Presentation Material

for 2nd quarter ended June 30, 2025

Aug. 8, 2025

NAKANISHI INC.

Business Segment and Product Lineup

Dental Business

Development, production and sales of wide range of dental equipment, which cover such as restorative dentistry, periodontics, oral surgery, mobile dental care, etc.


Handpiece


Implant motor


Oral hygiene system


Clinical micro motor

DCI Business

Presenting results of DCI, the U.S. dental chair manufacturer, acquired in 2023, as an independent segment. Development, production and sales of dental chairs and related equipment for the North American market.


Dental chair


Dental cabinet


Dental parts

Surgical Business

Development, production and sales of bone grinding and cutting drills which can be used in areas of neurosurgery, spine surgery and orthopedic surgery.


Console


Surgical motor


Attachment


Bur

Industrial Business

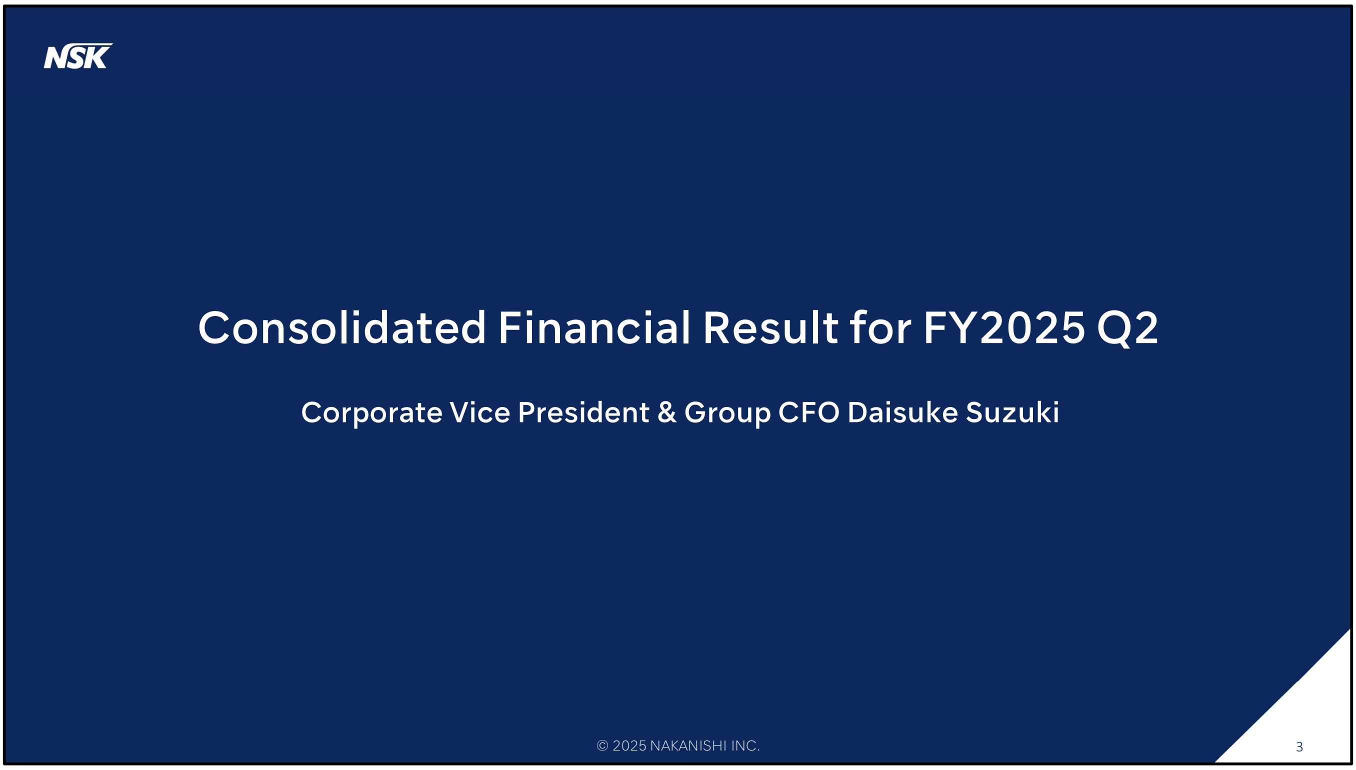
Development, production and sales of spindles which can be used in high-precision processes in wide range of industrial areas such as automobile and precision parts industries.


Controller & Spindle


Controller & Spindle


Electric hand grinder


Ultrasonic cutter



I am Suzuki, Corporate Vice President & Group CFO.
I would like to start with the briefing.

Performance Highlights

Net sales remained flat YoY. While the shift to a stronger JPY reduced net sales, those in the Surgical business grew significantly by 26% YoY, supporting consolidated net sales.

Although the first half was front-loaded with expenses due to IDS 2025 participation and organizational enhancement in the U.S. and Surgical business, gross profit was secured and expenses were controlled to an extent greater than planned, resulting in EBITDA exceeding the plan despite decreasing YoY.

Profit exceeded the plan despite declining significantly YoY due to foreign exchange losses and income taxes for prior periods.
Impact of U.S. tariffs is expected to materialize from Q3 onward. Although the outlook remains uncertain due to the unresolved U.S.-China tariff rates, the strong performance in the first half is expected to offset tariff impacts. The full-year forecasts remain unchanged.

About the performance highlights, first, while the top line remained roughly flat compared to the previous year, the impact of foreign exchange rates led to a decrease in revenue of approximately 900 million yen.
Therefore, in real terms, we can say that sales actually grew.
Starting in the second quarter (April to June), we began to see a recovery in demand. Especially the surgical business showed strong momentum.

Although EBITDA declined compared to the previous year, it exceeded our plan. For the three-month period of the second quarter (April to June), EBITDA was flat compared to the same period previous year.

There were two main factors behind the decline in the first quarter (January to March).
First, selling, general, and administrative expenses increased due to our participation in the International Dental Show (IDS), the world's largest dental exhibition held biennially.
Second, selling expenses rose as a result of strengthening sales activities at DCI. In particular, the increase in DCI's expenses was due to the initial costs associated with launching transactions with nationwide dealer in the U.S., representing a front-loaded investment phase.

By the second quarter, these one-time cost increases had subsided, and we returned to our normal profit structure.

The third key point of performance highlight is that we have maintained our full-year forecast. Given the strong progress in the first half, an upward revision to the full-year forecast could be considered. However, we decided to keep the forecast unchanged due to several uncertainties. These include the impact of U.S. tariffs, which are expected to become more apparent in the second half, as well as ongoing concerns about future such as tariffs on imports from China.

