

Financial Results for FY2025 ending March 2026



NOK Corporation

May 13, 2026

- FY2025 Results: Consolidated operating income was almost in line with the forecast announced in Nov. 2025.
- Review of Previous Medium-Term Plan (FY2023-2025)
 - ✓ Net sales and operating income targets were not achieved, while ROA target was reached.
 - ✓ Promoted strategic goals to build a foundation for transformation.
- FY2026 Forecast: Forecast for increase in operating income based on current NOK consolidated basis*
- New MTP (FY2026-2028): A phase of "Execution of Transformation" based on the foundation built in the previous plan.

In addition to measures to improve profitability in both Seal and Electronic Products businesses, promote company-wide cost optimization.
- Steady progress in preparation for integration with Eagle Industry.
- Shareholder Returns: Exceeded the 3-year target for the previous plan period. Continue shareholder returns based on the capital allocation policy.

*Note: The company is scheduled to integrate with Eagle Industry in Oct. 2026. Current forecasts are based on the full-year performance of the current NOK Corp.

Review of Previous MTP (FY2023-2025): Execution of Strategic Goals



Built a foundation for transformation toward future growth by promoting various initiatives aligned with the four strategic goals.



Achieved

Create new growth drivers

- ✓ Seal: Expanded sales to Chinese EV manufacturers
- ✓ Electronic Products: Increased number of adoptions for battery applications
- ✓ Acquisition of ESTOH

Optimize management structure for global expansion

- ✓ Transitioned to a Company with an Audit and Supervisory Committee
- ✓ Diversified the composition of the Board of Directors
- ✓ Introduced a Global Matrix organization

Construct diverse human capital foundation

- ✓ Human resource system reform and introduction of programs for promoting young talent in Japan
- ✓ Enhancement of Global HR infrastructure: Launched global HR policies and a talent management system

Optimize management resources

- ✓ Seal: Price negotiation activities to eliminate unprofitable products
- ✓ Total Shareholder Returns exceeded 67.5 billion yen
- ✓ Reduction of cross-shareholdings
- ✓ Divestiture of Roll Products business



Remaining tasks

Create new growth drivers

- ✓ Cultivation of new domains and their contribution to business results
- ✓ Identification of new growth domains

Review of Previous MTP (FY2023-2025): Financial targets



Targets for net sales and operating income were significantly missed. However, by focusing on executable measures, net income and ROA reached target levels.

	(billion yen)	
	MTP target: FY25 (May '23)	FY25 Actual
Net sales	845.0	738.4
Operating income	57.5	33.0
Operating margin	6.8%	4.5%
Net income	41.8	✓ 46.3
ROE	8%	7.7%
ROA	4.6%	✓ 5.0%

Seal Business		
	(billion yen)	
	MTP target	Actual
Net sales	415.0	367.4
Operating income	41.9	27.9

Electronic Products Business		
	(billion yen)	
	MTP target	Actual
Net sales	401.8	345.1
Operating income	14.0	4.0

- ✓ Gap between actual automobile production volume of Japanese OEMs and the initial MTP assumptions.
- ✓ Sales for general industrial machinery, such as semiconductor manufacturing equipment, did not materialize as planned.
- ✓ Price negotiations for cost pass-through and elimination of unprofitable products have successfully yielded results.

- ✓ Sales downside for automobile applications, primarily due to the slowdown in BEV market growth.
- ✓ Maintained business scale for smartphone sales in line with targets.
- ✓ Achieved profitability in both FY2024 and FY2025 through structural reforms.

- ✓ Net income and ROA targets were reached, partly due to the gain on sale of investment securities.



External Environment

- ✓ Core existing markets
 - Automobile: Global production volume remains flat / Electrification is progressing, although slower than initially expected.
 - Smartphones: Market growth is stagnant as replacement demand becomes the primary driver.
- ✓ Markets with future growth potential: Data centers / Medical / Robotics, etc.
- ✓ Competitive environment
 - Seal: No new entrants; maintaining the current stable position is feasible.
 - Electronic Products: Increased price reduction pressure and rising presence of Chinese competitors with high cost-competitiveness.
- ✓ Rising uncertainty due to geopolitical risks; shortages or price hikes of components, materials, energy, etc.
- ✓ Expansion of "local production for local consumption" needs due to a trend toward protectionism.



