



Financial Results for Q2 FY2025

August 6, 2025
Nisshinbo Holdings, Inc.



1. **Summary of Financial Results for Q2 FY2025**
2. **Progress of Transformation**
3. **Appendix: Net sales and Operating Income by Segments**

The earnings forecasts contained in this document are based on the Company's judgments in accordance with the information currently available and do not constitute a promise that they will be achieved.

1. Financial Results for Q2 FY2025

Financial Highlights

	FY2024 2Q	FY2025 2Q	Change		(mil. yen) FY2024 FC
				rate	
Net sales	240,022	254,721	+14,699	+6.1%	506,000
Operating income	6,715	18,417	+11,702	+174.2%	19,700
Ordinary income	11,092	19,019	+7,926	+71.5%	21,600
Net income Attributable to Owners of Parent	8,936	11,498	+2,562	+28.7%	18,300

- Despite a decline in revenue and an expansion of losses in the Microdevices Business, revenue and operating profit increased due to growth in revenue and profit in the Wireless and Communications Business and the Real Estate Business
- As extraordinary losses, the company recorded approximately 1 billion yen in restructuring costs for the subsidiary business in the Wireless and Communications Business, and approximately 4.2 billion yen in impairment losses for the fuel cell bipolar plates business in the Chemicals Business.

1. Financial Results for Q2 FY2025

Q2 FY2025 YoY by segments

(mil. yen)

Segments	Subsegments	Q2 FY2024		Q2 FY2025		Change	
		Net sales	O.P.	Net sales	O.P.	Net sales	O.P.
Wireless and Communications	Marine Systems	24,459	2,257	28,031	2,554	3,572	297
	(JRC)	34,226	304	39,056	3,639	4,830	3,335
	(KDE)	36,565	3,339	40,197	6,322	3,632	2,983
	Solutions & Defense	70,791	3,643	79,253	9,961	8,462	6,318
	Mobilities	24,472	-39	20,080	-2,136	-4,392	-2,097
	Elimination	-1,695	-89	-1,190	-38	505	51
Total		118,027	5,772	126,174	10,341	8,147	4,568
Micro Devices		31,132	-2,747	29,825	-4,257	-1,307	-1,509
Brakes		28,761	1,110	28,275	1,787	-486	677
Precision Instruments		25,761	467	27,138	1,250	1,377	783
Chemicals		5,474	315	4,740	-173	-733	-489
Textiles		18,386	-163	16,593	46	-1,792	210
Real Brakes		6,853	5,222	15,863	11,811	9,010	6,589
Other businesses, Coporate costs		5,625	-3,260	6,110	-2,389	485	871
Total		240,022	6,715	254,721	18,417	14,699	11,702

➤ Wireless and Communications Business

• Marine Systems

In addition to new-build equipment for merchant ships, orders for retrofit equipment and maintenance services for merchant ships and other aftermarket products have been strong.

• Solutions and Specialized Equipment

Increased orders for radar systems and maintenance equipment for the Ministry of Defense, as well as increased orders for prefectural disaster prevention systems due to renewal needs

• Mobility and Others

Orders for automotive ITS (Intelligent Transportation Systems) have decreased, and orders for repeaters (mobile phone relay devices) have also been weak due to customer schedule adjustments

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(mil. yen)

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Other businesses, Coporate costs		5,625	-3,260	6,110	-2,389	485	871
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➤ Micro Devices Business

• Automotive

Decrease in orders due to the sluggish EV market and inventory adjustments by sensor-related customers

• Industrial Machinery

Sales remained at the same level as the previous year due to orders for domestic office automation equipment, etc.

• Consumer

Sales remained at the same level as the previous year due to orders for smartphones and amusement-related products, as customer inventory adjustments bottomed out.

1. Financial Results for Q2 FY2025

Q2 FY2025 YoY by segments

(mil. yen)

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Chemicals		5,474	315	4,740	-173	-733	-489
Textiles		18,386	-163	16,593	46	-1,792	210
Real Brakes		6,853	5,222	15,863	11,811	9,010	6,589
Other businesses, Corporate costs		5,625	-3,260	6,110	-2,389	485	871
Total		240,022	6,715	254,721	18,417	14,699	11,702

➤ Materials

• Brake

Revenue and profit increased due to recovery in orders at Japan and U.S. and price hikes. Despite a revenue decline, the South Korean facility reduced losses through improved profitability.

• Precision

Increased orders for automotive-related products and medical-related products at Nambu Kasei.

• Chemicals

Orders for fuel cell bipolar plates decreased due to stagnation in the overall hydrogen market.

• Textiles

Decreased revenue but increased profit due to reduced costs at the Brazil facility

➤ Real Estate

Sales of Ario Nishiarai and Residential land in Okazaki City, Aichi Prefecture

1. Financial Results for Q2 FY2025

Full-Year Outlook for FY2025

	FY2025 Initial FC	FY2025 Revised FC	Change		(mil. yen) FY2024
				rate	
Net sales	506,000	506,000	-	-	494,746
Operating income	19,700	19,700	-	-	16,581
Ordinary income	21,600	21,600	-	-	24,403
Net income Attributable to Owners of Parent	18,300	11,000	-7,300	▲39.9%	10,277

- While there are differences in progress across segments, the full-year outlook for revenue, operating profit, and ordinary profit remains unchanged
- In addition to the extraordinary losses recognized in the second quarter, we plan to recognize extraordinary losses related to the implementation of an early retirement incentive program for the Japan Radio Group in the second half, resulting in a downward revision of the full-year forecast for net income attributable to parent company shareholders.

