

Financial Results for the Second Quarter (First Half) of Period Ending March 2025

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.

Sales and net income were at record highs for the first half **Profits decreased due to an increase in fixed costs**

- Sales and net income were at record highs for the first half thanks to year-on-year revenue increase
- Despite profit-increasing effects such as price revisions and improved transaction prices, operating income and ordinary income decreased, impacted by the rising prices of parts and raw materials and higher depreciation and amortization
- We revised the full-year plan released on May 15, 2024, due to consolidated subsidiary earnings forecasts and an extraordinary income that exceeded our initial forecast

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1. Overview of consolidated results for the first half of the accounting period ending March 2025

Consolidated accounting highlights for the first half

2Q FY2024

- Business results for the first half of the period ending March 2025 showed increased revenues and decreased profits. Sales and net income were at record highs for the first half.
- Sales increased in the electrical and telecommunications infrastructure-related manufacturing, construction and service businesses, supported by the effects from newly grouped subsidiary consolidation (approx. 5.3 billion yen) as well as from price revisions and higher transaction prices.
- Despite profit-increasing effects such as price revisions and higher transaction prices, operating income decreased, impacted by the rising prices of parts and raw materials and higher depreciation and amortization.
- First-half net profit reverting to parent company shareholders increased significantly due to the booking of extraordinary income (approx. 2.4 billion yen in gain on bargain purchase).

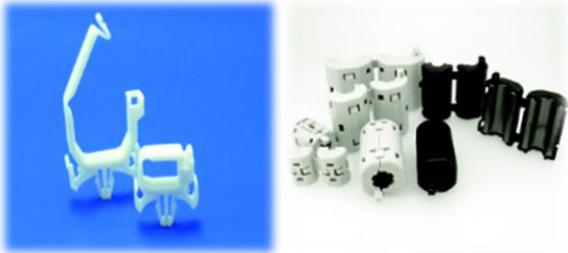
(Unit: million yen)

	2024/3	2025/3			
	2Q results	2Q results	(YoY) Change	2Q plan	Vs. 2Q plan
Sales	73,163	81,983	+12.1%	83,000	-1.2%
Operating income	4,771	4,063	-14.8%	4,700	-13.6%
Ordinary income	5,187	4,433	-14.5%	4,900	-9.5%
First half net profit reverting to parent company shareholders	3,564	5,212	+46.2%	5,600	-6.9%

Business segments

Electronic parts-related Manufacturing business

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



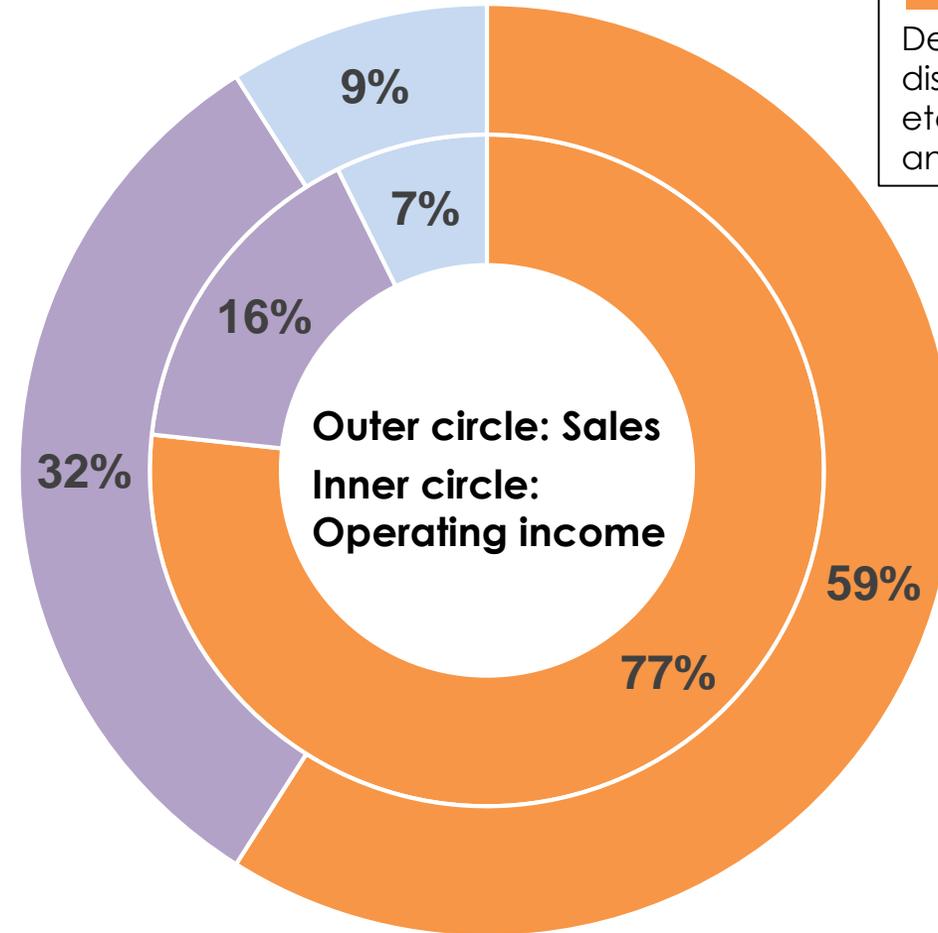
Electrical and telecommunications infrastructure-related Distribution business

Purchases and sales of information communication equipment and parts



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



* 2024/3 actual results. Percentages may not total 100 due to rounding.

Accounting highlights by segment for the first half

- Profits decreased in the manufacturing, construction and service businesses due to rising costs, despite greater sales stemming from an increased number of consolidated subsidiaries as well as price revisions and higher transaction prices
- Profits decreased in the distribution business due to lower revenues stemming from rising purchasing prices and intensifying price competition despite higher sales of network parts
- Sales and profits decreased as demand declined in the industrial equipment market and overseas automobile market despite a partial demand recovery in the air conditioner related market in Japan owing to the extreme heat in the summer

(Unit: million yen)

By segment		2024/3	2025/3			
		2Q results	2Q results	(YoY) Change	2Q plan	Vs. 2Q plan
Sales	Manufacturing, construction and service business	42,995	51,291	+19.3%	51,500	-0.4%
	Distribution business	22,801	23,634	+3.7%	24,000	-1.5%
	Electronic parts business	7,365	7,057	-4.2%	7,500	-5.9%
	Total	73,163	81,983	+12.1%	83,000	-1.2%
Operating income	Manufacturing, construction and service business	3,361	3,040	-9.5%	-	—
	Distribution business	809	474	-41.4%	-	—
	Electronic parts business	596	460	-22.9%	-	—
	Total	4,771	4,063	-14.8%	4,700	-13.6%

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

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

- The distribution boards division posted higher revenue due to an increase in sales of high-voltage power receiving equipment, helped by new subsidiary consolidation (approx. 3.7 billion yen) and improving transaction prices
- The enclosure division booked a revenue increase due primarily to the effect of price revisions and 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 new subsidiary consolidation (approx. 1.5 billion yen) and stronger sales of parts
- The construction and service division posted a revenue increase due to new subsidiary consolidation (approx. 100 million yen) and higher sales of electrical work projects related to high-voltage power receiving equipment

(Unit: million yen)

Sales by division		2024/3	2025/3			
		2Q results	2Q results	(YoY) Change	2Q plan	Vs. 2Q plan
Manufacturing, construction and service business	Distribution boards	24,768	30,133	+21.7%	30,200	-0.2%
	Enclosure	10,230	11,030	+7.8%	10,800	+2.1%
	Breakers/switches/parts/other	6,218	8,089	+30.1%	8,100	-0.1%
	Construction/service	1,778	2,038	+14.6%	2,400	-15.1%
	Total	42,995 (2,382)	51,291 (2,095)	+19.3%	51,500	-0.4%
Consolidated overall total		73,163	81,983	+12.1%	83,000	-1.2%
Consolidated sales composition ratio		58.8%	62.6%	+3.8%	62.0%	—

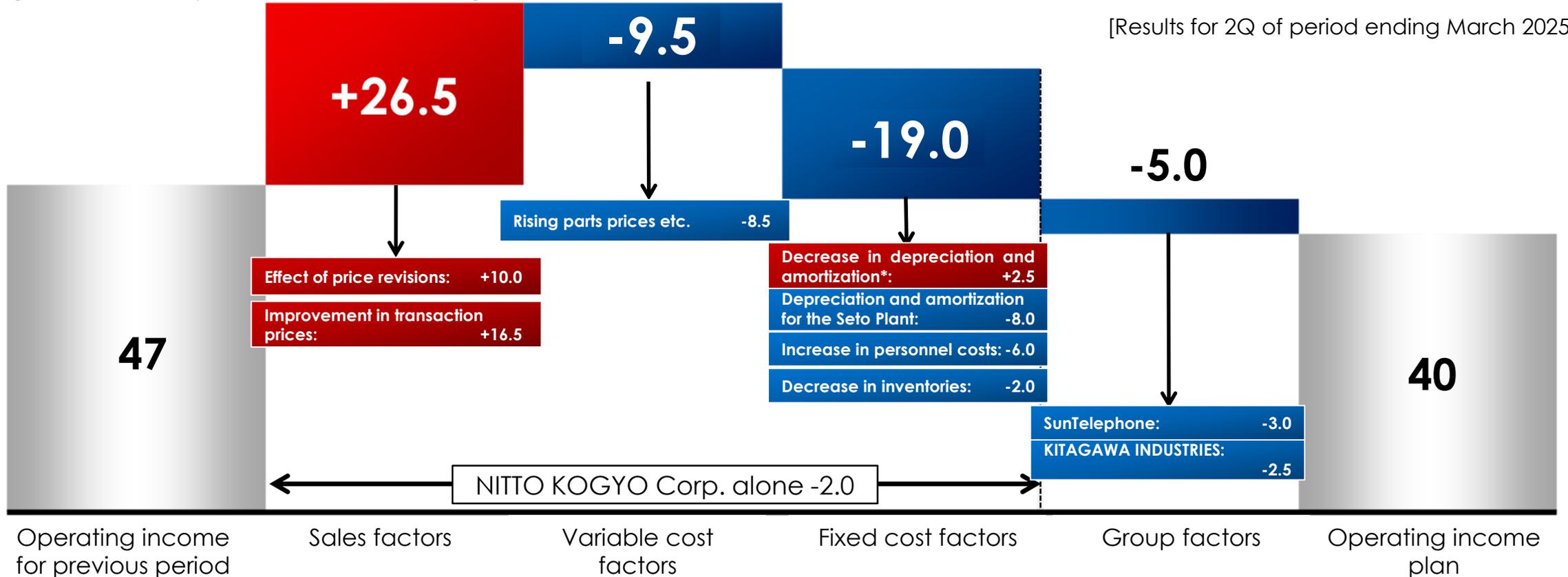
* Parentheses refer to internal sales between segments

Factors in changes in first half consolidated operating income

- As for the non-consolidated factors of NITTO KOGYO Corp., in spite of the effects from price revisions and of an improvement in transaction prices, profits decreased due an increase in variable costs and fixed costs
- Fixed costs grew due to increased personnel costs and to higher depreciation-amortization with the Seto Plant coming on stream
- As for the group factors, primarily SunTelephone and KITAGAWA INDUSTRIES saw decreased profits, which pushed down consolidated operating income

