

NITTAN Corporation (6493) **NITTAN**

Company Briefing for Retail Investors

March 3, 2025

President & CEO: Tai Hwan Lee



0. Speaker Profile



■ Speaker

Title: President & CEO

Name : Tai Hwan Lee

Born: Dec 1, 1964

From: Gangnam, Seoul, Korea



Hobbies: Motorcycling



Hobbies: Skiing

The Connection with NITTAN

“moved from NITTAN’s customer to NITTAN employee”

- 1988: Master’s degree from Tokai University
- 1988: Joined the Gasoline Engine Design Department at KIA Motors
- 1993: First visit to NITTAN for supplier selection
- 1995: Hired by NITTAN in Korea
- 2007: Transferred to NITTAN Japan



Photos from my KIA Central R&D Era

Part 1 : What Has Changed?

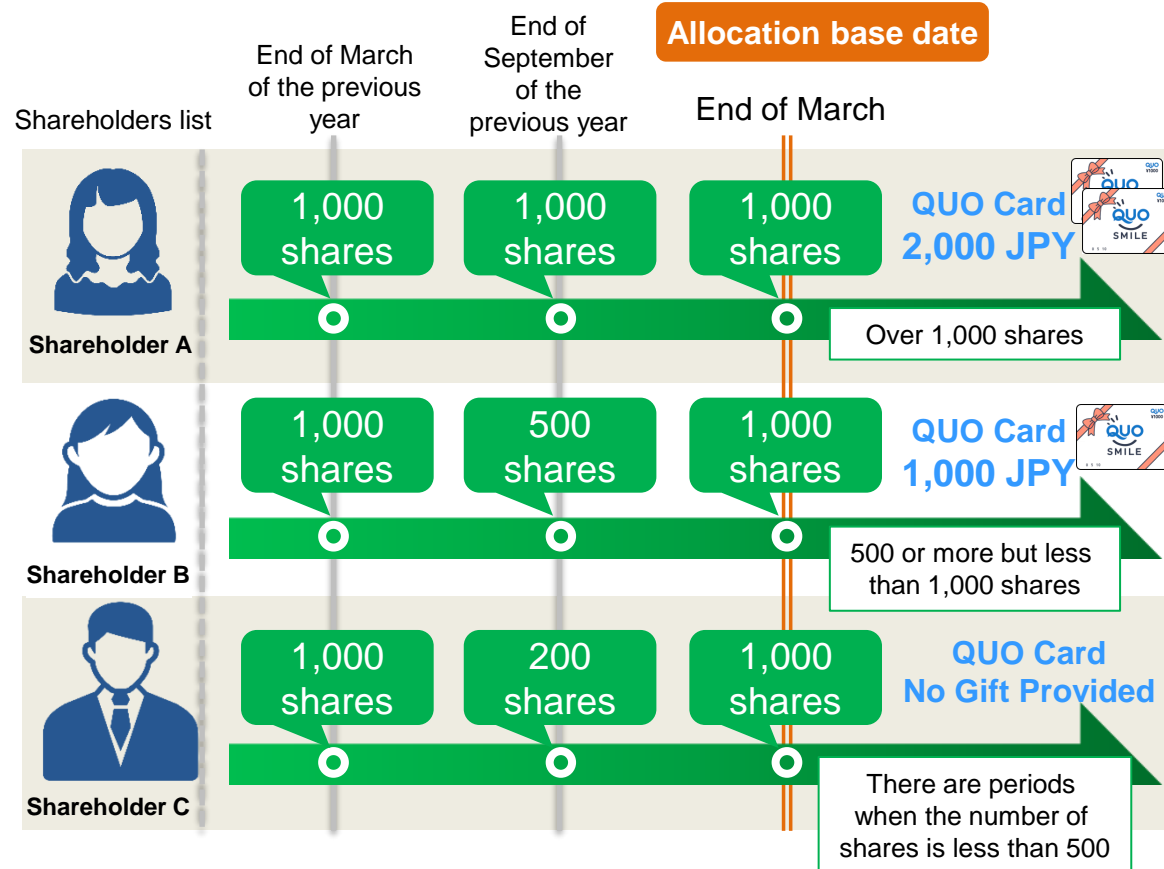
Part 2 : What is NITTAN?

Part 3 : Med to Long Term Business Vision

Part 4 : Business Performance Trends

Part 5 : Shareholder Returns

1-1. Shareholder Benefit Program



Continuous holding period*	Number of Shares Held	Details of Shareholder Benefits
More than 1 year	500 or more but less than 1,000 shares	QUO Card Worth JPY 1,000
	Over 1,000 shares	QUO Card Worth JPY 2,000

Timing of Delivery

The shareholder benefit will be enclosed with the notice of resolution, which is sent out in late June following the conclusion of the Annual General Meeting held every June.



※Image

Total yield including benefits	Dividend yield	Dividend (forecast)
5.11%	4.38%	JPY 12

*Assuming a stock price of 274 JPY as of Feb. 27, 2025

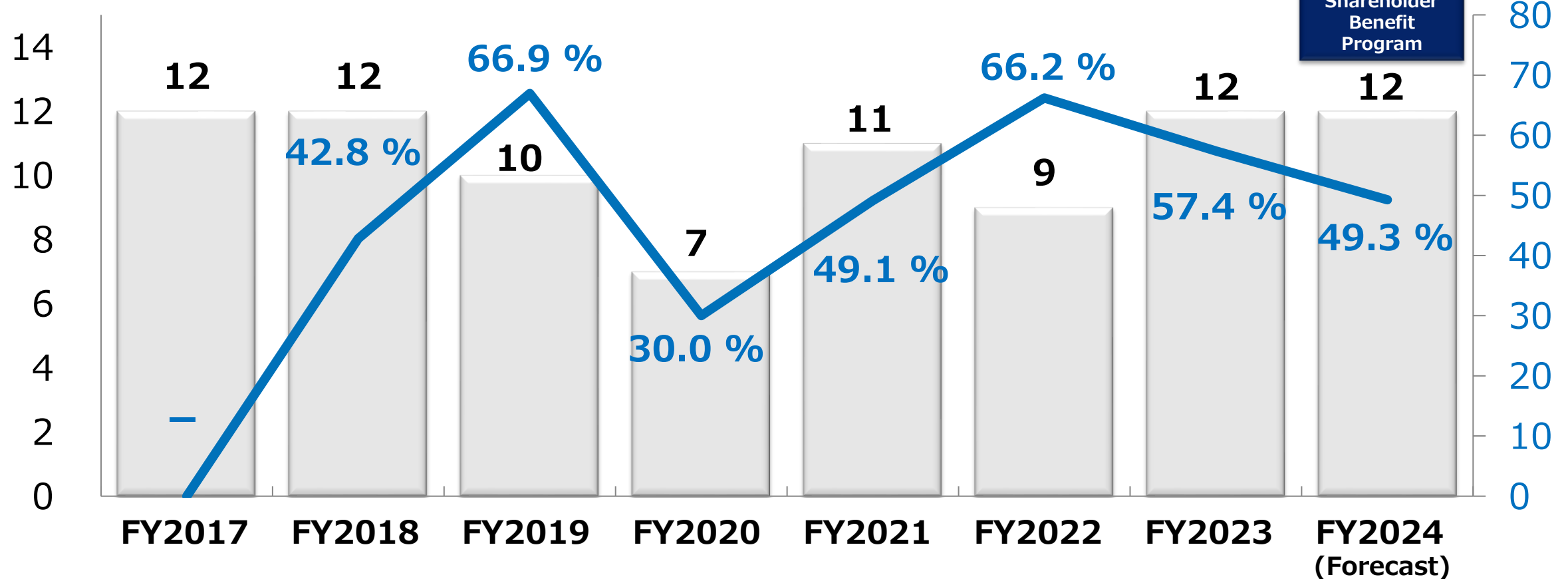
The “Holding period of one year or more” is determined based on the shareholder registry as of March 31 and September 30 each year. It refers to shareholders who have been listed under the same shareholder number for three or more consecutive times and have continuously held at least the minimum number of shares required for each category (500 shares or 1,000 shares) on all reference dates (March 31 and September 30)

- Establish a shareholder benefit program to encourage more shareholders to hold our company’s shares.
- Keep our promises to stakeholders and work to further increase our corporate value.

1-2. Dividend Trends

Dividend per Share
(JPY)

Dividend Payout Ratio (%)



■ Dividend per Share — Payout Ratio

■ Enhancing shareholder returns through stable dividends and improved total payout is a key management priority.

1-3. Overview of NITTAN Ena Metal (Wholly Owned via M&A)

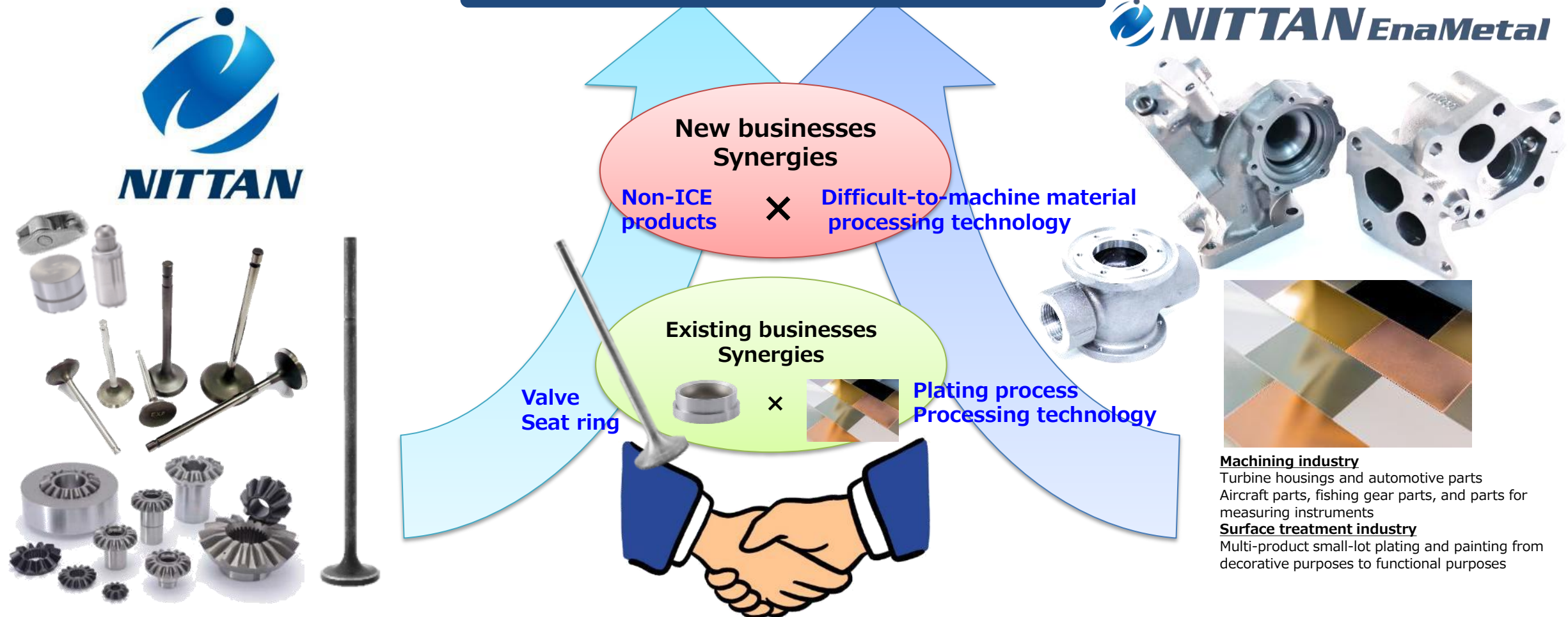


Company Name	NITTAN EnaMetal Co., Ltd.		
Location	2-18, Ogawa-cho, Nakatsugawa City, Gifu, Japan		
Established	March, 1946		
President	Shinji Ichioka		
Number of Employees	185 (Domestic: 110, Overseas: 75)		
Annual Sales	Consolidated: 2.6 billion JPY		
Main business	Machining industry Surface treatment industry Real-Estate Leasing	Production base	Nakatsugawa City, Gifu, Japan Kunshan City, jiangsu Province, China (ENAKIN PRECISION Co., LTD.)



- Aggressive M&A to achieve the NITTAN Challenge 10 management vision.
- Became a wholly owned subsidiary on October 2, 2024, and was renamed on January 1, 2025.

1-4. NITTAN Ena Metals' Core Technologies and M&A Aims



- Synergies between the two companies will drive growth across various industries and support electrification.
- NITTAN Ena Metal Co., Ltd. targets ¥5 billion in annual sales by 2026 through new business development.

A background image showing a hand placing a small wooden block with a single person icon on top of a stack of three blocks, each with a group of three people icon. The blocks are light-colored wood, and the background is a soft-focus blue and white.

**We restructured on February 1, 2025,
to enable corporate transformation.**

- The new organization supports advanced manufacturing system and dynamic advanced development.

Part 1 : What Has Changed?

Part 2 : What is NITTAN?

Part 3 : Med to Long Term Business Vision

Part 4 : Business Performance Trends

Part 5 : Shareholder Returns

2-1. Company Overview

Head Office **Hadano** City, Kanagawa Pref.
Shinjuku-ku, Tokyo



Dual-Headquarters System

Domestic Sites **Hadano** City, Kanagawa Pref.
Sanyo-Onoda City, Yamaguchi Pref.



18 manufacturing sites

(3 in Japan, 13 in Southeast Asia, 1 in Europe, 1 in North America)

Employees **2,764** worldwide
794 Japan



Average Years of Service **19.7**

Established in November **1948**



77 years since founding
101 years including predecessor

FY2024 Net Sales:

49.4 billion YoY **+18%**↑
Standalone **21.0** billion YOY **+11%**↑



Engine Valve Market Share

Japan **26%** Worldwide **12%**
(**No.1** in Japanese Maker)



2-2. Domestic Plant Location: Hadano City



Head Office Plant



Mizunashi River



Mt. Tanzawa



NITTAN Park Ōne

Hadano City Overview

Hadano City, located in northern Shonan, Kanagawa, has a population of 160,000 and is known for its pure water, selected among Japan's Top 100.

Famous for Mt. Tanzawa and Yabitsu Pass, it attracts hikers and cyclists alike.

Just 40 minutes from Tokyo IC via expressway, or 60 minutes from Shinjuku by Odakyu special express train.

To support the local community, we acquired naming rights for the multi-sport facility formerly known as Ōne Park, which is now named 'NITTAN Park Ōne'.

2-3. Domestic Plant Location: Sanyo-Onoda City



Sanyo Plant



Hana-no-Umi



Kirara Beach Yakeno



Viewed from Mt. Ryuo

Sanyo Onoda City Overview

A nature-rich city of 60,000 in southwestern Yamaguchi, known for DASSAI sake.

Adjacent to major tourist attractions including Akiyoshidai, Tsunoshima Bridge, and Kure Strait. Well-connected super express train, Shinkansen, and Yamaguchi Ube Airport. It is also known for its flavorful squid sashimi, typically served with rich soy sauce.

2-4. NITTAN's Core Technical Expertise



Forging

Heated metal is pressed into mold at high temperatures.

Melting - Welding

Melting - Welding

A technique for melting and bonding metals with desired properties onto specific areas of a component.

Friction Welding

A method for integrating metals with different properties

Machining

A method for shaping materials to satisfy design specifications.

■ NITTAN uses four core technologies to create proprietary products.

