



Financial Results for the 1st Quarter of Fiscal Year Ending March 31, 2026



NS TOOL CO., LTD.

July 31, 2025
(Securities Code: 6157)

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Consolidated Financial Results for 1Q FY3/26



Financial Results Summary for 1Q FY3/26

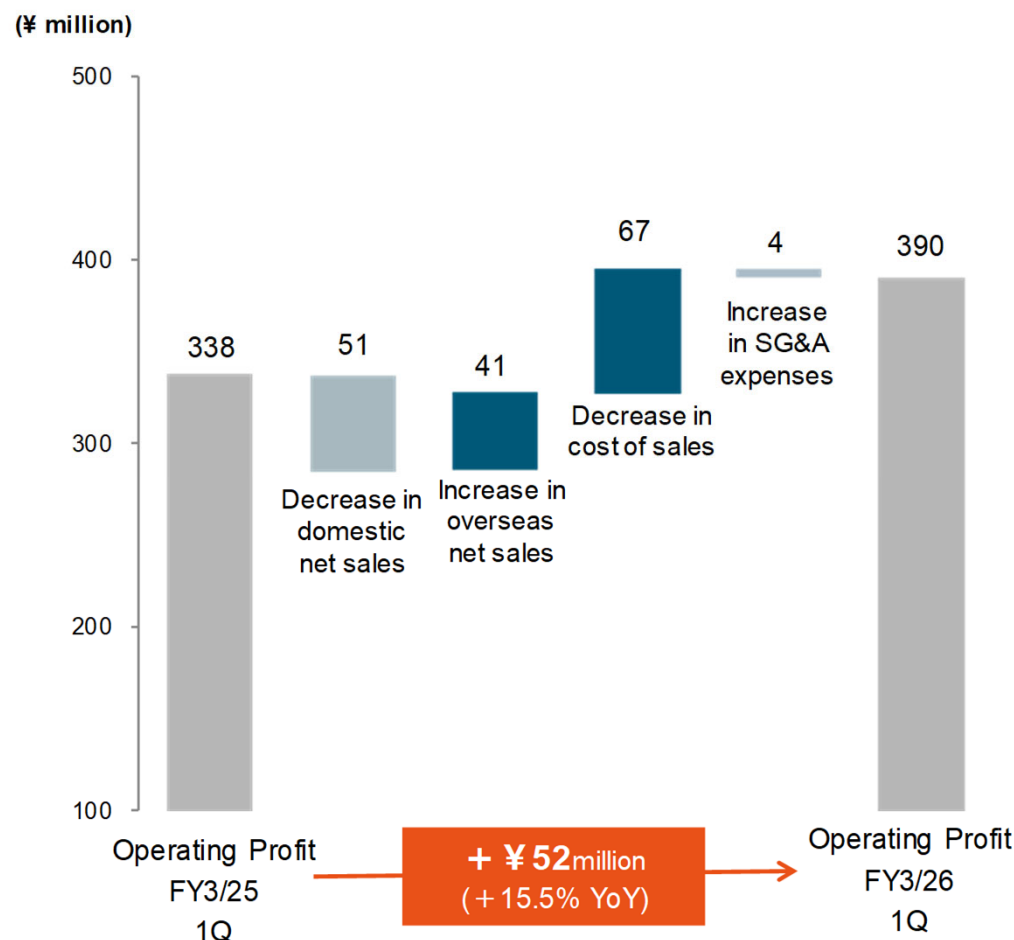
Net sales down, profits up year on year

Progress rate is lower than expected

(Unit: ¥ million)	1Q FY3/25 Actual	1Q FY3/26 Actual	1H FY3/26 Forecasts	Progress Rate
Net Sales	2,276	2,266	4,800	47.2%
YoY changes	+3.3%	-0.5%	+3.1%	
Operating profit	338	390	920	42.5%
YoY changes	+3.5%	+15.5%	+13.2%	
Ordinary profit	339	399	920	43.4%
YoY changes	+2.2%	+17.7%	+12.9%	
Profit attributable to owners of parent	220	262	620	42.3%
YoY changes	+10.7%	+18.8%	+9.0%	

- In Japan, 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.
- Consolidated net sales in 1Q were ¥2,266 million, down 0.5% YoY.
- Consolidated ordinary profit was ¥399 million, up 17.7% YoY. Ordinary profit margin was 17.6%, up 2.7 pp YoY.

