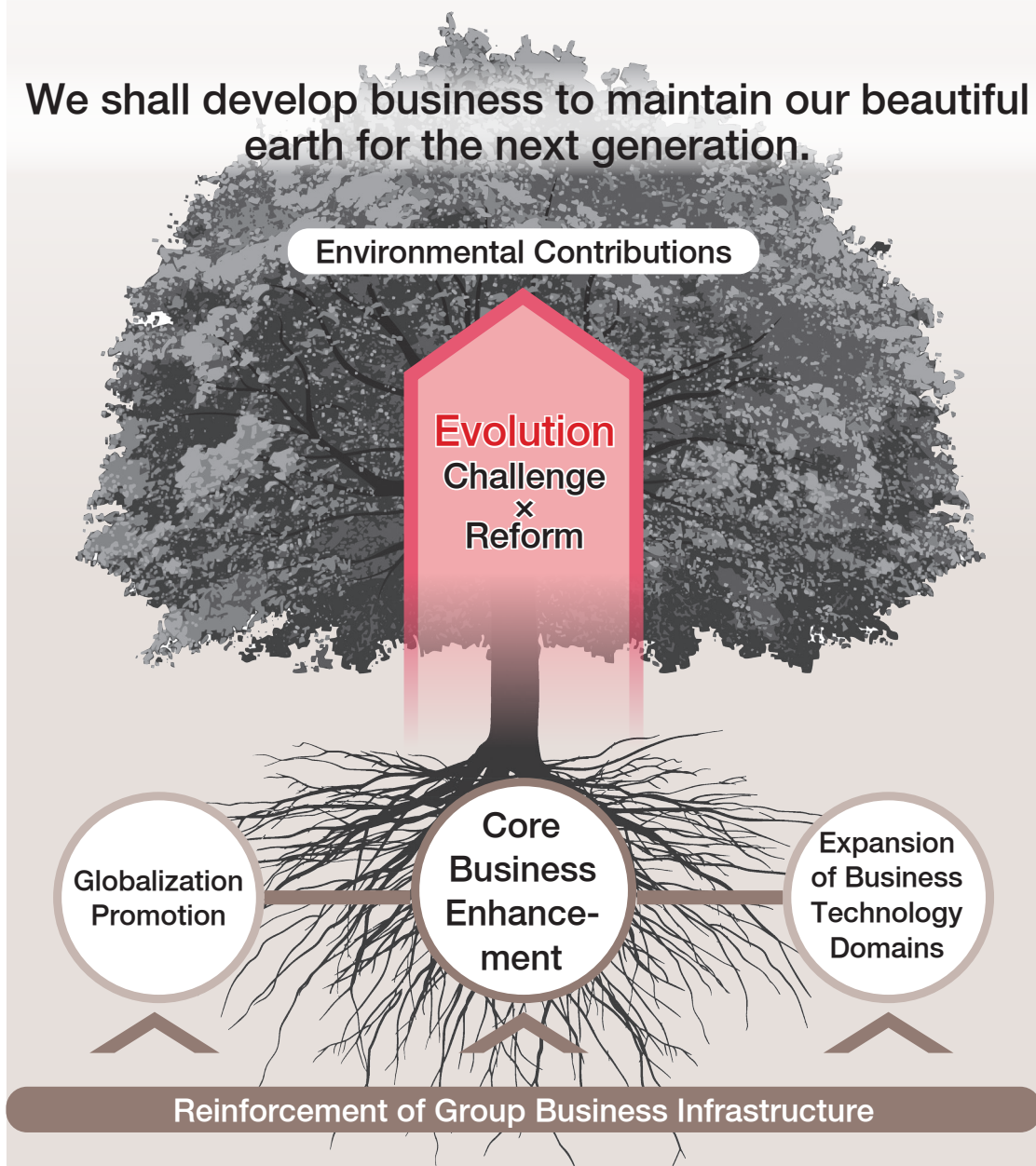




## Value Creation Story

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



## Basic Group Strategy

The direction of our growth starts with the enhancement of our core business, which will solidify the primary foundation of our 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.

