

Presentation Material

for the year ended Dec. 31, 2024

Feb. 12, 2025

NAKANISHI INC.

Disclaimer

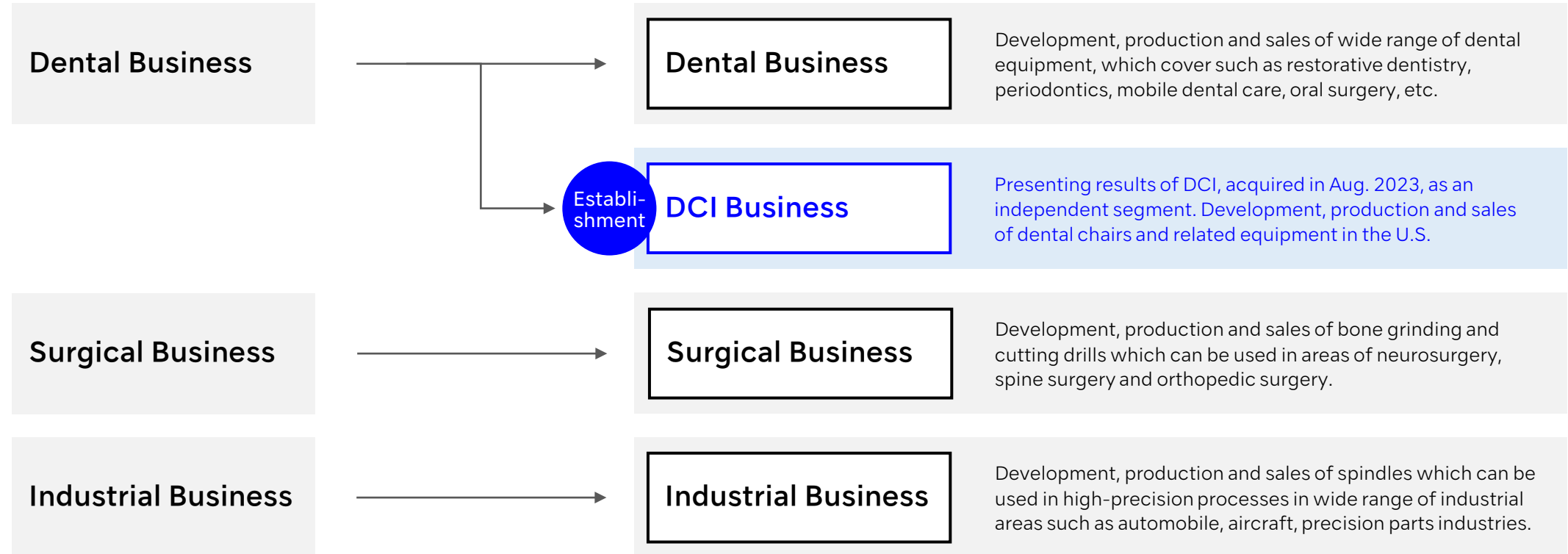
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Key change

Presenting results of DCI, acquired in Aug. 2023, as an independent segment.

Previous reporting segments

New reporting segments * Starting from FY2024 Q1



Dental Business



Handpiece



Implant motor



Oral hygiene system



Clinical micro motor

Establishment

DCI Business



Dental chair



Dental cabinet



Dental parts (syringe)

Surgical Business



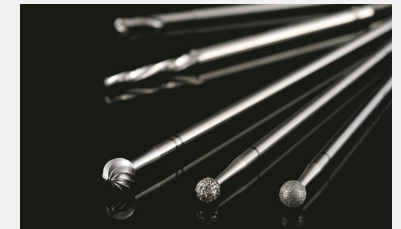
Console



Surgical motor



Attachment



Bur

Industrial Business



Controller&Spindle



Spindle



Electric hand grinder



Ultrasonic cutter

Consolidated Financial Result for FY2024

Corporate Vice President & Group CFO Daisuke Suzuki

Net sales achieved a record-high of 77 billion yen backed by the depreciation of yen, thanks to strong performance in DCI and Surgical segments. Although performance was sluggish in Industrial segment, in Dental segment which continues facing weak demand had solid growth.

EBITDA reached over 20 billion yen, boosted by the effects of M&A and the depreciation of yen.

Net profit was decreased by 2.3 billion yen due to the impairment of JAEGER, which has been suffering from sluggish performance due to deteriorating market conditions and intensifying competition. As for shareholder return, maintained total payout ratio of over 50% based on adjusted net profit excluding extraordinary losses.

- * Retrospective adjustment was made for the results for FY2023 following the completion of the PPA of acquired company (JAEGER, DCI and REFINE).
- * In FY2024Q4, acquired additional affiliated company that was excluded at the time of acquisition of REFINE. There is a change in goodwill amortization.

M of JPY

	FY2024 Actual	FY2023 Actual	Ratio	FY2024 Forecast		
				Revision on Aug. 9	vs. Forecast	
Net sales	77,041	59,692	+29.1%	75,208	+2.4%	
Gross profit	44,418	36,092	+23.1%	43,669	+1.7%	
Ratio to net sales	57.7%	60.5%	—	58.1%	—	
EBITDA *	20,460	17,743	+15.3%	19,013	+7.6%	
Margin	26.6%	29.7%	—	25.3%	—	
Operating profit	14,596	14,251	+2.4%	13,427	+8.7%	
Ratio to net sales	18.9%	23.9%	—	17.9%	—	
Ordinary profit	17,283	17,193	+0.5%	14,635	+18.1%	
Ratio to net sales	22.4%	28.8%	—	19.5%	—	
Profit attributable to owners of parent	8,577	22,799	-62.4%	9,652	-11.1%	
Ratio to net sales	11.1%	38.2%	—	12.8%	—	
E P S (JPY)	101.37	267.62	—	113.85	—	
* EBITDA = Operating profit + Depreciation + Amortization						
Currency rate	- Against the US dollar (JPY)	151.44	140.54	+10.90	146.00	+5.44
	- Against the EURO (JPY)	163.80	152.27	+11.53	159.00	+4.80

▪ Forex impact: Net sales +4,210M of JPY (vs FY2023 Actual), +2,050M of JPY (vs FY2024 Forecast)

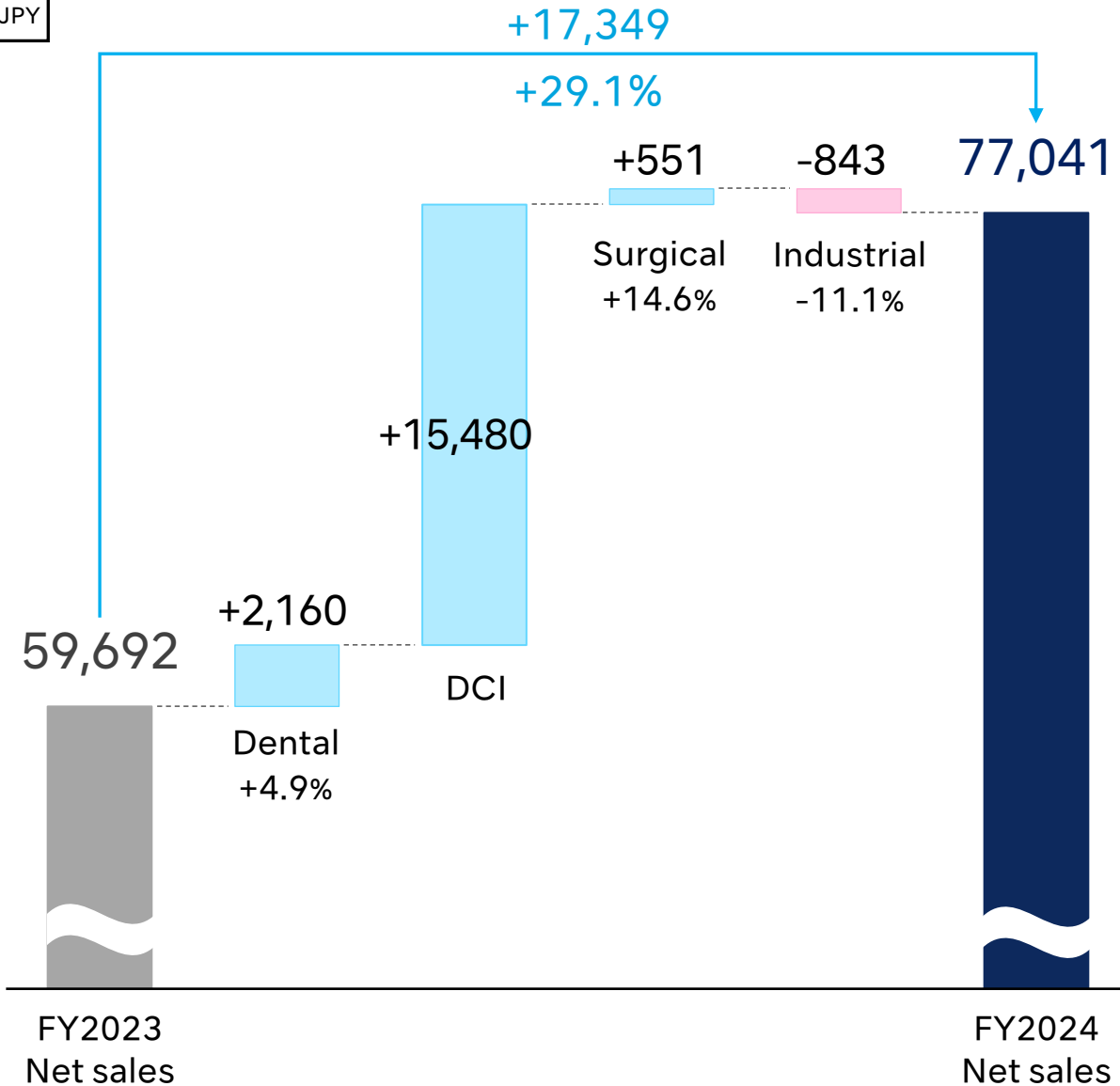
M of JPY

	Reference data excluding DCI and REFINE FY2024 Actual	Reference data excluding DCI and REFINE FY2023 Actual	Ratio	FY2024 Forecast		
				Revision on Aug. 9	vs. Forecast	
Net sales	55,789	55,335	+0.8%	55,225	+1.0%	
Gross profit	36,456	34,979	+4.2%	35,944	+1.4%	
Ratio to net sales	65.3%	63.2%	—	65.1%	—	
EBITDA *	18,025	17,754	+1.5%	17,105	+5.4%	
Margin	32.3%	32.1%	—	31.0%	—	
Operating profit	14,876	14,948	-0.5%	14,180	+4.9 %	
Ratio to net sales	26.7%	27.0%	—	25.7%	—	
Ordinary profit	17,252	18,082	-4.6%	15,370	+12.2%	
Ratio to net sales	30.9%	32.7%	—	27.8%	—	
Profit attributable to owners of parent	9,536	12,180	-21.7%	10,633	-10.3%	
Ratio to net sales	17.1%	22.0%	—	19.3%	—	
E P S (JPY)	112.70	142.97	—	125.42	—	
* EBITDA = Operating profit + Depreciation + Amortization						
Currency rate	- Against the US dollar (JPY)	151.44	140.54	+10.90	146.00	+5.44
	- Against the EURO (JPY)	163.80	152.27	+11.53	159.00	+4.80

