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Consolidated Financial Results for the Six Months Ended June 30, 2025 Unaudited [IFRS]



August 13, 2025

Company name: Tsubaki Nakashima Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6464

URL: <https://www.tsubaki-nakashima.com/en/>

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Scheduled date of filing Semi-annual securities report: August 13, 2025

Scheduled date to commence dividend payments: -

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Available (For institutional investors and securities analysts)

(Amounts of less than one million yen are rounded.)

1. Consolidated Financial Results for the Six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Sales		Operating profit		Profit before taxes		Net profit for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2025	36,055	(10.5)	791	(63.5)	(689)	-	(966)	-
June 30, 2024	40,304	6.9	2,170	17.9	2,764	58.1	1,704	86.9

	Net profit for the period attributable to owners of the parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	Million yen	%	Million yen	%	Yen		Yen	
Six months ended June 30, 2025	(965)	-	(4,459)	-	(24.61)		(24.61)	
June 30, 2024	1,703	86.9	11,194	44.4	42.80		35.09	

(Note) Effective from the first quarter of the previous consolidated accounting period, ball screws and ball ways manufacturing and selling business have been classified as discontinued operations. As a result, sales, operating profit and profit before tax show the amount of continuing operations excluding discontinued operations. Net profit for the period and net profit for the period attributable to owners of the parent are the sum of continuing operations and discontinued operations.

(Reference) EBITDA: The six months ended June 30, 2025: 2,566 million yen (down 32.9%)

The six months ended June 30, 2024: 3,826 million yen

EBITDA = Operating profit + depreciation and amortization.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
As of June 30, 2025	166,943	56,313	56,277	33.7
As of December 31, 2024	174,721	61,508	61,472	35.2

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen 15.00	Yen —	Yen 10.00	Yen 25.00
Fiscal year ending December 31, 2025	—	0.00	—	—	—
Fiscal year ending December 31, 2025 (Forecast)	—	—	—	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Sales		Operating profit		Profit before taxes		Net profit for the period attributable to owners of the parent		Basic earnings per share Yen (20.10)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Full year	71,500	(5.8)	1,000	22.9	(600)	-	(800)	—	

(Note) Revision to the forecast for dividends announced most recently: None

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
 - 1) Changes in accounting policies required by IFRS: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - June 30, 2025: 41,599,600 shares
 - December 31, 2024: 41,599,600 shares
 - 2) Total number of treasury shares at the end of the period:
 - June 30, 2025: 3,346,658 shares
 - December 31, 2024: 1,760,958 shares
 - 3) Average number of shares during the period:
 - Six months ended June 30, 2025: 39,199,313 shares
 - Six months ended June 30, 2024: 39,782,003 shares

*These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

*Explanation of the proper use of financial results forecast and other notes:

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed to be reasonable and are not intended to be construed as assurance that they will be accomplished in the future. Actual results may differ significantly from these forecasts due to a wide range of factors.

1. Qualitative Information on Financial Results

(1) Explanation of Business Results

During the current interim consolidated accounting period, although a moderate recovery was observed, the announcement of new tariff policies by the United States heightened uncertainty regarding the future outlook. In the U.S., there was a temporary increase in capital investment driven by last-minute demand ahead of the implementation of reciprocal tariffs. However, the overall economy remained sluggish due to partial suppression of domestic production caused by a surge in imports of consumer goods. In Europe, the economy remained firm, supported by a stable employment environment, declining inflation, and increased exports ahead of tariff enforcement. Nonetheless, the outlook remains uncertain as the manufacturing sector, particularly in Germany, continues to struggle. In China, the economy showed resilience due to increased domestic demand spurred by consumption stimulus measures and a rise in exports driven by front-loading. However, concerns persist over the prolonged downturn in the real estate market and heightened uncertainty stemming from trade tensions. In the Japanese economy, the economy experienced a mild recovery supported by growing inbound demand and increased capital investment, including investments in intellectual property and imports of semiconductor manufacturing equipment. However, with the additional tariffs on automobiles and auto parts implemented in May 2025 and the escalation of reciprocal tariffs from August onward, there is a risk that the economy may enter a recessionary phase in the latter half of the year.

For the interim consolidated accounting period of the fiscal year ending December 2025, the performance of our group is presented primarily based on figures from continuing operations, excluding discontinued operations. This is due to the reclassification, effective from the first quarter of the previous consolidated fiscal year, of the ball screw and ball spline manufacturing and sales business as a discontinued operation.

