

Value Creation Trajectory

Since our founding in 1948, we have maintained the passion of our founder for the company to create quality products, and have always strived to create finished products that make customers happy while aiming to put quality first and provide customer satisfaction.

Growth

NITTO KOGYO CORPORATION has always supported electrical and information infrastructure in a variety of contexts through the development and proposal of electrical equipment and machines such as standard distribution and control boards, steel enclosures, and system racks.

Stability

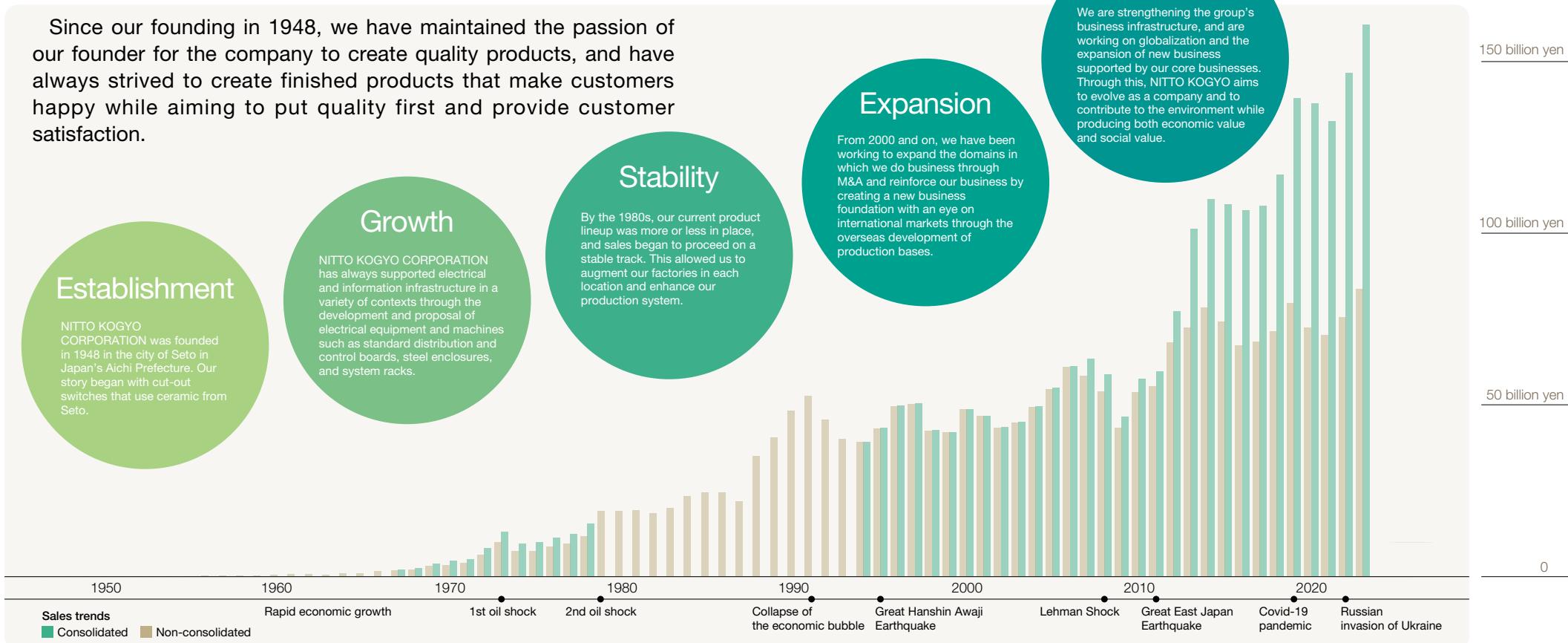
By the 1980s, our current product lineup was more or less in place, and sales began to proceed on a stable track. This allowed us to augment our factories in each location and enhance our production system.

Expansion

From 2000 and on, we have been working to expand the domains in which we do business through M&A and reinforce our business by creating a new business foundation with an eye on international markets through the overseas development of production bases.

