

Financial Results for Fiscal Year 2025 (April 1, 2025 – March 31, 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, operating profit, and ordinary profit **were at record highs** **Price revisions and project price** **improvements contributed**

- Net sales, operating profit and ordinary profit were at record highs thanks to year-on-year revenue and profit increases
- Price revisions and improved project prices contributed to earnings despite higher labor costs and rising parts costs.
- Profit decreased from the previous period due to the elimination of extraordinary income recorded in the previous period
- Revised full-year plan announced on February 9, 2026 was achieved in all profit categories.

1. Overview of consolidated accounts period ended in March 2026, full year	3
2. Key topics	11
The impact of rising parts prices, etc., the effect of price revisions and changing project prices	
3. Forecast of consolidated results for the accounts period ending March 2027	13
4. Mid-Term Management Plan	25
5. Reference materials	34

1. Overview of consolidated accounts period ended in March 2026, full year

Yearly consolidated account highlights

Full-year
FY3/2026

- Business results for the period ended March 2026 showed increased revenues and profits Full-year net sales, operating profit, and ordinary profit were at record highs
- 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 price revisions and improved project prices despite higher labor costs and rising parts costs
- Profit attributable to owners of parent decreased due to the elimination of extraordinary income (approx. 2.4 billion yen) recorded in the previous period

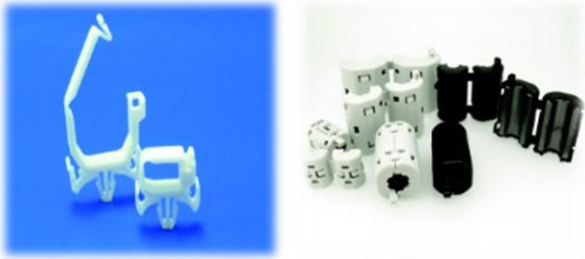
(Unit: million yen)

	2025/3	2026/3			
	Actual results	Plan	Actual results	(YoY) Change	Vs. plan
Net sales	184,683	194,000	195,783	+6.0%	+0.9%
Operating profit	13,432	14,500	15,446	+15.0%	+6.5%
Ordinary profit	13,516	14,900	16,260	+20.3%	+9.1%
Profit attributable to owners of parent	12,097	10,000	11,493	-5.0%	+14.9%

Business segments

Electronic parts-related Manufacturing business

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



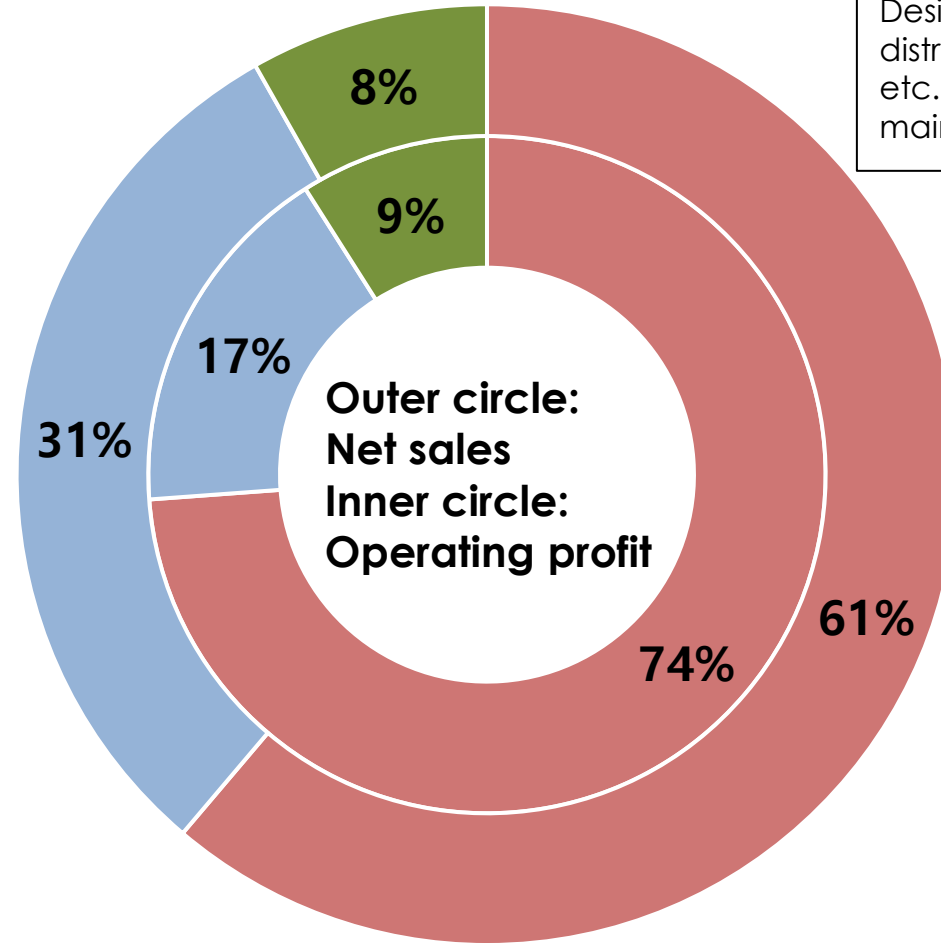
Electrical and telecommunications infrastructure-related Distribution business

Purchases and sales of information communication equipment and parts



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

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



*Percentages may not total 100 due to rounding.

Yearly account highlights by segment

Full-year
FY3/2026

- 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 related parts in line with companies' greater desire for IT investment such as accelerating data center construction.
- Revenue and profits increased in the electronic parts business due to the acquisition of projects in the domestic automotive market and a strong demand in the air conditioning-related market.

(Unit: million yen)

By segment		2025/3	2026/3			
		Actual results	Plan	Actual results	(YoY) Change	Vs. plan
Net sales	Manufacturing, construction and service business	114,230	120,000	119,877	+4.9%	-0.1%
	Distribution business	56,046	59,000	59,956	+7.0%	+1.6%
	Electronic parts business	14,406	15,000	15,949	+10.7%	+6.3%
	Total	184,683	194,000	195,783	+6.0%	+0.9%
Operating profit	Manufacturing, construction and service business	10,253	-	11,306	+10.3%	—
	Distribution business	2,089	-	2,628	+25.8%	—
	Electronic parts business	959	-	1,379	+43.8%	—
	Total	13,432	14,500	15,446	+15.0%	+6.5%

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

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

- 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 increased revenue as a result of higher sales due to price revisions, despite the absence of projects recorded in the previous period
- The breakers/switches/parts/other divisions posted increased revenue as a result of higher sales due to price revisions
- The construction/service division posted decreased revenue due to the absence of large-scale projects recorded in the previous period, despite an increase in renewable energy installation work projects

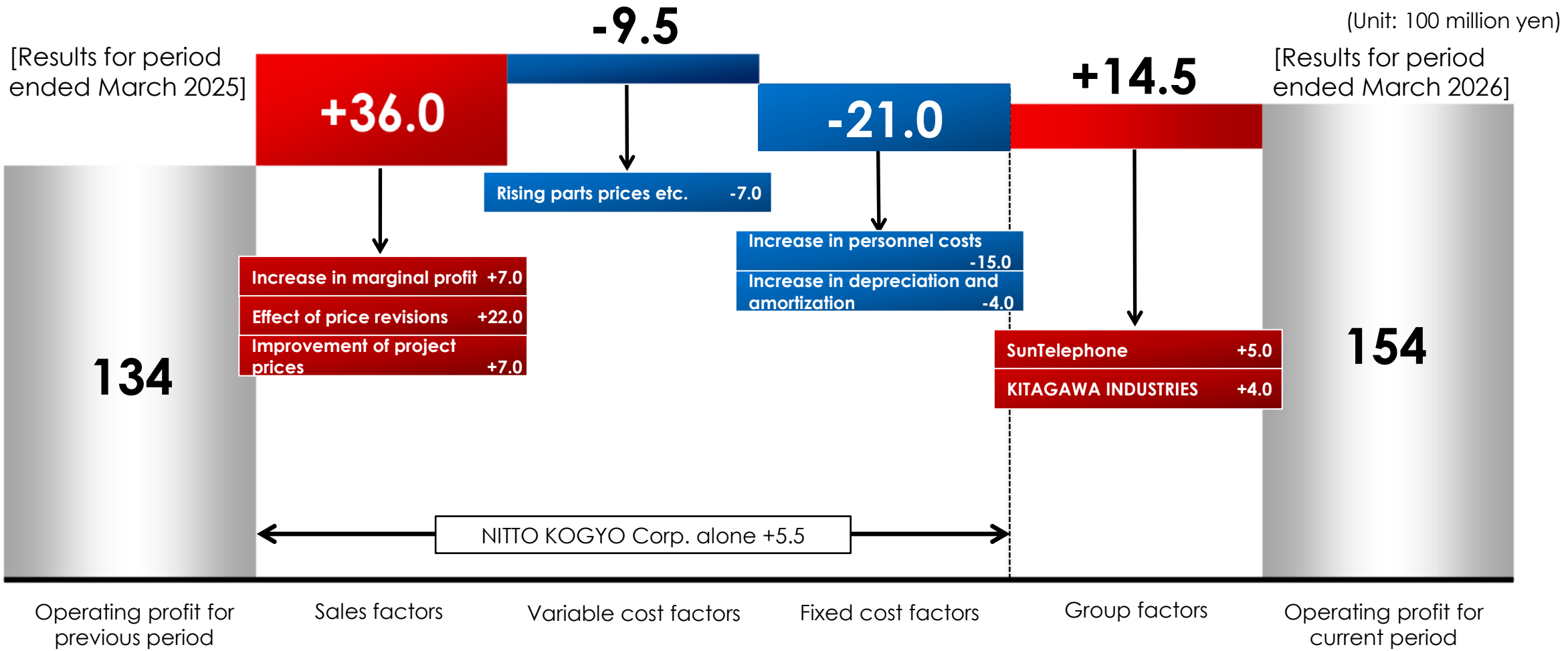
(Unit: million yen)

Net sales by division		2025/3	2026/3			
		Actual results	Plan	Actual results	(YoY) Change	Vs. plan
Manufacturing, construction and service business	Distribution boards	68,681	72,700	72,981	+6.3%	+0.4%
	Enclosure	23,340	24,200	24,009	+2.9%	-0.8%
	Breakers/switches/parts/other	16,901	17,700	17,607	+4.2%	-0.5%
	Construction/service	5,307	5,400	5,278	-0.5%	-2.3%
Total		114,230 (4,518)	120,000	119,877 (5,282)	+4.9%	-0.1%
Consolidated overall total		184,683	194,000	195,783	+6.0%	+0.9%
Consolidated sales composition ratio		61.9%	61.9%	61.2%	-0.7%	-0.7%

Parentheses refer to internal sales between segments

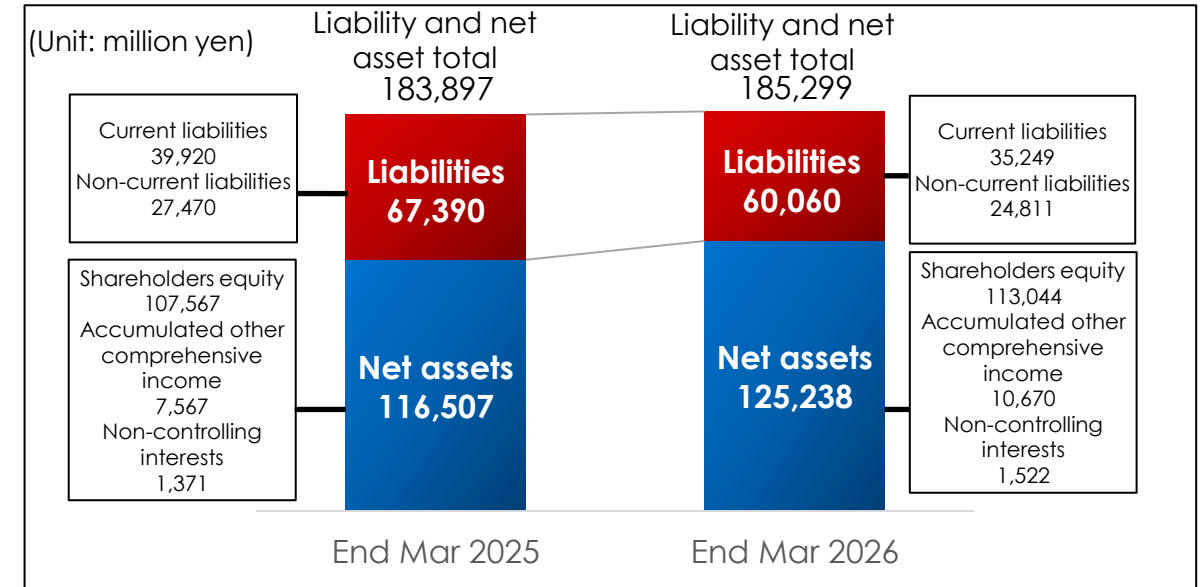
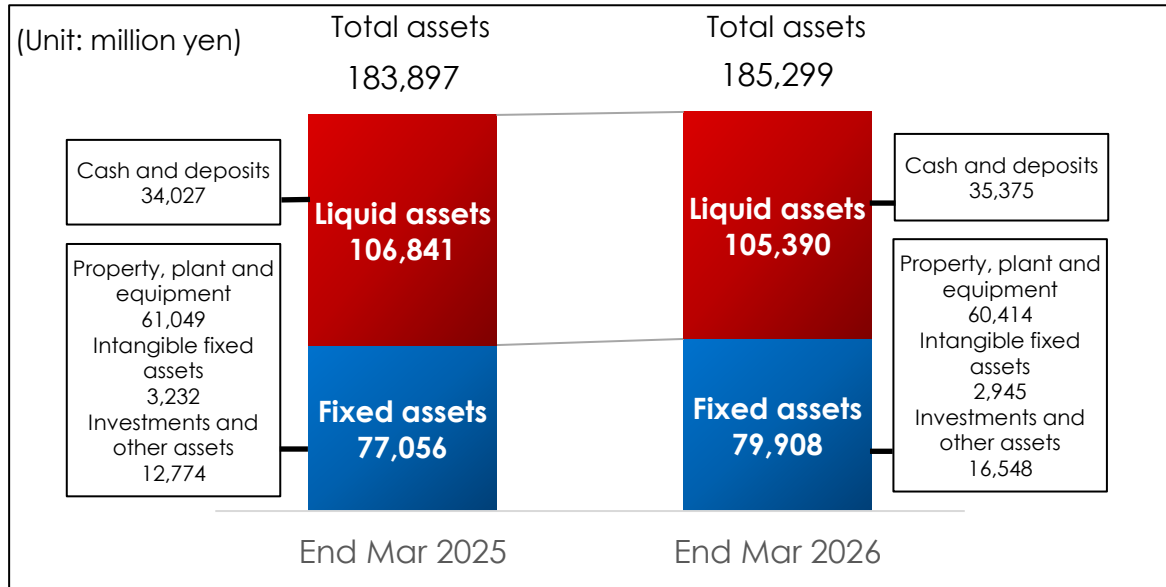
Factors in changes in yearly consolidated operating profit

- As for the non-consolidated factors of NITTO KOGYO Corp., profits increased thanks to the effects from price revisions and an improvement in project prices, despite higher labor costs and rising parts costs
- For group factors: profits increased due to strong performance by SunTelephone and KITAGAWA INDUSTRIES, etc.



