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Notice of Restructuring of European Roller Business

Tsubaki Nakashima Co., Ltd. (“the company”) has decided to consolidate all functions of the roller business in Europe (the head office and plant in the Netherlands and the plant in Bosnia) to Bosnia and to withdraw the roller business from the Netherlands as per restructuring details below.

1. Objectives of Restructuring of European Roller Business

In the "2021-2023 Mid-Term Strategy" launched last fiscal year, we have set the goal of "Restructuring of European Roller Business” with a focus on "profit margin development”.

In order to improve the profitability of the roller business, we have determined that it will be difficult to improve the high-cost structure of the Netherlands plant, and by consolidating all functions of the roller business in Bosnia, we will gain competitiveness through drastic productivity improvement.

2. Time of consolidation

The new building, which will be approximately 2.5 times the size of the existing Bosnia plant, is scheduled for completion in April of this year, and the transfer of equipment and other facilities is already underway, with plans to begin full-scale operation of the greatly enhanced new plant in June. By the end of this year, it’s our intention to shut down our roller plant in the Netherlands and create a new European roller business.

3. Costs related to restructuring (planned)

Worsening of operating profit due to restructuring costs and temporary production interruptions ¥3.0 billion.

4. Effects of restructuring (planned)

From 2023, when the new head office and plant in Bosnia will be fully operational, operating profit is expected to improve by more than ¥1.2 billion (annually) compared to 2021.

Disclaimer : The English translation is only for reference purposes. When there is any discrepancy between original Japanese version and English translation, the original Japanese version always prevails.

5. Impact on consolidated financial results

Costs related to restructuring have been incorporated into the consolidated forecast for the fiscal year ending December 31, 2022.

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