TSE Prime | Securities Code 5957

Results Briefing Q2 for the fiscal year ending December 2026

Aug 27th, 2026

NITTOSEIKO

Taking new steps forward together

■ Explained by
Makoto Araga, President

Contents

1. Summary of Financial Results Q2 for the Fiscal Year Ending Dec 31, 2026

Summary of Financial Results

(Unit : Mil Yen / %) NITTOSEIKO

	FY2025/2Q		FY2026/2Q		YoY		Compared to Q2 Forecasts (as of May 13, 2026)		
	Amount	Ratio(%)	Amount	Ratio(%)	Amount change	& Change	Q2 Forecast	Amount change	& Change
Net sales	**23,859**	**100.0**	**25,352**	**100.0**	**1,492**	**6.3**	**25,000**	**352**	**1.4**
Cost of goods sold	18,082	75.8	19,085	75.3	1,002	5.5			
Gross Profit	**5,776**	**24.2**	**6,266**	**24.7**	**490**	**8.5**			
SG&A expenses	4,297	18.0	4,325	17.1	27	0.6			
Operating Profit	**1,479**	**6.2**	**1,941**	**7.7**	**462**	**31.3**	**1,800**	**141**	**7.8**
Ordinary Profit	**1,406**	**5.9**	**1,938**	**7.6**	**531**	**37.8**	**1,800**	**138**	**7.7**
Net Profit attributed to shareholders of the parent company	**851**	**3.6**	**1,203**	**4.7**	**352**	**41.4**	**1,100**	**103**	**9.4**
Net Profit per share (yen)	23.48		33.14				30.30		

Main points

Net Sales
+6.3%

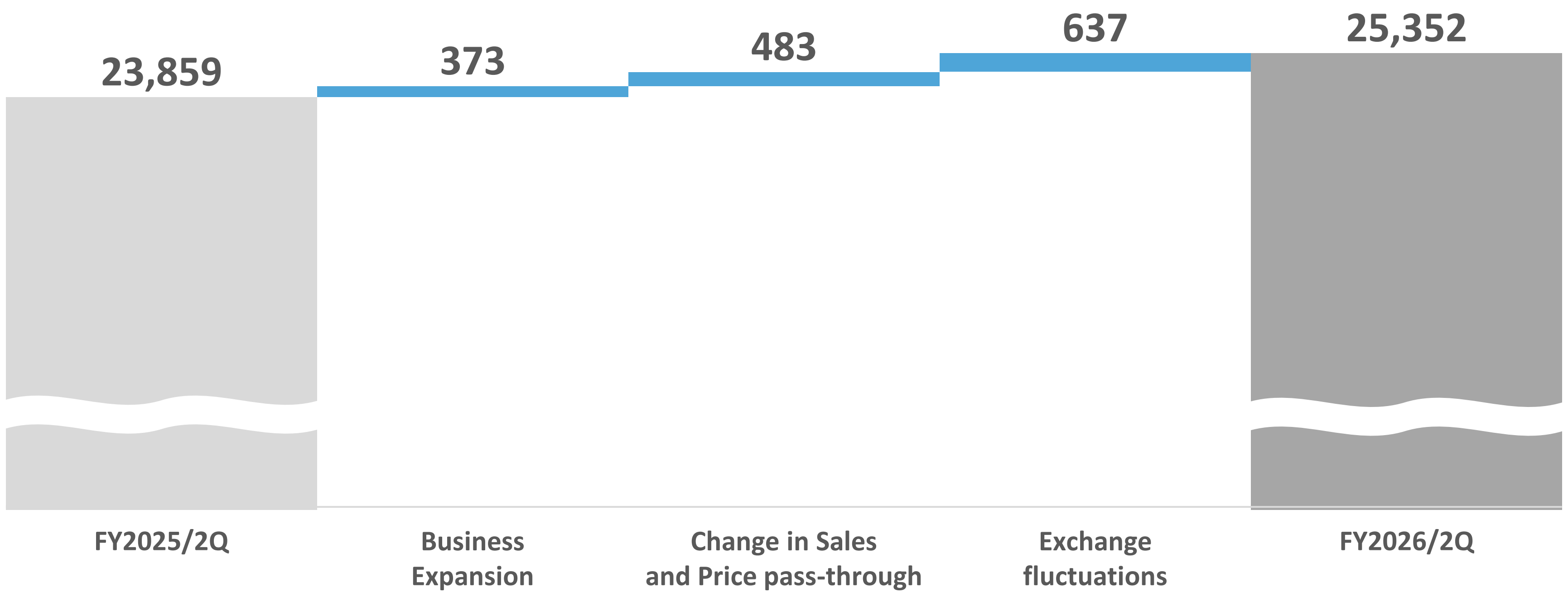
- In the Fastener Segment, sales in India are strong. Sales for game consoles decreased with production adjustment, but sales remained strong for domestic automakers mainly for CASE-related ADAS (Advanced Driver Assistance Systems). Sales for home appliances in SE Asia are also performing well with transfer of production from China.
- In the Assembly Machine Segment, the core automobile business struggled due to suspension of EV development and fewer model changes in the domestic market. However, performance was stronger overseas especially in India and growing capital investments in the U.S., Thailand and South Korea. Revenue increased due to growth in the data center sector and sales of large-scale equipment for general-purpose engines.
- In the Control System Segment, revenue increased due to a major petrochemical project in the energy sector even though initial sales of PFAS-compliant products in the environmental sector have leveled off.

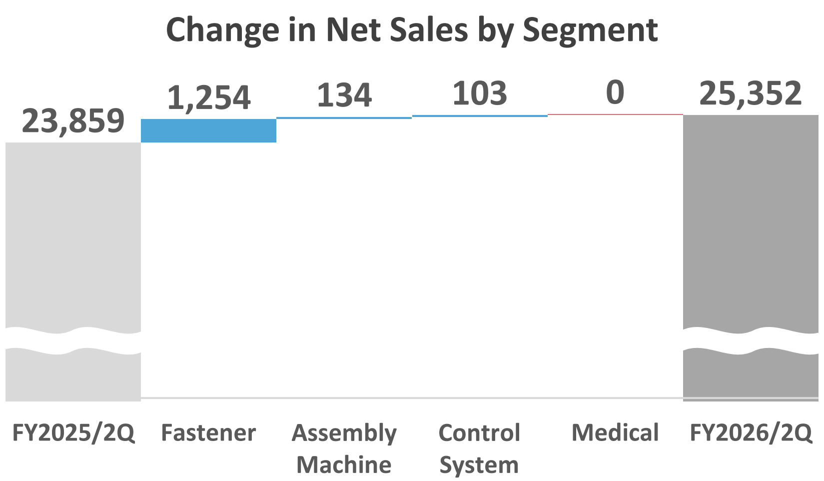
Operating Profit
+31.3%

- In addition to the increase in net sales and an increase in high-value-added products for the automotive and data center sectors, SG&A expenses decreased YoY due to the absence of the 286 million yen in M&A-related expenses recognized in Q1 of FY2025, resulting in higher profits.

Summary of Financial Results - Net Sales

(Unit : Mil Yen)





Business Expansion

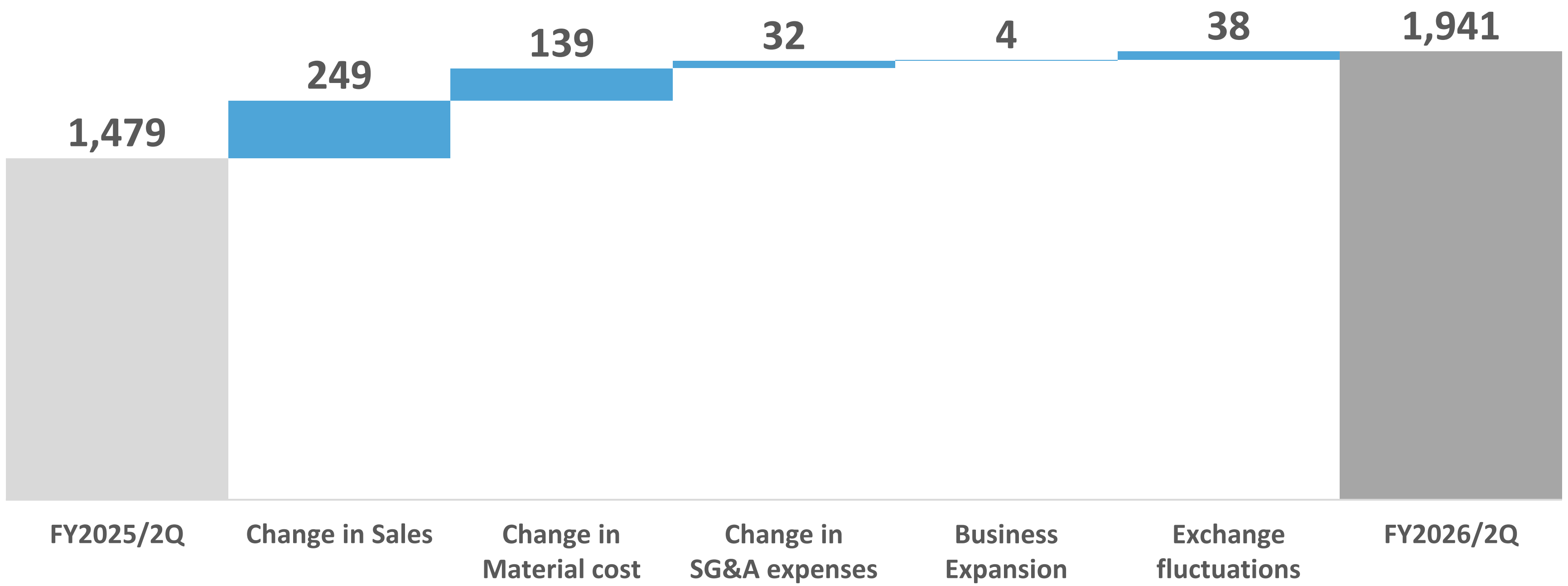
Sales for automobiles and motorcycles in India contributed.

