Financial Results Briefing

for the Fiscal Year Ended March 2025

April 1, 2024 - March 31, 2025

（Presentation Materials with Script）

【Event Summary】

Date : June 3, 2025 13：00～14：00

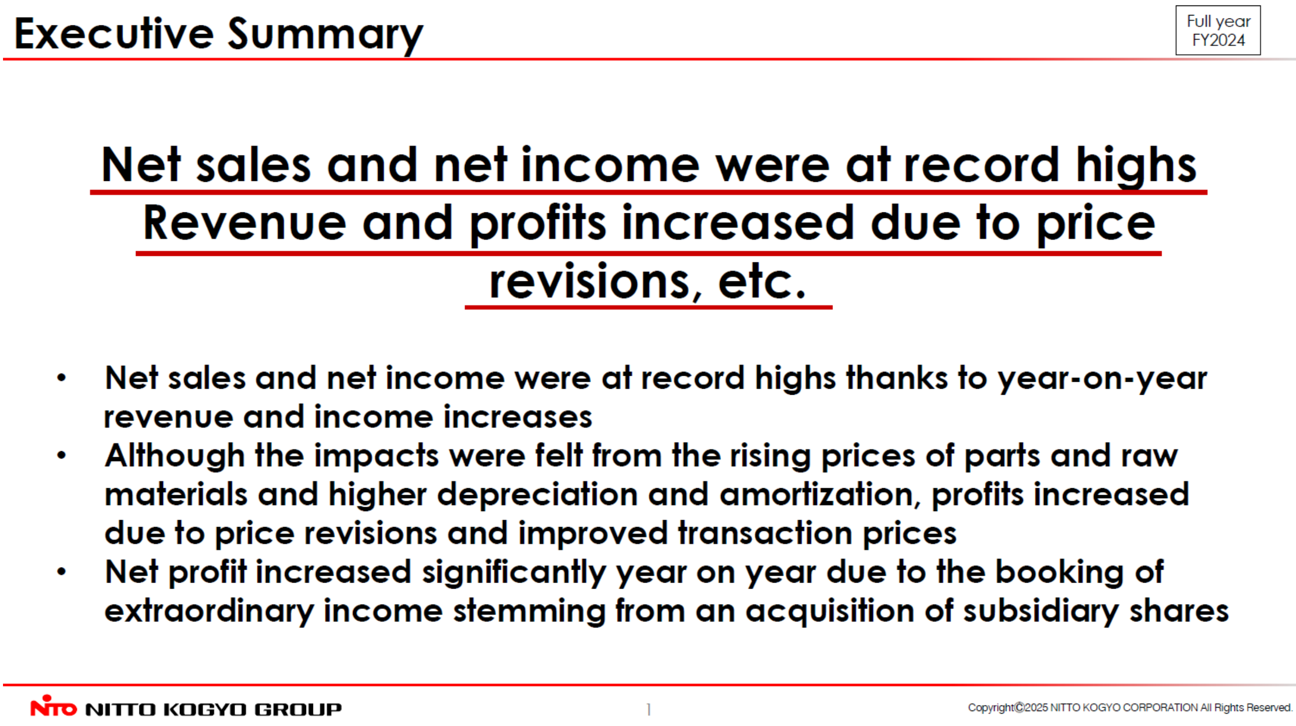
Venue : Webcast

Speakers :	Toru Kurono	President and COO
	Akitaka Tejima	Managing Director, Business Management Division
	Norihiro Kondo	Head of Business Management Division, Executive Officer
	Yukihiro Taguchi	General Manager of General Affairs Department

Some explanations are supplemented and key points are summarized.

Presentation

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, 2025. We would also like to take this opportunity to thank you all for your continued guidance and support. Today's briefing will be conducted based on the financial results presentation materials posted on our website.



Please refer to page one of the materials. This is an executive summary.

The consolidated sales and current net income for the fiscal year ended March 31, 2025 were record high.

While we were affected by the soaring prices of parts and raw materials and higher depreciation and amortization costs associated with the operation of the Seto Plant, our profit increased thanks to price revisions and improved project prices.

In addition, current net income increased significantly from the previous year due to extraordinary profit on the acquisition of shares of a subsidiary and other factors.

Contents

Full year FY2024

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   - The impact of rising parts prices, etc., the effect of price revisions and changing transaction prices
   - Trends of sales of energy management system (EMS) related products
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Page two, table of contents.

Today, we will discuss items one through four. Item five is for your reference.

First of all, this is a summary of consolidated financial results for the full fiscal year ended March 31, 2025.

Yearly consolidated account highlights

Full year FY2024

- Business results for the period ended March 2025 showed increased revenues and profits. Full-year net sales and net income were at record highs
- Net sales increased in the electrical and telecommunications infrastructure-related manufacturing, construction and service businesses, supported by the effects from newly grouped subsidiary consolidation (approx. 12.0 billion yen) as well as from price revisions and higher transaction prices
- Although the impacts were felt from the rising prices of parts and raw materials and higher depreciation and amortization, operating profit increased due to the effects of price revisions and improved transaction prices
- Profit attributable to owners of parent 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			
	Actual results	Plan	**Actual results**	(YoY) Change	Vs. plan
Net sales	160,709	178,000	184,683	+14.9%	+3.8%
Operating profit	11,967	12,000	13,432	+12.2%	+11.9%
Ordinary profit	12,566	12,000	13,516	+7.6%	+12.6%
Profit attributable to owners of parent	8,715	10,000	12,097	+38.8%	+21.0%

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Page four, full year consolidated financial highlights.

Sales totaled JPY184.6 billion yen, up 14.9% from the previous year. The increase in sales was mainly due to the consolidation effect of the newly grouped subsidiaries of approximately JPY12 billion, as well as the effect of price revisions and improved project prices.

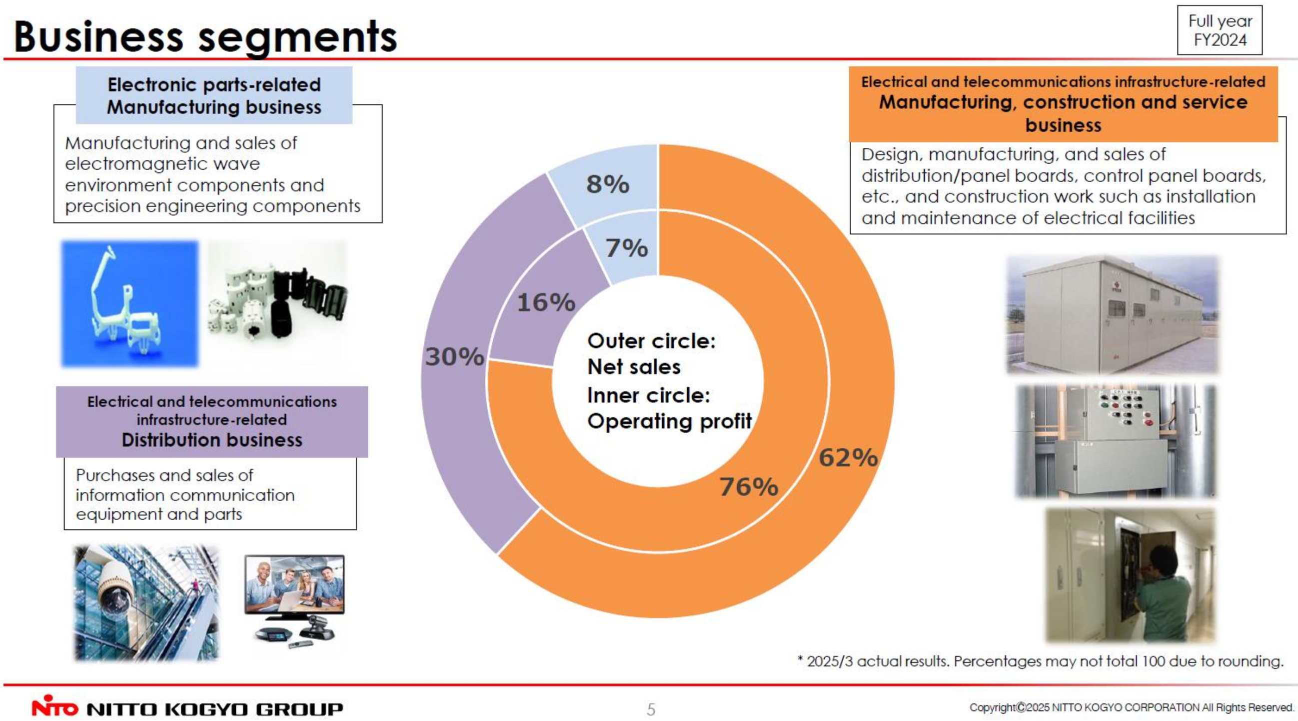
Operating income was JPY13.4 billion, up 12.2% from the previous year. While we were affected by soaring prices of parts and raw materials and higher depreciation and amortization costs associated with the operation of the Seto Plant, effect of price revisions and improved project prices contributed to the increase.

