



The New Medium-Term Management Plan (FY2026 - 2028)

「Nitto RISE 2028」

Nitto Denko Corporation

Date: May 29, 2026

Nitto

Innovation for Customers

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Review of the Previous Medium-Term Management Plan “Nitto for Everyone 2025”

Review of “Nitto for Everyone 2025” (Financial Targets)

Achieved the plan, with operating profit reaching a record high and profitability improving through the promotion of the Niche Top Strategy.

ROE target was not achieved despite accelerated share buybacks.

	FY2022	FY2025		Vs. Targets	Review
	Results	Targets	Results	Change	
Operating profit (¥ billion)	147.2	170.0	183.6	13.6	<ul style="list-style-type: none"> • Achieved the target with operating profit reaching a record-high level, second only to FY2024 • Business expansion driven primarily by Optronics
Operating profit to revenue (%)	15.8	17	17.9	0.9	<ul style="list-style-type: none"> • Advanced the Niche Top strategy • Focused on growth areas and transformed the profit structure
ROE (%)	12.7	15	12.2	▲ 2.8	<ul style="list-style-type: none"> • Share buybacks totaled ¥142.0 billion over three years • Improving capital efficiency remains a key issue going forward

Review of “Nitto for Everyone 2025” (Future-Financial Targets)

Nine future-financial targets were established for the first time in the previous medium-term management plan, accelerating ESG management across the Nitto Group.

	Future-financial indicators	Unit	FY2022	FY2025		Vs. Targets	Review
			Results	Targets	Results	Change	
Product related	Niche Top revenue ratio	%	47	50	49.7	▲0	<ul style="list-style-type: none"> Expansion of products and services that are “essential” to solving social issues New product ratio continuously achieved the target level
	Flags revenue ratio	%	17	40	46	6	
	New products ratio	%	41	35 or more	40	5	
Environmental	Waste plastics recycling ratio	%	46	50	50* ¹	0	<ul style="list-style-type: none"> Promoted initiatives to address climate change Achieved CO₂ emissions below SBT*² targets
	Sustainable materials procurement ratio	%	17	20	24	4	
	CO ₂ emissions(Scope1+2)	kton/year	571	470	385* ¹	85 (reduction)	
Human Capital	Engagement score	—	74 (FY21)	78	81	3	<ul style="list-style-type: none"> Steady progress in enhancing the vitality of individuals and the organization Continued initiatives based on understanding and respect for diversity
	Challenge ratio	%	42	70	58	▲12	
	Female leaders ratio	%	19	24	22	▲2	

* 1 Outlook as of May 29, 2026. Final results will be disclosed on our website and in our Integrated Report.

* 2 Greenhouse gas emission reduction targets set by companies in line with the science-based target adopted by the Paris Agreement (the target to limit temperature increase to less than 1.5°C above pre-industrial levels)



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Background to the Formulation of the New Medium-Term Management Plan “Nitto RISE 2028”



“An essential ESG Niche Top company”

Nitto's unique corporate stance

Amazement and inspiration

Nitto
Innovation for Customers

Nitto's unique corporate culture

Enjoying challenges

Nitto's unique business

Contributions to the environment and human society/ Niche Top

Co-creation and innovation

Contributing to an enriched future with **3 aspects of Nitto's uniqueness**

Trust and expectations



Essential for sustainable global environment & human society



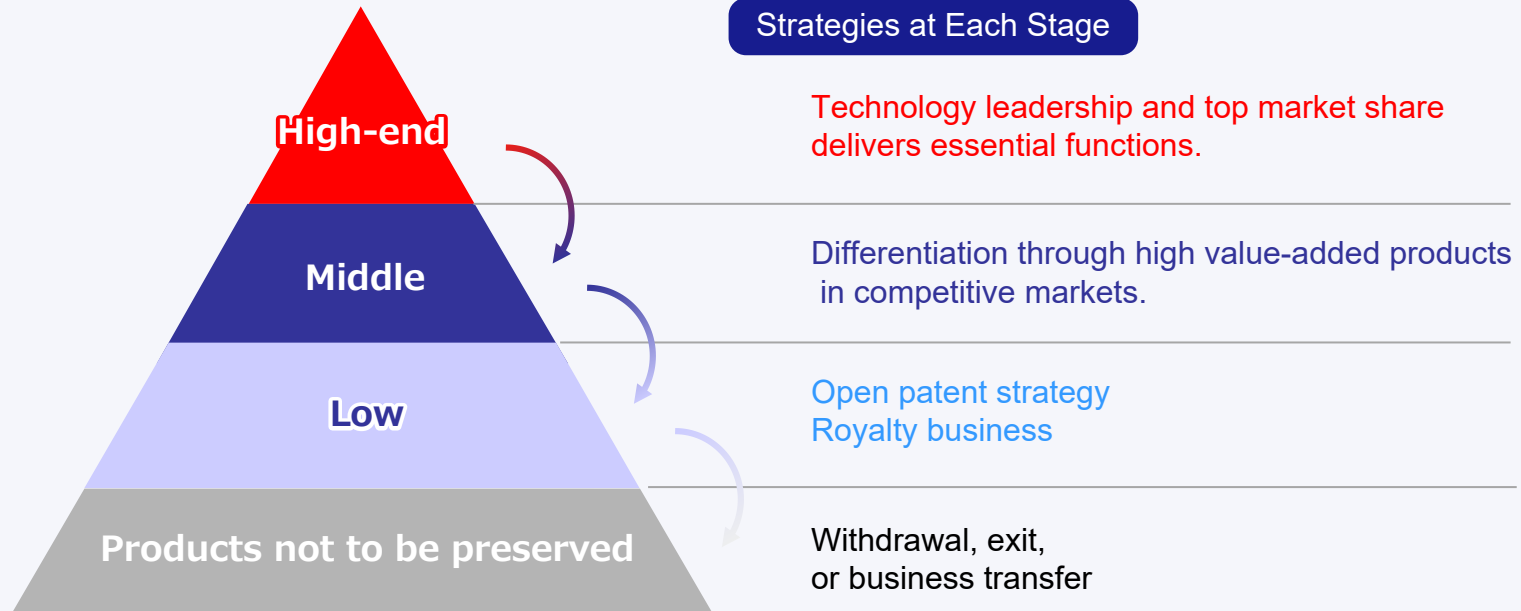
Mechanism for Creating Niche Top, the Foundation of Double Recognition 9

A system has been established for Niche Top to create the next Niche Top



A Competitive Strategy Based on the Niche Top Strategy

By adapting to a changing business environment, we maximize revenue, which funds our next Niche Top products.





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Overview of the New Medium-Term Management Plan “Nitto RISE 2028”

Overview of the New Medium-Term Management Plan “Nitto RISE 2028” 12

Target state	Essential ESG Niche Top Company  (2030) Double recognized products revenue ratio: 50% or more
Foundation	Through effective governance, ensure thorough compliance, quality, and occupational safety and health, and maintain management security
Focus initiative	Realizing new growth through Double Recognition

Financial targets	Financial indicators	FY2028 targets	FY2030 targets
	Operating profit	220.0 billion yen	240.0 billion yen or more
	Operating profit to revenue	20%	20% or more
	ROE	14%	15% or more

Focus domains	<ul style="list-style-type: none"> • Digital interface • Green tech • Human life
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		Future-Financial indicators	FY2028 targets	FY2030 targets
Product related	Double recognized products revenue ratio*1		40%	50% or more
	Niche Top revenue ratio*2		50%	50% or more
	Flags revenue ratio*3		50%	50% or more
Environmental	GHG emissions*4	Scope1	300kton	330kton or less
		Scope2	100kton	70kton or less
		Scope3	1,520kton	1,460kton or less
Human Capital	Engagement score*5		84	85 or more
	Challenge ratio*6		70%	85% or more

*1. An indicator for measuring the creation and expansion of products and services that simultaneously solve social issues and create economic value.

