FY2026 Q1 Results Presentation

(Including Progress of Mid-Term Business Plan 2025-2029)

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

May 13, 2026

TSUBAKI
NAKASHIMA

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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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Key Takeaways on Financial Results and Business Operations

Highlight Q1 OP improved significantly due to the U.S. land sales, which is part of structural reform.
In the meantime, business profitability remains low.

1 **Operating profit was positively impacted by ¥1.0 billion gains from the idle land sales at our Georgia Plant in the U.S., in February, as part of our structural reforms.**

2 **Following the land sales of Georgia Plant, footprint optimization planned in Mid-Term Business Plan kicked off. The closure of Erwin Plant was announced today. (Fixed cost reduction and improvement in capacity utilization are expected.)**

3 **The business environment remains tough due to weak demand in Europe, etc. No immediate impacts on our business from the situation in Iran have been observed at present; however, we will continue to closely monitor developments.**

4 **FY2026 forecast unchanged from figures announced on February 13, 2026**

※1 Cash Conversion Cycle
※2 Ball screw and ball way manufacturing and sales business transferred on October 3, 2025

FY2026 Q1 YoY

3 months

Highlight **Revenue decreased by 9.5% YoY (excluding foreign exchange impact). Without land sales (one-time profit of ¥1 billion), operating profit decreased compared to last year.**

– The impact of U.S. tariffs resulted in a direct impact of approximately ¥0.02 billion and an indirect impact of approximately ¥0.2 billion

	FY2025 Q1	FY2026 Q1 (Jan-Mar)			
(¥ billion)	Actual	Actual	FX impact	YoY (amount)[2]	YoY (%)[3]
Revenue	18.27	17.78	1.25	-1.74	-9.5%
Operating Profit	0.36	1.13	0.02	0.75	209.1%
Ratio (%)	2.0%	6.3%	—	—	—
EBITDA	1.24	2.00	0.09	0.68	54.7%
PBT	-0.55	0.53	0.02	1.07	Turned profitable
Net Profit[1]	-0.56	0.31	0.04	0.82	Turned profitable

1) Net profit reflects the combined results of continuing and discontinued operations.
2) "Change Amount" and 3) "Change Ratio" exclude foreign exchange effects.
Note: This document reports FY25 figures for continuing operations, excluding the manufacturing and sales of ball screws and ball ways, which were classified as discontinued operations in the FY24 Q1.

FY2026 Q1 Segment and Regional Revenue (YoY/QoQ) 3 months

Highlight Precision components increased 3.8% QoQ (including FOREX impact)

- Regional revenue showed QoQ growth helped by foreign exchange effect in North America, Europe, and Asia (excluding China).

(¥ billion)	FY2025 Q1	FY2025 Q4	FY2026 Q1 (Jan-Mar)			
	Actual	Actual	Actual	QoQ (%)	YoY (%)	YoY (%) Excluding FX
Group Consolidated	18.27	17.08	17.78	4.1%	-2.7%	-9.5%
Precision Components 1)	18.00	16.80	17.44	3.8%	-3.1%	-10.1%
Japan	2.88	2.99	2.82	-5.8%	-2.0%	-2.0%
North America	3.81	3.19	3.57	12.0%	-6.2%	-9.0%
Europe	6.05	5.12	5.78	12.9%	-4.4%	-16.7%
China	3.84	4.37	3.75	-14.1%	-2.4%	-10.5%
Asia (excluding China)	1.42	1.12	1.51	35.0%	6.3%	0.0%
Blower and Real Estate	0.28	0.28	0.35	24.1%	25.5%	25.5%

1) After consolidation eliminations between regions.

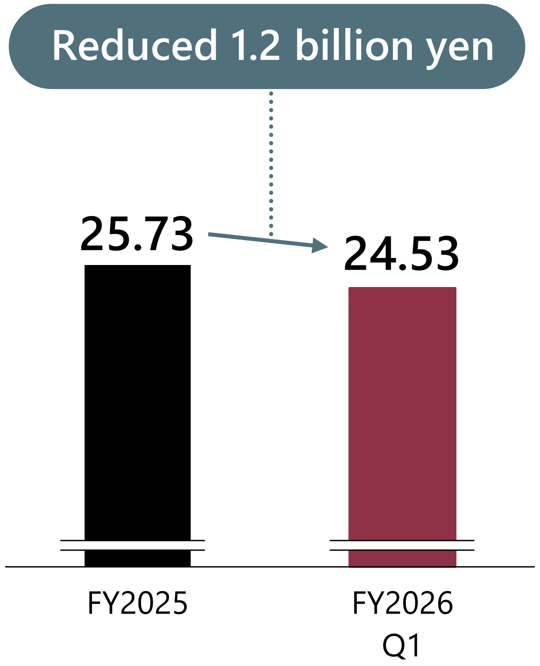
BS/CF

Highlight Inventory reduction and back-loaded CAPEX maintained free cash flow positive.

