

FY2025Q3 Results Presentation

Tsubaki Nakashima Co., Ltd.
(Prime Market of TSE 6464)

November 11, 2025



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This presentation is an English translation of the material initially written in Japanese, which should be considered to be the primary version.

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2. Progress on New Mid-Term Business Plan

3. Sustainability and Quality Compliance Committee Initiatives

FY2025Q3 Performance and Business

- 1 Q3 cumulative (9 months) OP progress against guidance is high, mainly **due to delay in cost spendings**
- 2 Demand and business conditions in the Q3 (3 months) have worsened compared to the Q2 and this trend is expected to continue into the Q4. We maintain our FY2025 full-year forecast by offsets from transferring a part of the fixed assets at the Thailand plant, etc.
- 3 Cash generation for the current period is robust by improving the CCC* and restraining CAPEX
- 4 The linear business** carve-out took place on Oct. 3. We will incur some costs but will have cash inflow for Q4

* Cash conversion cycle

** Manufacturing and sales of ball screws and ball ways businesses

FY2025Q3 (Jul. - Sep.) and Q3 cumulative (Jan. - Sep.) Summary

3 months

9 months

- Q3 (3 months) sales decreased YoY and QoQ. For the Q3 cumulative (9 months), sales were steady compared to the guidance, but decreased by 9.5% YoY
- OP for Q3 (3 months) decreased by 75.2% YoY and 76.9% QoQ due to delay in cost spendings. For the Q3 cumulative (9 months), progress against guidance was high, but this was due to the impact of delay in spendings. OP decreased by 65.4% YoY, primarily due to the decline in sales and structural reform costs

(¥ billion)	Q3 (Jul. - Sep.)			Q3 cumulative (Jan. - Sept.)		
	Actual	YoY	QoQ	Actual	YoY (Excluding FX impact)	Vs. FY2025 full-year guidance
Sales	16.71	- 7.3%	- 6.0%	52.76	- 9.5% (-9.0%)	73.8%
Operating profit	0.10	- 75.2%	- 76.9%	0.89	- 65.4% (-65.2%)	89.1%
EBITDA	1.02	- 17.2%	-23.0%	3.59	- 29.1% (-28.8%)	-

Note: In this document, financial results are disclosed primarily as figures for continuing operations only, excluding discontinued operations.

About FY2025 Guidance

- There are no changes to the full-year guidance at this time
- The direct impact of the US tariff policy on our business performance was approximately 60 million yen (still under negotiation with some customers) for Q3, and indirect impact was about 0.5 billion yen for Q3 and we expect about the same for Q4

(¥ billion)	FY2024			Q3 (3 months)	FY2025 Q3 cumulative	Full year
	Q3 (3 months) Actual	Q3 cumulative (9 months) Actual	Full year Actual	Actual	Actual	Guidance
Revenue	18.02	58.32	75.92	16.71	52.76	71.50
Operating profit	0.40	2.57	0.81	0.10	0.89	1.00
vs. sales (%)	2.2%	4.4%	1.1%	0.6%	1.7%	1.4%
EBITDA	1.24	5.06	4.06	1.02	3.59	—
PBT	- 1.18	1.58	1.75	- 0.12	- 0.81	- 0.60
Net profit ¹⁾	- 0.96	0.74	0.91	- 0.17	- 1.13	- 0.80

1) Net profit is presented as the aggregate of continuing and discontinued operations.

2) "Change amount" and 3) "Change ratio" exclude FX impacts.

FY2025 Q3 Cumulative (9 months) Consolidated Financial Results (YoY) 9 months

- Q3 cumulative (9 months) sales decreased by 9.0% YoY, excluding foreign exchange impacts, due to the downturn in the automotive industry and a decline in our market share
- OP for the Q3 cumulative (9 months) decreased by 65.2% YoY, primarily due to the decline in sales and structural reform costs
- Interest expense payment resulted in a net loss before taxes and a net loss for the period

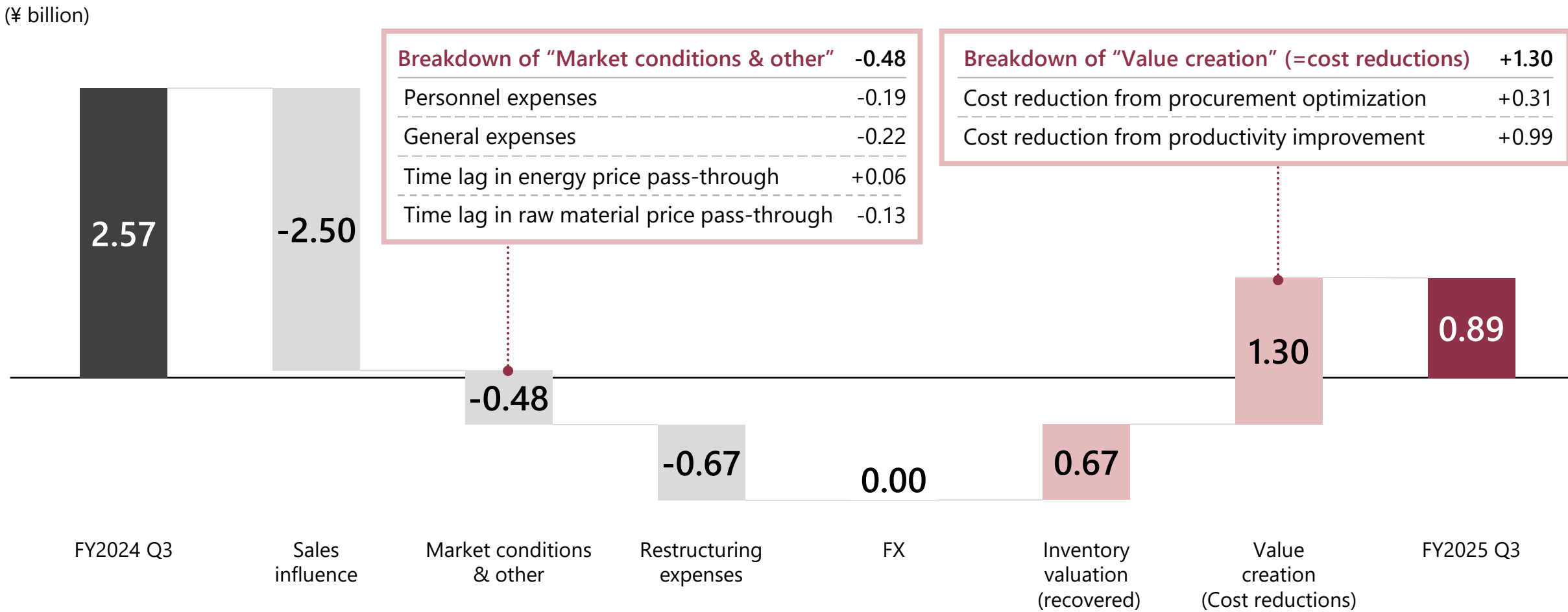
(¥ billion)	FY2024 Q3 cumulative	FY2025 Q3 cumulative (Jul.-Sep.)			
	Actual	Actual	FX impact	YoY (amount) ²⁾	YoY (%) ³⁾
Sales	58.32	52.76	- 0.31	- 5.25	- 9.0%
Operating profit	2.57	0.89	- 0.00	- 1.68	- 65.2%
Vs. sales (%)	4.4%	1.7%	—	—	—
EBITDA	5.06	3.59	- 0.02	- 1.46	- 28.8%
PBT	1.58	- 0.81	0.01	- 2.40	—
Net profit ¹⁾	0.74	- 1.13	0.01	- 1.88	—

