

# Quarterly Report Q1 for the fiscal year ending December 2023

May 12<sup>th</sup>, 2023

Nittoseiko Co., Ltd.

(Issue code: Tokyo Stock Exchange Prime 5957)



March 2022:  
Selected as a  
Health  
Management  
Brand for the  
second  
consecutive year.

March 2022:  
Selected as a  
Nadeshiko  
Brand for the  
first time.

# Highlight of Q1 consolidated result for the fiscal year ending December 2023

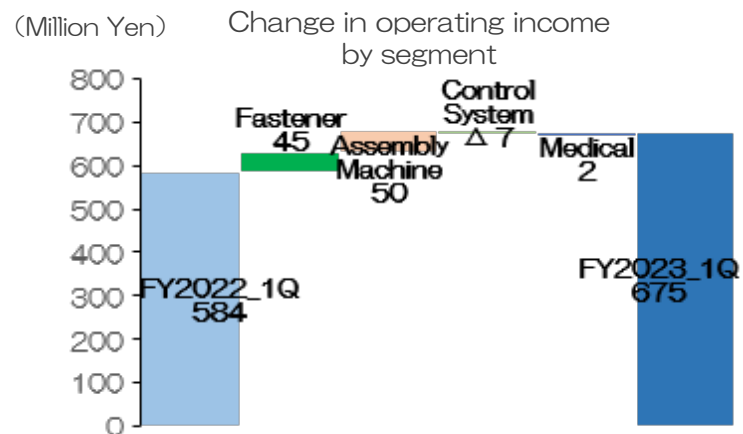
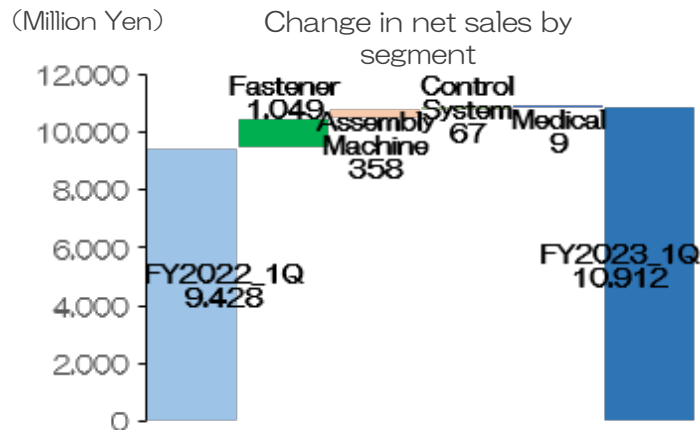


Unit: Million yen / %	Q1 fiscal year 2022		Q1 fiscal year 2023		YoY	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount change	% Change
<b>Net sales</b>	9,428	100.0	<b>10,912</b>	100.0	1,484	15.7
Gross profit	2,252	23.9	2,517	23.1	265	11.8
Selling, general and administrative expenses	1,667	17.7	1,841	16.9	174	10.5
<b>Operating income</b>	584	6.2	<b>675</b>	6.2	91	15.6
<b>Ordinary income</b>	665	7.1	<b>748</b>	6.9	82	12.4
Net income for current period before income taxes	665	7.1	733	6.7	67	10.2
Net income attributed to shareholders of the parent company	430	4.6	<b>439</b>	4.0	9	2.2
Net income per share (yen)	11.66		11.90			

- Sales increased 15.7% YoY due to the recovery of production mainly in the automobile-related industry, a major sales destination, and the consolidation of KM Seiko Co., Ltd. and Pinning Co., Ltd. as subsidiaries in April last year.
- Profit increased 15.6% YoY due to higher sales of semiconductor-related equipment in the high-margin assembly machine business, despite negative factors such as higher parts prices due to soaring resource and raw material prices.
- Despite orders remaining firm in Southeast Asia, sales remained flat overseas with sluggish orders in the U.S. and China.

# Net Sales and Operating Income by Segment (Consolidated) **NITTOSEIKO**

(Unit: Million yen / %)		Q1 fiscal year 2022	Q1 fiscal year 2023	YoY	
				Amount change	% Change
Fastener	Net sales	6,931	7,980	1,049	15.1
	Operating income	365	410	45	12.3
	Profit ratio	5.3	5.1		
Assembly Machine	Net sales	1,234	1,593	358	29.0
	Operating income	205	256	50	24.8
	Profit ratio	16.7	16.1		
Control System	Net sales	1,260	1,328	67	5.4
	Operating income	38	30	Δ7	Δ20.1
	Profit ratio	3.1	2.3		
Medical	Net sales	1	10	9	695.6
	Operating income	Δ24	Δ21	2	—
	Profit ratio	—	—		



# Overview of results by segment - Fastener Division

Unit: Mil yen/ %	FY2022 Q1	FY2023 Q1	YOY	
	Amount	Amount	Amount	% Change
Net sales	6,931	7,980	1,049	15.1
Automobile	2,515	3,020	504	20.1
Housing and construction	1,258	1,825	566	45.1
Electrical and electronic parts	1,267	1,192	△74	△5.9
Household goods	536	590	54	10.3
IT and digital equipment	334	336	2	0.7
Precision equipment	255	261	5	2.3
Medical	83	71	△11	△13.8
Energy sector	33	42	8	26.1
Others	650	644	△6	△1.2
Operating Income	365	410	45	12.3

- Both sales and profit increased due to strong demand in the core automobile and housing/construction sectors.
- Demand was strong in countries such as Malaysia and Indonesia.
- In addition to application in electric parts, “AKROSE” products will be horizontally expanded to other applications, with the aim of further increasing sales.

