

(Issue code: Tokyo Stock Exchange Prime 5957)



# Results Briefing for the fiscal year ended December 2024

**NITTOSEIKO**

Taking new steps forward together



■ Explained by  
**Makoto Araga, President**

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Forecast for the Fiscal Year Ending Dec 31, 2025

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The background of the slide features a series of diagonal stripes in various shades of blue, ranging from light to dark, creating a dynamic and modern aesthetic.

# **1. Summary of Financial Results for the Fiscal Year Ended Dec 31, 2024**

# Summary of Financial Results



Unit: Million yen / %	FY2023 Full Year		FY2024 Full Year		YoY		FY2024 Results Compared to forecast (as of Nov. 13, 2024)		
	Amount	Ratio(%)	Amount	Ratio(%)	Amount change	% Change	Forecast amount	Amount change	% Change
<b>Net sales</b>	44,744	100.0	<b>47,069</b>	100.0	2,325	5.2	48,200	△ 1,130	△ 2.3
Gross profit	10,183	22.8	11,240	23.9	1,057	10.4			
Selling, general and administrative expenses	7,568	16.9	7,914	16.8	345	4.6			
<b>Operating income</b>	2,614	5.8	<b>3,326</b>	7.1	712	27.3	3,300	26	0.8
<b>Ordinary income</b>	2,835	6.3	<b>3,573</b>	7.6	738	26.0	3,500	73	2.1
Net income for current period before income taxes	2,830	6.3	3,442	7.3	611	21.6			
<b>Net income attributed to shareholders of the parent company</b>	1,734	3.9	<b>2,199</b>	4.7	464	26.8	2,100	99	4.7
Net income per share (yen)	46.95		60.18				57.46		

## Main points

### Net Sales

- In the control system segment, the following were especially strong; analytical instruments for energy-related applications, analytical instruments compliant with PFAS regulations in Europe and the U.S., and parts inspection machines for automobiles against the backdrop of labor shortages. Products for office automation equipment in China and Southeast Asia were also strong in the fastener segment. In addition, sales increased 5.2% YoY due to progress in price pass-through of screw driving machines in the assembly machine segment.

### Operating Income

- Profit increased 27.3% YoY due to progress in price transfer of screw driving machines in the assembly machine segment, and shipments of high value-added analytical instruments.

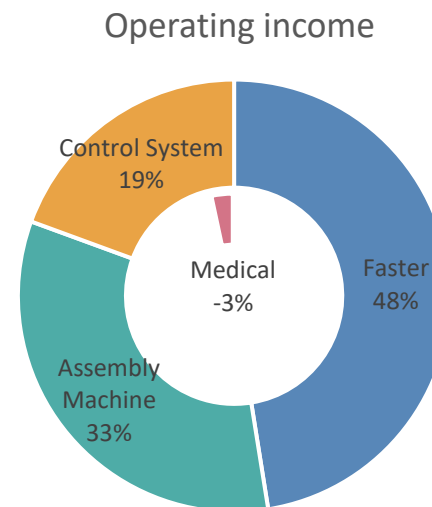
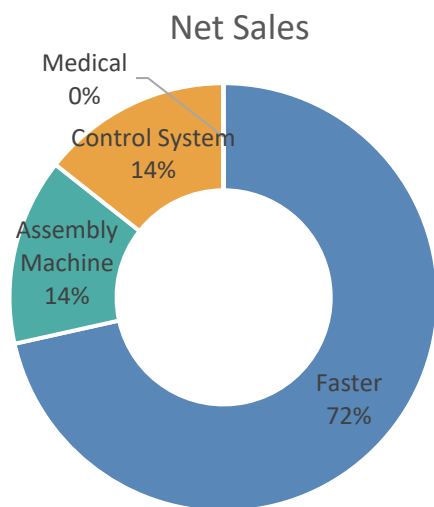
### Overseas

- Sales increased due to strong performance of analytical instruments in Europe, and with new sales of analytical instruments in China after revision of the commercial channel. Sales of fastener products for office automation equipment were also strong in China and Southeast Asia, and foreign exchange effects from the weaker yen also contributed to higher sales.

# Net Sales and Operating Income by Segment (Consolidated)

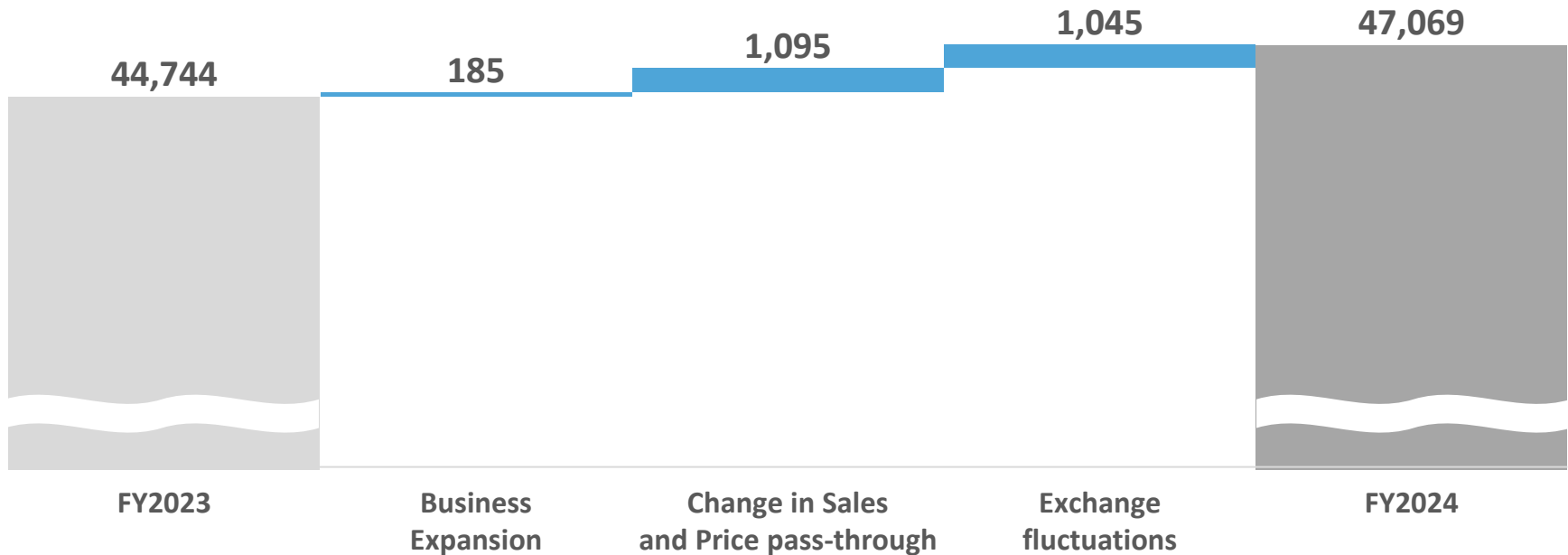


Unit: Million yen / %		FY2023 Full Year	FY2024 Full Year	YoY	
				Amount change	% Change
Fastener	Net sales	32,855	33,664	808	2.5
	Operating income	1,625	1,636	10	0.7
	Profit ratio	4.9	4.9		
Assembly Machine	Net sales	5,955	6,642	686	11.5
	Operating income	822	1,141	319	38.9
	Profit ratio	13.8	17.2		
Control System	Net sales	5,915	6,743	828	14.0
	Operating income	278	669	390	140.4
	Profit ratio	4.7	9.9		
Medical	Net sales	17	19	2	15.2
	Operating income	△ 112	△ 120	△ 8	—
	Profit ratio	△ 654.4	△ 612.3		

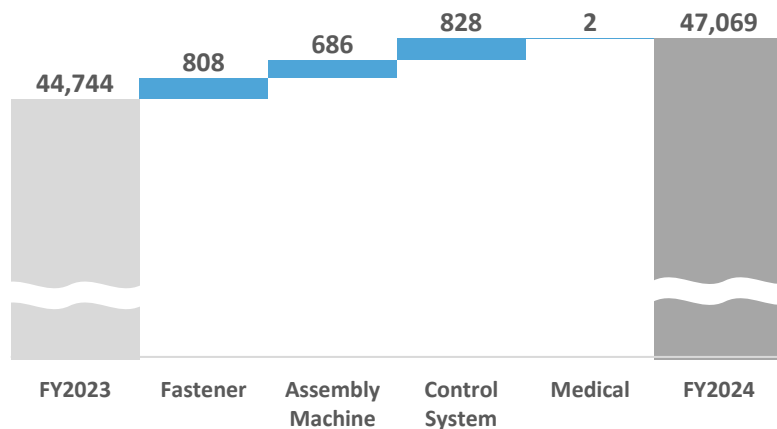


# Summary of Financial Results - Net Sales

Million Yen



(Million Yen) **Change in Net Sales by Segment**



## Business Expansion

Nittoseiko Analytech Europe GmbH, which established in April 2023 contributed to the sales.

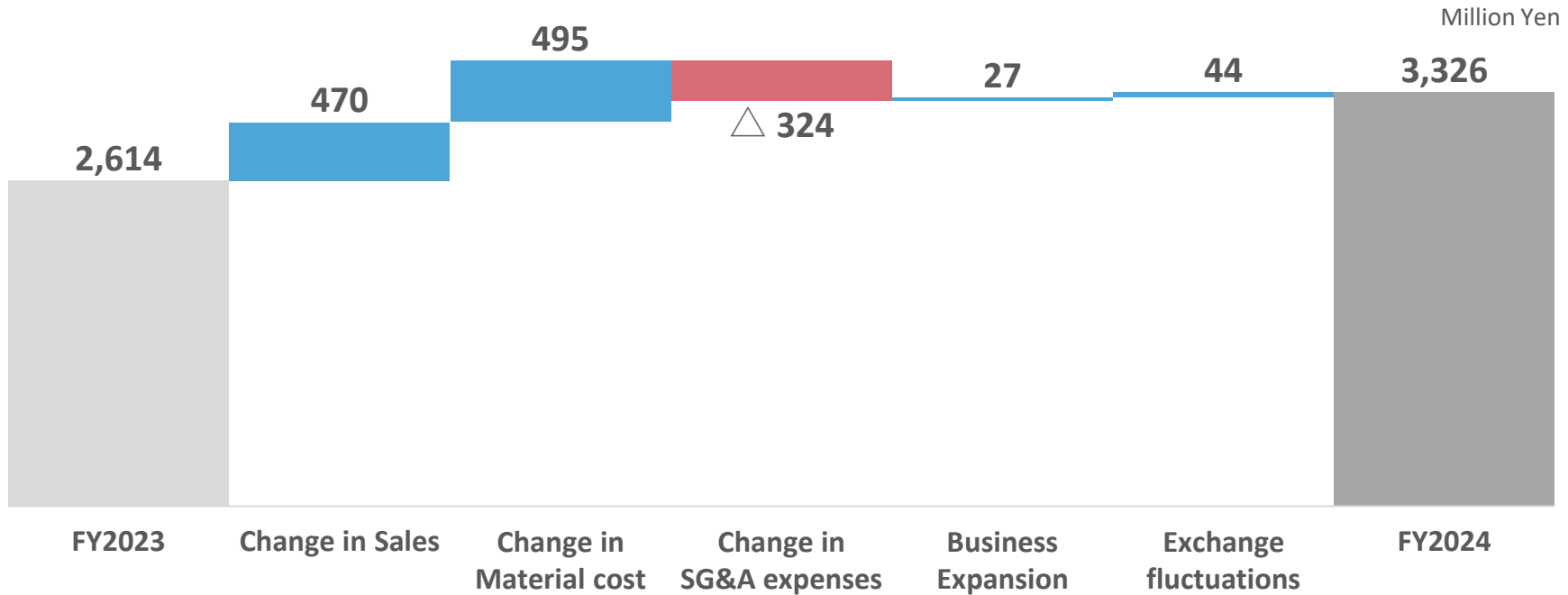
## Change in Sales

Analytical instruments for energy-related and environmental fields, and parts inspection machines for automobiles were strong in the control system segment. Products for office automation equipment in the fastener segment also performed well.

