

Financial Results for the Second Quarter

Fiscal Year 2025

April 1, 2025 - March 31, 2026

(Presentation Materials with Script)

【Event Summary】

Date : December 2, 2025 10 : 00~11 : 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 Q2 of the fiscal year ending March 31, 2026. We would also like to take this opportunity to thank you all for your continued guidance and encouragement to NITTO KOGYO Corp.

Today's briefing will proceed along with the financial results presentation materials posted on our website.

Executive Summary

FY3/2026 H1

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

See page one. The first topic is an executive summary. Consolidated sales for the interim period of the fiscal year ending March 31, 2026, reached a record high. Despite an increase in personnel costs due to the salary revision implemented from April 2025, operating income increased due to the effect of higher revenues.

On the other hand, profit attributable to owners of parent decreased due to the absence of extraordinary profit recorded in the previous year. We exceeded the H1 plan, although we kept the full-year plan unchanged because we are concerned about difficulties in procuring parts and higher costs.

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The impact of rising parts prices, etc., the effect of price revisions and changing transaction prices	
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Page two, please. This is today's Table of Contents. I would like to explain items one through four. The item five for your reference, so please review at later time.

Consolidated accounting highlights for the first half

FY3/2026
H1

- 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%

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First, this is a summary of the consolidated financial results for H1 of the fiscal year ending March 31, 2026. Please see page four. Highlights consolidated financial summary for H1.

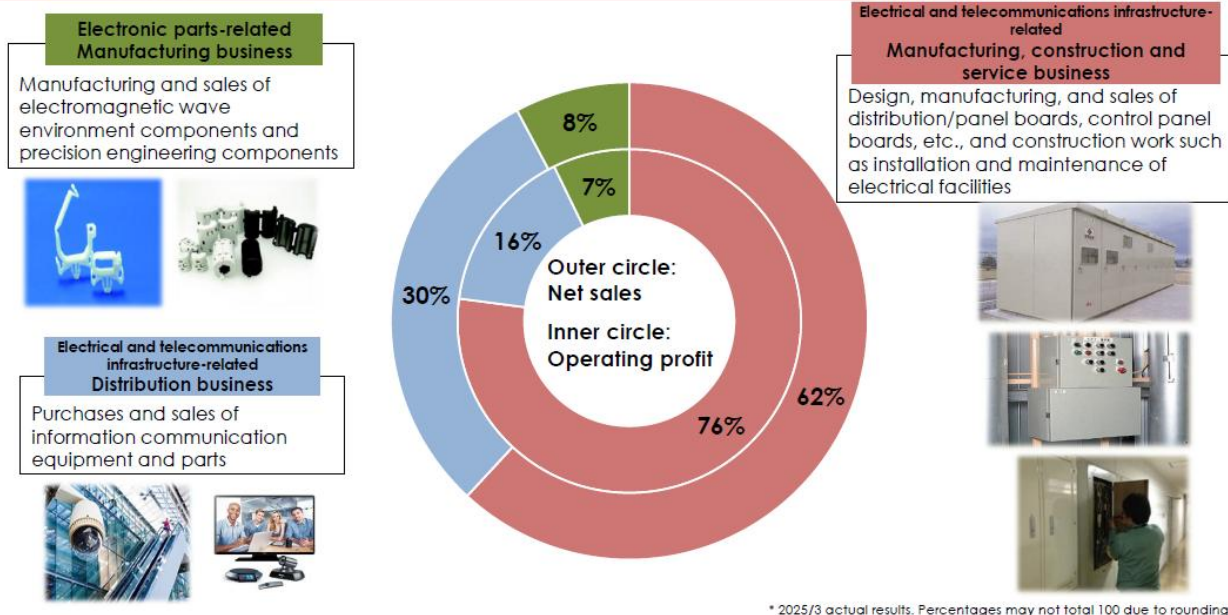
Sales amounted to JPY88.9 billion, up 8.5% from the same period last year. This was because sales increased in each segment against the backdrop of firm demand for facilities investment and stronger corporate willingness to invest in IT.

Operating income was JPY5.2 billion, up 30.2% from the previous year. Despite higher personnel costs, the increase in marginal profit due to higher sales and improved project prices contributed to the increase in profit. Ordinary income was JPY5.6 billion, up 26.8% from the previous year, exceeding operating income.

Profit attributable to owners of parent was JPY3.4 billion, down 34.3% from the previous year, but this was due to the absence of the JPY2.4 billion gain on negative goodwill, an extraordinary profit recorded in the previous year.

As a result of the above, the H1 results were the highest ever in terms of sales, and the H1 plan announced at the beginning of the period was achieved. I will explain the situations for each segment or division in detail later.

Business segments



See page five. The business segments of the NITTO KOGYO Corp. As you can see in the pie chart in red,

The electrical and telecommunications infrastructure-related, manufacturing, construction and service businesses, led by NITTO KOGYO Corp., are the core businesses, accounting for 62% of net sales and 76% of operating income.

The electrical and telecommunications infrastructure-related distribution business, which is shown in blue, accounts for 30% of sales and 16% of operating income, centered on Sun Telephone.

The electronic parts-related manufacturing business, which is shown in green and is led by Kitagawa Industries, accounts for 8% of net sales and 7% of operating income.

Accounting highlights by segment for the first half

FY3/2026
H1

- 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.

