

Mid-Term Management Plan 2030

TSUBAKIMOTO CHAIN CO.

May 29, 2026

*Mid-Term
Management Plan*

2030

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Mid-Term Management
Plan 2030

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Long-Term Vision 2030 is based on the corporate philosophy we call the Tsubaki Spirit. As processes for realizing our vision, we formulated Mid-term Management Plan 2025 and Mid-term Management Plan 2030.



Compared to KPIs in Mid-term Management Plan 2025, consolidated performance in FYE March 2026 was 98.6% for net sales, -1.7 pt for operating income ratio, and +2.7 pt for ROE.

Net sales by segment (Unit: ¥100 million) / Leading financial figures over the years

	2,158		2,515		2,668		2,791		2,958		3,000	
	FYE March 2022 (actual)		FYE March 2023 (actual)		FYE March 2024 (actual)		FYE March 2025 (actual)		FYE March 2026 (actual)		FYE March 2026 (target)	
Chain Business												
Motion Control Business												
Mobility Business												
Materials Handling Business												
Other												
EBITDA (margin)	¥30.8 billion	14.3%	¥32.7 billion	13.0%	¥35.3 billion	13.2%	¥37.2 billion	13.4%	¥36.7 billion	12.4%	NA	
Operating income (ratio)	¥17.8 billion	8.3%	¥18.9 billion	7.6%	¥21.2 billion	8.0%	¥22.8 billion	8.2%	¥21.5 billion	7.3%	¥27.0 billion ≦ (9%–11%)	
Chain Business	¥11.0 billion	14.8%	¥13.6 billion	15.2%	¥16.3 billion	17.4%	¥15.5 billion	16.2%	¥15.3 billion	15.1%	¥12.0 billion ≦ (15% ≦)	
Motion Control Business	¥1.1 billion	5.7%	¥1.7 billion	7.3%	¥0.6 billion	2.9%	¥0.7 billion	3.3%	¥0.9 billion	4.1%	¥3.8 billion ≦ (12% ≦)	
Mobility Business	¥6.5 billion	9.9%	¥6.3 billion	8.3%	¥7.8 billion	9.2%	¥8.2 billion	9.1%	¥10.0 billion	10.3%	¥10.4 billion ≦ (11% ≦)	
Materials Handling Business	¥0.7 billion	1.4%	-¥0.8 billion	-1.5%	-¥1.1 billion	-1.8%	¥1.2 billion	1.8%	¥0.9 billion	1.4%	¥5.4 billion ≦ (6% ≦)	
Other	-¥0.4 billion	-14.4%	-¥0.5 billion	-16.7%	-¥0.9 billion	-27.7%	-¥0.8 billion	-23.5%	-¥1.1 billion	-23.4%	NA	
Net income (margin)	¥14.5 billion	6.7%	¥13.7 billion	5.5%	¥18.5 billion	7.0%	¥22.1 billion	7.9%	¥29.7 billion	10.0%	NA	
EPS	¥392.88		¥371.12		¥511.65		¥212.65 ^{*1}		¥295.80		NA	
Consolidated dividend payout ratio	30.5%		35.0%		31.3%		37.6%		35.0% ^{*2}		35% ≦	
ROE	7.4%		6.4%		7.7%		8.5%		10.7%		8% ≦	

*1: On October 1, 2024, the Company split its common shares at a ratio of 1 to 3; values for FYE March 2025 are calculated as though the split had been executed at the beginning of the fiscal year

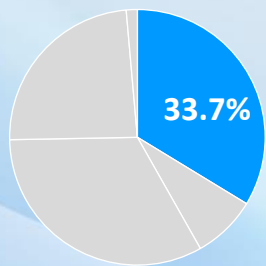
*2: The consolidated dividend payout ratio for FYE March 2026 is calculated excluding gain on bargain purchase and other items not associated with cash inflows

We made measurable progress on the four basic policies of Mid-term Management Plan 2025, particularly in strengthening our offensive with global top products and ESG-related initiatives. On the other hand, we recognize that we did not achieve enough in terms of developing next-generation businesses, expanding business with niche-leading products, and realizing revenue growth.

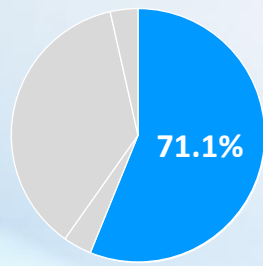
Basic policy	Business area	Evaluation	Success factors	Future issues
Create next-generation businesses that will enable sustainable growth	Enter into new business fields that address social issues	○	Advanced agribusiness predicated on building a safe and secure infrastructure for living	Make clear progress toward expansion and monetization in new businesses
	Create and develop new products and businesses to solve social issues	△	Established initial foundations for new mobility, human assistance, and engine-powered drone businesses	
Further establish market position and strengthen profitability of existing businesses	Global top products: Maintain and strengthen competitive advantage	○	Acquired German company EUROCATENA, developed world's smallest roller chain	—
	Niche-leading products: Expand sales by improving price competitiveness	△	Maintained appropriate retail prices, implemented corrective measures to address unprofitability in specific products	Generate multifaceted synergy from acquisition of DAIDO KOGYO
Strengthen business foundation through manufacturing reform and enhanced human resource development	Promote Company-wide initiatives to address common issues in safety, quality, labor-saving, and productivity	○	Strengthened employee engagement through productivity improvement initiatives at each plant, enhancement of employee development programs, wage increases, and health promotion initiatives	—
Strengthen ESG initiatives	Reduce total CO ₂ emissions	○	Installed in-house power generation facilities, purchased carbon-free power	—
	Enhance social value (CSV) through products	△	Reduced CO ₂ emissions through sustainable product development	Improve sustainable product net sales
	Strengthen governance and business infrastructure	○	Changed officer remuneration system indicators, improved maturity of BCP training	—

Net sales expansion exceeded expectations thanks to M&A, new product development, and stronger customer relationships.

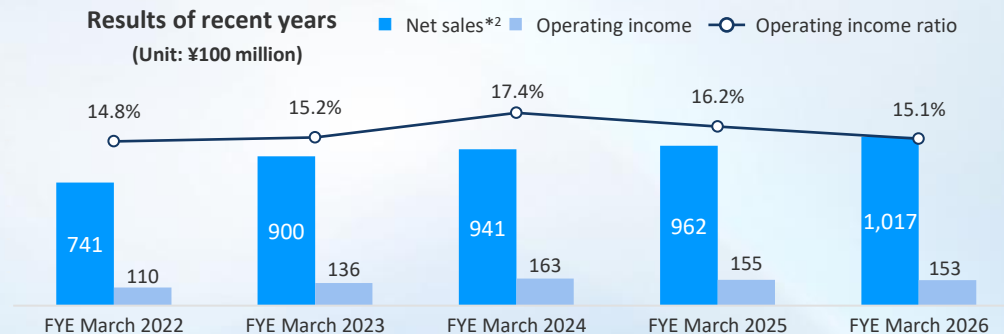
Share of net sales in most recent fiscal year*1



Share of operating income in most recent fiscal year*1



Results of recent years (Unit: ¥100 million)



Policy in Mid-term Management Plan 2025

Results of Mid-term Management Plan 2025

Future issues

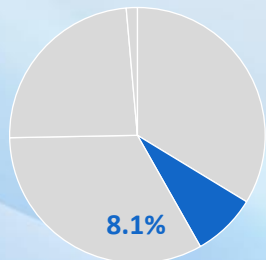
Business foundation expansion	<ul style="list-style-type: none"> Promote matrix management <ul style="list-style-type: none"> Expand sales in existing markets Expand presence in underserved areas 	<ul style="list-style-type: none"> Acquired German company EUROCATENA (2024) <ul style="list-style-type: none"> Established development/manufacturing base in Europe Opened local offices in underserved areas <ul style="list-style-type: none"> Expanded sales channels in India/Africa 	<ul style="list-style-type: none"> Existing markets: Maximize synergy with acquired companies through cross-selling of products, etc. New markets: Expand net sales in the Global South
	<ul style="list-style-type: none"> Marketing reforms <ul style="list-style-type: none"> Promote DX sales 	<ul style="list-style-type: none"> Introduced CRM/SFA Expanded into solution-type business 	<ul style="list-style-type: none"> Raise solution-type business share of net sales
	<ul style="list-style-type: none"> Innovation in product development <ul style="list-style-type: none"> Tailor product development to industry needs in each region 	<ul style="list-style-type: none"> Implemented product development through dialogue with end users <ul style="list-style-type: none"> World's smallest roller chain, etc. 	<ul style="list-style-type: none"> Promote market-focused product development through dialogue with end users Establish global product development system
Productivity improvement	<ul style="list-style-type: none"> Manufacturing reforms <ul style="list-style-type: none"> Strengthen profitability through productivity improvement by promoting automation/labor-saving 	<ul style="list-style-type: none"> Promoted capital investment and improvement activities (LinK 2025) toward automation/labor-saving 	<ul style="list-style-type: none"> Sustain manufacturing reforms <ul style="list-style-type: none"> Continue capital investment and improvement activities toward automation/labor-saving Make investments with an awareness of capital costs

*1: Values take into account the "Other" business segment, which is not included in reporting segments

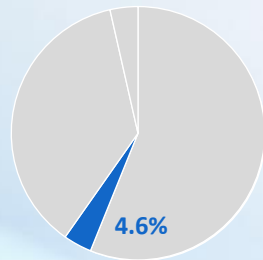
*2: Net sales include internal sales and transfers between segments

While the market stalled and net sales expansion was limited, we made steady progress in product development and built up our business foundation, primarily by expanding product coverage through M&A.

