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Consolidated Financial Results for the Six Months Ended June 30, 2026 Unaudited [IFRS]

August 10, 2026

Company name: TSUBAKI NAKASHIMA CO., LTD.
Stock exchange listing: Tokyo Stock Exchange
Code number: 6464
URL: https://www.tsubaki-nakashima.com/en/
Representative: Itaru Matsuyama, Director, Representative Executive Officer, CEO
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Scheduled date of filing Semi-annual securities report: August 10, 2026
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, 2026 (January 1, 2026 to June 30, 2026)

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

	Sales		Operating profit		Profit before taxes		Net profit for the period	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	36,862	2.2	1,320	66.7	324	-	(124)	-
June 30, 2025	36,055	(10.5)	791	(63.5)	(689)	-	(966)	-

	Net profit for the period attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Million yen	%	Million yen	%	Yen	Yen
June 30, 2026	(124)	-	2,001	-	(3.24)	(3.24)
June 30, 2025	(965)	-	(4,459)	-	(24.61)	(24.61)

(Reference) EBITDA: The six months ended June 30, 2026: 3,151 million yen (up 22.8%)
The six months ended June 30, 2025: 2,566 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, 2026	154,508	39,085	39,085	25.3
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	—	—	—
Fiscal year ended December 31, 2026	—	0.00			
Fiscal year ending December 31, 2026 (Forecast)			—	0.00	0.00

(Note) Revision to the dividend forecast announced most recently: 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) Revision to the consolidated financial results forecast announced most recently: None

*** Notes:**

(1) Changes in the scope of consolidation during the period under review: Yes, exclude TN ASIA PTE, LTD.

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

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

June 30, 2026:	3,340,515 shares
December 31, 2025:	3,346,658 shares

3) Average number of shares during the period:

Six months ended June 30, 2026:	38,256,842 shares
Six months ended June 30, 2025:	39,199,313 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, personal consumption in the United States remained firm, while capital investment showed signs of caution due to the prolonged effects of monetary tightening. In Europe, weak business sentiment continued, particularly in the manufacturing sector, and the delayed recovery in demand became increasingly evident, especially in the automotive industry. In China, the pace of recovery remained moderate against the backdrop of the continued adjustment in the real estate market and weak domestic demand, while growth continued in India and Southeast Asia, supported by infrastructure investment and expanding domestic demand. In addition, energy prices and logistics costs remained unstable amid prolonged tensions in the Middle East and heightened geopolitical risks, requiring continued close attention to the impact of monetary policy trends and exchange-rate fluctuations in each country on corporate earnings.

The Japanese economy maintained a moderate recovery trend, supported by improvements in employment and income conditions. However, corporate cost burdens remained high due to inflation caused by rising resource prices, higher import costs resulting from the depreciation of the yen, and a serious labor shortage, and the outlook remained uncertain.

The Company has been working to strengthen its management control structure and implement various structural reforms set forth in the Medium-term Management Plan 2025-2029. At the Board of Directors meeting held on May 13, 2026, the Company resolved to close the Erwin plant operated under its U.S. consolidated subsidiary, TN TENNESSEE, LLC., and has been preparing to transfer production to other plants within the Group. Through these and other measures, the Company is promoting initiatives aimed at reducing fixed costs and improving management agility through organizational streamlining.

Under these circumstances, sales revenue for the current interim consolidated accounting period increased by 2.2% year-on-year to 36,862 million yen. Although the depreciation of the yen had a positive effect, this was partially offset by the delayed recovery in demand for internal combustion engine vehicles (gasoline and diesel vehicles) in Europe and a slower-than-expected capture of demand from the aerospace and defense market in the United States.

As for profits, operating profit increased by 66.7% year-on-year to 1,320 million yen. This was mainly attributable to the recognition of a gain on sale of fixed assets of 1,050 million yen in other income following the transfer in February 2026 of certain fixed assets owned by the U.S. consolidated subsidiary TN GEORGIA, INC. as part of the structural reforms described above, despite downward pressure from higher labor costs, resource prices and other factors.

