

1Q-FY2025 Financial Results (Apr. 2025- Jun. 2025)



**(Stock Code: 6863)
August 8, 2025**

Cautionary Statement

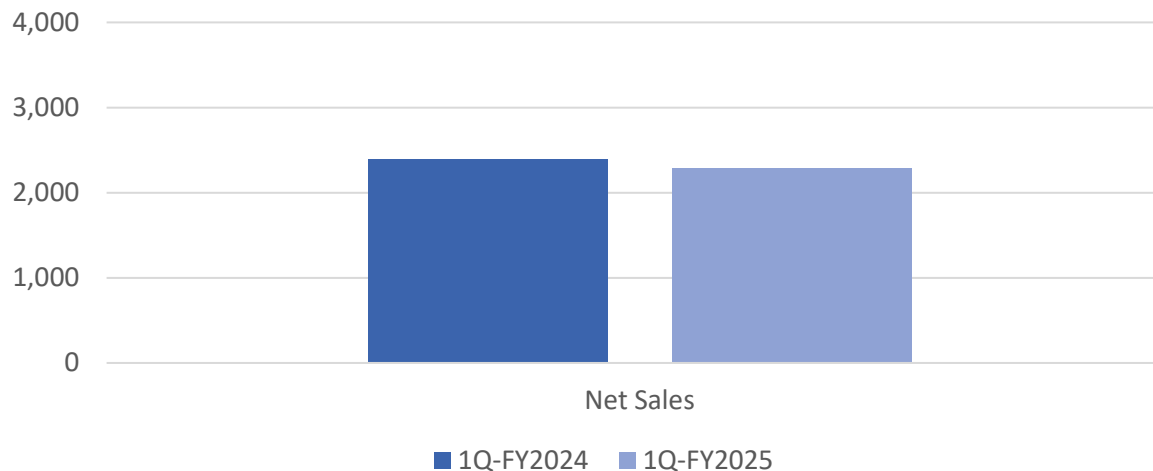
This document includes forward-looking statements that reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially,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

1Q-FY2025 Consolidated P&L

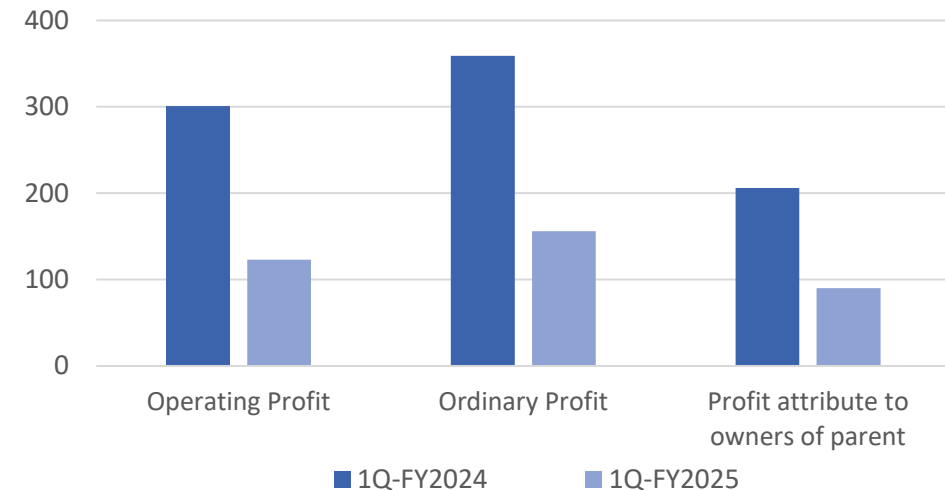
(Unit: Million JPY)

	1Q-FY2024 (Apr.2024-Jun.2024)	1Q-FY2025 (Apr.2025-Jun.2025)	YoY
Net Sales	2,389	2,283	-4.5%
Operating Profit	301	145	-51.8%
Ordinary Profit	359	178	-50.4%
Profit attribute to owners of parent	206	105	-48.9%

(Unit: Million JPY)



(Unit: Million JPY)



1Q-FY2025 Segment Results

(Unit: Million JPY)

	Sales 1Q-FY2024 (Apr.2024-Jun.2024)	Segment profit 1Q-FY2024 (Apr.2024-Jun.2024)	Sales 1Q-FY2025 (Apr.2025-Jun.2025)	Segment profit 1Q-FY2025 (Apr.2025-Jun.2025)
Control Equipment Business	1,195	251	1,280	236
Inspection System Business	372	-41	309	-82
Optics Business	717	266	592	170
Others	104	-8	101	-8
Adjustment	-	-165	-	-170
Total	2,389	301	2,283	145

Overview for 1Q-FY2025

- **Control equipment business:**

Sales are strong in the steel and non-ferrous metals field. Profits are also up compared to the previous fiscal year. Sales and profits in the functional film and flexible packaging fields declined YoY due to stagnant orders from the Rechargeable Battery Industry to manufacturing equipment manufacturers. As a result, overall sales increased but profits decreased. Order backlog increased compared to the end of the FY24.

- **Inspection System Business:**

Order backlog at the beginning of the FY25 was low, and sales and profits in both the surface inspection system and food inspection system fields decreased YoY. Orders in both fields are showing signs of recovery.

- **Optics Business:**

Sales of optical components remained strong. Sales and profits both declined YoY due to factors including a slowdown in sales of laser equipment. Orders for optical components remained strong, but new orders for laser equipment will not be received until the 2Q or later.

As a result, orders backlog decreased from the end of the FY24.

Based on the current order backlog and the expectation that sales for the 1H-FY25 will be concentrated in September, the Company expects performance to be in line with its initial forecast.