2-5. Corporate Origins

Established : 1924



Okajima Company (Osaka City)

Founded by Shinji Shibayanagi with a vision to elevate Japan's forging industry.

In 1934, introduced **Japan's first mass production of engine valves** using a German electric upsetter.

Established : 1937



Japan Drop Forge Co., Ltd.

Founded by Shinji Shibayanagi **through the merger** of Nihon Tanko and Okajima Iron Works.

Established Kawasaki Plant in 1938
(now: SNT Corporation)

Established Amagasaki Plant in 1941
(now: Japan Drop Forge Co., Ltd.).

Established : 1943



Japan Drop Forge Co., Ltd.

Hadano Plant
Established by Nihon Tanko Co., Ltd. **in Hadano.**

Originally built for aircraft engine valve production (currently inactive).

2-6. Historical Background

Established : 1948



Nittan Valve Manufacturing Co., Ltd.
⇒renamed to Nittan Valve Co., Ltd.
in 1961.

**Hadano Plant became independent
under the Corporate Reconstruction
Act.**

The company name combines “Nittan”
from Japan Drop Forge Co., Ltd.
and “Valve,” its core product.

2022~Present



NITTAN Corporation

“A firm commitment to electrification.”

The company name reflects a bold drive to
expand beyond engine valves into
electrification technologies.

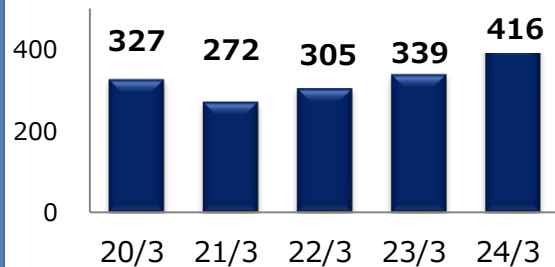
2-7. Business Introduction

Small Engine Valve business



**Sales of Small Engine Valve Business
(consolidated)**

(Unit: 100 million JPY)

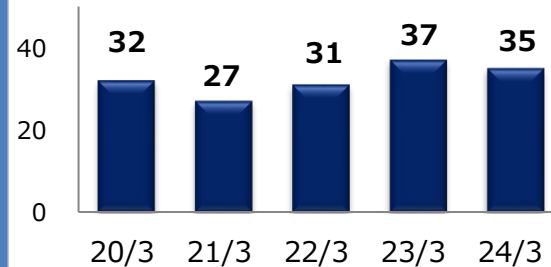


Marine Parts business



**Sales of Marine parts Business
(consolidated)**

(Unit: 100 million JPY)

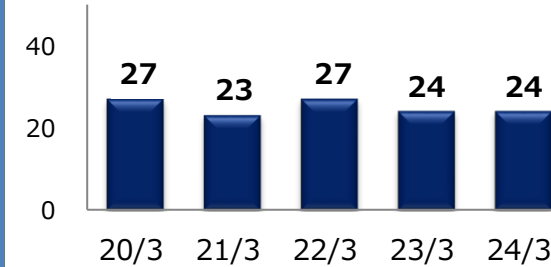


Gear business



**Sales of Gear Business
(Consolidated)**

(Unit: 100 million JPY)

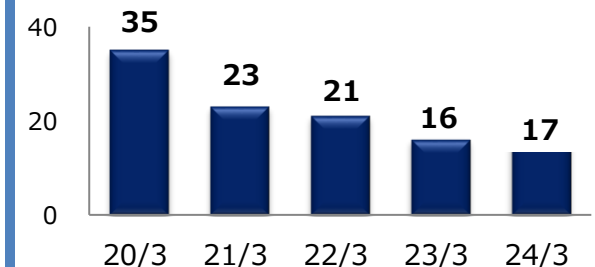


Other businesses



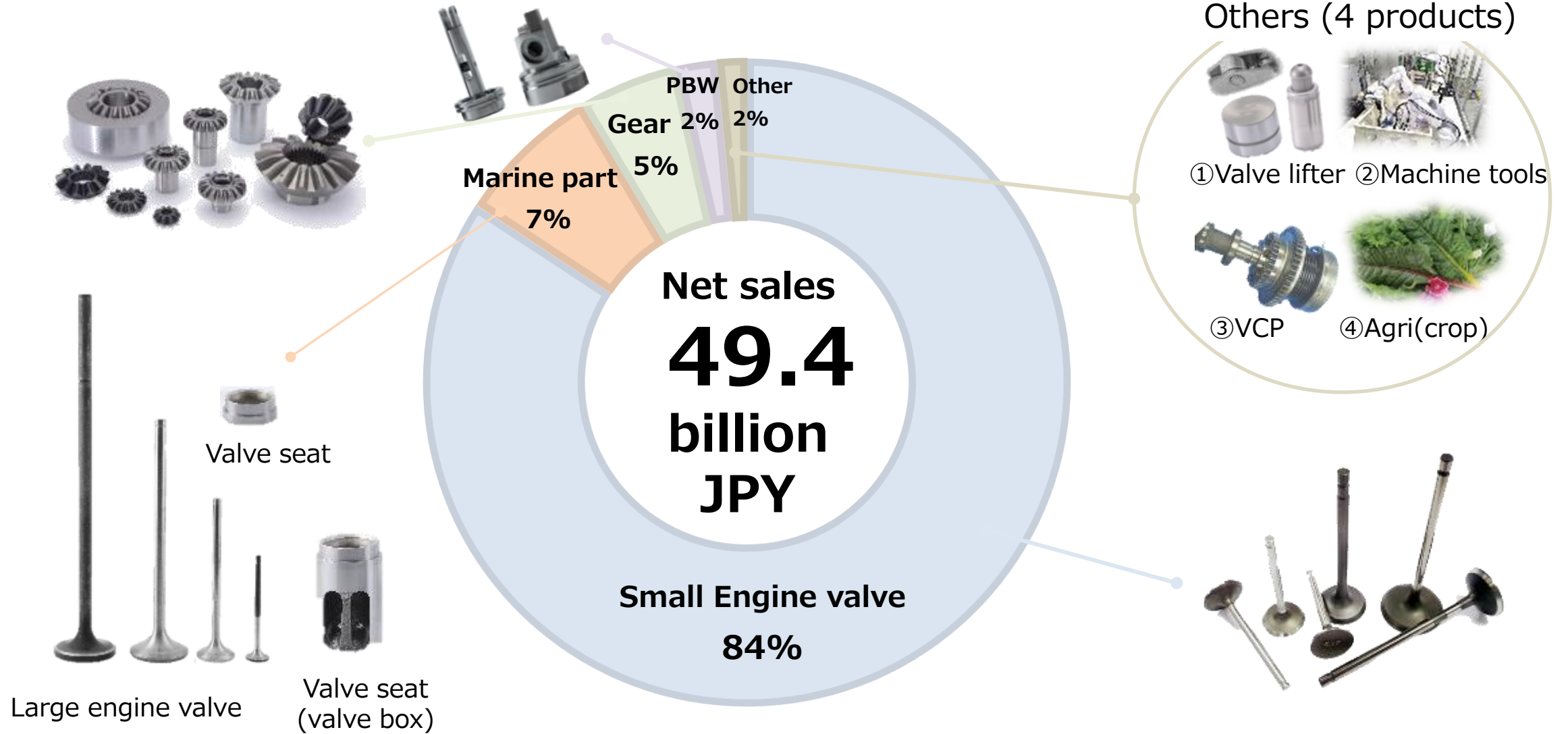
**Sales of Other Businesses
(Consolidated)**

(Unit: 100 million JPY)



- As of September 2024, operating in four business domains.
- Reorganized to focus on capital efficiency, exiting PBW and agricultural businesses.

2-8. Net Sales and Business Segment Ratio



■ Pursuing diversification through new products and M&A.

2-9. Installation Areas of Our Key Products

The origin of NITTAN and
a key pillar of our strategy!

