

Nittobo

Nittobo Group

Integrated Report 2026

The Nittobo Group's Philosophy System

MISSION

Corporate Philosophy

The Nittobo Group will, as a corporate group, enhance its significance by striving to create healthy and comfortable lifestyles, and thereby continue to contribute to the realization of prosperous communities.

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 the Nittobo Group Integrated Report 2026, which covers the progress of the 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 FY2025 (from April 1, 2025 through March 31, 2026).

Note: Charts, graphs, and tables may use the abbreviation "FY25."

Scope of Report
This report covers Nitto Boseki Co., Ltd., as well as its domestic and overseas subsidiaries and affiliated companies.

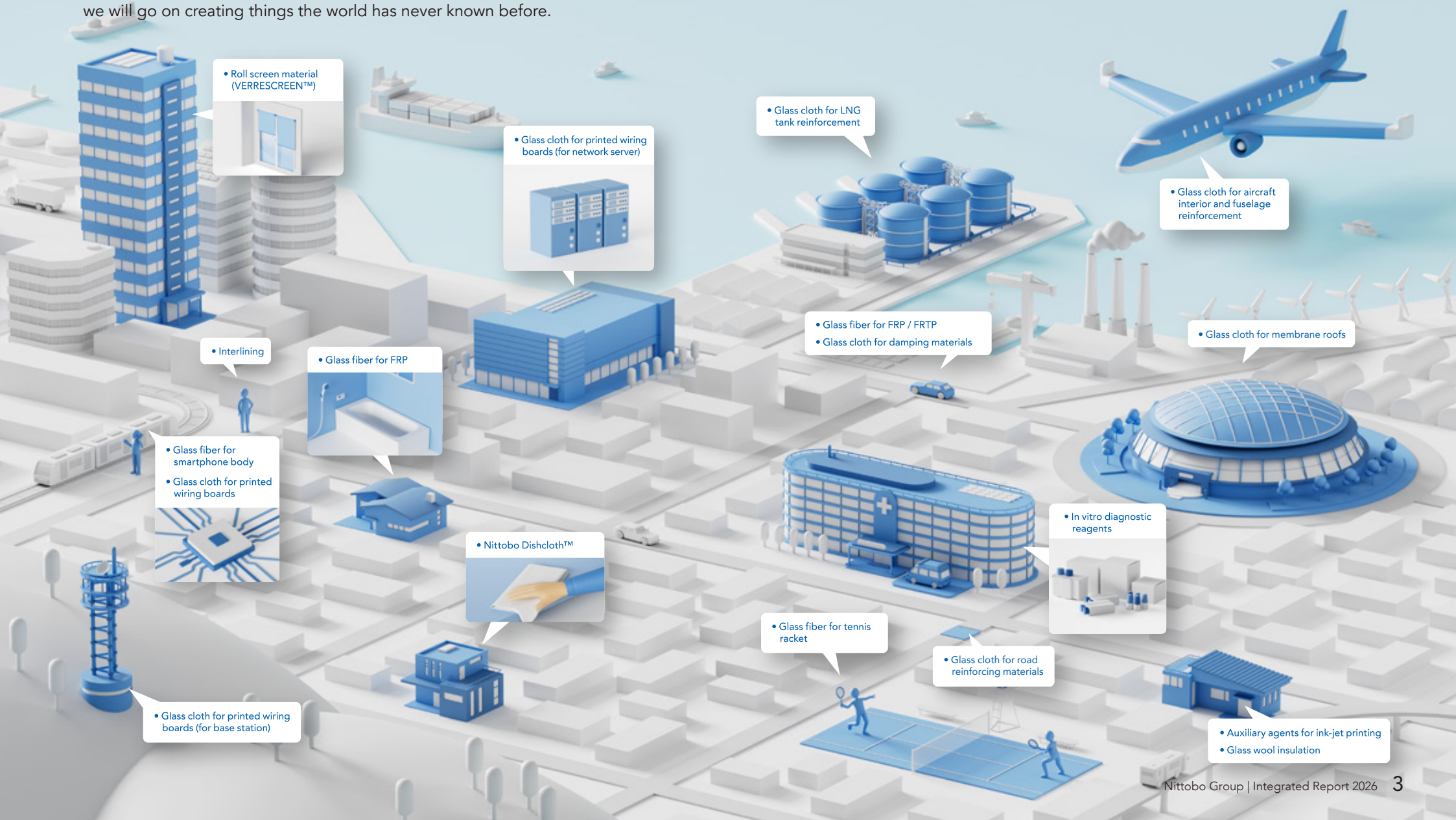
Date of Publication
September 30, 2026

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

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, including the world's first industrial production of glass fiber in 1938. 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.





Message from the CEO

Getting back to our roots: Awakening the courage to work with frontline personnel to tackle challenges and deliver even higher added value to our customers

Hisanobu Hayashi
Director, Representative and Chief Executive Officer

Utilizing Favorable Conditions to Push the Company Even Higher

My name is Hisanobu Hayashi, and I was appointed as Representative and Chief Executive Officer of Nittobo in April 2026. Nittobo was founded in 1923, making this our 104th year. Throughout this long history, we have experienced both good and bad economic conditions multiple times, and even overcome the devastation of war. Now, thanks to the accumulated technological skills and expertise instilled in the Company by our predecessors, our glass fiber cloths are attracting considerable attention for their use in the semiconductor and electronic substrates that constitute AI servers and the like. It is no exaggeration to say that these are the most favorable economic conditions we have encountered since the Company was established. Having been appointed as CEO at this key juncture, I believe that my role is to ensure we take advantage of these favorable circumstances, pushing the Company to even higher levels in terms of both quality and scale, and finally to securely pass the baton to the next generation.

I joined Nittobo in 2013 after serving in the banking and manufacturing industries. After a period in corporate planning and other operations in the corporate management team at headquarters, I was transferred to the Glass Fiber Division in 2017. At the time, I could sense that demand for Special Glass was growing and I believed it was necessary to increase production capacity to prepare for the future ahead. I proposed a plan to construct a new factory on unused land at our Taiwan factory site, and I was subsequently posted to Taiwan to be involved in the launch. Since 2023, demand for Special Glass has strengthened further with the rapid growth of AI-related markets, and thanks to our preparations in Taiwan to expand Special Glass production capacity ahead of the curve, we were able to seize a significant opportunity for growth.

In business management generally, I believe it is important to focus on developing the proficiencies and strengths of a company, and to identify what needs to be done in order to further improve it based on those strengths. In other words, it is important to think about the extent to which the business can be grown and new value generated based on the history and accumulated corporate culture of that company. However, because history and culture naturally differ for every company, the growth narrative also changes for each company. More than anything else, Nittobo's greatest strengths are our frontline capabilities and on-site manufacturing. As part of a trajectory in which we further develop these strengths, I believe that if we forge ahead together with our employees, the Company can improve even further.

Further Strengthening Our Frontline Capabilities: Balancing Attention to Detail with Broader Perspectives

Nittobo's frontline capabilities are one of our core strengths. Our product development and manufacturing processes are closely linked, and refining our uncompromising manufacturing processes to the finest detail ultimately gives birth to new breakthrough products. Our corporate culture is about pursuing improvements one step at a time through repeated trial and error and failures on the front lines, then accumulating these experiences over time. Nittobo's T-glass fiber cloth (low thermal expansion glass fiber cloth) now has a solid reputation as a semiconductor substrate material mainly aimed at AI servers, and I am told that, at present, it is difficult for other companies to reliably

manufacture products of equivalent quality. I think this is evidence that we have the edge over our competitors when it comes to the manufacturing processes and expertise we have built up on the front lines.

This attitude represents values that every employee of the Nittobo Group shares, even if they play varied roles in different businesses, and it is a major foundation of the Company.



While the ability to studiously devote oneself to a particular task and to complete that task with great attention to detail is one of Nittobo's strengths, I also feel that focusing only on what is right in front of us and becoming too preoccupied with craftsmanship may be a challenge. Through our ability to deeply examine and probe the issues directly before us and by having a more elevated perspective and broader horizons, we can take even greater strides to maximize the output of the entire Company through better collaboration between divisions and factories. We have high expectations for this untapped potential.

Living Up to Our Customers' Tremendous Trust: Turning This Opportunity into Definite Growth

As mentioned earlier, Nittobo's Electronic Materials Business is now growing rapidly, and this has driven increased net sales and operating profit for the Company as a whole. This is the result of the significant and ongoing investments we have made in glass fiber cloth products for electronic materials. At the same time, from the perspective of our business portfolio, although some may be of the opinion that only our Electronic Materials Business has had notable growth, we must not overlook such a significant business opportunity. Therefore, we will continue to make the necessary investments in the Electronic Materials Business while sensibly ascertaining trends in demand.

In recent years, besides our direct customers such as copper-clad laminate (CCL) manufacturers, there have been increasing opportunities for Nittobo to have direct contact with semiconductor manufacturers and companies that are developing AI services. We have started to be recognized as the foremost player in the high-value-added

semiconductor supply chain, and I am confident that our presence is becoming more prominent in the supply chain as a whole. At present, our ongoing construction of a new factory building to increase glass fiber cloth production at the Fukushima Enterprise Center has been recognized as an initiative that will contribute to stabilizing and reinforcing Japan's semiconductor supply chain, and we have also been chosen to be the recipient of subsidies from the Ministry of Economy, Trade and Industry (METI). Going forward, we will continue living up to customer expectations by steadily building a framework that achieves a stable supply of high-value products, while maintaining close communication with customers from various layers of the supply chain and continually monitoring the market environment.

Standing Out as a Company and Nurturing the Seedlings for the Next Stage of Growth

For the past few years, Nittobo has sought to improve asset efficiency by selling off idle assets, while simultaneously investing in areas in which we anticipate growth, such as the Electronic Materials Business. As the current business environment for electronic materials continues to be strong, we will utilize cash generated by the Electronic Materials Business as capital for further investment in electronic materials, creating an environment that enables this cash to be allocated for investment in other businesses.

In addition to the Electronic Materials Business, four other business divisions—the Medical Business, Composite Materials Business, Materials Solution Business, and Insulation Materials Business—are at the heart of Nittobo's business structure, and each is taking on a variety of challenges.

The Medical Business Division is mainly involved in the in vitro diagnostic reagents business, particularly IgG4, which is used to test for IgG4-related diseases such as autoimmune pancreatitis, and diagnostic drugs such as the osteoporosis marker TRACP-5b, which are both unique product lines with high added value that leverage the Company's proprietary technologies. The Medical Business also has sites in the U.S., where it manufactures antiserum, a core raw material for in vitro diagnostic reagents. Our aim is to launch even more unique products and build efficient production systems through further collaboration between development and production sites in Japan and the U.S.

In addition to growing sales of products such as plastic reinforcement materials, particularly our highly competitive FlatFiber™ (FF), the Composite Materials Business is also pursuing a new direction for the Company with the development of products made from recycled material. One issue expected to emerge in the coming decades is the disposal of large quantities of solar panel cover glass, and we have already succeeded in producing recycled glass fiber prototypes using solar panel cover glass. From the point of view of sustainability, we are aware that recycled glass is another area with the potential to support further growth for Nittobo in the future. I would like us to continue addressing such themes with a view to commercialization while discerning customer and market needs.

In addition to the industrial materials business, which handles products such as membrane materials for industrial use and automotive vibration-damping materials, the Materials Solution Business consists of businesses such as the chemical business, which is engaged in the development and sale of highly original functional polymers and organic/inorganic nano-composite materials (SSGs), and the textile business, which is seeking to expand its business domains beyond

clothing applications to lifestyle and industrial materials, leveraging technologies cultivated through adhesive interlinings. We are providing our proprietary products based on the needs of individual customers, and promoting the development of multiple products capable of providing new value to customers in various industries without being bound by the individual domains of industrial materials, chemicals, and textiles.

The Insulation Materials Business provides flocculent products called short glass fibers by finishing them into insulation materials. There has been deep-rooted demand for this recently due to the higher thermal insulation ratings required for housing, and the utilization of recycled materials is progressing more rapidly than the Company's other businesses. Because of this, we are also conducting initiatives within the Group that capitalize on knowledge cultivated in the Insulation Materials Business related to the use of recycled raw materials.

Bringing the Front Lines and Management Team Closer Together for a Speedy and Flat Organizational Culture

For Nittobo to become even stronger, I believe it is important for us to have an environment in which employees on the front lines want to try new things and can take on challenges autonomously.

Our first goal as an organization is to build a culture in which there is much less distance between the management team and the front lines, so that everyone can exchange their views on an equal footing. For several years now, we have been promoting the creation of an organization in which lines of communication are more open, and this is already bearing fruit. However, I would like us to make even greater progress in this area. Precisely because we are a company whose frontline capabilities are our greatest strength, we will foster a culture that allows employees and executives to exchange opinions with each other more openly and honestly, and to join forces to take on challenges together. I especially want junior employees to boldly take on many new challenges. If we set targets in our work that stretch our capabilities, as many as half of them may not proceed as we had hoped. But even if we fail at a challenge that took courage to undertake, we can learn from our mistakes, revise our approach, and try again. When this cycle of improvement begins to permeate the entire organization, I am convinced that Nittobo can become even stronger.

Based on the motto of "Let's turn anything into fibers," the Company has always overflowed with a courageous mindset, and we have succeeded as a global pioneer in areas such as the industrial-scale production of glass fiber. What is required of us now is that we return to our roots of taking on tough challenges, a tradition we inherited from our predecessors, with more vigor and energy than ever before. Moving forward, I would like us to break out of the shell of our conventions and further awaken the challenger spirit that has been handed down at the Company since our founding. Then, as a company in which all employees can take on challenges with a free-thinking mindset, we will aim even higher toward our next growth phase.

Upgrades to aging factory facilities and updates to the physical aspects of working environments are also important themes ahead. I would like us to invest in environmental improvements to establish comfortable workplaces in which everyone can work vigorously and in comfort, and for this to result in higher-quality frontline environments in terms of both tangibles and intangibles.

Transforming Great Expectations into Greater Strength and Pioneering the Future

Taking into account the current market environment and stock prices, I get a real sense of the very high expectations our investors have for Nittobo. Against the backdrop of growing AI-related markets, these expectations reflect the high regard in which we are held for providing products for which there are no effective alternatives, which is one of our unique strengths. In order to live up to these expectations, we will first enhance our supply system for Special Glass through ongoing capital investments, and give Nittobo a credible presence in the high-value-added semiconductor supply chain. The current Medium-Term Management Plan (FY2024–2027) includes planned investments of JPY 120.0 billion over four years. This is a large-scale plan compared to the scale of our business operations, but companies are announcing proactive investment plans for AI-related markets that look ahead to 2030. For this reason, we expect strong demand for Nittobo's Special Glass to continue in the medium to long term. We are undaunted in our determination to increase capacity to keep up with this demand. On the other hand, it is impossible to separate investment from risk. We may be impacted if the external environment changes significantly, so we are fully aware of the risks relating to management, and our swift decision-making is based on sensible controls.

Moreover, the seeds for growth are being sown in every business division, including the Medical, Composite Materials, Materials Solution, and Insulation Materials Businesses, and if the necessary investments are made in each as part of the plan, we can take on yet more challenges.

Moving forward, we will live up to the expectations of all our stakeholders through the united efforts of employees and the management team working steadily to accumulate results. I would like to ask all our stakeholders to look forward to Nittobo's continued growth and to provide us with your unwavering support.



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.

1898



Established Koriyama Kenshi Boseki Co., Ltd. in Koriyama

1918



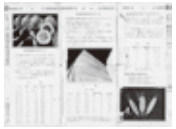
Established Fukushima Seiren Seishi Co., Ltd. in Fukushima

1923



Established Nitto Boseki Co., Ltd.

1938



Succeeded in industrial production of glass fiber (first in the world)

1949



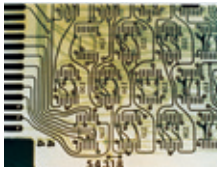
The first in Japan, we started glass wool production using the “spraying method”

1960



Launched Nittobo Dishcloth™, which would become a successful product

1969



Launched glass cloth for printed wiring boards

1984



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

1987



Established NITTOBO MEDICAL CO., LTD.



Launched Special Glass T-glass

1998



Launched Special Glass NE-glass

2015



NITTOBO MEDICAL CO., LTD. received the Minister of Agriculture, Forestry and Fisheries Prize for development of in vitro diagnostic reagent using genetically modified silkworms

2019



Converted Baotek Industrial Materials Ltd. (Taiwan) into a consolidated subsidiary

2020



Established R&D building NI-CoLabo



Expanded Fukuyama Plant at NITTOBO MEDICAL CO., LTD.

2021



Established the new factory for Special Glass at NITTOBO ASIA Glass Fiber Co., Ltd. (Taiwan)

2022



Nittobo America Inc. expanded its California base

2023

since1923 Nittobo

100th anniversary

2024



Started full-scale development of Special Glass NER-glass

Scan here for more information about the Group’s 100-year journey.

Value Creation Process

Corporate Philosophy The Nittobo Group will, as a corporate group, enhance its significance by striving to create healthy and comfortable lifestyles, and thereby continue to contribute to the realization of prosperous communities.

Sustainability Priorities	Material Issues	Business Activities	Outputs	Outcomes

Environmental

Intensification of global warming and environmental issues
- 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



Outputs
- Lightweight, energy-efficient automobiles and aircraft
  - Chopped strands
  - Glass fiber cloths
- Energy-efficient housing, recycling
  - Glass wool insulation
- Wind power
  - Chopped strands
- Wastewater treatment
  - Chemicals

Outcomes: Supplying products that reduce environmental burden

Social

Transition to an ultra-smart society
- High-speed telecommunications (5G/6G)
- Evolution of AI technologies and start of the IoT era

Provide products and services that contribute to the digital society



Outputs
- High-speed, large-volume data communications Network infrastructure connecting everything
  - Special Glass cloths
- Smaller, thinner electronic devices
  - Ultrafine glass yarns, ultra-thin glass cloths
- Infrastructure repair and reinforcement
  - Non-woven fabric, glass fiber cloths
- Sustainable auxiliary materials
  - Interlinings, inner materials

Outcomes: Creating a livable, convenient and safe advanced digital society

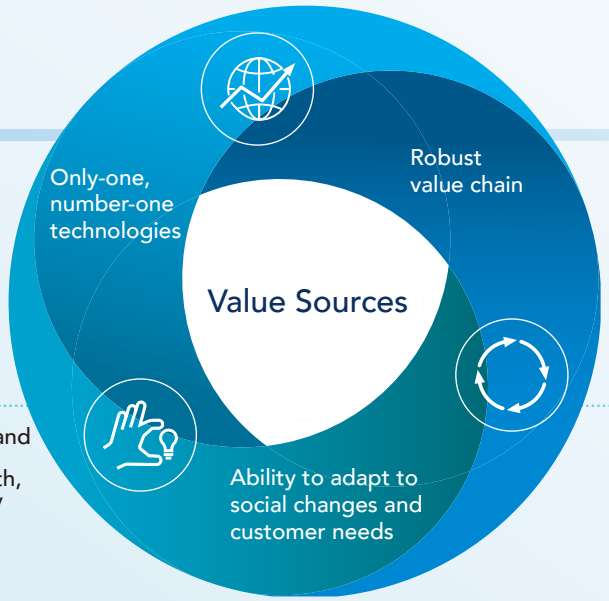
Societal structure issues
- Aging society with a declining birthrate (in Japan)
- Population and other issues

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



Outputs
- Supporting the shift from treatment to prevention
  - In vitro diagnostics reagents
- Fashion and functionality
  - Deodorizing and antibacterial interlinings
  - Innovative Fabric™

Outcomes: Realizing a healthy, safe and secure society



Governance

Response to various changes
- Increasing pace of innovation
- More sophisticated and complex social demands
- Diverse talent
- Compliance

Continuously updating corporate governance

Realize continuous, sustainable growth for the Company



Outputs
- Harmonious Coexistence with Society
- Safety Initiatives
- Active Roles for Diverse Talent

Outcomes: Contributing to the realization of a sustainable society

Medium-Term Management Plan

- Electronic Materials Business Division
- Medical Business Division
- Composite Materials Business Division
- Materials Solution Business Division
- Insulation Materials Business Division

Inputs: Manufacturing capital | Intellectual capital | Human capital | Social and relationship capital | Natural capital | Financial capital

SUSTAINABLE DEVELOPMENT GOALS

Social value

Nittobo Group's Vision for 2030

Big VISION 2030

Global **No. 1** Niche Company

Economic value

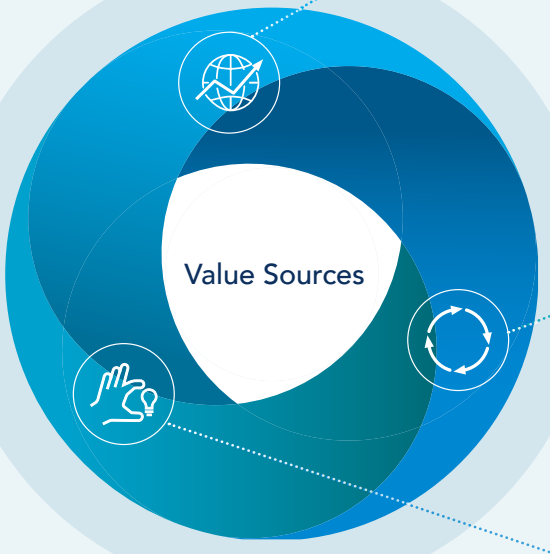
Value Creation Capital

Forms of Capital at the Nittobo Group (FY2025)

		Characteristics	Initiative	
Manufacturing capital	A safe and secure production system for high-value-added products	Through bold capital investment we have established a supply system capable of meeting growing demand for Special Glass and in vitro diagnostic reagents.	We are establishing new production systems for fields where market growth can be expected. We will continue to actively invest for growth to strengthen our supply capacity so that we can respond flexibly to sudden increases in demand.	Capital expenditure **JPY 21.7** billion
Intellectual capital	Technical capabilities that create Global No. 1 Niche Businesses	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-first technologies and products, both in Japan and in the world.	We are developing the knowledge we have accumulated so far while also engaging in seeking out new knowledge. We are pursuing the establishment of an advanced and flexible R&D structure centered on open innovation and digital innovation.	R&D expenses **JPY 3.4** billion Patents held **799**
Human capital	Human resources that innovate to meet new needs	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.	Total employees **2,793**
Social and relationship capital	Strong relationships rooted in the front lines	The Nittobo Group was founded in Fukushima Prefecture. In addition to maintaining multiple factories and research and development facilities in the Prefecture, we conduct production activities throughout Japan, providing products and services while placing importance on relationships with regional communities at each of our production sites.	In addition to maintaining and developing our domestic production system, 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. and strengthening our supply system in overseas markets.	Development, manufacturing, and sales bases **42**
Natural capital	Reducing environmental impact to help create a sustainable society	Our production processes have an industrial characteristic of requiring substantial amounts of fuel and electricity.	In keeping with our responsibility as a manufacturer, we strive to reduce CO_2 emissions as a means of reducing environmental impact, such as by using renewable energy. We also leverage our products and technologies to help resolve environmental issues throughout society.	Energy input **5.85** million GJ Reduction of CO_2 emissions **15.8**% (vs FY2013)
Financial capital	Finance management underpinning our growth strategy and healthy financial position	While making necessary investments for growth and next-generation product development, we maintain a healthy financial position, thereby ensuring our growth is sustainable.	In order to steadily pursue our growth strategy, we are focusing on securing financial soundness while investing funds with our sights set on the future, with the aim of continuously enhancing our corporate value.	Net cash balance **JPY 11.3** billion Net assets **JPY 180.3** billion

Value Creation Drivers

Value Sources



Only-one, number-one technologies

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.