Page six please. Yearly account highlights by segment. Please note that segment names are abbreviated from this slide.

First, the manufacturing, construction, and services business reported increases in both sales and profit. This is due to firm demand for facilities investment from companies and last-minute demand prior to the standard revision. As I mentioned earlier, this segment is the core business of the Group, and I will explain it in more detail on the next slide.

Next, the distribution business also posted increases in both sales and profit. This was due to an increase in sales of network components in line with the growing appetite for IT investment in the corporate sector.

The electronic parts business also posted higher sales and profits due to the acquisition of projects in the domestic automobile market and a pickup in demand in the air conditioner-related market.

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

FY3/2026
H1

- 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

Page seven please. This is a breakdown of sales by division for our Group's core businesses of manufacturing, construction, and services.

In the distribution boards division, sales of high-voltage power receiving equipment increased due to last-minute demand for transformers, a component of high-voltage power receiving equipment, prior to the standard revision.

In the enclosure division, sales declined slightly, mainly due to a stall in demand, especially in the factory automation market, caused by uncertainty over the impact of the US tariff policy.

The breakers, switches, parts, and others division reported higher sales, mainly due to last-minute demand before the price revision starting in October 2025.

In the construction and services segment, sales declined due to a reactionary drop from the large projects recorded in the previous fiscal year.

Factors in changes in first half consolidated operating profit

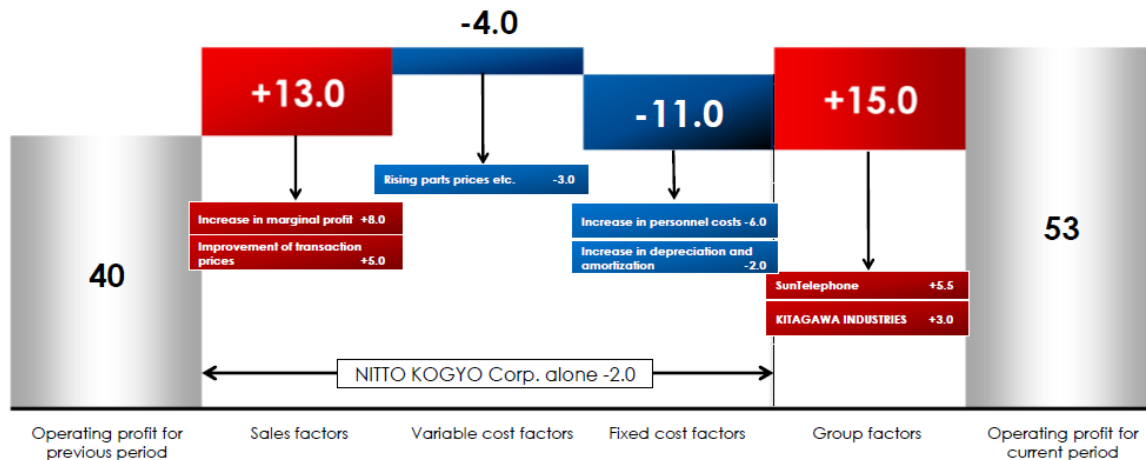
FY3/2026
H1

- 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]



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Page eight please. Consolidated operating income for H1 and the YoY factors behind the changes. The previous fiscal year was JPY4 billion and this fiscal year is JPY5.3 billion, an increase of approximately JPY1.3 billion.

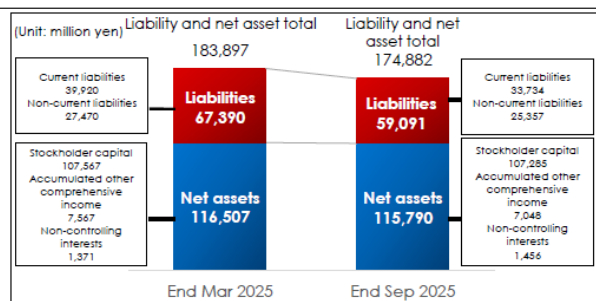
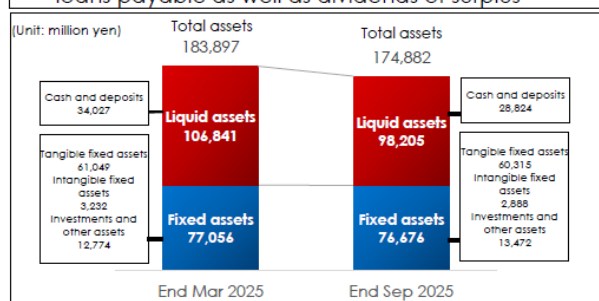
The non-consolidated profit increase for NITTO KOGYO Corp. was JPY1.3 billion, driven by higher marginal profit and improved project prices. Variable cost factors, including soaring prices of parts and materials, resulted in a JPY400 million decrease in profit, and fixed cost factors, including higher labor costs, resulted in a JPY1.1 billion decrease in profit. As a result, the non-consolidated decrease in profit from the previous fiscal year was approximately JPY200 million.

In terms of group factors, all segments performed well compared to the previous year, resulting in an overall group profit increase of approximately JPY1.5 billion.

