1H FY2026 Financial Results Presentation
（Including Progress of Mid-Term Business Plan 2025-2029）

Celebrating 90 years

TSUBAKI NAKASHIMA CO., LTD.
（Code: 6464 / TSE Prime Market）

August 10, 2026

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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 **1H (6 months) operating profit increased YoY, supported by a gain on the land sales** recognized in the Q1. Q2 (3 months) operating profit recovered QoQ, but was partially offset by restructuring costs.

1. **1H operating profit was supported by a ¥1 billion gain from the sale of idle land in February at our factory in Georgia, U.S., as part of structural reform**

2. **Excluding restructuring costs*, Q2 operating profit would have reached the high single-digit hundred-million-yen range.**

3. **The business environment in Europe remains challenging due to slow recovery in ICE-vehicles demand, intensifying competition in the bearing industry, and changes in the competitive landscape of the ball market. Ceramic business was favorable.**

4. **The Iran situation resulted in an increase of approximately ¥0.1 billion in logistics and other costs during the Q2.**

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

* Restructuring costs include expenses related to the closure of the Erwin plant in the U.S. and the organizational restructuring implemented in June.

FY2026 1H YoY and Full-year Forecast 6 months

Highlight **Revenue decreased by 6.4% YoY (excluding forex impact). Operating profit was ¥1.32 billion supported by ¥1.04 billion gain from land sales (one-time profit) recorded in Q1.**

- There are no changes to the FY26 full-year plan at this time
- The impact of U.S. tariffs resulted in a direct impact of approximately ¥0.1 billion and an indirect impact of approximately ¥0.7 billion

(¥ billion)	FY2025 1H Actual (Jan-Jun)	FY2025 Full-year actual	FY2026 1H (Jan-Jun) Actual	FY2026 1H (Jan-Jun) FX impact	FY2026 1H (Jan-Jun) YoY (amount) Excluding FX impact	FY2026 1H (Jan-Jun) YoY (%) Excluding FX impact	FY2026 Full-year forecast
Revenue	36.05	69.84	36.86	3.13	-2.32	-6.4%	70.00
Operating Profit	0.79	-22.34	1.32	0.08	0.45	57.0%	2.50
Ratio (%)	2.2%	-32.0%	3.6%	–	–	–	3.6%
EBITDA	2.57	-1.85	3.15	0.25	0.34	13.2%	–
PBT	-0.69	-23.99	0.32	0.05	0.96	Turned profitable	1.10
Net Profit	-0.96	-27.21	-0.12	0.09	0.75	–	0.50

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. However, net profit includes discontinued operations.

FY2026 Q1 YoY / QoQ

3 months

Highlight **Q2 (3 months) revenue increased by 7.3% YoY (including forex impact). Operating profit decreased by 55.4% YoY due to the recognition of restructuring costs**

- The previous quarter included a gain on the sale of idle land at the Georgia plant in the U.S. Excluding this one-off gain, Q1 operating profit was ¥0.09 billion.

(¥ billion)	FY2025 Q2	FY2026 Q1	FY2026 Q2 (Apr-Jun)		
	Actual (Apr-Jun)	Actual (Jan-Mar)	Actual	YoY (%) Including FX impact	QoQ (%) Including FX impact
Revenue	17.78	17.78	19.08	+7.3%	+7.3%
Operating Profit	0.43	1.13	0.19	-55.4%	-82.9%
Ratio (%)	2.4%	6.3%	1.0%	–	–
EBITDA	1.33	2.00	1.15	-13.8%	-42.8%
PBT	-0.14	0.53	-0.21	–	–
Net Profit	-0.41	0.31	-0.43	–	–

FY2026 1H Revenue by Segment and Region (YoY) 6 months

Highlight **1H revenue for the Precision Components segment was down 6.5% YoY** (excluding FX impact)

- Revenue by region showed YoY growth in Japan and Asia (excluding China).
- Europe faced a challenging market environment, posting a YoY decline even with positive FX impact.

(¥ billion)	FY2025 1H	FY2026 1H (Jan-Jun)			
	Actual (Jan-Jun)	Actual	FX impact	Change (amount) Excluding FX impact	Change (%) Excluding FX impact
Group Consolidated	36.05	36.86	3.13	-2.32	-6.4%
Precision Components[1)]	35.53	36.36	3.13	-2.32	-6.5%
Japan	5.75	6.16	0.00	+0.41	+7.1%
North America	7.26	7.38	0.35	-0.23	-3.1%
Europe	11.91	11.40	1.23	-1.75	-14.7%
China	7.91	8.15	0.76	-0.52	-6.6%
Asia (excluding China)	2.72	3.28	0.17	+0.39	+14.1%
Blower Real Estate	0.50	0.50	0.00	-0.00	-0.1%

1) After inter-segment eliminations

FY2026 Q2 Revenue by Segment and Region (YoY / QoQ) 3 months

Highlight Q2 revenue for the Precision Components segment increased by 8.5% QoQ (including FX impact)

- Revenue by region showed growth compared to both the previous quarter and the same period last year, with the exception of Europe.
- The ceramics business performed well in Japan and Thailand. India continued to show steady performance.