Change in Sales

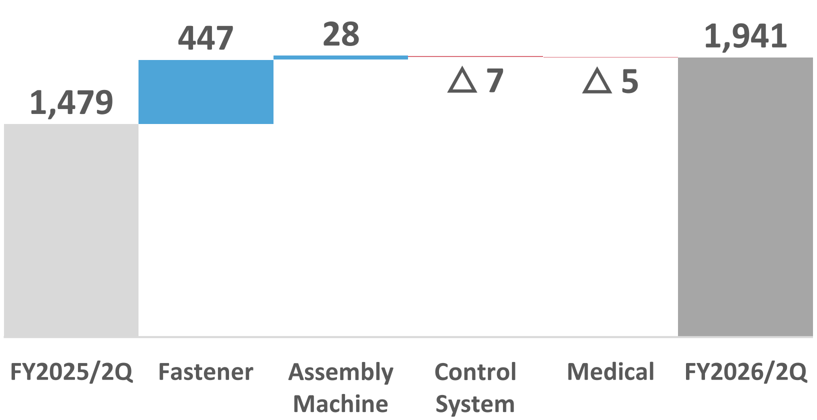
CASE-related products for domestic automobiles and fastener products for home appliances in SE Asia are strong. Large-scale equipment for general-purpose engines in assembly machines and major control system projects for the petrochemical industry also contributed to sales. Demand for generative AI-related products, such as those for data centers, is expanding across multiple segments.

Summary of Financial Results - Operating Profit

(Unit : Mil Yen)



Change in Operating Profit by Segment



Change in Material cost

High-value-added fastener products centered around automobiles were strong.
Amid rising material costs, the Company is working to reduce manufacturing costs by reviewing suppliers and ordering methods, improving molds, and promoting in-house production.

Change in SG&A expenses

Although there were increases in expenses related to audits of overseas subsidiaries, the recognition of shareholder benefit expenses, and increased labor costs due to wage hikes, overall expenses decreased due to the absence of M&A-related expenses recognized in Q1 of fiscal year 2025.

Net Sales and Operating Income by Segment (Consolidated)

NITTOSEIKO

Unit: Million yen / %		FY2025/2Q Amount	FY2026/2Q Amount	YoY % Change	Segment Overview
Fastener	Net sales	17,727	18,981	7.1	**Increased Revenue and Profit** India's sales contributed to the automobile industry. Despite slowdown of sales for game consoles due to production adjustments from the previous year, sales increased for automobile CASE-related products (mainly domestic) and home appliances in SE Asia. SG&A expenses decreased YoY due to the absence of M&A-related expenses recognized in Q1 of FY2025. High-value-added products, mainly for automobiles, also contributed increased profit.
	Operating income	887	1,334	50.5	
	Profit ratio	5.0	7.0	2.0	
Assembly Machine	Net sales	2,788	2,923	4.8	**Increased Revenue and Profit** The mainstay automobile business saw sluggish results due to a halt in domestic EV development and fewer model changes. However, overseas sales was strong especially in India and better capital investments in US, Thailand, and South Korea. Data center-related sales increased and sales of large-scale equipment for general-purpose engines. Profit increased due to cost reductions from revision of ordering procedures.
	Operating income	418	446	6.8	
	Profit ratio	15.0	15.3	0.3	
Control System	Net sales	3,288	3,392	3.2	**Increased Revenue and Decreased Profit** A large-scale project in the energy sector helped growth. Overall increase in sales despite the slowdown in initial purchase of PFAS-compliant products in the environment sector. Meanwhile, due to rapid cost increases in recent years, price adjustments at the current pace have proven insufficient, resulting in a decline in profits.
	Operating income	230	222	△ 3.4	
	Profit ratio	7.0	6.5	△ 0.4	
Medical	Net sales	55	54	△ 1.2	The Company is proceeding with the reorganization of its product portfolio to enable a strategic market response, while also working to build a stable revenue base. Obtained patent for "High purity bio-soluble magnesium for medical use" in Thailand in June 2026. Working continuously toward early product launch.
	Operating income	△ 56	△ 62	-	
	Profit ratio	-	-	-	

Sales by Overseas Region

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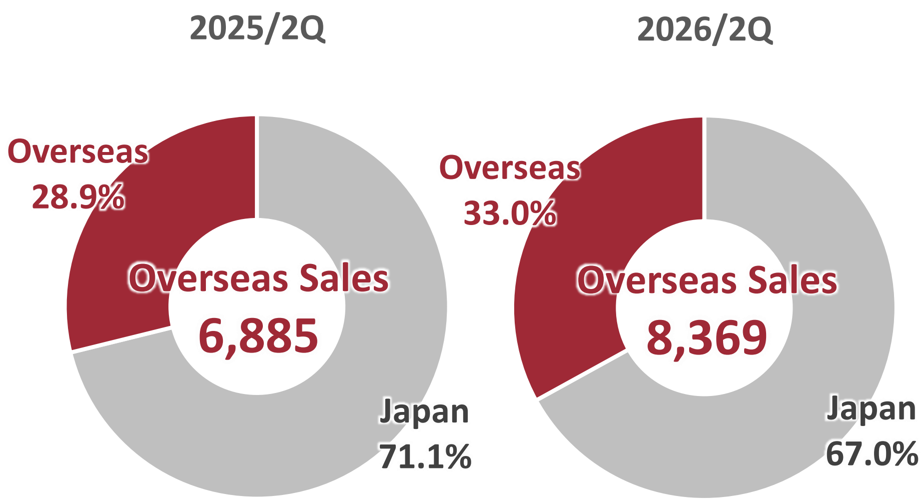
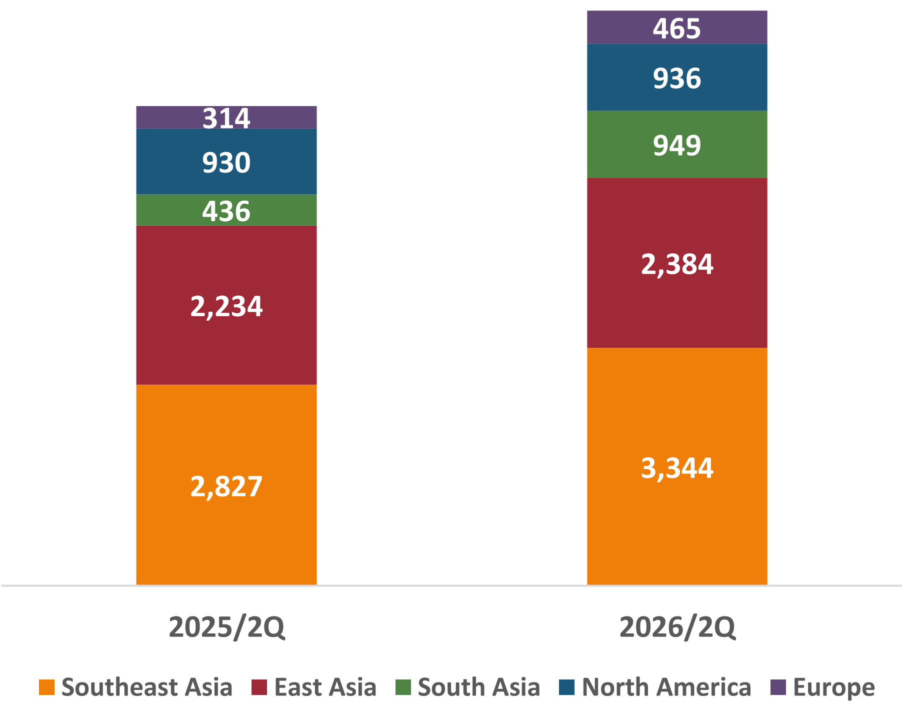
(Unit : Mil Yen)





Overview of FY2026/2Q

- Overseas sales increased YoY, driven by growth in South Asia (India) and SE Asia.
- Revenue in South Asia increased by 510 million yen. Revenue from overseas markets outside South Asia increased by 970 million yen. Of this amount, 630 million yen was due to foreign exchange effects.

Europe +48.0%

Sales of elemental analyzers for the petroleum refining and petrochemical industries are strong.

North America +0.7%

Sales of fasteners for housing construction have been sluggish due to U.S. tariff measures.

South Asia +117.7%

Increase due to expanded sales in India.

East Asia +6.7%

Fastener products for automobile in China are performing well.

Southeast Asia +18.3%

Sales of fasteners for home appliances are strong in Malaysia.

2. Progress of the Mid-Term Management Plan

Roadmap for Growth Strategy

NITTOSEIKO

Accelerate the growth of existing businesses and establish next-generation manufacturing solutions. Pioneering the future of manufacturing through innovation.

STAGE 01 — NITTOSEIKO Mission "G"

Meet customer and market needs more effectively through the combined strength of our group

- Align the Group's direction to pursue synergy.
- With a Global perspective, leverage proposal skills and initiative to take on the world.
- Practice QCDI for Growth

Growth phase of business area 2019~2022

STAGE 02 — Mission G-second

Aim for a sustainable Group with four growth strategies

- Solution initiatives from a customers' perspective
- Environmental consideration for all business operations
- Effective financial structure, and building a trustworthy and safe company through business operations

Global development phase 2023~2025

STAGE 03 — Mission G-final

The culmination of our manufacturing solutions group, and a new frontier in creation and innovation

- Innovative portfolio of business and products
- Environmental and social solution business
- Maximizing human capital through job satisfaction and employee well-being
- High-efficiency, high-profit strategic investment

Growth acceleration phase 2026~2028

Innovation Promotion

Focus on cost of capital management (Balancing proactive investment and efficiency)

Creating business synergy (Balancing growth strategy and operational efficiency)

Long-Term Vision: To be a 'manufacturing Solution Group' that is recognized and sought after around the world.