Ordinary income was JPY13.5 billion, up 7.6% from the previous year.

Current net income attributable to parent company shareholders was JPY12 billion, an increase of 38.8% from the previous year ,primarily driven by the recognition of an extraordinary gain, including a gain on negative goodwill of approximately JPY2.4 billion.

As a result, we achieved record-high sales and current net income, as well as all planned profit items for the full year.

We will discuss by segment and division in more detail later.



Page five shows the NITTO KOGYO Group and its business segments.

The orange section of the circle graph represents the business segment operated by NITTO KOGYO CORPORATION. The manufacturing, construction, and service business in the electrical and telecommunications infrastructure-related field accounted for 62% of total sales and 76% of operating income, positioning it as a core business segment.

The light purple section of the circle graph represents the business segment operated mainly by SunTelephone. The distribution business in the electrical and telecommunications infrastructure-related field accounted for 30% of total sales and 16% of operating income.

The light blue section of the circle graph represents the business segment operated mainly by KITAGAWA INDUSTRIES. The manufacturing business in the electrical parts-related field accounted for 8% of total sales and 7% of operating income.

Yearly account highlights by segment

Full year FY2024

- Revenue and profit increased in the manufacturing, construction and service businesses due to an increased number of consolidated subsidiaries as well as price revisions and higher transaction prices
- Revenue and profits increased in the distribution business due to the acquisition of contracts for semiconductor plant construction and higher sales of network parts
- Profits increased in the electronic components business as goodwill amortization had been completed in the previous fiscal year despite lower sales stemming from reduced demand in the overseas automobile market and the industrial equipment market, although demand recovered in the air conditioner related market

(Unit: million yen)

	By segment	2024/3	2025/3			
		Actual results	Plan	Actual results	(YoY) Change	Vs. plan
Net sales	Manufacturing, construction and service business	95,132	111,500	114,230	+20.1%	+2.4%
	Distribution business	50,975	52,500	56,046	+9.9%	+6.8%
	Electronic parts business	14,601	14,000	14,406	-1.3%	+2.9%
	Total	160,709	178,000	184,683	+14.9%	+3.8%
Operating profit	Manufacturing, construction and service business	9,166	-	10,253	+11.8%	—
	Distribution business	1,912	-	2,089	+9.3%	—
	Electronic parts business	872	-	959	+9.9%	—
	Total	11,967	12,000	13,432	+12.2%	+11.9%

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

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Page six, segment financial highlights for the full year.

Please note that segment names are abbreviated from this slide.

First, the manufacturing, construction, and service business reported increases in both sales and operating income. This is due to an increase in the number of consolidated subsidiaries, the effect of price revisions, and the effect of improved project prices.

The distribution business posted increases in both sales and operating income. Sales of network components increased, driven by projects acquisition related to semiconductor plant construction and a stronger willingness among companies to invest in IT.

The electronic parts business posted declines in both sales and operating income. While there was a pickup in demand in the air conditioner-related market, the overseas automobile market and the industrial equipment market showed a decline in demand, resulting in a decrease in sales. However, segment income increased due to the completion of amortization of goodwill in the previous fiscal year.

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

Full year FY2024

- The distribution boards division posted higher revenue as a result of increased sales of high-voltage power receiving equipment, helped by new subsidiary consolidation (approx. 8.3 billion yen) and improving transaction prices
- The enclosure division booked a revenue increase as a result of price revisions and increased 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 because of new subsidiary consolidation (approx. 3.2 billion yen) and stronger sales of breakers stemming from growing demand
- The construction and service division posted a revenue increase due to higher sales of electrical work projects related to high-voltage power receiving equipment and of network construction projects for hospitals, coupled with new subsidiary consolidation (approx. 0.4 billion yen)

(Unit: million yen)

	Net sales by division	2024/3	2025/3			
		Actual results	Plan	Actual results	(YoY) Change	Vs. plan
Manufacturing, construction and service business	Distribution boards	56,260	65,300	68,681	+22.1%	+5.2%
	Enclosure	21,873	23,100	23,340	+6.7%	+1.0%
	Breakers/switches/parts/other	12,903	16,900	16,901	+31.0%	+0.0%
	Construction/service	4,095	6,200	5,307	+29.6%	-14.4%
Total		95,132 (5,036)	111,500	114,230 (4,518)	+20.1%	+2.4%
Consolidated overall total		160,709	178,000	184,683	+14.9%	+3.8%
Consolidated net sales composition ratio		59.2%	62.6%	61.9%	+2.7%	-0.7%

* Parentheses refer to internal net sales between segments

Page seven, sales by division in the manufacturing, construction, and service business, our group’s core business.

In the distribution board division, sales increased due to the consolidation effect of a new subsidiary and higher sales of high-voltage power receiving equipment resulting from improved project prices.

In the enclosure division, sales increased due to the effect of price revisions and the expanded use of a web-based design and order receiving system, which led to higher sales of enclosures with drilled holes.

In the breakers, switches, parts, and other segment, sales increased due to the consolidation of a new subsidiary and higher sales of breakers, which are in rising demand.

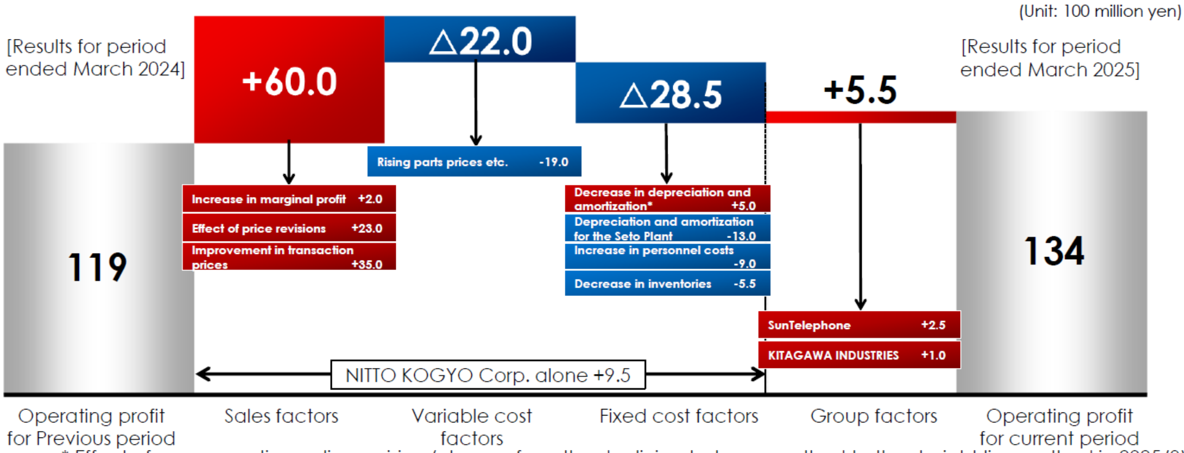
In the construction and services segment, sales increased due to higher sales of electrical work related to high-voltage power receiving equipment and network construction projects at hospitals, as well as the consolidation effect of a new subsidiary.

Factors in changes in yearly consolidated operating profit

Full year FY2024

- As for the non-consolidated factors of NITTO KOGYO Corp., profits increased thanks to the effects from price revisions and an improvement in transaction prices, despite an increase in variable costs and fixed costs
- Fixed costs grew due to higher depreciation and amortization attributable to the Seto Plant coming on stream, along with increased personnel costs
- For the group, profits increased, driven by the performance of existing group companies, although newly consolidated subsidiaries undershot the initial plan

(Unit: 100 million yen)



* 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 eight, consolidated operating income for the full year, factors of changes from the previous year.

The operating income in the previous year was JPY11.9 billion, and the current year is JPY13.4 billion, an increase of roughly JPY1.5 billion.

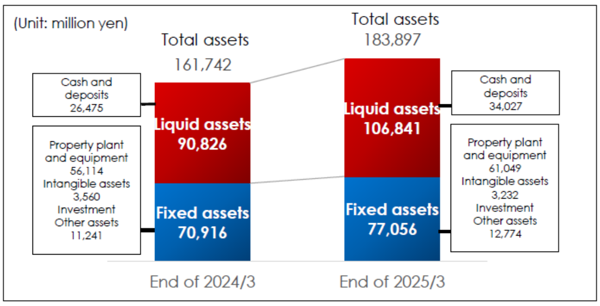
On a non-consolidated basis, NITTO KOGYO CORPORATION, reported an increase of JPY950 million. The increase was driven by a JPY6 billion sales factor, a JPY2.2 billion reduction in variable costs, and a JPY2.85 billion reduction in fixed costs.