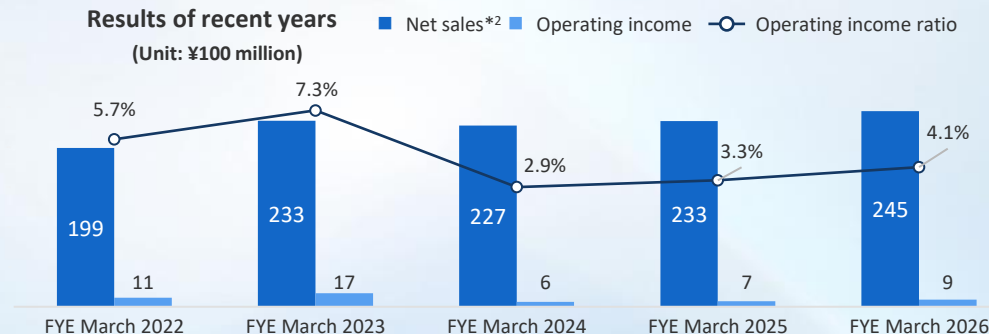
Share of net sales in most recent fiscal year*1



Share of operating income in most recent fiscal year*1



Results of recent years
(Unit: ¥100 million)



Policy in Mid-term Management Plan 2025

Results of Mid-term Management Plan 2025

Future issues

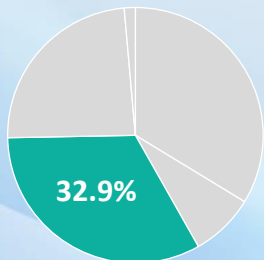
Business foundation expansion	<ul style="list-style-type: none"> Promote matrix management <ul style="list-style-type: none"> Expand sales in existing markets Expand presence in underserved areas 	<ul style="list-style-type: none"> Acquired US company ATR (2022) <ul style="list-style-type: none"> Expanded product coverage Opened local offices in underserved areas <ul style="list-style-type: none"> Expanded sales channels in India/Africa 	<ul style="list-style-type: none"> Existing markets: Maximize synergy with acquired companies through cross-selling of products Underserved areas: Strengthen sales outside Japan
	<ul style="list-style-type: none"> Marketing reforms <ul style="list-style-type: none"> Promote DX sales 	<ul style="list-style-type: none"> Introduced CRM/SFA Expanded into solution-type business 	<ul style="list-style-type: none"> Raise solution-type business share of net sales
	<ul style="list-style-type: none"> Innovation in product development <ul style="list-style-type: none"> Tailor product development to industry needs in each region 	<ul style="list-style-type: none"> Implemented product development through dialogue with end users, completed development of arc chain actuator Launched modular products, developed hydraulic replacement cylinders Brought DC brushless motor manufacturing in-house 	<ul style="list-style-type: none"> Promote market-focused product development through dialogue with end users Establish global product development system
Productivity improvement	<ul style="list-style-type: none"> Manufacturing reforms <ul style="list-style-type: none"> Strengthen profitability through productivity improvement by promoting automation/labor-saving 	<ul style="list-style-type: none"> Promoted capital investment and improvement activities (Connect 2025) toward automation/labor-saving 	<ul style="list-style-type: none"> Sustain manufacturing reforms <ul style="list-style-type: none"> Continue capital investment and improvement activities toward automation/labor-saving Make investments with an awareness of capital costs

*1: Values take into account the "Other" business segment, which is not included in reporting segments

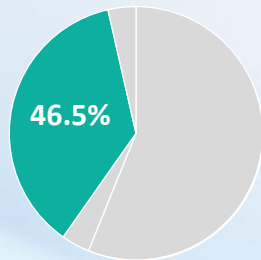
*2: Net sales include internal sales and transfers between segments

Although net sales were generally in line with plans, operating income ratio fell short of the target. On the other hand, we are making clear progress on launching new products, reorganizing production bases, and the like.

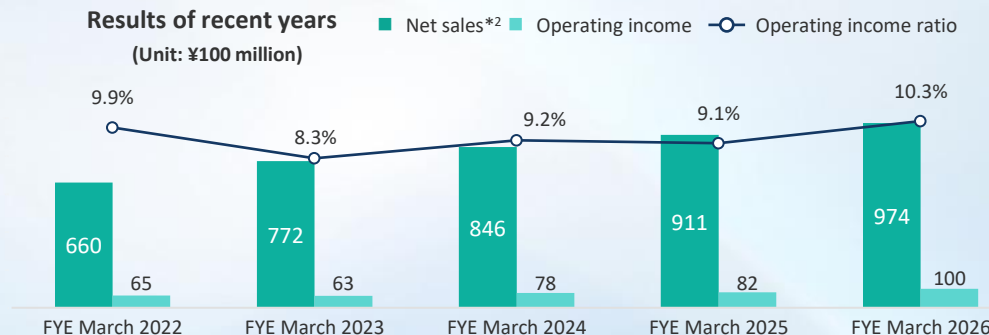
Share of net sales in most recent fiscal year*1



Share of operating income in most recent fiscal year*1



Results of recent years (Unit: ¥100 million)



Policy in Mid-term Management Plan 2025

Results of Mid-term Management Plan 2025

Future issues

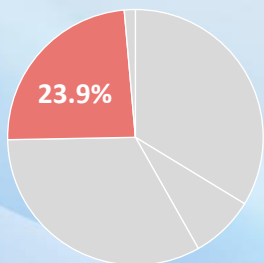
	Policy in Mid-term Management Plan 2025	Results of Mid-term Management Plan 2025	Future issues
Business foundation expansion	<ul style="list-style-type: none"> Maximize profits of internal combustion engine business 	<ul style="list-style-type: none"> Consolidated locations <ul style="list-style-type: none"> Consolidated locations in Thailand, Europe, and China Conducted value analysis (VA) activities <ul style="list-style-type: none"> Implemented cost reductions throughout the value chain Developed/won business for eco-friendly vehicle models (HEV/PHEV) 	<ul style="list-style-type: none"> Continue location optimization activities Continue VA activities Develop/win more business for burgeoning eco-friendly vehicle models, with new customers primarily from China
	<ul style="list-style-type: none"> Establish new businesses <ul style="list-style-type: none"> Non-internal combustion engine business 	<ul style="list-style-type: none"> Expanded automotive clutch business <ul style="list-style-type: none"> In FY2024, received first order for one-way clutches for power mode switching in PHEVs Demand currently on the rise in Japan, Europe, and China 	<ul style="list-style-type: none"> Automotive clutch: <ul style="list-style-type: none"> Expand business for diverse applications Promote further product development in non-internal combustion engine area
Productivity improvement	<ul style="list-style-type: none"> Manufacturing reforms Strengthen profitability through transformation into flexible, streamlined factories that are comfortable for employees 	<ul style="list-style-type: none"> Promoted capital investment and improvement activities (MAC 2025) toward automation/labor-saving 	<ul style="list-style-type: none"> Sustain manufacturing reforms <ul style="list-style-type: none"> Continue capital investment and improvement activities toward automation/labor-saving Make investments with an awareness of capital costs

*1: Values take into account the "Other" business segment, which is not included in reporting segments

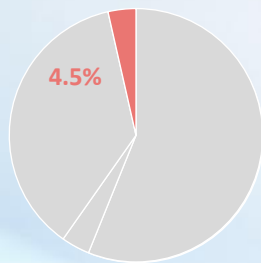
*2: Net sales include internal sales and transfers between segments

Despite efforts to turn around Central Conveyor Company (USA) and enhance after-sales service to expand recurring revenue, the situation remains challenging, and the targets were not achieved.

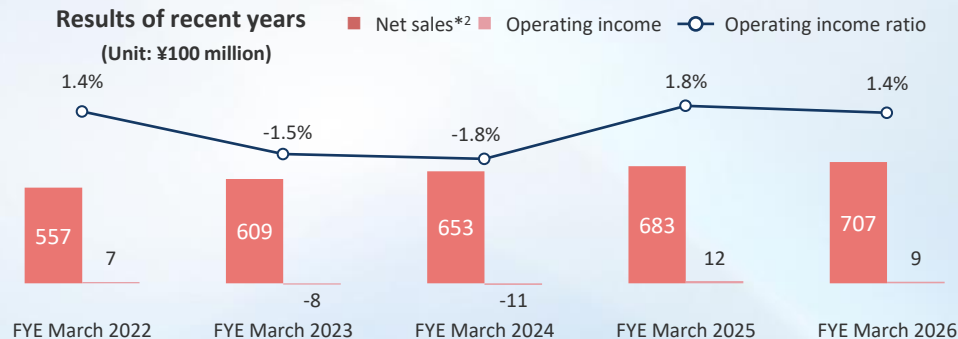
Share of net sales in most recent fiscal year*1



Share of operating income in most recent fiscal year*1



Results of recent years
(Unit: ¥100 million)



Policy in Mid-term Management Plan 2025

Results of Mid-term Management Plan 2025

Future issues

Business foundation expansion

- Turn around Central Conveyor Company (USA)

- Strengthen core technologies, advanced technologies, and engineering capabilities

- Expand maintenance business

- Expand system integration business

- Changed management structure
- Established a business model that does not rely on major customers

- Developed practical applications for world-leading AI image recognition technology
- Developed new products for warehouse automation/DX promotion
- Enhanced ceiling conveyor equipment

- Provided maintenance services for competitors' products
- Expanded after-sales business for Tsubaki Group

- Expanded solutions development
 - Expanded services for Nexa Ware (joint venture with KDDI)
 - Expanded presence in the Indian market through the newly consolidated company

- Improve net sales growth rate
- Further promote organizational restructuring

- Use AI image recognition technology to promote DX in core operations and transition to data-driven business
- Strengthen variation of ceiling conveyors

- Further expand recurring revenue

- Further expand solutions development

Recorded impairment loss at Central Conveyor Company (USA)

In FYE March 2026, we recorded an impairment loss of ¥4,214 million to write down the entire book value of customer-related assets and trademark rights. Consequently, the remaining book value of these intangible fixed assets is now zero.

