

Chairman's Message



With gratitude for Nippon Seiki's 80-year history, we will challenge the next era through our technology and lean management.

Celebrating 80 Years and the Next Challenge with a New Structure

We are delighted to announce that Nippon Seiki has reached its 80th anniversary. Thanks to the wonderful people who support our company, we have been able to sustain growth despite numerous natural disasters and economic fluctuations. We extend our deepest gratitude to all our stakeholders who have supported our company thus far, including our valued business partners, local community members, shareholders, and our employees and their families.

Strong winds are blowing from various directions, including the major transformation surrounding the automotive industry such as CASE and SDV, as well as geopolitical risks and the recent impact of U.S. tariffs. However, we believe the critical task is to swiftly extend strong roots in all directions, enabling us to withstand winds from any quarter. We have cultivated a strong "manufacturing ability" to create products and software as a major trunk. In addition to developing products that meet the needs of society, we will not be satisfied with our "manufacturing capabilities" up to now, but will expand our roots by taking on challenges in the product and service business in new areas with confidence and courage, and grow the Nippon Seiki Group into a great tree. Therefore, we look forward to your continued support.

Growth Strategy Beyond Business Recovery

At the General Shareholders' Meeting in June 2025, I was appointed as Chairman and Representative Director, and Mr. Nagano was appointed as President and Representative Director. I took office as President in 2020, almost simultaneously with the outbreak of the COVID-19 pandemic. This was immediately followed by the semiconductor component shortage. Just as that stabilized, we experienced firsthand the speed and intensity of the environmental changes surrounding our company, including the slowdown of Japanese, European, and American automakers in China, and the recent impact of U.S. tariffs. In order for him to adapt to such an environment as a business leader, Mr. Nagano was appointed last year as Executive Vice President and Representative Director, to whom I delegated and had him execute a portion of the President's duties.

Our current Medium-Term Management Plan (covering Fiscal Years ending March 2025 through March 2027) is positioned as a business recovery phase, and we recognize the enhancement of profitability and ROE as critically important management priorities. As the Group is still in the process of business recovery, we believe that delegating both the mid-term enhancement of profitability and the planting of seeds

for future growth entirely to the new President would place an excessively high burden on him. I have instructed the new management team to "focus solely on enhancing the company's profitability." I will continue to be responsible for areas within the presidential duties that focus on the future, such as considering investments in ventures and M&A, initiatives to raise the company's profile, and matters that are difficult to address amidst the daily demands of management. Furthermore, while I serve as Chairman of the Board of Directors, President Nagano is responsible for chairing the Management Committee. By separating the chair roles of the Board of Directors, which is the supervisory body, and the Management Committee, which is the executive body, we aim to enhance our checks-and-balances capabilities and improve corporate governance.

Achieving Sustainable Growth Through Technology and lean Management

Although we have adopted this new structure, the fundamental principles of the Group values for long-term growth remain unchanged. The first of these is our commitment to "Technology". Management prioritizing technology development is a major pillar of our Group. Since we have fewer product categories compared to our competing automotive parts manufacturers, we believe it is crucial to continually hone our cutting-edge technologies to win. Instead of pursuing technology in all directions, we must enhance added value through technologies that leverage our existing strengths, while continually creating new technologies. While continuing to develop technologies for the Head-Up Displays (HUDs), meters, and sensors that we traditionally produce, we are also determined to simultaneously embark on challenges into new business models and domains outside of automotive components, capitalizing on our knowledge, experience, and specialized expertise.



The second is the penetration of "lean Management." Since I took office, amidst the continuous occurrences of the COVID-19 pandemic and the semiconductor component shortage, we have been aiming for a transformation toward a "lean corporate structure" to build a management foundation capable of enduring adversity. A "lean corporate structure" refers to a state where the PDCA cycle continuously maximizes added value and minimizes fixed costs, resulting in a profit structure that is less susceptible to changes in the external environment. We have communicated this philosophy to the Group internally on every available occasion. While there have been improvements in our commitment to profitability, the philosophy is still only halfway to being fully ingrained. Through measures such as personnel transfers, reskilling, and DX promotion, we aim to achieve a lean structure and establish it as the Group's corporate culture being our new standard.

As we mark this major milestone of our 80th anniversary, I sincerely feel that it is an exceptionally arduous task for any company to sustain continuous operations for many decades amid such a rapidly changing environment. To ensure the Group continues to 100th and 150th anniversaries, we are determined to strive for further improvement in our technological and profit capabilities, never forgetting the spirit of constant challenge. With Purpose, which is "to create a world and future filled with security and impressions," we will continue to challenge ourselves for the sustained prosperity of both society and our company.

Chairman and
Representative Director

佐藤 浩一

Koichi Sato

President's Message

Delivering Safety and Excitement to the Future through Technology

President and Representative Director
Chief Executive Officer

永野 恵一
Keiichi Nagano

I am Nagano Keiichi, the newly appointed President and Representative Director of Nippon Seiki. I joined Nippon Seiki in 1989 and have gained experience primarily in the field of technology development. When I first joined the company, I participated in a joint development project of our company's first OEM head-up display (HUD). With almost no prior information or know-how, we faced numerous challenges and failures, yet we dedicated ourselves to returning to fundamental principles, disregarding existing technologies and conventions, to create new value. I believe this initiative has become the foundation of our current HUD business and has allowed us to establish a long-term competitive advantage.

In 2001, I was in charge of the initial project for the mass production of the full-color head-up display for GM in North America, which led to the industry-first development and mass production of a full-color HUD utilizing a TFT panel. This achievement was only possible because we overcame numerous difficulties, including collaboration with LCD manufacturers and the development of new devices. That experience remains as a crucial asset throughout my career.

Subsequently, in 2014, I transferred to Europe, where I was involved in managing the European design division and engaging in technical negotiations with clients. Through this experience of living abroad, encountering different cultures and diverse values, I believe I gained a flexible perspective and a global mindset. I am determined to leverage this knowledge, experience, and pioneering spirit to the fullest, to lead the changes of the next generation, and contribute to the development of our company and society. As President and Representative Director, I am determined to further elevate

the knowledge and experience cultivated through challenges and failures, and the pioneering spirit to create new value.

Nippon Seiki Group established the purpose statement, "We contribute toward a safe and sustainable future" from the previous fiscal year. This Purpose is centered around the answers to two questions: "What do we provide to the world, and how do we earn recognition for our existence?" and "Are we viewed as an indispensable company, beyond just our financial value?" Rooted in the fundamental nature of in-vehicle instruments as interfaces that "measure and communicate" information invisible to the human eye, our company will continue to create products and services that exceed expectations through our "Measuring Technology" and "Connecting Technology".

Amid the automotive industry facing a historic period of transformation due to factors like CASE and EV transition, I place paramount importance on showing both internally and externally the direction we must pursue, based on a clear vision and philosophy. I will act and demonstrate leadership that continues to take on challenges, regardless of difficulties or risks as well. Furthermore, in a business environment marked by increasing uncertainty, it is essential for every single employee to maximize their expertise and experience to consolidate the Group's strengths and continuously deliver safety and excitement to society. We will strive to establish a corporate structure that is resilient to the significant waves of the external environment, and we will focus our efforts on creating a culture where every individual can fully utilize their capabilities, as well as on developing human resources capable of competing in the global market.



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President's Message

Pioneering the Future through Profitability Reform: A HUD Strategy Leading Safety and Growth

Our company prioritizes capital profitability and has set the goal of achieving a Price-to-Book Ratio (PBR) of 1x at the earliest possible date. To this end, we are aiming for a Return on Equity (ROE) of 8% by the fiscal year ending March 2030. Furthermore, as a key milestone during the three-year Medium-Term Management Plan 2026, we aim to achieve an ROE of 5.5% in the final year of that plan, the fiscal year ending March 2027.

To achieve these ROE targets, it is an urgent priority to transform our Group into a high-profitability company. Our business was significantly impacted by the COVID-19 pandemic and the semiconductor component shortage. We position our Medium-Term Management Plan 2026 as a performance recovery period, aiming for consolidated sales revenue of 330 billion yen and operating income of 16.5 billion yen (with an operating profit margin of 5%) in the fiscal year ending March 2027. Although we achieved the targets set for the initial year, the fiscal year ending March 2025, our performance is still in the process of recovery, and we will thoroughly implement improvements across all businesses.

We will improve the profitability of our Four-Wheel Vehicle Business (Meters and HUDs), which is one of our core businesses, and aim for a transition to a stable earnings base. We will pursue profit improvement through initiatives such as reducing selling, general and administrative (SG&A) expenses, increasing local procurement rates, reviewing transportation methods, and passing on raw material cost increases through pricing.

Specifically regarding HUDs, where we hold a high market share, their social significance is substantial, even from an SDG perspective of reducing traffic accidents. As the leading company, we will drive the widespread adoption of HUDs. As HUDs are expected to see continued high market growth in the future, we view them as a Medium-Term growth driver for our company, aiming for 100 billion yen in sales by the fiscal year ending March 2030 (Fiscal Year Ended March 2025 Sales: 57.7 billion yen).

To advance the widespread adoption of HUDs, we are currently developing a windshield HUD that eliminates the need for special glass processing.

This new HUD is aimed at small and light vehicles, which previously did not feature windshield HUDs due to cost and space constraints. In short, this is a windshield HUD that can be installed without incurring the cost increase associated with specialized glass. Given the significant cost limitations inherent in light and small vehicles, we will proactively appeal the merits of this solution to OEMs to expand the installation of HUDs in these segments. To accelerate this development, we are currently pursuing a joint development project, including the creation of prototypes, with a partner design company in China that possesses proprietary optical technology. (Please refer to Page 14, Automotive Components Business section.) Beyond this specific development, to respond to rapid environmental changes, we will not try to complete everything solely within our company. Instead, we will actively utilize external knowledge and technology through partnerships and business alliances to advance our technology development.

