FY2026 Q3 Financial Results Presentation

（Including Adjustments to the Mid-Term Business Plan 2025-2029）

Celebrating 90 years

TSUBAKI NAKASHIMA

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

November 13, 2026

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1. FY2026 Q3 Results

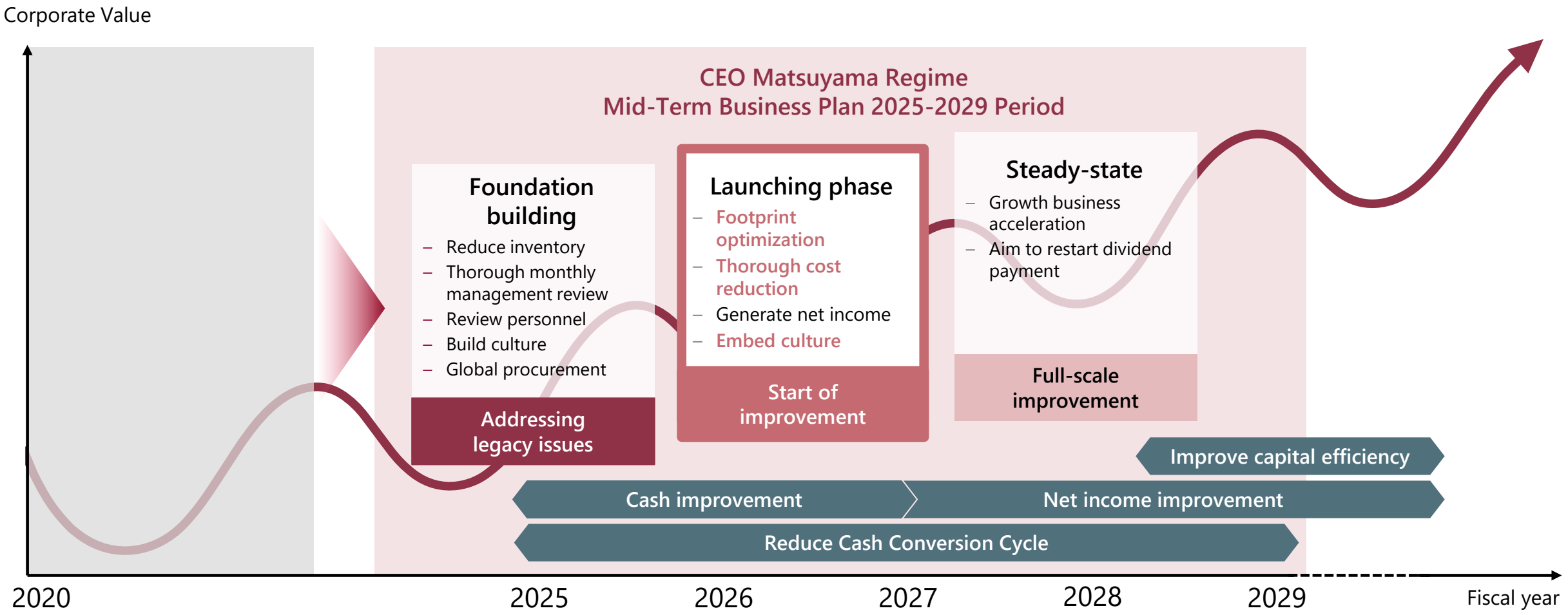
2. Revision to the FY2026 Full-Year Guidance

3. Adjustments to the Mid-Term Business Plan 2025-2029

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Tsubaki Nakashima's Long-Term Improvement Perspective

Highlight Positioning 2026 as the "Launching phase," we are pursuing plant restructuring and cost reductions to enhance corporate value.



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Key Takeaways on Financial Results and Business Operations

Highlight Recorded an **operating loss of ¥5.96 billion** due to impairment losses on fixed assets and goodwill. **Revised the FY2026 full-year guidance** and **extended the final target year of the Medium-Term Business Plan 2025–2029 by one year**.

1. Recorded ¥7.77 billion impairment losses in Q3, including fixed asset impairment in Europe and goodwill impairment. Operating loss for Q3 (9 months) was ¥5.96 billion. Excluding the one-time impairment losses, operating profit would have been ¥1.82 billion. (Including ¥1.05 billion gain from land sales in Q1)

2. The business environment in Europe remains challenging due to weakening demand for ICE vehicles*, intensifying competition in the bearing industry, and changes in the competitive landscape of the ball market. Ceramic business remained solid.

3. Revised the FY2026 full-year guidance: Revenue ¥73.5 billion (upward revision); operating loss ¥10.1 billion (downward revision)

4. Extended the final target year of the Mid-Term Business Plan 2025-2029 by one year to 2030.

5. We have agreed with the syndicate banks to refinance the syndicated loan due at the end of November 2026 (see today's TSE disclosure for details).

* Internal Combustion Engine vehicles refer to gasoline- and diesel-powered vehicles.

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FY2026 Q3 Cumulative YoY 9 months

Highlight **Q3 revenue decreased 4.3% YoY (excluding foreign exchange effects). Operating profit excluding ¥7.77 billion one-time impairment losses was ¥1.82 billion, including the gain on the land sales recorded in Q1 (see p. 8 for factors affecting operating profit).**

(¥ billion)	FY2025 Q3 Cumulative Actual (Jan-Sep)	FY2025 Full-year Actual	FY2026 Q3 Cumulative (Jan-Sep) Actual	FX impact	YoY (amount) Excluding FX impact	YoY (%) Excluding FX impact
Revenue	52.76	69.84	54.83	4.35	- 2.28	- 4.3%
Operating Profit	0.89	- 22.34	- 5.96	- 0.46	- 6.39	–
(Excluding one-time loss)	0.89	0.88	1.82	–	–	–
Ratio (%)	1.7%	- 32.0%	-10.9%	–	–	–
EBITDA*	3.59	-1.85	4.59	-0.23	+1.23	+34.2%
PBT	- 0.81	- 23.99	- 7.83	- 0.04	- 6.99	–
Net Profit	-1.13	- 27.21	- 8.12	- 0.01	- 6.98	–

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.

* EBITDA = Operating profit + depreciation and amortization + impairment loss

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FY2026 Q3 YoY / QoQ 3 months

Highlight **Q3 (3 months) revenue increased by 7.6% YoY (including forex impact). Operating profit was ¥0.5 billion excluding one-time impairment losses.**

(¥ billion)	FY2025 Q3	FY2026 Q2	FY2026 Q3 (Jul-Sep)		
	Actual (Jul-Sep)	Actual (Apr-Jun)	Actual	YoY (%) Including FX impact	QoQ (%) Including FX impact
Revenue	16.71	19.08	17.97	+7.6%	- 5.8%
Operating Profit	0.10	0.19	- 7.28	–	–
(Excluding one-time loss)	0.10	0.19	0.50	–	–
Ratio (%)	0.6%	1.0%	- 40.5%	–	–
EBITDA*	1.02	1.15	1.43	+40.2%	+25.1%
PBT	-0.12	-0.21	- 8.16	–	–
Net Profit	-0.17	-0.43	- 8.00	–	–

* EBITDA = Operating profit + depreciation and amortization + impairment loss

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FY2026 Q3 Revenue by Segment and Region (YoY) 9 months

Highlight **Q3 revenue for the Precision Components segment was down 4.3% 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 Q3 cumulative	FY2026 Q3 Cumulative (Jan-Sep)			
	Actual (Jan-Sep)	Actual	FX impact	Change (amount) Excluding FX impact	Change (%) Excluding FX impact
Group Consolidated	52.76	54.83	4.35	- 2.28	- 4.3%
Precision Components 1)	52.13	54.22	4.35	- 2.26	- 4.3%
Japan	8.59	9.18	0.00	+ 0.6	+7.0%
North America	10.57	10.94	0.78	- 0.41	-3.9%
Europe	16.96	16.36	1.70	- 2.29	-13.5%
China	12.07	12.61	1.62	-1.08	- 8.9%
Asia (excluding China)	3.95	5.12	0.26	+ 0.91	+23.0%
Blower Real Estate	0.63	0.63	0.00	- 0.01	- 0.9%

1) After inter-segment eliminations

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FY2026 Q3 Revenue by Segment and Region (YoY / QoQ) 3 months

Highlight **Q3 revenue for the Precision Components segment increased by 7.6% QoQ (including FX impact).**

- For QoQ, revenue by region declined for all regions except for China and Asia.
- For YoY, all regions were positive. The ceramic ball business performed well in Japan and Thailand, and business in India remained steady.