Net sales for the interim consolidated accounting period declined significantly, particularly in Europe, due to a continued downturn in the automotive industry and intensified price competition, which led to a loss in market share. As a result, revenue decreased by 10.5% year-on-year to 36,055 million yen.

As for profits, while the Company has been implementing cost-reduction measures for procurement and production, one of the key initiatives of the new medium-term management plan announced on February 17, 2025, operating profit declined by 63.5% year-on-year to 791 million yen. This was mainly attributable to the decrease in sales, continued price competition, and rising labor and other costs. In addition, interim income attributable to owners of the parent company decreased by 2,668 million yen from the same interim period of the previous year, resulting in a net loss of 965 million yen.

<Results by Business Segment>

Precision Components Business

Sales revenue in the Precision Components Business declined significantly, particularly in Europe, due to a prolonged downturn in the automotive industry and intensified price competition, which led to a decline in market share. As a result, revenue declined by 10.7% year-on-year to 35,552 million yen. Although efforts were made to reduce procurement and production costs, segment profit declined by 64.5% year-on-year to 705 million yen. This was mainly due to the decrease in sales, continued price competition, and rising labor and other costs.

Blower & Real Estate Business

Sales revenue in the Blower & Real Estate Business increased slightly by 1.3% year-on-year to 503 million yen, despite large-scale orders for blowers did not grow as expected. Segment profit declined by 53.2% year-on-year to 85 million yen.

(2) Explanation of Financial Position

Total assets at the end of the current interim consolidated accounting period decreased by 7,778 million yen from the end of the previous fiscal year to 166,943 million yen.

Current assets decreased by 2,707 million yen due to a decrease in inventories of 4,308 million yen even though cash and cash equivalents increased 2,212 million yen. In addition, noncurrent assets decreased by 5,071 million yen because intangible assets and goodwill decreased by 1,648 million yen, and other noncurrent assets decreased by 2,367 million yen.

Total liabilities decreased by 2,583 million yen from the end of the previous fiscal year to 110,630 million yen. This was due to a decrease in bonds and borrowings of 2,113 million yen.

Total equity decreased by 5,195 million yen from the end of the previous fiscal year to 56,313 million yen. This was mainly due to a decrease in other components of equity, such as foreign currency translation adjustments, of 3,223 million yen.

(Analysis of Status of Cash Flows)

The status of cash flow for each activity and their factors during the current interim consolidated accounting period are as follows.

Net cash provided by operating activities amounted to 3,949 million yen. Major factors are a decrease in inventories of 3,007 million yen and depreciation and amortization of 1,779 million yen offset loss before taxes of 689 million yen.

Net cash used in investing activities amounted to 655 million yen, mainly due to purchase of property, plant and equipment.

Net cash used in financing activities amounted to 536 million yen, mainly due to payments of dividends of 378 million yen.

After subtracting the translation adjustments of 591 million yen due mainly to the strengthening of the yen relative to the prior fiscal year-end, cash and cash equivalents at the end of the interim period totaled 25,501 million yen, an increase of 2,167 million yen from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no changes to the consolidated earnings forecast for the fiscal year ending December 2025, which was announced on 17 February 2025.

2. Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

Not applicable.

(2) Changes in accounting policies and accounting estimates

The accounting policies of materiality applied in the Group's condensed interim consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year.

3. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statements of Financial Position

	(Millions of yen)	
	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	23,060	25,272
Trade and other receivables, net	20,685	20,221
Inventories	36,078	31,770
Other current assets	1,690	1,486
Subtotal	<u>81,513</u>	<u>78,749</u>
Assets held for sale	3,450	3,507
Total current assets	<u>84,963</u>	<u>82,256</u>
Non-current assets		
Property, plant and equipment, net	36,695	35,995
Intangible assets, net and goodwill	41,511	39,863
Other investments	251	186
Deferred tax assets	3,097	2,806
Other non-current assets	8,204	5,837
Total non-current assets	<u>89,758</u>	<u>84,687</u>
Total assets	<u>174,721</u>	<u>166,943</u>
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,366	5,801
Current portion of bonds and borrowings	11,356	51,011
Income taxes payable	1,787	1,318
Other current liabilities	6,459	6,375
Subtotal	<u>25,968</u>	<u>64,505</u>
Liabilities directly associated with assets held for sale	780	719
Total current liabilities	<u>26,748</u>	<u>65,224</u>
Non-current liabilities		
Bonds and borrowings, excluding current portion	81,294	39,526
Net defined benefit liability	2,176	1,910
Deferred tax liabilities	1,409	1,495
Other non-current liabilities	1,586	2,475
Total non-current liabilities	<u>86,465</u>	<u>45,406</u>
Total liabilities	<u>113,213</u>	<u>110,630</u>
Equity		
Share capital	17,117	17,117
Capital surplus	11,317	11,291
Treasury stock	(2,298)	(2,901)
Other components of equity	19,611	16,388
Other components of equity related to the disposal group held for sale	239	259
Retained earnings	15,486	14,123
Equity attributable to owners of the parent	61,472	56,277
Non-controlling interests	36	36
Total equity	<u>61,508</u>	<u>56,313</u>
Total liabilities and equity	<u>174,721</u>	<u>166,943</u>

