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Nippon Seiki Co., Ltd.

First half of fiscal year ending March 2026

Transcript of financial results briefing session (Q & A included)

<Day and Time>

From 15:30 to 16:30 on November 28, 2025

<Speakers>

Keiichi Nagano      Representative Director, President & CEO

Tatsuo Kase      Corporate Management Headquarters, Managing Officer,

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# Financial Result Presentation for the First Half of the Year Ending March 2026

Nippon Seiki Co., Ltd. (Ticker : 7287)  
Nov. 28, 2025

Thank you for taking time out of your busy schedule to join us today. I am Kase from the Corporate Management Headquarters of Nippon Seiki.

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1. H1 FYE2026 Financial Results
2. Current Business Environment and Our Initiatives
3. Appendix

Today, I would like to begin by providing an overview of the financial results for the first half of the fiscal year ending March 2026. After that, President Nagano will explain the business environment surrounding our company and our future initiatives.

## Highlights for H1 FYE2026

### Result

Revenue and operating profit increased mainly due to the increase in sales of instruments for motorcycles in ASEAN and India

1. Sales Revenue +2.5% YoY Operating Profit +52.3% YoY

- Sales of motorcycle instruments in ASEAN and India were strong.
- Sales of automobile instruments decreased due to stagnation in China and decreased Head-up Display (HUD) sales in North America.
- Operating profit increased mainly due to the increase in sales of instruments for motorcycles

2. Interim dividend 40 yen, same as initial forecast

### Forecast

No change on FY2026 full-year forecast

1. No change on full-year forecast

Sales: 320,000 million yen Operating Profit 11,300 million yen

Profit attributable to owners of parent 8,000 million yen

2. Year-end dividend is planned 40 yen, same as initial forecast

As for the highlights of the business results for the first half of the fiscal year ending March 2026, revenue increased 2.5% year on year, and operating profit increased 52.3%. Although there was a decrease in sales due to market changes in the Chinese market and a decrease in HUD production units in Europe and the United States, overall sales and operating profit increased due to an increase in sales of motorcycle instruments in ASEAN and India.

The full-year business forecast for the fiscal year ending March 2026 is unchanged from the initial forecast. Regarding dividends, we have maintained the annual dividend forecast of 80 yen on the assumption that we will achieve the full-year plan.

## Financial Results for H1 FYE2026

(million yen)

### ■ Sales revenue

156,242

YoY Change

+3,795 (+2.5%)

### ■ Operating profit

5,247

YoY Change

+1,802 (+52.3%)

### ■ Profit before taxes

6,163

YoY Change

+3,794 (+160.2%)

### ■ Profit attributable to owners of the parent

3,735

YoY Change

+2,985 (+397.9%)

### Change Factors

#### Sales Revenue

Increased due to strong sales of instruments for motorcycles in ASEAN and India, although sluggish sales of Japanese and European vehicles in the Chinese market and the negative impact of foreign exchange rates.

#### Operating Profit

Increased due to strong sales of motorcycle instruments, despite the impact of a onetime payment for HUD in Europe and sluggish sales in Europe

#### Profit Attributable to Owners of the Parent

Increased significantly due to the posting of foreign exchange gains (on FYE25 H1 foreign exchange losses)

\$ 1 USD = 146.02 JPY FY2025 H1: 152.78 JPY

The following is a detailed explanation of the results for the first half of the fiscal year ending March 2026.

Revenue increased by 3.7 billion yen from the same period last year to 156.2 billion yen. The exchange rate was 146 yen compared to 152 yen in the previous fiscal year. Since the yen appreciated by 6 yen, excluding the effect of the exchange rate, sales increased by 7.6 billion yen. By region, sales increased in Japan, ASEAN, and India. By business segment, sales of motorcycles increased.

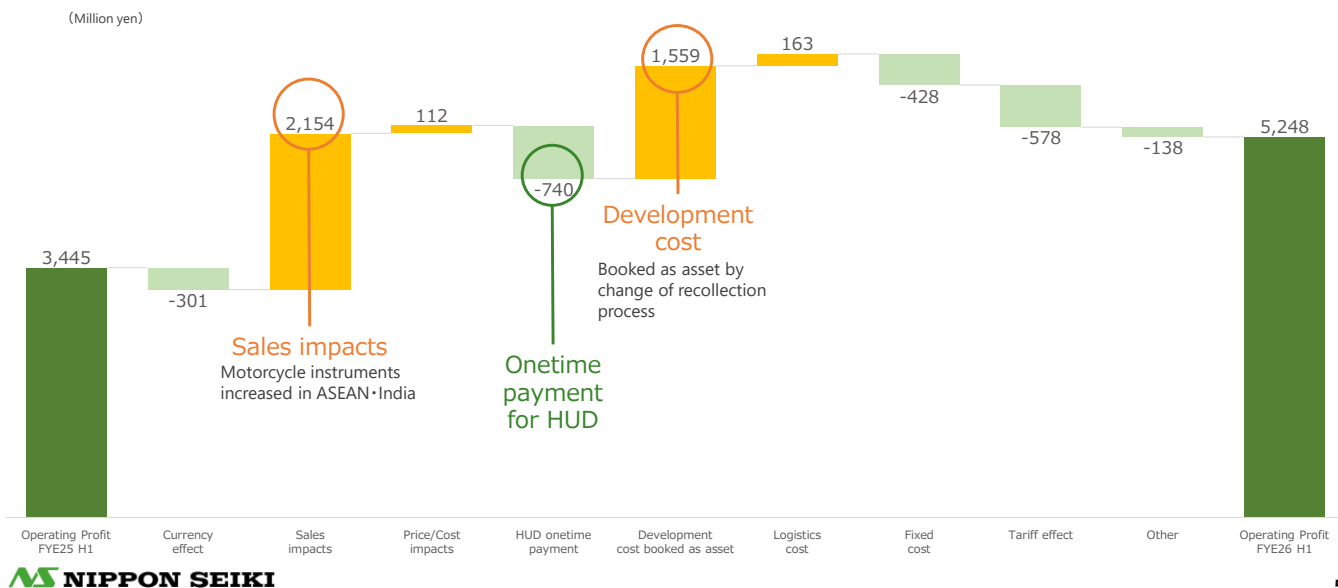
Operating profit increased by 1.8 billion yen from the same period last year to 5.2 billion yen, and the operating profit margin was 3.4%. Although there was a one-time payment of 740 million yen to European customers, the main factors behind the increase in profit were increased sales of instruments for motorcycles and an increase in the change of design and development costs collection from customers. We changed it from collection by allotment on sales price to onetime collection.

Profit before income taxes increased by 3.7 billion yen from the same period last year to 6.1 billion yen. The difference between operating profit and profit before income taxes is the effect of financial income. In the previous year, there was a foreign exchange loss of 1.96 billion yen due to the fluctuation of the Mexican peso and the dollar, but this year, there was a foreign exchange loss of 140 million yen on a consolidated basis, and the improvement in financial income made a significant contribution. As a result, profit before income taxes increased by 3.8 billion yen from the same period last year to 6.1 billion yen.

The interim profit attributable to owners of the parent was 3.7 billion yen. This was an increase of 2.9 billion yen from the same period last year.

## Change in Operating Profit

### H1 FYE2026 : YoY Change in Operating Profit



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This is the change in operating profit from the same period last year. Again, operating profit increased by 1.8 billion yen from 3.4 billion yen to 5.2 billion yen from the same period last year.

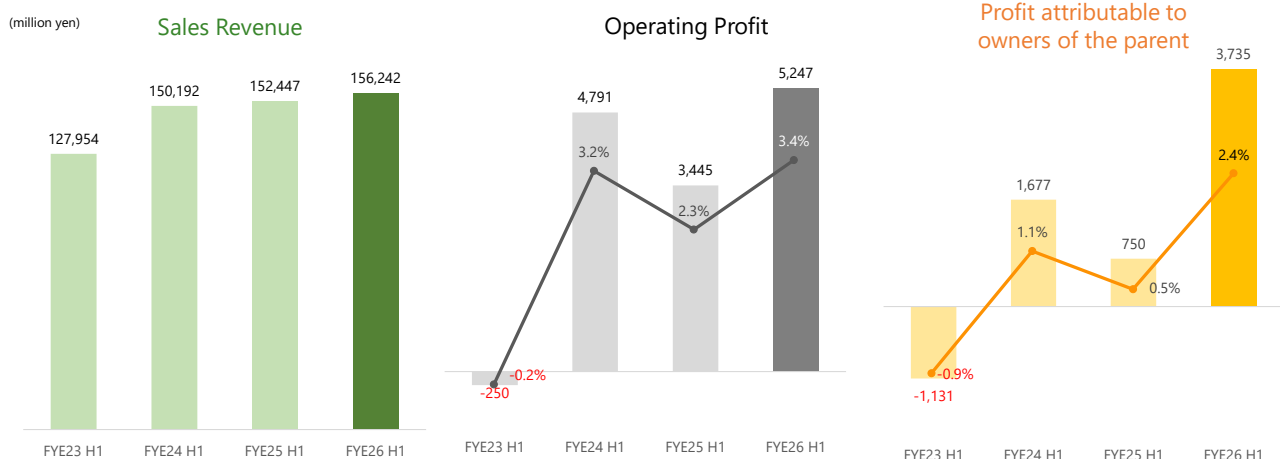
First of all, the positive element is the profit contribution due to the increase in sales, that is, the increase in marginal income of 2.1 billion yen. In addition, although there was a temporary negative payment of 740 million yen to European customers, the switch to individual collection of design and development costs boosted earnings by 1.5 billion yen. As for fixed costs, the impact of the increase in overseas and domestic labor costs was 400 million yen, and the impact of U.S. tariffs was 570 million yen through the first half.

