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

Consolidated Financial Result for FY2025 Q2

Corporate Vice President & Group CFO Daisuke Suzuki

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.

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%	—
EPS (JPY)	41.84	82.88	—	32.30	—

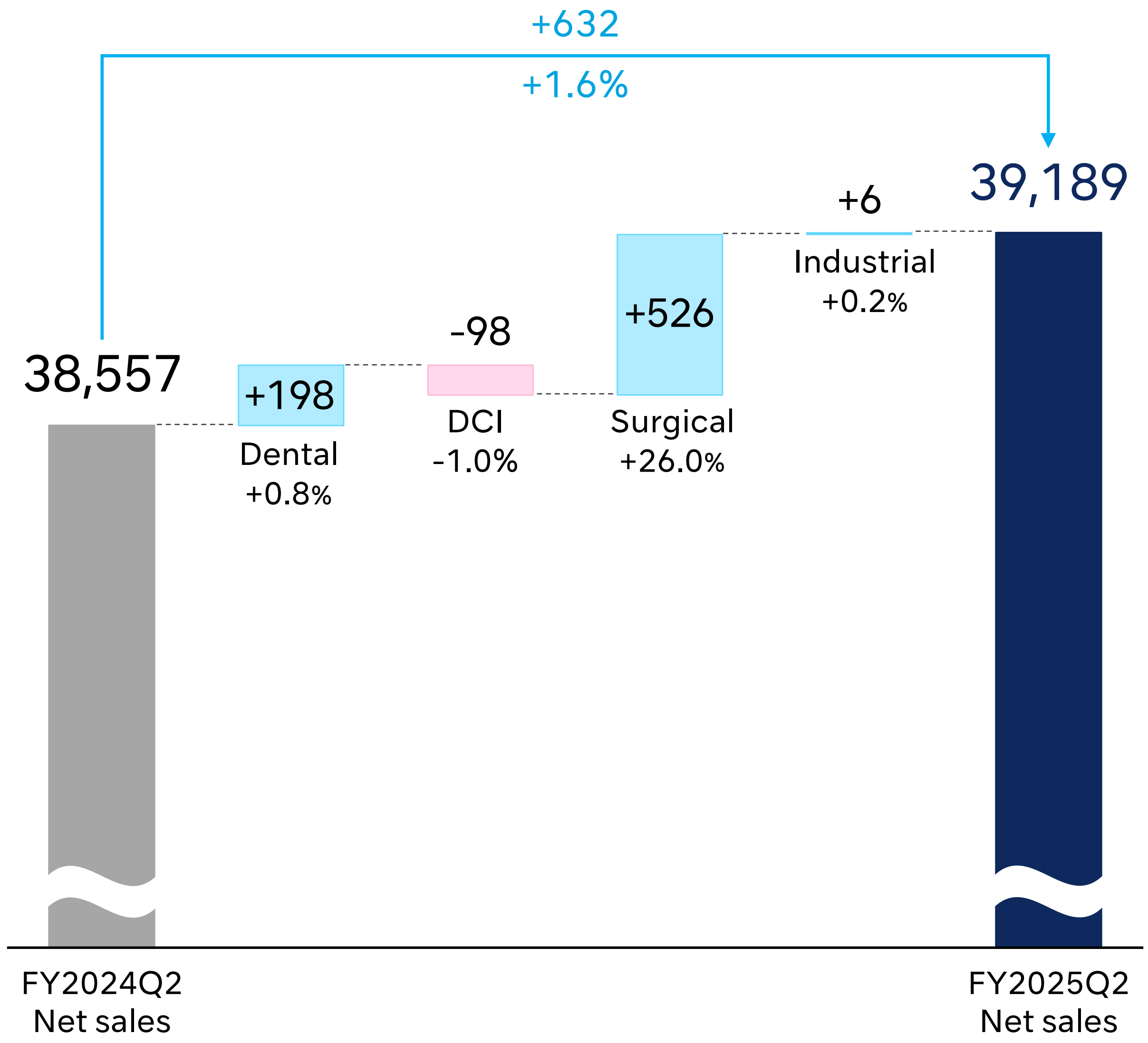
＊ EBITDA = Operating profit + Depreciation + Amortization

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)

