operating Income	4,340	12.6	5,118	15.1	9,459	13.9	2,040	7.2	(53.0)	(60.1)
Ordinary Income	6,084	17.7	4,394	13.0	10,479	15.4	3,007	10.6	(50.6)	(31.6)
Net Income attributable to owners of the parent	4,195	12.2	3,274	9.7	7,469	10.9	1,586	5.6	(62.2)	(51.5)
Dividend per share	¥9.0		¥10.0		¥19.0		¥9.5			
Dividend payout ratio	15.3%				18.1%		42.7%			

Trend in Consolidated Net Sales/Operating Income



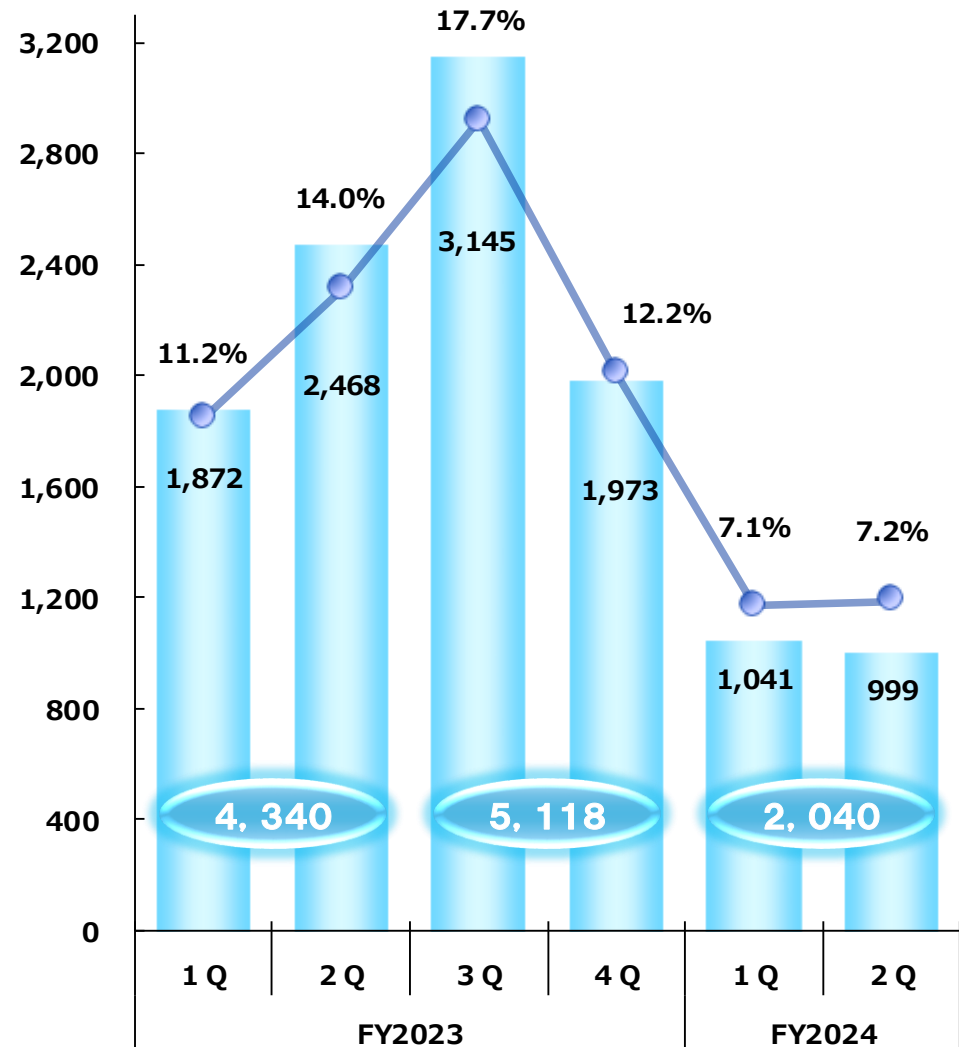
Net Sales

(Millions of yen)



Operating Income / Operating margin

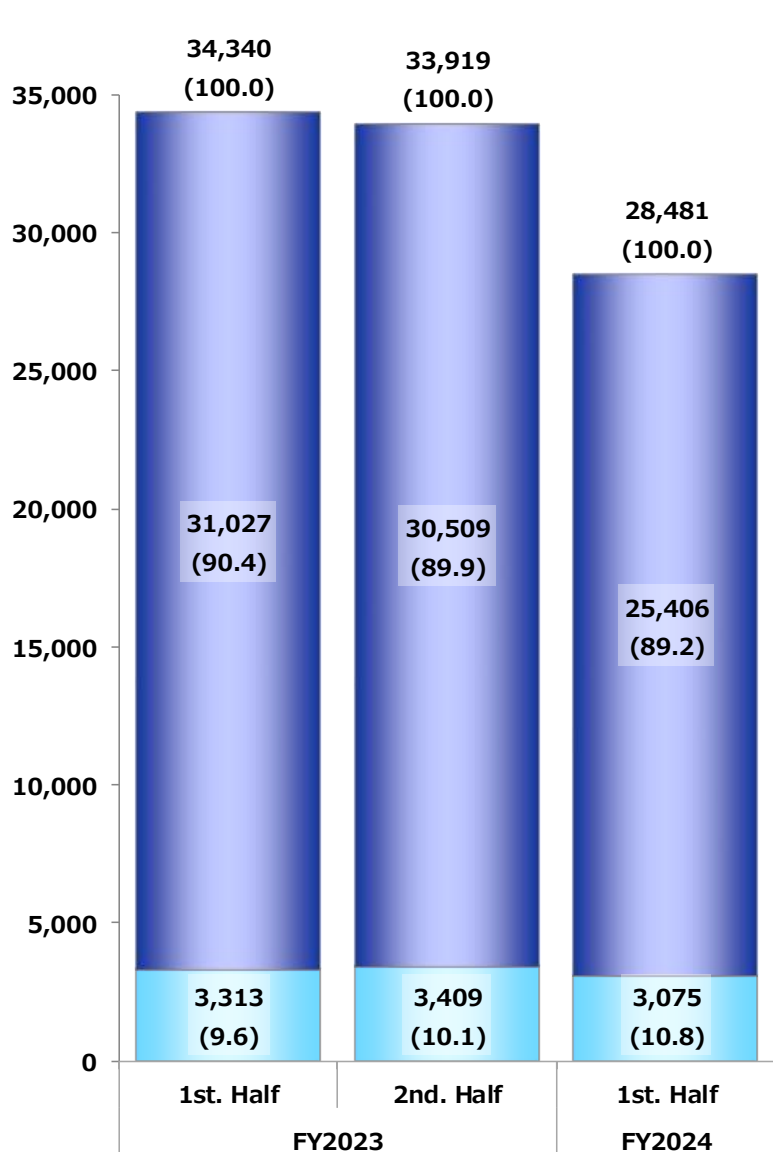
(Millions of yen)