(¥ billion)	FY2025 Q2	FY2026 Q1	FY2026 Q2 (Apr–Jun)		
	Actual (Apr-Jun)	Actual (Jan-Mar)	Actual	QoQ (%) Including FX impact	YoY (%) Including FX impact
Group Consolidated	17.78	17.78	19.08	+7.3%	+7.3%
Precision Components[1]	17.56	17.44	18.93	+8.5%	+7.8%
Japan	2.87	2.82	3.34	+18.5%	+16.7%
North America	3.45	3.57	3.80	+6.5%	+10.2%
Europe	5.87	5.78	5.61	-2.9%	-4.3%
China	4.07	3.75	4.40	+17.2%	+8.0%
Asia (excluding China)	1.30	1.51	1.77	+16.7%	+35.8%
Blower Real Estate	0.23	0.35	0.15	-55.4%	-32.6%

1) After inter-segment eliminations

FY2026 1H Operating Profit vs FY2025 1H Operating Profit

6 months

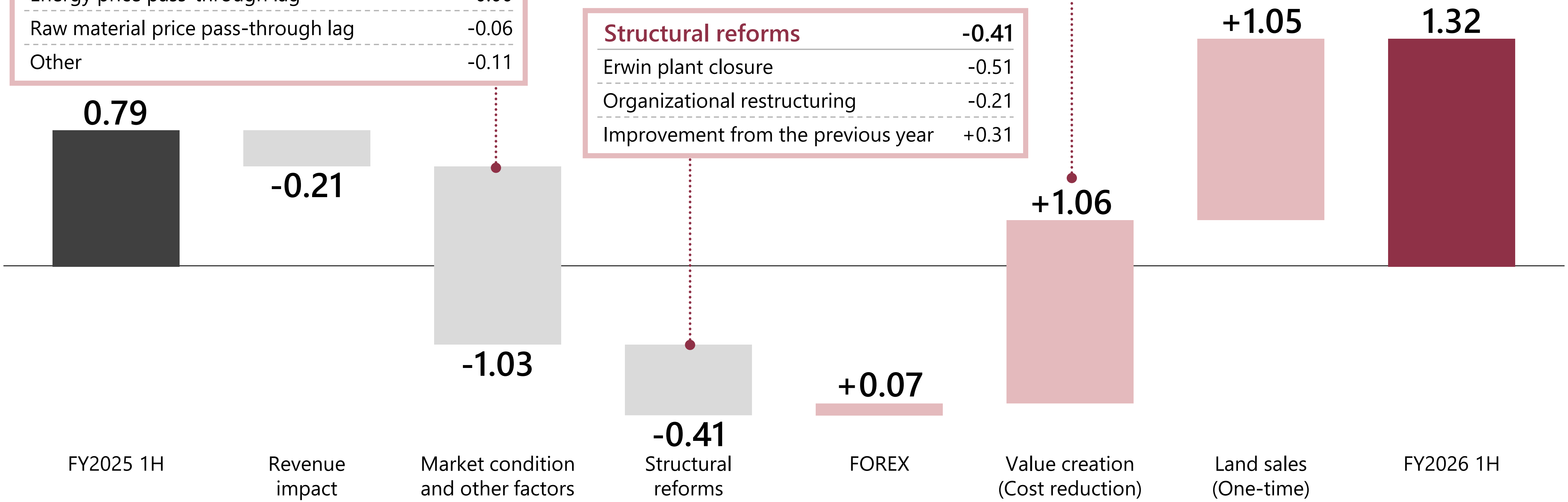
Highlight Cost reduction by value creation activities effectively offset rising labor costs. Excluding the one-time “¥1 billion gain on land sales,” operating profit was 0.28 billion yen

(¥ billion)

Market Conditions and Other Factors	-1.03
Personnel expenses	-0.86
Energy price pass-through lag	-0.00
Raw material price pass-through lag	-0.06
Other	-0.11

Breakdown of “Value creation (=Cost reduction)”	+1.06
Cost reductions through procurement optimization	+0.51
Cost savings from productivity improvements	+0.55

Structural reforms	-0.41
Erwin plant closure	-0.51
Organizational restructuring	-0.21
Improvement from the previous year	+0.31



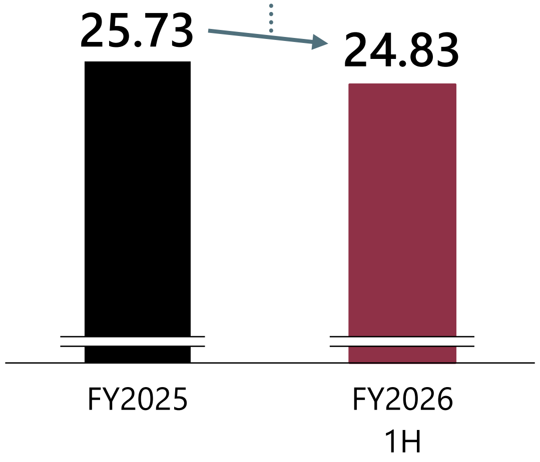
BS/CF

Highlight Although declined significantly from last year, free cash flow remained positive.

