

Tsubakimoto Chain Co. FY2025 Q2 Settlement of Accounts

— Agenda —

説明内容	説明者	予定時間
<ul style="list-style-type: none">• FY 2025 Second Quarter Results• Initiatives for Realizing Sustainable Growth	Takatoshi Kimura President and COO Representative Director	35 mins
<ul style="list-style-type: none">• Q&A	President, Executive Officers in Charge of Business Operations and Financial and Corporate Planning Affairs	25 mins

↓ YOY sales decreased by 0.5%, operating income decreased by 12.2%

(Yen, millions)

	FY2024 1H ACT	FY2025 1H		Inc / Dec			
		FCT	ACT	YOY	%	Vs. FCT	%
Net sales	136,360	140,000	135,634	(725)	-0.5%	(4,365)	-3.1%
Operating income	9,459	9,500	8,302	(1,157)	-12.2%	(1,197)	-12.6%
%	6.9%	6.8%	6.1%				
Ordinary income	11,225	10,000	10,116	(1,109)	-9.9%	116	+ 1.2%
Net income	10,014	10,000	9,921	(93)	-0.9%	(78)	-0.8%
Exchange rates (USD)	152.77	140.00	146.02				
(EUR)	166.06	160.00	168.05				
(RMB)	21.06	20.00	20.44				

◆ Motion Control and Mobility increased sales and income.

Chain increased sales but decreased profits due to tariff impacts in the U.S. and other factors.

Materials Handling recorded a decrease in revenue and a loss due to lower sales in the Americas.

(Yen, millions)

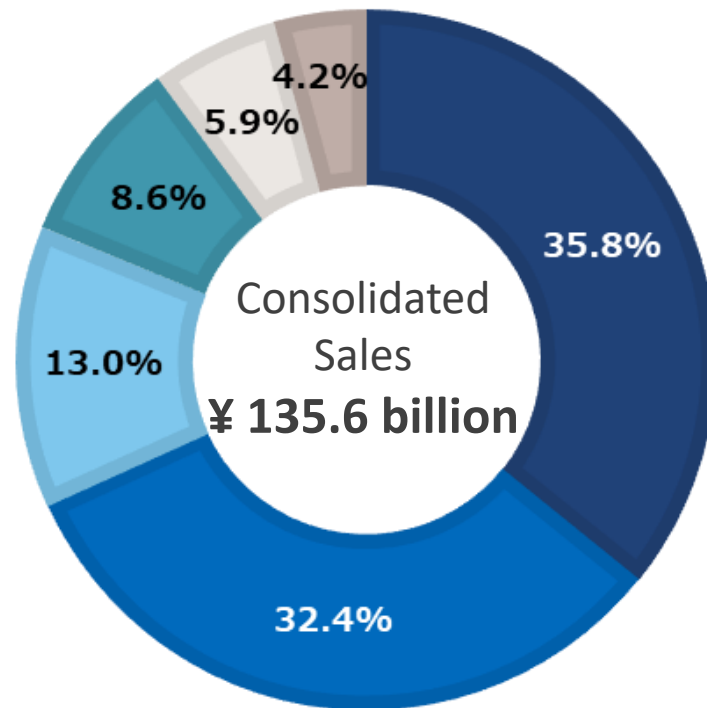
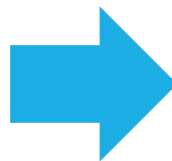
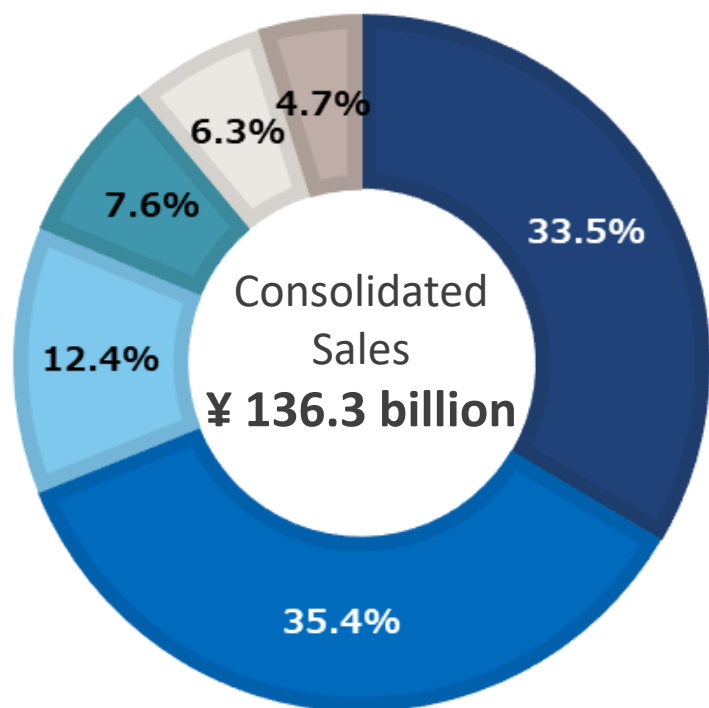
	Sales*1					Operating income				
	FY2024 1H		FY2025 1H		Inc / Dec		FY2024 1H		FY2025 1H	
	ACT	FCT	ACT	YOY	Vs. FCT	ACT	FCT	ACT	YOY	Vs. FCT
Chain	47,271	48,000	49,064	+ 3.8%	+ 2.2%	7,247	7,000	6,920	-4.5%	-1.1%
Motion Control	11,363	12,000	11,879	+ 4.5%	-1.0%	145	400	423	+ 190.8%	+ 6.0%
Mobility	44,688	45,000	45,333	+ 1.4%	+ 0.7%	3,684	3,900	4,472	+ 21.4%	+ 14.7%
Materials Handling	33,005	35,000	29,610	-10.3%	-15.4%	(106)	700	(494)	—	—
Other*2	1,702	1,600	1,627	-4.4%	+ 1.7%	(504)	(600)	(484)	—	—
Adjust	(1,670)	(1,600)	(1,880)	—	—	(1,006)	(1,900)	(2,534)	—	—
All	136,360	140,000	135,634	-0.5%	-3.1%	9,459	9,500	8,302	-12.2%	-12.6%

