



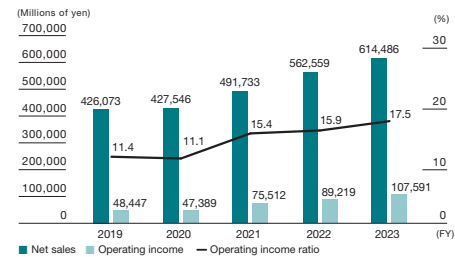
04 Company Information and Data

Financial Results Highlights for the Past 11 Years

| J-GAAP | | | | | | | IFRS | | | | | |
|---|------|----------|----------|----------|----------|----------|----------|-------------------|----------|----------|----------|----------|
| | (FY) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | (Millions of yen) | | | | |
| | | 2019 | 2020 | 2021 | 2022 | 2023 | | | | | | |
| Revenue | | 329,758 | 347,636 | 383,272 | 372,919 | 409,912 | 425,013 | 426,073 | 427,546 | 491,733 | 562,559 | 614,486 |
| Operating income (loss) | | 51,661 | 62,196 | 66,284 | 53,595 | 67,279 | 58,385 | 48,447 | 47,389 | 75,512 | 89,219 | 107,591 |
| Ordinary income (loss) | | 54,960 | 67,907 | 64,483 | 55,559 | 69,094 | 59,258 | — | — | — | — | — |
| Profit (loss) attributable to owners of the parent | | 32,704 | 36,753 | 30,815 | 25,602 | 44,335 | 42,638 | 33,698 | 38,367 | 60,200 | 66,293 | 82,646 |
| Capital expenditures | | 41,034 | 36,372 | 45,339 | 36,328 | 37,591 | 56,587 | 51,004 | 33,444 | 29,589 | 31,335 | 41,173 |
| Depreciation | | 11,567 | 13,337 | 16,834 | 19,601 | 20,920 | 23,979 | 31,952 | 34,700 | 37,940 | 39,194 | 39,814 |
| R&D expense | | 19,400 | 21,337 | 23,123 | 23,416 | 25,283 | 28,072 | 28,315 | 26,115 | 23,685 | 27,887 | 27,848 |
| Cash flows from operating activities | | 54,697 | 36,593 | 56,465 | 49,764 | 65,707 | 43,704 | 59,787 | 63,397 | 71,910 | 69,305 | 118,179 |
| Cash flows from investing activities | | (61,148) | (12,865) | (82,331) | (53,410) | (26,422) | (48,380) | (52,926) | (42,523) | 10,234 | (37,375) | (92,157) |
| Free cash flow | | 3,541 | 13,995 | (25,866) | 6,335 | 29,636 | (21,356) | 4,627 | 41,398 | 69,713 | 34,382 | 33,364 |
| Dividend payout | | 5,223 | 7,181 | 8,487 | 9,055 | 10,823 | 14,601 | 14,435 | 12,230 | 20,792 | 33,839 | 33,068 |
| Total equity | | 302,793 | 343,380 | 341,044 | 354,710 | 388,115 | 401,505 | 399,737 | 451,626 | 517,988 | 563,739 | 638,300 |
| Total assets | | 458,148 | 485,497 | 526,103 | 563,801 | 599,972 | 629,417 | 663,374 | 771,293 | 823,181 | 903,102 | 975,719 |
| Interest bearing debt | | 57,339 | 46,153 | 80,212 | 99,275 | 98,115 | 110,755 | 152,946 | 197,194 | 165,268 | 198,222 | 190,840 |
| | | | | | | | (Yen) | | | | | |
| Earnings (losses) per share | | 150.26 | 168.88 | 141.60 | 119.44 | 209.37 | 204.74 | 163.06 | 188.59 | 296.04 | 326.09 | 409.47 |
| Equity attributable to owners of the parent per share | | 1,381.38 | 1,566.80 | 1,557.16 | 1,660.06 | 1,837.46 | 1,917.04 | 1,946.10 | 2,206.18 | 2,530.01 | 2,772.61 | 3,181.33 |
| Cash dividends per share | | 28.00 | 36.00 | 42.00 | 42.00 | 60.00 | 70.00 | 70.00 | 60.00 | 102.00 | 166.00 | 164.00 |
| | | | | | | | | | | | | |
| Operating income ratio (%) | | 15.7 | 17.9 | 17.3 | 14.4 | 16.4 | 13.7 | 11.4 | 11.1 | 15.4 | 15.9 | 17.5 |
| Return on sales revenue (%) | | 9.9 | 10.6 | 8.0 | 6.9 | 10.8 | 10.0 | 7.9 | 9.0 | 12.2 | 11.8 | 13.4 |
| Gross profit on sales (%) | | 32.6 | 35.8 | 35.6 | 33.0 | 34.6 | 33.8 | 31.4 | 30.5 | 31.8 | 35.2 | 36.8 |
| ROE (Return on equity) (%) | | 11.5 | 11.4 | 9.1 | 7.4 | 12.0 | 10.9 | 8.4 | 9.1 | 12.5 | 12.3 | 13.8 |
| ROA (Return on assets) (%) | | 7.9 | 7.8 | 6.1 | 4.7 | 7.6 | 6.8 | 5.1 | 5.0 | 7.3 | 7.3 | 8.5 |
| ROIC (Return on invested capital) (%) | | 11.0 | 11.6 | 11.4 | 8.5 | 10.0 | 8.2 | 6.3 | 5.5 | 7.9 | 8.6 | 9.5 |
| Equity ratio (%) | | 65.6 | 70.2 | 64.4 | 62.5 | 64.3 | 63.4 | 59.7 | 58.2 | 62.5 | 62.4 | 65.4 |
| Total asset turnover (%) | | 0.8 | 0.7 | 0.8 | 0.7 | 0.7 | 0.7 | 0.8 | 0.6 | 0.6 | 0.6 | 0.65 |
| Dividend payout ratio (%) | | 18.6 | 21.3 | 29.7 | 35.2 | 28.7 | 34.2 | 42.9 | 31.8 | 34.5 | 50.9 | 40.1 |

