Financial Results for Fiscal Year 2019

April 1, 2019 - March 31, 2020

(Presentation Materials with Script)

【Event Summary】

Date	: June 5, 2020　15：00～16：00	
Venue	: Teleconference	
Speakers	: Toru Kurono	President and COO
	Hideto Iida	Head of Production Division, Executive Officer
	Akitaka Tejima	Head of Business Management Division, Executive Officer
	Takaaki Mano	General Manager in Charge of General Affairs Department

Presentation

Contents

FY2019

NITTO KOGYO CORPORATION 2

Please go to page two. This is the table of contents. I will go through items one to four. Item five is reference material, so please take a look at it later.

Fiscal year consolidated account highlights

FY2019

- Results for the year showed increases in income and profit. Consolidated sales and yearly net profit reverting to parent company shareholders were the highest to date.
- Results are led by our distribution board-related production business and telecommunications-related distribution business.
- Price revisions in October 2018 and the addition of KITAGAWA INDUSTRIES CO., LTD. as subsidiary in January 2019 contributed to these results.

(Unit: million yen)

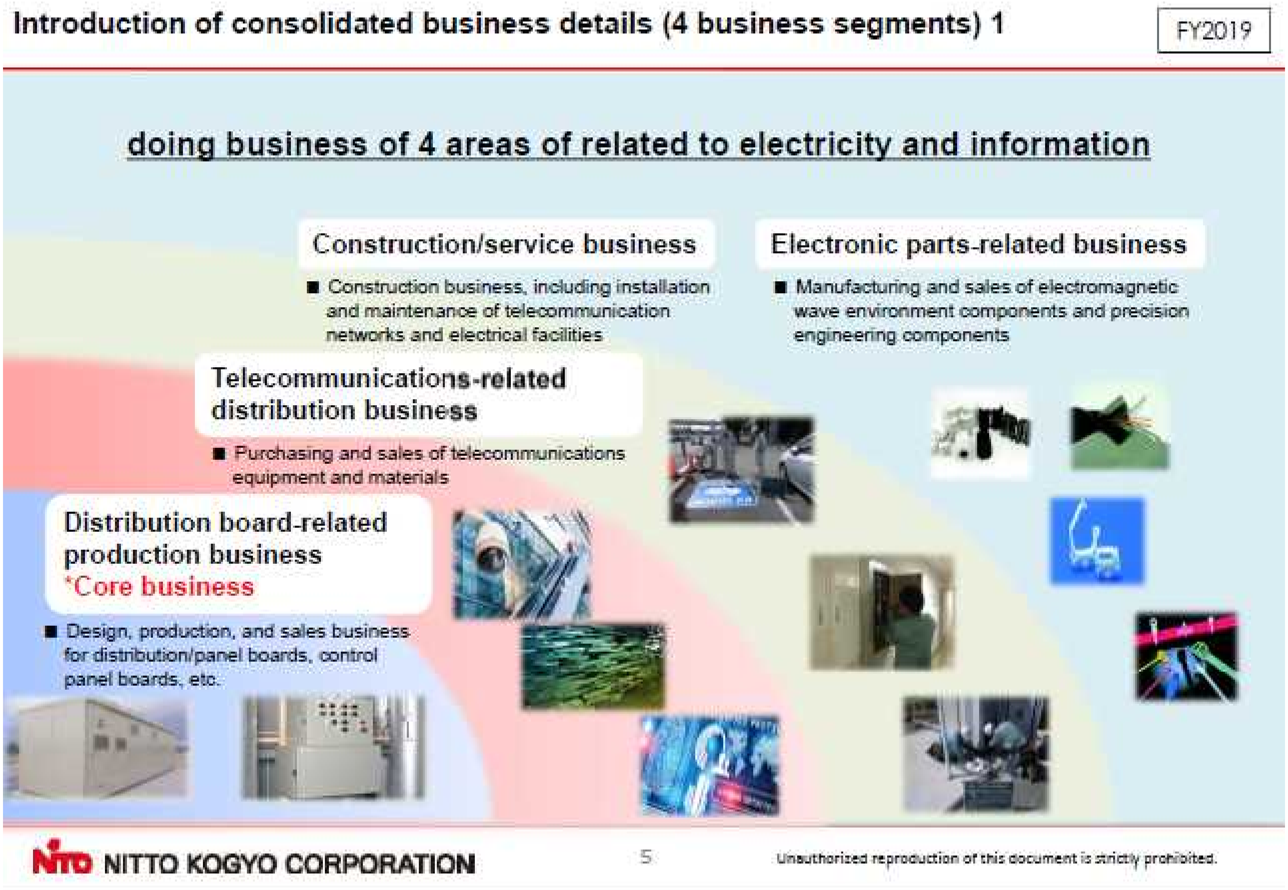
Accounting period	2019/3	2020/3			
	Results	Plan	Results	YoY comparison	Vs. Plan
Sales	116,984	135,000	139,421	+19.2%	+3.3%
Operating income	6,472	11,300	12,402	+91.6%	+9.8%
Ordinary income	6,405	10,900	12,038	+87.9%	+10.4%
Yearly net profit reverting to parent company shareholders	4,046	7,100	8,048	+98.9%	+13.4%

NITTO KOGYO CORPORATION 4

See page four for consolidated accounts highlights of the fiscal year ended March 2020.

Sales were JPY139.4 billion, up 19.2% from the previous fiscal year. Both sales and profits grew, with all line profits increased around 90% higher than the previous fiscal year. Consolidated sales and net income attributable to parent company shareholders set a record high.

The results were attributable to robust performance in the distribution boards-related production business and the telecommunications-related distribution business, as well as to price revisions implemented in October 2018 and the performance of KITAGAWA INDUSTRIES CO., LTD., which became a subsidiary in January 2019. I will explain the details later.



Please see page five. As some of you are joining our briefing for the first time, I will briefly introduce NITTO KOGYO Group's business segments.

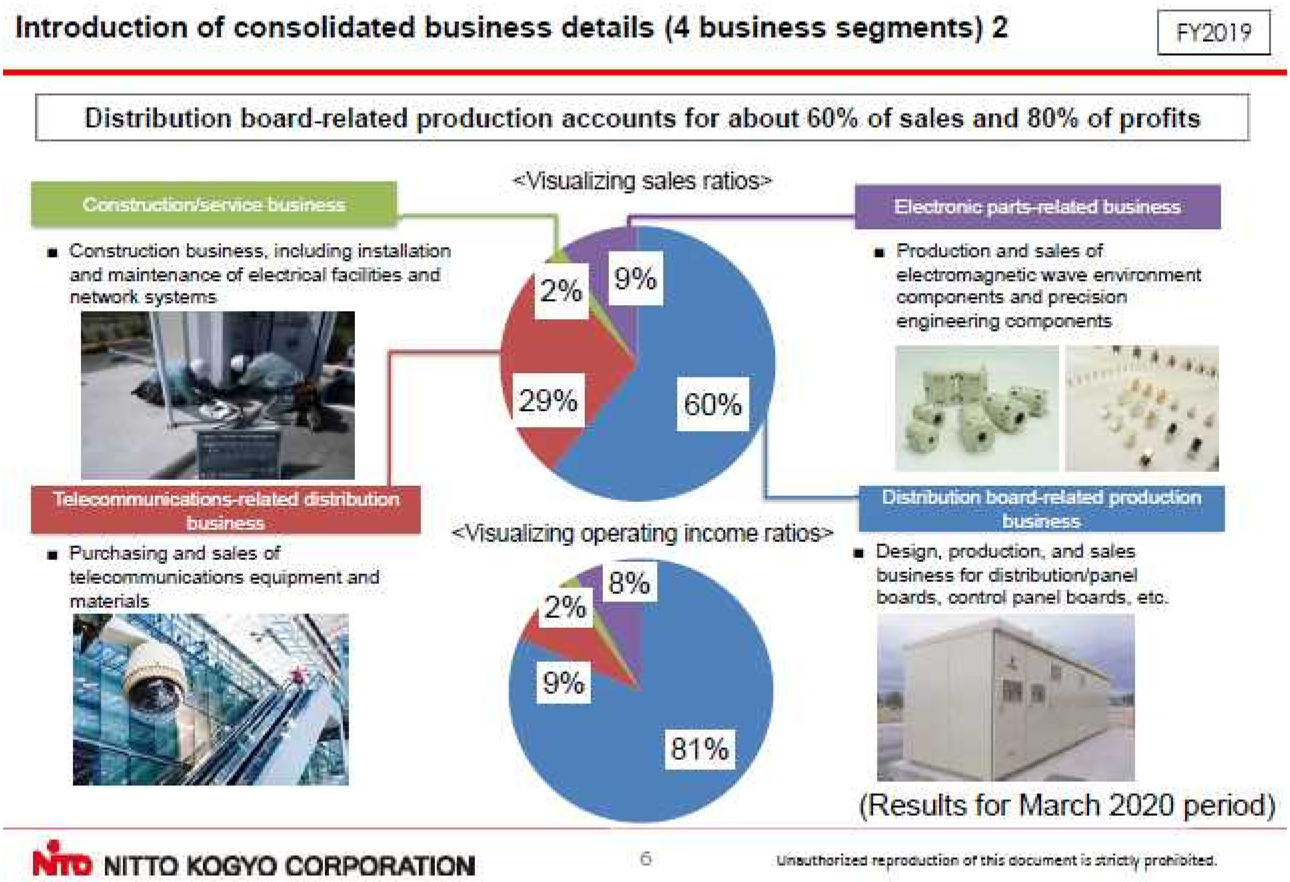
First, from the bottom left, the distribution board-related production business. It is NITTO KOGYO Group's core business, which designs, manufactures, and sells distribution panel boards and control panel boards and manufactures and sells enclosure and breakers used in distribution boards.

Above that is the telecommunications-related distribution business, which purchases and sells telecommunication equipment, such as LAN cables and surveillance cameras, as well as related parts and materials.

The construction/service business involves installation and maintenance of ICT networks and electrical facilities.

The electronic parts-related business specializes in manufacturing and selling electromagnetic wave environment components and precision components.

NITTO KOGYO Group conducts its business by linking these four businesses related to electricity and information.



Please see page six. Sales and profit composition of the four business segments.

The distribution board-related production business, our core business, is conducted by NITTO KOGYO CORPORATION and about 20 consolidated subsidiaries. It accounts for about 60% of consolidated sales and about 80% of consolidated operating income.

The telecommunications-related distribution business is operated by SunTelephone Co., Ltd. and accounts for 29% of consolidated sales and 9% of consolidate operating income. Margins are low because it is a trading business, but this is a segment with good prospects going forward.

The construction/service business is operated by NANKAIDENSETSU CO., LTD. and accounts for approximately 2% of both consolidated sales and operating income.

The electronic parts-related business is operated by KITAGAWA INDUSTRIES CO., LTD. and accounts for 9% of consolidate sales and 8% of operating income.