The progress rate of annual operating profit against the target of 11.3 billion yen was 46% in the first half.

## Consolidated Sales Revenue and Profits

**Sales Revenue** : Although stagnation of Japanese and European OEM in China effected, sales increased due to increased sales of motorcycle instruments in ASEAN and India

**Operating Profit** : Profit increased due to increased sales of motorcycle instruments, despite the impact of onetime payments in addition to stagnant in Europe.



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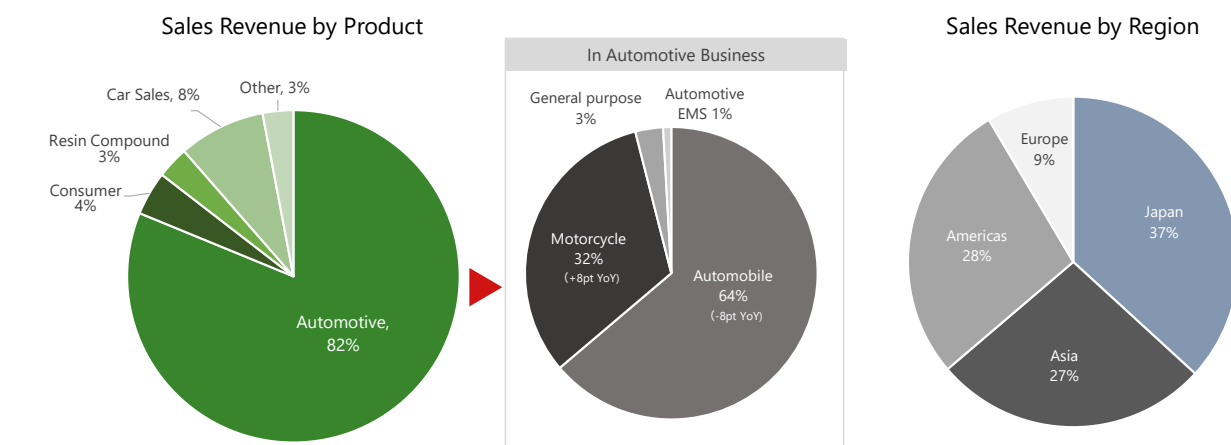
This is the transition of sales revenue, operating profit, and profit attributable to owners of the parent in the first half.

Although there were changes in each market and segment, sales as a whole remained stable. Operating profit and profit attributable to owners of the parent in the first half were the highest in the past four fiscal years.

## Sales Revenue by Product and Region

### Sales Revenue by Product and Region (based on H1 FYE2026 Results)

- Motorcycle ratio increased +8pt YoY, automobile ratio -8pt YoY

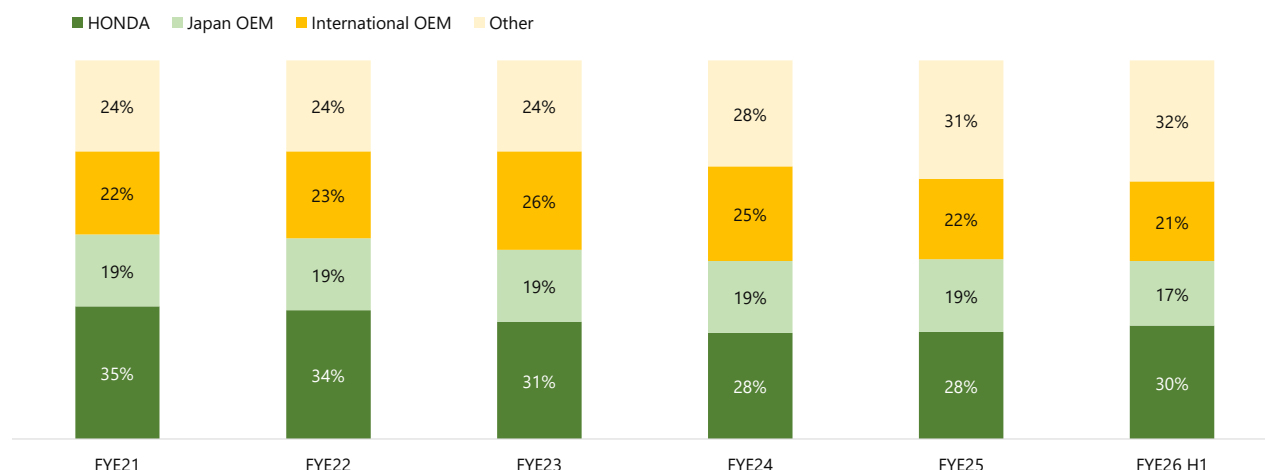


This shows the breakdown of sales revenue of 156.2 billion yen in the first half. 82% of the total is the automotive parts business. In addition, 64% of the automotive parts business is instruments for automobiles, and 32% is instruments for motorcycles. By region, Japan, Asia, and the Americas each accounted for about 30%, and the remaining 10% was Europe.

## Sales Revenue Composition by Major Customers

### H1 FYE2026 Sales Revenue Composition

- Honda's share of revenue increased due to increased sales of automobile and motorcycle instrument
- On the other hand, international OEM's share decreased by BMW, GM, Stellantis sales decreased



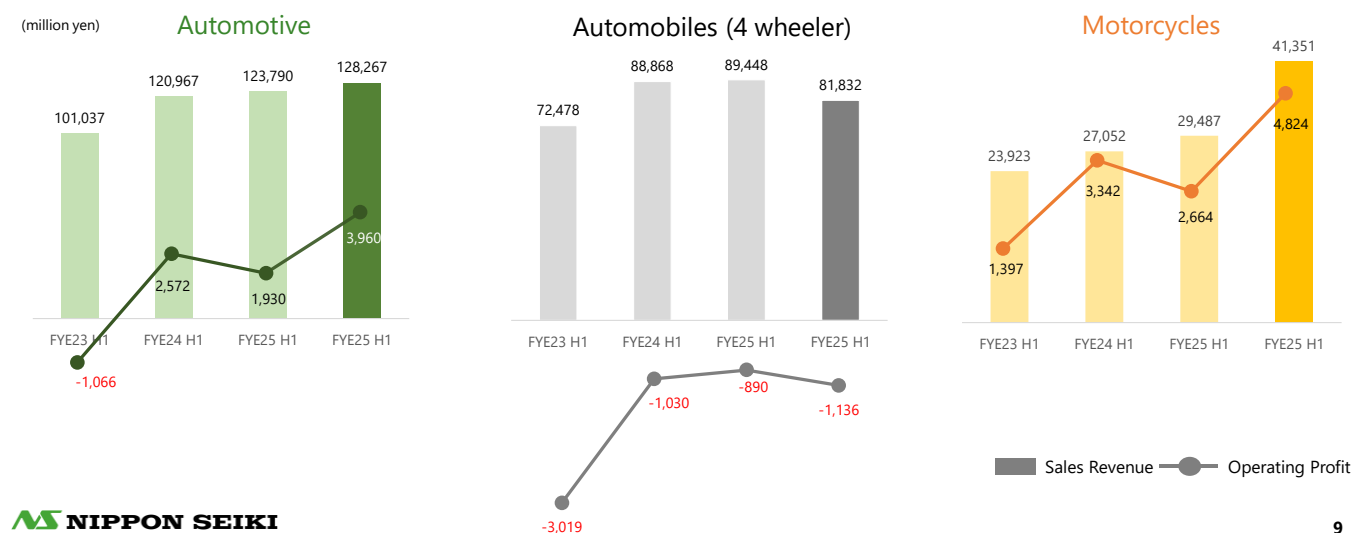
This shows the sales composition ratio by customer.

The dark green at the bottom shows about 30% of sales to Honda, and 17% above that to Japanese complete vehicle manufacturers such as Mazda and Yamaha. The next 21% is to overseas complete vehicle manufacturers such as BMW, GM, and Stellantis. This is down slightly. Due to the increase in sales of motorcycle instruments in countries such as ASEAN and India, Honda's ratio has risen to 30%.

## Financial Results by Business Segment (1)

■ **Automobiles** : Sales and profit declined due to stagnation in China, decrease in HUD sales in Europe and the US, and onetime payment for HUD in Europe.

■ **Motorcycles** : Sales and profit declined due to strong sales of instruments for motorcycles in ASEAN and India



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I will explain the status of sales revenue and operating income by segment in detail.

