

# Quarterly Report 1Q for the fiscal year ending December 2025

May 13th, 2025  
NITTOSEIKO CO., LTD.  
(Securities Code TSE Prime: 5957)



# Summary of Financial Results

Unit: Million yen / %	FY2024		FY2025		YoY	
	1Q		1Q			
	Amount	Ratio(%)	Amount	Ratio(%)	Amount change	% Change
<b>Net sales</b>	10,717	100.0	<b>11,579</b>	100.0	862	8.0
Gross profit	2,512	23.4	2,788	24.1	275	11.0
Selling, general and administrative expenses	1,856	17.3	2,246	19.4	390	21.0
<b>Operating income</b>	655	6.1	<b>541</b>	4.7	△ 114	△ 17.5
<b>Ordinary income</b>	711	6.6	<b>531</b>	4.6	△ 179	△ 25.2
Net income for current period before income taxes	716	6.7	533	4.6	△ 183	△ 25.5
<b>Net income attributed to shareholders of the parent company</b>	472	4.4	<b>242</b>	2.1	△ 229	△ 48.7
Net income per share (yen)	12.93		6.69			

## Main points

### Net Sales

- Sales of precision screws for game consoles increased significantly in the fastener segment. In addition, sales of screw products and screw driving machines were strong, mainly in Japan, in response to demand related to automotive CASE. In the control system segment, sales increased 8.0% YoY due to firm sales of analyzers for chemical and pharmaceutical applications and analyzers to meet PFAS regulations mainly in Europe, despite a backlash from the large orders received in the previous year.

### Operating Income

- Profitability improved in the fastener and assembly machine segments because of price pass-through from the previous year, but profit declined 17.5% YoY since accounting for India M&A-related expenses in SG&A expenses.

### Overseas

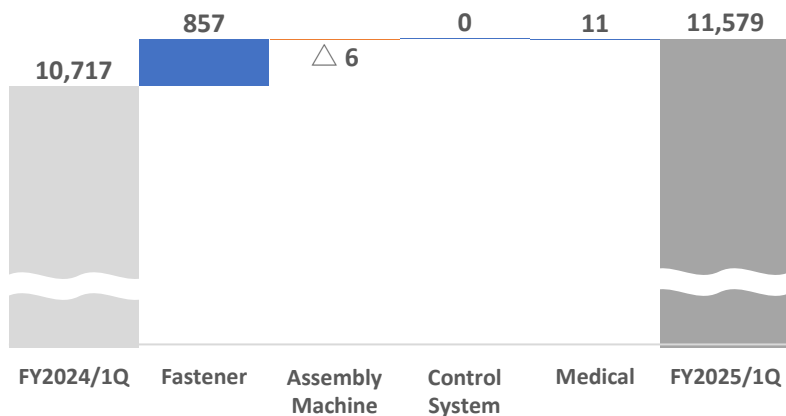
- In addition to strong sales of fastener products for office automation equipment and home appliances in Malaysia, sales increased in China because of starting sales of analyzers following a review of commercial distribution.

# Net Sales and Operating Income by Segment (Consolidated)

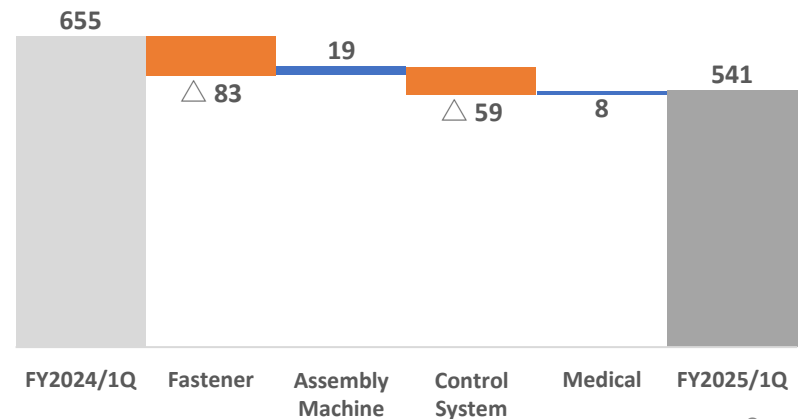


Unit: Million yen / %		FY2024 1Q	FY2025 1Q	YoY	
				Amount change	% Change
Fastener	Net sales	7,716	8,573	857	11.1
	Operating income	328	244	△ 83	△ 25.4
	Profit ratio	4.3	2.9		
Assembly Machine	Net sales	1,320	1,313	△ 6	△ 0.5
	Operating income	154	173	19	12.8
	Profit ratio	11.7	13.2		
Control System	Net sales	1,680	1,681	0	0.0
	Operating income	205	146	△ 59	△ 28.8
	Profit ratio	12.2	8.7		
Medical	Net sales	0	11	11	—
	Operating income	△ 32	△ 23	8	—
	Profit ratio	—	—		

