

Flash Report for 1st quarter Ended March 31, 2026 (on a consolidated basis) [Japan GAAP]

May 14, 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 begin dividend payments: -

Supplementary materials to quarterly financial statements: Applicable

Quarterly earnings results briefing: Not applicable

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

1. Consolidated financial results for 1st quarter period (January 1 to March 31, 2026)

(1) Operating Results

	Millions of yen					
	Net sales		EBITDA		Operating income	
1st quarter ended March 31, 2026	22,488	21.3%	5,876	23.6%	4,675	39.1%
1st quarter ended March 31, 2025	18,542	2.1%	4,755	-10.1%	3,361	-15.7%

	Millions of yen					
	Ordinary income		Income attributable to owners of parent		Earnings per share (yen)	Diluted EPS (yen)
1st quarter ended March 31, 2026	5,548	111.2%	3,980	803.9%	47.93	47.76
1st quarter ended March 31, 2025	2,626	-47.9%	440	-86.8%	5.23	5.21

- 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:

1st quarter ended March 31, 2026	4,652 million (-%)
1st quarter ended March 31, 2025	-2,658 million (-%)
 3. EBITDA (Operating income + Depreciation + Goodwill amortization)

(2) Financial Position

	Millions of yen		
	Total assets	Net assets	Equity ratio
As of March 31, 2026	165,775	116,401	70.0%
As of December 31, 2025	160,155	114,074	71.0%

Note: Owners' equity

As of March 31, 2026	116,005 million
As of December 31, 2025	113,678 million

2. Dividends

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

Notes: 1. Revisions to dividend payment forecasts during the period: Not applicable

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	44,374	13.2	7,481	-1.4	7,501	8.2	5,308	51.2	63.53
Full year	90,185	11.1	16,215	15.1	16,091	-5.0	11,193	—	133.96

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

2. Revisions to performance forecasts during the period: Not applicable

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 quarterly 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.: Not 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 March 31, 2026: 92,218,200 shares

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

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

As of March 31, 2026: 9,173,418 shares

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

Average number of shares during the period

1st quarter ended March 31, 2026: 83,044,782 shares

1st quarter ended March 31, 2025: 84,273,704 shares

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Results of Operations

During the consolidated first quarter, the global economy continued to grow, led by the United States. However, uncertainty over trade policies, rising geopolitical risks in the Middle East, and unclear monetary policy outlooks heightened cautious sentiment among businesses and consumers. In Europe, a modest recovery continued, supported by fiscal expansion mainly in Germany, though higher energy prices and geopolitical risks slowed growth.

In Japan, capital investment remained resilient on the back of solid corporate earnings. However, personal consumption remained weak, as rising prices continued to pressure households and real wage recovery was limited.

Against this backdrop, all business segments—Dental, DCI, Surgical, and Industrial—recorded double-digit revenue growth. As a result, net sales increased 21.3% year on year, or 14.9% excluding foreign exchange effects.

Gross margin improved due to increased production at the head office factory. However, gross profit margin declined by 2.2 percentage points year on year, mainly due to higher unrealized profits and the impact of U.S. tariffs. EBITDA and operating profit increased, driven by higher sales and lower-than-planned R&D expenses.

In addition, improvements in foreign exchange gains and the absence of Income taxes for prior periods led to a significant increase in quarterly profit attributable to owners of the parent.

As a result, the Group sales were ¥ 22,488,730 thousand (+21.3% year on year), EBITDA ¥5,876,171 thousand (+23.6%), operating income was ¥4,675,272 thousand (+39.1%), ordinary income was ¥5,548,768 thousand (+111.2%) and income attributable to owners of parent for the quarter was ¥3,980,320 thousand (+803.9%).

The following is a breakdown of business performance by segment.

Beginning with the first quarter of the current consolidated fiscal year, we have changed the method of calculating profit or loss for reportable segments. Specifically, for the purpose of more appropriately evaluating the performance of each segment, research and development expenses that were previously recorded under adjustment items are now allocated to each segment. Segment information for the first quarter of the previous consolidated fiscal year has been prepared based on the revised calculation method and is presented accordingly.

(Dental segment)

In Dental segment, Other areas sales decreased but Domestic, North America, Europe and Asia sales increased. Segment EBITDA and segment operating income increased as well.

