



Material for 1H-FY2025
Financial Results
(Apr. 2025- Sep. 2025)

Cautionary Statement

This document includes forward-looking statements that reflect management’s current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions.

NIRECO

(Stock Code: 6863)
November 13, 2025

Business Performance

(Unit: JPY Million)

Financial Results & Plan

1H-FY24

1H-FY25

FY25(Plan)

Orders Received: 5,102
(-3% YoY)

5,018
(-2% YoY)

11,100
(+6% YoY)

Net Sales: 4,908
(+8% YoY)

5,051
(+3% YoY)

11,000
(+2% YoY)

Operating Profit: 788
(+47% YoY)

728
(-8%YoY)

1,850
(-3 %YoY)

Main objectives

- ◆ Expansion of markets
- ◆ Technological advances
- ◆ Shareholder returns

Achieve sustainable growth in any environment

◆ Expand & enhance business foundations

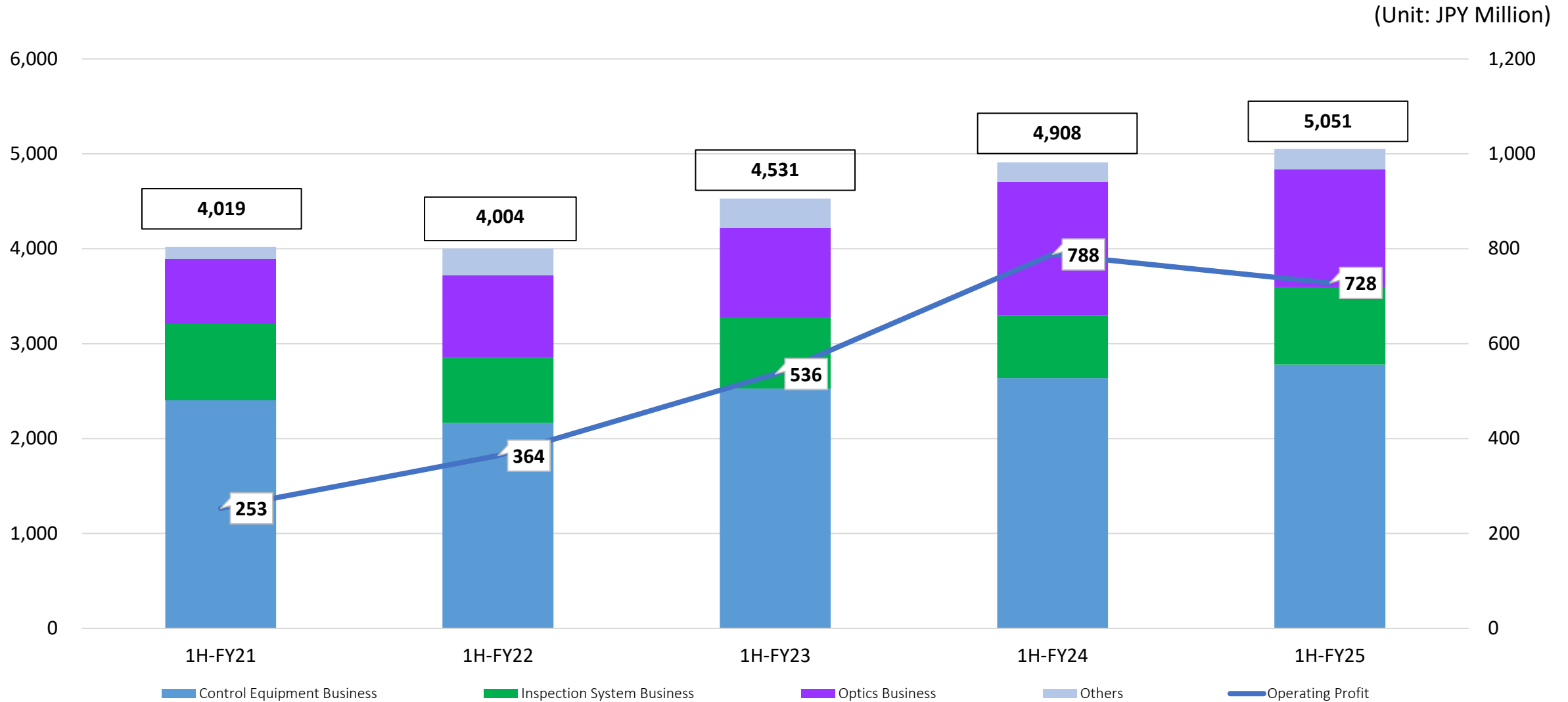
◆ Increase our competitive advantage

Main efforts of 1H-FY2025

- Initiatives for M&A to Drive Future Growth
- Improving Customer Engagement through the Opening of Measurement products Demo Room
- Development of New Products Leveraging Optical Technology

Consolidated dividend payout ratio of 45% or more and consolidated Dividend On Equity (DOE) capital ratio of 2.5% or more.

Net sales and operating profit



*Segment figures have been reclassified to reflect the merger of the former process and web control businesses into the control equipment business effective from the start of FY2024 , therefore, the chart shows past segments have been reclassified as well.

1. 1H-FY2025 Financial Results
2. Towards Sustainable Growth
3. Topics

1. 1H-FY2025 Financial Results (April 2025 - September 2025)



Consolidated Statement

- Sales: Achieved the highest half-year sales in history.
- Profit: Despite a decline in profits due to reduced earnings in the Optics business compared to the previous period, maintained a high profit margin.

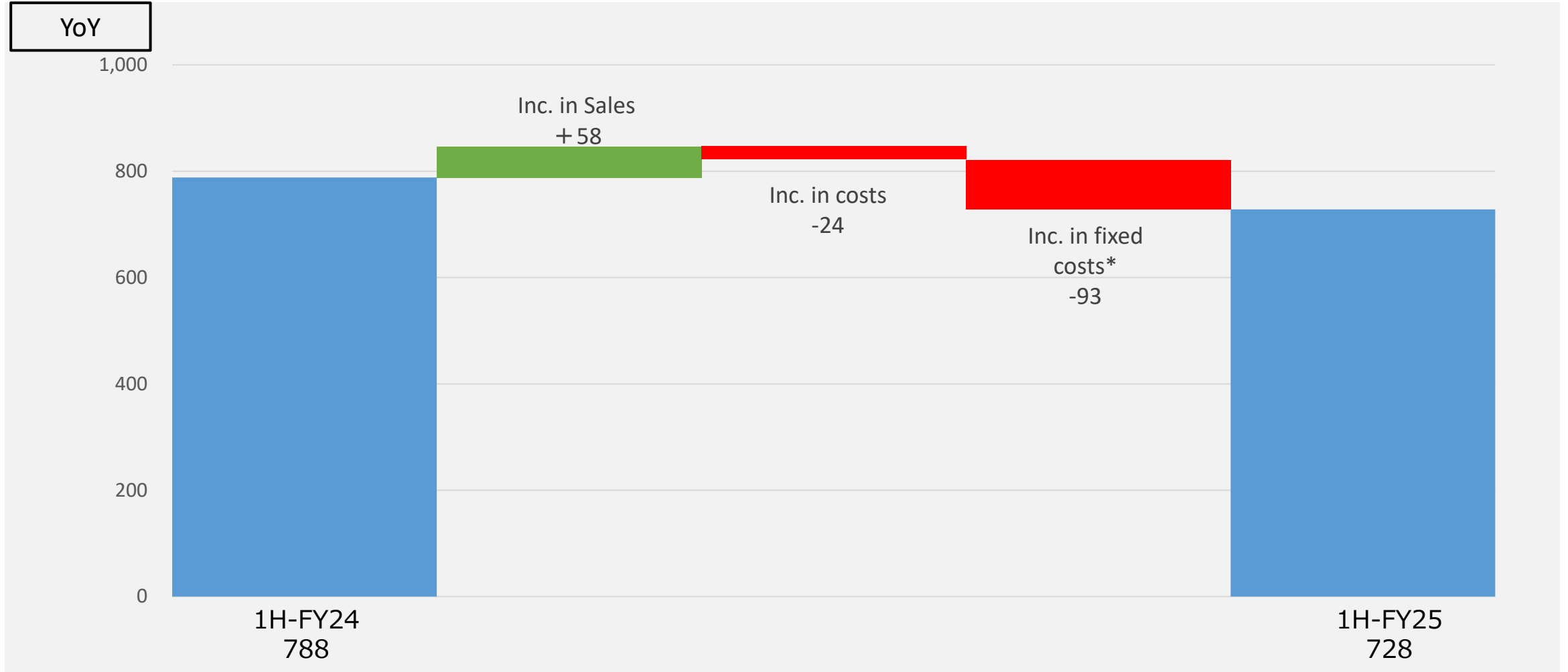
(Unit: JPY Million)

	1H-FY24	FY25		Rate of change	
		1H Initial Plan	1H Result	YoY	Vs to Plan
Orders received	5,102	5,080	5,018	-2%	-1%
Net sales	4,908	5,200	5,051	+3%	-3%
Operating profit	788	770	728	-7%	-5%
Operating profit margin	16.1%	14.8%	14.4%	-	-
Ordinary profit	845	830	758	-10%	-9%
Ordinary profit margin	17.2%	16.0%	15.0%	-	-
Profit attributable to owners of parent	550	600	502	-9%	-16%
Profit attributable to owners of parent margin	11.2%	11.5%	10.0%	-	-
Earnings per share (JPY)	74.54	80.94	67.81	-9%	-16%
Order backlog	5,648	5,528	5,130	-9%	-7%

Increase/ Decrease Factors in Operating Profit

- Despite higher sales, profits decreased YoY due to increased costs and fixed expenses

(Unit: JPY Million)



※Fixed costs = SG&A expenses

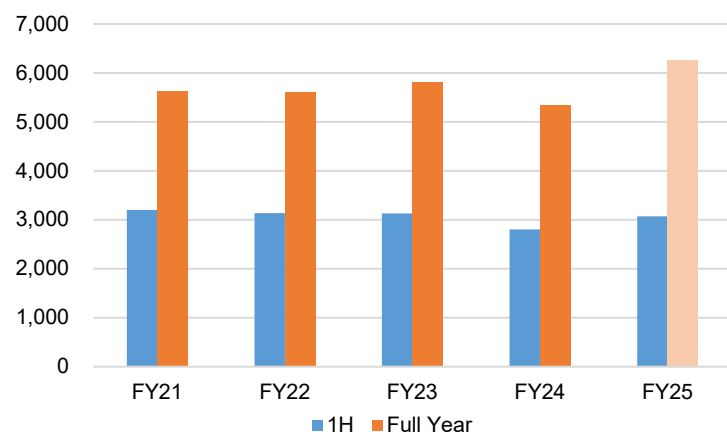
Control Equipment Business

- Steel and Nonferrous Metals: Sales and profits rose YoY, supported by investments in high-grade steel and environmental applications.
- Functional films & flexible packaging: Slight sales decline; profits fell following last period's strong performance.