Fiscal year account highlights by segment

FY2019

- In addition to the influence of distribution board-related production business sales on the industry, such as solid domestic construction demand, sales increases in high-voltage power receiving equipment related to school HVAC effect of price revisions led to increased sales and profits. The reduction of the deficit of our overseas subsidiaries also contributed.
- For the telecommunications-related distribution business, orders received for large-scale office transfers and the data center market, as well as increased sales in products related to teleworking toward the end of the fourth quarter, led to increased income and profits.
- The construction/service business increased sales in construction related to high-voltage power receiving equipment, etc., leading to increased sales overall. However, increased personnel and general costs led to reduced profits
- The electronic parts-related business showed struggling sales in semiconductor production machinery for export and machine tool-related products, but sales for domestic and overseas industrial air conditioner-related products and in domestic automotive-related markets remained solid.

(Unit: million yen)

	By segment	2019/3	2020/3			
		Results	Plan	Results	YoY comparison	VS. plan
Sales	Distribution board-related production business	78,569	84,200	83,866	+6.7%	-0.4%
	Telecommunications-related distribution business	32,910	36,000	40,774	+23.9%	+13.3%
	Construction/service business	2,719	2,800	2,827	+4.0%	+1.0%
	Electronic parts-related business	* 2,785	12,000	11,954	-	-0.4%
	Total	116,984	135,000	139,421	+19.2%	+3.3%
Operating income	Distribution board-related production business	5,543	-	10,113	+82.4%	-
	Telecommunications-related distribution business	932	-	1,070	+14.8%	-
	Construction/service business	218	-	204	-6.4%	-
	Electronic parts-related business	* -235	-	1,011	-	-
	Total	6,472	-	12,402	+91.6%	-

*New segment established in January 2019

NITTO KOGYO CORPORATION 7

See page seven. Consolidated results highlights by segment.

I think you have already seen the numbers, so I will walk you through the main topics. In the distribution board-related production business, domestic demand for construction was very robust, and sales of air conditioning systems installed in schools to combat heat stroke and related high-voltage power receiving equipment and panel boards increased. In addition, prices were revised, and losses at foreign subsidiaries were reduced. As a result, both sales and profits increased.

In the telecommunications-related distribution business, sales and profits increased due to the acquisition of projects for relocation of large offices and data centers, as well as an increase in sales of telework-related products in the second half of the fourth quarter.

In the construction/service business, sales increased due to an increase in sales of construction related to high-voltage power receiving equipment, but operating income decreased due to an increased personnel costs and expenses.

In the electronic parts-related business, sales of products related to semiconductor production equipment and machine tools for export were weak in the business conducted by KITAGAWA INDUSTRIES CO., LTD., which became a subsidiary in January 2019. However, there were increased sales of commercial air conditioners both in and outside of Japan and automotive-related sales in Japan. As a result, the figures are shown in the table.

Distribution board-related production business (sales by division) for the year

FY2019

- Sales increased in existing markets due to internal demand influence on the industry such as solid domestic construction demand; as well, sales increases in high-voltage power receiving equipment related to school HVAC and the effect of price revisions in October 2018 led to increased sales overall.
- For the breaker/switch division, decreased sales in the AICHI ELECTRIC WORKS CO., LTD. device business led to decreased sales overall.

By division Sales		2019/3	2020/3 (Unit: million yen)			
		Results	Plan	Results	YoY comparison	Vs. Plan
Distribution board-related production business	Distribution Boards	43,332	46,900	47,472	+9.6%	+1.2%
	Enclosures	23,561	25,600	24,585	+4.3%	-4.0%
	Breakers/Switchgears	5,304	5,100	5,188	-2.2%	+1.7%
	Parts/Other	6,370	6,600	6,619	+3.9%	+0.3%
Total		78,569 (3,585)	84,200	83,866 (5,856)	+6.7% (+63.3%)	-0.4%
Consolidated overall total		116,984	135,000	139,421	+19.2%	+3.3%
Consolidated sales composition ratio		67.2%	62.3%	60.2%	-7.0%	-2.1%

*Parentheses refer to internal sales between segments

NITTO KOGYO CORPORATION 8

See page eight, which shows sales by division in the distribution board-related production business. As this is our core business, I would like to explain two topics other than school air conditioning projects.

Sales of breakers and switches were negative compared with the previous fiscal year. This was mainly due to a decline in sales of the equipment business at our subsidiary AICHI ELECTRIC WORKS CO., LTD.

Sales of enclosures, our mainstay product, were negative 4% compared to the plan. This was largely attributable to higher-than-expected internal sales to our subsidiary, SunTelephone Co., Ltd.

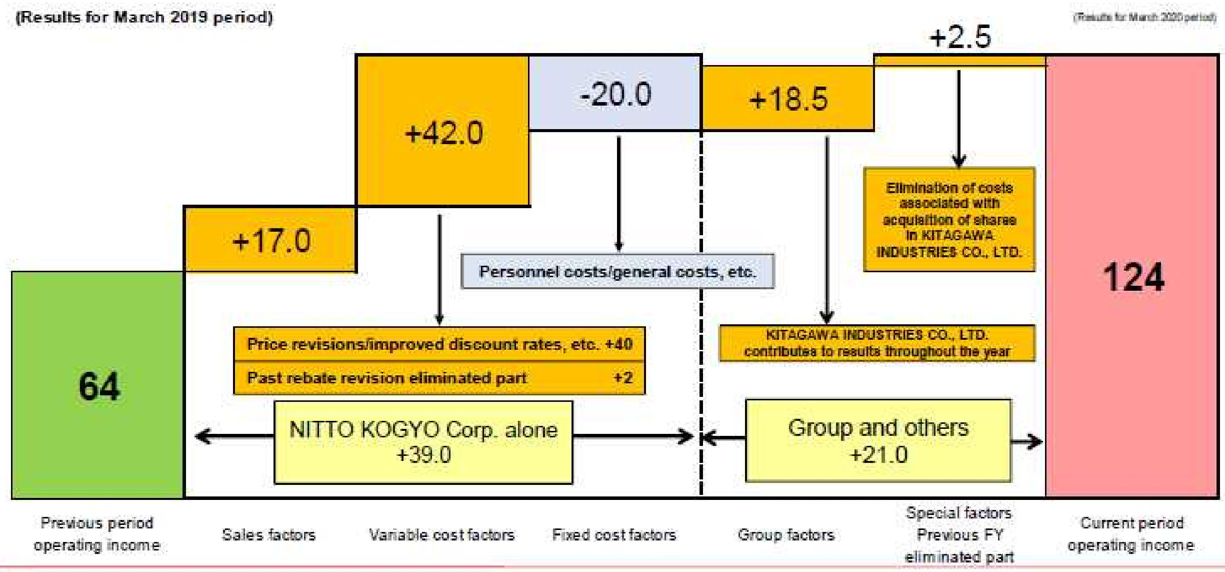
See the total column in the table. Numbers in parentheses are the inside sales. You can see a sharp increase from just over JPY3.5 billion in the previous fiscal year to just over JPY5.8 billion in the fiscal year under review. More than half of the increased amount is enclosures, and inside sales are included in the telecommunications-related distribution business.

This is not apparent from the table, but the target for the sales amount of enclosures by NITTO KOGYO CORPORATION has been achieved on a non-consolidated basis.

Factors in changes in yearly consolidated operating income FY2019

- Factors for NITTO KOGYO Corp. alone included increased fixed costs due to increased personnel costs, etc., but marginal profit increases due to increased sales as well as price revisions and improved discount rates (variable cost factors) led to greatly increased profits
- In factors for the Group, the acquisition of KITAGAWA INDUSTRIES CO., LTD. as a subsidiary in January 2019 and the reduction of the deficits of our overseas subsidiaries led to increased profits.

(Unit: 100 million yen)

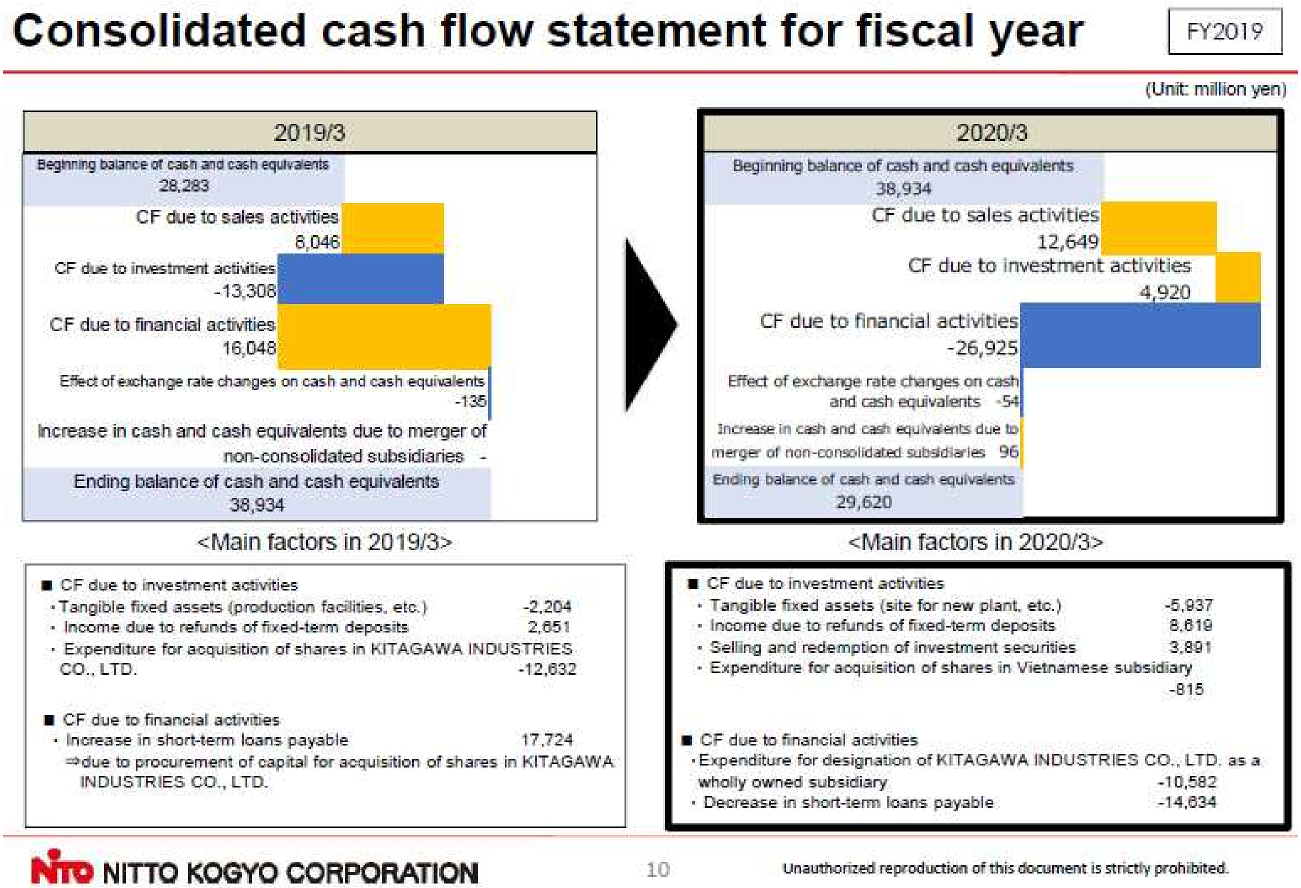


NITTO KOGYO CORPORATION 9

Please see page nine, which shows factors in changes in consolidated operating income. The left-hand side of the dotted line in the graph is NITTO KOGYO CORPORATION standalone factors, while the right-hand side is the performance of the group excluding NITTO KOGYO CORPORATION.