- 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

Ability to adapt to social changes and customer needs

We will establish a unique position throughout our product development and deepen our relationships with global clients.

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.

Robust value chain

Through an integrated production system incorporating upstream and downstream processes, we maintain a stable supply of high-performance, high-quality products.

Glass fiber	Composition research	Spinning processes	Weaving processes	Interface treatment	Product sales
In vitro diagnostic reagents	Molecular design	Raw materials development	Antisera	Reagent development and production	Reagent sales

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

1 Issue Selection
- Discussed the Nittobo Group's purpose and value creation

2 Analysis and Plan Creation
- Business divisions analyzed their respective environments and formulated a vision for the future
- Held multiple intensive discussions

3 Management Decision-Making
- Discussed in depth by the Board of Directors with external directors' input and provided feedback to the business divisions

4 Setting and Development of Material Issues
- Defined seven material issues
- Developed specific initiatives to realize our vision

Sustainability Priorities	Nittobo Group's Material Issues	Risks	Opportunities	Key Measures	Relevant SDGs
Intensification of global warming and environmental issues ● Transition to a recycling-oriented society ● More rapid legal and regulatory change	Environmental Provide products and services that contribute to the environment and energy	● Increase in environmental costs ● Restrictions on business due to environmental regulations ● Exclusion of products and companies that are not environmentally responsible	● 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	● Develop products that contribute to the environment	
	Adapt to climate change and a resource-recycling society			● Reduce CO_2 emissions ● Reduce glass waste	
Transition to an ultra-smart society ● Higher speed telecommunications (5G/6G) ● Evolution of AI technologies and start of the IoT era	Social Provide products and services that contribute to the digital society	● Decline in technological superiority ● Replacement by other materials ● Speed of technological development in the electronic materials industry	● 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	● Grow profits through Special Glass ● Strengthen development capabilities for new products ● Strengthen solution capabilities to increase value for customers	
Societal structure issues ● Aging society with a declining birthrate (in Japan) ● Population and other issues	Provide products and services that contribute to health, security and safety	● Shrinking domestic market due to declining birthrate ● Business continuity risks specific to biologically derived materials ● Replacement by other diagnostic reagents	● 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)	● 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	
Response to various changes ● Increasing pace of innovation ● More sophisticated and complex social demands ● Diverse talent ● Compliance	Governance Realize continuous, sustainable growth for the Company				
	Strengthen management base	● 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	● Selection and concentration ● Capture growth opportunities through innovative technology development	● 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	● Decline in workforce due to low birthrate and aging population ● Intensifying competition to recruit young and specialized human resources	● Increasing diversity ● Increasing mobility in the labor market ● Innovation expected through human resource development	● 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	● Expanding and refining CSR scope ● Compliance and security in a remote environment	● Permeation of corporate philosophy ● Strengthening the corporate foundation by gaining trust from society	● Continuously update corporate governance ● Thoroughly implement corporate ethics and compliance	

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.

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 | Health, Security & Safety

with the goal of building a more sustainable society.



Nittobo Group as Global No. 1 Niche

Pinpoint response to needs

Extract the full potential of ideas to uncover latent demand

Development of products indispensable to society

Leverage our technological strengths to also take on the challenge of new fields

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

Update on the Medium-Term Management Plan (FY2024–2027)

Key Points of the New Medium-Term Management Plan

The 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.

Company-wide Quantitative Targets and Progress

In FY2025, with rapid growth in demand related to AI servers, operating profit reached a record high of JPY 20.8 billion due to strong growth in sales of Special Glass—particularly low-thermal expansion glass—and a weaker yen. As a result, we achieved our initial target of JPY 20.0 billion for FY2027, which is the final fiscal year target of the Medium-Term Management Plan, ahead of schedule.

Bearing in mind such changes to the business environment, we have accelerated investment in increased production of Special Glass, particularly low-thermal expansion glass. This has allowed us to upwardly revise our targets for net sales and operating profit for FY2027, although we must continue taking into account external factors such as geopolitical risks.

	Results for FY2024	Results for FY2025	Initial targets	➡	Revised targets
Net sales	JPY 109.0 billion	JPY 118.2 billion	JPY 135 billion	➡	JPY 155 billion
Operating profit	JPY 16.4 billion	JPY 20.8 billion	JPY 20 billion	➡	JPY 36 billion
EBITDA	JPY 24.4 billion	JPY 30.1 billion	JPY 32 billion	➡	JPY 51 billion
ROE	10.4%	27.5%	8% or higher (a level consistently exceeding cost of capital)	➡	8% or higher (a level consistently exceeding cost of capital)
Capital investment	JPY 13.6 billion	JPY 21.7 billion	Approx. JPY 80 billion (4-year total)	➡	Approx. JPY 120 billion (4-year total)
R&D expenses	JPY 3.0 billion	JPY 3.4 billion	Approx. JPY 15 billion (4-year total)	➡	Approx. JPY 16 billion (4-year total)
Net D/E ratio	0.19 times	-0.07 times	0.4 times or lower	➡	0.4 times or lower
Equity ratio	58.1%	61.3%	55% or higher	➡	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	Additional payments will be made 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.				

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

Sustainability Initiatives

Human Resources

To promote sustainable growth, we are promoting efforts to secure human resources and to create job satisfaction

FY2030 Targets

- **Secure human resources:** 20% increase globally by FY2027
- **Create job satisfaction:** Improve employee engagement

Regardless of gender, age, nationality, or other factors, we attract and acquire diverse human resources while implementing various initiatives to ensure these individuals have a sense of job satisfaction and are able to work wholeheartedly.

See page 42 ➡

Environment

Responsible manufacturing initiatives to help create a sustainable society

FY2030 Targets

- Reduce CO_2 emissions by 30% (compared to FY2013)
- Achieve net-zero waste glass
- Develop products that contribute to the environment

In response to the expected increase in emissions due to expanded production capacity, we are implementing measures to reduce CO_2, such as introducing a cogeneration system (CGS) and utilizing renewable energy. In Environmental Contribution Product Development, we are promoting initiatives such as creating new products using recycled glass.

See page 37 ➡

Corporate Governance

We are constantly updating our structure to enhance management transparency and further strengthen our organizational framework

FY2030 Targets

- Maximize corporate value and achieve sustainable growth
- Strengthen our corporate governance structure

To invigorate deliberations at board meetings, we provide external directors with timely and appropriate explanations and opportunities for the exchange of views, creating a forum for them to deepen their fundamental understanding of the background of proposals.

See page 54 ➡

Message from the Division General Manager of the Corporate Management Division

We will lay the groundwork for the future from an optimal company-wide perspective while leveraging the strengths of each business



Yasushi Okahisa
Representative Managing Executive Officer
Division General Manager of the Corporate Management Division

Continuing to Work on Targets and Issues from the Medium-Term Management Plan

We have achieved the numerical targets in the Medium-Term Management Plan (FY2024–2027) (hereinafter, "the Current Plan") in its second year by proactively taking advantage of market changes. Returns on investments set forth in the Current Plan are also going well. Conversely, progress is still ongoing with items besides electronic materials, for example, "promoting existing growth strategies" and "building new pillars of revenue for the next 100 years beyond 2030," the latter being a company-wide issue. We have upwardly revised profit targets for the final fiscal year of the Current Plan, but the Current Plan itself is unchanged and in its second half, we will continue steadily clearing the initial targets and issues.

To exemplify the present situation, you could say that we resemble a car on which just one of the wheels is moving faster than the others and is rapidly growing in size. Furthermore, the car itself is growing faster and expanding more significantly than expected. I think it is important that we unwaveringly tackle the issues that were first incorporated in the Current Plan while accurately perceiving today's rapidly changing business environment.

Creating the Next Pillars of Growth to Link with the Future and the Role of the Corporate Management Division

Many of Nittobo's businesses engage in long-term projects. Even after a product is launched, we will keep expanding our various improvements, ideas, and application developments, building over time our position as indispensable to our many customers. "Building new pillars of revenue" is also something that does not happen overnight, and I know that it is important to do so with resolve and determination. When we formulated the Current Plan, we reorganized the Company into five business divisions to create a system in which it will be easy to take on daring challenges that look five or ten years into the future. Depending on the business, significant investments may also be prioritized, but the chances of success are zero if we do not take risks. While endeavoring to maintain and strengthen the fundamental ability of the entire Company, the Corporate Management Division will provide support that makes it easier for each business to take on future challenges with a long-term perspective without limiting its ambitions. We will also accurately perceive the rapidly changing social conditions, leverage that insight in company-wide decision-making, and take on the role of properly exercising our centripetal force.

I would like us to further expand and enhance each wheel on the car we are driving, and to explore new areas while looking out on a wider world than ever before.

Going forward, I want Nittobo to be a company that generates fresh surprises and innovative value, and passes them on to society. We will strive to live up to your expectations.

Message from the Division General Manager of the Technology Development Division

We will tackle social issues with the power of processes and materials, evolving into a solutions partner



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

Uniting Our Technological and Frontline Capabilities to Maximize Our Speed to Market

Against the backdrop of an explosive rise in demand in the AI server and semiconductor markets, our Special Glass (NE/NER-glass and T-glass) business drove earnings, and we recorded a succession of new record highs in FY2025.

The true strength that enables Nittobo to maintain an overwhelming top market share lies in our ability to spin ultrafine thread that is dozens of times thinner than a single human hair, weave ultra-thin fabric with no fraying, and incorporate these processes in high-yield mass production. This is supported by our fine-tuning and integration know-how, which comes from tacit knowledge cultivated on site and is a significant barrier to entry that upholds our competitive advantage.

In April 2026, the Technology Development Division was restructured, with the main aim being to accelerate to top speed the process leading up to market launch. In order to reduce lead times from the research and development phase until actual production startup at our factories, we have reorganized the Advanced Materials Research Institute and the Production Technology Department to establish a seamless operational structure in which roles are clarified. This reorganization aims to transcend the accepted framework of a traditional glass fiber manufacturer so that the Technology Development Division evolves into a solutions partner that solves customer issues through our process technology and material development capabilities.

Technological Innovation Leading to Business Transformation and Generating New Social Value

Ambidextrous Development

Propagate the Strengths and Assets of Special Glass and Generate Powerful Synergies Around Two Growth Axes

By collaborating with Nittobo's five business divisions, the newly restructured Technology Development Division serves as a bridge toward new markets. As a way of deepening our knowledge, we are also promoting the enhancement and implementation of the technology foundation that will be the source of Nittobo's competitiveness for pioneering the future. This foundation includes our frontline fine-tuning and integration know-how, which is the Company's greatest advantage.

What's more, we will propagate the strengths and assets of our raw fiber (glass fiber)—which is led by Special Glass—throughout the Company, and strategically connect the exploration and integration of knowledge that transcends the barriers between business divisions and materials, thereby generating powerful synergies around two growth axes.

As the first axis, we will link with innovations in the manufacturing of raw fiber, promoting the development of products that contribute to the environment in cooperation with the Composite Materials Business Division. In the raw fiber field, we have now launched an inter-divisional task force for key facilities that is seeking to establish cost reductions and cost leadership. Addressing decarbonization is simultaneously a risk to corporate continuity and a great opportunity. We are implementing technical support for the post-consumer recycled (PCR) glass business in collaboration with the Composite Materials Business Division. By strategically investing in products that contribute to the environment while responding to global environmental regulations and market needs, we will strike a balance between generating social value and maximizing profitability. Moreover, we intend to promote energy conservation and reduced CO_2 emissions in the Company's manufacturing processes, and in the near future, to communicate to the world the ESG story of how Nittobo's cutting-edge materials are contributing to the global environment.

As the second axis, we will use open innovation as a focal point to generate next-generation material development synergies with the Materials Solution Business Division. We are using the Co-Creation Research Laboratory established at Tohoku University as a hub for collaboration between industry and academia, promoting sophisticated technical guidance and analytical systems, as well as the development of highly skilled engineering personnel. With this platform as a foundation, we are dramatically accelerating the development of innovative alternative materials to address stricter environmental regulations, for example, in chemical fields such as CO_2 adsorption and desorption and organic secondary batteries. We will create a new growth pillar with the Materials Solution Business Division through a fusion of the knowledge and external resources of the Advanced Materials Research Institute.

Open Innovation

Switching Away from Self-Sufficiency Through External Collaborations and Rapidly Responding to Market Demands

Nittobo is switching away from the self-sufficient, integrated production system that until now has been one of its strengths, and we have decided to outsource our weaving processes to Nan Ya Plastics Corporation in Taiwan. The aim of this decision is to externally collaborate in the necessary domains and create an asset-light business model in which management resources are focused on our strengths, namely melting Special Glass, which presents the most significant technical difficulties and is a source of the Company's profits, and the spinning of ultrafine yarn and surface treatment of glass fiber cloth (fiber spreading processing technologies). By appropriately utilizing our external partners, we will rapidly respond to market demand while restricting excessive capital investment and achieve high-ROIC management.

In the Intellectual Property Department, as well as acquiring patents for new technologies, we will use a robust patent network to secure processes that combine other companies' materials with Nittobo's technologies. We will also rigorously identify know-how that we deliberately keep confidential rather than patent, thereby preserving our competitive advantage.

Digital Innovation

Aiming to Turn the Frontline Capabilities that Are the Source of Our Strengths into Explicit Knowledge and Digital Assets

The sources of Nittobo's strength in manufacturing sites are our daily equipment adjustments and improvement activities, and we often rely on the experience and intuition of senior employees. Our first goal with DX is to turn these frontline capabilities into explicit knowledge and digital assets using digital technologies such as IoT sensors, AI image analysis, and VR.

We are also leveraging the in-house engineering capabilities of the Production Technology Department to build a platform that uses AI to analyze manufacturing equipment data and on-site records and predict malfunctions in advance. Thanks to this, we are promoting the prevention and control of operational stoppages and equipment problems. What's more, we have introduced materials informatics (MI)*, which not only dramatically reduces lead times in material development but also stores the knowledge of skilled employees as digital assets. This will result in improved competitiveness across the Company.



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

To Be an Innovator that Provides Solutions with the Power of Processes + Materials

The bold transformation that Nittobo will promote going forward, of creating a fusion between an asset-light business model and different materials and industries, cannot be accomplished by specific departments acting alone. It is important that every employee, from those working at manufacturing sites to those in corporate divisions, proactively updates their role for the next generation.

Matters that the Company sees as challenges in research, development, and product manufacturing—for example, speeds in information and telecommunications infrastructure, heat management, and decarbonization—are the same challenges faced by society. As such, we will develop human resources with the pride and ambition of innovators to transcend the borders between divisions and solve these bottlenecks with a combination of processes and materials, so that all our employees can join together in building the next 100 years for Nittobo.



TOPICS

Co-Creation Through Open Innovation

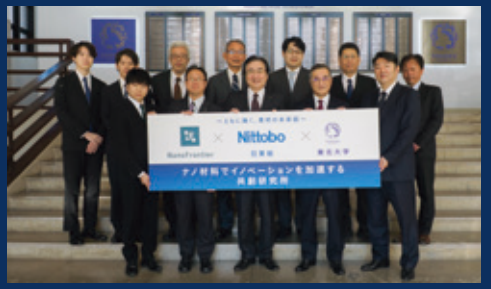
Capital Investment in Tohoku University's Startup NanoFrontier Inc.

Nittobo decided to subscribe for shares issued through a third-party allotment by NanoFrontier Inc. (Sendai, Miyagi Prefecture; Seiya Inoue, CEO), a startup originating from Tohoku University, and made a capital investment in October 2025. Nittobo and Kouki Oka, Associate Professor of the Institute of Multidisciplinary Research for Advanced Materials, Tohoku University and co-founder and CTO of NanoFrontier, have been conducting joint research for some time. After confirming the technological and business affinity between the two companies and the alignment of their philosophies, including their commitment to contributing to sustainability, Nittobo decided to make a capital investment. NanoFrontier possesses outstanding technology for functional organic nanoparticles, and is poised for extensive business expansion centered around the real-time detection of harmful substances such as specific PFAS. Nittobo will leverage its unique insights, experience, and abundant resources to provide multifaceted support for NanoFrontier's business growth, while at the same time endeavoring to create new value through this collaboration.

NanoFrontier + Nittobo + Tohoku University: Establishment of the Co-Creation Research Laboratory for Accelerating Innovation with Nanomaterials

Nittobo has established the Co-Creation Research Laboratory for Accelerating Innovation with Nanomaterials in collaboration with Tohoku University and the university's startup NanoFrontier. This laboratory serves as a permanent co-creation hub that integrates novel nanomaterial fabrication processes, material design, business promotion—including product and application development—and talent development. By leveraging the cross-appointment system*, Nittobo will have its personnel participate as specially appointed professors and in other roles in this cross-departmental, permanent co-creation platform, a structure that will drive rapid research and development while fostering open innovation and developing the next generation of R&D talent.

* A collaborative employment system that involves multiple institutions such as universities and corporations, defines roles and time allocation, and facilitates the fluid exchange of talent and knowledge. At the Co-Creation Research Laboratory, this system is utilized to appoint personnel from corporate backgrounds as specially appointed faculty members.





Significantly Improving Poly(ionic Liquid) CO_2 Adsorption in Joint Research with Tohoku University

–Innovation for future high-performance CO_2 capture and separation technologies–

A joint research team from Nittobo and Associate Professor Kouki Oka and colleagues at the Institute of Multidisciplinary Research for Advanced Materials, Tohoku University, has revealed that poly(ionic liquid)s (PILs)[1], in which the counter anions[2] of poly(diallyldimethylammonium chloride) (polyDADMAC) have been exchanged, exhibit high CO_2 adsorption capacity. This research is expected to make a significant contribution to the future development of high-performance CO_2 capture devices and gas separation membranes.

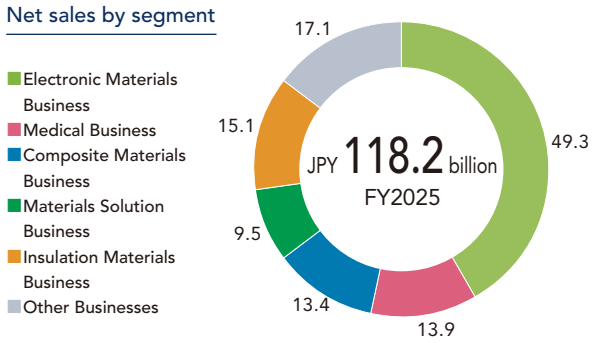
PILs are materials that combine a high affinity for CO_2 with their stability as solid materials, although conventional anion exchange methods struggle to remove inorganic salts, which are impurities and by-products of the manufacturing process, and hinder accurate evaluation of the PILs' true performance. The joint research team succeeded in completely removing inorganic salts by finely purifying the PILs, which efficiently adsorb CO_2, and discovered that increasing counter anions in size significantly improves CO_2 adsorption capacity. Notably, the material using the largest anions achieved an adsorption capacity seven times that of the raw material. On March 9, 2026, the research results were published online in the journal Reaction Chemistry & Engineering.

1. Poly(ionic liquid)s (PILs): Materials created by polymerizing the constituent units of ionic liquids. These are non-volatile and have high chemical stability. 2. Anion (negative ion): An atom or group of atoms carrying a negative electrical charge.

