
Financial Results for the Second Quarter of Fiscal Year 2020 (April 1, 2020 - March 31, 2021)

CONNECT!

~ Connecting electricity and information ~



Stock code: 6651

Future projections in this material such as prospective business results, etc., are based on currently available information and given premises determined to be rational, and do not constitute guarantees that such results will be achieved. Therefore, actual business results may differ significantly depending on various factors.

As well, for ease of display, some figures may differ from those publicly released.

1. Overview of accounts period ending in March 2021, second quarter

2. Key topics

- Impact of COVID-19 outbreak
- Initiatives for GIGA School concept
- Initiatives for 5G (the next generation of telecommunication systems)

3. Forecast of consolidated results for the year

4. Mid-term management plan

5. Reference materials

1. Overview of accounts period ending in March 2021, second quarter

2. Key topics

- Impact of COVID-19 outbreak
- Initiatives for GIGA School concept
- Initiatives for 5G (the next generation of telecommunication systems)

3. Forecast of consolidated results for the year

4. Mid-term management plan

5. Reference materials

2nd quarter consolidated account highlights

2Q FY2020

- Business results for period ending in March 2021 show decreased income and profits in second quarter
- Despite a decrease in income due to COVID-19 and other factors, sales exceeded the figure in the plan made at the beginning of the period
- Sales have been strong in areas related to 5G and for projects related to the GIGA School concept
- An improvement of variable cost and a decrease in fixed costs for NITTO KOGYO Corp. alone resulted in an increase in sales in our telecommunications-related distribution business, which contributed to an increase in profits

(Unit: million yen)

Accounting period	2020/3	2021/3			
	2Q results	2Q plan	2Q results	YoY comparison	Vs. plan
Sales	64,887	59,700	63,443	-2.2%	+6.3%
Operating income	5,072	2,600	5,078	+0.1%	+95.3%
Ordinary income	4,852	2,500	5,219	+7.6%	+108.8%
Quarterly net profit reverting to parent company shareholders	3,124	1,300	3,255	+4.2%	+150.5%

Doing business of 4 areas of related to electricity and information

Construction/service business

- Construction business, including installation and maintenance of telecommunication networks and electrical facilities



Telecommunications-related distribution business

- Purchasing and sales of telecommunications equipment and materials

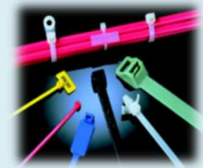
Distribution board-related production business
***Core business**

- Design, production, and sales business for distribution/panel boards, control panel boards, etc.

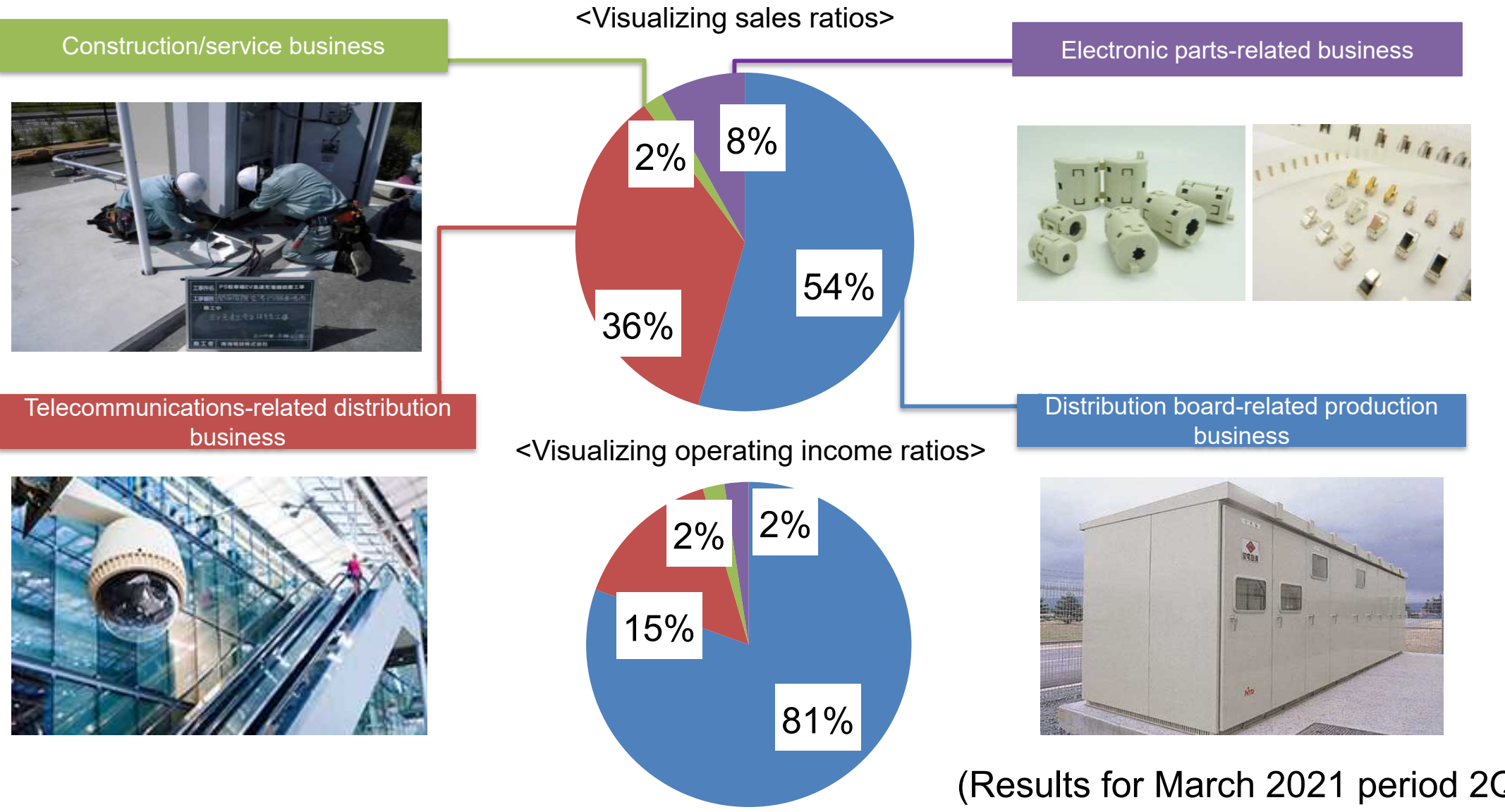


Electronic parts-related business

- Manufacturing and sales of electromagnetic wave environment components and precision engineering components



Distribution board-related production accounts for about 50% of sales and 80% of profits



(Results for March 2021 period 2Q)

2nd quarter account highlights by segment

2Q FY2020

- Sales increased for some products in our distribution board-related production business due to investment in 5G-related equipment. However, overall income decreased due to COVID-19 and the loss of the previous period's sales for products related to school air conditioners. Despite this, profits increased due to better market prices and decreases in personnel costs and other expenses
- In our telecommunications-related distribution business, both income and profits increased due to strong sales in areas related to 5G, for projects related to the GIGA School concept and for teleworking products
- In our construction/service business, both income and profits increased due to sales of teleworking equipment and changes in office layouts to prevent the spread of COVID-19, along with a decrease in outsourcing expenses
- In our electronic parts-related business, sales increased for EMC products used in ventilators supplied to Europe. However, overall income and profits decreased due to lower sales in the domestic and overseas automotive markets, on overseas orders of industrial air conditioning units and for various products used for purposes such as OA devices.

	By segment	2020/3	2021/3 (Unit: million yen)			
		2Q results	2Q plan	2Q results	YoY comparison	Vs. plan
Sales	Distribution board-related production business	39,557	35,100	34,521	-12.7%	-1.6%
	Telecommunications-related distribution business	18,074	18,300	22,498	+24.5%	+22.9%
	Construction/service business	1,257	900	1,273	+1.2%	+41.4%
	Electronic parts-related business	5,997	5,400	5,150	-14.1%	-4.6%
	Total	64,887	59,700	63,443	-2.2%	+6.3%
Operating income	Distribution board-related production business	3,896	-	4,085	+4.8%	-
	Telecommunications-related distribution business	385	-	759	+97.0%	-
	Construction/service business	59	-	109	+84.1%	-
	Electronic parts-related business	723	-	122	-83.1%	-
	Total	5,072	2,600	5,078	+0.1%	+95.3%

- Income was lower than planned due to an overall decrease in sales caused by COVID-19, the loss of the previous period's sales for products related to school air conditioners and internal sales being canceled out to a greater degree than expected.
- Sales increased for some products in departments such as Distribution Boards and Enclosures, due to investment in 5G facilities.
- In our Breakers/Switch gears Department, sales increased for products such as breakers due to a higher order volume from Eletto (Thailand), an overseas subsidiary of ours.

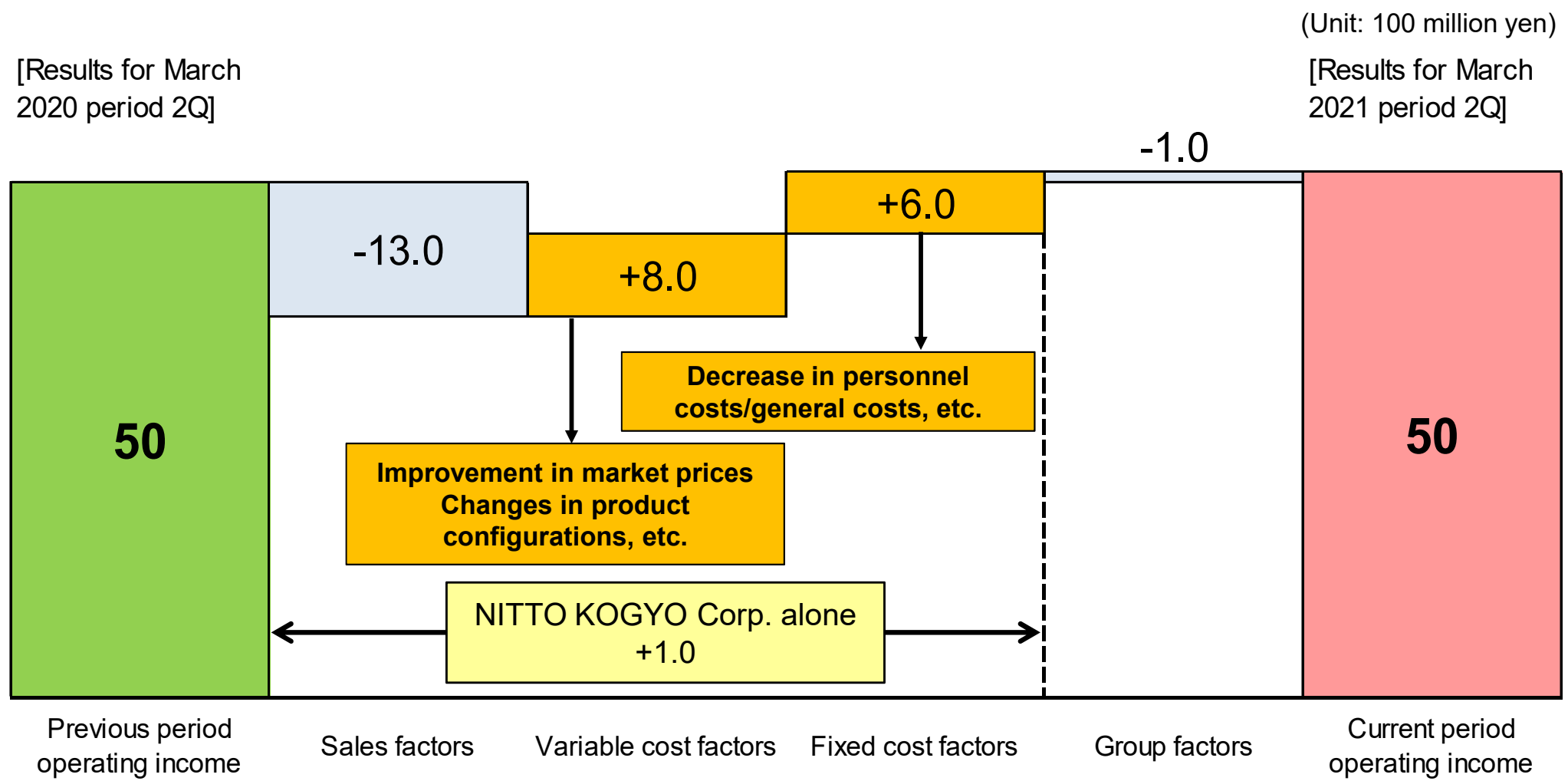
By division Sales		2020/3	2021/3				(Unit: million yen)
		2Q results	2Q plan	2Q results	YoY comparison	Vs. plan	
Distribution board-related production business	Distribution Boards	22,319	18,400	18,580	-16.7%	+1.0%	
	Enclosures	11,420	11,200	10,397	-9.0%	-7.2%	
	Breakers/Switch gears	2,520	2,400	2,674	+6.1%	+11.4%	
	Parts/Other	3,297	3,100	2,869	-13.0%	-7.5%	
Total		39,557 (1,974)	35,100	34,521 (3,666)	-12.7% (+85.7%)	-1.6%	
Consolidated overall total		64,887	59,700	63,443	-2.2%	+6.3%	
Consolidated sales composition ratio		61.0%	58.8%	54.4%	-6.6%	-4.4%	

*Parentheses refer to internal sales between segments

Factors in changes in 2nd quarter consolidated operating income (YoY)

2Q FY2020

- In terms of factors for NITTO KOGYO Corp. alone, while marginal profit decreased due to lower sales, profits increased overall due to improvements in market prices (variable cost factors) and decreases in personnel costs and other expenses
- In terms of group-wide factors, while profits increased for some subsidiaries, such as SunTelephone Co., Ltd. and AICHI ELECTRIC WORKS CO. LTD., profits for the group as a whole decreased slightly due to the impact of COVID-19 on KITAGAWA INDUSTRIES CO., LTD. and other subsidiaries.



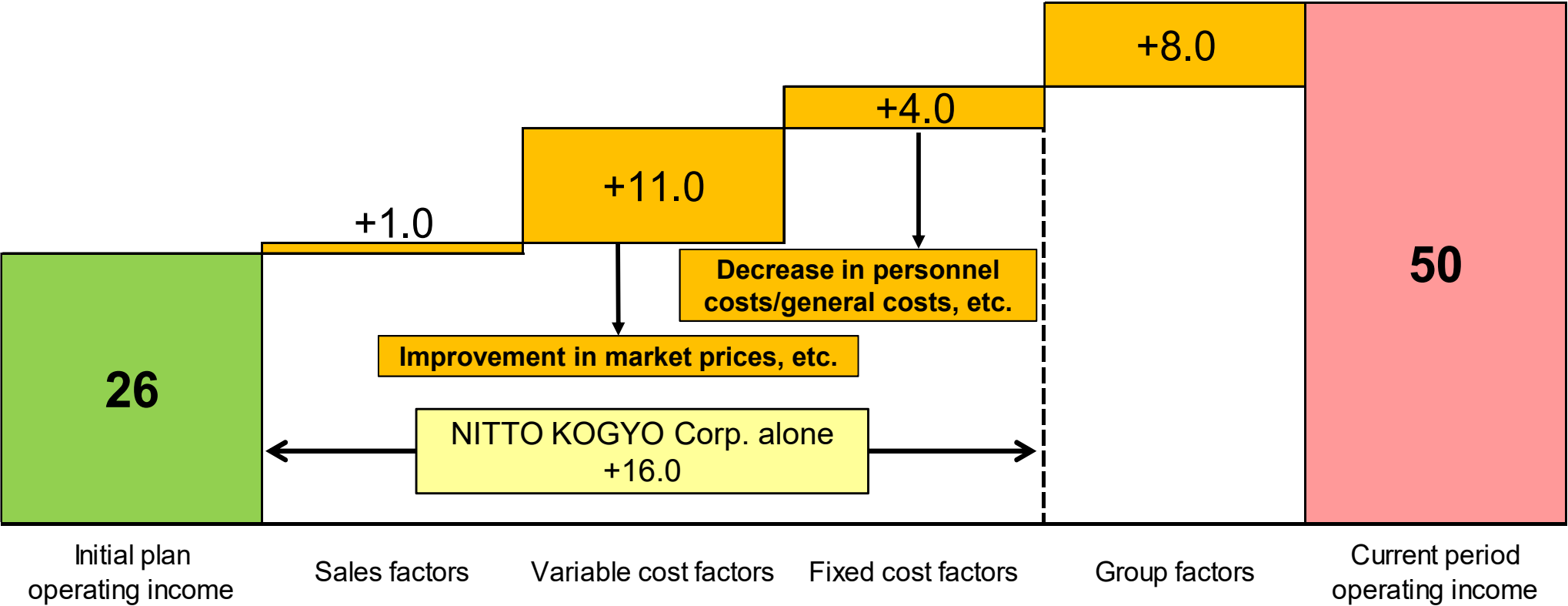
Factors in changes in 2nd quarter consolidated operating income (compared to beginning-of-year plan)

- In terms of factors for NITTO KOGYO Corp. alone, while market prices were expected to fall due to COVID-19 (variable cost factors), they ended up remaining the same as at the end of the previous business year. This, along with factors such as personnel costs and other expenses decreasing to an unexpected degree, drove profits up.
- In terms of group-wide factors, profits were higher than planned due to increases in profits in subsidiaries such as SunTelephone Co., Ltd., NANKAIDENSETSU CO., LTD. and AICHI ELECTRIC WORKS CO., LTD.

