

Nitto Group Integrated Report 2024

Nitto

The Nittobo Group's Philosophy System



On the Cover

Hayamanomori 21st Century Memorial Park (located in central Koriyama City, Fukushima Prefecture) is cherished by local residents as a place to relax amid seasonal flowers and greenery. Once the location of Nittobo's original business site, in 2023 we relocated the Nittobo Birthplace Stone Monument from the Group's current base (in Fukuyama-cho, Koriyama City) to the park in commemoration of Nittobo's centenary, as well as the centenary of Koriyama City's municipal incorporation the following year.



(Japanese Only)

Mission

Corporate Philosophy

The Nittobo Group will enhance its value to society as a corporate group by helping to create healthy and more comfortable lifestyles, and in so doing continue contributing to the realization of a more prosperous world.

Values

Nittobo Declaration

The Nittobo Group aims to be the "Best Partner" for society. (Nittobo BP Declaration)

We relentlessly strive to identify our customers' needs and find great satisfaction in steadfastly earning their confidence and trust. In addition, we attach great importance to sharing this satisfaction with all of our stakeholders and society as a whole, including shareholders, investors, local governments and regional communities, through the provision of our products and services.

We are committed to being a corporate group that values the potential of all employees as individuals and inspires them to freely and willingly share and discuss their ideas, and ultimately achieving greater results through teamwork.

Our corporate group provides employees with opportunities for progress and self-realization based on the belief that their progress leads to everyone's success. We encourage our employees to be good citizens, think deeply, observe widely, act courageously and approach their jobs with resolve and determination.



Deeply, Widely, Strongly
and Hospitably
Proud that
customers trust Nittobo

Vision

Nittobo Group's Vision for 2030 Big VISION 2030

As a corporate group that continues to create Global No. 1 Niche Businesses, we aspire to contribute in the areas of Environment & Energy, Digital Society, and Health, Security & Safety with the goal of building a more sustainable society.



Provide products and services that contribute to the environment and energy



Provide products and services that contribute to the digital society



Provide products and services that contribute to health, security and safety

We aspire to be a company that gains the trust of all stakeholders in the pursuit of client satisfaction.

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Editorial Policy
The *Nittobo Group Integrated Report* summarizes the Nittobo Group's framework and core elements for value creation, and brings together financial and non-financial information and medium-to-long-term strategies in a single publication. When editing *Nittobo Group Integrated Report 2024*, which is centered on the new four-year Medium-Term Management Plan launched in FY2024, we set out to strengthen our communication of how the Nittobo Group helps resolve pressing social issues through its business activities, offer additional content discussing sustainability management as the foundation that underpins our value creation, and enhance dialogue with stakeholders.

Report Period
This report covers business activities in FY2023 (from April 1, 2023 through March 31, 2024). Note: Charts, graphs and tables may use the abbreviation "FY23."

Date of Publication
September 30, 2024

Company References
"Nittobo Group" and "the Group" refer to Nitto Boseki Co., Ltd. and its consolidated subsidiaries and affiliates in Japan and overseas.
"Nittobo" and "the Company" refer to Nitto Boseki Co., Ltd. on a non-consolidated basis.

Forward-looking Statements
The forecasts presented in this report are based on information available to the Company as of the publication date. Forward-looking statements included in this report do not represent promises or guarantees that the Company will attain its forecasts or realize the business measures expressed herein.

How Nittobo Contributes to Society



Products and services that contribute to the environment and energy

Materials that contribute to reducing environmental impact through energy conservation and fuel efficiency

Lightweight and strong, glass fiber is used in automobile and aircraft parts to make them lighter. Glass wool is used for insulation in homes and other applications, and contributes to energy efficiency by keeping indoor temperatures steady.



Products and services that contribute to the digital society

Helping bring about an advanced digital society that offers more comfortable and convenient lifestyles

Our Special Glass used in glass fibers for electronic materials includes NE-glass, which has a low dielectric constant and low dielectric dissipation factor, and supports 5G high-speed, high-capacity communications and high-speed processing packages, and T-glass, which has high elasticity and low thermal expansion properties, and is essential for making high-density package substrates. We will continue development to satisfy demand for cutting-edge, high-performance glass fiber cloth, and contribute to the advancement of digital infrastructure.

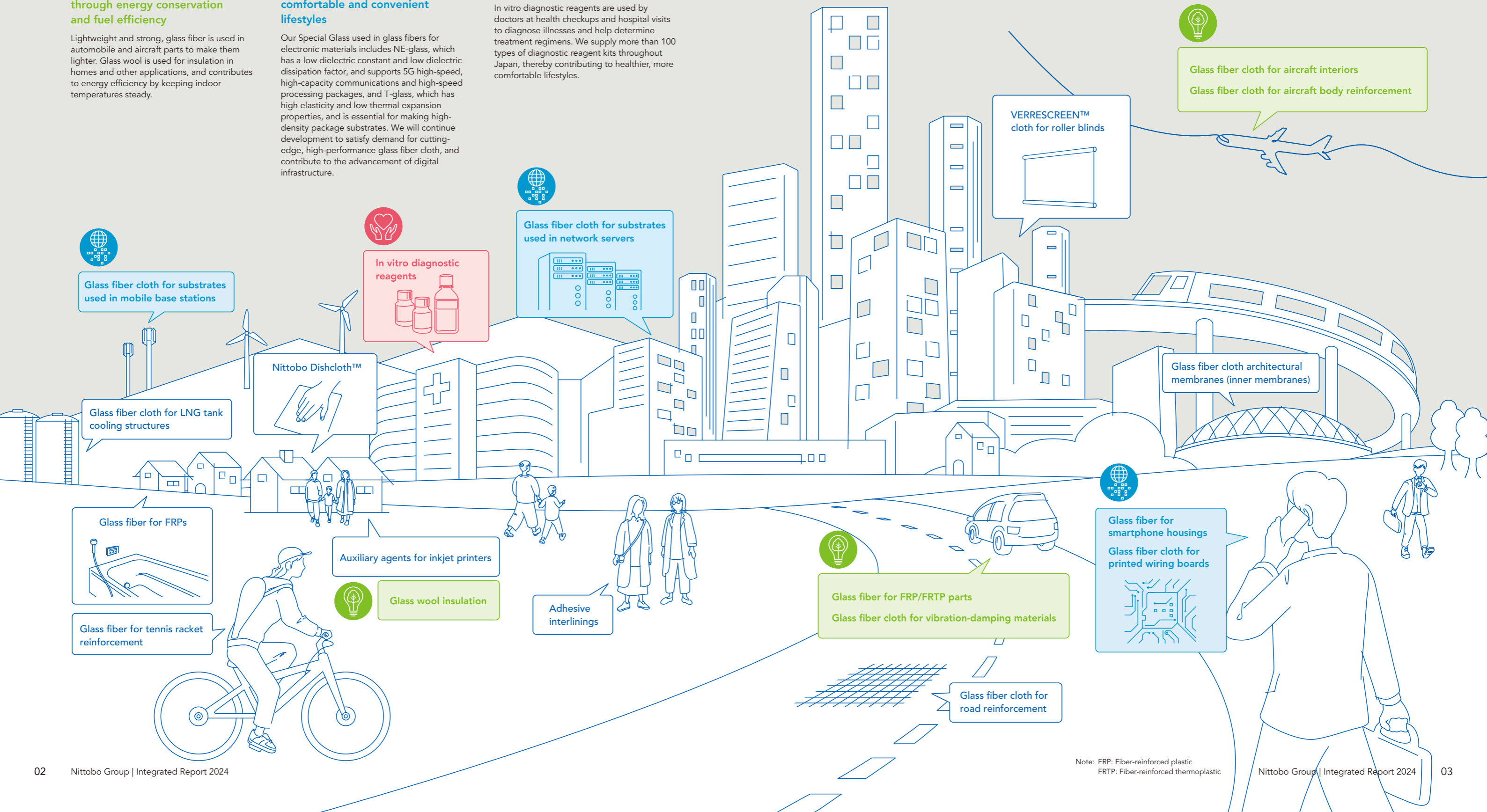


Products and services that contribute to health, security and safety

Products that support healthier lifestyles

In vitro diagnostic reagents are used by doctors at health checkups and hospital visits to diagnose illnesses and help determine treatment regimens. We supply more than 100 types of diagnostic reagent kits throughout Japan, thereby contributing to healthier, more comfortable lifestyles.

Out of our earnest desire to make society and the future more convenient and enriched, the Nittobo Group has kept creating novel materials and technologies with a spirit of challenge that does not fear failure. We want to keep supporting a convenient and reassuring society; we want to make the future exciting. For this purpose, we will go on creating things the world has never known before.



Note: FRP: Fiber-reinforced plastic
F RTP: Fiber-reinforced thermoplastic

Message from the Chairman

Buoyed by the strengths we have nurtured over the past 100 years, we will continue to seek out new challenges and create new value with our sights set on the future.

In 2023, we celebrated Nittobo's centenary and embarked on the second century of our journey. Our history is one of dynamic transformation amid changing times and constant anticipation of the products, services, and other forms of value needed by society. From our earliest days, using the water of the Asaka Canal to generate power and for silk spinning, to today's high-tech operations, including the production of glass fiber cloth used in generative AI infrastructure and in vitro diagnostic reagents used by medical professionals, we have always provided essential products and services to meet society's ever-changing needs. With an eye on those social changes, we at the Nittobo Group remain committed to constantly seeking out unmet needs and delivering "value through differentiation" by offering unique solutions.

In FY2023, we established the New Business Development Center, and in so doing laid the foundations for the future pillars of our business. Moving into FY2024, we transitioned to a new organizational structure based on five business divisions, each of which is now developing new products and businesses. Building new businesses is no simple task. It is important that we establish a culture that encourages bold action in the quest to develop new technologies and businesses. If as a result, we manage to establish one major new business a decade from now, then we should consider this effort a success.

To ensure another hundred years of progress for the Nitto Group, I intend to lead from the front as we take on new challenges, and I hope that our stakeholders will continue to offer their understanding and support.



Yuichi Tsuji
Director,
Representative and Chairman

Message from the CEO

As we work to realize Big VISION 2030, we aim to implement fresh ideas to build new pillars of business for the next 100 years, and consistently create Global No. 1 Niche Businesses.

Making the Most of Our Enduring Frontline Capabilities and Passing Down the Nittobo Corporate Culture

I was appointed Representative and Chief Executive Officer in April 2024, and it is an honor to follow in the footsteps of Yuichi Tsuji, who has taken on the role of Chairman. Joining Nittobo in 1985, the first 20 years of my career were dedicated to textile sales. Subsequently, I worked in materials procurement and corporate business planning and served as General Manager of the Textile Division and Glass Fiber Division. I believe that my experience in different areas of the Company's business has given me the ability to adapt flexibly to each divisions' views and realities, and to strike a balance across the whole Group. Indeed, at a time when the Company is hiring mid-career talent at the managerial level, I feel that my 39 years of Nittobo experience and immersion in our culture give me a useful managerial perspective.

Based on my experience, I have come to strongly believe that the Nittobo Group's most enduring strength is its frontline capabilities. Many of our production facilities operate 24 hours a day, and our ability to maintain stable manufacture of high-quality products is the result of our employees' strong sense of responsibility and unity. These, surely, are our greatest assets. Our uncompromising approach to manufacturing and our commitment to delivering quality products to customers have been defining traits of our corporate culture since our early days as a textile producer. It is vital that we pass this culture down to subsequent generations.



Hiroyuki Tada
Director,
Representative and Chief Executive Officer

Message from the CEO

The Path to Another Century of Success Is Navigated by Always Looking 20–30 Years Ahead

In FY2024, Nittobo turns 102. My mission is to set the Company on a path for the next 100 years and ensure that we remain indispensable to society. This year marks the start of that effort.

Our new Medium-Term Management Plan (FY2024–2027) sets out a vision for creating Global No. 1 Niche Businesses. Electronic materials will be our leading profit driver for this period, but it is folly to assume that this will still be the case in two or three decades' time. Materials like those we deal in are always susceptible to drastic developments, such as manufacturers changing the materials they use in their products. Given the pace of R&D in response to continuing demand from a range of companies for ever better materials, it is entirely possible that Special Glass will no longer be the leading high-performance electronic material 30 years hence. For that reason, I have a strong sense of the ongoing need to take action now while adopting a view that stretches 20–30 years into the future.

Big VISION 2030, introduced at the same time we launched the previous medium-term management plan, goes far beyond the three-year period of that plan. Formulated to express our vision ten years in the future, it takes into account factors such as environmental, social and economic conditions.

The previous plan was the first stage of Big VISION 2030, under which realizing returns on investments was a major focus. Our efforts were hampered by external factors such as the COVID-19 pandemic, U.S.–China trade friction, and a sharp recession in the semiconductor sector. As such, operating profit in FY2023 (the final year of the plan) totaled JPY 8.4 billion, falling short of the plan target of JPY 14.0 billion despite the sharp uptick in Special Glass demand that year. In light of this missed target, during Medium-Term Management Plan (FY2024–2027) I am determined to lead the Company in accomplishing measures to realize returns. From now through FY2027, we will not only realize returns on past investments in Special Glass-related business, but will also continue with investments aimed at driving robust growth. Moreover, in medical-related business, we will ramp up implementation of the product development roadmap introduced under the previous plan, and bolster global expansion. Despite largely completing the investments toward our target of JPY 14.0 billion in operating profit, we failed to achieve the asset efficiency targets of the previous plan. As such, I am determined to maximize profits by making the most effective use of our human capital and tangible assets.

Under the new plan, we hope to balance the steady realization of returns on investments with the search for new “main pillar” businesses to propel Nittobo into its second century, i.e., secure steady profits while seeking out the businesses that will become the third and fourth

pillars of our operations (alongside Special Glass and medical). In the Glass Fiber Business, which was its own segment during the term of the previous plan, our customers cover a broad spectrum and have diverse needs. In my view, instead of defining our businesses by the products we currently produce, such as glass fiber or textiles, we should seek out new “main pillar” businesses, thinking in broader terms such as composite materials and electronic materials, as part of our efforts to serve customer needs more directly. The bold changes to our business structure under the new Medium-Term Management Plan are designed to set us on that very path. In the past, we have developed products and then marketed them to customers, but what we should be doing is figuring out what our customers want to achieve and finding effective ways to help them do so. That means using our technologies and partner network to deliver the materials that the world needs.

We have been in the Special Glass business for about 30 years, but it took more than a decade from the original development for it to become profitable. Similarly, we spent significant time carefully nurturing our medical-related business, which has grown to generate revenues of over JPY 2.0 billion.

We expect the electronic materials business to be a profit driver for the time being, so naturally we are eager to pursue ever greater results in that sector, but I also believe it is vital that we develop new “pillar” businesses during this period. The reorganization of our structure into five business divisions will enable us to engage swiftly and accurately with markets and customers. It will help unify product development, manufacturing, and sales. Freeing customer solutions from previous divisional boundaries will allow us to seize new business opportunities. In this way, we aspire to be a company that is proud of the trust customers place in us.

Building Fresh Momentum and a System for Co-creation to Take On New Challenges with a Sense of Urgency

The reorganization into five business divisions carries an important message within the Company. Previously, product development, manufacturing, and sales functioned as discrete organizations, which led to possible conflicts of interest in areas such as sales

targets and speed of development. However, by integrating product development, manufacturing, and sales functions at each business division, we can foster a sense of unity and a shared acknowledgement of the dangers of interdepartmental rivalry. I believe that this change in thinking will have a major impact on the Nittobo Group going forward.

Although the new structure has only been in place for a short time, already it has led to more technical discussions with customers than before. Previously, conversations between our sales reps and customers' procurement staff often focused on delivery dates and quantities. In contrast, technical discussions that bring development staff of both parties together enable us to tap into existing areas more deeply while also discovering new seeds and needs.

Every customer has problems to solve, and I believe that our job as a materials manufacturer is to use such discussions as a means of learning about those problems so that we can offer solutions.

In addition, co-creation with external parties is an increasingly important factor in considering business from a customer standpoint. Take, for example, the demand for improved insulation performance of glass wool. Naturally, we work constantly on R&D to meet this demand, but there is a limit to what the Nittobo Group can achieve alone. However, pursuing partnerships with organizations outside the Group can create flexibility, such as by helping to develop combinations with other materials and varied methods of use, that could propel us to the next level. In the medical field, for instance, working with hospitals and universities can help bring a newly developed product to launch more quickly—and a number of such initiatives are already under way. Given that strengthening external partnerships can help speed up projects considerably, we will avoid relying solely on our own resources, and will actively seek partnerships not only with others within the industry but also with adjacent sectors, as well as with academia.

Our R&D structure has been revamped so that each business division conducts its own product development, while basic and manufacturing technologies are the responsibility of the Technology Development Division. Integrating product development with manufacturing and sales within each business division will enhance our agility. Moreover, the Technology Development Division will not only specialize in basic research, but will also



Message from the CEO

play a role in product development, handling fields that straddle multiple business divisions as well as medium- to long-term research. As we look to ramp up external partnerships, the Technology Development Division will coordinate between the Company and external partners.

Nittobo's century of growth has been driven largely by the spirit of taking on challenges under the motto, "Let's turn anything into fibers," passed down since the Company's founding. We strive for a culture that rewards those who take on challenges, and want our employees to have a mindset of giving anything a try without preconceived biases. I have mentioned our hope to discover new "pillar" businesses over the four-year period of the new Medium-Term Management Plan, but this will be difficult to achieve simply by digging deeper into existing ground. Knowing that perhaps one new idea out of 100 could develop into a business, we will not pressure employees into hasty conclusions, but we do expect them to maintain a hunger to seek out new challenges. From the management team's perspective, our core mission is to nurture our current group of employees in their 20s and 30s, with a focus on the medium to long term.

Committed to Addressing ESG Issues, with Sustainability as Our Top Priority

Addressing ESG issues is a core theme of Big VISION 2030, which states that the Company will contribute to society in three areas: the environment and energy; the digital society; and health, security, and safety.

Reducing energy consumption is especially important given our use of melting furnaces. We have committed to reducing CO2 emissions by 30% compared to FY2013 levels by 2030, and this goal is clear in our minds as we ramp up our shift to electric furnaces. In addition, in response to calls for improved recyclability—and recognizing that recycling solar panels will become a major issue in a few years—we are introducing new glass recycling technologies. Most challenging of all, however, is reusing glass fiber. Glass fiber contains resin, so finding a solution will require additional insights from manufacturers specializing in resin chemistry. A solution has yet to surface anywhere in the world, and as such we recognize the need to address this important issue. In managing the Group, I intend to keep these three environmental issues at the forefront of my mind.

We have established a Sustainability Committee under my direct oversight as Representative and Chief Executive Officer. There is also a mechanism by which frontline personnel can suggest ideas for action regarding topics raised by the committee. Although Nittobo is developing products that make an environmental contribution, the impact is hard to measure in quantitative terms. This is nonetheless part of our social mission and we are committed to proactive, ongoing efforts in this area. Moreover, as a result of Sustainability Committee initiatives over the past three years, we are now able to calculate our carbon footprint and have it verified by third parties on a factory-by-factory basis. Moving forward, we will consider disclosure methods and further promote sustainability management.

Relentless Pursuit of Profitability, New Medium-Term Management Plan Targets, and Improved Shareholder Value

The new Medium-Term Management Plan includes a number of quantitative targets. We strive for management with a keen awareness of ROE, ROIC, and cost of capital. To that end, the plan includes an ROE target of 8% or higher. This is because, in the electronic materials business, in addition to realizing returns on past investments, we also need to invest in further expansion of production to meet the growing demand for Special Glass. By ramping up implementation of our growth strategy, we aim to achieve a level of ROE that consistently exceeds cost of capital. We also aim to achieve ROIC in excess of WACC.

We have committed to a minimum dividend of JPY 55.00 per share. To that end, the interim dividend has been set at JPY 27.50, and we hope to deliver a solid return to shareholders through a year-end dividend equivalent to a 30% payout ratio.

Another issue is that the Company's stock liquidity is comparatively low and our stock price is prone to large day-to-day fluctuations. Given our focus on the relentless pursuit of profitability under the new Medium-Term Management Plan, we intend to strengthen dialogue with shareholders and investors through timely IR activities. Such dialogue has shown that many analysts and investors recognize that, although our composite materials business is operating at a net loss, withdrawing

from that business will undermine our ability to nurture anything new. Based on this, I believe there is broad understanding that Nittobo looks beyond short-term profits as it works to be a producer of materials that meet real needs in society.

Striving for Management That Communicates Our Bold Transformation to the World

The Nittobo BP Declaration states that the Nittobo Group aims to be the "Best Partner" for society. We have defined eight categories of stakeholder, and we aspire to be a company that gains the trust of all stakeholders in the pursuit of client satisfaction. To that end, I believe a focus on customers, shareholders, and employees is key.

Nittobo products may come from production facilities, but it is our people who are the real driving force behind our operations. As stated in the Nittobo BP Declaration, "Our corporate group provides employees with opportunities for progress and self-realization based on the belief that their progress leads to everyone's success." I hope our employees find reward not in simply pursuing increased sales, but in the joy of a grateful customer, and behave in a way that shows their pride in the impact we have on society. To reward employees' dedicated service, we decided to establish

a third bonus (on top of the two standard half-year bonuses) starting in FY2024, which will be based on the degree to which the Company achieves its performance targets. I hope that the new bonus will motivate employees even further to seek out new challenges. For our customers, I believe that the new business division structure integrating development, manufacturing, and sales, will itself be of great service, as it is designed above all for their convenience and benefit. Regarding shareholders, we have made a strong commitment through the aforementioned significant changes to our dividend policy.

Nittobo may have a reputation among analysts and institutional investors for adopting a defensive stance in its planning, but the target for operating profit of JPY 20.0 billion under the new Medium-Term Management Plan is daringly high, especially given the low likelihood that a third "pillar" business will be sufficiently developed by the end of the plan's four-year term. The introduction of new incentives is part of our desire for employees to make a thorough, determined effort to do whatever they can and help propel the Company to achieve its targets under the new plan. I also hope our stakeholders will appreciate the Company's new aggressive stance under the new management structure. We look forward to the future with great anticipation, and we hope you will join us for the ride.



History of Value Creation

Since its founding in 1923, the Nittobo Group has created many pioneering materials. We were the first in the world to produce glass fiber on an industrial scale (in 1938), and we have continued to grow by taking on the challenge of creating new technologies based on our pioneering spirit. We will continue to anticipate the changing times, help to realize a sustainable society while embracing change as opportunity, and commit to the advancement of industry and society.

Provide products and services that contribute to the environment and energy Provide products and services that contribute to the digital society Provide products and services that contribute to health, security and safety

1923

Nitto Boseki Co., Ltd. established

Fukushima Boseki Co., Ltd. (formerly Fukushima Seiren Seishi) merged with Katakura Seishi Iwashiro Bosekiko Co., Ltd. (formerly Koriyama Kenshi Boseki) to form Nitto Boseki Co., Ltd. The company name begins with "Nitto," a synonym for Japan, and represents the founder's resolution: "With a vigorous spirit, starting each day anew as a spinning company in the east where the sun rises."

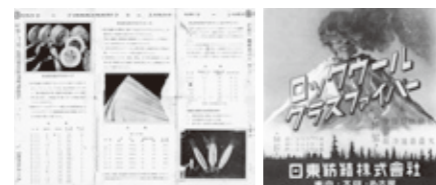


Koriyama Factory (circa 1923-1926)

1938

Succeeded in industrial-scale production of glass fiber (first in the world)
Succeeded in industrial-scale production of rock wool (first in Japan)

We pioneered the industrial-scale production of glass fiber and rock wool, thereby meeting demand for fire resistant and heat resistant materials.



Sales leaflet for glass fiber

Advertising poster (1940)

1949

Started glass wool production

The first in Japan, we started glass wool production using the "spraying method."



Koriyama Factory of Paramount Glass Manufacturing Co., Ltd. (1952)

1960

Launched Nittobo Dishcloth™

We started selling Nittobo Dishcloth™, which has been a successful product over many years. Nittobo Dishcloth™ won the Good Design Long Life Design Award in 2015.



Advertisement for Nittobo Dishcloth™

1964

Glass fiber adopted for use in the nose cone for the Tokaido Shinkansen

During the 1960s era of rapid economic growth in Japan, we developed fiber-reinforced polymer (FRP) products, which came to be used in the nose cone for the Tokaido Shinkansen.

1969

Launched glass cloth for printed wiring boards

We started production of glass cloth for printed wiring boards to meet increasing demand in response to advances in computers and integrated circuit (IC) technologies.



An early printed wiring board

1988

Established Nittobo Norplex Oak Co., Ltd. (predecessor of NITTOBO ASIA Glass Fiber Co., Ltd.)

We established Nittobo Norplex Oak Co., Ltd., in Taiwan as a joint-venture manufacturer of glass fiber yarn.

1987

Established NITTOBO MEDICAL CO., LTD.

After the 1986 acquisition of International Immunology Corporation (IIC) in the U.S., the predecessor of Nittobo America Inc., we established NITTOBO MEDICAL CO., LTD.



IIC's goat farm and factory

1984

Successfully synthesized and launched specialty chemical PAA™ (first in the world)

We were the first in the world to develop an industrial-scale production method for polyallylamine (PAA™), which we have patented in the U.S. and many other countries. PAA™ is a functional polymer used in various processing operations such as dyeing, textile treatment, paper manufacturing, and metal surface treatment, as well as for rust prevention.



1984

Launched Special Glass T-glass

Initial applications for T-glass, characterized by its high strength and low thermal expansion, focused on composite materials. For example, it was used in the Shinkai 6500 manned submersible. Today, T-glass is used in semiconductor package substrates that enable high-speed processing and high reliability in servers and smartphones.



Semiconductor package substrate

1998

Launched Special Glass NE-glass

NE-glass is used in switches and routers in supercomputers and data centers that process large volumes of data at high speed, and in antenna-in-package modules for 5G smartphones.



System board for Fugaku (Photograph courtesy of Fujitsu Ltd.)

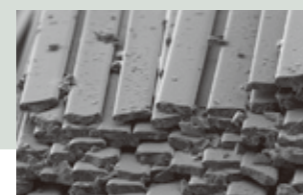


Racks of the supercomputer Fugaku (Photograph courtesy of RIKEN)

2006

Launched Flat Fiber™

Launched chopped strands made of modified cross section fiber developed using proprietary technology. Flat Fiber reduces curling and warping in molded products and is used in smartphone cases and automobile parts.



2018

Launched IgG4 measuring reagent kit for use with automated analyzers

Launched IgG4 measuring reagent kit for detecting IgG4-related disease (designated an intractable disease in Japan) with automated analyzers.



2020

Established NI-CoLabo in the Research & Development Headquarters (current R&D Building)

Established the NI-CoLabo facility at the Fukuyama Enterprise Center in Koriyama City, Fukushima, to promote timely delivery of high-value-added, highly original products and services that harness the Group's characteristics and strengths, and to pursue forward-looking research and technological development.