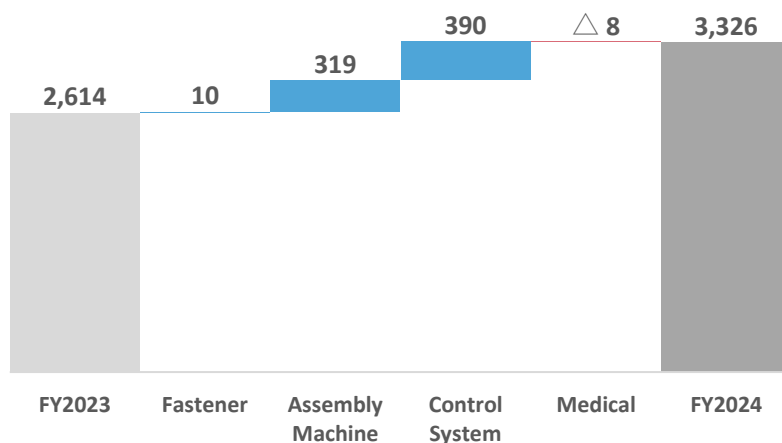
## Price Pass-through

Price pass-through of screw driving machine related products has progressed. Negotiations continue for other products.

# Summary of Financial Results - Operating Income



(Million Yen) **Change in Operating Income by Segment**



**Change in Material cost**

The cost ratio improved due to the effective price pass-through related to screw driving machines. In addition, shipments of high value-added analytical instruments also contributed.

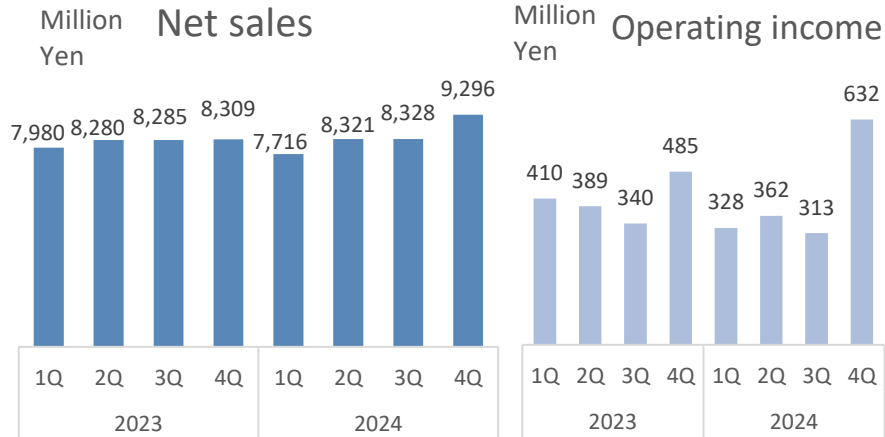
**Change in SG&A expenses**

Labor costs increased approximately 3.8% (approx. 126 million yen) from the previous year due to wage increases.

**Business Expansion**

Nitto Seiko Analytech Europe GmbH, which established in April 2023 contributed to the sales.

# Overview of Results by Segment - Fastener Segment NITTOSEIKO



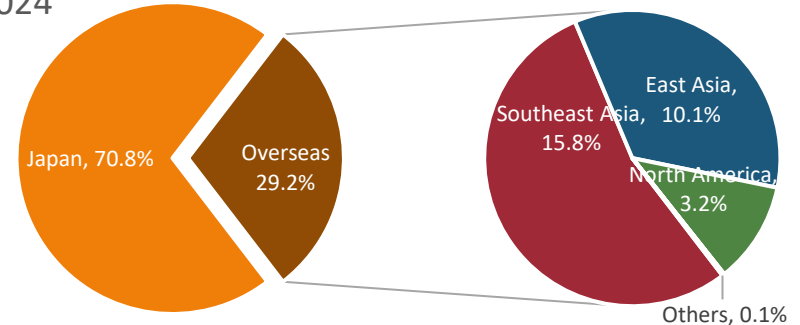
## Outlook

- Despite the impact of construction industry plan delays, net sales increased YoY due to demand for batteries for mainstay automobiles and demand for home appliances and digital equipment in Southeast Asia.
- Operating income increased slightly YoY due to gradual effect of price transfer in the latter half of 4Q to reflect higher costs for wire rods (main material), sub-materials, wages, and logistics costs.
- The resin-coated anti-loosening screw “NC GRIP” and the clinching stud bolt with embedded head “JOISTUD-FH” were launched, in November and December, respectively.

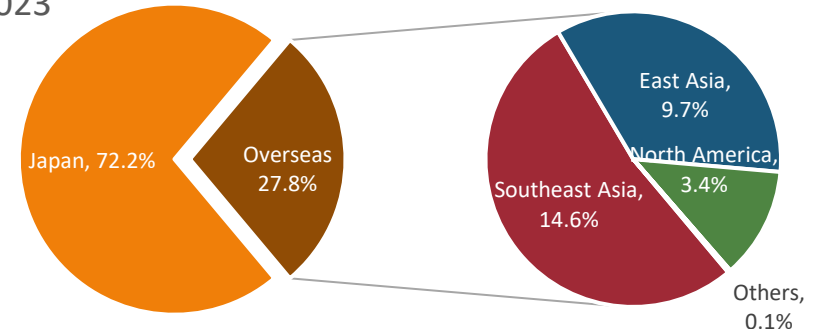
Unit: Mil yen/ %	FY2023	FY2024	YoY	
	Full Year	Full Year		
	Amount	Amount	Amount	% Change
Net Sales	32,855	33,664	808	2.5
Automobile	13,052	13,259	206	1.6
Housing and construction	7,466	7,268	△ 198	△ 2.7
Electrical and electronic parts	4,583	4,830	246	5.4
Household goods	2,140	2,085	△ 54	△ 2.6
IT and digital equipment	1,254	1,745	490	39.1
Precision equipment	1,098	1,371	272	24.8
Medical	289	302	12	4.4
Others	2,970	2,801	△ 168	△ 5.7
Operating Income	1,625	1,636	10	0.7

## Net Sales by Region

2024

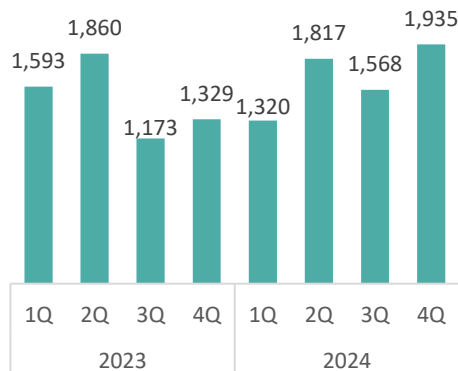


2023

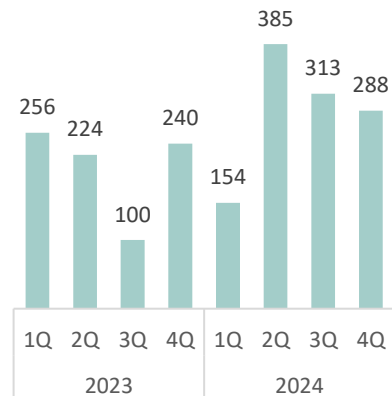


# Overview of Results by Segment – Assembly Machine Segment **NITTOSEIKO**

Million Yen Net sales



Million Yen Operating income



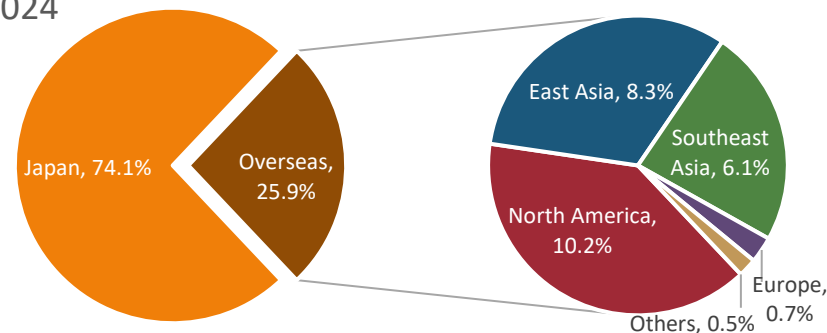
## Outlook

- Net sales increased YoY due to increased domestic demand for screw driving machines in the mainstay automobile industry and increased demand from non-existing industries for electrification and automation to cover labor shortages, despite the impact of slowing EV sales worldwide and stagnant capital investment prior to the presidential inauguration.
- Operating income increased YoY due to improved cost of sales ratio in screw driving machines because of progress in price transfer from the 2Q period.
- The low-torque model of high-precision, high-performance NX driver was launched, in August.

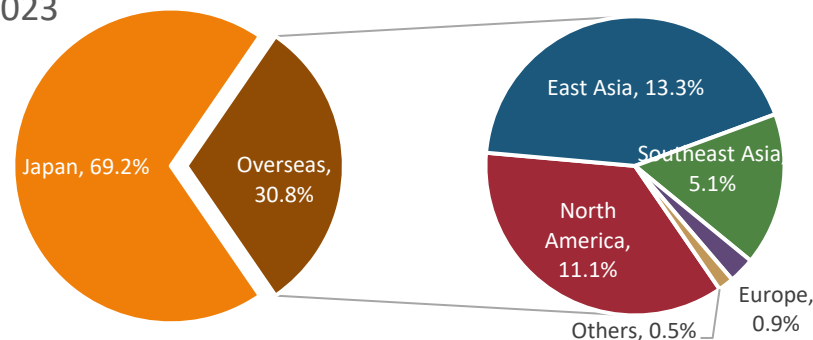
## Net Sales by Region

Unit: Mil yen/%	FY2023	FY2024	YoY	
	Full Year	Full Year	Amount	% Change
Net Sales	5,955	6,642	686	11.5
Automobile	3,410	3,626	215	6.3
Electrical and electronic parts	1,026	1,036	10	1.0
Energy sector	199	218	18	9.0
Housing and construction	180	186	6	3.3
Amusement machine	212	156	△ 56	△ 26.3
IT and digital equipment	178	125	△ 52	△ 29.2
Household goods	17	64	47	269.2
Others	728	1,227	498	68.3
Operating Income	822	1,141	319	38.9