*1 Sales figures include internal sales and transfers between segments

*2 Other" is not a reportable segment

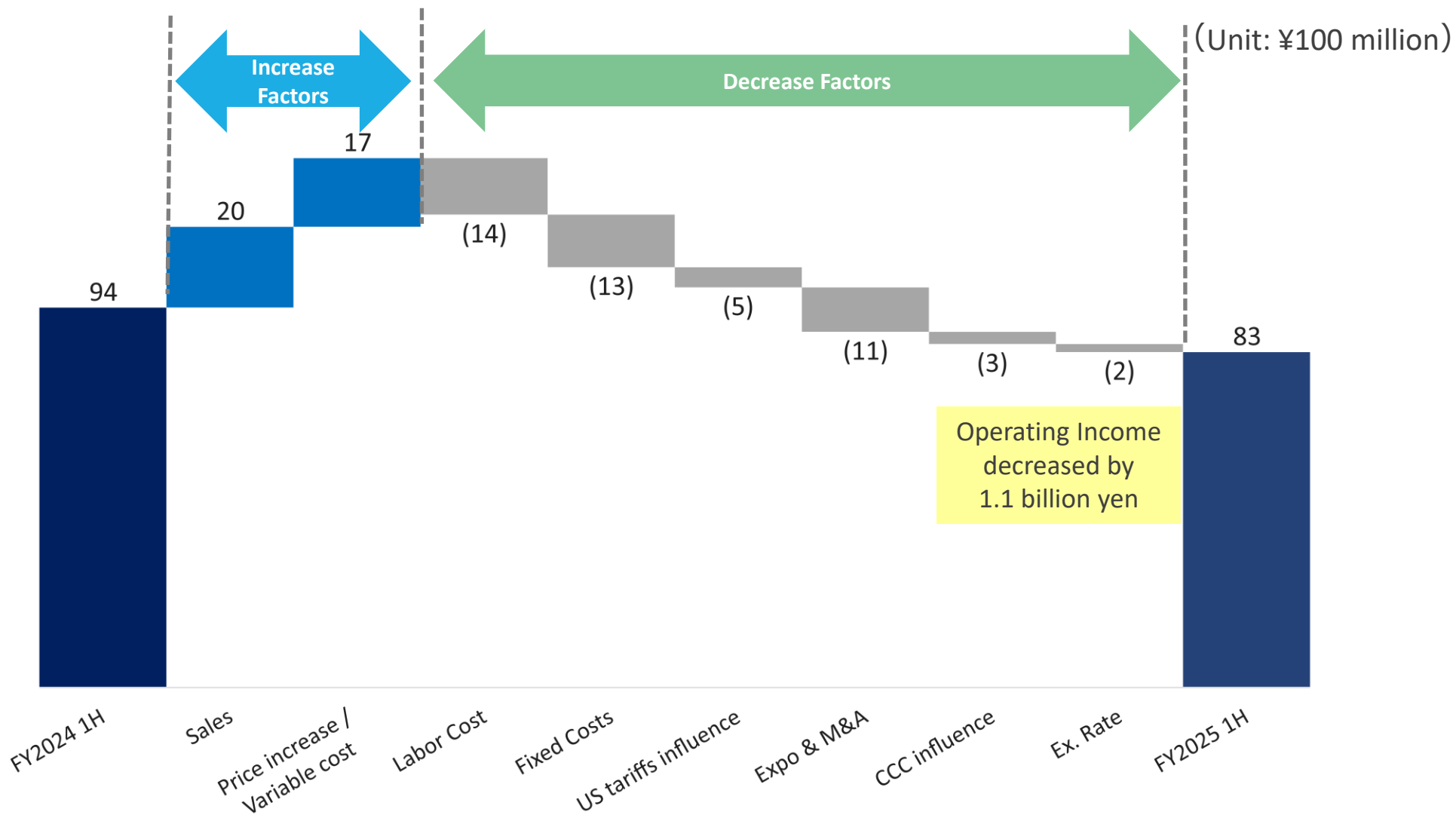
FY2024 Q2
Overseas sales ratio: 66.5%

FY2025 Q2
Overseas sales ratio: 64.2%



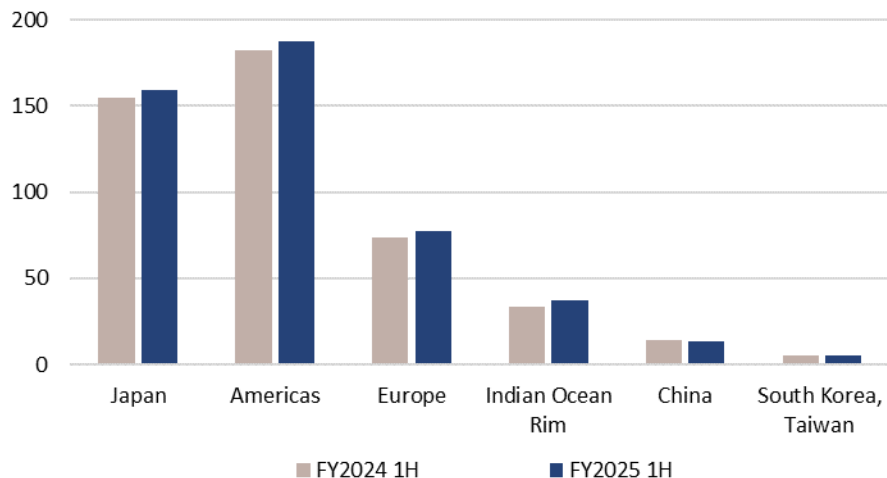
■ Japan ■ Americas ■ Europe ■ Indian Ocean Rim ■ China ■ South Korea, Taiwan

FY2024-Q2 vs. FY2025-Q2



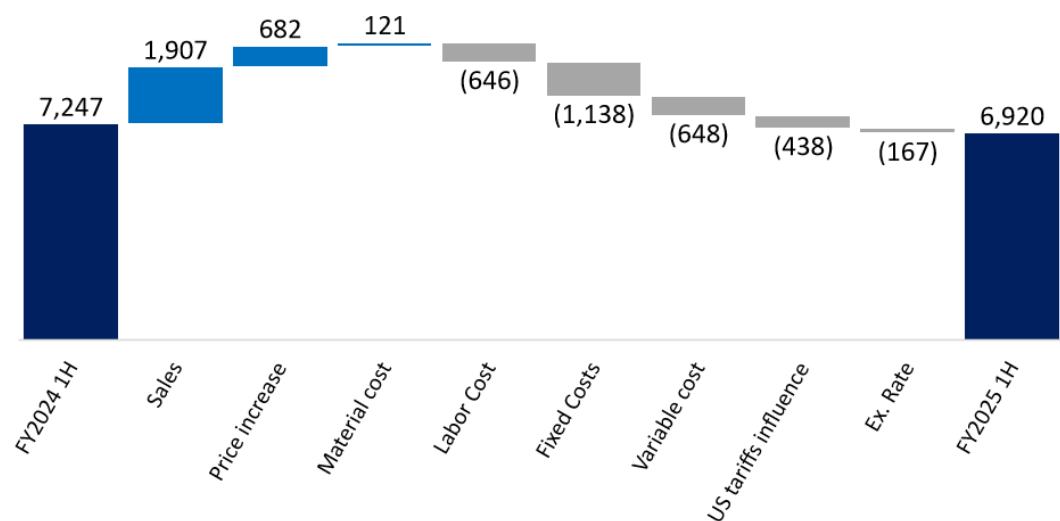
Sales Trends by Region

(Unit: ¥100 million)



Causes of change in operating income

(Unit: ¥1 million)



»»» YOY

Sales
+1,792 million yen
 (+3.8%)

Operating Income
▲326 million yen
 (▲4.5%)

Sales increased due to strong performance in Japan and the Americas, as well as contributions from subsidiaries acquired in Europe last fiscal year.

Profit decreased due to increased tariff costs in the United States, among other factors.

»»» Vs. Forecast

Sales
+1,064 million yen
 (+2.2%)

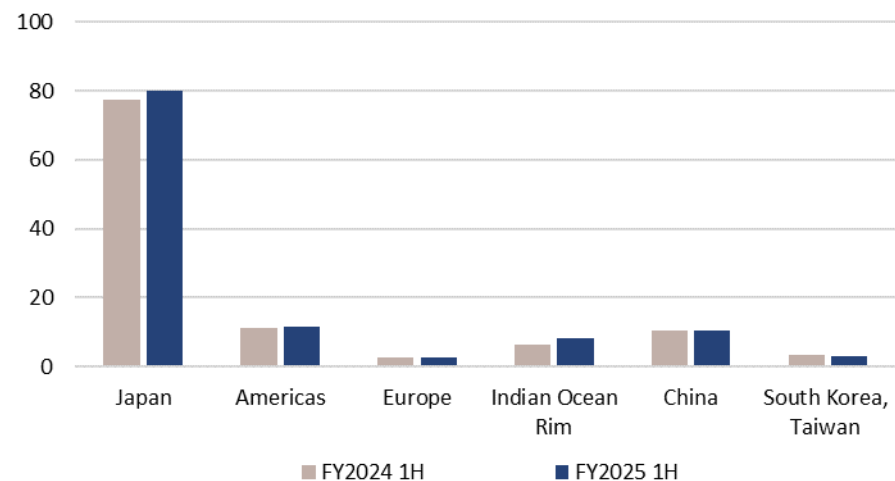
Operating Income
▲79 million yen
 (▲1.1%)

Sales increased due to strong performance in Japan and the Americas.

Same as left.

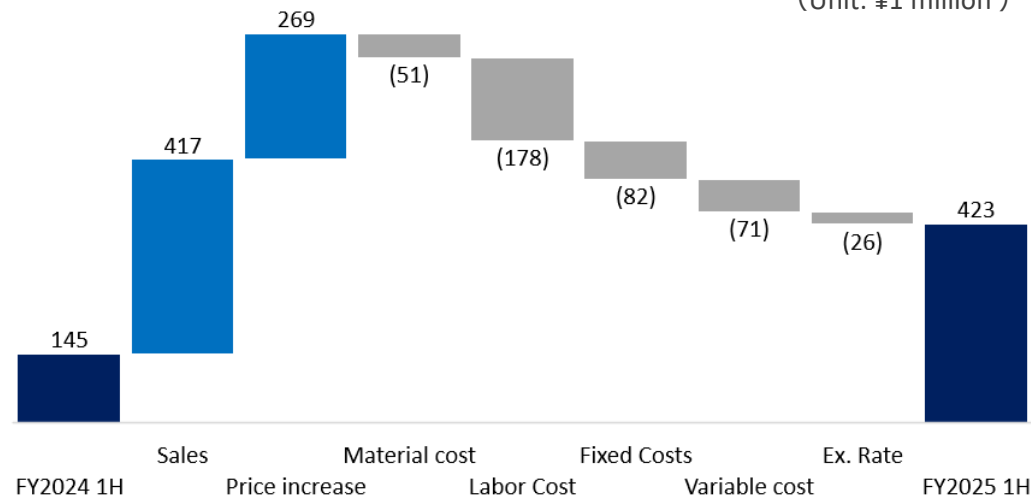
Sales Trends by Region

(Unit: ¥100 million)



Causes of change in operating income

(Unit: ¥1 million)



»»» YOY

Sales

+516 million yen
(+4.5%)

Operating Income

+278 million yen
(+190.8%)

Japan's recovery and continued strong performance at ATR (manufacturing and sales of couplings) in North America drove sales increase.