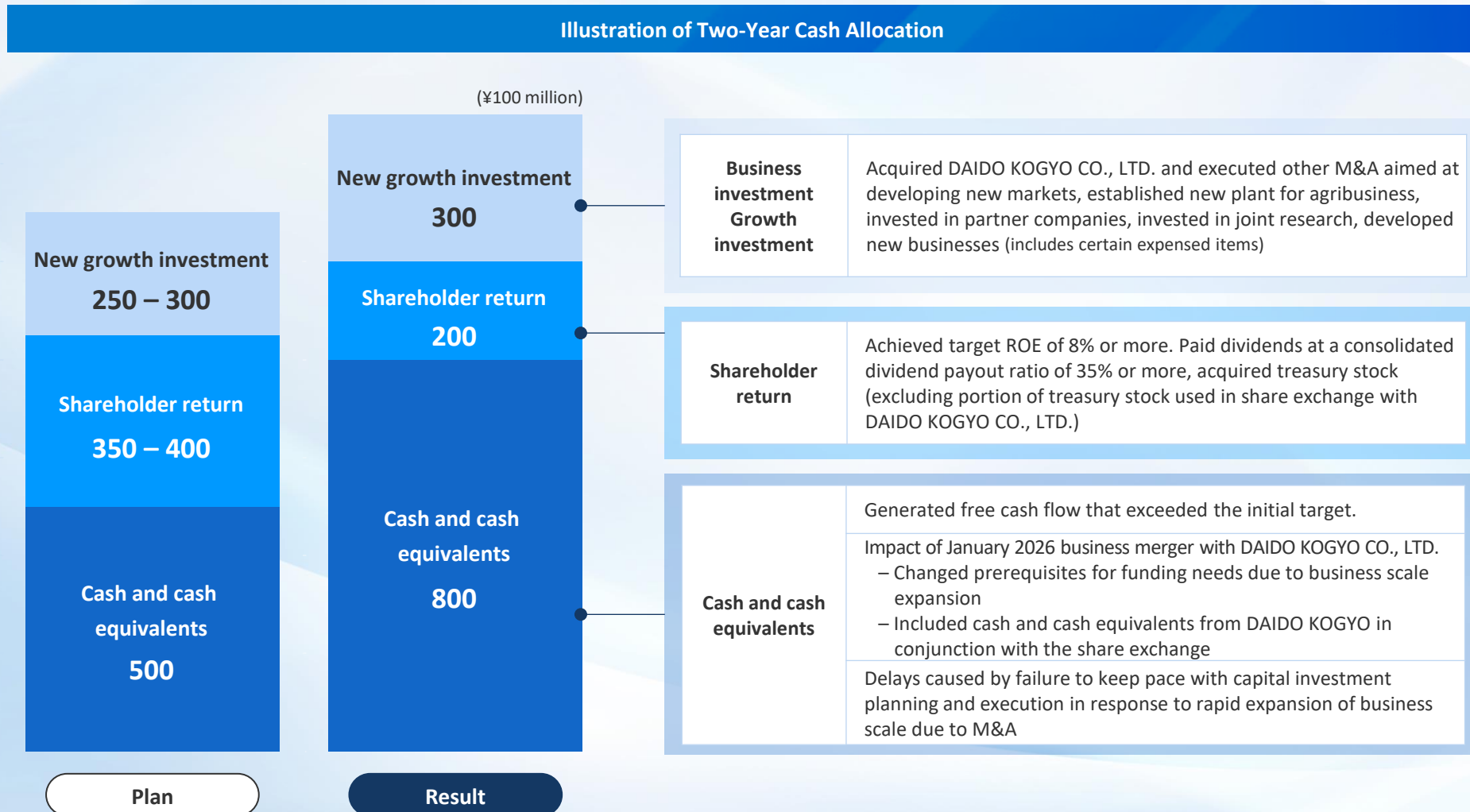
*1: Values take into account the "Other" business segment, which is not included in reporting segments

*2: Net sales include internal sales and transfers between segments

Mid-Term Management Plan 2025 Non-Financial KPI Targets and Results

	KPI	Mid-term Management Plan 2025 target	Result
E Environment	Climate change/CDP score	B	B
	Carbon neutrality (CO ₂ emissions reduction)	(Japan) 30% reduction compared with FY2013 levels	(Japan) 43.8% reduction
	Total external emissions reduction rate	10% reduction per unit of production value compared with FY2013 levels (Japan) 50% of all locations achieve 15% reduction (Overseas) 100% implementation rate of Global Environmental Management Manual	10 of 11 locations achieved 15% reduction (91% achievement rate) 100% (KPI data collection rate)
	Recycling rate	(Japan) 99% or more	5 of 11 locations achieved target (45% achievement rate)
S Society	Human rights due diligence implementation	100% implementation rate at all Group companies in Japan and overseas	100% implementation rate at all Group companies in Japan and overseas
	Employment rate of people with disabilities	2.7% (Company)	3.08% (Company)
	Percentage of senior roles held by women	10% (FY2030)	5.2%
	Number of companies issuing sustainability guidelines (cumulative)	1,500 companies	1,611 companies
G Governance	Number of serious violations of company rules	0	0
	Number of operators completing BCP reconstruction	FY2023: 17	Completed June 2023
	Number of serious system incidents	0	0

We generated free cash flow that exceeded the initial target. As for shareholder returns, we were unable to achieve the target due to unexpected events, for example the use of treasury stock in a share exchange with DAIDO KOGYO. Consequently, cash and cash equivalents stood at ¥80.0 billion at the end of the fiscal year.



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Long-Term Vision 2030

Long-Term Vision 2030 based on the corporate philosophy we call the Tsubaki Spirit
Launched in FY2021

Tsubaki Group corporate philosophy

TSUBAKI SPIRIT

TSUBAKI's Mission

Advance the "art of moving" beyond expectations

TSUBAKI's Aspiration

Monozukuri specialists taking the craft of manufacturing to new heights

Principle of Action

- Innovate and take on challenges with passion and courage
- Take quick action and be responsive to change
- Promote internal and external teamwork for co-creation
- Create flexible ideas through our originality and ingenuity
- Take pride in the Tsubaki brand and make safety and quality our No.1 priority

Founding Philosophy | Value-discerning open-mindedness and cooperation

The direction we want to go/What we want to be

The Tsubaki Group aims to be a corporate group that contributes to solving the following three social issues through technology domains that are highly functional and highly automated.



Creating a people-friendly society



Building a safe and secure infrastructure for living



Creating an Earth-friendly society

Mid-Term Management Plan 2030

The final five-year period, aiming for more sustainable growth by establishing a robust business foundation and strengthening collaboration between technology and marketing, while working toward realizing what we want to be under Long-Term Vision 2030

Tsubaki Group growth stages



Long-Term Vision 2030

The Tsubaki Group aims to be a corporate group that contributes to solving the following three social issues through technology domains that are highly functional and highly automated.

- Creating a people-friendly society
- Building a safe and secure infrastructure for living
- Creating an Earth-friendly society

	Mid-term Management Plan 2016	Mid-term Management Plan 2020	Mid-term Management Plan 2025	Mid-term Management Plan 2030 target
Net sales	¥198.7 billion	¥193.3 billion	¥295.8 billion	¥450.0 billion or more
Operating income	¥21.6 billion	¥8.8 billion	¥21.5 billion	¥45.0 billion or more
Operating income ratio	10.9%	4.6%	7.3%	10.0%
ROE	9.9%	4.8%	10.7%	10.0%

Phase II Plan of Long-Term Vision 2030 (FY2026–FY2030)

The Tsubaki Group aims to be a corporate group that contributes to solving the following three social issues through technology domains that are highly functional and highly automated.



Creating a people-friendly society



Building a safe and secure infrastructure for living



Creating an Earth-friendly society

Basic policy

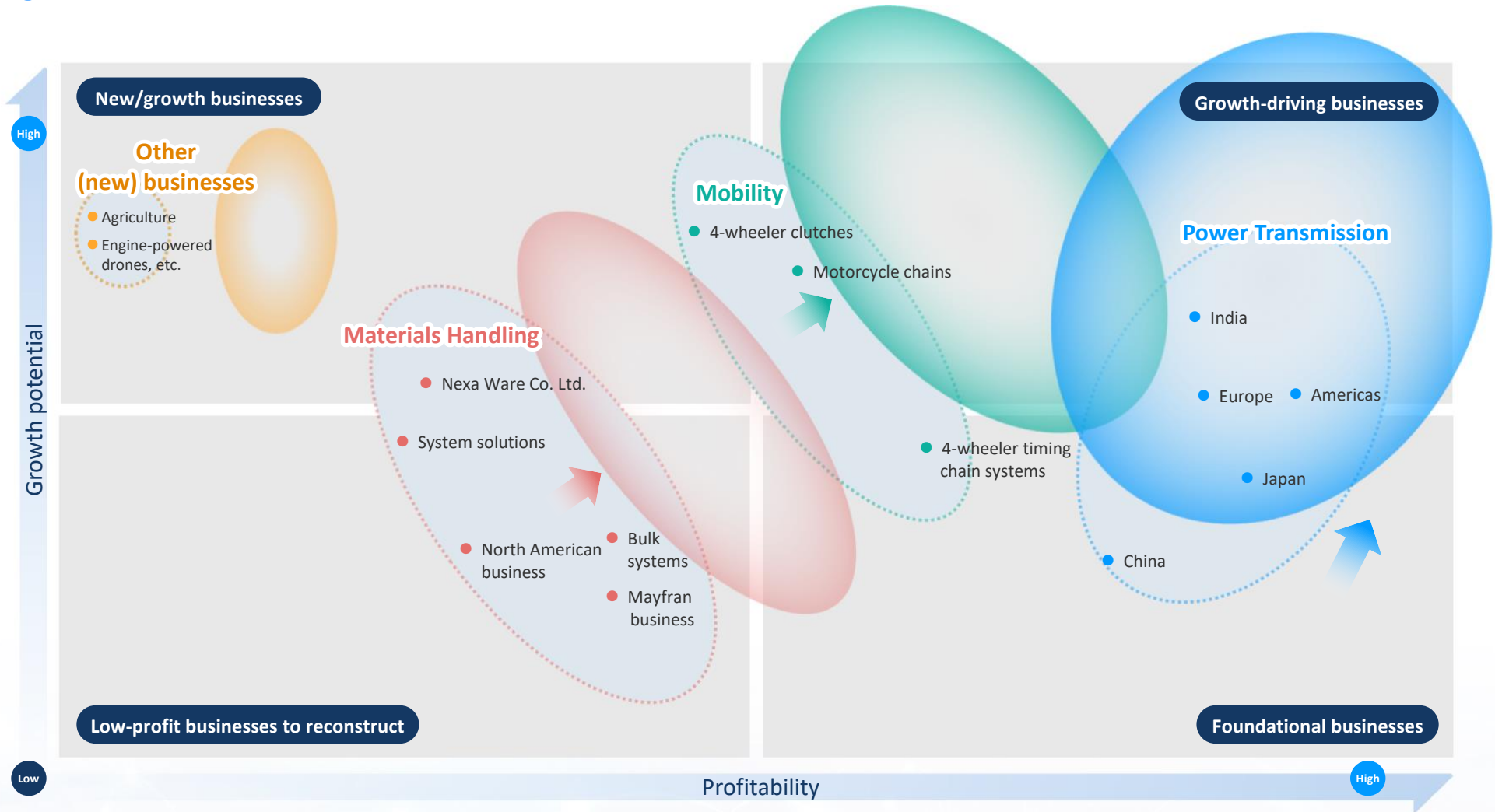
- 1 Shifting focus from quantity to quality to enhance profitability and establish a robust business foundation
- 2 Accelerating the commercialization of new businesses through selection and concentration to achieve sustainable growth
- 3 Creating future core businesses that transcend existing frameworks
- 4 Driving new businesses by strengthening collaboration between technology and marketing
- 5 Strengthening the functions of global Group headquarters while deepening ESG management