Reform

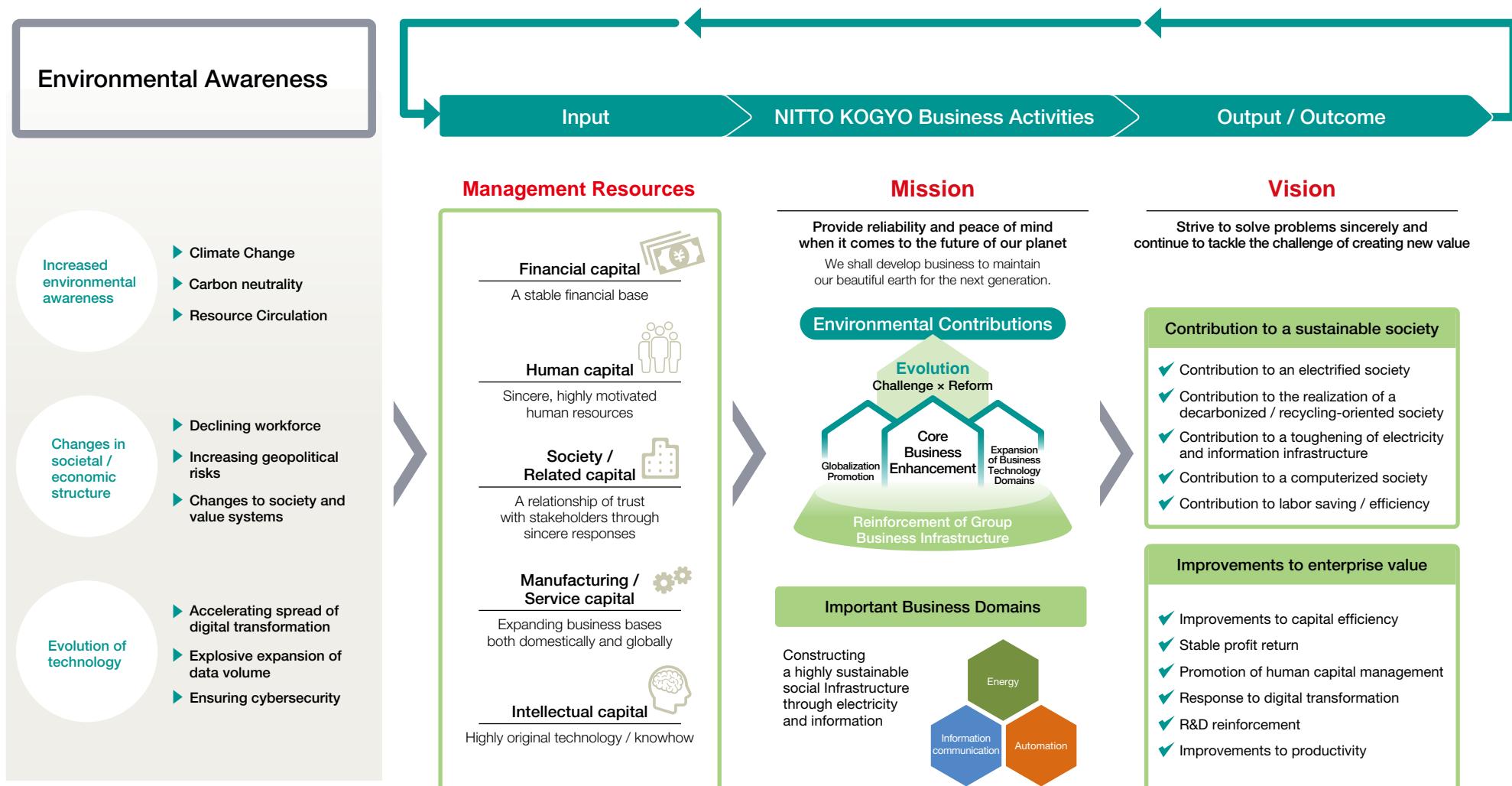
We are strengthening the group's business infrastructure, and are working on globalization and the expansion of new business supported by our core businesses. Through this, NITTO KOGYO aims to evolve as a company and to contribute to the environment while producing both economic value and social value.