Profits increased due to higher sales and the effect of price increases implemented in the latter half of the previous fiscal year.

»»» Vs. Forecast

Sales

▲120 million yen
(▲1.0%)

Operating Income

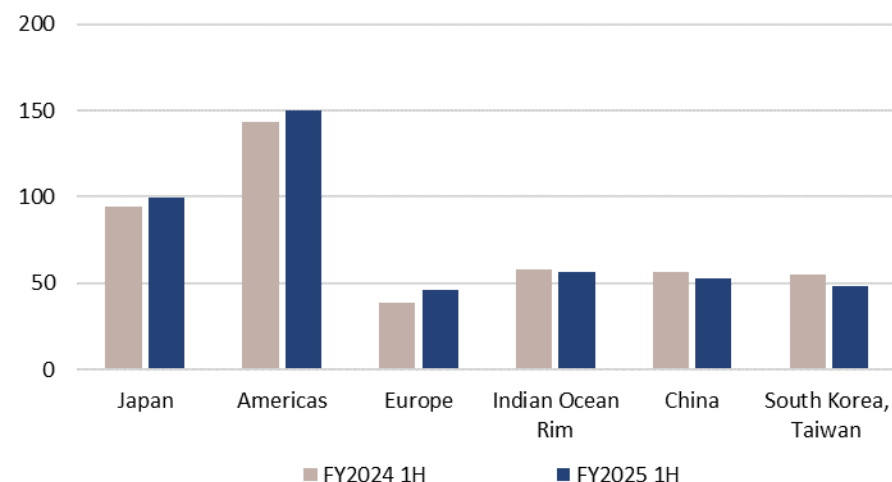
+23 million yen
(+6.0%)

Japan's recovery came in slightly below expectations.

Despite lower-than-expected sales, cost improvement effects in Japan led to increased profits.

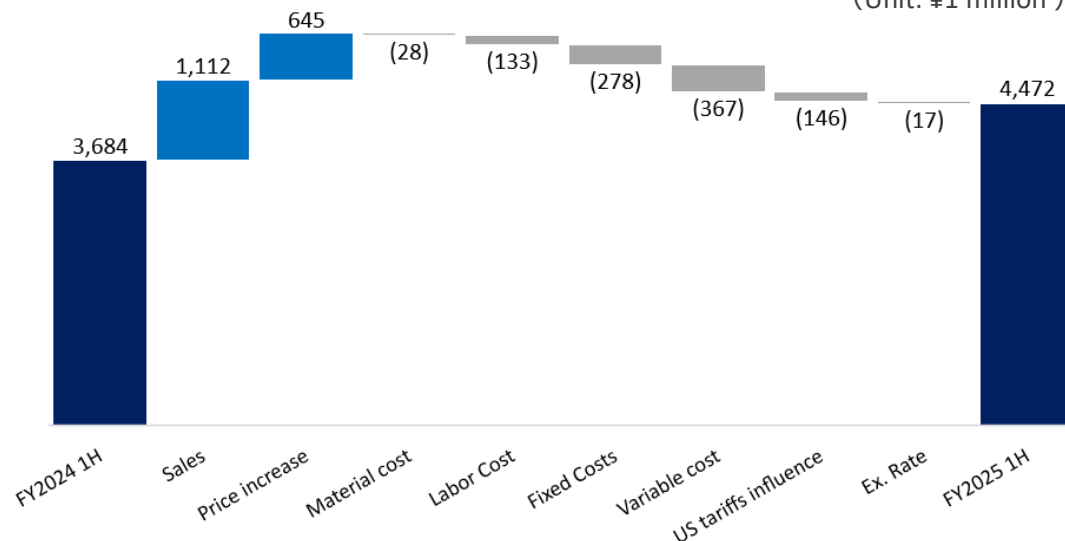
Sales Trends by Region

(Unit: ¥100 million)



Causes of change in operating income

(Unit: ¥1 million)



»»» YOY

Sales

+645 million yen
(+1.4%)

Sales increased due to strong sales in Japan and the United States, as well as contributions from new projects in Europe, etc.

Operating Income

+788 million yen
(+21.4%)

Profit increased, mainly driven by higher sales in Japan.

»»» Vs. Forecast

Sales

+333 million yen
(+0.7%)

Almost in line with expectations, with a slight increase in revenue driven by strong performance in the U.S.

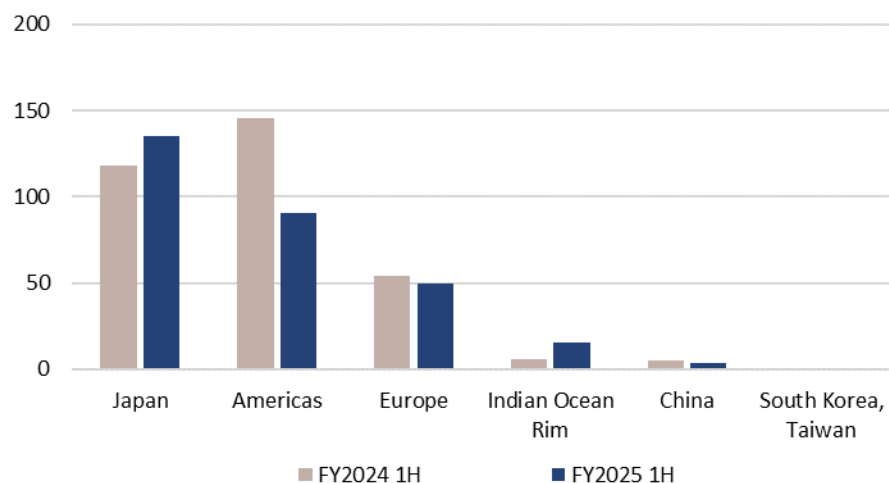
Operating Income

+572 million yen
(+14.7%)

Income increased as tariff impacts were lower than initial estimates.

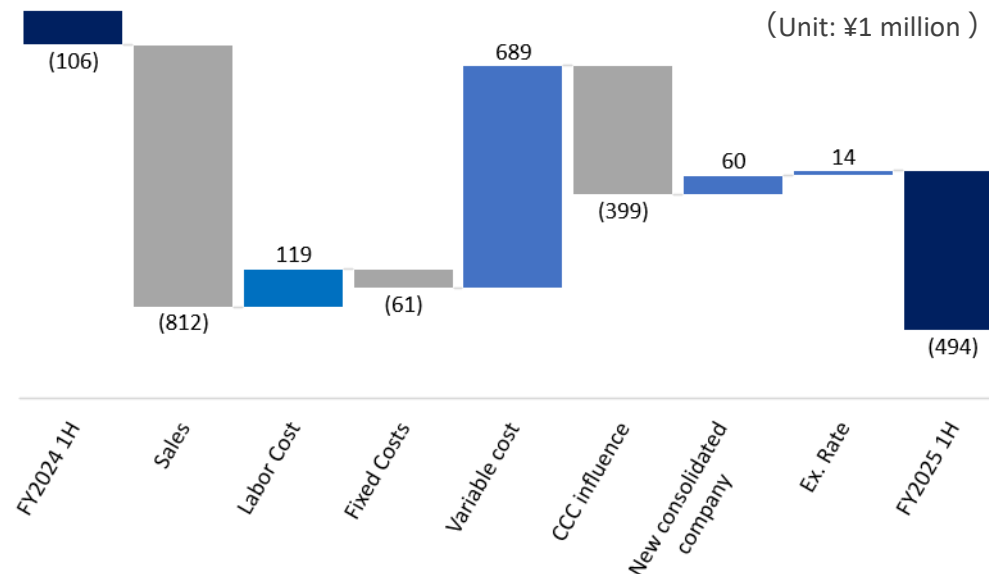
Sales Trends by Region

(Unit: ¥100 million)



Causes of change in operating income

(Unit: ¥1 million)



»»» YOY

Sales

↓ **▲3,394 million yen**
(▲10.3%)

Despite an increase in sales in Japan, overall sales declined due to a decrease in sales of systems for automobile manufacturing lines in the United States.

Operating Income

↓ **▲388 million yen**
(—)

With lower revenue unable to cover fixed costs, the U.S. recorded a loss, leading to higher segment losses.