(2) Condensed Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Continued operations		
Sales	40,304	36,055
Cost of sales	34,020	30,460
Gross profit	6,284	5,595
Selling, general and administrative expenses	4,122	4,987
Other income	49	193
Other expenses	41	10
Operating profit	2,170	791
Financial income	1,382	197
Financial expenses	788	1,677
Profit before taxes (loss)	2,764	(689)
Income tax expense	1,065	185
Net profit for the period of continued operations (loss)	1,699	(874)
Discontinued operations		
Net profit for the period of discontinued operations (loss)	5	(92)
Net profit for the period (loss)	1,704	(966)
Net profit for the period attributable to.		
Owners of the parent (loss)	1,703	(965)
Non-controlling interests (loss)	1	(1)
Net profit for the period (loss)	1,704	(966)
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Financial assets measured at FVOCI	16	1
Total items that will not be reclassified to profit or loss	16	1
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation differences	9,293	(3,485)
Cash flow hedges	644	(47)
Hedge costs	(463)	38
Total items that may subsequently be reclassified to profit or loss	9,474	(3,494)
Other comprehensive income (loss), net of tax	9,490	(3,493)
Total comprehensive income (loss)	11,194	(4,459)
Total comprehensive income attributable to.		
Owners of the parent	11,190	(4,459)
Non-controlling interests	4	(0)
Total comprehensive income (loss)	11,194	(4,459)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)		
Continuing operation	42.71	(22.30)
Discontinued operation	0.09	(2.31)
Basic earnings (loss) per share	42.80	(24.61)
Diluted earnings per share (yen)		
Continuing operation	35.02	(22.30)
Discontinued operation	0.07	(2.31)
Diluted earnings (loss) per share	35.09	(24.61)

(3) Condensed Interim Consolidated Statement of Changes in Equity
For the six months ended June 30, 2024

(Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Treasury stock	Other components of equity			
				Stock acquisition rights	Financial assets measured at FVOCI	Foreign currency translation differences	Cash flow hedge
Balance as of January 1, 2024	17,117	11,617	(2,616)	0	22	12,774	(191)
Net profit for the period	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	16	9,290	644
Total comprehensive Income	—	—	—	—	16	9,290	644
Dividends	—	—	—	—	—	—	—
Disposition of treasury stock	—	—	318	—	—	—	—
Stock-based rewards	—	(293)	—	—	—	—	—
Other components of equity related to discontinued operation for sale	—	—	—	—	—	(258)	—
Expiration of stock acquisition rights	—	—	—	(0)	—	—	—
Reclassification from financial liabilities	—	—	—	—	—	—	—
Total transactions with owners and other	—	(293)	318	(0)	—	(258)	—
Balance as of June 30, 2024	17,117	11,324	(2,298)	0	38	21,806	453

	Equity attributable to owners of the parent						
	Other components of equity		Other components of equity related to discontinued operation for sale	Retained earnings	Total	Non-controlling interests	Total equity
	Hedge costs	Total					
Balance as of January 1, 2024	175	12,780	—	15,209	54,107	35	54,142
Net profit for the period	—	—	—	1,703	1,703	1	1,704
Other comprehensive income	(463)	9,487	—	—	9,487	3	9,490
Total comprehensive income	(463)	9,487	—	1,703	11,190	4	11,194
Dividends	—	—	—	—	—	—	—
Disposition of treasury stock	—	—	—	—	318	—	318
Stock-based rewards	—	—	—	—	(293)	—	(293)
Other components of equity related to discontinued operation for sale	—	(258)	258	—	—	—	—
Expiration of stock acquisition rights	—	(0)	—	—	(0)	—	(0)
Reclassification from financial liabilities	—	—	—	—	—	—	—
Total transactions with owners and other	—	(258)	258	—	25	—	25
Balance as of June 30, 2024	(288)	22,009	258	16,912	65,322	39	65,361