Balance Sheet

(Unit: Million JPY)

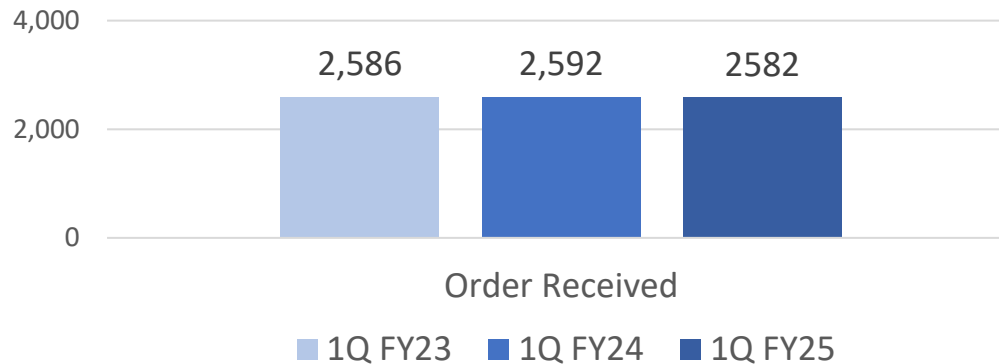
	End of FY24 (Mar. 31, 2025)		End of 1Q-FY25 (Jun. 30, 2025)		Change
Cash and deposits	4,815	24.9%	4,557	24.4%	- 258
Trade receivables	4,411	22.8%	3,849	20.6%	- 562
Inventories	3,915	20.2%	4,096	21.9%	+ 181
Other current assets	125	0.6%	148	0.8%	+ 23
Current assets	13,267	68.6%	12,651	67.7%	- 616
Property, plant and equipment	3,970	20.5%	3,964	21.2%	- 6
Intangible assets	100	0.5%	88	0.5%	- 12
Investments and other assets	2,014	10.4%	1,973	10.6%	- 41
Non-current assets	6,084	31.4%	6,025	32.3%	- 59
Total assets	19,352	100.0%	18,677	100.0%	- 675
Accounts payable - trade	506	2.6%	393	2.1%	- 113
Other current liabilities	1,446	7.5%	1,311	7.0%	- 135
Current liabilities	1,953	10.1%	1,705	9.1%	- 248
Non-current liabilities	726	3.8%	724	3.9%	- 2
Total liabilities	2,679	13.8%	2,429	13.0%	- 250
Total net assets	16,673	86.2%	16,247	87.0%	- 426
Total liabilities and net assets	19,352	100.0%	18,677	100.0%	- 675

1Q-FY2025 Order received/ Order backlog

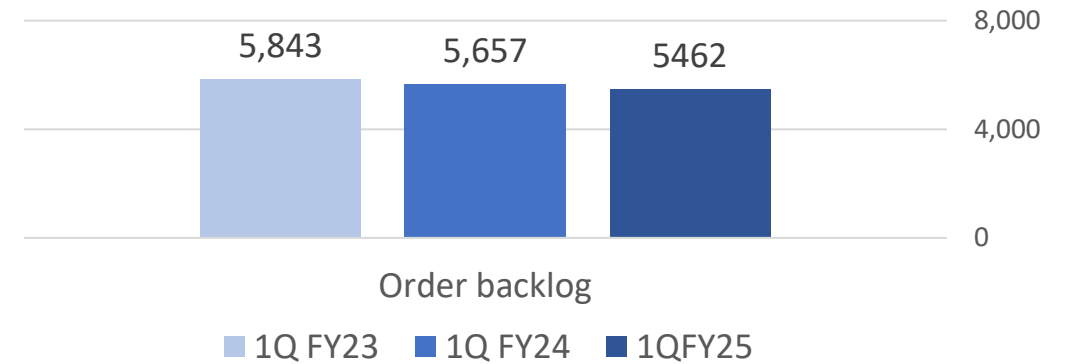
(Unit: Million JPY)

	1Q-FY2024 (Apr.2024- Jun.2024)	1Q-FY2025 (Apr.2025- Jun.2025)	YoY	(For Reference) FY2024 Actual
Order received	2,592	2,582	-0.4%	10,465
Order backlog	5,657	5,462	-3.4%	5,163

(Unit: Million JPY)



(Unit: Million JPY)