We also launched the retrofit combiner HUD "Lumie HUD" for Business-to-Consumer market in May 2025. The initial model's display functions have been limited to keep the price affordable, but we plan to develop this into a series by considering and adding features that align with market demand, such as wrong-way driving alerts and ADAS display.



Strengthening the Motorcycle Meter Business in Growth Markets

On the other hand, we recognize that improving the profitability of our HUD business is an urgent priority. We will strive to improve profitability through various activities, including cost reduction measures such as increasing the local procurement of components and expanding design operations in countries with lower labor costs, as well as process improvements where we collaborate with our customers to appropriately reflect rising raw material and other costs in sales prices. Regarding Europe in particular, while our European clients are indispensable as "Teacher Companies" in HUD development, we will prioritize profitability and carefully screen clients and models as we execute our future business strategy there.

Regarding our Motorcycle Business, another core pillar, it currently maintains stable profitability. Given the expected further increase in global sales of finished two-wheel vehicles, especially in ASEAN and India, we aim for further development in this segment. In terms of meter specifications, there is a growing trend toward an increase in the number of vehicles equipped with meters where the entire front panel is either a segment LCD or a TFT LCD, moving away from the conventional analog type with indicator needles. To respond to this change, we have entered into a capital and business alliance with Emerging Display Technologies (EDT),

a company based in Taiwan. We will establish a joint venture company with EDT in India to manufacture TFT LCD modules. India is already one of the world's largest markets for two-wheel vehicles, and with its economic development, sales volumes are expected to increase further. We position India as a critical market for our company, and in collaboration with EDT, we will internalize the production of TFT LCD panels, which represent a significant cost component of our meters. By doing so, we aim to reduce costs related to tariffs, transportation, and packaging, thereby enhancing our price competitiveness and striving to maintain and improve profit margins. (Please refer to Page 14, Automotive Components Business section.)



Transforming Change into Strength: Pioneering the Future through Challenge and Innovation

In addition to the In-Vehicle Instrument Business, our company has identified the cultivation of new customers and new products/services as a key priority. Regarding our existing sensor products, we will proceed with the mass production of new products tailored to the evolution of next-generation mobility, such as the expansion of electric vehicles (EVs) and Advanced Driver-Assistance Systems (ADAS).

As a new product offering, we are developing a laser projector for in-vehicle applications. We have miniaturized the projection unit, allowing it to be mounted in places such as the ceiling or inside the sun visor within the vehicle cabin, or inside the door mirror externally. This enables the projection of images onto the ground outside the driver's and front passenger doors. We are the first in the world to adopt "Offset Ultra-Short Throw" technology for an in-vehicle product, which enables short-distance and oblique projection. We will proceed with sales expansion, aiming for installation in new vehicle models scheduled to be launched in the market in 2030.



Furthermore, beyond simply manufacturing and selling products, we will also pursue content development services as a new business model, leveraging the Human-Machine Interface (HMI) expertise we have cultivated in meters and HUDs to connect humans and machines. To accelerate the expansion of software and content development, we will challenge ourselves in new domains, considering partnerships and M&A with external companies.

To improve ROE, we are working on enhancing not only business profitability but also capital efficiency. Throughout the duration of the Medium-Term Management Plan 2026, we will provide shareholder returns with a guideline of a total payout ratio of 80%. Based on a projection derived from our profit plan for the same period, the total shareholder

return is expected to amount to 20 to 25 billion yen over the three years.

Furthermore, we aim to optimize our balance sheet through new capital policies, by undertaking initiatives such as reducing cross-shareholdings and selling profit-generating real estate. From the perspective of capital profitability, we will also strengthen our "Select and Focus" approach, which had not been sufficiently deliberated and acted upon previously. With the aim of maximizing sales and profit by strategically allocating our finite management resources, we will utilize appropriate key performance indicators to evaluate the business performance of each division and subsidiary within the Group, and we will make decisions regarding reorganization or withdrawal as necessary. We will strive for the continuous enhancement of corporate value by improving capital efficiency and financial structure, with the aim of achieving a Price-to-Book Ratio (PBR) of 1x.

Looking ahead, as the automotive industry enters an era of major transformation, we must not rest on the global market share and product value we have established. Instead, we must adapt to market changes, escalating competition, and new technology trends. Our company's current strengths lie in our world-leading innovative technological capabilities in the meter and HUD fields, and our global production and responsiveness. However, given the rapidly changing environment, it is necessary to foster a culture that respects the spirit of challenge toward new businesses, processes, and values. We will continue to build a corporate structure and develop experienced human resources capable of responding quickly and flexibly to the diverse demands of our customers and society, thereby further unleashing and strengthening the organizational power of our Group.

Our Group will confront the future utilizing the unity of our employees and our accumulated knowledge as assets, and we will approach it with a spirit that does not fear change, but rather "identifies change, responds to it, and transforms it into opportunity". To realize the ambitious goals we have set, we will change our mindset, challenge ourselves boldly, and absolutely overcome all difficulties. Driven by our Purpose, we are committed to business recovery, ROE improvement, and strengthening shareholder returns, thereby continuously elevating our corporate value. With your continued understanding and support, we are determined to work together to create a "Safeandsustainablefuture".

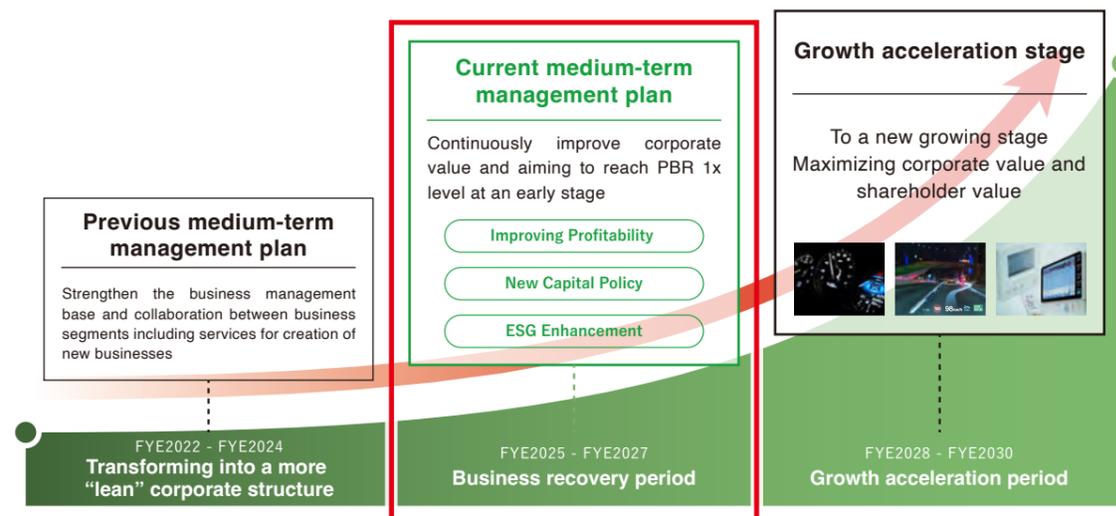
We will continue to forge ahead toward the further enhancement of corporate value, and we respectfully ask for the continued understanding and support of all our stakeholders for the Company Group.

Medium-Term Management Plan 2026

Nippon Seiki Group has formulated the "Nippon Seiki Group Medium-Term Management Plan 2026," covering the three years from the fiscal year ended March 2025 to the fiscal year ended March 2027.

Positioning of the Medium-term Management Plan

- ▶ In the previous Medium-Term Management Plan, the COVID-19 outbreak began at the beginning of the period, which was a major unexpected factor. We will focus on transforming our corporate structure into a lean one, aiming to be a company that is less susceptible to external environment.
- ▶ In this Medium-Term Management Plan, as a period of recovery, we aim to continuously improve our corporate value and achieve 1x PBR. We will aim for a new growth stage in the three years after the fiscal year ending March 2028 as a period of accelerating growth.



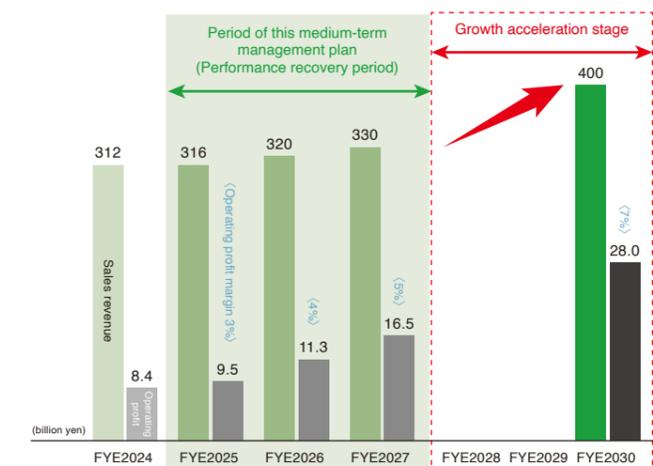
Target of Sales · Operating Profit and Overall Policy

Profit Target

- ▶ Revenues and operating profit are expected to improve through the execution of various business strategies. For the fiscal year ending March 2027, we set a target revenue of 330 billion yen and set a target revenue of 16.5 billion yen for operating profit.
- ▶ We believe that growth will accelerate from the period of the Medium-Term Management Plan onward. Our sales revenue target for the fiscal year ending March 2030 is 400 billion yen and operating profit target is 28 billion yen.