For the six months ended June 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Treasury stock	Other components of equity			
				Stock acquisition rights	Financial assets measured at FVOCI	Foreign currency translation differences	Cash flow hedge
Balance as of January 1, 2025	17,117	11,317	(2,298)	—	5	19,397	136
Net profit for the period (loss)	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	1	(3,486)	(47)
Total comprehensive Income	—	—	—	—	1	(3,486)	(47)
Dividends	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	(603)	—	—	—	—
Stock-based rewards	—	(26)	—	—	—	—	—
Other components of equity related to discontinued operation for sale	—	—	—	—	—	(20)	—
Expiration of stock acquisition rights	—	—	—	—	—	—	—
Reclassification from financial liabilities	—	—	—	291	—	—	—
Total transactions with owners and other	—	(26)	(603)	291	—	(20)	—
Balance as of June 30, 2025	17,117	11,291	(2,901)	291	6	15,891	89

	Equity attributable to owners of the parent						
	Other components of equity		Other components of equity related to discontinued operation for sale	Retained earnings	Total	Non-controlling interests	Total equity
	Hedge costs	Total					
Balance as of January 1, 2025	73	19,611	239	15,486	61,472	36	61,508
Net profit for the period (loss)	—	—	—	(965)	(965)	(1)	(966)
Other comprehensive income	38	(3,494)	—	—	(3,494)	1	(3,493)
Total comprehensive income	38	(3,494)	—	(965)	(4,459)	(0)	(4,459)
Dividends	—	—	—	(398)	(398)	—	(398)
Purchase of treasury stock	—	—	—	—	(603)	—	(603)
Stock-based rewards	—	—	—	—	(26)	—	(26)
Other components of equity related to discontinued operation for sale	—	(20)	20	—	—	—	—
Expiration of stock acquisition rights	—	—	—	—	—	—	—
Reclassification from financial liabilities	—	291	—	—	291	—	291
Total transactions with owners and other	—	271	20	(398)	(736)	—	(736)
Balance as of June 30, 2025	111	16,388	259	14,123	56,277	36	56,313

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before taxes (loss)	2,764	(689)
(Loss) before taxes from discontinued operation	(0)	(96)
Depreciation and amortization	1,662	1,779
Increase (decrease) in net defined benefit liability	(49)	(298)
Interest and dividend income	(121)	(105)
Interest expense	716	785
Foreign exchange (gains) losses	(1,151)	807
(Gains) losses on sale of fixed assets	(11)	(1)
Decrease (increase) in trade and other receivables	396	(397)
Decrease (increase) in inventories	20	3,007
(Decrease) increase in trade and other payables	(224)	(391)
Other, net	287	703
Sub Total	4,289	5,104
Interest and dividend received	121	105
Interest paid	(721)	(776)
Income taxes paid	(1,532)	(484)
Net cash provided by operating activities	2,157	3,949
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(2,027)	(656)
Proceeds from sale of property, plant and equipment	13	1
Payments for acquisition of intangible properties	(24)	(1)
Other, net	(1)	1
Net cash used by investing activities	(2,039)	(655)
Cash flows from financing activities		
Payments of short-term loans and borrowings	(5,000)	—
Incomes of long-term loans and borrowings	3,960	—
Payments of lease liabilities	(170)	(158)
Cash dividends paid	(1)	(378)
Proceeds from sales of treasury stock	42	—
Net cash used in financing activities	(1,169)	(536)
Effect of exchange rate changes on cash and cash equivalents	1,534	(591)
Net (decrease) increase in cash and cash equivalents	483	2,167
Cash and cash equivalents at the beginning of the period	23,003	23,334
Cash and cash equivalents at the interim period	23,486	25,501

(5) Notes to the Quarterly Consolidated Financial Statements

(Notes on the assumption of a going concern)

Not applicable.

(Segment Information and Others)

(1) Basis of Segmentation

Our group is organized into product and service segments based on our core businesses, with two reportable segments: 'Precision Components Business' and 'Blower & Real Estate Business'. The 'Precision Components Business' manufactures and sells precision balls, rollers, retainers, and sheet metal parts. The 'Blower & Real Estate Business' manufactures, sells, and maintains blowers, fans, and other air-moving equipment, as well as leases real estate.

