

Financial Results for the Second Quarter (First Half) of Period Ending March 2026

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.

Net sales were a record high in H1 **Operating profit increased due to increased revenue.**

- Net sales were a record high for H1 thanks to higher revenue and profit than in the previous period
- Operating profit increased due to increased revenue despite an increase in personnel costs
- Profit decreased from the previous period due to the elimination of extraordinary income recorded in the previous period
- While results exceeded the plan for the first half, we left the plan for the year unchanged due to concerns about difficulties in parts procurement and cost increases

1. Overview of consolidated results for the first half of the accounting period ending March 2026	3
2. Key topics The impact of rising parts prices, etc., the effect of price revisions and changing transaction prices Construction of the Second Plant at Tochigi Nogi	11
3. Forecast of consolidated results for the accounts period ending March 2026	14
4. Mid-term management plan	26
5. Reference materials	35

1. Overview of consolidated results for the first half of the accounting period ending March 2026

Consolidated accounting highlights for the first half

- Business results for the first half of period ending March 2026 showed increased revenues and profits. Net sales were at record highs for the first half
- Net sales increased mainly due to increased sales in the electrical and telecommunications infrastructure-related manufacturing, construction and service business and the distribution business against the backdrop of solid demand for facilities investment and greater desire for IT investment by companies
- Operating profit increased due to increased revenue despite an increase in personnel costs
- First half profit attributable to owners of parent decreased due to the elimination of extraordinary income (approx. 2.4 billion yen) recorded in the previous period

(Unit: million yen)

	2025/3	2026/3			
	H1 results	H1 results	(YoY) Change	H1 plan	Vs. H1 plan
Net sales	81,983	88,962	+8.5%	87,000	+2.3%
Operating profit	4,063	5,292	+30.2%	3,600	+47.0%
Ordinary profit	4,433	5,620	+26.8%	3,600	+56.1%
First half profit attributable to owners of parent	5,212	3,424	-34.3%	2,400	+42.7%

Business segments

Electronic parts-related Manufacturing business

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



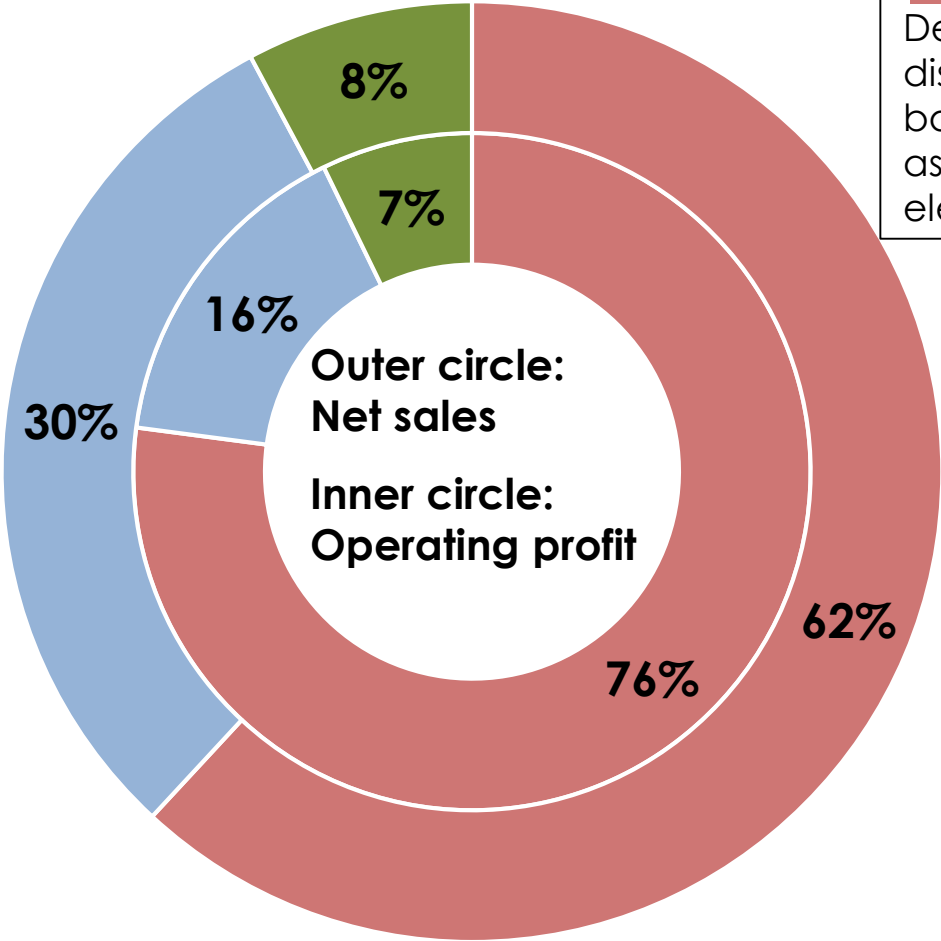
Electrical and telecommunications infrastructure-related Distribution business

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



* 2025/3 actual results. Percentages may not total 100 due to rounding.

Accounting highlights by segment for the first half

- Revenue and profits increased in the manufacturing, construction and service business due to companies' solid demand for facilities investment and last-minute demand prior to the standard revision.
- Revenue and profits increased in the distribution business due to higher sales of network parts in line with companies' greater desire for IT investment
- Revenue and profits increased in the electronic parts business due to the acquisition of projects in the domestic automotive market and a recovering demand in the air conditioning-related market.

(Unit: million yen)

By segment		2025/3	2026/3			
		H1 results	H1 results	(YoY) Change	H1 plan	Vs. H1 plan
Net sales	Manufacturing, construction and service business	51,291	55,173	+7.6%	53,600	+2.9%
	Distribution business	23,634	26,141	+10.6%	26,000	+0.5%
	Electronic parts business	7,057	7,647	+8.4%	7,400	+3.3%
	Total	81,983	88,962	+8.5%	87,000	+2.3%
Operating profit	Manufacturing, construction and service business	3,040	3,423	+12.6%	—	—
	Distribution business	474	1,037	+118.6%	—	—
	Electronic parts business	460	773	+68.1%	—	—
	Total	4,063	5,292	+30.2%	3,600	+47.0%

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

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

- The distribution boards division posted increased revenue as a result of increased sales of high-voltage power receiving equipment due to solid demand for facilities investment and last-minute demand before the standard revision
- The enclosure division posted a decreased revenue as a result of slower demand centered on the FA market due to uncertainties about the impact of the U.S. tariff policies
- The breakers/switches/parts/other divisions posted increased revenue as a result of higher sales due to last-minute demand prior to price revisions
- The construction/service division posted decreased revenue due to a reactionary drop following a large project recorded in the previous period

(Unit: million yen)

		2025/3	2026/3			
Net sales by division		H1 results	H1 results	(YoY) Change	H1 plan	Vs. H1 plan
Manufacturing, construction and service business	Distribution boards	30,133	33,947	+12.7%	31,400	+8.1%
	Enclosure	11,030	11,001	-0.3%	11,200	-1.8%
	Breakers/switches/parts/other	8,089	8,286	+2.4%	8,400	-1.4%
	Construction/service	2,038	1,937	-5.0%	2,600	-25.5%
Total		51,291 (2,095)	55,173 (2,047)	+7.6%	53,600	+2.9%
Consolidated overall total		81,983	88,962	+8.5%	87,000	+2.3%
Consolidated sales composition ratio		62.6%	62.0%	-0.6%	61.6%	—

* Parentheses refer to internal sales between segments

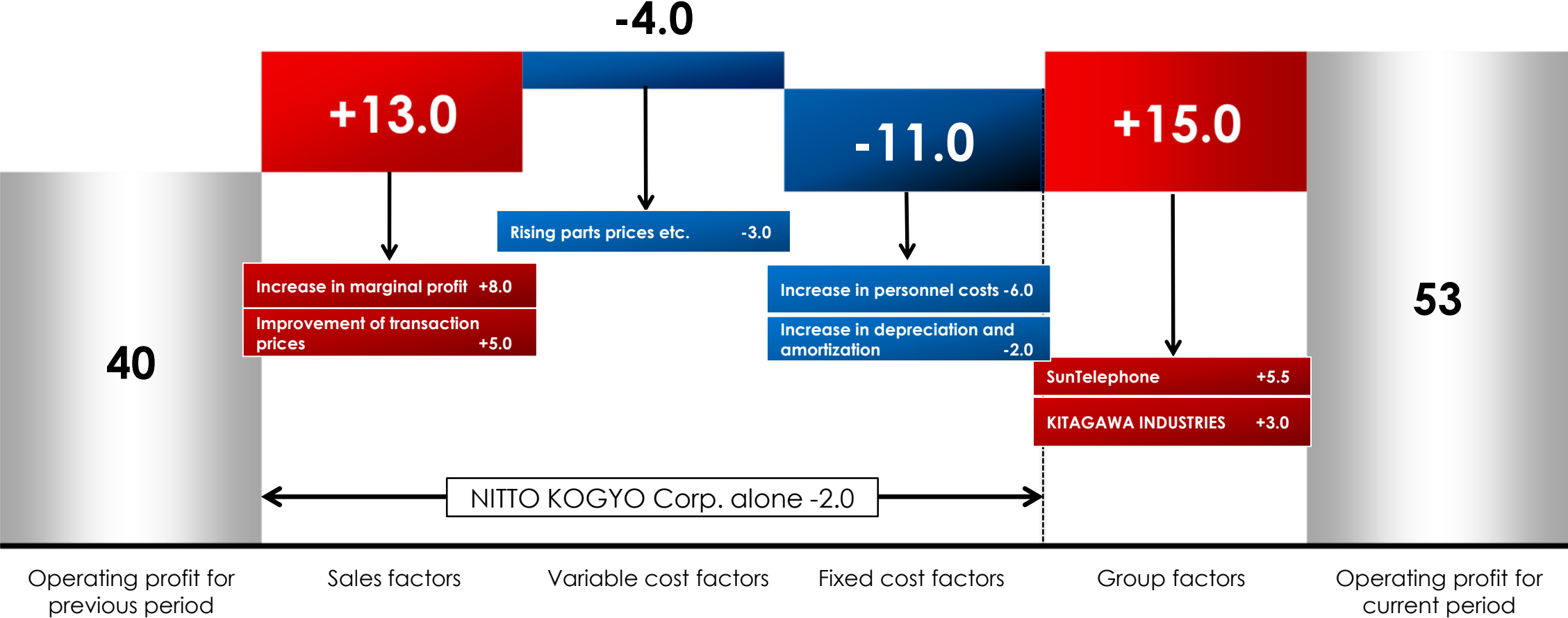
Factors in changes in first half consolidated operating profit