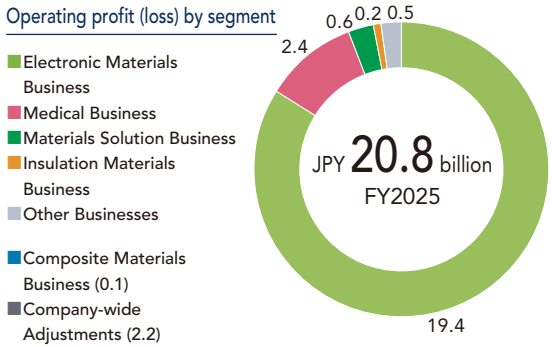
Business Overview

Net Sales and Operating Profit (Loss)

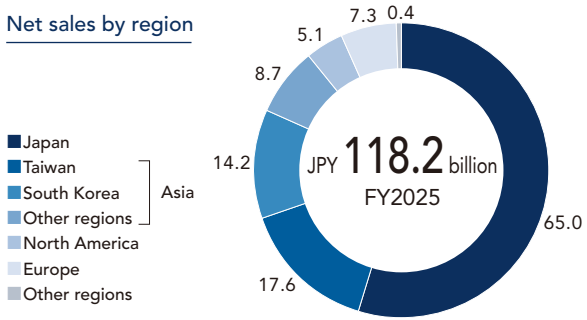
Net sales by segment



Operating profit (loss) by segment

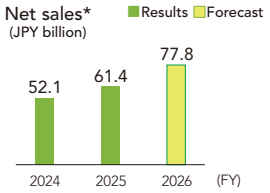


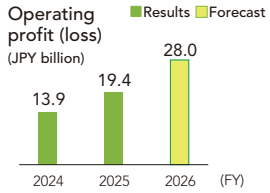
Net sales by region



Electronic Materials Business

Develops, manufactures, and sells glass fiber yarn and glass fiber cloth for electronic material applications



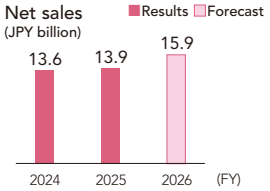


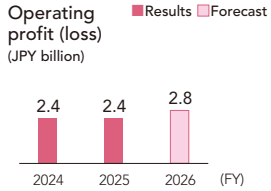
Overview of FY2025

The continued robust demand for AI servers, strong ongoing sales of Special Glass, and other factors contributed to profits.

Medical Business

A medical business centered on in vitro diagnostic reagents



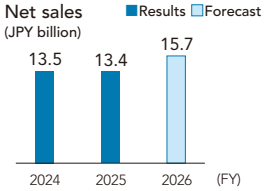


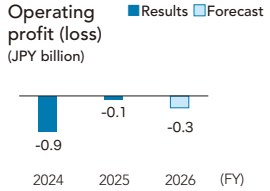
Overview of FY2025

Sales of products such as in vitro diagnostic reagents, including immunology-related products and bone metabolism markers remained strong and contributed to profits.

Composite Materials Business

Develops, manufactures, and sells composite materials, mainly glass fiber for plastic reinforcement material applications



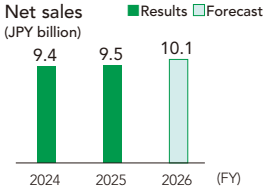


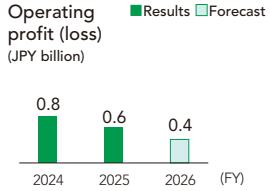
Overview of FY2025

Sales were similar to the previous year. In FY2025, operating losses narrowed due to factors such as the absence of cost increases associated with regular maintenance.

Materials Solution Business

Glass fiber for industrial materials business, chemical business, and textile business



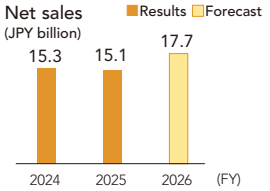


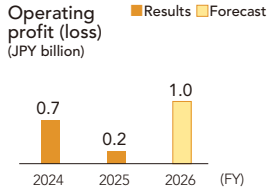
Overview of FY2025

Partly due to price increases, sales exceeded the previous year, but were adversely affected by factors such as rising costs, particularly for raw materials.

Insulation Materials Business

Develops, manufactures, and sells glass short fibers for use in equipment materials, mainly insulation





Overview of FY2025

Sales for housing remained sluggish, and sales overall were affected by cost increases associated with the regular maintenance of production facilities.

* For the Electronic Materials Business only, internal net sales are included. For other businesses, internal net sales are not included.
Note: Forecast figures are accurate as of August 5, 2026.

Electronic Materials Business

VISION

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

Issues and Initiatives

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

In the Electronic Materials Business Division, we manufacture and sell glass fiber yarn as well as glass fiber cloth for the electronic materials field, and have been expanding our business centering on Special Glass, which has been developed through our proprietary technologies.
Our Special Glass is used 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. In order to meet strong demand for Special Glass, we are working to improve productivity and making capital investments to increase production capacity.

Strengths	• Manufacturing technology that enables stable production of Special Glass • Product supply capacity from ongoing capital investment • Unique product development based on our development roadmap
Risks	• Large fluctuations in demand due to the impact of the semiconductor cycle • Possibility of replacement by alternate materials as the result of technological innovation
Opportunities	• 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



Akimasa Kajita
Managing Executive Officer; Division General Manager of the Electronic Materials Business Division

Endeavoring to Evolve Special Glass with Our Supply and Development Capabilities

During FY2025, which marked the halfway point in the Medium-Term Management Plan, we reliably captured higher demand caused by the widespread adoption of generative AI, and made a big contribution to improving the Company's performance by expanding sales of Special Glass (NE-glass, T-glass, and NER-glass), which is one of Nittobo's strengths.

Looking to the second half of the plan, we will establish a supply system that will allow us to respond to even greater market expectations by increasing production capacity for glass fiber yarn and glass fiber cloth. This will be achieved through capital investments in approved projects, such as additional melting furnaces and new factory buildings, and by steadily advancing our collaboration with Nan Ya Plastics Corporation.

When it comes to making more efficient use of existing facilities, I believe there is still a lot of room for improvement, so we will continue to investigate the optimal production systems and work on further increases in productivity. Even in the context of a tougher business environment in which our competitors attempt to catch up with us and technologies are becoming increasingly commoditized, we intend to accelerate our efforts to develop and launch our next-generation Special Glass products, NEZ and Vlex, so that we can continue to stay ahead.

With Nittobo's characteristically resolute manufacturing, we will be undaunted in our quest for sustainable growth and higher medium- to long-term corporate value.

Electronic Materials Business

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 glass compositions, 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.



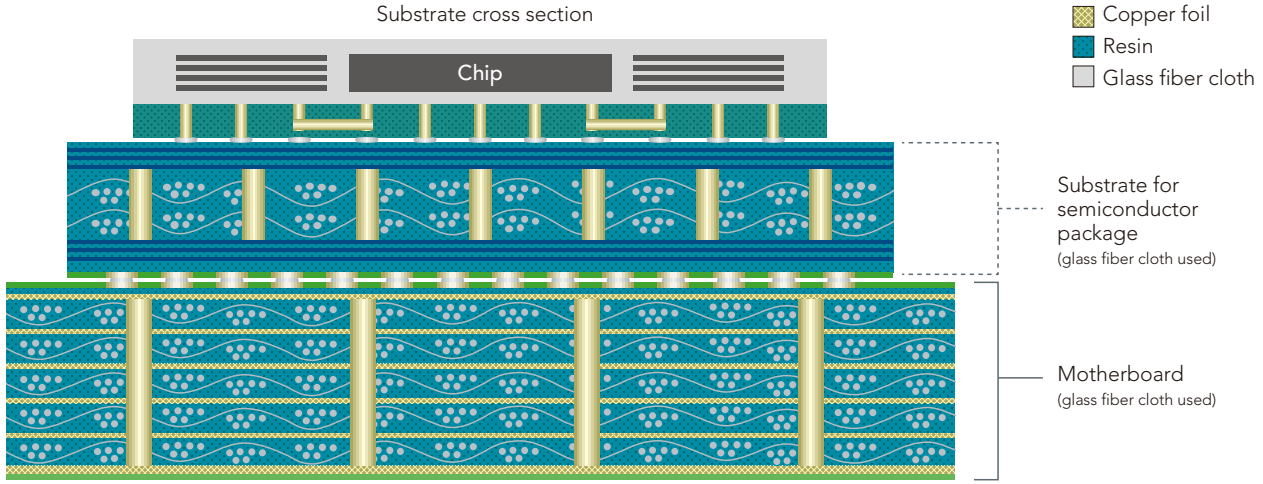
Supply Chain

Nittobo Group

Glass fiber yarn → Glass fiber cloth / Glass fiber cloth manufacturers → Copper-clad laminate (CCL) manufacturers → Printed circuit board (PCB) manufacturers → Semiconductor manufacturers → Electronic devices

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 fields 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. Our in vitro diagnostic reagents are mainly used to diagnose illnesses and check health status. 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 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	• 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	• Unforeseen quality issues may hinder our ability to maintain stable quality • Impact of global economic trends, trade and tariff policies, and geopolitical factors
Opportunities	• Increased demand from overseas markets for in vitro diagnostic reagents • Trust built with business partners creates opportunities for solution proposals



Masao Fukushima
Senior Executive Officer;
Division General Manager of the Medical Business Division; President and Representative Director of NITTOBO MEDICAL CO., LTD.

Developing Future Pillars Through Proactive Business Expansion

In FY2025, we were confronted with global changes in the business environment that included a rapidly changing Chinese market, but we also managed to identify new demand, for example, in the growing bone metabolism-related market. While launching businesses in collaboration with new global partners and exploring new businesses that utilize next-generation technologies, we gained a definite sense of what the future holds. At the same time, issues that require an appropriate response, such as the maturing domestic market and successive reorganizations in the diagnostic reagent manufacturing industry, became clear.

Taking these matters into account, we will promote our basic strategy even more forcefully and forge ahead with a proactive attitude to achieve our targets for the second half of the Medium-Term Management Plan. We will pursue sales opportunities by expanding sales with a focus on high-value-added products and immunological reagents, raise our top line, and work on strengthening our business position by improving productivity. We will also speed up the steady launch of new products and the building of a foundation for new businesses that will be pillars in the future. While taking it upon ourselves to lead a dramatically changing market, we will join together as an organization and keep taking on challenges to ensure that we achieve the targets in the Current Plan, with the aim of achieving sustainable growth and making even greater strides.

Medical Business

Main Products

In vitro diagnostic reagents

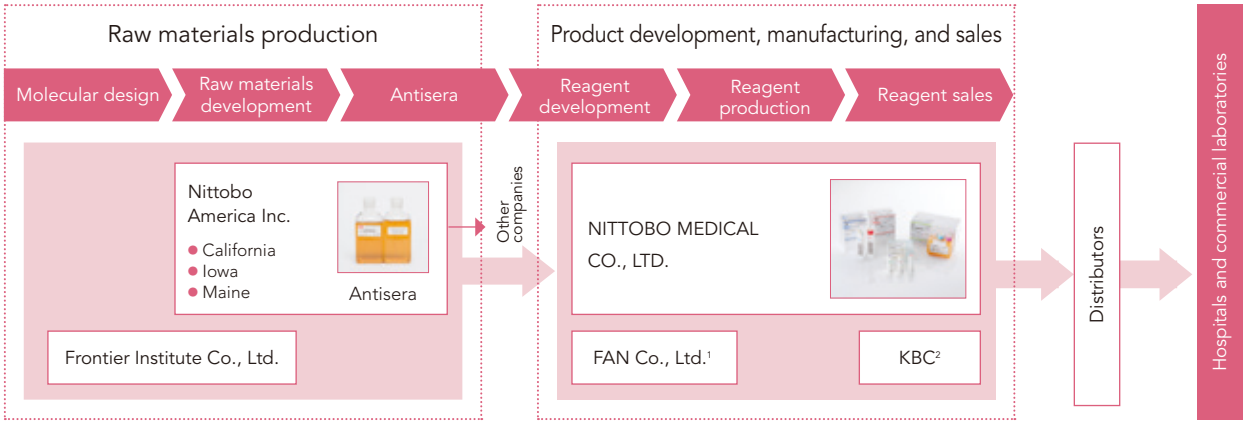
These are mainly used for diagnosing illnesses and checking health status. Establishing an integrated production system from raw materials to completed product has enabled us to offer a stable supply of high-quality in vitro diagnostic reagents.



Product Lineup (Excerpt)

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
Rheumatism	MMP-3/RF
Streptococcal infection	ASO
Iron metabolism	Ferritin/Iron/UIBC
Osteoporosis	TRACP-5b
IgG4-related disease	IgG4

Global Value Chain



1. Joint venture with Fujikura Kasei Co., Ltd. 2. Kamiya Biomedical Company, LLC

Topics

Sales of the Serum IgG4 Measuring Reagent Begin in Taiwan

N-Assay LA IgG4 Nittobo has gone on sale in Taiwan after being approved by the Taiwan Food and Drug Administration. In Taiwan, where Japan's comprehensive IgG4-related disease diagnostic criteria are becoming more established, it is now possible to conduct tests using automated analyzers, and this reagent is contributing to quicker decision-making regarding treatment. We are steadily acquiring customers thanks to cooperation from local distributors and will promote further customer development from now on.

Domestic Sales Begin for Oxidized Albumin Certified Testing Reagent

Nittobo's oxidized albumin measuring reagent, which reflects oxidative stress in the body, was launched in Japan in November 2025 after being confirmed as a certified testing reagent by an accredited certification body. This reagent dispenses with the need for special high-precision devices and enables measurement with automated analyzers. Going forward, we will test its relevance to diseases, with the aim of being granted approval for its manufacture and sale as an in vitro diagnostic reagent.

Approval Granted for the Manufacture and Sale of Bone Resorption Marker Measuring Reagent for Use with the STACIA® Fully Automated Clinical Testing System

In February 2026, Nittobo was granted approval for the manufacture and sale of our bone resorption marker TRACP-5b measuring reagent STACIA CLEIA TRACP-5b Nittobo. In addition to the widely used ELISA method, this reagent enables automated measurement, making it more convenient to assist in the diagnosis of metabolic bone disease and to monitor treatment progress.

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	• Ability to meet customers' needs with an extensive lineup of products based on our proprietary glass-composition technologies
Risks	• 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	• Rise in demand for use of recycled raw materials and environmentally friendly products, driven by increasing environmental awareness



Masaki Ito
Executive Officer;
Division General Manager of the Composite Materials Business Division, General Manager of the Administration and Planning Department of the Composite Materials Business Division

Generating Results as a Sustainable Business

Although we did not see any significant changes during FY2025 in our business, whose primary markets include electrical appliances, electronic devices, and automotive components, there has been a greater need for stable supply in recent years due to the uncertain global situation. Providing such stable supplies is one of Nittobo's strengths, and in this context, we have sought to actively expand our market share.

Under these circumstances, we have responded to the expenses associated with rising personnel costs and commodity prices with price revisions facilitated by sincerely explaining our operational activities, and with improvements to productivity, for example, maximizing the production yield through robust collaboration between our two domestic factories. This has allowed us to increase both our product and organizational competitiveness.

Future challenges include expanding sales of products such as our high-performance FlatFiber™ (FF) and hastening the development of next-generation recycled material products. Products that utilize waste materials from solar panels have attracted a particularly strong response. Nittobo is leading their development and will accurately capture market trends while assessing how to maximize the utilization of industrial facilities. We intend to become more closely involved with our customers and pick up on their needs, so that they gain a deeper understanding of the value of the Company's products. In line with this, we will raise the safety, security, and soundness of our manufacturing sites, where employees can feel the joy of creating products, to another level, uniting as an organization to achieve our profit targets.

Composite Materials Business

Main Products

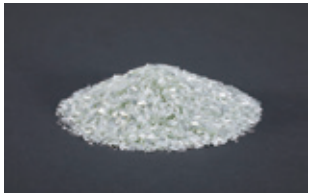
Roving

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.



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.



Developing Recycled Glass Fiber

We are working to develop environmentally friendly recycled glass fiber by utilizing glass raw materials that used to be treated as waste products.
We have succeeded in prototyping recycled glass fiber and recycled modified cross section glass fiber (FlatFiber™) for plastic reinforcement, using cover glass from used solar panels. Moving forward, we will begin sample testing and explore potential applications.



Cover glass from used solar panels → Melting and fiberization → Recycled glass fiber

FlatFiber™

Modified Cross Section Chopped Strands:

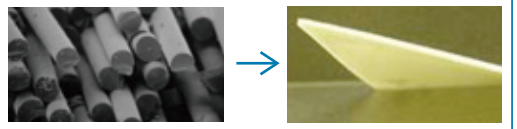
FlatFiber™

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

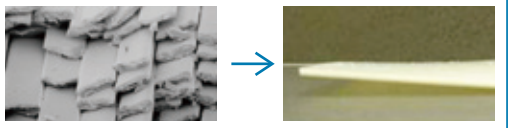
Characteristics of FlatFiber™

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

Warp Level Comparison for Composite Panels Made with FlatFiber™



Round cross section (regular) → Round cross section fiber in use



Oval cross section (FF) → Oval cross section fiber (FF) in use

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 business.
In the glass fiber for industrial materials business, we provide products in a wide range of fields that take advantage of glass fiber's heat resistance, fire resistance, and light weight, for example, 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 nano-composite 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	• Membranes with high strength and excellent weather resistance • World-leading wide-width 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	• 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	• 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



Shotaro Yasuda
Executive Officer;
Division General Manager of the Materials Solution Business Division, General Manager of the Product Planning and Development Department

Surmounting Change and Bringing Challenges to the Next Stage of Growth

The Materials Solution Business Division has set forth three key points in the Medium-Term Management Plan.
① Increase the ratio of new products
② Expand business domains
③ Enter new growth markets
Right now, as we reflect on our progress at the halfway point of the Medium-Term Management Plan, things have not necessarily gone as we had envisaged. One of the main reasons is the fact that we have been obliged to spend time protecting our existing business because of issues such as rising raw material prices due to military conflicts, changes to suppliers, and changes in government policies in various countries. However, in a changing business environment, by actively participating in trade shows centered around products we have developed, in 2025, we took on the challenge of exhibiting overseas, which was one of our targets in the Medium-Term Management Plan. As a result, we not only managed to develop a new customer base but also integrated the core technologies of each unit and promoted growth for our team members.

Along with the growth of our members, we will make even greater strides in our business with the aim of achieving our targets during the remainder of the plan.

Materials Solution Business

Main Products

Glass fiber for industrial materials

By taking advantage of their excellent heat resistance, fire resistance, and mechanical properties, these products are put to a wide variety of uses, for example, as architectural membranes for stadiums, for coating film waterproofing, in roller blinds, and as automotive vibration-damping materials.



Architectural membranes



Coating film waterproofing



Roller blinds



Vibration-damping materials

Chemicals

The Group engages in the development and sale of proprietary functional polymers. 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

We provide products suited to customer needs, including the adhesive interlinings of garments such as jackets to help retain and adjust their shape, Nittobo Dishcloth™, and functional materials that use dot processing technology to provide deodorizing and other features.





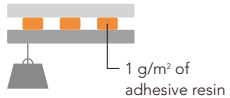
Textiles Examples of Adhesive Technology Applications (Dot Processing Technology)

Adhesion between different materials



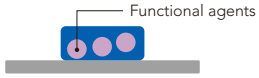
Adhesion (for a wide variety of materials) that firmly bonds different materials together

Dot coating



Small amounts of resin evenly placed to achieve high adhesive strength

Functional dots



A functional agent is applied using dot coating.
Various functions can be incorporated to a sophisticated degree (deodorizing, anti-mold, antiviral, etc.)

Proprietary adhesive technologies Textiles

+

Collaboration across glass fiber and chemical businesses

Market development and technology refinement to enter the fields of lifestyle product materials and industrial materials



Example of functional dot technology (D-ALIGN™)

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 the decline in the number of glass bottles recovered

The Insulation Materials Business Division is responsible for the entire process from research and development to the manufacture and sales of glass wool. This business is conducted by Nittobo Group company Paramount Glass Manufacturing Co., Ltd. Glass wool, in addition to its high heat insulation properties, possesses various functions such as nonflammable and sound-absorbent qualities. It is used for a wide range of purposes, such as houses, buildings, and industrial applications, as well as in vessels and vehicles. Against the backdrop of stricter energy conservation standards and social demands for carbon neutrality, there is a growing need for improved thermal insulation properties and reduced environmental impact.

Strengths	• Ability to harness proprietary technologies to develop high-performance insulation materials and help realize energy-efficient housing
Risks	• Decline in residential new-build numbers • Threat to business performance due to rising raw material, fuel, and distribution costs
Opportunities	• Increasing demand for environmentally friendly high-end products, boosted by growing needs for energy-saving solutions



Yuichi Ameda
Executive Officer;
Division General Manager of the Insulation Materials Business Division;
President and Representative Director of Paramount Glass Manufacturing Co., Ltd.

Capitalizing on a Market Turning Point and Accelerating Growth Through a Stronger Business Foundation

In FY2025, the market for insulation materials reached a major turning point with the full-scale enforcement of mandatory compliance with energy efficiency standards. Insulation specifications are being enhanced by housing manufacturers and building firms in order to improve energy efficiency, and there is an increasing need for differentiation focused on insulation performance.

Nittobo views such changes in market conditions as opportunities for growth. It has made large-scale capital investment in the Suzuka Factory, which is a production site for western Japan, and promoted stable supplies and a stronger mass-production system for high-performance insulation products. Against the backdrop of the Japanese government's energy efficiency policies and initiatives to achieve a decarbonized society, as well as the roadmap for improving the energy efficiency of residential buildings, steady growth is expected in the insulation market.

