

Briefing Material

for 3rd quarter ended Sep. 30, 2025

Nov. 6, 2025

NAKANISHI INC.

Disclaimer

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 economy and fluctuations in foreign currency exchange rates and so on.

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.



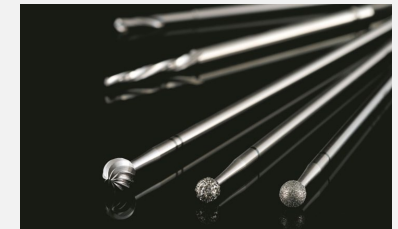
Console



Surgical motor



Attachment



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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

Net sales were in line with the plan. Surgical segment maintained a high growth rate, Dental and DCI segments remained solid, and Industrial segment returned to revenue growth, resulting in a consolidated net sales increase of +3.8% YoY.

The impact of U.S. tariff policies became evident in Q3. Although the profitability of DCI segment has declined, it remains within expectations. EBITDA decreased YoY, but it exceeded the plan.

Although there are some positive signs, such as reductions in U.S. tariffs on China, the outlook for U.S. demand remains uncertain. The full-year forecast announced on May 12 remains unchanged.

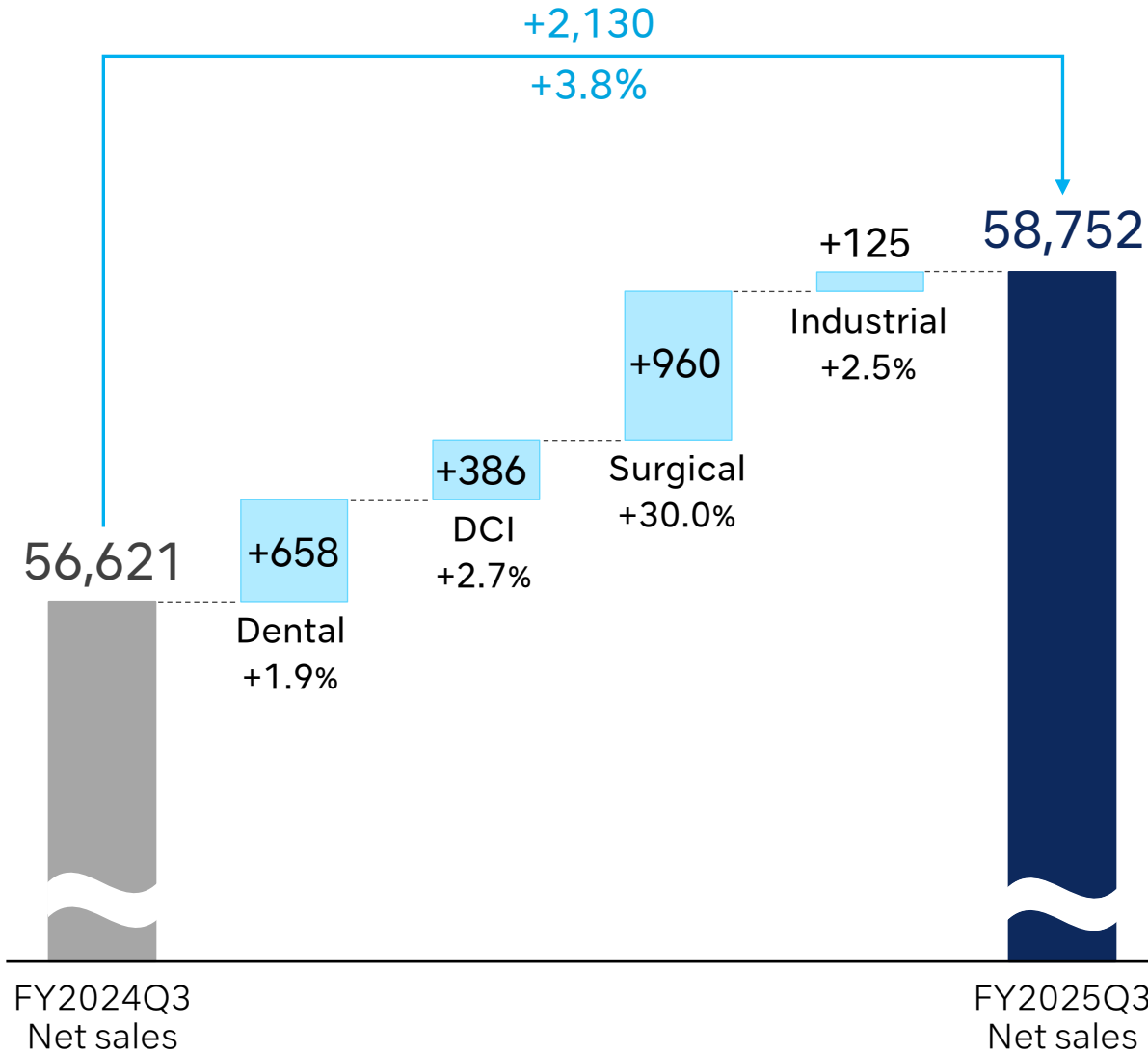
M of JPY

	FY2025Q3 Actual	FY2024Q3 Actual	Ratio	Forecast (As of May 12)	Ratio