(¥ billion)	FY2025 Q3 Actual (Jul-Sep)	FY2026 Q2 Actual (Apr-Jun)	FY2026 Q3 (Jul–Sep) Actual	QoQ (%) Including FX impact	YoY (%) Including FX impact
Group Consolidated	16.71	19.08	17.97	- 5.8%	+7.6%
Precision Components 1)	16.60	18.93	17.87	- 5.6%	+7.6%
Japan	2.83	3.34	3.03	- 9.4%	+6.7%
North America	3.31	3.80	3.56	- 6.6%	+7.4%
Europe	5.04	5.61	4.97	-11.5%	-1.5%
China	4.16	4.40	4.46	+1.3%	+7.2%
Asia (excluding China)	1.23	1.77	1.84	+3.9%	+49.6%
Blower Real Estate	0.13	0.15	0.12	-17.2%	- 4.1%

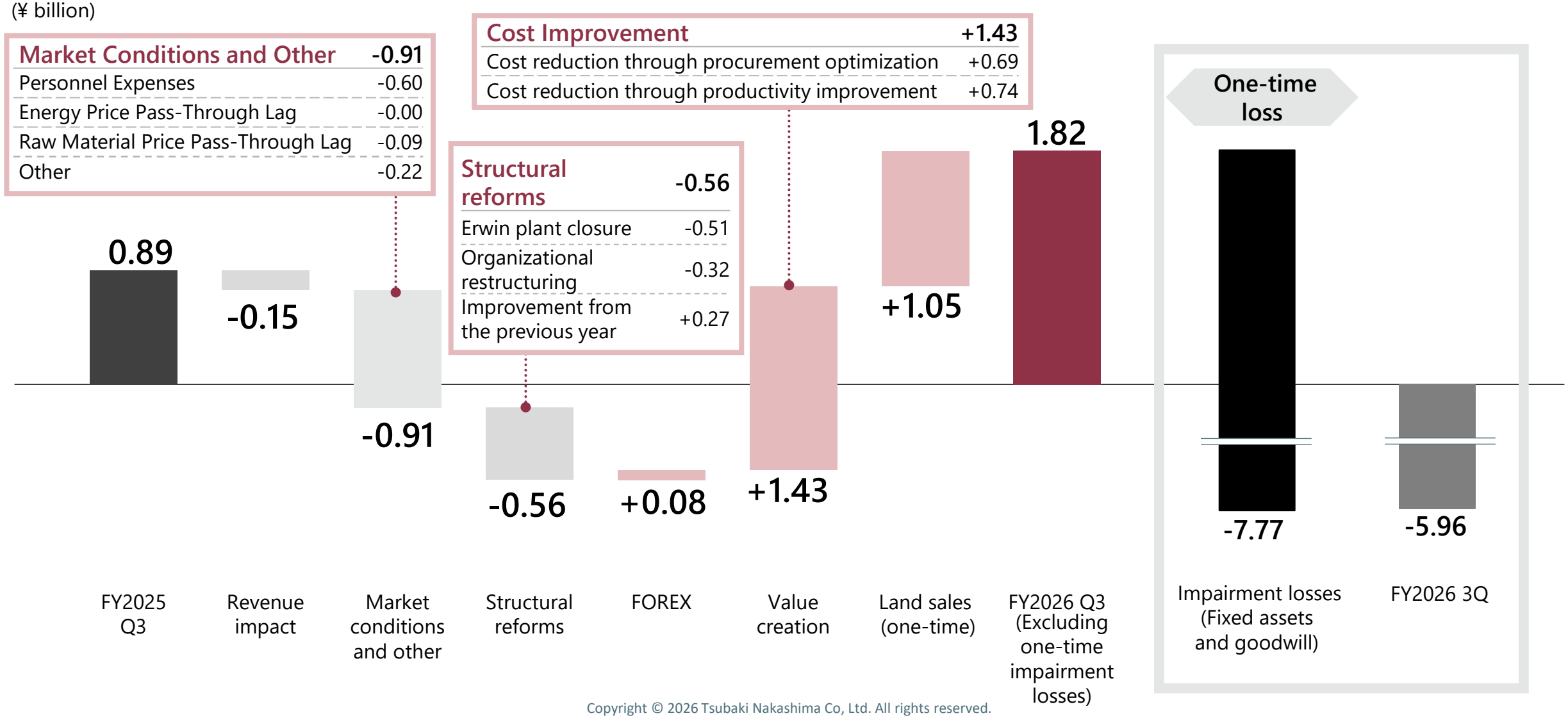
1) After inter-segment eliminations

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FY2026 Q3 Operating Profit Variation Factors (YoY) 9 months

Highlight **Excluding one-time impairment loss of ¥7.77 billion, operating profit was ¥1.82 billion.**

(¥ billion)



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Explanation of one-time factors: Impairment loss of ¥7.77 billion

Highlight **The impairment loss on fixed assets was due to a weak business environment in Europe, which reduced expected future cash flows from our European assets.**

Background of the Impairment of Fixed Assets

Environmental Changes and Deteriorating Earnings in Europe

- **OEM (Auto Manufacturers):** Shifting sourcing from local to global suppliers amid intensifying competition with Chinese companies.
- **Tier 1 (Bearing Manufacturers):** Losing market share amid competition with Chinese firms, with sourcing and production shifting to China and other parts of Asia.
- **Tier 2 (Ball Manufacturers):** Global oversupply driven by Chinese companies obtaining OEM certification and the emergence of South Korean and Indian competitors.

Details of the Impairment of Fixed Assets

Reducing the book value of fixed assets within Europe

- Due to the aforementioned factors, the present value of future cash flows in Europe fell below the carrying amount of the factories, resulting in incurring **impairment loss on fixed assets**.
- The impaired plants are those in Slovakia and Italy.

Highlight **A higher discount rate than at the previous impairment test reduced the present value of the Mid-Term Business Plan projections, resulting in incurring goodwill impairment loss.**

Background of the Goodwill Impairment

Rise in the discount rate

- Higher discount rates, reflecting recent increases in market interest rates, reduced the present value of expected future cash flows from the level assumed at the time of acquisition, resulting in a goodwill impairment loss following the impairment recorded at the end of the previous fiscal year.

Details of the Goodwill Impairment

- As a result of the aforementioned increase in the discount rate, **goodwill impairment was recognized**, primarily related to goodwill arising from the integration of the former Tsubaki Nakashima business following the MEBO in 2007 and the acquisition of NN in 2017,

For reference The Precision Components Business recorded a ¥15.0 billion impairment loss at the end of FY2025, mainly due to changes in the business environment in Europe and the ceramics business.

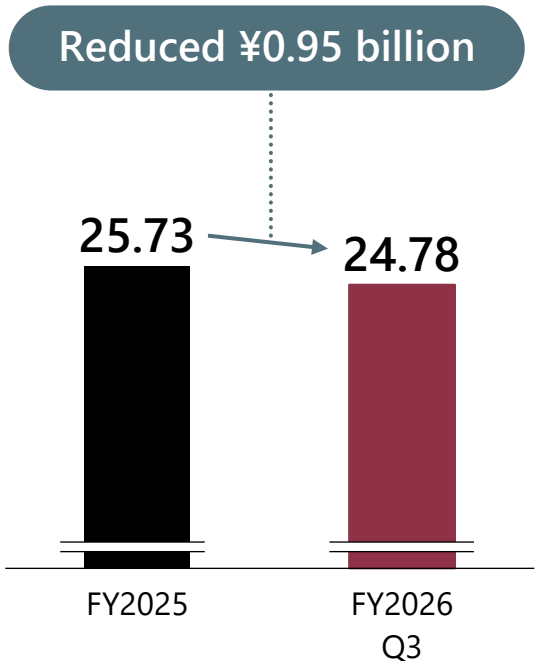
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BS/CF

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

Inventories
(¥ billion)

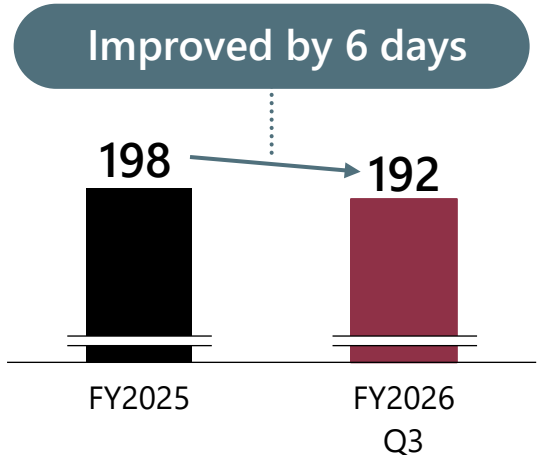
Slight decrease from Q2.
Significant decrease
From end of FY2025.



