Consolidated Financial Results
for the Three Months Ended March 31, 2026
Unaudited [IFRS]

May 13, 2026

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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Availability of supplementary briefing material on financial results: Available
Schedule of financial results briefing session: None

(Amounts of less than one million yen are rounded)

1. Consolidated Financial Results for the Three months ended March 31, 2026 (January 1, 2026 to March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Sales		Operating profit		Profit before taxes		Net profit for the period	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	17,784	(2.7)	1,127	214.6	531	–	308	–
March 31, 2025	18,273	(8.5)	358	(76.2)	(554)	–	(559)	–

	Net profit for the period attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Million yen	%	Million yen	%	Yen	Yen
March 31, 2026	308	–	1,237	–	8.06	7.73
March 31, 2025	(558)	—	(3,957)	—	(14.00)	(14.00)

(Reference) EBITDA: The Three months ended March, 2026: 2,004 million yen (up 62.1%)
The Three months ended March, 2025: 1,237 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 March 31, 2026	152,002	38,308	38,308	25.2
As of December 31, 2025	151,658	37,035	37,035	24.4

2. Dividends

	Annual dividends				
	1st Quarter -end	2nd Quarter -end	3rd Quarter -end	Year -end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	—	0.00	—	0.00	0.00
Fiscal year ended December 31, 2026	—				
Fiscal year ending December 31, 2026 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(% 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	70,000	0.2	2,500	–	1,100	–	500	–	13.07

Note: Revisions to the most recently announced earnings forecasts: None

*** Notes:**

(1) Changes in the scope of consolidation during the period under review: 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):

March 31, 2026:	41,599,600 shares
December 31, 2025:	41,599,600 shares

2) Total number of treasury shares at the end of the period:

March 31, 2026:	3,340,515 shares
December 31, 2025:	3,346,658 shares

3) Average number of shares during the period:

Three months ended March 31, 2026:	38,254,573 shares
Three months ended March 31, 2025:	39,838,642 shares

Note: The number of treasury shares at the end of the period includes shares held by the “BIP Trust” and the “ESOP Trust” (1,605,904 shares at the end of the three months ended March 31, 2026, and 1,612,047 shares at the end of December 2025). Furthermore, shares of the Company held by each trust are included in the shares deducted when calculating the average number of shares during the period.

※Review of the quarterly consolidated financial statements by a certified public accountant or auditing firm: None

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

(Caution concerning forward-looking statements)

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 first quarter of the current fiscal year, the global economy continued to recover moderately overall, based on elastic consumer spending mainly in the United States and economic growth in emerging countries such as India.

On the other hand, military conflict between the United States and Iran heightened concerns over rising energy prices, including crude oil, and disturbance to logistics along major ocean transportation routes, thereby increasing uncertainty regarding the outlook for the global economy. In addition, although inflation showed signs of easing in certain regions, continued increases in resource prices and energy costs require close monitoring of the impact on monetary policies and corporate investment trends.

In the Japanese economy, personal consumption showed signs of recovery against the backdrop of improvements in employment and income conditions. However, business sentiment deteriorated due to soaring crude oil prices caused by heightened tensions in the Middle East, the depreciation of the yen, and resulting increases in fuel and other costs.

Under these circumstances, although there was a positive impact from foreign exchange (yen depreciation) on sales for the three months ended March 31, 2026, revenue decreased by 2.7% year on year to 17,784 million yen due to the prolonged and severe stagnation in production and sales in the European automotive industry. In terms of profit, despite pressure from rising personnel expenses and fuel prices, operating profit increased by 214.6% year on year to 1,127 million yen, mainly due to the recording of a gain on sale of fixed assets of 1,041 million yen in other income following the transfer of a portion of the fixed assets owned by TN GEORGIA, INC. in February 2026.

Profit attributable to owners of the parent increased by 866 million yen compared with the same period of the previous fiscal year, resulting in a profit of 308 million yen, compared with a loss of 558 million yen in the same period of the previous fiscal year.

<Results by Business Segment >

Precision Components Business

Sales revenue in the Precision Components Business declined by 3.1% year-on-year to 17,437 million yen, mainly due to the prolonged severe downturn in production and sales in the European automotive industry.