Overview of consolidated finances for the year

- Assets increased due to an increase in investment securities and net defined benefit asset
- Liabilities and net assets increased due to the recorded current net income despite a decrease in long-term loans payable



<Main changes>

■ Assets

Decreased inventories	-2,418
Decreased buildings and structures	-1,121
Increased investment securities	+1,947
Increased net defined benefit asset	+2,076

■ Liabilities

Decreased long-term loans payable	-4,010
-----------------------------------	--------

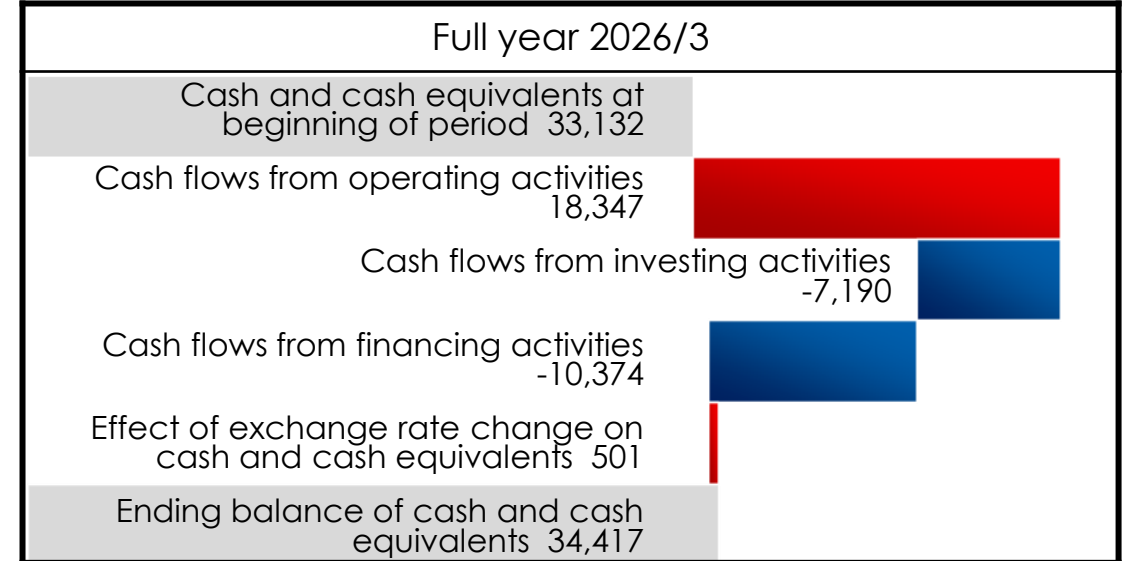
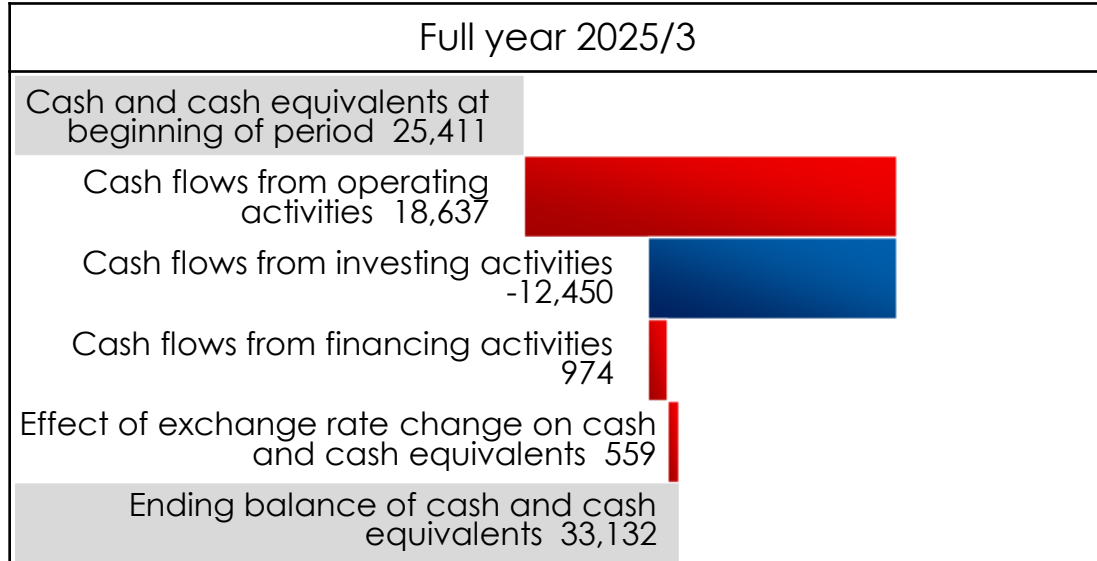
■ Net assets

Recorded current net income	+11,493
Dividends of surplus	-6,009
Increased accumulated other comprehensive income	+3,102

Consolidated cash flow statement for the year

- Cash equivalents on March 31, 2026 increased 1,284 million yen from the beginning of the period ended March 2026 to 34,417 million yen

(Unit: million yen)



<Full year 2025/3 Main factors>

■ Cash flows from investing activities

Income due to sale of fixed assets	+487
Expenditure due to acquisition of fixed assets	-9,117

■ Cash flows from financial activities

Income due to long-term loans payable	+12,000
Payment of dividends	-8,439

<Full year 2026/3 Main factors>

■ Cash flows from investing activities

Expenditure due to acquisition of fixed assets	-5,757
--	--------

■ Cash flows from financial activities

Repayment of long-term loans payable	-4,022
Payment of dividends	-6,021

2. Key topics

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

Full-year
FY3/2026

- Rising parts prices, etc. decreased operating profit by 0.7 billion yen in the year
- The fourth price revision is effective from October 2025. It boosted operating profit by 2.2 billion yen in the year.
- Project prices boosted operating profit by 0.7 billion yen in the year due to last-minute demand for high-voltage power receiving equipment.

	Full-year forecast	Results
Rising parts prices	YoY -650 million yen (in operating profit)	YoY -700 million yen
Effect of price revisions	YoY +2,000 million yen (in operating profit)	YoY +2,200 million yen
Changes in project prices	YoY +500 million yen (in operating profit)	YoY +700 million yen

3. Forecast of consolidated results for the accounts period ending March 2027

Premises of the plan for the year (1) Surrounding business environment

Macro environment surrounding the Group

- ✓ While investment in AI and semiconductors by companies is expected to be a driving force and generally remain strong, the impact of rising prices and human resource shortages is expected to persist, and various costs are expected to continue to rise.
- ✓ The deteriorating situation in the Middle East has had an impact on the procurement of resin materials and paints, but the current impact is limited. The impact of cost increases and other factors is factored into the full-year plan to a certain extent; however, supply chain disruptions, further price hikes, and the impact on the industry resulting from prolonged disruptions have not been factored in, as they are difficult to forecast reasonably.

Business environment surrounding non-consolidated NITTO KOGYO Corp.

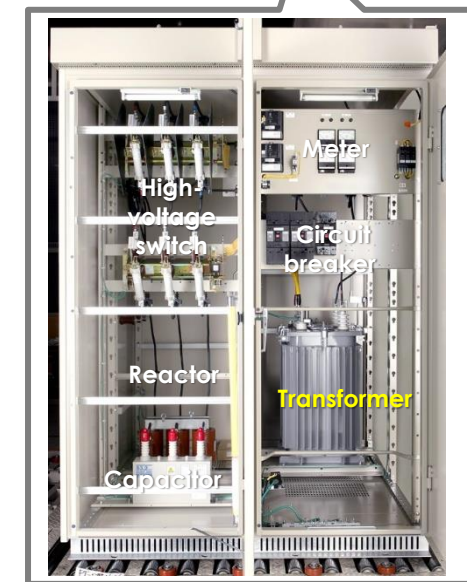
	Premises of the plan for the year	Risks related to premises
Raw material prices/Parts prices	Higher purchase prices due to standard revision and further increases in purchase prices due to rising inflation	A further surge in raw material and parts prices due to foreign exchange rate fluctuations and rising inflation
Effect of price revisions	Effect of the fourth price revision implemented in October 2025	Stagnation of facilities investment and construction demand stemming from rising prices of materials
Impact of the standard revision for high-voltage power receiving equipment	See next page (Premises of the plan for the year (2))	
Personnel costs (including investment in human capital)	Continue to invest in human capital, including base pay increases	-

Premises of the plan for the year (2)

Impact of the standard revision for high-voltage power receiving equipment parts

- After the COVID-19 pandemic, sales of high-voltage power receiving equipment (distribution board division) drove performance, reflecting solid corporate demand for facilities investment.
- Supply-demand balance was tight in FY3/2026 due to last-minute demand before the standard revision (Third Judgement Standard for Top Runner Transformers*) in April 2026.
- Despite unstable manufacturing and shipments of high-voltage power receiving equipment in the second half of FY3/2026, strong demand contributed to higher revenues
- Despite an expected reactionary decline, earnings are expected to grow in FY3/2027 due to the significant contribution from higher selling prices after the standard revision.

	Sales price		Sales volume		Sales change
March 2026 period review	<p>↑</p> <p>Strong demand continued. With continued dominant supply, project prices improved better-than-expected.</p>	×	<p>↑</p> <p>Increased due to last-minute demand before the standard revision. The volume remained generally strong, despite concerns about procurement due to the early termination of production of old standards by transformer manufacturers.</p>	=	<p>↑</p>
Forecast for March 2027 period	<p>↑</p> <p>Price will increase significantly due to design changes associated with the installation of new-standard transformers</p>	×	<p>↓</p> <p>Arrival of new-standard transformers is expected to ramp up gradually. Concerns about a reactionary decline following previous year's last-minute demand and reluctance to buy due to price hikes</p>	=	<p>↑</p>



*Third Judgement Standard for Top Runner Transformers
Standards set by the Energy Conservation Act. Since April 2026, transformer manufacturers have not been allowed to ship transformers that do not meet the new energy conservation standards. Since both the size and price of the new standard transformers exceed those of conventional products, high-voltage power receiving equipment will become larger, and product prices and installation costs will increase. In terms of installation space and cost increases, the industry as a whole experienced a last-minute demand in FY3/2026 period in anticipation of the standard revision, resulting in a tight supply-demand balance.

Fourth price revisions

- The fourth price revisions were implemented for all product groups of standard products starting in October 2025
- Profits are expected to increase by 2.8 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%

Investment in human capital (sustained base pay increases, etc.)

