Financial Results Briefing

for the Fiscal Year Ended March 2024

April 1, 2023 - March 31, 2024

（Presentation Materials with Script）

【Event Summary】

Date	: May 30, 2024	13：00～14：00
Venue	: Webcast	
Speakers	: Toru Kurono	President and COO
	Akitaka Tejima	General Manager of Business Management Division, Managing Director
	Koichi Takenaka	General Manager of Group Business Planning Administration Division, Director

Some explanations are supplemented and key points are summarized.

Presentation

Moderator: Thank you for your patience. We will now start the financial results briefing for the fiscal year ended March 31, 2024, of NITTO KOGYO CORPORATION.

Let me begin by introducing the attendees from our side. This is Mr. Toru Kurono, President and COO, together with Mr. Akitaka Tejima, Managing Director, and Mr. Koichi Takenaka, Director. Thank you.

The Company will explain the financial results for the fiscal year ended March 31, 2024, based on the presentation materials, and then we will take questions from the audience. The presentation materials and the medium-term management plan are available on the Company’s website.

Now, Mr. Kurono, please start with your explanation.

Kurono: Hello, everyone. I am Toru Kurono, President and COO. Thank you very much for taking time out of your busy schedule today to attend NITTO KOGYO CORPORATION's financial results briefing for the fiscal year ended March 31, 2024. We would also like to take this opportunity to thank you all for your continued guidance and encouragement.

Today's presentation will proceed with the financial results presentation materials and the 2026 medium-term management plan posted on the Company's website. I would also like to take this opportunity to announce our new uniforms, which were designed based on employee suggestions. These uniforms are both easy to move in and have an excellent design.

Executive Summary

Full year FY2023

Sales were at a record high
Revenue and profits increased due to price revisions, etc.

- **Revenues and profits increased year-on-year, and sales were at a record high**
- **Although affected by rising prices of raw materials and parts, profits increased significantly due to effect of price revisions, an increase in marginal profits, and improvements in transaction-by-transaction prices**
- **The revised full-year plan released on February 5, 2024 was achieved under all profit items**

NITTO KOGYO GROUP 1

First, please see page one of the presentation material. This is an executive summary.

Consolidated sales for the full year ended March 31, 2024, were the highest ever recorded.

Despite the impact of surging raw materials and components prices, we achieved a significant increase in profit due to price revisions, an increase in marginal profit, and improved transaction prices.

The revised plan announced on February 5, 2024, was achieved in all profit categories.

Contents

Full year
FY2023

Page two, table of contents. Today I will explain items one through four. Please look five at the reference material later.

Yearly consolidated account highlights

Full year FY2023

- Business results for the period ended March 2024 showed increased revenues and profits. Full year sales were at a record high and the revised plan was achieved under all items
- Sales increased in the electrical and telecommunications infrastructure-related manufacturing, construction and service businesses, supported by effects from price revisions done from the previous fiscal year and an increase in sales of distribution/panel boards due to an increasing number of transactions. Moreover, higher revenues were recorded also by the electrical and telecommunications infrastructure-related distribution business, helped by a recovery in office network transactions, among others
- Although affected by rising prices of raw materials and parts and by higher selling, general and administrative expenses (SGA), operating income increased significantly, supported by an increase in marginal profit, effect of price revisions, and improving transaction prices

(Unit: million yen)

	2023/3	2024/3			
	Actual results	Plan	Actual results	YoY comparison	Vs. plan
Sales	146,698	158,000	160,709	+9.6%	+1.7%
Operating income	8,172	11,000	11,967	+46.4%	+8.8%
Ordinary income	9,056	11,500	12,566	+38.8%	+9.3%
Yearly net profit reverting to parent company shareholders	5,479	7,800	8,715	+59.1%	+11.7%

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Next page, this is a summary of consolidated financial results for the full fiscal year ended March 31, 2024.

Page four shows the full-year consolidated financial accounts highlights.

Sales totaled JPY160.7 billion, up 9.6% from the previous year. This was due to the effect of price revisions, an increase in distribution/panel boards projects, and a recovery in office network and other projects.

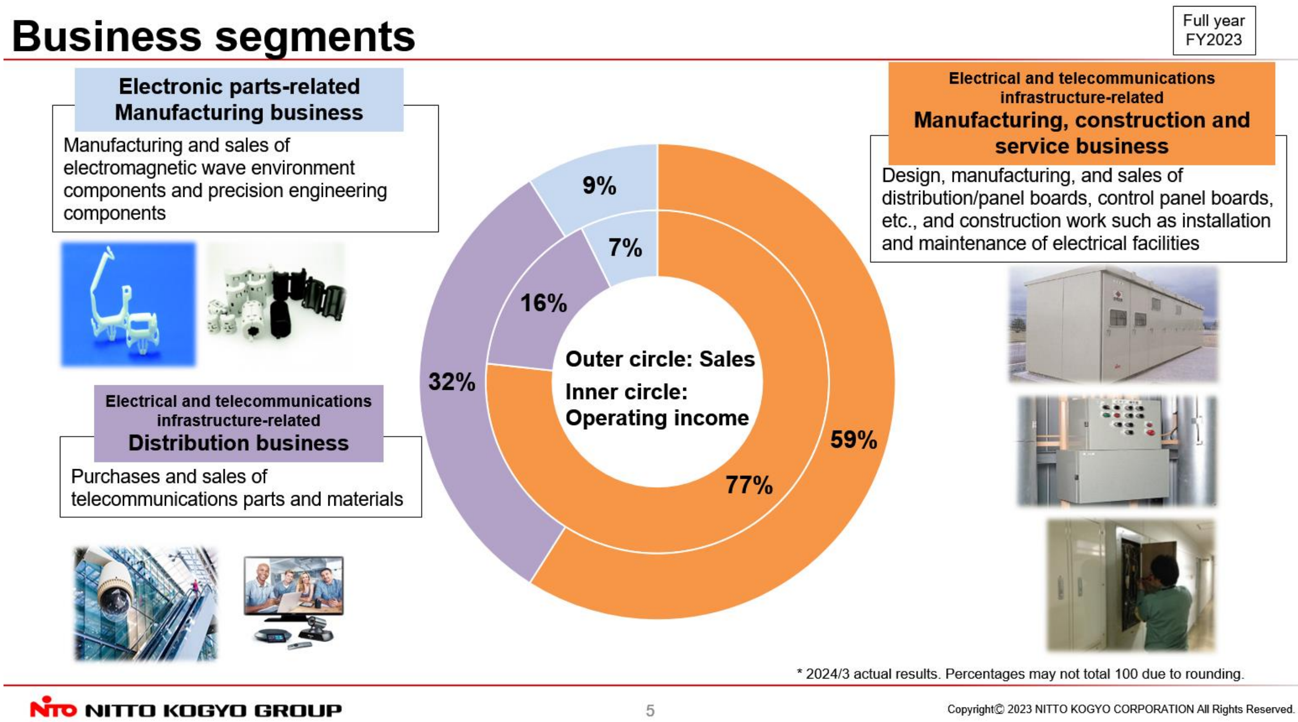
Operating income was JPY11.9 billion, up 46.4% YoY. Although there were price hikes in raw materials and components and an increase in SG&A and other expenses, the increase in marginal profit, the effect of price revisions, and improved transaction prices contributed to this result.

Ordinary income was JPY12.5 billion, up 38.8% YoY. Non-operating income, such as dividend income, exceeded operating income.

Current net income attributable to parent company shareholders was JPY8.7 billion, an increase of 59.1% from the previous year.

As a result of the above, we achieved record-high sales for the full-year results, as well as the revised plan announced in February, in all profit categories.

We will explain the situation by segment and division in more detail later in this report.



Page five, please. This section shows the NITTO KOGYO Group and its business segments.

The electrical and telecommunications infrastructure-related manufacturing, construction, and services business, led by NITTO KOGYO CORPORATION which is shown in orange in the pie chart, is the core business, accounting for 59% of sales and 77% of operating income.

The electric and telecommunication infrastructure-related distribution business, which is shown in light purple in the pie chart, accounts for 32% of net sales and 16% of operating income.

The electronic parts-related manufacturing business, which is shown in light blue in the pie chart, and which is led by Kitagawa Industries, accounts for 9% of net sales and 7% of operating income.

Yearly account highlights by segment

Full year FY2023

- In the manufacturing, construction, and service business, revenues and profits increased due to rising sales of mainstay distribution/panel boards and of hole cutting enclosures
- The distribution business booked increases in revenues and profits due to a rise in sales of network equipment as office network projects recovered, and an increase in renewable energy-related projects
- In the electronic components business, revenues decreased due primarily to falling demand mainly in the air conditioner related market and the industrial equipment market, despite a rise in sales of heat control related products, etc., on the back of robust demand in automotive-related markets. Profits increased due to an improvement in the ratio of variable costs and a decrease in selling, general and administrative expenses (SGA)

(Unit: million yen)

	By segment	2023/3	2024/3			
		Actual results	Plan	Actual results	YoY comparison	Vs. plan
Sales	Manufacturing, construction and service business	85,501	93,800	95,132	+11.3%	+1.4%
	Distribution business	45,952	49,700	50,975	+10.9%	+2.6%
	Electronic parts business	15,244	14,500	14,601	-4.2%	+0.7%
	Total	146,698	158,000	160,709	+9.6%	+1.7%
Operating income	Manufacturing, construction and service business	6,188	-	9,166	+48.1%	—
	Distribution business	1,579	-	1,912	+21.1%	—
	Electronic parts business	356	-	872	+144.6%	—
	Total	8,172	11,000	11,967	+46.4%	+8.8%

* Segment names shown on this slide and after are abbreviated.

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Page six, please. Full-year segment financial highlights.

Please note that segment names are abbreviated in this slide and beyond.

The manufacturing, construction, and service businesses reported increases in sales and income. Both sales and income increased due to higher sales of mainstay distribution/panel boards and enclosures.

In the distribution business, both sales and income increased due to higher sales of network components in line with a recovery in office network projects, as well as an increase in renewable energy-related and other projects.

In the electronic parts business, sales of thermal management products increased due to strong demand in the automotive-related market. However, overall sales declined due to lower demand in the air conditioner-related and industrial equipment markets, among others. On the other hand, segment income increased due to an improvement in the variable cost ratio and a decrease in SG&A and other expenses.

Manufacturing, construction and service business (sales by division) for the year

Full year FY2023

- The distribution boards division posted a revenue increase due to an increase in sales of high-voltage power receiving equipment and panel boards, helped by robust demand for facilities investment
- The enclosure division booked a revenue increase due primarily to an increase in sales of hole cutting enclosures in the wake of expanded use of the design and order system using the internet
- The breakers/switches/parts/other divisions increased revenue primarily because of increased sales of EV charging stands driven by the national subsidy policy
- The construction and services division posted lower revenues due to a decrease in sales of telecommunications construction in hospital projects in spite of a rising number of telephone equipment replacement projects for schools and telecommunications equipment projects for factories

(Unit: million yen)

	Sales by division	2023/3 Actual results	2024/3 Plan	2024/3 Actual results	2024/3 YoY comparison	2024/3 Vs. plan
Manufacturing, construction and service business	Distribution boards	49,076	55,500	56,260	+14.6%	+1.4%
	Enclosure	20,630	22,000	21,873	+6.0%	-0.6%
	Breakers/switches/parts/other	11,688	12,300	12,903	+10.4%	+4.9%
	Construction/service	4,105	4,000	4,095	-0.2%	+2.4%
	Total	85,501 (4,416)	93,800	95,132 (5,036)	+11.3%	+1.4%
	Consolidated overall total	146,698	158,000	160,709	+9.6%	+1.7%
	Consolidated sales composition ratio	58.3%	59.4%	59.2%	+0.9%	-0.2%

* Parentheses refer to internal sales between segments

Page seven, please. The following is a breakdown of sales for the Group's core businesses, the manufacturing, construction, and services business.

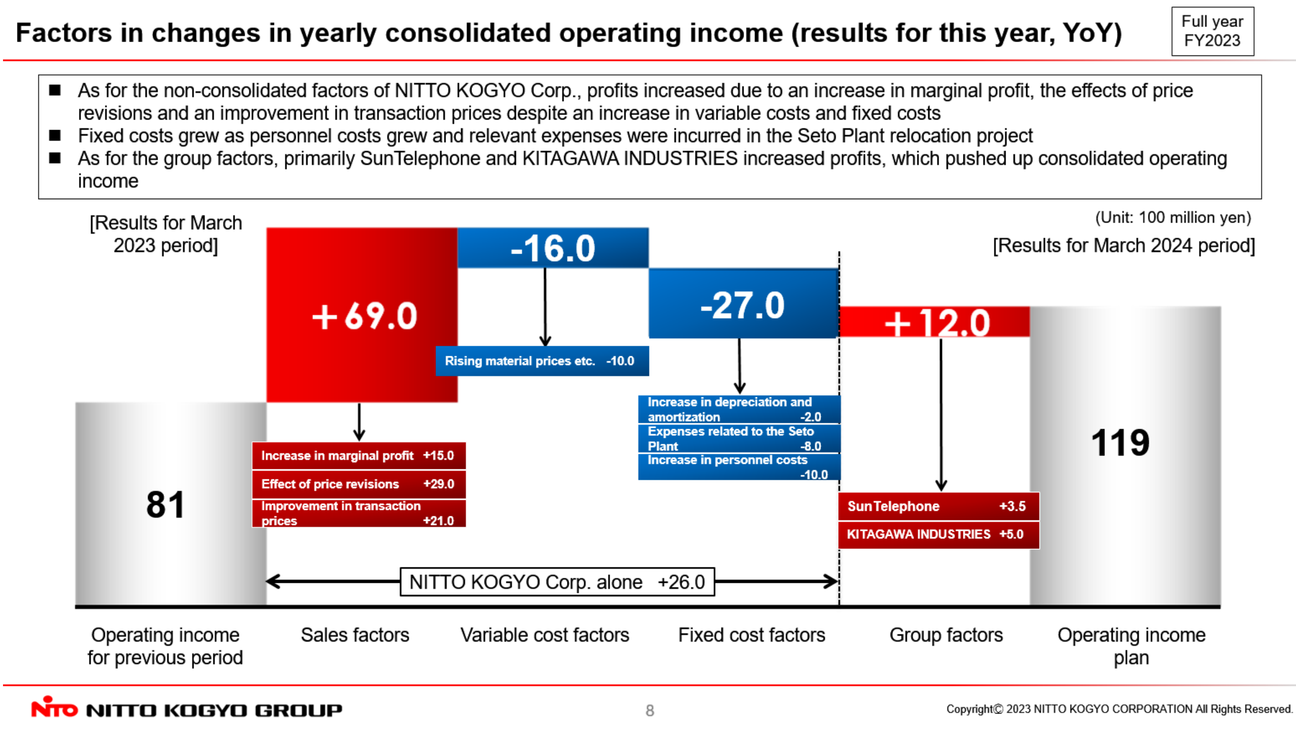
In the distribution boards, sales of high-voltage power receiving equipment and panel boards increased due to firm facilities investment demand.