Inventories

(¥ billion)

Declining trend continues from end of FY25 significant inventory write-down

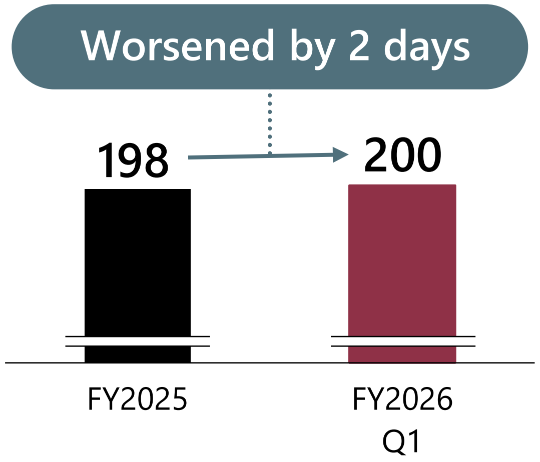


Cash Conversion Cycle

(Days)

Breakdown	FY2025	FY2026 Q1
Inventory Turnover Period	141	136
A/R Turnover Period	95	100
A/P Turnover Period	38	36

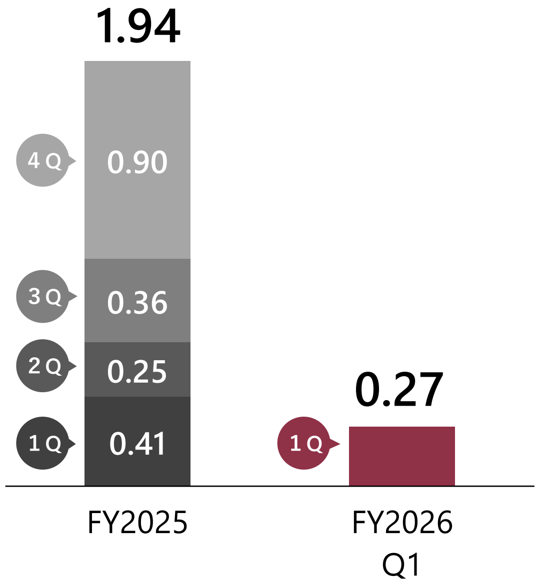
Inventory turnover period improved by 5 days



Capital Expenditures

(¥ billion)

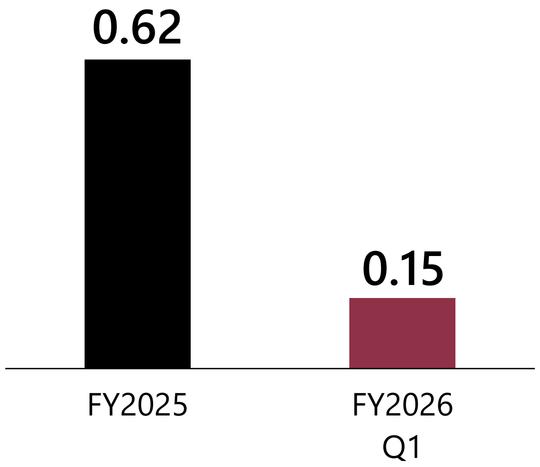
CAPEX of approximately 4.5 billion yen is expected for FY26, weighted toward the 2H.



Free Cash Flow

(¥ billion)

Declined from previous fiscal year, but FCF remained positive.



Cash Flow and Operating Profit

Highlight Maintained positive free cash flow.

(¥ billion)	FY2022 Full Year	FY2023 Full Year	FY2024 Full Year	FY2025 Full Year	FY2026 1Q
Operating Cash Flow	- 4.14	1.41	4.87	10.52	-0.63
Investing CF	- 3.50	- 4.90	- 3.80	1.12	0.78
Financing CF	- 1.76	1.39	- 1.91	- 1.30	-0.01
FCF	**- 7.64**	**- 3.49**	**1.07**	**11.64**	**0.15**
Operating Profit	- 9.07	0.85	0.81	- 22.26	1.13
Net profit [1]	- 9.09	- 1.29	0.91	- 26.99	0.31

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

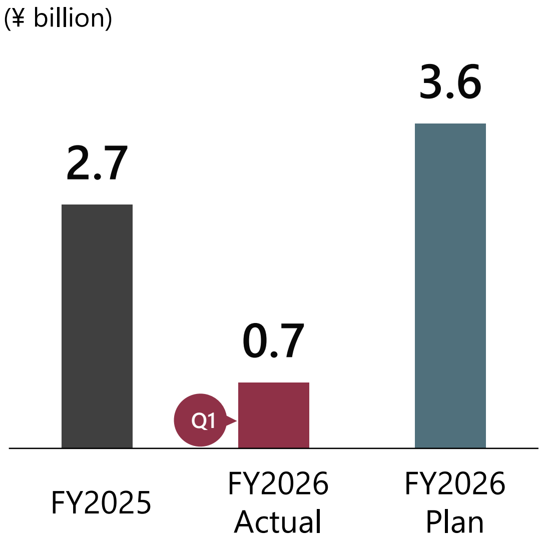
Growth Segment (FY2026 Q1 Sales Results)

Highlight All four segments performing steadily. Aerospace & Defense will pick up in latter half.

