

(Issue code: Tokyo Stock Exchange Prime 5957)



# Results Briefing 2Q for the fiscal year ending 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, 2024

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The slide features a white background with decorative blue diagonal lines in various shades and thicknesses, creating a dynamic, modern look. The lines are primarily located in the corners and along the sides of the slide.

# **1. Summary of Financial Results 2Q for the Fiscal Year Ended Dec 31, 2024**

# Summary of Financial Results

Unit: Million yen / %	2023/12 2Q		2024/12 2Q		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
<b>Net sales</b>	22,447	100.0	<b>22,394</b>	100.0	△ 52	△ 0.2
Gross profit	5,117	22.8	5,358	23.9	241	4.7
Selling, general and administrative expenses	3,818	17.0	3,864	17.3	45	1.2
<b>Operating income</b>	1,298	5.8	<b>1,494</b>	6.7	195	15.1
<b>Ordinary income</b>	1,476	6.6	<b>1,610</b>	7.2	133	9.0
Net income for current period before income taxes	1,494	6.7	1,597	7.1	102	6.8
<b>Net income attributed to shareholders of the parent company</b>	833	3.7	<b>1,007</b>	4.5	173	20.8
Net income per share (yen)	22.57		27.56			

## Main points

### Net Sales

- Strong sales of analytical and measuring instruments for energy-related applications in the control system segment, as well as the establishment of a European base in April 2023, combined with the effect of price pass-through, are being reflected in the results. However, overall net sales was down 0.2% YoY, with lower sales of products for game consoles in the fastener segment due to a slowdown in stay-at-home demand, and lower demand for screw fastening machines for automotive applications in the U.S. and Thailand in the assembly machine segment.

### Operating Income

- Profit increased 15.1% YoY due to progress in price pass-through, especially for automatic screw fastening machines, and shipments of high value-added analytical instruments.

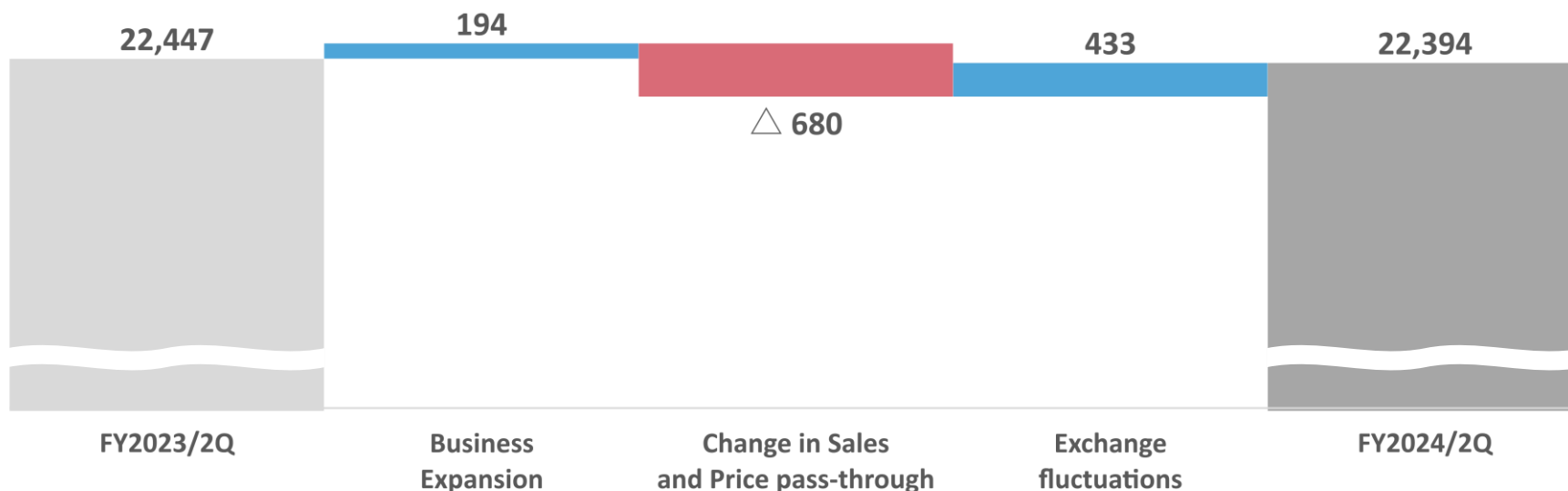
### Overseas

- Overseas net sales increased due to firm sales of fastener products for the automobile industry in China, as well as strong sales of analytical instruments at the European base.

# Summary of Financial Results - Net Sales

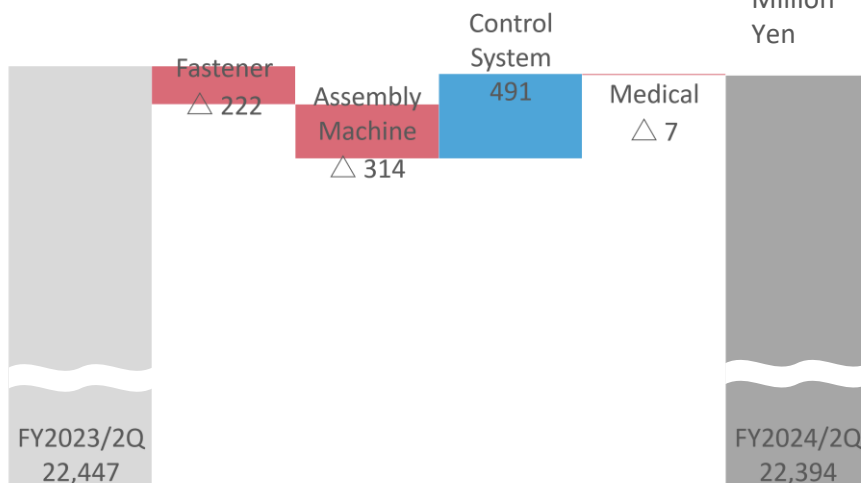
## Analysis of Net Sales

Million Yen



## Change in net sales by segment

Million Yen



**Business Expansion**

Nittoseiko Analytech Europe GmbH, established in 2023, contributed to the business.

**Change in Sales**

Although analytical and measuring instruments performed well, sales declined due to a drop in capital investment in the U.S. and Thailand and a decrease in products for game consoles due to a slowdown in stay-at-home demand.

**Price Pass-through**

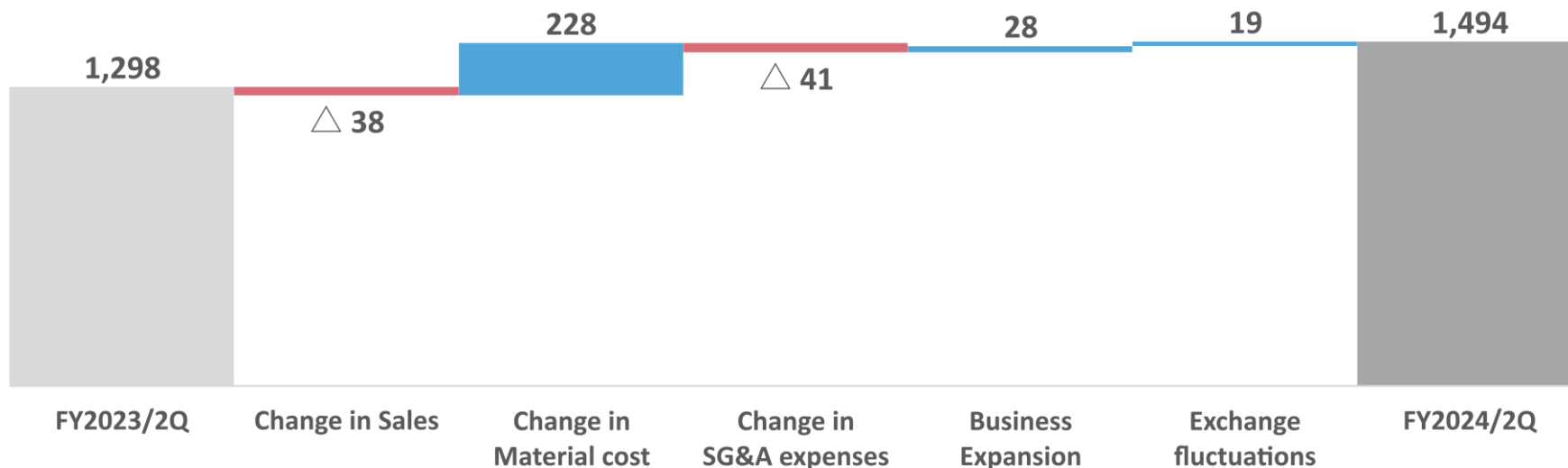
Price pass-through of screw fastening machine-related products has progressed. Negotiations continue for other items.

# Summary of Financial Results - Operating Income



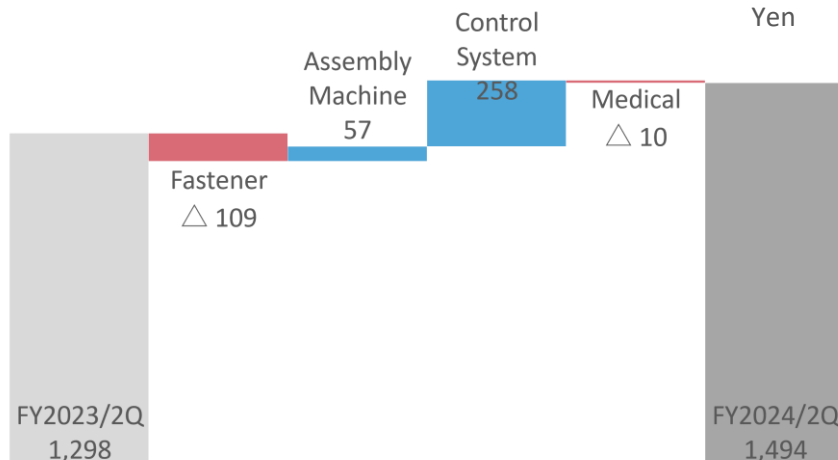
## Analysis of Operating Income

Million Yen



## Change in Operating Income by segment

Million Yen



**Factors Affecting Cost Ratio Variance**

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

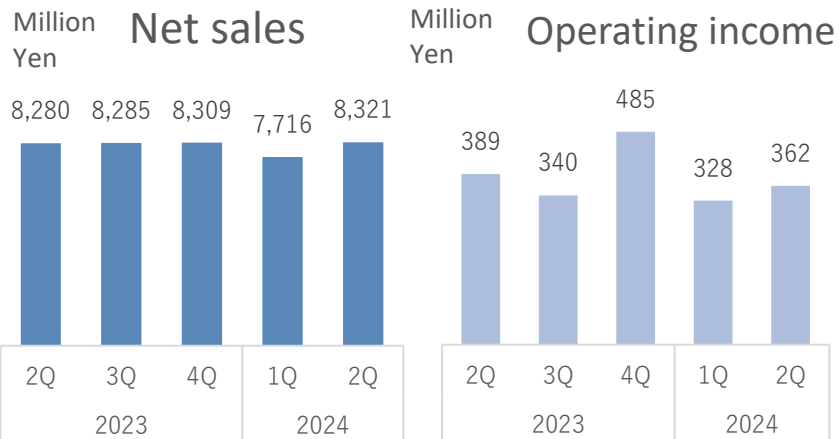
**SG&A Variables**

Labor costs increased by about 3.3% (approx. 57 M yen) from the previous year due to wage increases.

**Business Expansion**

Contribution from the establishment of Nitto Seiko Analytech Europe GmbH.