- As for the non-consolidated factors of NITTO KOGYO Corp., in spite of more marginal profit and improvement of transaction prices, profits decreased due to rising parts prices, increases in personnel costs, etc.
- For the group, profits increased due to strong performance in all segments

(Unit: 100 million yen)

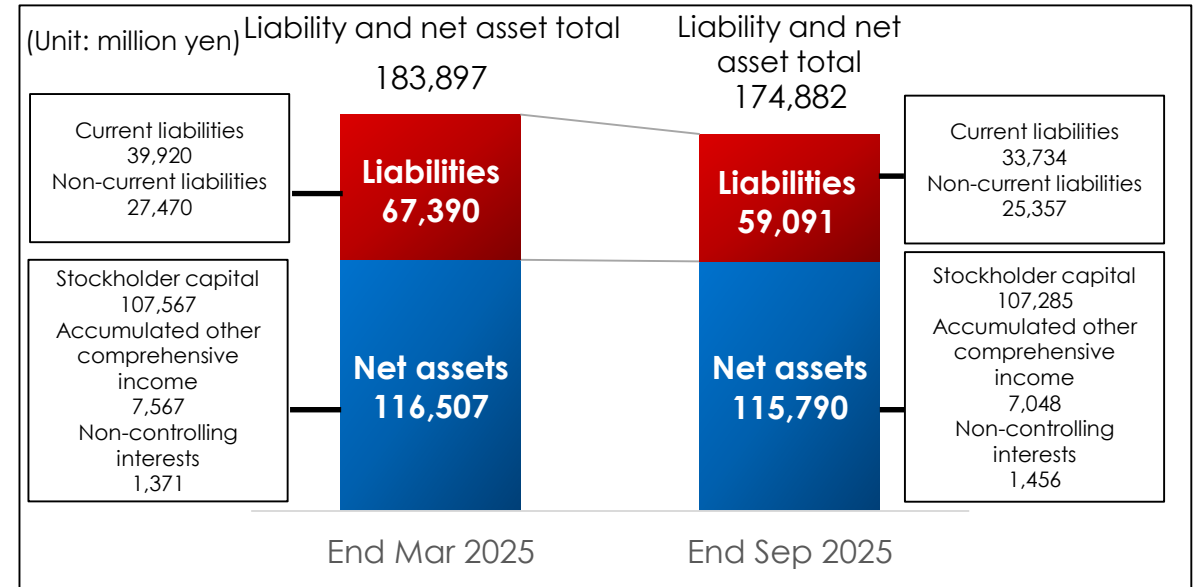
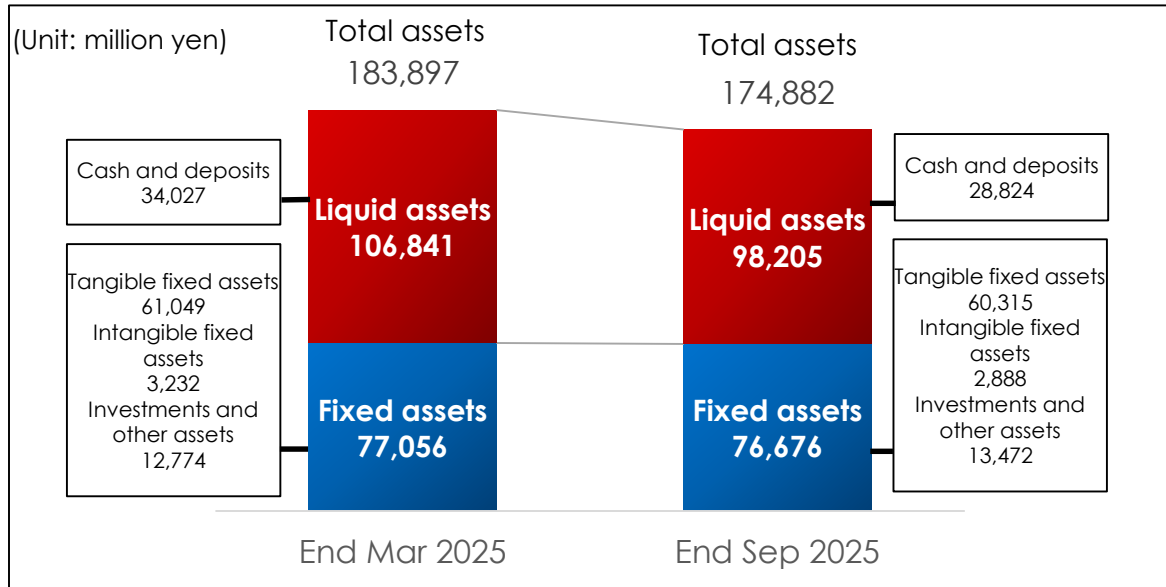
[Results for H1 of period ended March 2025]

[Results for H1 of period ending March 2026]



Overview of consolidated finances for the first half

- Assets decreased as cash and deposits as well as notes and accounts receivable decreased
- Liabilities and net assets decreased due to decreases in notes and accounts payable-trade and long-term loans payable as well as dividends of surplus



<Main changes>

■ Assets

Decreased cash and deposits	-5,203
Decrease in notes and accounts receivables	-4,165

■ Liabilities

Notes and accounts payable - trade	-2,379
Long-term loans payable	-2,003

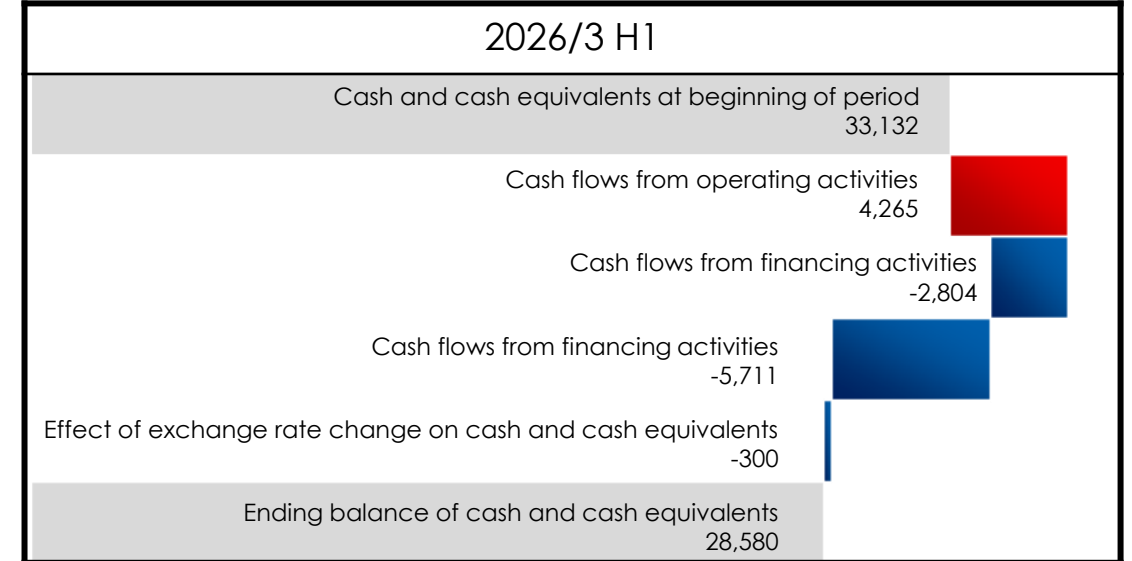
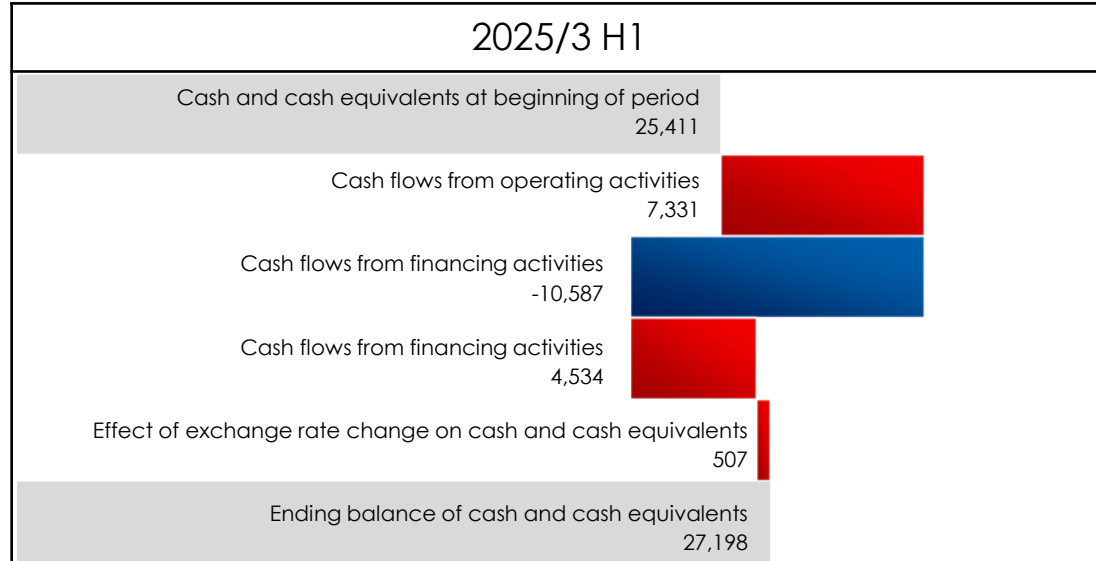
■ Net assets

Dividends of surplus	-3,651
First half profit	+3,424

Consolidated cash flow statement for the first half

- Cash and cash equivalents totaled 28,580 million as of September 30, 2025, representing a decrease of 4,552 million from the balance as of April 1, 2025.

