



Notice Regarding Recording of Extraordinary Profit (Gain on Step Acquisitions) and Revisions to Full-Year Financial Forecasts

KANUMA, November 10, 2023

Nakanishi Inc. (the "Company") hereby announces that it has recorded extraordinary profit (gain on step acquisitions) for the first three quarters of the fiscal year ending December 31, 2023 (January 1 to September 30, 2023). Details are provided as follows.

In conjunction with this, the Company also announces that in view of recent business trends, it has revised the financial forecast for the fiscal year ending December 31, 2023 (January 1 to December 31, 2023), announced on August 21, 2023, as follows.

1. Recording of extraordinary profit (gain on step acquisitions)

As announced in the timely disclosure "Notice Regarding Additional Acquisition of Membership Interest of DCI International, LLC by the Company's Subsidiary (Change in Consolidated Subsidiaries) and Disposal of the Company's Treasury Shares by Way of Third-Party Allotment" dated August 21, 2023, the Company acquired additional membership interest of the Company's equity-method applied affiliate, DCI International, LLC, and made said company a wholly owned second tier subsidiary of the Company. As a result, the Company recorded gain on step acquisitions of JPY11,361 million.

2. Revision of financial forecasts

Revision of financial forecasts for the fiscal year ending Dec. 31, 2023 (Jan. 1 - Dec. 31, 2023)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	Millions of JPY	JPY
Previous forecast (A)	63,164	19,683	16,618	19,725	13,894	163.37
Revised forecast (B)	60,569	18,294	14,836	18,246	24,613	289.42
Change (B-A)	-2,595	-1,389	-1,781	-1,478	+10,719	-
Change (%)	-4.1	-7.1	-10.7	-7.5	+77.2	-
(Reference) Actual results for the previous fiscal year ended Dec. 31, 2022	48,671	17,493	15,389	17,646	12,471	145.48

In the financial forecasts for the fiscal year ending December 31, 2023, net sales and each category of profit are projected to be lower than the previous forecast due to the decline in sales that is anticipated for the dental chairs in North America as compared to the time of the previous forecast. Meanwhile, profit attributable to owners of parents is expected to increase as a result of recording gain on acquisitions, as detailed above.

The financial forecast is based on exchange rate assumptions of 145.00JPY/USD (+JPY9.01 from the previous forecast) and 155.00JPY/EUR (+JPY4.41 from the previous forecast) for future months.

3. Year-end dividend forecast

Consolidated net profit is expected to significantly exceed the previous forecast as a result of the gain on step acquisitions as detailed above. The recording of this extraordinary profit does not impact the cash flows or net profit included in the non-consolidated financial statements. Therefore, there has been no revision to the previous forecast, and the Company plans to pay a year-end dividend of JPY26 per share (annual dividend of JPY50 per share) for the fiscal year ending December 31, 2023.

Note:

The forecast values included in this document were prepared based on information available as of the current point in time. Actual consolidated results may differ materially from the forecasts due to a variety of factors.

This document is a translation of the original Japanese document and is only for reference purposes. All readers are recommended to refer to the original version in Japanese of the release for complete information.

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Nakanishi Inc. www.nakanishi-inc.jp/ir/irnews

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About Nakanishi Inc.

To achieve the mission of "To create brilliant progress via innovative grinding technology," NSK has continued to hone the three core technologies of high-speed rotary technology, ultrasound technology and micro motor technology.

Using these core technologies, NSK will continue to provide innovative products in the dental, surgical and industrial fields, and keep contributing toward the creation of all kinds of progress, such as bringing inspiration, happiness, benefits and joy to society and people.

NSK has three main locations for development and production; RD1, headquarters and A1 factory in Kanuma, Japan.

The company's shares are listed in the Tokyo Stock Exchange.

Visit www.en.nakanishi-inc.jp for more information about Nakanishi Inc. and our products.