Inventories
(¥ billion)

Although inventories increased by ¥0.3 billion from Q1, they were still significantly lower than at the end of FY2025.

Reduced ¥0.9 billion

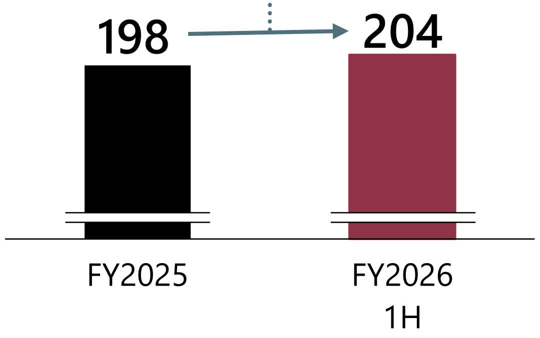


Cash Conversion Cycle
(Days)

Breakdown	FY2025	FY2026 1H
Inventory Turnover Period	141	136
A/R Turnover Period	95	106
A/P Turnover Period	38	38

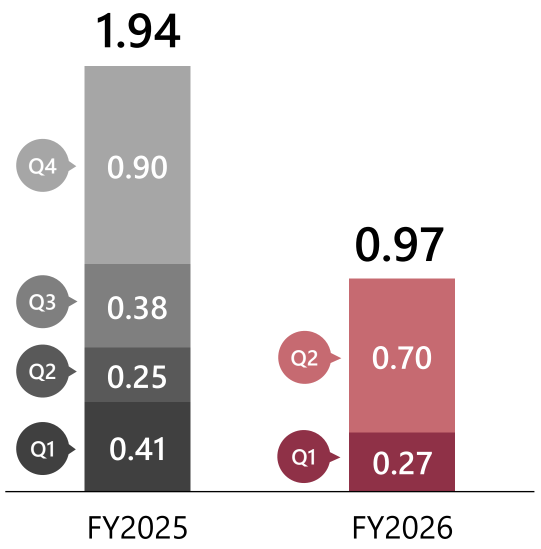
Inventory turnover period improved by 5 days

Worsened by 6 days



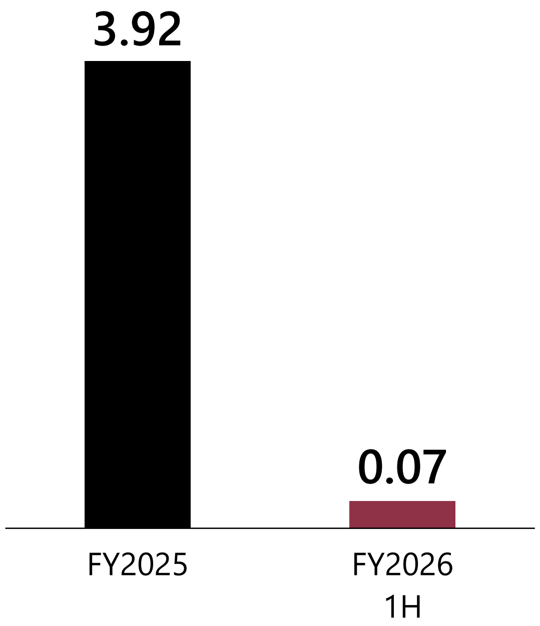
Capital Expenditures
(¥ billion)

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



Free Cash Flow
(¥ billion)

FCF remained positive, although it declined significantly YoY due to an increase in trade receivables and a smaller reduction in inventories.



Trends in Cash Flow and Operating Income

Highlight **Maintained positive free cash flow.**

(¥ billion)	FY2022	FY2023	FY2024	FY2025	FY2026	
	Full Year	Full Year	Full Year	Full Year	Q1 (3 months)	1H (6 months)
Operating Cash Flow	- 4.14	1.41	4.87	10.52	-0.63	-0.03
Investing Cash Flow	- 3.50	- 4.90	- 3.80	1.12	0.78	0.10
Financing Cash Flow	- 1.76	1.39	- 1.91	- 1.30	-0.01	-0.17
FCF	**- 7.64**	**- 3.49**	**1.07**	**11.64**	**0.15**	**0.07**
Operating Income	- 9.07	0.85	0.81	- 22.26	1.13	1.32
Net Income	- 9.09	- 1.29	0.91	- 26.99	0.31	-0.12

