

BUSINESS REPORT 2025

From December 1, 2024 to November 30, 2025



NACHI

NACHI-FUJIKOSHI CORP.

Securities Code: 6474

TO OUR SHAREHOLDERS

We would like to express our sincere gratitude to our shareholders for your continued support and cooperation.

We hereby report the results for the NACHI-FUJIKOSHI Group for the period from December 1, 2024 to November 30, 2025.

Business Environment

The Group continues to face an uncertain business environment. While the automotive sector has seen a gradual recovery in the second half of the fiscal year, uncertainty persists due to factors such as U.S. trade policy, rising prices, economic stagnation in China, the prolonged geopolitical risks in Russia-Ukraine and the Middle East, and volatility in financial and capital markets.

Business Progress and Results

Under these circumstances, the Group has been making full use of its strength as a comprehensive machinery manufacturer while taking into account major industrial structural changes in the medium to long term, such as the shift toward decarbonization and increased adoption of EVs. With a particular focus on robots, the Group is leveraging its strengths in the cutting tools, machine tools, bearings, hydraulic equipment, and special steel businesses to develop new products and offer technical proposals that contribute to users' manufacturing, while further expanding its sales offices, particularly in the U.S., in order to realize the expansion of orders and sales. We have also been further advancing structural reform across our overall business, including the optimization of equipment and personnel, the consolidation of standard bearings production, the streamlining of operations across all departments, and the expansion of in-sourcing of manufacturing, aiming to improve profitability.

As a result of the above, net sales for this consolidated fiscal year were 235.9 billion yen (a decrease of 1.7% YoY), reflecting a gradual recovery in production among some domestic manufacturers in the automotive sector, but also the impact of revised capital investment plans in China and sluggish domestic demand in the construction machinery sector. This includes domestic sales of 115.9 billion yen (a decrease of 1.3% YoY) and overseas sales of 119.9 billion yen (a decrease of 2.0% YoY).

In terms of profitability, although operating rates deteriorated for robots, special steels, and other products, operating profit and ordinary profit were 9.7 billion yen (an increase of 47.3% YoY) and 8.3 billion yen (an increase of 97.6% YoY), as a result of our efforts to reduce fixed costs through structural reform, pass raw material price increases onto sales prices, automate and streamline production lines, and reduce procurement costs. In addition, we made further progress in reducing cross-shareholding stocks to improve capital efficiency, leading to extraordinary income of 3.1 billion yen recorded as gain on sale of investment securities. By contrast, promoting the optimization of personnel and surplus equipment led to extraordinary losses of 3.1 billion yen recorded as structural reform costs. Profit attributable to owners of the parent was therefore 5.2 billion yen (an increase of 56.7% YoY).

Dividends

With regard to the year-end dividends, we have taken factors including consolidated business results and the dividend payout ratio into comprehensive consideration and have decided to allocate 100 yen per share.

Future Initiatives

Regarding the future business environment, the automotive sector, the Group's key field of business, is undergoing a period of major transformation, with the advancement of EV adoption for carbon neutrality centered on developed countries and China, as well as the development of automobiles that are integrated with AI and digital technologies. Furthermore, in industrial machinery, as well as other sectors, there is growing demand for product development and productivity improvement through DX and AI in manufacturing, the utilization of generative AI, and responses to social and environmental issues including the SDGs.

In response to this major transformation in industrial structure, the Group will position robots as the core of its business growth and provide high-value-added manufacturing and solutions centered on the growing markets of the U.S. and India, with the aim of achieving medium-to-long-term growth and enhancing corporate value. We will strengthen our capabilities in sales, service, manufacturing, procurement, and research and development to capture market trends and customer needs and expand sales of competitive products and services. Additionally, we will strive to further enhance our business performance by reorganizing our global plants to respond to shifting demand, as well as improving productivity through automation and streamlining. Furthermore, with the goal of achieving sustainable business growth, we will commit to addressing environmental, social and governance issues through our business activities.

We would like to express our sincerest appreciation to all of our shareholders and other stakeholders for their continued support.