(Unit: 100 million yen)

[Initial plan for March
2021 period 2Q]

[Results for March
2021 period 2Q]



2nd quarter Consolidated cash flow statement

2Q FY2020

(Unit: million yen)

2020/3 2Q	
Beginning balance of cash and cash equivalents	38,934
CF due to sales activities	5,929
CF due to investment activities	7,152
CF due to financial activities	-17,912
Effect of exchange rate changes on cash and cash equivalents	-138
Increase in cash and cash equivalents due to merger of non-consolidated subsidiaries	96
Ending balance of cash and cash equivalents for quarter	34,061

2021/3 2Q	
Beginning balance of cash and cash equivalents	29,620
CF due to sales activities	4,755
CF due to investment activities	-1,536
CF due to financial activities	-3,130
Effect of exchange rate changes on cash and cash equivalents	-95
Increase in cash and cash equivalents due to merger of non-consolidated subsidiaries	-
Ending balance of cash and cash equivalents for quarter	29,613

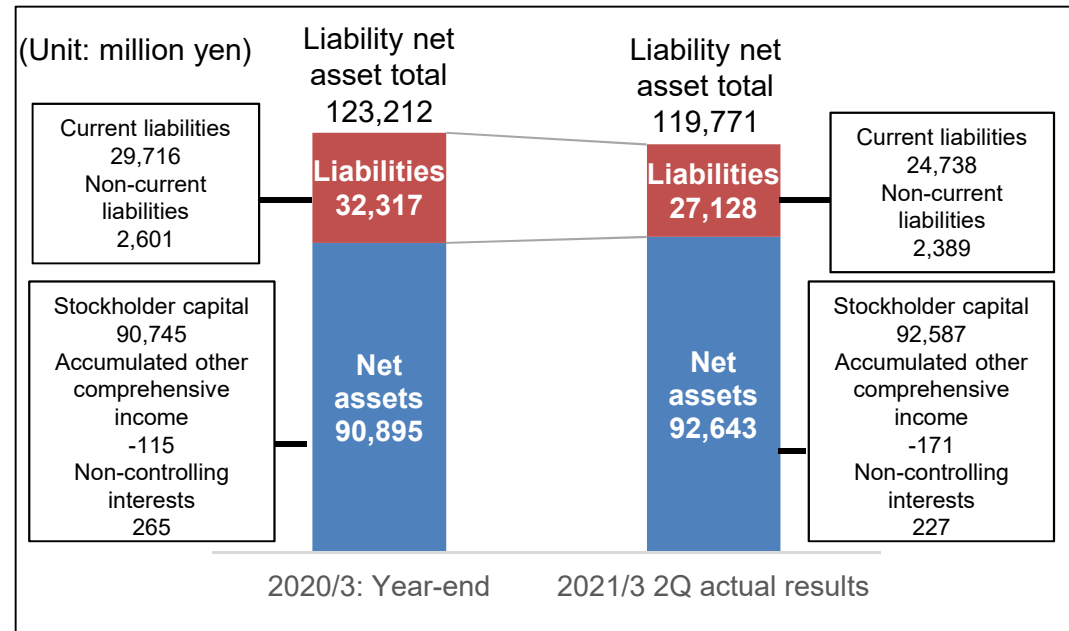
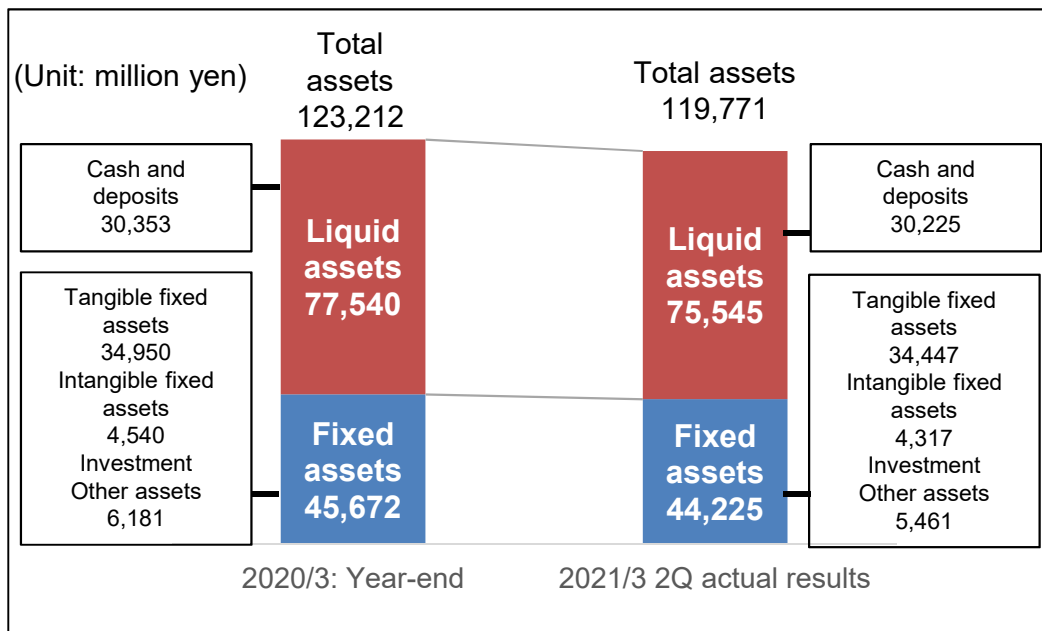
<Main factors in 2020/3 2Q>

- CF due to investment activities
 - Income due to refunds of fixed-term deposits +5,204
 - Selling and redemption of investment securities +3,891
 - Expenditure due to acquisition of fixed assets -1,628
- CF due to financial activities
 - Expenditure for designation of KITAGAWA INDUSTRIES CO., LTD. as a wholly owned subsidiary -10,582
 - Decrease in short-term loans payable -6,656

<Main factors in 2021/3 2Q>

- CF due to investment activities
 - Income due to refunds of fixed-term deposits +836
 - Expenditure due to acquisition of fixed assets -2,643
- CF due to financial activities
 - Decrease in short-term loans payable -1,687
 - Payment of dividends -1,415

- While total assets decreased due to a decrease in notes receivable and accounts receivable, there was no major change



<Main changes>

■ Assets

- Decrease in notes receivable and accounts receivable -4,220
- Product increases +1,429

■ Liabilities

- Short-term loans payable -1,691
- Decrease in unpaid income tax, etc. -1,289

■ Net assets

- Quarterly net profits +3,255
- Dividends of surplus -1,418

1. Overview of accounts period ending in March 2021, second quarter

2. Key topics

- Impact of COVID-19 outbreak
- Initiatives for GIGA School concept
- Initiatives for 5G (the next generation of telecommunication systems)

3. Forecast of consolidated results for the year

4. Mid-term management plan

5. Reference materials

Impact of COVID-19 outbreak

2Q FY2020

[Period ending in March 2021]

Projection at beginning of period: Gradual recovery from economic stagnation from the 2nd quarter onward



Revised projection: Economic stagnation is set to continue in the third quarter and later

Division	Anticipated impact on results	Degree of impact
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: Stagnation in markets such as data center and office relocation 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

Initiatives for GIGA School concept

2Q FY2020

We are working to expand our sales of products related to the GIGA School concept, with the aim of achieving around 10 billion yen in sales

- From a study by the Ministry of Education, Culture, Sports, Science and Technology in March 2020*
 - Schools: Around 33,000
 - Classrooms: Around 380,000 (elementary and junior high schools)

*Results of study on informatization of education in schools in 2019

Sales are expected to peak in the second half of the fiscal year ending March 2021

Segment	Scale of target market	Sales target
Distribution board-related production business	Approx. 90 billion yen (projection by NITTO KOGYO Corp.)	10 billion yen
Telecommunications-related distribution business		

Examples of NITTO KOGYO products used for GIGA School concept

Equipment storage enclosures	Tablet storage enclosures	Others
		<ul style="list-style-type: none"> • LAN cables • Network equipment etc.

Reference: The GIGA School concept: An initiative to build an ICT environment in education where learning is tailored to each child and fosters creativity. Each child has their own tablet, which is connected to a high-speed, high-capacity network.

We are actively carrying out sales activities to expand sales of the products needed to set up 5G networks

Examples of NITTO KOGYO products used for mobile phone base stations, etc.

<General>

LAN cables, network equipment, etc.

Outdoor base stations



Distribution boards, panel boards, enclosures, etc.

Indoor facilities (buildings, etc.)



System racks
Distribution boards
and panel boards
Optical junction
boxes, etc.

Sales target for period ending in
March 2021
Approx. 5 billion yen

Sales for this period are
expected to peak in 2-3Q

Indoor facilities (data centers)



System racks, etc.

1. Overview of accounts period ending in March 2021, second quarter

2. Key topics

- Impact of COVID-19 outbreak
- Initiatives for GIGA School concept
- Initiatives for 5G (the next generation of telecommunication systems)

3. Forecast of consolidated results for the year

4. Mid-term management plan

5. Reference materials

Forecast of consolidated results for the year

2Q FY2020

- Calculations presume that the economic stagnation caused by COVID-19 will continue in the third quarter and later
- A decrease in consolidated income and profits is expected for this fiscal year, but the projected figures are higher than those expected at the beginning of the period.
- Another factor in this decrease is that last year's figures reflect special demand for school HVAC

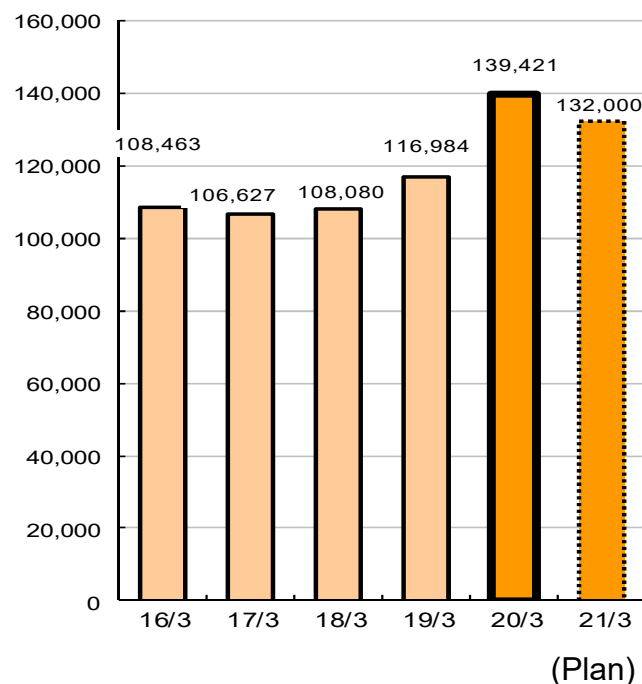
Accounting period	2020/3		2021/3 (Unit: million yen)					
	2Q results	Results for the year	2Q results	YoY comparison	Plan for the year (Before revision)	Plan for the year (After revision)	YoY comparison	Vs. Plan before revision
Sales	64,887	139,421	63,443	-2.2%	129,000	132,000	-5.3%	+2.3%
Operating income	5,072	12,402	5,078	+0.1%	7,700	9,600	-22.6%	+24.7%
Ordinary income	4,852	12,038	5,219	+7.6%	7,500	9,700	-19.4%	+29.3%
Yearly net profit reverting to parent company shareholders	3,124	8,048	3,255	+4.2%	4,700	6,200	-23.0%	+31.9%

Consolidated management results over past 5 years

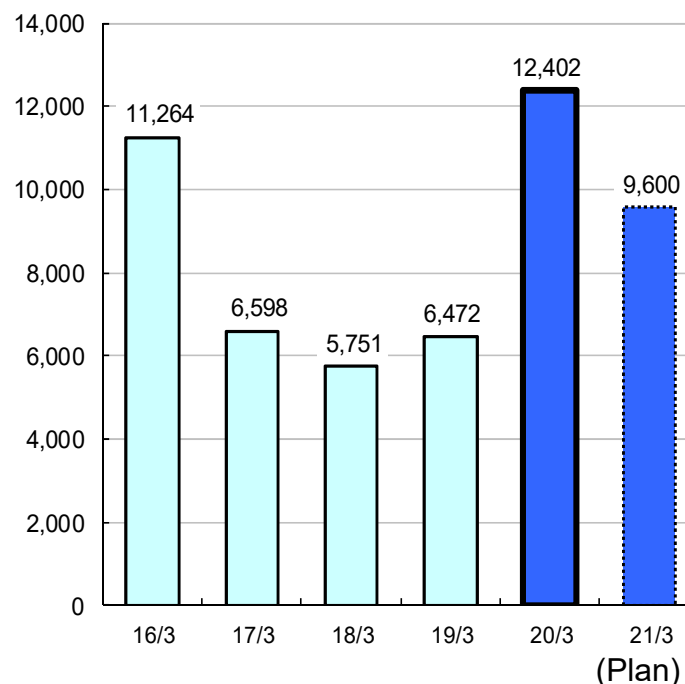
2Q FY2020

- Figures planned at the beginning of the fiscal year ending March 2021 have been adjusted upward
- A decrease in income and profits is expected in the period ending March 2021 due to the COVID-19 pandemic.

