

# Financial Results for Fiscal Year 2022 (April 1, 2022 - March 31, 2023)

**NITTO KOGYO CORPORATION**

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.

## **Rising raw material prices cut into profits, although sales reached their highest**

- **Sales reached their highest due to year-on-year sales increase**
- **Factors such as rising raw material prices cut into profits, although there were the effects of price revisions and foreign exchange gains.**
- **Revised plan announced on November 7, 2022 was achieved, despite year-on-year sales increase and profit decrease**

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# 1. Overview of consolidated accounts period ended in March 2023, full year

# Yearly consolidated account highlights

Full year  
FY2022

- Business results for the period ended in March 2023 showed increased sales and decreased profits. Sales were a record high for a full year, and the results achieved the revised plan.
- Consolidated sales grew on the back of solid demand mainly in the automotive market in addition to a rise in sales of distribution/panel boards resulting from a pickup in corporate facilities investment.
- Operating income fell due primarily to the strong impact of rising raw material prices.
- Ordinary income decreased despite foreign exchange gains on loans made to overseas group companies.
- Decrease in yearly net profit reverting to parent company shareholders expanded due to extraordinary loss caused by impairment loss.

(Unit: million yen)

	2022/3	2023/3			
	Actual results	Plan	Actual results	YoY comparison	Vs. plan
Sales	132,735	145,000	146,698	+10.5%	+1.2%
Operating income	8,637	7,600	8,172	-5.4%	+7.5%
Ordinary income	9,412	8,400	9,056	-3.8%	+7.8%
Yearly net profit reverting to parent company shareholders	6,607	5,300	5,476	-17.1%	+3.3%

# Business segments

## Electronic parts-related manufacturing business

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



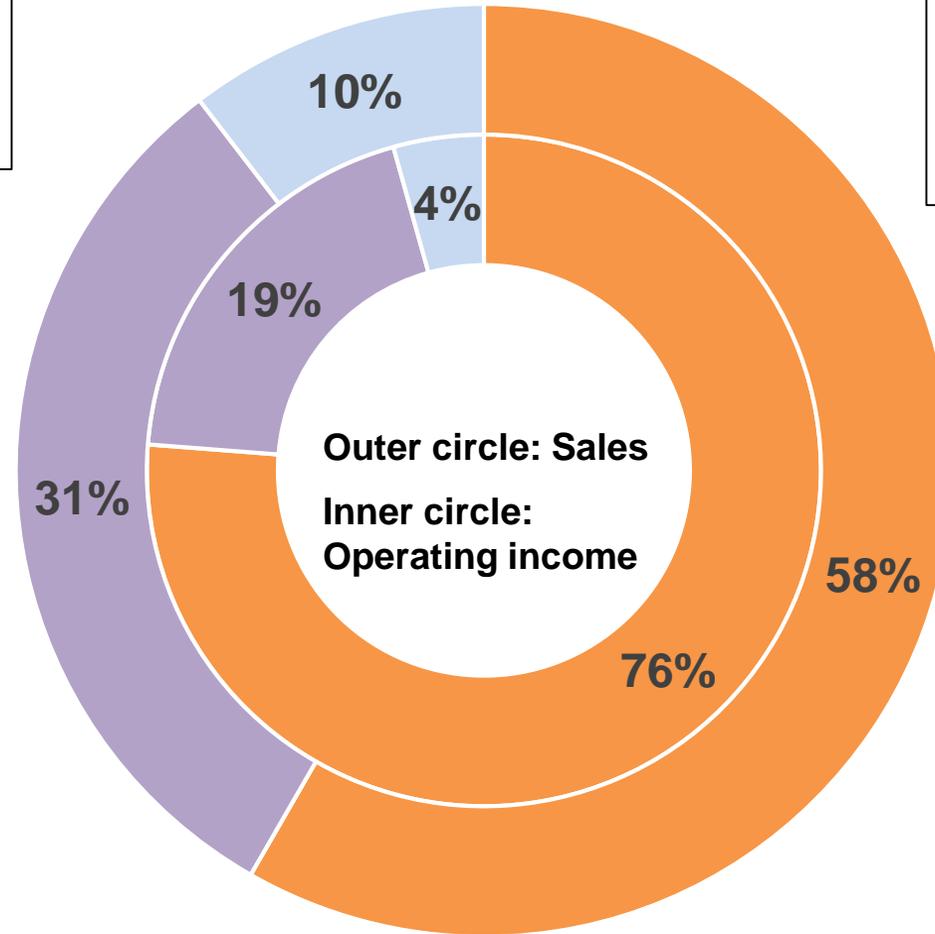
## Electrical and Telecommunications infrastructure-related Distribution business

Purchases and sales of telecommunications equipment and materials



## Electrical and telecommunications infrastructure-related Manufacturing, construction and service business

Design, manufacturing, and sales of distribution/panel boards, control panel boards, etc., and construction work such as installation and maintenance of electrical facilities



\*2022/3 actual results. Percentages may not total 100 due to rounding.

# Yearly account highlights by segment

Full year  
FY2022

- Although sales of system racks, etc., fell resulting from fewer 5G-related projects, the Manufacturing, construction and service business posted a sales increase due to a rise in sales of distribution/panel boards aided by a pickup in corporate facilities investment. However, segment profits decreased mainly due to the impact of rising raw material prices.
- The distribution business booked increases in both sales and profits due to a rise in sales of network equipment as projects mainly for data centers grew despite a fall in 5G-related projects.
- In the electronic components business, segment sales increased due to a rise in sales of EMC-related products, etc., on the back of robust demand in automotive, air-conditioning and other markets. Nonetheless, segment profits decreased due primarily to rising raw material prices and an increase in selling, general and administrative expenses (SGA).

(Unit: million yen)

By segment		2022/3	2023/3			
		Actual results	Plan	Actual results	YoY comparison	Vs. plan
Sales	Manufacturing, construction and service business	77,513	85,200	85,501	+10.3%	+0.4%
	Distribution business	41,192	46,100	45,952	+11.6%	-0.3%
	Electronic parts business	14,029	13,700	15,244	+8.7%	+11.3%
	Total	132,735	145,000	146,698	+10.5%	+1.2%
Operating income	Manufacturing, construction and service business	6,485	-	6,188	-4.6%	-
	Distribution business	1,078	-	1,579	+46.4%	-
	Electronic parts business	1,039	-	356	-65.7%	-
	Total	8,637	7,600	8,172	-5.4%	+7.5%

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

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

- The distribution boards division posted a sales increase mainly due to an increase in sales of distribution/panel boards resulting from signs of a recovery in corporate facilities investment.
- The enclosure division booked a sales decrease primarily due to a decrease in sales of system racks in the wake of fewer 5G-related projects.
- The breakers/switches/parts/other divisions decreased sales primarily because of lower sales of breakers despite higher sales of thermal management products and EV charging stands.
- The construction and service division recorded a sales increase as projects for adoption of factory equipment and construction related to telephone equipment at schools grew.

(Unit: million yen)

Sales by division		2022/3	2023/3			
		Actual results	Plan	Actual results	YoY comparison	Vs. plan
Manufacturing, construction service business	Distribution boards	40,364	45,800	49,076	+21.6%	+7.2%
	Enclosure	21,386	22,600	20,630	-3.5%	-8.7%
	Breakers/switches/parts/other	11,986	12,700	11,688	-2.5%	-8.0%
	Construction/service	3,775	4,100	4,105	+8.7%	+0.1%
Total		77,513 (5,149)	85,200	85,501 (4,416)	+10.3%	+0.4%
Consolidated overall total		132,735	145,000	146,698	+10.5%	+1.2%
Consolidated sales composition ratio		58.4%	58.8%	58.3%	-0.1%	-0.5%

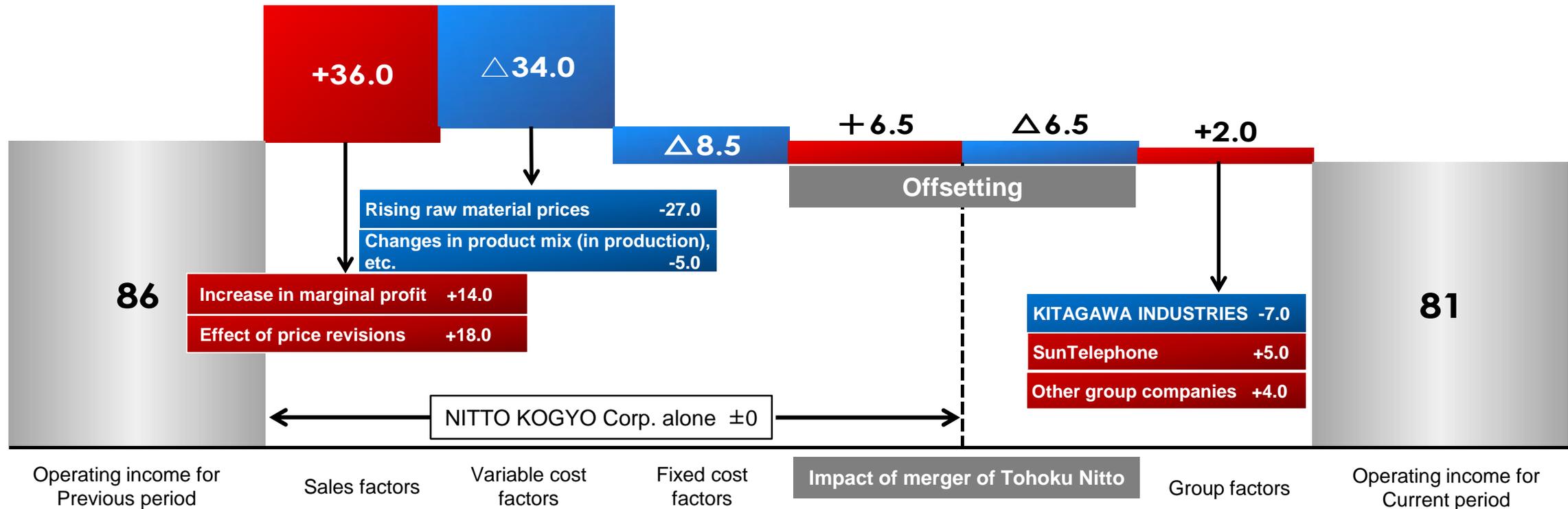
\*Parentheses refer to internal sales between segments

# Factors in changes in yearly consolidated operating income

- As for the non-consolidated factors of NITTO KOGYO Corp., profits remained flat year on year mainly due to rising raw material prices and a change in the product mix despite a rise in marginal profit resulting from higher sales and the effect of price revisions.
- As for group factors, KITAGAWA INDUSTRIES, etc. decreased profits, while SunTelephone and other group companies recorded higher profits year on year.