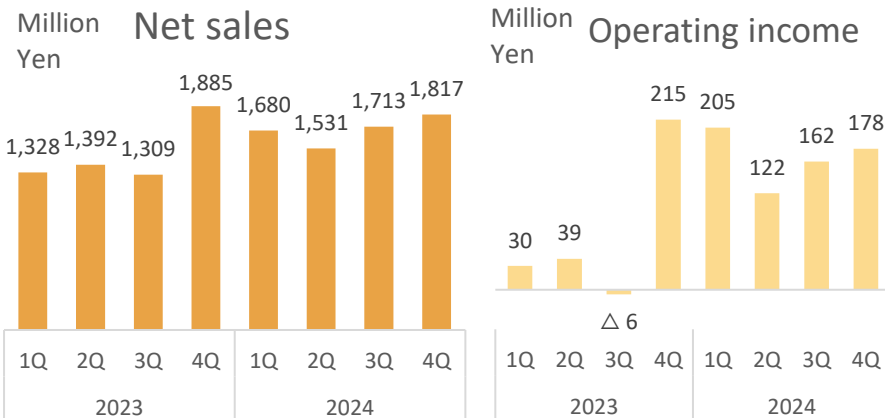
2024



2023



# Overview of Results by Segment – Control System Segment

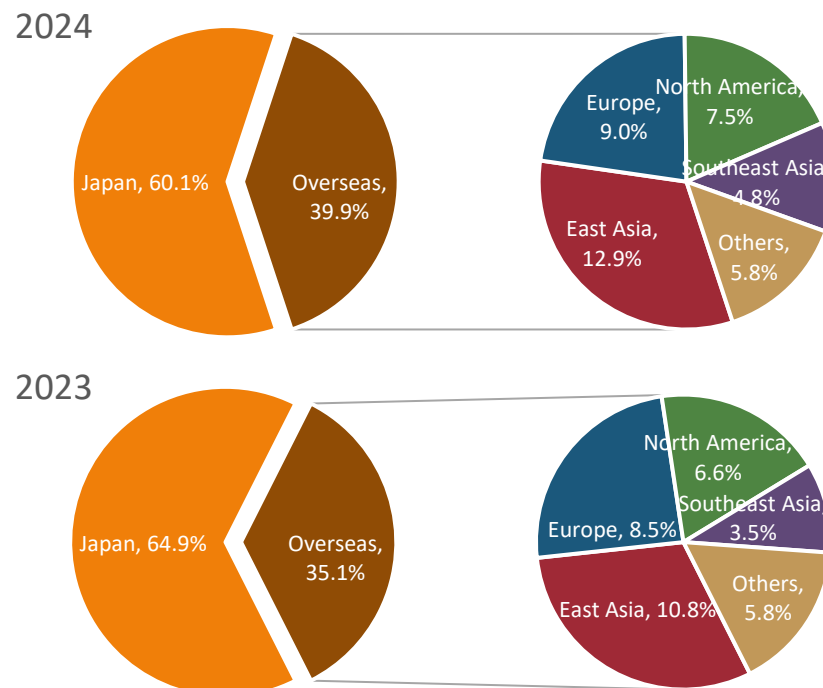


## Outlook

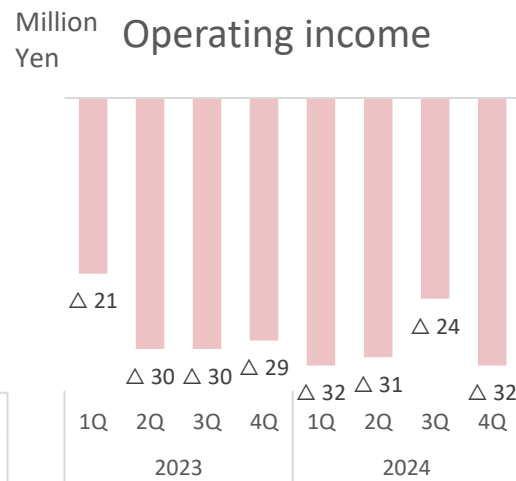
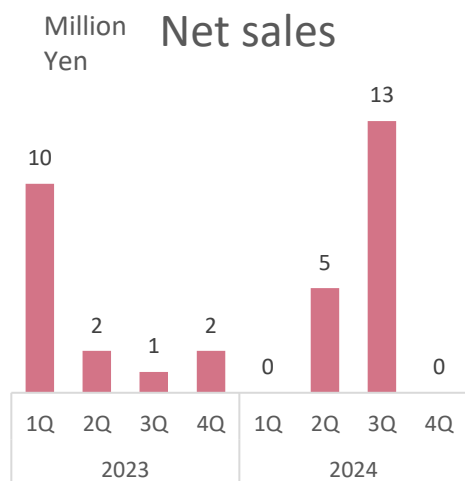
- Sales of analytical instruments were strong, especially in the chemical, pharmaceutical, and energy-related industries. In addition, sales of analytical instruments in Europe against the backdrop of PFAS regulations in the environment field and large orders of parts inspection machines for automobiles led to higher sales and profit YoY.
- In addition to the new product development and joint development of organic solvent recycling business, the company will promote cost visualization, in-house production of machined parts, efficient assembly production, and sales price revisions.
- The Automatic Quick Furnace “AOF/AQF-5000H” was launched, in March.

Unit: Mil yen/ %	FY2023	FY2024	YoY	
	Full Year	Full Year	Amount	
	Amount	Amount	Amount	% Change
Net Sales	5,915	6,743	828	14.0
Chemical and pharmaceuticals	1,412	1,481	68	4.8
Energy sector	900	1,212	311	34.6
Automobile	411	727	316	76.9
Environment	268	649	381	142.3
Electrical and electronic parts	414	334	Δ 80	Δ 19.3
Housing and construction	438	309	Δ 129	Δ 29.5
Ship building	306	294	Δ 11	Δ 3.9
Medical	181	153	Δ 28	Δ 15.6
Food	91	149	57	63.0
Others	1,489	1,430	Δ 58	Δ 3.9
Operating Income	278	669	390	140.4

## Net Sales by Region



# Overview of Results by Segment – Medical Segment **NITTOSEIKO**



## Outlook

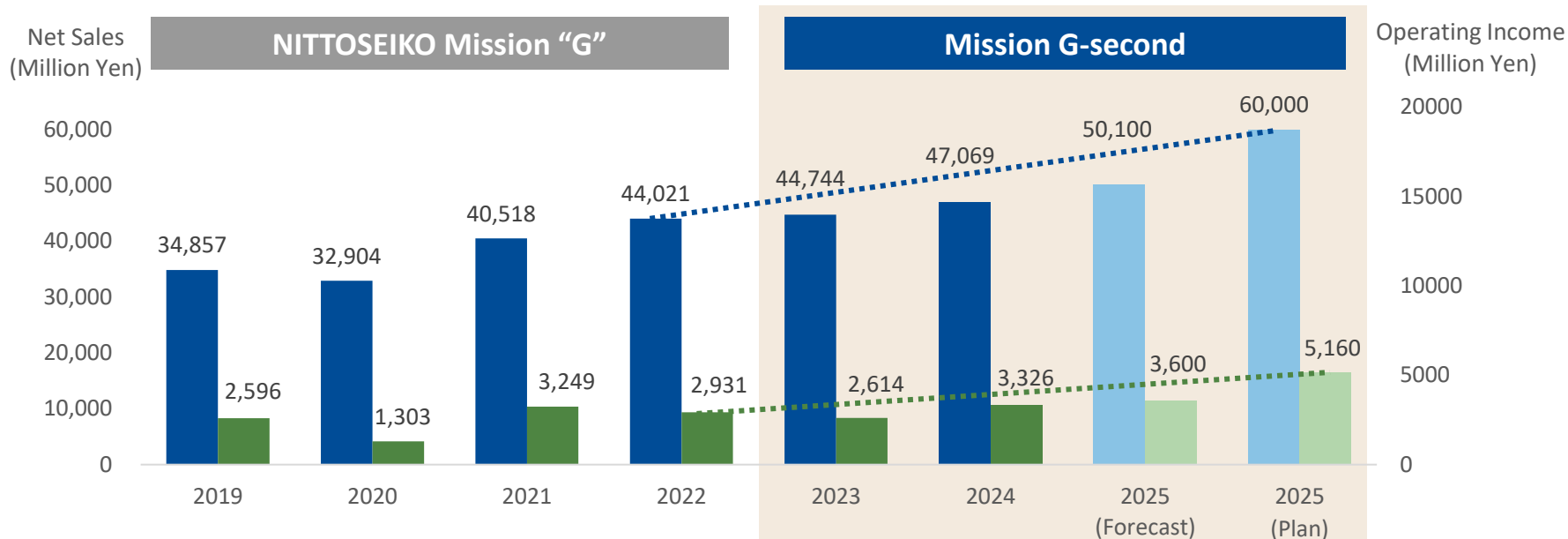
- The medical illuminator “FREELED” did not achieve full adoption despite efforts to collect market needs and offer proposals while reducing costs, a high customer demand after the COVID-19 pandemic. Going forward, the company will continue to focus on strengthening PR through sales companies, aiming for full adoption of the product.
- Following the acquisition of a patent in Japan in 2023, a U.S. patent for “High purity bio-soluble magnesium for medical use” was granted in July 2024. Patents already filed in six other major countries are scheduled to be granted sequentially. The company currently working to launch the product by preparing integrated manufacturing facilities, producing samples for non-clinical studies, and conducting performance tests, as well as preparing to obtain regulatory approval to market the product for medical use. The company to obtain ISO13485 certification, a quality standard for medical devices, in the first half of this year to establish a manufacturing system. In parallel, the company is gathering information on the applicability of this material.
- A system is being set up to acquire new medical device manufacturing contracts utilizing our existing technologies.

Unit: Mil yen/ %	FY2023	FY2024	YoY	
	Full Year	Full Year	Amount	% Change
	Amount	Amount	Amount	% Change
Net Sales	17	19	2	15.2
Medical	17	19	2	15.2
Others	—	—	—	—
Operating Income	Δ 112	Δ 120	Δ 8	—

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## **2. Progress of the Medium-Term Business plan**

# Progress of the Medium-term Business plan “Mission G-second”



## Growth #1 Business Expansion Strategy

	Result FY2024	Target FY2025
Net Sales	<b>47.0</b> B yen	<b>60</b> B yen
Operating Income	<b>3.32</b> B yen	<b>5.16</b> B yen

## Growth #2 Environmental Strategy

	Result FY2024	Target FY2025
CO <sub>2</sub> emissions (Compared to 2019)	<b>▲16.4%</b>	<b>▲12%</b>
Waste (Compared to 2019)	<b>▲30.0%</b>	<b>▲5%</b>

## Growth #3 Human Resource Strategy

	Result FY2024	Target FY2025
Labor productivity (Compared to 2022)	<b>+3.8%</b>	<b>+24%</b>
Engagement score	<b>3.6P</b>	<b>3.8P or more</b>

## Growth #4 Financial Strategy

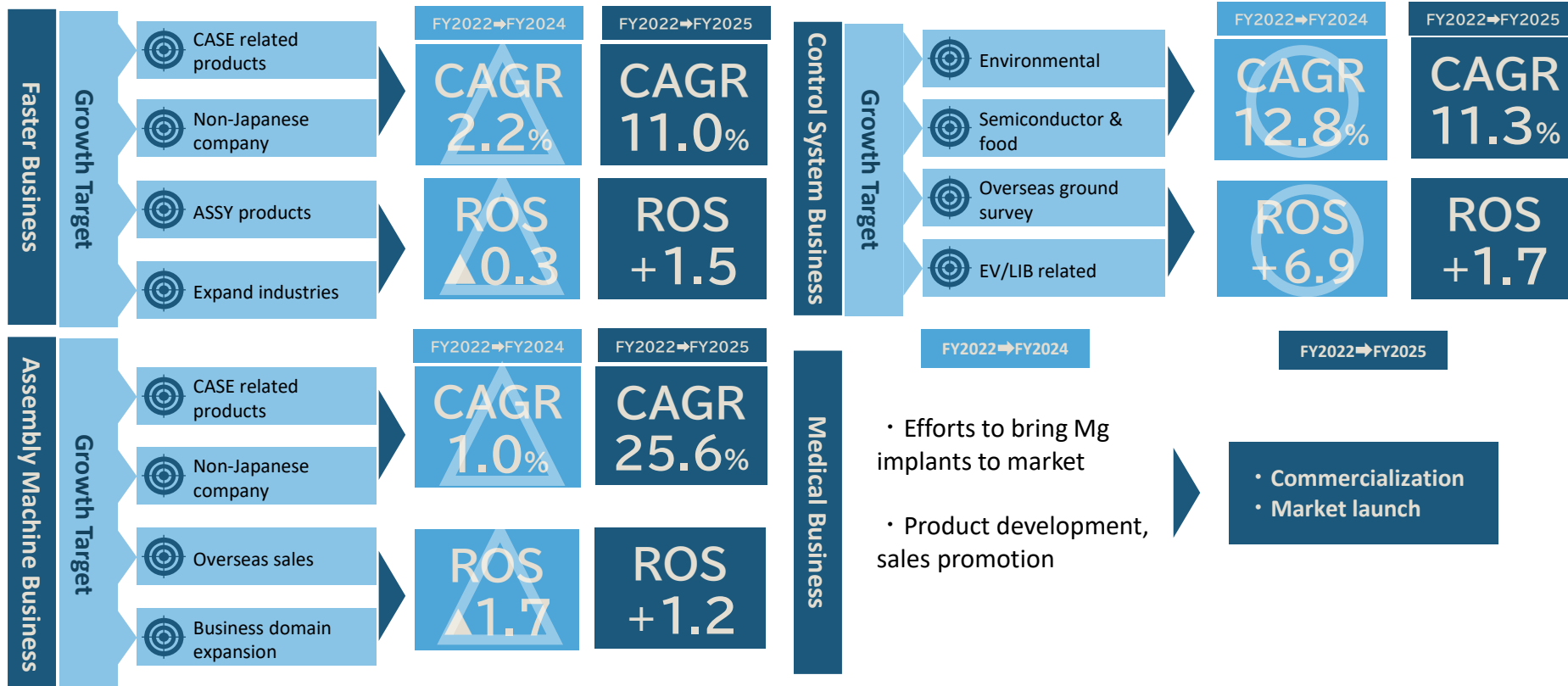
	Result FY2024	Target FY2025
ROIC	<b>6.7%</b>	<b>8% or more</b>
ROE	<b>6.6%</b>	<b>9% or more</b>

# Growth#1 Progress of Business Expansion Strategy

## Growth#1 Business Expansion Strategy

(Million Yen)

	Result FY2022	Result FY2023	Forecast FY2024	Forecast FY2025	Target FY2025
Net Sales	44,021	44,744	<b>47,069</b>	50,100	60,000
Operating Income	2,931	2,614	<b>3,326</b>	3,600	5,160



\*CAGR : Average annual Net Sales growth rate from 2022 / ROS : Operating Income compared to 2022

### Results by Growth Target

Unit: Mil Yen

#### CASE-related

vs. 2024 Plan **110.7%**



#### 2024 Result

Original products such as screws and precision press products performed well due to CASE-related and weight reduction demand.

#### Plastic-coated anti-loosening screw "NC GRIP"

Launched in Nov

Enhanced quick-drying property of plastic & excellent resistance to shock, heat, and chemicals  
[Automobile and Precision equipment]



#### 2025 Forecast and Initiatives

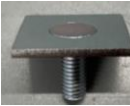
Increased inquiries for related products due to the growing need for lighter weight and thinner sheets in line with the shift to electric power.