① Engine valves



Passenger
Cars

Motorcycles

Marine
Engines

Buses

Power
Generators

Trucks

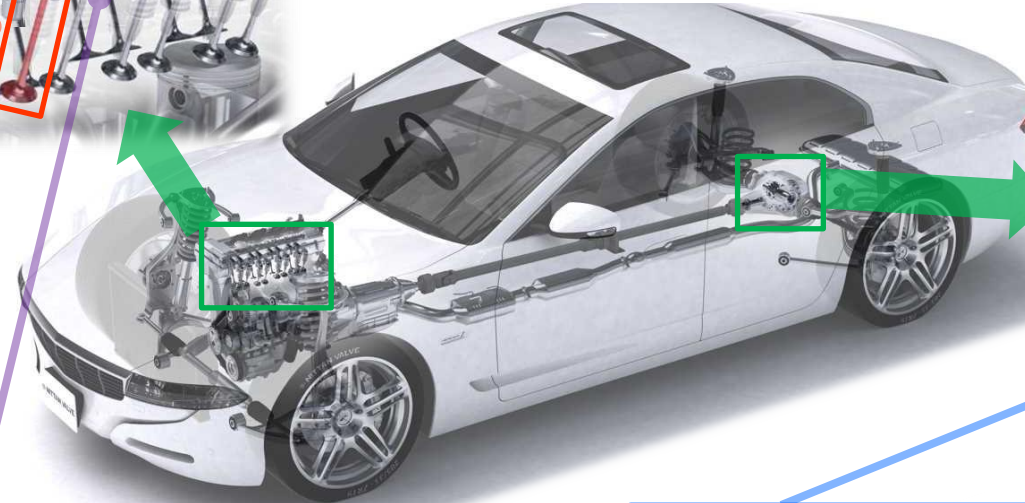
Agricultural
Equipment

Racing Car

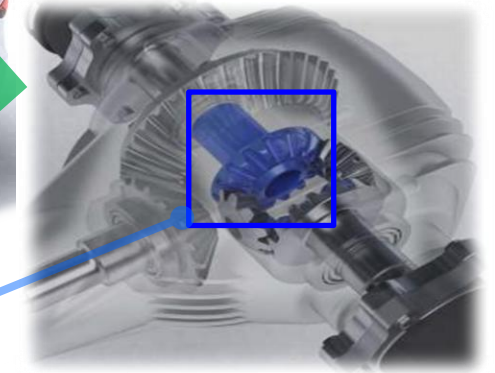
Construction
Machinery



Cylinder head



Rear differential case



Realizing longer life and lighter weight for
engine valves

② Valve lifter



※Hyundai Motor Company
Global Share Installation Rate:
Approximately 50%

Passenger
Cars

Precision forging provides strength and precision

③ Precision forged gears



Agricultural
Equipment

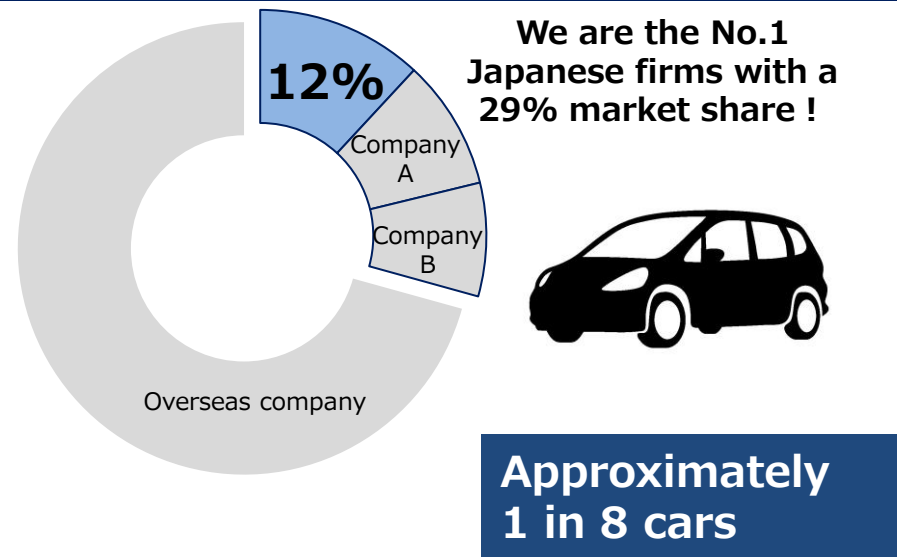
Construction
Machinery

Passenger
Cars

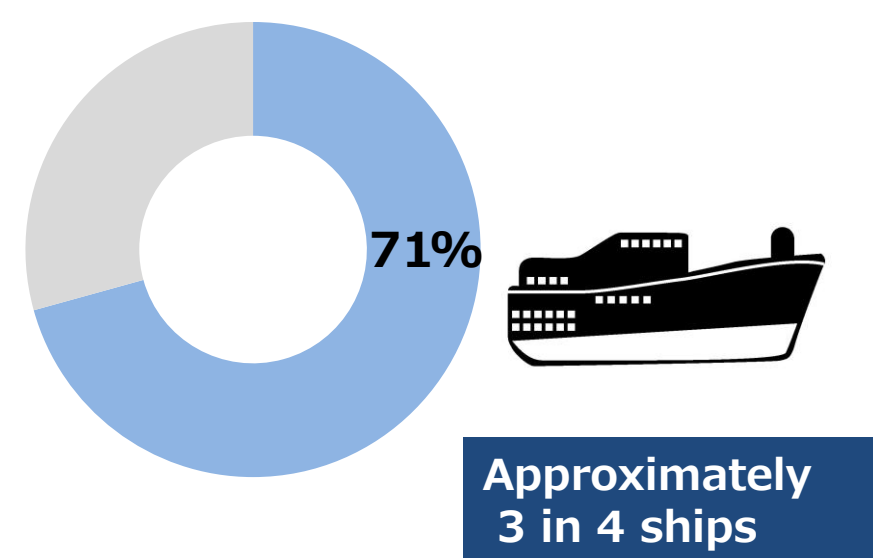
Trucks

2-10. Estimated Global Market Share

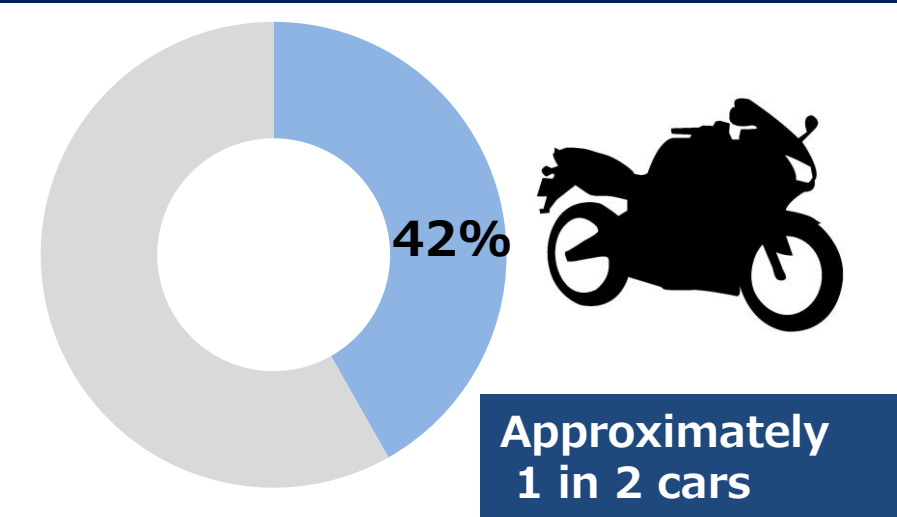
For four-wheelers



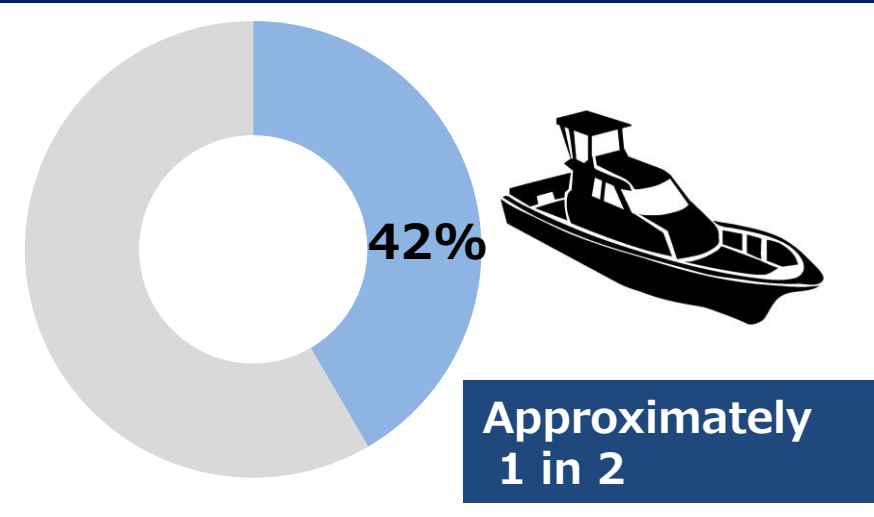
For medium speed marine engines



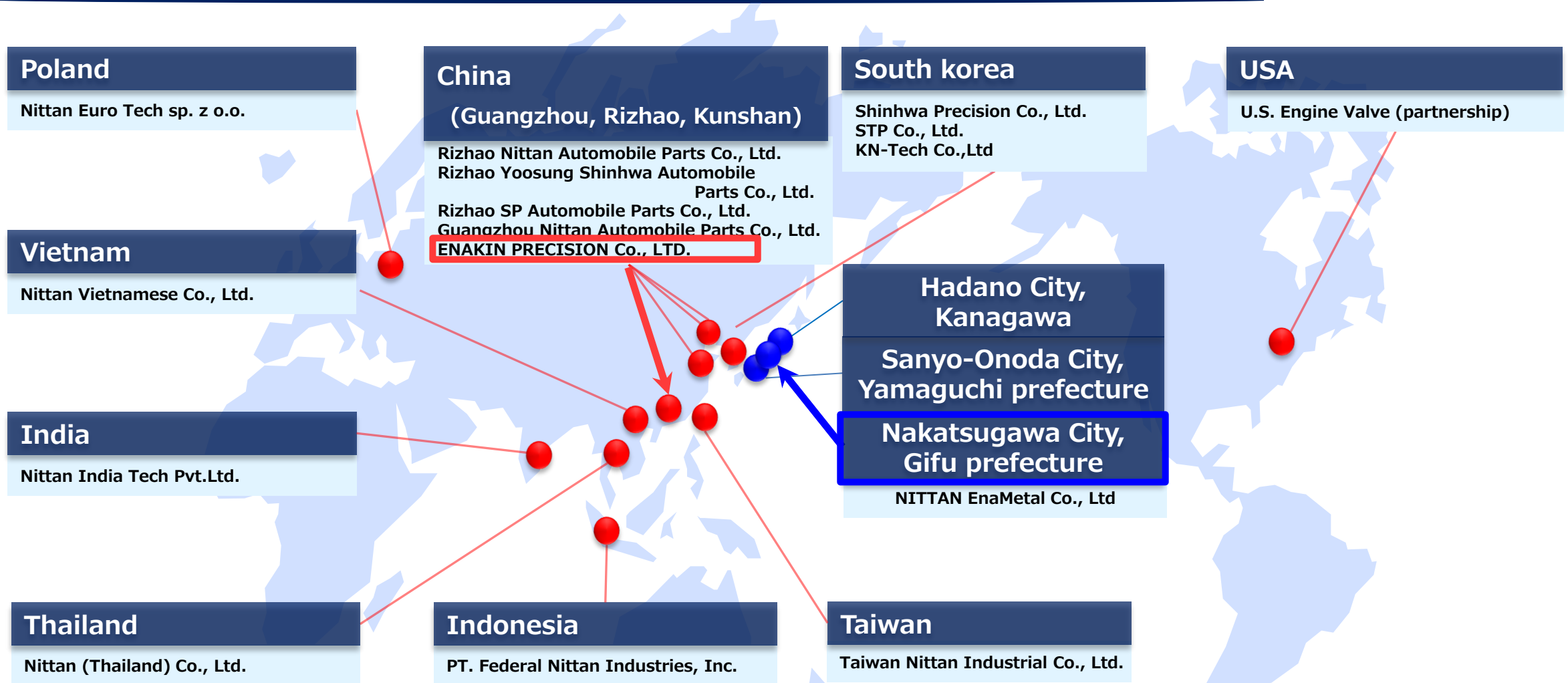
For motorcycles



For outboard motors



2-11. NITTAN's Global Production Site(●Japan, ● Overseas)



■ With the addition of NITTAN EnaMetal Co., Ltd., NITTAN now operates 3 domestic bases and 15 overseas bases. (13 in Asia, including ASEAN, and 2 in North America and Europe)

2-12. Introduction of Key Clients



Automobiles (Engine valves)

- ▶ Honda Motor Co., Ltd.
- ▶ Mazda Motor Corporation
- ▶ Toyota Motor Corporation
- ▶ SUBARU Corporation
- ▶ Hino Motors, Ltd.
- ▶ Suzuki Motor Corporation
- ▶ Aurobay Sweden AB
- ▶ Hyundai Motor Company

Turbocharger

- ▶ IHI Turbo Co., Ltd.

Valve Lifter

- ▶ Hyundai Motor Company
- ▶ Yamaha Motor Co., Ltd.
- ▶ Kawasaki Motors, Ltd.

NITTAN Group serves over 180 client companies.

Motorcycles (engine valves)

- ▶ Yamaha Motor Co., Ltd.
- ▶ Honda Motor Co., Ltd.
- ▶ Kawasaki Motors, Ltd.
- ▶ Triumph Motorcycles Ltd.

Marine Part

- ▶ Wärtsilä Corporation
- ▶ YANMAR POWER TECHNOLOGY CO., LTD.
- ▶ DAIHATSU DIESEL MFG. CO., LTD.
- ▶ IHI Power Systems Co., Ltd.

Gear

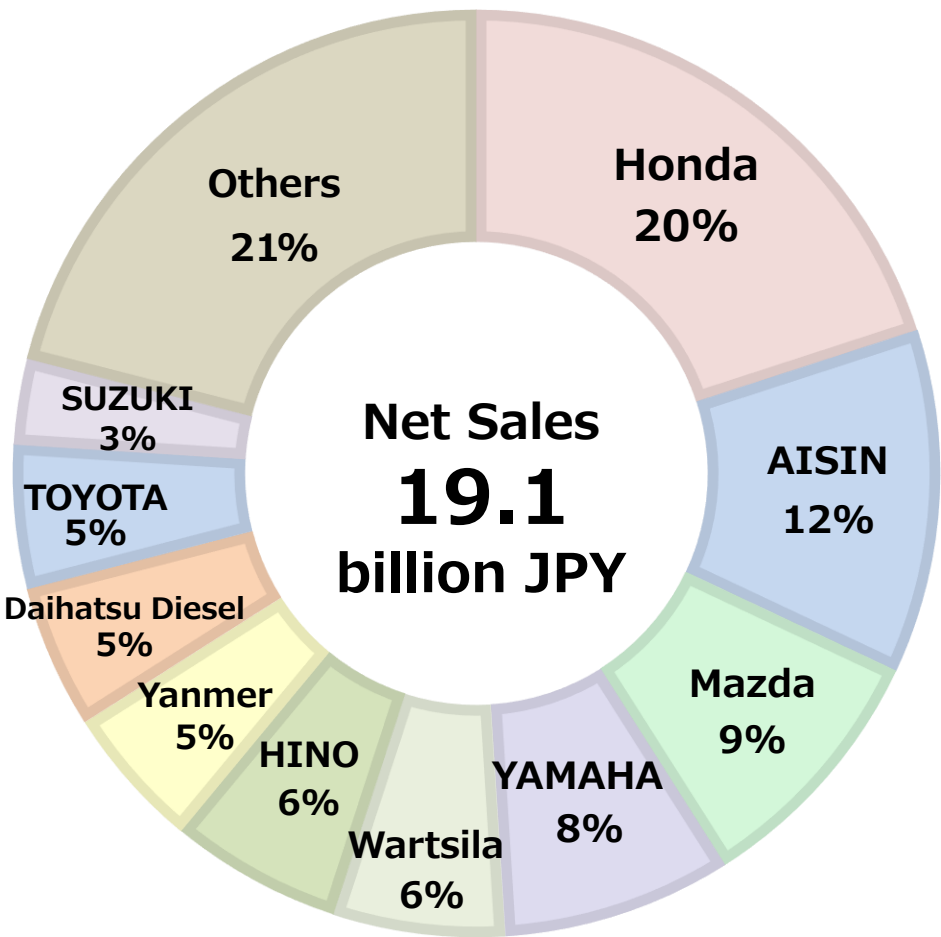
- ▶ AISIN CORPORATION
- ▶ HINO MOTORS, LTD.
- ▶ Hitachi Construction Machinery Co., Ltd.
- ▶ KANZAKI KOKYUKOKI MFG. CO., LTD.

2-13.Ratio of Key Domestic and Overseas Clients

(Consolidated Net Sales)



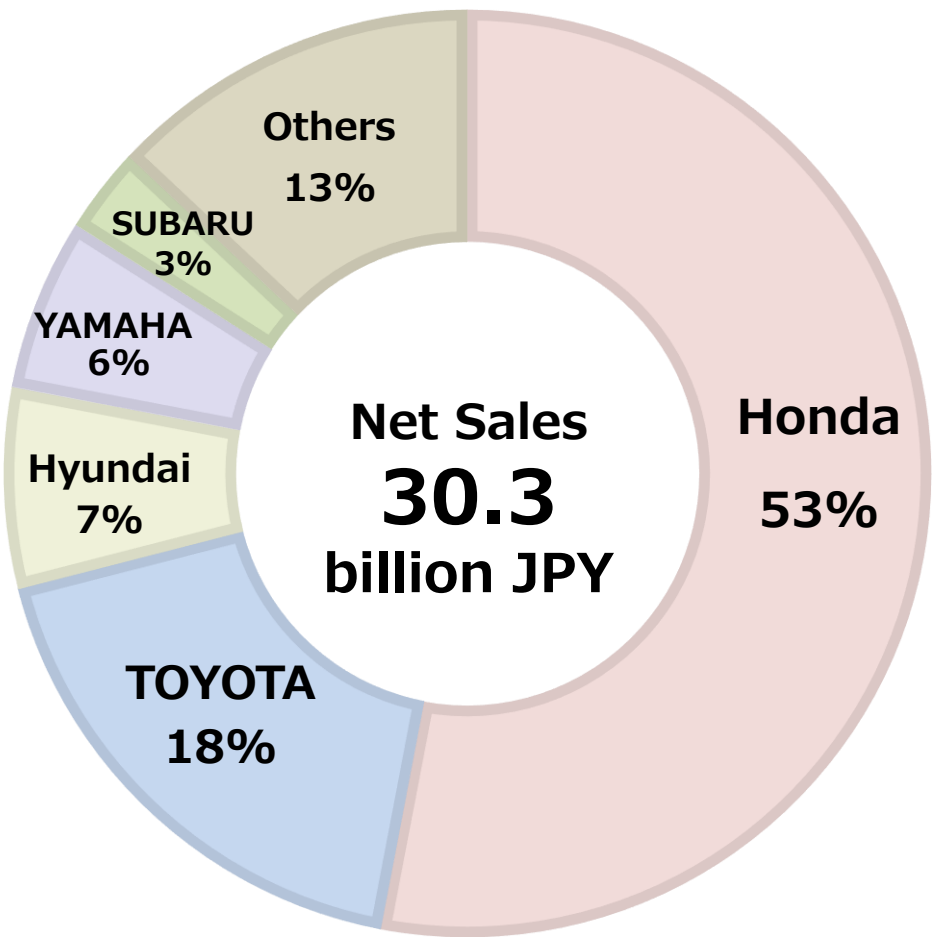
【Domestic】



Net Sales
19.1
billion JPY

Total
49.4
billion JPY

【Overseas】



Net Sales
30.3
billion JPY

■ Strengths not belonging to affiliated companies

■ Responding needs of localization.

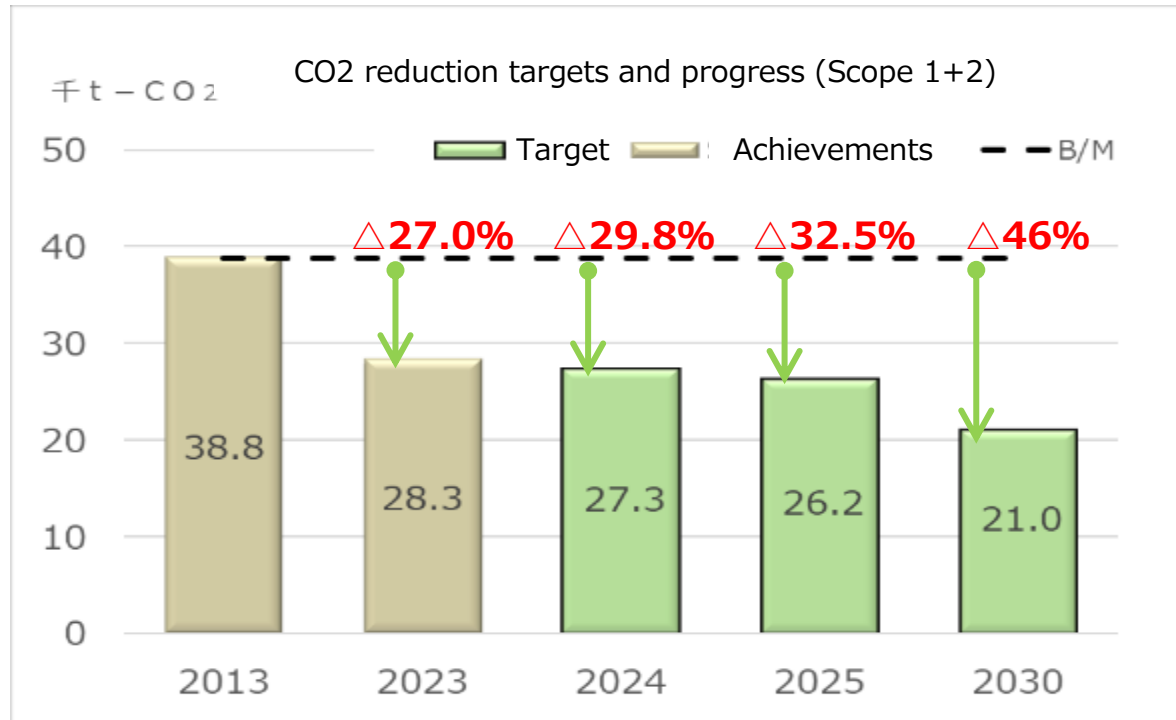
2-14. Progress Toward Carbon Neutrality

■ NITTAN's Policy: NCN (NITTAN's Carbon Neutrality) shall be promoted in harmony with the global standard, and realized together with NITTAN Challenge 10.
(Targeting 46% CO₂ reduction by 2030, aligned with national goals.)

