

(Issue code: Tokyo Stock Exchange
Prime 5957)

Results Briefing for the 117th Business Period ending December 31, 2022

NITTOSEIKO

Taking new steps forward together



March 2022:
Selected as a
Health
Management
Brand for the
second
consecutive year.

March 2022:
Selected as a
Nadeshiko
Brand for the
first time.

1. Summary of Business Results for the 117th Fiscal Year Ending Dec 2022
2. Forecast for the 118th Fiscal Year Ending Dec 2023
3. New Mid-term Management Plan
4. Improve Engagement
5. Initiatives for Sales Expansion
6. Efforts by Segment
7. Management Approach

■ Explained by
Masami Zaiki, President



1. Summary of Business Results for the 117th Fiscal Year Ending Dec 2022

Financial Highlights 117th Fiscal Year Ending Dec 2022 (Consolidated)

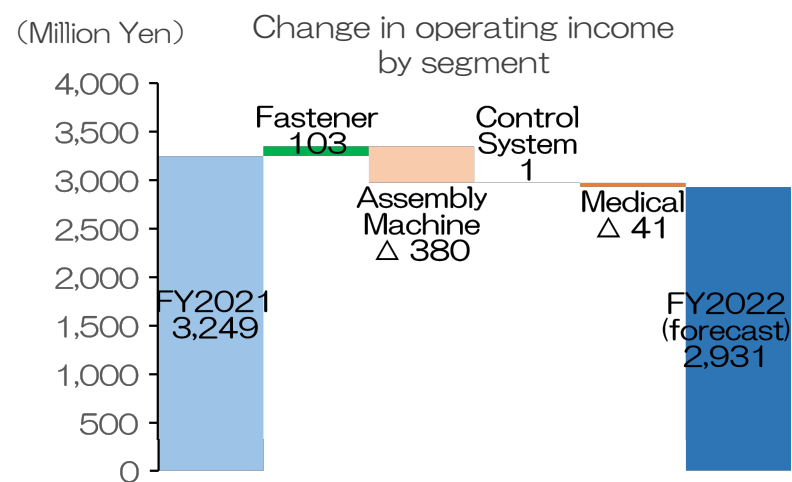
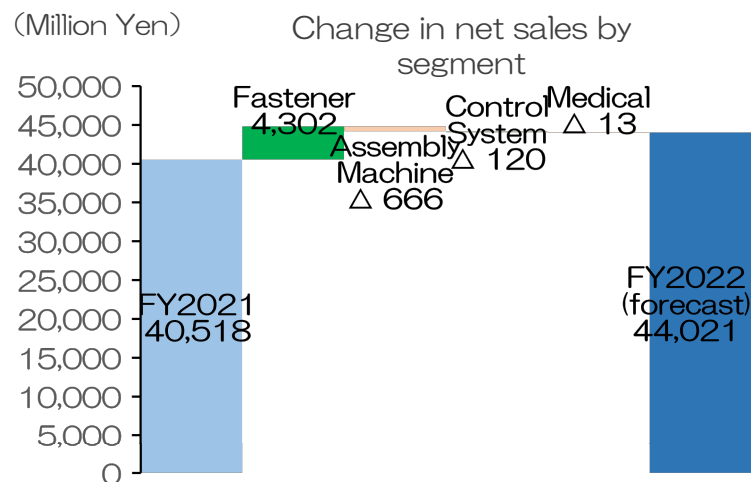


Unit: Million yen / %	Year ending Dec. 2021		Year ending Dec 2022		YoY comparison		Year ending Dec 2022 Compared to forecast (as of Nov. 11, 2022)		
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change	Forecast amount	Amount change	% Change
Net sales	40,518	100.0	44,021	100.0	3,502	8.6	42,500	1,521	3.6
Gross profit	10,285	25.4	10,377	23.6	91	0.9			
Selling, general and administrative expenses	7,035	17.4	7,445	16.9	409	5.8			
Operating income	3,249	8.0	2,931	6.7	△317	△9.8	3,400	△468	△13.8
Ordinary income	3,487	8.6	3,235	7.3	△252	△7.2	3,500	△264	△7.6
Net income for current period before income taxes	3,606	8.9	3,194	7.3	△412	△11.4			
Net income attributed to shareholders of the parent company	2,200	5.4	1,828	4.2	△371	△16.9	2,200	△371	△16.9
Net income per share (yen)	59.63		49.50				59.54		

- KM Seiko Co., Ltd. and Pinning Co., Ltd., which became subsidiaries last April, contributed to sales expansion and the Company achieved record-high sales for the second quarter in a row despite the impact of production adjustments in the automobile-related industry, a major sales destination.
- Profit decreased from the previous quarter due to the impact of soaring energy and raw material prices and shortages of parts, as well as lower sales resulting from the postponement and freezing of capital investment in the assembly machine business, which had been driving performance.
- Overseas, production generally recovered despite a partial impact of the lockdown in China. The weak yen also contributed to higher sales.

Net Sales and Operating Income by Segment (Consolidated) **NITTOSEIKO**

(Unit: Million yen / %)		Year ending Dec 2021	Year ending Dec 2022	YoY comparison	
				Amount change	% Change
Fastener	Net sales	27,896	32,199	4,302	15.4
	Operating income	1,545	1,648	103	6.7
	Profit ratio	5.5	5.1		
Assembly Machine	Net sales	7,182	6,515	△666	△9.3
	Operating income	1,608	1,227	△380	△23.7
	Profit ratio	22.4	18.8		
Control System	Net sales	5,416	5,296	△120	△2.2
	Operating income	156	157	1	0.7
	Profit ratio	2.9	3.0		
Medical	Net sales	23	10	△13	△56.1
	Operating income	△61	△102	△41	—
	Profit ratio	△256.3	△976.2		



Overview of results by segment - Fastener Division

Unit: Mil yen/ %	Year ending Dec 2021	Year ending Dec 2022	YOY comparison	
	Amount	Amount	Amount	% Change
Net sales	27,896	32,199	4,302	15.4
Automobile	10,287	11,417	1,129	11.0
Housing and construction	4,752	6,927	2,174	45.8
Electrical and electronic parts	4,971	5,192	220	4.4
Household goods	2,825	2,776	△49	△1.7
IT and digital equipment	1,232	1,603	371	30.1
Precision equipment	1,080	1,143	62	5.8
Medical	349	324	△25	△7.2
Energy sector	131	165	33	25.4
Others	2,269	2,652	384	16.9
Operating Income	1,545	1,648	103	6.7

- ◆Automobile
 - In EV-related products, demand for key products such as GIZA TITE and CP GRIP increased, and sales of ALUMITITE and gear parts were also strong. In addition, sales of nuts and other products increased due to the acquisition of K.M. Seiko Co., Ltd., as well as contributions from Indonesia.
- ◆Housing and construction
 - Self-drilling screws from K.M. Seiko Co., Ltd. and nuts from Kyoei Manufacturing Co., Ltd. contributed to the increase in sales over the previous quarter.
- ◆Electrical and electronic parts
 - Despite production cutbacks due to the shortage of semiconductors, demand for CP GRIP and GIZA TITE, etc., for anti-contamination screws remained strong.
- ◆Household goods
 - The game machine market remained flat despite a decrease in production caused by a shortage of semiconductors, due to an increase in demand for high value-added products such as precision screws.

• In addition to sales addition from M&A of KM Seiko Co., Ltd. and Pinning Co., Ltd., demand related to EVs, which remains strong, and increased demand in Malaysia and Indonesia from plant expansion contributed to higher sales and profit.

Unit: Mil yen/ %	Year ending Dec 2021	Year ending Dec 2022	YOY comparison	
	Amount	Amount	Amount	% Change
Net sales	7,182	6,515	△666	△9.3
Automobile	4,293	3,890	△403	△9.4
Electrical and electronic parts	924	789	△134	△14.5
Energy sector	634	327	△306	△48.4
IT and digital equipment	139	147	8	5.9
Housing and construction	314	135	△179	△57.2
Game machines	54	64	10	20.2
Household goods	61	33	△28	△46.3
Medical	6	3	△3	△43.0
Others	757	1,127	369	48.9
Operating income	1,608	1,227	△380	△23.7

◆Automobile

- Although inquiries for CASE- and EV-related screw tightening equipment remained strong, investment was weak due to modest capital investment affected by the prolonged global semiconductor shortage and partial plant shutdowns.