▪ Forex impact: Net sales +2,704M of JPY (vs FY2023 Actual), +1,263M of JPY (vs FY2024 Forecast)

Change in Net Sales by Business Segment

M of JPY



	FY2023 Actual	FY2024 Actual	Change
Dental	44,366	46,527	+4.9%
DCI	3,974 (Oct.-Dec.)	19,454 (Jan.-Dec.)	-
Surgical	3,770	4,321	+14.6%
Industrial	7,581	6,738	-11.1%
Total	59,692	77,041	+29.1%

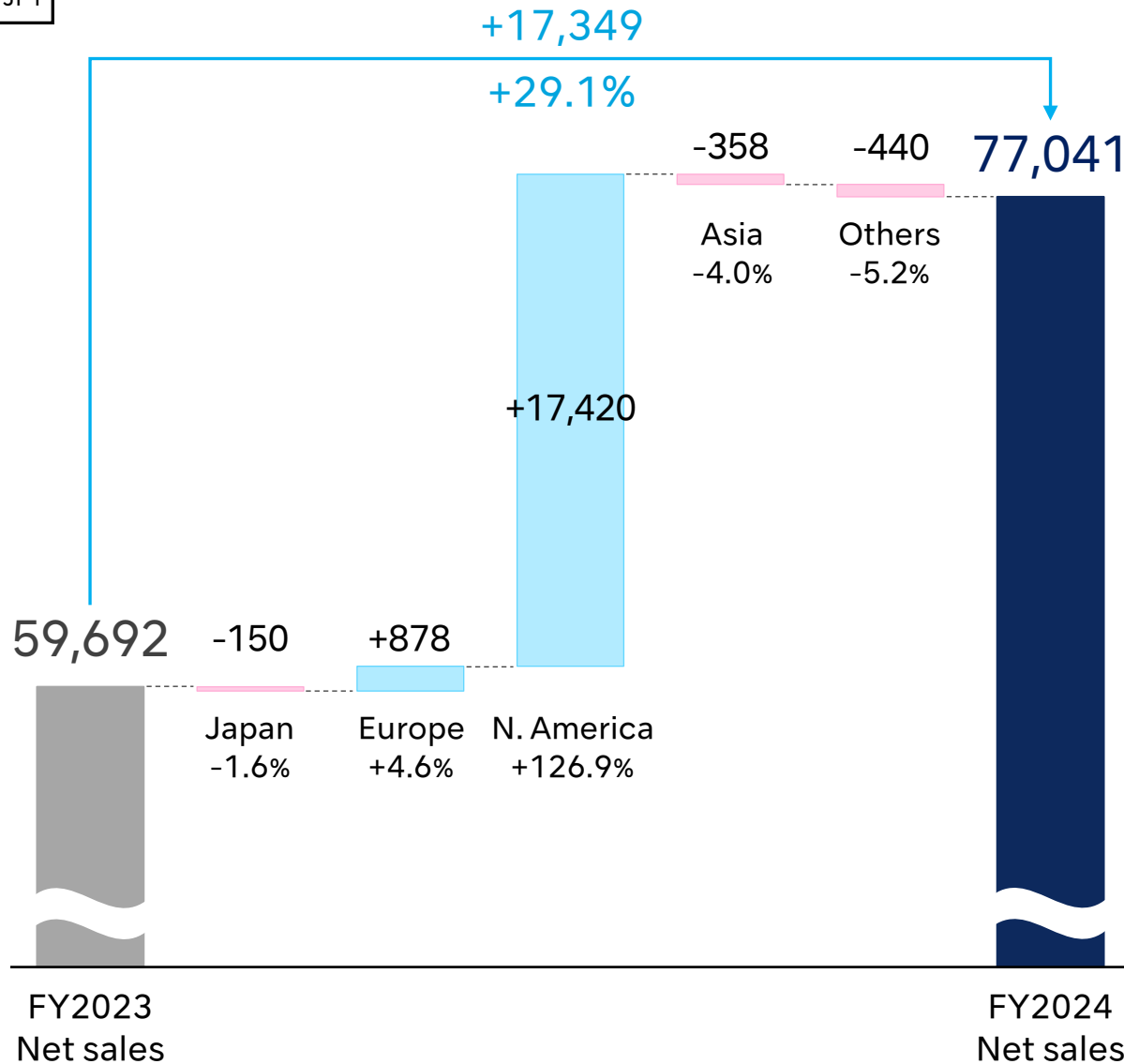
Forex impact +2,704M of JPY (+4.5%)

M&A effect (DCI and Refine) +16,895M of JPY (+28.3%)

Reference :
 DCI's net sales in FY2023 17,304M of JPY (unaudited) (1USD=151.44JPY)

Change in Net Sales by Region

M of JPY



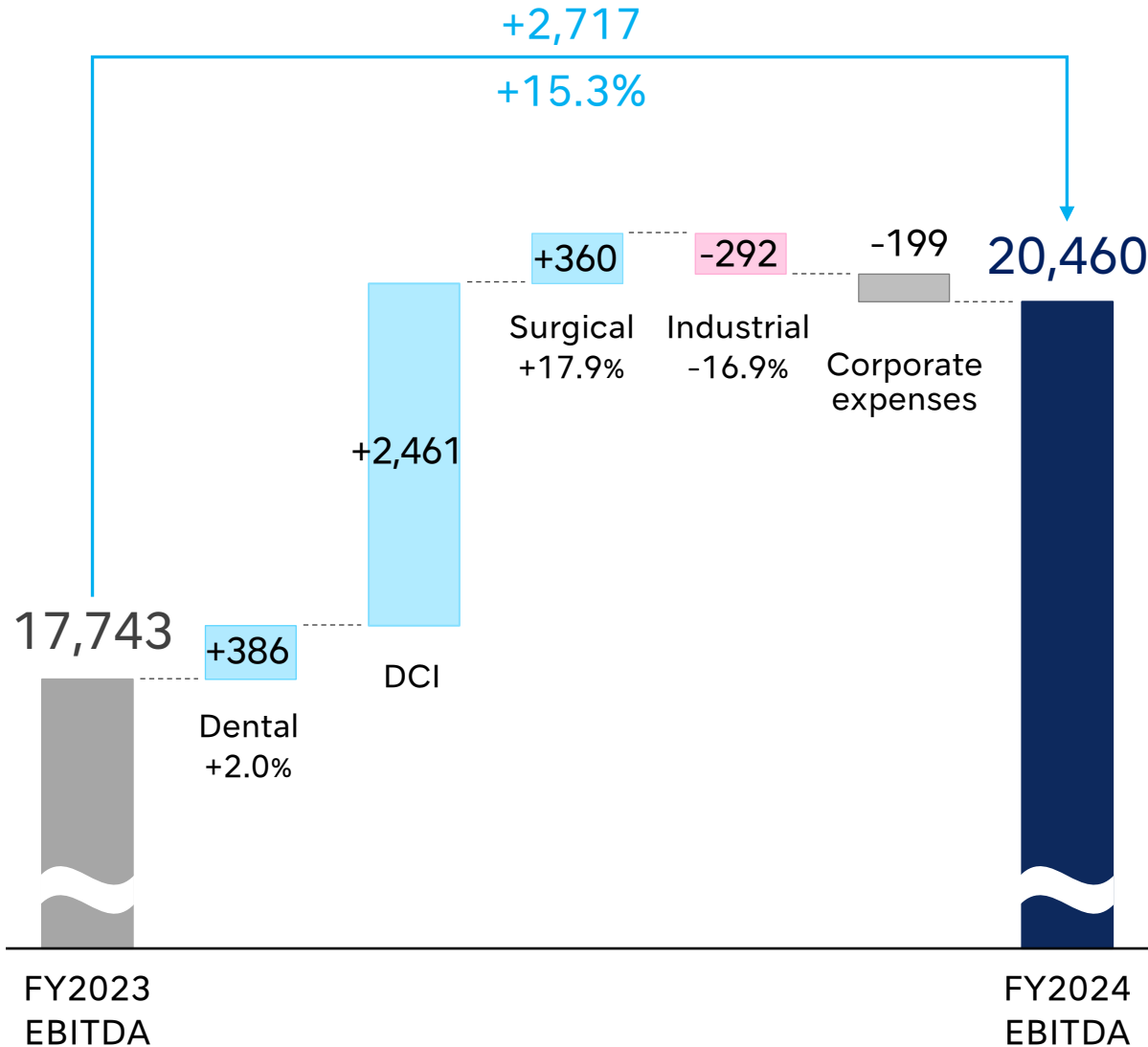
	FY2023 Actual	FY2024 Actual	Change
Japan	9,475	9,324	-1.6%
Europe	19,138	20,017	+4.6%
N. America	13,724	31,144	+126.9%
Asia	8,860	8,502	-4.0%
Others	8,493	8,052	-5.2%
Total	59,692	77,041	+29.1%