#### Clinching Stud Bolt "JOISTUD-FH"

Launched in Dec

Space-saving with embedded head & special shape for anti-loosening  
[Automobile and Precision equipment]



#### Non-Japanese Companies

vs. 2024 Plan **66.8%**



Electronic equipment and automotive products for non-Japanese Korean companies, which were strong in the first half of the year remained sluggish. In addition, construction screw sales were sluggish due to the weak number of housing starts in North America.



New business inquiries are increasing in Europe and North America, where the Company is expanding sales to non-Japanese companies and new markets.

#### ASSY Products

vs. 2024 Plan **64.7%**



Developing proposals for composite parts of press products and fastening parts for the automobile industry.



Shinwa Seiko Pressed Products    Toyo Heading Bolts



Increasingly complex component needs continue for automotive applications. Activities are being developed by taking advantage of group synergies.

#### Industry Expansion

vs. 2024 Plan **73.5%**



**Housing and construction** : Due to the industry's shortage of human resources and soaring material prices, construction starts are sluggish.

#### Flange-type Anti-loosening Bolt "CUP BOLT"

Launched in Feb

Eliminates need for spring washers and flat washers.  
[Housing and Construction]



Slightly stagnant due to labor shortage and rising material prices in the construction industry. Sales of flange-type Anti-loosening bolts, "Cup Bolt," started and currently expanding.

# Growth#1 Business Expansion Strategy

Assembly  
Machine

**NITTOSEIKO**

## Results by Growth Target

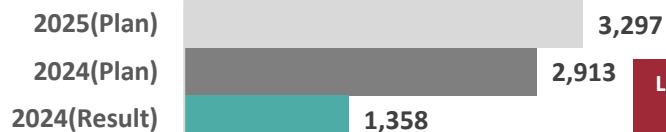
Unit: Mil Yen

### 2024 Result

### 2025 Forecast and Initiatives

#### CASE-related

vs. 2024 Plan **46.6%** 



**Launched  
in Aug**


In Japan, capital investment projects for electric vehicles and ECU-related equipment were strong, but capital investment appetite stagnated in the U.S. and Thailand.

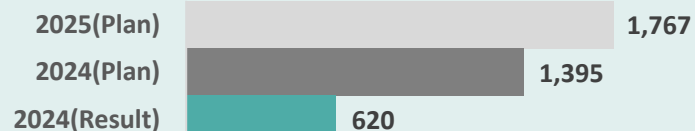
**NX driver T3 series low-torque model**  
Low-torque model added to the high-precision, high-performance series for small-diameter sizes. [ECU substrates, Home appliances, Precision equipment]



In addition to the electrification of automobiles, capital investment related to inverters and ECUs is on the rise as ADAS becomes standard equipment. Battery sales expansion project will be continued.

#### Non-Japanese Companies

vs. 2024 Plan **44.4%** 



Exhibited demonstration machine of Asian model screw fastening machine jointly developed by local subsidiaries in China and Thailand at trade shows in China and India.

In China, Thailand, and South Korea, we are developing local users, mainly in the EV-related field. In the U.S., inquiries from local users increased through exhibitions.

#### Overseas Sales

vs. 2024 Plan **51.8%** 



Currently promoting CE marking, RoHS, etc., which will be the foundation for the European market. The product lineup was enhanced with a focus on specific countries.


**Screw Fastening Unit for Cooperative Robots PD400 Series**  
CE marking compliant for some models

**Launched  
in Feb**



Although orders are increasing in each country, there are delays in capital investment plans for large projects in South Korea. Product explanation meetings for dealers in each country will be held, and sales of strategic products will be strengthened to expand sales in Europe and India.

#### Business Domain Expansion

vs. 2024 Plan **71.1%** 



Sales of equipment for general-purpose engines, industrial pumps, furniture assembly equipment, etc. outside of existing industries fell short of plan. Implemented screw tightening trial campaign and new product sales expansion campaign.

In response to demand for decarbonization, introduce new products that contribute to CO<sub>2</sub> reduction, such as robots with reduced size and power consumption, and strengthen sales.

# Growth#1 Business Expansion Strategy


Control System

NITTOSEIKO

## Results by Growth Target

Unit: Mil Yen

### Environment-related

vs. 2024 Plan **133.0%** 



New product meets the demand for analysis of organic fluorine in accordance with the European PFAS regulation; microbubble generators were promoted at trade shows in April and November.

#### Automatic Quick Furnace "AOF/AQF-5000H"

New model of fully automated instrument for halogen and sulfur analysis from combustion decomposition of solids and liquids

Launched in Mar




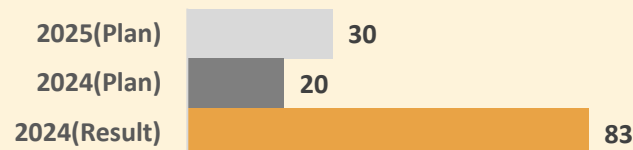
## 2025 Forecast and Initiatives

Demand for PFAS analysis remains strong, especially in Europe and the U.S. Demand for PFAS analysis is expected to increase in Japan as well. A demonstration machine for organic solvent recycling equipment is scheduled to be exhibited at the KEIHANNA Expo in April.



### Semiconductor/Food

vs. 2024 Plan **415.0%** 



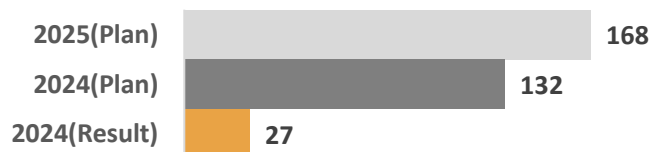
In particular, sales to the food industry increased by 58 Mil yen YoY. Development of a new product with a wider measurement range in the small flow range compared to the conventional product is ongoing.

Demand is expected to increase in some areas in Japan (Kumamoto, etc.) where semiconductors are booming. Strengthen sales expansion of moisture measuring instruments, resistivity meters, and mass, electromagnetic, and ultrasonic flowmeters.



### Overseas Ground Investigation

vs. 2024 Plan **20.4%** 



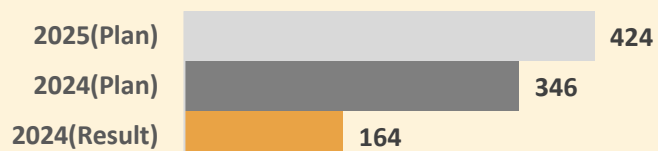
Collaboration with academic research institutes and sales activities bore fruit, with the first order received from a Thai government agency and sales recorded in the second half of the fiscal year.

Expect demand to increase due to lateral expansion following the order from a Thai government agency. Continue to identify needs for "GEOKARTE IV" at government agencies.



### EV/LIB-related

vs. 2024 Plan **47.4%** 



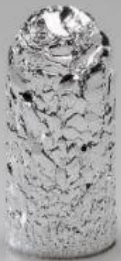
Promoted measurement systems at several exhibitions. Demand for resistivity meters for battery materials and other applications increased, but the "MISTOL" series of inspection and sorting systems failed to win orders for EV/LIB applications.

Although global demand is in an adjustment phase after a period of strong demand, domestic demand is expected to remain strong.



**World's first!**

**High purity, bio-soluble magnesium for medical use**

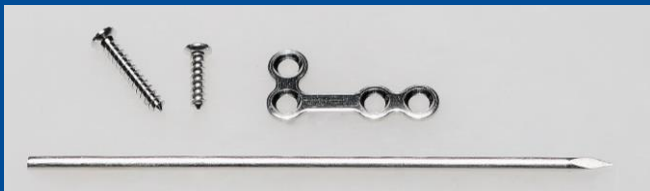


**Obtained a Japanese patent (June 2023)**

**Obtained a U.S. patent (July 2024)**

**New**

**Fracture treatment implants**  
[Pin, Screw, Plate (trial product)]



### Features

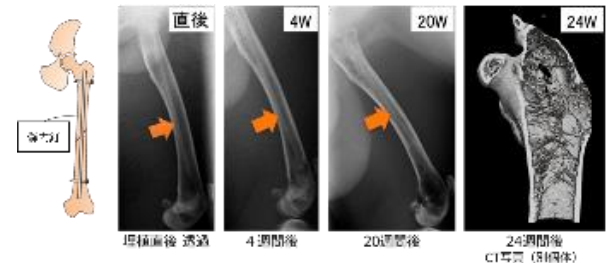
- High purity magnesium of 99.95% or higher, an essential element for humans and extremely safe.
- Starts dissolving after a certain period of time in the body, and then slowly dissolves completely over a long period of time.

### State of progress



### Development status

- Non-clinical study initiated at a university hospital
- Research presentations at various academic conferences
  - Oct 2022 Collaboration with Dr. Yoshinobu Oka, Kyoto Prefectural University of Medicine
  - Nov 2022 Member of Medical New Business Department
- Biological safety and non-clinical studies are underway.
- Currently selecting implants suitable for these studies.
- System development for QMS, bioethics, information disclosure, etc.



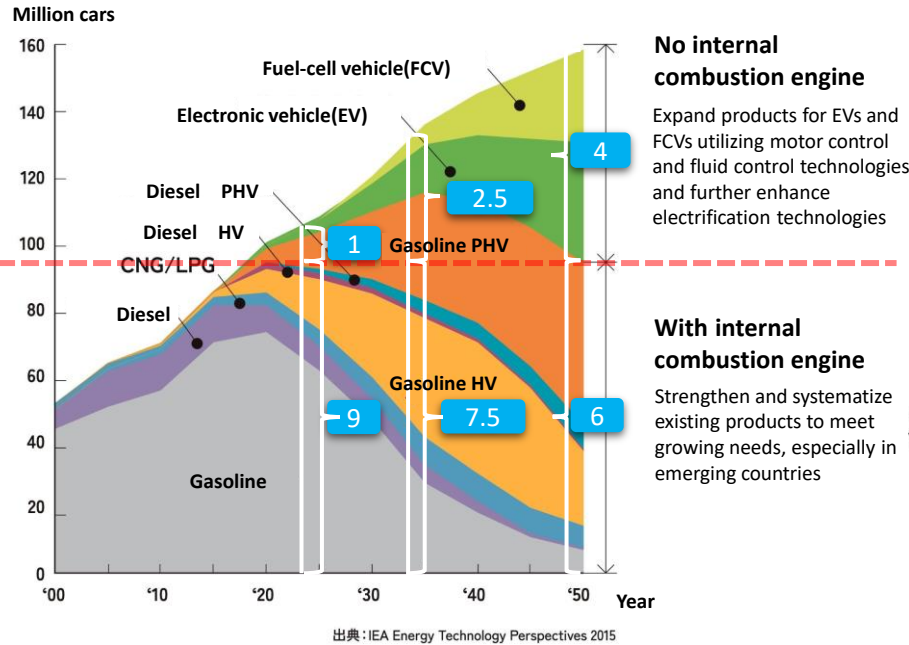
### Establishment of mass production system

- Investment in facilities for mass production.
- Confirmation of quality and performance stability.

### Progress of patents obtained

- Patents already filed in six other major countries are scheduled to be granted sequentially.