# Overview of Results by Segment - Fastener Segment

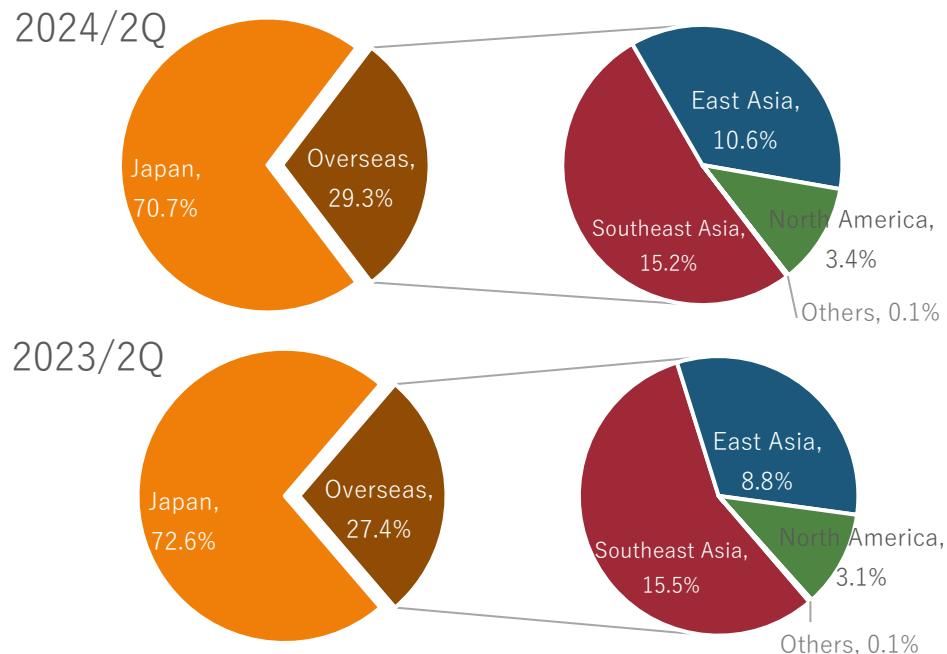


## Outlook

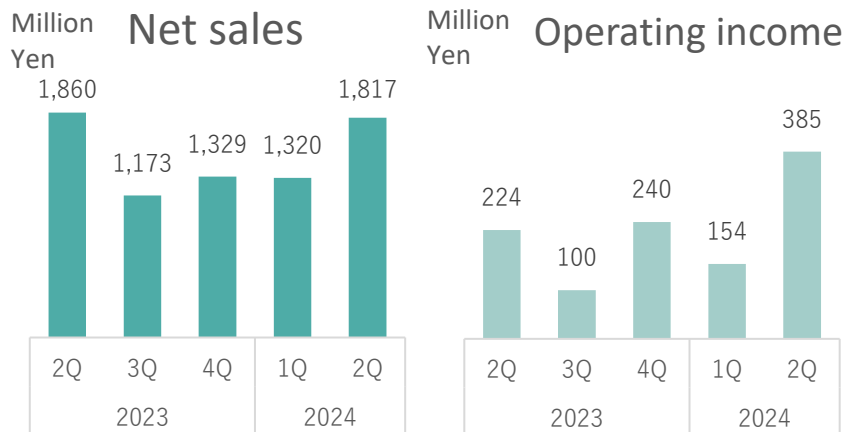
- Net sales decreased YoY due to sluggish demand in the game console market and slow growth in new starts in the construction industry due to labor shortages and soaring material prices, despite strong sales in the mainstay automobile business.
- Operating income declined YoY as material and energy costs were not fully reflected in selling prices despite efforts to pass them on.
- Promoting efficiency and cost reduction through consolidation of manufacturing plants.

## Net Sales by Region

Unit: Mil yen/ %	2023/12		2024/12		YoY	
	2Q		2Q		YoY	
	Amount	Amount	Amount	Amount	% Change	% Change
Net Sales	16,260	16,038	△ 222	△ 1.4		
Automobile	6,146	6,356	209	3.4		
Housing and construction	3,690	3,525	△ 165	△ 4.5		
Electrical and electronic parts	2,386	2,324	△ 62	△ 2.6		
Household goods	1,243	882	△ 360	△ 29.0		
IT and digital equipment	626	776	149	23.8		
Precision equipment	535	583	48	9.0		
Medical	142	153	11	7.7		
Others	1,488	1,436	△ 52	△ 3.5		
Operating Income	800	690	△ 109	△ 13.7		



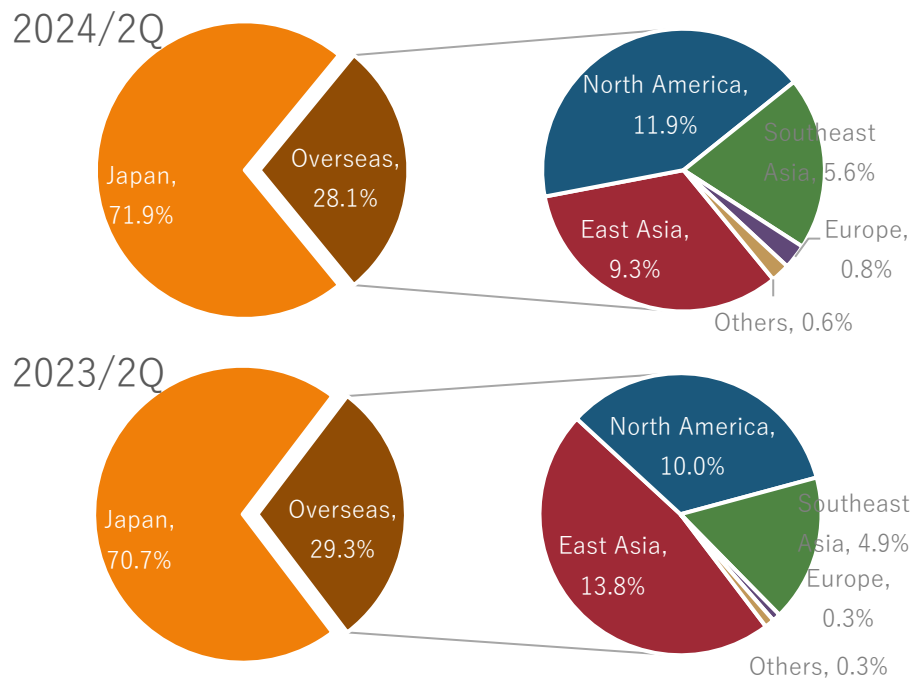
# Overview of Results by Segment – Assembly Machine Segment **NITTOSEIKO**



## Outlook

- Net sales decreased YoY due to economic slowdown in the U.S. and Thailand and stagnant capital investment appetites due to political factors, despite growing momentum for automation against a backdrop of demand for electrification and labor shortages.
- Operating income increased YoY due to an improvement in the cost ratio as a result of progress in price pass-through in screw fastening machines.

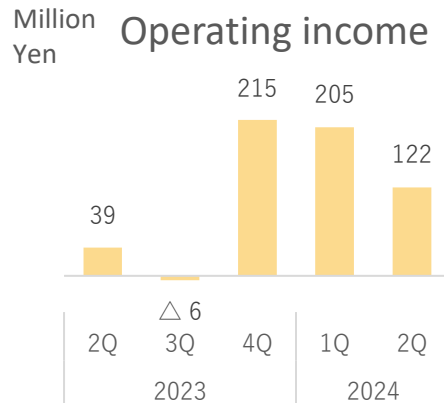
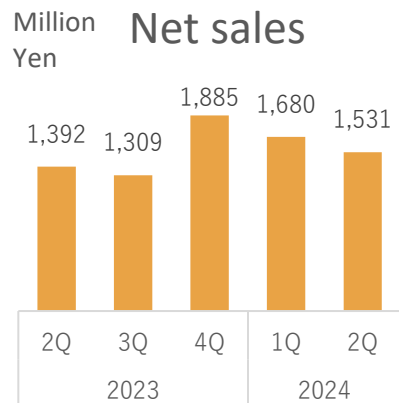
## Net Sales by Region



Unit: Mil yen/ %	2023/12	2024/12	YoY	
	2Q	2Q	Amount	% Change
Net Sales	3,453	3,138	△ 314	△ 9.1
Automobile	1,825	1,477	△ 348	△ 19.1
Electrical and electronic parts	711	499	△ 211	△ 29.7
Energy sector	99	135	36	36.3
Amusement machine	206	110	△ 95	△ 46.0
IT and digital equipment	139	83	△ 55	△ 39.5
Housing and construction	103	83	△ 20	△ 19.2
Household goods	10	61	50	488.9
Others	356	686	329	92.2
Operating Income	481	539	57	12.0



# Overview of Results by Segment – Control System Segment

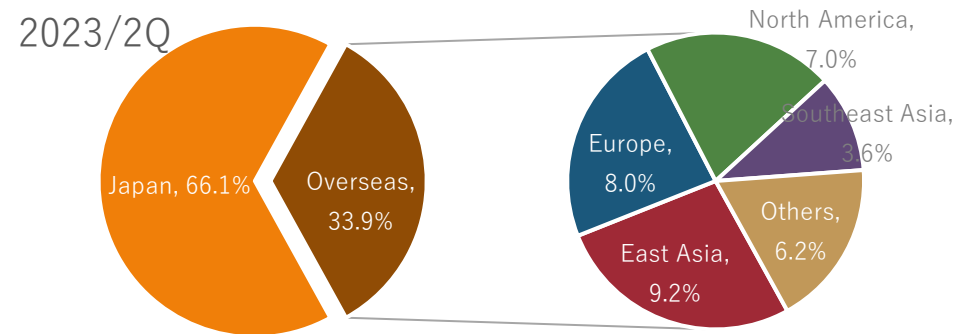
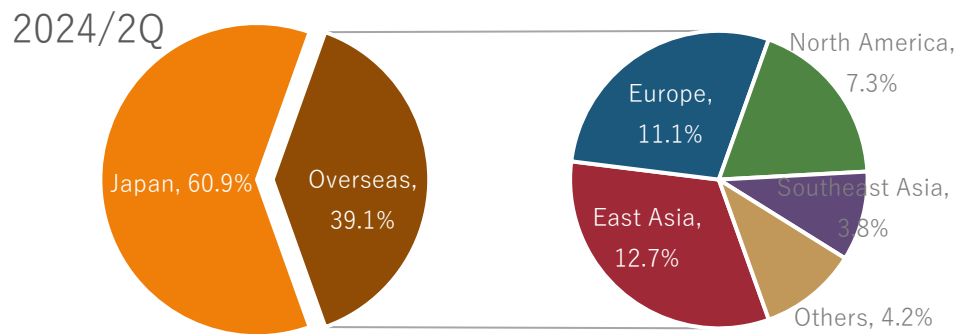


## Outlook

- Analytical instruments performed well, mainly for energy-related applications. Sales at the new base in Europe was also strong, resulting in YoY increases in both sales and profit.
- In addition to new product development, the Company will focus on cost visualization, in-house production of machined parts, efficient assembly production, and sales price revisions.