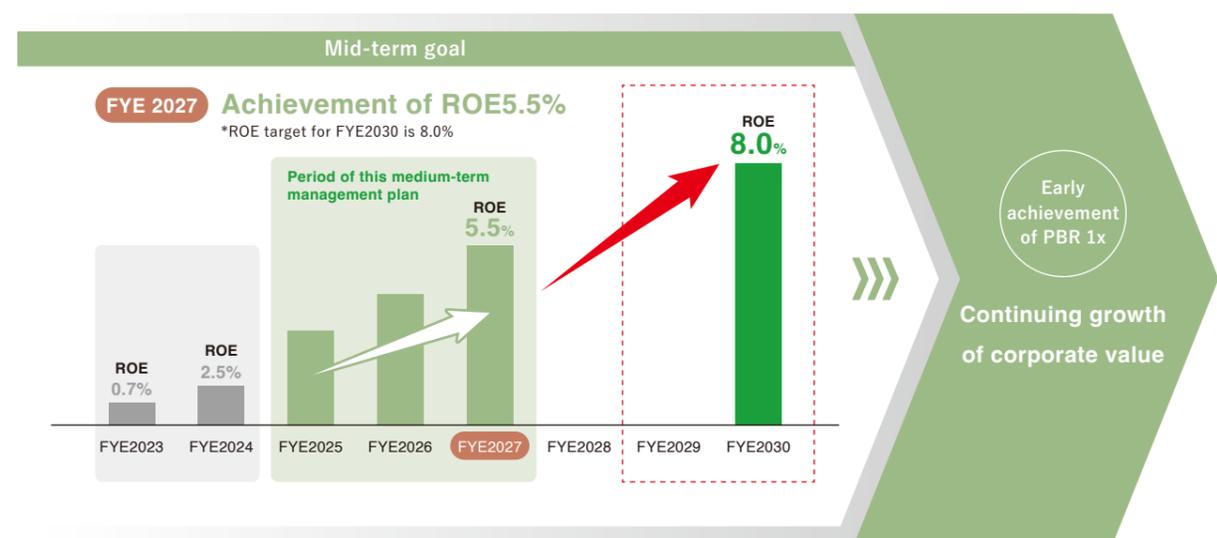
Overall Policy

- ① Strengthening HUD business**
The HUD market is expected to grow rapidly. We aims to achieve sales of 100 billion yen in FYE March 2030.
- ② European Business**
Europe is an important region responsible for the R&D function of the HUD business. Aiming to become profitable in FYE March 2027, we will improve earnings by reducing costs through the realignment of offices, increasing volume, and optimizing prices.
- ③ New Customers/New Product Development**
Developing new customers and allocate Profits from existing businesses to the development of new products to achieve sustainable growth.



ROE Improvement

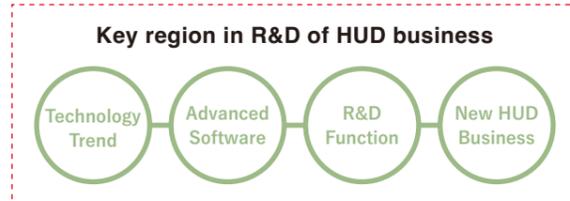
- ▶ With the aim of continuously improving corporate value and early achievement of PBR level of 1x, we will adopt a new ROE target as a KPI.
- ▶ In view of the negative business performance due to the COVID-19 pandemic, the ROE target for the final period of this plan (FYE2027) is set at 5.5% (positioned as a milestone towards achieving ROE 8.0% in FYE2030.)



European Business Improvement

- ▶ Our company believes that a connection with customers in Europe, a region with advanced automotive technology, is essential to obtain the knowledge necessary for HUD development. We have been quick to identify trends in the automotive industry and have grown as a leading company in the HUD business.
- ▶ On the other hand, because Europe is a region with profitability issues (operating income for the fiscal year ended March 2024: ¥-4.8 billion), we will implement measures to improve profitability in order to achieve profitability in the European business and aim to achieve profitability in the fiscal year ending March 2027, the final year of our medium-term management plan.

European Business



Profitability Improvement

- ① Cost reduction**
Office closure, labor cost reduction
D&D resource shift from Germany to Poland
- ② Sales volume**
Increasing by new model launch
- ③ Price/cost**
Cost control, price increase along with inflation

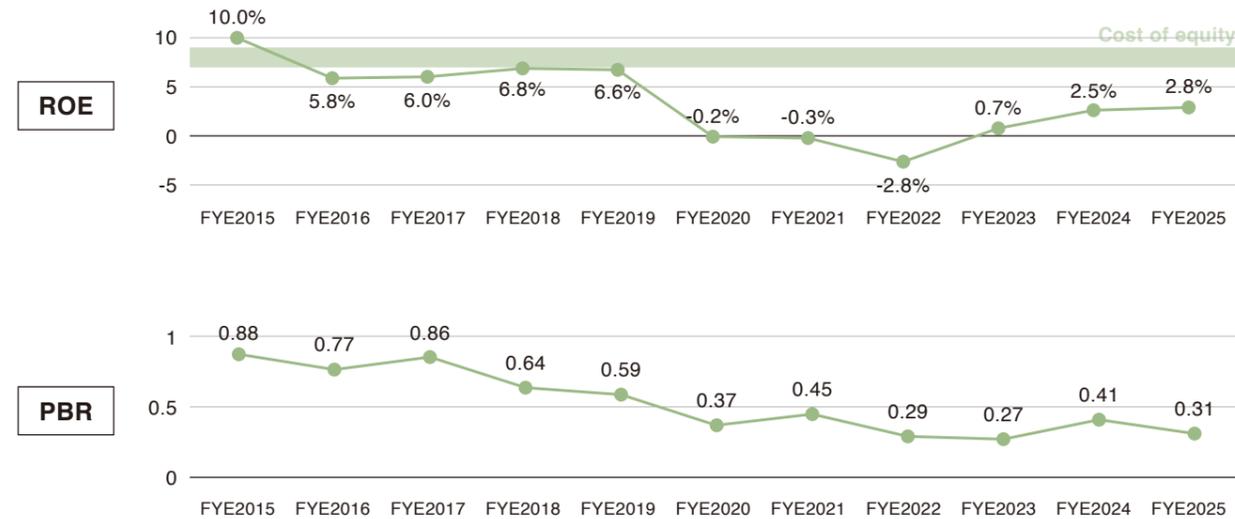
Operating Profit Improvement Target



Financial Policy

The current status of stock prices and initiatives to improve profitability and capital efficiency

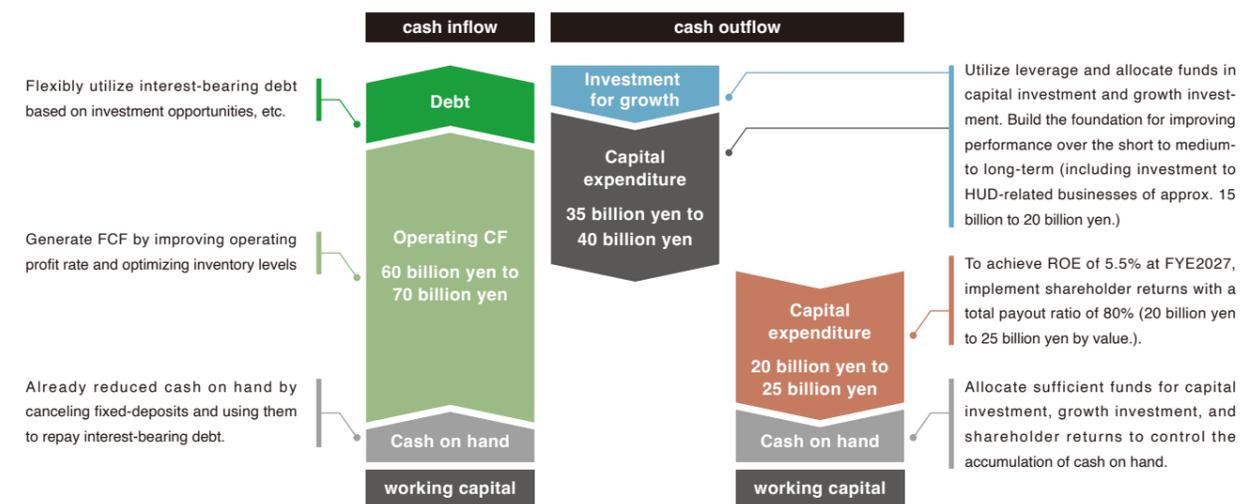
Our company's PBR has remained below 1x. Since the COVID-19 pandemic, ROE has remained at a low level, and we recognize the urgent need to improve ROE. In addition to recovering operating income, which is our target in the medium-term management plan, we will promote "appropriate cash allocation," "enhancement of shareholder returns," and "reduction of cross-shareholdings" so that ROE exceeds the cost of equity from the perspective of emphasizing capital efficiency.