(Unit: million yen)



<2025/3 H1 Main factors>

■ Cash flows from investing activities

Expenditure due to acquisition of fixed assets -6,695

■ Cash flows from financial activities

Increased short-term loans payable +8,649

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

Payment of dividends -6,003

<2026/3 H1 Main factors>

■ Cash flows from investing activities

Expenditure due to acquisition of fixed assets -2,811

■ Cash flows from financial activities

Repayment of long-term loans payable -2,009

Payment of dividends -3,649

2. Key topics

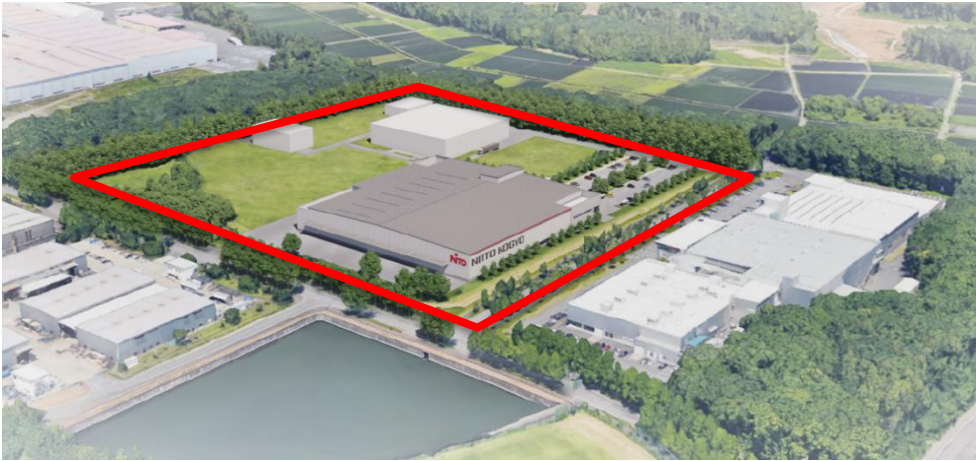
The impact of rising parts prices, etc., the effect of price revisions and changing transaction prices

- Higher-than-expected rising parts prices, etc. decreased operating profit by 300 million yen in the first half
- The fourth price revision was effective in October 2025, thus it did not contribute to profit in the first half. The full effect is expected in the second half, as per initial forecast
- While transaction prices boosted operating profit by 500 million yen due to last-minute demand before the standard revision, the second half is expected not to show significant changes in line with the initial forecast

	Beginning forecast (full year)	First-half results	Second-half forecast	Change form the initial forecast
Rising parts prices	YoY -250 million yen (in operating profit)	YoY -300 million yen	YoY -350 million yen	YoY -650 million yen (400 million yen below the initial forecast)
Effect of price revisions	YoY +2,000 million yen (in operating profit)	- (To be implemented starting in the second half)	YoY +2,000 million yen	Forecast Unchanged
Changes in transaction prices	-	YoY +500 million yen	YoY +0.0 million yen	YoY +500 million yen (500 million yen above the initial forecast)

Construction of the Second Plant at Tochigi Nogi

- The land adjacent to the Tochigi Nogi Plant was acquired in March 2020 in order to expand the production system.
- The initial plan was postponed due to the uncertain external environment caused by the COVID-19 pandemic and so on.
- Construction of a new plant was decided to increase production capacity and restructure production systems to meet demand for data centers



Total investment	Approx. 7.4 billion yen
Coming on stream	Scheduled for April 2028
Production items	System racks, information communication cabinets, optical junction boxes, etc.



System racks



Information communication cabinet



Optical junction boxes

Information communications related products
Aim for non-consolidated sales of 10 billion yen

3. Forecast of consolidated results for the accounts period ending March 2026

**Changes to the plan for the year: None
(However, full-year premises were revised)**

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 <u>650</u> million yen for the full year is expected due to <u>a further rise</u> in 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	<u>Despite the profit increase seen in the first half, it will be limited in the second half, so the profit increase for the full year is expected to be 500 million yen.</u>	
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
<u>Procurement difficulties</u>	<u>Decrease in production volume due to difficulties in procuring parts for high-voltage power receiving equipment triggered by the response to the Top Runner Program</u>	<u>Increased production volume due to normalization of the parts supply environment</u>

Amounts in table: Year-on-year basis Underlined: Change from the initial forecast

(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 capital: 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

Forecast of consolidated results for the year

FY3/2026
H1

- Net sales are expected to grow due to rising sales, helped by solid demand for facilities investment
- Operating profit is expected to rise due to the increase in marginal profit stemming from growing sales and the effect of price revisions, in spite of higher fixed costs such as personnel costs
- Profit 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)

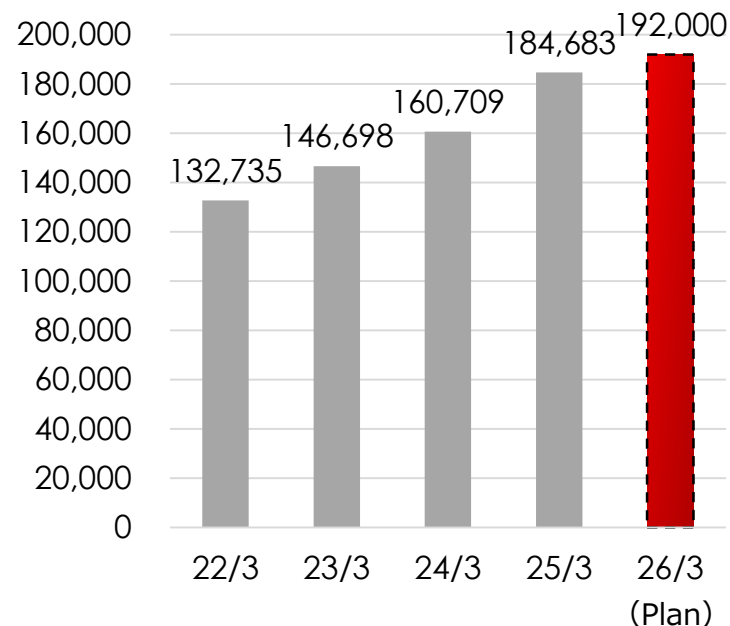
(Unit: million yen)

	2025/3		2026/3			
	H1 results	Results for the year	H1 results	(YoY) Change	Plan for the year	(YoY) Change
Net sales	81,983	184,683	88,962	+8.5%	192,000	+4.0%
Operating profit	4,063	13,432	5,292	+30.2%	13,600	+1.2%
Ordinary profit	4,433	13,516	5,620	+26.8%	13,600	+0.6%
Profit attributable to owners of parent	5,212	12,097	3,424	-34.3%	9,400	-22.3%

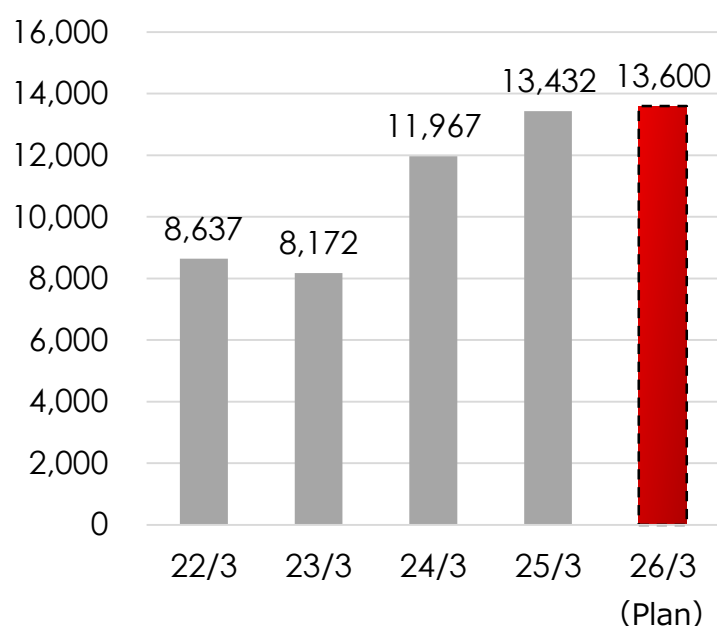
Consolidated performance trends

- 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

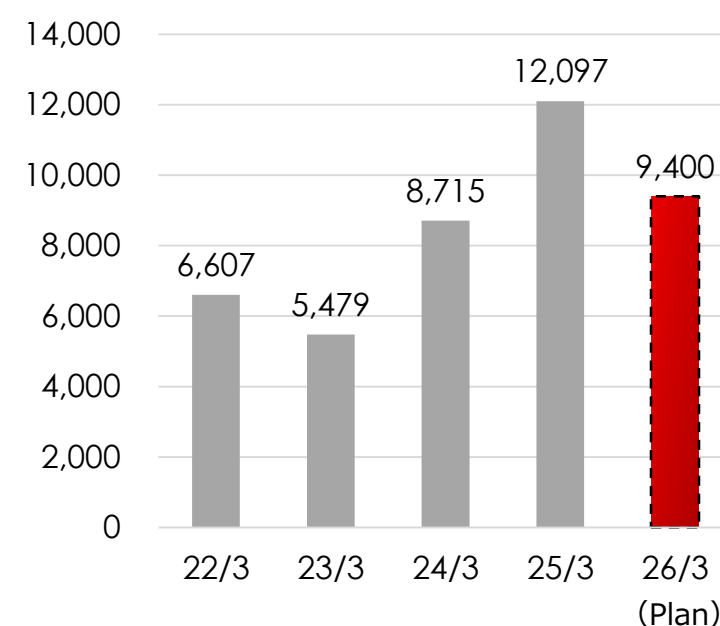
■ Net sales



■ Operating profit



■ Profit attributable to owners of parent (Unit: million yen)

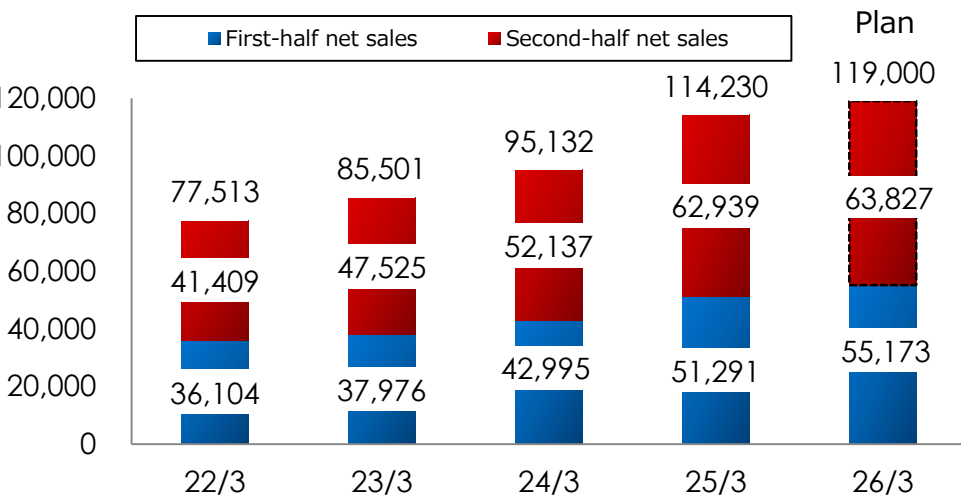


	22/3	23/3	24/3	25/3	2026/3 (plan)
Net sales	132,735	146,698	160,709	184,683	192,000
Operating profit	8,637	8,172	11,967	13,432	13,600
Profit attributable to owners of parent	6,607	5,479	8,715	12,097	9,400