Forex impact +2,704M of JPY (+4.5%)

M&A effect (DCI and Refine) +16,895M of JPY (+28.3%)

Change in EBITDA by Business Segment

M of JPY



	FY2023 Actual	FY2024 Actual	Change
Dental	18,950	19,337	+2.0%
DCI	-16 (Oct.-Dec.)	2,444 (Jan.-Dec.)	-
Surgical	2,018	2,379	+17.9%
Industrial	1,726	1,434	-16.9%
Corporate expenses	-4,936	-5,135	-
Total	17,743	20,460	+15.3%

Forex impact +744M of JPY (+4.2%)

M&A effect (DCI and Refine) +2,389M of JPY (+13.5%)

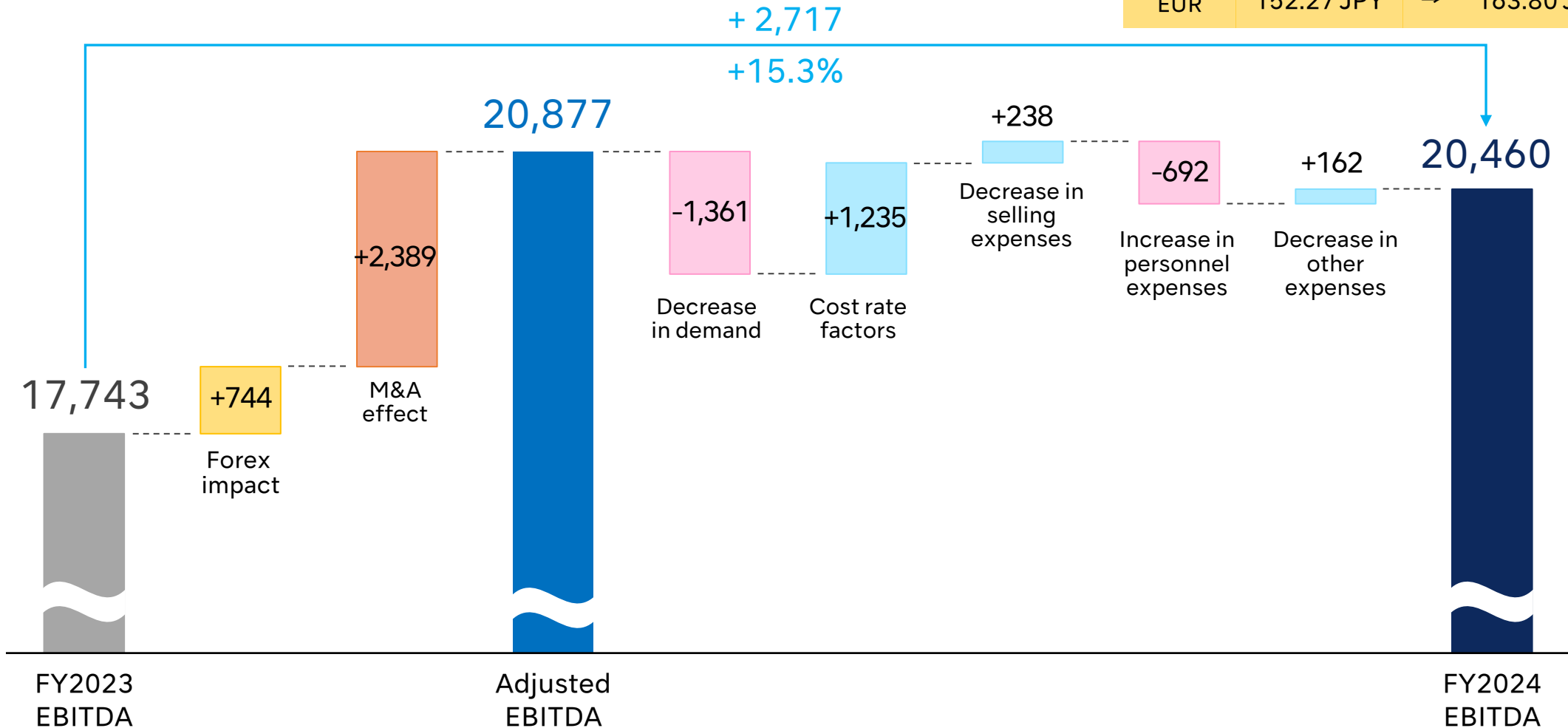
Reference :

* DCI's EBITDA in FY2023 1,062M of JPY (unaudited) (1USD=151.44PY)

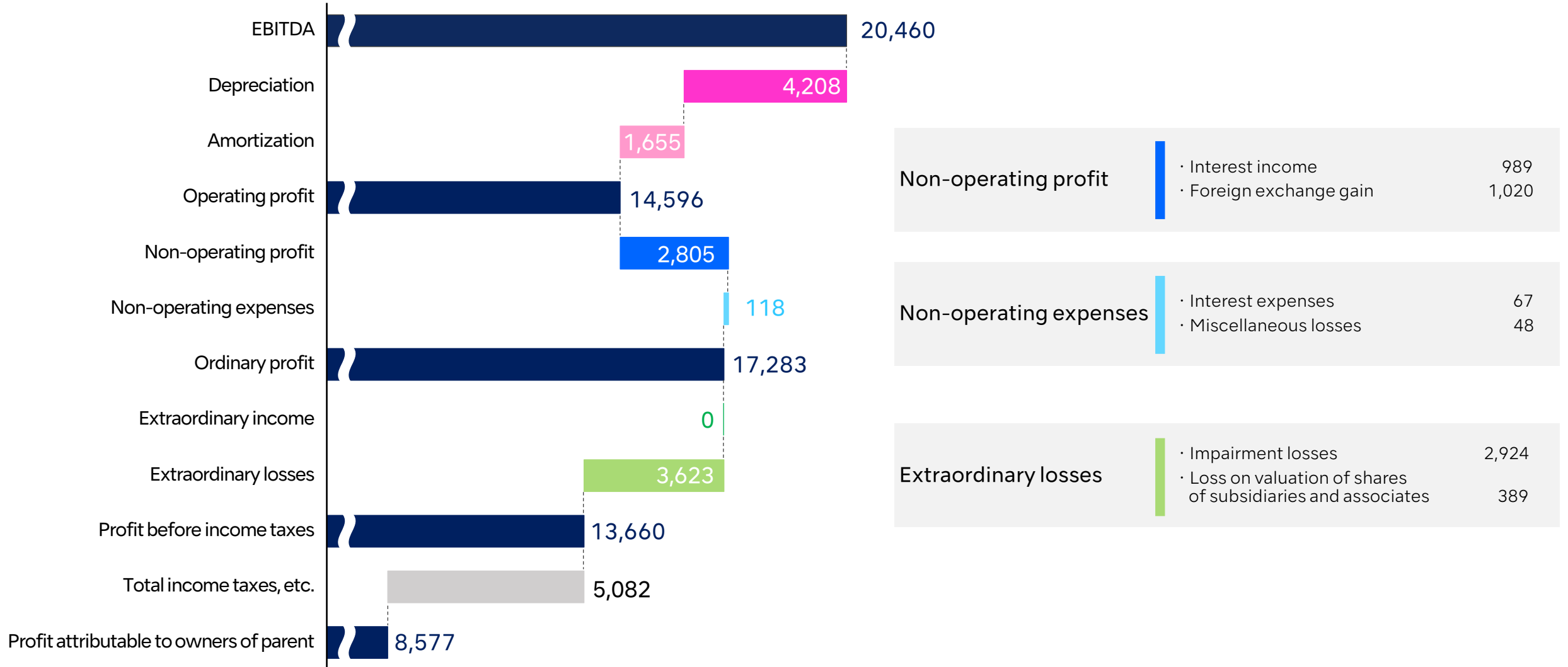
Change in EBITDA

M of JPY

Exchange rate			
	FY2023 Average		FY2024 Average
USD	140.54 JPY	→	151.44 JPY
EUR	152.27 JPY	→	163.80 JPY

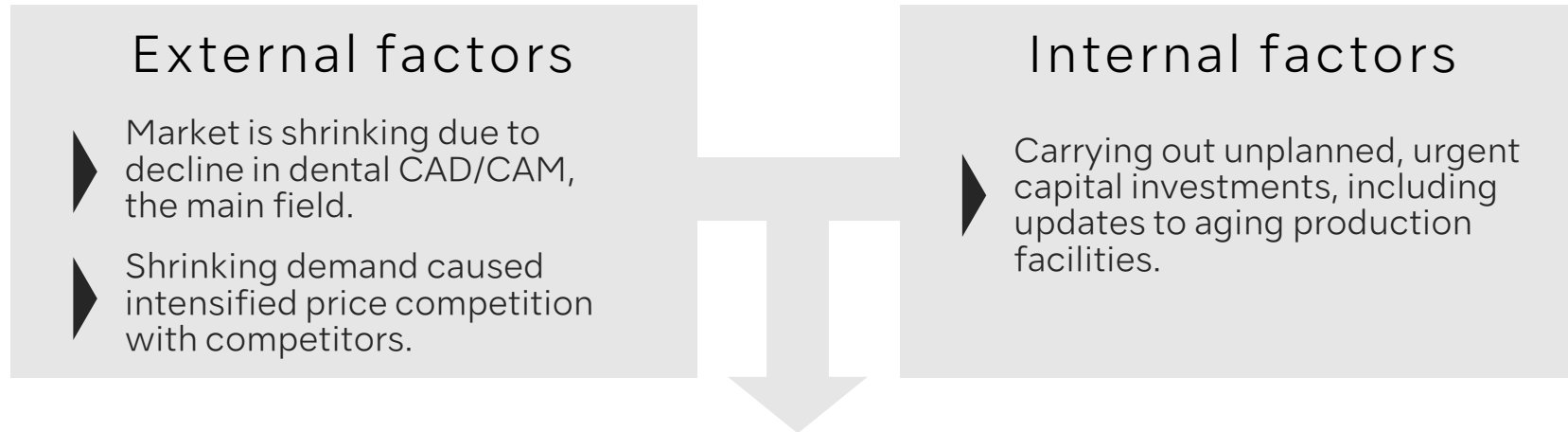


M of JPY



Recorded impairment loss of JAEGER acquired in December 2022

Impairment loss + tax effect ▲2,333M JPY



Recognized impairment loss in FY2024 Q4, considering the difficulty in achieving the original performance targets.