Operating income increased by JPY6 billion from JPY6.4 billion of the previous fiscal year to JPY12.4 billion for the fiscal year under review. NITTO KOGYO CORPORATION increased JPY3.9 billion on a non-consolidated basis. Breaking this down, JPY1.7 billion was due to increased marginal profit from sales growth, JPY4.2 billion came from price revisions and improved discount rates, while increased personnel costs including overtime and expenses had a negative impact of JPY2 billion.

The Group accounted for an increase of JPY2.1 billion. KITAGAWA INDUSTRIES CO., LTD., which became a subsidiary in January 2019, contributed throughout the year. Profits were also boosted by factors such as the reduction of losses at overseas subsidiaries.



See page 10. This is the consolidated cash flow statement. The left-hand side is the fiscal year ended March 31, 2019, and the right-hand side is the fiscal year ended March 2020. Cash flows from investing and financing activities were affected due to the consolidation of KITAGAWA INDUSTRIES CO, LTD.

The increase in cash flow from operating activities in the year ending March 2020 was mainly due to the increase in sales.

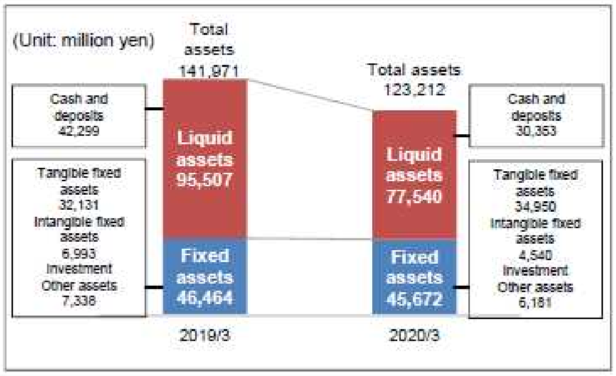
In cash flow from investing activities, there was a cash outflow of approximately JPY5.9 billion due to the acquisition of tangible fixed assets such as land for a new plant. Cash inflow of approximately JPY8.6 billion was due to proceeds from withdrawal of time deposits, et cetera. Cash inflow of approximately JPY3.8 billion was due to sales and redemption of investment securities. Acquisition of shares in a Vietnam subsidiary resulted in a cash outflow of approximately JPY800 million.

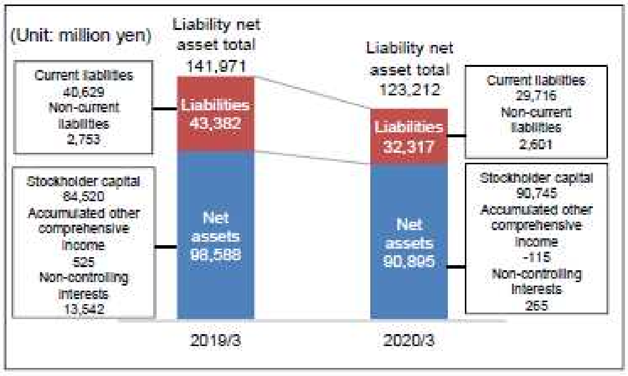
In cash flow used in financing activities, approximately JPY10.5 billion was paid for the conversion of KITAGAWA INDUSTRIES CO., LTD. into a wholly owned subsidiary. There was a cash outflow of approximately JPY14.6 billion mainly for the repayment of short-term loans procured for the acquisition of KITAGAWA INDUSTRIES CO., LTD. As a result of the above, cash and cash equivalents at the end of the year decreased by approximately JPY9.3 billion to JPY29.6 billion.

Overview of consolidated finances for the fiscal year

FY2019

- **Based on the additional acquisition of stocks and repayment of short-term loans payable associated with gaining KITAGAWA INDUSTRIES CO., LTD. as a subsidiary, and on the decrease in goodwill due to the completion of this process, total assets have decreased**





<Main changes>

■ Assets

・Decreased cash and deposits	-11,946
・Decreased securities	-8,999
・Decreased goodwill	-2,984

■ Liabilities

・Decrease in short-term loans payable	-14,416

■ Net assets

・Current net income	+8,048
・Decreased non-controlling interests	-13,276

See page 11 for the summary of the consolidated financial position. Following the conversion of KITAGAWA INDUSTRIES CO., LTD. into a wholly owned subsidiary, we acquired additional shares and repaid short-term loans. Completion of the procedures has reduced goodwill and total assets.

Impact of COVID-19 outbreak

FY2019

Period ending in March 2020

The COVID-19 pandemic did not significantly affect our results.

Impact of COVID-19 and measures to prevent the virus from spreading in the company group at present (end of May 2020)

1. Operational status of main production bases
   - Production bases in Japan: Operating as normal.
   - Overseas production bases: Operations stopped in some plants, but most are now operating as normal.

2. Status of production and supply of main products.
   - Not significantly affected, but measures are being taken for some items that are produced overseas, such as increasing inventory or building a framework to produce or procure domestic substitutes.

3. Measures are being taken to ensure the health and safety of our customers and employees in order to prevent the spread of COVID-19 and maintain our business continuity framework.
   - We are staggering working times, and some employees are teleworking from home.
   - Everyone at our companies takes their temperature before coming to work and stays home if they have a fever.

NITTO KOGYO CORPORATION 13

Next, I will explain the impact of COVID-19 from page 12 onward.

See page 13. In the fiscal year ended March 2020, the effects of COVID-19 were not significant.

I would like to introduce the Group's efforts to prevent the spread of infections.

Major production sites in Japan are operating as usual after thoroughly implementing safety measures for workers, including social distancing, wearing masks, thorough disinfection, and improving commuting methods. Some of our overseas production sites have been shut down, but at present, they are mostly operating as usual.

At present, major products are being supplied without any issues or disruption. However, we are working to create a system and take measures to ensure stable supply of products in case the coronavirus crisis is prolonged, including shifting production and procurement of some items from overseas to Japan and accumulating inventories.

In addition to production, to ensure the health and safety of customers and employees, we are implementing measures against infections, such as teleworking, refraining from visits, and body temperature measurement.

Impact of COVID-19 outbreak

FY2019

Period ending in March 2021

Projection: Gradual recovery from economic stagnation from the 2nd quarter onward

Division	Anticipated impact on results	Severity
Distribution board-related business Construction/service business	Negative factors: Decline in number of new private non-residential buildings, stalling of private facilities investment, delays in construction by general contractors, etc. With that said, past trends indicate that **the impacts of the decrease in demand are likely to be felt around half a year later**.	High
Telecommunications-related distribution business	Negative factors: Postponement of the Olympics and Paralympics, stagnation in office-related markets, etc. Positive factors: Increase in demand for telework	Low
Electronic parts-related business	Negative factors: Market stagnation for automotive, machine tools and office machines, etc.	Medium

Our post-COVID plans

We expect to see more activity in the telecommunications market as companies adopt teleworking long-term, data transfer volumes increase and plans to adopt the GIGA School concept are accelerated. The whole of the group will work to bring the world new ideas for the telecommunications equipment and related products that society needs as quickly as possible.

NITTO KOGYO CORPORATION 14

Next, see page 14. For the fiscal year ending March 2021, we assume that, with the impact of COVID-19, there will be a gradual recovery from the slowdown in economic activity from the second quarter of the fiscal year.

In the distribution board-related production business and the construction/service business, there are concerns over a decline in the number of private-sector non-residential buildings, a halt in private-sector capital investment, and delays in construction by general contractors. Based on past trends, we expect the impact of the decline in demand on the industry we operate in to come about six months later.

In the telecommunications-related distribution business, while there are negative factors, such as the postponement of the Olympic and Paralympic Games and the stagnation of the office-related market, we expect an increase in products related to the expanding demand for teleworking.

In the electronic parts-related business, there are concerns that the market for automobiles, machine tools, office automation equipment, and other products will stagnate, leading to a decline in sales.

While this has a negative impact, we believe that the telecommunications market will be buoyant, and the Group will take concerted efforts to offer products with high market needs.

Forecast of consolidated results for the year

FY2019

- **Calculations presume that we will gradually recover from the impact of the COVID-19 pandemic from the second quarter onward.**
- **A decrease in consolidated income and profits is expected for this fiscal year**
- **Another factor in this decrease is that last year's figures reflect special demand for school HVAC**

(Unit: million yen)

Accounting period	2020/3		2021/3			
	2Q results	Results for the year	2Q plan	YoY comparison	Plan for the year	YoY comparison
Sales	64,887	139,421	59,700	-8.0%	129,000	-7.5%
Operating income	5,072	12,402	2,600	-48.7%	7,700	-37.9%
Ordinary income	4,852	12,038	2,500	-48.5%	7,500	-37.7%
Yearly net profit reverting to parent company shareholders	3,124	8,048	1,300	-58.4%	4,700	-41.6%

NITTO KOGYO CORPORATION 16

Full-year consolidated forecasts are shown from page 15 onward.

See page 16. Again, consolidate forecasts for the year ending March 2021 assumes that the impact of COVID-19 will recover moderately from the second quarter of the fiscal year.