Factors for Increase in Operating Profit



- Domestic net sales decreased by ¥51 million, down 3.4% YoY and overseas net sales increased by ¥41 million, up 5.5% YoY. Overall net sales decreased by ¥10 million, down 0.5% YoY.
- As a result of establishing proper production plans and managing product inventories, cost of sales decreased by ¥67 million, down 6.1% YoY.
- SG&A expenses increased by ¥4 million, up 0.6% YoY. Although personnel expenses increased, selling expenses decreased by 29.2% YoY because the cost of revising product catalogues was generated in the same period of previous fiscal year.
- As a result, operating profit increased by ¥52 million, up 15.5% YoY, to ¥390 million, while operating profit margin increased by 2.3 pp to 17.2%.

Summary of Statement of Income

(Unit: ¥ million)	1Q FY3/25 Actual	1Q FY3/26 Actual	YoY Changes
Net Sales	2,276	2,266	-0.5%
Gross profit	1,166	1,223	+4.9%
Ratio to net sales	51.2%	54.0%	
SG&A expenses	828	833	+0.6%
Ratio to net sales	36.4%	36.8%	
Operating profit	338	390	+15.5%
Ratio to net sales	14.9%	17.2%	
Ordinary profit	339	399	+17.7%
Ratio to net sales	14.9%	17.6%	
Profit attributable to owners of parent	220	262	+18.8%
Ratio to net sales	9.7%	11.6%	
Capital investment	33	327	+867.4%
Depreciation	147	145	-1.0%
No. of employees (persons)	365	370	+1.4%

- Net sales were ¥2,266 million, down 0.5% YoY. Domestic sales were sluggish in the automotive industry affected by the U.S. tariff issues. On the other hand, sales to Greater China and some Asian countries were brisk.
- Gross profit was ¥1,223 million, up 4.9% YoY due to the decrease in cost of sales. Gross profit margin was 54.0%, up 2.8 pp YoY.
- SG&A expenses increased by 0.6% YoY in line with the rise in personnel expenses, and SG&A expenses ratio was 36.8%, up 0.4 pp YoY.
- As a result, operating profit increased by 15.5% YoY to ¥390 million and operating profit margin increased by 2.3 pp YoY to 17.2%.
- Capital expenditures were ¥327 million, progressed as planned. Depreciation decreased by 1.0% YoY, due to the less capital expenditures in the previous fiscal year.

Summary of Balance Sheet

(Unit: ¥ million)	FY3/25-End	Composition Ratio	1Q FY3/26-End	Composition Ratio	VS FY3/25-End
(Assets)					
I Current assets	13,791	69.2%	13,225	67.6%	-4.1%
Cash and deposits	9,868	49.5%	9,450	48.3%	-4.2%
Notes and accounts receivable - trade	1,393	7.0%	1,318	6.7%	-5.4%
Inventories	2,308	11.6%	2,333	11.9%	+1.1%
II Non-current assets	6,150	30.8%	6,325	32.4%	+2.9%
Property, plant and equipment	4,842	24.3%	5,000	25.6%	+3.3%
Intangible assets	15	0.1%	27	0.1%	+74.9%
Investments and other assets	1,292	6.5%	1,297	6.6%	+0.4%
Total assets	19,941	100.0%	19,551	100.0%	-2.0%
(Liabilities)					
I Current liabilities	1,301	6.5%	1,054	5.4%	-19.0%
Accounts payable - trade	213	1.1%	214	1.1%	+0.2%
II Non-current liabilities	224	1.1%	219	1.1%	-2.2%
Total liabilities	1,526	7.7%	1,274	6.5%	-16.5%
(Net assets)					
Total equity	18,221	91.4%	18,083	92.5%	-0.8%
Total net assets	18,415	92.3%	18,277	93.5%	-0.8%
Total liabilities and net assets	19,941	100.0%	19,551	100.0%	-2.0%

Current assets

Decreased by 4.1% from the end of previous fiscal year due to a decrease in cash and deposits resulting from the payment of income taxes and bonuses.

Non-current assets

Increased by 2.9% from the end of previous fiscal year due to an increase in property, plant and equipment as the result of conducting capital investment.

