Briefing Material

for 1st quarter ended Mar. 31, 2026

May 14, 2026

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.

I am Suzuki, Corporate Vice President & Group CFO.
Thank you for joining the conference call.
Without further ado, I would like to start with the briefing.

Business Segment and Product Lineup

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, 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.

The results of Acra Cut and Intech (acquired in 2026) are included in this Surgical Business.

Console

Surgical motor & Attachment

Bur (Disposable)

Perforator (Disposable)

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

Speed-increasing spindle

Ultrasonic cutter

Tools

Performance Highlights

Achieved double-digit sales growth across all segments; Dental, DCI, Surgical, and Industrial. In particular, sales grew in Dental-Japan and Surgical businesses. Consolidated net sales increased by 21% YoY, and by 15% even excluding forex impact.

*The Q1 financial results do not include the performance of the two acquired companies (Acra Cut and Intech). They are expected to be consolidated from Q2 onward.

Although increased production at factories led to an improvement in the standalone gross margin, the consolidated gross margin declined by 2 percentage points due to the impact of unrealized profits and U.S. tariffs. In addition to profit growth driven by higher revenues, the partial underspending of certain R&D plan resulted in consolidated EBITDA increasing by 23.6% YoY.

In addition to operating profit growth driven by business expansion, improvements in foreign exchange gains and losses and the absence of the previous year's impact of prior-period income taxes led to a significant increase in quarterly profit attributable to owners of parent.

About the performance highlights, we delivered very strong results. All businesses and regions performed well, with broadly solid performance rather than reliance on any specific area.

When formulating our full-year forecast, our market assumption was that demand would gradually recover as the post-COVID pullback in demand came to an end. In the actual first quarter, demand was essentially flat, with little change compared to the same period last year.

I will now explain the key factors behind our strong performance against this market environment.

Consolidated P/L

M of JPY		FY2026Q1 Actual	FY2025Q1 Actual	YoY comparison Amount	YoY comparison Ratio
Net sales		22,488	18,542	+3,946	+21.3%
Gross Profit		12,935	11,076	+1,858	+16.8%
	Ratio to net sales	57.5%	59.7%	-2.2pt	–
EBITDA *		5,876	4,755	+1,120	+23.6%
	Margin	26.1%	25.6%	+0.5pt	–
Operating Profit		4,675	3,361	+1,313	+39.1%
	Ratio to net sales	20.8%	18.1%	+2.7pt	–
Ordinary Profit		5,548	2,626	+2,921	+111.2%
	Ratio to net sales	24.7%	14.2%	+10.5pt	–
Profit attributable to owners of parent		3,980	440	+3,539	+803.9%
	Ratio to net sales	17.7%	2.4%	+15.3pt	–
EPS	(JPY)	47.93	5.23	–	–

* EBITDA = Operating profit + Depreciation + Amortization

Currency rate	- Against the US dollar (JPY)	156.48	152.95	+3.53	–
	- Against the EURO (JPY)	183.73	160.74	+22.99	–

▪ Forex impact: Net sales +1,031M of JPY (vs FY2025Q1 Actual), +1,050M of JPY (vs FY2026 Forecast)

There are two main points to highlight in the income statement, along with one supplementary point.

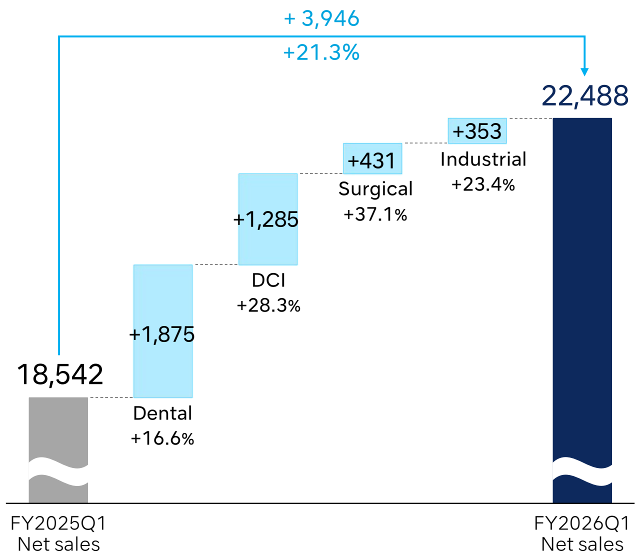
The first point is that the consolidated gross profit margin declined by 2 percentage points YoY.
While net sales increased by 21%, which would normally lead to an improvement in gross margin, cost of sales rose by approximately 500 million yen due to the impact of U.S. government tariff policies. As there was no such impact in the same period last year, this led to a decline in gross margin YoY.