As a result, sales were ¥ 13,199,989 thousand (+16.6%), segment EBITDA was ¥4,978,055 thousand (+12.6%) and segment operating income was ¥4,403,026 thousand (+13.9%).

(DCI segment)

In DCI segment, sales increased due to demand ahead of price increase. Segment EBITDA and segment operating income increased as well.

As a result, sales were ¥5,832,344 thousand (+28.3%), segment EBITDA was ¥587,299 thousand (+34.5%), and segment operating income was ¥193,975 thousand.

(Surgical segment)

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

As a result, sales were ¥1,596,049 thousand (+37.1%), segment EBITDA was ¥817,020 thousand (+39.0%) and segment operating income was ¥781,919 thousand (+42.1%).

(Industrial segment)

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

As a result, sales were ¥1,860,346 thousand (+23.4%), segment EBITDA was ¥546,533 thousand (+285.2%) and segment operating income was ¥469,906 thousand (+620.9%).

(2) Explanation of Financial Position

(Assets, liabilities and net assets)

Total assets at the end of the first quarter were ¥165,775,239 thousand and increased by ¥5,619,775 thousand compared with the end of the previous fiscal year. The main reason was that Other of Investments and other assets increased by ¥6,449,555 thousand.

Total liabilities were ¥49,373,258 thousand and increased by ¥3,292,236 thousand compared with the end of the previous fiscal year. The main reason was that Short-term borrowings increased by ¥4,953,963 thousand.

Net assets were ¥116,401,980 thousand and increased by ¥2,327,539 thousand compared with the end of the previous fiscal year. The main reasons were that Retained earnings increased by ¥ 1,655,066 thousand, but Capital surplus decreased by ¥1,728,986 thousand and Treasury shares decreased by ¥1,728,986 thousand.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

We will not change the forecast announced on March 5, 2026.

First-half period

	The amount	%
Sales	¥44,374 million	13.2
EBITDA	¥10,183 million	-2.0
Operating income	¥7,481 million	-1.4
Ordinary profit	¥7,501 million	8.2
Net income attributable to owners of parent	¥5,308 million	51.2

Full year

	The amount	%
Sales	¥90,185 million	11.1
EBITDA	¥21,854 million	9.8
Operating income	¥16,215 million	15.1
Ordinary profit	¥16,091 million	-5.0
Net income attributable to owners of parent	¥11,193 million	—

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

2. Consolidated Quarterly Financial Statements and Principal Notes

(1) Consolidated Quarterly Balance Sheets

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	61,317,878	60,068,992
Notes receivable - trade	37,674	43,549
Accounts receivable - trade	10,045,924	11,129,759
Securities	1,480,475	627,302
Merchandise and finished goods	13,656,202	13,837,883
Work in process	5,324,165	5,548,481
Raw materials and supplies	6,585,292	7,099,472
Other	4,078,374	3,741,513
Allowance for doubtful accounts	-116,839	-97,195
Total current assets	102,409,148	101,999,757
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,795,751	26,757,960
Machinery, equipment and vehicles	12,216,007	12,483,867
Tools, furniture and fixtures	8,437,524	8,584,418
Land	2,886,477	2,899,348
Construction in progress	1,186,659	1,396,376
Accumulated depreciation	-24,660,076	-25,295,471
Total property, plant and equipment	26,862,343	26,826,501
Intangible assets		
Software	641,678	585,871
Software in progress	670,256	744,437
Goodwill	5,391,037	5,359,309
Customer-related intangible assets	7,771,482	7,776,321
Other	6,802,012	6,784,575
Total intangible assets	21,276,467	21,250,515
Investments and other assets		
Investment securities	4,959,641	4,431,993
Shares of subsidiaries and associates	287,984	373,264
Insurance funds	680,283	681,604
Retirement benefit asset	380,075	388,315
Deferred tax assets	898,383	972,912
Other	2,461,844	8,911,399
Allowance for doubtful accounts	-60,707	-61,024
Total investments and other assets	9,607,504	15,698,464
Total non-current assets	57,746,315	63,775,481
Total assets	160,155,463	165,775,239