Cash Conversion Cycle
(Days)

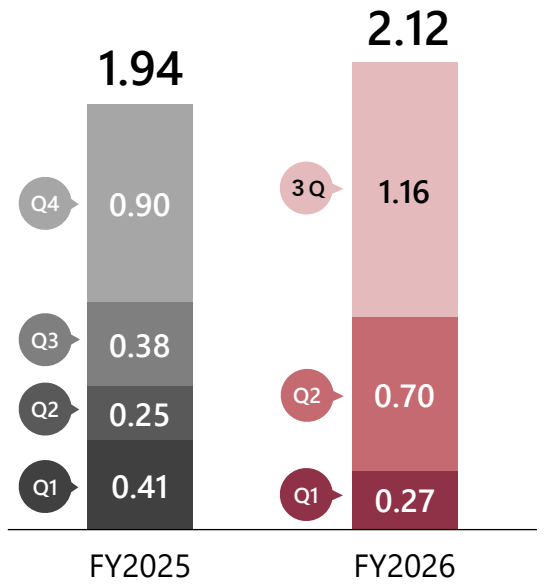
Breakdown	FY2025	FY2026 Q3
Inventory Turnover Period	141	134
A/R Turnover Period	95	99
A/P Turnover Period	38	41

Inventory turnover period
improved by 7 days



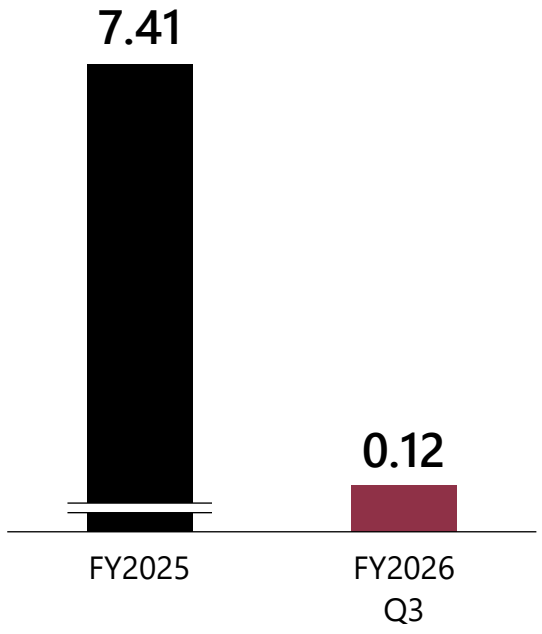
Capital Expenditures
(¥ billion)

Invested the equivalent of last year's full-year amount by Q3.
¥4.5 billion is expected for FY26.



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.



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Trends in Cash Flow and Operating Income

Highlight **Maintained positive free cash flow for the nine months ended Q3.**

(¥ billion)	FY2022 Full Year	FY2023 Full Year	FY2024 Full Year	FY2025 Full Year	FY2026 Q1 (3 months)	FY2026 1H (6 months)	FY2026 Q3 (9 months)
Operating Cash Flow	- 4.14	1.41	4.87	10.52	-0.63	-0.03	1.16
Investing Cash Flow	- 3.50	- 4.90	- 3.80	1.12	0.78	0.10	-1.04
Financing Cash Flow	- 1.76	1.39	- 1.91	- 1.30	-0.01	-0.17	-0.25
FCF	**- 7.64**	**- 3.49**	**1.07**	**11.64**	**0.15**	**0.07**	**0.12**
Operating Profit	- 9.07	0.85	0.81	- 22.26	1.13	1.32	-5.96
Net Income	- 9.09	- 1.29	0.91	- 26.99	0.31	-0.12	-8.12

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Growth Segment (FY2026 Q3 Sales Results)

Highlight **Ceramics and plastics are performing well. India is showing steady growth. Aerospace and defense is weak.**

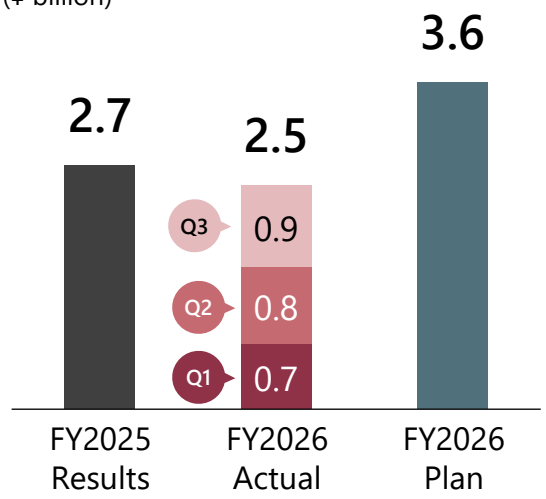
- Growth segments in the Mid-Term Business Plan are Indian market, Aerospace & Defense, Ceramic Balls, and Engineered Plastic Components (EPC)

Indian Market



FY26 Q3 Actual vs. FY26 Plan **69.1%**

(¥ billion)

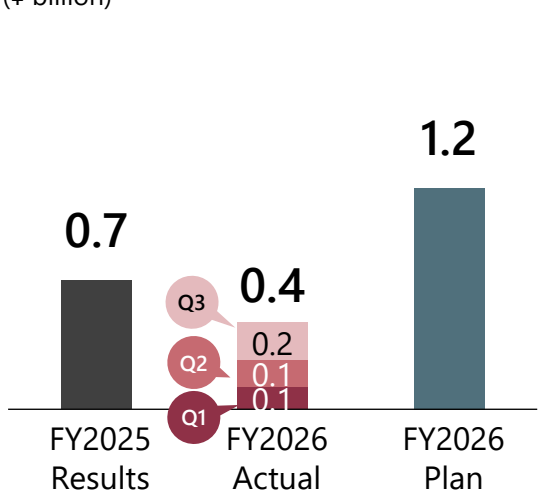


Aerospace & Defense



FY26 Q3 Actual vs. FY26 Plan **37.7%**

(¥ billion)

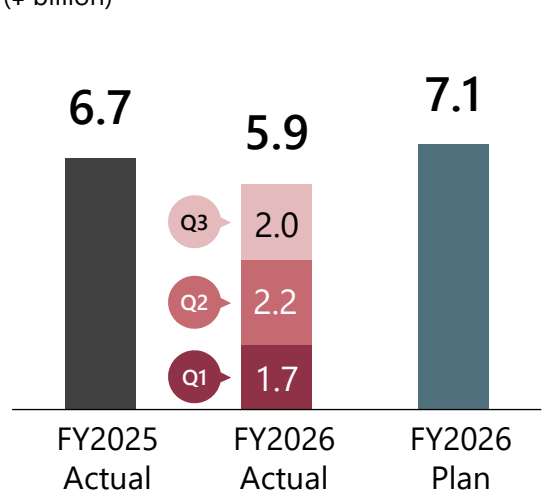


Ceramic Balls



FY26 Q3 Actual vs. FY26 Plan **85.9%**

(¥ billion)

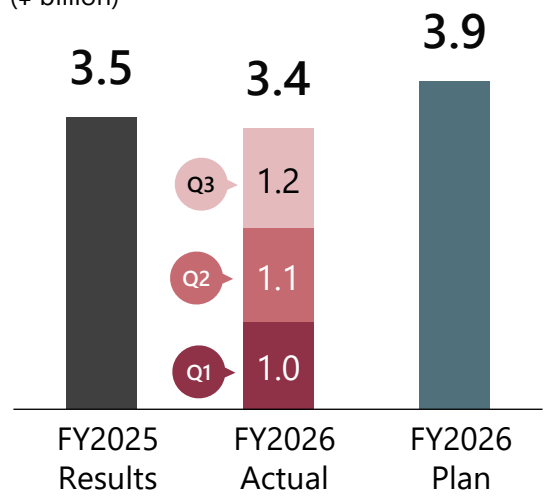


Engineered Plastic Components (EPC)



FY26 Q3 Actual vs. FY26 Plan **85.5%**

(¥ billion)