Change in Net Sales by Business Segment

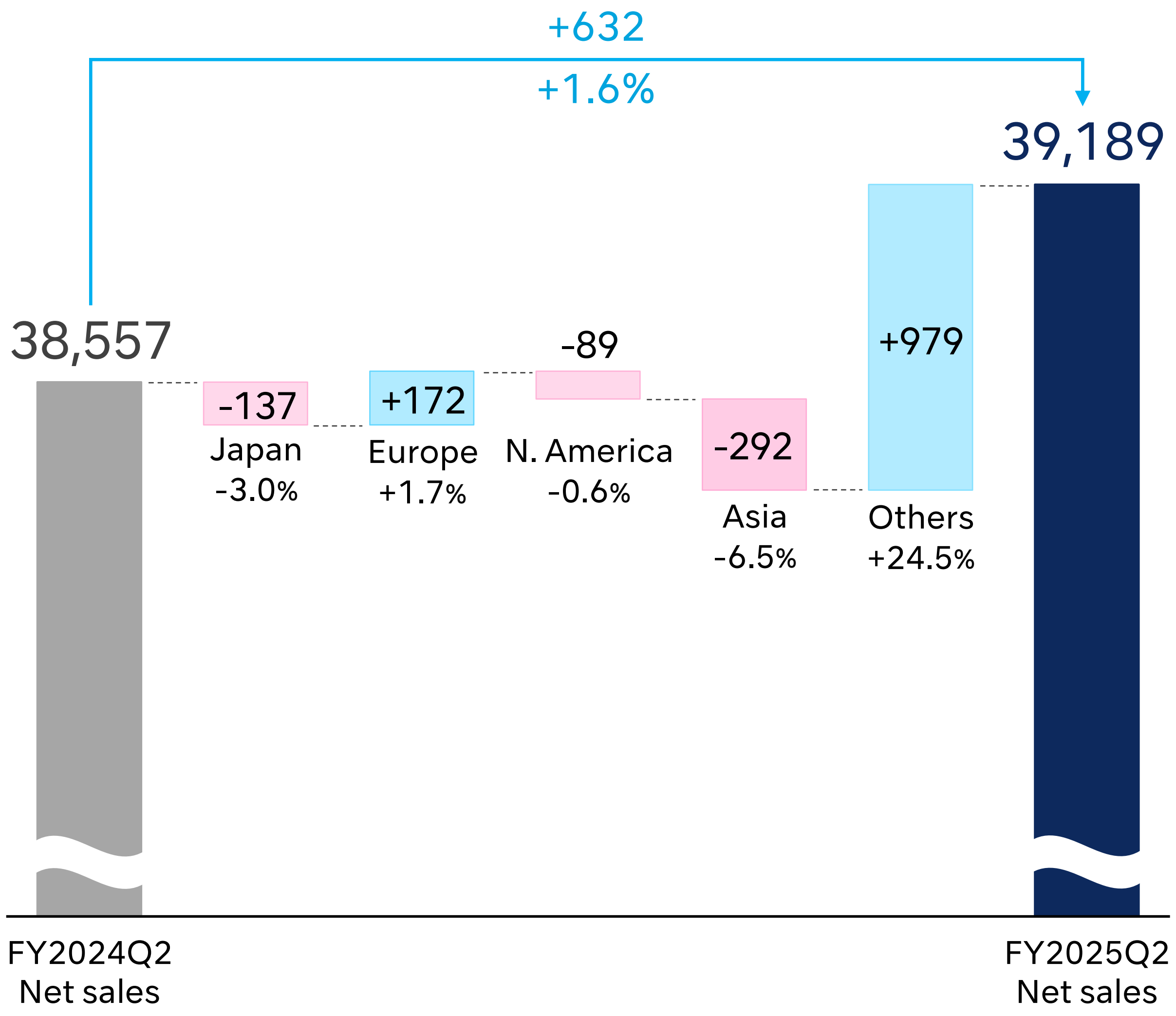
M of JPY



	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%

Change in Net Sales by Region

M of JPY

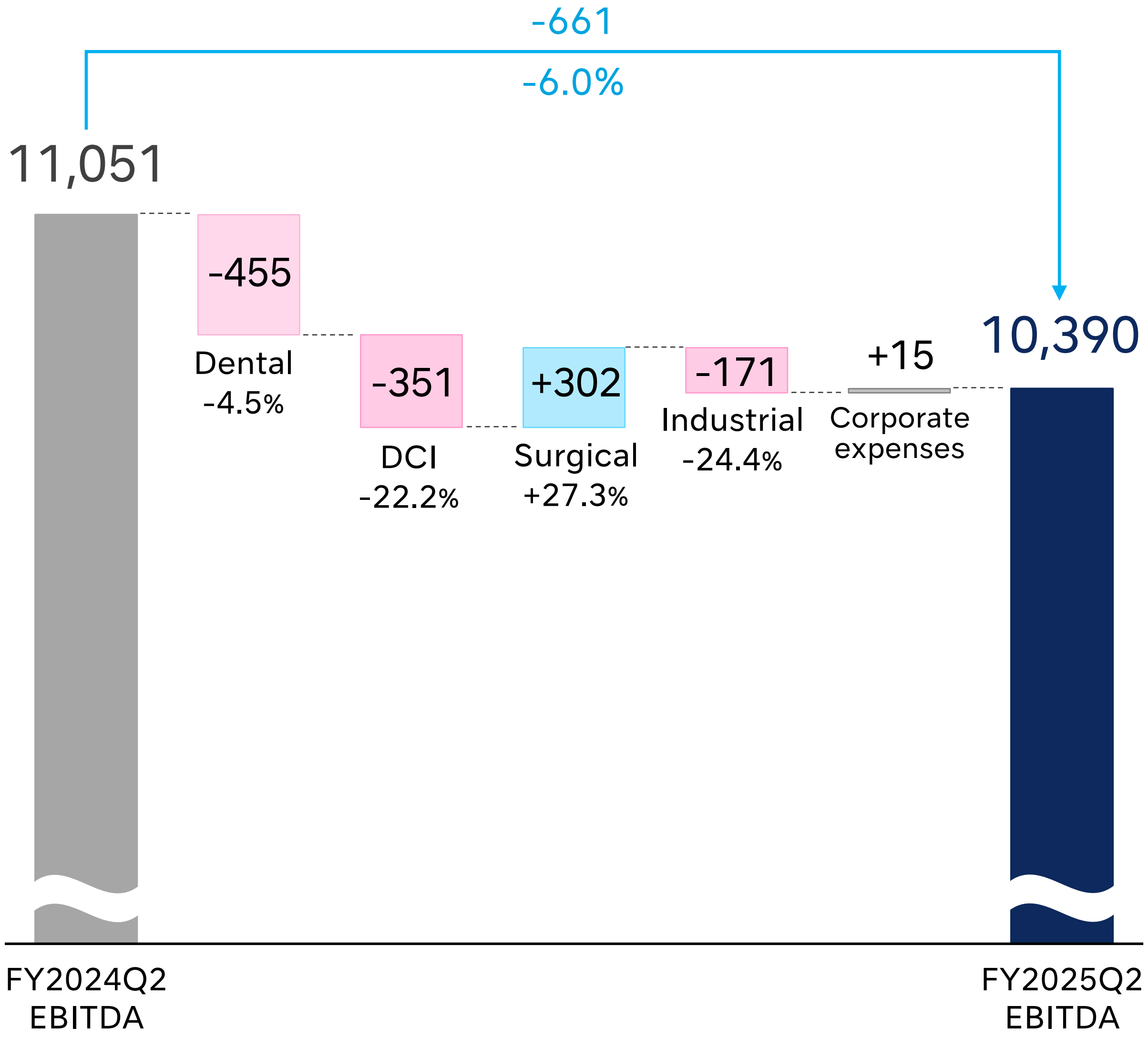


	FY2024Q2 Actual A	FY2025Q2 Actual B	(Forex impact)	Change B/A-1
Japan	4,648	4,511	-	-3.0%
Europe	10,103	10,276	-97	+1.7%
N. America	15,284	15,195	-294	-0.6%
Asia	4,517	4,224	-132	-6.5%
Others	4,002	4,981	-161	+24.5%
Total	38,557	39,189	-686	+1.6%