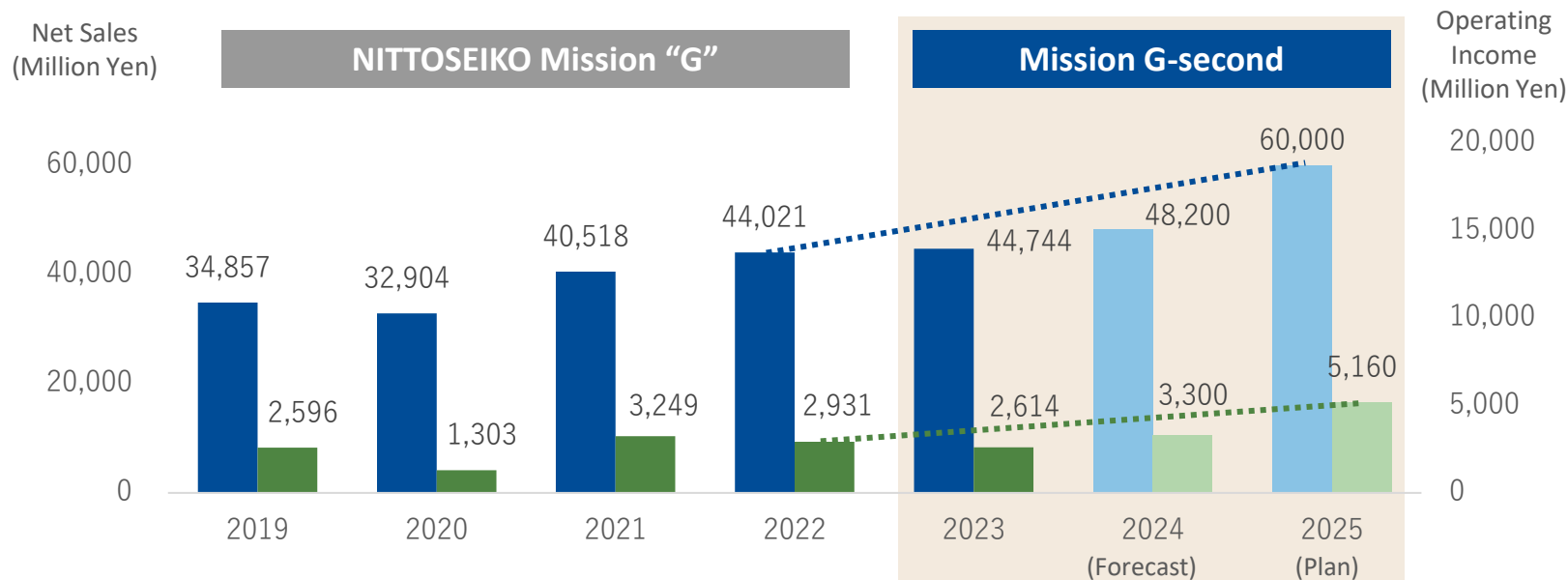
## Net Sales by Region

Unit: Mil yen/ %	2023/12	2024/12	YoY	
	2Q	2Q	Amount	% Change
<b>Net Sales</b>	<b>2,720</b>	<b>3,212</b>	<b>491</b>	<b>18.1</b>
Energy sector	439	682	243	55.4
Chemical and pharmaceuticals	632	637	5	0.8
Environment	106	348	242	228.7
Automobile	143	228	84	59.0
Electrical and electronic parts	170	188	17	10.6
Ship building	164	178	14	8.9
Housing and construction	256	162	Δ 93	Δ 36.5
Medical	67	60	Δ 6	Δ 9.9
Food	31	60	28	89.0
Others	708	663	Δ 45	Δ 6.4
<b>Operating Income</b>	<b>69</b>	<b>328</b>	<b>258</b>	<b>369.6</b>



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

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



## Growth #1 Business Expansion Strategy

	Forecast FY2024	Target FY2025
Net Sales	48.2 B yen	60 B yen
Operating Income	3.3 B yen	5.16 B yen

## Growth #2 Environmental Strategy

	Result FY2024 2Q	Target FY2025
CO <sub>2</sub> emissions (Compared to 2019)	▲16.4%	▲12%
Waste (Compared to 2019)	▲25.5%	▲5%

## Growth #3 Human Resource Strategy

	Result FY2024 2Q	Target FY2025
Labor productivity (Compared to 2022)	+3.1%	+24%
Engagement score (Measured Nov-Dec every year)	-	3.8P or more

## Growth #4 Financial Strategy

	Result FY2024 2Q	Target FY2025
ROIC	6.0%	8% or more
ROE	6.0%	9% or more

## Background of Growth Target Selection

- Approach **markets that have potential for growth** in the future
- Approach **markets with low sales ratios and room for growth**
- Expand sales of **high value-added products** based on Group technologies

### Fastener Business

- CASE-related Business: Product development and sales expansion for growth business in the mainstay automobile industry
- Non-Japanese Company: Expand sales to non-Japanese companies with particularly low sales ratios in overseas sales
- ASSY Products: Propose high value-added products utilizing the Group's technology
- Industry Expansion: Expand sales to a wide range of industries to stabilize business

### Assembly Machine Business

- CASE-related Business: Product development and sales expansion for growth business in the mainstay automobile industry
- Non-Japanese Company: Expand sales to non-Japanese companies with particularly low sales ratios in overseas sales
- Overseas Sales: Increase orders, especially in Europe, using existing base as a hub
- Expansion of Business Area: Expand sales of products with reduced environmental impact etc. through various sales networks

### Control System Business

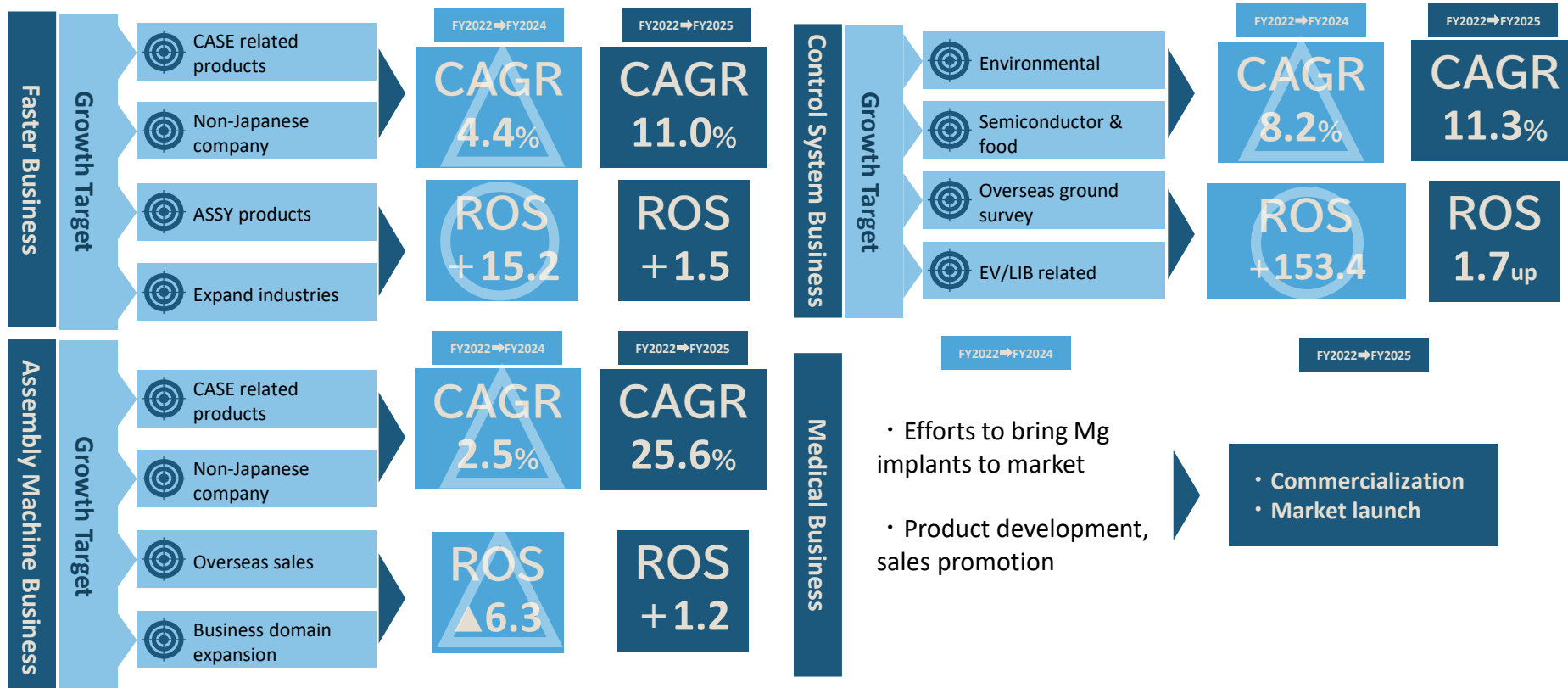
- Environment-related Business: Entry into carbon neutral business
- Semiconductor and food markets: Expand sales of high-value-added flowmeters (mass, electromagnetic, ultrasonic)
- Overseas Geotechnical Investigation Business: Promote penetration in the Thai market by leveraging high domestic market share
- EV/LIB Business : Propose inspection equipment and measurement systems to the growing field of automobiles

# Growth#1 Progress of Business Expansion Strategy

## Growth#1 Business Expansion Strategy

(Million Yen)

	Result FY2022	Result FY2023	Forecast FY2024	Target FY2025
Net Sales	44,021	44,744	<b>48,200</b>	60,000
Operating Income	2,931	2,614	<b>3,300</b>	5,160



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

# Growth#1 Business Expansion Strategy

Fastener

**NITTOSEIKO**

## Results by Growth Target

### CASE-related Business

Progress in 2024  
**53.7%**

Q2 Result, 3,498

Plan 2025, 7,138

Plan 2024, 6,509

Anti-loosening screws “GIZATITE” for resin materials in CASE, “ASFA” screws with built-in washers, “CP GRIP” screws that prevent scattering of fastening dust, and “precision press products” performed well.

### ASSY Products

Progress in 2024  
**32.6%**

Q2 Result, 801

Plan 2025, 2,698

Plan 2024, 2,455

Developing proposals for hybrid parts for the automobile market with Group's press products and fastening parts. Aim to improve profitability by offering high value-added products.



Press Products of Shinwa Seiko



Headed Bolt of Toyo Atsuzo

### Non-Japanese Company

Progress in 2024  
**35.0%**

Q2 Result, 376

Plan 2025, 1,252

Plan 2024, 1,074

“CP GRIP” sales to non-Japanese companies in Korea for electronics and automobiles were strong (up 60 million yen YoY). In contrast, construction screw sales were sluggish due to the weak number of housing starts in North America.

### Industry Expansion

Progress in 2024  
**35.6%**

Q2 Result, 594

Plan 2025, 1,892

Plan 2024, 1,668

**Housing & Construction Industry :**  
Despite domestic demand, construction starts are sluggish due to lack of labor in and rising cost of materials in the industry.

### Flange type anti-loosening bolt “CUP BOLT”

New product that eliminates the need for spring washers and flat washers. Sales are expanding mainly in the housing and construction industries.



Feb launch

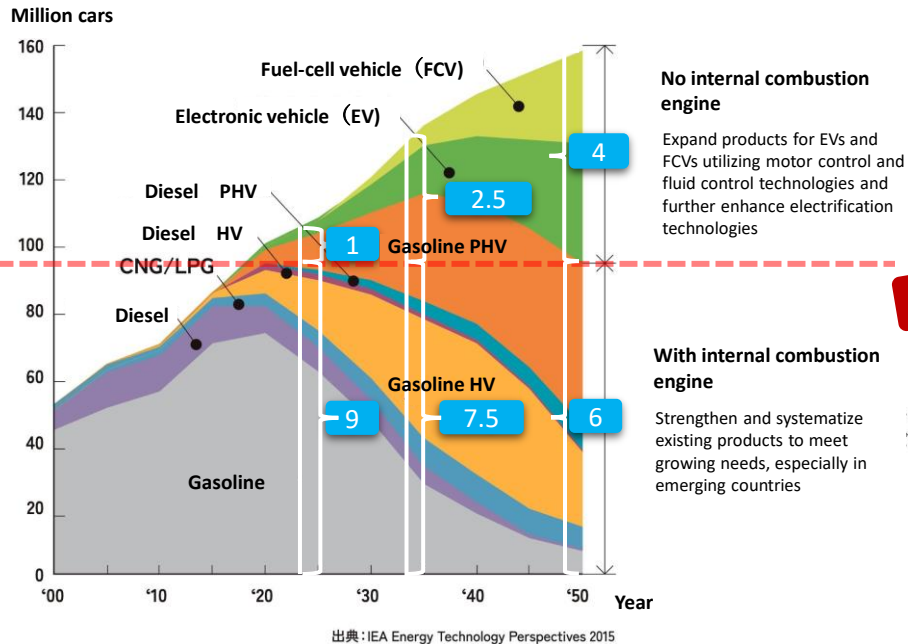
Unit: Mil Yen

Gross Target	Forecast for the second half of 2024		Corresponding Products, Businesses and Initiatives
<b>CASE-related</b>		The need for lighter weight and thinner sheet metal for EVs is increasing, and inquiries for product lines that meet these needs are increasing.	In addition to strong demand for “ALUMITITE”, “GIZATITE”, “CP GRIP”, and “Screws with Captive Washers”, inquiries for “JOISTUD” and “AKROSE” were brisk.
<b>Non-Japanese Companies</b>		Korean electronics and automotive demand continues	Sales expansion to non-Japanese companies and new markets in Europe and North America is underway, and new inquiries are increasing.
<b>ASSY Products</b>		Increasingly complex needs for parts continue for EVs and other vehicles	Hybrid parts of fastening parts and precision press products. Currently developing group synergy activities.
<b>Industry Expansion</b>		Slightly stagnant due to labor shortages and rising material costs in the construction industry	Launched and currently expanding sales of the flange-type anti-loosening bolt “CUP BOLT”.