Liabilities

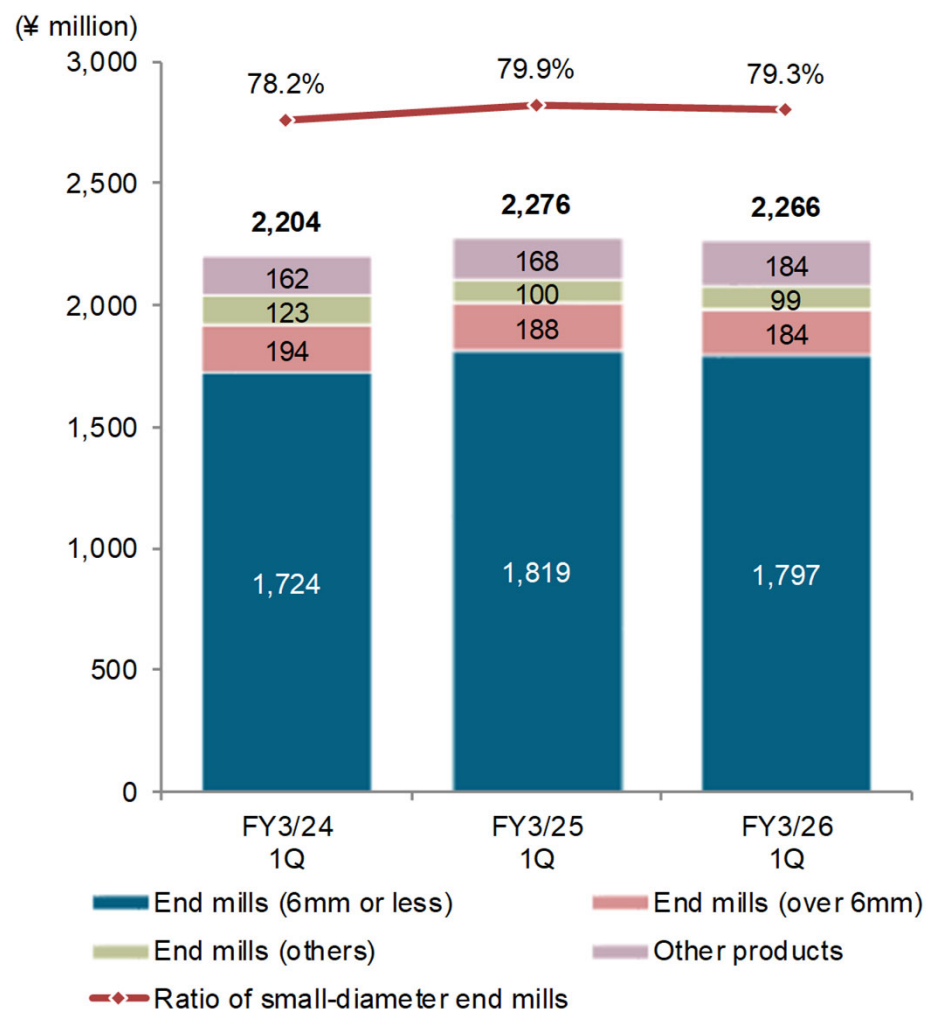
Decreased by 16.5% from the end of previous fiscal year due to a decrease in income taxes payable and provision for bonuses.

Net assets

Decreased by 0.8% from the end of previous fiscal year mainly due to a decrease in retained earnings for payment of dividends. Partly due to a decrease in liabilities, equity-to-asset ratio was 92.5%, up 1.1 pp from the end of previous fiscal year.

Business Performance (Trend of net sales (1) By product)

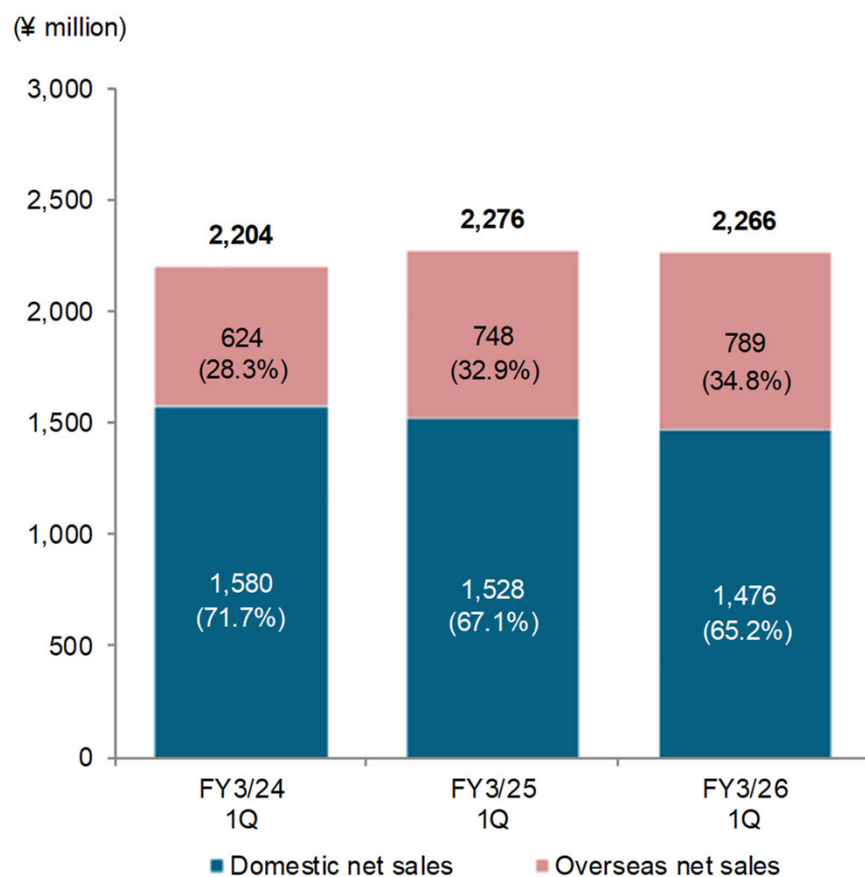
Trend of net sales by product and ratio of small-diameter end mills