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

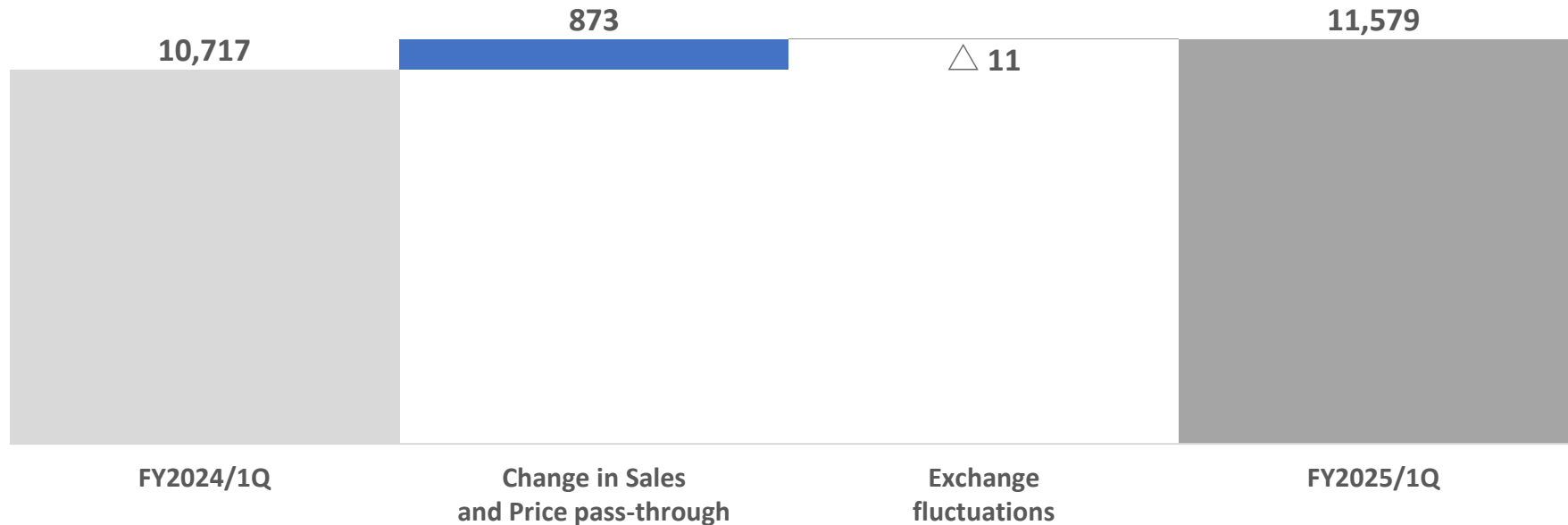


(Million Yen) **Change in Operating Income by Segment**



# Summary of Financial Results - Net Sales

Million Yen



## Change in Sales

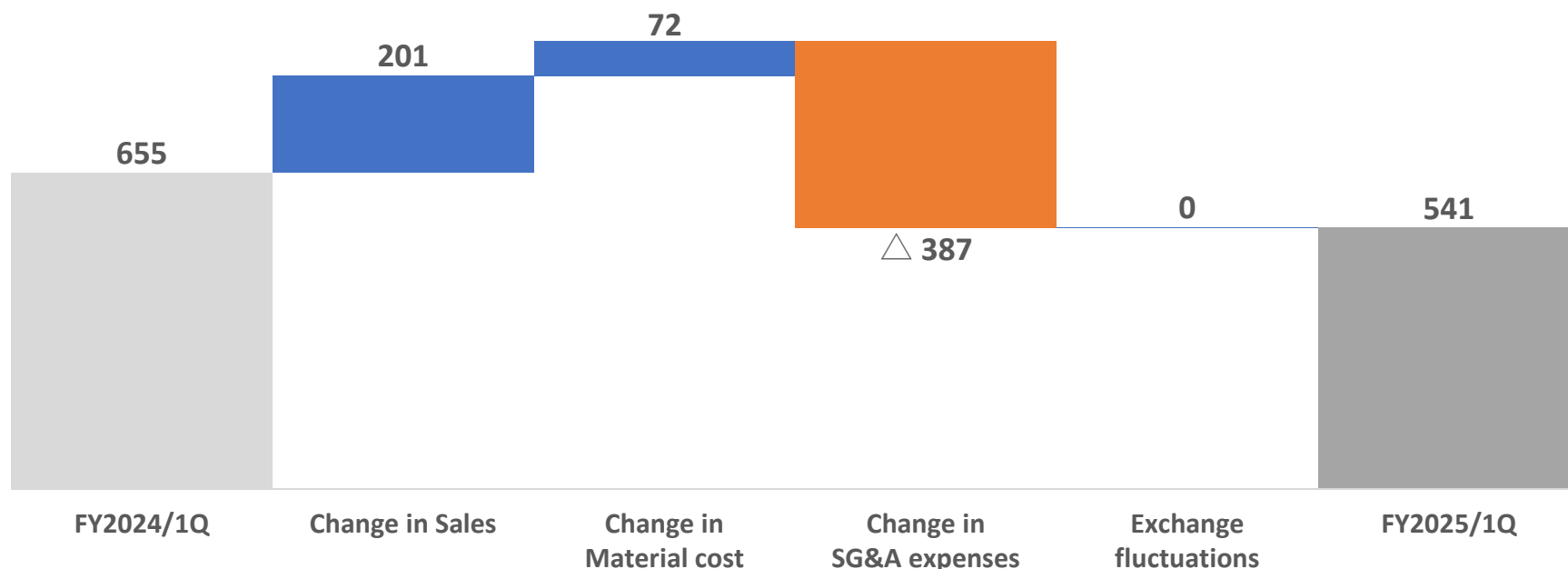
Sales of precision screws for game consoles increased significantly. Screw products were strong for automotive CASE-related demand, mainly in Japan. Sales of screws related to electrical and electronic parts for home appliances and data centers were also strong.

## Price Pass-through

Price pass-through of screw products has progressed since the end of the previous year, and that of screw driving machine-related products since 2Q of the previous year. Negotiations for other products will continue.

# Summary of Financial Results - Operating Income

Million Yen



## Change in Material cost

Cost ratio improved owing to the price pass-through for screw products and screw driving machine-related products.