Vision for 2028

NITTOSEIKO

Previous Mid-Term Business Plan

Net sales and operating income targets
(Growth#1 Operating Income)

Profit

Mission G-final

Operating income is the top-level target, and the Company will drive **all four strategies**—including net sales—to become **sources of profitability**.

Operating Income

6 Bil Yen

Financial Indicator

Net Sales	63.2 Bil Yen
Operating Income Ratio	9.6%
ROE	Over 9%
ROIC	Over 8%

Sustainability Indicator

	FY2050 Carbon Neutral
CO_2 Emission (vs. 2019) (Scope1, 2)	28% less
Waste Volume [Basic Unit] (vs. 2019)	41% less
User Contribution to CO_2 Reduction	Over 98,000 t
Labor productivity	7.6%UP
Engagement Score	3.8 P

Progress on Mission G-final for FY2026

NITTOSEIKO

Operating Profit Target FY2026 **4.1 Bil yen** Forecast FY2026 **3.8 Bil yen**

		Target FY2026	Forecast FY2026
Growth#1	Net Sales	**51.3** Bil yen	**520** Bil yen (Full year forecast)
	Operating Profit Ratio	**8.0** %	**7.3** % (Full year forecast)
Growth#2	CO_2 emissions (Compared to 2019)	**▲18%**	**▲30.2%**
	Waste [Basic unit]* (Compared to 2019)	**▲35%**	**▲36.4%**
Growth#3	Labor productivity (3 year growth rate)		On Track to Meet 2026 Target
	Engagement score	**3.6P** or more	― (Measured Nov-Dec every year)
Growth#4	ROE	**9%** or more	**6.6%**
	ROIC	**8%** or more	**7.3%**

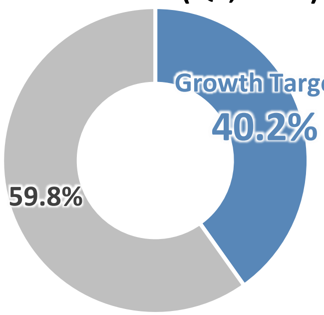
*Waste Disposal Vol(kg)/ Net Sales(Mil Yen)

Initiatives Under the Mid-Term Management Plan

NITTOSEIKO

Net Sales by Growth Target

Net Sales Percentage Breakdown (Q2, 2026)



※Overlap between growth targets is not taken into account.

(Unit: Mil Yen)

	2025 Result	2026 Target	2026 Q2 Result	Progress
CASE-related	7,802	7,680	4,232	55.1%
Non-Japanese	2,938	4,360	2,141	49.5%
New Markets	-	1,580	416	26.3%
Developing Existing Customers	-	3,420	1,982	57.8%

※ Regarding new markets and developing existing customers, no prior-year figures are available as these are new targets introduced in this Mid-Term Plan.

Status of Initiatives by Growth Strategy

Strive for continuous sales growth while aiming to improve profit margins

Initiatives for Growth

Topics

- January: New Plant in India Begins Operations. Non-Japanese
- Expansion of Production Facilities for Data Centers. New Markets
- Sales division's new market expansion project. New Markets
- Agent-Specific New Product Sales Strategies. Developing Existing Customers
- Exploring the AKROSE Licensing Business. CASE

Initiatives for Revenue Improvement and Transformation

- Revision of the main material—wire—suppliers.
- Cost reduction through improved tool durability.
- Sale of the tool sales business.

Fastener

Expansion of "Vulcan" in India

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Acquisition as Subsidiary ▶ **Production Expansion and Factory Reform** ▶ Establishing Manufacturing Structure for NITTO Products. Expanding Sales to Japanese-Affiliated Companies.

Production Expansion

Increasing sales by establishing a stable supply system through expanded production capacity.

- New plant (Jajarl Plant) began operations in January
  → Additional bolt manufacturing equipment and plating lines installed.
  Promoting factory automation.

Factory Reform

Improving profitability through factory reforms and aiming to enhance quality control to expand sales to Japanese companies.

- Revising sales prices based on cost analysis.
- Local staff undergo quality control training at the Group's Thailand subsidiary.
- Promoting Japanese-style 3S activities.
- Increase in number of seconded employees (General Plant Manager).

Jajarl Plant

Shaft

Special Cold-Forged Parts

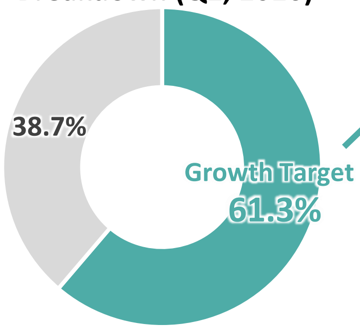
Assembly Machine

Initiatives Under the Mid-Term Management Plan

NITTOSEIKO

Net Sales by Growth Target

Net Sales Percentage Breakdown (Q2, 2026)



※Overlap between growth targets is not taken into account.

(Unit: Mil Yen)

	2025 Result	2026 Target	2026 Q2 Result	Progress
CASE-related	1,824	2,230	767	34.4%
Expansion of Business Areas	-	620	158	25.2%
Overseas Sales	1,494	2,970	1,078	36.2%
New Product Sales	-	1,190	387	32.4%

※ Regarding business expansion and new product sales, no prior-year figures are available as these are new targets introduced in this Mid-Term Plan.

Status of Initiatives by Growth Strategy

Drive sales growth through overseas expansion and market development

Initiatives for Growth

- Cross-segment sales information exchange meeting. — CASE, Area Expansion
- Strengthening sales activities for data centers (including project-based initiatives). — Area Expansion
- Development of a new nut runner/contamination prevention unit. — New Product, Topics
- Growing overseas market share (developing new dealerships, strengthening sales promotion trips, etc.) — Overseas Sales, Topics

Initiatives for Revenue Improvement and Transformation

- Cost reduction through new partner development and a review of standard machinery structures.
- Reducing work hours through the visualization of work time.
- Initiatives to reduce complaints.

Sales Expansion Through New Products / Strengthening Overseas Sales

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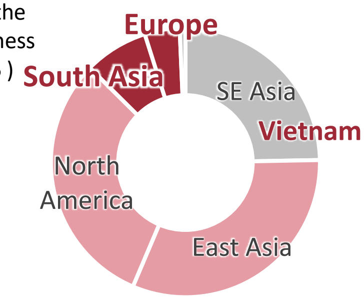
Overseas Sales Ratio of the Assembly Machine Business (Period ending Dec 2025)



Overseas Expansion Strategy

- **Increase Overseas Market Share of Screwdrivers to Boost Sales**

  ※ Currently ranked #1 in the domestic market and #2 globally (according to own research)

- **Strengthen focus areas (India, Europe, Vietnam) to reduce dependence on the U.S. and China**

Europe

Joint European market expansion project with an Italian trading company

Vietnam

- **Strengthening group business trips to expand sales**
- **Strengthening collaboration with retailers**

India

- **Strengthening sales in the Indian market through a new subsidiary**
- **Strengthening sales-expansion business trips**

Contamination Cleaner

(Released in Aug)

A unit that stores the next screw to be fed while absorbing contaminants, such as iron particles, attached to the screw. This option is ideal for fastening components that are sensitive to contaminants, such as electronic devices.

※Attachment Example

＋

New Nut Runner Scheduled for Release in September

※ Image of the current model

Common policies across countries

- **Product lineup and solutions tailored to customer needs**

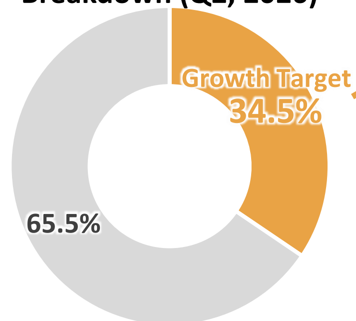
Budget version	Expanding Low-Cost Asian-Model Products	**High-Performance**	Expansion of high-performance options, including contamination prevention measures and ultra-high-precision screw float detection

- **Solutions leveraging the technical expertise of the NITTOSEIKO brand, such as thrust control technology and screw feed technology**

Initiatives Under the Mid-Term Management Plan

Net Sales by Growth Target

Net Sales Percentage Breakdown (Q2, 2026)



※ Overlap between growth targets is not taken into account.

(Unit: Mil Yen)

	2025 Result	2026 Target	2026 Q2 Result	Progress
Environment-related	428	580	161	27.8%
Ground-related	393	400	209	52.3%
Energy / Petrochemicals	-	980	628	64.0%
Automobile-related	-	1,170	311	26.6%

※ Regarding energy/petrochemicals, no prior-year figures are available as these are new targets introduced in this Mid-Term Plan.

Status of Initiatives by Growth Strategy

Drive revenue growth through new business initiatives and market expansion

Initiatives for Growth

Topics

- Initiatives toward the launch of an organic solvent recycling system. — Environment
- "GeoJudge™," a testing machine for assessing the risk of large crane tip-overs, released in June. — Ground
- Comprehensive partnership agreement signed with Ayabe City and Ritsumeikan University, including a PFAS decomposition project. — Environment
- Improving after-sales support to encourage repeat purchases of MISTOL. — Automobile
- Expanding the overseas market share of elemental analyzers (90% domestic market share). — Energy / Petrochemicals

Initiatives for Revenue Improvement and Transformation

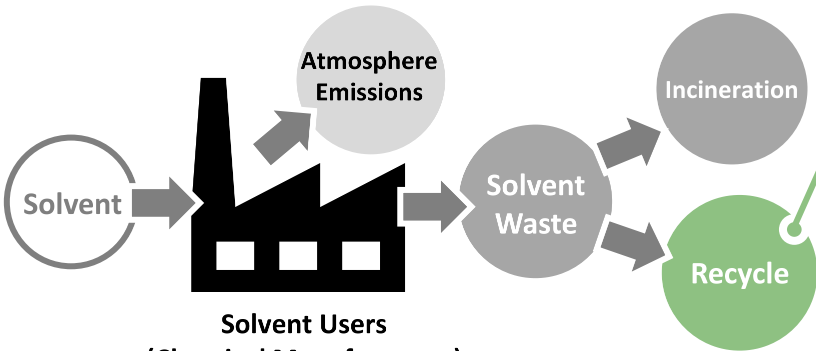
- Initiatives to consolidate and streamline system products.
- Engineering improvement through design reviews.
- Review of procurement conditions.