- By product, net sales for end mills (diameter 6 mm or less) decreased by 1.2% YoY, end mills (diameter over 6 mm) decreased by 1.8% YoY, end mills (other), mainly special tools custom-made to users, decreased by 1.0% YoY, and other products such as tool cases increased by 9.8% YoY.
- Of the net sales of ¥2,266 million, net sales for mainstay end mills (diameter 6 mm or less) were ¥1,797 million. Although the ratio of small-diameter end mills was 79.3%, down 0.6 pp YoY, it still kept a high ratio.

Business Performance (Trend of net sales (2) Domestic and overseas)

Trend of domestic and overseas net sales

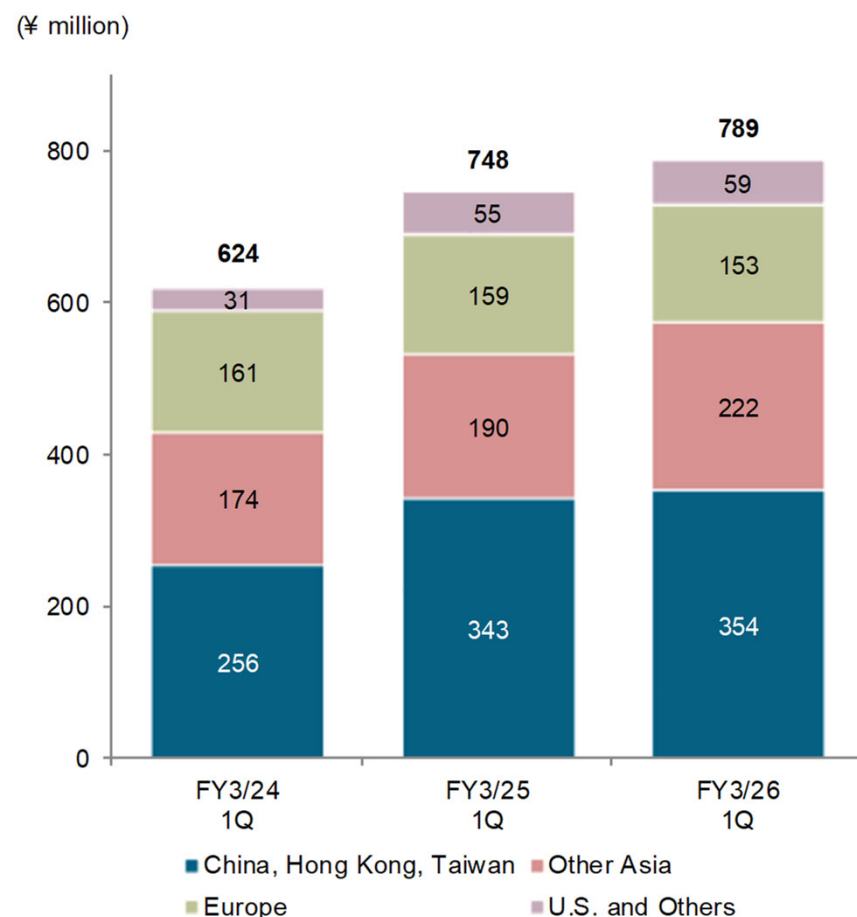


() Ratio of net sales : %

- Domestic net sales decreased by ¥51 million, down 3.4% YoY, to ¥1,476 million. Overseas net sales increased by ¥41 million, up 5.5% YoY, to ¥789 million.
- Overseas net sales increased in Greater China and other Asia. In account consolidation of NS TOOL Hong Kong Ltd. into 1Q results, figures for China are for January-March.
- Due to an increase in overseas net sales, overseas net sales ratio increased by 1.9 pp YoY to 34.8%, which was the highest ratio ever on a quarterly basis.