[Results for 2Q of period ended March 2024]

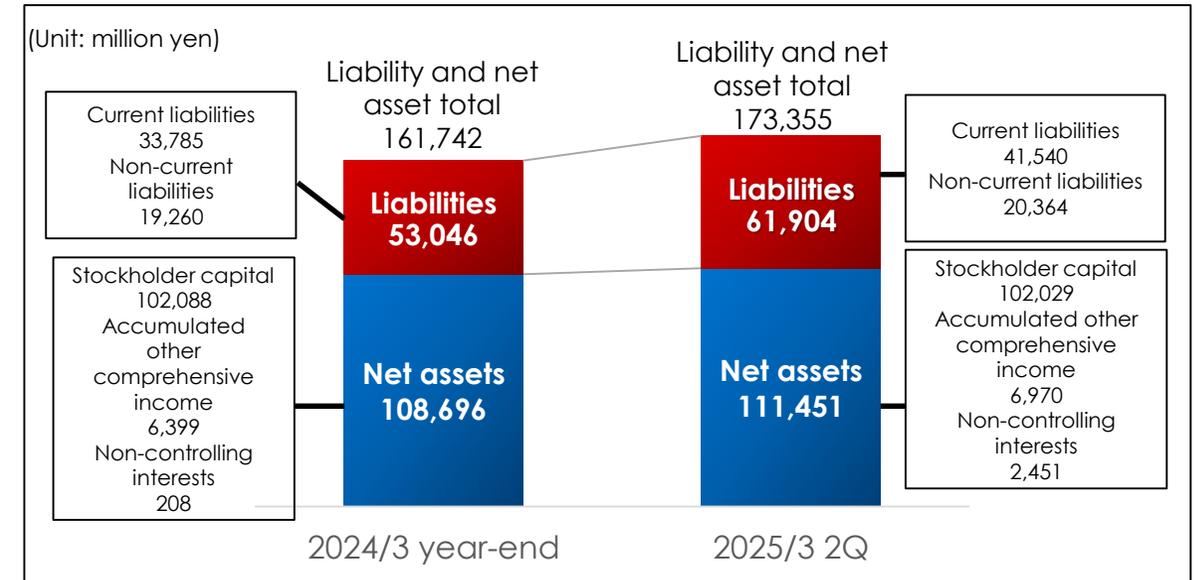
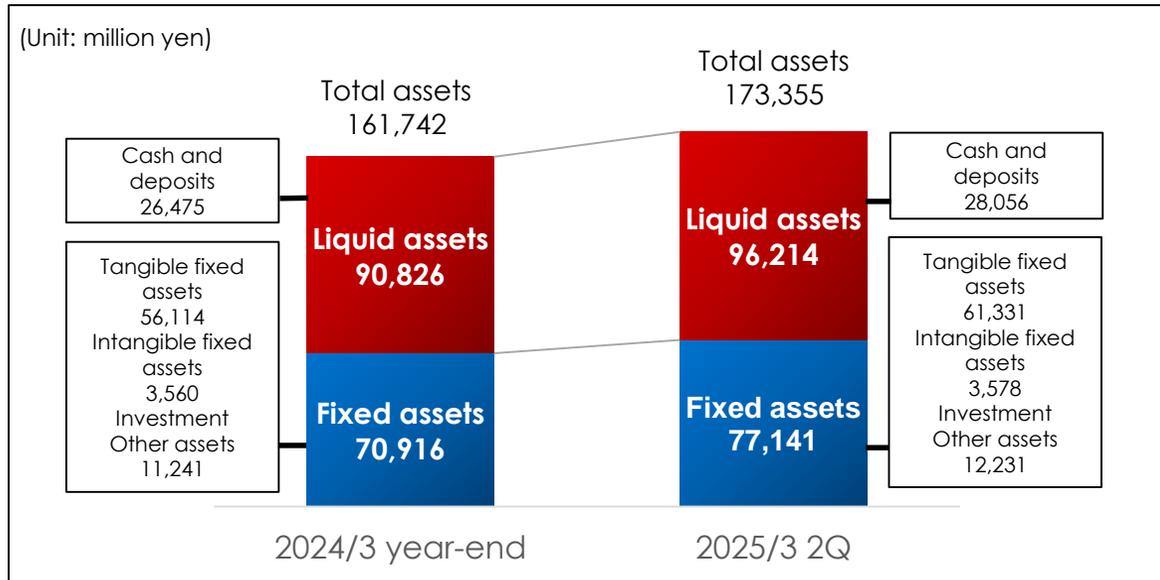
(Unit: 100 million yen)



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

Overview of consolidated finances for the first half

- Assets grew as inventories and tangible fixed assets increased owing to the consolidation of Tempall Industrial Co., Ltd. while notes and accounts receivable decreased
- Liabilities and net assets increased due to higher short-term loans payable, the recording of the first half net income and others



<Main changes>

■ Assets

Decrease in notes and accounts receivables	-3,974
Increased inventories	+7,746
Increased machinery, equipment and vehicles	+3,567
Decreased construction in progress	-2,425

■ Liabilities

Increased short-term loans payable	+9,053
------------------------------------	--------

■ Net assets

Dividends of surplus	-6,009
First half net income	+5,212

Consolidated cash flow statement for the first half

- Cash equivalents on September 30, 2024, increased 1,786 million yen from start the period ending March 2025 to 27,198 million yen

2024/3 2Q	
Cash and cash equivalents at beginning of period	20,098
Cash flows from operating activities	6,114
Cash flows from investing activities	-6,957
Cash flows from financing activities	2,752
Effect of exchange rate change on cash and cash equivalents	409
Cash and cash equivalents at end of period	22,417

2025/3 2Q	
Cash and cash equivalents at beginning of period	25,411
Cash flows from operating activities	7,331
Cash flows from investing activities	-10,587
Cash flows from financing activities	4,534
Effect of exchange rate change on cash and cash equivalents	507
Cash and cash equivalents at end of period	27,198

<2024/3 2Q main factors>

■ Cash flows from investing activities

Expenditure due to acquisition of fixed assets -6,904

■ Cash flows from financing activities

Income due to long-term loans payable +5,000

Payment of dividends -2,161

<2025/3 2Q main factors>

■ Cash flows from investing activities

Expenditure due to acquisition of fixed assets -6,695

■ Cash flows from financing activities

Increased short-term loans payable +8,649

Income due to long-term loans payable +2,000

Payment of dividends -6,003

2. Key topics

The impact of rising parts prices, etc., the effect of price revisions and changing transaction prices

2Q FY2024

- Rising parts prices, etc. decreased operating income by 850 million yen in the first half
- Price revisions (third) boosted operating income by 1.0 billion yen in the first half
- Project prices boosted operating income by 1.65 billion yen in the first half
- Changes in project prices began to be conspicuous from the second half of the fiscal year ended March 2024, so year-on-year change in operating income will likely be less pronounced in the second half of the current fiscal year

	Beginning forecast (full year)	First-half results	Second-half forecast	Change form the initial forecast
Rising parts prices	YoY -1.7 billion yen (in operating income)	YoY -850 million yen	YoY -850 million yen	Unchanged
Effect of price revisions	YoY +1.9 billion yen (in operating income)	YoY +1.0 billion yen	YoY +1.1 billion yen	YoY +2.1 billion yen (200 million yen above the initial forecast)
Changes in transaction prices	YoY +1.6 billion yen (in operating income)	YoY +1.65 billion yen	YoY +1.25 billion yen	YoY +2.9 billion yen (1.3 billion yen above the initial forecast)

Trends of sales of energy management system (EMS) related products

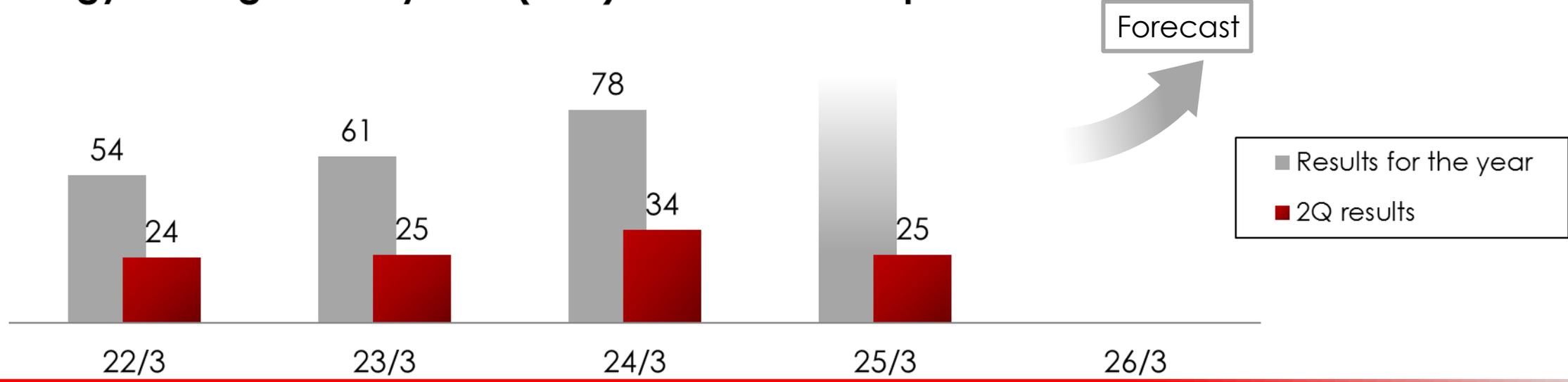
- Sales of EMS-related products in the first half decreased 24.2% year on year to 2.5 billion yen
- Sales decreased due to lower demand for home panel boards with a power source switching function and a delay in solar power generation system projects
- Orders were received for a self-consumption storage battery system utilizing reused EV batteries for solar power generation facilities in the first half Sales are expected to be recorded in the second half

“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) A self-consumption storage battery system utilizing reused EV batteries for solar power generation facilities
- (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.