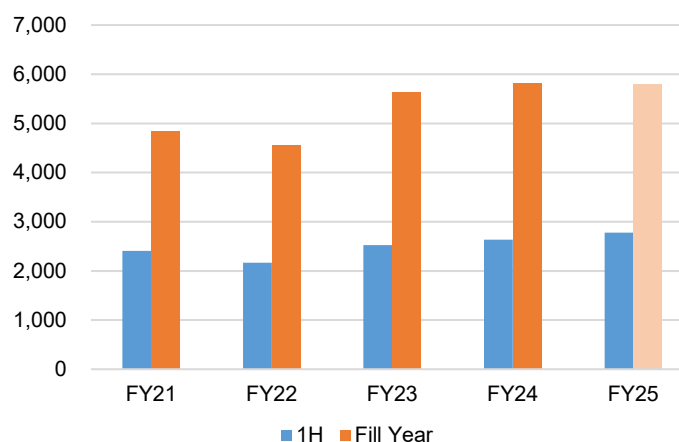
(Unit: JPY Million)

	FY24	FY25		FY25 plan	
	1H	1H	YoY	Full year	Progress rate
Orders received	2,806	3,072	+9%	6,250	49%
Net sales	2,638	2,779	+5%	5,800	48%
Segment profit	653	686	+5%	1,300	53%
Segment profit margin	24.8%	24.7%	-	22.4%	-

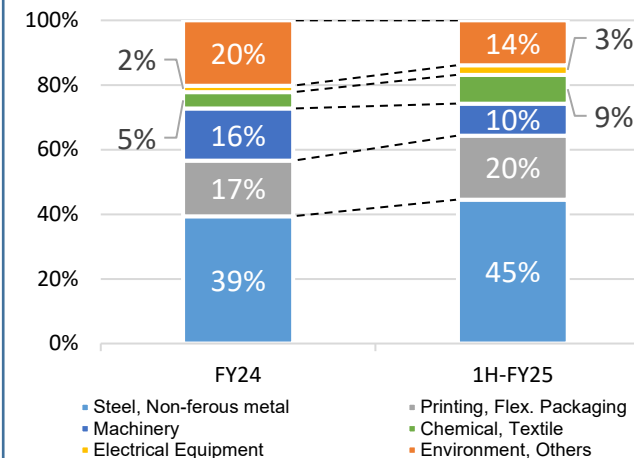
Transition of Orders Received



Transition of Sales



Sales Composition Ratio by Industries



Control Equipment Business: Sales Breakdown by Customer Segments

Steel and Nonferrous Metals

	FY24	FY25		FY25 plan	
	1H	1H	YoY	Full year	Progress rate
Orders received	1,666	1,651	-1%	3,500	47%
Net sales	1,284	1,482	+15%	3,250	46%
Segment profit	286	351	+23%	650	54%
Segment profit margin	22.3%	23.7%	-	20.0%	-

Functional films & flexible packaging

	FY24	FY25		FY25 plan	
	1H	1H	YoY	Full year	Progress rate
Orders received	1,140	1,420	+25%	2,750	52%
Net sales	1,353	1,296	-4%	2,550	51%
Segment profit	366	335	-9%	650	52%
Segment profit margin	27.1%	25.8%	-	25.5%	-

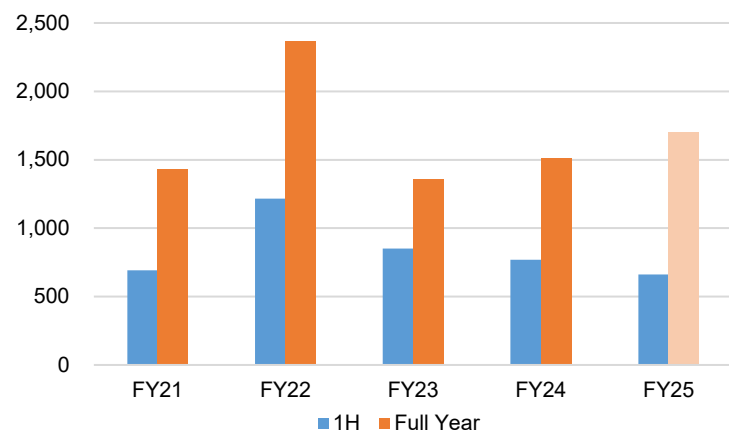
Inspection System Business

- Sales remained strong for both Surface inspection systems and food inspection systems. On the profit side, operating losses were reduced.
- In the battery sector, orders for Surface inspection systems decreased due to delays in customer plans. From 4th Quarter onward, measuring instruments from Ohyo Koken Kogyo Co., LTD. is going to be added.

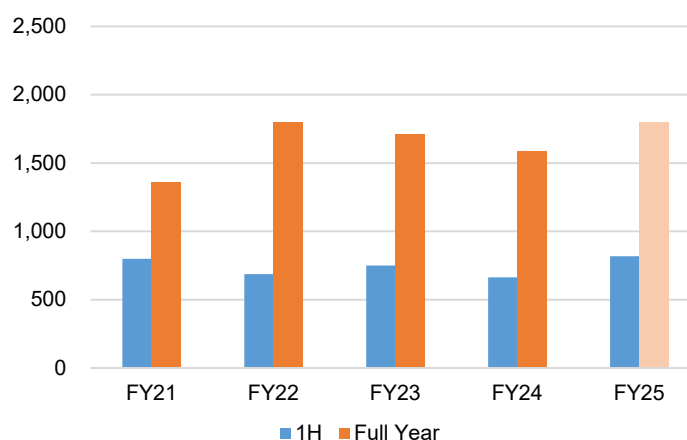
(Unit: JPY Million)

	FY24	FY25		FY25 plan	
	1H	1H	YoY	Full year	Progress rate
Orders received	770	662	-14%	1,700	39%
Net sales	663	817	+23%	1,800	45%
Segment profit	-63	-17	-	120	-
Segment profit margin	-9.6%	-2.1%	-	6.7%	-

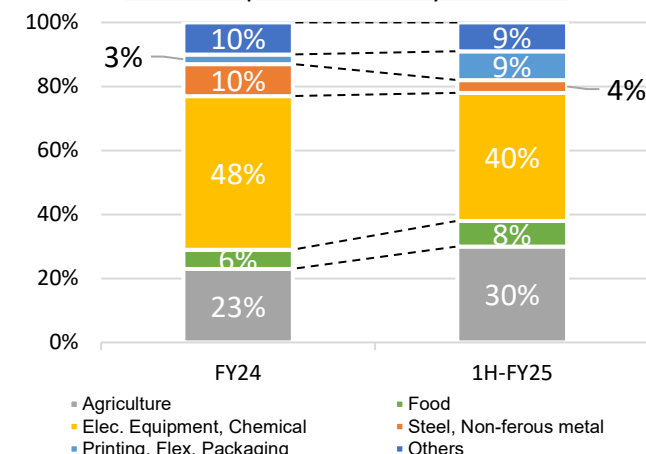
Transition of Orders Received



Transition of Sales



Sales Composition Ratio by Industries



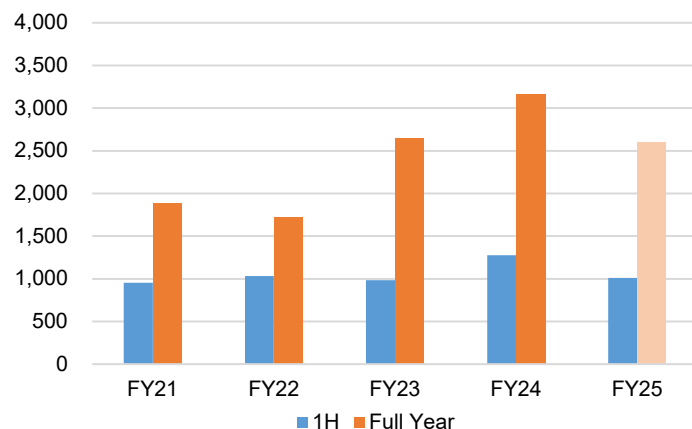
Optics Business

- Sales of optical components remained steady, but both sales and profits declined YoY due to changes in the product mix and decrease in laser equipment sales
- Due to the control of production capacity for optical components, the company accepted fewer orders. Forecasting the laser equipment orders in the 2nd half

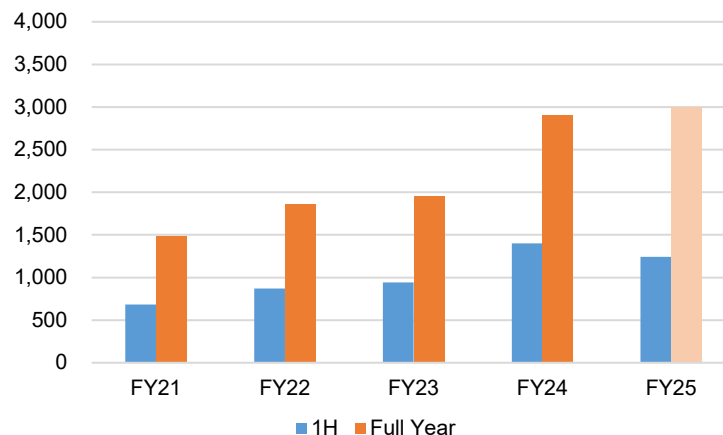
(Unit: JPY Million)

	FY24	FY25		FY25 plan	
	1H	1H	YoY	Full year	Progress rate
Orders received	1,276	1,009	-21%	2,600	39%
Net sales	1,402	1,243	-11%	3,000	41%
Segment profit	526	424	-19%	1,100	39%
Segment profit margin	37.5%	34.2%	-	36.7%	-