[Results for March 2022 period]

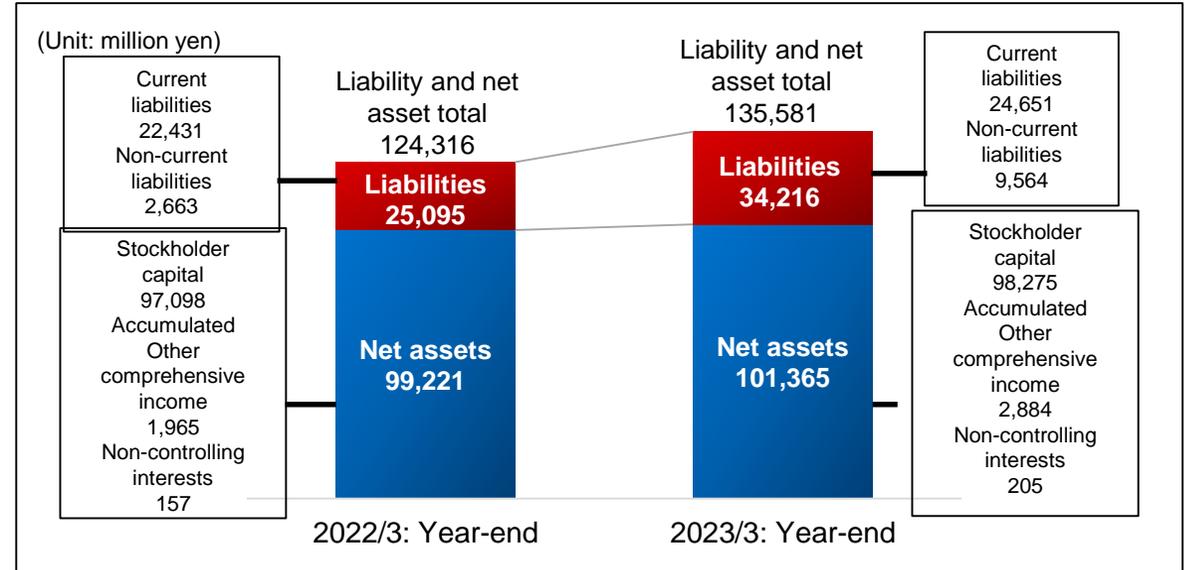
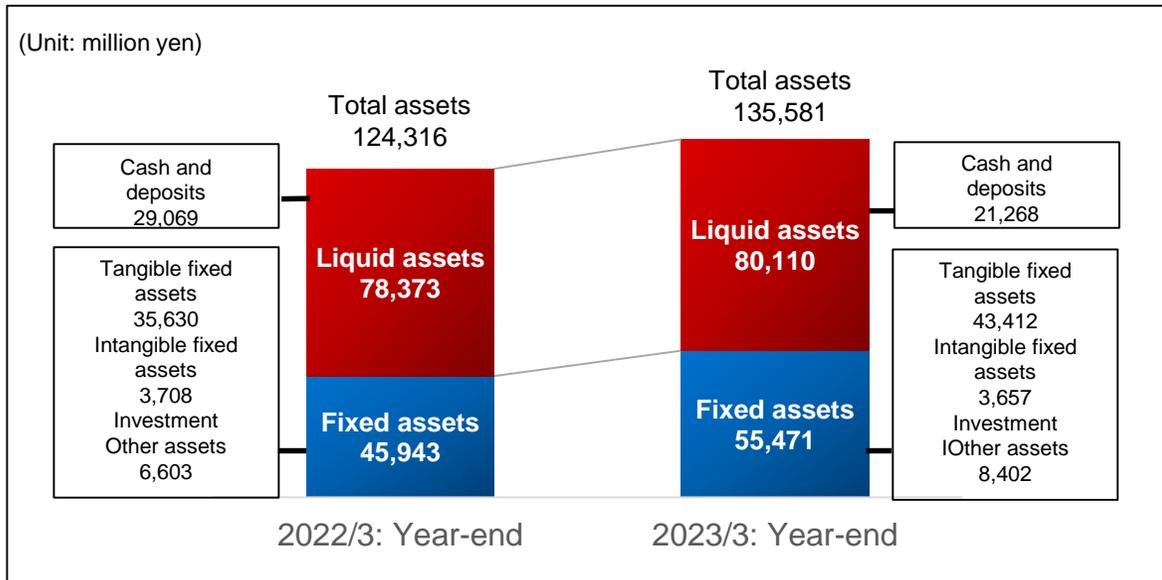
(Unit: 100 million yen)  
[Results for March 2023 period]



\*The classification of "Changes in product mix (in sales)" has been changed from variable cost factors to sales factors, from the forecasts for the period ended March 2023.

# Overview of consolidated finances for the year

## ■ Decrease in cash and deposits, and increase in inventories and Seto Plant's construction in progress



### <Main changes>

#### ■ Assets

Decreased cash and deposits	-7,801
Increased accounts receivable	+3,916
Increased inventories	+5,193
Increased construction in progress	+8,102

#### ■ Liabilities

Increased accounts payable	+1,553
Increased long-term loans payable	+6,063

#### ■ Net assets

Current net income	+5,476
Dividends of surplus	-4,297
Increased foreign currency translation adjustment	+959

# Consolidated cash flow statement for the year

■ Cash equivalents at the end of March 2023 decreased 8,221 million yen year on year to 20,098 million yen.

(Unit: million yen)

Full year 2022/3	
Beginning balance of cash and cash equivalents	34,301
CF due to sales activities	8,471
CF due to investment activities	-4,966
CF due to financial activities	-10,022
Effect of exchange rate changes on cash and cash equivalents	535
Ending balance of cash and cash equivalents	28,319

Full year 2023/3	
Beginning balance of cash and cash equivalents	28,319
CF due to sales activities	3,751
CF due to investment activities	-13,899
CF due to financial activities	1,449
Effect of exchange rate changes on cash and cash equivalents	477
Ending balance of cash and cash equivalents	20,098

<Full year 2022/3 Main factors>

■ CF due to investment activities

Income due to refunds of fixed-term deposits	+278
Expenditure due to acquisition of fixed assets	-5,471

■ CF due to financial activities

Decreased short-term loans payable	-3,060
Payment of dividends	-2,873
Acquisition of treasury shares	-4,082

<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

## 2. Key topics

# Status of the impact of rising raw material prices and procurement and effect of price revisions

- Rising raw material prices decreased operating income by 2.7 billion yen for full year in total
- Regarding difficulty in procurement, the tight supply situation continued full year and continued to be severer than the initial assumption, although some materials saw signs of an easing.
- The (first) price revisions made in July 2022 became a factor in increasing operating income by about 1.8 billion yen in total, almost as assumed at the start of the period.

	Assumption	Results
<b>Rising raw material prices</b>	[Full year impact] <b>-2.7 billion yen*</b> (in operating income)	YoY <b>-2.7 billion yen</b> (in operating income)
<b>Difficulty in procurement</b>	Tight supply → Easing trend	Tight supply will remain in general although some items will see an easing.
<b>Effect of price revisions</b>	[Full year impact] <b>+1.8 billion yen</b> (in operating income)	YoY <b>+1.8 billion yen</b> (in operating income)

\*Revised in November 2022 in line with the revised plan for the year

### **3. Forecast of consolidated results for the accounts period ending in March 2024**

# Premises of the plan for the year

	Premises of the plan for the year	Risks related to premises
<b>Raw material prices/Prices of procured materials</b>	Decrease in profits by 800 million yen for full year expected due to the tendency of continuous high raw material prices and rising material prices	A further surge in raw material prices and material prices primarily due to the prolongation of the Ukraine crisis and fluctuations in foreign exchange rates
<b>Situation of difficulty in procurement</b>	The easing trend continues. Partial normalization expected	Continuation and further aggravation of procurement difficulty due to prolonged disruptions of the supply chain
<b>Effect of price revisions</b>	Increase in profits by 2.9 billion yen full year expected due to market penetration of the effect of price revisions including the second price revisions	Deterioration in market prices due to intensified market competition resulting from the elimination of difficulty in procurement of materials
<b>Other</b>	Japan: Solid private consumption and demand for facilities investment Overseas: Mild recession in the U.S. economy	Slowdown in demand for facilities investment in Japan due to rapid changes in market conditions triggered by the recession in the U.S. economy

Amounts in table: Year-on-year basis

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

Full year  
FY2022

- Second price revisions implemented from April 2023
- The price revisions will be implemented primarily for products that were excluded from the first price revisions
- Expected effect is a profit increase by about 2.9 billion yen full year, including the first price revisions

## ➤ First price revision (from July 2022)

Product lines to be affected	Revision rate
Enclosure	Approx. 10%
System racks	Approx. 10%
Optical junction boxes	Approx. 5%
Some thermal management products	Approx. 10%
Some panel board accessories	Approx. 10% Approx. 25% for copper-related parts
Standard panel boards and control panel boards	Approx. 2 to 8%

## ➤ Second price revisions (from April 2023)

Product lines to be affected	Revision rate
Home panel boards	Approx. 15%
Breakers	Approx. 15%
Switches	Approx. 10%
Plastic enclosure	Approx. 10%
Some thermal management products	Approx. 10%
Some panel board accessories	Approx. 10%
Standard panel boards and control panel boards	Approx. 2 to 10%

**Effect of profit increase of approximately 2.9 billion yen for the period ending March 2024**

# Forecast of consolidated results for the year

Full year  
FY2022

- Sales are expected to expand due to a sales increase in existing markets accompanying solid demand for facilities investment.
- Income is expected to rise mainly due to an increase in marginal profit by a sales increase and the effect of price revisions, although there is the impact of raw material prices remaining high and soaring material prices.

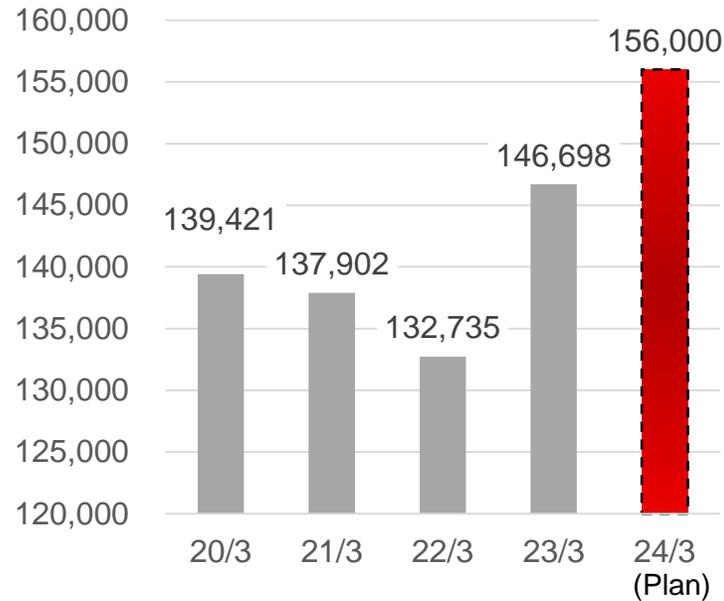
(Unit: million yen)

	2023/3		2024/3			
	2Q results	Results for the year	2Q Plan	(YoY) Change	Plan for the year	(YoY) Change
Sales	65,601	146,698	73,000	+11.3%	156,000	+6.3%
Operating income	2,171	8,172	3,900	+79.6%	10,100	+23.6%
Ordinary income	2,955	9,056	3,900	+32.0%	10,100	+11.5%
Yearly net profit reverting to parent company shareholders	1,698	5,476	2,700	+59.0%	7,100	+29.7%

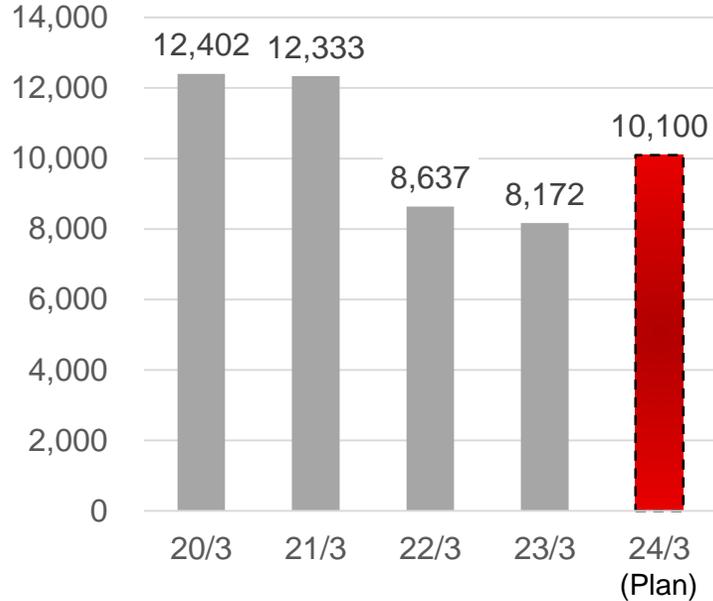
# Consolidated performance trends

■ If we are on target with the plan for the period ending March 2024, we expect to achieve the highest sales and the sixth highest operating income in our history.

