



NITTO KOGYO GROUP Integrated Report



Integrated Report 2025

## Group Mission / Vision

In our 2026 Mid-term Management Plan, we reformulated our mission and vision as a group.

We're sharing this new mission / vision with the entire group, holding dear the two values that are reliability and peace of mind in this difficult to predict and highly uncertain environment and working to continually resolve societal issues.

### ●Mission

We are continuing to make contributions to stakeholders, such as our customers, business partners, employees, shareholders, investors, and local communities, not just domestically, but also globally.

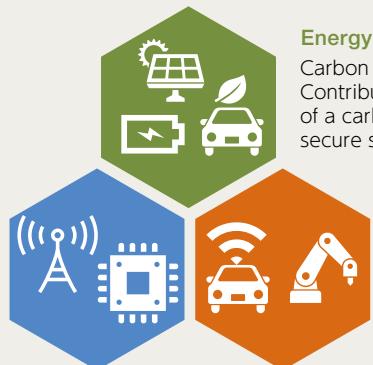
Currently, the environment is one where the future is difficult to predict and uncertainty is rising. Our mission is to continue to hold on to reliability and peace of mind, the two values that will allow us to resolve societal issues even amid that sort of environment, and develop business to maintain our beautiful earth for the next generation.

### Mission

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

#### Important NITTO KOGYO Group Business Domains

Constructing a highly sustainable social infrastructure through electricity and information



**Information Communication**  
Contributions to the creation of an infrastructure that supports a digital society and digital transformation

We shall develop business to maintain our beautiful earth for the next generation

### ●Vision

Our desired state is not one in which we simply focus on issues that are currently surfacing, but one in which the NITTO KOGYO Group also ascertains latent societal issues, and works faithfully to take on the challenge of solving even difficult problems without being afraid of failure. Always continuing to take on the challenges of creating new value while expanding the role we play in society.

### Vision

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

#### The Goals of the NITTO KOGYO Group

To not simply focus on issues that are currently surfacing, but to also ascertain latent societal issues, and take on the challenge of solving even difficult problems