*2. An indicator for measuring the creation and expansion of essential Nitto products that have achieved the top market share in niche fields.

*3. An indicator for measuring the creation and expansion of essential products and services that solve social issues. Flags=PlanetFlags™/HumanFlags™.

*4. An indicator referring to greenhouse gas (GHG) emissions and measuring progress in efforts to respond to climate change.

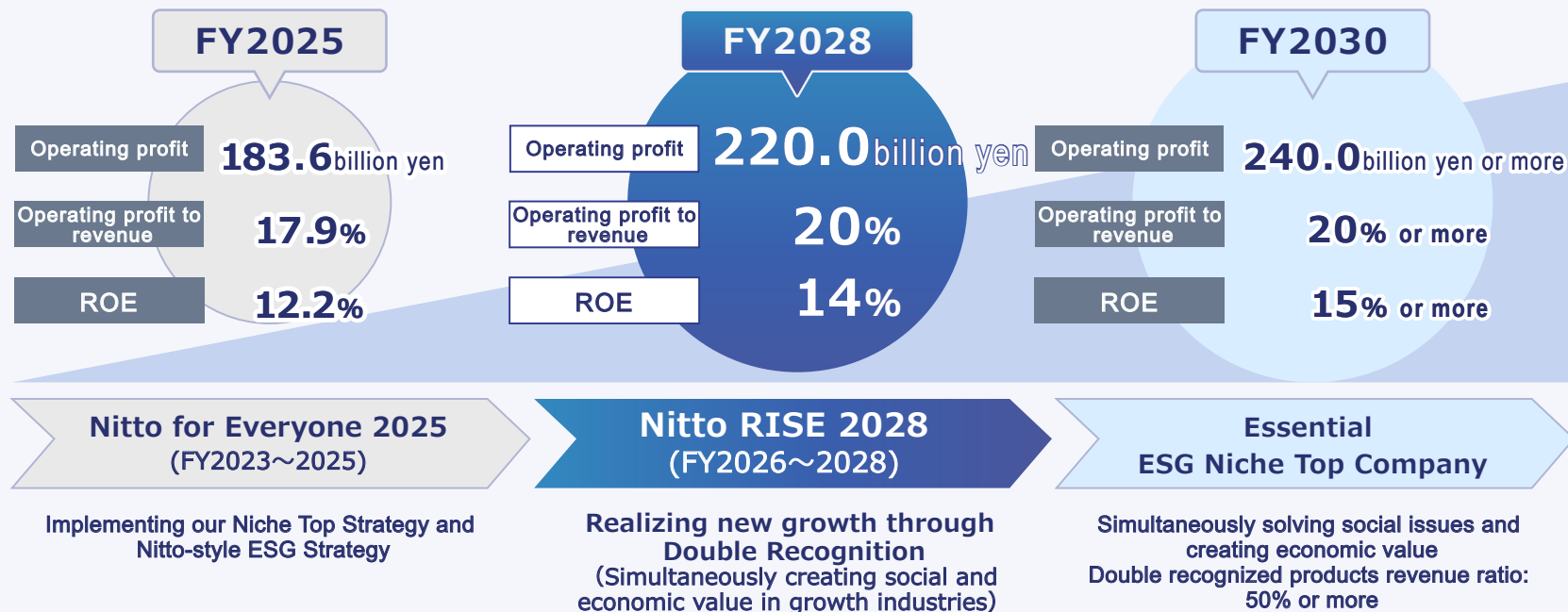
*5. An indicator for measuring the three elements that indicate organizational revitalization: employees' sense of belonging and willingness to contribute, productive work environment, and physical and mental well-being and vitality.

*6. An indicator for measuring the percentage of employees who took on challenges to broaden their experience and potential toward creating new value.

Positioning of the New Medium-Term Management Plan

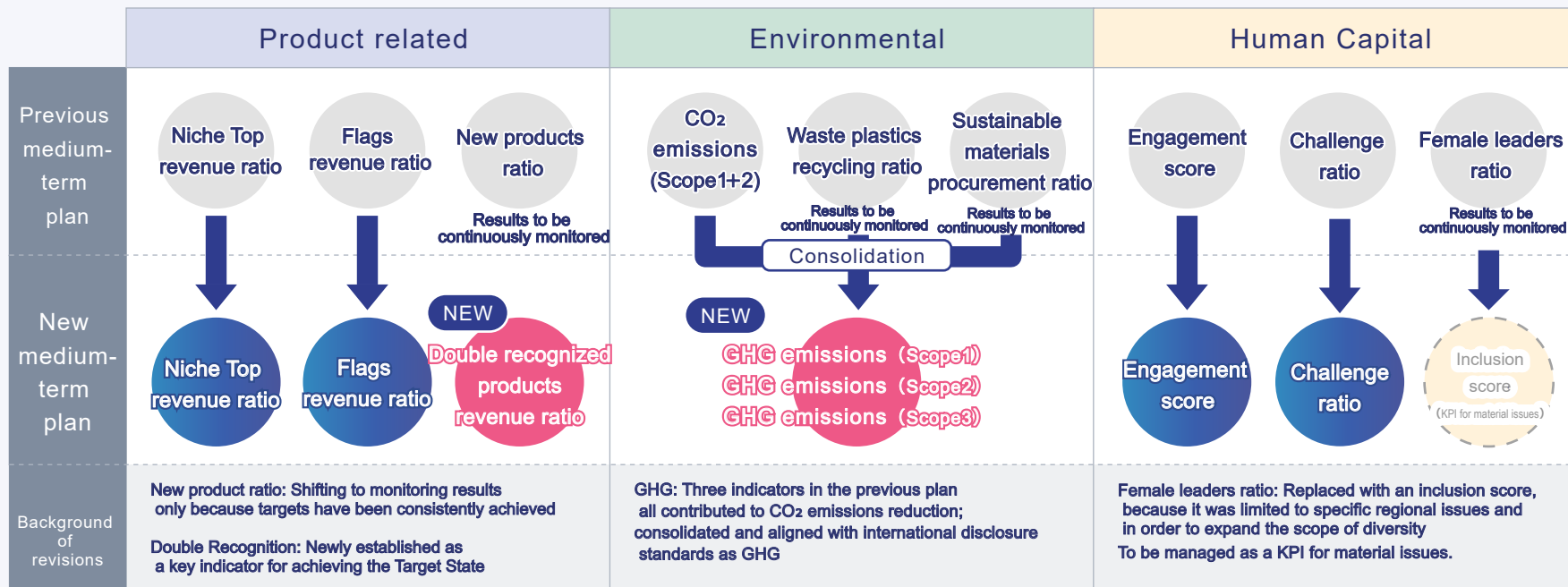
The second step toward realizing our Target State 2030

Three years of creating and expanding Double Recognition to enhance the certainty of growth



Approach to Future-financial Targets

We have established Future-Financial Targets to demonstrate progress toward the realization of "an essential ESG Niche Top company."