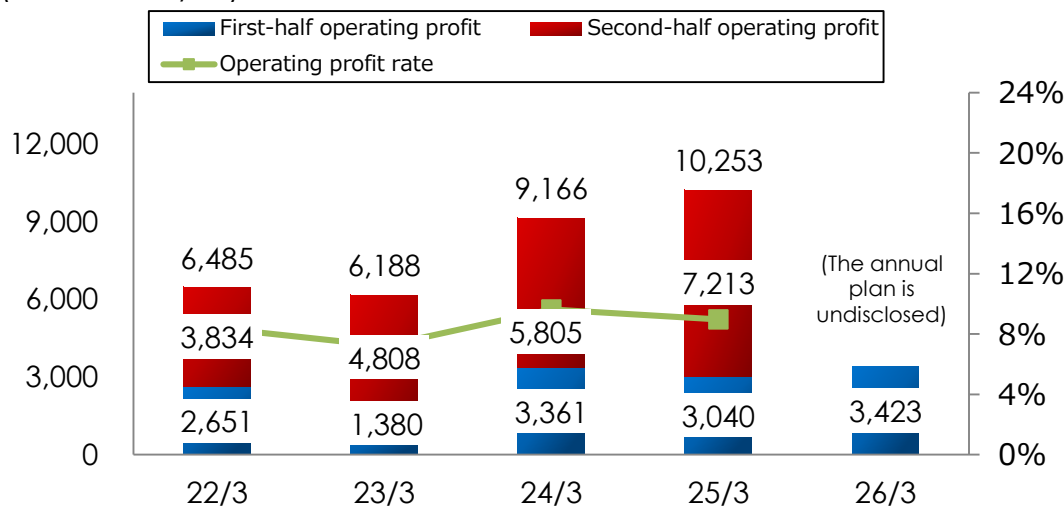
Forecast for the year (net sales)

119,000 million yen (YoY +4.2%)

(Unit: million yen)



(Unit: million yen)



Forecast for the year

- Revenue is expected to increase due to still solid private facilities investment, the fourth price revisions and higher sales of Tempearl Industrial Co., Ltd. and EM Solutions Co., Ltd.

Approaches

- Further capture the demand for self-supportive enclosures based on the "Smart Order" system by expanding the scope of relevant variations
- Expand sales in the smart energy market by acquiring contracts for Solar Carport projects

Main group companies: Yearly forecast

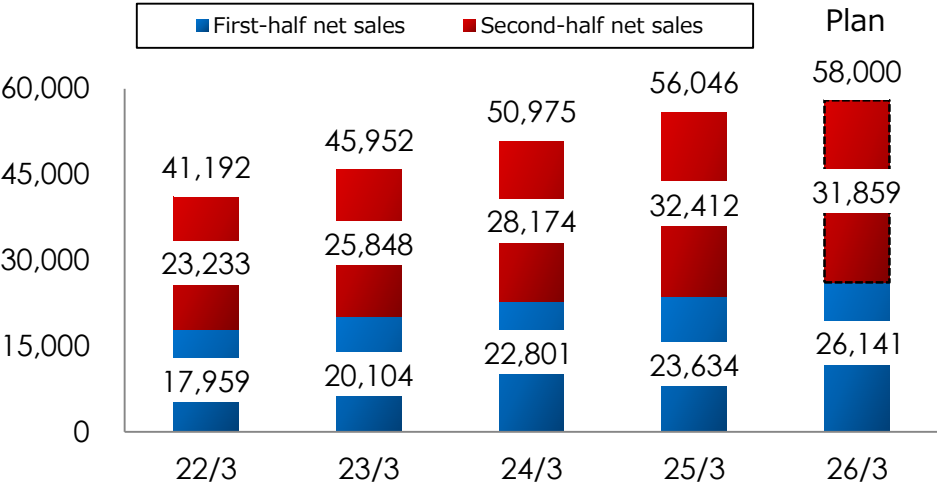
Company name		Sales (YoY)	Operating profit	Impact level on group profit
Japan	NITTO KOGYO Corp.			High
	AICHI ELECTRIC WORKS			Low
	Tempearl Industrial Co., Ltd.			Low
Overseas	Gathergates Group			Low
	NITTO KOGYO BM (THAILAND)			Low

Business forecast by segment (distribution business)

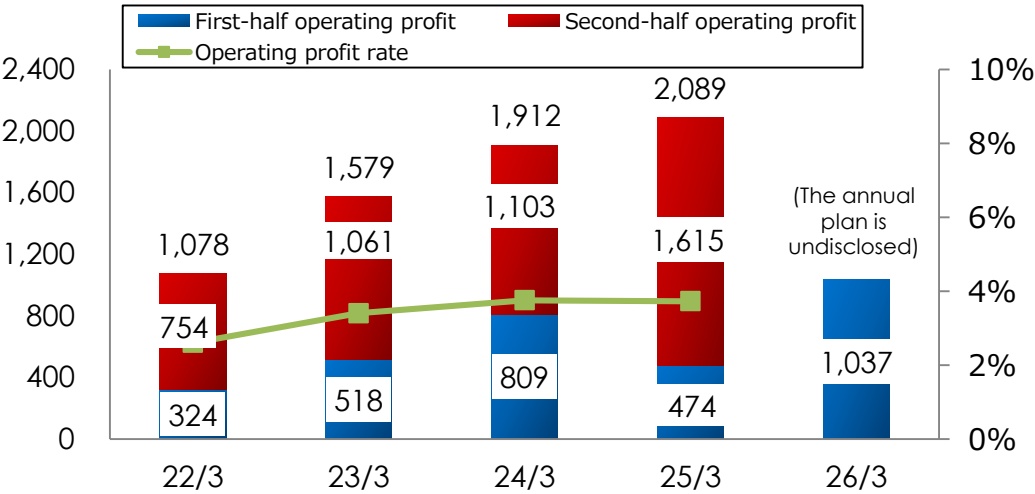
Forecast for the year (net sales)

58,000 million yen (YoY +3.5%)

(Unit: million yen)



(Unit: million yen)



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

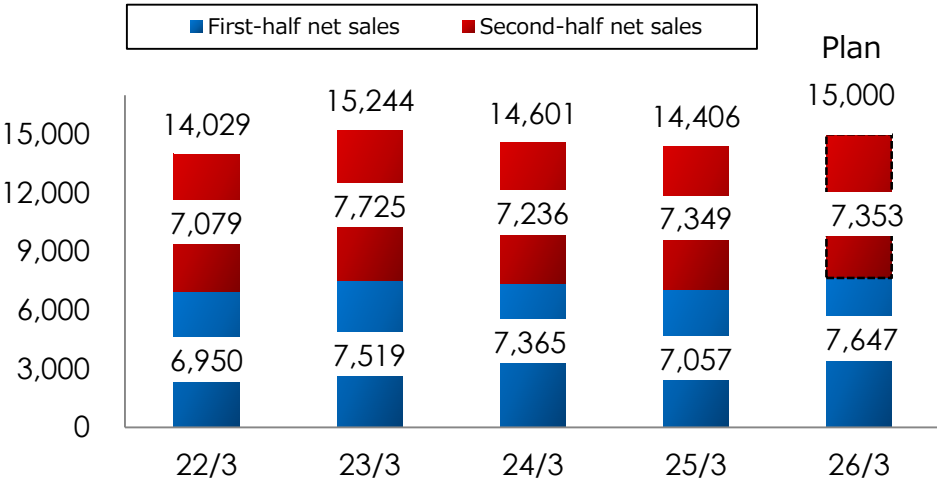
Company name		Sales (YoY)	Operating profit	Impact level on group profit
Japan	SunTelephone			Medium
	SOECO			Low
Overseas	Master Controls			Low

Business forecast by segment (electronic parts business)

Forecast for the year (net sales)

15,000 million yen (YoY +4.1%)

(Unit: million yen)



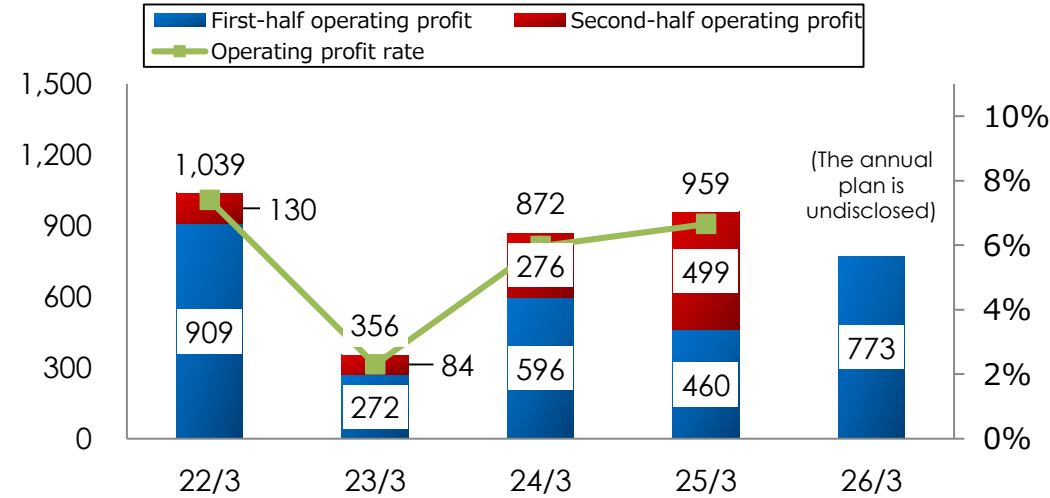
Forecast for the year

- 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 (Electro Magnetic Compatibility) testing laboratories
- Propose solutions in expectation of technological changes in priority markets
- Develop new products that will contribute to a sustainable society

(Unit: million yen)