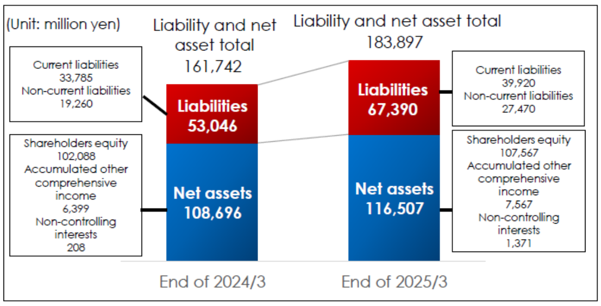
Factors in the group companies contributed to an increase of approximately JPY550 million. Although the newly consolidated subsidiary did not achieve the plan, the results were driven by the performance of existing group companies.

Overview of consolidated finances for the year

Full year FY2024

- Assets grew as inventories and property plant and equipment increased owing to the consolidation of new subsidiaries, and notes and accounts receivable increased
- Liabilities and net assets increased due to higher loans payable, the recording of current net income and others





<Main changes>

■ Assets	
Increased cash and deposits	+7,552
Increase in notes and accounts receivables	+2,784
Increased inventories	+6,260

■ Liabilities	
Increased long-term loans payable	+7,789
■ Net assets	
Dividends of surplus	-8,443
Current net income	+12,097

Page 9, overview of consolidated financial situation.

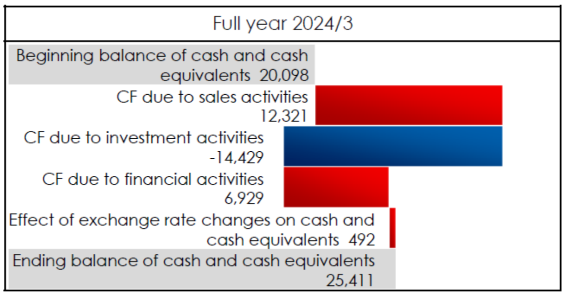
Total assets at the end of the fiscal year ended March 31, 2025, increased roughly JPY22.1 billion from the end of the previous fiscal year. This was due to an increase in inventories and tangible fixed assets resulting from the consolidation of a new subsidiary.

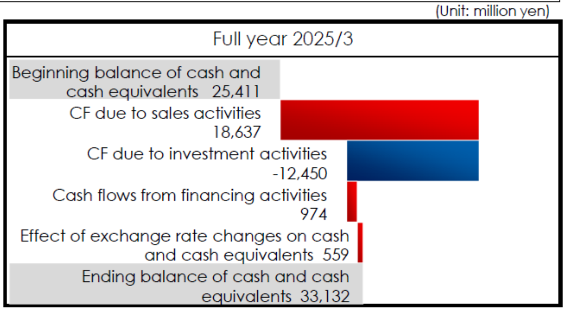
Consolidated cash flow statement for the year

Full year FY2024

■ Cash equivalents on March 31, 2025 increased 7,720 million yen from the beginning of the period ended March 2025 to 33,132 million yen

(Unit: million yen)





<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
■ Cash flows from financial activities	
Income due to long-term loans payable	+12,000
Payment of dividends	-4,900

<Full year 2025/3 Main factors>

■ CF due to investment activities	
Income due to sale of fixed assets	+487
Expenditure due to acquisition of fixed assets	-9,117
■ CF due to financial activities	
Income due to long-term loans payable	+12,000
Payment of dividends	-8,439

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Page 10, consolidated cash flow statement. The left side shows the previous period, and the right side shows the current period.

Net cash provided by operating activities was positive JPY18.6 billion, net cash used in investing activities was negative JPY12.4 billion, and net cash provided by financing activities was positive JPY0.9 billion. As a result, cash and cash equivalents at the end of the period increased by approximately JPY7.7 billion from the beginning of the period.

Next, key topics.

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

Full year FY2024

- Rising parts prices, etc. decreased operating profit by 1.9 billion yen in the year
- Price revisions (third) boosted operating profit by 2.3 billion yen in the year
- Transaction prices boosted operating profit by 3.5 billion yen in the year Profits increased more than expected, driven by higher sales stemming from strong demand for corporate facilities investment

	Full-year forecast	Results
Rising parts prices	YoY -1.7 billion yen (in operating profit)	YoY -1.9 billion yen
Effect of price revisions	YoY +2.1 billion yen (in operating profit)	YoY +2.3 billion yen
Changes in transaction prices	YoY +2.9 billion yen (in operating profit)	YoY +3.5 billion yen

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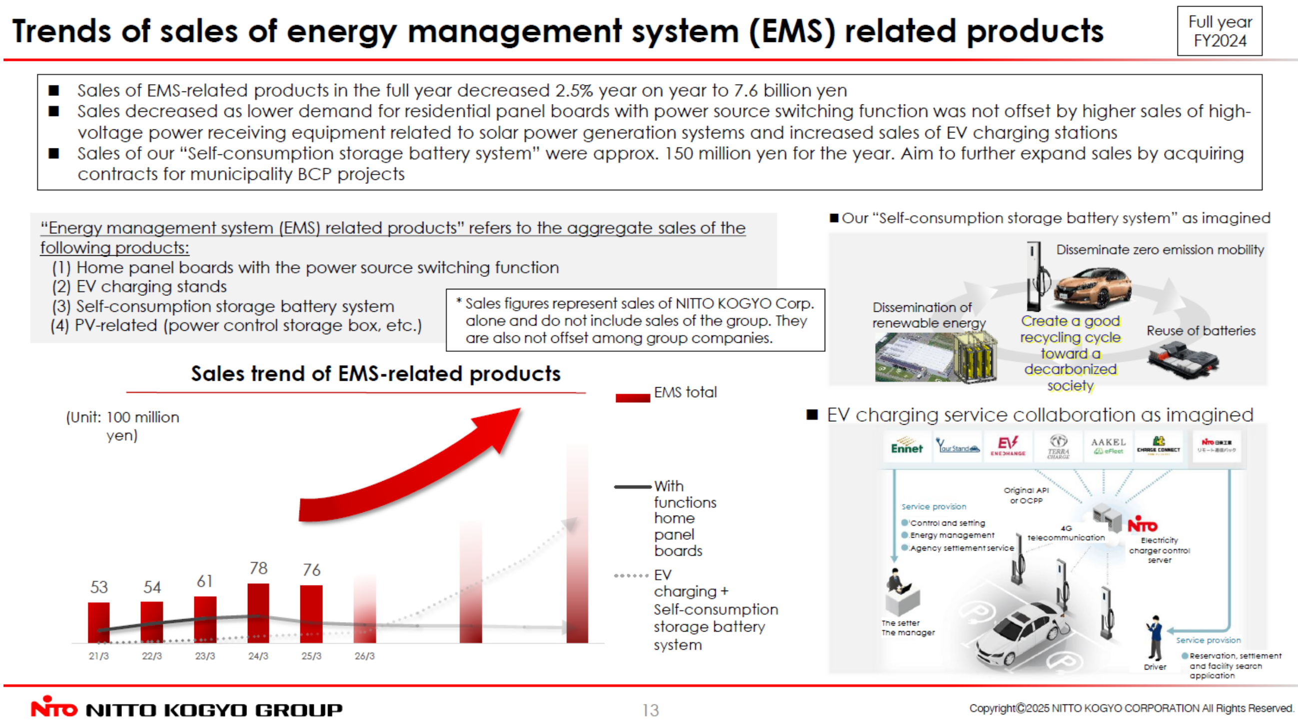
Page 12 is about the impact of material price hikes and other factors, the effect of price revisions, and changes in project prices.

The impact of price hike in parts and the effect of price revisions were largely in line with expectations. On the other hand, the change in project prices had a stronger-than-expected positive impact on profit, as sales increased amid solid corporate demand for capital investment.



Page 13 shows sales trends of products related to energy management systems, a business area in which NITTO KOGYO CORPORATION aims to expand. These are NITTO KOGYO CORPORATION's sales on a non-consolidated basis and are for reference only.

Sales of EMS-related products declined 2.5% from the previous year to JPY7.6 billion.

Although sales of high-voltage power receiving equipment related to solar power generation systems and charging stations for EVs increased, demand for the panel boards has been declining. This is due to technological changes that have shifted the switching function of home panel boards with power switching functions to power conditioners.

Shipments of our self-consumption storage battery system are increasing. We are receiving attention from local governments as an emergency power source, and we feel that our efforts are bearing fruit.