At a time when the market is transitioning toward higher-performance products, responding to the increase in product types that accompanies the diversification of demand grades is becoming a key issue. Going forward, we will pursue the optimization of our product lineup while accurately ascertaining market needs, combine improved productivity with a strengthened supply system, and aim to achieve sustainable growth and greater corporate value.

Insulation Materials Business

Main Products

Glass wool insulation and sound-absorbing materials for housing

Glass wool is a fiber-based insulation material made mainly from recycled glass, offering high thermal insulation, sound absorption, and nonflammable properties. It is also superior in terms of cost-effectiveness and workability, and is used in a wide range of areas such as walls, ceilings, and floors in residential buildings. With the growing popularity of highly insulated homes and energy conservation, it is widely adopted in the housing industry as an insulation material that offers both environmental performance and cost performance.



TAIYO SUNR



HOUSERON ZERO



Housing

Architectural and industrial glass wool insulation and sound-absorbing materials

Glass wool is widely used not only in residential applications but also in buildings such as office buildings and factories, as well as in various industries. Utilizing its excellent thermal insulation, sound absorption, and nonflammable properties, it contributes to improving thermal environments and noise control. GC BOARD and CLEAR BOARD are interior finishing materials made by wrapping glass wool in glass fiber cloth. They are often used in spaces that require comfort and functionality—for example, in machine rooms, where thermal insulation and sound absorption are essential.



GC BOARD



CLEAR BOARD

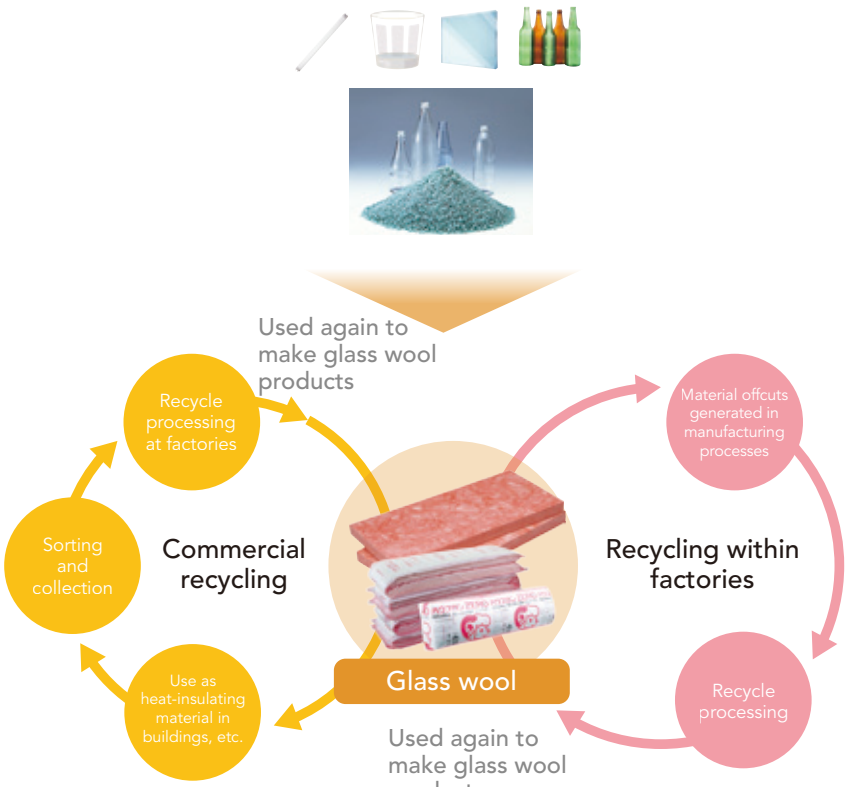


Movie theaters

Sports research facilities

Glass wool contributing to a recycling-oriented society

In glass wool manufacturing, we use recycled glass as the main raw material. We also recycle waste materials from the manufacturing process and used products to create new ones, thereby ensuring the effective use of resources. Glass wool is an environmentally friendly product that is recognized under Japan's green purchasing legislation.



FOCUS

Special Glass Keeps Growing Alongside the Development of AI Supporting a Digital Society

In a society where advanced information and telecoms infrastructure is in the process of being established, the Nittobo Group supports technological innovation in high-speed communications and semiconductors by providing two types of Special Glass developed with its proprietary technologies. The first is T-glass (high-modulus, low-thermal expansion glass), which is essential for high-density package substrates, and the second is NE-glass and NER-glass (glass with low dielectric constants and low dielectric dissipation factors), which support high-speed transmission printed wiring boards such as 5G and high-speed processing package substrates. Against the backdrop of recent dramatic expansion in AI-related markets, our proprietary products have acquired trust and recognition in the marketplace, as demand for Special Glass continues to increase.

Expanding Our Business Alongside Advances in AI Semiconductors and High-Speed Communications

T-glass is an essential material for the AI semiconductor package substrates that support the information and communications society. These AI semiconductors include CPUs[1], GPUs[2], and ASICs. As semiconductor package substrates become larger and challenges such as thermal expansion and warping begin to emerge, the characteristics required of Nittobo's T-glass as an effective solution to these challenges are becoming increasingly demanding. As such, the Company is pursuing even higher performance T-glass and focusing on the development of next-generation products in order to establish a solid technological superiority.

NE-glass was developed in the 1990s and has since led the industry as the de facto standard product for low-dielectric glass. Low-dielectric materials have continued to evolve with the development of high-speed communications network devices and an expanding market, and have now advanced from first-generation NE-glass to the higher performance second-generation NER-glass, with the markets for glass with low dielectric constants and low dielectric dissipation factors expanding significantly. In the Ethernet standards that are used as indicators, NER-glass has excellent performance, compatible with speeds of 800 GbE/112 Gbps to 1.6 TbE/224 Gbps, and demand is expected to remain strong until around 2030.

1. Central Processing Unit 2. Graphics Processing Unit

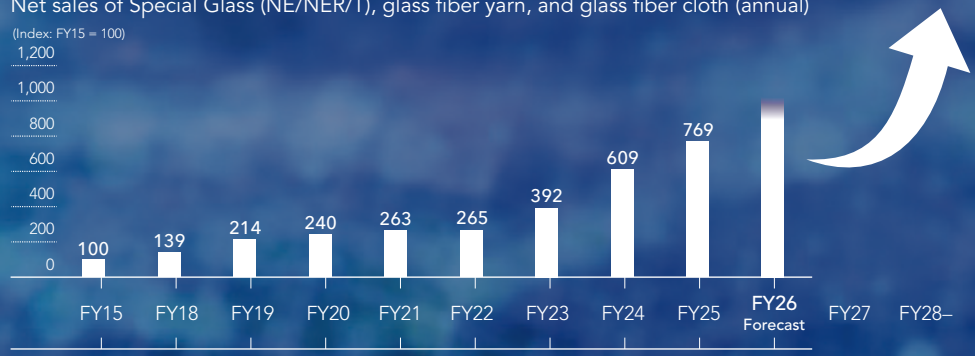
High-Value-Added Strategy: Increasing Production Capacity for Special Glass

Sales of Special Glass have increased around ten-fold in the past ten years. In anticipation of further growth in demand, we are pursuing a stronger global production system at sites in Japan and Taiwan.

Nittobo is also actively promoting increased production capacity to meet strong demand. At our site in Taiwan, operations as a production site for Special Glass began in 2021, and following NE-glass, the melting furnace for T-glass is also being expanded. At our production sites in Japan, we are reducing the production of glass for commodity use in phases and concentrating production resources on high-value-added Special Glass, including next-generation products. Investment in cutting-edge data centers and demand for Special Glass are both expected to keep growing in the future. At our sites in Japan and Taiwan, the Company will increase production capacity for glass fiber yarn and glass fiber cloth across all processes, and establish an even more robust growth foundation.

Progress in Net Sales of Special Glass and Increased Production Capacity

Net sales of Special Glass (NE/NER/T), glass fiber yarn, and glass fiber cloth (annual)



Yarn

Domestic



E (commodity use/ultrafine)

NE — Started mass production of NER — NEZ

T — Vlex

Fukushima Enterprise Center
Fukuyama Enterprise Center (Fukushima City, Koriyama City)

Taiwan



E (commodity use/ultrafine)

NE

FY2024: Expanded melting furnace

T

FY2026: Established new melting furnace

NITTOBO ASIA Glass Fiber Co., Ltd. (Chiayi)

Cloth (Weaving processes, treatment processes)

Domestic



E (ultra-thin)

NE (ultra-thin)/ NER/ T

T

Fukushima Enterprise Center (Fukushima City)

FY2027: Mass production to start at new processing plant

Taiwan



E (commodity use)

NE

FY2023: Started mass production

T

FY2027: Mass production to start

Baotek Industrial Materials Ltd. (Taoyuan)

2019: Converted into a consolidated subsidiary

Collaboration with Nan Ya Plastics Corporation (Weaving process)

The Growing Utility of Special Glass (Use Cases)

We are generating many more use cases of Special Glass for high-speed transmission printed wiring boards and semiconductor package substrates.

In the area of high-speed transmission printed wiring boards, as demand surges for network switches and AI servers amid increasing data communication volumes and the expanding AI market, there is growing adoption of glass that has low dielectric constants and low dielectric dissipation factors to minimize electrical loss during signal transmission.

In the field of semiconductor package substrates, which are broadly classified into logic and memory sectors, Special Glass has become a material that meets cutting-edge performance requirements. In the logic sector, our glass is widely deployed across cutting-edge semiconductors such as CPUs, GPUs, and ASICs, which are becoming increasingly high-performance in AI servers, data centers, and computers, and glass fiber cloth with high-modulus, low-thermal expansion properties that prevent substrate warping associated with increasing chip size is becoming an essential material. In the memory sector, we are deploying our high-modulus, low-thermal expansion glass for high-performance DRAMs* fitted alongside CPUs and GPUs and NAND flash memory, which is becoming increasingly multilayered. As such, Nittobo is expanding its role in helping to improve semiconductor performance. Extending beyond the logic and memory sectors, we continue to expand into a wide range of applications, including RF (radio frequency) and photonics, with Special Glass established as one of the most critical materials supporting the recent trend toward AI and high-speed communications.

* DRAM: Dynamic Random Access Memory. A type of semiconductor memory that temporarily stores data and enables high-speed reading and writing.



	Application	Equipment/ Part	Substrate type		Required performance	Glass fiber type	
						High-end	Mid-range
Telecoms/Infrastructure	• Mobile phone base stations • Data center switches, routers, and servers • AI servers	Processors Controllers	Semiconductor package substrates	CPUs/GPUs/ASICs	Low CTE	T	E
				LPUs/DPUs	Low CTE	T	
				NAND memory	Low CTE	Thin T	E
				DDR5 memory	Low CTE	Thin T	
				LPDDR5 memory	Low CTE	Thin T	
				DDR memory	Low dielectric dissipation factor	NE/NER	E
				LPDDR5X/LPDDR6/ GDDR7	Low dielectric dissipation factor	NE/NER	
		Motherboards	Servers (AI, General)		Low dielectric dissipation factor	NE/NER	E
			Switches (Core, AI)		Low dielectric dissipation factor	NE/NER/NEZ	E
		Accelerators	Expansion cards (LPU/DPU/NIC)		Low dielectric dissipation factor	NE/NER	E
Edge devices	• Smartphones, tablets, and ultraportable laptops • Edge AI devices	Processors	Semiconductor package substrates	APs/CPUs/NPUs	Low CTE	Ultra-thin T, T	Ultra-thin E
		Non-volatile memory		NAND memory	Low CTE	Ultra-thin T	Super ultra-thin E
		Volatile memory		DDR memory	Low CTE	Ultra-thin T (smartphones)	
				DDR memory	Low dielectric dissipation factor	NE (PCs)	
		Motherboards	Motherboard substrates		Low dielectric dissipation factor	NE	Ultra-thin E
		Wireless telecoms market	RF package substrates		Low dielectric dissipation factor	Ultra-thin NE	Ultra-thin E
	• Desktops, laptop PCs, and AI PCs	CPUs/Memory	Semiconductor package substrates	CPUs/GPUs/NPUs	Low CTE	T	E
		Motherboards		DDR memory	Low dielectric dissipation factor	NE (PCs)	E
	• AR/VR and drones	Advanced SoCs	Semiconductor package substrates		Low CTE	Thin T	Super ultra-thin E
Automobiles	• Electric vehicles and ADAS	Advanced SoCs	Semiconductor package substrates		Low CTE	Thin T	E
		Millimeter wave radar	Module boards		Low dielectric dissipation factor	Ultra-thin NE	E

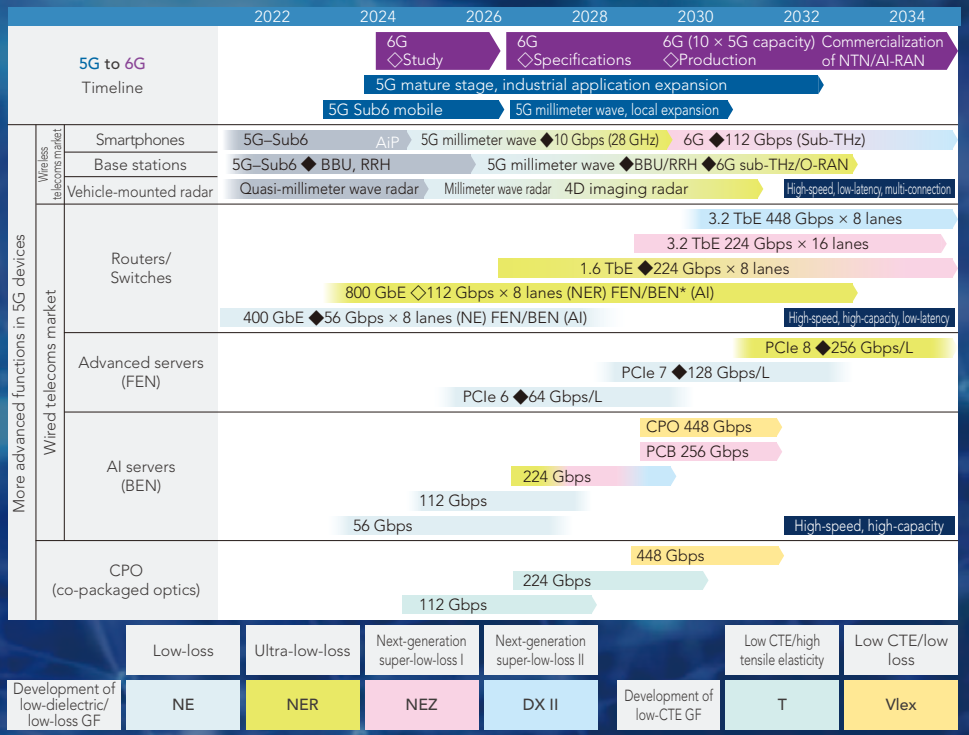
Low CTE: Low Coefficient of Thermal Expansion

Supporting Next-Generation Communications and Semiconductor Technologies from the Ground Up

As advanced information and telecoms infrastructure such as 5G and 6G develops, the Nittobo Group has provided the Special Glass used in printed wiring boards that support technological innovation in high-speed, high-capacity communications and advanced semiconductors, thereby contributing to the development of society. In order to quickly react to the speed of advanced technologies that are evolving so rapidly, the Company is further accelerating research and development and technological innovation to anticipate ever-changing markets.

Going forward, we will leverage our technology for developing glass compositions with diverse properties, along with our strengths as an integrated manufacturer in both spinning and weaving that handles glass fiber yarn and glass fiber cloth, aiming for the timely supply of next-generation products that respond to advanced market needs and sustainable enhancement of our corporate value.

Responding to 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

* FEN: Front-end network, BEN: Back-end network

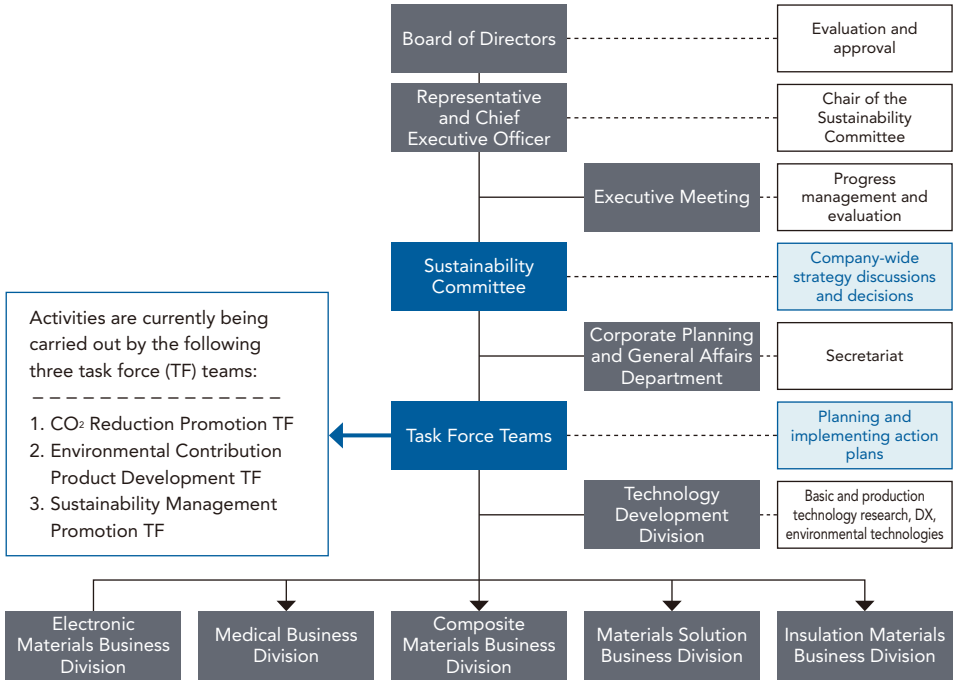
(As of September 2026)

Nittobo's Sustainability Management

The Nittobo 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 regularly, and important matters discussed and decided are reported to the Board of Directors, where they are actively discussed.



Sustainability Committee Agenda for FY2025

17th Meeting	18th Meeting	19th Meeting
● Report on CO_2 emission reduction status ● Progress report on FY2025 targets for the development of products that contribute to the environment ● Report on sustainable procurement survey results	● Confirmation of carbon neutrality roadmap ● Discussions on human capital and workplace accidents ● Lectures on natural capital and biodiversity by outside speakers	● Consideration of specific measures to reduce CO_2 emissions for 2050 ● Status report of development of products using post-consumer recycled glass ● Analysis of ESG evaluations and consideration of countermeasures

Discussions, Decisions and Progress from the 1st through 16th Sustainability Committee Meetings

- We revised our CO_2 emission reduction targets for FY2030, identified issues at our glass fiber production sites, and are promoting activities such as considering new initiatives to reduce CO_2 emissions in the production of glass fiber, which accounts for the majority of our CO_2 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.
- We are preparing to calculate our carbon footprint and disclose it to the market and our customers. Internally, we are factoring in an internal carbon price (ICP) of JPY 10,000 per ton of CO_2 emitted when making capital investments and are accelerating measures to reduce CO_2 emissions.

Nittobo's Sustainability Management

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
- Purchase green power certificates in Koriyama City

Product development

Development of products that contribute to the environment

- Further strengthen and quantify 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
- Publish a sustainability data book

Collaboration and cooperation

- Promote collaboration with local governments and other companies

Harmonious Coexistence with Society

The Nittobo 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.

Community Contribution

2026 marks the 11th year the Company has served as an official club partner of Fukushima United FC (a professional soccer club in the J3 League) with the aim of promoting the development and revitalization of Fukushima Prefecture through sports.

Starting in 2025, the Company has sponsored performances in Fukushima Prefecture of "Kokoro no Gekijo" (organized by the Foundation for Performing Arts Center and Shiki Theatre Company, and supported by the Agency for Cultural Affairs), a project that invites children from around Japan to the theater free of charge to enjoy an exciting experience of live theater.



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Support for Education

At the Fukuyama Enterprise Center and the Fukushima Enterprise Center, staff conduct outreach classes at local schools and also conduct factory tours for students.





Outreach classes

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 Company-wide Environmental Policy, provides 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	In all business domains in Japan and abroad, promote activities that take environmental impact into consideration, such as responding to climate change, using resources effectively, reducing hazardous substances, and conserving biodiversity.
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 policies, management standards, and action plans 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.

Company-Wide 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 CO_2 Emissions

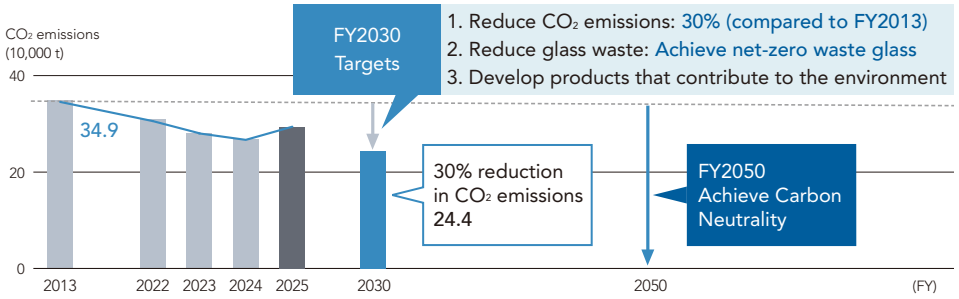
		FY2030	FY2050
1	Greenhouse Gas Emission Reduction Targets	Reduce by **30%** (compared to FY2013)	Achieve net-zero
	Efficient use of energy in power supply/ production facilities	Reduce energy/improve efficiency of power supply facilities	Reduce energy/ improve efficiency of production facilities
	Introduce/Expand use of renewable energy	Introduce solar power generation systems Investigate introduction of other renewable energy	Introduce/Expand various types of renewable energy
	Convert energy used to melt glass/change melting method	Improve energy efficiency of melting process Consider how to utilize CCUS[1]	Convert to low-carbon fuels Consider introduction of CCUS
2	Targets for reductions in waste glass	Achieve net-zero waste glass	
3	Develop products that contribute to the environment	Promote/Expand use of renewable raw materials Reduce carbon footprint (disclose to customers)	Glass fiber using recovered glass fiber raw materials Carbon-neutral glass fiber (CN-GF)[2] (zero carbon footprint)

1. CCUS: Carbon Capture, Utilization, and Storage. It refers to technology for capturing, storing, and utilizing CO_2. Emitted CO_2 is separated from other gases, captured, and then stored underground or beneath the seabed.
2. Glass fiber that achieves net-zero CO_2 across all processes, from raw material extraction to transportation and manufacturing.