Sales of energy management system (EMS) market-related products



3. Forecast of consolidated results for the accounts period ending March 2025

Premises of the plan for the year

	Premises of the plan for the year	Risks related to premises
Raw material prices/Parts prices	A decrease in profits by 1.7 billion yen for the full year is expected due to a further rise in raw material and parts prices	A further surge in raw material prices and parts 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 <u>2.1</u> * billion yen for the full year	Deterioration in market prices due to intensified market competition
Changes in transaction prices	Increase in profits by <u>2.9</u> * billion yen for the full year is expected due to price revisions, supported by growing demand, among other factors	
Other	<p>Japan: Solid demand for facilities investment Construction work delays caused by customers' procurement difficulties are expected to subside</p> <p>Overseas: Moderate progress in global economy and conditions</p>	<p>Japanese companies were slower to make facilities investment due to changing U.S. domestic politics and a protracted slump of the Chinese economy</p> <p style="text-align: right;">Amounts in table: Year-on-year basis *Change from the initial forecast</p>

- 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 2.1 billion yen is expected for the full year (200 million yen above the initial forecast)

➤ 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 2.1 billion yen for the fiscal year ending March 2025 (200 million yen above the initial forecast)

Forecast of consolidated results for the year

2Q FY2024

- We revised the full-year consolidated earnings forecasts from the initial forecasts due to a determination of gain on bargain purchase and a change to the full-year earnings outlook
- 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 be flat year on year due to higher fixed costs despite a profit boost from: i) rising marginal profit stemming from growing sales; ii) the effect of price revisions; and iii) improving transaction prices. Ordinary income is expected to decrease as expenses for dismantling the Nagoya Plant are planned to be incurred
- Net income is expected to increase as a result of accounting treatment due to Tempearl Industrial Co., Ltd. becoming a member of the Group (extraordinary income of approx. 2.4 billion yen)

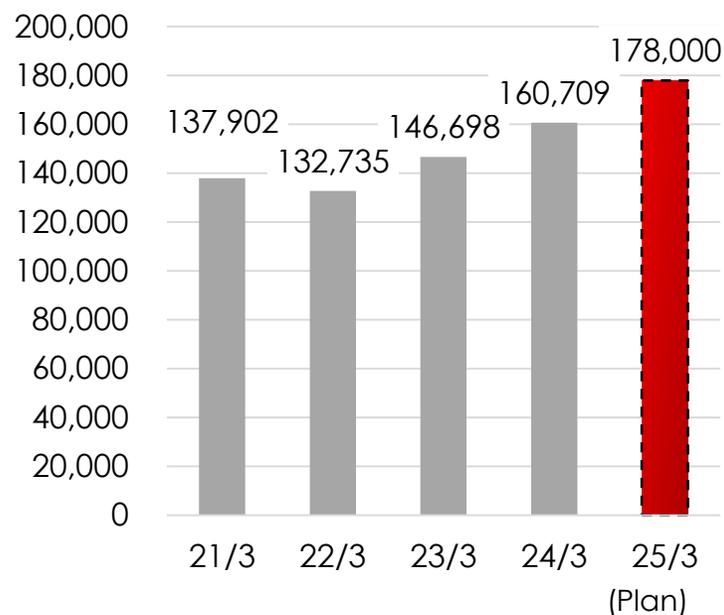
(Unit: million yen)

	2024/3		2025/3					
	2Q results	Results for the year	2Q results	(YoY) Change	Plan for the year (before revision)	Plan for the year (after revision)	Vs. pre-revision plan	(YoY) Change
Sales	73,163	160,709	81,983	+12.1%	180,000	178,000	-1.1%	+10.8%
Operating income	4,771	11,967	4,063	-14.8%	12,500	12,000	-4.0%	+0.3%
Ordinary income	5,187	12,566	4,433	-14.5%	12,500	12,000	-4.0%	-4.5%
Yearly net profit reverting to parent company shareholders	3,564	8,715	5,212	+46.2%	9,700	10,000	+3.1%	+14.7%

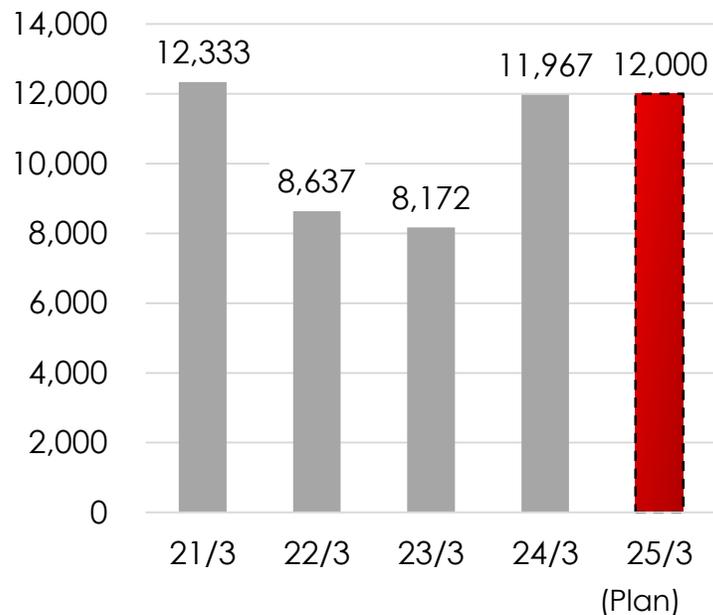
Consolidated performance trends

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

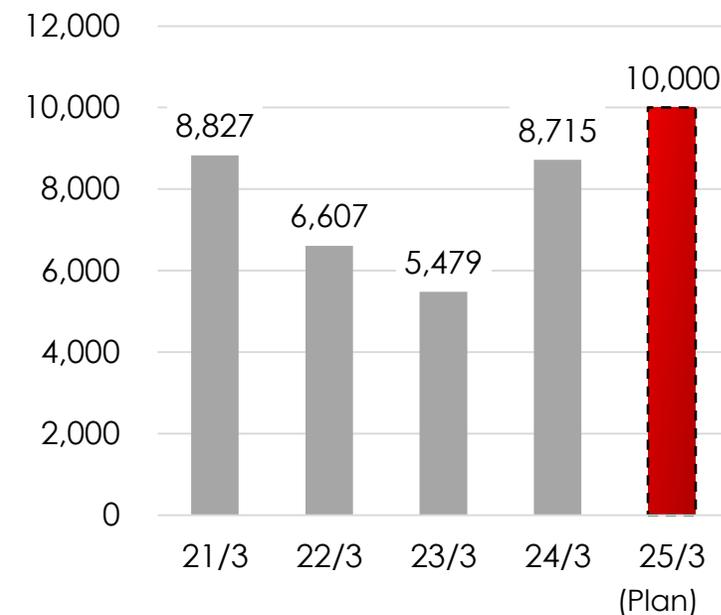
■ Sales



■ Operating income



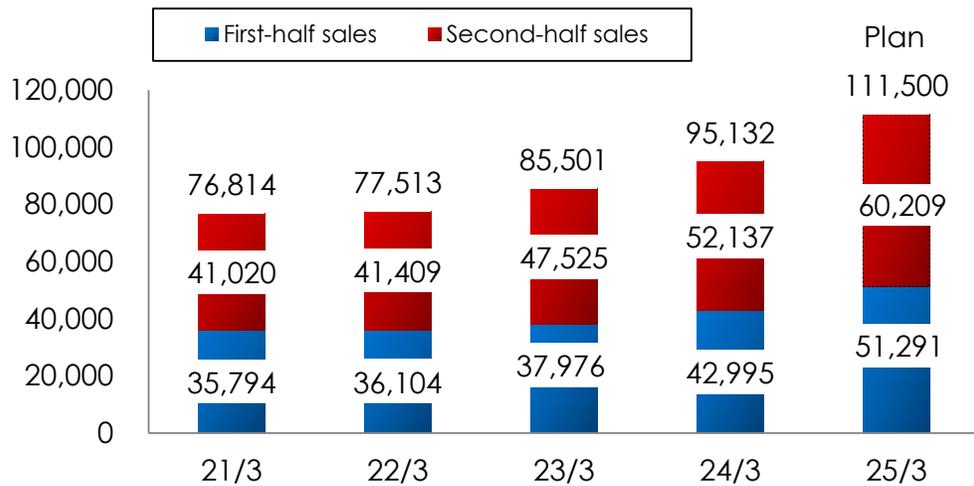
■ Yearly net profit reverting to parent company shareholders (Unit: million yen)



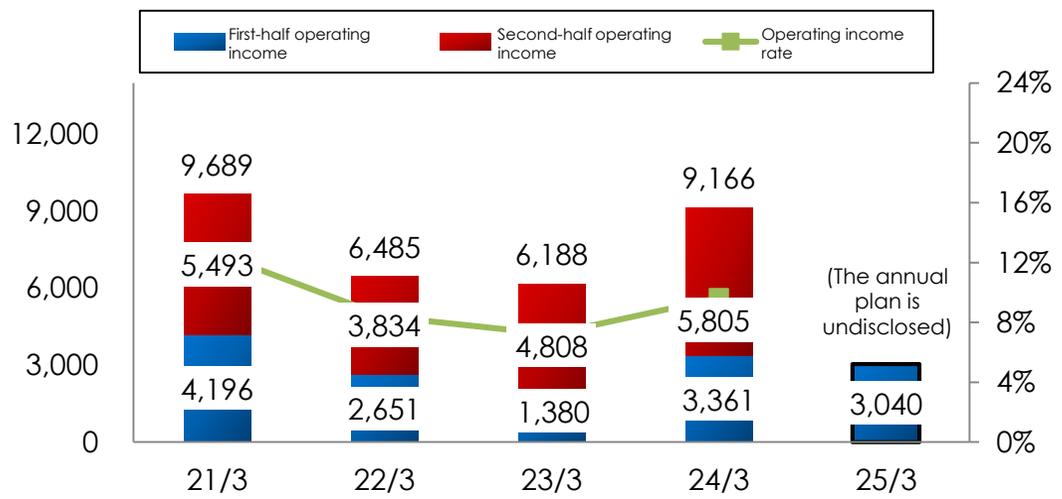
	2021/3	2022/3	2023/3	2024/3	2025/3 (revised plan)
Sales	137,902	132,735	146,698	160,709	178,000
Operating income	12,333	8,637	8,172	11,967	12,000
Yearly net profit reverting to parent company shareholders	8,827	6,607	5,479	8,715	10,000

Forecast for the year (sales) (After revision) 111,500 million yen (+17.2% YoY)

(Unit: million yen)



(Unit: million yen)



Forecast for the year

Revenues are expected to increase due to strong demand stemming from solid private facilities investment and to the third price revisions and the effects from Tempearl Industrial Co., Ltd. and EM Solutions Co., Ltd. becoming subsidiaries

Approaches

- Accelerate introducing "a self-consumption storage battery system utilizing reused EV batteries for solar power generation facilities" utilizing our one-stop sales system
- Capture the demand for self-supportive enclosures by using the "Smart Order" system as the Seto Plant came into full operation

Main group companies: Yearly forecast

*Change from the initial forecast

	Company name	Sales (YoY)	Operating income	Impact level on group profit
Japan	NITO KOGYO Corp.			High
	AICHI ELECTRIC WORKS	*	*	Low
	Tempearl Industrial Co., Ltd. *	-	-	Low
Overseas	Gathergates Group	*	*	Low
	NITO KOGYO BM(THAILAND)		*	Low

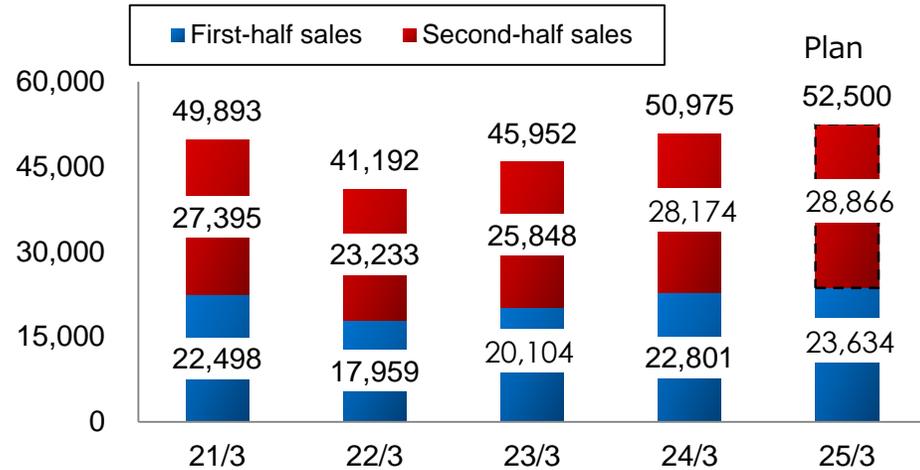
* Tempearl Industrial Co., Ltd. became consolidated starting from 2025/3