Premises of the plan for the year

Full year FY2024

	Premises of the plan for the year	Risks related to premises
Raw material prices/Parts prices	A decrease in profits by 250 million yen for the full year is expected due to persistently high raw material and parts prices	A further surge in raw material and parts prices due to foreign exchange rate fluctuations and rising inflation
Effect of price revisions	Profits are expected to increase by 2.0 billion yen for the full year due to market penetration of price revisions including the fourth price revisions starting from October 2025	Stagnation of facilities investment and construction demand stemming from deterioration in market prices due to intensified market competition and from rising prices of materials
Changes in transaction prices	Transaction prices unlikely to change significantly with the supply-dominated market environment entering a state of equilibrium	
Other	Japan: Solid demand for facilities investment, including in the IT field Overseas: Moderate slowdown in global economy and conditions	Japanese companies much less eager to make facilities investment due to potential global economic turmoil stemming from the effects of U.S. tariff policy

Amounts in table: Year-on-year basis

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I would like to move on to the consolidated business forecast for the fiscal year ending March 31, 2026.

Page 15, premises of the plan for NITTO KOGYO CORPORATION, non-consolidated basis.

We assume that prices of raw materials and components will remain high and expect a negative impact on profit of approximately JPY250 million.

As for changes in project prices, we assume that the previously supply- driven market has reached a state of equilibrium. Therefore, we do not expect changes as significant as those seen in the past.

The impact of the US tariff policy is uncertain, and the direct impact is expected to be limited, so it has not been factored into the plan.

Others are as shown.

Supplement to the premises of the plan for the year

Full year FY2024

(i) Fourth price revisions

- The fourth price revisions were implemented for all product groups starting in October 2025
- Contributing to income from the second half of the year, the revisions are expected to boost income by 2.0 billion yen for the full year

Product lines to be affected	Revision rate
Enclosure	Approx. 10 to 15%
Plastic enclosure	Approx. 10%
System racks	Approx. 5 to 10%
Optical junction boxes	Approx. 10%
Thermal management products	Approx. 10%

Product lines to be affected	Revision rate
Parts for panel board	Approx. 10%
Breakers/switches	Approx. 10%
Standard panel boards and control panel boards	Approx. 2 to 10%
Home panel boards	Approx. 15%

(ii) Investment in human resource: Raised the starting salary for newly graduated employees and revised monthly salary levels for employees

- As an investment to further enhance human resource value, we raised the starting salary for new graduates entering the company in 2025 and revised monthly salary levels for employees
- We raised starting salary for university graduate employees by 30% to 300,000 yen and monthly salary for regular employees by 24.5% on average
- Personnel costs are expected to increase by 1.2 billion yen for the full year

NITO NITTO KOGYO GROUP 16

On page 16, I will explain two additional assumptions for the full-year plan.

The first is the group of products covered by the fourth round of price revisions I mentioned earlier. The range of price increases for each product is shown below.

The second is the increase in starting salaries and the revision of monthly salary levels, which were carried out as part of our investment in human capital. We have implemented this investment to further enhance the value of our human resources starting in April 2025. As a result, personnel costs are expected to increase by JPY1.2 billion for the full year.

Forecast of consolidated results for the year

Full year FY2024

- Net sales are expected to grow due to rising sales, helped by solid demand for facilities investment
- Operating profit is expected to decline in the first half due to higher fixed costs such as personnel costs, in spite of a projected increase in marginal profit stemming from growing sales. For the full-year, operating profit is expected to rise owing to the effect of price revisions to be implemented in the second half
- Net income is expected to decrease, as there will no longer be 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)

	2025/3		2026/3			
	2Q results	Results for the year	2Q plan	(YoY) Change	Plan for the year	(YoY) Change
Net sales	81,983	184,683	87,000	+6.1%	192,000	+4.0%
Operating profit	4,063	13,432	3,600	-11.4%	13,600	+1.2%
Ordinary profit	4,433	13,516	3,600	-18.8%	13,600	+0.6%
Profit attributable to owners of parent	5,212	12,097	2,400	-54.0%	9,400	-22.3%

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Page 17, NITTO KOGYO CORPORATION's consolidated business forecast for the full year.

Sales are expected to be JPY192 billion, plus 4%. Sales are expected to increase due to higher sales resulting from firm capital investment demand.

Operating income is expected to be JPY13.6 billion, plus 1.2%. Although we expect an increase in marginal profit and other factors, we anticipate only a limited increase in profit due to the significant impact of personnel costs, including the revision of salary levels as an investment in human capital explained earlier, and fixed costs, such as depreciation and amortization.

We expect a decrease in profit items, especially in H1, due to price revisions scheduled for H2 and the absence of extraordinary gains.

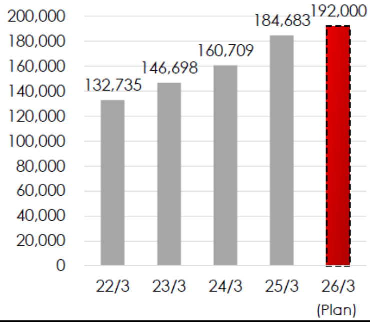
Consolidated performance trends

Full year
FY2024

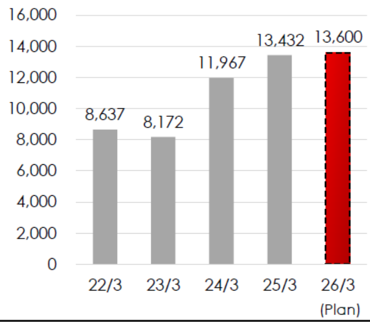
■ If we hit the target for the period ending March 2026, we expect to achieve the highest net sales and the second highest operating profit in our history

(Unit: million yen)

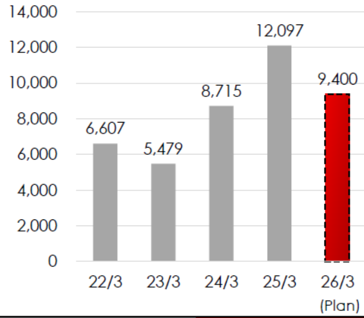
■Net sales



■Operating profit



■Profit attributable to owners of parent



	22/3	23/3	24/3	25/3	2026/3 (plan)
Net sales	132,735	146,698	160,709	184,683	192,000
Operating profit	8,637	8,172	11,967	13,432	13,600
Profit attributable to owners of parent	6,607	5,479	8,715	12,097	9,400

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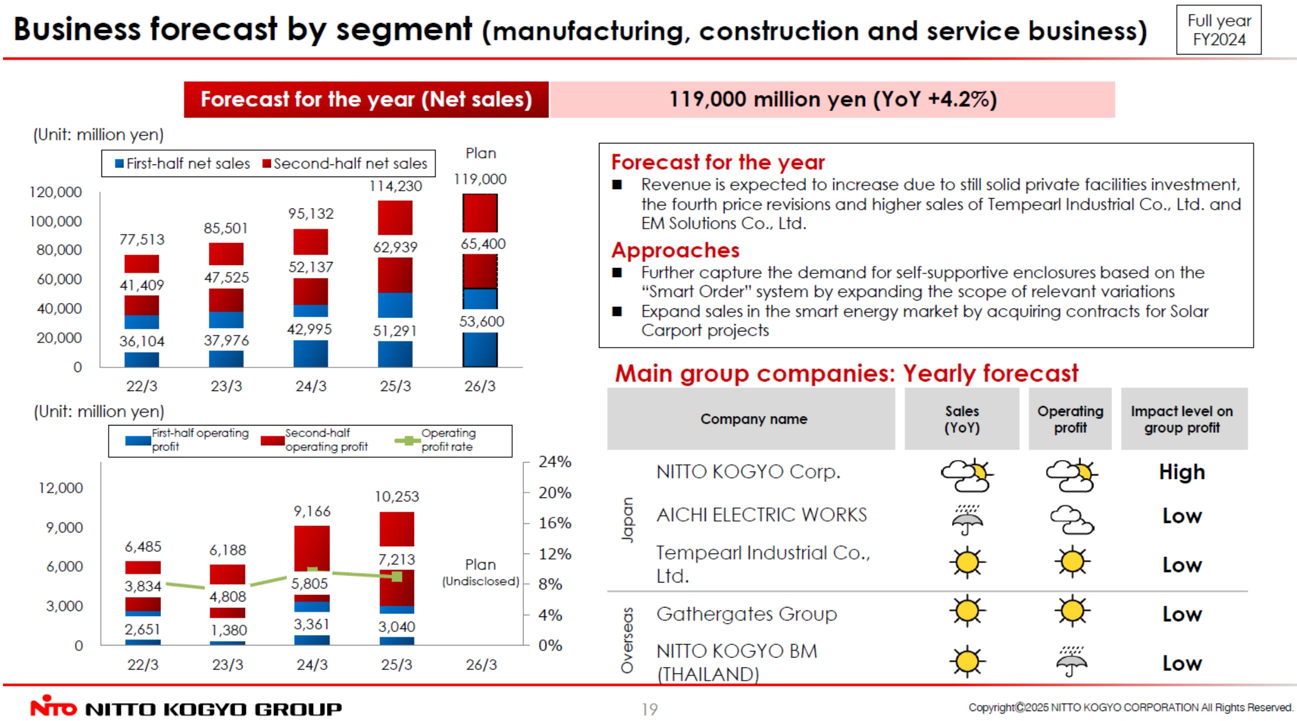
Page 18, consolidated performance trends.