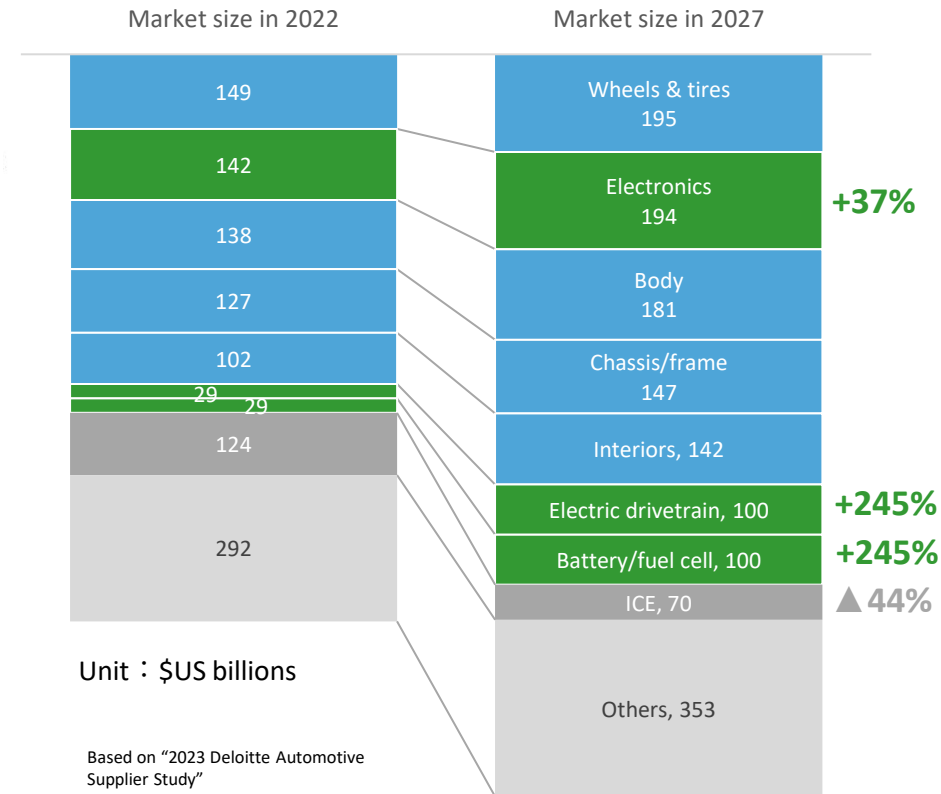
## Global new vehicle sales forecast by power train



## Strategy for the Automotive Industry

- Total number of vehicles will increase steadily until 2050.
  - The number of gasoline-powered vehicles will increase until 2035 and then decrease.
- ▼
- Shift to EVs & Stable sales to existing customers
  - Focus on business activities to increase overseas sales ratio whilst keeping an eye on the spread of EVs and FCVs in emerging countries.

## Forecasted Market Size of Automotive Parts



**CASE-related**

**Continuous growth** due to increased demand and technological evolution

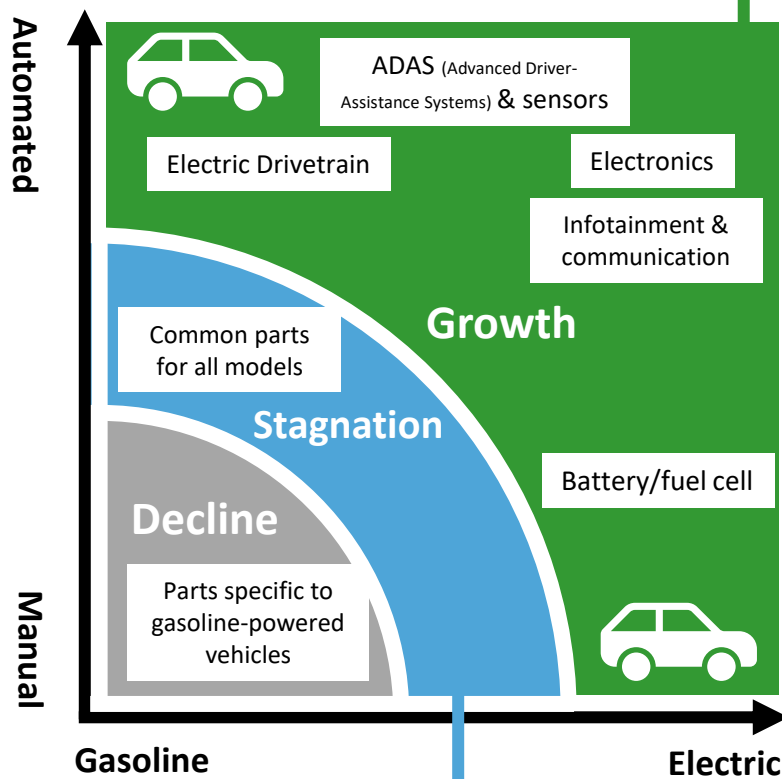
**Non-CASE/  
Generic product**

**Stagnant with almost no demand fluctuation** from CASE progress. Generic products have a **certain market size**.

**Gasoline-related**

**Decrease in demand** due to electrification. Some generic products will **decline** due to commoditization.

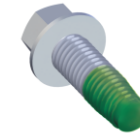
## Future Changes in Auto Parts Needs



Strengthen growth areas related to automation and electrification, and sell high value-added products including original products

### Suitable for electronic circuit boards

Screw that prevents scattering of fastening dust "CP GRIP"



Precision screws



### Screw fastening unit with thrust control function

→ Higher quality fastening for preventing assembly errors in precise and expensive parts



FM513VZ

### Establish traceability

#### NX Driver (SD600T Series)

→ As parts become more precise and complex, traceability is required to ensure quality and reliability.



Meet lightweight demand associated with electrification for parts common to all car models with a large market size, such as exterior interiors, etc.

### Suitable for lightweight

Anti-loosening screw "GIZATITE"



Screws with Captive Washer "ASFA"



Self-clinching stud bolt "JOISTUD"



### Suitable for batteries

Batteries for EV vehicles



AKROSE HYBRID



### Waterproof products

ASFA @WP  
Increasing need for water cooling of precision parts



# Development of organic solvent recycling and recovery equipment **NITTOSEIKO**

 Environment business

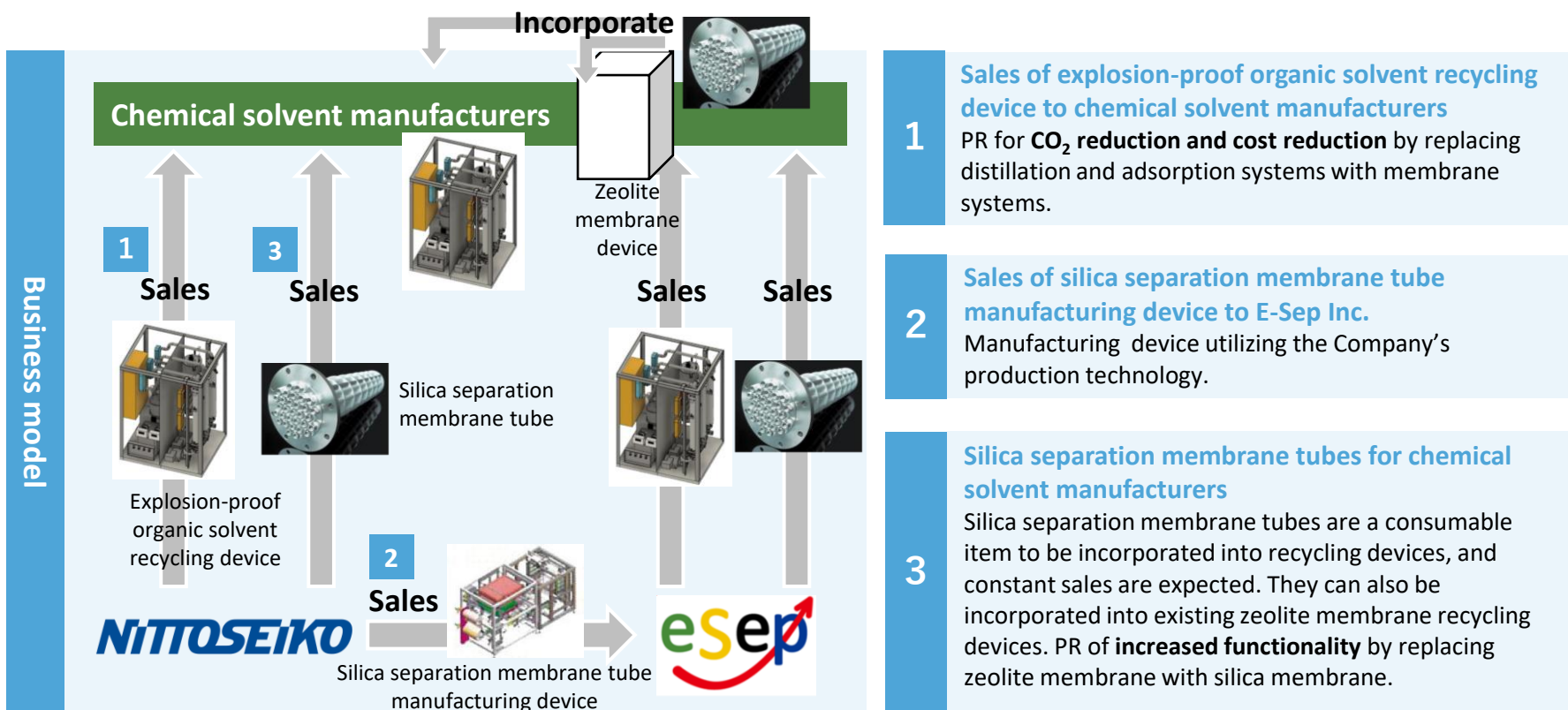
Commercialization toward a carbon-neutral society

**NITTOSEIKO**

- Plant manufacturing technology
- Fluid control technology
- Explosion-proof technology



- Membrane separation technology
- Filter manufacturing technology



**1 Sales of explosion-proof organic solvent recycling device to chemical solvent manufacturers**  
 PR for CO<sub>2</sub> reduction and cost reduction by replacing distillation and adsorption systems with membrane systems.

**2 Sales of silica separation membrane tube manufacturing device to E-Sep Inc.**  
 Manufacturing device utilizing the Company's production technology.

**3 Silica separation membrane tubes for chemical solvent manufacturers**  
 Silica separation membrane tubes are a consumable item to be incorporated into recycling devices, and constant sales are expected. They can also be incorporated into existing zeolite membrane recycling devices. PR of **increased functionality** by replacing zeolite membrane with silica membrane.

Organic solvent recycling device  
 Expect market size: approx. 2.5 bil yen

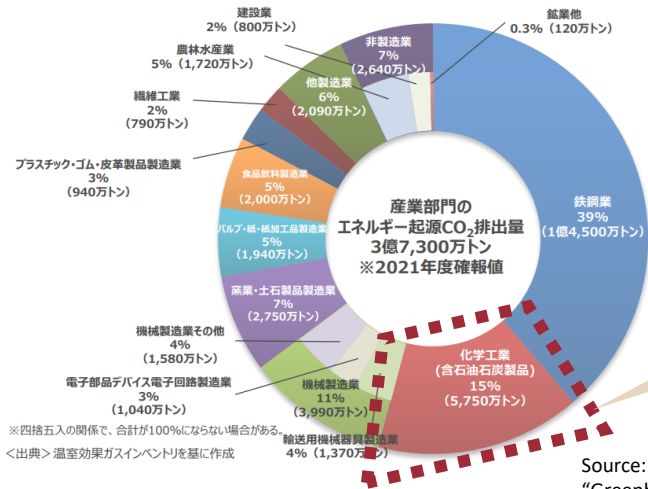


Aim to reduce CO<sub>2</sub> emissions by 50% in the distillation process of the chemical industry

## Background of the Project

## Focus on CO<sub>2</sub> emission challenges in the chemical industry

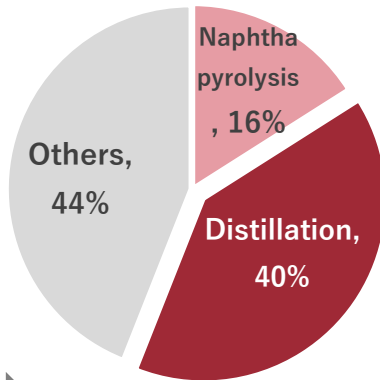
### Breakdown of energy-derived CO<sub>2</sub> emissions by industry



The chemical industry sector accounts for 15% of the total

Source: Ministry of the Environment, "Greenhouse Gas Emissions in FY2021 (Fiscal Year 2021) (Fixed Report)"

### Breakdown of CO<sub>2</sub> emissions in the chemical industry



Emissions are particularly high in the distillation process.