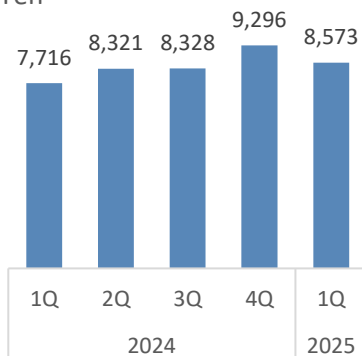
## Change in SG&A expenses

SG&A expenses increased significantly due to the impact of the Indian M&A-related expenses.

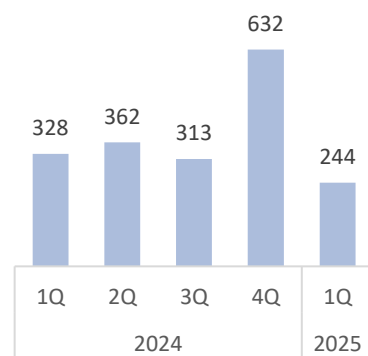
# Overview of Results by Segment - Fastener Segment



Million Yen Net sales



Million Yen Operating income



## Outlook

- Sales increased YoY due to demand for precision screws for game consoles, AI-related demand, demand for home appliances, and demand for automotive batteries, despite sluggish consumption in Europe and China, production declines by Japanese automakers in Southeast Asia, and construction industry plan delays.
- Operating income decreased YoY due to a temporary decline in profit margin caused by the impact of expenses related to M&A in India, despite the gradual effect of price pass-through from the end of the previous year in response to rising costs for wire rods (the main material), sub-materials, labor, and logistics.

