

# Flash Report for 1st quarter Ended March 31, 2025 (on a consolidated basis) [Japan GAAP]

May 12, 2025

Name: Nakanishi Inc. Stock listing: Tokyo Stock Exchange : Standard Market

Code Number: 7716 URL: <http://www.nsk-nakanishi.co.jp>

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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, 2025)

### (1) Operating Results

	Millions of yen					
	Net sales		EBITDA		Operating income	
1st quarter ended March 31, 2025	18,542	2.1%	4,755	-10.1%	3,361	-15.7%
1st quarter ended March 31, 2024	18,159	33.4%	5,287	15.1%	3,988	1.2%

  

	Millions of yen					
	Ordinary income		Income attributable to owners of parent		Earnings per share (yen)	Diluted EPS (yen)
1st quarter ended March 31, 2025	2,626	-47.9%	440	-86.8%	5.23	5.21
1st quarter ended March 31, 2024	5,043	12.2%	3,339	3.0%	39.24	39.12

- Notes:
- Percentage figures for net sales, operating income, ordinary income and net income represent year-on-year comparisons.
  - Comprehensive income for reporting period:  
1st quarter ended March 31, 2025 -2,658 million (-)  
1st quarter ended March 31, 2024 6,881 million (78.9%)
  - EBITDA (Operating income + Depreciation + Goodwill amortization)

### (2) Financial Position

	Millions of yen		
	Total assets	Net assets	Equity ratio
As of March 31, 2025	151,834	115,031	75.5%
As of December 31, 2024	158,299	121,199	76.3%

Note: Owners' equity As of March 31, 2025 114,664 million  
As of December 31, 2024 120,822 million

## 2. Dividends

	Cash dividends per share (yen)				
	1st quarter	2nd quarter	3rd quarter	Year-end	Annual
Year ending December 31, 2024	—	26.00	—	26.00	52.00
Year ending December 31, 2025	—				
Year ending December 31, 2025 (forecast)		26.00	—	28.00	54.00

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, 2025)

	Millions of yen								
	Net sales		Operating income		Ordinary income		Income attributable to owners of parent		Earnings per share (yen)
First-half period	38,616	0.2	5,478	-33.9	5,854	-44.4	2,727	-61.2	32.30
Full year	80,655	4.7	13,150	-9.9	13,840	-19.9	8,372	-2.4	99.14

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

2. Revisions to performance forecasts during the period: 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.: 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, 2025: 93,418,200 shares

As of December 31, 2024: 93,418,200 shares

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

As of March 31, 2025: 9,528,318 shares

As of December 31, 2024: 8,961,118 shares

Average number of shares during the period

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

1st quarter ended March 31, 2024: 85,113,206 shares

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## 1. Qualitative Information on Quarterly Financial Results

In Regarding Guilin Refine Medical Instrument Co., Ltd., whose shares were acquired on October 30, 2023, provisional accounting treatment was applied. However, as it was finalized in the previous consolidated fiscal year, the amounts after the review due to the finalization of the provisional accounting treatment are used for comparison and analysis with the previous first quarter consolidated cumulative period.

### (1) Explanation of Results of Operations

During the first quarter consolidated cumulative period, the global economy showed resilience in the U.S. despite the impact of additional tariff measures, with solid employment conditions and a robust non-manufacturing sector. In Europe, the service sector drove economic activity, and consumption gradually recovered, although Germany's manufacturing sector continued to struggle.

In Japan, a moderate recovery trend was maintained, but consumer spending stagnated due to high prices. Although wages and employment conditions improved, export activity remained weak, and uncertainty increased due to the impact of Trump tariffs.

Under these circumstances, industrial sales decreased but all other segments sales increased. However, EBITDA, operating income, ordinary income and income attributable to owners of parent for the quarter decreased.

As a result, the Group sales were ¥18,542,514 thousand (+2.1% year on year), EBITDA ¥4,755,316 thousand (-10.1%), operating income was ¥3,361,818 thousand (-15.7%), ordinary income was ¥2,626,903 thousand (-47.9%) and income attributable to owners of parent for the quarter was ¥440,361 thousand (-86.8%).

The following is a breakdown of business performance by segment.