Interim income attributable to owners of the parent increased by 841 million yen from the same interim period of the previous year, resulting in a net loss of 124 million yen.

<Results by Business Segment >

Precision Components Business

Sales revenue in the Precision Components Business increased by 2.3% year-on-year to 36,359 million yen. Although the depreciation of the yen had a positive effect, this was partially offset by the delayed recovery in demand for internal combustion engine vehicles (gasoline and diesel vehicles) in Europe and a slower-than-expected capture of demand from the aerospace and defense market in the United States. Segment profit increased by 90.3% year-on-year to 1,343 million yen. This was mainly attributable to the recognition of a gain on sale of fixed assets of 1,050 million yen in other income following the transfer in February 2026 of certain fixed assets owned by the U.S. consolidated subsidiary TN GEORGIA, INC. as part of the structural reforms, despite downward pressure from higher labor costs, resource prices and other factors.

Blower & Real Estate Business

Sales revenue in the Blower & Real Estate Business remained nearly flat, decreasing by 0.1% year-on-year to 503 million yen. Segment profit decreased by 108 million yen from the same interim period of the previous year, resulting in a loss of 23 million yen, due to higher labor costs and increased prices of raw materials and auxiliary materials.

(2) Explanation of Financial Position

Total assets at the end of the current interim consolidated accounting period increased by 2,850 million yen from the end of the previous fiscal year to 154,508 million yen. Current assets increased by 2,552 million yen, mainly due to increases of 2,102 million yen in trade and other receivables and 994 million yen in other current assets. In addition, non-current assets increased by 298 million yen, mainly due to an increase of 234 million yen in intangible assets and goodwill.

Total liabilities increased by 800 million yen from the end of the previous fiscal year to 115,423 million yen. This was mainly due to an increase in bonds and borrowings of 1,272 million yen, reflecting the effects of foreign exchange rates and other factors.

Total equity increased by 2,050 million yen from the end of the previous fiscal year to 39,085 million yen. This was mainly due to an increase of 2,125 million yen in other components of equity, including foreign currency translation adjustments.

(Analysis of Status of Cash Flows)

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

Net cash used in operating activities amounted to negative 33 million yen. Major factors are an increase in trade and other receivables of 1,695 million yen, gains on sale of fixed assets of 1,052 million yen, and income taxes paid of 577 million yen offset a depreciation and amortization of 1,890 million yen and a decrease in inventories of 1,391 million yen.

Net cash provided by investing activities amounted to 100 million yen, mainly due to proceeds from the sale of property, plant and equipment of 1,065 million yen, despite payments for the acquisition of property, plant and equipment of 940 million yen.

Net cash used in financing activities amounted to 171 million yen, mainly due to payments of lease liabilities.

After adding translation adjustments of 455 million yen, mainly due to the depreciation of the yen from the end of the previous fiscal year during the current interim consolidated accounting period, cash and cash equivalents at the end of the interim period totaled 34,984 million yen, an increase of 351 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 February 13, 2026.

(4) Significant Events and Conditions Regarding the Going Concern Assumption

As a result of recording an operating loss in the previous fiscal year, the Group remained in breach, as at the end of the current interim accounting period, of financial covenants attached to syndicated loan agreements and other arrangements entered into with certain financial institutions, as was the case at the end of the previous fiscal year. However, the Group has obtained consent from all relevant financial institutions that they will not demand immediate repayment as a result of the covenant breach solely on the grounds of such breach. In addition, discussions have commenced regarding the refinancing of certain borrowing agreements that mature during the current fiscal year, and no material disruption to the Company's financing plan is expected. Accordingly, the Group has determined that no material uncertainty exists regarding the going concern assumption.

2. Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

During the current interim consolidated accounting period, TN ASIA PTE. LTD. was excluded from the scope of consolidation following the completion of its liquidation procedures.