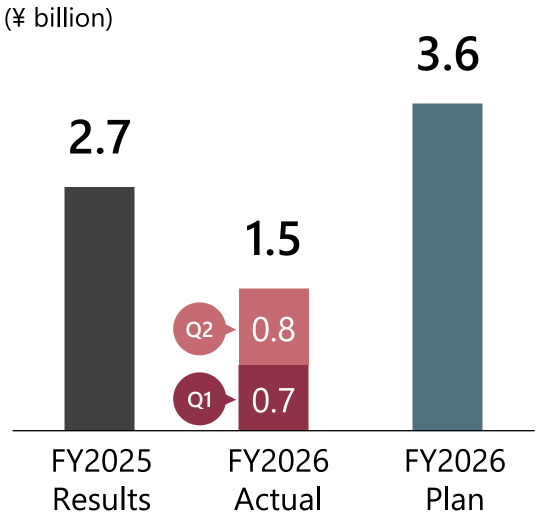
Growth Segment (FY2026 1H Sales Results)

Highlight Ceramics and plastics are performing well. India is showing steady growth. Aerospace and defense is weighted toward the second half of the fiscal year

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

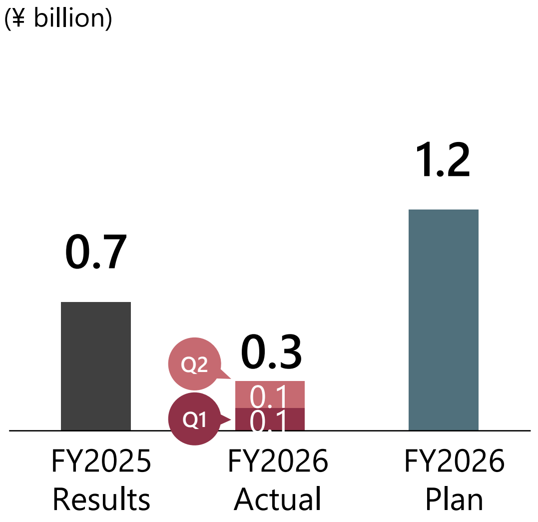
Indian Market

FY26 1H Actual vs. FY26 Plan 43.5%



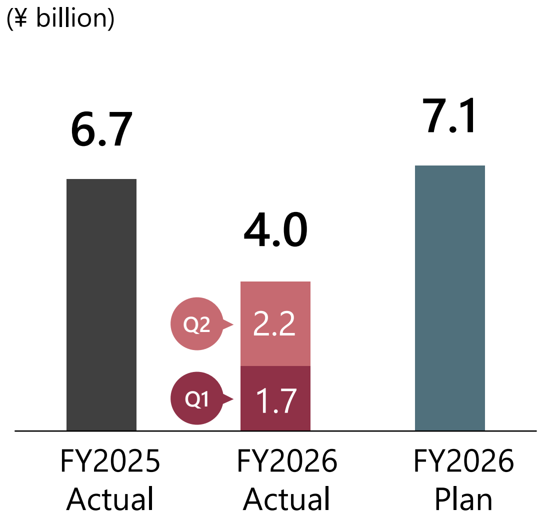
Aerospace & Defense

FY26 1H Actual vs. FY26 Plan 21.6%



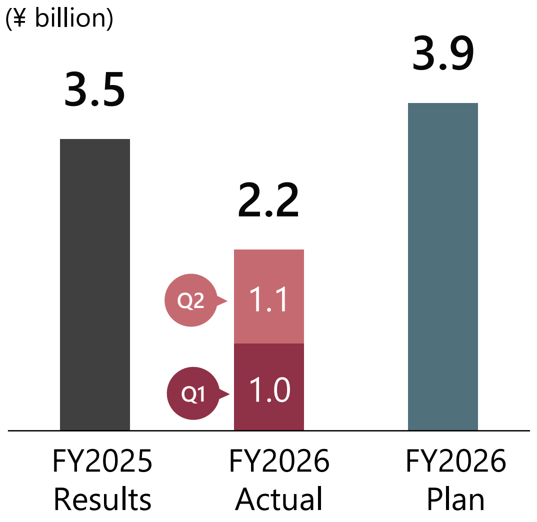
Ceramic Balls

FY26 Q1 Actual vs. FY26 Plan 56.3%



Engineered Plastic Components (EPC)

FY26 Q1 Actual vs. FY26 Plan 55.2%



Highlights from Our Business in India

New Sales Office Established in Pune

In addition to our two manufacturing sites, we established a facility in Pune (one of India’s leading manufacturing and IT cities) dedicated to sales and customer support.

Commenced facility relocation and factory expansion work to consolidate global production in India

We have begun expanding our second factory in Bhilad to capture growing demand in India and to transfer production following the announced closure of the Erwin Plant in the U.S.