The second point is that quarterly net income increased by approximately 3.5 billion yen. Breaking this down on a YoY basis: operating profit growth contributed +1.3 billion yen; an improvement in foreign exchange results (from a foreign exchange loss in the previous-year period to a gain in the current period) contributed +1.6 billion yen; and an improvement in extraordinary items (reflecting the absence of previous-year adjustments for prior-year corporate taxes, partially offset by an increase in income taxes due to higher pre-tax income) contributed +0.6 billion yen. Each of these factors drove the increase in net income.

As a supplementary point, I would like to touch on foreign exchange rates. The U.S. dollar has not changed significantly compared to either our assumed rate or the rate in the previous-year period. In contrast, the euro has appreciated significantly against the yen. The first-quarter average rate was 184 yen, representing a significant deviation from our assumed rate of 170 yen, which provided an uplift to our results.

Change in Net Sales by Business Segment

M of JPY



	FY2025Q1 Actual A	FY2026Q1 Actual B	of which: forex impact	Change B/A-1
Dental	11,323	13,199	+805	+16.6%
DCI	4,547	5,832	+104	+28.3%
Surgical	1,164	1,596	+46	+37.1%
Industrial	1,507	1,860	+73	+23.4%
Total	18,542	22,488	+1,031	+21.3%

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Let me now turn to net sales by business segment.

As you can see, all businesses delivered strong double-digit growth in net sales. While foreign exchange provided some uplift, net sales still increased significantly even excluding this effect.

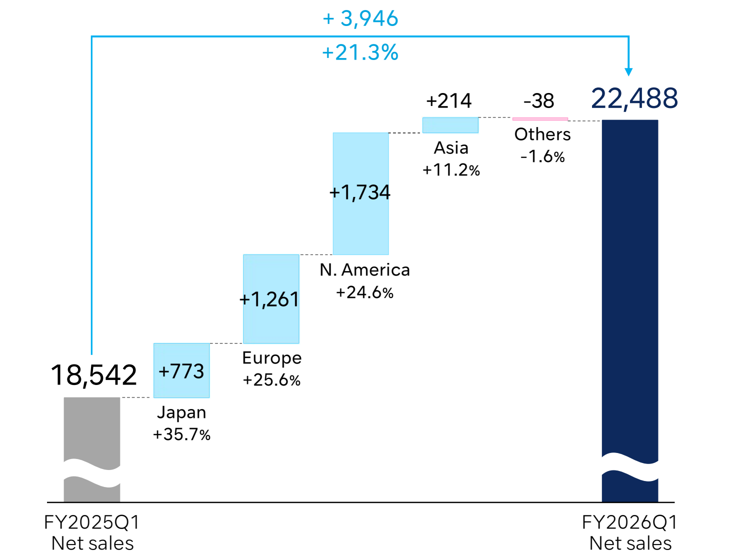
Sales growth in the Dental and Surgical businesses is sustainable, and we expect this strong momentum to continue for the time being. In contrast, for the DCI and Industrial businesses, we need to carefully monitor whether this momentum can be maintained or will moderate.

For the DCI business, top-line growth includes pre-purchase demand ahead of price increases. This surge coincided with organic growth driven by the expansion of our sales network, which we have been strengthening since last year. It is important to note that in the first quarter, a significant portion of the sales increase was attributable to higher shipment volumes driven by this temporary demand ahead of price hikes. We anticipate a pullback in demand from the end of the second quarter through the third quarter; however, this will be partially offset by the positive impact of higher unit prices following the price increases. The extent to which these factors offset each other will be a key point. We will work to mitigate the post-price-hike demand decline by strengthening sales to private clinics and expanding transactions with government institutions and universities.

In the Industrial business, sales growth was driven not only by NSK products but also by Jäger products. That said, Jäger is still in the process of turnaround, and uncertainty remains regarding the outlook for its product sales.

Change in Net Sales by Region

M of JPY



	FY2025Q1 Actual A	FY2026Q1 Actual B	of which: forex impact	Change B/A-1
Japan	2,168	2,942	-	+35.7%
Europe	4,934	6,196	+658	+25.6%
N. America	7,052	8,787	+155	+24.6%
Asia	1,915	2,130	+62	+11.2%
Others	2,471	2,433	+155	-1.6%
Total	18,542	22,488	+1,031	+21.3%

Turning to net sales by region. Japan and Europe in particular delivered strong growth.

