Quarterly Report 2Q for the fiscal year ending December 2025

Aug 12th, 2025
NITTOSEIKO CO., LTD.
(Securities Code TSE Prime: 5957)

Summary of Financial Results

Unit: Million yen / %	FY2024 2Q		FY2025 2Q		YoY	
	Amount	Ratio(%)	Amount	Ratio(%)	Amount change	% Change
Net sales	22,394	100.0	**23,859**	100.0	1,464	6.5
Gross profit	5,358	23.9	5,783	24.2	424	7.9
Selling, general and administrative expenses	3,864	17.3	4,277	17.9	413	10.7
Operating income	1,494	6.7	**1,505**	6.3	11	0.8
Ordinary income	1,610	7.2	**1,432**	6.0	177	11.0
Net income for current period before income taxes	1,597	7.1	1,570	6.6	26	1.7
Net income attributed to shareholders of the parent company	1,007	4.5	**873**	3.7	133	13.3
Net income per share (yen)	27.56		24.09			

Main points

Net Sales

+6.5%

- The Indian subsidiary, which joined the fastener segment in the second quarter, contributed to the performance. There was a significant increase in precision screws for game consoles.
- The assembly machine segment saw a YoY decline in profits due to sluggish capital investment caused by a slowdown in global EV sales and the impact of U.S. tariffs.
- The control system segment is performing well in the areas of analytical equipment for chemicals and pharmaceuticals, and analytical and measuring equipment for batteries in Japan.

Operating Income

+0.8%

- From the previous year, the effects of price pass-through in the fastener segments were reflected in improved profit margins and increased profits.
- Operating margin temporarily declined due to the impact of M&A-related expenses in India being recorded as SG&A expenses in 1Q.

Ordinary Income

▲11.0%

- During the current period, the yen continued to apppreciate, resulting in foreign exhange losses. In particular, the depreciation of the Indonesian rupiah had a negative impact, resulting in a YoY decrease in profit.

Overseas

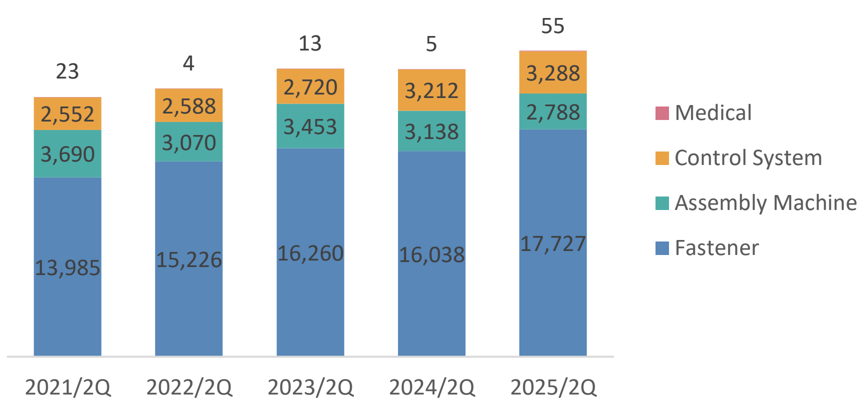
- Sales of fastener products for office automation equipment and home appliances are strong in Malaysia.
- Although sales have increased overall, the yen has strengthened compared to last year, resulting in a YoY decrease when converted to yen.

Net Sales and Operating Income by Segment (Consolidated)

Unit: Million yen / %		FY2024 2Q	FY2025 2Q	YoY Amount change	YoY % Change
Fastener	Net sales	16,038	17,727	1,688	10.5
	Operating income	690	913	223	32.3
	Profit ratio	4.3	5.2		
Assembly Machine	Net sales	3,138	2,788	349	11.2
	Operating income	539	418	120	22.4
	Profit ratio	17.2	15.0		
Control System	Net sales	3,212	3,288	76	2.4
	Operating income	328	230	98	29.9
	Profit ratio	10.2	7.0		
Medical	Net sales	5	55	49	847.6
	Operating income	63	56	7	―
	Profit ratio	1,092.4	102.3		

