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Summary of Business Results for the Third Quarter Ended December 31, 2025 [Japan GAAP] (Consolidated)

January 30, 2026

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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 nine months ended December 2025 (April 1, 2025 through December 31, 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	%
Nine months ended Dec. 2025	6,955	-1.2	1,283	-1.1	1,312	0.8	924	0.7
Nine months ended Dec. 2024	7,042	4.3	1,297	-3.8	1,302	-4.3	918	-1.1

(Note) Comprehensive income:

Nine months ended December 2025: 901 million yen (-2.4%)

Nine months ended December 2024: 923 million yen (-5.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Dec. 2025	37.18	36.89
Nine months ended Dec. 2024	36.90	36.61

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 2025	19,365	18,113	92.5	734.59
As of Mar. 2025	19,941	18,415	91.4	731.24

(Reference) Equity:

As of December 2025: 17,919 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	–	15.00	–	–	–
Year ending Mar. 2026 (forecast)	–	–	–	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
Year ending Mar. 2026	9,140	-3.1	1,310	-25.9	1,330	-25.3	940	-25.7	37.69

(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 December 2025 25,035,034 shares

As of March 2025 25,035,034 shares

② Treasury stock at the end of period:

As of December 2025 641,263 shares

As of March 2025 116,163 shares

③ Average number of stock during period (quarterly cumulative period)

Nine months ended December 2025 24,874,795 shares

Nine months ended December 2024 24,889,527 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 Nine Months

During the nine months ended December 31, 2025, the Japanese economy continued to show a gradual recovery trend, driven by AI-related demand, despite the temporary impact of U.S. tariff issues, especially on exporting companies. However, the outlook remains uncertain due to soaring prices, ongoing geopolitical risks, and trends in U.S. trade policy.

As for the situation of the major consumers for the products of the Company group (the “Group”), in Japan, the market of semiconductors and electronic components and devices generally remained strong, mainly for AI-related products and data centers. In the automotive-related sector, there was some movement in export-oriented molds and mass-production parts processing, which had remained stagnant due to the strong impact of U.S. tariff issues. As for performance overseas, orders related to automobiles, optics, and data centers were generally strong mainly in Asia including Greater China.

Amid such an environment, the Group exhibited at MECHATRONICS TECHNOLOGY JAPAN 2025, a machine tool show held in Nagoya in October, where it announced four new product models and promoted products tailored to machining applications.

In terms of products, we promoted agile development, aiming to release ten new product models in the fiscal year ending March 31, 2026, and launched nine new product models by December. We launched the new products SSPB220, CBN Super Spiral Ball End Mill in October, and RSE325LH, 3-Flute Left-Hand Helix, Right-Hand Cut Square End Mill for Burr Reduction in Resin Machining and MHRSH430RSF, 4-Flute Long Neck Corner Radius End Mill for Hardened Steel and High Accuracy Cutting in December.

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 nine months ended December 31, 2025 were ¥6,955 million (down 1.2% year on year), operating profit was ¥1,283 million (down 1.1% year on year), ordinary profit was ¥1,312 million (up 0.8% year on year), and profit attributable to owners of parent was ¥924 million (up 0.7% year on year).

By product category, sales of “End mills (diameter 6 mm or less)” were ¥5,562 million (down 0.9% year on year), sales of “End mills (diameter over 6 mm)” were ¥583 million (down 2.8% year on year), sales of “End mills (other)” were ¥280 million (down 15.0% year on year), and sales of “Other” were ¥527 million (up 6.1% 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 Nine Months

As for the consolidated financial position as of December 31, 2025, total assets decreased by ¥576 million compared to the end of the previous fiscal year to ¥19,365 million. This was mainly due to a decrease in cash and deposits for the buyback of treasury stock and the payment of income taxes and bonuses.