If we achieve our plan for the fiscal year ending March 31, 2026, sales will be the highest and operating income the second highest in our history.



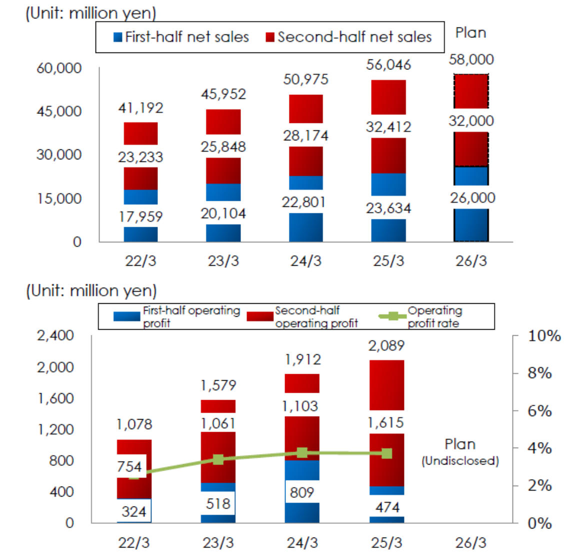
Page 19, business forecast by segment.

Sales in the manufacturing, construction, and services segment are projected at JPY119 billion, up 4.2% from the previous year. We assume that private capital investment will remain strong. In addition, we expect sales to increase due to the effect of the fourth round of price revisions to be implemented by NITTO KOGYO CORPORATION on a non-consolidated basis, as well as higher sales by Tempearl Industrial and EM Solutions.

Business forecast by segment (distribution business)

Full year FY2024

Forecast for the year (Net sales) | **58,000 million yen (YoY +3.5%)**



Forecast for the year

- Sales are expected to increase as we will expand our businesses by continuing to capture buoyant IT investment demand and stepping up our solution field businesses, including electrical facilities associated with renewable energy, among others

Approaches

- Expand sales by strengthening our sales structure for the data center market
- Expand new businesses in the IA market and the physical solutions market by leveraging our strengths in video solutions
- 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 profit	Impact level on group profit
Japan	SunTelephone			Medium
Overseas	SOECO			Low
Overseas	Master Controls			Low

Page 20, distribution business.

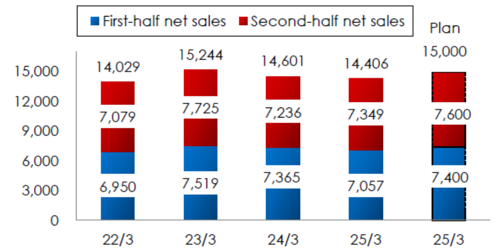
Sales are projected at JPY58 billion, up 3.5% from the previous year. We expect to increase sales through business expansion by continuing to capture brisk IT investment demand. We also plan to strengthen the solutions field, including renewable energy-related and electrical facilities.

Business forecast by segment (electronic parts business)

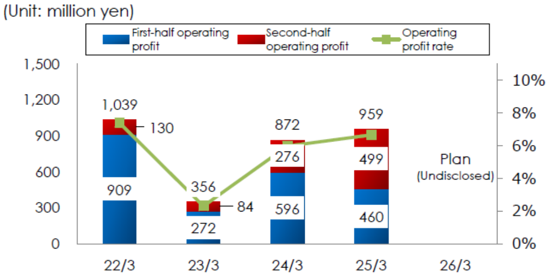
Full year FY2024

Forecast for the year (Net sales) | **15,000 million yen (YoY +4.1%)**

(Unit: million yen)



(Unit: million yen)



Forecast for the year

- Revenues are expected to increase due to production recovery in the appliance-related market and acquisitions of new project contracts in the automotive-related market

Approaches

- Expand overseas business through stepping up alliances with overseas EMC testing laboratories
- Propose solutions in expectation of technological changes in priority markets
- Develop new products that will contribute to a sustainable society

Main group companies: Yearly forecast

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

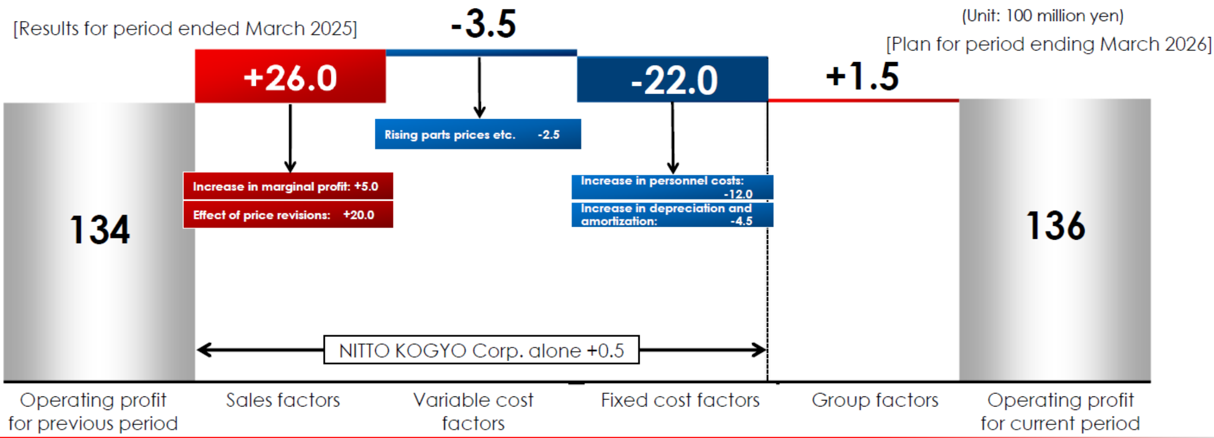
Page 21, electronic parts business.

Sales are projected at JPY15 billion, an increase of 4.1% from the previous year. In addition to the recovery of production in the appliance-related market, we expect an increase in sales following the acquisition of new projects for EVs in the automotive-related market.

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

Full year FY2024

- Consolidated operating profit for the period ending March 2026 is forecast to be 13.6 billion yen, more or less unchanged year on year
- For NITTO KOGYO Corp. alone, operating profit is expected to be flat year on year due to still-elevated parts prices (variable cost factors) and growing personnel costs (fixed cost factors), despite income-boosting factors such as an increase in marginal profit and the effect of price revisions (in the second half)
- For group factors, particularly, operating profit is expected to increase slightly with the strong performance of SunTelephone and other group companies likely to ease



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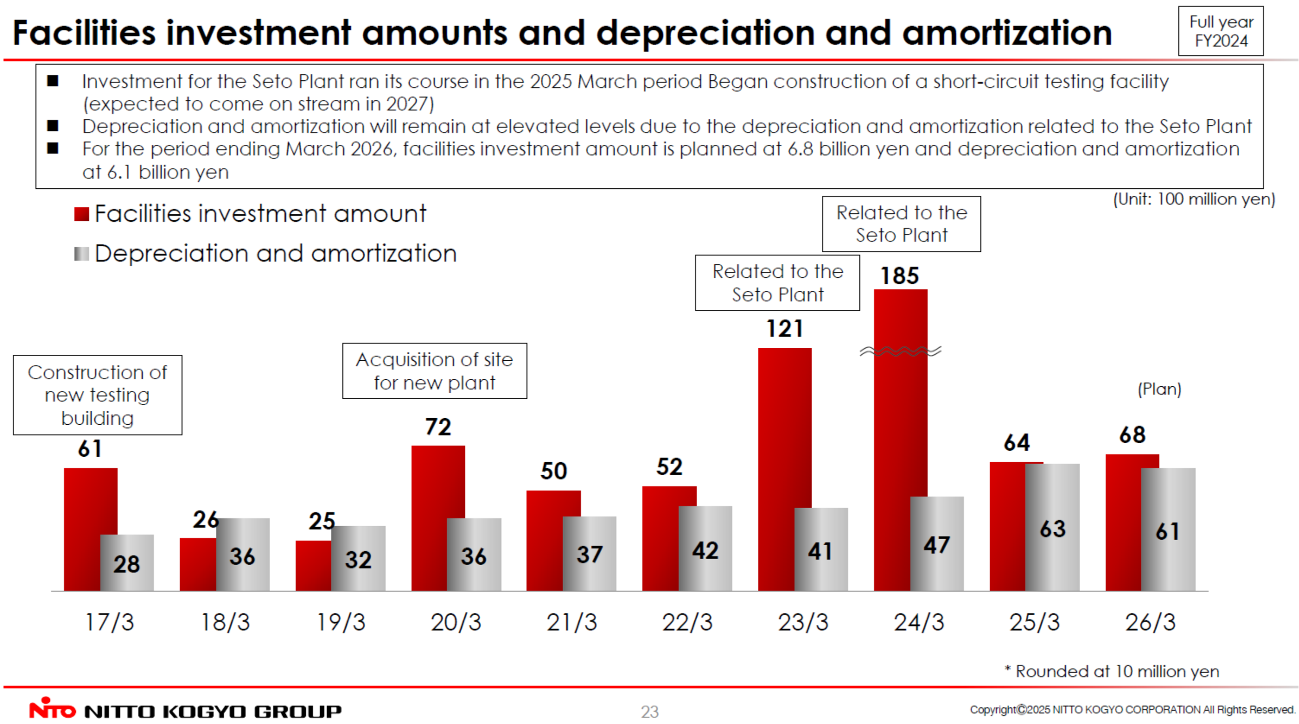
Page 22, factors for changes in consolidated operating income for the full year.