NSK

Consolidated P/L

M of JPY

	FY2025Q2 Actual	FY2024Q2 Actual	Ratio	Forecast (As of May 12)	Ratio
Net sales	39,189	38,557	+1.6%	38,616	+1.5%
Gross Profit	23,104	22,863	+1.1%	21,452	+7.7%
Ratio to net sales	59.0%	59.3%	–	55.6%	–
EBITDA ＊	10,390	11,051	-6.0%	8,368	+24.2%
Margin	26.5%	28.7%	–	21.7%	–
Operating Profit	7,587	8,287	-8.4%	5,478	+38.5%
Ratio to net sales	19.4%	21.5%	–	14.2%	–
Ordinary Profit	6,930	10,522	-34.1%	5,854	+18.4%
Ratio to net sales	17.7%	27.3%	–	15.2%	–
Profit attributable to owners of parent	3,510	7,026	-50.0%	2,727	+28.7%
Ratio to net sales	9.0%	18.2%	–	7.1%	–
E P S (JPY)	41.84	82.88	–	32.30	–

＊ EBITDA = Operating profit + Depreciation + Amortization

	FY2025Q2 Actual	FY2024Q2 Actual	Ratio	Forecast (As of May 12)	Ratio
Currency rate - Against the US dollar (JPY)	149.01	152.31	-3.30	145.00	+4.01
- Against the EURO (JPY)	162.62	164.83	-2.21	155.00	+7.62

・Forex impact: Net sales -686M of JPY (vs FY2024Q2 Actual), +953M of JPY (vs FY2025 Forecast)

Let me explain the consolidated income statement.

First, I would like to touch on the impact of foreign exchange rates. Compared to our assumed rates, both the U.S. dollar and the euro were weaker in yen terms, which had a positive effect on our performance. However, compared to the exchange rates in the same period previous year, the yen was stronger, resulting in a negative impact.
That said, the fluctuation in exchange rates was relatively small, so the overall impact on the performance was limited.

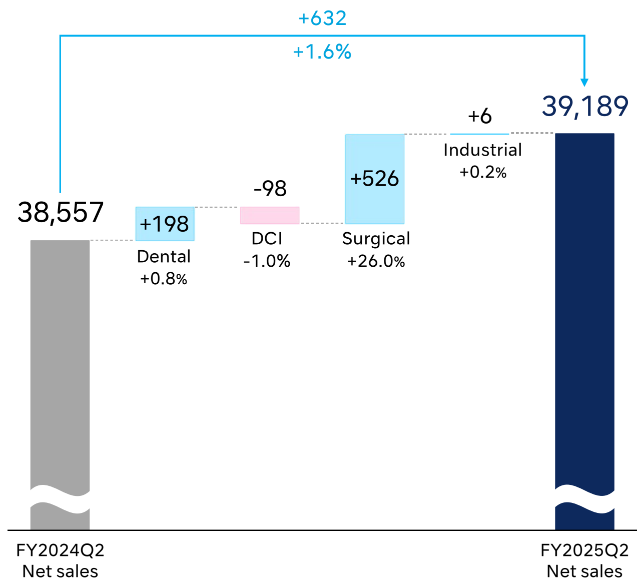
With those in mind, the first key point of our first-half results is the gross profit margin. While our forecast assumed a margin of 56%, the actual result came in at 59%. This improvement was driven by the yen's depreciation against major currencies and fluctuations in unrealized profits.

The second key point is that EBITDA declined compared to the same period previous year. This was due to expenses recorded in the first quarter (January to March), including costs related to our participation in the IDS dental exhibition and front-loaded sales investments at DCI. In the second quarter (April to June), EBITDA was nearly flat compared to the same period previous year.

The third key point concerns foreign exchange gains and losses, which appear between operating profit and ordinary profit.
In the same period last year, we recorded approximately 1.5 billion yen in foreign exchange gains, whereas this year we recorded around 1.2 billion yen in foreign exchange losses.
This represents a negative swing of about 2.7 billion yen.

Change in Net Sales by Business Segment

M of JPY



	FY2024Q2 Actual A	FY2025Q2 Actual B	(Forex impact)	Change B/A-1
Dental	23,335	23,533	-423	+0.8%
DCI	9,933	9,834	-215	-1.0%
Surgical	2,022	2,548	-16	+26.0%
Industrial	3,266	3,272	-31	+0.2%
Total	38,557	39,189	-686	+1.6%

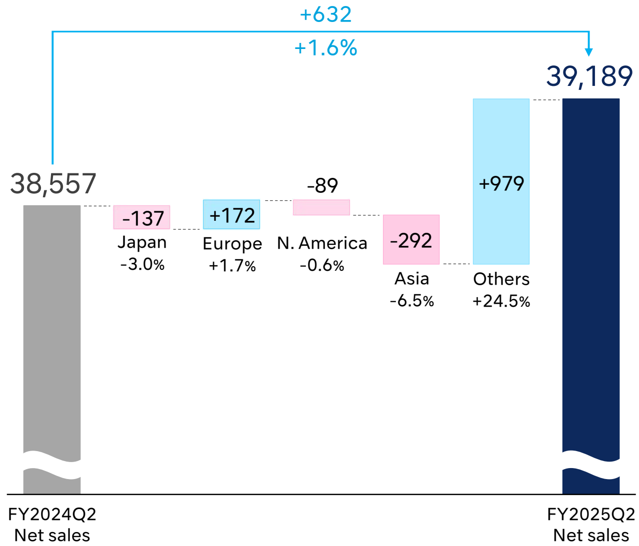
Here I will explain sales status by business segment.

Sales in the surgical business grew significantly.
In particular, in the United States, we saw strong growth driven by the expansion of collaborative business and the acquisition of new customers. Although we were in a phase of making investments, such as strengthening our sales structure, these efforts led to business growth at an early stage.

Additionally, in the second quarter (April to June), all business segments; Dental, DCI, Surgical, and Industrial, achieved sales growth excluding the impact of foreign exchange rates.

Change in Net Sales by Region

M of JPY



	FY2024Q2 Actual A	FY2025Q2 Actual B	(Forex impact)	Change B/A-1
Japan	4,648	4,511	-	-3.0%
Europe	10,103	10,276	-97	+1.7%
N. America	15,284	15,195	-294	-0.6%
Asia	4,517	4,224	-132	-6.5%
Others	4,002	4,981	-161	+24.5%
Total	38,557	39,189	-686	+1.6%

From a regional perspective, while Japan and Asia showed some weakness, Europe experienced growth following increased demand after our participation in IDS.