2021

Established Special Glass factory at NITTOBO ASIA Glass Fiber, Ltd. (Taiwan)

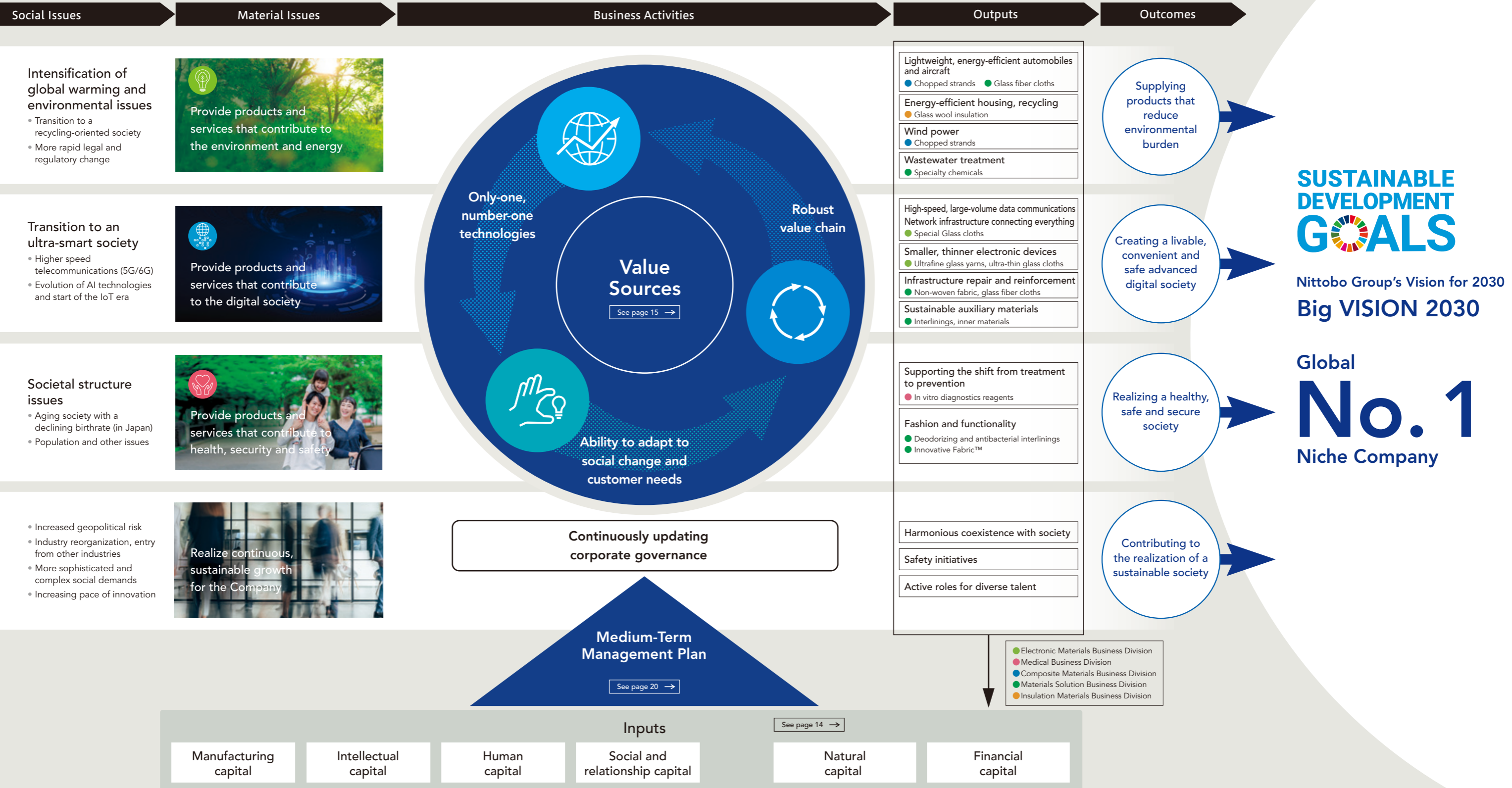
Established an integrated production system from Special Glass yarn to cloth at the factory on the main island of Taiwan.



Value Creation Process

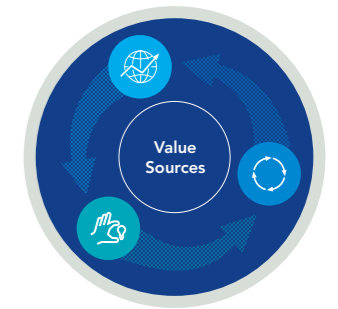
Corporate Philosophy

The Nittobo Group will enhance its value to society as a corporate group by helping to create healthy and more comfortable lifestyles, and in so doing continue contributing to the realization of a more prosperous world.



Value Creation Drivers and Capital

The Nittobo Group's strengths, established over its history of more than 100 years, are the drivers of value creation that meets contemporary needs, helping the Company to stay abreast of environmental changes and paving the way to continued growth. As we continue to grow, we will create greater value by leveraging these strengths to resolve social issues.



Forms of Capital at the Nittobo Group (FY2023)

<p>Manufactured Capital</p> <p>A safe and secure production system for high-value-added products</p> <p>Through bold capital investment we have established a supply system capable of meeting growing demand for Special Glass and in vitro diagnostic reagents. We will establish new production systems in areas where market growth can be expected and continue to actively invest for growth to enable us to respond to rapidly expanding new markets.</p> <p>Capital expenditure JPY 7.8 billion</p>	<p>Intellectual Capital</p> <p>Technical capabilities that create Global No. 1 Niche Businesses</p> <p>Inspired by our motto, "Let's turn anything into fibers," and ever eager for a challenge, our high-level R&D consistently leads to industry firsts, both in Japan and in the world. We are developing our existing knowledge base, seeking out new knowledge, and pursuing R&D centered on open innovation and digital innovation.</p> <p>R&D expenses JPY 2.8 billion</p> <p>Patents held 715</p>	<p>Human Capital</p> <p>Human resources that innovate to meet new needs</p> <p>We are committed to fostering a culture where the skills and approaches of individual employees are valued and that inspires them to freely share and discuss their ideas, ultimately achieving greater results through teamwork. We are working to enhance employee engagement, promote digital transformation, develop global human resources, and create an environment conducive to an appropriate work-life balance.</p> <p>Employees 2,690</p>
<p>Social and Relationship Capital</p> <p>Strong relationships rooted in the front lines</p> <p>The Nittobo Group was founded in Fukushima Prefecture. We maintain multiple factories there, as well as our research and development facility, and have production sites throughout Japan. We cherish our ties with each local community as we go about supplying products and services. Furthermore, we are expanding our production system to better meet customers' needs globally, with a glass fiber facility in Taiwan and an in vitro diagnostic reagents facility in the U.S.</p> <p>Excellent relationships with customers and suppliers</p> <p>Strong sense of stakeholder trust</p>	<p>Natural Capital</p> <p>Reducing environmental impact to help create a sustainable society</p> <p>Our production processes require substantial amounts of fuel and electricity. In keeping with our responsibility as a manufacturer, we not only strive to reduce CO₂ emissions as a means of reducing impact, such as by using renewable energy, but also leverage our products and technologies to help resolve the world's environmental issues.</p> <p>Energy input 6 million GJ</p>	<p>Financial Capital</p> <p>Finance management underpinning our growth strategy and healthy financial position</p> <p>While pursuing growth-oriented strategies such as making the necessary investments for growth and next-generation product development, we maintain a healthy financial position, thereby ensuring our growth is sustainable.</p> <p>Net interest-bearing debt JPY 29.5 billion</p> <p>Net assets JPY 123.7 billion</p>

Value Sources

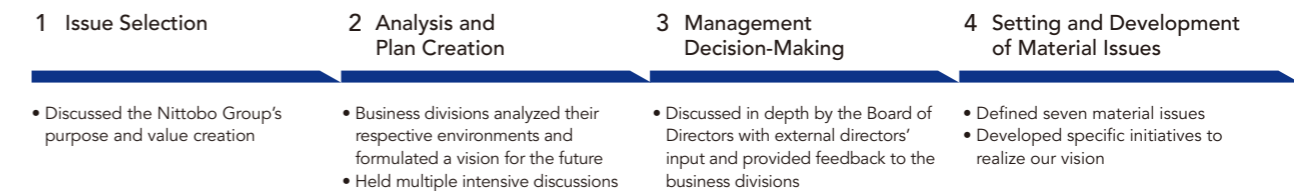
<p>Only-one, number-one technologies</p> <p>Our consistent quality is supported by our ability to develop high-performance products, and the wealth of manufacturing technology and expertise we have amassed over many years.</p> <ul style="list-style-type: none"> Ability to develop Special Glass made from proprietary compositions Development and production technology of goat antisera and in vitro diagnostic reagents for plasma proteins First in the world to industrially produce modified cross section fiber Functional polymers developed through proprietary technologies Glass wool with high insulation performance from proprietary technologies
<p>Ability to adapt to social changes and customer needs</p> <p>We will establish a unique position throughout our product development and deepen our relationships with global clients.</p> <p>We are committed to providing products and services that contribute in the areas of Environment & Energy, Digital Society, and Health, Security & Safety. Harnessing the potential of all ideas to achieve pinpoint responses to needs, we will deploy strategies based on our technical strengths in new fields and develop products that are indispensable to society.</p>
<p>Robust value chain</p> <p>Through an integrated production system incorporating upstream and downstream processes, we maintain a stable supply of high-performance, high-quality products.</p> <p>Glass fiber</p> <p>Composition research → Spinning processes → Weaving processes → Interface treatment → Product sales</p> <p>In vitro diagnostic reagents</p> <p>Antigens/Antibodies → Antisera → Reagent development and production → Reagent sales</p>










Nittobo Group's Material Issues

In order for the Nittobo Group to enhance its social value and continue contributing to the realization of a more prosperous world, we have identified material issues as important management tasks that will contribute to resolving social issues.

We have defined seven material issues by applying the perspectives of strategic CSR, which leverages the strengths of the Nittobo Group, to contribute through business activities, and of basic CSR, which focuses on ESG matters to build a foundation for sustainable growth.

Materiality Identification Process



Social Issues	Nittobo Group's Material Issues	Risks	Opportunities	Key Measures	Relevant SDGs
Intensification of global warming and environmental issues <ul style="list-style-type: none"> Transition to a recycling-oriented society More rapid legal and regulatory change 	Provide products and services that contribute to the environment and energy  Adapt to climate change and a resource-recycling society	<ul style="list-style-type: none"> Increase in environmental costs Restrictions on business due to environmental regulations Exclusion of products and companies that are not environmentally responsible 	<ul style="list-style-type: none"> Increasing demand for sustainable products Expanding demand for composite materials to meet the needs of lightweight automobiles and aircraft Increasing demand for insulation materials due to stricter energy conservation regulations 	<ul style="list-style-type: none"> Develop products that contribute to the environment Reduce CO₂ emissions Reduce glass waste 	
Transition to an ultra-smart society <ul style="list-style-type: none"> Higher speed telecommunications (5G/6G) Evolution of AI technologies and start of the IoT era 	Provide products and services that contribute to the digital society 	<ul style="list-style-type: none"> Decline in technological superiority Replacement by other materials Speed of technological development in the electronic materials industry 	<ul style="list-style-type: none"> Increasing demand for devices that require high-speed, high-capacity processing Utilization of the production system in Japan and in Taiwan, where electronic materials are concentrated Opportunities to expand sales and develop next-generation products through first-mover advantage 	<ul style="list-style-type: none"> Grow profits through Special Glass Strengthen development capabilities for new products Strengthen solution capabilities to increase value for customers 	
Societal structure issues <ul style="list-style-type: none"> Aging society with a declining birthrate (in Japan) Population and other issues 	Provide products and services that contribute to health, security and safety 	<ul style="list-style-type: none"> Shrinking domestic market due to declining birthrate Business continuity risks specific to biologically derived materials Replacement by other diagnostic reagents 	<ul style="list-style-type: none"> Global shift from treatment to prevention due to increased awareness Expanding demand for diagnostic reagents globally due to population growth and rising income levels Utilization of three raw material production bases in the U.S. Utilization of the value chain from upstream (antigens, antibodies, raw materials) to downstream (product manufacturing and sales) 	<ul style="list-style-type: none"> Expand sales channels in the field of in vitro diagnostic reagents Accelerate research and development, and promote new product development Strengthen solution capabilities to increase value for customers 	
	Realize continuous, sustainable growth for the Company				
<ul style="list-style-type: none"> Increased geopolitical risk Intensifying competition due to industry reorganization, entry from other industries, etc. More sophisticated and complex social demands Increasing pace of innovation 	Strengthen management base	<ul style="list-style-type: none"> Diversification of factors causing changes in the socioeconomic environment Price fluctuations of fuels, raw materials and other commodities Impact of geopolitics and human rights issues, etc. on the supply chain 	<ul style="list-style-type: none"> Selection and concentration Capture growth opportunities through innovative technology development 	<ul style="list-style-type: none"> Lean management that is not substantially affected by economic fluctuations Optimize business portfolio and review unprofitable businesses Transform technology development and production technology through the introduction of IT and digital transformation Maintain sustainability in procurement and the supply chain 	
	Secure human resources and create job satisfaction	<ul style="list-style-type: none"> Decline in workforce due to low birthrate and aging population Intensifying competition to recruit young and specialized human resources 	<ul style="list-style-type: none"> Increasing diversity Increasing mobility in the labor market Innovation expected through human resource development 	<ul style="list-style-type: none"> Foster human resources that generate innovation Implement diversity and inclusion measures Conduct workstyle reform and business reform Improve employee engagement Strengthen external recruitment Utilize senior human resources 	
	Continuously update corporate governance	<ul style="list-style-type: none"> Expanding and refining CSR scope Compliance and security in a remote environment 	<ul style="list-style-type: none"> Permeation of corporate philosophy Strengthening the corporate foundation by gaining trust from society 	<ul style="list-style-type: none"> Continuously update corporate governance Thoroughly implement corporate ethics and compliance 	

Realizing Big VISION 2030

Big VISION 2030 is the Nittobo Group's long-term vision for 2030. It outlines our initiatives for realizing a sustainable society based on our contributions in Environment & Energy, Digital Society, and Health, Security & Safety—areas where the Group can contribute to resolving social issues as a Global No. 1 Niche Company. We aspire to be a company that gains the trust of all stakeholders in the pursuit of client satisfaction.

Medium-Term Management Plan Review

During the three years of the previous medium-term management plan (Mid-Term Business Plan (FY2021–2023)), we steadily pursued strategic investments for future growth and strengthened the management foundation of the entire Group based on four key measures: implementing growth strategies, reinforcing our management foundation, taking action for environment issues, and developing human resources that generate innovation.

Mid-Term Business Plan (FY2021–2023)

Management Indicators

We failed to achieve our target for operating profit in the previous medium-term management plan. This was attributable to various factors, including U.S.–China trade friction and inventory adjustments in the semiconductor supply chain, which impacted expected sales growth in Special Glass driven by advancements in 5G networks. However, in FY2023, the final year of the plan, a significant increase in demand for Special Glass for data centers, as well as in sales of in vitro diagnostic reagents, contributed to increased earnings, and growth investments are starting to generate returns, albeit later than expected. In sum, we ended the previous plan term well placed to realize returns on investments during the next plan period. Our equity ratio and debt-to-equity ratio remained stable, and the Group's financial position is sound.

Growth Strategy Implementation

- Aggressive investment in growth areas
Constructed new Special Glass factory in Taiwan
Constructed new plant for goat-derived antisera in California, U.S.A.
Constructed new factory for in vitro diagnostic reagents in Koriyama City, Fukushima, Japan
- Developed next-generation low-dielectric glass

Management Foundation Reinforcement

- Improved business portfolio (transfer of the beverage business)
- Implemented structural reforms in the Textile Business
- Streamlined assets through transfer of noncurrent assets
- Started to introduce DX to improve operational efficiency and productivity of technology development/production technology

Action for Environment Issues

- Established the Sustainability Committee
- Set targets for/promoted reductions in CO₂ emissions (carbon neutrality)
Introduced internal carbon pricing
- Endorsed TCFD recommendations
- Investigated the use of recycled raw materials
- Calculated carbon footprint of products (CFP)

Human Resources Development

- Built system to foster human resources for innovation (professional/global talent)
- Established support systems for childcare/nursing care
- Increased ratio of female managers
- Workstyle reforms (systemization of working from home)
- Operational reforms (promotion of paperless work, etc.)
- Improved employee engagement

Current Challenges and the New Medium-Term Management Plan

Over the previous plan period, we steadily implemented the four key measures and made active investments in growth areas as scheduled, and at last began to see results in the final year. However, there were major changes in the business environment. Moving forward, the Group must realize returns on past investments so as to reach the profitability target, and build a management foundation robust enough to withstand changes in the Group's operating environment. To that end, the new Medium-Term Management Plan plots the course to achieving those goals.



Establish a unique position throughout our product development and deepen our relationships with global clients

New Medium-Term Management Plan (FY2024–2027)

Two Key Points of the New Medium-Term Management Plan

The new Medium-Term Management Plan centers on two key points. The first point is steadily realizing returns on investments (made during the previous medium-term management plan period) in the glass fiber for electronic materials field and the medical field, as we work to realize Big VISION 2030. We will also continue to actively invest for growth to ensure that our supply structure is able to respond to rapidly expanding new markets.

The second point is building new pillars of revenue for the next 100 years beyond 2030. We will restructure our previous three business divisions into five business divisions; expand into new fields to follow Special Glass and the medical field; integrate product development, manufacturing, and sales; and strengthen activities that consider the customer's perspective.

POINT 1

Steadily harvesting the fruits of investment and promoting existing growth strategies to realize Big VISION 2030

We will steadily realize returns on investments in Special Glass and the medical field made during the previous medium-term management plan, and continue to actively invest for growth to enable us to respond to rapidly expanding new markets

POINT 2

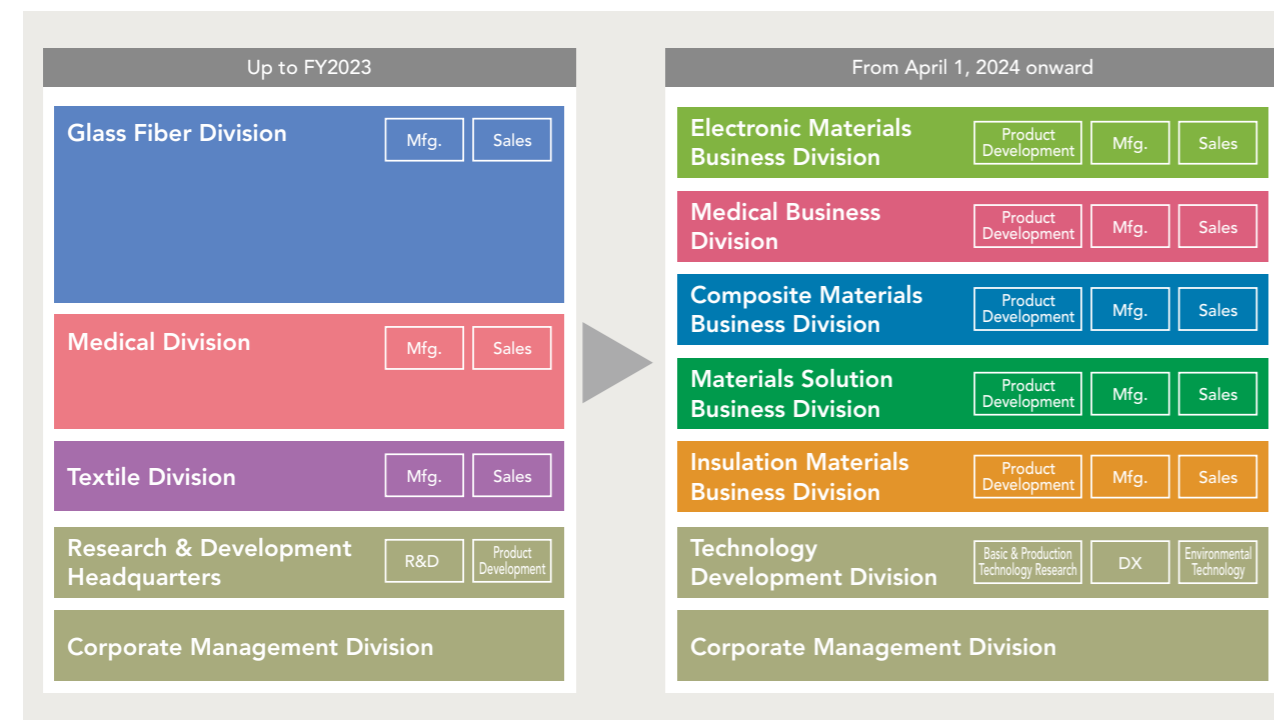
Building new pillars of revenue for the next 100 years beyond 2030

- Building additional pillars of revenue to follow Special Glass and medical
- Unified management of product development, manufacturing and sales, strengthening of customer perspective

➔

Launch of new structure

Restructuring of Business Segments



Basic Policy on Divisional Strategy

- Taking into account the above two key points, each business division will tackle the new Medium-Term Management Plan based on the following approaches
- These four years will be the launch period for achieving steady sustainable growth beyond Big VISION 2030

Electronic Materials Business Division

Medical Business Division

- Establish supply systems in areas where market growth can be expected, and continue the active program of capital investment
- In preparation for achieving the targets for FY2030 to realize Big VISION 2030, aim for steady contributions to earnings from harvesting of previous investments and the fruition of newly developed products

Composite Materials Business Division

Materials Solution Business Division

Insulation Materials Business Division

- While adding greater depth to our existing business areas, looking ahead to FY2030 and beyond, we will embrace new ideas to explore future businesses without limiting ourselves to the existing scope of our operations, such as only glass fiber or textiles

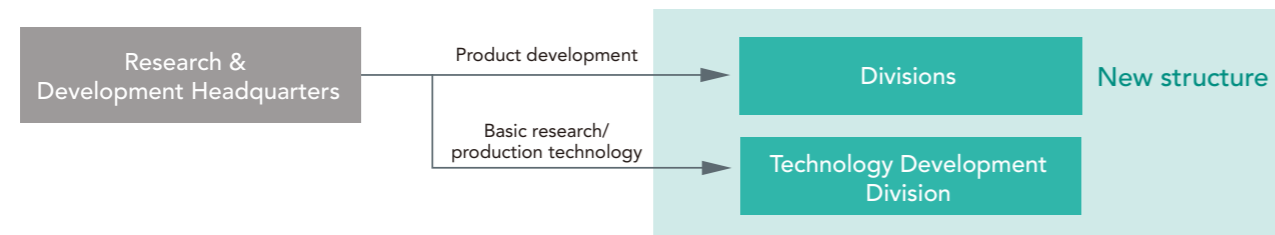
Company-wide Quantitative Targets (FY2024–2027)

Net sales target (FY2027)	JPY 135 billion
Operating profit target (FY2027)	JPY 20 billion
EBITDA target (FY2027)	JPY 32 billion
ROE	8% or higher (a level consistently exceeding cost of capital)
ROIC	A level exceeding WACC
Capital investment (4-year total)	Approx. JPY 80 billion
R&D expenses (4-year total)	Approx. JPY 15 billion
Net D/E ratio	0.4 times or lower
Equity ratio	55% or higher
Shareholder return policy	Our basic policy is to pay a dividend of not less than JPY 55 per share, targeting a dividend payout ratio of 30% of steady earnings
Establishing incentives for employees	An additional third bonus will be paid when operating profit targets are achieved on a single-year basis. At JPY 12.5 billion, an additional 0.5 months' worth of the monthly base rate will be paid, increasing by 0.5 months for every additional JPY 2.5 billion thereafter.

New Medium-Term Management Plan (FY2024–2027)

Research and Development

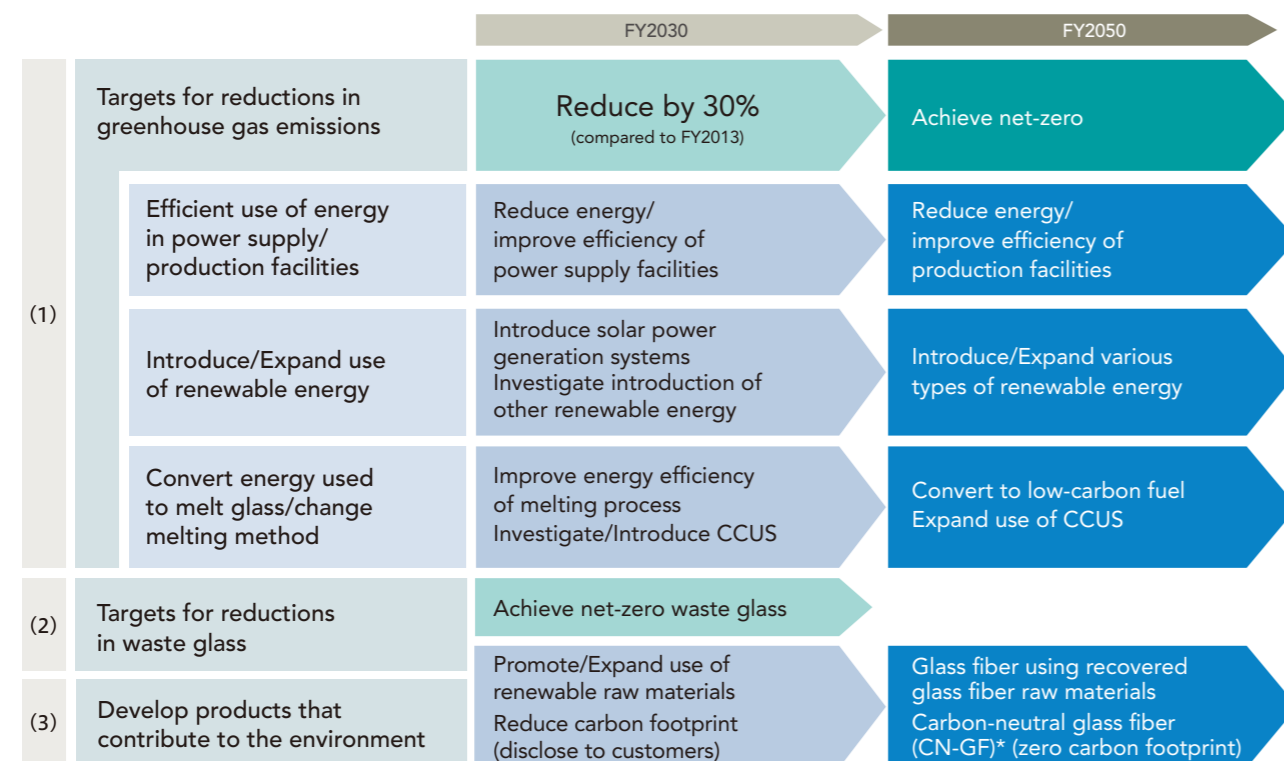
Our measures to establish an effective organizational structure for the Nittobo Group include launching the Research & Development Headquarters in 2017 and significantly increasing researcher numbers. In order to make our R&D more dynamic, we have now transferred product development functions to the business divisions, which are more closely attuned to markets and customers, and established the Technology Development Division, a new corporate organization that handles long-term basic research and the improvement and innovation of production technology. The Technology Development Division will help to realize Big VISION 2030 by opening up a new future while providing cross-sectional coordination for the product development activities at each of the business divisions.



Sustainability

Environment

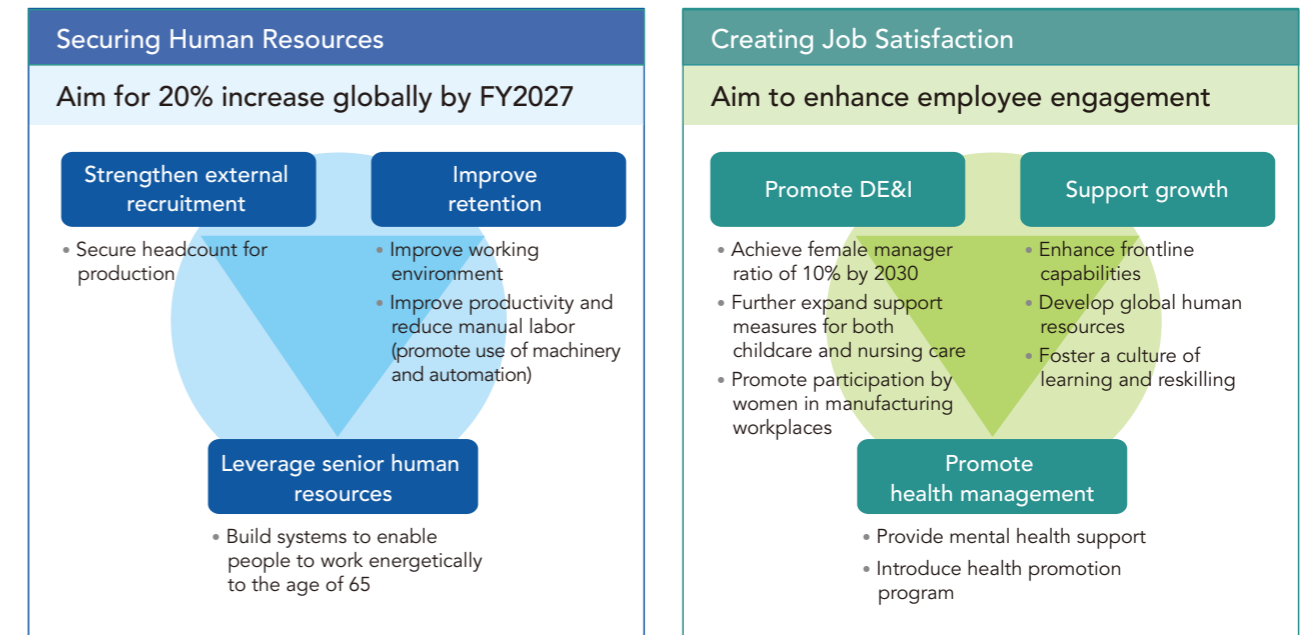
The Sustainability Committee will lead efforts on three FY2030 goals: 1) reducing CO₂ emissions by 30% compared to FY2013; 2) reducing waste glass; and 3) developing products that contribute to the environment. We will set quantitative targets for 1) and 2) and assemble task forces under the Sustainability Committee to implement initiatives to achieve these goals. For 3), from a medium- to long-term perspective, we will connect the Group's technologies to customer needs so as to commercialize products and work toward reaching our milestones for 2030.