Environmental Initiatives

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.



For details of our response to climate change:
https://www.nittobo.co.jp/eng/sustainability/environment/climate_change.html

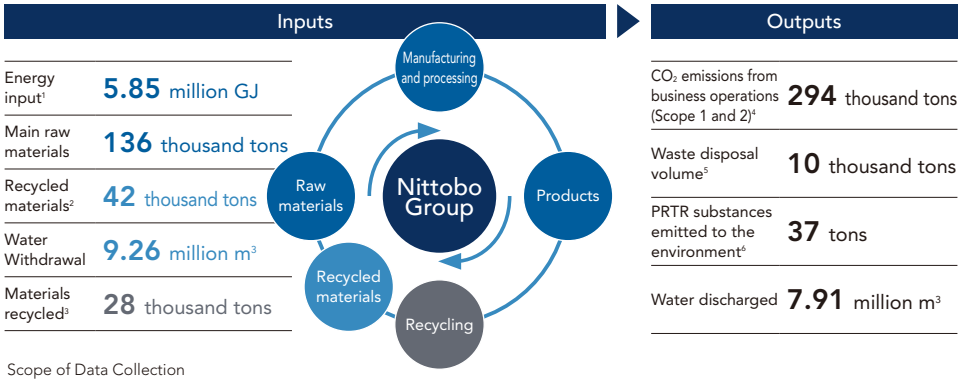
Reducing the Nittobo Group's Environmental Impact

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 CO_2 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 FY2025

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 CO_2 emissions, we conduct a monthly energy survey. The material balances shown in the diagram on the right are compiled from environmental impact data for the Nittobo Group's global consolidated companies.

Material balance



Scope of Data Collection
Japan business sites: Data collected from April 2025 to March 2026
Overseas business sites: Data collected from January to December 2025

1. Energy input: Total energy used in the form of fuel and electricity at factories, offices, and other sites.
2. Recycled materials: Amount of recycled resources received as raw materials by our factories from other companies.
3. Materials recycled: Portion of waste material generated at factories and other sites that is used effectively or recycled for reuse.
4. CO_2 emissions from business operations: Amount of CO_2 emitted through the consumption of energy at factories and other business sites.
5. 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.
6. PRTR substances emitted to the environment: Amount of substances that are subject to the 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 CO_2 emissions by factoring in ICP when evaluating the benefits of capital investments.

Taking into account the renewable energy surcharge currently added to electricity bills and the Company's current CO_2 emissions, etc., we have set the ICP at JPY 10,000 per ton of CO_2 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

Develop 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.

To strengthen global warming countermeasures, the Japanese government set interim targets toward achieving carbon neutrality by 2050. Measures related to housing and buildings include the establishment of GX ZEH (Green Transformation Net Zero Energy House) standards in 2027, the launch of a system to promote LCCO$_2$ (Life Cycle CO$_2$) evaluation of buildings around 2028, mandatory energy conservation measures for new data centers in 2029, and mandatory compliance with ZEH (Net Zero Energy House)-level energy conservation standards in 2030. These measures will drive increasing demand for insulation with improved performance. In response, we have been developing high-performance insulation. While maintaining the inherent properties of glass wool insulation, namely nonflammability, high durability, and low CO$_2$ 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.

Direction for Development of Products That Contribute to the Environment



Environmental Initiatives

Initiatives in Support of the TCFD Recommendations

Governance

In May 2022, the Nittobo Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Sustainability Committee is responsible for identifying climate-related risks and opportunities, as well as formulating countermeasures. The activities of the Committee, including important matters which have been deliberated, are reported to the Board of Directors, where they are supervised and discussed.

Strategy (Opportunities and Risks)

With regard to the impact of all of the Group operations on climate change, we conducted an analysis looking at 2030 and 2050 with reference to scenarios drawn up by specialized organizations such as the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA).

The risks posed by climate change can be divided into those associated with transitioning to a low-carbon society (transition risks) and physical impacts (physical risks). For the two scenarios where the average global temperature rises either 1.5°C or 4°C above preindustrial levels, we identified items that are likely to have a high impact in terms of opportunities and risks. We will continue to review action plans as appropriate in response to changes in the external environment, and reflect such changes in our plans.

Social Changes

	1.5°C Scenario		2050
Policies and regulations	• Promotion and expansion of renewable energy • Implementation of carbon taxes • Stronger environmental regulations	Opportunities	1.5°C: • Market expansion (electric vehicles, telecommunications, renewable energy, etc.) • Increased opportunities for existing products (thermal insulation, heat shielding, etc.) • Increased demand for products that contribute to the environment
Technology	• Switch to new energy sources • Promotion and expansion of high-speed, high-capacity telecommunications • Electrification of automobiles		4°C: • Increased sales of products related to thermal insulation, heat shielding and national resilience
Market	• Transition to a decarbonized, recycling-oriented society	Risks	1.5°C: • Increased costs (energy, taxes, raw materials, equipment, etc.) • Restricted sales activities due to tighter regulations • Decreased sales due to alternative technologies and products
Reputation	• Increased demand for environmental measures from customers and investors		4°C: • Increased procurement and operational risks, and restoration costs
	4°C Scenario	Nittobo's Response	1.5°C: • Promote energy conservation, innovate processes and introduce new technologies • Develop products and raw materials that contribute to the environment • Implement recycling
	• Further rises in temperature • Increased severity of disasters		4°C: • Strengthen BCP and supply chain

See below for details of scenario analysis.
https://www.nittobo.co.jp/eng/sustainability/environment/climate_change.html

Risk Management

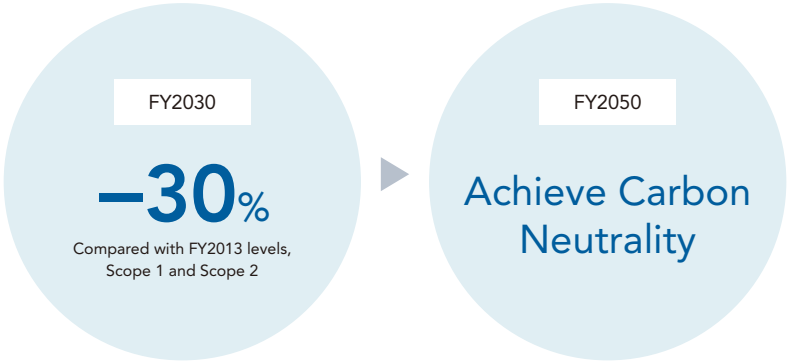
The Nittobo Group's Sustainability Committee and Risk Management Committee are responsible for the planning and progress management of CO_2 emission reduction across the Group.

In order to identify and assess the impact of climate change on the Group's operations, we identify and analyze climate change opportunities and risks, discuss them in the Sustainability Committee, and consider countermeasures.

Metrics and 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.

CO_2 Emission Reduction Targets



Environmental Initiatives

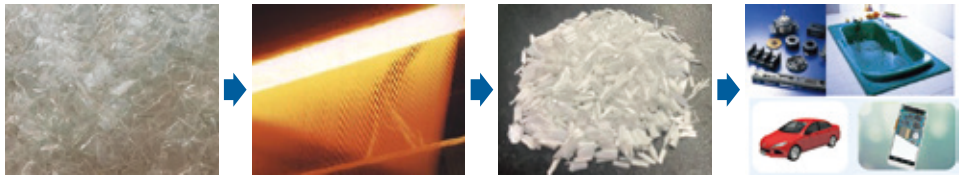
Trial Success: Recycled Flat Glass Fiber from Waste Solar Panel Cover Glass

In October 2025, the Company successfully developed prototypes of recycled glass fiber and recycled flat glass fiber (FlatFiber™) using cover glass of waste solar panels as raw material at the Fukushima Enterprise Center.

Solar panels have a lifespan of 20 to 30 years, and it is estimated that hundreds of thousands of tons will be wasted annually in the late 2030s in Japan. Cover glass makes up approximately 60% of the total weight of panels, and there are concerns about the severe environmental impact caused by sending this to landfills as industrial waste.

Glass fiber could be a new recycling option for waste cover glass in the future thanks to this successful prototype development. Promoting recycling not only contributes to reducing industrial waste landfill volumes from a circular economy perspective, but it also contributes to reducing the use of natural raw materials in glass fiber production and reducing GHG emissions in the production process. In the next step, we will continue to explore specific and potential applications through sampling activities.

Flow of Recycled Glass Fiber Using Cover Glass of Waste Solar Panels



Cover glass of waste solar panels | Melting/fiberization | Recycled glass fiber | Products using fiber-reinforced plastic

Started Purchasing Green Power Certificates in Koriyama City

In January 2026, the Company began purchasing Green Power Certificates* from Yachiyo Engineering Co., Ltd., a certificate issuer based in Koriyama City, Fukushima Prefecture, as an initiative to utilize the environmental value of renewable energy generated within the city.

This initiative aims to achieve local production and consumption of renewable energy, in which regional companies utilize the environmental value of electricity generated from biomass power at waste treatment facilities in Koriyama City. Through close collaboration, the local government and the private sector work together to accelerate decarbonization within the region, providing a leading example of public-private partnership in Japan.

The Company, along with six other supporting companies in Koriyama City, attended the Green Power Certificate Presentation Ceremony and subsequently visited Mayor Takeo Shiine to report on the realization of local production and consumption of renewable energy.

Through the purchase of Green Power Certificates, the Company, which was founded in Koriyama City, Fukushima Prefecture, will continue to support the local production and consumption of renewable energy and the realization of a regional circular economy in Koriyama City. At the same time, we will utilize this toward achieving carbon neutrality at the NI-CoLabo, the center for technology development, and developing low-carbon products, thereby contributing to building a sustainable society.



Takeo Shiine, Mayor of Koriyama City (left) and Kazuhiko Igarashi, Head of Nittobo's Fukuyama Enterprise Center (right)

* Green Power Certificates represent the environmental value of electricity generated from renewable energy sources, separated from its power value so that it can be purchased and sold as a certificate. By using these certificates, companies can treat the electricity used in their business operations as effectively renewable energy.

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 the goal of raising the employee engagement score as one of the targets of the Medium-Term Management Plan.

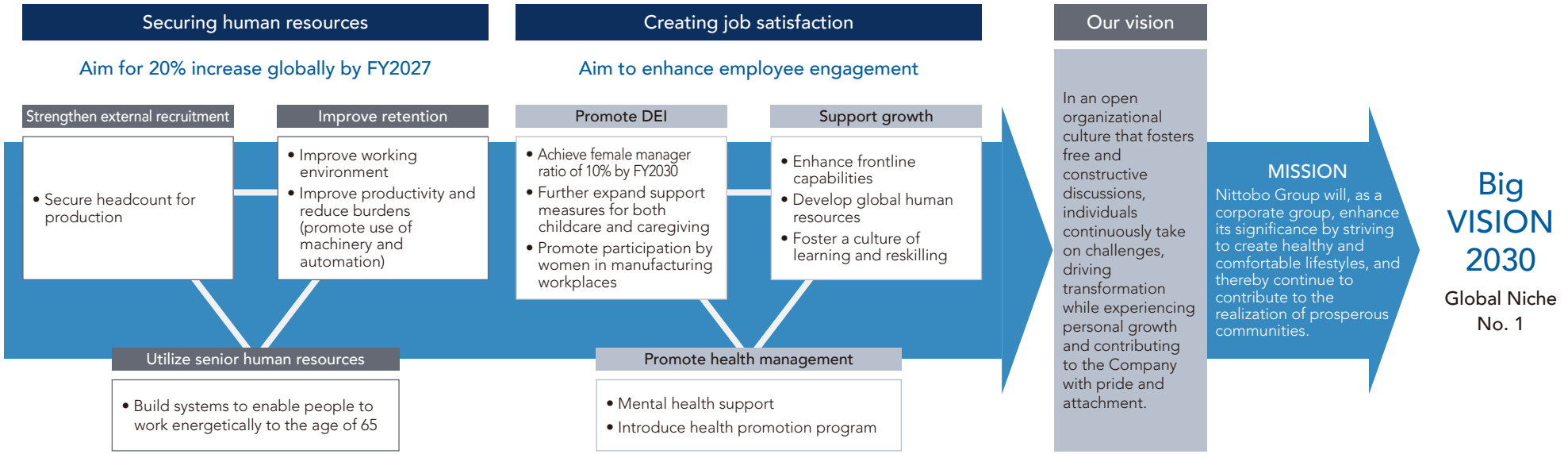
* Sexual orientation and gender identity

Our Approach to Human Capital

To achieve our long-term vision, Big VISION 2030, we recognize that the growth of human resources and organization are the driving force behind sustained growth of the Group. In particular, amid significant changes in the business environment, we believe it is important to strengthen both human resources that continue to innovate to meet new needs and the organizational foundation that supports them.

To that end, the Company is striving to secure human resources and create job satisfaction by promoting diversity, equity, and inclusion, developing human resources, and enhancing workstyles and health management, with the aim of creating transformation driven by individuals taking on challenges and building an organizational culture with strong engagement.

Human Resource Strategy



Active Roles for Diverse Talent

Diversity, Equity, and Inclusion

Discussion by employees with different perspectives and personalities can lead to various ideas toward 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, equity, 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. The ratio of women among new graduate hires is 36%, and the ratio of women in management positions is 8.6%. Going forward, we aim to increase the ratio of women in management positions to 10% by systematically developing and appointing next-generation executives.

2. Initiatives to Support Balancing Work with Childcare or Caregiving

The Company recognizes support for balancing childcare and caregiving with work as a key priority, and is promoting the success of diverse talent through initiatives such as enhanced leave and leave-of-absence systems and the implementation of flexible workstyles. The childcare leave uptake among male employees rose to 86.7% following the introduction of split leave and making it paid leave. We will continue to enhance the system and further accelerate support.

3. Employment of People with Disabilities

The Company regards maintaining our achievement of the legally mandated employment rate for people with disabilities as our corporate responsibility and is promoting initiatives to keep pace with the continually growing number of employees. Specifically, we strive to ensure safe working environments at our factories, and we provide employment support under the supervision of on-site support staff at the work support office located at the Tokyo Headquarters.

4. Work After the Age of 60

Amid growing competition for talent driven by a shrinking workforce, we are working to create an environment where employees want to work for the long term. In particular, we are promoting initiatives to enhance HR programs and benefits as well as a working environment to enable employees to work with high levels of motivation after the age of 60.

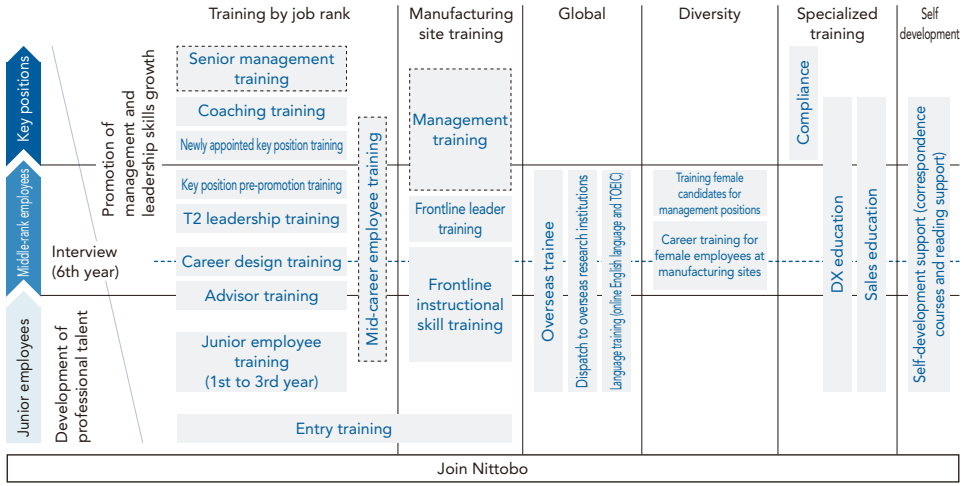
Human Resource Development

To utilize the maximum potential of the Company's diverse talent and enable work with strong motivation, we have been enhancing our personnel system and training programs and have been driving attentive talent management.

Under the long-term vision, Big VISION 2030, we will focus on developing next-generation leaders, global talent, and professional talent, with fostering human resources that generate innovation as a key goal. In addition, we are working to encourage self-driven learning through self-development initiatives, expand management practices that support career development, and cultivate digital talent through online DX training.

Furthermore, we consider boosting frontline capabilities to generate sustained growth to be a key measure under the current Medium-Term Management Plan. To that end, we are continuing and promoting the frontline leader training started in FY2022 and have launched training aimed at enhancing frontline instructional skills. We also launched career training specifically for women working at manufacturing sites. In this way, we aim to build a robust human resource foundation that supports business innovation and sustainable corporate growth through multifaceted initiatives supporting growth at every level.

FY2026 Nittobo Education System



Active Roles for Diverse Talent

1. Development of the Next Generation of Leaders

To systematically develop next-generation leaders capable of driving transformation in the business environment, we are implementing leadership training for employees at levels prior to management positions. This program aims to foster role awareness by acquiring business skills and developing problem-solving skills, with the aim of achieving a phased transition toward management positions.

2. Development of Global Talent

To prepare for business globalization, the Company is fostering talent and a corporate culture where diverse individuals can fulfill their potential. In addition to programs that support self-directed efforts of individuals, such as traveling overseas to study, working at research institutes, and taking online English language classes, in FY2023, we launched an overseas trainee system that utilizes our overseas bases.

3. Development of Professional Talent

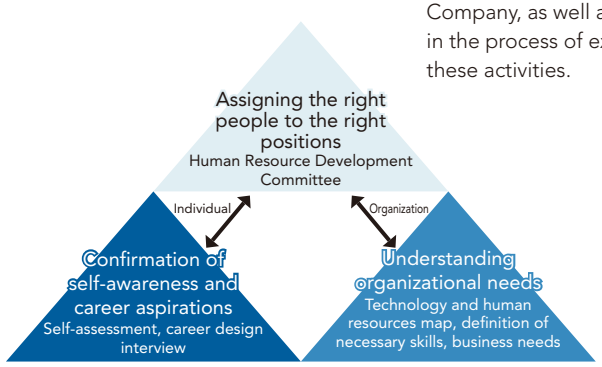
Before becoming managers, our employees pursue development as specialists (professionals) in areas of their choice, and to help establish their core skills, we have developed skill maps that define the job responsibilities for each workplace and promoted systematic on-site education so that employees can acquire the specialized skills needed. In addition, to motivate self-driven learning for acquiring specialized skills, we provide broad support for initiatives such as the significant expansion of our subsidy system, including a congratulatory gift of up to JPY 500,000 upon obtaining qualification, and subsidies for distance learning.

4. Expansion of Management Measures to Develop Human Resources

To foster education tailored to individual motivation and career aspirations, we are implementing management measures such as one-on-one meetings and the Human Resource Development Committee, and we provide career design training and interviews in the sixth year after joining the Company, as well as return-to-work interviews after returning from childcare leave. In addition, we are in the process of expanding our training such as coaching of managers who will be responsible for these activities.

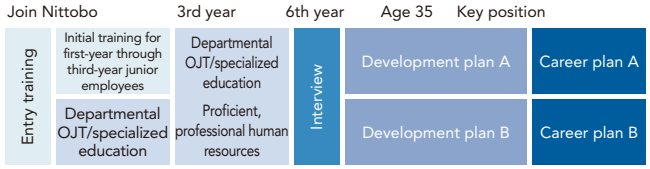
Human Resource Development Committee

The Human Resource Development Committee deliberates on how to match the needs of the organization with the unique skills and career aspirations of each individual by utilizing self-assessments and career design interviews. The committee also considers future talent development plans and allocations.

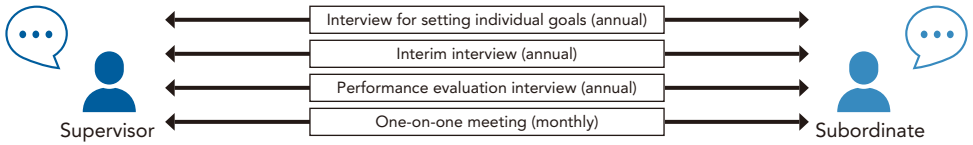


Career design interview

In their sixth year after joining the Company, when an employee has had a full range of work experience, we align understanding of their career plans. Based on this, we then create a development plan taking into account their career plan.