Internal Environment

- ✓ Highly evaluated in existing business domains, but heavily dependent on specific markets and customer segments.
- ✓ Need to improve profitability of existing businesses in parallel with the cultivation of new growth domains.
- ✓ Insufficient utilization of effective data due to underdeveloped core IT systems.
- ✓ Opportunities to expand business scale and improve profitability through management integration.

Strategic Goals and Key Initiatives in the New MTP (FY2026-2028)



Implementation

- Execute thoroughly without hesitation
- Continue to challenge ambitious targets

Strategic Goals

Key Initiatives



Optimization and Sophistication of Global Operating Model

Establishment of the optimal management system for the Group and each business

Improvement of efficiency in group indirect operations

ERP implementation with an appropriate investment scale



Completion of Profitability Improvement Measures

Establishment and execution of pricing strategy in the Seal business

Cultivation of new domains for growth

Execution and completion of cost reduction measures

Review of unprofitable and non-core businesses

Reduction of indirect material costs across the Group



Business Creation and Acquisition for Inorganic Growth

Identification, acquisition, and launch of new business domains

Building and acquisition of capabilities to thoroughly achieve strategic goals

Business Outlook in the New MTP (FY2026-2028)



Seal Business

Pursue profitability improvement even with limited expectations for increased automobile production volume



- ✓ Pricing Strategy: Aim for continuous profit improvement through a strategic approach by price negotiation based on our contribution to customers



- ✓ For General Industry Machinery: Shift away from overdependence on the automobile industry and expand sales to the broader GI sector, beyond construction and agricultural machinery



- ✓ Portfolio Review: Evaluate existing businesses and portfolios based on profitability and ensure optimal management resource allocation

Electronic Products Business

Return to a profit level geared toward future growth by the final year of the MTP



- ✓ Smartphones: Respond to customer needs by leveraging global production sites and establish a competitive advantage



- ✓ xEV Batteries: Pipeline is expanding due to wider adoption by existing customers in Japan and overseas. Expect profitability improvement through volume expansion



- ✓ Optimization of Production System: Evolve into a structure capable of generating stable profits through further optimization

Growth/Profitability Improvement of Both Businesses through Company-wide Measures

Cost optimization measures



- ✓ Optimize procurement costs of indirect materials by establishing rules and governance for Group-wide procurement
- ✓ Enhance value-added operations and reduce costs by reviewing indirect business processes

Exploration of new growth domains beyond the MTP period



- ✓ Strengthen business development activities to explore external growth opportunities highly compatible with existing business domains

Aim to be a company chosen by broader stakeholders by leading the market with a wide range of sealing technologies covering both organic and inorganic materials.



- ✓ Lineup of rubber and resin products based on technical expertise in organic materials
- ✓ Overwhelming presence in sealing products for Japanese automobile OEMs



- ✓ Technical expertise as a comprehensive manufacturer of mechanical seals using metal and ceramic materials
- ✓ Wide range of customer segments in the global market

- 
- ✓ Provide complex sealing solutions that meet customer needs across various materials by merging the technologies and strengths of both companies
 - ✓ Demonstrate technological advantage to meet sealing performance requirements that are expected to become even more sophisticated in General Industry Machinery fields such as semiconductors

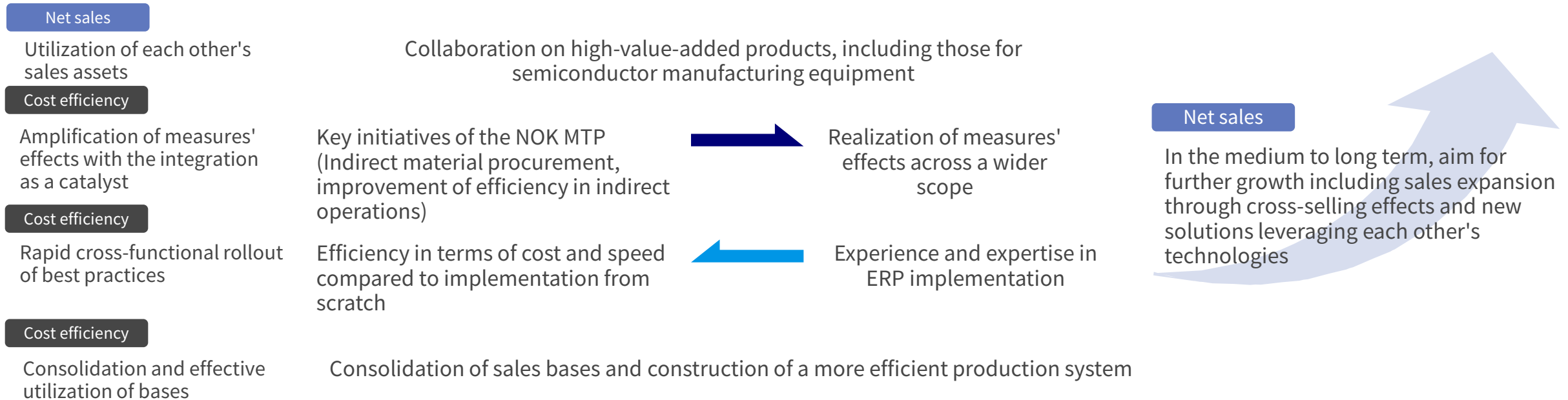
Integration with Eagle Industry: Integration Synergies