Net sales	58,752	56,621	+3.8%	58,311	+0.8%
Gross Profit	33,541	32,924	+1.9%	32,103	+4.5%
Ratio to net sales	57.1%	58.1%	—	55.1%	—
EBITDA *	14,786	15,597	-5.2%	12,983	+13.9%
Margin	25.2%	27.5%	—	22.3%	—
Operating Profit	10,540	11,392	-7.5%	8,646	+21.9%
Ratio to net sales	17.9%	20.1%	—	14.8%	—
Ordinary Profit	10,934	12,280	-11.0%	9,240	+18.3%
Ratio to net sales	18.6%	21.7%	—	15.8%	—
Profit attributable to owners of parent	6,181	8,079	-23.5%	5,048	+22.4%
Ratio to net sales	10.5%	14.3%	—	8.7%	—
E P S (JPY)	73.85	95.42	—	—	—
* EBITDA = Operating profit + Depreciation + Amortization					
Currency rate - Against the US dollar (JPY)	148.82	150.61	-1.79	145.00	+3.82
- Against the EURO (JPY)	165.51	163.86	+1.65	155.00	+10.51

▪ Forex impact: Net sales -404M of JPY (vs FY2024Q3 Actual), +1,649M of JPY (vs FY2025 Forecast)

Change in Net Sales by Business Segment

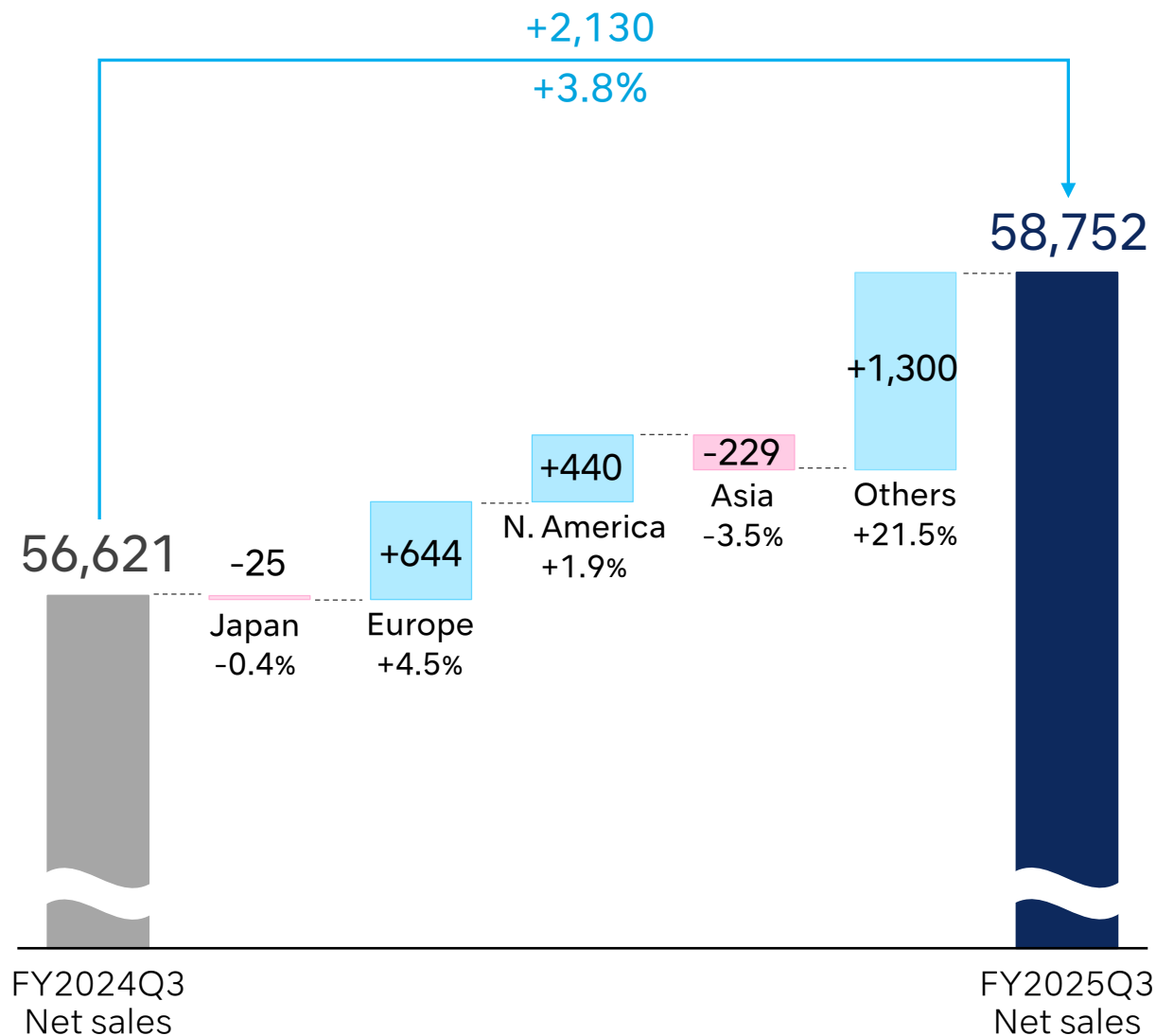
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	FY2024Q3 Actual A	FY2025Q3 Actual B	of which: forex impact	Change B/A-1
Dental	34,126	34,784	-230	+1.9%
DCI	14,305	14,692	-170	+2.7%
Surgical	3,207	4,168	-9	+30.0%
Industrial	4,982	5,107	+5	+2.5%
Total	56,621	58,752	-404	+3.8%

