

To whom it may concern

Company name: NITTO KOHKI CO., LTD.
Representative: Akinobu Ogata, Representative Director, President CEO
(Code No. 6151 Tokyo Stock Exchange Prime)
Inquiry: Kenji Mori, Director, Senior Managing Executive Officer,
Chief Administrative Officer
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Notice of Restructuring of Production and Supply Systems Associated with Plans to Acquire Site and Construct New Plant

NITTO KOHKI CO., LTD. announced two resolutions of the Board of Directors at its meeting of November 29, 2022. The first resolution was to acquire a site for a new plant at the Fukushima Ozaso Interchange Industrial Park (Fukushima-shi, Fukushima), and the second was to construct and then open a new plant on the site in April 2025.

1. Purpose and background

(1) Purpose

NITTO KOHKI aims to establish a new multi-purpose plant able to manufacture all products of the NITTO KOHKI Group. To achieve this, it will implement manufacturing, material handling, and system reforms to create a smart factory with energy-saving, labor-saving, and efficient production. Through improved productivity, it also aims to establish a stable supply system and increase sales revenues.

As part of efforts toward decarbonization, the new plant will make use of solar power generation and underground heat. With an oil mist-free plant, automation of hazardous work processes, barrier-free design and other considerations, the new workplace environment will be safe and comfortable, for both the planet and employees.

(2) Background

The NITTO KOHKI Group's Mid-Term Management Plan 2023 includes the policy of "building new production systems."

For several years, NITTO KOHKI Group companies MEDOTECH CO., LTD. and SHIRAKAWA NITTO KOHKI CO., LTD. have been considering their production systems in light of the aging of their plant buildings. With a view to establishing a multi-purpose plant, NITTO KOHKI made plans to acquire a site and build a new plant to integrate their operations.

2. Outline of new plant site and construction plan

Site (location)	1-1, Miyanoshita, Ozaso-aza, Fukushima-shi, Fukushima etc.
Site seller	Fukushima-shi
Site purchase method	Application to sale by public offering
Business activities	Manufacture of door closers, electric screwdrivers “delvo”, power & machine tools, quick-connecting couplings “CUPLA”, and pumps & compressors
Site area	28,183 m ²
Total floor area	19,934 m ²
Building structure	Three-story steel frame
Investment amount	Approximately 11.2 billion yen

3. Schedule

Date of resolution by Board of Directors	November 29, 2022
Planned contract date	June 2023
Construction start date	July 2023 (planned)
Construction completion date	End of October 2024 (planned)
Start of operation at new plant	April 1, 2025 (planned)

4. Future outlook

(1) Impact on business performance for the current fiscal year

This matter is expected to have a negligible impact on the consolidated financial results of the NITTO KOHKI Group for the fiscal year ending March 31, 2023.

(2) Impact on next fiscal year and after

Future sales and earnings plans will be announced during the fiscal year ending March 31, 2024 when the production facilities to be installed are finalized.

Group companies MEDOTECH and SHIRAKAWA NITTO KOHKI will be integrated in line with this plan. Through this restructuring, productivity will be improved and optimized to create a supply system able to respond to increased demand in the future.

[Reference]

Forecast of consolidated financial results for the year ending March 31, 2023 (Announced on May 10, 2022) and consolidated results for the previous year.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ending March 31, 2023 (forecast)	Millions of yen 27,560	Millions of yen 3,620	Millions of yen 3,660	Millions of yen 2,510
Fiscal year ended March 31, 2022	Millions of yen 25,281	Millions of yen 3,355	Millions of yen 3,514	Millions of yen 1,927