CO₂ Emissions and Reduction Targets

FY2013 Emissions (Baseline): 38,839 t-CO₂ (Scope1 +2)

FY2030 **Reduction** Target: 17,866 t-CO₂ (Scope 1 + 2)



Action Plan

Renewable Energy

Solar power installations
(targeting ~5% reduction
by 2030)

Introduction of carbon free
electricity and non fossil
certificates (targeting ~20%
reduction by 2030)

Energy Conservation Efforts (Over 1% annually)

Air loss reduction in
compressors

Efficiency improvement of
aging air conditioning
equipment Aiming for a
46% reduction compared
to fiscal 2013
Management using WBGT

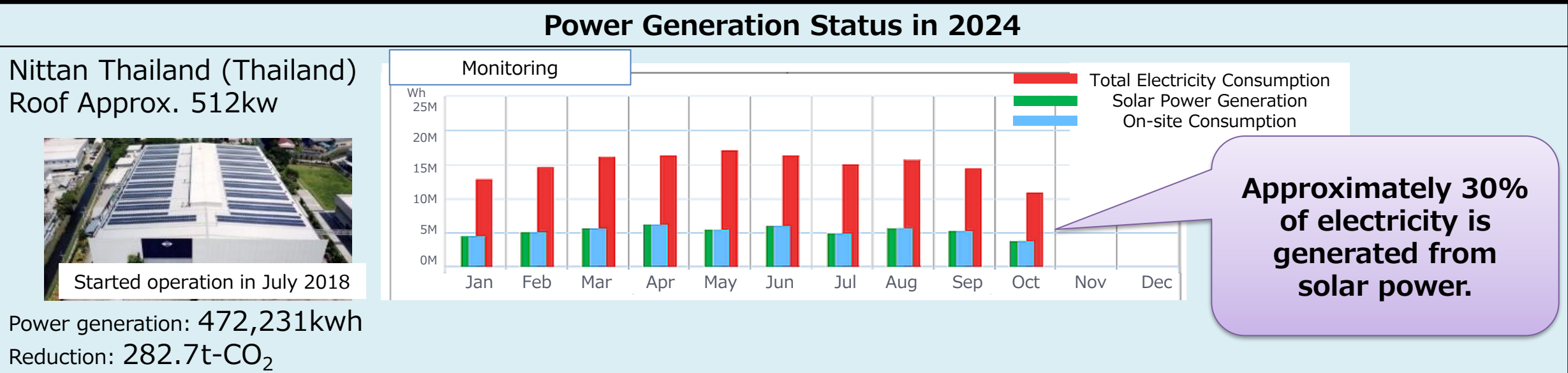
LED lighting upgrades




Other Equipment

2-15. Efforts to achieve carbon neutrality



■ Main initiatives: Use of renewable energy (active use of solar power generation)



<p>FNI (Indonesia) Outdoor construction Approx. 250kw</p>  <p>Started operation in Jan. 2024</p> <p>Power generation: 196,718kwh Reduction:133.8t-CO₂</p>	<p>Nittan Vietnam (Vietnam) Approx.378kw equivalent</p>  <p>Started operation in May. 2024</p> <p>Power generation: 131,283kwh Reduction:88.8t-CO₂</p>	<p>Shinhwa Precision (Korea) Carport: Approx. 187kw</p>  <p>Started operation in Feb. 2024</p> <p>Power generation: 178,327kwh Reduction:83.2t-CO₂</p>
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Plan



Nittan India Tech



Head Office

- Nittan India Tech (India): Approx. 472 kW – Operational from Nov. 2024
- Head Office Plant (Welfare Building): Approx. 130 kW – Operational from Jul. 2025
- Guangzhou Nittan (China): Approx. 330 kW – Planned / Under Application
- Sanyo Plant: Under Conceptual Planning
- Indonesia Phase 2: Under Conceptual Planning
- Head Office Plant (Technical Center): Under Review / Conceptual Planning

2-16. CSR: 32nd NITTAN Peanuts Cup



- U-11 Soccer Tournament at NITTAN Park Ōne, Feb. 15–16, 2025
- Named after Hadano's local specialty peanuts, sponsored by NITTAN

Part 1 : What Has Changed?

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Contribute to achieving a decarbonized society by making full use of our various technologies

Reasons for setting a purpose

- Achieving carbon neutrality requires not only electrification (BEVs), but also effective approaches that utilize internal combustion engines.
- By leveraging our existing technological strengths and product development capabilities, we respond to market needs through an all-encompassing approach including HEV, PHEV, e-Fuel, H2, NH3, BEV, and FCEV.

H2, NH3

3-2. "NITTAN Challenge 10"

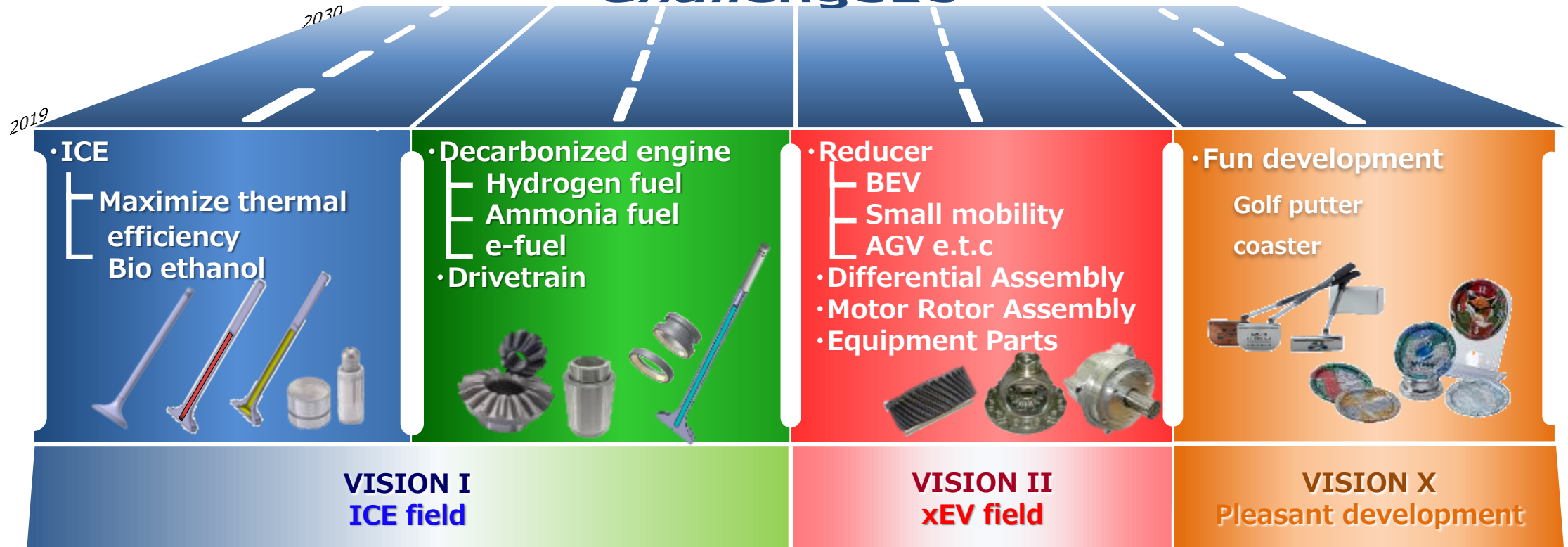
New "NITTAN" mid to long term management vision

Sales of
over JPY 100 billion

Operating income of
over JPY 10 billion

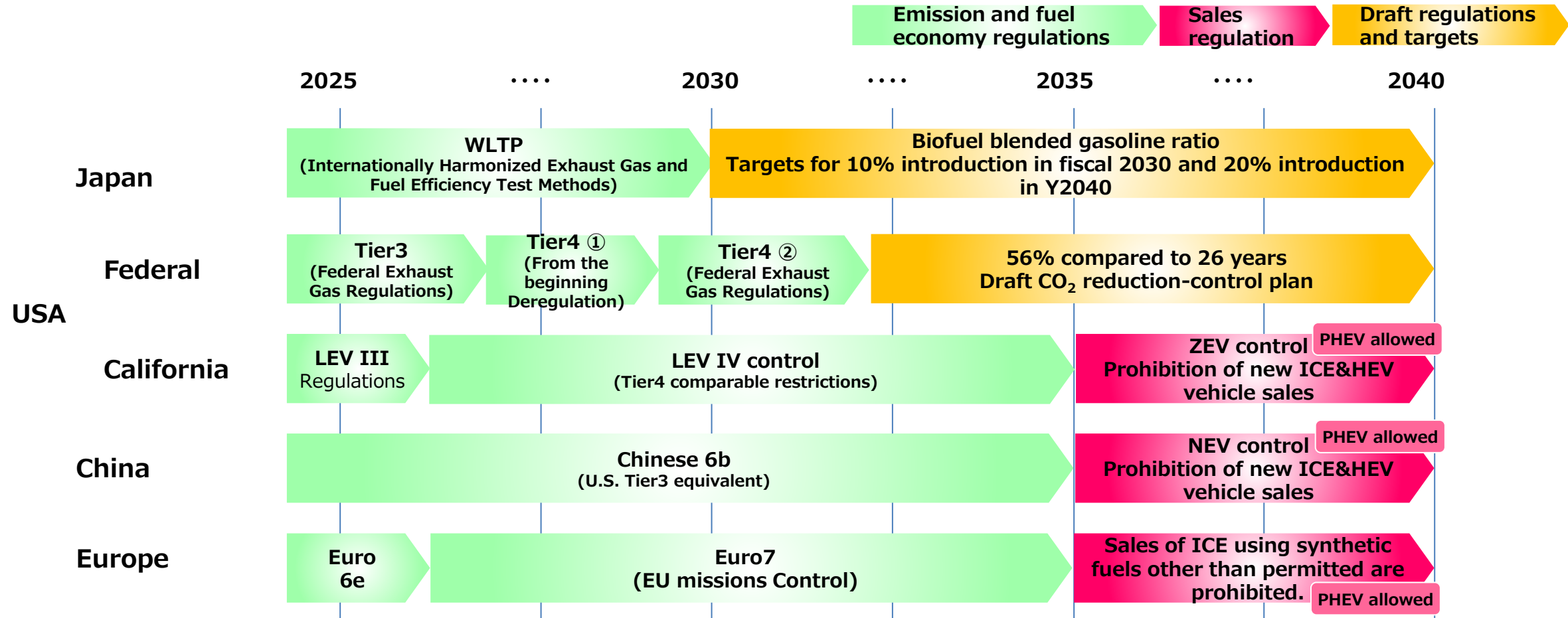
Operating margin
10% or more

NITTAN Challenge10



■ NITTAN EnaMetal is positioned as a growth business under "VISION II" to achieve NC10.

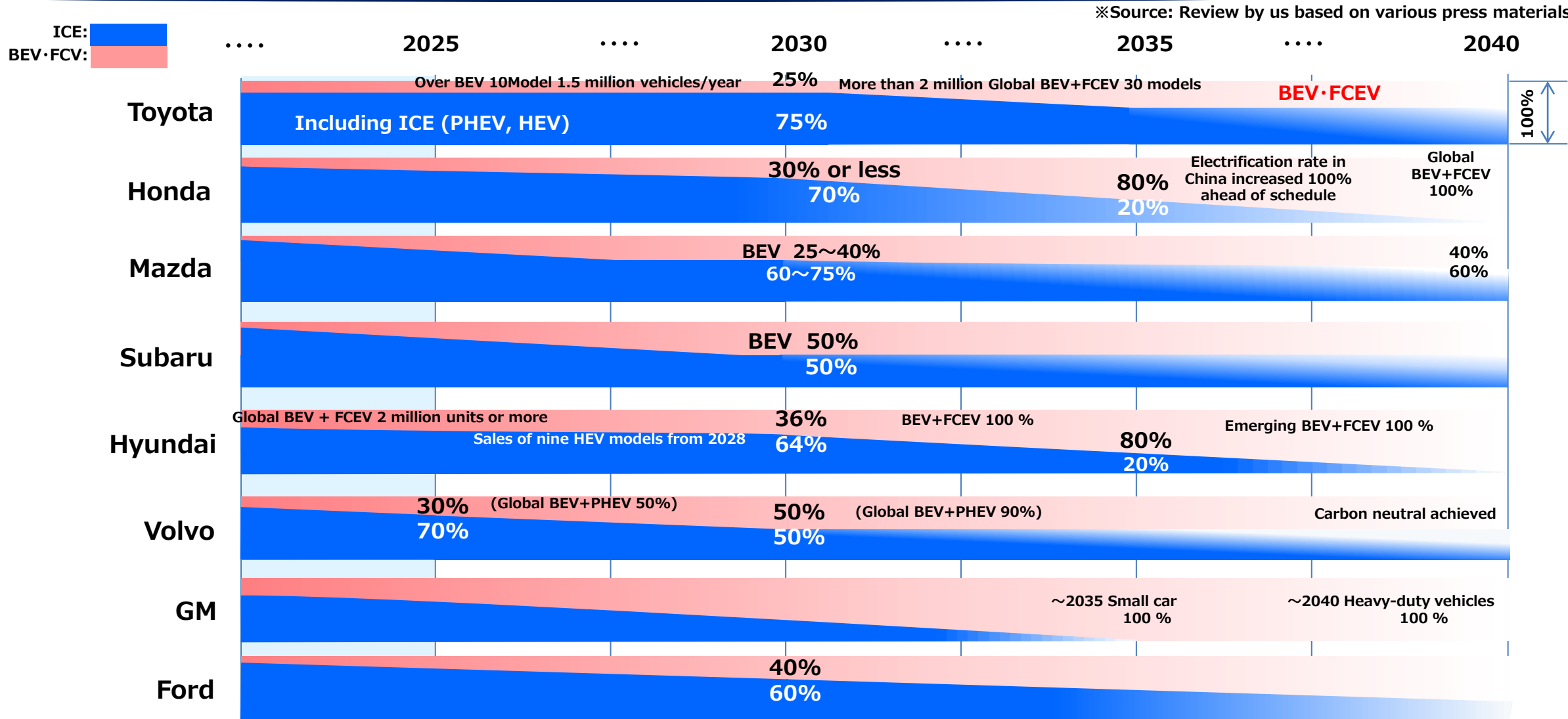
3-3. Regulatory Trends In Major Automobile Markets



※Source: AM_Word, JAE Automotive Engineering, various media reports, etc., compiled by our company.

- U.S. Tier 4 regulations were lifted for 2027, but companies are still developing ICE for 2029.
- PHEV remain permitted in key regions, meaning ICE will be alive still after 2035.

3-4. Electrification Trends Among Automakers



■ EV adoption slows as automakers rethink plans demand decrease and poor infrastructure.

3-5. SDV Trends in the Market

BEV sales slowing down

The next competitive focus: SDVs

What is SDV ?