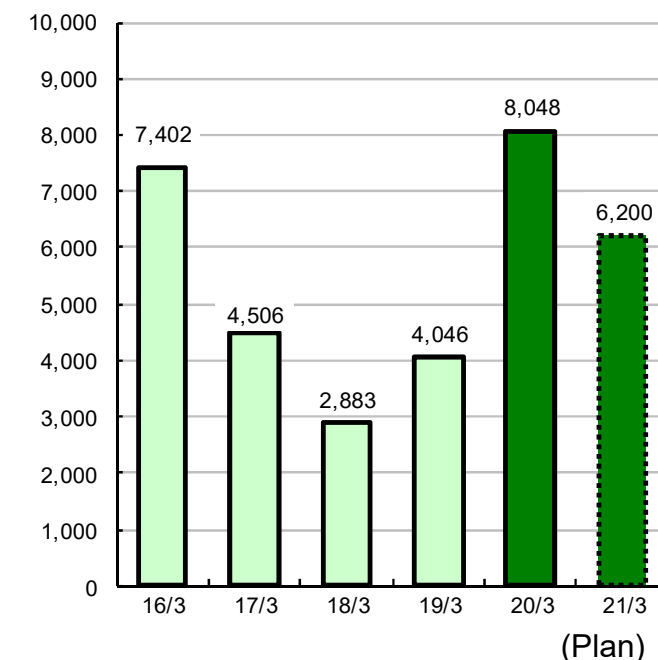
■ Sales



■ Operating income



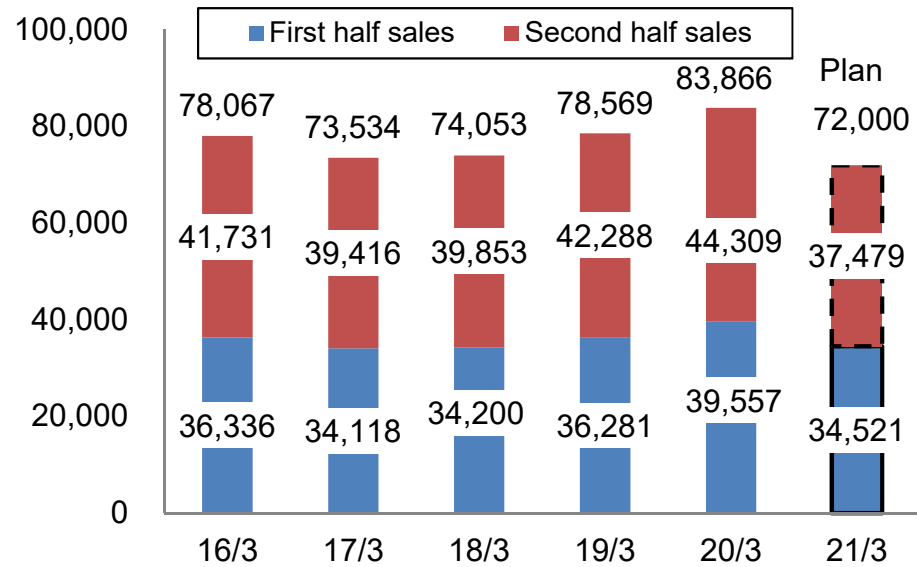
■ Current net income (Unit: million yen)



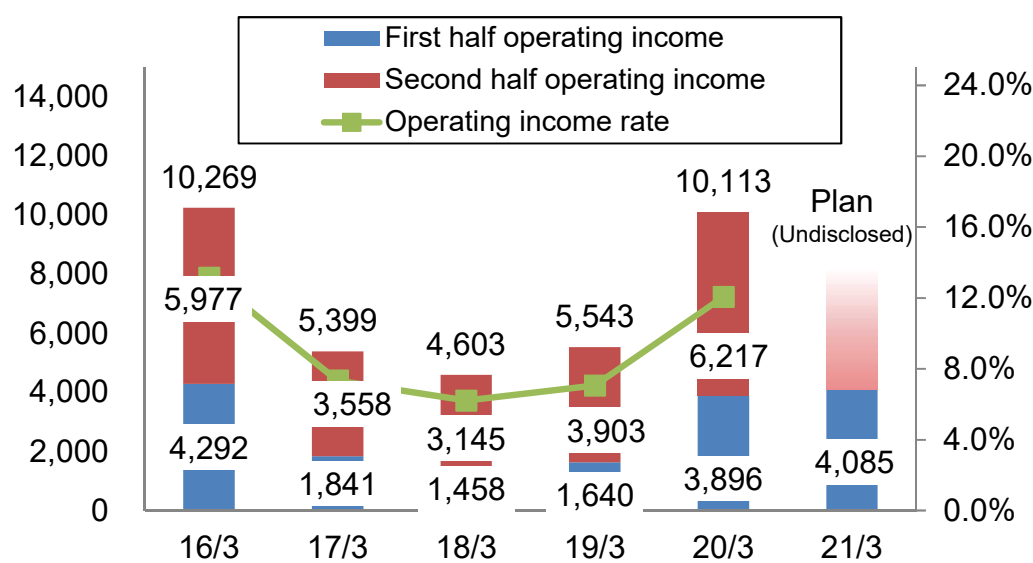
	16/3	17/3	18/3	19/3	20/3	21/3 (Plan)
Sales	108,463	106,627	108,080	116,984	139,421	132,000
Operating income	11,264	6,598	5,751	6,472	12,402	9,600
Current net income	7,402	4,506	2,883	4,046	8,048	6,200

◆ Distribution board-related production business [Yearly forecast] Sales 72 billion yen (YoY -14.1%)

(Unit: million yen)



(Unit: million yen)



[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]

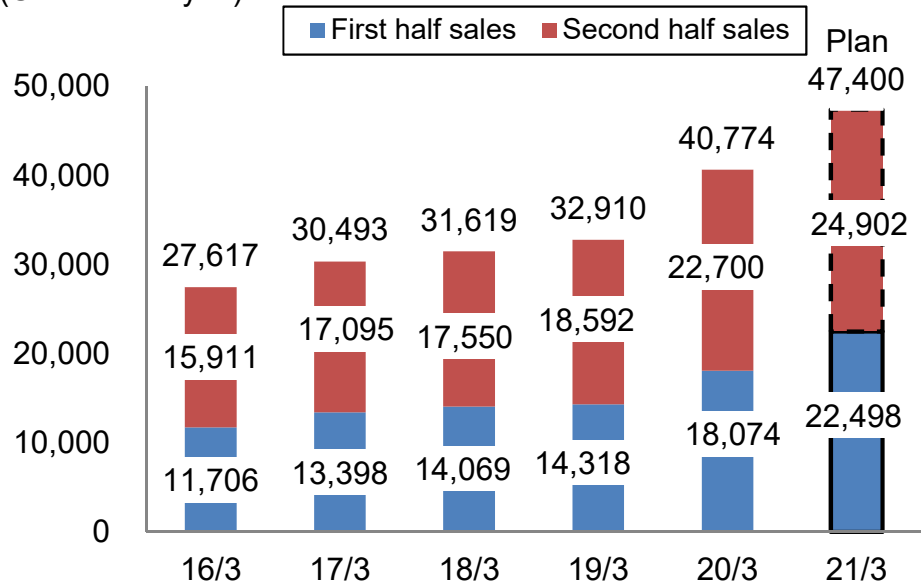
- Ideas for new products for the GIGA School concept and 5G market
- Sales activities and reduction of production costs with a focus on the profitability of Gathergates; construction of plant for NITTO KOGYO BM (THAILAND) CO., LTD.

[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
Overseas	NITTO KOGYO (CHINA) CORPORATION			Small
	Gathergates Group Pte Ltd			Small
	NITTO KOGYO BM (THAILAND) CO., LTD.			Small

◆ Telecommunications-related distribution business [Yearly forecast] Sales 47.4 billion yen (YoY +16.3%)

(Unit: million yen)



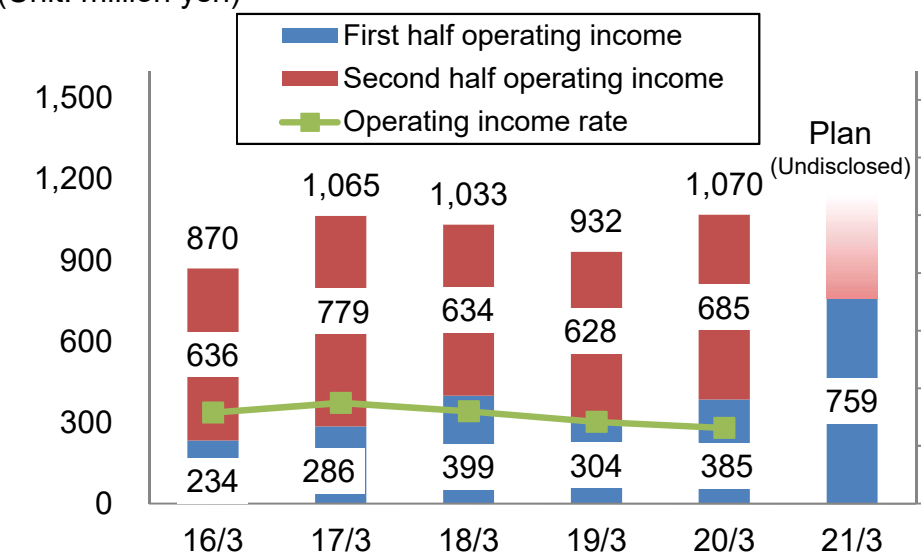
[Forecast for the year]

- Sales are expected to increase due to higher sales related to 5G and the GIGA School concept as well as for teleworking products
- The acquisition of SOECO in Vietnam as a subsidiary will also contribute to higher income

[Approaches]

- Work to gain orders related to GIGA School concept
- Work to obtain orders in 5G-related markets

(Unit: million yen)

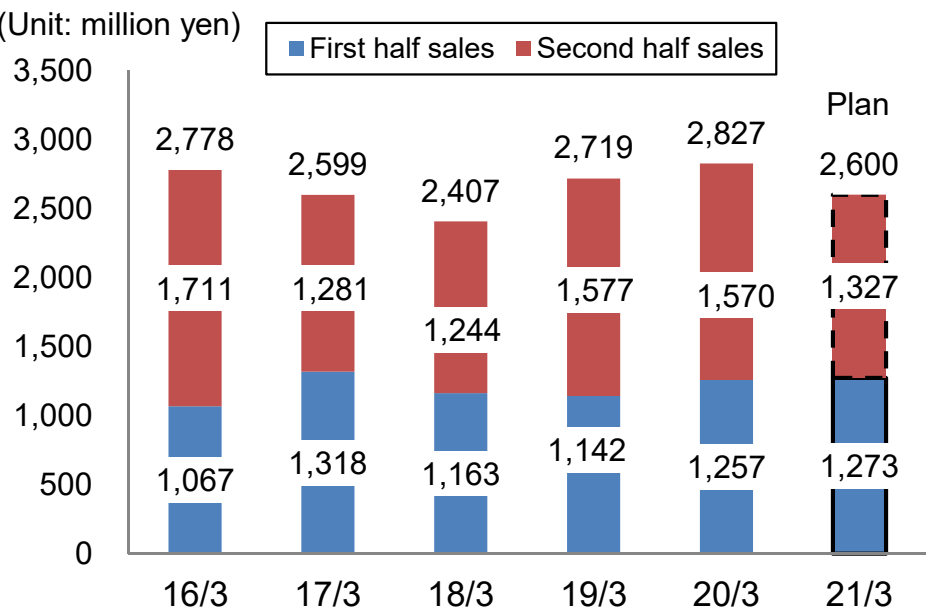


[Main group companies: Yearly forecast]

	Company name	Sales (YoY)	Operating income	Degree of influence on group profits
Japan	SunTelephone Co., Ltd.			Medium
Overseas	SOECO	-	-	Small

*This segment is SunTelephone Co., Ltd. and its subsidiaries only
*SunTelephone Co., Ltd. acquired SOECO as a subsidiary in the period ending March 2020
(profit/loss consolidation is effective from the period ending March 2021)

◆ Construction/service business [Yearly forecast] Sales 2.6 billion yen (YoY -8.0%)

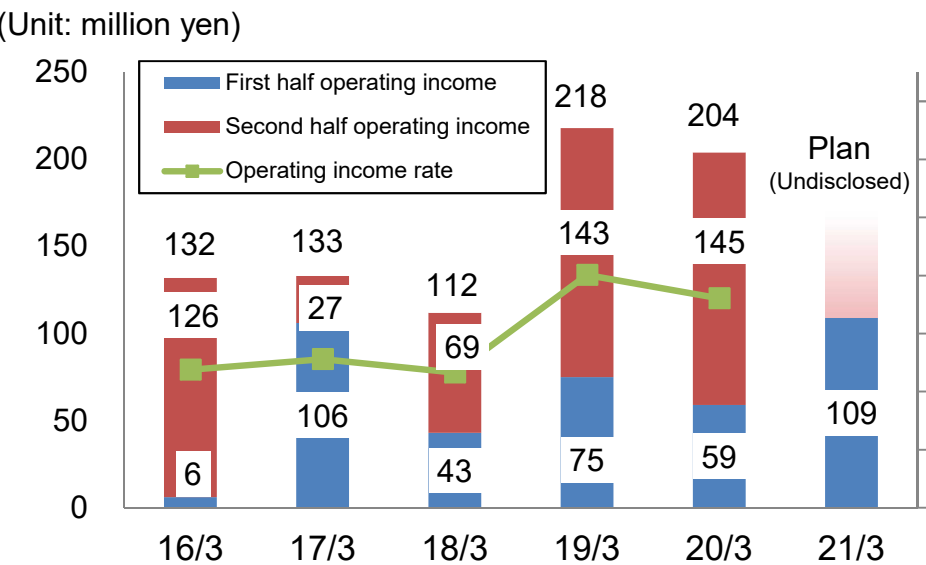


[Forecast for the year]

- While demand for office products is expected to continue as companies make layout changes as a measure against COVID-19, income is 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

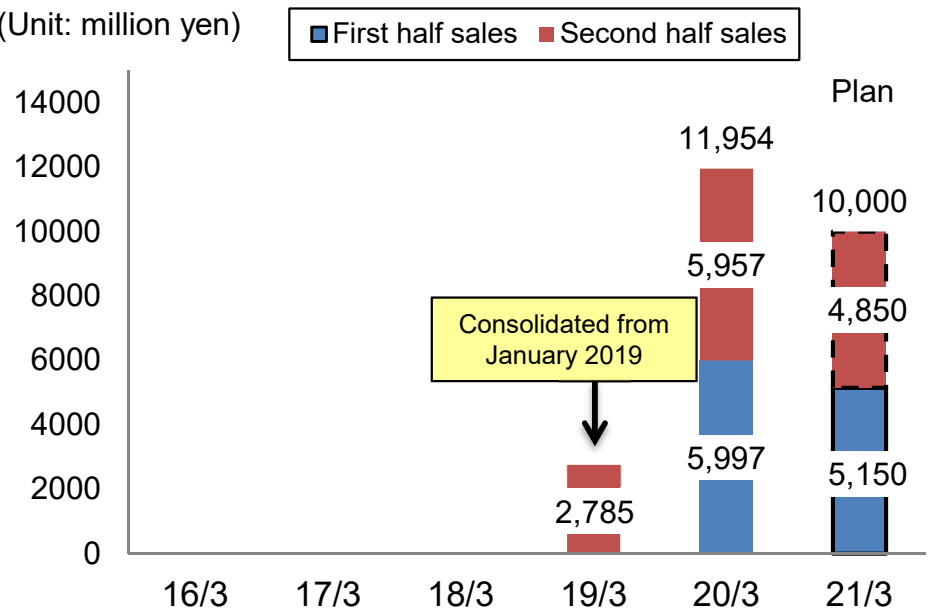


[Main group companies: Yearly forecast]

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

*This segment is NANKAIDENSETSU CO., LTD. only

◆ Electronic parts-related business [Yearly forecast] Sales 10.0 billion yen (YoY -16.3%)