Cash allocation

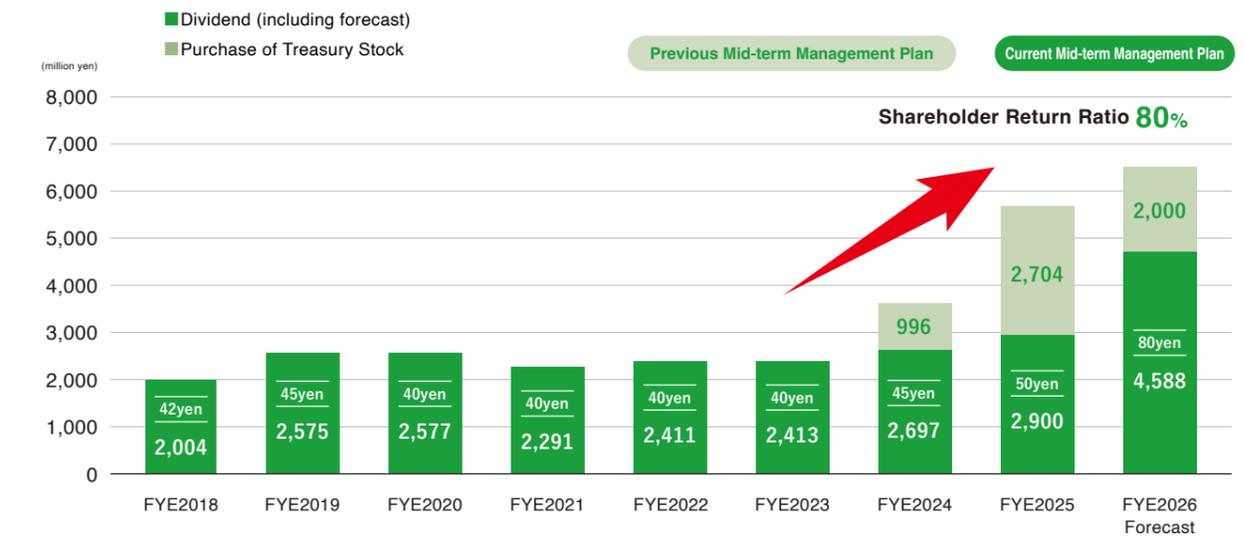
During the period of the Medium-Term Management Plan 2026, we expect to generate operating cash flow of 60 billion yen to 70 billion yen. Of this, 35 billion yen to 40 billion yen will be allocated to capital expenditures. Based on our policy of a total return ratio of 80%, we will allocate 20 billion yen to 25 billion yen to shareholder returns over 3 years, assuming we achieve our profit plan.

In addition, by flexibly utilizing interest-bearing debt, we will allocate it to capital expenditures and growth investments to build a foundation for medium- to long-term performance improvement. We will maintain capital efficiency by restraining the accumulation of cash on hand.



Strengthening shareholder returns

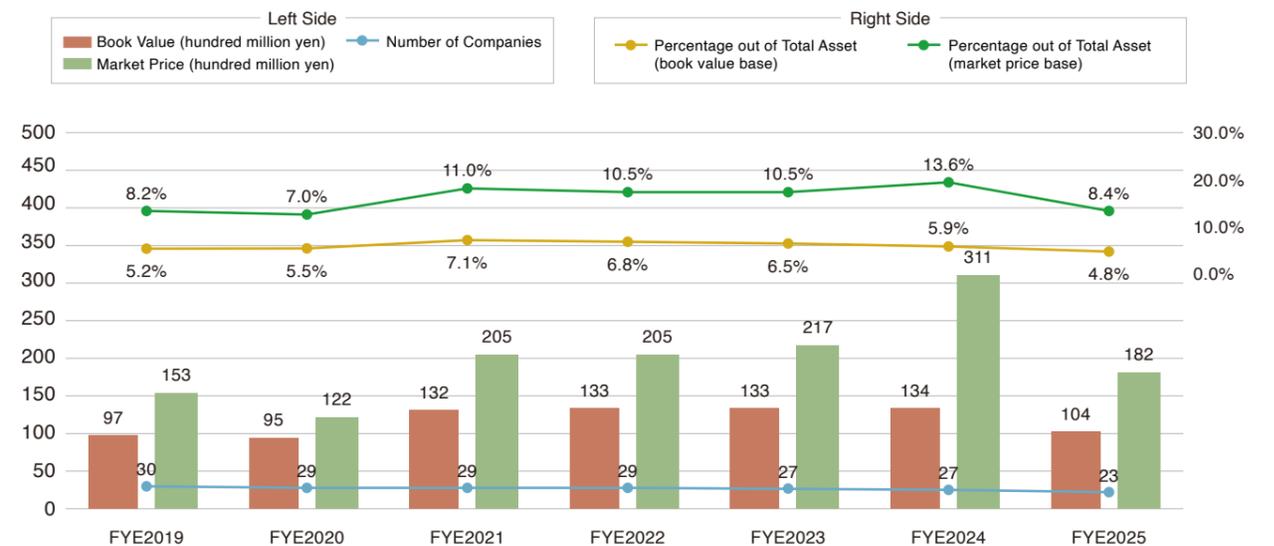
During the period of the Medium-Term Management Plan 2026, the Company will return to shareholders with a total return ratio of 80% to achieve an ROE of 5.5%. In order to continuously improve corporate value and achieve a PBR of 1x as early as possible, the Company will return to shareholders in a manner that satisfies the total return ratio set by paying dividends or repurchasing treasury stock, while comprehensively considering capital efficiency, financial position, and business results for each fiscal year.



Reduction of cross-shareholdings

The Board of Directors examines qualitatively and quantitatively the necessity of holding individual cross-shareholdings and the benefits and risks associated with such holdings. Our company will continue to reduce cross-shareholdings in order to optimize its balance sheet and improve asset efficiency.

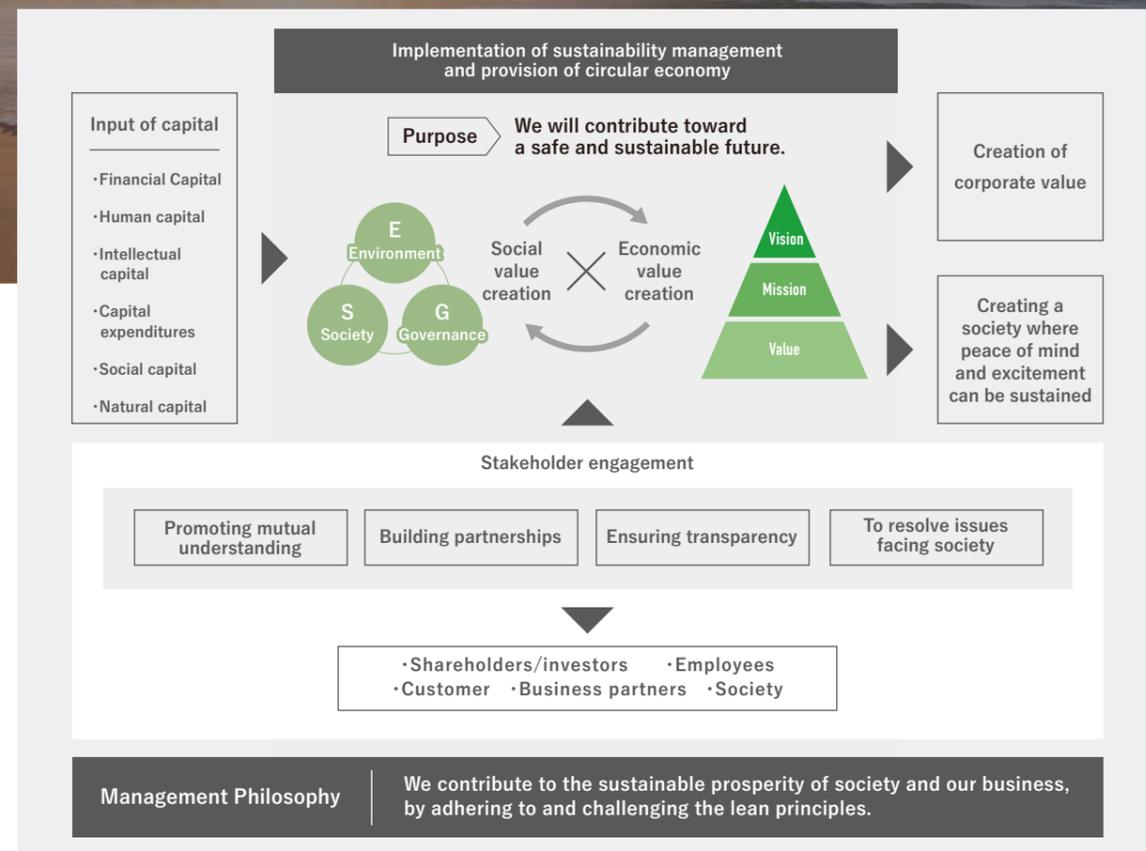
In FYE 25/3, we promoted the sale of 7 listed shares, of which 4 were completely sold to eliminate holdings. The balance of cross-shareholdings fell below 10% in terms of the ratio of consolidated net assets based on market value. We will continue to reduce cross-shareholdings.



Nippon Seiki Group Sustainability Policy

Sustainability Policy

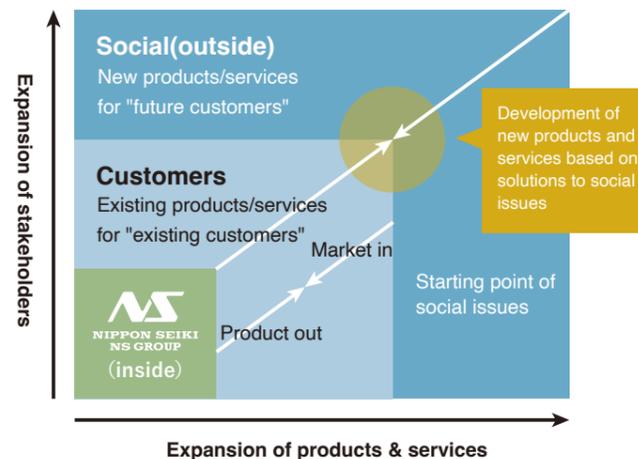
We will pursue the realization of a sustainable society by solving social issues and emphasizing dialogue with all stakeholders through corporate activities that balance social and economic value based on our management philosophy and group vision.



[Shared value creation framework adopted by Nippon Seiki Group]

Outside-In Business Approach

Nippon Seiki Group will work to realize the development goals of SDGs while taking an Outside-In Business Approach to contribute to society through its core business, based on the concept of CSV (Creating Shared Value), which aims to achieve both business development and solutions to social issues by leveraging our strengths.



SDGs Materiality

The figures in the table are those related to the activities of our group from the 169 targets (1.1-17.19) of the SDGs.