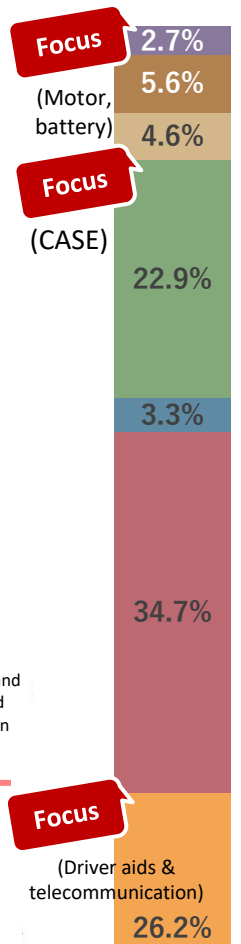
## Strategy for the Automotive Industry

- 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.

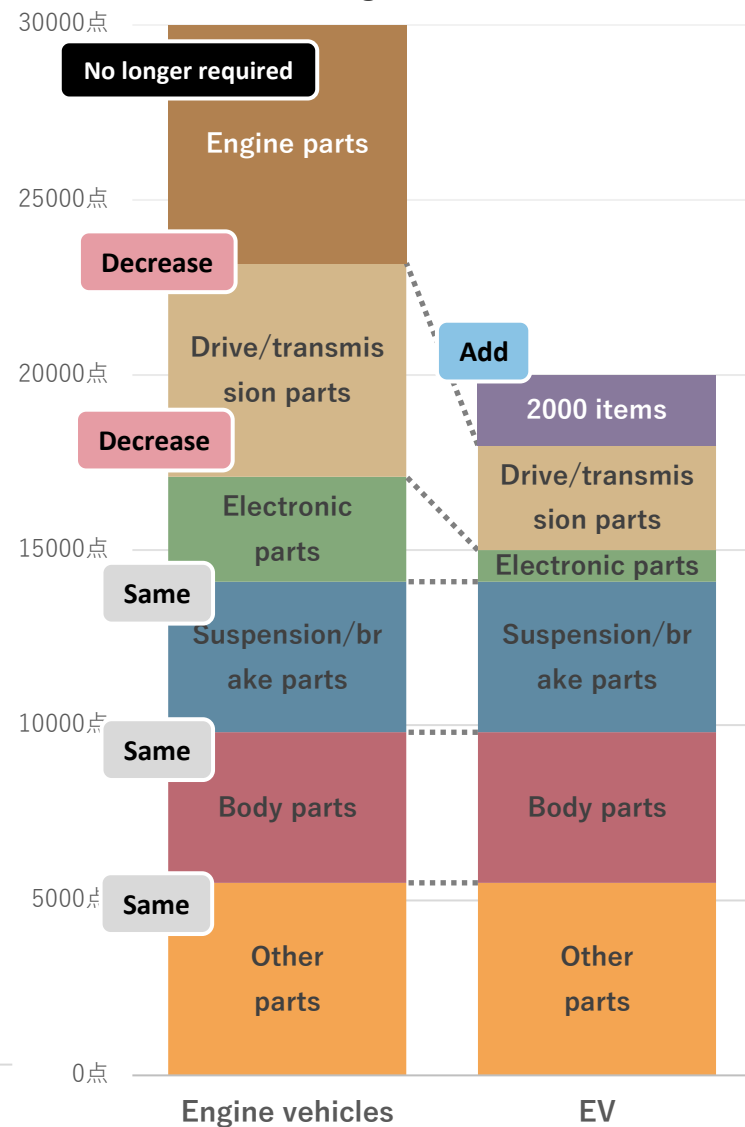
## Global new vehicle sales forecast by power train



## Sales Composition of Fastener Business



## Change in number of parts due to switch from engine to EV vehicles



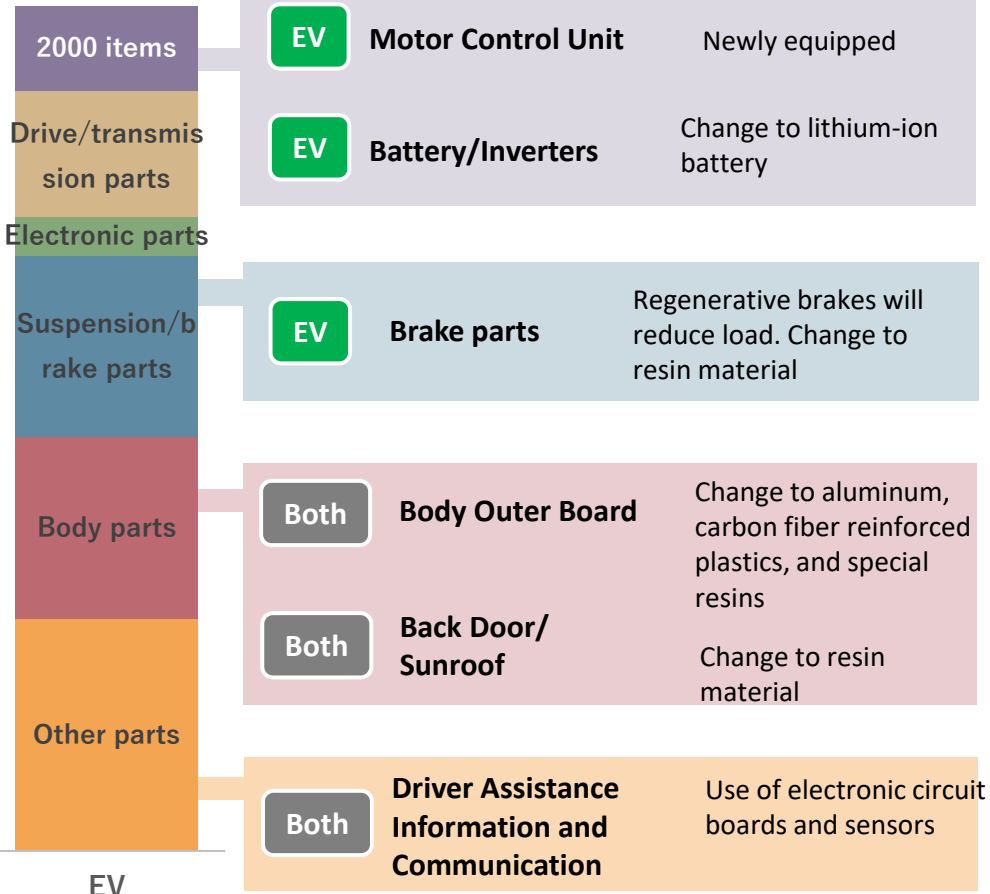
Source : Sumitomo Mitsui Banking Corporation (自動車及び関連産業の将来像 / Dec 2017)

**EV**

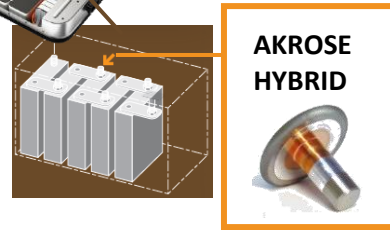
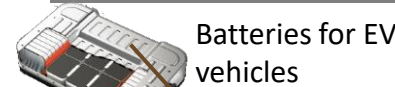
Due to the change from engine to motor, some parts are no longer needed, and others are newly needed.

**Both**

Need for lightweight fastening parts suitable for car sensing function and fuel efficiency improvement.



## Suitable for batteries



## Waterproof products

**ASFA @WP**  
Increasing need for water cooling of precision parts



## Suitable for lightweight

**Anti-loosening screw "GIZATITE"**



**Screws with Captive Washer "ASFA"**

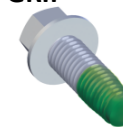


**Self clinching stud bolt "JOISTUD"**



## Suitable for electronic circuit boards

Screw that prevents scattering of fastening dust "CP GRIP"



**Screw fastening unit with thrust control function**

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



## Establish traceability

**NX Driver (SD600T Series)**

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



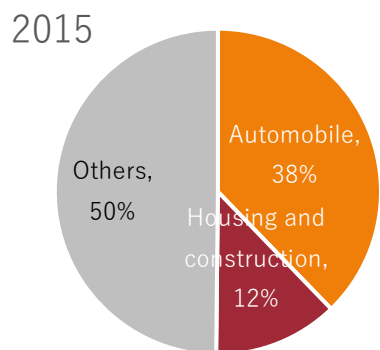


### Expand industries

## Make housing and construction the second pillar of our business after automobiles

Looking to expand both ZEH and the renovation market

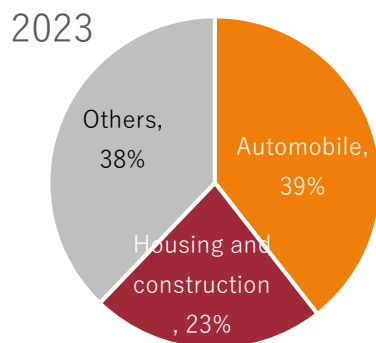
\*ZEH = Net Zero Energy House



Housing and construction  
**12%**

**2,010** Mil Yen

**3.7x**  
in 8 years → **7,467** Mil Yen

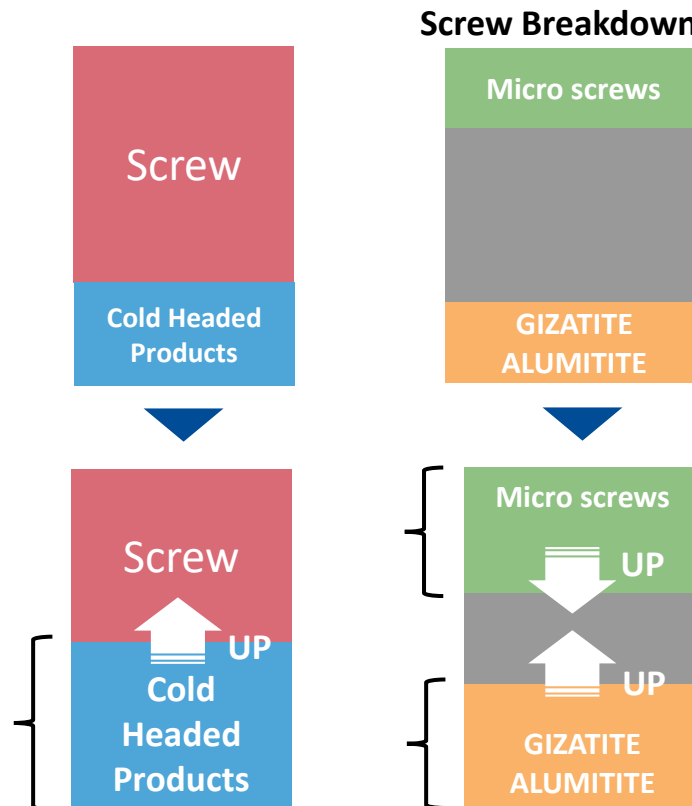


Housing and construction  
**23%**

### Reference: Strategies for changing product mix

## Increase proportion of high value-added products

- ① Increase proportion of **cold headed products** (including for construction)
- ② Increase proportion of **micro and original products**



## CASE-related Business

Fastener

Assembly Machine

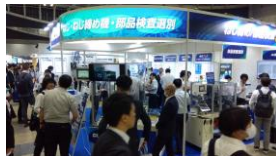
## EV / LIB Business

Control System



### 人とくるまのテクノロジー展 2024 YOKOHAMA

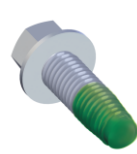
Automotive Engineering Exposition 2024 YOKOHAMA



- Period: May 22<sup>nd</sup>- May 24<sup>th</sup>, 2024
- Place: Pacifico Yokohama
- Visitors: 76,000 People /600 exhibiting companies
- Overview: One of the largest automotive technology exhibitions in Japan, gathering representatives from automobile, parts, and body manufacturers from various professions.