1) Net income is presented as the aggregate of continuing and discontinued operations.

2) YoY (amount) and 3) YoY (%) exclude FX impacts

FY2025 Q3 Cumulative Operating Profit vs FY2024 Q3 Cumulative Operating Profit 9 months

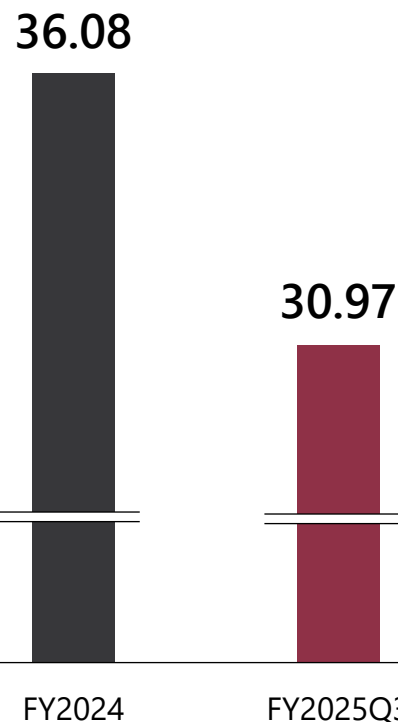
- While cost improvement measures showed results, a decrease in sales, market conditions and other factors, as well as structural reform expenses pushed down OP for Q3 cumulative (9 months) by 65.4% YoY to 0.89 billion yen



Inventory

(¥ billion)

Reduced by
5.1 billion yen

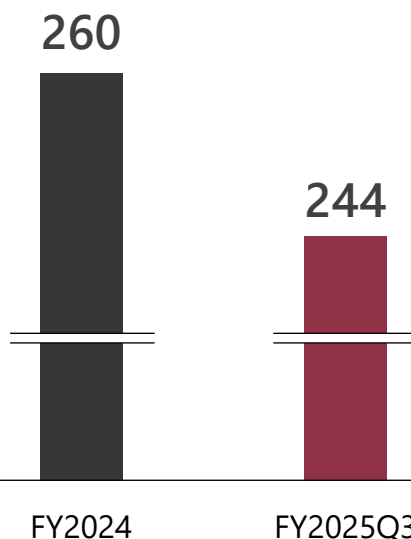


Cash conversion cycle

(days)

Improved by 16 days

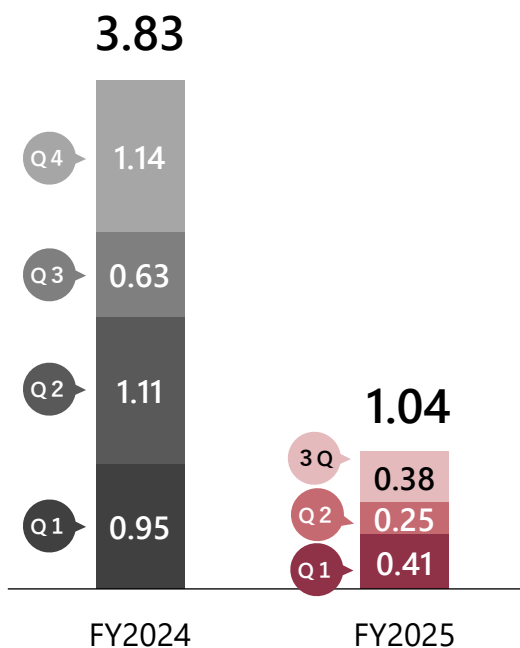
Breakdown	FY2024	FY2025 Q3
Inventory turnover period	202	187
A/R turnover period	92	92
A/P turnover period	34	35



CAPEX

(¥ billion)