Change in Net Sales by Region

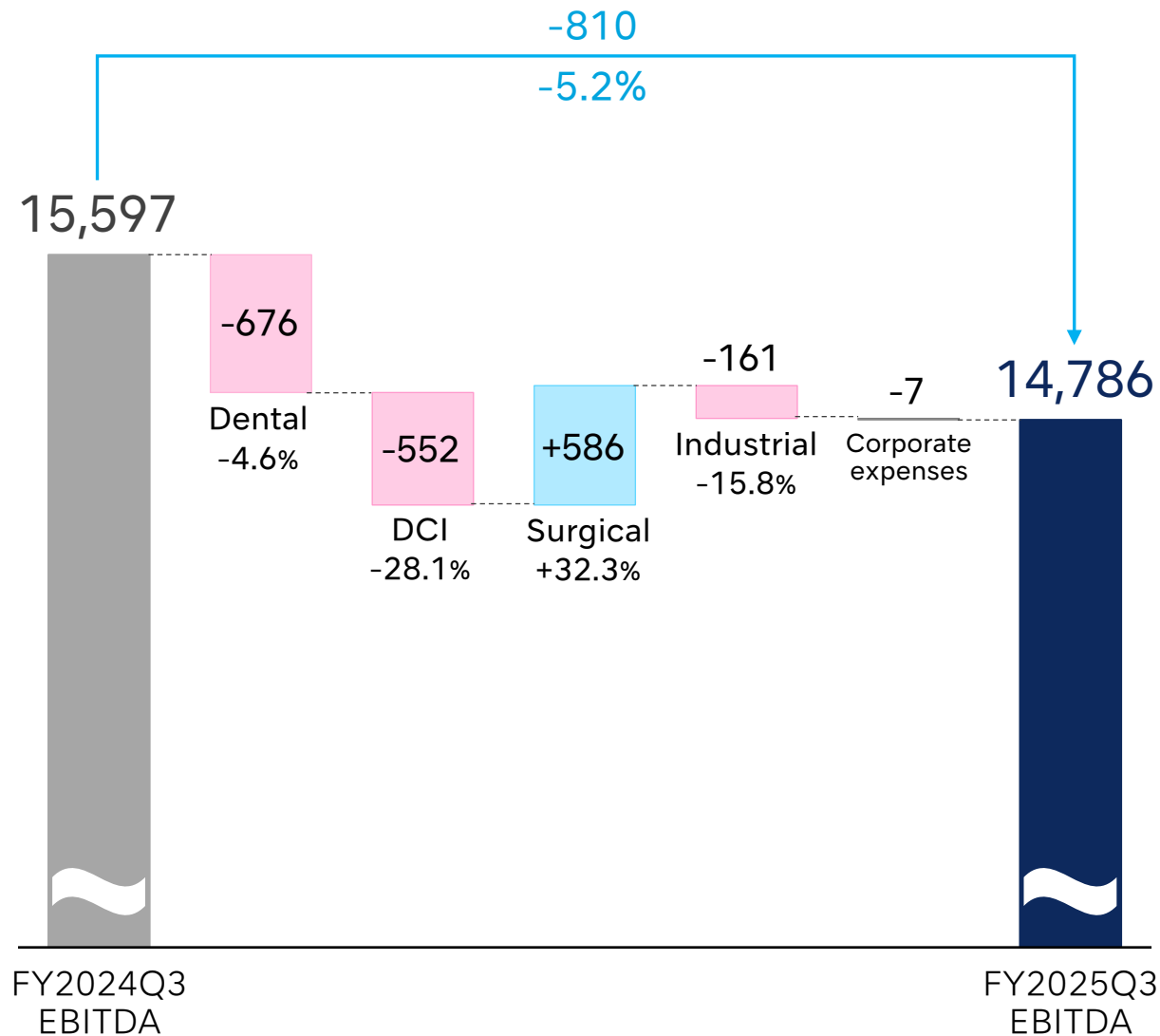
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	FY2024Q3 Actual A	FY2025Q3 Actual B	of which: forex impact	Change B/A-1
Japan	6,878	6,853	-	-0.4%
Europe	14,448	15,092	+159	+4.5%
N. America	22,604	23,044	-221	+1.9%
Asia	6,639	6,410	-143	-3.5%
Others	6,051	7,351	-198	+21.5%
Total	56,621	58,752	-404	+3.8%