* Glass fiber that achieves net-zero CO₂ across all processes, from raw material extraction to transportation and manufacturing.

Human Resources

Human resources are the cornerstone of the Nittobo Group. To realize our long-term vision, the new Medium-Term Management Plan stipulates that we will step up efforts to secure the human resources needed to expand our business through active investment in growth. We will do so by strengthening external recruitment, improving retention, and leveraging senior human resources. To this end, we aim to enhance employee engagement by promoting diversity and inclusion, supporting employee growth, and promoting health management, thereby creating a system in which the Company and its employees can grow together.



Corporate Governance

Under the previous medium-term management plan, the Nittobo Group introduced a performance-linked remuneration plan to better link officers' responsibilities and evaluation outcomes to the Company's performance. In this and other ways, we are constantly reviewing our systems while building upon our existing corporate governance system.

Board of Directors Operating Structure (As of March 31, 2024)

- Consists of seven members, including four external directors, one of whom is female
- The Board comprises individuals with diverse experience and skills, with the aim of encouraging deeper discussions from a broader perspective on management policy, long-term strategy and other matters

Background of External Directors

Management experience (as president/chairman of a company); management experience (as president of a company and in technology development); an attorney (corporate legal affairs, attorney of the state of New York); Certified Public Accountant (partner at an audit firm)

Strengthening the Corporate Governance Structure

- Introduced system for holding briefings before Board of Directors meetings to facilitate deeper discussions (2016–)
- Further enhanced the supervision function of the Board of Directors by introducing a Board of Directors evaluation of effectiveness (2017–)
- Introduced performance-linked stock remuneration (2022–)

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Message from the Division General Manager of the Technology Development Division

We will establish new pillars for the next 100 years through new flagship products created by helping to realize customer success and through swifter development.

Koichi Nakamura
Executive Officer
Division General Manager of
the Technology Development Division



The Technology Development Division—A New Framework for a New Future

Under the new Medium-Term Management Plan, the Technology Development Division was launched in April 2024 as the successor organization to the Research & Development Headquarters, as part of our efforts to establish new “main pillar” businesses for the next 100 years. We have enhanced our agility by reassigning existing product development teams to the corresponding business divisions and integrating them with manufacturing and sales functions. The Technology Development Division, meanwhile, will focus on basic research and production technology development, as well as serve as the linchpin for Company-wide product development functions.

Each business division’s product development team works closely with customers to achieve customer success, while the Technology Development Division provides an environment for collaboration on areas such as advanced material R&D and production technology, digital innovation, and the environment, as well as seamless coordination with product development engineers. Consolidating personnel and relevant functions on a single office floor has sped up the development process, making this the ideal forum for innovation. Furthermore, under the Technology Development Division we have set a policy comprising three main themes: “ambidextrous development,” “open innovation,” and “digital innovation.” More significant, however, is that this policy encourages engineers to adopt a mindset of aiming to shape the future. In that sense, its themes are best understood as methodologies.

Ambidextrous Development—Staying Ahead of the Times through a Focus on Both Now and the Future

In this era of VUCA—volatility, uncertainty, complexity and ambiguity—we believe it is not possible to keep up with rapid change and disruptive innovation unless we pursue “ambidextrous development” that focuses on both now and the future. Nittobo has thrived for more than a century because we have constantly updated our basic technologies and production processes, and because we have always developed new products together with our customers. In this way, our ability to forecast has served development efforts well. Nevertheless, if we are to stay ahead of the changing times, then we must also backcast, i.e., redefine what basic technologies should look like 20 or 30 years from now and the development processes that will be necessary to bring them about. Thus, I believe the mission of the Technology Development Division is to serve society’s needs through “ambidexterity” in forecasting and backcasting.

In particular, we will need to backcast from challenges such as achieving carbon neutrality by 2050 and making renewable energy society’s main source of power, and give serious thought to how we, as manufacturers, should contribute. Moreover, when researching new seeds, it is vital that we work with partners to co-create the future, rather than attempting to go it alone. Furthermore, in terms of addressing environmental issues, we are on the verge of receiving ISCC PLUS¹ certification for post-industrial recyclates (PIR)² as a preliminary step to certification for post-consumer recyclates (PCR)³, and I believe we will be able to start offering our customers environmentally friendly PIR-based products within the Medium-Term Management Plan period.

Pursuing ambidextrous development when management resources are limited requires a delicate balance between focusing on both now and on the future, so striking that balance is an important part of my mission.

Open Innovation—Ramping Up External Technological Exchanges and Commercializing Innovation in Adjacent Fields

For the future of Nittobo’s technological development, we are not looking to areas far removed from our core fields. Rather, while continuing to incorporate customers’ technologies as we have done before, we intend to expand innovation in adjacent areas by adding new elements in terms of evaluation and handling technologies. For instance, while our proprietary technologies center mainly on glass, we also have core technologies for compounding and blending that enhance compatibility with plastics and other organic materials. Through the application of those technologies, we can provide added value in completely different fields. In addition, micro-material handling technologies have potential for use with nano-materials such as carbon nanotubes, and we have already begun seed research and testing in these areas.

We hope to have acquired one or two major new technologies in adjacent areas by 2030, and we plan to speed up that process through co-creation with customers, universities, research institutes, and startups. One new initiative we launched in 2023 was cross-sector industrial exchange events. These technological exchanges between junior and mid-career personnel are stimulating for the employees as part of their human resource development, and also serve as on-the-job training. We also actively engage in joint research with universities and the academic community as part of industry-academia cooperation.

Moreover, we are fostering intellectual property literacy among engineers. Through a novel IP strategy, we plan to provide feedback on how IP is impacting new business creation and advice on technology and business strategies. We aim to build a model framework through which to work with engineers using patent maps to strategically address gaps in our IP portfolio, and propose strategies that will contribute to Nittobo’s business.

Digital Innovation—True Process Innovation Leveraging Digital Transformation (DX) for Automation and Labor Savings

Because our factories need to operate 24 hours a day, 365 days a year, the current labor shortage in Japan caused by the declining birthrate and aging population poses a serious problem. We need to standardize our manufacturing processes and implement labor savings, and give due consideration to the various approaches that could help us

achieve that, including robotic process automation (RPA) and other forms of automation. In other words, manufacturing process innovation is not just about cutting processes out, but also includes harnessing the potential of digital technologies and robotics.

Simply adopting innovative technologies at our production facilities will not necessarily lead to success; our ability to develop DX talent will have a major impact on outcomes. As a result of our promotion of DX under the previous medium-term management plan, approximately 600 employees have completed DX literacy training, and many have progressed to the specialist stage. Moving forward, we hope to steadily grow our pool of DX-capable employees, share the possibilities of digital technologies and our goals for their use, and improve manufacturing efficiency through three-way collaboration between factories, the Digital Innovation Department and the Production Technology Department.

Traditionally, we have enhanced productivity at our factories’ by leveraging the intuition and rules of thumb of veteran workers to anticipate changes, doing our best from an operations standpoint. However, we now hope to build a system that is based on an intrinsically Nittobo brand of CPS⁴ that is not reliant on individuals’ experience and intuition.

1. ISCC PLUS: A certification standard that focuses on traceability of raw materials within the supply chain, and applies to all markets and sectors not regulated by the EU Renewable Energy Directive or the Fuel Quality Directive. It covers not only biofuels and products, but also recycled raw materials and products, food, feed, and technical and chemical applications.
2. PIR: Post-industrial recycling, also known as pre-consumer recycling. Refers to recycling and reusing materials generated during the product manufacturing process.
3. PCR: Post-consumer recycling. Refers to the recovery and recycling of products after they have been used on the market.
4. CPS: Cyber-physical system. Systems that allow interaction between real-world information/data and virtual space, which makes constant optimization of production lines possible.

Opening Up a New Future Based on Three Themes with the Objective of Realizing the Long-Term Management Strategy

(1) Ambidextrous Development

- Deepen knowledge by innovating the production and technology foundation:
 - Strengthen and implement the technology foundation that will be required in the future
- Explore knowledge creation by utilizing and redefining core technology:
 - Sow seeds for/open up new markets

(2) Open Innovation

- Co-create with external partners:
 - Respond promptly to increasingly complex social issues
- Develop human resources and create new themes through exchanges with different industries:
 - Free innovation activities

(3) Digital Innovation

- Tackle digitalization by taking a bird’s-eye view of various business processes including those in technology development, production sites, and the back office, and use current projects utilizing materials informatics* and AI (i.e., implementing AI) to open the way to process innovation (stage before shifting to CPS)

* MI: Materials informatics. A field that aims to enhance the efficiency of material development by applying informatics methodologies, such as statistical analysis.

Business Overview

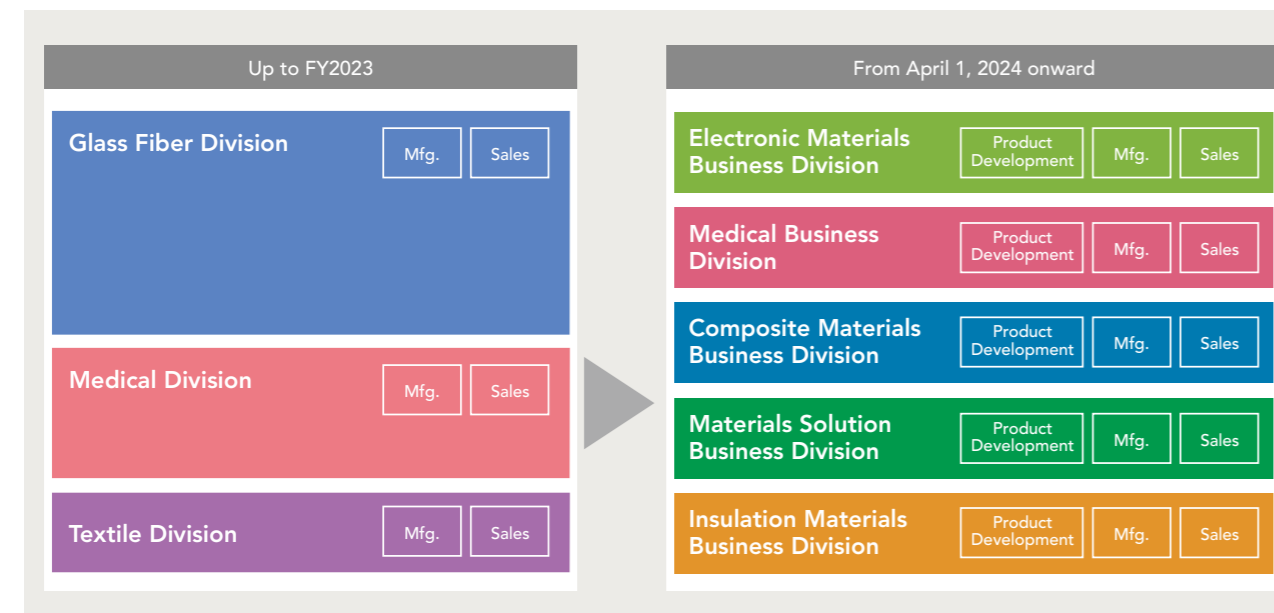
A New Organizational Structure for the Next 100 Years

On April 1, 2024, we reorganized the Group's previous three divisions (Glass Fiber, Life Science, and Textile) into five business divisions (Electronic Materials, Medical, Composite Materials, Materials Solution, and Insulation Materials).

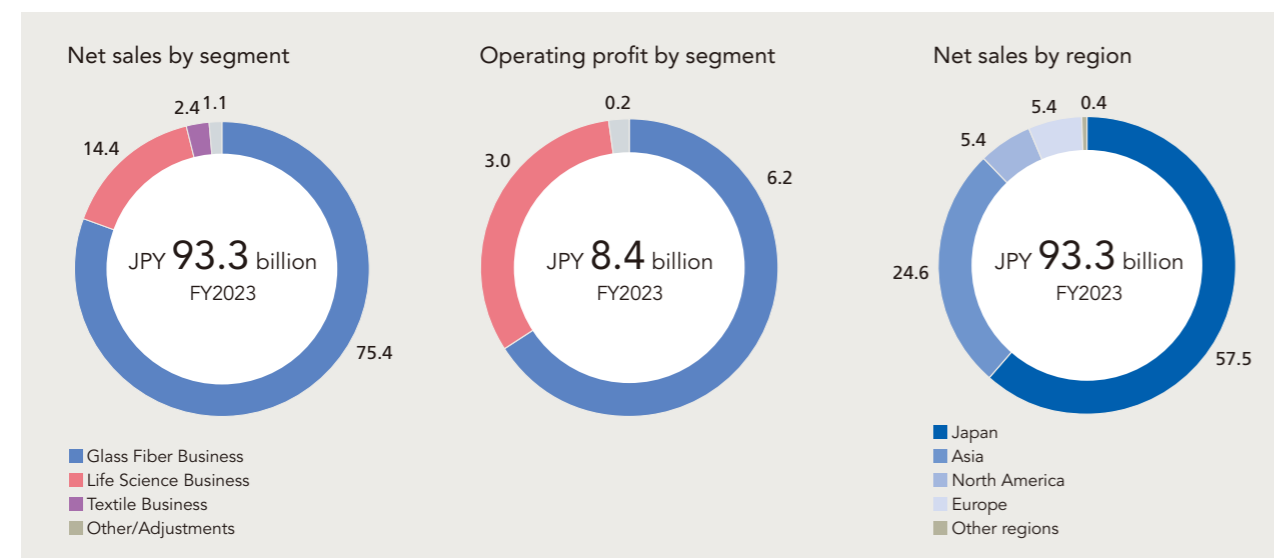
Changes in the Group's operating environment are becoming increasingly far-reaching and the needs of markets and customers are shifting in complex ways. To achieve sustainable growth and increase corporate value under these circumstances, we have established a new organizational structure and launched the new Medium-Term Management Plan so as to accurately grasp market changes, boost agility, and apply our capabilities effectively.

In reorganizing our development, manufacturing, and sales functions, as seen from the perspectives of our markets and customers, while also speeding up decision-making and anticipating needs, we aim to become a group that continues creating Global No. 1 Niche Businesses.

Restructuring of Business Segments



Net Sales and Operating Profit (Results under Previous Segment Structure)



Electronic Materials Business

Vision

Promote the shift to next-generation products and aim for further improvements in net sales and profitability

Issues and Initiatives

- Harvesting fruits of investments executed during the previous medium-term management plan
- Strengthen measures to address growing demand for Special Glass
- Strengthen marketing activities and research and development of next-generation Special Glass

In the Electronic Materials Business Division, we manufacture and sell glass fiber yarn and glass fiber cloth, and have been expanding our business centering on the Special Glass, developed through our proprietary technologies. Our Special Glass is used mainly as an insulating material for high-performance printed wiring boards used in high-speed, high-capacity applications that require materials with properties such as a low dielectric constant, a low dielectric dissipation factor, and low thermal expansion. Moreover, its quality has gained widespread global recognition. Demand for Special Glass is expected to increase, and we will continue to make capital investments to establish the capacity to provide a stable supply of high-quality products.

Strengths	Risks	Opportunities
<ul style="list-style-type: none"> Manufacturing technology that enables stable production of Special Glass Product supply capacity from ongoing capital investment Unique product development based on our development roadmap 	<ul style="list-style-type: none"> Large fluctuations in demand due to the impact of the semiconductor cycle Possibility of replacement by alternate materials as the result of technological innovation 	<ul style="list-style-type: none"> Expanding demand for our Special Glass, which can support infrastructure for high-speed, high-capacity communications Increasing demand for our products that can be used in the AI-related market due to market expansion of AI-related businesses and other factors

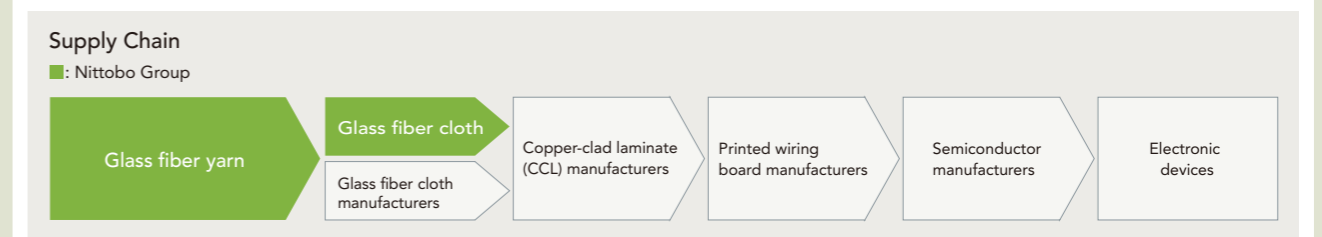
Main Products

Yarn

Nittobo manufactures and sells various types of single yarn for printed wiring boards and industrial materials. Its unique product lineup, which includes several types of glass fiber yarn, and a range of linear densities (tex), yarn counts, and filament diameters, meets customers' needs.

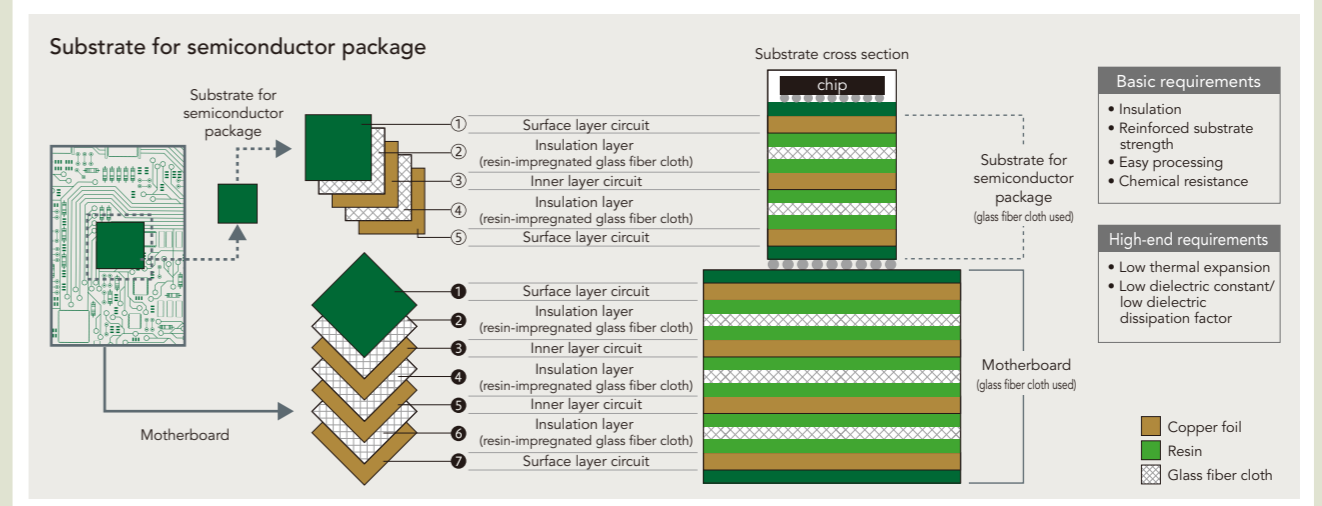
Glass fiber cloth

Our specially treated glass fiber cloth, woven from glass fiber yarn, is used as an electrical insulator for isolating circuits and serves as a reinforcement material that contributes to substrate strength.



Typical Application for Glass Fiber Cloth

Glass cloth provides excellent insulation, heat resistance, and dimensional stability, and is used as a substrate for printed wiring boards.



Medical Business

Vision
Become world No. 1 in the field of plasma proteins and bones

- Issues and Initiatives**
1. Boost global expansion
 2. Accelerate research and development, and promote new product development
 3. Strengthen manufacturing and sales at Nittobo America Inc.
 4. Reinforce foundation

The Medical Business Division's operations are centered on in vitro diagnostic reagents. They are used in health checkups and at hospitals to test blood and urine and determine state of health. The Group's global value chain, which integrates everything from raw materials production in the U.S. to completed products, enables us to offer a stable supply of high-quality in vitro diagnostic reagents and has earned us the top domestic market share for many items, including inflammation markers. In particular, our in vitro diagnostic reagents for immunological plasma proteins have helped us establish a reputation as specialists in immunology among healthcare professionals throughout Japan and worldwide.

Strengths	<ul style="list-style-type: none"> • A global value chain, from raw material production to marketing of reagents* • Solid presence in the market for in vitro diagnostic reagents for immunological plasma proteins
Risks	<ul style="list-style-type: none"> • Unforeseeable issues may hinder our ability to maintain stable quality • Impact of global economic trends, trade and tax policies, and geopolitical factors
Opportunities	<ul style="list-style-type: none"> • Increased demand from overseas markets for in vitro diagnostic reagents • Earning suppliers' trust creates opportunities for solution proposals

Main Products

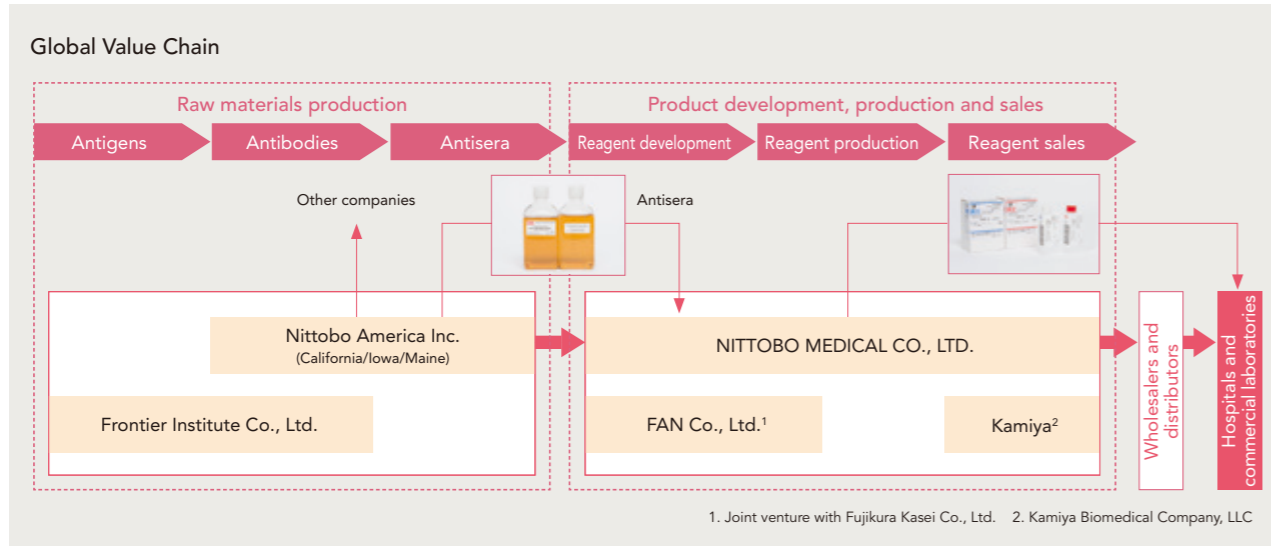
In vitro diagnostic reagents



Our in vitro diagnostic reagents are used in health checkups and at hospitals to test blood and urine and determine state of health. Establishing an integrated production system from raw materials to completed product has enabled us to offer a stable supply of high-quality in vitro diagnostic reagents.

Main Products

Main test target	Test item
Inflammation	CRP
	IgG/IgA/IgM
	C3/C4
Diabetic renal disease	Urinary albumin
Glomerular filtration rate	Cystatin C
Renal tubular disorder	β2 microglobulin
Nutritional status	PreALB/RBP/Tf
Allergies	IgE
	MMP-3
Rheumatism	RF
Streptococcal infection	ASO
Iron metabolism	Ferritin
Osteoporosis	TRAP-5b
Breast cancer	CSLEX



Composite Materials Business

Vision
Without being bound by fixed ideas, we will achieve the following targets by taking on the challenge of change

- Higher productivity; greater cost competitiveness
- Develop products and processes that contribute more widely to society
- Build closer relationships of trust with customers

- Issues and Initiatives**
1. Improve productivity and strengthen cost competitiveness
 2. Develop products and explore demand from a customer perspective
 3. Develop environmentally friendly products and production processes

Our Composite Materials Business Division supplies glass fiber as a plastic reinforcement material. Our glass fibers offer high shape stability and ease of processing, and are used mainly for automotive components, smartphone-related components (e.g., housings), and residential equipment (e.g., bathtubs). We offer products in a broad range of categories, including continuous fiber roving, uniform length chopped strands, and modified cross section high-performance glass, which was developed using Nittobo's proprietary technologies. Our products are used to meet a variety of needs related to fiber-reinforced plastics (FRPs) and fiber-reinforced thermoplastics (FRTPs).

Strengths	<ul style="list-style-type: none"> • Ability to meet customers' needs with an extensive lineup of products based on our proprietary glass-composition technologies
Risks	<ul style="list-style-type: none"> • Deterioration of productivity and cost-competitiveness due to factors such as intensifying competition • Threat to business performance due to external factors such as rising raw material and fuel prices
Opportunities	<ul style="list-style-type: none"> • Rise in demand for use of recycled raw materials and environmentally friendly products, driven by increasing environmental awareness

Main Products

Roving



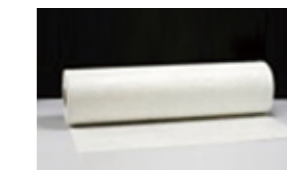
Roving is the simplest form of glass fiber and has a wide range of applications as a fundamental component of composite materials. We offer strands that are processed optimally according to the application and manufactured to specific yarn counts.

Chopped strands



With a focus on molding techniques and affinity with resin, we continue to develop our chopped strands, which can be used for diverse applications. We meet a variety of needs by offering a wide range of treatment formulations, strand types, and cut lengths.

Chopped strand mat



Chopped strand mats increase affinity with various kinds of resin, and thereby enhance the strength and boiling resistance of molded products. Tape mats, meanwhile, which are cut according to tape shape, facilitate corner reinforcement, overlay, adhesion, and other sorts of work.

Cut fiber



Cut fiber consists of powdered glass fiber. Filling resin with the product is expected to produce such effects as dimensional stability, crack resistance, surface modifiability, and improved heat resistance.

Flatfiber

Modified Cross Section Chopped Strands:

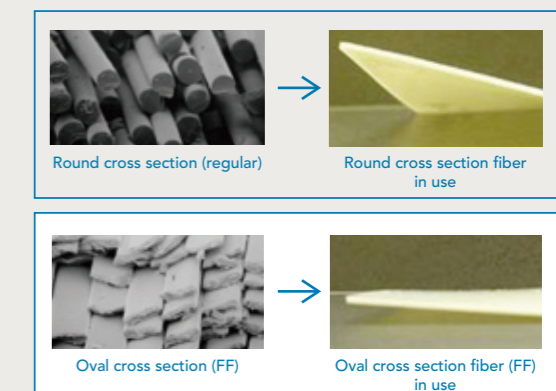
Flat Fiber

Nittobo's proprietary high-performance Flat Fiber (FF) has an oval cross section, and offers high strength and dimensional stability. Its applications include smartphone housings and automotive components.