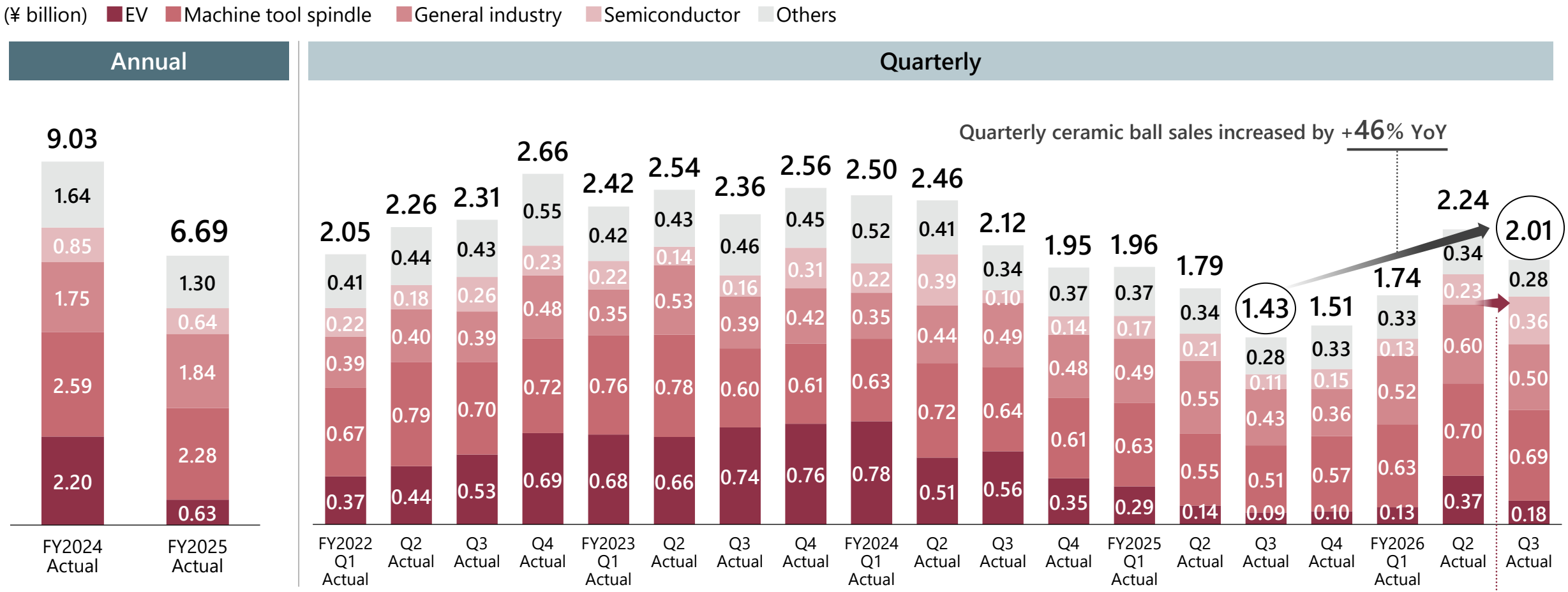


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For Reference

Trends of Ceramic Ball Sales by Applications

Highlight **Q3 ceramic balls revenue showed significant growth YoY. Ceramic balls for semiconductor increased significantly QoQ.**



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

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Topics (1) Results of the Engagement Survey

Highlight **The percentage of positive responses has increased as a result of engagement improvement measures**

Survey Questions

The leadership effectively communicates a clear and inspiring vision that guides daily operations

I can report concerns about actual or suspected wrongdoing at work without fear of reprisals

TN encourages and supports employees to explore better ways to improve and adapt

If I do good work, I know that it will be recognized

The work I do is meaningful to me

TN effectively communicates the goals and strategies set by the management

My job at TN enables me to learn and develop new skills

I trust my manager

I see myself still working at TN in 2 years' time

I can count on my co-workers to help out when needed

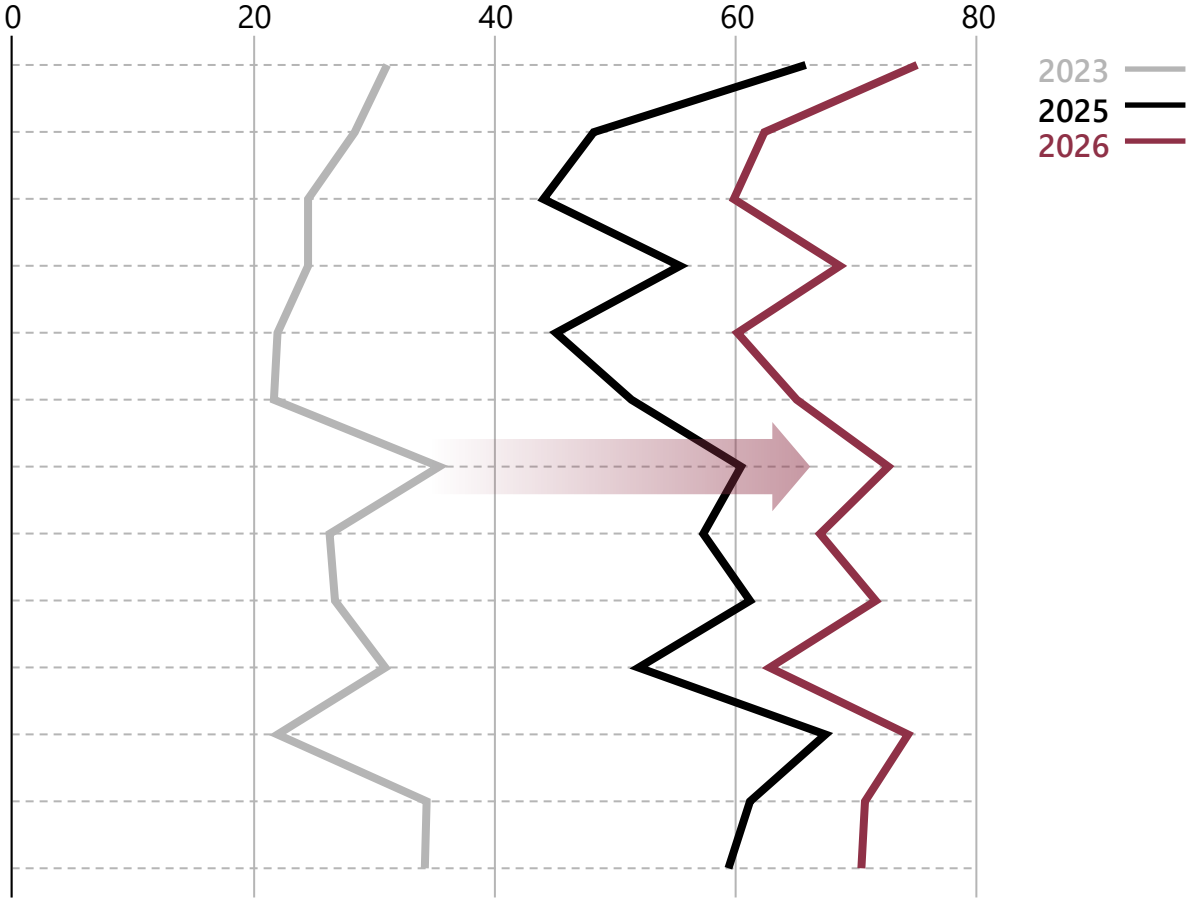
I'm inspired by the purpose and mission of TN

I feel I am part of a team

I know what is expected of me to be successful in my role

Positive Responses

Percentage of respondents who answered "Fully agree" to the questions listed on the left (%)



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Topics (1) Engagement Survey – Measures Implemented by the Management

Highlight Management's **People & Culture initiatives** in three areas **improved our engagement scores.**

Employee Engagement

Purpose & Values Activation: 9-month, leader-led engagement campaign across all sites, embedding Values into everyday behaviours.

Consistent Communication: Quarterly Global Town Halls, reinforced by Plant Manager alignment and local cascades.

Visible Leadership: CEO/Global Leadership Team skip-level sessions and Gemba walks, strengthening frontline connection and trust.

Employee Voice & Action: Launched *You Asked, We Did* campaigns and site bulletin boards to visibly address employee feedback, communicate actions taken.

Talent Development

Leadership Capability: Aligned leadership capabilities with Values; launched SHIFT senior leadership programme for ~50 leaders.

Frontline Leadership: Launched EDGE development programme in Japan, India and China ~ 100 leaders, with global rollout planned.

Talent Development: Introduced structured senior-level talent reviews with targeted development actions, with broader organisational rollout planned.

Technical Skills: Continuously strengthened shop-floor capabilities through skills matrix-aligned development.

Performance and Recognition

Recognition & Celebration: Launched quarterly Global Be Exceptional Awards, amplifying recognition through internal and external visibility.

Manufacturing Excellence: Continued driving operational excellence through Best Plant Awards.

Performance Management: Reset performance management cycle, strengthening accountability, alignment to company objectives and quality through targeted training.

Reward Alignment: Reviewed and aligned company-wide annual bonus schemes with business objectives.