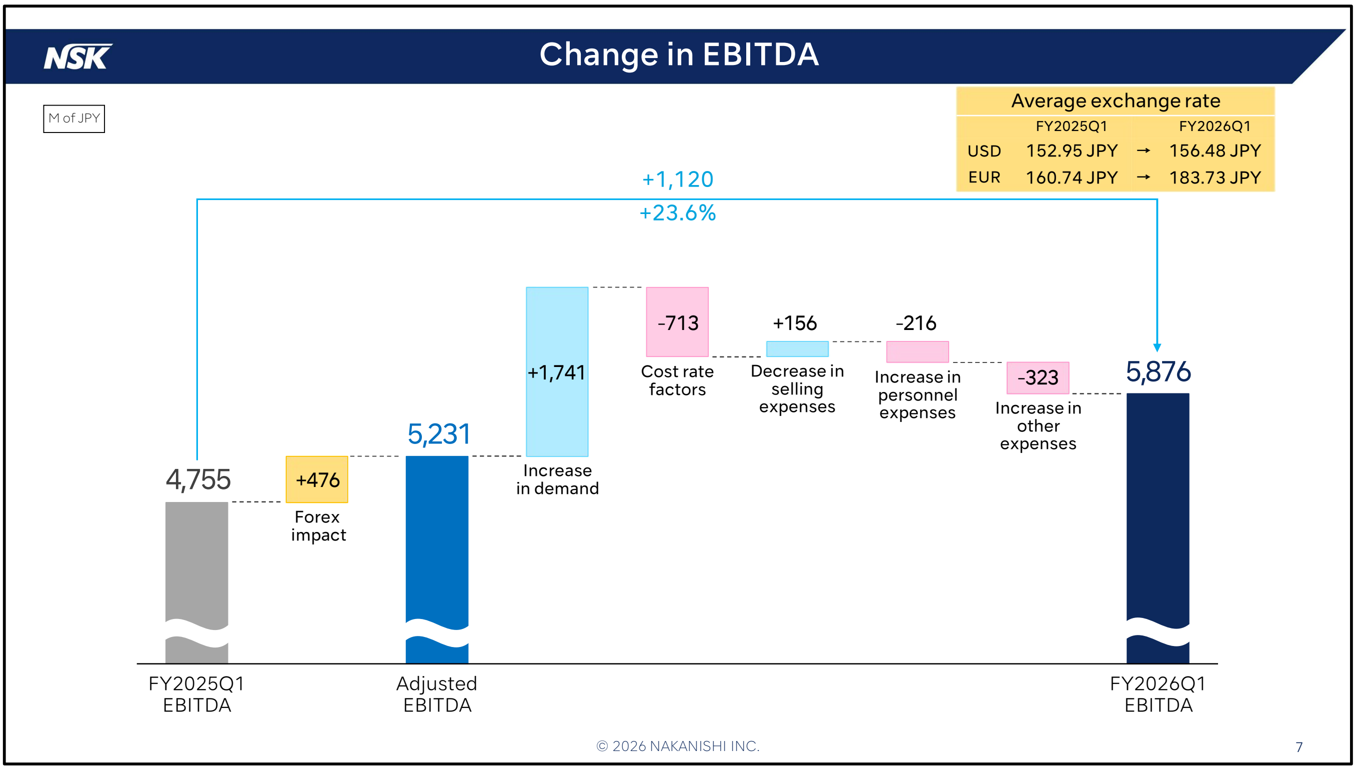
In Japan, we implemented a distribution network reform in October last year, and its impact has begun to materialize in this first quarter. Based on current conditions, we expect this strong momentum to continue in the second quarter onward.

In Europe, growth was not driven by any single market; rather, sales increased across a wide range of countries. In particular, major markets with large commercial bases, such as Germany, all posted sales growth. There were no specific one-off drivers—sales expanded across a broad product portfolio, including new oral hygiene products launched last year. We expect this positive momentum to continue for some time.

Of the 1.7 billion yen increase in North America,1.3 billion yen was driven by DCI, and of the remaining 0.4 billion yen, the Surgical business was the primary contributor. The Dental business was slightly weaker than expected. While sales of our own-brand products grew in double digits, OEM sales declined.