GeoJudge™

Control System

Recycling Organic Solvents Using Silica Separation Membranes

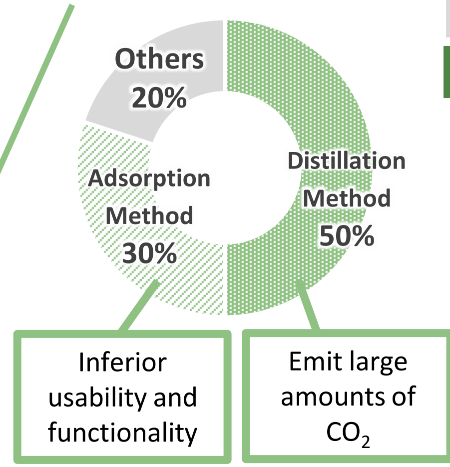
Typical Solvent Processing Steps

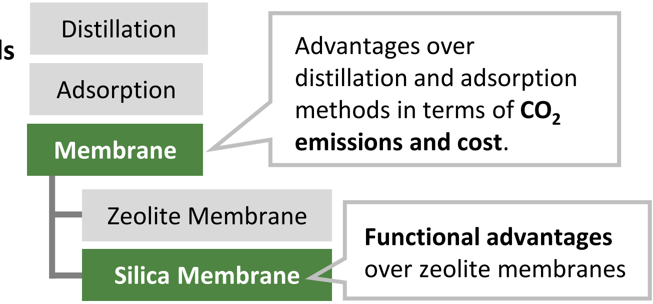


Solvent Users (Chemical Manufacturers)

Compiled based on information from the Japan Solvent Recycling Industry Association website

Breakdown of Recycling Methods





Aim to capitalize on **the demand for replacement with silica-membrane systems** following the launch of this device.

Business Overview and Initiatives

Development and production of "explosion-proof organic solvent recycling systems"

CO_2 reduction and cost-saving benefits through replacement of distillation and adsorption methods with membrane technology.

Schematic Diagram of the Device

Development and mass production support for "silica separation membrane tube manufacturing equipment"/ Manufacturing of "silica separation membrane tubes"

Silica separation membrane tubes are consumables that are incorporated into recycling systems. They can be installed in existing systems, and replacing zeolite membranes with silica membranes **improves performance**.

Silica separation membrane tubes

Initiatives

The Company exhibited at a plant show in July, where it showcased a promotional video and separation membrane tubes, and held a seminar presented by its joint development partner, eSep Inc.. Early efforts were made to establish connections with customers. The recycling system is scheduled to be launched between late 2026 and early 2027.

Medical

High purity, bio-soluble magnesium for medical use

NITTOSEIKO

World's first!

High purity, bio-soluble magnesium for medical use

Patent Status

Jun 2023 …Japan
Jul 2024 …U.S.
New Jun 2026 …Thailand

※Patents already filed in five other major countries are scheduled to be granted sequentially.

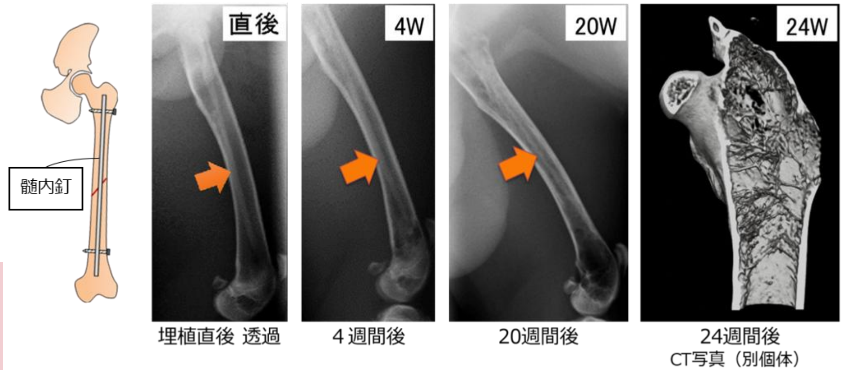
Features

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.

Obtained **ISO 13485**
quality management system certification
for medical devices
to build manufacturing system
(2025)

The Optimal Timing for the Onset of Dissolution and a Gradual Dissolution Rate for Bone Union



※Image shows an in-situ test using domestic rabbits

Entering the Medical Industry by Applying Technologies Developed for Industrial Applications

Conventional Metal Implants (Stainless steel, titanium, etc.)	High purity, bio-soluble magnesium
First procedure: Joint surgery	First procedure: Joint surgery → **The Implant Dissolves**
Second procedure: Removal surgery	Second procedure: **Not required!**※1

※1 May vary depending on the type of treatment.

Benefits of Fewer Surgeries

- Reducing Physical, Mental, and Financial Burdens
- Reducing the Burden on Healthcare Workers
- Shorter Hospital Stays
- Reducing Medical Costs and Conserving Medical Resources

Future Overseas Expansion—Strategies by Region

A new Global Strategy Division has been established as part of this Mid-term Management Plan. It oversees the Company's overall overseas strategy, reviews sales strategies in existing regions, and develops new markets and expands sales channels.

Europe

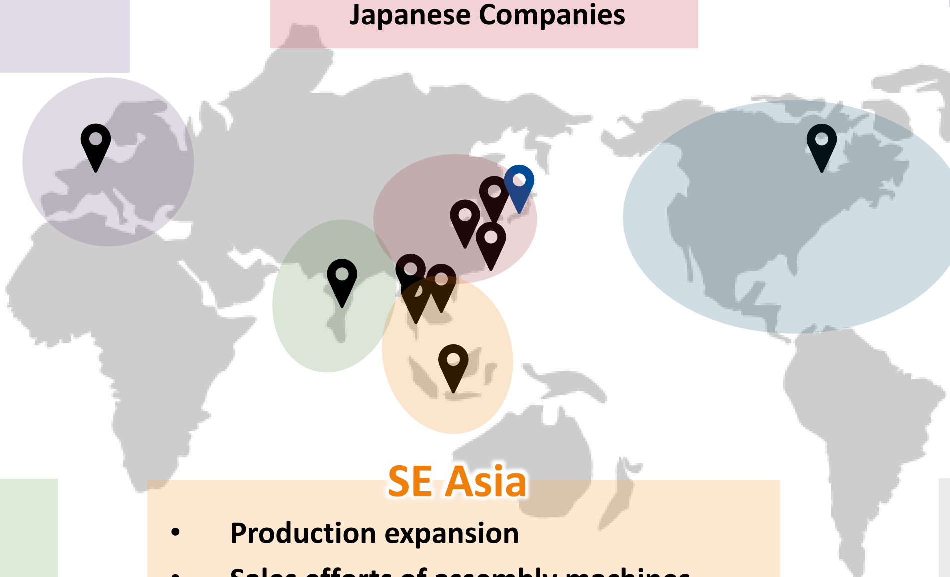
- **Compliance with standards such as CE marking**
- **Sales expansion centered on the German base**

East Asia

- **Rollout of local model products**
- **Growth into Non-Japanese Companies**

North America

- **Establishing sales channels to non-Japanese companies**



India

- **Production expansion**
- **Production of Group fastener products**
- **Growth into Japanese companies**

SE Asia

- **Production expansion**
- **Sales efforts of assembly machines**
- **Growth into non-Japanese companies**

Latin America

- **Establishing a sales and service structure for automotive parts manufacturers**

Base Locations

Growth#2　Environment Strategy

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Reduction of CO_2 Emission

Solar Power Generation

Fastener Yata Plant … In the new building following the factory reorganization; operations began in May.
Indonesian Subsidiary … Currently being set up. Scheduled to begin operation in September.

Other Initiatives

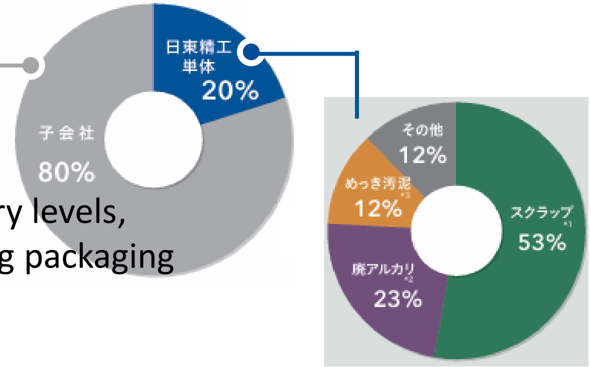
LED lighting upgrades, replacement with energy-efficient equipment, roof renovation work, and reviewing electricity providers.


Solar Panels, Yata Plant

Reduction in Waste Volume (Per Unit)

To achieve reduction targets, efforts are underway to **survey and visualize the breakdown of waste generated by subsidiaries** starting in FY2026.

Breakdown of Waste by Group



Other Initiatives

Reducing complaints and defects, optimizing inventory levels, effectively utilizing scrap cemented carbide, reviewing packaging materials, etc.

E&S Support for Customers

Q2, 2026 Result
37,030t-CO_2
(Annual Progress **42.1%**)

- The Development Committee is considering establishing a system to incorporate environmental assessment criteria into the development process.
- Preparations for calculating Scope 3 emissions are currently underway.