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

Net assets decreased by ¥302 million compared to the end of the previous fiscal year to ¥18,113 million due to an increase in treasury stock, etc. Equity-to-asset ratio as of December 31, 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 October 31, 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 December 31, 2025
Assets		
Current assets		
Cash and deposits	9,868,215	9,474,337
Notes and accounts receivable - trade	1,393,362	1,265,724
Merchandise and finished goods	1,408,719	1,412,843
Work in process	239,620	237,538
Raw materials and supplies	659,722	637,626
Other	221,890	173,169
Total current assets	13,791,530	13,201,239
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,322,846	2,252,796
Machinery, equipment and vehicles, net	1,334,516	1,210,017
Land	800,483	885,086
Construction in progress	244,181	307,662
Other, net	140,031	154,057
Total property, plant and equipment	4,842,059	4,809,619
Intangible assets	15,923	27,144
Investments and other assets		
Investment securities	31,515	40,185
Insurance funds	628,718	630,385
Deferred tax assets	490,151	496,121
Other	142,011	160,600
Total investments and other assets	1,292,396	1,327,293
Total non-current assets	6,150,379	6,164,057
Total assets	19,941,910	19,365,296

(Thousands of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	213,984	212,728
Income taxes payable	270,394	148,284
Provision for bonuses	282,541	159,285
Provision for bonuses for directors (and other officers)	95,162	60,577
Other	438,985	450,992
Total current liabilities	1,301,067	1,031,867
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	1,251,769
Net assets		
Shareholders' equity		
Share capital	455,330	455,330
Capital surplus	418,223	418,223
Retained earnings	17,347,302	17,495,908
Treasury shares	(134,548)	(562,025)
Total shareholders' equity	18,086,307	17,807,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,058	12,955
Foreign currency translation adjustment	128,339	98,949
Total accumulated other comprehensive income	135,398	111,905
Share acquisition rights	194,184	194,184
Total net assets	18,415,890	18,113,526
Total liabilities and net assets	19,941,910	19,365,296

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

(Thousands of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	7,042,802	6,955,149
Cost of sales	3,310,834	3,199,303
Gross profit	3,731,967	3,755,845
Selling, general and administrative expenses	2,434,763	2,472,551
Operating profit	1,297,204	1,283,293
Non-operating income		
Interest income	78	209
Dividend income	805	1,083
Gain on sale of scraps	13,023	24,526
Other	2,946	7,265
Total non-operating income	16,853	33,083
Non-operating expenses		
Rental expenses	-	2,124
Foreign exchange losses	11,128	-
Commission expenses	5	1,514
Other	20	-
Total non-operating expenses	11,154	3,638
Ordinary profit	1,302,903	1,312,739
Extraordinary income		
Gain on sale of non-current assets	1,165	250
Total extraordinary income	1,165	250
Extraordinary losses		
Loss on sale of non-current assets	444	95
Loss on retirement of non-current assets	2,203	243
Total extraordinary losses	2,648	338
Profit before income taxes	1,301,421	1,312,651
Income taxes	382,963	387,880
Profit	918,458	924,770
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	918,458	924,770

Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	918,458	924,770
Other comprehensive income		
Valuation difference on available-for-sale securities	2,056	5,896
Foreign currency translation adjustment	3,130	(29,390)
Total other comprehensive income	5,187	(23,493)
Comprehensive income	923,645	901,276
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	923,645	901,276
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 third quarter of the current fiscal year.

Notes on segment information, etc.

[Segment information]

Nine months ended December 31, 2024 and nine months ended December 31, 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 nine months ended December 31, 2025. Depreciation (including amortization of intangible assets) for the nine months ended December 31, 2024 and 2025 is as follows.

	(Thousands of yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	473,601	446,650

Additional information*Changes in presentation*

Consolidated statement of income

“Commission expenses,” which was included in “Other” under “Non-operating expenses” in the nine months ended December 31, 2024, has been separately presented from the nine months ended December 31, 2025, since the amount exceeded 20% of the total amount of non-operating expenses. To reflect this change in

presentation, the quarterly consolidated financial statements for the nine months ended December 31, 2024 has been reclassified.

As a result, ¥26 thousand presented in “Other” under “Non-operating expenses” in the quarterly consolidated statement of income for the nine months ended December 31, 2024, has been reclassified as “Commission expenses” of ¥5 thousand and “Other” of ¥20 thousand.