#### Company's original fastening parts

< Waterproof, Contamination prevention, Loosening prevention, Weight reduction, Special parts >



#### Screw Robot®

SR580Y0-Z

CP GRIP  
evaluation demo



#### Parts Inspection and Sorting Equipment "MISTOL AI"

AI function section displayed on monitor



- Wide range of PR products including bolts and pressed products.
- High interest in new ASFA WP product. Record number of new clients.

## BATTERY JAPAN 春

第16回 国際 二次電池展

- Period: Feb 28<sup>th</sup>~ March 1<sup>st</sup>, 2024
- Place: Tokyo Big Site
- Visitors: 69,000 People
- Overview: Exhibition of battery technologies indispensable for the spread of renewable energy and EVs to achieve carbon neutrality.

#### Automatic Powder Resistance Measurement System "MCP-PD600"

Measure resistance of electrode material



#### Moisture Measuring Device "CA-310"

Measure water content of electrolyte



High battery-related demand was evident, and a many new clients were acquired.

# Growth#1 Business Expansion Strategy



Non-Japanese companies

Fastener

Assembly Machine

Expand sales to Europe markets with low sales ratios



## Exhibition results and plans 2024 → PR targeting non-Japanese companies

	First half-year	Focus Industry	PR Product	Second half-year (Plan)
USA	Apr 30 <sup>th</sup> - May 2 <sup>nd</sup> ASSEMBLY SHOW SOUTH	Automobile	Screw fastening robot	Oct 8-10 <sup>th</sup> Battery Show Oct 22-24 <sup>th</sup> ASSEMBLY SHOW
China · Taiwan	Mar 20 <sup>t</sup> -22 <sup>nd</sup> 2024 Fastner Expo Shanghi	Automobile IT/Information equipment	Parts for batteries, screws for weight reduction, micro screws, anti-contamination screws, robots	Aug 2-4 <sup>th</sup> (China) New Energy Auto Technology and Ecological EXPO 2024
	Mar 28-31 <sup>st</sup> ITES深圳工业展			
	Jun 5-7 <sup>th</sup> Fastener Taiwan	Electrical and Electronic Parts Automobile	Battery parts, lightweight screws, screwdriver	
SE Asia	May 15-18 <sup>th</sup> SUBCON THAILAND 2024	Automobile Electrical and electronic parts	Anti-contamination screws, waterproof screws, lightweight screws, screw fastening machines	November (Thailand) METALEX December (Indonesia) MANUFACTURING INDONESIA

# Growth#1 Business Expansion Strategy

Assembly  
Machine

**NITTOSEIKO**

## Results by Growth Target

### CASE-related Business

Progress in 2024  
**23.3%**

Q2 Result, 679

Plan 2025, 3,297

Plan 2024, 2,912

Aug launch

In Japan, orders for CASE-related screw fastening machines and orders for equipment for new car models are increasing, but capital investment remains sluggish in the U.S. and Thailand.

**NX driver T3 series low torque model**  
Low-torque model added to high-precision, high-performance driver series. Suitable for small-diameter sizes for ECU boards, home appliances, precision equipment, etc.

### Non-Japanese Companies

Progress in 2024  
**22.5%**

Q2 Result, 314

Plan 2025, 1,767

Plan 2024, 1,395

Local subsidiaries in China and Thailand are jointly developing Asian models. Demonstration models exhibited at trade shows in China and India. Developing local users at exhibitions in China and Thailand, focusing on EV-related products. In parallel, sales expansion to Europe is underway.

### Overseas Sales

Progress in 2024  
**25.9%**

Q2 Result, 980

Plan 2025, 4,263

Plan 2024, 3,791

Feb launch

The Company is promoting initiatives for CE marking, RoHS, etc., which will serve as the foundation with an eye on the European market. In addition, we will enhance product lineup with a focus on specific countries.

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



### Expansion of Business Area

Progress in 2024  
**35.2%**

Q2 Result, 290

Plan 2025, 940

Plan 2024, 825

Received large orders for equipment for general-purpose engines, equipment for industrial pumps, and equipment for furniture assembly. Focusing on new products that contribute to CO<sub>2</sub> reduction by reducing robot size and power consumption.

Unit: Mil Yen

Gross Target	Forecast for the second half of 2024		Corresponding Products, Businesses and Initiatives
<b>CASE-related</b>		<ul style="list-style-type: none"> <li>Capital investment related to increased electrification of vehicles is on the rise.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen sales by the battery sales promotion team</li> <li>July: Automotive Engineering Exposition (Nagoya)</li> <li>October: Monozukuri World (Osaka)</li> </ul>
<b>Non-Japanese Companies</b>		<ul style="list-style-type: none"> <li>Developing local users in China, Thailand, and South Korea, focusing on EV-related products. In the U.S., inquiries from local users are increasing through exhibitions.</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement of visits to local target users</li> <li>October: Battery exhibition (U.S.A.)</li> <li>October: Parts manufacturers' exhibition (Germany)</li> </ul>
<b>Overseas Sales</b>		<ul style="list-style-type: none"> <li>Orders are increasing in each country, but there are delays in capital investment plans for large projects in South Korea.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct product briefing sessions for dealers in each country</li> <li>Strengthen sales of strategic products to expand sales in Europe and India</li> </ul>
<b>Expansion of Business Area</b>		<ul style="list-style-type: none"> <li>Increased demand for carbon neutral products.</li> <li>Increased demand in the energy sector, such as electricity meters.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen sales of lightweight screw fastening units with reduced environmental impact</li> <li>Aug-Oct Screw fastening trial campaign</li> <li>Sep-Dec New product sales expansion campaign</li> </ul>

# Growth#1 Business Expansion Strategy

Control System

**NITTOSEIKO**

## Results by Growth Target

### Environment-related

Progress in 2024  
**59.7%**

### Semiconductor/Food

Progress in 2024  
**195.0%**

Q2 Result, 244

Plan 2025, 552

Plan 2024, 409

Mar  
launch

New products meet demand for analysis of organic fluorine due to European PFAS regulations; exhibited at Sea Japan in April to promote microbubble generators.

#### Automatic Quick Furnace 「AOF/AQF-5000H」

New model of fully automated device for analysis of halogens and sulfur from combustion decomposition of solids and liquids



Plan 2025, 30

Plan 2024, 20

Q2 Result, 39

In particular, sales to the food industry increased by 28 Mil yen YoY. Development of new products with a wider measurement range and higher accuracy than conventional products is ongoing.

### Overseas Ground Investigation Business

Progress in 2024  
**1.5%**

### EV/LIB-related

Progress in 2024  
**30.3%**

Q2 Result, 2

Plan 2025, 168

Plan 2024, 132

The first order was received from a Thai government agency as a result of collaboration with a university research institute and sales activities. Sales are scheduled in the second half of the fiscal year.

Q2 Result, 105

Plan 2025, 424

Plan 2024, 346

Exhibited at BATTERY JAPAN in February to promote measurement equipment; demand for resistivity meters for battery materials, etc. increased, but inspection and sorting equipment MISTOL series did not receive orders for EV/LIB.

Unit: Mil Yen

## Gross Target

## Forecast for the second half of 2024

## Corresponding Products, Businesses and Initiatives

### Environment-related



- Demand for PFAS analysis remains strong, especially in Europe and the U.S. Expect further demand expansion under the U.S. EPA's legal restrictions. Demand is also expected to increase in Japan for PFAS-related organic fluorine analysis.
- New business in the environmental field

- New product launched in March: Automatic Quick Furnace
- Explore the market for analytical centers, etc.
- Exhibit micro bubble generator at November exhibition in Japan
- Develop organic solvent recycling device

### Semiconductor/Food



Demand is expected to increase in some areas in Japan (Kumamoto, etc.) where semiconductors are booming.

- Moisture measuring device, resistivity meter
- Sales expansion of mass, electromagnetic, and ultrasonic flowmeters

### Overseas Ground Investigation Business



Demand is expected to increase through lateral expansion following the order from a Thai government agency.

- Continue to identify needs for GEOKARTE IV in government agencies

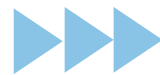
### EV/LIB Business



Although demand from China has passed its peak period and is in an adjustment phase, demand from Japan, Europe, and the U.S. remains strong.

- Moisture analyzer, automatic powder resistance measurement system
- Sales expansion to battery and battery material manufacturers
- November: International Powder Industry Exhibition (Japan)

Environment business



Development of organic solvent recycling and recovery equipment

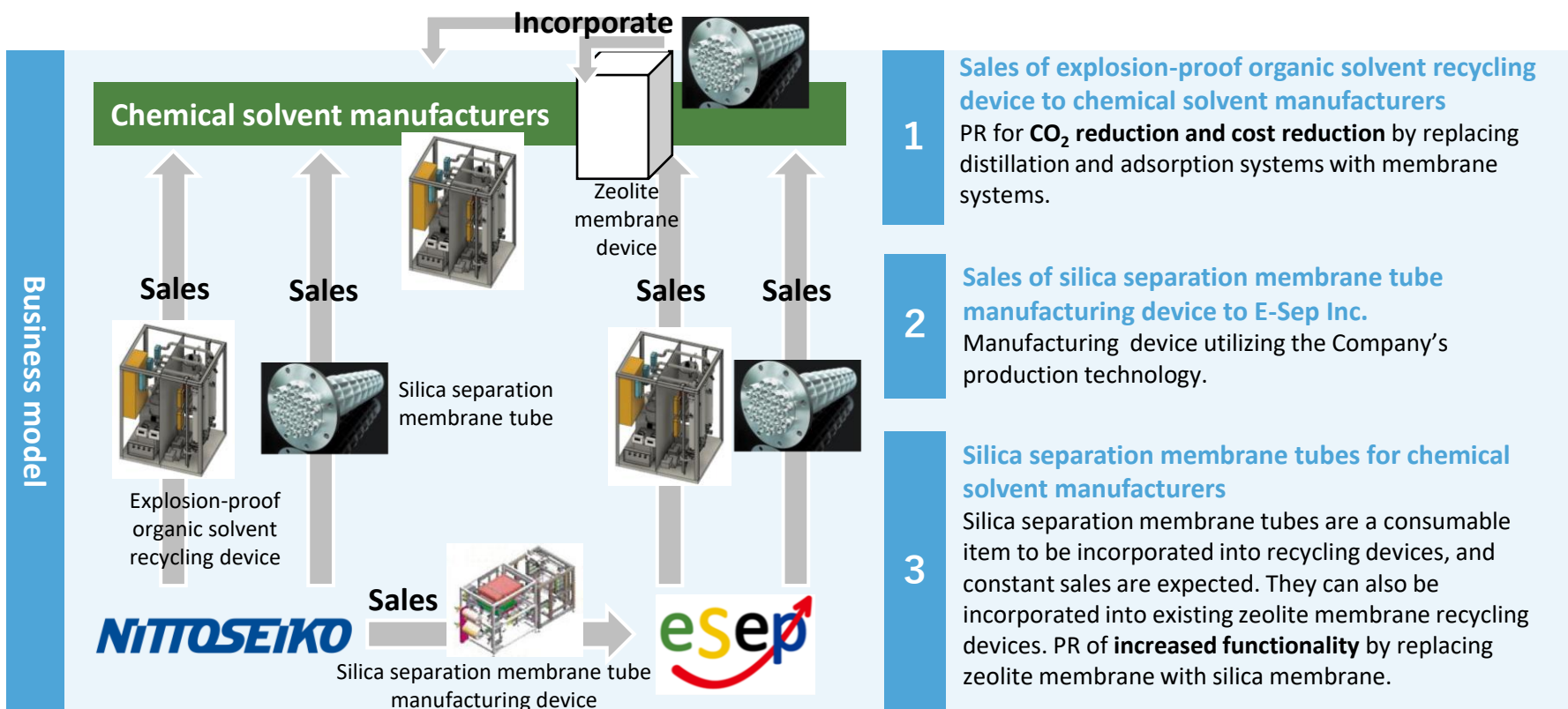
Commercialization toward a carbon-neutral society



