

# Notice Regarding Recording of Income Taxes for Prior Periods and Revisions to Financial Forecasts

Nakanishi Inc. (the "Company") hereby announces that it plans to file an amended return as a result of a tax audit by the KantoShinetsu Regional Taxation Bureau covering the three fiscal years from the fiscal year ended December 31, 2021 to the fiscal year ended December 31, 2023. Details are provided as follows. In conjunction with this, the Company also announces that it has revised the financial forecasts for the first half and the full year of the fiscal year ending December 31, 2025, as follows.

## 1. Recording of income taxes for prior periods

During the tax audit, authorities indicated that certain overseas subsidiaries are subject to taxation in Japan under the controlled foreign company rules, and expressed the view that the profits of these overseas subsidiaries should be deemed part of the Company's income and be subject to taxation in Japan for the three fiscal years from the fiscal year ended December 31, 2021 to the fiscal year ended December 31, 2023.

While there are differences in interpretation regarding some of the matters pointed out by the authorities, the Company recognizes that there are areas requiring improvement and thus plans to file an amended return in accordance with the findings. As a result, income taxes for prior periods of 1,200 million JPY (including additional tax for understatement, delinquent tax, etc.) for the first quarter of the fiscal year ending December 31, 2025 were recorded. This amount is an estimate calculated by the Company as of the current point in time.

The Company takes the findings seriously and will strive to prevent recurrence while further strengthening its tax compliance framework.

## 2. Revisions to financial forecasts

(1) Revision of financial forecasts for the first half of the fiscal year ending Dec. 31, 2025 (Jan. 1 - Jun. 30, 2025)

	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 forecasts (A)	38,616	8,368	5,478	5,854	3,927	46.51
Revised forecasts (B)	38,616	8,368	5,478	5,854	2,727	32.30
Change (B-A)	-	-	-	-	-1,200	-
Change (%)	-	-	-	-	-30.6	-
(Reference) Actual results for the first half ended June 30, 2024	38,557	11,051	8,287	10,522	7,026	82.88

(2) Revision of financial forecasts for the fiscal year ending Dec. 31, 2025 (Jan. 1 - Dec. 31, 2025)

	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 forecasts (A)	80,655	18,932	13,150	13,840	9,572	113.34
Revised forecasts (B)	80,655	18,932	13,150	13,840	8,372	99.14
Change (B-A)	-	-	-	-	-1,200	-
Change (%)	-	-	-	-	-12.5	-
(Reference) Actual results for the previous fiscal year ended December 31, 2024	77,041	20,460	14,596	17,283	8,577	101.37

Kanuma, May 12, 2025

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## About Nakanishi inc.

Nakanishi raises as our mission the creation of "brilliant progress" via innovative "grinding technology" through the lens of our corporate philosophy "Our Core" values. We aim to contribute to the development of medical care and the realization of a better life for all by creating new technology.

Based on "grinding technology", we have a differentiated product lineup under world-class brands in the dental, surgical, and industrial business fields, and are sold in 145 countries around the world.

Nakanishi will continue to work together with all employees of the group companies to create innovative products that only we can create and contribute to the lives and health of people around the world.

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

Visit [www.en.nsk-nakanishi-inc.jp](http://www.en.nsk-nakanishi-inc.jp) for more information about Nakanishi Inc. and our business.

### (3) Reasons for revision

Due to the recording of the aforementioned income taxes for prior periods, profit attributable to owners of parent is expected to decrease for both the first half and the full year of the fiscal year ending December 31, 2025. However, there is no change to the dividend forecast for the fiscal year ending December 31, 2025, which was announced on February 12, 2025 (interim dividend: 26 JPY per share; year-end dividend: 28 JPY per share).

Additionally, while the U.S. government's tariff policies may have a certain impact on the Company's business, it is currently difficult to estimate such impact. Therefore, these revisions to financial forecasts do not reflect any potential effects of such policies. Should any matters requiring disclosure arise in the future, an announcement will be promptly made.

**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.

**Source:** Nakanishi Inc. [www.nakanishi-inc.jp/ir/irnews](http://www.nakanishi-inc.jp/ir/irnews)