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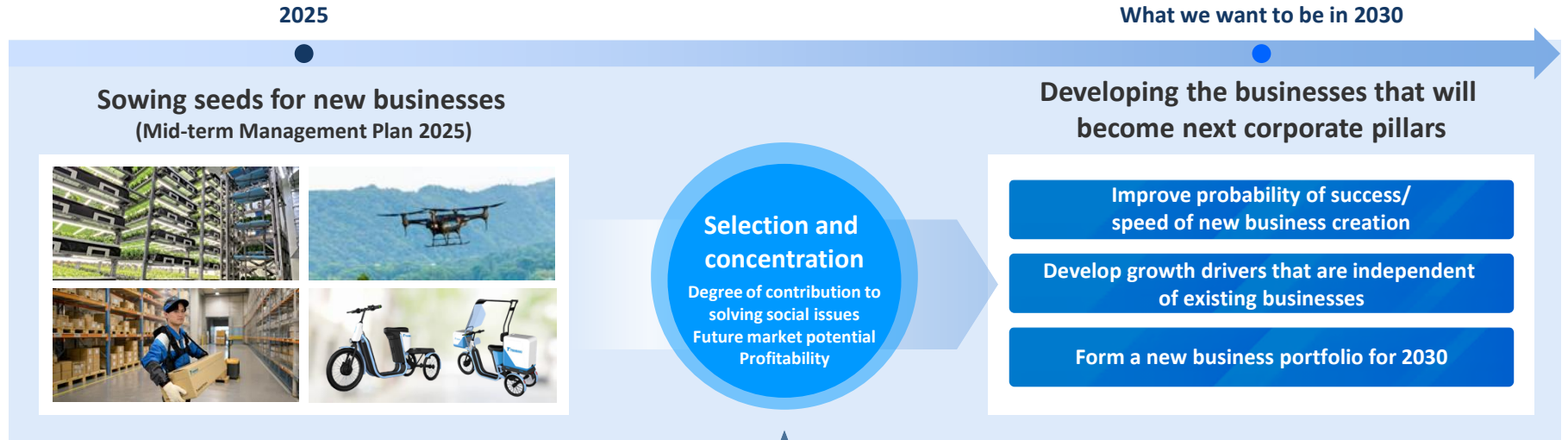
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1 Shifting focus from quantity to quality to enhance profitability and establish a robust business foundation

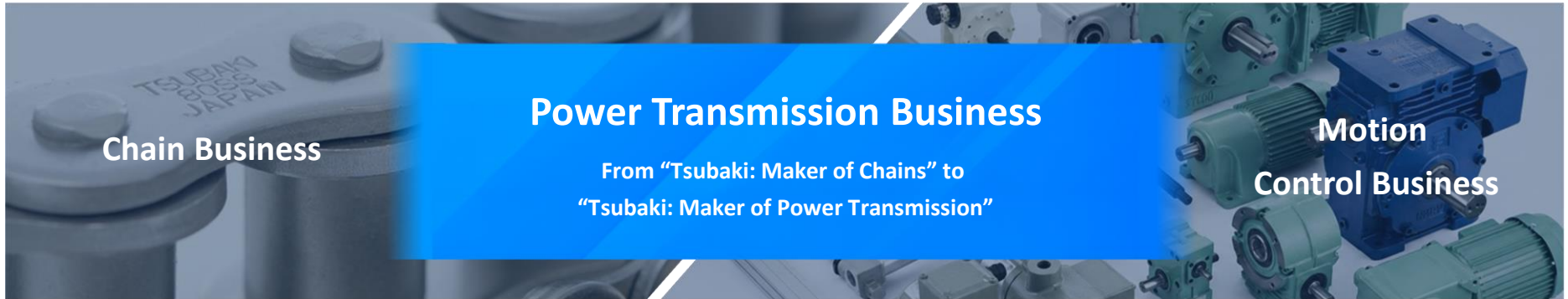


Strive to improve profitability in low-profit areas and further strengthen growth-driving businesses

2 Accelerating the commercialization of new businesses through selection and concentration to achieve sustainable growth



3 Creating future core businesses that transcend existing frameworks



Create total solutions with power transmission and conveyors, and develop and release new products



Sales model

Use our comprehensive strengths in power transmission to expediently provide higher-value solutions



Revenue model

Expand after-sales business, and continue product adoption/replacement to expand profits



Data infrastructure

Promote cross-selling/upselling by applying CRM/SFA



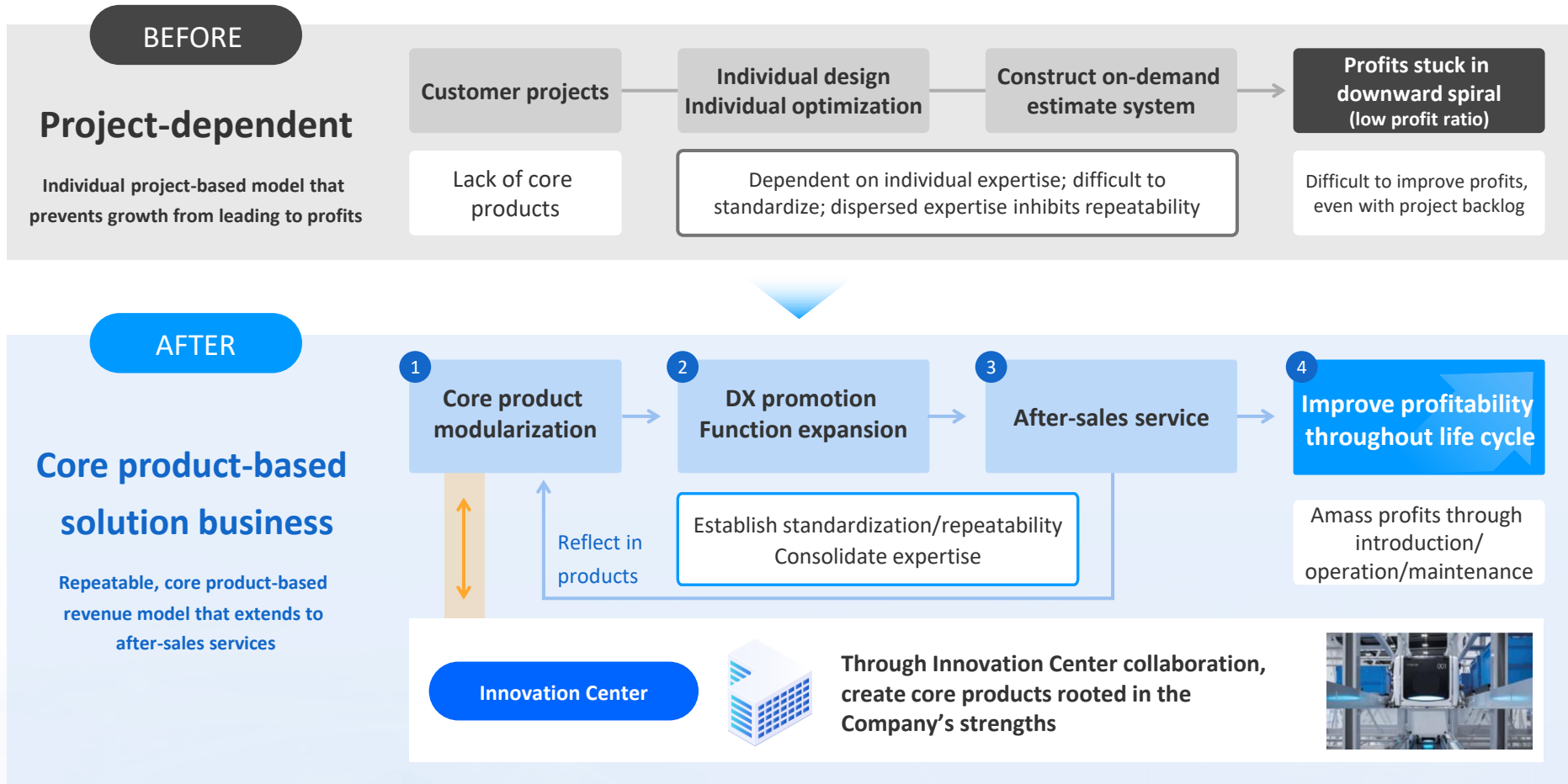
Align with customer issues, use insight-generating proposals and ongoing relationships—including after-sales business—to boost sales and profitability

Combine core technologies to create new complex products

3 Creating future core businesses that transcend existing frameworks

From Materials Handling Division to System Solutions Division:

Change business model from project-dependent solutions to manufacturer-type solutions based on core products



4 Driving new businesses by strengthening collaboration between technology and marketing

Background of establishment of Innovation Center

With technology development, commercialization, and market validation divided into separate functions, both speed and probability of success were declining

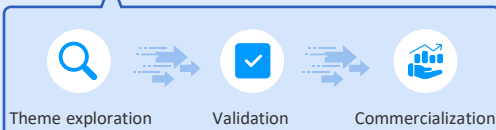


Roles of Innovation Center

Collaboration across R&D, marketing, and business



Roles as a hub for accelerating commercialization



Roles as a hub for co-creation with internal/external entities

Specific functions of Innovation Center

- 1 **Create themes based on customer and social issues, establish systems to drive projects through to commercialization**
Small-scale investment to expedite validation, decisions on withdrawing
- 2 **Support for smooth transfer to business divisions/ scaling**
- 3 **Develop human resources for next-generation businesses/technology**
- 4 **Strengthen Company-wide marketing**

Aspirations

Create new businesses
Improve repeatability

Advance existing
businesses

Systematically
amass seeds
for 2030 growth

5 Strengthening the functions of global Group headquarters while deepening ESG management

We will evolve into a form of management that designs value creation and capital circulation through the six types of capital. As the global Group headquarters, we will coordinate initiatives across all regions and businesses to achieve both growth and capital efficiency.

