

1Q FY2024 Results Presentation

May 13, 2024

Tsubaki Nakashima Co., Ltd.

(Prime Market of TSE 6464)



Points for Disclosure of 1Q FY2024 Results Presentation

Changes in disclosures are as follows, due to the classification of the manufacturing and selling of ball screws and ball ways as discontinued operations

- 1Q FY2024 results are disclosed primarily as figures for continuing operations only, excluding discontinued operations
- Segments are classified into "Precision Component Business" and "Others"

Highlights for 1Q FY2024

Sales

- Sales increased YoY to ¥20.0 billion due to the FX impact, etc. However, excluding the FX impact, sales were ▲3.9% YoY, due to the impact of production suspensions by some manufacturers in the automobile industry
- Combined sales for the growth strategies increased to ¥4.1 billion, up from ¥3.8 billion in the same period of the previous year

Profits

- While cost improvement was effective, operating profits were ▲ 10.0% YoY excluding the FX impact due to the substantial decline in sales

Dividend

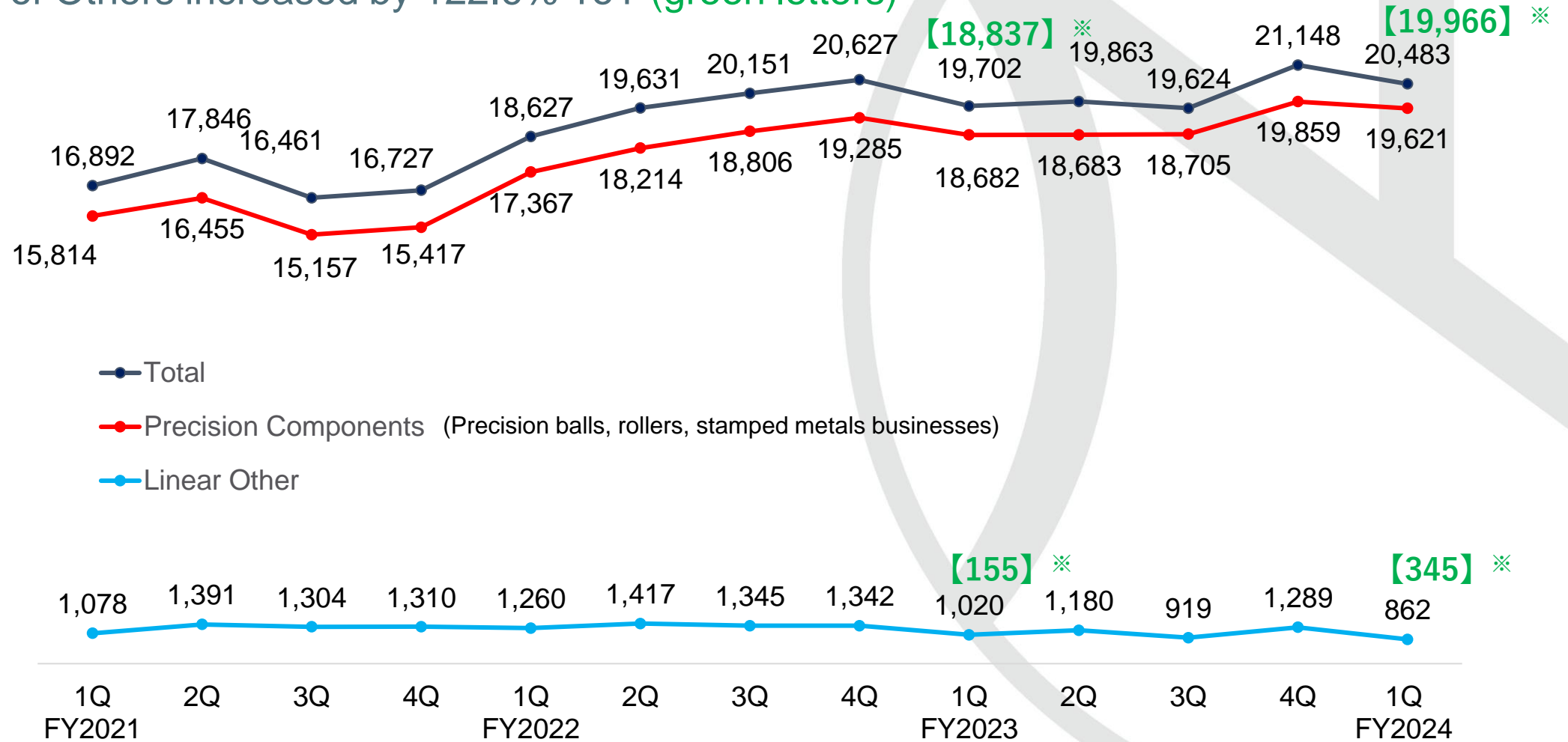
- Annual dividend ¥35/share as per guidance. Interim dividend has not been decided yet at this time.