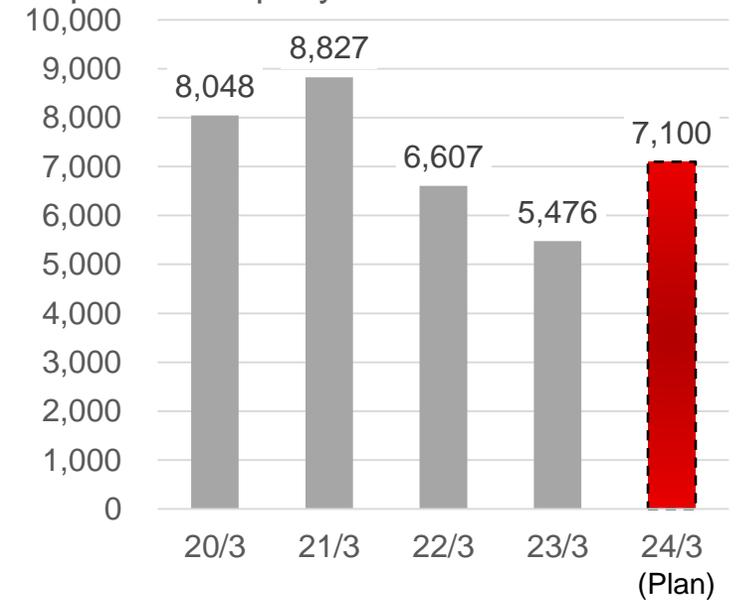
■ Sales



■ Operating income



■ Yearly net profit reverting to parent company shareholders (Unit: million yen)



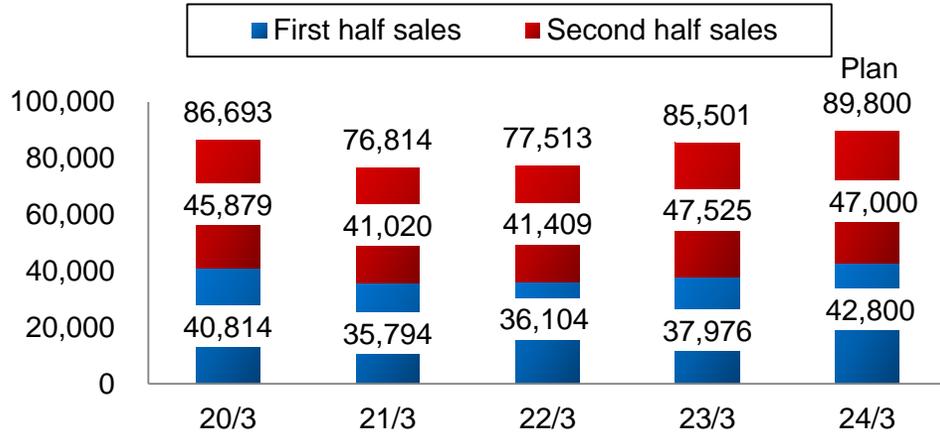
	20/3	21/3	22/3	23/3	24/3 (Plan)
Sales	139,421	137,902	132,735	146,698	156,000
Operating income	12,402	12,333	8,637	8,172	10,100
Yearly net profit reverting to parent company shareholders	8,048	8,827	6,607	5,476	7,100

# Business forecast by segment (Manufacturing, construction and service business)

## Forecast for the year (sales)

89,800 million yen (YoY +5.0%)

(Unit: million yen)



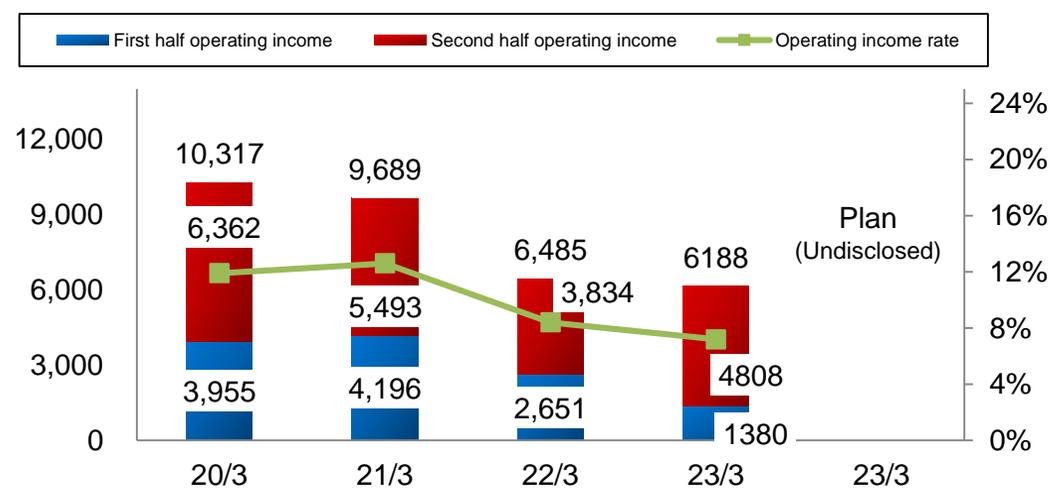
## Forecast for the year

- Demand in existing markets is expected to be solid partly due to increasing private facilities investment, and sales are expected to increase due to increased sales as a result of the second price revisions in April 2023

## Approaches

- Expanding sales of "Safa Link-ONE"-, an industrial solar self-consumption storage battery system, which has achieved the virtuous cycle toward a zero-carbon society, to EMS-related markets
- Capturing the custom enclosure market by introducing and increasing the use of the "Smart Order system"

(Unit: million yen)



## Main group companies: Yearly forecast

	Company name	Sales (YoY)	Operating income	Impact level on group profit
Japan	NITTO KOGYO Corp.	☀️	☀️	High
	AICHI ELECTRIC WORKS	☁️	☁️	Low
	NANKAIDENSETSU	☀️	☁️	Low
Overseas	Gathergates Group	☀️	☁️	Low
	NITTO KOGYO BM (THAILAND)	☀️	☔️	Low

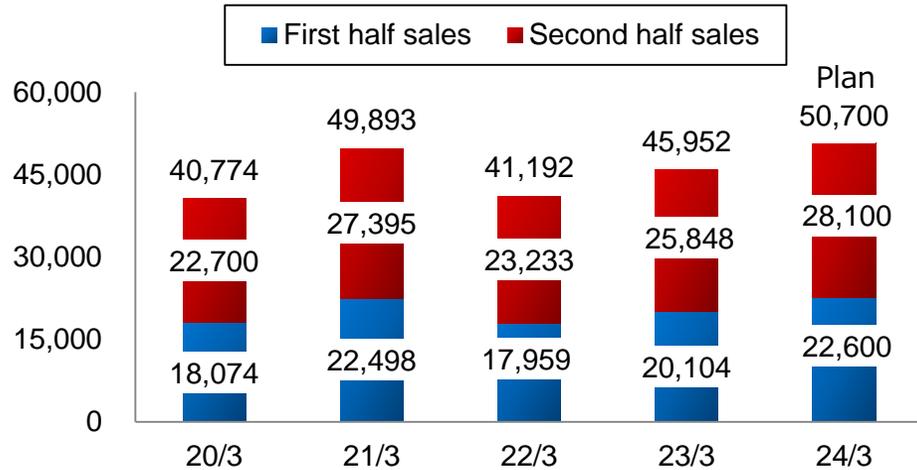
\* Segments have been changed since the period ended March 2022. Numbers in the past are the total of the "distribution board-related production" and the "construction/service business," which were former segment classifications.  
Figures may not match those shown in other publicly available documents due to rounding.

# Business forecast by segment (Distribution business)

## Forecast for the year (sales)

50,700 million yen (YoY +10.3%)

(Unit: million yen)



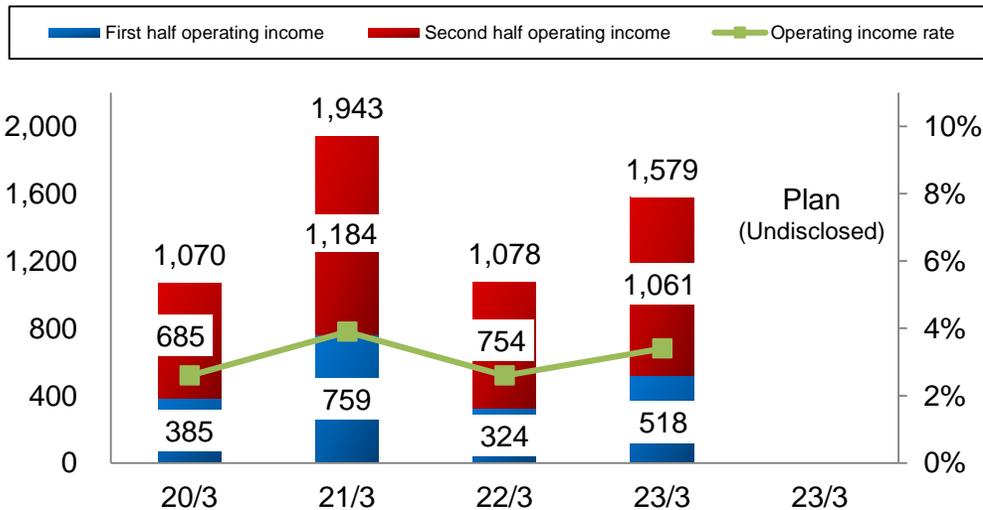
## Forecast for the year

- Demand for office-related projects is expected to continue to recover moderately and sales are expected to increase due to the effect of M&A of local companies in Thailand.