Overview of consolidated finances for the first half

FY3/2026
H1

- 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

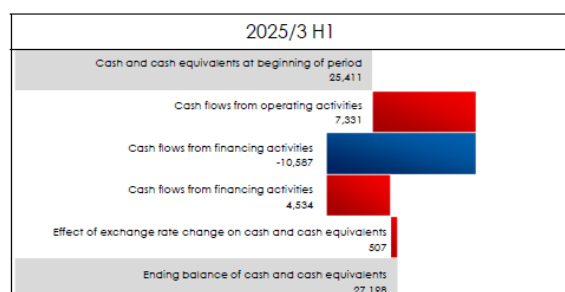
Dividends of surplus	-3,651
First half profit	+3,424

See page nine. Overview of consolidated financial position. Total assets at the end of the interim period were approximately JPY9 billion lower than at the end of the previous fiscal period. This was due to decreases in trade receivables and borrowings.

Consolidated cash flow statement for the first half

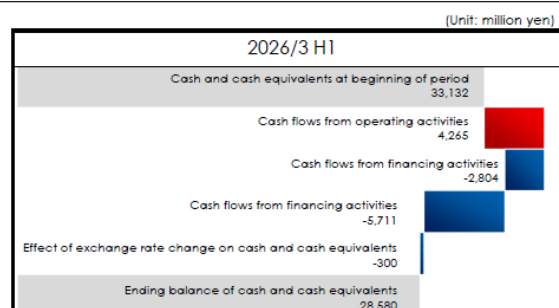
FY3/2026
H1

- 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.



<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

Page 10, please. This is the consolidated cash flow statement. The left side is the previous fiscal period, and the right side is the current period.

Cash flow from operating activities was a positive JPY4.2 billion, cash flow from investing activities was a negative JPY2.8 billion, and cash flow from financing activities was a negative JPY5.7 billion. As a result, cash and cash equivalents at the end of the interim period decreased by JPY4.5 billion from the beginning of the period to JPY28.5 billion.

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

FY3/2026
H1

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

Now move on to the topics. See page 12. This section discusses the impact of the price hikes in parts and materials, the effect of price revisions, and changes in transaction prices.

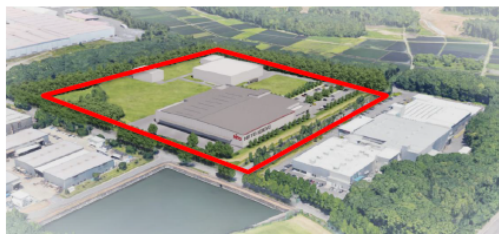
Component prices rose far more than we expected, which pushed down operating income by JPY0.3 billion in H1. Since the effect of the price revision will be implemented from H2, there will be no impact in H1. On the other hand, the change in transaction prices, together with higher sales of high-voltage power receiving equipment driven by last-minute demand before the standard revision, resulted in a profit increase of JPY0.5 billion, which exceeded expectations.

Based on the H1 results, we have revised some of assumptions of the plan, which will be explained in more detail later.

Construction of the Second Plant at Tochigi Nogi

FY3/2026
H1

- 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.



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

See page 13. Next, we will discuss the construction of the new plant announced on November 10.

In March 2020, the Company acquired the land adjacent to the Tochigi Nogi Plant to further expand the production system and strengthen the management base.

Subsequently, the initial plan was postponed due to the uncertain external environment caused by the COVID-19 pandemic. However, to meet the recent strong demand for data centers, we decided to build a second plant on the acquired site to increase production capacity and reorganize the production system for system racks and other information and communication related products.

The total investment is approximately JPY7.4 billion, and construction will be completed in September 2027. Production is planned to start in April 2028. With the operation of this second plant, NITTO KOGYO Corp. aims to increase its non-consolidated sales of information and communication related products by 1.3 times of the current level to approximately JPY10 billion by 2030.

Premises of the plan for the year

FY3/2026
H1

	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
Procurement difficulties	<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

Next, we will explain our full-year consolidated earnings forecast for the fiscal year ending March 31, 2026.

Page 15 show our assumptions for NITTO KOGYO Corp's non-consolidated full-year plan. As mentioned in the previous topic, based on the situation in H1, some details have been changed from the assumptions which were made at the beginning of the fiscal year.

As the prices of raw materials and components rose further in H1, we expect a JPY650 million decrease in profit for the full fiscal year. The effect of the price revision has not been changed from the assumption made at the beginning of the period.

Next, changes in transaction prices were changed from the assumptions made at the beginning of the period. The standards for transformers, a component of high-voltage power receiving equipment, will be changed starting in FY2026. As a result, the industry is experiencing last-minute orders ahead of the standard revision, and together with strong facilities investment demand, supply and demand are coming under even greater pressure than in previous years. As a result, the market environment became favorable to suppliers in H1, leading to a JPY0.5 billion increase in profit due to improved transaction prices.

However, this effect includes some projects that were originally expected in H2 but have been brought forward, and therefore we do not expect to see a significant change in H2.

Others item is as shown in the slide.

Next, we will explain the newly identified procurement challenges. This is a reiteration, but the supply–demand balance remains tight because transformer manufacturers cannot keep up with the last-minute demand ahead of the standard revision. In addition, there are also concerns about procuring other components for high-voltage power receiving equipment. We are making every effort to secure the necessary quantities, but we are concerned about a potential impact on production volume due to future procurement conditions. Accordingly, we have added the following items to the list.