Change in EBITDA by Business Segment

M of JPY



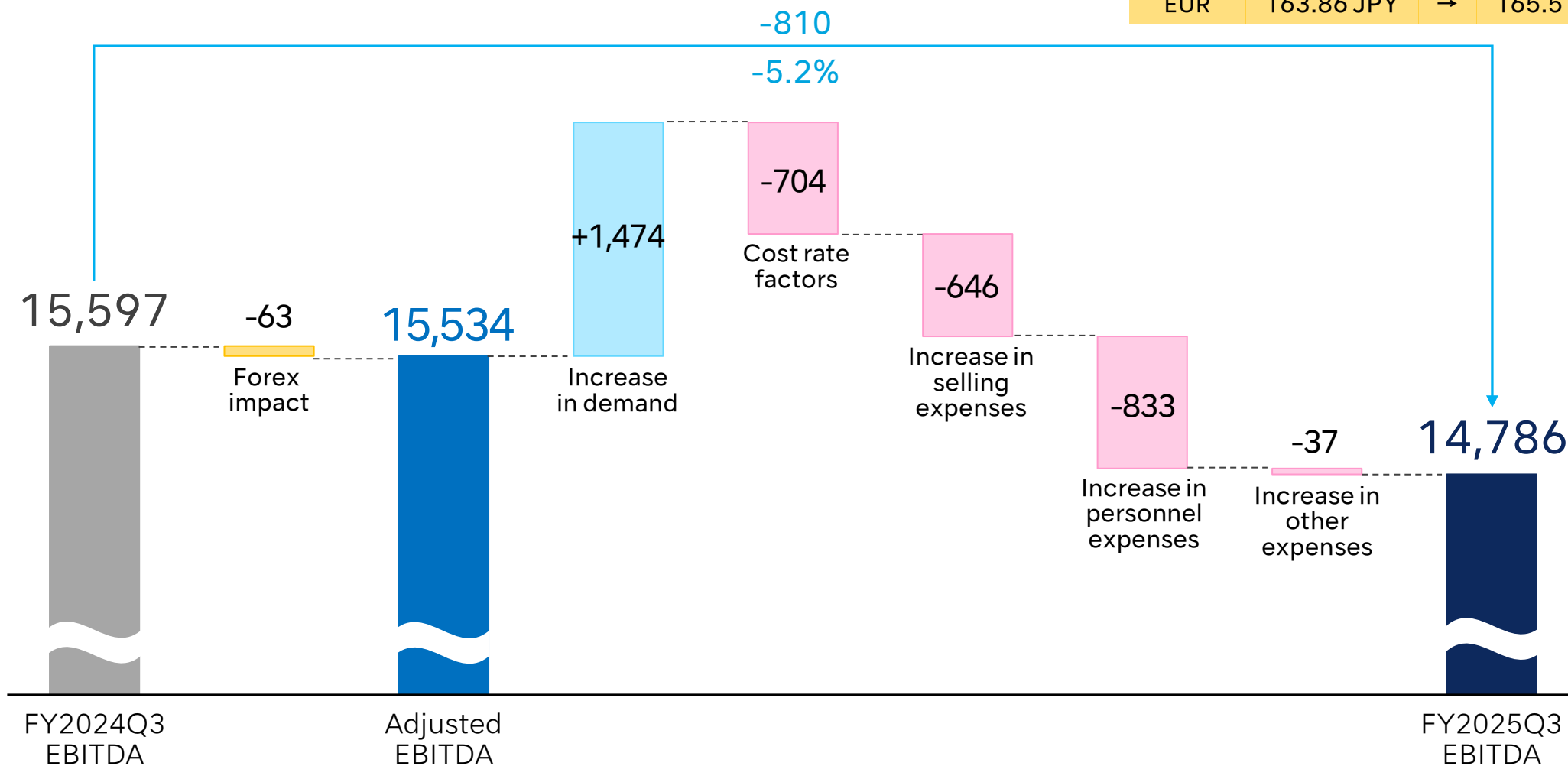
	FY2024Q3 Actual A	FY2025Q3 Actual B	Change B/A-1
Dental	14,569	13,892	-4.6%
DCI	1,968	1,416	-28.1%
Surgical	1,816	2,403	+32.3%
Industrial	1,020	859	-15.8%
Corporate expenses	-3,778	-3,785	-
Total	15,597	14,786	-5.2%

Forex impact -63 M of JPY (-0.4%)