#### Important social issues we should deal with that will link into new value creation

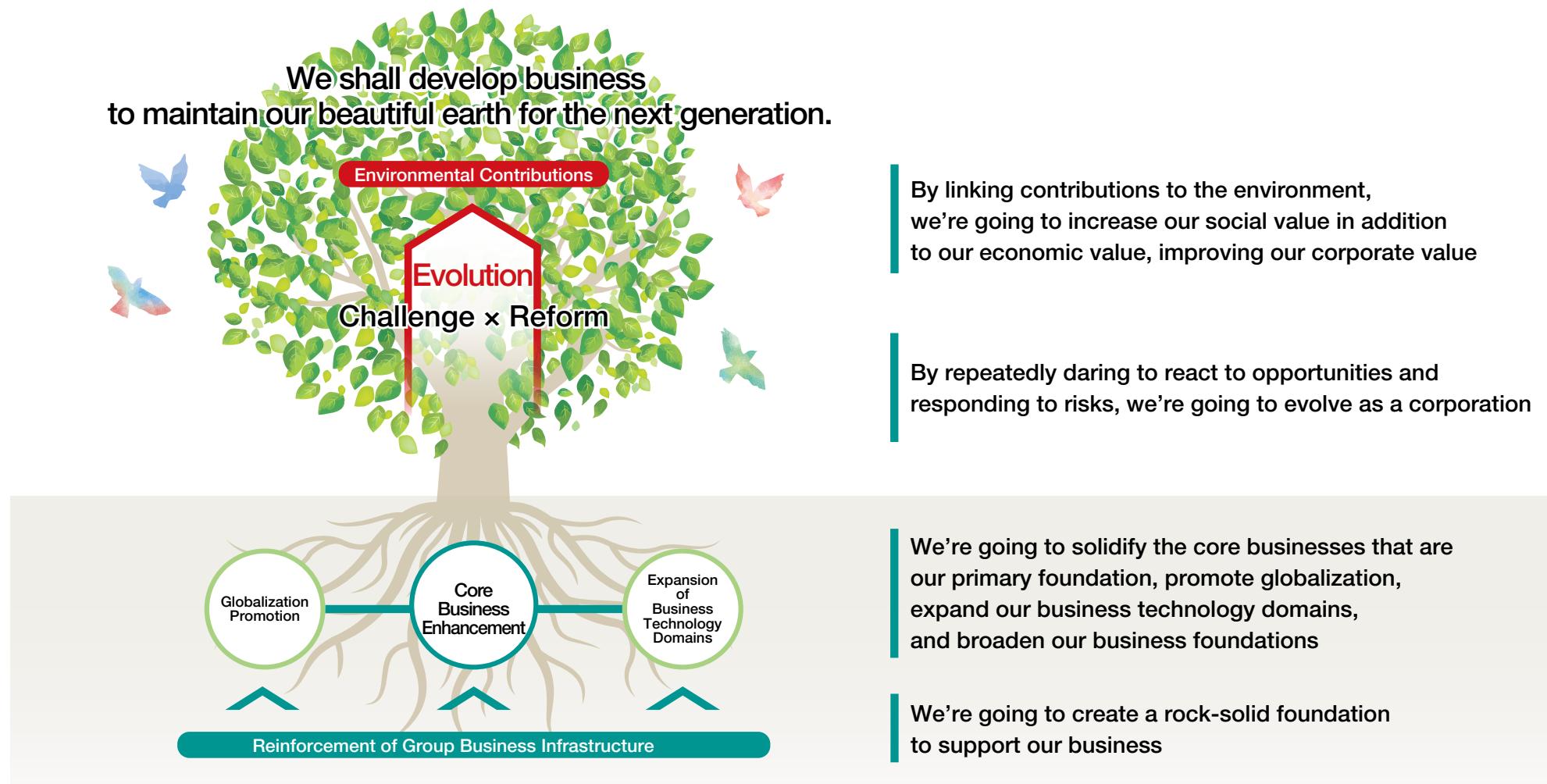


To broaden the role we play in the realization of a sustainable society

## Basic Group Strategy

The direction of our growth starts with the enhancement of our core business, which will solidify the primary foundation of the NITTO KOGYO Group. From there, we can work to broaden our business foundations by promoting globalization and expanding our business technology domains. Through repeatedly taking on challenges and enacting reform, we're aiming to make contributions to the environment. Our focus isn't simply on increasing economic value, but also in increasing our social and enterprise value.

While the NITTO KOGYO group has made contributions to society by maintaining electricity/information-related infrastructures, we're also going to contribute to protecting the environment.



# The Unique Features and Strengths of the NITTO KOGYO Group

## ● Wide range of business domains

Having a wide range of business domains enables the NITTO KOGYO Group not only to handle societal changes while meeting diverse customer needs, it also enables us to distribute risk while aiming for sustainable growth.

Our business domains go beyond electrical and telecommunications infrastructure-related manufacturing, construction, and services to include domains such as distribution and the manufacturing of electronic components. Each of these domains not only functions independently but also bolsters the business foundation for the group as a whole by creating synergies through inter-domain collaboration.

### A broad spectrum of customers



We meet diverse customer needs not only in the electricity and electronics industries, but also industries including telecommunications, automobiles, rail, public infrastructure, energy, and industrial devices

### A diverse range of products and services



We fuse the wealth of technological know-how possessed by the group to offer a diverse range of products — including standard products and customized products — and services to meet a wide variety of customer needs

### Global expansion



In addition to Japan, we also have overseas manufacturing, sales, and technology service bases, mainly in China, Singapore, Thailand, and other Asian countries, to meet customer needs worldwide

### Responding to technological innovation



We focus on keeping up with changes in society through the development of products and services in areas including electric vehicles, renewable energy, and ICT

## ● Pursuing customer satisfaction

The NITTO KOGYO Group does not just manufacture products; it leverages its wealth of test data and advanced evaluation technology to maintain a steadfast focus on customer satisfaction. And this delivers quality and reliability in our products as well as enabling us to flexibly meet customer demands.

We build long-term partnerships by gaining the trust of our customers, with whom we aim to grow alongside.