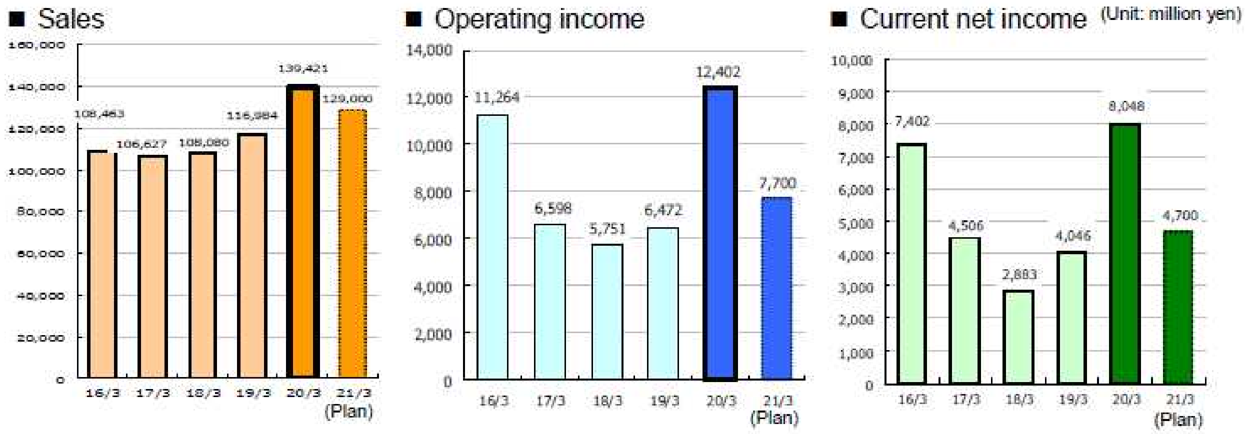
Consolidated sales are projected at JPY129 billion, down 7.5% compared to the previous fiscal year. In addition to COVID-19, the decline in the number of school air conditioning projects, which created irregular demand in the previous fiscal year special demand, also contributes to the decline.

We expect line profits to be down about 40% compared to the previous fiscal year. Pricing revisions, which were a factor behind the previous fiscal year's higher sales and profits, will not be a positive factor for this fiscal year.

Consolidated management results over past 5 years

FY2019

- Increased income for 3 years straight and increased profits for 2 years straight were achieved in the period ending March 2020 (highest sales and current net income to date).
- A decrease in income and profits is expected in the period ending March 2021 due to the COVID-19 pandemic.



	16/3	17/3	18/3	19/3	20/3	21/3 (Plan)
Sales	108,463	106,627	108,080	116,984	139,421	129,000
Operating income	11,264	6,598	5,751	6,472	12,402	7,700
Current net income	7,402	4,506	2,883	4,046	8,048	4,700

NITTO KOGYO CORPORATION 17

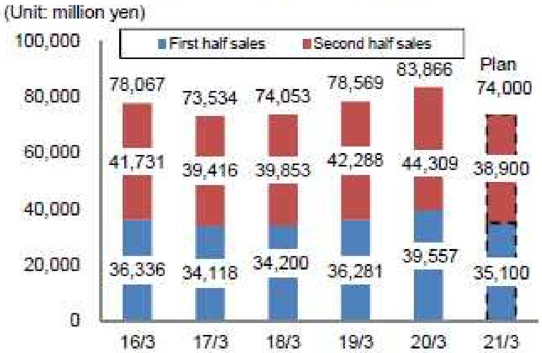
See page 17 for five-year consolidated performance. In the fiscal year ended March 2020, sales and net income reached record highs, achieving sales growth for the third consecutive year and profit growth for the second consecutive year.

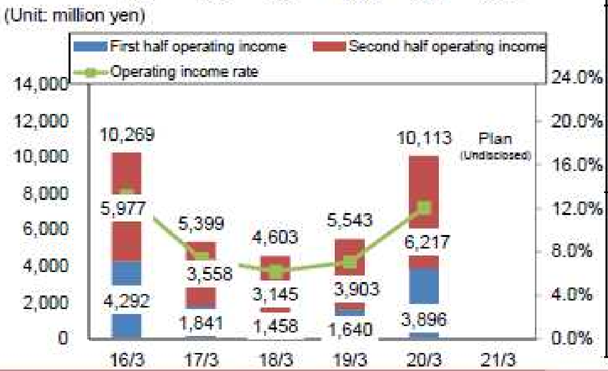
We expect sales and profits to decline in the fiscal year ending March 2021. Compared to the fiscal year ended March 2019, however, we expect sales and profits to increase, and if we achieve our targets, it will be the second largest sales and the eighth highest in terms of profits.

Business forecast by segment (Distribution board-related production business)

FY2019

◆ Distribution board-related production business [Yearly forecast] Sales 74 billion yen (YoY -11.8%)





[Forecast for the year]
・A decrease in income is expected due to the stagnation of economic activities caused by measures to prevent the spread of COVID-19, as well as the fact that last year's results reflect special demand for school HVAC.

[Approaches]
・Ideas for new products for the GIGA School concept and 5G market
・Sales activities and reduction of production costs with a focus on the profitability of Gathergates; construction of plant for NITTO KOGYO BM (THAILAND) CO., LTD.

[Main group companies: Yearly forecast]

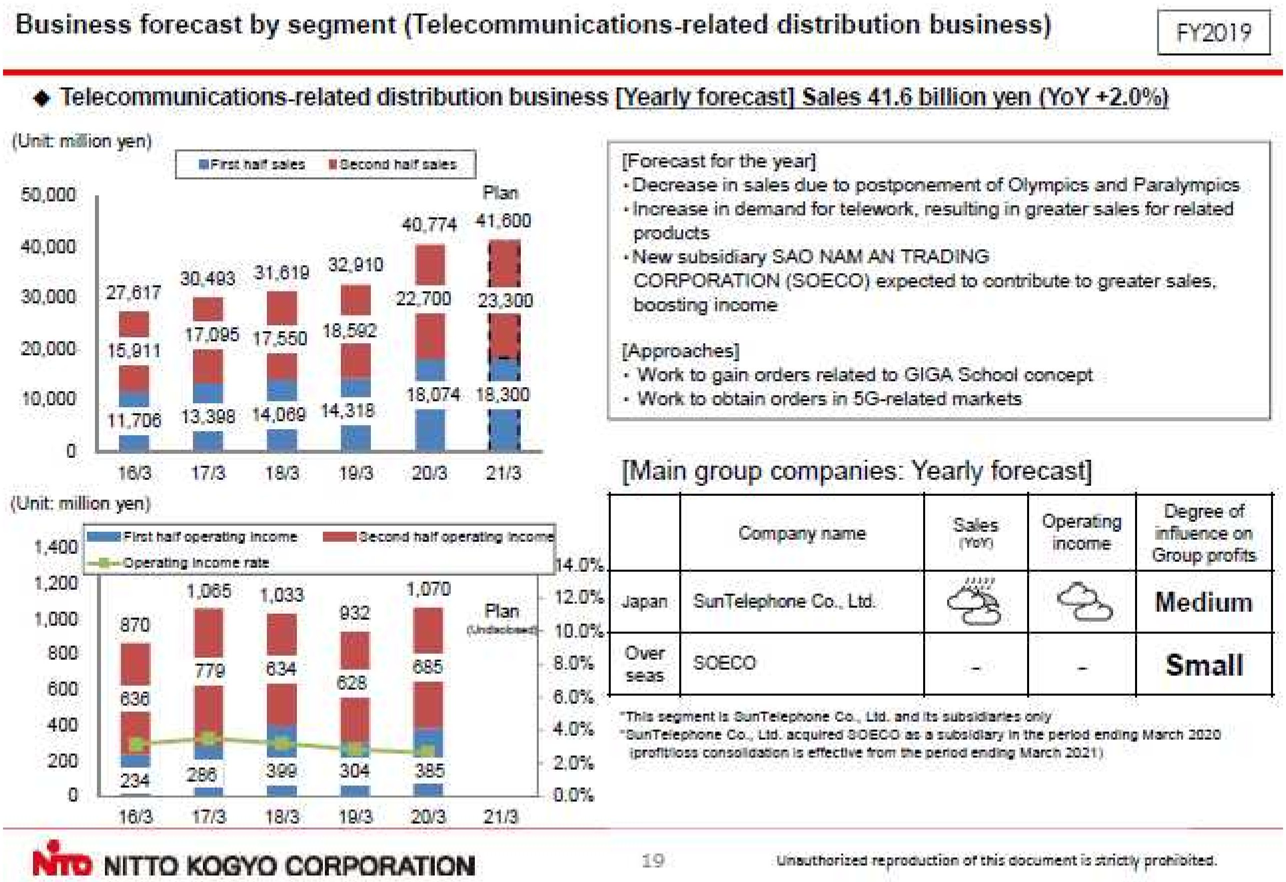
	Company name	Sales (YoY)	Operating income	Degree of influence on Group profits
Japan	NITTO KOGYO Corp.			Large
	AICHI ELECTRIC WORKS CO., LTD.			Small
	Taiyo Electric Mfg. Co., Ltd.			Small
	ECAD Solutions Co., Ltd.			Small
Over seas	NITTO KOGYO (CHINA) CORPORATION			Small
	Gathergates Group Pte Ltd			Small
	NITTO KOGYO BM (THAILAND) CO., LTD.			Small

NITTO KOGYO CORPORATION 18

From page 18 are forecasts for each segment. See page 18.

Regarding the performance forecast for distribution board-related production business, sales are JPY74 billion, down 11.8% compared to the previous fiscal year. Sales are expected to decline due to a slowdown in economic activities caused by COVID-19 and a relative drop in the number of school air conditioning projects.

Specific initiatives include the GIGA School concept, product offerings for 5G-related markets, marketing activities by Gathergates Switchgear Pte Ltd with emphasis on profitability, manufacturing cost-cutting, and the construction of a plant for NITTO KOGYO BM (THAILAND). We aim to achieve our targets through efficient implementation.



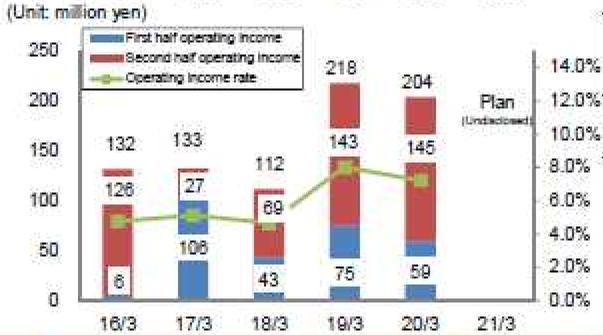
See page 19. In the forecast for the telecommunications-related distribution business, sales are JPY41.6 billion, up 2% from the previous fiscal year. Although sales are expected to decline with such factors as the postponement of the Olympic and Paralympic Games, we expect to increase sales with the combination of telework-related products, GIGA School projects, 5G projects, and sales at our Vietnamese subsidiary.

Specifically, we will focus on acquiring GIGA School projects and 5G projects in order to achieve our targets.

Business forecast by segment (Construction/service business)

FY2019

◆ Construction/service business [Yearly forecast] Sales 2.1 billion yen (YoY -25.7%)



[Forecast for the year]
- Increase in demand for office products due to changes in layout as measures against COVID-19
- Income expected to decrease due to postponement of Olympics and Paralympics, delays in construction, etc.