Supplement to the premises of the plan for the year

FY3/2026
H1

(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	Product lines to be affected	Revision rate
Enclosure	Approx. 10 to 15%	Parts for panel board	Approx. 10%
Plastic enclosure	Approx. 10%	Breakers/switches	Approx. 10%
System racks	Approx. 5 to 10%	Standard panel boards and control panel boards	Approx. 2 to 10%
Optical junction boxes	Approx. 10%	Home panel boards	Approx. 15%
Thermal management products	Approx. 10%		

(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

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

There is no change from the plan at the beginning of the period.

The first is the fourth price revision. The price revision applies to all products in the catalog and is expected to contribute JPY2 billion to profits.

The second is an investment in human capital, which includes higher starting salaries and revised monthly salary levels. This investment has been implemented since April 2025 as part of our efforts to further increase the value of human resources. As a result, personnel costs are expected to increase by JPY1.2 billion 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%

Page 17, NITTO KOGYO Corp's consolidated earnings forecast for the full year.

Although H1 results exceeded the H1 plan, the initial full-year plan remains unchanged. In addition to project postponements due to the risk of procurement difficulties for parts and materials, further increases in parts and materials prices, as well as logistics and other costs, may affect our business performance.

For the full-year consolidated earnings forecast, we assume sales of JPY192 billion, an increase of 4%. Sales are expected to increase due to higher sales resulting from firm demand in facilities investment.

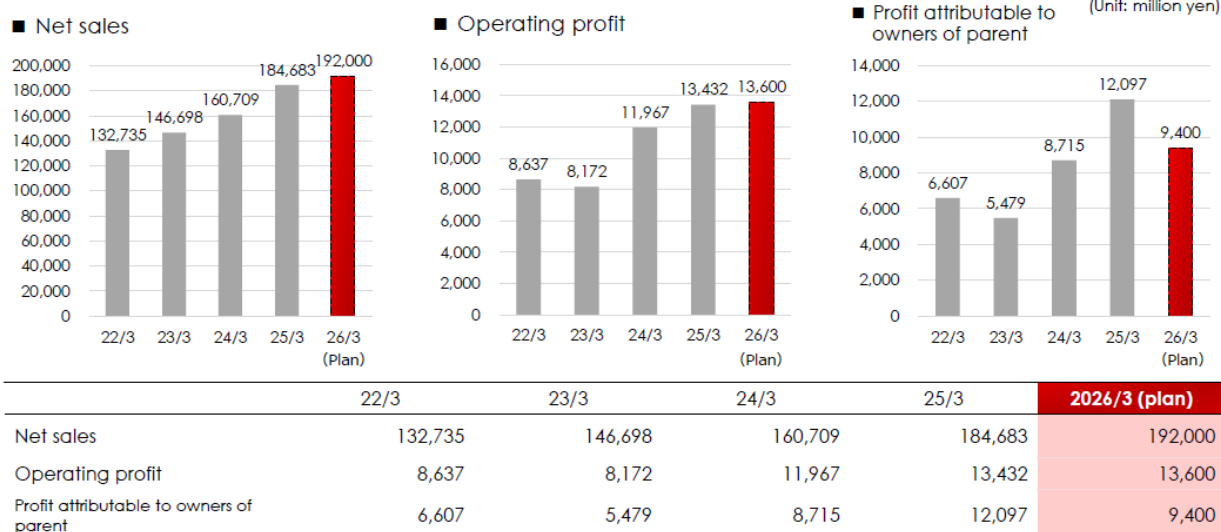
Operating income is expected to be JPY13.6 billion, an increase of 1.2%. Although we expect higher marginal profit and the effects of price revisions, fixed costs such as personnel costs and depreciation and amortization costs will have a significant impact, and profit is expected to increase only to a limited extent.

Profit attributable to owners of parent is projected to decrease due to the absence of extraordinary profit from the previous fiscal year.

Consolidated performance trends

FY3/2026
H1

- 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



Page 18, Consolidated performance trend. If we land on our plan for the fiscal year ending March 31, 2026, sales will be the highest in our history and operating income will be the second highest in our history.

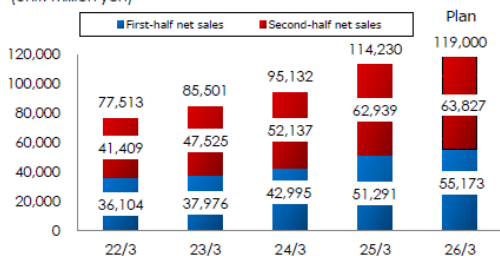
Business forecast by segment (manufacturing, construction and service business)

FY3/2026
H1

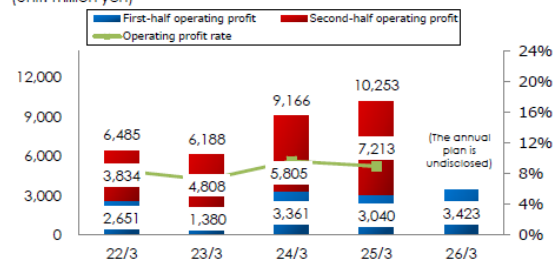
Forecast for the year (net sales)

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

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Page 19, business forecast by segment. Sales in the manufacturing, construction, and services business are projected at JPY119 billion, a 4.2% increase over the previous year. In addition to strong private facilities investment, we expect higher sales from the fourth round of price revisions at NITTO KOGYO Corp. on a non-consolidated basis and from increased sales at Tempearl Industrial and EM Solutions.

