March 5, 2026 Special Conference Call

Acquisition of Acra Cut and Intech

NAKANISHI INC.

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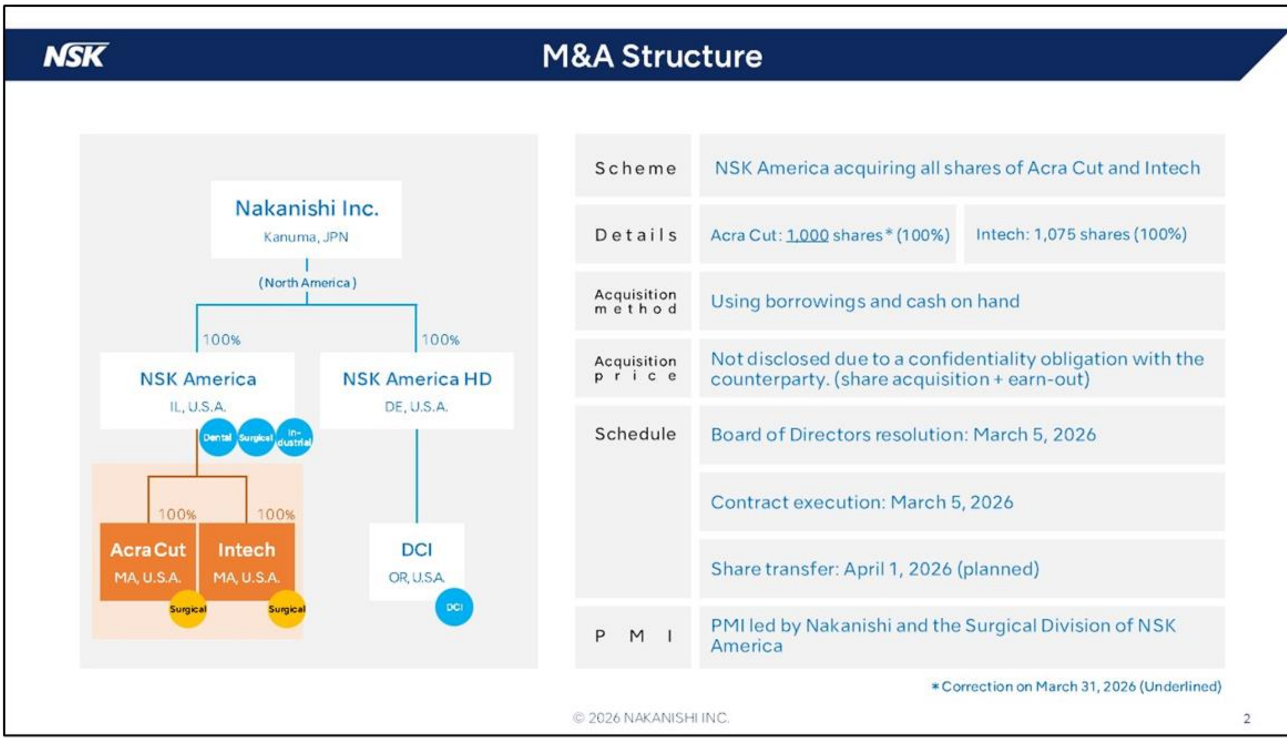
I am Suzuki, Corporate Vice President & Group CFO.
Thank you for joining this special conference call on such short notice.
Today, we announced the acquisition of two medical device manufacturers based in Boston, Acra Cut, Inc. and Intech, Inc. In this session, I would like to provide an overview of this transaction.

In our Mid Term Management Plan "NV2030," which we announced last August, we defined our M&A strategy and stated that we would continue managing a pipeline of acquisition opportunities in the surgical business. Among the opportunities in that pipeline, the transactions we were most eager to pursue are precisely the acquisitions of Acra Cut and Intech announced today. Acra Cut is a company that manufactures and sells highly specialized consumable products in the field of surgical medical devices. We expect that integrating their brand and manufacturing expertise will represent a significant step forward for the growth of our surgical business.



The structure of the transaction is shown on the left side of the slide. Through our U.S. subsidiary, NSK America, we will acquire 100% of the shares of Acra Cut and Intech, using a combination of cash on hand and borrowings as the source of funds. Following the acquisition, both companies will become subsidiaries of NSK America, and therefore our second-tier subsidiaries. This structure reflects our expectation that NSK America will take a leading role in the integration process that follows. In the PMI phase, we believe that leveraging NSK America’s operational platform and organizational know-how will be essential. At the same time, because NSK America is primarily a sales company, we plan for our headquarters to provide support in areas such as manufacturing capabilities and related functions.

Please note that this share acquisition is subject to a confidentiality obligation with the individual counterparty, and therefore details such as the acquisition price will not be disclosed. Thank you for your understanding. Today, our Board of Directors approved the acquisition, and we have executed the agreement with the counterparty. The share transfer is scheduled to be completed on April 1.