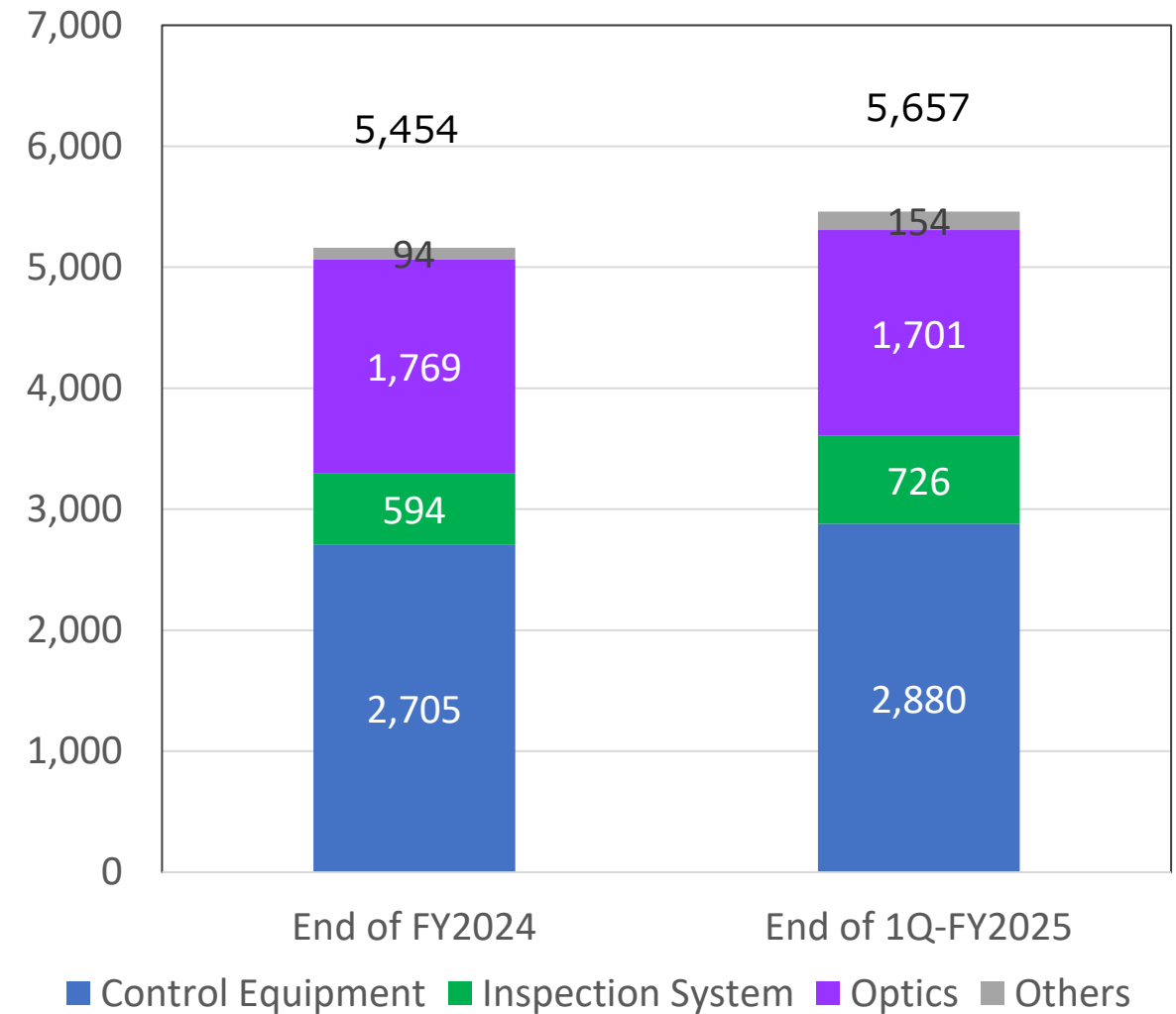


1Q-FY2025 Order backlog by segments

(Unit: Million JPY)

	End of FY2024 (Mar. 31, 2025)	End of 1Q-FY2025 (Jun. 30, 2025)
Control Equipment Business	2,705	2,880
Inspection System Business	594	726
Optics Business	1,769	1,701
Others	94	154
Total	5,163	5,462

(Unit: Million JPY)



Business Plan (No change from initial plan)

- Sales are expected to increase due to steady demand. Operating income was high, but a decrease from the high profit margin of FY24
- Ordinary profit and net income are expected to decline due to the impact of Extraordinary income items and increased tax burdens
- The assumption does not include the impact of U.S. tariff policy

(Million JPY)

	FY24	FY25 Plan	YoY
Orders received	10,465	10,700	+2%
Net sales	10,756	11,000	+2%
Operating profit	1,907	1,850	-3%
Operating profit margin	17.7%	16.8%	-
Ordinary profit	2,028	1,950	-4%
Ordinary profit margin	18.9%	17.7%	-
Profit attributable to owners of parent	1,562	1,390	-11%
Profit attributable to owners of parent margin	14.5%	12.6%	-
Earnings per share (JPY)	211.11	187.52	-11%
Order backlog	5,163	4,863	-6%

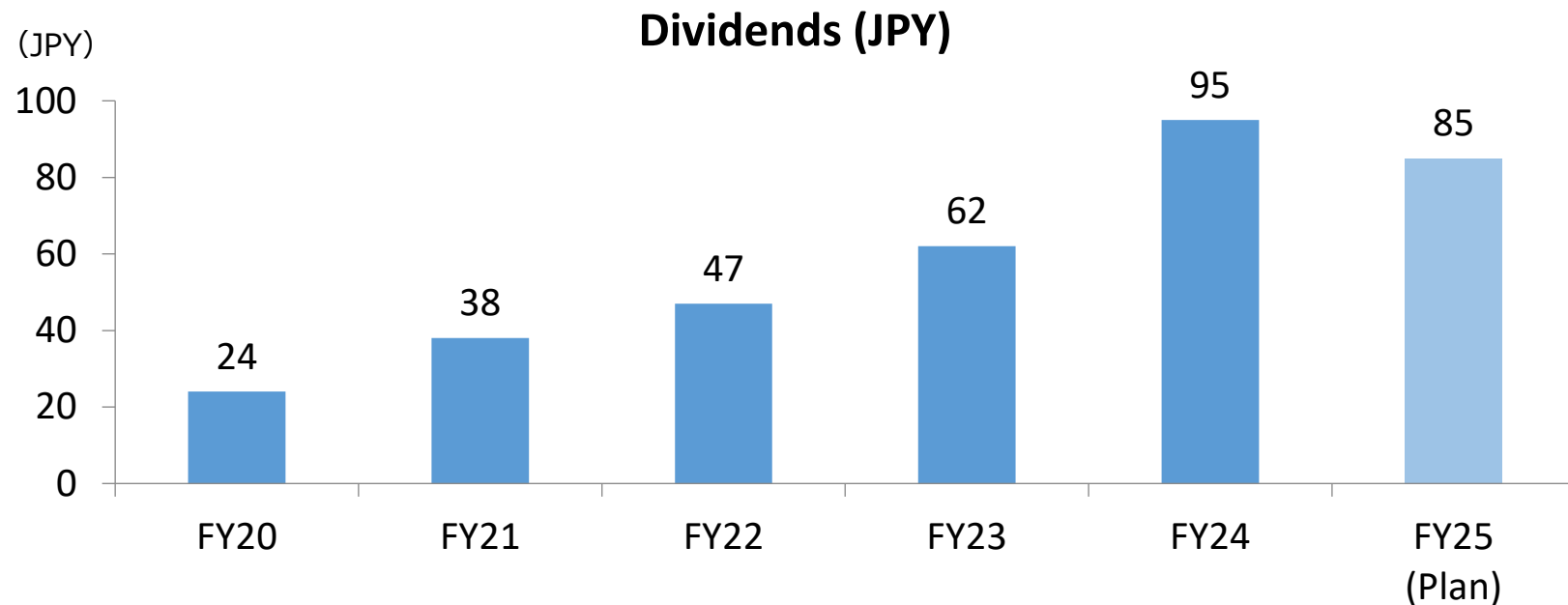
FY2025 Earnings forecast by segments

(Unit: Million JPY)

	1H-FY25 Sales forecast	1H-FY25 Segment profit forecast	FY25 Sales forecast	FY25 Segment profit forecast
Control Equipment Business	2,750	540	5,800	1,210
Inspection System Business	750	40	1,800	170
Optics Business	1,450	500	2,850	1,100
Others	250	20	550	40
Adjustment	-	-330	-	-670
Total	5,200	770	11,000	1,850

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%

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	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 COAT Co., Ltd.