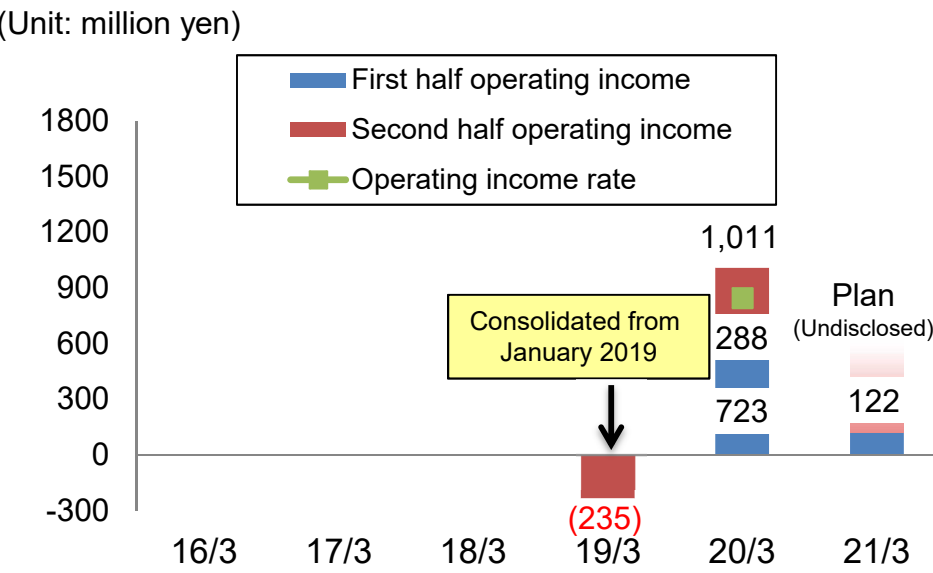


[Forecast for the year]

- A decrease in income is expected due to decreases in sales in the automotive 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

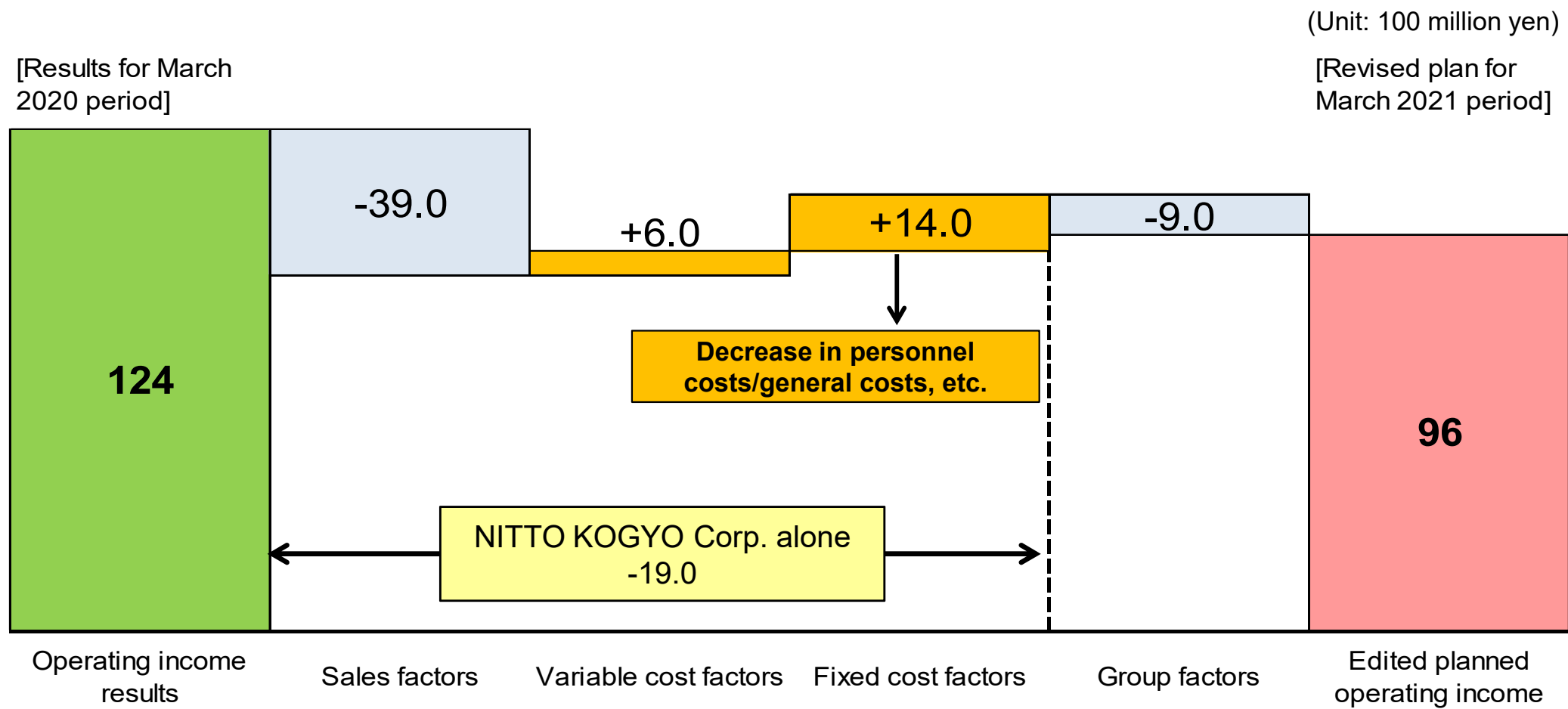


[Main group companies: Yearly forecast]

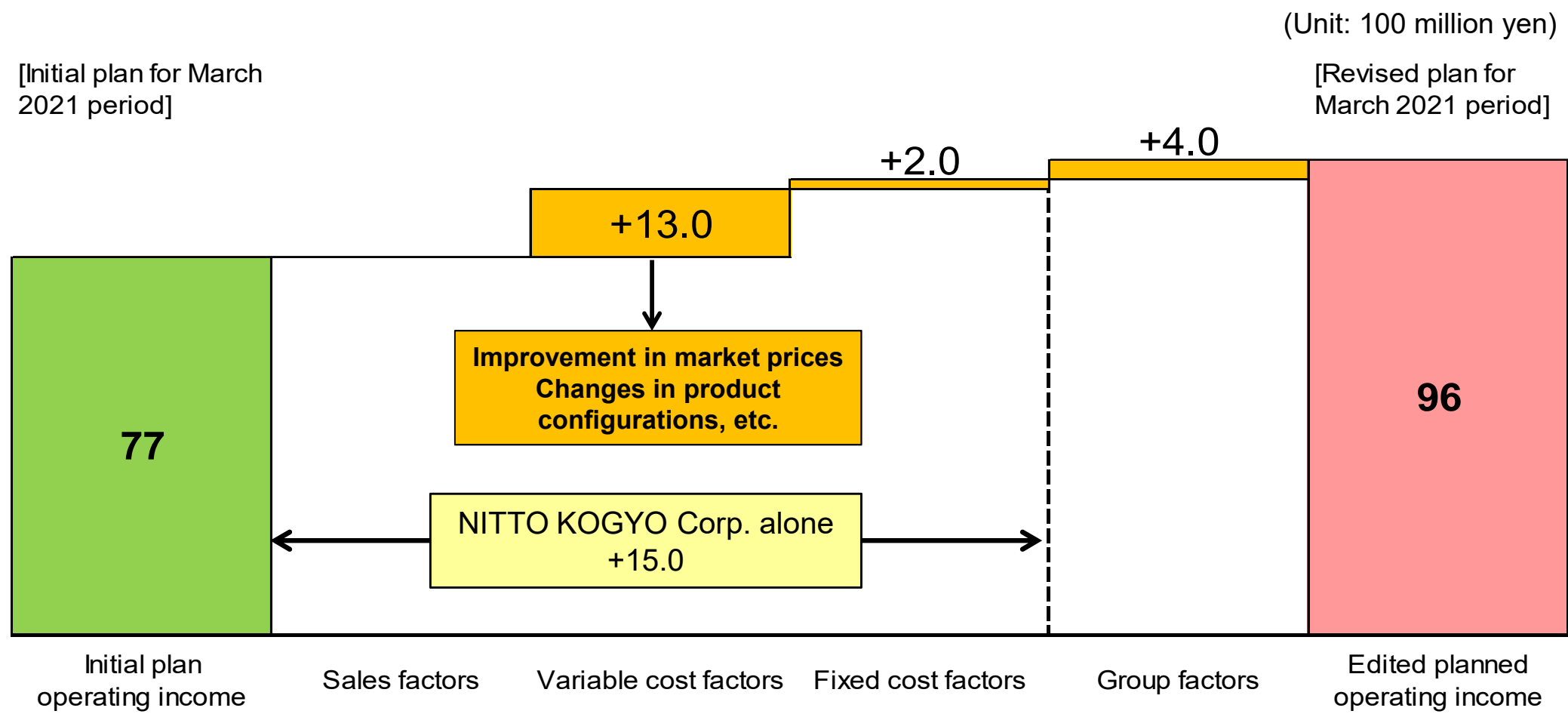
	Company name	Sales (YoY)	Operating income	Degree of influence on group profits
Japan	KITAGAWA INDUSTRIES CO., LTD.			Medium

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

- Consolidated operating income for period ending in March 2021 forecast to decrease 22.6% YoY to 9.6 billion yen
- Overall, the impact of COVID-19 is expected to reduce sales, resulting in lower profits.
- NITTO KOGYO Corp. alone is expecting to increase profits by reducing fixed costs through measures such as changing its product configuration (variable cost factors), reducing overtime and limiting attendance at events such as trade fairs.



- Consolidated operating income for period ending in March 2021 revised upward 24.7% on initial plan to 9.6 billion yen
- For NITTO KOGYO Corp. alone, while market prices were expected to drop (variable cost factors), they have stayed the same since the end of the last period. This, along with changes in our product configuration, means that income is expected to be higher than planned at the beginning of the period.
- In terms of group-wide factors, increased profits in the telecommunications-related distribution business are expected to drive an increase in overall profits, which means that profits are expected to exceed the initial plan.



Factor trends in changes in yearly consolidated operating income

2Q FY2020















<NITTO KOGYO Corp. alone>

- **Sales factors:** While sales were increasing continuously, they are expected to decrease in the fiscal year ending March 2021 due to COVID-19
- **Variable cost factors:** Market price variance: A slight improvement is expected in the 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

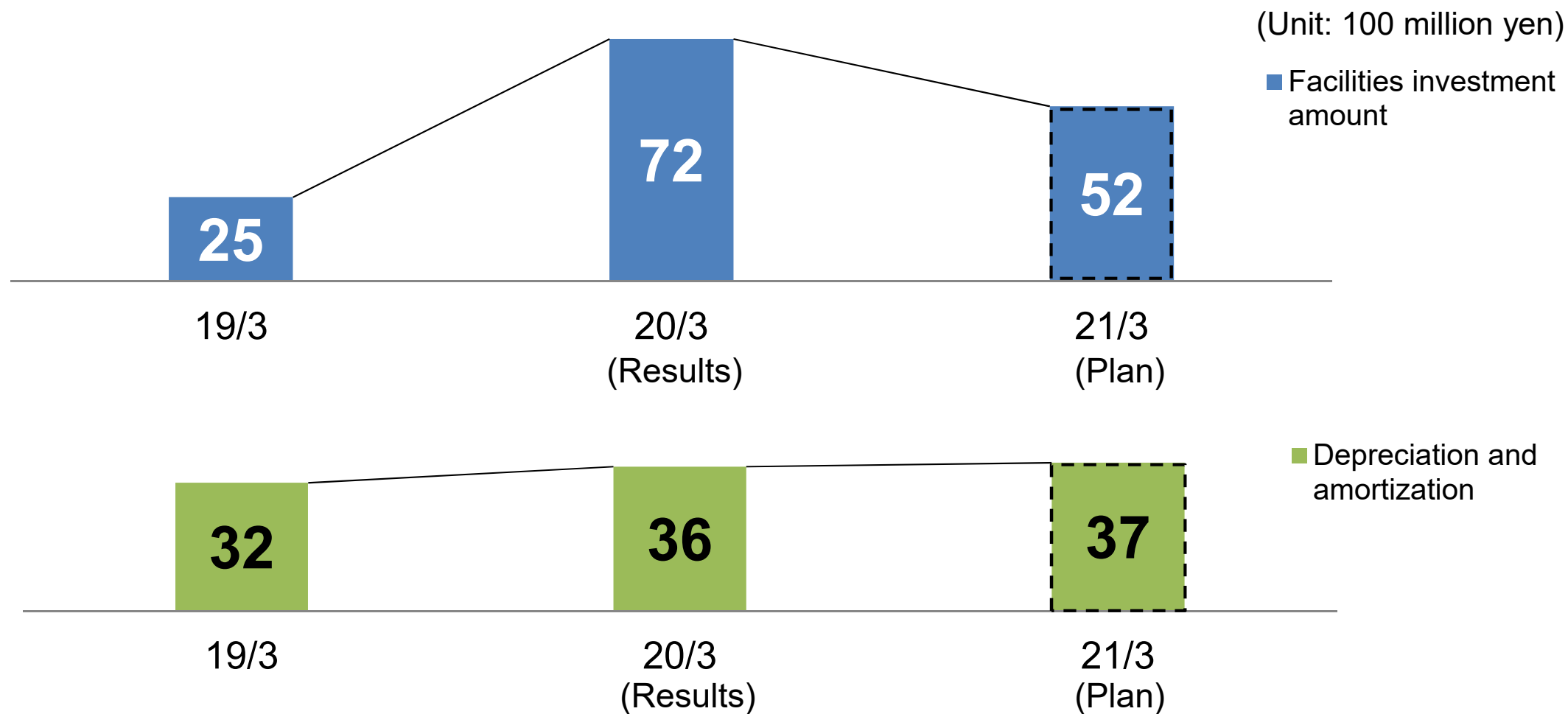
<Group factors>

- Both positives and negatives are expected in the fiscal year ending March 2021, but overall profits for the group are expected to decrease due to the lower sales caused by COVID-19

(Unit: 100 million yen)

 : Increasing factors  : Decreasing factors			2019/3 results	2020/3 results	2021/3 Plan
Operating income			64	124	96
YoY changed amounts			+7	+60	-28
Change factors	NITTO KOGYO Corp. alone	Sales factors			
		Variable cost factors			
		Fixed cost factors			
	Group factors				

- 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 5.2 billion yen and depreciation and amortization at 3.7 billion yen

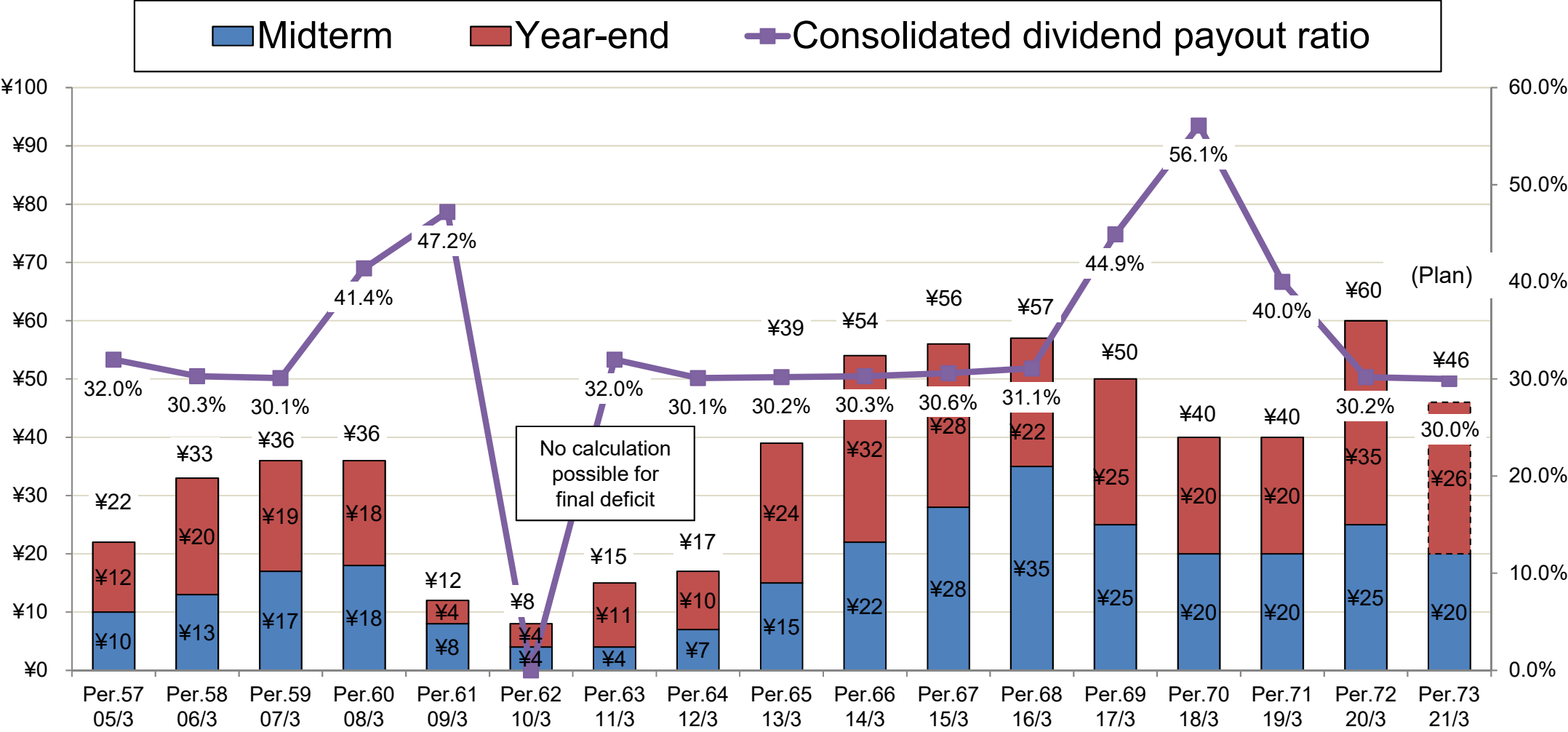


*Rounded at 10 million yen

Dividend status

2Q FY2020

- Interim dividends are 20 yen
- Projected dividends for the year have been increased from 40 yen to 46 yen
- The dividend forecast has also been increased due to upward revision of business projections