NSK

Change in EBITDA by Business Segment

M of JPY



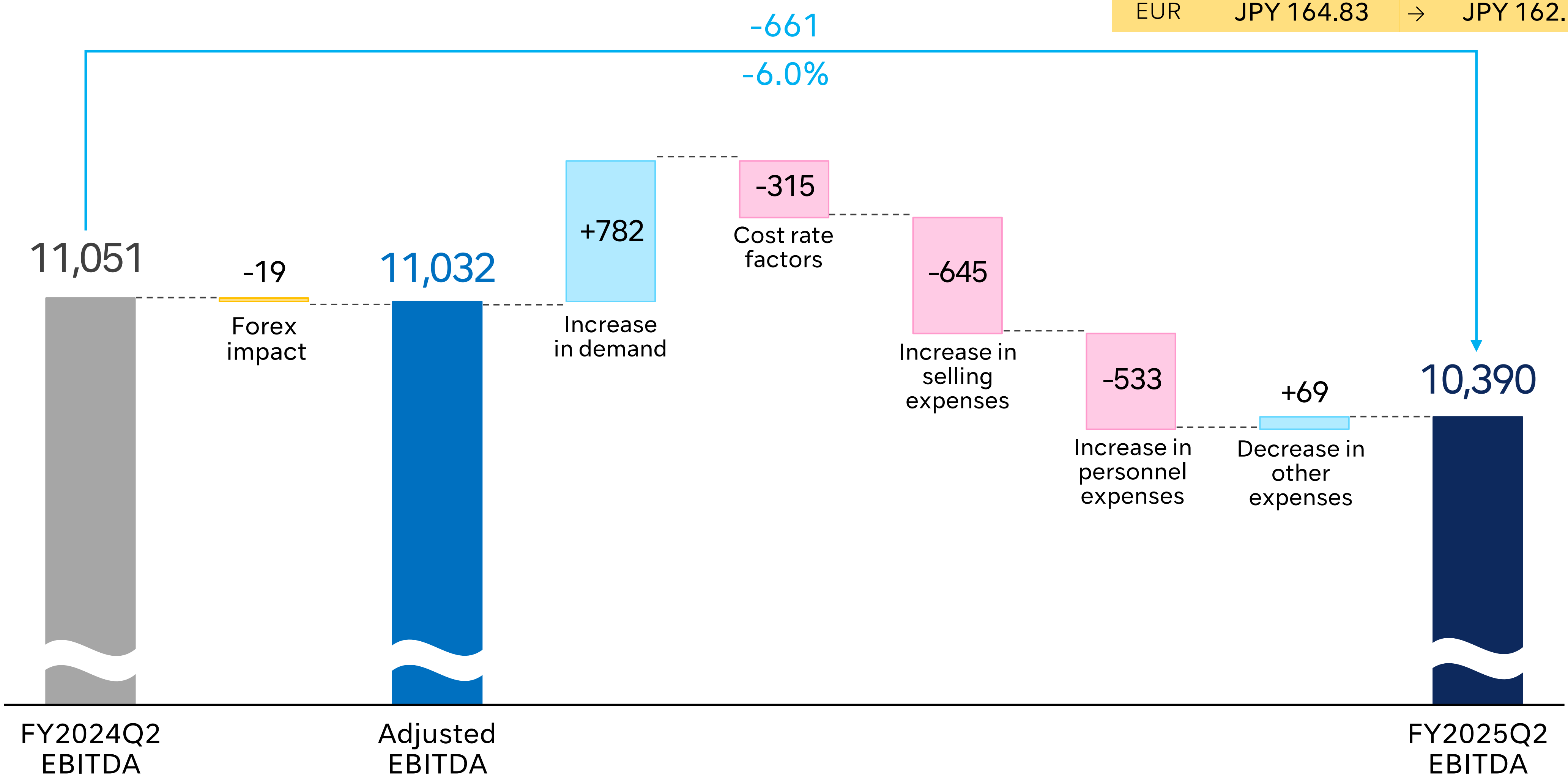
	FY2024Q2 Actual A	FY2025Q2 Forecast	FY2025Q2 Actual B	Change B/A-1
Dental	10,237	8,954	9,782	-4.5%
DCI	1,585	463	1,233	-22.2%
Surgical	1,106	1,064	1,408	+27.3%
Industrial	703	623	531	-24.4%
Corporate expenses	-2,581	-2,738	-2,565	-
Total	11,051	8,368	10,390	-6.0%

