

# Quarterly Report Q1 for the fiscal year ending December 2021

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May 12<sup>th</sup>, 2021  
Nittoseiko Co., Ltd.  
(Securities Code 5957 in the First Section of  
the Tokyo Stock Exchange)

# Highlight of Q1 consolidated result for the fiscal year ending December 2021

Unit : Millions of yen/%	Q1 fiscal year 2020		Q1 fiscal year 2021		YoY	
	Yen	Share (%)	Yen	Share (%)	Amount	%
Net sales	8,149	100.0	9,684	100.0	1,534	18.8
Gross profit	1,825	22.4	2,334	24.1	509	27.9
SG & A expenses	1,430	17.6	1,666	17.2	235	16.5
Operating profit	394	4.8	668	6.9	273	69.2
Ordinary profit	383	4.7	746	7.7	363	94.9
Profit before income taxes	381	4.7	868	9.0	486	127.6
Profit attributable to owners of parent	227	2.8	448	4.6	221	97.7
Earnings per share	6.17		12.19			

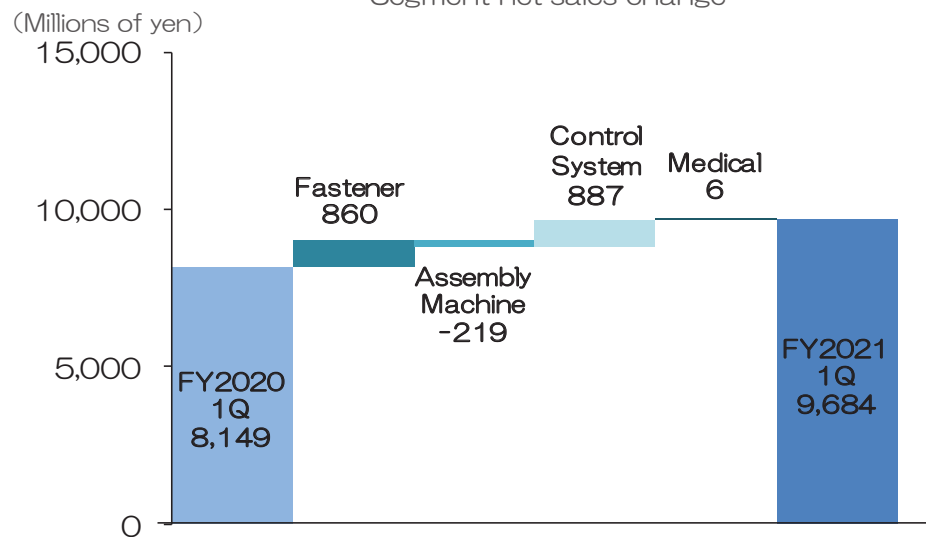
- Since fall last year, orders for screws have recovered, especially in the automotive industry. Although the effect in each overseas subsidiary varies, the overall growth continues to be strong. In addition, the acquisition of Nitto Seiko Analytech increased sales by 18.8%.
- Due to demand from staying at home (stay-at-home orders), there has been continuous growth in precision screws for games and PCs, which contributed to profit.
- In the assembly machine business, even though capital investment related to EVs and CASE continued during the Covid-19 pandemic, the overall uncertainty for the future has not eliminated the sense of surplus for facilities in Japanese and American companies, and sales has not yet recovered to pre-pandemic levels,

# Consolidated net sales and operating profit by segment

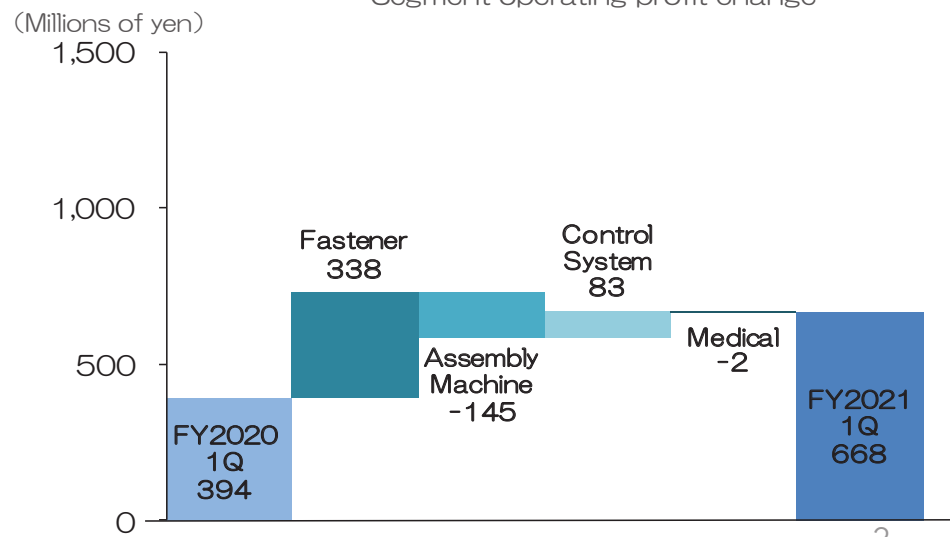


Unit : Millions of yen/%		Q1 fiscal year 2020	Q1 fiscal year 2021	YoY	
				Amount	%
Fastener Business	Net sales	6,088	6,948	860	14.1
	Operating profit	63	401	338	536.2
	Operating profit (%)	1.0	5.8		
Assembly Machine Business	Net sales	1,621	1,401	( 219 )	( 13.6 )
	Operating profit	356	210	( 145 )	( 40.8 )
	Operating profit (%)	22.0	15.1		
Control System Business	Net sales	432	1,319	887	205.4
	Operating profit	( 24 )	58	83	—
	Operating profit (%)	( 5.7 )	4.4		
Medical Business	Net sales	7	14	6	84.2
	Operating profit	0	( 2 )	( 2 )	—
	Operating profit (%)	0.9	( 15.0 )		