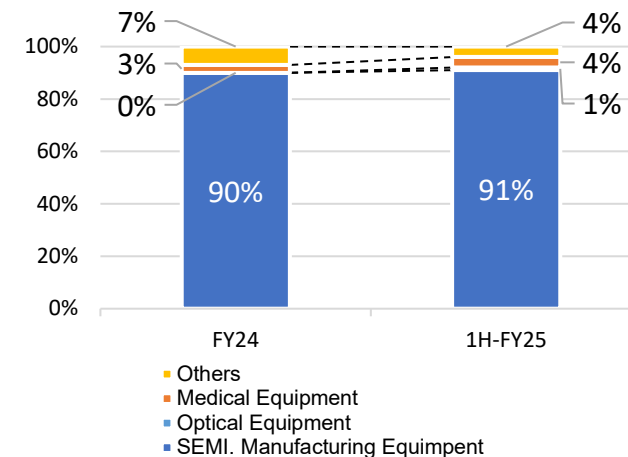
Transition of Orders Received



Transition of Sales



Sales Composition Ratio by Industries



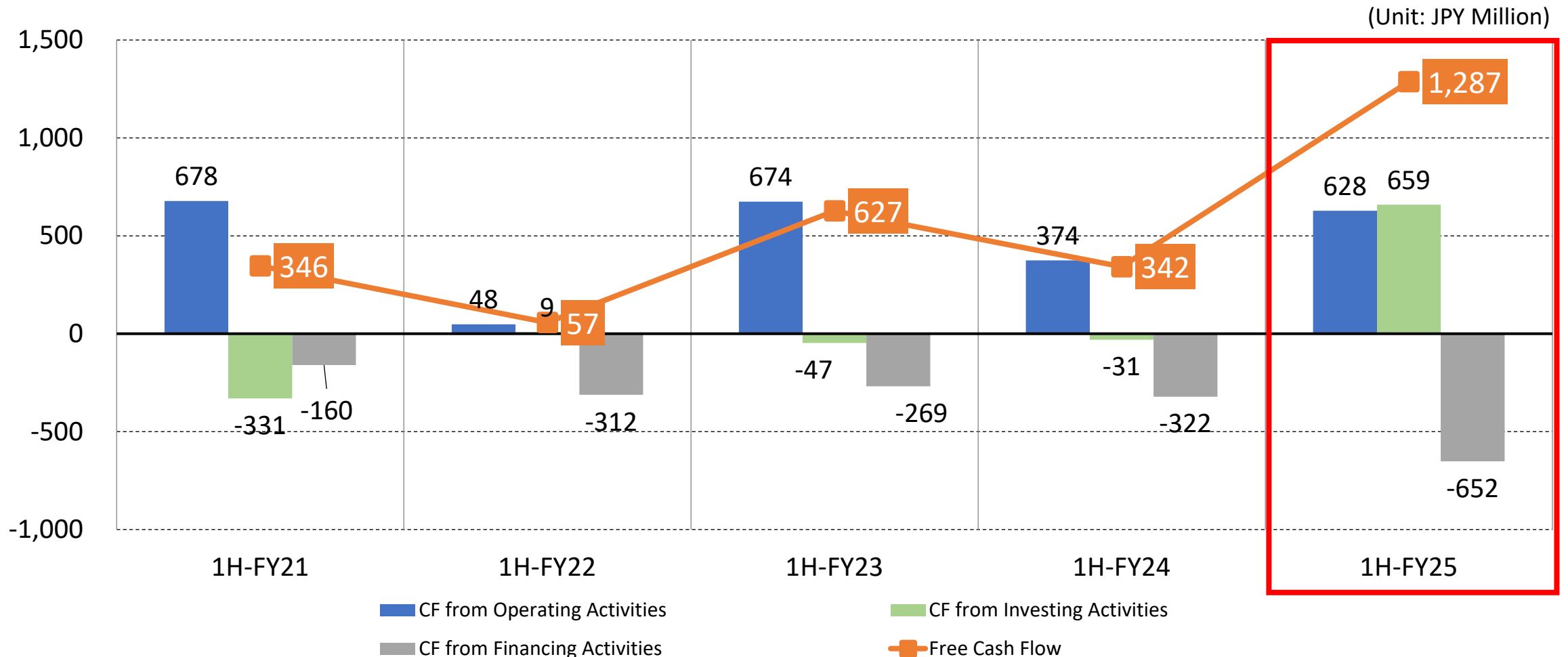
Balance Sheet

(Unit: JPY Million)

	End of FY24 (Mar. 31, 2025)		End of 1H FY25 (Sep. 30, 2025)		Change
Cash and deposits	4,815	24.9%	4,711	24.9%	- 103
Trade receivables	4,411	22.8%	3,849	20.3%	- 562
Inventories	3,915	20.2%	4,001	21.1%	+ 86
Other current assets	125	0.6%	140	0.7%	+ 15
Current assets	13,267	68.6%	12,703	67.1%	- 564
Property, plant and equipment	3,970	20.5%	3,957	20.9%	- 13
Intangible assets	100	0.5%	77	0.4%	- 23
Investments and other assets	2,014	10.4%	2,202	11.6%	+ 188
Non-current assets	6,084	31.4%	6,237	32.9%	+ 153
Total assets	19,352	100.0%	18,940	100.0%	- 412
Accounts payable - trade	506	2.6%	310	1.6%	- 196
Other current liabilities	1,446	7.5%	1,213	6.4%	- 233
Current liabilities	1,953	10.1%	1,525	8.1%	- 428
Non-current liabilities	605	3.1%	660	3.5%	+ 55
Total liabilities	2,558	13.2%	2,185	11.5%	- 373
Equity capital	16,580	85.7%	16,666	88.0%	+ 86
Total net assets	16,794	86.8%	16,755	88.5%	- 38
Total liabilities and net assets	19,352	100.0%	18,940	100.0%	- 412

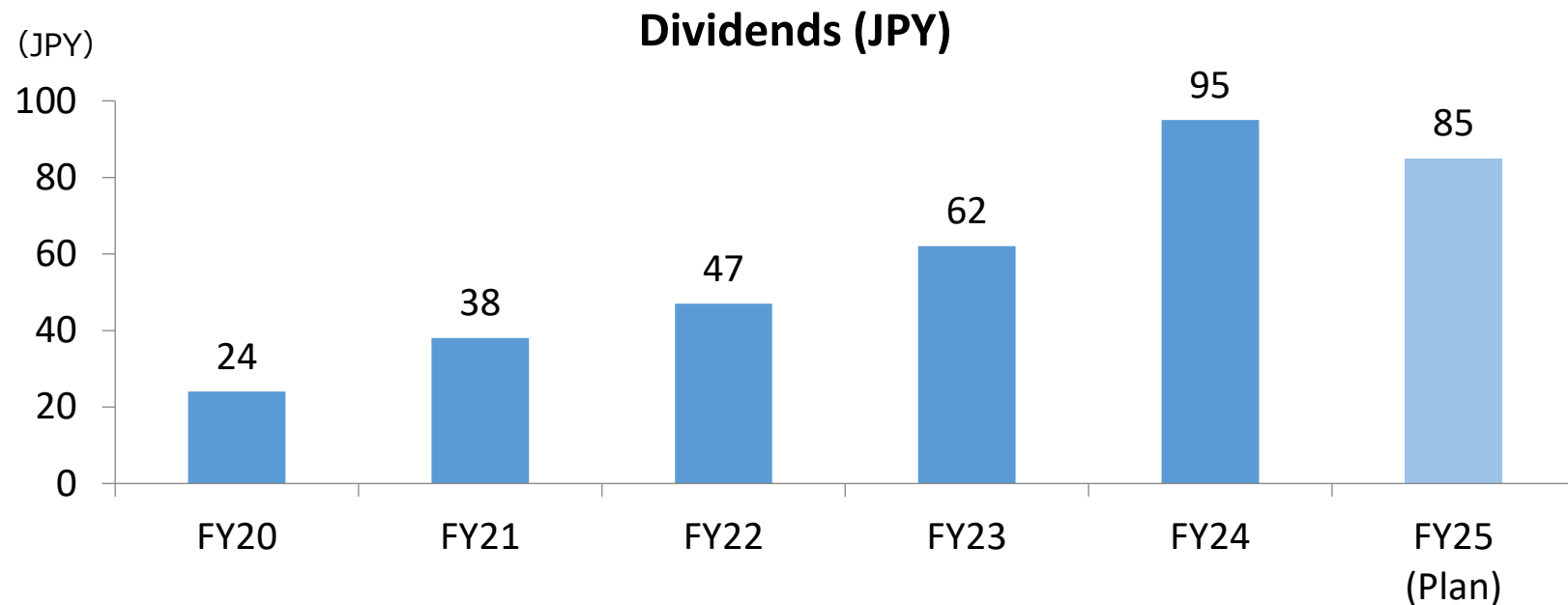
Cash Flows

Free cash flow surged, driven by pre-tax interim net income and the redemption of time deposits for the planned acquisition of Ohyo Koken Kogyo Co., LTD. shares.



Shareholders' Return (No change from initial plan)

Basic Policy : Consolidated dividend payout ratio of 45% or more and consolidated Dividend On Equity (DOE) capital ratio of 2.5% or more.



Net profit per share (JPY)	59.06	55.41	117.40	137.36	211.11	187.52
Dividends (JPY)	24	38	47	62	95	85
Dividend Payout Ratio (%)	40.6	68.6	40.0	45.1	45.0	45.3
DOE	1.3%	2.0%	2.4%	3.0%	4.3%	3.7%

Shareholders' Return: Acquisition of treasury shares

To enhance capital efficiency and strengthen shareholder returns after the previous buyback attempt fell short, the company resolved to repurchase its own shares on November 13, 2025.

(1)	Class of shares to be acquired	Common Shares of the company
(2)	Total number of shares to be acquired	300,000 (Maximum) (4.0% of the total number of issued shares (excluding treasury shares))
(3)	Total cost of acquisition	500,000,000 JPY (Maximum)
(4)	Acquisition period	From November 14, 2025 to February 27, 2026
(5)	Acquisition method	Open market purchase on the Tokyo Stock Exchange including Off-Auction Own Share Repurchase Trading (ToSTNeT-3)
(6)	Others	Decisions on all other matters necessary for the share repurchase shall be left to the President and Representative Director of the Company or a person designated by the President

2. Towards sustainable growth



Business Plan (Revision of Orders received from Initial Plan)

- Based on first-half results and the acquisition of Ohyo Koken Kogyo Co., LTD. into the group, the company reviewed the FY forecast and revised the order received outlook.
- Impact of integration will start in Q4 (three months); full consolidation from FY2026
- Focus: Stable earnings from control equipment; accelerate growth in inspection systems and optics

(Unit: JPY Million)

	FY24	1H-FY25	FY25 Plan	YoY	Progress rate
Orders received	10,465	5,018	11,100	+6%	45%
Net sales	10,756	5,051	11,000	+2%	46%
Operating profit	1,907	728	1,850	-3%	39%
Operating profit margin	17.7%	14.4%	16.8%	-	-
Ordinary profit	2,028	758	1,950	-4%	39%
Ordinary profit margin	18.9%	15.0%	17.7%	-	-
Profit attributable to owners of parent	1,562	502	1,390	-11%	36%
Profit attributable to owners of parent margin	14.5%	10.0%	12.6%	-	-
Earnings per share (JPY)	211.11	67.81	187.52	-11%	-
Order backlog	5,163	5,130	5,263	+2%	-