- Introduction of a stock compensation plan for managers (J-ESOP) (FY3/2026)
- Implementation of base pay increase (FY3/2027)
- Increase in incentive rate for employee shareholding association (FY3/2027)

Forecast of consolidated results for the year

Full-year
FY3/2026

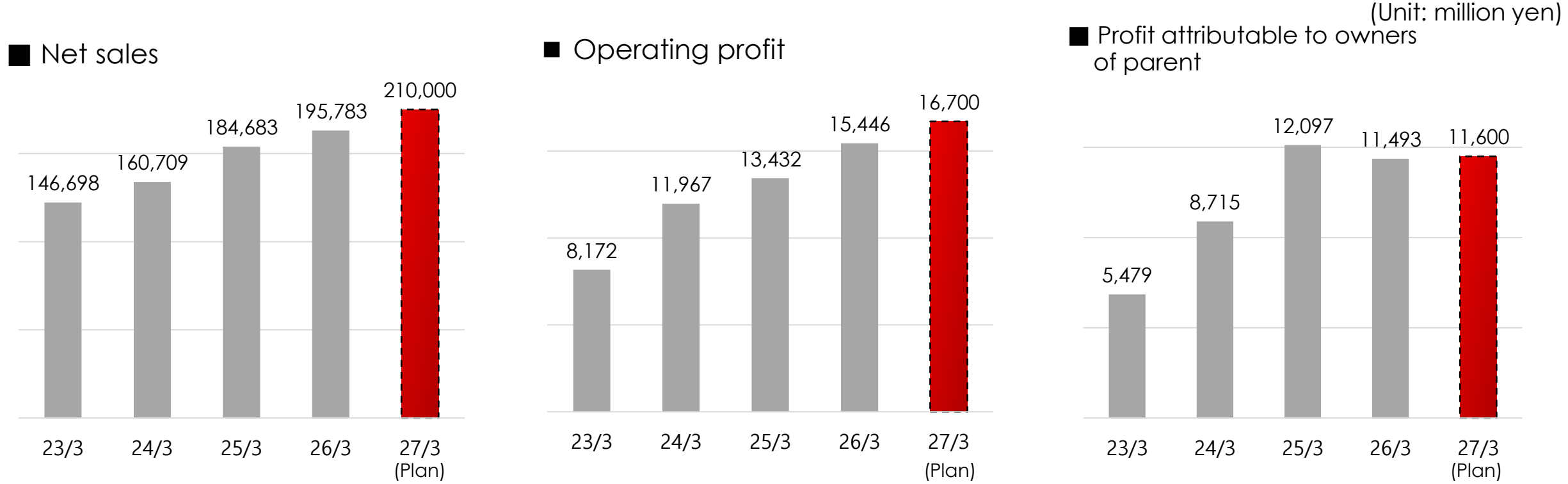
- Net sales are expected to grow due to solid corporate demand for facilities investment and IT investment
- Operating profit is expected to decline in the first half due to further increases in various costs, while the earnings contribution from the standard revision for high-voltage power receiving equipment is expected to remain limited. For the year, profit is expected to increase due to full-scale sales after the standard revision.

(Unit: million yen)

	2026/3		2027/3			
	H1 results	Results for the year	H1 plan	(YoY) Change	Plan for the year	(YoY) Change
Net sales	88,962	195,783	97,000	+9.0%	210,000	+7.3%
Operating profit	5,292	15,446	5,200	-1.7%	16,700	+8.1%
Ordinary profit	5,620	16,260	5,600	-0.4%	17,000	+4.5%
Profit attributable to owners of parent	3,424	11,493	3,500	+2.2%	11,600	+0.9%

Consolidated performance trends

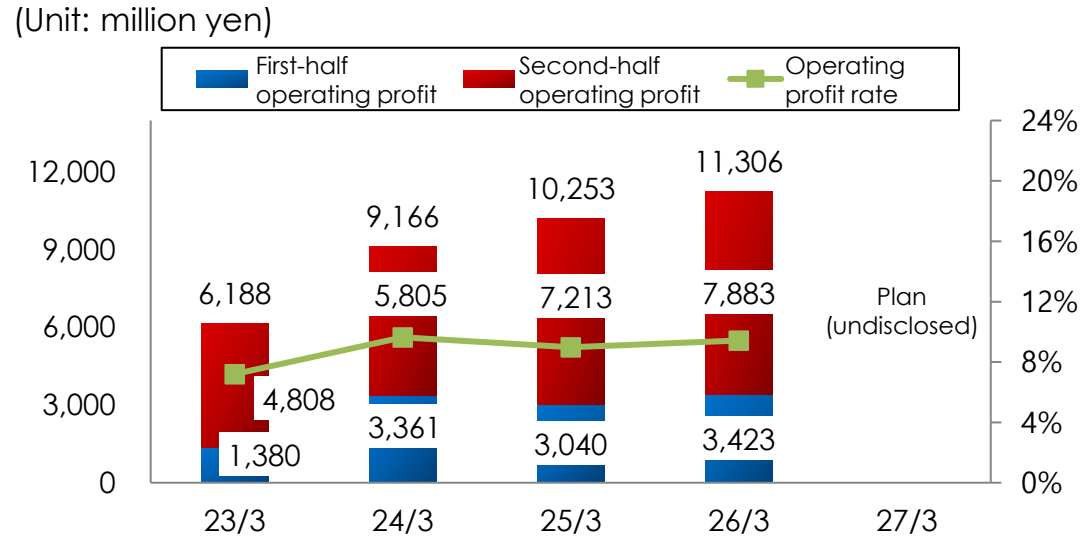
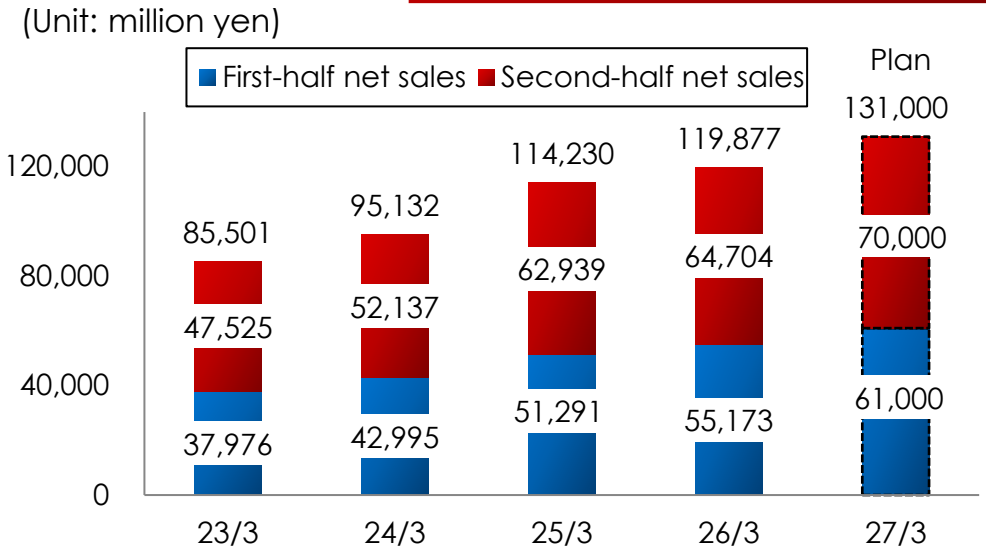
■ If we hit the target for the period ending March 2027, we expect to achieve the highest net sales and operating profit as well as the second highest current net income in our history



	23/3	24/3	25/3	26/3	27/3(Plan)
Net sales	146,698	160,709	184,683	195,783	210,000
Operating profit	8,172	11,967	13,432	15,446	16,700
Profit attributable to owners of parent	5,479	8,715	12,097	11,493	11,600

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

Forecast for the year (net sales) **131,000 million yen (YoY +9.3%)**



Forecast for the year

Revenues are expected to increase due to the significant effect of higher sales prices resulting from the standard revision for high-voltage power receiving equipment parts, and increased sales of Tempearl Industrial Co., Ltd. in addition to the continued solid demand for facilities investment.

Approaches

- Increase sales of stainless steel cabinets and large cabinets based on the "Smart Order" system by expanding the scope of relevant variations
- Optimize production system and create group synergy through cooperation among group companies

Main group companies: Yearly forecast

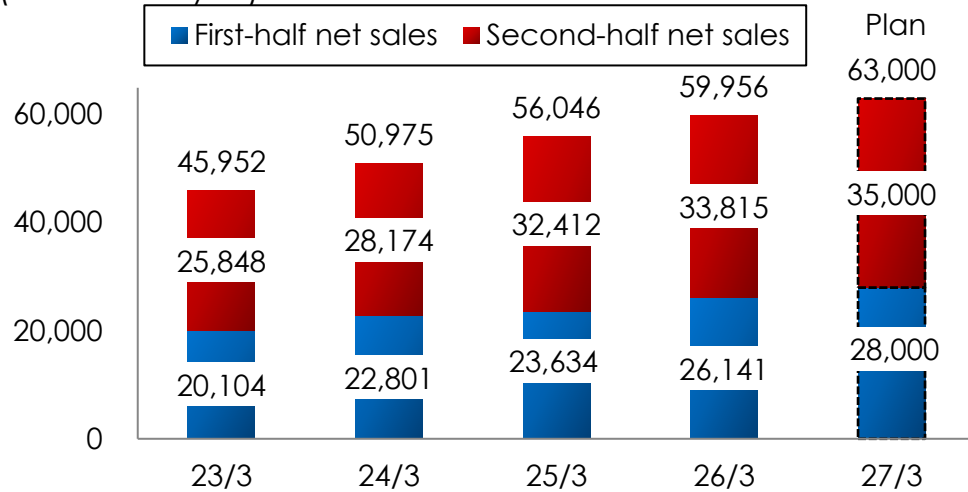
	Company name	Sales (YOY)	Operating profit	Impact level on group profit
Japan	NITTO KOGYO Corp.			High
	AICHI ELECTRIC WORKS			Low
	Tempearl Industrial Co., Ltd.			Low
Overseas	Gathergates Group			Low
	NITTO KOGYO BM(THAILAND)			Low

Business forecast by segment (distribution business)

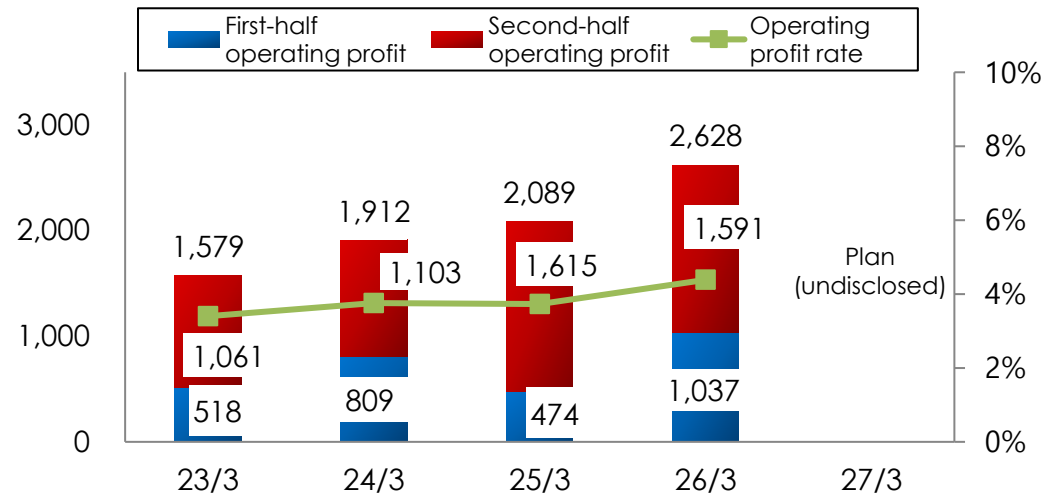
Forecast for the year (net sales)

63,000 million yen (YoY +5.1%)

(Unit: million yen)



(Unit: million yen)



Forecast for the year

Revenues are expected to increase due to continued strong demand for IT investments, including data center construction, as well as higher sales in the IA market and physical solutions market by leveraging our strengths in video solutions.

Approaches

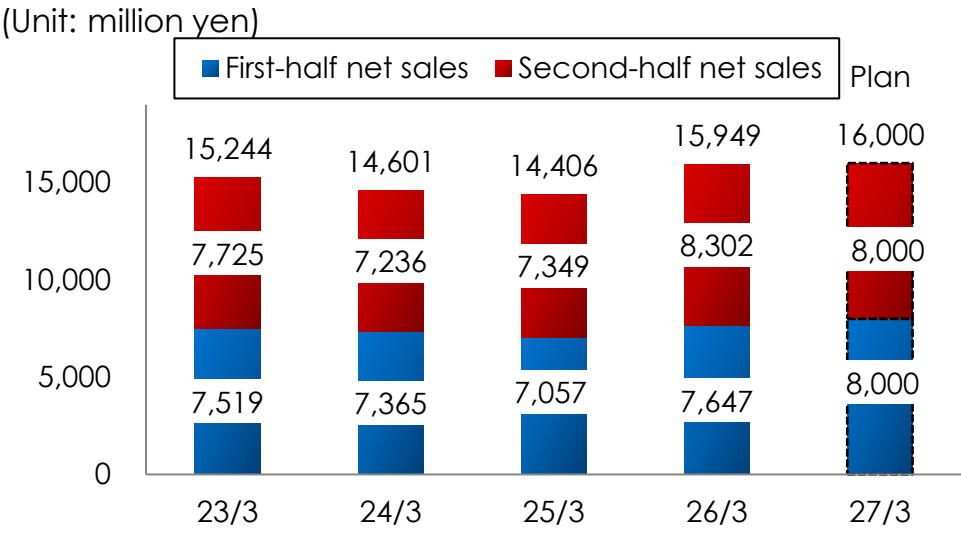
- Accelerate expansion of products handled for the data center market
- Strengthen proposal capabilities to provide a one-stop service from design proposals to construction
- Strengthen the foundation and expanding sales in the ASEAN region, mainly through subsidiaries in Thailand and Vietnam

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) **16,000 million yen (YoY +0.3%)**

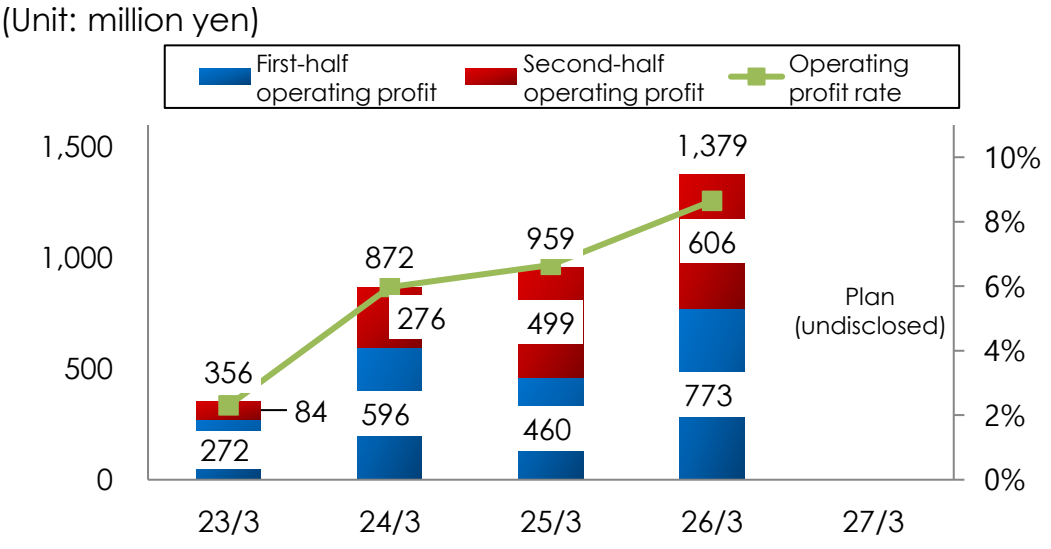


Forecast for the year

- Revenues are expected to increase due to higher sales in the automotive-related market by expanding the number of components installed to capture the deepening of next-generation mobility and xEV, and by capturing growth in the industrial equipment market where the expansion of demand for semiconductors is spreading.