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

Change in EBITDA

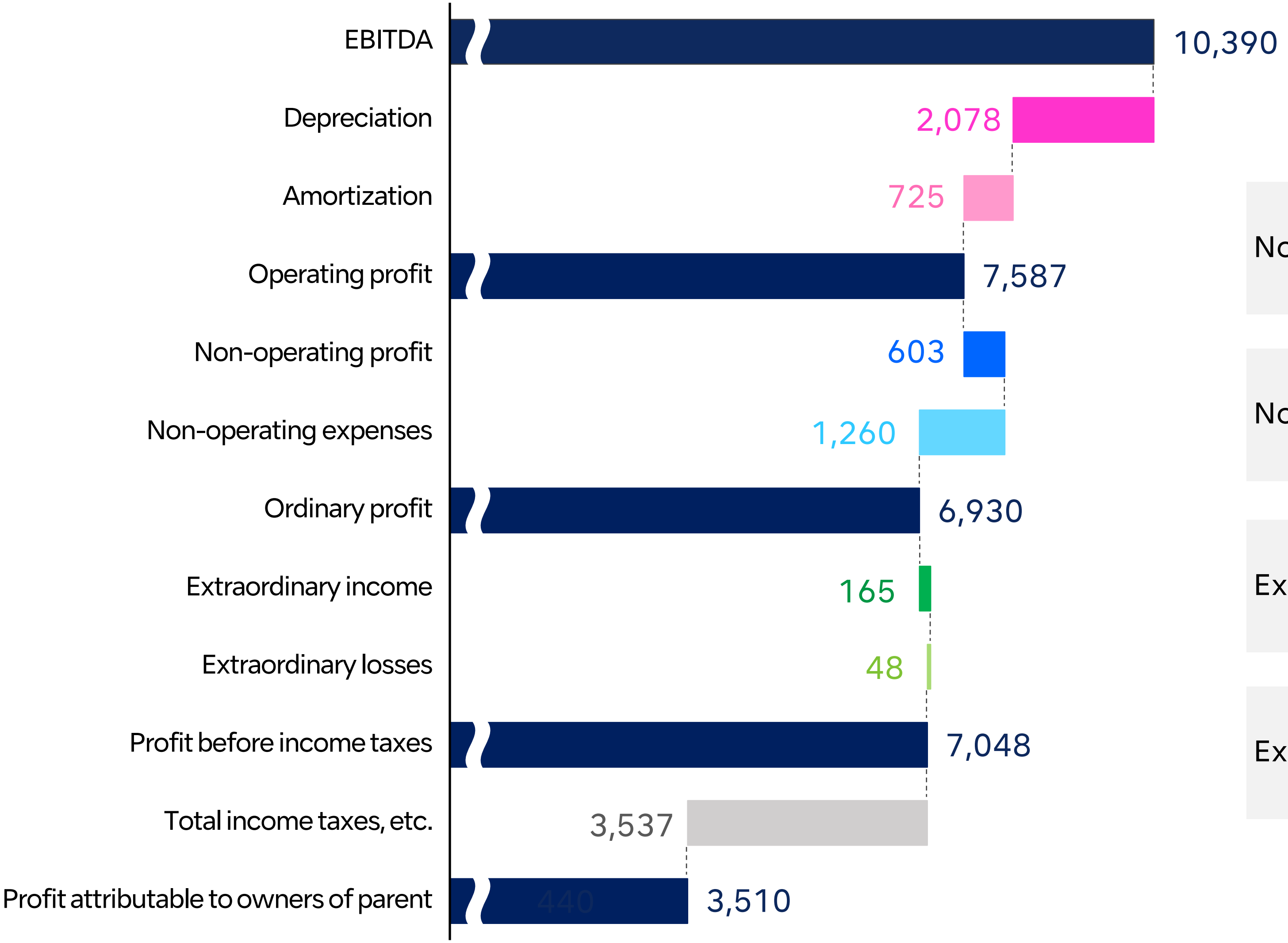
M of JPY

Average exchange rate			
	FY2024 Q2 Actual		FY2025 Q2 Actual
USD	JPY 152.31	→	JPY 149.01
EUR	JPY 164.83	→	JPY 162.62



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

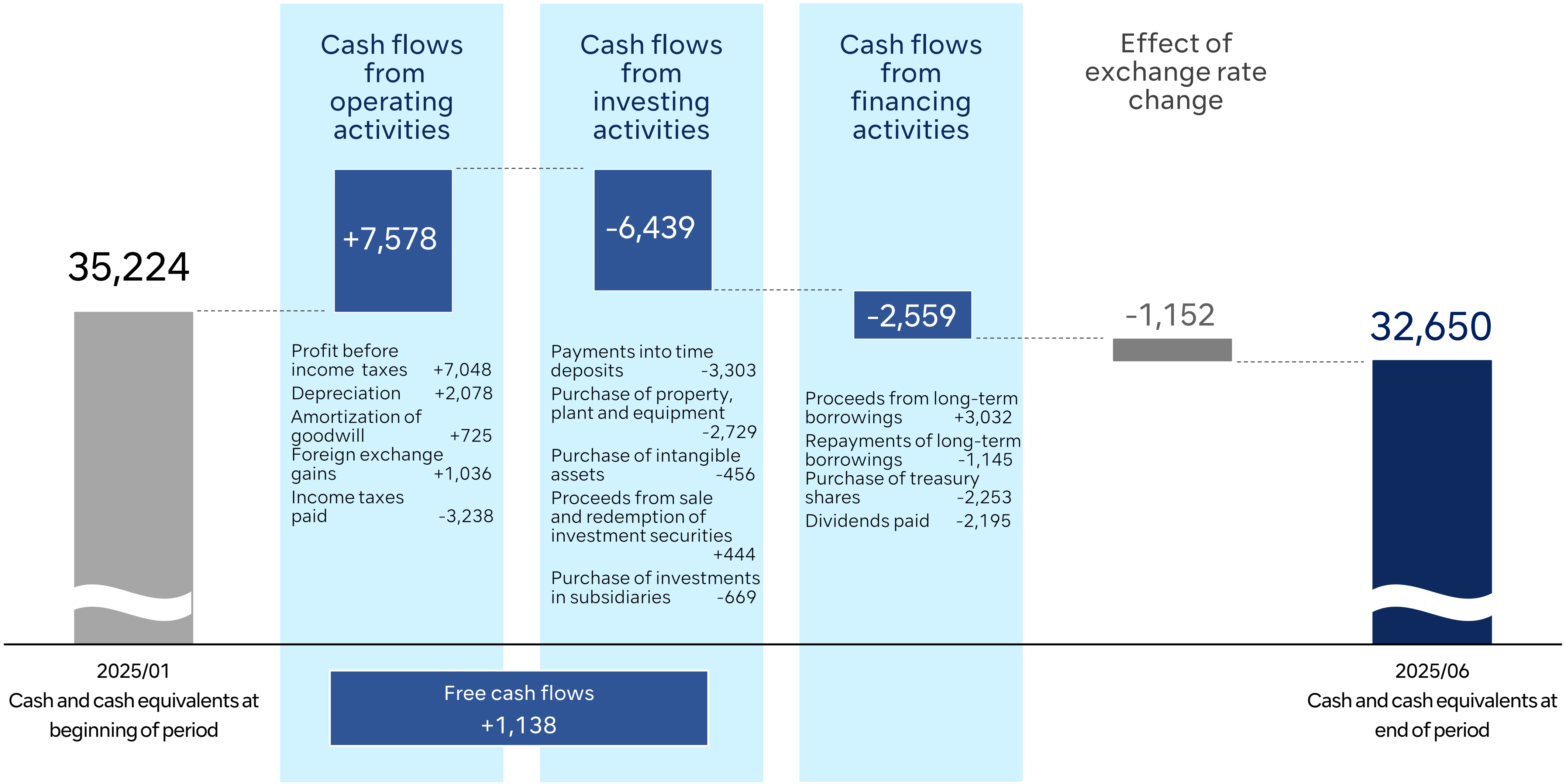
	As of June 30, 2025	As of Dec. 31, 2024	Change	Notes
Total assets	153,767	158,299	-4,532	· Buildings and structures +1,815 · Investment securities -1,111
- Cash and deposits	46,603	46,051	+552	
- Inventories	24,773	25,024	-251	· Merchandise and finished goods -133 · Work in process -36 · Raw materials 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	

Consolidated Statements of Cash Flows

M of JPY



Cash flows from operating activities

Profit before income taxes	+7,048
Depreciation	+2,078
Amortization of goodwill	+725
Foreign exchange gains	+1,036
Income taxes paid	-3,238

Cash flows from investing activities

Payments into time deposits	-3,303
Purchase of property, plant and equipment	-2,729
Purchase of intangible assets	-456
Proceeds from sale and redemption of investment securities	+444
Purchase of investments in subsidiaries	-669

Cash flows from financing activities

Proceeds from long-term borrowings	+3,032
Repayments of long-term borrowings	-1,145
Purchase of treasury shares	-2,253
Dividends paid	-2,195

Free cash flows
+1,138

Consolidated Financial Forecast for FY2025

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

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.