Flat Fiber Characteristics

- High flowability
- High strength
- Surface smoothness
- Impact resistance
- Dimensional stability

Warp Level Comparison for Composite Panels Made with Flat Fiber



Materials Solution Business

Vision

Create new businesses through collaboration and flexible thinking that is not bound by the framework of existing operations

Issues and Initiatives
 1. Create new businesses
 2. Create an organization that generates synergies
 3. Acquire new commercial rights in growth areas

The Materials Solution Business Division incorporates the glass fiber for industrial materials business, the chemical business (including functional polymers), and the textile businesses. In the Glass Fiber for Industrial Materials Business, we provide products that take advantage of glass fiber's heat resistance, fire resistance, and light weight, such as architectural membranes for large buildings and automotive vibration-damping materials.

In the chemical business, we are engaged in the development and sale of highly original functional polymers and organic-inorganic hybrid materials (SSGs) that are used in various applications to support daily life. In the textile business, we leverage our proprietary adhesive technologies developed through experience in adhesive interlinings to provide functional materials not only for conventional clothing applications but also for use in a broad range of other business domains.

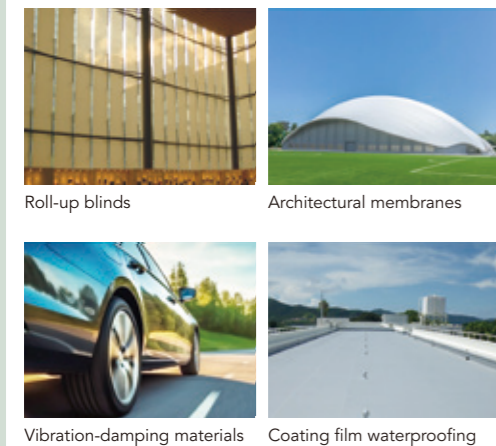
Strengths	<ul style="list-style-type: none"> • High strength and high heat resistance membranes • World-leading broad-cut membranes • R&D capabilities for new functional polymers leveraging proprietary raw materials and manufacturing expertise • Ability to make functional materials without compromising substrate properties, backed by proprietary adhesive technologies developed in the textiles business
Risks	<ul style="list-style-type: none"> • Deterioration of productivity and cost-competitiveness due to factors such as intensifying competition • Threat to profitability due to the impact of external factors such as rising raw material and fuel prices
Opportunities	<ul style="list-style-type: none"> • Responding to the diversification of customers' needs by creating new businesses through collaboration and flexible thinking that is not bound by the framework of existing operations

Main Products

Glass fiber for industrial materials

With excellent heat resistance, fire resistance, and mechanical properties, these products are used widely as architectural membranes for stadiums and film materials for tent warehouses, as well as temporary structures for various kinds of events.

Main Applications



Chemicals

The Group engages in the development and sale of proprietary functional polymers such as Poly-allylamine and the Polyamine Series. We research, develop, manufacture and sell proprietary products in categories with high barriers to entry and across a wide range of industry sectors, including toiletries, papermaking, metals, electronic materials and generic drugs.



Textiles (adhesive interlinings)

We also have a large share of the Japanese market for interlinings for high-end ladieswear. Interlinings are an auxiliary material used between the inner and outer fabrics of, for instance, jackets and overcoats, to help them retain and adjust shape.

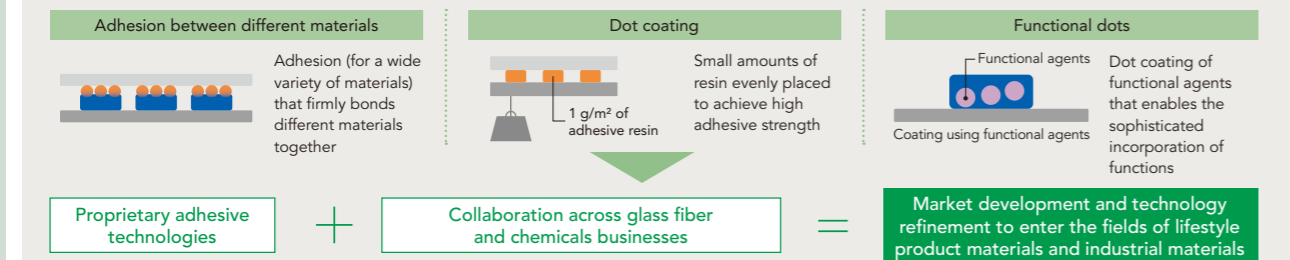


Textiles (dishcloth)

Created through joint research with Kurashi-no-techo Co., Ltd., Nittobo Dishcloth™ is a long-selling product whose popularity stretches back to its launch more than 60 years ago.



Features of Our Adhesive Technologies



Insulation Materials Business

Vision

Utilize external resources as well as those of the Nittobo Group to open up new markets

Issues and Initiatives
 1. Take advantage of growing demand for energy-saving solutions to strengthen sales of high-end products
 2. Stable supply derived from improved productivity
 3. Expand recycled glass raw material resources in response to decline in number of glass bottles recovered

The Insulation Materials Business Division develops, manufactures, and sells glass wool insulation with high heat insulation properties. This business is conducted by Nittobo Group company Paramount Glass Manufacturing Co., Ltd. In 2025, it will become mandatory in Japan that all new residential construction must conform to what was previously the highest insulation grade, and additional grades with even higher standards have also been introduced, which is driving needs for improved insulation performance.

Glass wool, made by flocculating glass into a cotton-like material, has high heat insulation performance. It also has excellent nonflammable and sound-absorbent qualities, and is used for a wide range of purposes in structures such as houses and other buildings, as well as in vessels and vehicles.

Strengths	<ul style="list-style-type: none"> • Ability to harness proprietary technologies to develop high-performance insulation materials and help realize energy-efficient housing
Risks	<ul style="list-style-type: none"> • Decline in residential new-build numbers • Threat to business performance due to rising raw material, fuel, and distribution costs
Opportunities	<ul style="list-style-type: none"> • Increasing demand for environmentally friendly high-end products, boosted by growing needs for energy-saving solutions

Main Products

Glass wool insulation and sound-absorbing materials for housing



Glass wool traps large volumes of still air between its fibers, giving it excellent thermal insulation properties. In general, the thicker and denser the glass wool, the better its capacity to insulate. Glass wool is an economical choice because it provides a certain level of thermal insulation at the lowest cost.

Architectural and industrial glass wool insulation and sound-absorbing materials



Besides residential use, glass wool also has various applications in buildings and industry, including heat insulation, heat management, and sound absorption. For instance, GC Board, an interior material made by wrapping glass wool in glass cloth, insulates against heat and absorbs sound. It is used to line spaces where these are required, such as machine rooms and factory buildings, and as interior insulation and sound absorption material in spaces with acoustic or insulation considerations.

Recycling in the Manufacturing Process

Glass wool is a CFC-free heat-insulating material that does not rely on a CFC alternative. It is made with environmentally friendly recycled glass using advanced technology and is a designated material recognized under Japan's green purchasing legislation.

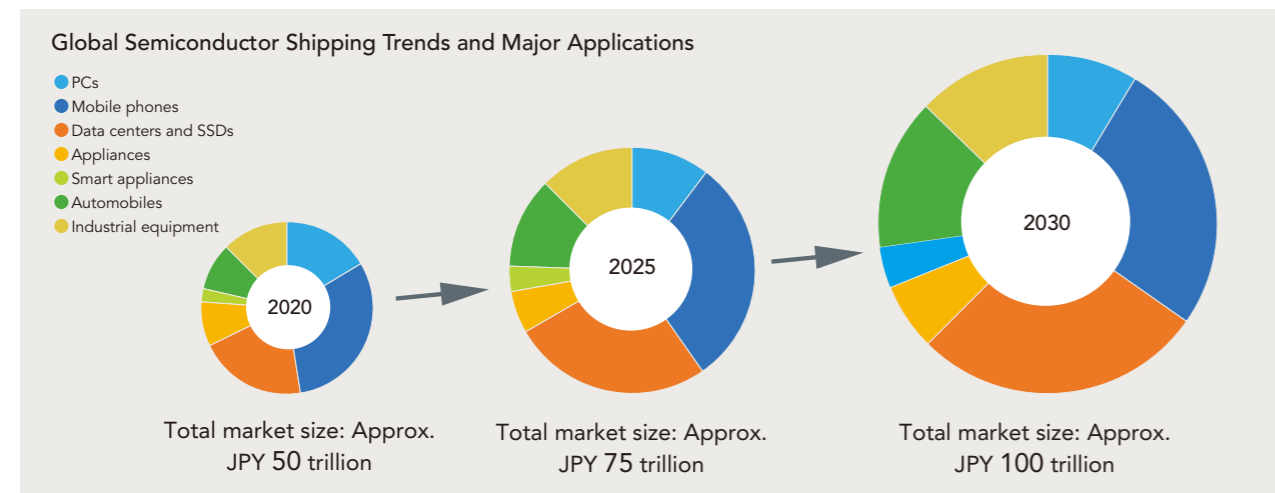


Nittobo's Special Glass: Supporting Digital Society

As we move toward the realization of a society characterized by high-speed, high-capacity communications, demand for the glass fiber cloth used in semiconductors and printed wiring boards is increasing. The Nittobo Group contributes to the evolution of digital infrastructure through the further development of high-performance Special Glass with low dielectric and low dielectric dissipation factor properties, high elasticity, and low coefficient of thermal expansion (low CTE).

Semiconductor Market Growth

Until recently, the semiconductor market was driven by growth in PCs and smartphones. However, given the expected growth in data centers for AI and in the automotive field (where electric vehicles and automated driving are becoming more widespread), the global market is predicted to expand to approximately JPY 100 trillion by 2030.



Source: Compiled by the Company based on materials from the Ministry of Economy, Trade and Industry's 11th Semiconductor and Digital Industry Strategy Review Conference, May 31, 2024

Special Glass

The Nittobo Group uses its proprietary technologies to provide two main types of Special Glass.

NE-glass		T-glass																			
Reducing Transmission Loss with Low-Dielectric Properties Adopted for use in switches and routers in data centers and base stations that process large volumes of data at high speed; high-speed high-capacity memory; and in antenna-in-package modules for 5G smartphones.		High Strength, Low Thermal Expansion Adopted for use in semiconductor package substrates in high-performance servers, GPUs for generative AI, and smartphones, which require high-speed processing and high reliability.																			
<table border="1"> <thead> <tr> <th></th> <th>E-glass</th> <th>NE-glass</th> </tr> </thead> <tbody> <tr> <td>Dielectric constant (1 GHz)</td> <td>6.8</td> <td>4.8</td> </tr> <tr> <td>Dielectric dissipation factor (1 GHz)</td> <td>0.0035</td> <td>0.0015</td> </tr> </tbody> </table>			E-glass	NE-glass	Dielectric constant (1 GHz)	6.8	4.8	Dielectric dissipation factor (1 GHz)	0.0035	0.0015	<table border="1"> <thead> <tr> <th></th> <th>E-glass</th> <th>T-glass</th> </tr> </thead> <tbody> <tr> <td>Thermal expansion coefficient (×10⁻⁶/°C)</td> <td>5.6</td> <td>2.8</td> </tr> <tr> <td>Tensile elasticity (GPa)</td> <td>75</td> <td>86</td> </tr> </tbody> </table>			E-glass	T-glass	Thermal expansion coefficient (×10 ⁻⁶ /°C)	5.6	2.8	Tensile elasticity (GPa)	75	86
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We first developed **NE-glass** in the 1990s. In recent years it has become the industry leader as the de facto standard for low-dielectric glass products. As we enter an era of high expectations with regard to the development of 5G and higher-speed telecommunications, as long as high-speed communication network equipment to support the Internet of Everything (IoE) continues to evolve and the corresponding markets continue to expand, the market for low-dielectric materials will continue to evolve with them. The pattern for each new iteration of the benchmark Ethernet standard has been to double speeds approximately every four years. Equipment compatible with 800 Gigabit Ethernet (GbE; equivalent to 112 Gbps) is currently poised to go to market. The Nittobo Group has commenced production and shipping of **NER-glass** as a means of enabling these 112 Gbps speeds.

T-glass is used in GPUs for generative AI that support our computerized society, communication ASICs such as semiconductors and switches, and semiconductor package substrates for high-performance CPUs. However, requirements are constantly increasing in terms of material properties, and there is a demand for ever lower thermal expansion and faster transmission speed. We will continue to actively pursue R&D to allow us to cater to these requirements.

The Growing Utility of Special Glass for Semiconductors

Made using proprietary technology, Nittobo's Special Glass products such as low-dielectric NE-glass and low-thermal-expansion T-glass are filling an expanding range of applications in mainstream areas of the semiconductor market, including logic and memory semiconductors, where significant growth is expected. In the logic field, our lineup supports applications such as CPUs and GPUs, which are becoming increasingly sophisticated in AI servers, data centers, PCs, and motherboard substrates. In the memory field, we have begun expanding into DRAM and NAND memory for use with CPUs and GPUs.

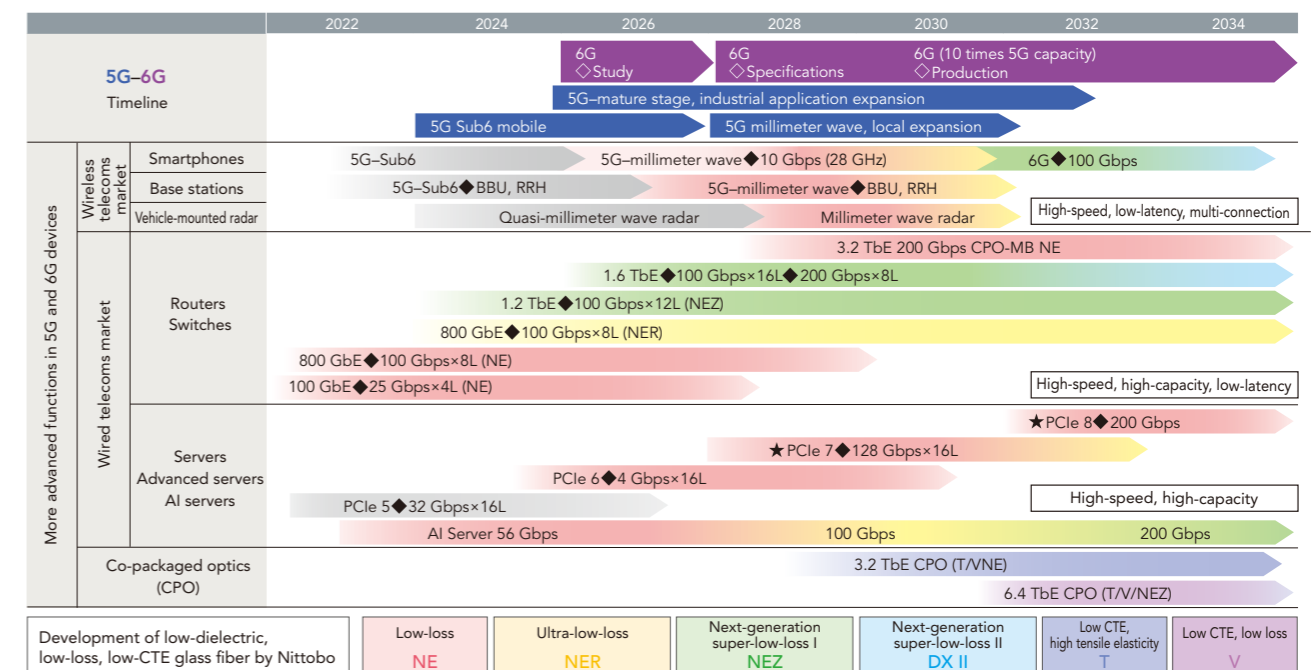
Applications have been expanding mainly for **logic** and **memory** applications, from communication and information infrastructure, to edge devices, and automobiles.

Application	Equipment/Part	Substrate type	Required performance	Glass fiber type			
				High-end	Mid-range		
Telecoms/Infrastructure	Processors Controllers	Semiconductor package substrates	CPUs/GPUs	Low CTE	T	E	
			NAND memory	Low CTE	T	E	
	Motherboards	Motherboard substrates	DDR memory	Low dielectric tangent	NE	E	
				Low dielectric tangent	NE/NER	E	
Edge devices	Processors Non-volatile memory	Semiconductor package substrates	APs/CPUs	Low CTE	Ultra-thin T, T	Ultra-thin E	
			NAND memory	Low CTE	Ultra-thin T	Super ultra-thin E	
	Volatile memory	Semiconductor package substrates	DDR memory	Low CTE	Ultra-thin T (smartphones)		
				Low dielectric tangent	NE (PCs)		
	Motherboards	Motherboard substrates		Low dielectric tangent	Ultra-thin NE	Ultra-thin E	
			Wireless communications	RF package substrates	Low dielectric tangent	Ultra-thin NE	Ultra-thin E
	Desktop/Laptop PCs	Motherboards	Semiconductor package substrates	CPUs/GPUs	Low CTE	T	E
				DDR memory	Low dielectric tangent	NE (PCs)	E
AR/VR Drones	Advanced SoCs	Semiconductor package substrates		Low CTE	T	Super ultra-thin E	
				Low dielectric tangent	Ultra-thin NE	E	
Automobiles	Electric vehicles, ADAS	Advanced SoCs		Low CTE	T	E	
			Millimeter wave radar	Module boards	Low dielectric tangent	Ultra-thin NE	E

Implementing the 5G-6G Roadmap

The Nittobo Group has contributed to the development of advanced information and telecoms infrastructure based on 5G and 6G in society by providing Special Glass for printed wiring board materials that support technological innovation in high-speed, high-capacity communications and semiconductors. We will continue to strive to ensure that our Special Glass can contribute to the electronic device and semiconductor industries of the future.

Implementing the 5G-6G Roadmap



Arrow color corresponds to Nittobo low-loss glass fiber materials that have been adopted or are expected to be adopted.

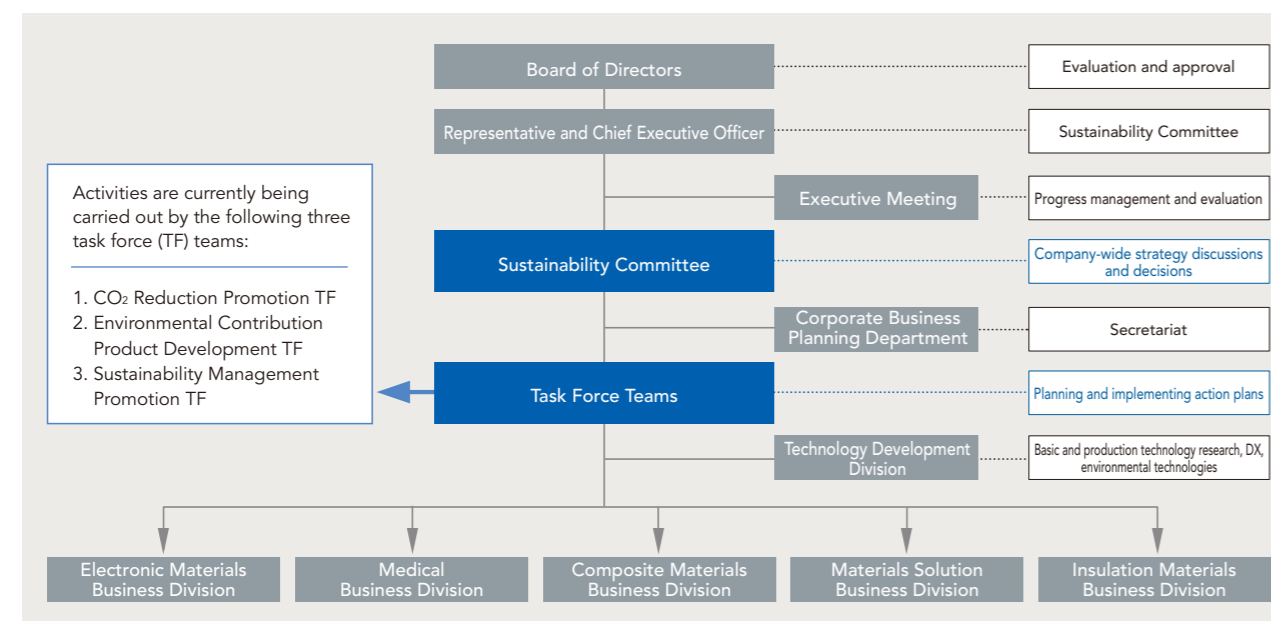
Source: Compiled by the Company with reference to Ministry of Internal Affairs and Communications materials

Nittobo's Sustainability Management

The Nitto Group is aware of its responsibilities as a corporate citizen, and addresses environmental, social, and governance (ESG) issues with the aim of "contributing to the realization of a more prosperous world," as set forth in its corporate philosophy. We contribute to society by creating value through our business activities, and we will continue to work on improvements that enhance corporate value and lead to sustainable growth.

Sustainability Management Structure

The Sustainability Committee, established in April 2021, is chaired by the Representative and Chief Executive Officer and comprises the Division General Managers of each Business Division, the Division General Manager of the Corporate Management Division, and the Division General Manager of the Technology Development Division. The Sustainability Committee meets quarterly, and important matters discussed and decided are reported to the Board of Directors for discussion and resolution.



Key Initiatives

- Energy efficiency**
 - Promotion of thorough energy-saving measures**
 - Improve yield and productivity, strengthen technologies, consider introduction of high-efficiency combustion equipment, etc.
 - Expand measures at model factories to the entire Company as an all-employee initiative
- Electrification and switching to alternative fuels**
 - Electrification of gas furnaces and consideration of next-generation furnaces**
 - Implement electrification and hybridization of gas furnaces
 - Conduct technical studies of new furnaces with a view to switching to alternative fuels
- Introduction of renewable energy**
 - Installation of solar power systems**
 - Consider and implement the introduction of solar power generation systems at factories and on idle land
 - Expand use of renewable energy
- Product development**
 - Development of products that contribute to the environment**
 - Further strengthen and digitalize planning and development of products that contribute to the environment
 - Strengthen collaboration with customers to verify product performance

- Mindset reform**
 - Foster understanding and awareness of sustainability activities
 - Increase sensitivity for identifying business opportunities
- System creation**
 - Promote energy-saving capital investment by introducing internal carbon pricing
 - Engage in active external communication to enhance corporate value
- Collaboration and cooperation**
 - Promote collaboration with local governments and other companies

Harmonious Coexistence with Society

The Nitto Group's corporate philosophy calls upon us to create healthy and more comfortable lifestyles. This involves developing together with all of our stakeholders and society as a whole, including shareholders, investors, local governments and regional communities, and implementing various initiatives to realize a more prosperous world.

Sustainability Committee Agenda for FY2023

9th Meeting	10th Meeting	11th Meeting	12th Meeting
<ul style="list-style-type: none"> Summary of FY2022 initiatives and report on planned initiatives for FY2023 Progress report on introduction of solar power generation system at Fukuyama Enterprise Center Consideration of combustion demonstration test plan for hydrogen as an alternative energy candidate 	<ul style="list-style-type: none"> Progress report on energy conservation activities at the six model factories Report on progress and action plan of activities for achieving net-zero waste glass Report on status of ESG evaluations (CDP, EcoVadis, etc.) 	<ul style="list-style-type: none"> Consideration of renewal of cogeneration systems Progress report on CO₂ reduction activities at business sites Report on carbon footprint calculation and preparation for disclosure to market and customers 	<ul style="list-style-type: none"> Progress report on introduction of solar power generation system at Fukuyama Enterprise Center Report on results of supplier questionnaire Report on evaluation of water risk and disclosure on website

Discussions, Decisions and Progress from the 1st through 8th Sustainability Committee Meetings

We revised our CO₂ emission reduction targets for FY2030, identified issues at our glass fiber production sites, which account for the majority of our CO₂ emissions, and developed specific activities to reduce CO₂ emissions.

We have endorsed the TCFD recommendations, and we examine, disclose and annually review the risks and opportunities posed by climate change in all of the Group's operations.

By introducing an internal carbon pricing (ICP) system and factoring in a price of JPY 10,000 per ton of CO₂ emitted when making capital investments, we are accelerating measures to reduce CO₂ emissions.

Community Contribution

In October 2023, we collaborated with J3 League (third division of the Japan Professional Football League) soccer team Fukushima United FC, of which we are an official club partner, to hold a family workshop. The event attracted members of 50 families from Nitto and the local community, who enjoyed a day of soccer with the team's players.



Family soccer workshop

Support for Education

We offer factory tours of the Fukushima and Fukuyama Enterprise Centers for students. Furthermore, staff members conduct classes at local elementary schools, and conduct science classes for children as part of community engagement through science.



A factory tour (Fukushima City and Koriyama City; Fukushima Prefecture)

Environmental Initiatives

The Nittobo Group has set proactively addressing environmental issues as a provision in the Nittobo Behavior Program, which in conjunction with the Nittobo Environmental Charter and the Companywide Environmental Policy, provide the framework under which the Group strives for ongoing improvement. Furthermore, in accordance with Big VISION 2030, we are working to realize a sustainable society by developing products that reduce environmental impact and contribute in the areas of the environment and energy.

Nittobo Environmental Charter

Guiding Principle

In all our corporate activities and business development efforts, we, the Nittobo Group, will contribute to handing down the irreplaceable global environment to the next generation and ensuring sustainable development by providing environmentally conscious products and services and taking the needs of the environment into consideration in our activities.

Action Guidelines

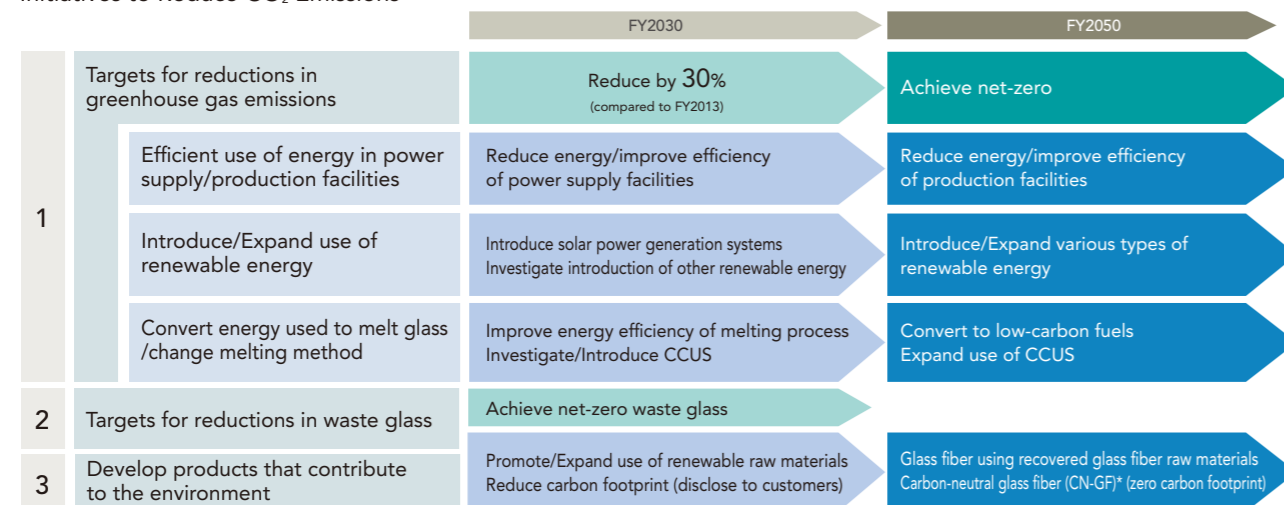
1 Environmental protection	Aim at improving the environment continuously and coexisting with the local community by striving to reduce environmental impacts in a systematic way.
2 Environmentally conscious corporate activities	Promote energy-saving, resource-saving, recycling-oriented, and environmentally conscious operations in all business domains in Japan and abroad.
3 Compliance with environmental policy and voluntary management	Conform to laws and regulations in addition to other requirements and principles as well as stipulate voluntary environmental policy and management standards and work toward achieving them.
4 Periodic audits	Conduct periodic environmental audits to verify the appropriateness of management standards and improve environmental and safety management to raise such standards.
5 Training and education	Provide all employees with thorough environmental and safety training and raise their environmental and safety awareness levels mainly by making environmental and safety policies known to them, and strive to hand down the global environment to posterity.