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



- Membrane separation technology
- Filter manufacturing technology



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

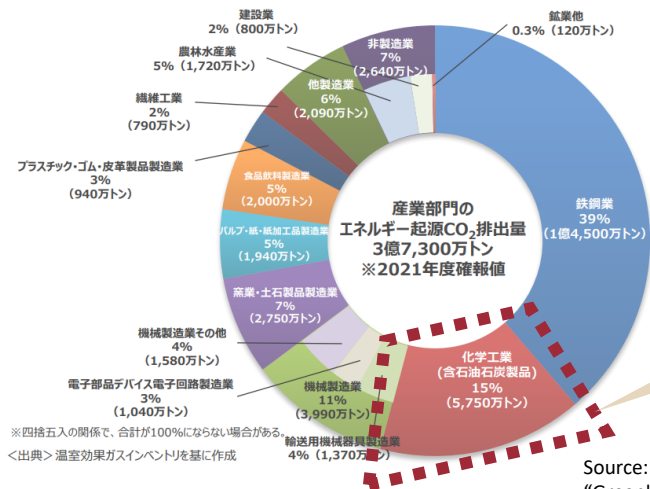


Aim to reduce **CO<sub>2</sub> emissions by 50%** in the distillation process of the chemical industry

### Background of the Project

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

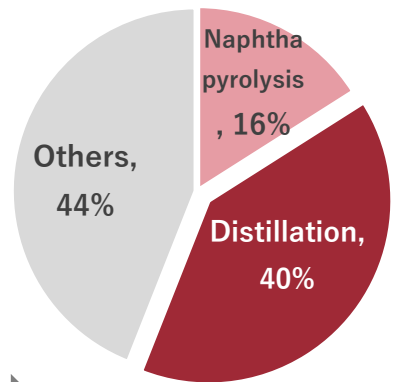
#### Breakdown of energy-derived CO<sub>2</sub> emissions by industry



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

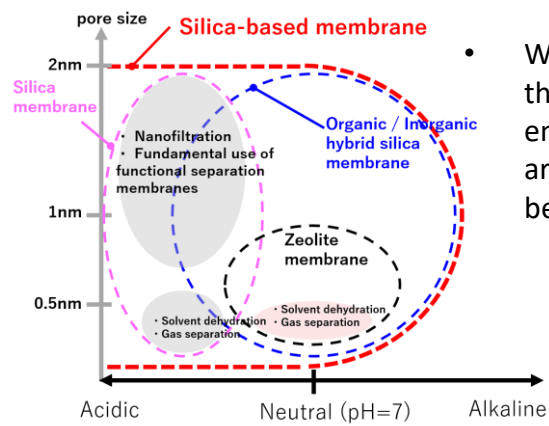
#### CO<sub>2</sub> and cost reduction

- 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.

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.



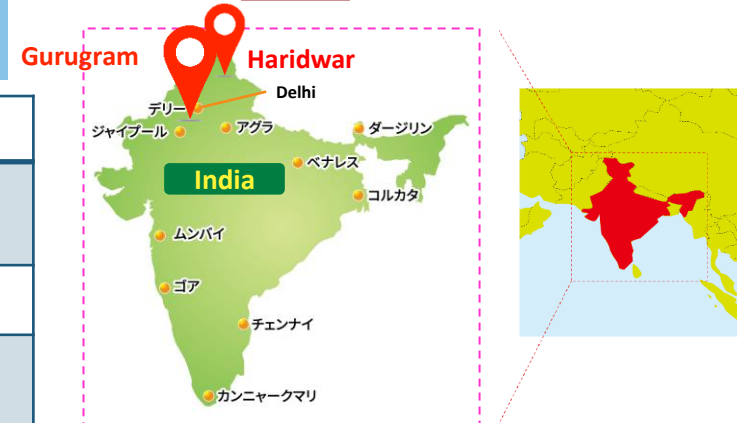
## Growth#1

- M&A leading to expansion of business segments

## Acquired a manufacturer of cold headed parts (bolts, nuts, etc.) in India

### Company Information

Company Names	Vulcan Forge Pvt. Ltd. Vulcan Cold Forge Pvt. Ltd.
Business	Design, manufacture and sales of forged parts
Sales Destination	Automobile and motorcycle industry, agricultural machinery industry in India
Office Location	①Manesar (Gurugram District) ②Bahadorabad (Haridwar District)
No. of Employees	292 (As of July 2023)
Net Sales (Consolidated)	752 Mil INR(1,369 Mil Yen) Year ended March 31, 2023 ※1INR = 1.82JPY(As of February 20, 2024)



**Gurugram Province:** More than 50% of Japanese companies, including Suzuki's subsidiary companies, are located in this province.

### Strength of In-House Integrated Production

In-house production from wire drawing, heading, rolling, plating, inspection to secondary processing.



Manufacturing and sales of NITTOSEIKO products in India

Strengthen Group Technology

Expansion of product lineup

Sharing sales channels to non-Japanese companies

Sharing purchasing channels



## Background of the M&A



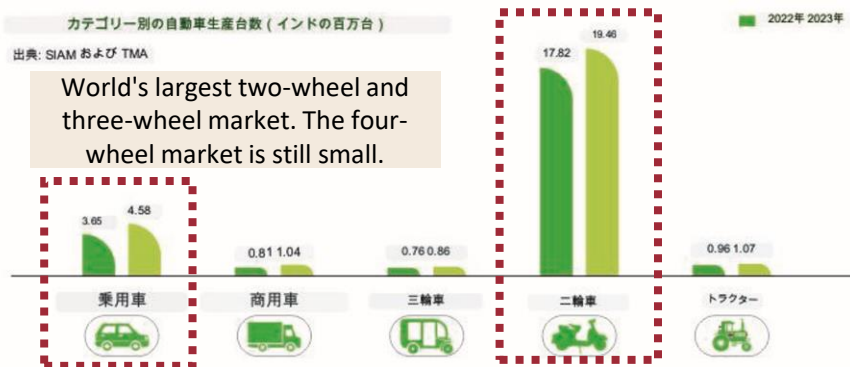
**Expansion into growing countries  
+ Expectations for growth of Indian auto market**

World's top GDP 2023			
No 1	USA		Existing base
No 2	China		Existing base
No 3	Germany		Sales base established in 2023
No 4	Japan		Existing base
No 5	India		<b>M&amp;A of manufacturer</b>

**With this M&A, the Company will have bases in all top 5 GDP countries.**

GDP rank forecast: 4th in 2025, 3rd in 2027.

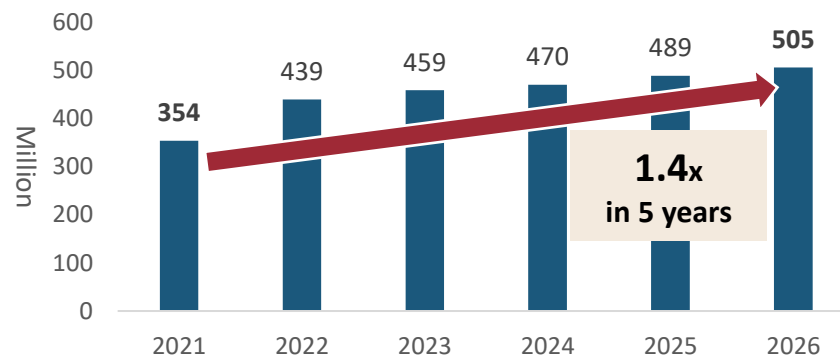
## Vehicle Production in India by Category



World's largest two-wheel and three-wheel market. The four-wheel market is still small.

Source : 『ACMA Annual report 2023』

## India four-wheel vehicle sales forecast (compact cars)



Source : Global Data

## Indian government is actively promoting EVs

"By 2030, 30% of all new passenger cars on the market will be EVs."

**Expect growth of the four-wheel market**



## Leading Japanese automakers announce production increase in India.

- 2026 Increase production line of electric vehicles
- 2028 Construction of new four-wheeled vehicle plant

**Expect expansion of the EV market**

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

### Result FY2020-2023

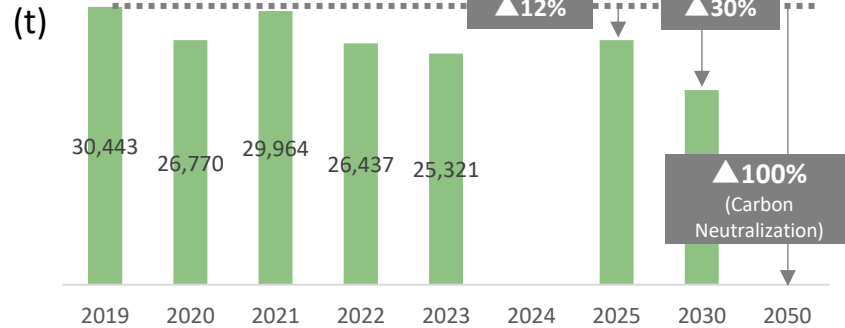
- Installation of Solar Panels
- Switch to LED lighting
- Switching to renewable electricity
- Measures to improve operating efficiency of production and maintenance
- Other power saving measures (air leakage prevention for machinery, insulation of equipment, heat shielding, etc.)



Solar panels  
(Subsidiary in Thailand)



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



### Plan of Initiatives till 2030

- Installation of solar panels  
Winter 2024: 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 FY2024/2Q  
**▲25.5%**

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

Q2 of 2024

UP **3.1%**  
(vs. 2022 results)

## Engagement Score

Q2 of 2024

—

(Measured Nov-Dec every year)

### 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.

### MVV Meeting

Set opportunities for the president and employees to share the company's philosophy and engage in dialogue to achieve the mid-term management plan.

- Director (January)
- New chief (April)
- New chief and director (April)



### Pursuit of a healthy and happy work environment

### Health and Productivity Management Organization 2024 (White 500)

The company was certified for the fourth consecutive year in recognition of its seven initiatives, including “Nicotto7,” aimed at improving the risk of lifestyle-related diseases. Each of the four group companies was also certified.



### Group Companies

- Health and Productivity Management Organization 2024 (Small-Medium Sized Corporation Category)  
Bright 500”
  - NITTO KOSHIN Co., Ltd. ( 3 consecutive years)
- Health and Productivity Management Organization 2024 (Small-Medium Sized Corporation Category)
  - NISSEI CORPORATION ( 2 consecutive years)
  - Fine Co., Ltd. ( 2 consecutive years)
  - TOYO SEIKO Co.,Ltd. (First time)



### Sports Yell Company 2024

The Company was recognized for its support of club activities, efforts during Physical Fitness Month, and participation in the Citizen's Ekiden Road Relay Race for the fourth year in a row. Group company NITTO KOSHIN Co., Ltd. has also been certified for three consecutive years.



## GROWTH#4 Financial Strategy

Result FY2022		▶	Q2 of 2024		▶	2025年 Target	
ROI C	5.7%		ROI C	6.0%		ROI C	Over 8%
ROE	6.1%		ROE	6.0%		ROE	Over 9%

### Analyze return on investment in business expansion

#### Improve Fixed Asset Turnover

To improve the fixed asset turnover ratio, we will strengthen the system to check whether the investment effect is greater than the Group's WACC of 6.7% for capital investments aimed at improving profitability.

In addition, on-site verification of fixed assets is underway. Idle or ineffective facilities will be identified to reduce taxes and assets.