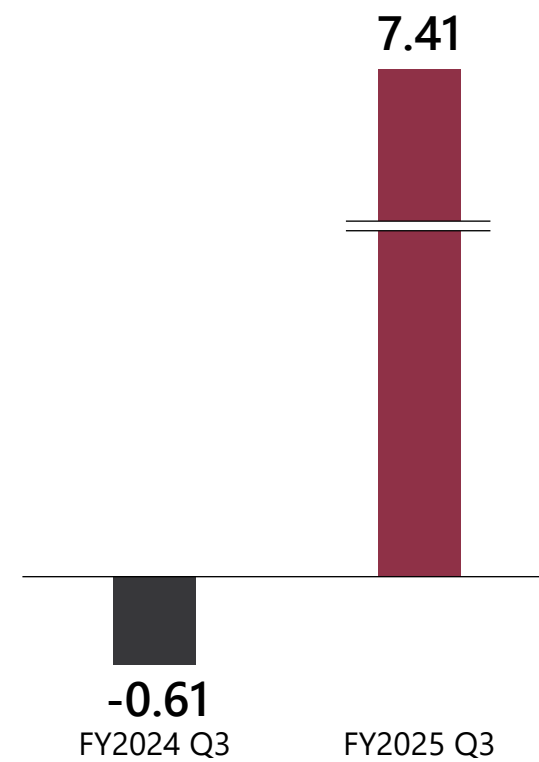
Expected to increase in Q4
but full-year amount will
shrink YoY due to
reexamination of the
necessary investments



FCF

(¥ billion)

Significantly improved with
the help of CAPEX
reexamination



FY2025Q3 Cumulative (9 months) Sales by Segment and Regions (YoY) 9 months

- Precision components' sales decreased by 9.1% YoY
- Regional sales trend continues from the latter half of the previous year.
Europe has the largest decline, while China and Japan remains with a slight decrease
- Asia (excluding China) has mixed results with favorable Indian market (steel balls) and unfavorable Thai market (ceramic balls)

(¥ billion)	FY2024 Q3 cumulative	FY2025 Q3 cumulative (Jan.-Sep.)			
	Actual	Actual	FX impact	YoY (amount) ³⁾	YoY (%) ⁴⁾
Consolidated basis	58.32	52.76	- 0.31	- 5.25	- 9.0%
Precision components ¹⁾	57.69	52.13	- 0.31	- 5.25	- 9.1%
Japan	8.88	8.59	0.00	- 0.29	- 3.3%
North America	11.47	10.57	- 0.22	- 0.68	- 5.9%
Europe	20.03	16.96	- 0.19	- 2.88	-14.4%
China	12.54	12.07	- 0.29	- 0.18	-1.4%
Asia (excluding China)	4.81	3.95	0.02	- 0.87	-18.1%
Others ²⁾	0.63	0.63	0.00	0.00	0.1%

1) Excludes inter-regional transactions

2) 'Others' segment indicates 'Blower Real Estate Business' segment from FY2024Q4.

3) YoY (amount) and 4) YoY (%) include FX impacts

FY2025Q3 (3 months) Sales by Segment and Regions (QoQ / YoY) 3 months

- Precision components' sales decreased by 5.3% QoQ and by 7.2% YoY
- Regional sales saw an increase in China QoQ and YoY. All other regions decreased QoQ and YoY

(¥ billion)	FY2024Q3	FY2025Q2	FY2025Q3 (Jul.-Sep.)		
	Actual	Actual	Actual	QoQ (%) ³⁾	YoY (%) ⁴⁾
Consolidated basis	18.02	17.78	16.71	-6.0%	-7.3%
Precision components ¹⁾	17.88	17.53	16.60	-5.3%	-7.2%
Japan	2.93	2.87	2.83	-1.4%	-3.3%
North America	3.46	3.45	3.31	-4.0%	-4.3%
Europe	5.66	5.87	5.04	-14.0%	-10.9%
China	4.15	4.07	4.16	2.2%	0.2%
Asia (excluding China)	1.71	1.30	1.23	-5.3%	-28.2%
Others ²⁾	0.13	0.23	0.13	-42.8%	-4.0%

1) Excludes inter-regional transactions

2) 'Others' segment indicates 'Blower Real Estate Business' segment from FY2024Q4.