Established on October 1, 1998 Revised on April 1, 2023.

Companywide Environmental Policy

1 Contribution to the future of humankind and the global environment	We aim to reduce CO ₂ emissions by rationalizing energy use and switching to low-carbon fuels.
2 Ensuring people's health and the safety of local communities	We manage hazardous substances appropriately and strive to reduce their discharge into the environment.
3 Toward a recycling-oriented society	We aim to achieve zero emissions through emission control and proactive adoption of recycled raw materials.
4 Compliance with laws and regulations	We comply with environment-related laws and regulations and regional agreements, and work to totally eliminate environmental risk.

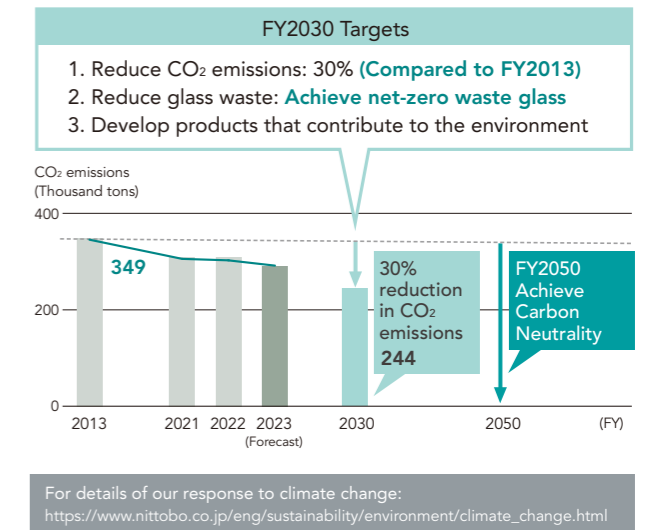
Initiatives to Reduce CO₂ Emissions



*Glass fiber that achieves net-zero CO₂ across all processes, from raw material extraction to transportation and manufacturing.

Greenhouse Gas Emission Reduction Targets

The Nittobo Group has identified "providing products and services that contribute to the environment and energy" and "adapting to climate change and a resource-recycling society" as material issues to address in the course of its business activities. We are working to reduce climate change-related environmental impact and prevent global warming by improving productivity, promoting energy-saving activities, efficiently using energy through recycling, and utilizing solar power generation. To achieve carbon neutrality by FY2050, we are promoting initiatives that use various means to advance the decarbonization of our supply chain and, in turn, broader society.

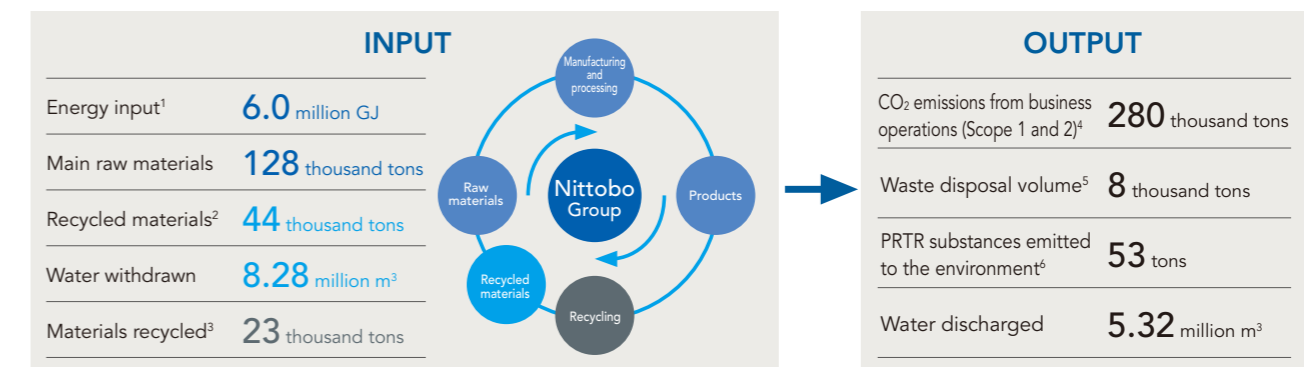


Reducing the Nittobo Group's Environmental Impact

The Nittobo Group uses fuel and electricity in the manufacture of a wide range of products made from natural resources and chemical substances. As a result, the main environmental burdens include CO₂ from energy consumption, chemical materials that are emitted into the environment as unrecoverable, and waste materials. The Nittobo Group takes responsibility for conserving the environment and strives to reduce its environmental impact through the rational use of resources.

Results for FY2023

The Nittobo Group conducts an environmental conservation survey once a year among its global consolidated subsidiaries. At our glass fiber manufacturing sites, which account for the majority of the Group's CO₂ emissions, we conduct a monthly energy survey. The material balances shown in the diagram below are compiled from environmental impact data for the Nittobo Group's global consolidated companies.



Scope of Data Collection
 Japan business sites: Data collected from April 2023 to March 2024
 Overseas business sites: Data collected from January to December 2023

- Energy input: Total energy used in the form of fuel and electricity at factories, offices and other sites.
- Recycled materials: Amount of recycled resources received as raw materials by our factories from other companies.
- Materials recycled: Portion of waste material generated at factories and other sites that is used effectively or recycled for reuse.
- CO₂ emissions from business operations: Amount of CO₂ emitted through the consumption of energy at factories and other business sites.
- Waste disposal volume: Portion of waste material generated at factories and other sites that is not used effectively and is simply incinerated, sent to landfill sites, or otherwise disposed of.
- PRTR substances emitted to the environment: Amount of substances that are subject to Japan's PRTR Act (the Act on Confirmation, Etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof) emitted to the atmosphere or in wastewater at factories and other sites.

Setting and Operation of Internal Carbon Pricing System

In August 2022, we introduced our own internal carbon pricing (ICP) system.

We aim to accelerate measures to reduce CO₂ emissions by factoring in ICP when evaluating the benefits of capital investments.

Taking into account cost of renewable energy currently applied by electric power companies and the Company's current CO₂ emissions, etc., we have set the ICP at JPY 10,000 per ton of CO₂ emissions. This figure will be periodically reviewed when formulating medium-term management plans.

Examples of expenses to which ICP is applied are:

- Energy-saving measures for existing equipment
- Introduction or renewal of equipment to improve energy efficiency
- Introduction of renewable energy equipment
- Conversion of equipment to use low-carbon fuels

Environmental Initiatives

Development of Products That Contribute to the Environment

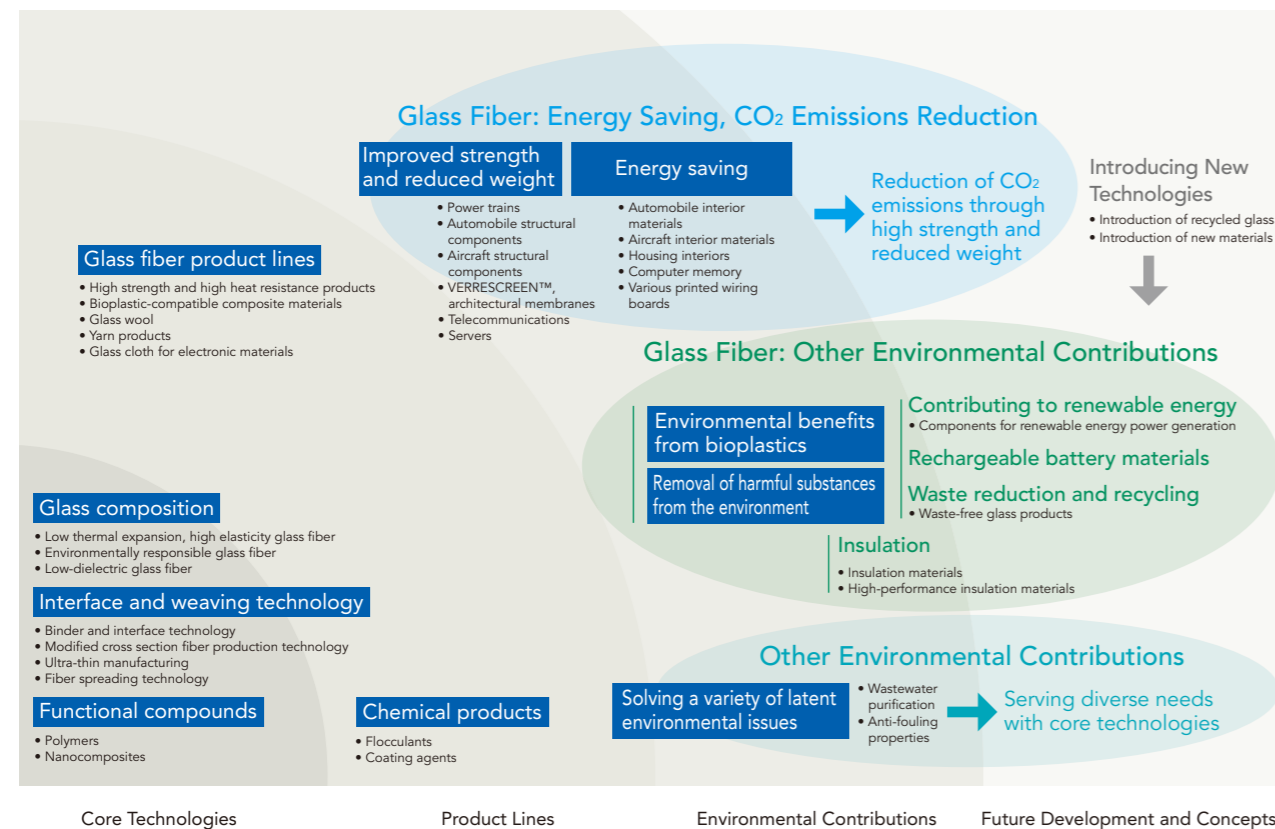
We will contribute to the reduction of environmental impact through our businesses by making full use of the Nittobo Group's technological capabilities and product knowledge.

High-Performance Insulation

Paramount Glass Manufacturing Co., Ltd., a Nittobo Group company, manufactures and sells glass wool insulation used in homes and other buildings. Insulation is a material that contributes to energy saving by preventing outdoor heat and cold from flowing into rooms and by improving the effectiveness of indoor heating and cooling.

Japan's Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) was enacted in 2015 to strengthen global warming countermeasures. It has since been revised with expanded and additional provisions. As of 2022, all new residential construction must conform to the highest conventional insulation grade by 2025. Thus, there is an increasing need for insulation with improved performance, and even higher thermal insulation ratings are being established. In response, we have been developing high-performance insulation. While maintaining the inherent properties of glass wool insulation, namely fireproofing, high-durability, and low CO₂ emissions throughout the product lifecycle, we develop products with insulation performance superior to that of other materials that will meet the newly established high thermal insulation ratings. High-performance insulation can be expected to improve insulation performance by approximately 30% compared with conventional glass wool insulation.

Direction for Development of Products That Contribute to the Environment



Comment from an Employee

Ichiro Fujimura, Manager Environment Technology Strategy Department, Nittobo Technology Development Division

Our department is promoting activities centered on decarbonization and material recycling with the aim of building a sustainable business structure for the Group. Our primary focuses are achieving sustainable procurement by maximizing the use of post-industrial recyclates (PIR), wherein we recycle defective glass generated within the manufacturing process on the production line, and conserving energy to reduce consumption while working toward our greater goal of decarbonization by 2050.

Achieving our environmental goals will require cooperation with other companies, and although our recycling efforts are currently limited to PIR, we hope to expand these to include post-consumer recyclates (PCR) in the future, so that the Group can grow together with all our stakeholders.



Nittobo Environmental Technology Strategy Department

The Fukuyama Enterprise Center Adopts Solar Power Generation System

We installed a solar power generation system at the Nittobo Fukuyama Enterprise Center in Koriyama City, Fukushima Prefecture, based on an on-site power purchasing agreement (PPA) model.

With a capacity of 2,650 kW and annual output rated at 3,284 MWh per year, we estimate that the system will reduce CO₂ emissions by the equivalent of approximately 1,600 tons per year.*

The Group will continue to reduce energy consumption by conserving energy and promoting the procurement and use of renewable energy, thereby contributing throughout our supply chain to the decarbonization of society in general.

* CO₂ emission factor: Reduction assumes 0.488 kg-CO₂/kWh.



Site grounds of the Fukuyama Enterprise Center

Gauging Potential for Hydrogen to Power the Fukushima Enterprise Center's Glass Melting Furnace

In February 2024, we trialed partially switching from natural gas to hydrogen as fuel for the glass melting furnace at the Fukushima Enterprise Center (formerly the Fukushima Factory) as part of our effort to achieve carbon-neutral glass fiber manufacturing. Due to the challenges that prevent large-volume trials with hydrogen as of 2024, we aimed to use hydrogen fuel for around 10% of the furnace's total heat, which is currently generated using natural gas. The results pertaining to the heating efficiency of hydrogen on molten glass material, operational controllability, and impact on exhaust gas were favorable, and we were able to confirm the feasibility of switching to hydrogen fuel.

We will continue with these studies as hydrogen infrastructure expands, with the aim of achieving carbon-neutral glass fiber manufacturing by 2050.



Hydrogen supply facilities used in the trial

Active Roles for Diverse Talent

To ensure the Nittobo Group remains the “Best Partner” for all stakeholders and continues to contribute to the realization of a more prosperous world, we believe it is important to value and harness the capabilities, thinking, and views of every employee in the Group. In line with that approach, the whole Nittobo Group strives to motivate all employees based on respect for different people, regardless of gender, age, SOGI,* nationality, disabilities, or other individual identities. Bringing about such an environment and organizational culture will create diverse value and transform our business.

Based on the Nittobo Declaration, the Nittobo Behavior Program, and the Nittobo Code of Conduct, management and the Human Resources Department work together to actively identify and resolve any issues through direct dialogue with frontline sites and employee awareness surveys. As an indicator of progress in this regard, we have retained raising the employee engagement score as one of the targets of the new Medium-Term Management Plan.

* Sexual orientation and gender identity

Diversity and Inclusion

Discussion by employees with different perspectives and personalities can lead to success in meeting diverse customer needs and providing peace of mind and confidence. Employees are the driving force that supports the Nittobo Group’s sustained growth, and each member of our diverse workforce is a valuable asset. Nittobo considers it important to create an organization accepting of diversity—an organization in which all individuals can fully demonstrate their capabilities. One way of laying the foundation for such a diverse organization is to respect and promote diversity and inclusion.

1. Initiatives for Women’s Advancement

Maintaining and promoting a workplace environment in which women play active roles is an important issue for the growth of all employees, regardless of gender. We actively promote the hiring of women, as shown by the ratio of women among new graduates we hire, which has recently been around 40% overall and 20% for technical staff. In addition, the ratio of female managers has been steadily increasing, reaching 6.6% in FY2023. We have set a target of 10% for the future, and we are systematically training and promoting the next generation of executives.

2. Initiatives to Support Balancing Childcare and Nursing Care

It is important to create an environment where employees can balance work with childcare and nursing care responsibilities, and continue to fulfill their potential. We are implementing measures to support this balance among diverse talent.

Specifically, we have a childbirth leave system, childcare leave system, shorter working hours system, and nursing care leave systems. All eligible female employees take maternity leave and childcare leave, and many male employees take advantage of the paternity leave system when their partner gives birth. In addition, for employees working in the Tokyo metropolitan area, we offer the use of a nanny service to counter the problem of daycare waiting lists. We have also introduced a flexible working system for childcare, which can be combined with the shorter working hours system.

Most recently, we introduced a system that allows employees to take up to two weeks as paid childcare leave of absence, as well as a system that allows childcare leave to be split across two periods. These efforts resulted in 73.9% of eligible male employees taking paternity leave in FY2023. We will continue to enhance the system and further encourage male employees to take advantage of it.

3. Employment of People with Disabilities

It is increasingly important for companies to employ people with disabilities. The Company already meets the legally mandated employment rate of 2.5%. (As of June 1, 2024, the rate was 2.56%.)

As part of our efforts to employ more people with disabilities, we strive to ensure safe working environments at our factories. We have a work support office at the Tokyo Headquarters, and we are promoting stable employment under the supervision of on-site support staff.

4. Work after the Age of 60

The decline of the working-age population is a major social issue in Japan, where the birthrate is declining and the population aging, and competition to secure talent is likely to become more intense. Against that backdrop, we will enhance programs and mechanisms that encourage employees to pursue a long career at Nittobo. We are focusing particularly on enhancing HR programs and benefits, and developing a working environment to enable employees to continue working with high levels of motivation after the standard retirement age of 60. We will also implement initiatives so that throughout their careers employees can be glad they chose Nittobo.

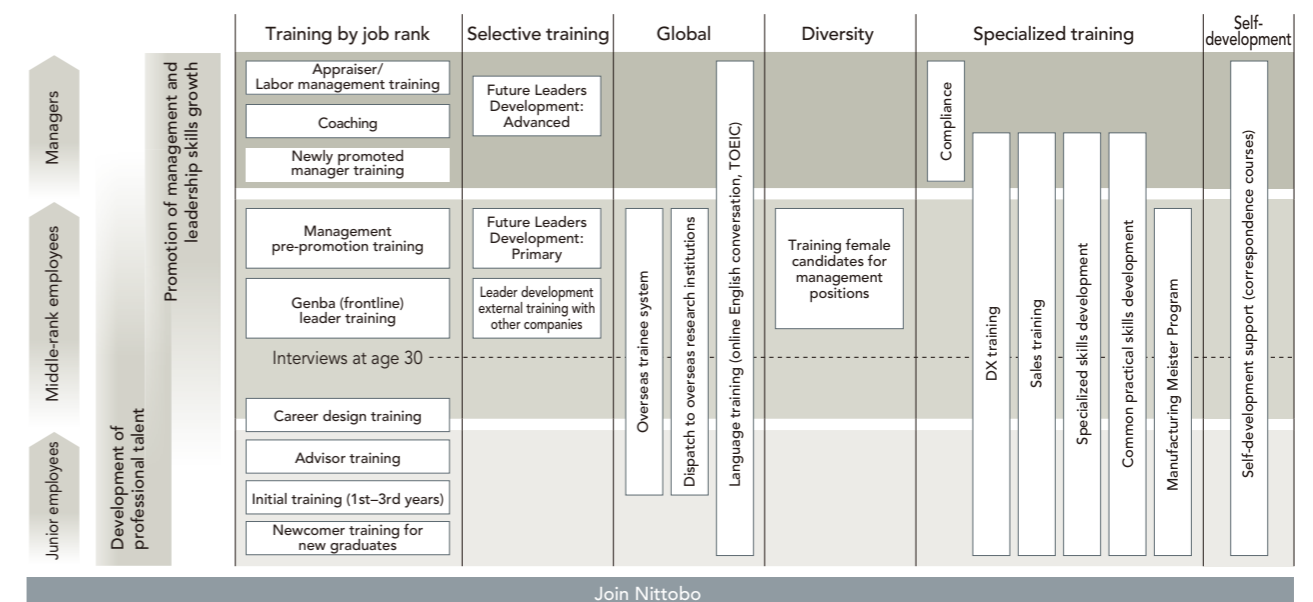
Human Resource Development

To utilize the maximum potential of the Company’s diverse talent, we have been carefully implementing talent management tailored to each individual, including measures such as continuously improving both the personnel system to increase individual motivation and the training system to foster growth.

Under Big VISION 2030, we will develop next-generation leaders, global talent and professional talent. We are actively expanding management measures to promote individual motivation, self-development programs to encourage self-driven learning, and career development under the theme of fostering human resources that generate innovation, which is the foundation for business growth and driving reform. Moreover, to develop digitally capable personnel, we are conducting online digital transformation (DX) training for a broad range of participants across all Group companies, not just employees in technical roles.

We consider human resource development aimed at boosting frontline capabilities to generate sustained growth to be a key measure under the new Medium-Term Management Plan starting in FY2024. To that end, we will continue with the genba (frontline) leader training that we began in FY2022 and launch career training specifically for women working at manufacturing sites.

Education and Training System: Investment in Education and Training Increased 1.8 Times from FY2020



1. Development of the Next Generation of Leaders

Conventional stratified training for personnel is provided for new graduate entrants, junior employees, and newly promoted management personnel, through to department and division managers. To complement this standard training, Nittobo launched its Successor Development Programs in FY2018. These programs are designed to match the growth stage of each employee, focusing on junior employees and middle-rank employees, in order to develop future leaders. The programs consist of intensive training for business skills and action learning based on practical issues that we need to resolve. The training in these programs promotes the development of employees’ understanding of the role of senior managers and skills. In today’s unprecedented management environment, developing talent who can transform business paradigms is indispensable to our business strategies. As such, Nittobo will systematically develop the leaders to drive our operations.

2. Development of Global Talent

To prepare for further globalization of the Company’s business, it is essential that Nittobo fosters talent and creates a corporate culture that enables diverse individuals to fulfill their potential. We are enhancing mechanisms that support the self-directed efforts of individuals to become who they want to be, such as providing opportunities and systems for employees to engage in online English classes, and to travel overseas to study foreign languages, work at international research institutes, or take MBA courses abroad. We are also launching an overseas trainee system that utilizes our overseas bases and will begin operation in FY2023.

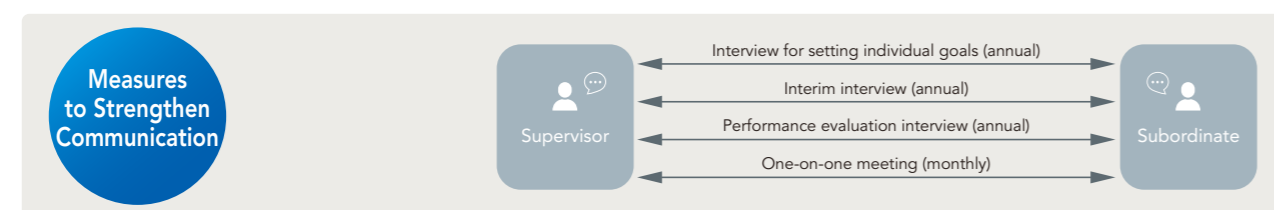
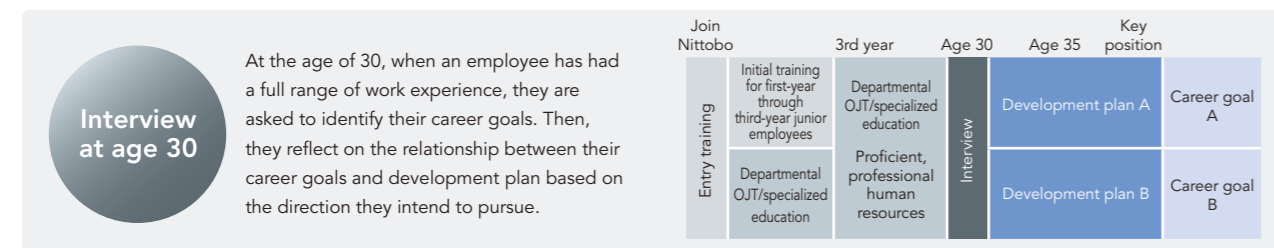
Active Roles for Diverse Talent

3. Development of Professional Talent

On the path to becoming a manager, Nittobo employees pursue development as specialists (professionals) in areas of their choice and work to establish their core skills. We introduced the Meister Program in FY2018 at manufacturing sites and are systematically promoting skills transfer. We have significantly expanded our subsidy system for employees seeking to obtain nationally recognized qualifications necessary for work (including a congratulatory gift of up to JPY 500,000 upon successful acquisition), and provide subsidies for distance learning, including e-learning. We foster a culture of self-driven learning and provide an environment that encourages reskilling to adapt to changing times.

4. Expansion of Management Measures to Develop Human Resources

Training courses are an important part of any human resources development policy, but it is also critical to encourage individuals to be motivated to learn, to carefully consider their career aspirations, and to implement development measures that align with their ideas and expectations. To this end, we have systematically implemented one-on-one meetings between superiors and subordinates as an important communication tool. In addition, we are implementing management measures to promote growth, such as by establishing the Human Resource Development Committee, which includes supervisors, management, and representatives from the Human Resources Department. The committee discusses future training measures and career development for employees. We have also instituted interviews with employees at age 30, after they have experienced a range of assignments, to reflect on their careers and discuss future career development, as well as "return-from-leave interviews" between employees returning from childcare leave and their supervisors to discuss their future careers. In addition, we are in the process of expanding our management training (coaching, etc.) for managers who will be responsible for these activities.



Junior advisor training

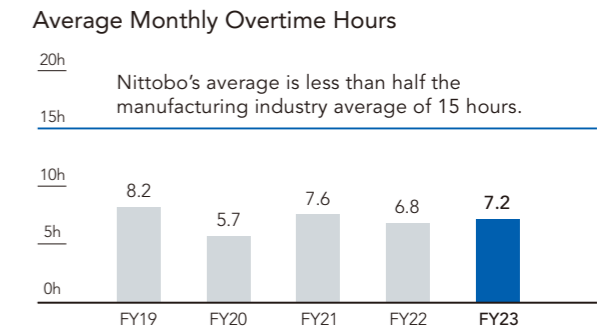


Genba (frontline) leader training

Workstyle Reform and Health Management

1. Promotion of Work-Life Balance

The average monthly overtime per employee at Nittobo in FY2023 was 7.2 hours, much lower than the manufacturing industry average. Furthermore, no employees exceeded the statutory limit on overtime hours. To provide employees with job satisfaction and enable them to demonstrate their best performance, while maintaining an appropriate work-life balance, we will continue to ensure a good working environment. Also, in Japan, which has a declining birthrate and aging population, it is important to provide a worker-friendly environment for employees who have childcare or nursing care responsibilities. We are enhancing programs that enable employees to flexibly accommodate these and other life events, such as an annual paid leave system and a flextime system that eliminates mandatory core hours. We aim to achieve a high level of both work-life balance and productivity improvements by reviewing rules and introducing tools.



2. Health Management

The Nittobo Group's corporate philosophy states that we will enhance our value to society as a corporate group by helping to create healthy and more comfortable lifestyles, and in so doing continue contributing to the realization of a more prosperous world. To continuously embody this philosophy, we believe it is essential to ensure that employees, who are the Group's driving force, are in good physical and mental health, able to work wholeheartedly and fulfill their potential.

Accordingly, we believe that maintaining and promoting each and every employee's health is a key management issue—one which we address through health management initiatives. Examples of specific ongoing initiatives include our cooperation with the Nittobo Health Insurance Association to provide opportunities for physical and mental refreshment, such as free-of-charge use of a sports gym, health checkups administered by post, and support for family recreation activities. In FY2023, we launched a new Walking Challenge Program that uses a smartphone app to raise awareness of the number of steps walked per day. We have also been enhancing insurance coverage, such as by taking out comprehensive medical expense insurance to alleviate the expense burden on employees in the event of injury or sickness, and we are strengthening mental health support, such as counselling with doctors specializing in mental health.



Comment from an Employee

I work in the Sales Department. In addition to handling customer accounts, I work with the Product Planning Department to promote development projects and implement various measures to tackle organizational issues. The Industrial Fabric Unit, where I am currently assigned, targets diverse markets and aims to develop products without being bound by conventional approaches, so my days are busy acquiring a broad range of knowledge and building new sales channels, but the opportunity to develop new applications makes the work rewarding.

That said, balancing work and family life in a sales role while raising children can be challenging. Time constraints sometimes make it impossible to visit every customer you want to see in person, and dealing with unexpected issues can take up substantial time. However, Nittobo offers flexible working arrangements, such as telecommuting and flextime systems, that allow our people to choose a work style that suits their lifestyle. Because I both manage clients and work on organizational issues, I can allocate my time effectively to strike a good balance between professional and personal responsibilities.

