Invention & Innovation
NITTA

VEGETABLE OIL INK

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C020841

NITTA CORPORATION

Head Office: 4-4-26 Sakuragawa, Naniwa-ku, Osaka 556-0022 Japan
Tel: 06-6563-1211 (Main)
https://www.nittagroup.com/en
Securities code: 5186

Invention & Innovation
NITTA

Integrated Report 2025

Fiscal year ended March 31, 2025



NITTA CORPORATION

The Nitta Group continues to take on the future with technology and passion, striving toward the realization of an ideal world.

The products created by the Nitta Group play vital roles across many industries and in daily life. Each product embodies both the passion to contribute to people's happiness and the solid technological expertise that supports it. By sincerely addressing customers' challenges, unafraid of change, we work together to create new value and contribute to the realization of a better society.



Nitta Group Mission

Mission	Values	Principles
The roles of Nitta Group towards customers and society	Thinking and mindset of all Nitta Group associates to actualize our mission	Action of all Nitta Group associates to actualize our mission
Going ahead with you Nitta strives to move the world with innovative and meaningful ideas that provide the vision for a more advanced society and a more harmonious way of life.	**Passion**	Driving positive change through the relentless pursuit of excellence
	Innovation	Shaping the future with creative ideas and products
	Integrity	Exceeding customer expectations through individual dedication
	Respect	Respecting and valuing all people leading to beneficial contributions to society and the global environment

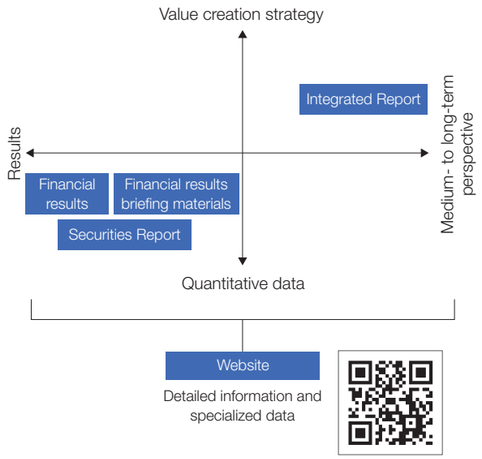
Editorial Policy

This report was prepared to comprehensively communicate past, present, and future financial and non-financial information as a means of medium- to long-term value creation. Our purpose is to help our shareholders, investors, and other stakeholders reach a deeper understanding of the Nitta Group's aims and strategies for the future. We hope that this report will help you understand the corporate value of the Nitta Group and give you confidence that we will create value for the future.

Reference guidelines
GRI Standards 2021 (GRI)
International Integrated Reporting Framework (International Integrated Reporting Council (IIRC))

Scope of report
Although this report covers the Nitta Group, some of the data herein is from Nitta Corporation apart from the Group. Such data is referred to as non-consolidated data, while Group data is referred to as consolidated data.

Period covered by report
Unless indicated otherwise, the period covered by this report is fiscal 2024 (April 1, 2024 to March 31, 2025). Depending on the content, activities from fiscal 2025 may be included.



Highlights of the NITTA Integrated Report 2025

Harnessing 140 Years of Progress Toward New Value Creation

As we mark the milestone of our 140th anniversary, the Nitta Group is stepping into its next stage. With a foundation built on a history of trust and challenge, please look forward to "the next Nitta" as we communicate both our passion and our strategy.

▶ Chairperson–President Dialogue [p. 11-12]
After 140 years from the founding, the top management speaks directly about their passion and their challenges for the future.

▶ General Manager Roundtable [p. 19-22]
Key players in the field share insights into growth strategies and the sense of progress in evolution.

Needs we aim to meet

- Learning the thoughts and approaches of management
- Understanding strategies for sustainable growth and initiatives of each business
- Knowing comprehensive financial indicators, financial policies, and asset utilization
- Confirming growth potential and risk management from a sustainability perspective

Table of Contents

01 The Future Nitta is Creating

01 Group Philosophy/Editorial Policy
02 Table of Contents
03 Nitta's Vision/Nitta's Reason for Existence
05 Nitta's History of Value Creation
07 Nitta's Value Creation Process
09 Commitment by the President
11 Chairperson–President Dialogue

02 Strategy

13 SHIFT2030 Medium- to Long-Term Business Plan
15 Business Overview
17 Shift for Corporate Value Enhancement: Financial Capital Strategy
19 Shift for Growth: General Manager Roundtable
23 Shift for Further Globalization: Global Market Strategy
25 Shift for Corporate Value Enhancement: In-house Venture Initiatives

03 Business Foundation

27 Human Capital
29 Intellectual Capital
31 Natural Capital

04 Sustainability/Governance

33 Sustainability Management Approach/ Material Issues and Business Overview
35 Climate-Related Disclosures Based on TCFD Recommendations
37 Environmental Initiatives
41 Social Initiatives
47 Corporate Governance
51 Quality Improvement/DX Promotion
52 Occupational Safety and Health/Business Continuity Plan
53 Evaluations from Outside Directors and Audit & Supervisory Board Members

05 Corporate Data

55 Financial Highlights
56 Five-Year Financial & Non-Financial Summaries
57 Introduction of Directors/Introduction of Audit & Supervisory Board Members
58 Company Profile
58 Global Network

Nitta's Vision

Facing the changes of the times and leading society through technological innovation

Since its founding, the Company has accurately recognized changes in society and pursued technological evolution with a forward-looking perspective. In Phase 2 of SHIFT2030, our Medium- to Long-Term Business Plan launched in April 2025, we are further strengthening group collaboration and taking on the challenge of creating innovative technologies and products that address social issues through the deepening of existing businesses and the exploration of new ones. Building on the core values of invention, innovation, and harmony, which have been passed down since our founding, our vision is to continue refining our technologies, contribute to the realization of a sustainable society, and open the way to a prosperous future. We will continue to respond to society's expectations, create new value, and use our technological capabilities to help solve challenges across diverse fields.

Nitta's Reason for Existence

Harnessing 140 years of progress: Building trust and creating the future together

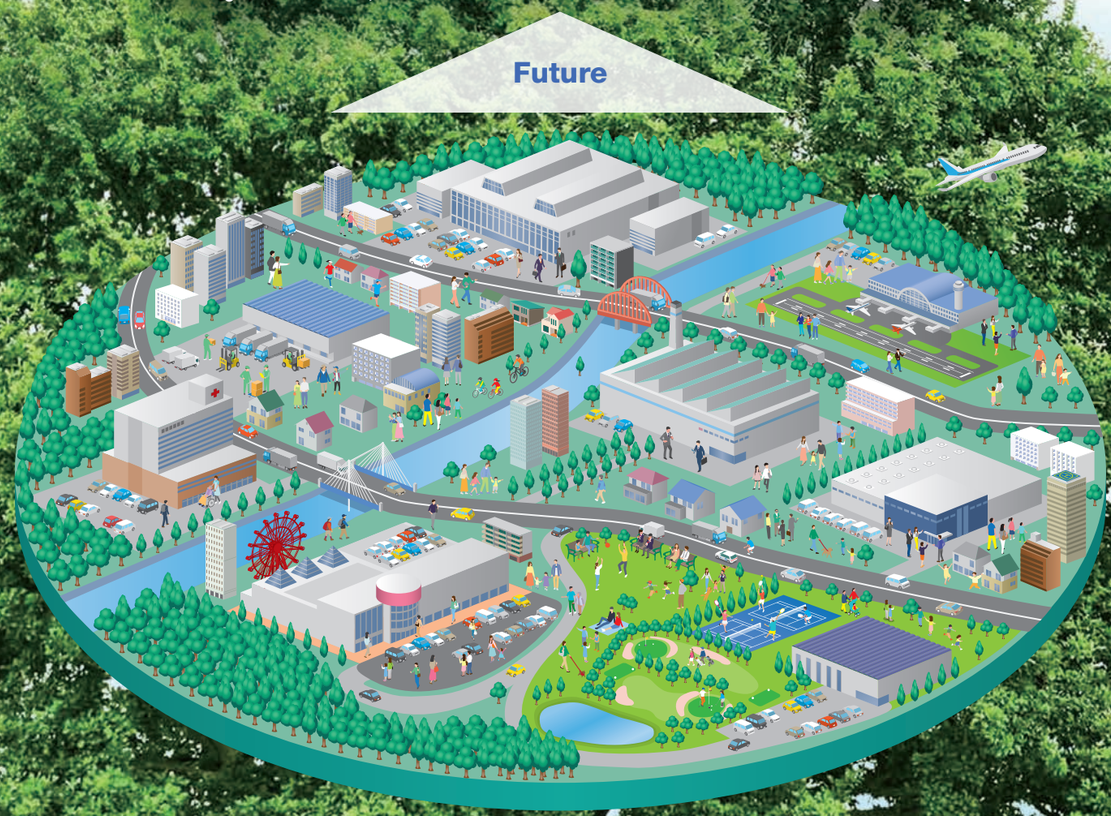
Guided by the founding philosophy of invention, innovation, and harmony, and the spirit of manufacturing products that are not available in Japan, we have flexibly adapted to the changing times, generating value through technology and the power of people over 140 years. Beyond delivering reliable products and services, we have built relationships with stakeholders through human resource development and environmental consideration. Walking together with them is the very foundation of the Group's corporate value. Through the Medium- to Long-Term Business Plan SHIFT2030, we are striving to maximize the value we can share with society by driving transformation across business, organization, and people in an integrated manner. We will remain faithful to our founding philosophy, continue to take on challenges with the spirit of invention and innovation, and contribute to the realization of a sustainable society. Together with all stakeholders, we will create the value of the next era.

The oak trees on our Hokkaido site

The Japanese emperor oak trees of Tokachi, Hokkaido, once provided the high-quality tannin essential for the leather belts manufactured in the Company's early years. As demand grew and logging increased, our founder grew concerned about the environmental impact and began reforestation with larch and the development of veneer boards. This commitment to using resources wisely and coexisting with nature remains an important part of the Company's spirit today.
(Photo for illustrative purposes)

Vision for 2030

Nitta manufacturing is responsive to society's advances, continuously meeting customer needs. Accelerating these activities, we will move forward without hesitation in these times of great change.

















Please visit our website to learn more about our value creation system for achieving our Vision for 2030

140th Anniversary

A history of advancing technology in response to changes in the times

Creating value that is useful to the world through manufacturing began with the pioneering spirit of our founder, Chojiro Nitta. The Company was founded in Osaka by Chojiro Nitta, who mastered leather production techniques and succeeded in developing Japan's first leather belts for power transmission. Since that time, the Nitta Group has continued to create a variety of technologies and products to meet ever-changing needs.
This timeline traces the path of value creation at Nitta, from the past to the present and into the future.



Chojiro Nitta, Founder

Founding

1885

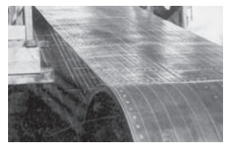
Chojiro Nitta started a leather production business in Osaka out of his rented home



Birth of Japan's first leather belts

1888

Japan's first leather belts for power transmission successfully manufactured



Forest management began

1906

Tannin production started in Hokkaido



1909

Nitta Leather Belting (limited partnership)

1945

Company divided into three new companies: Nitta Leather Belting Co., Ltd., Nitta Gelatin Co., Ltd., and Nitta Rubber Industrial Co., Ltd.

1963

PolyBelt™ rubber belts for transmission released
Belts made from new materials developed to match advancements in industrial machinery

Overseas expansion

1965

Company name changed from Nitta Leather Belting Co., Ltd. to Nitta Belting Co., Ltd.

1966

Timing belts and thermoplastic hoses and tubes imported from foreign manufacturers, sales began



1968

Nitta-Moore Co., Ltd. established as a joint venture with an American hose and tube manufacturer
(reorganized as a joint stock company in 1992, merged in 2009)

1971

Unitta Company established as a joint venture with an American company (current Gates Unitta Asia Company)

1974

Super Endless Belt for precise power transmission and conveyance released





Leather bags Chojiro Nitta had used

These were Chojiro Nitta's favorite leather bags, full of the inquisitive spirit he took with him on two self-financed trips to Western countries during the Meiji era (1868-1912).