2H Business Direction

Control Equipment Business

- Profit Maximization: Strategic initiatives and sales expansion
- Target high-grade steel and non-ferrous metal manufacturers
- Accelerate global expansion via stronger partnership with IMS
- Promote environmentally friendly products, including E+L offerings

Inspection System Business

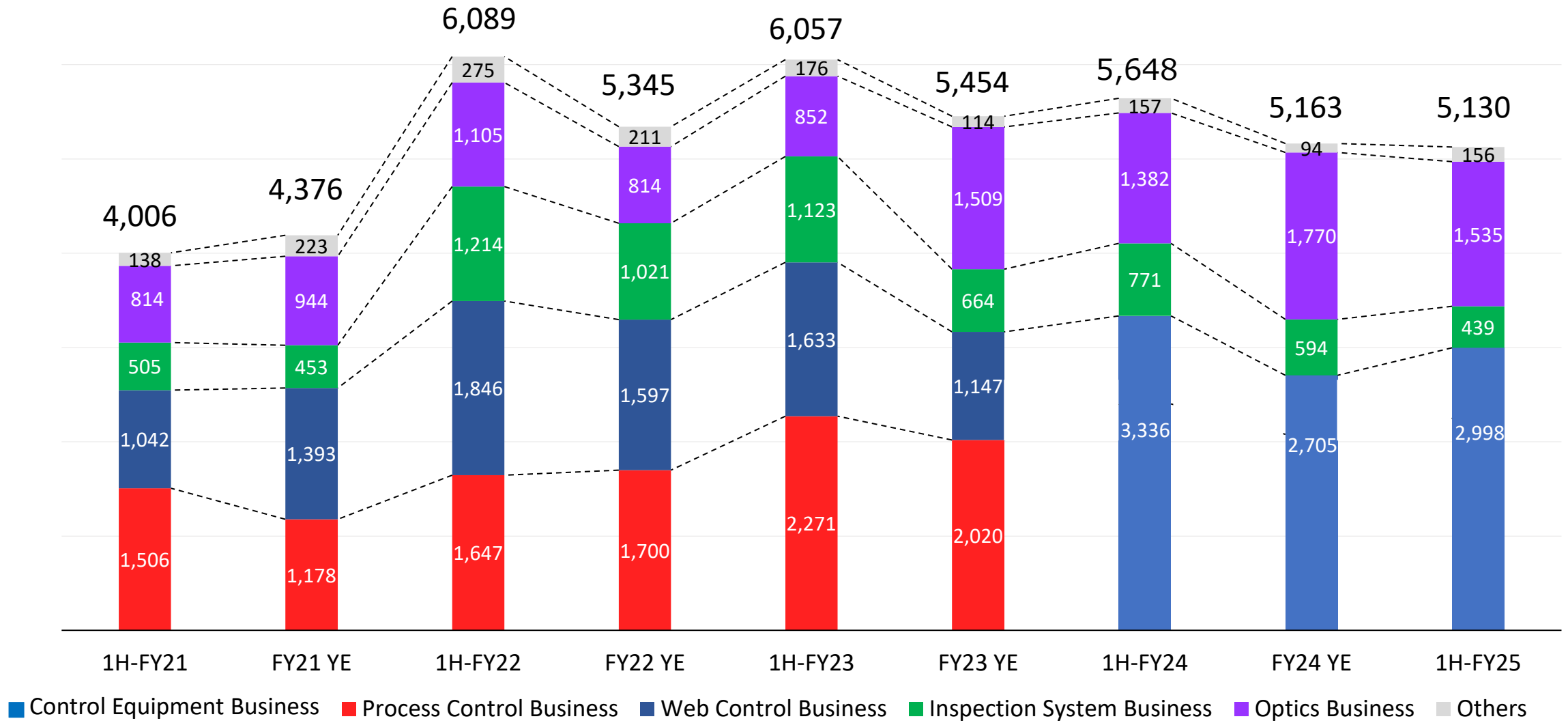
- Expansion of projects for electrode inspection equipment targeting the perovskite solar cell and secondary battery industries
- Technology development aimed at speeding up and enhancing surface inspection
- Promotion of new AI-based discrimination functions in the food inspection field
- Initiated collaboration with Ohyo Koken Kogyo Co., LTD.'s measurement business to expand sales channels

Optics Business

- Enhancing production capacity for optical components
- Laser products: Accelerate deployment for semiconductor and measurement markets
- Innovation: New products and manufacturing technologies for semiconductor miniaturization
- Group synergy: Quality improvement, productivity gains, and sales channel expansion

Order Backlog

(Unit: JPY Million)

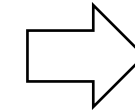


Main objectives for sustainable growth

Strengthen our group to enable growth in any environment

Expand our market presence

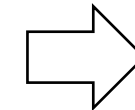
- Drive overseas expansion
- Strengthen Inspection system business and Optics business
- Exploit new fields of business through new-product development



**Expand & enhance
business foundations**

Technological advances

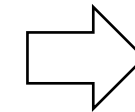
- Enhance image analysis technology for new product development
- Develop new products based on optical applications technology



**Enhance
competitive advantage**

Enhance organizational capabilities

- Improve profitability of existing businesses
- Maximize synergies by strengthening cooperation with the Group and outside partners
- Invest in human resources and infrastructure to strengthen competitiveness



**Reinforce
organizational base**

Mid-term Basic Policy

Focus on profit-oriented approach

Improve business efficiency and strengthen profitability of the Control Equipment Business Division, which has a stable business foundation

Promote growth of Inspection System business and Optics business

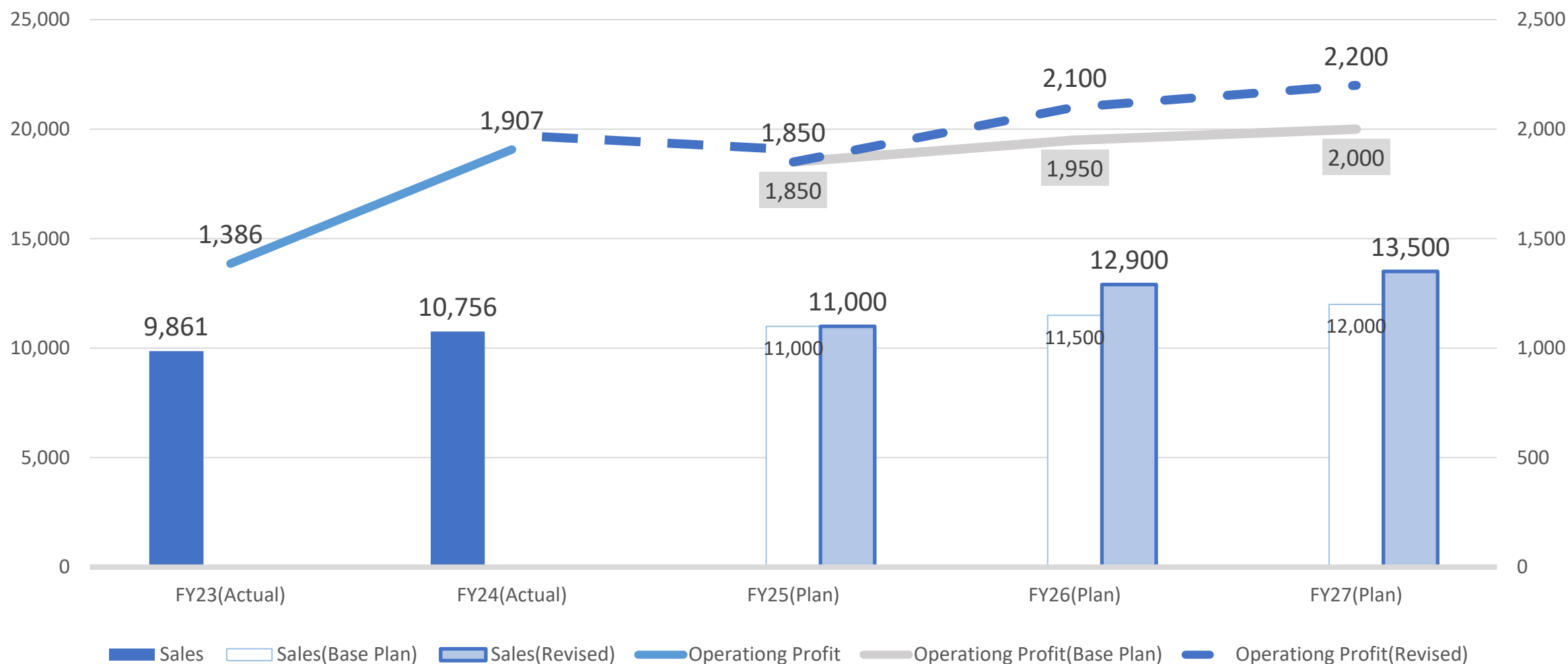
Improving the business environment and strengthening investment in people for future growth