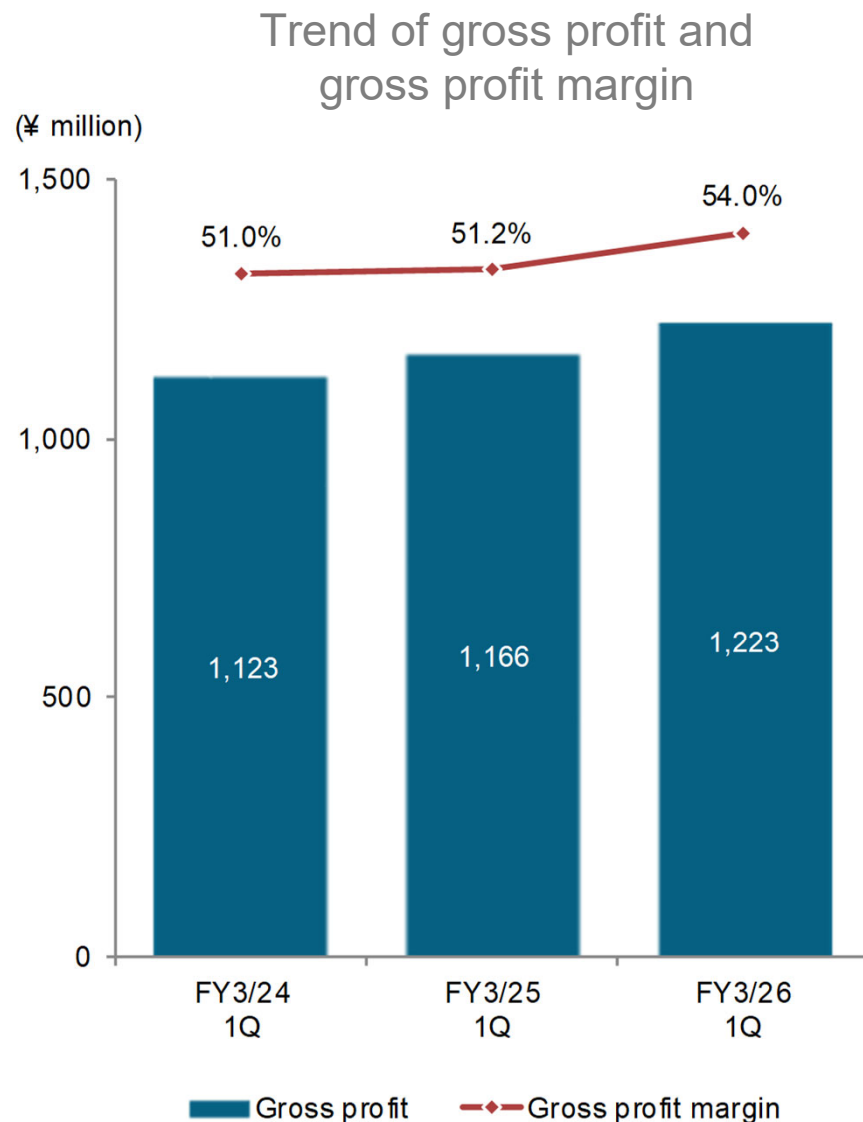
Business Performance (Trend of net sales (3) By overseas region)