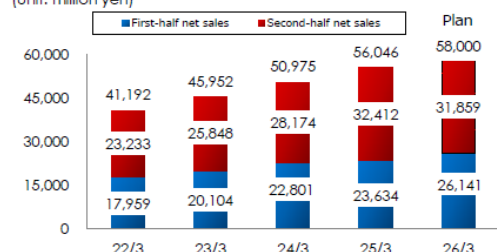
Business forecast by segment (distribution business)

FY3/2026
H1

Forecast for the year (net sales)

58,000 million yen (YoY +3.5%)

(Unit: million yen)



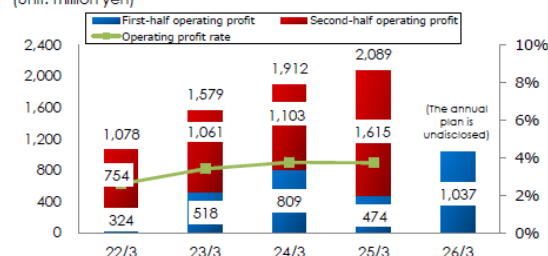
Forecast for the year

- 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

(Unit: million yen)



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

Page 20, distribution business. Sales are projected at JPY58.0 billion, up 3.5% from the previous year. We expect to increase sales by continuing to capture strong IT investment demand and by strengthening the solutions field, including renewable energy and other electrical facilities.

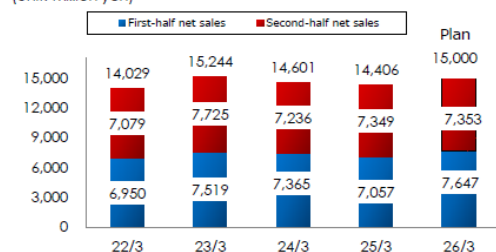
Business forecast by segment (electronic parts business)

FY3/2026
H1

Forecast for the year (net sales)

15,000 million yen (YoY +4.1%)

(Unit: million yen)



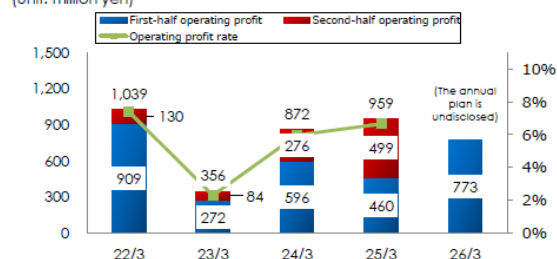
Forecast for the year

- 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

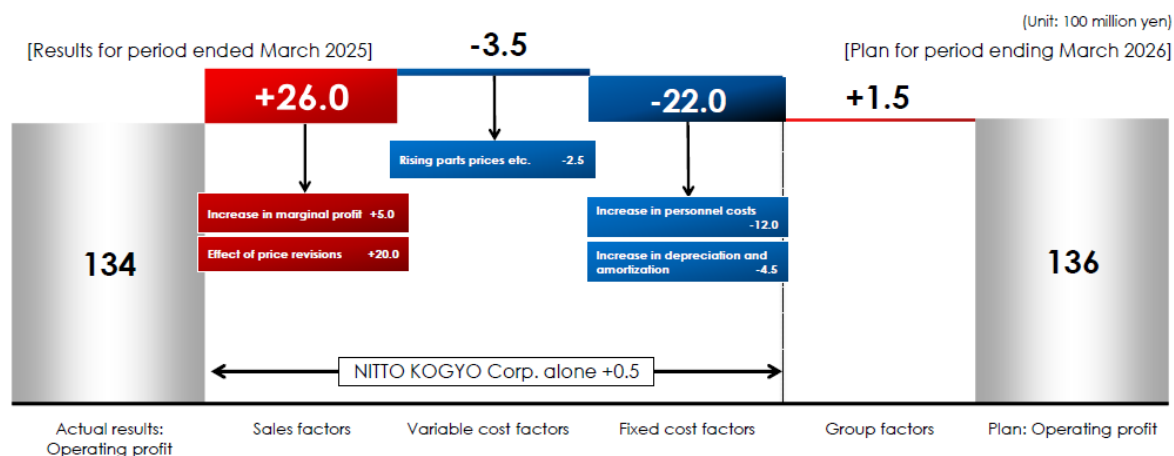
Company name	Sales (YoY)	Operating profit	Impact level on group profit
KITAGAWA INDUSTRIES			Medium

See page 21. Electronic parts business. Sales are projected at JPY15 billion, a 4.1% increase over the previous year. In addition to the recovery in the appliance-related market, we expect higher sales from newly acquired EV projects in the automotive-related market.