By linking contributions to the environment, we're going to increase our social value in addition to our economic value, improving our corporate value

By repeatedly daring to react to opportunities and responding to risks, we're going to evolve as a corporation

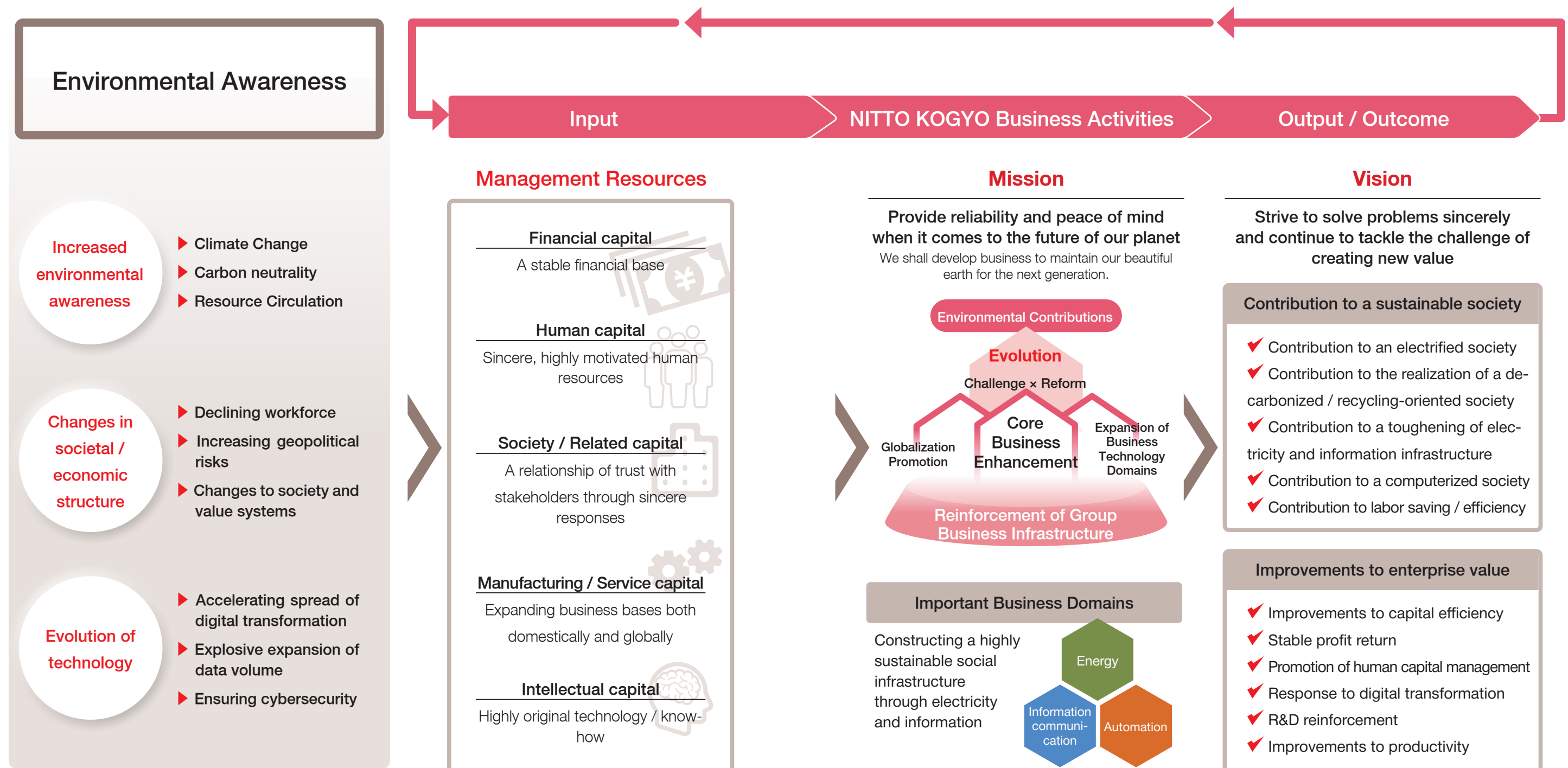
We're going to solidify the core businesses that are our primary foundation, promote globalization, expand our business technology domains, and broaden our business foundations

We're going to create a rock-solid foundation to support our business



# 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

The NITTO KOGYO group has raised [Strive to solve problems sincerely and continue to tackle the challenge of creating new value] as our vision, and we're aiming to become a group that can continue to grow.