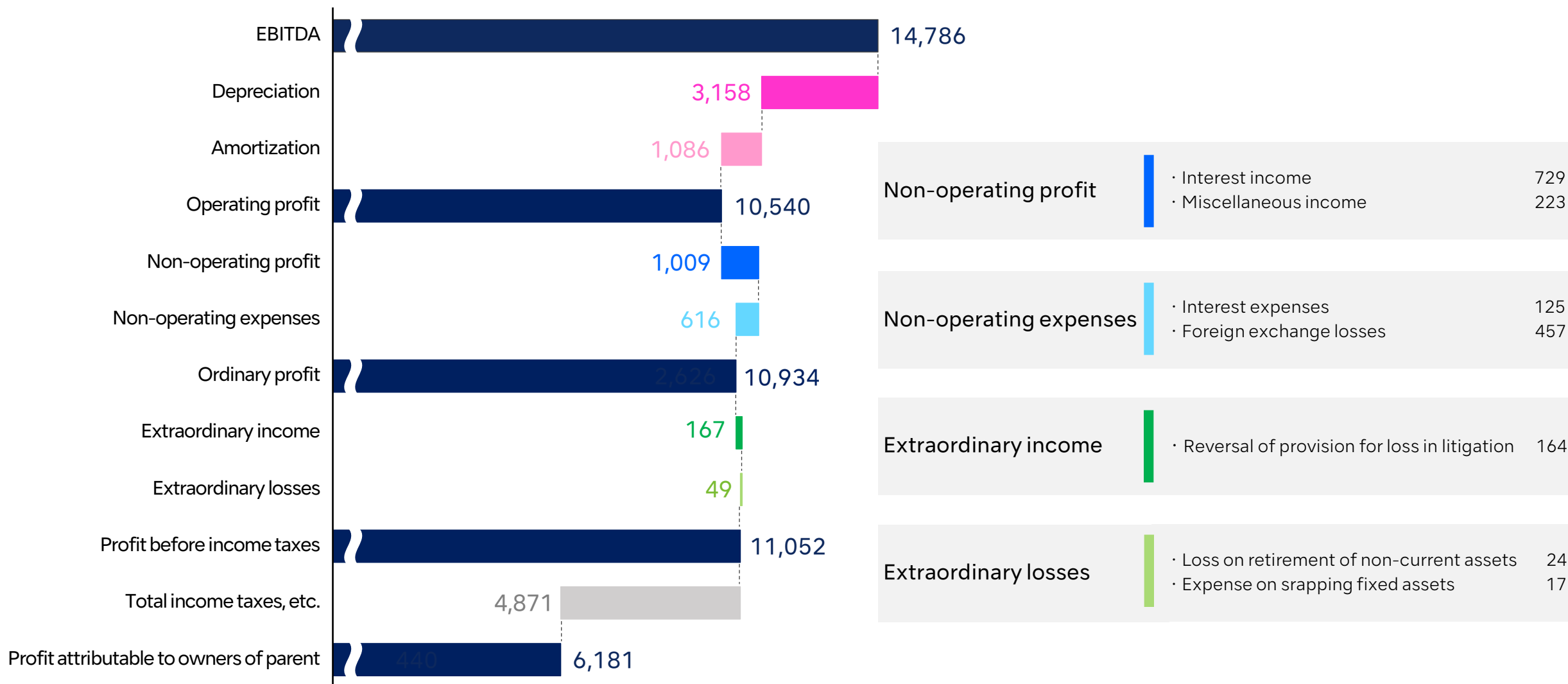
Change in EBITDA

M of JPY

Average exchange rate			
	FY2024Q3		FY2025Q3
USD	150.61 JPY	→	148.82 JPY
EUR	163.86 JPY	→	165.51 JPY



M of JPY



Consolidated Balance Sheet

M of JPY

	As of Sep. 30, 2025	As of Dec. 31, 2024	Change	Notes
Total assets	162,466	158,299	+4,166	- Buildings and structures +1,945 - Tools, furniture and fixtures +327
- Cash and deposits	53,460	46,051	+7,408	
- Inventories	25,317	25,024	+293	- Merchandise and finished goods +293 - Work in process -161 - Raw materials and supplies +161
- Goodwill	19,085	21,389	-2,304	
Liabilities	42,902	37,100	+5,801	Accounts payable – trade +769
- Loans payable	26,507	18,728	+7,778	- Short –term borrowings -8,250 - Current portion of long-term borrowings +5,991 - Long-term borrowings +10,037
Net assets	119,564	121,199	-1,635	Foreign currency translation adjustment -836
- Retained earnings	118,625	116,593	+2,032	

	FY2025Q3 Actual	FY2024Q3 Actual	Change	Notes
Capital investments	3,930	3,296	+633	- M1 factory 2,004 - Subsidiary office renovation 183
Depreciation expenses	3,158	3,032	+126	

Consolidated Financial Forecast for FY2025

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

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 in FY2024 actual.

Revision to Financial Forecast on May 12, 2025 (Tariff Impact Not Incorporated)

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.

No Revision to Financial Forecast on August 8, 2025 (Tariff Impact Incorporated)

The estimated impact of tariffs for the current fiscal year was approximately 1-1.5 billion yen. The impact was offset by outperformance in the first half, price pass-through, and cost reductions etc. As a result, the full-year financial forecast announced on May 12 remained unchanged.