In the enclosures, sales increased due to an increase in sales of enclosures with drilled holes as a result of expanded use of the online-based design and order system.

The breakers/switches/parts/other division reported an increase in sales, mainly due to higher sales of EV charging stations, which were boosted by government subsidy policies.

In the construction and services division, sales decreased due to a decline in sales of telecommunications work for hospitals, despite an increase in projects for the renewal of telephone facilities for schools and telecommunications facilities for factories.

As a result, the sales plan was achieved with the exception of the enclosure division.



Please see page eight. The factors in changes in consolidated operating income for the full year compared to the previous year.

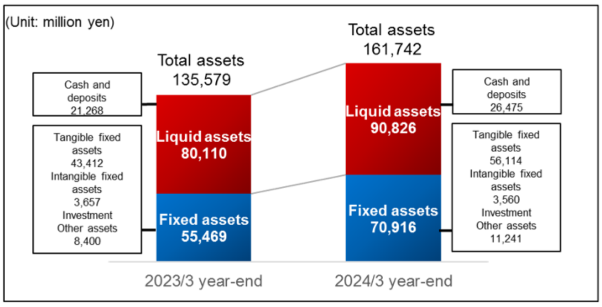
It was JPY8.1 billion in the previous fiscal year and JPY11.9 billion in the current fiscal year, an increase of approximately JPY3.8 billion.

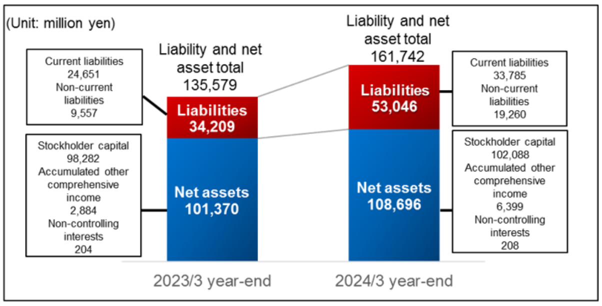
On a non-consolidated basis, NITTO KOGYO CORPORATION reported an increase of JPY6.9 billion in income from sales factors, a decrease of JPY1.6 billion in income from variable cost factors, and a decrease of JPY2.7 billion in income from fixed cost factors. In group factors, it includes SunTelephone and Kitagawa Industries, which posted higher income than the previous year, resulting in a JPY1.2 billion increase in income.

Overview of consolidated finances for the year

Full year FY2023

- Assets grew due to higher inventories and increased buildings and structures associated with the Seto Plant, among other factors
- Liabilities and net assets increased due to higher long-term loans payable, the recording of current net income and others





<Main changes>

■ Assets	
Increased cash and deposits	+5,207
Increased inventories	+1,196
Increased buildings and structures	+13,094

■ Liabilities	
Increased long-term loans payable	+10,157
■ Net assets	
Current net income	+8,715
Dividends of surplus	-4,906
Increased accumulated other comprehensive income	+3,514

See page nine. Overview of consolidated financial position.

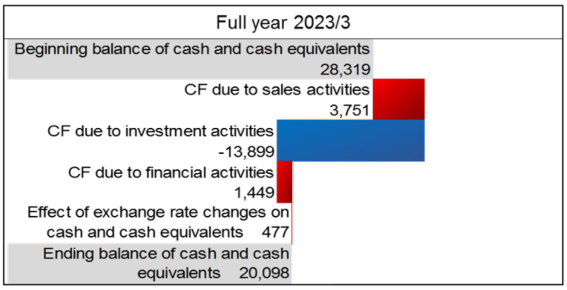
Total assets at the end of the fiscal year ended March 31, 2024, increased by approximately JPY26.1 billion compared to the end of the previous fiscal year. This was mainly due to borrowings related to the Seto Plant and facilities investment.

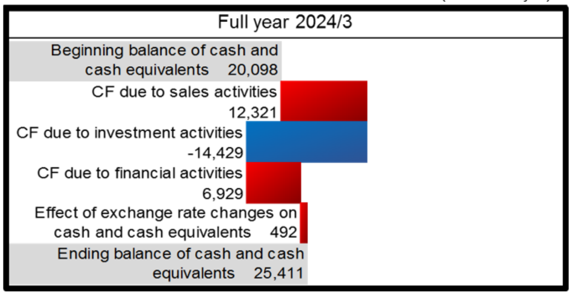
Consolidated cash flow statement for the year

Full year FY2023

■ Cash equivalents on March 31, 2024 increased 5,313 million yen from the end of the period ended March 2023 to 25,411 million yen

(Unit: million yen)





< Full year 2023/3 Main factors>

■ CF due to investment activities	
Expenditure due to acquisition of investment securities	-1,197
Expenditure due to acquisition of fixed assets	-11,649
■ CF due to financial activities	
Income due to long-term loans payable	+5,919
Payment of dividends	-4,287

< Full year 2024/3 Main factors>

■ CF due to investment activities	
Income due to refunds of fixed-term deposits	+465
Expenditure due to acquisition of fixed assets	-13,914
■ CF due to financial activities	
Income due to long-term loans payable	+12,000
Payment of dividends	-4,900

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Please go to page 10. Consolidated cash flow statement. The left side shows the previous period, and the right side shows the current period.

Cash and cash equivalents at the end of the period increased by approximately JPY5.3 billion from the beginning of the period, mainly due to borrowings and facilities investment related to the Seto Plant.

Status of the impact of rising material prices, etc., and procurement and effect of price revisions

Full year FY2023

- Rising material prices, etc. decreased operating income by 1.0 billion yen cumulatively in the full year
- Difficulty in procurement was remedied further, and some items with prolonged delivery deadlines were replaced with stock or ordered advance
- Price revisions (first and second) boosted operating income by 2.9 billion yen cumulatively in the full year

	Assumption (revised plan)	Results
Rising material prices	YoY -0.9 billion yen (in operating income)	YoY -1.0 billion yen
Difficulty in procurement	On an easing trend (partially normalized)	Almost fully normalized
Effect of price revisions	YoY +2.9 billion yen (in operating income)	YoY +2.9 billion yen

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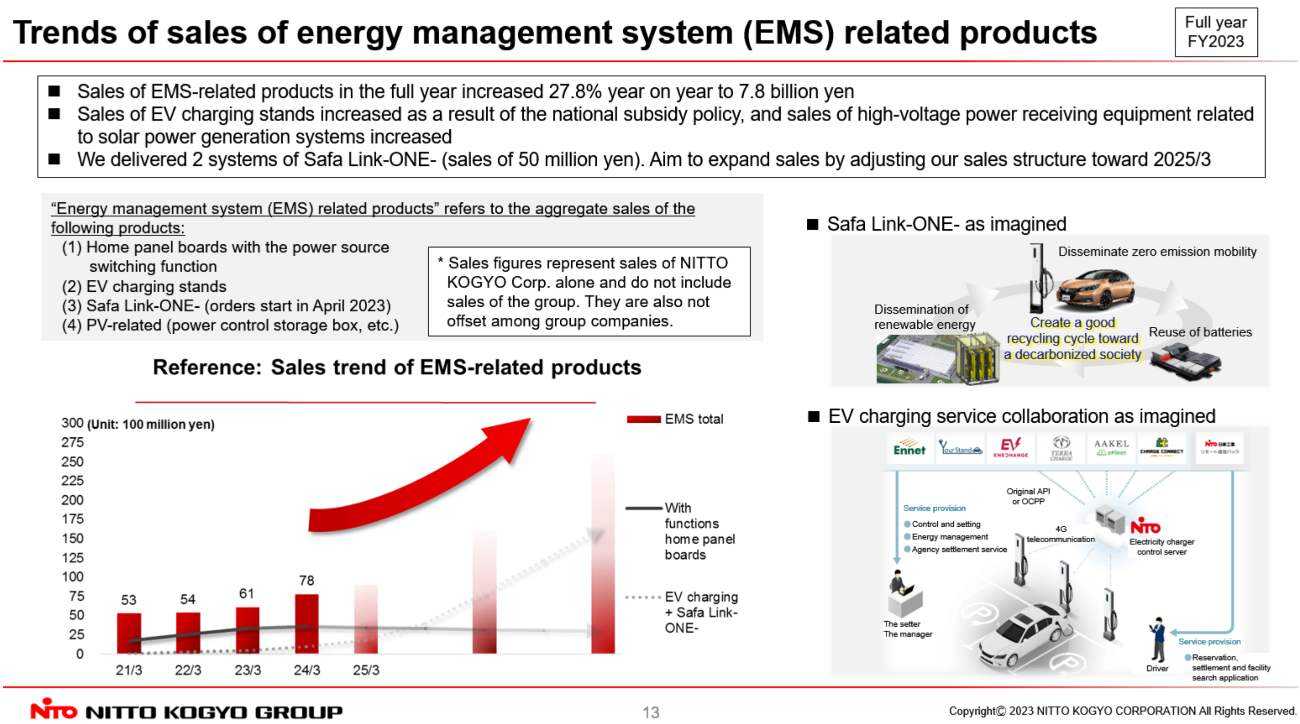
I would like to talk about topics next. See page 12. This section describes the impact of the sharp rise in component prices and other factors, the status of procurement, and the effects of the price revisions. As you can see, the results here were almost as expected for each item.



On page 13, we introduce sales trends of products related to energy management systems and business areas in which we aim to expand.

These are NITTO KOGYO CORPORATION's non-consolidated sales and are for reference only.

Sales of EMS-related products increased by 27.8% from the previous fiscal year to JPY7.8 billion.

Sales of EV charging stations and high-voltage power receiving equipment related to solar power generation systems increased.

In addition, we have started delivering the industrial solar energy storage system for private consumption, Safa Link-ONE, from April 2024, and we feel that our efforts are gradually bearing fruit.

Premises of the plan for the year

Full year FY2023

	Premises of the plan for the year	Risks related to premises
Raw material prices/Material prices	A decrease in profits by 1.7 billion yen for the full year is expected due to a further rise in raw material prices and material prices	A further surge in raw material prices and material prices due to fluctuations in foreign exchange rate fluctuations caused by geopolitical risks and to worsening maritime logistics conditions
Effect of price revisions	Market penetration of the third price revision starting from April 2024 is projected to increase profits by 1.9 billion yen for the full year	Deterioration in market prices due to intensified market competition
Changes in transaction prices	Increase in profits by 1.6 billion yen for the full year is expected due to price revisions, supported by growing demand, among other factors	
Other	Japan: Solid demand for facilities investment Construction work delays caused by customers' procurement difficulties are expected to subside Overseas: Moderate progress in global economy and conditions	Japanese companies were slower to make facilities investment due to changing U.S. domestic politics and a protracted slump of the Chinese economy

Amounts in table: Year-on-year basis

NITO NITTO KOGYO GROUP

We would like to explain our full-year consolidated earnings forecast for the fiscal year ending March 31, 2025.

Page 15, please. This shows the premises of NITTO KOGYO CORPORATION's non-consolidated full-year plan.

We expect raw material and component prices to be affected by further price hikes.

I will talk about the effect of the price revision in a little more detail on the next slide.

This is about the change in transaction price. In the fiscal year ended March 31, 2024, demand increased due to easing of customers' procurement difficulties, and transaction prices improved. We expect the trend of increasing demand to continue in the current fiscal year, and we anticipate an operating income boost of JPY1.6 billion from the previous fiscal year.

Others are as shown.

[Supplements to premises of the plan for the year] Price revisions

Full year FY2023

- Third price revisions implemented from April 2024
- Second price increase for enclosures and system racks following the first price revisions in July 2022
- Effect of profit increase of approximately 1.9 billion yen is expected for the full year

➢ **Third price revisions (from April 2024)**

Product lines to be affected	Revision rate
Enclosure	Approx. 10 to 15%
System racks	Approx. 10%
Some panel board accessories	Approx. 10%
Standard panel boards and control panel boards	Approx. 2 to 8%

Effect of profit increase of approximately 1.9 billion yen for the period ending March 2025

Page 16, please. This is about the effect of the price revision.

As you can see on the slide, the third round of price revisions has been implemented since April this year, and we expect the effect of increased profits to be JPY1.9 billion this fiscal year.

Forecast of consolidated results for the year

Full year FY2023

- Revenues are expected to grow due to rising sales in existing markets, driven by solid demand for facilities investment and the consolidation of Tempearl Industrial Co., Ltd.
- Operating income is expected to rise mainly due to an increase in marginal profit stemming from growing sales, to the effect of price revisions, and to improving transaction prices, although fixed costs such as personnel costs and depreciation and amortization are likely to increase
- Ordinary income is expected to decline slightly as the expenses related to Nagoya Plant demolition will be incurred
- For current net income, accounting treatment due to Tempearl Industrial Co., Ltd. becoming a member of the Group (extraordinary profit of 1.0 to 1.5 billion yen) is expected to be done

(Unit: million yen)

	2024/3		2025/3			
	2Q results	Results for the year	2Q plan	(YoY) Change	Plan for the year	(YoY) Change
Sales	73,163	160,709	83,000	+13.4%	180,000	+12.0%
Operating income	4,771	11,967	4,700	-1.5%	12,500	+4.4%
Ordinary income	5,187	12,566	4,900	-5.5%	12,500	-0.5%
Yearly net profit reverting to parent company shareholders	3,564	8,715	4,500	+26.2%	9,700	+11.3%

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Page 17, please. This is the NITTO KOGYO Group's consolidated earnings forecast for the full year.

Sales are assumed to be JPY180 billion, plus 12%. Sales are expected to increase due to higher sales in the existing market, driven by firm facilities investment demand.

Operating income is expected to be JPY12.5 billion, plus 4.4%. Despite the impact of further price hikes for raw materials and components and increases in fixed costs such as personnel costs and depreciation and amortization costs, we expect to see an increase in profit for the full year due to higher marginal profit, the effect of price revisions, and improved transaction prices.