Amplified by cross-market and cross-functional collaboration and continuous improvement, enabled by best-practice sharing, lean initiatives and operational standardization.

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Topics (2) Aerospace & Defense, China, India

Aerospace & Defense Business



In the Aerospace & Defense business, we exhibited at the 2026 Farnborough International Airshow, showcasing a brand movie featuring our Cumming, Georgia plant, with the aim of strengthening relationships with existing customers and developing new business opportunities.

China Operations



Our Taicang plant in China received the “Quality Excellence Award” from JTEKT (China) Co., Ltd. in recognition of its continued commitment to manufacturing excellence and consistent product quality, including achieving zero quality complaints for four consecutive years.

India Operations



In India, we are expanding our production capacity as part of our efforts to optimize our global production footprint. Construction of the new building at our second plant in Bilad progressed smoothly, and a completion ceremony was held.

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FY2026 Full-Year Guidance (Revised)

Highlight **Net sales revised upward**, partly due to foreign exchange effects. **Profits are expected to decline significantly**, primarily due to one-time factors, including structural reform expenses.

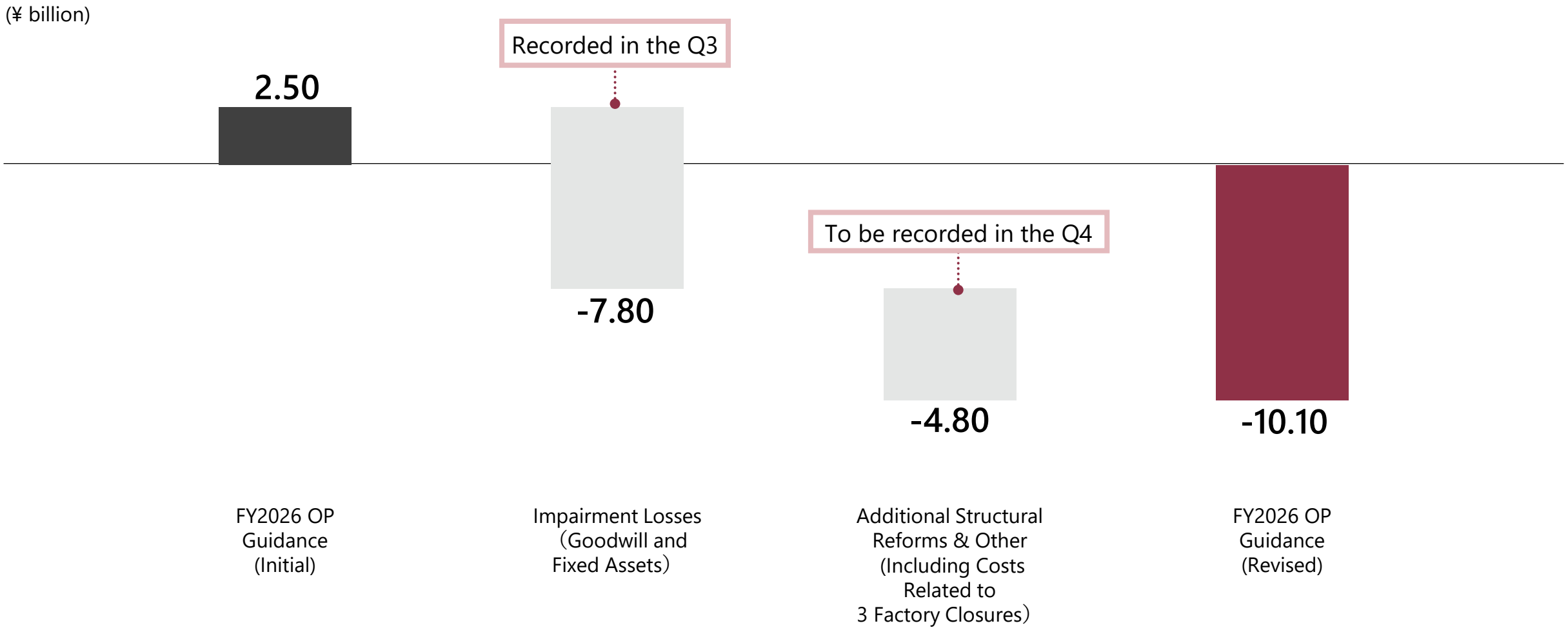
(¥ billion)	FY2026 Full-Year Forecast (Initial)		FY2026 Full-Year Forecast (Revised)			
	Full-Year Forecast (Initial)	Percentage of Sales (%)	Full-Year Forecast	Percentage of Sales (%)	Change	Percentage Change (%)
Revenue	70.00	10.00	73.50	100.0	+3.50	+5.0
Operating Income	2.50	0.36	-10.10	—	-12.60	—
Income Before Taxes	1.10	0.16	-12.20	—	-13.30	—
Net Income	0.50	0.07	-13.00	—	-13.50	—
Basic Earnings Per Share (yen)	12.91	—	-339.76	—	-326.85	—

Exchange Rate Assumptions:
(Initial) 1 USD = 145 JPY, 1 EUR = 170 JPY, 1 CNY = 20.30 JPY (Revised) 1 USD = 158.54 JPY, 1 EUR = 184.12 JPY, 1 CNY = 23.23 JPY

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FY2026 Full-Year Operating Profit Guidance (Initial vs. Revised)

Highlight **Additional one-time factors expected in Q4, on top of those recorded in Q3.**



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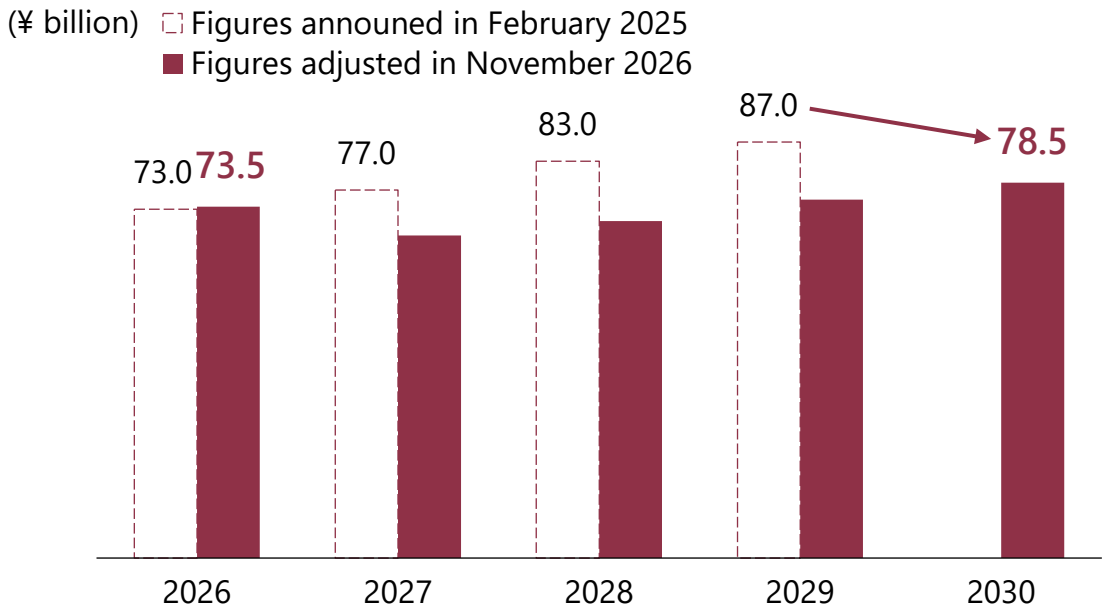
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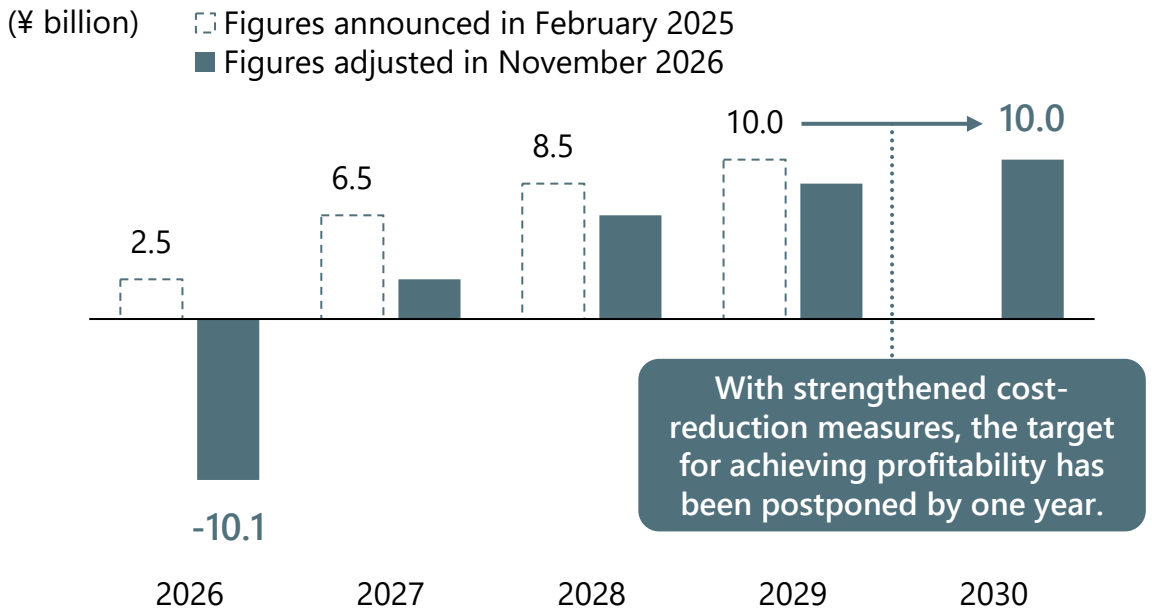
Adjustments to the Mid-Term Business Plan 2025–2029 (FY2026–FY2030)