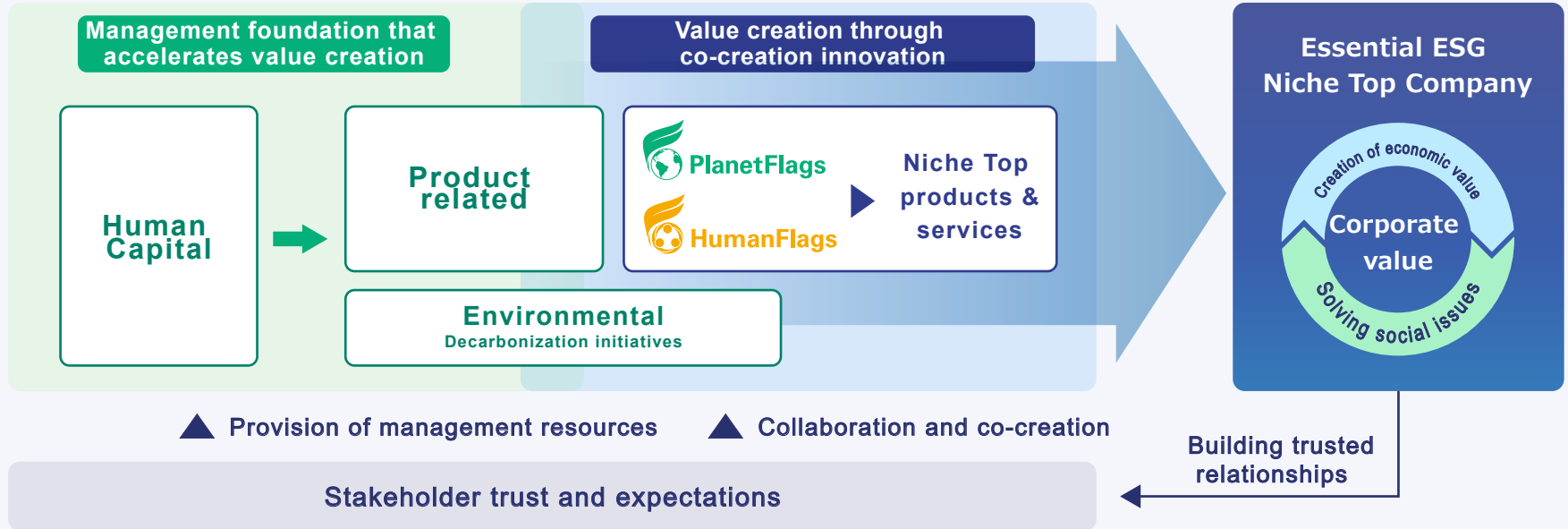


Linkage Between Future-financial and Financial Targets for Enhancing Corporate Value

Strengthen future-financial initiatives driven by human capital that are linked to financial performance and corporate value.

Future-financial

Financial

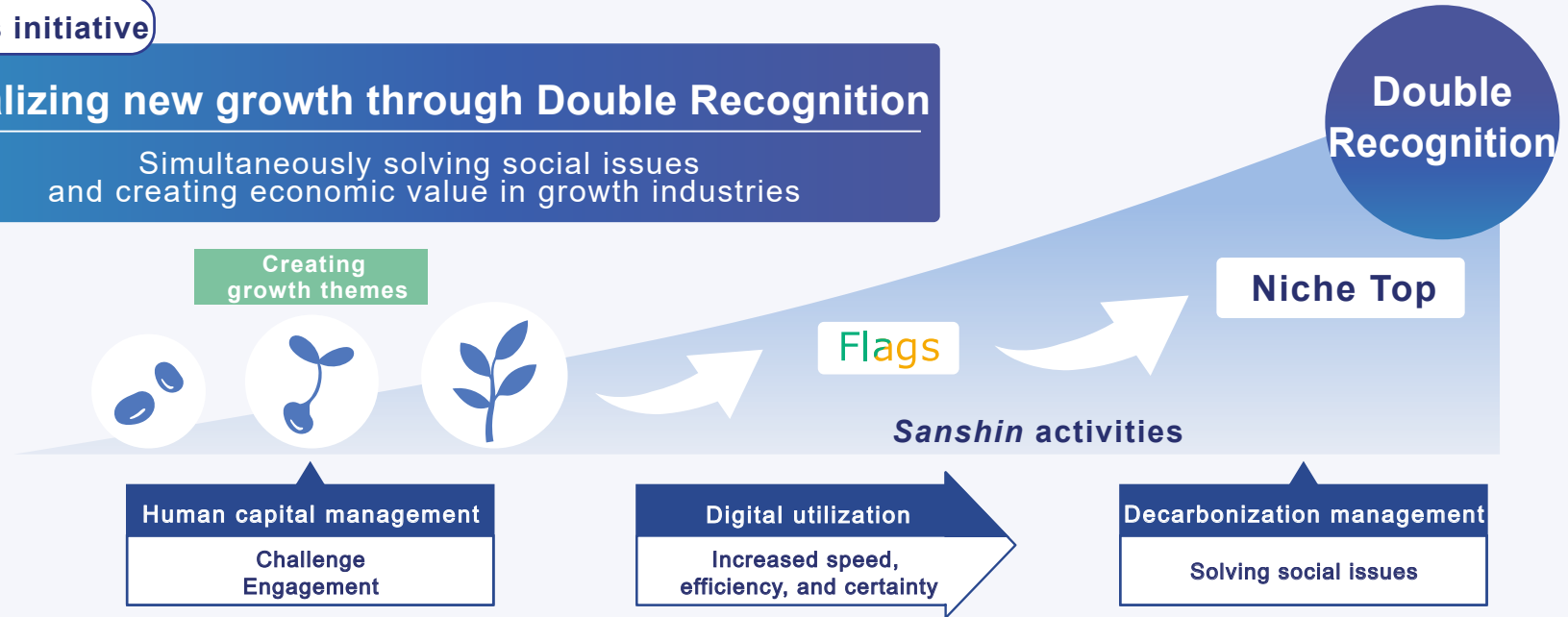


Defining a focused initiative to increase the feasibility of becoming an Essential ESG Niche Top Company

Focus initiative

Realizing new growth through Double Recognition

Simultaneously solving social issues and creating economic value in growth industries



What is Double Recognition?