Approaches

- Strengthen and expand overseas business centered on support for EMC measures for overseas alliance partners
- Accelerate launch of new and next-generation products in priority markets
- Establish a global quality assurance system

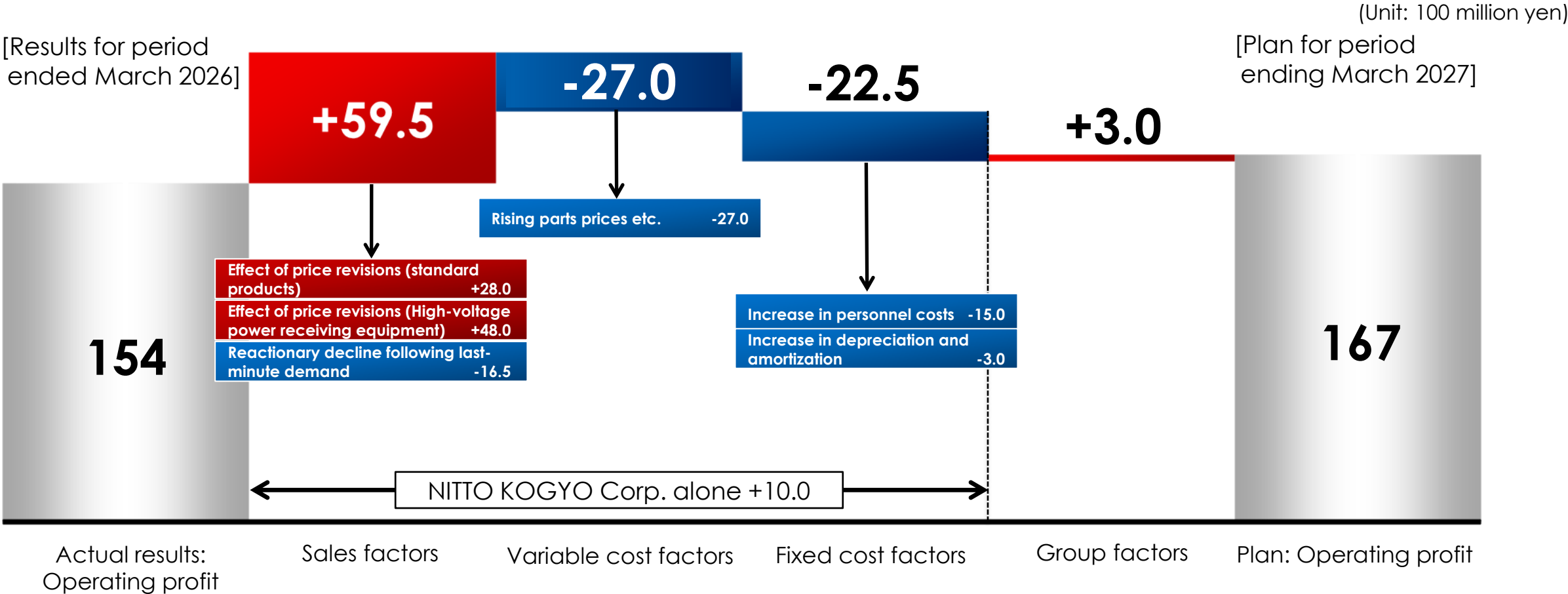


Main group companies: Yearly forecast

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

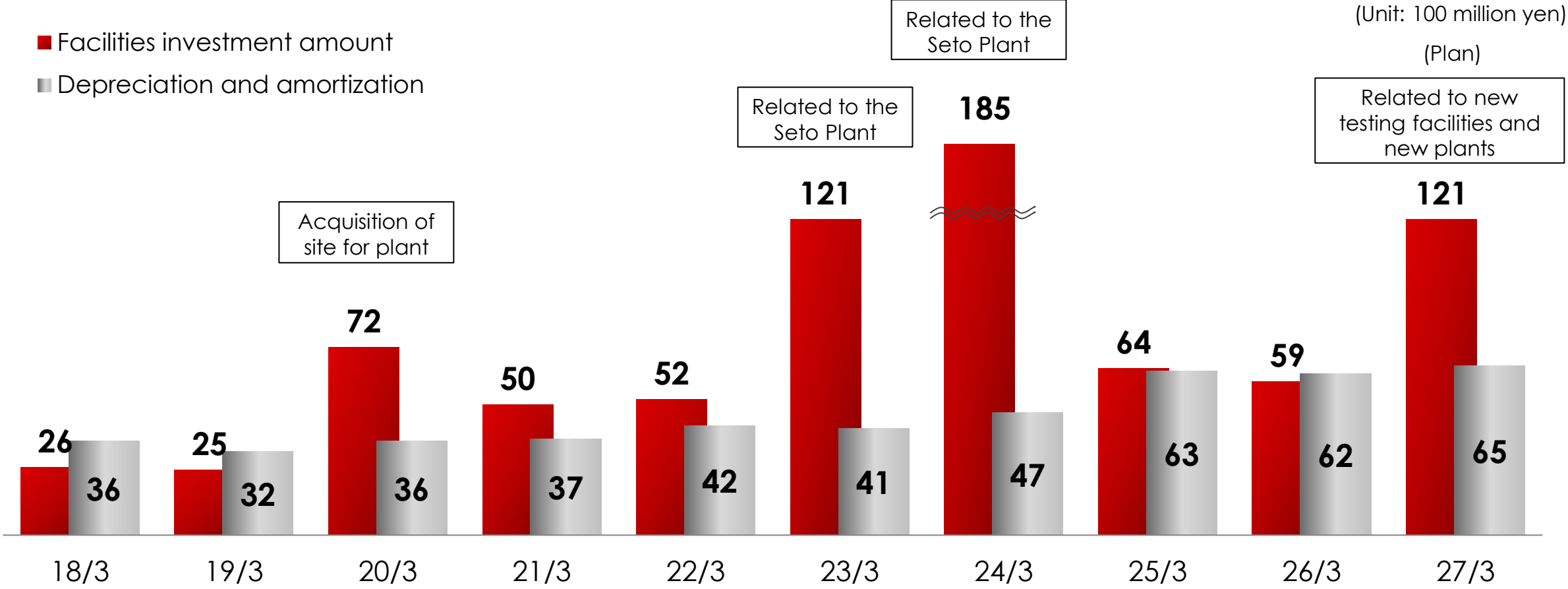
Factors in changes in yearly consolidated operating profit (forecast for this year, YoY)

- Consolidated operating profit for the period ending March 2027 is forecast to be 16.7 billion yen, up 8.1% year on year
- For NITTO KOGYO Corp. alone, profits are expected to increase due to the effect of price revision of standard products and high-voltage power receiving equipment, despite factors pushing down profit such as a reactionary decline following last-minute demand for high-voltage power receiving equipment and parts and personnel costs.
- For group factors, profits are expected to increase due to steady performance mainly at KITAGAWA INDUSTRIES



Facilities investment amounts and depreciation and amortization

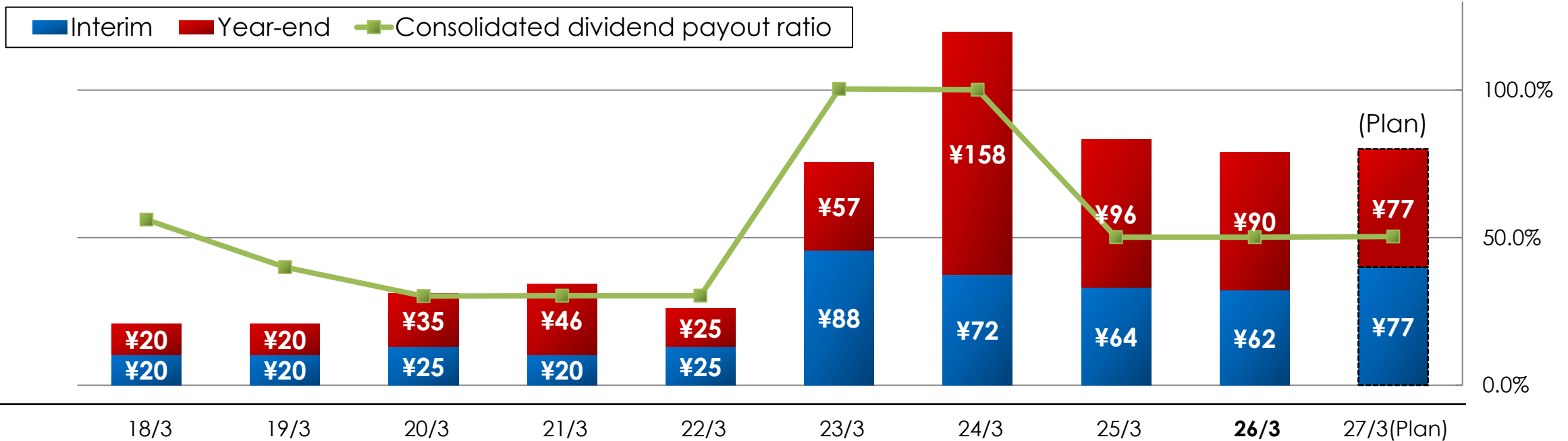
- For the period ending March 2027, facilities investment amount is planned at 12.1 billion yen and depreciation and amortization at 6.2 billion yen
- Capital investment is planned to double due to major investments, including a short-circuit testing facility (operation to be started in spring 2027) and the construction of a second plant at Tochigi Nogi Plant (operation to be started in April 2028).
- Depreciation and amortization for this fiscal year will remain at the same level as in the March 2026 period due to many investments that will come into operation in the next fiscal year or later.



* Rounded at 10 million yen

Dividend status

- Starting from the period ended March 2025, the Company adopted a dividend policy with a payout ratio target of 50% and a minimum DOE of 4.0%.
- For the fiscal year ended March 31, 2026, the dividend for the year is 152 yen (up 20 yen from the plan) due to the absence of extraordinary income posted in the previous fiscal year (approximately 2.4 billion yen).
- For the fiscal year ending March 2027, dividends for year will be 154 yen with a consolidated dividend payout ratio of 50.4%.