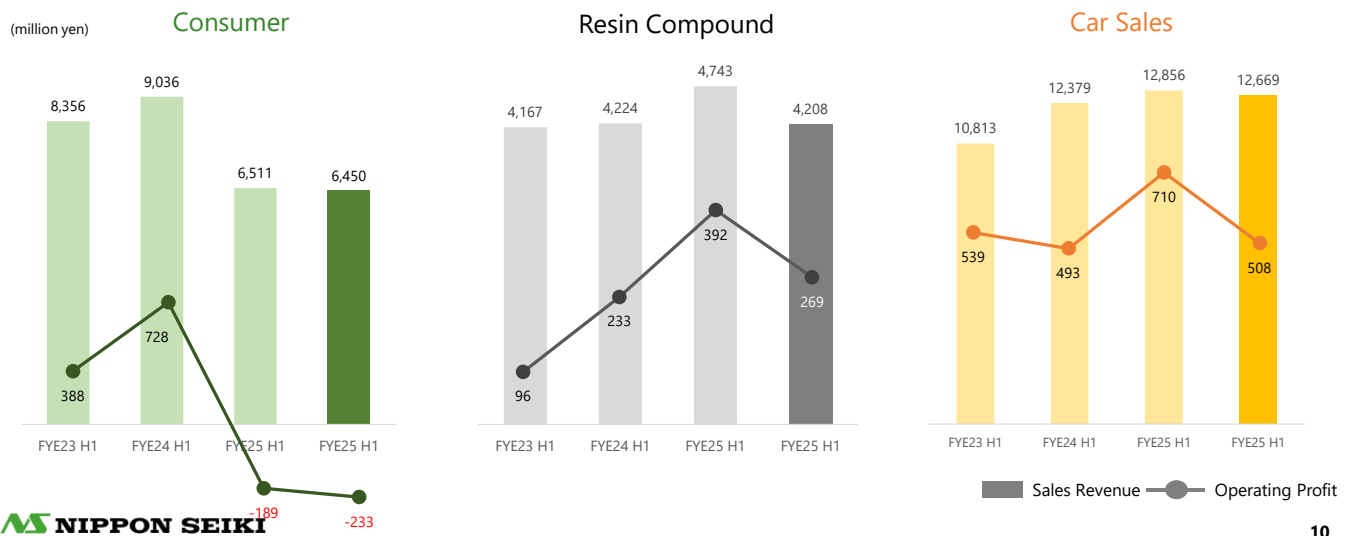
First, in the automotive parts business, revenue were 128.2 billion yen and operating profit was 3.9 billion yen. Of this, revenue of instruments for automobiles were 81.8 billion yen, and operating loss was 1.1 billion yen. Operating profit worsened by 240 million yen from the same period last year. As I explained earlier, this is due to a one-time payment of 740 million yen to European customers.

The figure for instruments for motorcycles was 41.3 billion yen. Sales were at the highest level in the past 4 years. Operating profit was also at a high profit level of 4.8 billion yen. Demand is strong in major markets for motorcycles such as ASEAN, India, and Brazil, and the ASEAN region is particularly strong due to the launch of new models for Yamaha.

In terms of profits, the appreciation of the Thai baht reduced purchasing prices against the dollar and yen, and material costs improved. This also supported profits.

## Financial Results by Business Segment (2)

- Consumer** : Although sales remained flat, profit decreased due to product mix of air conditioners and home equipment controllers.
- Resin Compound** : Decrease in sales and profit due to a decrease in orders from customers
- Car Sales** : Sales and profit declined due to sluggish sales of new cars



I would like to explain the segments other than the automotive parts business.

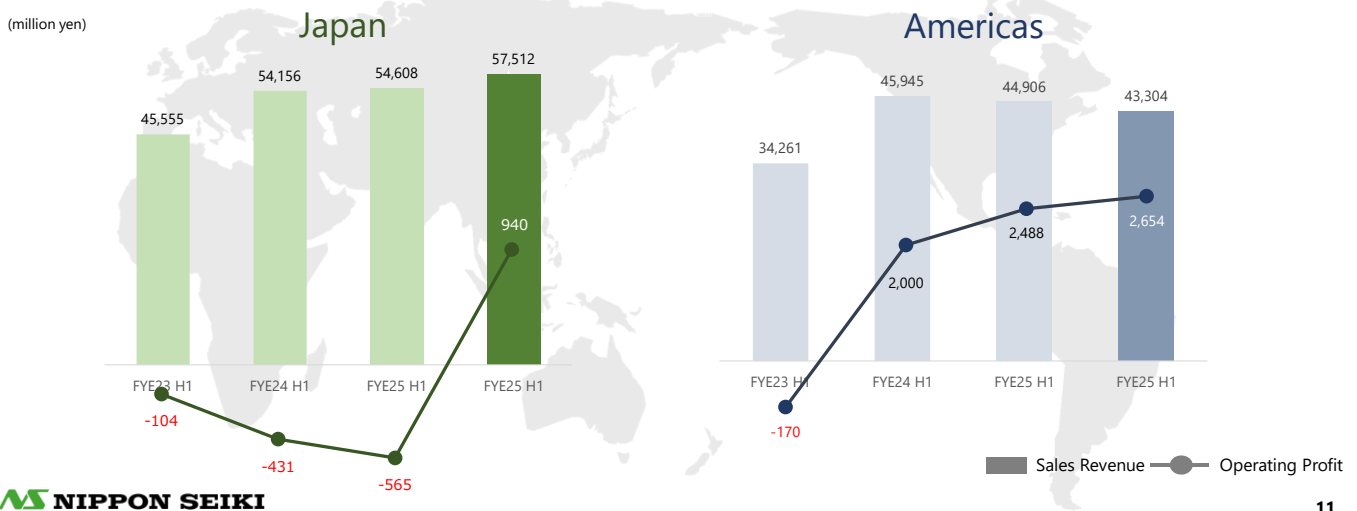
In the consumer business, sales recovery was delayed due to a delay in inventory clearance by customers, and revenue remained at 6.4 billion yen. Operating loss was 200 million yen. Sales of office equipment were lower than expected. We expect a slight recovery from the second half, but a full recovery in sales is expected to take place next fiscal year.

Revenue in the resin compound business decreased year-on-year. The main reason for the decrease was a decrease in demand for highly profitable transparent resin. In the Car sales business, we are engaged in dealership operations and used car sales business for Honda and Mazda affiliates, mainly in Niigata Prefecture. Revenue were 12.6 billion yen, a decrease of 200 million yen from the previous year. Sales decreased due to a decrease in demand for new vehicles, but we are aiming to recover in the second half.



## Financial Results by Region (1)

- Japan** : Sales increased due to growth in motorcycle instruments. Operating profit turned positive due to increased sales and capitalization of a part of development costs.
- Americas** : Although sales to European and American OEM were sluggish, sales and profit increased due to an increase in automobiles and motorcycles instruments for Japanese OEM



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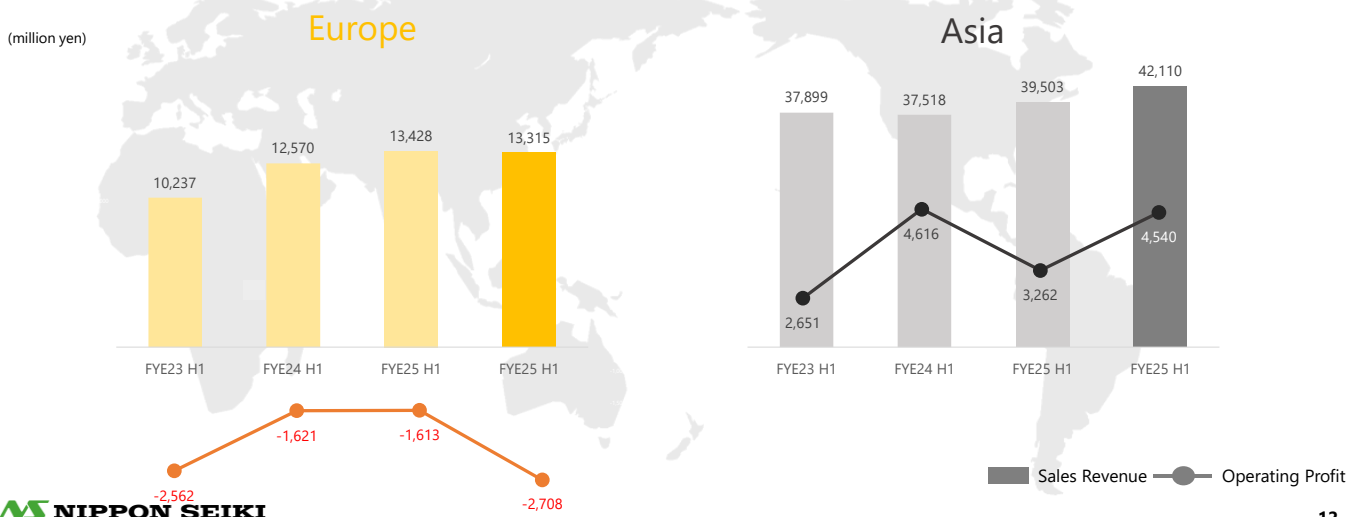
Next is the situation by region.

In Japan, operating income was 940 million yen, returning to the black, mainly due to an increase in sales of motorcycle instrument parts and the recording of revenue from the collection of individual design and development costs.

In the Americas, sales were 43.3 billion yen. Although sales decreased slightly from the previous fiscal year, operating income was 2.6 billion yen, an increase of 200 million yen from the previous fiscal year. Despite a partial decrease in sales to customers in Europe and the United States, an increase in deliveries to Honda and the continued success of cost reduction activities resulted in an increase in profit despite a decrease in sales.