Business forecast by segment (distribution business)

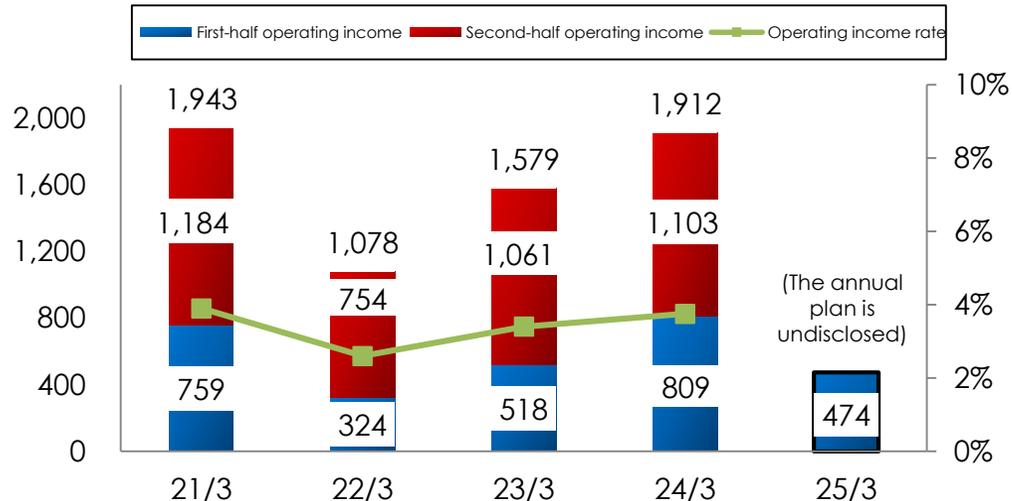
Forecast for the year (sales)

(Not revised) 52,500 million yen (+3.0% YoY)

(Unit: million yen)



(Unit: million yen)



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

*Change from the initial forecast

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

2Q FY2024

Business forecast by segment (electronic parts business)

Forecast for the year (sales) (After revision) 14,000 million yen (-4.1% YoY)

(Unit: million yen)

Quarter	First-half sales	Second-half sales	Total sales
21/3	5,150	6,044	11,194
22/3	6,950	7,079	14,029
23/3	7,519	7,725	15,244
24/3	7,365	7,236	14,601
25/3 (Plan)	7,057	6,943	14,000

(Unit: million yen)

Quarter	First-half operating income	Second-half operating income	Operating income rate
21/3	122	567	689
22/3	909	1,039	1,30
23/3	272	356	84
24/3	596	276	872
25/3 (Plan)	460	-	-

(The annual plan is undisclosed)

Forecast for the year

- Revenues are expected to decrease as the appliance-related market is slower to recover and sales in the automotive-related market and the industrial equipment market are declining, affected by the recession in China and Europe

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

*Change from the initial forecast

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

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

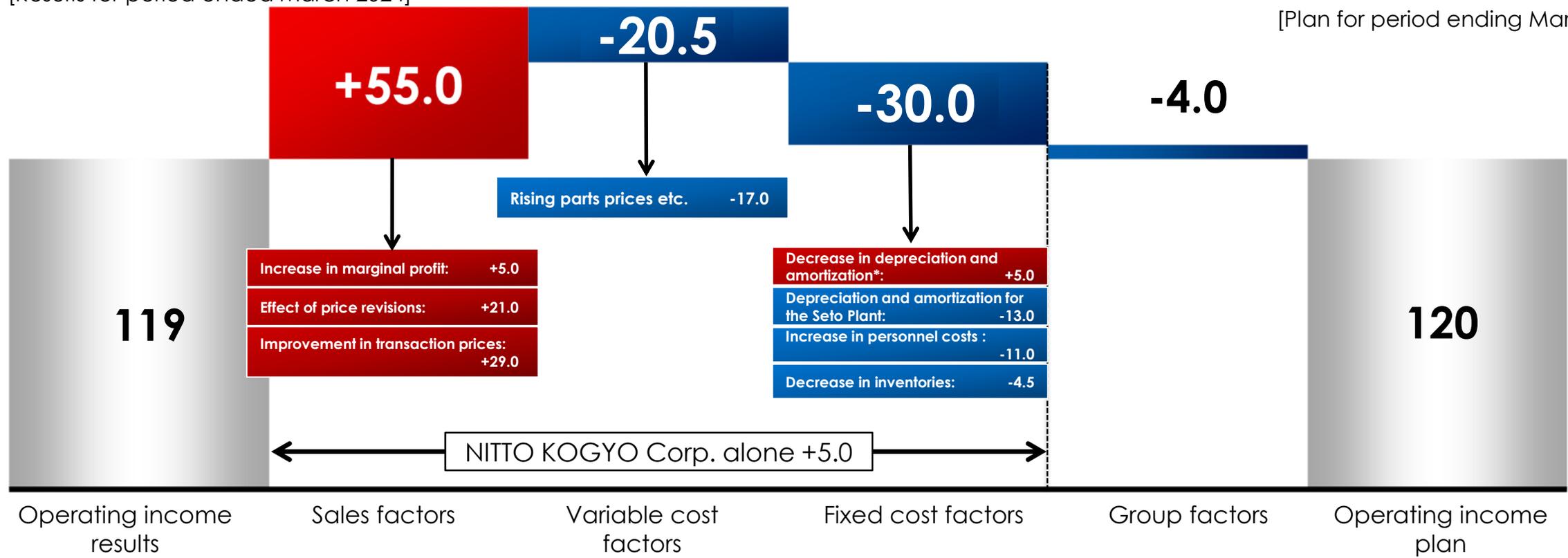
2Q FY2024

- Consolidated operating income for the period ending March 2025 is forecast to be 12.0 billion yen, more or less unchanged year on year
- 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 parts prices (variable cost factors) and growing personnel costs (fixed cost factors)
- For the group, particularly, lower income at SunTelephone and KITAGAWA INDUSTRIES will become factors that push down income

[Results for period ended March 2024]

(Unit: 100 million yen)

[Plan for period ending March 2025]



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

Factors in changes in yearly consolidated operating income

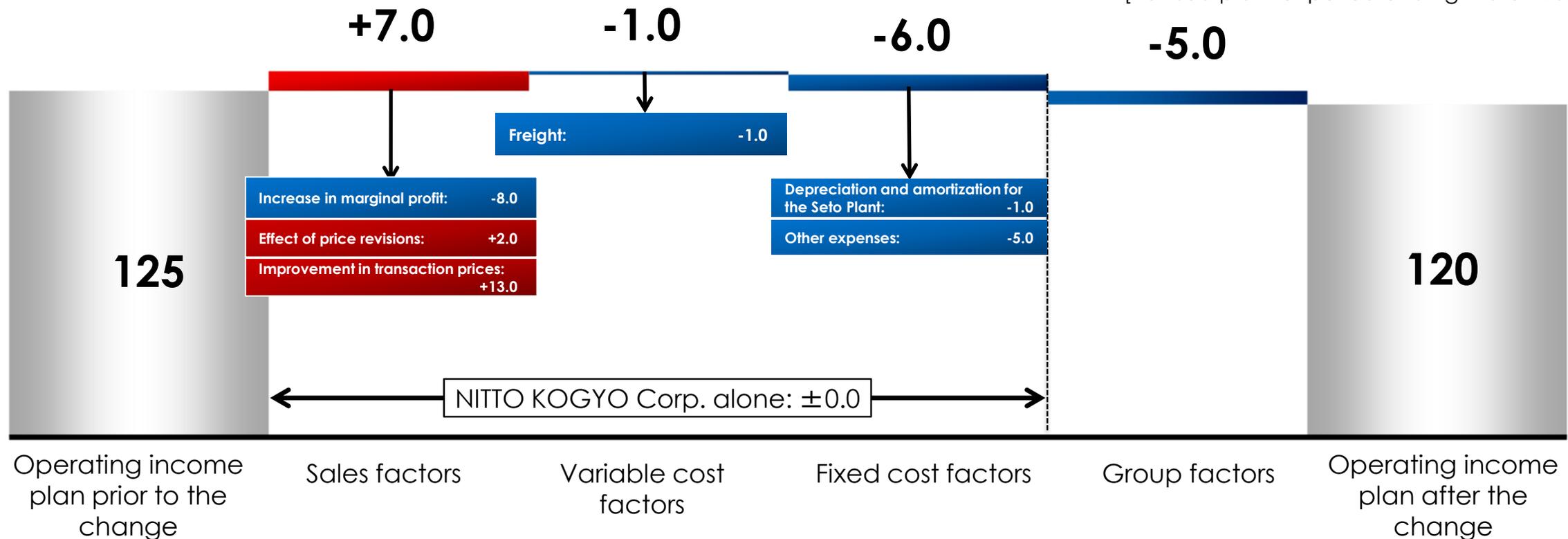
(forecast for this year, YoY, as compared with the pre-revision plan)

- Consolidated operating income for the period ending March 2025 was revised down to 12.0 billion yen, 4.0% below the initial plan
- The initial plan for non-consolidated NITTO KOGYO Corp. was kept unchanged as transaction prices improved more than expected despite higher expenses
- For the group, particularly, in addition to profit contribution from two newly consolidated subsidiaries undershooting the initial plan, lower income at SunTelephone and KITAGAWA INDUSTRIES will become factors that push down income

[Pre-revision plan for period ending March 2025]

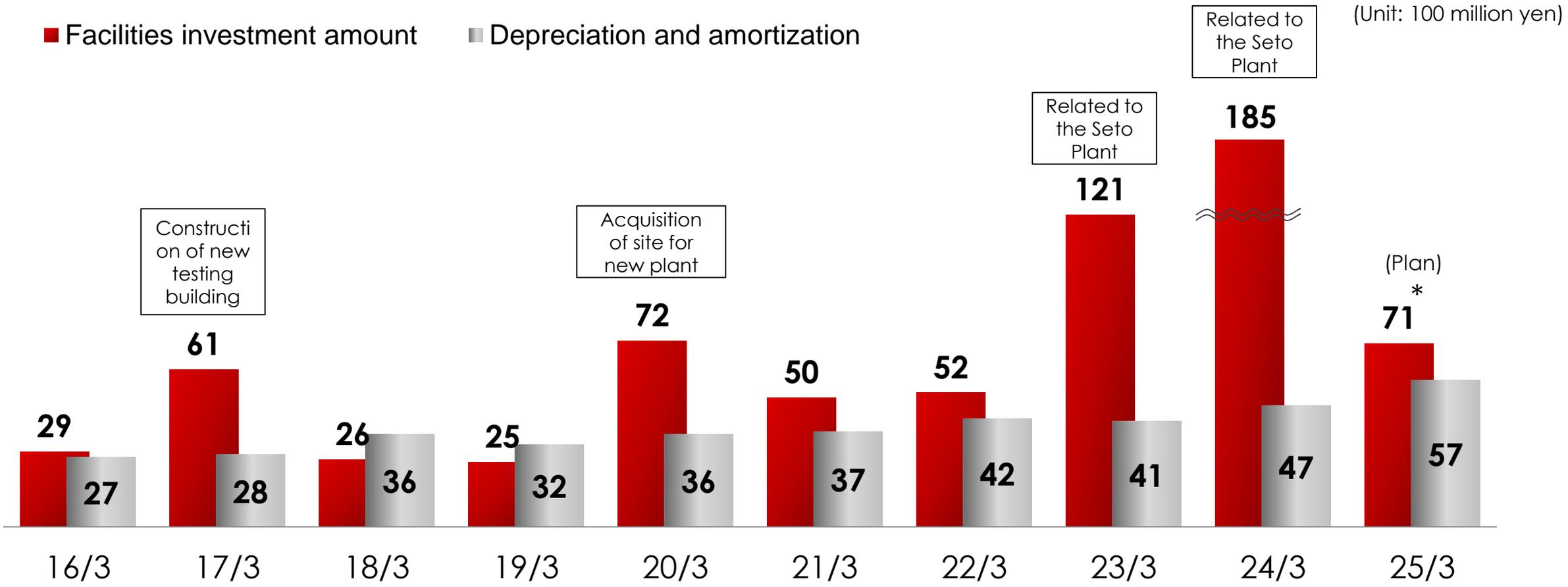
(Unit: 100 million yen)