Aim for **double-digit operating income synergy** in the final year of the Medium-term Plan (FY2028)
compared to the simple aggregate of both companies.*

*Aim for the operating income of the integrated company to exceed the simple aggregate of both companies' individual plans for FY2028 by more than 10% (double digits).

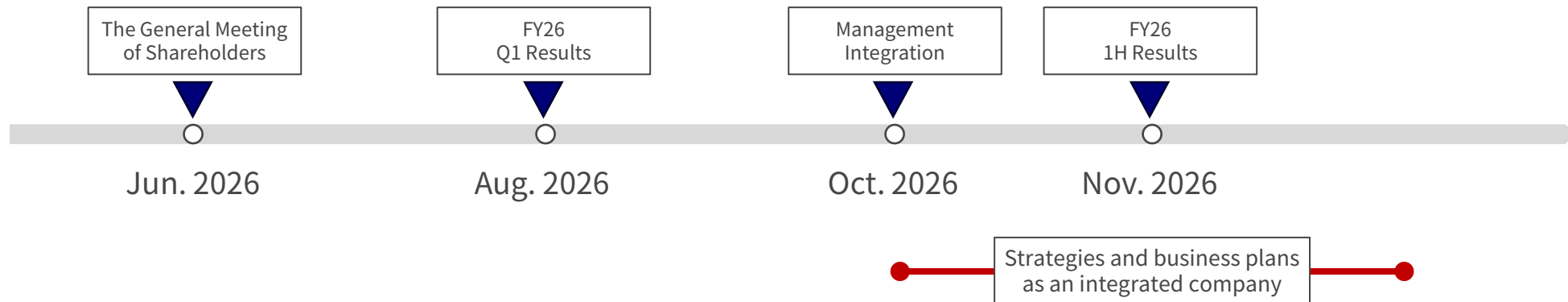
Expect cost-related effects to be the primary factor over the next three-year period