Pursue opportunities for discontinuous growth, including M&A

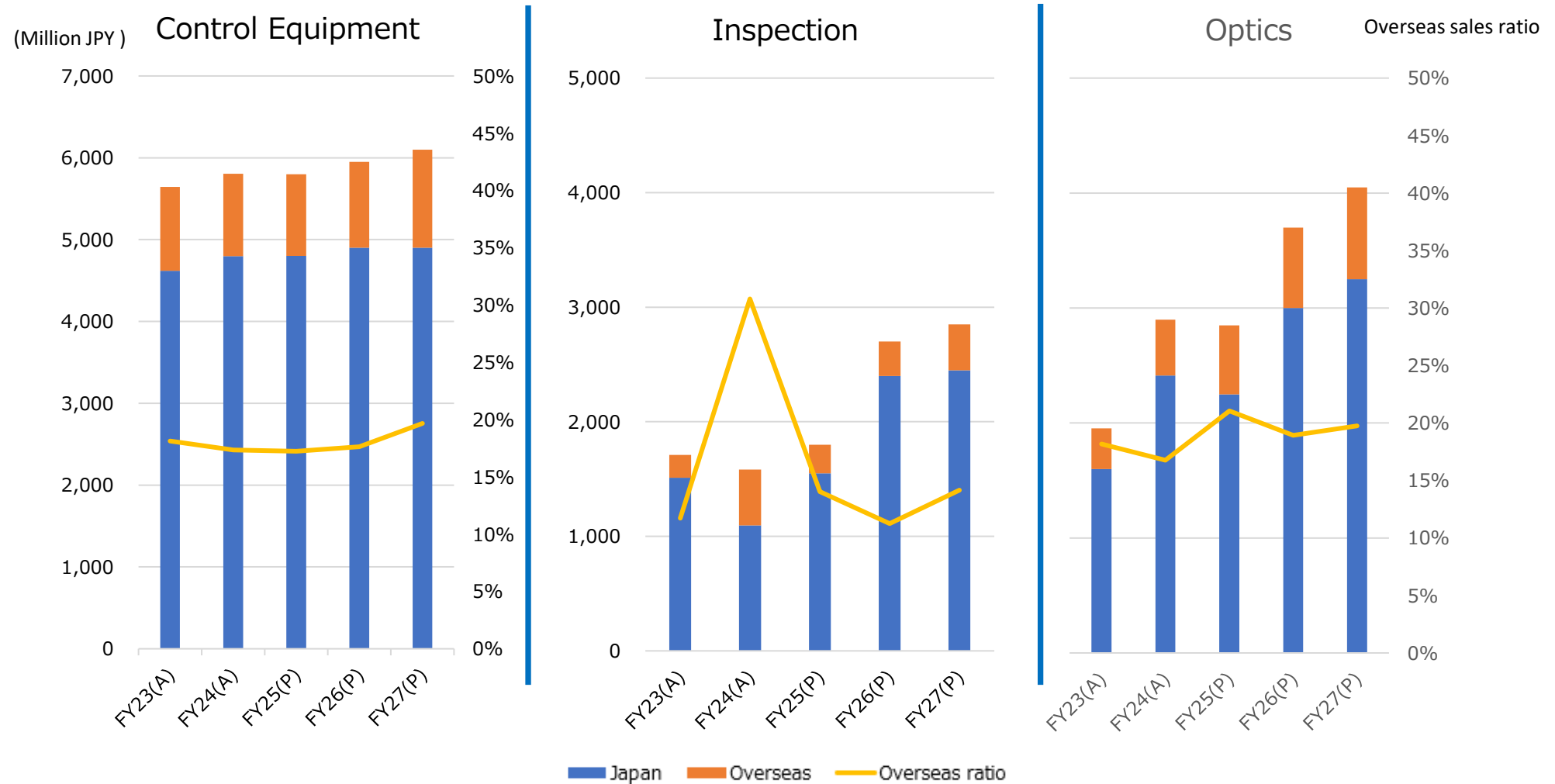
Medium-Term Plan

Update Due to Group Integration of Ohyo Koken Kogyo Co., LTD.

(Unit: JPY Million)



Mid-term targets (Combined Japan/overseas sales by business segment)



Action on Cost of Capital-Conscious Management

Nireco aims to improve its reputation in the stock market through the following measures, etc., with an awareness of its cost of capital and stock price.

(1) Strengthen profitability by restructuring the business portfolio

- Further promotion of growth in the inspection system business and optics businesses, which are positioned as growth businesses
=> **Boosting Momentum through Ohyo Koken Kogyo Co., LTD. Integration**
- Improve business efficiency through organizational changes, etc.
- Further reinforcement of synergies among business units and groups
- Continuation of measures to enhance profitability through cost reduction, reduction of defects, appropriate pricing, etc.
- Promote efficient online sales activities
- Strengthen overseas sales by strengthening alliances with external companies

(2) Revision of Earnings Distribution Policy

- Revision of Earnings Distribution policy in February 2024
Consolidated dividend payout ratio of 40% or more and consolidated dividend on equity (DOE) of 2% or more
=> **Consolidated dividend payout ratio of 45% or more and DOE of 2.5% or more**
- **Decided to improve capital efficiency and shareholder returns through share buyback in 2025.**

(3) Investment and Capital Policy

- Strengthen investment in growth businesses and new product development
- Strengthen digital investments to improve efficiency
- Continue to promote M&A
=> **Group Expansion: Keihin Coat Co., Ltd. (Oct 2024) and Ohyo Koken Kogyo Co., LTD. (Oct 2025); ongoing evaluation for future additions**

(4) Strengthen IR and PR activities

- Strengthen appeal to the stock market through more proactive IR and PR activities
=> **IR Report Prepared by Investment Bridge Co., LTD.**
- Provide easy-to-understand explanations of business activities and growth stories to individual investors
- Enhance opportunities for communication with shareholders and investors, including non-financial information

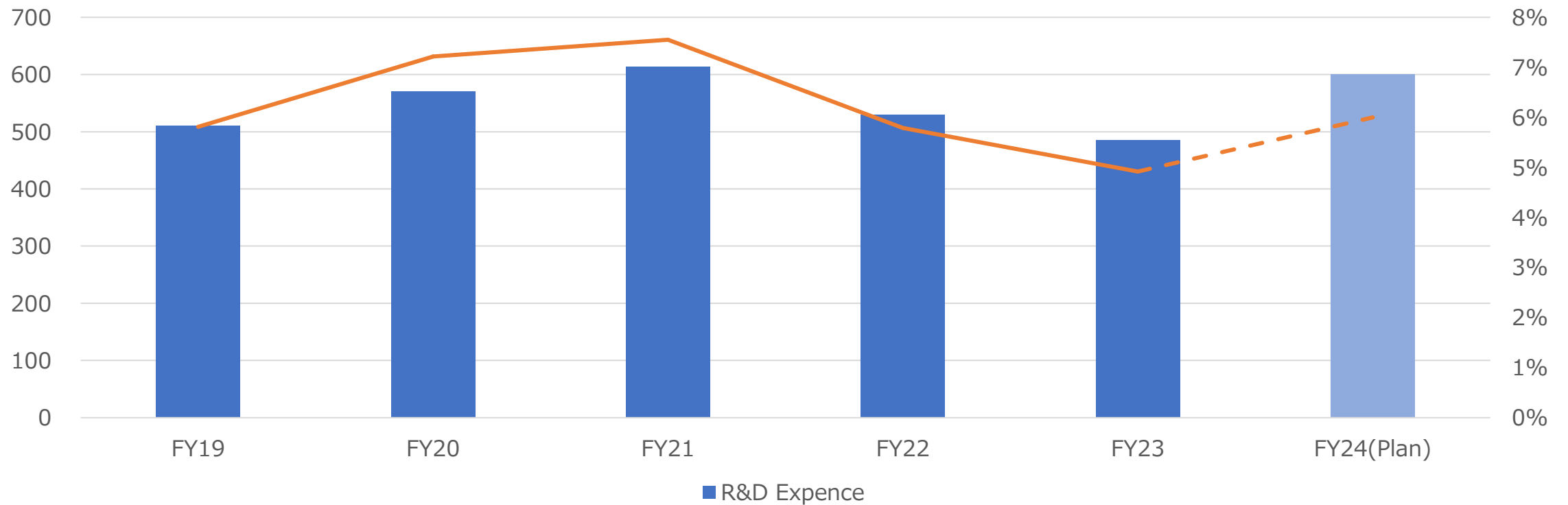
R&D

- Aiming to create a new revenue streams and accelerate development projects using our technology strengths.

Main development themes

- Development of next-generation image inspection systems
- Development of new products using laser technology
- Development of inspection and measurement equipment applying optic technologies
- Development through technical exchange with partners

(Unit: JPY Million)



3. Topics



- Preparation of the IR Report

The IR report by Investment Bridge Co., Ltd. was published and uploaded to the company's website and the Investment Bridge website to enhance investor communication. The company remains committed to sharing business updates with all stakeholders.

ブリッジレポート(6863) 2025年8月20日 <https://www.bridge-salon.jp/>
BRIDGE REPORT Bridge Salon



企業情報	
市場	東証スタンダード市場
業種	電気機器製造業
代表取締役社長	中村 真一
所在地	東京都八王子市石川町2851-4
決算月	3月
HP	https://www.nireco.jp/

株式情報					
株価	発行済株式数(期末)	総価総額	ROE(実)	売買単位	
1,935 円	7,790,159 株	14,996 百万円	9.7%	100 株	
DPS(予)	配当利回り(予)	PER(予)	DPS(実)	PBR(実)	
8500	4.4%	187.52 倍	103 倍	2,253.18 倍	

*株価は8/19終値、各数値は2025年3月期第1四半期決算見込みより、ROE、DPSは前期実績。

業績推移						
決算期	売上高	営業利益	経常利益	当期純利益	EPS	DPS
22年3月(実)	8,117	563	650	406	55.41	3800
23年3月(実)	9,155	1,182	1,255	860	117.40	4700
24年3月(実)	9,861	1,386	1,470	1,011	137.36	6200
25年3月(実)	10,756	1,907	2,028	1,562	211.11	9500
26年3月(予)	11,000	1,850	1,950	1,390	187.52	6500

*単位: 百万円、予想は会社側予想、当期純利益は親会社株主に帰属する当期純利益。

株式会社ニレコの会社概要、業績動向、中村社長へのインタビューなどをお伝えします。

- BFS Laser Distance Measurement Device Launch

The company has developed the “BFS Laser Distance Measuring Device,” a high-precision laser measurement instrument that combines micrometer-level accuracy with a measurement range of over 800 mm at medium to long distances of around 5 meters. Unlike conventional laser-based distance measuring devices, this product adopts an optical heterodyne method, enabling real-time precision measurement at medium to long distances — something difficult to achieve with other methods. The device can perform precise measurements even under harsh conditions such as intense ambient light, air turbulence, and high-temperature environments. Going forward, the company will propose its application in new areas of control, measurement, and inspection.



BFS Laser Distance Measurement Device

- Share Acquisition: Ohyo Koken Kogyo Co., LTD.

On October 30, 2025, the company acquired all shares of Ohyo Koken Kogyo Co., LTD., making it a subsidiary. Ohyo Koken Kogyo Co., LTD. is engaged in the manufacturing and sales of measuring instruments and optical crystals. It supplies radiation measuring devices to nuclear power plants, local governments, public research institutions, and universities, and also manufactures optical products primarily consisting of scintillator crystals used for radiation detection. Going forward, the company aims to drive further growth for the entire group by creating synergies between Ohyo Koken Kogyo Co., LTD.'s business and the group's core growth pillars—inspection systems and optics businesses.