## Industry Comments

### ◆Automobile

- Domestic sales were strong, especially sales of original products 'GIZATITE' anti-loosening screws, 'ASFA' screws with built-in washers, 'CP GRIP' screws to prevent scattering of fastening dust, and "precision press products" for CASE and various types of electric vehicles. Inquiries about 'JOISTUD,' which contributes to lighter and thinner fastenings, and 'AKROSE,' a dissimilar metal bonding product for batteries, were also active.

### ◆Housing and construction

- Despite domestic demand, sales remained flat YoY due to the continued impact of the industry's severe labor shortage and planning delays caused by soaring material prices. Sales of the newly introduced 'CUP BOLT,' which removes the necessity for spring washers and flat washers, are experiencing growth since its launch in 2024.

### ◆Electric and electronic parts

- Sales for home appliances increased in Malaysia and for e-cigarettes in China.

### ◆Household goods

- Sales of precision screws for game consoles have been increasing and are expected to continue.

### ◆IT and digital equipment

- Sales for office automation equipment increased in Malaysia and Indonesia.

### ◆Precision equipment

- Sales for imaging and optical applications such as lenses increased in Japan.

### ◆Energy sector

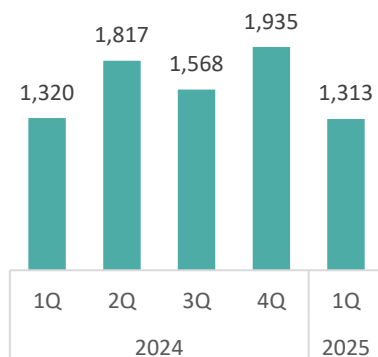
- 'CP GRIP' for data centers performed well due to demand for generated AI.

Unit: Mil yen/ %	FY2024	FY2025	YoY	
	1Q	1Q	Amount	% Change
	Amount	Amount	Amount	% Change
Net Sales	7,716	8,573	857	11.1
Automobile	3,285	3,390	105	3.2
Housing and construction	1,733	1,742	8	0.5
Electrical and electronic parts	1,065	1,216	150	14.2
Household goods	317	685	367	115.6
IT and digital equipment	339	408	69	20.4
Precision equipment	270	361	91	33.6
Energy sector	42	91	49	115.4
Medical	64	70	6	10.7
Others	596	605	9	1.5
Operating Income	328	244	△ 83	△ 25.4

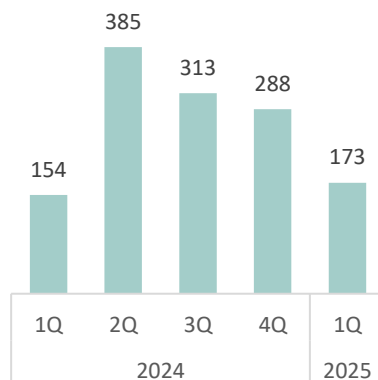
# Overview of Results by Segment – Assembly Machine Segment



Million Yen Net sales



Million Yen Operating income



## Outlook

- Sales experienced a minor YoY decline attributed to the global slowdown in EV sales and a reaction to the large-scale facility orders from the previous year. This occurred despite a rise in domestic demand for screw driving machines within the core automobile sector and a modest recovery in the U.S. compared to the same timeframe prior to the presidential election last year.
- Operating income increased YoY due to an improvement in the cost of sales ratio of screw driving machines because of progress in price pass-through from 2Q of the previous year.
- In February, the Company released the 'FM513VZR,' an ultra-low-thrust model of single-spindle automatic screw driving machine.

## Industry Comments

### ◆Automobile

- Despite the impact of slowdown in EV sales worldwide, screw driving machines for CASE-related products and new installation lines performed well in Japan. In the U.S., sales recovered slightly compared to the same period of the previous year, when the impact of stagnant capital investment before the presidential election was particularly large.

### ◆Electrical and electronic parts

- Increased YoY due to an upturn in semiconductor-related facilities.

### ◆Amusement machine

- Increased in response to renewal demand due to aging facilities.

### ◆Energy sector

- Increased YoY due to IoT-related demand for electricity meters.

### ◆IT and digital equipment

- Decreased in response to the previous year's orders for smartphone-related products.

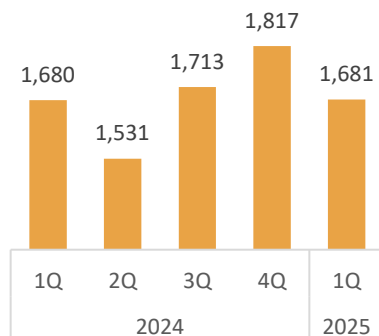
### ◆Others

- Decreased in response to the previous year's large-scale facility orders, etc.