»»» Vs. Forecast

Sales

↓ **▲5,389 million yen**
(▲15.4%)

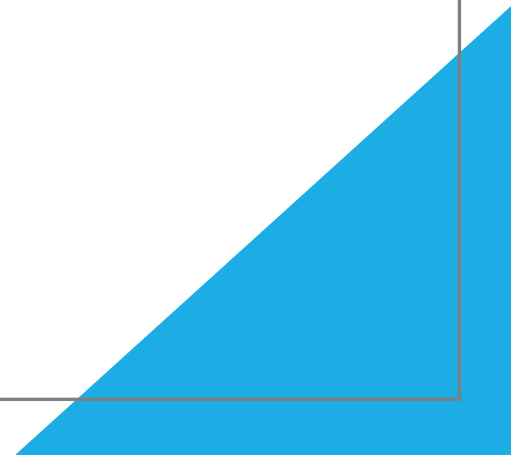
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Operating Income

↓ **▲1,194 million yen**
(—)

Same as left.

Consolidated Earnings Forecast for FYE March 2026



- ◆ Revised downward from the previous forecast (released May 14)
Sales are projected to increase by 1.7% year-on-year, while operating profit is expected to decrease by 12.5%.

(Yen, millions)

	FY2024	FY2025 forecast			YOY
	ACT	1H(ACT)	2H	Full year	Inc / Dec
Net sales	279,193	135,634	148,366	284,000	+ 1.7%
Operating income	22,854	8,302	11,698	20,000	-12.5%
%	8.2%	6.1%	7.9%	7.0%	
Ordinary income	25,332	10,116	11,884	22,000	-13.2%
Net income	22,122	9,921	9,079	19,000	-14.1%
Exchange rates (USD)	152.62円	146.02円	148.00円		
(EUR)	163.87円	168.05円	170.00円		
(RMB)	21.03円	20.44円	20.00円		

Forecasted Segment Performance for FYE March 2026

- ◆ Sales and profit for Motion Control have been revised upward.
- Sales for Chain and profit for Mobility have been revised upward.
- Sales and profit for Materials Handling have been revised downward, reflecting U.S. order performance through the first half of the fiscal year and other factors.

(Yen, millions)

	Sales *1					Operating income				
	FY2024	FY2025		Inc / Dec		FY2024	FY2025		Inc / Dec	
	Actual	Current Forecast	Original Forecast	YOY	Vs. Original Forecast	Actual	Current Forecast	Original Forecast	YOY	Vs. Original Forecast
Chain	96,277	100,500	98,500	+ 4.4%	+ 2.0%	15,585	15,000	15,000	- 3.8%	+ 0.0%
Motion Control	23,387	25,000	24,500	+ 6.9%	+ 2.0%	770	1,200	1,000	+ 55.8%	+ 20.0%
Mobility	91,193	92,000	92,000	+ 0.9%	+ 0.0%	8,287	9,000	7,900	+ 8.6%	+ 13.9%
Materials Handling	68,313	67,000	75,000	- 1.9%	- 10.7%	1,247	800	2,400	- 35.9%	- 66.7%
Other*2	3,547	3,400	3,300	- 4.2%	+ 3.0%	(833)	(1,300)	(900)	—	—
Adjust	(3,525)	(3,900)	(3,300)	—	—	(2,203)	(4,700)	(3,900)	—	—
All	279,193	284,000	290,000	+ 1.7%	- 2.1%	22,854	20,000	21,500	- 12.5%	- 7.0%

*1 Sales figures include internal sales and transfers between segments

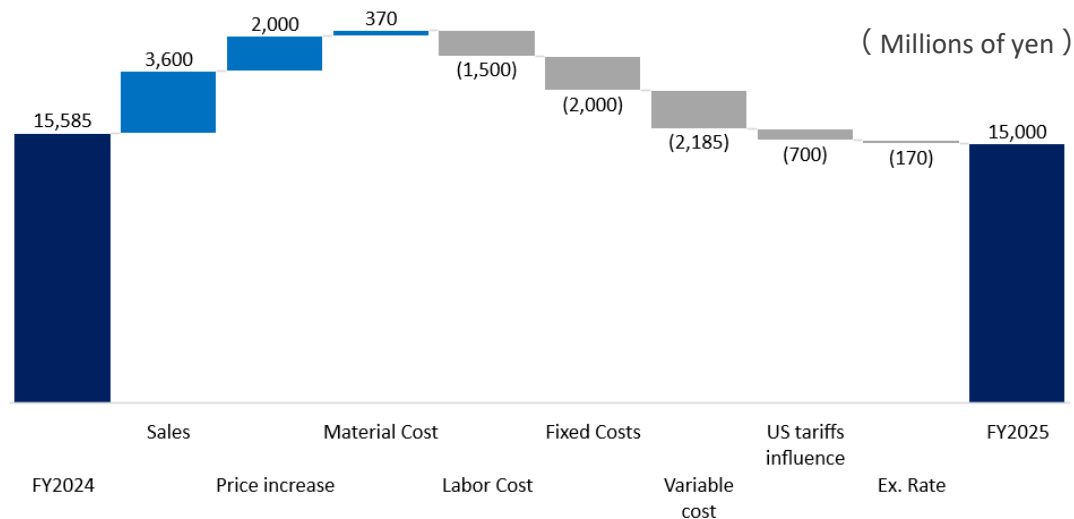
*2 Other" is not a reportable segment

※1 Sales figures include internal sales and transfers between segments

(Millions of yen)

	Sales *1							Operating Income						
	FY2024	FY2025				Inc / Dec		FY2024	FY2025				Inc / Dec	
	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast
Chain	96,277	49,064	51,435	100,500	98,500	+ 4.4%	+ 2.0%	15,585	6,920	8,079	15,000	15,000	- 3.8%	+ 0.0%

Causes of change in operating income



✓ Sales

Although largely in line with the initial forecast, sales are projected to increase due to recovering demand in Japan and the U.S.

✓ Operating Income

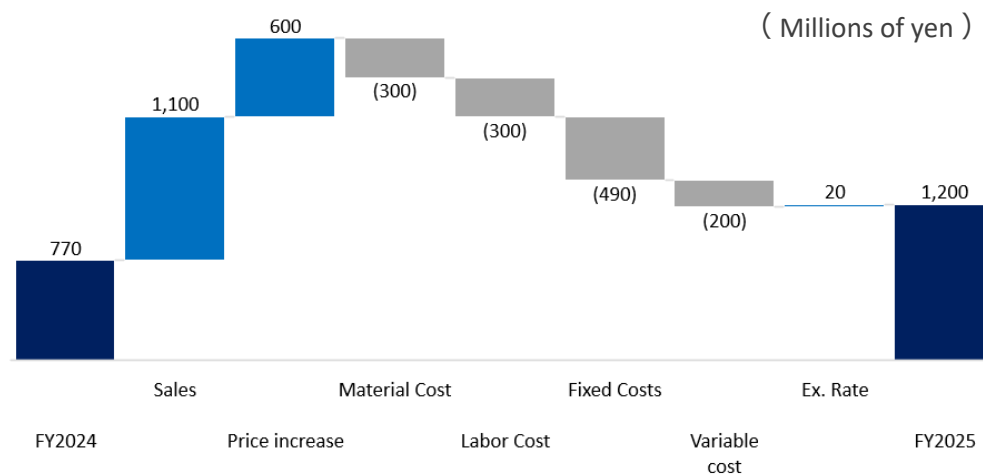
Despite improving costs through automation, labor-saving measures, and in-house production, profits are expected to decline due to the impact of U.S. tariffs.

※1 Sales figures include internal sales and transfers between segments

(Millions of yen)

	Sales *1							Operating Income						
	FY2024	FY2025				Inc / Dec		FY2024	FY2025				Inc / Dec	
	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast
Motion Control	23,387	11,879	13,120	25,000	24,500	+ 6.9%	+ 2.0%	770	423	776	1,200	1,000	+ 55.8%	+ 20.0%

Causes of change in operating income



✓ Sales

Although there has been no significant change to the initial forecast, we do anticipate a recovery in both the semiconductor and machine tool industries in Japan.

✓ Operating Income

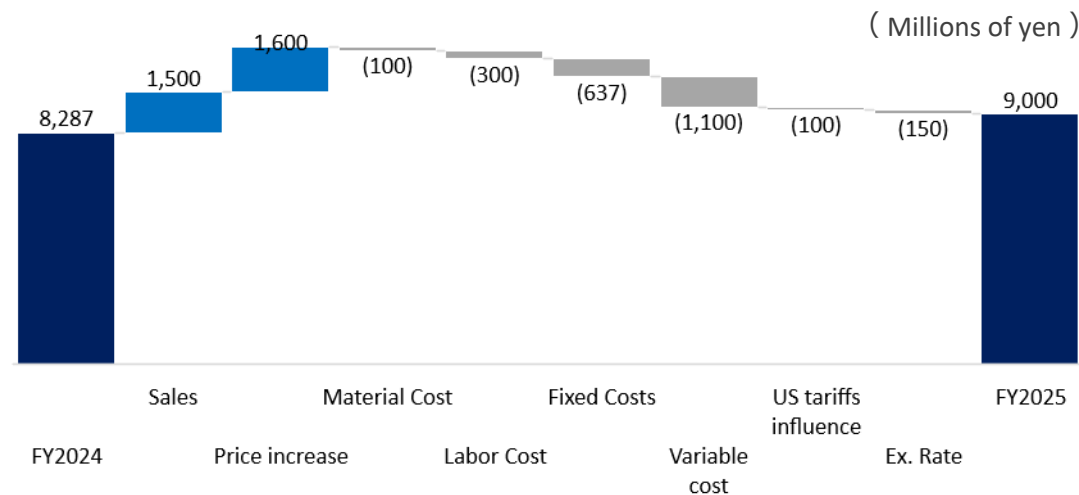
We anticipate an increase in profit due to a recovery in sales.