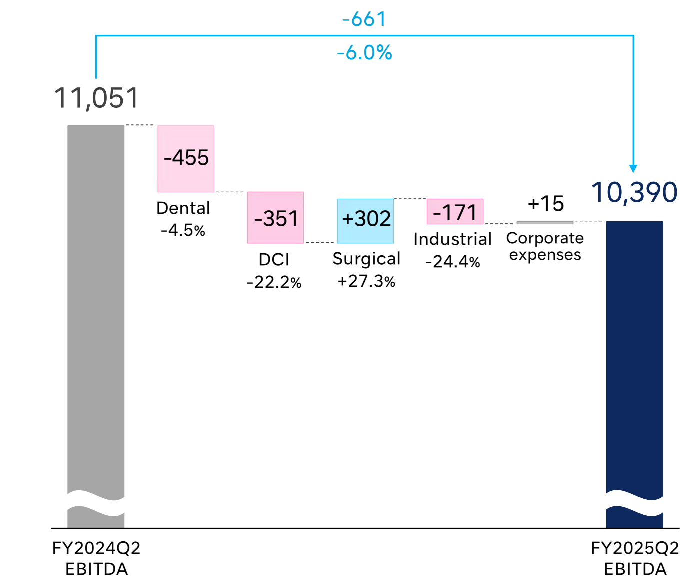
In the U.S., overall sales were roughly flat. Although the dental business declined, the surgical business helped offset the drop.

To elaborate on the U.S. dental business, while sell-in (sales from our company to dealers) decreased during the period, sell-out (sales from dealers to dental clinics) actually increased. Therefore, we are not overly pessimistic about future sales trends.

In other markets including South America, the Middle East, Oceania, and Russia, we achieved a sales increase of approximately 1 billion yen compared to the same period previous year. South America, in particular, showed strong performance.

Change in EBITDA by Business Segment

M of JPY



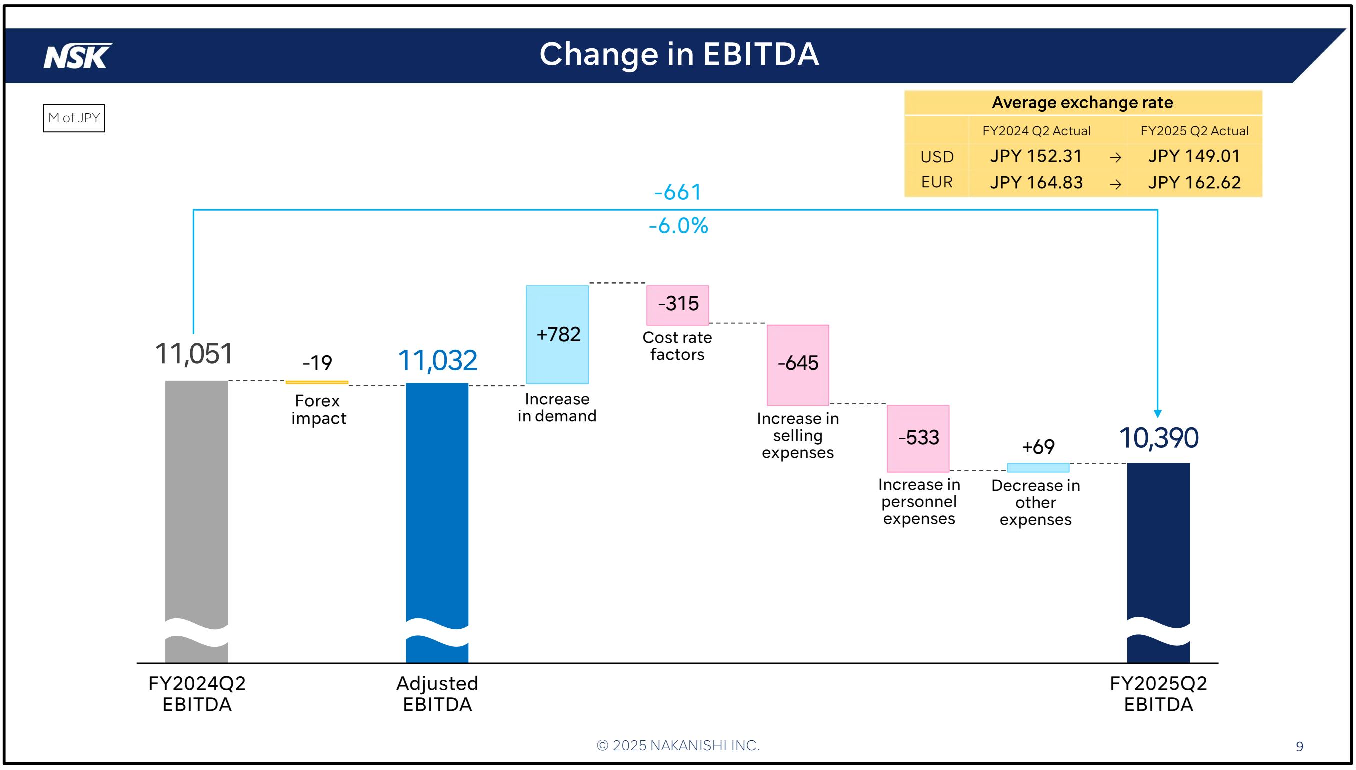
	FY2024Q2 Actual A	FY2025Q2 Forecast	FY2025Q2 Actual B	Change B/A-1
Dental	10,237	8,954	9,782	-4.5%
DCI	1,585	463	1,233	-22.2%
Surgical	1,106	1,064	1,408	+27.3%
Industrial	703	623	531	-24.4%
Corporate expenses	-2,581	-2,738	-2,565	-
Total	11,051	8,368	10,390	-6.0%

Forex impact	-19M of JPY	(-0.2%)

Let me explain the changes in EBITDA by business segment.

The decline in EBITDA for the Dental and DCI businesses, as previously mentioned, was due to costs related to our participation in IDS and front-loaded investments at DCI, respectively.

The Surgical business continued to perform strongly, while the Industrial business saw a decline in profit due to ongoing restructuring efforts at Jaeger.