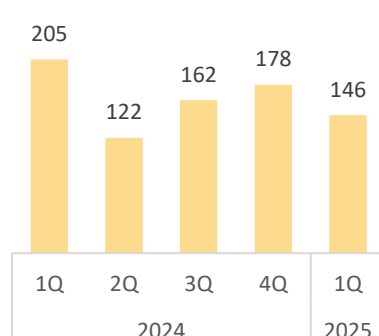
Unit: Mil yen/%	FY2024	FY2025	YoY	
	1Q	1Q	Amount	% Change
Net Sales	1,320	1,313	△ 6	△ 0.5
Automobile	638	779	140	21.9
Electrical and electronic parts	149	163	14	9.3
Energy sector	58	122	64	110.2
Amusement machine	33	70	37	110.8
Housing and construction	43	31	△ 11	△ 25.5
IT and digital equipment	59	6	△ 53	△ 88.7
Others	338	139	△ 198	△ 58.6
Operating Income	154	173	19	12.8

# Overview of Results by Segment – Control System Segment

Million Yen Net sales



Million Yen Operating income



Unit: Mil yen/ %	FY2024	FY2025	YoY	
	1Q	1Q		
	Amount	Amount	Amount	% Change
Net Sales	1,680	1,681	0	0.0
Chemical and pharmaceuticals	302	423	121	40.1
Energy sector	459	240	△ 218	△ 47.6
Environment	110	187	76	68.9
Electrical and electronic parts	97	161	64	66.4
Automobile	93	98	4	4.9
Housing and construction	102	95	△ 6	△ 6.7
Ship building	92	80	△ 11	△ 12.6
Medical	43	44	0	2.0
Food	32	30	△ 1	△ 5.0
Others	346	318	△ 28	△ 8.2
Operating Income	205	146	△ 59	△ 28.8

## Outlook

- Sales were strong for analyzers in the chemical and pharmaceutical fields, analyzers in Europe against the backdrop of PFAS regulations, and analyzers and measuring instruments for batteries in Japan. On the other hand, overall sales were flat YoY due to a backlash from the previous year's large orders in the energy sector.
- In the previous year, profit margins temporarily increased due to the elimination of backlogs of orders for high value-added analytical instruments, but shipments have settled down to normal levels, resulting in lower profit YoY.

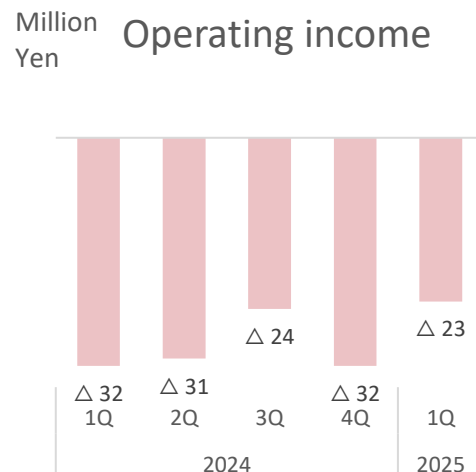
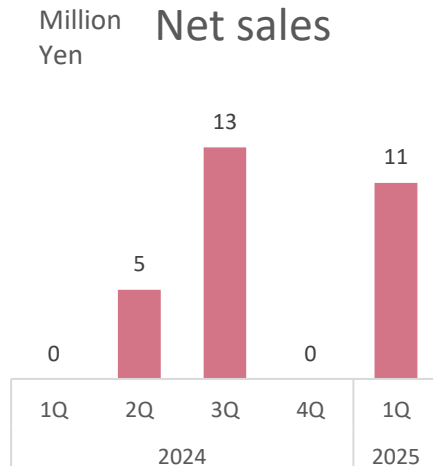
## Industry Comments