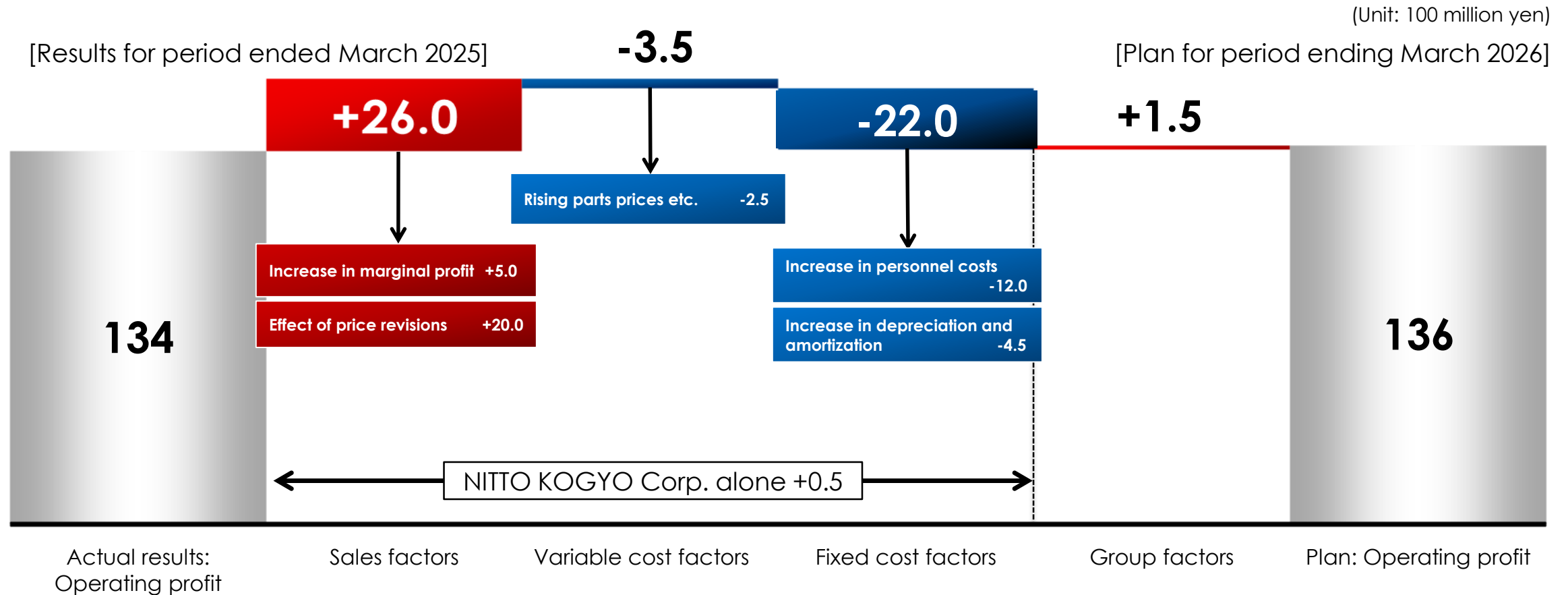


Main group companies: Yearly forecast

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

FY3/2026
H1

- 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

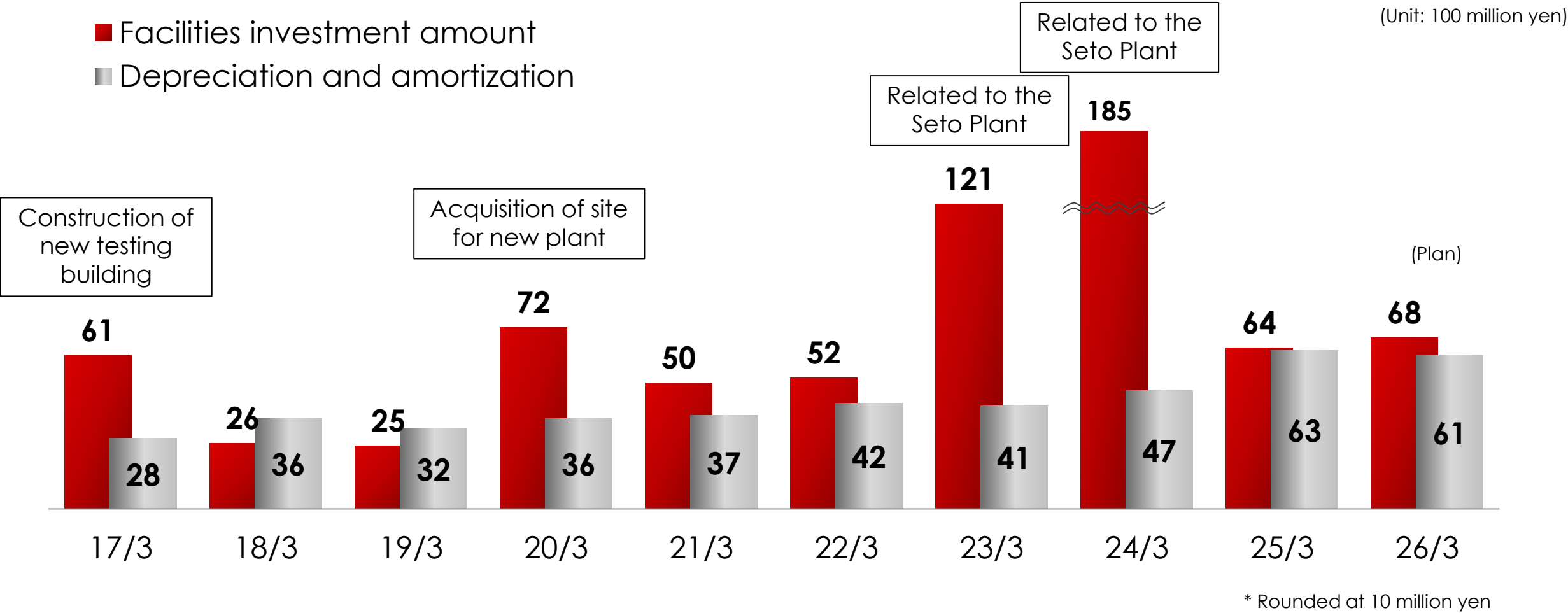


FY3/2026
H1

-
- (Unit: 100 million yen)
- [Results for period ended March 2025]
- [Plan for period ending March 2026]
- | Category | Value |
|----------------------------------|-------|
| Actual results: Operating profit | 134 |
| Sales factors | +30.0 |
| Variable cost factors | -8.5 |
| Fixed cost factors | -21.0 |
| Group factors | +1.5 |
| Plan: Operating profit | 136 |
- Breakdown of Variable cost factors (-8.5):
- Rising parts prices etc. -6.5
- Breakdown of Fixed cost factors (-21.0):
- Increase in personnel costs -12.0
 - Increase in depreciation and amortization -4.5
- Breakdown of Sales factors (+30.0):
- Increase in marginal profit +5.0
 - Effect of price revisions +20.0
 - Improvement of transaction prices +5.0
- Group factors (+1.5):
- NITTO KOGYO Corp. alone +0.5

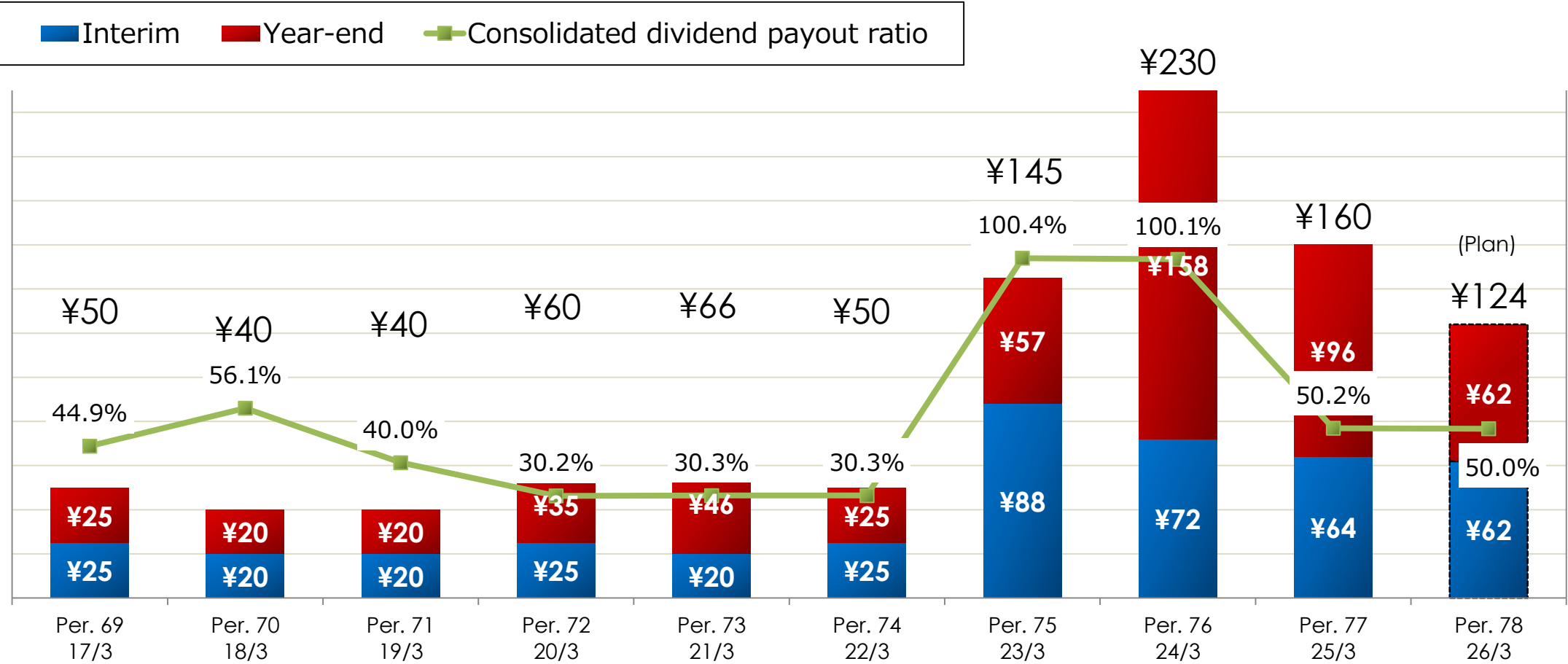
Facilities investment amounts and depreciation and amortization

- Investment for the Seto Plant ran its course in the 2025 March period Began construction of a short-circuit testing facility (expected to come on stream in 2027)
- Depreciation and amortization will remain at elevated levels due to the depreciation and amortization related to the Seto Plant
- For the period ending March 2026, facilities investment amount is planned at 6.8 billion yen and depreciation and amortization at 6.1 billion yen



Dividend status

- Starting from the period ended 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 a decrease in profit with the elimination of extraordinary income.