[Revised plan for period ending March 2025]



Facilities investment amounts and depreciation and amortization

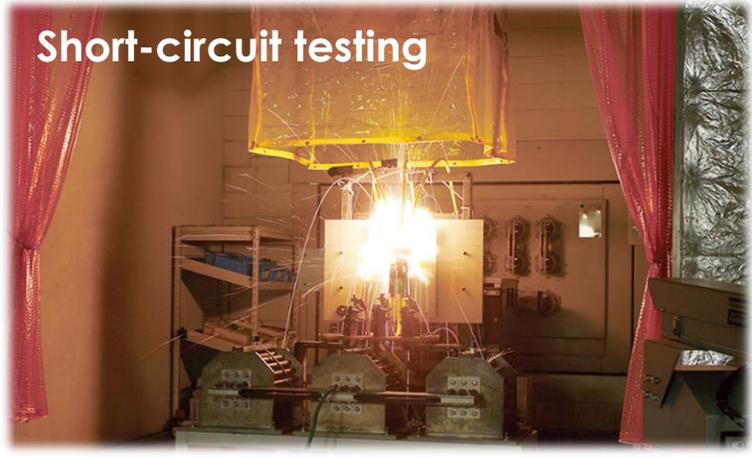
- The facilities investment plan for the period ending March 2025 was revised to 7.1 billion yen from 5.8 billion yen
- Facilities investment amount is expected to increase due to partial advance payments for the construction of a short-circuit testing facility



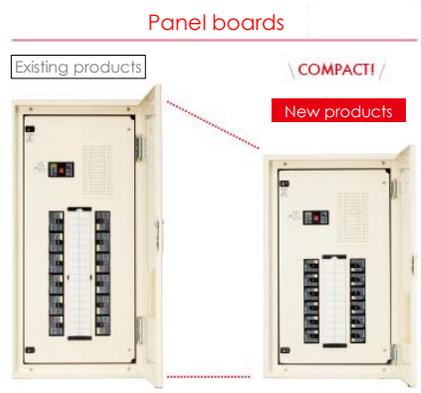
*Change from the initial forecast * Rounded at 10 million yen

Construction of a short-circuit testing facility

- Replacement due to aging of our short-circuit testing facility that supported the move to build a secure and safe social infrastructure
- By maintaining and improving the testing facility, we will speed up product development, thus stepping up differentiation from rival products
- With an eye on the upcoming “direct current” era, we aim to develop and commercialize DC interrupting technologies needing expertise



Put our “standard products” business on a firm footing



- Utilize the benefits from our facilities maximally**
- One of the biggest testing facilities owned by panel boards manufacturers
 - Avoid incurring increased costs and lost time stemming from testing outsourcing
 - Sell at a low price “standard products” of optimal specifications
 - Downsized JIS breakers for the first time in about 40 years (2016)

Total investment	Approx. 4.0 billion yen
Coming on stream	Spring 2027 (planned)
Purpose	Provide contract services for developing NITTO KOGYO Group products and for outsourced testing

Develop new technologies catering to “direct current” penetration

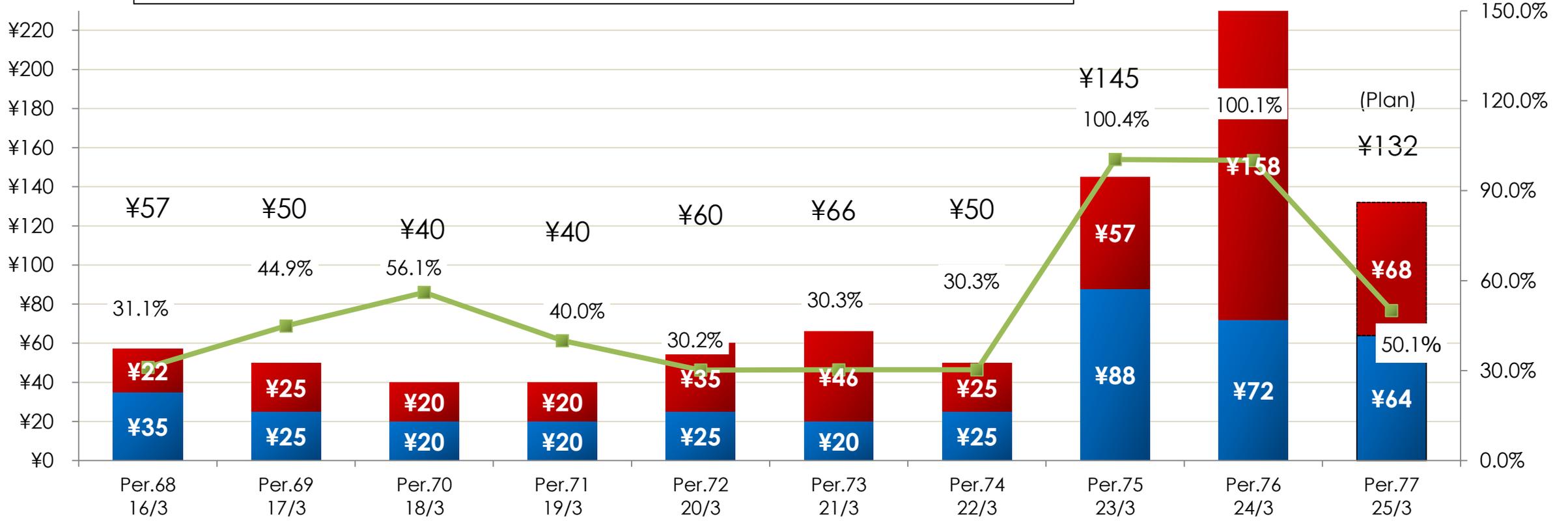


- Initiatives aiming to realize microgrids**
- The direct current format is mainly used for renewable energy sources such as solar power and for EVs and storage batteries
 - “Direct current” efforts are essential in energy management
 - Sophisticated technologies are required for interruption indispensable for safe use

Dividend status

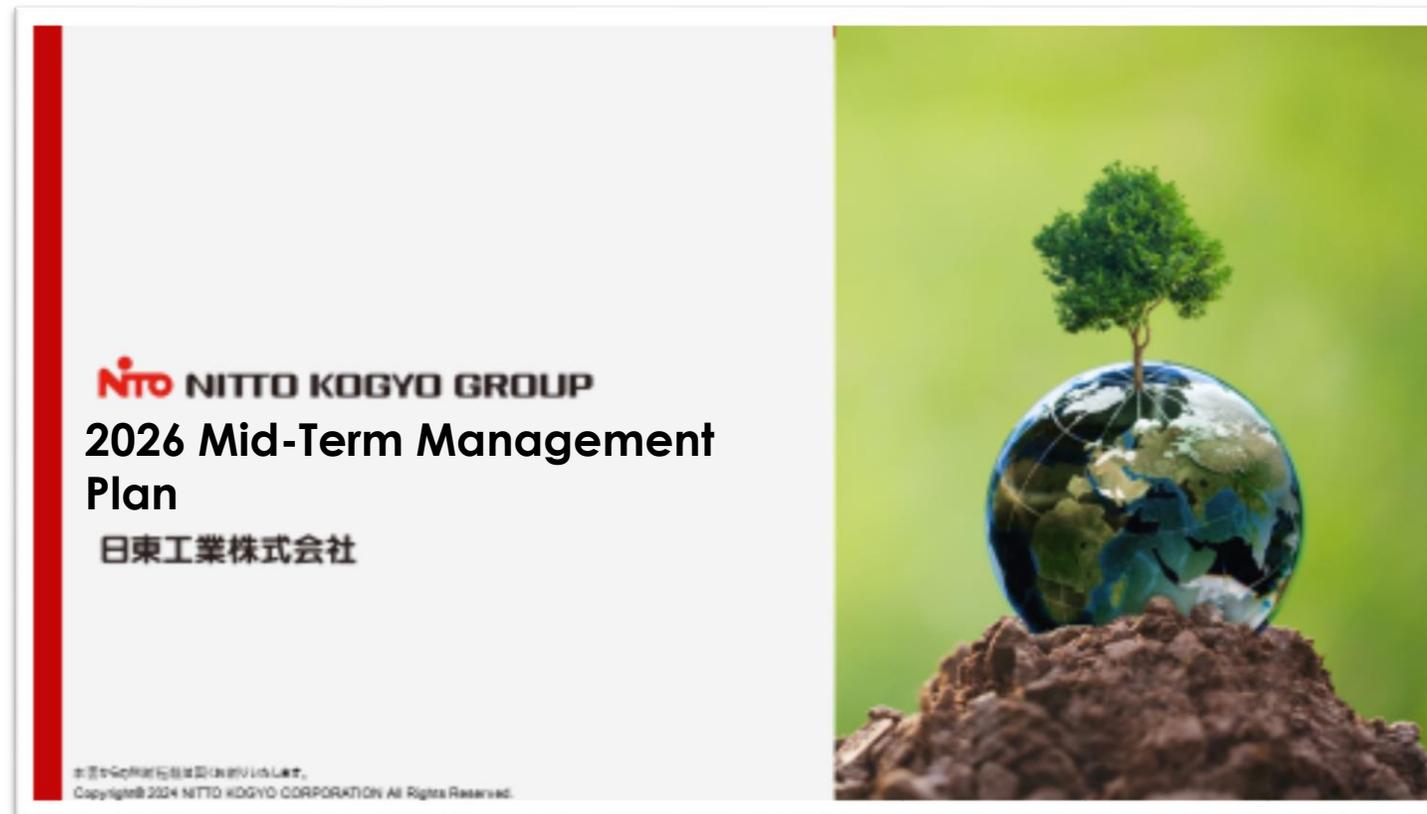
- Starting from the period ending March 2025, the dividend policy will be revised (dividend payout ratio of 50% and a lower limit DOE of 4.0%)
- We increased the year-end dividend forecast for the period ending March 2025 to 68 yen from 64 yen as we revised our net income forecast upward
- In the period ending March 2025, dividends for the year will be 132 yen and the dividend payout ratio will be 50.1% on a consolidated basis

■ Midterm ■ Year-end ■ Consolidated dividend payout ratio



4. Mid-term management plan

See the [2026 Mid-Term Management Plan](#)