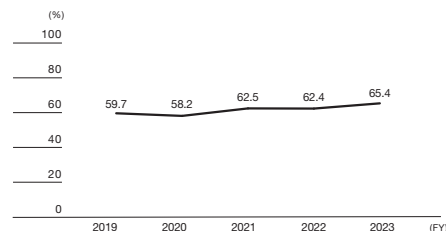
Financial Highlights

Net sales / Operating income / Operating income ratio



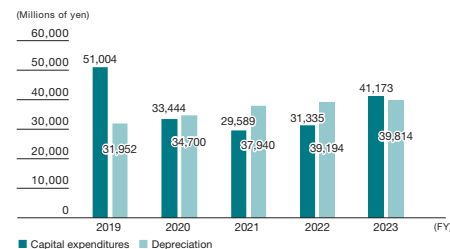
In the automotive business, sales volume remained at the previous year's level due to the recovery of automobile production following the end of the COVID-19 pandemic and the easing of the semiconductor supply shortage. However, sales revenue increased due to the implementation of price shifting. On the other hand, semiconductor-related businesses have been affected by a weakening demand due to the sluggish market conditions. In terms of profit, both revenue and operating income reached record highs due to the continued depreciation of the yen.

Equity ratio attributable to owners of the parent



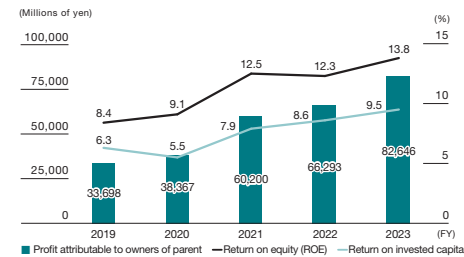
While we increased returns to shareholders through dividends and share repurchases, the increase in retained earnings backed by the solid performance and the impact of foreign exchange resulted in a 3.0% increase in the equity ratio attributable to owners of the parent.

Capital expenditures / Depreciation



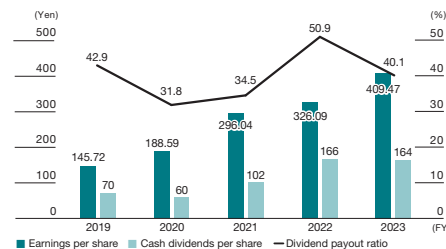
In the automotive business, we are investing mainly in upgrading existing facilities and improving production efficiency. We also continue to invest in the non-ICE business for mid- to long-term growth.

Profit attributable to owners of parent / Return on equity (ROE)/Return on invested capital (ROIC)



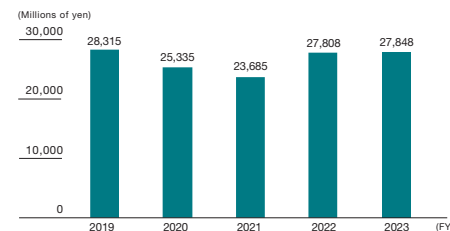
ROE increased by 1.5% year-on-year and ROIC increased by 0.9% year-on-year, achieving the Medium-term Management Plan target one year ahead of schedule. This was due to the recovery from the COVID-19 pandemic, which helped reduce inventories by eliminating excess inventory and strategic stockpiles. Strong performance in automotive-related businesses and a weakening yen also contributed.