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

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

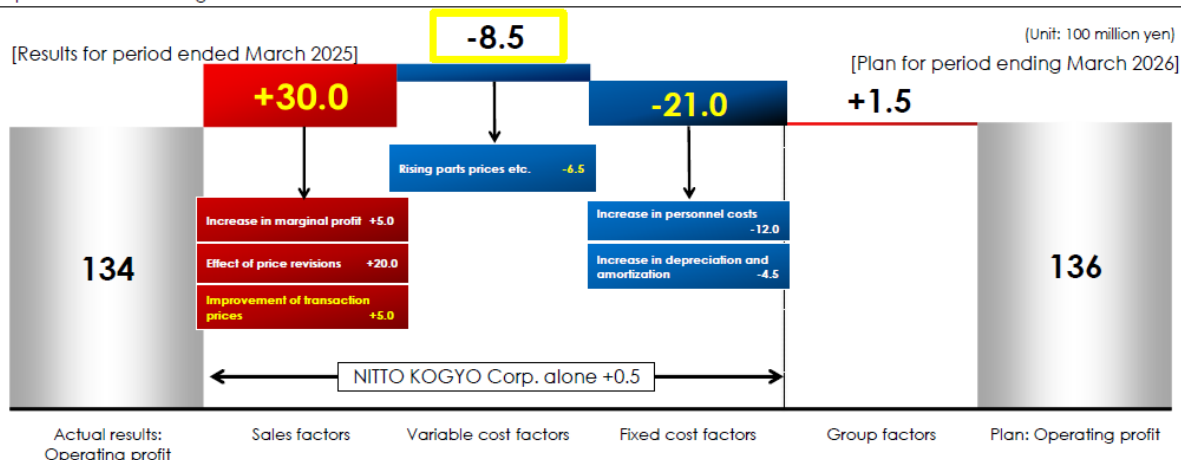


Page 22, Factors for changes in consolidated operating income for the full year. The plan for operating income remains unchanged, but some factors have been revised. The initial plan is shown on page 22, and the revised plan is shown on page 23.

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

FY3/2026
H1

- Consolidated operating profit for the fiscal year ending March 2026 remains unchanged at planned 13.6 billion yen
- The plan for NITTO KOGYO Corp. alone was kept unchanged as parts procurement risks and further rise of parts prices (variable cost factors) are expected in the second half, although the first half exceeded the plan due to income-boosting factors such as an increase in marginal profits and improvement of transaction prices.
- For the group, the plan was kept unchanged due to uncertainties about the business environment in the second half despite strong performance in all segments in the first half



See page 23. We maintain our plan of JPY13.6 billion in consolidated operating income for the fiscal year ending March 31, 2026, the same level as the previous year.

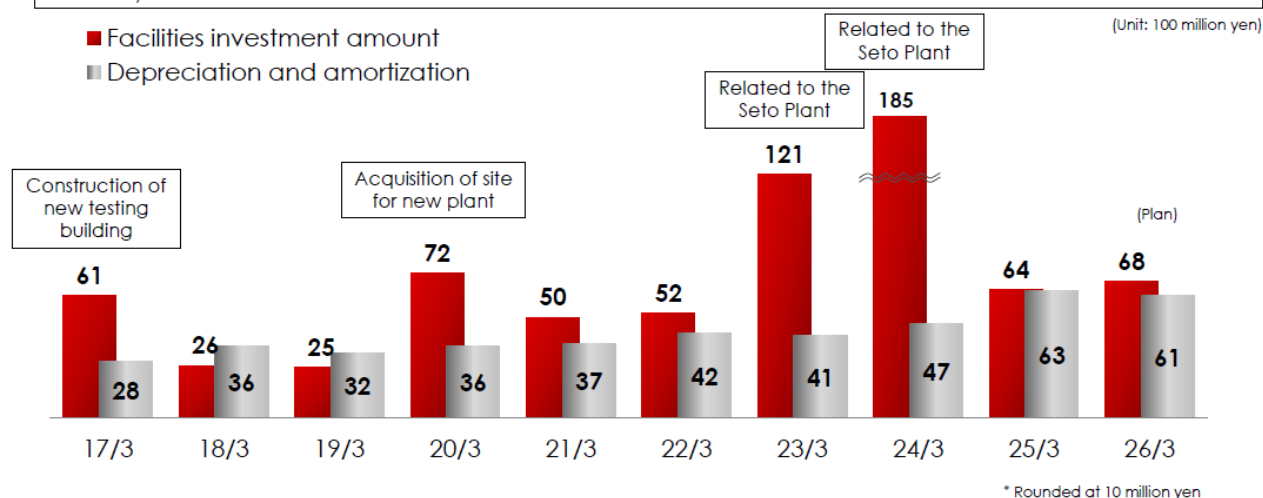
On a non-consolidated basis, NITTO KOGYO Corp. exceeded the H1 plan due to higher marginal profit and improved project prices. However, given the further rise in parts prices and the uncertain business environment in H2, we kept the full-year plan unchanged and expect operating profit to be about the same as the previous fiscal year.

In terms of group factors, each segment performed well in H1 compared with the previous year. However, as with the parent company, we kept the initial plan unchanged due to uncertainty in H2.