SDG	Materiality	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
1	Business Activity Challenge technology through innovation	Enhance safety by spreading HUD to prevent traffic accidents			3.6														11.2	
		By evolving HMI To reduce the burden on drivers			3.6															11.2
		Energy conservation through product downsizing and weight reduction						7.3		9.4										
		Solving regional issues through collaboration between service businesses				4.3	4.7													12.8 12.b
		Creation of new service businesses and new lifestyle proposals									9.b									12.b
6	Environment Earth-friendly	To ensure environmental management systems			3.9			6.3 6.6	7.2 7.3	9.4		11.6	12.4 12.5	13.1 13.2		15.1				
		Appropriate use and reduction of global resources (Electricity, heavy oil, city gas, water supply and sewerage)						6.6	7.2 7.3			11.6		13.1 13.2						
		Waste Reduction										11.6	12.5		14.1					
		Development of Environmentally Conscious Products and Promotion of Circular Economy								9.4			12.5 12.8							
		Management of Chemical Substances (Chemical Substances in Products)				3.9			6.3					12.4						
		Promotion of green procurement							7.2 7.3	8.7			12.4	13.1 13.2						
		To mitigate climate change (Reduce and manage CO ₂ emissions)							7.2 7.3			11.6		13.1 13.2	14.3	15.1			17	
		Biodiversity Conservation							6.6								15.1 15.4			
14	Social People-friendly	Commitment to respect for human rights					5.1 5.2		8.5 8.7	10.2									17	
		Work Style Reform and Promotion of Health Management			3.4	5.4			8.3 8.5											
		Improve productivity and promote DX							8.1 8.3	9.1										
		Ensuring an Occupational Safety and Health Management System							8.2 8.5			11.b								
		Development of self-directed human resources and promotion of education and training				4.4									13.3					
19	Social People-friendly	Promotion of activities that contribute to local communities			4.3 4.7	5.1		8.3 8.9	9.2	10.2		12.b	13.1	15.1 15.4				17		
		Ensuring the Quality Management System								9									17	
		Building Strong Supply Chain Management							8.7									16.2/16.3 16.4	17	
		Promoting Compliance																	16.1/16.3 16.5	
23	Governance Uncompromised integrity	Ensuring information security management system							9.c											
		Improving the effectiveness of corporate governance																	16.3 16.5	
		Strengthen emergency response and BCP response										11.b		13.1						
Nippon Seiki Group initiatives																				

Materiality

Materiality Selection Process

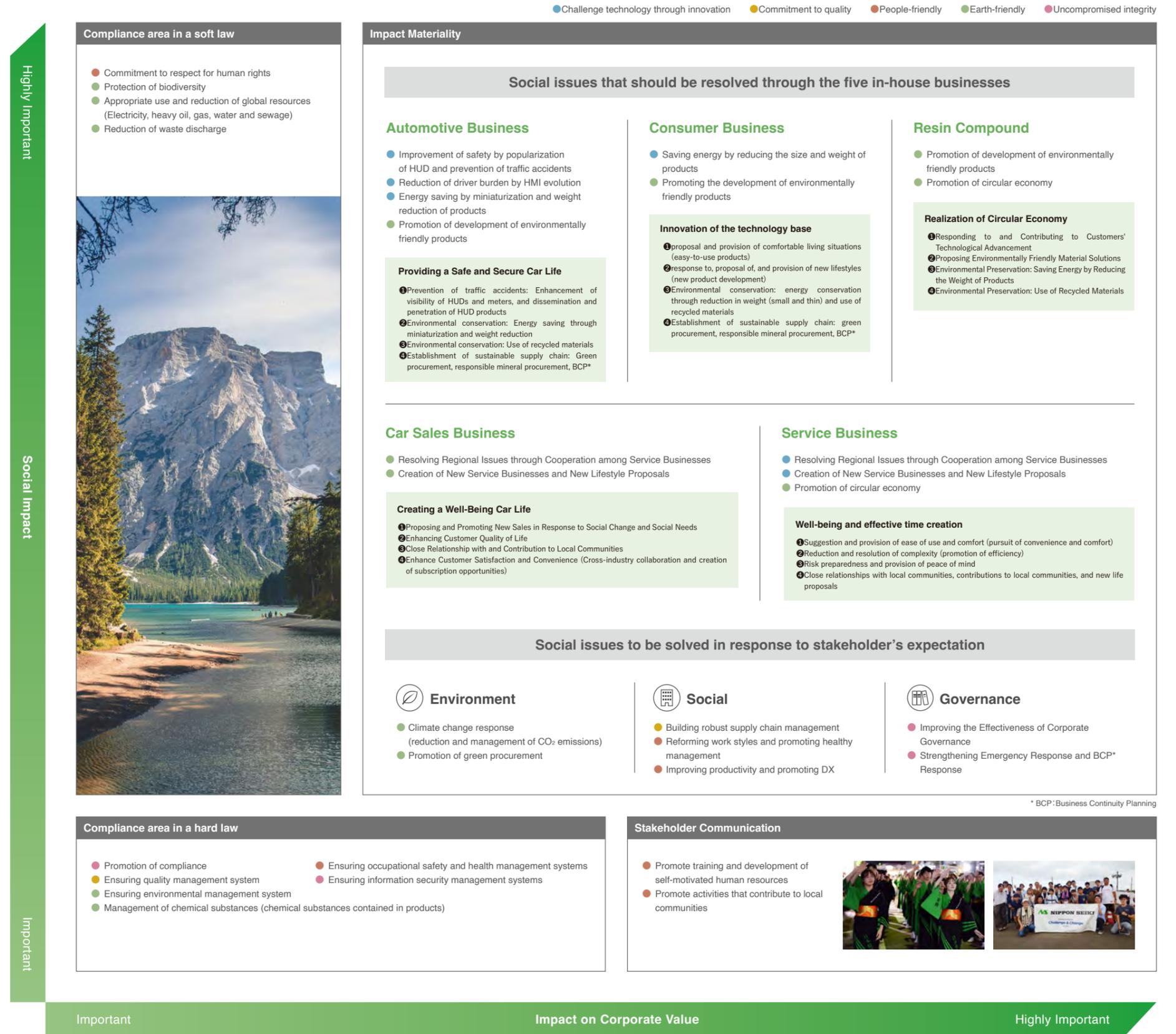
~ In selecting materiality

In order for a company to carry out sustainable activities, it is necessary to coexist organically in terms of its impact on society and corporate value. The impact of the matrix on social contribution on the vertical axis and corporate value on the horizontal axis are divided into four major categories.

Materiality Selection

Challenge technology through innovation	Enhance safety by spreading HUD to prevent traffic accidents
	By evolving HMI To reduce the burden on drivers
	Energy conservation through product downsizing and weight reduction
	Solving regional issues through collaboration between service businesses
	Creation of new service businesses and new lifestyle proposals
Commitment to quality	Ensuring the Quality Management System
	Building Strong Supply Chain Management
People-friendly	Commitment to respect for human rights
	Work Style Reform and Promotion of Health Management
	Improve productivity and promote DX
	Ensuring an Occupational Safety and Health Management System
	Development of self-directed human resources and promotion of education and training
	Promotion of activities that contribute to local communities
Earth-friendly	To ensure environmental management systems
	Appropriate use and reduction of global resources (Electricity, heavy oil, city gas, water supply and sewerage)
	Waste Reduction
	Development of Environmentally Conscious Products and Promotion of Circular Economy
	Management of Chemical Substances (Chemical Substances in Products)
	Promotion of green procurement
	To mitigate climate change (Reduce and manage CO ₂ emissions)
Biodiversity Conservation	
Uncompromised integrity	Promoting Compliance
	Ensuring information security management system
	Improving the effectiveness of corporate governance
	Strengthen emergency response and BCP response