3) YoY (amount) and 4) YoY (%) include FX impacts

Quarterly Trends

Sales / Operating Profit / OP margin

(¥ billion) Sales Operating profit OP margin

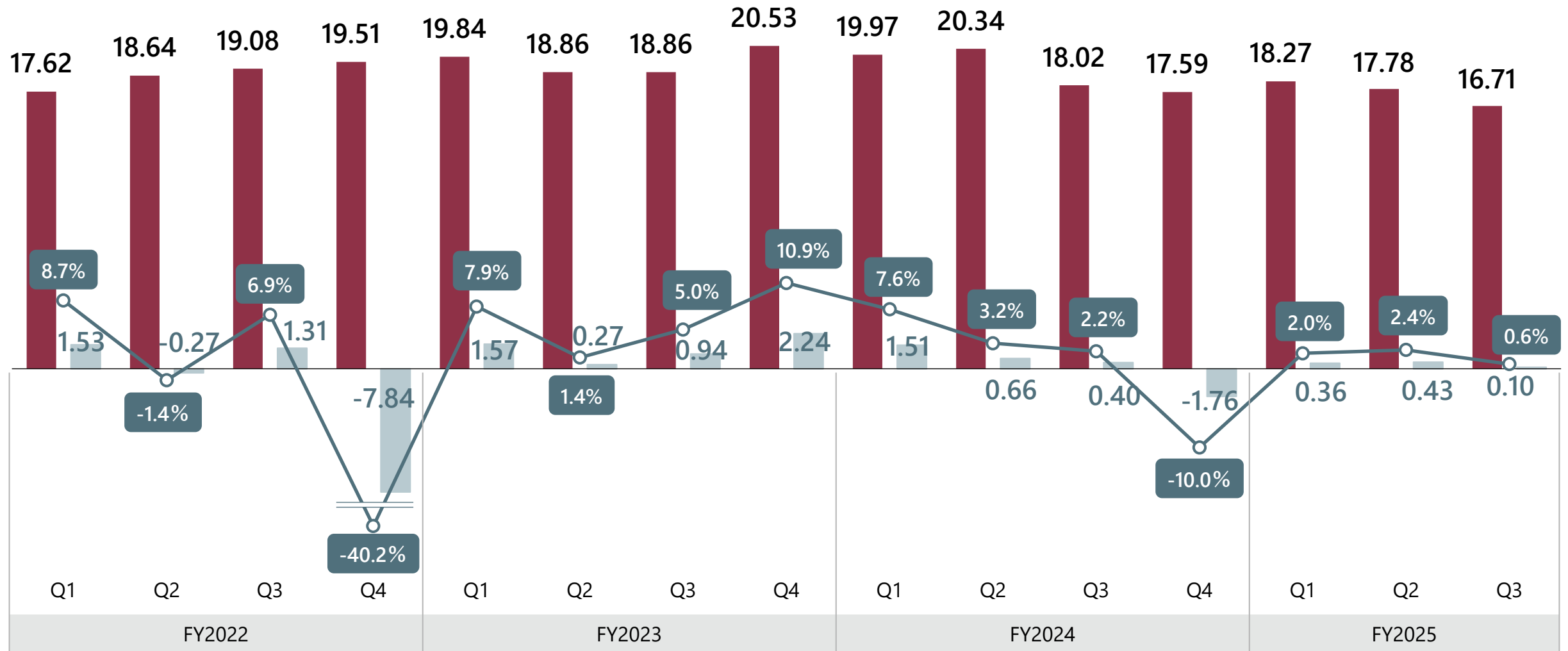


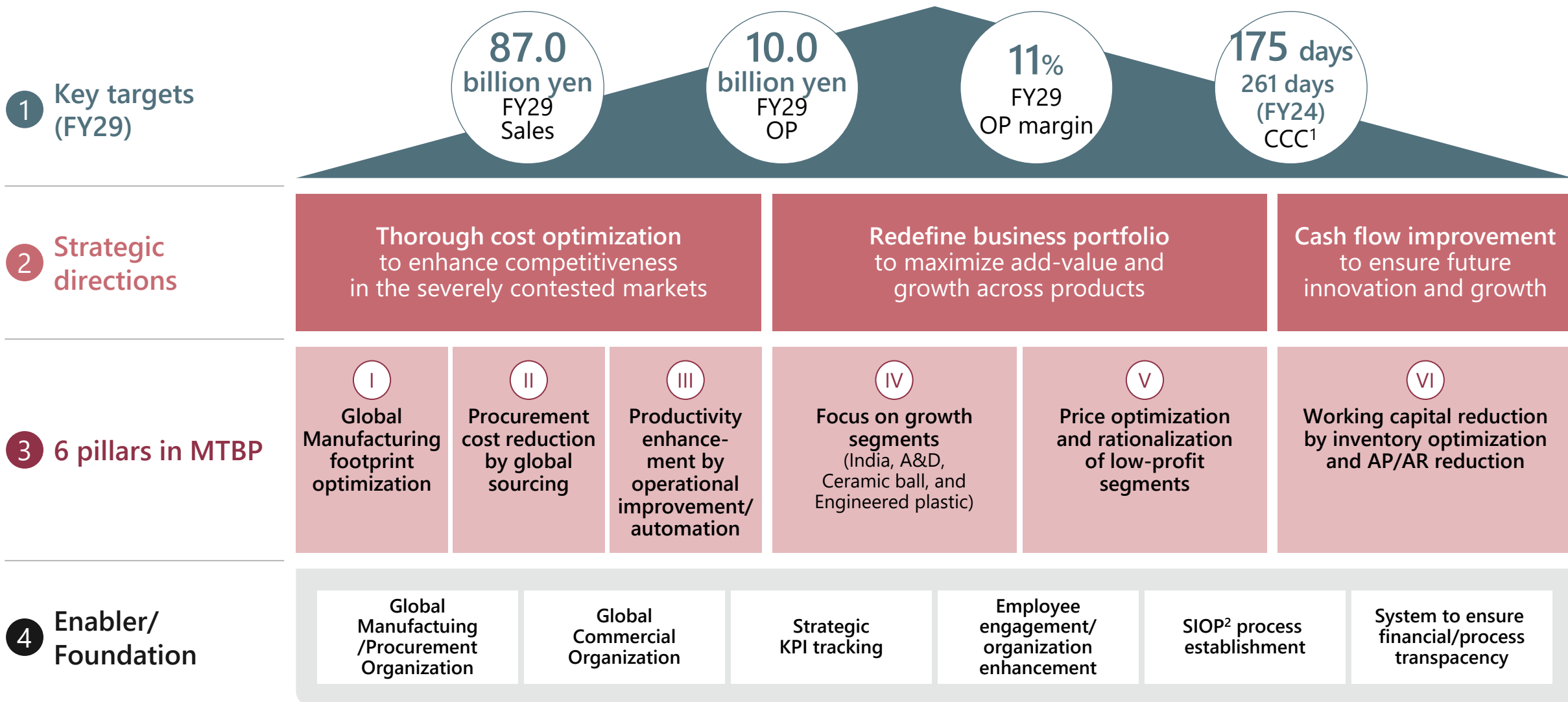
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New Mid-Term Business Plan (2025-2029) Summary