Obtained BIS (Bureau of Indian Standards) license at our factories in India

Bureau of Indian Standards
The National Standards Body of India

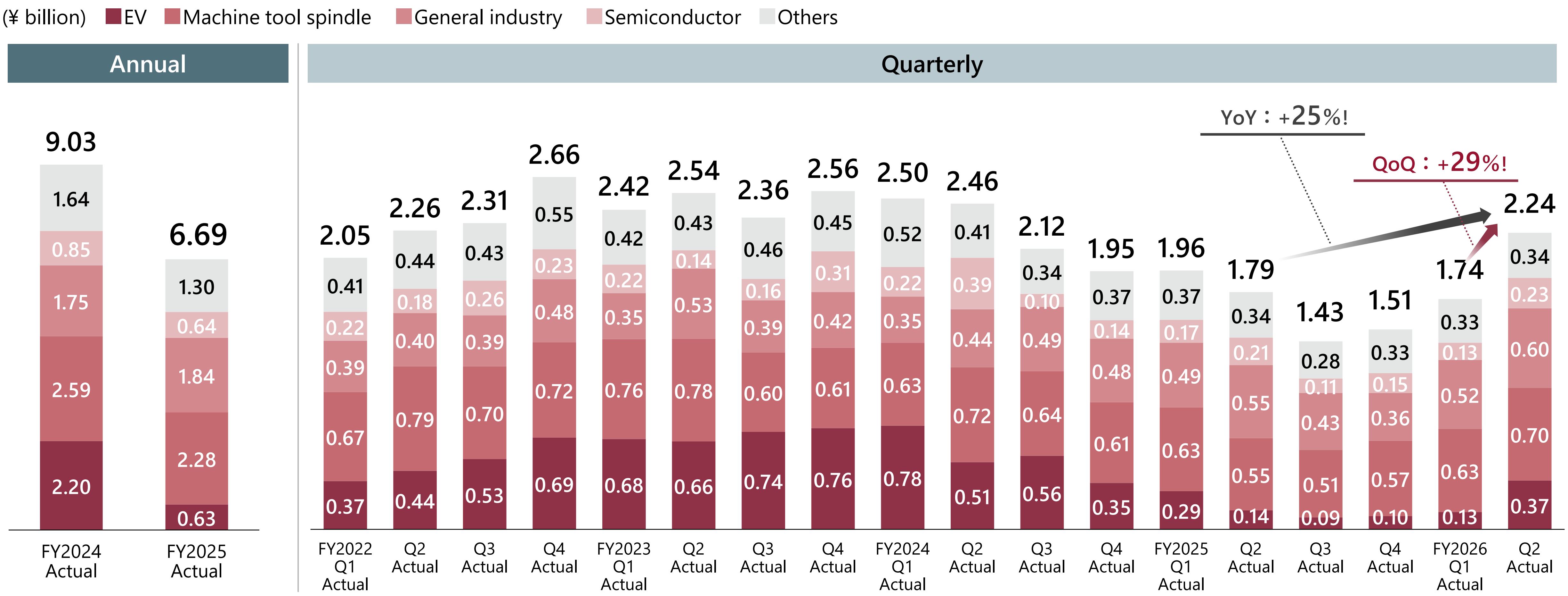
The BIS license is an Indian national standard that not only demonstrates that our products comply with applicable Indian standards but also underscores our sincere commitment to quality and manufacturing.

Received a Supplier Award from a Customer

Received an award as an outstanding supplier from a Japanese bearing manufacturer operating in India.

For Reference | # Trends of Ceramic Ball Sales by Applications

Highlight **Ceramic balls showed recovery across the board in the Q2, including for EV (electric vehicle) applications.**



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

Potential for New Demand

Highlight **Precision balls are expected to play a key role in supporting AI infrastructure.**

Vacuum Pump for semiconductor

Overview

Vacuum pump is a critical component used in chip manufacturing equipment to create and maintain a high-vacuum environment.

Estimated Market Size

The precision ball market is estimated to be worth several billion yen in 2025, with an expected CAGR (compound annual growth rate) of ~10% through 2035.

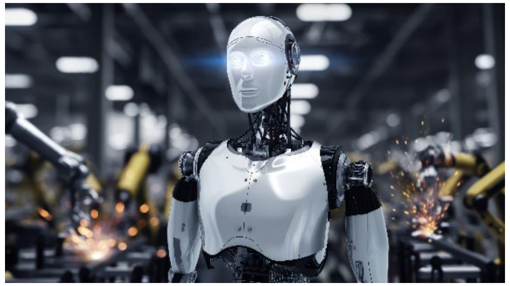
Humanoid Robots

Overview

A robot designed to resemble the human body, typically with a head, torso, arms, and legs, using sensors, artificial intelligence, and actuators to perform human-like movements and tasks.