	18/3	19/3	20/3	21/3	22/3	23/3	24/3	25/3	26/3	27/3(Plan)
Dividend for the year	40 yen	40 yen	60 yen	66 yen	50 yen	145 yen	230 yen	160 yen	152 yen	154 yen
Dividend payout ratio	56.1%	40.0%	30.2%	30.3%	30.3%	100.4%	100.1%	50.2%	50.2%	50.4%
DOE	2.0%	1.9%	2.8%	2.8%	2.0%	5.5%	8.3%	5.4%	4.8%	-

4. Mid-Term Management Plan

Reprint

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



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

Mission

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

2026 Mid-Term Management Plan

Challenge



Reform

Responding to opportunities

Dealing with risks

Business expansion

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

Strengthen our business foundation

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

Next Mid-Term Management Plan

Business environment Management environment

Reprint

Changes in social and economic structures

Rising environmental awareness

Evolution of technology

Expectations from stakeholders

Sophistication of Group's business

Back-casting



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

Vision

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

2021

2023

2024

2026

2027

2029

2030 onward

Lay the foundations for the evolution of our business

Establish a mechanism for growth

Realize dramatic growth

Become a group that keeps growing

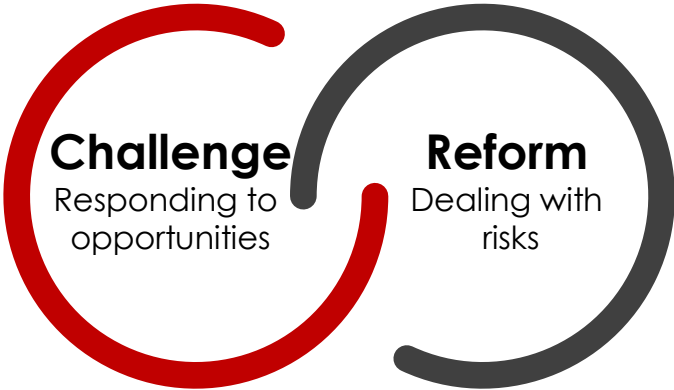
2023 Mid-Term Management Plan
Establish the foundations and take an aggressive management approach

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 and 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

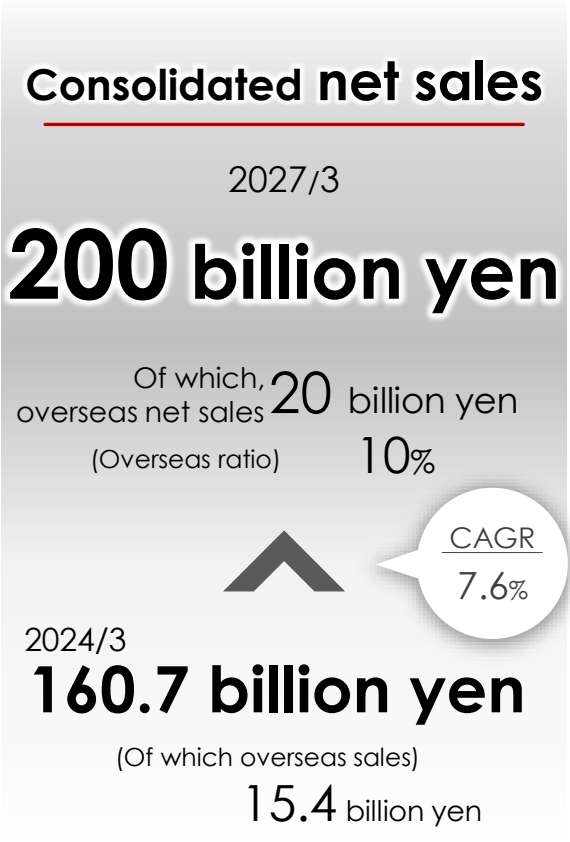
2026 Mid-Term Management Plan: Financial targets

Reprint

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



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

Reprint

Priority growth businesses

Electrical and telecommunications infrastructure-related Distribution business

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

Stable businesses

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

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

Future businesses

Electronic parts-related manufacturing business

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

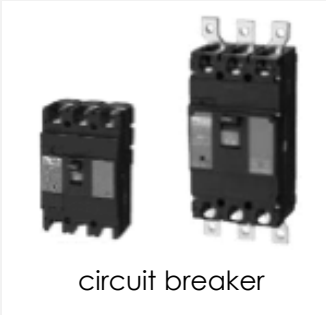
2026 Mid-Term Management Plan: Progress in business strategies

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

Initiatives to create group synergies

Realize group synergies and further expand

- **Tempearl Industrial Co., Ltd.** completed its second year of participation in the company, and revenues increased 10% YoY, exceeding the initial plan.
- It achieved significant profitability due to the elimination of one-time costs associated with the grouping and improved revenues.
- There was steady progress in building a cooperative framework in "development and production" to strengthen the breaker's business foundation
- It executed reorganization of production system to rationalize production



circuit breaker

Aim to further strengthen group collaboration by expanding the range of products subject to restructuring and expanding to global bases.

Strengthen one-stop service business from installation to maintenance services

Tough business environment for new renewable energy investment

- **EM Solutions Co., Ltd.** missed ambitious second-year targets as corporate investment in renewable energy stalled due to uncertain economic outlook
- Aim for steady acquisition of projects, as long-term decarbonization trend remains unchanged



Solar Carport



Improve added value through constructions to address aging and renewable energy conversion



- **NANKAI DENSETSU CO., LTD.** captured demand for renewal of high-voltage power receiving equipment, and sales of related construction work remained strong.
- Strengthen the solution system to enable not only renewal work but also renovation proposals and construction of peripheral electrical facilities as a whole
- Promote business consolidation within the group

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

- Strengthening the company's e-commerce site strategy led to a significant increase in the number of site views and inquiries
- 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



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
- Functionality was evaluated through industry-academia collaboration in the development of new corrosion sensor products and environmentally friendly materials



Corrosion sensor

CONNECT!

Linking electricity with information

NITO NITTO KOGYO GROUP

5. Reference materials

Reference materials

- **Measures to realize management with capital costs and share prices in mind**
- **Consolidated net sales and operating profit rate trends (quarter)**
- **Three business segments**
- **Performance trends by business segment (quarter)**
- **Performance 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)**

Measures to realize management with capital costs and share prices in mind (evaluation of the current state [1])

Full-year
FY3/2026

Evaluation of the current state

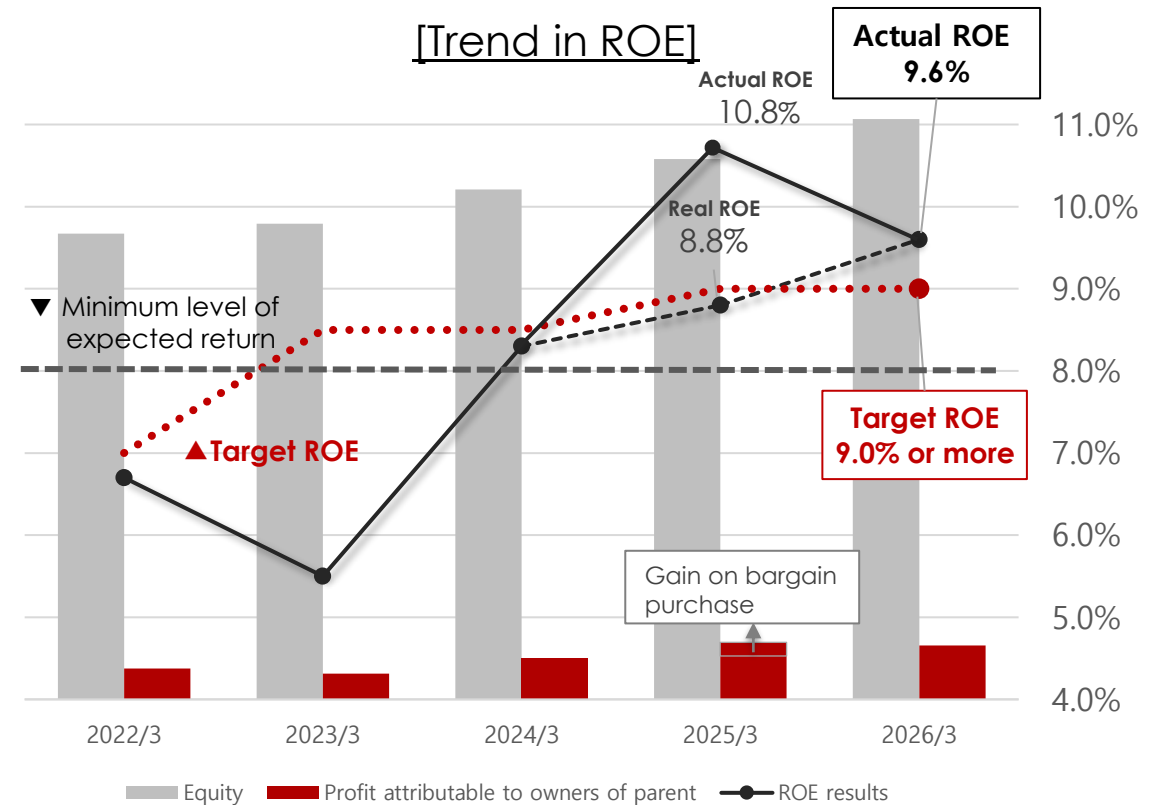
- The Company's shareholders equity cost is thought to be approx. 7.0-8.0%, based on CAPM and equity returns
- The target ROE for the final year of the 2026 Mid-Term Management Plan was set at 9.0% or more ROE rose to 10.8% for the previous period due to the booking of extraordinary income (approx. 2.4 billion yen in gain on bargain purchase). However, excluding this extraordinary income, real ROE is thought to be 8.8%
- Profit increased due to improved profitability in each segment during the period under review. ROE was 9.6%, exceeding the target

[2026 Mid-Term Management Plan: Financial targets]



Actual results for the period ended March 2026
(as of the second year of the medium-term plan)
Consolidated net sales: 195.7 billion yen,
consolidated operating profit: 15.4 billion yen, ROE: 9.6%

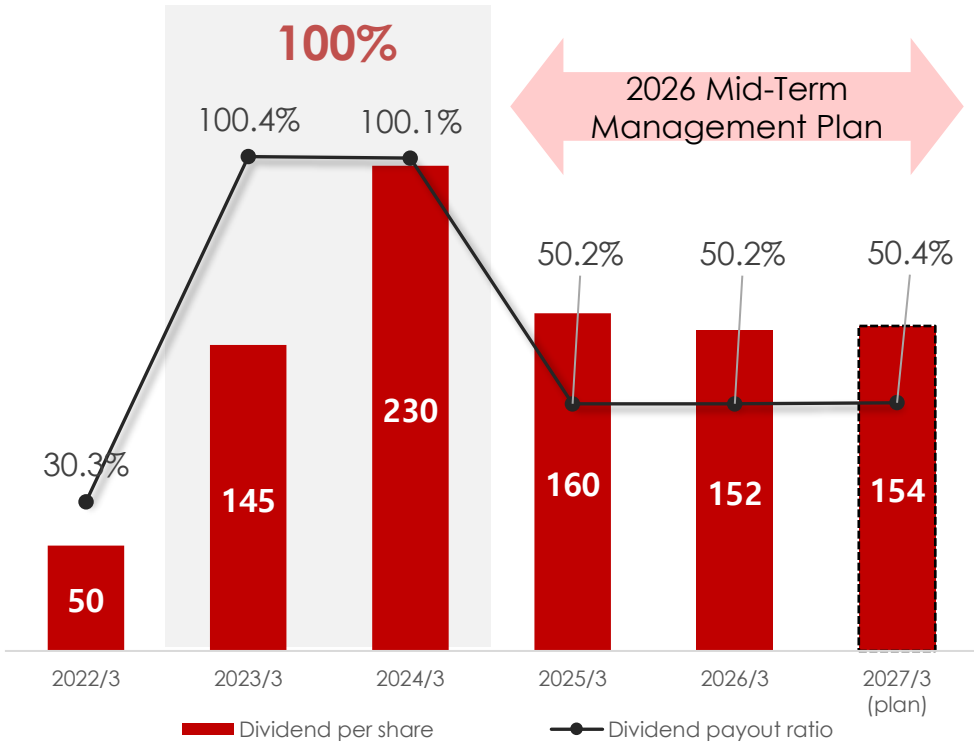
[Trend in ROE]



Evaluation of the current state

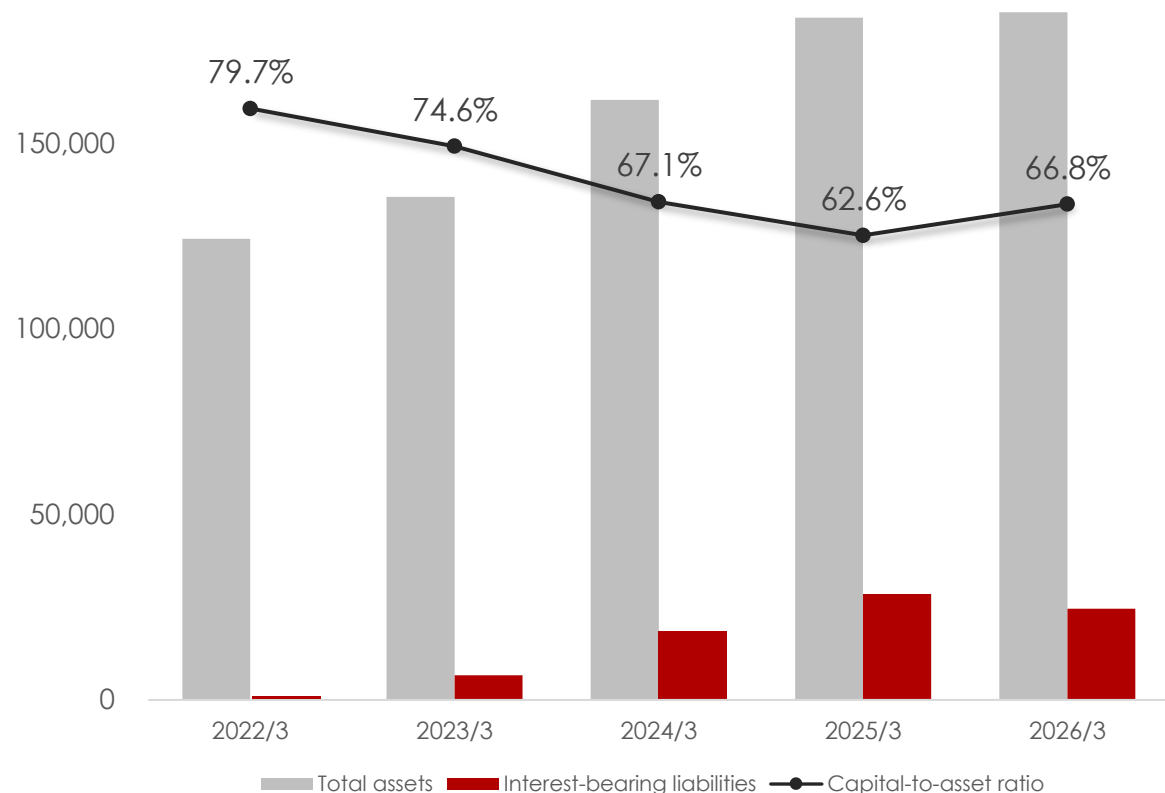
In the “2026 Mid-Term Management Plan,” we set a lower limit dividend payout ratio of 50% and a lower limit DOE of 4.0%. We are implementing our aggressive and stable shareholder return policy following the previous mid-term management plan. Restrain equity and raise capital efficiency by enhancing financial leverage by making growth investments that tap into interest-bearing liabilities.