Sales by Quarter

Sales of Precision Components increased by 6.0% YoY (green letters)

Sales of Others increased by 122.6% YoY (green letters)

(¥million)



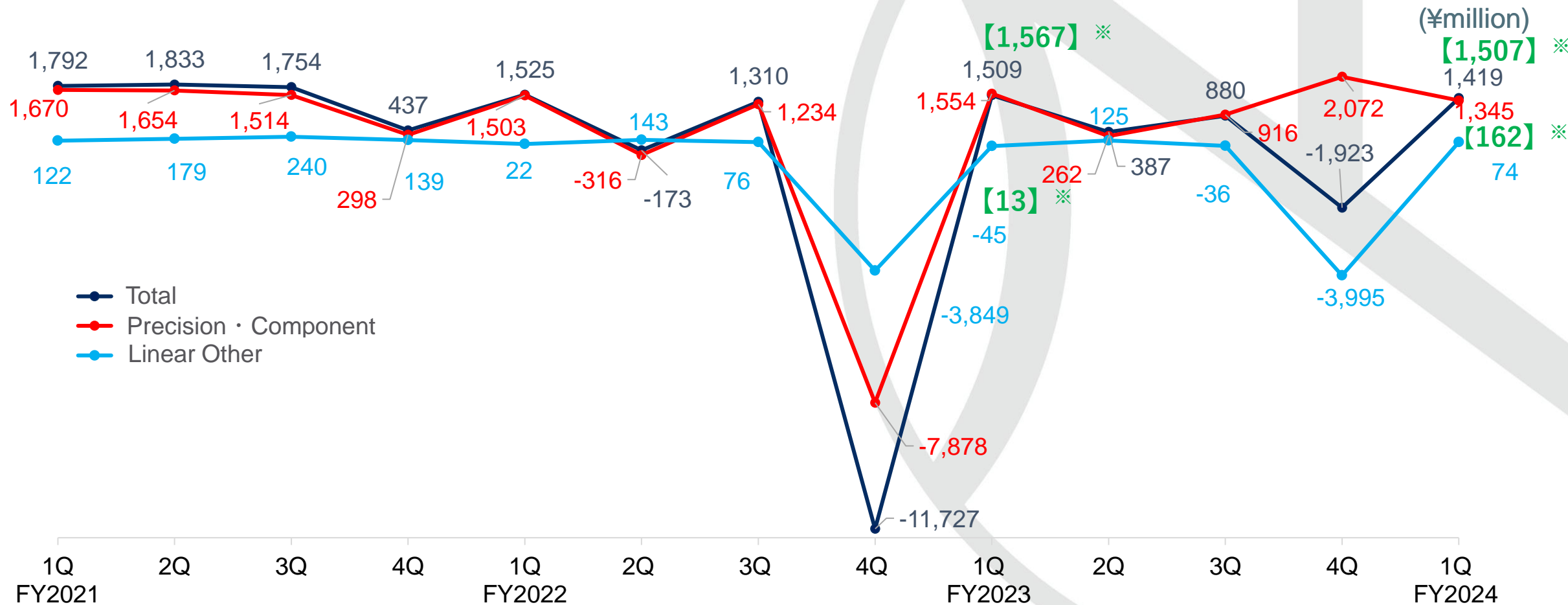
※ Figures for "Continuing operations only" (green letters)

Figures, except as noted above, are total of continuing and discontinued operations

Operating profit by Quarter

Precision Components : Decreased by 3.8% YoY (green letters)

Others : Increased by 12.5 times YoY (green letters)



※ Figures for "Continuing operations only" (green letters)

Figures, except as noted above, are total of continuing and discontinued operations



