NAKANISHI INC.

Mid Term Management Plan 2025-2030

NV 2030

August 8, 2025

The information presented in these materials contains forward-looking statements about future business performance. These statements by definition involve risks and uncertainties and are not intended to guarantee future performance. Actual results in the future may differ from expectations and the projections presented in these materials due to changes in the global economic trends, fluctuations in foreign currency exchange rates, economic policies of various countries, and so on.

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Company Overview

● Core competence: Grinding technology
Integrate ultra high-speed rotating, ultrasonic, and micromotor technologies in-house

● Global No.1 market share in dental handpieces
Secure a high market share especially in developed markets

● High profitability as a niche leader
Maintain an EBITDA margin in the 20% range

● Vertically integrated business model
Own development capabilities that drive competitiveness, manufacturing capabilities that ensure high quality, and a global sales network

● In-house production rate of precision parts for handpieces: 90%
Consistently produce micron-level components at our own factory (in Kanuma City) with advanced production technology

● Overseas sales ratio: Over 90% of consolidated net sales
Cover 140 countries worldwide, from developed to emerging markets

Business Domain

NSK

Business domains	Strengths: Development	Strengths: Production	Strengths: Sales
Dental Business Development, production and sales of wide range of dental equipment, which cover such as restorative dentistry, periodontics, oral surgery, etc. ▶ Global No.1 market share in dental handpieces ▶ Expanding market share in developed countries such as Europe and North America	Own elemental technologies that determine product competitiveness Core technologies include ultra high-speed rotating, ultrasonic, and micromotor technologies	Advanced production technologies achieve micron-level precision High in-house production rate contributes to greater design flexibility, quality stability, and cost competitiveness	Built global distributor network with local subsidiaries and leading distributors worldwide
Surgical Business Development, production and sales of surgical bone grinding and cutting drills which can be used in areas of neurosurgery, spine surgery and orthopedic surgery ▶ Highest sales growth rate in the niche drill market ▶ Recurring business model with high proportion of consumables	Development and production processes are fully integrated in-house Business infrastructure is shared across Dental, Surgical, and Industrial Capable of high-mix, low-volume production		Appointed leading distributors in key markets Expanding collaborations with medical device manufacturers
Industrial Business Development, production and sales of spindles which can be used in precision and micro processes in wide range of manufacturing sectors such as automobile and semiconductors ▶ Specialized in the small-diameter, high-speed spindles ▶ Expanding collaborations with machine tool and industrial robot manufacturers			Expanding collaborations with system integrators in addition to dealer networks
DCI Business Development, production and sales of dental chairs and related equipment for the U.S. and Canadian markets ▶ No.2 market share in the U.S., with DCI and the top competitor holding 70% share combined ▶ "Series 5" is a top-selling model in the U.S.	▶ Deploy an integrated business model of technology, production, and sales centered in the U.S. - Accumulated in-house technology and know-how in design and manufacturing - Robust customer base including dealers and DSOs.		

Main products


Handpiece


Implant motor


Oral hygiene system


Clinical micro motor


Console unit


Surgical motor


Attachment


Bur


Motor spindle


High-frequency spindle


Electric hand grinder


Ultrasonic polisher


Dental chair

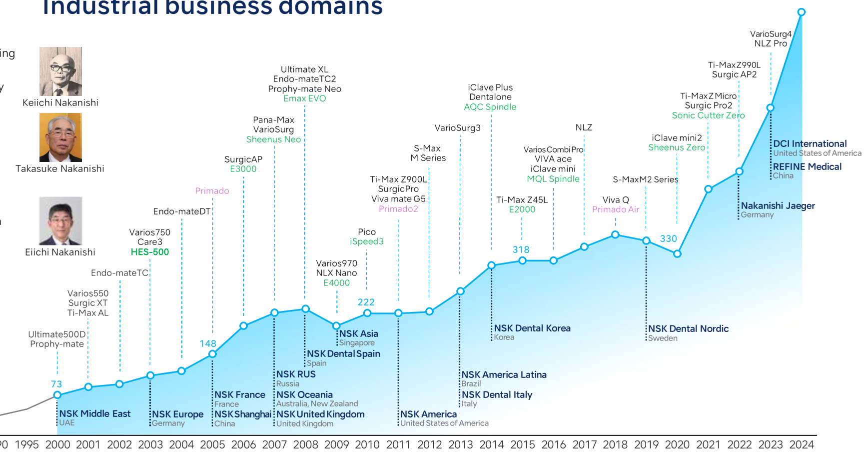

Dental cabinet


Dental parts

Our Journey

Leveraging our “grinding technology,” honed since our founding, create innovative new products across our Dental, Surgical, and Industrial business domains

1930	Keiichi Nakanishi established (founded) Nakanishi Manufacturing
1945	Relocated to Kanuma City to escape wartime devastation
1951	Reestablished Nakanishi Manufacturing after postwar recovery
1958	Launched sales of own-brand “NSK” products
1976	Takasuke Nakanishi appointed as President
1982	Entered the Industrial business
1996	Company name changed to NAKANISHI INC.
1997	Acquired ISO 9001 certification
1999	Acquired ISO 14001 certification
2000	Eiichi Nakanishi appointed as President
	Registered stock with the Japan Securities Dealers Association
2005	Entered the Surgical business
2016	Established corporate values “Our Core”
2017	Completed construction of R&D center “RD1” in Headquarters
2018	Completed construction of parts factory “A1”
2020	Announced Mid Term Management Plan “NV2025”
2022	Completed construction of parts factory “A1+”
	Acquired German spindle manufacturer “Jaeger”
2023	Acquired U.S. dental chair manufacturer “DCI”
	Acquired Chinese medical device manufacturer “REFINE”
2025	Completed construction of assembly factory “M1”



2001 – Dental **Varios550** | 2001 – Dental **Surgic XT** | 2006 – Industrial **E3000** | 2008 – Industrial **Emax EVOlution** | 2011 – Dental **Ti-Max Z900L** | 2011 – Surgical **Primado2** | 2016 – Dental **Varios Combi Pro** | 2017 – Dental **NLZ** | 2021 – Dental **Surgic Pro2** | 2023 – Dental **Ti-Max Z990L** | 2024 – Dental **VarioSurg4** | 2025 – Dental **VIVA ace2** | 2025 – Dental **Varios Combi Pro2** | 2025 – Industrial **E3000i**

Vision

VISION 2030

NV2030

To be the leading excellent global medical device company

In the Global Dental and Surgical market
To create new products based on "innovative grinding technology" and to be the ONLY ONE medical device company who can contribute all people in the world to extend Health Expectancy

NAKANISHI's mission

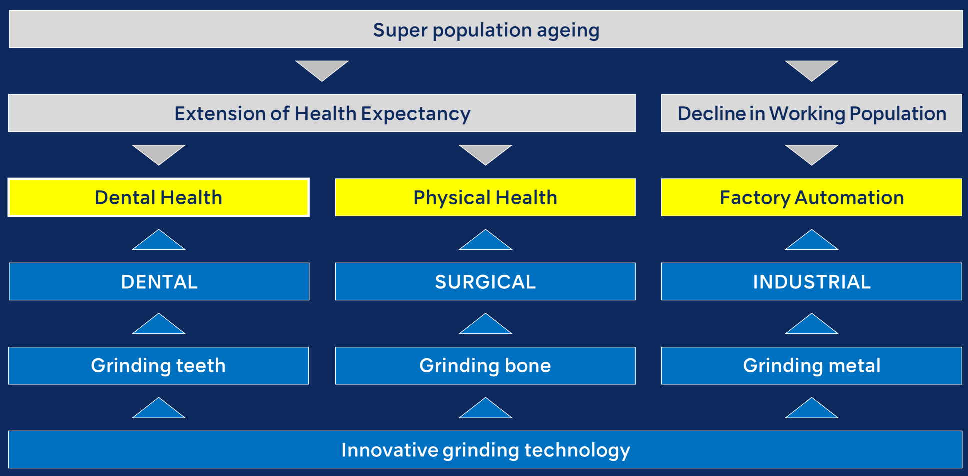
To create "brilliant progress" via innovative "grinding technology"

Keyword in business development

Super population ageing

Keyword in business development: Super population ageing

In response to social issues brought to light by super population aging around the world, NAKANISHI is working to deliver solutions through its “grinding technology”



Review of “NV2025+”

I am Suzuki, Corporate Vice President & Group CFO.

Before presenting the details of our new medium-term management plan, “NV2030”, I would like to begin by reviewing the previous plan.

There are two key points to highlight: the first concerns quantitative aspects, namely our financial performance, and the second pertains to qualitative aspects, including the status of our key strategic initiatives.

NSK

Review of NV2025+

Due to inflation, medical device regulations (MDR), and design changes caused by component shortages, costs have increased, resulting in operating profit, operating margin, and ROE falling short of targets.

Announced on Feb. 20, 2020
Mid Term Management Plan **NV2025**

Announced on Aug. 9, 2022
Mid Term Management Plan Rolling Plan **NV2025+**

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	NV2025+ Targets
Consolidated net sales	33,055	44,857	48,671	55,335	55,789	-	55,000
(including M&A)	(-)	(-)	(-)	(59,692)	(77,041)	(80,655)	-
Consolidated operating profit	8,542	13,750	15,389	14,948	14,876	-	16,500
(including M&A)	(-)	(-)	(-)	(14,251)	(14,596)	(13,150)	-
Consolidated operating margin	25.8%	30.7%	31.6%	27.0%	26.7%	-	30.0%
(including M&A)	(-)	(-)	(-)	(23.9%)	(18.9%)	(16.3%)	-
Consolidated EBITDA	10,350	15,612	17,493	17,754	18,025	-	-
(including M&A)	(-)	(-)	(-)	17,743	(20,460)	(18,932)	-
ROE	8.7%	12.7%	14.4%	11.4%	10.1%	-	>11.0%
(including M&A)	(-)	(-)	(-)	(22.4%)	(7.3%)		
Total payout ratio	40.3%	43.5%	51.5%	63.1%	54.7%	-	>50.0%
(including M&A)	(-)	(-)	(-)	(31.8%)	(74.5%)		
Cash & marketable securities to monthly sales ratio	16.0 months	13.5 months	11.1 months	7.9 months	7.3 months	-	<12.0 months
Exchange rate JPY/$	106.67	109.84	130.77	140.54	151.44	145.00	124.00
JPY/€	122.01	130.08	137.90	152.27	163.80	155.00	131.00

The original target period for the previous medium-term management plan "NV2025" was through FY2025. However, due to significant fluctuations in foreign exchange rates, we announced a revised rolling plan "NV2025+", in August 2022.