Long-term growth story: A long-term business concept

Mission

Provide reliability and peace of mind when it comes to the future of our planet

2026 Mid-Term Management Plan

Challenge



Reform

Responding to opportunities

Dealing with risks

Business expansion

Provide reliability and peace of mind to society by resolving social issues

Strengthen our business foundation

Build a resilient corporate structure that can deal with major social changes

Next Mid-Term Management Plan

Business environment
Management environment

Rising environmental awareness

Changes in social and economic structures

Progress of technology

Expectations from stakeholders

Sophistication of Group's business

Back-casting



- Identify social issues to be solved
- Assume a future concept-vision accompanied by major social changes

Vision

Strive to solve problems sincerely and continue to tackle the challenge of creating new value

2023 Mid-Term Management Plan

Establish the foundations and take an aggressive management approach

2021

2023

2024

2026

2027

2029

2030 onward

Lay the foundations for the evolution of our business

Establish a mechanism for growth

Realize dramatic growth

Become a group that keeps growing

Accelerate our evolution

Personnel evolution / Technology evolution / Business evolution / Corporate evolution / Group evolution

Achieve **evolution** by continuing to tackle **challenges** and making **reform** efforts

Tackle the challenge of expanding business / Actively invest in growth

- ▶ 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
- ▶ Strategic investment aimed for growth [including M&A]



Build a solid business-management foundation

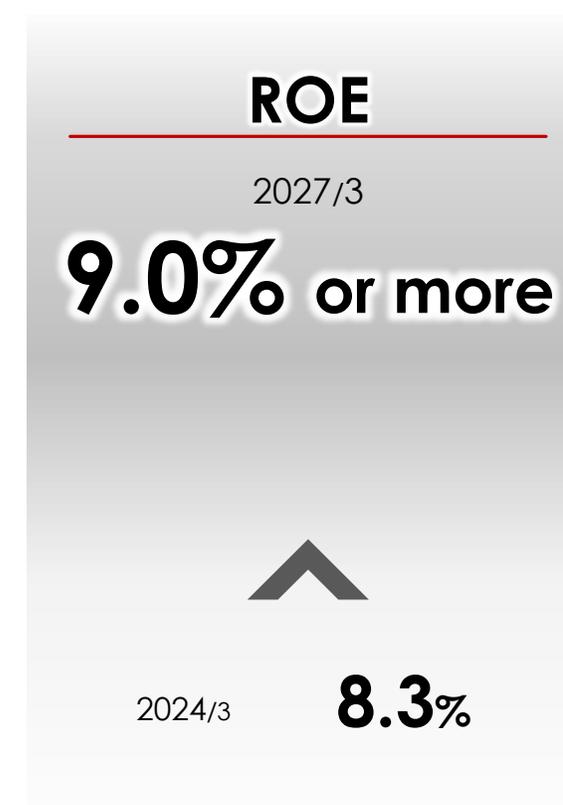
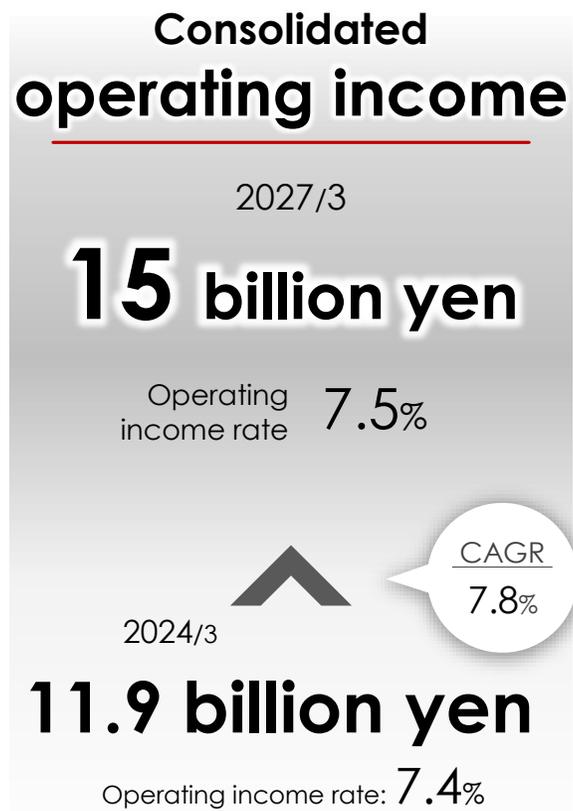
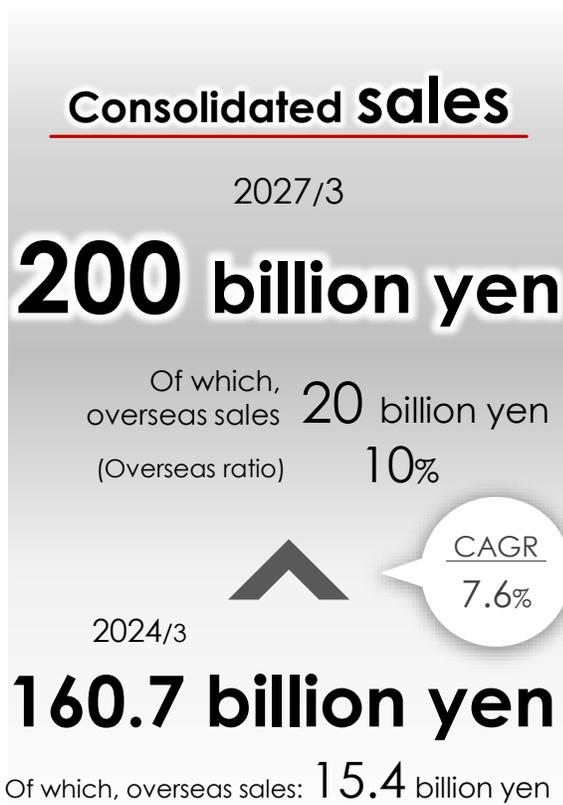
- ▶ Reform our existing business processes (sales and production)
- ▶ Build robust supply chains that deal with various risks
- ▶ Build a resilient group infrastructure foundation
- ▶ Enhance the effectiveness of our business portfolio management

2026 Mid-Term Management Plan: Financial targets

A period of three years in which to accelerate our business evolution by using the platform built under the **PREVIOUS** Mid-term Management Plan [Foundation]

Aim to achieve record sales and record operating income by further strengthening our core businesses and boldly tackling challenges in growth businesses

Enhance ROE continually by striking an optimal balance between growth investment and shareholder return and raising capital efficiency



2026 Mid-Term Management Plan: Business portfolio and growth direction

Pursue businesses by clarifying the positioning and direction of each business from a growth potential and profitability perspective

Priority growth businesses

Electrical and telecommunications infrastructure-related distribution business

Aim to expand our businesses in size by broadening our market and service areas

Stable businesses

Electrical and telecommunications infrastructure-related manufacturing, construction and service business	Core business
	Strategic business

Build a robust foundation as a strong business and enhance profitability by utilizing advanced technologies

Future businesses

Electronic parts-related manufacturing business

Achieve increased profitability in the long term by raising capability to generate profits globally and aiming to grow in size as the first step

2026 Mid-Term Management Plan: Progress in business strategies

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

Coming on stream of the Seto Plant

Use the proprietary “Smart Order” system

- Innovative production system able to conduct automated and high-mix and low-volume production
- Deliver products of specifications and quality demanded by customers at optimal prices and delivery times



Cater to large enclosure systems for which demand is expected to increase



- The adoption of “Smart Order ” at the Seto Plant contributes to growing sales of large enclosure systems
- Widen the range of target products on a step-by-step basis

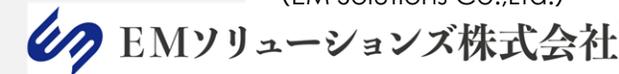
Aim to expand enclosure sales

Pursue the smart energy business

Set up a joint venture that provides renewable energy adoption service on a one-stop basis

- Meeting market needs with our strength of being able to provide a construction service for solar power generation facilities, including civil engineering, on a one-stop basis

(EM Solutions Co.,Ltd.)



Growing corporate moves to introduce self-consumption solar power generation facilities

- Inquiries are steadily growing for the projects to set up a self-consumption storage battery system utilizing reused EV batteries for solar power generation facilities, or Solar Carports and rooftop solar power



Solar Carport

At issue is increasingly long lead times from solution proposal to installation work

- Struggling to perform for the current period due to the longer-than-expected lead times from power generation simulation to solution proposal, designing, setting up, and installation

Striving to win project contracts and step up response capabilities

2026 Mid-Term Management Plan: Progress in business strategies

Electrical and telecommunications infrastructure-related distribution business

Results Enhance the solution business and pursue supply chain

Expand proposed products and target markets

- Hold private exhibitions across the country and provide many customers with problem-solving solution proposals
- Step up the effort to include new features in specifications in new markets such as for lightning protection and audiovisual-physical security solutions

Promote digitalization of sales processes

- We are now in the process of improving convenience by revamping various databases for the company's e-commerce site and internal sales systems
- Continue to promote digitization of order placement tasks and cloud computing for billing operations

Electronic parts-related manufacturing business

Results Expand our overseas business and strengthen the solutions

Step up overseas sales and EMC measure assistance

- Hold EMC technical seminars and provide support for EMC countermeasures with a focus on ASEAN customers
- Enhance alliances with EMC testing laboratories in ASEAN, China and Europe

Deepen priority markets and create new businesses

- Provide customized products for EMC and heat measures with a focus on the automotive market and deliver technical assistance
- Launch sales of "Corrosion Sensor" to visualize corrosion risk (hydrogen sulfide and sulfur)



Corrosion sensor

CONNECT!