1Q FY2024 Consolidated results (YoY)

Sales (excluding FX impact) declined by 3.9% YoY, OP declined by 10.0% YoY

(¥million)

	FY2023	FY2023	FY2024			
	1 Q	1 Q	1 Q			
	Actual ^{※1}	Actual ^{※2}	Actual ^{※2}	FX impact	Inc/dec ^{※3}	Inc/dec% ^{※3}
Sales	19,702	18,837	19,966	1,871	▲ 742	▲ 3.9%
Operating profit	1,509	1,567	1,507	97	▲ 157	▲ 10.0%
OP%	7.7%	8.3%	7.5%	—	—	—
EBITDA	2,268	2,270	2,319	97	▲ 48	▲ 2.1%
EBIT	1,229	1,286	1,098	89	▲ 277	▲ 21.5%
Net profit	655	655	906	55	196	29.9%

※ 1 Including "discontinued operations"

※ 2 Figures are for "Continuing operations only"

(Net profit includes "discontinued operations")

※ 3 "Inc/dec" and "Inc/dec%" exclude "FX impact"

1Q FY2024 Segment/Region Sales (YoY)

(¥million)

	FY2023	FY2023	FY2024			
	1 Q	1 Q	1Q			
	Actual ^{※1}	Actual ^{※2}	Actual ^{※2}	FX impact	Inc/dec ^{※3}	Inc/dec% ^{※3}
Consolidated	19,702	18,837	19,966	1,871	▲ 742	▲ 3.9%
Precision Components ^{※4}	18,682	18,682	19,621	1,871	▲ 932	▲ 5.0%
Japan	3,511	3,511	3,064	0	▲ 447	▲ 12.7%
North America	3,876	3,876	4,041	454	▲ 289	▲ 7.5%
Europe	6,823	6,823	7,256	1,018	▲ 585	▲ 8.6%
China	3,678	3,678	3,811	268	▲ 135	▲ 3.7%
Asia(ex. China)	794	794	1,449	131	524	66.0%
Others	1,020	155	345	0	190	122.6%

※ 1 Including "discontinued operations"

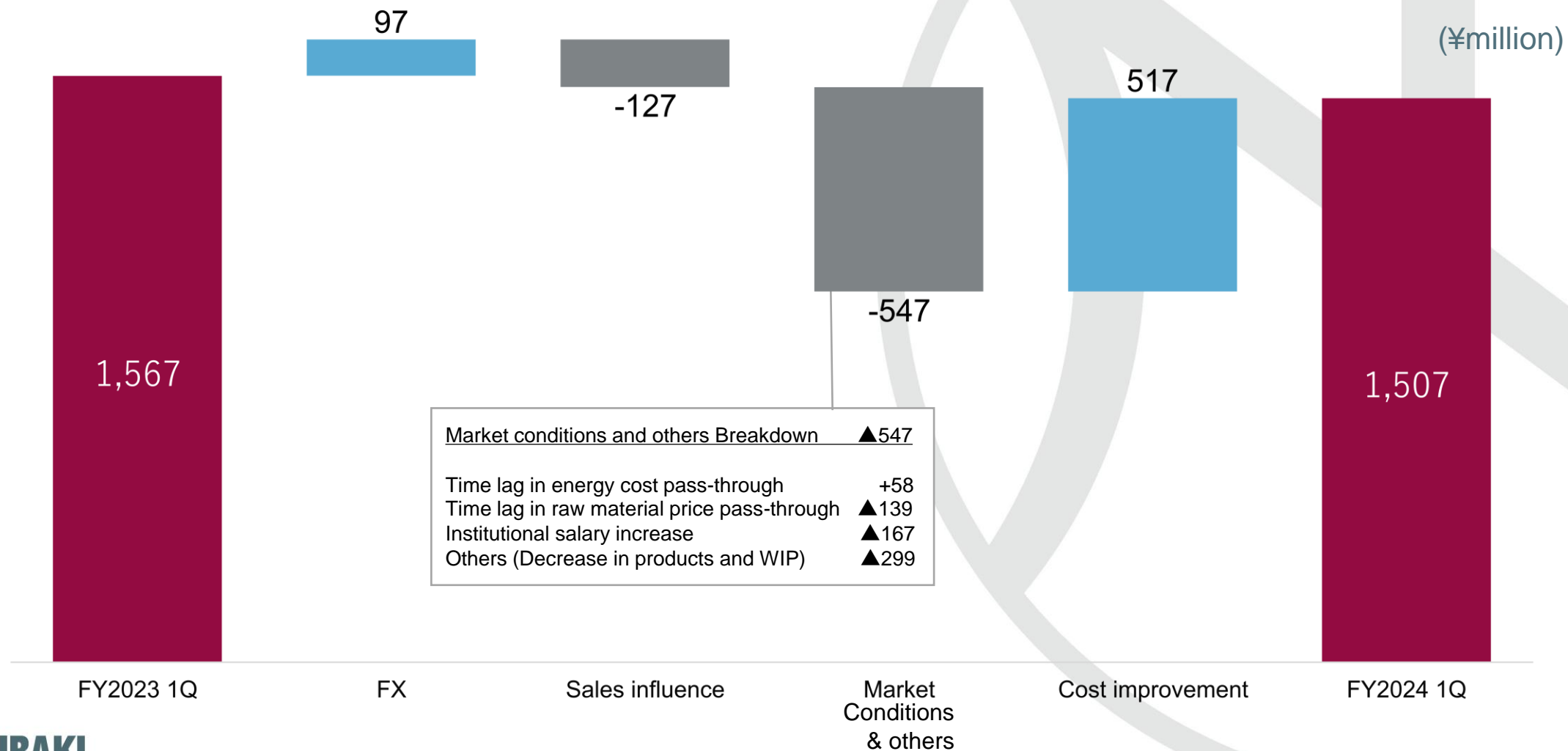
※ 2 Figures are for "Continuing operations only"