Recurring profit is expected to fall slightly due to costs associated with the dismantling of the Nagoya plant. Extraordinary gains are expected due to the accounting treatment of Tempall Industries as a group company.

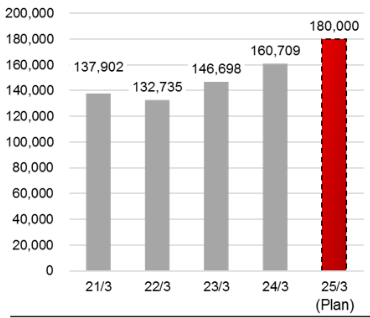
Consolidated performance trends

Full year FY2023

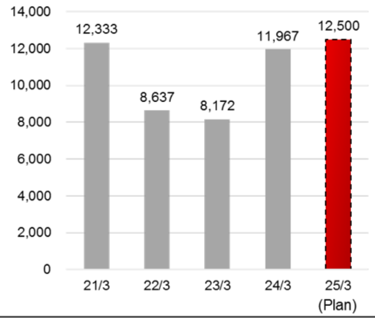
■ If we are on target with the plan for the period ending March 2025, we expect to achieve the highest sales and net income and the second highest operating income in our history

(Unit: million yen)

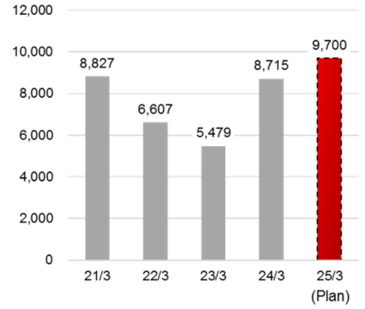
■ Sales



■ Operating income



■ Yearly net profit reverting to parent company shareholders



	21/3	22/3	23/3	24/3	2025/3 (Plan)
Sales	137,902	132,735	146,698	160,709	180,000
Operating income	12,333	8,637	8,172	11,967	12,500
Yearly net profit reverting to parent company shareholders	8,827	6,607	5,479	8,715	9,700

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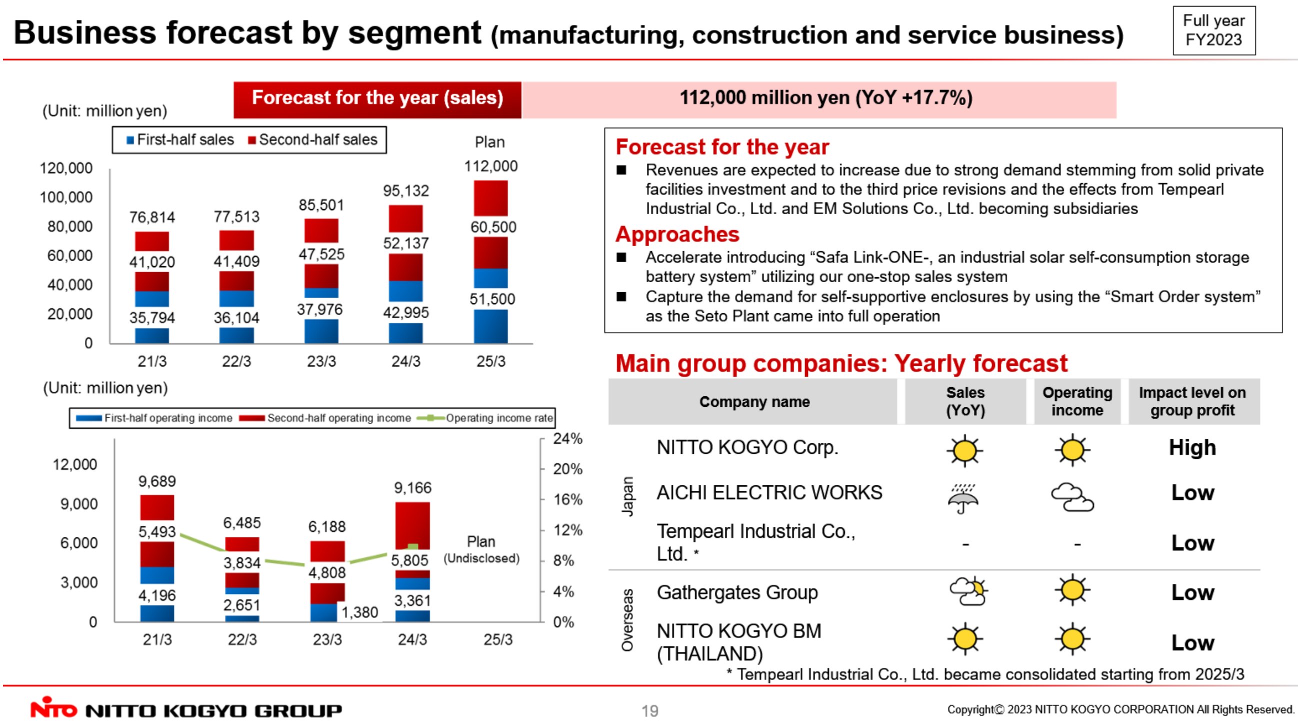
Page 18, please. Consolidated performance trends

If we land on our projections for the fiscal year ending March 31, 2025, net sales and net income will be the highest in our history, and operating income will be the second highest in our history.



Page 19, please. Business forecast by segment.

Sales in the manufacturing, construction, and services business are projected at JPY112 billion, an increase of 17.7% over the previous year.

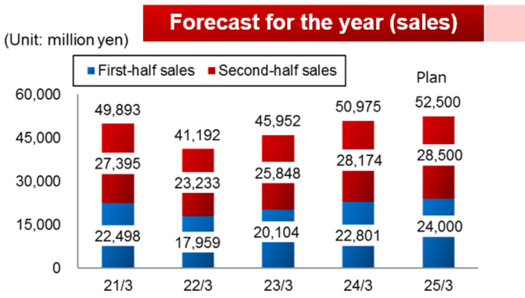
We expect facilities investment in the private sector to remain firm and demand in existing markets to remain steady.

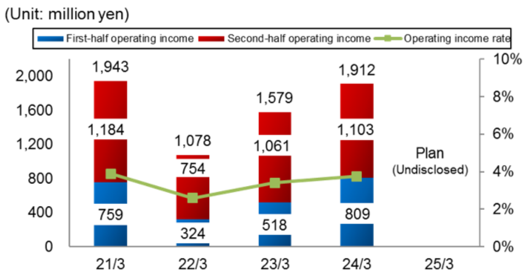
We also expect an increase in revenue due to the third price revision in April 2024 and the consolidation of Tempearl Industrial and EM Solutions as subsidiaries.

Business forecast by segment (distribution business)

Full year FY2023

Forecast for the year (sales) 52,500 million yen (YoY +3.0%)





Forecast for the year

- Sales are expected to increase as we will reliably capture IT investment demand, now on an uptrend, such as for semiconductor plants and data centers and new businesses associated with renewable energy, among others, will likely expand

Approaches

- Seek to open accounts with new customers in industries expected to grow such as semiconductors or logistics-warehousing
- Expand sales products such as electricity storage systems for the renewable energy market
- Building the foundation and expanding sales in the ASEAN region, mainly through subsidiaries in Thailand and Vietnam

Main group companies: Yearly forecast

	Company name	Sales (YoY)	Operating income	Impact level on group profit
Japan	SunTelephone			**Medium**
Overseas	SOECO			**Low**
	Master Controls			**Low**

Page 20, please. This is the distribution business.

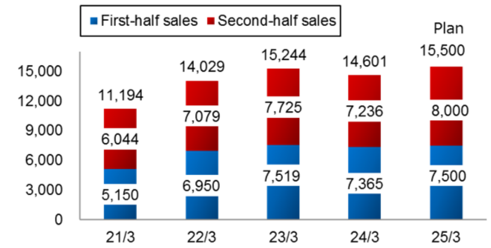
Sales are projected at JPY52.5 billion, an increase of 3% over the previous year.

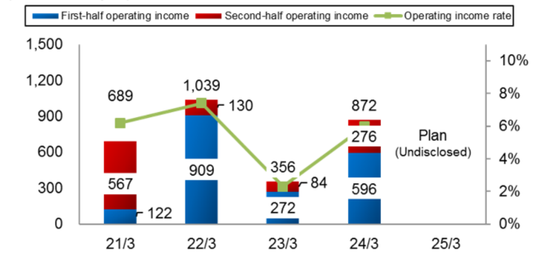
In addition to steadily capturing increasing demand for IT investments, such as semiconductor plants and data centers, we expect to increase revenues by expanding new businesses, such as those related to renewable energy.

Business forecast by segment (electronic parts business)

Full year FY2023

Forecast for the year (sales) **15,500 million yen (YoY +6.2%)**





Forecast for the year

- Revenues are expected to increase as we will capture demand from the automotive market, now strong, and enjoy higher sales caused by a demand recovery in the appliance-related market

Approaches

- Expand sales of EMC products and heat control products for EVs and autonomous driving vehicles
- Propose global solutions in expectation of technological changes of appliance products
- Expand sales of EMC products for the industrial equipment market and the renewable energy market

Main group companies: Yearly forecast

Company name	Sales (YoY)	Operating income	Impact level on group profit
KITAGAWA INDUSTRIES	☼	☼	Medium

See page 21. The electronic parts business.

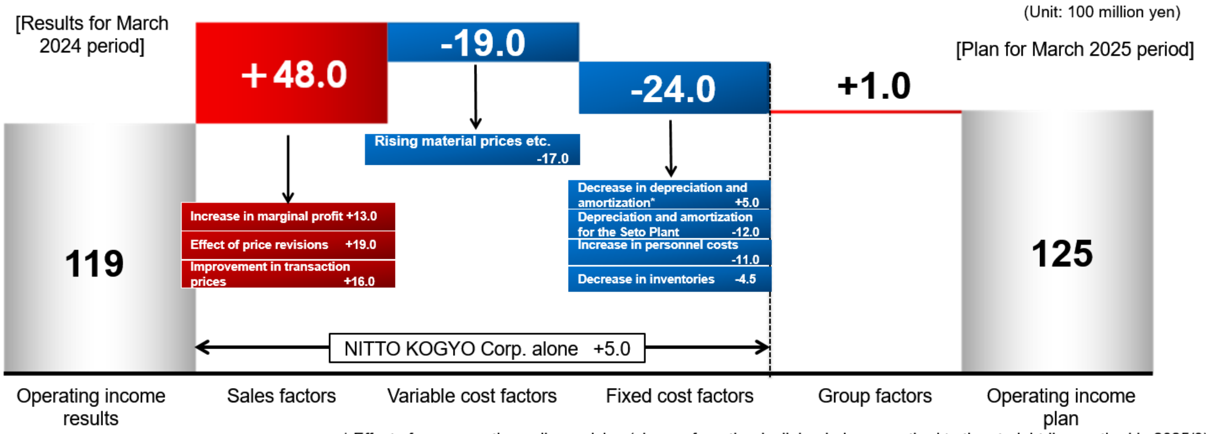
Net sales are projected at JPY15.5 billion, an increase of 6.2% over the previous year.

We expect to increase revenues by capturing demand from the steady automotive-related market and recovering demand from the appliance-related market.

Factors in changes in yearly consolidated operating income (forecast for this year, YoY)

Full year FY2023

- Consolidated operating income for the period ending in March 2025 is forecast to increase 4.4% year on year to 12.5 billion yen
- For NITTO KOGYO Corp. alone, operating income is expected to rise due to an increase in marginal profit, the effect of price revisions and improving transaction prices despite income-lowering factors such as still-rising material prices (variable cost factors) and growing personnel costs (fixed cost factors)
- For the group, particularly, income increases at SunTelephone and KITAGAWA INDUSTRIES will become factors that push up income, so a slight income gain is expected



* Effect of an accounting policy revision (change from the declining-balance method to the straight-line method in 2025/3)

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Page 22, please. These are the factors in changes in consolidated operating income for the full year.

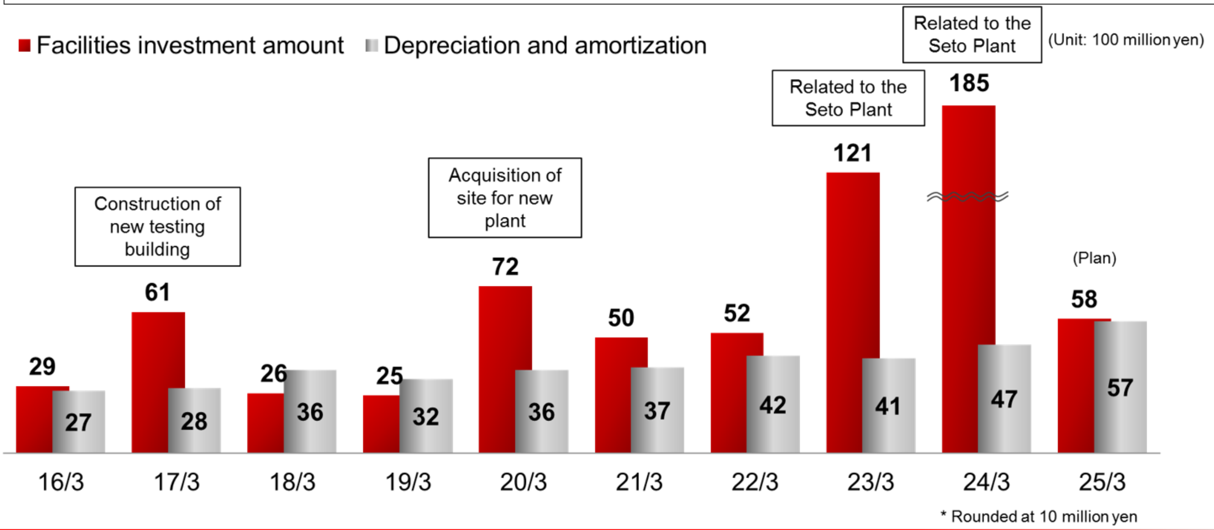
Consolidated operating income for the fiscal year ending March 31, 2025, is projected to be JPY12.5 billion, up 4.4% from the previous year.

Although the main factors in each item have not changed significantly, we expect the profit increase to be smaller than in the previous year, as depreciation and amortization at the Seto Plant and increased personnel costs will depress profits.