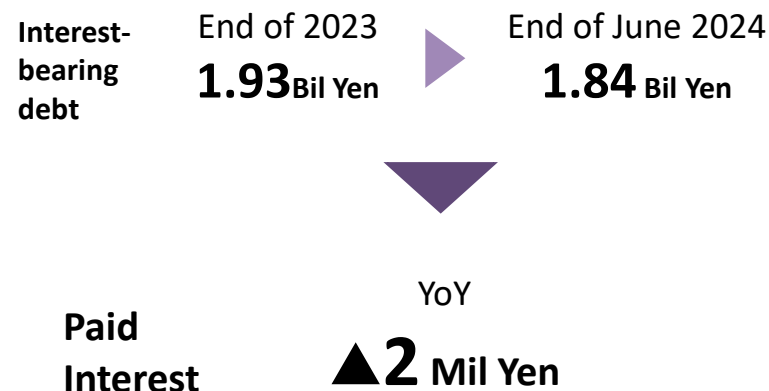
### Expanding Dialogue with Shareholders

#### Tour of Factory

Held a factory tour for institutional investors in Ayabe City, Kyoto Prefecture, where the company's head office is located. In addition, we held a plant tour for former employees to secure stable shareholders.



### Effect of CMS on debt reduction



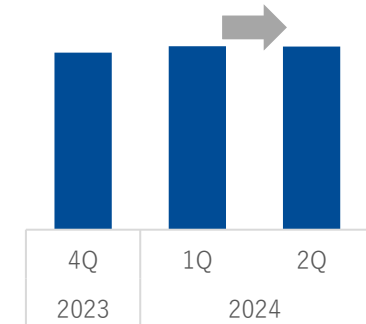
Reducing interest-bearing debt through CMS is underway and is expected to be reduced by 200 million in 2024. Group funds will be allocated to highly effective investments in consideration of the cost of capital.

# **3. Forecast for the Fiscal Year Ending Dec 31, 2024**

# Forecast for FY2024 (Consolidated)

Unit : Million yen/%	2023/12 Full Year		2024/12 Full Year (Forecast)		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount Change	% Change
Net sales	44,744	100.0	48,200	100.0	3,455	7.7
Operating profit	2,614	5.8	3,300	6.8	685	26.2
Ordinary profit	2,835	6.3	3,500	7.3	664	23.4
Net income attributed to shareholders of the parent company	1,734	3.9	2,100	4.4	365	21.1
Net income per share (yen)	46.95		57.46			

Changes in the balance of order backlog



## Main points

### Net Sales

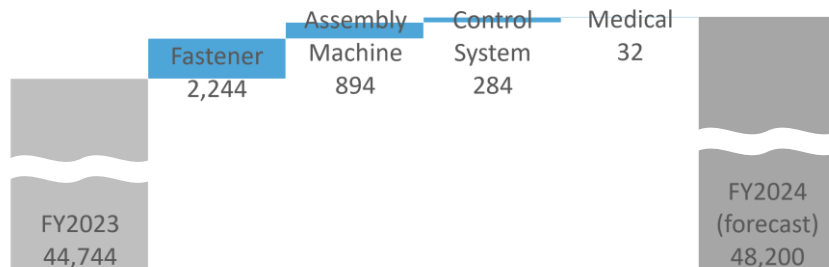
- In the first half of this fiscal year, inventory adjustments, slowing economic growth in major countries, and geopolitical risks caused order growth to be sluggish, but the excess inventory has been slightly resolved and the price pass-through, which had been difficult up to now, is gradually progressing. The appetite for capital investment is also recovering, particularly in the automobile industry, and a group-wide recovery is expected to begin in the second half of this fiscal year. In particular, demand is expected from the automobile, household goods, and energy-related industries.

### Operating Income

- The Company expects to see the effects of the price pass-through for screw fastening machine-related products. In addition, the Company is continuing to improve profitability by consolidating its fastener plants, continuing negotiations on products for which price pass-through has not yet been completed, reviewing parts and materials, and producing processed parts in-house.

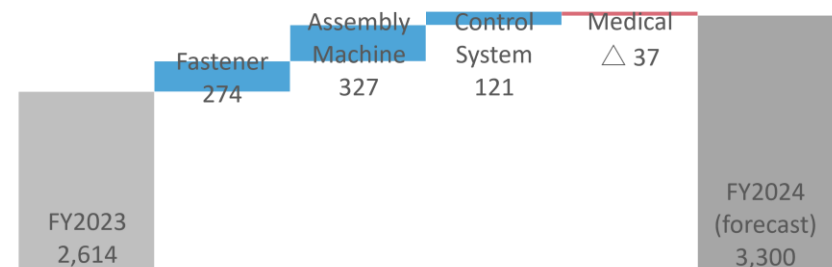
(Million Yen)

### Change in net sales by segment



(Million Yen)

### Change in Operating Income by segment



# Market trend and initiatives by segment

	Major market trend		Initiatives for this fiscal year	Changes in the balance of order backlog
Fastener	Automobile	Increasing demand for lightweight and thinner sheet metal for EVs has led to an increase in inquiries. On the other hand, orders did not grow as projected at the beginning of the fiscal year due to quality problems of manufacturers.	Promote sales of “AKROSE” and “JOISTUD” series for automotive applications, and the new “CUP BOLT,” which does not require a washer, for housing and construction applications. In response to rising material costs, the Company is in the process of raising product prices. In addition, efforts will be made to reduce manufacturing costs through restructuring of plants, etc.	
	Housing and construction	The industry is experiencing shortages of labor and materials, but there is demand for large-scale construction projects in Japan.		
	Household goods	Expect a rise in the game console market, which was showing a stable trend.		
Assembly Machine	Automobile	Orders for CASE-related screw fastening machines and equipment for new vehicle models are on track for recovery.	Alongside the stable orders for standard machines, the backlog of orders for special machines increased. To secure production capacity for wattmeter special machines, a field with a strong track record outside of the automobile industry, the Company is also developing new partner plants. In addition to the development of new products, The Company will also focus on cost reduction by reviewing parts and packaging materials and visualizing procurement prices.	
	Electrical and electronic parts	Domestic production returns due to China risk and yen depreciation. Orders for semiconductor inspection equipment, an area of strength, are on track for recovery due to the semiconductor industry's upturn.		
	Energy sector	Installation of new wattmeter equipment and smart meter equipment is expected to increase.		
Control System	Energy sector	While demand is expected to decrease due to decarbonization, demand for renewable fuels such as SAF and synthetic fuels is expected to increase.	Expand sales of the new “Automatic Quick Furnace AOF/AQF-5000H” for electronic materials and PFAS-related demand. Develop new products related to inspection equipment to meet the needs for labor saving and automation. In addition, the Company will focus on cost visualization, in-house production of machined parts, efficient assembly production, and sales price revisions.	
	Chemical and pharmaceutical	Expect demand for next generation battery materials including LIBs.		
	Environment	Demand for analyzers in Europe and the U.S. is expected due to PFAS regulations.		
Medical	Development plan	Starting with the U.S. patent in July, plan to obtain overseas patents for “High-purity bio-soluble magnesium for medical use” in due course. In addition to preparing manufacturing facilities and conducting non-clinical studies for this product, the Company will also prepare for clinical studies. Expand sales of medical device products and develop new products.		

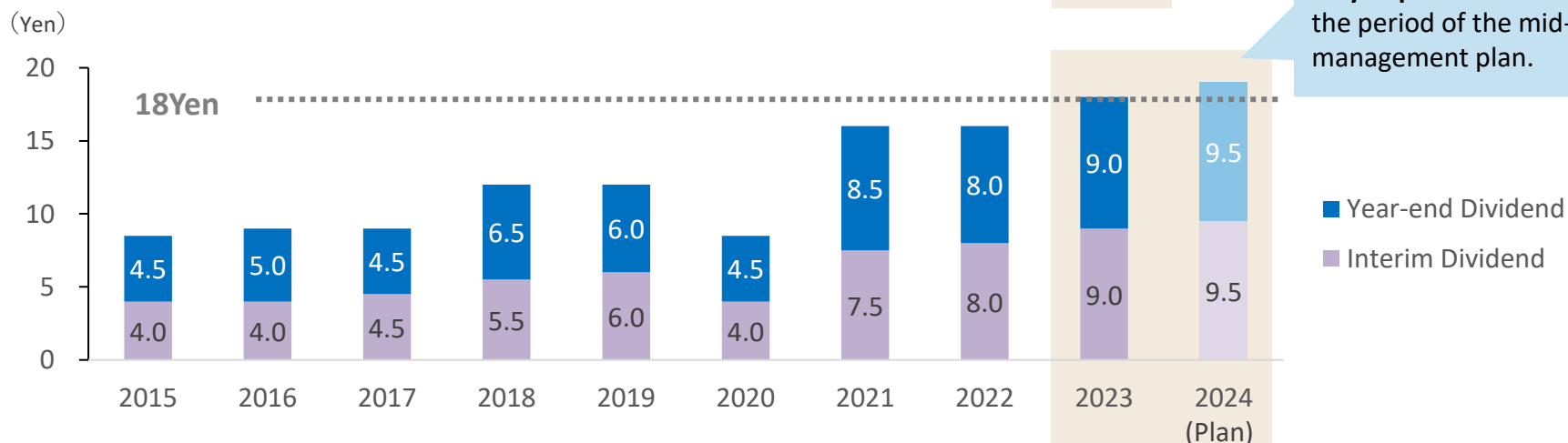
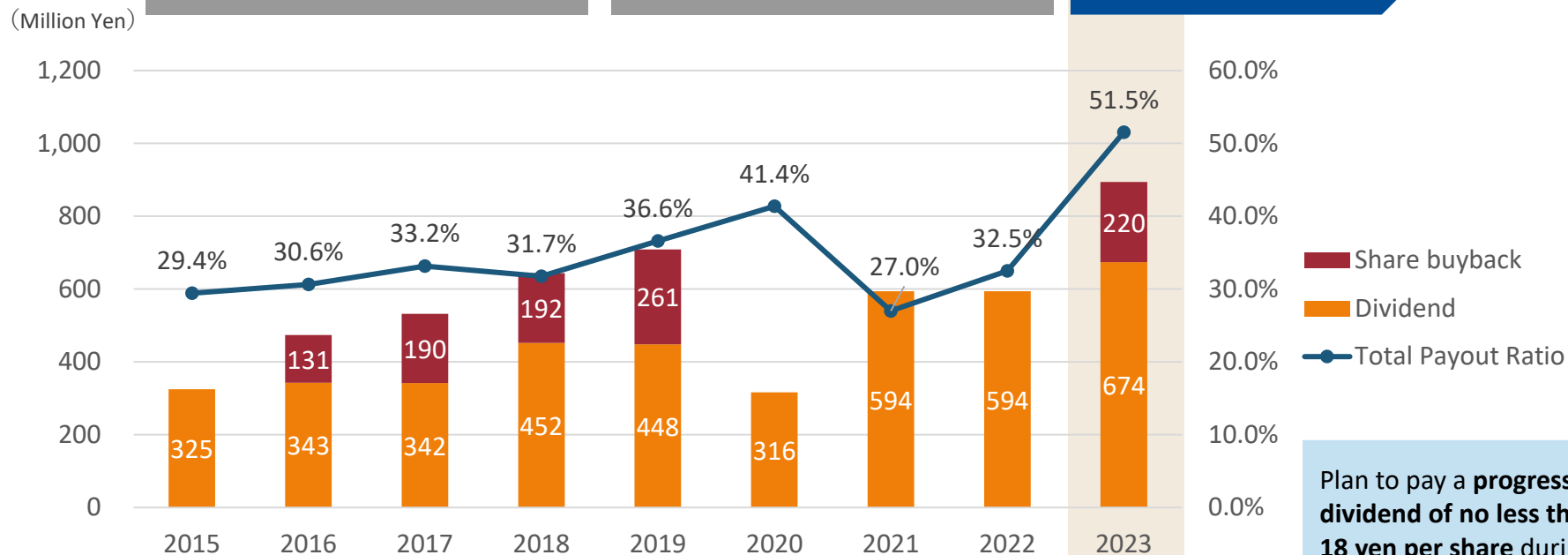


# Shareholder Returns

NITTO Power-up Plan FINAL  
2015-2018

NITTOSEIKO Mission "G"  
2019-2022

Mission G-second  
2023-2025



Plan to pay a **progressive dividend of no less than 18 yen per share** during the period of the mid-term management plan.