Estimated Market Size

While the precision ball market is currently modest in size, it is expected to achieve a CAGR of over 50% through 2035, with upside potential depending on future demand developments.



Fan for data center

Overview

A cooling device used in servers and networking equipment to regulate temperature and maintain reliable operation.

Estimated Market Size

The precision ball market is estimated to be over ¥1 billion in 2026, with a CAGR through 2030 projected to be ~10%.

(Source: Based on the Company’s research)

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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 enhance-ment 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

Focus on items I and IV for FY26.

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

Deliver results based on the solid foundation we built.

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 6 days for FY26 1H.

Six value creation drivers

(¥ billion)

Six value creation drivers		FY25 Results	FY26 1H 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	+0.51	+0.92	+ 0.71	+ 2.5 Billion yen
III Productivity enhancement By operational improvement/ automation	Profit contribution	1.33	+0.55	+1.88	+ 2.43	+ 4.5 Billion yen
V Optimize pricing and rationalize low-profit products	Profit contribution	0.33	+0.22	+0.55	+ 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	+6 days	-56 days	- 63 days	- 85 days

* Cash conversion cycle

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Sustainability Initiatives

FY2026 1H Key projects

19 productivity initiatives ongoing in FY2026 1H that support CO_2 reduction

5 plants purchased green energy in H1 2026 to reduce CO_2 emissions

Carbon footprint

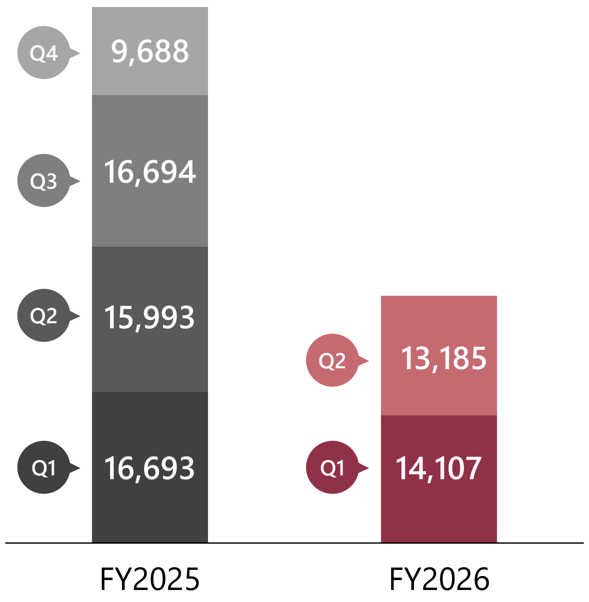
(CO_2 tons/tons)

	H1 2025	H1 2026	YoY
Japan	0.79	1.25	+0.46
West	0.74	0.64	-0.10
Ceramic	12.6	18.6	+6.00
China	0.59	0.36	-0.23
Rollers	1.66	1.24	-0.42
EPC	1.51	1.78	-0.27
Total	0.74	0.64	-0.10

- Our H1 2026 carbon footprint result of 0.64 is better than the annual target 0.80
- And 0.10 better than H1 2025 result of 0.74 (14% decrease YoY)

CO_2 emissions

(CO_2 tons)