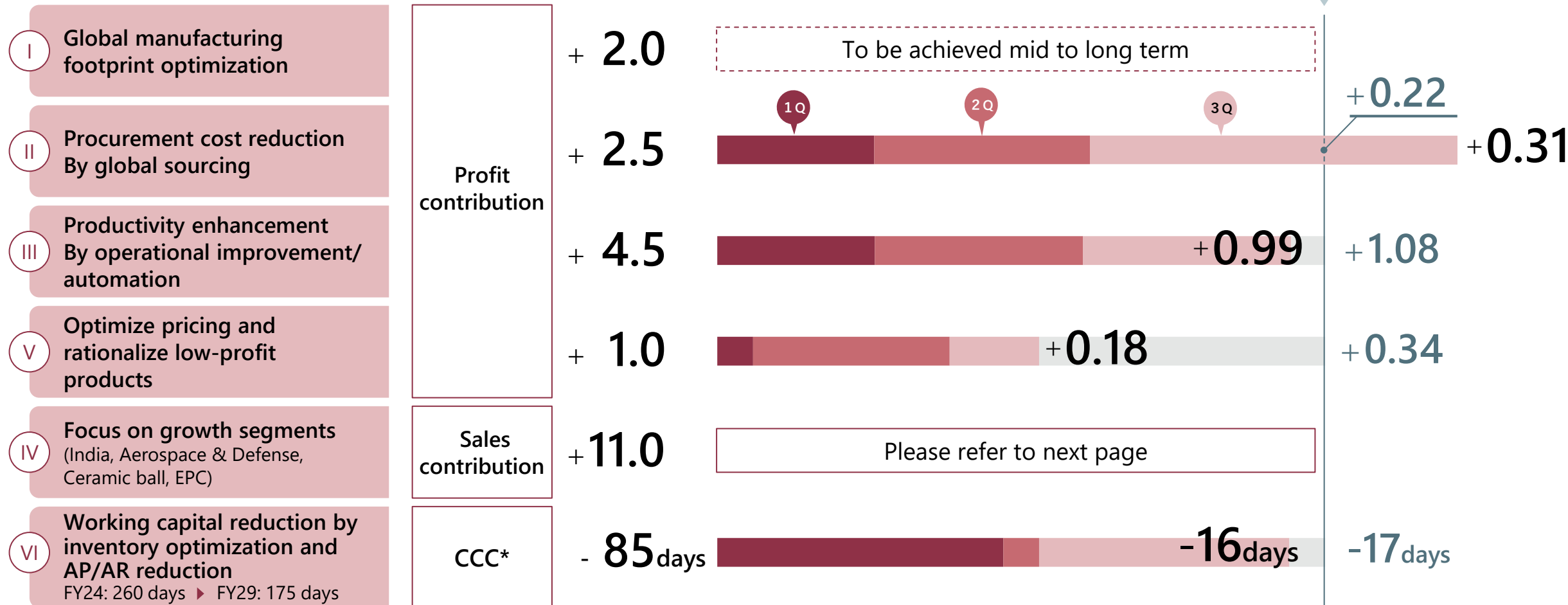
1. Cash Conversion Cycle, DIO+DSO-DPO; 2. Sales, Inventory, and Operation plan

Progress of the New Mid-Term Business Plan: Value Creation Pillars

FY29 plan (vs. FY2024)