Materiality Matrix



Value Creation Process

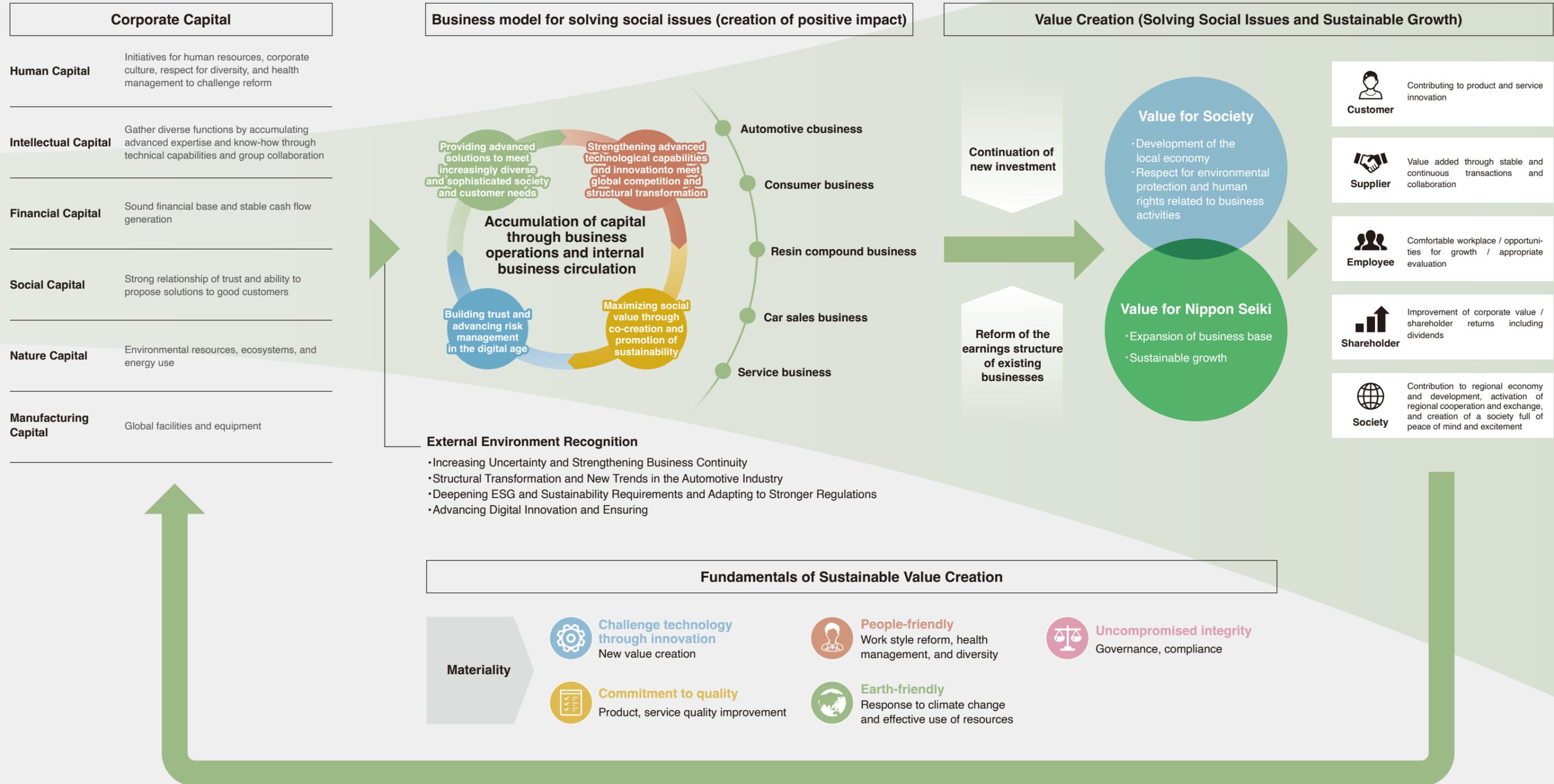
Vision We generate a harmonious interface connecting the world and people

Purpose We contribute toward a safe and sustainable future

Mission
We visualize the invisible

Value

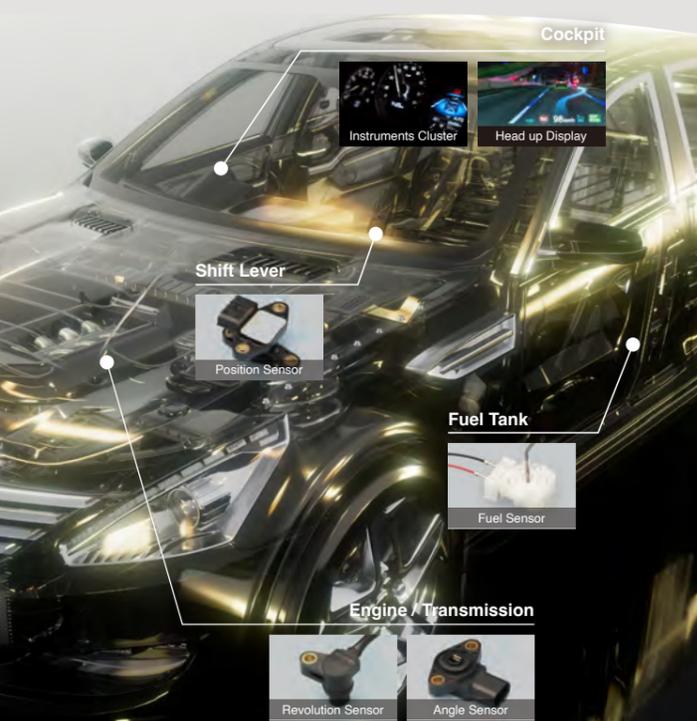
- Challenge technology through innovation
- Commitment to quality
- People-friendly, earth-friendly
- Uncompromised integrity



Nippon Seiki Group Business

Automotive business

We continue producing our products by accurately conveying the continuously changing information to the driver, pursuing the improvement of convenience and comfortability, and paying meticulous attention to every single part. With our eyes focused on the environmental changes and technology progressions, we will play our role of protecting people's safety and security, running as the top leader of meter developers.

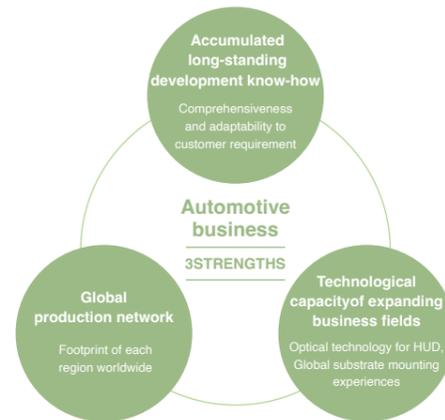


Achievable SDGs goals through the activity



01 Strength of Automotive business

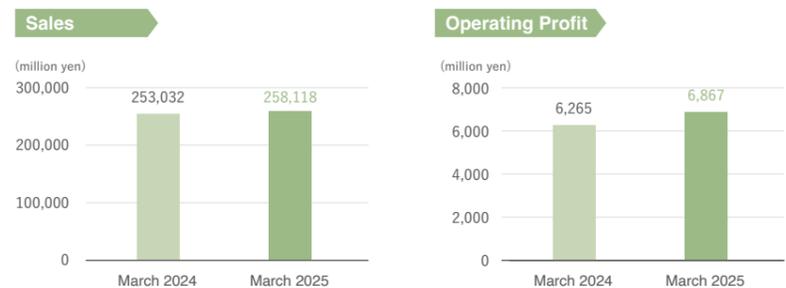
We manufacture and sell instruments and sensors for automobiles, motorcycles, agricultural machinery, construction machinery, and marine vessels across the world, and we also have a global track record in circuit board mounting services and precision components. By leveraging our years of development expertise, we maintain a high ability to meet customer demands. Furthermore, in our main product, the Head-Up Display (HUD), we have developed various technologies, including optical design technology that displays images clearly without distortion, and techniques to eliminate the effects of sunlight and suppress image blur caused by vibration. We support safe driving and the excitement of driving through advanced solutions that transmit information detected by sensors to the instruments and HUD, making "the invisible visible."



02 Overview of the fiscal year ending March 2025

Net sales saw an increase, despite the impact of stagnant Japanese car sales in China, due to factors such as increased sales of instruments for two-wheeled vehicles in ASEAN and India, the launch of new Head-Up Display models in Europe, and the effect of the weaker yen. Operating profit increased due to successful negotiations to appropriately reflect rising costs for raw materials and other expenses in the sales price, and continuous cost reduction activities aimed at achieving a lean and resilient management structure.

In our core in-vehicle components business, we are promoting supply chain reforms, such as accelerating local production for local consumption and optimizing production layouts. Concurrently, we are engaged in cost reduction through business process reform and the revision of product specifications. Through these measures, we will strive to establish a structure capable of generating stable profits, one that is resilient to changes in the business environment



03 External Environment

Opportunities

- Expansion of head-up display market
- Expansion of digital cockpit market
- Increasing demand of EMS due to electric vehicles
- Growing demand for motorcycles in the Global South

Risks

- Acceleration of the movement toward reorganization of the vehicle industry and cross-industrial alliance
- Intensifying competition due to SDV advances
- Decline in Japan car sales in China
- Increased costs due to strengthened U.S. tariffs and global economic recession

04 Growth strategy

With the aim of providing safety and excitement to society, we will strive to maximize value enhancement for our customers across our respective business domains: Meters, HUDs, Sensors, and In-Vehicle EMS (Electronic Manufacturing Services).

In the Meter field, we will promote the development of integrated cockpit technology for automobiles and strengthen the cost competitiveness of motorcycle instruments in the Indian and ASEAN markets. In HUDs, we will aim to increase competitiveness through smaller and simplified specifications, and expand brand awareness through enhanced public

relations activities targeting end-users. We will strengthen our revenue base through measures such as improving profitability in the European market, setting appropriate sales prices in response to inflation, and enhancing the efficiency of product design and parts procurement through localized production. Furthermore, as automotive electrification advances, we will aim for sustained growth by leveraging our cultivated quality and technical responsiveness to expand the In-Vehicle EMS business and develop new products that combine sensors and systems.

Specific measures

- ① Development of next-generation HUD differentiation technology
- ② Reduction of fixed costs in Europe
- ③ Fundamental cost review for HUD
- ④ Promotion of VA (Value Analysis/ Value Engineering) aimed at achieving profit/loss targets
- ⑤ Localization of procured parts (Local procurement)
- ⑥ Challenge of design-contracted EMS (Electronic Manufacturing Services) / Entry into design-focused EMS
- ⑦ Securing orders for new automotive instrument products

05 KPI

	FY2024 target	FY2024 results	FY2025 target
[1] HUD volume (compared to previous year)	15% reduction	7% reduction	10% reduction
[2] Number of next-generation sensors/new sensors developed	4 items	4 items	5 items
[3] Number of Automotive-Related Patent Applications (Cumulative)	80 items	86 items	101 items

TOPIC Signing of a Memorandum of Understanding (MOU) for Technical Partnership with ReaVis

Our company has signed an MOU with China's ReaVis Technology Co., Ltd aimed at expanding the HUD market and applying new technology. We will create new value by merging our company's manufacturing expertise, which holds the world's top share in the HUD market, with ReaVis' optical technology. Moving forward, both companies will aim to expand business by rapidly responding to market changes and addressing challenges such as miniaturization and cost reduction. Through this partnership, we will leverage our respective strengths to accelerate our response to rapidly changing market needs.

signing ceremony
(center left: our president, Koichi Sato)

Establishment of Joint Venture in India for Mass Production of In-Vehicle TFT LCD Modules

Our company has partnered with Taiwan's EDT Corporation and agreed to establish a joint venture in India to manufacture Thin-Film Transistor (TFT) LCD modules for automobiles. The new factory is scheduled to commence operations in 2027, allowing us to respond promptly to the strong demand in the rapidly growing Indian market. By shifting to local production, we will reduce previously incurred costs such as tariffs and transportation fees, thereby strengthening our price competitiveness. Furthermore, through the capital and business alliance with EDT Corporation, we will deepen technical collaboration, merging our existing expertise to jointly promote the development of next-generation display products. This will allow us to enhance our capability to adapt to innovative in-vehicle display technology, aim for sustained market competitiveness, and create new value.

