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Summary of Business Results for the First Quarter Ended June 30, 2025 [Japan GAAP] (Consolidated)

July 31, 2025

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 Expected starting date of dividend payment: –
 Preparation of supplementary financial document: Yes
 Results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the three months ended June 2025 (April 1, 2025 through June 30, 2025)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 2025	2,266	-0.5	390	15.5	399	17.7	262	18.8
Three months ended Jun. 2024	2,276	3.3	338	3.5	339	2.2	220	10.7

(Note) Comprehensive income:

Three months ended June 2025: 236 million yen (-5.0%)

Three months ended June 2024: 248 million yen (23.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 2025	10.52	10.44
Three months ended Jun. 2024	8.88	8.81

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 2025	19,551	18,277	92.5	725.71
As of Mar. 2025	19,941	18,415	91.4	731.24

(Reference) Equity:

As of June 2025: 18,083 million yen

As of March 2025: 18,221 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2025	–	15.00	–	15.00	30.00
Year ending Mar. 2026	–	–	–	–	–
Year ending Mar. 2026 (forecast)	–	15.00	–	15.00	30.00

(Note) Revisions to dividend forecast for the period: None

3. Forecast of consolidated business results for the fiscal year ending March 2026**(April 1, 2025 through March 31, 2026)****(% change from the previous corresponding period)**

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Sept. 2025	4,800	3.1	920	13.2	920	12.9	620	9.0	24.90
Year ending Mar. 2026	9,680	2.6	1,740	-1.5	1,750	-1.7	1,200	-5.1	48.20

(Note) Revisions to business forecast for the period: None

***Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting procedures specific to preparation of the quarterly consolidated financial statements: Yes

(Note) Application of accounting procedures specific to preparation of the quarterly consolidated financial statements. For more details, please refer to "Notes on accounting procedures specific to preparation of the quarterly consolidated financial statements" on page 7 of the attached material.

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

- ① Changes in accounting policies associated with revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(4) Shares outstanding (common stock)

- ① Number of shares outstanding at the end of period (treasury stock included)
 - As of June 2025 25,035,034 shares
 - As of March 2025 25,035,034 shares
- ② Treasury stock at the end of period:
 - As of June 2025 117,063 shares
 - As of March 2025 116,163 shares
- ③ Average number of stock during period (quarterly cumulative period)
 - Three months ended June 2025 24,918,120 shares
 - Three months ended June 2024 24,860,196 shares

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None***** Explanation regarding appropriate use of business forecasts and other special instructions**

Above forecasts are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors.

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1. Overview of Operating Results and Others

(1) Overview of Operating Results for the First Three Months

During the three months ended June 30, 2025, the Japanese economy continued to show a gradual recovery trend, despite downward pressure from persistently high raw material and energy prices and rising prices due to geopolitical risks and ongoing trade friction between the U.S. and China. However, the uncertain situation continued especially in the manufacturing industry, due to the impact of the U.S. tariff policy.

As for the situation of the major consumers for the products of the Company group (the “Group”), the market of semiconductor and electronic components and devices performed solidly, driven mainly by demand for AI-related products and data centers, while demand for automotive-related products, especially export-oriented molds, stagnated due to the uncertain outlook for U.S. tariffs. On the other hand, performance overseas was strong due to securing orders related to electric vehicles (EV) and smartphones mainly in Greater China.

Amid such an environment, the Group presented its new product SSR400, CBN 4-Flute Long Neck Corner Radius End Mill at “INTERMOLD2025” held in April, and proposed products and technologies to meet various needs of users.

In terms of products, in addition to the new product SSR400, we launched SSPB320, CBN 3-Flute Long Neck Ball End Mill, and added a specification of MRBTNH230, MUGEN COATING PREMIUM 2-Flute Long Taper Neck Ball End Mill.

In terms of production, we aimed to reduce costs by building an efficient production system, mainly through the “Orange FC Activities,” the Group’s improvement activities conducted in small groups, making efforts to shorten lead times while maintaining high precision and high quality.

As a result, net sales for the three months ended June 30, 2025 were ¥2,266 million (down 0.5% year on year), operating profit was ¥390 million (up 15.5% year on year), ordinary profit was ¥399 million (up 17.7% year on year), and profit attributable to owners of parent was ¥262 million (up 18.8% year on year).

By product category, sales of “End mills (diameter 6 mm or less)” were ¥1,797 million (down 1.2% year on year), sales of “End mills (diameter over 6 mm)” were ¥184 million (down 1.8% year on year), sales of “End mills (other)” were ¥99 million (down 1.0% year on year), and sales of “Other” were ¥184 million (up 9.8% year on year).

(Note) Since there is only one reportable segment, the information is presented by product category. The “Other” business segment is included in “Other” by product category.

(2) Overview of Financial Position for the First Three Months

As for the consolidated financial position as of June 30, 2025, total assets decreased by ¥390 million compared to the end of the previous fiscal year to ¥19,551 million. This was mainly due to a decrease in cash and deposits for the payment of income taxes and bonuses.

Furthermore, liabilities decreased by ¥251 million compared to the end of the previous fiscal year to ¥1,274 million. This was mainly due to decreases in income taxes payable and provision for bonuses.