Source: Survey by Chemicals Division, Ministry of Economy, Trade and Industry

### Advantages of membrane

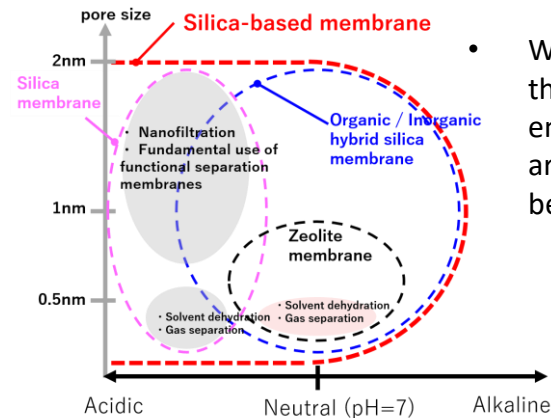
### CO<sub>2</sub> and cost reduction

- High recycling recovery volume
- Reduced waste liquid fraction eliminates the need for conventional recycling processes (combustion and distillation), resulting in reduced energy consumption

	Distillation Type	Absorption Type	Membrane Type
Facility Size	Large	Medium, multiple	Small
Operability	Continuous process	Batch process	Continuous process
Energy Consumption	Major consumption	Medium	Most energy-efficient
Total Cost	Large	Medium	Small
Market Share	50%	30%	Preparing for Commercialization
Cons	Cannot use heat-sensitive materials	Increase in adsorbent performance	Cost of membrane
Overall Evaluation	×	△	○

### Advantages of silica film

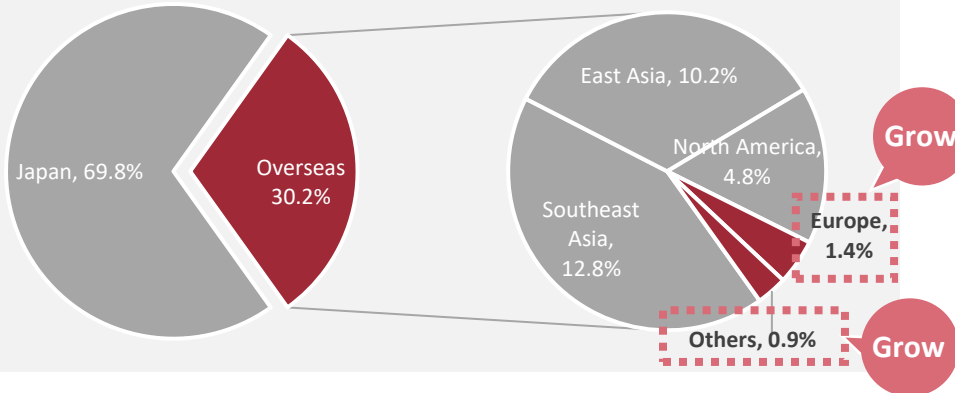
### Increased functionality



- Wider application range than zeolite membranes, enabling separation in areas that were difficult before.

## Base expansion for operation in Europe and India

### Ratio of domestic and overseas sales (2024)

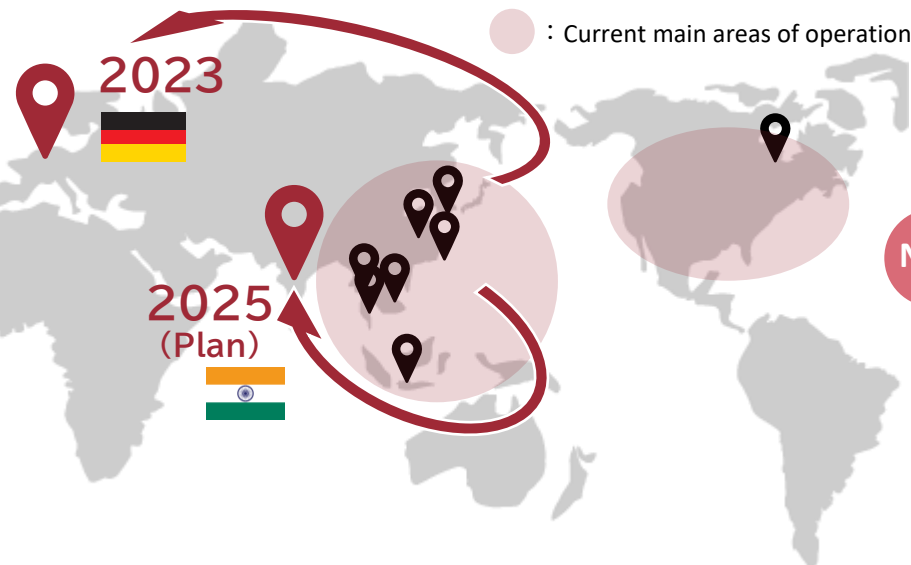


### Current Situation

Low overseas ratio at 30% and restricted to East Asia, Southeast Asia, and North America.

### Future Direction

Expand bases in **Europe and India**, where sales ratios are currently low. Increase overseas sales ratio further in the future.



### 2023 Established sales company in Germany

Currently, the company is developing sales of analytical instruments mainly in the environmental, chemical and pharmaceutical segments. Planning to expand the fastener and assembly machine business, mainly in the automobile segment.

New

### 2025 Acquisition of Indian parts manufacturer as a subsidiary

World's largest population, 5th GDP (2023)

World's largest two-wheel and three-wheel market

Growth of four-wheel market

Major Japanese automakers announced that they will strengthen EV production in India

Expansion of EV market

Stepping stone for future bases in the Middle East and Africa.

# Growth#2 Environmental Strategy

## CO<sub>2</sub> Emissions

### Result FY2020-2024

- Installation of Solar Panels
- Switch to LED lighting
- Switching to renewable electricity
- Measures to improve operating efficiency of production and maintenance
- Other power saving measures (air leakage prevention for machinery, insulation of equipment, heat shielding, Air conditioning efficiency improvement equipment, etc.)

Result FY2024

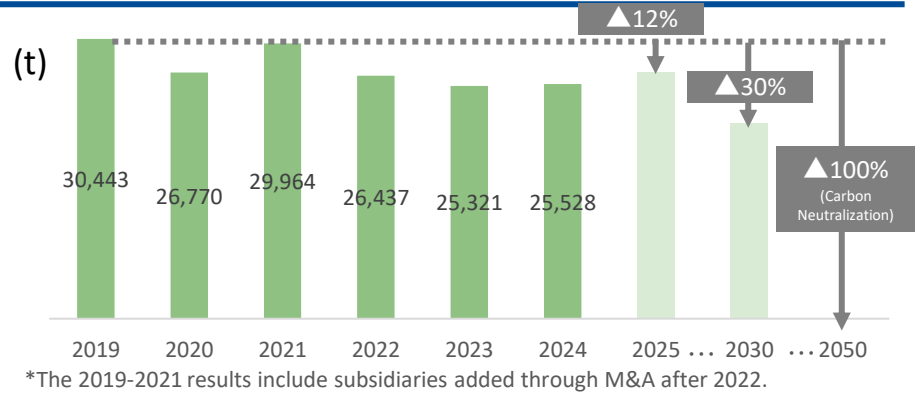
**▲16.4%**  
(Compared to 2019)



Solar panels  
(Subsidiary in Thailand)



Solar Panels  
(Ayabe Assembly Machinery Plant)  
→Achieved 100% Green Energy



### Plan of Initiatives till 2030

- Installation of solar panels  
FY2025 (plan) : Ayabe Fastener Plant
- Reduction of electricity and transportation costs due to new factory construction and layout changes

Target FY2030

**▲30%**  
(Compared to 2019)

Ayabe Fastener Plant  
Restructure Plan



## Waste

Result FY2024

**▲30.0%**

Target FY2025

**▲5%**

(Compared to 2019)

Waste volume remained flat due to an increase in the number of manufacturing bases following M&A. Promoting reduction of alkali waste and plating sludge, and conversion of waste plastics into solid fuel and reduction of their volume.

## ESG support for customers

Cold headed parts

Assembly Machine

Medical Device

- Expansion of TAPTITE product lineup
- Diversification of dissimilar metal joining
- Lightweight parts fastening support
- Conversion from machining to cold heading
- Development of new fastening technology
- Weight reduction of products
- Improving energy efficiency of products
- Promoting automation
- Sales of environmentally friendly products
- Improvement of product precision
- Commercialization of bio-soluble implants

## Labor Productivity

Result FY2024

**+3.8%**

(Compared to 2022)

Strengthen capital cost management and group management control

### Feedback Training

Training for managers to develop subordinates through feedback and to verify the linkage between the internal index “NPI”\* and the individual goal management tool ‘Challenge Sheet.’

\*NPI : An abbreviation for “NITTOSEIKO Progress Indicator,” which systematizes the action plans of each department and the initiatives based on them, and quantifies and visualizes the rate of progress. ◦

### VALUE UP2024

Initiatives to make each employee aware of “the power to earn” and link it to value-added improvements. Employees select and implement their own initiatives from a list of departmental initiatives, and report on the results every month.

### Round-table discussion with the president

To achieve the mid-term management plan, the president and employees (especially younger employees and those in leadership positions) engaged in dialogue regarding the company's philosophy.

#### Attendants in FY2024

New assistant managers, new group leaders, new chiefs, branch offices, and business headquarters. (Held 10 times in total)



## Engagement Score

Result FY2024

**3.6P**

External evaluation of workplace conditions and utilization of human resources

2024 KENKO Investment for Health Outstanding Organizations "White 500"

Seven initiatives aimed at improving the risk of lifestyle-related diseases “Nicotto7,” etc. were recognized.



2024  
健康経営優良法人  
Health and productivity  
ホワイト500

NITTOSEIKO  
(4 years in a row)



2024  
健康経営優良法人  
Health and productivity  
ブライト500

Nitto Koshin  
(3 years in a row)



2024  
健康経営優良法人  
Health and productivity

- Nissei(2 years in a row)
- Fine(2 years in a row)
- Toyo Seiko(First time)

### Sports Yell Company 2025

The Company has received “Bronze” certification for five consecutive years for its support of club activities, efforts during Physical Fitness Month, and participation in the Citizen's Ekiden Road Relay Race. (Nitto Koshin has also been certified for four consecutive years.)



3 stars in Nikkei Sustainability Comprehensive Survey, Smart Work Management Edition

Efforts in health management and HR development were recognized as “Ability to Utilize Human Resources” and received its first 3-star rating.



## GROWTH#4 Financial Strategy

Result FY2022		➔	Result FY2024		➔	Target FY2025	
ROIC	5.7%		ROIC	6.7%		ROIC	Over 8%
ROE	6.1%		ROE	6.6%		ROE	Over 9%

### Reduction of non-business assets and liabilities Investment in growth

**Interest-bearing debt**      End of 2023      End of 2024  
**1.93B Yen**      **1.56B Yen**

CMS was utilized to reduce the amount by 370 million yen from the previous period. Despite the rising interest rate, the interest payments were controlled to an increase of 4 million yen from the previous year.

**Compression of fixed asset**      vs. end of 2023  
 • Sales of securities and real estate  
 • Sales of leased factory  
**▲0.39B Yen**

**Highly effective investments  
with cost-of-capital considerations**

**Investment in joint development of organic solvent recycling business**

**M&A of Indian parts manufacturer**

### Analysis of ROI in business expansion

#### Improvement of fixed asset turnover

For capital investments aimed at improving profitability, the Company has strengthened its system for checking whether the investment has a WACC of 6.7% or more for the Group.

### Expanding dialogue with shareholders

#### Launch of global website

Enhanced information disclosure to foreign investors.



#### Organizing factory tours

Hosted in Ayabe City, Kyoto Prefecture, where the company's head office is located, for institutional investors and alumni.



# **3. Forecast for the Fiscal Year Ending Dec 31, 2025**

# Forecast for FY2025 (Consolidated)

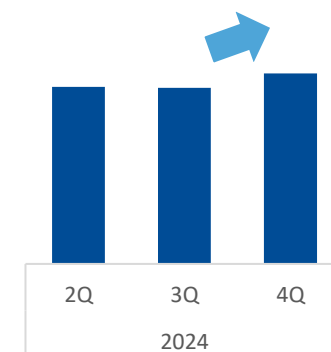
Unit : Million yen/%	FY2024		FY2025 (Forecast)		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount Change	% Change
Net sales	47,069	100.0	50,100	100.0	3,030	6.4
Operating profit	3,326	7.1	3,600	7.2	273	8.2
Ordinary profit	3,573	7.6	3,700	7.4	126	3.5
Net income attributed to shareholders of the parent company	2,199	4.7	2,300	4.6	100	4.6
Net income per share (yen)	60.18		63.46			

## Main points

### Net Sales

- In the current fiscal year, the mainstay for automobile market in domestic sales is expected to be strong, while overseas markets are expected to remain sluggish. Overall sales are expected to increase due to further growth in domestic sales of fastener products for automotive CASE-related applications, an area of strength, as well as a high level of orders for precision components. In addition, demand for automated assembly equipment and automated inspection equipment, which relieve labor shortages, is expected to further increase. Furthermore, the environment-related business, including analytical instruments and organic solvent recycling equipment, is expected to contribute to performance and boost overall group sales.

Change in order backlog



### Operating Income

- Profit in all businesses is expected to remain favorable due to further price pass through. Increase the sales ratio of high value-added products such as screw driving standard machines and fasteners in the industrial machinery business to supplement the overall sales ratio of the control business, which suffered a rebound from the previous fiscal year. The company expect to gradually see the effects of efforts to reduce variable costs, such as material reviews and reductions in transportation costs through factory consolidation. These factors are expected to further improve profit.