#### (Dental segment)

In Dental segment, Domestic, North America and Asia sales decreased, but Europe sales increased. Total Dental segment sales increased. Segment EBITDA and segment operating income decreased.

As a result, sales were ¥11,323,992 thousand (+2.9%), segment EBITDA was ¥4,731,622 thousand (-1.1%) and segment operating income was ¥4,176,541 thousand (-3.1%).

#### (DCI segment)

In DCI segment, Sales to DSOs (Dental Service Organizations) have leveled off and are now comparable to the same period last year. Segment EBITDA and segment operating income decreased.

As a result, sales were ¥4,547,331 thousand (+0.2%), segment EBITDA was ¥436,714 thousand (-39.4%), and segment operating loss was ¥161,656 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 ¥1,164,185 thousand (+14.6%), segment EBITDA was ¥631,031 thousand (+12.8%) and segment operating income was ¥593,436 thousand (+11.4%).

#### (Industrial segment)

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

As a result, sales were ¥1,507,005 thousand (-5.8%), segment EBITDA was ¥164,174 thousand (-61.5%) and segment operating income was ¥87,465 thousand (-69.7%).

(2) Explanation of Financial Position

(Assets, liabilities and net asset)

Total assets at the end of 1st quarter were ¥151,834,466 thousand and decreased by ¥6,465,076 thousand compared with the end of the previous fiscal year. The main reasons were that Goodwill decreased by ¥1,525,489 thousand, Investment securities decreased by ¥715,743 thousand and Accounts receivable – trade decreased by ¥629,586 thousand.

Total liabilities were ¥36,802,656 thousand and decreased by ¥297,524 thousand compared with the end of the previous fiscal year. The main reason was that Deferred tax liabilities decreased by ¥350,345 thousand.

Net asset was ¥115,031,809 thousand and decreased by ¥6,167,552 thousand compared with the end of the previous fiscal year. The main reasons were that Foreign currency translation adjustment decreased by ¥2,795,767 thousand, Retained earnings decreased by ¥1,755,522 thousand and Treasury shares increased by ¥1,303,189 thousand and

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

Our company will revise our business performance forecasts it released on February 12, 2025.

The following table shows our forecasts of business performance for the fiscal year 2025.

First-half period

	The amount	%
Sales	¥38,616 million	0.2
EBITDA	¥8,368 million	-24.3
Operating income	¥5,478 million	-33.9
Ordinary profit	¥5,854 million	-44.4
Net income attributable to owners of parent	¥2,727 million	-61.2

Full year

	The amount	%
Sales	¥80,655 million	4.7
EBITDA	¥18,932 million	-7.5
Operating income	¥13,150 million	-9.9
Ordinary profit	¥13,840 million	-19.9
Net income attributable to owners of parent	¥8,372 million	-2.4

(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, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	46,051,104	43,830,883
Notes receivable - trade	138,162	133,295
Accounts receivable - trade	9,358,851	8,729,264
Securities	1,060,866	1,123,602
Merchandise and finished goods	12,978,197	12,994,223
Work in process	5,859,091	5,817,427
Raw materials and supplies	6,187,535	6,165,199
Other	3,376,300	3,090,586
Allowance for doubtful accounts	-124,051	-118,674
Total current assets	84,886,057	81,765,807
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,446,911	24,421,553
Machinery, equipment and vehicles	11,489,556	11,636,714
Tools, furniture and fixtures	7,989,321	8,086,920
Land	2,670,345	2,618,845
Construction in progress	641,114	657,413
Accumulated depreciation	-22,107,151	-22,528,828
Total property, plant and equipment	25,130,098	24,892,619
Intangible assets		
Software	781,807	767,848
Software in progress	341,149	429,329
Goodwill	21,389,783	19,864,293
Customer-related intangible assets	8,484,253	7,869,365
Other	7,198,893	6,921,881
Total intangible assets	38,195,887	35,852,718
Investments and other assets		
Investment securities	5,847,139	5,131,395
Shares of subsidiaries and associates	592,916	564,530
Insurance funds	626,547	669,285
Retirement benefit asset	13,653	19,560
Deferred tax assets	856,931	788,210
Other	2,204,662	2,203,760
Allowance for doubtful accounts	-54,351	-53,421
Total investments and other assets	10,087,499	9,323,320
Total non-current assets	73,413,485	70,068,658
<b>Total assets</b>	<b>158,299,542</b>	<b>151,834,466</b>

