

Flash Report for Fiscal year Ended December 31, 2025 (on a consolidated basis) [Japan GAAP]

February 12, 2026

Name: Nakanishi Inc. Stock listing: Tokyo Stock Exchange : Standard Market

Code Number: 7716 URL: <http://www.nsk-nakanishi.co.jp>

Representative: Eiichi Nakanishi, President and Group CEO

Inquiries: Daisuke Suzuki, Corporate Vice President and Group CFO Tel: +81-289-64-3380

Scheduled date to submit Securities Report: March 30, 2026

Scheduled date to begin dividend payments: March 27, 2026

Supplementary materials to financial statements: Available

Earnings results briefing: Applicable (for institutional investors and securities analysts)

(All amounts are rounded down to the nearest million yen.)

1. Consolidated financial results for Fiscal year period (January 1 to December 31, 2025)

(1) Operating Results

	Millions of yen					
	Net sales		Operating income		Ordinary income	
Fiscal year ended December 31, 2025	81,179	5.4%	14,089	-3.5%	16,933	-2.0%
Fiscal year ended December 31, 2024	77,041	29.1%	14,596	2.4%	17,283	0.5%

	Income attributable to owners of parent		Earnings per share (yen)	Diluted EPS (yen)
Fiscal year ended December 31, 2025	-2,398	-	-28.70	-
Fiscal year ended December 31, 2024	8,577	-62.4%	101.37	101.06

Notes: 1. Percentage figures for net sales, operating income, ordinary income and net income represent year-on-year comparisons.

2. Comprehensive income for reporting period:

Fiscal year ended December 31, 2025 -77 million (-%)

Fiscal year ended December 31, 2024 14,285 million (-44.1%)

(2) Financial Position

	Millions of yen		
	Total assets	Net assets	Equity ratio
As of December 31, 2025	160,155	114,074	71.0%
As of December 31, 2024	158,299	121,199	76.3%

Note: Owners' equity As of December 31, 2025 113,678 million

As of December 31, 2024 120,822 million

2. Dividends

	Cash dividends per share (yen)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
Year ended December 31, 2024	—	26.00	—	26.00	52.00
Year ending December 31, 2025	—	26.00	—	28.00	54.00
Year ending December 31, 2026 (forecast)	—	30.00	—	30.00	60.00

3. Business Performance Forecasts for the Current Term (January 1 to December 31, 2026)

	Millions of yen								
	Net sales		Operating income		Ordinary income		Income attributable to owners of parent		Earnings per share (yen)
First-half period	43,734	11.6	7,318	-3.5	7,330	5.8	5,246	49.5	62.79
Full year	88,180	8.6	15,642	11.0	15,486	-8.5	10,943	-	130.98

Notes: 1. Percentage figures represent year-on-year comparisons.

4. Others

(1) Changes in the scope of consolidation during the period

Inclusion: None

Exclusion: None

(2) Application of special accounting methods in the preparation of consolidated financial statements: Not applicable

(3) Changes in accounting principles, accounting estimates, and restatement

1. Changes in accounting principles due to revision of accounting standards, etc.: Applicable

2. Changes in accounting principles other than 1: Not applicable

3. Changes in accounting estimates: Not applicable

4. Restatement: Not applicable

(4) Number of ordinary shares outstanding at the end of the period (including treasury stock)

As of December 31, 2025: 93,418,200 shares

As of December 31, 2024: 93,418,200 shares

Number of shares of treasury stock at the end of the period

As of December 31, 2025: 10,373,418 shares

As of December 31, 2024: 8,961,118 shares

Average number of shares during the period

Fiscal year ended December 31, 2025: 83,553,416 shares

Fiscal year ended December 31, 2024: 84,619,997 shares

* This flash report is out of scope of audit.

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1. Qualitative Information on Financial Results

(1) Explanation of Results of Operations

In the world economy during this fiscal year, the USA continues to grow moderately, but due to the impact of uncertainty of inflation and political policy, businesses and consumers are feeling uneasy. In Europe, the economy is recovering, but sluggish performance in major countries such as Germany and France, geopolitical risk, and unclear political policies lead to a bottleneck in economy growth.

In Japanese economy, investment is growing steadily, but consumption is weak. Due to inflation, the economy remains slow.

Under these circumstances, All 4 segment sales increased. EBITDA, operating income, ordinary income increased and income attributable to owners of parent decreased.