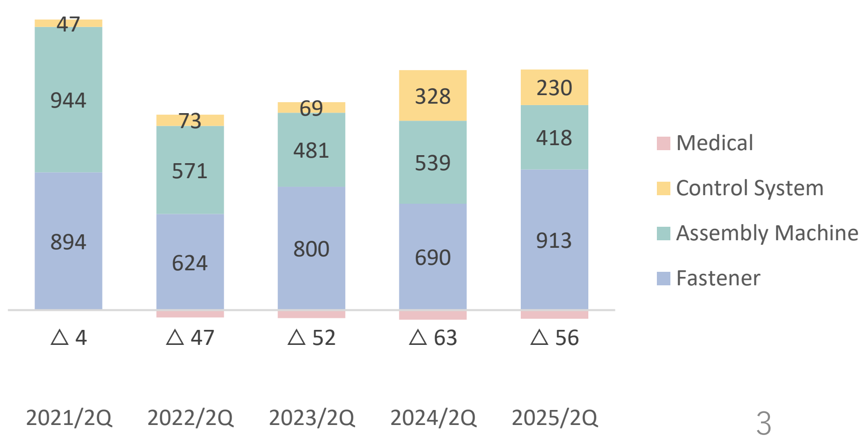
（Million Yen）

Net Sales by Segment

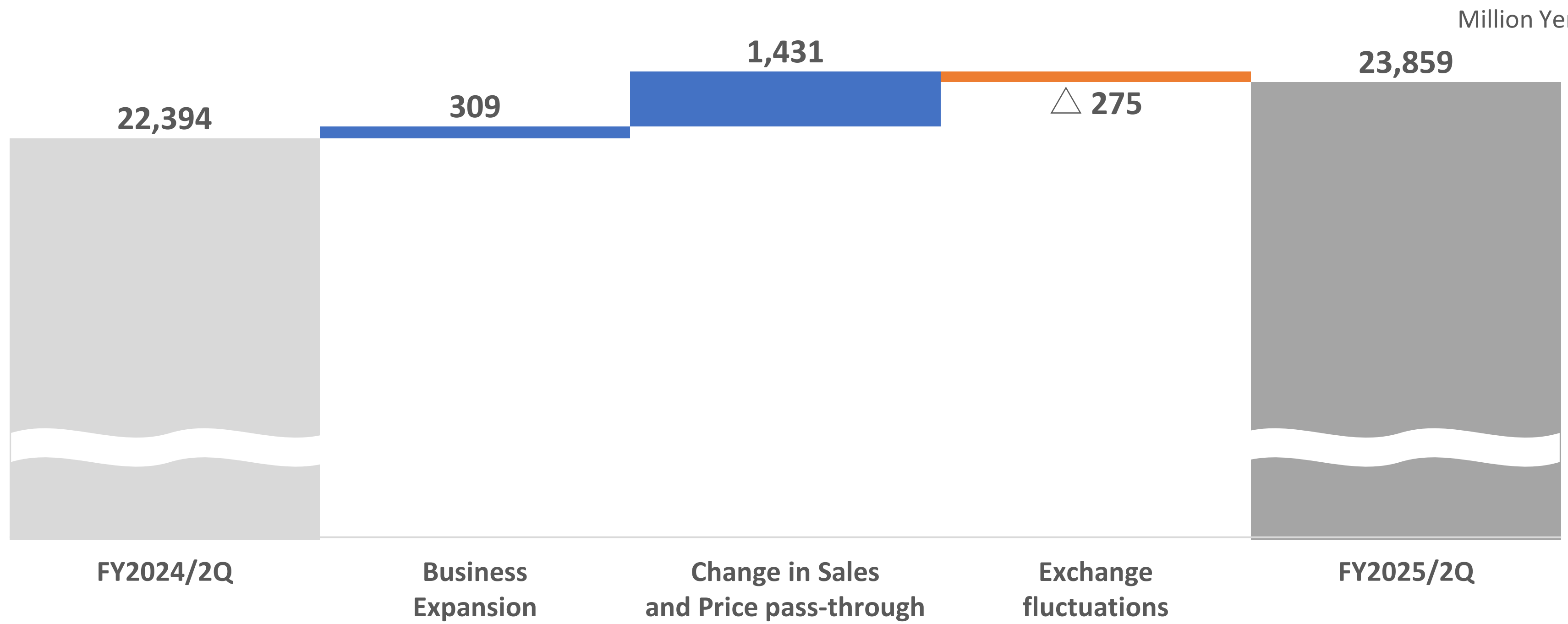


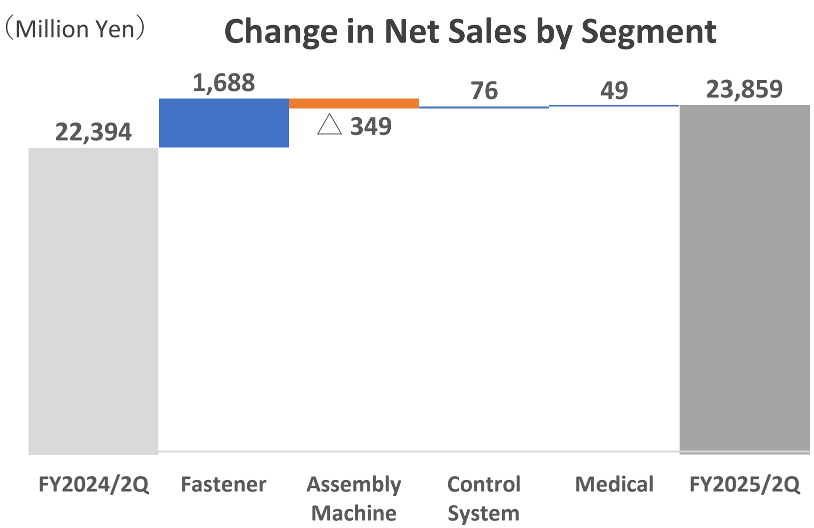
（Million Yen）

Operating Income by Segment



Summary of Financial Results - Net Sales





Business Expansion

The Indian subsidiary, which joined in 2Q, contributed to the results.