Trend of net sales by overseas region



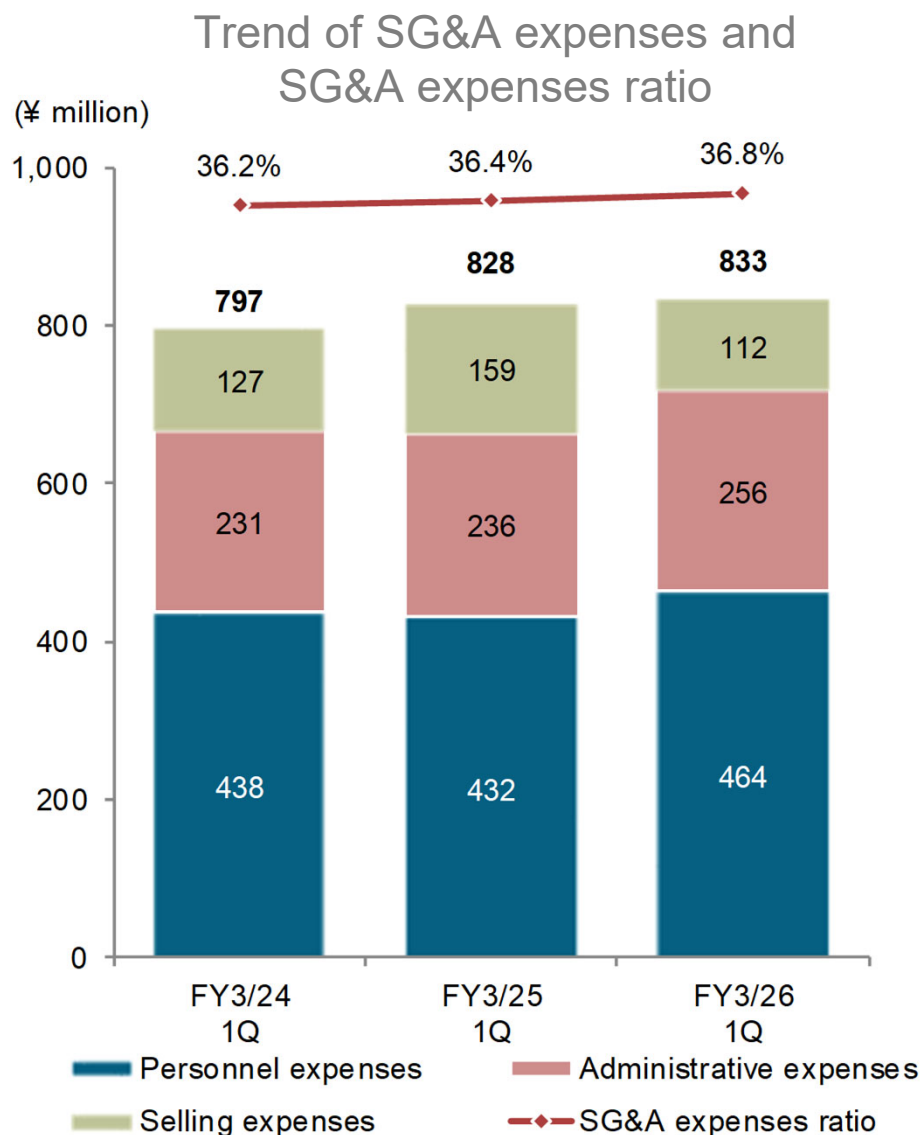
- Combined net sales for China, Hong Kong and Taiwan increased by 3.4% YoY, to ¥354 million. In account consolidation of NS TOOL Hong Kong Ltd. into 1Q results, figures for China are for January-March. Demand for the smartphone industry performed well. In addition, optical and EV-related demand continued. Although the market condition has not improved significantly, net sales increased slightly due to receiving continuous orders.
- Other Asia increased by 16.3% YoY to ¥222 million. In Thailand, demand for tools increased owing to the new projects, and the automotive industry showed some recovery. Business for India continued being well.
- In Europe, the market condition has not improved, and the automotive industry remained sluggish, as a result, net sales decreased by 4.0% YoY, to ¥153 million.
- U.S. and Others increased by 8.6% YoY to ¥59 million. In account consolidation of NS TOOL USA, figures for U.S. and Mexico are for January-March. There are concerns about the possible impact of the tariff issues in the future.

Business Performance (Trend of gross profit)



- Material costs decreased by 1.8% YoY, while manufacturing expenses decreased by 1.5% YoY due to the decrease in factory supplies expenses and manufacturing depreciation. Meanwhile, outsourcing expenses increased by 13.4% YoY due to price revisions, etc., and the cost of products manufactured for 1Q increased.
- As the result of establishing proper production plans and managing production inventories, cost of sales decreased by 6.1% YoY, while maintaining the production volume.
- Gross profit increased by 4.9% YoY to ¥1,223 million, while gross profit margin rose by 2.8 pp YoY to 54.0%.

Business Performance (Trend of SG&A expenses)