Ohyo Koken Kogyo Co., LTD.
Headquarters (Fussa, Tokyo)



Higashimatsuyama Factory
(Saitama)



γ -ray Monitor



Scintillator crystal



Fluoride compound single crystal

NIRECO

Reference Data

Company Profile

Company name	NIRECO Corporation
President & CEO	Shinichi Nakasugi
Head office	2951-4 Ishikawa-machi, Hachioji, Tokyo, Japan
Established	November 1950
Stock exchange listing	TSE Standard
Paid-in capital	3,094 million Japanese yen*
Number of employees (Consolidated)	466*
Net sales (Consolidated)	10,756 million Japanese yen (FY2024)

* As of March 31, 2025

History

1950	Nihon Regulator Co., Ltd. established in Chuo-ku, Tokyo
1979	Head office relocated to Hachioji, Tokyo
1984	Company name changed to NIRECO Corporation
1989	Registered on the OTC share market with the Japan Securities Dealers Association
1990	Acquired Miyota Seimitsu Co., Ltd.
1998	Acquired Nireco Taiwan Corporation following application for capital increase
2003	Nireco Automatic Controller (Shanghai) Co., Ltd. established in Shanghai, China
2004	Listed stocks on the JASDAQ Securities Exchange
2013	Transfer listed market to the Tokyo Stock Exchange JASDAQ (standard)
2014	Nireco Process Korea Co., Ltd. (NPK) established in Korea
2018	NPK acquired the land and buildings to establish a production system
2019	Acquired Kogakugiken Corp.
2021	Acquired SEIBU Electric Corp., a Japanese company
2022	Transfer to TSE Standard market due to restructuring of market tiers in the Tokyo Stock Exchange
2023	Nireco Process Korea Co., Ltd. Changed the corporate name to Nireco Korea Corporation
2024	Merged Miyota Seimitsu Co. Acquired KEIHIN KOMAKU Co., Ltd,
2025	Acquired Ohyo Koken Kogyo Co., LTD.

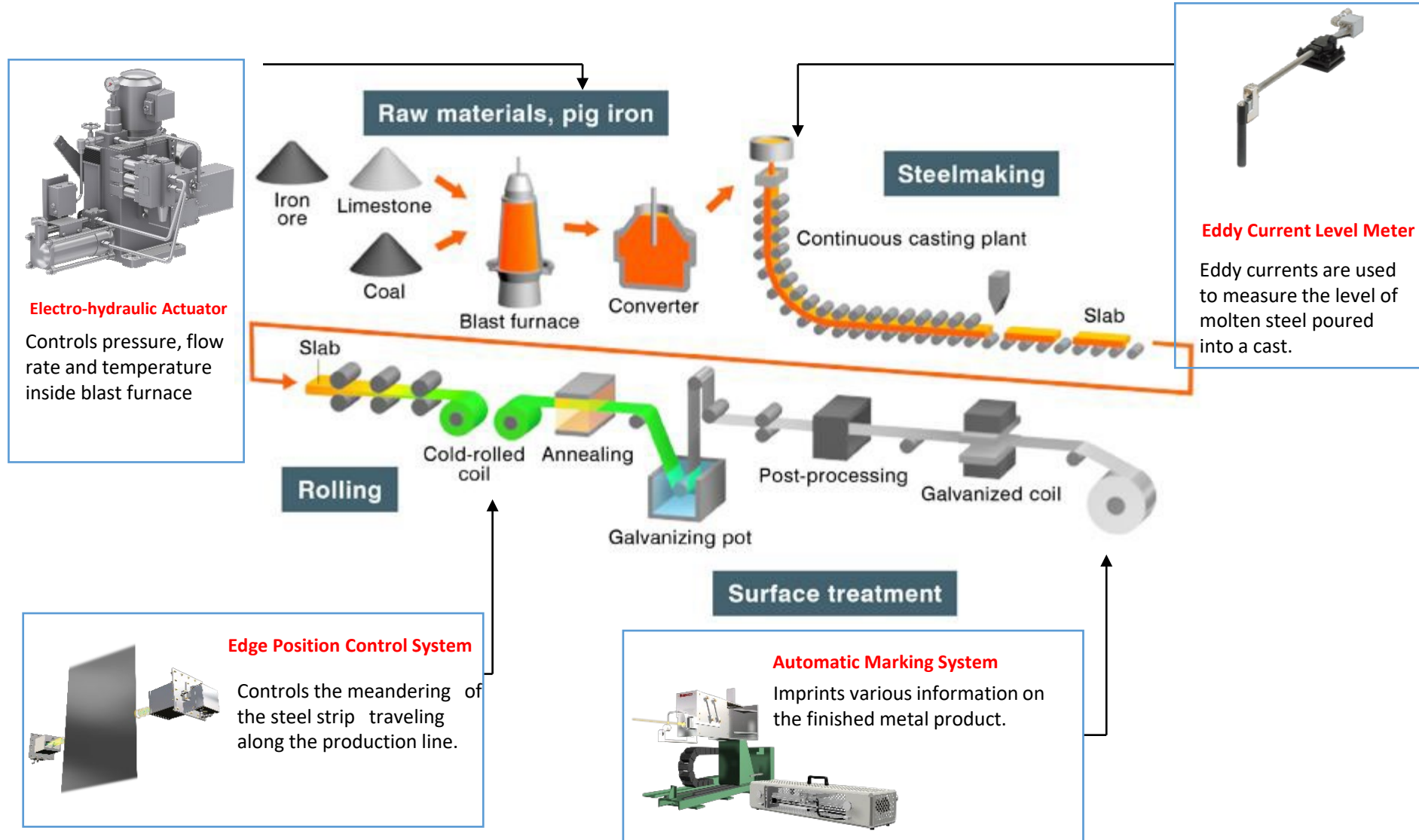
‘TECHNOLOGY & TRUST’

We provide products that utilize our advanced control, measurement and inspection technology and services that precisely match the needs of our customers. NIRECO grows together with its customers as a reliable partner and as a company that wins trust.

Furthermore, we will contribute to the realization of an affluent and sustainable society by widely applying the value created through our partnerships with society.

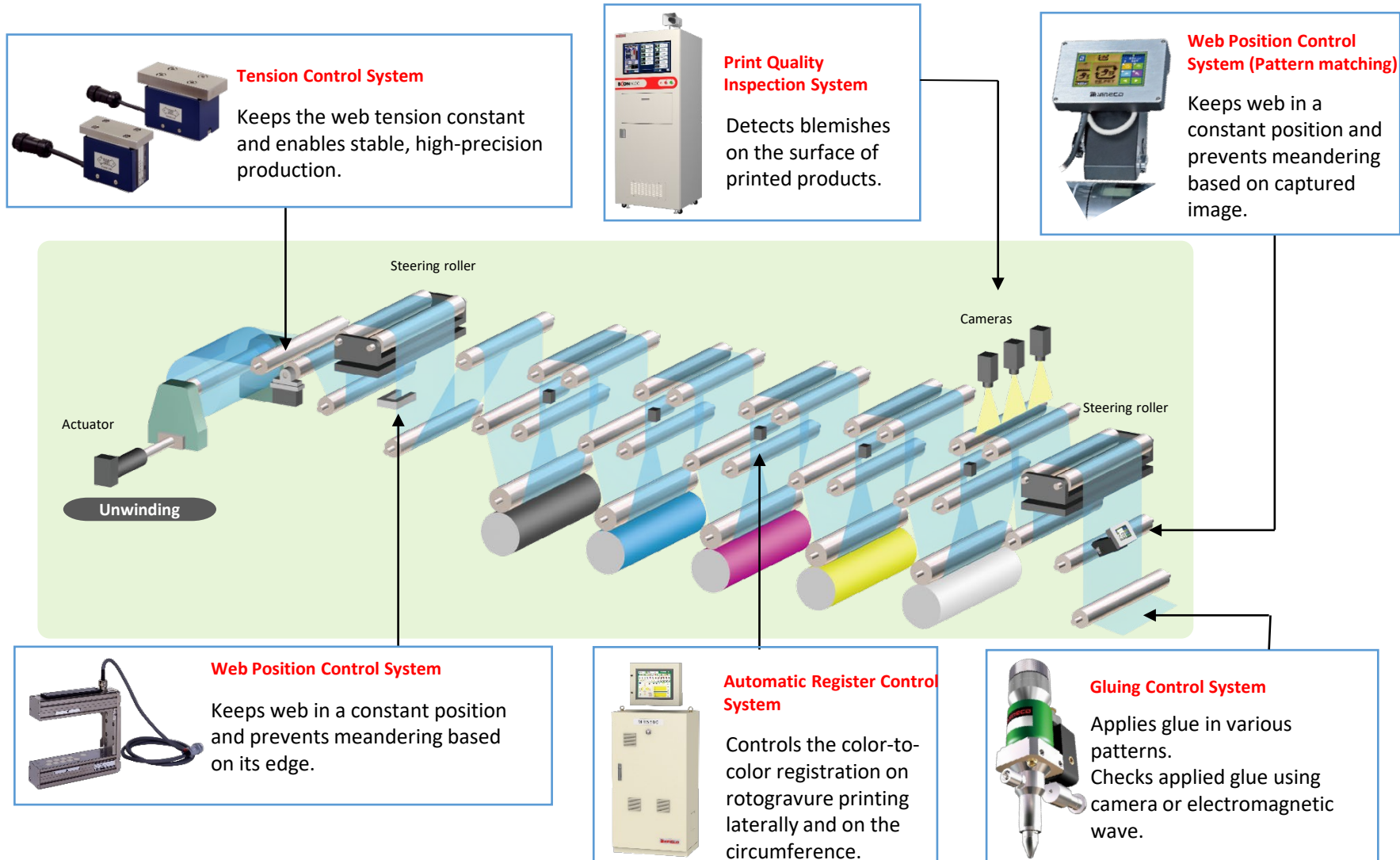
Control Equipment Business: Metals & Nonferrous Metals area

Markets automatic control equipment in several industries such as steel, metal, gas, chemical etc.



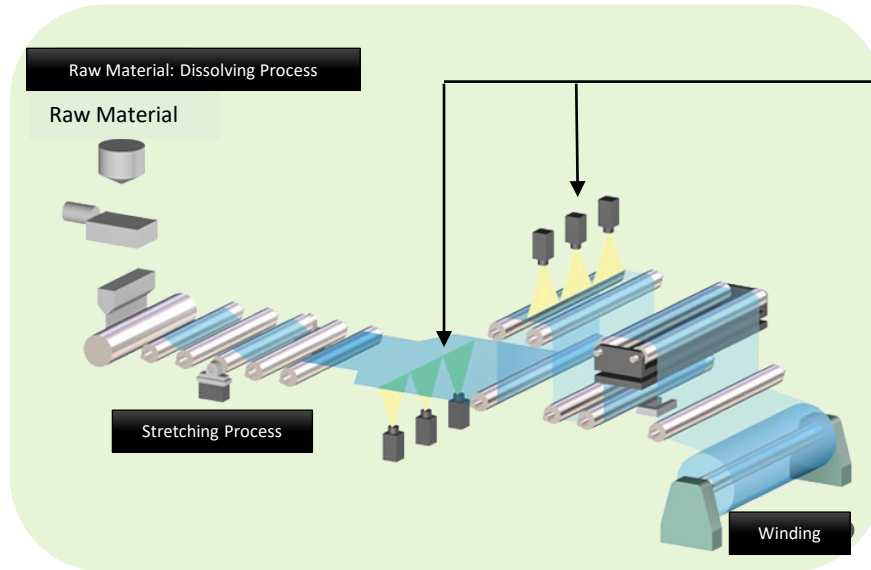
Control Equipment Business: Film, Print, Paper area

Markets position control equipment etc. for thin-sheet materials so-called 'Web', such as paper, film and foil



Inspection System Business

Sales of quality inspection systems for a wide range of products from agriproducts to electronic components and custom developed using image processing technology refined over many years.