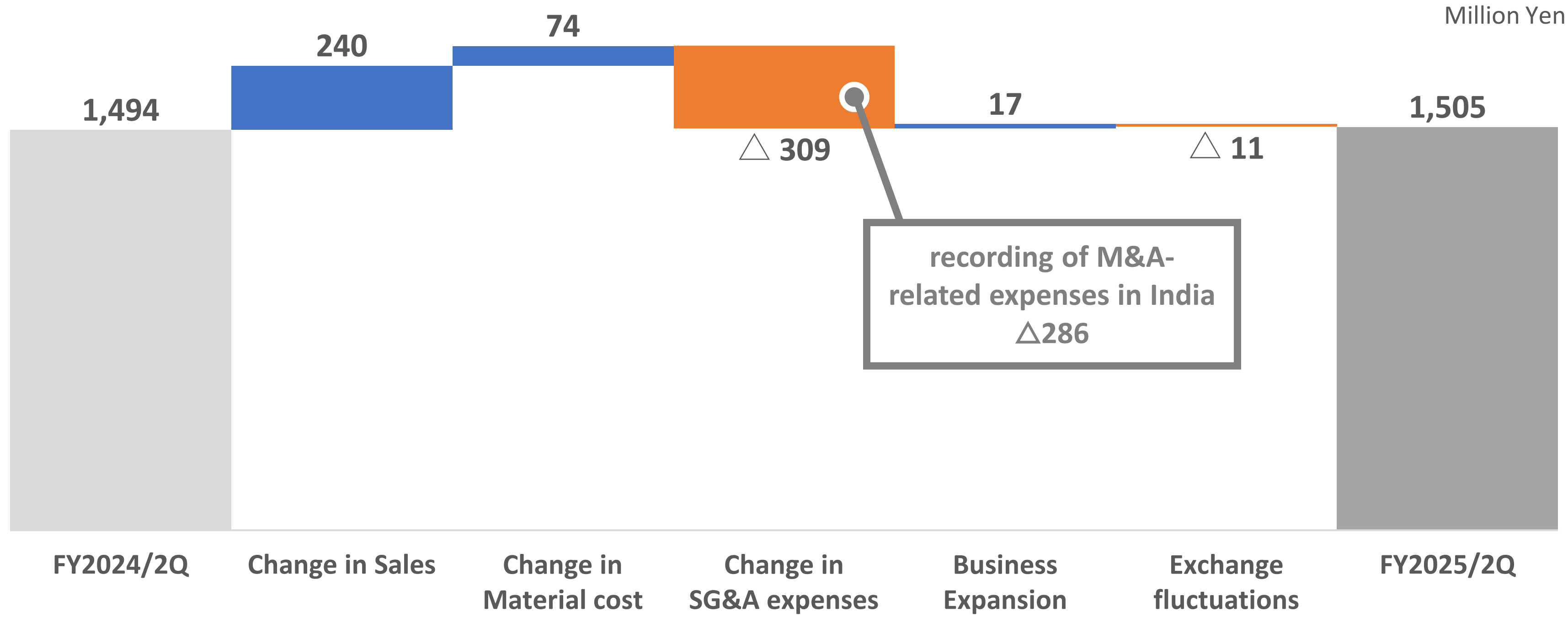
Change in Sales

Sales of precision screws for game consoles increased significantly. Sales related to generative AI, such as for data centers, also performed well.

Price Pass-through

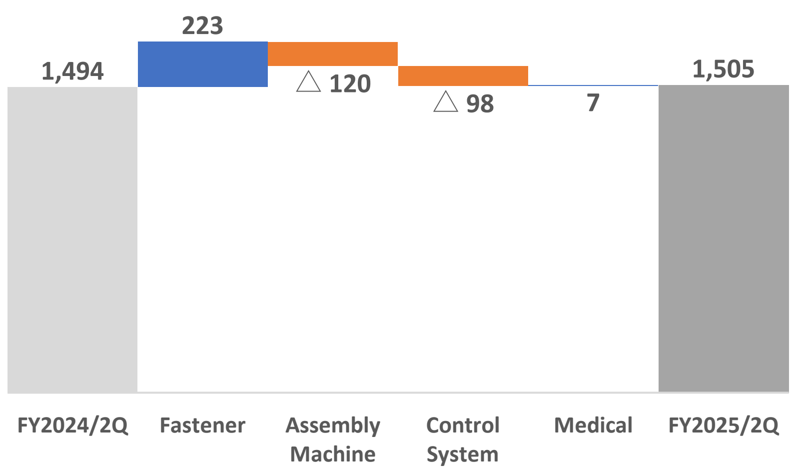
Price pass-through has progressed for screw products since the end of last year and for screw fastening machines since 2Q of last year. Negotiations will continue for other products.