Facilities investment amounts and depreciation and amortization

Full year FY2023

- For the period ending March 2025, facilities investment amount is planned at 5.8 billion yen and depreciation and amortization at 5.7 billion yen
- Facilities investment amount is expected to return to normal as investment for the Seto Plant was largely completed



NITTO KOGYO GROUP 23

Page 23, please. Consolidated facilities investment and depreciation and amortization.

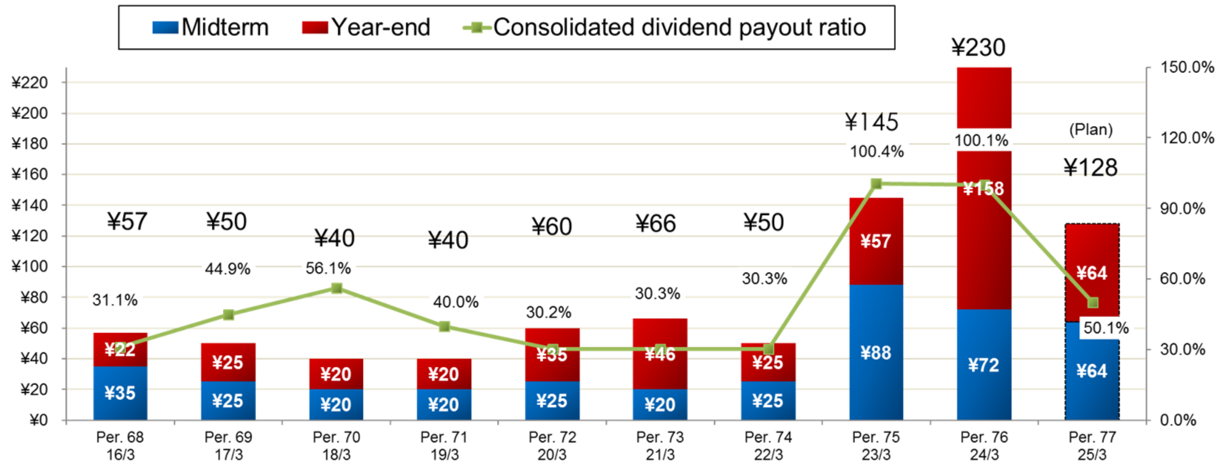
Facilities investment for the fiscal year ending March 31, 2025, is planned at JPY5.8 billion. We plan to make steady-state investments, including the renewal and automation of production facilities at Tempearl Industrial and other production facilities at each of our plants.

Depreciation and amortization expenses will be JPY5.7 billion, an increase of JPY1 billion YoY.

Dividend status

Full year FY2023

- In the period ended March 2024, dividends for the year will be 230 yen and the dividend payout ratio will be 100.1% on a consolidated basis in accordance with our two-year-only dividend policy
- Starting from the period ending March 2025, the dividend policy will be revised (dividend payout ratio of 50% and a lower limit DOE of 4.0%)
- In the period ending March 2025, dividends for the year will be 128 yen and the dividend payout ratio will be 50.1% on a consolidated basis



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Page 24, please. Dividend status.

For the fiscal year ended March 31, 2024, we will pay a full-year dividend of JPY230, with a consolidated payout ratio of 100.1%. In the upward revision in February, the annual dividend forecast was changed to JPY206. Since the landing exceeded the revised plan, the final dividend is expected to be JPY230, an increase of JPY24.

I will explain the new dividend policy for March 2025 and beyond in a talk on the medium-term management plan.

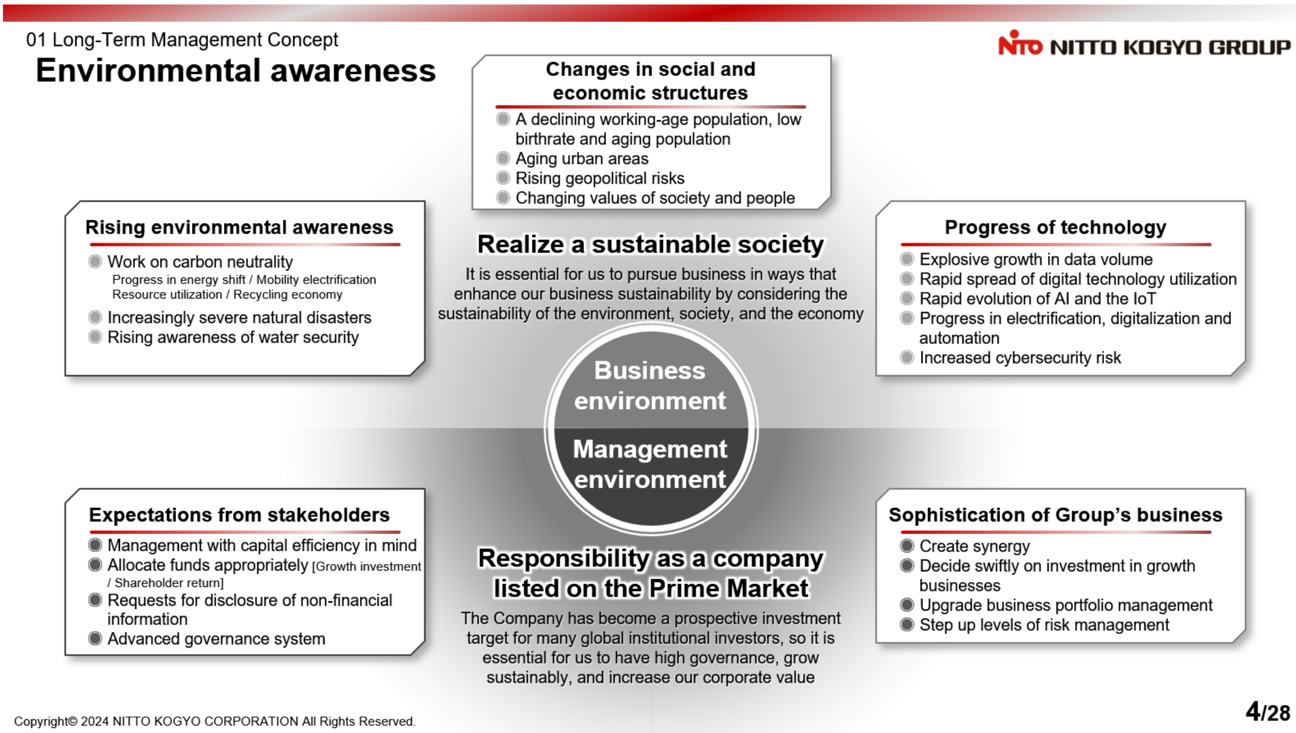
Next, I would like to introduce our medium-term management plan.

Please turn to page two of the 2026 medium-term management plan material.

First, it will be the Group's mission and vision.

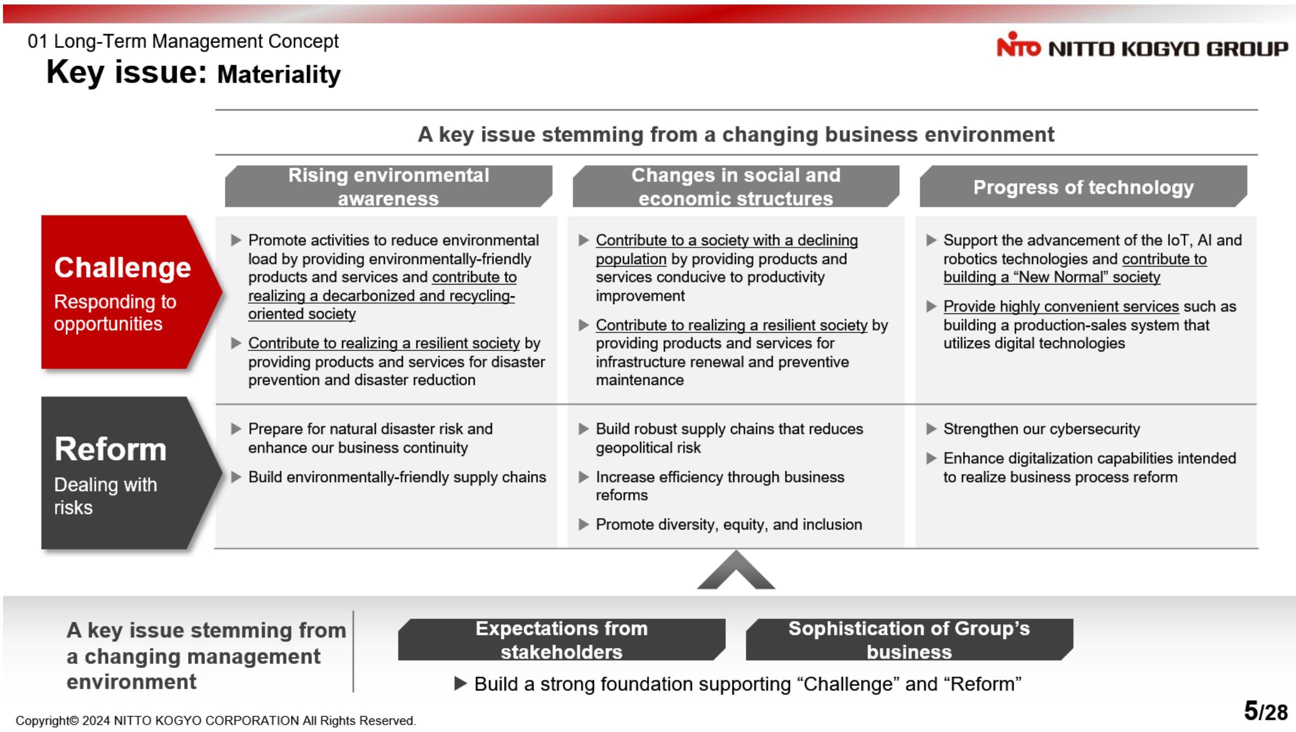
The group mission was set as “Provide reliability and peace of mind when it comes to the future of our planet.” Energy, Telecommunications and Automation, and automation represent the business areas that the Group focuses on. We believe that our mission is to pursue our business in order to hand down a beautiful planet to the future generations.

Next, the group vision is “Strive to solve problems sincerely and continue to tackle the challenge of creating new value”. Our vision is to be a group that identifies latent societal problems and sincerely strives to solve even difficult issues without fear of failure, continually challenging ourselves to create new value and gradually expanding our role in society.



See page four. This is a long-term management concept. First, in considering our long-term management vision, we recognize that our business environment necessitates responding to increasing environmental awareness, changes in social and economic structures, and technological advancements as we strive to realize a sustainable society.

In terms of the business environment, we also recognize that as a prime listed company, we must meet the expectations of our stakeholders and enhance the sophistication of our group management as part of our responsibilities.

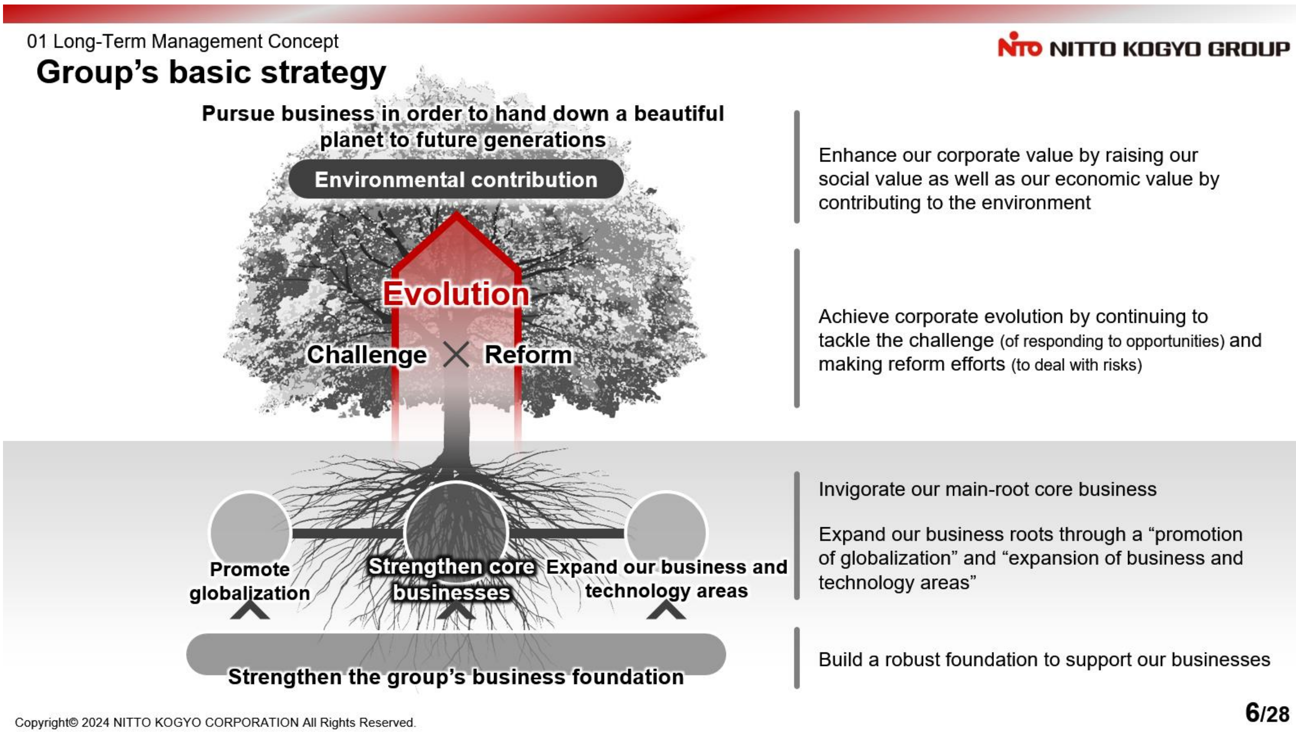


See page five. This is an important issue for the Group to resolve.

In response to environmental changes, we view challenges as opportunities and transformation as a response to risks.

We will not read them all out, but in response to growing environmental awareness, we see opportunities to expand our business areas by promoting the reduction of environmental impact through the provision of environmentally friendly products and services, thereby contributing to the realization of a decarbonized and recycling-oriented society. However, we believe that changes are necessary to prepare for natural disaster risks and to enhance business continuity.

Thus, we have set key issues both in terms of the challenge of business expansion and the transformation that will enhance business continuity.