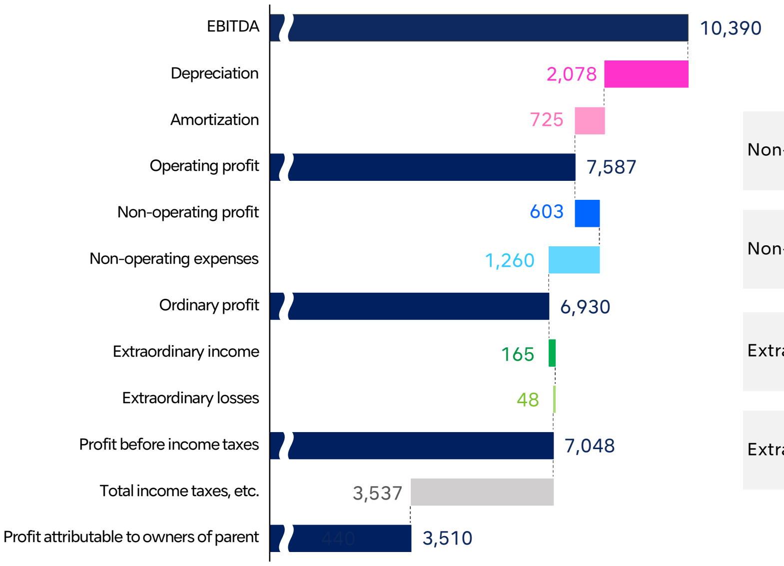


Looking at the changes in EBITDA by account item, the impact of foreign exchange was minimal.

Increased demand and changes in cost rate factors contributed a positive impact of approximately 460 million yen. However, this was outweighed by a 640 million yen rise in selling expenses (including IDS exhibition costs and DCI-related upfront investments) and a 530 million yen increase in personnel expenses (of which around 60% attributable to DCI).

Other Income, Expense, Taxes

M of JPY



Non-operating profit

· Interest income	410
· Dividends income	45

Non-operating expenses

· Interest expenses	75
· Foreign exchange losses	1,168

Extraordinary income

· Reversal of provision for loss on litigation	164

Extraordinary losses

· Loss on retirement of non-current assets	22
· Expense on scrapping fixed assets	17

Consolidated Balance Sheet

M of JPY

	As of June 30, 2025	As of Dec. 31, 2024	Change	Notes
Total assets	153,767	158,299	-4,532	· Buildings and structures +1,815 · Investment securities -1,111
- Cash and deposits	46,603	46,051	+552	
- Inventories	24,773	25,024	-251	· Merchandise and finished goods -133 · Work in process -36 · Raw materials and supplies -81
- Goodwill	18,906	21,389	-2,483	
Liabilities	36,469	37,100	-630	· Accounts payable - trade +117
- Loans payable	20,573	18,728	+1,844	· Short-term borrowings -28 · Current portion of long-term borrowings +1,014 · Long-term borrowings +858
Net assets	117,297	121,199	-3,901	· Foreign currency translation adjustment -2,799
- Retained earnings	118,122	116,593	+1,529	
Return on equity*	5.9%	7.3%	-1.4pt	
Return on assets*	8.9%	11.6%	-2.7pt	

*annualized reference value

	FY2025Q2 Actual	FY2024Q2 Actual	Change	Notes
Capital investments	3,101	2,458	+642	· M1 factory 2,004 · Subsidiary office renovation 171
Depreciation expenses	2,078	1,975	+102	

11

Here I will explain two key points regarding the balance sheet.

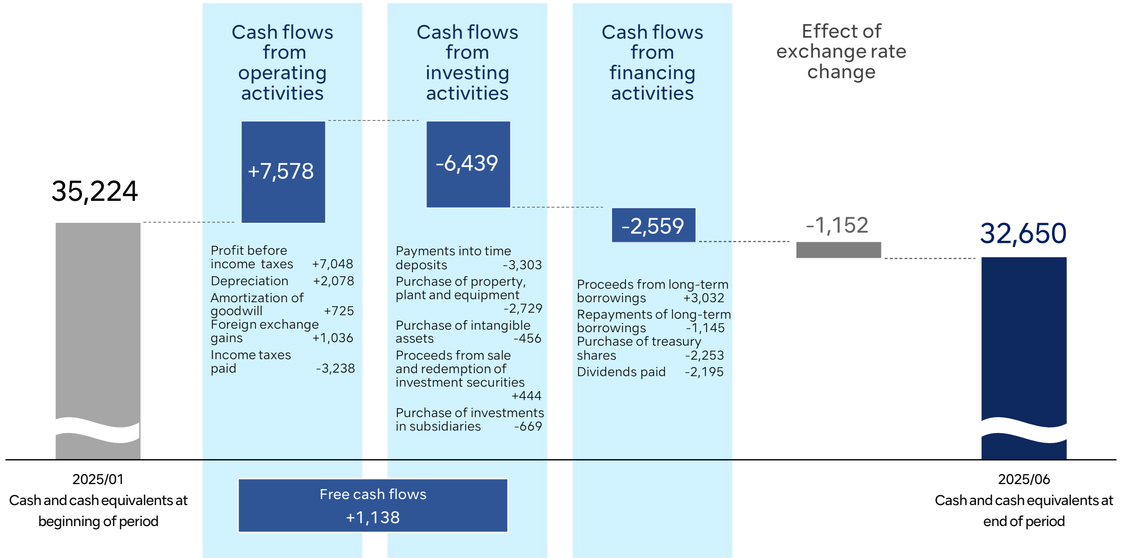
First, we are entering a phase of increasing demand, and the operation rate at our headquarters factory is also rising. Our ongoing efforts to streamline inventory have been effective, resulting in a reduction in inventories.

The second point is capital expenditures.
We invested 3.1 billion yen during the period, of which approximately 2.0 billion yen was allocated to the M1 factory.
With the completion of the M1 factory in April of this year, our large-scale capital investments at headquarters have come to an end.

Our typical annual capital expenditure ranges from 1.5 to 2.0 billion yen, and we expect future investments to remain around this level, with some additional spending as needed.

Consolidated Statements of Cash Flows

M of JPY



Consolidated Financial Forecast for FY2025

No changes from the revised forecast as of May 12, 2025

NSK **Supplementary Explanation of Consolidated Financial Forecast**

Initial Financial Forecast Announced on February 12, 2025

- Sales increase by 5% (YoY). The actual growth rate of 9%, after deducting the forex impact (annual decrease of 3.2 billion yen due to yen appreciation). Plan to aim for sales growth in all (Dental, DCI, Surgical and Industrial) business segments.
- Although profit should increase due to sales growth, SGA expenses has been increased intentionally, in order to timely promote growth investments in our U.S. business (NSK, DCI) and surgical business, which are our growth drivers. As a result, EBITDA and other profits are planned to decrease.
- Set the forex rate assuming that the trend of yen depreciation will reverse and gradually shift to yen appreciation. Incorporated the overall decline in profitability and the loss of foreign exchange gains that had been recorded until the previous year.