Facilities investment amounts and depreciation and amortization

FY3/2026
H1

- 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



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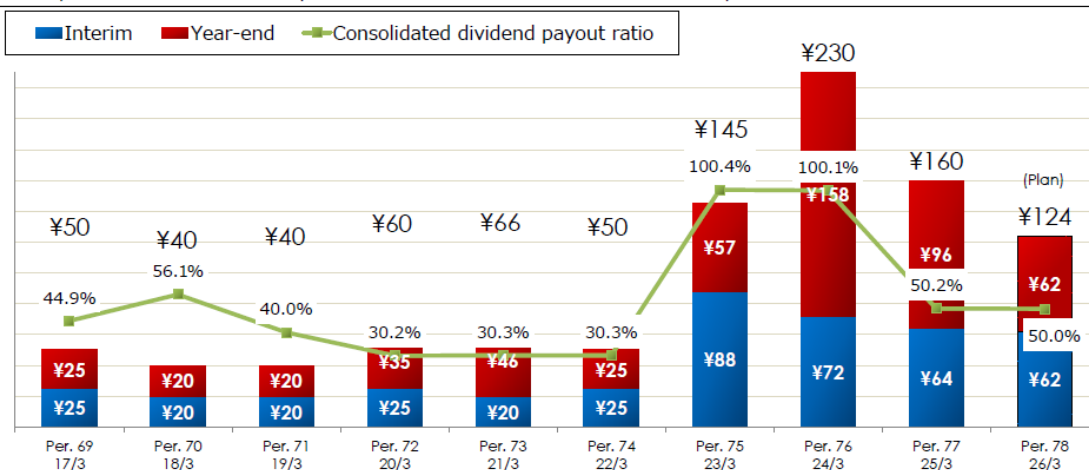
Page 24, consolidated facilities investment amount and depreciation and amortization. Facilities investment for the fiscal year ending March 31, 2026, are planned at JPY6.8 billion. The plan focuses on renewing systems to strengthen group synergy with Tempearl Industrial and on renewing production facilities that 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

FY3/2026
H1

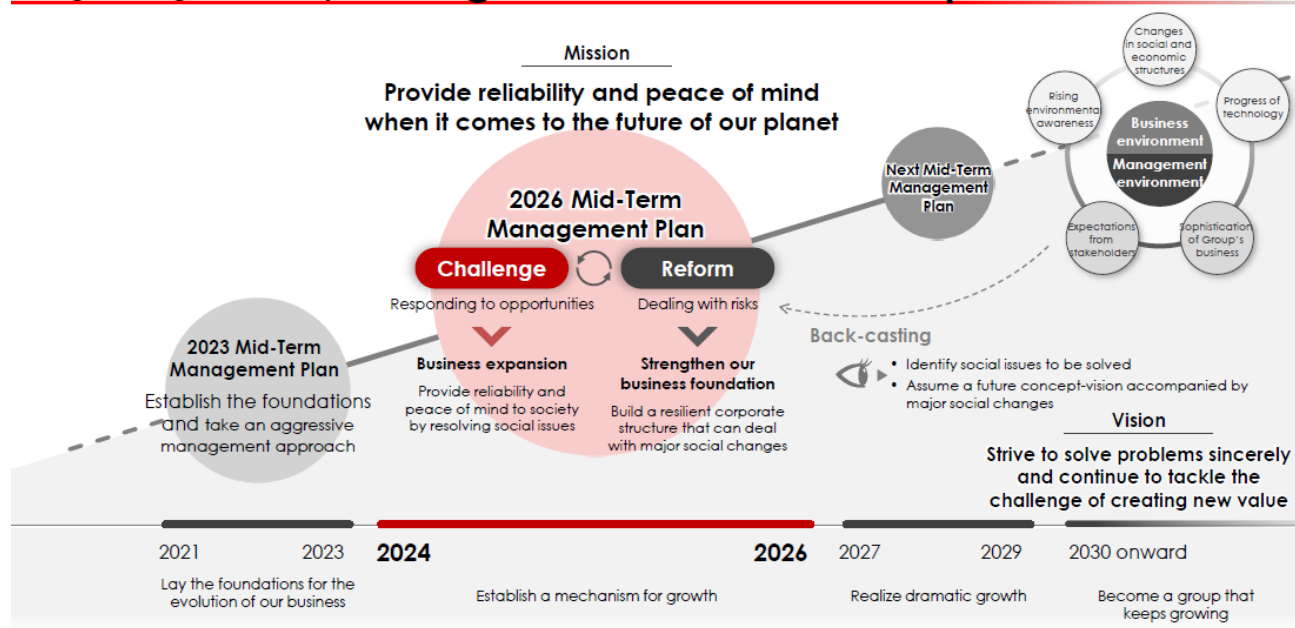
- Starting from the period ended March 2025, the dividend policy will be revised (dividend payout ratio of 50% and a lower limit DOE of 4.0%)
- In the period ending March 2026, dividends for the year will be 124 yen (consolidated dividend payout ratio of 50.0%) due to a decrease in profit with the elimination of extraordinary income.



Page 25, dividend status. The interim dividend is JPY62 per share, as planned at the beginning of the fiscal year. For the fiscal year ending March 31, 2026, we plan to pay a full-year dividend of JPY124, with a consolidated dividend payout ratio of 50%.

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

FY3/2026
H1



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Next, I will explain our mid-term management plan. Page 28 shows our long-term growth story. While the 2023 mid-term management plan was a phase to lay the foundation for business evolution, we view the 2026 mid-term management plan as a phase to build a growth mechanism that will drive significant growth and enable the group to keep growing from FY2027 onward.

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

Page 29, Basic policies of the 2026 mid-term management plan.

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

Our basic policy is to drive a chain of evolution in people, technology, business, the company, and the Group, and to accelerate this cycle.