※ 3 "Inc/dec" and "Inc/dec%" exclude "FX impact"

※ 4 Excluding inter-regional transaction

1Q FY2024 Operating profit bridge

OP declined by 3.8% YoY to ¥1,507 million due to lower sales and the impact of market conditions & others



BS/CF

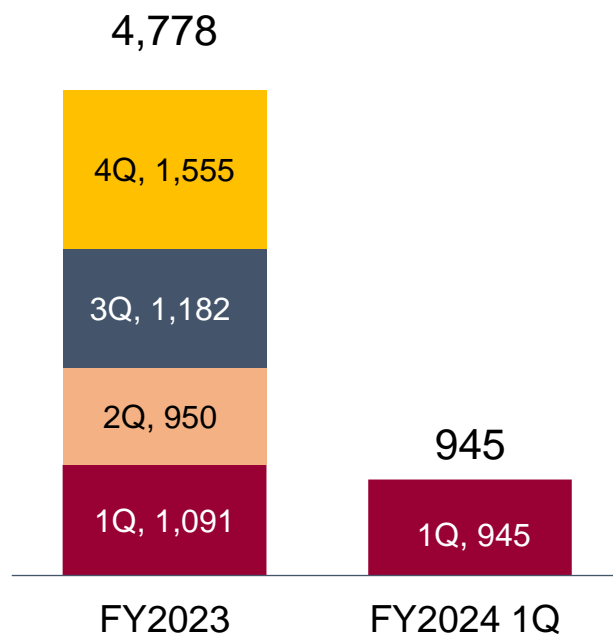
Inventory Turn-over (months)

Increase in inventory due to sales decline



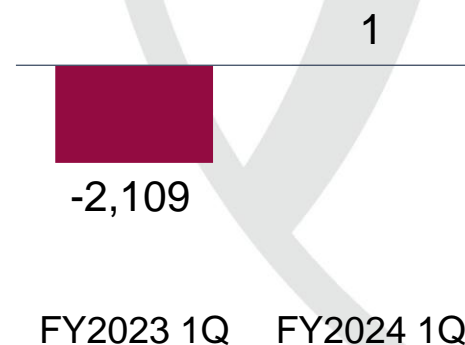
CAPEX (¥million)