- ◆Automobile
  - Despite the lingering shortage of parts including semiconductors, demand remained strong for secondary processed parts in addition to screw products related to EVs and ECUs, such as “CP-GRIP” and “GIZATITE”.
  - Demand was also strong for new products such as “JOISTUD”, which help reduce the weight of automobiles.
- ◆Housing and construction
  - Sales increased significantly YoY due to strong demand for large-diameter bolts by subsidiary Kyoei Manufacturing Co., Ltd. and construction screws by K.M. Seiko Co., Ltd.
  - The Company will strive to expand sales and profit by enhancing industry-specific products, such as the new “SHARECROSS” for housing.
- ◆Electrical and electronic parts
  - Sales remained weak due to the shortage of semiconductors.
- ◆Household goods
  - Although there is a slowdown in game machines, sales remain steady with the contribution of bicycles and other screw products.

Unit: Mil yen/ %	FY2022 Q1	FY2023 Q1	YOY	
	Amount	Amount	Amount	% Change
Net sales	1,234	1,593	358	29.0
Automobile	870	704	△166	△19.1
Electrical and electronic parts	47	507	460	990.1
Energy sector	62	75	13	21.4
Amusement machine	49	39	△10	△21.5
IT and digital equipment	29	27	△1	△6.8
Housing and construction	36	25	△10	△30.3
Household goods	1	4	2	322.6
Others	140	212	71	50.4
Operating income	205	256	50	24.8

## ◆Automobile

- Despite domestic demand for equipment related to CASE and EV vehicles, and overseas demand for equipment for new models and new energy vehicles, orders were limited due to the prolonged shortage of semiconductors and sales remained sluggish.

## ◆Electrical and electronic parts

- Sales increased significantly due in part to the win of a large project from a major user.

## ◆Energy sector

- Demand for “Screw Driving Robots” and other products remained strong.

## ◆Amusement machine

- Sales were sluggish YoY despite demand for “Screw Robots” and “Multi-axis Screw Driving Machines” for renewal of production facilities.

- Both sales and profit increased despite a freeze in capital investment by customers in automobile and other sectors in response to the shortage of semiconductors.
- The Company will strive to win back further sales growth and profit by strengthening its product sales expansion system for labor-saving and environmentally friendly products.

# Overview of Results by Segment – Control System Division **NITTOSEIKO**

Unit: Mil yen/ %	FY2022 Q1	FY2023 Q1	YOY	
	Amount	Amount	Amount	% Change
Net sales	1,260	1,328	67	5.4
Chemical and pharmaceuticals	274	287	12	4.5
Energy sector	230	218	△12	△5.4
Housing and construction	127	148	20	16.2
Electrical and electronic parts	89	94	5	6.3
Ship building	71	82	10	15.2
Automobile	51	53	2	5.3
Medical	28	31	2	10.4
Others	390	415	24	6.4
Operating income	38	30	△7	△20.1

◆Chemical and pharmaceuticals  
 • Although affected by the shortage of semiconductors, demand for various analyzers and flowmeters remained strong.

◆Energy sector  
 • Despite demand for element meters and moisture meters, sales declined slightly due to shortage of parts and materials.

◆Housing and construction  
 • “GEOKARTE IV” performed well mainly due to end-of-year rush demand.

◆Electrical and electronic parts  
 • Demand for analyzers and other equipment remained flat, despite the backdrop of measures to reduce environmental impact.

◆Ship building  
 • Renewal of flowmeters is active due to stricter exhaust gas emission regulations for ships. Sales remained strong.

• Sales increased slightly due to steady demand for analyzers, flowmeters, and “GEOKARTE”.

• Operating income declined due to soaring raw material costs and a temporary increase in expenses for the establishment of a German subsidiary. The Company will strive to quickly improve profitability through cost reductions and sales price revisions.

Unit: Mil yen/ %	FY2022 Q1	FY2023 Q1	YOY	
	Amount	Amount	Amount	% Change
Net sales	1	10	9	695.6
Medical	1	10	9	695.6
Others	—	—	—	—
Operating income	△24	△21	2	—

## ◆Medical

- As the voluntary restraint on visits to medical institutions is being eased, the Company is expanding sales channels for “FREELED” through medical equipment sales companies. While pursuing measures to meet strict cost pressures, the Company is expanding sales while considering the development of new products.
- In the area of “high purity bio-soluble magnesium material for medical use,” the Company will continue to focus on the development of manufacturing facilities, the production of samples for non-clinical testing, and performance testing in preparation for the launch of the product.