Growth#3 Human Capital Strategy

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Work Satisfaction

Incentives

- **Special incentive bonus for the employee stock ownership plan**… Awarded an incentive equivalent to 80 shares.
- Revision of the **Meritorious Employee Recognition Program**… Rewards for improvement proposals, patent applications, etc.

Performance-Based Evaluation and Compensation

- Transition to **Performance-Based Bonuses**… Based on the degree to which operating income targets are met.
- **Expansion of the Stock Compensation Plan to Managers**… Mid-Term Plan-linked stock-based compensation.

Workplace Comfort

Health-Oriented Management

The Company‘s efforts to improve lifestyle-related diseases have been recognized, and it has received various certifications. This year, the Company is implementing initiatives **related to alcohol consumption**.

NTTOSEIKO | Subsidiaries

Productivity Optimization

The “QC Group Activities,” which were aimed at quality improvement, have been revamped into “NUP Improvement Activities,” which are aimed at increasing profits.

※ FY2026: 50 teams, totaling 400 participants, are currently taking part.

Changes to the “NUP Improvement Initiative”

Content	(Old) QC Activities	(New) NUP Activities
Details and Objectives	Product and operational quality improvements resulting from employees' voluntary initiatives	Improvements in productivity and quality, as well as increased profits through cost reductions, achieved through Company-sponsored activities aligned with management strategy.
Treatment of Overtime Activities	Payment of Education Allowance	Overtime Pay
Special Bonus	–	Amount set on a case-by-case basis depending on the effect

Human Capital Development

Embedding Purpose

As part of philosophy education, **“MVV Meetings”** and **“President’s Roundtable Discussions”** for newly appointed executives are held.

Career Visualization

- **Career Support Desk** set up in April.
- Conducting **regular career counseling sessions** for new employees.

President’s Roundtable Discussion

Growth#4 Financial Strategy

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BS Compression, Cash Generation, and Growth Investments

		End of June 2026 (Compared to the end of 2025)
Accounts Receivable	Shortening the Collection Site	**▲860 Mil Yen**
Accounts Payable	Shortening the Payment Cycle	**▲940 Mil Yen**

		End of June 2026 (Compared to the end of 2025)
Interest-Bearing Debt	Repayment Using a CMS	**▲700 Mil Yen**

Growth Investment (Future Plans)

- **Expanding Production at Overseas Facilities**
- **M&A of Assembly Machines**

Improving liquidity and enhancing dialogue with shareholders

Introduction of Shareholder Benefits

A new shareholder benefits program was established starting with the fiscal year ending December 2025.The program includes specialty products from Ayabe City, Kyoto Prefecture, as part of local community outreach.

A survey of benefit recipients showed a

91% satisfaction rate.

Examples of "Ayabe City Specialty Products" (Results for the term ending Dec 2025)

Contact with Individual Investors

Aiming to improve stock liquidity, strengthening opportunities to engage with individual investors.

- **15 Mar LogMi Individual Investor Briefing** NEW
- 18 Jun Factory Tour for Alumni Shareholders
- **20 Jun LogMi IR Meet** NEW
- **28-29 Aug (Plan) Nikkei-Tokyo Stock Exchange IR Fair** NEW
- Oct (Plan) Factory Tours for Individual Shareholders

LogMi IR Meet

3. Forecast and Plan for the Fiscal Year Ending Dec 31, 2026

Forecast

(Unit： Mil Yen / %)

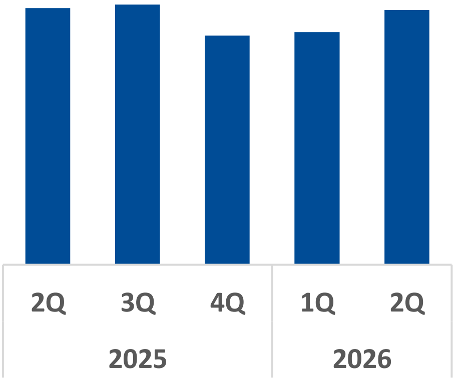
	FY2025		FY2026 (Forecast)		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount Change	% Change
Net sales	50,238	100.0	52,000	100.0	1,761	3.5
Operating profit	3,431	6.8	3,800	7.3	368	10.7
Ordinary profit	3,409	6.8	3,800	7.3	390	11.5
Net income attributed to shareholders of the parent company	2,152	4.3	2,300	4.4	147	6.9
Net income per share (yen)	59.34	-	63.36	-	-	-

Key Points for Forecast

Although the EV market is slowing, the Company anticipates increased sales of high-value-added products, overseas demand, and continued large-scale projects in the Control System Segment. It also plans to launch new products in the Assembly Machine Segment.

Bolstered by growing demand in high-growth sectors such as ADAS and data centers, the Company aims to meet its full-year earnings forecast.

Change in order backlog



Market trend and initiatives by segment

NITTOSEIKO

Fastener

Sales

In the domestic automotive sector, the Company will work to expand sales of high-value-added products, such as our proprietary ADAS products. Orders for precision screws for game consoles are showing signs of recovery in the latter half of 2Q. In addition to expecting continued strong performance for “CP Grip” products for data centers, the Company will capitalize on the recovery in demand from Japanese home appliance manufacturers overseas and the demand associated with production shifts to Southeast Asia, while strengthening sales promotion activities with key customers.

Operating Income

The company is working to expand sales of high-value-added products, such as those for ADAS and data centers. We aim to reduce manufacturing costs and improve profitability by reviewing our suppliers.

Main market trends		Initiatives and future efforts	Change in order backlog
Automobile	Demand for CASE-related products—such as batteries and inverters driven by electrification, as well as lighter and thinner vehicle components—remains steady; however, there are concerns regarding the impact of revisions to EV production plans and impact of the situation in the Middle East and rare earth issues.	• As part of efforts to improve profitability, the Company launched new market expansion projects and stepped up these initiatives. • Promoting sales expansion projects with distributors. • Reducing manufacturing costs and improving profit margins through measures such as streamlining inter-factory transportation as part of factory reorganization, reviewing suppliers, and improving mold durability.	
Housing and construction	Delays in projects are expected to continue due to a severe labor shortage and soaring material costs in the industry.		
Household goods	Although production is expected to decline as demand for game consoles stabilizes in the first half of this FY, it is projected to recover to a certain level.		

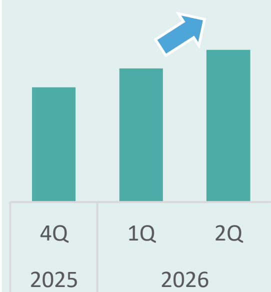
Assembly Machine

Sales

Although the Company is being affected by a slowdown in the global EV market and a decline in large-scale domestic capital expenditures, demand remains strong for screw tightening machines used in automotive parts and ADAS assembly lines for overseas markets, as well as for data center-related equipment. In the second half of the fiscal year, the Company will work to reliably convert its large order backlog into sales while seeking to create growth opportunities by expanding orders for standard machines and strengthening sales activities in the Indian market.

Operating Income

The Company will secure high profitability and gross profit margins by increasing the proportion of high-value-added products, reliably converting large-scale orders for assembly lines into sales, and expanding our product lineup through the launch of a new nut runner.

Main market trends		Initiatives and future efforts	Change in order backlog
Automobile	Uncertainty persists due to the Middle East conflict, U.S. tariff policies, and the postponement of capital investments for EVs. Capital investments for North and South America are expected to continue.	• Strengthening efforts such as live demonstrations for target clients and hosting private exhibitions. • Strengthening sales efforts in the data center sector and proposing completed facilities. • Continuing cost-cutting initiatives, such as reviewing procurement methods.	
Electrical and electronic	Although demand in the semiconductor sector remains strong, capital expenditure restraint by major customers is expected to continue for some time.		
Energy sector	While major capital investments in electricity meters have largely come to an end, efforts to address aging equipment related to gas meters are expected to continue.		

Market trend and initiatives by segment

NITTOSEIKO

Control System

Sales
In addition to a steady stream of large-scale system product contracts, sales were driven by projects involving elemental analyzers for the shipbuilding market and the overseas petrochemical industry. Demand for moisture analyzers for electronic materials, automated powder resistance measurement systems, and PFAS-related products also remained strong. Furthermore, the company is working to cultivate new demand through the launch of new products—including "GeoJudge™"—and by strengthening collaboration with distributors and customers.

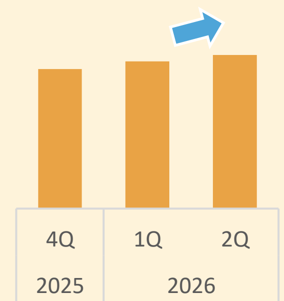
Operating Income
As well as strengthening profitability management for system products and reducing costs through design improvements, the Company will optimize its business portfolio by expanding sales of growth products that support increased order volume, with the aim of achieving stable profit growth.

Main market trends	
Energy sector	Demand for elemental analyzers and automatic quick furnace systems for the petroleum refining and petrochemical industries is expected to continue. In Japan, demand for elemental analyzers for alternative fuels such as SAF is projected to grow.
Electrical and electronic	Sales of electronic materials, including those for EVs and batteries, are expected to remain strong.
Environment	Demand for PFAS-related products continues in Europe. In Japan, demand for trace fluorine analysis is expected to increase. Sales of compact distillation units, which were adopted as a standard method in 2025, are also expected to remain strong in Japan.

Initiatives and future efforts

- Expanding sales of the "GeoJudge™" on-site ground bearing capacity tester.
- Improving sales appeal and increasing order rates through engineers accompanying sales calls and seminar exhibits.
- Consolidation of system products, expansion of orders for growth products, and securing appropriate profits.
- Launch of organic solvent recycling equipment and separation membrane tubes.