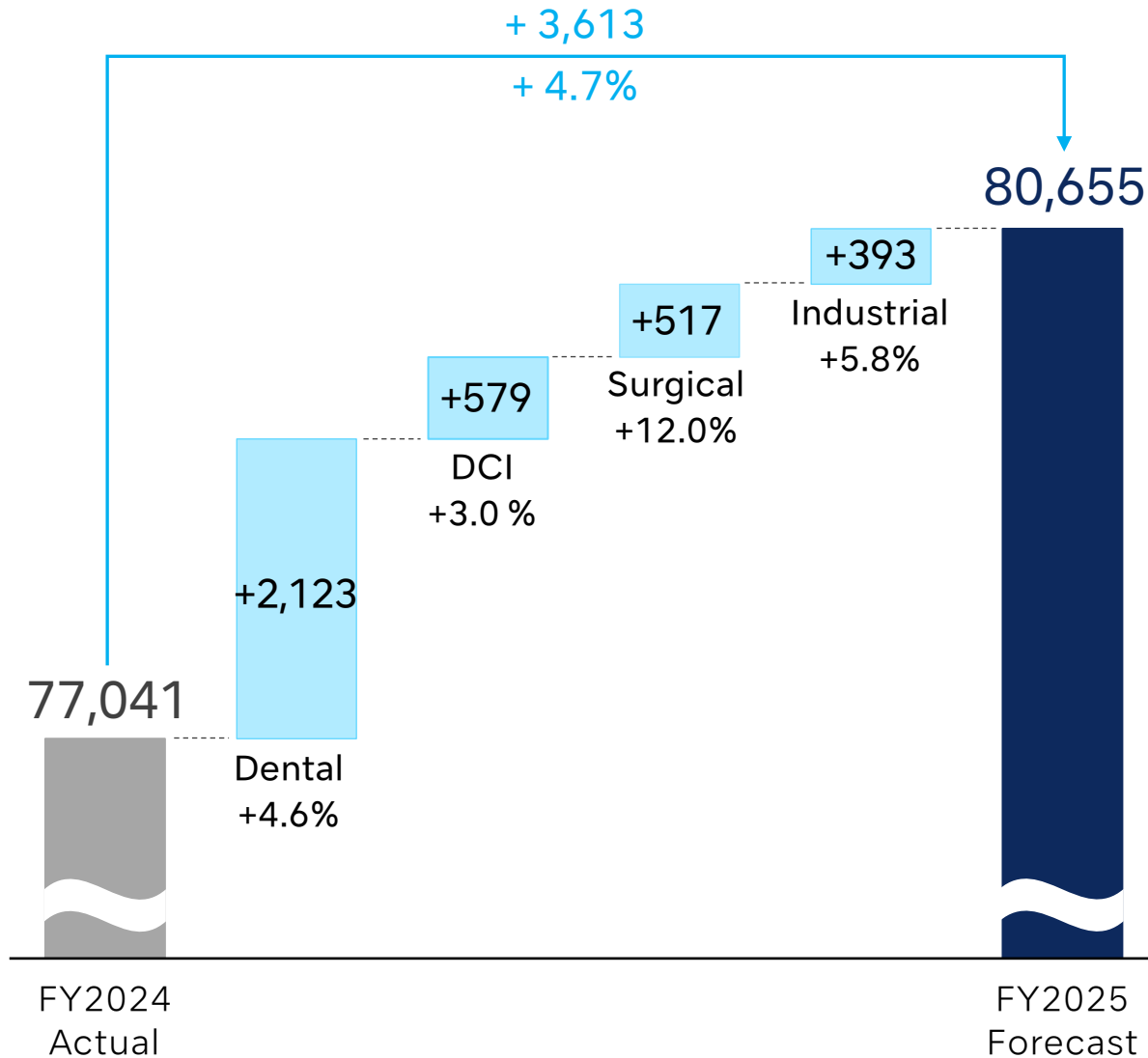
Consolidated Financial Forecast for FY2025 (No changes from the revised forecast as of May 12, 2025)

M of JPY

		FY2025 Forecast (As of May 12)	FY2024 Actual	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	-
E B I T D A *		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	—
E P S	(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%)