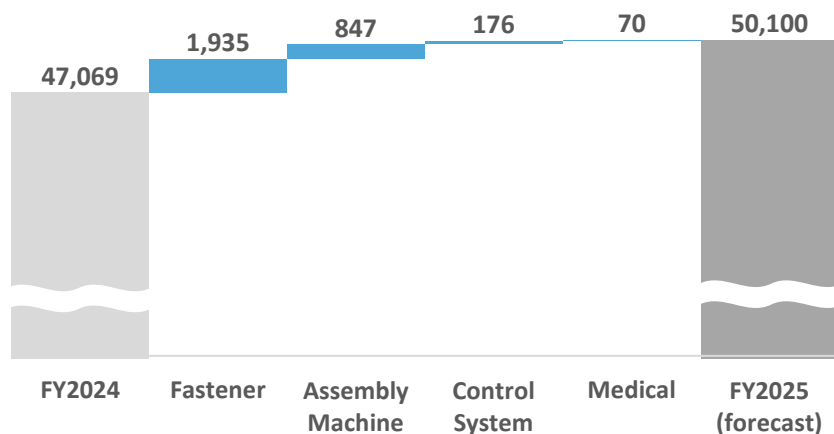
# Net Sales and Operating Income Forecast by Segment (Consolidated)



Unit: Million yen / %		FY2024 Result	FY2024 Forecast	YoY	
				Amount change	% Change
Fastener	Net sales	33,664	35,600	1,935	5.8
	Operating income	1,636	1,690	53	3.2
	Profit ratio	4.9	4.7		
Assembly Machine	Net sales	6,642	7,490	847	12.8
	Operating income	1,141	1,500	358	31.4
	Profit ratio	17.2	20.0		
Control System	Net sales	6,743	6,920	176	2.6
	Operating income	669	540	△ 129	△ 19.3
	Profit ratio	9.9	7.8		
Medical	Net sales	19	90	70	355.4
	Operating income	△ 120	△ 130	△ 9	—
	Profit ratio	△ 612.3	△ 144.4		

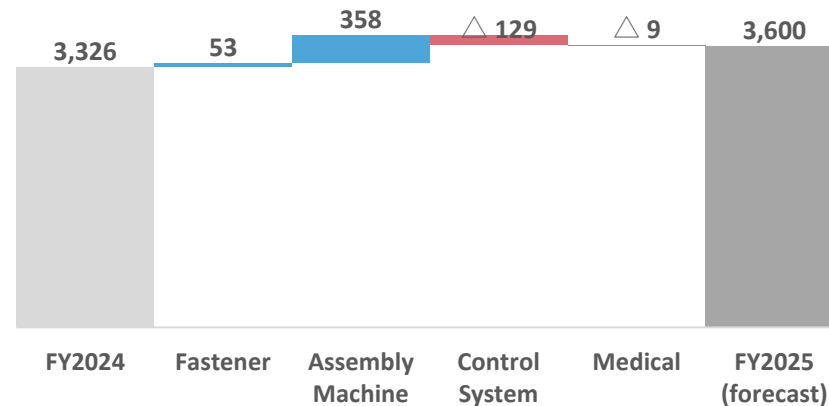
(Million Yen)

### Change in Net Sales by Segment



(Million Yen)

### Change in Operating Income by Segment

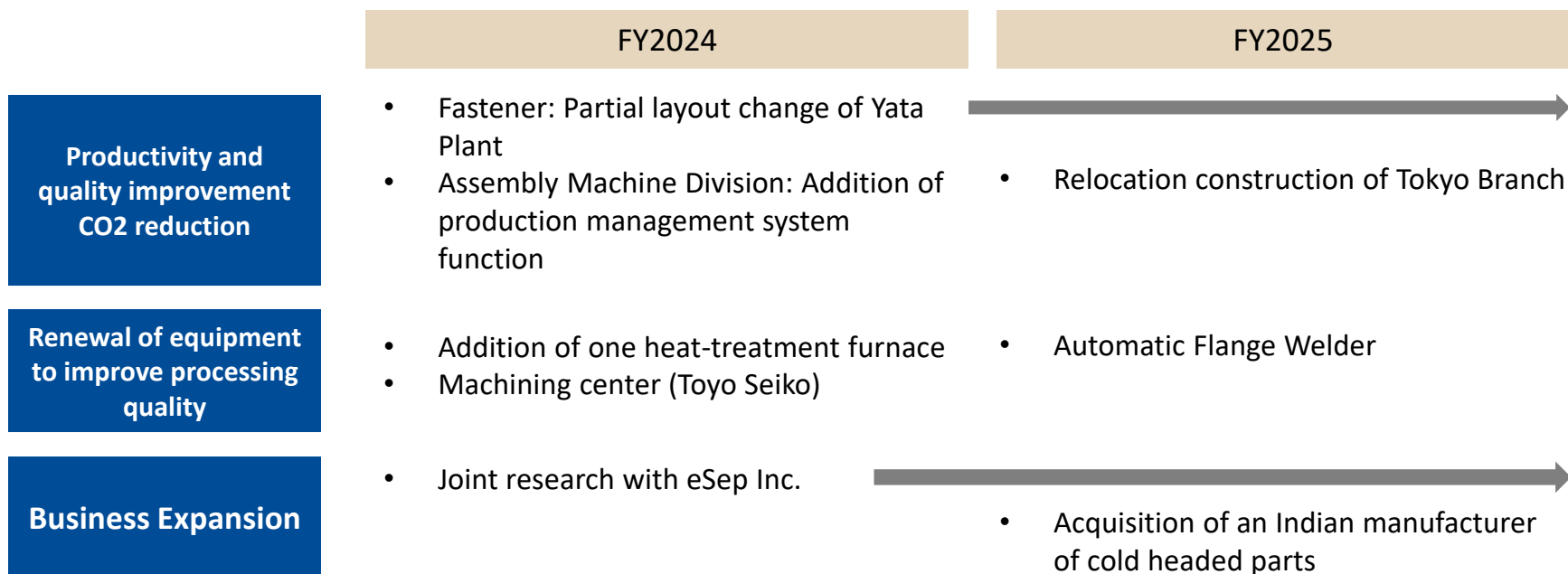


# Market trend and initiatives by segment

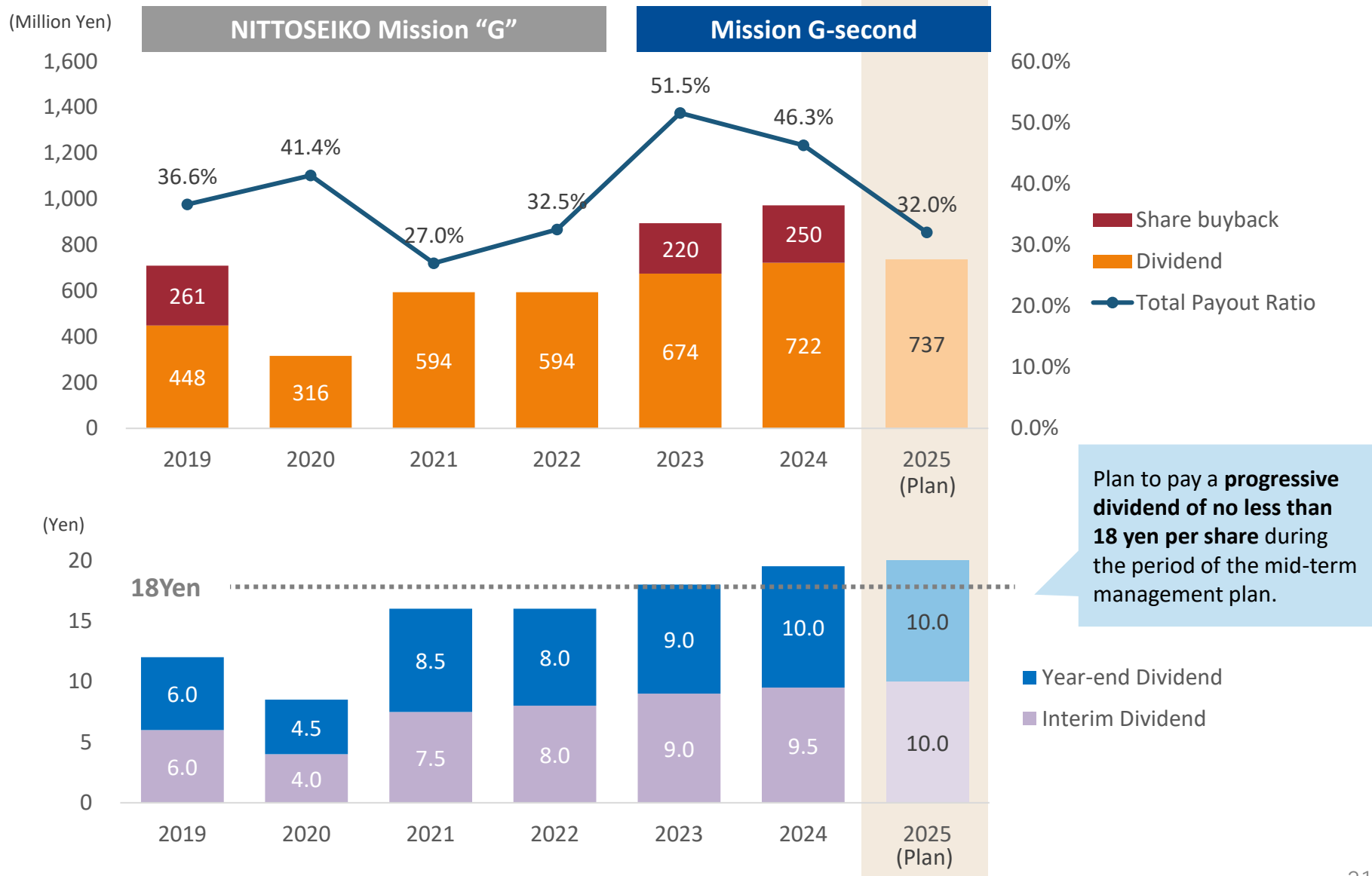
	Main market trends		Initiatives and future efforts	Change in order backlog
Fastener	Automobile	Japanese manufacturers are planning to build new battery plants in Japan to increase production of various types of EVs. Despite the aftermath of production halts due to the type certification issue, demand for lighter and thinner vehicles continue to grow.	The company expand sales of “AKROSE” and “JOISTUD” series for the automobile industry and the new washer-free “CUP BOLT” for the housing and construction industries. In addition, the company will work to reduce manufacturing costs through factory reorganization to reduce inter-plant transportation, reduce electricity consumption, and improve profit margins.	
	Housing and construction	Despite domestic demand, the industry's severe shortage of labor and rising material costs have caused planning delays, etc.		
	Household goods	Expect an increase in orders for game consoles.		
Assembly Machine	Automobile	Although EV sales are slowing down, HV sales are expected to increase further. In addition, the number of ECU-related equipment projects is increasing as ADAS is becoming standard equipment and vehicle models equipped with inverters and advanced safety system ECUs is expected to increase.	In the automobile segment, the battery sales team is promoting expansion of sales. To win orders for special watt meters, the company is considering the development of a new partner factory to expand production capacity. The low-cost Asian model, jointly developed by local subsidiaries in China and Thailand, will be marketed to local and non-Japanese users. This model will also highlight the advantages of shortened delivery times due to local procurement and production.	
	Electrical and electronic	Domestic production returned due to “China risks” and the weak yen. Orders for semiconductor inspection equipment, an area of strength, are showing signs of recovery due to the recovery of the semiconductor industry.		
	Energy-related	Installation of equipment is expected to increase at various companies due to the increased production of new meters.		
Control System	Chemical and pharmaceutical	Demand for LIBs is slowing in some regions, including China, but demand for next-generation battery materials in Japan and other regions is expected to stay strong.	Expand sales of automatic quick furnace systems for electronic materials and PFAS-related demand, while also establish a stable supply system. The company plans to respond to an increase in inquiries for inspection equipment in the wake of labor shortages. In the organic solvent recycling business, the company plans to exhibit a demonstration machine at the KEIHANNA Expo.	
	Energy-related	While demand decreased due to decarbonization, demand for recycled fuels such as SAF and synthetic fuels is expected to increase.		
	Environment	Continued demand for analytical instruments is expected in Europe and the U.S. due to PFAS regulations. Expect to see increased demand in other regions and in Japan.		
Medical	Development plans	Starting with the U.S. in July, the Company plans to acquire overseas patents for “High purity bio-soluble magnesium for medical use.” In addition to preparing manufacturing facilities for this product and conducting non-clinical studies, the company will also prepare for clinical studies and expand sales of medical device products and develop new products. The company is also building a system to obtain new medical device manufacturing contracts utilizing existing technologies.		