(2) Changes in accounting policies and accounting estimates

The material accounting policies 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 June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	34,633	34,984
Trade and other receivables, net	18,587	20,689
Inventories	25,726	24,831
Other current assets	9,145	10,139
Total current assets	88,091	90,643
Non-current assets		
Property, plant and equipment, net	36,224	36,329
Intangible assets, net and goodwill	26,427	26,661
Other investments	44	65
Deferred tax assets	646	598
Other non-current assets	226	212
Total non-current assets	63,567	63,865
Total assets	151,658	154,508
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	6,991	7,020
Current portion of bonds and borrowings	71,995	54,511
Income taxes payable	693	372
Other current liabilities	7,191	6,751
Total current liabilities	86,870	68,654
Non-current liabilities		
Bonds and borrowings, excluding current portion	20,849	39,605
Net defined benefit liability	1,742	1,663
Deferred tax liabilities	2,451	2,576
Other non-current liabilities	2,711	2,925
Total non-current liabilities	27,753	46,769
Total liabilities	114,623	115,423
Equity		
Share capital	17,117	17,117
Capital surplus	11,332	11,378
Treasury stock	(2,901)	(2,898)
Other components of equity	23,523	25,648
Retained earnings	(12,036)	(12,160)
Equity attributable to owners of the parent	37,035	39,085
Total equity	37,035	39,085
Total liabilities and equity	151,658	154,508

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

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Continued operations		
Sales	36,055	36,862
Cost of sales	30,460	30,277
Gross profit	5,595	6,585
Selling, general and administrative expenses	4,987	5,555
Other income	193	1,093
Other expenses	10	803
Operating profit	791	1,320
Financial income	197	93
Financial expenses	1,677	1,089
(Loss) profit before taxes	(689)	324
Income tax expense	185	448
Net (loss) for the period of continued operations	(874)	(124)
Discontinued operations		
Net (loss) for the period of discontinued operations	(92)	—
Net (loss) for the period	(966)	(124)
Net (loss) for the period attributable to:		
Owners of the parent	(965)	(124)
Non-controlling interests	(1)	—
Net (loss) for the period	(966)	(124)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at FVOCI	1	14
Total items that will not be reclassified to profit or loss	1	14
Items that may subsequently be reclassified to profit or loss		
Foreign currency translation differences	(3,485)	2,167
Cash flow hedges	(47)	(42)
Hedge costs	38	(14)
Total items that may subsequently be reclassified to profit or loss	(3,494)	2,111
Other comprehensive income, net of tax	(3,493)	2,125
Total comprehensive income	(4,459)	2,001
Total comprehensive income attributable to:		
Owners of the parent	(4,459)	2,001
Non-controlling interests	(0)	—
Total comprehensive income	(4,459)	2,001

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Earnings per share attributable to owners of the parent		
Basic earnings (loss) per share (yen)		
Continued operation	(22.30)	(3.24)
Discontinued operation	(2.31)	—
Basic earnings (loss) per share	(24.61)	(3.24)
Diluted earnings (loss) per share (yen)		
Continued operation	(22.30)	(3.24)
Discontinued operation	(2.31)	—
Diluted earnings (loss) per share	(24.61)	(3.24)

(3) Condensed Interim Consolidated Statement of Changes in Equity
For the six months ended June 30, 2025

(Millions of yen)

	Equity attributable to owners of the parent						
				Other components of 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, 2025	17,117	11,317	(2,298)	—	5	19,397	136
Net (loss) for the period	—	—	—	—	—	—	—
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)	—
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					Non-controlling interests Total	Total equity
	Other components of equity						
	Hedge costs	Total	Other components of equity related to discontinued operation for sale	Retained earnings	Total		
Balance as of January 1, 2025	73	19,611	239	15,486	61,472	36	61,508
Net (loss) for the period	—	—	—	(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	—	—	—	—
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

For the six months ended June 30, 2026

(Millions of yen)