Highly selected products and services that meet the recognition criteria for both Flags and Niche Top

Flags
contributions to the environment and human life
Products and services essential to solving social issues

Recognition criteria

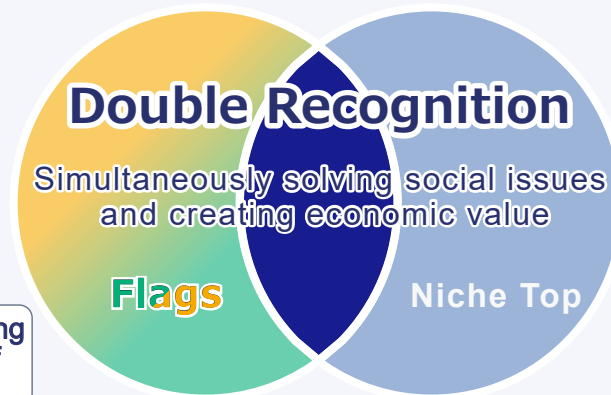
- ① **Degree of contribution** (reviewed by external experts & internal committees)
Necessity, leadership, external recognition
- ② **Growth potential, track record, and alignment with strengths**

Niche Top
A differentiation strategy aims for the No.1 market share in the niche fields

Recognition criteria

- ① **Strong business performance (scale and profitability)**
- ② **Top market share**

* Flags and Niche Top are reviewed by internal recognition councils



Simultaneously meeting two different sets of criteria



Highly durable polarizers for automotive display



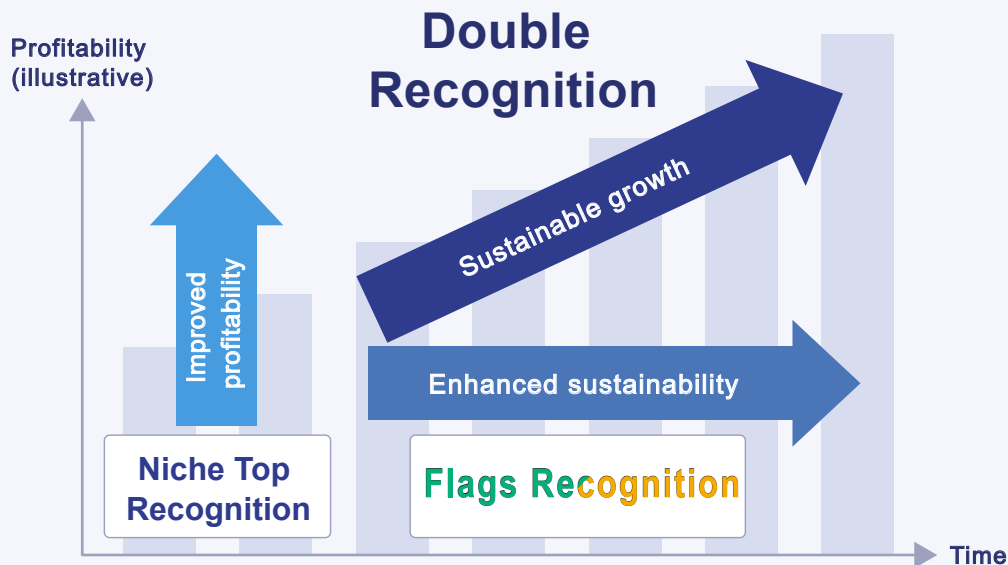
Battery bonding electrical release tape



Polymer beads for synthesizing oligonucleotides

* Example of selected products

Expanding Double Recognition enables sustainable growth



Target State 2030

A state in which
double recognized products and services account
for **more than half** of Nitto's revenue

||
= A state offering greater expectations of
sustainable growth

Double recognized products revenue ratio

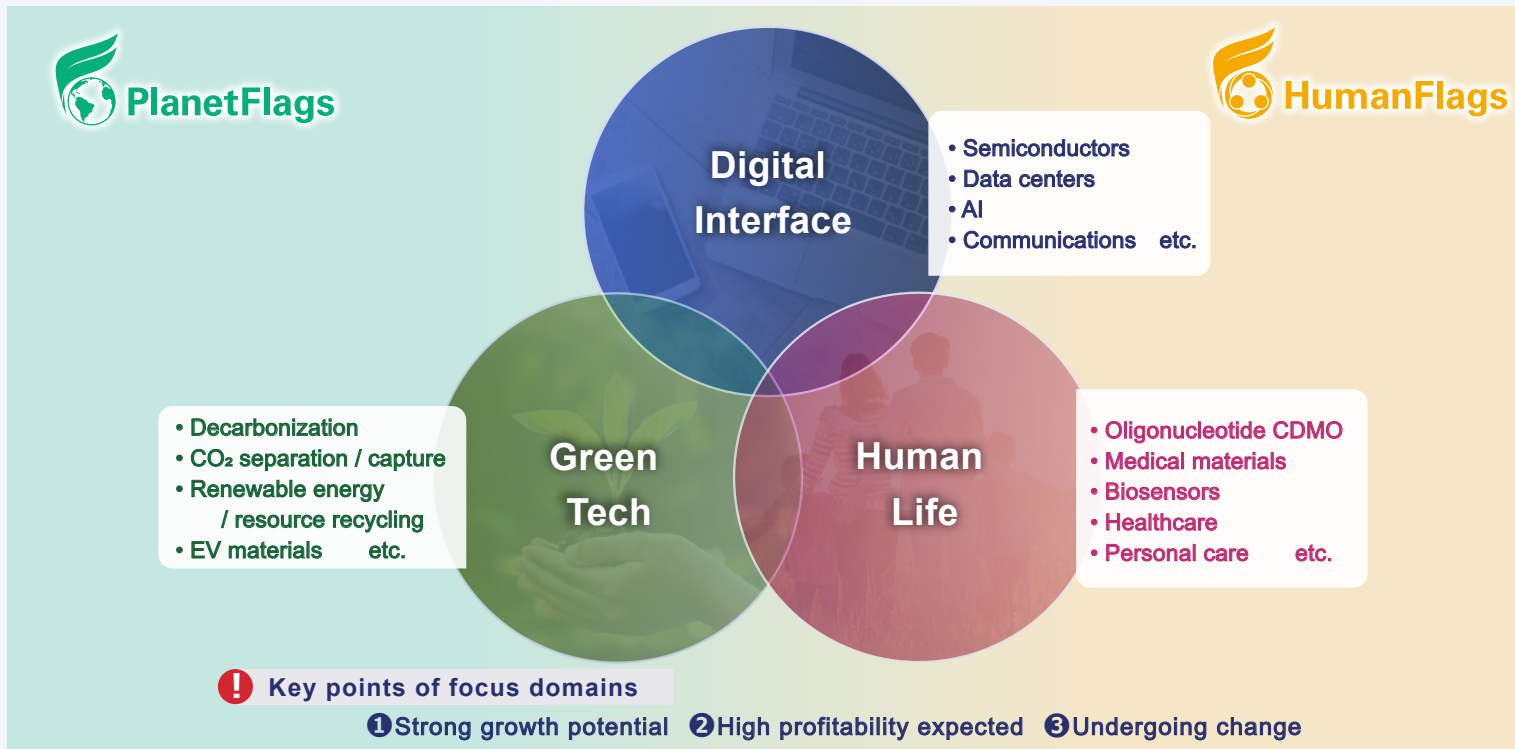
FY2025
40%

FY2030
50% or more

200 billion yen or more in scale

Focus Domains in “Nitto RISE 2028”

Identify target domains for new growth driven by Double Recognition, leveraging Nitto’s strengths