◆Electrical and electronic parts

- Although demand for semiconductor equipment continues from last year, investment by major users is more limited this year. As a result, the investment is significantly lower YoY. However, it is above the level of the year before last.

◆Energy sector

- Sales declined significantly from the previous quarter in reaction to last year’s special demand, but exceeded the level of the year before last.

◆IT and digital equipment

- Despite a sense of stagnation due to the shortage of semiconductors, demand related to telecommunication base stations, and smartphones remained strong.

◆Housing and construction

- Although inquiries for screw tightening robots and other products to reduce labor increased, sales were down significantly from the previous quarter.

- Both sales and profit declined due to the significant impact of a freeze on capital investment by customers in the automotive and other industries that are experiencing a shortage of semiconductors.
- Strengthened sales expansion strategy by introducing new labor-saving and environmentally friendly products.

Overview of Results by Segment - Control System Division **NITTOSEIKO**

Unit: Mil yen/ %	Year ending Dec 2021	Year ending Dec 2022	YOY comparison	
	Amount	Amount	Amount	% Change
Net sales	5,416	5,296	△120	△2.2
Chemical and pharmaceuticals	1,326	1,183	△142	△10.7
Energy sector	1,164	853	△310	△26.7
Housing and construction	553	548	△4	△0.9
Automobile	365	367	2	0.6
Electrical and electronic parts	204	305	100	49.4
Ship building	407	285	△122	△30.0
Medical	24	134	109	456.1
Others	1,373	1,621	248	18.1
Operating income	156	157	1	0.7

- Both sales and profit declined due to the impact of production adjustments at demand destinations caused by the prolonged shortage of semiconductors.
- The Company will seek to regain its footing by strengthening overseas sales expansion of analytical instruments and other products.

- ◆Chemical and pharmaceuticals
 - Although there is demand for analytical instruments and flowmeters, sales remain sluggish due to the shortage of semiconductors.
- ◆Energy sector
 - Although there is demand for analytical instruments, sales remain sluggish due to the shortage of semiconductors.
- ◆Housing and construction
 - Sales remained flat despite replacement demand for the Geokarte IV ground survey machine.
- ◆Automobile
 - Despite demand for equipment such as MISTOL, a parts inspection system that inspects the external dimensions of nuts and other parts, and analytical equipment from Nittoseiko Analytech Co., Ltd., sales remains flat compared to the previous quarter.
- ◆Electrical and electronic parts
 - Significant increase due to strong demand for flowmeters and analytical instruments, despite the shortage of semiconductors.
- ◆Ship building
 - Substantial YoY decline despite high demand for flow meters and other products due to marine transport related fuel efficiency performance regulations.

Unit: Mil yen/ %	Year ending Dec 2021	Year ending Dec 2022	YOY comparison	
	Amount	Amount	Amount	% Change
Net sales	23	10	Δ13	Δ56.1
Medical	23	10	Δ13	Δ56.1
Others	—	—	—	—
Operating income	Δ61	Δ102	Δ41	—

◆Medical

- Although there were inquiries about “FREELED,” the adoption of the product did not materialize. The Company made cost reductions and other improvements to meet market needs and strengthened its sales expansion strategy by exchanging information with sales partners.
- For “biosoluble high-purity magnesium for medical use,” the Company is proceeding with the development of an integrated manufacturing facility, production of samples for clinical trials, and performance tests, and is working on the early commercialization of the product with the aim of launching it in the market.

Summary of Overseas Business Results (Q4 of FY 2022)

Area	Net sales ratio by area	Country	Compared to Q4FY21	Notes
East Asia (Excluding Japan)	33.9%	China	135%	Demand for screw products for game machines increased significantly. In addition, demand for electrical/electronic parts and IT/information equipment also remained strong.
		Korea	123%	Sales of automobile-related production equipment and other products were strong.
		Taiwan	94%	Sales of screw products for home appliances increased significantly due to rising demand. Demand for automobile-related screws and production equipment was also strong.
South-East Asia	43.6%	Thailand	99%	Demand for screws and screw fastening machines for electrical/electronic parts and IT/information equipment, and for screw fastening machines for housing remained flat.
		Malaysia	130%	Demand for electrical and electronic parts and IT and precision equipment is strong.
		Indonesia	133%	In addition to steady demand from the core electric/electronic parts industry, demand from IT and precision equipment, game machines, and automobile-related industries remained strong.
North America	16.1%	USA	185%	Demand for automobile-related production equipment, including screw fastening machines, remained strong. Recovery trend in automobile-related production facilities.
Europe	3.6%	---	98%	Demand for analyzers and other equipment remained flat.
Others	2.7%	---	89%	---

Balance Sheet 117th Fiscal Year Ending Dec 2022 (Consolidated) **NITTOSEIKO**

Unit: Mil yen/ %	Year ending Dec 2021		Year ending Dec 2022		YoY comparison	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Assets						
Total current assets	32,646	64.1	34,342	64.3	1,696	5.2
Cash and deposits	11,415	22.4	9,098	17.0	Δ2,316	Δ20.3
Notes, accounts receivable-trade, and electronically recorded receivables	12,084	23.7	13,986	26.2	1,902	15.7
Inventories	7,926	15.6	10,081	18.9	2,155	27.2
Total fixed assets	18,277	35.9	19,065	35.7	787	4.3
Tangible Fixed Assets	13,092	25.7	14,085	26.4	993	7.6
Intangible fixed assets	1,281	2.5	1,146	2.1	Δ134	Δ10.5
Investments and other assets	3,904	7.7	3,833	7.2	Δ71	Δ1.8
Total assets	50,924	100.0	53,408	100.0	2,484	4.9
Liabilities						
Total current liabilities	13,675	26.9	14,601	27.3	926	6.8
Notes and accounts payable-trade and electronically recorded liabilities	8,069	15.8	9,015	16.9	945	11.7
Short-term debt (including current portion of long-term debt and bonds)	2,610	5.1	2,436	4.6	Δ173	Δ6.7
Total fixed liabilities	4,546	8.9	4,304	8.1	Δ241	Δ5.3
Total liabilities	18,221	35.8	18,906	35.4	684	3.8
Net assets						
Capital stock	3,522	6.9	3,522	6.6	—	—
Capital and Retained Earnings	26,993	53.0	28,208	52.8	1,215	4.5
Treasury stock	Δ1,254	Δ2.5	Δ1,246	Δ2.3	8	—
Total net assets	32,702	64.2	34,501	64.6	1,799	5.5

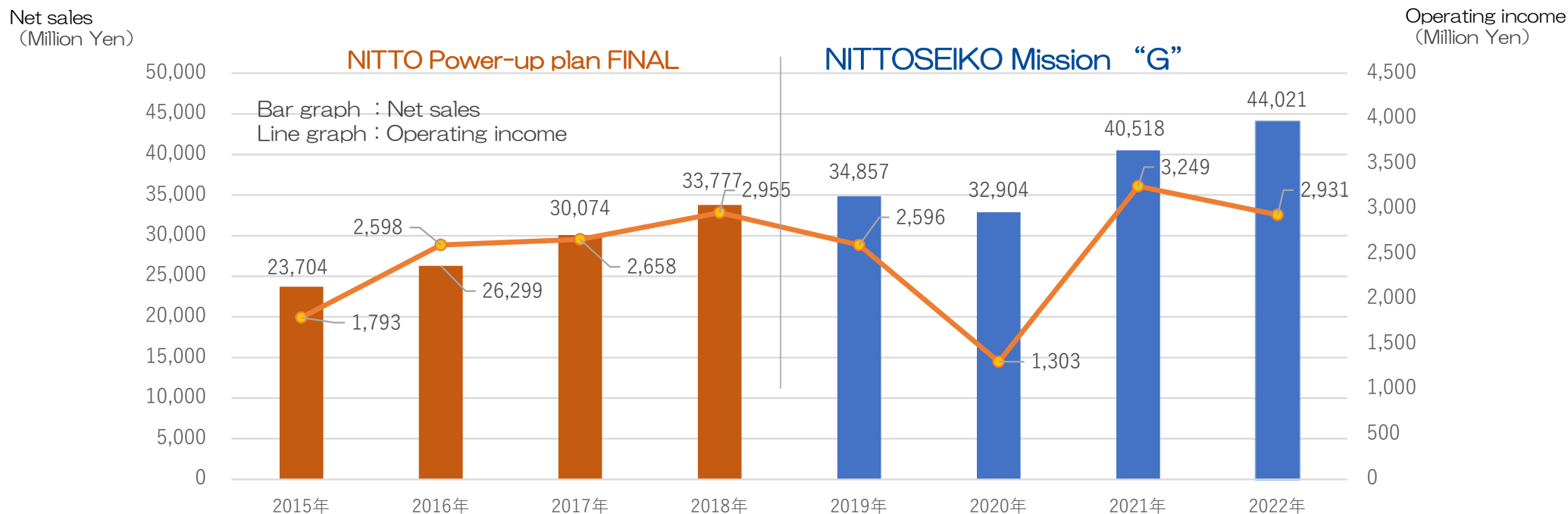
Cash Flow Statement for the Fiscal Year Ending Dec 2022 (Consolidated)