Change in order backlog

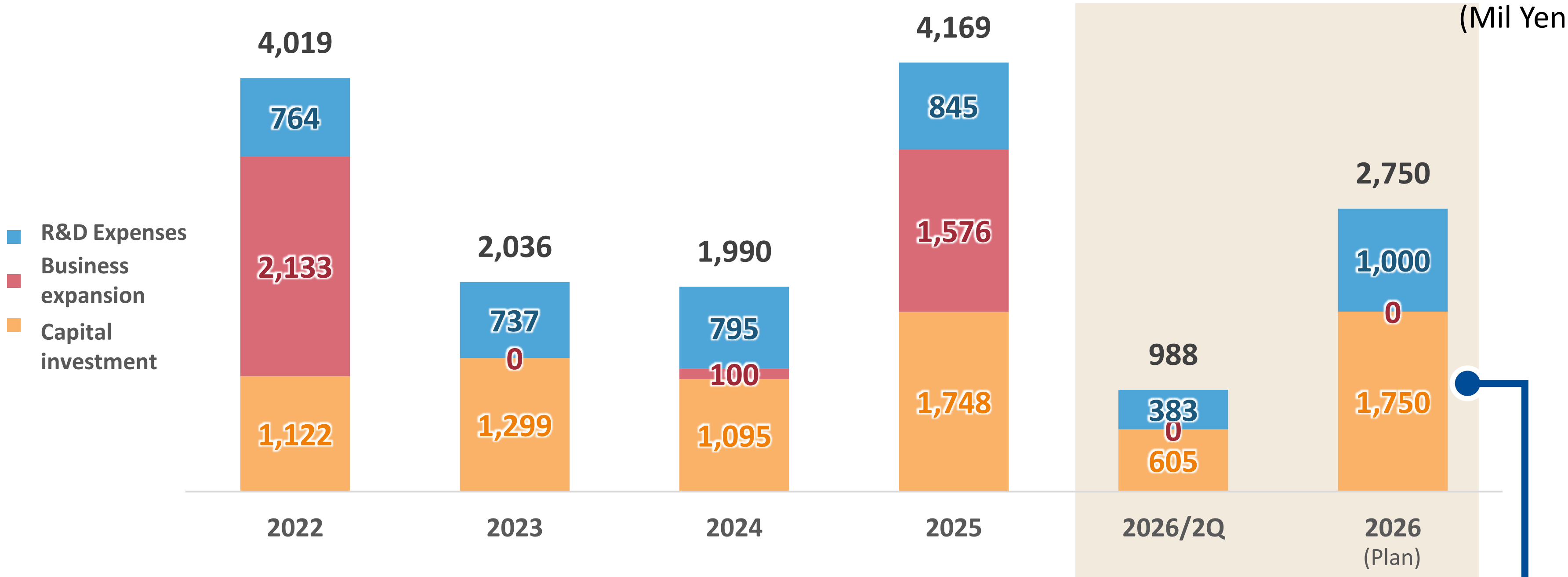


Medical

The Company is proceeding with the reorganization of our product portfolio to enable a strategic market response, while also working to build a stable revenue base.

Main market trends	Initiatives and future efforts	Change in order backlog
Development plans	Starting with the U.S. in 2024 and Thailand in June 2026, the Company has obtained overseas patents for "High purity bio-soluble magnesium for medical use." Other countries are scheduled to obtain it sequentially. 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.	

Growth Investment



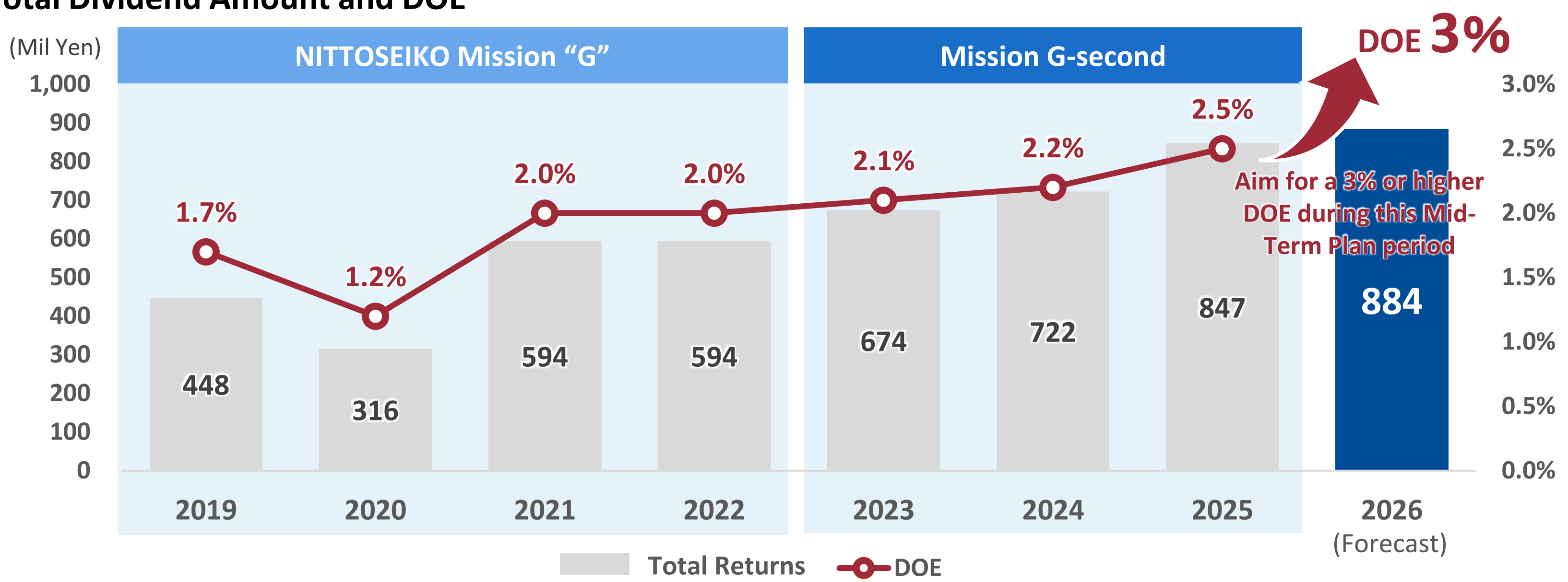
Area	2025 Result	2026 Plan
R&D Expenses	• Organic Solvent Recycling Business →	
Improved productivity/ Enhanced quality/ Reduced CO_2 emissions	• Structural Renovation of the Fastener Factory • Automatic Flange Welding Machine • Tokyo Branch Relocation Construction	• Installation of Automatic Cleaning Machines and Building Expansion (Shinwa Seiko) • Solar Panels (Domestic subsidiary) • Yata Plant Special High-Voltage Power Receiving Facility Upgrade <Third Phase>
Business expansion	• Acquisition of Indian Special Cold Forged Parts Manufacturer	

Shareholder Returns

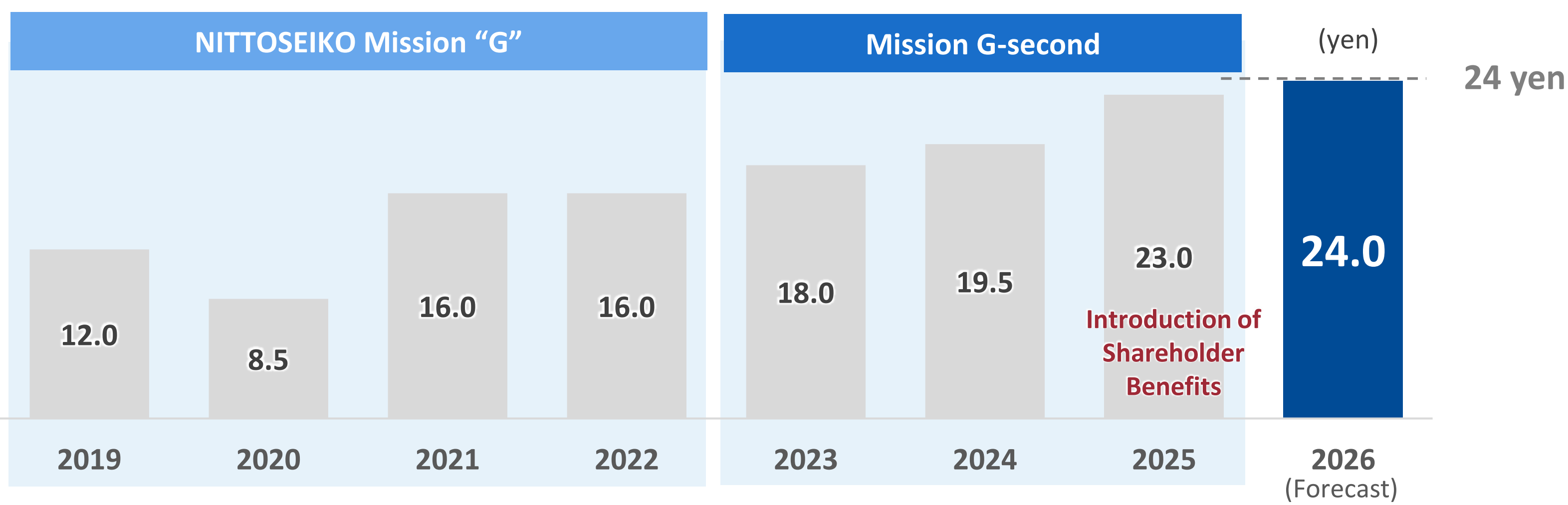
NITTOSEIKO

During the Mid-Term Plan period, a progressive dividend policy with a minimum of 24 yen per share will be implemented, aiming for a dividend payout ratio (DOE) of 3% or higher by 2028.