## Financial Results by Region (2)

- Europe** : Sales and profit decreased due to European OEM's sluggish sales in China and a onetime payment for HUD.
- Asia** : Increased sales and profit due to increased sales of instruments for motorcycles in ASEAN and India



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Next, I would like to talk about Europe and Asia.

In Europe, Revenue and operating profit decreased due to a decrease in unit sales in the Chinese market by European customers and a request to our company for a one-time payment for price reduction. In the second half of the year, we are continuing to discuss with some of our customers the burden of expenses due to the impact of the sales price revision and production reduction. We are aiming to resolve this issue by the end of the year or in the fourth quarter in our company.

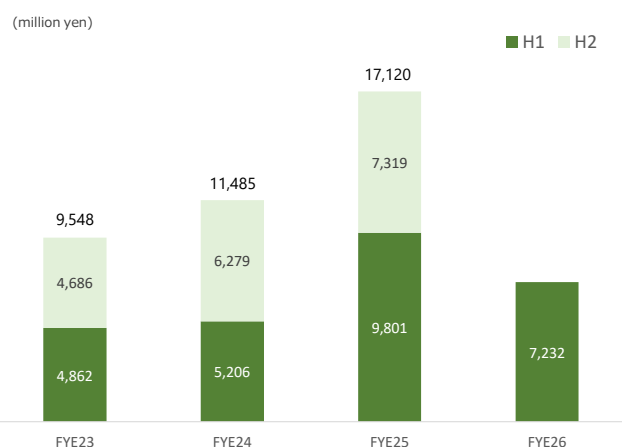
In Asia, sales increased in ASEAN and India, resulting in increased revenue and operating profit. In particular, the launch of a new model for Yamaha in Indonesia and increased production contributed. Demand also increased in Brazil and India. In addition, the strength of ASEAN currencies against the dollar and yen also contributed to earnings.

## Capital Investment and Depreciation

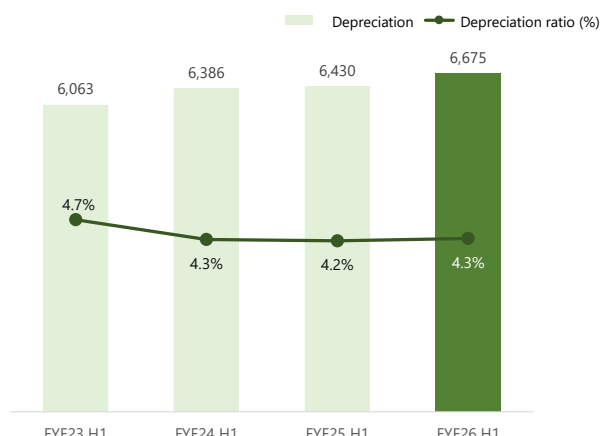
### H1 FYE2026 Capital Investment 7,232 million yen

- Capital investment increased in FYE2025 mainly due to investment in warehouses in North America and HUD production facilities in Europe and Japan

#### Capital Investment (Consolidated)



#### Depreciation



This is the status of capital investment and depreciation.

Capital investment in the first half was 7.4 billion yen, a decrease of 1.6 billion yen from the same period last year. In the same period last year, we actively invested in head-up display manufacturing facilities for new customers, but this period has settled down. Depreciation was 6.6 billion yen, accounting for 4.3% of sales. The ratio to sales was almost the same as the same period last year.

## Consolidated Balance Sheets

- Net cash provided by operating activities increased cash and cash equivalents
- The main reason for the increase in inventories was the capitalization of part of development costs, while inventories of parts and raw materials tended to decline.

(billion yen)

	Mar. 31 2025	Sep. 30 2025		Mar. 31 2025	Sep. 30 2025
Cash and cash equivalents	35.3	43.7	Trade and other payables	46.0	44.4
Trade and other receivables	52.7	47.8	Borrowings	18.4	16.3
Other financial assets	12.5	9.2	Other current liabilities	14.1	15.3
Inventories	99.5	100.7	Total current liabilities	78.6	76.2
Other current assets	16.3	11.7	Borrowings	13.8	11.2
Total current assets	216.4	213.4	Other non-current liabilities	19.4	19.9
Property, plant and equipment	78.3	79.9	Total non-current liabilities	33.2	31.2
Goodwill and Intangible assets	6.7	6.0	Total liabilities	111.8	107.4
Trade and other receivables	0	-	Share capital	14.4	14.4
Other financial assets	30.4	33.4	Capital surplus	5.3	5.3
Total non-current assets	115.5	119.4	Retained earnings	154.3	156.6
Total assets	332.0	332.8	Treasury shares	-1.4	-1.4
			Other components of equity	43.9	46.6
			Equity attributable to owners of parent	216.6	221.6
			Non-controlling interests	3.5	3.6
			Total equity	220.2	225.3
			Total liabilities and equity	332.0	332.8

Next, I will explain the main points regarding the balance sheet.

Inventories increased to 100.7 billion yen, an increase of 1.1 billion yen compared to the end of the previous year. The impact of foreign exchange increased by 500 million yen, and non-foreign exchange increased by 600 million yen.

I will explain the breakdown of inventories in detail. The inventory of work in progress for design and development expenses increased by 4.3 billion yen. On the other hand, the inventory of parts used as raw materials decreased by 3.7 billion yen. In the past, design and development expenses were collected by adding them to the cost of parts, but as the burden of design and development expenses has increased recently, we have changed our policy to separate design and development expenses from the cost of parts and collect them individually through negotiations with customers. As a result, the amount of work in progress increased.

Short-term loans amounted to 16.3 billion yen and long-term loans amounted to 11.2 billion yen, totaling 27.6 billion yen, a decrease of 4.7 billion yen from the end of the previous fiscal year. This includes seasonal effects. Compared with September of the previous year, sales increased by 2.3 billion yen.

## Consolidated Cash Flow

- Operating cash flow increased mainly due to an increase in interim income before taxes.
- Cash flows from financing activities decreased due to repayment of borrowings and year-end dividends.

(billion yen)	H1 FYE2025	H1 FYE2026		H1 FYE2025	H1 FYE2026
Profit before tax	2.4	6.1	Net increase (decrease) in short-term borrowings	6.9	-1.0
Depreciation and amortization	6.4	6.6	Increase (decrease) in long-term borrowings	0.5	-3.4
Interest and dividend income	-1.0	-0.9	Repayments of lease liabilities	-0.8	-0.9
Decrease (increase) in trade and other receivables	7.2	5.5	Net decrease (increase) in treasury shares	-1.4	0
Decrease (increase) in inventories	-1.1	-0.5	Dividends paid	-1.4	-1.4
Increase (decrease) in trade and other payables	-7.7	-2.4	Other	-0.6	0
Interest and dividend of received	1.0	0.8	Net cash provided by (used in) financial activities	3.1	-6.8
Income taxes paid	-5.3	-0.5	Net increase (decrease) in cash and cash equivalents	-2.7	8.4
Other	2.4	3.8	Cash and cash equivalents at end of period	30.5	43.7
Net cash provided by (used in) operating activities	4.2	18.6			
Purchase of property, plant and equipment and intangible assets	-9.8	-7.2			
Proceeds from sales of investment securities	2.8	0			
Other	-3.0	3.1			
Net cash provided by (used in) investing activities	-9.9	-4.0			

Next, I would like to talk about cash flow. Operating cash flow was 18.6 billion yen due to an increase in profit before taxes, depreciation, and a reduction in operating receivables. As for investment cash flow, capital investment was 7.2 billion yen, so net cash outflow was 4 billion yen.

## FYE2026: Consolidated Financial Forecast

### No change on FYE2026 full-year forecast

(million yen)

#### Sales Revenue

320,000 YoY Change +3,603(+1.1%)

#### Operating Profit

11,300 YoY Change +1,716(+17.9%)

#### Profit attributable to owners of the parent

8,000 YoY Change +1,878(+30.7%)

### Sales Revenue

Sales increased due to an increase in motorcycle instruments in ASEAN and India

### Operating Profit

Despite the impact of sluggish sales of Japanese and European vehicles in the Chinese market, profit increased due to increased sales of instruments for motorcycles.