※1 Sales figures include internal sales and transfers between segments

(Millions of yen)

	Sales *1							Operating Income						
	FY2024	FY2025				Inc / Dec		FY2024	FY2025				Inc / Dec	
	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast
Mobility	91,193	45,333	46,666	92,000	92,000	+ 0.9%	+ 0.0%	8,287	4,472	4,527	9,000	7,900	+ 8.6%	+ 13.9%

Causes of change in operating income



✓ Sales

We anticipate revenue to increase due to continued production increases by European automakers, Japan's recovery following its weak start last fiscal year, and the continued robust performance in the U.S.

✓ Operating Income

In addition to an increase in sales driving improved profitability, earnings growth is anticipated as the impact of U.S. tariffs is expected to be smaller than initially projected.

Materials Handling Operations Forecast

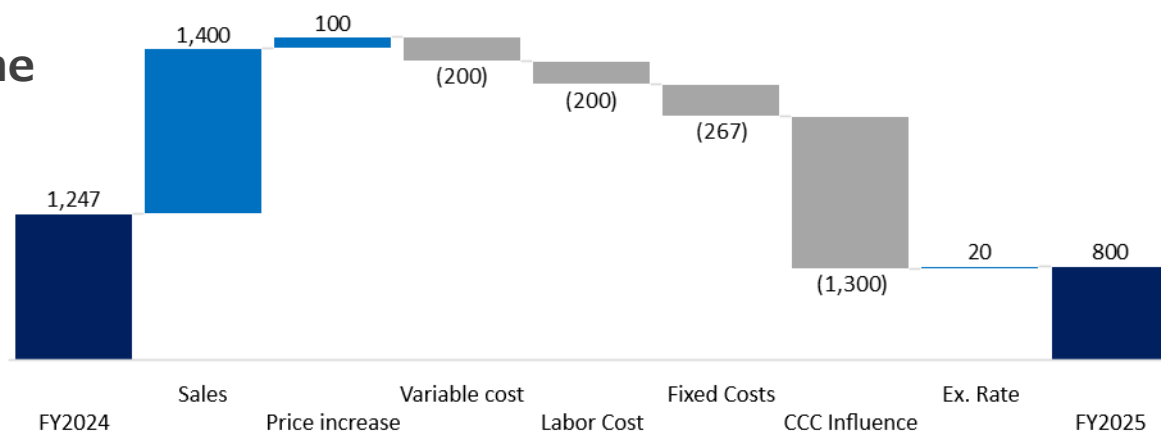
※1 Sales figures include internal sales and transfers between segments

(Millions of yen)

	Sales *1							Operating Income						
	FY2024	FY2025				Inc / Dec		FY2024	FY2025				Inc / Dec	
	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast	Actual	1H Actual	2H Forecast	Current Forecast	Original Forecast	YOY	Vs. Original Forecast
Materials Handling	68,313	29,610	37,389	67,000	75,000	- 1.9%	- 10.7%	1,247	(494)	1,294	800	2,400	-35.9%	- 66.7%

(Millions of yen)

Causes of change in operating income



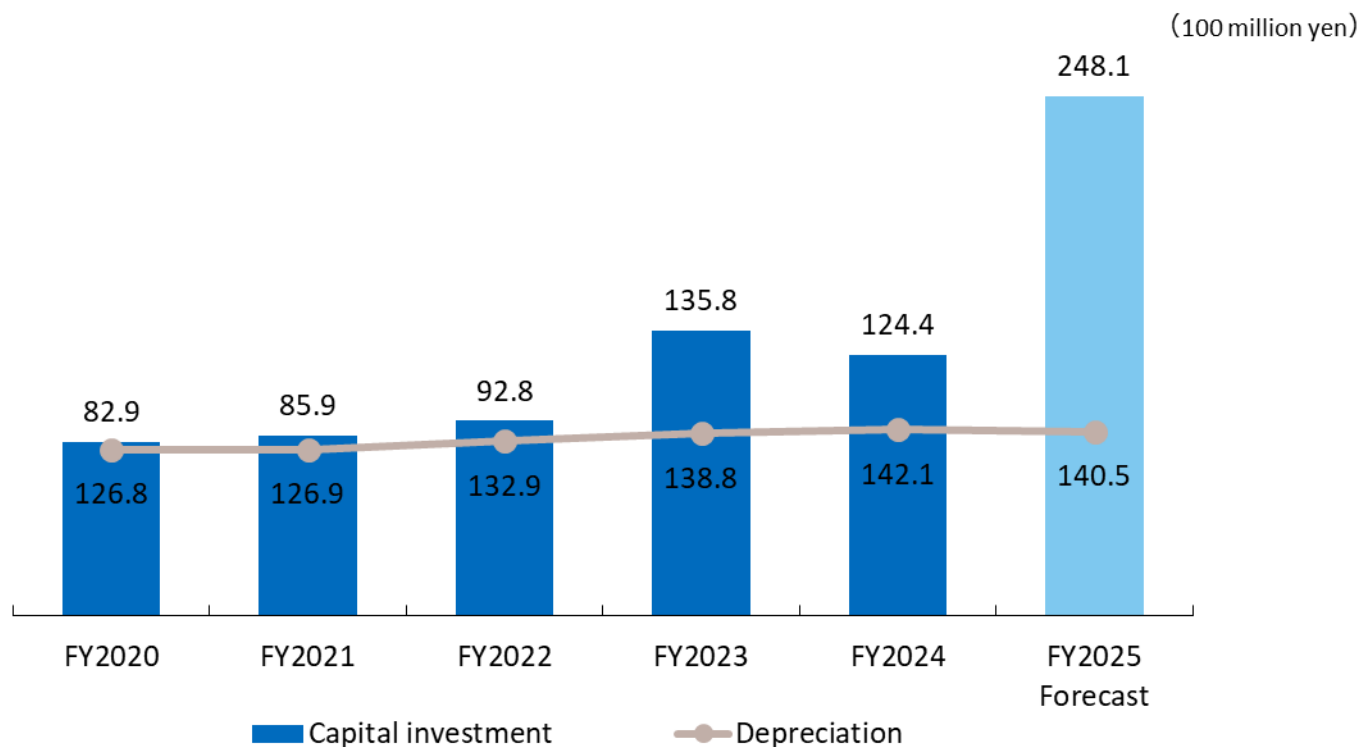
✓ Sales

Despite an increase in sales to the Japanese construction machinery industry and the consolidation of an Indian subsidiary, revenue is expected to decline due to decreased sales of systems to the U.S. automotive industry.