New Factory Plan

Nippon Seiki Group Business

Consumer business

As for consumer business, we have made use of the technologies cultivated in the in-car business, and have been developing, producing, and selling products such as home appliances, office equipment, controllers for industrial equipment, and operation units as interfaces between human and machinery.



Achievable SDGs goals through the activity



01 Strength of Consumer business

Under the foundation of our customer partnerships, we provide the "Customization Technology" that we have cultivated over many years to realize customer requirements in the best possible way, offering total support for efficient and smooth manufacturing. We leverage the technical capabilities developed in our in-vehicle components business and our integrated system, encompassing the entire process from design to manufacturing, to meet the diverse needs of our customers on a global scale. Through this, we deliver high-quality, high-performance, and high-reliability "safe manufacturing". Furthermore, based on our existing business track record, we will actively promote the creation of new value by combining our products and technologies, including the development of our own brand.



02 Overview of the fiscal year ending March 2025

For the fiscal year ended March 2025, both net sales and operating profit decreased compared to the previous period. In the fiscal year ended March 2024, the improved component procurement environment, which result from the global shortage of semiconductors and electronic components, allowed us to eliminate the delivery backlog from the prior period, leading to strong sales and profit. However, in the fiscal year ended March 2025, some customers entered an inventory adjustment phase, resulting in a decrease in production volume for items such as air conditioning and housing equipment controllers, which led to a reduction in sales.

Despite the phase of reduced production volume, we endeavored to secure profit through lean management initiatives such as promoting Value Analysis (VA), improving productivity, and cutting expenses, as well as engaging in activities to ensure sales prices were appropriate amid soaring raw material costs. Nevertheless, we ultimately recorded an operating loss.



03 External Environment

- Opportunities**
- Changes in global strategies of home appliance and office equipment makers
 - Change in roles of office equipment (Expansion of multifunction machine)
 - Change in home appliance demand due to climate change
 - Stabilization of parts procurement
 - Achieving Carbon Neutrality and Expanding the ZEB Market

- Risks**
- More strict regulations of environment and energy conservation worldwide
 - Decrease in home appliance sales due to economic fluctuations overseas
 - Sudden Fluctuations in Exchange Rates and Increasing Geopolitical Risks

04 Growth strategy

We aim to maximize the value provided to our customers by improving quality and productivity across all processes, including sales, development, design, and manufacturing. Concurrently, we will promote the creation of market-oriented, high-quality value that contributes to enhancing customers' quality of life.

By applying our core technologies i.e., sensing technology and data analysis/utilization technology, and developing products that capture future shifts in demand, we will strive for business expansion and increased customer satisfaction in the BtoC sector, in addition to our BtoB field.

While working to expand and improve the profitability of our main businesses i.e., the

manufacturing and sales of air conditioning equipment and office equipment control panels, we will also focus on expanding business with existing customers through enhanced marketing activities. Furthermore, we will leverage the Group's assets, such as production facilities and processes cultivated in the in-vehicle components business across various global regions, to expand our business domain.

For new market development and new product creation, taking into account the rise of the Global South, we will study an appropriate production base strategy that considers customer and market trends in each country, in addition to our existing production sites in China and Thailand.

Specific measures

- ① Proposing optimal proprietary technologies and production bases within the Group
- ② Cost reduction to secure orders for air conditioning and housing equipment products
- ③ Expansion of products/materials for office control panels
- ④ Consideration of production locations tailored to demand in emerging countries
- ⑤ Environmentally conscious design (utilization and reuse of waste materials)

05 KPI

	FY2024 target	FY2024 results	FY2025 target
[1] Number of orders received in the new domain	1 items	2 items	1 items
[2] Number of new products introduced into the market	1 items	1 items	1 items

TOPIC

Development of a Carbon Monoxide Checker

Amid the heightened interest in air quality following the COVID-19 pandemic, our company developed the "CO2 Lamp," a carbon dioxide concentration meter that "visualizes" ventilation status. Applying this technology, we have developed and begun production of the "CO2 Lamp," a unique general-purpose checker capable of highly accurately detecting carbon monoxide concentration, which is especially likely to occur when using stoves inside tents. Sales are scheduled to commence in November 2025.

By leveraging the sensor solution technology that our company has cultivated, and adhering to the concept of "making the invisible visible," we will continue to engage in the development of new products that address various social issues.

Nippon Seiki Group Business

Resin compound business

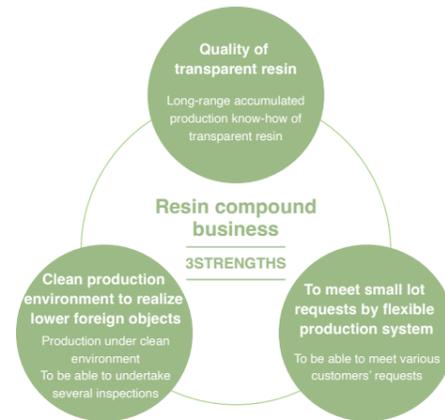
Developing coloring business on high-performance resin materials of transparent resins (for vehicles, LED lighting, lenses, medical use, etc.).

Expanding our business in Japan, Thailand, China, etc. Our main customers are major chemical manufacturers.



01 Strength of Resin compound business

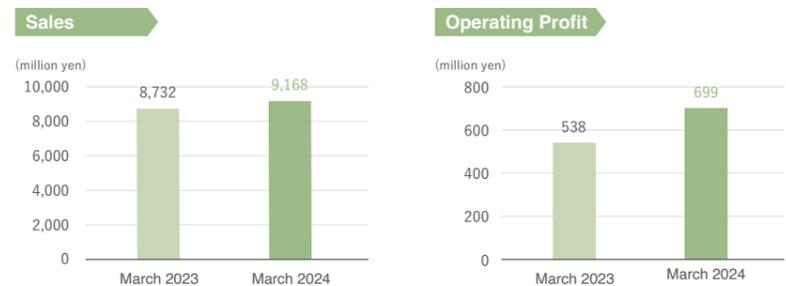
The Resin Compound business is expanding its operations by leveraging its strengths in "transparent materials," "clean (low foreign matter) quality," and "small-lot support." High-functionality materials (high value-added products), particularly those for optical products that require clean quality, are our Group's area of expertise and are expected to see continued growth. As the need for automotive lightweighting (the shift from metal to plastic products) is also increasing due to the drive for CO2 reduction, we will further utilize our strengths to contribute to the enhancement of our customers' product value.



02 Overview of the fiscal year ending March 2025

For the fiscal year ended March 2025, although sales of automotive-use materials saw a slight decrease due to the slowdown in the Chinese market, we achieved increased revenue and profit driven by the growth in transparent materials for our core optical products. The shift in our order composition toward high-functionality materials, which we have promoted in recent years, is now showing results.

Moving forward, against the backdrop of expanding global demand for resin compounds, we aim to establish a stable revenue base by leveraging our Group's strengths to increase the ratio of high-functionality materials, expand sales to existing customers, and acquire new customers.



Achievable SDGs goals through the activity



03 External Environment

Opportunities

- Expanding Need for Transparent Resins Due to Increased Optical Applications
- Extensive makers and large number of deals with trading companies
- Expansion of using recycled products
- Increased demand of highly functional resin due to the trend of light weight in electric vehicles

Risks

- Fluctuations in orders for in-vehicle products
- Unstable orders of optical products
- Sustained High Levels of Crude Oil Prices and Utility Costs
- Slump of Japanese Manufacturers Due to the Rise of Chinese Automakers

04 Growth strategy

Our Group aims to maximize product value and will work to expand sales of high-functionality materials by leveraging our strengths. In the high-functionality materials sector, we will utilize the acquired ISO 22000 management methodology to focus on expanding sales of existing products, such as "transparent and low-contamination materials," while also concentrating on securing orders for food and medical-use materials, which require even more advanced management. We will continue to promote business expansion while differentiating ourselves from competitors.

Specific measures

- ① Shifting the order acquisition strategy from general-purpose materials to high-performance materials
- ② Increase orders from existing customers and develop new customers
- ③ Further strengthening clean technology through collaboration with filter manufacturers

05 KPI

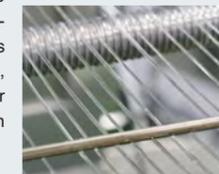
	FY2024 target	FY2024 results	FY2025 target
[1] Promotion of Individual Company* Recycling Initiatives (Waste Material Recycling Rate)	26 %	22 %	25 %
[2] Weight of high-performance (low foreign matter) items acquired	8,500 t	6,826 t	8,500 t

* NS Advantech Co., Ltd.

TOPIC

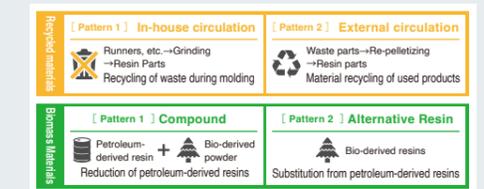
Expanding into New Domains with Advanced Management Capabilities

NS Advantech Co., Ltd., a company within our Group, is challenging itself to expand sales into new domains beyond its existing products by utilizing high-level management methodologies. With the acquisition of the ISO22000 in April 2024, in addition to our expertise in materials for optical products, new inquiries for carbon neutrality and medical materials have increased, and some have progressed to trial production. By leveraging the sales capabilities and strengths of our Group, we will continue to aim for further business growth and development.