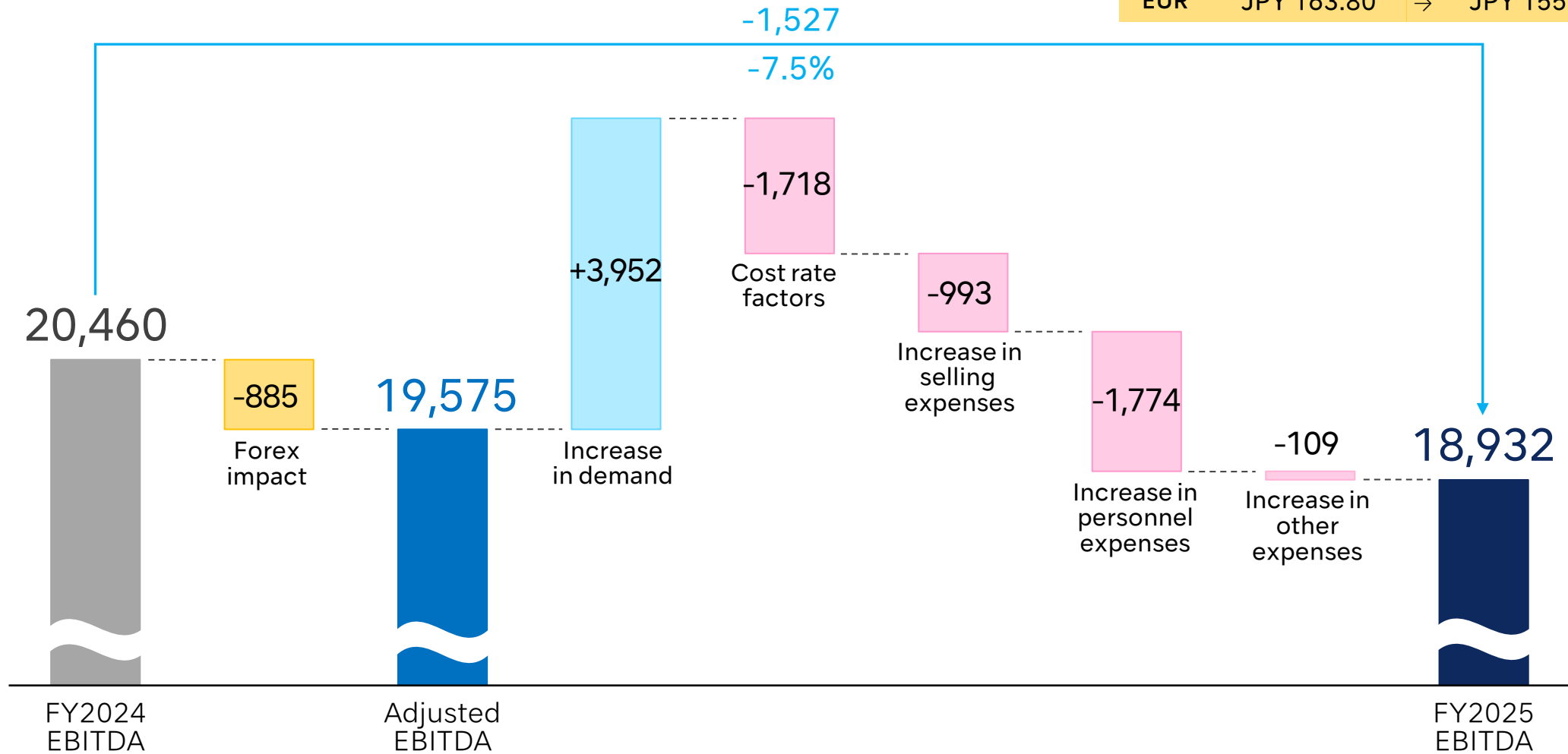
Consolidated Financial Forecast for FY2025