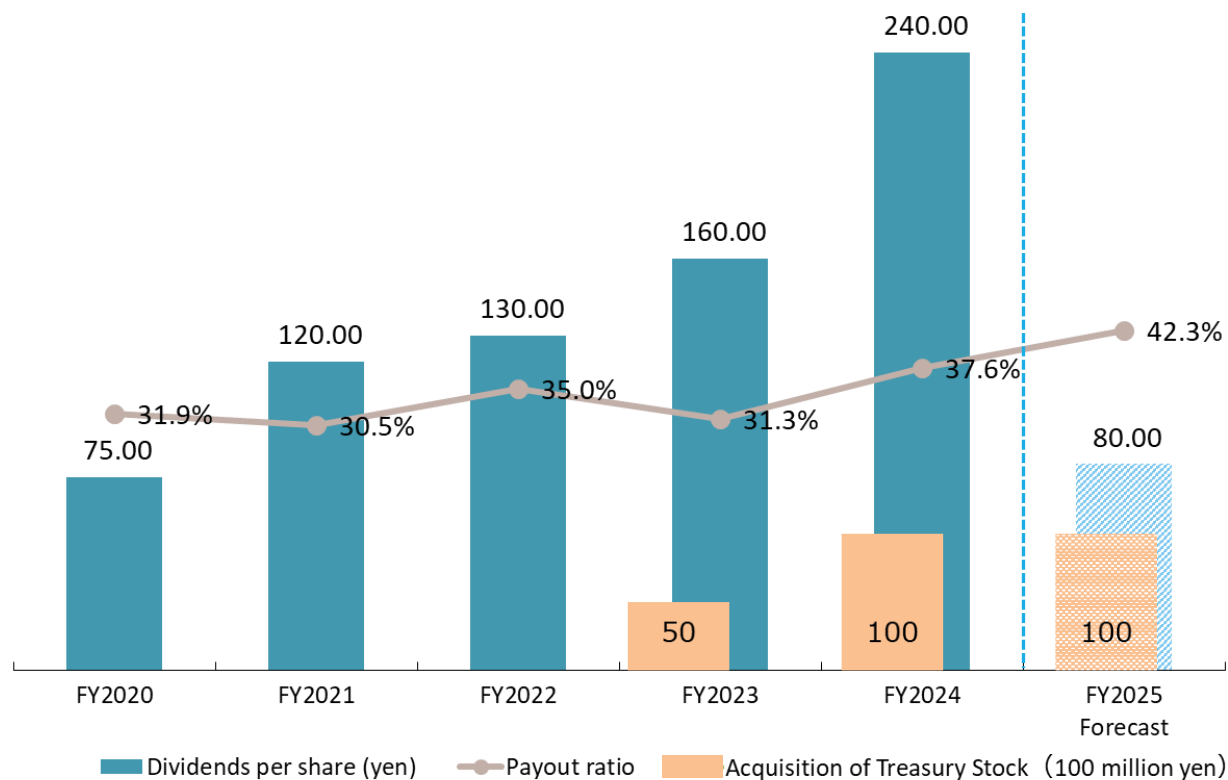
✓ Operating Income

Although profitability has improved in Japan, a decline in U.S. sales is expected to result in lower overall profits.

- ✓ Capital investment to strengthen growth capabilities
 - Investment in automation and efficiency enhancement of production systems (All businesses)
 - Expansion of production facilities in North America, etc.



- ✓ Shareholder Returns: Annual dividend of ¥80 per share and ¥10 billion share buyback program currently underway

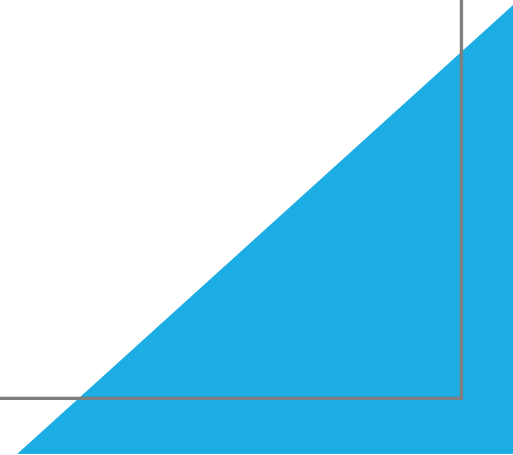


* A stock split at a ratio of three shares for every one common share took effect on October 1, 2024.

FY2024 dividends are stated without adjustment for the stock split; on a post-split basis, they would total ¥146 (¥99 interim, ¥47 year-end).

Mid-Term Management Plan 2025

Sustainability Initiatives



Basic Approach

TSUBAKI SPIRIT

Sustainability Basic Policy

- Contribute to the realization of a sustainable society through business activities based on the TSUBAKI SPIRIT.
- Enhance corporate value through technological innovation and become a company needed by society.
- Build trust with stakeholders

CSR (Social Responsibility)

Safety and health of employees : Above all else

Quality First : Product quality / Quality governance

Risk Management

Securing Opportunities

Defense

Climate Change
Compliance
Respect for human rights
Crisis management
Sustainable procurement
Information security

HR development
Work style reform
Engagement
Human capital
Diversity
Info disclosure

CSV (Value Creation)

Sustainable Products

Eco Products

Social Products

New Products

New Business

Offense

Challenges
our company
must address

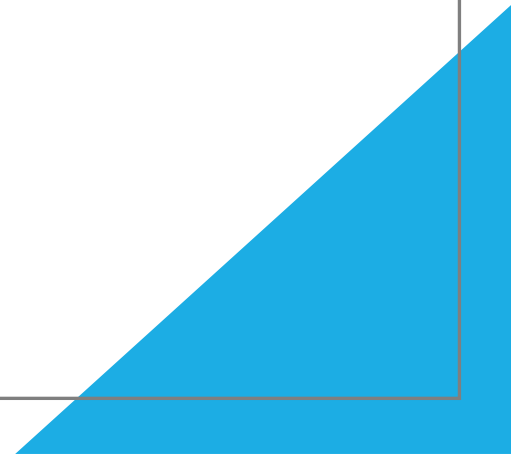
Creating a people-friendly society

Creating an Earth-friendly society

Building a safe and secure infrastructure
for living

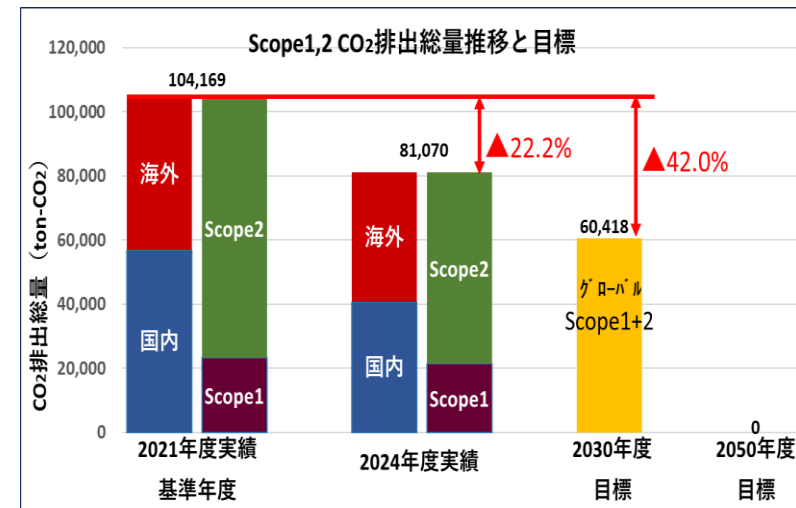
Materiality

CSR : Initiatives Toward Carbon Neutrality



◆ Goals and Activity History

- FY2017 Set goals: Officially launched CO₂ reduction activities
- FY2018 CDP-climate change / Participated in water program
- FY2021 Started Energy JIT activities at the model factory
- FY2022 Started purchasing FIT non-Fossil renewable energy certificates
- FY2023 Obtained SBT certification, set ICP (Internal Carbon Price)
- FY2024 Launched decarbonization project for heat treatment processes



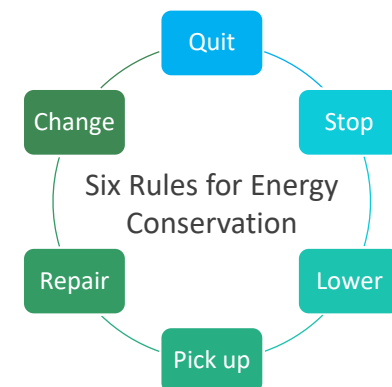
◆ Strategy

Strategy 1 >>> Promote energy conservation and decarbonization through our own activities

① Energy “JIT: Just-in-Time” Activities

= Review energy wastage in production processes in accordance with the Six Principles of Energy Conservation

② Launch project for decarbonizing steel heat treatment processes (Scope 1 CO₂ Emissions Reduction)



Strategy 2



Reduce Scope 2 CO2 emissions by installing on-site power generation

	Mobility Division Saitama Plant	Domestic total	Global total
FY2024 power generation results	1,595 MWh	2,469 MWh	5,901 MWh
Percentage of total power consumption	4.1%	2.3%	3.2%

Strategy 3



Reduce Scope 2 CO2 emissions through the procurement of carbon-free power

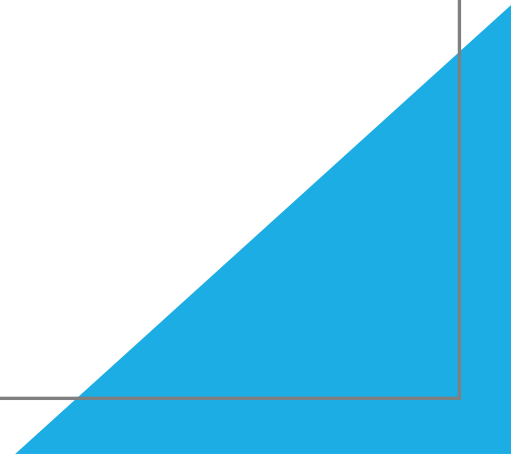
		Mobility Division Saitama Plant	Domestic total	Global total
FY2024	Purchase history	15,000 MWh	36,421 MWh	43,195 MWh
	Percentage of total power consumption	38.1%	34.6%	23.2%
FY2025	Purchase plan	22,920 MWh	46,014MWh	60,645 MWh
	Percentage of total power consumption	59.6%	44.7%	33.4%
Renewable energy type being purchased		FIT renewable energy with non-fossil certificate		—

Strategy 4



Switch to a virtual power purchase agreement (PPA) for purchased carbon-free electricity

CSV : Initiatives for New Business Creation



Initiatives for New Business Creation

CSV / Offence

Direction and Purpose of New Business Development



Solving Social Issues



Creating a people-friendly society

- **Human Assist Business**
Extended physical function
Rehabilitation
Nursing care
- **Life Science Business**
Regenerative medicine

Creating an Earth-friendly society

- **Energy Infrastructure Business**
Environmental business
PCS (Power Control System)

Building a safe and secure infrastructure for living

- **Agriculture Business**
- **New Mobility Business**
 - ↪ **Ultra-compact vehicles**
In-vehicle units
Electric bicycles
(LA SI QUE)
Industrial Drone
- **Maintenance Business**
(after-sales service)
 - ↪ **Remote maintenance**

Initiatives for New Business Creation

Why plant factories?