## Approaches

- Promotion of streamlining by increasing the adoption of the EC site (“GOYOU”)
- Expanding sales of lightning solutions and other products in the renewable energy market
- Building the foundation and expanding sales in the ASEAN region, mainly through subsidiaries in Thailand and Vietnam

(Unit: million yen)



## Main group companies: Yearly forecast

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

\*Income statement of Master Controls will be consolidated from the period ending March 2024

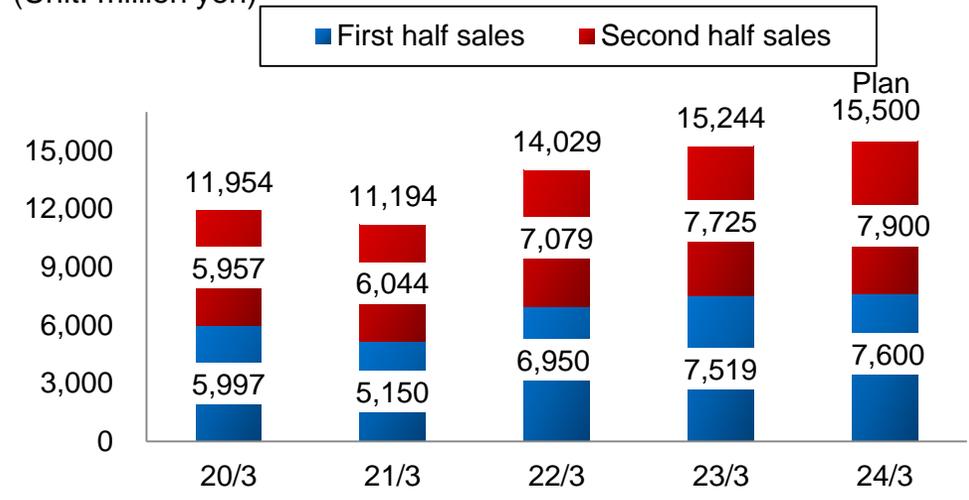
# Business forecast by segment (Electronic parts business)

Full year  
FY2022

## Forecast for the year (sales)

15,500 million yen (YoY +1.7%)

(Unit: million yen)



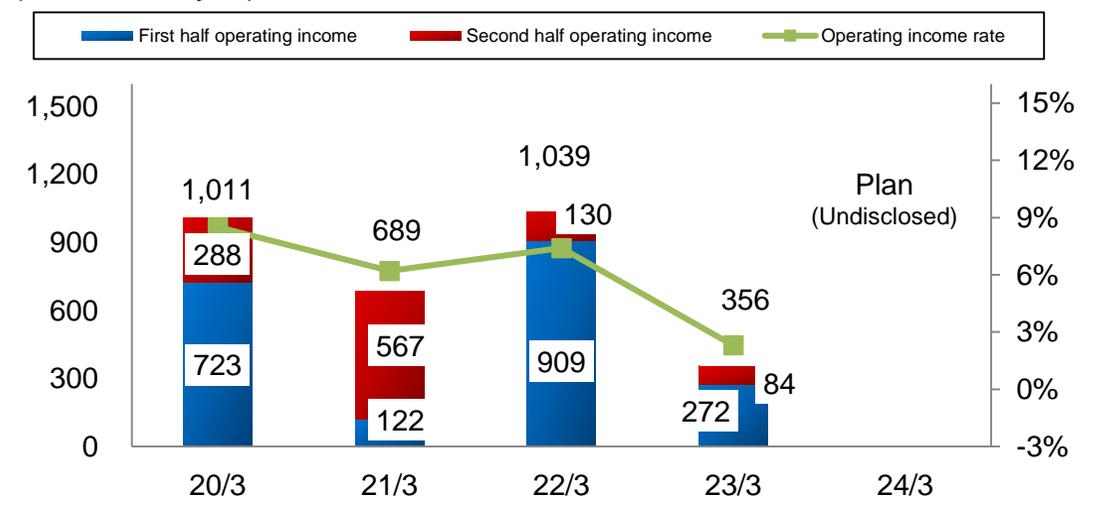
### Forecast for the year

- Sales are expected to increase on the assumption of higher sales in the appliance-related market as well as the automotive market, which is expected to see a recovery in demand following the elimination of the semiconductor supply shortage, and the penetration of price revisions

### Approaches

- Expanding sales of EMC and heat control products by ramping up the activity to have our products specified in projects from the perspective of both ex-post measures and prior installation
- Expanding sales in China's automotive market by strengthening support for measures such as "EV-Chamber" testing

(Unit: million yen)



### Main group companies: Yearly forecast

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

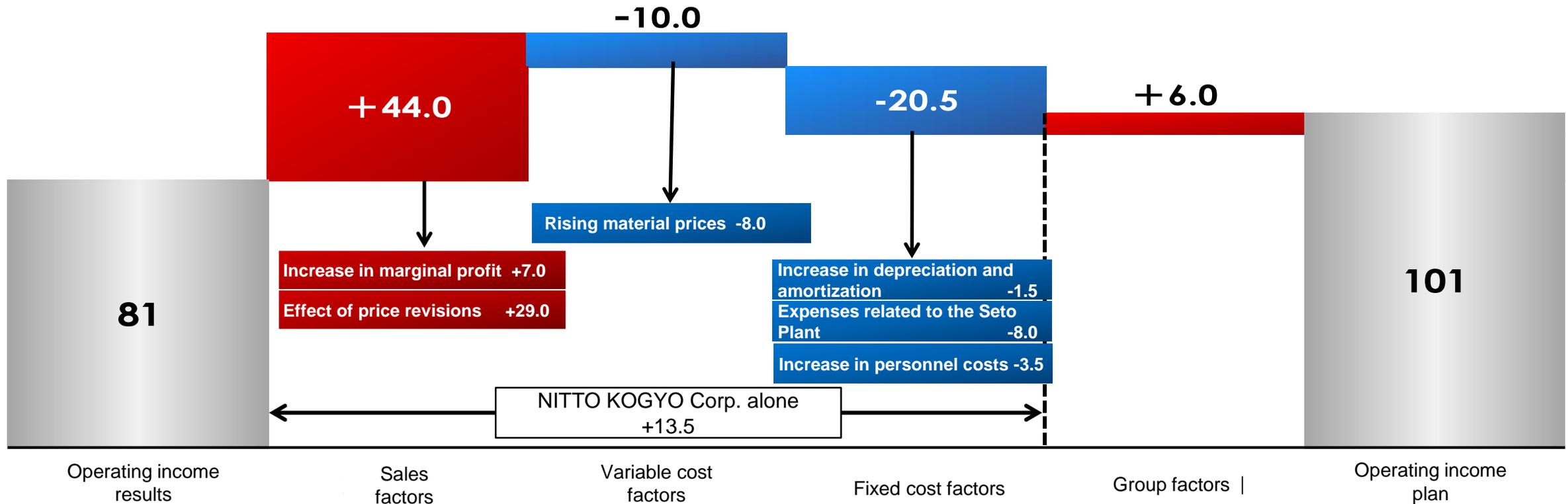
# Factors in changes in yearly consolidated operating income (forecast for this year, YoY)

- Consolidated operating income for period ending in March 2024 is forecast to increase 23.6% year on year to 10.1 billion yen
- For NITTO KOGYO Corp. alone, an increase in marginal profit and the effect of price revisions will become factors that push up income despite rising Prices of procured materials (variable cost factors) and increase in expenses related to the Seto Plant (fixed cost factors).
- For the group, particularly, an income increase in SunTelephone and KITAGAWA INDUSTRIES will become factors that push up income.

(Unit: 100 million yen)

[Results for March 2022 period]

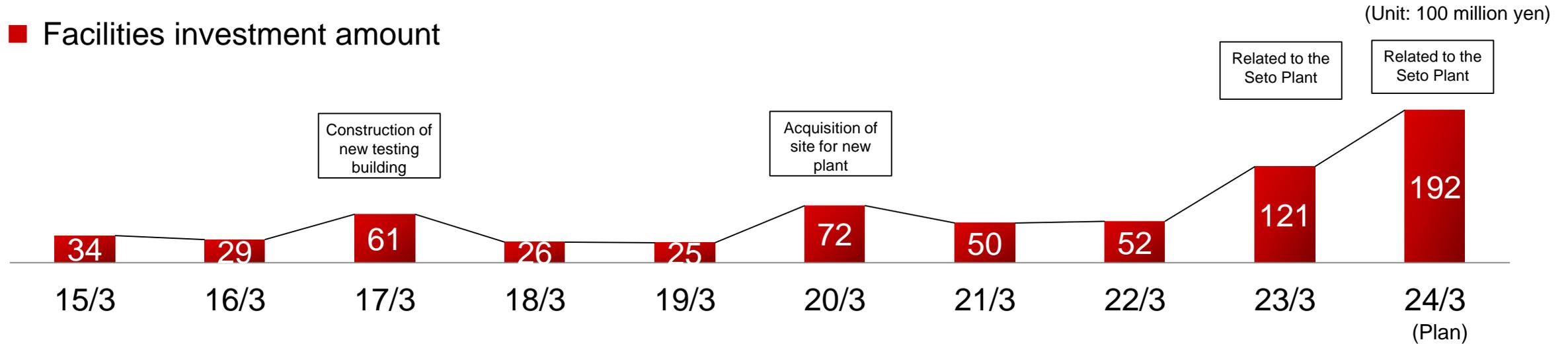
[Revised plan for March 2022 period]



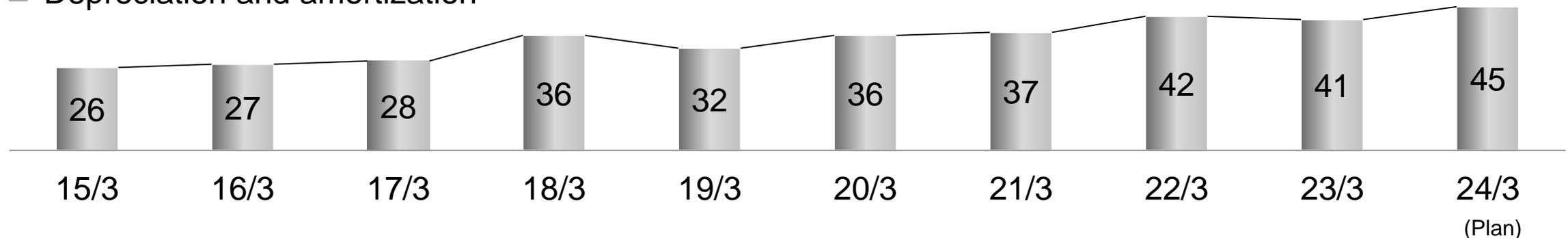
# Facilities investment amounts and depreciation and amortization

- For the period ending March 2024, facilities investment amount is planned at 19.2 billion yen and depreciation and amortization at 4.5 billion yen
- Facilities investment continues to increase mainly due to construction-related costs at the Seto Plant

## ■ Facilities investment amount



## ■ Depreciation and amortization

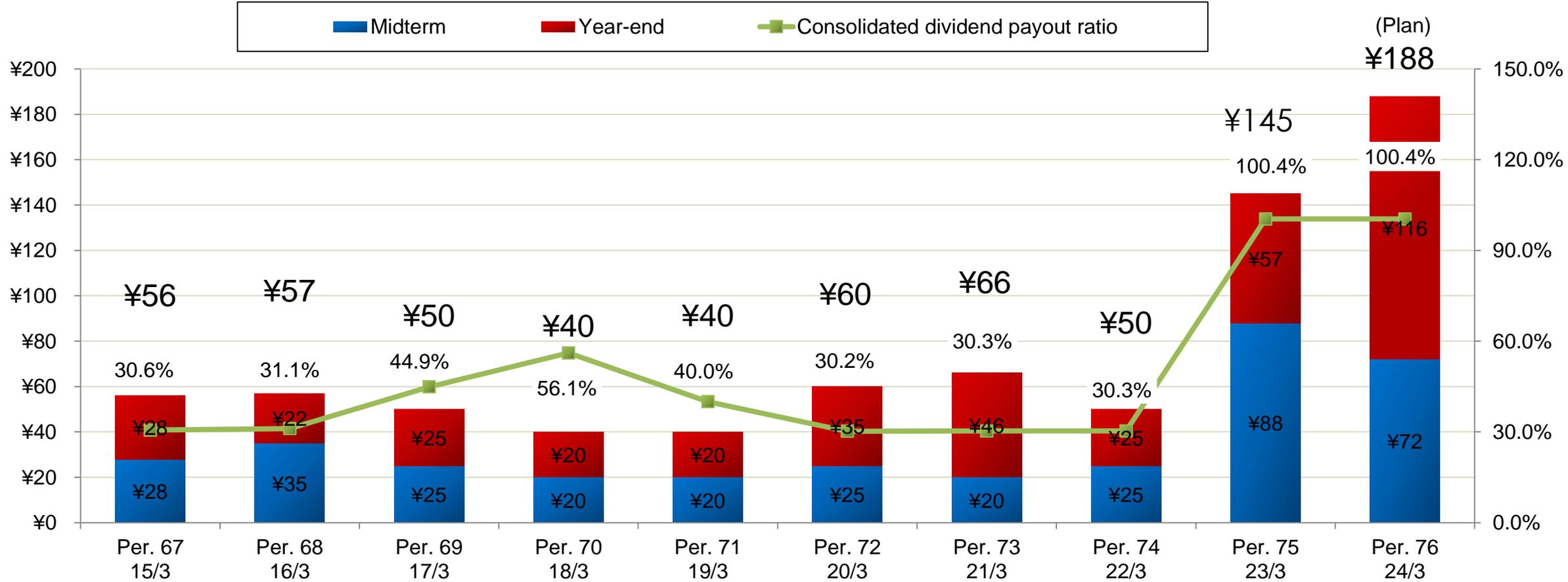


\*Rounded at 10 million yen

# Dividend status

Full year  
FY2022

- In the period ended March 2023, the dividend for the year is 145 yen and the dividend payout ratio is 100.4% on a consolidated basis
- In the period ending March 2024, dividends for the year will be 188 yen and the dividend payout ratio will be 100.4% on a consolidated basis