The Group's business segments are segments for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

In the interim consolidated accounting period a year earlier, 'Precision Components Business' was reported as a reportable segment. However, starting from the previous fiscal year, 'Precision Components Business' and 'Blower & Real Estate Business' have been changed to reportable segments. The segment information for the previous interim consolidated accounting period has been prepared and disclosed based on the revised reportable segment classification. Furthermore, amounts for the interim consolidated accounting period of both last year and this year have been adjusted to exclude non-continuing operations.

Segment information is prepared in accordance with the same accounting policies as the condensed consolidated financial statements. Operating income for each segment is calculated by adding financial income and financial expenses to pre-tax interim income and is measured using the same method as operating income in the condensed consolidated statement of comprehensive income.

Prices for transactions between segments are determined at prices that would be agreed upon in transactions between independent third parties.

(2) Segment Information

For the six months ended June 30, 2024

(Millions of yen)

	Reporting Segments		Total	Reconciling items	Consolidated financial statements
	Precision Component Business	Blower & Real Estate Business			
Sales					
External sales	39,807	497	40,304	—	40,304
Inter-segment sales	0	3	3	(3)	—
Total consolidated sales	39,807	500	40,307	(3)	40,304
Segment profit	1,988	182	2,170	(0)	2,170
			Financial income		1,382
			Financial expense		(788)
			Profit before taxes(loss)		2,764

Note: Adjustments to segment income include eliminations of inter-segment transactions.

For the six months ended June 30, 2025

(Millions of yen)

	Reporting Segments		Total	Reconciling items	Consolidated financial statements
	Precision Component Business	Blower & Real Estate Business			
Sales					
External sales	35,552	503	36,055	—	36,055
Inter-segment sales	(0)	—	(0)	0	—
Total consolidated sales	35,552	503	36,055	0	36,055
Segment profit (loss)	705	85	790	1	791
			Financial income		197
			Financial expense		(1,677)
			Profit before taxes(loss)		(689)

Note: Adjustments to segment income include eliminations of inter-segment transactions.

(Significant subsequent event)

The Company had previously entered into a share transfer agreement with MINEBEA MITSUMI Inc. ("MINEBEA MITSUMI") to transfer all shares of TN Linear Motion Inc. ("TN Linear Motion"), a wholly owned subsidiary of the Company. In conjunction with this share transfer, the Company planned to transfer its ball screw and ball way manufacturing and sales business to TN Linear Motion through a company split ("the Absorption-Type Split"), and to include the shares of TN TAIWAN CO., LTD., a subsidiary of the Company, in the assets to be transferred, thereby making it a subsidiary (a second-tier subsidiary of the Company) of TN Linear Motion.

However, in October 2024, it was discovered that certain quality inspection data related to ball screws manufactured at the Koriyama Plant of the Company's linear business had been falsified. As a result, after discussions with MINEBEA MITSUMI, the parties agreed to postpone the share transfer initially scheduled for December 10, 2024, and to mutually terminate the absorption-type split agreement dated October 4, 2024, between the Company and TN Linear Motion, effective as of December 4, 2024.

Subsequently, following further discussions with MINEBEA MITSUMI and the establishment of measures to address the quality issues, the Board of Directors resolved at its meeting held on July 31, 2025, to change the effective date of the share transfer and the Absorption-Type Split to October 3, 2025, and entered into a revised share transfer agreement and a new absorption-type split agreement with TN Linear Motion on the same date.

1. Company Split

(1) Purpose of the Transaction

The Company's group is specializing in the manufacture and sale of precision balls and rollers as well as ball screws and other mechanical parts. As a manufacturer, the top priority of the management is "safety, quality, and environment," and the Company's group is committed to promoting business activities in harmony with nature by cooperating with the society and local communities. By steadily implementing its management strategies while promoting the provision of essential parts for EV and wind power generation towards the realization of a decarbonized society and accelerating global deployment of medical products to meet high quality healthcare needs in the wake of the COVID-19 pandemic and the aging population, the group aims to become a stellar corporation that realizes sustainable profitable growth and continues to create improvements in corporate value. Also, in order to achieve further increase of corporate value, the Company's group has been working on the selection of business lines to achieve sustainable growth and to focus its management resources on the ceramic business and medical device business, which are the core of the Company's growth strategies.