### A thorough quality assurance system



In order to guarantee the quality of our products, we implement a variety of tests and undertake thorough verification to enable these goods to offer a high level of performance across many different fields. The results of these are then fed back to improve product design and achieve high-quality product development

### Performance improvement through advanced evaluation technology



Leveraging the latest testing equipment and advanced evaluation technology, we undertake R&D to extract the maximum performance from finished goods in a range of environments

### Flexibly responding to customer needs



In order to meet a wide range of customer needs, we leverage advanced technology and cutting-edge production equipment to provide solutions and powerful support for product development by our customers

### Ongoing technological innovation



By utilizing technological innovation that leverages verification and evaluation technology to analyze accumulated data and discover and resolve new issues, we always offer cutting-edge products

# Contents / Editorial Policy

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### Editorial Policy

This report is published so that all stakeholders, including shareholders and investors, better understand the medium to long-term initiatives aimed at improving enterprise value. It introduces, with a focus on information related to improvements to enterprise value, the basic values of the NITTO KOGYO Group, our journey, how we create value in the medium to long-term and our initiatives towards sustainability.

Additionally, information not included in this report will be listed on our website, so please check both.

Our website: <https://www.nito.co.jp/>

### Period

FY2024 (April 1, 2024 to March 31, 2025)

\* A portion will be related to activities that took place during other periods.

### Published Information

Published October 2025

### Range

Entire group, including NITTO KOGYO CORPORATION and group companies.

### Cautionary statement concerning forward-looking statements

Descriptions related to future forecasts, like the plans, estimates and strategies, in this report were based on fixed prerequisites that were determined to be rational at the time of disclosure. Actual results are determined by a variety of factors, and they may differ greatly from that in the estimates.

## 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.

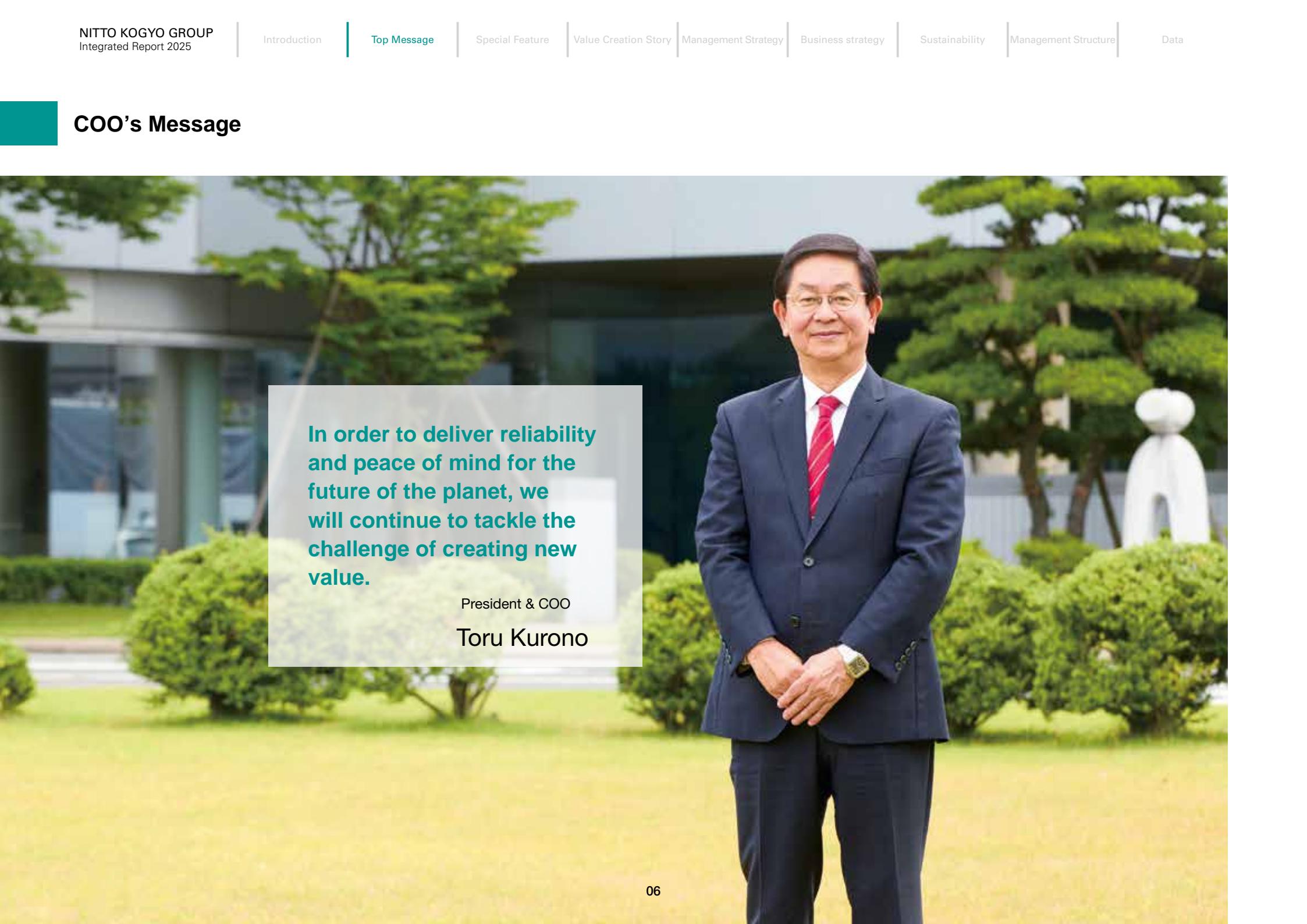
Another significant theme for us is developing the human resources who will lead the NITTO KOGYO Group into the future. In particular, we're aiming at creating an environment where all employees are able to make the most of their abilities by transcending nationality, sex and gender barriers.