Measures to Strengthen Communication





Career training for female employees



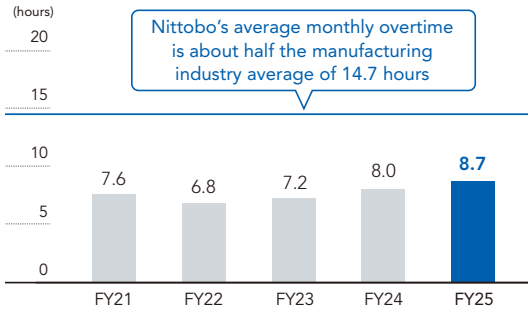
Advisor training

Active Roles for Diverse Talent

Workstyle Reform and Health Management

1. Promotion of Work-Life Balance

The average monthly overtime per employee at Nittobo in FY2025 was 8.7 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 caregiving responsibilities. We are enhancing programs that enable employees to flexibly accommodate these and other life events, such as a system of annual paid leave in hourly units and a flextime system without mandatory core hours. Employees can also use our remote work system. We aim to achieve a high level of both work-life balance and productivity improvements by reviewing rules and introducing tools.



2. Health Management

Based on the corporate philosophy of creating healthy and comfortable lifestyles, the Nittobo Group views the physical and mental health of its employees as the driving force behind performing their best and actively promotes health management. Examples of specific initiatives include ongoing initiatives aimed at providing opportunities for physical and mental refreshment, including the introduction of a walking program that uses a smartphone app, free use of sports gyms in cooperation with the Health Insurance Association, and health checkups administered by post.

We have also been enhancing insurance coverage, such as by enrolling all employees in comprehensive medical expense insurance in case of injury or illness, and we are strengthening mental health support, such as by providing counselling with doctors specializing in mental health.

In this way, we are promoting an environment in which all employees can work in good health and with vitality, from prevention to post-onset support.

VOICE

Comment from an Employee

After joining the Company as a new graduate and being assigned to the Legal Department, I was posted to Nittobo America Inc. ("NTB-A"), a Group company, as part of the overseas trainee program. After returning to Japan, I joined the Medical Business Division of the Company, and am currently back in the Legal Department, where I primarily handle contract reviews and legal consultations.

Two years into my job, once I had become somewhat accustomed to the work, there was a period when I vaguely began to rethink my career. At the time, I was thinking that I wanted to challenge myself with global work. Although I originally struggled with English, I began studying it through language training after joining the Company and experienced real growth, and this sparked a desire to leverage the ability I had cultivated and broaden the scope of my work. Right at that time, I was offered the opportunity to participate in the overseas trainee program, and while I felt some anxiety about venturing into unfamiliar territory, it aligned with my own aspirations, so I saw it as an opportunity for growth and decided to take on the challenge.

At NTB-A, I was actually on the front lines of manufacturing, and through hands-on training, I experienced the entire process from upstream to downstream, including everything from raw material production to product shipment. After the on-site training, I studied the business operations in the back office and developed a broad, holistic view of the Company as a whole. This provided a hands-on sense of the frontlines that would be difficult to gain in an administrative department, and proved to be an extremely valuable experience. In addition, during my posting, I actively engaged with local employees and learned how to build relationships of trust across language and cultural barriers.

After returning to Japan, I learned firsthand about the dynamics of the entire business at the Medical Business Division, and deepened my knowledge from multiple perspectives. Now that I have returned to the Legal Department, I find the legal work engaging and rewarding as I have an understanding of the actual products and business structure, and the network I have built in the business divisions has become a strong source of support. Going forward, I want to leverage my perspective of the business divisions and build relationships of trust with the frontlines, while further contributing to the growth of the business as a global member of the Legal Department.



Tomoka Nakazawa
Legal Department, Corporate Management 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.

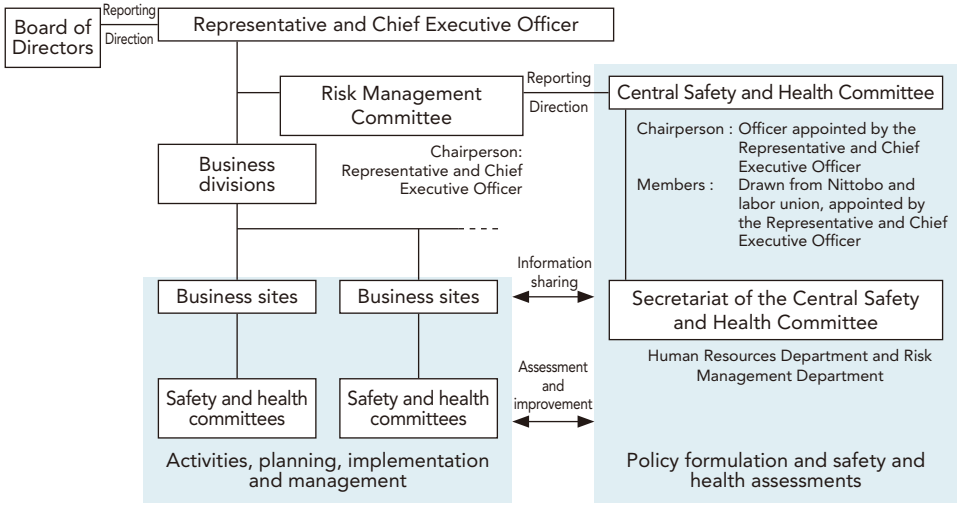
Action Guidelines

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 work to achieve voluntary safety targets 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 FY2025

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 enhancing our hazard prediction training and promoting efforts to raise workers' awareness of hazards and reflect this in the risk assessments. We are reviewing our work procedure manual and assessing risks at existing facilities and implementing mitigation measures starting with the highest priority facilities.
Enhanced Safety Training	We are working to enhance employee safety awareness by actively promoting training tailored to conditions at individual business sites, including training on safe operating practices as well as experiential training using hazard simulation equipment and VR-based hazard simulators.
Groupwide Information Sharing	We share information including the results of safety and health 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.

Basic Stance

1. Understanding and Respect for Human Rights
   We will understand the human rights recognized internationally and strive to respect and avoid infringing upon the rights of individuals involved in the business activities of the Nittobo Group. In addition, we will instill an understanding and respect for these human rights through appropriate education, training, and other initiatives.
2. Implementation of Human Rights Due Diligence
   We will establish and appropriately implement a series of processes (human rights due diligence) to investigate and evaluate negative impacts on human rights related to our business activities and to address these.
3. Prevention and Correction of Human Rights Violations
   We will identify potential human rights violations in advance and work to prevent or mitigate them, and should a violation occur, we will promptly address its correction and remedy the situation through appropriate internal and external procedures.
4. Prohibition of Discrimination
   In all corporate activities, including recruitment and employment practices, we will respect individual human rights and will not engage in any discrimination or acts that violate personal dignity based on race, ethnicity, nationality, language, religion, ideology, creed, social status, age, sex, educational background, disability, gender identity, or sexual orientation.
5. Prohibition of Child Labor and Unfair Labor Practices
   We will conduct employment of employees in accordance with the laws and regulations of each country and region, as well as international standards. We prohibit child labor of individuals who are below the working age as defined by the laws and regulations, as well as forced labor.
6. Respect for Fundamental Labor Rights
   We will respect employees' rights to organize and bargain collectively based on international standards, while taking into account the laws, regulations, and labor practices of each country and region.
7. Contribution to the Creation of an Inclusive Society
   To realize a society that embraces and supports everyone, leaving no one behind, the Nittobo Group contributes to building an inclusive society by supporting the independence of socially vulnerable individuals who are at risk of human rights violations.

Sustainable Procurement

To implement sustainable management, efforts on the procurement side, such as raw materials, production equipment, and energy, also play an important role. The Nittobo Group is engaged in sustainable procurement in collaboration with our suppliers. We are building robust relationships with them in order to contribute to the creation of a sustainable society through our procurement activities as well.

Implementation of a Sustainable Procurement Policy

We have formulated the Nittobo Group Sustainable Procurement Policy to share an understanding of our social mission and challenges with suppliers, and we are promoting awareness-raising activities.

For suppliers who are starting new purchasing transactions, we make sure they are familiar with this policy and confirm that they support our thinking and initiatives. Furthermore, we also conduct sustainable procurement surveys of existing suppliers to identify potential risks in the supply chain and take actions to resolve them. Based on survey results, we provide feedback and improvement requests, directly visit our suppliers, and work to further enhance sustainable business activities.

Starting in FY2025, we are implementing these surveys at our overseas offices and launching global initiatives in coordination with those in Japan.

Examples of Sustainable Procurement Initiatives

Through the formulation of the Sustainable Procurement Policy and the Green Purchasing Guide for Office Supplies as well as poster displays, the Nittobo Group is promoting green procurement across the Company and working to visualize its implementation status. In particular, green procurement of office supplies is a sustainable activity that all Nittobo Group employees can easily implement, and it will also further enhance each and every employee's awareness of their role in the Group's sustainability management.

In addition, the Purchasing Department, which is responsible for managing procurement risk, exchanges opinions with all Group business sites on green procurement, rolls out best practices, and identifies issues through end-of-period surveys. In addition to green procurement, the Purchasing Department deepens dialogue with all Group business sites on sustainable procurement risks such as conflict minerals and human rights, and is continually improving the entire supply chain while raising awareness.

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

Directors and Executive Officers



Takeshi Miida
Director

Yasuharu Nakajima
Director

Agasa Naito
Director

Sadayoshi Fujishige
Director

Yuichi Tsuji
Director, Chairman

Hisanobu Hayashi
Director, Representative and Chief Executive Officer

Takanobu Matsunaga
Director

Directors (As of June 25, 2026)

Director

Sadayoshi Fujishige

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 (now SATO Corporation) (current) External Director of the Company (current)
Mar. 2021	Special Consultant of Lion Corporation
Jun. 2021	Outside Member of the Board (Member of the Audit and Supervisory Committee) of TV Asahi Holdings Corporation (current)

Director

Agasa Naito

Career Summary

Oct. 2001	Registered as an attorney; joined Nagashima Ohno & Tsunematsu
May 2008	Admitted to the 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 and Supervisory Committee Member) of BOOKOFF GROUP HOLDINGS LIMITED
Jun. 2022	Supervisory Director of GLP J-REIT (current)
Jun. 2023	Outside Audit & Supervisory Board Member of ispace, inc. (current)

Director

Yasuharu Nakajima

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

Takeshi Miida

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 General Manager in charge of the Corporate Policy 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
Jun. 2024	External Director of the Company (current)
Jun. 2026	Director & Chairperson and Senior Officer of MEIDENSHA CORPORATION (current)

Directors and Executive Officers

Director, Chairman ● ●

Yuichi Tsuji

Career Summary

Oct. 2013 Joined the Company; General Manager of Accounting and Finance Department
Apr. 2014 Executive 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
Feb. 2016 Representative Executive Officer
Jun. 2016 Representative and Chief Executive Officer
Apr. 2024 Representative and Chairman
Apr. 2026 Director and Chairman (current)

Director, Representative and Chief Executive Officer

Hisanobu Hayashi

Career Summary

Apr. 2013 Joined the Company
Feb. 2016 General Manager of Corporate Business Planning Department and General Manager of Compliance Management Department
May. 2017 General Manager of the Planning & Administration Department of the Glass Fiber Division
Apr. 2020 Executive Officer, Deputy Division General Manager of the Production and Technology Headquarters of the Glass Fiber Division, and President of NITTOBO ASIA Glass Fiber Co., Ltd.
Apr. 2022 Managing Executive Officer, President of the Glass Fiber Division, President of NITTOBO ASIA Glass Fiber Co., Ltd., and President of Baotek Industrial Materials Ltd.
Apr. 2024 Managing Executive Officer, Division General Manager of the Electronic Materials Business Division
Apr. 2026 Representative and Chief Executive Officer (current)
Jun. 2026 Director (current)

Director ○ ●

Takanobu Matsunaga

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, Deputy General Manager 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)

- 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 June 19, 2026)

Representative and Chief Executive Officer	Hisanobu Hayashi*	CEO
Representative Managing Executive Officer	Yasushi Okahisa	Division General Manager of the Corporate Management Division; Responsible for the New Business Development Center, the Secretary Office, the Human Resources Department, the Corporate Planning and General Affairs Department, the Purchasing Department, the Fukushima Enterprise Center, the Fukuyama Enterprise Center, the Osaka Branch, and the Nagoya Branch
Managing Executive Officer	Akimasa Kajita	Division General Manager of the Electronic Materials Business Division
Senior Executive Officer	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
	Masao Fukushima	Division General Manager of the Medical Business Division; President and Representative Director of NITTOBO MEDICAL CO., LTD.
Executive Officer	Katsuya Hatanaka	Deputy Division General Manager of the Medical Business Division; Chairman and CEO of Nittobo America Inc.
	Masaki Ito	Division General Manager of the Composite Materials Business Division; General Manager of the Administration and Planning Department of the Composite Materials Business Division
	Koichi Nakamura	Division General Manager of the Technology Development Division
	Hiroyuki Tanida	Deputy Division General Manager of the Composite Materials Business Division; President and Representative Director of Fuji Fiber Glass Co., Ltd.
	Shotaro Yasuda	Division General Manager of the Materials Solution Business Division; General Manager of the Product Planning and Development Department
	Takehiro Mikami	Deputy Division General Manager of the Electronic Materials Business Division; Head of the PWB Materials Business Unit; General Manager of the PWB Materials Marketing Department; Chairman of Nittobo Taiwan Co., Ltd.
	Hirokazu Nagata	Deputy Division General Manager of the Electronic Materials Business Division; Head of the Yarn Unit; Chairman and Representative Director of Nitto Glass Fiber Manufacturing Co., Ltd.
	So Shigeoka	Deputy Division General Manager of the Electronic Materials Business Division
	Yuichi Ameda	Division General Manager of the Insulation Materials Business Division; President and Representative Director of Paramount Glass Manufacturing Co., Ltd.
	Haruka Yamazaki	Responsible for the Risk Management Department and the Legal Department of the Corporate Management Division; General Manager of the Legal Department of the Corporate Management Division

* Concurrently serving as Director



Looking ahead to sustainable growth, we will improve governance effectiveness and help enhance Nittobo's corporate value

■ Achieving Our Medium-Term Management Plan Targets Ahead of Schedule

Fujishige: The Medium-Term Management Plan (FY2024–2027) (hereinafter, "the Current Plan") is progressing extremely well. In FY2025, the second year of the Medium-Term Management Plan, both net sales and operating profit have already reached the targets originally set for FY2027, the final year of the plan. Driving this strong performance has been the Electronic Materials Business, with Special Glass posting strong growth as demand for AI servers expanded rapidly. Although this is a rapidly changing field, I believe our decisive and continuous bold capital investments are now truly bearing fruit.

Naito: I agree. I believe a major factor was our persistence in making proactive investments even during the previous Medium-Term Management Plan (FY2021–2023), which coincided with the COVID-19 pandemic. Originally, the Current Plan was positioned as a period for realizing returns on the investments made during the previous plan. However, in the Electronic Materials Business, the AI-related market expanded rapidly beyond expectations, and being able to realize returns on those investments at the right time enabled us to achieve the Current Plan's targets ahead of schedule. It underscored once again the importance of following through on investments, based on a clear outlook for the future.

Nakajima: Achieving our targets two years ahead of schedule is truly remarkable, and I can feel a growing sense of energy throughout the Group. I imagine our employees are also more motivated than ever. As you both mentioned, I believe this success is the result of proactive investment. This success was driven by having a structure in place that could respond swiftly to expanding demand and, more importantly, by management accurately anticipating where society was heading. Of course, I also recognize the efforts being made on the front lines to improve asset efficiency. On the other hand, net profit for FY2025 also reflects the impact of foreign exchange, so I would like to see sustained efforts to improve productivity. I also believe that we have now reached a stage where we need to carefully assess the future outlook of the AI market.

Miida: Since I was appointed as an external director after the Current Plan was announced, I did not take part in the discussions when it was formulated. However, I was very surprised when a proposal to bring forward capital investment was submitted to the Board less than six months after the announcement of the Current Plan. Of course, demand for Special Glass exceeded expectations, but as you have all

Roundtable Discussion with External Directors

noted, I believe that our strong performance was driven by the fact that management accurately gathered information from the front lines, made swift decisions, and brought forward capital investment. Something to keep in mind when formulating the next Medium-Term Management Plan (hereinafter, the "Next Plan") is that in particularly volatile business domains, such as the Electronic Materials Business, we should proceed carefully, after holding in-depth discussions on the market outlook and following an appropriate process for setting targets.

Expectations for Further Growth

Fujishige: Looking ahead, I hope that the Company will continue to make bold investments while taking prudent risks, just as it has done in the past. Particularly in the electronic materials field, with its rapid pace of technological innovation, it is crucial to continuously advance the development of next-generation and even subsequent-generation products. I also have great expectations for the Medical Business. With a business model different from that of the Electronic Materials Business, it is focused on in vitro diagnostic reagents, and has established a valuable integrated value chain from raw material production to commercialization. Looking forward, there is room for growth by expanding the customer base, and I would like to see steady progress in new product development.

Naito: In businesses affected by rapid changes in the external environment, such as the Electronic Materials Business, I believe it is crucial to thoroughly examine how to maintain our technological superiority. The niche markets we operate in harbor risks such as misalignment with needs and uncertainty in competitive advantage, making how we structure our business portfolio increasingly important. While growth of the existing Medical, Composite Materials, and Insulation Materials Businesses is certainly important, I believe we must also look ahead and start working to build new pillars of revenue now. In any case, it is crucial to allocate capital in a way that optimizes the business as a whole.

Miida: The fact that we were able to realize returns on our investment in the Electronic Materials Business should be highly commended. However, to drive the next phase of growth, securing and developing human resources is an urgent priority. In addition, as competition is expected to intensify, we, as a market leader, need measures in R&D, production technology, and human resource development that will widen our lead over competitors that are catching up. This is a business domain with high expectations from the capital markets, and I believe we are at the stage where we need to focus on launching initiatives that go beyond those expectations.

Nakajima: In FY2024, the Group reorganized its structure into five business divisions, and it is important to revisit the original intent behind said reorganization. The creation of synergies between our businesses has also been raised at Board of Directors meetings, but we must discuss this in greater depth going forward. In addition to exploring opportunities for collaboration across functional areas such as product development, manufacturing, and sales, it is also important that we further enhance our ability to respond to market changes.

Discussions at Board of Directors Meetings Including Revisions to Targets Under the Current Plan

Nakajima: The Board of Directors also held in-depth discussions on the revisions, announced in May 2026, to the final-year targets of the Current Plan. The area we spent the most time discussing was the outlook for the business environment going forward. I believe there were thorough discussions on how the AI market might develop, as well as the risks and opportunities that market changes could bring to the Group. Another topic of discussion, as mentioned earlier, was the collaboration across functional areas such as product development, manufacturing, and sales. One change I have noticed at Board of Directors meetings is that discussions on new products and customer needs have become more in-depth. We previously touched on the original intent behind the five-business division structure, but I believe that fostering a robust commitment to strengthening collaboration across product development, manufacturing, and sales is what led to these discussions becoming more in-depth. This shift in mindset stems from more active discussions among the business divisions within the Executive Meeting. Looking at the minutes of the Executive Meeting shared with external directors confirms that lively discussions are taking place across business divisions. While the Company has always had an open and communicative culture, we are now seeing this evolve further.

Naito: I agree that the discussions at Board of Directors meetings are certainly undergoing significant changes. The business environment has changed dramatically. In the past, we were under pressure to deliver results from upfront investment, but now the pressure comes from heavy demand that outstrips production capacity. Furthermore, Nittobo has adopted the structure of a "company with a nomination committee, etc.," under which the Board of Directors is responsible for appropriately supervising business execution. Accordingly, rather than scrutinizing the details of business execution, I approach Board of Directors meetings with the aim of supporting appropriate risk-taking by the Company's executives in their business activities. In addition, I believe it is important to take a medium- to long-term perspective when discussing strategy.

See p. 56 for the "Self-Evaluation of the Effectiveness of the Board of Directors."



Miida: Going forward, it is also important to deepen discussions on strengthening our business portfolio. While the Company's executives will naturally have various views on this, I believe that discussions on reorganizing Group companies and replacing aging equipment at manufacturing sites are among the key

Roundtable Discussion with External Directors

topics. Another is how to use the cash generated. Regarding cash generated by the Electronic Materials Business, I believe the basic approach should be to reinvest it to drive further growth in this business. However, part of it will also need to be allocated to businesses other than Electronic Materials, so we should carefully discuss the appropriate balance. Each business has its own history and value, making this a challenging issue, but I believe we need to take these factors into account in constructive discussions at Board of Directors meetings.



■ Effectiveness of the Board of Directors

Fujishige: I would like to highlight three points in assessing the effectiveness of the Board of Directors. The first point is the briefings held before Board of Directors meetings. These provide opportunities to receive advance briefings on meeting agenda items based on detailed materials. These not only improve our understanding of each matter, but also facilitate discussions at Board of Directors meetings, as questions raised at the briefings can be answered at the actual meetings. The second point is on-site inspections at each business site. By gaining insight into the front lines of our business, we are able to understand the issues and challenges we face at business sites. Having external directors conduct on-site inspections about four times a year is an excellent practice. The third point is that all external directors are members of the Nomination, Remuneration and Audit Committees. I believe there is tremendous value in sharing all of the discussions held by each committee.

Naito: As part of this year's evaluation of the effectiveness of the Board of Directors, views were also expressed on which matters should be brought before the Board, in order to ensure effective use of limited time. Agenda items will be prioritized based on their importance and narrowed down to some extent so that discussions can proceed systematically. At Board meetings, beyond deliberating on agenda items in accordance with regulations, we will also appropriately take up important issues raised by external directors as deliberation items to deepen discussions. In that sense, I feel that we have established a highly interactive process between internal and external directors for setting topics of discussion at Board meetings.