When comparing our FY2024 results and FY2025 forecast against the performance targets set in the rolling plan, we achieved our topline goals, as well as targets related to total payout ratio and liquidity ratio.

On the other hand, operating profit, operating margin, and consequently ROE fell short of targets. This was primarily due to a higher-than-expected increase in SG&A expenses, particularly R&D costs.

Contributing factors included the growing complexity and stringency of medical device regulations across countries, as well as unanticipated efforts such as design modifications to mitigate supply chain disruptions (like component shortages) caused by the COVID-19 pandemic.

Furthermore, in our FY2025 performance forecast, we anticipated a decline in profit due to an intentional increase in selling expenses, based on the strategic decision to invest in future growth. As a result, our forecast deviated from the performance targets originally set in the plan.

Review of NV2025+: by Business Segment

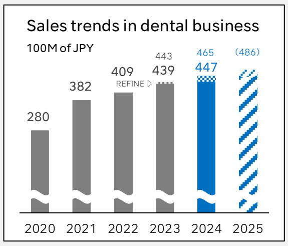
Surgical business maintained high profitability and strong growth
Dental and DCI businesses also grew steadily

Industrial business achieved record-high results in FY2023, but
recent performance declined due to weakening demand

Dental business

Successfully captured post-COVID demand expansion, driving growth.

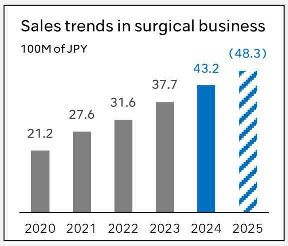
Gained competitive advantage over major competitors and expanded market share.



Surgical business

Achieved strong organic growth.

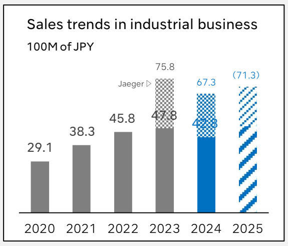
Profitability improved as sales of consumables increased.



Industrial business

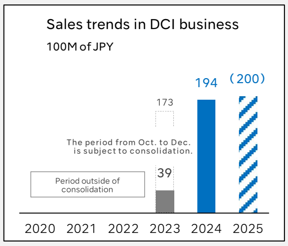
Aimed to pursue growth by leveraging acquisition as the business was cyclical and recurring in nature.

However, performance stagnated due to the deterioration of the competitive environment surrounding Jaeger.



DCI business

NV2025+ performance targets do not include the effects of M&As.



Let us review the performance by business segment.

First, the Dental business experienced significant growth by capturing the surge in global demand that emerged during the COVID-19 pandemic.

The Surgical business also showed steady growth and now serves as a future growth driver.

The Industrial business achieved record-high sales during the plan period; however, recent performance has stagnated due to a deterioration in the overall economic environment.

DCI business represents the performance of DCI International, which joined our group through M&A. As such, it was not included in the assumptions underlying the performance targets of the previous medium-term plan.

Review of NV2025+

Basic policy and key initiatives of "NV2025+"

1. Strategic expansion in Dental global market

- To keep and expand market share No.1 in Dental rotating instruments through strengthening competitiveness
  - O Expanded global market share of dental handpieces (25% ▶ 28%)
- To increase market share in Implant- and Preventative dentistry-related products with upgraded product line-up
  - O Launched new products in main areas: handpieces, implants, and oral surgery
- To expand branding in Sterilization and maintenance products under quick demand growing
  - X New sterilizer product was launched, but market share could not be expanded
- To expand business in the U.S. and China and boost market share in Europe.
  - O Grew U.S. market share and reached No.2
  - X China sales slowed due to a weak market
- To prepare sufficient after-sales organization in global market
  - O Strengthened global after-sales operations
- To make growth in life-cycle business as parts and consumables
  - O Sales of consumables increased through the growth of surgical business and Oral hygiene products
- To strengthen branding and sales organization
  - O Strengthened sales capabilities through continued branding efforts and cross-selling with three acquired companies

2. Growing new business for customer needs in super population ageing

- To expand product portfolio in Surgical business
  - △ New products for attachments and disposables were launched, but the expansion of the product portfolio was limited
- To utilize external management resources
  - O Progressed technology development through industry-academia collaboration and tie-ups with local medical institutions

3. Establish infrastructure for speedy product development and leading cost competitiveness

- To establish appropriate organization in product development and manufacturing
  - O Completed strengthening of the business infrastructure (RD1, A1, A1+, M1)
- To strengthen global RA function and prepare for Class 3 QMS
  - △ Efforts to streamline RA function and establish a Class III management system are ongoing
- To reform supply-chain management with implementing new ERP system
  - O A new ERP and PSI system was implemented at the headquarters

Strategic investments

O Secured strategic footholds through M&As: 1) U.S. dental market (DCI), 2) Global low-end market centered on preventive dentistry (REFINE), and 3) Broader product portfolio (Jaeger)

Capital policy

O Introduced a total payout ratio of 50% as a shareholder return standard Implemented stable dividend increases and flexible share buybacks

O Initiated balance sheet reforms to evolve toward management focused on capital efficiency

Let us review the basic policy and key initiatives of the previous medium-term management plan, along with their implementation status.

In the presentation materials, items shown in blue text represent initiatives that were successfully executed, while those in green text indicate areas where challenges remained.

Some of these challenges are recognized as issues that should continue to be addressed under the new medium-term management plan "NV2030".

Overall, we believe that the initiatives aimed at driving business growth progressed well.

Regarding strategic investments (M&A), while certain challenges remain with Jaeger, we have begun to realize business synergies with DCI, and we aim to maximize returns under "NV2030".

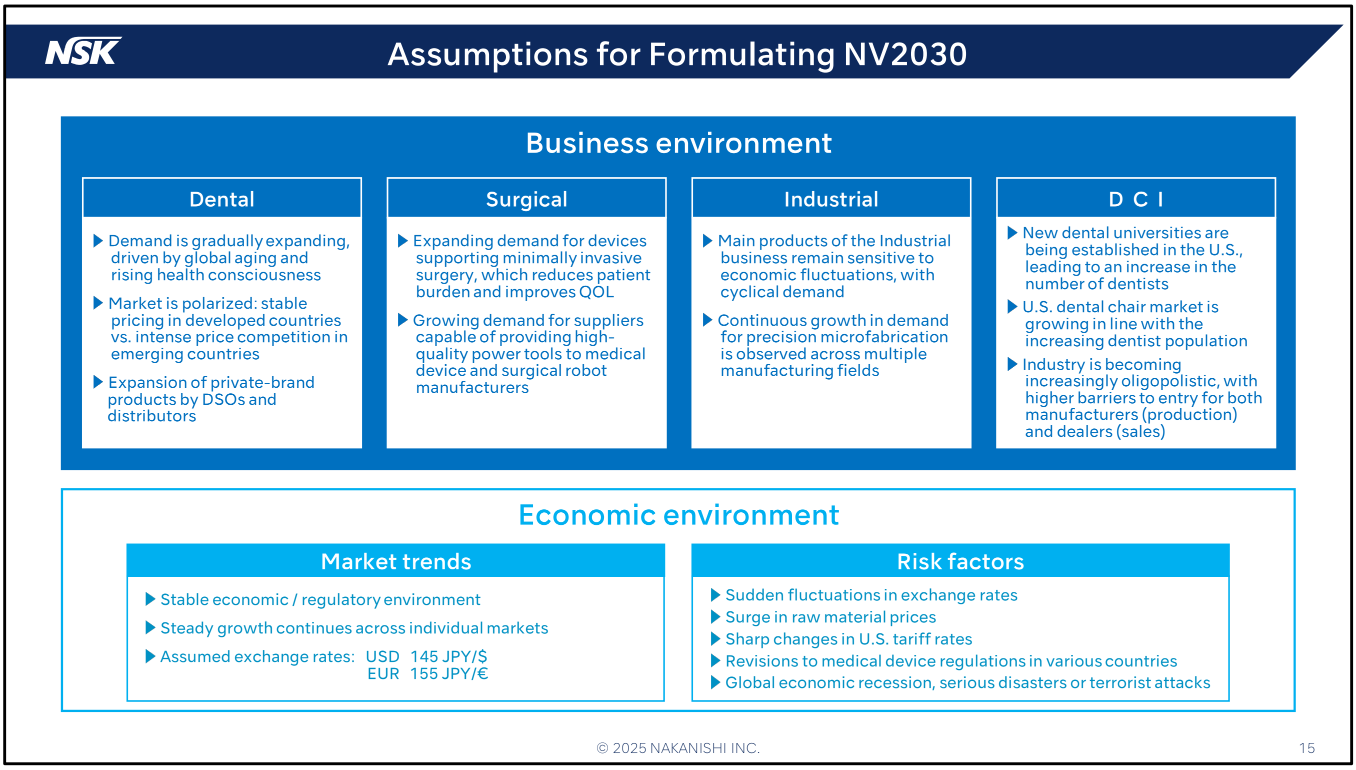
In addition, we introduced performance indicators for our capital policy, particularly in terms of shareholder returns, and have taken concrete actions accordingly. We also initiated balance sheet reforms and will continue to promote management practices conscious of capital efficiency.

New Mid Term Management Plan "NV2030"

: Business Strategy

I am Nakanishi, President & Group CEO.