1982

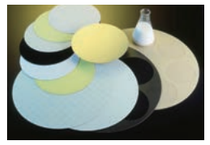
Company name changed from Nitta Belting Co., Ltd. to Nitta Corporation

1983

Rodel Nitta Company established as a joint venture with an American company (current Nitta DuPont Incorporated)

1984

Polishing pad and slurry sales began



1988

Automatic tool changer (ATC) sales began



1990

Company listed on the OTC market (later listed in the second sections of the Osaka and Tokyo Stock Exchanges, then the First Section of the Tokyo Stock Exchange in 1997)

1992

Pressure distribution measurement system sales began



2017

Naniwa Rubber Co., Ltd. and Nitta Chemical Industrial Products Co., Ltd. converted to subsidiaries through acquisition of shares

Net sales through the years

The Group has achieved sustainable growth for 140 years. Most recently, we have continued to grow further through digitization and expansion into global markets.



SHIFT2030 Medium - to Long-Term Business Plan launched

2021

SHIFT2030 Medium- to Long-Term Business Plan launched
Namd™ Project received Society for the Advancement of Material and Process Engineering (SAMPE) Award



2022

Listing changed to Prime Market with restructuring of the Tokyo Stock Exchange

2023

Completed 8th Plant Building at the Nara Plant



2024

Relocated and expanded consolidated subsidiary plant in South Korea



Expanded consolidated subsidiary plant in Thailand



2025

Deepening and advancement of value creation

140th Anniversary of Nitta

Driven by the founding spirit of Chojiro Nitta of manufacturing products that are not available in Japan, the Group has contributed to the development of society through manufacturing for 140 years. While advancing product diversification and global expansion, we will continue to respond to worldwide needs and shift toward a sustainable future.



Nitta's Value Creation Process

The Group undertakes business activities with the aim of resolving social issues through value creation centered on manufacturing to make our vision for a more advanced society and a more harmonious way of life a reality. As innovators, we will continue to evolve, enhancing our corporate value by creating products to help lead us into the future and bring greater comfort and convenience to people's lives.

Group Mission

Going ahead with you

Nitta strives to move the world with innovative and meaningful ideas that provide the vision for a more advanced society and a more harmonious way of life.

Input

Financial Capital
▶ p. 17

Total assets: 179.9 billion yen

A stable and sound financial base supports capital expenditure and other critical management resources underpinning sustainable growth.

Human Capital
▶ p. 27

Number of employees (consolidated): 2,940

Human resources with diverse nationalities, genders, ages, occupations, and other attributes, who are capable of contributing to sustainable growth in 13 countries and regions around the world.

Intellectual Capital
▶ p. 29

Research and development expenses: 2.0 billion yen

Since our founding, we have continuously improved our technological capabilities, providing unique solutions and building a strong technological foundation.

Natural Capital
▶ p. 31

Area of Company-owned forests: approx. 6,700 ha

Amount of CO_2 fixation: 1,518,357 t-CO_2

(Figures from previous fiscal year)

Contributing to global warming countermeasures through CO_2 absorption and fixation in Company-owned forests for the public benefit.

Manufactured Capital

Production system capable of global response

Overseas manufacturing & processing locations	16
Domestic manufacturing locations	7
Capital expenditure amount for FYE March 2025	6.8 billion yen

Social and Relationship Capital
▶ p. 41

Valuing relationships with stakeholders and maintaining strong relationships with customers and suppliers. Issued Declaration of Partnership Building in March 2022.

Business Model

Growth strategy for sustainable development ▶ p. 13

Medium- to Long-Term Business Plan

SHIFT INNOVATOR cored around manufacturing

SHIFT 2030

*Innovation Bird

Business activities based on the core values of invention, innovation, and harmony

Invention
We invent and develop useful products and send them out into the world

Innovation
We continuously innovate products delivered to the market to always provide the best products

Harmony
We recognize that good development and good innovations cannot be achieved without a good work environment and good human relationships

Priority issues rooted in social issues (material issues) ▶ p. 33

E Environmental ▶ p. 37
- Achieve a low-carbon society by reducing greenhouse gases
- Reduce environmental impact and realize a recycling society
- Forest management that contributes to global warming countermeasures and preservation of biodiversity

S Social ▶ p. 41
- Demonstrate social responsibility throughout the value chain
- Provide motivating and appealing work environments
- Pursue customer satisfaction

G Governance ▶ p. 47
- Promote compliance and strengthen risk management

Corresponding SDGs

Output

Belt and rubber products business
- Belt Products
- Conveyor products
- Rubber products
- Communication & electronic devices
- Sensor products
- Temperature-sensitive adhesive tape
- RFID products
- Carbon fiber-reinforced plastics (CFRP)

Hose and tube products business
- Thermoplastic hose and tube products
- Mechatronic products
- Coupling and fitting products

Chemical industrial products business
- High-performance products
- Construction material products
- Industrial material products
- Waterproof material products

Other industrial products business
- Air conditioning products
- Plastic medical equipment
- Medical rubber products

Other businesses
- Real estate business
- Driving school business
- Management guidance business
- Forestry business, etc.

New businesses-plus
- Creating new mechanisms
  - 01 Reviewing & improving conventional mechanisms
  - 02 Creating exploration-oriented new mechanisms
  - 03 Sharing values that achieve both depth and exploration
- Chemicals & new materials
- Robots
- Biotechnology

Areas of contribution
- Semiconductors, LCDs & electronic components
- Environment & energy
- Construction & civil engineering
- Automotive
- Industrial machinery
- Logistics & transportation
- Food & hygiene
- Medical & health care

GHG emissions: **37.6%** reduction in fiscal year ended March 31, 2025 (from FY2013 level)

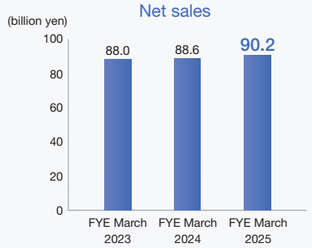
Percentage of management positions held by women: **8.9%** (fiscal year ended March 31, 2025)

Percentage of male employees taking childcare leave: **52.2%** (fiscal year ended March 31, 2025)

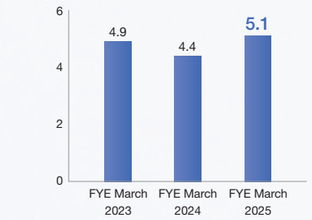
Outcomes

Increase in economic value
- New products and businesses created
- True globalization promoted
- Total cost competitiveness improved

Net sales



Operating income



Improvement of social value
- Stably creating products that are rooted in society and support people's lives
- Working together with stakeholders to build a better future

The Nitta Group will unite all its strengths to take on further growth.

Thanks to your continued support and goodwill, our Group celebrated its 140th anniversary in March 2025. I would like to express my deepest gratitude. At this important milestone, as President and Representative Director, I will devote myself wholeheartedly to advancing our Group's growth and development.

The Medium- to Long-Term Business Plan SHIFT2030, launched in 2021, entered Phase 2 this fiscal year. Despite the challenging business environment of Phase 1, including the COVID-19 pandemic, we achieved our numerical targets. In Phase 2, building on those results, we will take on greater challenges by expanding existing businesses, strengthening profitability, and developing new businesses and markets. The entire Group will unite its strength to achieve these ambitious goals. We sincerely ask for your continued guidance and support.



Seiichi Kitamura
President and
Representative Director

Further promotion of global strategy and new business development

Phase 2 of the Medium- to Long-Term Business Plan SHIFT2030 (final year: fiscal 2027) sets a target of 105.0 billion yen in net sales, while Phase 3 (final year: fiscal 2030) aims for 120.0 billion yen. Phase 2 launched this fiscal year and is positioned as a period to continue expanding existing businesses and improving profitability, while we also nurture the seeds of new technologies and businesses already developed. At the core of this lies our global strategy.

Last fiscal year, we established the Global Business Development Dept. as a cross-functional organization. Working with each business division and subsidiary, it promotes overseas market development through information gathering from overseas business partners and the use of distributor networks, while also serving as a platform for developing global human resources through hands-on experience.

The belt business has been at the forefront of our global expansion, building trust with customers and establishing strong distributor networks. We will share and leverage these assets across other divisions and subsidiaries to enhance Group-wide synergies.

In the domestic market as well, we will further strengthen collaboration with distributors to deepen trust. Based on my own experience, I strongly feel that trust, whether at home or abroad, is founded on accurately understanding customer needs and persisting in addressing even the most difficult challenges.

While changes in organizations and personnel may reset relationships, they also bring new opportunities to meet new customers. To respond to such changing times, talent capable of demonstrating strength in overseas and new markets will become more critical than ever. We will continue to promote the development of young global human resources through the Overseas Trainee Program and, within the Global Business Development Dept., actively advance global hu man resource development through overseas assignments, on-the-ground experience, and interactions with local bases and partners.

Here, we introduce our strategies for growth in global markets and the initiatives of the cross-company Global Business Development Dept.
▶ p. 23

Selection and concentration to allocate management resources to growth markets

Since its founding, our Company has valued people-oriented management, cultivating a corporate culture that emphasizes education. In recent years, we have promoted workplace environments suited to the times through personnel system reforms and rank-specific training. Amid intensifying labor shortages, it is important to go beyond a focus on securing and developing talent to establish structures that maximize the potential of each individual through optimal placement. While streamlining progresses in some areas, we are focusing human resources in departments where human strength is indispensable, achieving both efficiency and growth.

Since last fiscal year, we have introduced "business ROIC" as a financial indicator to manage profitability at the business and product level. We are reallocating capital and personnel based on profitability and future potential, advancing selection and concentration, by reviewing businesses, including mature products. In new businesses, we are focusing on high-value-added applications of Namd™, the regenerative medicine field, and the utilization of Hokkaido resources through Wakutto Nitta. We aim to expand sales by 15.0 billion yen over the three years of Phase 2, advancing swift and dynamic business development, including M&A, to achieve sustainable growth.



Together with all stakeholders toward the future

In these uncertain and difficult times, the Nitta Group must respond more flexibly and with stronger execution than ever before. To withstand these waves of change and convert them into positive results, it is essential for the entire Group to unite and combine our strengths. Beyond strengthening collaboration among business divisions, we will further deepen trust with domestic and overseas distributors and business partners, focusing not only on surface-level needs but also on identifying and continuously providing latent needs. Dialogue and collaboration with all stakeholders will play a key role in this. Within the Company as well, we aspire to be an organization where employees in different business fields support one another, build healthy relationships, and strive for growth together. Each employee carries forward the founder's spirit of manufacturing products that are not available in Japan and contributing to society through manufacturing, a spirit that continues to underpin our Group Philosophy today.

As management, we strive to embed the founder's philosophy into employee actions, fostering a workplace environment where everyone can demonstrate creativity, execution, and enthusiasm. Exchanges and co-creation inside and outside the Company, and exposure to diverse opinions, are also essential to cultivating creativity. Each employee's strength is the driving force that supports our sustainable growth.

We also extend our deepest gratitude to our investors. We will continue to value dialogue with our shareholders, strengthening our corporate structure and returning the fruits of growth. As part of our shift to management that is conscious of cost of capital and stock price, we plan to increase dividends by at least 10 yen per share every year through the fiscal year ending March 31, 2028, with benchmarks of a consolidated dividend payout ratio of 30% or higher and DOE of 2.5% or higher.

I remember seeing the words: "Meet to discuss, discuss to decide, decide and take responsibility," when I was a new employee at the Nara Plant. That phrase remains deeply engraved on my heart today. Together, we will face difficulties head-on and press forward toward the vision of SHIFT2030 and beyond into the future.

For more details on this interview, scan here to visit our website

Creating the Future from 140 Years of History

This fiscal year marks both the significant milestone of our 140th anniversary and the important first year of Phase 2 of the Medium- to Long-Term Business Plan SHIFT2030. As we advance SHIFT2030 in these turbulent times under the new management structure led by Chairperson Ishikiriyama and President Kitamura, the two leaders themselves exchanged views on the strategies to guide our Group toward further growth, the aspirations embodied in SHIFT, and the strengths built over Nitta's 140 years as well as the challenges ahead.



Yasunori Ishikiriyama
Chairperson, Representative Director and Executive Officer

Seiichi Kitamura
President, Representative Director and Executive Officer

SHIFT2030 launched amidst turbulent times

Ishikiriyama: At the major milestone of our 140th anniversary, we now move into Phase 2 of SHIFT2030 under President Kitamura's leadership. Looking back, I became president in December 2019, and soon after, the formulation of the Medium- to Long-Term Business Plan SHIFT2030 began in the midst of the crisis of the COVID-19 pandemic. That adversity gave us the opportunity to re-examine our present position and our future. The concept "SHIFT" was born at a time when the world was undergoing major upheaval and turmoil. Even now, it expresses the path we must take and the ideal we should aspire to.