The key is not to look at your circumstances negatively, but to consider what you can contribute to the organization within that context and establish a work style that suits you. Nittobo takes on unprecedented challenges, and that requires courage, but I believe that it is also a company that respects the intentions of those who clearly express them, enabling them to achieve a work style that suits their needs.

In the future, I aim to leverage my perspective as a woman in management and achieve a balance between contributing to the Company and my family life. In doing so, I hope to support the development of the junior employees who follow in my footsteps, as well as contribute to the overall success of the Sales Department.

Yuki Ozawa, Manager
Sales Department, Industrial Fabric Unit,
Materials Solution Business Division



Safety Initiatives

The Nittobo Group established Action Guidelines for safety and health in 2017, and is enhancing measures to ensure a safe and comfortable working environment that protects the physical and mental health of its employees, who are the driving force for the Group's business activities.

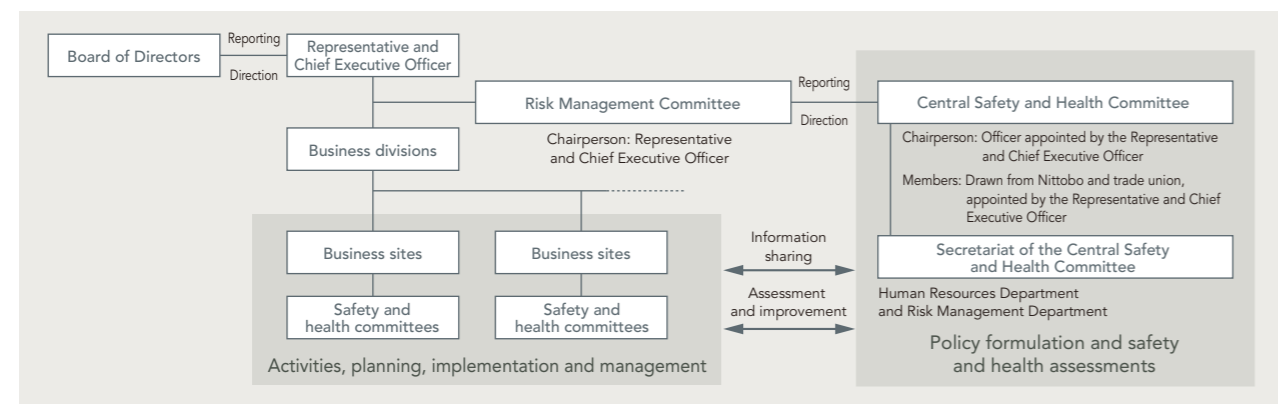
Action Guidelines

1	Establishment of a Safe Working Environment	Perform risk assessments to minimize or eliminate hazardous and harmful factors and invest the necessary management resources to maintain and improve safe and healthy working environments.
2	Promotion of Health Maintenance	Proactively assist in the maintenance and promotion of the health of employees both mentally and physically by establishing a pleasant workplace in which they can freely and willingly share and discuss their opinions, and by preventing harassment and the assignment of excessive workloads.
3	Compliance with and Management of Labor Policies	Comply with laws, regulations and other standards regarding safety and health, and set and implement internal safety policies and standards.
4	Implementation of Regular Assessments	Verify, implement and enhance safety and health management systems through regular safety and health assessments.
5	Training and Raising Awareness	Create safe and healthy working environments across the organization by thoroughly providing all employees with safety and health training and ensuring that safety and health guidelines are understood.

Established on July 1, 2017.

Management System

We established the Central Safety and Health Committee, whose members comprise representatives of Nittobo and the labor union, to discuss and formulate action policies based on the Action Guidelines, and to confirm and summarize the status of activities at business sites. The committee also submits reports to the Board of Directors and the Risk Management Committee (chaired by the Representative and Chief Executive Officer).



Major Initiatives in FY2023

Initiative	Description
Workplace Safety and Health Assessments	Business divisions and headquarters departments objectively assess safety and health activities in terms of status, behavior and awareness. Business sites work to improve items highlighted in the assessments, which helps to standardize and enhance safety management across the Group.
Safety Improvement Month	We have designated July as Safety Improvement Month, during which we implement various initiatives throughout the Group to reaffirm the importance of occupational safety. These activities include communications regarding safety from senior management, safety awards, and safety activities in which all employees participate.
Enhanced Risk Assessments	We are promoting initiatives to reflect examples of intentional rule violations and human error in risk assessments in order to identify potential hazards associated with employee behavior. We are assessing risks at existing facilities and implementing measures to reduce risks, starting with the highest priority facilities.
Workplace Fire Risk Assessments	We conducted fire risk assessments to identify issues at each workplace based on a check sheet developed with input from an external expert, and are systematically working to implement improvements to risk management standards at each workplace to prevent fires.
Groupwide Information Sharing	We share information including the results of safety and health assessments and fire risk assessments, safety and health best practices, and reports on disaster countermeasures in a standard Groupwide format. Doing so enables us to reflect the experience and knowledge of the Group in the activities of each business site.

Basic Stance on Human Rights

The Nittobo Group recognizes the importance of international agreements such as the Universal Declaration of Human Rights, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights, endorses their principles, and works to ensure respect for human rights. We recognize our responsibility to respect human rights in all our business activities.

To this end, we require officers and employees to comply with international norms, local laws and regulations regarding respect for human rights in the countries and regions where we do business. They must also refrain from any kind of harassment that violates rights, unfairly discriminates against any person in regard to gender, age, nationality, ethnicity, race, origin, religion, creed, social status, physical disability, sexual orientation or any other reason; or that gives offense to personal dignity.

In addition, we do not engage in child labor of children who are not of working age as defined by the laws and regulations of the countries and regions in which we operate, or forced labor. We provide appropriate training to all employees in order to ensure understanding of the above concepts.

Respect for Human Rights

- | | |
|--|---------------------------------------|
| 1 Prohibition of discrimination and respect for diversity | 5 Human resource development |
| 2 Prohibition of harassment | 6 Wages and working hours |
| 3 Prohibition of child labor and forced labor | 7 Protection of the right to organize |
| 4 Consideration for youth, seniors, and expectant mothers, and work-life balance | |

Sustainable Procurement

The Nittobo Group is contributing to a sustainable society by collaborating with suppliers to implement sustainable procurement in the supply chain.

Formulation and Implementation of a Sustainable Procurement Policy

Implementing sustainable management requires strong cooperation with suppliers of raw materials, production equipment, energy, and other commodities. We have formulated the Nittobo Group Sustainable Procurement Policy, which is our policy for sustainable supply chain management. In the course of our procurement activities, we share ideas and challenges with suppliers regarding our mission of contributing to a sustainable society.

We also conduct surveys of suppliers to identify circumstances that pose risks to sustainable procurement in the supply chain and make proposals for resolving issues. Based on survey results, we provide feedback, including comments and improvement requests, visit suppliers, and work to further enhance sustainable business activities.

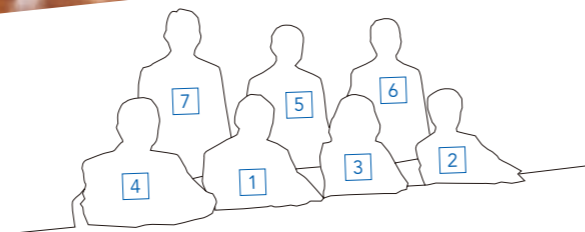
Examples of Sustainable Procurement Initiatives

As one of our Group activities, we have established the Nittobo Group Green Purchasing Guide for Office Supplies. The green procurement practices outlined in the guide are suitable for implementation at numerous departments across all Nittobo Group business sites. We believe that initiating green procurement, which contributes to the creation of a sustainable society, starting with those areas most familiar to many employees, will also further enhance awareness of their role in the Group's sustainability management.

In addition, the Purchasing Department is responsible for managing the Nittobo Group's procurement risk. Department personnel visit all Group business sites to communicate and monitor procurement risks, including those related to sustainable procurement. Risks may be in areas such as conflict minerals, human rights in the supply chain and green procurement. The department also works to raise awareness of supply chain management at all sites and supports activities for further improvement.

For the Nittobo Group Sustainable Procurement Policy:
<https://www.nittobo.co.jp/eng/sustainability/pdf/SustainableProcurementPolicy.pdf>

Directors and Executive Officers



Directors (As of June 20, 2024)

Director

Sadayoshi Fujishige 1

Career Summary

- Mar. 1969 Joined Lion Fat & Oil Co., Ltd. (currently Lion Corporation)
- Mar. 1996 Director, Executive General Manager of International Division of Lion Corporation
- Mar. 2000 Executive Director, Executive General Manager of Home Products Sales Headquarters of Lion Corporation
- Mar. 2002 Representative Director, Senior Executive Director, Responsible for Home Products Business, Executive General Manager of Home Products Sales Headquarters of Lion Corporation
- Mar. 2004 Representative Director, President and CEO of Lion Corporation
- Mar. 2006 Representative Director, President and CEO, Chairman of the Board of Directors, Responsible for Home Products Business of Lion Corporation
- Jan. 2012 Representative Director, Chairman and CEO, Chairman of the Board of Directors of Lion Corporation
- Jan. 2014 Representative Director, Chairman, Chairman of the Board of Directors of Lion Corporation
- Mar. 2016 Advisor of Lion Corporation
- Jun. 2020 External Director of SATO HOLDINGS CORPORATION (current)
- Mar. 2021 Special Consultant of Lion Corporation (current)
- Jun. 2021 Outside Member of the Board (Member of the Audit and Supervisory Committee) of TV Asahi Holdings Corporation (current)

Director

Yasuharu Nakajima 4

Career Summary

- Oct. 1983 Joined Tetsuzo Ota & Co. (currently Ernst & Young ShinNihon LLC)
- Apr. 1987 Registered as a certified public accountant
- May 1998 Partner of Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)
- May 2004 Senior Partner of ShinNihon & Co. (currently Ernst & Young ShinNihon LLC)
- Sep. 2008 General Manager of 6th Audit Department of Ernst & Young ShinNihon LLC
- Sep. 2010 Managing Director, General Manager of 2nd Audit Business Division, and General Manager of Knowledge Headquarters of Ernst & Young ShinNihon LLC
- Jul. 2021 Partner of Ernst & Young ShinNihon LLC
- Jun. 2022 External Director of the Company (current)
- Jul. 2022 Outside Director (Audit and Supervisory Committee Member) of Business Brain Showa-Ota Inc. (current)

Director

Agasa Naito 3

Career Summary

- Oct. 2001 Registered as an attorney
- Joined Nagashima Ohno & Tsunematsu
- May 2008 Registered as an attorney at New York State Bar Association
- Jun. 2011 Joined TANABE & PARTNERS
- Apr. 2013 Partner of TANABE & PARTNERS (current)
- Jun. 2015 Outside Audit & Supervisory Board Member of BOOKOFF CORPORATION LIMITED
- Oct. 2018 Outside Audit & Supervisory Board Member of BOOKOFF GROUP HOLDINGS LIMITED
- Jun. 2020 External Director of the Company (current)
- Aug. 2021 Outside Director (Audit & Supervisory Board Member) of BOOKOFF GROUP HOLDINGS LIMITED (current)
- Jun. 2022 Supervisory Director of GLP J-REIT (current)
- Jun. 2023 External Audit & Supervisory Member of ispace, inc. (current)

Director

Takeshi Miida 2

Career Summary

- Apr. 1978 Joined MEIDENSHA CORPORATION
- Apr. 2008 Executive Officer, General Manager in charge of the Corporate Policy Planning Group and the Corporate Policy Planning Division of MEIDENSHA CORPORATION
- Apr. 2011 Managing Executive Officer, General Manager in charge of the Corporate Policy Planning Group and the Corporate Policy Planning Division of MEIDENSHA CORPORATION
- Apr. 2012 Senior Managing Executive Officer and General Manager in charge of the Corporate Policy Planning Group of MEIDENSHA CORPORATION
- Jun. 2012 Director, Senior Managing Executive Officer and Manager of Corporate Planning Group of MEIDENSHA CORPORATION
- Apr. 2015 Representative Director and Executive Vice President of MEIDENSHA CORPORATION
- Jun. 2018 Representative Director and President of MEIDENSHA CORPORATION
- Jun. 2022 Representative Director & President & Executive Officer of MEIDENSHA CORPORATION
- Jun. 2023 Representative Director Chairperson and Senior Officer of MEIDENSHA CORPORATION (current)
- Jun. 2024 External Director of the Company (current)

Director, Representative and Chairman

Yuichi Tsuji 5

Career Summary

- Oct. 2013 Joined the Company
- General Manager of Accounting and Finance Department
- Apr. 2014 Operating Officer and General Manager of Accounting and Finance Department
- Jun. 2014 Executive Officer, General Manager of Corporate Business Planning Department and Responsible for Corporate Risk Management
- Nov. 2014 Executive Officer, General Manager of Corporate Business Planning Department, Responsible for Corporate Risk Management, Human Resources Department, Information System Department, Compliance Management Department, Purchasing Department, Osaka Branch and Nagoya Branch
- Jun. 2015 Director and Executive Officer (current)
- Feb. 2016 Representative Executive Officer
- Jun. 2016 Representative and Chief Executive Officer
- Apr. 2024 Representative and Chairman (current)

Director

Takanobu Matsunaga 6

Career Summary

- Apr. 1990 Joined the Company
- Apr. 2019 President and Representative Director of Paramount Glass Manufacturing Co., Ltd.
- Apr. 2020 Executive Officer, Deputy General Manager of the Glass Fiber Division and President and Representative Director of Paramount Glass Manufacturing Co., Ltd.
- Apr. 2021 Executive Officer, Deputy General Manager of the Glass Fiber Division, and Product Planning and Development Division, and President and Representative Director of Paramount Glass Manufacturing Co., Ltd.
- Apr. 2022 Senior Executive Officer, Deputy General Manager of the Glass Fiber Division, Responsible for Sales Division, and General Manager of Product Planning and Development Division, and President and Representative Director of Paramount Glass Manufacturing Co., Ltd.
- Apr. 2023 Senior Executive Officer, Vice President of the Glass Fiber Division, General Manager of Composite Material Division and the Product Planning and Development Division
- Apr. 2024 Senior Executive Officer
- Jun. 2024 Director (current)

Director, Representative and Chief Executive Officer

Hiroyuki Tada 7

Career Summary

- Apr. 1985 Joined the Company
- Dec. 2016 General Manager of the Textile Division
- Apr. 2017 Executive Officer and President of the Textile Division
- Oct. 2018 Executive Officer and President of the Glass Fiber Division
- Aug. 2019 Executive Officer, Responsible for Human Resources Department, Corporate Business Planning Department, General Affairs Department, Centenary Project, Corporate Communication Department, Accounting and Finance Department, Information System Department, Procurement Management Department, Osaka Branch and Nagoya Branch
- Apr. 2020 Managing Executive Officer, Responsible for the Corporate Management Division and the Textile Division, General Manager of the Corporate Business Planning Division
- Apr. 2021 Managing Executive Officer, Responsible for the Corporate Management Division, General Manager of the Corporate Business Planning Division, President of the Textile Division and Representative Director and President of Nittobo Advantex Co., Ltd.
- Apr. 2022 Managing Executive Officer, Responsible for the Corporate Management Division, General Manager of the Corporate Business Planning Division, General Manager of Purchasing Department, President of the Textile Division and Representative Director and President of Nittobo Advantex Co., Ltd.
- Apr. 2023 Representative Executive Officer and Senior Managing Executive Officer, Responsible for the Corporate Management Division and the Textile Division and General Manager of the Corporate Business Planning Division
- Apr. 2024 Representative and Chief Executive Officer (current)
- Jun. 2024 Director (current)

- External Director
- Directors who meet the Company's criteria for independence and for whom the Company has submitted an "Independent Directors/Auditors Notification" to the Tokyo Stock Exchange
- Director not concurrently serving as an Executive Officer
- Member of Nomination Committee
- Member of Remuneration Committee
- Member of Audit Committee

Executive Officers (As of September 1, 2024)

Representative and Chairman	Yuichi Tsuji*	
Representative and Chief Executive Officer	Hiroyuki Tada*	CEO
Managing Executive Officers	Hisanobu Hayashi	Division General Manager of the Electronic Materials Business Division
	Yasushi Okahisa	Division General Manager of the Corporate Management Division; Responsible for the Secretary Office, the Corporate Business Planning Department, the General Affairs Department, and the Purchasing Department; General Manager of the Corporate Business Planning Department
Senior Executive Officers	Akimasa Kajita	Deputy Division General Manager of the Electronic Materials Business Division; Head of the Yarn Unit; President and Representative Director of Nitto Glass Fiber Manufacturing Co., Ltd.
	Hiroki Kajikawa	Deputy Division General Manager of the Corporate Management Division; Responsible for the Corporate Communication Department, the Accounting and Finance Department, and the Information Systems Department; General Manager of the Corporate Communication Department; General Manager of the Information Systems Department
Executive Officers	Katsuya Hatanaka	Deputy Division General Manager of the Medical Business Division; Chairman CEO of Nittobo America Inc.
	Masaki Ito	Division General Manager of the Composite Materials Business Division
	Koichi Nakamura	Division General Manager of the Technology Development Division; General Manager of the Administration and Planning Department of the Technology Development Division
	Masao Fukushima	Division General Manager of the Medical Business Division; General Manager of the Product Planning & Development Department of the Medical Business Division; President and Representative Director of NITTOBO MEDICAL CO., LTD.
	Hiroyuki Tanida	Deputy Division General Manager of the Corporate Management Division; Responsible for the Human Resources Department, the Risk Management Department, the Legal Department, the Fukushima Enterprise Center, the Fukuyama Enterprise Center, the Osaka Branch, and the Nagoya Branch
	Shotaro Yasuda	Division General Manager of the Materials Solution Business Division; Head of the Industrial Fabric Unit

* Concurrently serving as Director

Messages from Newly Appointed Directors



Takeshi Miida External Director

I will contribute to Nittobo’s further development through proactive communication and encourage the Company to take on new challenges

As a newly appointed external director, I bring a variety of experience to Nittobo. Since last year, I have served as chairman of Meidensha Corporation, following five years as president starting in 2018. Meidensha Corporation manufactures and sells transformers, generators and other heavy electrical equipment, primarily used in sectors related to social infrastructure, such as in power, water supply and wastewater management, and railways. I also have broad experience across a variety of business areas, including sales, planning, management and strategy.

Leveraging the contacts with various customers I built up during my time in sales, I have worked to strengthen the Meidensha Group’s management and promote overseas expansion. As president, I visited many frontline sites, including factories, installation sites, development divisions, and overseas subsidiaries to hear directly from employees, and worked hard to incorporate their insights in management.

As the head of an electrical equipment manufacturer dealing in a wide variety of product areas, each of which has its own processes from order to production and delivery, I have always sought to embed the idea that manufacturing strength is the source of a company’s competitiveness. In striving to create comfortable work environments by focusing on each department’s unique characteristics and allocating management resources appropriately, I am proud to have succeeded in raising productivity.

Upon assuming my post as an external director of Nittobo, I took the opportunity to visit several factories in

Koriyama and elsewhere in Fukushima, and spoke with employees. They work with great enthusiasm, and I was struck by the similarity in the workplace atmosphere with that of Meidensha.

At 127 years since its inception, Meidensha is slightly older than Nittobo, but Nittobo also displays a culture of preserving good traditions, and is always eager to take on new challenges and reforms. Indeed, I get the impression that everyone, from managers to junior employees, shares a strong desire to actively contribute to the improvement of the Company. Seeing the open lines of communication from frontline sales departments to production departments, and the cross-sectional connections between the various parts of the organization, I feel confident that Nittobo has already laid the foundations for young people to thrive, as well as for the Company’s sustainable growth.

I believe it is crucial for any manufacturer to have a solid foundation in technological development, along with the ability to commercialize the resulting innovations and translate them into business performance. I look forward to contributing to the creation of a comfortable work environment for employees, the achievement of results, and the growth of each individual. To this end, engagement with the Company’s executives is essential, so I will make every effort while keeping day-to-day communication foremost in my mind.

As an external director, I will strive to lend further momentum to Nittobo’s progress. I look forward to your ongoing support.



Takanobu Matsunaga Director

I will fulfill my role as a full-time Audit Committee member, liaising with executive officers and generating strong progress toward realizing Big VISION 2030

After joining Nittobo in 1990, I worked mainly in the Glass Fiber Business before being appointed director and full-time Audit Committee member in 2024. The Audit Committee has five members, the rest of whom are all external directors. As the full-time Audit Committee member, I attend the Executive Meeting and other internal meetings, and report back to the Audit Committee with firsthand information and perspectives obtained from those discussions. I then share with the executive officers how those matters are perceived by the external Audit Committee members, drawing on their experience, expertise, and independence from the Company’s norms and practices. In this way, I hope to be a conduit between the two functions, striving to improve transparency and reliability in corporate governance.

In recent years, fraud and other corporate misconduct at other companies have resulted in increased scrutiny of matters such as organizational structure, corporate culture, and alignment between subsidiaries and parent companies. At Nittobo, we have established a dedicated secretariat for the Audit Committee and set up a system of regular status reports that enables us to stay informed about actual circumstances at the Group’s subsidiaries while ensuring the independence of the subsidiaries’ auditors. In FY2024, we will resume proactive on-site audits of subsidiaries, which were temporarily halted during the COVID-19 pandemic, so as to hear from those on the frontlines and check from various viewpoints whether systems are functioning properly at each business site.

Moreover, FY2024 marks the start of the new Medium-Term Management Plan, which clearly sets out the “ambidextrous management” that the Group will pursue, namely by making timely investments in focus growth businesses to develop them as pillars of revenue while also promoting the creation of new businesses. The plan also calls for the establishment of new “main pillar” businesses as part of the Company’s “third founding” phase, the start of which is marked by its 100th anniversary in April 2023. As a company that seeks to continually create Global No. 1 Niche Businesses, Nittobo has focused on leveraging proprietary technologies to deliver only-one products developed in-house. From now, however, we must rely not simply on our proprietary technologies and own ideas, but strive to accelerate open innovation through collaboration and co-creation with external parties. At the same time, it is vital that we develop transformative human resources and identify risks to avoid falling into the competency trap—i.e., reliance on what worked in the past—when pursuing ambidextrous management. I look forward to working alongside the Company’s executive officers while maintaining strict objectivity and the highest professional standards, as we unite in our determination to resolve various issues in working to realize Big VISION 2030.

Corporate Governance

The Nittobo Group constantly updates its corporate governance system with the aim of creating a fair and highly transparent management organization in order to conduct business activities with emphasis on trust from our shareholders, investors and other stakeholders.

Timeline of Corporate Governance Enhancements

(Year)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Corporate governance system	Company with a board of directors			Company with a nomination committee, etc. (from June 2014)										
Committees	—			Nomination Committee (Chair: External director) Remuneration Committee (Chair: External director) Audit Committee (Chair: External director)										
Directors	7	6	8	8	7	6	7	7	6	7	7	7	7	7
Of which, external directors	1	1	2	3	4 (half)	4 (more than half)	3 (half)	4 (more than half)	3 (half)	4 (more than half)	4 (more than half)	4 (more than half)	4 (more than half)	4 (more than half)
Of which, women	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Operation of Board of Directors	Briefings before Board of Directors meetings Board of Directors evaluation of effectiveness													
Revisions to systems, regulations	Formulation of Executive Meeting regulations Introduction of performance-linked stock remuneration plan													

Overview of Corporate Governance System and Reasons for Employing the System

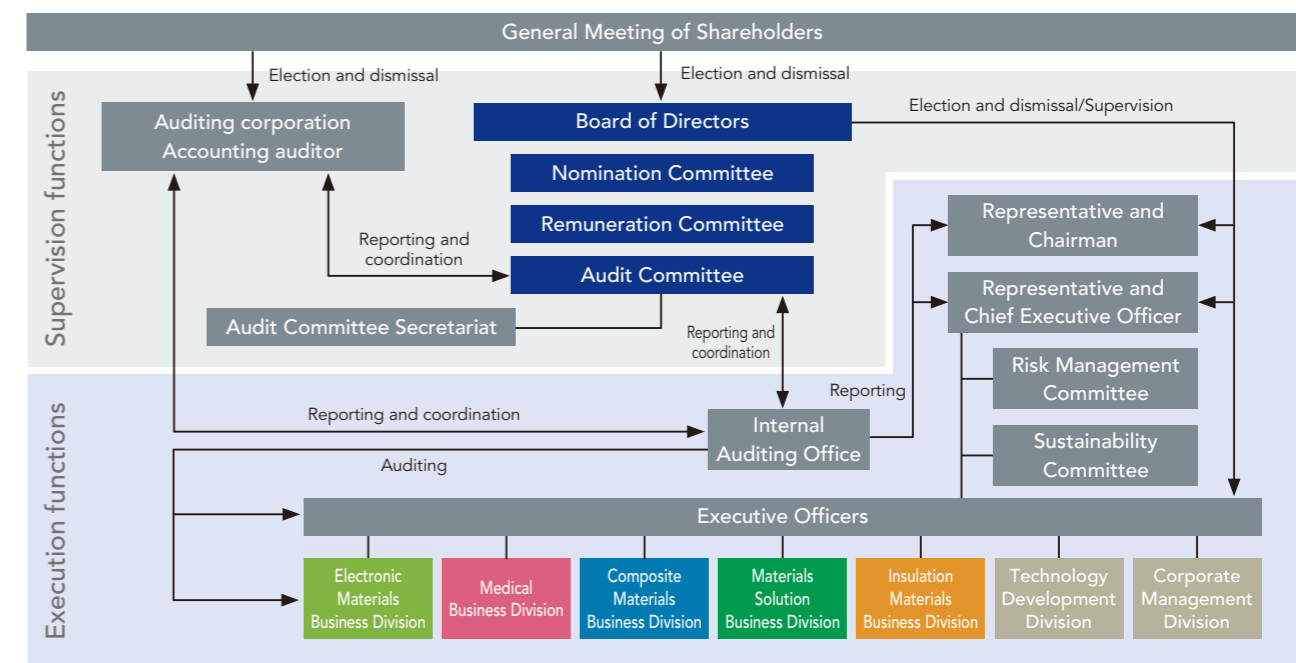
The Company introduced an executive officer system in June 2003 and other systemic measures to maximize the effectiveness of consolidated management by invigorating the Board of Directors and speeding up decision making. Since June 2008, management has been conducted with an emphasis on the clarification of the functions and roles of management and business execution.

In addition, with the approval of the Ordinary General Meeting of Shareholders on June 26, 2014, Nittobo adopted the structure of a company with a nomination

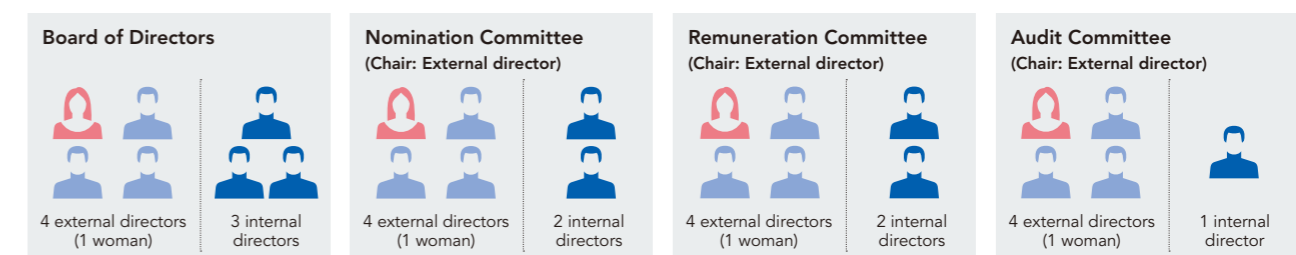
committee, etc. By doing so, the Company further clarified the separation of supervision from execution and aims to strengthen supervisory functions, ensure highly transparent management, execute business swiftly, and increase the flexibility of management. Furthermore, the establishment of a system that enables it to more precisely meet the expectations of stakeholders, such as customers, shareholders, suppliers, and employees, will enable the Company to further enhance its corporate value.