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 Kunozan 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.

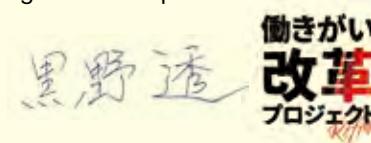
# Job Satisfaction Reform Initiatives

## What is job satisfaction reform?

Job satisfaction reform is a NITTO KOGYO project that was first proposed in 2019. Carrying on our founder's ideal that employees should be considered family, and the workplace of family should make working pleasant, this project aims to increase the number of employees who feel glad to work for NITTO KOGYO.

Through employee awareness surveys and project activities we are aiming to increase employee satisfaction and to build an environment that fosters a feeling of pride in the company, and are engaged in a wide range of initiatives with goals including achieving work-life balance and building relationships that enable frank and honest communication.

Furthermore, from FY2025, we have established a dedicated section called the Job Satisfaction Reform Promotion Office to accelerate this initiative.

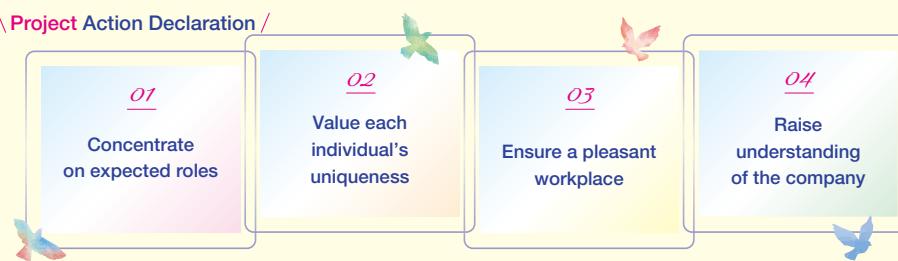


## President's ideals and action declaration

NITTO KOGYO is undertaking job satisfaction reforms with the aim of having each individual employee feel affection toward the company and building a vibrant workplace. These reforms target comfort at work and job satisfaction, and aim to build an open environment that is always enjoyable to work in.

We will come together as one company and work to become a company that employees are genuinely pleased to work for.

### \ Project Action Declaration /



## Examples of specific initiatives

### (1) Uniform overhaul project

With a desire to brighten up the workplace, we designed a new uniform with employee participation as part of the job satisfaction reform project.