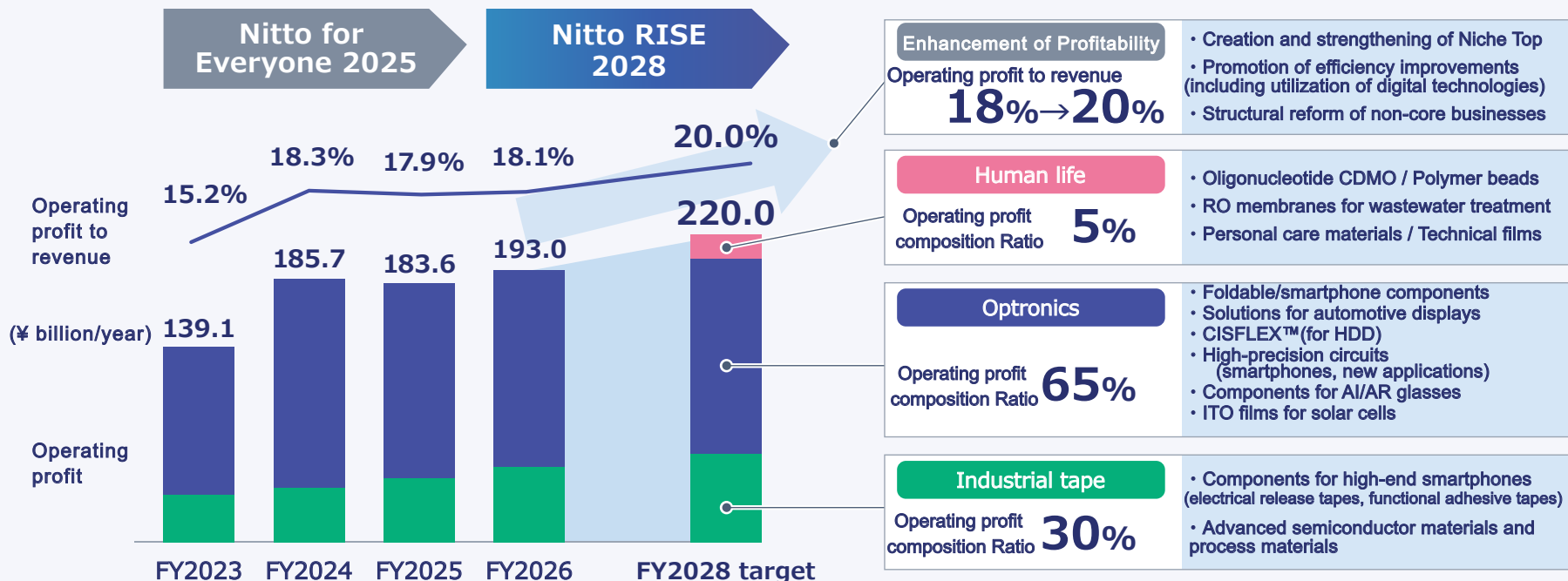


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Realizing New Growth through Double Recognition

Growth Strategy by Segment

Achieve profitable earnings growth through the creation and expansion of Double Recognition.



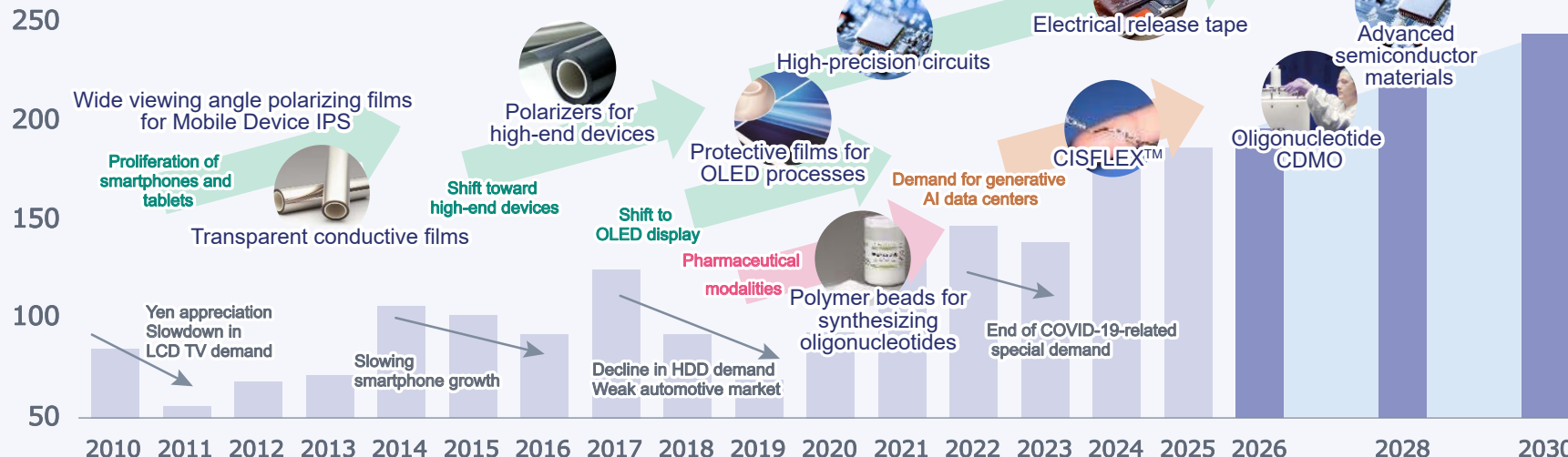
The Growth Trajectory of the Nitto Group

We have achieved strong growth through our Niche Top strategy in response to changes in the market.

Creation of Niche Top products in response to the evolution of information devices (smartphones, etc.)

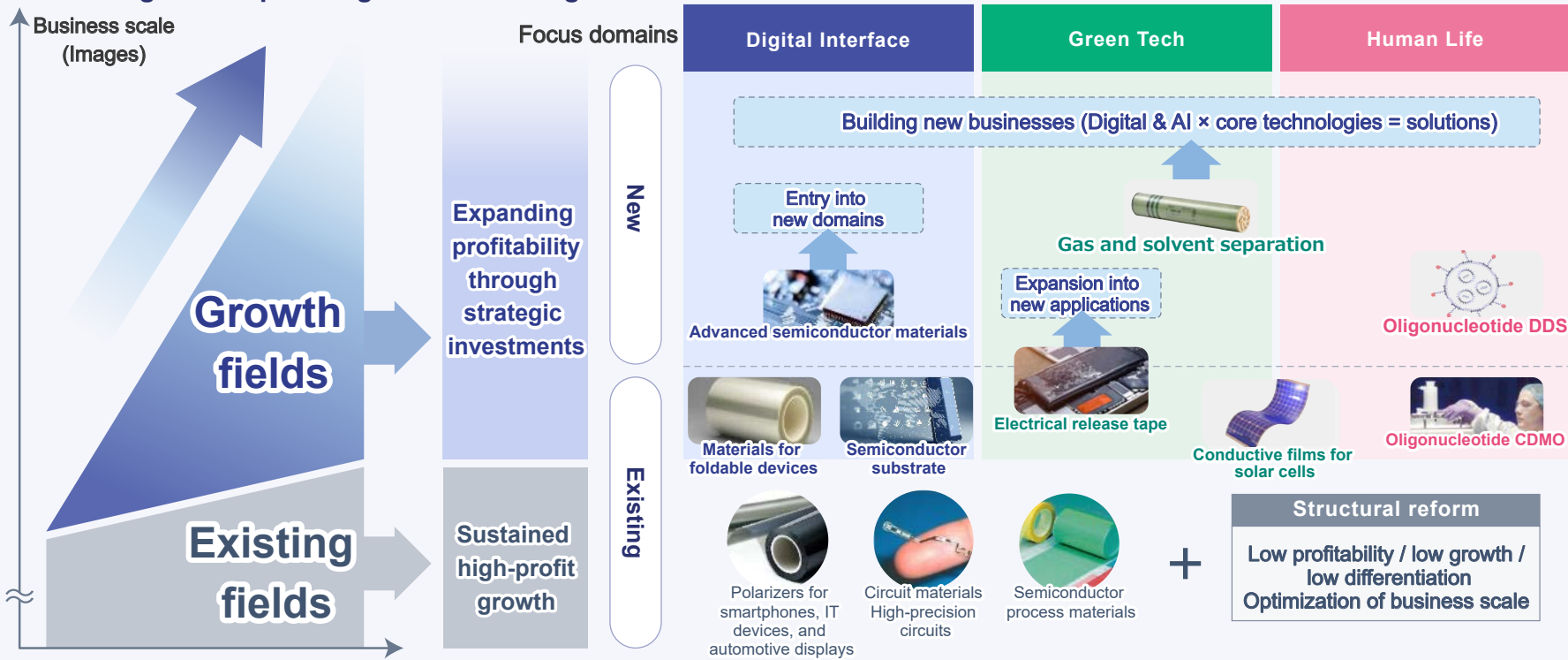
Creation of Double Recognition in cutting-edge fields such as generative AI, pharmaceutical modalities, and decarbonization