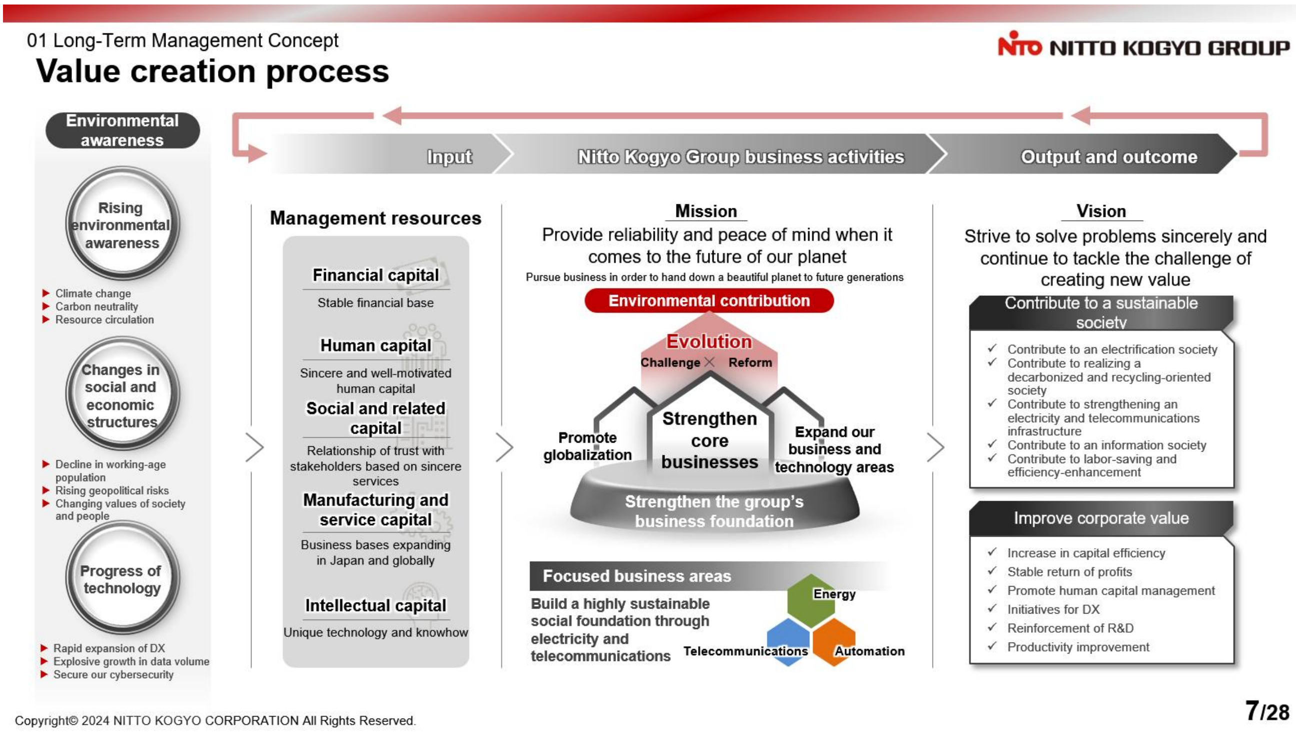


See page six. This is the Group's basic strategy, and it is a picture of our desire for growth.

First, we will strengthen the Group’s management base, which will serve as the foundation for advancing our strategy. In addition, we aim to achieve growth by strengthening our core businesses, thereby reinforcing the Group's main roots, and by expanding our business reach through further globalization and the expansion of business and technological domains.

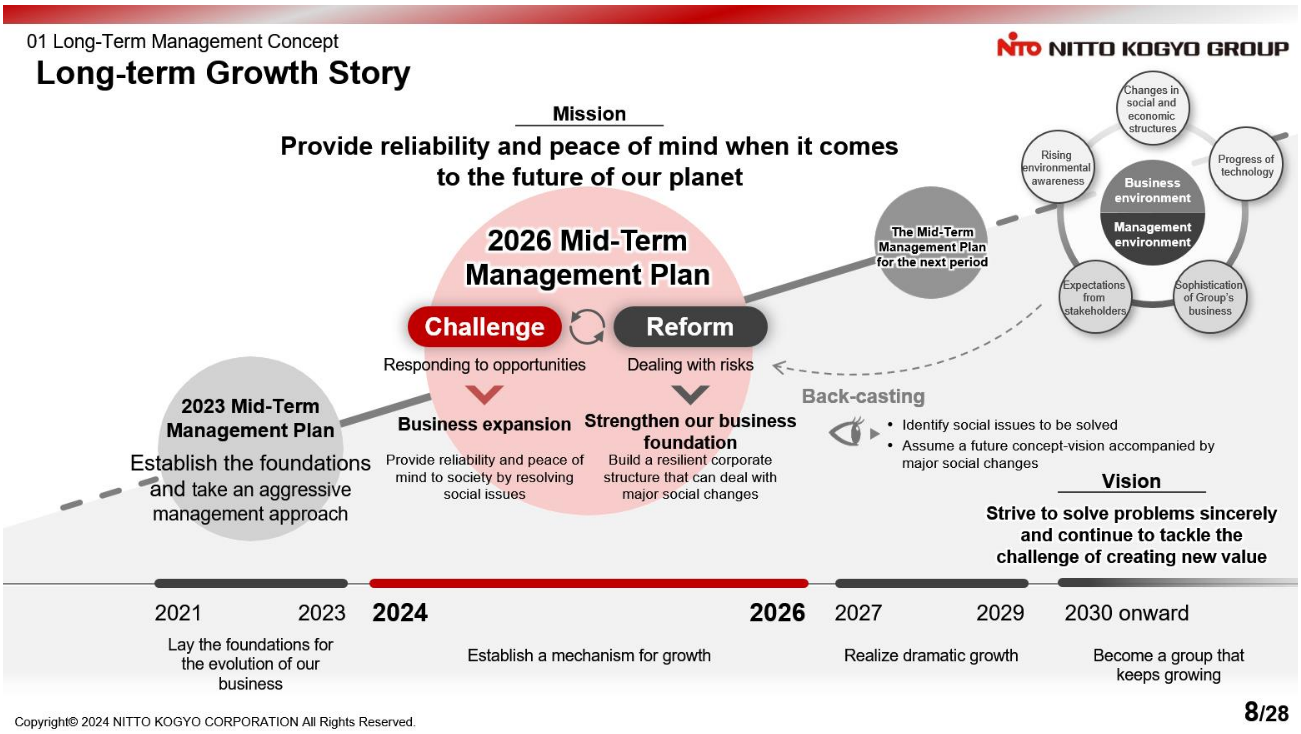
Our goal through repeated challenges and reforms is to contribute to the environment. We aim to enhance our corporate value by increasing both our economic value and our social value.

Since our founding, we have earned trust by protecting the electrical and information infrastructure, and we will continue to contribute to society by focusing on protecting the global environment.



See page seven. This is the Group's value creation process.

What we have described so far has been integrated into a single picture.



See page eight. This is a long-term growth story.

While the previous 2023 medium-term management plan was a phase to lay the foundation for business evolution, the new 2026 mid-term plan is a phase to establish a growth structure to realize dramatic growth and become a group that continues to grow from FY2027 onward.

These are the long-term management concepts.

Financial targets: Consolidated

Although consolidated sales were achieved, operating income and ROE fell short of targets

Although consolidated sales hit a record high, profits came under pressure due to a prolonged period of rising raw material prices and an increase in fixed costs, including personnel costs

Restrained equity by acquiring treasury shares and raising dividend payout ratio to 100% (for two periods only) [ROE improvement effect: 0.5%]

		2024/3 Target	Actual	Achievement rate
Business profitability	Consolidated sales	150 billion yen	160.7 billion yen	107%
	Of which, overseas sales	15 billion yen	15.4 billion yen	
	Overseas sales ratio	10.0%	9.6%	
	Consolidated operating income	13 billion yen	11.9 billion yen	92%
	Operating income rate	8.7%	7.4%	
Capital efficiency	ROE	8.5% or more	8.3%	

See page 10. Here is a review of the 2023 medium-term management plan.

In the previous medium-term plan, we set quantitative targets of JPY150 billion in consolidated net sales, JPY13 billion in consolidated operating income, and an ROE of 8.5% or more, and we have been promoting our business.

Consolidated net sales reached a record high and achieved the target due in part to particularly strong sales related to distribution boards and the effect of price revisions.

Despite various efforts to improve profitability, including cost reductions and price revisions, consolidated operating income did not reach the target due to soaring raw material prices and material costs.

We also narrowly missed our ROE target, but were able to bring it closer to the target through share buybacks and a 100% dividend payout ratio for two limited periods.

NITO NITTO KOGYO GROUP

Financial targets: By business segment

Segment		2024/3 Target	2024/3 Actual	Achievement rate	Evaluation
Electrical and telecommunications infrastructure-related Manufacturing, construction and service business	Sales	85.5	95.1	111%	• The sales target was achieved due to strong sales of distribution/panel boards, supported by solid facilities investment • Operating income fell short of target as the effects of cost increases outweighed measures such as price revisions, etc., taken to counter rising material prices and increasing personnel costs and energy prices
	Operating income	9.9	9.1	93%	
	Operating income rate	11.6%	9.6%		
Electrical and telecommunications infrastructure-related Distribution business	Sales	51.5	50.9	99%	• Fell a little short of the sales target, but sales expanded mainly in solution merchandise including network cameras New businesses in the energy and industrial fields also grew • In response to rising purchasing material prices, we flexibly reflected them in selling prices
	Operating income	1.8	1.9	106%	
	Operating income rate	3.5%	3.8%		
Electronic parts-related Manufacturing business	Sales	13.0	14.6	112%	• Drove sales growth due to a significant increase in sales to the automotive industry by steadily capturing demand related to vehicle electrification efforts • Operating income fell short of the target as cost of sales increased, affected by the measures to deal with a supply-demand tightening of materials and by foreign exchange fluctuations
	Operating income	1.3	0.8	67%	
	Operating income rate	10.0%	6.0%		

See page 11. Results by business segment.

Due to time constraints, we will not be able to discuss the contents, so please see later for more details.

NITTO KOGYO GROUP

Results of measures and recognized issues

We carried out various measures reliably at a time when we struggled to procure materials and deal with rising material prices, affected by spreading COVID-19 infections

Segment	Results of measures	Issues and problems
Electrical and telecommunications infrastructure-related Manufacturing, construction and service business	● Pursued businesses that contributed to realizing carbon neutrality Released self-consumption storage battery systems Entered into a capital and business alliance with Sansha Electric Manufacturing Co., Ltd. [technological alliance] ● Improved the profitability of our core businesses by implementing price revisions [price hikes] ● Stabilized our overseas business and grew its size NITTO KOGYO BM (THAILAND): A new plant came into operation	✓ Acceleration of the growth of our strategic businesses Creation of energy management products that appeal to customers Broadening of a scope of value provided (construction and services, etc.) ✓ Reform of our sales and production by utilizing digital technologies Smart factory initiative for the Seto Plant ✓ Improvement in the financial and profit structures of our overseas business
Electrical and telecommunications infrastructure-related Distribution business	● Expanded sales of our solution merchandise by stepping up products activities ● Expanded business in new market segments such as the energy field ● Expanded our overseas business areas: Acquired Master Controls in Thailand	✓ Strengthening of the earnings base of our core businesses: Encouraging the use of EC sites ✓ Strengthening of our solution capabilities for new markets ✓ Further expansion of our overseas business
Electronic parts-related Manufacturing business	● Strengthened EMC technology support service: Launched "EV-Chamber" testing service ● Contributed to promoting vehicle electrification-digitalization in relation to functional materials ● Strengthened overseas business development: Held an EMC technology seminar for overseas engineers	✓ Further strengthening of the competitiveness of technical support service ✓ Enhancement of our presence in the automotive industry ✓ Strengthening of the connection with non-Japanese overseas manufacturers
Group's business foundation	● Reviewed our capital policy and shareholder return policy: Strengthened our BS management ● Promoted human capital management: Was certified as a 2023 Outstanding Health & Productivity Management Organization (the large company category) ● Built a system to promote sustainability-oriented management	✓ Strengthening of management with an eye on capital profitability ✓ Acceleration of sustainability initiatives ✓ Enhancement of portfolio management effectiveness

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Next, page 12. These are the results of measures related to each segment and the Group's management infrastructure, as well as issues recognized.

Although the 2023 medium-term management plan faced a challenging business environment due to the COVID-19 pandemic and other factors, our business strategies generally progressed as planned.

We believe that we have clarified growth issues that will lead to a new plan, the 2026 medium-term management plan. In the 2026 medium-term management plan, we will resolve these issues one by one.

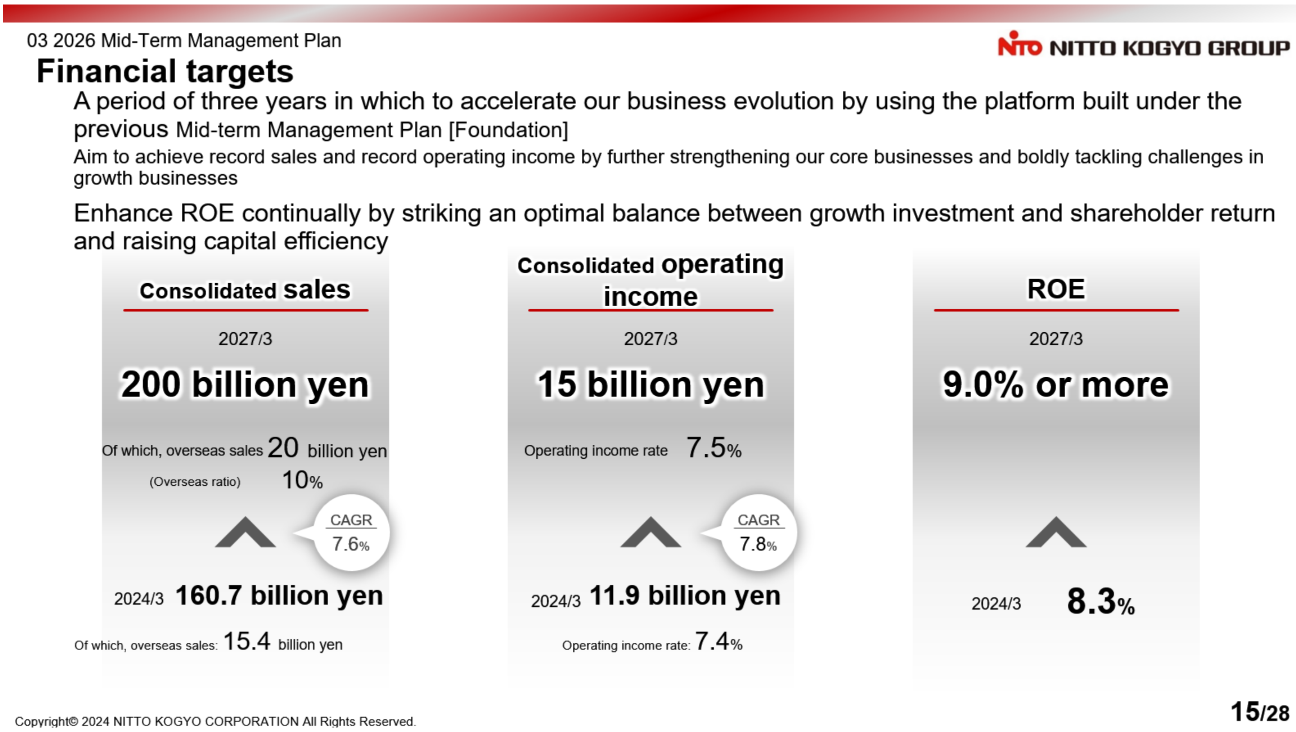
We hope that you will see the details of the achievements, issues, and problems of the 2023 medium-term plan later.