Revision to Financial Forecast on May 12, 2025

- In addition to the initial financial forecast above, the net profit was decreased due to the recording of Income Taxes for Prior Periods in Q1.

Incorporation of tariff impact as of August 8, 2025

The estimated impact of tariffs for the current fiscal year is approximately 1-1.5 billion yen. Through price adjustments and cost reduction efforts, the impact on business performance has been mitigated. As a result, the full-year financial forecast announced on May 12 remains unchanged.

Let me explain the background for maintaining the full-year financial forecast.

There are two main factors; the U.S. dental business and the DCI business.

In the U.S. dental business, we primarily manufacture dental handpieces in Japan and export them to the U.S., which makes them subject to tariffs. Assuming a 15% tariff on imports from Japan, we estimate an impact of approximately 2 million USD.

In the DCI business, although we have an assembly plant within the U.S., some components are imported from China and thus subject to tariffs. While the exact tariff rate on Chinese imports remains uncertain, we are currently simulating based on a 50% rate.
Under this assumption, the estimated impact would be around 7 million USD.
Both of these impacts are expected to begin affecting results in the second half of the fiscal year.

If tariffs on Chinese imports exceed 50%, it may be difficult to respond in the short term, and there is a risk that DCI’s EBITDA margin could decline by nearly 10%.

That concludes my explanation.

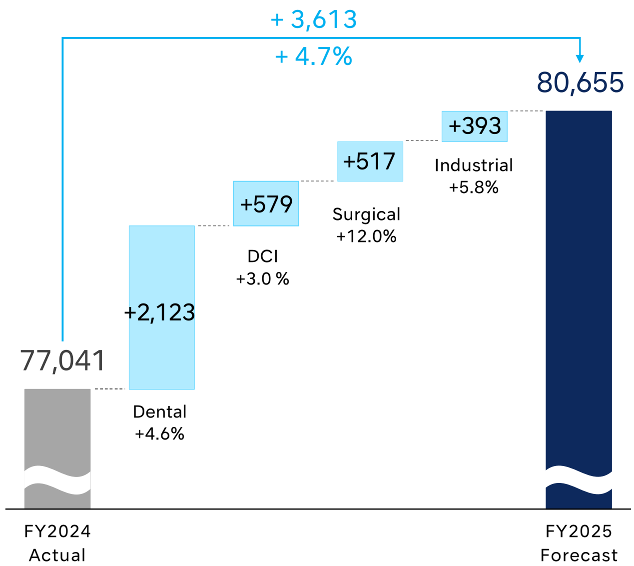
Consolidated Financial Forecast for FY2025
(No changes from the revised forecast as of May 12, 2025)

M of JPY

	Forecast (As of May 12)	Actual FY2024	Change Amount	Change 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%	-2.1pt	-
EBITDA*	18,932	20,460	-1,527	-7.5%
Margin	23.5%	26.6%	-3.1pt	-
Operating profit	13,150	14,596	-1,445	-9.9%
Ratio to net sales	16.3%	18.9%	-2.6pt	-
Ordinary profit	13,840	17,283	-3,442	-19.9%
Ratio to net sales	17.2%	22.4%	-5.3pt	-
Profit attributable to owners of parent	8,372	8,577	-205	-2.4%
Ratio to net sales	10.4%	11.1%	-0.8pt	–
EPS (JPY)	99.14	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	242 M of JPY (Annual net sales)	
- Against the EURO (JPY)	155.00	163.80	98 M of JPY (Annual net sales)	

Consolidated Financial Forecast for FY2025
Change in Net Sales by Business Segment

M of JPY



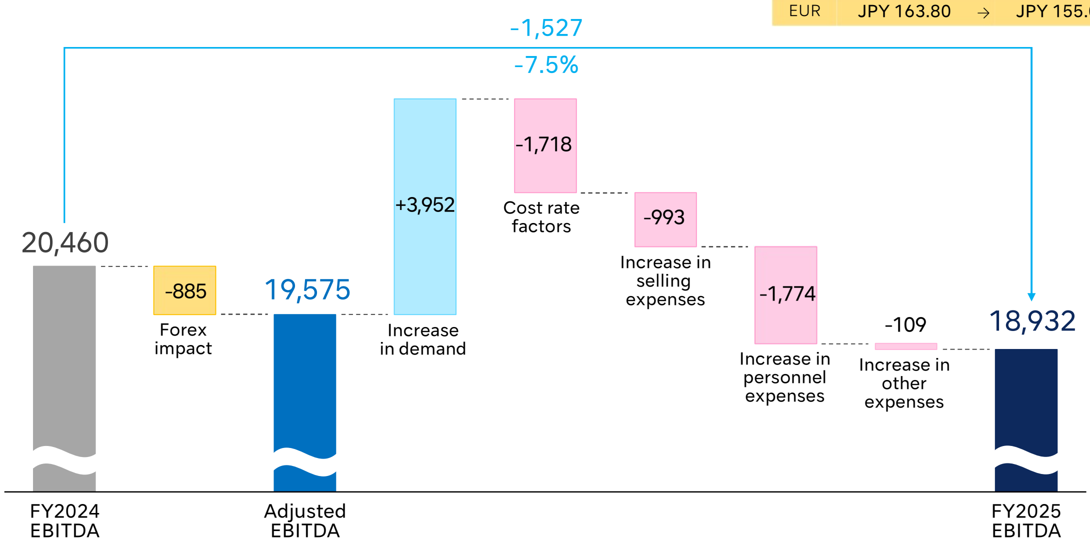
	FY2024 Actual	FY2025 Forecast	Change
Dental	46,527	48,650	+4.6%
DCI	19,454	20,034	+3.0%
Surgical	4,321	4,839	+12.0%
Industrial	6,738	7,131	+5.8%
Total	77,041	80,655	+4.7%