1948	1951	1963	1966	1967	1969	1975	1980	1996	2009	2013	2019	2020	2023	2024
Sales of cut-out switches commenced	Sales of covered knife switches commenced	Sales of standard panel boards, control panel boards, and home panel boards commenced	Sales of enclosed panel-board-type high-voltage power receiving equipment commenced	Sales of steel enclosures commenced	Sales of plastic enclosures commenced	Sales of safety breakers commenced	Sales of system rack commenced	Sales of optical junction boxes commenced	General charger for EV/PHEV jointly developed with Toyota Industries Corporation	SunTelephone Co., Ltd. acquired as a subsidiary	KITAGAWA INDUSTRIES Co., Ltd. acquired as a subsidiary	Sales of Phone Booth commenced	Sales of self-consumption storage battery systems commenced	Tempearl Industrial Co., Ltd. acquired as a subsidiary

The Value Creation Process

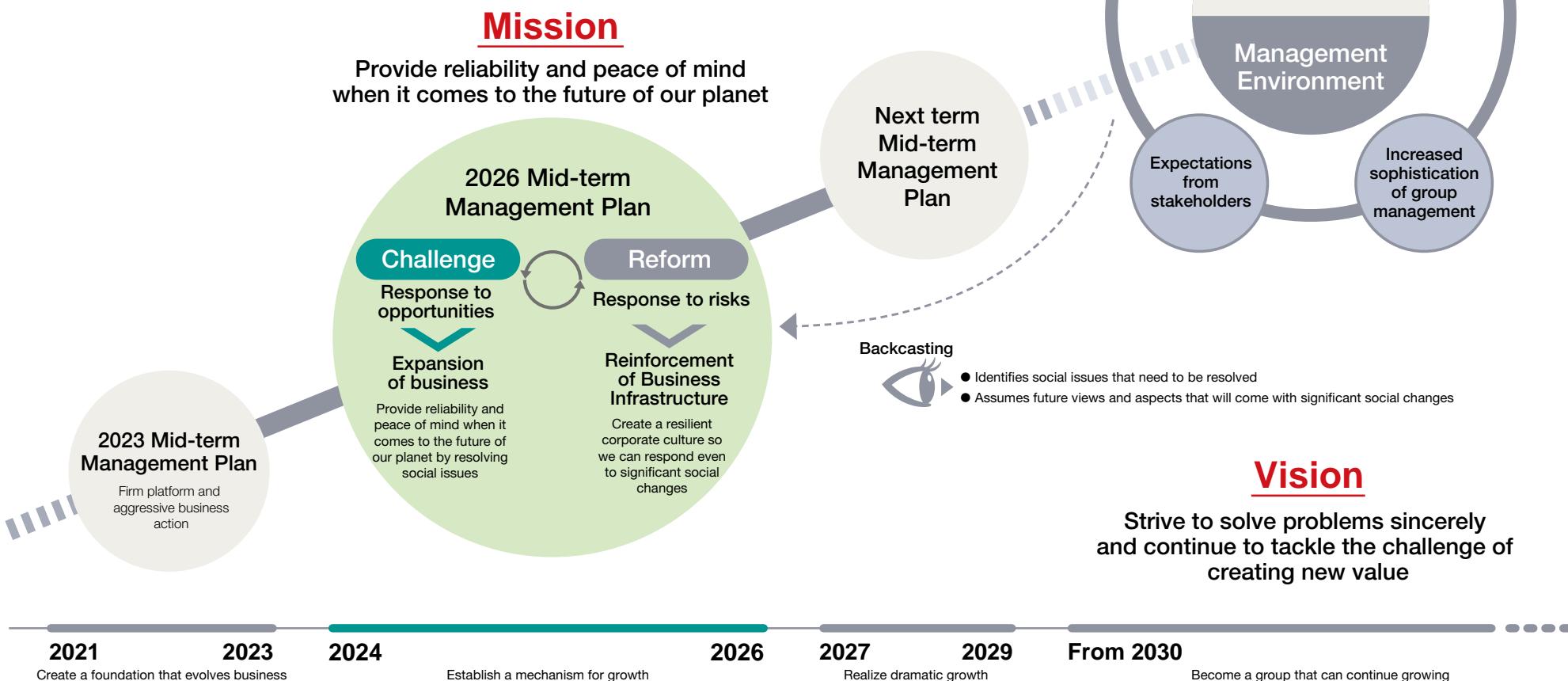
This illustration depicts the NITTO KOGYO GROUP value creation process. Environmental awareness, on the left, is our starting point. By thinking about social issues first and working to solve them, we believe that we can increase our sustainability by improving enterprise value via balancing both social value and economic value.