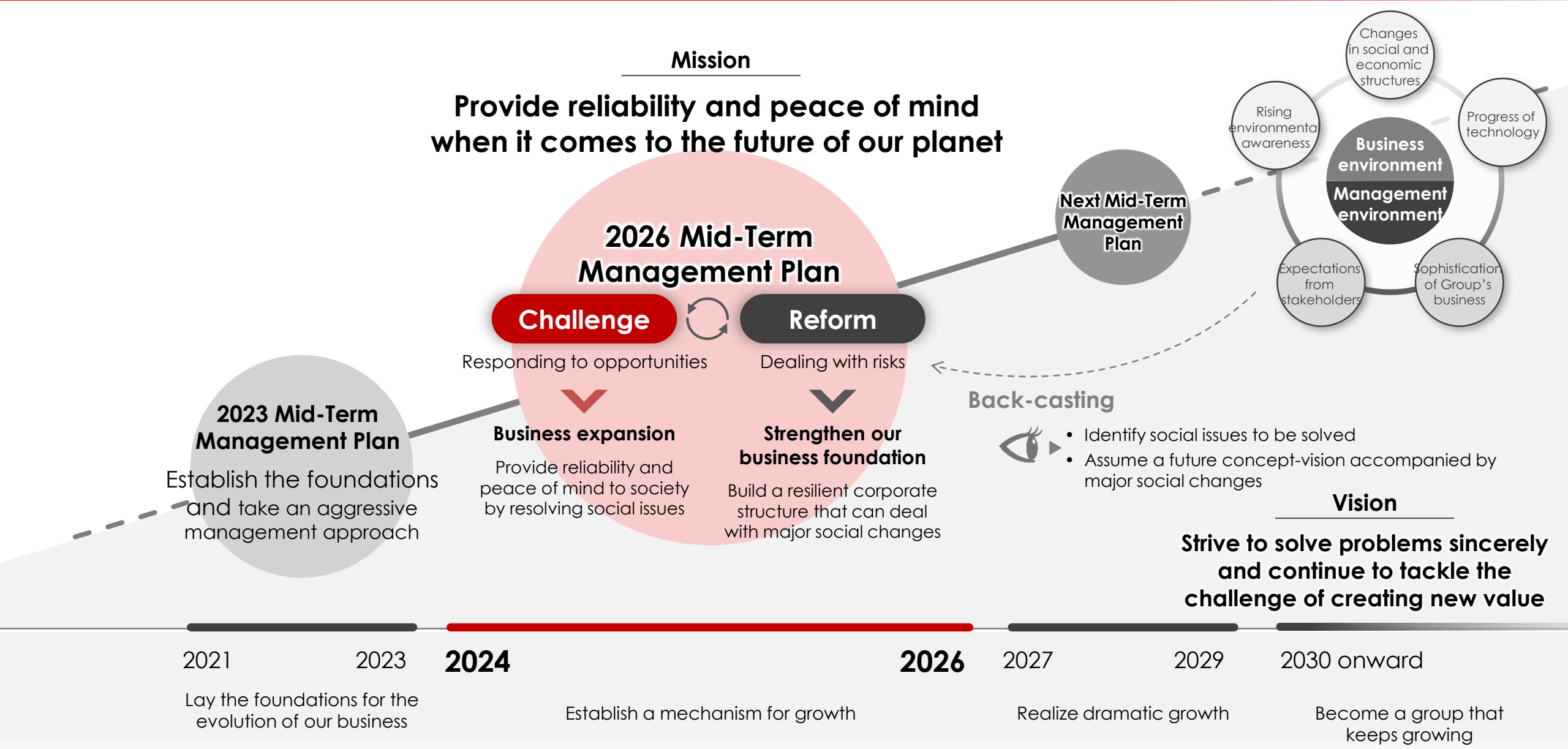


4. Mid-term management plan

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



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



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]

Challenge

Responding to opportunities

Reform

Dealing with risks

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 net sales and record operating profit 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

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

Future businesses

Strategic business

Grow in size by actively expanding into markets of growth potential and build a future business pillar

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

Pursue the smart energy business

Support wave power generation, a next-generation renewable energy
Invest in Global Energy Harvest Co.

The 7th Strategic Energy Plan (supply and demand forecast for FY2040)

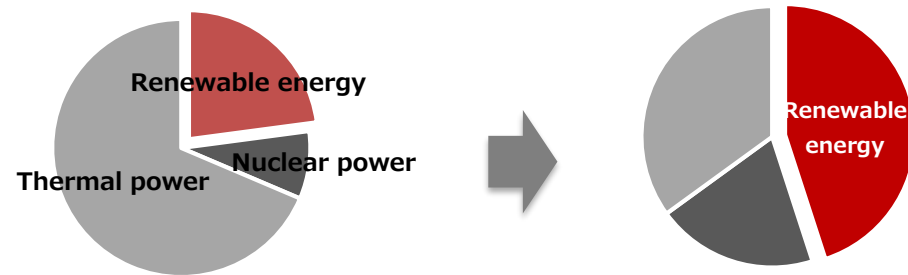


Image (prepared by the Company from the 7th Strategic Energy Plan)

- **NITTO KOGYO Corp.** is responsible for the development and manufacture of enclosures for wave power generators
- **EM Solutions** provides integrated support from electrical equipment design to construction



Reciprocating Rotary
Acceleration Power
Generation™

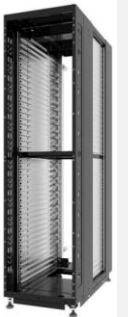
Contribute to the realization of both a stable energy supply and decarbonization through the practical application of wave power generation

Accelerate development of system racks for data centers

Develop and sell OCP-compliant racks for next-generation data centers

- System Rack increases in importance with rapid adoption of generative AI
- Develop products with cooling, energy saving, construction saving and other high performances
- Accelerate development speed through collaboration with other companies

OCPORV
3 Rack



Strengthen the business platform for breakers (Tempearl Industrial Co., Ltd.)

Toward the Group synergy creation phase

- As we entered our second year of participation, we achieved profitability in the first half of the year. We expect performance to remain at the planned level for the full year.
- Create Group synergies by reorganizing the production system within the Group, and expand and strengthen the business structure



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 management



Expand proposed products and target markets

- Sales were strong for video solutions and grew steadily in new markets such as for network solutions, lightning protection, audiovisual solutions, and physical security solutions
- We differentiated using products from overseas manufacturers and proposed added value

Promote digitalization of sales processes

- The number of site views and estimates increased significantly due to the promotion of use of the company's e-commerce site
- We are now in the process of continuing the promotion of digitization of ordering operations and further refinement of various databases



Electronic parts-related manufacturing business

Results Expand our overseas business and strengthen the solutions **KGS KITAGAWA INDUSTRIES CO., LTD.**

Step up overseas sales and EMC measure assistance

- We enhanced alliances with EMC testing laboratories in ASEAN, China and Europe and engage in activities to discover new alliance partners
- We actively implemented joint EMC measurement and support for countermeasures, mainly with Japanese appliance manufacturers operating overseas

Deepen priority markets and create new businesses

- Sales were strong for customized products for EMC and thermal management with a focus on the automotive market
- We focused on adding corrosion sensor variations and developing new general-purpose products



Corrosion sensor

CONNECT!

Linking electricity with information

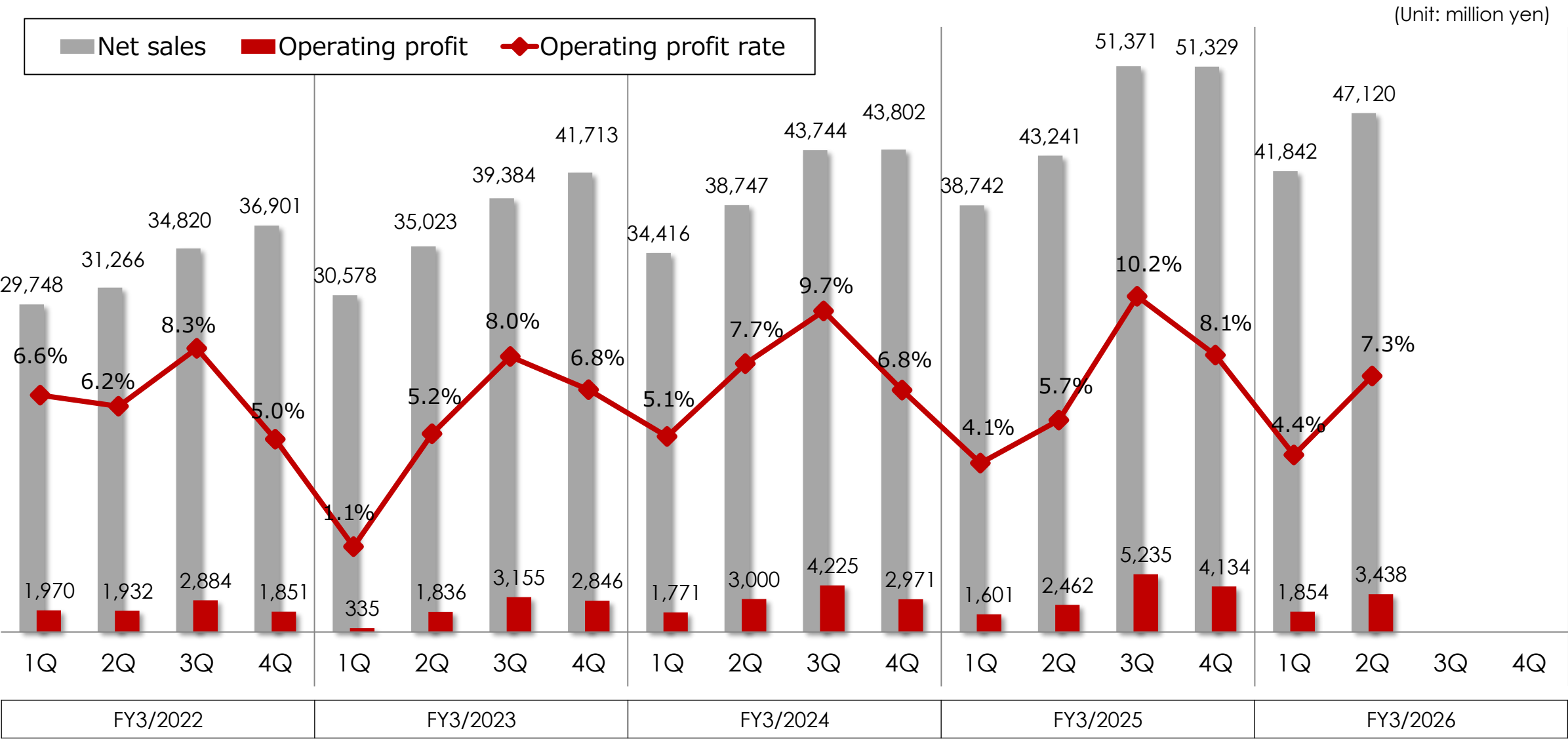
NITO **NITTO KOGYO GROUP**

5. Reference materials

Reference materials

- **Consolidated net sales and operating profit rate trends (quarter)**
- **Three business segments**
- **Performance trends by business segment (quarter)**
- **Result trends from establishment to present**
- **Net sales composition ratios by business segment**
- **Net 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 net sales and operating profit trends (quarter)