February 2026



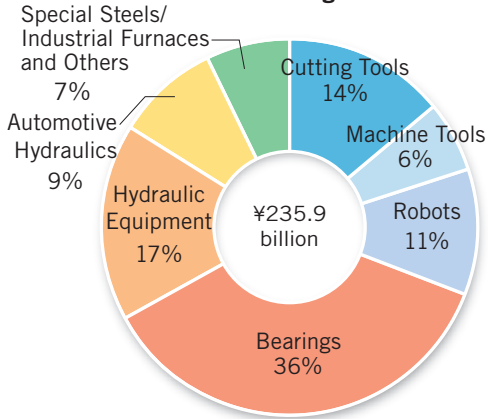
Representative Director,
President

Naritoshi Nakamura

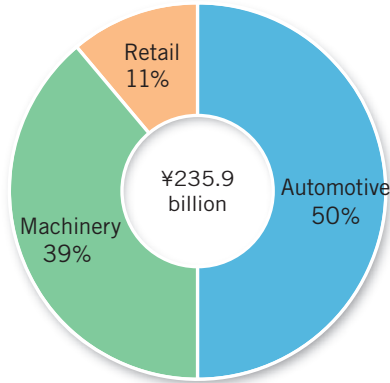
RESULTS OF OPERATIONS (Consolidated)

Composition of Sales

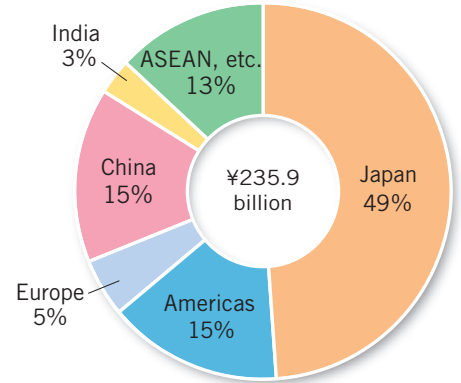
Business Segment



Market



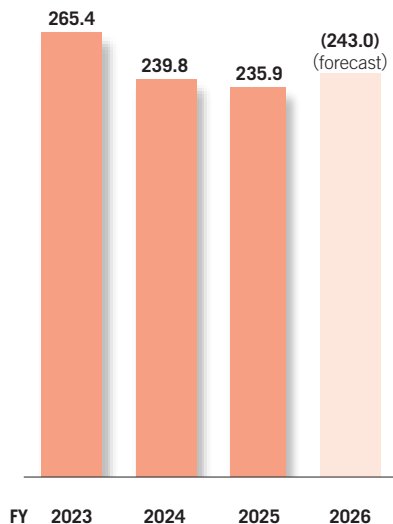
Region



Trend in Business Results

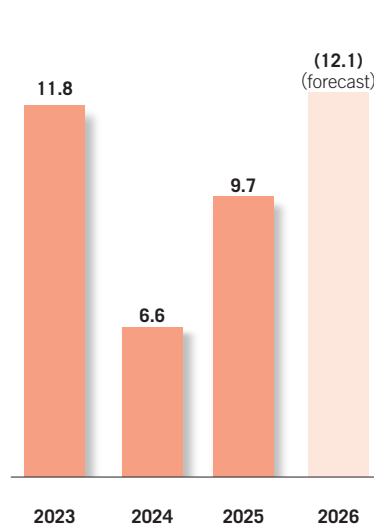
Net Sales

(billions of yen)



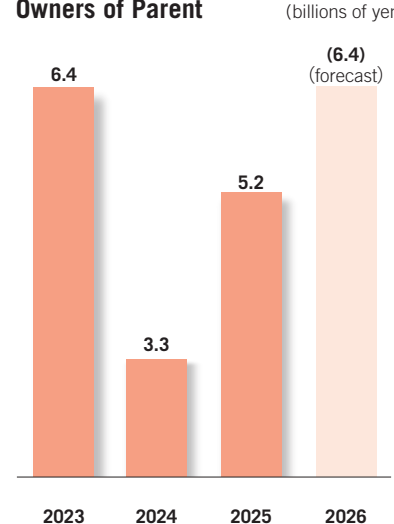
Operating Profit

(billions of yen)



Profit Attributable to Owners of Parent

(billions of yen)



TOPICS

Shift in Management Policy

In anticipation of changes in the business environment, we will shift our policy to position the robotics business, which offers high market growth potential, as the core of our operations and concentrate our management resources accordingly, with the aim of achieving medium- to long-term growth and enhancing corporate value.

