

CEO's Message



Guided by the passion of our founder to be bold and forthright in walking the proper path, we create new value prioritizing quality and reliability.

With the ideals of being bold and forthright in walking the proper path and putting quality first, the NITTO KOGYO Group will take on the challenge of creating new value and contributing to the creation of a sustainable society while building relationships of trust with its customers, business partners, employees, shareholders, investors, regional communities, and all other stakeholders in order to meet the expectations placed on it.

Chairman & CEO

Tokio Kato

CEO's Message

Putting quality first for 77 years

Since developing cut-off switches that utilized Seto ceramics in 1948, the NITTO KOGYO Group has developed distribution boards, breakers, and other electrical equipment and devices for the safe use of electrical power, equipment for use in information communication, and other such products that have contributed to the development of electricity and information infrastructure. Furthermore, we've also developed a customer-focused integrated production, sales, and service system with elements that include a one-day delivery service under which we deliver products the day after they are ordered. Over recent years, we have expanded our business to include energy management systems, a series of rechargers for electric vehicles, and products related to solar power generation in order to contribute to the global environment. In our global expansion, we've added sale bases in Europe and the US to our existing production and sales bases in China and Southeast Asia so as to contribute to electricity and information infrastructure.

Throughout the course of these 77 years of business activities, we have always placed importance on being bold and forthright in walking the proper path, and this forms the basis of our group's corporate philosophy. And based on this philosophy we have steadfastly adhered to our ideal of putting quality first and providing safe, high-quality products, which has earned us the trust of our customers.

Sustainable growth alongside stakeholders

In line with our 2026 Mid-term Management Plan, we have set out our mission as providing reliability and peace of mind when it comes to the future of our planet, and our vision as striving to solve problems sincerely and continue to tackle the challenge of creating new value.

The society and environment that surrounds us is approaching a period of significant change. Of particular note, climate change-induced intensification of natural disasters and other such problems related to the environment and disaster prevention are becoming increasingly significant issues. In order to leave behind a beautiful planet for future generations, the NITTO KOGYO Group aims to nurture a corporate culture of taking care of people and the environment, and to achieve sustainable growth. Such an initiative cannot be successfully completed by our group on its own. In addition to the understanding and support of our shareholders and investors, partnerships with our customers and business partners are also crucial. Furthermore, the understanding of local communities is also essential when it comes to increasing the social value of the NITTO KOGYO Group.

Therefore, we will take communication with shareholders and investors seriously, engage in appropriate information disclosure, and respond with sincerity to their opinions and demands, while deepening collaboration with customers and business partners to achieve mutual prosperity.

We will also proactively advance our social activities, including participation in community events, onsite classes for elementary school students, and financial assistance for research and overseas secondment through The Nitto Foundation. We build relationships of trust with our stakeholders through such activities, and are aiming to achieve sustainable growth.

Another significant theme for us is developing the human resources who will lead the NITTO KOGYO Group into the future. In particular, we're aiming at creating an environment where all employees are able to make the most of their abilities by transcending nationality, sex and gender barriers.



We firmly believe that as they approach their work with sincerity, each and every employee will grow and come to feel that their job is their vocation. Nitto Kogyo also places works of art throughout the workplace, and in doing so hopes to bring a sense of calm to employees through contact with art.

As well as firmly adhering to the passion of our founder and our corporate philosophy, the NITTO KOGYO Group always challenges itself to create new value while maintaining a sound financial constitution and undertaking proactive investment to achieve sustainable growth. In doing so, we hope to meet the expectations of our shareholders, investors, and all other stakeholders. I hope that you will provide further kind understanding and support to us.

COO's Message

In order to deliver reliability and peace of mind for the future of the planet, we will continue to tackle the challenge of creating new value.

President & COO

Toru Kurono

COO's Message

Record net sales and net profit for the fiscal year

Consolidated results for FY2024 saw increased revenue and profit, and net sales and net profit for the fiscal year both reached a record high. In terms of net sales, contributing factors included price revisions and improved project prices in addition to the consolidated effect of Tempearl Industrial, which was newly made a group company, and EM Solutions, which was established in 2023, and net profit for the fiscal year increased significantly thanks to the recording of extraordinary income resulting from the acquisition of subsidiary shares among other factors.