# 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 %**

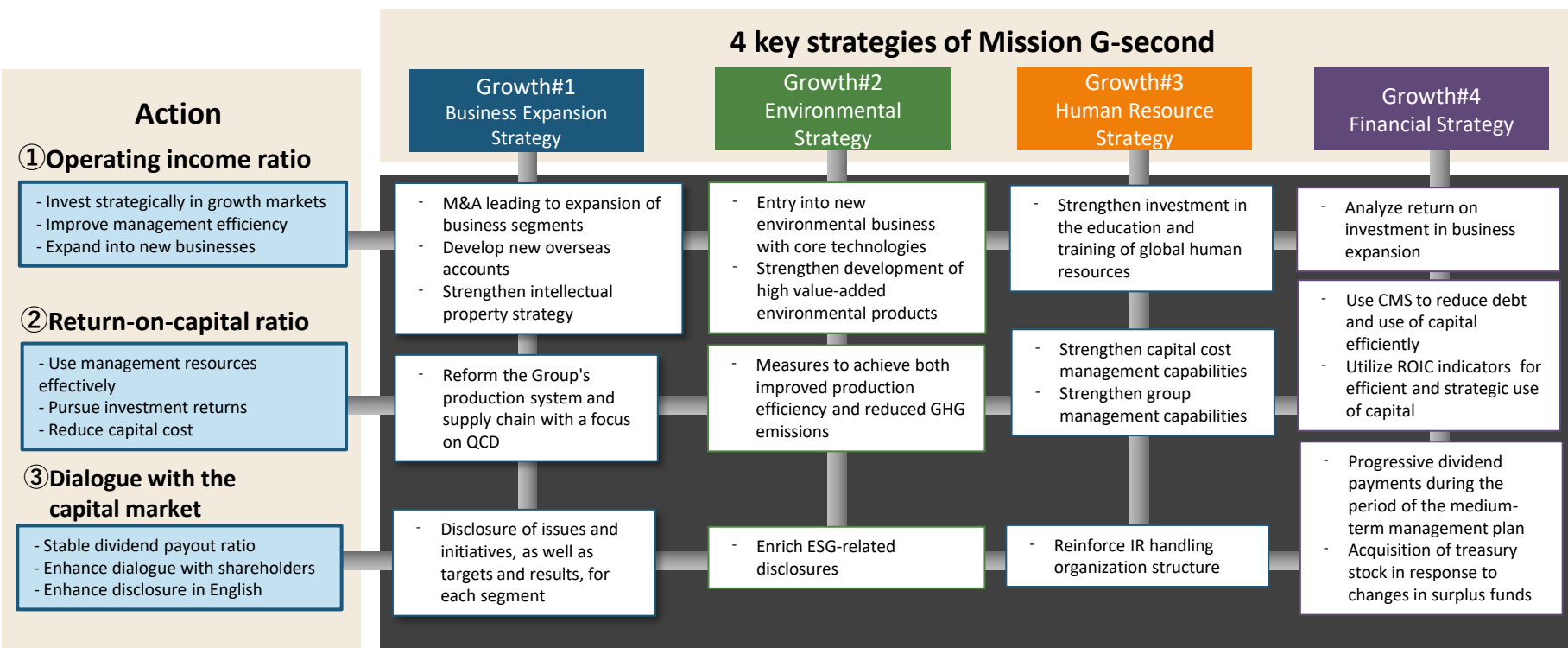
### ③ Dialogue with the capital market

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

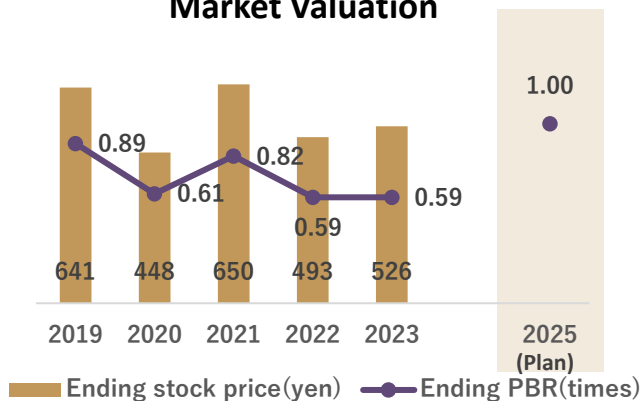
- Stable dividend payout ratio
- Enhance dialogue with shareholders
- Enhance disclosure in English

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

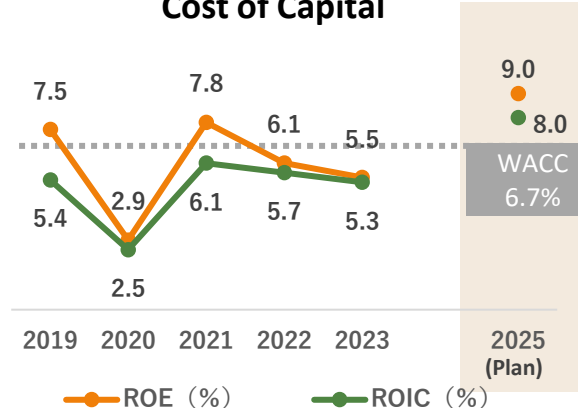
Implement initiatives for each of the 3 issues  
in the 4 key strategies of Medium-Term Management Plan Mission G-second



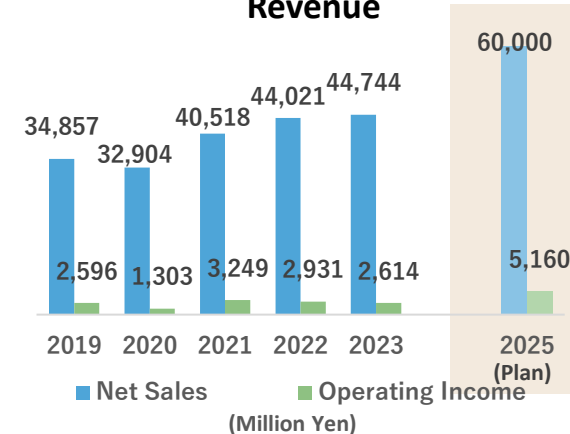
### Market Valuation



### Cost of Capital



### Revenue

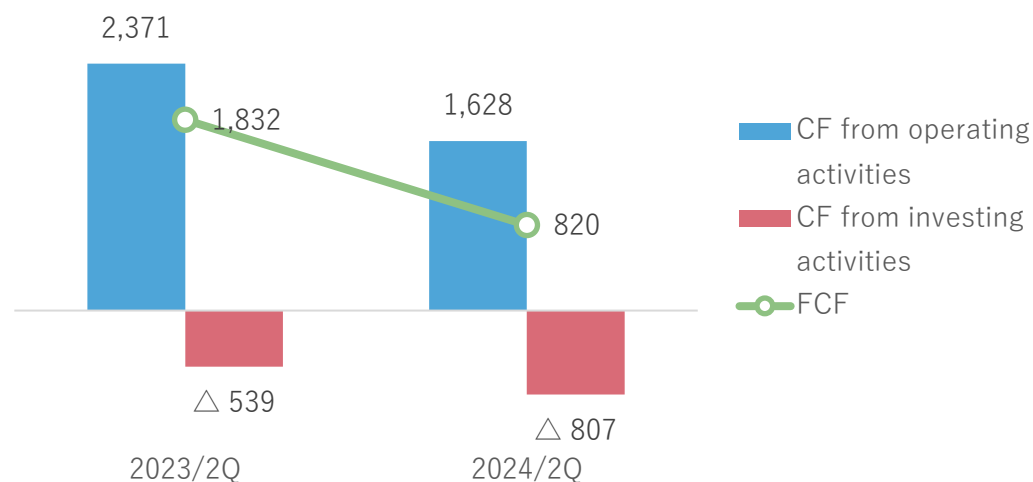


# Balance Sheet (Consolidated)

Unit : Million yen/%	Year ended Dec 2023		Year ending Dec 2024/2Q		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
<b>Assets</b>						
Total current assets	33,822	63.4	35,292	64.5	1,470	4.3
Cash and deposits	8,849	16.6	9,615	17.6	766	8.7
Notes and accounts receivable – trade Electronically recorded monetary claims - operating	12,794	24.0	12,914	23.6	120	0.9
inventory	11,023	20.7	11,435	20.9	411	3.7
Total non-current assets	19,521	36.6	19,409	35.5	△ 111	△ 0.6
Non-current assets	14,129	26.5	14,225	26.0	95	0.7
Intangible assets	999	1.9	940	1.7	△ 59	△ 6.0
Investments and other assets	4,391	8.2	4,244	7.8	△ 147	△ 3.4
<b>Total assets</b>	<b>53,344</b>	<b>100.0</b>	<b>54,702</b>	<b>100.0</b>	<b>1,358</b>	<b>2.5</b>
<b>Liabilities</b>						
Total current liabilities	12,901	24.2	13,082	23.9	180	1.4
Notes and accounts payable - trade Electronically recorded obligations – operating	8,615	16.2	8,474	15.5	△ 141	△ 1.6
Short-term borrowings	1,574	3.0	1,530	2.8	△ 43	△ 2.8
Total non-current liabilities	4,040	7.6	3,749	6.9	△ 290	△ 7.2
<b>Total liabilities</b>	<b>16,941</b>	<b>31.8</b>	<b>16,831</b>	<b>30.8</b>	<b>△ 110</b>	<b>△ 0.7</b>
<b>Net assets</b>						
Share capital	3,522	6.6	3,522	6.4	-	-
Capital surplus / Retained earnings	29,400	55.1	30,072	55.0	671	2.3
Treasury shares	△ 1,562	△ 2.9	△ 1,562	△ 2.8	0	-
<b>Total net assets</b>	<b>36,402</b>	<b>68.2</b>	<b>37,871</b>	<b>69.2</b>	<b>1,468</b>	<b>4.0</b>

# Cash Flow Statement (Consolidated)

Unit: Million yen / %	FY2023/2Q	FY2024/2Q		
	Amount	Amount	Amount change	% Change
CF from operating activities ※①	2,371	1,628	△ 743	△ 31.4
CF from investing activities ※②	△ 539	△ 807	△ 267	-
(Free CF) ※①+②	1,832	820	△ 1,011	△ 55.2
CF from financing activities	△ 1,105	△ 482	622	-
Net increase (decrease) in cash and cash equivalents	556	557	0	0.1
Cash and cash equivalents at beginning of period	8,305	8,027	△ 278	△ 3.4
Cash and cash equivalents at end of period	8,862	8,584	△ 278	△ 3.1

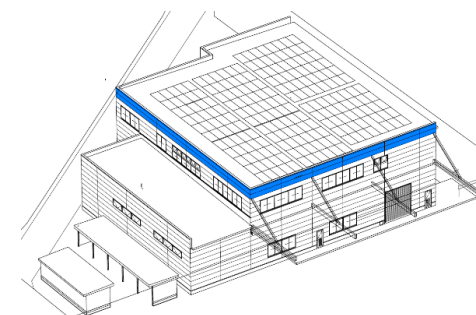


Unit : Million Yen	2021/12	2022/12	2023/12	2024/12 2Q	2024/12 (Forecast)
	Amount	Amount	Amount	Amount	Amount
Capital Investment	1,171	1,122	1,299	506	1,350
M&A expenses	0	2,133	-	100	2,000
R&D expenses	715	764	737	352	1,000
<b>Total</b>	<b>1,886</b>	<b>4,019</b>	<b>2,036</b>	<b>958</b>	<b>4,350</b>
(Depreciation)	1,294	1,421	1,489	684	1,450

Improved productivity and quality,  
reduced CO<sub>2</sub> emissions

2024

Layout changes of Yata plant  
Addition of product management system in  
Shiroyama plant



Renewal of equipment to  
improve processing quality

2024

Heat treat furnace No.1 Function added  
Introduction of a machining center

Business expansion

2024

Joint research with eSep Inc.  
(investment of 100 million yen and joint development cost of 50  
million yen)

Acquired a manufacturer of cold headed parts in India

**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.**



# ***NITTOSEIKO***

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.