## 4. Mid-term management plan

# Long-term Management Concept - Long-term Growth Story

Full year  
FY2022

FY 2016

FY 2020

From  
FY 2022

FY 2023

2020 mid-term management plan

**Find ways** for our business to evolve

**Basic Policy**

Challenge  
Toward the next-generation business model

## 2023 Mid-term Management Plan

Lay the foundations for the **evolution of our business**

- Expand the scale and areas of our business
- Improve our skills (technology and proposals)

Identify social issues and **create business opportunities**

## Capital efficiency focused management

☆ Add capital efficiency management as a foundation that bolsters the basic policy

To be a corporate group that provides reliability and peace of mind when it comes to the future of our planet

**Improve corporate value**

Economic value



Social value

**Expand the scale of our business**

Evolve our business and **increase our economic value**

**Solve key issues**

Solve social issues and **increase our social value**

## Basic Policy

# Establish the foundations and take an aggressive approach

### Build a solid business foundation

- ✓ Strengthen our existing framework (sales and manufacturing methods)
- ✓ Become more profitable to maximize cash
- ✓ Build frameworks that create synergies between the businesses in the group

### Strengthen the group's business foundation

- ✓ Build the foundations of a group-wide information communication infrastructure
- ✓ Establish a framework that will enable flexible use and shifting of personnel and assets in the group

### Work to expand our business

- ✓ Strive to create new businesses outside our existing markets and industries
- ✓ Expand into overseas markets to increase the scale of our business
- ✓ Promote initiatives for new technology

### Actively invest in growth

- ✓ Promote strategic investments in R&D and new businesses
- ✓ Build a framework enabling optimal group-wide execution of bold investments
- ✓ Where necessary, engage in capital alliances and M&A with prospects for growth

## Foundation that bolsters the basic policy - Capital efficiency focused management -

- ✓ Promote capital efficiency management with an awareness of ROE and BS management.
- ✓ Curb an addition to equity by revising the shareholder return policy and raising the dividend payout ratio to 100% for the two remaining periods (the period ended March 2023 and the period ending March 2024) in the current mid-term management plan.

## Conduct policy

# Boldly face challenges !

- ▶ Do not fear failure, and passionately keep trying without giving up.
- ▶ Take up challenges for the growth of the group, the company, and yourself.
- ▶ Everyone in the NITTO KOGYO Group will fully support people who take up challenges

Electrical and telecommunications  
infrastructure-related manufacturing

## Distribution business

Toward becoming a solutions partner who  
creates new domains and the next generation



Electrical and telecommunications  
infrastructure-related manufacturing

## Construction and service business

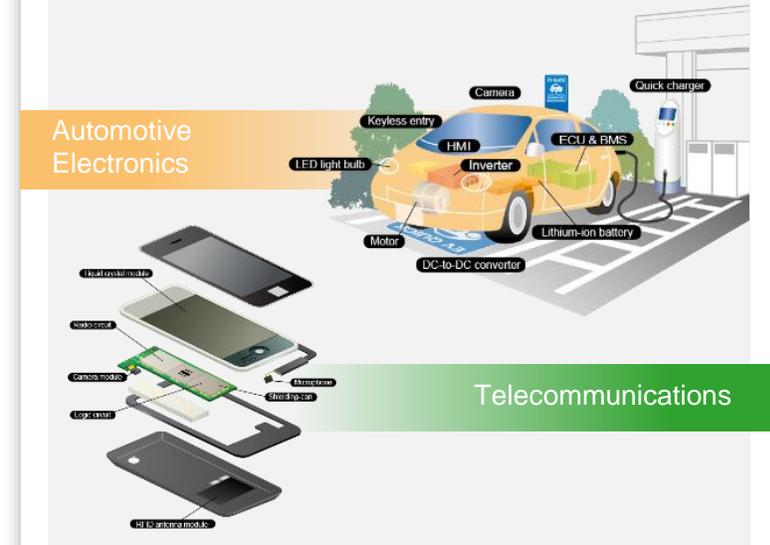
Expand the domain of a value creation model in responsible  
business and standard product business as a group



Electronic parts-related

## Manufacturing business

Deepen and evolve core technology and roll out solutions  
globally



## Group's business foundation

**Establishment of a group ICT infrastructure foundation** Establish a business foundation that supports the NITTO KOGYO Group's businesses

## Electrical and telecommunications infrastructure-related manufacturing, construction and service business

### Core business Construction of environmentally friendly plants “Seto Plant” focusing on sustainability

Aim to make smart factories incorporating digital transformation (DX) taking reduction in environmental impact into account



Location	22-4 Yatokocho, Seto City, Aichi Prefecture
Site area	253,898 m <sup>2</sup>
Production item	Enclosures, breakers, system racks, optical junction boxes, thermal management products, etc.
Number of employees	Approx. 300
Operation start	Spring 2024
Investment amount	Approx. 25 billion yen
Environmental certification	CASBEE AICHI A Rank ZEB (acquisition planned)

(Image of the completed Seto Plant)

#### Purposes of relocation

- ✓ Relocation due to aging of current Nagoya Plant
- ✓ Optimizing production by replacing production items with those of other plants

#### Key points

- (1) Strengthening ability to support automated and high-mix low-volume production by utilizing DX
- (2) Visualization of prices and delivery deadlines by systematizing and centrally managing specifications, production and shipping information
- (3) Procuring electricity 100% renewable through using electricity generated by the solar power generation system for production facilities and buying carbon-free electricity to cover the shortfall
- (4) Installing a solar power generation system (panel capacity: 1,134 kW), and transporting the generated electricity to our Nakatsugawa Plant
- (5) Sequentially installing 100 EV charging facilities in visitor and employee parking lots

# 2023 Mid-term Management Plan - Progress in Business Strategy

## Electrical and telecommunications infrastructure-related manufacturing, construction and service business

### New business Working on expanding business areas to realize a sustainable society

Strengthening orders for energy management system-related products to contribute to the building of a zero-carbon society

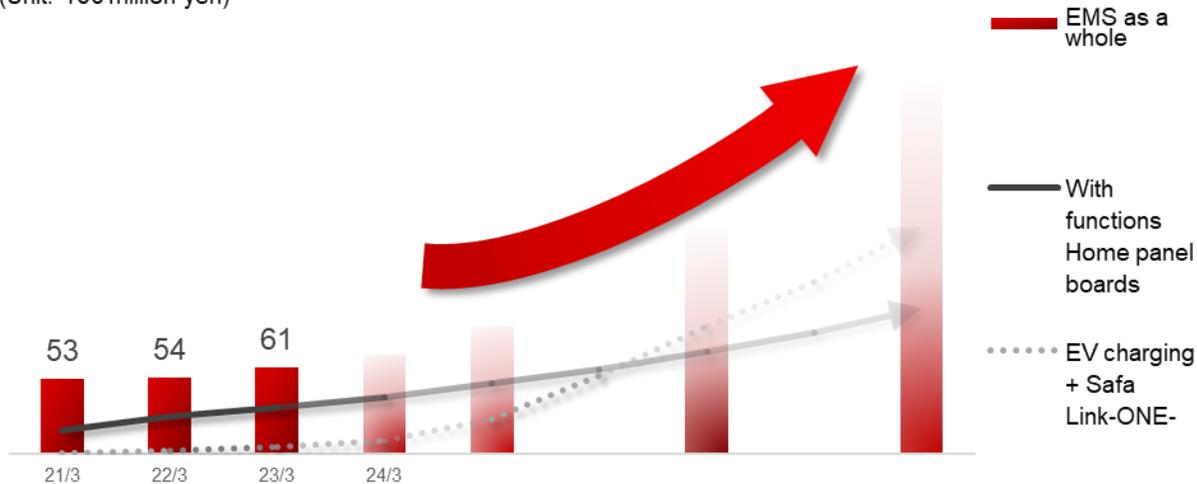
“Energy management system (EMS) related products” refers to the aggregate sales of the following products:

- (1) Home panel boards with the power source switching function
- (2) EV charging stands
- (3) Safa Link-ONE- (orders start in April 2023)
- (4) PV-related (power control storage box, etc.)

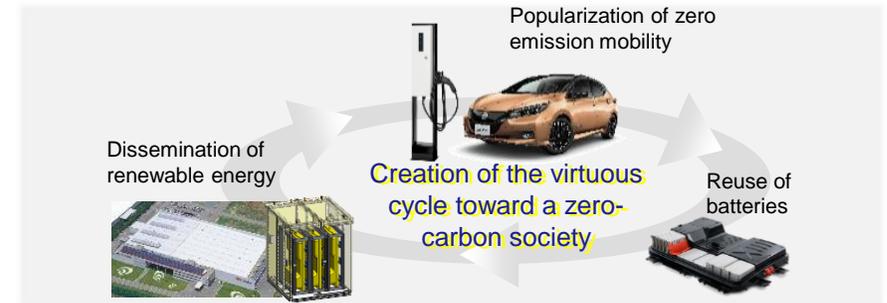
\*Sales figures represent sales of NITTO KOGYO Corp. alone and do not include sales of the Group. They are also not offset among group companies.