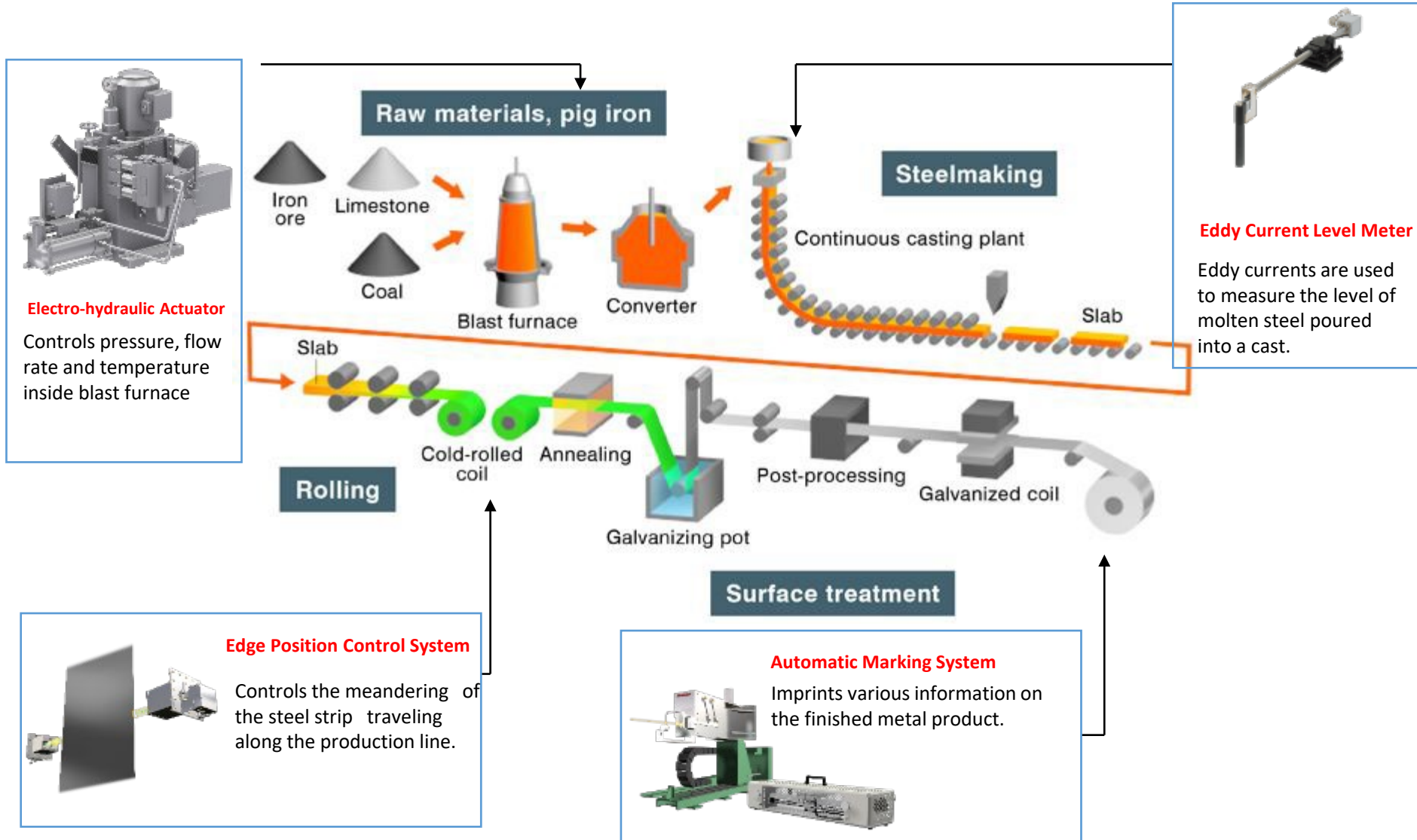
‘TECHNOLOGY & TRUST’

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.