Operating profit
(¥ billion/year)



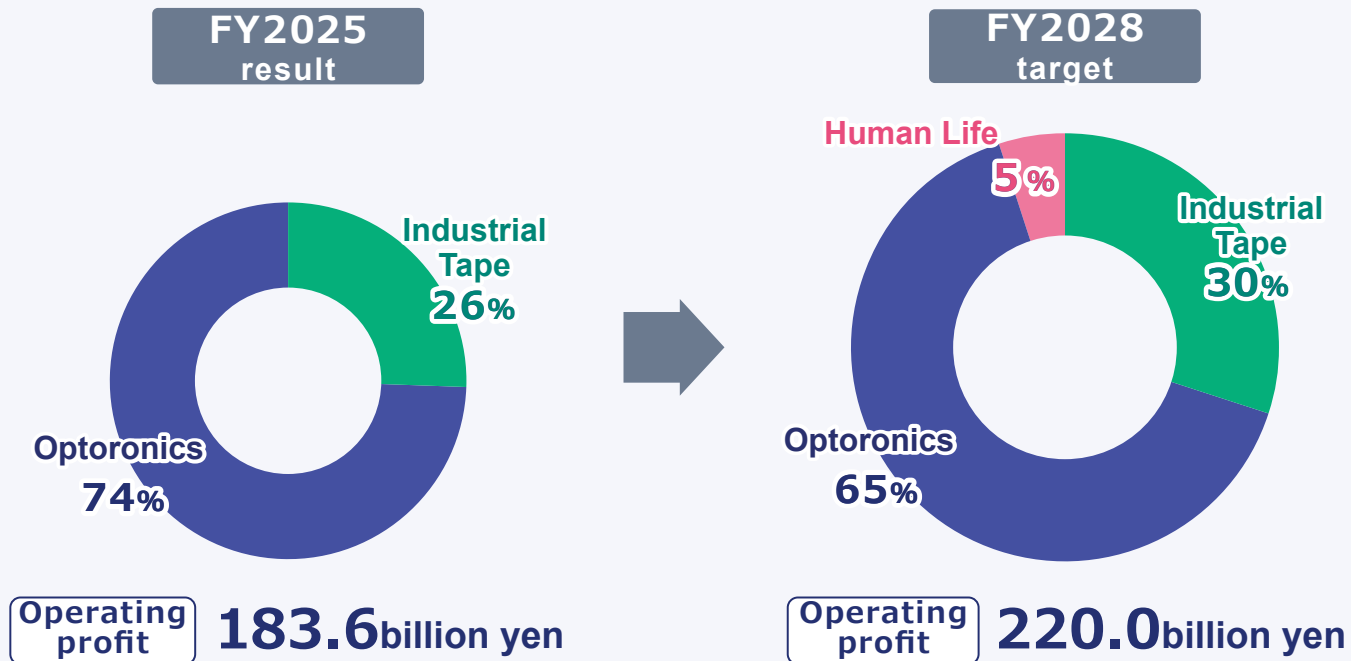
Growth Strategy through Double Recognition

Going forward, we aim to achieve high, profitability-driven growth in focus domain by creating and expanding Double Recognition



Business portfolio transformation

We will transform our business portfolio toward a more balanced structure, building resilience to external environments.





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Creation of Double Recognition and Supporting Initiatives

We will strengthen human capital and deliver value to customers by creating and expanding Double Recognition.



Revitalization of individuals

People who enjoy challenges
People who connect businesses globally
People who enhance speed and perfection

Initiatives

- NIC(New Business Creation Event)
- Global Select Training
- Sustainability Training
- Sanshin World Conference

Revitalization of organization

Organizations that maximize performance

Initiatives

- Engagement Enhancement Activities
- Small Group Activities
- RINC(R&D Innovation networking conference)
- Corporate Philosophy Kuruma-za

Diversity

Diverse knowledge and experience as the foundation for activation

Initiatives

- Promoting the empowerment of diverse employees
- Group awards
- Global conferences