As a result, the Group sales were ¥81,179,143 thousand (+5.4% year on year), EBITDA ¥19,899,423 thousand (-2.7%), operating income was ¥14,089,536 thousand (-3.5%), ordinary income was ¥16,933,969 thousand (-2.0%) and loss attributable to owners of parent was ¥2,398,213 thousand (¥8,577,872 thousand, year on year).

The following is a breakdown of business performance by segment.

(Dental segment)

In Dental segment, Domestic, North America and Asia sales decreased but Europe sales increased. Total sales increased. Segment EBITDA increased and segment operating income decreased.

As a result, sales were ¥48,197,285 thousand (+3.6%), segment EBITDA was ¥19,238,663 thousand (-0.5%) and segment operating income was ¥16,852,762 thousand (-1.3%).

(DCI segment)

In DCI segment, Sales to DSOs (Dental Service Organizations) leveled off but sales increased. Segment EBITDA increased and segment operating income decreased.

As a result, sales were ¥20,538,007 thousand (+5.6%), segment EBITDA was ¥1,866,563 thousand (-23.7%) and segment operating loss was ¥490,483 thousand (¥90,106 thousand, year on year).

(Surgical segment)

In Surgical segment, Domestic, North America, Europe and Asia sales increased. Total sales increased. Segment EBITDA and segment operating income increased as well.

As a result, sales were ¥5,537,559 thousand (+28.1%), segment EBITDA was ¥2,837,091 thousand (+19.2%) and segment operating income was ¥2,667,290 thousand (+18.5%).

(Industrial segment)

In Industrial segment, Domestic and Europe sales decreased but North America and Asia sales increased. Total sales increased. Segment EBITDA and segment operating income decreased.

As a result, sales were ¥6,906,290 thousand (+2.5%), segment EBITDA was ¥1,180,483 thousand (-17.7%) and segment operating income was ¥817,321 thousand (-1.0%).

(2) Explanation of Financial Position

(Assets, liabilities and net asset)

Total assets at the end of Fiscal year were ¥160,155,463 thousand and increased by ¥1,855,920 thousand compared with the end of the previous fiscal year. The main reasons were that Cash and deposits increased by ¥15,266,774 thousand and Buildings and structures increased by ¥2,348,840 thousand but decreased Goodwill by ¥15,998,745 thousand.

Total liabilities were ¥46,081,022 thousand and increased by ¥8,980,841 thousand compared with the end of the previous fiscal year. The main reasons were that Long-term borrowings (including Current

portion of long-term borrowings) by ¥14,192,705 thousand but Short-term borrowings decreased by ¥6,148,430 thousand.

Net asset was ¥114,074,441 thousand and decreased by ¥7,124,920 thousand compared with the end of the previous fiscal year. The main reasons were that Retained earnings decreased by ¥6,547,017 thousand but Treasury shares increased by ¥2,921,187 thousand.

(3) Explanation of Cash flows

The balance of cash and cash equivalents on a consolidated basis as of the end of the fiscal year was ¥45,964,061 thousand, up ¥10,740,004 thousand from the previous term-end.

Cash flows from operating activities were ¥16,649,420 thousand, compared with ¥15,302,565 thousand a year earlier. The main factor here was an increase of cash due to the recording of Profit before income taxes of ¥3,278,621 thousand, which outweighed Income taxes paid of ¥-5,721,196 thousand.

Cash flows from investing activities were ¥-8,682,539 thousand, compared with ¥-7,941,650 thousand a year earlier. The main expenditure was that Purchase of property, plant and equipment ¥-4,394,084 thousand.

Cash flows from financing activities were ¥679,155 thousand, compared with ¥598,510 thousand a year earlier. The main income was Proceeds from long-term borrowings ¥18,000,000 thousand. The main expenditure was Repayments of short-term borrowings ¥-13,500,000 thousand.

(4) Future Outlook

Regarding the future outlook, it is expected that unclear business circumstances will continue because CPI is still rising and the trade war between US and China may happen.

Under such severe business environment, our group will promote comprehensive efforts to enhance the organizational structure which enables us to survive fierce global competition, keeping a close look on the conditions of the global economy and markets.

For fiscal year 2026, we have assumed an exchange rate of ¥150 to U.S. dollar and ¥170 to Euro.

The following table shows our forecasts of business performance for the fiscal year 2026.