※SDV : Software Defined Vehicle

Next-generation vehicles powered by advanced digital technologies

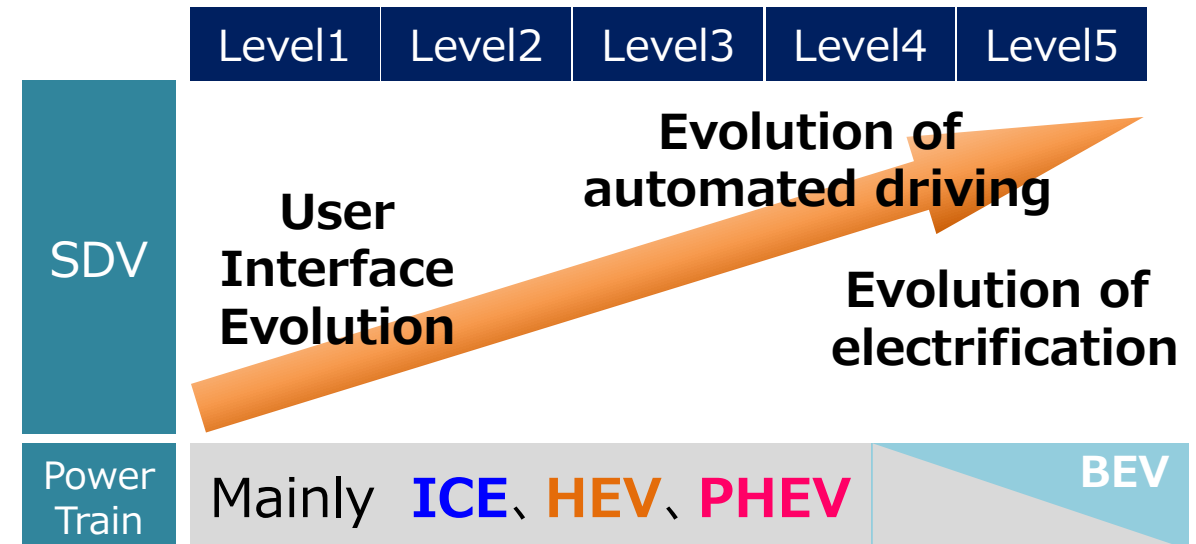


China leads the SDV shift, symbolizing a transformation in automotive value creation driven by smartphone makers.

Source:What is the next-generation “digital vehicle”? Chinese manufacturers aim to dominate the market. The next competitive axis for EVs.



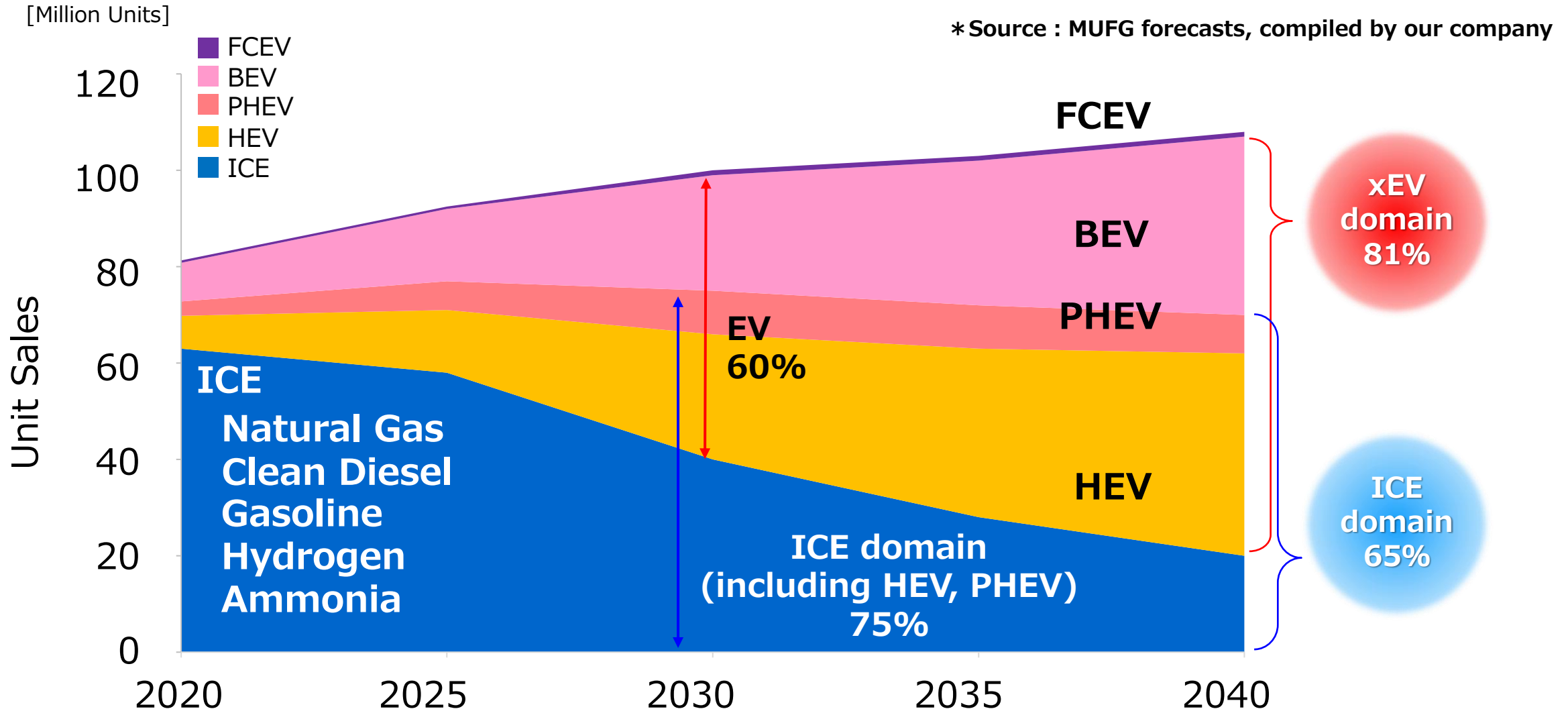
SDVs offer value beyond mobility, expanding into entertainment and integrated digital services.



SDV advancements accelerate autonomy and electrification, while powertrains remain diversified.

■ SDVs become the core of mobility development, yet powertrain diversity persists.

3-6. Powertrain Trend - Passenger Car -



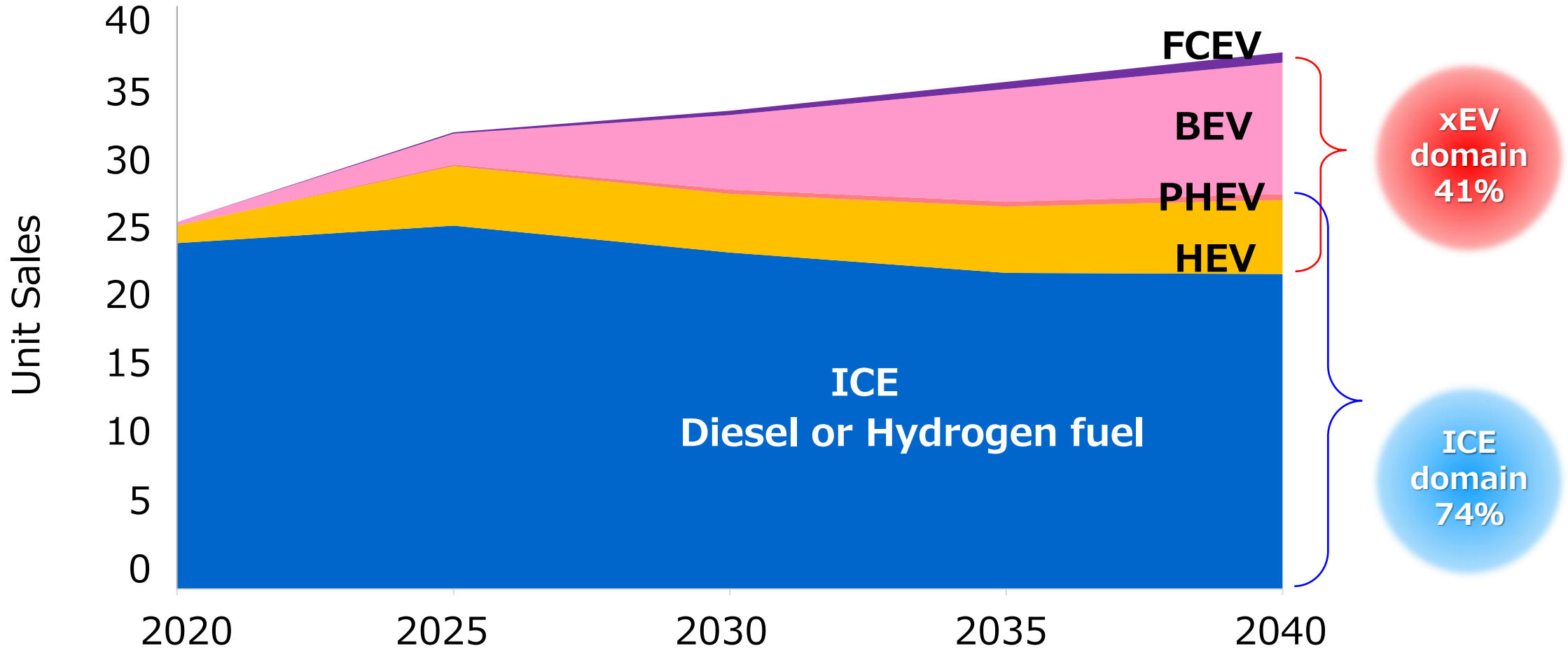
■ BEV will grow, but ICE car numbers in 2040 may stay at 2020 levels.

3-7. Powertrain Trend - Commercial vehicles -

[Million Units]

■ ICE ■ HEV ■ PHEV ■ BEV ■ FCEV

* Source : IEA & Yano Research, compiled by our company

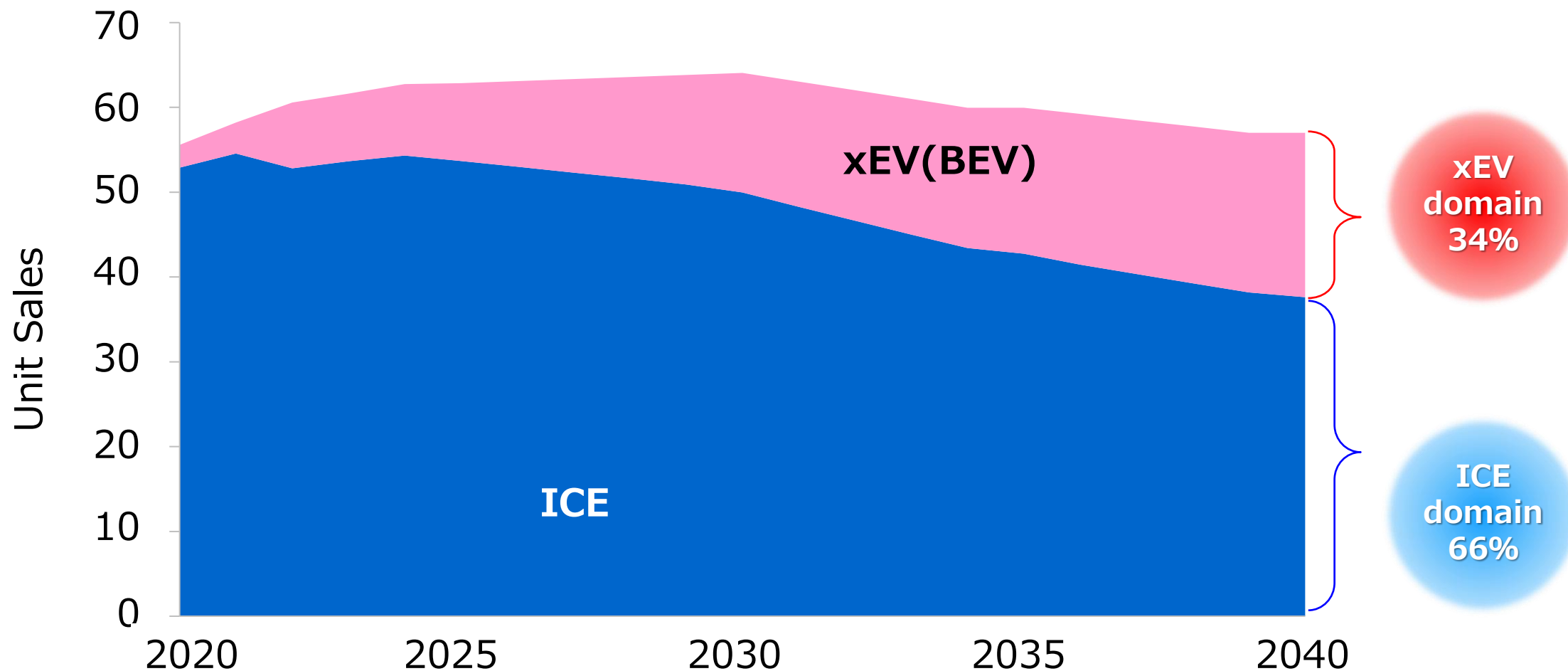


■ ICE dominates large commercial vehicles, while smaller ones are shifting to BEV

3-8. Powertrain Trend – Motorcycles -

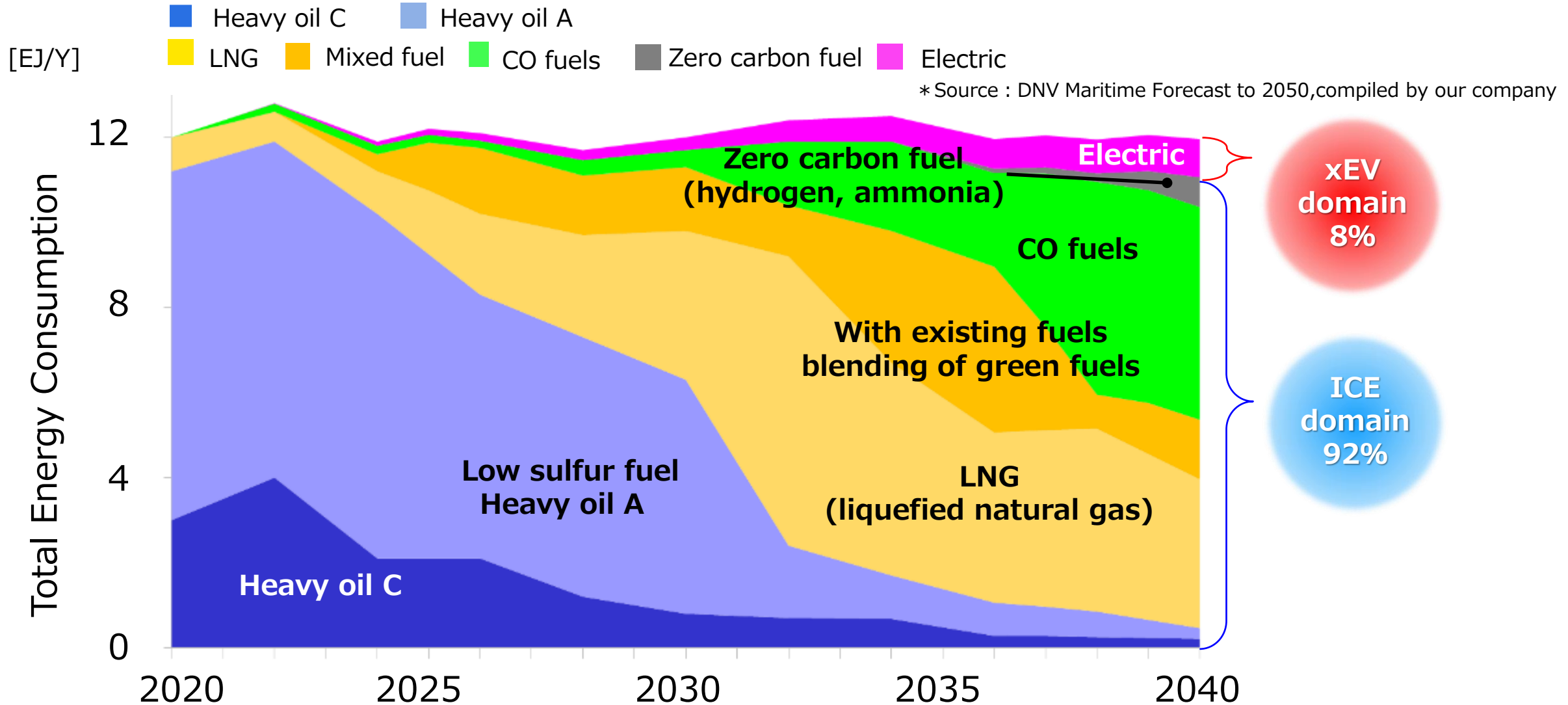
[Million Units] xEV ICE

* Source : Yano Research, compiled by our company



■ BEV scooters will grow, but ICE models may persist in sports use.