[Approaches]
- Reinforce cooperation with NITTO KOGYO Corp. and focus on creating further synergy
- Initiatives for GIGA School concept, promotion and expansion of disaster prevention equipment maintenance business

[Main group companies: Yearly forecast]

	Company name	Sales (YoY)	Operating income	Degree of influence on Group profits
Japan	NANKAIDENSETSU CO., LTD.			Small

*This segment is NANKAIDENSETSU CO., LTD. only

NITTO KOGYO CORPORATION 20

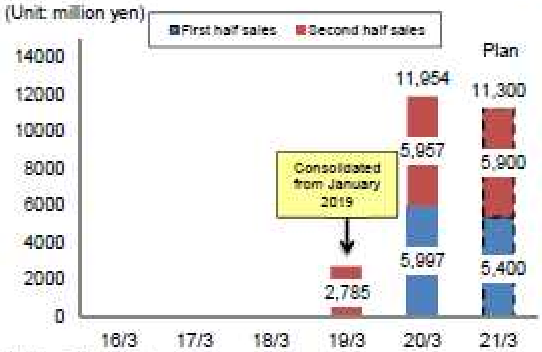
See page 20. In the forecast for the construction/service business, sales are JPY2.1 billion, down 25.7% from the previous fiscal year. While there is an increase in office-related demand due to layout changes to prevent COVID-19, we anticipate a decrease in sales due to delays in existing projects and other factors.

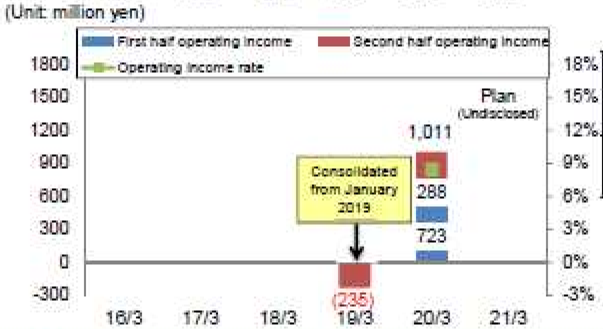
Specific initiatives include strengthening liaison with NITTO KOGYO CORPORATION to capture construction projects. We will also focus on GIGA School projects, as well as promoting and expanding the maintenance and inspection service for disaster prevention equipment, in order to achieve our goals.

Business forecast by segment (Electronic parts-related business)

FY2019

◆ Electronic parts-related business [Yearly forecast] Sales 11.3 billion yen (YoY -5.5%)





[Forecast for the year]
・A decrease in income is expected due to decreases in sales of products for the overseas market and previously high-selling industrial air conditioners.

[Approaches]
・Propose solution products based around electromagnetic wave countermeasure products for the environmental vehicle market (EVs, HVs, PHEVs, etc.)

・Expand business (communication base stations, WiFi products) in 5G-related markets

[Main group companies: Yearly forecast]

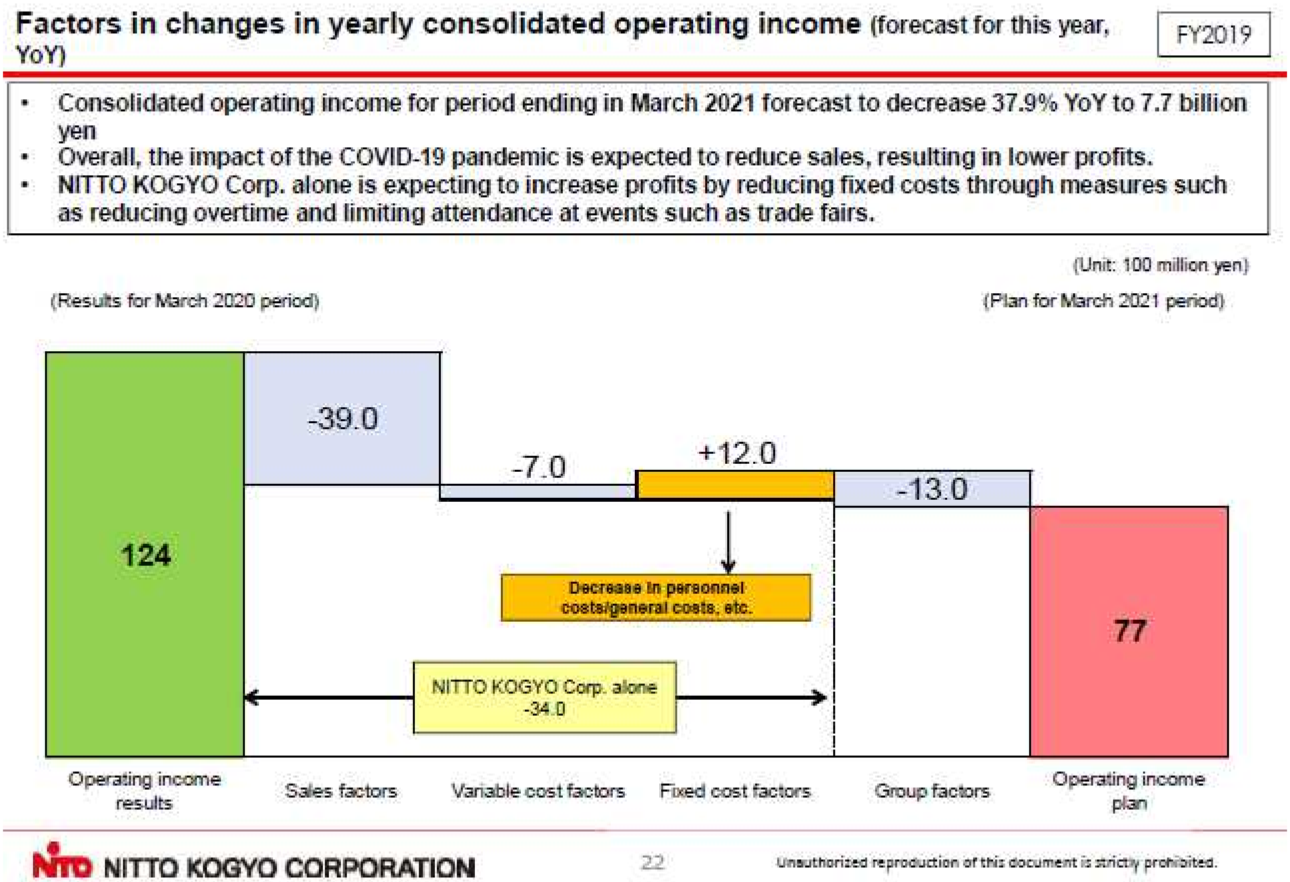
	Company name	Sales (YoY)	Operating income	Degree of influence on Group profits
Japan	KITAGAWA INDUSTRIES CO., LTD.			**Medium**

*This segment is KITAGAWA INDUSTRIES CO., LTD. and its subsidiaries only

NITTO KOGYO CORPORATION 21

See page 21. In the forecast for the electronic parts-related business, sales are JPY11.3 billion, down 5.5% from the previous fiscal year. The decline is mainly attributable to lower sales of products for the international market and commercial air conditioner-related products, which were performing well.

As a specific initiative, we will propose solutions focused on environmental vehicles markets, including EVs and PHEVs, as well as electromagnetic environment components in the medical device market. In addition, we aim to achieve our targets by expanding our 5G business and expanding sales of telecommunications base stations and equipment used in Wi-Fi.



Page 22 shows factories contributing to changes in consolidated operating income for the fiscal year. In the fiscal year ending March 2021, consolidated operating income is expected at JPY7.7 billion, down 37.9% from the previous fiscal year. The left side of the dotted line in the chart is the forecast of NITTO KOGYO CORPORATION on a non-consolidated basis, and the right side is the forecast of the Group excluding NITTO KOGYO CORPORATION.

NITTO KOGYO CORPORATION on a non-consolidated basis expects a decline of JPY3.4 billion. Breaking this down, sales factors are down JPY3.9 billion due to the impact of COVID-19 and the absence of a school air conditioning projects. As variable cost factors, we assume a negative JPY700 million due to a deterioration in the discount rate caused by a decline in demand. As for fixed cost factors, we forecast a positive JPY1.2 billion due to a decline in output and a natural decrease in personnel costs and expenses.

The Group as a whole is expected to see a JPY1.3 billion decline due to decreased sales due to the impact of COVID-19.

Factor trends in changes in yearly consolidated operating income

FY2019

<NITTO KOGYO Corp. alone>

- **Sales factors** — Despite continuous increases in sales previously, a decrease is expected in the period ending March 2021 due to the COVID-19 pandemic
- **Variable cost factors:** — Discount rates: Predicted to become less favorable from period ending in March 2021
- **Fixed costs:** — Expenses: Expected to decrease temporarily due to more limited attendance at events such as trade fairs and private showings
  Personnel costs: Expected to decrease temporarily due to cutting of overtime in response to lower sales

<Group factors>

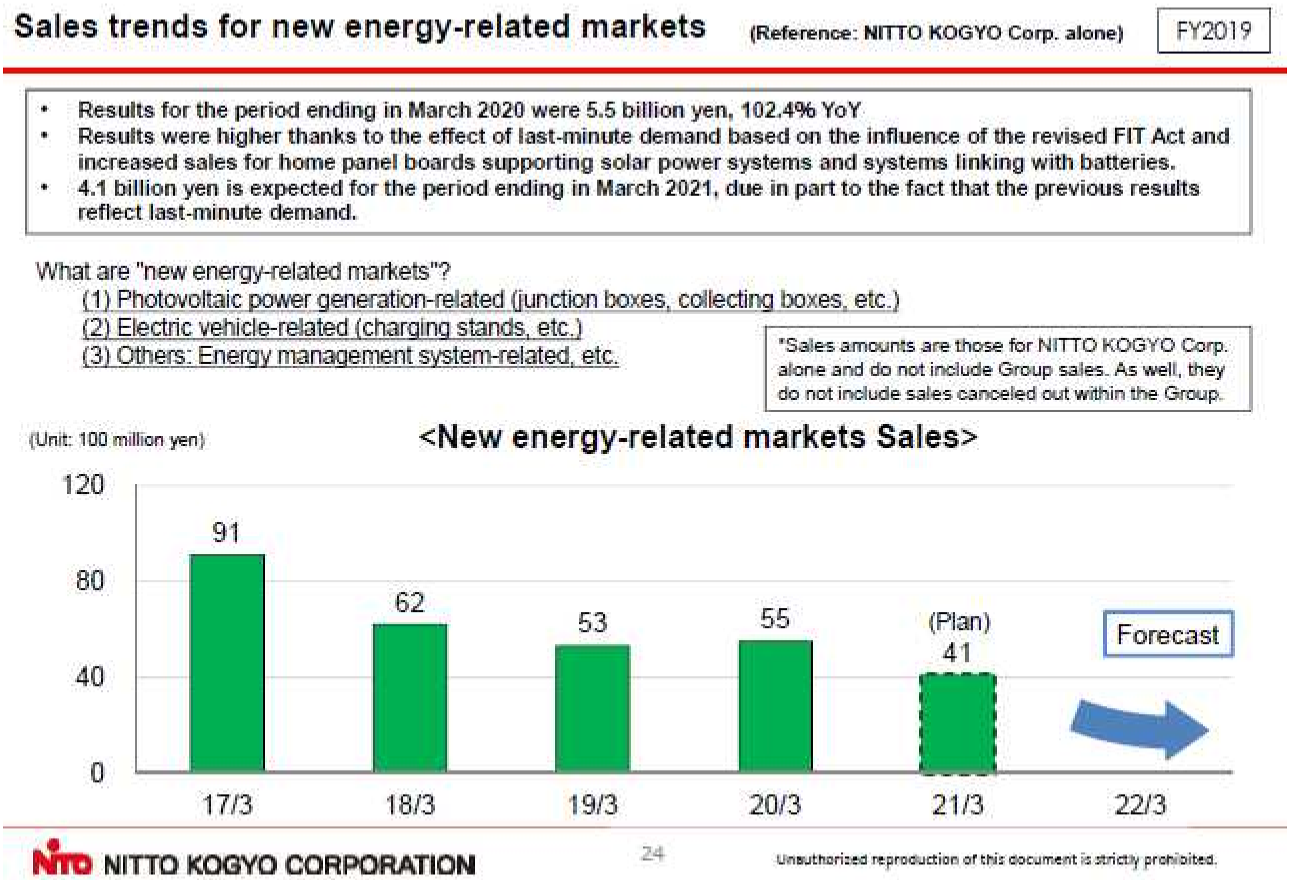
- Conditions for the Group overall have remained difficult, but the contribution to results from KITAGAWA INDUSTRIES CO., LTD. allows a positive forecast for the period ending in March 2020.
  However, the COVID-19 pandemic is expected to cause an overall decrease in sales, resulting in lower profits.