FY25 Q3 Cumulative Progress

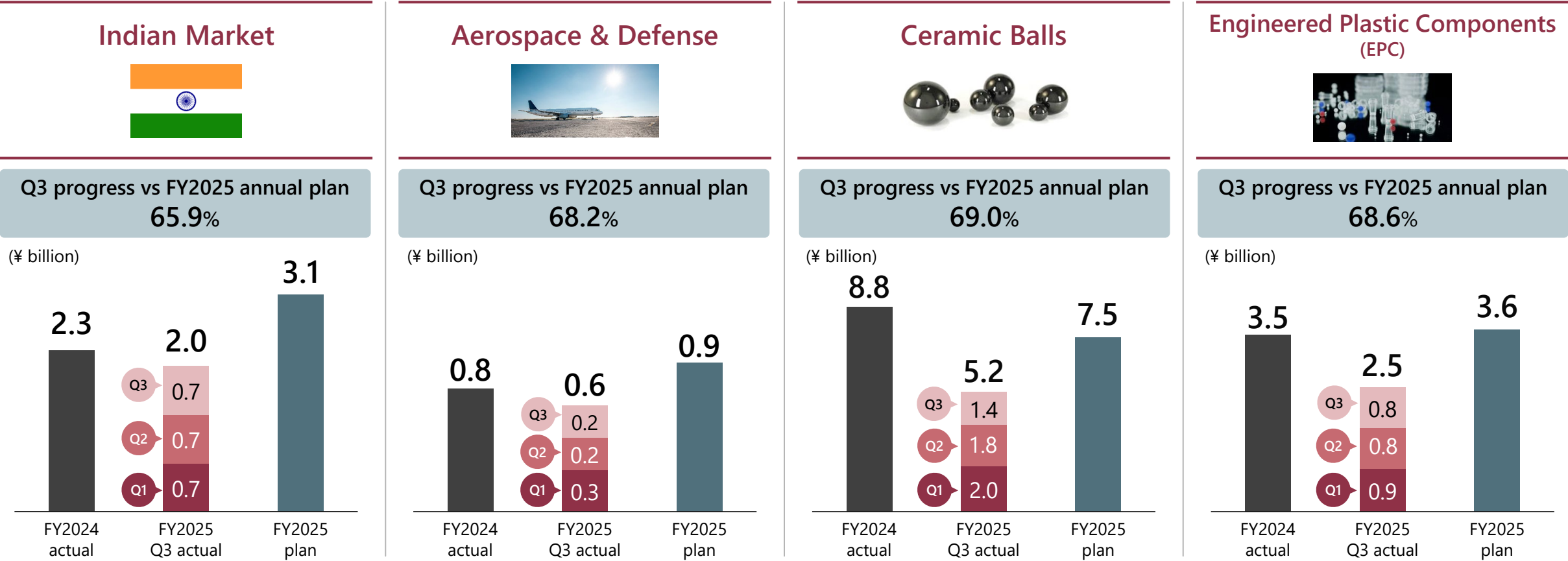
Six pillars of value creation



* Cash conversion cycle

Progress of the New Mid-Term Business Plan: FY2025 Q3 Growth Segment Sales

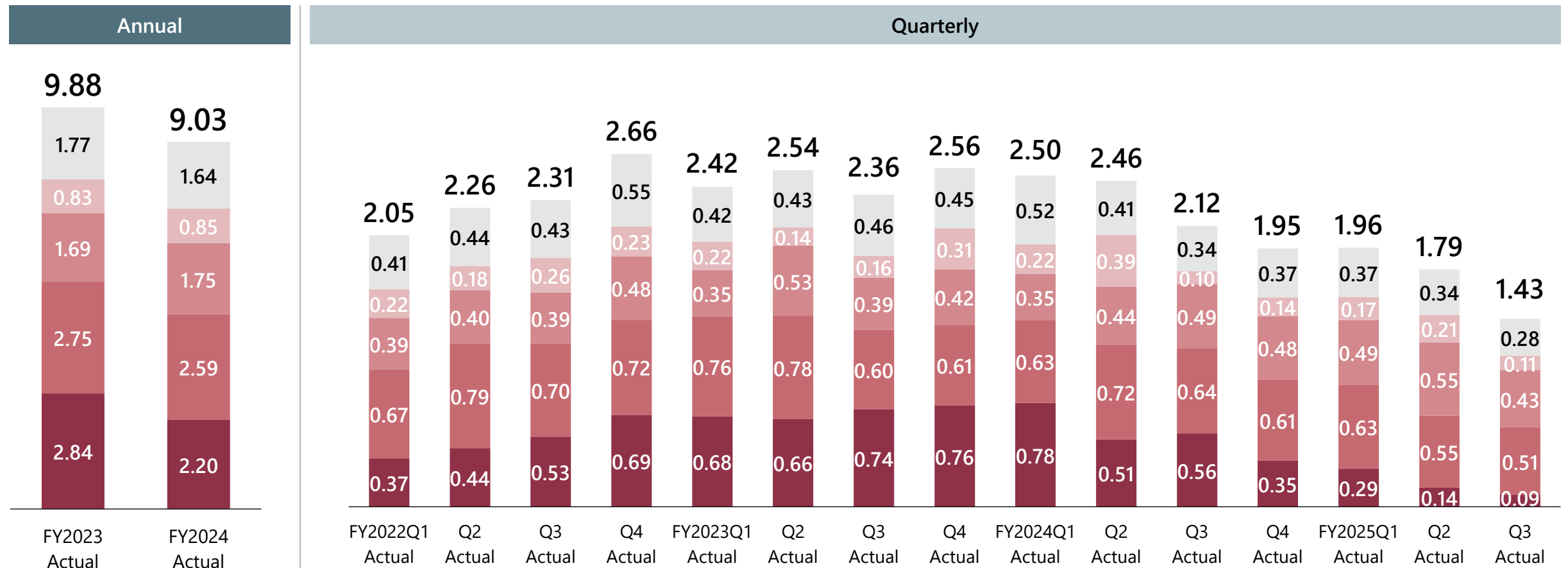
- The new mid-term business plan focuses on the Indian market, aerospace & defense, ceramic balls, and engineered plastic components as growth segments
- While significant growth is anticipated in the Indian market for FY2025, the competitive environment remains challenging
- All four segments show steady growth, but progress against annual plan is behind schedule



| For Reference | Trends of Ceramic Ball Sales by Applications

- Sales of ceramic balls' declining trend continues
- We will review our product portfolio to regain shares

(¥ billion) EV Machine tool spindle General industry Semiconductor Others



Note: ¥0.2 billion sales of FY2024 actual is for aerospace & defense

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Sustainability Initiatives

FY2025Q3 Key projects

“CDP questionnaire 2025” has been submitted

Focused on the development of the top 10 projects that merge the concept of sustainability and cost savings (i.e. energy efficiency projects)

-1.4% of total Tsubaki Nakashima’s energy consumption (i.e. -2% of CO₂ emissions)

Carbon footprint

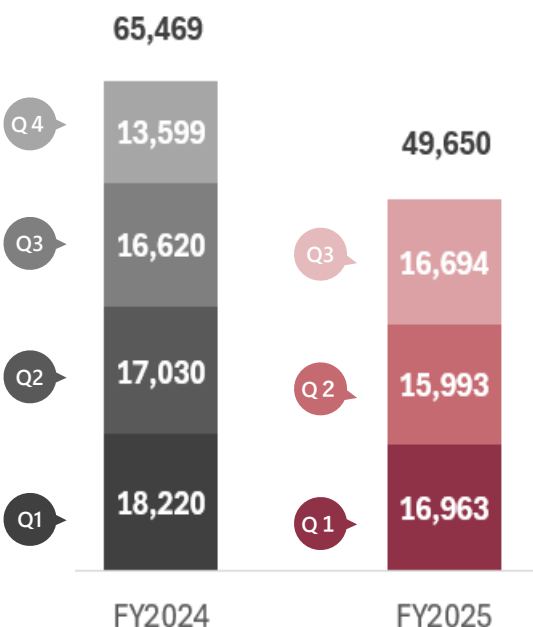
(CO₂ tons/tons)

	FY2024Q3	FY2025Q3	YoY
Japan	0.70	1.05	+0.35
West	0.76	0.72	-0.04
Ceramic	11.90	11.40	-0.50
China	0.65	0.59	-0.06
Rollers	1.59	1.70	+0.11
EPC	1.41	1.55	-0.14
Total	0.78	0.74	-0.04

- Our FY2025Q3 carbon footprint result of 0.74 is better than the annual target 0.80
- And 0.04 better than FY2024Q3 result of 0.78 (5.1% decrease YoY)

CO₂ emissions

(CO₂ tons)



- 4.5% CO₂ emissions reduction YoY

Progress on Quality Compliance Committee Initiatives (1)

- In March, the person in charge for each theme were appointed, and measures for improvement and a schedule (progress check sheet) for each theme was formulated.
- Activities are being developed based on the progress check sheet.
The company-wide deployment and execution are scheduled to be completed by December 2025.