I will now explain the business strategy outlined in our new medium-term management plan "NV2030".



Underlying assumptions on which the plan has been formulated is shown.

In Dental business, demand is expected to continue expanding, driven by global trends such as rapid population aging and increasing health consciousness.
We expect the market will be polarized, with relatively stable pricing in developed countries and intensifying price competition in emerging markets.
In developed markets, Dental Service Organizations (DSOs) are expected to gain greater presence, while the market for private-label products offered by dealers (representing OEM business for us) is also projected to expand.

In Surgical business, demand for minimally invasive surgery, which contribute to reducing patient burden and improving quality of life, is expected to continue rising. Accordingly, the need for devices compatible with such procedures is also projected to grow. With the increasing adoption of surgical robotics, we anticipate further growth in demand for our power tools and surgical drills.

In Industrial business, due to the cyclical nature of demand in this sector, the business remains vulnerable to shifts in the economic external factors, we expect steady demand to continue for our products, particularly in the field of precision microfabrication, where we have a strong competitive advantage across various manufacturing industries.

In DCI business we are focusing on the United States, the world's largest capital market. Over the next five years, in the United States, 7 to 8 universities are expected to newly establish dental faculty, leading to an increase in the number of dentists and a growing demand for dental equipment.

As for the economic environment, please refer to the assumptions outlined in the materials. One risk factor we would like to highlight in particular is the U.S. tariff policy. As we export products to the U.S. market, our business is significantly affected by changes in these policies.

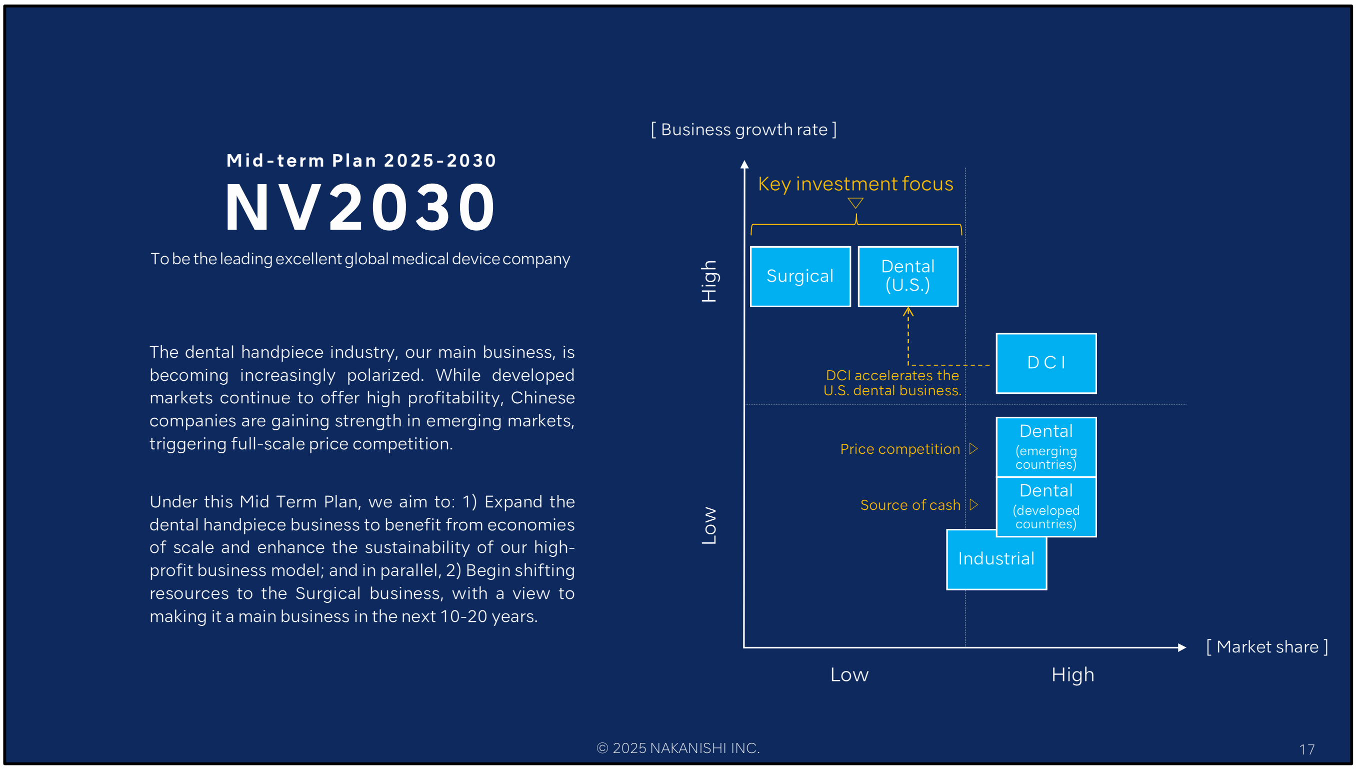
As part of the basic policy of "NV2030," we will pursue a business strategy that balances both offense and defense.

On the offensive side, we aim to further expand our business by focusing on the North American dental market and the surgical business. This includes launching competitive new products, strengthening our sales network, and shifting management resources toward the surgical business. We will also work to enhance our OEM sales and DSO (Dental Service Organization) business.

On the defensive side, to counter Chinese manufacturers entering emerging markets, we will leverage our acquisition of Refine to pursue cost reductions through measures such as offshoring development and production functions. Additionally, we will promote the use of AI and digital transformation (DX) to further improve productivity.

To strengthen the management foundation that supports growth, we will optimize our development and procurement functions on a global scale. We also aim to further improve productivity at our mother factories in Kanuma City, Tochigi Prefecture at the A1 factory responsible for parts processing and the M1 factory responsible for assembly.

In terms of finance, we will pursue balance sheet reform, strategic investments (including M&A), and enhanced shareholder returns. In particular, we plan to raise the total payout ratio to 70%.



The growth rates of markets and market shares in which each business is anchored are shown in this page.

Our primary scenario is to grow the surgical business and the North American dental business, where there remains significant room to gain market share.

To expand the North American dental business, creating synergies with the DCI business will play a major role. We believe that NSK and DCI can work together as two driving forces to further increase our market share.

Let me explain the strategy for our core dental business at NSK.

From a product perspective, we aim to rapidly launch competitive products in the fields of preventive dentistry and mobile dental care, where demand is increasing, to further expand our market share. In particular, we believe there is still significant potential to grow our share in preventive dentistry products.

Meanwhile, although we already hold the No.1 market share in dental handpieces, we will enhance our competitiveness even further by introducing globally strategic products.

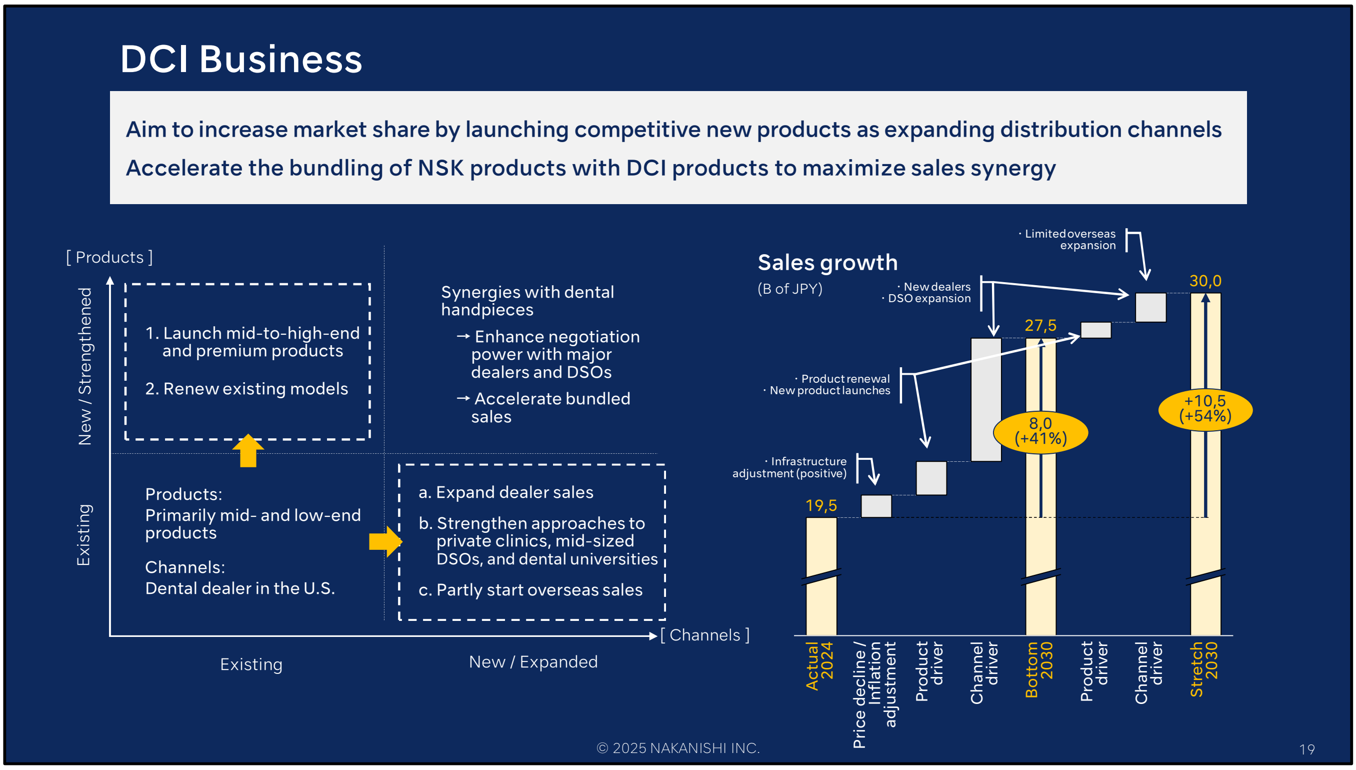
We also plan to aggressively target market share in emerging countries with affordable electric products developed through Refine. In the autoclave (sterilizer) field, where we fell short in the previous mid-term plan, we will launch a new lineup of products to drive growth and expand our share.