- Growth segments in the Mid-Term Business Plan are Indian market, Aerospace & Defense, Ceramic Balls, and Engineered Plastic Components (EPC)

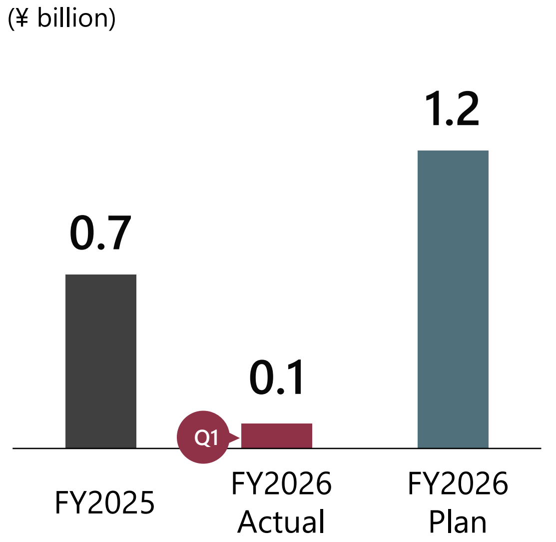
Indian Market

FY26 Q1 Actual vs. FY26 Plan **20.1%**



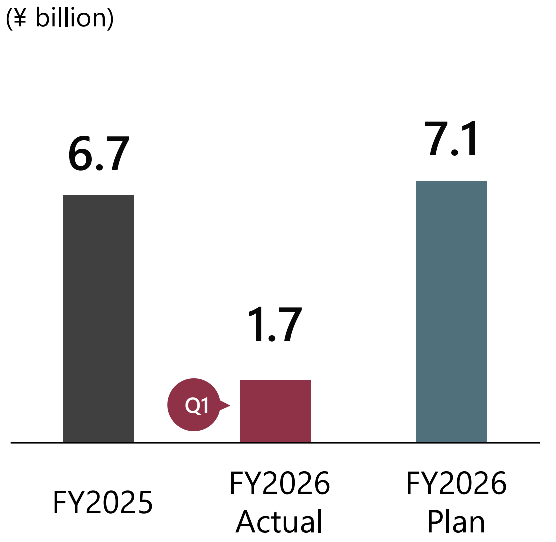
Aerospace & Defense

FY26 Q1 Actual vs. FY26 Plan **10.3%**



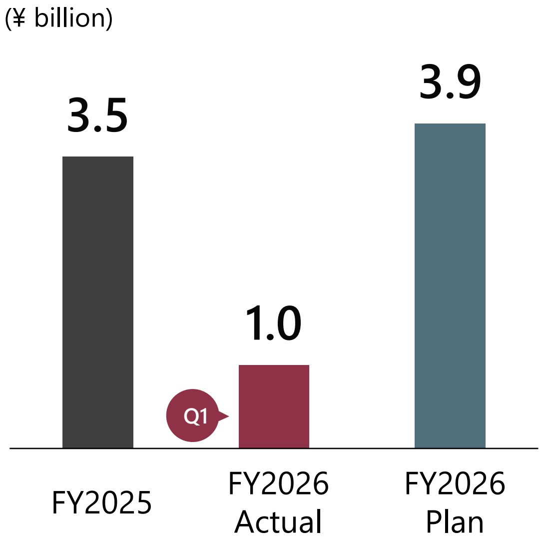
Ceramic Balls

FY26 Q1 Actual vs. FY26 Plan **24.7%**



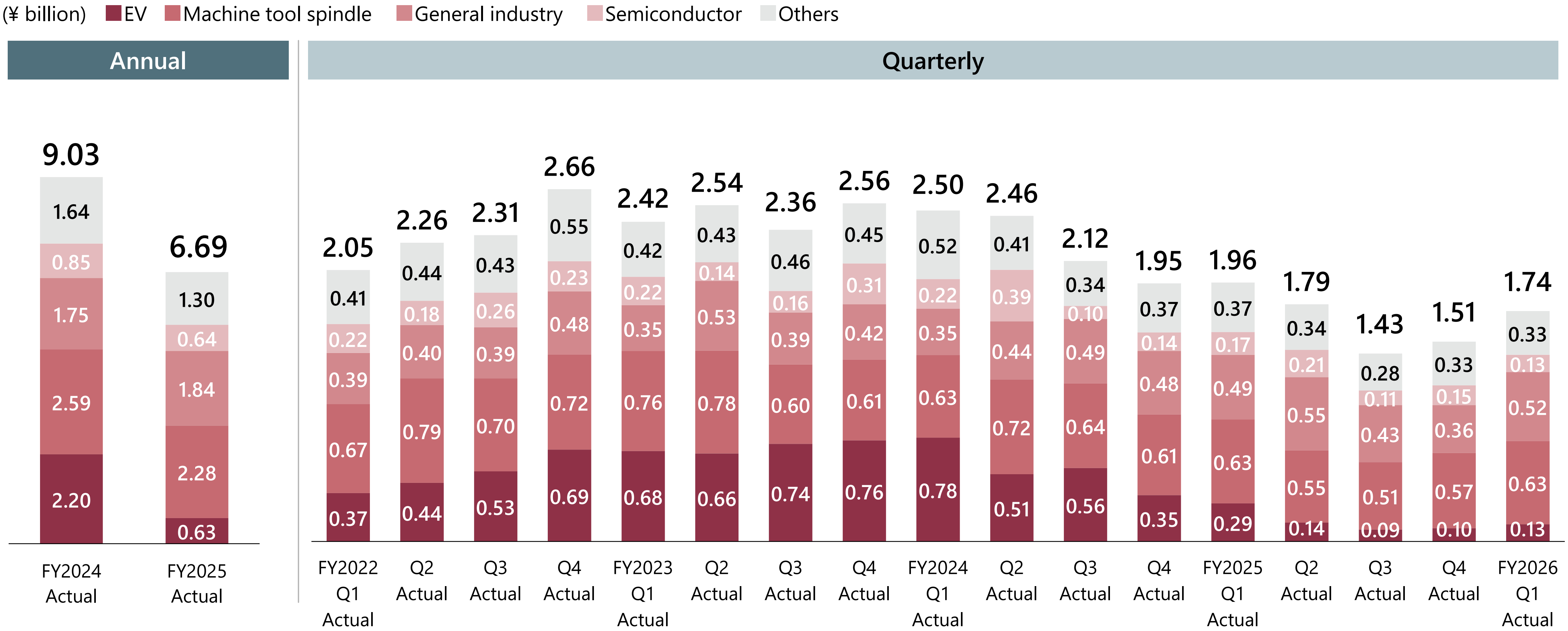
Engineered Plastic Components (EPC)