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

Consolidated Financial Forecast for FY2025
Change in EBITDA

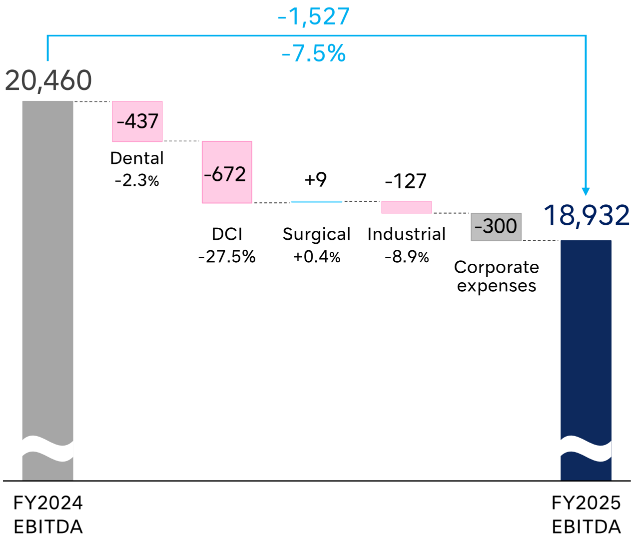
M of JPY

Average 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 Forecast	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%)

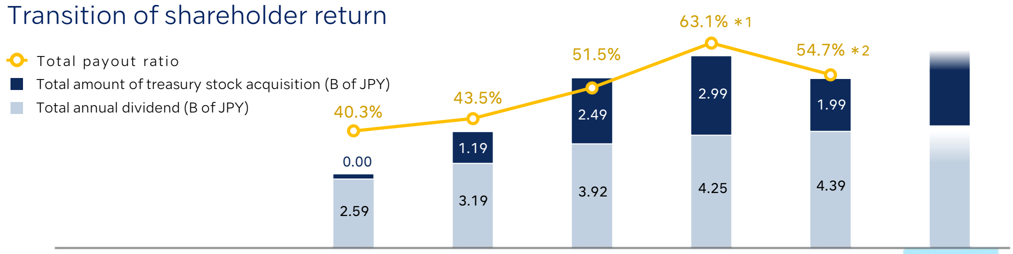
Shareholder Return Policy and Transition

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%**.

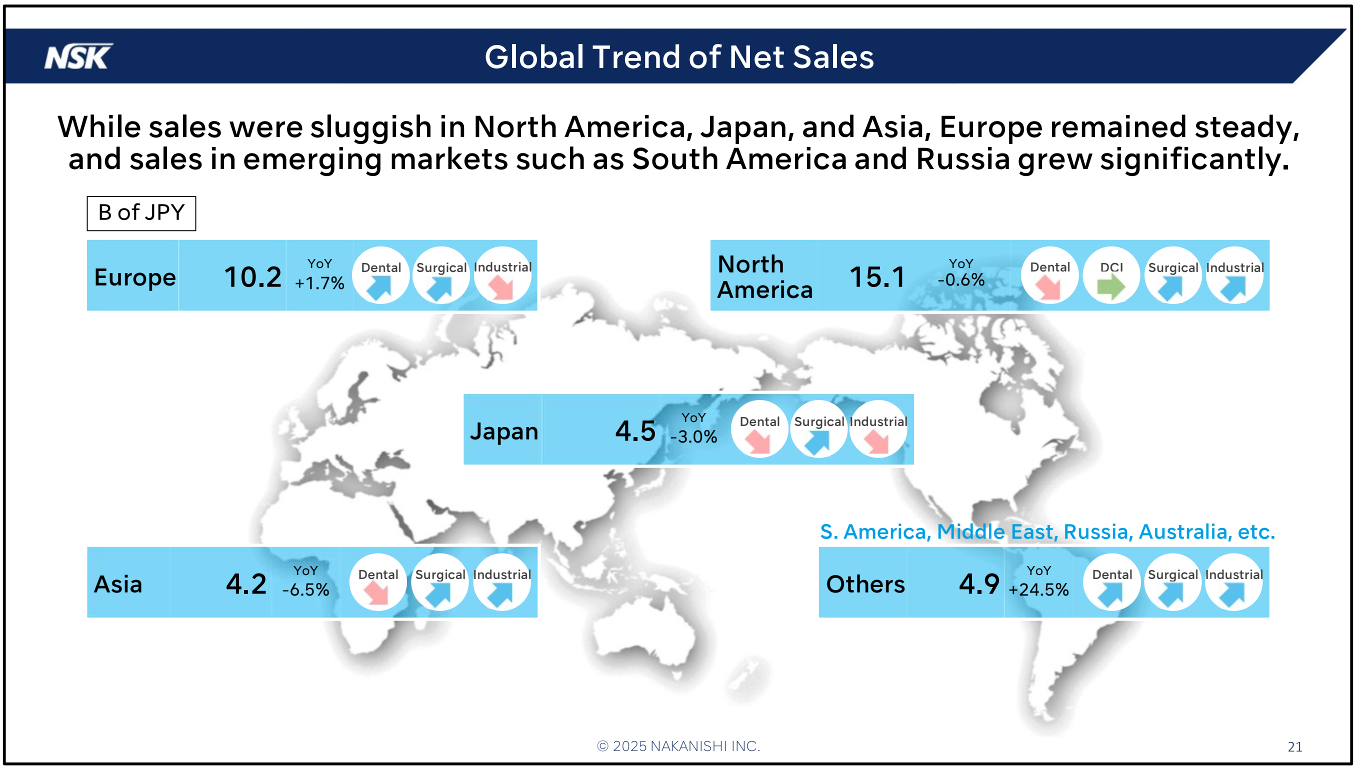
Transition of shareholder return



		FY2020 actual	FY2021 actual	FY2022 actual	FY2023 actual	FY2024 actual	FY2025 forecast
Annual dividend per share	(JPY)	30.00	37.00	46.00	50.00	52.00	**54.00**
Dividend payout ratio	(%)	40.3	31.7	31.6	37.0＊1	37.6＊2	-
Total payout ratio	(%)	40.3	43.5	51.5	63.1＊1	54.7＊2	-

＊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.

I am Nakanishi, President & Group CEO.
I will explain the current business overview and future initiatives.



Looking at sales by region, while North America, Japan, and Asia showed sluggish growth, Europe remained steady.

Sales in other regions, including South America and Russia, saw significant growth.

2025 Forecast of Market Trends and Basic Strategy

Forecast of market trends in 2025

Dental Business : Expected to recover gradually, having escaped from a push-back in special demand.

DCI Business : The business environment will deteriorate due to weak demand combined with tariff policies.

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 sales in global markets, focusing on new products with competitive main product lineup.
- DCI Business : Strengthen dealer sales, including new business partners, and expand sales to universities.
- 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.

There have been changes in market trends, and I believe the most significant factor is the impact of tariff policies, which has made the outlook for the U.S. market increasingly uncertain.