Highlight **Revenue forecasts revised downward, primarily due to the weakening of the "produce and consume locally" model and the challenging business environment in Europe. The timeline for achieving profit targets has been extended by one year, with additional investments to strengthen cost reduction measures** (see the following pages for details).

Revenue



Operating Income



Exchange rate assumptions for FY2026 : 1 USD = 158.54 JPY, 1 EUR = 184.12 JPY, 1 CNY = 23.23 JPY
Exchange rate assumptions for FY2027 and beyond: 1 USD = 145 JPY, 1 EUR = 170 JPY, 1 CNY = 20.30 JPY

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Adjustments to the Mid-Term Business Plan 2025–2029 (2026-2030)

Highlight **In response to the challenging business environment in Europe, the company aims to turn the situation around through two additional measures: fundamentally reorganizing its production footprint and establishing a lean management system.**

Background

Challenging Business Environment in Europe

- **OEM (Auto Manufacturers):** Shifting sourcing from local to global suppliers amid intensifying competition with Chinese companies.
- **Tier 1 (Bearing Manufacturers):** Losing market share amid competition with Chinese firms, with sourcing and production shifting to China and other parts of Asia.
- **Tier 2 (Ball Manufacturers):** Global oversupply driven by Chinese companies obtaining OEM certification and the emergence of South Korean and Indian competitors.

By FY30 **Negative Impact on Profits**
-3.0 billion yen

Countermeasures

Fundamental reorganization of production footprint

- In response to the weak business environment, we are closing three additional factories following the closure of the Erwin plant in the U.S., announced in May 2026:
  the Poland plant (Europe),
  the Slovakia plant (Europe), and
  the Mountain City plant (U.S.).
- By shifting operations to low-cost countries, the company aims to lower manufacturing costs and improve profitability.

Establishment of a lean management system

- Transition from a siloed organizational structure to an integrated operating model with shared functions.
- Reduce SG&A and personnel expenses by streamlining the senior and middle management structure.

by FY30 **Additional Profits**
+2.5 billion yen **+1.0 billion yen**

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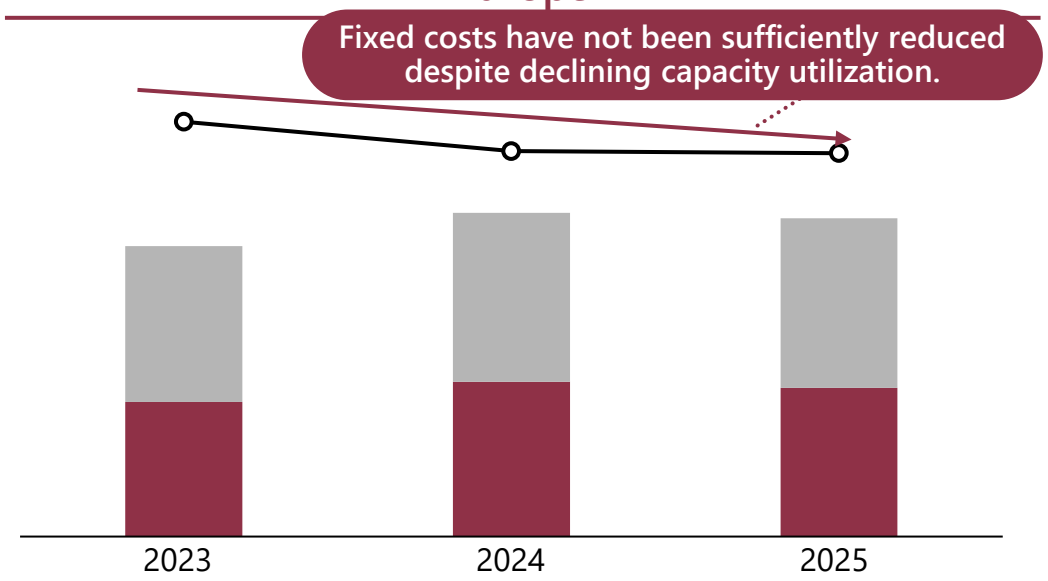
Background of the Fundamental Reorganization of Production Footprint

Highlight Europe faces declining capacity utilization without sufficient reductions in fixed costs, while North America continues to struggle with chronically low profitability due to its high-cost structure, highlighting the need to reduce fixed costs through production footprint reorganization.

Business performance trends

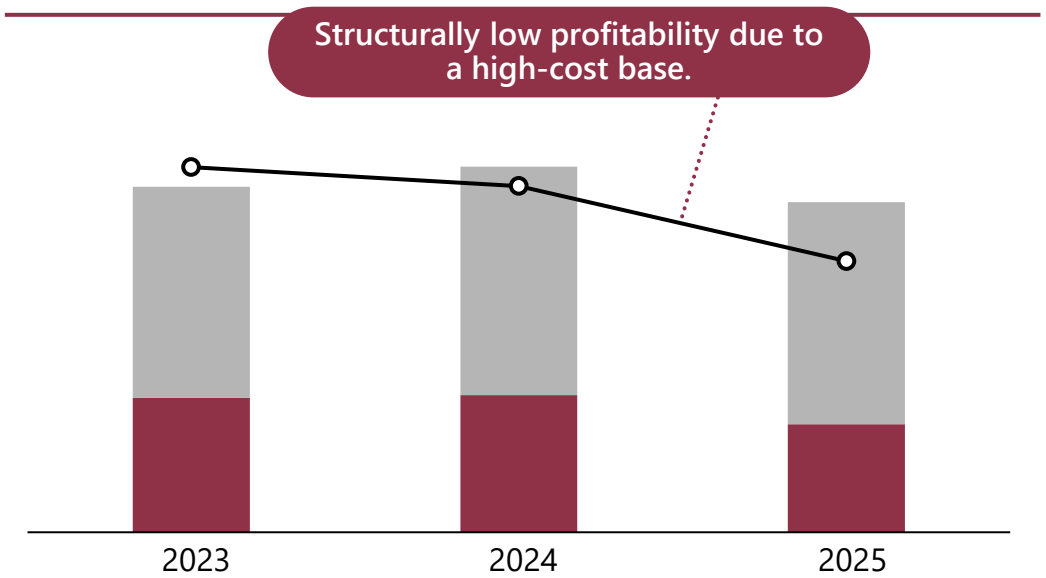
Background of reorganization

Europe



- Our market share declined due to intensifying competition from Chinese companies.
- The resulting decline in production volume and factory utilization rates **increased the fixed-cost burden.**

North America



- With **a high cost base**, including high labor costs, profitability has remained low. Recent increases in labor costs and inflation, driven in part by the situation in the Middle East, have **further pushed up manufacturing costs.**

In both Europe and North America,
limited ability to pass on cost increases makes it necessary to reduce fixed costs through production footprint reorganization.

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For Reference

Adjusted Mid-Term Business Plan 2025–2029 (FY2026-FY2030)

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

① Key targets

(FY29) → FY30

Postponed by one year

Reflecting challenging business environment

78.5 billion yen

87.0 billion yen Sales

10.0 billion yen OP

Due to decrease in sales

12.7%

11% OP margin

175 days

261 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 7 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
- \+ Add Driver VII

Expand Driver I

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

I Fundamental reorganization of our production footprint

- Fundamentally reorganize our global production footprint in response to lower capacity utilization due to declining sales and our cost disadvantage versus Chinese and other Asian competitors
- Plan to close three additional production plants, in addition to Erwin Plant

VII Establish a lean management system（Reduce SG&A）

- Transition from a siloed organizational structure to an integrated operating model with shared functions
- Reduce SG&A and personnel expenses by streamlining the senior and middle management structure.