Segment profit increased by 289.0% year on year to 1,116 million yen. Although the segment was affected by rising personnel and fuel costs, the increase was mainly attributable to the recording of a gain on sale of fixed assets of 1,041 million yen resulting from the transfer of a portion of the fixed assets owned by TN GEORGIA, INC. in February 2026.

Blower & Real Estate Business

Sales revenue in the Blower & Real Estate Business increased by 25.6% year-on-year to 347 million yen. Segment profit declined by 85.6% year-on-year to 11 million yen due to increases in personnel, fuel and material costs.

(2) Explanation of Financial Position

Total assets at the end of the first quarter, increased by 344 million yen from the end of the previous fiscal year to 152,002 million yen. This was mainly attributable to an increase of 781 million yen in trade and other receivables, an increase of 707 million yen in other current assets, and a decrease of 1,195 million yen in inventories.

Total liabilities decreased by 929 million yen from the end of the previous fiscal year to 113,694 million yen. This was mainly due to a decrease of 1,150 million yen in other current liabilities.

Total equity increased by 1,273 million yen from the end of the previous fiscal year to 38,308 million yen. This was mainly due to an increase of 929 million yen in other components of equity, such as foreign currency translation adjustments.

(Analysis of Status of Cash Flows)

The status of cash flow for each activity and their factors during the three months ended March 31, 2026 are as follows.

Net cash used in operating activities amounted to 631 million yen. Major factors were a gain on sale of fixed assets of 1,043 million yen, an increase in trade and other receivables of 646 million yen, a decrease in provisions of 550 million yen and a decrease in trade and other payables of 519 million yen, despite cash increases caused by a decrease in inventories of 1,337 million yen and depreciation and amortization of 936 million yen.

Net cash provided by investing activities amounted to 781 million yen, mainly due to proceeds from the sale of property, plant and equipment.

Net cash used in financing activities amounted to 79 million yen, mainly due to repayments of lease liabilities.

After adding translation adjustments of 126 million yen due mainly to the depreciation of the yen compared with the end of the previous fiscal year during the three months ended March 31, 2026, cash and cash equivalents at the end of the first quarter amounted to 34,830 million yen, an increase of 197 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 2026, which was announced on 13 February 2026.

2. Summary information (notes)

(1) Changes in significant subsidiaries during the period

Not applicable.

(2) Changes in accounting policies and changes in 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	34,633	34,830
Trade and other receivables, net	18,587	19,368
Inventories	25,726	24,531
Other current assets	9,145	9,852
Total current assets	88,091	88,581
Non-current assets		
Property, plant and equipment, net	36,224	35,881
Intangible assets, net and goodwill	26,427	26,664
Other investments	44	40
Deferred tax assets	646	601
Other non-current assets	226	235
Total non-current assets	63,567	63,421
Total assets	151,658	152,002
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,991	6,509
Current portion of borrowings	71,995	53,966
Income taxes payable	693	525
Other current liabilities	7,191	6,041
Total current liabilities	86,870	67,041
Non-current liabilities		
Bonds and borrowings, excluding current portion	20,849	39,585
Net defined benefit liability	1,742	1,665
Deferred tax liabilities	2,451	2,598
Other non-current liabilities	2,711	2,805
Total non-current liabilities	27,753	46,653
Total liabilities	114,623	113,694
Equity		
Share capital	17,117	17,117
Capital surplus	11,332	11,365
Treasury stock	(2,901)	(2,898)
Other components of equity	23,523	24,452
Retained earnings	(12,036)	(11,728)
Equity attributable to owners of the parent	37,035	38,308
Total equity	37,035	38,308
Total liabilities and equity	151,658	152,002

(2) Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income (Loss)