Kitamura: At that time during the pandemic, I was head of the Industrial Products Division, busy dealing with on-site responses. Overseas markets placed strong trust in us as an essential supplier, and it was our mission to continue production without halting business activities. We responded by every means possible—air transport, shipping, and more. As a result, I could see that new approaches and awareness were beginning to take root among employees. We managed to get through the crisis without a major decline in performance.

Ishikiriyama: I think the frontline responded well with persistence and ingenuity. Amid the global impact of the pandemic, I was prepared for a temporary decline in results. I knew there was no point in being overly nervous—I believed our frontline employees would give their utmost effort. At that time, even with then-General Manager Kitamura, we did not hold any special meetings just because of the pandemic. Our strength lies in diversification and globalization, and by dispersing businesses and markets, risks are mitigated. It was my belief that if each department responded to its circumstances and worked with full effort to achieve the best results locally, good outcomes would naturally follow.

Kitamura: If something unusual occurred, we reported it as needed, but otherwise the frontline was trusted to manage. Our employees have a strong sense of responsibility and are very earnest. When faced with an issue, they would quickly gather and exchange opinions without regard to hierarchy. Everyone looked in the same direction and advanced together, and especially during the pandemic, I found the sight of our employees working this way very reassuring.

Ishikiriyama: That is exactly what I find most admirable about our Company. Our steady commitment to meeting customer expectations and our cooperative approach among employees demonstrate how the founding philosophy of invention, innovation, and harmony has permeated the entire Company. As I understand it, this philosophy was codified by later generations of employees, because it is a truth they themselves grasped, and it's understood and internalized in their own words. Building good relationships together and working cooperatively is at the heart of harmony, and that naturally equips us to foster good relationships with all stakeholders.

Challenges in new technologies and businesses create Nitta's future

Kitamura: Our employees are serious and sincere. They also embody the Mission, Values, and Principles set forth in our Group Philosophy.

Ishikiriyama: Being earnest and diligent is important. But as we continue to be in the throes of these turbulent times, flexibility in responding to change, fresh ideas, and bold concepts will become increasingly critical as expressed in SHIFT.

Kitamura: Every person has multifaceted potential, and dialogue and environment are key to drawing that out. Exposure to others' perspectives is valuable, as it leads to new awareness and fresh ideas. I want to create a workplace with active exchanges inside and outside the Company and where diverse perspectives intersect. Our 140-year history is one of consistently taking on new technologies and businesses in response to social change. At the core of this has always been "people"—the ability of each individual to fully realize their potential is the key to sustainable growth.

Ishikiriyama: Exactly. New technologies and businesses are what shape the Company's future. In SHIFT2030, strengthening existing businesses and exploring new ones are the twin pillars. Investing the capital and human resources cultivated through existing businesses into new fields represents the most suitable growth model for our Company. M&A is one such measure. For example, Nitta Chemical Industrial Products, which became a subsidiary in December 2017 through share acquisition, has advanced structural reforms through selection and concentration, achieving sales of 13.0 billion yen. In the air conditioning business, consolidation of sales companies and strengthening in the Taiwanese market have contributed to establishing a profitable structure. Development of the Indian market and the decontamination market also promises future growth. The hose and tube products business is also beginning to show results with strategies focusing on construction machinery and semiconductors. Each existing business delivered results in Phase 1 of SHIFT2030, but one of the key priorities in Phase 2 is for President Kitamura to take the helm and lead them to even greater achievements.

Kitamura: In Phase 1, in addition to achieving numerical targets, we also advanced the review of product portfolios in each business department. Building on this foundation, in Phase 2, we will take on further growth.

Ishikiriyama: New businesses are important not only for sales, but also for expanding the Company's potential and raising expectations for growth. Last fiscal year, we launched a new business producing and selling maple syrup from wild-growing maples, utilizing Hokkaido's forest resources. This initiative, proposed by the New Business Exploration Team, has also brought about a shift in mindset that with the right plan, we can take on anything. Since this was in the food sector, not part of our core businesses, there was internal debate. However, it was separated from existing divisions and launched as the venture company Wakutto Nitta. We are placing our hopes on it not for its sales, but for its role in stimulating existing businesses with free and creative ideas.

Trust-based relationships with stakeholders drive growth

Kitamura: By securing solid profits from our existing businesses, we can boldly take on challenges in new products and business fields. To me, this is our strength and a true source of corporate value.

Ishikiriyama: A company's value is not only in its sales and profits but also in expectations for future growth. At present, looking at our stock price, market valuation is low, our P/B ratio is 0.7 and P/E ratio is 8, both below where they should be. This indicates a lack of expectations for the future. It is essential not only to demonstrate growth and corporate value through business performance but also to actively show society bold and swift actions that raise those expectations.

Kitamura: For rapid growth, it is important not only to create new businesses internally but also to actively adopt new technologies and ideas from outside. In the past, we were able to expand the market by introducing products that incorporated overseas technologies, but that is no longer easy. That is why we must carefully seek out companies that have technologies that can strengthen or complement our businesses.

Ishikiriyama: I look forward to you exercising your leadership toward the major goals of SHIFT2030 and dynamic growth. My predecessor as president once said, "The landscape changes when net sales exceed 100.0 billion yen," and I want to witness that transformation together. In Phase 2, I hope you will cultivate new businesses and growth fields on a large scale. While there are some voices prioritizing domestic interests or short-term economic gain, the importance of the environment and the global economy remains unchanged, and it is vital to uphold these principles.

Kitamura: In my opinion, long-lasting companies share three characteristics. Flexibility in responding to changes in the times, having a clear management philosophy, and building trust with customers. In our global strategy, the ability to apply the overseas distributor network built by the belt products business to other businesses is possible only because of deep trust. Such relationships are nurtured under a clear philosophy and are connected to both flexibility and trust. Going forward, we will continue to drive SHIFT2030 forward based on the connections we have with our employees, business partners, and supporters.

Ishikiriyama: Together, we will aim for the ideal future of our Company and a new horizon.

For more details on this interview, scan here to visit our website

SHIFT Moves to the Next Phase

SHIFT 2030
SHIFT INNOVATOR
cored around manufacturing

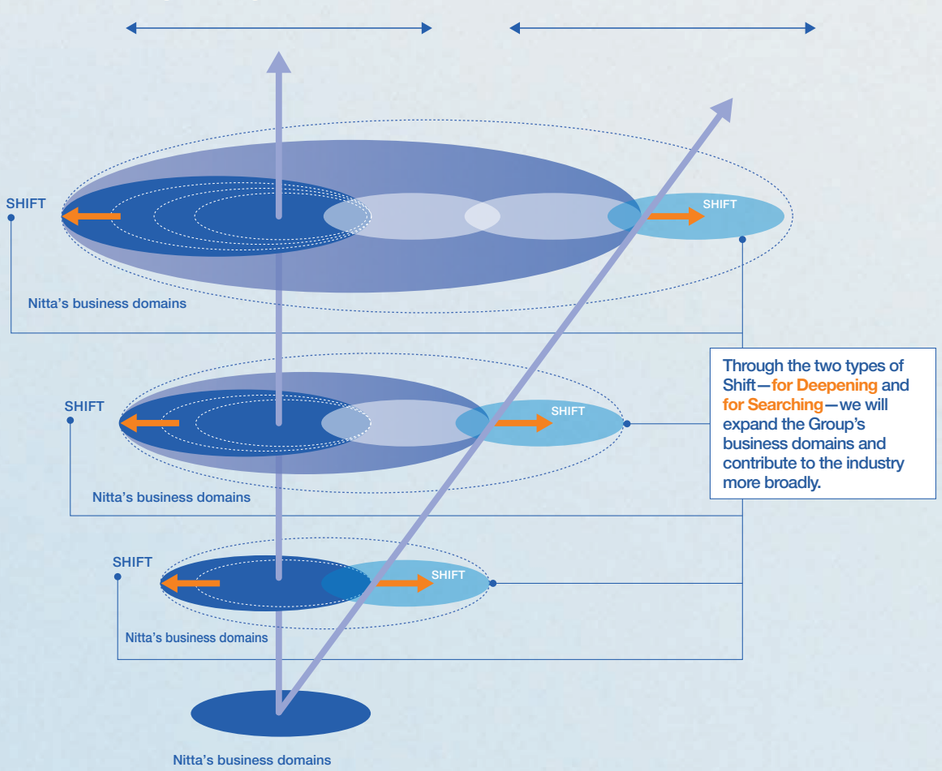
Under the Medium- to Long-Term Business Plan SHIFT2030, we are driving transformation toward realizing our Vision for 2030 of becoming SHIFT INNOVATOR cored around manufacturing. From fiscal 2025, we are transitioning into Phase 2, the mid-stage of the plan. This phase marks the stage of not only deepening existing businesses but also accelerating challenges in new domains. As social issues and customer needs grow increasingly complex, we will continue to evolve with flexibility and boldness by repeatedly shifting, thereby generating greater innovation.

Vision

SHIFT2030
SHIFT INNOVATOR cored around manufacturing

Shift for Deepening
(Strengthening existing business)
We will enhance our competitiveness through repeated improvements to further strengthen existing businesses.

Shift for Searching
(Searching for new business)
We will create new markets and technologies to bring about innovation and create new businesses.



Through the two types of Shift—for Deepening and for Searching—we will expand the Group's business domains and contribute to the industry more broadly.

Progress of SHIFT2030

Note: Formula for calculating business ROIC: Operating income after tax / Average business assets at beginning and end of term (working capital + tangible and intangible fixed assets)

Phase 1 FY2021 to FY2024	Phase 2 FY2025 to FY2027	Phase 3 FY2028 to FY2030
We launched these initiatives in 2020 with a common desire to achieve sustainable growth through repeated Shifts and constant progress while keeping manufacturing at our core.	The goal is to achieve net sales of 105.0 billion yen in preparation for Phase 3. We will further promote global business and otherwise expand our business in larger fields.	We will promote the three major Shifts to achieve our vision and achieve our goals for 2030.
FY2024 actual (refer to financial results briefing materials)	**FY2027 target**	**FY2030 target**
Net sales: 90.2 billion yen	Net sales: 105.0 billion yen	Net sales: 120.0 billion yen
Operating income ratio: 5.7%	Operating income ratio: 7.0%	Operating income ratio: 8.0%
New product sales ratio: 7.1%	Business ROIC*: 7.0%	Business ROIC*: 9.0%
Overseas net sales growth rate: (Compared with FY2020) 143%	New product sales ratio: 10.0%	New product sales ratio: 10.0%
Capital expenditure amount: (for 4 years) 18.7 billion yen	Overseas net sales growth rate: (Compared with FY2020) 160%	Overseas net sales growth rate: Compared with FY2020) 180%
	Capital expenditure, etc.: (for 3 years) 17.0 billion yen	Capital expenditure, etc.: (for 3 years) 15.0 billion yen

Current progress
In Phase 2, while steadily executing the growth strategies of SHIFT2030, we are also working to maximize corporate value through management that emphasizes capital efficiency and shareholder returns. We have newly set business ROIC, an indicator of capital efficiency, as a quantitative target, and in order to emphasize further globalization, we have raised our target for the overseas sales growth rate. The Company will continue to pursue sustainable growth.

Three major Shifts for achieving our vision

1 Shift for Growth

▶ p. 19

We will achieve sustained growth by deepening our existing businesses. For new businesses, we explore what the landscape of social issues and needs will look like 10 years from now, and promote technological innovation and product development from a market-oriented perspective.

- Sustainably grow existing businesses
- Explore new businesses
- Accelerate new product development

2 Shift for Corporate Value Enhancement

▶ p. 17, p. 25

We are strengthening corporate governance and compliance as we advance initiatives in line with international standards. This includes signing the UN Global Compact, which sets out 10 principles concerning human rights, labor, environment, and anti-corruption.

- Enhance quality and total cost competitiveness
- Strengthen corporate governance and compliance
- Promote ESG and achieve the Goals of SDGs

3 Shift for Further Globalization

▶ p. 23

Aiming to further expand sales of growing businesses and products in the domestic market, we are expanding our overseas market share and restructuring systems from manufacturing to sales. We are also aiming to enhance our international competitiveness by strengthening the development of global human resources who will be active at our overseas locations. In 2024, we established the Global Business Development Dept. to strengthen support in this area.

- Further the global expansion of each business
- Strengthen global support via the Corporate Section

FY2030 financial targets

Net sales	Operating income ratio	Business ROIC	New product sales ratio	Overseas sales growth rate	Capital expenditure amount
120.0 billion yen	8.0%	9.0%	10.0%	180% (compared with FY2020)	40.0 billion yen (total, FY2021 to FY2030)

For details on the revision of targets, see p. 17.