Financial capital

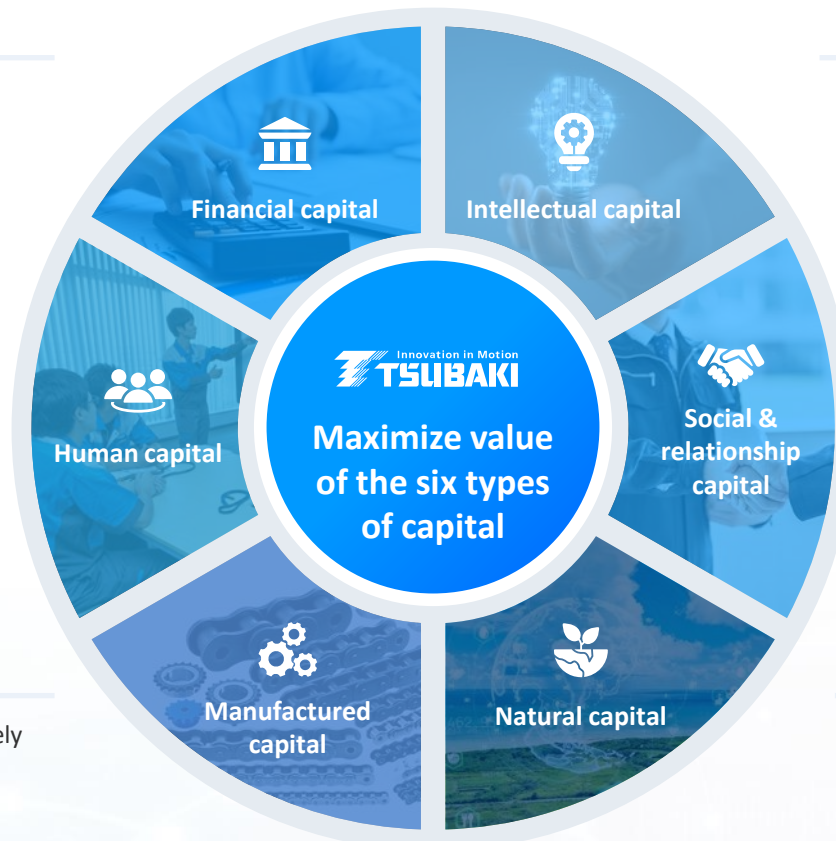
Improving capital efficiency and utilizing flexible financing to support the Tsubaki Group's profitability strengthening and growth strategies.

Human capital

Investing in human resources to improve working conditions and work environments, support personnel development, and acquire new talent, helping to maintain a high level of employee engagement and enabling systematic and optimal allocation of personnel throughout the Group.

Manufactured capital

Achieving efficient investment by appropriately providing and making full use of information systems, facilities, and other tangible assets across the Group.



Intellectual capital

Recognizing intellectual property and brand value as future sources of revenue, and managing them appropriately while striving to enhance value.

Social & relationship capital

Based on multi-stakeholder policy, building trust and networks in all directions.

Natural capital

Continuing to implement initiatives to prevent damage to the natural environment and natural resources, which are essential for business continuity.

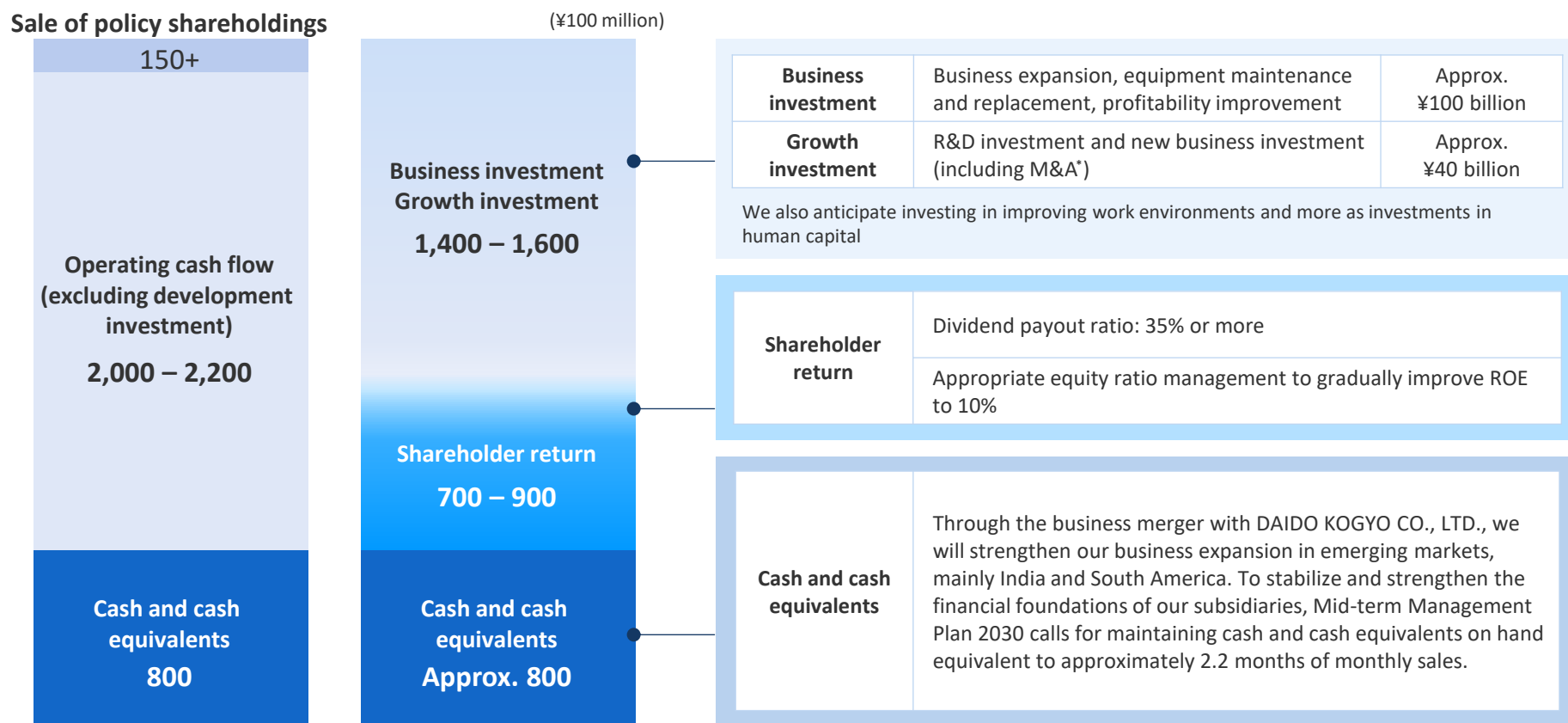
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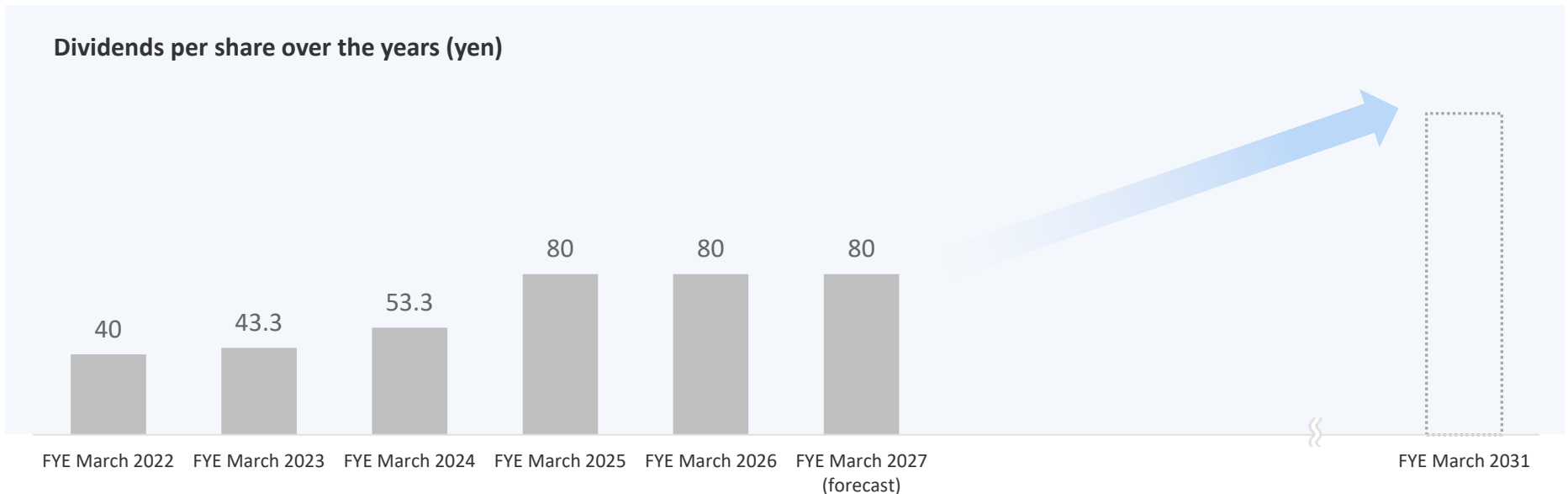
We will allocate cash flows generated from business operations and asset monetization toward further business expansion through growth investments and maintaining and strengthening existing businesses. We will also strive to improve capital efficiency with the aim of achieving an ROE of 10%.

Illustration of Five-Year Cash Allocation



* Major M&A considered separately

We will return cash generated to shareholders in the form of dividends at a level commensurate with profitability.



* On October 1, 2024, the Company split its common shares at a ratio of 1 to 3. Values shown here are calculated as though the split had been executed at the beginning of FYE March 2022.