Expected cost increase of 1.5 billion yen due to tariff policy in the United States

### Profit Attributable to Owners of the Parent

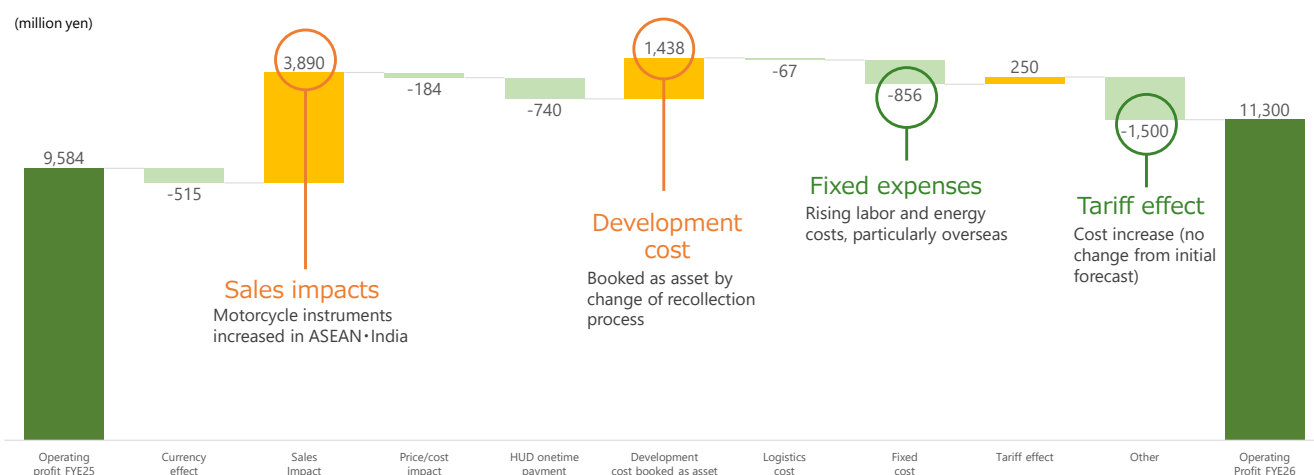
Increasing due to higher operating income

\$ 1 USD = 140.00 JPY

The full-year forecast has not been changed. The assumed exchange rate is 140 yen to the dollar. Regarding changes in each market, although there are tariffs in the U.S. and a decrease in sales volume to European customers, we expect growth in indicators for motorcycles in India, ASEAN, Brazil, and other markets in the second half of the year to make up for the loss in automobiles. Therefore, the forecast has not been revised.

## Change in Operating Profit

### FYE2026 : YoY Change in Operating Profit

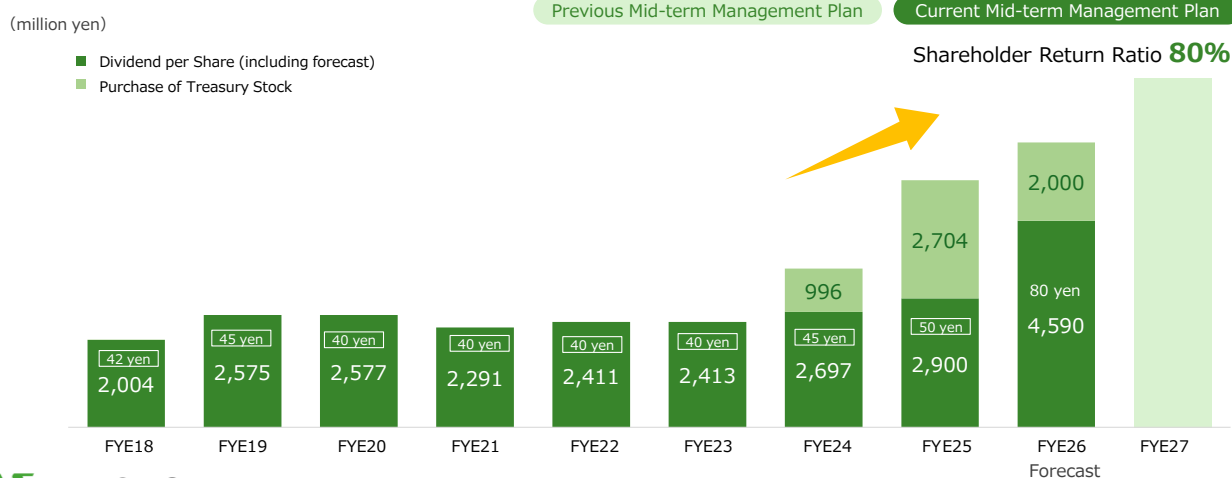


This page summarizes the factors for the increase and decrease from operating profit of 9.5 billion yen in the previous fiscal year to the forecast of 11.3 billion yen. Although the trend is similar to that of the first half, the profit contribution due to the increase in sales mainly of motorcycles was 3.8 billion yen, the positive impact of capitalization of design and development expenses was 1.4 billion yen, while the negative impact was due to the increase in fixed costs and the impact of tariffs.

## Capital Policy

### Return to Shareholders

- To improve capital efficiency, **we plan to return to shareholders with a total return ratio of 80%** during the Medium-Term Management Plan 2026 plan period.
- In accordance with the shareholder return policy, interim dividend for FYE2026 is 40 yen (year-end dividend is planned 40 yen)



Lastly, I would like to explain our capital policy. For the current medium-term management plan, we plan to achieve a total return ratio of 80% over the 3 years. For the current fiscal year, which is the 2nd year of the medium-term management plan, we have announced a dividend of 80 yen per share and a share buyback of 2 billion yen. This concludes my explanation.

## 2. Current Business Environment and Our Initiatives

Thank you very much for taking time out of your busy schedule to attend our company's financial results briefing today. My name is Nagano. I assumed the position of President and Representative Director in June. We will do our best to manage the company in order to earn the trust of our shareholders and investors. Thank you and best regards,

Today, I would like to talk about our recognition of the business environment and future initiatives. As you know, the environment surrounding the automobile industry is changing at a dramatic speed, including the Trump tariffs and the deterioration of U.S.-China relations. As the medium-term management plan through the fiscal year ending March 2027 is progressing, today I would like to share with you our company's recognition of this changing environment and updates based on this recognition.

### Keiichi Nagano, Representative Director, Biography

- Joined Nippon Seiki on 1989. Immediately after joining the company, he participated in the joint development project of Nippon Seiki's first head-up display (HUD) for OEMs. In 2001, he was in charge of the mass production of full-color HUDs for the North American market, and realized the development and mass production of full-color HUDs using TFT panels for the first time in the industry. In 2014, he was posted to Europe, where he was in charge of management of the European design department and technical negotiations with customers as General Manager of Nippon Seiki Europe.



President, Representative Director  
Keiichi Nagano

Apr. 1989 Joined Nippon Seiki  
Mar. 2014 Nippon Seiki Europe general manager  
June 2020 Nippon Seiki Senior operating officer  
June 2021 Director, Senior operating officer  
June 2022 Director, Managing officer  
June 2023 Director, Senior managing officer  
June 2024 Representative director, Vice president  
June 2025 In charge of automotive system design headquarter,  
region in charge: Europe (present)  
June 2025 President, Representative Director (present)

First, I would like to briefly introduce myself.

Since joining the company in 1989, I have been mainly in charge of technology development. In 2001, I was in charge of a project to mass-produce full-color head-up displays for North America, and we developed and mass-produced the industry's first full-color HUD using a TFT panel. In 2014, I was posted to Europe, where I experienced management of the European Design Department as General Manager of Nippon Seiki Europe. I would like to make use of the knowledge I have cultivated through such experiences and challenges to reestablish the Nippon Seiki Group with both growth potential and profitability.

## Review of H1 FYE2026

- Sales revenue 156,242 million yen (+2.5% YoY), operating profit 5,247 (+52.3% YoY)
- **Consolidated operating results remained at the planned level** as a result of strong sales of motorcycles supporting sluggish sales of automobiles.
- Recognized that the external environment has changed significantly since the formulation of the Mid-term Management Plan, and that **initiatives need to be adjusted to meet the current situation**

### Business Results (million yen)

Automotive Instruments・HUD <small>*HUD : Head Up Display</small>	Sales Revenue	Operating Loss
	<b>81,832</b> -8.5% YoY	<b>-1,136</b> -890 on previous year
Motorcycle Instruments	Sales Revenue	Operating Profit
	<b>41,351</b> +40.2% YoY	<b>4,842</b> +81.1% YoY
Other <small>*General purpose・EMS・consumer・resin・car sales etc.</small>	Sales Revenue	Operating Profit
	<b>33,059</b> -1.4% YoY	<b>1,559</b> -6.7% YoY

### Review



- Due to sluggish sales of Japanese and European automakers in China, sales of automobile instruments and HUDs fall below expectations



- Due to strong sales by Japanese customers in ASEAN countries (Indonesia and Thailand), India, and Brazil, we exceeded our target.



- While sales of instruments for construction machinery were firm, sales of EMS, consumer parts, resin compounds, and automobiles were sluggish.

First of all, I would like to review the first half.

Our results for the first half of the fiscal year were in line with our plans, but I feel that the half year strongly reflected the drastic changes in global market trends. Specifically, while the struggles of Japanese and European manufacturers in the Chinese market cast a shadow on the automobile business, the growing need for transportation due to economic development in emerging countries has boosted the motorcycle business. In addition, we formulated the current medium-term management plan in 2023, but the external environment that we assumed when we formulated the plan and the current external environment have changed significantly, so we recognize that we need to make some adjustments to our current measures.

## Recognition of the External Environment

- **Dramatic changes in the environment surrounding the automobile industry,** including U.S. trade and environmental policies and the U.S.-China conflict
- **Under tough competition, Chinese automobile manufacturers raise their product capabilities** and expand Their Market Shares in China, ASEAN and Europe
- **Motorcycle market in India, ASEAN and Brazil expands stably** by progress in urbanization and increase in Disposable Income

### Formulation of the Mid-term Management Plan (Nov. 2023)

**External Environment**

- Increased risk of uncertainty (Geopolitical risks, supply chain changes, cost inflation, higher interest rates, etc.)
- Accelerated change in the automotive industry (Response to CASE, increasing safety requirements, expectations for high added value, and diversification of needs)
- Increased awareness of ESG

**Opportunity**

- Expansion of HUD and digital cockpit market
- Increase in EMS needs due to the electrification of vehicles
- Demand increase for automobiles and motorcycles in emerging countries

**Risk**

- Restructuring of the automobile industry and acceleration of alliances
- progress of computerization and softwareization of vehicles
- Unit prices of electronic components remain high.