NSK

Overview of Acra Cut and Intech

▲ Cranial Perforator

Company name	Acra Cut, Inc.
Location	Acton, Massachusetts, USA
Number of employees	12
Established	July 1982
Description of business	Development, manufacturing and sales of medical devices for neurosurgery
Main products	Automatic Releasing Cranial Perforator, etc.

▲ Acra Cut / Intech Headquarters

Company name	Intech, Inc.
Location	Acton, Massachusetts, USA
Number of employees	21
Established	April 1966
Description of business	Manufacturing of precision components
Production items	Precision components used in Acra Cut products

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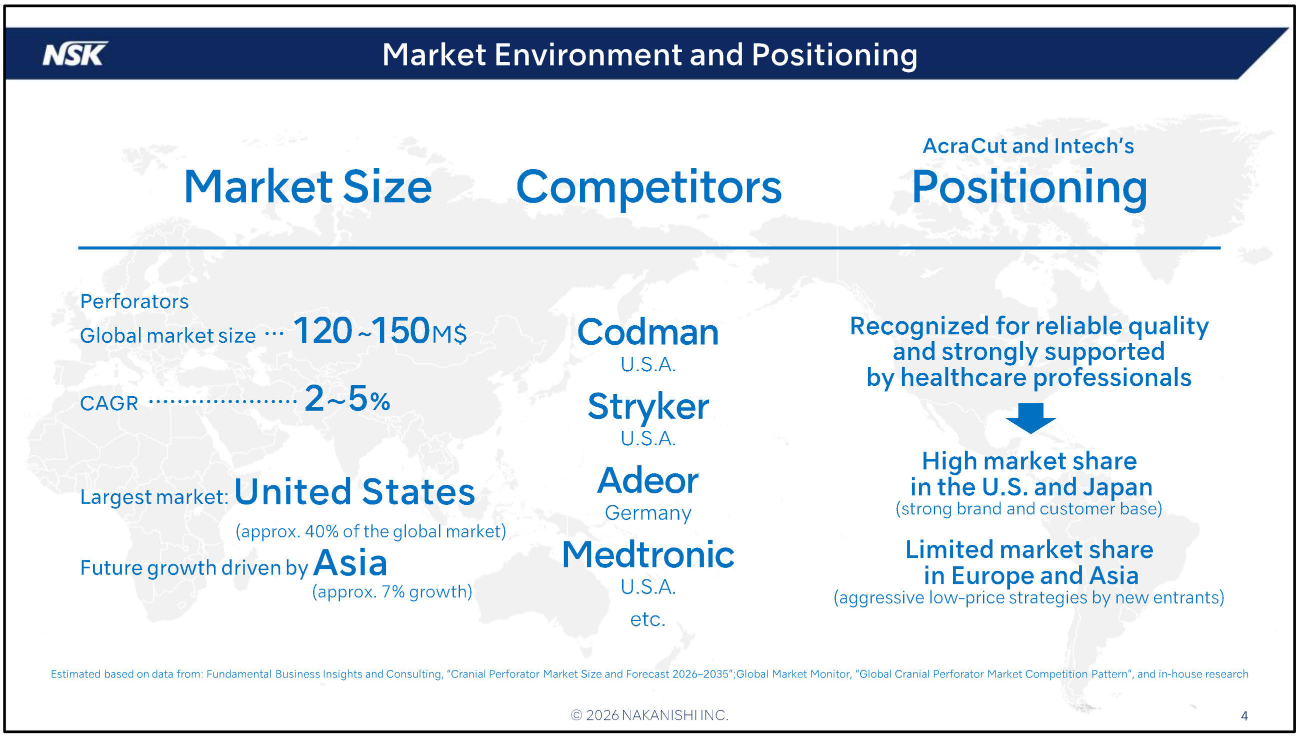
The image in the upper left of the slide shows representative products of Acra Cut and Intech — cranial perforators, commonly referred to simply as “perforators,” which are disposable surgical drills. Perforators are medical devices used during craniotomy procedures to create initial burr holes in the skull. Surgeons drill several holes with the perforator and then use a craniotome—a surgical saw—to cut and open the skull starting from those holes. Perforators are equipped with an automatic clutch mechanism that stops drilling once the skull is penetrated, allowing for safe and controlled operation. There are both reusable and single-use types, but the market has largely shifted toward single-use, disposable perforators.

The images in the lower left of the slide show the headquarters and manufacturing facilities of Acra Cut and Intech. They are located in Acton, a quiet suburb of Boston. There are several similarities between the Acra Cut and Intech factories and our own. Their production process begins with machining raw materials—using equipment such as automatic lathes—and continues through multiple steps before the products are completed as surgical drills. In addition to the similarity in the products themselves, namely surgical drills, I would like to note that there are also commonalities in production capabilities, including machine tools and machining know-how.