With regard to the business environment that the NITTO KOGYO Group faced in this fiscal year, the number of non-residential buildings constructed was sluggish due to factors including soaring construction costs, the number of residential projects started was at the same level as the previous year, and while facility-related machinery orders have been recovering since the end of the Covid-19, they remained at the level of the previous year. Under this harsh environment, in the first fiscal year of its 2026 Mid-term Management Plan, the NITTO KOGYO Group has worked to increase synergies by enhancing group management while proactively undertaking measures toward expanding business scale.

One particular example of a significant achievement is the smooth start of operations at the Seto Factory — a smart factory that leverages DX. With regard to our mainstay distribution board and enclosure products, we have secured a high level of competitiveness and profitability by reducing costs through mass production of our standard products and ensuring stable quality, and building an integrated production, sales, and service system led by our one-day delivery service under which we deliver products the day after they are ordered. However, the fact that we

therefore had a large volume of work in process and a large inventory was an issue we had to address.

In order to resolve this issue, we realized both improved QCD and reduced inventory by leveraging DX for cabinets that can be customized on the website and introducing a mixed production system that links directly to a customer's order and processes both custom and standard products on a single line. This innovative production system was internally developed through close collaboration between our Production Technology Department and DX Promotion Department. After overcoming initial challenges, we are now able to take the lead in continuously and swiftly implementing further improvements and advancements.

Enhancing group management toward further acceleration of evolution

This fiscal year is the second year of our 2026 Mid-term Management Plan, and we are striving to create both social and economic value by continuously taking on the challenge of generating new value based on the technologies we have cultivated over the years, with the goal of further accelerating our evolution.

We are putting a particular focus on advancing group management. With the addition of the two new companies I mentioned above, the NITTO KOGYO Group has grown to comprise nine domestic companies, including NITTO KOGYO, and four overseas companies. Our business domains have also expanded to include manufacturers, solution-oriented companies that provide design and construction services, and trading companies that engage in global sales and procurement. By strengthening collaboration across the group, we are proactively working to create synergies.



As CEO of NITTO KOGYO, I personally hold monthly discussions with the heads of each group company to discuss business performance, current challenges, and new investments among other topics. We are also undertaking active personnel exchange and project-based initiatives with the participation of group companies.

Last fiscal year, as part of efforts to raise full awareness of the 2026 Mid-Term Management Plan in its first year, I provided onsite explanations not only to the management of each group company but also to employees. Through these initiatives, I aim to increase opportunities for dialogue with employees and proactively incorporate the opinions and issues that arise from these discussions. I believe that nurturing the passion of each and every employee within the group is essential for corporate growth and for generating future synergies.

As we have taken forward our group management, our range of businesses has expanded, enabling us to respond more effectively to customer needs. We are committed

COO's Message



to instilling the principle of putting quality first that we have adhered to since our founding throughout the entire group, ensuring that no matter whether our products are made domestically or overseas, they deliver Made by NITTO KOGYO quality to customers around the world. Going forward, we will also place greater emphasis on environmentally friendly product development across the entire group. Our commitment to protecting the global environment aligns directly with our group mission of providing reliability and peace of mind when it comes to the future of our planet.

Number one in our core businesses, and proactive development of new business

Under the 2026 Mid-term Management Plan, we are implementing measures that have a clear position and direction on the basis of a business portfolio strategy

divided into the categories of priority growth businesses, stable businesses, and future businesses in order to increase the earning power of the group overall through optimized allocation of management resources.

In electrical and telecommunications infrastructure-related businesses and manufacturing, construction, service businesses, we will work to create synergies through cooperation with Tempearl Industrial in the field of distribution boards in order to strengthen this stable core business. In the enclosure business, we aim to ensure we remain the company of first contact for as many customers as possible. We also aim to bolster our information infrastructure business by building a solid foundation through the creation of products and services to meet the demands of a Super Smart Society. And in order to expand our business and technology domains as we work to develop new markets, we are focusing on EMS (energy management systems) that will deliver efficient use of electrical power toward carbon neutrality. As well as developing competitive high-quality, high-added value products, I look forward to seeing the Group further increase its superiority by leveraging the strengths of EM Solutions and providing comprehensive solutions that cover everything from onsite surveys to design, construction, and services. Furthermore, we will also invest resources in expanding sales of products including self-consumption storage battery systems that achieve resource circulation by utilizing reused EV batteries. Since FY2024, we have aimed to contribute to finding solutions for issues in the space industry and in primary industry, and to this end, we have provided the products and technology of the group while undertaking research into efficient energy management.