### Now

**Speed of change greater than expected**

- Impact of U.S. Trade Policy on the Automotive Industry
- Impact of U.S.-China Conflict on Global Supply Chains
- Changes in the Global Market

- Rise of Chinese automotive makers and effects to European makers
- Growth of motorcycle markets in India and ASEAN, Brazil

I briefly summarize the differences between the external environment then and now.

The first is changes in global policy. The institutional and geopolitical environment surrounding the automobile industry has changed dramatically, including the review of trade and environmental policies in the United States and the intensification of the U.S.-China conflict. As regulatory trends in each country change in a short period of time, supply chains and investment decisions are also being affected.

The second is the rise of competitors. Chinese automakers have aggressively adopted advanced safety equipment and electrification technologies for EV, greatly improving their product capabilities. As a result, they have expanded their market share not only in mainland China but also in ASEAN and Europe, creating an unprecedented competitive environment.

The second is the expansion of the motorcycle market. Against the backdrop of increasing urbanization and disposable income, demand for motorcycles in emerging countries such as India, ASEAN, and Brazil has continued to expand stably. Demand for affordable transportation is strong, making our company a key area for growth in the motorcycle business.



## Effect to Nippon Seiki ① Short Term : U.S. Trade Policy, U.S.-China Conflict

### Impact of U.S. Trade Policy on the Automotive Industry

#### Effect to Nippon Seiki **Profits drop by tighter tariffs**

- In the plan for FYE2026, approximately 1.5 billion yen has been expected as the impact of tariff policies.
- The impact in H1 FYE2026 was approximately 0.6 billion (excluding the impact of reduced sales volume due to tariff policies).
- While the impact for the next fiscal year and beyond has not yet been determined, we recognize that trade policy trends will remain uncertain.
- Continue negotiations to appropriately reflect the burden of tariffs on product sales prices

### Impact of U.S.-China Conflict on Global Supply Chains

#### Effect to Nippon Seiki **Procurement risk of parts (semiconductors and rare earths)**

- Nexperia's semiconductor supply delay is expected to have a temporary impact on its business activities in the current fiscal year (impact amount to be determined).  
※Indirect impact of customer's production decline and impact on our products that use the Nexperia semiconductors
- Rare earth supply shortages may also affect customer's production trends

These changes have had an impact on our company in the following 4 areas.

First, the impact of U.S. trade policy on our company. Although we have factored in a cost increase of approximately 1.5 billion yen due to increased tariffs in our plan for the current fiscal year, the impact above was approximately 600 million yen. Although the impact for the next fiscal year and beyond has not yet been determined, we recognize that trade policy remains uncertain. We will continue negotiations with OEMs to appropriately pass on the burden of tariffs to product sales prices and strengthen efforts to minimize pressure on earnings.

Next, procurement risks for key components such as specified semiconductors and rare earths have increased further. In particular, delays in the supply of semiconductors at Nexperia are expected to have a temporary impact on business activities in the current fiscal year. We recognize that the semiconductors used in our company products can be replaced by substitutes, but we do not currently expect any impact from customers' production adjustments. Rare earth supply risks may also affect customers' production plans.

## Effect to Nippon Seiki ② Long or Medium-term : Changes in the Global Market

Changes in the Global Market (Rise of Chinese Automobile Manufacturers and Declining Share of European Automobile Manufacturers)

Effect to Nippon Seiki

### Delay in our plans to expansion our HUD business and improve profits in Europe

- Changes in the Chinese market have had a negative impact on achieving strategic priorities such as strengthening the head-up display (HUD) business, which is the core of mid-term management plan, and improving the profitability of the European business
- Although the adoption of new HUD manufacturers has progressed, sales have fallen below plan due to a decline in the share of European manufacturers in the Chinese market
- Maintain the impact by continuing to expand sales, improve costs, negotiate higher selling prices, and reduce shipping costs

Changes in Global Markets (Growth of India, ASEAN and Brazil Markets)

Effect to Nippon Seiki

### Gain of new growth opportunities

- Aim to gain growing demand for motorcycles in emerging markets by combining our company's unique technological advantage, high durability and dust resistance, and our global production network
- Continue to focus on developing and expanding sales of new products

In this slide, I would like to talk about the impact of changes in the global market on our company. In recent years, the market share of foreign manufacturers in the Chinese market has declined due to the rise of Chinese automakers.

This trend has had a negative impact on strengthening the head-up display business, which is a strategic priority in our company's current medium-term management plan, and improving the profitability of our European business. First, in the HUD business, although adoption by new manufacturers has been progressing steadily, sales have been below plan due to the declining share of European manufacturers in the Chinese market. In addition, as a result, improvement in the profitability of our European business has stalled. We will continue to expand sales, improve costs, negotiate higher selling prices, and reduce transportation costs to minimize the impact.

Next, I will explain changes in the Indian, ASEAN, and Brazilian markets.

Demand for motorcycles is expanding further in emerging countries against the backdrop of urbanization and an increase in disposable income. By combining our company's unique technological advantages, such as high durability and vibration resistance, with our global production network, we hope to supply motorcycle parts that meet local needs and lead to growth.

## Future Initiatives

### Mid-term Management Plan Policy

- ① Strengthening HUD Business
- ② European Business Profitability Improvement
- ③ New customers/  
New product development

### Aligned Initiatives with Current External Environment

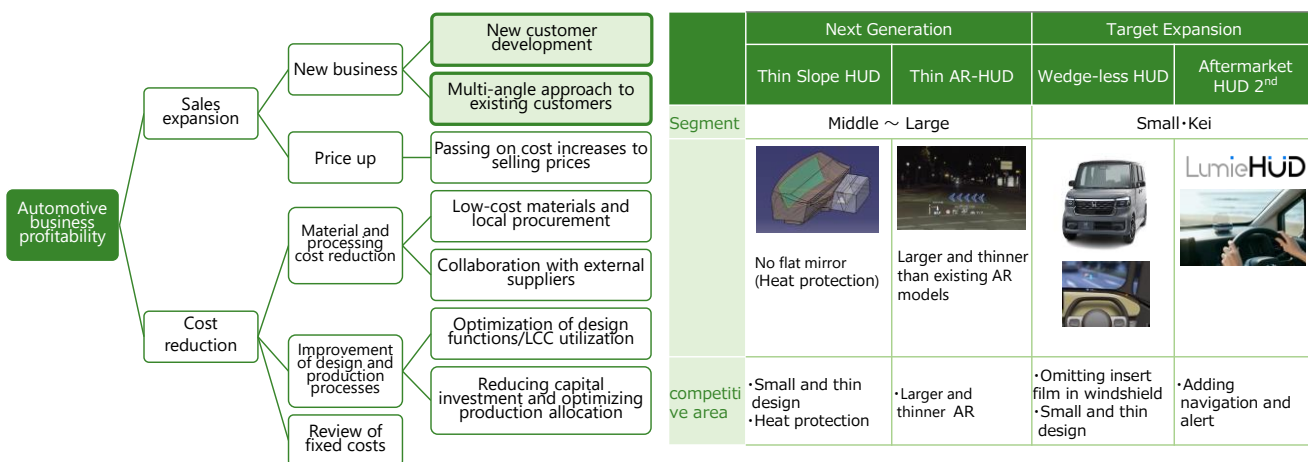
1. Automobile and HUD: Implementing business strategies to enhance growth and profitability
2. Motorcycles: Accelerating sales of motorcycle instruments in emerging markets
3. Creation of innovative products, services and businesses
4. New Medium-Term Management Plan (FY2028 to FY2030)

Future initiatives. Our external environment has changed significantly since the formulation of the current mid-term management plan, so we would like to make some adjustments to our efforts to strengthen HUD, improve profitability in Europe, and develop new products, which are the basic strategies in the current mid-term management plan, and aim to achieve the numerical targets set forth in the current mid-term management plan by focusing on the four points described above.