Strive for growth recovery by steadily launching competitive new products and improve productivity.

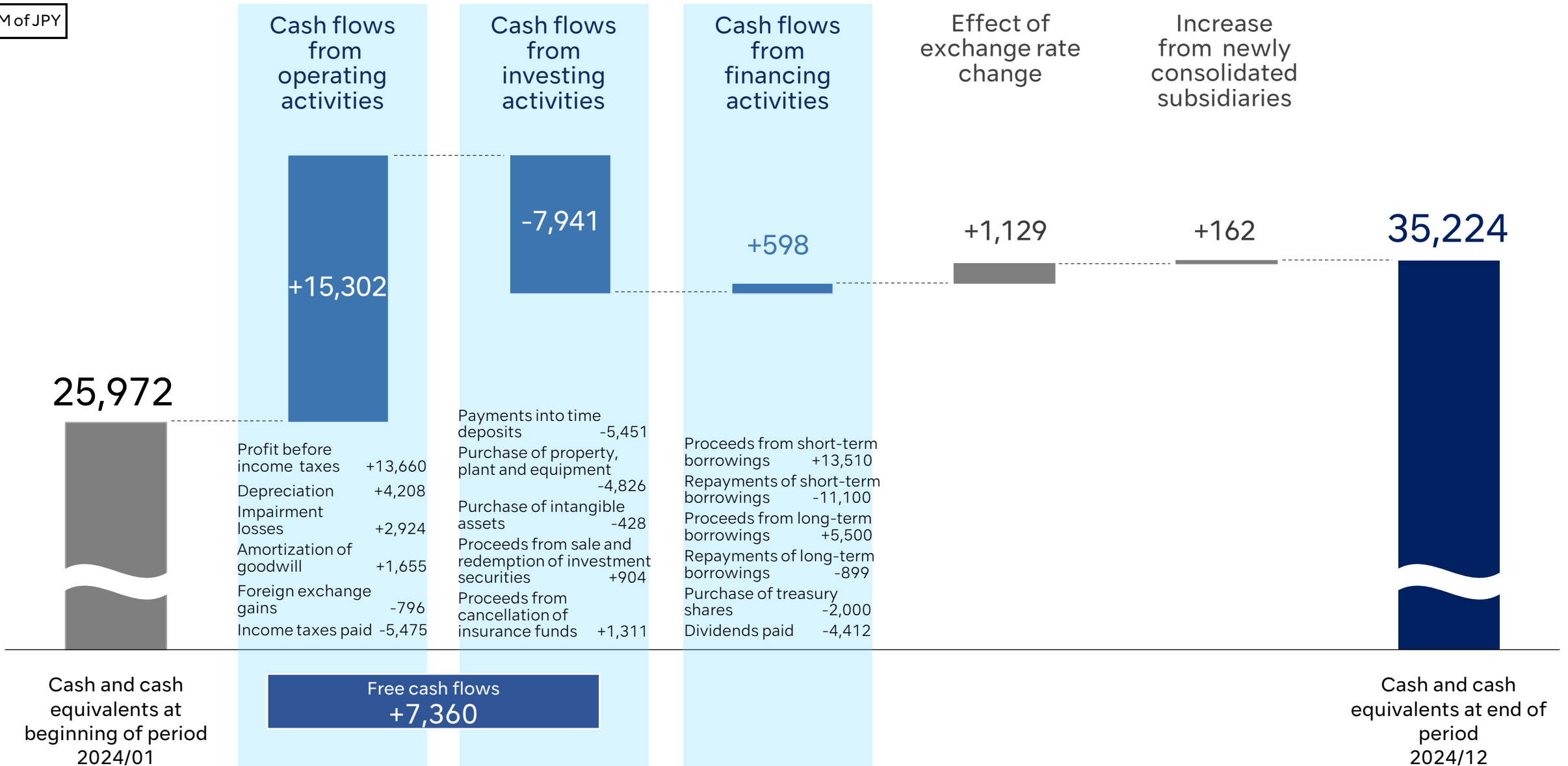
M of JPY

	As of Dec. 31, 2024	As of Dec. 31, 2023	Change	Notes
Total assets	158,299	140,768	+17,530	· Buildings and structures +5,392 · Construction in progress -3,038
- Cash and deposits	46,051	31,718	+14,333	
- Inventories	25,024	24,016	+1,008	· Merchandise and finished goods +677 · Work in process -57 · Raw materials and supplies +387
- Goodwill	21,389	21,378	+10	
Liabilities	37,100	27,603	+9,496	· Accounts payable - trade +494
- Loans payable	18,728	11,668	+7,060	· Short-term borrowings +2,443 · Current portion of long-term borrowings +1,820 · Long-term borrowings +2,796
Net assets	121,199	113,164	+8,034	· Foreign currency translation adjustment +5,384
- Retained earnings	116,593	112,310	+4,282	
Return on equity	7.3%	22.4%	-15.1pt	
Return on assets	11.6%	14.2%	-2.6pt	

	FY2024 Actual	FY2023 Actual	Change	Notes
Capital investments	5,335	5,984	-648	· M1 factory 2,716 · Machinery and equipment 817
Depreciation expenses	4,208	2,956	+1,252	

Consolidated Statements of Cash Flows

M of JPY

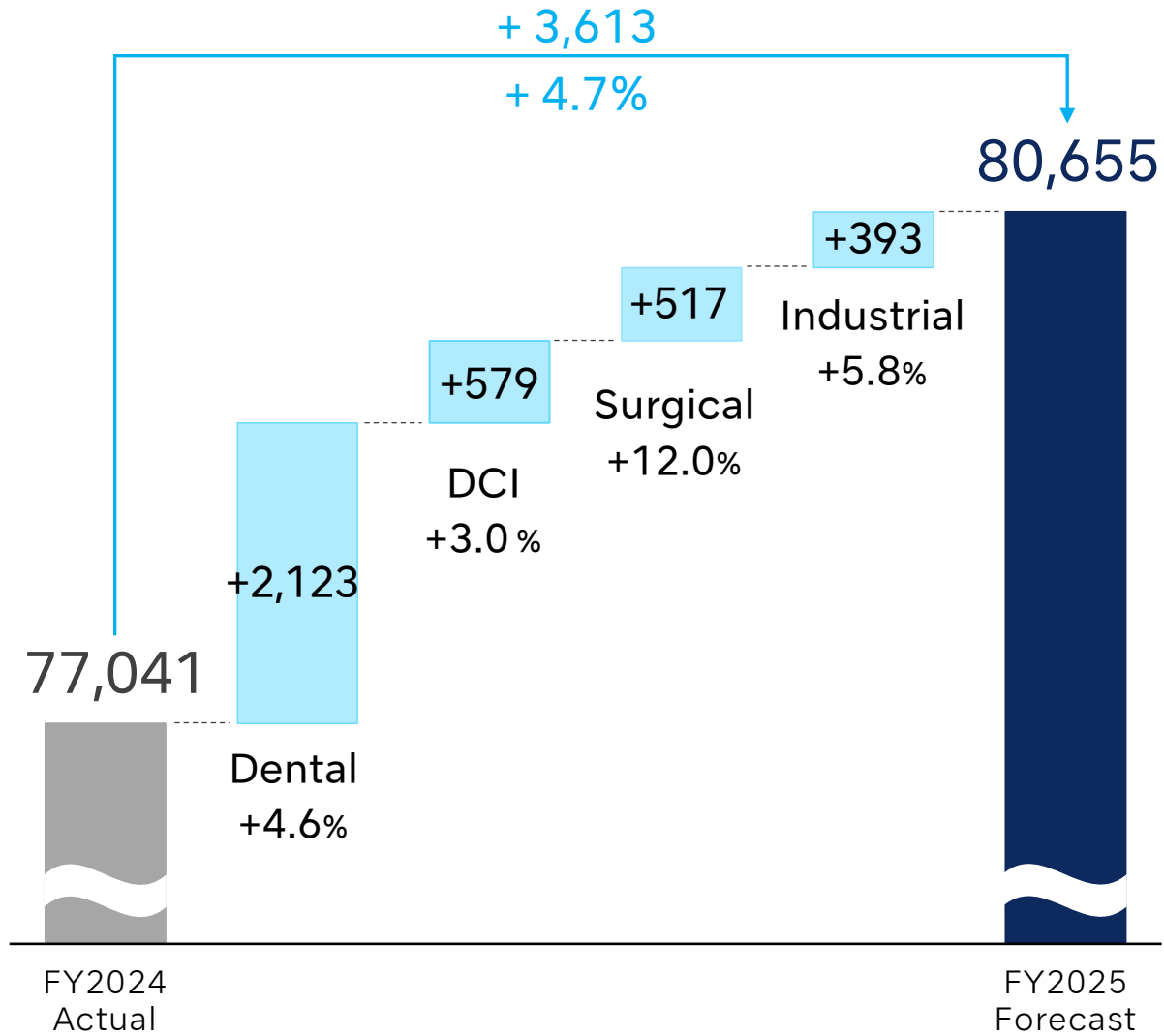


Consolidated Financial Forecast for FY2025

M of JPY

	FY2025 Forecast	FY2024 Actual	Change		Note
			Amount	Ratio	
Net sales	80,655	77,041	+3,613	+4.7%	
Gross profit	44,784	44,418	+366	+0.8%	
Ratio to net sales	55.5%	57.7%	-2.1 pt	–	
E B I T D A *	18,932	20,460	-1,527	-7.5%	
Margin	23.5%	26.6%	-3.1 pt	–	
Operating profit	13,150	14,596	-1,445	-9.9%	
Ratio to net sales	16.3%	18.9%	-2.6 pt	–	
Ordinary profit	13,840	17,283	-3,442	-19.9%	
Ratio to net sales	17.2%	22.4%	-5.3 pt	–	
Profit attributable to owners of parent	9,572	8,577	+994	+11.6%	
Ratio to net sales	11.9%	11.1%	+0.7 pt	–	
E P S (JPY)	113.34	101.37	–	–	
Capital investments	5,768	5,335	+433	–	
Depreciation expenses	4,365	4,208	+157	–	
Currency rate					Forex sensitivity
- Against the US dollar (JPY)	145.00	151.44	-6.44	–	242 M of JPY (Annual net sales)
- Against the EURO (JPY)	155.00	163.80	-8.80	–	98 M of JPY (Annual net sales)