Future-Financial targets

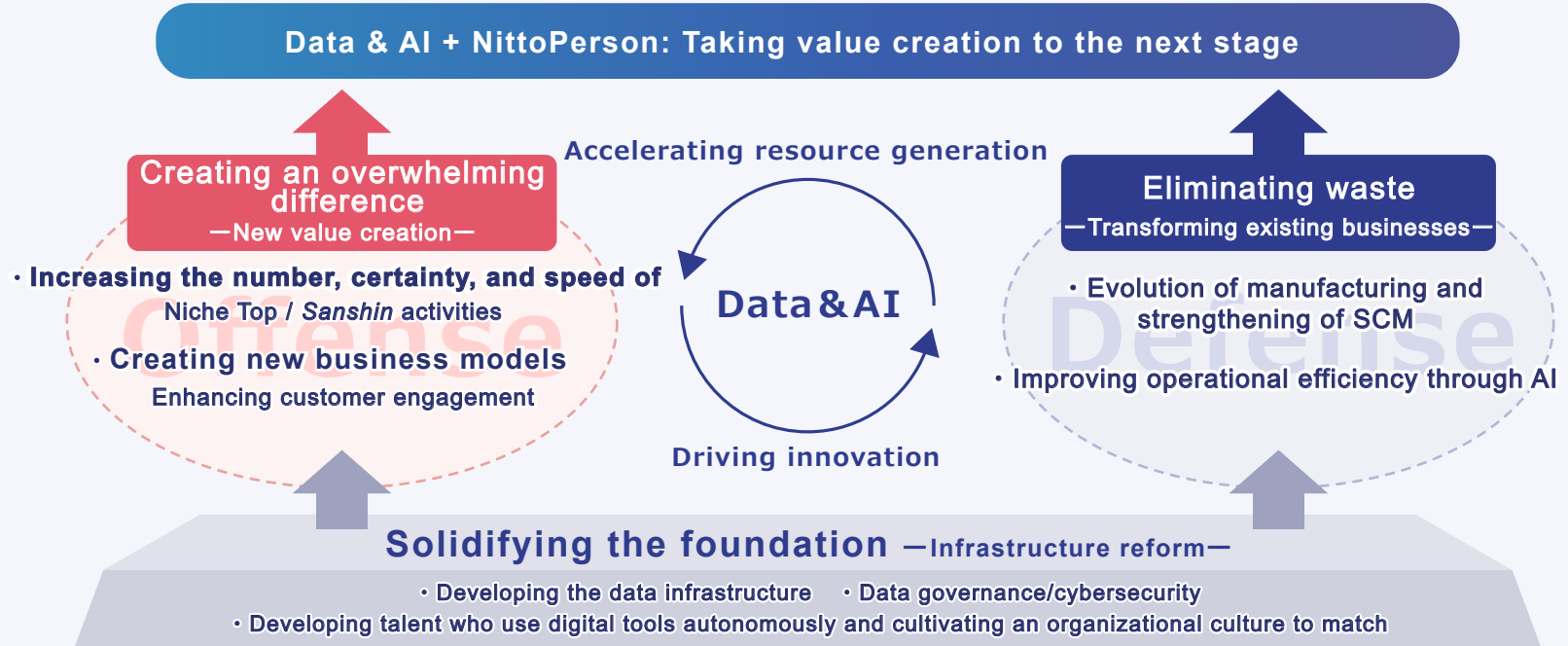
Challenge ratio *1

FY2028 **70%**

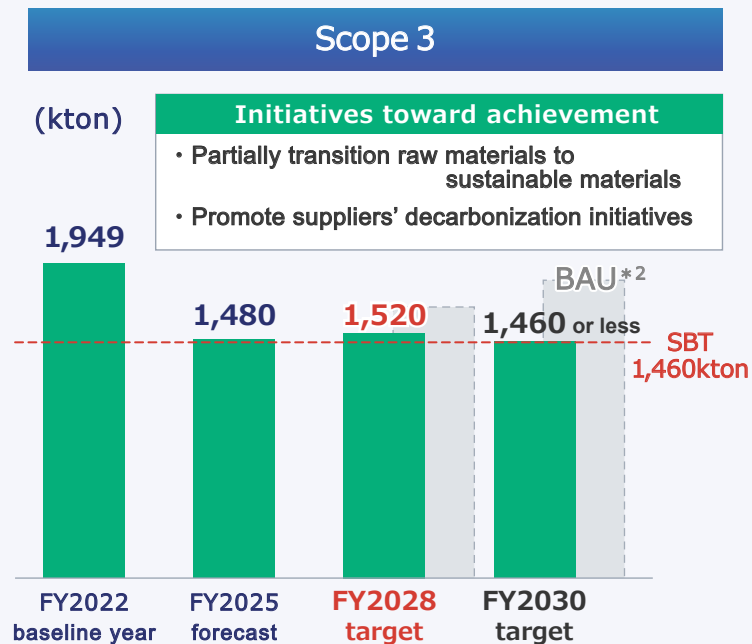
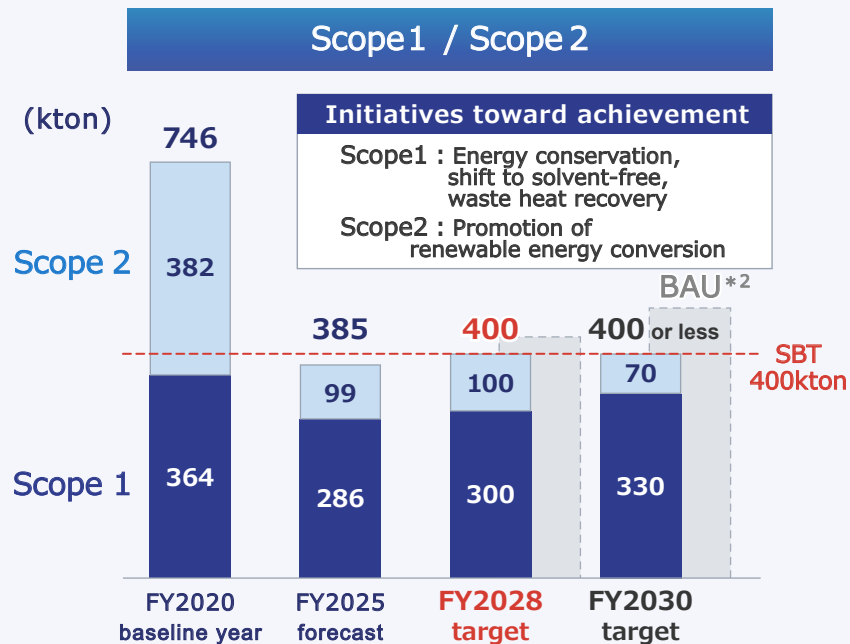
Engagement score *2

FY2028 **84**

* 1 An indicator for measuring the percentage of employees who took on challenges to broaden their experience and potential toward creating new value.
* 2 An indicator for measuring the three elements that indicate organizational revitalization: employees' sense of belonging and willingness to contribute, productive work environment, and physical and mental well-being and vitality.



We will drive initiatives to ensure the achievement of our 2030 SBT*1 targets.



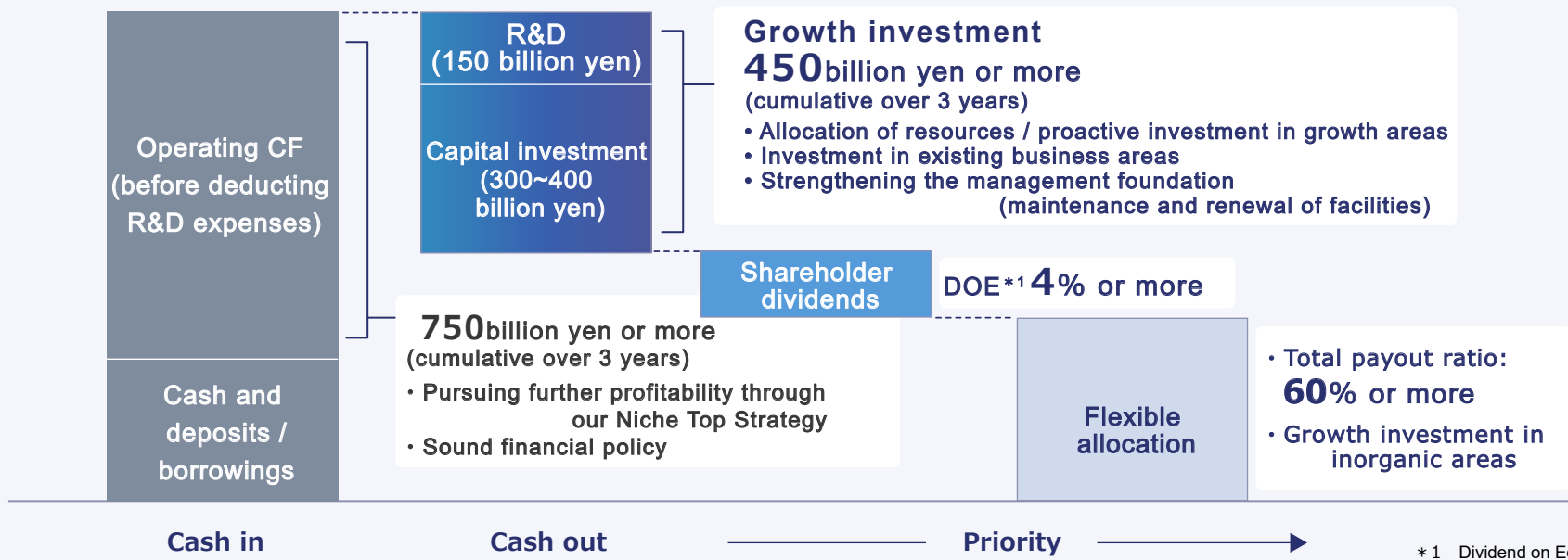
* 1 Greenhouse gas emission reduction targets set by companies in line with the science-based target adopted by the Paris Agreement (the target to limit temperature increase to less than 1.5°C above pre-industrial levels)
 * 2 Business As Usual