Summary of Financial Results - Operating Income



Change in Operating Income by Segment

（Million Yen）



Change in Material cost

The effect of price pass-through for screw products has become apparent, and the cost ratio has improved.

Change in SG&A expenses

SG&A expenses increased significantly due to the recording of M&A-related expenses in India in 1Q. Labor costs increased due to wage increases.

Overview of Results by Segment - Fastener Segment

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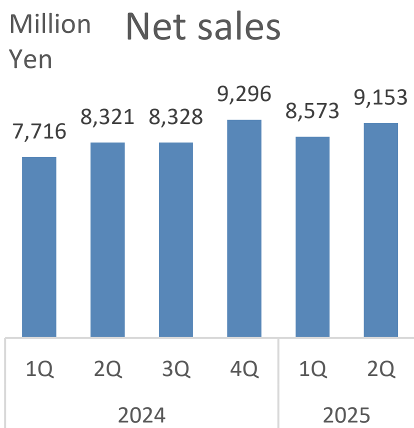
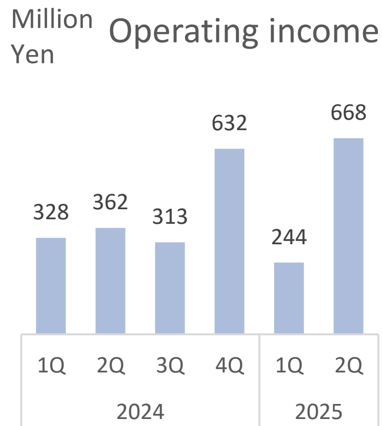




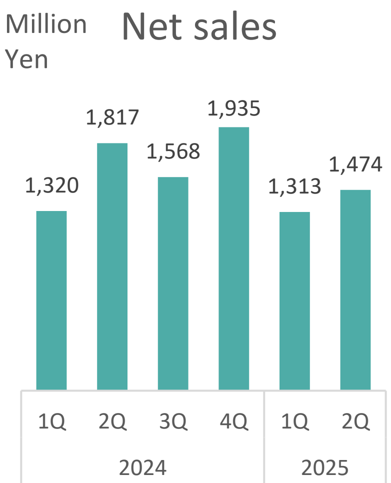
Unit: Mil yen/ %	FY2024 2Q	FY2025 2Q	YoY	
	Amount	Amount	Amount	% Change
Net Sales	16,038	17,727	1,688	10.5
Automobile	6,356	7,004	648	10.2
Housing and construction	3,525	3,528	2	0.1
Electrical and electronic parts	2,324	2,376	52	2.2
Household goods	882	1,474	591	67.0
IT and digital equipment	776	842	66	8.5
Precision equipment	583	768	185	31.8
Energy sector	101	237	136	134.3
Medical	153	152	0	0.4
Others	1,334	1,341	6	0.5
Operating Income	690	913	223	32.3

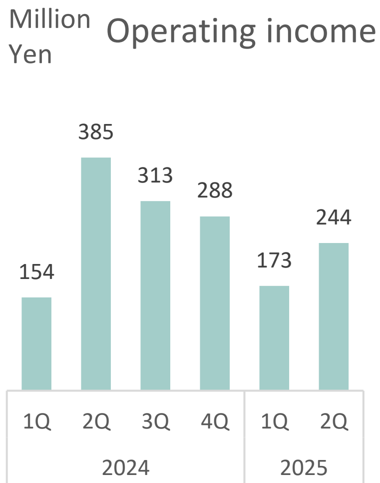
Net Sales	The Indian subsidiary, joined in 2Q, contributed to the performance in the automobile industry. In addition, significant increases in precision screws for game consoles, AI-related demand, and CASE-related automobile demand, primarily in Japan, led to YoY revenue growth.
Operating Income	The effects of pass-through of price increases for raw materials, such as wire rods, as well as subsidiary material costs, wages, and logistics costs, gradually became apparent from the end of last year. Despite the impact of M&A-related expenses in India in 1Q, profits increased YoY due to strong performance in the domestic automobile and game console markets.