Optics Business

The Optics business engages in the R&D, manufacture and sale of advanced laser devices meticulously developed over many years and highly specialized optical components.

- Main applications:
 - Semiconductor Inspection Equipment
 - Optical Equipment
 - Medical Equipment

Optical Components



Nonlinear optical crystal

CLBO elements suitable for wavelength conversion to deep-ultraviolet light are provided and used in advanced semiconductor inspection equipment, etc. Our unique processing technology has been highly evaluated by several semiconductor inspection equipment manufacturers around the world.

Polarizers

Offer polarizers to extract specific lights.

Our polarizers have high transmittance and high extinction ratio for DUV.



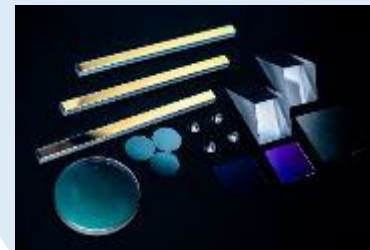
Lasers



Deep UV fiber laser

Generate 199nm deep ultraviolet fiber laser that suitable for mask inspection. With regular maintenance once a year, the performance of the system is stable.

Optical coating



Optical filters, mirrors, AR, multilayer films

Provide high-quality products for a variety of cutting-edge fields, including medical equipment, laser equipment, and optical communication equipment, and also undertake prototype development.

Optics Business

Kogakugiken Corp.



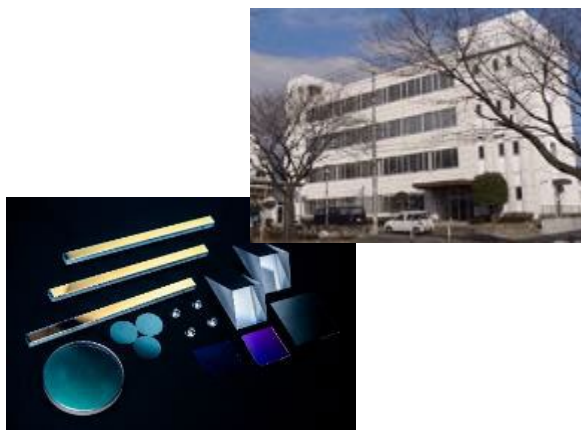
Developing, manufacturing and selling various optical products as waveplates and prisms. Kogakugiken has top-class technological capabilities that enable us to process CLBO crystals, which are used for wavelength conversion in DUV laser devices for commercial level.



KEIHIN COAT Co., Ltd.



Developing, manufacturing and selling filters and mirrors by using optical coating technology. KEIHIN COAT provides products to various fields and also undertakes prototype development.



Optics and Inspection System Business (Plan)

Ohyo Koken Kogyo Co., LTD.



Developing, manufacturing, and selling measuring instruments utilizing radiation measurement technology, as well as optical products and scintillators. The measuring instruments are widely used by local governments and public research institutions, and the technology is highly trusted for its reliability.



Others

SEIBU ELECTRIC CORPORATION



Developing and manufacturing electronic devices, information devices, and various other devices. SEIBU ELECTRIC undertakes various engineering design from board design to implementation and testing. The company has the technical capabilities to participate in the space industry of JAXA.



Nireco Group in Asia



尼利可自动控制机器（上海）有限公司 (NIRECO Automatic Controller (Shanghai) Co.,Ltd)

A Nireco group company in Shanghai, China.
The company manufacturing, selling and providing maintenance services for Chinese customers.



仁力克股份有限公司 (NIRECO Taiwan Corporation)

A Nireco group company in New Taipei City, Taiwan.
The company sells Nireco's products in the Asian region, mainly film and printing fields products and inspection systems.

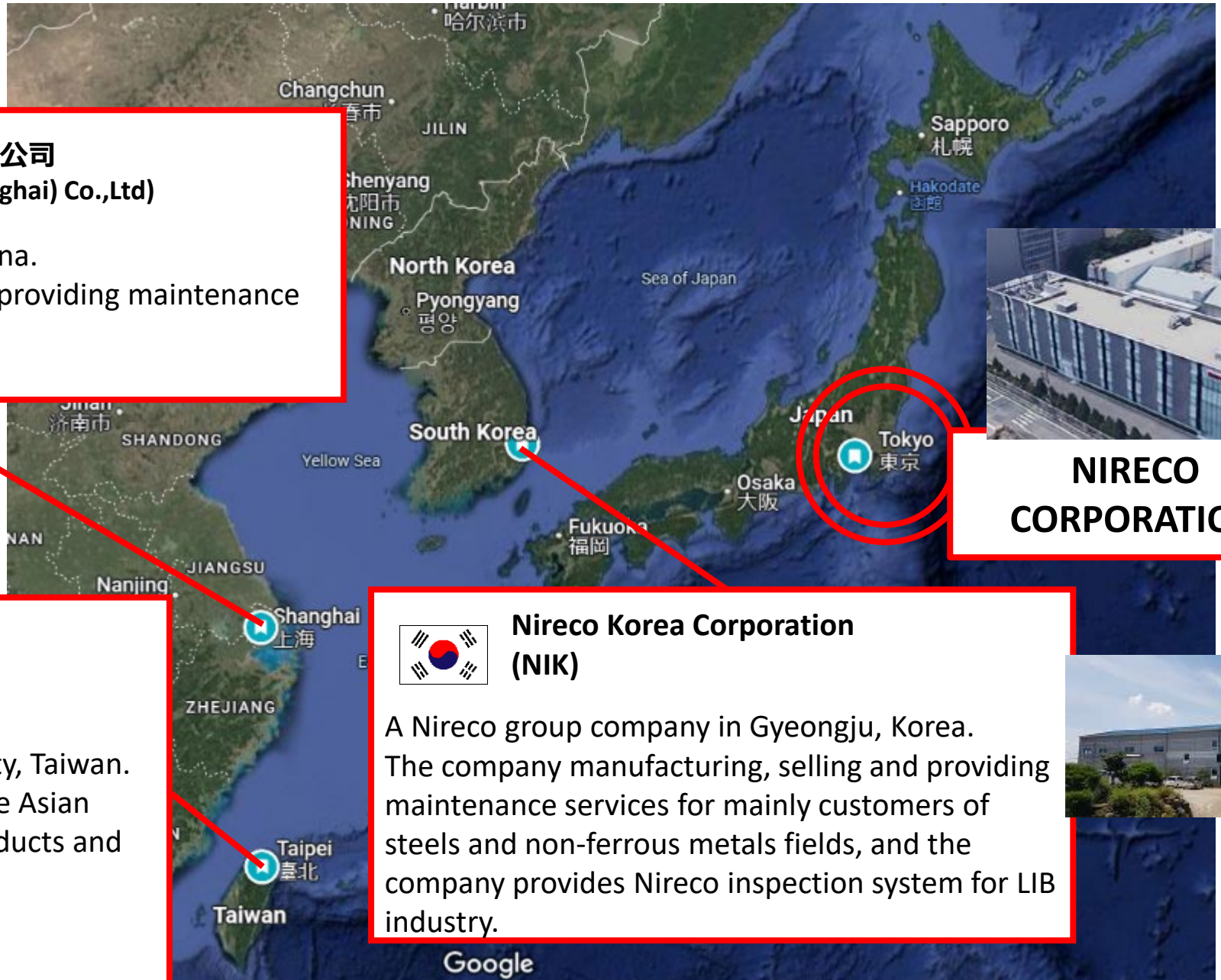


Nireco Korea Corporation (NIK)

A Nireco group company in Gyeongju, Korea.
The company manufacturing, selling and providing maintenance services for mainly customers of steels and non-ferrous metals fields, and the company provides Nireco inspection system for LIB industry.