Linking electricity with information

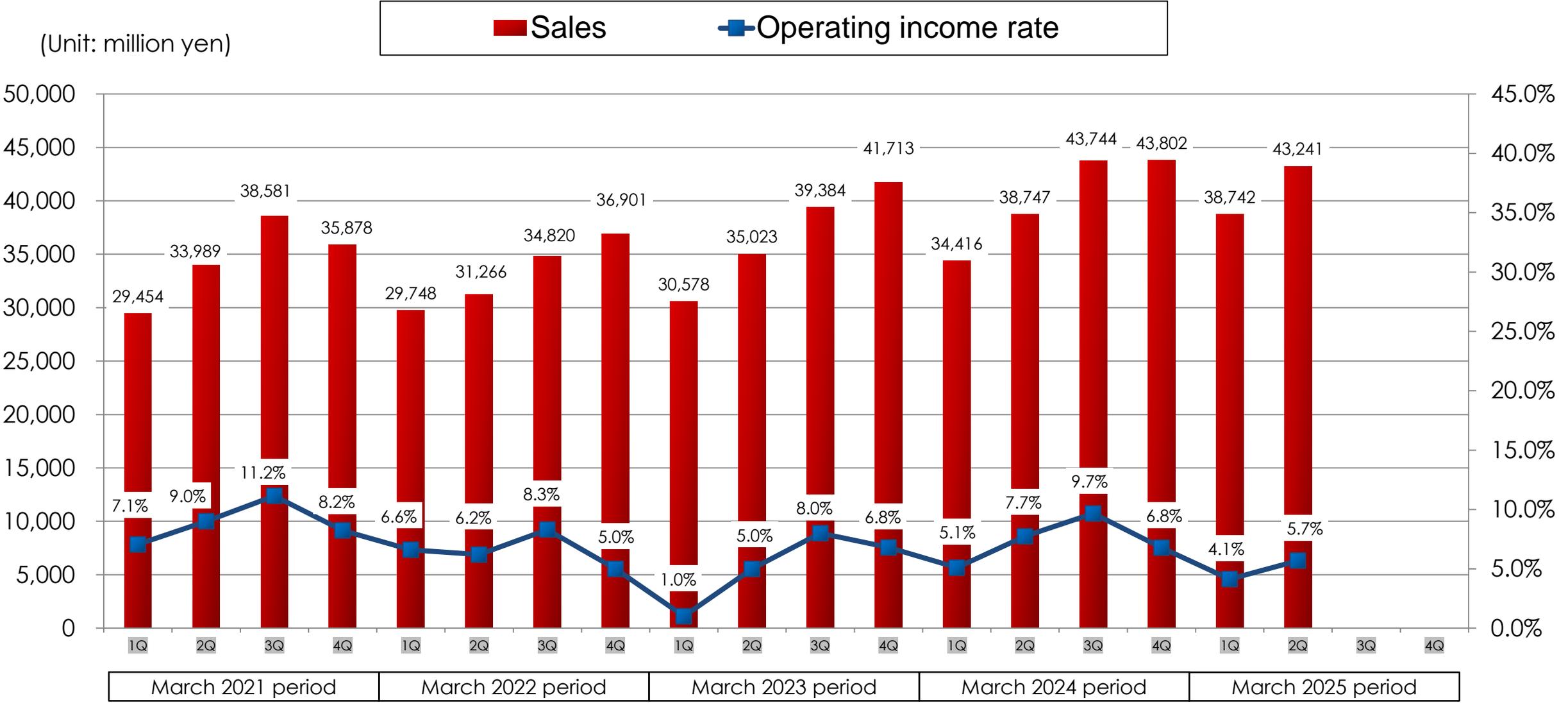
NITO **NITTO KOGYO GROUP**

5. Reference materials

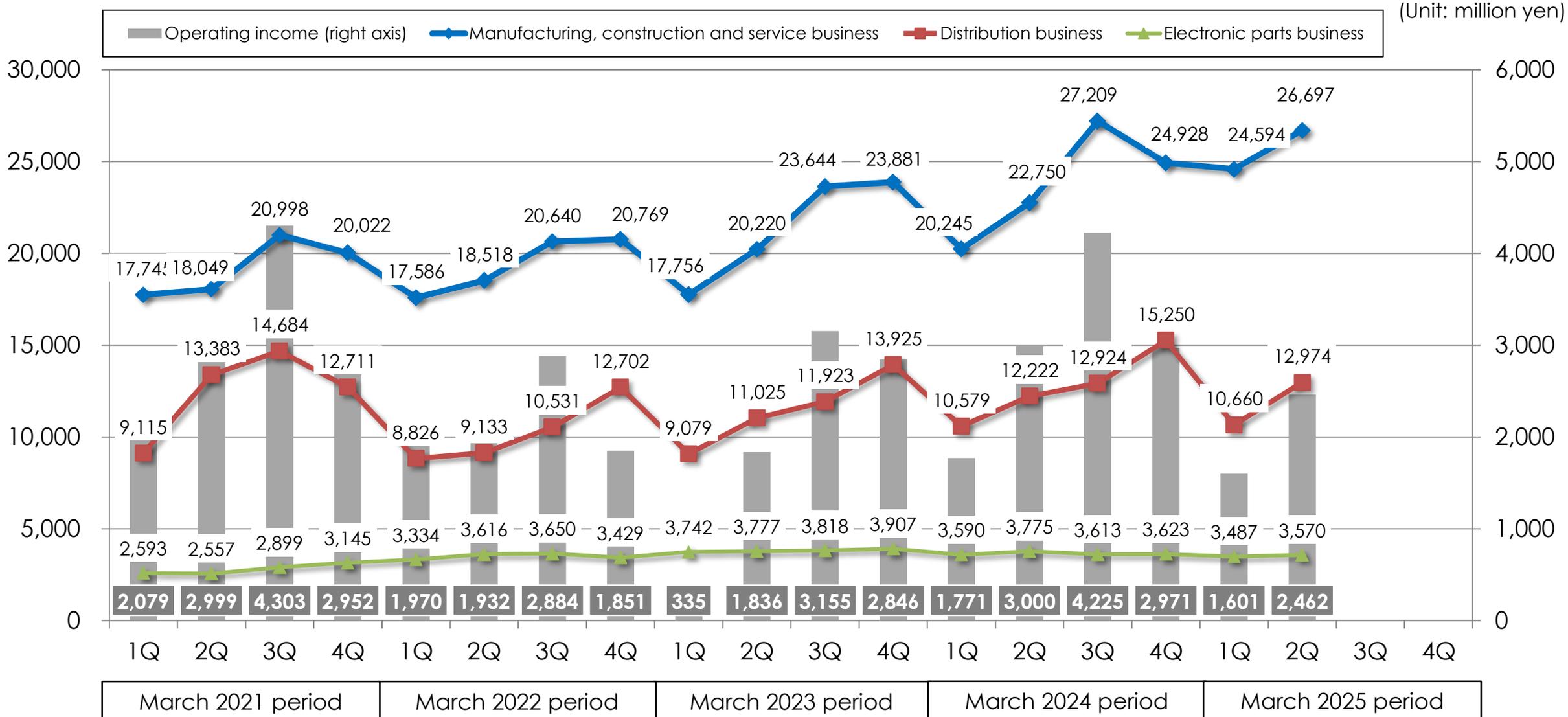
Reference materials

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

Consolidated sales trends (quarter)



Sales and operating income trends (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 (manufacturing, construction and service business) 2Q FY2024

- Design, manufacturing, and sales of distribution/panel boards, control panel boards, etc., and construction work such as installation and maintenance 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 information communication equipment and parts



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)

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

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]

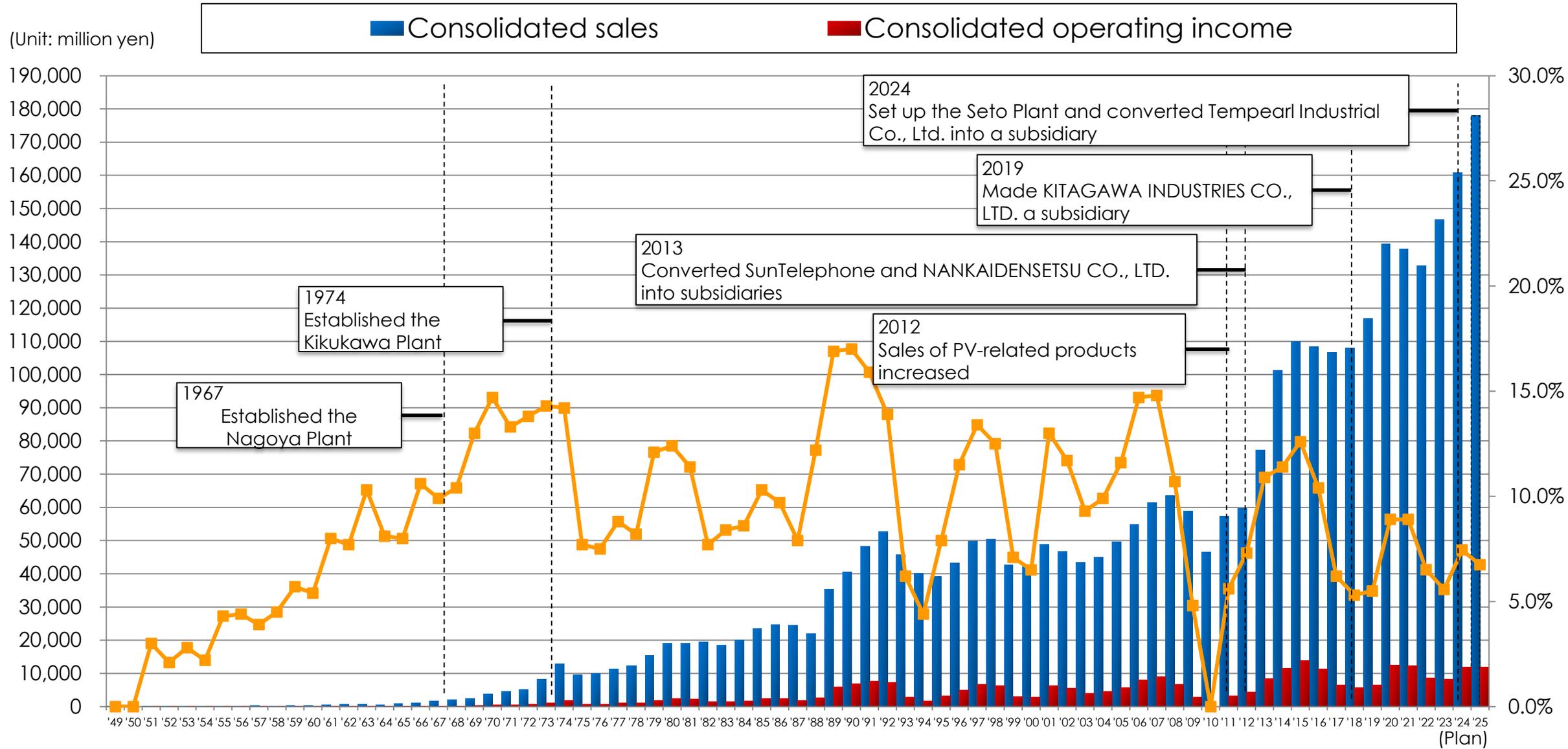


[Cable Ties]



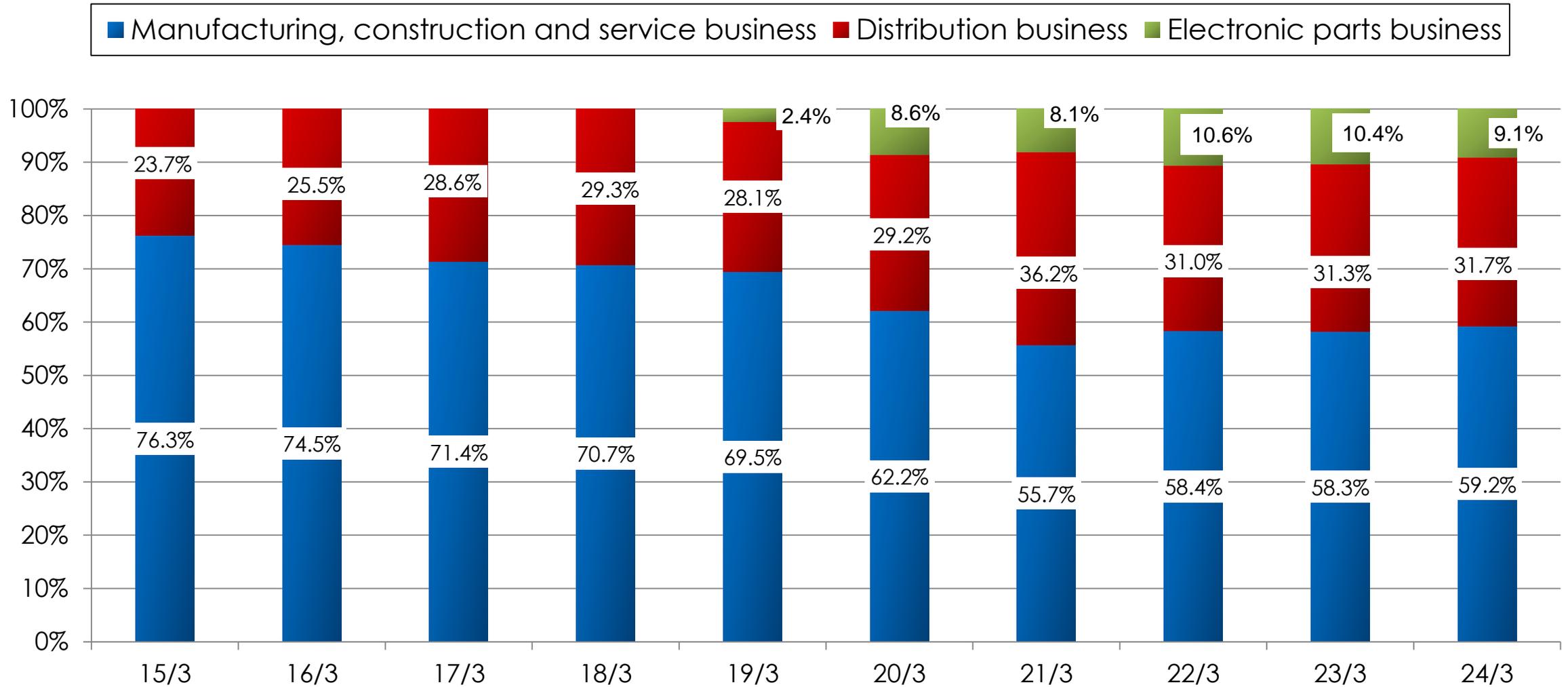
Result trends from establishment to present