FY26 Q1 Actual vs. FY26 Plan **26.6%**



For Reference | Trends of Ceramic Ball Sales by Applications

Highlight Ceramic balls for machine tool spindles and general industry are proceeding steadily for FY26 Q1.



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

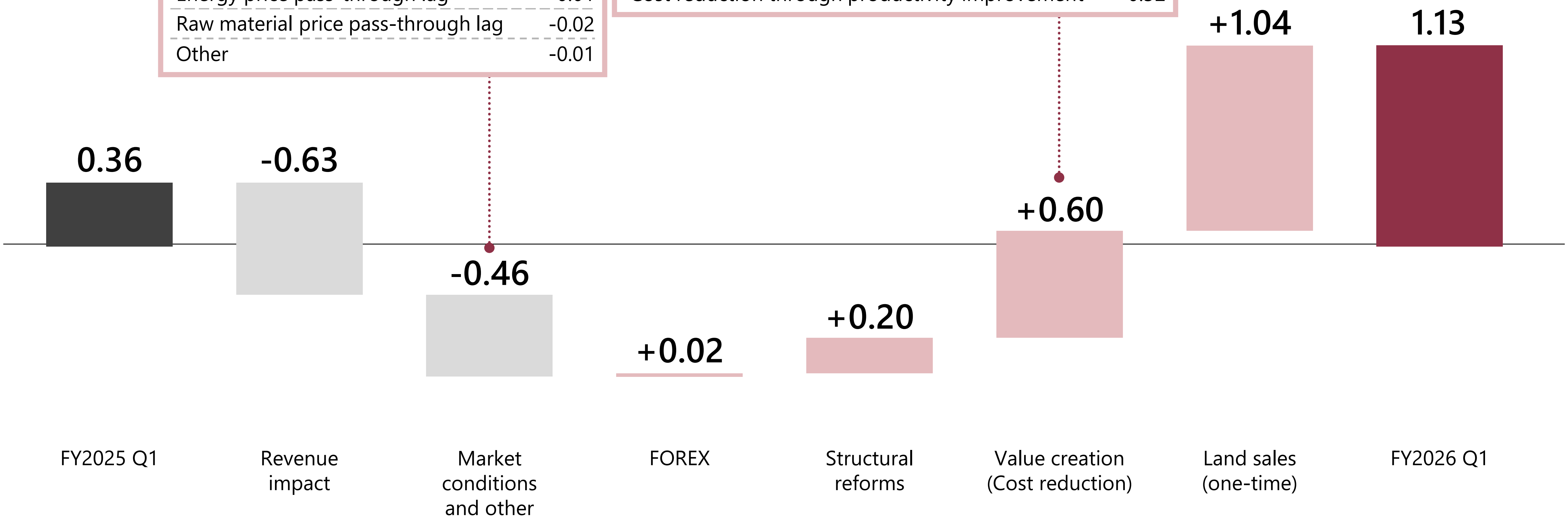
FY2026 Q1 Operating Profit Variation Factors (YoY)

Highlight Excluding ¥1.0 billion one-time gain from land sales, operating profit was ¥0.09 billion.

(¥ billion)

Market Conditions and Other	-0.46
Personnel expenses	-0.44
Energy price pass-through lag	+0.01
Raw material price pass-through lag	-0.02
Other	-0.01

Cost Improvement	+0.60
Cost reduction through procurement optimization	+0.28
Cost reduction through productivity improvement	+0.32



FY2026 Full-Year Guidance

Highlight Unchanged from February 13, 2026 announcement.

(¥ billion)	FY2026 Full-Year Guidance			
	Full Year Forecast	% of sales	Change amount vs FY2025	Change ratio vs FY2025 (%)
Revenue	70.00	100.0	0.16	0.2
Operating Profit	2.50	3.6	24.84	–
PBT	1.10	1.6	25.09	–
Net Profit	0.50	0.7	27.71	–
Basic Earnings per Share (yen)	13.07	–	715.87	–
Dividend per Share (yen)	0.0*	–	–	–

*Tsubaki Nakashima plans to suspend its dividend payment for FY2026 as it prioritizes strengthening its financial base by enhancing internal reserves.