3-9. Powertrain Trend – Marine -

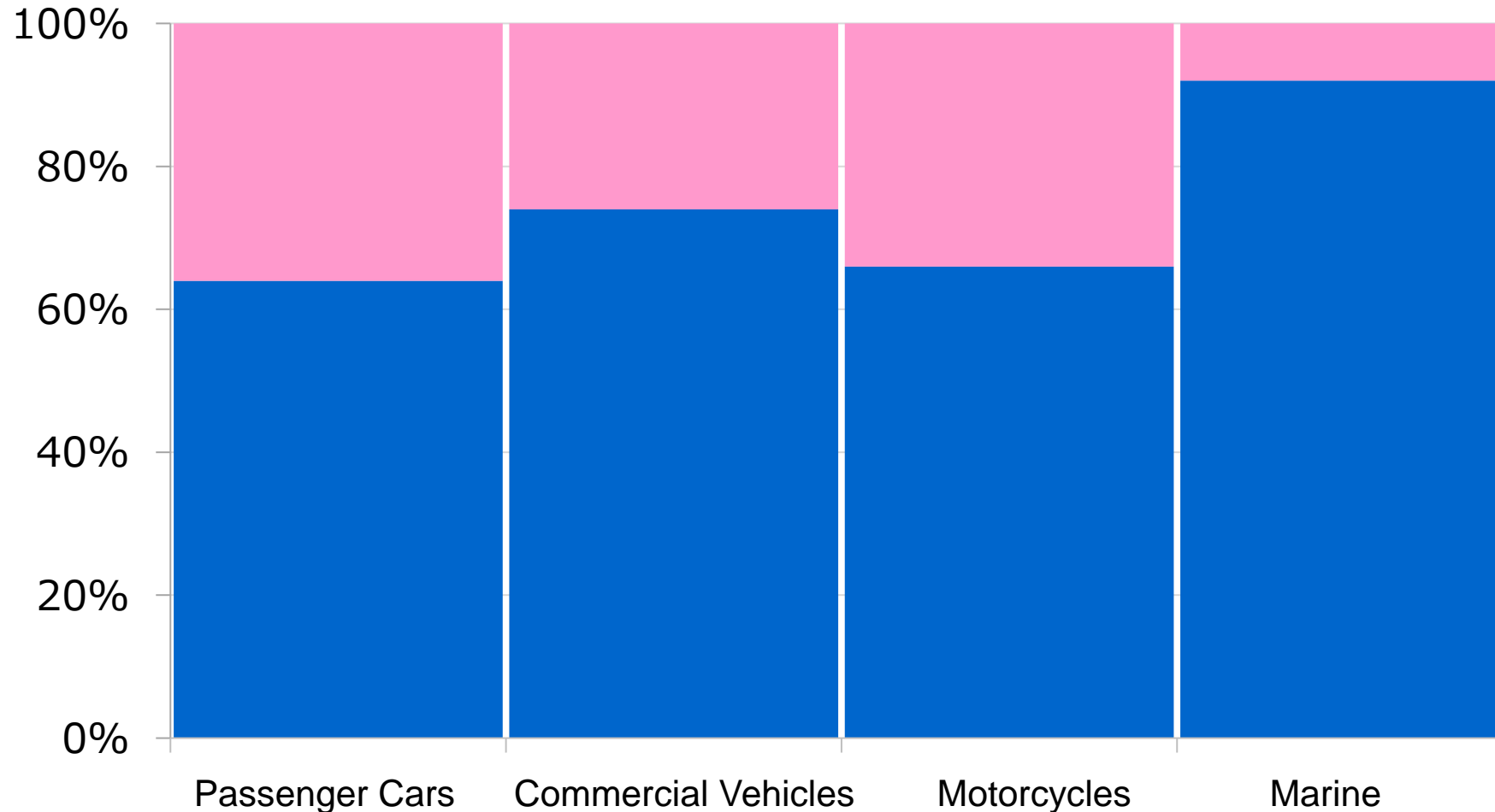


■ GHG-free tech is expected to lead over electrification in the marine sector.

3-10. Powertrain Trend Forecast Summary

2040 Predictions

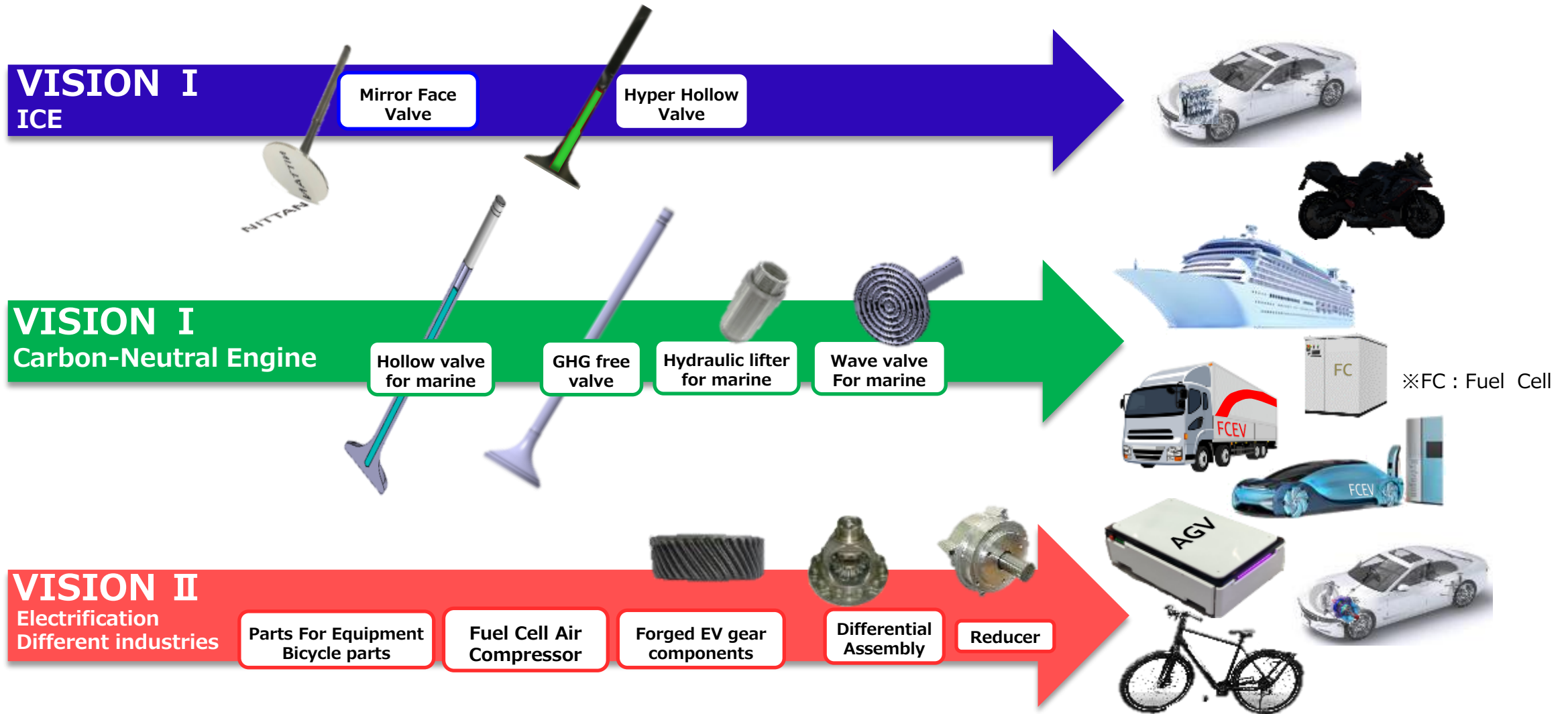
■ ICE domain (including HEV, PHEV) ■ BEV domain (including FCEV)



■ EV adoption is rising, yet ICE still holds a major market share.

■ ICE sales in 2040 to match 2020 levels, despite BEV growth.

3-11. Target items for NC10 development



■ Development Roadmap is adapting to Market Trend and Regulatory Shifts.

3-12. Development status of VISION I

NC10 development items

Hyper Hollow Valve



Customer status

Advanced Development

2024

2025

2026

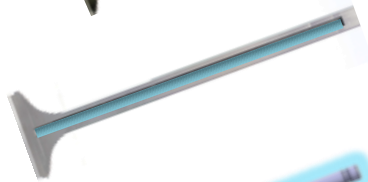
2027

2028

Development

Mass production

Hollow Valve for marine



Mass Pro. Development

Development

Mass production

Valve for GHG



Mass Pro. Development

Development

Mass production

Hydraulic Lifter for marine



Mass Pro. Development

Development

Mass production

Wave Valve for marine



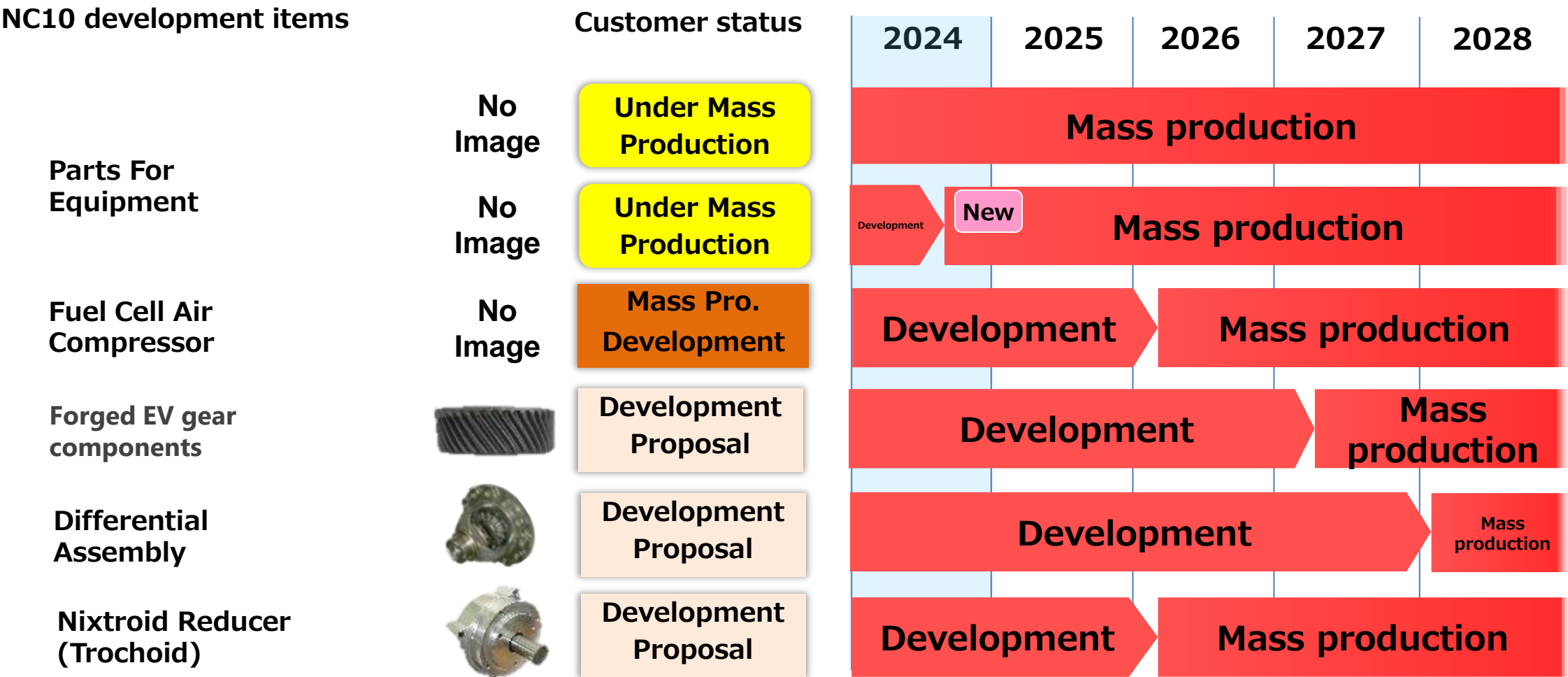
Development Proposal

Development

Mass production

- Temperature decline is confirmed by hyper-hollow valve and will be prompted as Tier 4 regulations for 2029.
- Mass production of marine hollow valve and GHG free valve is targeted after 2025.

3-13. Development status of VISION II



- Mass production of equipment components has already begun, with new orders confirmed for FY2024. Production volumes are on an upward trend.
- We have received inquiries from new customers regarding electric supercharging components for fuel cell systems.