With the concept of creating a uniform that will be loved by everyone, the uniform was conceptualized in the hope that it would be loved not only by employees but also their families and the local community. Prioritizing safety and a feeling of cleanliness, the uniform also offers functionality and was decided on through a vote among employees, meaning it is full of their wishes.



### (2) Manufacturing experience

Children with intellectual disabilities often have limited opportunities to engage with society and face challenges in choosing their future paths after graduating from special needs schools. Furthermore, understanding and awareness of disabilities are not widespread within society.

In light of this situation, NITTO KOGYO organized an exchange program at a special needs school in Seto City, Aichi Prefecture. Through hands-on manufacturing activities, we aimed to provide students with opportunities to interact with others and explore their own potential, while also deepening our employees' understanding of disabilities.

### (3) Electricity workshop

Every summer vacation, NITTO KOGYO hosts a workshop of electricity for older elementary school students. Through experiments and working with their hands, the workshop aims to give children an opportunity to experience the fun of how electricity works and nurture their curiosity about the future.

In addition, instructors and staff are recruited in-house, thus providing employees with opportunities to take an active role in social contribution. We will continue this initiative to support both the development of local communities and the healthy growth of children.



# Health Management Initiatives

## Health N Walk: A walking event to promote better employee health and nurture communication

In order to support the mental and physical health of its employees, the NITTO KOGYO Group has come up with a range of health-building activities.

Among these, Health N Walk is a walking event that aims to stimulate workplace communication by nurturing exercise habits through activities that employees can easily undertake utilizing a smartphone app.

### ● Overview of activity

Health N Walk aims to create opportunities for everyone who works at NITTO KOGYO to easily and enjoyably take up exercise.

The smartphone app has two parts: an individual challenge where the number of steps taken by the individual is recorded, and a team competition where teams work together toward a goal. The aim of this is to stimulate communication between employees through daily walking.

In the individual challenge, food hampers and other prizes are given in accordance with the number of steps taken in the period, and in the team competition, funds are provided for activities in order to deepen the feeling of fellowship between participating teams, and events including social gatherings are also held.

### ● Implementation record

#### • 1st event (November 20 to December 3, 2023)

More than 700 individual participants, and 72 teams in the team competition.

#### • 2nd event (November 1 to November 14, 2024)

Group companies also participated in the second event, making it a large-scale event with a total of more than 1,700 participants.

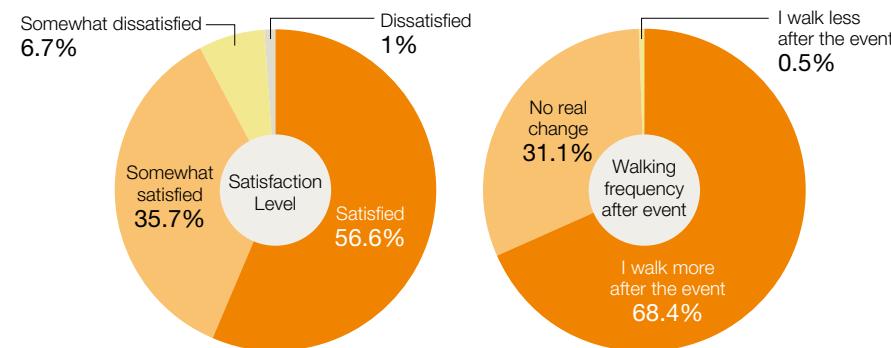
A team of executives also participated in the team competition, and a total of 185 teams fought fiercely.

### ● Reaction from participants

In the FY2023 Health N Walk, 90.5% of participants responded that they were satisfied or somewhat satisfied, with 92.3% of participants giving the same responses in FY2024, indicating the consistently high level of satisfaction offered by this event.

Furthermore, 68.4% of participants in the FY2024 Health N Walk event responded that they now walked more than prior to the event, indicating the positive impact that it had on exercise habits.

Questionnaire Result



I found out how little I used to walk, and I now make an effort to walk more.



I had fun walking with colleagues at lunchtime.



I'm looking forward to the prize.♡



I felt I slept better by making an effort to walk.