1. Positioning Robots at the Core of the Company

We will advance business performance improvement with the robotics business at the core, capturing the growing demand for automation driven by factors such as labor shortages in manufacturing due to declining birthrates and aging populations in developed countries. In addition, we will work to strengthen and develop AI talent, and focus on developing autonomous robots that integrate AI and robotics.

Collision-Free Collaborative Robot That Stops Automatically Upon Detecting People: New Collaborative Robot MZS05

The MZS05 detects the approach of people and stops before making contact with them.

As the first step for the autonomous robots that we aspire to develop, it is equipped with our proprietary sensors.



At the “International Robot Exhibition 2025” held in December 2025, we introduced the MZS05 and other new products at our booth, and were pleased to welcome a large number of visitors.

○Launch of the Official NACHI-FUJIKOSHI YouTube Channel



We have launched our official YouTube channel.

This channel mainly features videos introducing our products and coverage of exhibitions.

We will continue to enrich our content and provide valuable information to all of our viewers. Please search for “NACHI-FUJIKOSHI CORP.” on YouTube or scan the QR code to visit the channel.

NACHI-FUJIKOSHI CORP. 



2. Order Expansion

We will work to expand net sales through strengthening our sales force and expanding sales of new products, with the aim of further earning profit.

○ Strengthening Our Sales Force

To strengthen our sales force in the U.S. and India, which we have positioned as key growth markets, we established new sales offices in San Jose and Dallas in 2025.

We also established a new sales office in Pune in western India, where we will expand sales of all products, particularly robots.



NACHI AMERICA INC.



NACHI TECHNOLOGY INDIA PVT. LTD.

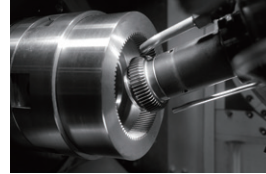
○ Expanding Sales of New Products

We will create new demand and expand orders by developing proprietary products that leverage our unique technology and know-how.



LA AquaREVO Series

Responding to challenges faced on the shop floor, the tool length has been optimized for CNC automatic lathes. This eliminates the time and effort required for tool selection and changeovers, contributing to improved productivity for our customers.



Air Skiving System

Achieves a significant improvement in tool life during dry machining without the use of cutting fluids. Reduces tooling costs, which had been a challenge in skiving operations.

3. Structural Reform

We are advancing profit improvement through the consolidation of production based on the idea of production in optimal locations, particularly at the Bearings Department. Following the consolidation of standard radial bearing production in Thailand, we are working on the reorganization of global production sites, including the transfer of special bearings for automotive use to Japan and the transfer of precision bearings for industrial machinery use to production sites within China.

Thailand plant



Standard radial bearings

Toyama plant



Specialty bearings for automotive use

Chinese plant



Precision bearings for industrial machinery use

SUMMARY OF FINANCIAL STATEMENTS

Consolidated Balance Sheets

(millions of yen)

Item	November 30, 2024 (for your reference)	November 30, 2025
ASSETS:		
Current assets	170,438	168,690
Cash and deposits	34,263	32,204
Notes and accounts receivable, and contract assets	54,049	53,561
Electronically recorded monetary claims - operating	8,700	8,559
Inventories	67,162	68,292
Other	6,262	6,072
Fixed assets	164,319	162,604
Property, plant and equipment	115,563	108,875
Buildings and structures	32,189	31,749
Machinery, equipment and vehicles	64,602	58,004
Land	10,218	10,603
Other	8,553	8,516
Intangible fixed assets	4,282	4,025
Investments and other assets	44,473	49,703
Total assets	334,757	331,295

(millions of yen)