3-14. About the Reducer for e-bike (Nixtroid)

Development of Reducer for e-bike

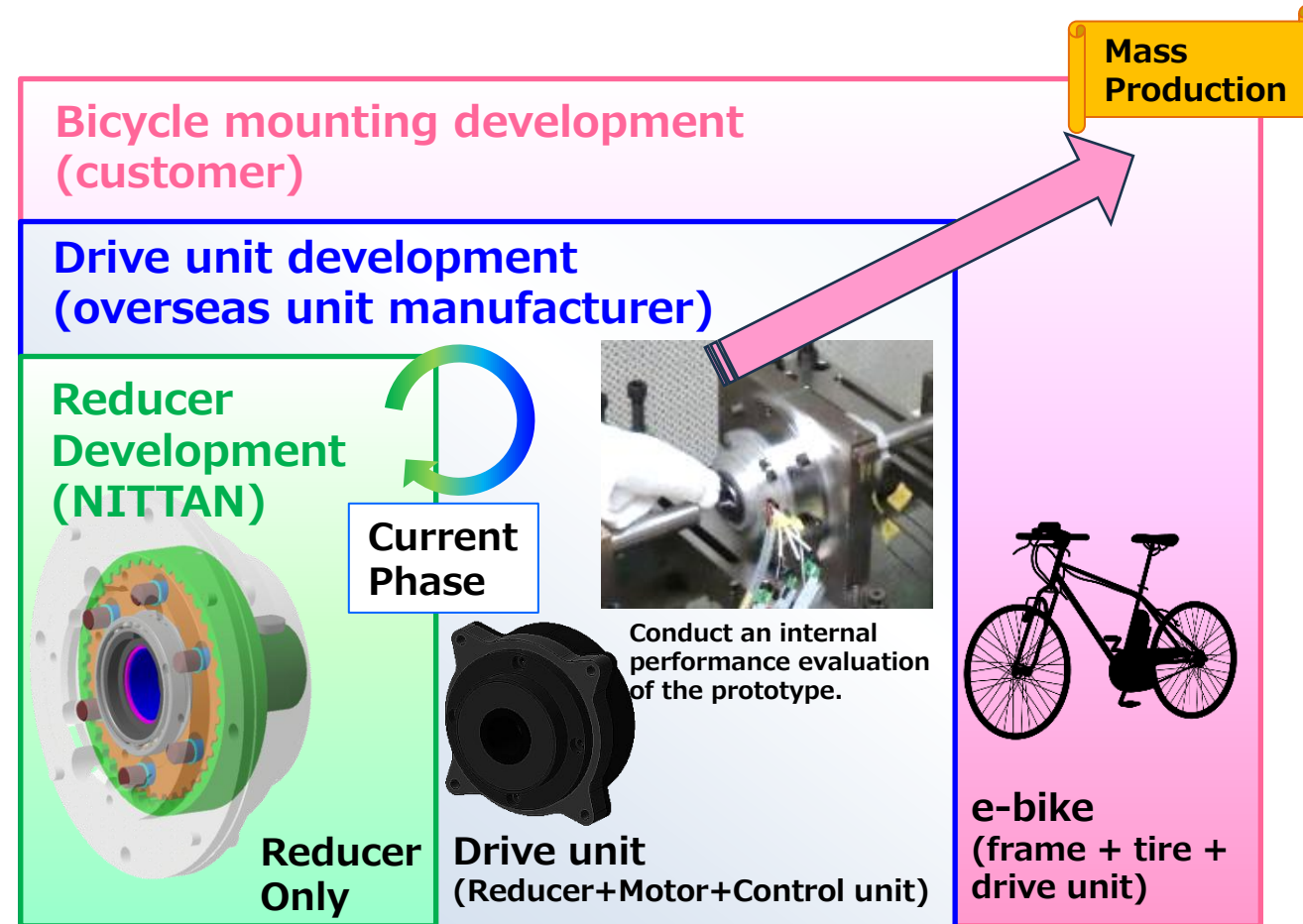


Drive unit configuration

Motor	Chassis
Control Unit	Reducer

Function : A gear device that transmits motor power to the wheels

- The compact Nixtroid Reducer for electric-assist bicycles has entered the next stage of development through integration with motor systems.
- We have begun evaluations with drive unit manufacturers and are accelerating development to meet emerging requirements and challenges.



3-15. About Nixtroid Reducer for AGVs

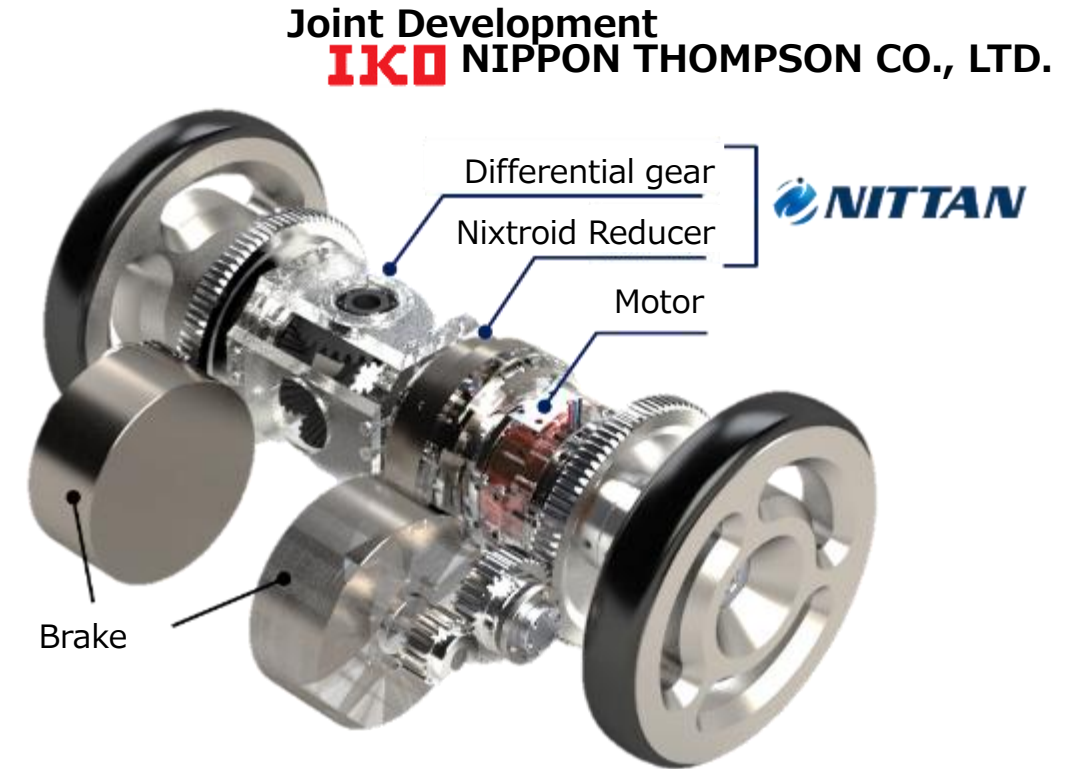
At the 29th Mechanical Components & Materials Technology Expo (M-Tech Tokyo), we showcased our jointly developed AGV and our proprietary Nixtroid reducer at the booth of Nippon Thompson Co., Ltd.



AGV Exhibit Display



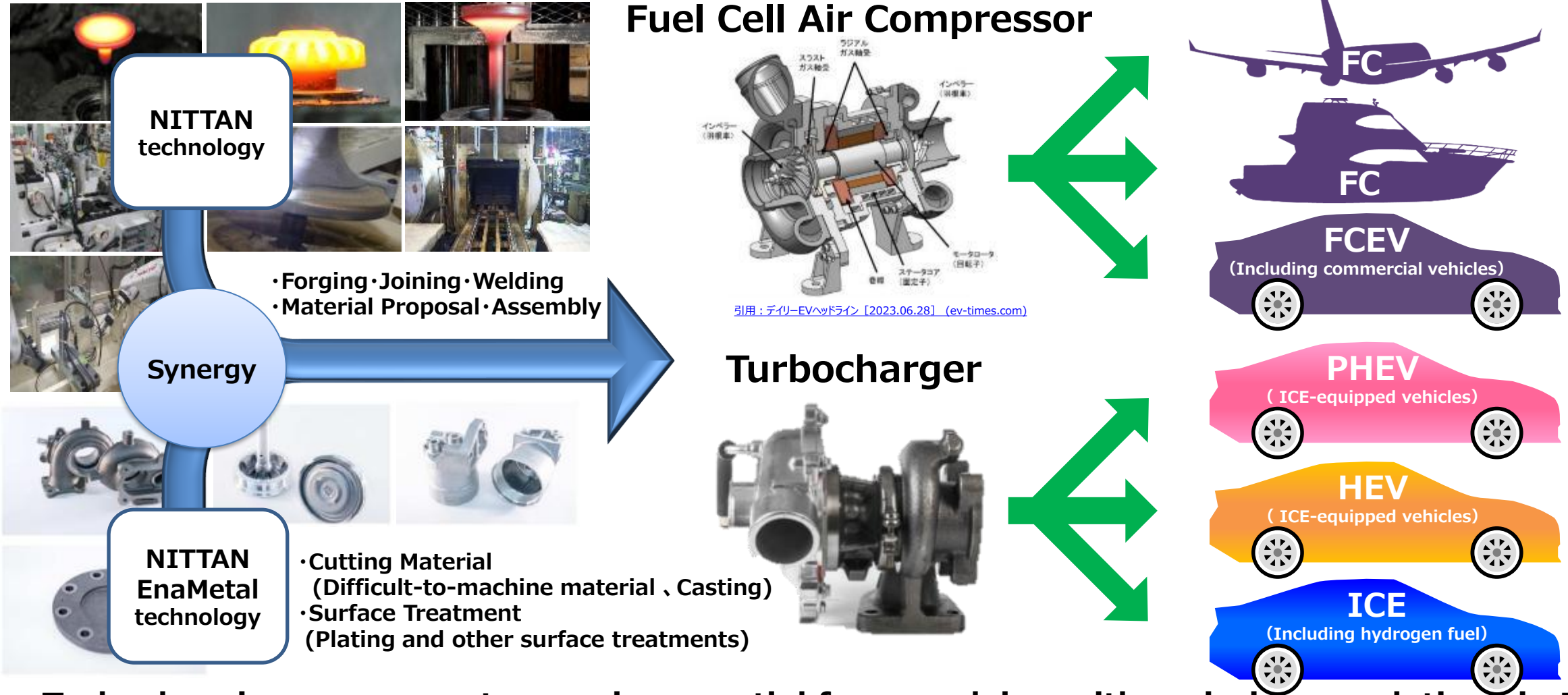
Nixtroid Exhibit Display



"Overview of AGV Drive Unit

- We co-developed a unique AGV by integrating proprietary technologies from NITTAN and Nippon Thompson and showcased it at the exhibition.
- By applying the Nixtroid reducer, we aim to drive innovation through collaborative development of new products, paving the way for the next generation of solutions.

3-16. About Electric Supercharging Components

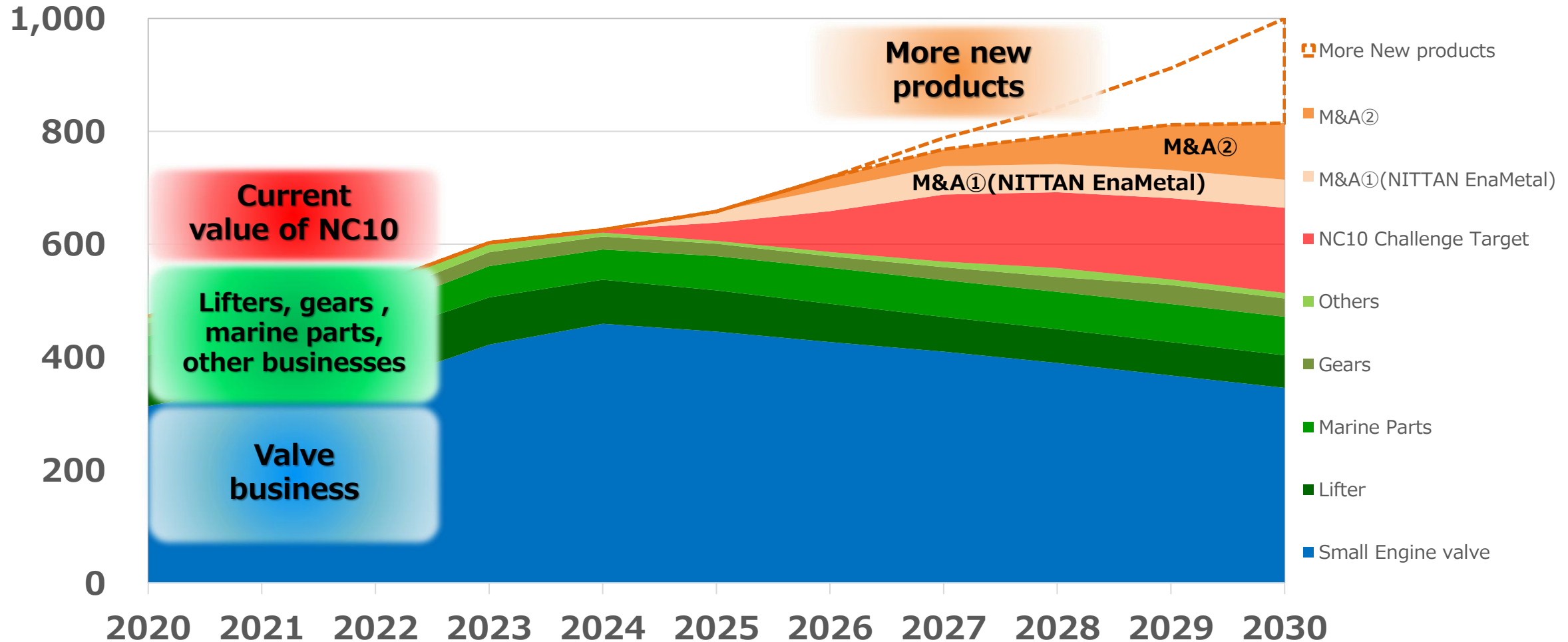


- Turbocharging components remain essential for complying with emission regulations in ICE-powered vehicles and are expected to remain in demand going forward.
- We aim to meet customer needs by leveraging the synergy between the technologies held by NITTAN and NITTAN Ena Metal.

3-17. Current value of NC10 target (September 2024 base)



Sales (billion JPY)



■ To achieve the NC10 target, we will strategically pursue business expansion via M&A and accelerate new product development.

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4-1. Full-Year Forecast Summary for FY2024



(Unit: million JPY)

	FY 2022	FY 2023	FY 2024 Forecast (Updated Disclosure Released on October 30)	YoY Change (Amount)	
Net Sales	41,876	49,478	50,000	522	+1.1%
Operating income	1,440	2,023	1,750	▲273	▲13.5%
Operating margin	3.4%	4.1%	3.5%		
Ordinary Profit	1,759	2,482	1,850	▲632	▲25.5%
Net income (* 1)	391	601	700	99	+16.5%
Overseas affiliates Consolidated accounting rate	FY 2022	FY 2023	FY 2024 Forecast		
(Reference) USD – JPY/USD	132.70	141.82	142.82		
Chinese Yuan – JPY/RMB	19.02	19.94	20.47		

(*) "Net income" refers to net income attributable to owners of the parent.

- Automobile production in North America continues to recover, and the weaker JPY has contributed to increased revenue. However, due to sluggish market conditions in China and Thailand, overall performance is expected to remain at the same level as the previous year.
- Profit declined due to worsening cost conditions in the marine components business and the discontinuation of the PBW segment.
- The assumed exchange rate is based on the September 2024 level. If the JPY continues to weaken, it is expected to have a positive impact on performance. Compared to the exchange rate for the fiscal year ended March 2024, the currency effect is estimated at +660 million JPY in net sales and +88 million JPY in operating profit.