Unit: Mil yen	Year Ending Dec 2021	Year Ending Dec 2022		
	Amount	Amount	Amount change	% Change
CF from operating activities ※①	3,650	999	△2,650	△72.6
CF from investing activities ※②	△993	△1,987	△993	—
(Free CF) ※①+②	2,657	△987	△3,644	—
CF from financing activities	△704	△1,301	△596	—
Net increase (decrease) in cash and cash equivalents	2,136	△2,129	△4,266	—
Cash and cash equivalents at beginning of period	8,299	10,435	2,136	25.7
Cash and cash equivalents at end of period	10,435	8,305	△2,129	△20.4

Comparison with Medium-Term Management Plan (Consolidated) **NITTOSEIKO**

単位：百万円/%	NITTOSEIKO Mission “G” Final plans for the year		NITTOSEIKO Mission “G” Final Result of Fiscal Year		Compared to plan	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
Net sales	55,000	100.0	44,021	100.0	△10,979	△20.0
Operating income	4,705	8.6	2,931	6.7	△1,774	△37.7
Net income	2,200	5.4	1,828	4.2	△371	△16.9



●Net sales, operating income, and net income all fell short of the business plan due to the temporary suspension of operations resulting from the COVID disaster, soaring raw material prices, and the prolonged shortage of semiconductors.

2. Forecast for the 118th Fiscal Year Ending Dec 2023

The forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable and may differ from actual results due to various factors in the future.

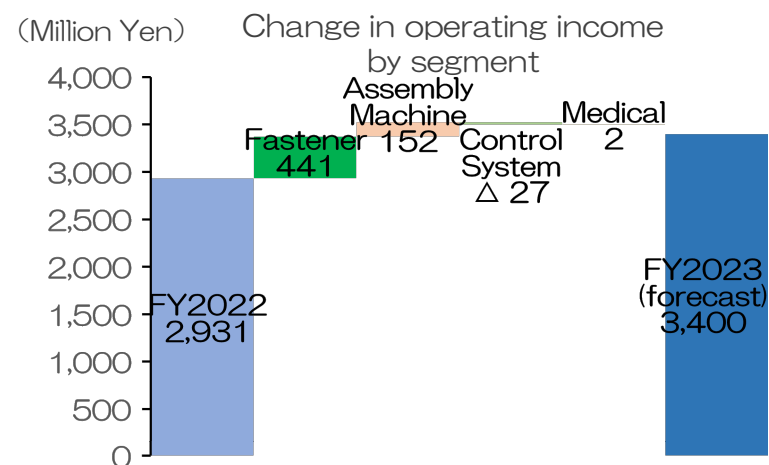
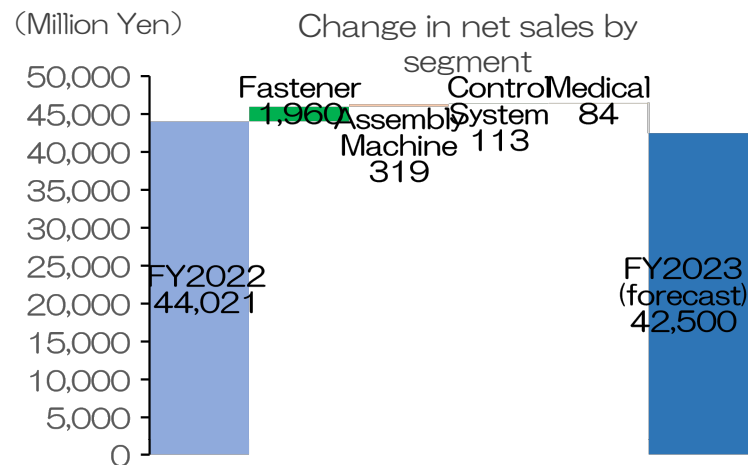
Forecast for Fiscal Year Ending Dec 2023 (Consolidated) **NITTOSEIKO**

Unit: Million yen / %	Year ending Dec. 2022		Year ending Dec 2023 (Forecast)		YoY comparison	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
Net sales	44,021	100.0	46,500	100.0	2,478	5.6
Operating income	2,931	6.7	3,500	7.5	568	19.4
Ordinary income	3,235	7.3	3,700	8.0	464	14.4
Net income attributed to shareholders of the parent company	1,828	4.2	2,200	4.7	371	20.3
Net income per share (yen)	49.50		59.54			

- Despite the lingering effects of the semiconductor shortage, the Company expects sales to increase due to higher demand from the automotive industry, including the booming EV and ECU-related industries, as well as increased demand due to the recovery from the Covid pandemic.
- In fastener products, demand for functional screws for anti-contamination measures is expected to increase due to the trend toward EVs and reduced weight. In addition, sales of screw products for plastic in the electrical/electronic parts industry are also expected to be strong.
- In the screw fastening machine-related business, sales are expected to increase as the Company strengthens its sales structure in order to obtain orders for CASE-related equipment in the thriving automobile industry.
- Demand for analytical instruments is expected to increase in the chemical, pharmaceutical, food, automobile, and energy industries. Demand for inspection equipment is also expected to remain strong due to the need for labor saving and automation.
- In the medical business, the Company will strengthen cooperation with distributors for the development and sales expansion of medical devices, as well as the development of manufacturing facilities and non-clinical and clinical trials for “biosoluble high-purity magnesium implants for medical use”.
- The Company will expand sales in the European market and promote sales to non-Japanese users in an effort to increase overseas sales within the Group.

Sales and Operating Income Forecast by Segment (Consolidated) **NITTOSEIKO**

Unit: Million yen / %		Year ending 2022	Year ending 2023 (Forecast)	YoY comparison	
				Amount change	% Change
Fastener	Net sales	32,199	34,160	1,960	6.1
	Operating income	1,648	2,090	441	26.8
	Profit ratio	5.1	6.1		
Assembly Machine	Net sales	6,515	6,835	319	4.9
	Operating income	1,227	1,380	152	12.4
	Profit ratio	18.8	20.2		
Control System	Net sales	5,296	5,410	113	2.2
	Operating income	157	130	Δ27	Δ17.6
	Profit ratio	3.0	2.5		
Medical	Net sales	10	95	84	808.5
	Operating income	Δ102	Δ100	2	—
	Profit ratio	Δ976.2	Δ105.3		



Seed Sowing Management : NITTOSEIKO Mission “G”

Continuous investment averaging 3 billion yen per year over 4 years

We will optimize investments based on the new Mid-term Management Plan.

unit : Million Yen	Year ending 2019	Year ending 2020	Year ending 2021	Year ending 2022	Year ending 2023 (Forecast)
	Amount	Amount	Amount	Amount	Amount
Capital Investment	2,002	1,313	1,171	1,122	1,235
M&A	0	2,000	0	2,133	—
R&D	495	630	715	764	800
Total	2,497	3,943	1,886	4,019	—
(Depreciation and amortization)	1,037	1,176	1,294	1,421	1,380

Main use of capital investment (2022)