Long-term Growth Story

Having set out its mission as providing reliability and peace of mind when it comes to the future of our planet, and its vision as striving to solve problems sincerely and continue to tackle the challenge of creating new value, the NITTO KOGYO Group pursues sustainable growth. Based on the approach of backcasting from the future, we are steadily implementing our Mid-term Management Plan, and working to expand the scale of our business while enhancing our business infrastructure. Through our electrical and telecommunications infrastructure-related manufacturing, construction and service business, our electrical and telecommunications infrastructure-related distribution business, and our electronic parts-related manufacturing business, we contribute to the resolution of issues faced by society and create opportunities for new growth.

The Seto Factory, which commenced operations in April 2024, fuses renewable energy with advanced automation, and forms a growth model that achieves both environmental friendliness and efficiency with successes such as a roughly 50% higher production capacity. We will accelerate our global expansion and contribute to building infrastructure in countries around the world. Based on the notion that human resources are the foundation of business development, we provide support for employee development and a wide range of working styles, and encourage sustainable corporate growth. The NITTO KOGYO Group pursues both economic and social value, and will continue to grow.

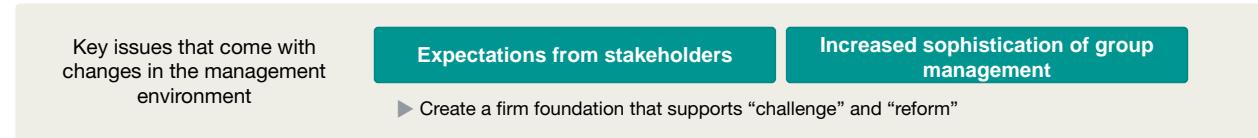
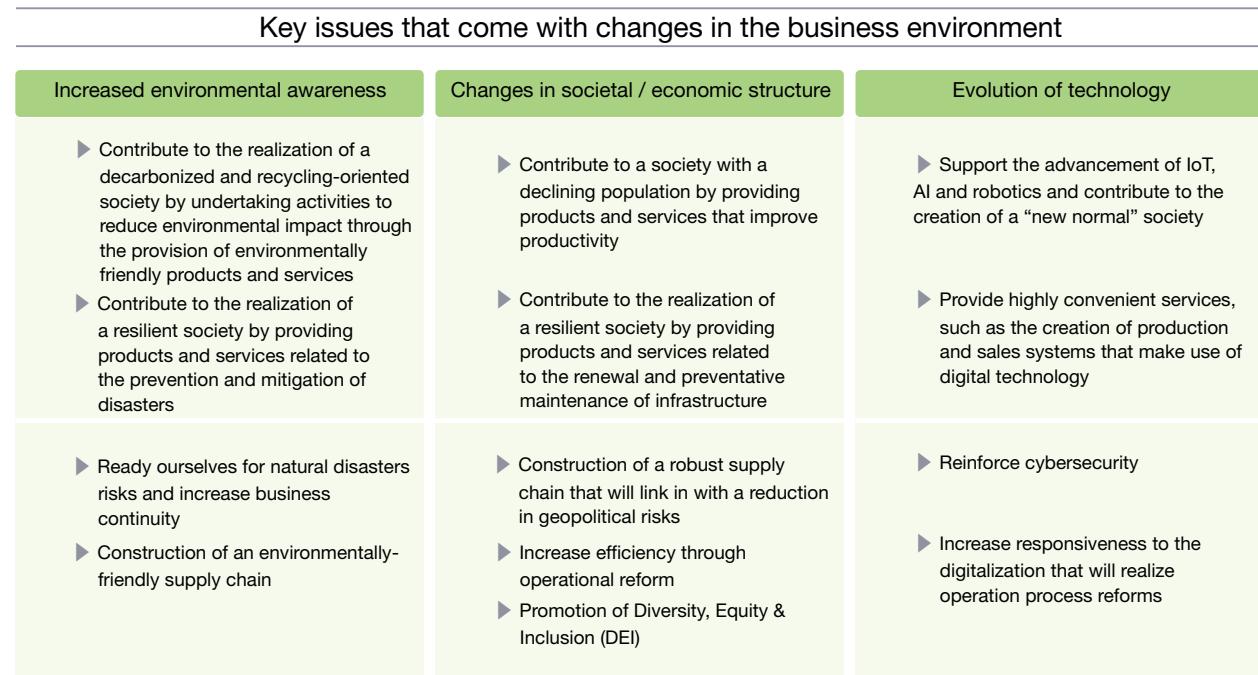