Climate change and extreme weather

Poor vegetable growth,
quality deterioration,
and reduced yields



Fully Enclosed × Artificial Light

**Stable production is possible.
Unaffected by weather
conditions.**

Declining number of farmers

The agricultural workforce is
declining due to low birth rates,
an aging population, and people
leaving farming



Scaling Up and Streamlining

**Production is
possible with a small
workforce**

Global resource depletion

Water resource
depletion, soil
contamination from
pesticides, etc.



Toward Circular Agriculture

**Efficient use of water
resources and energy**

Building a new growth pillar "supporting food"

Artificial Light Plant Factory: Why “Lettuce Cultivation”?



Why “Lettuce”? 5 Reasons



Most widely used among leafy vegetables



High demand throughout the year



Production is weather-sensitive, causing **prices to spike easily**.



For **raw** consumption (upstream integration for added value)



Low light saturation point (photosynthetic rate limit) makes it suitable for artificial cultivation.

Annual shipment ranking of leafy vegetables

- 1 . Cabbage . . . 1.31 Mt
- 2 . Chinese cabbage 0.73Mt
- 3 . Lettuce . . . 0.52Mt

Value-added factory vegetables

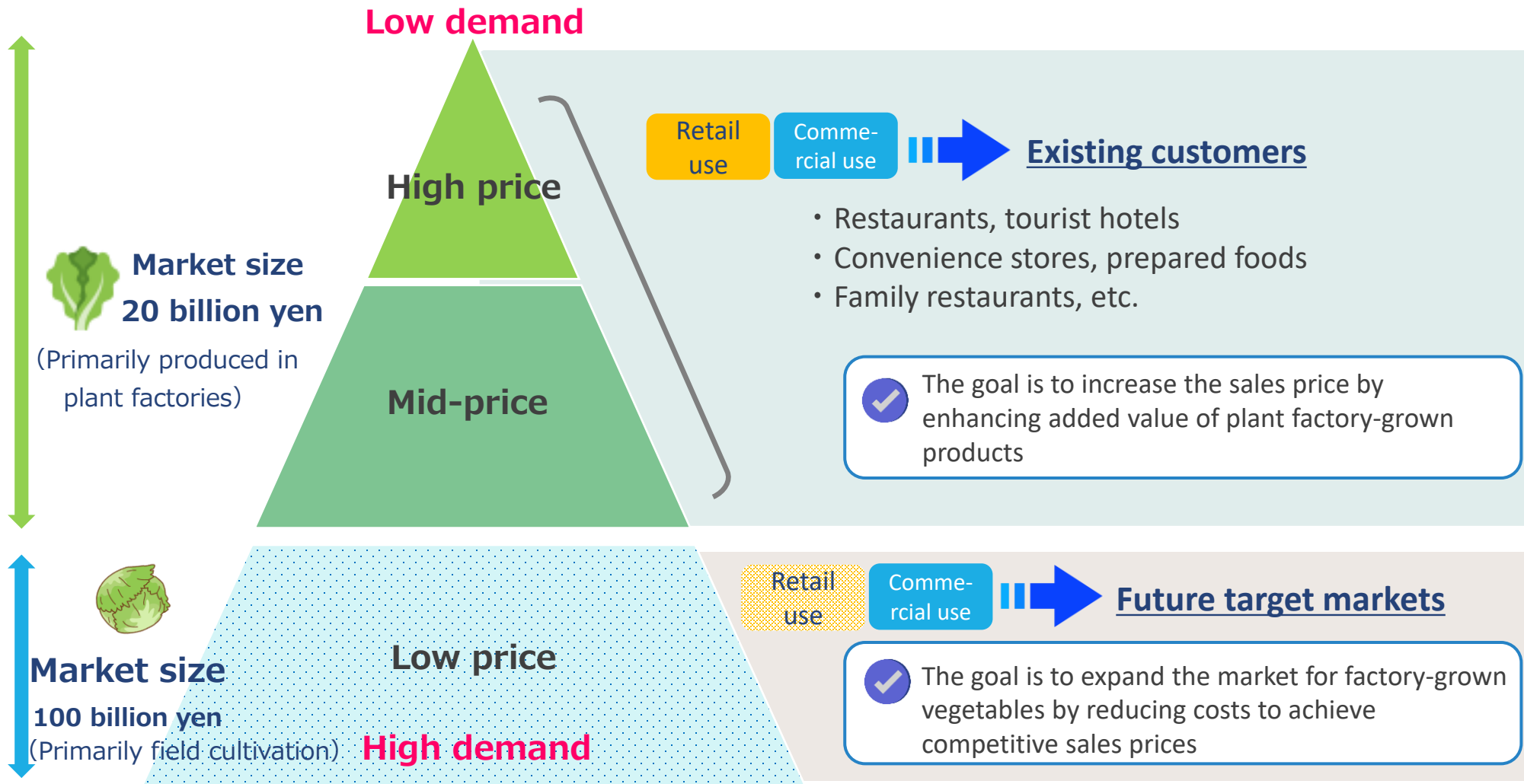
- Stable supply
- Low bacterial count (long shelf life)
- Pesticide-free
- Low risk of foreign object contamination

Light saturation point

Lettuce . . . 25,000lx
(1/4 that of corn)

Initiatives for New Business Creation

Market size of lettuce ~Price and Demand~

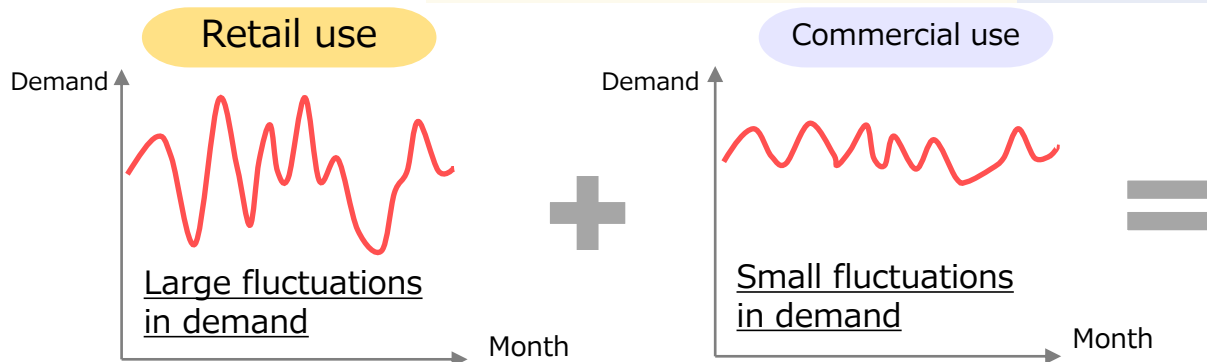


Initiatives for New Business Creation

Market characteristics and our group's business model

The difference between “retail use” and “commercial use”

	Retail use	Commercial use
Branding	Important	None (Priorities are stable supply and consistent quality)
Plant size	Small (60~80 g /plant)	Large (200~300g/plant)
Selling price (¥/Kg)	High	Low
Stability	Market impact is significant	Market impact is small
Seasonality	Demand declines from autumn through winter	Relatively stable