Exchange rate assumptions: ¥145 per USD, ¥170 per EUR, ¥20.30 per CNY

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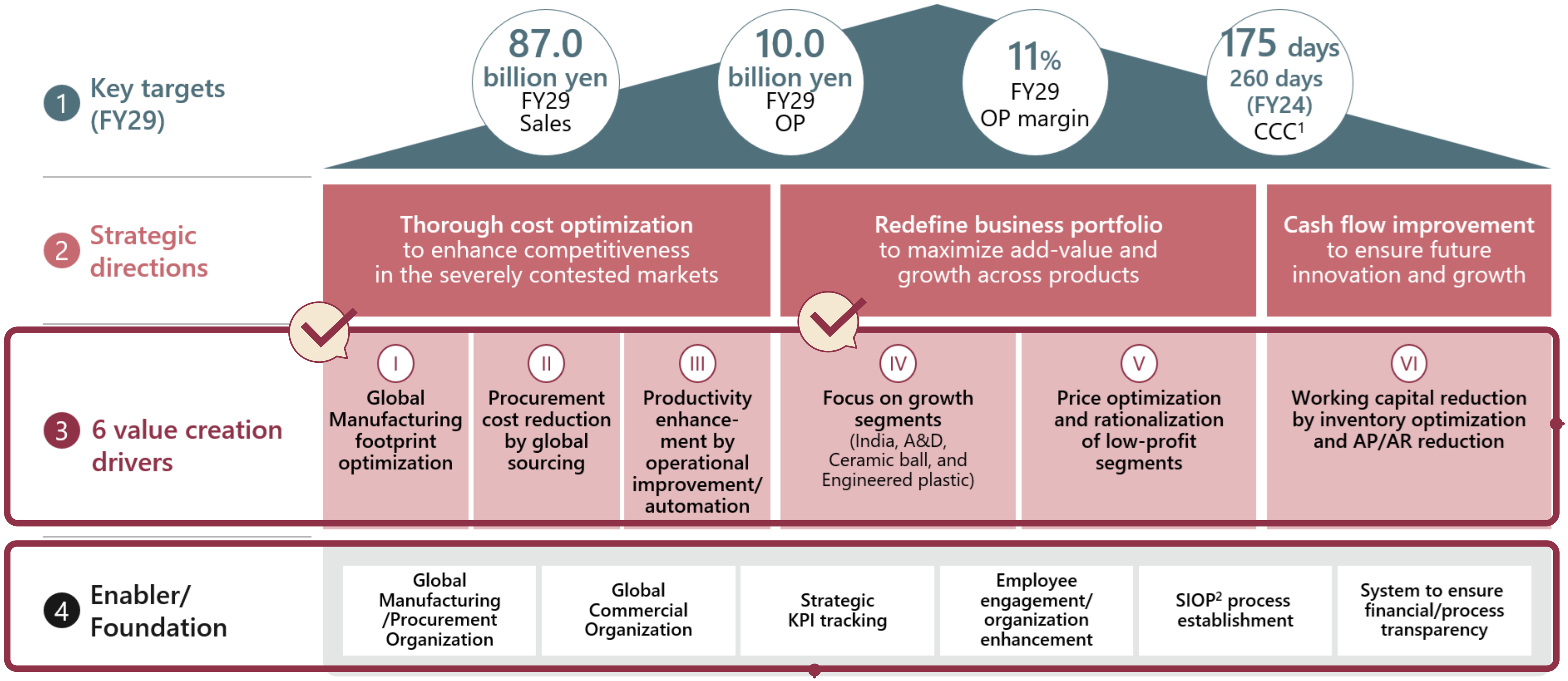
Progress of the Mid-Term Business Plan (2025–2029)

Highlight With the solid foundation in place, we will focus on items I and IV for FY2026.



① Key targets (FY29)

- 87.0 billion yen FY29 Sales
- 10.0 billion yen FY29 OP
- 11% FY29 OP margin
- 175 days 260 days (FY24) CCC[1]

② Strategic directions

- **Thorough cost optimization** to enhance competitiveness in the severely contested markets
- **Redefine business portfolio** to maximize add-value and growth across products
- **Cash flow improvement** to ensure future innovation and growth

③ 6 value creation drivers

- Ⅰ Global Manufacturing footprint optimization ✓
- Ⅱ Procurement cost reduction by global sourcing
- Ⅲ Productivity enhancement by operational improvement/ automation
- Ⅳ Focus on growth segments (India, A&D, Ceramic ball, and Engineered plastic) ✓
- Ⅴ Price optimization and rationalization of low-profit segments
- Ⅵ Working capital reduction by inventory optimization and AP/AR reduction

④ Enabler/ Foundation

- Global Manufacturing /Procurement Organization
- Global Commercial Organization
- Strategic KPI tracking
- Employee engagement/ organization enhancement
- SIOP[2] process establishment
- System to ensure financial/process transparency

Focus on items I and IV for FY26.

Deliver results based on the solid foundation we built.