Earnings per share / Cash dividends per share / Dividend payout ratio



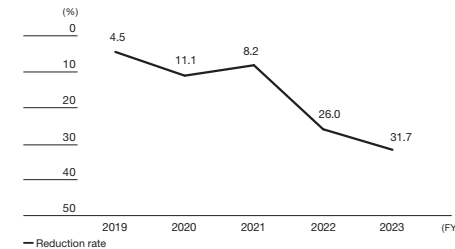
Our basic policy stipulates a 40% dividend payout ratio, as set forth in the Medium-term Management Plan. Portions of capital exceeding appropriate capital levels are subject to shareholder return, including through share repurchases. As a result, the annual dividend for FY2023 was 164 yen.

R&D expense



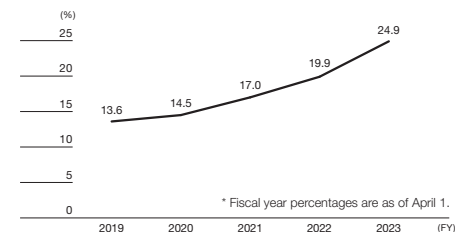
The Company allocates approximately 5-6% of revenues to research and development expenses. This percentage reached 4.5% in FY2023.

Non-financial Highlights

CO₂ emissions reduction rate

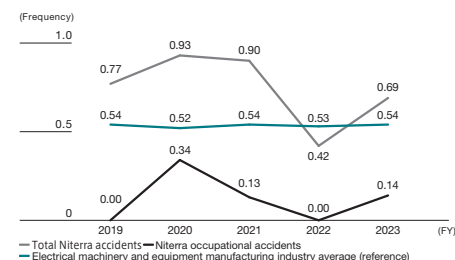
As a priority issue, we aim to reduce CO₂ emissions by 30% compared with FY2018 levels by FY2030. Progress in energy conservation and other CO₂ reduction measures is going as planned. Emission in FY2023 met the target for FY2030 through energy conservation activities, solar power generation, the use of CO₂-free electricity, and other efforts.

Percentage of female / foreign-national / mid-career employees in managerial posts (non-consolidated)



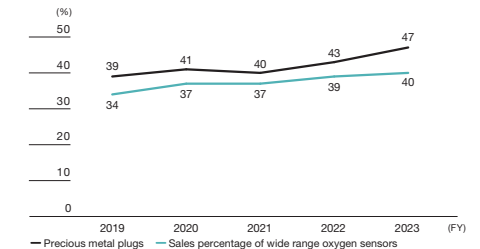
One of our priority issues is to increase the percentage of women, foreigners and mid-career hires in management positions to 25%. The percentage increased to 24.9% in FY2023 because of awareness activities for female management candidates and the recruitment of industry-ready employees.

Frequency of occupational accidents (non-consolidated)



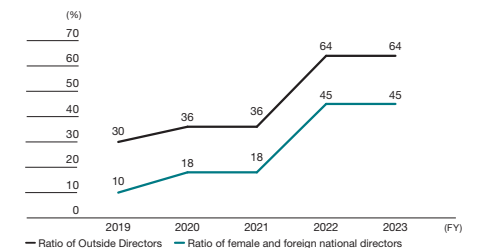
In FY2023, the Company experienced five occupational accidents (compared to three in the previous fiscal year), with an overall frequency rate of 0.69 (compared to 0.42 in the previous fiscal year). Some accidents occurred while adjusting equipment, and others during non-routine work.

Sales percentage of environmentally friendly products



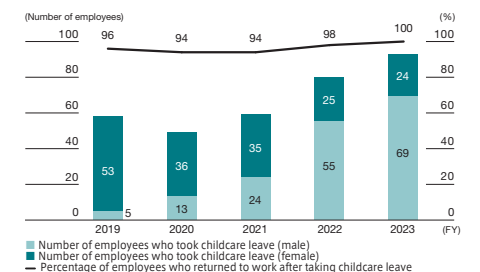
As a priority issue, we aim to increase the sales ratio of precious metal plugs and wide-range oxygen sensors by over 50%. These products are part of our environmentally friendly Nittoku Green Products. Sales ratios are increasing towards this target.

Ratio of Outside Directors / Ratio of female and foreign national directors



As a priority issue, we aim to increase the ratio of outside directors to more than one-third of all directors by FY2030. In addition, we aim to increase the ratio of female and foreign national directors to more than 30%. Since FY2022, both the percentage of outside directors and the percentage of female and foreign directors have been maintained at target levels.

Number of employees who took childcare leave / Percentage of employees who returned to work after taking childcare leave (non-consolidated)



More male employees take childcare leave while their return-to-work rate after childcare leave remains high.

Corporate data (As of March 31, 2024)

Nitterra Co., Ltd.

Headquarters 1-1-1 Higashisakura, Higashi-ku, Nagoya 461-0005,
Japan URBANET NAGOYA NEXTA Bldg.