Equipment upgrade to improve processing quality



Introduction of vertical machining center

Equipment upgrade to improve heat treatment quality



Introduction of carburized gas generator

New equipment to improve work efficiency

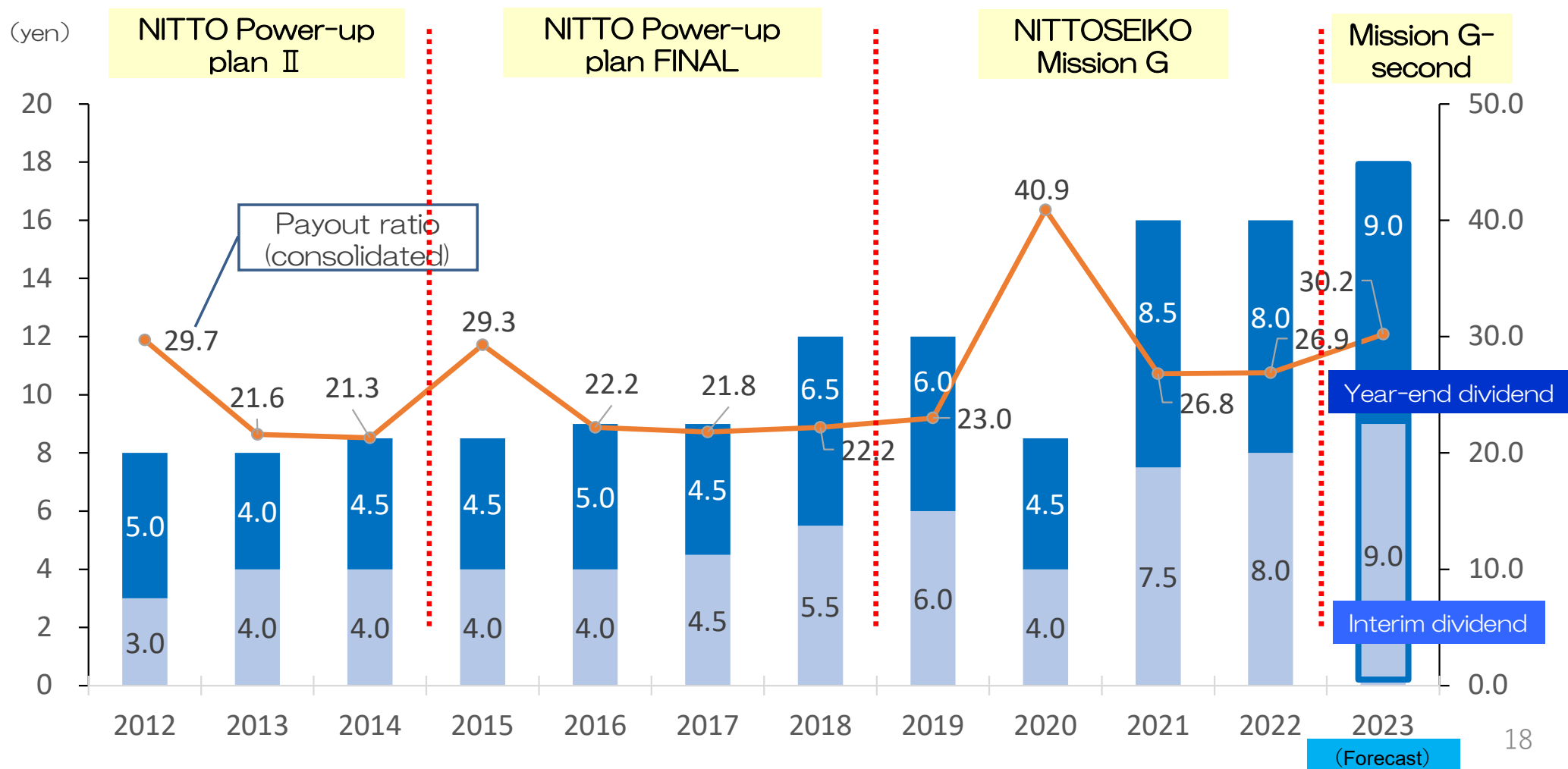


Introduction of portable 3D measuring equipment

Shareholder Returns

■ Basic policy on profit distribution :
 Returning profits to shareholders = Continue to provide
 stable dividends appropriate to business performance

Interim dividend : 9.0 yen } Annual dividend of 18.0 yen
 Year-end dividend : 9.0 yen



3. New Mid-term Management Plan

~Overview of Mission G-second (2023-2025) ~

Management Vision

To become a "Manufacturing Solution Group" that is known and sought after worldwide.

Strategy Theme

A sustainable group with four growth strategies

GROWTH#1 Business Expansion Strategy

- Business-specific growth strategies that leverage core competencies
- Customer-oriented solutions
- Group optimization for business expansion and management efficiency

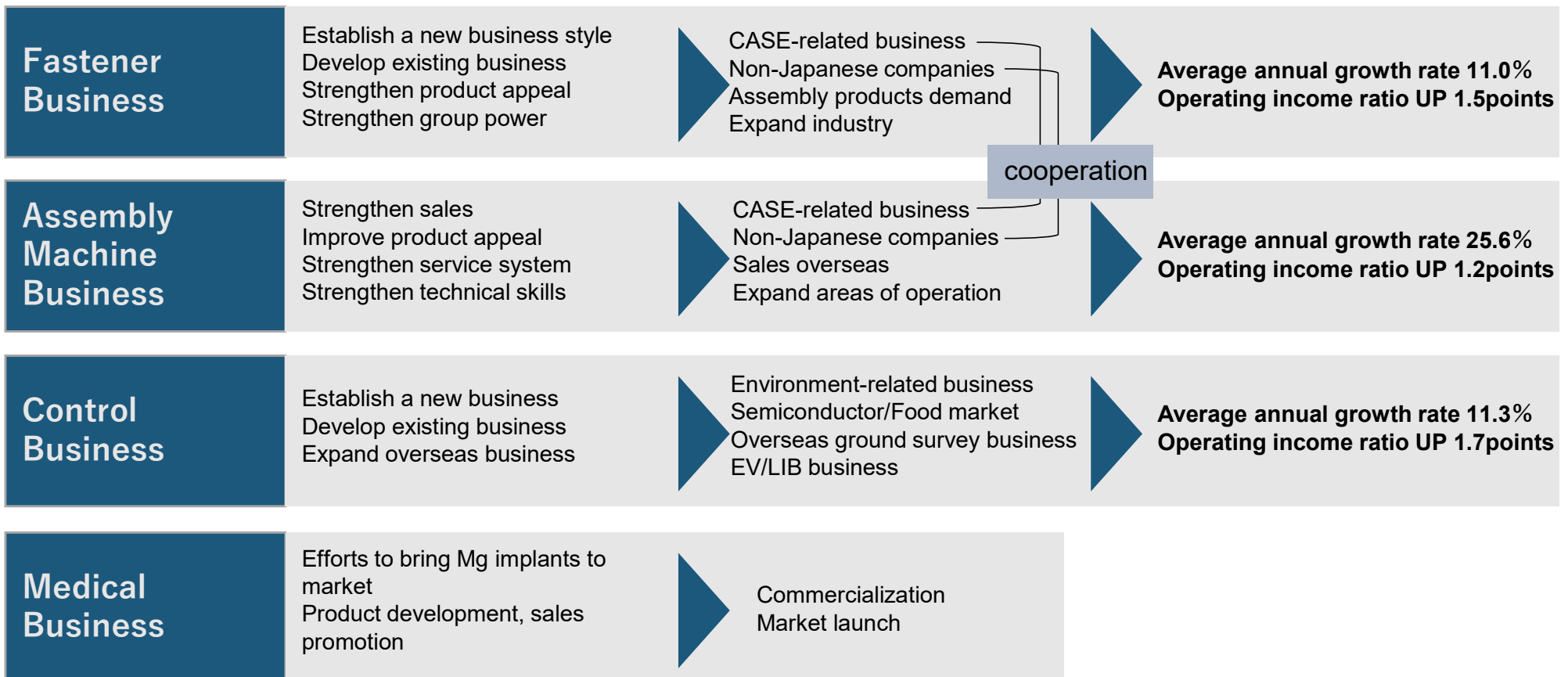
Result FY2022 (Million Yen)

Net Sales	44,021
Operating Income	2,931

Target FY2025 (Million Yen)