See page 14. Here, we would like to introduce the 2026 medium-term management plan.

First is the basic policy.

The basic policy is "Accelerate our evolution" We aim to evolve by quickly repeating both processes: challenge as a response to opportunity and reform as a response to risk.

Our basic policy is to expand the evolution of our people, technology, business, corporate, and group in a chain of evolution and to accelerate this evolutionary cycle.



Page 15. Financial objectives. We set consolidated sales at JPY200 billion, consolidated operating income at JPY15 billion, and ROE at 9% or higher.

As a three-year period to accelerate business evolution using the foundation established in the previous medium-term management plan, we have set high goals of record-high sales and operating income, which the Group will boldly challenge and achieve.

Business portfolio: Basic policy

Realize sustained growth of group profitability by allocating management resources optimally

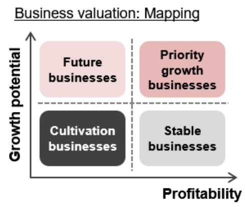
Basic policy

Invest swiftly in businesses that can grow by managing our business portfolio appropriately in order to realize our long-term vision of "striving to solve problems sincerely and continue to tackle a challenge of creating new value"

Aim to perform management from a perspective of optimal group-wide execution in an effort to keep creating value for the entire group

Key management points

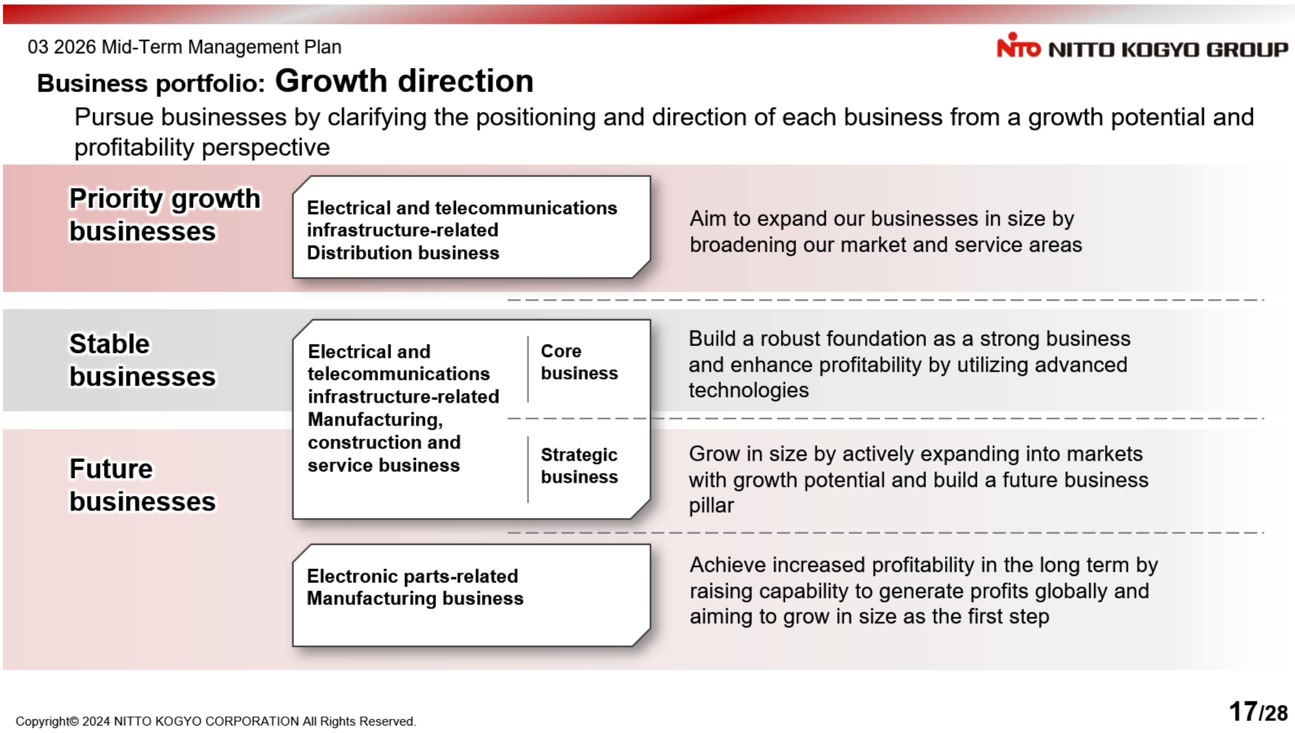
- Predict what our businesses will be like in the future by broadly checking their current state from **a growth potential and profitability perspective**
- Determine **a policy on allocating resources** in order to grow in the medium- to long-term



See page 16. This is the basic policy of the Group's business portfolio management.

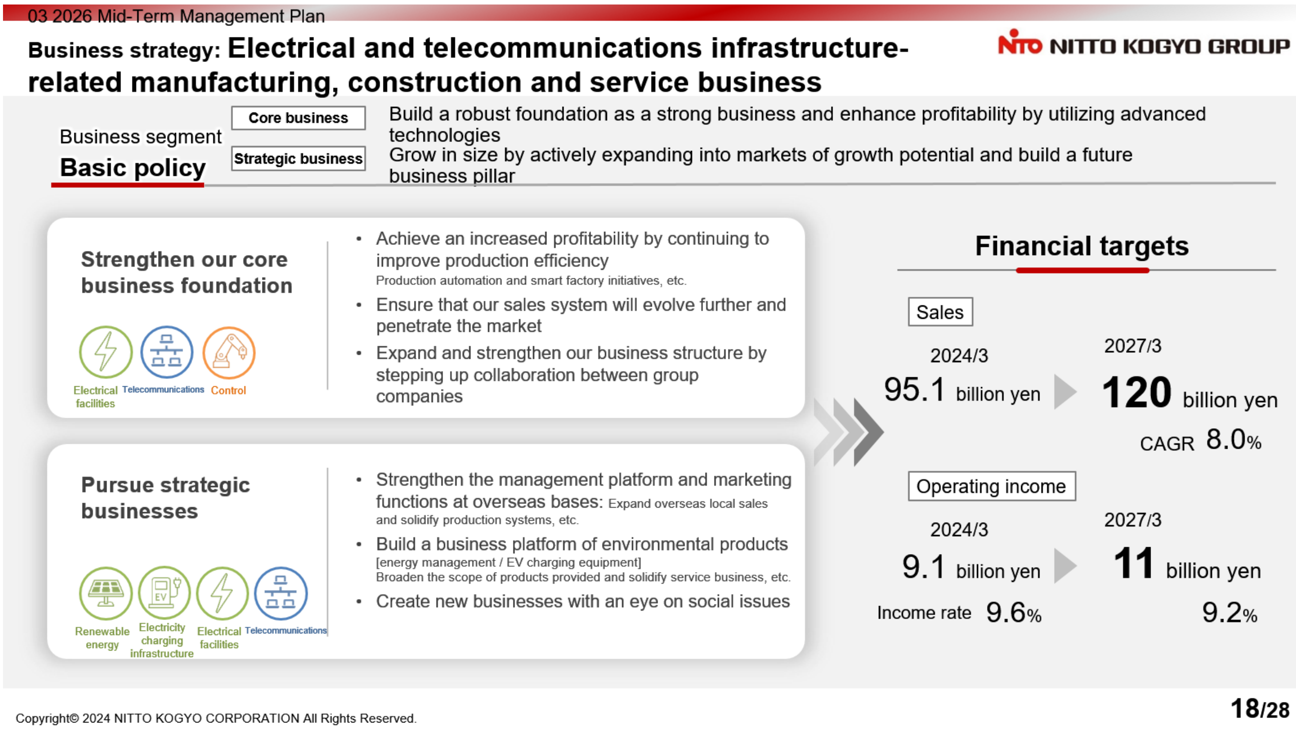
In order to realize our long-term vision, we will conduct appropriate business portfolio management and execute speedy investments in businesses that can grow. We also aim to manage from the perspective of total optimization in order to maintain the value creation of the entire group.

There are two key points in management. The first is to take a comprehensive view of the present and determine the future of each business based on its growth potential and profitability. The second is to determine a resource allocation policy for medium to long-term growth.



See page 17. We present the positioning and direction of each business in terms of growth and profitability.

From the next slide, we will briefly introduce the business strategy for each segment.



See page 18. This is the business strategy for the electrical and telecommunication, infrastructure-related manufacturing, construction and services business.

Our basic policy is to build a solid foundation as a strong business and expand our scale by leveraging advanced technologies to increase profitability. We aim to aggressively enter markets with growth potential to establish the pillars of our future business.

Among these, in the promotion of strategic businesses, we will continue to develop and expand the charging infrastructure that supports electric vehicles which is an environment-related product.

We will also fully utilize the EM Solutions system within our group, which can handle orders from design and manufacturing to construction. Additionally, we will expand the introduction of Safa Link-ONE, private power generation storage system that reuses batteries from electric vehicles and stores electricity generated by solar power, to build the foundation for our energy management business.

Furthermore, we will further strengthen our distribution boards-related business by utilizing the Seto Plant, which started operation this fiscal year, and by working with Tempearl Industrial, a new addition to the group.

Through these efforts, we aim to achieve sales of JPY120 billion and operating income of JPY11 billion.

NITTO KOGYO GROUP

Business strategy: Electrical and telecommunications infrastructure-related manufacturing, construction and service business

Set up next-generation new plants in Japan

Core business

1. Step up production capacity for large products expected to enjoy increased demand

- The energizing of the FA and control markets through increased facilities investment for semiconductors, promotion of automation in response to a falling labor force, and the return of production sites from overseas to Japan
- Expansion of the smart energy market including storage batteries toward achieving carbon neutrality

***Production capacity for large enclosures*: About 1.5 times**

2. Build an automated manufacturing line using the latest technologies

- Automate the operational flows for production and sales by tapping into digital technologies
  - Deal with a declining working-age population stemming from a low birthrate and aging population in the coming years
  - Contribute to raising profitability by enhancing production efficiency

***Cost reduction effect* [estimate]: About 600 million yen per annum**

3. An environmentally-friendly plant focused on sustainability

- We were honored with the highest ranking of 5 stars in the "BELS" rating. At the same time, we obtained "ZEB" certification for zero energy balance due to energy creation * For details, please refer to the news release on our website (December 8, 2023)
- Achieve increased business continuity by demolishing and rebuilding existing plants that are aging

NITTO KOGYO CORPORATION Seto Plant

Address	22-4 Yatokocho, Seto-city, Aichi, Japan
Site area	253,000 m^2
Building area	Plant building 50,000 m^2 (partially second floor)
Plant outline	Steel-framed and 2-story structure
Operational launch	April 2024

See page 19. Here are a few more details about the Seto Plant, our new next-generation plant.

The Seto Plant is based on the concept of an environmentally and people-friendly smart factory that fully utilizes DX.

Until now, our strength has been mass-producing and stocking standard products, enabling us to sell products of stable quality quickly and at appropriate prices. The Seto Plant features a revolutionary production line that enables the mixed production of custom-made products of varying sizes and specifications on a single line. This system meets customers' needs while maintaining the same quality as standard products and ensuring rapid production using DX that utilizes customers' drawing data.

The Seto Plant can solve three problems.

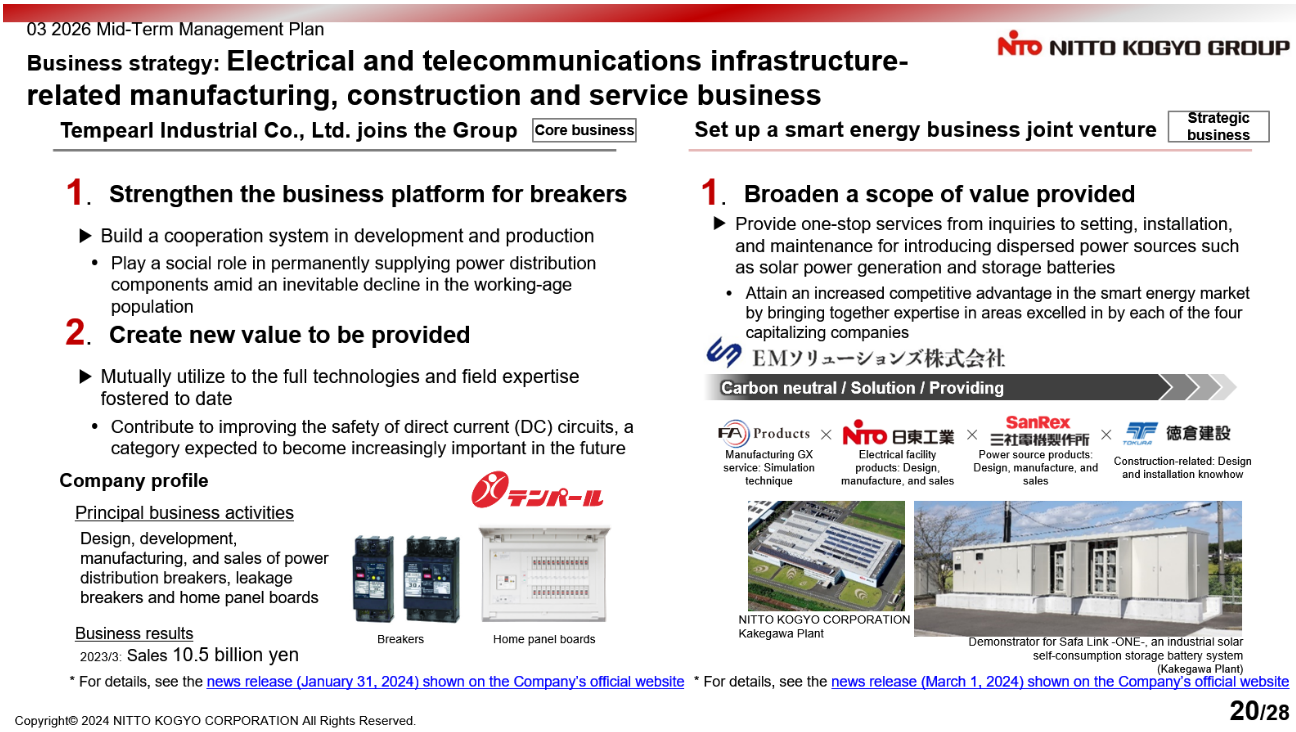
One is the growing demand for large enclosures. Demand for large enclosures is increasing in the factory automation/control market and the storage battery market. With the increased production capacity, the output of large products will rise to 1.5 times the current level.