	The amount	%
Sales	¥88,180 million	8.6
EBITDA	¥20,640 million	3.7
Operating income	¥15,642 million	11.0
Ordinary profit	¥15,486 million	-8.5
Net income attributable to owners of parent	¥10,943 million	-

(Note) Percentage figures represent year-on-year comparisons.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	46,051,104	61,317,878
Notes receivable - trade	138,162	37,674
Accounts receivable - trade	9,358,851	10,045,924
Securities	1,060,866	1,480,475
Merchandise and finished goods	12,978,197	13,656,202
Work in process	5,859,091	5,324,165
Raw materials and supplies	6,187,535	6,585,292
Other	3,376,300	4,078,374
Allowance for doubtful accounts	-124,051	-116,839
Total current assets	84,886,057	102,409,148
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,446,911	26,795,751
Machinery, equipment and vehicles	11,489,556	12,216,007
Tools, furniture and fixtures	7,989,321	8,437,524
Land	2,670,345	2,886,477
Construction in progress	641,114	1,186,659
Accumulated depreciation	-22,107,151	-24,660,076
Total property, plant and equipment	25,130,098	26,862,343
Intangible assets		
Software	781,807	641,678
Software in progress	341,149	670,256
Goodwill	21,389,783	5,391,037
Customer-related intangible assets	8,484,253	7,771,482
Other	7,198,893	6,802,012
Total intangible assets	38,195,887	21,276,467
Investments and other assets		
Investment securities	5,847,139	4,959,641
Shares of subsidiaries and associates	592,916	287,984
Insurance funds	626,547	680,283
Retirement benefit asset	13,653	380,075
Deferred tax assets	856,931	898,383
Other	2,204,662	2,461,844
Allowance for doubtful accounts	-54,351	-60,707
Total investments and other assets	10,087,499	9,607,504
Total non-current assets	73,413,485	57,746,315
Total assets	158,299,542	160,155,463

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,648,193	3,324,495
Short-term borrowings	13,922,565	7,774,134
Current portion of long-term borrowings	1,830,167	7,814,001
Income taxes payable	2,022,230	3,382,793
Provision for bonuses	595,320	611,216
Other provisions	214,777	56,775
Other	6,691,981	6,939,103
Total current liabilities	27,925,235	29,902,520
Non-current liabilities		
Long-term borrowings	2,975,779	11,184,650
Retirement benefit liability	173,035	201,116
Deferred tax liabilities	5,415,024	4,279,811
Other	611,105	512,924
Total non-current liabilities	9,174,945	16,178,502
Total liabilities	37,100,181	46,081,022
Net assets		
Shareholders' equity		
Share capital	867,948	867,948
Capital surplus	2,583,551	2,586,421
Retained earnings	116,593,183	110,046,166
Treasury shares	-12,025,058	-14,946,246
Total shareholders' equity	108,019,625	98,554,289
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,931,165	1,910,302
Foreign currency translation adjustment	10,871,895	13,213,865
Total accumulated other comprehensive income	12,803,060	15,124,168
Share acquisition rights	366,852	395,983
Non-controlling interests	9,823	—
Total net assets	121,199,361	114,074,441
Total liabilities and net assets	158,299,542	160,155,463

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	77,041,446	81,179,143
Cost of sales	32,623,124	35,118,887
Gross profit	44,418,322	46,060,255
Selling, general and administrative expenses	29,822,129	31,970,719
Operating profit	14,596,193	14,089,536
Non-operating income		
Interest income	989,447	979,114
Dividend income	78,138	521,966
Surrender value of insurance policies	134,495	–
Subsidy income	53,218	10,000
Foreign exchange gains	1,020,363	1,517,100
Miscellaneous income	529,368	56,508
Total non-operating income	2,805,031	3,084,690
Non-operating expenses		
Interest expenses	67,269	199,173
Loss on investments in money held in trust	487	–
Commission expenses	2,345	3,025
Miscellaneous losses	48,040	38,057
Total non-operating expenses	118,143	240,256
Ordinary profit	17,283,081	16,933,969
Extraordinary income		
Gain on sale of non-current assets	86	3,557
Reversal of provision for loss on litigation	–	164,920
Total extraordinary income	86	168,477
Extraordinary losses		
Loss on sale of non-current assets	2,263	1,136
Loss on retirement of non-current assets	21,883	30,329
Impairment losses	2,924,002	13,774,907
Expense on scrapping fixed assets	70,567	17,452
Loss on valuation of shares of subsidiaries and associates	389,615	–
Provision for loss on litigation	214,777	–
Total extraordinary losses	3,623,110	13,823,825
Profit before income taxes	13,660,057	3,278,621
Income taxes - current	5,368,159	5,525,882
Total income taxes	5,081,263	5,676,835
Income taxes - deferred	-286,896	-1,013,753
Income taxes for prior periods	–	1,164,705
Profit	8,578,794	-2,398,213
Profit attributable to non-controlling interests	921	–
Profit attributable to owners of parent	8,577,872	-2,398,213