Net Sales	60,000
Operating Income	5,160

Implement a growth strategy that leverages the strengths of each division



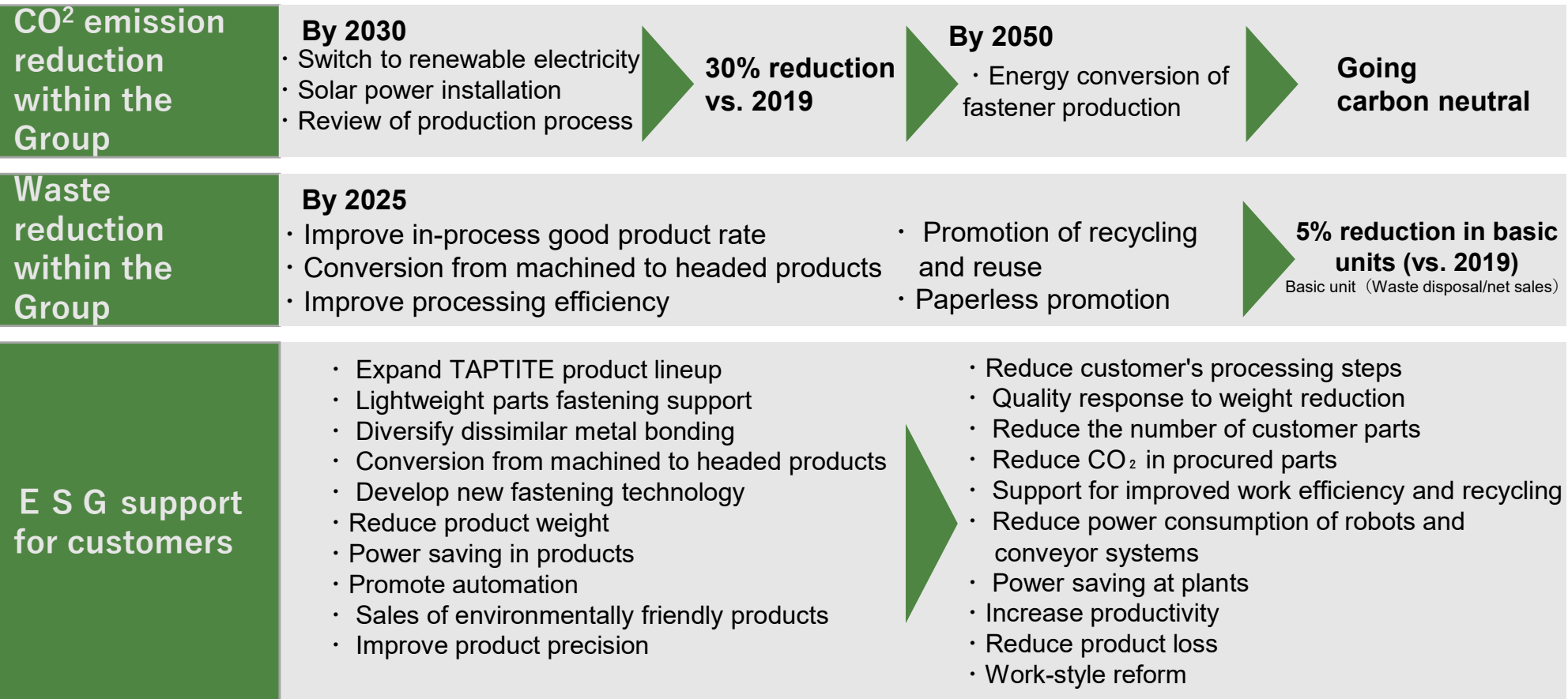
GROWTH#2 Environment Strategy

- Consideration of environmental impact in all business activities
- Local community activities that lead to a sustainable society
- Strengthen governance systems that lead to improved management

12% reduction in CO₂ emission in FY2025 (vs. 2019)

5% reduction in basic unit waste in FY2025 (vs. 2019)

Internal and external environmental initiatives



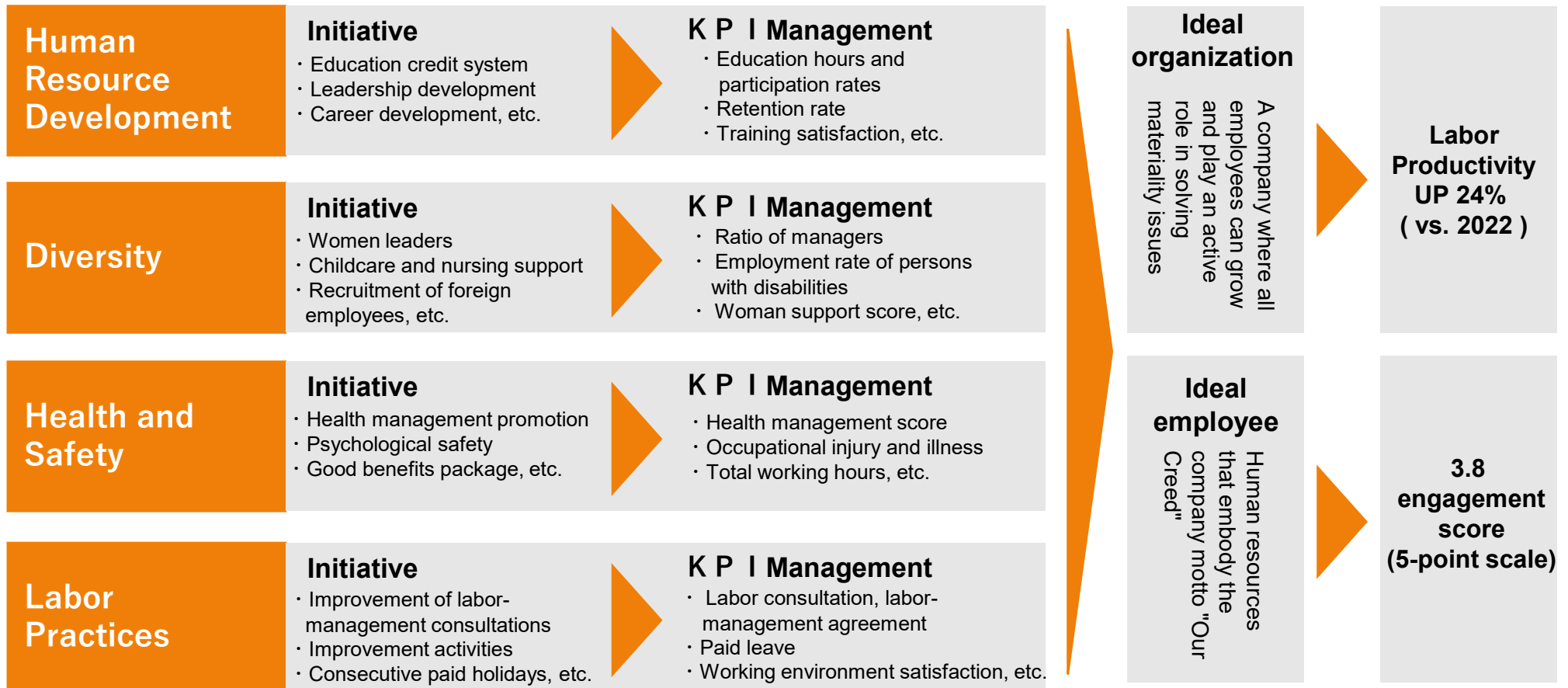
GROWTH#3 Human Resource Strategy

- Developing and utilizing the human resources we seek
- Pursuit of a healthy and happy work environment
- Proactive approach to human rights issues

24% increase in labor productivity in FY2025 (vs. 2022)

3.8 points engagement in FY2025 (5-point scale)