Progressing as planned



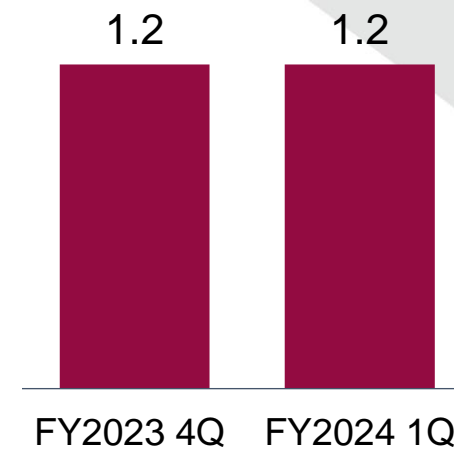
Free CF (¥million)

- Improve working capital and others (+¥1.3 bn)
- Decrease extra retirement payment (+¥0.7 bn) (2023 roller vs. 2024 stumping)
- Decrease CAPEX (+¥0.1 bn)



Net DE Ratio (%)

Unchanged QoQ



Progress in Growth Strategies (1Q FY2024)

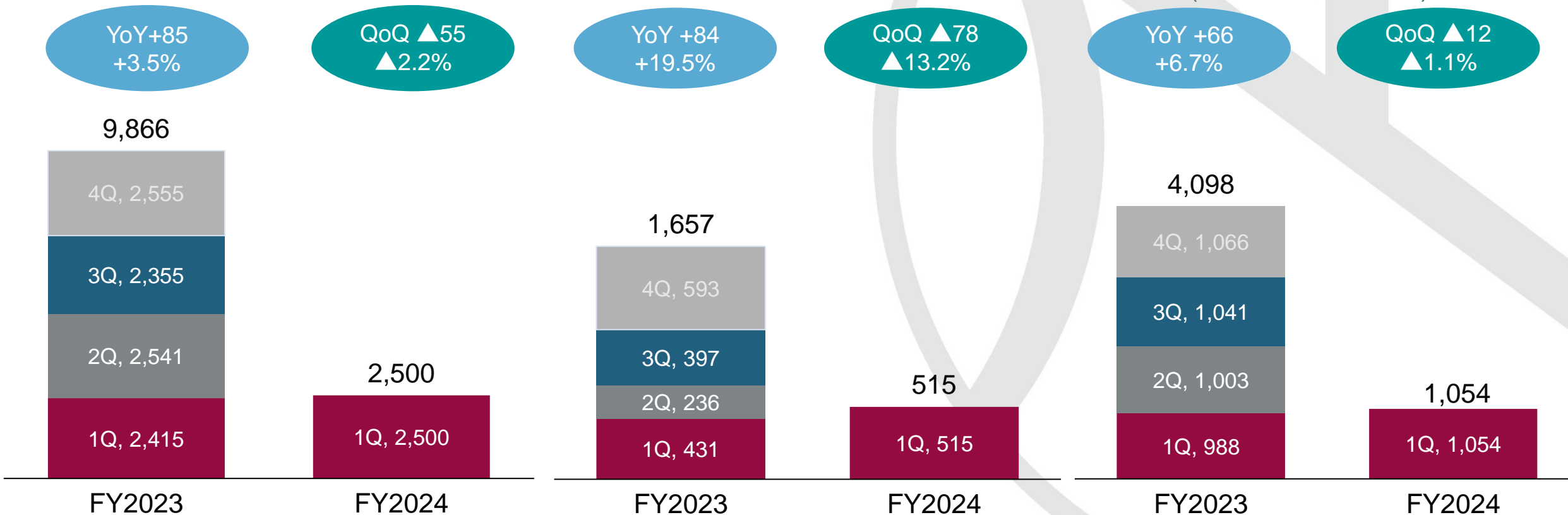
Sales in Ceramic balls, Medical Devices, and Growth in Asia were all positive YoY

(¥million)