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Continuing Operations		
Sales	18,273	17,784
Cost of sales	15,459	14,895
Gross profit	2,814	2,889
Selling, general and administrative expenses	2,626	2,806
Other income	176	1,066
Other expenses	6	22
Operating profit	358	1,127
Financial income	166	49
Financial expenses	1,078	645
Profit (loss) before taxes	(554)	531
Income tax expense	(18)	223
Net profit (loss) for the period of continued operations	(536)	308
Discontinued Operations		
Net (loss) for the period of discontinued operations	(23)	—
Net profit (loss) for the period	(559)	308
Net profit (loss) for the period attributable to:		
Owners of the parent	(558)	308
Non-controlling interests	(1)	—
Net profit (loss) for the period	(559)	308
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at FVOCI	(1)	(4)
Total items that will not be reclassified to profit or loss	(1)	(4)
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation differences	(3,398)	977
Cash flow hedges	114	104
Hedge costs	(113)	(148)
Total items that may subsequently be reclassified to profit or loss	(3,397)	933
Other comprehensive income, net of tax	(3,398)	929
Total comprehensive income	(3,957)	1,237
Total comprehensive income attributable to.		
Owners of the parent	(3,954)	1,237
Non-controlling interests	(3)	—
Total comprehensive income	(3,957)	1,237

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Earnings per share attributable to owners of the parent		
Basic earnings (loss) per share (yen)		
Continuing operations	(13.45)	8.06
Discontinued operations	(0.55)	—
Basic earnings (loss) per share	(14.00)	8.06
Diluted earnings (loss) per share (yen)		
Continuing operations	(13.45)	7.73
Discontinued operations	(0.55)	—
Diluted earnings (loss) per share	(14.00)	7.73

(3) Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of the parent					
				Other components equity		
	Share capital	Capital surplus	Treasury stock	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)	(3,396)	114
Total comprehensive income	—	—	—	(1)	(3,396)	114
Dividends	—	—	—	—	—	—
Stock-based rewards	—	(36)	—	—	—	—
Other components of equity related to disposal groups held for sale	—	—	—	—	45	—
Total transactions with owners and other	—	(36)	—	—	45	—
Balance as of March 31, 2025	17,117	11,281	(2,298)	4	16,046	250

(Millions of yen)

	Equity attributable to owners of the parent						
	Other components equity						
	Hedge costs	Total	Other components of equity related to disposal groups classified as held for sale	Retained earnings	Total	Non-controlling interests Total	Total equity
Balance as of January 1, 2025	73	19,611	239	15,486	61,472	36	61,508
Net profit for the period (loss)	—	—	—	(558)	(558)	(1)	(559)
Other comprehensive income	(113)	(3,396)	—	—	(3,396)	(2)	(3,398)
Total comprehensive income	(113)	(3,396)	—	(558)	(3,954)	(3)	(3,957)
Dividends	—	—	—	(398)	(398)	—	(398)
Stock-based rewards	—	—	—	—	(36)	—	(36)
Other components of equity related to disposal groups held for sale	—	45	(45)	—	—	—	—
Total transactions with owners and other	—	45	(45)	(398)	(434)	—	(434)
Balance as of March 31, 2025	(40)	16,260	194	14,530	57,084	33	57,117

For the three months ended March 31, 2026

(Millions of yen)

	Equity attributable to owners of the parent						
				Other components equity			
	Share capital	Capital surplus	Treasury stock	Stock acquisition rights	Financial assets measured at FVOCI	Foreign currency translation differences	Cash flow hedge
Balance as of January 1, 2026	17,117	11,332	(2,901)	291	3	23,010	206
Net profit for the period (loss)	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	(4)	977	104
Total comprehensive income	—	—	—	—	(4)	977	104
Disposition of treasury stock	—	—	3	—	—	—	—
Stock-based rewards	—	33	—	—	—	—	—
Total transactions with owners and other	—	33	3	—	—	—	—
Balance as of March 31, 2026	17,117	11,365	(2,898)	291	(1)	23,987	310

(Millions of yen)

	Equity attributable to owners of the parent				Total equity
	Other components equity		Retained earnings	Total	
	Hedge costs	Total			
Balance as of January 1, 2026	13	23,523	(12,036)	37,035	37,035
Net profit for the period(loss)	—	—	308	308	308
Other comprehensive income	(148)	929	—	929	929
Total comprehensive income	(148)	929	308	1,237	1,237
Disposition of treasury stock	—	—	—	3	3
Stock-based rewards	—	—	—	33	33
Total transactions with owners and other	—	—	—	36	36
Balance as of March 31, 2026	(135)	24,452	(11,728)	38,308	38,308