### 1. Automobile and HUD: Implementing Business Strategies to Enhance Growth and Profitability

- Although there is a force majeure in China where foreign automakers are struggling, we are striving to expand sales and raise prices through the development of new functions, while reviewing design and production processes and reducing costs such as materials, manufacturing, distribution, and fixed costs

#### Efforts to Expand Sales and Improve Profits



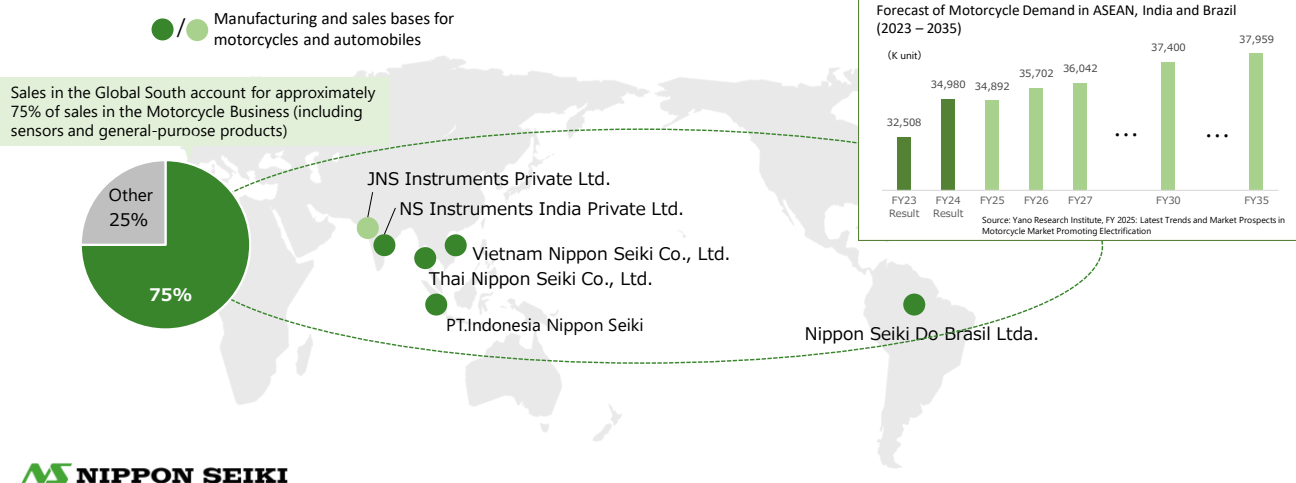
First, I would like to talk about the automobile and HUD business. We will pursue initiatives to increase both growth and profitability. We will expand sales by taking a multifaceted approach to new and existing customers, focusing on HUDs that are lighter and thinner than conventional models and wedge-less HUDs that we are developing for light and compact vehicles. At the same time, we will strive to improve

profitability in the automobile and HUD business by reducing material and processing costs and reviewing design and production processes.

## 2. Motorcycles: Accelerating Sales of Motorcycle Instruments in Emerging Markets

- We will further strengthen our competitiveness in India, ASEAN and Brazil by developing attractive products that meet diverse needs and optimizing our global supply system.

### Manufacturing and sales bases of the Nippon Seiki Group in the Global South



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Next, I will talk about the motorcycle business. As shown in the graph on the right side of the slide, the motorcycle market in India, ASEAN, and Brazil is expected to grow by more than 1% annually. Approximately 75% of our company's motorcycle sales come from India, ASEAN, and Brazil, and our manufacturing and sales bases cover these areas.

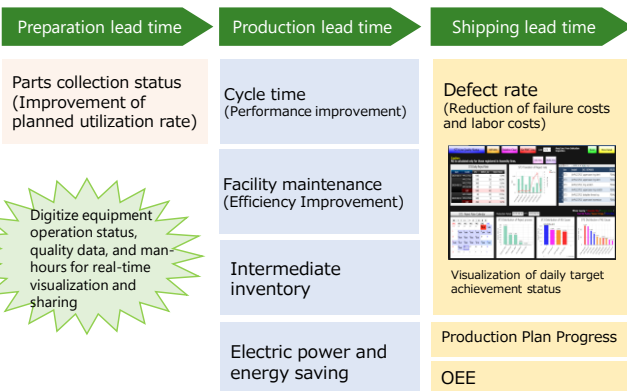
Going forward, we will further strengthen our competitiveness in regions where demand is growing, such as India, ASEAN, and Brazil, by developing attractive products that meet the diverse needs of these emerging countries and optimizing our supply system on a global level.

### Reference: Initiatives in India

- Expanding production capacity and improving profitability in India by promoting the conversion of plants into smart plants and strengthening price competitiveness through in-house production of TFT LCDs

#### Smart plants

Promoting efficiency improvement through smart factory in India. Achieving labor savings, improving quality control and productivity by collecting and analyzing data in real time.



#### In-house production of TFT LCDs

Responding to Significant Growth in TFT LCD Demand in the World's Largest Motorcycle Market

- Production of TFT LCDs will be in-house in a joint venture to reduce tariffs and shipping and packaging costs and increase price competitiveness.
- Scheduled to commence mass production in 2027

#### India Joint Venture/Plant Overview

- Company Name: EDT-India Private Limited
  - Establishment: 2025 Summer
  - Ownership ratio : EDT 81%, Nippon Seiki 19%
  - Location: Andhra Pradesh, southern India
- In the site of our company's Indian subsidiary



**Emerging Display Technologies (EDT)**

- Head Office: Kaohsiung, Taiwan
- Products : TFT display module, Capacitive touch panel module, Smart Embedded display module etc.

**NIPPON SEIKI**

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As a reference, I would like to introduce our company's initiatives in the Indian market.

The Indian motorcycle market is a huge market that is expected to grow rapidly due to the progress of urbanization and an increase in disposable income. In this market, we are currently working on establishing smart factories to expand production capacity and improve profitability. Smart factories are initiatives to improve productivity, quality control, and productivity by collecting and analyzing data in real time. We intend to achieve this as soon as possible to capture growing demand.

Motorcycle meters have been replaced by analog meters with needles, and full-segment LCD and TFT LCD products are on the rise. Aiming to strengthen price competitiveness, our company has established a TFT LCD joint venture in India with a Taiwanese LCD manufacturer. The new factory is scheduled to begin mass production in 2027. Our aim is to improve price competitiveness by reducing tariffs, transportation, packaging, and other costs.

### 3. Creation of Innovative Products, Services and Businesses

- Accelerating challenges in new growth areas to reduce dependence on the automotive industry
- September 2025, New entry into the software user interface (UI) consulting business as a new growth area

#### Evaluation of a high-visibility LED projector

A comparative evaluation of road projection technology such as our company's "High Visibility LED Projector" on actual road surfaces for the purpose of reducing the number of accidents resulting in intrusions into restricted areas on expressways



LED projector evaluation  
Lane guidance display projected by arrows in red frame



High-visibility LED projector  
used in the Evaluation

Received the Excellence Award for contributing to the improvement of road technology and promotion of road projects at the 36 th Japan Road Conference in November 2025.

**NIPPON SEIKI**

#### New company MELHE UI established

We established new company to provide software development and UI/UX design consulting in a wide range of fields, utilizing our proprietary technologies and knowledge related to software and Human Machine Interface (HMI).

Name : MELHE UI  
Capital : Nippon Seiki Co., Ltd. 100%  
URL : <https://www.melheui.jp>



#### ● Life-Up Applications Business

Using software technology, developing smartphone apps., web system

#### ● UI Innovation Business

By applying our know-how in the automotive field, where rapid recognition, rapid reading and intuitive UI are required, to various fields, we will provide UI that is both safe and comfortable.

#### ● Connecting Design Business

Providing design that connects companies and customers, products and users, and people to people

The third is the creation of innovative products, services, and businesses. As our company is highly dependent on the automobile industry, it is easily influenced by trends in the automobile industry as a whole, which is one of the reasons for low profitability. Creating new revenue sources is an important issue for our company, and we will continue to expand our efforts in new growth areas.

I would like to introduce two examples that we have implemented in the past six months. The first is a high-visibility LED projector that our company is developing. This time, as you can see in the photo, we conducted a demonstration test of the projector's road surface projection technology in collaboration with Metropolitan Expressway in order to reduce intruder accidents on expressways. Through the demonstration test, it was confirmed that our company's LED projector has high visibility while driving and is an effective means of preventing intruder accidents that are within the limits of regulations.

Furthermore, the results of this demonstration test were presented in a paper by Metropolitan Expressway at the Japan Road Conference held in November, and received an Excellence Award for contributing to the improvement of road technology and the promotion of road business. In this way, we will expand our business by applying our company's technological strengths to multiple industries and creating differentiation and competitive advantages.

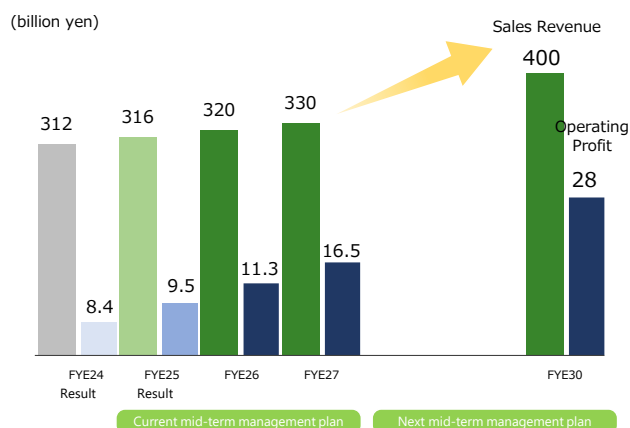
I would like to introduce one more thing. We are a new entrant in the software UI consulting business.

Merue UI, a new company established this fall, plans to provide software development and other services in a wide range of fields by utilizing our company's unique technologies and expertise in software and human-machine interfaces. In order to create corporate value for the next generation, we will work on our business with a sense of speed.

#### 4. New Medium-term Management Plan (FYE2028 to FYE2030)

- Starting to formulate the new medium-term management plan in January. **Aim to achieve an ROE level of 8% in the fiscal year ending March 2030** (announcement date to be determined)
- Considering strategies along with the changing external environment, and optimize growth investments and shareholder returns with balance sheet awareness

#### Medium and Long Term Performance Targets (Announced on Nov. 2023)



FYE30 Sales Revenue Target

**400 billion yen**

FYE30 Operating Profit Target

**28 billion yen**

FY30 ROE Target

**8.0%**

The final step is to formulate a new medium-term management plan. Since the current medium-term management plan ends in the fiscal year ending March 2027, we will begin formulating the next medium-term management plan early next year.