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable – trade	3,324,495	3,651,530
Short-term borrowings	7,774,134	12,728,097
Current portion of long-term borrowings	7,814,001	8,832,778
Income taxes payable	3,382,793	1,440,813
Provision for bonuses	611,216	857,511
Other provisions	56,775	–
Other	6,939,103	5,726,282
Total current liabilities	29,902,520	33,237,013
Non-current liabilities		
Long-term borrowings	11,184,650	11,134,212
Retirement benefit liability	201,116	210,786
Deferred tax liabilities	4,279,811	4,292,481
Other	512,924	498,765
Total non-current liabilities	16,178,502	16,136,245
Total liabilities	46,081,022	49,373,258
Net assets		
Shareholders' equity		
Share capital	867,948	867,948
Capital surplus	2,586,421	857,435
Retained earnings	110,046,166	111,701,232
Treasury shares	-14,946,246	-13,217,260
Total shareholders' equity	98,554,289	100,209,356
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,910,302	1,875,927
Foreign currency translation adjustment	13,213,865	13,920,712
Total accumulated other comprehensive income	15,124,168	15,796,640
Share acquisition rights	395,983	395,983
Total net assets	114,074,441	116,401,980
Total liabilities and net assets	160,155,463	165,775,239

(2) Consolidated Quarterly Statements of Income and Comprehensive Income
(Consolidated Quarterly Statements of Income)

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	18,542,514	22,488,730
Cost of sales	7,465,590	9,552,918
Gross profit	11,076,924	12,935,812
Selling, general and administrative expenses	7,715,105	8,260,540
Operating profit	3,361,818	4,675,272
Non-operating income		
Interest income	226,435	344,663
Dividend income	5	5
Subsidy income	10,000	10,000
Foreign exchange gains	–	533,380
Miscellaneous income	85,863	113,198
Total non-operating income	322,305	1,001,249
Non-operating expenses		
Interest expenses	35,784	71,206
Commission expenses	1,448	–
Foreign exchange losses	1,011,590	–
Miscellaneous losses	8,397	56,546
Total non-operating expenses	1,057,220	127,752
Ordinary profit	2,626,903	5,548,768
Extraordinary losses		
Loss on sale of non-current assets	57	–
Loss on retirement of non-current assets	16	820
Total extraordinary losses	73	820
Profit before income taxes	2,626,829	5,547,947
Income taxes – current	838,309	1,719,552
Income taxes for prior periods	1,200,000	–
Income taxes - deferred	148,157	-151,925
Total income taxes	2,186,467	1,567,626
Profit	440,361	3,980,320
Profit attributable to owners of parent	440,361	3,980,320

(Consolidated Quarterly Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	440,361	3,980,320
Other comprehensive income		
Valuation difference on available-for-sale securities	-303,013	-34,375
Foreign currency translation adjustment	-2,795,767	706,847
Total other comprehensive income	-3,098,780	672,472
Comprehensive income	-2,658,418	4,652,793
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-2,658,418	4,652,793

(3) Notes to Consolidated Quarterly Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Changes in the scope of consolidation during the period)

Not applicable.

(Segment Information)

【Segment Information】

1st quarter ended March 31, 2025 (From January 1, 2025 to March 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	11,323,992	4,547,331	1,164,185	1,507,005	18,542,514	–	18,542,514
Transactions with other segments	88,409	–	–	–	88,409	-88,409	–
Net sales	11,412,402	4,547,331	1,164,185	1,507,005	18,630,924	-88,409	18,542,514
Operating profit (loss)	3,866,181	-161,656	550,253	65,184	4,319,963	-958,145	3,361,818

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

1st quarter ended March 31, 2026 (From January 1, 2026 to March 31, 2026)

(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	13,199,989	5,832,344	1,596,049	1,860,346	22,488,730	–	22,488,730
Transactions with other segments	169,803	–	–	–	169,803	-169,803	–
Net sales	13,369,792	5,832,344	1,596,049	1,860,346	22,658,533	-169,803	22,488,730
Operating profit (loss)	4,403,026	193,975	781,919	469,906	5,848,828	-1,173,556	4,675,272

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

Beginning with the first quarter of the current consolidated fiscal year, we have changed the method of calculating profit or loss for reportable segments. Specifically, for the purpose of more appropriately evaluating the performance of each segment, research and development expenses that were previously recorded under adjustment items are now allocated to each segment. Segment information for the first quarter of the previous consolidated fiscal year has been prepared based on the revised calculation method and is presented accordingly.