Human capital investment and effect

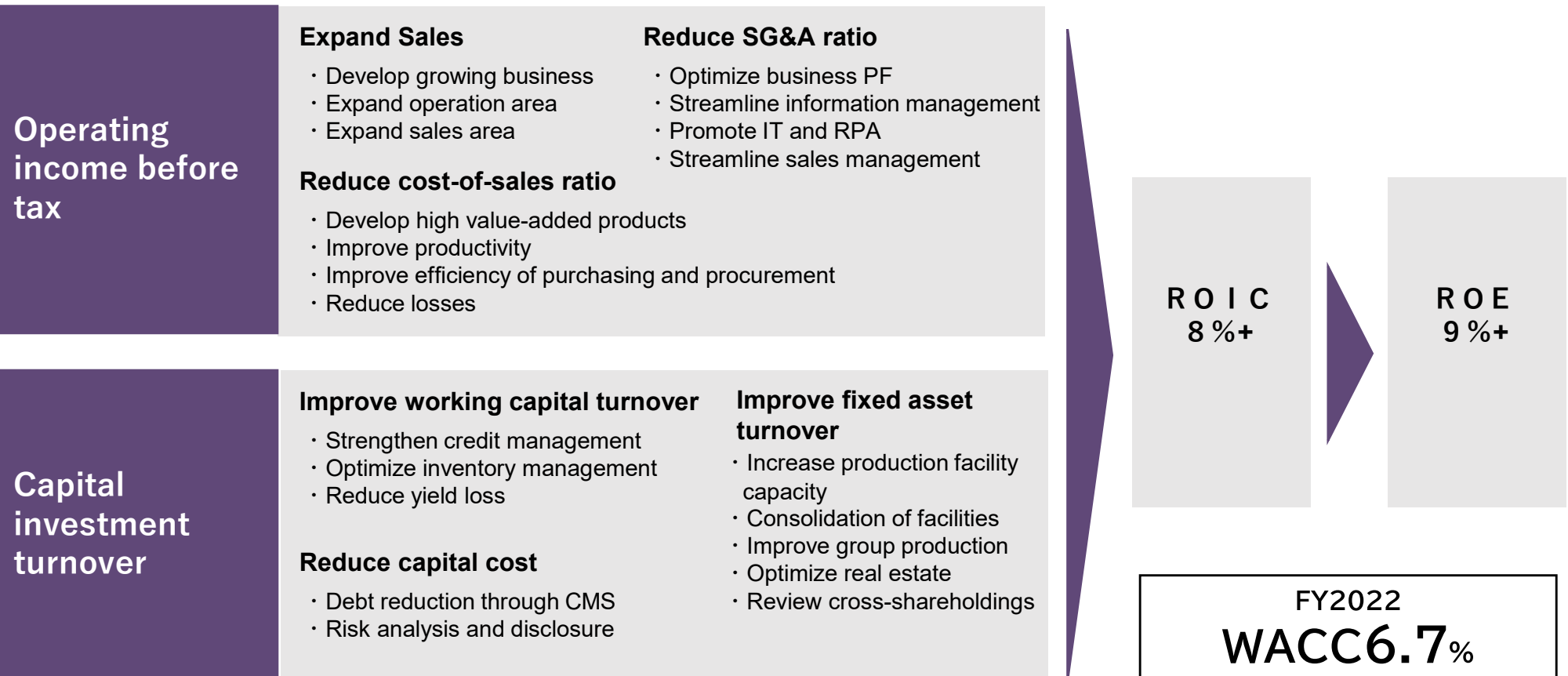


GROWTH#4 Financial Strategy

- Improve financial strength by optimizing cash management
- Pursuit of investment returns through indicator management
- DX practices that lead to QCD improvement

FY2022 Result		Goal for FY2025	
ROIC	5.4%	ROIC	8%+
ROE	5.9%	ROE	9%+

Maximize investment efficiency



4. Improve Engagement

Engagement

Nicotto7 (Health Management)

Nicotto7 is a unique in-house initiative that sets seven items, including measures against lifestyle-related diseases, mental health, and improvement of work-life balance. We are currently developing a vibrant workplace with the participation of all employees.



Certifications and Awards

Health & Productivity Management Brand 2022 & FY2021 “Nadeshiko Brand” Double selection!!

- March 2022 (Nittoseko Co., Ltd. Only 9 companies in the nation were selected for both.



Excellent Corporation for Health & Productivity Management2022



- March 2022 (Nittoseiko, Nittokoshin, Nittoseiko SWIMMY)

Sports Yell Company 2023

- Feb 2023 (Nittoseiko, Nittokoshin Both selected for two years in a row)



Regional Development

Naming Rights

- ① Ayabe City, Nittoseiko Arena (Martial Arts Center and Stadium) Aug 2019~
- ② Ayabe City, Nittoseiko Stadium (Baseball Stadium) Jan 2022~ Jul 2022 Baseball Class for elementary school students (Guest instructor: Mr. Kei Igawa, professional baseball alumnus)

Model Forest etc.

May 2022 Participated in the “Yura River Clean Operation” to pick up trash along the banks of the Yura River.
 Jun 2022 Removal of bamboo grass and underbrush to protect forests in the Kamibayashi district of Ayabe City.

5. Initiatives for Sales Expansion

~Sales expansion in Europe & Japan~

Europe Sales Expansion Strategy 1

【 First appearance at an international exhibition held in Germany 】

NITTOSEIKO

HANNOVER MESSE 2022



Period May 30~Jun 2 2022

Participants Approx. 75,000 ppl

Companies Approx. 2,000

Booth position Automobile and
robot related hall

* Total of 8 companies
participated from Japan

**Proposed anti-contamination products
that are in high demand, especially for
EV equipment**

Participation
in May
2022



Screw tightening robot
equipped with anti-
contamination unit



CP Grip: Contamination
scattering prevention screw

【Future Outlook】

We will expand our sales channels for screws, screw fastening machines, and analyzers in Europe and build a sales network by exhibiting at trade shows and collaborating with Nittoseiko Analytech Europe, our group company, which will start operations in Germany on April 1, 2023.

Europe Sales Expansion Strategy 2

【Second exhibition in Germany】

NITTOSEIKO

Fastener Fair Global 2023



Period Mar 21, 2023~Mar23

Place Messe Stuttgart(Germany)
Hall No.7
Booth No.3542

Attendants Approx. 12,000
opl(for 2019)

Companies 987(for 2019)

Exhibiting at the European exhibition specializing in screw parts!



【Exhibit Plan】

- Chip adhesive type screw 'CP GRIP'
- Self-tapping screw for plastic 'GIZATITE'
- Self-tapping screw for aluminum 'ALUMITITE'
- Press-fit stud bolts for thin sheets
JOISTUD-S
JOISTUD-HT (Torque resistant) *New Product
JOISTUD-SS (Compact) *New Product
JOISTUD-WP (Waterproof) * New Product
- Cost reduction pin 'G-PIN'
- Dissimilar metal bonding 'AKROSE'
- Lightweight screw tightening tool 'FM514 Series'
- Group Shinwa Seiko Co., Ltd. 'Various precision press parts'

To exhibit
in March
2023

We will promote our Group's strengths in both fastening parts and fastening technology, with an emphasis on European automobile and electrical/electronics manufacturers. We will work to increase awareness and expand sales in Europe.

Automotive World 2023



13th Automotive Weight Reduction Technology Expo

Period Jan 25~27 2023
Place Big Site in Tokyo

Participants 113,028 ppl
*Includes other Expos held on the same day

Exhibited for the first time in 3 years!
New product release on the first day!

Exhibit in Jan 2023

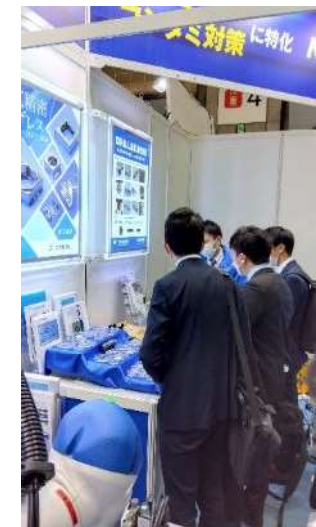


Corner for new product display immediately after release



Exhibit of fastener product JOISTUD and anti-contamination screw fastening machine

After the exhibition, we quickly began visiting visitors to the show. In addition to following up with visitors, we focused on providing solutions and information to users in each area, and won many new projects.



Our Group's Exhibition Corner
Shinwa Seiko and KM Seiko

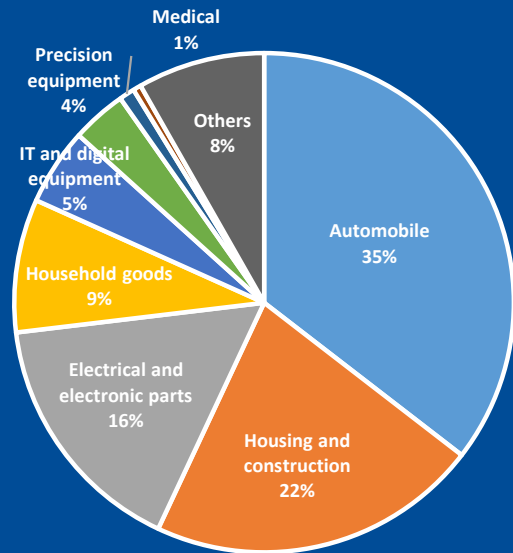
We are implementing our business expansion strategy with our unique “Fishery Theory”

Theme	Thought process	Points to check	
Fishing ground	Where are the fish?	Are there enough fish in the fishing ground right now?	If not, where should they move the fishing ground?
Fish type	What type of fish are in the fishing ground?	Are there the types of fish that they seek?	Do they know about the other fish that are there?
Selection	What fish to catch?	What do they want to catch?	Why do they choose that?
Feed	What kind of feed do they use?	What feed do they prepare?	Does the feed match the target fish?
Tools	What kind of tools do they use?	How many tools to they have?	Is the tool appropriate for the target fish type?
Fishermen	Are there enough people?	Are there enough number of people?	Is it appropriate for the catch size and the size of the area?
Skills	Do they have skills to catch?	Is the strategy and preparation perfect?	Do they have enough skills?
Catch	Are they catching according to plan?	If not, what is necessary?	Were they able to act according to plan?