Consolidated operating income for the fiscal year ending March 31, 2026, is expected to be JPY13.6 billion, the same level as the previous year.

On a non-consolidated basis for NITTO KOGYO CORPORATION, there are factors that will boost profits, such as an increase in marginal profits and the effect of price revisions. However, due to the impact of depreciation expenses at the Seto Plant remaining at the same level as the previous fiscal year, high material prices, and rising labor costs, operating profit is expected to remain flat.

In terms of factors from the group companies, SunTelephone and other group companies are expected to post modest gains.



Page 23, consolidated capital investment, depreciation, and amortization.

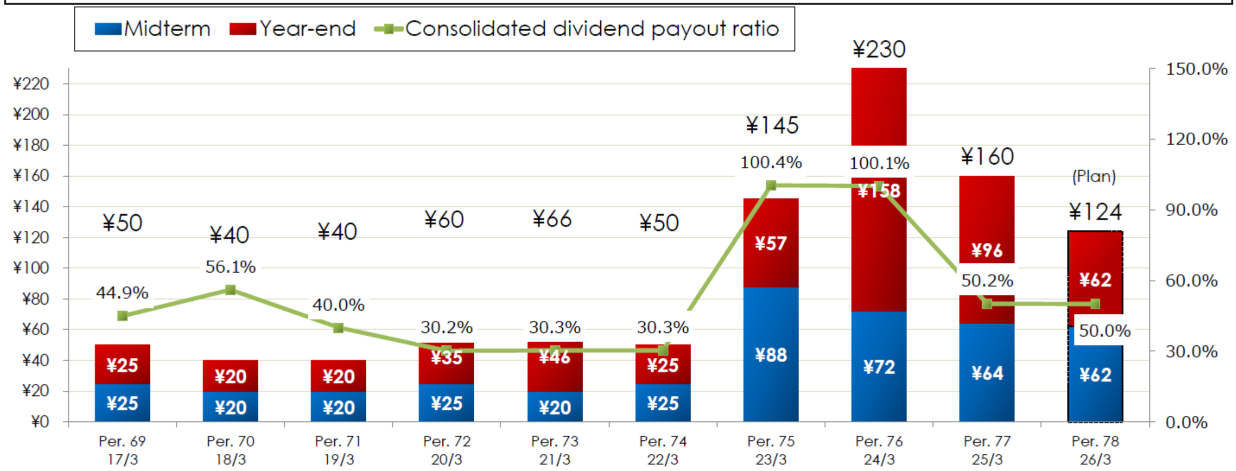
Capital investment for the fiscal year ending March 31, 2026 are planned at JPY6.8 billion. In addition to system upgrades aimed at group synergy with Tempearl Industrial, we plan to focus on upgrading production facilities to support automation and labor savings at manufacturing sites.

Depreciation and amortization expenses will be JPY6.1 billion, a decrease of JPY0.2 billion from the previous year.

Dividend status

Full year FY2024

- 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 2026, dividends for the year will be 124 yen (consolidated dividend payout ratio of 50.0%) due to the elimination of extraordinary income.



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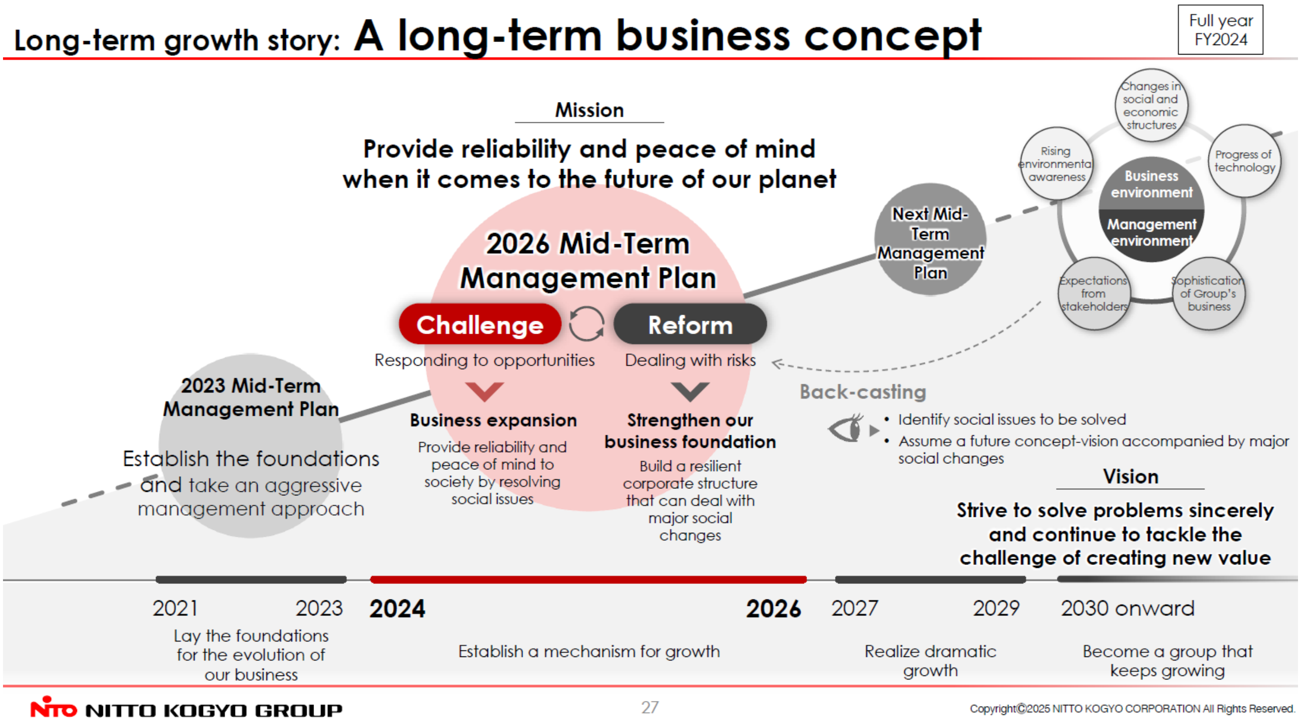
Page 24, dividends.