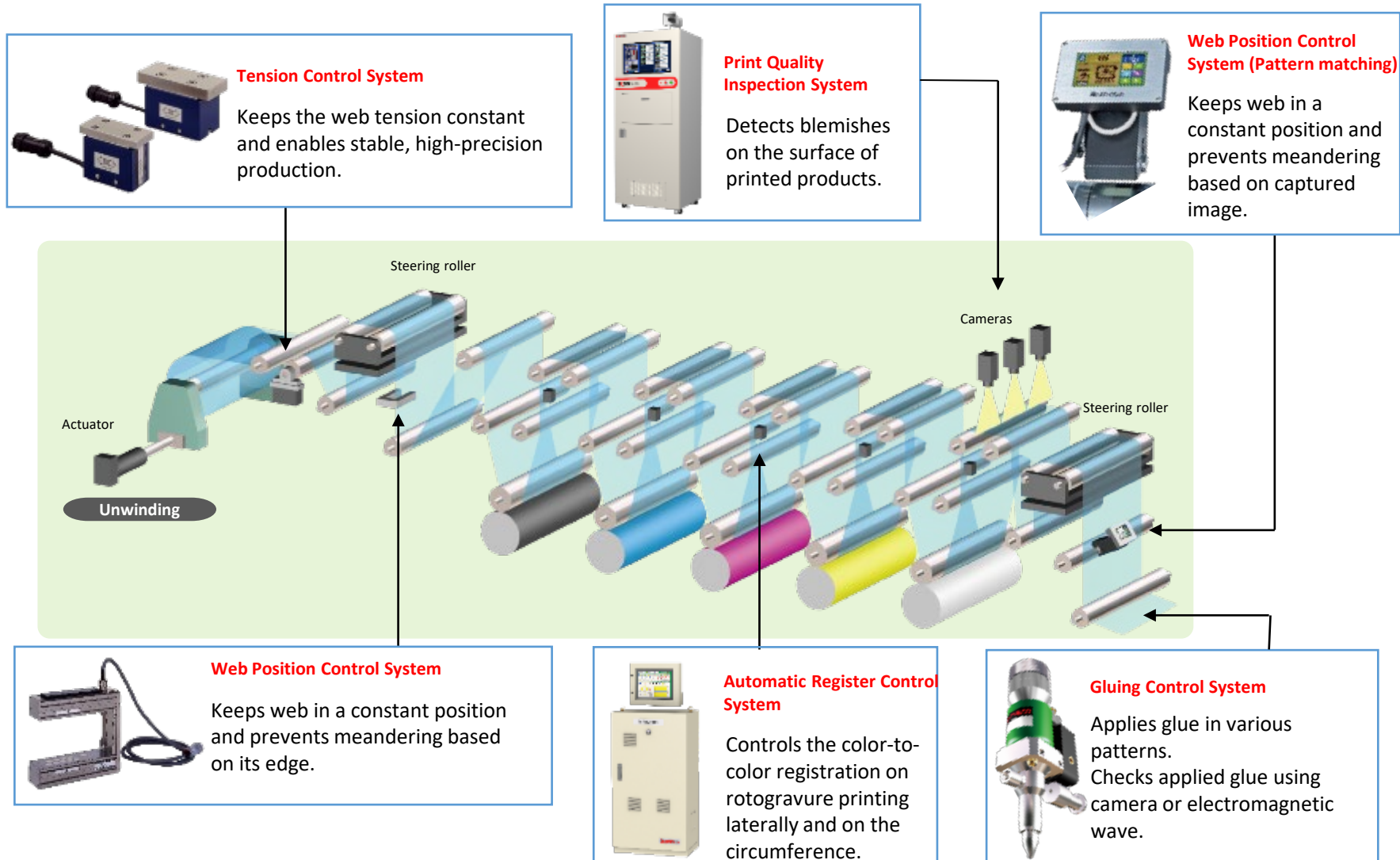
Control Equipment Business: Metals & Nonferrous Metals field

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



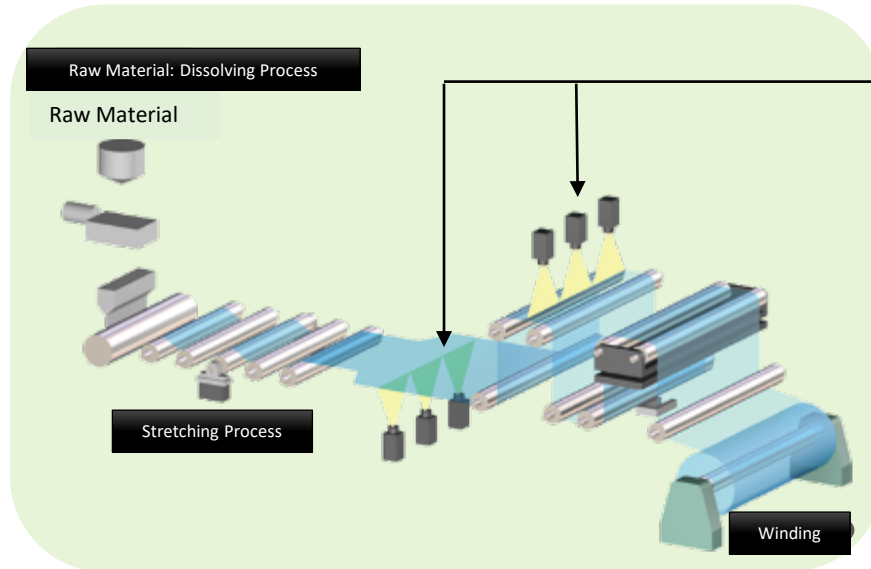
Control Equipment Business: Functional Film, Soft Packaging field

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.



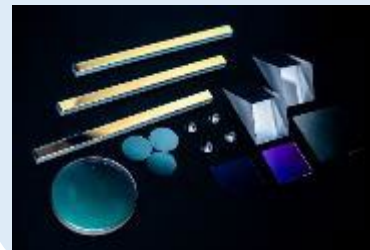
Lasers



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.



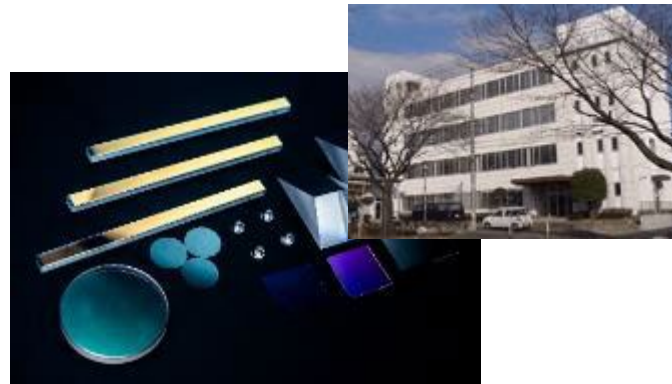
Developing, manufacturing and selling various optical products as waveplates and prisms. Kogakugiken has top-class technological capabilities that enable us to process CLBO crystals, which are used for wavelength conversion in DUV laser devices for commercial level.



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.