Three business segments

Energy



Information communications



Automation

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



High-voltage power receiving equipment



Distribution/panel boards



Enclosure



System racks



Breakers



Charging stands



Communication facility construction

Electrical and telecommunications infrastructure-related Distribution business

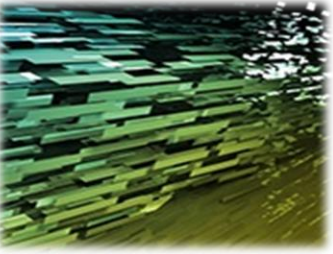
Purchases and sales of information communication equipment and parts



Network cameras



Information security-related products



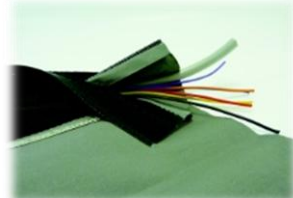
High-speed network devices

Electronic parts-related Manufacturing business

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



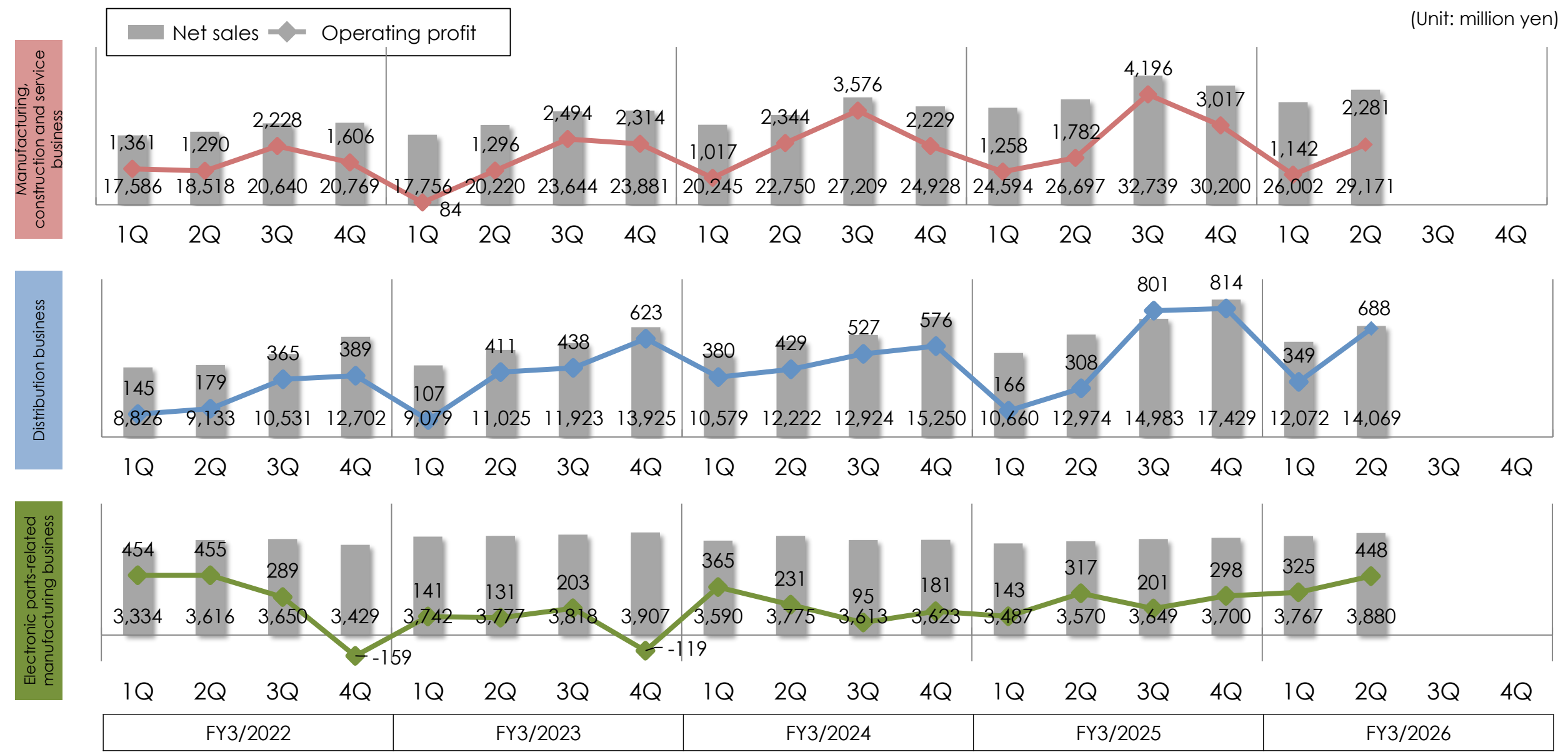
Ferrite cores



Cable shields

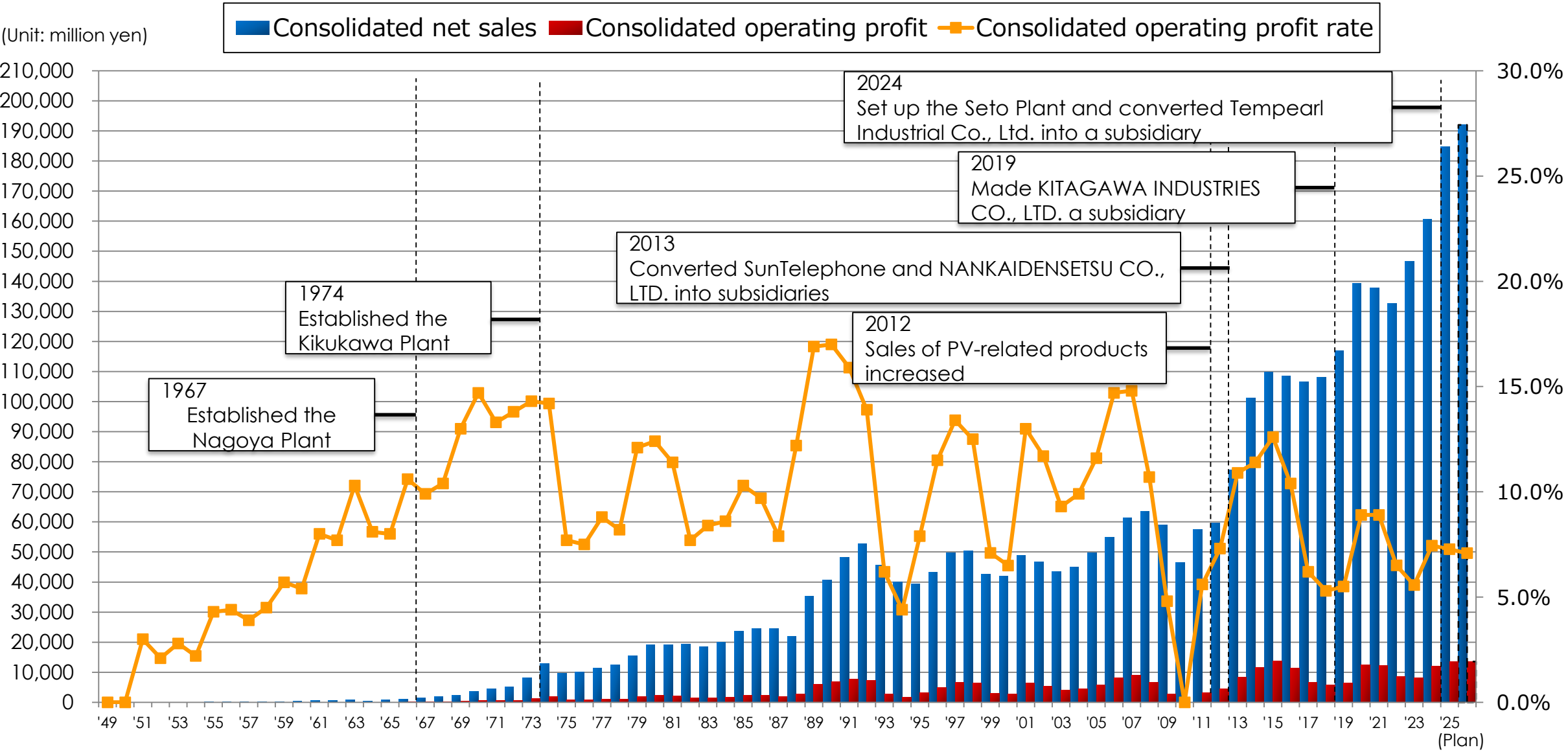


Cable ties



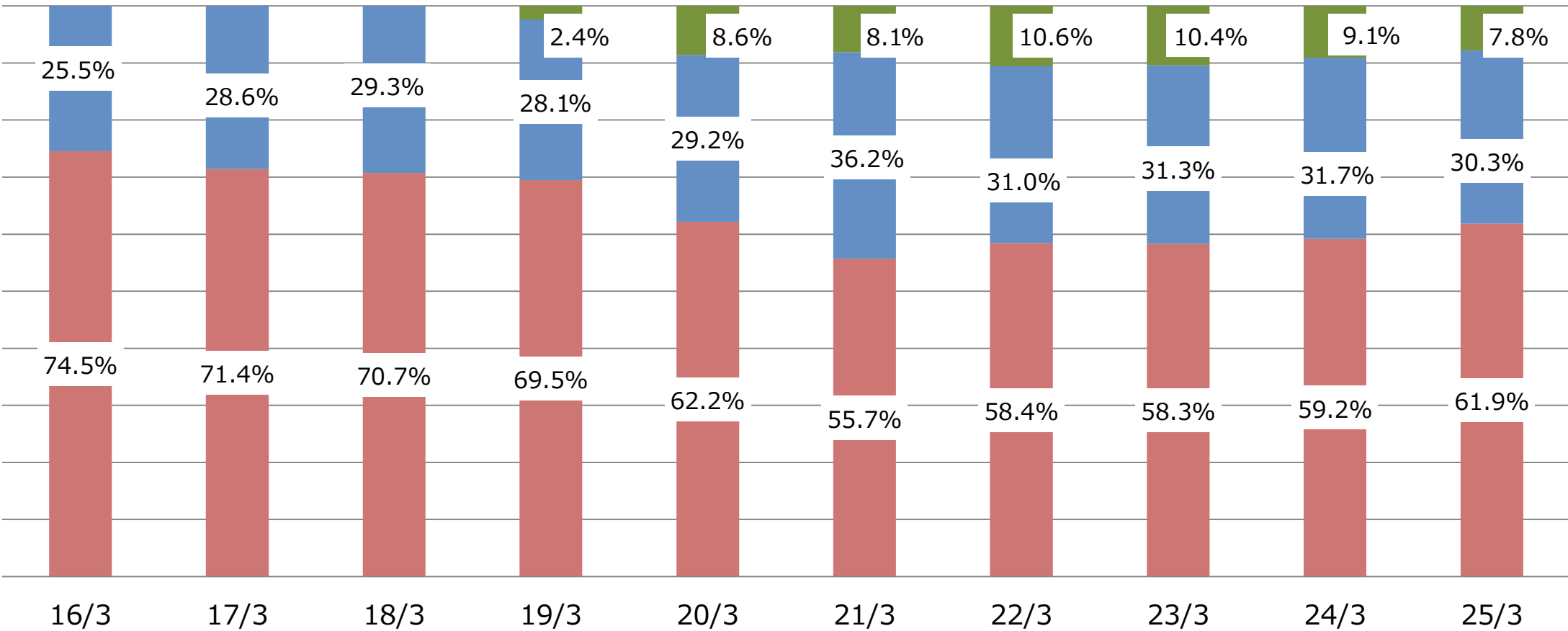
Result trends from establishment to present