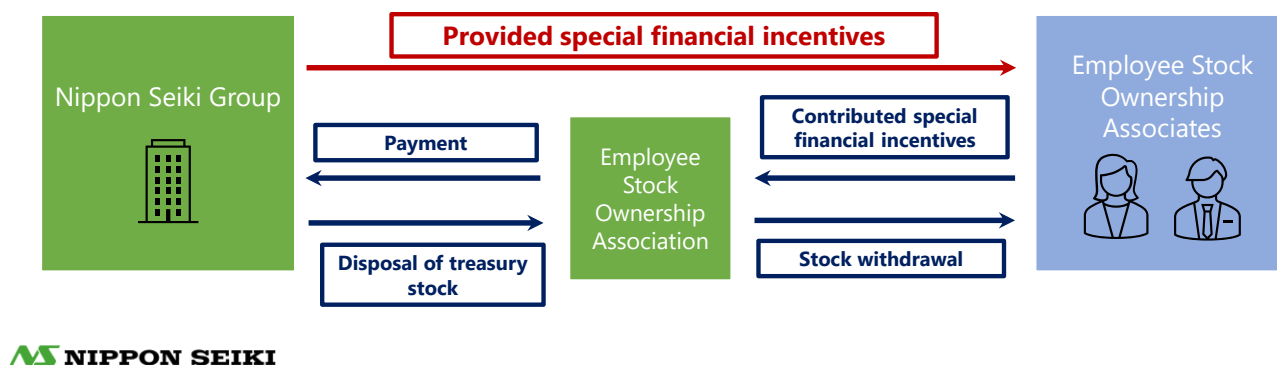
In order to improve PBR, we recognize that our medium-term ROE target of 8% for the fiscal year ending March 2030 is an indicator that we must achieve. We will consider strategies in line with the changing external environment and optimize growth investments and shareholder returns, while keeping our balance sheet in mind.



## Reference: Introduction of Stock Incentive System through Employee Stock Ownership Plan

- **Introduced a stock incentive program through the Employee Stock Ownership Program** to raise the awareness that each employee is directly involved in enhancing our company's medium- to long-term corporate value through the holding of our company shares.
- The introduction of this program is expected to encourage more employees to join the Employee Stock Ownership Program, thereby fostering a sense of participation in management.
- Special incentives equivalent to 50 shares per member of the Employee Stock Ownership Program (November 2025)

### Structure of the Stock Incentive System



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The Company hereby announces the stock incentive program introduced during the fiscal year under review. our company introduced a stock incentive program through the Employee Stock Ownership Plan to raise awareness that each employee is directly involved in medium- to long-term corporate value improvement through stock ownership. In November of this year, we paid special incentives equivalent to 50 shares per member of the Employee Stock Ownership Plan. The introduction of this program has prompted many employees to join the Employee Stock Ownership Plan. We would like to enhance employee engagement and work together to improve corporate value.

## Nippon Seiki has reached a significant milestone of its 80th anniversary on Dec. 2025.

We cultivate a culture that respects the spirit of challenging new businesses, processes, and values.

All employees work together to create "a Safe and Sustainable Future."



Nippon Seiki 80<sup>th</sup> anniversary festival held on November 1, 2025

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This is the last slide. This December, our company will celebrate 80 years since its founding.

Again, the automotive industry is entering a period of transformation, and the external environment is changing one after another. In order for our company to increase its corporate value, we recognize that it is necessary to adapt to changes in the market, intensifying competition, and new technologies, without being satisfied with the global share and product value that we have built up until now.

By fostering a culture that respects the challenge of new businesses, processes, and values, all of our employees will work together to create a world and a future filled with peace of mind and excitement.

That concludes my explanation. Thank you for your attention.

## Questions and Answers

**Question 1: Please explain the assumption that the earnings forecast will remain unchanged. Please also explain the impact of Nexperia's semiconductor supply delay.**

(Answer: Kase)

First, I would like to explain the issue of Nexperia's semiconductor supply delay. We understand that the timing of production changes at our customers was from the end of October to after November 20. Therefore, the impact of production adjustments on our company is expected to appear in the third quarter according to our financial results. We have received reports that semiconductor shipments have resumed this month, so we believe that recovery will proceed within the fiscal year.

Next, I would like to explain the background behind our unchanged earnings forecast. As I explained earlier, the motorcycle business is trending slightly above the internal budget. In addition, profitably, the appreciation of the Thai baht and other ASEAN currencies against the dollar and the yen has led to a decrease in purchase prices at our bases in our company, in other words, an improvement in raw material costs.

In addition, regarding the impact of tariffs in the United States, I have been informed that discussions have begun with some local customers regarding the share of the burden. The impact of tariffs, which is currently expected to be 1.5 billion yen, is also expected to be collected from customers.

Toward the end of the fiscal year, we expect that we will be able to expect a certain amount of effects from strengthening price negotiations with our customers, continuing depreciation reduction activities internally, and improving our constitution to become more muscular, which we have been working on for a long time. Therefore, we would like to achieve our earnings forecasts by focusing on sales revenue of 320 billion yen and operating income of 11.3 billion yen.

**Question 2: Motorcycle sales have been strong. What is your current outlook for sales in the second half of the fiscal year and beyond?**

(Answer: Nagano)

As I mentioned earlier, sales in Indonesia, Thailand, India, and Brazil have been very strong, and we recognize that these are growth drivers.

We expect the same trend to continue in the second half. In addition, as explained earlier, we are moving forward with the introduction of smart factories for TFT meters in India. Today's explanation focused on India, but the introduction of smart factories also covers the ASEAN and Brazil factories, and we plan to increase production capacity and improve production efficiency. In that sense, we have adopted a system tailored to the market, and we would like to continue this strong performance in the second half and even into the next fiscal year and beyond.



Question 3: I believe you have disclosed a forecast of 64 billion yen in HUD sales for this fiscal year. Could you tell us how much sales of HUD will be after the first half and what is your outlook?

(Answer: Kase)

Sales of HUD in the first half were 27.1 billion yen. Due to a decrease in the number of units sold by European customers, we are not achieving our plan. As for the forecast for this fiscal year, the plan at the beginning of the fiscal year was 64 billion yen, but the current forecast is about 57 billion yen.

Question 4: I would like to ask about your forecast for the current fiscal year. As for the second half of the fiscal year, you said that HUD's forecast is for a decrease and that it is uncertain whether the tariff burden will be completely recovered from OEM. You have left the full-year forecast unchanged. Could you give us a nuance on whether there is room to achieve the full-year forecast or whether the hurdle is high?

(Answer: Kase)

Although we are slightly short of achieving the operating income of 11.3 billion yen for the full year, we have reached around 50% in the first half. In the second half, while the situation for automobiles will continue to be severe, we expect that for motorcycles, India, ASEAN, and Brazil will be firm. In the United States, there was a reactionary decline in demand in the first quarter following the front-loaded increase prior to the imposition of tariffs, but it is expected that there will be a slight rebound in the fourth quarter, so we expect that we will be able to achieve this 11.3 billion yen target with continued efforts.

Question 5: With regard to increasing the growth and profitability of automobiles and HUDs, given that orders have been secured for 2 to 3 years, I think we can already see what kind of recovery we can expect in terms of earnings in the future, based on the current order situation and the status of design, development, and costs. Please tell us what you expect when orders have been secured for about 3 years.

(Answer: Nagano)

It takes about 2 to 3 years to develop a HUD, so orders will be received and products will be on the market in 2 or 3 years. To some extent, we are doing as planned, and in addition, we are currently preparing new types of products for EVs and small cars.

This year, the situation is quite severe due to the effects of Trump's tariffs, but in 2 or 3 years, car manufacturers have a policy of not only developing EVs but also ICE types, so we would like to provide products that are suitable for that.

Question 6: OEMs are reviewing their EV strategies, but will the scenario of your company's profitability returning remain unchanged? How much profit can you expect from the four-wheel and HUD segments in the next fiscal year?

(Answer: Kase)

We have previously explained that we would like to recover profitability in the European region during this mid-term management period, but the current sales situation to European customers is severe and below our expectations, and recovery of profits has been delayed.

Going forward, in the first half, we will start mass production of HUD as one of the global models for Honda, and there are some areas where we expect profitability. New models will be launched for other automakers in the second half. There is a question of how far we can recover profits for our European customers, but we believe that we will be able to secure profitability for new customers as soon as possible.

Question 7: In Europe, I remember that you planned to narrow the deficit while continuing to lose money for the current term. Looking at the results for the first half, while sales were flat compared to the previous year, the deficit expanded. I would appreciate it if you could explain your recognition of the results for the first half and what is likely to happen in the second half and beyond.

(Answer: Kase)

The operating loss of 2.7 billion yen in the first half included a temporary payment of 740 million yen to European customers. This is a temporary payment, so on a regular mass-production basis, we will have a deficit of about 2 billion yen.

For the second half, we will negotiate prices with our customers as we did last year. Our customers' financial results are due in December, so our schedule until last year was to obtain an agreement on our requests in time for the financial results. How much price negotiations progress in Q3 and Q4 will be the key to how much we can reduce the deficit in the second half.

(END)