Business Overview

Since our founding, Nitta has made contributions to industry by embracing our wish to be of service to customers and society, and by flexibly responding to the changes of the times to turn requests received from manufacturing floors into reality. We will continue contributing widely to society by providing innovative products that lead to people's happiness.

(Fiscal year ended March 31, 2025)

Net sales

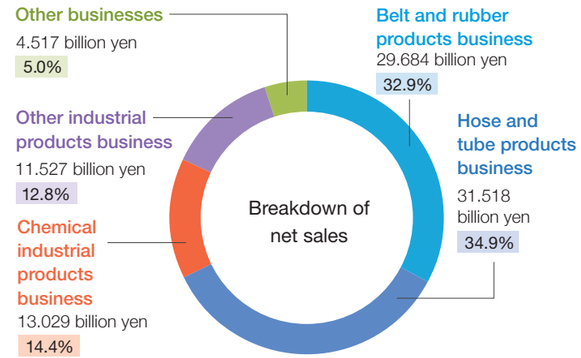
90.276 billion yen (consolidated)

+1.9% YoY

Operating income

5.155 billion yen

+16.6% YoY



Segment	Products and applications		Net sales and Profit by segment for the fiscal year ended March 31, 2025	Review of the fiscal year ended March 31, 2025	Vision	Areas of initiative focus	Relevant SDGs
Belt and rubber products business	Belt products Products for transport Rubber products Temperature-sensitive adhesive tape RFID products	Textile machinery, postal machinery, financial machinery, logistics machinery Food transport, distribution centers Sliding wipers for machine tools, bridge expansion and contraction joints, etc. Electronic component manufacturing equipment For linens & metals	32.9% Net sales: 29,684 million yen Segment profit: 3,473 million yen	In Japan, demand for temperature-sensitive adhesive tapes for electronic components remained firm, but the special demand for RFID products for linens seen in the previous year came to an end. Overseas, demand for belt products for the logistics industry in North America improved, and demand for belt products such as those for electronic components in Asia also remained strong. As a result, net sales were 29,684 million yen, an increase of 148 million yen (+0.5%) year on year. Segment profit was 3,473 million yen, an increase of 34 million yen (+1.0%) year on year.	• New products and businesses created • Existing businesses further deepened and grown • New markets and customers captured • Cost competitiveness strengthened • New applications developed	• Acquisition of global companies • Development of energy-saving products • Allocation of resources to light transport domain • Enhancement of our lineup of rubber and steel joints • Cultivation of new markets for temperature-sensitive adhesive tape	8, 12
Hose and tube products business	Thermoplastic hose products Tube products Mechatronics products	Construction machinery, commercial vehicles, machine tools Semiconductor manufacturing equipment, passenger cars, commercial vehicles Industrial robots	34.9% Net sales: 31,518 million yen Segment profit: 147 million yen	In Japan, products for semiconductor manufacturing equipment showed signs of recovery, and mechatronics products for automobile production lines performed steadily, but products for the automotive and construction machinery industries were sluggish. On the profit side, the pass-through of higher raw material costs into sales prices progressed. Overseas, demand for products for the automotive and construction machinery industries was sluggish in Asia, particularly in China. As a result, net sales were 31,518 million yen, a decrease of 179 million yen (-0.6%) year on year. Segment profit was 147 million yen, an increase of 139 million yen year on year.	• Existing business grown sustainably • Product applications expanded into growth areas • Product development accelerated, new overseas customers cultivated	• Pioneering applications for global growth markets • Entry into growth industries for a low-carbon society • Further globalization through production and procurement at optimal locations	8, 12
Chemical industrial products business	Rubber products Elastomer products Thermoplastic products Rubber coated fabric products Architectural/civil engineering products	Rolling stock, trucks, buses, ships, ready-mixed concrete casting vehicles (air springs, anti-vibration rubber, etc.) OA equipment (cleaning blades) Sanitation vehicles, construction and civil engineering facilities Gas meters, large storage facilities Rooftops of apartments and other structures, final disposal sites, storage reservoirs (waterproof/water shielding), athletics stadiums/ multipurpose courts (resilient paving materials)	14.4% Net sales: 13,029 million yen Segment profit: 1,015 million yen	In Japan, rubber products for railroads performed steadily. Overseas, elastomer products for OA equipment and rubber products for railroads also performed steadily. As a result, net sales were 13,029 million yen, an increase of 1,206 million yen (+10.2%) year on year. Segment profit was 1,015 million yen, an increase of 560 million yen (+123.3%) year on year.	• Existing businesses further deepened • New markets and customers captured • Cost competitiveness strengthened	• Enhancement of quality • Strengthening of cost competitiveness • Tackling the challenge of overseas growth markets and expansion of overseas production	8, 12
Other industrial products business	Air conditioning products (filters), measuring instruments Medical rubber products and plastic medical equipment	Cleanrooms (semiconductor manufacturers, pharmaceutical companies, hospitals, etc.) Blood circuits	12.8% Net sales: 11,527 million yen Segment profit: 261 million yen	In the category of air conditioning products, demand for filter products for the semiconductor industry, the pharmaceutical industry, and hospitals remained firm, but demand for measuring instruments and other products was sluggish. As a result, net sales were 11,527 million yen, an increase of 52 million yen (+0.5%) year on year. Segment profit was 261 million yen, a decrease of 177 million yen (-40.4%) year on year.	• Energy-saving, resource-saving, and cost-saving product sales promoted • Existing business grown sustainably • Bio-decontamination system business expanded	• Acceleration of new product development for new growth fields • Expansion of environmentally friendly product sales • Improvement of cost competitiveness through cost reductions • Expansion of business in the life sciences field	7, 15
Other businesses	Real estate business Management guidance business Driving school business, forestry business, etc.	Land and building leasing Management guidance for affiliated companies Driving school business, forestry business, livestock business, business contracting	5.0% Net sales: 4,517 million yen Segment profit: 2,218 million yen	In other businesses, including real estate, management guidance, driving school, and forestry, net sales were 4,517 million yen, an increase of 439 million yen (+10.8%) year on year. Segment profit was 2,218 million yen, an increase of 388 million yen (+21.2%) year on year.	• A society free of motor vehicle accidents and traffic violations due to improved instructional techniques in driving school business • Forest assets passed on to the next generation	• Activities to enhance customer satisfaction • Use of timber-derived components • Stabilization of the number of seedlings supplied • Establishment of sustainable forest management and increase in timber volume* * Timber volume: Sum of standing timber volume (unit: m³) in Company-owned forests	8, 15

Special Feature 01 Shift for Corporate Value Enhancement–Financial Capital Strategy

Improving capital efficiency and driving investment for sustainable growth

The Group is advancing a financial strategy under the Medium- to Long-Term Business Plan SHIFT2030, aiming to balance improving capital efficiency with making investments that support sustainable growth. With a dual focus on deepening existing businesses and exploring new ones, we are accelerating investment in global expansion and growth fields, while also implementing ROIC-based management to rigorously improve capital efficiency. We are working to strengthen our financial base by improving the operating income ratio and shortening the cash conversion cycle (CCC), while maintaining a basic policy of stable and continuous dividend increases as part of shareholder returns.

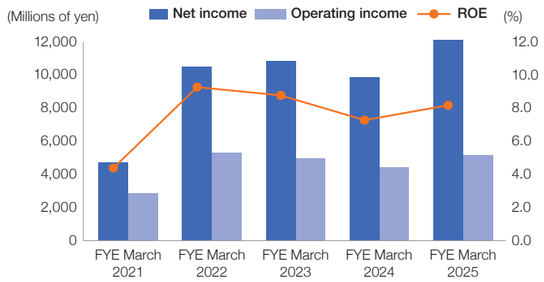
Capital strategy for medium- to long-term growth

Despite the uncertain environment in Phase 1 of the Medium- to Long-Term Business Plan SHIFT2030, including the impacts of COVID-19, Russia's invasion of Ukraine, and conflicts in the Middle East, our performance remained steady. Supported also by the weaker yen, we were able to achieve our key targets of net sales and operating income ratio. At the same time, soaring raw material prices and rising labor costs not only placed pressure on the Group but also on our suppliers and partners, raising the risk of business continuity challenges. From the standpoint of sustainable value creation and mutual prosperity across the supply chain, we have accepted supplier price increases, which in turn has put downward pressure on our operating income ratio.

As in Phase 1, Phase 2's financial strategy will pursue growth by deepening existing businesses and exploring new businesses. Achieving the Phase 2 target of 105.0 billion yen in net sales by fiscal 2027 will require further strengthening of global expansion. To this end, on April 1, 2024, we established a Global Business Development Dept. within the Corporate Center to spearhead global market development through collaboration with Group companies and business divisions.

Looking ahead, achieving the final SHIFT2030 target of 120.0 billion yen in net sales will be difficult through organic growth alone. To reach this goal, we plan to pursue rapid and dynamic growth through investments, including M&A and capital alliances, while also prioritizing improvements in the operating income ratio through capital-efficient financial and capital strategies.

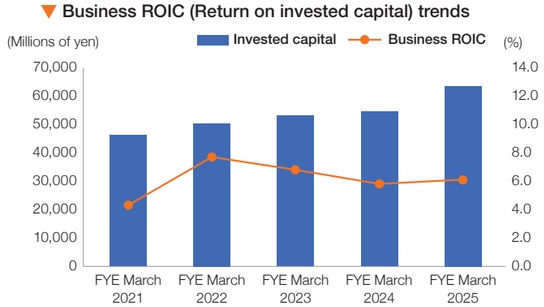
▼ ROE (Return on equity) trends



Promoting ROIC-based management and growth investment

Sustainable enhancement of corporate value requires both medium- to long-term growth strategies and improvements in capital efficiency, and we plan to continue actively making investments for this purpose. In addition to securing investment returns, compressing invested capital is also an important task. To this end, we have introduced business ROIC (Return on Invested Capital), which incorporates shortening receivables collection periods and reviewing appropriate inventory levels. We analyze ROIC by business and work to improve capital efficiency based on financial indicators such as capital expenditures for each business division, business working capital, and operating income ratio. Capital investment was approximately 6.9 billion yen in the fiscal year ended March 31, 2025, but we plan to reduce this to around 4.0 billion yen this fiscal year. To reinforce global expansion, the Global Business Development Dept. is revising investment plans and raising Phase 2 targets, with India positioned as a key growth market for increased Group-wide investment. We also plan to actively pursue investments in growth areas through M&A and capital alliances.

▼ Business ROIC (Return on invested capital) trends



Note: Formula for calculating business ROIC: Operating income after tax / Average business assets at beginning and end of term (working capital + tangible and intangible fixed assets)

Initiatives to ensure financial soundness

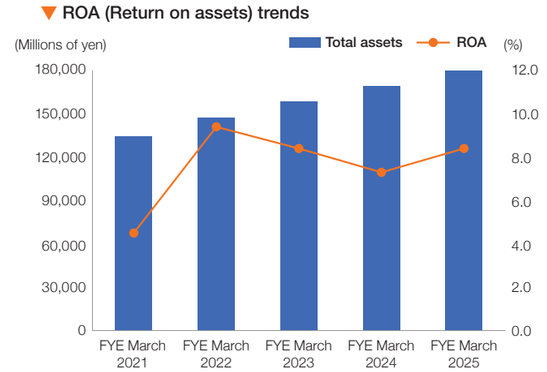
Improving Operating Income Ratio

While our equity-to-asset ratio remains strong at over 80%, our operating income ratio, which reflects earnings from core operations, remains in the 5% range, a relatively modest level. Improving this ratio is an urgent issue. To this end, we must pursue capital-efficient investments that exceed capital costs, including capital investment to improve productivity. At the same time, to secure an appropriate profit level, it is essential to pass on rising raw material and labor costs to sales prices. We will therefore strengthen our efforts to carefully explain price revisions to customers and gain their understanding.

ROA (Return on Assets)

Our ROA remains in the 8% range, supported by contributions from two equity-method affiliates with solid earnings, but further improvement is needed. Compressing total assets while efficiently deploying generated cash is key. We view earnings from equity-method affiliates as providing appropriate returns on invested capital. Going forward, we will seek to strengthen relationships further by leveraging the Group's resources to support global expansion and more efficient operation of plant facilities.

▼ ROA (Return on assets) trends



Cash Flow Management

Through improvements in the cash conversion cycle (CCC), we aim to stabilize cash flow and strengthen our financial base. As payment terms with suppliers are inevitably becoming shorter, it is essential to shorten receivables turnover periods accordingly and to maintain appropriate inventory levels. With the decline in the use of promissory notes, the shortening of turnover periods is a natural trend, making persistent negotiations with business partners all the more important.