Industry Comments

Automobile	The Indian subsidiary, acquired in 2Q, contributed to the Company's performance. Sales of original products such as “GIZATITE” anti-loosening screws, “ASFA” screws with captive washers, “CP GRIP” screws that prevent fastener powder from scattering, and “precision press products” for CASE-related vehicles and electrification were strong. “JOISTUD,” which contributes to weight reduction and plate thinning, and “AKROSE,” a dissimilar metal joining solution for batteries, are also seeing active demand.
Housing and construction	Due to ongoing delays in plans caused by serious labor shortage and rising material costs in the industry, results were flat compared to the same period last year.
Electrical and electronic parts	In Malaysia, demand for home appliances is increasing.
Household goods	Significant increase in precision screws for game consoles. Continued growth expected in the future.
IT and digital equipment	Demand for office automation equipment is increasing in Malaysia.
Precision equipment	Domestic demand for lenses and other imaging and optical products is increasing.
Energy sector	“CP GRIP” is performing well for storage batteries for data servers due to demand for generative AI.

Overview of Results by Segment – Assembly Machine Segment





Unit: Mil yen/ %	FY2024 2Q	FY2025 2Q	YoY	
	Amount	Amount	Amount	% Change
Net Sales	3,138	2,788	349	11.2
Automobile	1,477	1,584	106	7.2
Electrical and electronic parts	499	419	80	16.0
Energy sector	135	241	106	78.3
Amusement machine	110	103	7	6.3
Housing and construction	83	98	14	16.7
IT and digital equipment	83	17	65	77.5
Others	748	317	429	57.3
Operating Income	539	418	120	22.4

Net Sales	Despite securing sales of screw fastening machines related to CASE and for new production lines in the mainstay automobile industry, overall capital investment stagnated due to a slowdown in global EV sales and the impact of U.S. tariffs. In addition, revenue declined YoY due to a rebound from large equipment orders in the previous year.
Operating Income	Although price pass-through progressed in screw fastening machines compared to 2Q of last year, profits declined YoY due to the impact of a decline in sales.
New Products	Launched “FM513VZR” in February, an ultra-low thrust model of a single-axis automatic screwdriver.

Industry Comments

Automobile	In addition to the global slowdown in the EV market, capital investment remained on hold due to the impact of increased tariffs in the U.S. On the other hand, sales of screw fastening machines for increased production of CASE-related products and new production lines remained steady, showing a slight recovery compared to the same period last year. Overseas, sales to India expanded.
Electrical and electronic parts	There was a YoY decrease due to the impact of capital investment restraint among major users.
Energy sector	Sales increased YoY due to demand for new models of electricity meters.
IT and digital equipment	Sales decreased due to a rebound from the previous year's smartphone-related orders.
Others	Decrease due to the rebound from large orders for general-purpose engine equipment and other equipment in the previous year.

Overview of Results by Segment – Control System Segment

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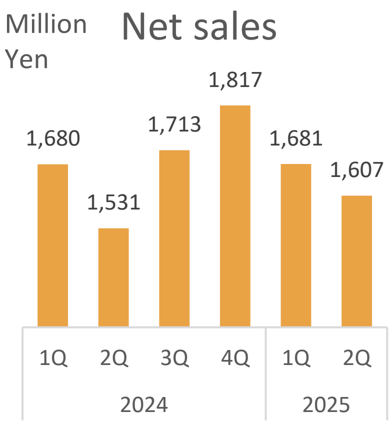
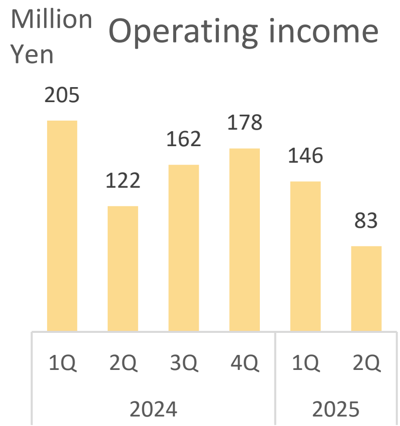




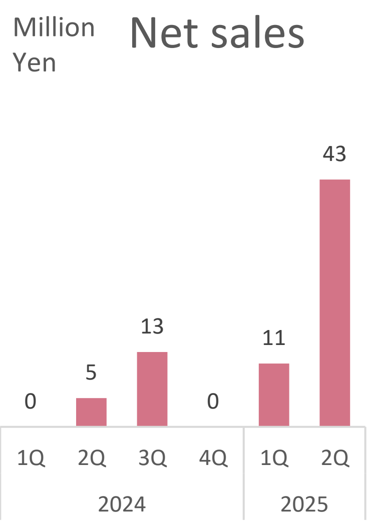
Unit: Mil yen/ %	FY2024 2Q	FY2025 2Q	YoY	
	Amount	Amount	Amount	% Change
Net Sales	3,212	3,288	76	2.4
Chemical and pharmaceuticals	637	797	159	25.0
Energy sector	682	413	268	39.4
Environment	348	336	11	3.4
Electrical and electronic parts	188	273	84	44.9
Housing and construction	162	213	51	31.4
Ship building	178	189	10	6.2
Automobile	228	180	47	21.0
Medical	60	93	32	53.5
Food	60	54	5	9.8
Others	663	736	72	11.0
Operating Income	328	230	98	29.9