[Trends in dividend payout ratio and dividends]



(Unit: million yen)
200,000

[Changes in capital composition ratio]



Evaluation of the current state

In addition to the improvement in profitability (ROE) through the implementation of measures listed in the "Details of Initiatives to Achieve Management Conscious of Cost of Capital and Stock Price," market expectations of strong demand for electrical equipment also provided a tailwind (improvement in PER), and PBR rose to 1.29x (1.38x at the end of April 2026).

Moreover, the realization of growth is progressing in accordance with the long-term growth story and it is important to continue to demonstrate the process of increasing corporate value.

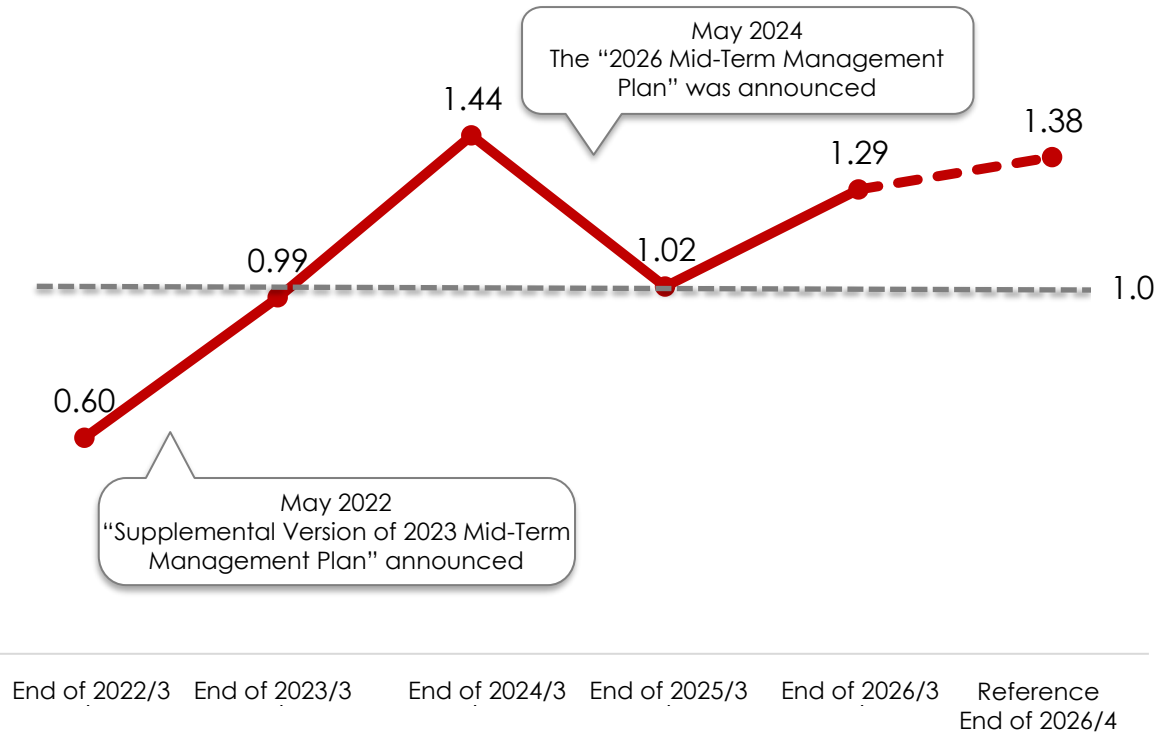
[Description of the initiatives to realize management with capital costs and share prices in mind]

- ✓ Steady business growth with revenues through implementation of the 2026 Mid-Term Management Plan
- ✓ Strengthening of ESG initiatives for sustainability
- ✓ Promotion of continuous BS management
- ✓ Continue stable shareholder returns
- ✓ Promotion of continuous and respectful dialogue with the stock market and active and appropriate information disclosure

[Approaches: Actual results]

- Creation of synergies with Tempearl Industrial Co., Ltd. (integrated into the group in April 2025)
- Decision to build a new plant to meet data center demand
- Market penetration of price revisions at group companies
- Three consecutive years of base pay increases and four consecutive years of certification as an excellent health management corporation
- Investment in human capital through the use of treasury stock (introduction of a stock compensation plan for managers)
- Continuation of high dividends maintaining payout ratio of 50%.
- Careful explanation of industry information in meetings with institutional investors (e.g., disruption in supply and demand due to standard revision for parts, impact of such disruption, outlook, etc.)

[Trend in PBR]



Policy

We aim to improve ROE further by achieving financial targets shown in the 2026 Mid-Term Management Plan and continuing BS management. In addition, we will outline a corporate value enhancement story by lowering shareholders equity cost through continued considerate investor relations (IR) activities, executing business strategies securely and further realizing growth

[2026 Mid-Term Management Plan: Basic policy]

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

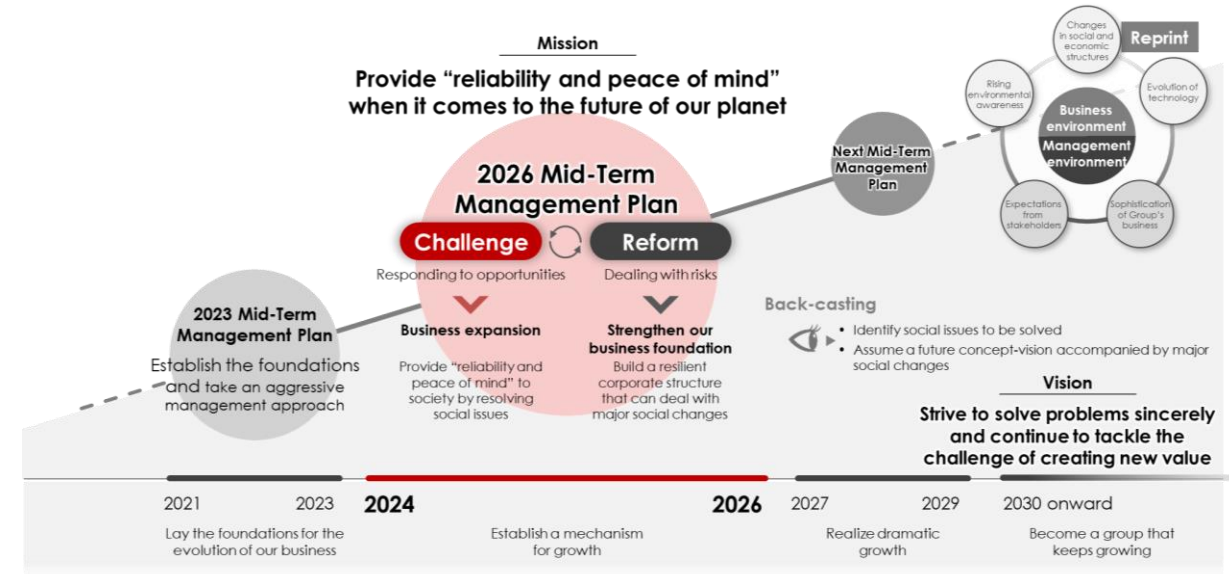
- ▶ Strive to create new businesses outside our existing markets and industries
- ▶ Expand into overseas markets to increase the scale of our business
- ▶ Promote initiatives for new technology
- ▶ Strategic investment aimed for growth [including M&A]



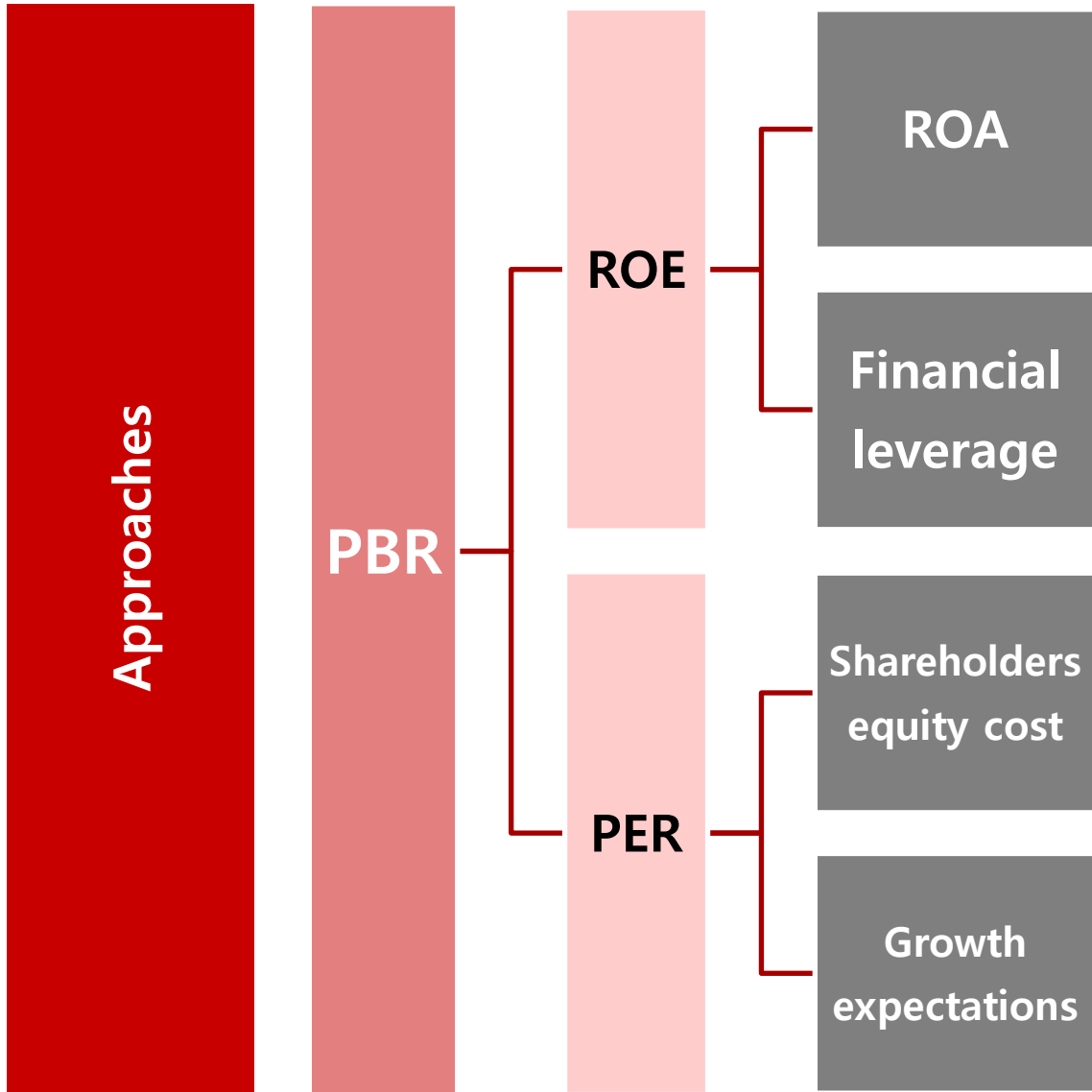
Build a solid business and management foundation

- ▶ 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

[Long-term Growth Story]



Measures to realize management with capital costs and share prices in mind (initiatives)



Steady business growth with revenues through implementation of the 2026 Mid-Term Management Plan

E.g. Proper price strategy, business portfolio management, business strategy promotion and use of mergers and acquisitions

Strengthening of ESG initiatives for sustainability

E.g. Contribute to solving social issues by enhancing human capital to improve job satisfaction, improving energy management technology that contributes to sustainable horticulture, and supporting the practical application of wave power generation equipment to realize a decarbonized society.