Shareholder return policy

Through the fiscal year ending March 31, 2028, the end of Phase 2, we will continue to implement stable and steady dividend increases, targeting a consolidated dividend payout ratio of 30% or higher and DOE of 2.5% or higher, with annual dividend growth of 10 yen or more per share during the period. We will also repurchase shares flexibly and retire any excess treasury shares.

Special Feature 02 Shift for Growth–General Manager Roundtable

Strategies for the businesses driving Nitta's growth and new value creation across businesses

To achieve the Phase 2 net sales target of 105.0 billion yen under SHIFT2030, business expansion on a larger scale with a focus on global strategy will be necessary. Nitta has reached a major milestone with its 140th anniversary. At this inflexion point, we must consider what we need to do to guide the Company, which has continued to grow over so many years, to even greater heights and onto a new stage of advancement. What are the strengths that drive our progress, and what challenges must we overcome to reach new heights? The following discussion covers the growth strategies for each of our businesses—belt and rubber products, hose and tube products, chemical industrial products, and air conditioning products—as well as cross-business initiatives.



Takemasa Kurokawa
Executive Officer and General Manager, Industrial Products Division

Atsushi Izumi
Director, Executive Officer and General Manager, Nitta-Moore Division

Yasunori Fujita
President and Representative Director, Nitta Chemical Industrial Products Co., Ltd.

Hiroki Suzuki
Managing Executive Officer and General Manager, Clean Engineering Division

Markets and products expected to drive growth in each business

Kurokawa: In the belt and rubber products business, we are strengthening resource allocation toward the Global South, including India, ASEAN countries, and the Middle East, accelerating expansion into emerging markets with high growth potential. At the same time, we are focusing on growth areas such as semiconductors to further advance our business portfolio. Our products in the belt products business have matured in existing markets so growth opportunities are limited, but we see potential for new growth through shifts in market demand. Shifting from mature markets to growth markets has become a key theme. While the belt products business is already progressing in global expansion, the rubber and chemical products business still has a relatively low overseas sales ratio and expanding this is an area for future effort.

Izumi: The shift to growth markets really is key. The hose and tube products business is also planning to further advance our global strategy. Although expansion into overseas markets is already underway, our business has so far centered primarily on Japanese customers. In Phase 2, we will strengthen sales to locally based overseas customers. Particularly in the semiconductor and data center fields, we will actively target overseas equipment manufacturers, focusing on local capital customers in North America and China, thereby cultivating new customers and expanding our top line. By both deepening existing areas and exploring new ones, we are aiming for greater globalization.

Fujita: Listening to both of you, it's clear that optimizing areas and targets is the key. In the chemical industrial products business, we are also advancing global expansion, but our target strategies differ depending on the product category. For railway-related products, we are targeting Europe, India, China, and Southeast Asia, working to expand our product lineups tailored to each region. For OA components, production is concentrated in Southeast Asia and China, but industry realignments among our customers are driving adjustments in our strategy. In addition to the global strategy, we are also focusing on niche markets with profit-driven product development. For example, relatively few other companies manufacture rubber coated fabric products domestically, so such products represent a stable, profitable field.

Suzuki: In the air conditioning products business, expanding business scale is a priority, with a particular focus on the Indian market for overseas expansion. We already have a plant in Taiwan. Initially positioned as a supplementary location for the Japanese market, it is now being developed as a hub for global expansion alongside India. In the life sciences field, we are first working to raise recognition of the Nitta brand, building a track record in academia and industry. We are continuing our approach of presenting our products at academic societies and exhibitions, while accumulating achievements with universities and research institutions and promoting product proposals to customers and their adoption. In 2024, we also opened a location at Nakanoshima Qross, the International Center for Future Medicine in Osaka, to strengthen brand penetration through collaboration with universities and research institutions.

Challenges to implementing growth strategy

Suzuki: When developing new markets and products, we need to go beyond leveraging existing technologies and work to foster human resources and build systems capable of responding to new fields. Human resource development will also play a vital role in deepening existing products such as filters and promoting global expansion. At the same time, we are also aiming to promote digital transformation (DX) to make more effective use of personnel, which will strengthen the organization while efficiently utilizing limited human resources.

Fujita: As Mr. Suzuki mentioned, securing human resources is a major issue as well in globalizing the chemical industrial products business. Aging facilities are another challenge, requiring productivity improvements and the promotion of reduced staffing. In addition, personnel are needed for the efficient operation and management of existing production lines. While we are widening recruitment efforts, results have fallen below expectations. In terms of human resource development, we introduced position- and rank-specific training two years ago, but we anticipate it will take time before we see results.

Izumi: To add to your points, in the move toward globalization, it is important to hire local leaders at overseas subsidiaries. In the hose and tube products business, apart from the Korean office, we still rely on Japanese staff. We have more than 30 years of history in Korea and there are local personnel in senior positions. In other countries, where companies were established only 15 to 20 years ago, local managers and leaders have not yet risen up. Competition for local talent is intense in every country, and we have not yet been able to achieve this goal.

Kurokawa: To achieve growth, we absolutely must strengthen quality, cost, and delivery time, the foundations of our sales power. The key to this is promotion of DX. For example, by automating production management and introducing AI-based inspections, we



can both reduce labor costs and improve quality. As we expand into overseas markets, it is important to manufacture customized products for nearby customers, directly grasp their needs, and deliver in a timely manner. On the human resource side, we are focusing on creating workplaces where women can work comfortably, rehiring senior employees, and developing an environment where diverse personnel can thrive. We are building a workplace where all employees can gain experience and play active roles.

Izumi: Securing talent is indeed a crucial issue. In Japan, recruiting any employees has become difficult. In this tight labor market, we are seeing progress in hiring and promoting seniors and women, and many of them are highly capable. There are more and more cases where women are stepping into leadership roles. Building a workplace environment and system that enables all people to play active roles will lead to the growth of the entire Group.

Inter-business collaboration as the key to growth strategy

Kurokawa: Multiple Strategic Business Units (SBUs) coexist in the belt and rubber products business, but differences in business strategies made collaboration difficult and impeded the generation of synergies. To address this issue, we established the Global Marketing & Sales Dept. in spring 2025 as a unit directly under the business division. This has strengthened collaboration between the two



business groups, particularly accelerating the global expansion of products in the rubber and chemical products business group. In the Indian market, three businesses—belt products, hose and tube products, and air conditioning products—are collaborating to advance the growth strategy of Nitta Corporation India (NCI). We are promoting the relocation and expansion of plants and planning to manufacture air conditioning products (such as air filters) in addition to conventional belt products and hose and tube products.

Suzuki: In the air conditioning products business, manufacturing and sales of filter products in the Indian market are being promoted through efficient and fast-moving collaboration with the Global Business Development Dept. We are also working to strengthen collaboration between business divisions in the Indian market, as well as to build cooperative structures in daily operations such as sharing sales information and technological development within divisions. Furthermore, we collaborate with the Technical Center to advance fundamental technology development.

Fujita: Collaboration among the chemical industrial products business and other departments has been increasing in recent years. This includes joint promotional activities with Power Techno Co., Ltd. and Nitta Techno Solutions Co., Ltd., both Nitta Group sales companies, as well as cooperation with the Technical Center in developing environmentally friendly products. We are also promoting cost reduction measures to improve profitability in the truck and bus air spring business.

Izumi: In the hose and tube products business, we are promoting inter-business collaboration through information sharing and overseas expansion. For example, in the U.S. market, we are leveraging the agent network built by the belt and rubber products business to expand sales of hoses and tubes. However, companies are separated by business overseas, so strengthening collaboration remains a challenge. If each business expands abroad separately and maintains its own administrative functions, it will be inefficient. There are numerous subsidiaries in China, for example, but we need to consider streamlining the organizational structure to achieve further efficiency.

Kurokawa: By fiscal 2030, we aim to achieve an overseas sales ratio of 180% compared with fiscal 2020, positioning the Indian market as a core hub. We are currently in the process of constructing a new plant, and the creation of synergies among businesses, including expectations for air conditioning products and the success of hose and tube products in the automotive business, will be key to the success or failure of the business. As the responsible business division, we see this as a critical juncture.

Nitta's strengths sustaining 140 years, and new challenges ahead

Izumi: Our strength lies in sincerely responding to customer requests and building trust. At the same time, it is also important for personal and corporate growth not only to accommodate others but also to actively assert one's own ideas and opinions. In that respect, I feel we are somewhat lacking in a spirit of taking on challenges and in speed.

Kurokawa: I agree. Not only in our Company but also in Japanese society as a whole, there is a tendency to be conservative, and even within our Company, the willingness to take on overseas assignments has declined. If the corporate culture falls into a mindset of deductive evaluation for failures, there is a risk of hindering our spirit of taking on challenges. That is why perhaps we need a personnel evaluation reform that even adds points for failures.

Suzuki: In our business, I have focused on getting people to talk about their dreams and the future, to foster a positive mindset. I believe that businesses that create excitement are the ones that grow, and creating such an atmosphere inside the Company is important. We are gradually starting to see results. When each individual takes positive action, operations become more efficient, and even a small organization can achieve great power. I tell my division: "Within the Company you may feel like a cog, but don't be just any cog—be one that moves on its own and drives those around it."

Fujita: In the chemical industrial products business, I would like to create more opportunities for employees to generate ideas for new products and businesses. Of course, if we suddenly ask for brand-new product ideas, people may lack expertise or know-how,



so we will begin with ideas involving a shift in thinking or applying existing concepts. Although many of our chemical industrial products are mature, changes in the market can still create opportunities for growth. By repeating these kinds of activities, I want to foster a spirit where we create our own business, our own company, and our own future.

Kurokawa: For 140 years, our Company has carried forward the founder Chojiro Nitta's spirit of invention, innovation, and harmony. At its root are the values of wanting to make people happy and wanting to make the world better, so I see being open and fair as my mission. A culture where anyone can freely share opinions fosters unity, and by aligning our direction toward the future, I believe the Company can achieve significant growth.

Our vision for the next generation of Nitta, with an eye toward future growth

Izumi: Our Company has long cherished spirit of passion, innovation, integrity, and respect, but I feel there are challenges in terms of the speed of our growth. Looking at businesses acquired 40–50 years ago—such as Nitta-Moore Division, Gates Unitta Asia Company, and Nitta DuPont Incorporated—which have now grown into core pillars of the Company, we must once again reclaim the spirit of challenge and speed we had back then. It is important to have the courage to voice one's own opinions and to create an open and transparent workplace environment. Personally, I value building equal relationships inside and outside the Company. By making proposals to customers with respect and sincerity, trust deepens and leads to development projects. As Mr. Kurokawa mentioned, an open attitude is indispensable both inside and outside the Company.

Fujita: It has been about eight years since the chemical industrial products business joined the Nitta Group, and of the three core values—invention, innovation, and harmony—I was particularly drawn to the word "harmony." This was an idea not often seen in other companies, and I felt it reflected Nitta's culture of valuing people. By valuing colleagues, agents, and customers, we have been able to continue creating good products, win loyal fans, and achieve stable growth. However, from here on, the competition will be in the global market. Speed and rigor will also be required. It will be necessary to balance valuing colleagues and customers with staying true to one's own convictions.

Suzuki: As expressed in Chojiro Nitta's philosophy and in the current Group Philosophy, our efforts, attitude, and sincere approach to work in order to gain the trust of customers must never change. It is not easy to listen carefully to the various thoughts and needs of customers and colleagues, incorporate them, and move forward together with customers, but I believe this is what Nitta should continue to strive for.

Kurokawa: Previously, each of our businesses used an independent accounting system, resulting in a wide range of product groups but little synergy across businesses. We need to shift from optimization at the business-unit level to optimization for the Group as a whole. Diversification has the advantage of dispersing risk, but in reality it is not possible to devote equal resources to all areas. Through portfolio restructuring, we will improve the efficiency of management



resources and focus investment on fields with growth potential. I am confident that this will enable us to achieve stronger growth. For this to happen, our businesses will need to continue building harmonious, open, and fair relationships and taking on challenges together to work toward a better future.



Belt and rubber products business

Synergy among businesses is essential: Now is the decisive moment for growth

The Indian market is an extremely important location for our global strategy. With new plants being built, we are aiming to pioneer new markets through synergies among businesses, including air conditioning products such as air filters and the automotive business in the hose and tube products business. As the responsible business division, we recognize Phase 2 as a critical juncture.