M of JPY



	FY2024 Actual	FY2025 Forecast	Change
Dental	46,527	48,650	+4.6%
DCI	19,454	20,034	+3.0%
Surgical	4,321	4,839	+12.0%
Industrial	6,738	7,131	+5.8%
Total	77,041	80,655	+4.7%

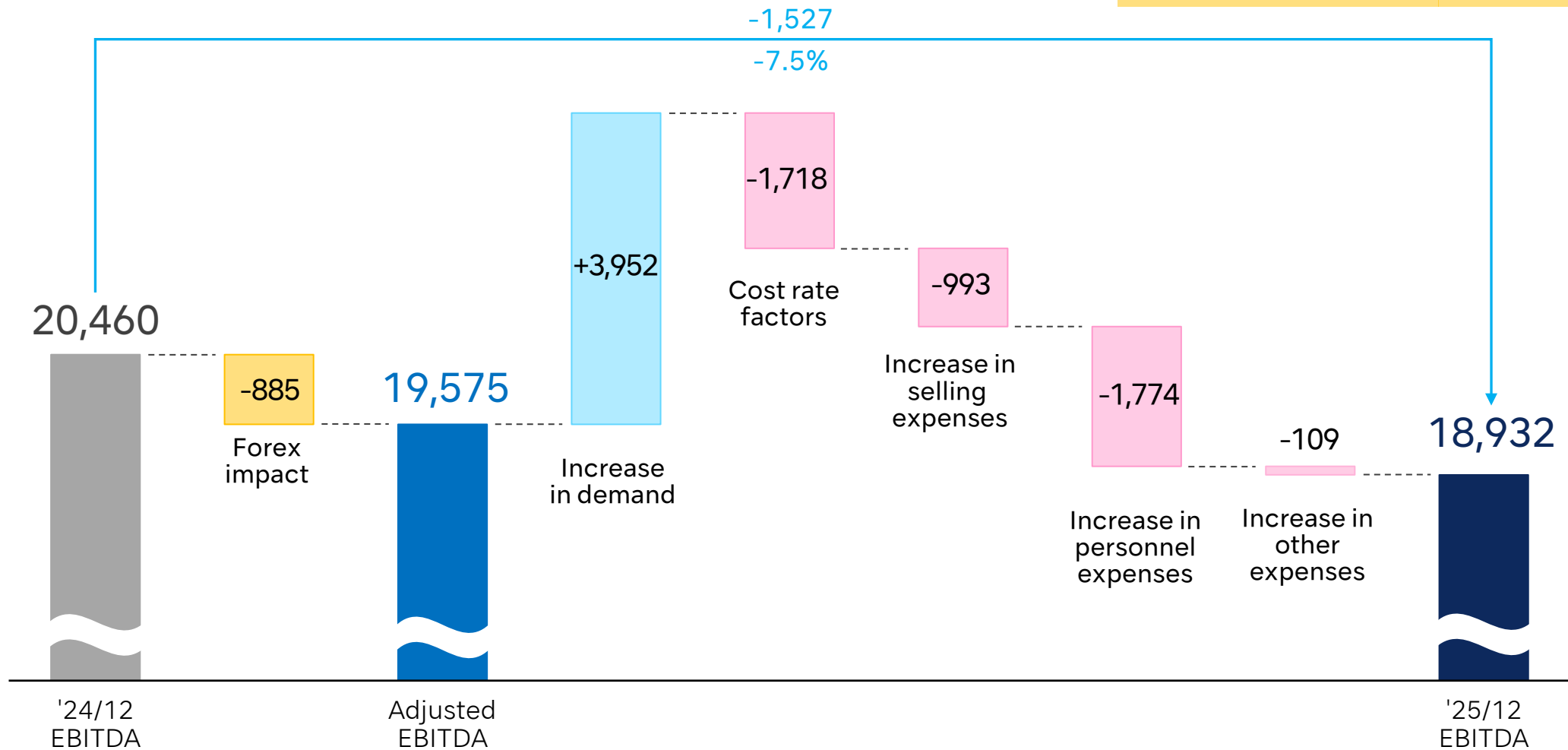
Forex impact -3,241 M of JPY (-4.2%)

Consolidated Financial Forecast for FY2025

Change in EBITDA

M of JPY

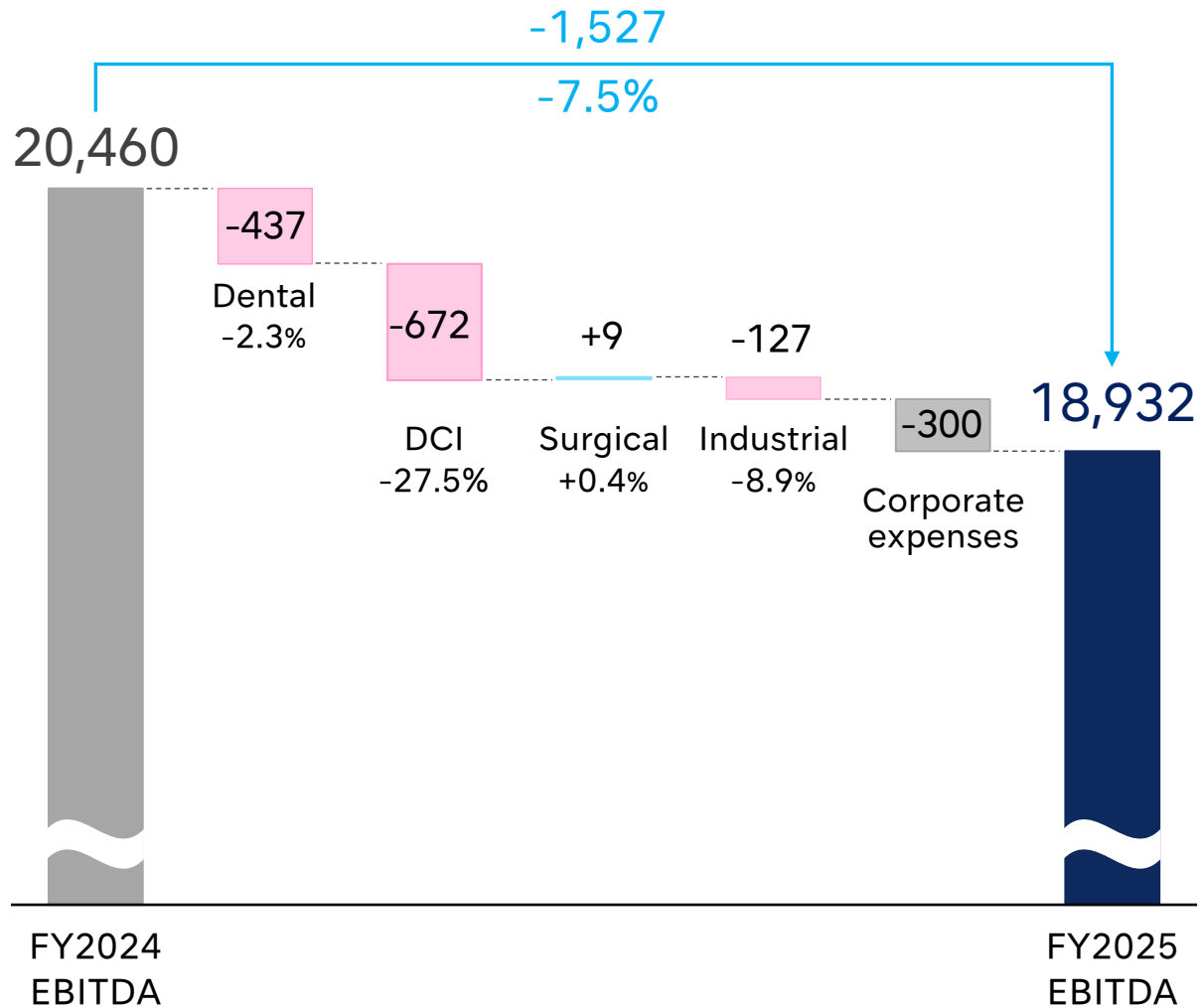
Exchange rate		
	FY2024 Actual	FY2025 Forecast
USD	JPY 151.44 →	JPY 145.00
EUR	JPY 163.80 →	JPY 155.00



Consolidated Financial Forecast for FY2025

Change in EBITDA by Business Segment

M of JPY



	FY2024 Actual	FY2025 Actual	Change
Dental	19,337	18,900	-2.3%
DCI	2,444	1,772	-27.5%
Surgical	2,379	2,388	+0.4%
Industrial	1,434	1,306	-8.9%
Corporate expenses	-5,135	-5,436	-
Total	20,460	18,932	-7.5%

Forex impact -885M of JPY (-4.3%)

Shareholder Return

Profit decreasing factors without cashflow arose to net profit, a standard of dividend, due to extraordinary income of DCI acquisition (gain on step acquisition) and impairment loss recorded in FY2024Q4.