- ◆Chemical and pharmaceutical
  - Sales increased due to the start of sales at a Chinese subsidiary in 2Q of the previous year following a review of the commercial distribution system. Sales of analyzers in North America were also strong.
- ◆Energy
  - Decreased in response to a large order for sulfur analyzers in the same period of the previous year.
- ◆Environment
  - Sales experienced an uptick following the launch of the Automatic Quick Furnace 'AOF/AQF-5000H' in 2024, which effectively addressed the need for organic fluorine analysis in response to PFAS regulations. Inquiries about microbubbles are increasing due to interest in environmentally friendly products.
- ◆Electric and electronic parts
  - Domestic sales of moisture meters and resistivity meters for batteries increased. In addition, inquiries for flowmeters for data centers are active.
- ◆Housing and construction
  - Sales of ground investigation equipment 'GEOKARTE IV' remained sluggish due to a lack of growth in the number of detached housing starts. The Company made its first sale to the Provincial Highway Department of the Ministry of Transport of Thailand in 3Q of the previous year and is continuing to expand its sales.

# Overview of Results by Segment – Medical Segment



## Outlook



Unit: Mil yen/ %	FY2024	FY2025	YoY	
	1Q	1Q		
	Amount	Amount	Amount	% Change
Net Sales	0	11	11	—
Medical	0	11	11	—
Others	—	—	—	—
Operating Income	Δ 32	Δ 23	8	—

- The ‘FREELED’ medical illuminator did not achieve full adoption despite efforts to collect market needs and promote proposal activities while reducing costs, which were highly demanded by customers 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 is 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 anticipates achieving ISO13485 certification, a quality standard for medical devices, by March 2025 to implement 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 the Company's existing technologies.

# Balance Sheet (Consolidated)

Unit : Million yen/%	Year ended Dec 2024		Year ending Dec 2025/1Q		YoY		
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change	
<b>Assets</b>							
Total current assets	36,504	65.7	34,865	62.9	△ 1,639	△ 4.5	
Cash and deposits	10,580	19.0	10,088	18.2	△ 492	△ 4.7	
Notes and accounts receivable –	13,318	24.0	12,013	21.7	△ 1,304	△ 9.8	
inventory	10,992	19.8	11,633	21.0	640	5.8	
Total non-current assets	19,099	34.3	20,580	37.1	1,481	7.8	
Non-current assets	14,003	25.2	14,467	26.1	464	3.3	
Intangible assets	864	1.6	1,839	3.3	975	112.8	
Investments and other assets	4,231	7.6	4,272	7.7	41	1.0	
<b>Total assets</b>	<b>55,604</b>	<b>100.0</b>	<b>55,446</b>	<b>100.0</b>	<b>△ 158</b>	<b>△ 0.3</b>	
<b>Liabilities</b>							
Total current liabilities	13,200	23.7	13,406	24.2	206	1.6	
Notes and accounts payable -	8,835	15.9	7,283	13.1	△ 1,552	△ 17.6	
Short-term borrowings	1,325	2.4	3,528	6.4	2,203	166.3	
Total non-current liabilities	3,812	6.9	4,040	7.3	227	6.0	
<b>Total liabilities</b>	<b>17,012</b>	<b>30.6</b>	<b>17,446</b>	<b>31.5</b>	<b>434</b>	<b>2.6</b>	
<b>Net assets</b>							
Share capital	3,522	6.3	3,522	6.4	—	—	
Capital surplus / Retained earnings	30,793	55.4	30,667	55.3	△ 125	△ 0.4	
Treasury shares	△ 1,778	△ 3.1	△ 1,778	△ 3.1	0	—	
<b>Total net assets</b>	<b>38,591</b>	<b>69.4</b>	<b>37,999</b>	<b>68.5</b>	<b>△ 592</b>	<b>△ 1.5</b>	

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

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The future projections in this document, including earnings forecasts, are based on information currently available to the company and certain assumptions that the company considers reasonable and actual results may differ from these forecasts due to a variety of factors.

# Forecast for FY2025 (Consolidated)

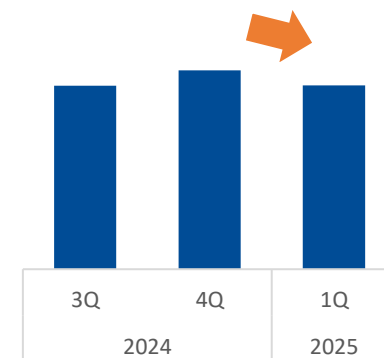
Unit : Million yen/%	FY2024		FY2025 (Forecast)		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount Change	% Change
Net sales	47,069	100.0	50,100	100.0	3,030	6.4
Operating profit	3,326	7.1	3,600	7.2	273	8.2
Ordinary profit	3,573	7.6	3,700	7.4	126	3.5
Net income attributed to shareholders of the parent company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