Hose and tube products business

Securing talent and building systems where everyone can thrive are essential to supporting growth

Securing talent is one of the most important issues for our growth strategy. At our global locations, acquiring and developing local leaders is an urgent task. Meanwhile, as the hiring and advancement of seniors and women progress, female leaders are emerging. By creating a workplace environment and systems where everyone can thrive, we will link this to the growth of the entire Group.



Chemical industrial products business

Taking on new market development with flexible thinking and ideas

Future growth requires new markets and new businesses. Even with existing products, as markets evolve, net sales can still expand. It is also important that everyone contributes new ideas and flexible thinking to take on the challenge of pioneering new businesses. We want to foster a spirit of creating our own business, our company, and our future.



Air conditioning products business

Businesses that create excitement are the ones that will grow strongly into the future

It is also important for colleagues to share dreams and visions of the future. When a business creates excitement, it grows into the future, and as that atmosphere fills the Company, each person takes positive action, turning even a small team into a powerful force. I tell employees: "Be a cog that moves on your own, a cog that drives those around you."

Special Feature 03 Shift for Further Globalization–Global Market Strategy

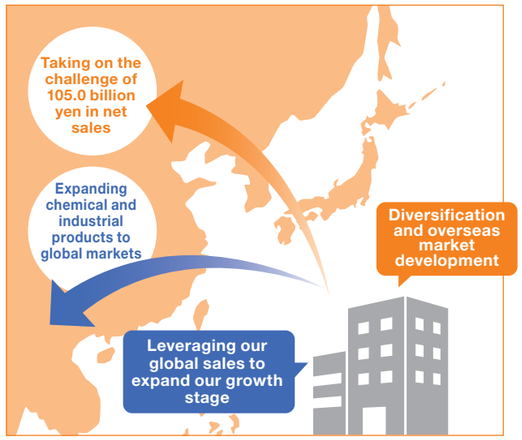
Global market strategy to achieve 105.0 billion yen in net sales in SHIFT2030 Phase 2

For the further growth of the Group, expanding sales in global markets has become increasingly important. To strengthen our competitiveness overseas, we are promoting local production and the development of sales networks at overseas locations. In April 2024, we established the Global Business Development Dept. to accelerate overseas sales expansion and new market development. In addition to the U.S., Europe, and China, where market expansion is already progressing, we are also looking to expand into the Global South, including Asia, Africa, and Latin America. Our plan is to roll out initiatives quickly and dynamically across all businesses and regions worldwide.

Business development in ever larger fields is the story of Nitta

The only way we can achieve the Phase 2 target of 105.0 billion yen in net sales under the Medium- to Long-Term Business Plan SHIFT2030 is to further develop the global market. Since our founding, our Group has expanded its performance through diversification and by rolling out businesses overseas, such as the belt and rubber products business and the hose and tube products business, thereby continuing its growth. Diversification and overseas market expansion—developing business in a larger field—are the very core of the Group's growth and the driving force behind it.

In particular, the belt and rubber products business, our founding business, expanded overseas early on and is now deployed in 13 countries and regions. The Global Business Development Dept. will make effective use of these established global sales networks to expand our overseas markets for industrial products such as air conditioning products and the life sciences field.



A cross-functional Global Business Development Dept. spanning businesses and the Group

The Global Business Development Dept. is positioned in the Corporate Center, not in individual business divisions. This arrangement reflects our aim to transition from division-led globalization to group-level globalization—accelerating globalization across the entire Group. The department plays a key role in promoting global expansion for Group products, including hoses and tubes, belts, and air conditioning products.

In addition to leading global rollouts of Group products, it also serves as the secretariat for the Global Strategy Committee. The first priority in its activities is to clearly define our vision for the future and then set milestones as Group-wide plans, translating them into concrete measures.



The potential of our global market strategy

The global market strategy is a critical factor not only for achieving SHIFT2030 but also for the Group's growth toward 2050. Expanding into untapped regions, with both new and existing products, is the key to growth. The Global Business Development Dept. serves as a bridge between business divisions and overseas markets, fostering opportunities for new market development.

In SHIFT2030, we are targeting an overseas sales ratio of 180% compared with 2020.

Growing together through strong partnerships with distributors

Our business style emphasizes both product strength and partnerships with affiliated companies. The trust we have built with distributors over the years stems not from a seller-driven mindset but from steadily responding to the needs of distributors and their local communities. This partnership-driven business approach, which is part of our original corporate DNA, has proven effective not only in Japan but also in the U.S. and Europe. Our global strategy is to pursue meaningful growth that encompasses our Group, our distributors, and local communities. This close relationship with distributors means that they look forward to the market introduction of our new products.

On the other hand, major overseas markets where we have already expanded—such as the U.S., Europe, and China—sometimes face risks from trade frictions or political issues. Recent years have seen a variety of issues arise around the globe. We expect the business environment to remain uncertain for some time, with constant and rapid changes in social conditions, economic challenges, and environmental issues. This leads directly to another key issue in global expansion: avoiding concentration in core locations. Instead, we aim to stabilize management through multipolar expansion and risk diversification. We will carefully evaluate markets in the Global South—such as Asia, Africa, and Latin America, which are expected to grow—and promote the development of distributor networks. We are also considering strategic establishment of new locations, prioritizing business expansion in the Indian market, where infrastructure development has been rapidly advancing in recent years.

India strategy as a driver of the Global South

India has long been expected to see significant economic development and is now entering a period of full-scale rapid growth. Infrastructure such as roads is developing while new high-rise buildings are being constructed in cities and large numbers of new cars are appearing on the streets. The Group has already entered the Indian market and is steadily building sales networks. Demand has been projected for air conditioning products in office buildings and factories, and internal combustion engine vehicles remain mainstream over EVs in the automotive field, so we are anticipating expansion of our hose and tube products business.

Given risks such as conflicts with neighboring countries, we must also pay close attention to social conditions. To hedge against such risks, we intend to diversify locations within India and push forward multipolar global expansion while carefully evaluating markets across the Global South.



VOICE

140 years of Nitta Group history and the challenge toward the future

Through the 140 years since our founding, our Group has continued to grow through technological innovation and the power of people, while flexibly responding to changing times. Our founder's history of bringing overseas technology to Japan and developing it further is a true symbol of global perspective and a spirit of challenge.

The environment Japan finds itself in today is changing significantly, and the challenge of competing in global markets has become an unavoidable breaking point for companies. In this era, each employee must recognize the heavy responsibility of carrying the Group's future and use this understanding to come together as one—this is the key to further growth.

To ensure that this understanding permeates the Group, we will set clear goals and share simple, easy-to-understand guidelines. By establishing concrete measures and milestones and moving forward in unison, we will carry the wishes of the stakeholders who have supported our 140-year history into the future. With the spirit of our founding and our Group Philosophy in our hearts, our Group will continue to create new value for the world.



Atsuhito Wake
Executive Officer in Charge of Global Promotion

Special Feature 04 Shift for Corporate Value Enhancement—In-house Venture Initiatives

Commercializing the in-house Domestic Maple Syrup Project by the New Business Exploration Team

The development of new businesses is positioned as an important theme in the Medium- to Long-Term Business Plan SHIFT2030 as part of the Group's efforts to create new value. In line with this mission, the New Business Exploration Team was launched in April 2022. One of the challenges assigned to the team was to create new businesses that make effective use of the forests we own in Hokkaido. The project has now moved into commercialization of the production and sales of maple syrup. After generating ideas, verifying initial hypotheses, conducting market research, and producing prototypes, the team completed preparations for mass production and launched sales this fiscal year. The process took about three years from the team's launch and about a year and a half from the initial concept to commercialization. We are excited to share the story of that journey and our outlook going forward.

Concept Phase



A cluster of maple trees was discovered growing in a Company-owned forest in Hokkaido.

The idea was sparked by a flight route map. Since Hokkaido is at a similar latitude to maple syrup–producing regions, we came up with the idea that production might also be possible in our Company-owned forests. The New Business Exploration Team is constantly engaging in active discussions and hypothesis testing, and the production and sale of maple syrup became one of the themes we were examining. Although we initially received reports that no maple trees existed in our forests, we considered replanting maples to harvest 20 years in the future or using roadside trees in nearby areas such as Obihiro. However, further investigation, including natural forests, revealed the presence of many maple trees.

Prototype Phase



Initial prototypes were made entirely by hand using buckets and a small concentrator.

Since large-scale maple syrup production had never been carried out in Japan, knowledge and information about equipment were scarce. The team collected information from overseas sources—literature, Canadian and U.S. universities, online media—as well as small domestic operators, while also studying regulations and certifications. Based on the hypothesis that the Tokachi region had conditions similar to Canada, we conducted research on resources, technology, and markets. We also visited Canada, imported a Canadian prototype machine in January 2024, and began trial production the following month. Presentations were made to management throughout the concept stage, and in July 2024, a business plan based on market research received official approval.

Commercialization Phase



Expectations for a domestic brand, with overseas expansion also in view.

As the project advanced toward commercialization, resource requirements increased. With a limited number of members handling all tasks, including equipment installation, teamwork was essential. In early summer 2024, we began maple forest maintenance and Canadian-made mass production equipment was installed. Mass production started in February 2025, and sales began in April. These initial products sold out within the first week of launch, receiving strong feedback from both consumers and retailers. In Japan, the market is almost completely dominated by Canadian and American products, with domestic maple syrup holding less than 0.1% share. However, there is an estimated 4.0 billion yen market opportunity among the 10% of consumers who prefer domestic products, giving our syrup a competitive edge. Overseas expansion under a Japanese brand is also being considered. We are aiming for early profitability through efficiency and labor-saving in large-scale production.

A new company innovating the Nitta brand: Wakutto Nitta

The maple syrup business is carried out by Wakutto Nitta, a new company launched as an in-house venture. The name shows that this project is a descendant of other projects by Hokkaido Nitta related to forest conservation and community contribution, reflecting both its approachability and business direction. Unlike traditional manufacturing or B2B businesses, Wakutto Nitta is pursuing new brand development, going in novel directions to stimulate the entire Group.

While aiming for early profitability in maple syrup, Wakutto Nitta is also planning to develop other new businesses. The maple syrup business—based on proven overseas technologies adapted for Japan—follows the same success pattern that characterized our leather belts at the time of founding, hoses and tubes, timing belts, and semiconductor-related products.



The founder's passion for the natural environment, passed down through the generations

Maple syrup is harvested from maples that are over 20 years old, extracting only 5% of each tree's sap annually without affecting growth. The same trees can be tapped for over 100 years, while mature trees can later be used as material for high-quality furniture. As the maple trees grow, the CO_2 reduction effect continues, making it a business model with low environmental impact. In addition, by using forestry residues as firewood for the syrup concentration process, this business combines economic viability with social value and is a sustainable business aligned with the concept of the SDGs.

The philosophy of protecting forests by gaining profit from them, thereby linking economic and social activities, reflects the founder's deep respect for nature. Through Wakutto Nitta, we aim to establish maple syrup as a specialty of Hokkaido while continuing to pursue both social and economic value.



Our maple syrup brand MOMIJI SYRUP won the Gold Award for excellent quality at the 2025 Monde Selection.

VOICE

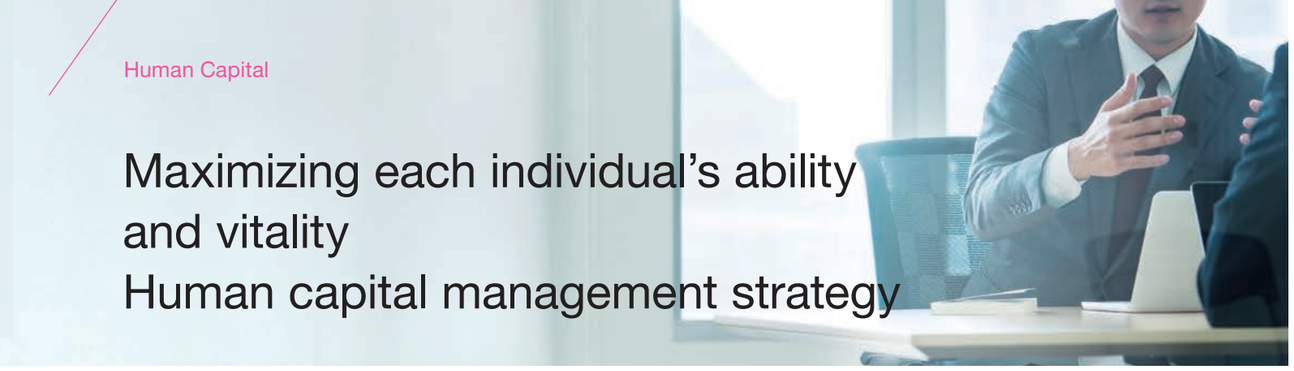
We will take on the challenge of building a future where business enriches nature, communities, and people!