Segment net sales change



Segment operating profit change



Unit : Millions of yen/%	FY2020 1 Q	FY2021 1 Q	YoY	
			Amount	%
Net sales	6,088	6,948	860	14.1
Automobile	2,312	2,749	437	18.9
Electrical and electronic parts	1,053	1,286	233	22.1
Housing and construction	1,038	1,081	42	4.1
Household goods	464	498	34	7.3
IT and digital equipment	388	392	3	1.0
Precision Equipment	256	246	( 9 )	( 3.9 )
Medical	61	72	11	18.0
Energy sector	67	45	( 21 )	( 32.8 )
Others	448	577	128	28.8
Operating profit	63	401	338	536.2

- ◆Automobile
  - Sales of automotive batteries and ECU-related products are strong due to the increase in automobile production.
- ◆Electrical and electronic parts
  - Increased demand for computers due to telework and stay-at-home orders contributed.
- ◆Housing and construction
  - Although the number of housing starts decreased due to Covid-19, expansion of sales in home interior related parts and screws for construction markets contributed.
- ◆Household goods
  - Demand from stay-at-home orders continued to increase sales of various game machines. The sales of precision screws is also strong.
- ◆IT and digital equipment
  - Sales stayed strong, especially overseas, with increased demand for copy machines.

• Recovery was seen after production halt during the Covid-19 pandemic and growth is strong in the automobile self-tapping screws (electronic component, etc.) and special parts.

• Screws and parts related to new life-styles, such as transportation, are strong.

Unit : Millions of yen/%	FY2020 1 Q	FY2021 1 Q	YoY	
			Amount	%
Net sales	1,621	1,401	( 219 )	( 13.6 )
Automobile	1,018	927	( 90 )	( 8.9 )
Electrical and electronic parts	275	162	( 112 )	( 41.1 )
Energy sector	37	60	22	62.2
Housing and construction	54	29	( 25 )	( 46.3 )
Amusement machine	54	16	( 37 )	( 70.4 )
Medical	5	14	9	180.0
Precision Equipment	5	9	4	80.0
IT and digital equipment	15	7	( 7 )	( 53.3 )
Others	158	176	17	11.4
Operating profit	356	210	( 145 )	( 40.8 )

- Capital investment recovered around automobiles.
- Overseas, orders in the United States were low, but China and Thailand recovered and contributed to a certain amount of sales.

- ◆Automobile
  - Although capital investment related to EVs and CASE continued during the pandemic, sales in the United States is sluggish.
- ◆Electrical and electronic parts
  - Although we received orders for assembling devices of domestic appliances (white goods), orders are slow both domestically and internationally due to the pandemic.
- ◆Energy sector
  - Increased from orders for assembling devices related to storage batteries.
- ◆Housing and construction
  - Although we received orders for inspection devices of measuring instruments, capital investment related to housing is slow due to the pandemic.
- ◆Amusement machine
  - Capital investment of new machines is slow due to infection prevention measures.

Unit : Millions of yen/%	FY2020 1 Q	FY2021 1 Q	YoY	
			Amount	%
Net sales	432	1,319	887	205.4
Chemicals and pharmaceuticals	43	270	226	527.9
Energy sector	7	242	236	—
Housing and construction	99	118	18	19.2
Electrical and electronic parts	—	102	102	—
Automobile	9	83	73	822.2
Marine application	57	64	6	12.3
Medical	—	38	38	—
Food	23	21	( 1 )	( 8.7 )
Others	194	381	187	96.4
Operating profit	( 24 )	58	83	—

• Segment sales increased dramatically since last year due to the acquisition of Nittoseiko Analytech.  
There was also recovery in sales of high-value-added products such as geotechnical testing machines and component inspection devices.

- ◆Chemicals and pharmaceuticals
  - Sales of element measuring machines and moisture meters increased due to acquisition of Nittoseiko Analytech.
- ◆Energy sector
  - Sales of analytical equipment for the oil industry of Nittoseiko Analytech increased.
- ◆Housing and construction
  - Release of our new product ‘Geokarte IV’ in November last year increased replacement demand and propelled growth.
- ◆Electrical and electronic parts
  - Pretreatment device of IC and resistivity measuring instruments for electrical and electronic market at Nittoseiko Analytech contributed to sales.
- ◆Automobile
  - Capital investment started to recover since fall last year, and sales of component inspection device ‘Mistol’ increased.
- ◆Marine application
  - Orders for flow meters increased due to progress in development of environmentally-friendly model ships.

Unit : Millions of yen/%	FY2020 1 Q	FY2021 1 Q	YoY	
			Amount	%
Net sales	7	14	6	84.2
Medical	7	14	6	84.2
Other	—	—	—	—
Operating profit	0	( 2 )	( 2 )	—

## ◆Medical

- Business environment is unfavorable, such as the pandemic and restriction of visits to medical institutions, which affected orders.
- Options and new models are being developed for the medical illuminator 'FREELED', released in July last year, so it can be used in a diverse range of sites.
- We held a press release in February for our bio-soluble, high purity medical magnesium, and we are currently putting it into practical application for implants in fracture treatment.