1. Overview of accounts period ending in March 2021, second quarter

2. Key topics

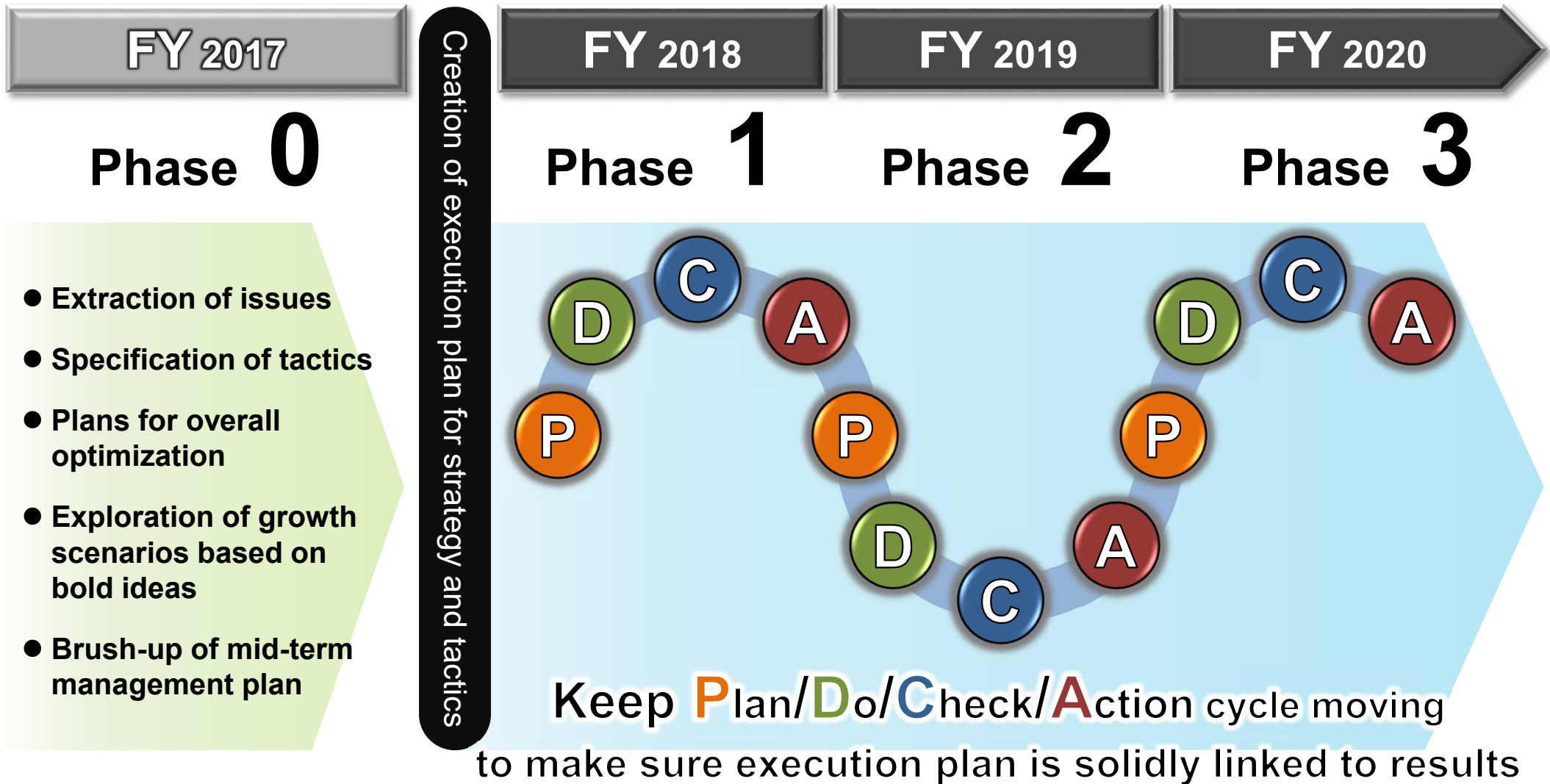
- Impact of COVID-19 outbreak
- Initiatives for GIGA School concept
- Initiatives for 5G (the next generation of telecommunication systems)

3. Forecast of consolidated results for the year

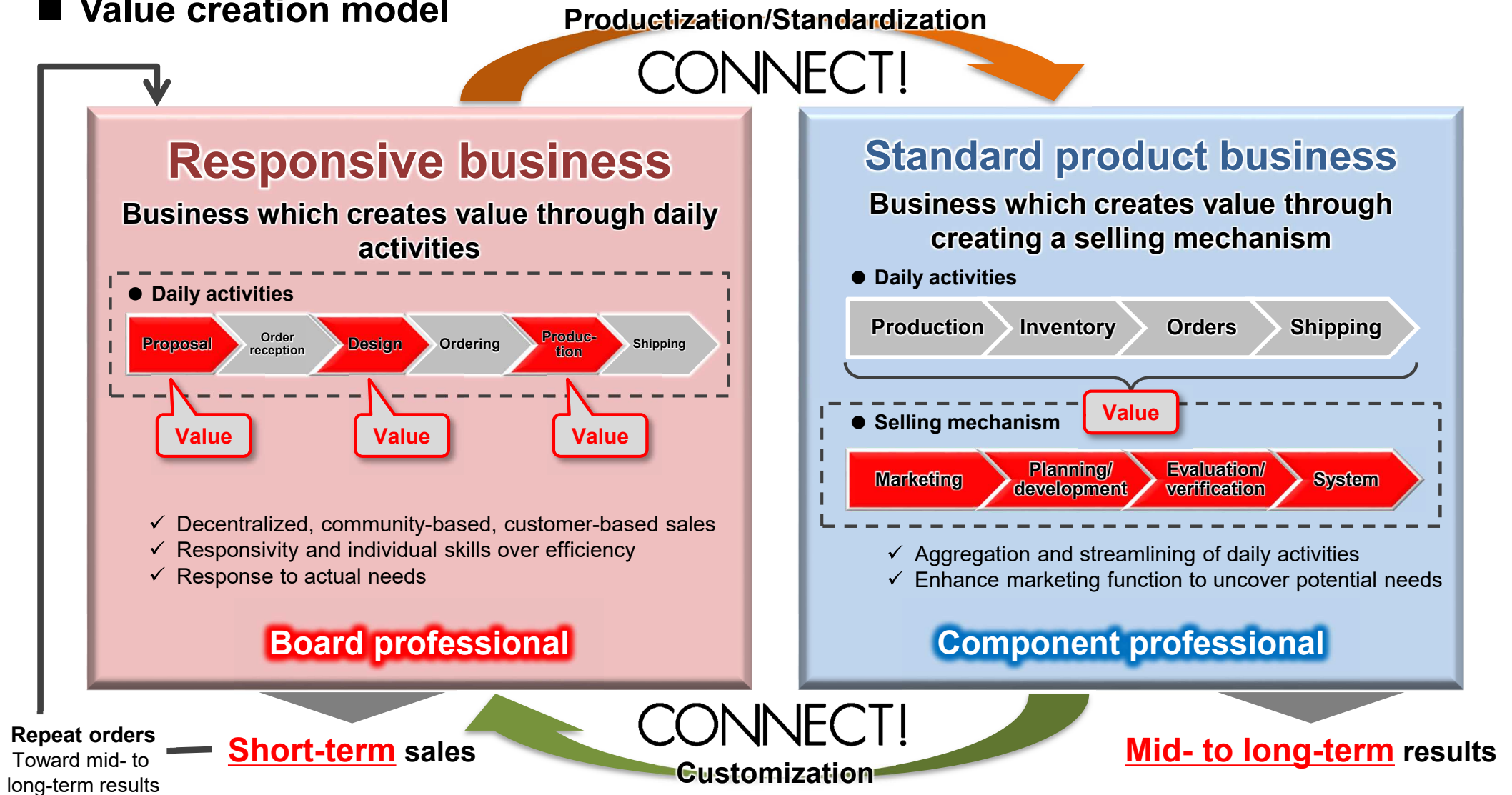
4. Mid-term management plan

5. Reference materials

2020 mid-term management plan



Value creation model



Keep growth of both businesses well-balanced, maintaining high profits

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
	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
Enhanced foundation		

2020 mid-term management plan Business targets

2Q FY2020

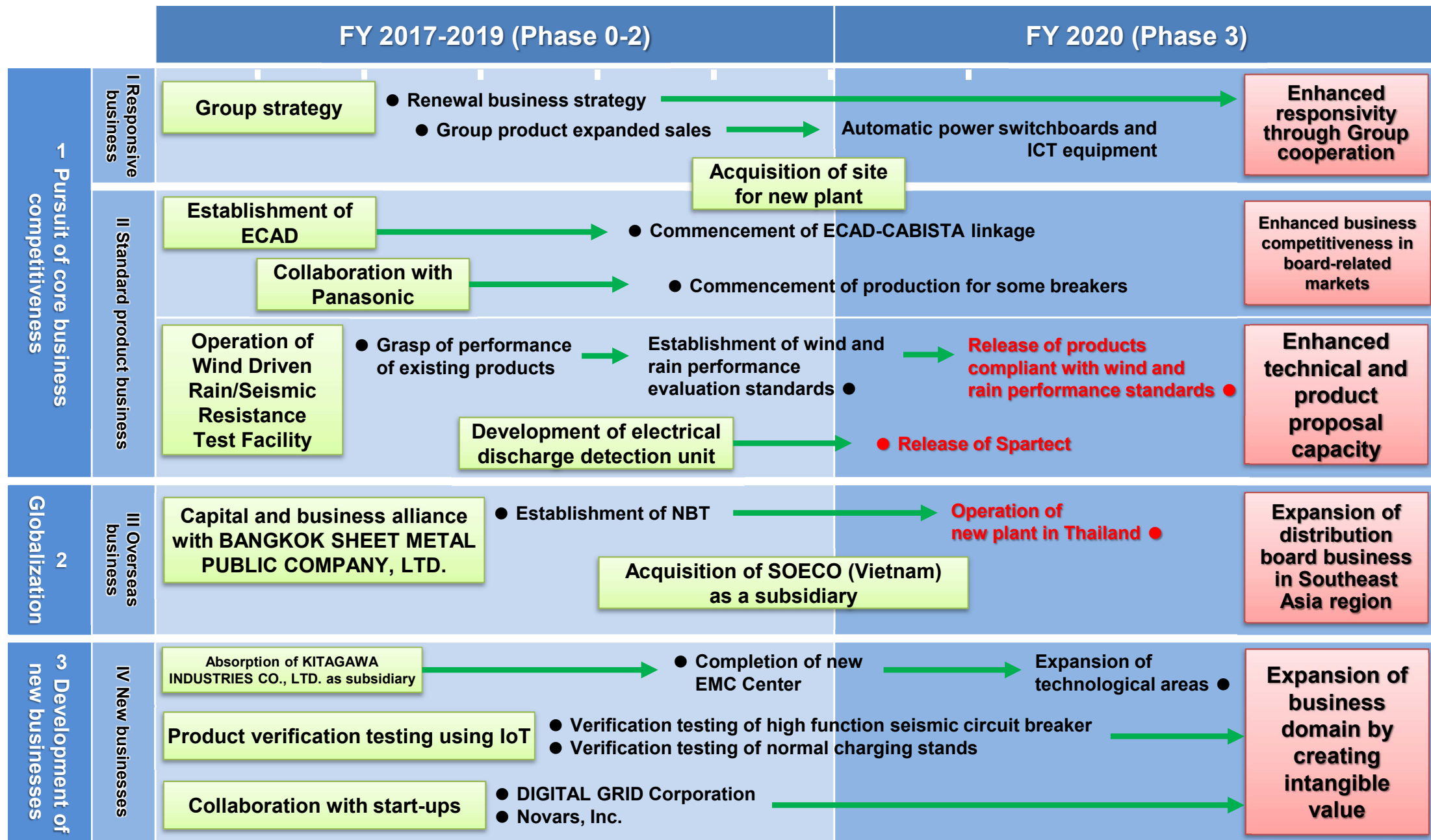
(Unit: 100 million yen)

	FY 2016 Results (When making plan)	FY 2019 Results	FY 2020 Plan	FY 2020 Target (When making plan)
Consolidated sales	1,066	1,394	1,320	1,250
(Included individual sales)	674	796	715	750
Responsive business	465.5	551.5	485.0	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)	(474)	(350)
(Included overseas business)	(40)	(94)	(96)	(70)
Consolidated operating income	65	124	96	100
(Included individual operating income)	50	94	75	75

- Initial targets for mid-term management plan were achieved in FY 2019 (excluding new businesses).
- Figures planned for the 2020 financial year were adjusted upward on October 26, 2020
- The plan for the 2020 financial year presumes that economic stagnation will continue in the third quarter and later

Business strategy progress (1/7)

2Q FY2020



Strategies focused on current period

Core business: I Responsive business

Enhanced responsivity to projects through cooperation between group companies

Leveraging of each of our strengths to expand our business domains and get more orders

- Progress on renewal business strategy
- Progress on control panel board business strategy

Core business: II Standard product business

Enhanced technical and product proposal capacity

Enhance competitiveness by providing products and services that meet the needs of customers in board-related markets

- Release of web tool (automatic QB drawing system)
- Thorough implementation of new wind-driven rain performance standard and expansion of products that meet this standard

III Overseas business

Expansion of distribution board business in Southeast Asia region

Early establishment of foundations of business

- Establishment of total production and sales framework in new NBT plant and expansion of business and improvement of profitability in Thai market
- Expansion of business through entry into infrastructure industry and market

IV New businesses

Expansion of business areas through creation of intangible value

Continuation of initiatives to create intangible value with the aim of turning the results into businesses in the mid to long term.