Over the past three years, being able to explore ideas freely in a supportive environment has been both enjoyable and rewarding. Starting a new business from scratch was a daunting task that demanded continuous creativity and persistence, but it was also exciting. We will continue to create new businesses using Hokkaido's natural resources—businesses that excite everyone involved. By building a system where business expansion enriches nature and the people living within it, we will keep moving toward a brighter future!



Satoshi Yamaguchi
President and Representative Director, Wakutto Nitta Company

Shigeki Matsuda
Senior Department Manager, Strategic Management Dept., Corporate Center, and MS Project Leader



Maximizing each individual's ability and vitality
Human capital management strategy

As stated in Nitta's founding philosophy—No excellent product can be created without harmonious relationships—manufacturing is not something that can be undertaken by individuals, which is why we value teamwork and collaboration between departments so highly. This attitude has been ingrained in our corporate culture for many years, and even in the personnel system reform carried out last fiscal year, we placed importance on building harmonious and trusting relationships, while emphasizing that employees can challenge each other and grow together. We are reforming the system to enhance employees' fulfillment at work by allowing them to experience personal growth. If we can achieve this, our employees and the Company can grow together in harmony.

Human Resource Development Policy and Internal Environment Improvement Policy

The Group sets forth the Human Resource Development Policy and the Internal Environment Improvement Policy to ensure that each employee can fully demonstrate their abilities and characteristics and work with vitality. In pursuit of realizing our management strategy for 2030, we clarify both the vision for the organization and individuals, and the attitudes we expect from employees. We identify the human resources necessary to achieve our management strategy, and establish specialized organizations to focus on their development, enabling them to perform their work efficiently and effectively. Furthermore, aiming to improve the abilities of all employees, we actively promote education based on our human resource development system and initiatives to improve productivity and quality. To create an environment in which employees can fully demonstrate their strengths, we advance initiatives based on our Internal Environment Improvement Policy.

New personnel system progress

The major objectives of the personnel system reform are to boost employee motivation and secure excellent human resources. The human resource strategy that will power the Group in the future is the key to sustainable growth. We devote considerable energy toward developing young employees who will become the leaders of the next generation. We have revised the systems used to evaluate and treat employees according to their performance, with the goal of providing better motivation. For example, under the new system, employees can earn promotions to management as early as age 32.

Developing human resources

In addition to rank-specific training from new employees to managers, we also systematically implement training by job type and theme for Generalist positions, Technical positions, Operator positions, and global human resources. The training content is reviewed as needed in response to the times and needs, and effectiveness is measured through questionnaires, follow-up training, three-way interviews among participants, supervisors, and HR, as well as career counseling, carried out from multiple perspectives. Through this, we promote the retention of training and the steady improvement of programs, striving to improve the quality of human resource development.

▼ **Human Resource Development (Training Tower Program)**

	Developing Leaders	Global Human Resources	Themed Training and Education	Self-Development
General Manager	Management Candidate Assessment		Evaluator Training / Career Design Training / Mentor/Elder Training / Mid-Career Hire Training / NI Training / Compliance Training	Self-Development Support
	Advanced Business Leadership Training			
Section Manager	Introductory Business Leadership Training Follow-up	Development and Training for Overseas Global Human Resources		
	Introductory Business Leadership Training			
	New Appointee Management Training Follow-up			
	New Appointee Management Training			
Mid-career (30s)	Assessment for Managerial Appointment	Overseas Trainees / Language Training	NI Training / Compliance Education	
	Next-Generation Management Training			
	Technical Position Training			
	Operator Position Training			
Young (20s)	Junior Career Design Training Follow-up			
	Junior Career Design Training			
	Vision Creation Training for Young Employees			
New Employees	Generalist Position 2nd Year Follow-up	English Presentation and Business English Conversation	NI Training for New Employees / Compliance Education	
	Mentor/Elder System			
	Generalist Position On-site Training			
	Group Training for New Employees			

Hiring policy

In securing human resources to carry out SHIFT2030, we continue to hire a fixed number of new employees each year, regardless of how favorable or challenging business conditions are. For new graduate recruitment, we share the appeal of the Company with applicants and provide various information so they can envision their career path after joining. We are also actively promoting mid-career recruitment, along with post-entry training. In addition, we conduct career counseling by making use of the self-declaration system.

Initiatives for health management

We view the physical and mental health of our employees as an important part of our corporate foundation, and under the themes of physical health, mental health, and workplace health, we implement various health programs such as lifestyle disease prevention, strengthening mental healthcare, and promoting work-life balance. As a result, the Company has been certified as a White 500 company (one of the top 500 large enterprises recognized as a Certified KENKO Investment for Health Outstanding Organization) for seven consecutive years since 2019, and we will continue to implement various initiatives each year to maintain this certification.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Engagement improvement initiatives

In the Group, we conduct monitoring of employee engagement through the self-declaration system implemented annually. We also conduct surveys on organizational culture and engagement, aiming to build the foundation that enables employees to thrive.

(1) Challenge culture score

Personal challenge

Positive response rate	FY2022	FY2023	FY2024
	87%	88%	90%

Workplace challenge

Positive response rate	FY2022	FY2023	FY2024
	83%	84%	83%

(2) Openness culture score

Whether psychological safety is ensured, and whether the workplace allows employees to express their thoughts and opinions regardless of age, gender, occupation, length of service, or years of experience

Positive response rate	FY2022	FY2023	FY2024
	81%	81%	80%

(3) Work engagement score

Work engagement values measured by the new occupational stress check

Average response score (out of 4 points)	FY2022	FY2023	FY2024
	2.41	2.40	2.42

(4) Employee turnover rate

Including all retirees, such as mandatory retirees and rehired retirees

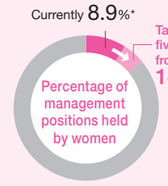
FY2021	FY2022	FY2023	FY2024
4.0%	3.8%	4.3%	4.1%

Initiatives for diversity and inclusion

We focus on creating an environment where diverse human resources can thrive, aiming for an organization in which each individual can fully demonstrate their abilities regardless of gender, age, disability, or nationality. By promoting flexible workstyles and system development, we strengthen the foundation for sustainable growth and the creation of social value.

Women's participation

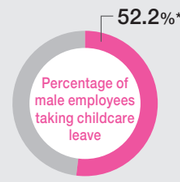
With the new system, promotion from Operator positions to Generalist positions is now possible, supporting the early advancement of women. The percentage of management positions held by women is steadily improving, reaching a top level in the industry. We have also established flexible workstyles such as telework and shortened working hours for childcare and nursing care.



* As of March 31, 2025

Childcare leave acquisition

Through awareness activities led by HR and information sharing in the workplace, we promote the creation of an environment in which it is easier to take childcare leave, thereby supporting the balance of work and childcare for employees. This initiative has been recognized, and we have obtained the Kurumin Certification.



* FY2024 actual

Employment of people with disabilities

Employees with disabilities receive the same treatment as other employees, and we strive to create environments where people can demonstrate their abilities, not only through our systems, but also through internal cooperation. In addition, we are expanding workplace opportunities and job categories, supporting employees with disabilities to take on a wider range of tasks.

Continued employment of retirees

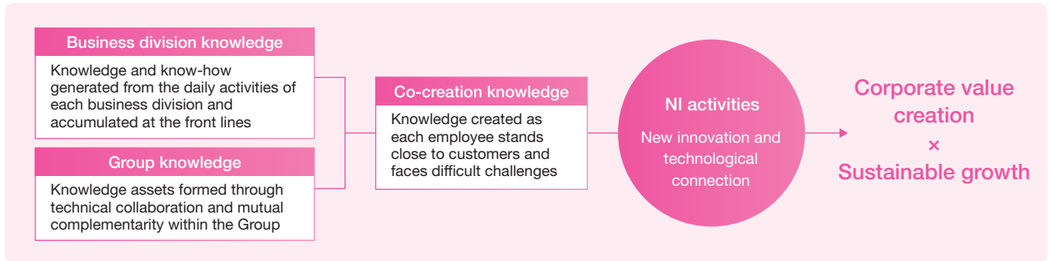
We promote flexible operation of retirement age for managers and rehiring, supporting the active roles of senior employees with ample expertise and advanced skills. In the new personnel system, by diversifying workstyles, we have developed a framework that allows employees to choose workstyles suited to their aspirations and abilities, thereby enhancing motivation.



Aiming to create sustainable corporate value through co-creation knowledge

Keiji Hirata
Executive Officer,
Technical Center Director

Business division knowledge generated and accumulated through the daily activities of each business division, and Group knowledge created through mutual complementarity enabled by connections across Group technologies. Based on these two, co-creation knowledge is generated as each employee stands alongside customers and persistently responds to difficult needs. Through Nitta Innovation (NI) activities, which bring together the knowledge built together with colleagues and customers to create new innovations, we nurture connections in technology. By promoting these activities that encourage the exchange of knowledge and technology, we develop technologies and products for a more advanced society and a more harmonious way of life, aiming for further corporate value creation and sustainable growth.

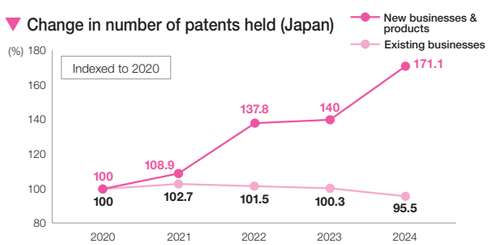


Protecting and utilizing intellectual property

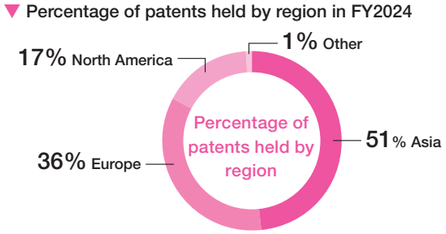
While promoting a review of the intellectual property portfolio to optimize investment efficiency, the number of patents granted in existing domestic businesses has remained almost constant since 2020. On the other hand, with the aim of creating new corporate value, we have actively invested in new business exploration and new product development, and the number of patents granted for new businesses and new products has increased to 1.7 times the level of fiscal 2020.

We are also building an overseas intellectual property network aligned with our global business development, with the regional distribution of patents in fiscal 2024 being Asia 51%, Europe 36%, and North America 17%, with the Asian region including China, South Korea, Taiwan, and India accounting for about half. From this fiscal year, as we further accelerate our global strategy, we will also advance rights acquisition in the fields of new businesses and new products overseas, strengthening competitiveness in overseas markets.

▼ Change in number of patents held (Japan)



▼ Percentage of patents held by region in FY2024

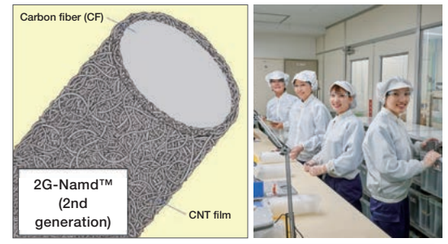


Creation of new value

Deployment of Namd™ into high-value-added industrial fields

Namd™ is a technology for creating stronger fiber materials by attaching carbon nanotubes (CNTs) to the surfaces of carbon fibers. We accurately identify the potential of materials and develop core technologies. As the first stage of deployment, we started with the sports field, where people can easily perceive and experience that potential. Going forward, we will expand into fields where the world can understand and utilize its true value.

For example, to expand into high-value-added industries, we are working toward obtaining AS9100 (quality management system standard for the aerospace industry) certification within this fiscal year and will make capital investments in production equipment at the appropriate timing. By deepening the characteristics that have already materialized and exploring latent properties to create new inventions, we move forward hand in hand with customers who share in the world created by Namd™, “Going ahead with you.”



Nitta’s core technologies
- Advanced CNT production technology
- Nano-dispersion technology

Expansion into the medical and life sciences fields

By bringing together the wide range of technologies the Company has cultivated over 140 years, deepening them, and further exploring new technologies and applications, we refine the core of each technology. By optimally combining these core technologies through Group knowledge, we are taking on the challenge of creating innovation and renovation in the medical and life sciences fields.

A good example is the development of a new bio-decontamination system. In the bio-decontamination system the Group is working on, we combine the technologies related to filters and environmental monitoring cultivated in the Clean Engineering Division with the elemental technologies possessed by Group companies, and further, armed with co-creation knowledge gained through co-growth with customers, we are advancing development.