Item	November 30, 2024 (for your reference)	November 30, 2025
LIABILITIES:		
Current liabilities	93,848	80,696
Notes and accounts payable	15,396	15,478
Electronically recorded obligations-operating	23,305	16,891
Short-term borrowings	28,210	21,226
Other	26,936	27,099
Long-term liabilities	76,243	76,347
Long-term borrowings	52,853	51,987
Provision for retirement benefits	8,662	8,066
Other	14,726	16,294
Total liabilities	170,091	157,044
NET ASSETS:		
Shareholders' equity	130,628	131,701
Share capital	16,074	16,074
Capital surplus	11,543	13,347
Retained earnings	111,352	114,300
Treasury stock	-8,343	-12,021
Accumulated other comprehensive income	28,205	38,895
Non-controlling interests	5,831	3,652
Total net assets	164,665	174,250
Total liabilities and net assets	334,757	331,295

Consolidated Statements of Profit

(millions of yen)

Item	Year Ended November 30, 2024 (for your reference)	Year Ended November 30, 2025
Net sales	239,892	235,903
Operating profit	6,636	9,773
Ordinary profit	4,236	8,370
Extraordinary income	4,877	3,153
Extraordinary losses	4,384	3,411
Profit before income taxes and minority interests	4,729	8,112
Profit attributable to owners of parent	3,351	5,250

Consolidated Statements of Cash Flows

(millions of yen)

Item	Year Ended November 30, 2024 (for your reference)	Year Ended November 30, 2025
Cash flows from operating activities	31,458	17,938
Cash flows from investing activities	-7,631	-5,286
Cash flows from financing activities	-24,359	-15,915
Net decrease in cash and cash equivalents	-1,066	-2,400
Cash and cash equivalents at beginning of the year	32,824	31,758
Cash and cash equivalents at end of the year	31,758	29,357

SHAREHOLDER INFORMATION (As of November 30, 2025)

Number of Shares Issued: 24,919,343

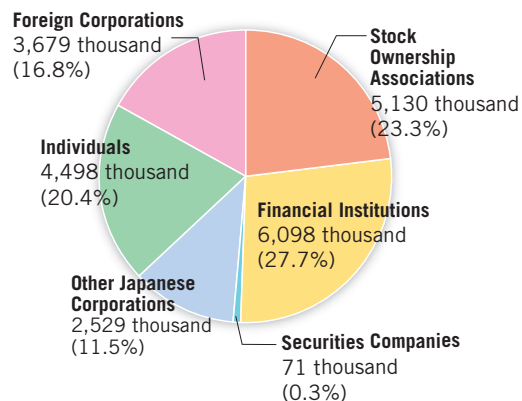
Number of Shareholders: 16,412

Major Shareholders (top five):

Note: Shareholding ratios are calculated after subtracting treasury stock (2,911 thousand shares).

Shareholders	Number of shares held (thousand)	Shareholding ratio (%)
NACHI WANEI Stockholding	2,800	12.73
The Master Trust Bank of Japan, Ltd. (trust accounts)	1,910	8.68
Employees' Stock Ownership Plan	1,330	6.05
Nachi Distributor Stock Ownership Association	998	4.54
Nippon Life Insurance Company	793	3.60

Breakdown of Shareholders



DIRECTORS (As of February 26, 2026)

Director,
Senior Adviser
Hiroo Honma

Director,
Managing Corporate Officer
Tetsu Furusawa

Director,
Managing Corporate Officer
Akira Kunisaki

Director,
Corporate Officer
Syusuke Kobayashi

Director (Full-time Member of the
Audit & Supervisory Committee)
Masayuki Kobayashi

Director (Member of the Audit &
Supervisory Committee)
Yasuaki Sawachika*

Representative Director,
President
Naritoshi Nakamura

Director,
Managing Corporate Officer
Yuichi Sawasaki

Director,
Corporate Officer
Akira Takarajima

Director
Seiji Ishigaki*

Director (Member of the Audit &
Supervisory Committee)
Masakazu Yamazaki*

Director (Member of the Audit &
Supervisory Committee)
Emi Goto*

*Outside director.