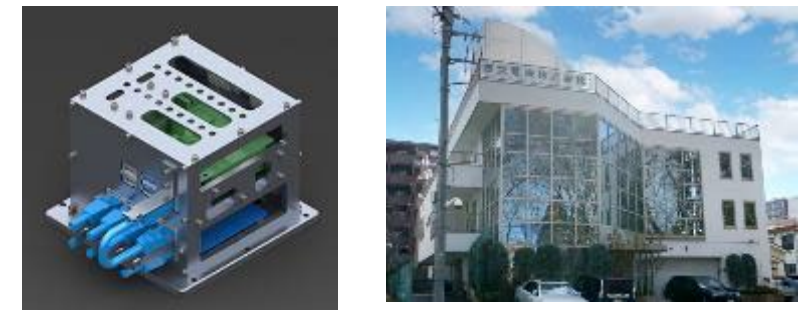
Others

SEIBU ELECTRIC CORPORATION

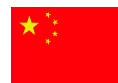


Developing and manufacturing electronic devices, information devices, and various other devices.

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.

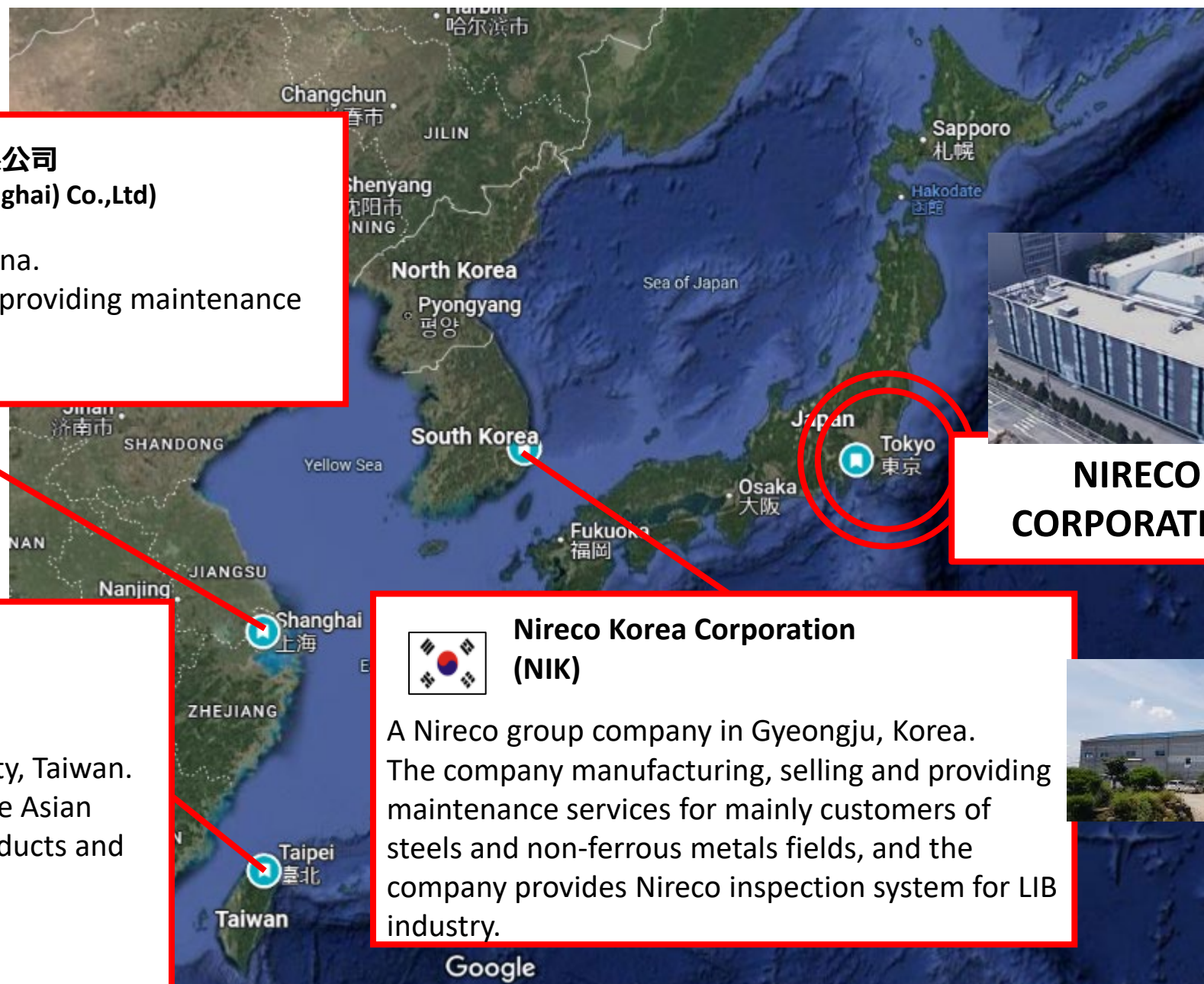


Nireco Korea Corporation (NIK)

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.