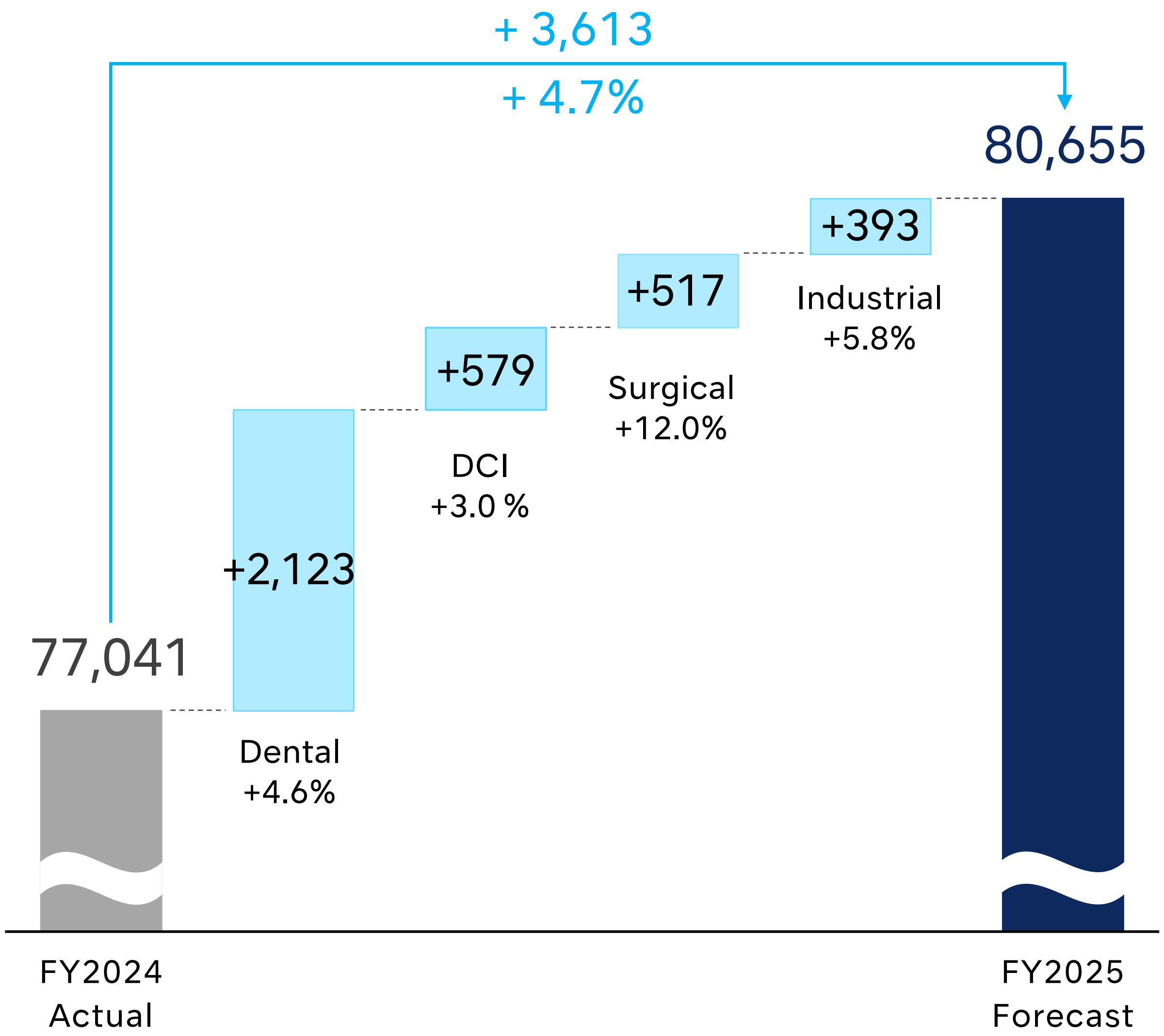
Consolidated Financial Forecast for FY2025
(No changes from the revised forecast as of May 12, 2025)

M of JPY

	Forecast (As of May 12)	Actual FY2024	Change	
			Amount	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



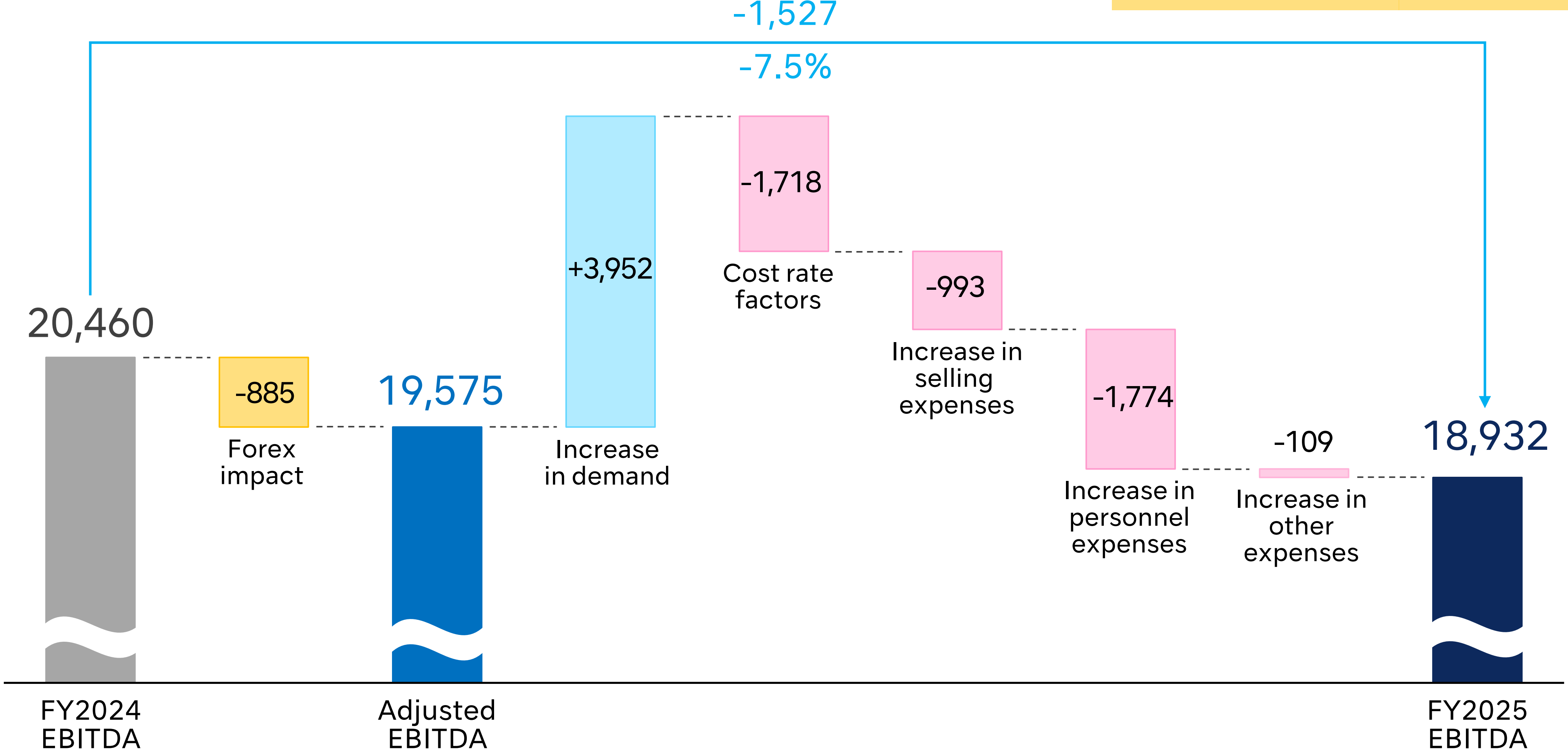
	FY2024 Actual	FY2025 Forecast	Change
Dental	46,527	48,650	+4.6%
DCI	19,454	20,034	+3.0%
Surgical	4,321	4,839	+12.0%
Industrial	6,738	7,131	+5.8%
Total	77,041	80,655	+4.7%