Total Dividend Amount and DOE



Annual Dividend Per Share

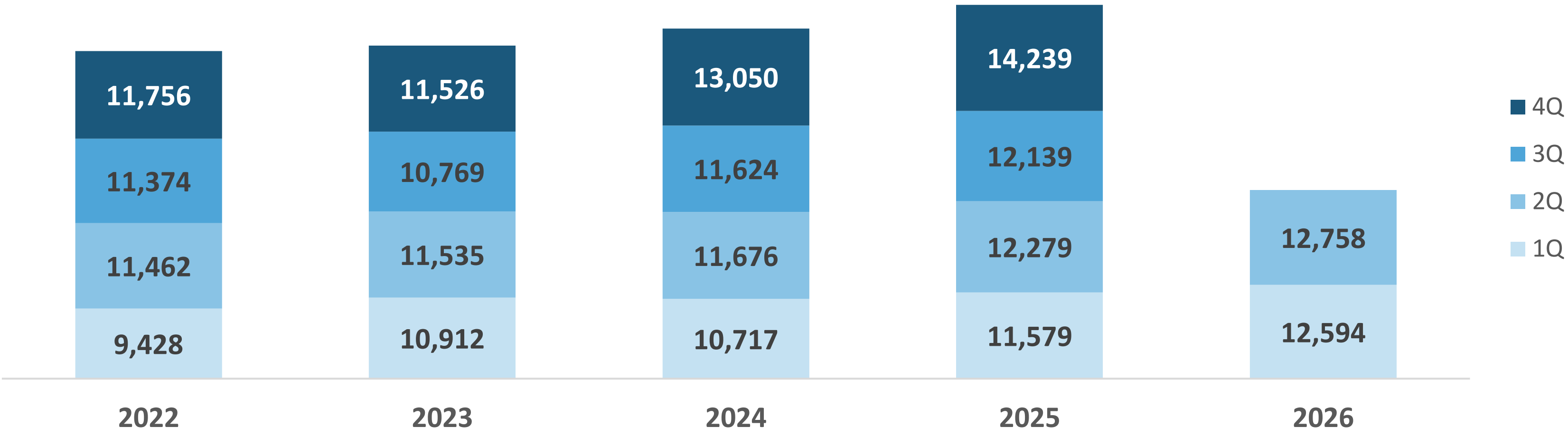


5. Appendix

Quarterly Performance Trends

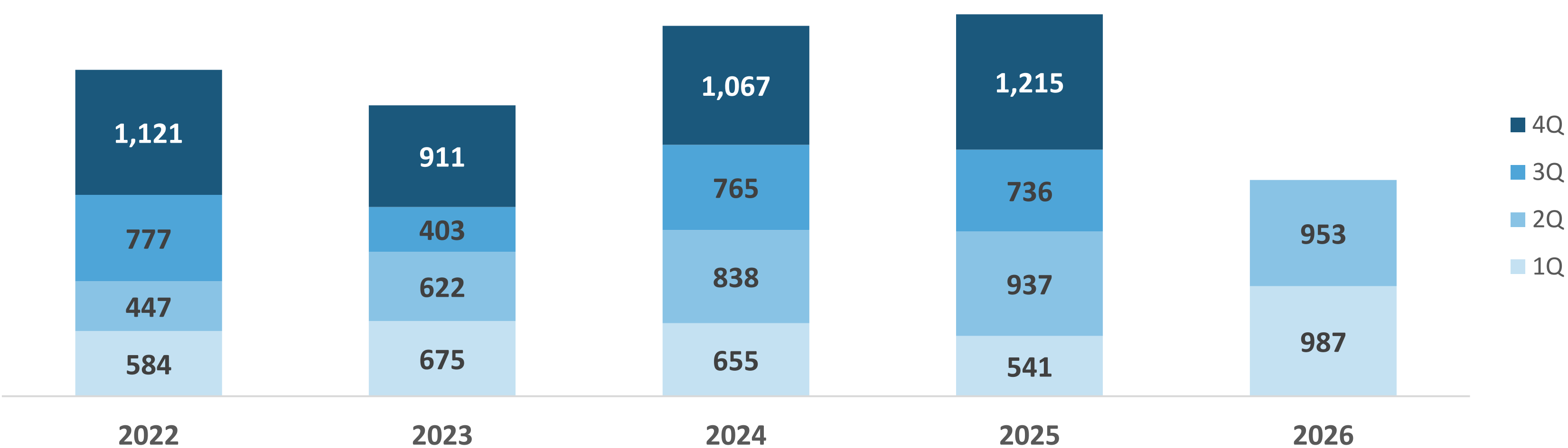
Net Sales

(Million Yen)



Operating Income

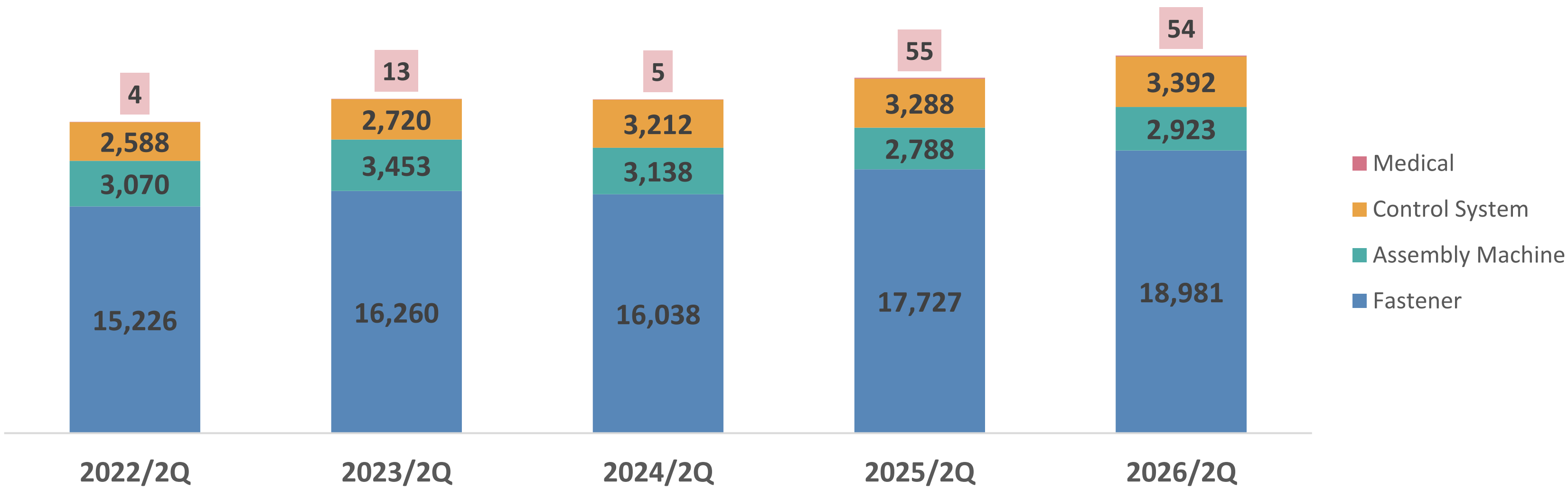
(Million Yen)



YoY Comparison of Segment Performance

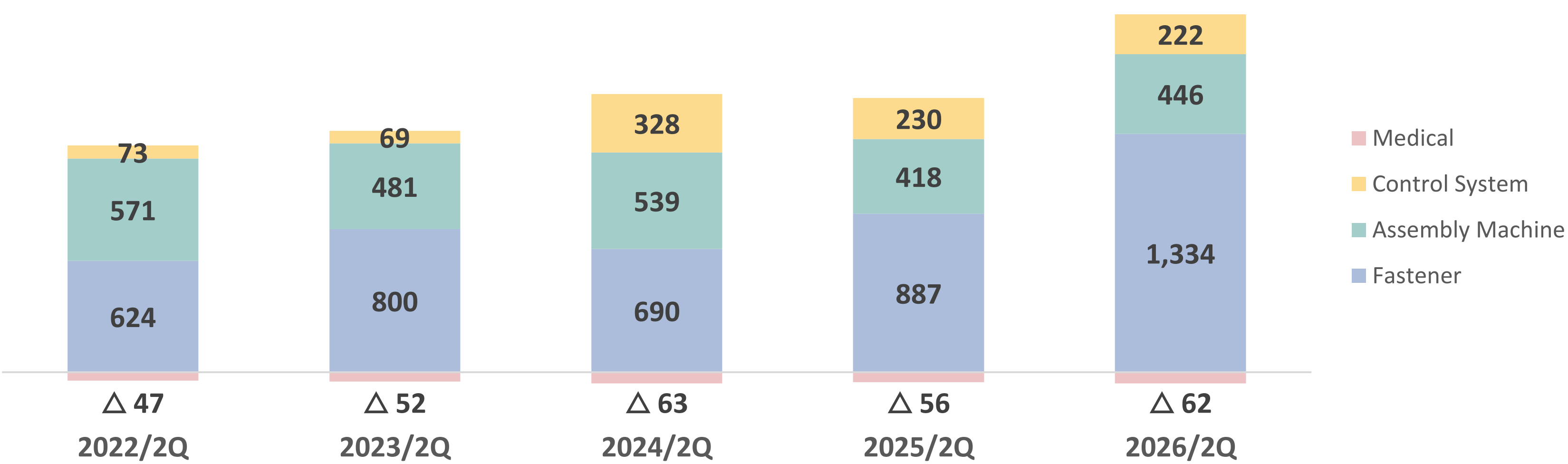
Net Sales

(Million Yen)



Operating Income

(Million Yen)



Consolidated Balance Sheet

NITTOSEIKO

Shortening accounts receivable and accounts payable cycles and utilizing group finance (CMS) have helped streamline the balance sheet.