In Asia, although we secured tenders in China—where market conditions remain challenging—and increased sales, weak performance in Korea and other Southeast Asian markets offset this growth. We expect the challenging conditions in Asia to persist for the time being.

In other regions, Russia and Oceania performed well; however, sales declined in South America due to shipment timing differences, and in the Middle East due to the expansion of regional conflicts. That said, the decline in South America was due to temporary factors, and we expect a recovery from the second quarter onward.



Next, I will explain the key drivers behind changes in EBITDA.

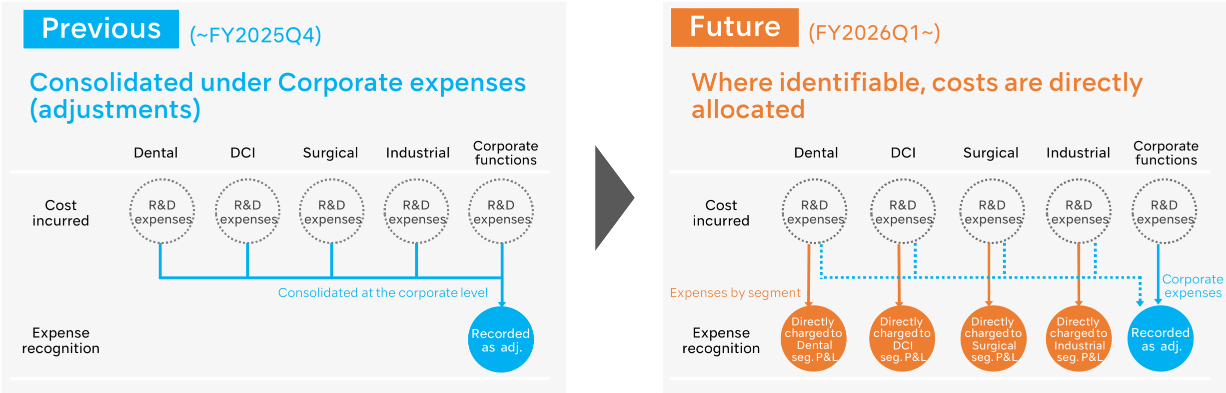
First, I would like to explain the “cost rate factors,” which we frequently receive questions about. The first is the impact of U.S. government tariff policies. As the previous-year period was before the tariffs took effect, this resulted in a negative impact of approximately 0.5 billion yen YoY. In addition, as demand recovered and factory utilization improved, there was a positive impact of roughly 0.8 billion yen from lower cost of sales driven by higher utilization (and increased inventory). This was largely offset by a negative impact of approximately 0.9 billion yen due to an increase in unrealized profits associated with higher inventories at overseas subsidiaries. Taken together, these factors largely explain the 0.7 billion yen negative impact within cost of sales.

Next point is a decrease in selling expenses. This was mainly due to the absence of expenses associated with our participation in the International Dental Show (IDS) 2025. These costs will recur next year, as IDS is held biennially and we plan to exhibit at IDS 2027. Personnel expenses increased but remained within our internal plan and were in line with expectations.

Last point is an increase in other expenses, which had a negative impact of approximately 0.3 billion yen. This was due to underspending of certain R&D expenses. Our initial plan called for approximately 0.2 billion yen more in spending during the period. The delay in R&D was mainly related to the Surgical business, but we expect budget execution to accelerate going forward.

NSK Treatment of R&D Expenses in Segment Profit or Loss

To achieve the NV2030 targets, we have initiated growth investments in each segments and clarified R&D expenses by segments to enhance profitability management.



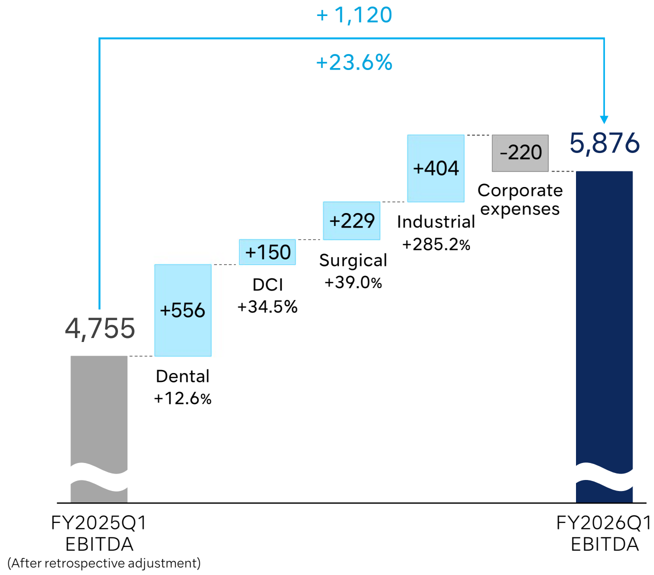
Starting from the fiscal year ending December 2026, we have revised how we recognize R&D expenses. As this change affects how segment-level profitability is presented, I would like to explain the details.