Trend in Consolidated Net Sales «By Product Segment»



(Millions of yen)



■【Bearings,etc.】

YoY - 5,620million JPY (- 18.1%)
 HoH - 5,103million JPY (- 16.7%)

- Needle bearings saw a decrease in demand for electronics-related devices such as semiconductor manufacturing equipment and for commercial products, despite an increase in demand for machine tools.
- Regarding linear motion rolling guides, demand decreased overall for electronics-related devices, including mounting machines, and commercial products.

■【Machine components】

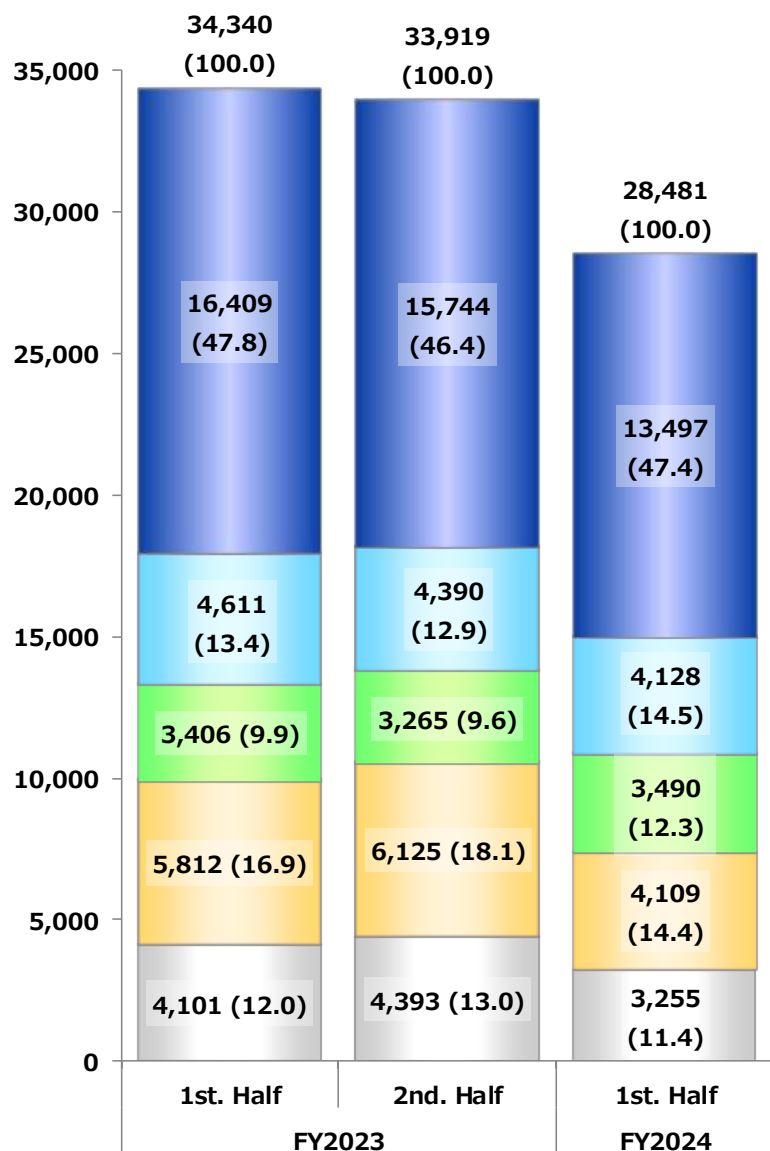
YoY - 238million JPY (- 7.2%)
 HoH - 334million JPY (- 9.8%)

- Despite an increase in demand for precision machinery, demand decreased for electronics-related devices and commercial products.

Trend in Consolidated Net Sales «By Geographical Area»



(Millions of yen)



■ **【Japan】**

YoY - 2,912million JPY (- 17.7%)
HoH - 2,246million JPY (- 14.3%)

- Demand has slowed mainly for electronics-related devices, including mounting machines, and commercial products.

■ **【Americas】**

YoY - 482million JPY (- 10.5%)
HoH - 262million JPY (- 6.0%)

- Demand has slowed for electronics-related devices and general industrial machinery, including precision machinery and various types of medical equipment.

■ **【Europe】**

YoY + 84million JPY (+ 2.5%)
HoH + 224million JPY (+ 6.9%)

- Although demand for machine tools and commercial products stagnated, net sales increased due in part to higher demand for general industrial machinery and the effects of yen depreciation.

■ **【China】**

YoY - 1,702million JPY (- 29.3%)
HoH - 2,016million JPY (- 32.9%)

- Net sales decreased due to such factors as stagnation in the real estate market and anemic domestic and overseas demand.