	Equity attributable to owners of the parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury stock	Stock acquisition rights	Financial assets measured at FVOCI	Foreign currency translation differences
Balance as of January 1, 2026	17,117	11,332	(2,901)	291	3	23,010
Net (loss) for the period	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	14	2,167
Total comprehensive income	—	—	—	—	14	2,167
Disposition of treasury stock	—	—	3	—	—	—
Stock-based rewards	—	46	—	—	—	—
Total transactions with owners and other	—	46	3	—	—	—
Balance as of June 30, 2026	17,117	11,378	(2,898)	291	17	25,177

	Equity attributable to owners of the parent					Total equity
	Other components of equity			Retained earnings	Total	
	Cash flow hedge	Hedge costs	Total			
Balance as of January 1, 2026	206	13	23,523	(12,036)	37,035	37,035
Net (loss) for the period	—	—	—	(124)	(124)	(124)
Other comprehensive income	(42)	(14)	2,125	—	2,125	2,125
Total comprehensive income	(42)	(14)	2,125	(124)	2,001	2,001
Disposition of treasury stock	—	—	—	—	3	3
Stock-based rewards	—	—	—	—	46	46
Total transactions with owners and other	—	—	—	—	49	49
Balance as of June 30, 2026	164	(1)	25,648	(12,160)	39,085	39,085

(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2025	For the six months ended June 30, 2026
Cash flows from operating activities		
(Loss) profit before taxes	(689)	324
(Loss) before taxes from discontinued operation	(96)	—
Depreciation and amortization	1,779	1,890
(Decrease) in net defined benefit liability	(298)	(79)
Interest and dividend income	(105)	(92)
Interest expense	785	818
Foreign exchange losses	807	12
(Gains) on sale of fixed assets	(1)	(1,052)
(Increase) in trade and other receivables	(397)	(1,695)
Decrease in inventories	3,007	1,391
(Decrease) in trade and other payables	(391)	(134)
Other, net	703	(354)
Sub Total	5,104	1,029
Interest and dividend received	105	92
Interest paid	(776)	(577)
Income taxes paid	(484)	(577)
Net cash provided by (used in) operating activities	3,949	(33)
Cash flows from investing activities		
Payments for acquisition of property, plant and equipment	(656)	(940)
Proceeds from sale of property, plant and equipment	1	1,065
Payments for acquisition of intangible assets	(1)	(26)
Other, net	1	1
Net cash (used in) provided by investing activities	(655)	100
Cash flows from financing activities		
Payments of lease liabilities	(158)	(170)
Cash dividends paid	(378)	(1)
Net cash used in financing activities	(536)	(171)
Effect of exchange rate changes on cash and cash equivalents	(591)	455
Net increase in cash and cash equivalents	2,167	351
Cash and cash equivalents at the beginning of the period	23,334	34,633
Cash and cash equivalents at the interim period	25,501	34,984

(5) Notes to the Condensed Interim 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 its businesses, with two reportable segments: the Precision Components Business and the 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, and also leases real estate.

The Group's business segments are components 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.

Segment information is prepared based on the same accounting policies as the condensed interim consolidated financial statements. Operating profit for each segment is calculated by adjusting profit before taxes for financial income and financial expenses and is measured in the same manner as operating profit in the condensed interim consolidated statements of comprehensive income.

Prices for intersegment transactions are determined based on arm's-length prices.

(2) Segment Information

For the six months ended June 30, 2025

(Millions of yen)

	Reporting Segments		Total	Reconciling items	Consolidated financial statements
	Precision Components 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	705	85	790	1	791
			Financial income		197
			Financial expenses		(1,677)
			(Loss) before taxes		(689)

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

For the six months ended June 30, 2026

(Millions of yen)

	Reporting Segments		Total	Reconciling items	Consolidated financial statements
	Precision Components Business	Blower & Real Estate Business			
Sales					
External sales	36,359	503	36,862	—	36,862
Inter-segment sales	—	—	—	—	—
Total consolidated sales	36,359	503	36,862	—	36,862
Segment profit (loss)	1,343	(23)	1,320	—	1,320
			Financial income		93
			Financial expenses		(1,089)
			Profit before taxes		324