From a channel perspective, while the U.S. strategy is of course important, there are still regions outside the U.S. where we have not yet been able to fully expand our market share, so we would like to focus on those areas as well.

In addition, we will actively pursue private label (OEM) business, which is gaining momentum in the U.S. Over the past decade, we have prioritized expanding our own brand to grow market share, keeping a distance from OEM business. However, to further increase our share, we will expand OEM partnerships with major dealers and strengthen our DSO (Dental Service Organization) business.

We will also be building a global sales network for Refine which we acquired. NSK has an extensive global sales network, and we will leverage our experience to support Refine's growth.

Through these initiatives, we aim to increase our revenue from 46.5 billion yen in FY2024 to a bottom target of 60 billion yen and a stretch target of 69 billion yen by FY2030.



As for the strategy of the DCI business, we aim to further increase our market share in North America by launching competitive new products and expanding our sales channels.

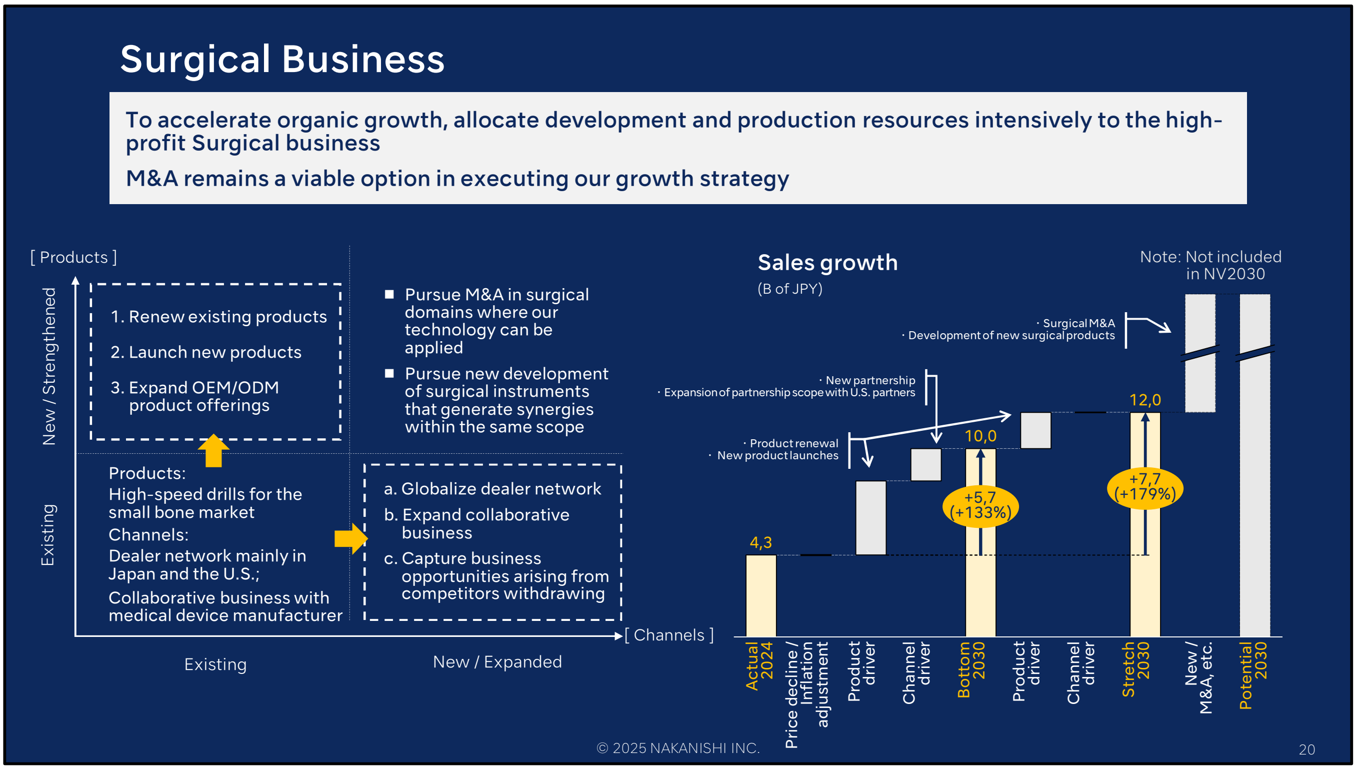
We will accelerate the bundled sales of DCI and NSK products, which are currently performing well, to maximize synergies.

From a product perspective, we will strengthen the product lineup. Currently, DCI's offerings are mainly in the low to mid-end range, but during the mid-term plan period, we plan to introduce new products that cover the high-end range as well, aiming to challenge the dominance of the current market leader.

From a channel perspective, we have recently started business with one of the largest dealers, and we will focus on expanding this new sales channel.
In addition to supporting this new dealer, we will strengthen our approach to key customers such as DSOs, private dental clinics, and dental universities.

Furthermore, we plan to expand the sales of DCI's dental chairs beyond North America. We will carefully assess target markets and grow our international sales.

Through these initiatives, we aim to increase revenue from 19.5 billion yen in FY2024 to a bottom target of 27.5 billion yen and a stretch target of 30 billion yen by FY2030.



As part of our surgical business strategy, we plan to concentrate management resources into this segment during the current mid-term plan period.

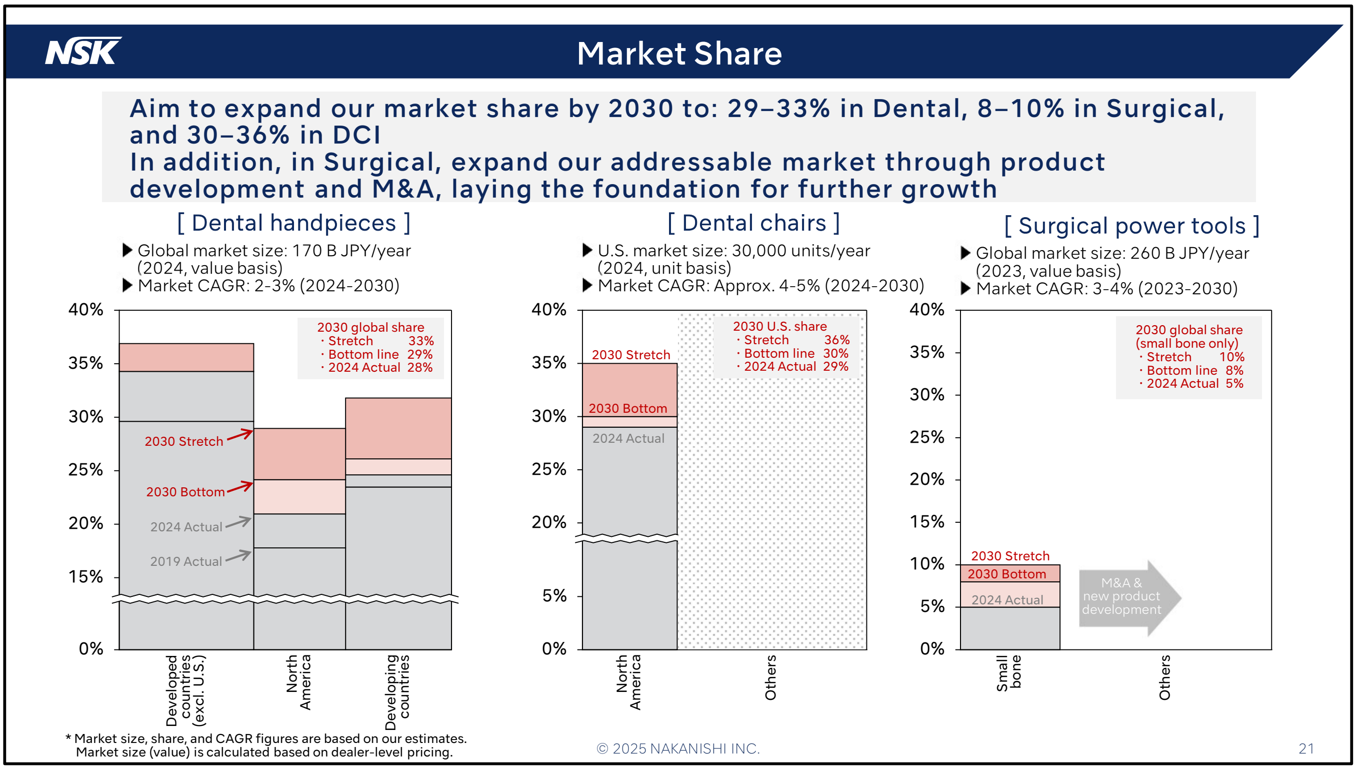
Thanks to the strength of our products, we are currently winning in market competition, and we aim for organic growth of the business while also seeking opportunities to significantly expand through M&A if the right opportunities arise.

From a product perspective, our main offering is high-speed rotary drills for small bone procedures. While our products are highly competitive compared to those of our competitors, our product lineup remains narrow.
We intend to launch new, highly competitive products as early as possible to broaden our lineup. We believe there still is ample opportunity to grow our market share.

From a channel perspective, we will expand our existing sales network, which is currently centered in Japan and the U.S., to untapped markets such as Europe, the Middle East, and South America, promoting the globalization of our distribution channels.
Additionally, there are medical device manufacturers that need NSK's power tools and high-speed rotary drills, and we plan to replicate the collaborative business model we launched in the U.S. across other regions.

At present, we are seeing favorable condition with a competitor withdrawing from the market. We aim to capture as many of these vacated areas as possible. We believe that this year will be a critical turning point.