[Temporary profit decrease factor]

[Continuous profit decrease factor]

Amount decreased in net profit due to impairment loss of JAEGER

Amortization of goodwill increased by gain on step acquisition of DCI

(impairment loss+ tax effect)

2,333M of JPY

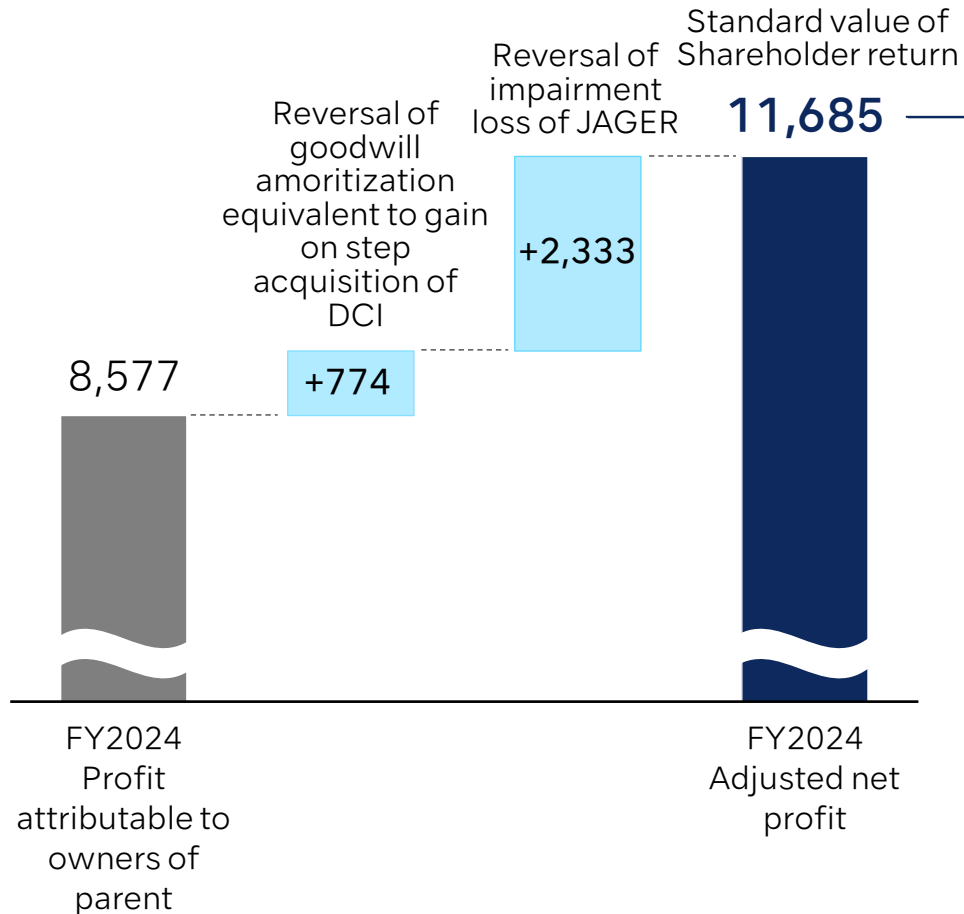
774 M of JPY/ year (Denominated in USD Until 2039)

The above factors are excluded from the calculation of the dividend forecast from FY 2024 and onward.

* Amortization amount may fluctuate according to FOREX rate since the goodwill of DCI is denominated in USD.

M of JPY

Adjustment of shareholder return standard



Shareholder return in FY2024

Repurchase of own shares

Month	Number of shares	Amount of repurchase costs
March, 2024	841,200	1,999 M of JPY
total		1,999 M of JPY

Dividend

Dividend Type	Per share	Total amount of dividend
Interim (actual)	26 JPY	2,195 M of JPY
Year-end (forecast)	26 JPY	2,195 M of JPY
total		4,391 M of JPY

Shareholder return in FY2024 (forecast)

Adjusted net profit base	Dividend payout ratio	37.6%
Adjusted net profit base	Total payout ratio	54.7%

Shareholder return policy

We position the return of profits to our shareholders as one of the important management issues; therefore, we plan to enhance business foundation and promote investment in growth areas properly and proactively, as well as to return profits to shareholders in a well-balanced manner.

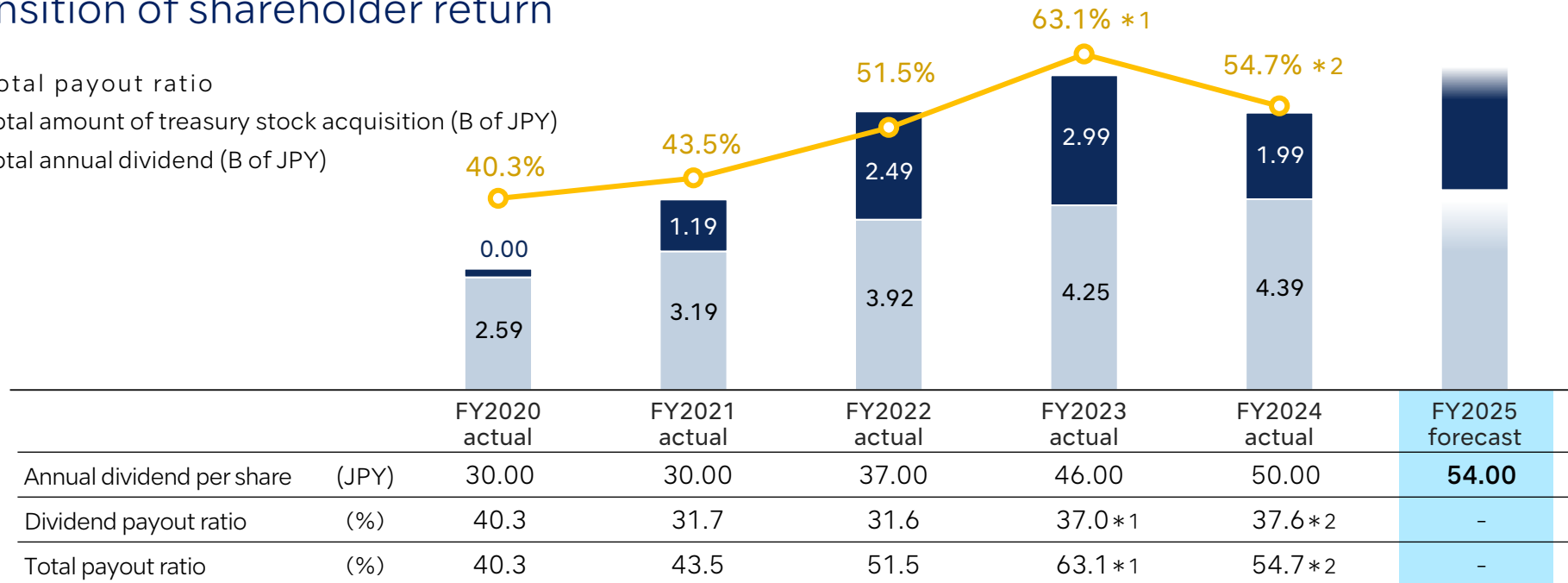
We endeavor to perform **flexible acquisition of treasury stock and stable and continuous dividend increase** with considering retained earnings required for future growth investment, and setting **the standard for medium-term profit return as a total return ratio of 50%**.

Transition of shareholder return

○ Total payout ratio

■ Total amount of treasury stock acquisition (B of JPY)

■ Total annual dividend (B of JPY)



*1 Calculated using adjusted net profit which excludes extraordinary income brought by DCI acquisition.

*2 Calculated using adjusted net profit which excludes profit decrease brought by impairment loss of Jaeger.

Progress of Mid Term Management Plan

KPI targets for FY2025 and actual progress in FY2024

Net Sales	Target	55.0 B of JPY	
	Actual	excluding M&A	55.7 B of JPY
		including M&A	77.0 B of JPY

ROE	Target	over 11.0 %	
	Actual	excluding M&A	10.1 %
		including M&A	7.3 %

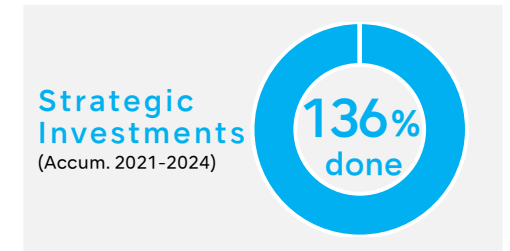
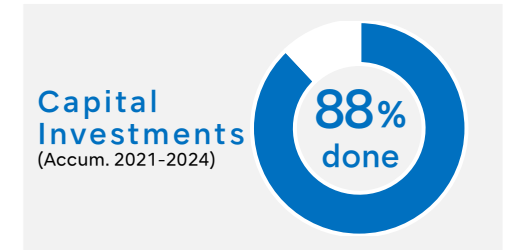
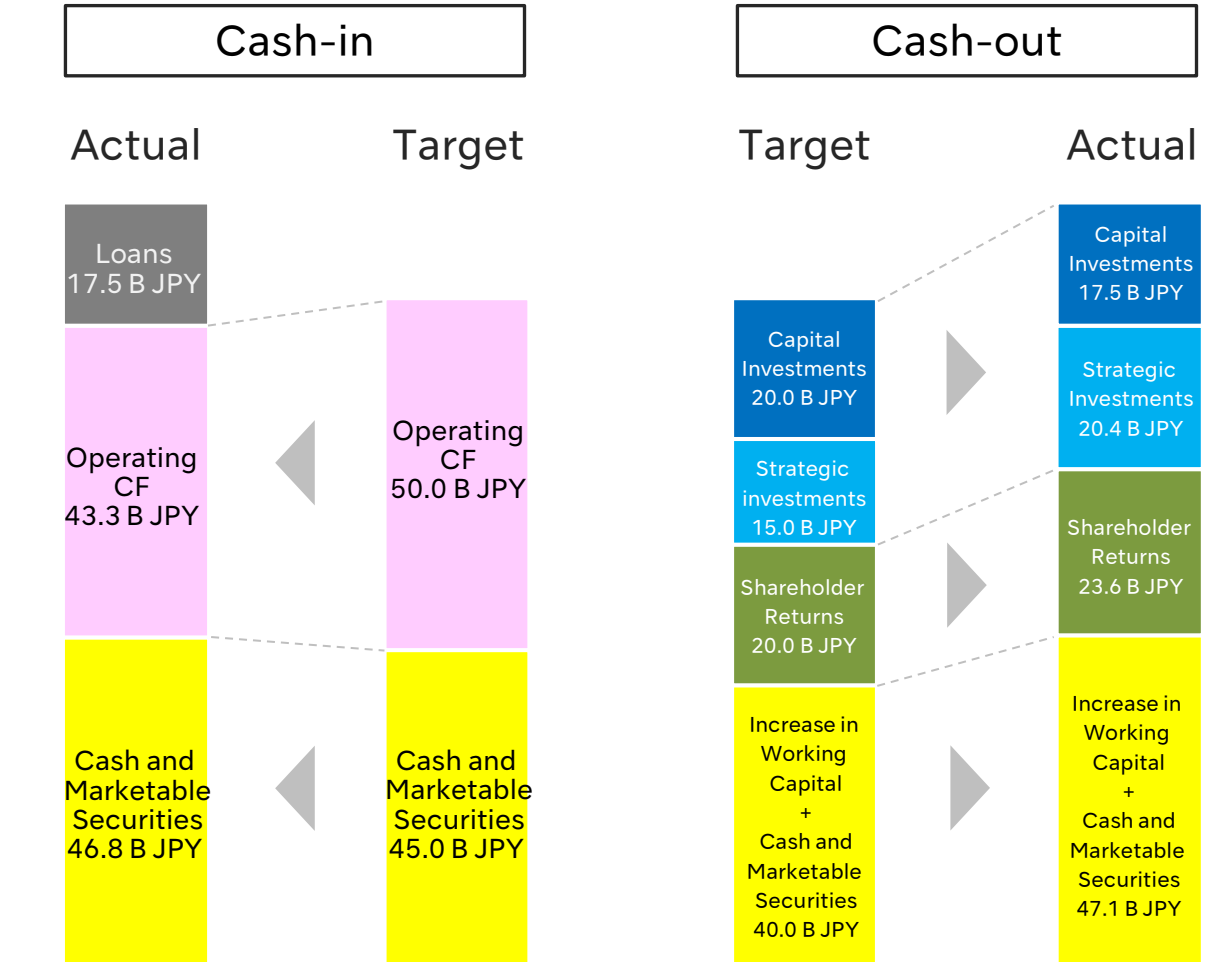
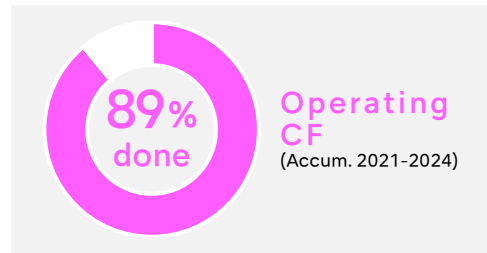
Operating Profit	Target	16.5 B of JPY	
	Actual	excluding M&A	14.8 B of JPY
		including M&A	14.5 B of JPY