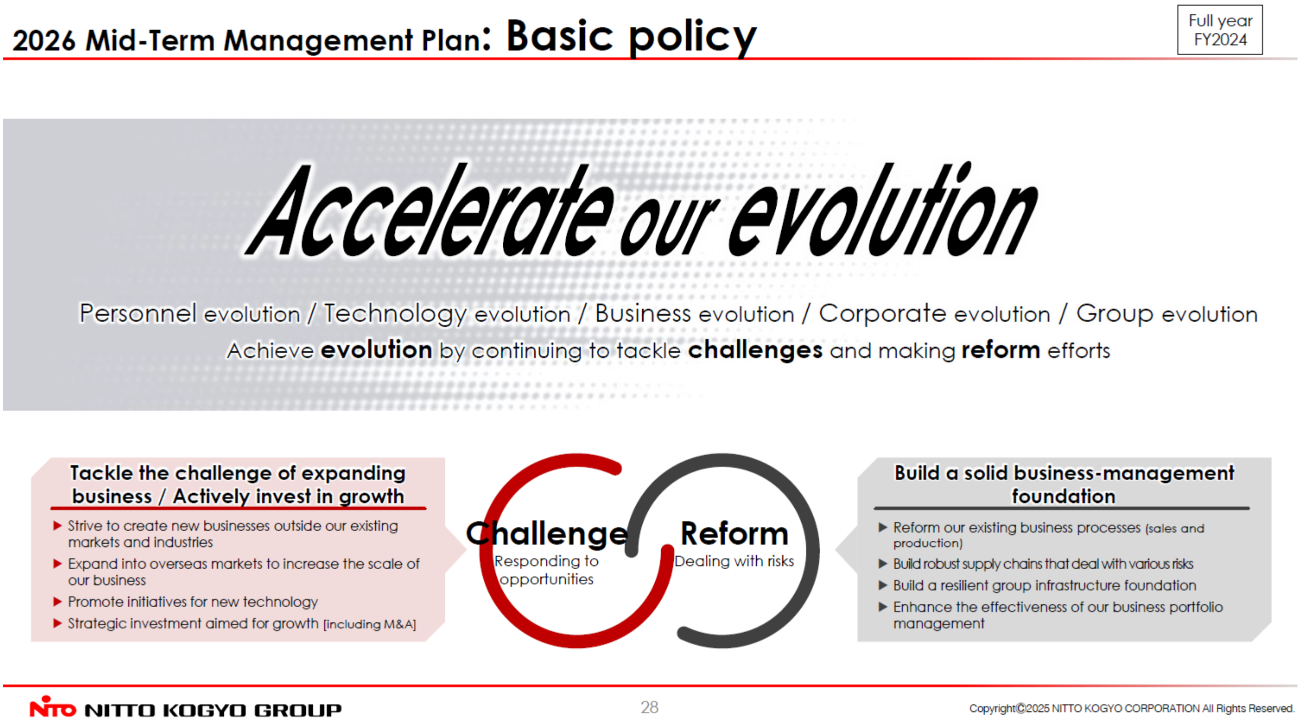
Based on the dividend policy in the 2026 Mid-term Management Plan, we will pay a full-year dividend of JPY160 for the fiscal year ended March 31, 2025 with a consolidated dividend payout ratio of 50.2%. We initially planned the annual dividend to be JPY132 per share, but since we landed above plan, it is now expected to be JPY160 per share, an increase of JPY28.

For the fiscal year ending March 31, 2026, we plan to pay a full-year dividend of JPY124 per share based on a consolidated dividend payout ratio of 50%.



Next, I would like to introduce our mid-term management plan. Page 27 is the story for long-term growth.

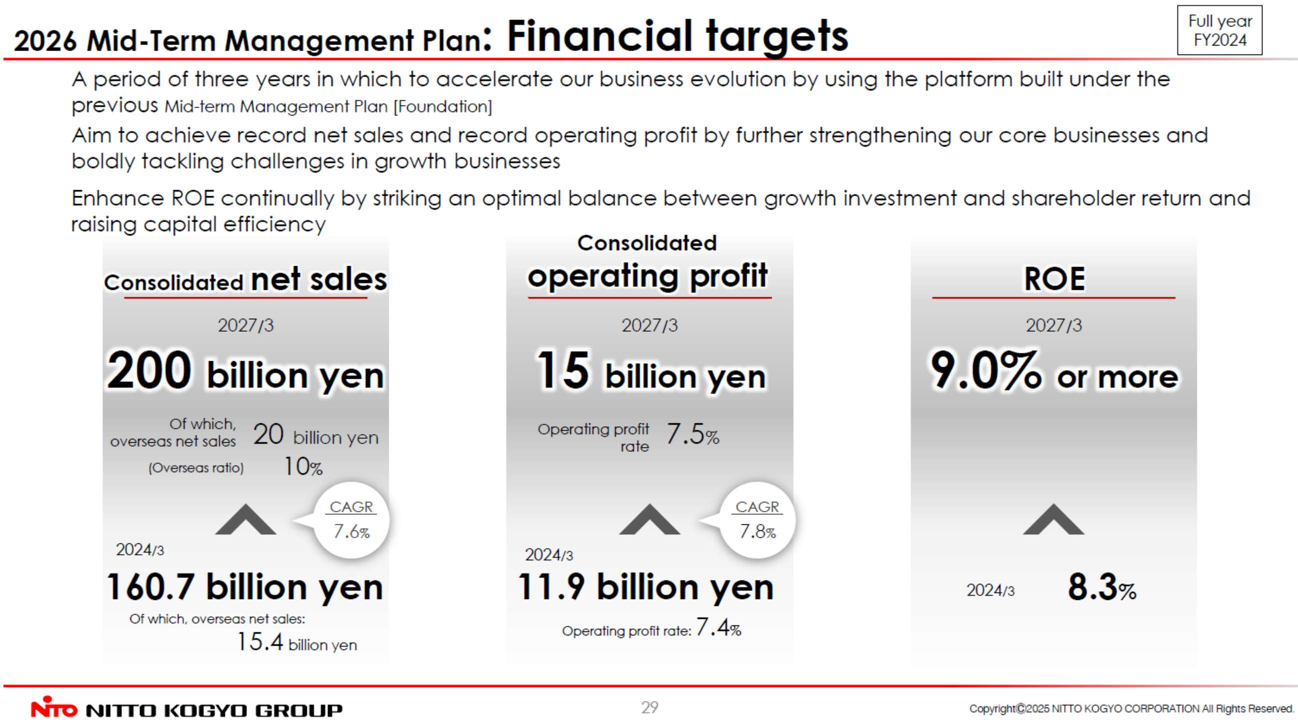
While the previous 2023 Mid-term Management Plan was a phase to lay the foundation for business evolution, we see the 2026 Mid-term Management Plan as a phase to establish a growth mechanism that will enable dramatic growth and allow us to continue growing as a group from FY2027 onward.



Page 28, basic policies of the 2026 Mid-term Management Plan.

The basic policy is to accelerate evolution. We aim to evolve by quickly repeating both of these processes: taking on challenges in response to opportunities and driving transformation in response to risks.

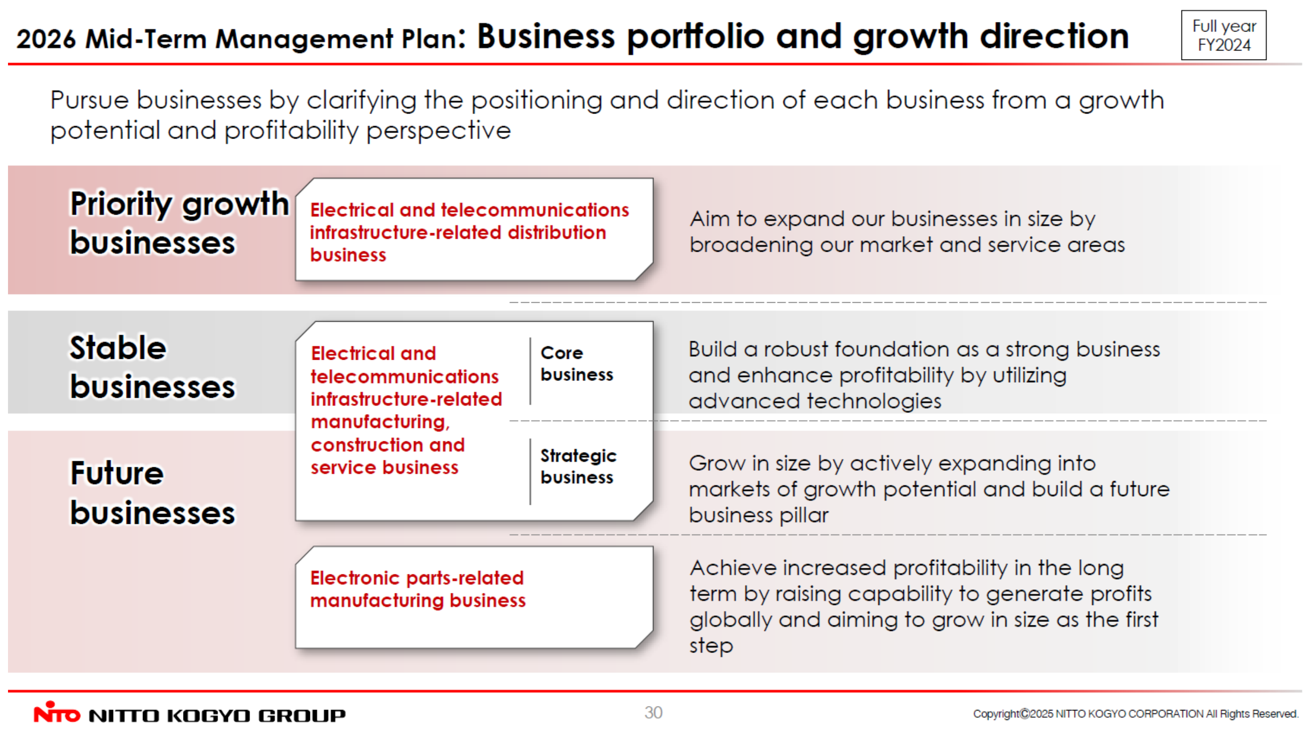
Our basic policy is to expand the evolution of people, technology, business, companies, and the Group in a chain of continuous progress and to accelerate this evolutionary cycle.