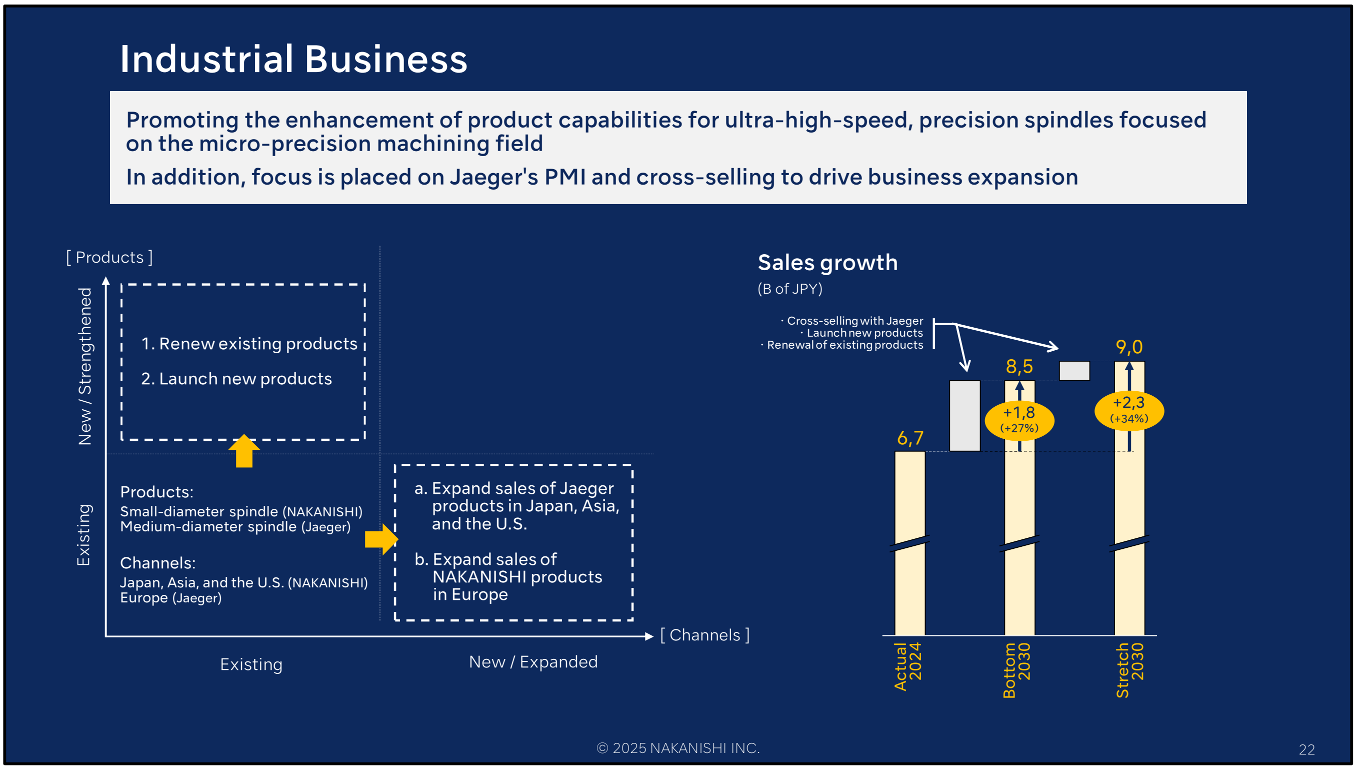
Through these initiatives, we aim to increase revenue from 4.3 billion yen in FY2024 to a bottom target of 10 billion yen and a stretch target of 12 billion yen by FY2030.



We have set target market share values for the key products of each business segment.

For the dental business, increasing market share in North America for dental handpieces is the most critical point. At the same time, we aim to grow our share in emerging markets without losing ground.

While the North American market remains the main driver of growth for the dental business, we also see promising growth potential in other regions. We plan to strategically expand into markets such as the UK, parts of Eastern Europe, and Australia, while carefully assessing their future growth prospects.

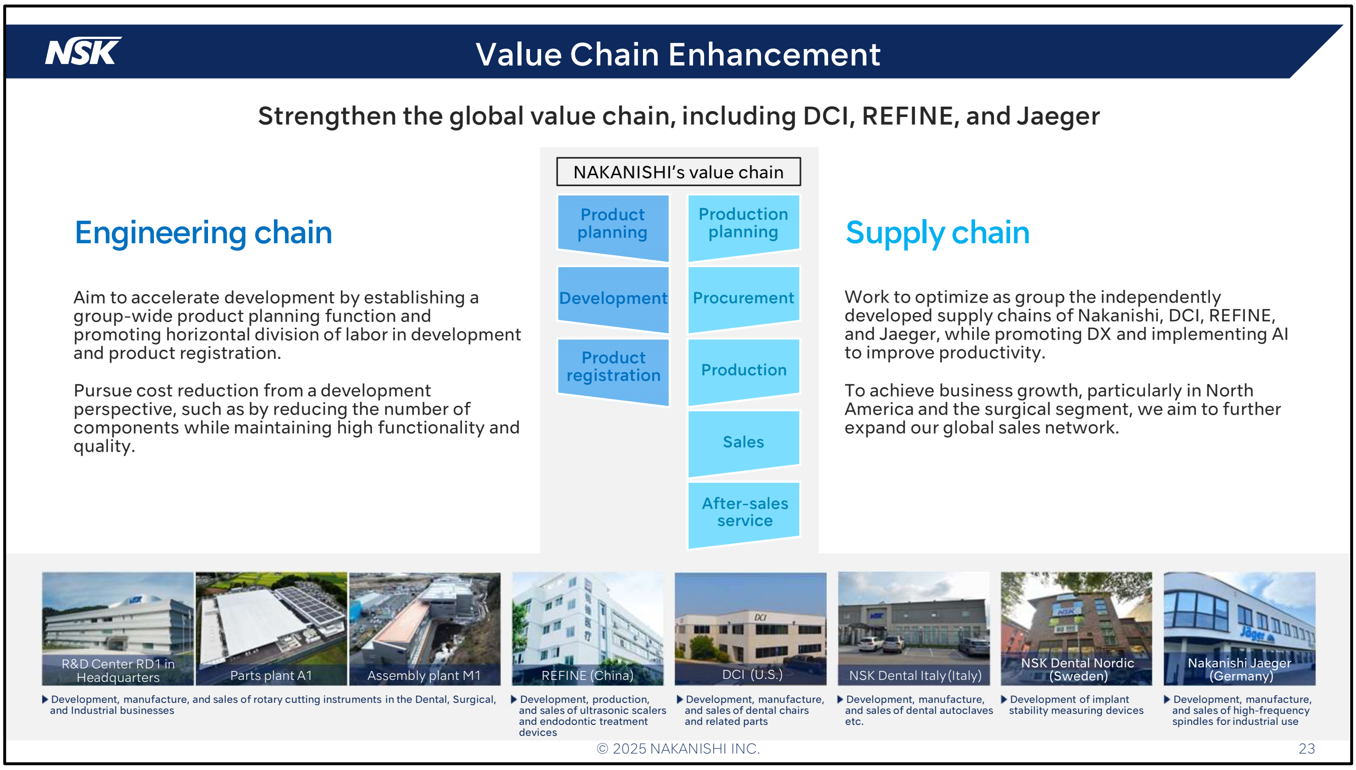


As part of our strategy for the industrial business, we aim to boost sales by enhancing the product strength of ultra-high-speed, ultra-precision spindles, with a focus on the micro-precision machining field.

We will place particular emphasis on PMI and cross-selling opportunities through acquired company, Jaeger. Market needs are rapidly evolving toward higher speed, finer detail, and greater precision.
We plan to consistently offer a lineup of products that meet these demands and establish a system that allows us to propose solutions ahead of competitors.

From a channel perspective, we will combine Jaeger’s strong sales network in Europe with NSK’s robust networks in Japan, the U.S., and Asia to expand sales of both companies’ products.

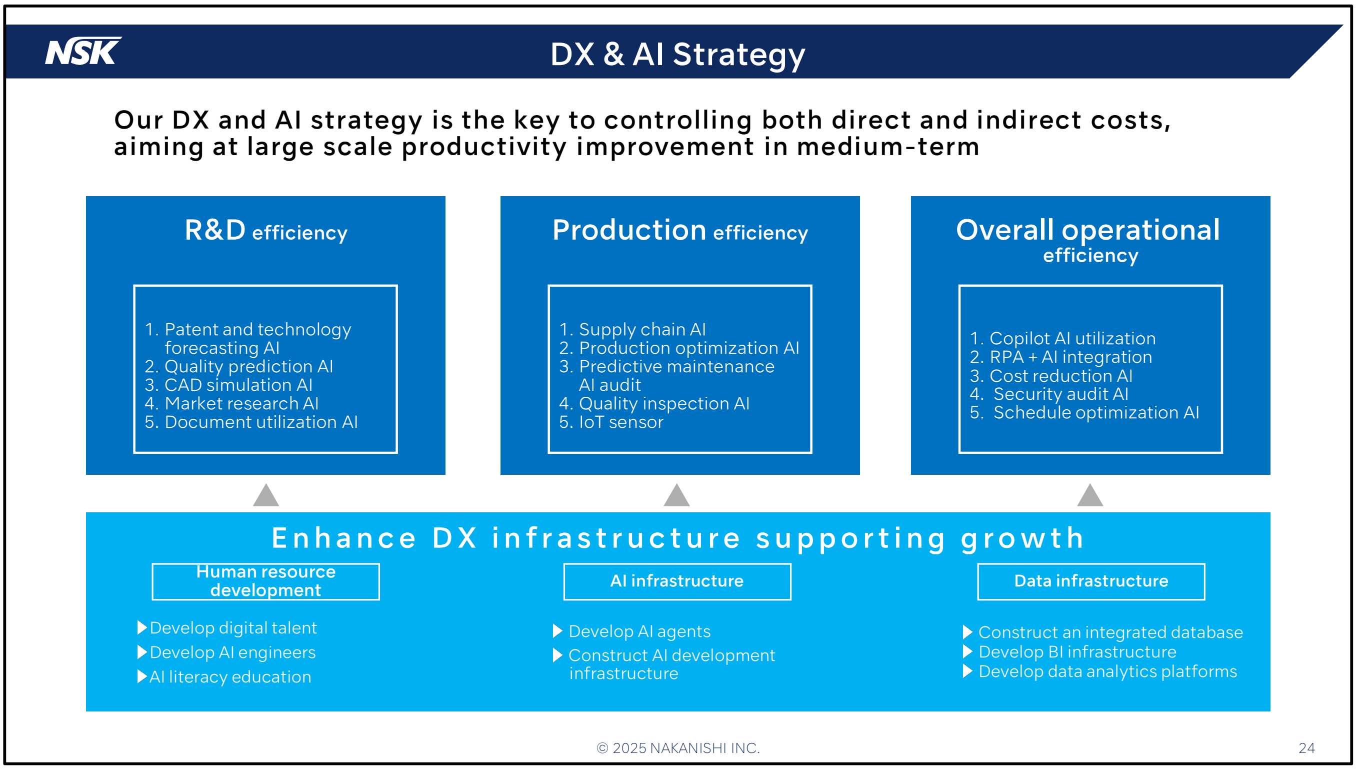
Through these initiatives, we aim to increase revenue from 6.7 billion yen in FY2024 to a bottom target of 8.5 billion yen and a stretch target of 9.0 billion yen by FY2030.