■ **【Others】**

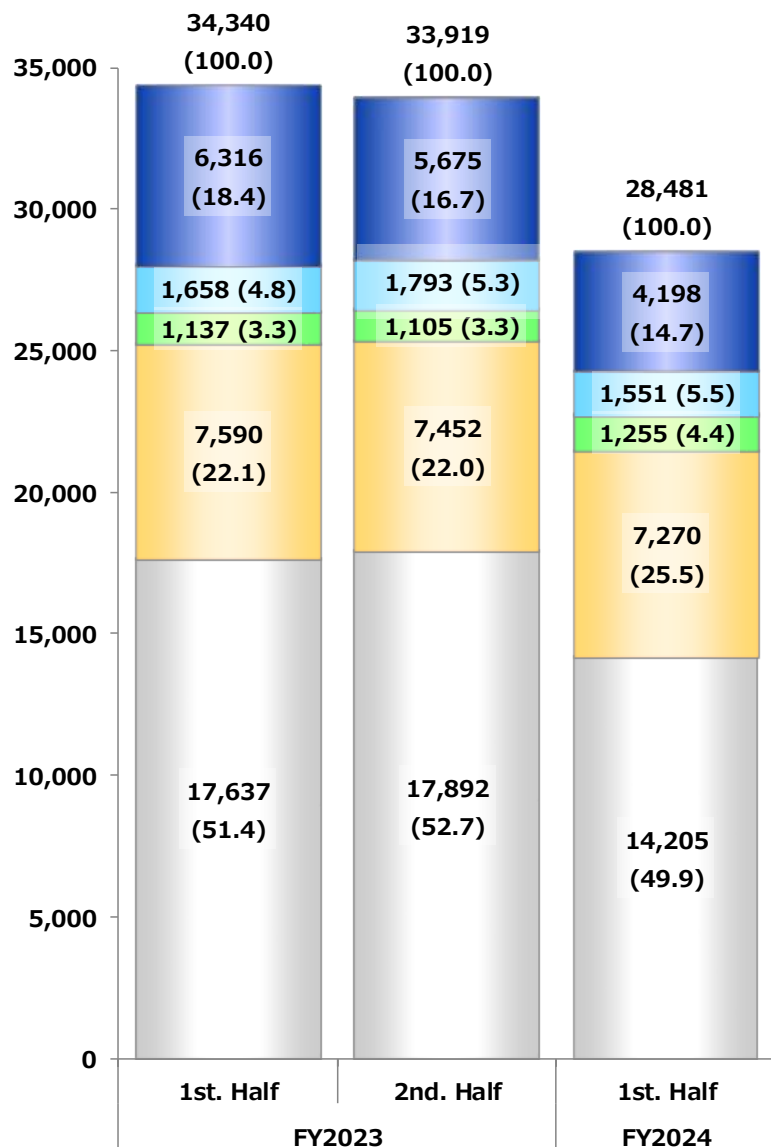
YoY - 846million JPY (- 20.6%)
HoH - 1,137million JPY (- 25.9%)

- Net sales decreased mainly in Singapore, Taiwan, and South Korea.

Trend in Consolidated Net Sales «By Industry Category»



(Millions of yen)



- **【Electronics】**

YoY	-	2,117million JPY (- 33.5%)
HoH	-	1,476million JPY (- 26.0%)

 - Demand decreased overall, including for mounting machines and semiconductor manufacturing equipment.

- **【Machine Tools】**

YoY	-	107million JPY (- 6.5%)
HoH	-	242million JPY (- 13.5%)

 - Demand associated with capital investment remained sluggish in the domestic market and Europe.

- **【Transportation】**

YoY	+	117million JPY (+ 10.4%)
HoH	+	150million JPY (+ 13.6%)

 - Demand recovered mainly for automobiles, ships, and aircraft in the domestic market and North America.

- **【Other Machinery】**

YoY	-	320million JPY (- 4.2%)
HoH	-	182million JPY (- 2.4%)

 - Demand decreased for medical equipment and robots, mainly in the domestic market and North America.

- **【Distributors】**

YoY	-	3,431million JPY (- 19.5%)
HoH	-	3,686million JPY (- 20.6%)

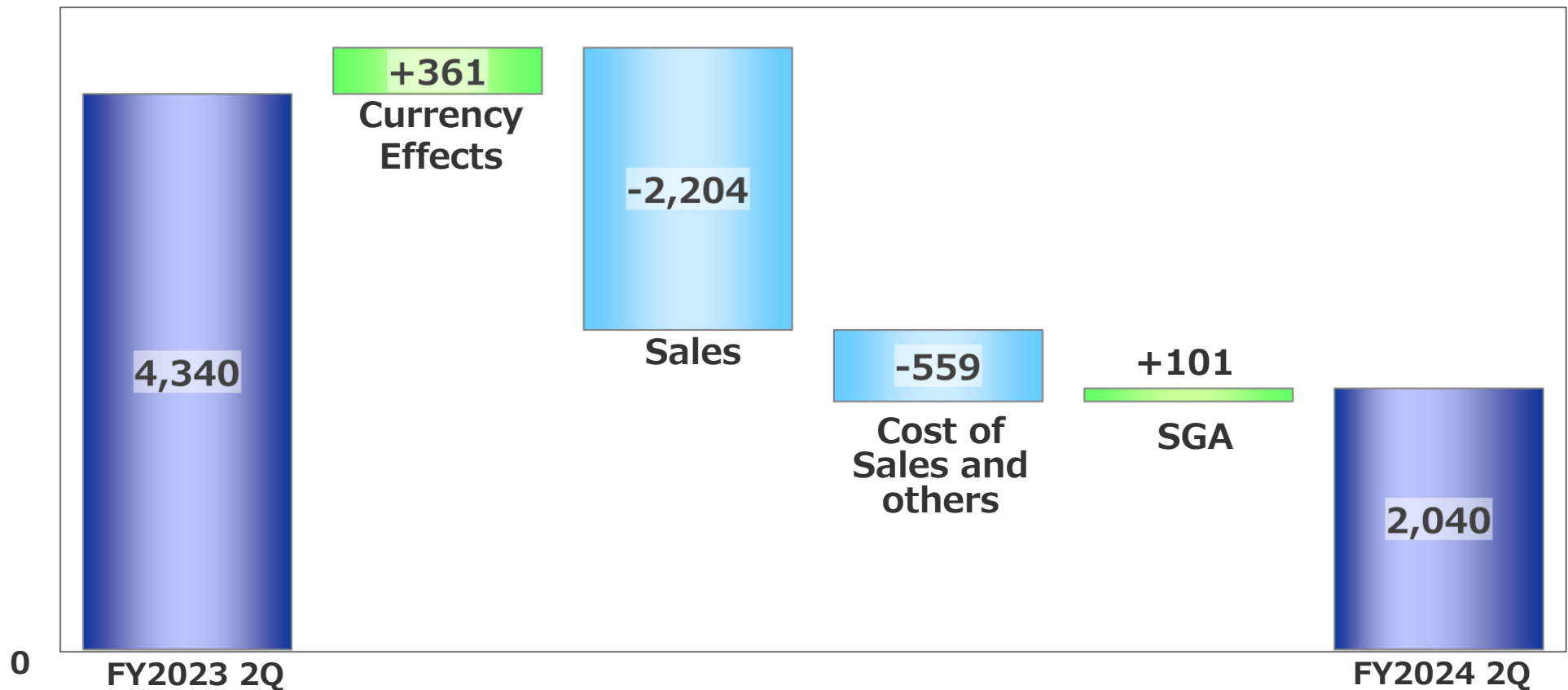
 - Demand was sluggish overall due to decreased demand associated with capital investment in Japan and overseas.