- Progress on verification testing of earthquake detectors, EV chargers, etc.
- Investment in start-ups

Business strategy

Core business: I Responsive business (board professional)

Vision: Ultra-upgrade board-related business responsivity, aiming to be a reliable ideal partner

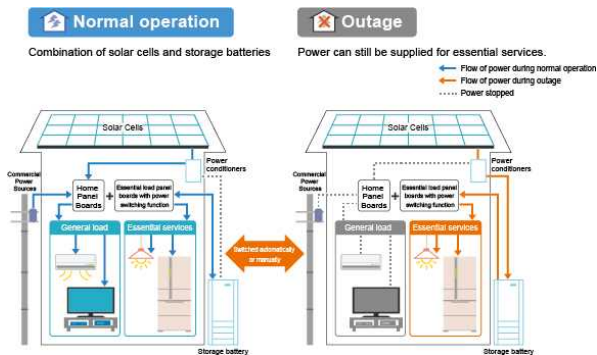
Enhanced business competitiveness in board-related markets

Phase 0-2

- ◆ Create strategies making use of Group companies' strength areas/know-how
- ◆ Make use of Group companies' strength areas to gain orders
- ◆ Expand business areas through concrete strategies

Phase 3 Future developments

- ◆ Carry out strategies with the Group as a whole, enhancing responsivity and expanding supported areas
 - Expand sales of power switchboards for household power storage systems using technology from AICHI ELECTRIC WORKS CO., LTD.
 - Expand sales of products for GIGA School and teleworking
- ◆ Resume strategies for overhaul of our business (we have put these on hold due to COVID-19)



Automatic power switchboards
(together with household solar cells and storage battery facilities)



Hub storage enclosures
(for GIGA School and teleworking)

Business strategy

Core businesses: II Standard product business (1) (Component professional)

Vision: Become a company which provides joy to industrial infrastructure companies

	Enhanced business competitiveness in board-related markets
Phase 0-2	<ul style="list-style-type: none"> ◆ Establishment of ECAD Solutions Co., Ltd. ◆ Begin considering collaboration with Panasonic ◆ Commence ECAD-CABISTA linkage ◆ Commence production for some Panasonic breakers ◆ Model changes for Home Panel Boards ◆ Acquire site for new plant in Seto City
Phase 3 Future developments	<ul style="list-style-type: none"> ◆ Consider next steps for collaboration with Panasonic ◆ Increase convenience through use of web <ul style="list-style-type: none"> • Version upgrades designed to improve user convenience in systems with ECAD-CABISTA linkage • Release QBSTA, a system to create drawings for high-voltage power receiving equipment

[Overview of Seto plant (TBD)]

Address: 22-4 Yatoko-cho, Seto City, Aichi Prefecture

Site area: 250,077 m²

Total floor area: 36,000 m² in plant, 4,000 m² in 3-story office building

Items produced: Enclosures, high-voltage power receiving equipment, panel boards, breakers, etc.

Total investment: Approx. 20 billion yen

Capital plan: Funded by own capital, loan, etc.

Schedule: Completion of construction: December 2023

Commencement of production: April 2024

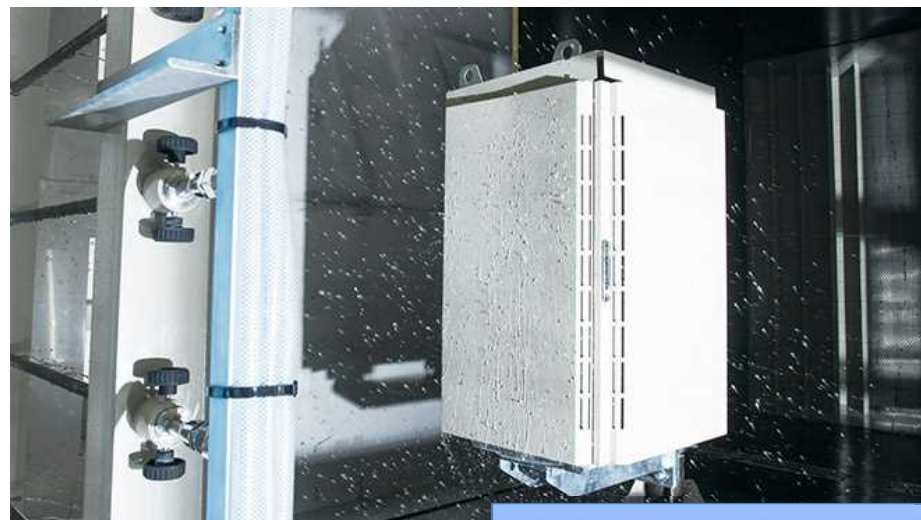


Business strategy

Core businesses: II Standard product business (2) (Component professional)

Vision: Become a company which provides joy to industrial infrastructure companies

	Enhanced technical and product proposal capacity
Phase 0-2	<ul style="list-style-type: none"> ◆ Full-scale operation of Wind Driven Rain/Seismic Resistance Test Facility ◆ Completion of new EMC Center at KITAGAWA INDUSTRIES ◆ Development of electrical discharge detection unit
Phase 3 Future developments	<ul style="list-style-type: none"> ◆ Thorough implementation of new wind-driven rain performance standard and expansion of products that meet this standard <ul style="list-style-type: none"> • Evaluation of wind and rain performance of outdoor enclosures and addition of WP displays to compliant products ◆ Commercialization of electrical discharge detection unit Spartect



Wind and rain performance evaluation testing (Kikukawa Laboratory)



Electrical discharge detection unit Spartect



III Overseas business

Vision: Become a company which provides joy to industrial infrastructure companies active overseas

	Expansion of distribution board business in Southeast Asia region
Phase 0-2	<ul style="list-style-type: none"> ◆ Establishment of NITTO KOGYO BM (THAILAND) (NBT) ◆ Absorption of KITAGAWA INDUSTRIES CO., LTD. as subsidiary ◆ Commencement of construction of new plant for NBT in Thailand ◆ Absorption of SOECO in Vietnam as a subsidiary by SunTelephone Co., Ltd.
Phase 3 Future developments	<ul style="list-style-type: none"> ◆ Operation of NBT plant • Establish total production and sales framework to further increase cost competitiveness, timeliness and quality, with the aim of expanding business and improving profitability

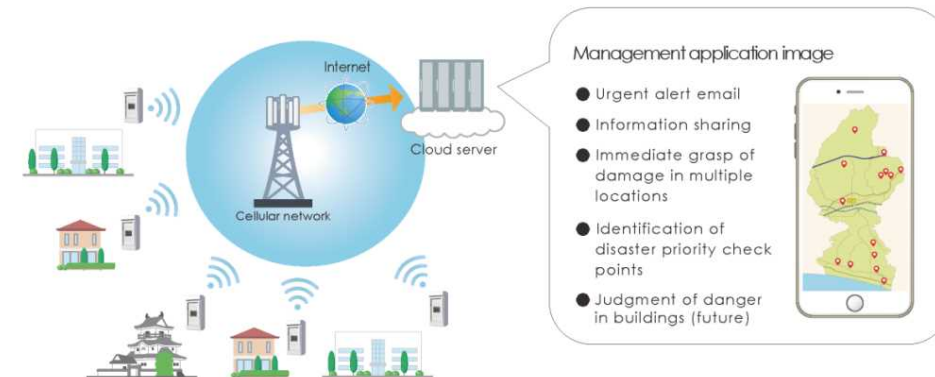


IV New businesses

Vision: Work boldly toward creation of new businesses, without fearing failure

	Expansion of business areas through creation of "intangible value"
Phase 0-2	<ul style="list-style-type: none"> ◆ Commencement of product verification testing using IoT for standard chargers and high function seismic circuit breakers ◆ Investment in start-up DIGITAL GRID Corporation ◆ Capital and business alliance with start-up Novars, Inc. ◆ Release of Pit-C3 household EV/PHV charger
Phase 3 Future developments	<ul style="list-style-type: none"> ◆ Progress on verification testing • The aim is to commercialize IoT technology we are currently working on and other technology being developed through collaborations with start-ups

■ Regional disaster prevention system diagram



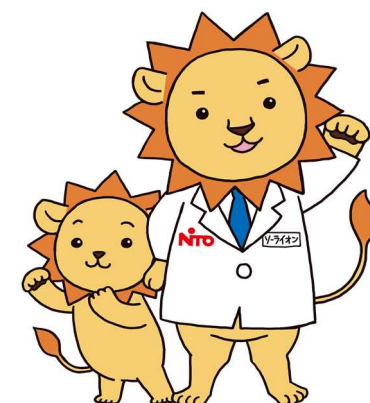
Thank you for your attention.

CONNECT!

~Link via electrics~

NITO 日東工業株式会社

Stock code: 6651



1. Overview of accounts period ending in March 2021, second quarter

2. Key topics

- Impact of COVID-19 outbreak
- Initiatives for GIGA School concept
- Initiatives for 5G (the next generation of telecommunication systems)

3. Forecast of consolidated results for the year

4. Mid-term management plan

5. Reference materials

- Design, production, and sales business for panel boards, distribution boards, control panel boards, etc.

NITTO KOGYO CORPORATION	Manufacturing and sales of panel boards, distribution boards, enclosures, etc.
Main group companies	Main products/business content
AICHI ELECTRIC WORKS CO., LTD.	Design, manufacturing, sales, repair etc. of various electrical devices and tools
Taiyo Electric Mfg. Co., Ltd.	Manufacturing and sales of control systems, software, etc. for industrial machinery
ECAD Solutions Co., Ltd.	Development and sales of CAD systems dedicated for electrical and harness design
NITTO KOGYO (CHINA) CORPORATION	Manufacturing and sales of enclosures, parts, etc.
Gathergates Group Pte Ltd	Manufacturing and sales of panel boards, distribution boards, control panel boards and meter boxes
NITTO KOGYO BM (THAILAND) CO., LTD.	Sales of imported products of our company, sales of locally produced products, and supply and sales of products from Japanese and overseas companies

Distribution Boards



High-voltage Power
Receiving Equipment



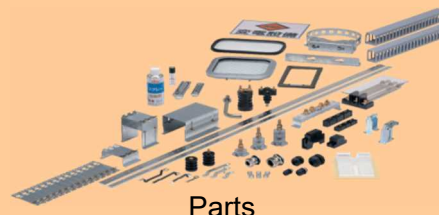
Panel/Distribution boards



Breakers



Parts/Other



Charging stands

Enclosures



Enclosures



System racks

■ Purchasing and sales of telecommunications equipment and materials

Main group companies	Main products/business content
SunTelephone Co., Ltd.	Purchasing and sales of telecommunications equipment
SOECO	Purchasing and sales of office security equipment



Network cameras

Supply and sales of monitoring system devices optimally suited to each system



High-speed network devices

Supply and sales of communication infrastructure building devices efficiently sorted by wireless/wired



Information security-related products

Supply and sales of total security devices providing countermeasures for various information risks

■ Construction business, including installation and maintenance of electrical facilities and network systems

Main group companies	Main products/business content
NANKAIDENSETSU CO., LTD.	Construction business, including installation and maintenance of telecommunication networks and electrical facilities

Telecommunication network business



Construction of communication facilities such as telephone facilities, broadcasting facilities, security facilities, LAN networks, etc.

Electrical facilities business



Construction of electrical facilities, such as lighting facilities, power outlets, HVAC facilities, etc.



Others

- Maintenance of charging stands for EVs/PHEVs
- Installation, distribution services, and maintenance for emergency earthquake notification facilities

etc.

■ Production and sales of electromagnetic wave environment components and precision engineering components, etc.

Main group companies	Main products/business content
KITAGAWA INDUSTRIES CO., LTD.	Manufacturing and sales of electromagnetic wave environment components and precision engineering components, etc.

Electromagnetic wave environment components

Manufacturing and sales of electronic parts intended to prevent electronic device malfunctions due to electromagnetic waves

[Ferrite Cores]



[Cable Shields]



Precision engineering components

Manufacturing and sales of various device mechanical elements such as plastic fasteners, as well as countermeasure parts, etc. for heat/vibration/impact/noise, contributing to productivity improvement

[Clamps]

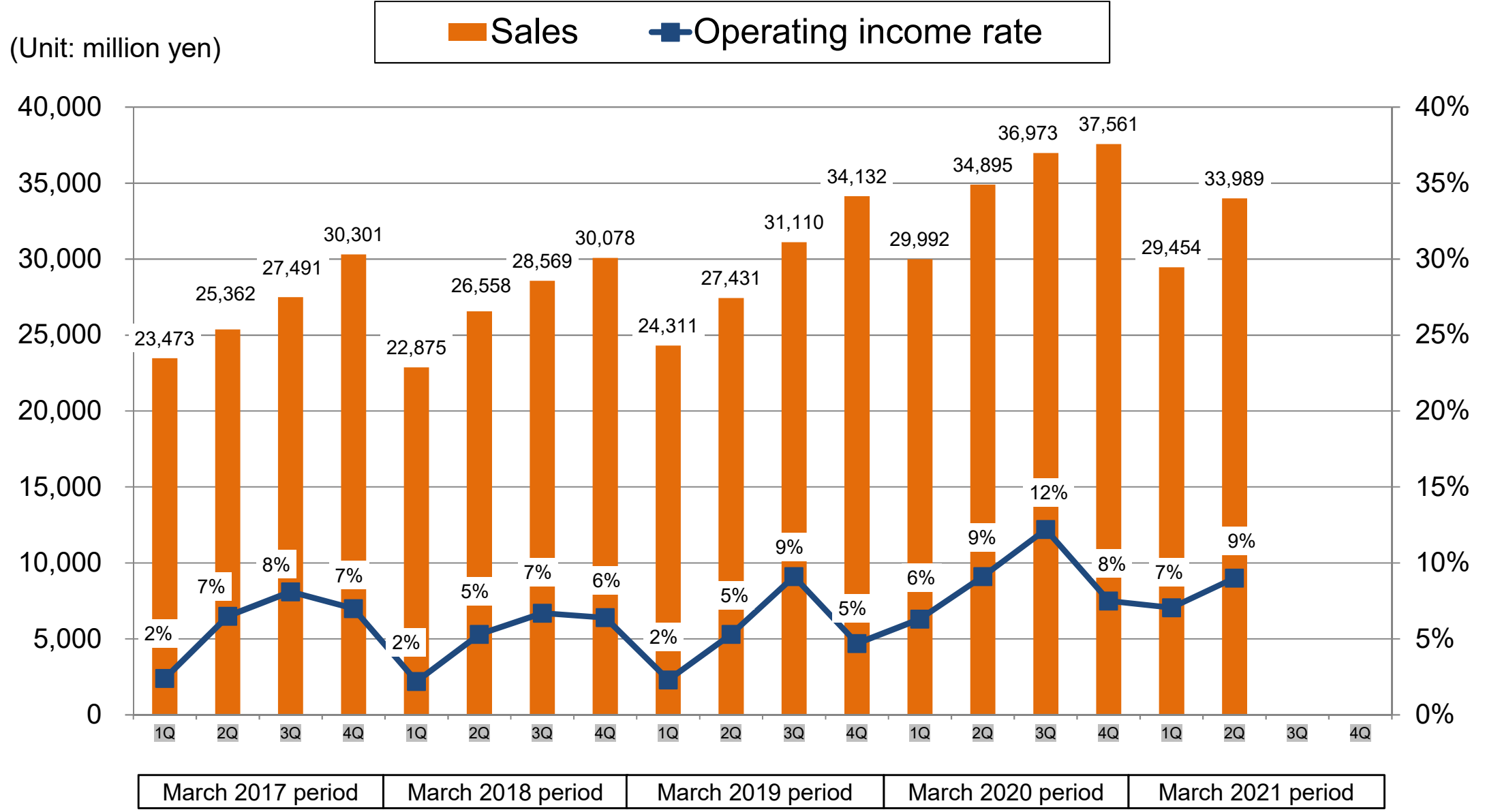


[Cable Ties]