Previously, R&D expenses were primarily allocated to the “Adjustments” segment as corporate level costs. This approach was adopted because most R&D activities were related to the Dental business, which also accounted for a high proportion of total sales.

However, as outlined in our mid-term management plan “NV2030,” we will further accelerate growth in the Surgical business and plan to increase R&D investments proactively. As a result, R&D expenses outside the Dental business will also rise significantly. Accordingly, we have revised the previous approach and shifted to a method where R&D expenses that can be clearly attributed to specific businesses are directly allocated to those respective segments.

Change in EBITDA by Business Segment

M of JPY



	Actual FY2025Q1 A	Actual after retrospective adjustment FY2025Q1 A'	Actual FY2026Q1 B	Change B/A'-1
Dental	4,731	4,421	4,978	+12.6%
DCI	436	436	587	+34.5%
Surgical	631	587	817	+39.0%
Industrial	164	141	546	+285.2%
Corporate expenses	-1,208	-832	-1,052	-
Total	4,755	4,755	5,876	+23.6%

Forex impact +476 M of JPY (+10.0%)

As explained on the previous page, we present previous-year EBITDA on a restated basis reflecting the retrospective reallocation of R&D expenses, and use this as the basis for comparison.

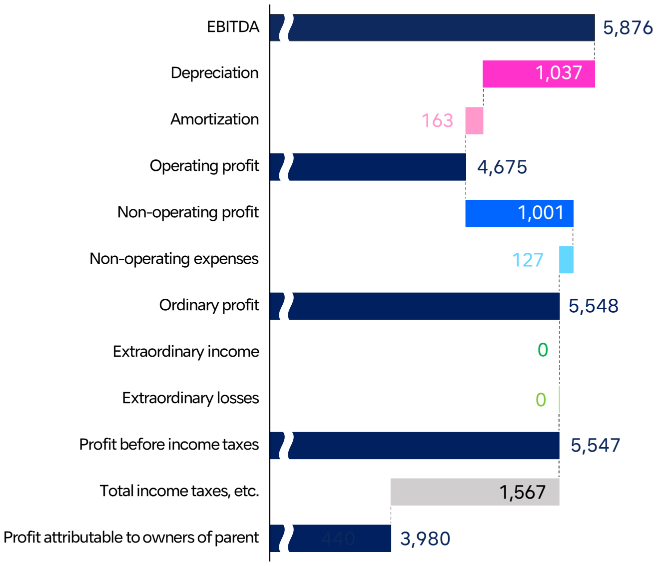
Looking at the table on the right, specifically the "A: Previous-Year Actual" and "A': Restated Previous-Year Actual," you can see the "Corporate expenses" line: A shows negative 1.2 billion yen, while A' shows negative 0.8 billion yen. The difference of approximately 0.4 billion yen corresponds to R&D expenses that have been reallocated to each business segment. In other words, this represents the shift of costs from "Corporate expenses" to the individual segments. This change enables a more accurate assessment of segment-level profitability.

There are two key takeaways on this page.
The first is the profitability of the DCI business. Some of you may have found it higher than expected. EBITDA margin was 9.6% in the previous-year period and improved to 10.1% in the current period. The current figure includes approximately USD 2 million in negative impact from U.S. tariffs (while the previous-year period had minimal tariff impact), yet this has been absorbed. In addition, the positive effects of price increases on unit prices and margins have not yet materialized. This suggests that revenue growth itself is driving profitability. It reflects an improvement in margin driven by changes in the customer portfolio—specifically, a decline in DSO business and steady growth in sales to private clinics. Furthermore, expansion in sales to dental universities has also contributed to improved profitability in the DCI business.