Quality Compliance Committee Initiatives and Structure



Progress on Quality Compliance Committee Initiatives (2)

● On track

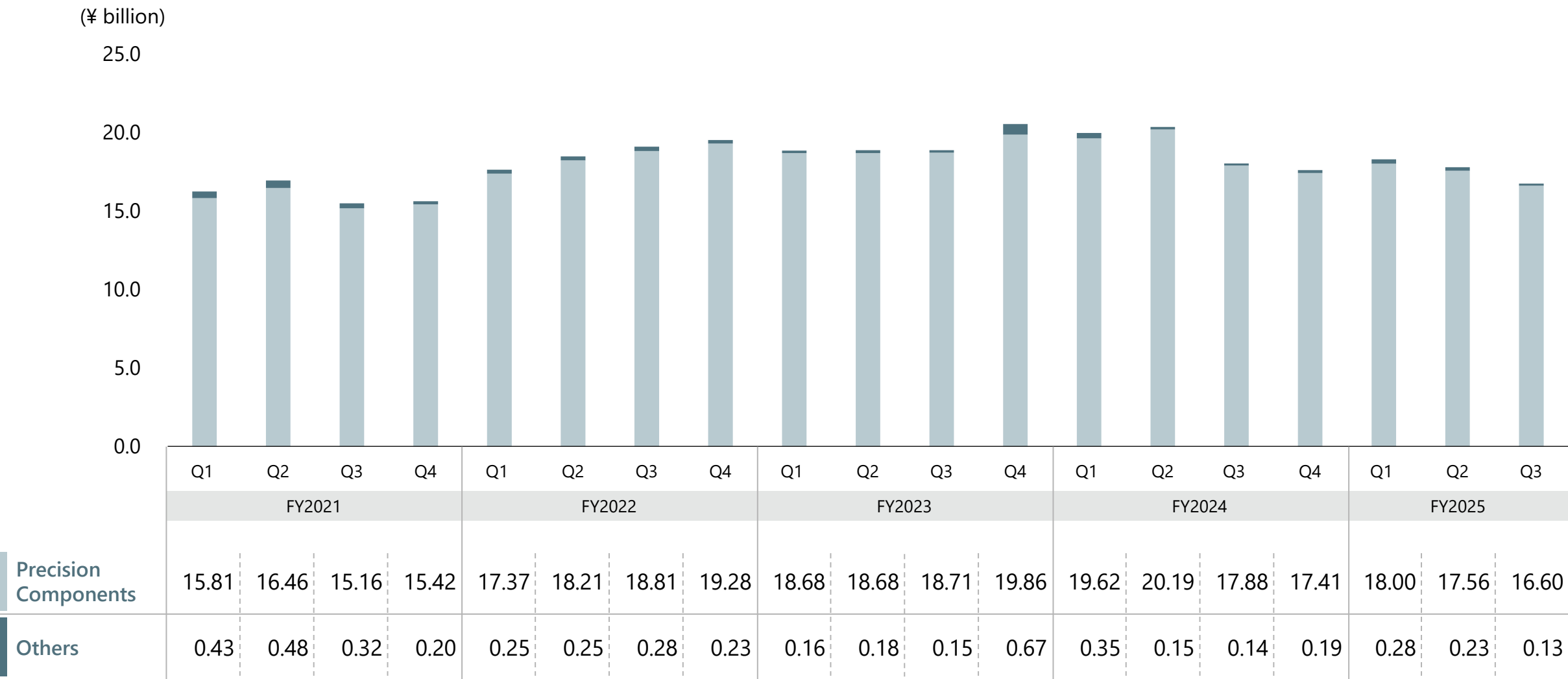
Initiatives	Action plans	Action status	Progress	Due date
Reinforcement of Companywide Quality Assurance and Quality Control	1. Define Objectives & Scope – Thoroughness of the Essence of Quality Assurance	●	75-100%	Jul.-> Dec. ^{*2}
	2. Secure Leadership Commitment – Involve top management and engage teams at all levels	●	75-100%	Dec.
	3. Identify and Standardize Processes – Map key workflows and establish best practices	Completed	100%	Dec.->Oct. ^{*1}
	4. Develop Documentation – Create policies, procedures and work instructions for consistency	●	75-100%	Sep.->Dec. ^{*2}
	5. Train and Communicate – Ensure employees understand their roles in maintaining quality	●	50-74%	Dec.
	6. Implement and Monitor – Track KPIs and assess performance	●	75-100%	Dec.
	7. Audit and Improve – Conduct regular reviews and drive continuous improvement	Completed	100%	Dec.->Aug. ^{*1}
Personnel System and Organizational Culture Reform	1. Introduction of Company Purpose/Vision/Mission/Values	●	75-100%	Dec. [*]
	2. Education and Training across Leadership / Management Levels	●	75-100%	Nov.->Dec.
	3. Talent Selection and Succession	Completed	100%	Nov.->Oct. ^{*1}
	4. Assessment	Completed	100%	Dec.->Oct. ^{*1}
Review of Control Environment	1. Strengthen internal audit function regarding Quality Audit	●	75-100%	Dec.
	2. Enhancement of whistleblowing system	●	50-74%	Dec.
Implement thorough compliance training	1. Compliance framework building	●	50-74%	Dec. ^{*2}
	2. Creation/update of compliance policies, guidelines and guidance	●	50-74%	Dec. ^{*2}
	3. Design and implementation planning of compliance training targeting employees (non-managers)	●	75-100%	Dec.
	4. Design and implementation planning of compliance training targeting employees (managers)	●	75-100%	Dec.
Strengthen risk management	1. Risk based thinking tools/system	Completed	100%	Sep ->Jul. ^{*1}
	2. Risk Management review	Completed	100%	Dec.->Oct. ^{*1}

* Implementation phase has been completed in June. Company-wide development phase to be completed by December. *1 Updated to months completed. *2 Pushed back due to reexamination of scope, etc.