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	8,578,794	-2,398,213
Other comprehensive income		
Valuation difference on available-for-sale securities	323,548	-20,862
Foreign currency translation adjustment	5,383,298	2,341,969
Total other comprehensive income	5,706,847	2,321,107
Comprehensive income	14,285,641	-77,106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,286,121	-77,106
Comprehensive income attributable to non-controlling interests	-480	—

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	867,948	3,708,703	112,310,974	-11,158,651	105,728,975
Changes during period					
Dividends of surplus			-4,413,550		-4,413,550
Profit attributable to owners of parent			8,577,872		8,577,872
Purchase of treasury shares				-2,000,044	-2,000,044
Disposal of treasury shares		3,654		4,830	8,485
Cancellation of treasury shares		-1,128,806		1,128,806	—
Change in scope of consolidation			117,886		117,886
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes in items other than shareholders' equity					
Total changes during period	—	-1,125,151	4,282,208	-866,407	2,290,649
Balance at end of period	867,948	2,583,551	116,593,183	-12,025,058	108,019,625

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,607,616	5,486,959	7,094,575	330,967	10,303	113,164,822
Changes during period						
Dividends of surplus						-4,413,550
Profit attributable to owners of parent						8,577,872
Purchase of treasury shares						-2,000,044
Disposal of treasury shares						8,485
Cancellation of treasury shares						—
Change in scope of consolidation						117,886
Change in ownership interest of parent due to transactions with non-controlling interests						
Net changes in items other than shareholders' equity	323,548	5,384,936	5,708,484	35,884	-480	5,743,889
Total changes during period	323,548	5,384,936	5,708,484	35,884	-480	8,034,539
Balance at end of period	1,931,165	10,871,895	12,803,060	366,852	9,823	121,199,361

Fiscal year ended December 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	867,948	2,583,551	116,593,183	-12,025,058	108,019,625
Changes during period					
Dividends of surplus			-4,363,685		-4,363,685
Profit attributable to owners of parent			-2,398,213		-2,398,213
Purchase of treasury shares				-2,926,825	-2,926,825
Disposal of treasury shares		3,105		5,638	8,744
Cancellation of treasury shares					
Change in scope of consolidation			214,882		214,882
Change in ownership interest of parent due to transactions with non-controlling interests		-236			-236
Net changes in items other than shareholders' equity					
Total changes during period	—	2,869	-6,547,017	-2,921,187	-9,465,335
Balance at end of period	867,948	2,586,421	110,046,166	-14,946,246	98,554,289

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,931,165	10,871,895	12,803,060	366,852	9,823	121,199,361
Changes during period						
Dividends of surplus						-4,363,685
Profit attributable to owners of parent						-2,398,213
Purchase of treasury shares						-2,926,825
Disposal of treasury shares						8,744
Cancellation of treasury shares						
Change in scope of consolidation						214,882
Change in ownership interest of parent due to transactions with non-controlling interests						-236
Net changes in items other than shareholders' equity	-20,862	2,341,969	2,321,107	29,131	-9,823	2,340,415
Total changes during period	-20,862	2,341,969	2,321,107	29,131	-9,823	-7,124,920
Balance at end of period	1,910,302	13,213,865	15,124,168	395,983	—	114,074,441