#### Reference: Trends of sales of EMS-related products

(Unit: 100 million yen)



#### Image of “Safa Link-ONE-”



#### Image of EV charging service linkage



# 2023 Mid-term Management Plan - Progress in Business Strategy

## Electrical and telecommunications infrastructure-related distribution business

### Achievements

### Expansion of solution merchandise/expansion of sales to new markets



#### Contribution to building a super smart society via DX

- Expansion of sales of solution merchandise including network cameras and wireless LAN by strengthening proposal activities
- Expansion of use of our EC site by taking measures to increase accesses such as search engine optimization (SEO measures)

#### Creating new value-added businesses

- Supporting the construction of infrastructure and networks for plants to complement the telecommunications business, which is the core business, and build new business pillars



## Electronic parts-related manufacturing business

### Achievements

### Expansion into overseas markets/Increasing adoption in the automotive industry

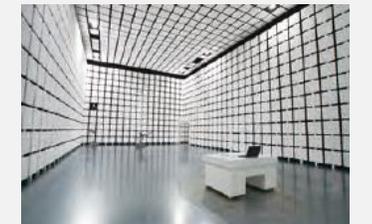


#### Expansion into overseas markets

- Hosting EMC technology webinars for overseas customer engineers
- Finding clues for strategy to capture non-Japanese customers by utilizing EMC labs and EMC consultants in China, ASEAN and Europe regions

#### Contribution to promoting the transition to electric vehicles

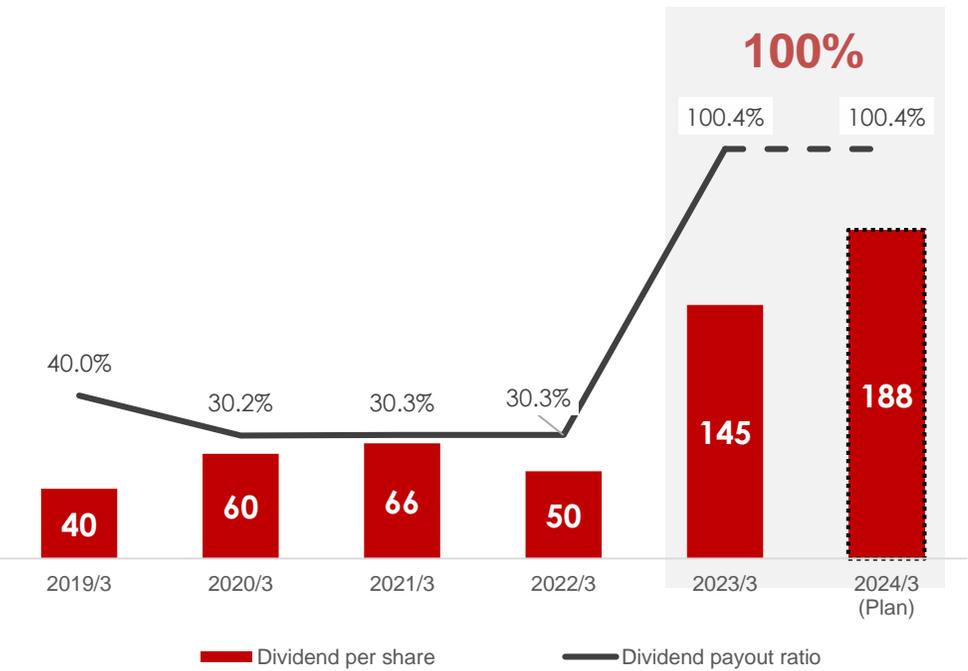
- Expansion of adoption of EMC and heat control materials for EV and PHEV, mainly at Japanese automotive manufacturers, through technological solutions



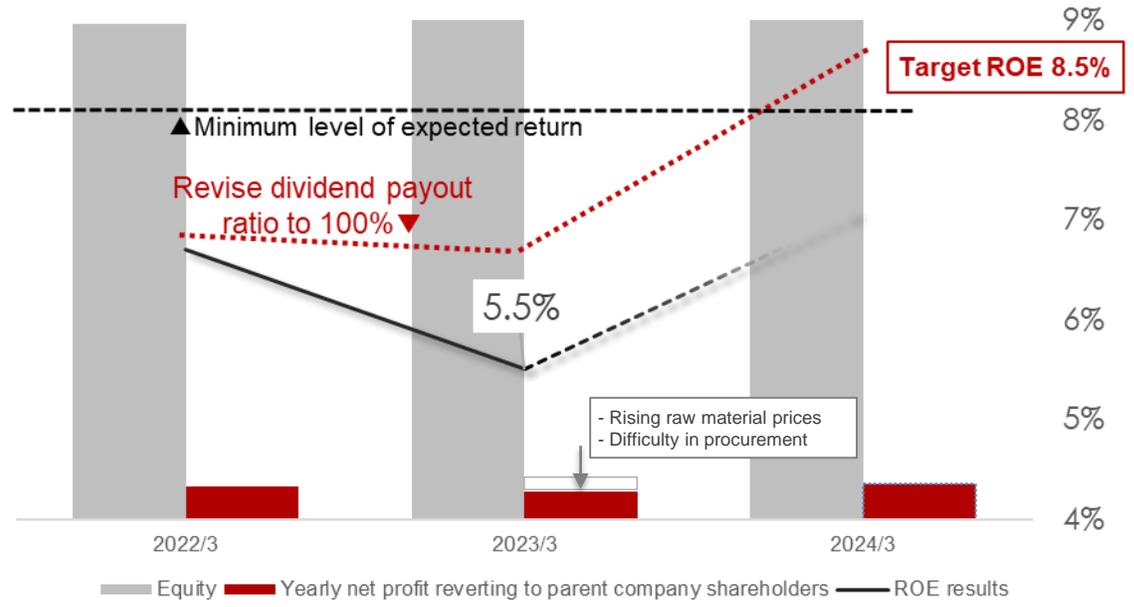
# 2023 Mid-term Management Plan - Status of Capital Policy

- The dividend payout ratio is set to 100% starting from the interim dividend for the period ended March 2023 in order to stunt the excessive growth of equity (denominator)
- The initially assumed increase in profits (numerator) has not progressed partly due to the impact of rising raw material prices and difficulty in procurement of materials that are far severer than expected since the adoption of the capital policy
- ROE for the period ending March 2024 is expected to improve year on year

Trends in dividend payout ratio and dividends per share



Trend in ROE



# For further growth (Eyes set on 2030)

## Aggressive M&A investment for expansion of business areas

- ▶ Enter new fields and markets by capital alliances with and M&A investment in corporations necessary for the NITTO KOGYO Group to expand business areas and technological fields, including overseas ones.

## Investment in extending the Tochigi Nogi Plant

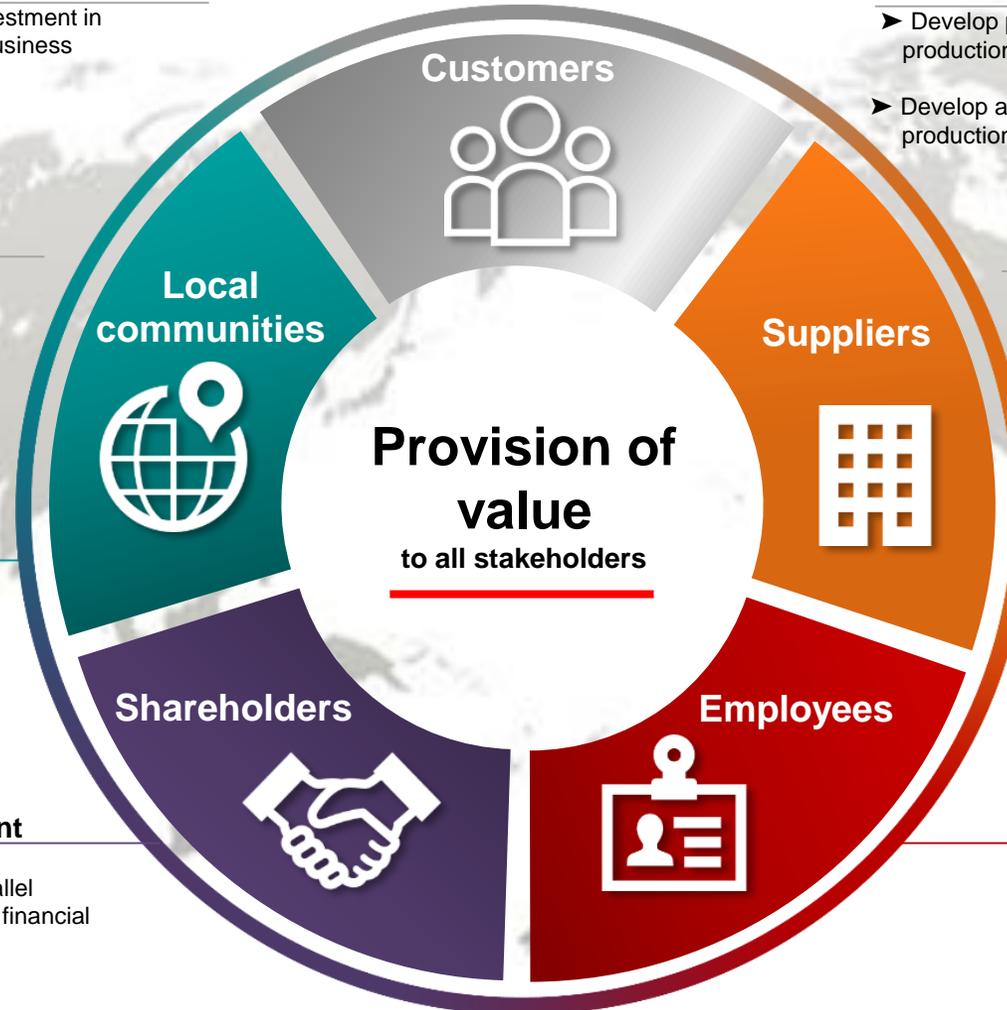
- ▶ Promote the roll-out of products that meet customer needs and reinforce the production system and the sales network with the aim of contributing to the establishment of telecommunications infrastructure in 5G and 6G (Scale of investment: 15 billion yen)

## Green investments for reducing environmental footprint

- ▶ Promotion of adoption of energy-saving equipment, utilization of renewable energy, and better use of electric vehicles aimed at the establishment of a sustainable society  
[Target] Reduce CO2 emissions by 30% by 2030 (compared to fiscal 2020)  
Realization of carbon neutrality in 2050

## Continuation of capital efficiency focused management

- ▶ Aim to keep and raise the ROE level in the mid-to-long term
- ▶ Promote investment that helps enhance corporate value and in parallel distribute dividends to shareholders by comprehensively taking the financial conditions, the ROE level, etc., into consideration



## Expansion of the business size related to electrification and energy management markets

- ▶ Develop products, such as next generation EV chargers, and establish their production systems to contribute to EV charging infrastructure indispensable to realizing an electrified society, and EMC and heat control
- ▶ Develop a solar-powered, self-consumption battery system and establish the production system with an eye on decarbonization and future changes to the environment around energy

## Reinforcement of R&D investments

- ▶ Clarify the vision, direction, and priorities, and make it certain to develop ideas into products by uniting the comprehensive strengths of the NITTO KOGYO Group in order to launch products that understand customer needs into the market in a timely manner.

## Digital investment that transforms business models

- ▶ Advance digital transformation (DX), such as CAD data linkage, thereby enhancing productivity and contributing to social issues, such as labor shortages, by establishing a unique production system

## Reinforcement of human resources investment

- ▶ Speed up human resources development including education and reskilling for the sustainable growth and development of the NITTO KOGYO Group

# CONNECT!

- Connecting electricity and information -

**NITO** **NITTO KOGYO GROUP**

Stock code: 6651

## 5. Reference materials

# Reference materials

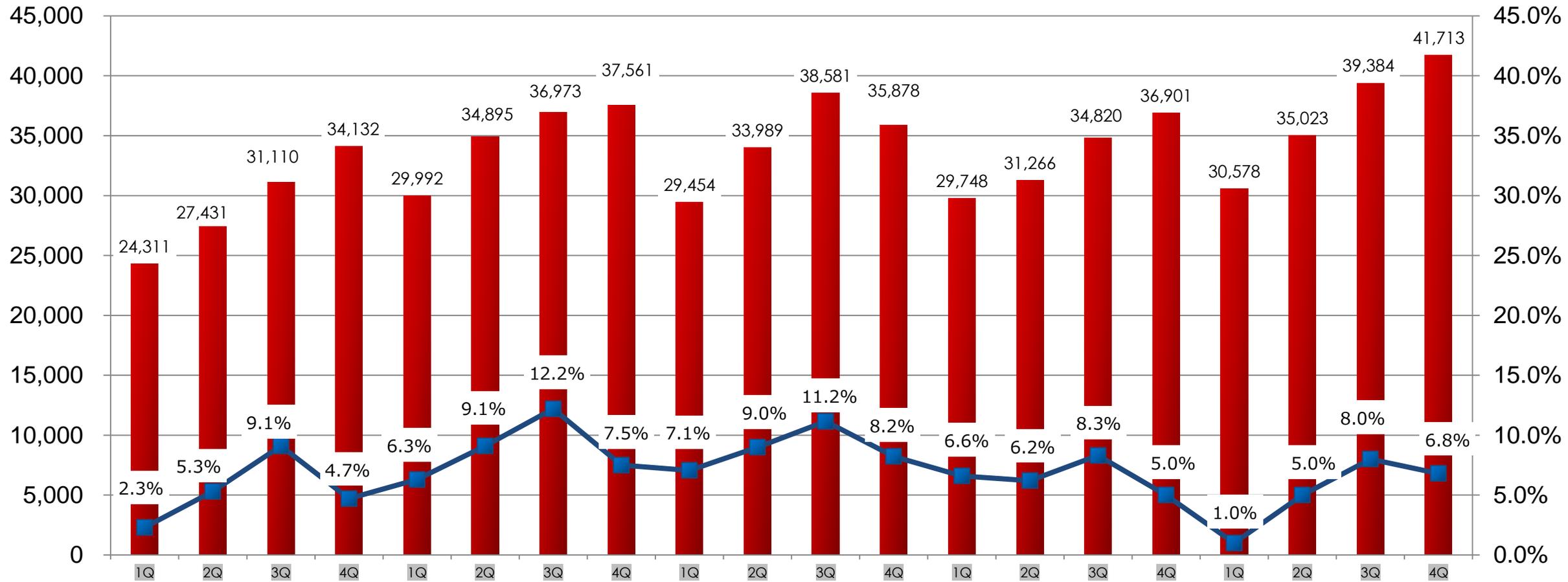
- **Consolidated sales trends (quarter)**
- **Sales trends by segment (quarter)**
- **3 segments**
- **Result trends from establishment to present**
- **Sales composition ratios by business segment**
- **Sales composition ratio by division (manufacturing, construction, service and business)**
- **Trend in total assets/net assets/capital-to-asset ratio**
- **ROE (return on equity) trends (consolidated)**