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

Consolidated Financial Forecast for FY2025
Change in EBITDA

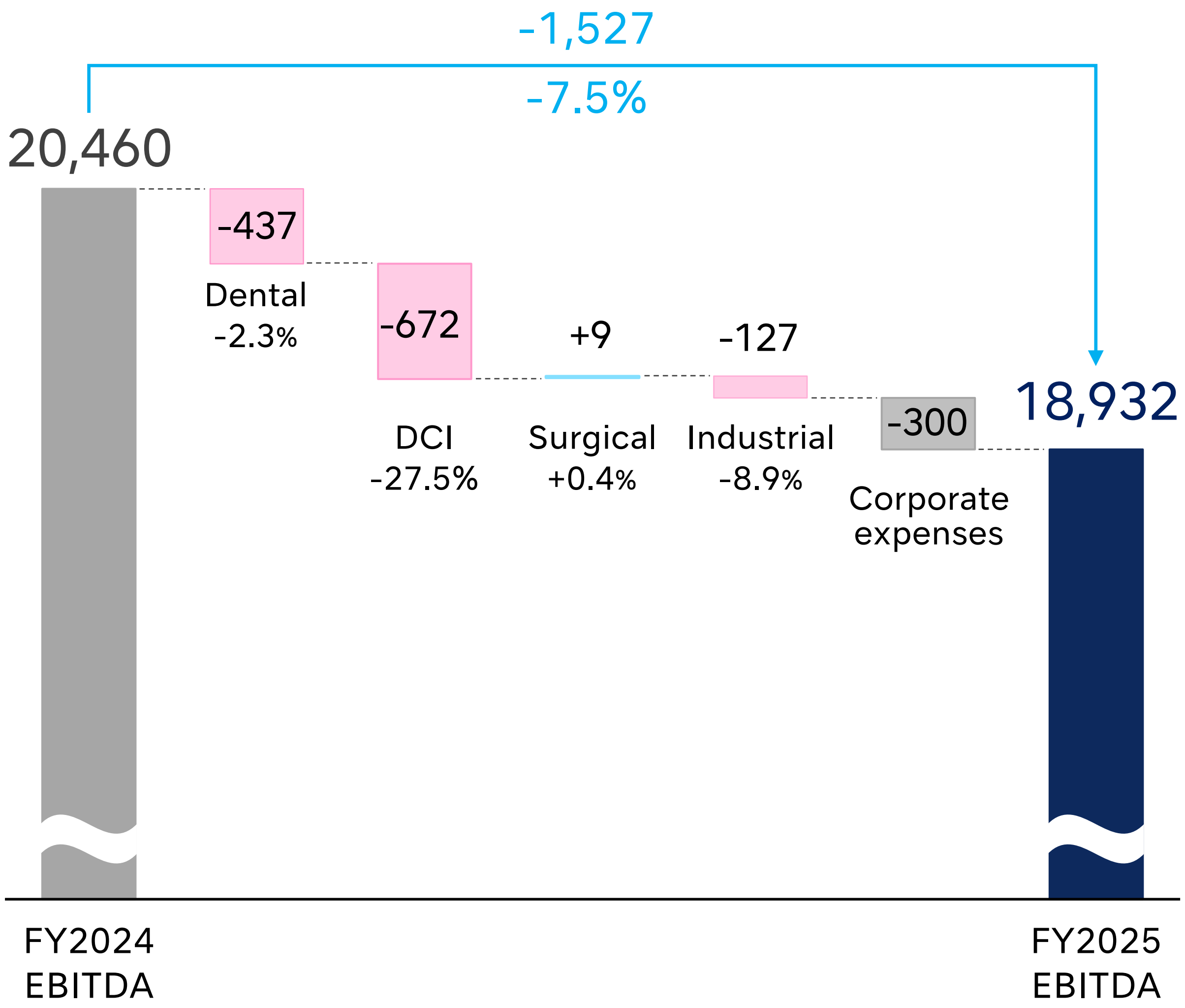
M of JPY

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%)

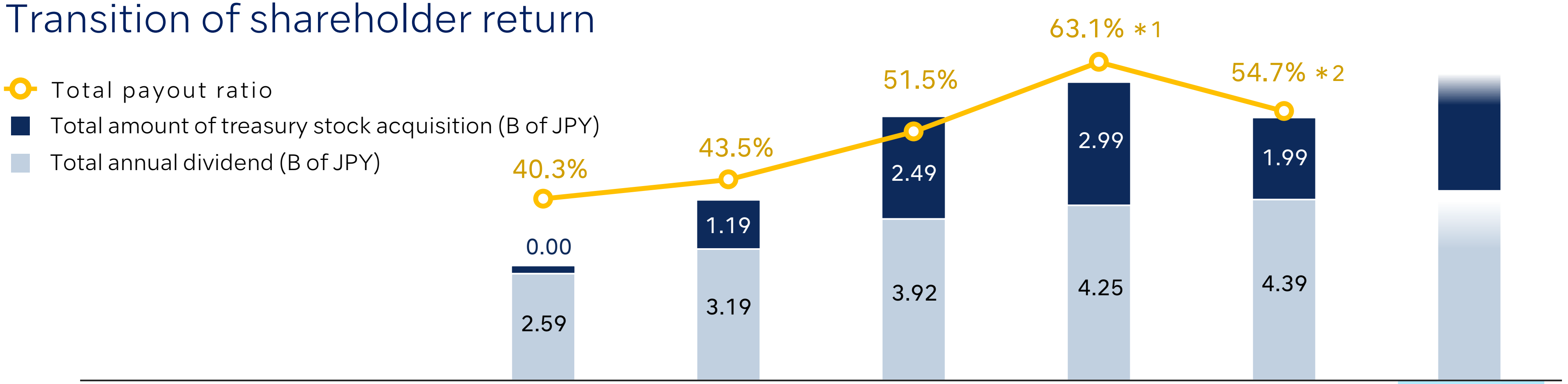
Shareholder Return Policy and Transition

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.