FY3/2026
H1



Net sales composition ratios by business segment

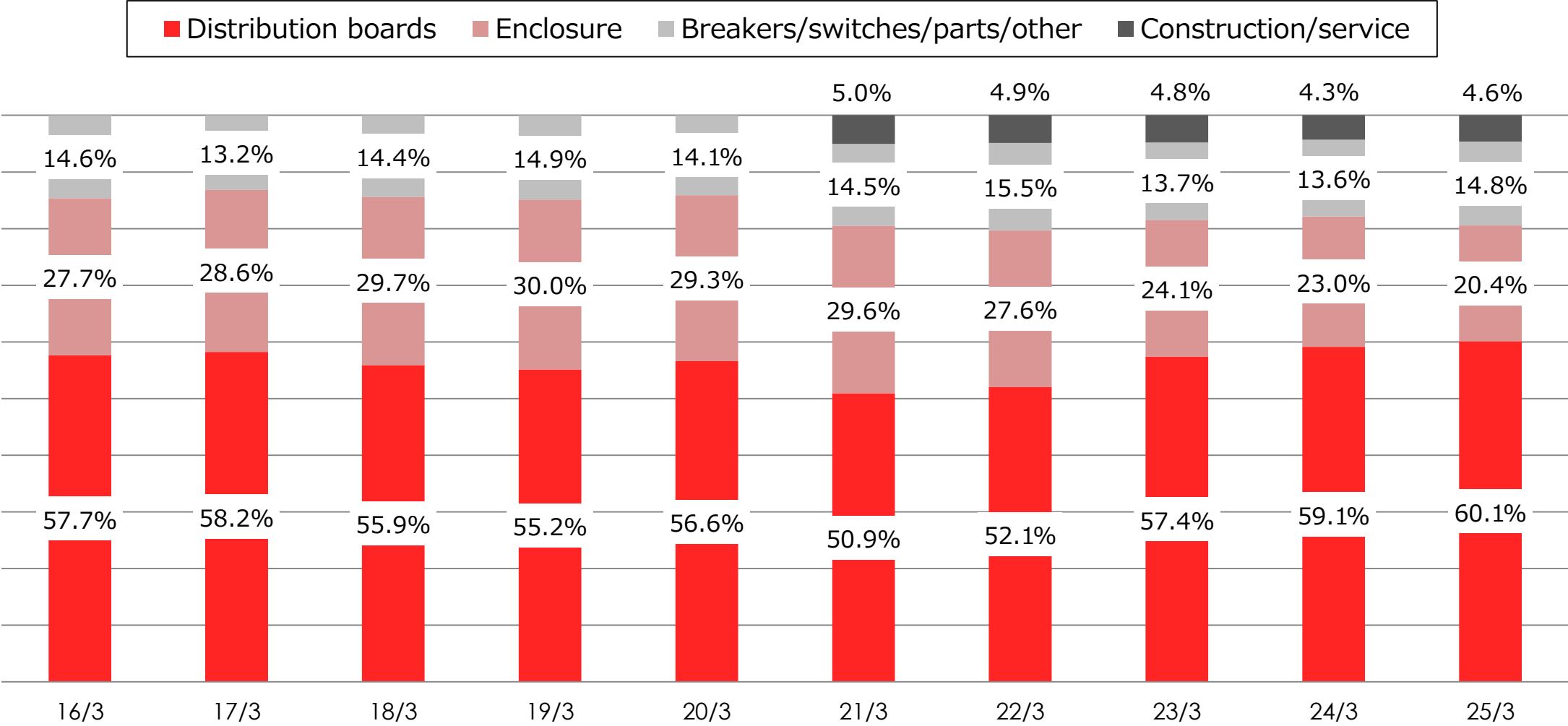
■ Manufacturing, construction and service business ■ Distribution business ■ Electronic parts business



* 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.

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

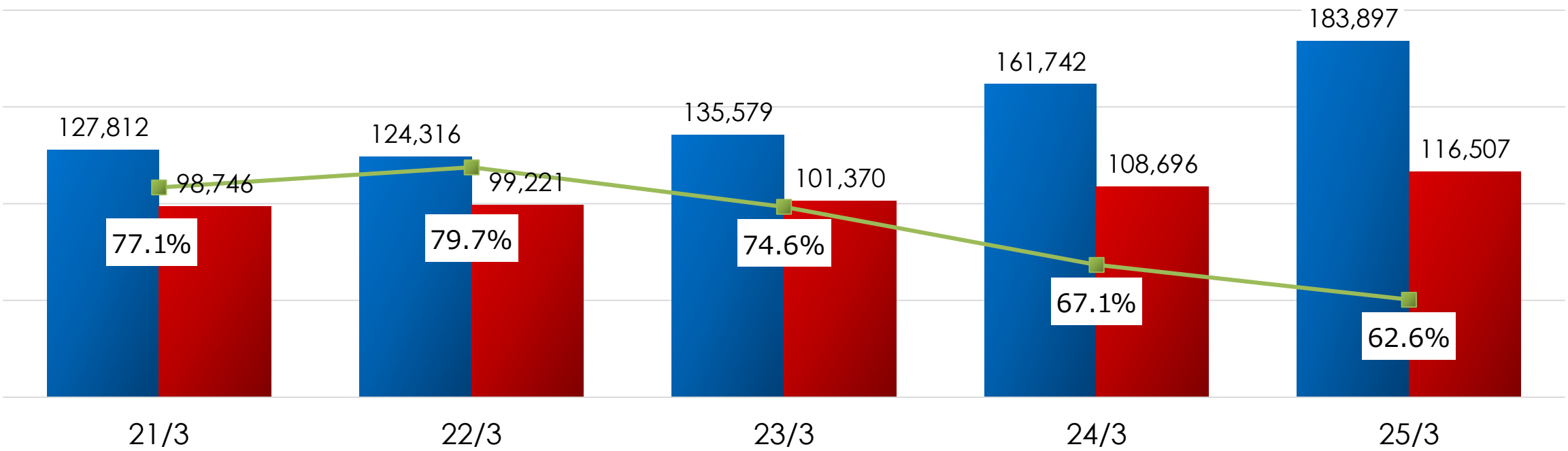
FY3/2026
H1



* 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

(Unit: million yen)



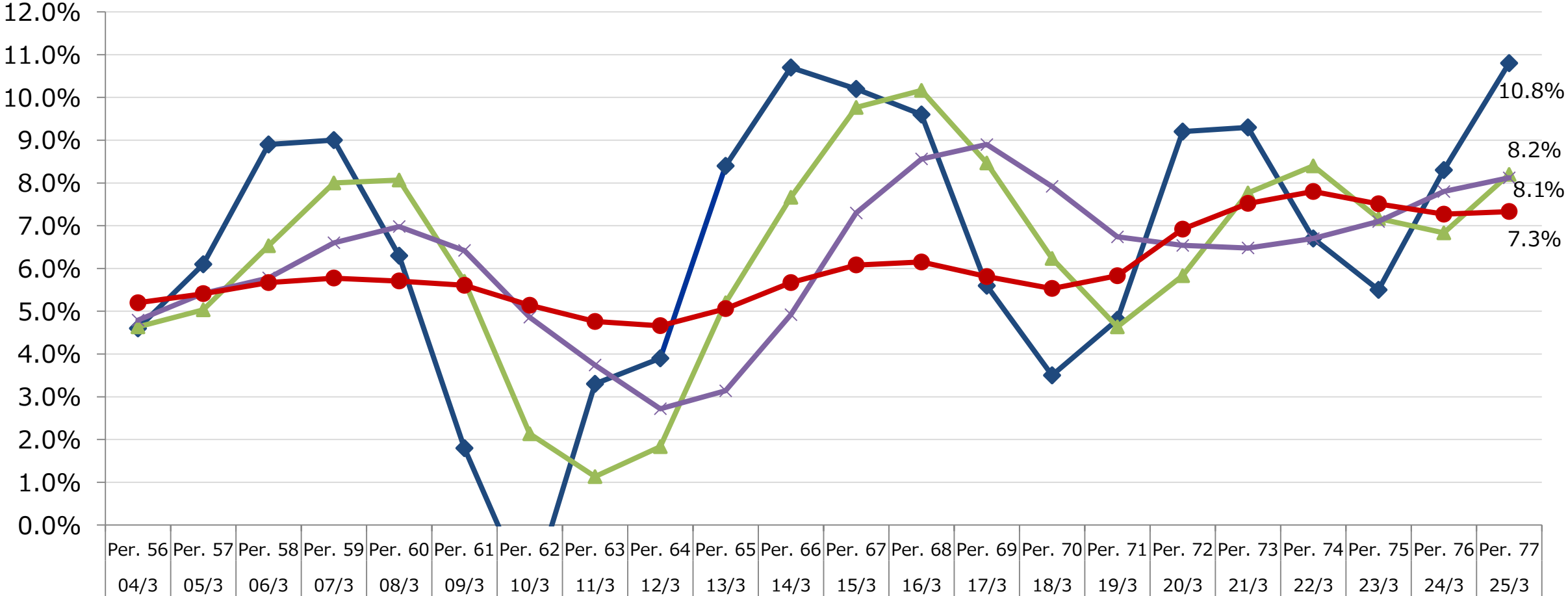
(Unit: million yen)

	21/3	22/3	23/3	24/3	25/3
Total assets	127,812	124,316	135,579	161,742	183,897
Net assets	98,746	99,221	101,370	108,696	116,507
Capital-to-asset ratio	77.1%	79.7%	74.6%	67.1%	62.6%

ROE (return on equity) trends (consolidated)

FY3/2026
H1

Single-year 3-year average 5-year average 10-year average



Final deficit