Aside from this, there have been no major changes from what we initially anticipated at the beginning of the fiscal year, including our core strategies.

Exhibited at One of the World's Largest Dental Trade Shows

IDS 2025

March 25 (Tue) – 29 (Sat), 2025 Koelnmesse, Germany
Exhibitors: Approx. 2,010 companies from 61 countries
Visitors: Over approx. 135,000 people from 156 countries

One of the key business highlights in the first half of the year was our participation in IDS, the world's largest dental exhibition, held in Cologne, Germany in late March.

In addition to NSK, our group companies; DCI, Refine, and Jaeger, each had their own independent booths at the event.

During the exhibition, we unveiled new products, which attracted many visitors and received high praise. This contributed significantly to strengthening our brand presence.

NSK

New Product "Varios Combi Pro2"

Varios Combi Pro2

Launched in Germany following its announcement at IDS 2025

Scheduled for sequential rollout across Europe, North America, and Japan

▶ **Oral care device covering a wide range of treatments**

Preventive dentistry product equipped with both an ultrasonic scaler and a powder device, featuring a major update to the "Varios Combi Pro" highly acclaimed in Japan and Europe.

▶ **Significantly enhanced heating function**

Equipped with a newly developed heating system that supplies warm water close to body temperature, reducing patient discomfort during treatment.

▶ **Advanced balance of design and operability**

The updated design enhances operability. The LCD display enables intuitive operation and a seamless treatment environment.

One of the new products unveiled at IDS was "Varios Combi Pro2" a preventive dental care device that has received excellent feedback in both Japan and Europe.

This product combines an ultrasonic scaler and a powder device into a single unit, covering a wide range of preventive dental treatments and is widely used by dental professionals. It was very well received by visitors at the exhibition.

Currently, it is only available in Germany, but with mass production now in place, we plan to expand sales to other European countries, as well as Japan, Australia, and beyond starting in September.

New Product "Ti-Max Z99L"

Ti-Max Z99L

New electric motor contra-angle handpiece

Sales launched in Europe and North America. Domestic launch scheduled within the year.

▶ 100-degree head angle enhances treatment efficiency

The adoption of a 100-degree angled head significantly improves access to molars, contributing to enhanced treatment efficiency.

▶ Internal mechanism designed for heat prevention and durability

The internal mechanism has been significantly redesigned. By optimizing the structure and arrangement of gears and bearings, it contributes to reduced risk of heat buildup and improved durability.

At IDS, we unveiled another new product, a renewed flagship model of our core dental handpiece line.

The new product, Ti-Max Z99L, is a contra-angle handpiece powered by an electric motor, which is especially popular in the United States, Europe, and Japan.

By adopting a 100-degree angled head and enhancing durability and heat resistance, this model elevates the inherent performance of handpieces to a higher level. We expect it to further solidify our position as the global market leader.

NSK

Dental Business Outline 1/3


Apr. 12-13, 2025 Kinki Dental Show

Japan

Overview of 1st half — Actual Sales (YoY) (Local currency) ↘

- Initiated a distribution network reform to drive further growth in the Japanese market, resulting in a temporary decline in sales.
- OEM business achieved the plan with increased sales.

Measure for 2nd half — Sales forecast (YoY) (Local currency) ↗

- Focus on strengthening approaches to distributors to ensure the success of the distribution network reform and expanding sales of new products such as handpieces and mobile dental care devices.


Mar. 25-29, 2025 IDS 2025 (Germany)

Europe

Overview of 1st half — Actual Sales (YoY) (Local currency) ↗

- Amid flat demand, sales increased as customers chose competitive own products.
- New preventive dentistry products unveiled at IDS 2025 received excellent feedback and contributed to sales growth.

Measure for 2nd half — Sales forecast (YoY) (Local currency) ↗

- Expand sales of main products such as handpieces and implant motors.
- Gradually expand the sales areas of new products across Europe.

Let me explain the current situation in each market of our dental business.

In Japan, the market remains weak, primarily due to the impact of our ongoing distribution network reform.
By developing and selling high-quality products that meet the needs of dental professionals from a position closer to end users, we aim to further increase our market share.

In Europe, demand is flat and slightly declining.
However, thanks to our strong product capabilities and sales power, we have gained market share from competitors and achieved sales growth.
In the second half of the year, we plan to expand sales of our new product "Varios Combi Pro2", across Europe to drive further revenue growth.

Dental Business Outline 2/3

Feb. 20-22, 2025 Midwinter Meeting (Chicago)

North America

Overview of 1st half — Actual Sales (YoY) (Local currency) ↘

- Own-brand sales were sluggish due to the continued phase of distribution inventory adjustment but recovered in Q2.
- Bundled sales of NSK products by DCI exceeded the previous FY's level.
- OEM sales remained flat YoY.

Measure for 2nd half — Sales forecast (YoY) (Local currency) ↗

- Continue to expand sales of main products: handpieces and electric dental motors.
- Focus on bundled sales with DCI.
- Maintain and expand OEM product sales.

Mar. 3-6, 2025 Dental South China (Guangzhou)

Asia

Overview of 1st half — Actual Sales (YoY) (Local currency) ↘

- China: While bidding contracts started to recover, faced sales challenges in the private market.
- Korea: Business sentiment remained sluggish, with both own and OEM products underperforming.
- Asia: Sales decreased due to continued stagnant demand.

Measure for 2nd half — Sales forecast (YoY) (Local currency) ↗

- Focus on sales efforts to steadily secure recovering bidding contracts.
- Although demand in Korea and Asia is expected to remain weak, continue to focus on expanding sales of NSK and REFINE.

In North America, sales remained sluggish due to ongoing inventory adjustments in the distribution channel.
However, sell-out (sales from dealers to end users) did not decline.
In the second half of the year, we aim to recover by expanding sales of new products.

Additionally, bundled sales of NSK products through DCI have been steadily increasing.

In Asia, demand continues to be weak.
The Chinese economy has been slowing down, and the public sector has also remained in a difficult state.
However, since the first half of the year, we've started to see some bidding projects coming up.
We expect these public sector bids to recover in the second half.

On the other hand, the Korean market remains sluggish, with both our own brand and OEM products performing weak. We do not expect significant improvement in the second half.