■ Nomination Process and Expectations for the New Management Structure

Fujishige: As Mr. Nakajima mentioned earlier, the organization was restructured into five business divisions when Mr. Tada, the former CEO, took office. There is no doubt that this has brought us much closer to our customers than before. A structure was set up to quickly identify and respond to diverse customer needs. I also believe this organizational restructuring has helped develop Division General Managers as candidates for the next generation of management. In addition, everyone mentioned the results of our earlier investments at the start of this roundtable discussion, and I believe the previous management team deserves much of the credit for achieving the targets of the Current Plan ahead of schedule. This is precisely the result of sound foresight and bold decision-making. In light of these outstanding achievements, the Nomination Committee concluded that the Company should bring in a younger generation of management with a view to 2030 and beyond while transitioning to a new management structure, and it submitted this recommendation to the Board of Directors.

Nakajima: As Mr. Fujishige mentioned, it is precisely when performance is strong that we should look to the future, identify major trends, and forge ahead. The Nomination Committee held thorough discussions on what kind of management team would be best and what the new management structure should look like to enhance long-term corporate value. Newly appointed CEO Hayashi emphasizes the need to make greater use of frontline capabilities than ever before and to show a willingness to break with convention while taking on new challenges. As other companies enter the market, our frontline capabilities will be put to the test to see if customers continue to choose our Group's products. In addition, precisely because our performance is strong and we are in a position to do so, we need to take on the challenge of developing businesses that will form new pillars of revenue. I expect the new CEO to stay true to his convictions and firmly advance these two initiatives.

Naito: The Nomination Committee comprises five members: the four external directors and the chairman. The committee is chaired by Mr. Fujishige and its composition ensures a high degree of objectivity. What stood out most to me in our discussions was, as Mr. Nakajima mentioned, the ideal management structure to enhance long-term corporate value. Starting in FY2026, we revised the targets of the Current Plan upward, but the Current Plan itself was not reworked as such. In that sense, the new management team is expected to consider what the Company should look like in the future, and formulate and implement the Next Plan to pave the way for the next phase of growth. We concluded that a leader with strong execution skills is needed to drive this process. The Nomination Committee also concluded that the new CEO, who has led the growth of the Electronic Materials Business as its division general manager, is the right person for the role and someone to whom we can entrust the Company's future growth.



Miida: I agree with what everyone said in discussions during the nomination process. I have three expectations for the new management structure. The first is that the

Roundtable Discussion with External Directors

Group currently has every option available to it. We can allocate the cash we generate toward further growth in the Electronic Materials Business or to the growth of other businesses. Rather than proceeding based on the views of a single executive, I would like the management team to engage in in-depth discussions and manage the Company as a united team. The second is to narrow the gap between the CEO and the employees. When employees feel that the CEO is approachable, their morale improves. To enhance employee engagement, it is also important for the CEO to communicate his own personal convictions in simple terms. The third is for the Company to be an autonomous organization. I would like to see the Company focus on building an autonomous organization in which the employees set their own goals aligned with the Company's shared objectives and work toward them on their own initiative.

■ Recommendations for Sustainable Growth

Miida: I would like to share my views on the potential of the Medical Business. With the medical market expected to expand further, I believe the Medical Business has significant growth potential. As this is a field requiring regulatory approvals, we cannot expect rapid expansion, but our Group company NITTOBO MEDICAL CO., LTD. has established stable sales channels. Going forward, as we seek to capitalize on this growth market, we should also consider inorganic growth, including M&A, as an option. While one approach is to secure stable earnings, I believe it is also important to leverage our current brand strength and pursue the next stage of growth. In addition, another item to consider is enhancing the value of production sites. With aging equipment becoming increasingly apparent, I have the impression that the workers at these production sites face considerable difficulties. We should listen closely to the honest views of these employees. Improving the conditions at these production sites should significantly boost the Group's production technology capabilities. Furthermore, building new production lines requires specialist design engineers, so I would like to see us focus on securing and developing such talent.

Fujishige: I am truly impressed by how dedicated our employees working on the front lines of our business are. It is clear that they are tackling challenges with evident enthusiasm. Although new production equipment often suffers from low yields and considerable difficulties during the initial startup phase, there have been cases where it was brought into stable operation within one or two years. I regard the Company highly for its strong frontline ingenuity and willingness to take on challenges. The spirit of challenge on the front lines of our business is also evident when looking back on the Company's history. The Group has always sought to create things that the world has never known before. It is crucial that we maintain this mindset and drive as part of our corporate culture. In other words, we must continue to be a group that takes on challenges in every area. From a governance perspective, because the Group comprises many Group companies with different origins, due consideration must be given to what is known as group governance. In group governance, a fundamental prerequisite is to establish a clear overall framework. It is important to maintain firm control over investments made by each Group company based on the Group's overall strategy.

Naito: A key medium- to long-term challenge is to systematize and internalize what has been gained from the current rapid expansion of the AI-related market. It is also crucial to constantly consider how to navigate changes in the external environment while maintaining stability. There are three challenges from a proactive perspective. The first is maintaining our technological superiority. In other words, it is essential to eagerly embrace newly emerging technologies. The second is reviewing our business portfolio. Diversifying our business is also important for mitigating risk. The third is R&D. Capital should be allocated with a focus on strengthening R&D capabilities regardless of whether this is achieved by in-house development or M&A. There are also three challenges from a risk management perspective. The first is enhancing the governance system for quality and information security. As the scale of our business expands rapidly, we must continuously review and update this system. The second is human capital management. In addition to securing outstanding human resources, we need talent who will carry forward the world-class technical capabilities that distinguish us in our global niche markets. People are the foundation of every company, and managing human capital to foster employee engagement is a key priority. The third is decarbonization initiatives. Given that the Electronic Materials Business is energy-intensive, careful consideration must be given to balancing business growth with environmental impact.



Nakajima: From a proactive perspective, there are two fundamental challenges. The first is that we need to engage in in-depth discussions on how to strengthen the Composite Materials, Materials Solution, and Insulation Materials Businesses, all of which utilize glass fiber, while keeping the Electronic Materials Business at the core. With regard to the Medical Business, I expect the Company to establish a strategy for accelerating growth and creating new businesses with an eye toward the future. The other important topic is promoting integrated group management. We need to discuss strengthening group management, including consolidating and integrating Group companies as well as separating businesses into independent companies. We also need to re-examine group governance and particularly the governance of overseas group companies. Regarding challenges from a risk management perspective, the first is strengthening risk management, including cybersecurity; the second is enhancing information disclosure, including sustainability disclosure; and the third is strengthening the governance system, including internal control. Amid a series of corporate scandals, including accounting irregularities, I believe we should once again keep firmly in mind the importance of management grounded in strong ethical principles.

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.

Message from the Chairman of the Board of Directors: Driving Medium- to Long-Term Corporate Value Enhancement by Engaging in Robust Discussions and Accelerating Growth Investment



Yuichi Tsuji
Chairman of the Board of Directors

1. The Role of the Board of Directors and the Mission of the Chairperson in a Growth Phase

While our current business performance remains strong, it is precisely in times like these that the Board of Directors should steer the Company toward the next stage of growth rather than maintaining the status quo.

I believe the role expected of the Board of Directors going forward extends beyond "defensive governance" focused on risk management and compliance. Enhancing corporate value over the medium to long term requires "proactive governance," which identifies the optimal balance between shareholder returns and the pursuit of growth strategies, such as capital investment, R&D, and investment in human capital, and firmly supports the appropriate allocation of management resources.

To further enhance the quality of discussions at Board meetings, it is crucial to engage in ongoing substantive dialogue on creating genuine value that takes into account the cost of capital. As chairperson, I will lead the Board of Directors so that it does not devolve into a mere forum for formal reporting, but instead serves as a forum for constructive dialogue that supports management's appropriate risk-taking and examines medium- to long-term growth strategies in depth.

2. Initiatives to Enhance the Effectiveness and Further Evolve the Board of Directors

Currently, the Board of Directors comprises seven members, of whom four are external directors with expertise in different fields, including one female director. External directors constitute a majority of the Board. Their participation in all of the Nomination, Remuneration, and Audit Committees enables a consistent and multifaceted approach to governance, and as chairperson, I highly value this structure.

To further enhance the Board's effectiveness, I intend to focus on discussing substantive topics at Board meetings going forward. Regarding our medium- to long-term strategy and what the Company should look like in the future, I intend to set specific topics for discussion over the next year and pursue these substantive discussions in greater depth. In the process, we will also continuously review what the Board of Directors should look like.

To that end, we will make full use of our structure as a company with a nomination committee, etc., and delegate even greater authority over matters that should be left to the executive officers. I will manage the Board of Directors so as to allocate the time freed up by these efforts primarily to the substantive discussions mentioned above.

In addition, as a practical means to gain a deeper understanding of key agenda items, we will continue to make use of briefings before Board meetings and enhance deliberations at Board meetings themselves with thorough advance Q&A. Furthermore, we will continue our efforts to directly incorporate frontline challenges into our governance through initiatives such as annual individual interviews between all executive officers and external directors, as well as on-site inspections of business sites and subsidiaries conducted by external directors.

Rather than being complacent with our strong performance, we will remain vigilant, and with the Board of Directors united, we will advance our governance to further enhance corporate value, thereby meeting the expectations of our stakeholders.

Timeline of Corporate Governance Enhancements

(Year)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
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: Internal director)	Audit Committee (Chair: External director)											
Directors	7	6		8				7	6	7						
Of which, external directors	1	1	2	3	4 (at least half)			4 (at least half)	3 (at least half)	4 (at least half)						
Of which, women										1						
Operation of Board of Directors						Briefings before Board of Directors meetings										
							Self-evaluation of the effectiveness of the Board of Directors									
Revisions to systems, regulations							Formulation of Executive Meeting regulations									
												Introduction of performance-linked stock remuneration plan				

Corporate Governance

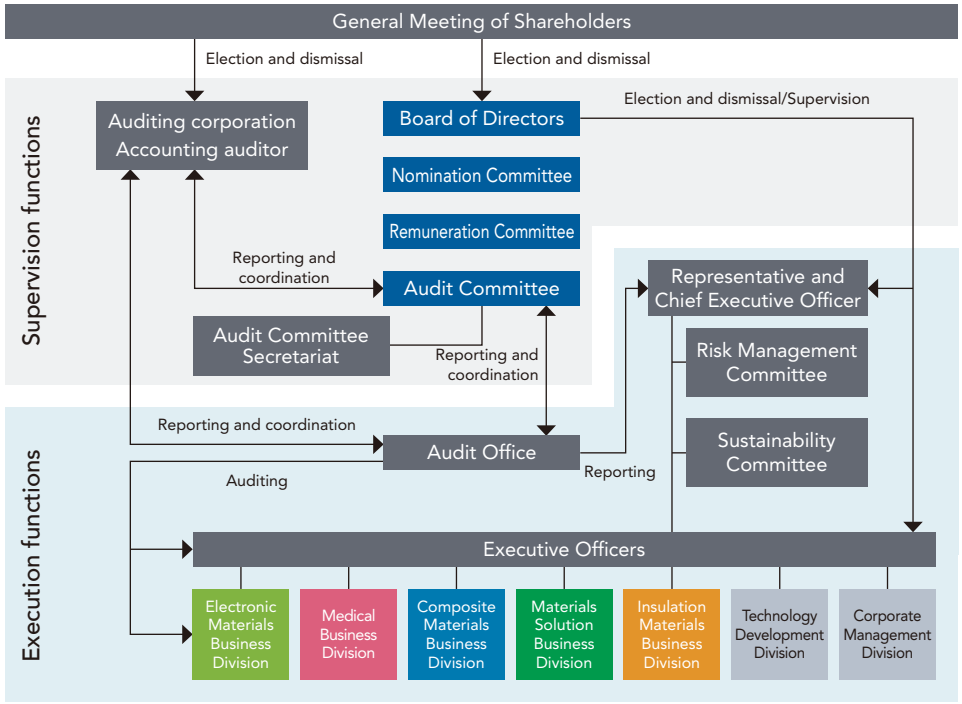
Overview of Corporate Governance System and Reasons for Employing the System

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.

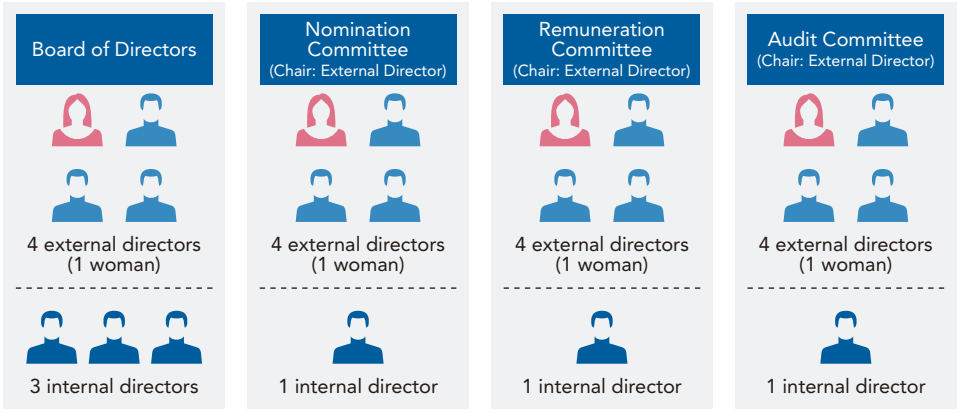
In addition, with the approval of the Ordinary General Meeting of Shareholders on June 26, 2014, Nittobo adopted the structure of a company with a nomination committee, etc. By doing so, the Company further clarified the separation of supervision from execution and aims to strengthen supervisory functions, 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 five 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 five 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 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 to assist 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 15 executive officers, of whom one has been selected 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 outside 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 Self-Evaluation of Effectiveness



Based on the self-evaluation results for FY2024, the Company carried out the following initiatives in FY2025.

- To enhance its corporate value over the medium to long term, the Company engaged in repeated discussions on risks associated with changes in the market and competitive environments affecting the Company's business, based on detailed reports from executive officers.
- The Company held more in-depth discussions on human capital, based on the recognition that diverse perspectives are essential for sustainable growth.
- Opportunities for communication between external directors and executive officers were enhanced, allowing for shared understanding of key issues and deeper discussions on management strategies.

In the survey summarizing FY2025, the average evaluation score for most items was four or more out of five, indicating that the effectiveness of the Board of Directors was highly evaluated by both internal and external directors of the Company. The following opinions were raised in response to topics to be addressed in the future.

- The Company will enhance discussions on key management issues from a medium- to long-term perspective.
- The Company will continue to hold in-depth discussions in order to organize and clarify matters toward building a better governance system.
- The Company will develop next-generation management leaders based on its succession plan.

The Company will continue to make improvements to ensure the Board of Directors performs supervisory functions even more effectively and to enhance corporate value.

Corporate Governance

Director Skill Matrix and Meeting Attendance (FY2025)

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 resource development. We ensure that the Board of Directors is composed of people with appropriate knowledge and abundant experience in each field.

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

Name	Attendance/Number of meetings			
	Board of Directors Meetings	Nomination Committee Meetings	Remuneration Committee Meetings	Audit Committee Meetings
Yuichi Tsuji	13/13	3/3	3/3	
Hiroyuki Tada	13/13	3/3	2/3	
Takanobu Matsunaga	13/13			15/15
Sadayoshi Fujishige External Director	13/13	3/3	3/3	15/15
Agasa Naito External Director	13/13	3/3	3/3	15/15
Yasuharu Nakajima External Director	13/13	3/3	3/3	15/15
Takeshi Miida External Director	13/13	3/3	3/3	15/15

Notes: 1. The table above does not represent all knowledge, experience, etc. possessed by each person.
2. Hisanobu Hayashi was appointed as Director at the 165th Ordinary General Meeting of Shareholders, held on June 19, 2026.
3. Hiroyuki Tada retired as Director at the conclusion of the 165th Ordinary General Meeting of Shareholders, held on June 19, 2026.

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 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 as well as 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, the level of achievement of the operating profit targets of the business division for which the officer is responsible, and the evaluation of activity KPIs for the medium-term priorities of that business division in charge. 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		
		Variable remuneration		Stock remuneration
		Company performance	Division performance	
Representative and Chairman, 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%	7.5%	17.5%	15.0%
Senior and other executive officers	65.0%	7.5%	17.5%	10.0%
Directors not concurrently serving as executive officers (excluding external directors)	71.0%	14.5%	14.5%	—
External directors	100%	—	—	—

Note: For directors who do not concurrently serve as executive officers (excluding external directors), the division performance component reflects individual performance (activities).

(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

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%
Division performance	Operating profit of business division(s) under the officer's charge (budget variance rate)		Activity KPIs for the medium-term priorities of the business division under the officer's charge	
	Senior managing executive officers, managing executive officers, senior executive officers, and other executive officers	42.9%	Senior managing executive officers, managing executive officers, senior executive officers, and other executive officers	57.1%

Corporate Governance

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.

● **Division performance**
The selected indicators are the operating profit and the activity KPIs for the medium-term priorities of the business division(s) under the officer's charge, which help to clarify the performance responsibilities 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 activity KPIs for the medium-term priorities are based on the progress of each activity and its contribution to business performance.

However, for directors who do not concurrently serve as executive officers (excluding external directors), because they are not responsible for a business division, their individual performance (activities) as directors is used separately as an indicator.

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
Division performance component = Basic remuneration for the preceding fiscal year × Division performance coefficient for each position × (Level of achievement of the operating profit targets for the business division under the officer's charge + Evaluation of the activity KPIs for the medium-term priorities of the business division under the officer's charge)
Variable remuneration is determined by combining the Company performance and division performance components calculated as shown above.

Note that targets and actual values for Company performance in FY2024 used in the calculation of variable remuneration for FY2025 were as follows.
Operating profit (amount) Target: JPY 10,000 million; Actual: JPY 16,445 million
Operating profit (year on year) Target: JPY 8,387 million; Actual: JPY 16,445 million
ROE (year on year) Target: 6.1% (after adjustment); Actual: 9.9% (after adjustment)

Note: Quantitative and qualitative targets were set individually for the division performance component, with achievement rates ranging from 99% to 119%.

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 in each fiscal year set at the time of plan formulation 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 FY2025 was JPY 16.9 billion, and actual performance was JPY 20.8 billion. The target for FY2026 is JPY 18.7 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 two decimal places). 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

(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.

Corporate Governance

(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 on Officers' 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. 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.

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

Corporate Governance

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.

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

			FY2021	FY2022	FY2023	FY2024	FY2025
Sold during the period	Unlisted stocks	Number of stocks	1	—	—	3	1
		Amount (JPY million)	0	—	—	26	5
	Listed stocks	Number of stocks	—	1	—	6	6
		Amount (JPY million)	—	2,516	—	1,957	4,784
	Total	Number of stocks	1	1	—	9	7
		Amount (JPY million)	0	2,516	—	1,983	4,789
Capitalization at end of period (including unlisted stocks)		Number of stocks	47	47	47	43	40
		Amount (JPY million)	15,243	13,643	22,595	20,549	25,248

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

The Group will steadily work toward achieving the 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 the Medium-Term Management Plan, 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.

The ROE for FY2025 was 27.5%, compared to the quantitative target of 8% set in the Medium-Term Management Plan. We will continue to strive for management with a keen awareness of cost of capital and stock price.

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 operates in accordance with 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 works to strengthen its legal risk management system by establishing a framework that enables it to receive advice and guidance as needed from specialist lawyers including corporate attorneys 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 managing trade secrets, documents, personal information, and information systems, and strive to appropriately manage such information by specifying management methods and responsible personnel. We also conduct regular self-inspections, monitoring, and workplace training.

Information Security

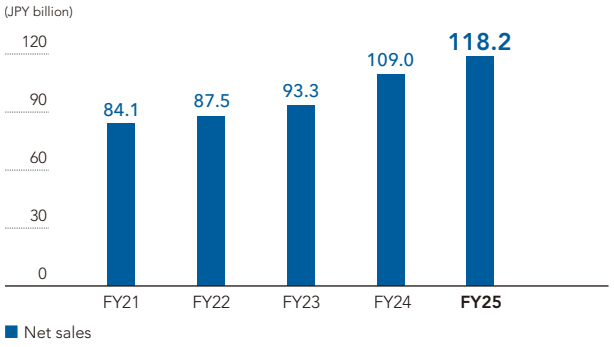
With the recent acceleration of information networking, the risk of confidential information leaks and cyberattacks is increasing. For this reason, the Nittobo Group, led by the General Manager of the Information Systems Department, is strengthening preventive measures against these threats and measures to be taken in the event of an incident. By implementing measures from various perspectives, we aim to build a robust system and ensure and further enhance 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

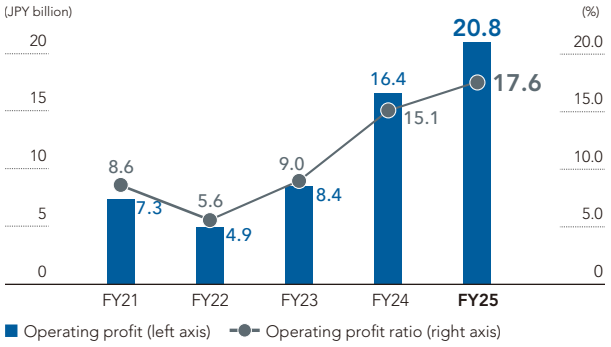
Financial Value

Net Sales



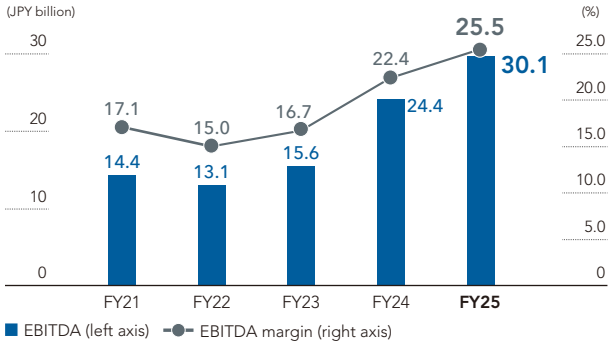
In the Electronic Materials Business, sales increased due to strong sales of Special Glass (a high-value-added product).