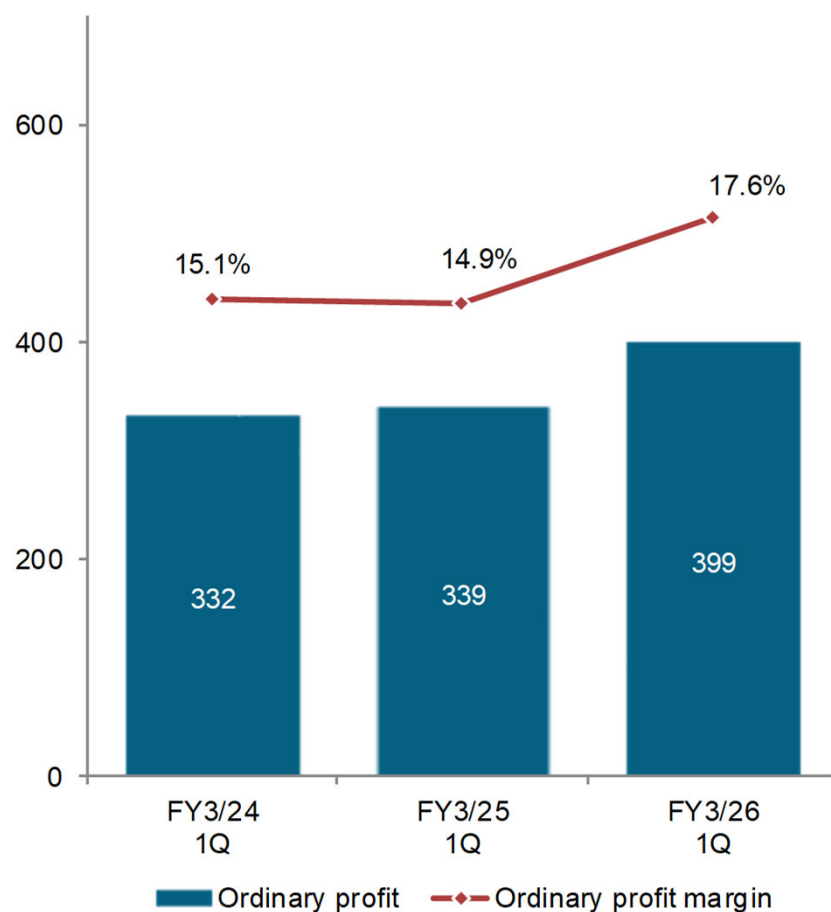


- Exhibition costs decreased YoY because “INTERMOLD” was performed twice in the same period of the previous fiscal year while it was done only once in this period. Advertising expenses also decreased because the cost for revising product catalogues was generated in the same period of the previous fiscal year, and the selling expenses decreased by 29.2% YoY to ¥112 million.
- Personnel expenses increased by 7.3% YoY to ¥464 million due to the increase in salaries associated with wage increases, etc.
- Overall SG&A expenses increased by 0.6% YoY to ¥833 million, while SG&A expenses ratio rose by 0.4 pp YoY to 36.8%.

Business Performance (Trend of ordinary profit)

Trend of ordinary profit and ordinary profit margin

(¥ million)



- Although net sales decreased, operating profit increased by 15.5% YoY to ¥390 million due to the improvement in gross profit margin.
- Non-operating income exceeded non-operating expenses by ¥8 million due to the gain from sales of scraps and foreign exchange profit, while ordinary profit was ¥399 million, up 17.7% YoY.
- Ordinary profit margin was 17.6%, up 2.7 pp YoY.

Consolidated Financial Forecasts for FY3/26



Financial Forecasts

(Unit: ¥ million)	FY3/25 Actual	FY3/26 Forecasts	YoY Changes
Net Sales	9,431	9,680	+2.6%
Operating profit	1,767	1,740	-1.5%
Ordinary profit	1,779	1,750	-1.7%
Profit attributable to owners of parent	1,264	1,200	-5.1%

Capital investment	111	882	+693.5%
Depreciation	644	655	+1.7%
EPS (¥)	50.80	48.20	-5.1%
Dividend per share (¥)	30.00	30.00	—