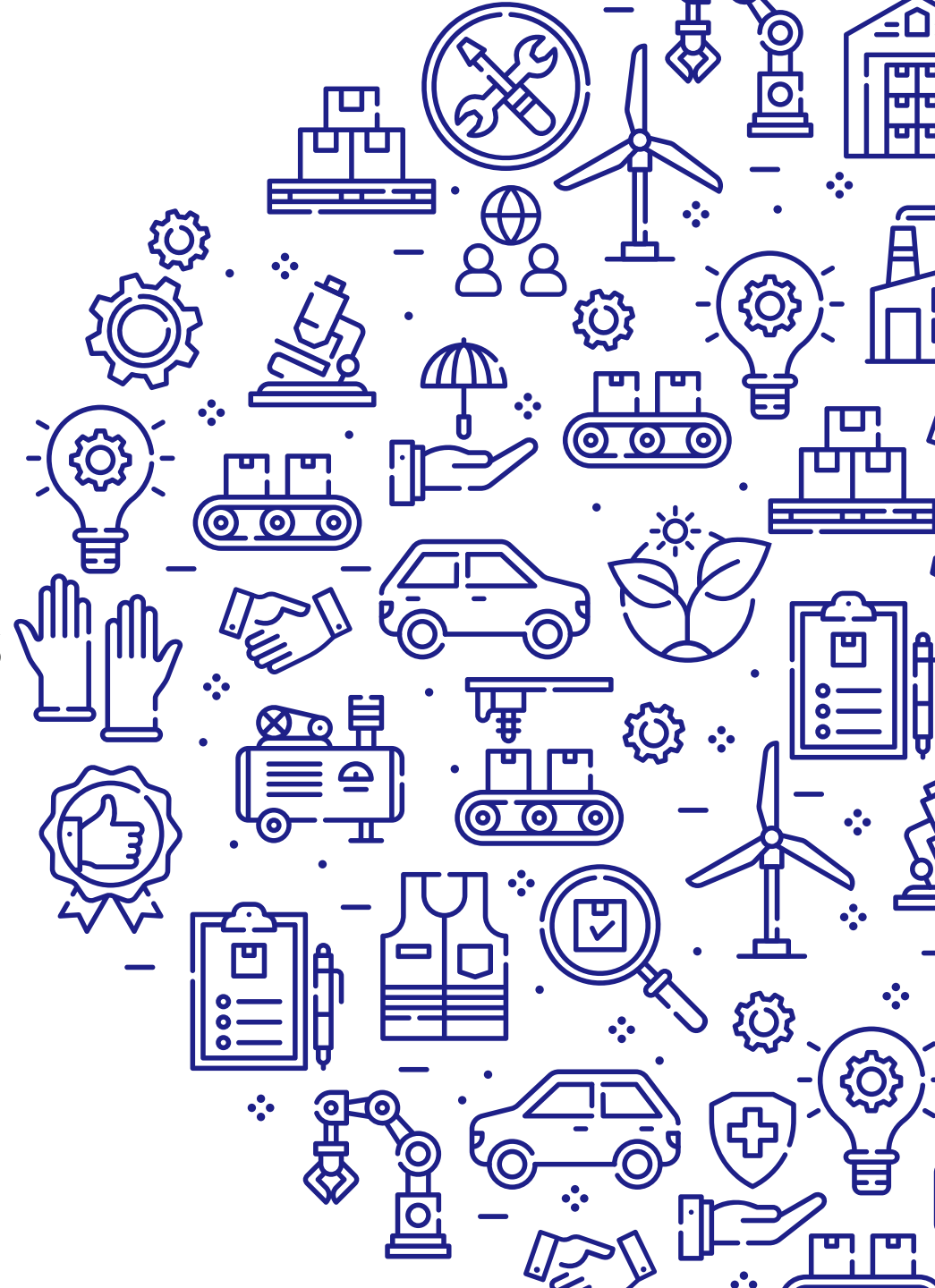
Schedule for Integration



- ✓ The next milestone is the Ordinary General Meeting of Shareholders to be held in June 2026
- ✓ Current NOK (7240) and Eagle Industry (6486) are scheduled to be delisted at the end of September 2026
- ✓ The newly established holding company, "NOG Group Co., Ltd.," is scheduled to be listed on October 1, 2026
- ✓ Strategies and business plans as an integrated company are scheduled to be announced after the integration, following thorough preparation



FY2025 Results and FY2026 Forecasts



FY2025 Consolidated Results



	FY24 Actual	FY25 Actual	Changes	(billion yen) FY25 Forecast
Net sales	766.9	738.4	(3.7)%	726.9
Operating income	37.3	33.0	(11.5)%	32.9
Operating margin	4.9%	4.5%	(0.4)pt	4.5%
Ordinary income	48.1	49.8	+3.7%	45.1
Net income*	30.3	46.3	+52.7%	36.5
EPS (yen)	184.81	284.84	+100.03	223.47

*Profit attributable to owners of parent

Announced in Nov. 2025

Ave Fx rate (Yen/USD)	152.74	150.09
-----------------------	--------	--------

Year-on-year Fx impacts
 Net sales: +0.8 billion yen
 Operating income: +0.0 billion yen