# Growth Investment

Unit: Mil Yen	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
	Amount	Amount	Amount	Amount	Amount
Capital Investment	1,171	1,122	1,299	1,095	2,180
Business Expansion	0	2,133	-	100	1,500
R&D Expenses	715	764	737	795	1,140
<b>Total</b>	<b>1,886</b>	<b>4,019</b>	<b>2,036</b>	<b>1,990</b>	<b>4,820</b>
(Depreciation and amortization)	1,294	1,421	1,489	1,402	1,570



Continue to provide stable dividends appropriate to business performance



# 4. Appendix

## Issue

## Action

## Target

### ① Operating income ratio

High product costs and market competition have resulted in weak operating income ratios.

- Invest strategically in growth markets
- Improve management efficiency
- Expand into new businesses

Achieve the target **operating income margin of 8.6%** since 2019.

### ② Return-on-capital ratio

Return on capital is below cost of capital (WACC 6.7%) and deviates from market expectations

- Use management resources effectively
- Pursue investment returns
- Reduce capital cost

Early realization of **ROE 9 %**  
**ROIC 8 %**

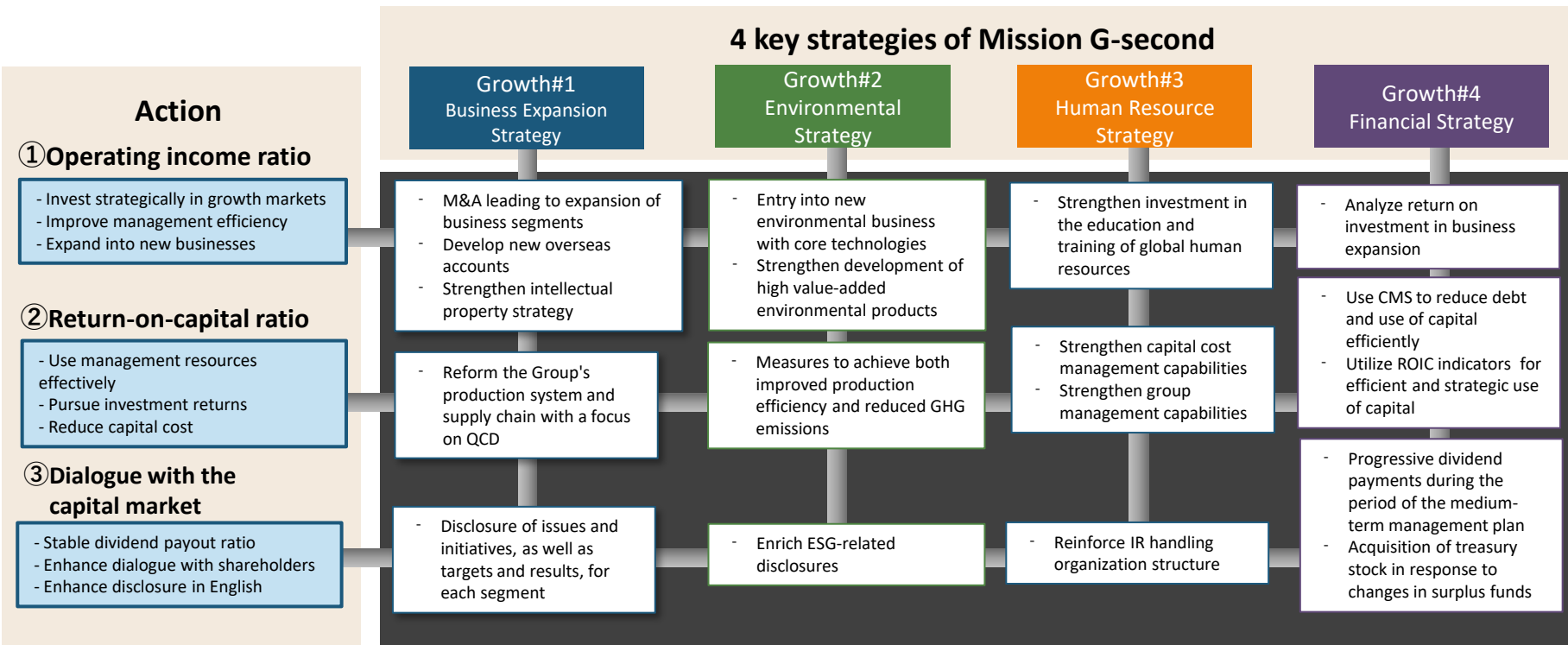
### ③ Dialogue with the capital market

Dialogue with the capital market needs to be enhanced and intensified to further increase corporate value.

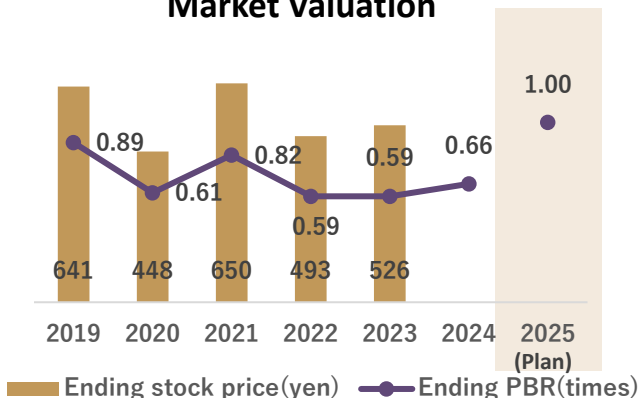
- Stable dividend payout ratio
- Enhance dialogue with shareholders
- Enhance disclosure in English

Achieve and maintain **a P/B ratio of 1.0x or more**

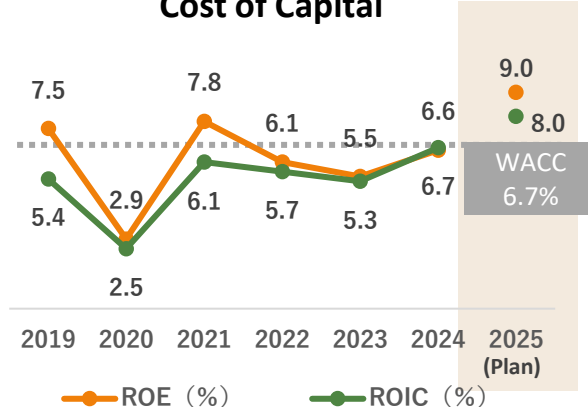
Implement initiatives for each of the 3 issues  
in the 4 key strategies of Medium-Term Management Plan Mission G-second



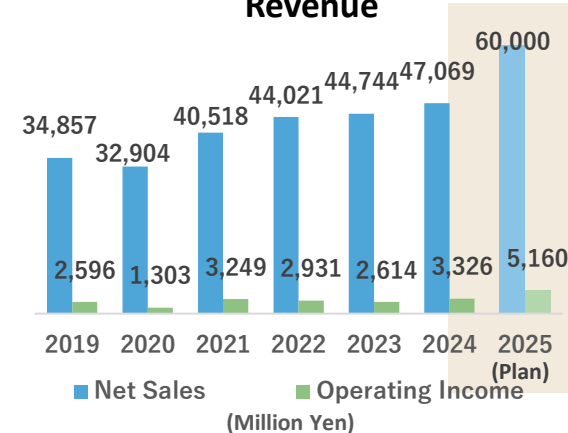
### Market Valuation



### Cost of Capital



### Revenue

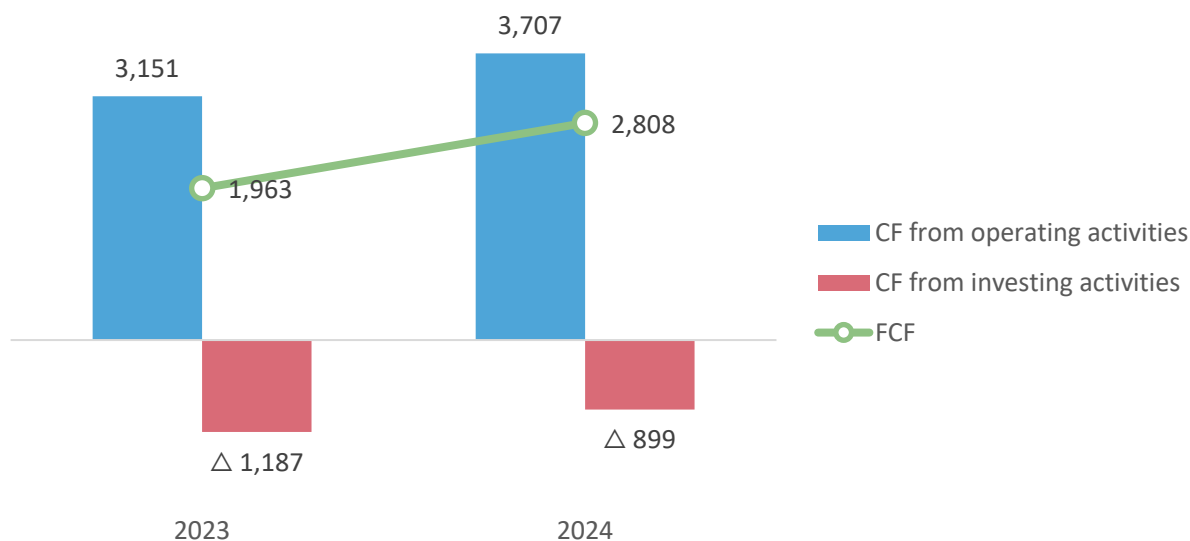


# Balance Sheet (Consolidated)

Unit : Million yen/%	Year ended Dec 2023		Year ended Dec 2024		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
<b>Assets</b>						
Total current assets	33,822	63.4	36,504	65.7	2,681	7.9
Cash and deposits	8,849	16.6	10,580	19.0	1,730	19.6
Notes and accounts receivable –	12,794	24.0	13,318	24.0	523	4.1
inventory	11,023	20.7	10,992	19.8	△ 30	△ 0.3
Total non-current assets	19,521	36.6	19,099	34.3	△ 421	△ 2.2
Non-current assets	14,129	26.5	14,003	25.2	△ 126	△ 0.9
Intangible assets	999	1.9	864	1.6	△ 135	△ 13.5
Investments and other assets	4,391	8.2	4,231	7.6	△ 159	△ 3.6
<b>Total assets</b>	<b>53,344</b>	<b>100.0</b>	<b>55,604</b>	<b>100.0</b>	<b>2,260</b>	<b>4.2</b>
<b>Liabilities</b>						
Total current liabilities	12,901	24.2	13,200	23.7	298	2.3
Notes and accounts payable -	8,615	16.2	8,835	15.9	219	2.5
Short-term borrowings	1,574	3.0	1,325	2.4	△ 249	△ 15.8
Total non-current liabilities	4,040	7.6	3,812	6.9	△ 227	△ 5.6
<b>Total liabilities</b>	<b>16,941</b>	<b>31.8</b>	<b>17,012</b>	<b>30.6</b>	<b>71</b>	<b>0.4</b>
<b>Net assets</b>						
Share capital	3,522	6.6	3,522	6.3	—	—
Capital surplus / Retained earnings	29,400	55.1	30,793	55.4	1,393	4.7
Treasury shares	△ 1,562	△ 2.9	△ 1,778	△ 3.1	△ 216	—
<b>Total net assets</b>	<b>36,402</b>	<b>68.2</b>	<b>38,591</b>	<b>69.4</b>	<b>2,188</b>	<b>6.0</b>

# Cash Flow Statement (Consolidated)

Unit: Million yen / %	FY2023	FY2024		
	Amount	Amount	Amount change	% Change
CF from operating activities ※①	3,151	3,707	556	17.7
CF from investing activities ※②	△ 1,187	△ 899	288	-
(Free CF) ※①+②	1,963	2,808	845	43.0
CF from financing activities	△ 2,074	△ 1,426	647	-
Net increase (decrease) in cash and cash equivalents	△ 278	1,577	1,856	-
Cash and cash equivalents at beginning of period	8,305	8,027	△ 278	△ 3.4
Cash and cash equivalents at end of period	8,027	9,604	1,577	19.7



**1**

**We will carry on our management philosophy and enhance our corporate value by developing our business.**

**2**

**We will be recognized and sought after by our stakeholders for the realization of a sustainable society.**

**3**

**As a manufacturing solutions group, we will share our customers' materiality and strive to solve their issues.**

**4**

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

## IR CONTACT

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E-mail: ir@nittoseiko.com



**Minsetsu Company page**

<https://app.msetsu.com/stocks/5957>



**SR One Company page**

<https://sharedresearch.jp/ja/companies/5957>

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.

**NITTOSEIKO**