Promotion of continuous BS management

E.g. Aggressive use of interest-bearing debt and agile acquisition and retirement of treasury shares
Further scrutinize strategic shareholdings

Continue aggressive and stable shareholder returns

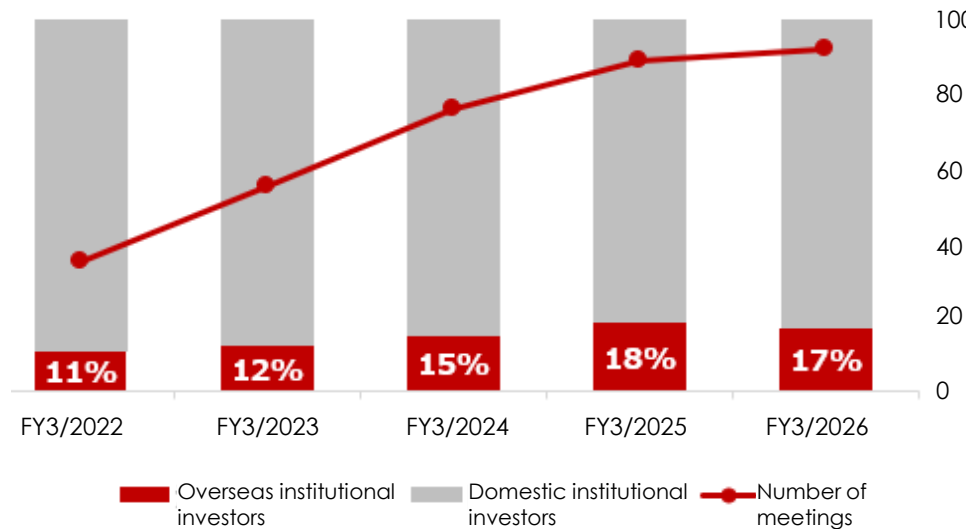
E.g. Steady returns based on setting of dividend payout ratio of 50% and a lower limit DOE

Promotion of continuous and respectful dialogue with the stock market and active and appropriate information disclosure

E.g. Continue to distribute information to institutional investors in and outside Japan and to continue to hold briefings for individual investors, and further realize the Long-term Growth Story

Status of dialogue for FY3/2026

Contents	Frequency	Person in charge
Financial results briefing	Twice a year	President, Director responsible for Business Management Division, General Affairs Department
Individual meetings with institutional investors	Quarterly	Director responsible for Business Management Division, General Affairs Department and Accounting Department
Briefing for individual investors	Annually	Director responsible for Business Management Division



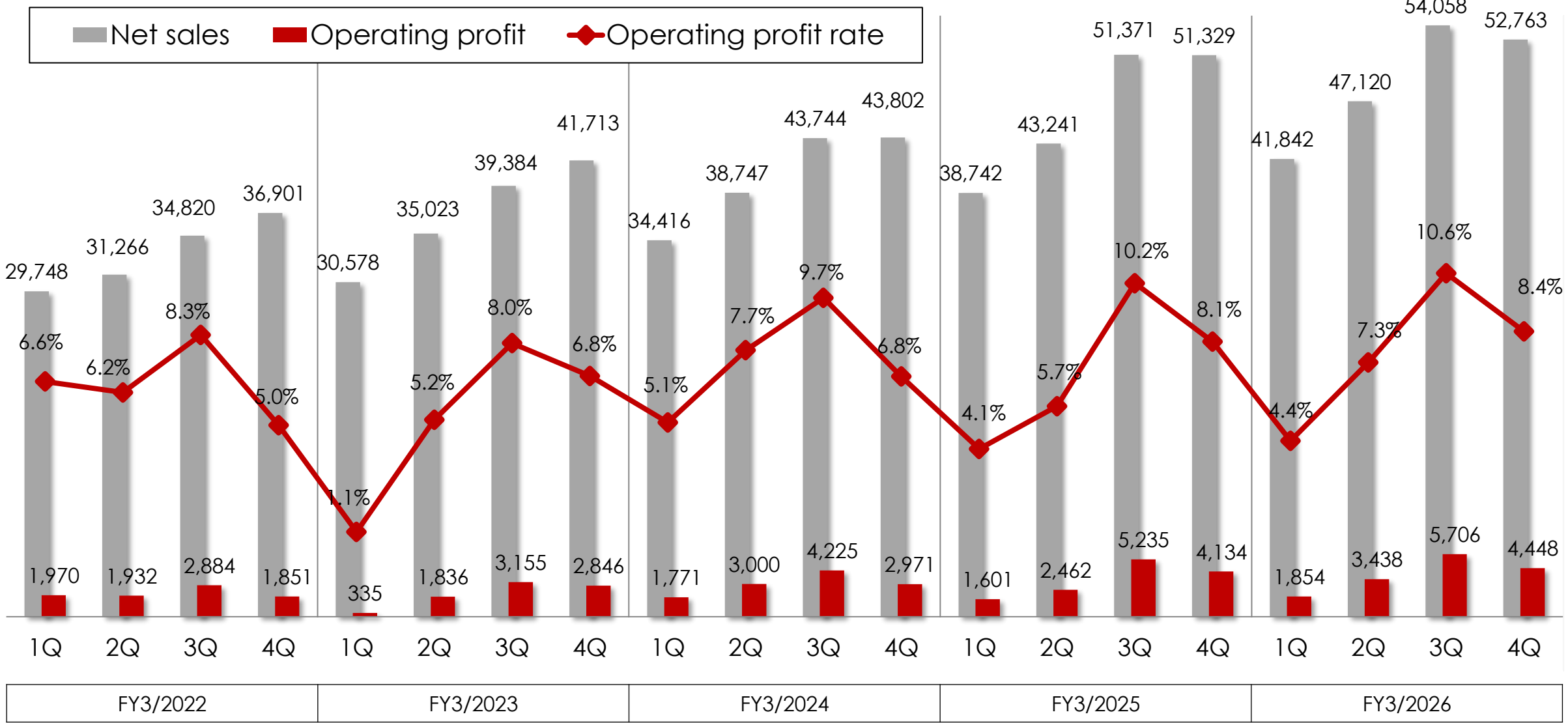
Sectors for which participating investors were responsible

- * Analysts
- * Fund managers
- * Persons responsible for ESG, etc.

Through the opportunities above, we deepen dialogue on performance, the Mid-Term Management Plan, our shareholder return policy and changes in business environment due to standard revisions for products, disseminate information obtained through dialogue with investors to relevant divisions, and report at the Management Meeting, etc., to share information with other directors.

Consolidated net sales and operating profit trends (quarter)

(Unit: million yen)



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

Electrical and telecommunications infrastructure-related Distribution business

Purchases and sales of information communication equipment and parts

Electronic parts-related Manufacturing business

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



High-voltage power receiving



Distribution/panel boards



Enclosure



System racks



Breakers



Charging stands



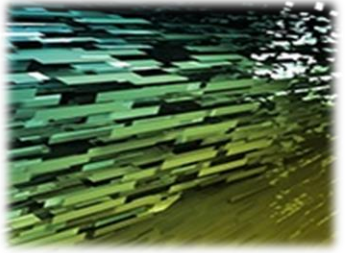
Communication facility construction



Network cameras



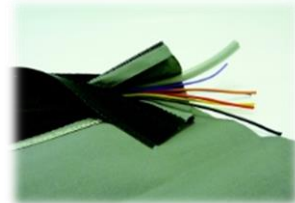
Information security-related products



High-speed network devices



Ferrite cores



Cable shields

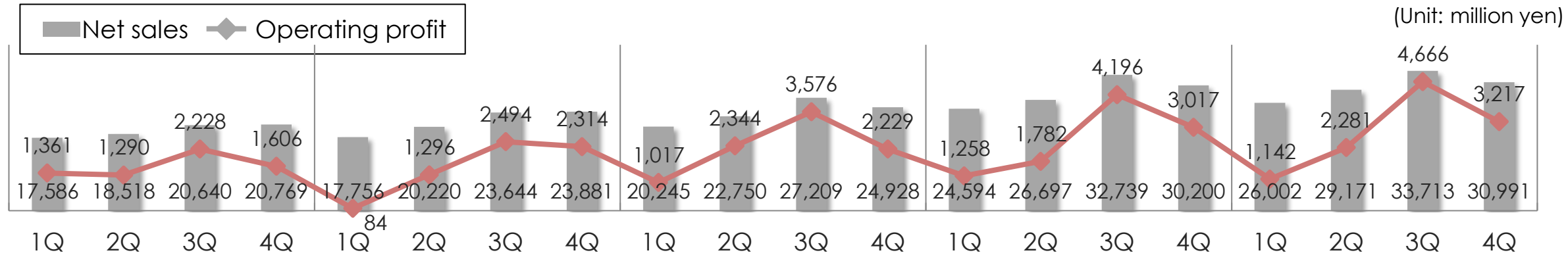


Cable ties

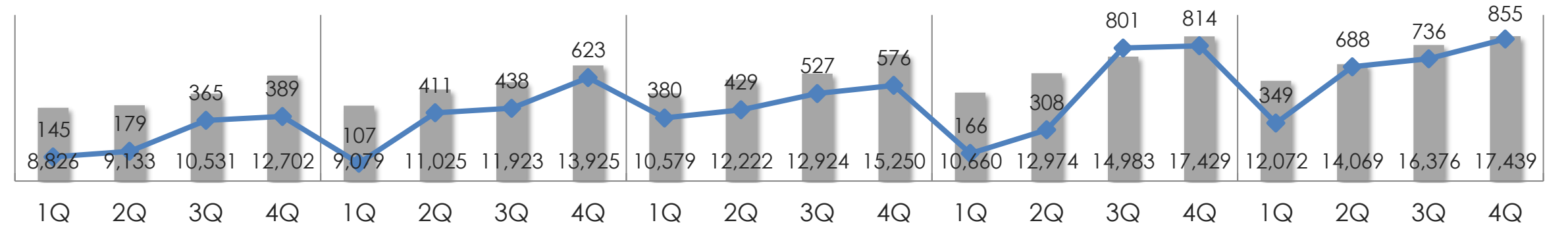
Performance trends by business segment (quarter)

Full-year
FY3/2026

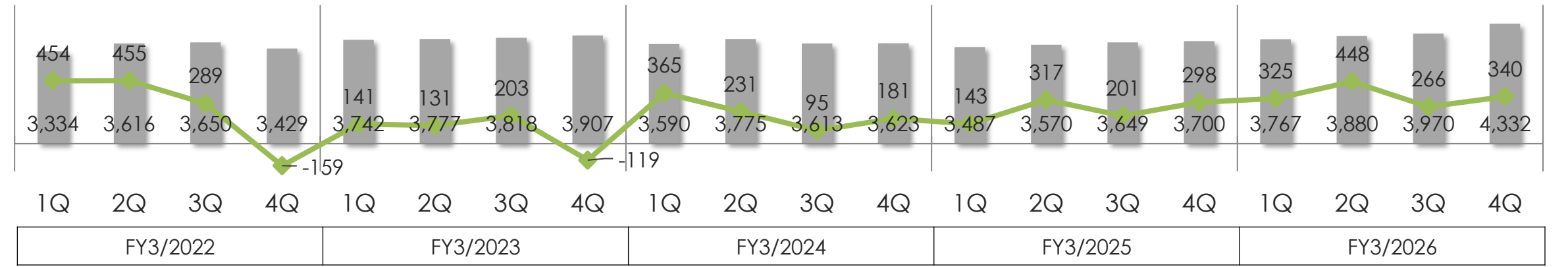
Manufacturing, construction and service business



Distribution business



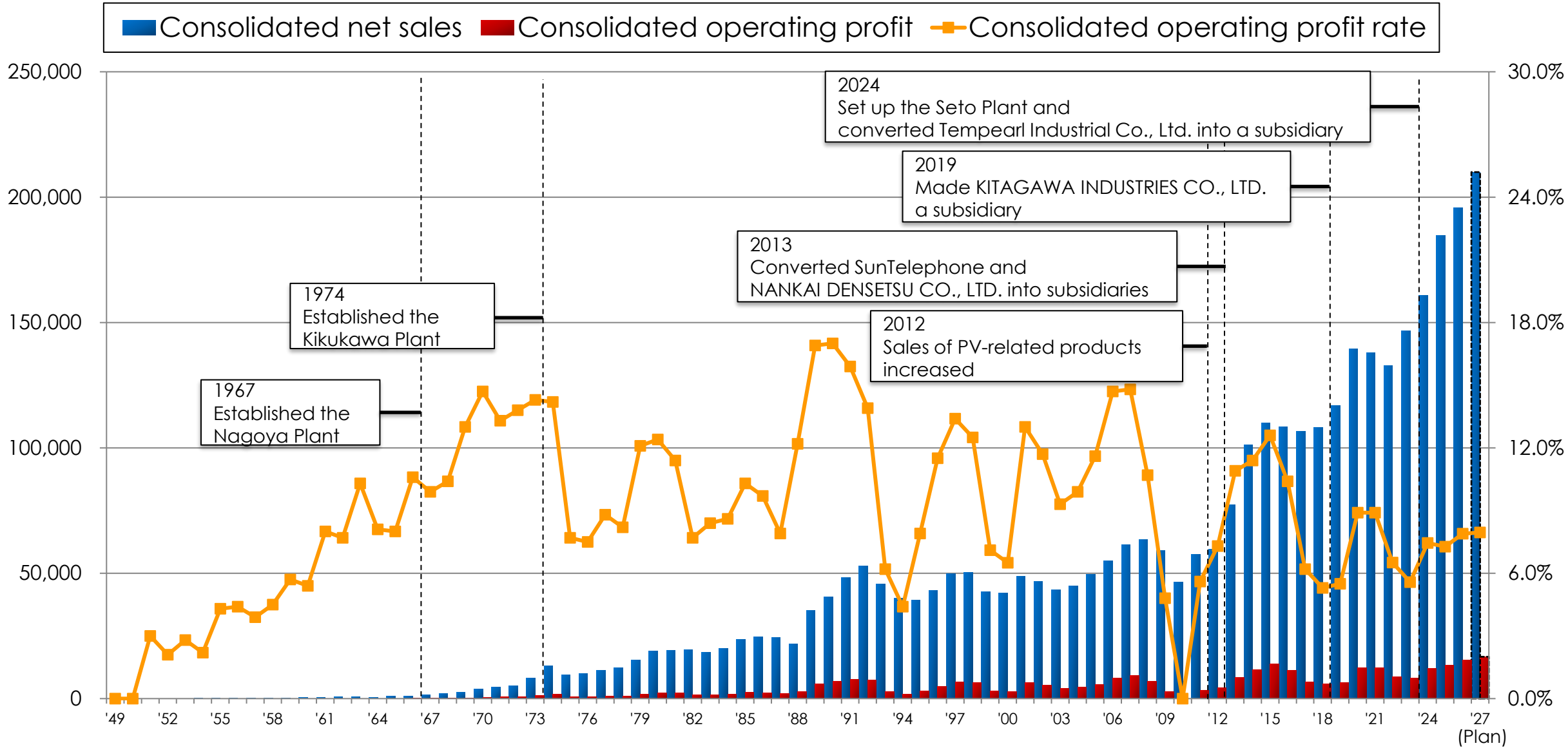
Electronic parts-related manufacturing business