The second point is the improvement in profitability of the Industrial business. EBITDA margin increased significantly from 9.4% in the previous-year period to 29.4% in the current period. This improvement was largely driven by Jäger's return to profitability. While restructuring of Jäger is progressing and its earnings structure is improving, it is important to note that this result reflects only a short three-month period. The turnaround is still ongoing, and business performance may continue to fluctuate going forward.

Other Income, Expense, Taxes

M of JPY



Non-operating profit	· Interest income	344
	· Foreign exchange gains	533
	· Miscellaneous income	113

Non-operating expenses	· Interest expenses	71
	· Miscellaneous losses	56

Extraordinary income	(None)

Extraordinary losses	· Loss on retirement of non-current assets	0.8

Consolidated Balance Sheet

M of JPY

	As of Mar. 31, 2026	As of Dec. 31, 2025	Change	Notes	
Total assets	165,775	160,155	+5,619	· Investments and other assets – Other (Acra Cut / Intech)	+6,449
- Cash and deposits	60,068	61,317	-1,248		
- Inventories	26,485	25,565	+920	· Merchandise and finished goods · Work in process · Raw materials and supplies	+181 +224 +514
- Goodwill	5,359	5,391	-31		
Liabilities	49,373	46,081	+3,292	· Income taxes payable	-1,941
- Loans payable	32,695	26,772	+5,922	· Short –term borrowings · Current portion of long-term borrowings · Long-term borrowings	+4,953 +1,018 -50
Net assets	116,401	114,074	+2,327	· Foreign currency translation adjustment	+706
- Retained earnings	111,701	110,046	+1,655		

	FY2026Q1 Actual	FY2025Q1 Actual	Change	Notes	
Capital investments	725	1,031	-306	· Machinery and equipment · New subsidiary buildings	330 132
Depreciation expenses	1,037	1,021	+15		

There are two key points to highlight in the balance sheet.

The first is the increase in “Other” under investments and other assets. The acquisitions of Acra Cut and Intech were completed on April 1. However, as the balance sheet reflects the position as of March 31, the day prior, payments to sellers had already been made, while the acquired companies had not yet been consolidated. As a result, there was a temporary structural imbalance in the balance sheet. This has created a somewhat distorted snapshot, so please refer to the balance sheet at the end of the first half, which will reflect the normalized structure.

The second point is the approximately 0.5 billion yen increase in “raw materials and supplies” within inventories. As has been widely reported, the deterioration of the situation in the Middle East has begun to create new supply chain challenges. There are concerns about impacts on oil, packaging materials, and other inputs. In addition, while we are making progress in switching to rare-earth-free materials not subject to export restrictions, issues related to China’s rare earth export controls are becoming prolonged. Given this situation, we have increased inventory levels for certain materials.

This concludes my presentation. Thank you very much for your attention.

Consolidated Financial Forecast for FY2026

(Revised as of March 5, 2026)

NSK

Consolidated Financial Forecast for FY2026Q2 (Revised as of March 5th)

M of JPY

	FY2026Q2 Forecast	FY2025Q2 Actual	Change Amount	Change Ratio
Net sales	44,374	39,189	+5,184	+13.2%
Gross profit	24,430	23,104	+1,326	+5.7%
Ratio to net sales	55.1%	59.0%	-3.9pt	–
EBITDA*	10,183	10,390	-207	-2.0%
Margin	22.9%	26.5%	-3.6pt	–
Operating profit	7,481	7,587	-105	-1.4%
Ratio to net sales	16.9%	19.4%	-2.5pt	–
Ordinary profit	7,501	6,930	+571	+8.2%
Ratio to net sales	16.9%	17.7%	-0.8pt	–
Profit attributable to owners of parent	5,308	3,510	+1,797	+51.2%
Ratio to net sales	12.0%	9.0%	+3.0pt	–
EPS (JPY)	63.53	41.84	–	–

Currency rate	FY2026Q2 Forecast	FY2025Q2 Actual	Change Amount	Change Ratio
- Against the US dollar (JPY)	150.00	149.01	+0.99	–
- Against the EURO (JPY)	170.00	162.62	+7.38	–

* EBITDA = Operating profit + Depreciation + Amortization

Assumptions for Consolidated Financial Forecast for FY2026 (Revised as of March 5th)