By formulating and implementing strategy through backcasting, we've clarified the positioning of each mid-term management plan to realize what we aim to achieve.

## Mission

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

### 2026 Mid-term Management Plan

#### Challenge

Response to opportunities

Expansion of business

Provide reliability and peace of mind when it comes to the future of our planet by resolving social issues

#### Reform

Response to risks

Reinforcement of Business Infrastructure

Create a resilient corporate culture so we can respond even to significant social changes

### Next term Mid-term Management Plan

Business Environment

Management Environment

Changes in societal / economic structure

Evolution of technology

Increased environmental awareness

Expectations from stakeholders

Increased sophistication of group management

#### Backcasting



- Identifies social issues that need to be resolved
- Assumes future views and aspects that will come with significant social changes

## Vision

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

2021

Create a foundation that evolves business

2023

2024

Establish a mechanism for growth

2026

2027

2029

Realize dramatic growth

From 2030

Become a group that can continue growing





# Environmental Awareness

Environmental awareness is a prerequisite for our long-term management vision, and we have listed that which we need to be aware of. The top half has the environment as it relates to business, with the bottom half having it as it relates to management. We regard the business environment as being one oriented towards the realization of a sustainable society, and we believe that we need to be aware of increased environment awareness, changes to the structure of society and the economy and the evolution of technology. Additionally, in the management environment, we believe that we need to be aware of the importance of meeting stakeholder expectations and increasing the sophistication of group management to fulfil our responsibility as a company listed in the Prime Market section of the Tokyo Stock Exchange.

## 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

## 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

### 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

## Business Environment Management Environment

## 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 non-financial information
- Advanced governance structure

### 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

## 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





# Material issues

We express our response to each of these environmental changes by taking on challenges as a response to opportunities and undertaking reforms as a response to risks. We've set key issues for both the challenge that is expanding our business and the reform that is increasing our business continuity. Additionally, we believe that continuing to take on the challenge of meeting stakeholder expectations and upgrading group management is necessary as the foundation that will support this "challenge" and "reform".

## Challenge

We will take on the challenge of expanding our business by providing reliability and peace of mind when it comes to the future of our planet by resolving social issues.

## Challenge Response to opportunities

## Reform

Change into a resilient corporate culture so we can respond even to significant social changes by reinforcing our business infrastructure.

## Reform Response to risks

Key issues that come with changes in the management environment

Expectations from stakeholders

Increased sophistication of group management

Create a firm foundation that supports "challenge" and "reform"

## Key issues that come with changes in the business environment

### Increased environmental awareness

- ▶ Contribute to the realization of a decarbonized and recycling-oriented society by undertaking activities to reduce environmental impact through the provision of environmentally friendly products and services
- ▶ Contribute to the realization of a resilient society by providing products and services related to the prevention and mitigation of disasters

- ▶ Ready ourselves for natural disasters risks and increase business continuity
- ▶ Construction of an environmentally-friendly supply chain

### Changes in societal / economic structure

- ▶ Contribute to a society with a declining population by providing products and services that improve productivity
- ▶ Contribute to the realization of a resilient society by providing products and services related to the renewal and preventative maintenance of infrastructure

- ▶ Construction of a robust supply chain that will link in with a reduction in geopolitical risks
- ▶ Increase efficiency through operational reform
- ▶ Promotion of Diversity, Equity & Inclusion (DEI)

### Evolution of technology

- ▶ Support the advancement of IoT, AI and robotics and contribute to the creation of a "new normal" society
- ▶ Provide highly convenient services, such as the creation of production and sales systems that make use of digital technology
- ▶ Reinforce cybersecurity
- ▶ Increase responsiveness to the digitalization that will realize operation process reforms