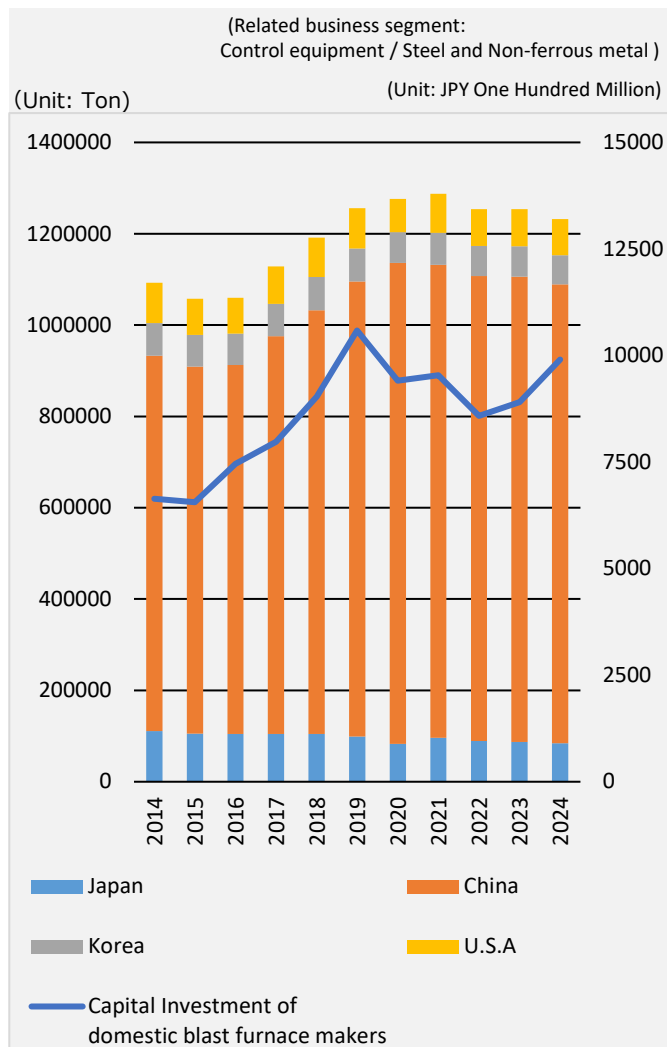


NIRECO CORPORATION



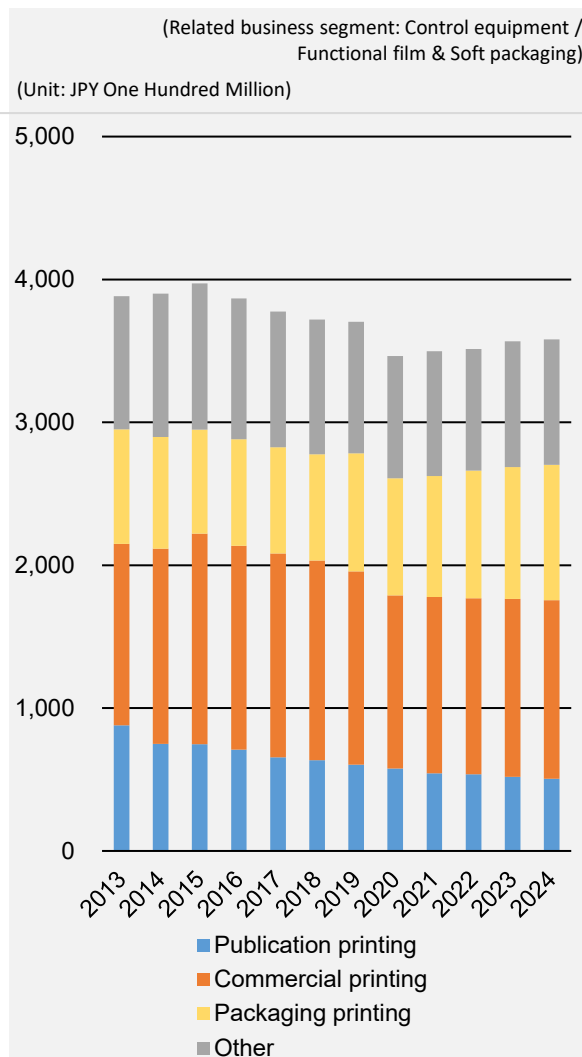
Market environment

Regional Crude Steel Production & Capital Investment by Major Domestic Blast Furnace Makers



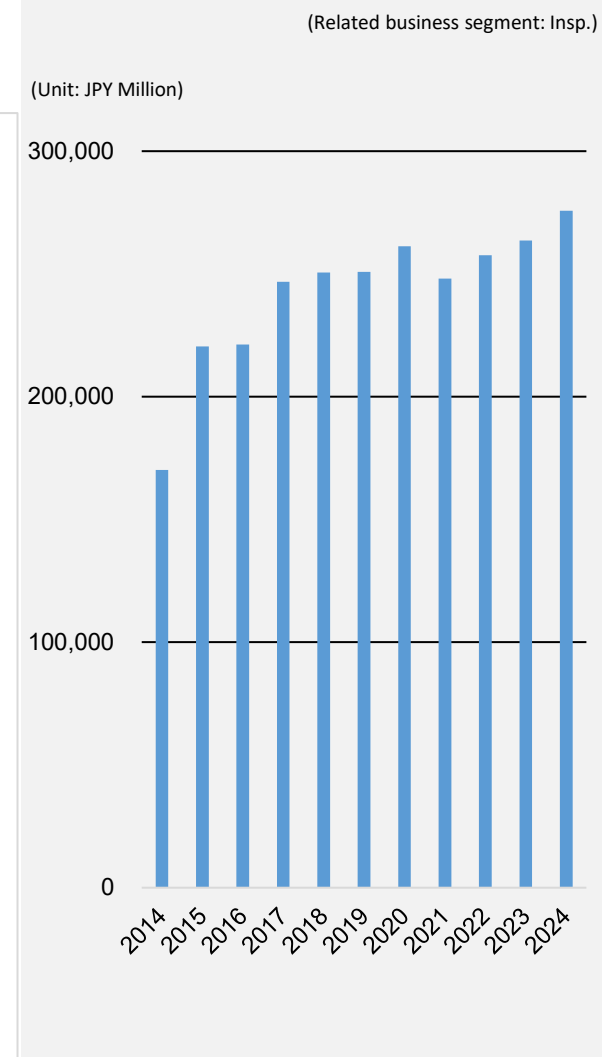
Source: world steel, Financial information of major Japanese manufacturers

Scale of Japan's Printing Market



Source: Based on industrial & production dynamics statistics

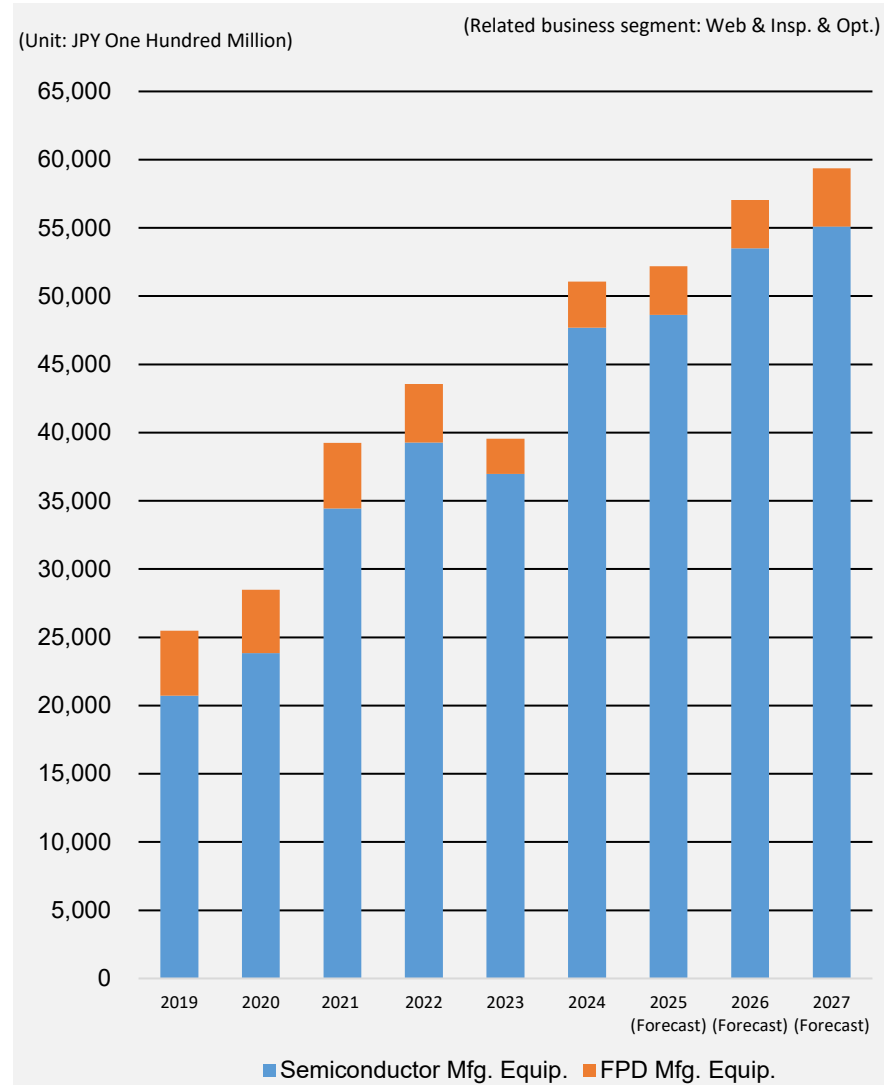
Japan Food Machinery Sales
(excluding processing machinery)



Source: The Japan Food Machinery Manufacturers' Association

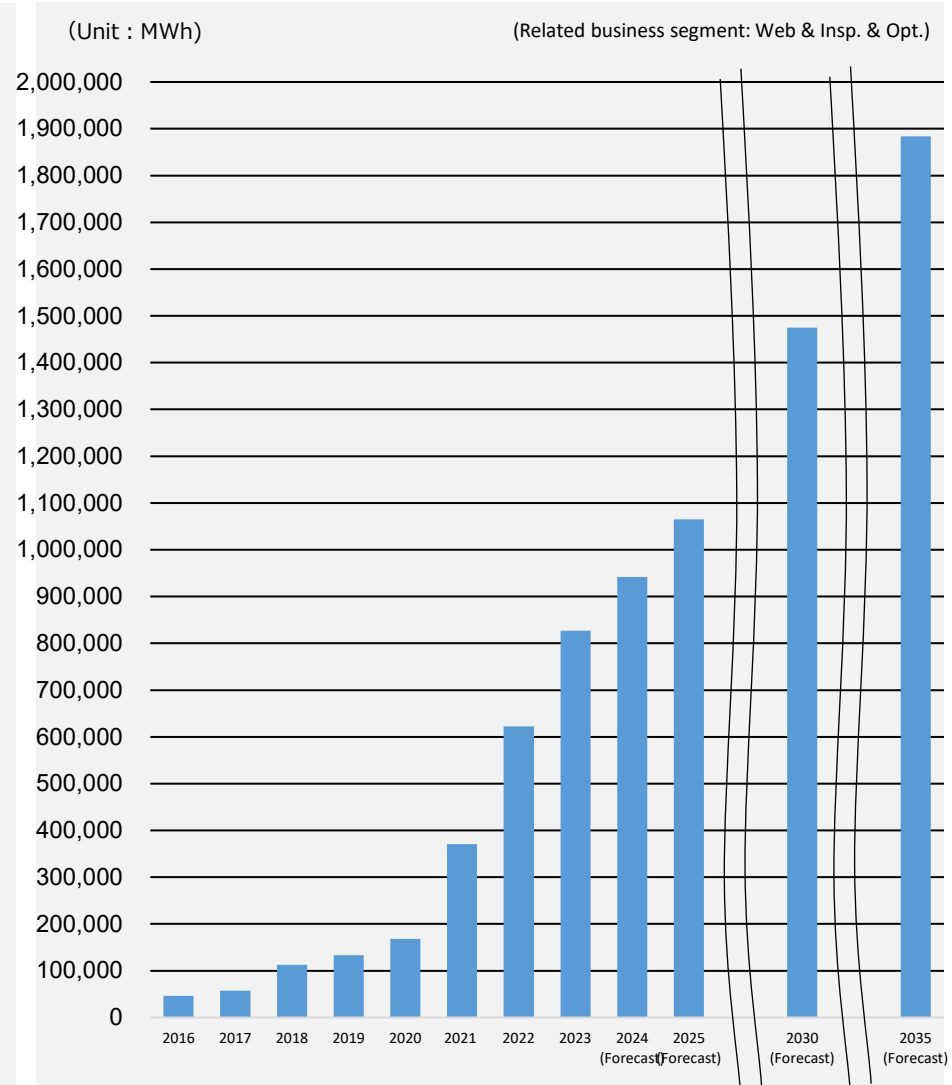
Market environment

Forecast of Demand for Semiconductor & FPD Mfg. Equip.



Source: Semiconductor Equipment Association of Japan

Automotive LiB World Market Forecast



Source: Yano Research Institute Ltd.

NIRECO