# Consolidated sales trends (quarter)

Full year  
FY2022

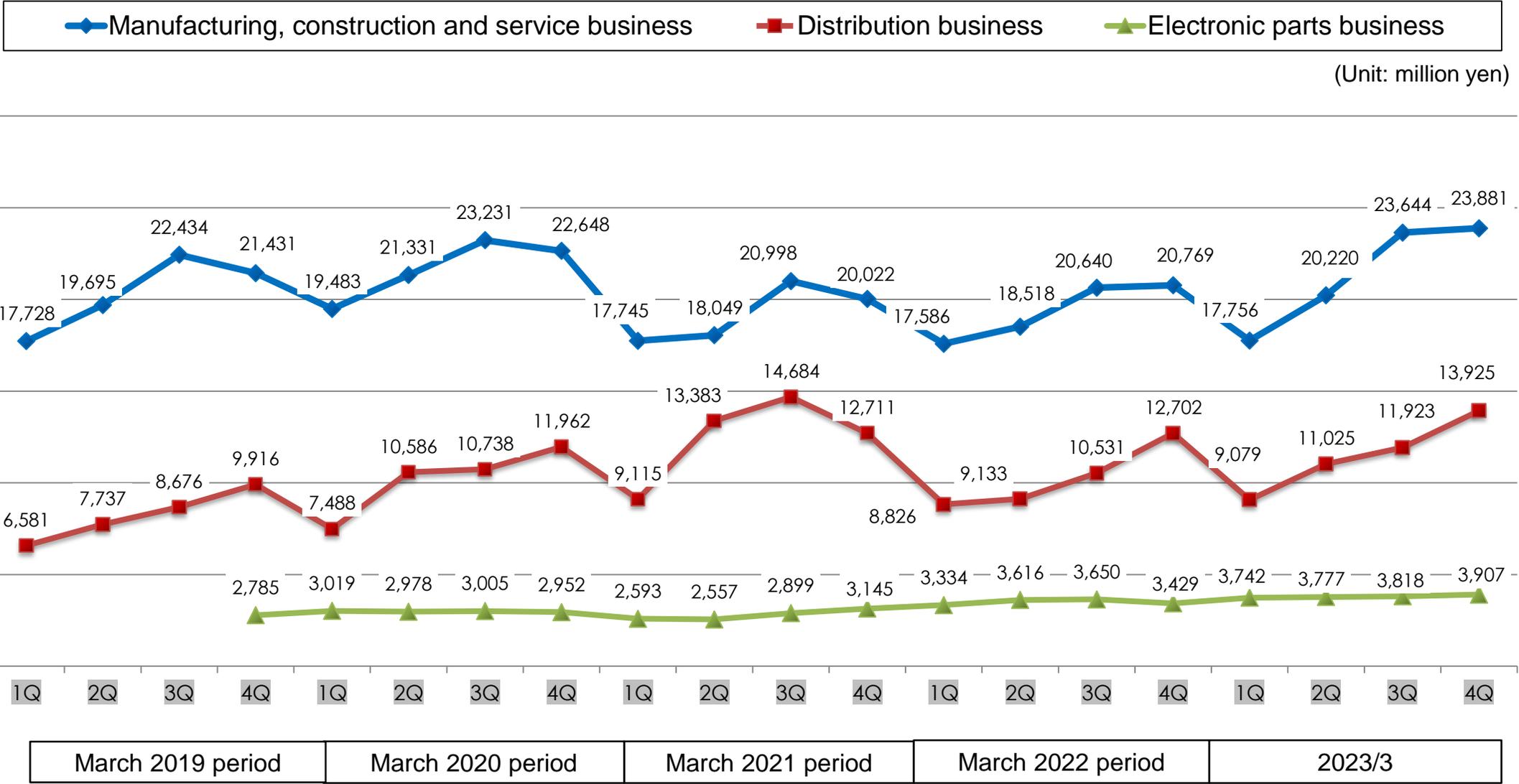


(Unit: million yen)



March 2019 period    March 2020 period    March 2021 period    March 2022 period    2023/3

# Sales trends by segment (quarter)



\* Due to the change in business segments beginning in the period ended in March 2022, figures prior to the change have been revised to reflect the new segments and therefore do not match the figures in other documents that were disclosed in the past.

# 3 segments (construction and service business)

- Design, manufacturing, and sales of distribution/panel boards, control panel boards, etc., and installation, maintenance, and other construction work of electrical facilities

## Distribution boards



High-voltage power receiving equipment



Distribution / Panel boards

## Enclosure



Enclosure



System racks



## Breakers/switches/parts/other



Breakers



Parts



Charging stands

## Construction/service



Communication facility construction



Electrical facility construction

# 3 segments (distribution business)

## ■ Purchases and sales of telecommunications equipment and materials



### Network cameras

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



### High-speed network devices

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



### Information security-related products

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

# 3 segments (electronic parts business)

- Production 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]

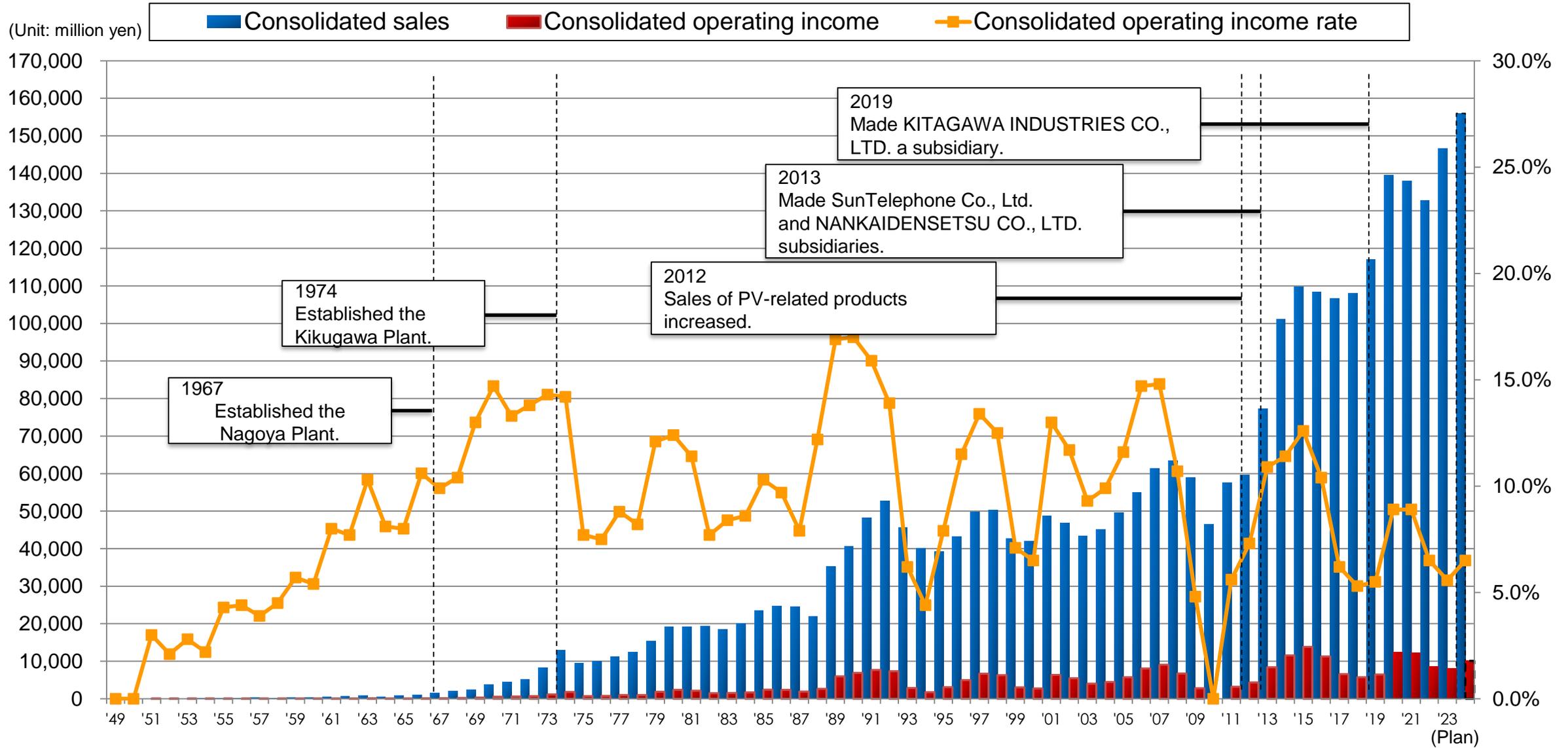


[Cable Ties]