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,648,193	2,609,172
Short-term borrowings	13,922,565	13,901,505
Current portion of long-term borrowings	1,830,167	2,531,135
Income taxes payable	2,022,230	2,196,053
Provision for bonuses	595,320	723,092
Other provisions	214,777	214,777
Other	6,691,981	5,039,469
Total current liabilities	27,925,235	27,215,205
Non-current liabilities		
Long-term borrowings	2,975,779	3,841,221
Retirement benefit liability	173,035	176,385
Deferred tax liabilities	5,415,024	5,064,679
Other	611,105	505,165
Total non-current liabilities	9,174,945	9,587,451
Total liabilities	37,100,181	36,802,656
<b>Net assets</b>		
Shareholders' equity		
Share capital	867,948	867,948
Capital surplus	2,583,551	2,583,315
Retained earnings	116,593,183	114,837,661
Treasury shares	-12,025,058	-13,328,248
Total shareholders' equity	108,019,625	104,960,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,931,165	1,628,151
Foreign currency translation adjustment	10,871,895	8,076,128
Total accumulated other comprehensive income	12,803,060	9,704,279
Share acquisition rights	366,852	366,852
Non-controlling interests	9,823	-
Total net assets	121,199,361	115,031,809
Total liabilities and net assets	158,299,542	151,834,466

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

(Consolidated Quarterly Statements of Income)

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	18,159,888	18,542,514
Cost of sales	7,187,588	7,465,590
Gross profit	10,972,300	11,076,924
Selling, general and administrative expenses	6,983,583	7,715,105
Operating profit	3,988,716	3,361,818
Non-operating income		
Interest income	172,812	226,435
Dividend income	4	5
Surrender value of insurance policies	20,374	–
Subsidy income	53,218	10,000
Foreign exchange gains	729,611	–
Miscellaneous income	102,477	85,863
Total non-operating income	1,078,496	322,305
Non-operating expenses		
Interest expenses	9,514	35,784
Loss on investments in money held in trust	480	–
Commission expenses	2,345	1,448
Foreign exchange losses	–	1,011,590
Miscellaneous losses	10,902	8,397
Total non-operating expenses	23,242	1,057,220
Ordinary profit	5,043,970	2,626,903
Extraordinary losses		
Loss on sale of non-current assets	2,223	57
Loss on retirement of non-current assets	17,612	16
Total extraordinary losses	19,835	73
Profit before income taxes	5,024,134	2,626,829
Income taxes - current	1,797,145	838,309
Income taxes for prior periods	–	1,200,000
Income taxes - deferred	-112,919	148,157
Total income taxes	1,684,225	2,186,467
Profit	3,339,908	440,361
Profit attributable to non-controlling interests	305	–
Profit attributable to owners of parent	3,339,603	440,361



## (Consolidated Quarterly Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	3,339,908	440,361
Other comprehensive income		
Valuation difference on available-for-sale securities	96,064	-303,013
Foreign currency translation adjustment	3,445,432	-2,795,767
Total other comprehensive income	3,541,496	-3,098,780
Comprehensive income	6,881,405	-2,658,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,880,741	-2,658,418
Comprehensive income attributable to non-controlling interests	664	—

(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, 2024 (From January 1, 2024 to March 31, 2024)

(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	11,007,337	4,536,726	1,015,743	1,600,081	18,159,888	–	18,159,888
Transactions with other segments	57,738	–	–	–	57,738	-57,738	–
Net sales	11,065,076	4,536,726	1,015,743	1,600,081	18,217,627	-57,738	18,159,888
Operating profit (loss)	4,309,223	159,902	532,670	289,122	5,290,918	-1,302,202	3,988,716

- Notes:
1. Adjustments to segment profit chiefly comprise general administrative and testing/research 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, 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)	4,176,541	-161,656	593,436	87,465	4,695,786	-1,333,968	3,361,818

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