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Consolidated target values

Net sales	Operating income	Operating income ratio	ROE
¥450.0 billion or more	¥45.0 billion or more	10%	10%

Segment target values

	Net sales (¥100 million)	Operating income (¥100 million)	Operating income ratio
Power Transmission Business	1,600	230	14.4%
Mobility Business	1,700	200	11.8%
Materials Handling Business	960	50	5.2%
Other	300	7	2.3%
Eliminations/Company-wide expenses	-60	-37	-
Total	4,500	450	10%

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Mid-Term Management
Plan 2030

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What we want to be in 2030

Power Transmission Business

As a business dedicated to creating the future of power transmission, this business is the linchpin for driving power that underpins global industry and social infrastructure, and will continuously contribute to enhancing customer value and solving social challenges

Basic Policy

Expand market share



Maintain/expand share of major markets
Further strengthen technological advantages

Improve profitability



Further improve profitability by combining total solutions with after-sales business

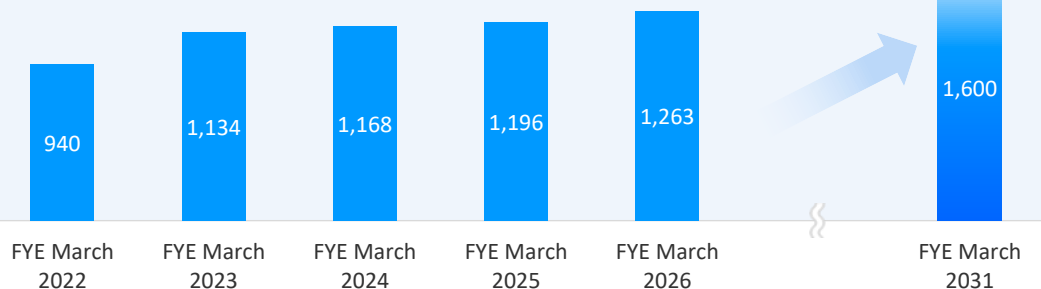
Change business model



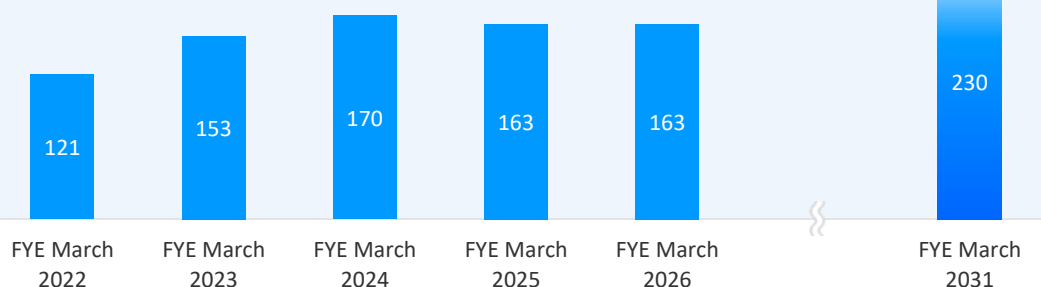
We intend to extend touchpoints with customers to include after-sales business.
We will make customer-centric proposals and leverage data to build a sustainable earnings base.

Performance Targets

Net sales (Unit: ¥100 million)



Operating income (Unit: ¥100 million)



* Values from previous years are sums of the Chain Business and Motion Control Business at the time

What we want to be in 2030
Power Transmission Business

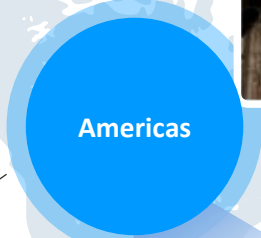
Matrix operation (in terms of regions and products) to promote a “glocal” strategy*

* A portmanteau of “global” and “local”



Strengthen lead time/price competitiveness through local production to increase market share

We have conquered the long-standing challenge of securing a local manufacturing location for large size conveyor chains, fundamentally improving our competitiveness in terms of lead times and pricing. We will take steps to secure a manufacturing location for small size conveyor chains and shift to local production in an effort to expand our market share.



Amid infrastructure investment and resource industry expansion, enhancing cost competitiveness through local manufacturing to expand sales

With a view to leveraging DAIDO KOGYO’s locations, we will establish cost competitiveness and expand sales through local manufacturing.

ATRA-FLEX® couplings

Capturing replacement demand and using results in North America to capture Central/South America and expand growth

We estimate that our share of the North American coupling market is roughly 1%; there is substantial room for growth, primarily from demand for updating and replacing existing products. Our products require little maintenance and are easy to replace, and thus are highly compatible with large-scale equipment industries (including papermaking, mining, steelmaking, and oil & gas) that prioritize operating rates and maintenance costs. We will standardize our performance and application track record in North America and collaborate with DAIDO KOGYO to expand into Central and South America. We anticipate growth represented by a CAGR of roughly 6%.

Continuing the evolution of RS Roller Chain: Model changes every 10 years to remain an unrivaled manufacturer

Developing new models tailored to each generation, delivering world-class performance and longer service life. Next generation to be released as early as 2027.

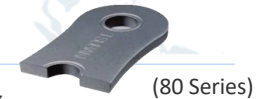
1960

1969 53 Series Achieved world-class performance

1976 60 Series Achieved world-leading performance

1985 70 Series 20% increase in wear life

1995 80 Series Developed Ring Coin processing for connecting links, achieved 25% improvement in transmission capacity and 30% improvement in wear life



(80 Series)

2000

2006 G7 Developed LD solid bushings, achieved 33% improvement in transmission capacity and double the wear life

2016 G8 Centennial model, achieved 1.2 times greater wear life with the development of corrosion-resistant lubricant



(G7)

2027

2027 G9 Improved wear performance and fatigue strength under development (to be released in autumn)

What we want to be in 2030

Mobility Business

Through innovative manufacturing, developing new products that contribute to the advancement of next-generation mobility to create a society that is friendly to people and the Earth

Basic Policy

Expand market share



4-wheelers

Motorcycles

Dramatically boost market share of timing-chain business
Expand sales in global market

Improve profitability



Establish a global system capable of consistently supplying high-quality, low-cost products in an effort to maximize profits

Change business model

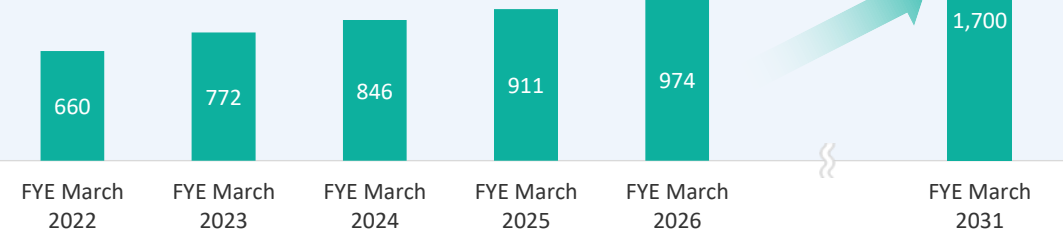


With an eye toward developing next-generation electric mobility, strive to swiftly establish clutch business and other businesses

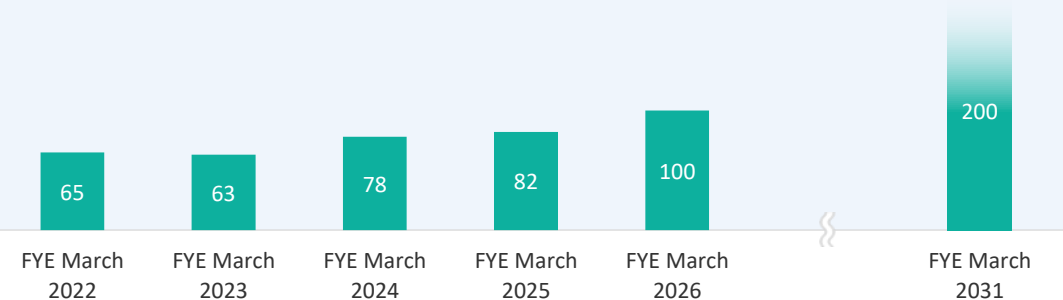
Performance Targets

Net sales (Unit: ¥100 million)

CAGR 11.8%



Operating income (Unit: ¥100 million)



Manufacturing reforms for evolving existing businesses (4-wheelers/motorcycles)

Promote globally optimized production to expand net sales and maximize profits

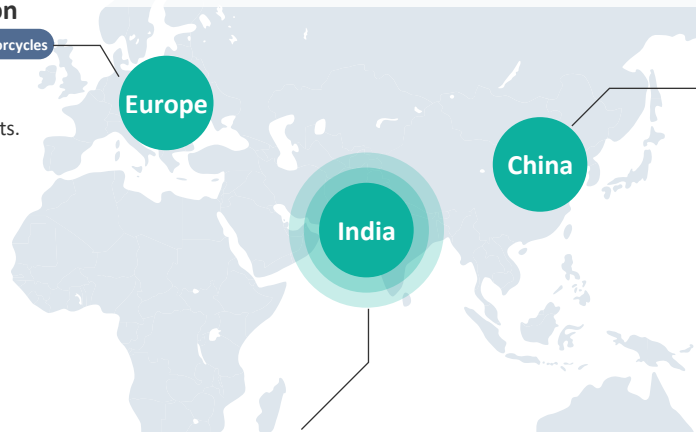
<p>POINT 1</p> <p>Change to a manufacturing structure that enhances productivity and profitability</p> <p>Automation, labor-saving, cost reduction</p>	<p>POINT 2</p> <p>Build a production base to provide a consistent supply worldwide</p> <p>Globally optimized production, bolstering overseas manufacturing capacity</p>	<p>POINT 3</p> <p>Create sustainable workplaces that do not rely on humans</p> <p>Safety, human resources, work styles</p>
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Strengthen collaboration between locations Motorcycles

Leverage sales locations of the Company and DAIDO KOGYO to expand sales and increase profits.



Tsubakimoto Europe B.V.



Capture the Global South 4-wheelers Motorcycles

Leverage DAIDO KOGYO's existing locations to accelerate market capture in both the motorcycle and automotive sectors. Establish them as core locations for future expansion into emerging markets in an effort to expand sales.