We are working to strengthen our value chain.

Currently, the NSK Group operates five production sites in addition to the headquarters. Each of these sites conducts operations independently.

During this mid-term plan period, we will pursue optimization across the entire group. Optimizing both the engineering chain and the supply chain will be critical to improving growth potential, profitability, and other key performance areas. In addition, we will enhance efficiency by promoting digital transformation (DX) and incorporating AI technologies.



We are executing our DX and AI strategy.

We have already begun utilizing AI across various functions, including R&D, production, and general operations, and we are starting to see benefits, such as significant productivity improvements in certain areas.

We will continue to drive these initiatives forward in line with our plan during the new mid-term period. In particular, in the development process, we aim to improve efficiency through AI applications in areas such as patent analysis, technology forecasting, and quality prediction, ultimately shortening the time required for new product development.
By actively promoting DX and AI, we aim to further enhance NSK's competitiveness.

New Mid Term Management Plan “NV2030”
: M&A Strategy

I am Suzuki, Corporate Vice President & Group CFO.

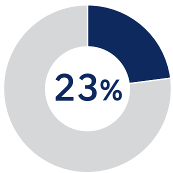
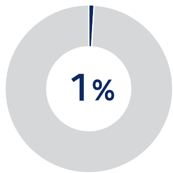
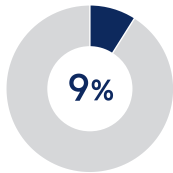
I will explain our M&A strategy and initiatives to enhance corporate value.

Acquisitions

	DCI Acquisition completed in Aug. 2023	REFINE Acquisition completed in Nov. 2023	Jaeger Acquisition completed in Dec. 2022
Acquisition price & payment method	① Acquired 33% ownership: Oct. 2020 Cash 25.0 M $ (2.5 B JPY) ② Acquired 16% ownership: Dec. 2021 Cash 12.1 M $ (1.4 B JPY) ③ Acquired 51% ownership: Aug. 2023 Cash 98.9 M $ (14.4 B JPY) Treasury shares 24.9 M $ (3.6 B JPY)	Cash 152 M CNY (3.1 B JPY)	Cash 27.4 M€ (3.9 B JPY)
EBITDA multiple	① + ② + ③ = 8 - 9 x	15 - 16 x	9 - 10 x

Acquisition Investment Recovery

NSK

	DCI Acquisition completed in Aug. 2023	REFINE Acquisition completed in Nov. 2023	Jaeger Acquisition completed in Dec. 2022
Total investment amount	Approx. **22.2** B JPY	Approx. **3.1** B JPY	Approx. **3.9** B JPY
EBITDA contribution	Approx. **2.6** B JPY/year (FY2024)	Approx. **0.0** B JPY/year (FY2024)	Approx. **0.1** B JPY/year (FY2024)
Recovery progress	 23% ✓ Over one year since full acquisition (as of end-2024)	 1% ✓ Over one year since full acquisition (as of end-2024)	 9% ✓ Two years since full acquisition (as of end-2024)
Business trends	Demand for dental chairs in the U.S. shows weakening trend Market share remains within a stable range	Severe demand decline in the Chinese market Strengthening sales outside of China	The competitive environment surrounding core products has deteriorated Reinforcing the functions of R&D, manufacturing, and sales

Our M&A strategy consists of two key points.

The first point is the current status of the three companies we have already acquired; DCI, Refine, and Jaeger. The second point is our approach to future M&A activities.

Let me begin with the status of the acquired companies and the progress of investment recovery.
DCI has already made significant progress in investment recovery. In addition to recovering the initial investment, we have begun generating synergies. Although new challenges such as U.S. tariffs have emerged, we expect to complete the recovery by the final year of the mid-term plan, FY2030.

Refine, being a venture company, is now in the phase of strengthening its business foundation, expanding its global sales network, and moving toward profitability. Therefore, investment recovery is expected to begin in the latter half of the mid-term plan and to be completed beyond FY2030.

Jaeger's recovery timeline depends on the completion of its restructuring. We currently anticipate that investment recovery will also be completed after FY2030.

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Future M&A Policy

No intention of becoming a conglomerate

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 ?	Expand business ?	Enhance distribution capabilities ?
Grinding technology	**Product lineup**	**Distribution network**
1. Ultra high-speed rotating technology	1. Dental equipment	1. Distribution area
2. Micromotor technology	2. Surgical equipment	2. Distribution channel
3. Ultrasonic technology	3. Industrial spindle	3. Market presence

As our basic strategy for future M&A, we develop our own pipeline internally. When we identify a company we believe would be a good partner to grow with, we proactively reach out and meet with them directly to initiate the process.

Currently, we have excluded the dental and industrial businesses from our M&A pipeline.
On the other hand, we are open to considering companies that contribute to our surgical business or possess technologies that align with our core technologies (grinding technology).

New Mid Term Management Plan "NV2030"
: Enhancement of Corporate Value

Lastly, I will explain our initiatives to enhance corporate value.

NV2030 Performance Targets

Assuming a 15% U.S. tariff on imports from Japan and China, if the tariff on Chinese imports rises to around 50%, the margin of the DCI business is expected to decline by 5–10%

		FY2024 Actual	FY2025 Forecast	vs 2024	FY2027 Target	vs 2024	FY2030 Target	vs 2027
Dental business	Net sales	46.5 B JPY	48.6 B JPY	+4.6%	53.0-56.0 B JPY	Net sales CAGR 2024-2027 Around 5%	60.0-69.0 B JPY	Net sales CAGR 2027-2030 5-6%
	EBITDA	19.3 B JPY	18.9 B JPY		20.0-22.5 B JPY		21.0-28.0 B JPY	
	Margin	41.6%	38.8%		38-41%		34-40%	
Surgical business	Net sales	4.3 B JPY	4.8 B JPY	+12.0%	6.3-6.8 B JPY	Net sales CAGR 2024-2027 Around 15%	10.0-12.0 B JPY	Net sales CAGR 2027-2030 15-20%
	EBITDA	2.3 B JPY	2.3 B JPY		3.5-3.8 B JPY		5.0-6.5 B JPY	
	Margin	55.1%	49.3%		Over 50%		Over 50%	
Industrial business	Net sales	6.7 B JPY	7.1 B JPY	+5.8%	7.5-8.0 B JPY	Net sales CAGR 2024-2027 Around 4%	8.5-9.0 B JPY	Net sales CAGR 2027-2030 Around 4%
	EBITDA	1.4 B JPY	1.3 B JPY		1.3-1.5 B JPY		1.7-2.0 B JPY	
	Margin	21.3%	18.3%		18-20%		20-22%	
DCI business	Net sales	19.4 B JPY	20.0 B JPY	+3.0%	22.5-23.5 B JPY	Net sales CAGR 2024-2027 5-6%	27.5-30.0 B JPY	Net sales CAGR 2027-2030 6-8%
	EBITDA	2.4 B JPY	1.7 B JPY		2.8-3.0 B JPY		4.0-4.5 B JPY	
	Margin	12.6%	8.8%		12-13%		Over 15%	
Company-wide total	Net sales	77.0 B JPY	80.6 B JPY	+4.7%	88.0-95.0 B JPY	Net sales CAGR 2024-2027 5-7%	100.0-120.0 B JPY	Net sales CAGR 2027-2030 6-9%
	EBITDA	20.4 B JPY	18.9 B JPY		22.0-25.0 B JPY		25.0-33.0 B JPY	
	(Of which, corporate shared costs)	(-5.1 B JPY)	(-5.4 B JPY)		(-6.3- -6.5 B JPY)		(-7.0- -7.5 B JPY)	
	Margin	26.6%	23.5%		24-27%		23-28%	

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First, let me explain the performance targets under NV2030. In addition to company-wide targets, we have also set performance targets for each business segment.

Since setting only a target for FY2030 would feel too distant, we have also established interim targets for FY2027 to provide a clearer timeline.
The performance targets are presented as ranges. Naturally, the bottom-line figures represent our committed targets.

For the dental business, our FY2030 performance targets anticipate both top-line growth and an increase in EBITDA. However, we expect the EBITDA margin to decline. This is due to intensified price competition in certain categories, such as preventive dentistry products, particularly in emerging markets. While we plan to implement price increases through inflation adjustments and the launch of new products, we anticipate a decline in overall gross margin for the business.