Initiatives for CO2 Emission Reduction Through the Introduction of Sustainable Materials

Our Group is promoting the adoption of sustainable materials in our meter products toward achieving carbon neutrality "net-zero CO2 emissions" by 2050. Furthermore, we are actively setting ambitious targets for resin parts and aggressively expanding the utilization of sustainable materials.



*Sustainable materials: Recycled materials and biomass materials

Nippon Seiki Group Business

Car sales business

Group companies conduct new and used car dealership, car-rental and car-sharing business

Group companies

HONDA Yonrin Hanbai Nagaoka Co., Ltd.

Sales business for HONDA cars in Niigata

Niigata MAZDA Co., Ltd.

Sales business for MAZDA cars in Niigata

CAR STATION Niigata Co., Ltd.

Sales and used-car business for SUZUKI / DAIHATSU cars in Niigata

MAZDA mobility Niigata Co., Ltd.

Operations of TIMES CAR in Niigata (Car-rental and car-sharing business)

01 Strength of Car Sales business

We cover the entire Niigata Prefecture and possess an overwhelming number of managed customers and a stable financial foundation. We are committed to building an effective sales system that utilizes DX and digital technology, and strengthening our after-sales service to enhance customer satisfaction.

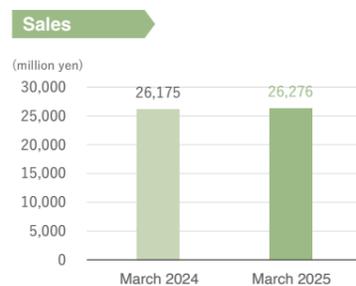
Furthermore, under a comprehensive training system, we aim to provide our customers with a safe and secure car life as a group of service professionals who strictly adhere to legal compliance.

Through close community ties, customer-focused sales, and innovation, we will proactively anticipate market needs and social values, constantly create new value, and actively work toward solving social issues.



02 Overview of the fiscal year ending March 2025

For the fiscal year ended March 2025, operating profit decreased compared to the previous period. Revenue increased but profit decreased compared to the previous period. Regarding sales revenue, although the full-year sales surpassed the previous year despite a counter-reaction from the prior period's strong recovery (driven by the easing/resolution of the in-vehicle semiconductor shortage during the COVID-19 pandemic), the impact of improper certification issues at some manufacturers, and new car delivery delays caused by driver shortages in transport and adverse weather conditions. Regarding used car sales, we recorded impairment losses at some used car dealerships due to the falling market price of used vehicles, which resulted in a decrease in profit compared to the previous year.



03 External Environment

Opportunities

- Arrival of a new form of perception by CASE
- Active new function development and new sale method development
- Dealer reorganization movement by car manufacturers
- Supply chain recovery

Risks

- Market shrinkage due to lower population of juvenile
- Increase the burden of investment to CASE
- Compliance of infrastructure and legislation
- Concerns about the unpopularity of job seekers in this industry

04 Growth strategy

The domestic automotive sales industry is undergoing a period of transformation, driven by manufacturers' shift towards electric vehicles (EVs) and the reorganization of sales networks. Our Group is focusing on EV products, related investments, and human resource development, with the aim of capturing remaining business opportunities in a mature market. To further strengthen the business foundation established within Niigata Prefecture, we are promoting three key areas: "investment in new generation dealerships to enhance brand power," "reorganization and integration of existing dealerships to adapt to changes in urban landscapes and traffic volume," and "M&A investment aimed at acquiring new functions." Additionally, leveraging our stable managed customer base, we provide diverse services such as residual value-setting subscriptions and car-sharing, thereby contributing to solving challenges for both customers and the local community.

Specific measures

- ① Reinvest in stores in good locations
- ② Complementing missing functions and expanding service areas through M&A, etc.
- ③ Reducing management work and man-hours through systemization
- ④ Thorough sales and service information from the customer's perspective

05 KPI

	FY2024 target	FY2024 results	FY2025 target
[1] Core revenue coverage ratio	100%	103%(Ave. 92.8%)*	100%
[2] Residual value sales ratio	35%	24%(Ave. 21.6%)*	35%

*Best score in our group

Achievable SDGs goals through the activity



New Generation Dealership Newly Opens in Shibata City, Niigata Prefecture

Niigata Mazda Motor Co., Ltd., a consolidated subsidiary of our company, newly renovated and rebuilt its main dealership, "Niigata Mazda Shibata Store," as a new generation dealership, with the completion ceremony held on December 25, 2024. The dealership is conveniently located along a major road and has been a familiar presence to the local community since its opening in 1987.

The latest renovation features a design combining monotone and silver with wood materials, creating a more comfortable space. A new maintenance factory equipped with the latest facilities has also been built adjacent to the dealership, allowing us to provide safe and high-quality service. Our Group will continue to collaborate with the community to aim for a safe and prosperous car life.



Nippon Seiki Group Business

Service business

We offer a service business that can meet a variety of needs through NS Computer Services Co., Ltd., which handles information system development, network construction, and software and hardware development, as well as Nissei Services Co., Ltd., which handles logistics, advertising agencies, and food services.

01 Strength of Service business

Our service business provides a wide range of services to diverse customers, from within Niigata Prefecture to overseas. We strive to achieve customer satisfaction by providing optimal systems and proposals tailored to the unique needs of each customer.

By accurately grasping market trends and societal demands, we aim to achieve both the creation of new value and the simultaneous resolution of social issues while improving profitability through communication and operational improvements.

We will continue our development by leveraging the expertise cultivated across our various service domains.



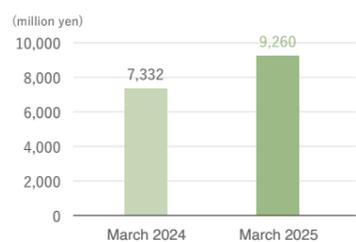
02 Overview of the fiscal year ending March 2025

In the Information System Service business, both revenue and profit increased. This was driven by factors such as the expansion of cloud-based business system projects in the private-sector solutions field, an increase in orders for high-demand DX and BPO service projects, and the progress made in cultivating new markets in the public-sector solutions field.

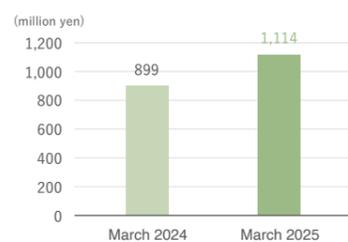
The logistics business achieved increased revenue and profit due to the acquisition of new customers, the expansion of existing customer transactions, and price revisions. Additionally, the scope of new logistics service offerings, such as distribution processing and logistics system sales, also expanded.

Moving forward, we will continue to strive for the establishment of a stable business foundation through continuous pursuit of new, high-added-value services.

Sales



Operating Profit



03 External Environment

Opportunities

- Increased Demand for DX as a Critical Management Challenge
- Increased Demand for DX accompanying the Government's Promotion of Digital Government
- Social needs for sustainable business development
- Socioeconomic productivity and hospitality & society

Risks

- Demand of deoxidation in logistics services
- Changes in energy supply structure
- Changes in industrial labor structure
- Concerns about the unpopularity of job seekers in this industry

04 Growth strategy

As market needs for services diversify, our Group is promoting highly reliable services that provide "security and impressions", centered around our Information System Service business and Logistics business.

In the Information System Service business, driven by the increasing demand for DX (Digital Transformation) amidst the backdrop of declining birthrates, aging populations, and a shrinking industrial workforce, we will contribute to our customers' operational improvements through the active proposal of BPO (Business Process Outsourcing) in addition to software sales.

In Nagaoka City, Niigata Prefecture, where our head office is located, we have also begun

regional DX promotion based on a cooperation agreement with the local government. We aim to achieve a prosperous society by balancing corporate growth with the resolution of regional issues.

In the Logistics business, we will strive to strengthen our structure to meet more diverse needs by expanding the business domain of "distribution processing and logistics system sales" and by merging this with our existing services i.e., "transportation, warehouse management, packaging materials, and customs clearance (AEO)" to provide customers with optimal logistics services that offer high added value.

Specific measures

- Information Services**
 - ① Increased BPO orders for non-core customer operations
 - ② Addressing the need for outsourcing administrative services
- Logistics Services**
 - ① Sales expansion by combined transport and storage services to customers
 - ② Acquire new external sales for distribution processing such as labeling

05 KPI

	FY2024 target	FY2024 results	FY2025 target
[1] IT-Related Sales to Private Sector Companies	2,400 million yen	2,703 million yen	4,500 million yen
[2] IT-Related Sales to Government and Educational Institutions	2,600 million yen	2,644 million yen	3,600 million yen
[3] Logistics Sales to External Customers	1,900 million yen	2,122 million yen	2,000 million yen

Report on Results of the First Anniversary of "Nagaoka DX Center" Establishment

Nippon Seiki Group established and operates the "Nagaoka DX Center" based on the "Regional DX Promotion Agreement" with Nagaoka City and the Nagaoka Chamber of Commerce and Industry. The center celebrated its first anniversary in August 2025.

NS Computer Service, a consolidated subsidiary that serves as the secretariat, functions as a DX consultation desk for regional companies, collaborating with the Nagaoka Chamber of Commerce and Industry and local financial institutions.

To date, the center has received 20 consultations, supported digitalization and business reform through matching companies with local IT firms, and successfully completed 9 projects. Moving forward, we will continue to provide hands-on, partnership-style support, adapting to the specific circumstances of each company to drive improvements and transformation aligned with their operational realities.

Achievable SDGs goals through the activity