FY2025 Actual: Seal Segment

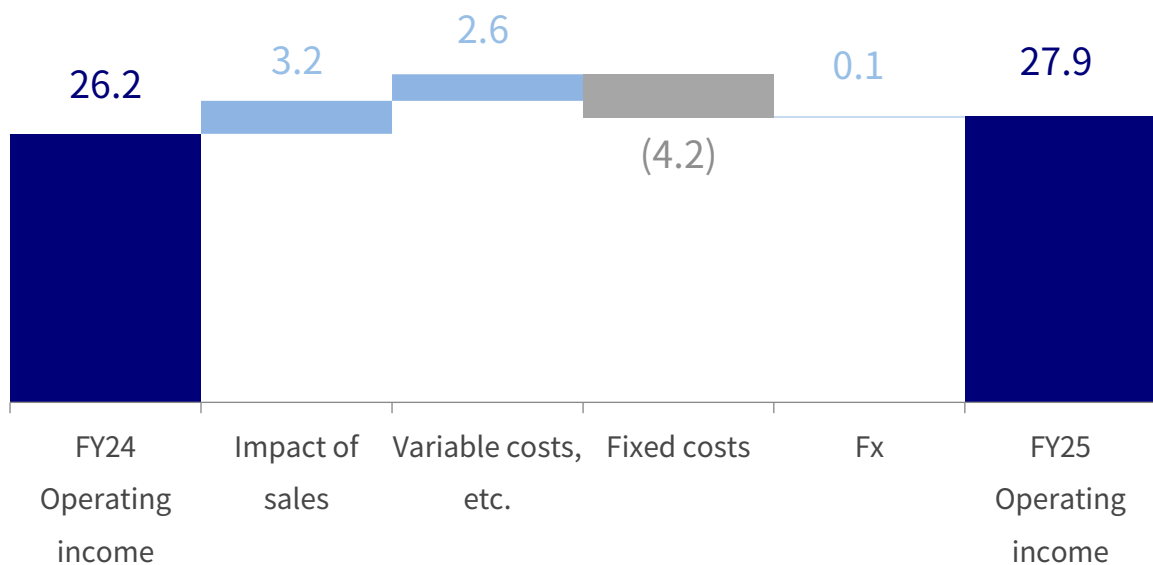


(billion yen)

	FY24	FY25	Changes	FY25 Forecast
Net sales	362.7	367.4	+4.7	366.1
Operating income	26.2	27.9	+1.6	28.2
OPM (%)	7.2%	7.5%	+0.3pt	7.7%

Announced in
Nov. 2025

■ Operating income analysis



■ Sales

<Year-on-year>

- ✓ Fx Impact: +1.4 billion yen
- ✓ In addition to favorable impact of price negotiation efforts, sales to general industry machinery, such as the construction industry, increased

✓ Impact of sales

Increase in profit due to sales price impact

✓ Variable costs, etc.

(positive) Material costs, etc., cost reduction

✓ Fixed costs

(negative) Personnel expenses, operating expenses

FY2025 Actual: Electronic Products Segment

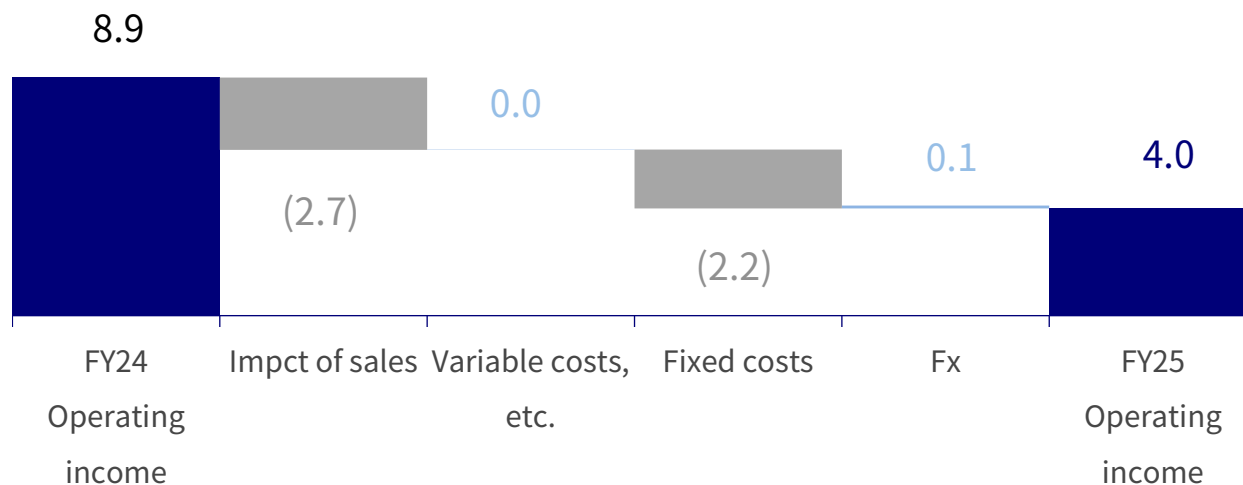


(billion yen)

	FY24	FY25	Changes	FY25 Forecast
Net sales	371.0	345.1	(25.8)	334.4
Operating income	8.9	4.0	(5.0)	3.5
OPM (%)	2.4%	1.1%	(1.3)pt	1.0%