Consolidate locations, strengthen functions 4-wheelers Motorcycles

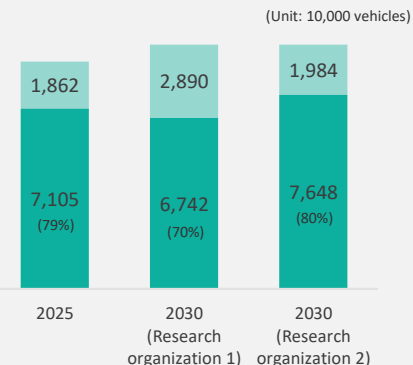
Consolidate locations to control fixed costs. Streamline production and operations in an effort to maximize profits. Capture growth opportunities in the market for medium and large motorcycles and clarify roles between locations and enhance functions in an effort to increase sales.



DAIDO INDIA PVT. LTD.

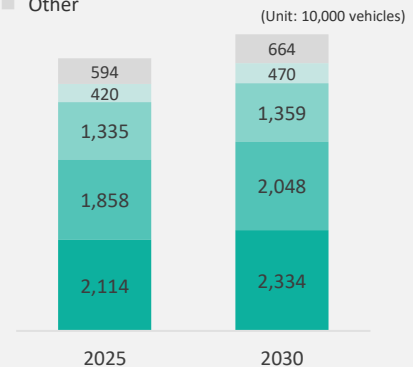
Automobile production volume forecast 4-wheelers

ICE BEV



Motorcycle production volume forecast Motorcycles

India China ASEAN Central/South America Other



Efforts to Commercialize New Businesses: Clutch Business

Identify control and safety requirements associated with electrification and focus on parking lock clutches.
Advance into the commercialization phase as a potential next pillar of Mobility Business.

Potential of clutch business

Our strengths match needs for clutches in an era of electrification and integrated control

Needs for clutches

Control needs for connecting and disconnecting power sources for different applications
Advancements in mechanical switching and holding mechanisms
Mechanisms that ensure safety independent of electricity
(long-term durability and reliability)



Tsubaki's strengths

Design, processing, mass production, and quality control capacity
Track record with parts requiring high reliability

Initiatives to date



Acquired track record in automotive one-way clutches

- Amassed expertise in designing and mass-producing automotive clutches
- Strengthened ability to accommodate customer requirements (safety, durability, cost)
- Identified suitable areas through prototyping and evaluation

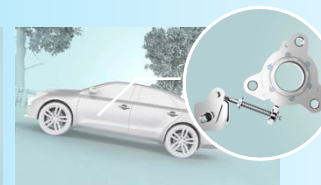
Future initiatives

Core theme

Parking lock clutches



Clutch for Parking Lock system



Features

- (1) Compact, space-saving
- (2) Mechanical locking mechanism ensures secure locking (locks during power outages and malfunctions)
- (3) Low power consumption (no power consumed to stay locked = Zero standby power design)
- (4) Simple structure ensures high reliability and cost competitiveness

To the commercialization phase as a potential next pillar

What we want to be in 2030

Materials Handling Business

Change the business model to create manufacturing floors that never stop, achieving consistent production to contribute to solving labor shortages, logistics bottlenecks, and other social issues

Basic Policy

Improve profitability



Change business model and restructure business foundation, standardization through development of modular products, versatile manufacturing and cost reduction

Expand business area



Spin off ProService solutions business, include maintenance of competitors' products in scope of services

Promote overseas expansion

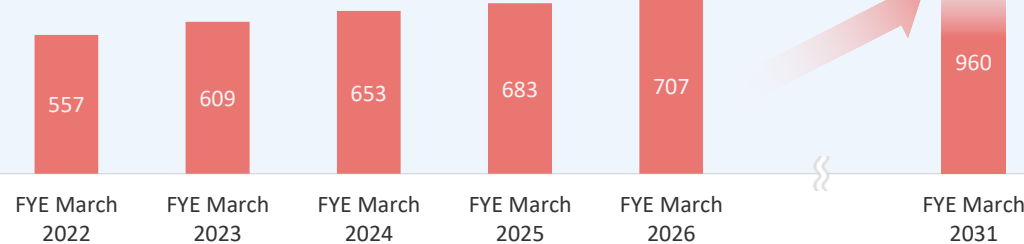


Expand bulk systems business into Europe, USA, and Indian Ocean Rim

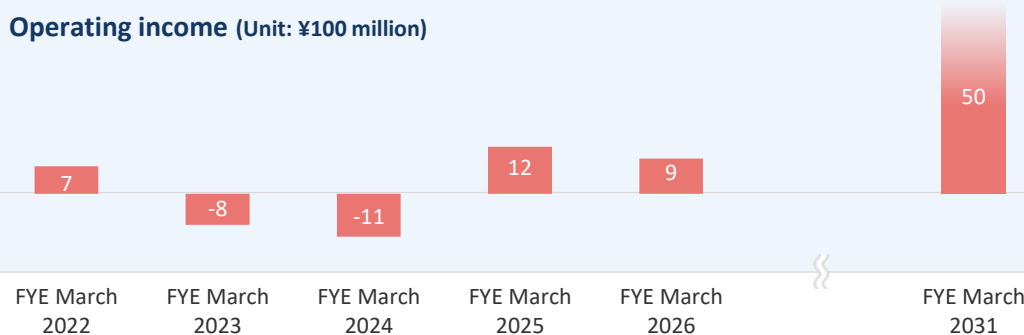
Performance Targets

Net sales (Unit: ¥100 million)

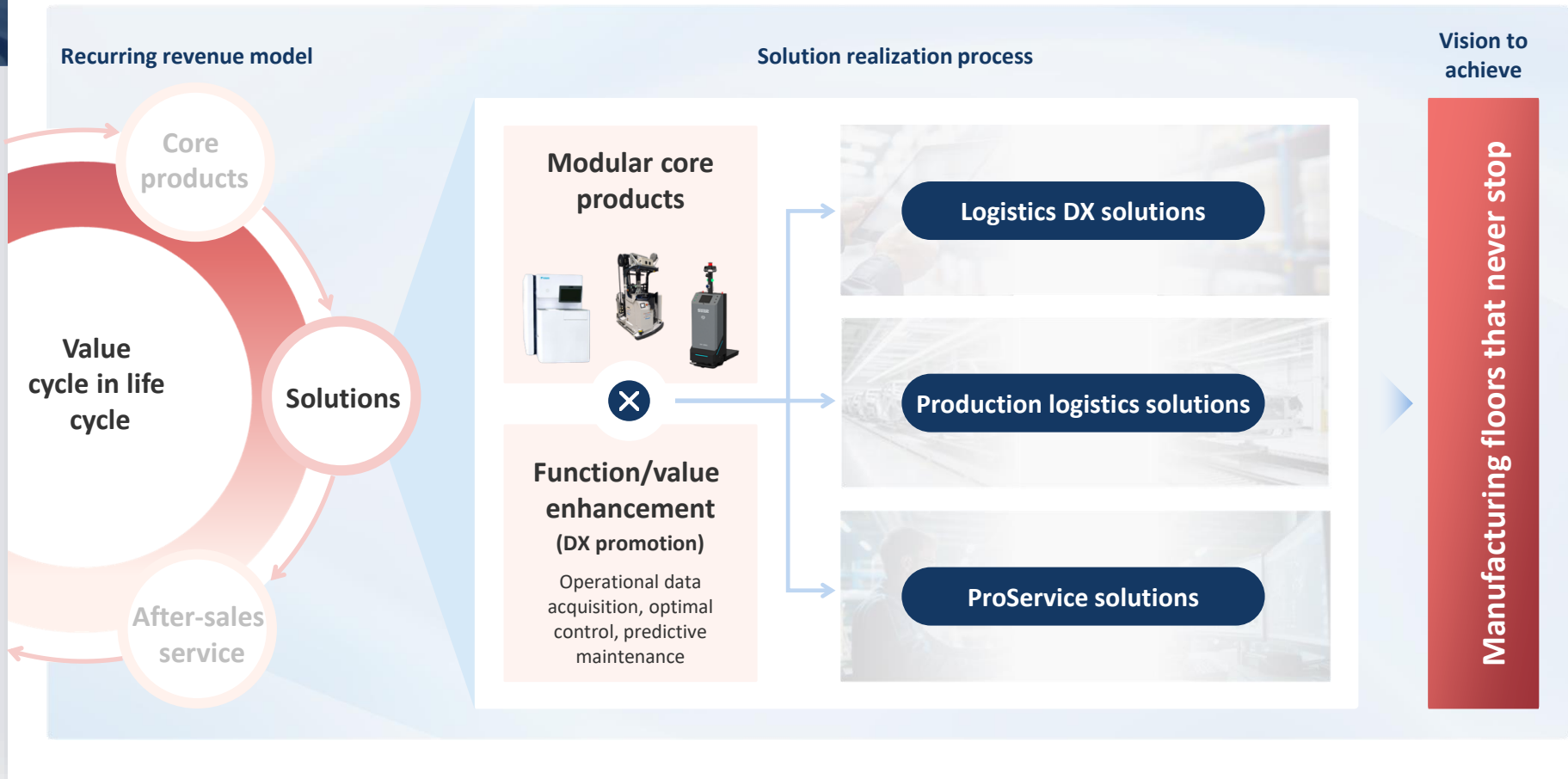
CAGR 6.3%



Operating income (Unit: ¥100 million)



Providing logistics DX/production logistics/professional service solutions to contribute to realizing manufacturing floors that never stop



Establish global competitiveness

Expand to North America, India

Expand production logistics solutions and logistics DX solutions centered on core products

Replicate businesses in Japan in the rest of the world (North America, India)

Production logistics solutions

Logistics DX solutions

North America

Features of the North American market

- Surging personnel cost → Drastic need for automation
- High tolerance for standard/modular products
- Customers value not only competitive pricing, but also immediate operability and reliability

	Target	Value provided
Production logistics solutions	Automobile manufacturing lines	Expand centered on Zip Chain Lifter. Realize stable operation, high durability, short lead times. → Establish position as a partner that supports production lines that never stop in the North American automotive industry

India

Features of the Indian market

- Fast-growing manufacturing/logistics industries
- Government-led progress of automation and conversion to smart factories
- Market with ample room for growth