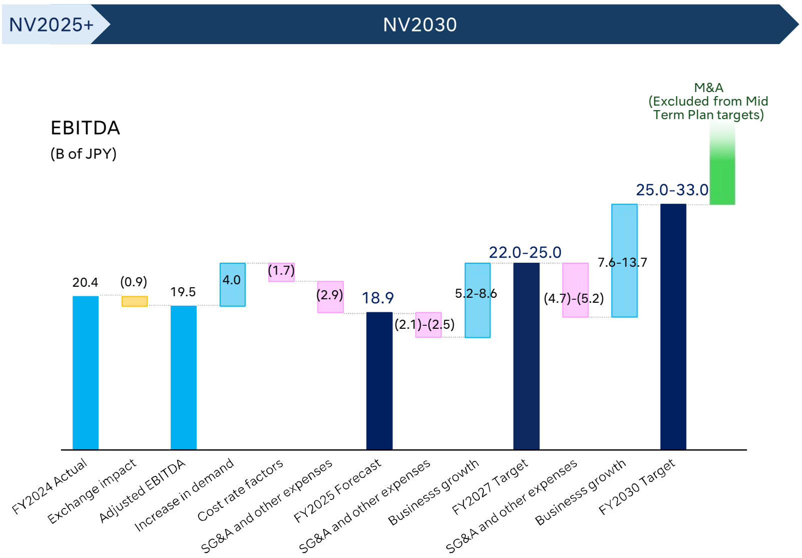
For the surgical business, our message is that we are committed to exceeding 10 billion yen in revenue by FY2030. There are also several upside factors not included in the current performance target calculations, and we expect to grow revenue without compromising profitability. We see this business as one of our pillars.

As a company-wide goal by FY2030, we aim to exceed 100 billion yen in top-line and achieve an EBITDA margin of over 25%.

Lastly, let me add a note on downside risks. One key factor is the potential impact of U.S. tariffs on Chinese imports. For the current performance targets, we have assumed a U.S. tariff rate on Chinese imports of approximately 15%. However, if tariffs were to rise to around 50%, there is a downside risk that the EBITDA margin of the DCI business could decline by
5 to 10% compared to the current assumptions.

Profit Growth Model

In the first half of the plan period, investments and expenses for future growth will precede earnings. Profitability is expected to peak between 2028 and 2030



FY2024 Actual

EBITDA reached the 20.0 B JPY level, driven by solid performance in the Dental, Surgical, and DCI businesses, along with the positive impact of acquisitions and a weaker JPY.

FY2025 Forecast

Selling, general and administrative (SG&A) expenses, including personnel and sales costs, are planned to increase in line with enhanced sales efforts for further growth in the Surgical and DCI businesses. A shift toward a stronger JPY in the assumed exchange rate also contributed to the issuance of downward earnings guidance.

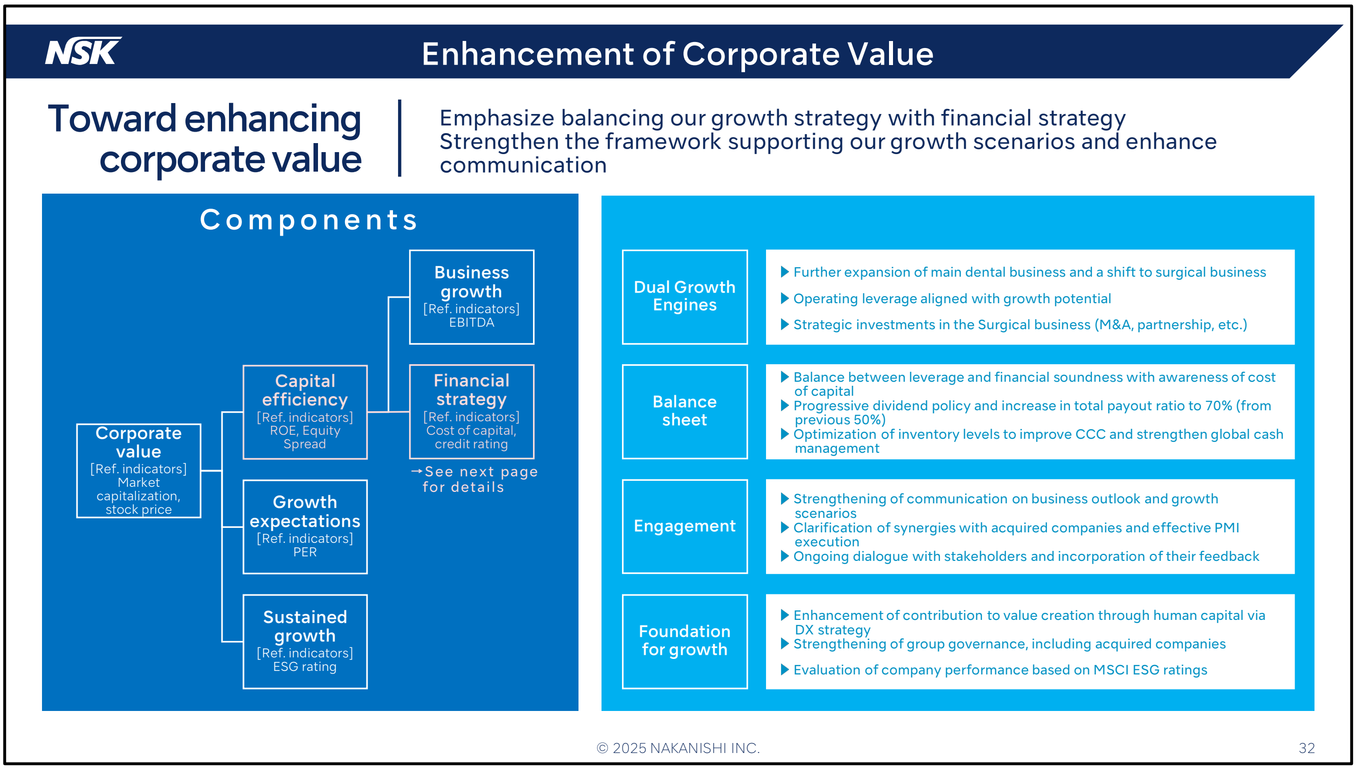
FY2027 Target

EBITDA will return to a moderate growth trajectory, overcoming temporary cost increases from growth investments in growth drivers such as the Surgical and North American businesses. SG&A expenses are expected to converge to a CAGR of approx. 4-5%.

This phase will mark the beginning of visible scale advantages and improved cost control driven by expansion of the high-profit Surgical and North American businesses.

FY2030 Plan

The harvest phase of growth investments begins, with EBITDA entering a phase of sustained growth. Steady growth in the highly profitable Surgical business will not only drive overall performance but also contribute to the formation of a more robust business portfolio.

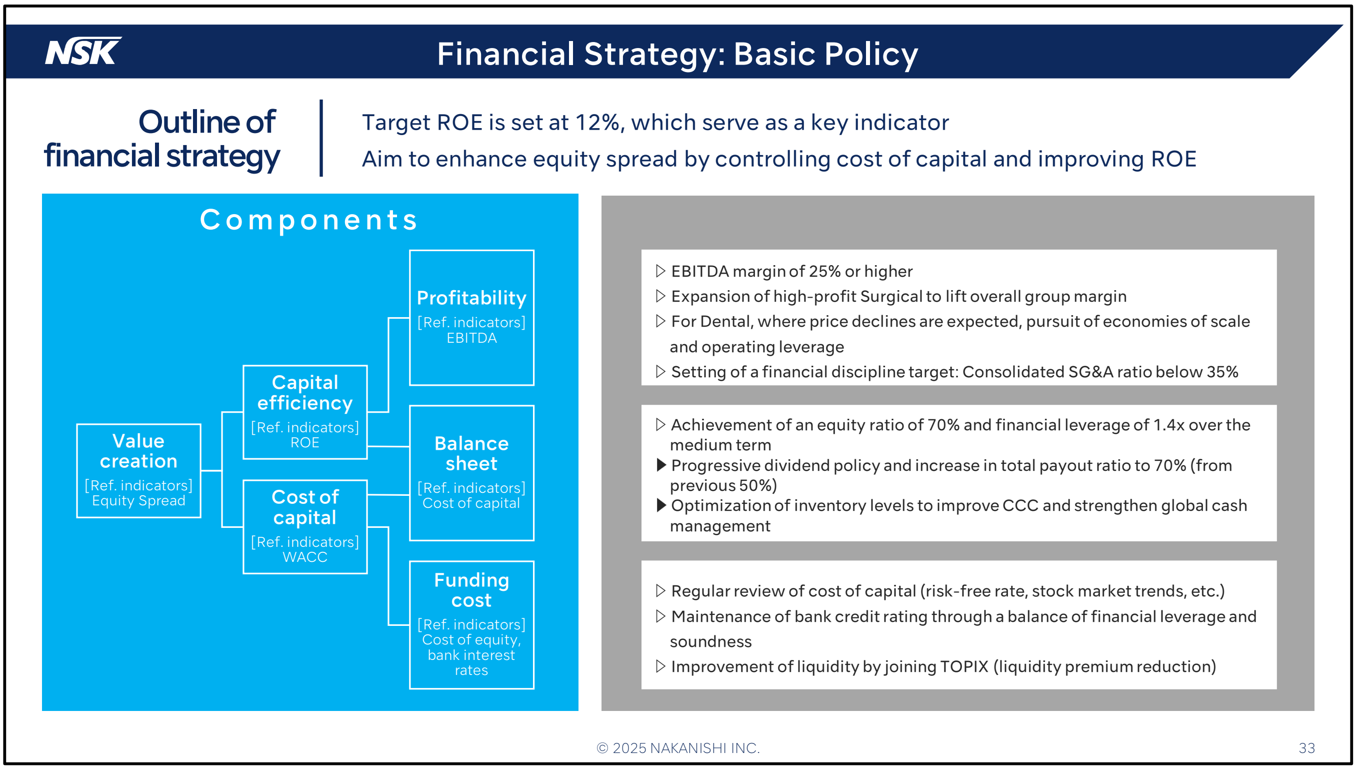


Let me briefly touch on engagement as one of our key initiatives to enhance corporate value.