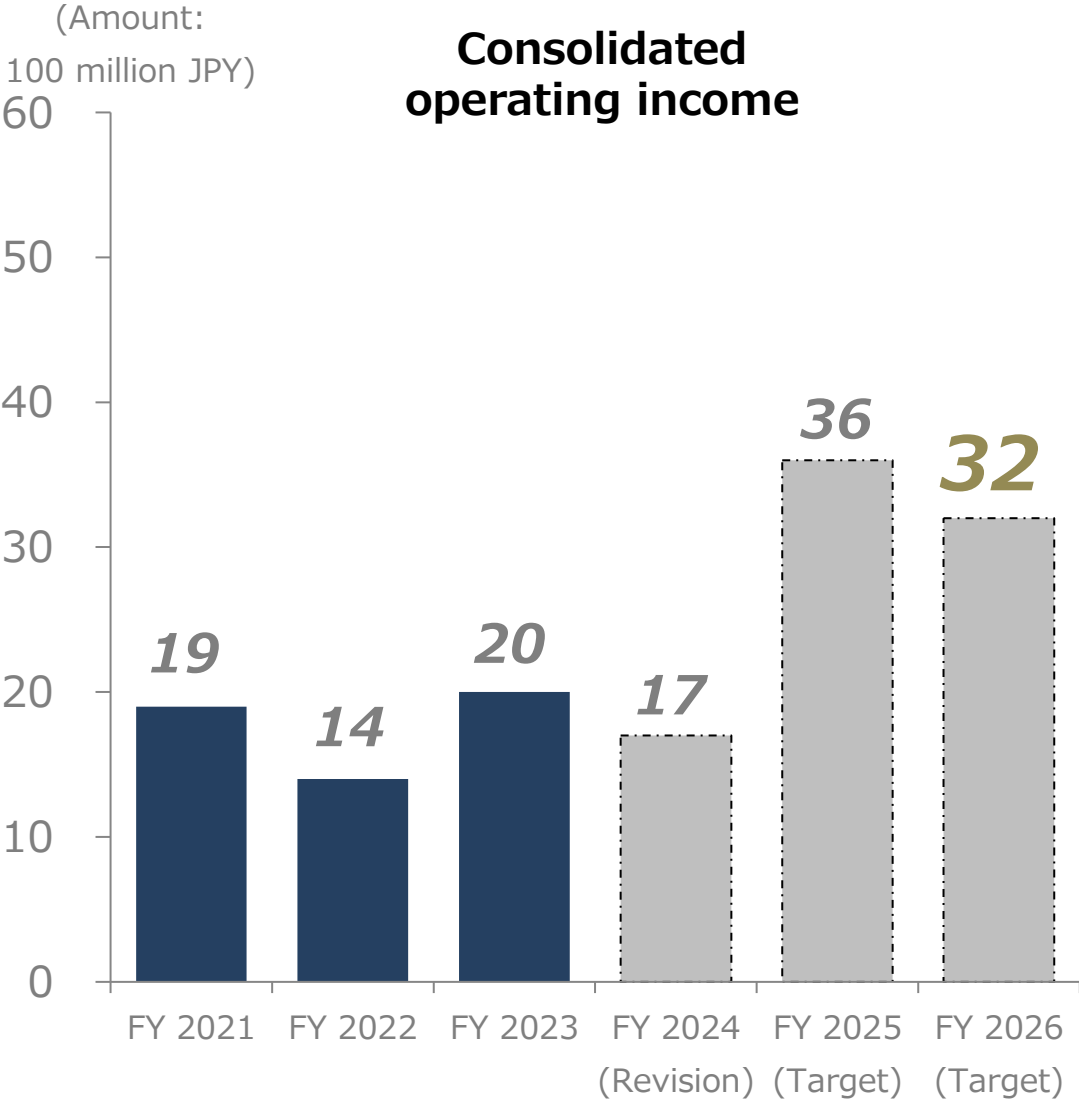
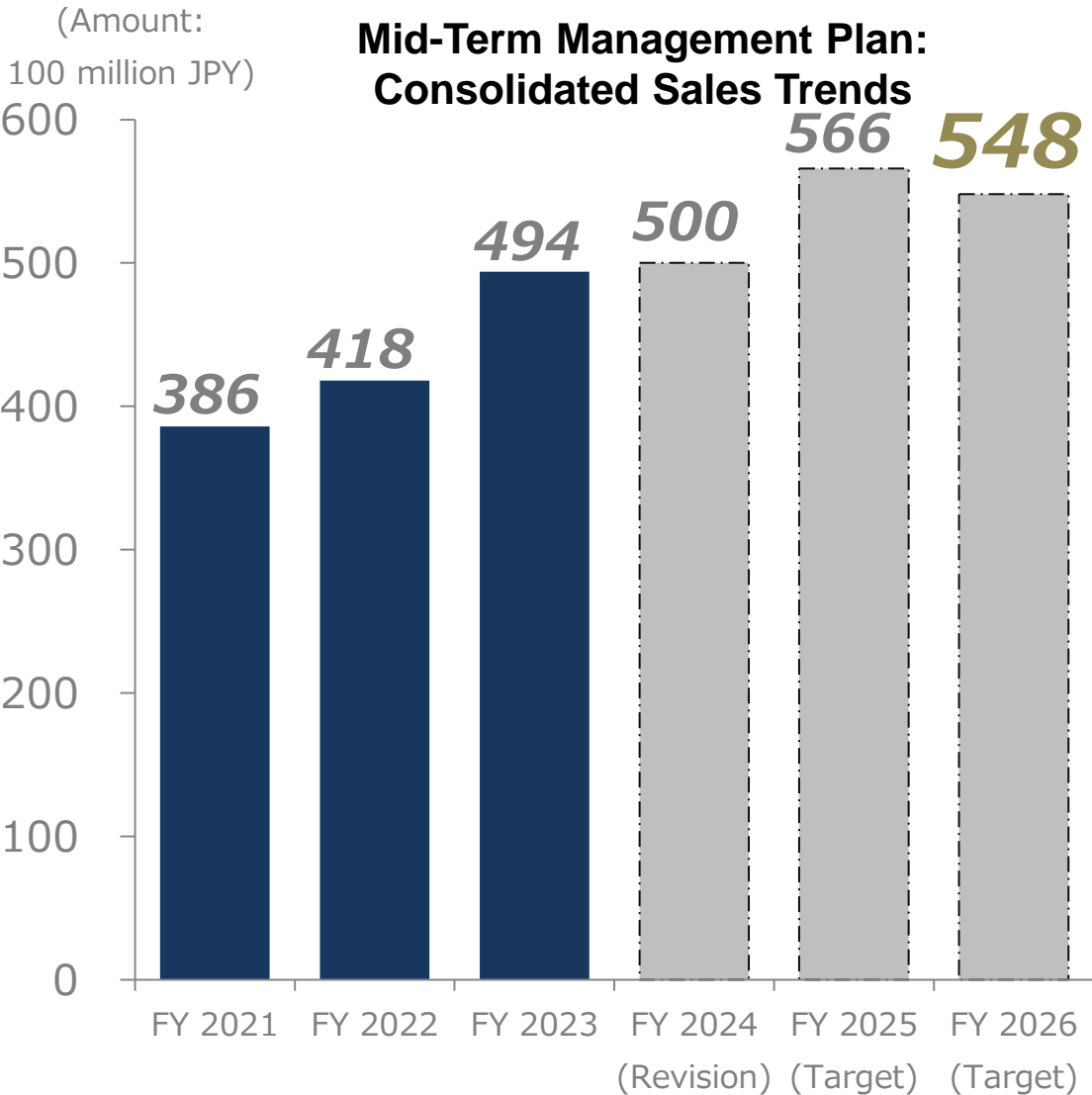
4-2. Mid-term management plan

(Unit: million JPY)

	FY 2021	FY 2022	FY 2023	FY 2024 (Revision)	FY 2025 (Target)	FY 2026 (Target)
Net Sales (Including NC10)	38,669	41,876	49,478 (2,170)	50,000 (3,551)	56,600 (8,420)	54,800 (10,370)
Operating income	1,963	1,440	2,023	1,750	3,600	3,270
Operating margin	5.1%	3.4%	4.1%	3.5%	6.4%	6.0%
Net income	644	391	601	700	1,720	1,740
Return on Equity (ROE)	2.8%	1.6%	2.3%	2.5%	6.1%	6.2%

- Targeting an ROE of 8% or higher by achieving profitability in Japan and North America.
- Stable cash flows from existing businesses will be invested in NC10. From FY2025 onward, our target figures will reflect increased revenue and profit from NITTAN Ena Metal.
- Our goal is to enhance profitability and investment efficiency, thereby improving our Price-to-Book Ratio (PBR).

4-3. Net Sales / Operating Profit



Promoting management reforms that emphasize capital cost

- 1. Improving ROE and ROIC indicators**
- 2. Review of cross-shareholdings**
- 3. Shift from dividend payout ratio to DOE (Dividend on Equity) indicator**

Part 1 : What Has Changed?

Part 2 : What is NITTAN?

Part 3 : Med to Long Term Business Vision

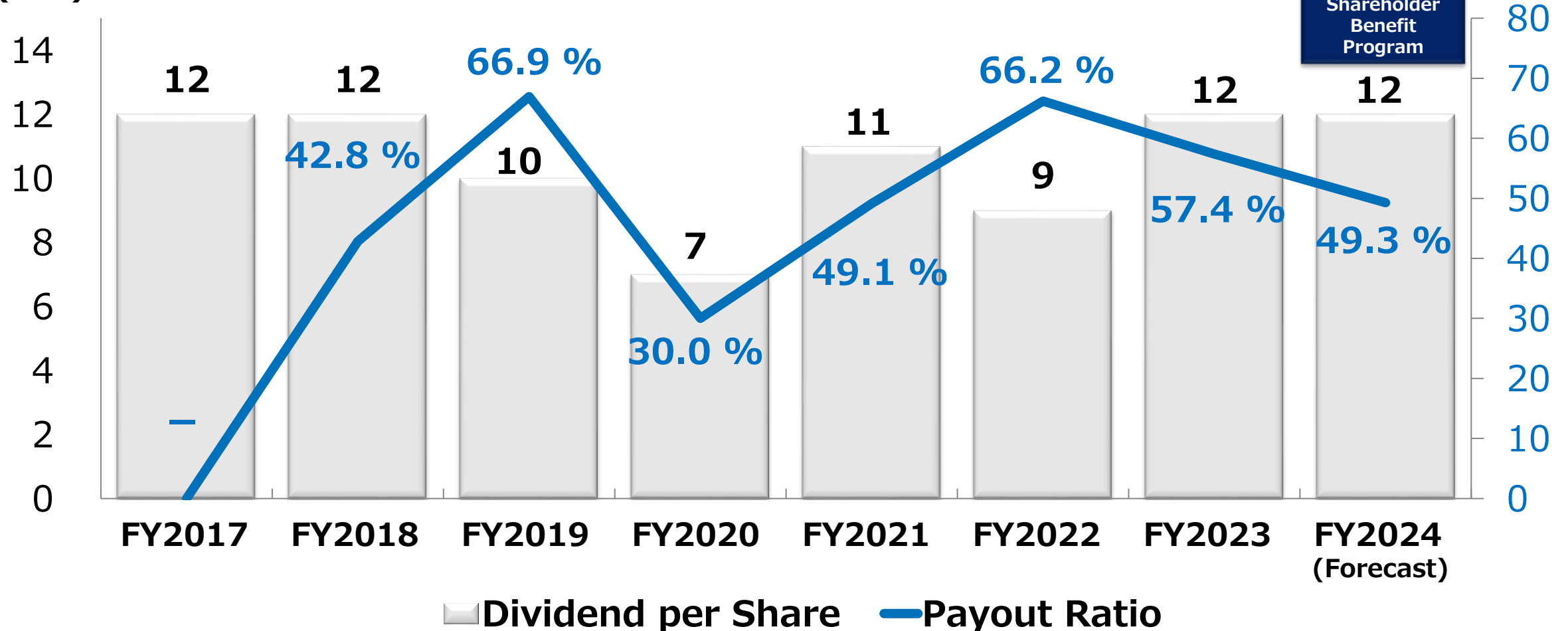
Part 4 : Business Performance Trends

Part 5 : Shareholder Returns

1-2. Dividend Trends

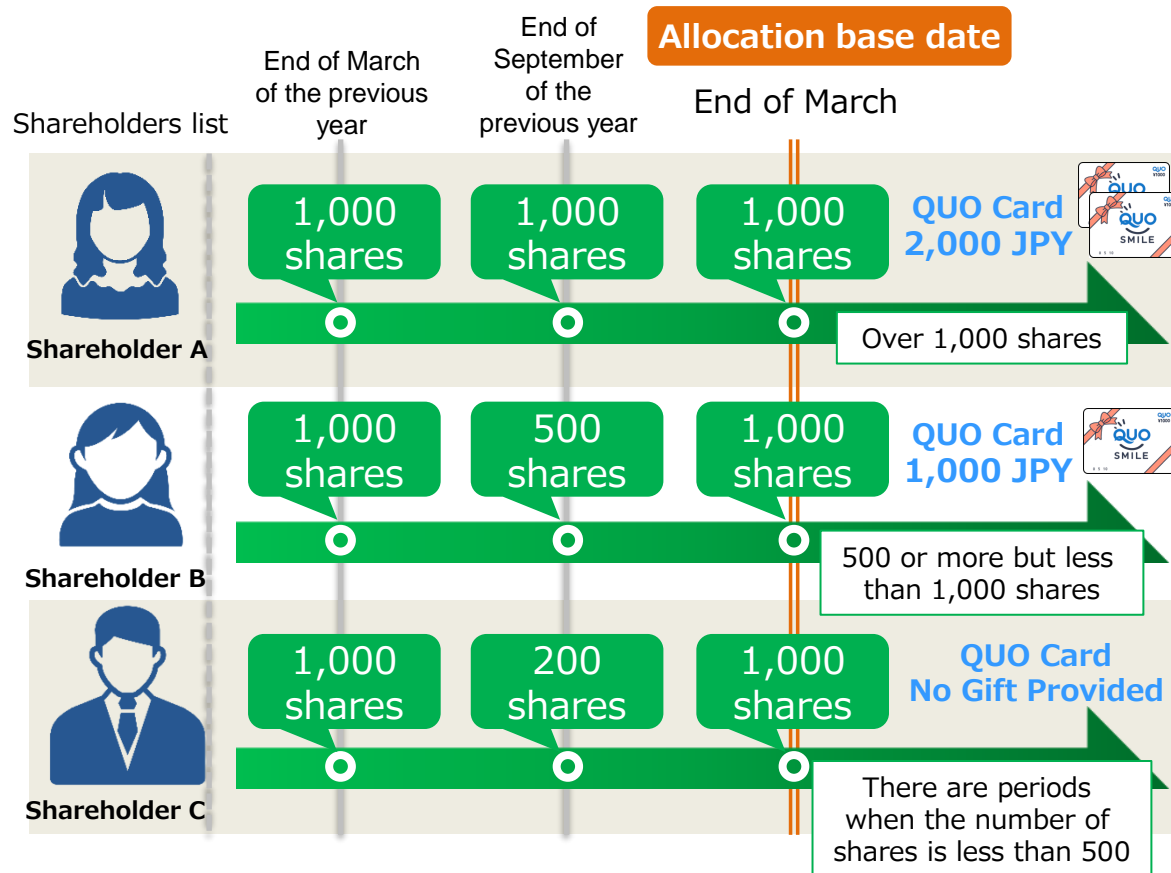
Dividend per Share
(JPY)

Dividend Payout Ratio (%)



■ Enhancing shareholder returns through stable dividends and improved total payout is a key management priority.

5-2. Shareholder Benefit Program



Continuous holding period*	Number of Shares Held	Details of Shareholder Benefits
More than 1 year	500 or more but less than 1,000 shares	QUO Card Worth 1,000 JPY
	Over 1,000 shares	QUO Card Worth 2,000 JPY

Timing of Delivery

The shareholder benefit will be enclosed with the notice of resolution, which is sent out in late June following the conclusion of the Annual General Meeting held every June.



※Image

Total yield including benefits	Dividend yield	Dividend (forecast)
5.11 %	4.38 %	12 JPY

*Assuming a stock price of 274 JPY as of Feb. 27, 2025

The “Holding period of one year or more” is determined based on the shareholder registry as of March 31 and September 30 each year. It refers to shareholders who have been listed under the same shareholder number for three or more consecutive times and have continuously held at least the minimum number of shares required for each category (500 shares or 1,000 shares) on all reference dates (March 31 and September 30)

- Establish a shareholder benefit program to encourage more shareholders to hold our company’s shares.
- Keep our promises to stakeholders and work to further increase our corporate value.

Challenge • Creation • Speed