Analysis of Consolidated Operating Income



- Operating profit decreased 2,300 million yen YoY. Effect of yen depreciation was +361 million yen.
- Impact of sales decrease was -2,204 million yen, deterioration in cost of sales ratio was -559 million yen.
- The actual decrease in selling, general, and administrative expenses, excluding the effect of exchange rates, was +101 million yen, mainly due to a decrease in logistics expenses accompanying a decrease in sales.

(Millions of yen)



Trend in Consolidated Balance Sheets



- Cash and deposits increased by 3,231 million yen compared to the end of the previous period, mainly from recording profit for the period and carrying out borrowing.
- Inventories increased by 3,564 million yen compared to the end of the previous period due to a strategic increase in inventories in preparation for future demand recovery and an increase in inventories at overseas subsidiaries due to yen depreciation.

(Millions of yen)

	FY2023 As of Sep. 30	FY2023 As of Mar. 31	FY2024 As of Sep. 30	Change
TOTAL ASSETS	112,819	114,347	119,133	4,785
Cash and deposits	19,169	18,848	22,080	3,231
Inventories	36,689	38,183	41,748	3,564
Tangible fixed assets	22,425	22,453	23,107	653
TOTAL LIABILITIES	43,461	42,685	43,356	671
Interest-bearing liabilities	22,545	20,504	24,171	3,667
TOTAL NET ASSETS	69,358	71,662	75,776	4,114
TOTAL LIABILITIES AND NET ASSETS	112,819	114,347	119,133	4,785
Equity ratio	61.4%	62.6%	63.5%	

Trend in Consolidated Cash Flows/Capital Expenditure



- Operating cash flow was 990 million yen as working capital increased despite recording a certain level of profit.
- Free cash flow was -262 million yen due to a decrease in operating cash flow.
- Capital expenditure was 1,934 million yen as capacity expansion progressed for priority items.

(Millions of yen)

	FY2023 1st. Half	FY2023 2nd. Half	FY2024 1st. Half
Operating activities	2,037	4,361	990
Investing activities	(1,190)	(1,512)	(1,252)
Free cash flow	846	2,849	(262)
Financing activities	(661)	(2,689)	2,874
Net increase (decrease) in cash and cash equivalents	1,162	746	3,226
Cash and cash equivalents at end of year	19,009	18,593	21,820

Capital expenditure	833	1,671	1,934
Depreciation and amortisation	1,785	1,638	1,652
Interest-bearing liabilities	22,545	20,504	24,171

Financial Forecast

for Fiscal Year ending March 31, 2024

Consolidated Financial Forecast (FY2024)



- Demand associated with capital investment remained weak for electronics-related devices. Net sales are expected to decrease 18.7% YoY to 55.5 billion yen.
- Operating profit is forecasted to be 3.5 billion yen, mainly due to a decrease in revenue and increased costs from a decrease in operating efficiency.

(Millions of yen)

	FY2023	FY2024 1st. Half	FY2024 2nd. Half(E)	FY2024(E)	Change (%)
Net Sales	68,260	28,481	27,018	55,500	(18.7)
	35.9%	33.4%	34.0%	33.7%	
Gross profit	24,477	9,514	9,185	18,700	(23.6)
Selling expenses, General and Administrative expenses	15,017	7,474	7,725	15,200	1.2
	13.9%	7.2%	5.4%	6.3%	
Operating Income	9,459	2,040	1,459	3,500	(63.0)
	15.4%	10.6%	6.3%	8.5%	
Ordinary Income	10,479	3,007	1,692	4,700	(55.2)
Net Income attributable to owners of the parent	7,469	1,586	1,213	2,800	(62.5)
USD	135.47	141.00	140.00	140.50	-
EURO	140.97	153.39	152.00	152.70	-
RMB	19.75	19.75	19.00	19.38	-
Dividend per share	¥19.0	¥9.5	¥9.5	¥19.0	-
Dividend payout ratio	18.1%	42.7%	-	48.0%	-

Consolidated Net Sales Forecast «By Geographical Area»



- 【Japan】** Demand remains weak for electronics-related devices.
- 【Americas】** Demand associated with capital investment declines and inventory adjustments for major customers will be prolonged.
- 【Europe】** Stable demand is expected, including for medical equipment, which is a growth area, despite continued future uncertainty.
- 【China】** Delays in China's economic recovery and continued uncertainty are expected.
- 【Others】** Despite recovery trends in demand, including for memory and secondary battery equipment-related products in South Korea as well as for motorcycles in India and Indonesia, demand is expected to be slow overall due to sluggish market conditions in China.