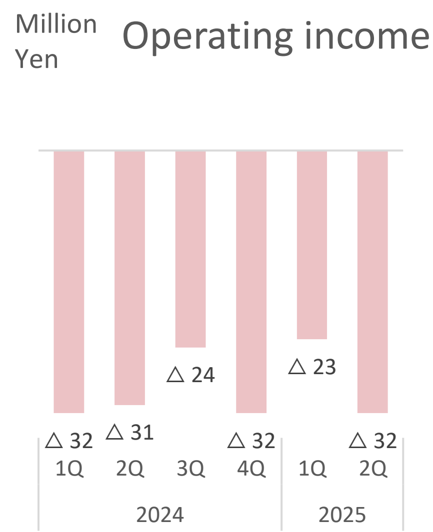
Net Sales	Sales of analytical equipment in the chemical and pharmaceutical fields, analytical and measuring equipment for batteries in Japan, and elemental analyzers for overseas markets performed well. However, due to the impact of a rebound from large orders received in the previous year in the energy field, overall sales increased slightly compared to the same period of the previous year.
Operating Income	In the previous year, profit margins temporarily increased due to the elimination of backlogs for high value-added analytical instruments, but shipments settled at normal levels, resulting in a YoY decrease in profits.
New Products	In June, the Company launched “CA/KF-51,” a portable moisture meter for overseas markets.

Industry Comments

Chemical and pharmaceuticals	Sales of analytical instruments in North America remained strong. Sales also remained strong at the Chinese subsidiary, which began sales in 2Q of the previous year following a review of its distribution channels.
Energy sector	Despite growing demand for elemental analyzers for oil refining and petrochemicals in India and the Middle East, sales declined due to a rebound from large orders for sulfur analyzers in the previous year.
Environment	Although demand for organic fluorine analysis remains strong due to PFAS regulations, sales have declined slightly due to rebound effects from initial sales of Automatic Quick Furnace “AOF/AQF-5000H,” launched in March 2024.
Electrical and electronic parts	Domestic demand for moisture meters and resistivity meters for batteries is driving growth. In addition, demand for flow meters for data centers is increasing due to the growing demand for generative AI.
Housing and construction	Sales of ground investigation equipment “GEOKARTE IV” remained sluggish due to a lack of growth in the construction of detached houses. Initial sales were recorded in 3Q last year to the Local Roads Department of the Thai Ministry of Transport, and sales promotion continues.
Automobile	Due to the slowdown in global demand for EVs, there has been a significant decrease in moisture meters and resistivity meters for LIBs, mainly for the Chinese market.

Overview of Results by Segment – Medical Segment





Unit: Mil yen/ %	FY2024 2Q	FY2025 2Q	YoY	
	Amount	Amount	Amount	% Change
Net Sales	5	55	49	847.6
Medical	5	55	49	847.6
Others	—	—	—	—
Operating Income	63	56	7	—

Financial Results

Sales increased due to the reorganization of the product portfolio for strategic market response.

medical illuminator 'FREELED'

Since the COVID-19 pandemic, the Company has been pushing forward to collect market needs and initiate activities while striving to reduce costs in line with customer requests but has not yet been able to secure a contract. Going forward, the Company will continue to focus on strengthening its PR efforts through distributors with the aim for full adoption.

High purity bio-soluble magnesium for medical use

Following the acquisition of a domestic patent in 2023, a U.S. patent was acquired in July 2024. Patents already submitted to six other major countries are also scheduled to be acquired in due course. Efforts to commercialize the product in the near future are continuing. In parallel, the Company is gathering information on the applicability of this material.

Others

In March of this year, the Company obtained ISO 13485 certification, a quality standard for medical devices. The Company is working to establish a production system with the aim of acquiring manufacturing contracts based on medical device development and manufacturing and sales licenses.