Announced in
Nov. 2025

■ Operating income analysis



■ Sales

<Year-on-year>

✓ Decreased for automobile and smartphone

* Approx. 7.0 billion yen decrease in sales excluding Fx and component costs

✓ Impact of sales

Decrease in sales

✓ Fixed costs

(negative) Increase in depreciation and personnel expenses

FY25 specific factors:

- Lower production efficiency
- Fx impact due to local currency appreciation against USD at Asian sites
- Cancellation of multiple projects for in-vehicle batteries

Impact of the Situation in the Middle East on Business Results



- Initial financial forecast for FY26: To absorb currently recognized financial impacts
 - ✓ No impacts observed in April results
 - ✓ Impact on sales: As of now, observed no significant impacts on sales forecasts by customers, etc.
 - ✓ Impact on costs: In principle, we aim to absorb increased costs by passing them through to prices
- We will closely monitor the situation and consider to review the business forecast in case the current unclear environment continues

(impact on Seal Business assumed to be relatively larger than that on Electronic Products Business)

FY2026 Consolidated Financial Forecasts



(billion yen)

	FY25 Actual	Initial FCST FY26	Changes
Net sales	738.4	756.6	+2.5%
Operating income	33.0	35.0	+6.1%
Operating margin	4.5%	4.6%	+0.1pt
Ordinary income	49.8	48.3	(3.1)%
Net income*	46.3	46.4	+0.1%
EPS (yen)	284.84	285.22	+0.38
*Profit attributable to owners of parent			
Ave Fx rate (Yen/USD)	150.09	155.00	

NOK is scheduled to integrate with Eagle Industry in October 2026. This financial forecast represents the full-year forecast for the fiscal year 2026 for the current NOK CORPORATION.

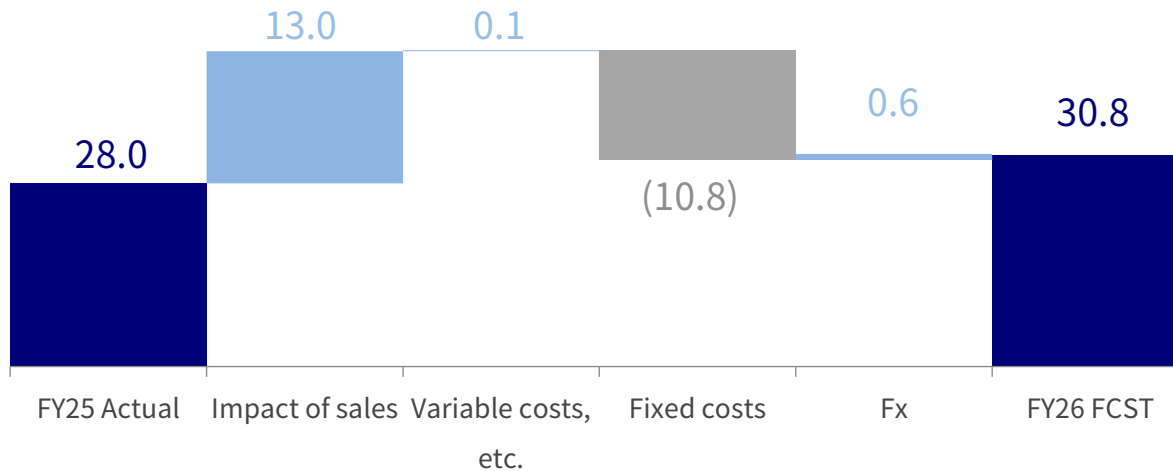
FY2026 Forecast: Seal Segment



(billion yen)

	FY25 Actual	Initial FCST FY26	Changes
Net sales	367.4	393.4	+7.1%
Operating income	27.9	30.8	+10.6%
OPM (%)	7.5%	7.8%	+0.2pt

■ Operating income analysis



■ Sales

- ✓ Impact of foreign exchange rates: approx. +5.0 billion yen
- ✓ Net sales increased by approx. 13.0 billion yen and operating income by approx. 1.5 billion yen due to the transfer of the Precision rubber and plastic components business for HDDs (previously in Electronic Products) and ESTOH Co., Ltd. (previously in "Others"), etc. to the Seal business (No impact on consolidated business results)

- ✓ The graph on the left includes an impact of approx. 9.0 billion yen on net sales and (7.5) billion yen on fixed costs due to the business transfer

Excluding the above:

- ✓ Impact of sales
Positive impact from both sales volume and sales price
- ✓ Fixed costs
(negative) Personnel/operating expenses, and depreciation

FY2026 Forecasts: Electronic Products Segment



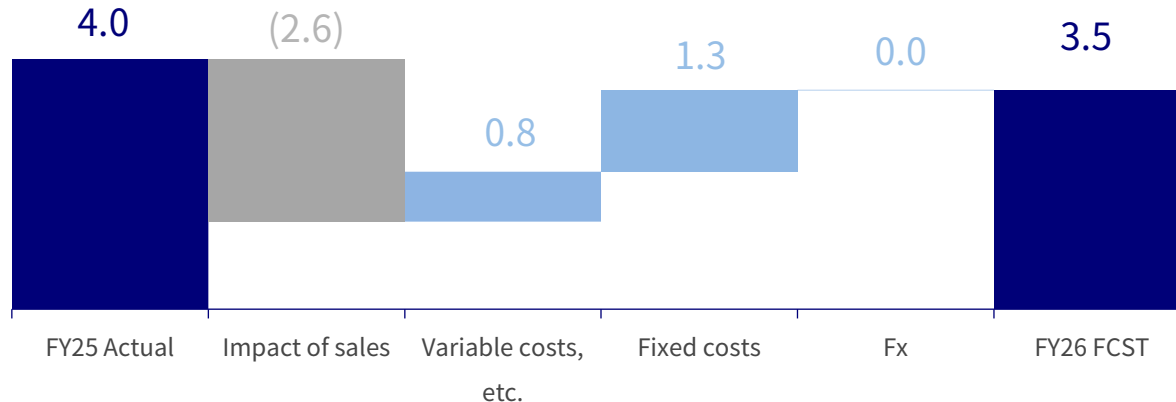
(billion yen)

	FY25 Actual	Initial FCST FY26	Changes
Net sales	345.1	356.8	+3.4%
Operating income	4.0	3.5	(11.8)%
OPM (%)	1.1%	1.0%	(0.2)pt

■ Sales

- ✓ Impact of foreign exchange rates was significant (+approx. 11.0 billion yen).
Excluding the impact of foreign exchange and component costs, net sales decreased by approx. 1.5 billion yen on a comparable basis

- Operating income analysis: Forecasting income growth adjusting the transfer of the Precision rubber and plastic components business for HDDs



✓ Impact of sales

Includes a decrease in gross profit due to product transfer

✓ Variable costs, etc.

(positive) Cost reduction and yield improvement

✓ Fixed costs

(positive) Operating/personnel expenses (Includes a decrease in fixed costs due to product transfer)

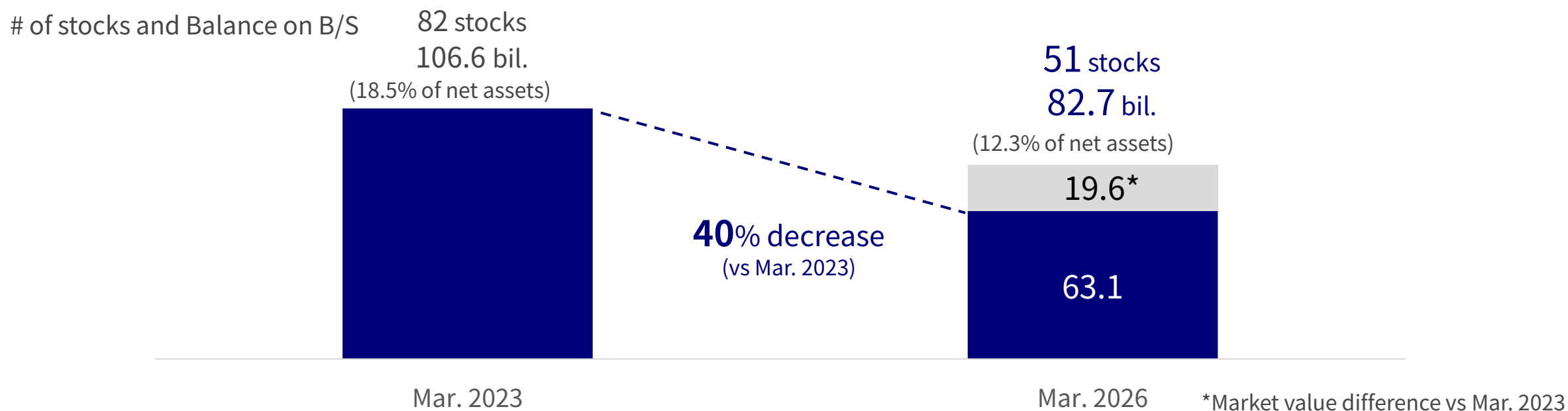
[Quarterly Operating Income Outlook]