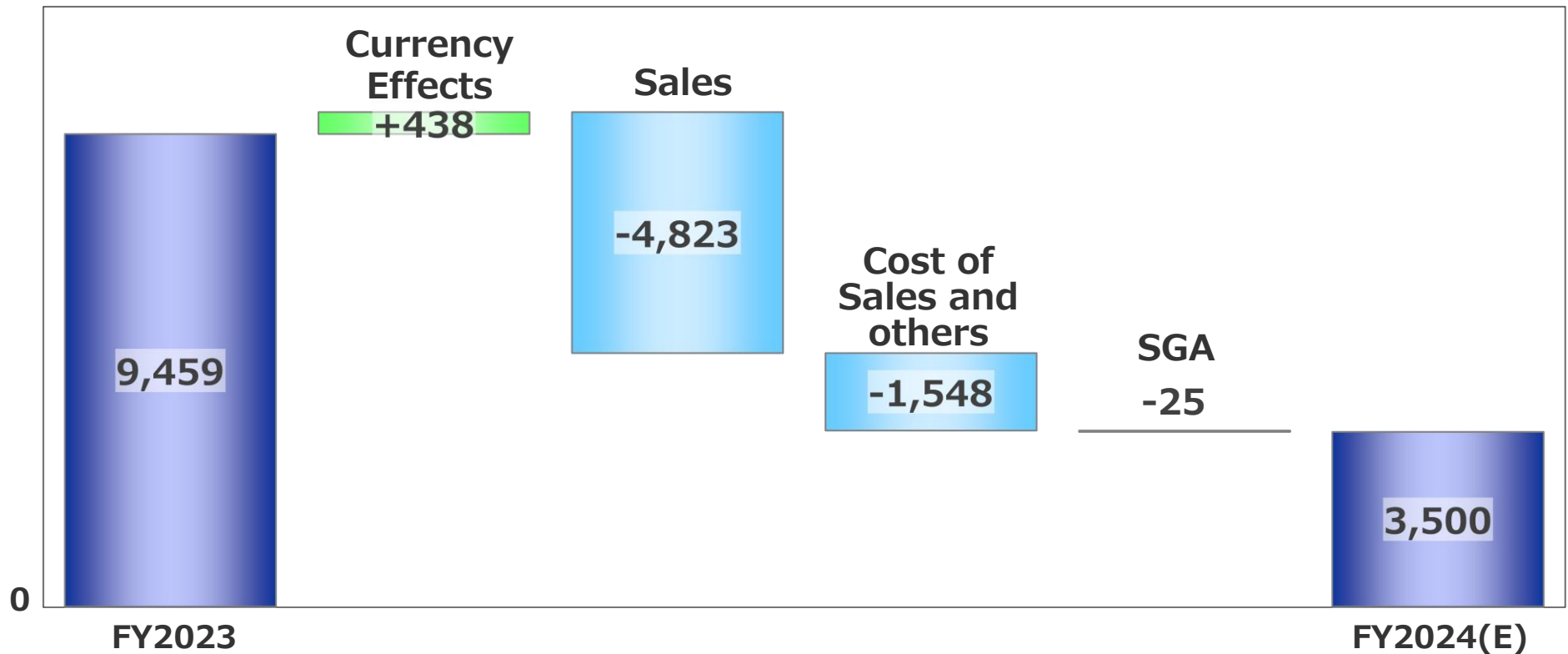
(Millions of yen)

	Japan	Composition Ratio	Americas	Composition Ratio	Europe	Composition Ratio	China	Composition Ratio	Others	Composition Ratio	Total
Net Sales	27,200	49.0	8,200	14.8	6,700	12.1	7,300	13.2	6,100	11.0	55,500
Change (%)	(15.4%)		(8.9%)		0.4%		(38.8%)		(28.2%)		(18.7%)
1st. Half	13,497	47.4	4,128	14.5	3,490	12.3	4,109	14.4	3,255	11.4	28,481
2nd. Half(E)	13,702	50.7	4,071	15.1	3,209	11.9	3,190	11.8	2,844	10.5	27,018

Analysis of Consolidated Operating Income (forecast) **IKO**

- Operating profit decreased by 5,959 million yen YoY Effect of yen depreciation was +438 million yen.
- Effect of actual revenue decrease was -4,823 million yen.
- Deterioration in cost of sales ratio was -1,548 million yen.
- Selling, general and administrative expenses is expected to be -25 million yen due to increases in personnel expenses and expenses for operating activities.

(Millions of yen)



Progress of Initiatives for the Medium-term Business Plan 2023 and Sustainable Management Promotion

Positioning of Medium-Term Business Plan 2023



- Recognizing the business environment:** Major social change and intense market fluctuations
 Opportunity: Further market expansion due to technology innovation (5G/IoT/AI/Automation, digital shift trend)
 Risk: Supply chain risk
 (shortage of materials, rise in steel material and distribution costs, increasing geopolitical risks)
 Responsibility: Realizing a sustainable society
 (solving environmental/social issues, strengthening corporate governance)

- Medium-term business plan 2023 is a step toward realizing the long-term vision**
 ⇒ Strengthening the structure for a company that is highly resilient to fluctuations and high in value

A Solid Step Up to Sustainable Growth!

Medium-Term Business Plan 2023:
Value Enhancement & Value Co-Creation

Medium-Term Business Plan 2020:
Establishment of a Highly Profitable Organization

Medium-Term Business Plan 2017: Shift to Offensive Management

IKO VISION 2030

Co-creating value as a *technology development based company – co-creating a sustainable future*

**Net sales:
100 billion yen or above**

**Operating income:
15 billion yen or above**

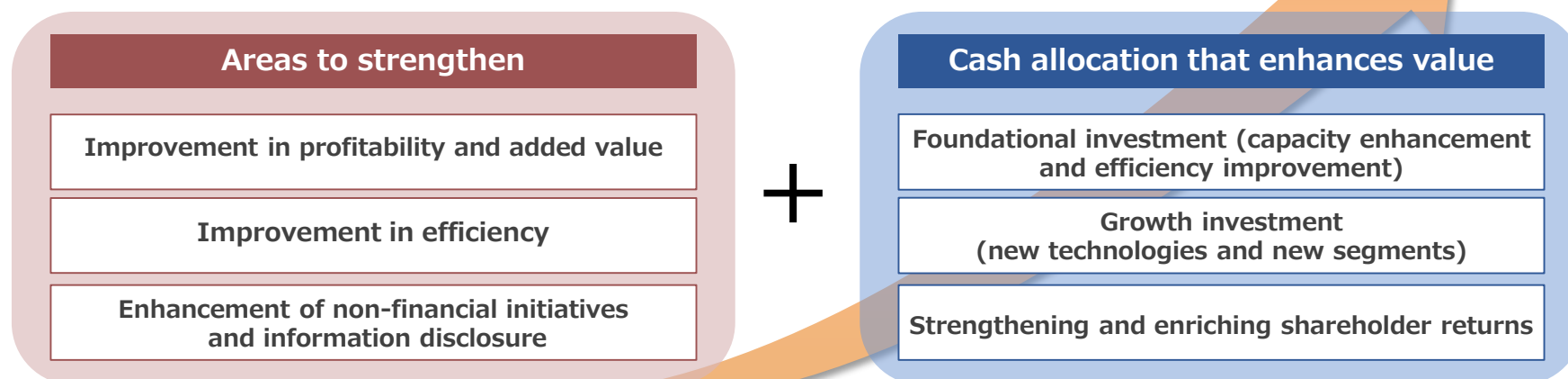
ROE: 10% or above

	2015/4–2018/3 (three-year average actual)	2018/4–2021/3 (three-year average actual)	2021/4–2024/3 (three-year average target)
Operating income	2.2 billion yen	1.8 billion yen	7 billion yen or above
ROE	1.7%	2.1%	7% or above