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Mid-Term Business Plan (2026-2030) After Adjustments

Highlight **No significant change to strategy or direction from the plan announced in February 2025.**

Bold borders indicate changes from the February 2025 announcement.

1 Key targets (FY30)

- **78.5** billion yen Sales
- **10.0** billion yen OP
- **12.7%** OP margin
- **175** days (261 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 7 value creation drivers

- I **Fundamental reorganization of our production footprint**
- II **Procurement cost reduction by global sourcing**
- III **Productivity enhance-ment by operational improvement/ automation**
- VII **Establish a lean management system**
- 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**

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

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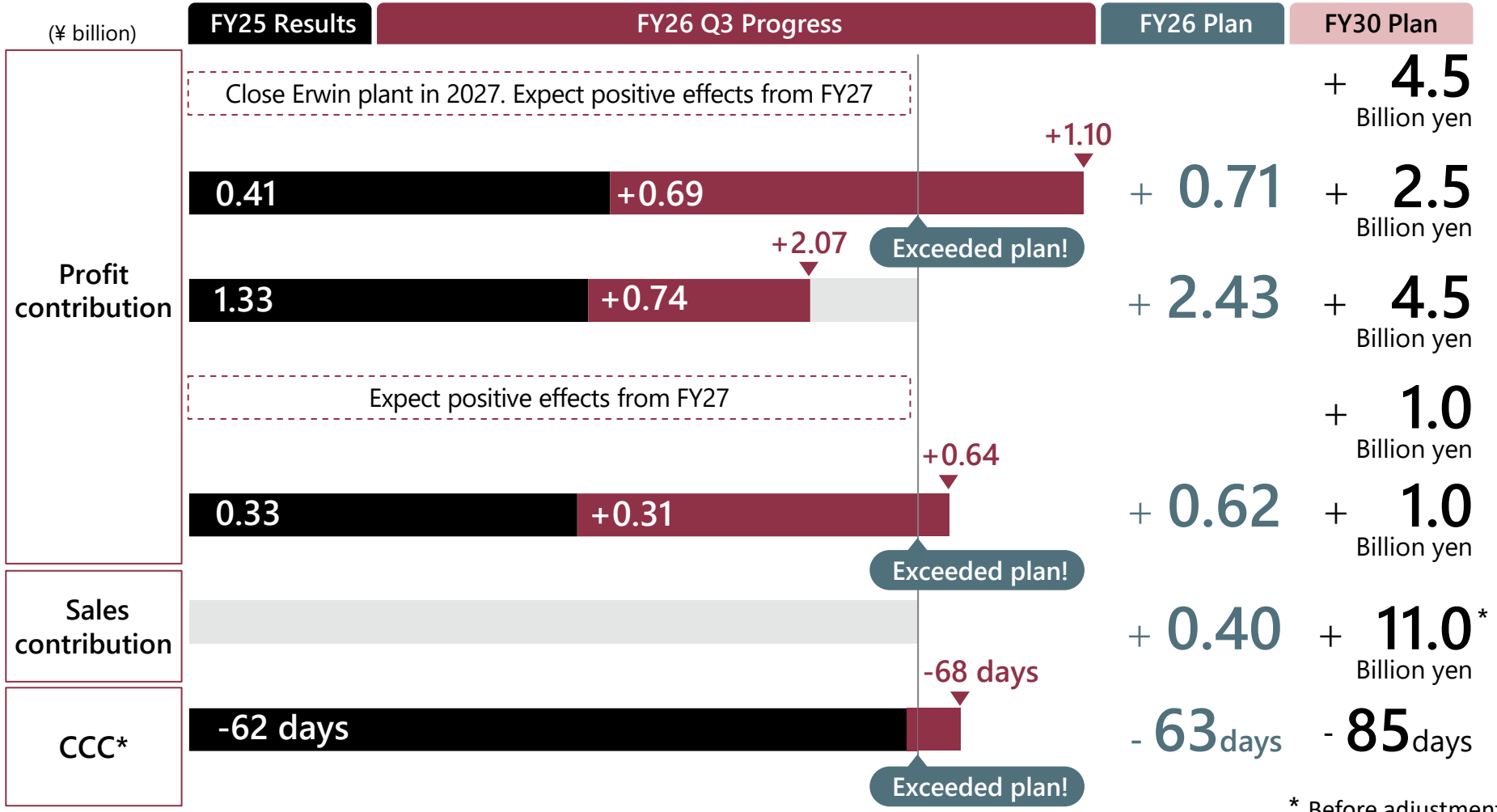
Progress of the Mid-Term Business Plan: Value Creation Pillars FY26 Progress

Highlight Cost reduction initiatives continued to make steady progress in Q3, with Initiatives II, V, and VI exceeding their full-year targets.

Seven value creation drivers

- I Fundamental reorganization of our production footprint — Expand
- II Procurement cost reduction By global sourcing
- III Productivity enhancement By operational improvement/ automation
- VII Establish a lean management system — Add
- V Optimize pricing and rationalize low-profit products
- IV Focus on growth segments (India, Aerospace & Defense, Ceramic ball, EPC)
- VI Working capital reduction by inventory optimization and AP/AR reduction
  FY24: 260 days ▸ FY29: 175 days

(¥ billion)



* Cash conversion cycle

* Before adjustment

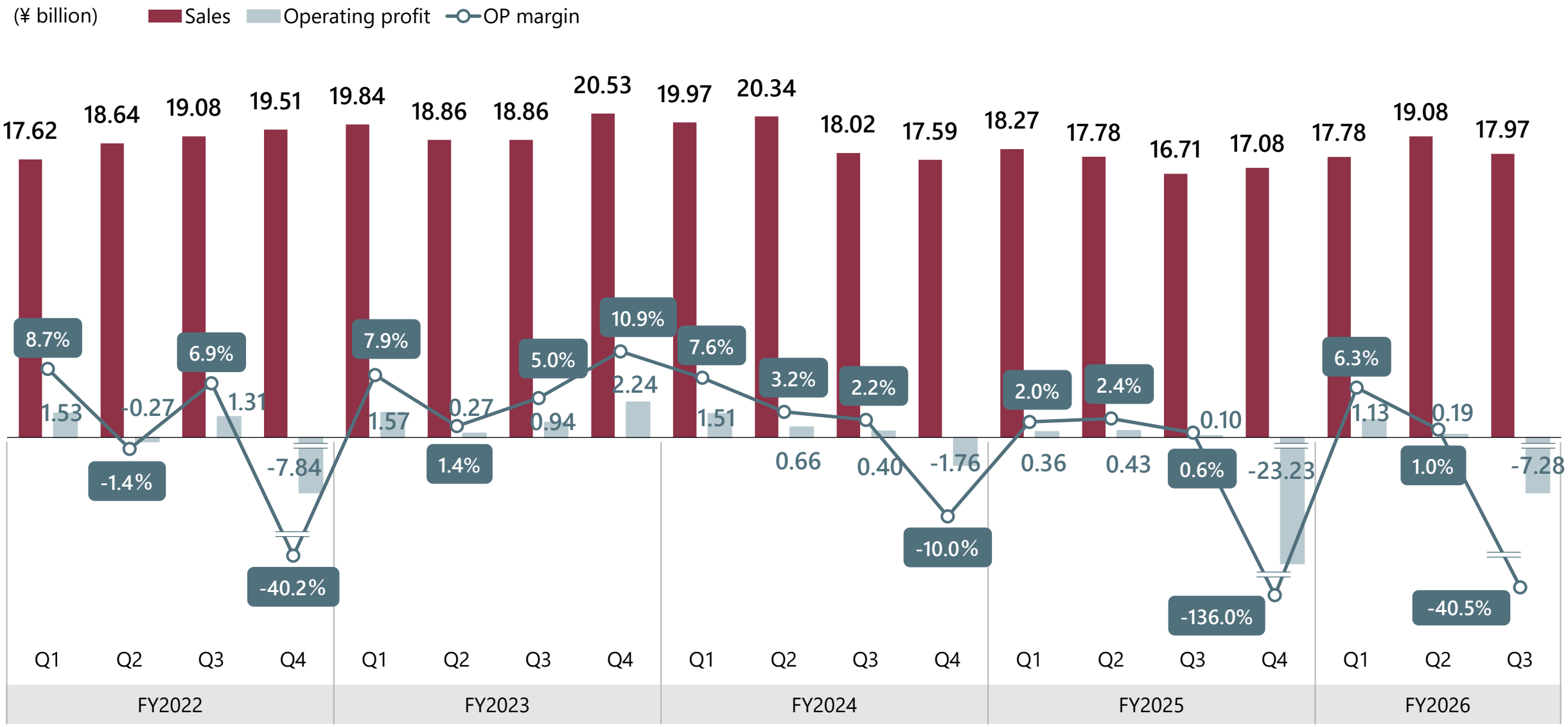
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APPENDIX