In recent years, we have fundamentally transformed our approach to communication. This includes disclosure of information in both Japanese and English, as well as moving up the timing of investor briefings.
We have steadily expanded our communication with investors.

We will continue to improve it based on the feedback we receive.

Furthermore, we see the integration of our DX strategy as a foundation for growth. Transitioning our development, production, and back-office operations to leverage AI is essential for improving efficiency. In order to achieve business growth while keeping headcount under control, such efficiency gains will be critical and we view them as a key driver.



As part of our financial strategy, we will raise our shareholder return target from the previous total payout ratio of 50% to a new level of 70%.

In line with this, we are setting a target ROE of 12%. To achieve this, we will need to increase financial leverage, with a target equity ratio of around 70% and a financial leverage of approximately 1.4x.

As mentioned earlier, we are targeting an EBITDA margin of 25% in terms of profitability. Achieving this will require strong growth in our surgical business, which serves as a growth driver.

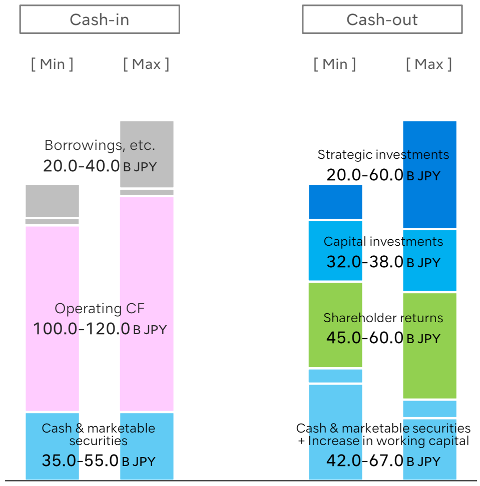
We continue to monitor our cost of capital and have established internal standards for its calculation. We also plan to implement measures to reduce our cost of capital.

During the mid-term plan period, the likelihood of being selected as a TOPIX index constituent is increasing. We expect this to help improve liquidity, which has been a challenge. We will remain attentive to ensure that the free float ratio does not decrease.

Cash Allocation

By maintaining our ability to generate operating cash flows, expect cash inflows to grow in proportion to business scale

Control the liquidity ratio by shortening CCC. Allocate cash outflows in a balanced manner between business investments and shareholder returns



Investments in businesses to achieve sustained growth	Strategic investments	Explore and implement strategic investments for strengthening our core businesses (M&As) to ensure sustained growth
	Capital investments	Implement capital investments for establishing and maintaining a robust business foundation to continue winning in global competition
Enhancement of shareholder returns	Dividends	Seek to ensure a steady and continuous increase of dividends as an essential shareholder return measure
	Total payout	Increase a total payout ratio to 70% as a shareholder return indicator by flexibly implementing treasury stock acquisitions and other measures
Achievement of resilience to both risk and capital efficiency	Capital efficiency	Seek to achieve ROE of 12% through appropriate balance sheet management
	Cash & marketable securities	While maintaining our resilience to changes in the business environment, shorten the benchmark cash & marketable securities to monthly sales ratio to 8 months

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Cash allocation policy is presented in this page.

The key point is our framework for strategic investments and M&A, for which we have set a flexible range of 20 to 60 billion yen.
We will not pursue M&A by constraint; rather, we will take on opportunities only when we find attractive deals. If such opportunities do not materialize sufficiently, we will review our cash allocation accordingly.

As mentioned earlier, we are raising our total shareholder return target to 70% and introducing a progressive dividend policy. We are committed to avoiding dividend decrease and aim for sustainable dividend increases.

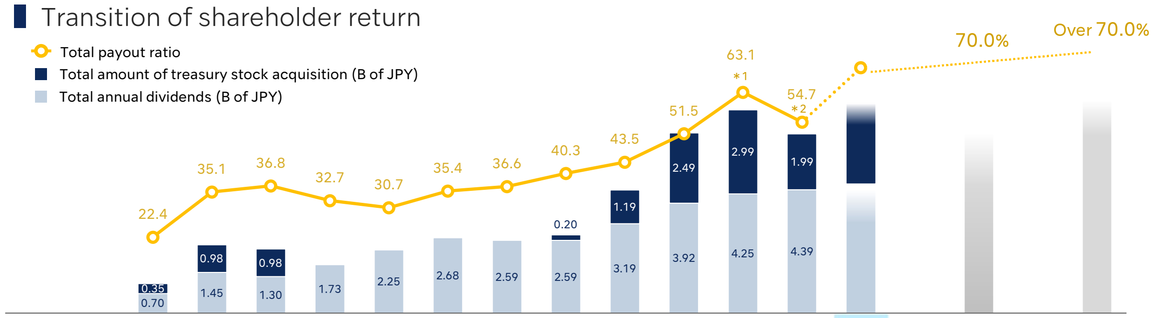
As shown in the materials, we have steadily increased dividends over the years, and we intend to continue this trend going forward.

Shareholder Returns

Expansion of shareholder returns

Continue to adopt the total payout ratio (treasury stock acquisition + dividends) as the standard for shareholder returns
While applying the "progressive dividend policy," raise our target to a total payout ratio of 70%

Transition of shareholder return



		2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2027 Target	2030 Target
Annual dividends per share	(JPY)	8.00	16.67	15.00	20.00	26.00	31.00	30.00	30.00	37.00	46.00	50.00	52.00	54.00	58-70	65-80
Dividend payout ratio	(%)	14.9	21.0	21.0	32.7	30.7	35.4	36.6	40.3	31.7	31.6	37.0	37.6	-		
Total payout ratio	(%)	22.4	35.1	36.8	32.7	30.7	35.4	36.6	40.3	43.5	51.5	63.1	54.7	-	**70%**	**70%+**

*1 Calculated based on adjusted profit, excluding the special gain associated with the acquisition of DCI
*2 Calculated based on adjusted profit, after deducting the profit decrease, etc. due to the impairment of Jaeger

We have presented the projected figures for annual dividends and total payout ratios for FY2027 and FY2030.

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Sustainability

Through the continuous creation of innovative products and services that leverage our "grinding technology" in the Dental, Surgical, and Industrial business fields, aim to maximize business value while providing solutions to social issues

Materiality	Key initiatives
① **Resolve social issues through providing innovative products** Release innovative products and enhance market penetration	Provide solutions to social issues such as the extension of health expectancy and factory automation through the delivery of high-quality, appropriately priced products and services
② **Provide peace of mind and safety to medical workers** Thorough pursuit of quality, provide lectures for medical workers and ensure information provision/disclosure	• Enhance both the quality and quantity of seminar activities in the Dental business • Strengthen participation in academic conferences and hands-on exhibits in the Surgical business
③ **Create workplaces where diverse human resources can grow** Diversity and inclusion, educational investment in employees, provide motivation to work	• Launch "ASK," an institute for developing skilled workers who support production sites, aiming to accelerate and standardize skill acquisition through off-the-job training
④ **Promote a responsible supply chain** Respect of human rights, observation of compliance and corporate ethics	• Establish the Business Partner CSR Guidelines and request ESG compliance from business partners. Ensure effectiveness through audits of major business partners
⑤ **Response to climate change and contribution to a recycling-oriented society** Reduce environmental impact throughout the entire product lifecycle	• Achieve carbon neutrality for Scope 1 and Scope 2 emissions under the GHG Protocol at Headquarters RD1, A1, A1+, and M1

Third-party evaluation

MSCI ESG RATINGS

CCC | B | BB | BBB | A | AA | AAA

2020	2021	2022	2023	2024
B	BB	BBB	A	A

2024 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

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Regarding sustainability, our communication with the capital markets places emphasis on improving our MSCI rating.

We have already identified the key issues necessary to further enhance this rating, and during the medium-term management plan period, we will implement specific measures one by one to improve our score.

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Governance

Pursue clarification of management responsibilities and acceleration of business execution by delegating authority to Corporate Vice Presidents with expertise and experience

	Name	Position	Corporate management	Global experience	Production / Manufacturing	Research and Development	Sales / Marketing	Finance / Accounting	Legal / Compliance	ESG / Sustainability
Directors	Eiichi Nakanishi	Representative Director, President & Group CEO	●	●	●	●	●			●
	Kensuke Nakanishi	Representative Director, Executive Vice President & COO	●	●	●	●	●			
	Masataka Suzuki	Director, Executive Vice President	●	●		●	●	●	●	●
	Yuji Nonagase	Outside Director	●		●	●	●	●		●
	Yukiko Araki	Outside Director	●	●			●		●	●
	Chika Shiomi	Outside Director	●	●	●		●			
Corporate Auditors	Jin Harita	Corporate Auditor (Full-time)		●	●			●	●	
	Yuji Sawada	Outside Corporate Auditor	●					●	●	
	Yoshihiro Maki	Outside Corporate Auditor	●		●	●			●	●
Corporate Vice Presidents	Daisuke Suzuki	Group CFO, Finance, Accounting, Corporate Communication, Information system	●	●			●	●	●	●
	Koichi Ariga	General Affair, Human Resource, Legal		●		●			●	●
	Akio Tanaka	Overseas Dental Business Management, SCM		●			●			
	Tsukasa Naganuma	Research and Development		●	●	●				
	Koji Miyamoto	Domestic Dental Business Management					●			
	Masaaki Kikuchi	Quality and Regulatory Affairs			●				●	

Board of Directors

Ratio of Independent Outside Directors:
50.0%

Ratio of female Directors:
33.3%

Skills matrix

Define the required expertise and experience of members based on the Company's corporate philosophy and management strategy

Appoint individuals who not only meet the skill requirements but also possess excellent character and high ethical standards

Well-balanced board composition in terms of knowledge, experience, and capabilities, while also ensuring diversity in gender etc.

Regarding governance, in addition to the skill matrix for directors and auditors that we have previously disclosed, we have newly included a skill matrix for executive officers.

We hope you will take a look at the composition of our management team and the balance of their skills.

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