2Q FY2024



Sales composition ratios by business segment

2Q FY2024

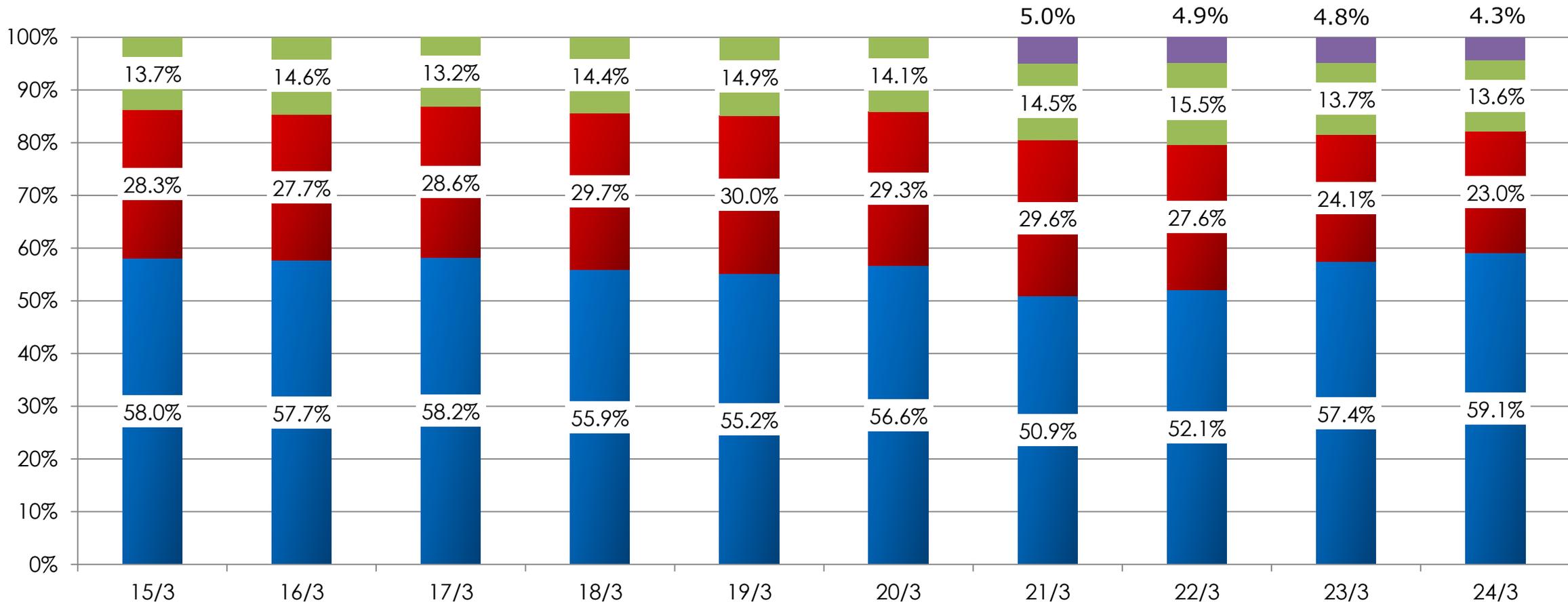


* Figures have been revised to reflect the new segments and therefore do not match the figures in other documents that were disclosed in the past. Numerical totals may not match exactly due to rounding.

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

2Q FY2024

■ Distribution boards ■ Enclosure ■ Breakers/switches/parts/other ■ Construction/service

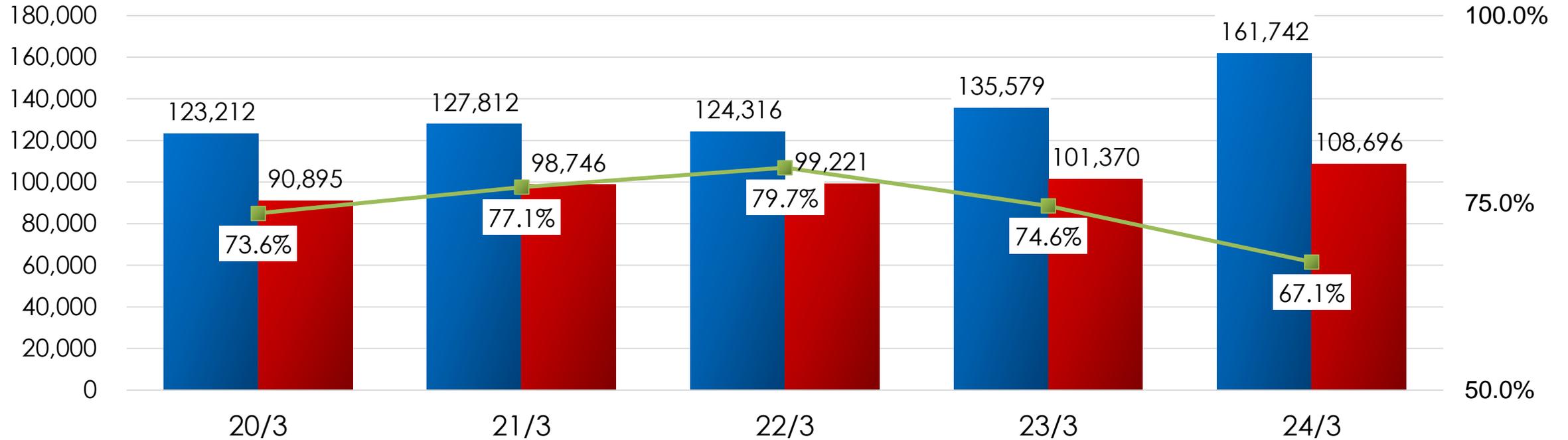


* Figures for the period ended March 2021 have been recalculated to reflect the new segments.
 Figures for distribution boards and enclosures prior to the period ended March 2020 are those for the previous distribution board and enclosure divisions.
 Figures for breakers/switches/parts/other prior to 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

2Q FY2024

(Unit: million yen)

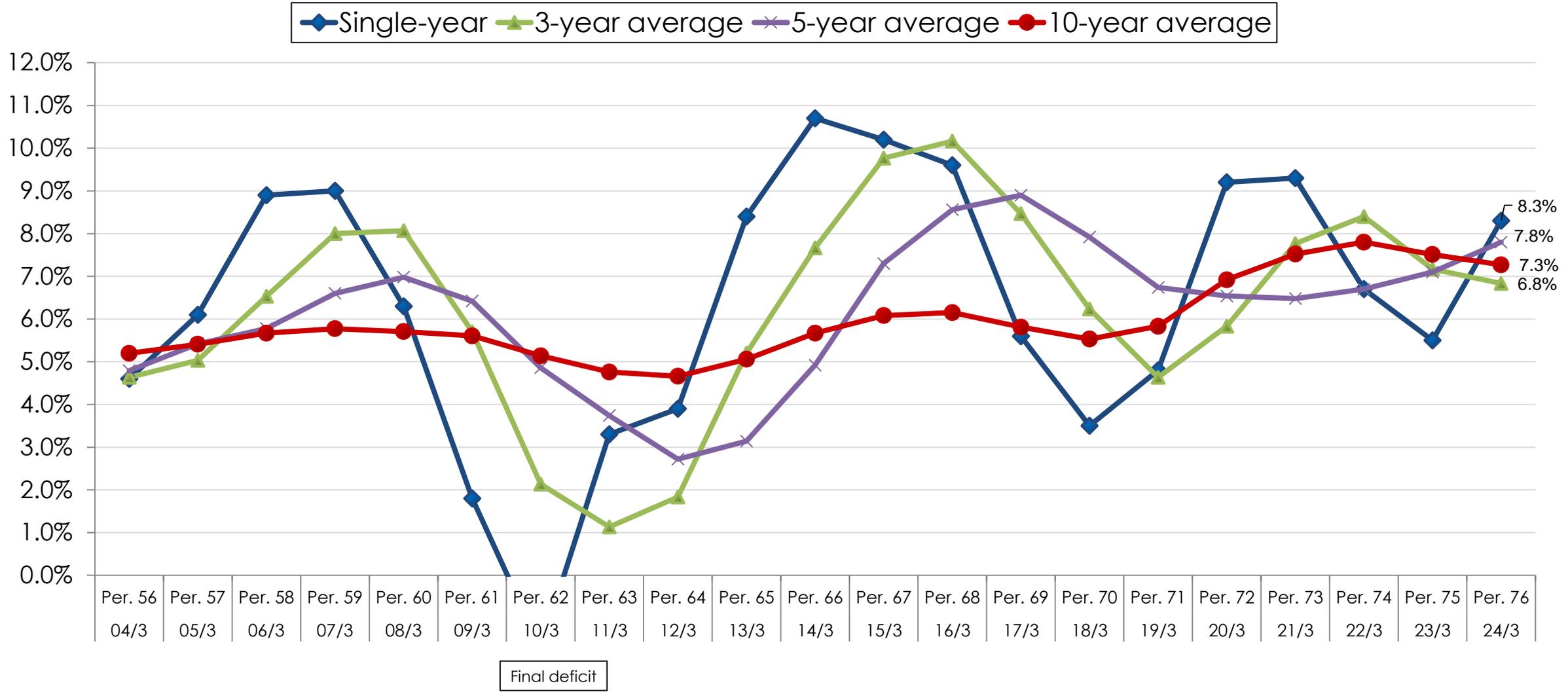


(Unit: million yen)

	20/3	21/3	22/3	23/3	24/3
Total assets	123,212	127,812	124,316	135,579	161,742
Net assets	90,895	98,746	99,221	101,370	108,696
Capital-to-asset ratio	73.6%	77.1%	79.7%	74.6%	67.1%

ROE (return on equity) trends (consolidated)

2Q FY2024





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