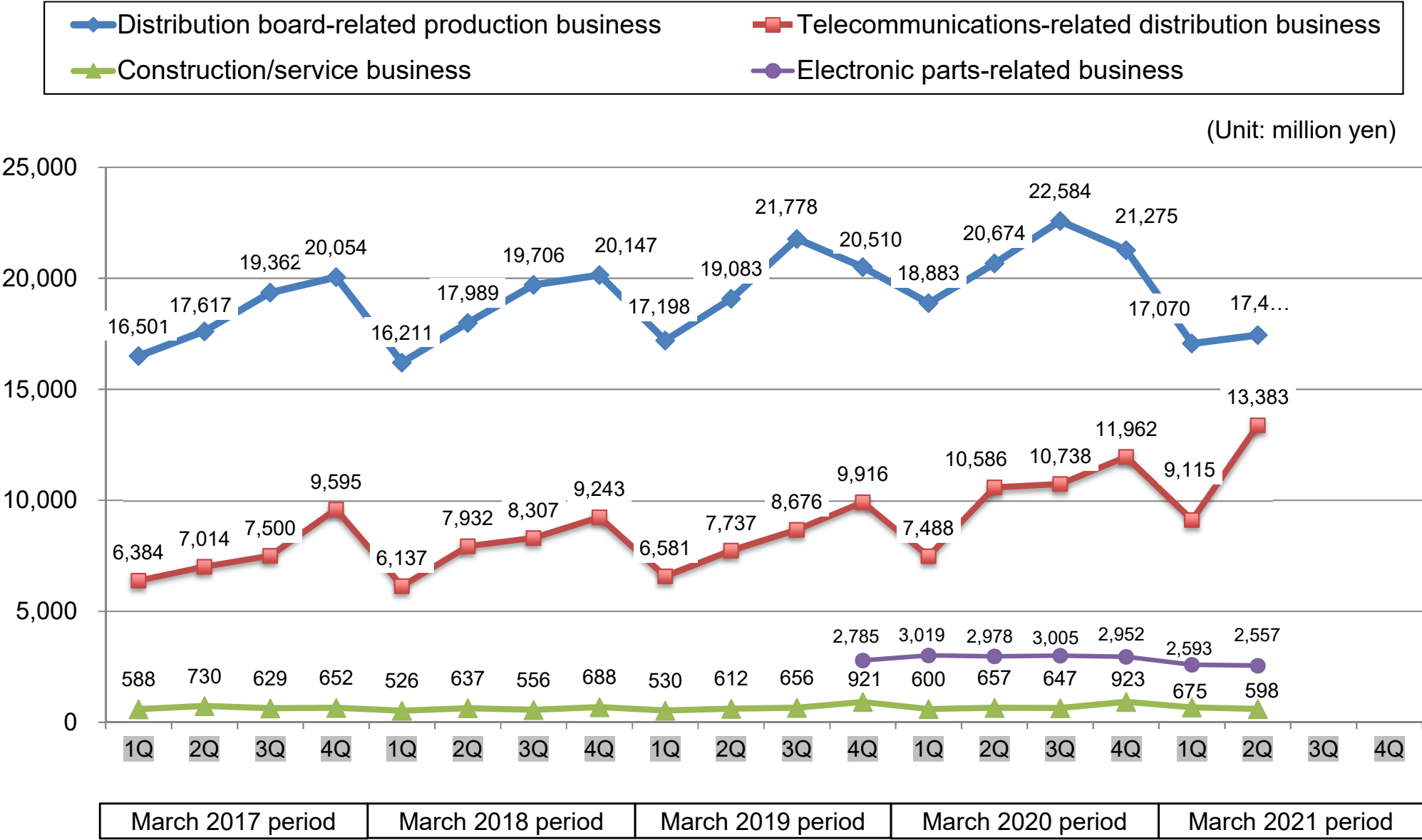
Consolidated sales trends (quarter)

2Q FY2020



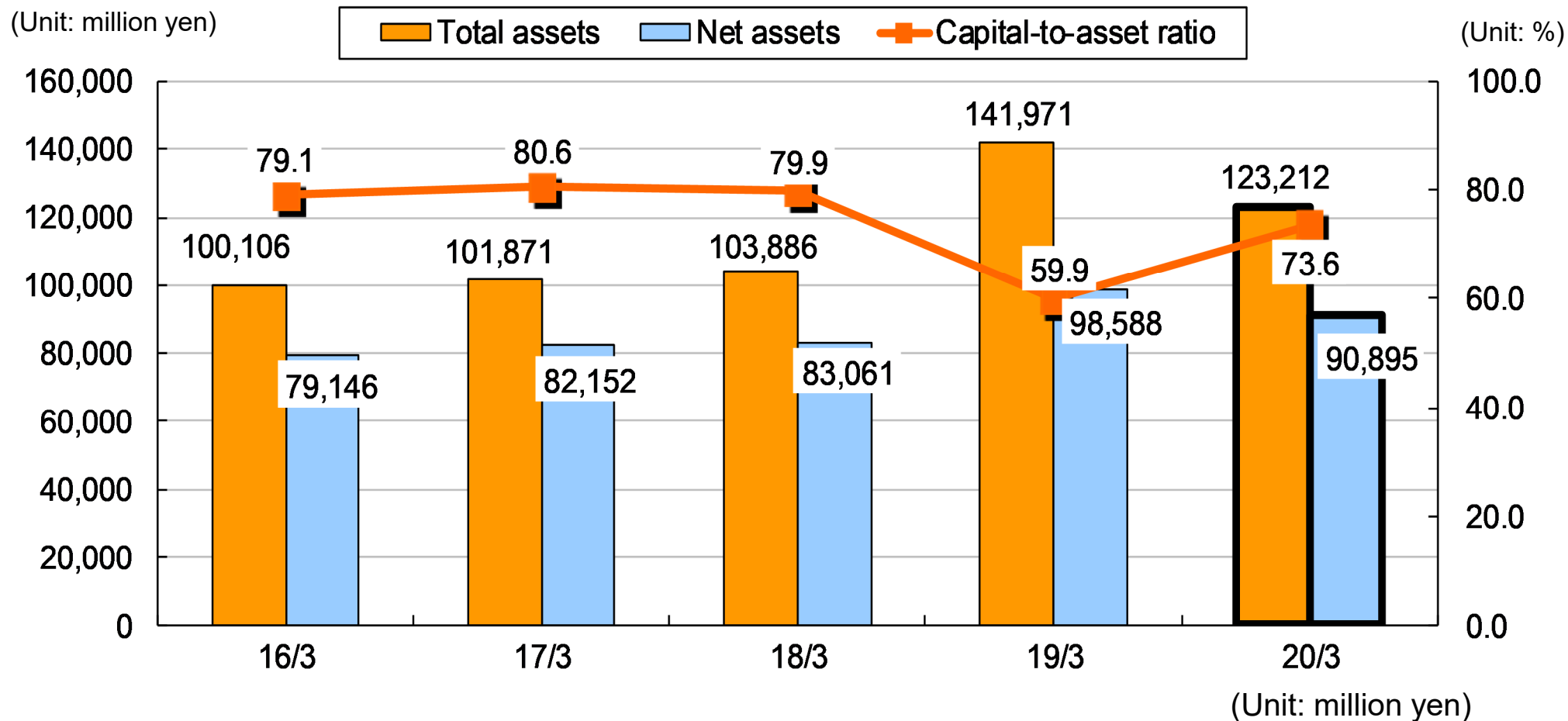
Sales trends by segment (quarter)

2Q FY2020



Total assets/Net assets/Capital-to-asset ratio

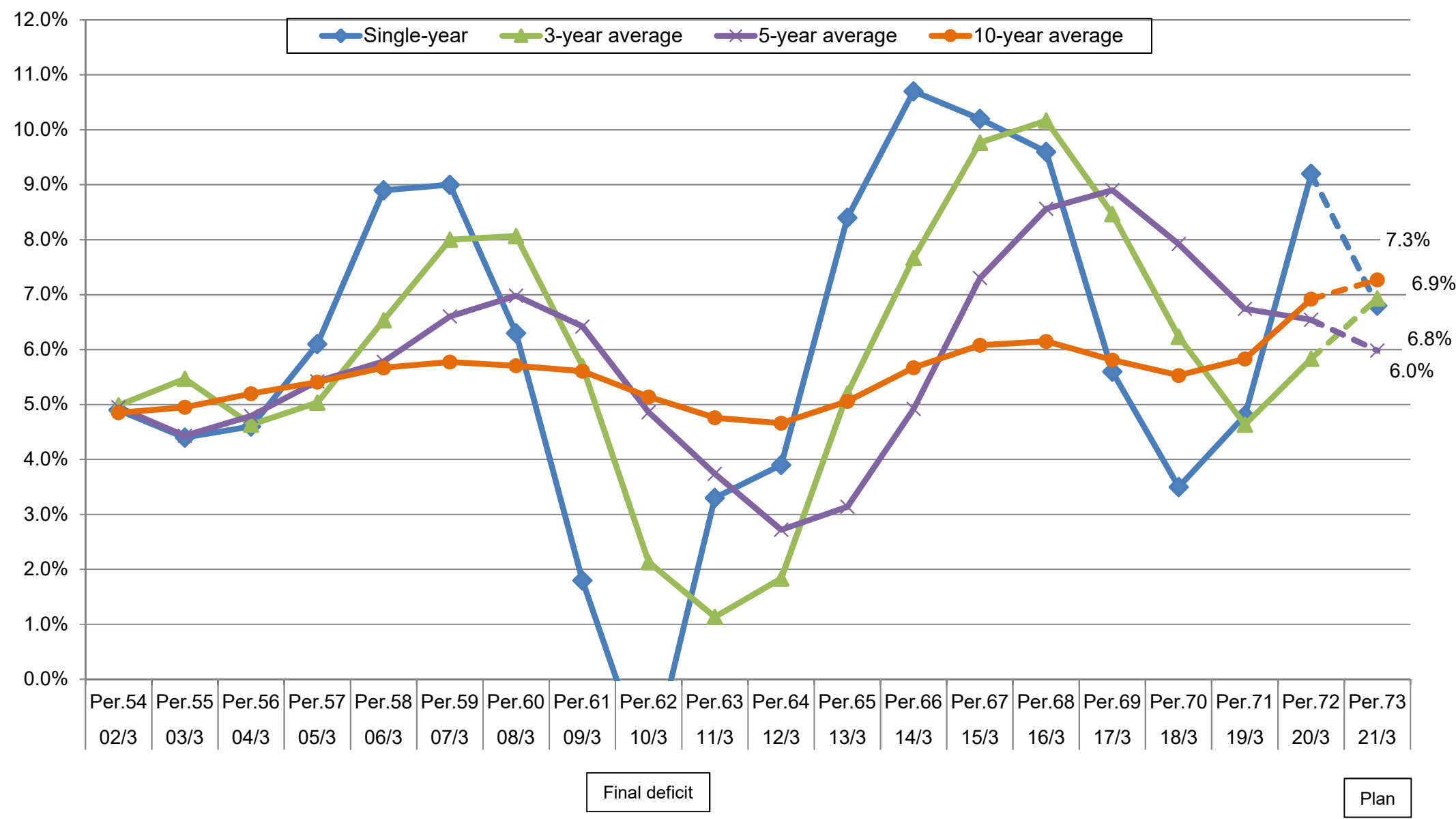
2Q FY2020



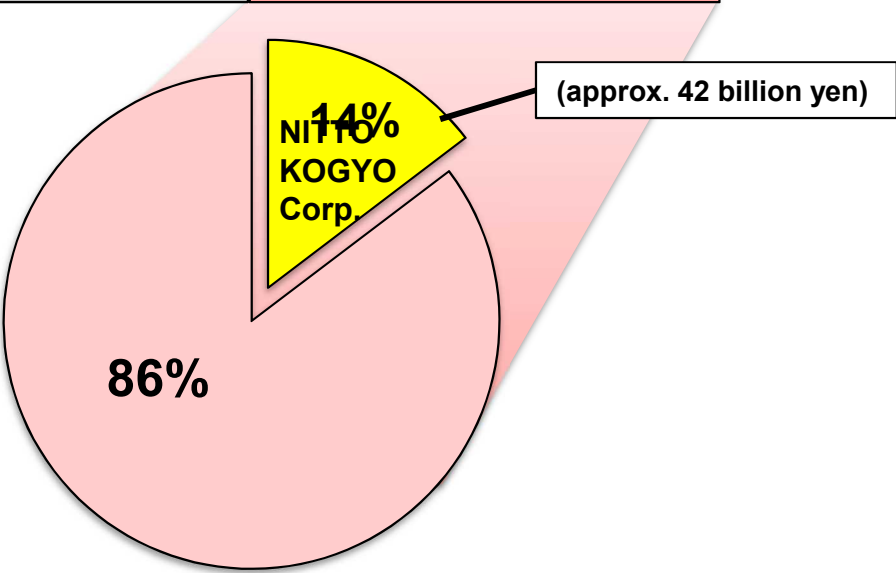
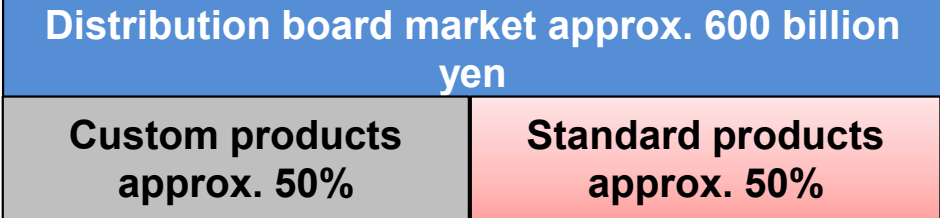
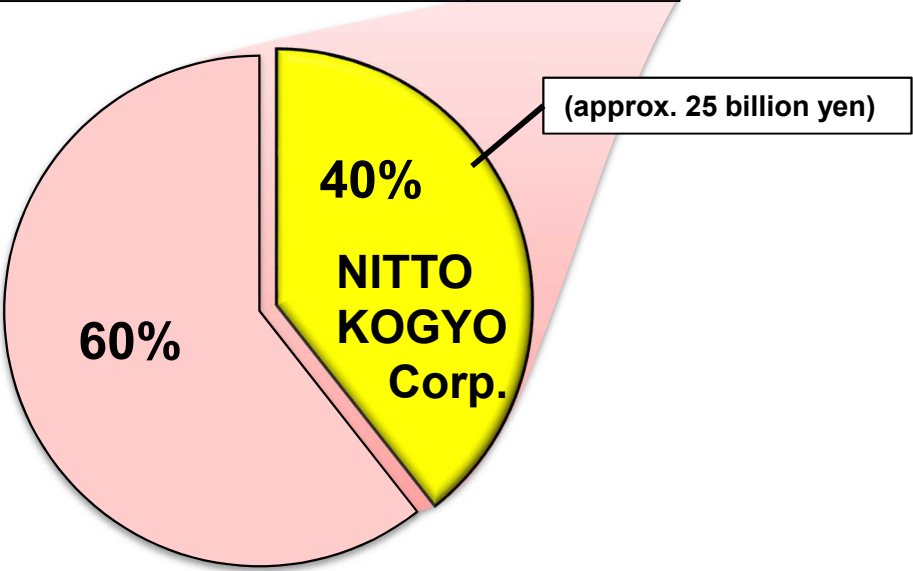
	16/3	17/3	18/3	19/3	20/3
Total assets	100,106	101,871	103,886	141,971	123,212
Net assets	79,146	82,152	83,061	98,588	90,895
Capital-to-asset ratio	79.1%	80.6%	79.9%	59.9%	73.6%

ROE (return on equity) trends (consolidated)

2Q FY2020



No. 1 share for enclosures in the standard product market! No. 2 share for distribution boards! (*)