Balance Sheet (Consolidated)

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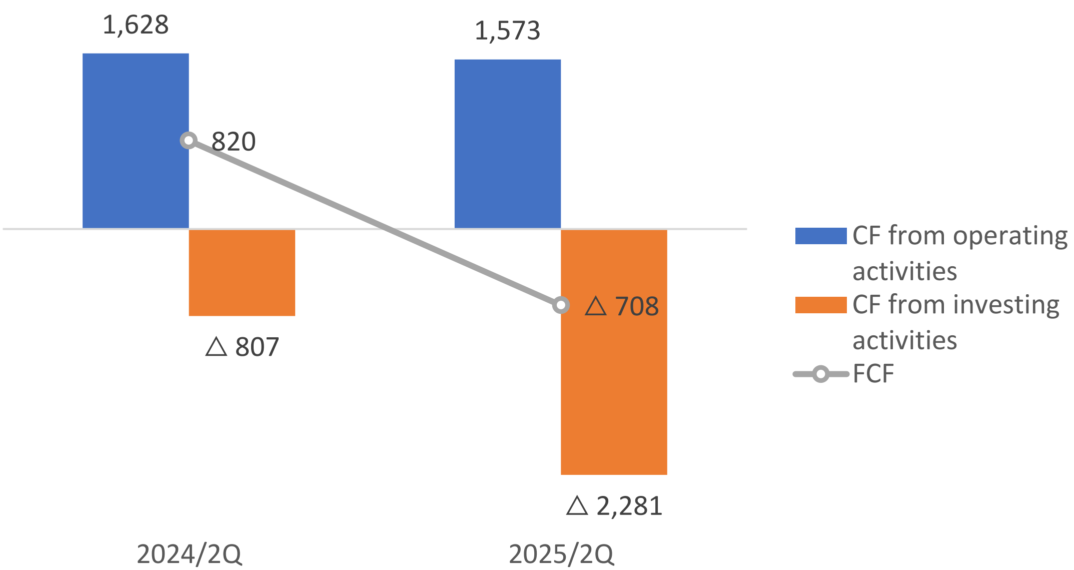
Unit : Million yen/%	FY2024/4Q		FY2025/2Q		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
Total current assets	**36,504**	**65.7**	**34,772**	**62.6**	**1,732**	**4.7**
Cash and deposits	10,580	19.0	10,278	18.5	302	2.9
Accounts receivable	13,318	24.0	11,623	20.9	1,694	12.7
inventory	10,992	19.8	11,926	21.5	934	8.5
Total non-current assets	**19,099**	**34.3**	**20,740**	**37.4**	**1,641**	**8.6**
Property, plant and equipment	14,003	25.2	14,684	26.5	681	4.9
Intangible assets	864	1.6	1,800	3.2	936	108.3
Investments and other assets	4,231	7.6	4,255	7.7	24	0.6
Total assets	**55,604**	**100.0**	**55,513**	**100.0**	**91**	**0.2**
Total current liabilities	**13,200**	**23.7**	**12,913**	**23.3**	**286**	**2.2**
Accounts payable	8,835	15.9	7,264	13.1	1,570	17.8
Short-term borrowings	1,325	2.4	2,507	4.5	1,182	89.2
Total non-current liabilities	**3,812**	**6.9**	**3,879**	**7.0**	**66**	**1.8**
Long-term borrowings	235	0.4	574	1.0	339	144.2
Totalliabilities	**17,012**	**30.6**	**16,792**	**30.3**	**219**	**1.3**
Share capital	3,522	6.3	3,522	6.3	—	—
Capital surplus/Retained earnings	30,793	55.4	31,298	56.4	504	1.6
Treasury shares	1,778	3.1	1,746	3.0	31	—
Total net assets	**38,591**	**69.4**	**38,720**	**69.7**	**128**	**0.3**

Cash Flow Statement (Consolidated)

NITTOSEIKO

Unit: Million yen / %	FY2024/2Q	FY2025/2Q		
	Amount	Amount	Amount change	% Change
CF from operating activities ※①	1,628	1,573	△54	3.4
CF from investing activities ※②	807	2,281	1,474	-
(Free CF) ※①＋②	820	708	1,529	-
CF from financing activities	482	379	862	-
Net increase (decrease) in cash and cash equivalents	557	470	1,027	-
Cash and cash equivalents at beginning of period	8,027	9,604	1,577	19.7
Cash and cash equivalents at end of period	8,584	9,134	550	6.4



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

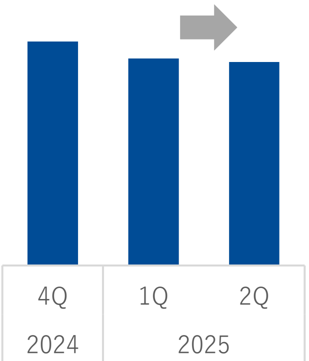
The future projections in this document, including earnings forecasts, are based on information currently available to the company and certain assumptions that the company considers reasonable and actual results may differ from these forecasts due to a variety of factors.

