



May 14, 2021

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Notice Concerning Formulation of Mid-Term Strategy

Tsubaki Nakashima Co., Ltd. ("the company") resolved its "2021-2023 Mid-Term Strategy" in its Board of Directors meeting held on May 14, 2021 as per details below.

1. Mid-Term Strategy Policy

【Growth Strategy】

- Expansion of Ceramic Business
- Expansion and global development of Medical Device Business
- Expansion and strengthening in Asian Markets

【ESG Strategy】

- Global Sustainability System
- Vision Zero Approach
- Sustainability Projects in "Monozukuri" thru responsible use of Energy, Sludge recycling, improvement of material yield, and Ergonomics

【"Best in Class" Ball Manufacturer】

- Technology innovation
- Monozukuri innovation
- Profit margin development

2. Numerical targets (FY 2023)

Sales (JPY75 billion), Operating Profit (JPY11.5 billion), Operating Margin (15%)

3. Financial Indicator targets (FY 2023)

Net Debt/Equity ratio (0.9 times), FCF (JPY7.5 billion), Dividend (JPY98/share, Dividend payout ratio of 50%)

Disclaimer : The English translation is only for reference purposes. When there is any discrepancy between original Japanese version and English translation, the original Japanese version always prevails.

* For details of the Mid-Term Strategy, please refer to the "2021-2023 Mid-Term Strategy" posted on our website. In addition, the company decided today to finance through a subordinated syndicated loan. For details, please refer to the "Notice Concerning Financing through a Subordinated Syndicated Loan" posted on our website. (<https://www.tsubaki-nakashima.com/en/>)