	Target	Value provided
Production logistics solutions	Process industries dealing with cement and other powdered and granular materials, raw materials, and resources	Optimization strategies for high-volume processing and stable production: Production logistics solutions based on core products, centered on bulk systems → Supports high-volume processing environments where minimizing downtime is essential.
	Capturing Japanese automobile manufacturers	Based on track record, shift to local production of core products and introduce cost-competitive equipment
Logistics DX solutions	Large-scale logistics capable of accommodating high volumes	Standardized logistics DX centered on sorting machines and other equipment



Reorganizing the North American Materials Handling Business

Implement structural reforms (consolidation/strengthening of engineering functions) to resolve issues and enhance our proposal and execution capacity in North American business

Present issue

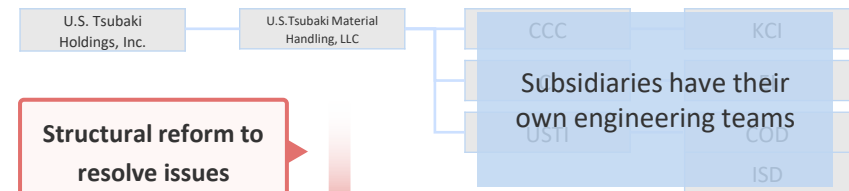
Engineering functions and human resources are scattered across many companies in the USA, weakening their proposal and execution capacity

Strengthen engineering capabilities, mainly through reorganization

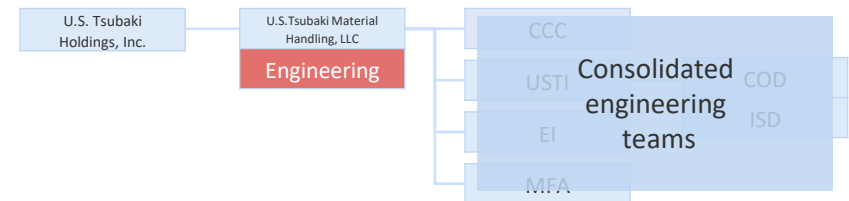
To ensure business continuity and maintain sales in the North American automotive industry, we must secure a framework based on labor conditions set by labor unions as required for projects with major automobile manufacturers. Central Conveyor Company (USA) is a strategic location toward that end.

- Consolidate engineering teams
- Integrate brand and organization (Tsubaki brand)
- Consolidate project management/technical knowledge
- Boost capabilities in the workplace, including safety, quality, and recurrence prevention

Previous organizational structure



New organizational structure

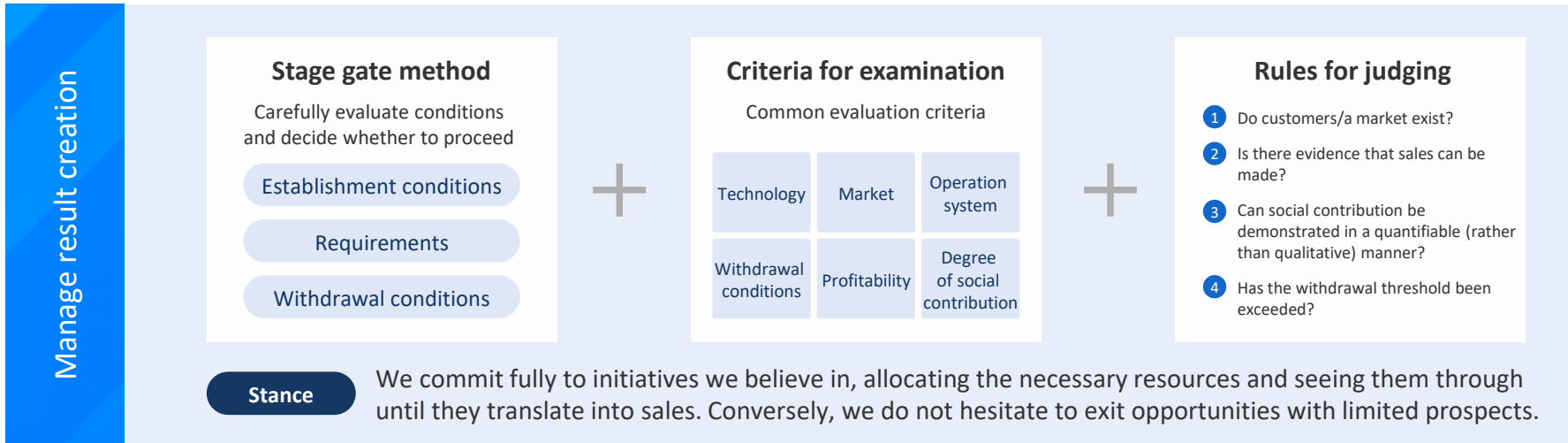
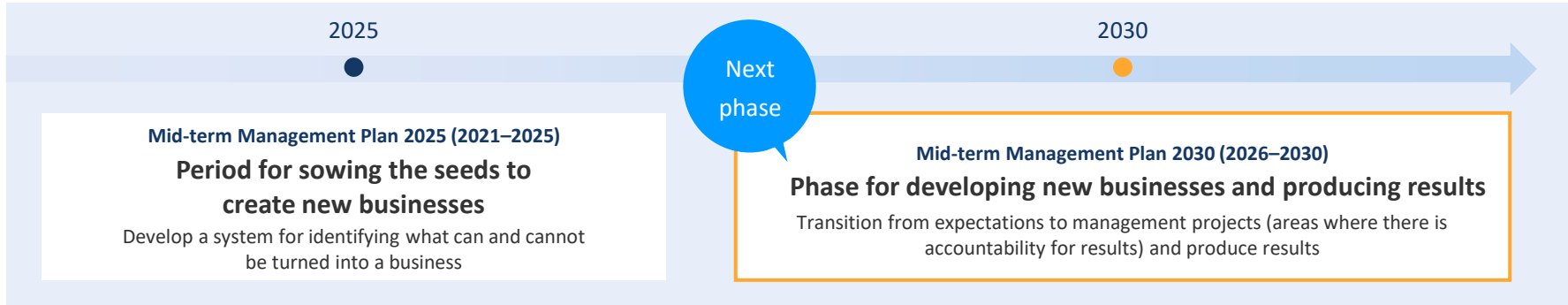


Transform from a vendor to a partner capable of solving customer issues.
Strive to improve profitability by winning more orders in both automotive and non-automotive fields.

Policy for developing new businesses

New Businesses

Move from the “explore, validate, identify” phase of new business creation to the “producing results” phase to establish new businesses as a pillar

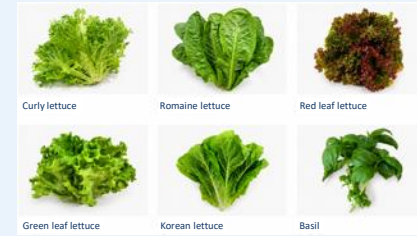


Seven ongoing initiatives

01

Agribusiness

Maintain top share in the domestic market. Tackle massive market for produce grown outdoors with new varieties and pricing.



02

Human Assistance Business

Leverage success with stairlifts and UNI-ONE to promote the commercialization of body-weight support walkers, power-assist suits, and transport assistance devices



03

e-CARGO (New Mobility Business)

Focusing on 3-wheeled electric cargo vehicles, the Company is tackling the logistics and mobility support markets with the goal of establishing a strong position as “Tsubaki: The Cargo Company”



Seven ongoing initiatives

04

Engine-Powered Drone Business

Currently preparing for commercialization. Considering obtaining model certification, sorting out requirements for viable business, identifying and capturing specific demand and projects.



05

Energy Management Business

Redesign eLINK (for three-phase power supply and higher output) and develop a hydrogen-based power storage and generation system



06

Service Business (ProService)

Commercialize demand for services, including maintenance, replacement, and inspections. Initiatives in implementation phase that leverage compatibility with existing businesses



07

Aluminum forming (DAIDO KOGYO)

Leverage strengths in integrated production (from forming high-strength aluminum materials to anodizing) to develop new products for a broad range of industries

Rear bumpers for trucks
Building materials (handrails, pillars, etc.)
Smartphone cases
Battery cases, etc.



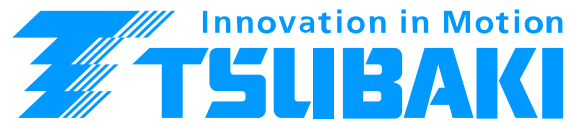
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Non-Financial Targets of Mid-Term Management Plan 2030

		Material issue/KPI	Target
E Environment	Climate change	Strengthen efforts for carbon neutrality • Consider support for introducing renewable energy/ decarbonizing heat treatment furnaces	CO ₂ emissions reduction of 42% compared with FY2021 levels (global)
		Help major suppliers calculate/take action to reduce CO ₂ emissions (Scope 3)	Raise number of suppliers calculating CO ₂ emissions, number of cooperating suppliers
	Circular economy	Waste recycling rate PRTR substance emissions Number of serious violations of environmental laws and regulations	99% or more (Japan) 130.9 t or more (Japan) 0 (global)
S Society	Respect for human rights/ promotion of diversity	Number of companies implementing human rights due diligence Percentage of senior roles held by women Number of companies achieving the legally mandated employment rate of people with disabilities	31 companies 10% (Japan) 100% (Japan)
	Strengthen human capital management	Improve employee engagement (revision of personnel & compensation systems/human resource development/expansion of training/enhanced support for balancing work with family care and medical treatment)	Awareness surveys, improve job satisfaction
	Health and safety	Number of accidents requiring absences from work	0 (Japan, each year)
	Quality assurance	Number of major quality problems	0 (global, each year)
	Promote supply chain management	Sustainable procurement	Help key suppliers improve
G Governance	Compliance/ crisis management/ information security	Number of serious violations of company rules	0 (global, each year)
		Number of information security incidents	0 (global, each year)
		Number of warnings received due to violations of other companies' rights	0 (global, each year)



The forward-looking statements in this document are based on information currently available to the Company and certain assumptions. Actual results may differ from those described here due to a variety of uncertainties, including economic circumstances, market trends, exchange rates, and the competitive environment. This document is provided for informational purposes only; it is not intended to solicit investment.