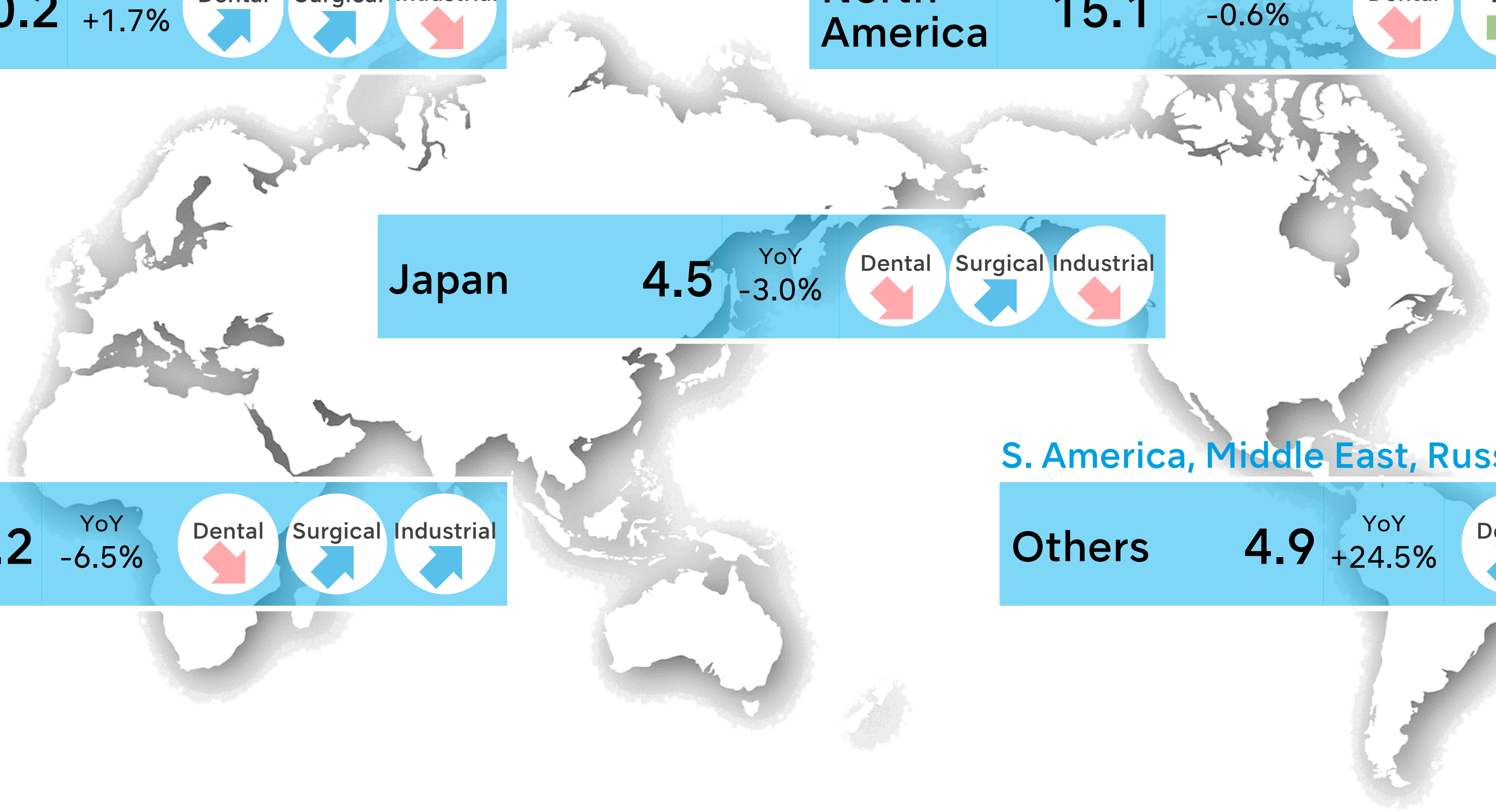
Overviews of Each Segment and Future Initiatives

President & Group CEO Eiichi Nakanishi

NSK

Global Trend of Net Sales

While sales were sluggish in North America, Japan, and Asia, Europe remained steady, and sales in emerging markets such as South America and Russia grew significantly.



B of JPY

Europe	10.2	YoY +1.7%	Dental ↗	Surgical ↗	Industrial ↘	
North America	15.1	YoY -0.6%	Dental ↘	DCI →	Surgical ↗	Industrial ↗
Japan	4.5	YoY -3.0%	Dental ↘	Surgical ↗	Industrial ↘	
Asia	4.2	YoY -6.5%	Dental ↘	Surgical ↗	Industrial ↗	
Others	4.9	YoY +24.5%	Dental ↗	Surgical ↗	Industrial ↗	

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

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.

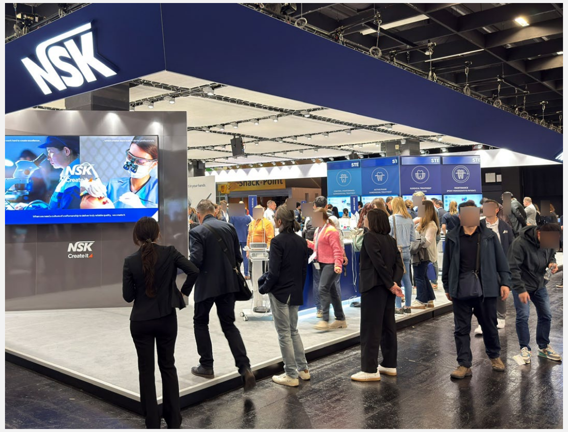
Exhibited at One of the World’s Largest Dental Trade Shows

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

NSK



New oral hygiene products received excellent feedback

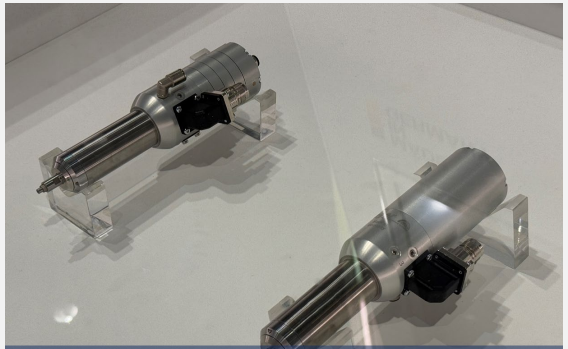
DCI

Concept display of new product “Series 5+”

REFINE

Exhibited main products including ultrasonic scalers

JAEGER



Concept display of new product “DentaSpin33”

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.