The second is to address the declining workforce. Our customers include distribution board manufacturers and electrical contractors. With the decline in the workforce, distribution board manufacturers are increasingly shifting from producing their own enclosures to purchasing them.

In addition, there is a growing trend toward the use of installation-saving products by electrical contractors. Pre-punched enclosures have been widely recognized as a labor-saving product in construction. The growing needs and demands require a factory capable of producing custom-made enclosures, and the Seto Plant is designed to meet these needs.

In addition, we also need to improve productivity through automation, and we expect to reduce costs by approximately JPY600 million per year through automated production lines that utilize the latest technology.

Third, environmental considerations. As an environmentally friendly plant with an emphasis on sustainability, we provide 100% of our electricity from renewable energy sources through the purchase of solar power and carbon-free electricity.



See page 20. I would like to discuss Tempearl Industrial, a new addition to the group, and EM Solutions, which I mentioned a little earlier.

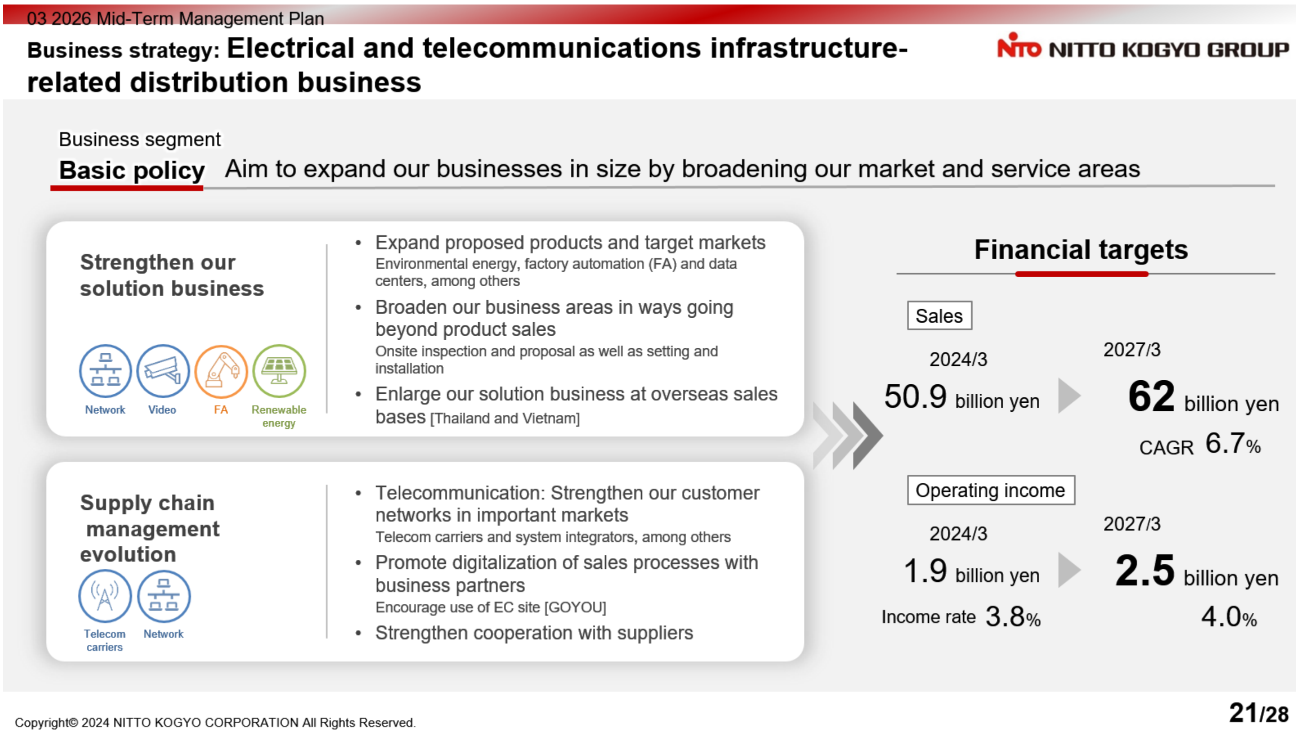
First, I would like to talk about the purpose of Tempearl Industrial's participation in the group.

Tempearl Industrial possesses technology that we do not have, although they have a similar lineup of products. They are also overwhelmingly well-known in the Chugoku and Shikoku regions. By establishing cooperative frameworks in development and production, we will increase profitability through reduced investment, streamlined production, joint delivery, and joint purchasing.

Furthermore, we will develop new components that utilize the technologies of both parties and play a social role in building a safe electrical infrastructure.

Next, I would like to introduce the aims of EM Solutions' participation in the group.

The Safa Link-ONE– that I mentioned earlier takes a long time to deliver: site survey, design, manufacturing, installation, and maintenance. By combining the strengths of each of the four companies with capital participation, EM Solutions can provide a one-stop service for every process. By welcoming this company, which has a wide range of technologies and extensive experience in introducing distributed power sources, including solar power generation and storage batteries, into the Group, we will enhance our competitive advantage in the smart energy market.



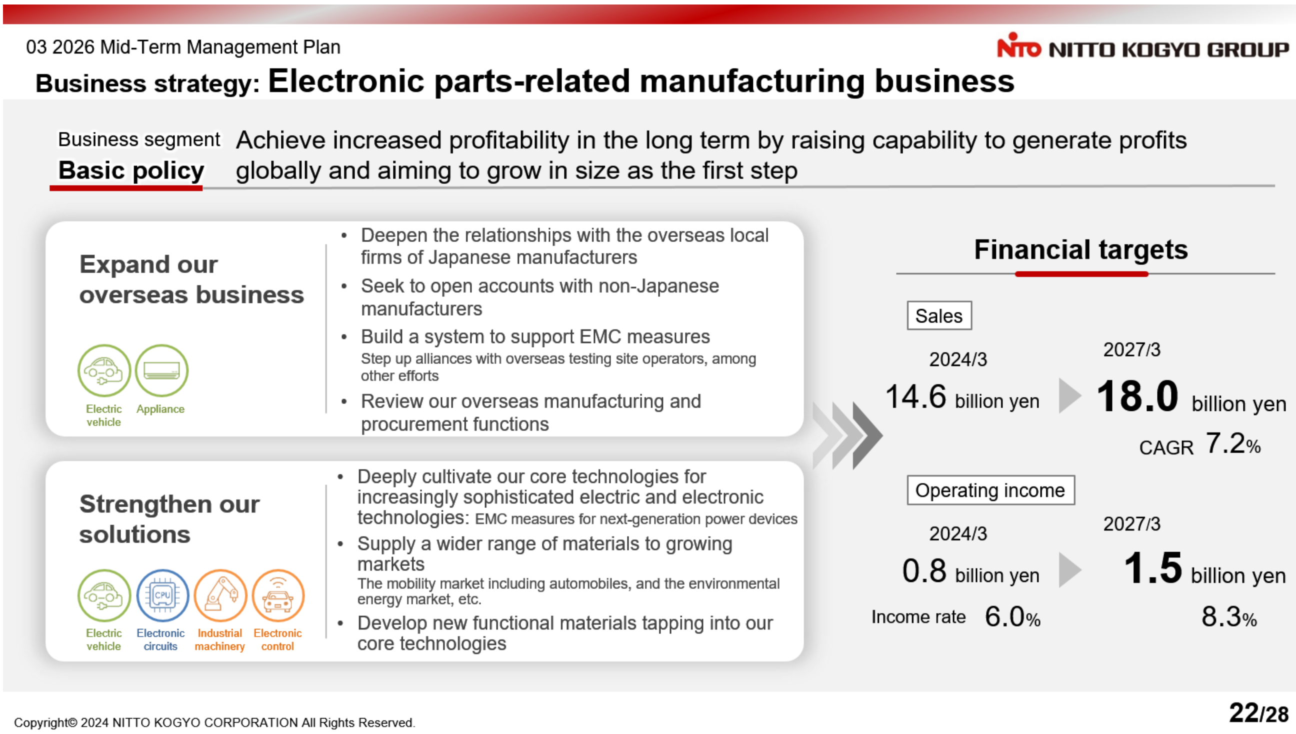
See page 21. This is the basic policy of the electrical and telecommunications infrastructure-related distribution business.

By broadening our markets and service areas, we aim to expand our business areas.

To strengthen the solutions business, in addition to our core information and telecommunication products, we will enhance sales of environmentally friendly products, such as renewable energy solutions, and expand into areas such as installation and construction alongside product sales.

Furthermore, we will advance supply chain management by promoting the use of e-commerce sites.

Through these efforts, we aim for sales of JPY62 billion and operating income of JPY2.5 billion.



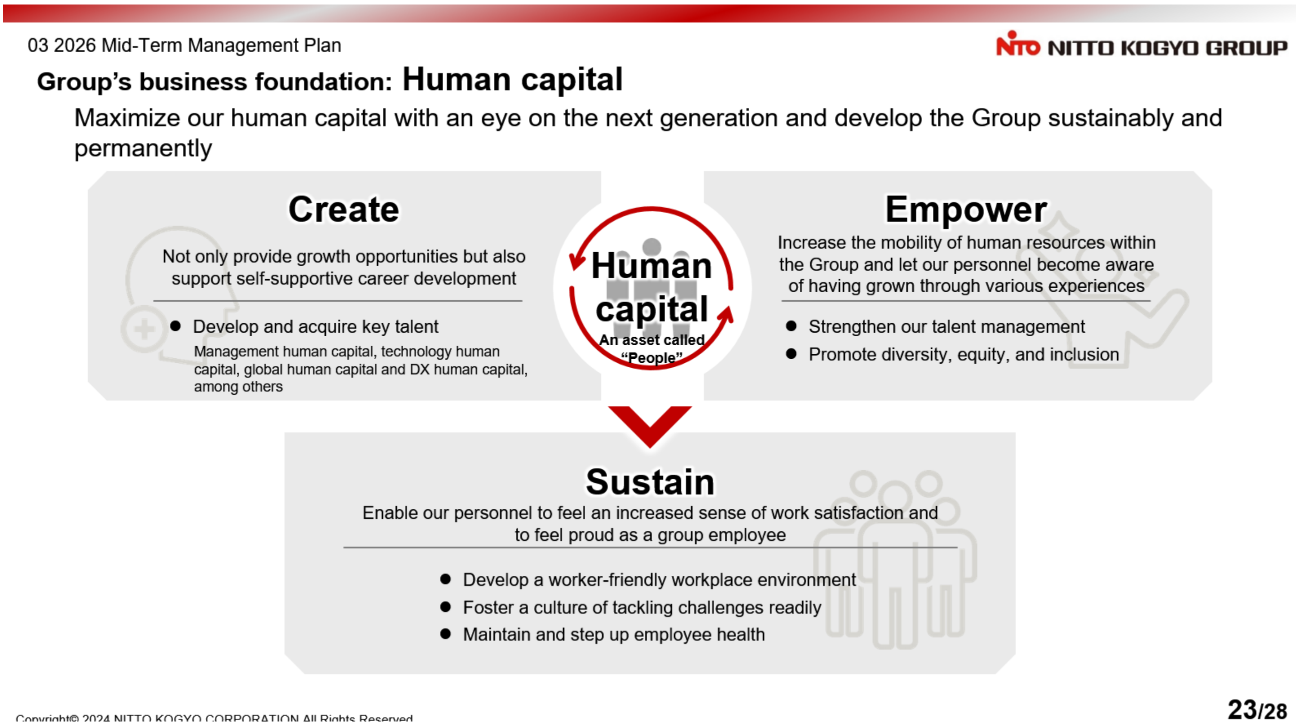
See page 22. This is the basic policy of the electronic components-related manufacturing business.

Through expansion of scale, we aim to enhance our earning power globally and increase our profitability over the long term.

To strengthen our overseas business, we will enhance relationships with Japanese manufacturers aiming to grow in the automotive and appliance markets while also working to develop partnerships with non-Japanese manufacturers.

As for strengthening solutions, we will work on the development of noise suppression technologies for electrification and automation, especially in vehicles, to firmly seize opportunities in growing markets.

Through these efforts, we aim to achieve sales of JPY18 billion and operating income of JPY1.5 billion.