Under these circumstances, the Company performed a careful consideration of the Target Business as part of the reorganization of its business portfolio and has decided to transfer the Target Business to MINEBEA MITSUMI under the conclusion that the expansion of the Target Business by fully leveraging the strengths of the Target Business, such as its technological advantages and strong relationships with customers is best achieved under MINEBEA MITSUMI. MINEBEA MITSUMI's Precision Technologies Business's mainstay products are ball bearings, rod end bearings used mainly in aircrafts, mechanical parts such as pivot assemblies for hard disk drives (HDD), and screws for aircrafts. It is expected that the Transaction will further strengthen the Precision Technologies Business of MINEBEA MITSUMI.

(2) Name of the Succeeding Company

TN Linear Motion Inc.

(3) Description of the Business to be Transferred

Manufacture and sales of ball screws and ball ways.

(4) Overview of the Companies Involved in the Absorption-Type Company Split

	Splitting company in an absorption-type company split (As of December 31, 2024)	Company succeeding in an absorption-type split (As of March 31, 2025)
(1) Name	Tsubaki Nakashima Co., Ltd.	TN Linear Motion Inc.
(2) Location	19 Shakudo, Katsuragi, Nara, Japan	19 Shakudo, Katsuragi, Nara, Japan
(3) Title and name of representative	Director and Representative Executive Officer, CEO Itaru Matsuyama	Representative Director Hisahiro Miyake
(4) Business	Manufacture and sale of industrial precision ball, rollers, and other applications	Manufacture and sale of ball screws and ball ways
(5) Share capital	17,117 million yen	1 million yen
(6) Date of establishment	January 5, 2007	October 4, 2024
(7) Number of issued shares	41,599,600 shares	1 share
(8) Fiscal year-end	December 31	March 31
(9) Major shareholders and holding ratio	The Master Trust Bank of Japan, Ltd. (Trust account)	Tsubaki Nakashima Co., Ltd.
	Custody Bank of Japan, Ltd. (Trust account)	100.0%
	NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG	3.54%

	RE CLIENTS NON-TREATY ACCOUNT	
	Tatsuya Aoki	1.82%
	BNYM AS	1.15%
	AGT/CLTS NON	
	TREATY JASDEC	
(10)	Relationship with the splitting company in an absorption-type split and company succeeding in an absorption-type split	
	Capital relationship	The Company holds 100% of the shares of the company succeeding in an Absorption-type Company Split.
	Personal relationship	The Company dispatches a director to TN Linear Motion Inc.
	Business relationship	None
(11)	Operating results and financial position for the most recent fiscal year	
		(Unit: million yen) (Unit: thousand yen)
Total equity	61,508	895
Total assets	174,721	2,240
Equity per share attributable to owners of the parent (yen)	1,543.02	895,228.00
Sales	75,921	-
Operating profit	814	-
Profit before tax	1,747	(104)
Profit attributable to owners of the parent	912	(104)
Basic earnings per share (yen)	22.91	(104,772.00)
Dividend per share (yen)	25.00	-

(5) Method of the Company Split

The transaction will be executed as an absorption-type company split, with the Company as the splitting entity and TN Linear Motion Inc. as the successor company. This will be a simplified absorption-type split pursuant to the Companies Act of Japan.

(6) Scheduled date of the Company Split

October 3, 2025 (scheduled)

2. Transfer of Shares of a Subsidiary

(1) Name of the Transferee

MINEBEA MITSUMI Inc.

(2) Scheduled date of Transfer

October 3, 2025 (scheduled)

(3) Number of Shares to be Transferred, Transfer Price, and ownership ratio after the transfer

Number of Shares Held Before the Transfer:	1 share (100% ownership of voting rights)
Number of Shares to Be Transferred:	1 share (100%)
Number of Shares Held After the Transfer:	0 shares (0% ownership of voting rights)

Note: Purchase price is not disclosed under the confidentiality obligations between the parties.

(4) Scale of the Business to be Transferred

The amounts of assets and liabilities to be transferred will be finalized as of the effective date of the company split (scheduled for October 3, 2025).

Based on the financial statements for the fiscal year ended December 31, 2024, the estimated sales, assets, and liabilities of the business to be transferred are as follows:

Sales: 2,721 million yen

Total assets: 3,450 million yen

Total liabilities: 780 million yen

(5) Impact on Consolidated Financial Results for the Fiscal Year

The impact of this transaction on the Company's consolidated financial results for the fiscal year ending December 31, 2025, is expected to be immaterial.