



February 9, 2024

Tsubaki Nakashima Co., Ltd.
 Koji Hirota
 Director and Representative Executive Officer CEO
 (Code:6464, Prime, Tokyo Stock Exchange)
 Contact for inquiries: Ikunori Morita
 Phone: +81 (0)6-6224-0193

Notice of Impairment Losses and the differences between Financial Forecasts and Actual Results

Tsubaki Nakashima (“the Company”) has been working to reform or withdraw from unprofitable businesses in our mid-term strategy for the period 2021-2023. The Company withdrew from the roller and stamping businesses in the Netherlands, stabilized our U.S. business, and invested in the construction of new plants in Thailand and India as part of our growth strategy, but due to our limited financial situation, the Company has divided these investments into separate years. The Board of Directors today approved a resolution to transfer the last remaining unprofitable ball screws and ball ways manufacturing and selling business, thereby completing the liquidation and reform of all unprofitable businesses.

Due to the above, the Company has recorded accounting impairment losses, etc. for the fiscal year ended December 31, 2023 due to the loss expected from the transfer of the ball screws and ball ways manufacturing and selling business. As a result, there are differences between the forecast of business results for the fiscal year ending December 31, 2023 announced on November 10, 2023 and the actual results announced today, as follows.

1. Recognition of impairment losses (losses on sale)

As stated in the "Notice of Company Split (Simplified Incorporation-type Company Split), Change Regarding a Sub-subsidiary and Transfer of Shares in Newly Established Company" released today, the Company recorded impairment losses, etc. of 4,042 million yen as a result of its plan to sell its ball screws and ball ways manufacturing and selling business in December 2024.

2. Difference between consolidated forecasts and actual results for the fiscal year ended December 31, 2023

(January 1, 2023 to December 31, 2023)

	Sales	Operating profit	Profit before tax	Net profit for the period attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast(A)	80,000	4,500	3,500	1,700	42.79
Revision(B)	80,377	853	113	(1,287)	(32.38)
Change(B-A)	337	(3,647)	(3,387)	(2,987)	-
Change (%)	0.6	(81.0)	(96.8)	-	-
(Reference) Previous year results (12/FY2021)	79,036	(9,065)	(9,085)	(9,089)	(225.35)

Reasons for the difference

Although sales did not deviate significantly from the consolidated earnings forecast announced on November 10, 2023, profits differed from the consolidated earnings forecast due to the impairment losses, etc. described in "1. Recognition of impairment losses (losses on sale)".

Following the dissolution of unprofitable business in the Netherlands and the stabilization of the U.S. business, by selling the ball screw and ball way manufacturing and selling business in the linear business, we believe we were able to resolve our issues, strengthen our corporate structure from this fiscal year onward, and establish a structure that will generate more profits.