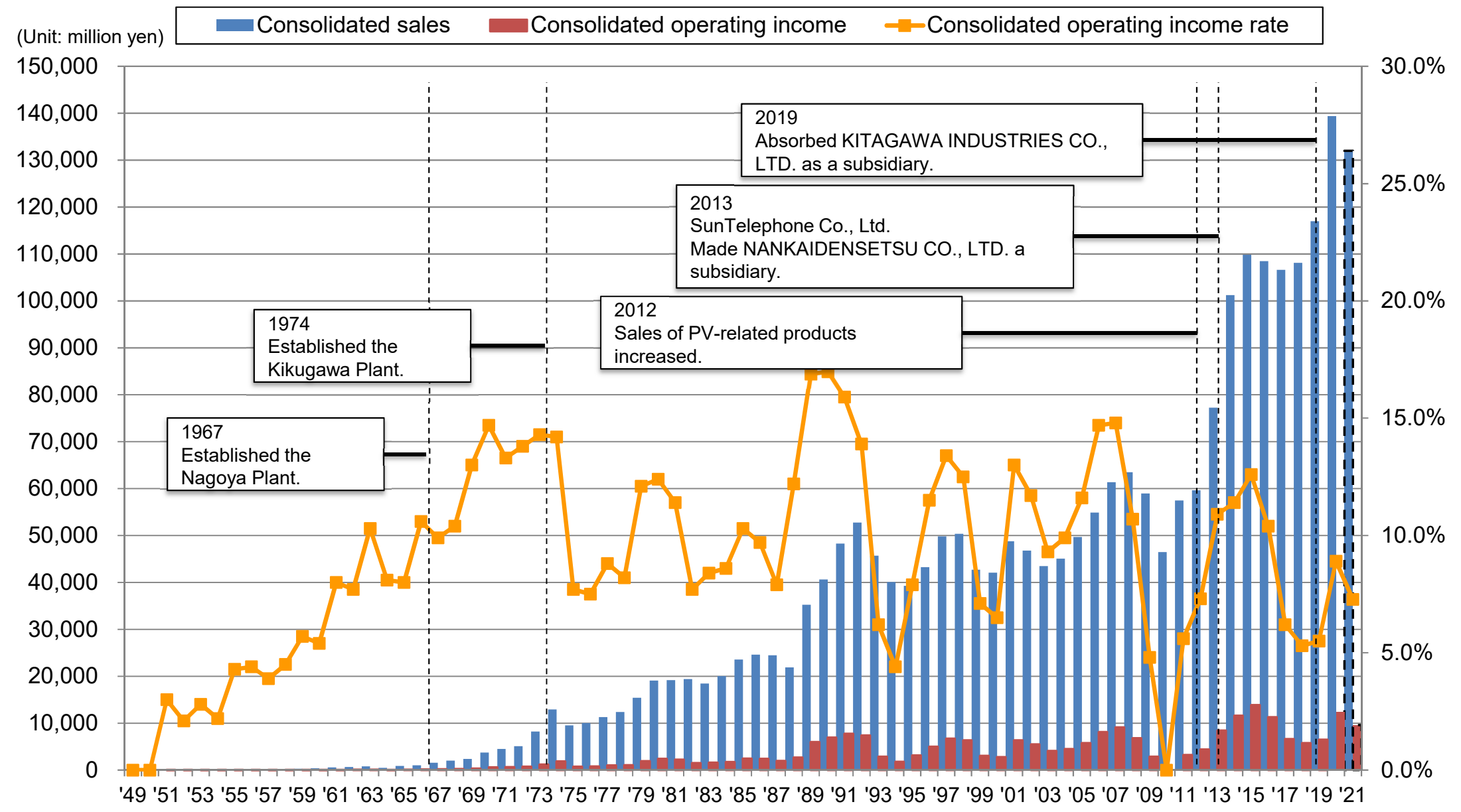


*Enclosure market includes system racks; distribution board market includes optical junction boxes

	Custom products	Standard products
Production method	Made to order	Planned production
Lead time	Long-term	Short-term
Costs	High	Low

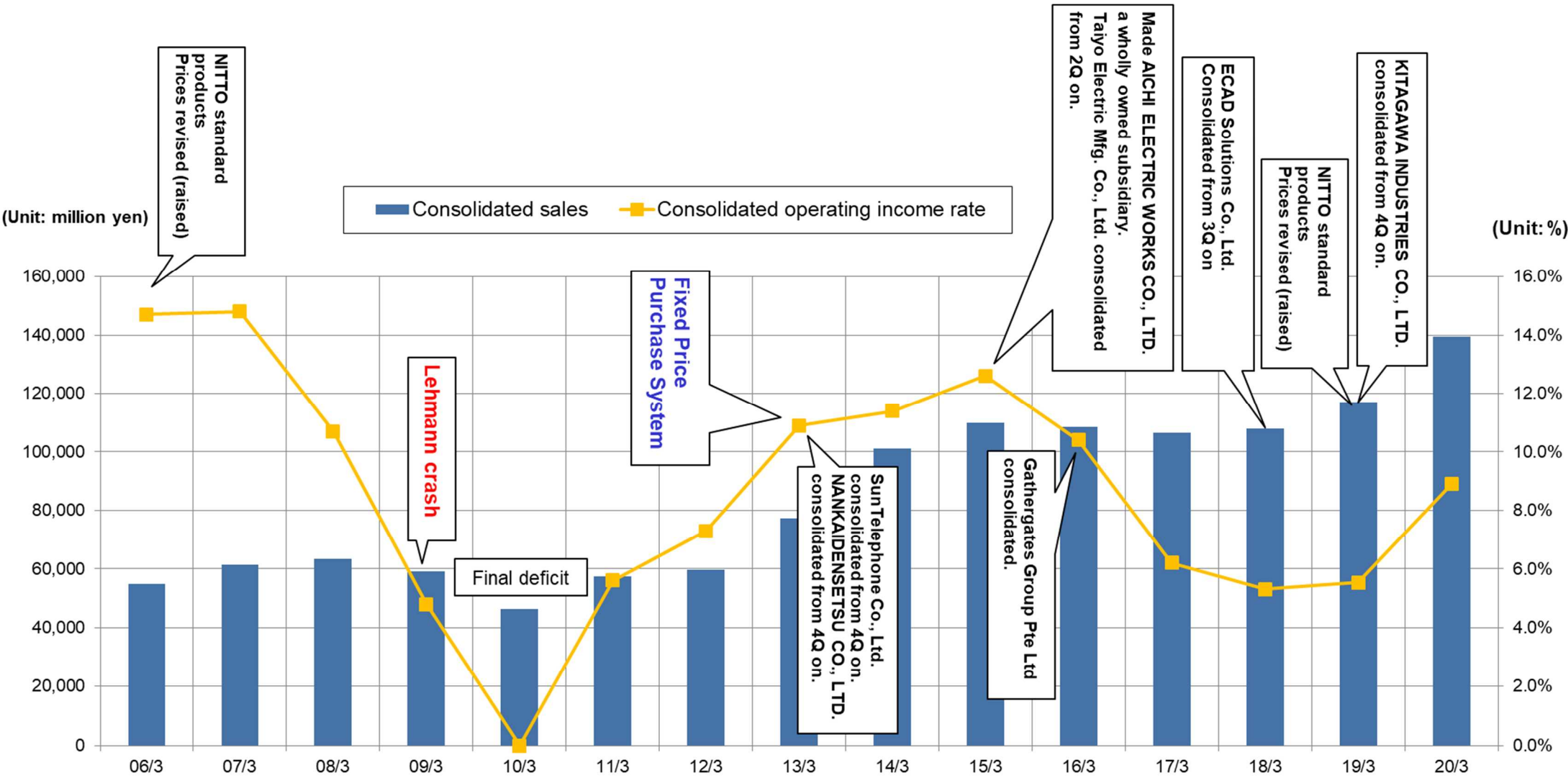
Result trends from establishment to present

2Q FY2020



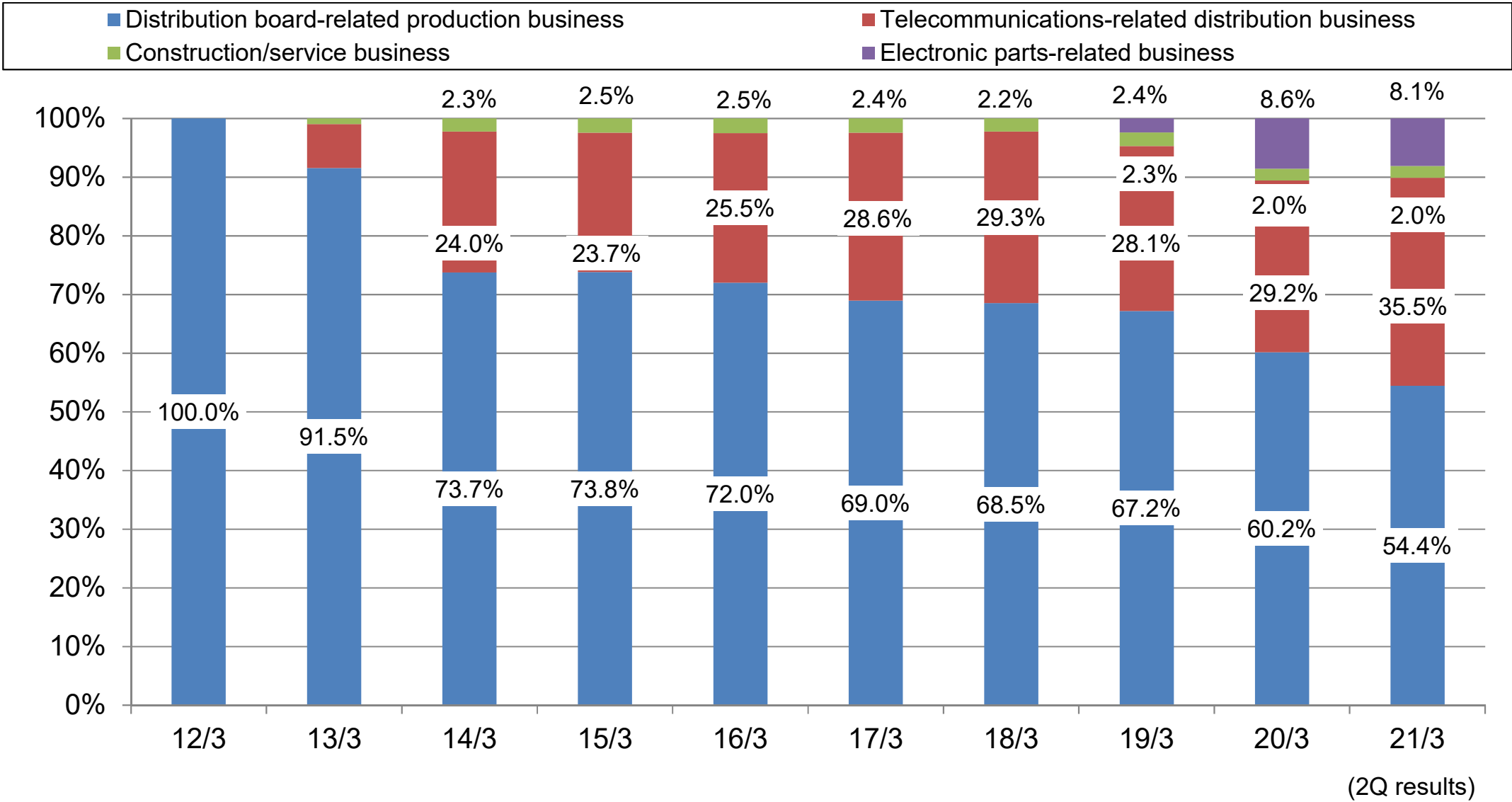
Result trends for period ending March 2006 through present

2Q FY2020



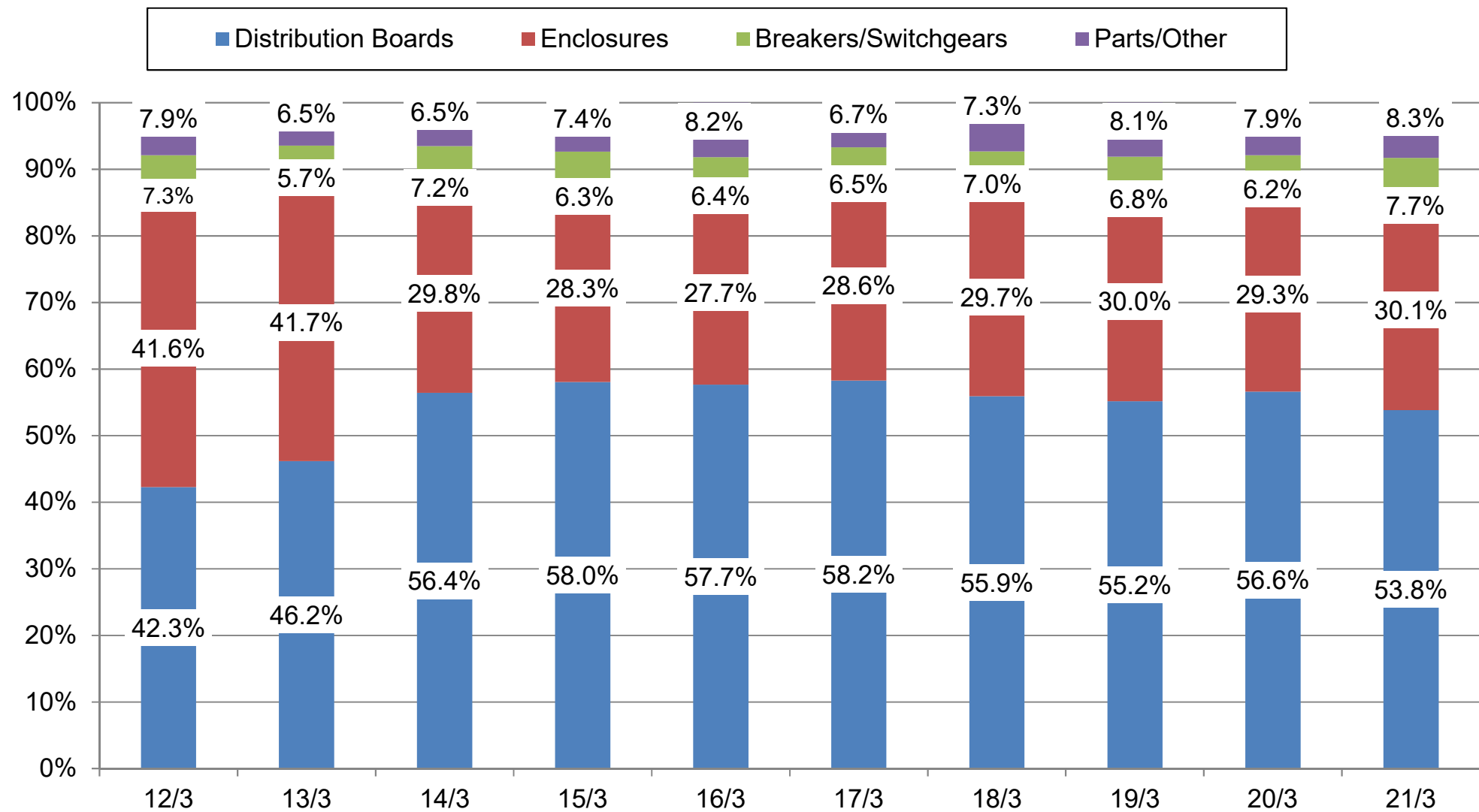
Sales composition ratios by business segment

2Q FY2020



Distribution board-related production business (sales composition ratio by division)

2Q FY2020



(2Q Results)

Numerical totals may not match exactly due to rounding.

Charging stands for electric vehicles

Rapid charging
(not supported by our company)

Normal charging

NITTO KOGYO Corp. business areas

[Public use]

[Household/private use]

EVC2



Pit



EVR

Pit-C3

