

Notice Regarding Recognition of Impairment Loss on Goodwill and Differences between Full-Year Business Performance Forecasts for the Year Ended December 31, 2025 and Actual Results for the Same Period

Nakanishi Inc. (the "Company") hereby announces that it recognized an impairment loss on goodwill during the fourth quarter ended December 31, 2025 and that there were differences between the business performance forecasts for the year ended December 31, 2025 announced on May 12, 2025 and the actual results.

Kanuma, Feb. 12, 2026

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About Nakanishi inc.

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

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

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

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

Visit www.en.nakanishi-inc.jp for more information about Nakanishi Inc. and our business.

1. Recognition of Impairment Loss on Goodwill

DCI International, LLC, which became a subsidiary of the Company in August 2023, experienced a decline in profit margins due to the impact of U.S. government tariff policies. Since its performance fell below the initially established plan, the plan was revised. Consequently, after considering the recoverability of goodwill, an impairment loss on goodwill of ¥13,766 million was recognized.

2. Differences between Business Performance Forecasts and Actual Results

(1) Differences between the business performance forecasts for the year ended December 31, 2025 and the actual results (January 1, 2025 to December 31, 2025)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecasts (A)	Millions of JPY 80,655	Millions of JPY 18,932	Millions of JPY 13,150	Millions of JPY 13,840	Millions of JPY 8,372	JPY 99.14
Actual results (B)	81,179	19,899	14,089	16,933	-2,398	-28.70
Change (B-A)	523	967	939	3,093	-10,770	-
Change (%)	0.6	5.1	7.1	22.4	-	-
(Reference) Actual results for the previous fiscal year ended December 31, 2024	77,041	20,460	14,596	17,283	8,577	101.37

(2) Reasons for the differences

Net sales, EBITDA, operating profit, and ordinary profit for the year ended December 31, 2025 exceeded the previously announced forecasts. This was due to steady performance across the Dental, DCI, Surgical, and Industrial segments, as well as a weaker yen than anticipated. However, profit attributable to owners of parent fell below the previously announced forecasts due to the recognition of the impairment loss on goodwill as an extraordinary loss.

Note: This document is a translation of the original Japanese document and is only for reference purposes. All readers are recommended to refer to the original version in Japanese of the release for complete information.

Source: Nakanishi Inc. www.nakanishi-inc.jp/ir/irnews