In the electrical and telecommunications infrastructure-related distribution business, FY2024 saw an increase in network components for IT investments, with the securing of contracts for semiconductor plant construction. In this business, by engaging in global procurement of products and components leveraging the trading company function of SunTelephone and its overseas department, we will work to contribute to the business of the group and to expand business through sales overseas. While the parts-related manufacturing business was impacted by an increased inventory to deal with the lack of semiconductors that occurred after the Covid-19 pandemic, inventory adjustment is proceeding steadily. Appliance-related business is trending toward recovery, and with the technological superiority that we also have in components and solutions for noise suppression, we will focus on this area including overseas expansion.

Forming the foundation of this business expansion is research and development. Over recent years, in light of an increase in electrical fires, we have developed a product called Spark Discharge Detection Device that has the sensitivity to detect weak electrical discharges and delivered these products to important cultural assets, including Kunozaan Toshogu Shrine, Zenkoji Temple, Matsumoto Castle, and Sapporo Clock Tower. In addition, we are engaged in various initiatives such as rust prevention for enclosures, research on new materials, disaster-resilient solutions, and product development for a hydrogen-based society. We are also pursuing ambitious initiatives that will lead to new business, including joint research with universities and investments in university-based startups.

COO's Message

Human resource cultivation and social contribution to create a virtuous cycle

Human resources are the motive force behind this acceleration of evolution. Ever since I was an executive vice president, I have worked on job satisfaction reform, and through the president's newsletter, I continue to regularly disseminate information for employees regarding my own experience and the progress of companywide measures, among other topics. For example, I share stories from my early days as a young developer, such as my past mistakes and how I worked to solve problems and earn customers' trust, and in doing so convey a spirit of taking on challenges without fear of failure. In human resource education, we have introduced things such as specialized training programs such as DX education, which is essential for streamlining, driving production innovation, and developing new businesses, as well as overseas training programs aimed at nurturing globally minded talent. Across the NITTO KOGYO Group, we will continue to advance measures under which employees can take the initiative, expand their potential, and create more opportunities to fulfill their potential.

Another important task is to increase the number of fans of the NITTO KOGYO Group. As an example, many of our customers face serious labor shortages, so by providing solutions that help reduce on-site construction workload, we can create new value in addition to being of service to our customers. In doing so, we aim to help find solutions to the issues society faces and contribute to building a sustainable society.

For our shareholders, both those who have newly joined and those who have held shares for many years, we strive to maintain a sound financial constitution while proactively making advance investments for growth and providing a high level of dividends. We also aim to deepen communication through opportunities such as our integrated report and financial results briefings, building a company that shareholders will continue to support over the long term.

Although the NITTO KOGYO Group plays an important role in the electricity and information infrastructure that society needs and our products are widely used in homes, stores, offices, and other such places, our recognition remains limited as we deal in B2B products. Therefore, we have been steadily engaging in community activities such as sponsoring local government events and hosting electrical workshops for elementary school students in order to raise awareness of the NITTO KOGYO Group among our stakeholders. The fact that these social contribution activities are based on proposals developed autonomously by employees is also a factor that helps create a virtuous cycle. Most recently, to help reduce environmental impact and support employment for people with disabilities, we participated in the City of Nagoya Developmental Disability Awareness Project. In collaboration with a support facility for people with disabilities, we produced original pen cases made by upcycling used uniforms. Although this was our first time undertaking this activity, it provided a valuable opportunity to foster connections with a diverse range of people.



I also fondly use my original pen case.

Focusing on increasing revenue and profit in FY2025

In FY2025, the second year of our 2026 Mid-term Management Plan, the USA's tariff policy and ongoing serious conflicts in Ukraine and the Middle East have cast a large shadow over the future of global politics and economics, leading to concerns that include exchange rate fluctuations and soaring energy prices. While our industry will likely see a chill sweep over corporate capital investment, construction demand, and other such areas alongside cost increases in areas such as logistics, raw materials, and components, by proactively implementing the business strategy set out in the 2026 Mid-term Management Plan and continuing to provide solid value, the NITTO KOGYO Group will ensure an increase in both net sales and ordinary profit in the full-year consolidated results for FY2025.

I hope that you will provide further kind understanding and support to us.