1. Financial Results for Q2 FY2025

Full-Year Outlook for FY2025

(mil. yen)

Segments	Subsegments	Q2 FY2025		FY2025 FC	
		Net sales	O.P.	Net sales	O.P.
Wireless and Communications	Marine Systems	28,031	2,554	50,300	3,600
	(JRC)	39,056	3,639	69,000	1,700
	(KDE)	40,197	6,322	70,000	4,900
	Solutions & Defense	79,253	9,961	139,000	6,600
	Mobilities	20,080	-2,136	54,900	0
	Elimination	-1,190	-38	-2,200	-200
Total		126,174	10,341	242,000	10,000
Micro Devices		29,825	-4,257	72,000	500
Brakes		28,275	1,787	58,000	2,000
Precision Instruments		27,138	1,250	53,000	1,600
Chemicals		4,740	-173	14,000	1,300
Textiles		16,593	46	37,000	400
Real Brakes		15,863	11,811	17,000	10,800
Other businesses, Coporate costs		6,110	-2,389	13,000	-6,900
Total		254,721	18,417	506,000	19,700

➤ Wireless and Communications Business

Although orders in Mobility and other segments remain weak, the Marine Systems and Solutions/Specialized Equipment segments are performing steadily, enabling the segment as a whole to meet its plan.

➤ Micro Devices Business

The first half ended largely in line with plans, but there are concerns about a downward revision due to the recovery in market conditions being slower than initially anticipated. We will address this through sales recovery and cost reductions

➤ Materials Business (Brakes, Precision Instruments, Chemicals, and Textiles)

While brakes have room for upward revision, chemicals are unlikely to recover in the second half, and the overall outlook remains in line with plans.

1. Summary of Financial Results for Q2 FY2025
2. **Progress of Transformation**
3. Appendix: Net sales and Operating Income by Segments

2. Progress of Transformation

Turn Crisis into Strength, Challenges into Growth
— Building the Path to the Future Together



Management draws up **a blueprint** for embodying **challenges and reforms** and **promotes major reforms** in line with it.

- The overall blueprint for the **transformation** plan is scheduled to be disclosed in **early spring 2026**
- Some reforms have already been initiated and are currently underway (see next page).

2. Progress of Transformation

Status of Transformation (as of the first half of the FY2025)

Wireless and Communications Business

- **Structural Reforms** at JRC: Blueprint will be designed in 2025
 - ✓ Initiation of organizational and business restructuring ⇒ Execution of early retirement by year-end in conjunction with this restructuring announced in June 2025
 - ✓ Enhancement measures for EDMS (Electronics Design Manufacturing Service) under consideration
- Advancing in-depth discussions **on synergies** between JRC and KDE (Kokusai Denki Electric)

Micro Devices business

- Review of business portfolio underway
 - ✓ Increase the automotive business to over 50%
- Cost structure review underway
 - ⇒ Blueprint including structural reform will be completed in 2025 and enter **the execution phase in 2026**

2. Progress of Transformation

Status of Transformation (as of the first half of the FY2025)

Materials Business

- Designing future strategies for each business: Early decision on response strategies
- **Implementation** phase to begin **in the second half of FY2025**

R&D

- April 2025: Establishment of the Future Innovation Division
- In 2026, design a **new business** model

- ❑ Details of the transformation plans for each business will be disclosed in the overall roadmap **by early spring 2026**
- ❑ Specific details of the transformation will be **disclosed sequentially** following organizational decisions.

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3. Net sales and Operating Income by Segments

Net sales and Operating Income by Segments

(mil. yen)

Segments	Subsegments	FY2024		Q2 FY2024		Q2 FY2025		Change		FY2025 FC	
		Net sales	O.P.	Net sales	O.P.	Net sales	O.P.	Net sales	O.P.	Net sales	O.P.
Wireless and Communications	Marine Systems	51,413	4,537	24,459	2,257	28,031	2,554	3,572	297	50,300	3,600
	(JRC)	63,814	233	34,226	304	39,056	3,639	4,830	3,335	69,000	1,700
	(KDE)	71,061	3,742	36,565	3,339	40,197	6,322	3,632	2,983	70,000	4,900
	Solutions & Defense	134,875	3,975	70,791	3,643	79,253	9,961	8,462	6,318	139,000	6,600
	Mobilities	51,599	-862	24,472	-39	20,080	-2,136	-4,392	-2,097	54,900	0
	Elimination	-3,372	-73	-1,695	-89	-1,190	-38	505	51	-2,200	-200
	Total	234,515	7,577	118,027	5,772	126,174	10,341	8,147	4,568	242,000	10,000
Micro Devices		64,225	-7,093	31,132	-2,747	29,825	-4,257	-1,307	-1,509	72,000	500
Brakes		58,188	2,333	28,761	1,110	28,275	1,787	-486	677	58,000	2,000
Precision Instruments		54,161	1,641	25,761	467	27,138	1,250	1,377	783	53,000	1,600
Chemicals		11,040	655	5,474	315	4,740	-173	-733	-489	14,000	1,300
Textiles		36,842	193	18,386	-163	16,593	46	-1,792	210	37,000	400
Real Brakes		23,539	17,694	6,853	5,222	15,863	11,811	9,010	6,589	17,000	10,800
Other businesses, Coporate costs		12,232	-6,421	5,625	-3,260	6,110	-2,389	485	871	13,000	-6,900
Total		494,746	16,581	240,022	6,715	254,721	18,417	14,699	11,702	506,000	19,700

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