Operating Profit / Operating Profit Ratio



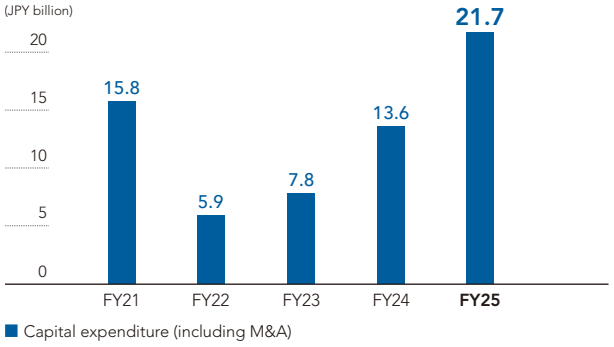
Operating profit increased due to strong growth in sales of Special Glass, in particular low thermal expansion glass, and a weaker yen.

EBITDA / EBITDA Margin



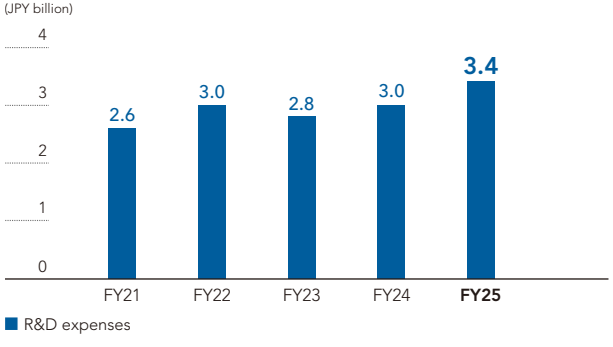
In the Electronic Materials Business, where we enhanced production capacity, sales increased due to strong sales of Special Glass (a high-value-added product), significantly increasing both EBITDA and the EBITDA margin.

Capital Expenditure (Including M&A)



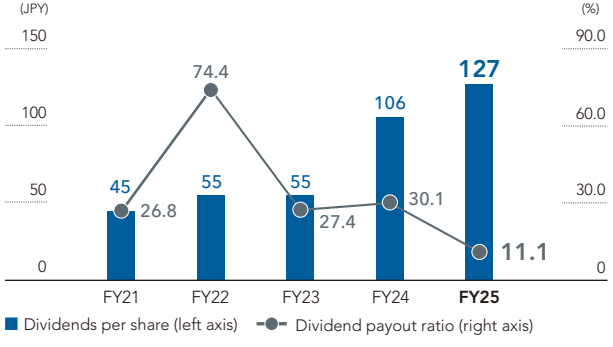
Nittobo made capital investments in growth areas, including for increasing production capacity, mainly for Special Glass in the Electronic Materials Business.

R&D Expenses



We enhanced the development of new next-generation products and process technology in the Electronic Materials Business, for which demand is expected to grow further.

Dividends Per Share / Dividend Payout Ratio



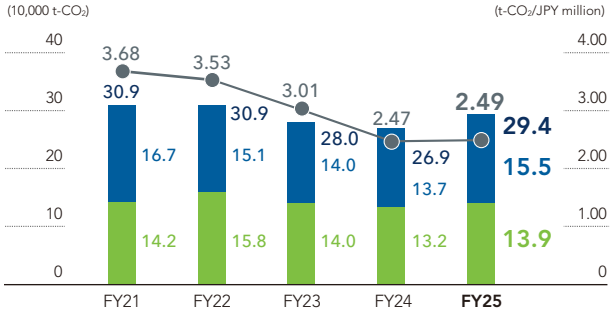
Our basic policy is to pay the annual dividend of not less than JPY 55.00 per share, targeting a dividend payout ratio of 30% of steady earnings. An interim dividend of JPY 27.50 and a year-end dividend of JPY 99.50 were distributed in FY2025, for a total of JPY 127.

Financial and Non-Financial Highlights

Non-Financial Value

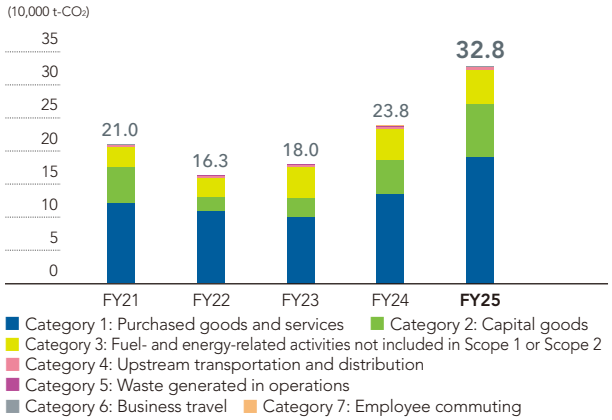
CO_2 Emissions from Business Operations

CO_2 emissions **15.8%** reduction in total amount (vs FY2013)*



* FY2013 CO_2 emissions: 349,000 t-CO_2; per unit of consolidated net sales: 4.10 t-CO_2/JPY million

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



* Scope 3: Indirect emissions outside of Scope 1 and Scope 2 (emissions of other companies related to business operations)

FY2025 Scope 3 Category Details (t-CO_2)

1: Purchased goods and services 190,993
2: Capital goods 79,868
3: Fuel- and energy-related activities not included in Scope 1 or Scope 2 51,372
4: Upstream transportation and distribution 3,726
5: Waste generated in operations 971
6: Business travel 364
7: Employee commuting 341

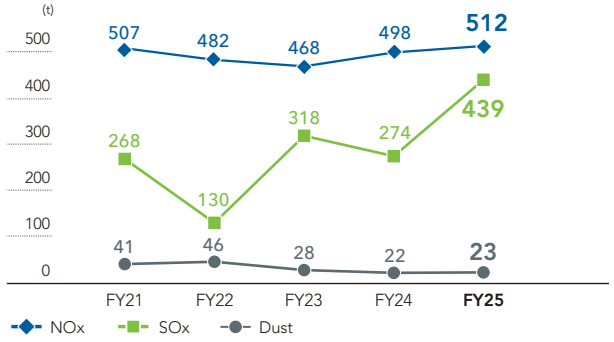
Scope 3 Reduction Initiatives

- Improve transportation efficiency in cooperation with suppliers and transporters
- Reduce CO_2 emissions through glass waste recycling

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

Air pollutant emissions

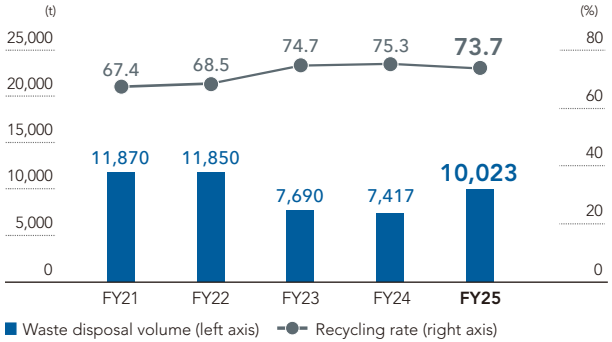
Air pollutant emissions **20.2%** reduction in total amount (vs FY2013)*



* FY2013 NOx emissions: 901 tons; SOx emissions: 223 tons; dust emissions: 96 tons
Note: An aggregation error was discovered in the air pollutant emissions for prior fiscal years, and the NOx, SOx, and dust emissions figures for FY2021 to FY2024 have been corrected.
Details of the corrections are available on our website.

Waste Disposal Volume / Recycling Rate

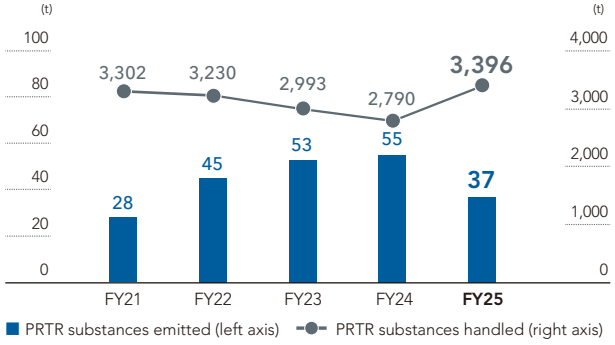
Recycling rate* **73.7%** (FY2025)



* Recycling rate = Materials recycled ÷ (Waste disposal volume + Materials recycled)

PRTR Substances Emitted and Handled

PRTR substances emitted **71.1%** reduction (vs FY2013)*



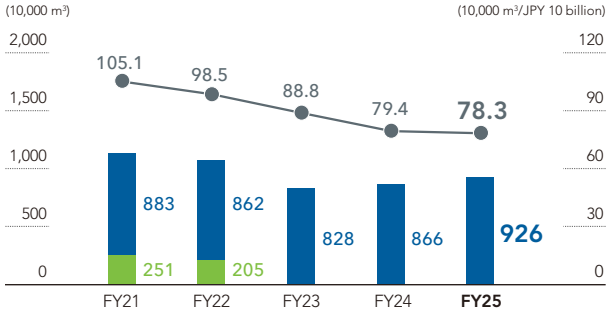
* PRTR substances emitted in FY2013: 128 t, PRTR substances handled: 2,881 t

Financial and Non-Financial Highlights

Non-Financial Value

Water withdrawal

Water withdrawal **24.5%** decrease per unit of sales (vs FY2013)*

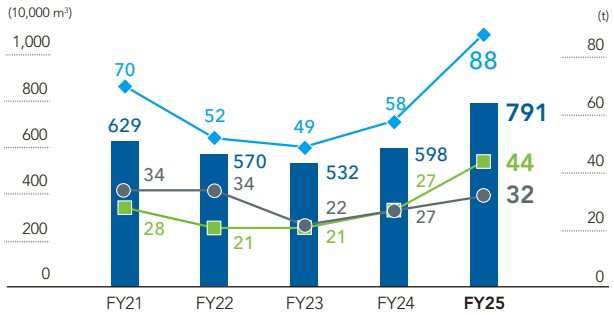


* FY2013 water withdrawal: 8.83 million m³; water withdrawal by Nitto Beverage Co., Ltd.: 2.27 million m³; per unit of consolidated net sales: 1.037 million m³/ JPY 10 billion

Note: Nitto Beverage was removed from the scope of consolidation in FY2022 and is therefore not included in the water withdrawal results for FY2023, FY2024, or FY2025.

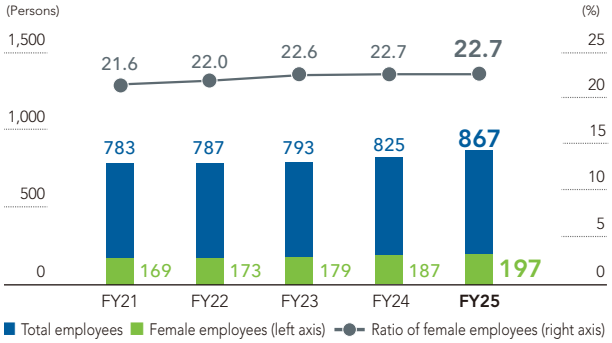
Water Drainage Volume / Water Pollutants

Water pollutants **17.6%** reduction in total amount (vs FY2013)[1]

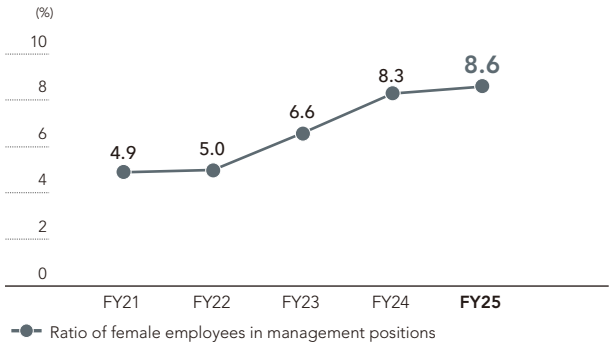


1. FY2013 COD: 116 t, BOD: 35 t, SS: 48 t, Drainage volume: 5.31 million m³
2. COD (chemical oxygen demand): Amount of oxygen required to chemically oxidize organic matter in water with an oxidant
3. BOD (biochemical oxygen demand): Amount of oxygen required for organisms to decompose organic matter in water
4. SS (suspended solids): Amount of insoluble substances in water

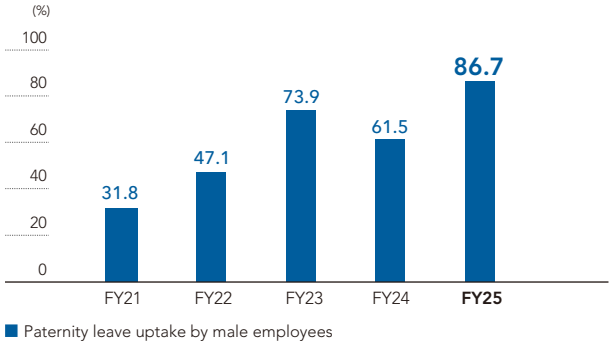
Total Employees (Non-Consolidated) / Ratio of Female Employees



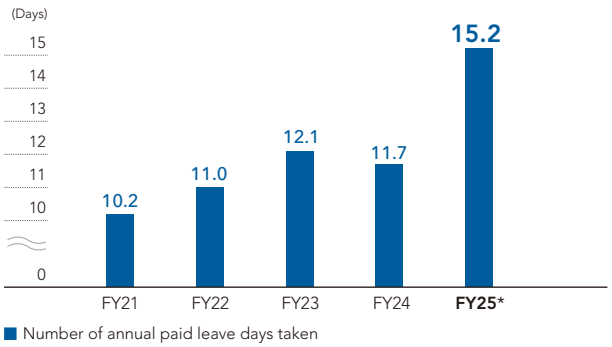
Ratio of Female Employees in Management Positions (Non-Consolidated)



Paternity Leave Uptake by Male Employees (Non-Consolidated)



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



* The calculation method has been changed starting from FY2025.

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

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https://www.nittobo.co.jp/eng/sustainability/pdf/IndependentAssuranceStatement.pdf

11-Year Financial Data

(JPY million)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Operating results											
Net sales	86,199	83,324	84,526	82,292	85,722	78,727	84,051	87,529	93,253	109,035	**118,229**
Operating profit	10,893	11,148	10,837	8,198	8,160	5,964	7,268	4,880	8,387	16,445	**20,819**
Ordinary profit	10,974	11,396	11,071	8,934	8,202	6,274	8,065	6,067	9,752	17,568	**21,544**
Profit attributable to owners of parent	5,598	7,479	10,253	7,984	5,771	8,100	6,519	2,772	7,296	12,837	**41,770**
EBITDA[1]	15,497	15,278	15,001	12,279	13,548	12,296	14,351	13,088	15,553	24,386	**30,120**
Depreciation	4,603	4,130	4,164	4,080	5,388	6,332	7,082	8,208	7,166	7,941	**9,301**
Capital expenditure	4,422	2,043	7,024	11,949	16,717	14,709	15,820	5,919	7,762	13,617	**21,702**
R&D expenses	1,255	1,429	1,590	1,477	1,698	2,097	2,577	2,950	2,825	2,983	**3,400**
Cash flows											
Net cash provided by (used in) operating activities	16,677	11,034	7,791	5,317	10,614	7,815	6,965	7,643	5,057	19,121	**17,296**
Net cash provided by (used in) investing activities	(12,294)	(2,271)	2,524	(11,389)	(16,917)	(1,867)	(17,305)	1,979	(7,896)	(11,418)	**22,787**
Net cash provided by (used in) financing activities	(2,276)	(8,826)	(9,467)	3,948	12,628	1,862	(1,530)	(7,249)	4,301	(3,277)	**(7,199)**
Free cash flows	4,382	8,762	10,316	(6,071)	(6,302)	5,948	(10,339)	9,622	(2,838)	7,702	**40,084**
Financial position (At end of fiscal year)											
Total assets[2]	142,719	140,064	147,160	151,000	172,824	184,652	187,289	185,585	212,112	223,105	**283,038**
Net assets	75,455	78,281	87,548	90,740	98,704	104,389	110,638	108,948	123,707	135,829	**180,383**
Interest-bearing debt	32,673	27,358	20,225	25,589	40,315	44,162	46,211	46,061	53,139	52,749	**50,687**
Stock information[3]											
Number of shares issued (Thousand shares)	247,677	199,677	39,935	39,935	39,935	39,935	39,935	37,723	37,723	37,723	**37,723**
Earnings per share (EPS) (JPY)[4]	28.1	37.71	263.97	205.76	148.73	208.77	168.04	73.94	200.39	352.61	**1,147.34**
Book-value per share (BPS) (JPY)[4]	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	3,563.47	**4,768.45**
Dividends per share (JPY)[5]	6.00	7.00	26.00	40.00	45.00	45.00	45.00	55.00	55.00	106.00	**127.00**
Dividend payout ratio (%)[6]	21.4	18.6	15.2	19.4	30.3	21.6	26.8	74.4	27.4	30.1	**11.1**
Management indicators											
Operating profit ratio (%)	12.6	13.4	12.8	10.0	9.5	7.6	8.6	5.6	9.0	15.1	**17.6**
EBITDA margin (%)	18.0	18.3	17.7	14.9	15.8	15.6	17.1	15.0	16.7	22.4	**25.5**
Return on equity (ROE) (%)[7]	7.6	9.8	12.5	9.1	6.3	8.4	6.4	2.6	6.6	10.4	**27.5**
Equity ratio (%)[8]	52.3	55.3	58.9	59.4	54.2	53.7	56.5	55.9	55.7	58.1	**61.3**
Debt-to-equity ratio (Times)[9]	0.44	0.35	0.23	0.29	0.43	0.45	0.44	0.44	0.45	0.41	**0.29**

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 FY2018, and the figures for FY2015 through FY2017 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 FY2017 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 FY2017, 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.
Head office	1, Aza Higashi, Gonome, Fukushima-shi, Fukushima, 960-8161, Japan
Headquarters	2-4-1, Kojimachi, Chiyoda-ku, Tokyo, 102-8489, Japan
Paid-in capital	JPY 19.6 billion
Representative and Chief Executive Officer	Hisanobu Hayashi
Employees	2,793 (consolidated), 867 (non-consolidated) (As of March 31, 2026)
Business operations	● 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.

Business Locations (As of April 1, 2026)

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 Midosuji 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

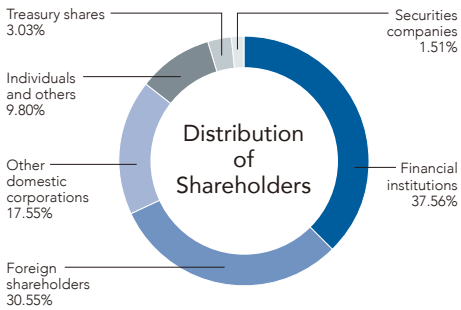
Main Consolidated Subsidiaries (As of April 1, 2026)

Electronic Materials Business Division		
Nitto Glass Fiber Manufacturing Co., Ltd.	Koriyama-shi, Fukushima	Production 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	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, processing, and sale of glass fiber products, etc.
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	Development, production, and sale of interlining products, functional materials, and dishcloths
Bunkyo Seiren Co., Ltd.	Fukui-shi, Fukui	Processing of textile products
Insulation Materials Business Division		
Paramount Glass Manufacturing Co., Ltd.	Sukagawa-shi, Fukushima	Production and sale of glass wool products
Other		
NITTOBO GLOBAL TRADING Co., Ltd.	Chiyoda-ku, Tokyo	Sale of glass fiber products, electronic materials, etc.
Nittobo Techno Co., Ltd.	Koriyama-shi, Fukushima	Design, manufacture, and sale of mechanical facilities; design, construction management, and contracting of civil engineering work and buildings
Nittobo Allied Service Co., Ltd.	Chiyoda-ku, Tokyo	Various contracted services

Stock Information (As of March 31, 2026)

Stock Status

Authorized number of shares	120,000,000 shares
Number of shares issued	37,723,012 shares
Number of shareholders	18,579



Major Shareholders

Name	Number of shares held (Thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	3,331	9.11
Nippon Life Insurance Company	1,614	4.41
Custody Bank of Japan, Ltd. (Trust account)	1,399	3.83
The Dai-ichi Life Insurance Company, Limited	1,316	3.60
Custody Bank of Japan, Ltd. (Money trust taxable account)	1,191	3.26
Sumitomo Realty & Development Co., Ltd.	1,191	3.26
MSCO CUSTOMER SECURITIES	1,153	3.15
Sumitomo Life Insurance Company	1,082	2.96
AIR WATER INC.	997	2.73
The Toho Bank, Ltd.	905	2.47

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. Note that treasury shares do not include Company shares held by trust accounts of stock compensation trusts.

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 Nihon Keizai Shimbun.
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

Website → IR information →

- 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 2026.
This year, looking ahead to the next century, we have sought to communicate our determination to achieve medium- to long-term sustainable growth, centered on the Medium-Term Management Plan (FY2024–2027) that launched in FY2024.
In addition to expressing our gratitude to all stakeholders, we hope that this report helps deepen your understanding of the Group's initiatives, which are geared toward resolving social issues to realize a sustainable society.
Through emphasis on dialogue with stakeholders, we will continue to engage in communication that helps generate sustainable growth in corporate value.

Nittobo

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Telephone: +81-3-4582-5111
https://www.nittobo.co.jp/eng/