Total Payout Ratio	Target	over 50.0 %	
	Actual	Adjusted net profit basis	54.7 %

Operating Margin	Target	30.0 %	
	Actual	excluding M&A	26.7 %
		including M&A	18.9 %

Cash and Marketable Securities to Monthly Sales Ratio	Target	less than 12.0 months	
	Actual	7.3 months	

Cash allocation targets for FY2025 and actual progress in FY2024



Overviews of Each Segment and Future Initiatives

President & Group CEO Eiichi Nakanishi

Sales grew in developed countries (North America and Europe), while sluggish in emerging countries (Asia, South America, and Russia)

B of JPY

Region	Net Sales (B of JPY)	YoY %	Dental	Surgical	Industrial	DCI (New Segment)
Europe	20.0	+4.6 %	↑	↑	↓	
H1	10.1	+5.3 %	↑	↑	↓	
H2	9.9	+3.9 %	↑	↑	↓	
Japan	9.3	-1.6 %	→	↑	→	
H1	4.6	-9.2 %	↓	↑	↓	
H2	4.6	+7.4 %	↑	↑	↑	
North America	31.1	+126.9 %	↑	↑	↑	
H1	15.2	+233.8 %	↑	→	→	—
H2	15.8	+73.4 %	↑	↑	↑	—

Region	Net Sales (B of JPY)	YoY %	Dental	Surgical	Industrial
Asia	8.5	-4.0 %	→	↑	↓
H1	4.5	+0.8 %	↑	↑	↓
H2	3.9	-9.0 %	↓	↑	↑

S. America, Middle East, Russia, Australia, etc.

Region	Net Sales (B of JPY)	YoY %	Dental	Surgical	Industrial
Others	8.0	-5.2 %	↓	↑	↓
H1	4.0	-10.7 %	↓	↑	↓
H2	4.0	+0.9 %	→	→	↓

Forecast of market trends in 2025

- Dental Business : Expected to recover gradually, having escaped from a push-back in special demand.
- DCI Business : While there are signs of demand recovery, uncertainties remain due to changes in government.
- Surgical Business : Demand is expected to remain steady in line with the solid surgical case volumes.
- Industrial Business : While global demand remains weak, there are signs of a bottoming out.

Basic Strategy for 2025

- ▶ Dental Business : Expand the global sales focusing on new products with competitive main product lineup.
- ▶ DCI Business : Expand business with new dealers and expand sales to Canada and DSO.
- ▶ Surgical Business : Achieve further growth through the expansion of collaborative business.
- ▶ Industrial Business : Actively promote proposals for automation and labor-saving in anticipation of demand recovery.

NLZ Pro

Started shipping to North America in November 2024

Dental dual motor system compatible with built-in



► Compatible with built-in

Can be built into existing dental chairs
Aim to enhance product competitiveness by standardizing the installation to DCI dental chairs

► Controlling 2 motors

Greatly improve convenience by using 2 contra-angles depending on the treatment

► Features color touch panel

Enhance visibility, ease of operation, and ease of cleaning by featuring flat color touch panel

VIVAace 2

Scheduled to start shipping domestically in March 2025

Major updates of highly demanded domestic mobile dentistry system

- ▶ **Even smaller and lighter high-performance motor**

Equipped with a high-torque motor that is 10% smaller than previous models and features new functionality that supports root canal treatment

- ▶ **Vacuum with greatly enhanced suction power**

Increased suction power approximately threefold in response to high demand from customers, while also improving quietness

- ▶ **Syringe with LED light**

Ensure a clear view by illuminating inside of the mouth
Effective at the patient's home or other locations





Japan

Overview of FY2024

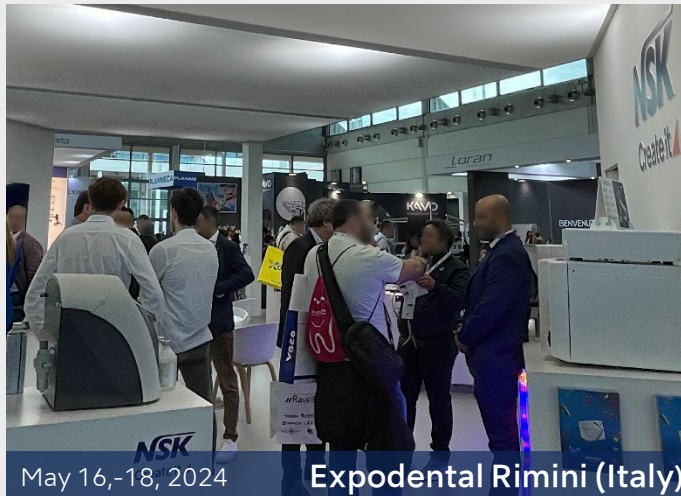
Actual Sales YoY

- After a period of declining demand, own brands recovered in 2nd half of the FY. Remained almost the same level as the previous.
- OEM sales declined significantly due to a push-back in special demand in the previous FY.

Measures for FY2025

Sales forecast YoY

- Aim to expand sales of oral hygiene products in collaboration with seminar activities, in addition to dental handpieces at the core.
- Aim to increase business partners for OEM sales.



Europe

Overview of FY2024

Actual Sales YoY

- Market share expanded owing to the local subsidiaries' vigorous sales efforts, despite the challenging market conditions.
- Sales of OEM business decreased significantly due to termination of large contract.

Measures for FY2025

Sales forecast YoY

- Aim to expand sales through new products of oral hygiene, in addition to dental handpieces and implant motors at the core.



Nov. 29-Dec. 4, 2024 **Greater NY (New York)**

North America

Overview of FY2024

Actual Sales  YoY

- Increased business with dental colleges and DSO by strengthening NSK America's sales capabilities. OEM sales were also strong.
- Bundled sales with DCI also went well.

Measures for FY2025

Sales forecast  YoY

- Aim to expand sales of own brands with competitive handpieces at the core, promoting bundled sales.
- OEM sales are expected to decline due to push-back.



Oct. 24-27, 2024 **DenTech China (Shanghai)**

Asia

Overview of FY2024

Actual Sales  YoY

- **China:** Sales decreased significantly due to the economic deterioration and anti-corruption policies. No signs of recovery. Sales increased due to new consolidation with REFINE.
- **Korea:** Strong sales in both own products and OEM.
- **Southeast Asia:** Sales decreased due to weak demand.

Measures for FY2025

Sales forecast  YoY

- Although there are no signs of recovery in the challenging market conditions in China, aim to steadily secure bidding contracts.
- In Korea and Southeast Asia, demand is expected to be weak. Aim to expand sales of handpieces and implant motors at the core.



Jan. 22-25, 2025

CIOSP 2025 (Brazil)



Mar. 21-23, 2024

ADX 2024 (Sydney)

Overview of FY2024

Actual Sales 
YoY

Measures for FY2025

Sales forecast 
YoY

Middle East

- Market conditions deteriorated due to geopolitical risks. Sales decreased due to the loss of large-scale government bidding contracts.

- Uncertain future with geopolitical risks. Aim to steadily acquire government bidding contracts.

South America

- Sales declined due to inventory adjustment, deteriorating market conditions and intensifying competitions.

- Aim to expand sales of implant motors and handpieces at the core.

Russia

- Sales decreased significantly due to a push-back in sales growth in the previous FY and inventory adjustment.

- Aim to expand sales of implant motors which receives many inquiries, despite uncertainties.

Australia

- Sales increased due to steadily acquiring government projects and bidding contracts.

- Aim to expand sales by focusing on oral hygiene products in addition handpieces at the core.



Nov. 29 – Dec. 4, 2024 Greater NY (New York)



Whereas the U.S. dental chair market decreased compared to the previous FY, it showed a clear recovery trend towards the end of FY.