(Unit: 100 million yen)

↑: Increasing factors ↓: Decreasing factors			2019/3 results	2020/3 results	2021/3 Plan
Operating income			64	124	77
YoY changed amounts			+7	+60	-47
Change factors	NITTO KOGYO Corp. alone	Sales factors	↑	↑	↓
		Variable cost factors	↑	↑	↓
		Fixed cost factors	↓	↓	↑
	Group factors		↓	↑	↓

NITTO KOGYO CORPORATION 23

See page 23. This table shows the trends of factors behind the full-year consolidated operating income. As shown by the arrows in the chart for FY2021, we expect operating income to decline and variable costs to worsen due to lower sales in NITTO KOGYO CORPORATION and the Group as a whole.



Next, please turn to page 24. This slide shows sales trends of new energy-related markets, which greatly affected the performance of NITTO KOGYO CORPORATION on a non-consolidated basis.

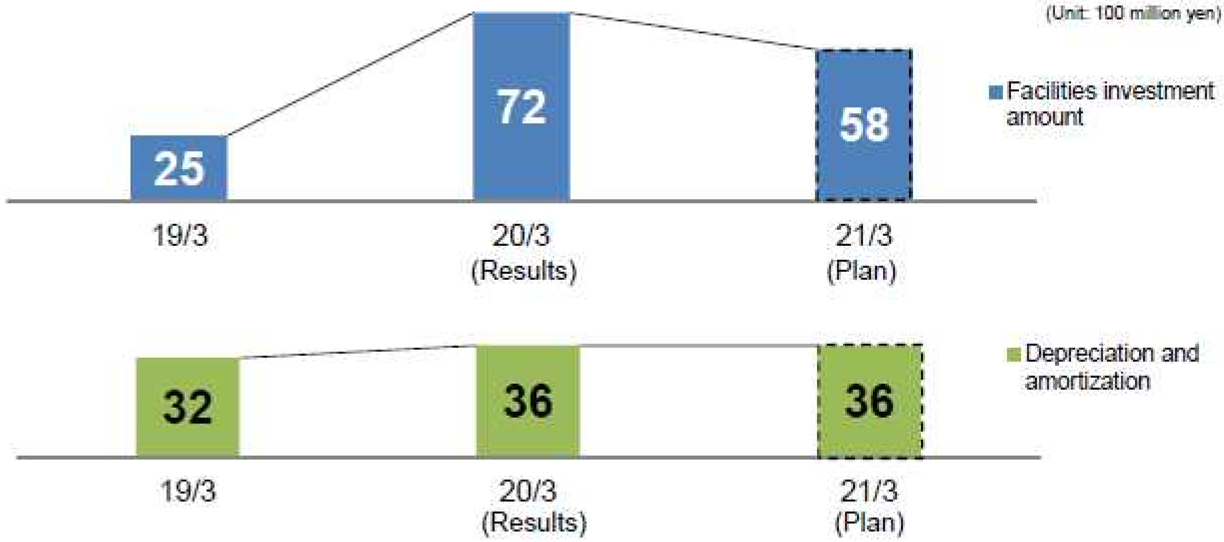
New energy-related products refer to products involved in photovoltaic power generation, charging stations for EVs and PHEV, and energy management systems.

Sales of PV-related products continued to decline after peaking in the fiscal year ended March 2015, but sales in the fiscal year ended March 2020 increased slightly to JPY5.5 billion, up 2.4% from the previous fiscal year. The reason for this includes the last-minute demand accompanying the revised FIT Act and increased use of storage batteries in homes, which led to increased sales of home panel boards. For the year ending March 2021, due to the removal of last-minute demand, we assume a 25% decrease from the previous fiscal year to JPY4.1 billion.

Facilities investment amounts and depreciation and amortization

FY2019

- Facilities investment increased in the period ending in March 2020 for reasons such as the acquisition of a site for NITTO KOGYO Corp.'s new plant
- For the period ending in March 2021, facilities investment amount was planned at 5.8 billion yen and depreciation and amortization at 3.6 billion yen



*Rounded at 10 million yen

NITTO KOGYO CORPORATION 25

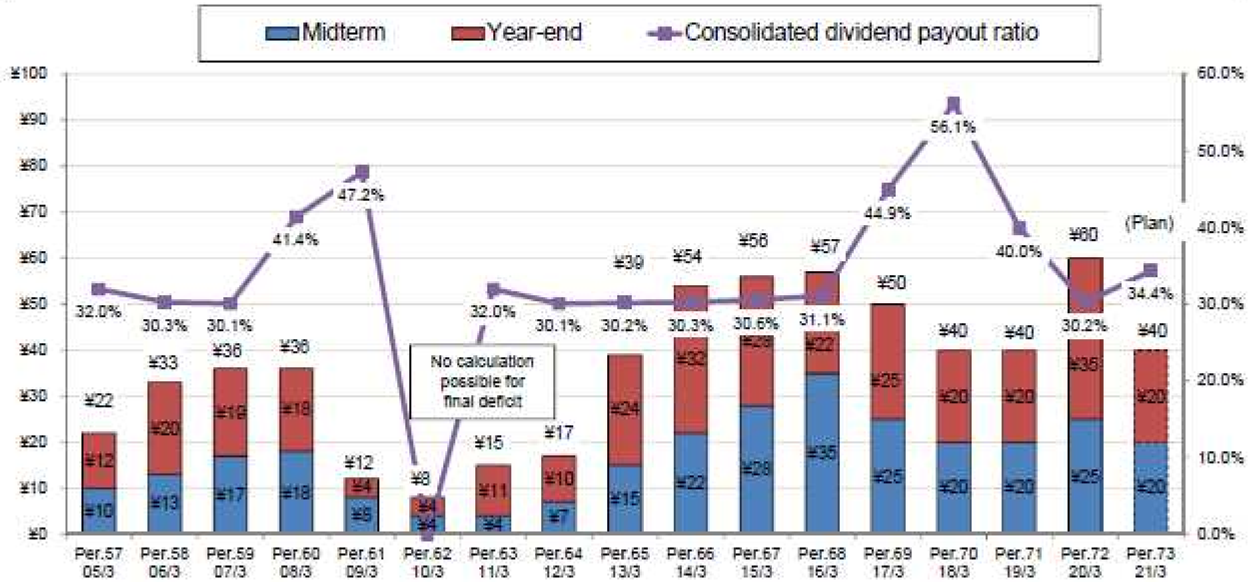
See page 25 for facilities investment and depreciation and amortization. In the fiscal year ended March 2020, facilities investment amounted to JPY7.2 billion and depreciation and amortization amounted to JPY3.6 billion. Major investments included the acquisition of new plant sites for NITTO KOGYO CORPORATION and renewal of machinery and other equipment.

For the year ending March 2021, facilities investment is planned to be JPY5.8 billion and depreciation and amortization is planned to be JPY3.6 billion. Major investments include restructuring costs for trunk systems at Group companies, construction costs for factories and warehouses at KITAGAWA INDUSTRIES CO., LTD., and repair costs.

Dividend status

FY2019

- In the period ending in March 2020, year-end dividends were 35 yen, dividends for the year were 60 yen, the dividend payout ratio was 30.2% and DOE was 2.8%.
- In the period ending in March 2021, dividends for the year will be 40 yen and the dividend payout ratio will be 34.4%.