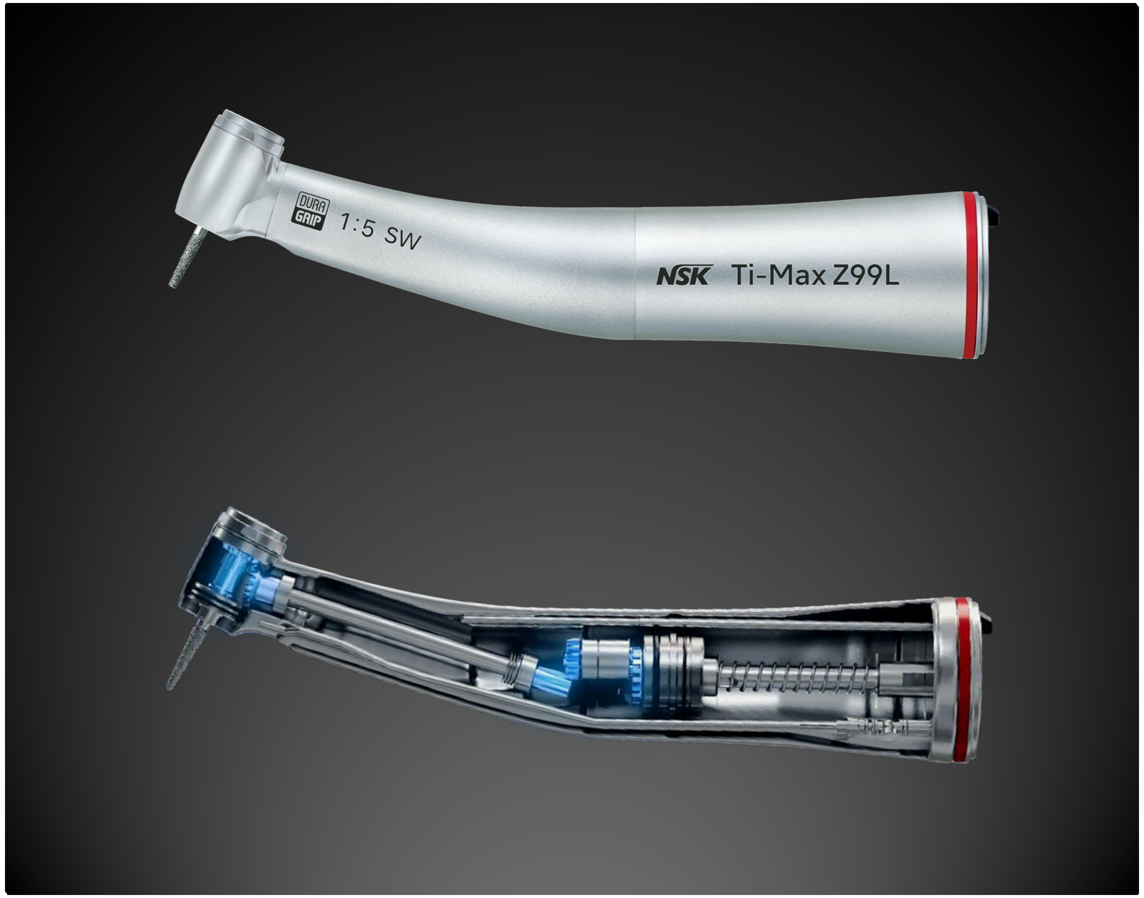
NSK

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.

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.

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.

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.

DCI Business Outline

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.

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.

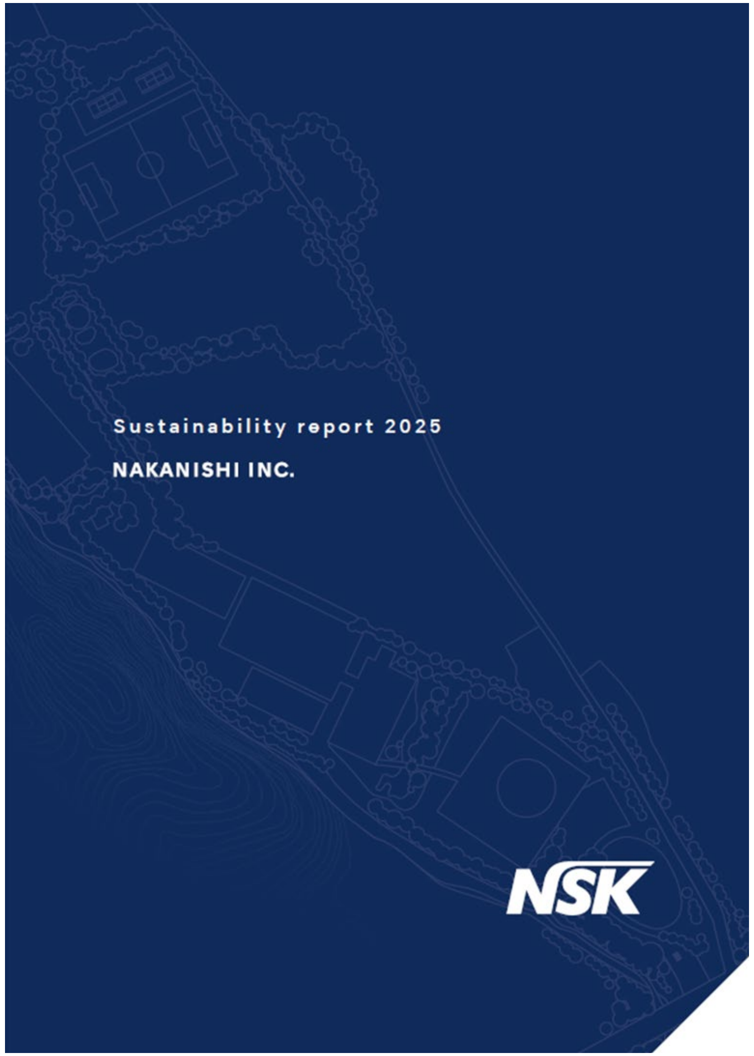
Industrial Business Outline

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.

Sustainability Report 2025


Sustainability report 2025

NAKANISHI INC.

We have issued "Sustainability Report 2025". Please refer to our ESG initiatives.

https://www.en.nakanishi-inc.jp/sustainability/report/