4. Efforts by Segment

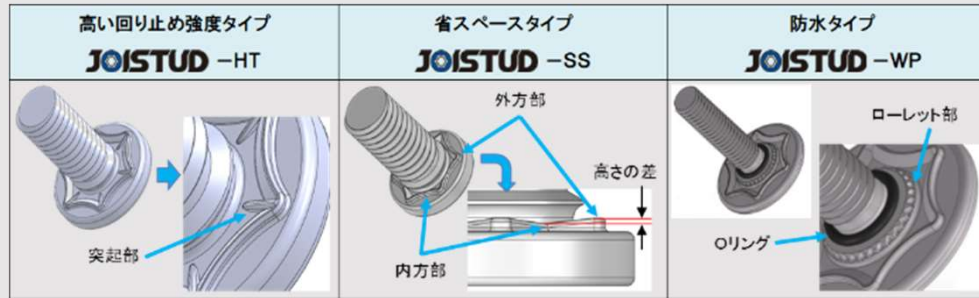
~Fastener Business Initiatives~

Sales composition by destination (consolidated) Year ending Dec. 31, 2022



Reduced warping and burring even when installed into thin sheets for weight reduction. **Self-clinching Stud JOISTUD 3 Series**

Launched in Jan 2023



Three types for different applications: torque-resistant, space-saving, and waterproof. As a new **lightweight** item for **low fuel consumption and Co² reduction**.

Self-tapping screws for plastic **GIZATITE**

Special screw thread shape prevents **loosening** due to vibration and temperature changes. Compatible with **plastic** parts for **weight reduction**.



Self-tapping screws for soft metal **ALUMITITE**

Prevents **seizure** that tends to occur when screwing into aluminum die castings. Prevents **yield and cost** problems such as workpiece damage.



Target

Electrification (electronic parts)



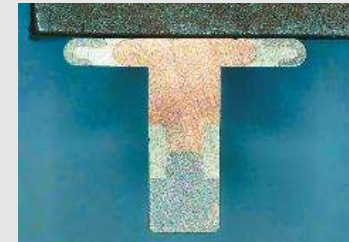
Screw chip adhesive type screw **CP-GRIP**



When screwed in, oil-based mucilage oozes onto the tip of the screw to **trap iron and friction powder**. A functional screw for electrified parts incorporated with circuit boards that meets the electrification trend in **automobiles, IT, precision equipment**, etc.,

Dissimilar metal bonding -New technology to bond multiple materials firmly at the atomic level

AKROSE HYBRID



‘Lightweight’
‘Reduced
environmental
impact’
‘New lifestyles’

Target Industry Outlook

Automobile

- Upward trend is expected in recovery from the decline in production caused by the shortage of semiconductors.
- As companies begin to develop EVs, we expect **batteries**, **ECUs**, and **sensors** to become more active.
- Increased orders for our original self-tapping screws and self-clinching stud bolts “JOISTUD” for **weight reduction and solving environmental issues**.

Outlook



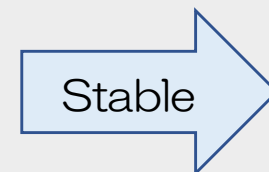
Housing and construction

- Demand for screw products for housing equipment and for boilers is expected to remain strong.
- **Bolts for construction** are expected to increase from this year in preparation for the 2025 Osaka Expo.



Electrical and electronics

- Expect to expand orders and **increase profit margins** by targeting high volume products overseas and high value-added products in Japan.
- We aim to **expand into new markets** that will change conventional methods, including the horizontal expansion of the AKROSE dissimilar metal bonding technology.



Household goods

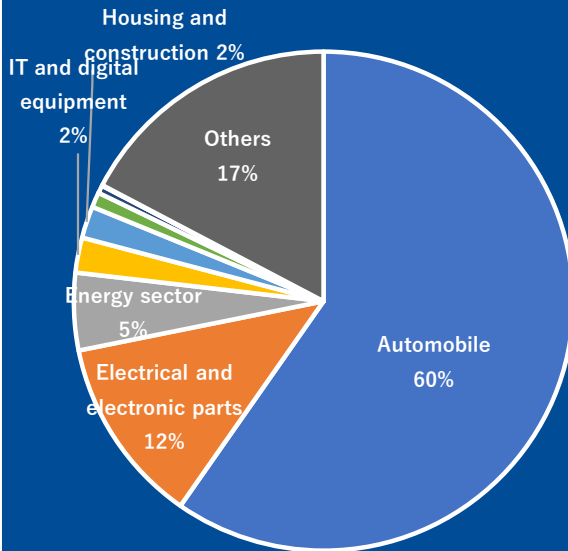
- Demand for **game machines, bicycles, fishing equipment, watches**, and other items associated with lifestyle changes is expected to continue, but demand for stay-at-home is expected to slow down due to a shift to ‘with-Corona’ lifestyles, and the market is expected to gradually decline.



4. Efforts by Segment

~Assembly Machine Business Initiatives~

Sales composition by destination (consolidated) Year ending Dec. 31, 2022



Target

Automobile
Electrical/Electronic parts

Screw Fastening Tool for Collaborative Robots
PD400 Series

Collaborative robots are attracting attention due to the recent labor shortage. Developed a special screw fastening tool that can be mounted on collaborative robots of three companies. The product is highly praised as a product that **resolves labor shortages**. The lineup is also being expanded through **collaboration** with **other manufacturers**.

Launched in Aug 2021



UNIVERSAL ROBOTS

Launched in Oct 2022



FANUC

Launched in Oct 2022



YASKAWA

Vertically Articulated Screw Fastening Robot
SR825AR Series

Launched in Oct 2022

Collaboration product combining the vertical articulated robot of Yaskawa Electric Co., Ltd. and our screw fastening unit. **Integrated control and setting** by a single robot controller for the robot that performs positioning and the driver that performs fastening.



NITTOSEIKO X YASKAWA

Lightweight Screw Fastening Unit FM514CZ/VZ

- 30% weight reduction vs. conventional products

Reduces power consumption by downsizing of the robot equipped with this unit ⇒ Reduction of 0.35 tons of Co² per year ※
※ Calculation based on company data

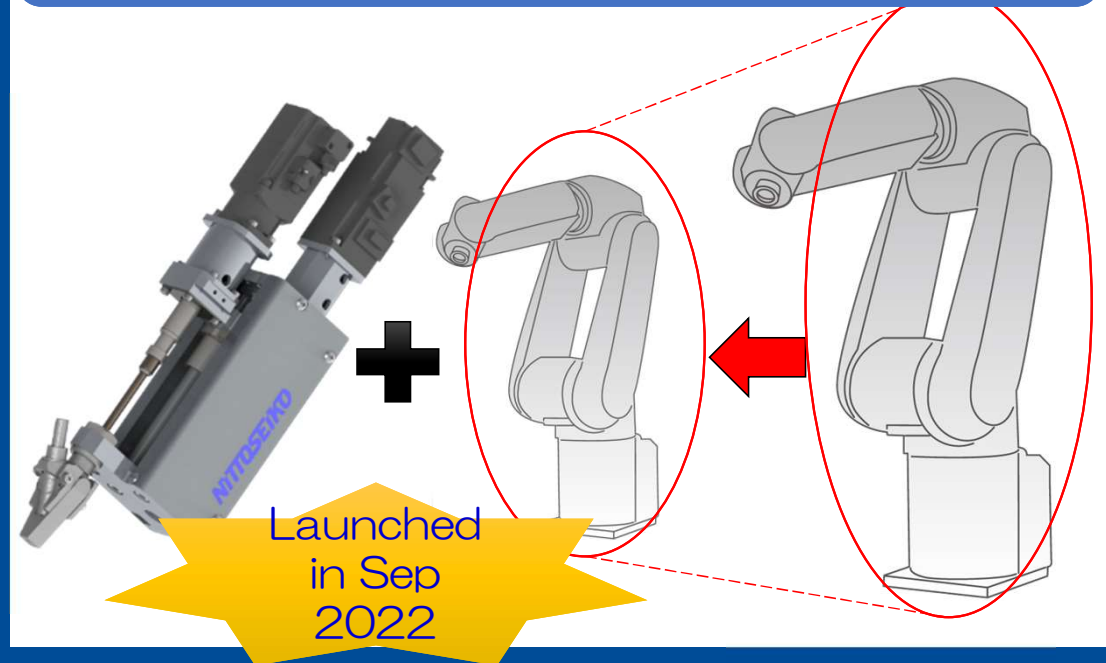
- With thrust control function

Allows individual setting of fastening torque and screwing speed. Enables optimal screw fastening settings according to workpiece characteristics.