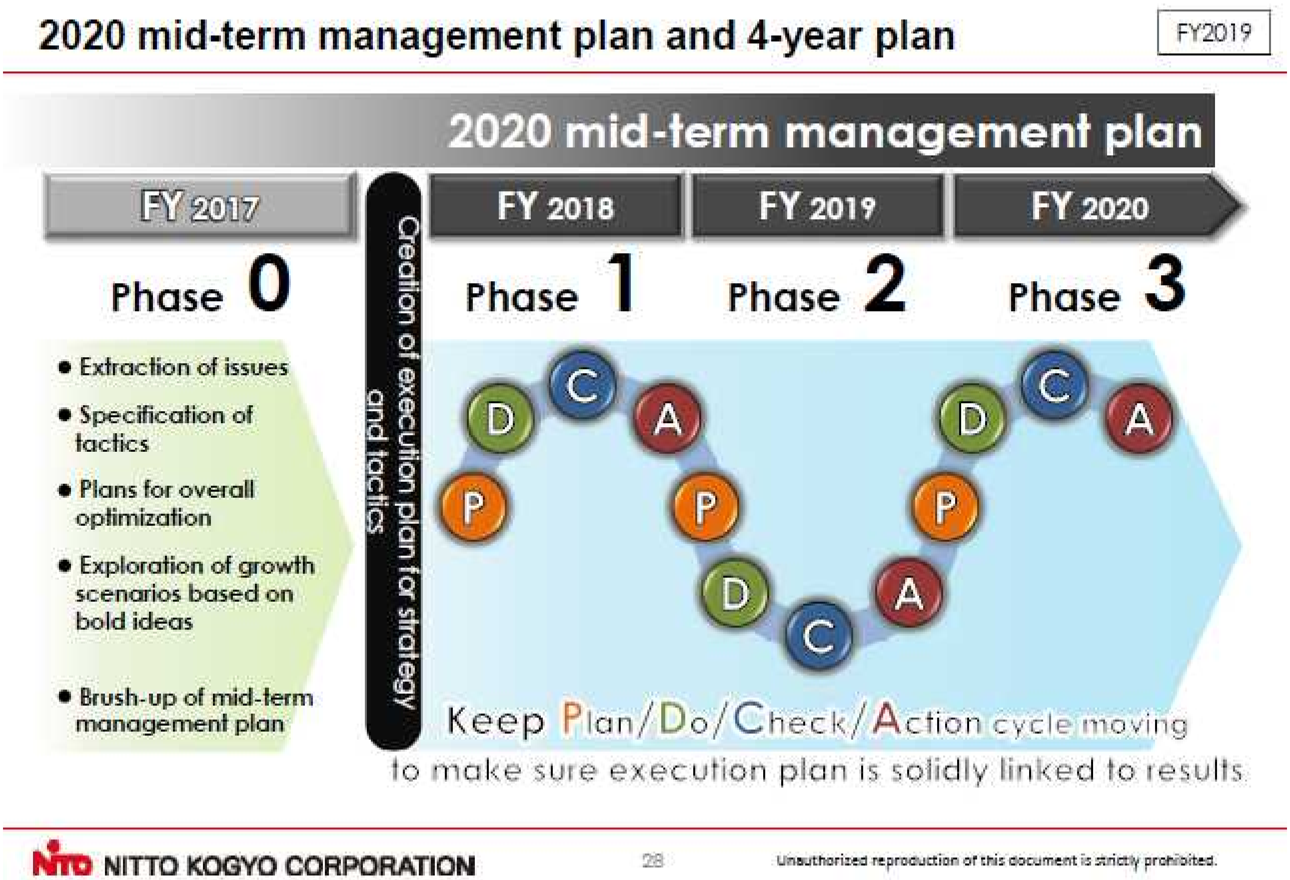


NITTO KOGYO CORPORATION 26

See page 26 for the dividend status. In order to maintain stable dividends to our shareholders, NITTO KOGYO CORPORATION's dividend policy is based on a dividend payout ratio of 30% and takes into account factors such as DOE.

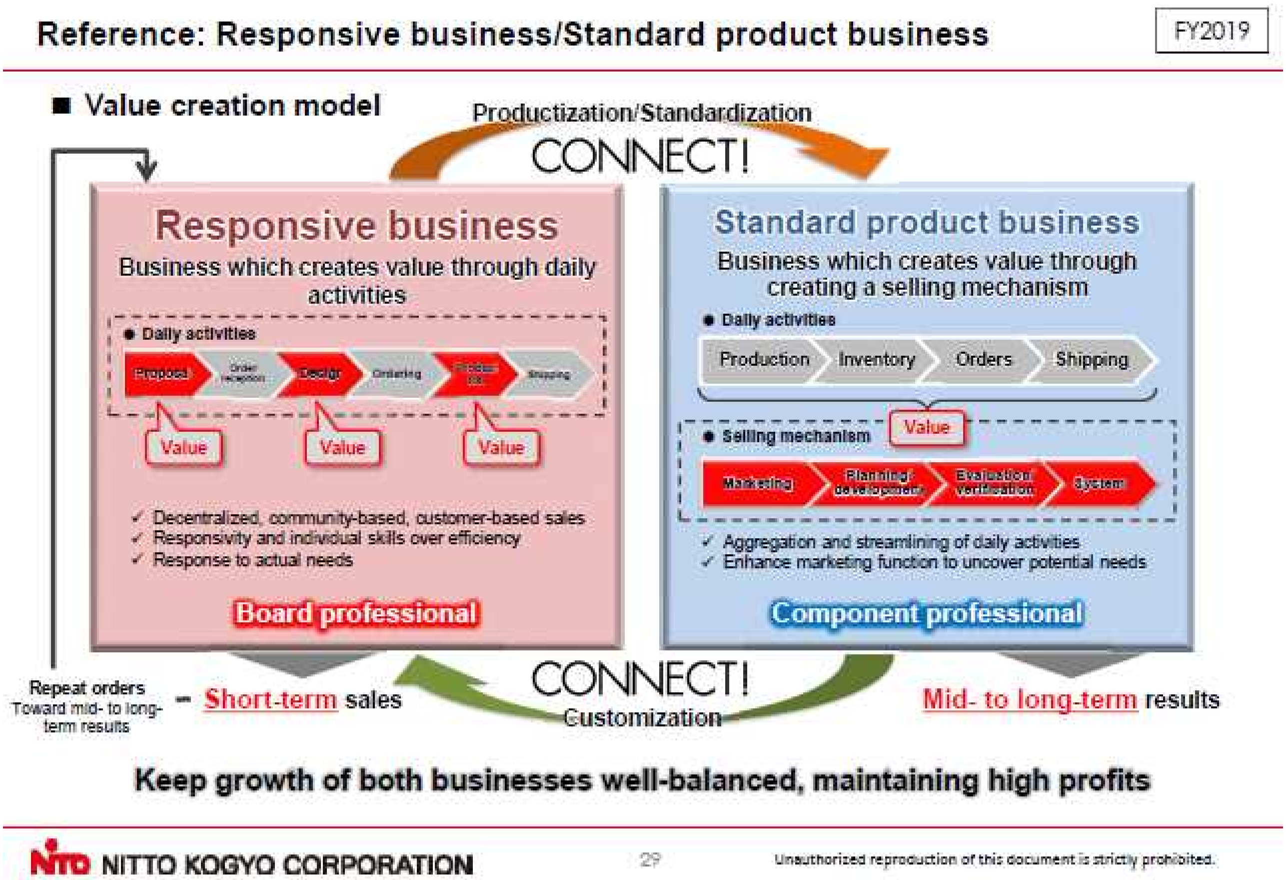
At the general meeting of shareholders to be held in June 2020, we plan the year-end dividend for the fiscal year ending March 2020 to be JPY35 and the full-year dividend to be JPY60. This is the first increase in four fiscal years. At JPY60, the dividend payout ratio will be 30.2% and DOE will be 2.8%.

In the fiscal year ending March 2021, as we expect a decline in earnings, we are planning for JPY20 for the first half and JPY20 for the second half, for an annual dividend of JPY40.



From page 27, I would like to talk about the medium-term management plan.

See page 28. The medium-term management plan for 2020 is a four-year plan in which the fiscal year ending March 2021 is the final year, or Phase Three.



See page 29. NITTO KOGYO Group's Value Creation Model aims to maintain high profits by achieving well-balanced growth in responsive and standard product businesses.

Let me elaborate a little. The responsive business takes a lot of time designing and producing each product based on the needs of customers. However, by taking orders, we can learn about changes and trends in the specifications required by customers, as well as the repeatability of customers.

By standardizing out of such requirements, we develop standardized products that improve convenience and profitability. The cost of the standardized products can also be reduced by mass production. In addition, sales of standard products can be expanded through catalogs and other sales channels, as well as a robust sales network, and the cost of responsive products can be reduced by incorporating standard products into responsive businesses. Continuing to operate this loop is our strength and the source of our growth.

2020 mid-term management plan strategic topics

FY2019

	Strategic topics	Vision
Business strategy	**1. Pursuit of core business competitiveness** (enhanced technical and product proposal capacity)	
	I Responsive business [Board professional]	Ultra-upgrade board-related business responsivity, aiming to be a reliable ideal partner
	II Standard product business [Component professional]	Become a company which provides joy to industrial infrastructure companies
	2. Globalization (establishment of distribution board business in Southeast Asia)	
	III Overseas business	Become a company which provides joy to industrial infrastructure companies active overseas
	3. Development of new businesses (fusion with new technologies/companies)	
	IV New businesses	Work boldly toward creation of new businesses, without fearing failure
Enhanced foundation	**4. Enhanced production system/operation foundation**	
	V Enhanced production system	Aiming for quality/cost/speed that will bring joy to our customers, take on improvement and reform
	VI Enhanced management and operation foundation	Establish a management and operation foundation that supports the NITTO KOGYO Corp. Group's business strategy

NITTO KOGYO CORPORATION 30

See page 30. This is the strategic agenda for 2020 in the medium-term management plan. It is broadly divided into business strategy and enhanced foundation, with four strategic themes for business strategy and two themes for enhanced foundation.

First, in pursuit of competitiveness in core businesses, we will continue to rotate the loop of the responsive business and the standard product business I mentioned earlier.

Regarding globalization, we are transplanting our distribution board business and sales systems, which have been highly appreciated in Japan and are NITTO KOGYO CORPORATION's strengths, to Southeast Asia and other markets. In this way, we aim to increase our corporate value and ensure that overseas infrastructure-related companies are satisfied with our quality, delivery times, and prices.

We are also taking on the challenge of creating new businesses. Although the current situation makes is difficult for new demand to be created, we will also attempt to develop new businesses adapting to emerging technologies such as AI, IoT and 5G.

In our efforts to strengthen the production system and business management foundation, we aim to contribute to profits by enhancing the efficiency of the Group as a whole through establishing a culture that naturally does what is expected of manufacturers and trading companies.

2020 mid-term management plan Business targets FY2019

(Unit: 100 million yen)

	FY 2016 Results (When making plan)	FY 2019 Results	FY 2020 Plan	FY 2020 Target (When making plan)
Consolidated sales	1,066	1,394	1,290	1,250
(Included individual sales)	674	796	700	750
Responsive business	465.5	551.5	470.0	470.0
Standard product business	207.0	243.2	227.0	240.0
New businesses	1.5	1.3	3.0	40.0
(Included telecommunications-related distribution business)	(305)	(407)	(416)	(350)
(Included overseas business)	(40)	(94)	(100)	(70)
Consolidated operating income	65	124	77	100
(Included individual operating income)	50	94	60	75