Established October 1936

Number of employees Non-consolidated: 3,622
Consolidated: 15,980

Number of shares and shareholders (As of March 31, 2024)

Paid-in capital 47,869 million yen

Total number of authorized shares 390,000,000

Total number of issued shares 204,175,320

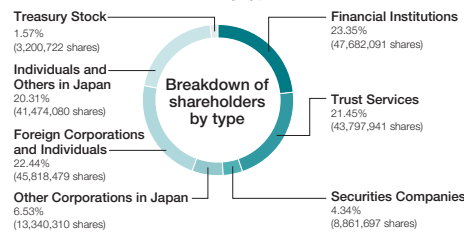
Listed markets Tokyo Stock Exchange (Prime Market)
Nagoya Stock Exchange (Premier Market)

Shareholder registry administrator Mitsubishi UFJ Trust and Banking Corporation

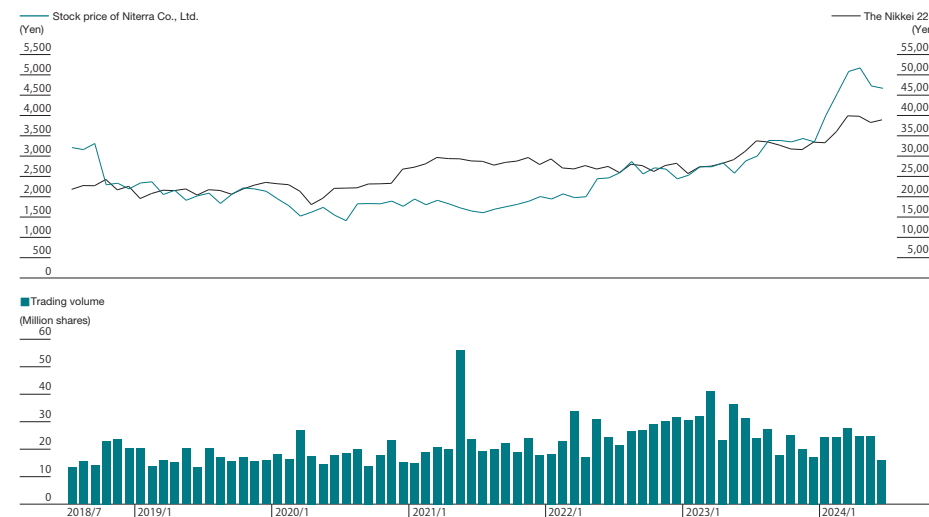
Accounting auditor KPMG AZSA LLC

Number of shareholders 116,458

Breakdown of shareholders by type (As of March 31, 2024)



Stock price and trading volume (as of June 30, 2024)



Note: Trading volume above does not include data for trading via the ToSTNet system.

Major shareholders (As of March 31, 2024)

| Name of shareholder | Number of shares held (thousand) | Ownership ratio (%) |
|--|----------------------------------|---------------------|
| The Master Trust Bank of Japan, Ltd. (trust account) | 27,805 | 13.83 |
| Meiji Yasuda Life Insurance Company | 16,794 | 8.35 |
| The Dai-ichi Life Insurance Company, Limited | 16,752 | 8.33 |
| Custody Bank of Japan, Ltd. (trust account) | 11,526 | 5.73 |
| National Mutual Insurance Federation of Agriculture Cooperatives | 4,859 | 2.41 |
| JP MORGAN CHASE BANK 385632 | 3,936 | 1.95 |
| Nippon Life Insurance Company | 3,563 | 1.77 |
| JPMorgan Securities Japan Co., Ltd. | 3,250 | 1.61 |
| TOTO Ltd. | 3,095 | 1.54 |
| NTK Business Partners Shareholdings Association | 2,755 | 1.37 |

Note: Ownership ratio above is calculated excluding treasury stock.

Initiatives



- JAPAN CLIMATE INITIATIVE (JCI)
- GX League
- Eco-First Promotion Council

Major Awards and Certifications



For other awards, evaluations, and past track record, please visit our website.

<https://ngkntk.disclosure.site/en/themes/190/>

Corporate Evaluation of ESG Investment



2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



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Editorial Note

Thank you for taking the time to read our Nitterra Report 2024. As a Group, we have been working to increase corporate value in line with our aspiration to become "a company that brightens the Earth." This aspiration is reflected in our English corporate name, "Nitterra," which we adopted in FY2023.

In the Nitterra Report 2024, we aim to convey our value creation story through the Group's sustainability management in an accessible way and to showcase the Group's efforts to achieve both social and economic value. We hope that this Report will help to further deepen your understanding and trust in our Group. We will continue to disclose information in a timely and appropriate manner and actively communicate with you. We ask for your continued support. Finally, we would like to express our deepest gratitude to all those who contributed to the preparation of this Report.

Toru Matsui

Representative Director, Member of the Board, Executive Vice President
Administrative Office of Nitterra Report 2024 Project

Contact us: <https://www.ngkntk.co.jp/english/contact/>