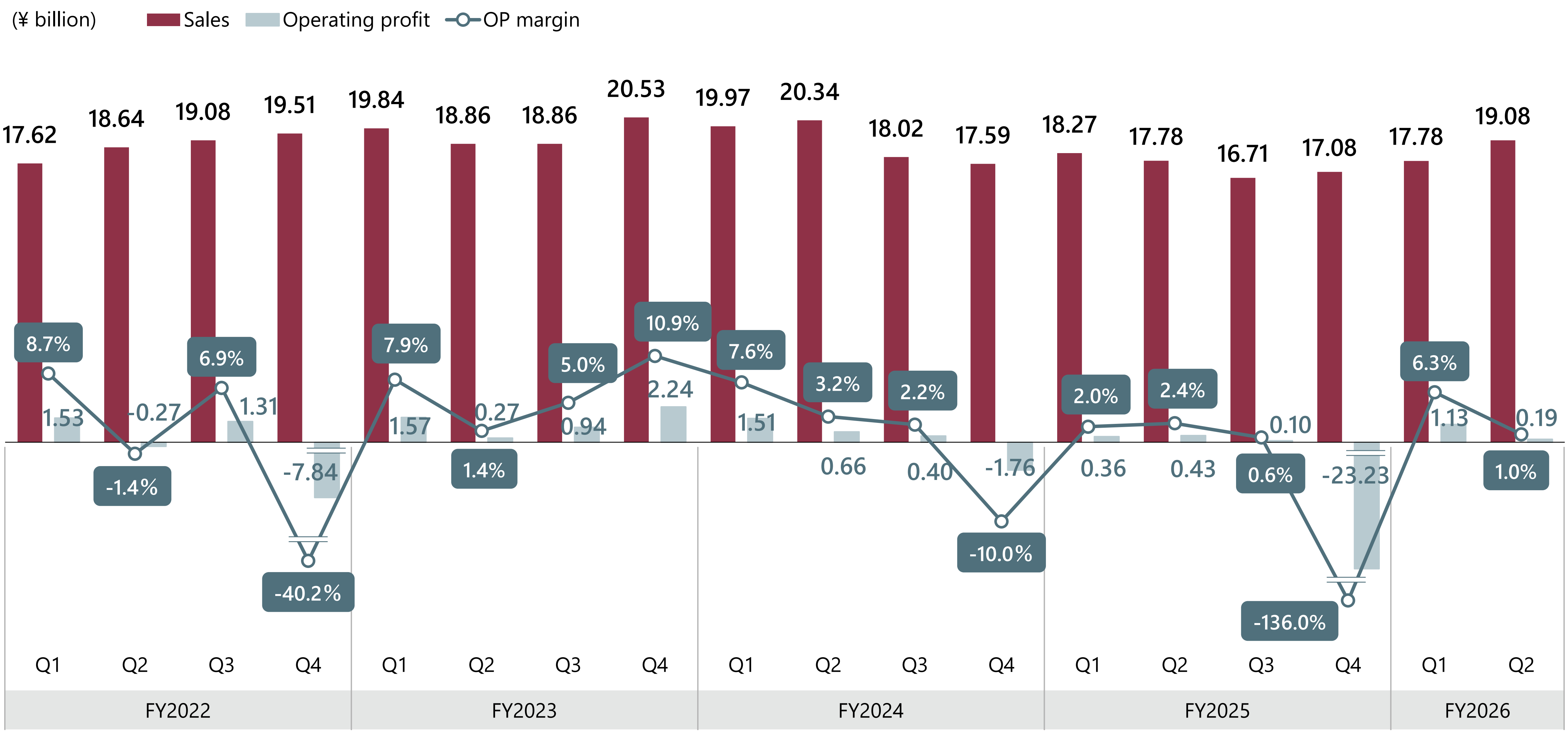


FY2026 1H 17% CO_2 emissions reduction vs FY2025 1H

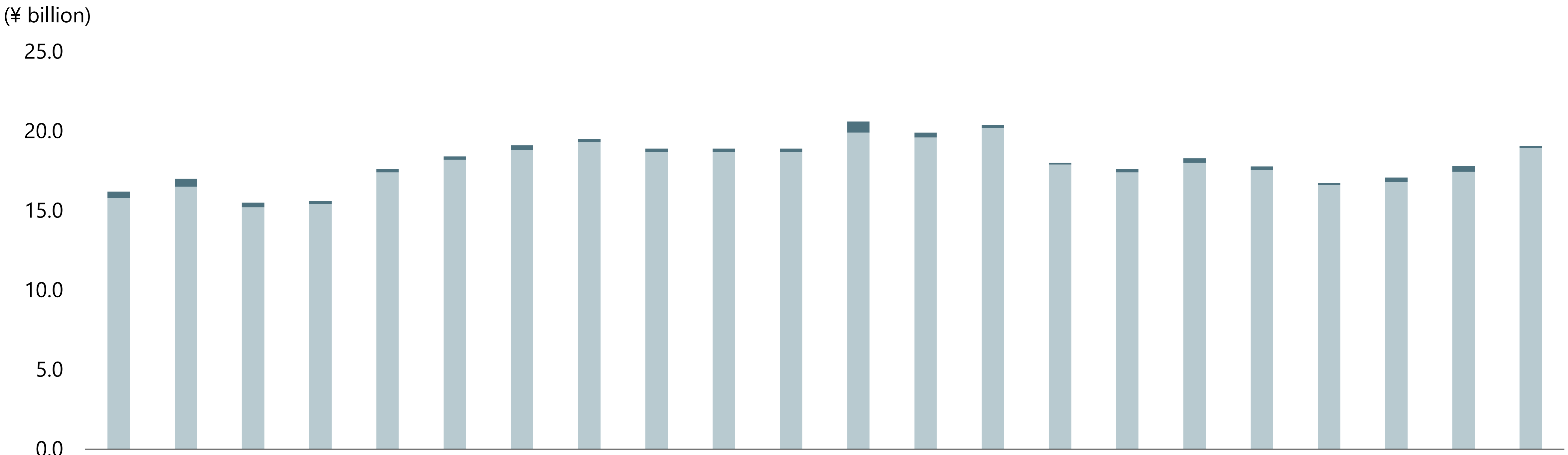
APPENDIX

Quarterly Trends

Sales / Operating Profit / OP margin



Quarterly Trends by Segments **Sales**



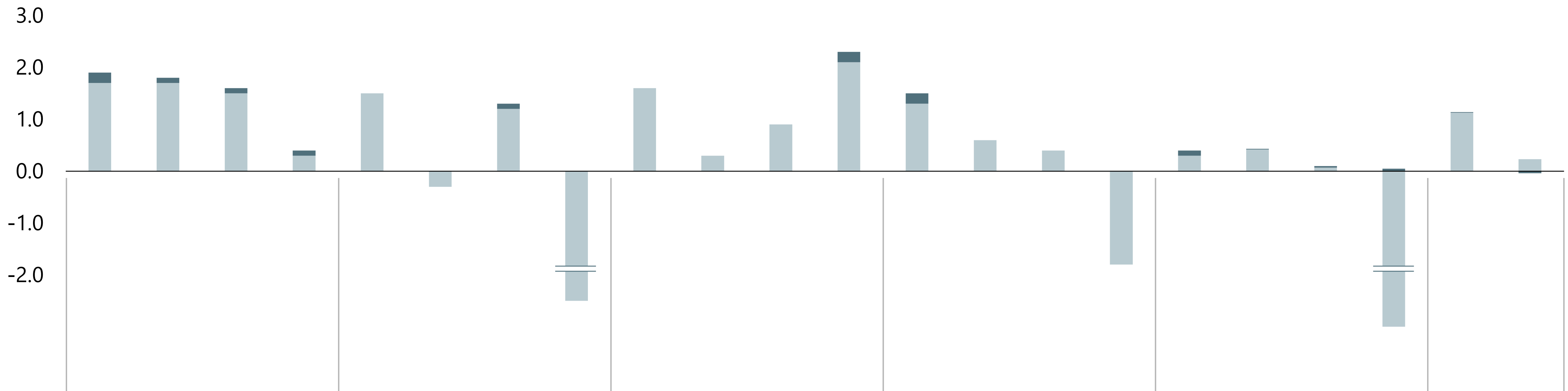
	FY2021 Q1	FY2021 Q2	FY2021 Q3	FY2021 Q4	FY2022 Q1	FY2022 Q2	FY2022 Q3	FY2022 Q4	FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1	FY2026 Q2
Precision Components	15.81	16.46	15.16	15.42	17.37	18.21	18.81	19.28	18.68	18.68	18.71	19.86	19.62	20.19	17.88	17.41	18.00	17.56	16.60	16.80	17.44	18.93
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	0.15

*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 Q1	FY2021 Q2	FY2021 Q3	FY2021 Q4	FY2022 Q1	FY2022 Q2	FY2022 Q3	FY2022 Q4	FY2023 Q1	FY2023 Q2	FY2023 Q3	FY2023 Q4	FY2024 Q1	FY2024 Q2	FY2024 Q3	FY2024 Q4	FY2025 Q1	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1	FY2026 Q2
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	0.23
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	-0.04

*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.

CDP
Discloser
2025

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.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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)	FY2023	FY2024	FY2025	FY2026		
	Full year	Full year	Full year	Q1 (3 months)	1H (6 months)	
US$	131.43	140.56	151.58	149.71	156.86	158.18
Euro	138.04	152.00	163.95	169.00	183.65	184.52