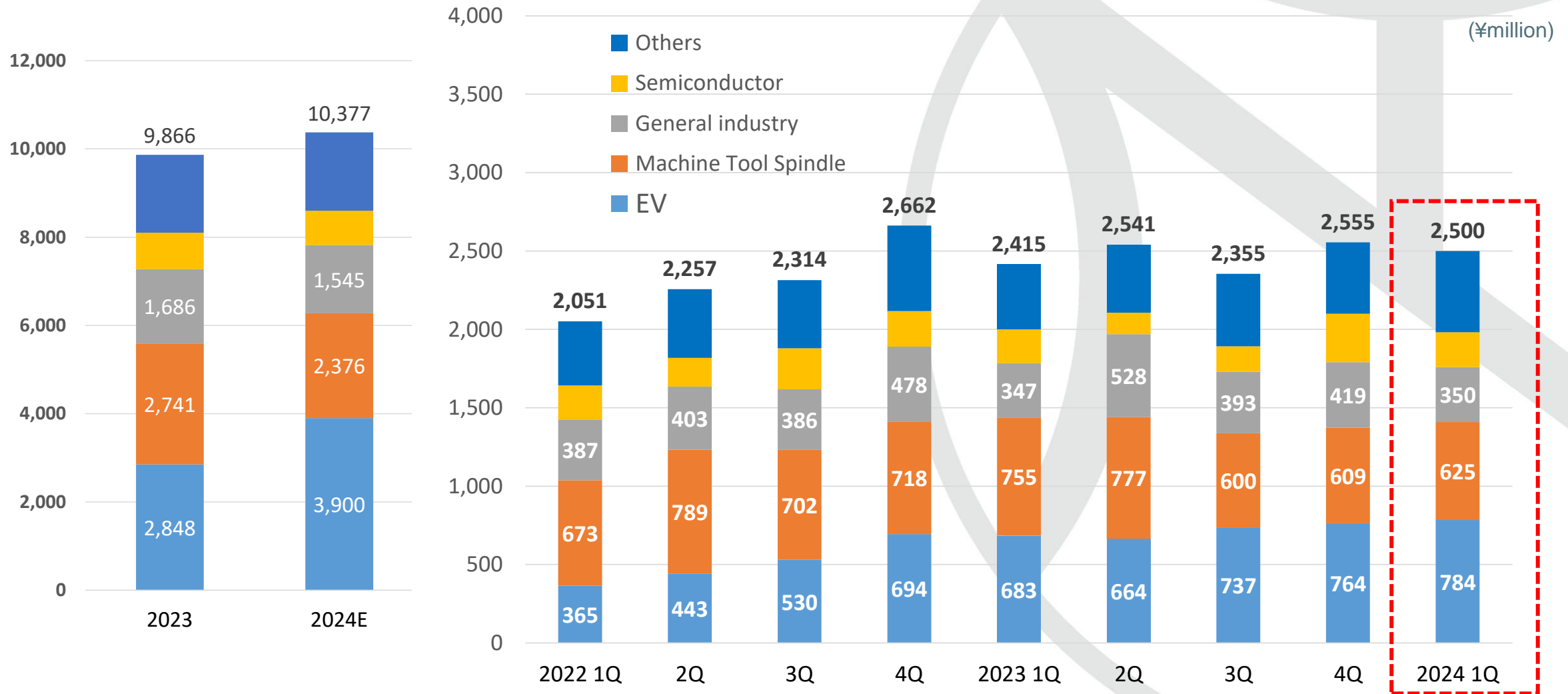
Ceramic balls

Medical Device

Growth in Asia (ex. China, ceramic)



Ceramic Ball Sales Trend / Forecasts by Application



Sustainability Initiatives

Sustainable development Strategy

- ✓ Reduce energy consumption
- ✓ Photovoltaic systems
- ✓ Purchase green energy thanks to the Renewable Energy Certificates
- ✓ Challenge: improve the general efficiency of TN plants through high utilization
- ✓ Electrification of TN plants