Change in EBITDA

M of JPY

Average exchange rate

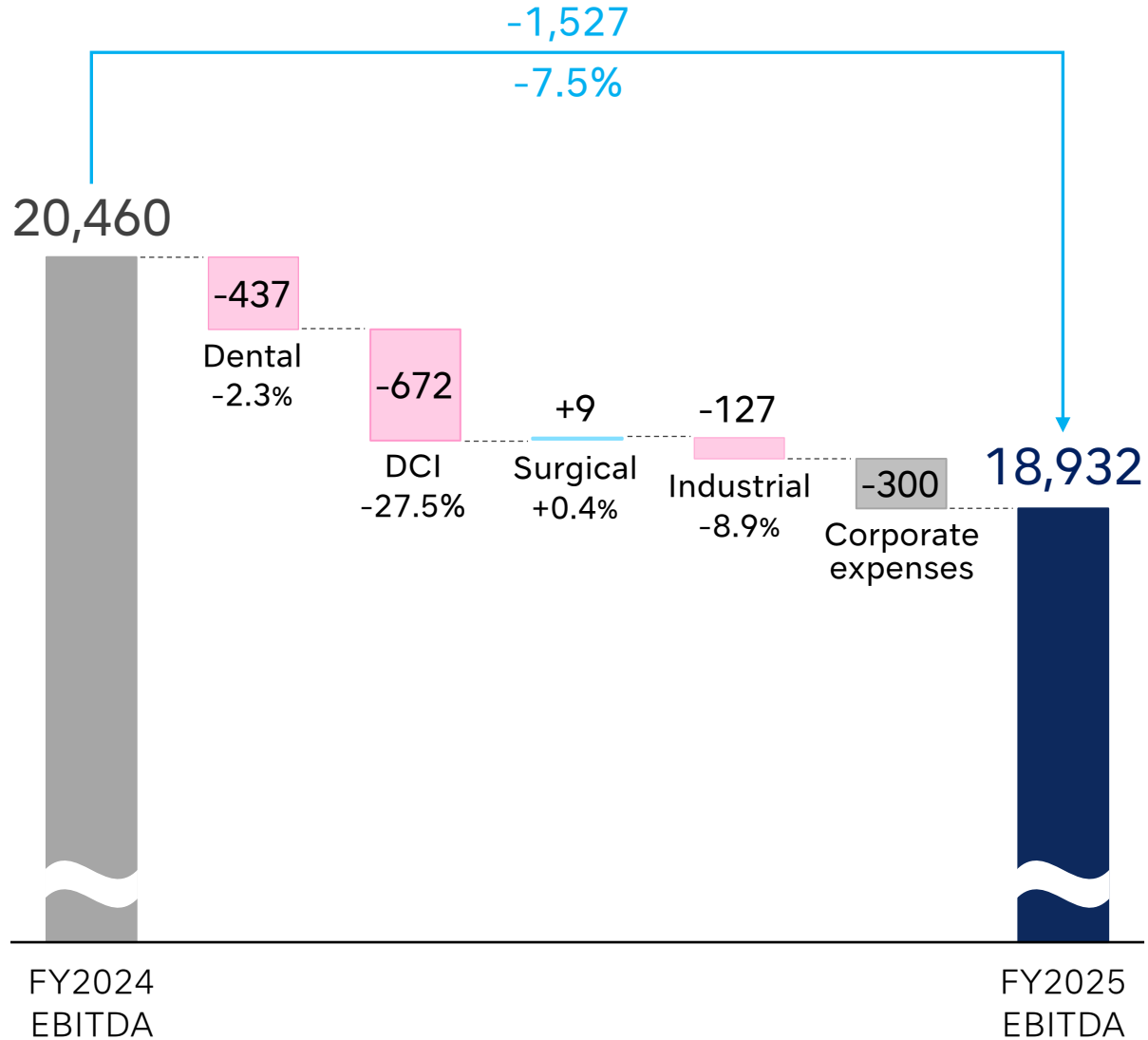
	FY2024 Actual		FY2025 Forecast
USD	JPY 151.44	→	JPY 145.00
EUR	JPY 163.80	→	JPY 155.00



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%

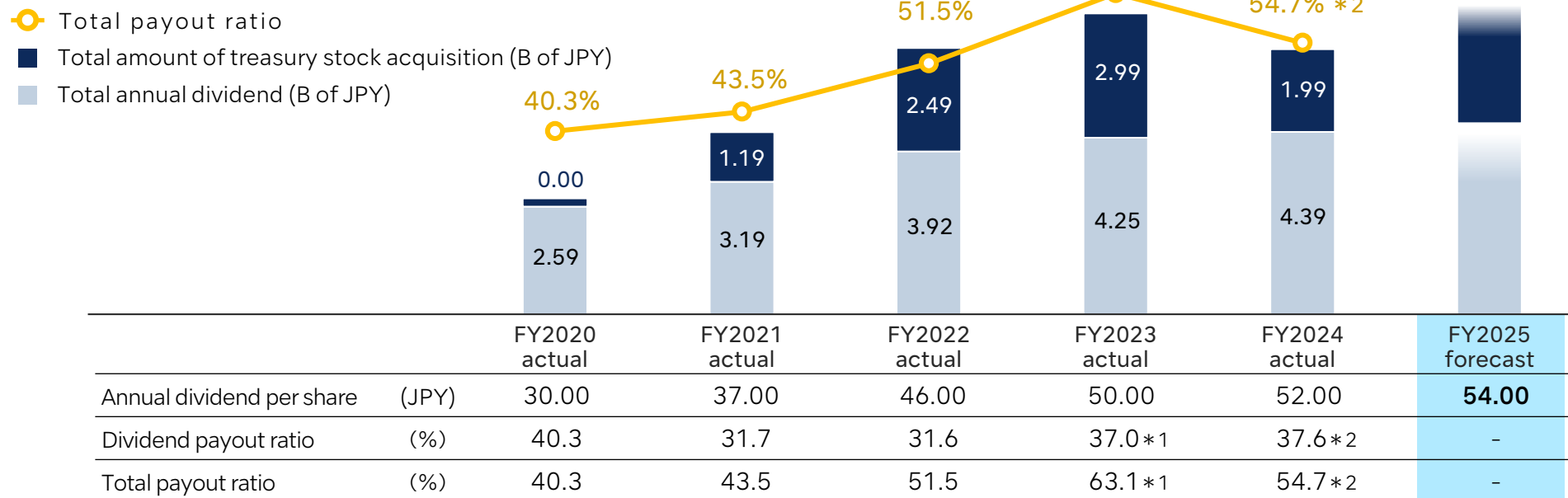
Forex impact -885M of JPY (-4.3%)

Shareholder return policy

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 **continuous dividend increases based on a progressive dividend policy** to achieve **the standard for medium-term profit return as a total payout ratio of 70%** set in the Mid Term Management Plan“NV2030”.

Transition of shareholder return



*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.

NSK