Material issues

Aiming to realize a sustainable society and enhance corporate value, we view environmental change as an opportunity for challenge and transformation. The initiatives outlined below support both business expansion and continuity, meeting stakeholder expectations while forming a foundation for making group management more advanced.

Our initiatives to address key material issues are closely linked to our businesses and shape the future. In response to growing environmental awareness, we are contributing to a decarbonized and recycling-oriented society by strengthening our lineup of renewable energy-related products and operating smart factories that achieve both business growth and environmental contribution. In response to social and economic changes, NITTO KOGYO is addressing the challenge of a declining labor force by providing products and services that increase productivity, while supporting the creation of a resilient society through products and services related to infrastructure development and preventive maintenance. In response to evolution in technology, we are promoting DX to increase operational efficiency and value creation through systemization, while reinforcing cybersecurity to ensure trust and reliability.

By earnestly confronting these issues and continually going through a process of challenge and transformation, the NITTO KOGYO Group will continue to evolve and create a better future as a corporate group that contributes to society.



Our Value Creation Story

The NITTO KOGYO Group's challenge to open a way into the future

The NITTO KOGYO Group goes beyond simply supplying products; we are sincerely committed to the future of our planet and the sustainability of society, and continually take on the challenge of creating new value.

Our value creation process always begins with addressing the fundamental issues facing society. And by solving these challenges, we aim to maximize both economic value and social value, thereby firming up our sustainability as a company.

This unique process begins with the business environment we operate in and the management environment that supports it, as illustrated below.

Business Environment

The environment we need to be aware of as we develop business to contribute to the realization of a sustainable society

Increased environmental awareness

- Response to carbon neutrality
Development of energy shifting / mobility electrification
Resource utilization / Circular economy
- Intensification of natural disasters
- Increased water security awareness

Changes in societal / economic structure

- Declining workforce, declining birthrate and aging population
- Degradation of cities
- Increasing geopolitical risks
- Changes to society and people's value systems



Management Environment

The environment we need to be aware of to continually meet our stakeholder's expectations as a responsible company

Expectations from stakeholders

- Management with an awareness of capital efficiency
- Adequate allocation of financing [growth investments / shareholder returns]
- Requests for disclosure of nonfinancial information
- Advanced governance structure

Realization of a sustainable society

Management that plans for sustainable business growth while giving consideration to sustainability of the environment, society and the economy is essential

Business Environment

Management Environment

Responsibility as a company listed in the Prime Market section of the Tokyo Stock Exchange

Globally, we have become an investment target for many institutional investors, and strong governance, continual growth and improvements to enterprise value are required

Evolution of technology

- Explosive expansion of data volume
- Rapid expansion of utilization of digital technology
- Rapid evolution of AI / IoT
- Advancement of electrification, electronification and automation
- Increase in cyber security risks

Increased sophistication of group management

- Creation of synergy
- Rapid investment decisions for growing businesses
- Increase the sophistication of business portfolio management
- Improve risk management level