- Operating loss expected for Q1
- Operating profit forecasted for each quarter from Q2 through Q4

Cross-Holding Stocks: Execute Reduction at a Pace Exceeding the Previous MTP Target



Previous MTP Target: Divest 25% of the balance as of March 31, 2023 (market value basis) → Actual: 40% divested



Future Policy:

- Further accelerate the divestment of shares targeted for sale, aiming to further improve capital efficiency.
- Aim for shares targeted for sale to be either completely divested or have a fixed divestment plan in place by the end of FY2028.

Capital Allocation: Execute total shareholder returns exceeding previous MTP targets/ 3 years



Previous MTP Target
(Total shareholder return)



over 67.5 bil.

Actual
(Total shareholder return)



83.0 bil.

*Year-end dividend for FY2025 is planned.

Future Policy:

Execute shareholder returns through progressive dividends in line with the Capital Allocation Policy and share buybacks taking into account the funding status.

FY2026 Dividend Forecast*: Full-year 140 yen (Interim 70 yen, Year-end 70 yen)

*Based on current NOK (7240). The dividend forecast after the integration with Eagle Industry will be announced after the listing of the holding company.

Capital Allocation Policy (Announced in May 2025)

- Top priority is strategic investment (for organic/Inorganic growth, capital expenditure).
- Progressive dividends* based on mid-/long-term business growth. *Revision of the previous description “stepwise increase of dividends”
- Share buyback with comprehensive consideration of cash status including business investment needs.

For plans, forecasts, policies, strategies, opinions, etc., of NOK Corporation and its group companies as explained in this material, those that are not historical facts are forward-looking statements about the future, which are created based on content obtained from currently available information. Factors that may affect actual results include potential risks and uncertainties such as economic conditions, market conditions, and exchange rate trends surrounding our business fields.

Therefore, please note that actual results may differ significantly from forecasts due to fluctuations in these important factors.

Furthermore, although we have made every effort to ensure the accuracy of the contents explained in this material, we do not make any guarantees regarding the contents and do not assume any responsibility for losses incurred due to this material.

The copyright for this material belongs to NOK Corporation.



FY2025 Consolidated Balance Sheet



(billion yen)

	As of Mar. 2025	As of Mar. 2026	Changes
Assets	898.7	951.7	+53.0
Current assets	420.7	450.5	+29.8
Cash and deposits	136.8	156.8	+20.0
Accounts receivable-trade*	162.9	163.6	+0.7
Inventories	106.1	117.2	+11.1
Noncurrent assets	477.9	501.1	+23.2
Property, plant and equipment	245.3	249.0	+3.7
Intangible assets	14.7	15.2	+0.5
Investments and other assets	217.9	236.9	+19.0
Investment securities	162.1	152.9	(9.2)

	As of Mar. 2025	As of Mar. 2026	Changes
Liabilities	275.2	281.4	+6.1
Current liabilities	186.3	200.2	+14.0
Accounts payable-trade	61.0	65.0	+3.9
Short-term loans payable	44.1	48.2	+4.1
Noncurrent liabilities	89.0	81.1	(7.9)
Long-term loans payable	17.6	14.4	(3.3)
Deferred tax liabilities	21.0	25.1	+4.1
Net assets	623.4	670.3	+46.8
Shareholders' equity	431.8	444.3	+12.4
Accumulated OCI	147.2	180.6	+33.4

*Total amount of Notes and accounts receivable-trade and Electronically recorded monetary claims

FY2025 Consolidated Cash Flow Statement



(billion yen)

	FY2024	FY2025	Changes
Cash flows from operating activities	91.6	68.2	(23.4)
Cash flows from investing activities	(43.2)	(10.3)	+32.9
Free cash flow	48.4	57.9	+9.5
Cash flows from financing activities	(48.2)	(47.1)	+1.1
Effect of exchange rate change on cash and cash equivalents	(0.4)	9.7	+10.1
Net change of cash and cash equivalents	(0.1)	20.6	+20.7
Cash and cash equivalents at end of period	136.1	156.7	+20.6