Net Sales 90.1 B of JPY (+11.1%)	**Expecting sales increase in all business segments and to achieve record-high sales for the sixth consecutive year.**
SGA expenses	Expecting increases in selling, personnel, and R&D expenses as growth investments in the surgical business.
EBITDA 21.8 B of JPY (+9.8%)	**Expecting to achieve record-high profit driven by sales growth and the Acra Cut acquisition.**
Depreciation expenses	Reduced goodwill amortization related to DCI.
Operating profit 16.2 B of JPY (+15.1%)	**Expecting to achieve record-high profit in four years driven by sales growth, acquisition effects, and lower amortization.**
Non-operating profit and expsenses	Absence of the previous year's JPY1.5 billion FX gain.
Ordinary profit 16.0 B of JPY (-5.0%)	**Expecting lower profit due to the absence of the foreign exchange gains recorded in the previous fiscal year.**
Extraordinary income and losses	Absence of the previous year's JPY13.7 billion impairment loss.
Total income taxes, etc.	Absence of the previous year's JPY1.1 billion Income Taxes for Prior Periods.
Profit attributable to owners of parent 11.1 B of JPY (-)	**Expecting a return to net profit driven by the absence of one-off expenses.**

Consolidated Financial Forecast for FY2026 (Revised as of March 5th)

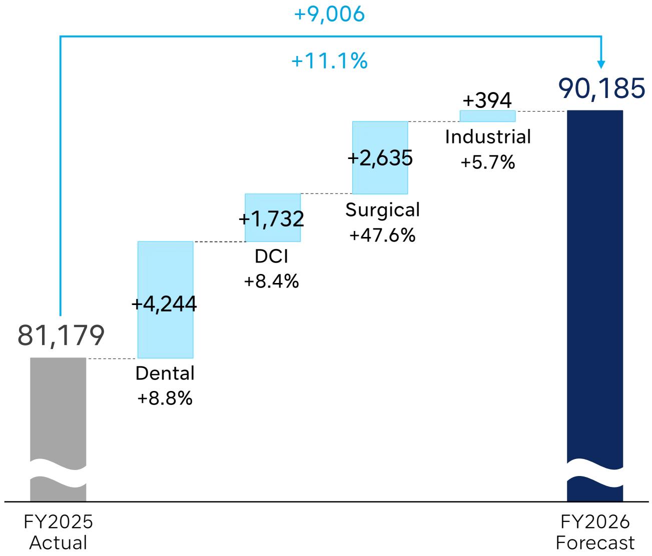
M of JPY

	FY2026 Forecast	FY2025 Actual	Change Amount	Change Ratio	Note
Net sales	90,185	81,179	+9,006	+11.1%	
Gross profit	50,176	46,060	+4,116	+8.9%	
Ratio to net sales	55.6%	56.7%	-1.1 pt	–	
EBITDA *1	21,854	19,899	+1,955	+9.8%	
Margin	24.2%	24.5%	-0.3 pt	–	
Operating profit	16,215	14,089	+2,126	+15.1%	
Ratio to net sales	18.0%	17.4%	+0.6 pt	–	
Ordinary profit	16,091	16,933	-842	-5.0%	
Ratio to net sales	17.8%	20.9%	-3.0pt	–	
Profit attributable to owners of parent	11,193	-2,398	+13,591	–	
Ratio to net sales	12.4%	-3.0%	+15.4 pt	–	
EPS (JPY)	133.96	-28.70	–	–	
Capital investments	15,354	5,302	+10,051	–	Nakanishi : 3,101 Group companies: 12,253 *2
Depreciation expenses	4,559	4,343	+216	–	
Currency rate					Forex sensitivity
- Against the US dollar (JPY)	150.00	150.43	-0.43	–	284 M of JPY (Annual net sales)
- Against the EURO (JPY)	170.00	169.18	+0.82	–	103 M of JPY (Annual net sales)

*1 EBITDA = Operating profit + Depreciation + Amortization
*2 An increase of 4,050 M of JPY compared to the previous forecast (reflecting increased capital investments at DCI and NSK America).