<<Progress of Medium-Term Business Plan: Changes in Operating Income and ROE>>

	Medium-Term Business Plan 2017 (three-year average actual)	Medium-Term Business Plan 2020 (three-year average actual)	Medium-Term Business Plan 2023			2021/4–2024/3 (three-year average forecast)	2021/4–2024/3 (three-year average target)	IKO VISION 2030
	2015/4–2018/3	2018/4–2021/3	FY2022 Actual	FY2023 Actual	FY2024 Forecast			
Operating income	2.2 billion yen	1.8 billion yen	5.8 billion yen	9.4 billion yen	3.5 billion yen	6.2 billion yen	7 billion yen	
ROE	1.7%	2.1%	6.7%	11.0%	3.8%	7.2%	7.0%	10.0% or above

● Toward the realization of IKO VISION 2030 and sustainable growth



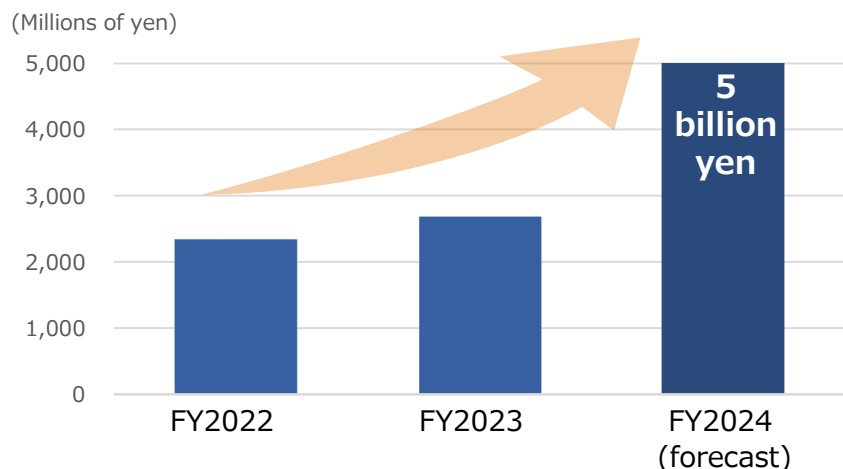
Early realization of PBR over 1x!

	Deepening	Expanding
Profitability/ Value Added	<p>Development based on both Product Out / Market In</p> <p>Sales of high value-added products</p> <ul style="list-style-type: none"> •Development of ultra high precision LRX ZERO •Development of Short Stud Type Cam Followers •Increase overseas sales ratio •Strengthening sales systems for mechatronic unit products 	<p>New business development</p> <p>Development of original new products</p> <p>New concept Linear Way</p>  <ul style="list-style-type: none"> •Liquid Crystal Lubricant •Pressed CRB
Efficiency	<p>Pursuit of efficiency in both production and sales</p> <ul style="list-style-type: none"> •Visualization of facility operation status •Inventory strategy planning through departmental collaboration •Improved accuracy of demand forecasting •Reduction in lead-time and production leveling 	<p>Strengthen targeted global supply system</p> <p>High growth markets (semiconductors, new energy, medical field, etc.)</p> <p>Priority items (small linear motion rolling guides, small needle bearings, etc.)</p>
	<p>Profit structure reform</p> <ul style="list-style-type: none"> •Strengthen cost reduction efforts through the use of SAP <p>Human resources and organizational capacity reform</p> <ul style="list-style-type: none"> •Organizational change in production departments •DX human resource development / HR system reform 	<p>Promotion of sustainable management</p> <ul style="list-style-type: none"> •Integrated Report (published in October 2023) •Promote initiatives from an ESG perspective <p>Promotion of DX</p> <ul style="list-style-type: none"> •Improving business efficiency with RPA •SCM enhancement through process mining   <p>On-site PPA</p>
Embracing Change		

Proactive investment for growth

Financial strategy (cash allocation) for growth

Capital expenditure



- Considering expansion of production capacity to meet future demand growth.

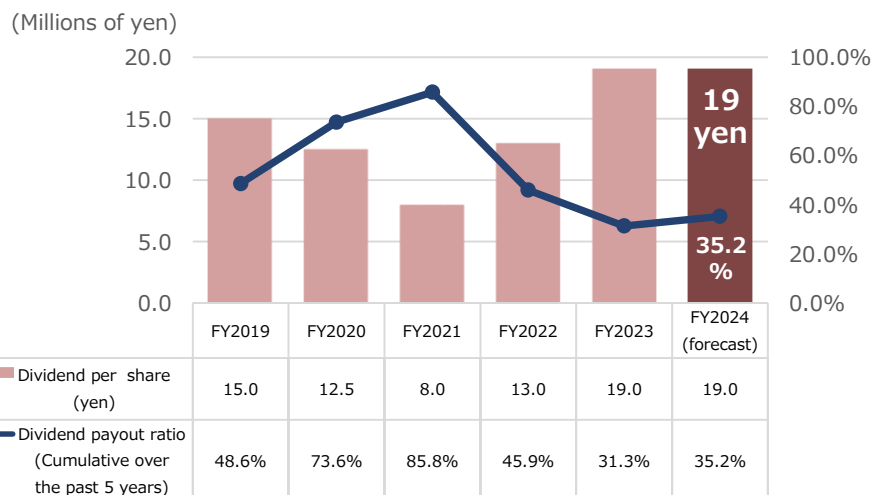
Investment to increase productivity
+
new reinforcement investment
(Plan for FY2024)

5 billion yen

- Proactive investment in new product development and R&D.
(Plan for FY2024)

1.5 billion yen

Shareholder returns



- The annual dividend for FY2024 is expected to remain at **19 yen** per share, the same as in FY2023, despite the forecasted decrease in profit. Dividend payout ratio (forecast) is **48.0%**.

- Implementation of additional returns as appropriate, including acquisition of treasury shares.

Promotion of renewable energy procurement with a focus on "additionality"



On-site PPA



Off-site type virtual PPA

Promotion of initiatives for the SDGs on a global scale



Donations in Vietnam



Tree planting activities in the United States



Enhancement of non-financial information disclosure

Renewal of the Sustainability page of our website



Issuing reports for information disclosure based on TCFD recommendations

Publication of Integrated Report 2023



Third-Party Evaluations and Certifications



FTSE Blossom Japan Sector Relative Index

The Company was selected as a constituent.