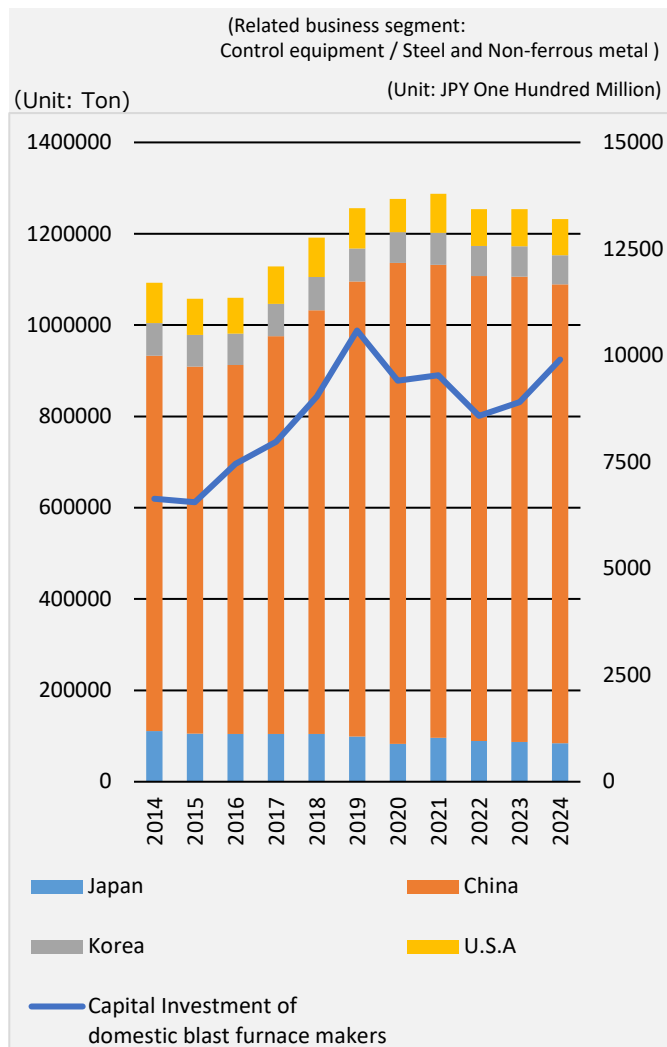


NIRECO CORPORATION



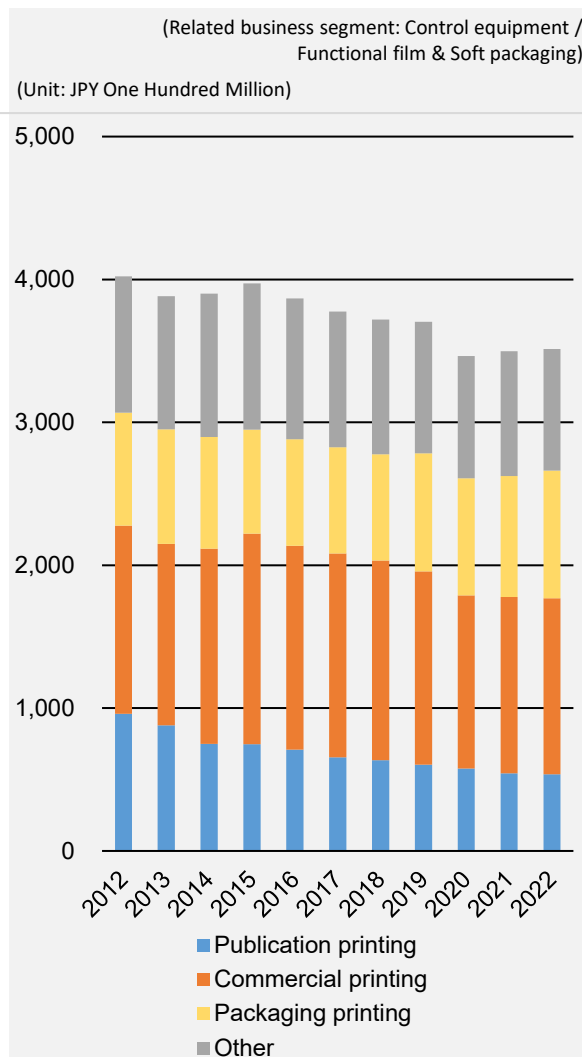
Market environment

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



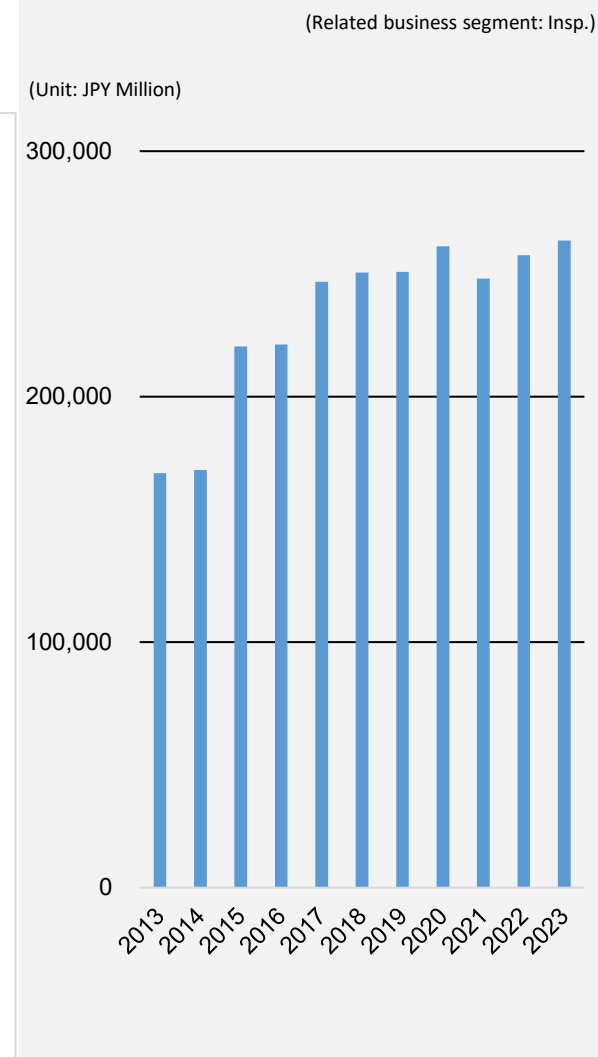
Source: world steel, Financial information of major Japanese manufacturers