Corporate Governance System

Diagram of Corporate Governance System



Composition of Board of Directors and Three Committees



Board of Directors

Regarding the Board of Directors, the Company's basic policy is that it shall comprise internal directors, who are appointed from within the Company and have capabilities and knowledge of each business and management in general, and at least the same number of external directors, who are able to express opinions that can enhance governance from the perspectives of diverse stakeholders and society. This balance enables appropriate supervision of the Company's business execution by the Board of Directors as a whole. Furthermore, the Board of Directors shall have no more than 12 members, as specified in its Articles of Incorporation. At the time of publication of this report, the Board of Directors comprises seven members, of whom four are external directors.

The Board of Directors is responsible for supervision of business execution—it selects the directors that make up

the Nomination, Remuneration and Audit Committees; elects and dismisses executive officers and delegates business to them; approves matters related to operations that have an impact on basic management policy such as medium-term management plans and annual budgets; and approves matters that could have a significant impact on Group management such as investments exceeding a certain amount. The term of office of directors is one year, and subject to approval at the Ordinary General Meeting of Shareholders held annually. The Company's executive officers are determined by the Board of Directors. People suitable for the execution of the Company's business are elected from the perspective of enhancement of business execution and corporate value based on the principle of assigning the right people to the right positions.

Corporate Governance

Nomination, Remuneration and Audit Committees

Under the structure of a company with a nomination committee, etc., the Company has established a Nomination Committee, a Remuneration Committee, and an Audit Committee. The roles of each committee and an overview of committee members as of the date of the publication of this report are as follows.

Nomination Committee

The Nomination Committee determines the content of proposals (regarding the election and dismissal of directors) to be submitted to the General Meeting of Shareholders. The committee comprises six directors (four of whom are external directors) and is chaired by External Director Sadayoshi Fujishige. Meetings of the Nomination Committee are held as needed. The Nomination Committee selects the Company's director candidates who are believed to be the most suitable based on factors such as their character and insight.

Remuneration Committee

The Remuneration Committee determines the content of individual remuneration, etc., of directors and executive officers. It comprises six directors (four of whom are external directors) and is chaired by External Director Takeshi Miida. Meetings of the Remuneration Committee are held as needed.

Audit Committee

The Audit Committee's responsibilities include auditing the state of execution of duties of directors and executive officers, and the preparation of audit reports. Working with the accounting auditors and the Audit Office, audits, etc., are conducted based on audit plans approved by the Audit Committee. The committee comprises five directors (four of whom are external directors) and is chaired by External Director Yasuharu Nakajima. The Audit Committee Secretariat has been established as an organization for assisting with the duties of the Audit Committee. In principle, the Audit Committee holds meetings at least once a month.

Execution of Business

As of the date of the publication of this report, the Company has 12 executive officers, of whom one has been selected as representative and chairman and one as representative and chief executive officer. An Executive Meeting has been established as an organ to deliberate matters related to the execution of business delegated by the Board of Directors, and it endeavors to ensure efficient business execution by holding meetings twice a month in principle.

Self-Evaluation of the Effectiveness of the Board of Directors

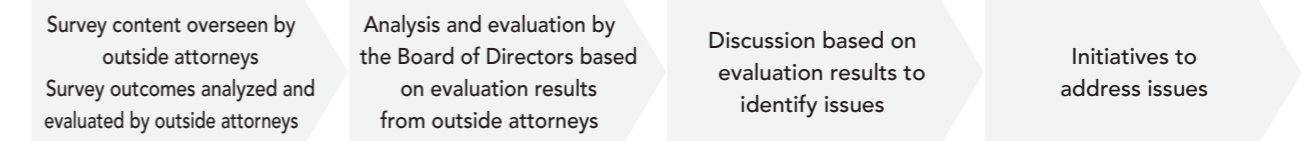
In order to verify whether the functions expected of the Board of Directors are being adequately fulfilled and facilitate the improvement of those functions, the Company performs yearly evaluations of the Board of Directors.

The Company performs those evaluations using a questionnaire format, and uses external attorneys from the standpoint of enhancing the independence and objectivity

of evaluations in the supervision of the content of evaluations and the analysis and assessment of the results thereof.

Based on those results, the Board of Directors analyzes and assesses the composition, operation, supervision, support system, dialogue with shareholders and other aspects of the Board of Directors.

Process for Evaluating Effectiveness



Based on the evaluation results for FY2022, the Company performed the following initiatives in FY2023.

In the survey summarizing FY2023, the average evaluation score for all items was four or more out of five, indicating that the effectiveness of the Board of Directors was extremely highly evaluated by both internal and external directors of the Company. However, opinions in the following vein were

issued. There is a need to continue furthering discussions on areas such as ensuring diversity in promoting core human resources, etc. and the allocation of management resources based on the cost of capital, etc. The Company will continue to make improvements to ensure the Board of Directors performs supervisory functions even more effectively.

Initiatives in FY2023

- In formulating the new Medium-Term Management Plan, the Company reviewed the previous medium-term management plan as well as the challenges of each business division and Company-wide challenges such as those relating to R&D and ESG. This review was shared with Executive Officers and the Board of Directors, who then discussed and considered it from a variety of perspectives.
- The Company received reports on the status of initiatives relating to sustainability activities and digital transformation (DX) and conducted discussions with the aim of further promoting those initiatives.
- At briefings prior to Board of Directors meetings, the Company received reports on changes in the market and competitive environments, as well as risks to the Company, which led to deeper discussions on management strategy.

Director Skill Matrix and Meeting Attendance (FY2023)

The knowledge, experience, and abilities of directors that are considered important to the Company from the perspective of corporate management are defined as business management, global business, sales, marketing, technology, research and development, finance, accounting, legal

affairs, risk management, human resources, labor relations, and human resources development. We ensure that the Board of Directors is composed of people with appropriate knowledge and abundant experience in each field.

Name		Attendance/Number of meetings			
		Board of Directors Meetings	Nomination Committee Meetings	Remuneration Committee Meetings	Audit Committee Meetings
Yuichi Tsuji		13/13	6/6	4/4	
Toyoshi Nishizaka		13/13			13/13
Kazuhiko Igarashi		13/13			
Sadayoshi Fujishige	External Director	13/13	6/6	4/4	13/13
Hiroshi Kagechika	External Director	13/13	5/6	4/4	12/13
Agasa Naito	External Director	13/13	6/6	4/4	13/13
Yasuharu Nakajima	External Director	13/13	6/6	4/4	13/13

(Note 1) The table below does not represent all knowledge, experience, etc. possessed by each person.

(Note 2) Mr. Toyoshi Nishizaka, Mr. Kazuhiko Igarashi, Mr. Hiroshi Kagechika retired from their directorships at the conclusion of the 163rd Ordinary General Meeting of Shareholders on June 20, 2024.

Name		Business Management	Global Business	Sales/Marketing	Technology/R&D	Finance/Accounting	Legal/Risk Management	Human Resources/Labor Relations/Human Resource Development
Yuichi Tsuji		●	●			●	●	
Hiroyuki Tada		●	●	●			●	
Takanobu Matsunaga		●		●	●			
Sadayoshi Fujishige	External Director	●	●	●				
Agasa Naito	External Director		●				●	
Yasuharu Nakajima	External Director					●	●	
Takeshi Miida	External Director	●	●	●			●	●

Corporate Governance

Officer Remuneration

Director and Executive Officer Remuneration

Matters pertaining to the policy for determining the amount of director and executive officer remuneration, etc., and the method of calculation thereof

In accordance with the provisions of the Companies Act relating to a company with a nomination committee, etc. and with reference to objective data, etc. from external consultants, the Company's policy for determining the individual remuneration of directors and executive officers is decided by the Remuneration Committee, of which external directors comprise the majority and which is chaired by an external director.

Furthermore, the policy is designed to strongly incentivize directors and executive officers to achieve performance targets while ensuring transparency and rationality, to foster awareness of management from a medium- to long-term perspective, and to align interests with those of stakeholders including shareholders and investors. The performance indicators selected for calculating remuneration also reflect this approach.

(i) Overview of the overall policy for individual remuneration, etc. for Directors and Executive Officers

The Company's director and executive officer remuneration (excluding external directors) consists of basic remuneration (fixed remuneration) determined by position and variable remuneration (performance-linked remuneration) that varies within a range of 0% to 150% according to the level of achievement of Company performance targets for the previous fiscal year and individual performance targets based on the operating profit of the division(s) under the officer's charge and individual evaluation. In addition, executive officers receive stock remuneration (performance-linked remuneration), the level of which is linked to achievement of the performance targets of the Company's medium-term management plan.

In view of their role in supervising management from an independent and objective perspective, external directors do not receive variable remuneration or stock remuneration.

Remuneration Weighting by Position

Position	Composition of officer remuneration (assuming performance-linked remuneration at 100%)				
	Basic remuneration	Performance-linked remuneration			Stock remuneration
		Variable remuneration		Individual performance	
		Company performance	Division performance		
Representative and chief executive officer and other representative executive officers	60.0%	25.0%	—	—	15.0%
Senior managing executive officers and managing executive officers	60.0%	17.5%	5.0%	2.5%	15.0%
Senior and other executive officers	65.0%	12.5%	5.0%	7.5%	10.0%
Directors not concurrently serving as executive officers (excluding external directors)	71.0%	14.5%	14.5%		—
External directors	100%	—	—	—	—

(ii) Policy related to content of basic remuneration

The amount of basic remuneration for each officer is determined by resolution of the Remuneration Committee based on a table that defines the fixed amount for each position.

(iii) Policy related to content of performance indicators for performance-linked remuneration

Variable remuneration (performance-linked remuneration) is calculated based on the achievement rate for each fiscal year. When officers resign prior to the end of the fiscal year, they are paid an amount prorated according to their tenure (excluding directors).

Performance Indicators and Percentage Reflection in Performance-linked Remuneration

Company performance	Operating profit (JPY 10 billion baseline)	Operating profit (change year on year)	ROE (change year on year)
	40.0%	30.0%	30.0%
Individual performance	Operating profit of division(s) under charge (compared to target)		Individual evaluation
	Senior managing executive officers and managing executive officers	67.0%	Senior managing executive officers and managing executive officers 33.0%
	Senior and other executive officers	40.0%	Senior and other executive officers 60.0%

Reason for Selecting Performance Indicators Related to Variable Remuneration

- Company performance

The selected indicators are operating profit as a measure of earning power and enhanced growth potential, and ROE as a measure of improvement in capital efficiency.

- Individual performance

The selected indicators are the operating profit of the division(s) under the officer's charge and the individual evaluation rating, which helps to clarify the responsibility for performance of each officer (excluding external directors). These indicators also provide a basis for evaluation based on perspectives and factors other than company performance. Ratings for individual evaluations are based on the outcomes of activities and their contribution to business performance.

Calculation Rules for Variable Remuneration

Company performance component = Basic remuneration for the preceding fiscal year × Company performance coefficient for each position × Level of achievement of Company performance for the preceding fiscal year
 Individual performance component = Basic remuneration for the preceding fiscal year × Individual performance coefficient for each position × Level of achievement of individual performance for the preceding fiscal year and the result of the individual evaluation
 Variable remuneration is determined by combining the Company performance and individual performance components calculated as shown above.

Note that targets and actual values for Company performance in fiscal 2022 used in the calculation of performance-linked remuneration in fiscal 2023 were as follows.

[Operating profit (amount)] Target: JPY 10,000 million; Actual: JPY 4,880 million
 [Operating profit (year on year)] Target: JPY 7,268 million; Actual: JPY 4,880 million
 [ROE (year on year)] Target: 5.5% (after adjustment); Actual: 4.0% (after adjustment)

Note: Quantitative and qualitative individual performance targets were set, with achievement rates ranging between 72% to 93%.

Stock remuneration

(1) Eligibility for the performance-linked stock remuneration plan (hereinafter "the Plan")

Persons eligible for the Plan are the executive officers (including those concurrently serving as directors).

(2) Structure of the Plan and granting of points

(i) Structure of the Plan

Remuneration under the Plan will consist of the following:

- Fixed component

The fixed component is granted according to the position held during the tenure.

- Performance-linked component

The performance-linked component is granted according to the level of achievement of the performance targets of the medium-term management plan.

The level of achievement of the performance targets is evaluated each fiscal year and reflected in the remuneration for the tenure.

In the current medium-term management plan, the Company has set the amount of consolidated operating profit as a performance indicator. Operating profit was chosen because it is a representative measure of medium- to long-term improvement in business performance. The Company's operating profit target for FY2023 was JPY 14.0 billion, and actual performance was JPY 8.4 billion. The target for FY2024 is JPY 12.5 billion.

(ii) Point calculation method

- Points corresponding to the fixed component and the performance-linked component are calculated and granted for the tenure of executive officers.

- Points granted for the respective tenure will accumulate until retirement, and the number of accumulated points will be used as "1 point = 1 share" to calculate the number of the Company's shares to be granted.

(Point formula)

Base points corresponding to the position during the tenure for which points are granted^(Note 1) × (1 + Performance-linked coefficient^(Note 2))

(Note 1) Base points

Position	Points
Representative and Chairman	2,360
Representative and chief executive officer	2,360
Senior managing executive officer	1,219
Managing executive officer	903
Senior executive officer	452
Executive officer	409

(Note 2) Performance-linked coefficient

(The indicator for calculating the performance-linked coefficient shall be operating profit)
 Performance-linked coefficient = Actual amount for the relevant period ÷ Target amount for the relevant period as specified in the medium-term management plan (rounded down to the second decimal place). The upper limit of the coefficient is 1.5, and if it is less than 0.5, it is set to 0.

(iii) Calculation method in case of position change during the tenure

If there is a change in position during the tenure, points will be prorated based on the number of months, according to the respective position.

(iv) Calculation method in case of resignation of an officer during the tenure

If an officer resigns during the tenure, points will be calculated based on his/her term of office.

(Formula)

Points calculated according to (ii) above × Tenure as an officer ÷ 12

Corporate Governance

(v) Point granting date

The points for the tenure are granted on the date of the first meeting of the Remuneration Committee after the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year under review.

(3) Number of shares and amount of cash to be granted or paid

(i) In the case of the resignation of an officer due to reasons other than personal reasons

· Shares

The number of shares is calculated as "1 point = 1 share" using the following formula.

(Formula)
 Number of shares = Number of points accumulated until the vesting date (including the points granted on the vesting date. Hereinafter referred to as "Number of Points Held") × 70% (any fraction less than one unit of shares shall be rounded down)

· Cash

The cash amount is calculated using the following formula.

(Formula)
 Cash amount = (Number of Points Held - Number of shares calculated according to the formula for "Shares" above) × Market value of the shares as of the vesting date

(ii) In the case of the resignation of an officer due to personal reasons

Shares are granted based on the Number of Points Held, where "1 point = 1 share."

(iii) In the case of the death of an officer for whom remuneration is to be paid

In the case of the death of an officer for whom remuneration is to be paid, the right to receive a monetary payment as a survivor's benefit will be acquired by the surviving family members of such officer if they meet the requirements set forth in the Regulations of Directors' Stock Benefits established by the Remuneration Committee. The survivor benefit amount shall be the monetary amount calculated using the following formula.

(Formula)
 Survivor benefit amount = Number of Points Held by a deceased officer for whom remuneration is to be paid × Market value of the shares as of the date of death^(Note)

(Note) The market price of the shares used in the plan shall be the closing price of the shares on the principal stock exchange on which the shares are listed on the date when the market price of the shares needs to be calculated. If the closing price is not published on such date, the market price of the shares shall be calculated retroactively to the most recent date for which a closing price is available.

(4) Important note

The maximum number of shares corresponding to the points awarded for each position as stipulated in Article 34, paragraph 1, item (iii)-(a)1 of the Corporation Tax Act is: 5,900 points for the representative and chairman and representative and chief executive officer, 3,047 points for senior managing executive officers, 2,257 points for managing executive officers, 1,130 points for senior executive officers and 1,022 points for executive officers.

Reason for Appointment of External Directors

Name	Reason for nomination as candidate for external director and overview of expected role
Sadayoshi Fujishige	Mr. Sadayoshi Fujishige has a wealth of experience and a high level of insight as a top manager of a listed company. Based on this, he actively makes statements at meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee. In this way, he plays a role expected as an external director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.
Agasa Naito	Ms. Agasa Naito has a wealth of experience and a high level of insight as an expert in law and as an outside officer of another company. Based on this, she actively makes statements at meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee. In this way, she plays a role expected as an external director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.
Yasuharu Nakajima	Mr. Yasuharu Nakajima has a wealth of experience and a high level of insight as an expert in accounting and as an outside officer of another company. Based on this, he actively makes statements at meetings of the Board of Directors, the Nomination Committee, the Remuneration Committee, and the Audit Committee. In this way, he plays a role expected as an external director, including providing accurate advice to management, contributing to decision making by the Board of Directors, and supervising business execution.
Takeshi Miida	Mr. Takeshi Miida has a wealth of experience and a high level of insight as a top manager of a listed company. He is performing his expected role as an external director, including providing accurate advice to management and supervising business execution through his knowledge and experience in the manufacturing industry from the perspective of promoting the sustainable growth and medium- to long-term increase in corporate value of the Company.

Cross-Shareholdings

Policy Regarding Cross-Shareholdings

The Company holds shares of listed companies under its policy on cross-shareholding in cases where it deems such shareholding to be beneficial for building favorable trading relationships with important trading partners of the Nittobo Group in fields including sales, fuel and raw material procurement, and finance, smoothly advancing business

activities of the Nittobo Group, and maintaining and enhancing corporate value in the Nittobo Group. However, from the perspective of improving the Group's corporate value, the Company will sell shares that are deemed to be of little holding significance, while paying attention to the effect on the market, and so forth.

Method for Assessing Rationale for Holding Shares

In holding shares in listed companies, the Company reviews the holding policy for listed shares individually at a meeting of the Board of Directors on a periodic basis, comprehensively considering qualitative factors such as sales and procurement, the existence of any technological cooperation or joint capital investment, whether there are any joint ventures under way, financing, the maintenance and establishment of good business relationships, and a quantitative evaluation that compares the total return on investment, calculated by considering dividend yield and business profit, against the cost of capital, as well as the comprehensively considered policy on cross-shareholdings.

Exercise of Voting Rights Associated with Cross-Shareholdings

The Company will appropriately exercise its voting rights associated with cross-shareholdings after consideration of whether such issuing company has established an effective governance structure and is making appropriate decisions to improve its corporate value over the medium to long term, as well as whether such shareholdings will contribute to enhancing the Group's corporate value.

Changes in Cross-Shareholdings

		FY2019	FY2020	FY2021	FY2022	FY2023
Sold during the period	Unlisted stocks	2	1	1	—	—
	Number of stocks Amount (JPY million)	32	24	0	—	—
	Listed stocks	3	4	—	1	—
Total	Number of stocks	5	5	1	1	—
	Amount (JPY million)	815	8,689	0	2,516	—
Capitalization at end of period (including unlisted stocks)	Number of stocks	51	49	47	47	47
	Amount (JPY million)	20,694	16,625	15,243	13,643	22,595

Action to implement management that is conscious of cost of capital and stock price

The Group will steadily work toward achieving the new Medium-Term Management Plan and it will continue to undertake initiatives to achieve sustainable growth and improvement of corporate value over the medium to long term by improving ROE and maintaining an appropriate

PER level. In Medium-Term Management Plan (FY2024–2027), Company-wide quantitative targets call for ROE of 8% or more (a level that consistently exceeds the cost of capital) and ROIC at a level that exceeds WACC.

Dialogue with Stakeholders

The Corporate Communication Officer is responsible for general dialogue with shareholders, and the Corporate Communication Department is the internal department responsible for providing assistance thereto. The Company endeavors to create opportunities for dialogue with shareholders that contribute to the sustained growth and enhancement of medium- to long-term corporate value of the Company centered on executive officers. Furthermore, departments involved in IR activities centered on the Corporate Communication Department work to coordinate

among departments on a daily basis.

We will continue to endeavor to disclose information in a timely and appropriate manner to enable the Nittobo Group's customers, shareholders and investors to accurately recognize and judge the actual state of the Nittobo Group. In order to achieve this, we comply with laws, regulations and securities exchange rules on disclosure, and are engaged in the creation and operation of an appropriate disclosure system.

- ① We publish items specified for disclosure in Japanese and foreign laws, regulations and securities exchange rules in business reports, annual securities reports and communications to shareholders, and announce them in securities exchange communication systems and press releases.
- ② In principle, we publish information being disclosed on the Group's website, and also endeavor to provide fairer and broader disclosure.
- ③ We conduct briefings for analysts and institutional investors promptly after the announcement of quarterly financial results.
- ④ We publish an integrated report that incorporates financial and non-financial information, including CSR, in order to provide a better understanding of the Group's medium- to long-term value creation framework.

Opinions and concerns, etc., about the Company that are learned through dialogue with shareholders and investors are collated by the Corporate Communication Department, reported to the Corporate Communication Officer, the Executive Meeting, and the Board of Directors on a quarterly basis, and appropriately provided as feedback to

management executives. Adequate care is given regarding insider information in individual inquiries and dialogue with the Nittobo Group, and explanations are limited to information that has already been published and facts that are well known.

Compliance and Risk Management

The Nittobo Group places utmost priority on compliance with domestic and foreign laws, regulations and social norms, as well as on appropriate management and prevention of risks in areas related to its business.

Compliance

The Nittobo Group is aware that it is a public instrument that operates for the benefit of society. It naturally complies with laws and regulations as well as with social norms, and strives to remain a company that is trusted by society. This is the starting point for the Company's existence, a position that must be unconditionally observed so long as this Company is a member of society.

All officers and employees understand the necessity of practicing compliance, and the Company will always conduct fair and just business activities with a spirit of complying with the law and a firm sense of ethics.

The Nittobo Behavior Program and the Nittobo Code of Conduct

The Nittobo Behavior Program and the Nittobo Code of Conduct have been enacted as standards for all officers and employees of the Nittobo Group, to ensure that the Nittobo Group will always be a company that is trusted by society.

To ensure that these standards are firmly established as the basis for the Company's daily business activities, and that they are imbued in the core being of all officers and employees, all officers including senior management will strive to lead by example as they continuously and proactively promote awareness through education and training programs.

Internal Whistleblowing Contact

The Nittobo Group has established a whistleblowing program, the Corporate Ethics Helpline, to prevent and detect violations of laws and regulations at an early stage and to take appropriate corrective actions.

In cases where a violation of laws, regulations or internal rules, improper conduct, or other such problem occurs at

work but resolution at the business site is unlikely or an employee is unable to consult with workplace colleagues or superiors, any Nittobo Group employee can make reports to and consult with the helpline with peace of mind.

The reporting and consultation office is available not only as an in-company hotline but also externally through an outside law firm, which enables anonymous reporting and consultation. The privacy and confidentiality of whistleblowers is protected, and measures are taken to prevent prejudicial treatment as a result of making a report. The reporting and consultation office also ensures independence from the executive side by handling reports and consultations that may involve directors and officers under the Audit Committee's supervision. The Company is committed to creating a system that whistleblowers can use with greater peace of mind by, for example, responding to reports and consultations in good faith, confirming the facts and taking corrective measures, and reporting the results of the investigation to the whistleblower.

For details about compliance initiatives:
<https://www.nittobo.co.jp/eng/sustainability/governance/compliance.html>

Risk Management

The Nittobo Group endeavors to appropriately manage the risks to which its businesses are exposed in order to improve its corporate value and fulfill its social responsibilities. We have established a system to identify, evaluate and take countermeasures against risks, which have become more diverse and complex as globalization has progressed, and are working to prevent them from materializing and to reduce losses in the event of a crisis.

Risk Management System

The Nittobo Group's Risk Management Committee is chaired by the Representative and Chief Executive Officer. It draws on the basic risk management policy and risk management system stipulated in the Group's Rules for Risk Management to appropriately manage the risk exposure of the Group's businesses and prevent problems from materializing. Furthermore, the Company has also strengthened its legal risk management system by establishing a system that enables it to receive various kinds of guidance as the occasion demands, such as opinions and advice from corporate attorneys and specialist lawyers regarding corporate management and daily operations.

Information Management

The Nittobo Group discloses information on its business activities in a timely and appropriate manner to enhance corporate transparency. In addition, we have established

rules for the management of trade secrets, document management, personal information handling and information system management, and manage such information after specifying management methods and managers to ensure we appropriately manage the information in our possession. We also conduct regular self-inspections, monitoring and workplace training.

Information Security

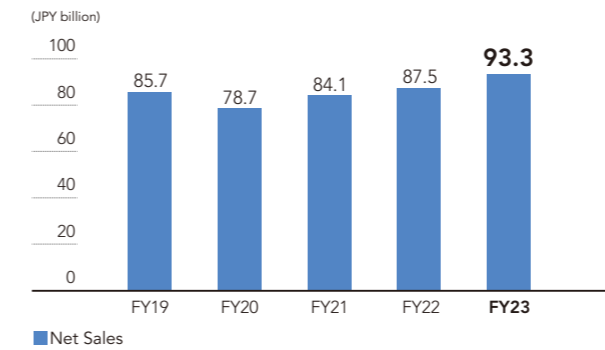
With developments in information networking, the danger of information leaking outside the Company and the threat of cyberattacks are increasing. For this reason, the Nittobo Group undertakes preventive measures against potential risks, along with countermeasures for computer viruses, led by the head of IT, with the aim of securing and achieving further improvements in information security.

For an overview of information management education:
https://www.nittobo.co.jp/eng/sustainability/governance/risk_management.html

Financial and Non-Financial Highlights

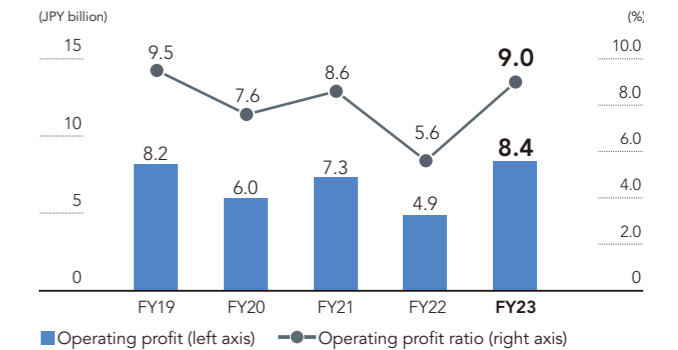
Financial Value

Net Sales



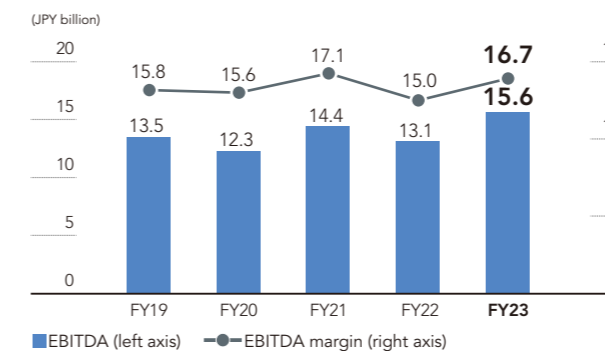
Net sales increased due to strong sales in the Glass Fiber Business of Special Glass (a high-value-added product) for electronic materials, along with steady domestic and overseas sales in the Medical Business.

Operating Profit / Operating Profit Ratio



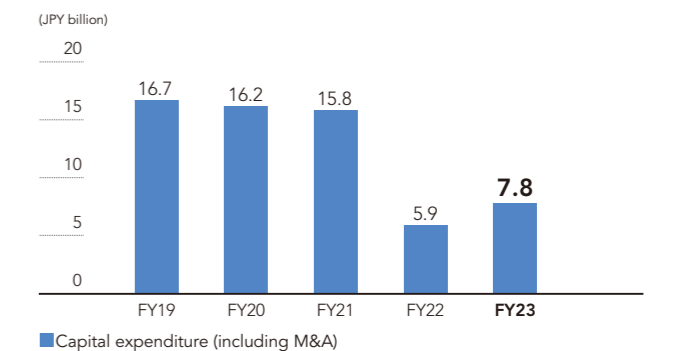
Operating profit increased more than 70% year on year due to strong sales of Special Glass (a high-value-added product) for electronic materials, despite ongoing sluggish sales of products for commodity use in the Glass Fiber Business.