2026 Mid-Term Management Plan: Financial targets

FY3/2026
H1

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



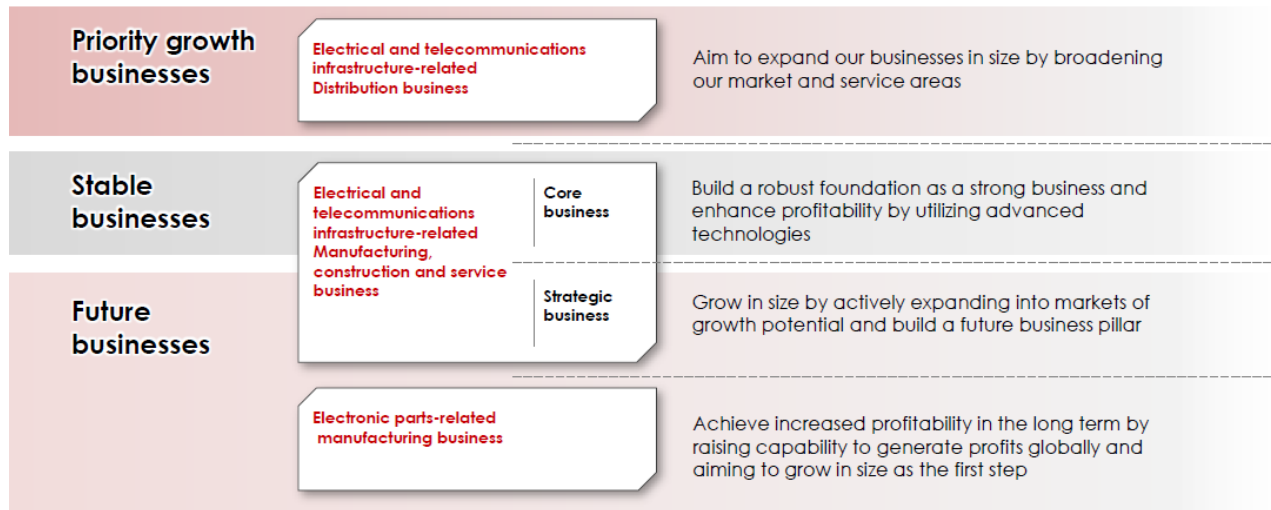
Page 30 shows financial targets. We set consolidated net sales at JPY200 billion, consolidated operating income at JPY15 billion, and ROE at 9% or higher.

Using the foundation built in the previous Mid-term management plan, we have set ambitious targets for record sales and operating income over the next three years to accelerate our business evolution, and the Group will boldly work to achieve them.

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

FY3/2026
H1

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



Page 31, the direction of growth 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. Accelerate the promotion of each business by assessing its growth potential and profitability while clarifying its future direction.

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

Pursue the smart energy business	Accelerate development of system racks for data centers
<p>Support wave power generation, a next-generation renewable energy Invest in Global Energy Harvest Co.</p> <p>The 7th Strategic Energy Plan (supply and demand forecast for FY2040)</p> <p>Image (prepared by the Company from the 7th Strategic Energy Plan)</p> <ul style="list-style-type: none"> 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 <p>Reciprocating Rotary Acceleration Power Generation™</p> <p>Contribute to the realization of both a stable energy supply and decarbonization through the practical application of wave power generation</p>	<p>Develop and sell OCP-compliant racks for next-generation data centers</p> <ul style="list-style-type: none"> 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 <p>OCPORV 3 Rack</p> <p>Strengthen the business platform for breakers (Tempearl Industrial Co., Ltd.)</p> <p>Toward the Group synergy creation phase</p> <ul style="list-style-type: none"> 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

Page 32, this is the progress of the business strategy of the 2026 mid-term management plan.

In the manufacturing, construction, and services business, we began supporting next-generation renewable energy and wave power generation projects as part of our smart energy initiatives. The government's 7th Strategic Energy Plan addresses the need for a well-balanced power source mix to achieve both a stable energy supply and decarbonization.

Under these circumstances, wave power generation that uses ocean energy is expected to become a new energy source, as it can provide stable power generation in Japan, an island nation. We will support the practical application of wave power generation by combining our enclosure development and production technologies with the solution capabilities of our group company, EM Solutions.

We are also working on the development of system racks suitable for next-generation data centers. I have mentioned earlier about the construction of the Tochigi Nogi Plant, and here I would like to explain our specific product development initiative.

The data center market now requires systems and hardware that address the higher performance, higher density, and greater heat generation associated with AI computing. OCP racks conforming to the OCP standard, which major tech companies have adopted and standardized, are expected to be adopted more widely in the future.

OCP racks contribute to decarbonization by improving data center power efficiency through efficient cooling technologies that address heating issues and minimize power conversion losses. We are currently the only Japanese manufacturer offering racks conforming to this latest OCP standard. In addition, Japan has strict requirements for seismic performance and individual specifications. We will meet these requirements with our unique know-how built on a long track record and establish a firm position in this high-growth market.

Next, as a way to strengthen the foundation of our core business, I would like to introduce Tempearl Industrial, which has become our group company. This is the second year of their participation in the Group. In the first year, one-time costs associated with the grouping were incurred upfront. This fiscal year, the initiative is on track to achieve profitability in H1. We will accelerate synergies creation by reorganizing the production system within the Group.

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

Next page 33, distribution business. We are also making steady progress in sales growth in new markets such as audio-visual solutions and physical security solutions, leveraging our strength in video solutions.

In the electronic parts business, sales of electromagnetic waves and thermal countermeasure products for the automotive market, where electrification is accelerating, are growing steadily. We are also strengthening overseas alliances.

We will continue to steadily implement these business strategies.

This concludes my explanation. Thank you very much for your attention.

[END]