



December 13, 2021

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Notice of Recording of Other Expenses, and Notice of Revisions to Earnings Forecast and Dividends Forecast FY2021

Tsubaki Nakashima ("the company") hereby announces to plan to record the following other expenses for FY 2021. In addition, the company has decided to revise its earnings and dividends forecast for FY2021, which were announced in the "Notice of Revisions to Earnings Forecast and Dividends Forecast FY2021, and Notice of interim dividend" on August 10, 2021, as follows.

1. Recording of other expenses

As stated in the summary of financial results for the third quarter of the fiscal year ending December 31, 2021, due to the occurrence of defects in some products delivered to certain customers, the company has decided to record the estimated cost of countermeasures for defects in some products of 500 million yen as other expenses.

2. Revision to consolidated earnings forecast for fiscal year ending December 31, 2021

(January 1, 2021 to December 31, 2021)

	Sales	Operating profit	Profit before tax	Net profit for the period attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast(A)	69,000	7,100	6,100	4,600	114.41
Revision(B)	67,500	6,300	5,500	3,900	96.74
Change(B-A)	(1,500)	(800)	(600)	(700)	-
Change (%)	(2.2%)	(11.3%)	(9.8%)	(15.2%)	-
(Reference) Previous year results (12/FY2020)	52,024	3,611	2,572	1,877	46.64

Reasons for Revision:

While sales of ceramic balls, the mainstay of our growth strategy, have been extremely steady due to strong demand for machine tools and EVs, sales are expected to decrease slightly due to a drop in the scale of production of automobiles and other products caused by the global shortage of semiconductors and other factors.

Profit is expected to be lower than the previous forecast due to the decrease in sales and the recording of other expenses.

3. Revision to dividends forecast

	Annual dividends				Total
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year-end	
	Yen	Yen	Yen	Yen	Yen
Previous forecast	-	-	-	29.00	57.00
Revision	-	-	-	21.00	49.00
Paid dividends in FY2021	-	28.00	-	-	-
(Reference) Results for FY2020	-	10.00	-	14.00	24.00

Reasons for Revision:

The company is working on the return of total shareholders based on our basic policy of maintaining a dividend payout ratio of 50%, and has revised its dividends forecast in light of the aforementioned revision to the consolidated earnings forecast for the fiscal year ending December 31, 2021.