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	13,660,057	3,278,621
Depreciation	4,208,765	4,343,965
Impairment losses	2,924,002	13,774,907
Amortization of goodwill	1,655,407	1,465,920
Increase (decrease) in allowance for doubtful accounts	87,621	-14,225
Increase (decrease) in provision for bonuses	26,687	15,896
Increase (decrease) in retirement benefit liability	-40,807	-359,356
Expense on scrapping fixed assets	70,567	17,452
Loss on retirement of property, plant and equipment	21,876	30,329
Loss (gain) on sale of property, plant and equipment	2,176	-2,421
Loss on retirement of intangible assets	6	—
Loss on valuation of shares of subsidiaries and associates	389,615	—
Loss (gain) on investments in money held in trust	487	—
Subsidy income	-53,218	-10,000
Surrender value of insurance policies	-134,495	—
Interest and dividend income	-1,067,585	-1,501,081
Interest expenses	67,269	199,173
Foreign exchange losses (gains)	-796,887	-823,519
Decrease (increase) in trade receivables	-426,505	-47,934
Decrease (increase) in inventories	-163,202	93,174
Increase (decrease) in trade payables	31,223	-412,354
Other, net	-710,216	1,105,434
Subtotal	19,752,847	21,153,982
Interest and dividends received	1,040,068	1,413,332
Interest paid	-68,259	-206,698
Income taxes paid	-5,475,308	-5,721,196
Subsidies received	53,218	10,000
Net cash provided by (used in) operating activities	15,302,565	16,649,420

(Thousands of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	-4,826,223	-4,394,084
Proceeds from sale of property, plant and equipment	14,917	2,942
Purchase of intangible assets	-428,770	-919,006
Proceeds from sale of intangible assets	507	5,714
Proceeds from sale and redemption of investment securities	904,842	897,560
Purchase of shares of subsidiaries and associates	–	-682,850
Payments into time deposits	-5,451,395	-5,538,321
Proceeds from withdrawal of time deposits	589,890	2,047,397
Purchase of insurance funds	-54,907	-93,087
Proceeds from cancellation of insurance funds	1,311,126	42,500
Other, net	-1,637	-51,303
Net cash provided by (used in) investing activities	-7,941,650	-8,682,539
Cash flows from financing activities		
Proceeds from short-term borrowings	13,510,515	7,316,490
Repayments of short-term borrowings	-11,100,000	-13,500,000
Proceeds from long-term borrowings	5,500,000	18,000,000
Repayments of long-term borrowings	-899,566	-3,847,447
Purchase of treasury shares	-2,000,044	-2,926,825
Dividends paid	-4,412,394	-4,363,061
Net cash provided by (used in) financing activities	598,510	679,155
Effect of exchange rate change on cash and cash equivalents	1,129,552	2,093,968
Net increase (decrease) in cash and cash equivalents	9,088,977	10,740,004
Cash and cash equivalents at beginning of period	25,972,808	35,224,056
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	162,270	–
Cash and cash equivalents at end of period	35,224,056	45,964,061

- (5) Notes to Consolidated Financial Statements
(Notes to Going Concern Assumption)
Not applicable.

(Segment Information)

【Segment Information】

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Reportable segments					Reconciling items	Per quarterly consolidated financial statements
	Dental segment	DCI segment	Surgical segment	Industrial segment	Reportable segments		
Sales							
Revenues from external customers	46,527,008	19,454,753	4,321,679	6,738,004	77,041,446	—	77,041,446
Transactions with other segments	214,311	—	—	—	214,311	-214,311	—
Net sales	46,741,320	19,454,753	4,321,679	6,738,004	77,255,758	-214,311	77,041,446
Operating profit (loss)	17,081,396	90,106	2,250,531	825,250	20,247,285	-5,651,092	14,596,193

- Notes:
1. Adjustments to segment profit chiefly comprise general administrative and testing/research expenses not attributable to reportable segments.
 2. Segment profit is reconciled with operating income as recorded in the consolidated statements of income.

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Thousands of yen)

	Reportable segments					Reconciling items	Per quarterly consolidated financial statements
	Dental segment	DCI segment	Surgical segment	Industrial segment	Reportable segments		
Sales							
Revenues from external customers	48,197,285	20,538,007	5,537,559	6,906,290	81,179,143	–	81,179,143
Transactions with other segments	386,197	–	–	–	386,197	386,197	–
Net sales	48,583,482	20,538,007	5,537,559	6,906,290	81,565,340	-386,197	81,179,143
Operating profit (loss)	16,852,762	-490,483	2,667,290	817,321	19,846,891	-5,757,355	14,089,536

- Notes:
1. Adjustments to segment profit chiefly comprise general administrative and testing/research expenses not attributable to reportable segments.
 2. Segment profit is reconciled with operating income as recorded in the consolidated statements of income.