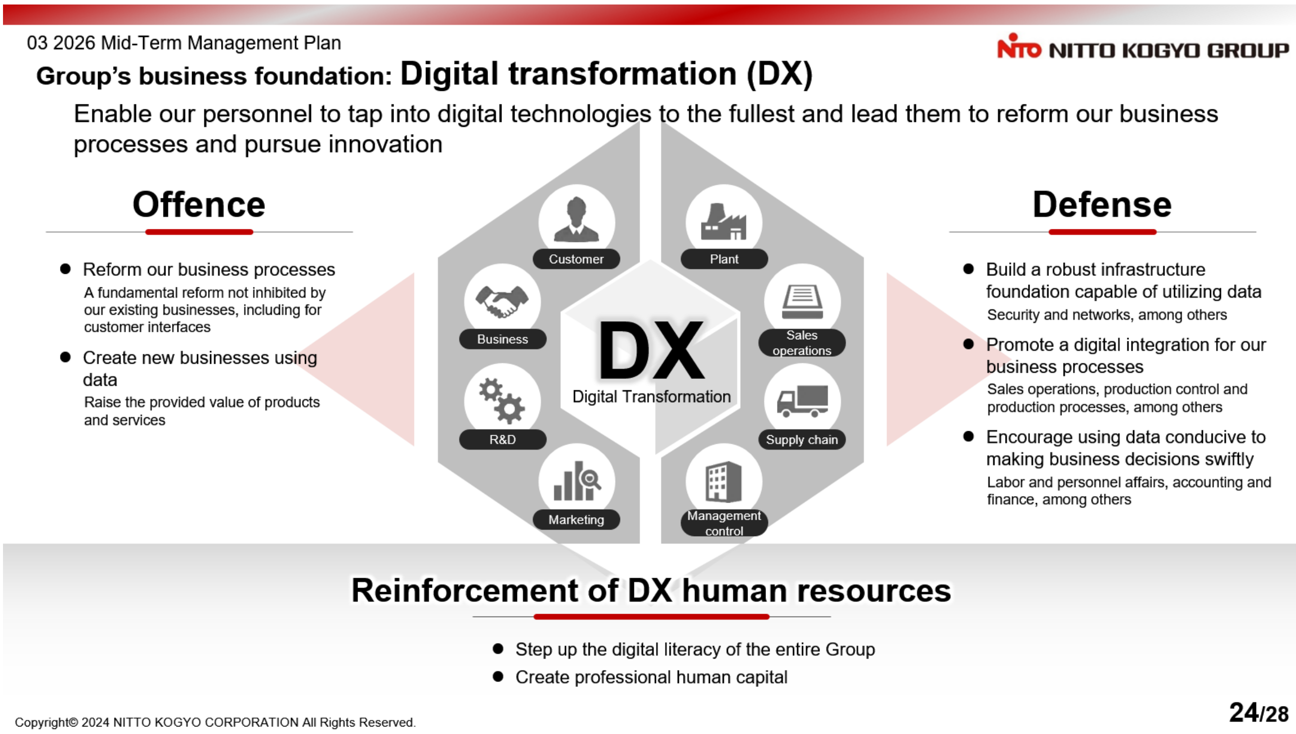
See page 23. From here, we will discuss how we are strengthening the Group's management base through human capital, digital transformation, and R&D initiatives.

First, human capital is viewed not as a cost but as an essential asset that supports the Company's growth. We approach it from three perspectives: create, empower, and sustain.

In terms of create, we provide opportunities for growth and support the autonomous career development of each individual.

Regarding empower, we aim to create an environment that allows for the exchange of human resources and a variety of experiences within the group.

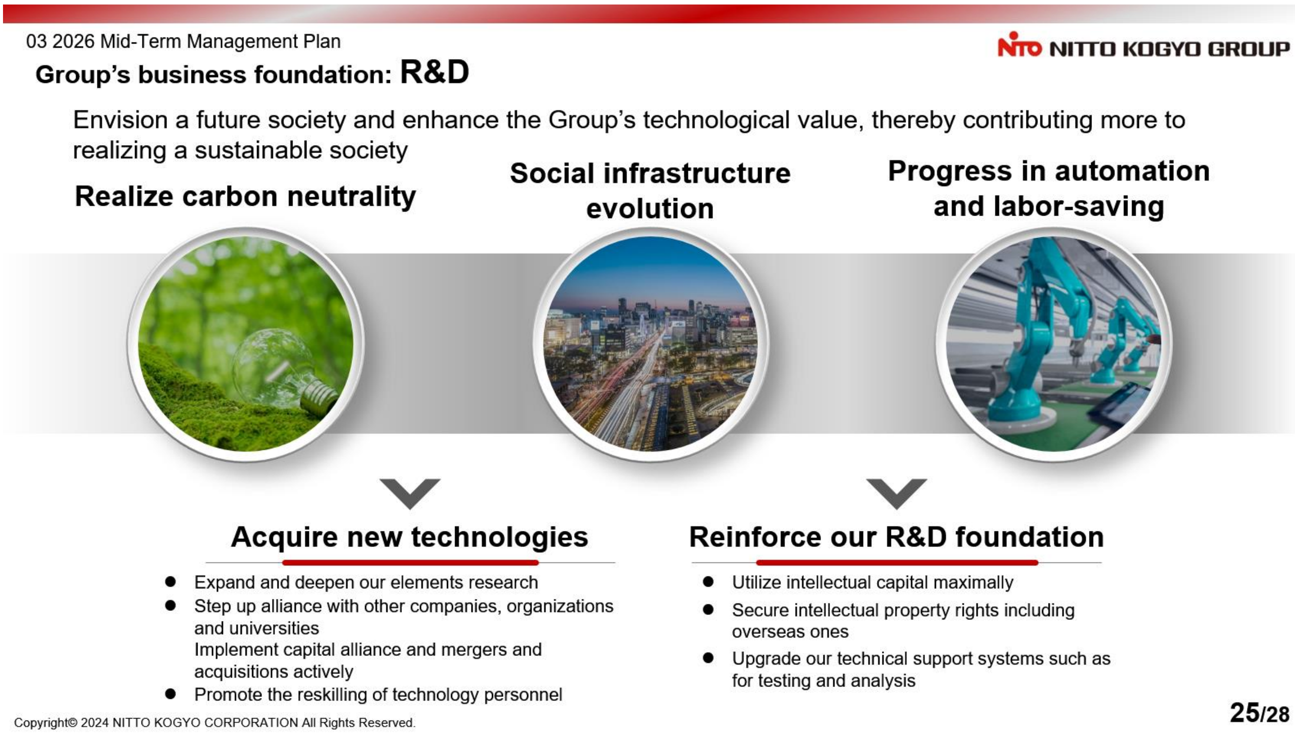
Regarding sustain, we will work to create a comfortable work environment, foster a culture that encourages challenge, and maintain and promote the health of our employees.



See page 24. DX-related initiatives.

As for DX, we approach it in an offensive and defensive manner. Offensive DX aims to transform business processes and create new business opportunities. Defensive DX aims to develop infrastructure for data utilization, digital integration of business processes and others.

To promote these initiatives, we have prioritized the reinforcement of DX human resources as an important objective. We believe that employees' literacy must be improved in this area, and the entire group will work on this issue.



See page 25. This is about our efforts regarding research and development.

We aim to contribute to the realization of a sustainable society by envisioning a future aligned with carbon neutrality, the evolution of social infrastructure, and the advancement of automation and labor-saving. We will enhance the value of the Group's technologies to achieve this vision.

Specifically, we aim to expand our business areas by further strengthening our verification technology, which is one of our strengths, and by working on data collection to solve social issues such as energy management, energy-saving devices, and the circular economy.

Sustainability

Enhance our corporate value by contributing to improving sustainability in society through increased efforts on sustainability

Environment

Realize carbon neutrality by 2050

- 2030 GHG emissions: Scope 1, 2 and 3 30% reduction
- Lower the corporate activity burden on the natural environment

01 **Aim for a world in which corporate activities have positive effects on the natural environment**

Prepare for a future recycling-oriented society

- Product design that is environmentally friendly
- Use recyclable raw materials

02 **Aim for a state in which our business can be continued even if resource supply is suspended**

Social

Maximize the value of our human capital

- Empower working human capital / Secure highly skilled human resources
- Provide a working venue at which to realize an affluent and happy living

01 **Create human capital that will drive the next generation by making sure that attractive people grow and work well**

Make positive and developmental connections with society

- Fulfill social responsibility in our corporate activities
- Create value jointly with all stakeholders

02 **Become a corporate group relied on by society**

Governance

Promote activities within the Group

- Encourage collaboration between audits and internal control
- Monitoring and activity collaboration by the Sustainability Committee / The Group Environment Committee

01 **Achieve an increased resilience to risks on a group-wide basis**

Comply with laws and corporate ethics rules

- Ensure that the group human rights policy is embraced and practiced by employees
- Education under the Group Code of Corporate Ethics

02 **Put into practice compliance-based management based on superior ethical and moral views**

See page 26. This is about our sustainability initiatives. It is organized into E, S, and G.

Regarding the environment, we aim to reduce GHG emissions by 30% from the FY2020 level by 2030 in order to achieve carbon neutrality by 2050. In addition, to prepare for a recycling-oriented society, we will work on product design that includes the reuse of resources. We will also consider entering the recycling business.

On the social side, we aim to maximize the value of human resources and create good and progressive connections with society.

In our governance structure, we will work to improve risk management throughout the Group, and aim for further compliance management, including the penetration and implementation of our human rights policy.

03 2026 Mid-Term Management Plan

NITTO KOGYO GROUP

Financial policy and shareholder return policy

Restrain equity and raise capital efficiency by continuing to pay high dividends while boldly making growth investments utilizing debt

Financial policy

Raise capital cost awareness and improve capital efficiency [ROE] continuously

- ▶ Aim to strengthen our profitability by allocating funds to growth investments actively (including capital alliance and mergers and acquisitions)
- ▶ Achieve increased financial leverage by utilizing interest-bearing debt
- ▶ Control equity through high shareholder returns

Shareholder return policy

- Dividend payout ratio of 50% (a lower limit of net asset dividend ratio DOE of 4.0%)
- Acquire and cancel treasury shares flexibly as required

Financial indicators

		2023 Mid-Term Management Plan			2026 Mid-Term Management Plan		
		2022/3	2023/3	2024/3	2025/3	2026/3	2027/3
Capital efficiency	ROE	6.7%	5.5%	8.3%	9.0% or more in the final fiscal year		
Shareholder return	Dividend payout ratio	30%	100%	100%	50% throughout the 3 years Stable dividend payment with a net asset dividend ratio DOE of 4.0% as the minimum		
	Dividend per share	50 yen	145 yen	230 yen			
	Acquisition of treasury shares	4 billion yen	—	—	Implement flexibly		

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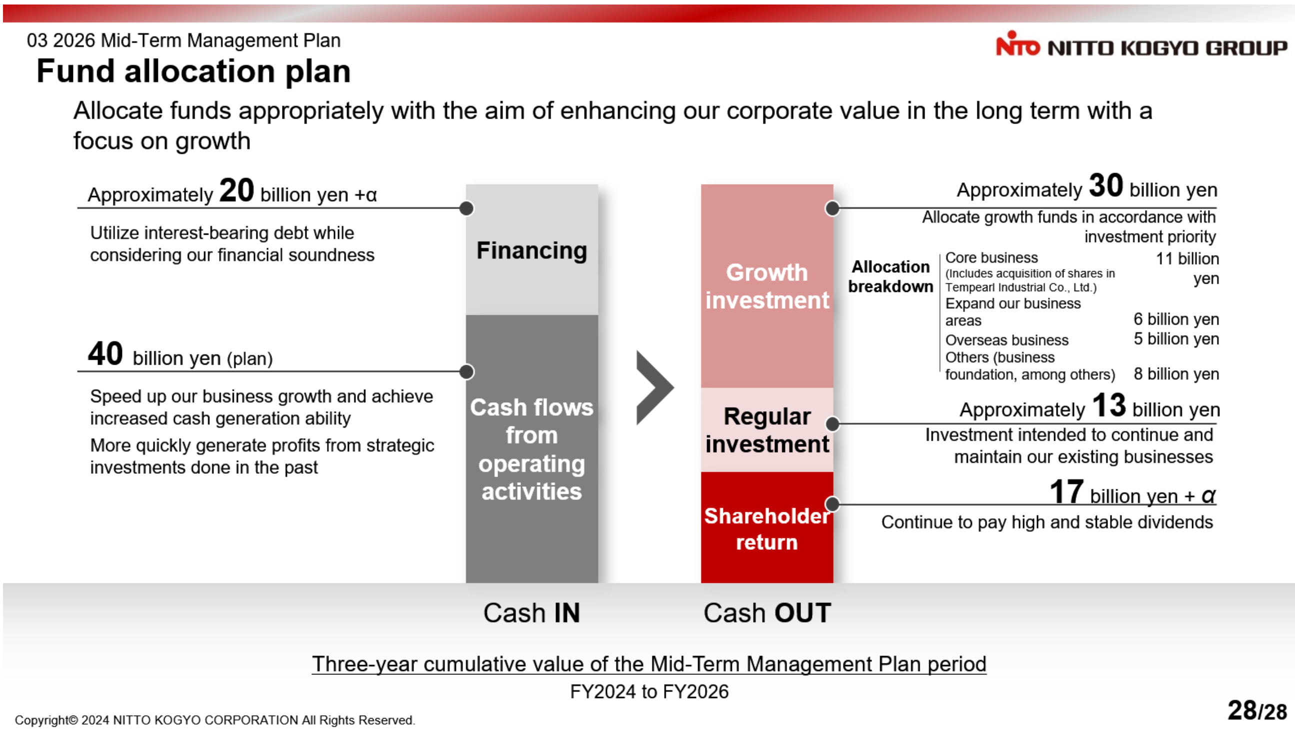
See page 27. Financial and shareholder return policies.

The basic concept of the 2026 medium-term management plan is to enhance profitability by aggressively channeling funds into growth investments while increasing financial leverage using interest-bearing debt. At the same time, we will control equity capital by continuing to pay high dividends to sustainably increase ROE.

As for shareholder return policy, we will implement a stable dividend policy by setting a new dividend payout ratio of 50% and a new minimum DOE consolidated net assets ratio of 4%. In addition, we aim to further enhance our corporate value by flexibly acquiring and retiring treasury stock as necessary.

We aim to achieve an ROE of 9% or more through capital measures. In the previous medium-term plan, the dividend payout ratio was set at 100%, but this was a measure limited to two fiscal years from the time it was first announced. By continuing to set a high level of 50%, we aim to improve capital efficiency by controlling the accumulation of equity capital to a certain degree, in conjunction with measures to allocate it to investment for growth.



See page 28. This is the fund allocation plan for the 2026 medium-term plan.

We will allocate funds appropriately in order to focus on growth and increase corporate value over the long term.

Based on the operating cash of JPY40 billion to be generated over three years, plus JPY20 billion raised through interest-bearing debt, we plan to allocate the cash outflow for several purposes. A total of JPY30 billion will be invested in growth, in line with our basic business portfolio policy. Then, JPY13 billion will be allocated for steady investment to maintain existing businesses and JPY17 billion will be invested to ensure a high and stable level of dividends to shareholders.

For growth investment, we plan to invest JPY11 billion in core businesses, JPY6 billion in business area expansion, JPY5 billion in overseas businesses, and JPY8 billion in strengthening the management base.

The Group will continue to strive to enhance its corporate value under the 2026 medium-term management plan.

This concludes my explanation. Thank you for your attention.

[END]