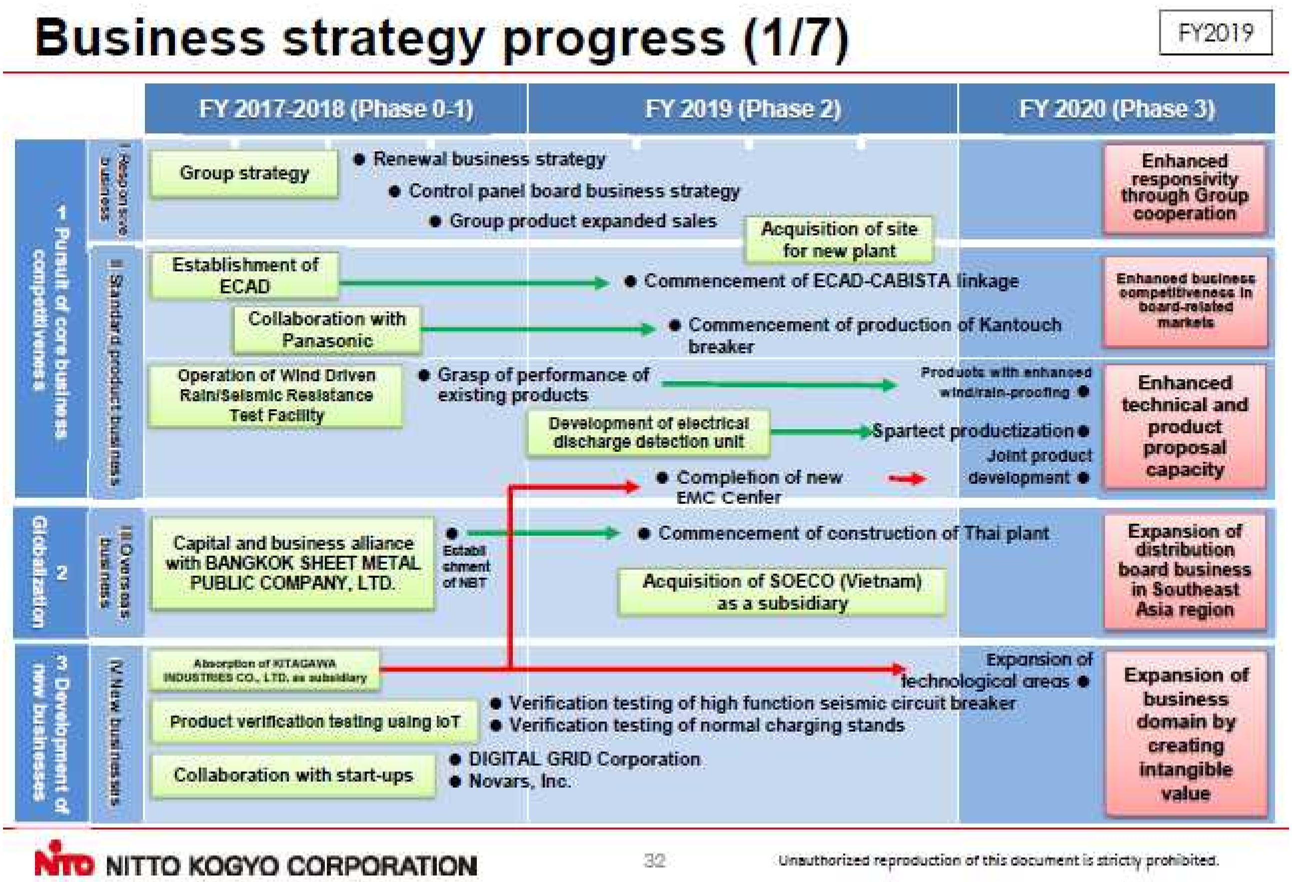
- Initial targets for mid-term management plan were achieved in FY 2019 (excluding new businesses).
- Calculations for the FY 2020 plan presume that we will gradually recover from the impact of the COVID-19 pandemic from the second quarter onward.

NITTO KOGYO CORPORATION 31

Page 31 shows the medium-term management plan's business targets for 2020.

For the final year of the plan, we were aiming for consolidated sales of JPY125 billion and consolidated operating income of JPY10 billion, as well as non-consolidated sales of JPY75 billion and operating income of JPY7.5 billion. In FY2019, both we achieved these initial targets on a consolidated and non-consolidated basis, with the exception of new businesses.

In FY2020, we expect consolidated sales to decline from the previous year due to the impact of COVID-19, but we are still looking to achieve the original medium-term management plan. Apart from that, it is unlikely that we will achieve targets for the consolidated operating income and NITTO KOGYO CORPORATION’s operating income.



See page 32. This is the progress of our business strategy.

In FY2019, in order to further strengthen our responsive business and standard product business, we purchased land for new plants in Seto City, Aichi Prefecture, and Nogi Town, Tochigi Prefecture. For details, please see page 35.

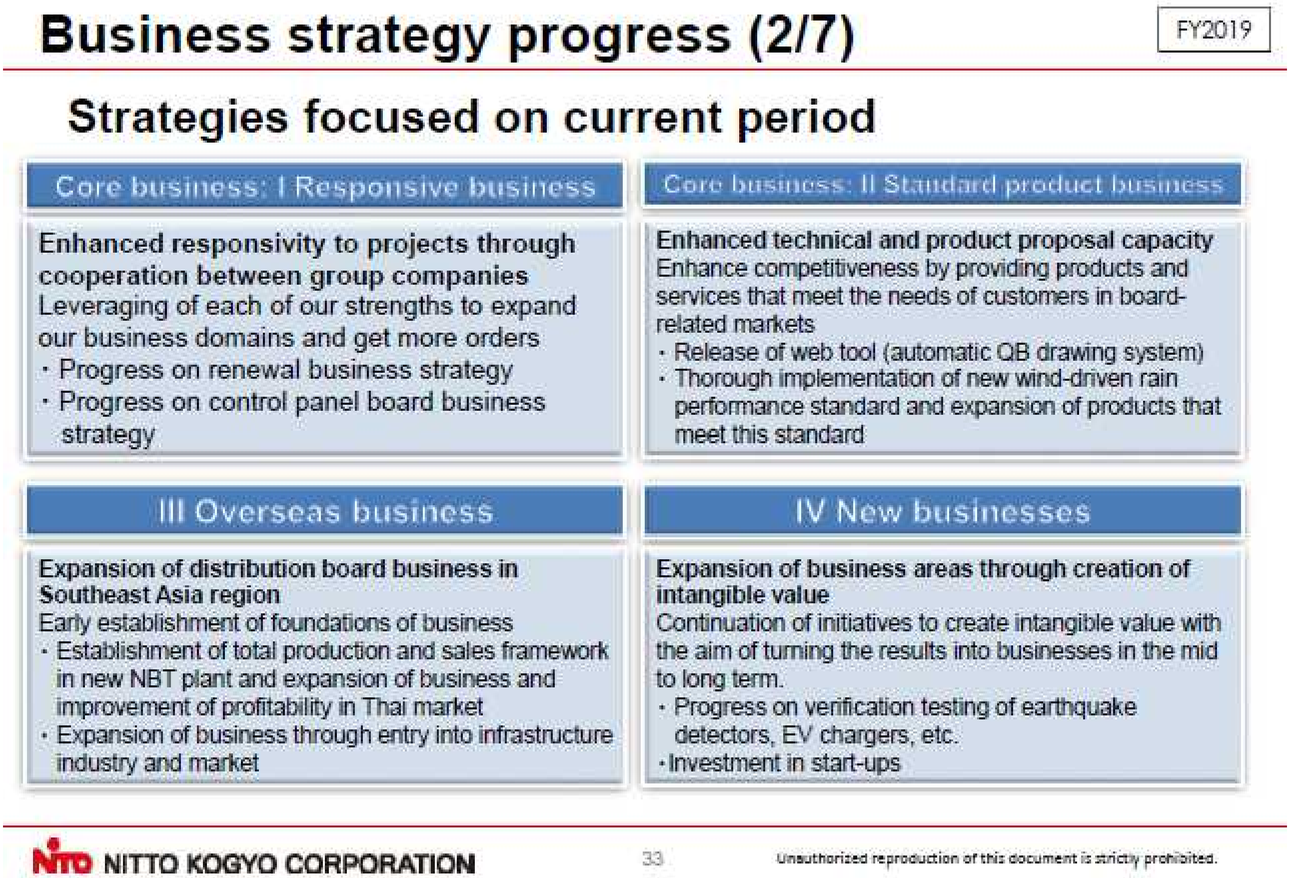
In collaboration with Panasonic Corporation, NITTO KOGYO Group began manufacturing Kantouch Breakers, which are used in Panasonic Corporation's panel boards.

In addition, we have developed a discharge detection unit that prevents electrical fires. Although the number of fires in Japan as a whole is on a decreasing trend, the number of electric fires is almost unchanged, exceeding 1,000 cases per year and accounting for about 30% of all fires. About 40% of these electric fires are thought to be caused by spark discharges. By attaching the discharge detecting unit we have developed to your home's panel boards, you can detect spark discharges caused by tracking, cable breakage, and short-circuiting in the home and prevent fires beforehand.

We believe that this product will be excellent for many places, including buildings that continue to use aging electric wire and buildings where many plugs are put in one outlet. It has been highly and widely praised, winning the METI Minister Award at the JECA FAIR in 2019. For more details, please see page 36.

In our global operations, we made SOECO a subsidiary in Vietnam, and strengthened the global reach of our telecommunications-related distribution business. We are also expanding our production network, including constructing a plant in Thailand.

Our group is steadily growing as a value-creating company that links electricity and information to tomorrow.



Page 33 describes our key strategies for the current fiscal year.

First of all, the responsive business as our core business. We expect new demand to decline as a result of the outbreak of COVID-19 in the current fiscal year. However, we will win orders for projects that differentiate us from our competitors by combining the advanced technological capabilities of AICHI ELECTRIC WORKS CO., LTD. with the control technological capabilities of TAIYO ELECTRIC MFG. CO., LTD. and the production capabilities of NITTO KOGYO CORPORATION.

In addition to new projects, we will aggressively push into the renewal market to secure orders.

In the other core business of standardized products, we have completed an automated drawing system for High-voltage Power Receiving Equipment. We intend to steadily win orders for short-term delivery projects, and to expand sales in the telecommunications field, including Spartect, which protects against fires, wind-rainproof enclosures that withstand heavy rainfall, and enclosures used in GIGA School projects. We will also focus on the development of new products that lead the industry.

In the overseas business, with the commencement of operations at a new plant in Thailand, we aim to increase sales and profitability by providing an edge in delivery times and cost response, and by bringing products that meet local requirements in line with Japanese quality to the marketplace. In Singapore, we will grow by taking orders for highly profitable projects and reducing costs. In addition, we will strengthen marketing activities with a view to entering the infrastructure-related products market.

In new businesses, we will introduce improved products to the marketplace based on the know-how we have accumulated through verification testing of EV charging stations and seismic circuit breakers. We are also deepening our ties with startup companies and taking on the challenge of developing new businesses. We also intend to commence research for the next medium-term management plan.

Please see page 34 and onward later.

Finally, I would like to convey a message to our shareholders and investors.

We, NITTO KOGYO Group, will contribute to society as a corporate group that provides customers with confidence and peace of mind towards the future. To this end, we strive to become an essential presence for society by continuing to create new values through manufacturing, human development, and creating fans.

In manufacturing, we will introduce cutting-edge technologies and labor-saving technologies for work style reforms and managing with a shrinking labor force. We will rebuild our production bases, including new plants, in order to achieve prices, delivery times, and quality that meet customer needs.

We say that a company is all about its people, and it is the people who conduct business. People are the key to sustainable growth. In this sense, we consider human resource development to be our top priority, and we strive to develop the next generation of human resources. With well-educated personnel developing, producing, and selling products that meet customer needs, we will create customers that are also our fans who express their appreciations. Please look forward to NITTO KOGYO Group in the future.

I will now close my presentation. Thank you for your attention.