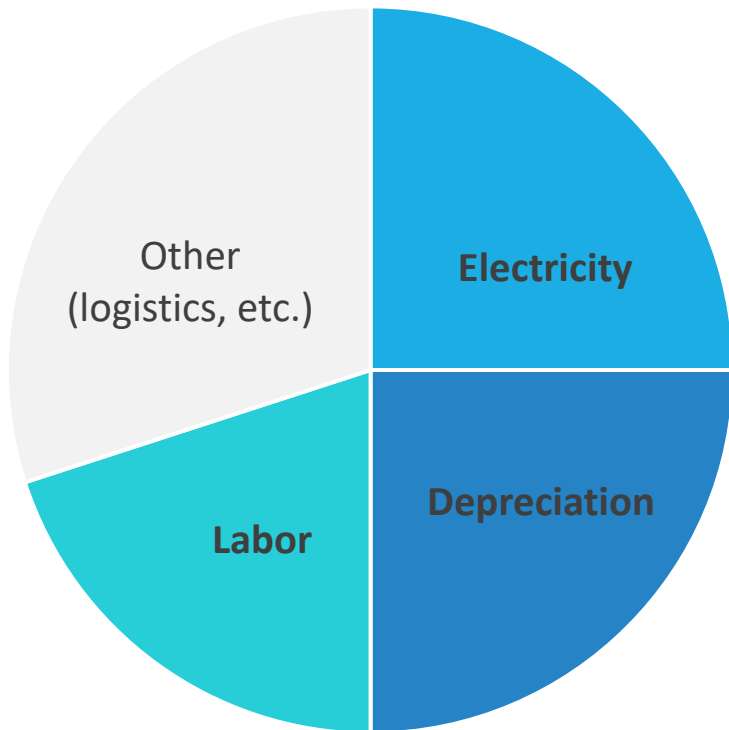
Manage both retail and commercial sales to reduce demand fluctuations and achieve stable profitability

Initiatives for New Business Creation

Market Characteristics and Our Group's Business Model

Challenges in Plant Factories ∼Cost Reduction∼

Three Major Costs of Plant Factories

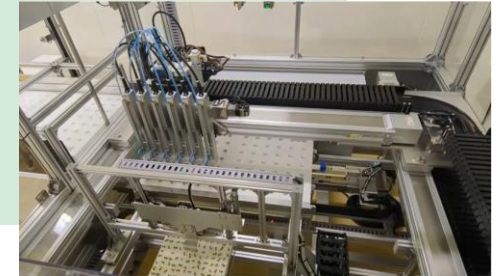


Reduce Electricity Costs

- Develop LED lighting for plant factories
- Utilize solar power and batteries

Reduce Labor Costs

- Automate production processes
- Implement effective conveying equipment



Reduce Depreciation Expense

- Improve cultivation room area efficiency
- Reduced lighting equipment through improved LED lighting efficiency

Improve profitability through cost reduction

Initiatives for New Business Creation

About the Fukui Mihama Plant

Creating an attractive plant factory

Commenced operations
from Aug 1st, 2025



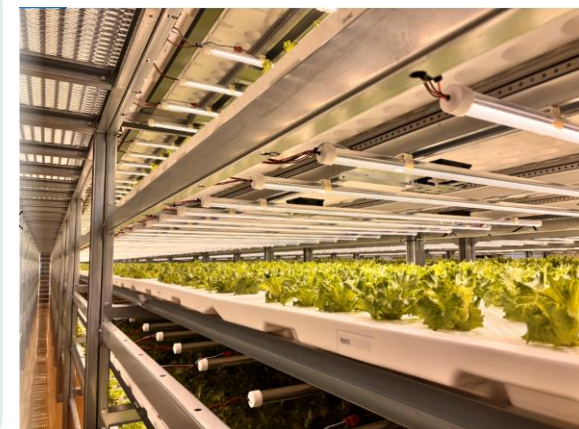
① Large-scale production of **2.2 tons per day**
(※At full capacity)

→ Most other factories produce one ton per day

② **Fully automated** cultivation process

Introduced automation and labor-saving equipment in other processes too

→ Operates with approximately half the personnel required for comparable facilities.



Initiatives for New Business Creation

Strengths and future direction of Agriculture Business

Strengths of Agriculture Business

01

Equipment development
and sales

Automation technology that
minimizes labor to the extreme

02

Cultivation

Cultivating safe and
secure vegetables

03

Sales

Stable price

04

Consulting

Comprehensive
consulting

End-to-end solutions from equipment development to sales and consulting

Examples of automation
equipment for plant
factories



Automatic transplanter



Lift (cultivation rack)



AGV

Initiatives for New Business Creation

Agriculture Business Goals

Leveraging our strengths to become the fifth pillar

TSUBAKI VEGYMOVE CO.

Consulting leveraging
cultivation and sales
expertise



- ① Industry-leading product competitiveness
- ② Expertise in cultivating a wide range of varieties
- ③ Sales routes to major customers
- ④ Supply system via our national alliance network
- ⑤ Research and development capabilities aligned with needs



Agriculture Business Division

Automated system
technology
development function



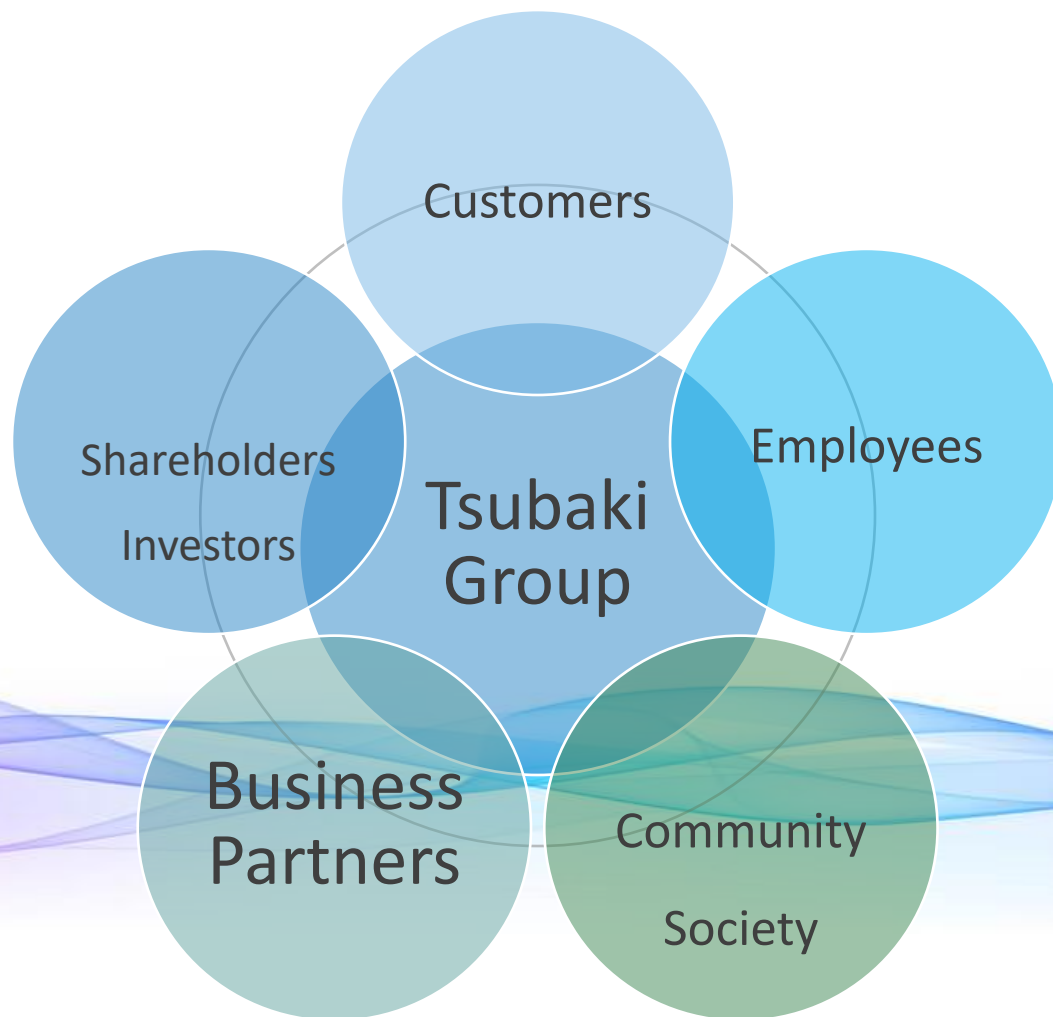
Track record in developing
and supplying efficient
automated and labor-saving
equipment

FY2030
Aiming for
5 - 10 billion yen in sales



Expansion of the Agriculture
Business contributes to the
realization of sustainable agriculture





Based on the **Declaration of Partnership Building**, Tsubaki Group will promote collaboration and coexistence and co-prosperity with business partners and businesses that aim to create value. At the same time, the Group, based on the **multi-stakeholder policy**, will work on co-creation of values and improvement of productivity together with stakeholders. The group will appropriately distribute resultant profits and results to multi-stakeholders.

This reference document describes our business plans and our earnings outlook. The content of this document is based on current information available to our company and on certain assumptions determined as reasonable. It is not intended to represent a performance commitment. Note that actual results may differ from the earnings outlook described herein, as the results are dependent upon a variety of variables.