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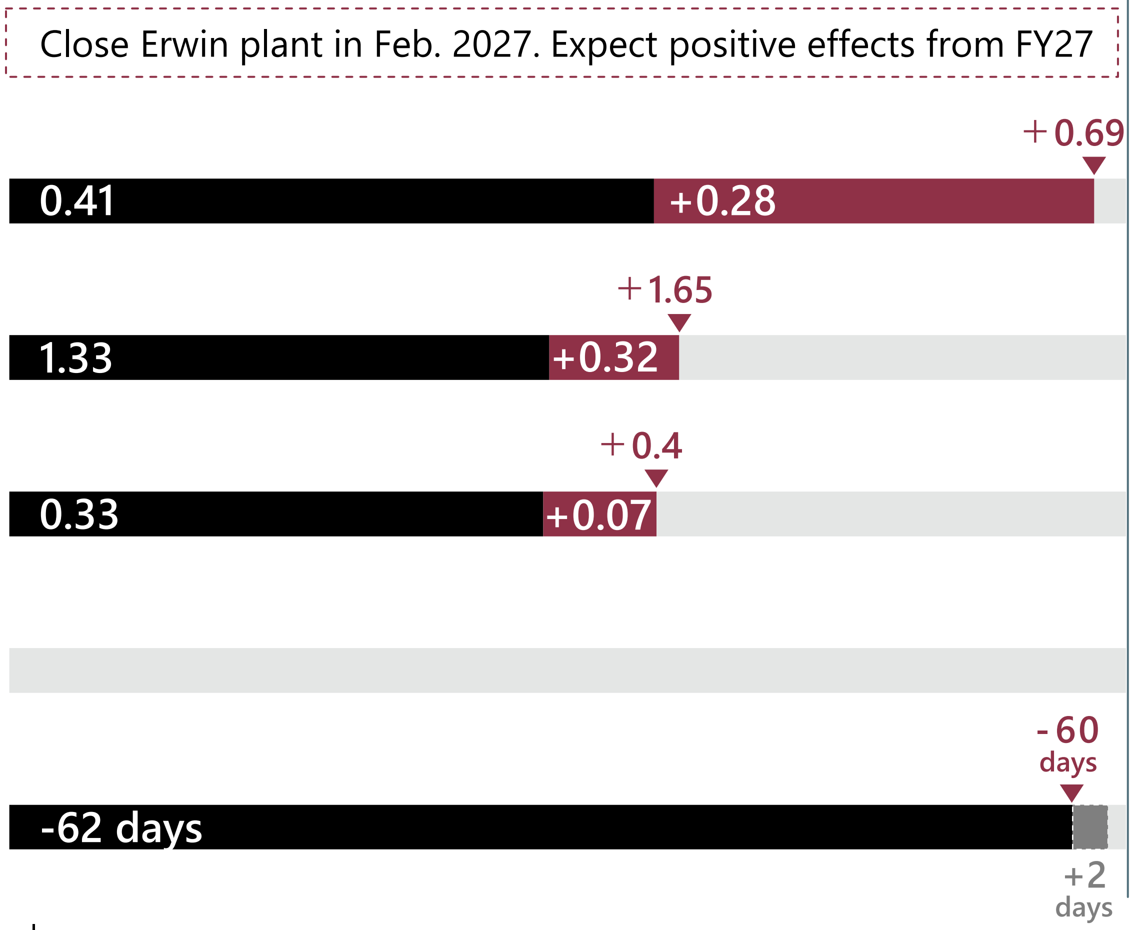
1. Cash Conversion Cycle, DIO+DSO-DPO; 2. Sales, Inventory, and Operation plan

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

Highlight Five-year plan is advancing steadily. CCC worsened by 2 days for FY26Q1.



Six value creation drivers		FY25 Results	FY26 Q1 Progress	FY26 Plan	FY29 Plan
I Global manufacturing footprint optimization	Profit contribution	Close Erwin plant in Feb. 2027. Expect positive effects from FY27			+ 2.0 Billion yen
II Procurement cost reduction By global sourcing	Profit contribution	0.41	+0.28 +0.69	+ 0.71	+ 2.5 Billion yen
III Productivity enhancement By operational improvement/ automation	Profit contribution	1.33	+0.32 +1.65	+ 2.43	+ 4.5 Billion yen
V Optimize pricing and rationalize low-profit products	Profit contribution	0.33	+0.07 +0.4	+ 0.62	+ 1.0 Billion yen
IV Focus on growth segments (India, Aerospace & Defense, Ceramic ball, EPC)	Sales contribution			+ 0.40	+ 11.0 Billion yen
VI Working capital reduction by inventory optimization and AP/AR reduction FY24: 260 days ▸ FY29: 175 days	CCC*	-62 days	-60 days +2 days	- 63days	- 85days

* Cash conversion cycle

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Sustainability Initiatives

Q1 2026
Key projects

2025 ESG Report release

- 10 productivity initiatives already kicked off in Q1 2026 that support CO_2 reduction
- 5 plants purchased green energy in Q1 2026 to reduce CO_2 emissions

Carbon footprint

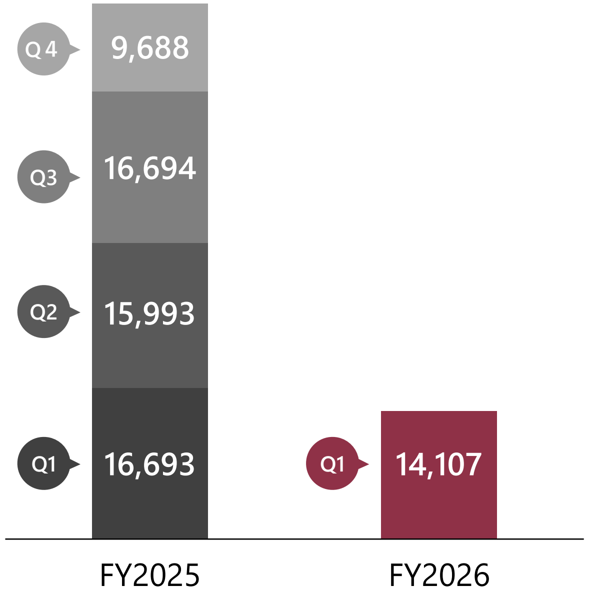
（CO_2 tons/tons）

	Q1 2025	Q1 2026	YoY
Japan	0.81	1.25	+0.44
West	0.78	0.71	-0.07
Ceramic	13.00	18.08	+5.00
China	0.58	0.33	-0.25
Rollers	1.63	1.43	-0.20
EPC	2.27	2.11	-0.16
Total	0.77	0.67	-0.10