Achievement of a Bronze rating at a U.S. Subsidiary

Participation in various initiatives



TCFD Consortium



United Nations Global Compact

IKO VISION 2030

Co-creating value as a technology development based company
– co-creating a sustainable future

Net sales : 100 billion yen or above
ROE: 10% or above
Operating income: 15 billion yen or above

Innovation

Innovative thoughts and actions

Know-How

Accumulation and utilization of technology and information

Originality

Product development with ingenious creativity

We will continue to contribute to society by further refining IKO's unique technological capabilities and supplying high-quality, high-precision products, which is our strength, on a global scale through meticulous service.

【Supplementary Information】 Financial Data

Trend in Consolidated Business Results



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023			FY2024				
					1st. Half	2nd. Half	Year	1Q	2Q	1st. Half	2nd. Half(E)	Year (E)
Net Sales	57,570	47,457	44,342	62,284	34,340	33,919	68,260	14,595	13,885	28,481	27,018	55,500
Monthly average	4,797	3,954	3,695	5,190	5,723	5,653	5,688	4,865	4,628	4,746	4,503	4,625
Cost of Sales	39,333	32,690	32,696	42,947	22,553	21,228	43,782	9,763	9,203	18,966	17,833	36,800
	31.7%	31.1%	26.3%	31.0%	34.3%	37.4%	35.9%	33.1%	33.7%	33.4%	34.0%	33.7%
Gross profit	18,237	14,766	11,645	19,337	11,787	12,690	24,477	4,832	4,682	9,514	9,185	18,700
Selling expenses, General and Administrative expenses	13,353	13,425	12,204	13,438	7,446	7,571	15,017	3,791	3,683	7,474	7,725	15,200
	8.5%	2.8%	(1.3%)	9.5%	12.6%	15.1%	13.9%	7.1%	7.2%	7.2%	5.4%	6.3%
Operating Income	4,883	1,341	(559)	5,898	4,340	5,118	9,459	1,041	999	2,040	1,459	3,500
Non-Operating Income and Expenses	441	(72)	785	1,590	1,743	(724)	1,019	677	289	966	233	1,200
	9.3%	2.7%	0.5%	12.0%	17.7%	13.0%	15.4%	11.8%	9.3%	10.6%	6.3%	8.5%
Ordinary Income	5,325	1,268	225	7,488	6,084	4,394	10,479	1,718	1,288	3,007	1,692	4,700
Extraordinary Income and Losses	(209)	(249)	(100)	(1,500)	-	10	10	-	-	-	-	-
	8.9%	2.1%	0.3%	9.6%	17.7%	13.0%	15.4%	11.8%	9.3%	10.6%	6.3%	8.5%
Income before income taxes	5,115	1,019	125	5,987	6,084	4,405	10,489	1,718	1,288	3,007	1,692	4,700
Income Taxes	1,373	1,188	(90)	1,852	1,889	1,131	3,020	508	911	1,420	479	1,900
	6.5%	(0.4%)	0.5%	6.6%	12.2%	9.7%	10.9%	8.3%	2.7%	5.6%	4.5%	5.0%
Net Income	3,742	(169)	215	4,134	4,195	3,274	7,469	1,209	376	1,586	1,213	2,800
Net Income attributable to non-controlling interests	23	16	-	-	-	-	-	-	-	-	-	-
Net Income attributable to owners of the parent	3,718	(185)	215	4,134	4,195	3,274	7,469	1,209	376	1,586	1,213	2,800

※Change

	YOY	YOY	YOY	YOY	HOH	HOH	YOY	QQQ	QQQ	HOH	HOH	YOY
Net Sales	4.2	(17.6)	(6.6)	40.5	6.7	(1.2)	9.6	(9.5)	(4.9)	(16.0)	(5.1)	(18.7)
Operating Income	84.4	(72.5)	-	-	19.2	17.9	60.4	(47.3)	(4.0)	(60.1)	(28.5)	(63.0)
Ordinary Income	122.2	(76.2)	(82.2)	-	22.8	(27.8)	39.9	(21.5)	(25.0)	(31.6)	(43.7)	(55.2)
Net Income attributable to owners of the parent	121.5	-	-	-	113.7	(22.0)	80.7	(29.5)	(68.8)	(51.5)	(23.5)	(62.5)

USD	110.91	108.74	106.06	112.38	133.97	136.96	135.47	137.37	144.62	141.00	140.00	140.50
EURO	128.41	120.82	123.70	130.56	138.73	143.20	140.97	149.47	157.30	153.39	152.00	152.70
RMB	16.54	15.60	15.67	17.51	19.88	19.61	19.75	19.56	19.94	19.75	19.00	19.38

Trend in Consolidated Balance Sheets



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023 (A)	FY2024 1st. Half(B)	Change	
							B-A	(%)
Cash and deposits	17,023	12,924	15,489	18,001	18,848	22,080	3,231	17.1
Notes and accounts receivable-trade	15,455	11,671	13,533	17,159	17,272	14,613	(2,659)	(15.4)
Inventories	29,770	33,734	31,485	33,575	38,183	41,748	3,564	9.3
Others	1,369	2,610	1,405	1,675	2,318	1,527	(791)	(34.1)
Total current assets	63,619	60,940	61,914	70,412	76,624	79,970	3,346	4.4
Buildings and structures	5,235	7,855	7,477	6,843	6,743	6,866	123	1.8
Machinery and vehicles	9,767	11,500	11,608	10,338	9,849	10,222	373	3.8
Others	7,427	5,387	5,440	5,383	5,860	6,017	156	2.7
Tangible fixed assets	22,430	24,742	24,526	22,565	22,453	23,107	653	2.9
Intangible fixed assets	2,566	2,107	1,702	1,093	1,056	1,101	44	4.2
Total investments and other assets	12,851	10,328	12,803	13,006	14,212	14,954	741	5.2
TOTAL ASSETS	101,468	98,118	100,946	107,078	114,347	119,133	4,785	4.2
Notes and accounts payable-trade	11,438	7,832	7,773	11,845	11,595	9,696	(1,898)	(16.4)
Short-term bank loans and Bonds, etc.	3,179	5,330	16,247	5,655	3,786	4,668	882	23.3
Others	7,520	4,591	4,384	7,301	8,955	7,862	(1,093)	(12.2)
Total current liabilities	22,138	17,754	28,405	24,802	24,337	22,227	(2,109)	(8.7)
Bonds, etc.	10,000	15,000	5,000	10,000	10,000	10,000	-	-
Long-term bank loans	8,317	6,876	6,803	6,928	6,718	9,503	2,785	41.5
Others	816	1,048	1,312	1,373	1,629	1,625	(3)	(0.2)
Total long-term liabilities	19,134	22,924	13,115	18,301	18,348	21,129	2,781	15.2
TOTAL LIABILITIES	41,273	40,679	41,521	43,104	42,685	43,356	671	1.6
Shareholders' equity	57,614	56,579	55,803	59,276	65,693	66,603	909	1.4
Total accumulated other comprehensive income	2,373	711	3,473	4,552	5,847	9,058	3,211	54.9
Subscription rights to shares	114	148	148	144	121	114	(6)	(5.5)
Non-controlling interests	93	-	-	-	-	-	-	-
TOTAL NET ASSETS	60,195	57,439	59,425	63,974	71,662	75,776	4,114	5.7
TOTAL LIABILITIES AND NET ASSETS	101,468	98,118	100,946	107,078	114,347	119,133	4,785	4.2
Equity ratio	59.1%	58.4%	58.7%	59.6%	62.6%	63.5%		