Chinese yuan	19.48	19.82	21.02	20.82	22.66	23.05

For Reference: Highlights for the FY2026 Q2 (April–June)

Highlight **Comprehensive business operations spanning sales, manufacturing, and organizational management**

Sales	April	1	Press Release	TN UK Ball Gauges Selected by Leading Formula 1 Team
Organization	April	1	Other	NEW EMPLOYEE ORIENTATION AT THE JAPAN OFFICE
Sales	April	7	Press Release	TSUBAKI NAKASHIMA OPENS NEW SALES OFFICE IN PUNE, INDIA
Organization	April	7	Timely Disclosure	COMPLETION OF LIQUIDATION OF CONSOLIDATED SUBSIDIARY TN ASIA PTE. LTD.
Other	April	27	Media Coverage	Interview with CEO Matsuyama Published on ZUU online (Japanese only)
Manufacturing	May	13	Timely Disclosure	Closure of the Erwin Plant in the U.S.
Organization	May	20	Announcement	Announcement of Mid-Career Hiring Ratio (Japanese only)
Other	May	21	Announcement	ESG Report (Japanese Version) Published
Other	June	1	Other	Tsubaki Nakashima's 90th Anniversary
Organization	June	2	Timely Disclosure	Rationalization Including Workforce Reduction Following Organizational Change
Organization	July	21	Media Coverage	Ranked in the "Women in Management: The Ranking That Shows the Real Increase" by Toyo Keizai Online in the Women Department Heads category (Japanese only)
Manufacturing	July	23	Press Release	Two India Plants Obtain BIS Licenses to Support Business Growth in India
Sales	July	23	Press Release	Aerospace & Defense Brand Story Video Featuring the Cumming Plant