Scale of Japan's Printing Market



Source: Based on industrial & production dynamics statistics

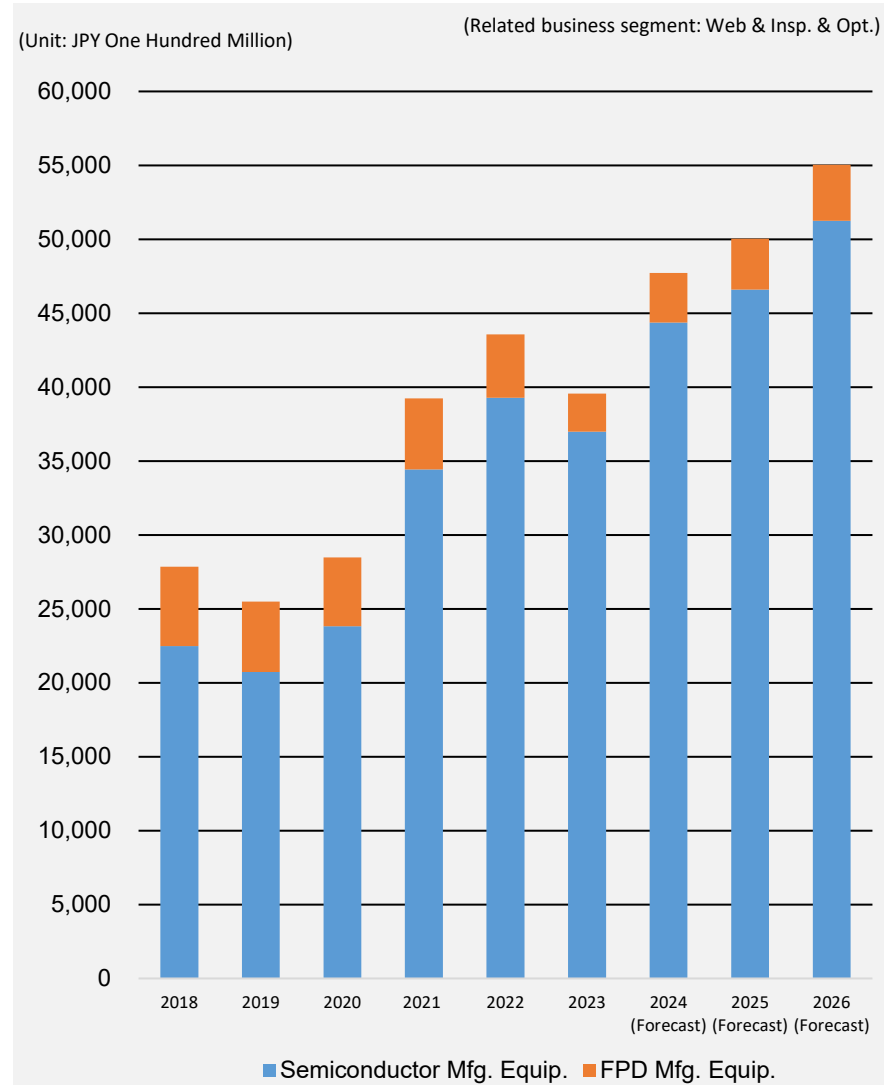
Japan Food Machinery Sales
(excluding processing machinery)



Source: The Japan Food Machinery Manufacturers' Association

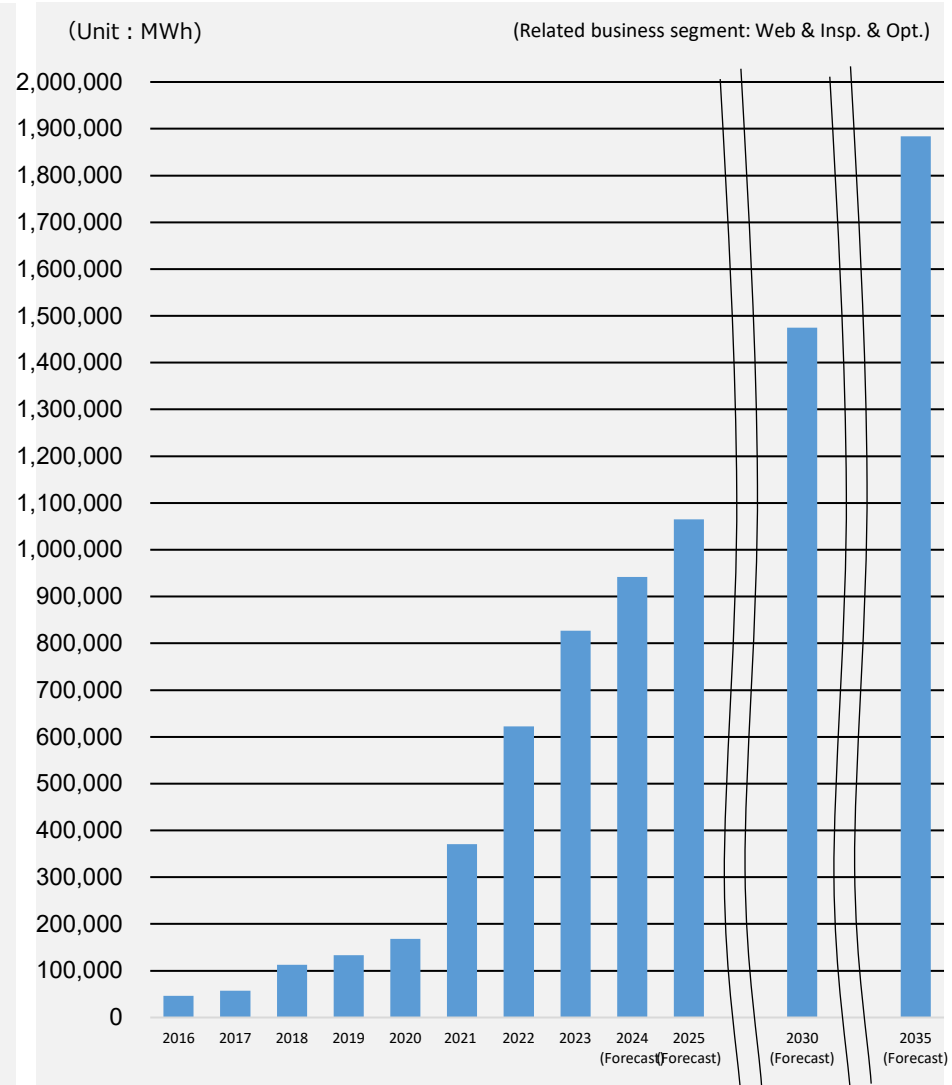
Market environment

Forecast of Demand for Semiconductor & FPD Mfg. Equip.



Source: Semiconductor Equipment Association of Japan

Automotive LiB World Market Forecast



Source: Yano Research Institute Ltd.

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