Consolidated Financial Forecast for FY2026
Change in Net Sales by Business Segment (Revised as of March 5th)

M of JPY



	FY2025 Actual	FY2026 Forecast	Change
Dental	48,197	52,441	+8.8%
DCI	20,538	22,270	+8.4%
Surgical	5,537	8,173	+47.6%
Industrial	6,906	7,301	+5.7%
Total	81,179	90,185	+11.1%

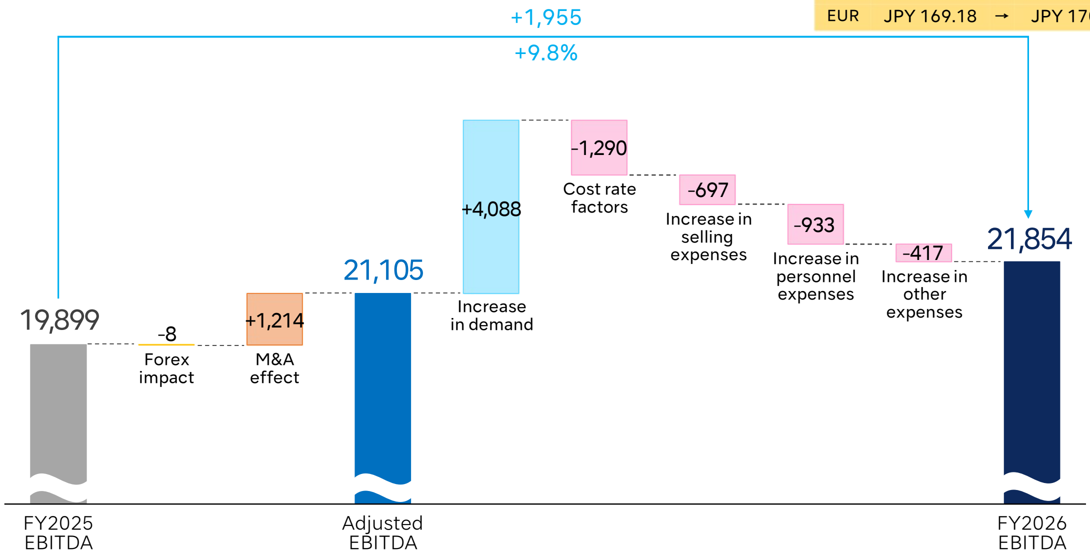
Forecex impact -204 M of JPY (-0.3%)

M&A effect +2,005 M of JPY (+2.5%)

Consolidated Financial Forecast for FY2026
Change in EBITDA (Revised as of March 5th)

M of JPY

Average exchange rate	FY2025 Actual		FY2026 Forecast
USD	JPY 150.43	→	JPY 150.00
EUR	JPY 169.18	→	JPY 170.00



Topics

Acquisition of Acra Cut and Intech (Disclosed on March 5th)

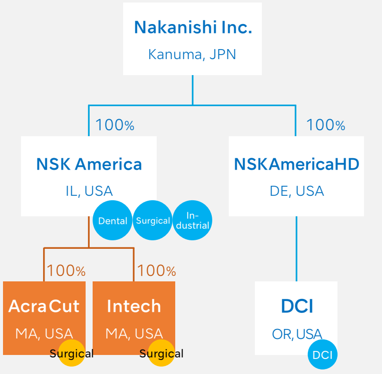
[M&A Structure]

NSK America acquiring all shares of Acra Cut and Intech, making them wholly owned subsidiaries

Acquisition price: Not disclosed
(share acquisition + earn-out)

Acquisition method: Using cash on hand and borrowings

Schedule: Completed share acquisition on April 1st, 2026.



[Overview of Acra Cut and Intech]

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.

Intech, Inc.

Location	Acton, Massachusetts, USA
Number of employees	21
Established	April 1966
Description of business	Manufacturing of precision components
Main products	Precision components used in Acra Cut products

▲ Cranial Perforator

▲ Acra Cut / Intech Headquarters

Related materials

- March 5, 2026 Notice Regarding Acquisition of Shares by the Company's Consolidated Subsidiary (Making Companies the Company's Second-Tier Subsidiaries)
- March 5, 2026 Briefing Material for March 2026 M&A (with Script)

NSK

External Recognition

NAKANISHI INC.

Most Honored Company

2026 Japan Executive Team

extel

Medical Technologies & Services,

- Most Honored Company 2nd
- Best CEO 1st
- Best CFO 1st
- Best Company Board 3rd
- Best IR Program 2nd

MSCI ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA

AA

As of Mar 2026

MSCI ESG rating history

Aug 2024: A
Sep 2023: A
Oct 2022: BBB
Mar 2021: BB
Aug 2020: B

JPX-NIKKEI 400

2026 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)

MORNINGSTAR
日本株式ジェンダー・
ダイバーシティ・ティルト指数

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

企業ホームページ
優秀サイト
2025
日興アイ・アール
スタンダード市場部門

NSK