(Mil Yen)

	FY2025/4Q Amount	FY2026/2Q Amount	YoY Amount change
Total current assets	**35,850**	**35,454**	**△ 395**
Cash and deposits	10,493	10,728	235
Accounts receivable	12,477	11,614	△ 863
inventory	11,753	12,387	634
Total non-current assets	**21,822**	**21,816**	**△ 6**
Property, plant and equipment	15,661	15,542	△ 118
Intangible assets	1,082	1,007	△ 75
Investments and other assets	5,078	5,266	187
Total assets	**57,673**	**57,270**	**△ 402**
Total current liabilities	**11,833**	**10,776**	**△ 1,056**
Accounts payable	7,101	6,154	△ 946
Short-term borrowings	1,714	1,271	△ 443
Total non-current liabilities	**4,837**	**4,480**	**△ 356**
Long-term borrowings	962	696	△ 265
Total liabilities	**16,670**	**15,257**	**△ 1,413**
Share capital	3,522	3,522	—
Capital surplus/Retained earnings	32,208	32,969	760
Treasury shares	△ 1,746	△ 1,752	△ 5
Total net assets	**41,002**	**42,013**	**1,010**

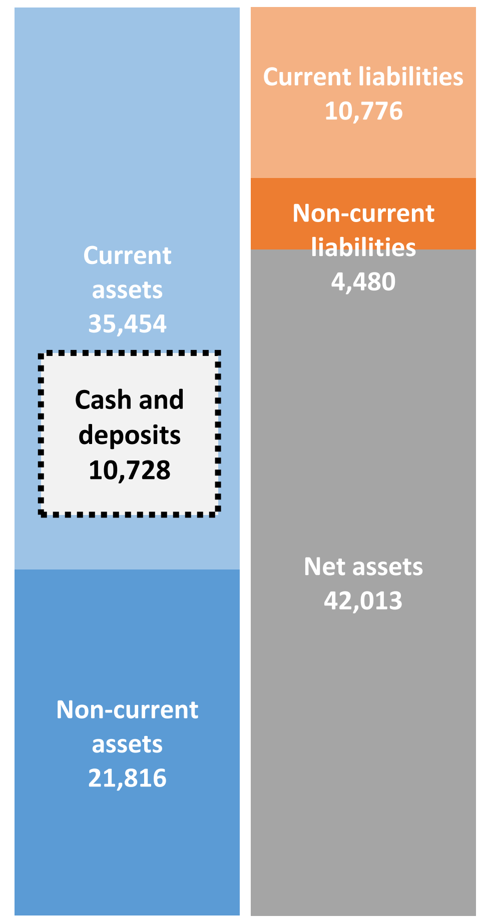
Accounts Receivable △863
(Shortening of Collection Sites)
Inventory +634
(Results from increased orders)

Tangible Fixed Assets △118
(Depreciation, etc.)
Goodwill △61
(Indian Subsidiary, etc.)

Accounts Payable △946
(Shortening Payment Cycle)
Short-Term Debt △443
(Repayment Using a CMS)

Long-Term Debt △265
(Repayment Using a CMS)

FY2026/2Q



Total Assets 57,270
(YoY △402)

Consolidated Cash Flow Statement

NITTOSEIKO

Due to an increase in cash flow from investing activities, free cash flow turned positive, allowing the Company to repay its loans through financing activities.

(Mil Yen)

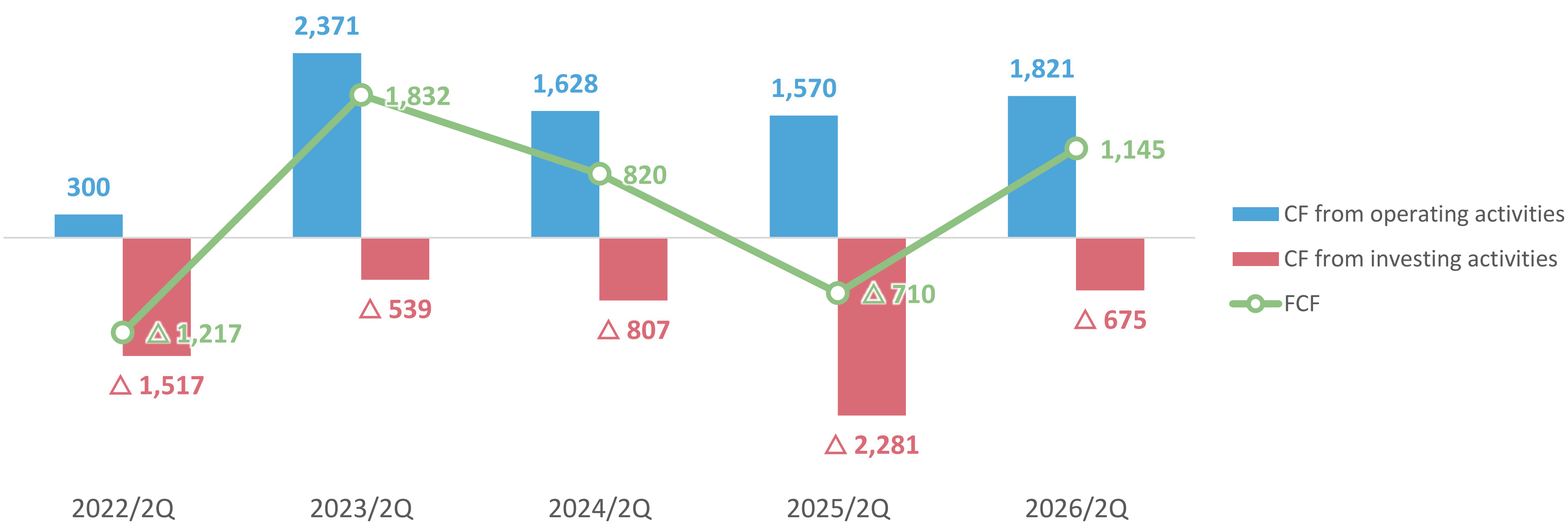
	FY2025/2Q	FY2026/2Q	
	Amount	Amount	Amount change
CF from operating activities ※①	**1,570**	**1,821**	**250**
CF from investing activities ※②	**△ 2,281**	**△ 675**	**1,605**
(Free CF) ※①+②	**△ 710**	**1,145**	**1,855**
CF from financing activities	**384**	**△ 1,224**	**△ 1,609**
Net increase (decrease) in cash and cash equivalents	△ 470	53	523
Cash and cash equivalents at beginning of period	9,604	9,430	△ 174
Cash and cash equivalents at end of period	9,134	9,483	349

Acquisition of Shares in a Subsidiary+1,565
(Acquisition of an Indian Subsidiary the Previous Year)

Sale of Investment Securities+67
(Sale of Shares Held by a Subsidiary)

Decrease in Interest-Bearing Debt △704
(Repayment Using a CMS)

Dividend Payments △479



Improve PER

Strengthening Disclosure and Governance, Dialogue with Investors

NITTOSEIKO

Strengthening Disclosure and Governance

	2022	2023	2024	2025

IR Initiatives

- Publish video and minutes of financial results briefings on the financial results website
- Information disclosure through integrated reports (increased pages from 2023)
- Factory Tour
- Global website released

The Company's plan is to increase communication with investors and disclose non-financial information, a source of value creation, to raise expectations for future growth (and reduce the cost of capital).

Governance

- Release of the Skills Matrix
- Executive Training
- New stock compensation plan (linked to the Mid-term Plan)
- Transition to headquarters system to strengthen group management
- Establishment of human rights policy and procurement guidelines

The Company intends to build a management structure that is more committed to its business strategy.

Dialogue with Investors

	2024	2025	2026 (Plan)
Financial Results Briefing for Institutional Investors	2	2	2
Briefing for Individual Investors (Online, Neighboring regions)	2	2	3
IR Factory Tour	2	3 (held by the company for shareholders, hosted by investment firms)	Planned

Requests from Investors	NITTOSEIKO Company Response
I would like a factory tour.	Factory tour for institutional investors was held in April 2024.
I would like to receive detailed explanations about the business outlook and information about the changes in the backlog of orders.	Supplementary materials and financial results briefing materials were added sequentially.
Balance sheet tightening may be needed.	Reviewing fixed assets and real estate, reducing receivables and payables, and reducing capital through share buybacks.

Changes in Share Structure

Increased liquidity due to dissolution of cross shareholdings, introduction of shareholder benefits and enhanced investor relations activities

the number of shareholders	End of FY2022	End of FY2025
	5,982	11,581

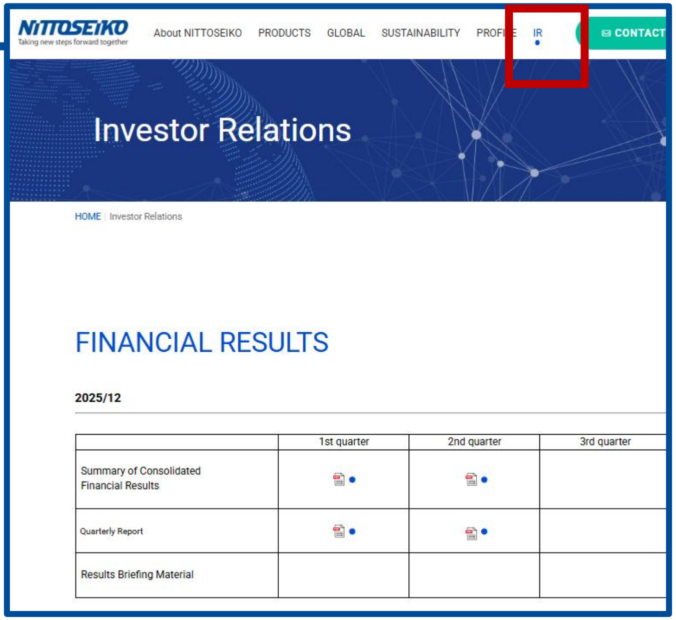
Approximately doubled over 3 years

Management Approach

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.

Website IR Page

https://global.nittoseiko.com/ir.html



IR contact form

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Contact point for IR interviews

https://sharedresearch.jp/en/companies/5957

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