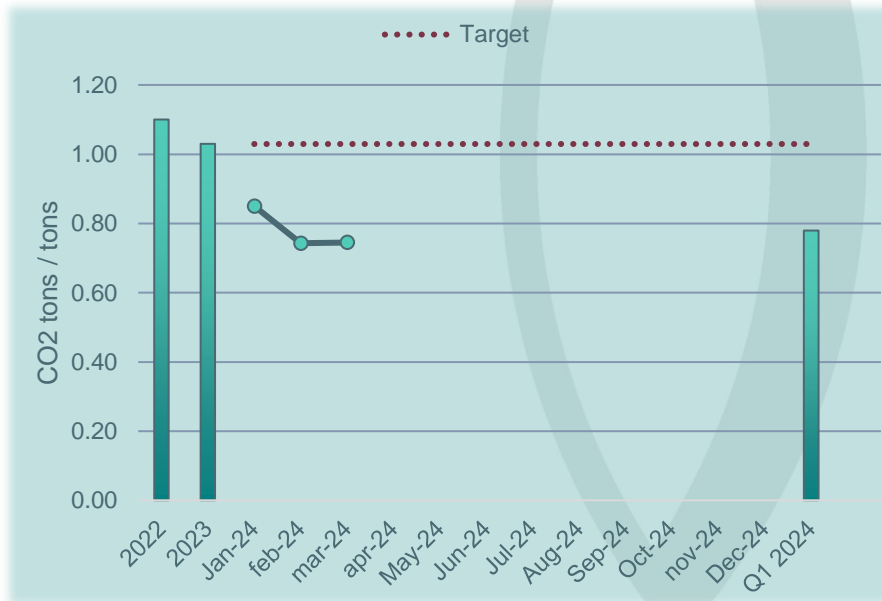


- -42% CO₂ tons by 2030 compared to 2022
- Aiming to achieve carbon neutrality by 2050

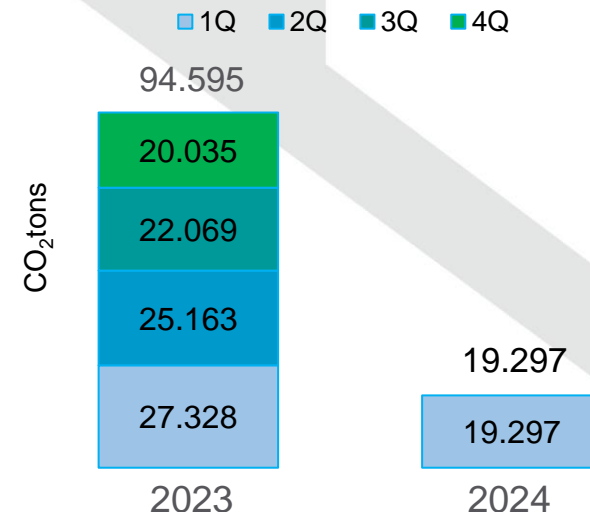
CARBON FOOTPRINT

CO ₂ tons / tons	2023	Q1 24	% 24 vs 23
JAPAN	1,10	0,82	-34%
EUROPE	1,04	0,82	-26%
CERAMIC	19,3	12,5	-55%
CHINA	0,99	0,64	-56%
AMERICAS	0,81	0,89	+9%
MEDICAL	1,52	1,83	+17%
TSUBAKI NAKASHIMA	1,03	0,78	-32%

TREND



TOTAL CO₂ EMISSIONS



109.610 CO₂ tons (2022) 94.595 CO₂ tons (2023) 98.100 CO₂ tons (2024) 92.346 CO₂ tons (2025) 86.591 CO₂ tons (2026) 80.837 CO₂ tons (2027) 75.082 CO₂ tons (2028) 69.328 CO₂ tons (2029) 63.573 CO₂ tons (2030)



* Each figure on this page is based on the "market-based method".

TN participates in the **CDP Climate Change** (2023: B- score), to monitor its performance from year to year and it is in the process of validating targets with **SBTi**. In this way, TN demonstrates transparency and reliability in sustainability-related communications.



FY2024 Guidance

The previous forecast included discontinued operations. The current forecast only excludes discontinued operations, and there is no change to the forecast for continuing operations only

(¥million)

	Previous forecast		Current forecast			
	Guidance	% of Sales	Guidance	% of Sales	Inc/dec	Inc/dec
Sales	80,800	100.0%	77,300	100.0%	▲ 3,500	▲ 4.3%
Operating profit	7,000	8.7%	6,860	8.9%	▲ 140	▲ 2.0%
PBT	5,785	7.2%	5,650	7.3%	▲ 135	▲ 2.3%
Net profit	3,960	4.9%	3,960	5.1%	0	0.0%
EPS (Yen)	99.68	—	99.68	—	0.00	0.0%
DPS (Yen)	35	—	35	—	0	0.0%

※ Due to the classification of manufacturing and sales business of the ball screw and ball way as discontinued operations, the forecast for sales, operating profit, and PBT has been revised to the forecast for continuing operations, excluding discontinued operations.

Exchange rate assumption : 1USD 139Yen, 1EURO 150Yen, 1RMB 19.7Yen

(2023 Actual average rate : 1USD 140.56Yen, 1EURO 152.00Yen, 1RMB 19.82Yen)

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