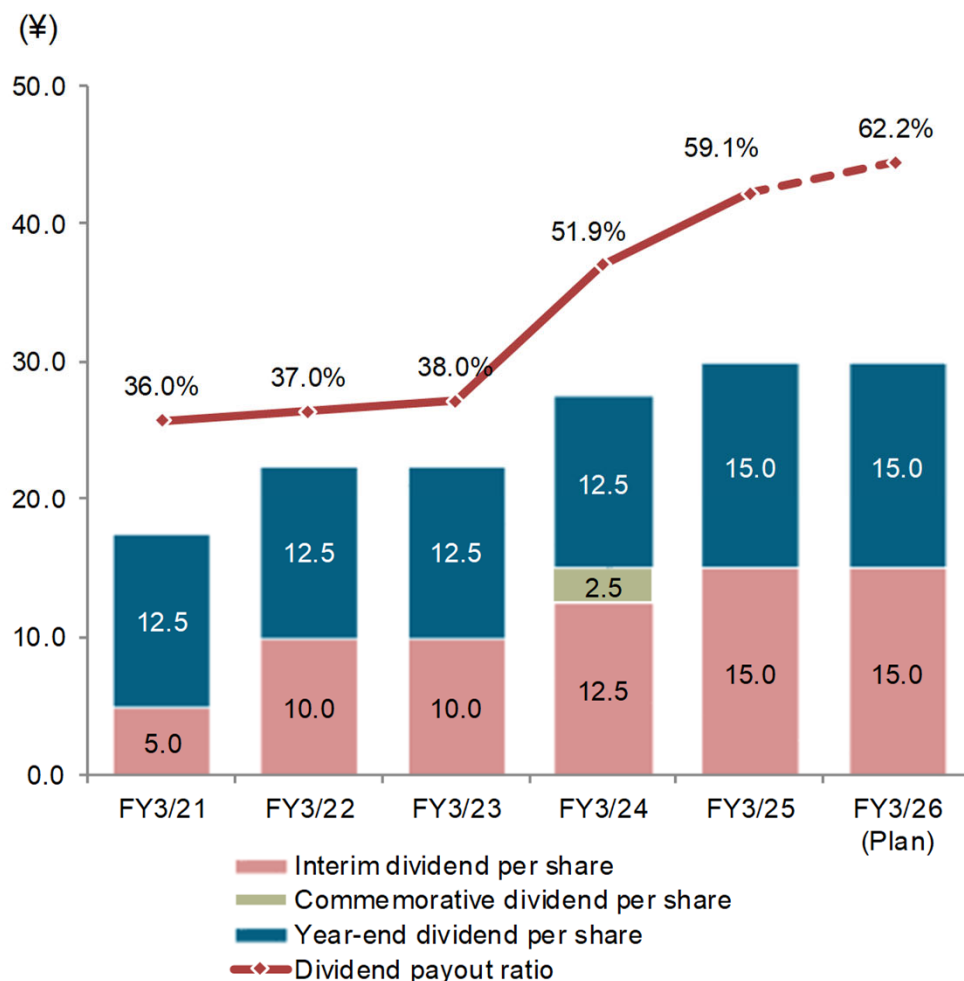
- Although the current issue of U.S. tariff dispute is supposed to affect our major customers significantly, our financial forecasts are remained on market forecasts before the tariff issue since it is impossible to make a reasonable estimate of the future outlook.
- In the automotive industry, production is expected to increase due to the resolution of the impact of issues such as certification fraud. In the semiconductor and electronic components industry, demand for AI-related products is expected to be strong and inventory adjustments have run their course, leading to gradual growth. However, the future remains uncertain due to the tariff issue.
- Operating profit and ordinary profit are expected to decrease due to an increase in cost of products manufactured and SG&A expenses resulting from rising costs, mainly for material costs and personnel expenses.
- As for capital investment, new equipment installations for increased production and continuous renewal of production facilities are planned.
- The annual dividend per share is planned to ¥30.0, consisting of an interim dividend of ¥15.0 and a year-end dividend of ¥15.0.

Progress in 1Q FY3/26

(Unit: ¥ million)	FY3/26				
	1Q Actual	1H Forecasts	Progress Rate	Full-year Forecasts	Full-year Progress Rate
Net Sales	2,266	4,800	47.2%	9,680	23.4%
YoY Changes	-0.5%	+3.1%		+2.6%	
Operating profit	390	920	42.5%	1,740	22.5%
YoY Changes	+15.5%	+13.2%		-1.5%	
Ordinary profit	399	920	43.4%	1,750	22.8%
YoY Changes	+17.7%	+12.9%		-1.7%	
Profit attributable to owners of parent	262	620	42.3%	1,200	21.9%
YoY Changes	+18.8%	+9.0%		-5.1%	

Dividend Forecasts (Shareholder Returns)

Trend of dividends per share and dividend payout ratio



*The impact of the stock split on April 1, 2021 was considered.

We take holistic approach by evaluating business performance and dividend payout ratio, while paying attention to stability and sustainability of shareholder returns

- Annual dividend per share for FY3/25 was ¥30.0.
With increased liquidity on hand, we increased the dividend to strengthen shareholder returns.
Interim dividend: ¥15.0
Year-end dividend: ¥15.0
Dividend payout ratio to the business performance: 59.1%
- Annual dividend per share for FY3/26 is planned to be ¥30.0.
Interim dividend: ¥15.0
Year-end dividend: ¥15.0
Dividend payout ratio to the financial forecasts: 62.2%

- Shareholders' benefits
An original QUO card, worth ¥2,000, is presented to every shareholder who holds one share unit (100 shares) or more for three years or more* and whose name is registered in the shareholder list as of March 31 of each year.

*Holding for 3 years or more means that the holding record of 100 shares or more under the same shareholder number is listed or recorded in the shareholder list 7 times or more consecutively on record date of shareholder list (March 31 and September 30).

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Note: The descriptions concerning the future and projections are based on targets and forecasts, and do not constitute an assurance or guarantee.
Please note that the results may differ from the projections.