- Compatible with screw pressure feed

Significantly reduced time vs. the screw extraction method

New environmentally friendly product
Focus on the **automobile industry!**

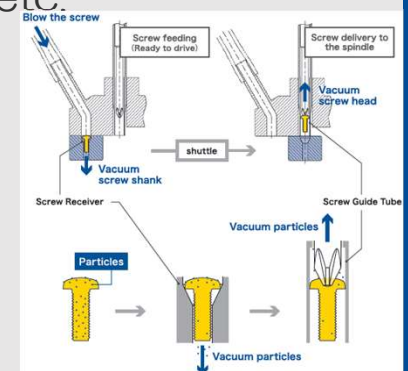


Anti-contamination (Electronic parts)

Anti-contamination product for metal powder etc.

Anti-Contamination Screw Fastening Machine

Removes metal powder, etc. adhering to screws and other parts by air suction just before fastening. Screws can be supplied by compressed air, which significantly shortens the time required compared to the extraction method in which screws are extracted and moved to a predetermined position.



‘Human
Collaboration’
‘Energy
Conversion’
‘Labor Shortage’
‘ICT Development’

Target Industry Outlook

Automobile

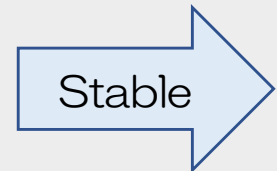
- Investment is expected to remain high for production facilities for new vehicle models and **EVs and new energy vehicles**.
- Focus on business negotiations and PR activities both in Japan and overseas to secure new customers and new projects.

Outlook



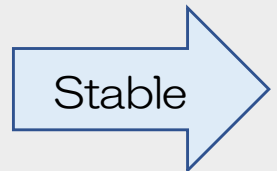
Electrical and electronics

- Demand related to semiconductor equipment is expected to remain strong, although there are signs of slowdown in some areas.



Energy related

- Expect rising demand for equipment for **storage batteries** and manufacturing equipment for **public measurement device**.



IT/Information equipment

- Expect capital investment related to telecommunication base stations such as 5G .



Housing and construction

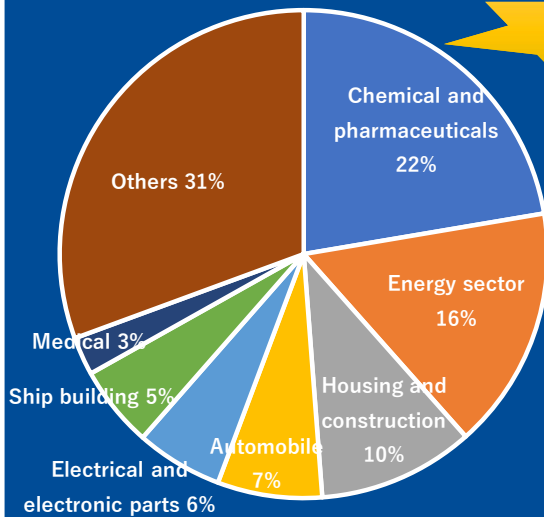
- In addition to continued orders related to boilers, we expect to receive orders for **new equipment** and equipment upgrades **from housebuilders**.



4. Efforts by Segment

~Control System Business Initiatives~

Sales composition
by destination
(consolidated)
Year ending
Dec. 31, 2022



Low-cost and compact flowmeter exclusively for water

Compact Aqua Meter WE



Launched
in Mar
2022

We provide **inexpensive, compact,** and highly reliable flowmeters to meet the demands of manufacturers in all fields, including the chemical, food, and shipbuilding industries.

Electromagnetic measurement method expands flowmeter product lineup

MAGFLOW



Launched in
Mar 1st 2023

New electromagnetic type is released. We will respond to customer needs by **expanding our product lineup.**

Image inspection and sorting equipment
MISTOL/MISTOL ROBO-Type, etc.

Standard type capable of **high-speed inspection** of 50 to 1000 nuts, bolts, etc. per minute for size and scratches. Robot type that **gently grips** and inspects vibration-sensitive workpieces. We also started to develop a series of **AI-type** models (made reference exhibits in January), which will make it easier to set the pass/fail range.



Industry standard ground survey machine
GEOKARTE



Reduces the burden on the tester by using Bluetooth to automatically change the test load and collect various test results. Automatic testing **prevents data tampering.** Expansion to Thailand and other countries is underway.

**Reduces
Environmental
Impact
(Environmental
Pollution Control)**

Analyzer with automatic in-syringe dilution system

NSX-5000V Series

Improved work efficiency and low running costs. Sample temperature control system enables proper collection and installation of volatile liquid samples. Deployment in R&D and quality control departments of petroleum refining, petrochemical, chemical industry, etc.



Automatic powder resistance measurement system

MCP-PD600



Provides smart conductivity evaluation of powder samples. Simultaneous measurement of powder resistance and press density. Simplicity and automation make it suitable for a wide range of applications from R&D to quality control. Ideal for evaluation of electronic materials such as electrodes for lithium-ion batteries.

Targeting new hairdressing & beauty industry

Launched in Oct 2022



Development of shower system for hairdressing salons

【Product Features】

- High density microbubbles
- Showerhead that incorporates advice from professionals
- Can be attached externally to conventional equipment
- No cost needed for consumables, etc.

【Effects of installation】

- Comfortable fine bubbles
- Prevents color transfer after hair coloring
- Washes while protecting hair
- Reduction of treatment time and saves water
- Improved hair color quality

Horizontal expansion of our existing microbubble generation technology. Value-added shower systems never seen before.



直径1 μ m以上100 μ m未満の泡が水中に留まり白く見えます

White appearance, caused by 1-100 μ m bubbles in the water.

‘Environment’
‘High-precision
measurement’
‘Safety’

Target Industry Outlook

Chemical/Pharmaceutical

- Demand for analytical instruments continues to increase both domestically and internationally
- Demand is expected to increase against the backdrop of **environmental issues** and other factors.

Energy

- Expect to see an increase in orders for analytical instruments and flow meters as a result of the switch to gas fuels with the **conversion to new fuels** for going carbon neutral.

Housing/Construction

- The replacement of geotechnical surveys for detached houses with the new type GEOEOKARTE IV is expected to settle down and remain flat. • **Expect to receive orders** for ground survey equipment **overseas**.

Automobile

- Demand for **inspection equipment from automobile parts manufacturers** is expected to be strong in anticipation of a labor shortage.
- To increase the recognition and orders for inspection equipment, we will expand our PR activities such as **participation in trade shows**.

見通し

Slight
increase

Increase

Stable

Slight
increase

4. Efforts by Segment

~Medical Business Initiatives~

World's first!
Medical bio-soluble
high purity magnesium



Fracture treatment implants



Feature

- High purity magnesium of 99.95% +, non-toxic and extremely safe.
- Starts dissolving after a certain period of time in vivo, then slowly dissolves completely over a longer period.

State of progress



Development Status

- Non-clinical studies with rabbits have begun at a university hospital.
- Research presentations at various academic meetings
2022.10 Joint research with Dr. Yoshinobu Oka, Kyoto Prefectural University of Medicine
2022.11 Staff member of New Medical Business Department
- Biological safety studies and non-clinical studies (animal studies) are underway with completion scheduled by the end of this year.
- Currently in the process of selecting implants that are compatible with these tests.

Preparing for clinical trials

- Preparation for biological safety studies
- Animal studies
- Preparation for examinations



Establishment of mass-production system

- Capital investment for mass-production
- Quality and performance stability check

5. Management Approach

Management Approach

1

We strive for 120% satisfaction in response to customer requests.

2

The purpose of management is the pursuit of wellbeing, where everyone is happy.

3

We aim to realize a sustainable society and company, based on our founding spirit of contributing to society in the public interest.

4

We will ensure a strong financial position to carry out all of these activities.

Forecasts of future performance contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Actual results may differ from these forecasts due to a variety of factors. Important factors that may affect actual results include, but are not limited to, economic conditions in Japan and overseas surrounding our business domain, demand trends for our products and services, exchange rates, and stock market trends. Factors that may affect our business performance are not limited to the above.