## Main points

### Net Sales

- While overseas markets for mainstay automobile applications are forecast to remain sluggish, domestic remain strong, and sales of fastener products for CASE-related applications are expected to grow further. Furthermore, it is anticipated that orders for data centers and precision components will continue to be robust owing to the growing demand for AI, leading to an overall increase in sales. In addition, large-scale automatic assembly equipment for energy-related application, for which orders have already been received, will be reflected in the second half of the fiscal year. Sales of environment-related products such as analytical instruments, and medical business-related products are also expected to contribute to earnings.

### Change in order backlog



### Operating Income

- Overall, the profit environment is expected to remain favorable due to further price pass-through. The sales ratio of high value-added products such as standard screw driving machines and fasteners in the assembly machine segment will rise, complementing the control system segment, which suffered a rebound from the previous fiscal year. In addition, efforts to reduce variable costs will gradually take effect, including a review of materials and reduction of inter-plant transportation costs through factory reorganization. These factors are expected to improve profitability.

\* The impact of the U.S. tariff hikes is shown on p. 15.

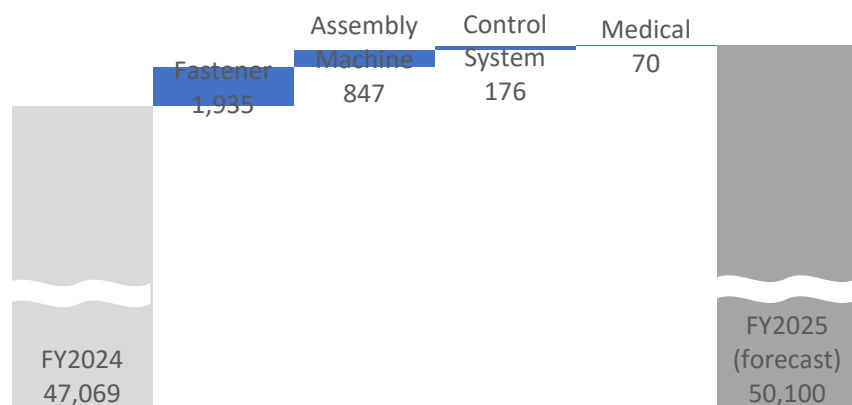
# Net Sales and Operating Income Forecast by Segment (Consolidated)



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	—	—		

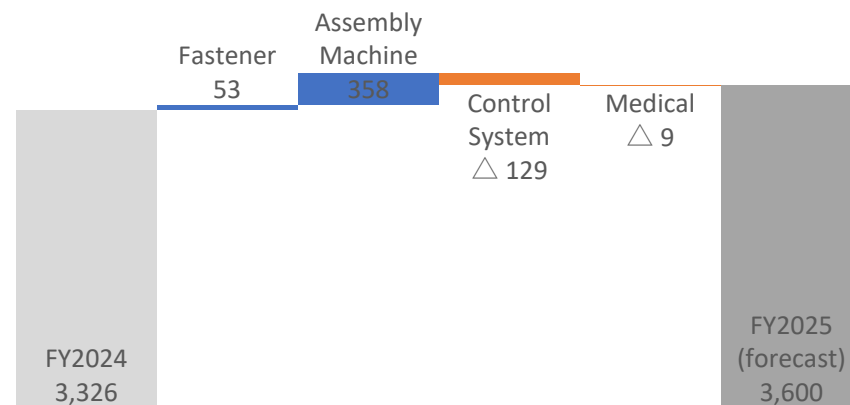
(Million Yen)

## Change in Net Sales by Segment



(Million Yen)