Forecast for FY2025 (Consolidated)

NITTOSEIKO

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	2,199	4.7	2,300	4.6	100	4.6
Net income per share (yen)	60.18		63.36			

Change in order backlog



Main points

Net Sales

- The mainstay automobile fastener business remained strong, mainly in Japan, with little impact from U.S. tariffs. Precision screws for game consoles and "CP GRIP" for battery units for data centers are expected to continue to drive performance in the second half of the year. Overseas, new inquiries are also on the rise thanks to the effects of exhibiting at trade shows, and future growth is expected.
- In the assembly machine segment, the U.S. and Southeast Asian markets are sluggish, but the Indian market is strong. In the second half of the fiscal year, sales of large-scale equipment for energy-related applications are expected in Japan.
- In the control system segment, analytical equipment continues to perform well due to growing environmental awareness. In the housing sector, we are promoting new initiatives to compensate for the sluggish performance of "GEOKARTE."
- In the medical segment, certain products are expected to contribute to performance.

Operating Income

- The price pass-through that has been ongoing since the previous fiscal year will continue to progress, and the profit environment is expected to remain strong. The Company will continue to revise prices in the second half of the fiscal year with the consent of its business partners.
- Focus on expanding sales of high-value-added products such as screw-fastening standard machines and fasteners in the highly profitable assembly machine business, with the aim of improving profit margins.
- The Company will further improve profitability by reducing variable costs through measures such as cutting transportation costs between factories and reviewing materials.
- The Indian subsidiary, which recorded M&A expenses in 1Q, is expected to contribute to profits in the second half of the fiscal year and beyond.

Market trend and initiatives by segment

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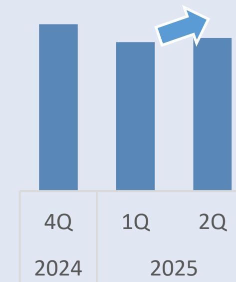
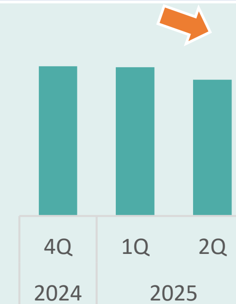
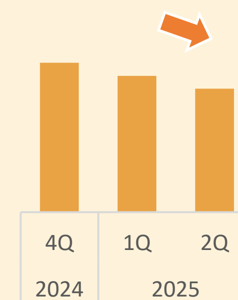
<table>
<tr><th></th><th colspan="2">Main market trends</th><th>Initiatives and future efforts</th><th>Change in order backlog</th></tr>
<tr><td rowspan="3">Fastener</td><td>Automobile</td><td>Despite the slowdown in EV sales, the market for batteries and inverters including automobile parts for CASE and for electrification is expected to continue to expand, and the need for lighter and thinner vehicles will continue.</td><td rowspan="3">• Currently promoting new demand acquisition through joint sales visits to mutual customers in the housing and construction fields.
• Strengthening sales activities targeting non-Japanese companies, mainly in the European market, in collaboration with overseas subsidiaries.
• Reduction of manufacturing costs and improvement of profit margins through factory reorganization, reduction of inter-factory transportation, and review of suppliers.</td><td rowspan="3"></td></tr>
<tr><td>Housing and construction</td><td>Planning delays continue due to a serious shortage of labor and rising material costs in the industry.</td></tr>
<tr><td>Household goods</td><td>Orders for game consoles are expected to continue.</td></tr>
<tr><td rowspan="3">Assembly Machine</td><td>Automobile</td><td>With the U.S. imposing additional tariffs and companies postponing capital investment in EV equipment, companies are taking a wait-and-see approach. On the other hand, capital investment in ADAS-related equipment is expected to continue as new models and standard equipment progress.</td><td rowspan="3">• Expanding low-cost Asian model products targeting non-Japanese users.
• Strengthening sales expansion in the Indian market.
• PR for the new ultra-low thrust model “FM513VZR.”
• Added “contamination unit” and “ultra-high precision screw float detection function” as new options for screw fastening machines.</td><td rowspan="3"></td></tr>
<tr><td>Electrical and electronic</td><td>Capital investment by major users is expected to remain sluggish.</td></tr>
<tr><td>Energy sector</td><td>Companies are expected to increase capital investment with product updates.</td></tr>
<tr><td rowspan="3">Control System</td><td>Chemical and pharmaceuticals</td><td>Demand for LIBs is slowing in some regions, including China, but demand for next-generation battery materials in Japan and other countries is expected to continue.</td><td rowspan="3">• Conducting product stability and durability tests with users through PFAS screening analysis, and other activities aimed at expanding market share.
• Organic solvent recycling project scheduled to exhibit demonstration equipment at Kyoto Smart City Expo in October.</td><td rowspan="3"></td></tr>
<tr><td>Energy sector</td><td>Demand for elemental analyzers and automatic quick furnace devices for oil refining and petrochemicals in India and the Middle East is growing.</td></tr>
<tr><td>Environment</td><td>Domestic regulations on PFOS and PFOA will come into effect in April 2026, and demand is expected to increase. Sales of small distillation devices, approved by law in April this year, are also on the rise.</td></tr>
<tr><td>Medical</td><td>Development plans</td><td colspan="3">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.</td></tr>
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