# Result trends from establishment to present

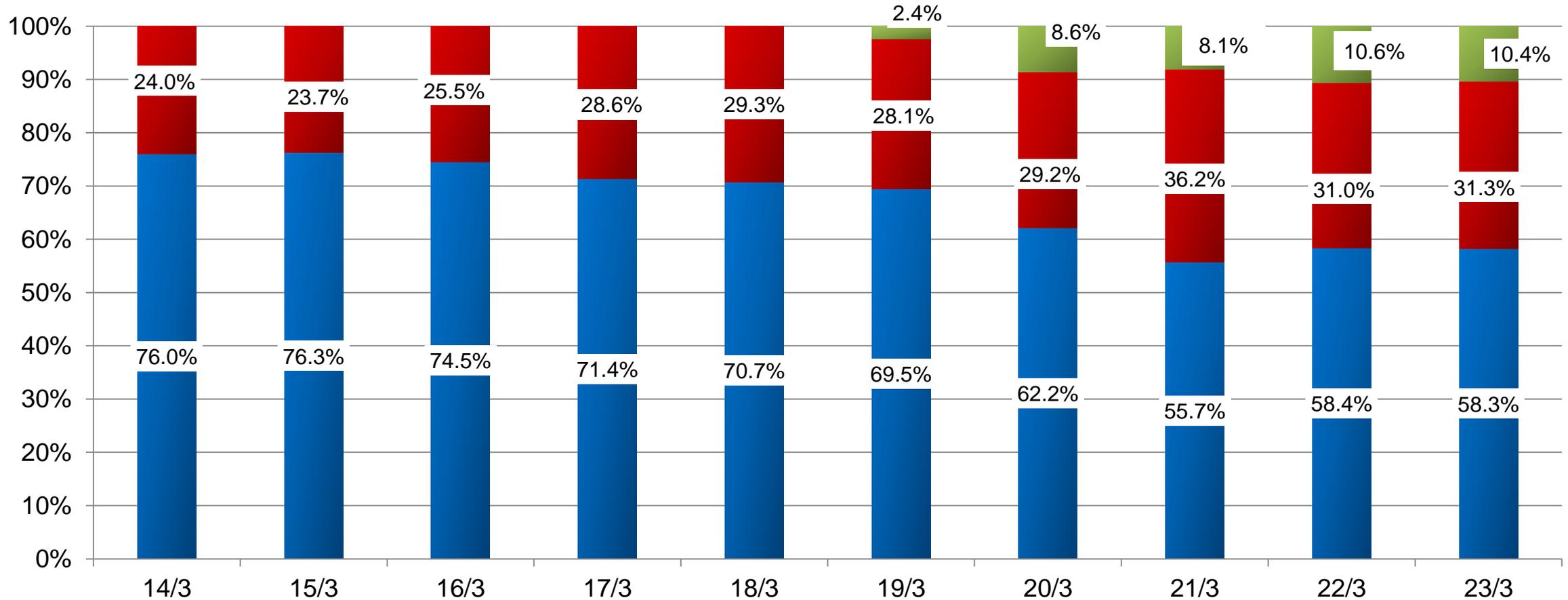
Full year  
FY2022



# Sales composition ratios by business segment

Full year  
FY2022

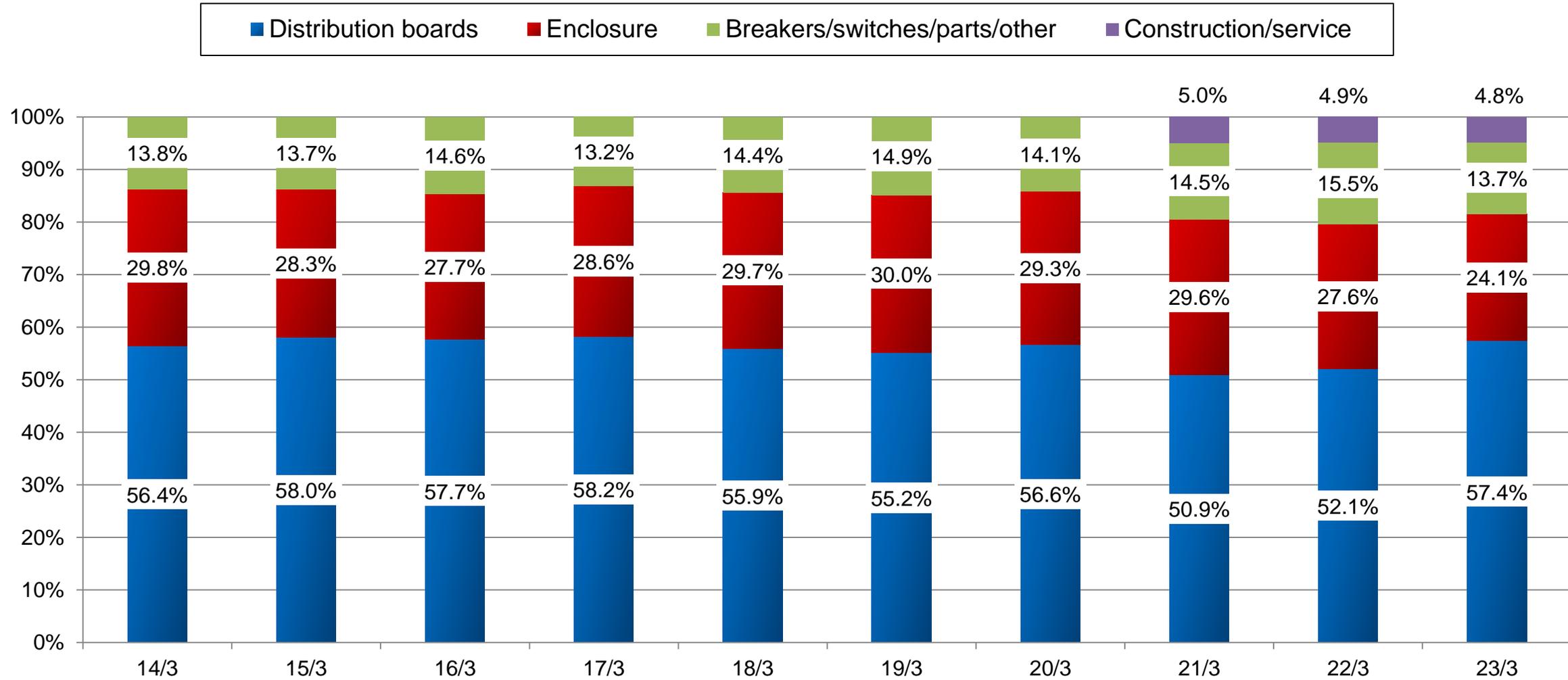
■ Manufacturing, construction and service business ■ Distribution business ■ Electronic parts business



\* Figures have been revised to reflect the new segments and therefore do not match the figures in other documents that were disclosed in the past. Numerical totals may not match exactly due to rounding.

# Sales composition ratio by division (manufacturing, construction, service and business)

Full year  
FY2022

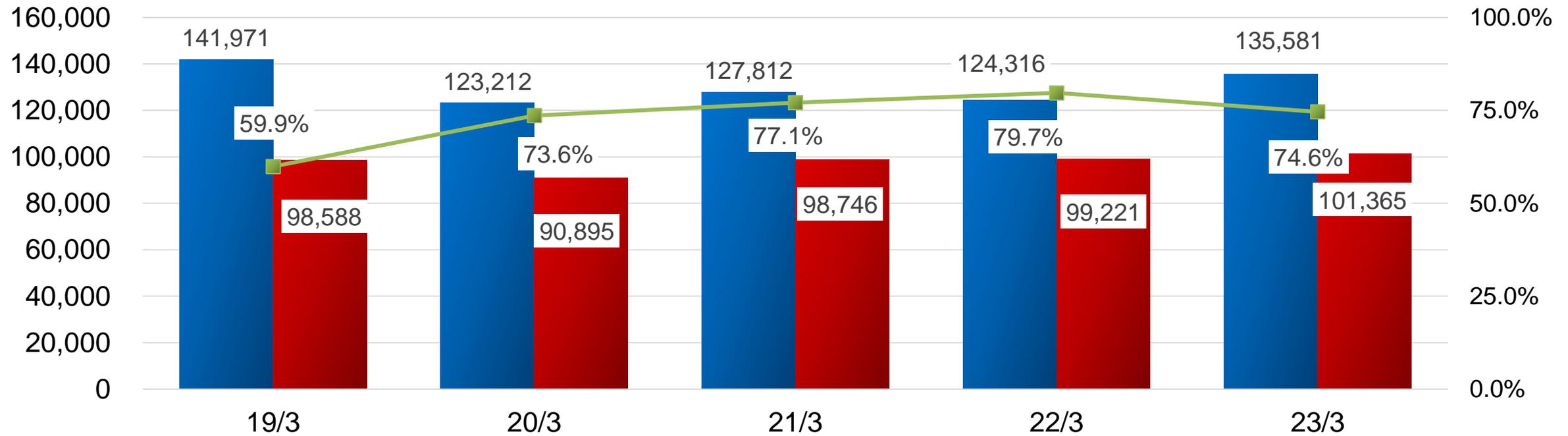


\* Figures for the period ended March 2021 have been recalculated to reflect the new segments.  
 Figures for distribution boards and enclosures prior to the period ended March 2020 are those for the previous distribution board and enclosure divisions.  
 Figures for breakers/switches/parts/other prior to the period ended March 2020 are the total for the previous breaker/switch and parts/other divisions.  
 Numerical totals may not match exactly due to rounding.

# Trend in total assets/net assets/capital-to-asset ratio

Full year  
FY2022

(Unit: million yen)



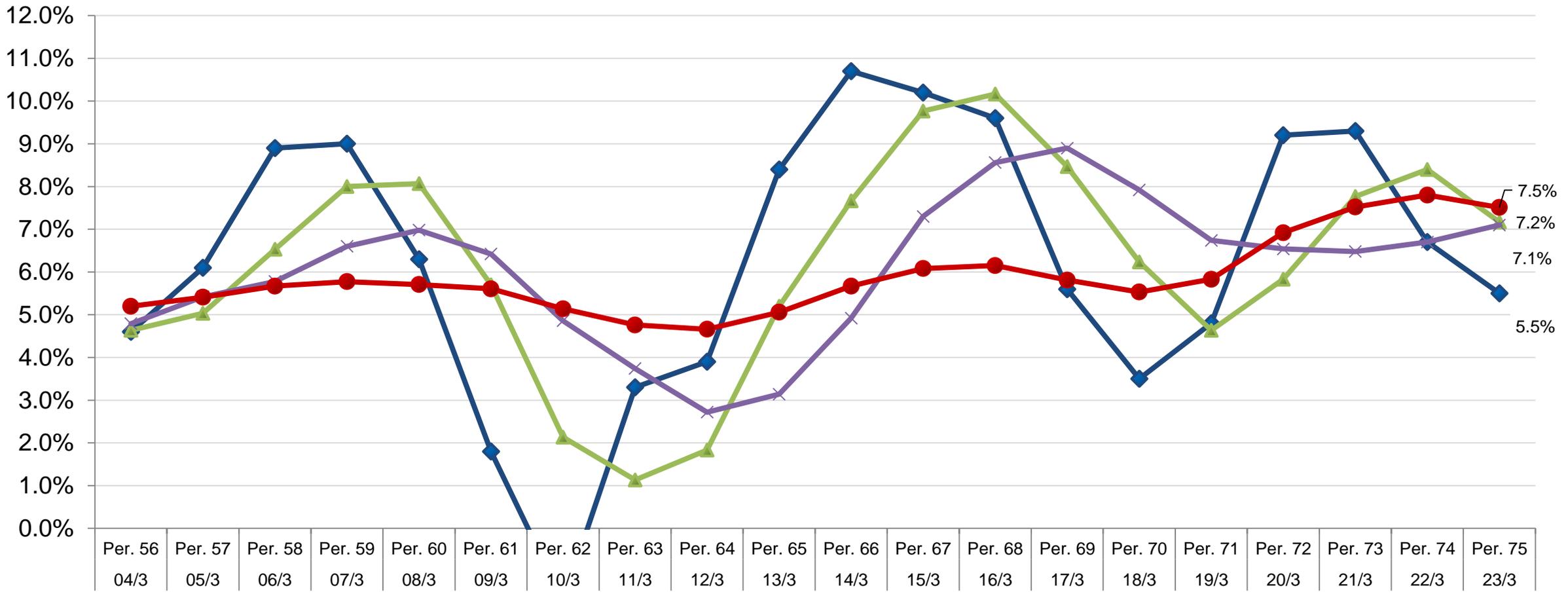
(Unit: million yen)

	19/3	20/3	21/3	22/3	23/3
Total assets	141,971	123,212	127,812	124,316	135,581
Net assets	98,588	90,895	98,746	99,221	101,365
Capital-to-asset ratio	59.9%	73.6%	77.1%	79.7%	74.6%

# ROE (return on equity) trends (consolidated)

Full year  
FY2022

◆ Single-year ▲ 3-year average ✕ 5-year average ● 10-year average



Final deficit

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