- Our Q1 2026 carbon footprint result of 0.67 is better than the annual target 0.80
- And 0.10 better than Q1 2025 result of 0.77

CO_2 emissions

（CO_2 tons）

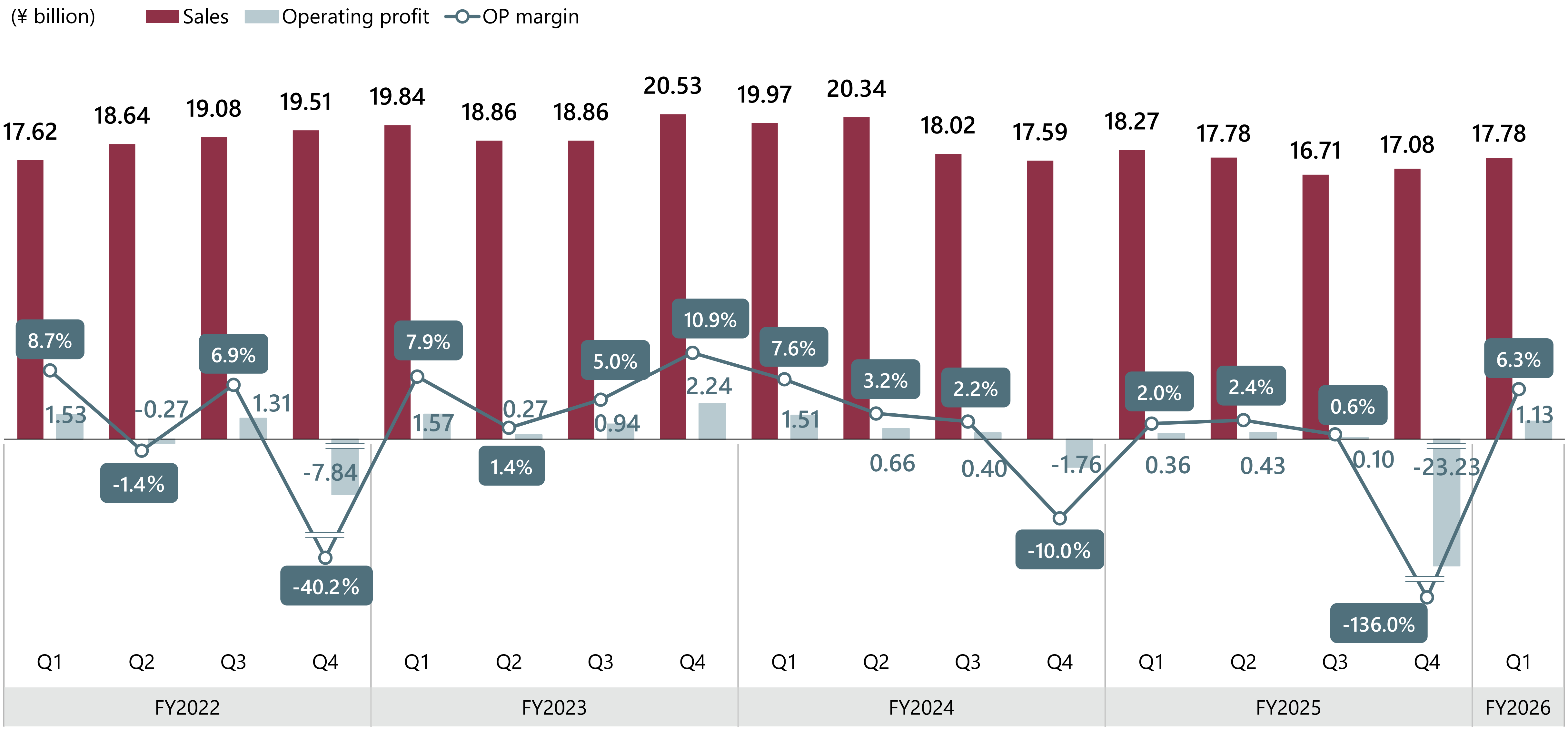


Q1 2026 15% CO_2 emissions reduction vs Q1 2025

APPENDIX

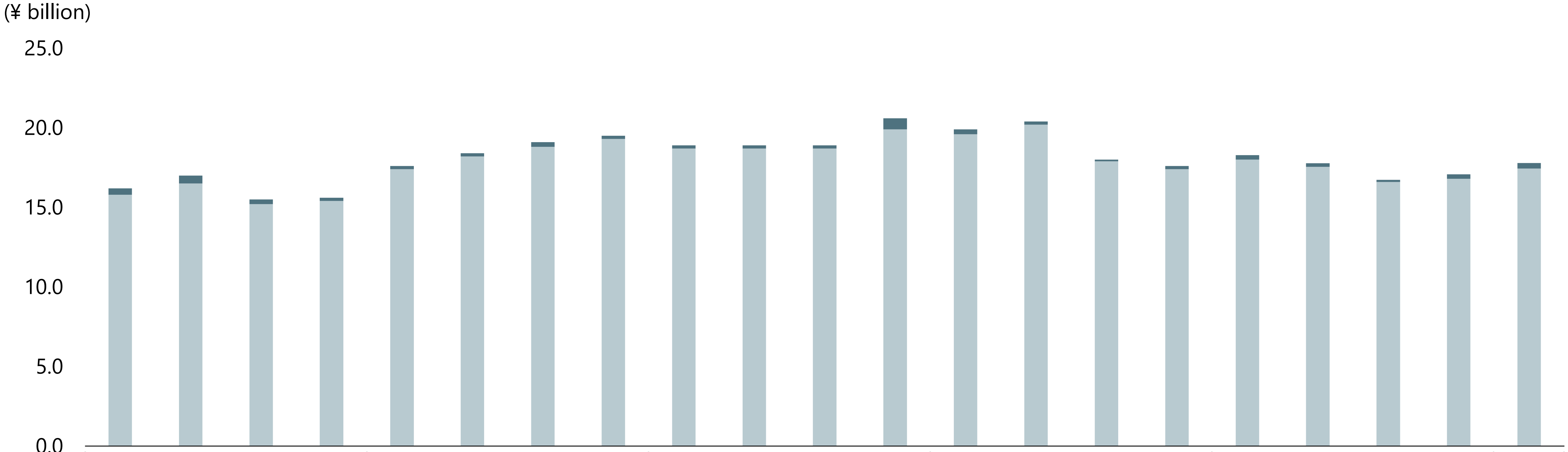
Quarterly Trends

Sales / Operating Profit / OP margin



Quarterly Trends by Segments

Sales



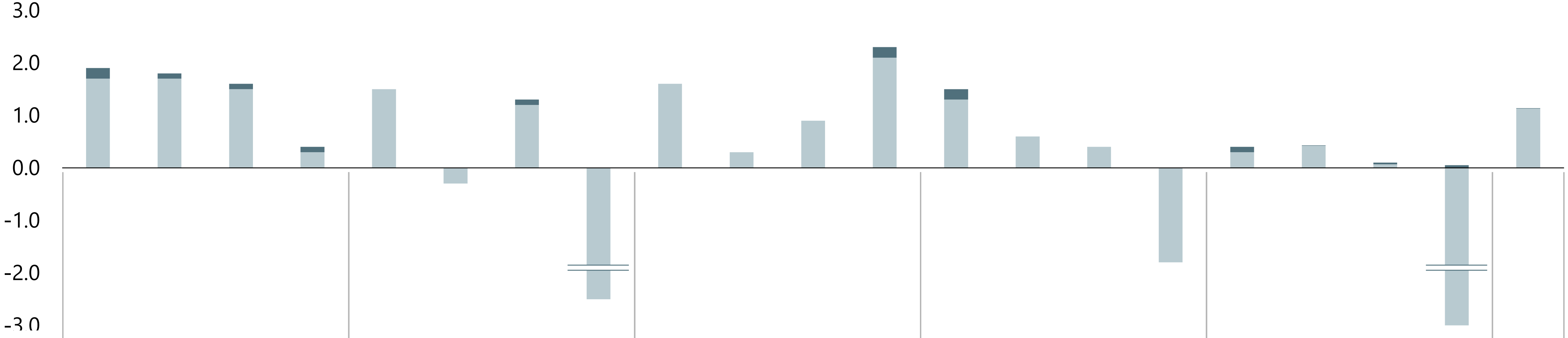
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	FY2021				FY2022				FY2023				FY2024				FY2025				FY2026
Precision Components	15.81	16.46	15.16	15.42	17.37	18.21	18.81	19.28	18.68	18.68	18.71	19.86	19.62	20.19	17.88	17.41	18.00	17.56	16.60	16.80	17.44
Others	0.43	0.48	0.32	0.20	0.25	0.25	0.28	0.23	0.16	0.18	0.15	0.67	0.35	0.15	0.14	0.19	0.28	0.23	0.13	0.28	0.35

*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

(¥ billion)



	FY2021				FY2022				FY2023				FY2024				FY2025				FY2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Precision Components	1.67	1.65	1.51	0.30	1.50	-0.32	1.23	-7.88	1.55	0.26	0.92	2.07	1.35	0.64	0.42	-1.77	0.29	0.42	0.07	-23.28	1.12
Others	0.18	0.15	0.06	0.06	0.04	0.05	0.07	0.03	0.01	0.01	0.02	0.17	0.16	0.02	-0.01	0.01	0.07	0.01	0.03	0.05	0.01

*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

Productivity initiatives:
improve the productivity and efficiency of our plants through dedicated productivity projects.

Decarbonization projects:
purchase Green energy and deploy renewable systems for green electricity.

Technology:
identify relevant technologies; execute engineering projects to improve efficiencies.

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 FY2025 for “Climate Change”.
  TN aims to maintain level B every year.

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 CO_2 emissions

（CO_2 tons）

2022	2023	2024	2025	2026.....2029	2030
109,610[1)]	94,595[1)]	65,469	59,068		58,922

1) Figures include discontinuing operations.

FOREX (Cumulative Average Rate) Trend

(Japanese Yen)	FY2022	FY2023	FY2024	FY2025	FY2026
	Full Year	Full Year	Full Year	Full Year	1Q (3 months)
US$	131.43	140.56	151.58	149.71	156.86
Euro	138.04	152.00	163.95	169.00	183.65
Chinese yuan	19.48	19.82	21.02	20.82	22.66