CORPORATE INFORMATION (As of November 30, 2025)

Foundation: December 21, 1928

Capital: ¥16 billion

Number of Employees: 2,965 (Group employees 6,532)

Major Products:

Machinery and tools business

Components business

Other business

Cutting Tools, Forming Tools, Cutting Saws, Machine Tools, Machining Systems, Robots, Robotics Systems

Bearings, Hydraulic Equipment, Automotive Hydraulics

Special Steels, Coating, Industrial Furnaces

Major Domestic Offices and Plants:

Head Office

Toyama Plant

Shiodome Sumitomo Bldg. 17F, 1-9-2, Higashi-Shinbashi, Minato-ku, Tokyo 105-0021, Japan

1-1-1, Fujikoshi-Honmachi, Toyama 930-8511, Japan

(Cutting Tools / Machine Tools / Bearings / Robots)

Tel:+81-3-5568-5111

Tel:+81-76-423-5111

Eastern Japan Main Branch

Central Japan Main Branch

Western Japan Main Branch

Shiodome Sumitomo Bldg. 17F, 1-9-2, Higashi-Shinbashi, Minato-ku, Tokyo 105-0021, Japan

Nachi Nagoya Bldg. 2-120-3, Takayashiro, Meitou-ku, Nagoya 465-0095, Japan

Sumitomo Nakanoshima Bldg. 5F, 3-2-18, Nakanoshima, Kita-ku, Osaka 530-0005, Japan

Higashi-Toyama Plant

Namerikawa Plant

3-1-1, Yoneda-machi, Toyama 931-8511, Japan (Special Steels) / 3-2-1, Nakada, Toyama 931-8453, Japan (Hydraulic Equipment)

176, Ogake, Namerikawa 936-0802, Japan (Cutting Tools / Hydraulic Equipment / Automotive Hydraulics / Coating / Industrial Furnaces)

Major Overseas Offices and Plants:

NACHI AMERICA INC. (U.S.A.) NACHI EUROPE GmbH (Germany) NACHI-FUJIKOSHI (CHINA) CO., LTD.

NACHI (JIANGSU) INDUSTRIES CO., LTD. (China) NACHI TECHNOLOGY (THAILAND) CO., LTD. (Thailand)

INVESTOR INFORMATION

Securities Code:	6474
Fiscal Year:	From Dec. 1 of each year to Nov. 30 of the following year
Timing of Ordinary General Meeting of Shareholders:	February
Record Date:	Annual General Meeting of Shareholders on November 30 Year-end dividend on November 30 Interim dividend on May 31
Unit:	100 shares
Shareholder registry administrator/ Administrator for Special Accounts:	1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Administrative Office/ Mailing Address:	Sumitomo Mitsui Trust Bank, Limited 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department
Inquiry contact:	Toll-free: 0120-782-031 (Toll-free in Japan)
URL:	https://www.nachi-fujikoshi.co.jp/eng/

Notice regarding the Transfer of Dividends to the Shareholder's Account

We recommend transfer to the shareholder's account as a safe, secure, and convenient way to receive dividends.

Please choose from the following three methods for receiving dividends through transfer to the shareholder's account.

Allocation by Proportion of Shares: Receiving dividends through accounts that the shareholder has with securities firms. (A shareholder who does not have an account at a securities firm may not use this method.)

Registration of a Single Account for Receiving Dividends: Receiving dividends for all categories of stock that the shareholder owns through a single account that the shareholder has with banks, etc. (An account with the Japan Post Bank may not be designated for this purpose.)

Designation by Specific Stock: Assigning an account that the shareholder has with banks, etc. for each category of stock and receiving dividends through such accounts.

Procedures regarding Shares

1. Notification regarding Designation of the Method for Receiving Dividends; the Purchase of Additional Shares or Buyback of Holdings Less Than the Minimum Trading Unit; Change of Address, Name, etc.; and Request for Stock Transfers between Accounts

Please notify the securities company with which you have your account. For those shareholders who do not have an account with a securities company and who have set up a special account instead, please notify Sumitomo Mitsui Trust Bank, Limited which is the account administrator for special accounts.

2. Questions regarding Payments of Accrued Dividends and Other General Administrative Matters regarding Shares

Please contact Sumitomo Mitsui Trust Bank, Limited which administers the shareholders registry.

The Cover Photograph

This is the collaborative robot “MZS05,” equipped with a built-in sensor that detects human approach and automatically stops before contact.

By offering safety performance significantly enhanced over conventional collaborative robots, along with class-leading speed and precision, NACHI will expand the range of robotic applications and meet automation needs.