Trend in Consolidated Cash Flows



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 1st. Half
Income (loss) before income taxes	5,115	1,019	125	5,987	10,489	3,007
Depreciation	3,297	3,800	3,833	3,885	3,423	1,652
Decrease (increase) in notes and accounts receivable – trade	861	3,642	(1,605)	(3,105)	78	2,987
Decrease (increase) in inventories	(4,266)	(4,266)	2,637	(1,021)	(3,596)	(1,985)
Others	150	(6,692)	667	4,519	(3,996)	(4,670)
Operating activities	5,158	(2,497)	5,658	10,265	6,398	990
Payments for purchase of property, plant and equipment	(4,588)	(6,048)	(2,950)	(1,797)	(2,187)	(1,063)
Others	(473)	(139)	(57)	(303)	(514)	(189)
Investing activities	(5,061)	(6,188)	(3,007)	(2,100)	(2,702)	(1,252)
Net increase (decrease) in bank loans	201	710	843	(466)	(2,079)	3,667
Proceeds from corporate bonds	-	5,000	-	5,000	-	-
Repayment of convertible bond	-	-	-	(10,000)	-	-
Cash dividends paid and others	(1,248)	(1,091)	(1,256)	(975)	(1,271)	(792)
Financing activities	(1,047)	4,618	(412)	(6,442)	(3,351)	2,874
Foreign currency translation adjustments on cash and cash equivalents	(44)	(108)	261	777	401	613
Net increase (decrease) in cash and cash equivalents	(995)	(4,175)	2,498	2,500	746	3,226
Cash and cash equivalents at beginning of year	18,019	17,023	12,847	15,346	17,847	18,593
Cash and cash equivalents at end of year	17,023	12,847	15,346	17,847	18,593	21,820

Trend in Consolidated Orders Received and Net production



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023					FY2024	
					1Q	2Q	3Q	4Q	Year	1Q	2Q
Orders Received	57,490	40,779	51,348	78,548	17,851	17,253	14,600	12,234	61,939	10,850	11,241
Net sales	57,570	47,457	44,342	62,284	16,760	17,580	17,788	16,130	68,260	14,595	13,885
Net production	55,928	44,707	37,722	57,166	16,024	17,189	17,726	14,974	65,915	13,157	13,048

※Change

	YOY	YOY	YOY	YOY	QOQ	QOQ	QOQ	QOQ	YOY	QOQ	QOQ
Orders Received	(21.2)	(29.1)	25.9	53.0	(18.7)	(3.4)	(15.4)	(16.2)	(21.1)	(11.3)	3.6
Net sales	4.2	(17.6)	(6.6)	40.5	4.1	4.9	1.2	(9.3)	9.6	(9.5)	(4.9)
Net production	26.0	(20.1)	(15.6)	51.5	3.4	7.3	3.1	(15.5)	15.3	(12.1)	(0.8)

Trend in Consolidated Inventories



(Millions of yen)

	FY2019	FY2020		FY2021		FY2022		FY2023		FY2024	
	As of Mar. 31	As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Sep. 30	
	(A)	(B)	B - A	(C)	C - B	(D)	D - C	(E)	E - D	(F)	F - E
• Finished goods and Semi-finished goods											
Bearings, etc.	13,807	15,675	1,867	14,107	(1,567)	13,821	(286)	16,694	2,873	18,668	1,973
Machine components	653	521	(132)	409	(111)	571	162	782	210	1,159	377
Sub total	14,461	16,196	1,735	14,517	(1,679)	14,393	(124)	17,477	3,083	19,828	2,351
• Work in process	9,667	11,122	1,455	10,576	(545)	12,773	2,197	11,882	(891)	12,736	853
• Raw material	5,642	6,414	772	6,391	(22)	6,408	16	8,823	2,415	9,183	360
Total	29,770	33,734	3,963	31,485	(2,248)	33,575	2,089	38,183	4,608	41,748	3,564

Trend in Consolidated Capital Expenditures, etc.



(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 1st.Half	FY2024(E)
•Capital expenditure	5,248	5,455	2,752	2,019	2,504	1,934	5,000
•Depreciation and amortisation							
Tangible fixed assets	2,803	3,239	3,119	2,976	2,949	1,469	2,800
Intangible fixed assets	494	560	714	909	474	182	400
※Including Long-term prepaid expense							
Total	3,297	3,800	3,833	3,885	3,423	1,652	3,200

Trend in Consolidated Number of employees

(People)

	FY2019	FY2020		FY2021		FY2022		FY2023		FY2024	
	As of Mar. 31	As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Mar. 31		As of Sep. 30	
	(A)	(B)	B - A	(C)	C - B	(D)	D - C	(E)	E - D	(F)	F - E
Number of employees	2,448	2,232	(216)	2,456	224	2,688	232	2,613	(75)	2,520	(93)
Nonconsolidated	977	994	17	1,009	15	1,010	1	1,000	(10)	1,006	6
External Employees	764	463	(301)	555	92	714	159	724	10	700	(24)
In Production Department	694	401	(293)	494	93	650	156	664	14	645	(19)

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Although this document contains business forecasts etc., it was developed based on certain conditions, such as the current business environment and business policies.
Please be aware that these forecasts may differ from the actual results due to these variable elements.