## Change in Operating Income by Segment



# Market trend and initiatives by segment

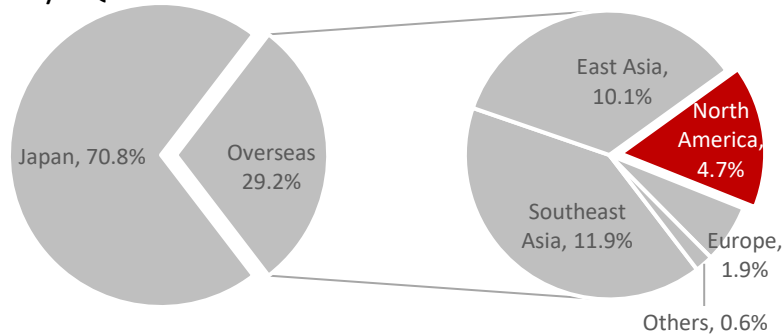
	Main market trends		Initiatives and future efforts	Change in order backlog
Fastener	<b>Automobile</b>	Despite the slowdown in global EV sales, the market for automobile parts for CASE and batteries and inverters for electrification is expected to continue to expand, and the need for lighter and thinner vehicles will continue.	The Company will 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 by reducing inter-plant transportation through factory reorganization, reviewing procurement sources, and other measures to improve profit margins.	
	<b>Housing and construction</b>	Despite domestic demand, the industry's severe shortage of labor and rising material costs have caused planning delays, etc.		
	<b>Household goods</b>	Orders for game consoles are expected to continue.		
Assembly Machine	<b>Automobile</b>	Due to the U.S. tariff issue and postponement of investment in EVs, companies are expected to remain cautious for a while. On the other hand, capital investment is expected to continue for new vehicle models and ADAS-related equipment, which is becoming standard equipment.	The Company is promoting sales expansion by creating project teams for new markets and target users, and through the CASE sales expansion project. Overseas, we plan to develop low-cost Asian model products targeting non-Japanese users and to strengthen sales expansion in the Indian market, which is becoming more active. In addition, the company is promoting its new ultra-low thrust model, 'FM513VZR'.	
	<b>Electrical and electronic</b>	Although capital investment by major customers is expected to proceed from the second half of this fiscal year, it is not expected to be reflected in sales at least until the next fiscal year.		
	<b>Energy-related</b>	Capital investment is expected to proceed at each company in line with production expansion.		
Control System	<b>Chemical and pharmaceutical</b>	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, as well as establish a stable supply system. The Company plans to respond to an increase in inquiries related to automatic inspection equipment against the backdrop of labor shortages. In the organic solvent recycling business, the company plans to exhibit a demonstration machine at the Keihanna Expo.	
	<b>Energy-related</b>	While demand decreased due to decarbonization, demand for recycled fuels such as SAF and synthetic fuels is expected to increase.		
	<b>Environment</b>	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	<b>Development plans</b>	Starting with the U.S. in July 2024, the Company plans to acquire overseas patents for "High purity bio-soluble magnesium for medical use." The Company will prepare for the early commercialization of this material and at the same time, explore the expansion of its application to various medical device fields. The Company is also building a system to obtain new medical device manufacturing contracts utilizing existing technologies.		

# The Impact of U.S. Tariff Hikes

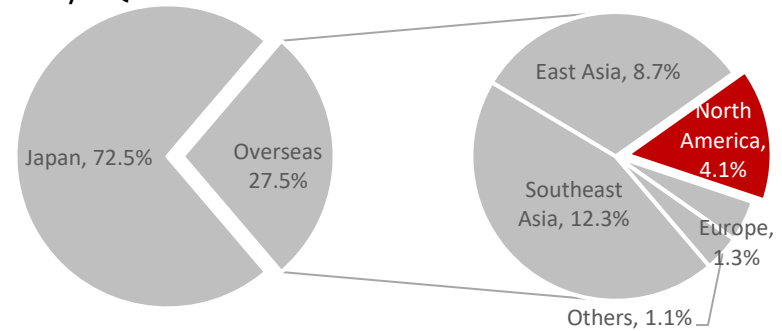
The Company's assessment suggests that the effect of the U.S. tariff hike declared in April 2025 on the results of this fiscal year will be minimal.

## Group Overseas Ratio

2024/1Q



2025/1Q



## Measures Against Impact

**Diversify risk by expanding geographic regions and industries, while continuing efforts to increase profit margins.**

### 1. Market Diversification

Develop other countries and regions as export destinations to reduce dependence on the U.S. market (with a particular focus on India and Europe).

### 2. Revision of Product Portfolio

Diversify risk by expanding product lineups outside of existing industries.

### 3. Increase Value-added Products

Actively invest in the development of high-performance parts and special-function parts to differentiate from competitors.

### 4. Cost Reduction and Efficiency

Reduce costs by reviewing production processes and introducing automation.