Net assets decreased by ¥138 million compared to the end of the previous fiscal year to ¥18,277 million, mainly due to a decrease in retained earnings for payment of dividends. Equity-to-asset ratio as of June 30, 2025 amounted to 92.5%.

(3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements

With respect to the forecast of business results for the fiscal year ending March 31, 2026, there is no change from the business results forecast announced on May 15, 2025.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	9,868,215	9,450,747
Notes and accounts receivable - trade	1,393,362	1,318,629
Merchandise and finished goods	1,408,719	1,417,016
Work in process	239,620	229,075
Raw materials and supplies	659,722	687,496
Other	221,890	122,699
Total current assets	13,791,530	13,225,663
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,322,846	2,322,920
Machinery, equipment and vehicles, net	1,334,516	1,302,078
Land	800,483	885,086
Construction in progress	244,181	355,194
Other, net	140,031	135,614
Total property, plant and equipment	4,842,059	5,000,894
Intangible assets	15,923	27,851
Investments and other assets		
Investment securities	31,515	33,615
Insurance funds	628,718	629,117
Deferred tax assets	490,151	494,755
Other	142,011	139,664
Total investments and other assets	1,292,396	1,297,152
Total non-current assets	6,150,379	6,325,898
Total assets	19,941,910	19,551,561

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	213,984	214,449
Income taxes payable	270,394	155,691
Provision for bonuses	282,541	130,842
Provision for bonuses for directors (and other officers)	95,162	22,752
Other	438,985	530,499
Total current liabilities	1,301,067	1,054,234
Non-current liabilities		
Long-term accounts payable - other	224,952	219,552
Other	—	350
Total non-current liabilities	224,952	219,902
Total liabilities	1,526,019	1,274,136
Net assets		
Shareholders' equity		
Share capital	455,330	455,330
Capital surplus	418,223	418,223
Retained earnings	17,347,302	17,235,917
Treasury shares	(134,548)	(135,590)
Total shareholders' equity	18,086,307	17,973,880
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,058	8,418
Foreign currency translation adjustment	128,339	100,942
Total accumulated other comprehensive income	135,398	109,360
Share acquisition rights	194,184	194,184
Total net assets	18,415,890	18,277,425
Total liabilities and net assets	19,941,910	19,551,561

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**Quarterly Consolidated Statement of Income**

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	2,276,661	2,266,127
Cost of sales	1,110,325	1,042,330
Gross profit	1,166,335	1,223,796
Selling, general and administrative expenses	828,057	833,037
Operating profit	338,278	390,759
Non-operating income		
Interest income	27	166
Dividend income	373	483
Commission income	237	237
Gain on sale of scraps	3,476	3,688
Foreign exchange gains	–	2,745
Other	379	2,123
Total non-operating income	4,495	9,443
Non-operating expenses		
Rental expenses	–	708
Foreign exchange losses	3,250	–
Other	0	–
Total non-operating expenses	3,251	708
Ordinary profit	339,522	399,494
Extraordinary income		
Gain on sale of non-current assets	714	36
Total extraordinary income	714	36
Extraordinary losses		
Loss on sale of non-current assets	–	95
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	95
Profit before income taxes	340,237	399,435
Income taxes	119,536	137,213
Profit	220,700	262,221
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	220,700	262,221

Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	220,700	262,221
Other comprehensive income		
Valuation difference on available-for-sale securities	1,122	1,359
Foreign currency translation adjustment	26,701	(27,397)
Total other comprehensive income	27,824	(26,037)
Comprehensive income	248,524	236,184
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	248,524	236,184
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements**Notes on accounting procedures specific to preparation of the quarterly consolidated financial statements**

With regard to the Company and certain subsidiaries, tax expenses are calculated by multiplying the profit before income taxes by the reasonably estimated effective tax rates after the application of tax effect accounting to the profit before income taxes for the fiscal year including the first quarter of the current fiscal year.

Notes on segment information, etc.

[Segment information]

Three months ended June 30, 2024 and three months ended June 30, 2025

The reportable segments of the Group are components of the Group for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

The Group conducts its business activities having established a strategy for each product department with a systematic division of modes of manufacture, markets and customers for its products.

Accordingly, the Group is comprised of two business segments that are divided according to product department: “End mills” and “Other.” “End mills” constitutes the mainstay business operated by the Group, and is engaged in the manufacture and sale of cutting tools centered on small-diameter cemented carbide end mills. “Other” includes businesses engaged in the manufacture and sale of plastic-molded products centered on tool cases. “End mills” is further divided in the following manner according to the size and other aspects of the products: “End mills (diameter 6 mm or less),” “End mills (diameter over 6 mm)” and “End mills (Other).”

Note that as both the amount of net sales and profit (loss) and amount of assets of the business segments under “Other” make up less than 10% of the total amount for all business segments, the Group has rendered them into a single reporting segment.

Notes when there are significant changes in amounts of shareholders’ equity

Not applicable.

Notes on uncertainties of entity’s ability to continue as going concern

Not applicable.

Notes on quarterly consolidated statement of cash flows

Quarterly consolidated statement of cash flows is not prepared for the three months ended June 30, 2025.

Depreciation (including amortization of intangible assets) for the three months ended June 30, 2024 and 2025 is as follows.

	(Thousands of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	147,339	145,875