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before taxes	(554)	531
(Loss) before tax from discontinued operations	(27)	–
Depreciation and amortization	881	936
Increase (decrease) in provisions	48	(550)
(Decrease) in net defined benefit liability	(231)	(73)
Interest and dividend income	(55)	(49)
Interest expense	388	392
Foreign exchange losses	640	53
(Gains) on sale of fixed assets	(1)	(1,043)
(Increase) in trade and other receivables	(588)	(646)
Decrease in inventories	1,057	1,337
(Decrease) in trade and other payables	(137)	(519)
Other, net	5	(487)
Subtotal	1,426	(118)
Interest and dividend received	55	49
Interest paid	(282)	(174)
Income taxes paid	(174)	(388)
Net cash provided by (used in) operating activities	1,025	(631)
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(409)	(264)
Proceeds from sale of property, plant and equipment	1	1,046
Payments for acquisition of intangible assets	–	(1)
Other, net	2	0
Net cash (used in) provided by investing activities	(406)	781
Cash flows from financing activities		
Payments of lease liabilities	(82)	(78)
Cash dividends paid	(346)	(1)
Net cash used in financing activities	(428)	(79)
Effect of exchange rate changes on cash and cash equivalents	(566)	126
Net (decrease) increase in cash and cash equivalents	(375)	197
Cash and cash equivalents at the beginning of the period	23,334	34,633
Cash and cash equivalents at the end of the period	22,959	34,830

(5) Notes to the Quarterly Consolidated Financial Statements

(Notes on the assumption of a going concern)

Not applicable.

(Changes in presentation method)

In the previous first quarter consolidated cumulative period, the "Increase (decrease) in provisions" was included in "Other, net " under cash flows from operating activities. However, due to its increased materiality, it is presented separately from the first quarter consolidated cumulative period of the current fiscal year.

To reflect this change in presentation, the Consolidated Statement of Cash Flows for the previous first quarter cumulative period has been reclassified. As a result, the 53 million yen previously presented under “Other, net” in cash flows from operating activities for the previous first quarter cumulative period has been reclassified as 48 million yen under “Increase (decrease) in provisions” and 5 million yen under “Other, net.”

(Segment Information and Others)

(1) Basis of segmentation

Our group is composed of finished goods and service-based segments, and has two reporting segments: the "Precision Component Business" and the "Blower & Real Estate Business." The "Precision Component Business" is engaged in the manufacturing and sales of precision balls, rollers, retainers, and sheet metal parts. The "Blower & Real Estate Business" is engaged in the manufacturing, sales, and maintenance of blowers, fans, and other air-moving equipment, as well as real estate leasing and related activities.

The business segments of our group are those components of the group for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating performance.

Segment information is prepared based on the same accounting policies as the consolidated financial statements. The operating profit for each segment is calculated by adjusting profit before taxes for finance income and finance expenses, and is measured in the same manner as operating profit in the condensed quarterly 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 three months ended March 31, 2025

(Millions of yen)

	Reporting segments		Total	Reconciling items	Consolidated financial statements
	Precision Component Business	Blower & Real Estate Business			
Sales					
External sales	17,996	277	18,273	—	18,273
Inter-segment sales	0	—	0	(0)	—
Total consolidated sales	17,996	277	18,273	(0)	18,273
Segment profit	287	71	358	0	358
			Financial income		166
			Financial expense		(1,078)
			(Loss) before taxes		(554)

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

For the three months ended March 31, 2026

(Millions of yen)

	Reporting segments		Total	Reconciling items	Consolidated financial statements
	Precision Component Business	Blower & Real Estate Business			
Sales					
External sales	17,437	347	17,784	—	17,784
Inter-segment sales	—	—	—	—	—
Total consolidated sales	17,437	347	17,784	—	17,784
Segment profit	1,116	11	1,127	—	1,127
			Financial income		49
			Financial expense		(645)
			Profit before taxes		531