Page 29 is the financial targets.

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

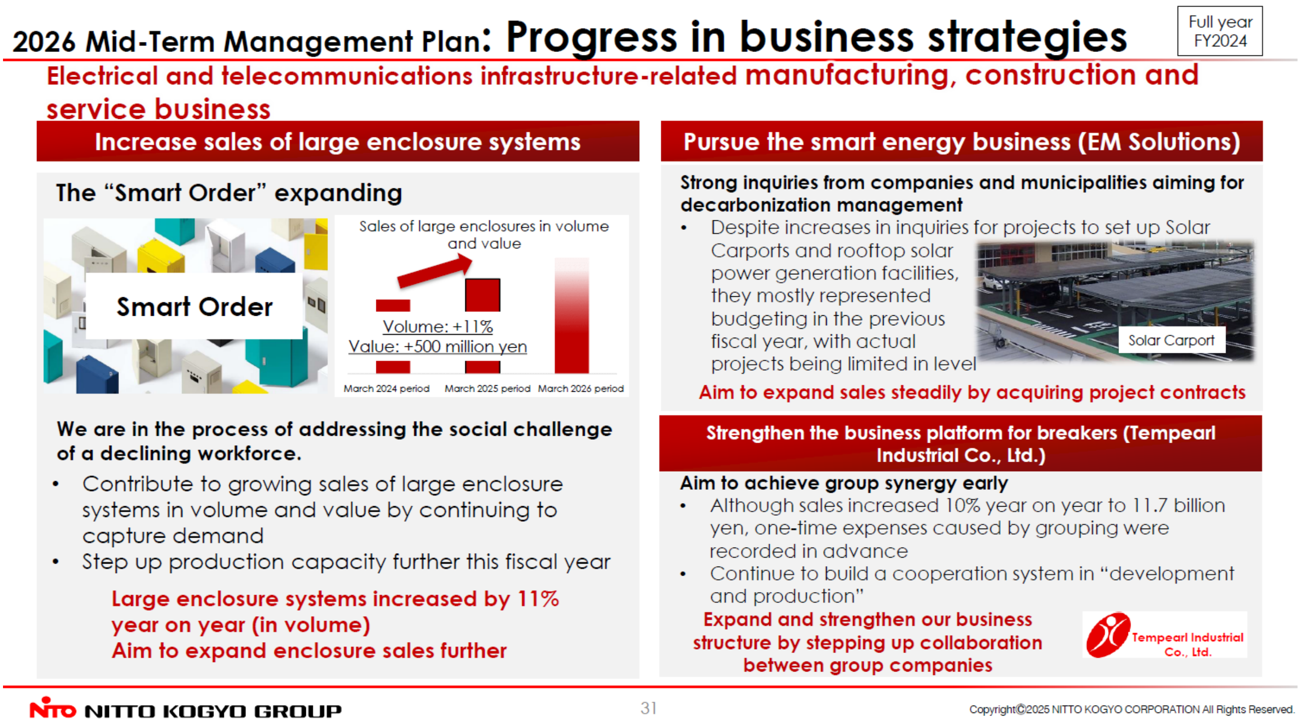
Building on the foundation established in the previous mid-term management plan, we have set ambitious goals of record-high sales and operating income for the next three years to accelerate our business evolution. The Group will boldly take on the challenge and work to achieve these goals.



Page 30 shows the growth direction for each business portfolio.

To achieve the goals of the mid-term management plan, we aim to carry out appropriate business portfolio management and speedy investment in businesses that can grow.

We will accelerate the growth of each business by assessing its growth potential and profitability and clarifying its future direction.



Page 31, this is the progress of the business strategy of the 2026 Mid-term Management Plan.

In the manufacturing, construction, and service business, sales of large enclosure increased with the start of operations at the Seto Plant.

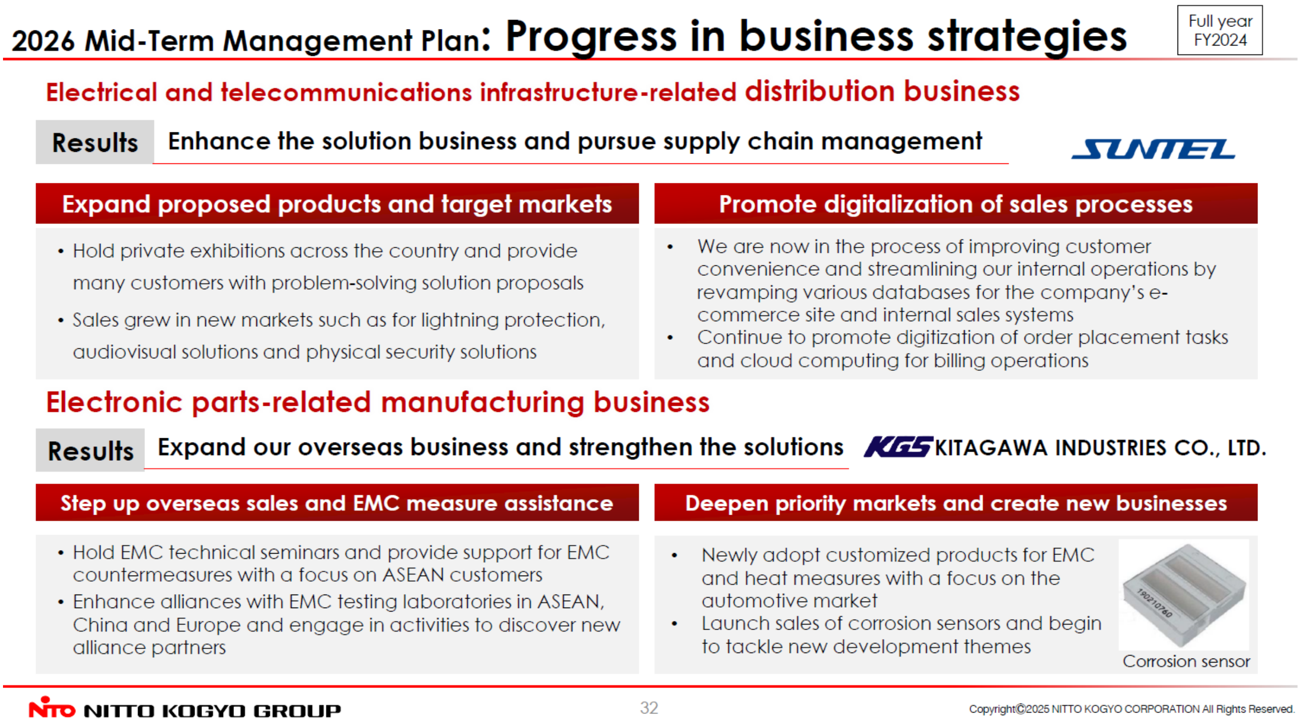
Smart Order Enclosure, our proprietary web-ordering system, automatically plans and manufactures products based on input data without human intervention. It enables the efficient production of custom-made enclosures in various sizes and specifications with stable quality and on-time delivery, just like standard products.

Customers want to obtain custom-made products of stable quality when they need them. Distribution boards manufacturers, facing a declining workforce, want to purchase the enclosure they used to produce in-house. Electrical contractors, aiming to shorten work time, prefer custom-made enclosures that do not require drilling or processing on site. We are steadily capturing this demand, which is helping to increase the volume and value of our freestanding enclosures. In the current fiscal year, we aim to expand sales of enclosures by further increasing manufacturing capacity.

Our subsidiary EM Solutions, which provides one-stop services for the introduction of renewable energy, has been receiving steady inquiries about solar carports that efficiently utilize space and self-consumption solar equipment installed on rooftops, mainly from companies aiming for decarbonized management and municipalities.

On the other hand, actual sales in the previous year fell short of expectations due to a longer-than-expected period between budgeting, site surveys, design, order receipt, and construction. In the current fiscal year, we will proceed to reap the benefits of the projects we have accumulated, which will lead to steady sales expansion.

Next, regarding the strengthening of the breaker-related business base, sales at Tempearl Industrial grew steadily, up 10% from the previous year. However, one-time expenses associated with the grouping are being incurred upfront. We will continue to expand and strengthen our business structure by strengthening cooperation among group companies.



Page 32. In the distribution business, we are working to increase sales in new markets, such as lightning protection, audiovisual solutions, and physical security solutions. We are also promoting the digitalization of processes from purchasing to sales.

In the electronics parts business, we are strengthening alliances overseas, increasing the number of newly adopted products in the automotive market, and working to develop new businesses. We will continue to steadily implement these business strategies.

This concludes my explanation. Thank you for your attention.

[END]