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Quarterly Trends

Sales / Operating Profit / OP margin

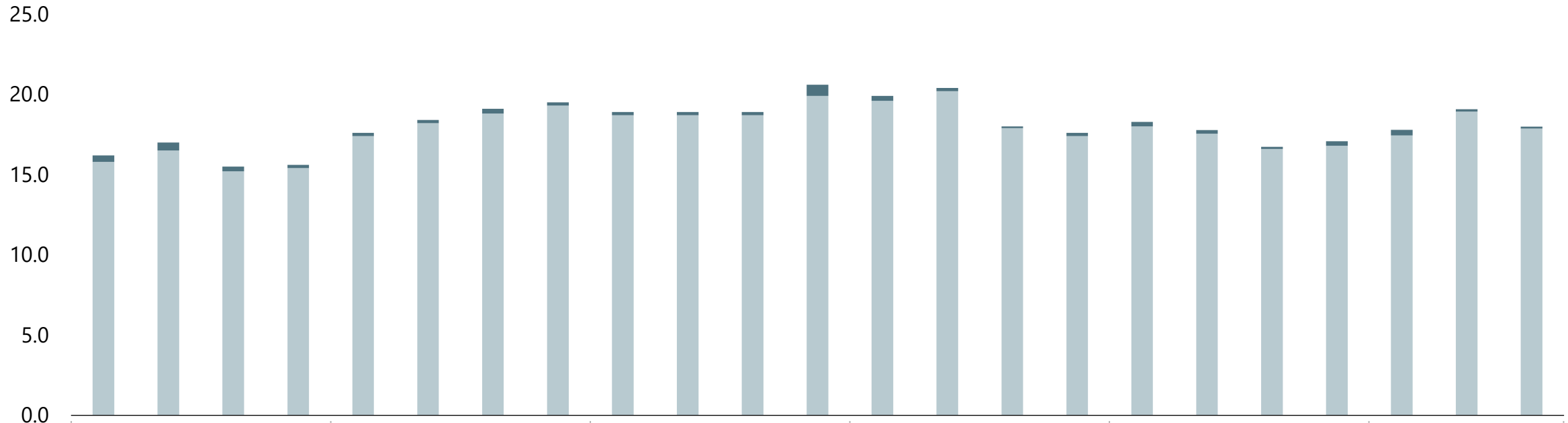


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Quarterly Trends by Segments

Sales

(¥ billion)



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	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	18.93	17.87
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	0.12

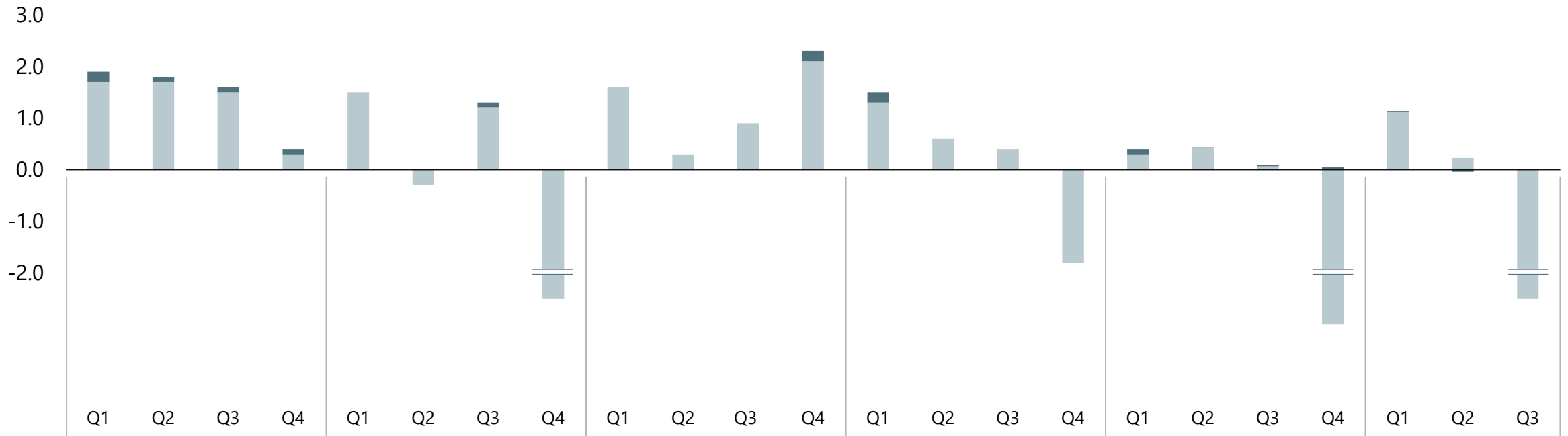
*The above figures through the end of 2023 have not been audited by an accounting auditor.
'Others' segment indicates 'Blower Real Estate Business' segment from FY2024Q4.

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Quarterly Trends by Segments

Operating Profit

(¥ billion)



	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	FY2021				FY2022				FY2023				FY2024				FY2025				FY2026		
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	-7.28
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	-0.0

*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.

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Sustainability Initiatives (1)

FY2026 Q3 Key projects

19 productivity initiatives ongoing in FY2026 Q3 that support CO2 reduction

7 plants purchased green energy in FY2026 Q3 to reduce CO_2 emissions

Climate change CDP questionnaire submitted

Carbon footprint

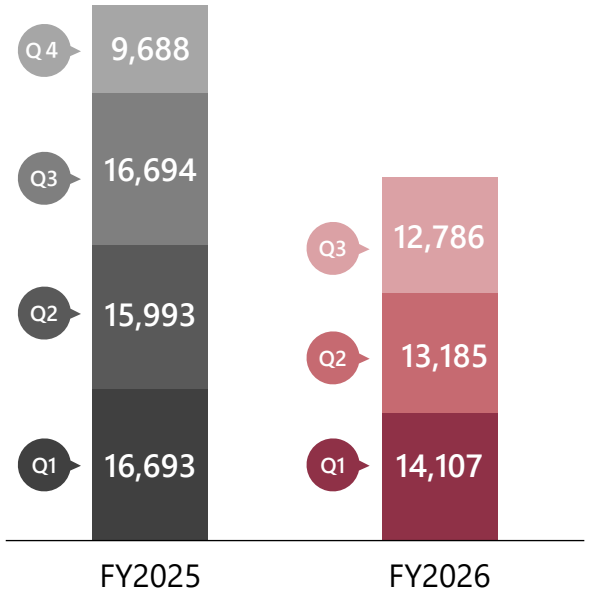
(CO_2 tons/tons)

	FY2025 Q3	FY2026 Q3	YoY
Japan	1.05	1.29	+0.24
West	0.72	0.59	-0.13
Ceramic	11.4	21.3	+9.90
China	0.59	0.38	-0.21
Rollers	1.70	1.39	-0.31
EPC	1.55	1.68	+0.13
Total	0.74	0.63	-0.11

- Our FY2026 Q3 carbon footprint result of 0.63 is better than the annual target 0.80
- And 0.11 better than FY2025 Q3 result of 0.74 (15% decrease YoY)

CO_2 emissions

(CO_2 tons)



FY2026 Q3 19% CO_2 emissions reduction vs FY2025 Q3

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Sustainability Initiatives (2)

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.
- Tsubaki Nakashima obtained Level B in FY2025 for "Climate Change". We aim 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".
- Tsubaki Nakashima commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2022 base year.
- We also commit to reduce absolute scope 3 GHG emissions 25% by 2030 from a 2023 base year.

Trends and roadmap of total CO_2 emissions of Tsubaki Nakashima

(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.

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FOREX (Cumulative Average Rate) Trend

(Japanese Yen)	FY2023	FY2024	FY2025	FY2026		
	Full year	Full year	Full year	1 Q (3 months)	1H (6 months)	3 Q (9 months)
US$	140.56	151.58	149.71	156.86	158.18	158.54
Euro	152.00	163.95	169.00	183.65	184.52	184.12
Chinese yuan	19.82	21.02	20.82	22.66	23.05	23.23

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