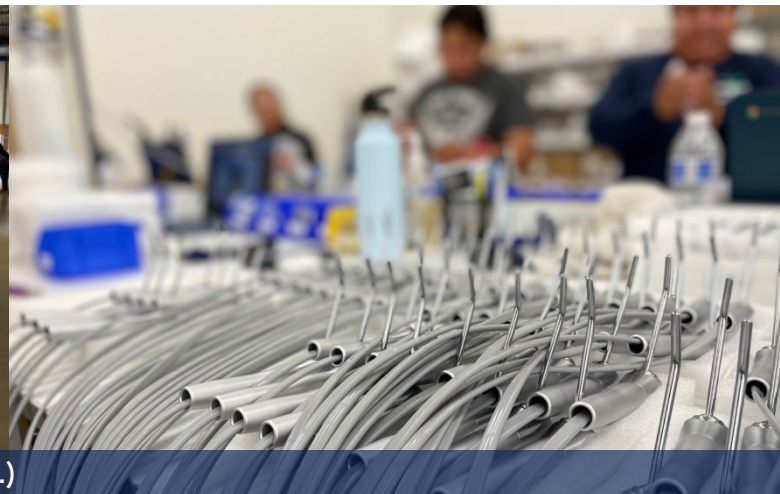
DCI dental chairs sales recovered steadily, and the number of DCI chairs sold for the full-year (Jan. to Dec.) increased compared to the previous FY.

DCI standalone performance achieved increase both in net sales and profit.

* U.S. \$ basis before depreciation

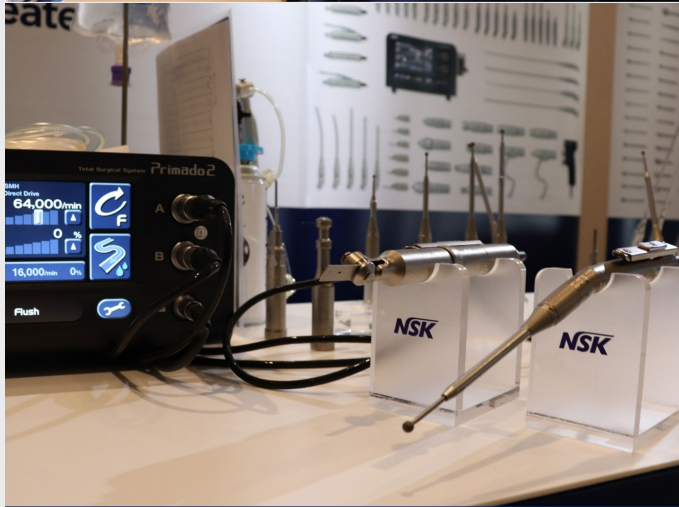


DCI dental chair manufacturing factory (Newberg, OR, U.S.)



Number of dental chairs sold in the U.S.
Jan.-Dec. 2024 cumulative (YoY)

Overall market :	-6%
DCI :	+2%



Oct. 11-12, 2024 Academic Exhibition (Utsunomiya)

Overview of FY2024

Actual Sales 
YoY

Measures for FY2025

Sales forecast 
YoY

Japan

- Sales of both units and disposables increased thanks to successful sales activities focusing on spine surgery.

- Expand sales of disposables, while strengthening customer contact point by enhancing business structure and expanding the sales area.

Europe

- Sales increased despite the continued weak demands. Capturing business opportunities due to competitors withdrawing.

- Assign European surgical specialists to local subsidiary to strengthen the sales structure in Europe region.

North America

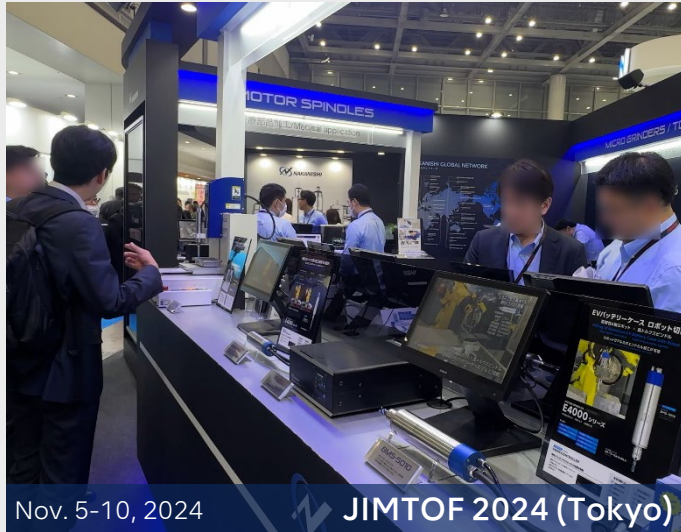
- Sales increased due to successful business strategies such as collaborative business and strengthening KOL partnerships.

- Expand collaborative business with surgical support robot manufactures. Capturing business opportunities due to competitors withdrawing.

Asia

- Sales increased by leveraging competitive products despite continued market deterioration in China and Korea, key markets.

- Aim to expand sales of new handpieces compatible with MIS (Minimally Invasive Surgery) such as endoscopic surgery.



Overview of FY2024

Actual Sales YoY

Measures for FY2025

Sales forecast YoY

Japan

- Continued phase of declining demand and sales decreased significantly. Signs of recovery are shown in the 2nd half.

- Continue to focus on proposal activities to promote labor-saving and energy-saving in anticipation of demand recovery.

Europe

- Sales of Nakanishi products declined due to market contraction and sales in JAEGER declined significantly due to the deterioration of market conditions and aggressive low-pricing strategies by competitors.

- Aim to steadily acquire inquiries and focus on restructuring of JAEGER for the time being.

North America

- Despite continued difficult market conditions, sales remained the same level as the previous FY as a result of successful proposal-based sales.

- Continue to focus on proposal-based sales activities, expecting recovery in capital investment in the U.S.

Asia

- Sales declined significantly, mainly in China, but there were signs of a bottoming out in the Q4 as sales increased YoY.

- Continue with proposals in fine processing fields while exploring demand recovery through sales activities.

Appendix

No intention of becoming a conglomerate. The most important criterion is whether we can strengthen our existing businesses.

Current focusing points are "expansion of surgical business" and "strengthen of core technologies".

1. Acquisitions of core technologies and peripheral fields for the growth of existing businesses
2. Acquisitions aimed at complementing resources and competing against competitors
3. Acquisitions of new fields that can capitalize on Nakanishi's advanced production technology

Strengthen
core technologies ?

▼

Grinding technology

1. Ultra high-speed rotating technology
2. Micromotor technology
3. Ultrasonic technology

Expand
business ?

▼

Product lineup

1. Dental equipment
2. Surgical equipment
3. Industrial spindle

Enhance
distribution capabilities ?

▼

Distribution network

1. Distribution area
2. Distribution channel
3. Market presence

▲

JAEGER (High-frequency spindles)
REFINE (Preventive dentistry equipment)

▲

JAEGER (Distribution area)
DCI (Distribution channel / Market presence)

JAEGER

Acquisition completed in Dec. 2022



DCI

Acquisition completed in Aug. 2023



REFINE

Acquisition completed in Nov. 2023



Company name	Nakanishi Jaeger GmbH	DCI International, LLC	Guilin Refine Medical Instrument Co., Ltd.
Founded	1967	1983	2017
Location	Ober-Moerlen, Hessen, Germany	Newberg, Oregon, US	Guilin, Guangxi Zhuang Autonomous Region, China
Representative	Björn Werner, Managing Director	Darrell McGiverin, CEO	Akihiko Yamauchi, Chairperson
# of employees	About 120	About 380	About 160
Business outline	Development, manufacture, and sales of high-performance HF spindles	Development, manufacture, and sales of dental chairs and dental equipment parts	Development, manufacture, and sales of dental equipment such as ultrasonic scalers
Production base	Germany	U.S.	China
Segment	Industrial	DCI	Dental

JAEGER

Acquisition in Dec. 2022

As of Acquisition

Goodwill: 21.7M EUR
Amortization period: 10 years



**Recorded impairment loss in
FY2024 Q4
No amortization from FY 2025**

DCI

Acquisition in Aug. 2023

As of Acquisition

Goodwill: 238M USD
Amortization period: 10-20 years



After PPA completion

(FY2023 Q4)

	Amortization period (Years)	Balance at beginning of FY2025 (M of USD)	Amortization expense (annual) (M of USD)
Intangible assets	15-20	94	6.4
Goodwill	16	123	8.4
		Total	14.8

REFINE

Acquisition in Nov. 2023

As of Acquisition

Goodwill: 100M RMB
Amortization period: 10 years



After PPA completion

(FY2024 Q1)

	Amortization period (Years)	Balance at beginning of FY2025 (M of RMB)	Amortization expense (annual) (M of RMB)
Intangible assets	4.5-7.25	23.6	5.4
Goodwill	10	87.2	9.9
		Total	15.3

JAEGER

Synergies assumed at acquisition

- ▶ Promotion of cross selling



PMI Progress Status

- ▶ Completed urgent updates to production facilities with aging problems.
- ▶ Product development and structure reinforcement will take longer than expected.

Sales decreased in both Nakanishi and JAEGER due to global demand decline.

DCI

Synergies assumed at acquisition

- ▶ DCI x NSK bundled sales
- ▶ Mutual complementation of sales networks



PMI Progress Status

- ▶ Combined reporting line of NSK America and DCI sales division.
- ▶ Achieved target of bundled sales for the first year.
- ▶ Patterson, one of the top 3 U.S. dental dealers, began handling DCI products.

Demand for dental chairs is recovering, and DCI is outpacing the market.

REFINE

Synergies assumed at acquisition

- ▶ Capturing the Chinese market and emerging markets
- ▶ Speeding up the development of electrical products



PMI Progress Status

- ▶ Started pharmaceutical application procedures (product registration) in each market, mainly in emerging countries.
- ▶ Building a mechanism for sales expansion utilizing Nakanishi's sales network.

Domestic demand in China fell more than expected, slowing domestic sales for both REFINE and competitors.

NSK