APPENDIX

Quarterly Trends by Segments

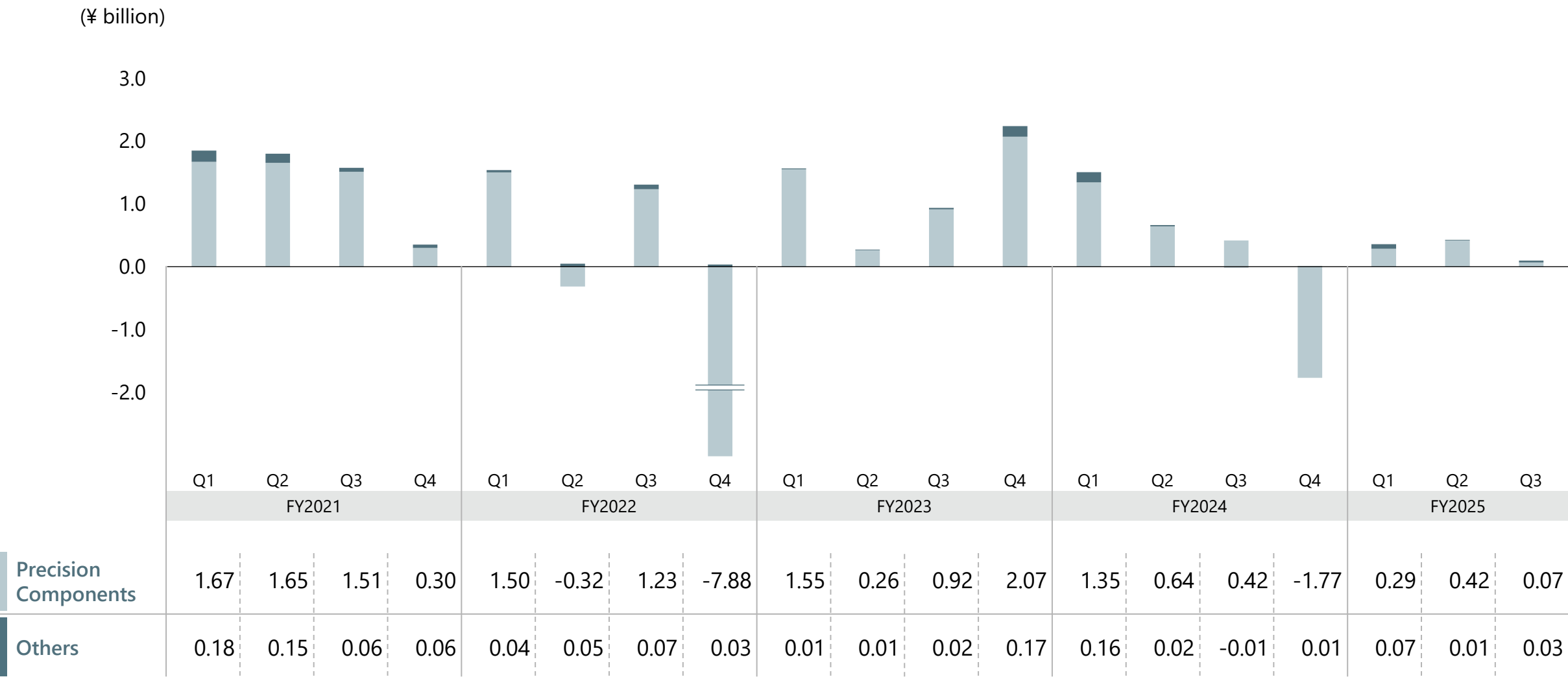
Sales



*The above figures through the end of 2023 have not been audited by an accounting auditor.
 'Others' segment indicates 'Blower Real Estate Business' segment from FY2024Q4.

Quarterly Trends by Segments

Operating Profit



*The above figures through the end of 2023 have not been audited by an accounting auditor.
 'Others' segment indicates 'Blower Real Estate Business' segment from FY2024Q4.

Sustainability Initiatives (Supplementary Information)

Sustainability development strategy

Reduce **energy consumption**

Photovoltaic systems

Purchase **green energy** thanks to the Renewable Energy Certificates

Challenge:
improve the general efficiency of TN plants through high utilization

Electrification of TN plants

Carbon Disclosure Project (CDP)

- Carbon Disclosure Project (CDP): the world's economy looks to CDP as the gold standard of environmental reporting. The aim of CDP is to see a **thriving economy that works for people and planet in the long term**. CDP focus investors and companies on building a sustainable economy by measuring and acting on their environmental impact.
- TN obtained **Level B** in FY2024 for "Climate Change". An improvement from B- in FY2023.



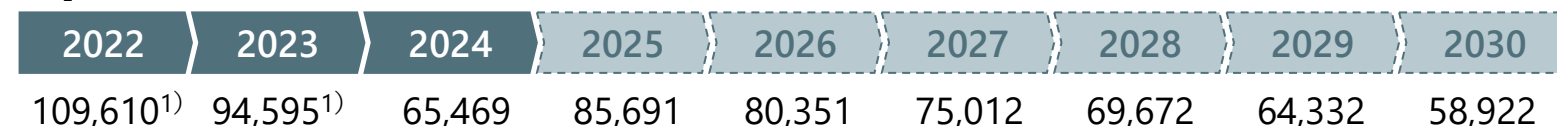
Science Based Targets Initiative (SBTi)

- Science Based Targets Initiative (SBTi): TN's greenhouse gas emissions reduction targets have been certified by the SBTi as a "Science Based Targets".
- TN commits to **reduce absolute scope 1 and 2 GHG emissions 42% by 2030** from a 2022 base year.
- TN also commits to **reduce absolute scope 3 GHG emissions 25% by 2030** from a 2023 base year.



Trends and roadmap of total TN CO₂ emissions

(CO₂ tons)



1) Figures include discontinuing operations.