Dental Business Outline 3/3

Feb. 4-6, 2025 AEEDC 2025 (U.A.E)

May 23-24, 2025 NZ Dental Expo (New Zealand)

	Overview of 1st half (Actual Sales (YoY) (Local currency) ↗)	Measure for 2nd half (Sales forecast (YoY) (Local currency) ↗)
Middle East	• Projects decreased due to the escalation of conflict. Although sales decreased YoY, the plan was achieved.	• Although demand outlook remains uncertain for the time being, aim to steadily secure government bidding contracts.
South America	• The Brazilian market performed strongly, with implant motor sales showing significant growth.	• Expand the sales of high-demand implant motors and handpieces.
Russia	• As distribution inventory normalized, sales recovered.	• Aim to expand sales of implant motors which receives many inquiries, despite uncertainties.
Australia	• Despite weak market conditions, proactive sales activities helped maintain sales at a level similar to the previous FY.	• Aim to expand sales by focusing on preventive dentistry products in addition to handpieces at the core.

 28

Among other regions, the Middle East continues to face challenging conditions due to the expansion of regional conflicts. However, sales in countries such as Saudi Arabia, Kuwait, and Morocco remain solid, and we plan to steadily capture demand while closely monitoring market trends.

In South America, sales, particularly in Brazil, have been strong. Our core products, including dental handpieces and implant motors, are performing well, and we will continue to expand sales in the second half of the year.

In Russia, inventory adjustments have progressed, and demand remains firm. Current sales are also solid, and we expect further growth in the second half.

Although market sentiment in Australia is not very favorable, we have maintained sales at the previous year's level by leveraging our strong product capabilities and sales power to outperform competitors.

DCI Business Outline

NSK

As of the first half, both the execution of business strategies and performance are progressing as planned.

Business topics

Expansion of North American dealer network

Approx. 120 sales representatives from newly contracted dealers were invited to DCI headquarters for product training.

They have already begun selling DCI products, and the business is off to a smooth start, with incoming orders currently exceeding the plan.

Launch of new product "Series 5+"

In June, the new product "Series 5+" was launched.

By integrating an NSK electric motor, the unit enables control of two motors, offering high added value for dentists.

Market trends & business performance

Overall U.S. dental chair market trends

From January to June 2025, the total number of dental chairs sold in the U.S. market decreased by 3% YoY, reflecting continued weak demand.

DCI sales volume trends

The number of DCI dental chairs sold in the first half decreased by 4% YoY. Although the largest DSO showed weak performance, sales to other DSOs and private practices provided support.

DCI non-consolidated business performance (local currency basis)

Net sales and gross profit exceeded the previous FY's levels, but operating profit decreased due to planned selling expenses. Compared to the initial plan, net sales, gross profit, and operating profit all achieved targets.

Let me provide an overview of the DCI business.

The overall U.S. dental chair market continues to show weak demand, with a decline of 3%. DCI's dental chair unit sales also fell by 4%, but revenue remained nearly flat compared to the same period previous year, indicating stable performance.

A key highlight for the DCI business is the start of transactions with a new nationwide dealer in the U.S. This has significantly strengthened our sales network in the North American market, and we aim to further expand our market share.

Additionally, bundled sales of NSK products have increased by nearly 10 percentage points compared to the same period last year. We will continue working to maximize the synergy between NSK and DCI.

Surgical Business Outline


Mar. 12-14, 2025 Surgical training (U.S.)


New drill attachment for surgical procedures
P200-1A155-U

	Overview of 1st half (Actual Sales (YoY) (Local currency)) ↗	Measure for 2nd half (Sales forecast (YoY) (Local currency)) ↗
Japan	▪ The number of consoles sold reached a record high due to new project wins following competitors withdrawing. Sales of disposables were also strong, resulting in double-digit sales growth.	▪ The new product launched last year enhanced competitiveness in the spinal endoscopic surgery field. Continue efforts to expand sales.
Europe	▪ Although market conditions remained sluggish, reinforced sales activities led to strong order intake across Europe, resulting in double-digit sales growth.	▪ Sales representatives assigned to European subsidiaries continue vigorous sales activities to secure additional orders.
North America	▪ Leveraging highly competitive products, business opportunities created by competitors withdrawing were steadily captured. Collaborative business also performed well, leading to significant sales growth.	▪ Continue to focus on expanding collaborations with surgical robot manufacturers and fully capturing business opportunities due to competitors withdrawing.
Asia	▪ In the key Chinese market, sales of disposables were particularly strong, achieving double-digit sales growth. Sales to Southeast Asian countries also remained steady.	▪ While continuing to support the key market of China, strengthen approaches to Asia and the Middle East, including Korea and India.

In the surgical business, we achieved significant sales growth thanks to the strong competitiveness of NSK products, combined with the favorable opportunity created by the withdrawal of competitor from the market.

We are actively focusing on sales activities to fully capitalize on this opportunity and solidify the growth potential of our surgical business.

Additionally, collaborative business with U.S. medical device manufacturers is progressing, and the number of projects is increasing. Our sales initiatives are moving forward smoothly, and we expect strong performance in the second half of the year as well.

Industrial Business Outline

Mar. 25-29, 2025 IDS 2025 (Germany)

New motor spindle product E3000i Series

	Overview of 1st half (Actual Sales (YoY) (Local currency))	Measure for 2nd half (Sales forecast (YoY) (Local currency))
Japan	• Although signs of demand bottoming out have emerged, a full recovery in sales has yet to materialize, resulting in a decline in sales.	• With demand entering a recovery phase, continue to focus on proposal activities to promote labor-saving and energy-saving.
Europe	• Sales of NSK products turned positive, while JAEGER, still in the process of restructuring, saw a decline in sales.	• Steadily acquire inquiries and execute the restructuring plan for JAEGER.
North America	• Sales of NSK products remained flat from the previous FY. Sales of JAEGER recovered, resulting in an increase in sales.	• Expand the product lineup with JAEGER products, aiming to stimulate demand.
Asia	• In the Chinese market, demand recovery progressed, and large project wins contributed to significant sales growth.	• Focus on sales activities to seize business opportunities arising from the demand recovery and aim to accumulate orders.

The industrial business faced very challenging situation last year, but in the first half of this year, we began to see signs of recovery despite continued difficulties.

Demand in Asia, particularly China, and in Japan is gradually recovering, and sales of NSK products have turned upward. We aim to steadily capture this recovering demand and carry the momentum into the second half of the year.

Meanwhile, our rebuilding efforts at Jaeger are progressing steadily, including production reforms and preparations for launching new products. We plan to use the release of these new products as a turning point to accelerate a swift turnaround.

Today, we published the Sustainability Report 2025, which outlines our initiatives related to the SDGs.
We would be grateful if you could take a moment to review it.

That concludes my explanation. Thank you very much for your attention.