EBITDA / EBITDA Margin



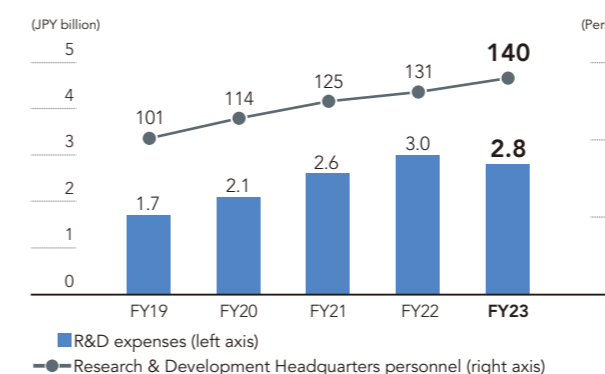
EBITDA and the EBITDA margin increased due to improved profitability resulting from business structure reforms undertaken during the previous medium-term management plan period and increased earning power resulting from the ongoing execution of growth strategies.

Capital Expenditure (Including M&A)



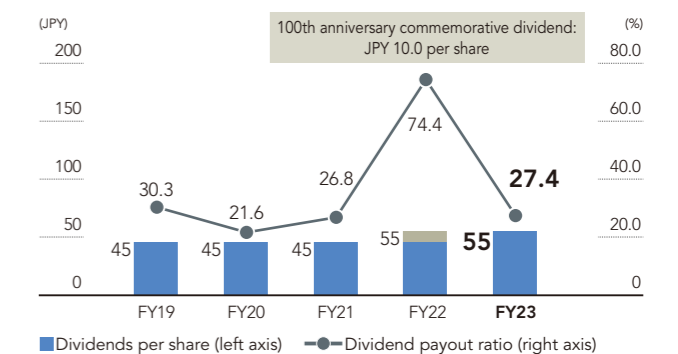
Nittobo made capital investments in growth areas, including for increasing production capacity, mainly for Special Glass yarn in the Glass Fiber Business.

R&D Expenses / Research & Development Headquarters Personnel



We enhanced the development of high-performance glass fiber for next-generation communication systems, for which demand is expected to grow further, and new products in the Medical Business.

Dividends / Dividend Payout Ratio

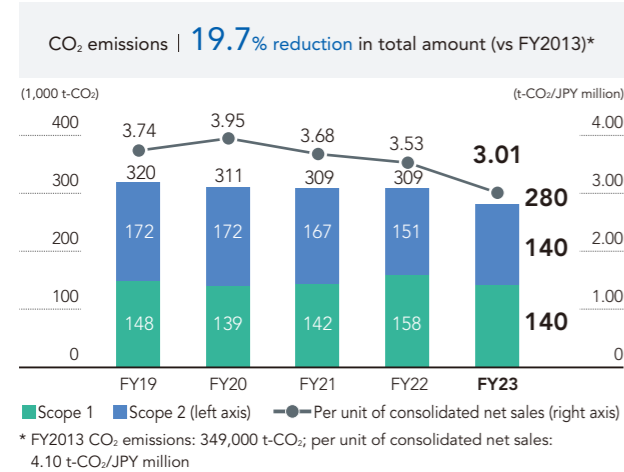


Dividends per share totaled JPY 55.00 for the year, consisting of an interim dividend of JPY 22.50 and a year-end dividend of JPY 32.50. A 100th anniversary commemorative dividend of JPY 10.00 was distributed in FY2022.

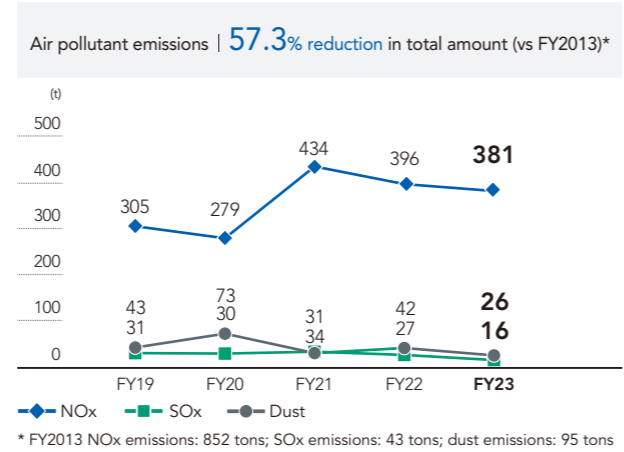
Financial and Non-Financial Highlights

Non-Financial Value

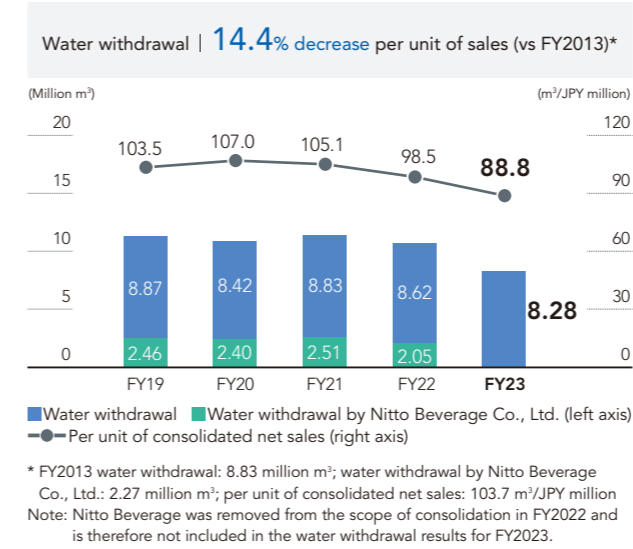
CO₂ Emissions from Business Operations



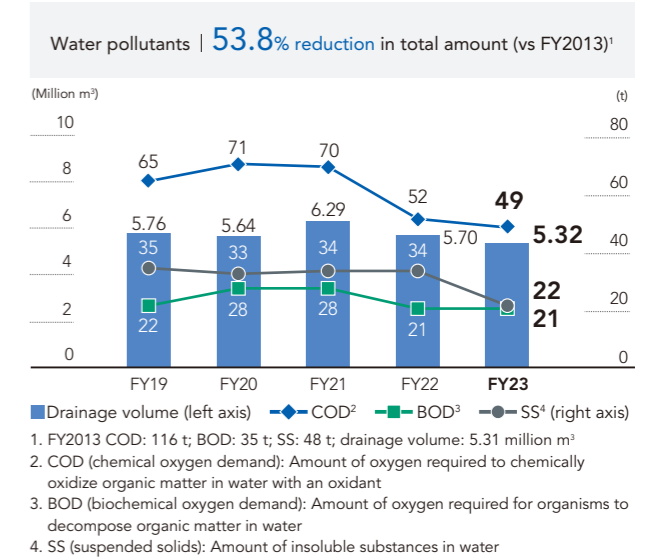
Air Pollutant Emissions



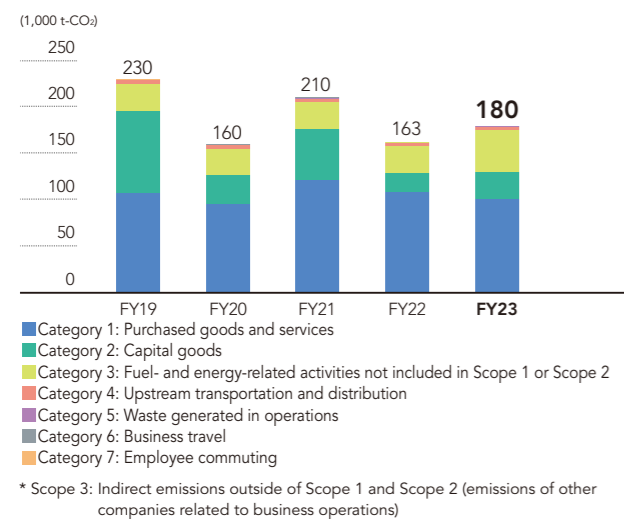
Water Withdrawal



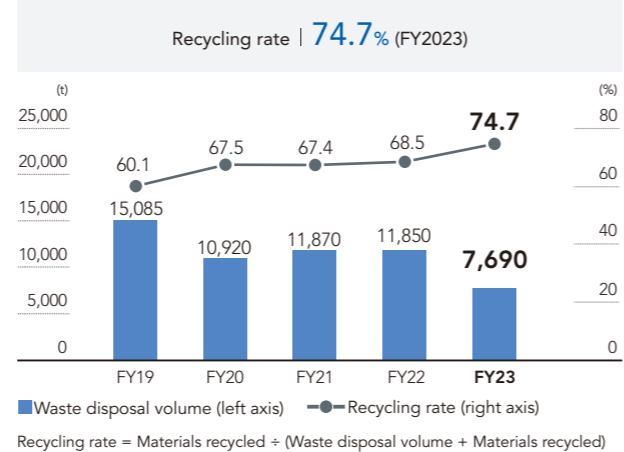
Water Drainage Volume / Water Pollutants



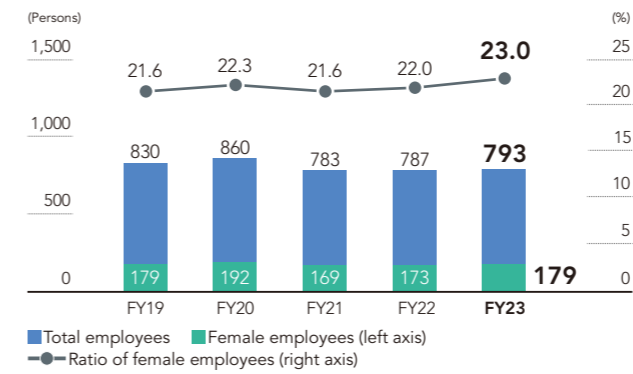
Greenhouse Gas Emissions in the Value Chain (Scope 3*)



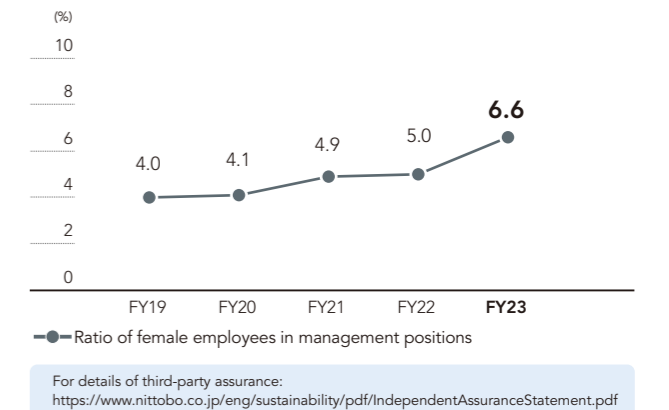
Waste Disposal Volume / Recycling Rate



Total Employees (Non-Consolidated) / Ratio of Female Employees



Ratio of Female Employees in Management Positions (Non-Consolidated)



FY2023 Scope 3 Category Details (t-CO₂)

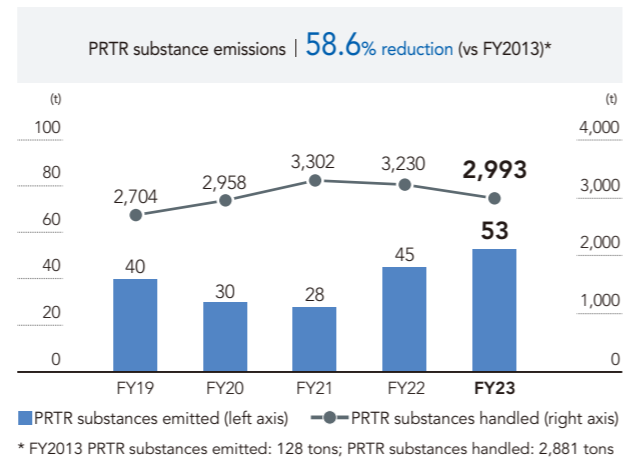
- 1: Purchased goods and services 100,716
- 2: Capital goods 28,566
- 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2 45,995
- 4: Upstream transportation and distribution 3,576
- 5: Waste generated in operations 501
- 6: Business travel 351
- 7: Employee commuting 299

Scope 3 Reduction Initiatives

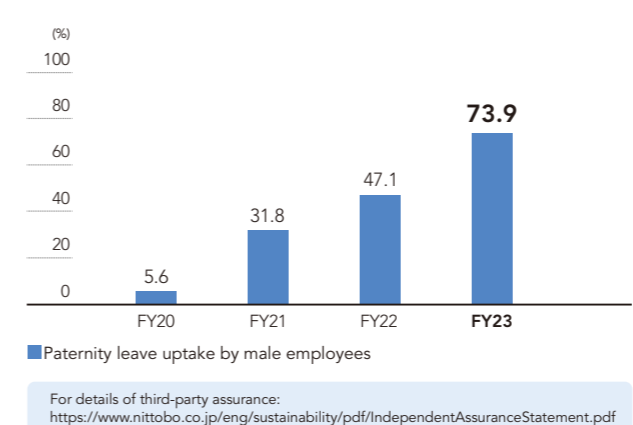
- Improve transportation efficiency in cooperation with suppliers and transporters
- Reduce CO₂ emissions through glass waste recycling

For details of third-party assurance: <https://www.nitto.co.jp/eng/sustainability/pdf/IndependentAssuranceStatement.pdf>

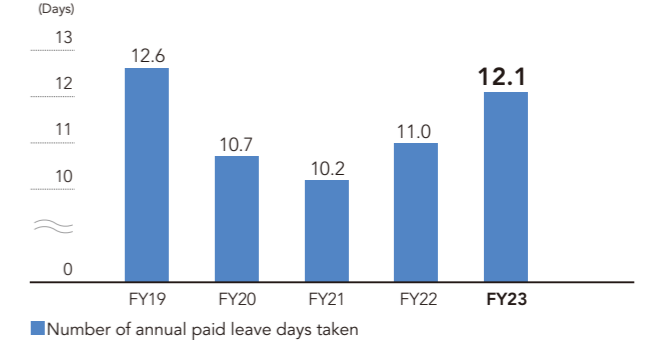
PRTR Substances Emitted and Handled



Paternity Leave Uptake by Male Employees



Number of Annual Paid Leave Days Taken (Non-Consolidated)



11-Year Financial Data

(JPY million)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating results											
Net sales	85,104	90,223	86,199	83,324	84,526	82,292	85,722	78,727	84,051	87,529	93,253
Operating profit	6,476	8,885	10,893	11,148	10,837	8,198	8,160	5,964	7,268	4,880	8,387
Ordinary profit	6,511	8,658	10,974	11,396	11,071	8,934	8,202	6,274	8,065	6,067	9,752
Profit attributable to owners of parent	3,858	4,588	5,598	7,479	10,253	7,984	5,771	8,100	6,519	2,772	7,296
EBITDA ¹	11,190	13,578	15,497	15,278	15,001	12,279	13,548	12,296	14,351	13,088	15,553
Depreciation	4,713	4,692	4,603	4,130	4,164	4,080	5,388	6,332	7,082	8,208	7,166
Capital expenditure	5,104	4,814	4,422	2,043	7,024	11,949	16,717	14,709	15,820	5,919	7,762
R&D expenses	1,495	1,290	1,255	1,429	1,590	1,477	1,698	2,097	2,577	2,950	2,825
Cash flows											
Net cash provided by (used in) operating activities	12,152	14,745	16,677	11,034	7,791	5,317	10,614	7,815	6,965	7,643	5,057
Net cash provided by (used in) investing activities	(4,267)	(5,318)	(12,294)	(2,271)	2,524	(11,389)	(16,917)	(1,867)	(17,305)	1,979	(7,896)
Net cash provided by (used in) financing activities	(4,351)	(4,388)	(2,276)	(8,826)	(9,467)	3,948	12,628	1,862	(1,530)	(7,249)	4,301
Free cash flows	7,884	9,426	4,382	8,762	10,316	(6,071)	(6,302)	5,948	(10,339)	9,622	(2,838)
Financial position (At end of fiscal year)											
Total assets ²	136,294	145,956	142,719	140,064	147,160	151,000	172,824	184,652	187,289	185,585	212,112
Net assets	63,371	73,228	75,455	78,281	87,548	90,740	98,704	104,389	110,638	108,948	123,707
Interest-bearing debt	35,408	34,016	32,673	27,358	20,225	25,589	40,315	44,162	46,211	46,061	53,139
Stock information³											
Number of shares issued (Thousand shares)	247,677	247,677	247,677	199,677	39,935	39,935	39,935	39,935	39,935	37,723	37,723
Earnings per share (EPS) (JPY) ⁴	19.36	23.03	28.1	37.71	263.97	205.76	148.73	208.77	168.04	73.94	200.39
Book-value per share (BPS) (JPY) ⁴	313.91	363.32	374.50	396.00	2,232.43	2,312.06	2,413.82	2,555.06	2,727.58	2,850.72	3,246.26
Dividends per share (JPY) ⁵	5.00	5.00	6.00	7.00	26.00	40.00	45.00	45.00	45.00	55.00	55.00
Dividend payout ratio (%) ⁶	25.8	21.7	21.4	18.6	15.2	19.4	30.3	21.6	26.8	74.4	27.4
Management indicators											
Operating profit ratio (%)	7.6	9.8	12.6	13.4	12.8	10.0	9.5	7.6	8.6	5.6	9.0
EBITDA margin (%)	13.1	15.0	18.0	18.3	17.7	14.9	15.8	15.6	17.1	15.0	16.7
Return on equity (ROE) (%) ⁷	6.3	6.8	7.6	9.8	12.5	9.1	6.3	8.4	6.4	2.6	6.6
Equity ratio (%) ⁸	45.9	49.6	52.3	55.3	58.9	59.4	54.2	53.7	56.5	55.9	55.7
Debt-to-equity ratio (Times) ⁹	0.57	0.47	0.44	0.35	0.23	0.29	0.43	0.45	0.44	0.44	0.45

1. EBITDA = Operating profit + Depreciation
2. Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, February 16, 2018) and other accounting standards have been applied from the beginning of fiscal 2018, and the figures for fiscal years 2014 through 2017 are shown after retroactive application of such accounting standards.
3. On October 1, 2017, a reverse stock split was implemented at a ratio of 1 share for every 5 shares of common stock.
4. Earnings per share is calculated based on the average number of issued shares during the period excluding treasury stock, and book value per share is calculated based on the number of shares issued at the end of the period excluding treasury stock.
5. The fiscal 2017 dividend of JPY 26 per share is the sum of the interim dividend of JPY 3.5 before the reverse stock split and the year-end dividend of JPY 22.5 after the reverse stock split. The dividend per share for fiscal 2017, converted on a post-reverse stock split basis, would be JPY 40.

6. The consolidated dividend payout ratio is calculated based on the average number of issued shares outstanding during the period excluding treasury stock.
7. Return on equity (ROE) = Profit attributable to owners of the parent ÷ (Net assets [average of beginning and ending amounts] – Non-controlling interests [average of beginning and ending amounts])
8. Equity ratio = (Net assets – Non-controlling interests) ÷ Total assets
9. Debt-to-equity ratio = Interest-bearing debt ÷ (Net assets – Non-controlling interests)

Company Profile

Dates of establishment	February 1898 Koriyama Kenshi Boseki Co., Ltd. (Koriyama) April 1918 Fukushima Seiren Seishi Co., Ltd. (Fukushima) April 1923 Nitto Boseki Co., Ltd.	Representative and Chief Executive Officer	Hiroyuki Tada
Head office	1, Aza Higashi, Gonome, Fukushima-shi, Fukushima, 960-8161, Japan	Employees	2,690 (consolidated), 793 (non-consolidated) (As of March 31, 2024)
Headquarters	2-4-1, Kojimachi, Chiyoda-ku, Tokyo, 102-8489, Japan	Business operations	<ul style="list-style-type: none"> • Manufacture, processing, and sale of glass fiber products • Manufacture, processing, and sale of chemical products and pharmaceutical products • Manufacture, processing, and sale of textile products • Planning, supervision, and contracting for construction • Design, manufacture, and sale of machinery and equipment, etc.
Paid-in capital	JPY 19.6 billion		

Business Locations (As of April 1, 2024)

Location	Address	Contact
Tokyo Headquarters	2-4-1, Kojimachi, Chiyoda-ku, Tokyo, 102-8489, Japan	Tel. +81-3-4582-5111
Osaka Branch	4-2-3, Hiranomachi, Chuo-ku, Osaka-shi, Osaka, 541-0046, Japan (OBIC Midouji Building)	Tel. +81-6-6208-5015
Nagoya Branch	2-14-21, Nishiki, Naka-ku, Nagoya-shi, Aichi, 460-0003, Japan (Maruyama Nissei Building)	Tel. +81-52-231-5131
Fukushima Enterprise Center	1, Aza Higashi, Gonome, Fukushima-shi, Fukushima, 960-8581, Japan	Tel. +81-24-546-3131
Former Fukushima No. 1 Factory	1, Aza Higashi, Gonome, Fukushima-shi, Fukushima, 960-8581, Japan	Tel. +81-24-546-3131
Former Fukushima No. 2 Factory	20, Ipponsugi, Sakurashimo, Fukushima-shi, Fukushima, 960-2154, Japan	Tel. +81-24-593-1231
Fukuyama Enterprise Center	1, Aza Shiojima, Fukuhara, Fukuyama-cho, Koriyama-shi, Fukushima, 963-8061, Japan	Tel. +81-24-932-6011
	Technology Development Division	Tel. +81-24-932-6110

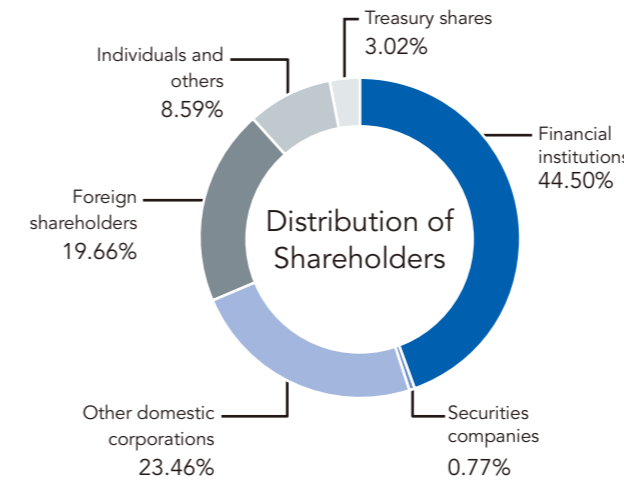
Main Consolidated Subsidiaries (As of April 1, 2024)

■ Electronic Materials Business Division		
Nitto Glass Fiber Manufacturing Co., Ltd.	Koriyama-shi, Fukushima	Production and sale of glass fiber products
NITTOBO ASIA Glass Fiber Co., Ltd.	Chiayi County, Taiwan	Production and sale of glass fiber products
Baotek Industrial Materials Ltd.	Taoyuan, Taiwan	Production and sale of glass fiber products
Nittobo Taiwan Co., Ltd.	Taoyuan, Taiwan	Sale of glass fiber products
■ Medical Business Division		
NITTOBO MEDICAL CO., LTD.	Chiyoda-ku, Tokyo; Koriyama-shi, Fukushima	Development, production, and sale of in vitro diagnostic reagents
Frontier Institute Co., Ltd.	Ishikari-shi, Hokkaido	Development, manufacturing and sale of bioassay kits and consignment of antibody production
Nittobo America Inc.	California, Iowa and Maine, U.S.A.	Production and sale of antisera used for in vitro diagnostic reagents
Kamiya Biomedical Company, LLC	Washington, U.S.A.	Production and sale of in vitro diagnostic reagents
■ Composite Materials Business Division		
Fuji Fiber Glass Co., Ltd.	Moka-shi, Tochigi	Production and sale of glass fiber products
■ Materials Solution Business Division		
Nitto Glasstex Co., Ltd.	Oizumi-machi, Oura-gun, Gunma	Production and sale of glass fiber products
Nittobo FRP Laboratory Co., Ltd.	Koriyama-shi, Fukushima	Production and sale of glass fiber products, etc.
Nittobo Advantex Co., Ltd.	Itami-shi, Hyogo	Production and sale of interlining and adhesive materials
Bunkyo Seiren Co., Ltd.	Fukui-shi, Fukui	Processing of textile products
■ Insulation Materials Business Division		
Paramount Glass Manufacturing Co., Ltd.	Sukagawa-shi, Fukushima; Ebetsu-shi, Hokkaido; Suzuka-shi, Mie	Production and sale of glass wool products
■ Other		
Soyo Co., Ltd.	Chiyoda-ku, Tokyo	Sale of glass fiber products, etc.
Shinwa Denzai Co., Ltd.	Chiyoda-ku, Tokyo	Sale of electronic materials, etc.
Nittobo Techno Co., Ltd.	Koriyama-shi, Fukushima	Design, manufacture, and sale of mechanical facilities; design and construction of civil engineering work and buildings
Nittobo Allied Service Co., Ltd.	Fukushima-shi, Fukushima	Various contracted services and insurance agency
Nittobo Ecology Co., Ltd.	Chiyoda-ku, Tokyo	Various contracted services

Stock Information (As of March 31, 2024)

Stock Status

Authorized number of shares	120,000,000 shares
Number of shares issued	37,723,012 shares
Number of shareholders	8,420



Major Shareholders

Name	Number of shares held (Thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	4,450	12.17
Custody Bank of Japan, Ltd. (Trust account)	3,544	9.69
Sumitomo Realty & Development Co., Ltd.	2,383	6.52
Nippon Life Insurance Company	1,614	4.41
The Dai-ichi Life Insurance Company, Limited	1,316	3.60
Sumitomo Life Insurance Company	1,082	2.96
AIR WATER INC.	997	2.73
The Toho Bank, Ltd.	905	2.47
Aioi Nissay Dowa Insurance Co., Ltd.	890	2.43
Mizuho Bank, Ltd.	800	2.19

Notes: 1. Number of shares held is rounded down to the nearest 1,000 shares.
2. The percentage of shares held is rounded to the nearest third decimal place.
3. The percentage of shares held excludes treasury shares.

Stock-related Administration

Fiscal year	April 1 to March 31
Ordinary General Meeting of Shareholders	Mid-June
Record dates	Voting rights for Ordinary General Meeting of Shareholders: March 31 Year-end dividend: March 31 Interim dividend: September 30
Method of public notice	Public notices are available on the Company's website below: https://www.nittobo.co.jp/koukoku/index.htm (Japanese only) However, if an electronic public notice cannot be posted due to an accident or other unavoidable reason, the public notice will be printed in the <i>Nihon Keizai Shimbun</i> .
Stock listing	Prime Market of the Tokyo Stock Exchange (Securities code: 3110)
Shareholder registry administrator and special account administrator	Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo, Japan

The Nittobo Group's detailed IR information is available on its official website.

<https://www.nittobo.co.jp/eng/ir/index.htm>

- Management policy
- Corporate governance
- Financial results-related materials (financial statements and other information)
- News releases
- IR calendar
- Performance and financial information and more



Message from the Corporate Communication Department

Thank you for reading *Nittobo Group Integrated Report 2024*. Last year's report commemorated the 100th anniversary of Nittobo's founding by looking back on its history of value creation. This year, we have looked ahead to the next 100 years and sought to communicate our determination to achieve medium-to-long-term sustainable growth, centered on the new Medium-Term Management Plan that launched this fiscal year. In addition to expressing our gratitude to all stakeholders,

we hope that this report helps deepen your understanding of the Group and its new organizational structure and systems, which are geared toward resolving social issues to realize a sustainable society. This year, we have redesigned our website. Through timely disclosure and dissemination of information via the website and emphasis on dialogue with stakeholders, we will continue to engage in communication that helps generate sustainable growth in corporate value.