Please let me now explain the market environment and Acra Cut's positioning.

We estimate the global market for perforators to be approximately USD 120–150 million annually, with an expected growth rate of around 2–5% per year. The market forecasts cited here are based on the references noted at the bottom of the slide. Within this market, we believe that Acra Cut holds a share of roughly 15%.

Key players in this market include Codman in the United States, Adeor in Germany, as well as Stryker and Medtronic.

Acra Cut is positioned as a manufacturer that primarily offers high-quality, premium-priced products. This positioning serves as both a strength and a challenge. While Acra Cut enjoys strong market share in regions where customers value and are willing to purchase higher-priced products—such as the United States and Japan—its share remains low in markets such as Europe and emerging economies, where price competition is more significant. To expand its global market share, we believe it will be necessary to pursue business strategies that go beyond the company's traditional approach—for example, by adding more cost-competitive products to the lineup in the future.

NSK

Strategic Value of the Acquisition

Enhancing the foundation of Surgical Business through the Acra Cut and Intech acquisitions

Expansion of the U.S. business

A strong brand built on high-quality products

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A consumables business with stable and high profitability

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Enhancing market presence as a driver of sustainable growth

Creating sales synergies

NSK and Acra Cut complement each other's product lineups

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Strengthening sales approaches through the shared customer base and sales network

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Expanding market coverage through the collaboration between NSK and Acra Cut

Securing U.S. manufacturing capabilities

Intech has accumulated extensive manufacturing expertise, with solid production foundation for the consumables business

Ensuring a wide range of options for the future reorganization of the Surgical Business platform

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An important point in understanding the strategic significance of acquiring Acra Cut and Intech is that we are acquiring manufacturers of rotary cutting instruments, drills. Our company produces dental drills, which are disposable rotary instruments used for tooth preparation, while Acra Cut and Intech produce disposable drills used to cut through the skull. Because the core technologies and manufacturing know-how that underpin both businesses are highly similar, we believe there is strong potential to generate operational synergies.

Building on this fundamental concept, the first strategic significance of the acquisition is the expansion of our surgical business in the United States. Acra Cut is a well-recognized manufacturer in the U.S. market and possesses a strong brand presence. A key driver of this brand strength is the high quality of its products, which is an important aspect of this transaction. Another point of significance is that their products are consumables, providing a recurring revenue model that supports stable earnings. By gaining a strong brand with recurring income, we expect to enhance our market presence and create a solid foundation for further growth.

Another point of significance is that our options have broadened with respect to the reorganization of production functions. By having acquired the production capabilities of Acra Cut and Intech, we view it as meaningful that our range of options has expanded as we consider future reorganization of production functions. Sharing the manufacturing know-how possessed by the two companies will also lead to improvements in productivity. We believe that the availability of these new options will be a plus for Nakanishi in the future.

NSK

Updated Financial Forecasts Following the Acquisition

The FY2026 financial forecast incorporates nine months (Apr.–Dec. 2026) of performance from the two acquired companies

Financial forecasts for the fiscal year ending Dec. 31, 2026

	FY2026 Revised forecast (As of Mar. 5, 2026)	FY2026 Previous forecast (As of Feb. 12, 2026)	Change (Amount)	Change (Ratio)	FY2025 Actual
Net sales	90,185	88,180	+2,005	+2.3%	81,179
EBITDA	21,854 24.2%	20,640 23.4%	+1,214	+5.9%	19,899 24.5%
Operating profit	16,215 18.0%	15,642 17.7%	+573	+3.7%	14,089 17.4%
Ordinary profit	16,091 17.8%	15,486 17.6%	+604	+3.9%	16,933 20.9%
Profit attributable to owner of parent	11,193 12.4%	10,943 12.4%	+249	+2.3%	-2,398 -3.0%

Sales forecast by business segment

	FY2026 Revised forecast	FY2026 Previous forecast	Change
Dental	52,441	52,441	-
DCI	22,270	22,270	-
Surgical	8,173	6,168	+2,005
Industrial	7,301	7,301	-
Total	90,185	88,180	+2,005

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In conjunction with the acquisition of Acra Cut and Intech, we have revised upward our forecasts for the first half and full year of the fiscal year ending December 2026. As the closing of this acquisition is scheduled for April 1, the portion to be newly consolidated in this fiscal year will be the results for the nine-month period from April to December 2026.This will add approximately 2 billion yen in net sales and 1.2 billion yen in EBITDA. The difference of about 600 million yen between EBITDA and operating profit is largely attributable to amortization of goodwill.

That concludes my remarks. Thank you very much.

NSK

Disclaimer

The information contained in this document includes forward-looking statements regarding future performance. These statements involve uncertainties and do not guarantee future results. Actual performance may differ materially from the forecasts due to factors such as changes in global economic conditions and fluctuations in foreign exchange rates. Thank you for your understanding.