Performance trends from establishment to present

Full-year
FY3/2026

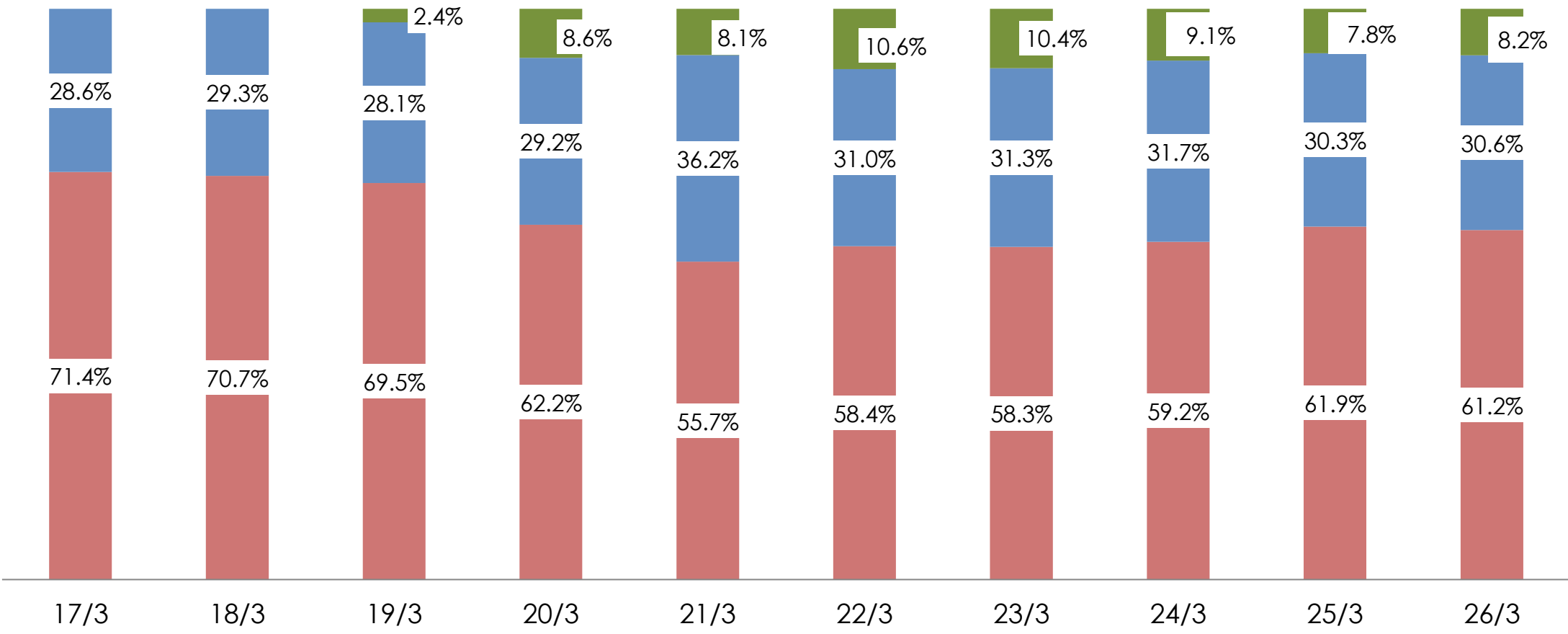
(Unit: million yen)



Net sales composition ratios by business segment

Full-year
FY3/2026

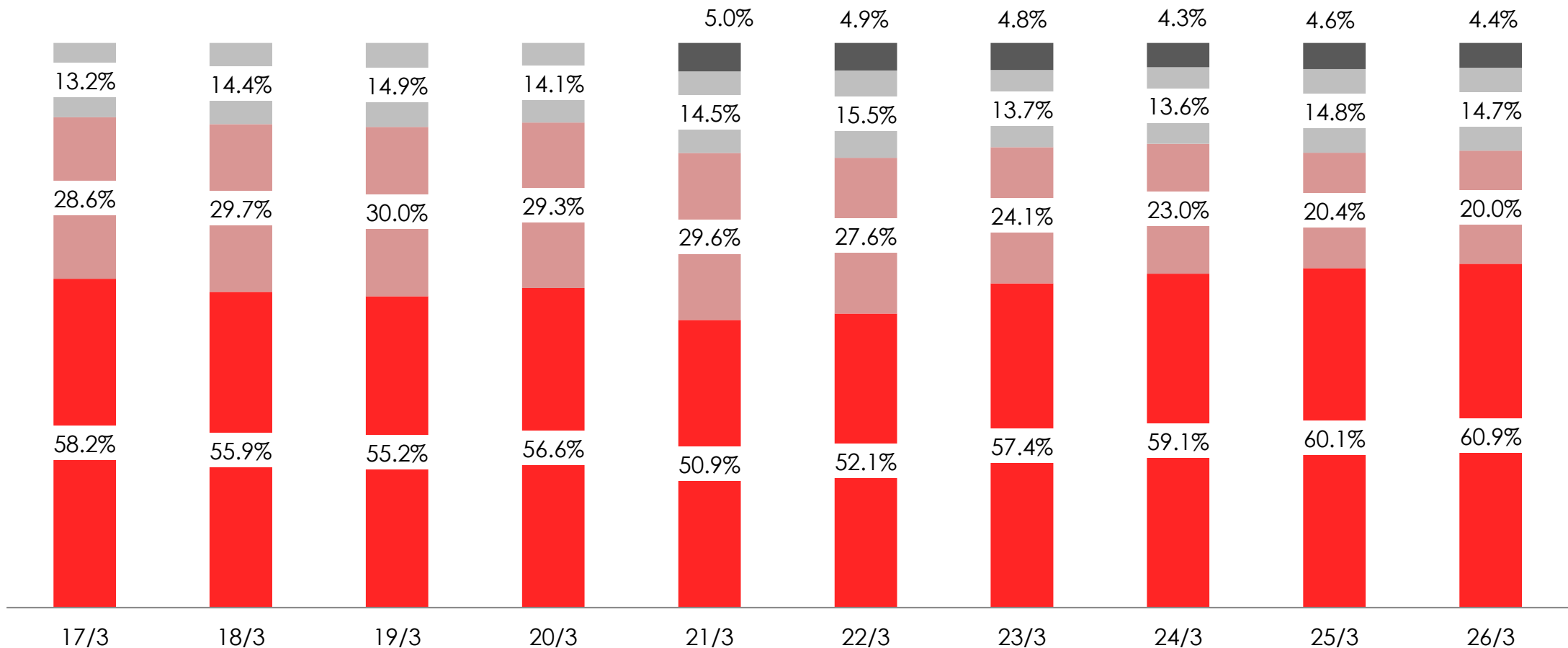
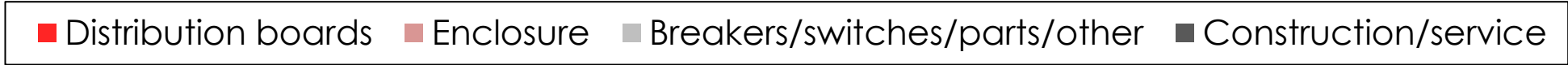
■ Manufacturing, construction and service business ■ Distribution business ■ Electronic parts business



* 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)

Full-year
FY3/2026

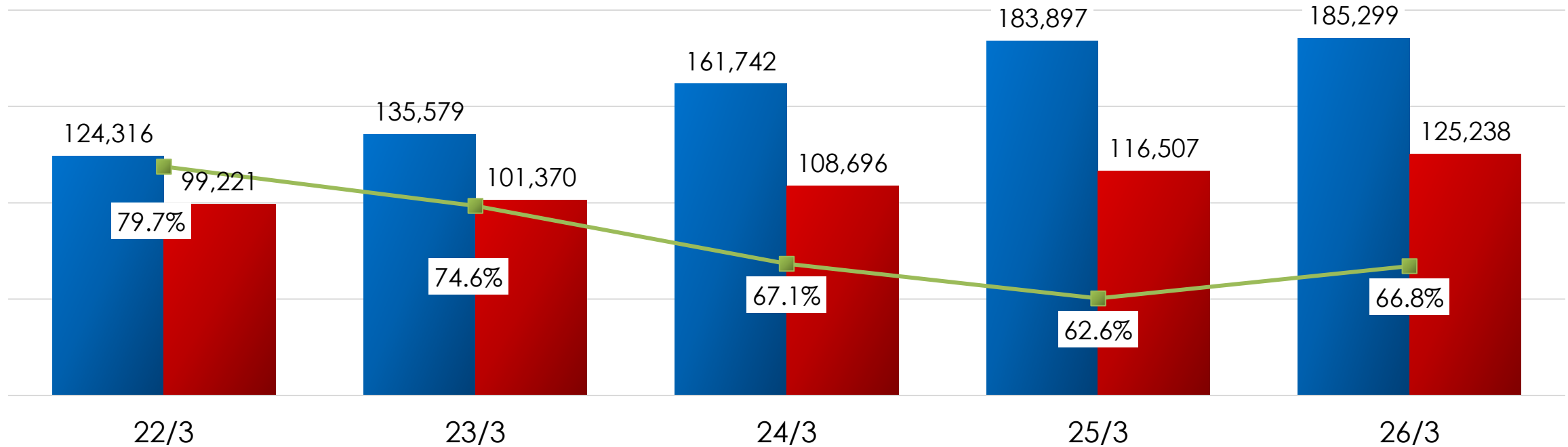


* Figures for the period ended March 2021 have been recalculated to reflect the new segments.
 Figures for distribution boards and enclosures prior to the period ended March 2020 are those for the previous distribution board and enclosure divisions.
 Figures for breakers/switches/parts/other prior to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

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

Full-year
FY3/2026

(Unit: million yen)

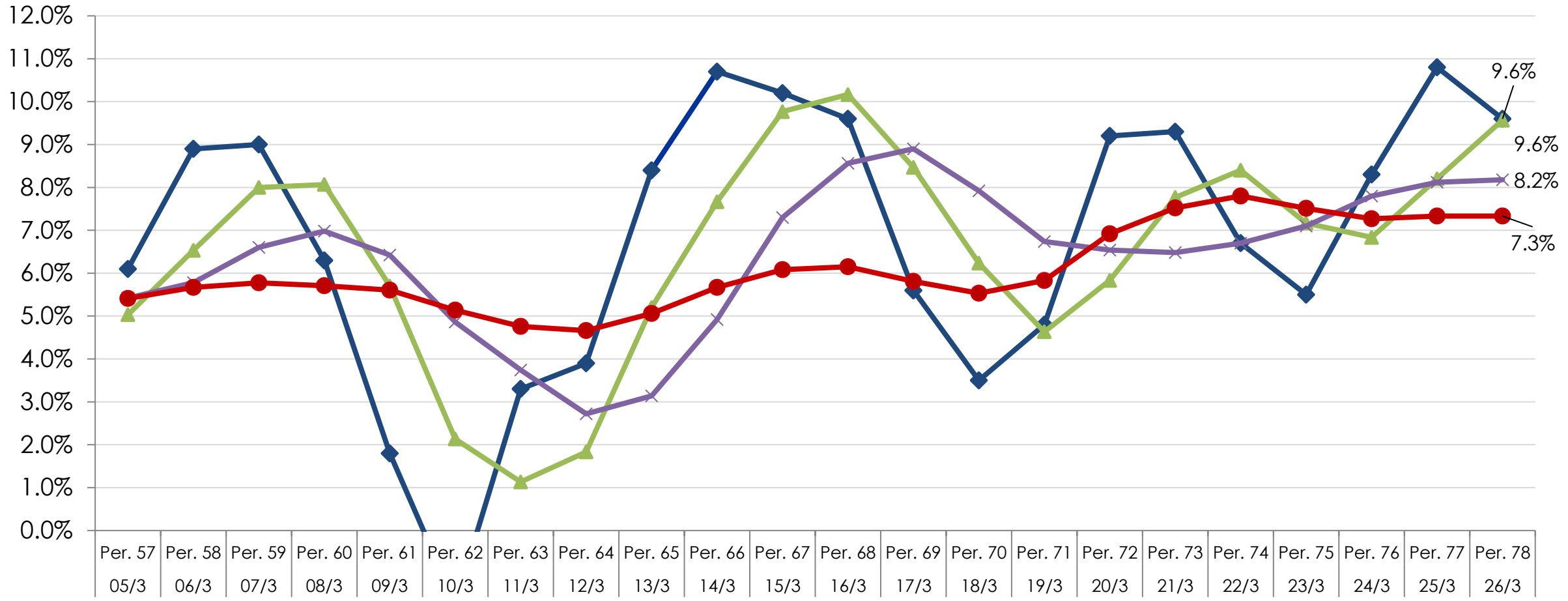


	22/3	23/3	24/3	25/3	26/3
Total assets	124,316	135,579	161,742	183,897	185,299
Net assets	99,221	101,370	108,696	116,507	125,238
Capital-to-asset ratio	79.7%	74.6%	67.1%	62.6%	66.8%

ROE (return on equity) trends (consolidated)

Full-year
FY3/2026

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



Final deficit

The logo for Nitto Kogyo Group features the word "NITO" in a bold, red, sans-serif font with a small red circle above the letter "I". To the right of "NITO", the words "NITTO KOGYO GROUP" are written in a bold, black, sans-serif font.

NITO NITTO KOGYO GROUP