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Financial Strategy to Accelerate Enhancement of Corporate Value

Under sound financial policy, generate strong cash flow through our Niche Top Strategy, and maintain and strengthen the virtuous-cycle model of growth investment and shareholder returns

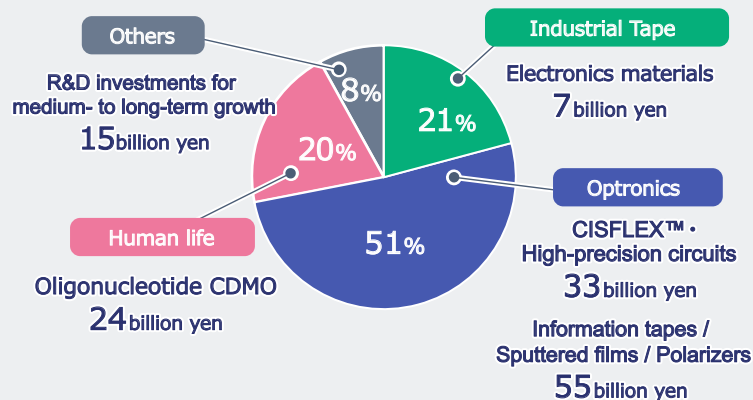


* 1 Dividend on Equity

Strengthening earnings power in existing domains while expanding profitability in growth areas through strategic investments

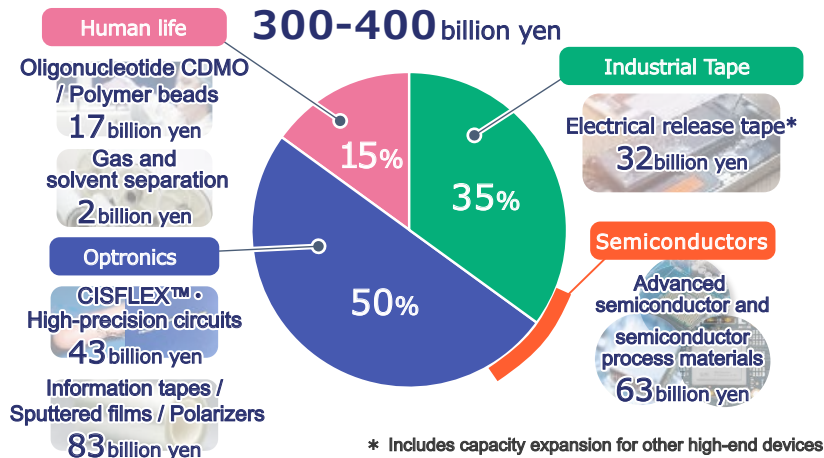
Previous Medium-Term Plan period (FY2023-2025)

Cumulative capital expenditures
263.3 billion yen



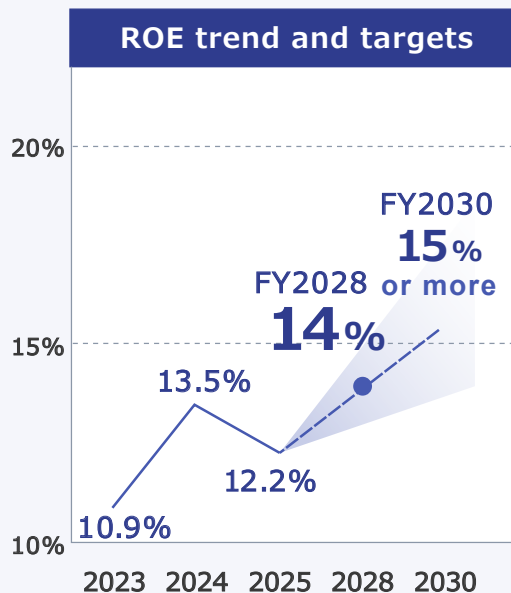
New Medium-Term Plan period (FY2026-2028)

Cumulative capital expenditures



Financial Strategy for Sustained ROE Improvement

We aim to enhance ROE by further improving earning power and capital efficiency.



Enhancement of earnings power (PL)	Capital efficiency (BS management)																								
<p>Ratio of profit attributable to owners of parent</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>11.5</td> </tr> <tr> <td>2024</td> <td>13.5</td> </tr> <tr> <td>2025</td> <td>13.0</td> </tr> <tr> <td>2028</td> <td>14.5</td> </tr> <tr> <td>2030</td> <td>15.5</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Promotion of Niche Top (focus on high profitability) • Raising profit margins through structural reforms 	Year	Ratio	2023	11.5	2024	13.5	2025	13.0	2028	14.5	2030	15.5	<p>Total asset turnover</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>0.75</td> </tr> <tr> <td>2024</td> <td>0.80</td> </tr> <tr> <td>2025</td> <td>0.75</td> </tr> <tr> <td>2028</td> <td>0.85</td> </tr> <tr> <td>2030</td> <td>0.90</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Optimization of working capital through ROIC management • Optimization of liquidity on hand (equivalent to three months of monthly sales) 	Year	Ratio	2023	0.75	2024	0.80	2025	0.75	2028	0.85	2030	0.90
Year	Ratio																								
2023	11.5																								
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2028	0.85																								
2030	0.90																								
Cash allocation — sustainability and reproducibility																									
<p>Growth investments (over three years)</p> <p>450 billion yen or more</p>	<p>Total payout ratio</p> <p>60% or more</p> <ul style="list-style-type: none"> • Achieving a balance between growth investments and shareholder returns • Considering the use of interest-bearing debt for M&A 																								

Toward the realization of the Target State 2030: Essential ESG Niche Top Company

Nitto RISE 2028

Foundation		Through effective governance, ensure thorough compliance, quality, and occupational safety and health, and maintain management security		
Management targets (FY2028)	Financial	Operating profit: ¥220 billion, Operating profit to revenue: 20%, ROE: 14%		
	Future-financial	【Product related】 Double recognized products revenue ratio : 40% Niche Top revenue ratio : 50% Flags revenue ratio : 50%	【Environmental】 GHG emissions (Scope1) : 300 kton (Scope2) : 100 kton (Scope3) : 1,520 kton	【Human Capital】 Engagement score : 84 Challenge ratio : 70%
Focus initiative		Realizing new growth through Double Recognition (Digital interface / Green tech / Human life)		
Toward new growth		【Growth strategy】 ①Strengthen cash cow businesses through growth strategies in existing domains and the promotion of structural reforms ②Create Double Recognition through strategic investments in growth areas, and build new businesses 【Financial strategy】 Growth investments : ¥ 300-400billion in capital expenditures, ¥150 billion in R&D, Securing and flexibly allocating funds		

<Notes regarding this material>

- 1. Forward-looking statements such as those relating to earnings forecasts and other projections contained in this material are management's current assumptions and beliefs based on currently available information. Such forward-looking statements are subject to a number of risks, uncertainties and other factors. Accordingly, actual results may differ materially from those projected due to various factors.**

- 2. Amounts and rates (%) are rounded off to the nearest whole unit.**

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