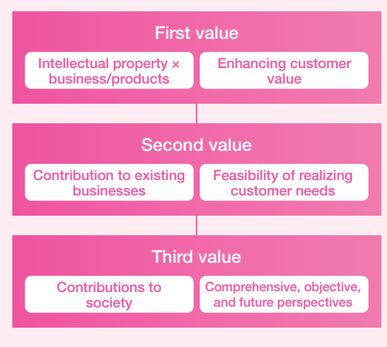


Nitta’s core technologies
- Developing a vaporized peracetic acid sterilization system (VPASS) to combine with HEPA filters

Intellectual property evaluation in the Group

The Group considers that correctly assessing the value of intellectual property in its ownership and management is extremely important in measuring competitiveness and future potential. As the first value, we emphasize the organic relationship between intellectual property and businesses/products, focusing on how it contributes to enhancing customer value. As the second value, we evaluate whether it reliably supports our business in existing fields and whether it can realize customer needs. As the third value, we objectively assess the degree of contribution to society as a whole.

Based on these three-tier perspectives, we work on appropriate intellectual property evaluation, not only measuring the impact on our own business but also taking a broader view to forecast and analyze future profitability, competitiveness, and influence on industry and society, making it an important factor in investment decisions and business strategy formulation.





Sustainable business symbolizing our activities: Forest management in Hokkaido

Yasuhisa Katsuyama
President and Representative Director, Hokkaido Nitta Co., Ltd.

Hokkaido Nitta, based on the Nitta Group Company Forest Management Policy, has the mission of drawing out the diverse functions of forests by formulating and implementing a Woodland Management Plan with a long-term perspective, thereby working to protect the global environment and conserve biodiversity. For the maintenance and management of Company-owned forests, in accordance with the Hokkaido Woodland Development Ordinance and the Hokkaido Woodland Development Basic Plan established by the Hokkaido Government, forests are classified into watershed protection forests, mountain disaster prevention forests, living environment protection forests, and timber production forests. By envisioning the desired state of each category, we are engaging in sustainable forest management.

Nature-positive management

Hokkaido Nitta's forest management embodies nature-positive management, aiming to contribute to the realization of a sustainable society through our business activities. As a specific initiative, in artificial forests we faithfully implement sustainable forest management by making effective use of forest resources under the basic "cut-use-plant-cultivate" cycle. For natural forests, our activities aim to contribute to the local environment by ensuring watershed protection functions and maintaining valuable habitats for flora and fauna.

Furthermore, by registering these initiatives with national schemes such as the 30by30 Alliance for Biodiversity and the J-Credit Scheme, we aim to make visible the intangible value created by forest management and connect it to sustainable enhancement of corporate value for the Nitta Group.

Nitta's participation in initiatives

The Ministry of the Environment operates a program that certifies private green spaces contributing to biodiversity conservation, and Nitta Corporation's Tofutsu Forest was certified in March 2024. Many valuable species of plants, birds, and mammals have been confirmed there, and the presence of giant Mizunara oak trees, which require a long time to mature, has led to it being highly valued as an extremely important forest resource.

An application was submitted with the aim of crediting forest resources in Hokkaido, and in April 2025, Hokkaido Nitta's forest management project was registered under the national certification system. From now on, reductions and absorptions of greenhouse gases through forest management will be quantified as credits, making contributions to the environment and business more visible.

Forest creation in Hokkaido

Hokkaido Nitta's goal is to create the next 100 years where all living things live happily through the forests of Tokachi. In addition to providing sustainable forest management and services for future generations, through steady and long-term forest creation, we aim to maximize the public functions of forests in addressing social issues such as climate change, biodiversity conservation, watershed protection, and disaster prevention. Our forest creation continuously implements the forest cycle to pass forest resources on to the next generation, with a particular emphasis on raising seedlings.

▼ Forest creation cycle

Raising seedlings (nursery)	Planting trees (reforestation)	Growing trees (weeding, thinning)	Felling trees (final cutting)	Providing certified timber (shipment)
As a characteristic of our forestry, we also engage in seedling production centered on larch, the main tree species of the region, and supply seedlings to our Company-owned forests and forestry cooperatives.	To maintain and circulate resources, after final felling, we always remove remaining branches, clear bamboo grass, and carefully plant seedlings one by one.	For several years after reforestation, we perform clearing to prevent suppression by weeds, followed by multiple thinning of mainly defective trees to promote growth. In principle, logs older than 20 years are transported out of the mountains and used as timber.	Trees that have grown large are harvested after about 45 years, with all logs transported out, thereby completing one cycle of the forest and leading to the next cycle.	Our forests have obtained SGEC certification, and the timber produced is used as building materials and biomass power generation fuel. In the future, with innovations in lumber processing and construction technologies, utilization is expected to expand into various areas such as building construction.

Seedling cultivation is the foundation of forest creation. We produce about 500,000 seedlings annually in-house and, in addition to reforesting our own Company forests, provide seedlings to nearby businesses through forestry cooperatives. Because seedlings are easily affected by weather and not readily available for procurement, this is a difficult field for new entrants or small-scale businesses. By carrying out forestry consistently from seeds to logging, we contribute to the revitalization of forestry and local communities through the supply of seedlings.

Biodiversity surveys

In Nitta-owned natural forests, unless deemed necessary for safety or conservation reasons, we refrain as much as possible from logging, maintaining and managing them appropriately to protect the valuable habitats of diverse flora and fauna. Since fiscal 2021, we have been conducting biodiversity surveys, and species designated as rare and endangered by the governments of Japan and Hokkaido have been found amid our forest resources.



Large-diameter Mizunara oak

Survey targets	FY2021				FY2022				FY2023				FY2024				FY2025			
	Spring	Summer	Fall	Winter	Spring	Summer	Fall	Winter	Spring	Summer	Fall	Winter	Spring	Summer	Fall	Winter	Spring	Summer	Fall	Winter
Plants	←	Survey	→	List																
Mammals					←	Survey	→	List												
Birds					←	Survey	→	List												
Insects													←	Survey	→	List				
Other									← Consideration of additional targets →								← Additional surveys as necessary →			

Engagement with local communities to enhance corporate value

At Hokkaido Nitta, in addition to building relationships with local communities through forestry, we hold family-friendly events such as wood-education activities and markets that anyone can easily join. Through diverse activities and information dissemination, we aim to foster fans of Nitta no Mori. Furthermore, by building a corporate brand that contributes to nature conservation and the creation of a sustainable society, we are promoting initiatives that contribute to further enhancement of the Nitta Group's corporate value.

● Instagram: moritowarau

Launched in 2025. Through sharing local event information, reporting on business activities, and introducing staff, we aim to encourage interest and understanding of forest management and forest creation, as well as to bring us closer to local communities and foster fans.

For more details, scan here to visit our Instagram.

● Seasonal event: Moritto Hiroba

We plan and operate nature experience events that local residents can easily participate in with their families, fostering interaction with the community and local residents.



Sustainable Management Policy

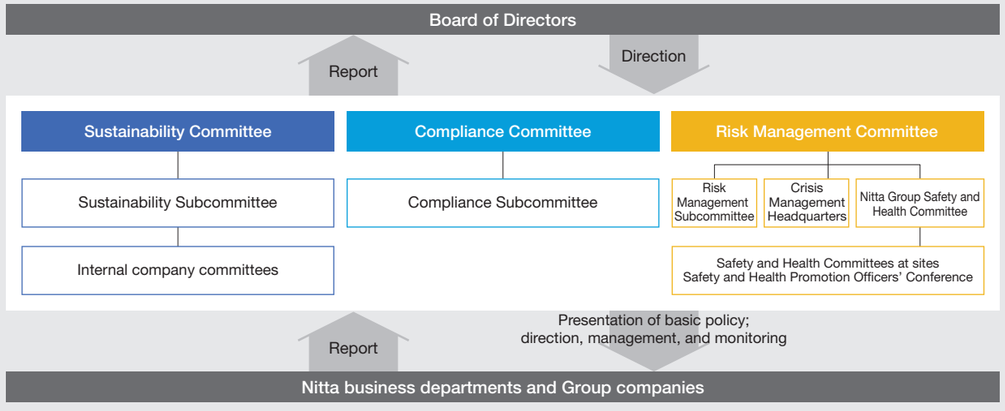
The Group shall pursue business activities based on the following Nitta Group Sustainable Management Policy in order to not only strive to increase our corporate value but also to contribute to the sustainable development of industry and society and to environmental maintenance and preservation.

1. **Through the development of innovative products, the Nitta Group creates new value and contributes to the sustainable development of industry and society.**
2. **In consideration of both the local community and the global environment, the Nitta Group works to reduce its environmental footprint via waste reduction and more resource- and energy-efficient operations. Additionally, the Nitta Group pursues environmental conservation and antipollution initiatives focused on important environmental concerns like biodiversity, ecosystem, and forest resource protection.**
3. **For the actualization of a society where the dignity of all people is protected, the Nitta Group works to prevent human rights violations in its corporate activities.**
4. **By respecting the diversity of human resources, which are the source of creating new value and by pursuing human resource development and utilization, the Nitta Group works to actualize work environments where individuals can exert their sensitivity and creativity.**
5. **The Nitta Group not only abides by regulations and social norms, but also works to conduct fair business activities throughout the value chain, such as cooperating with business partners and pursuing socially responsible procurement activities.**

Sustainability promotion structure

As efforts to realize a sustainable society accelerate around the world, companies are increasingly expected to play a role in society and the global environment. The SDGs are critical universal issues that should be addressed not only by developed countries but by all countries and regions, including developing countries. The Japanese government, various companies and organizations, as well as individuals, are actively working on these issues.

In the Group's Sustainability Committee, which serves as an advisory committee to management, we analyze and evaluate risks and opportunities relating to sustainability, such as the climate change problem and human capital, from the perspective of the medium/long-term and ESG, and deliberate topics like the direction of those activities.



Material issues for promoting sustainability

For more information on SDG initiatives and material issues, scan here to visit our website

Step 1
Consideration of candidate material issues

We take stock of the Group's businesses and initiatives and link them to a list of social issues organized according to international frameworks such as the SDGs and GRI standards, and identify potential themes of social issues that are highly relevant to the Group's business activities.

Step 2
Narrowing down candidate material issues

In assessing the level of importance of social issues, we have created a two-axis graphic index, with importance to stakeholders on the graph's vertical axis and importance to the Group on the horizontal axis. Based on the materiality map, the candidates are narrowed down and provisional material issues are identified.

Step 3
Identification of SDGs priorities related to the provisional material issues

After analyzing the relationship between the SDGs and business activities (value proposition) related to the provisionally specified material issue, the Sustainability Subcommittee will discuss priority issues and promote sustainability activities based on how the material issue is formulated.

Step 4
Validation confirmation and management approval

The Sustainability Committee verifies the validity of these material issue assessment processes and analysis results, confirms which material issues should be prioritized, and receives approval from the Board of Directors after deliberation by top management.

Overview of sustainability initiatives

The Group hopes to help achieve a sustainable society through our business, and to achieve our own sustainable growth as well. The Group has established the Nitta Group Sustainable Management Policy to work toward this goal. The policy states that the Group will contribute to resolving critical issues facing the world.

	Related SDGs	Nitta's material issues	Examples of FY2024 initiatives	KPI	FY2024 target	FY2024 actual	FY2025 target
Environment-related items	7, 12, 15	Achieve a low-carbon society by reducing greenhouse gases (GHG)	● Ongoing invalidation of power-derived GHG emissions through non-fossil certificates in Japan and overseas	Reduction in GHG emissions from business activities (entire Nitta Group)	GHG emissions: 46% reduction by 2030 (compared with 2013) with the aim of achieving carbon neutrality by 2050	37.6% reduction	33% or more reduction compared with 2013
			● Promote environmental investment (internal carbon pricing for capital expenditures)	Environmental investment value ratio	5%	3.9%	5%
		Reduce environmental impact and realize a recycling society (non-consolidated)	● Reduction of industrial waste emissions through improved yield ● Reduction of energy and water consumption through production efficiency improvements and introduction of energy-saving equipment	Plastic waste recycling rate	80% or more	79.4%	80% or more
				Base unit plastic waste reduction rate	1% or more from 2023 level	0% (No change)	1% or more from 2024 level
				Base unit water usage reduction rate	1% or more from 2023 level	5.8%	1% or more from 2024 level
				Base unit energy consumption reduction rate	1% or more from 2023 level	5.7% increase	1% or more from 2024 level
		Forest management that contributes to global warming countermeasures and preservation of biodiversity	● Formulate and implement Afforestation Plan goals to prevent forest loss (maintain and expand Company-owned forest area and timber volume) ● Continue to supply wood for biomass power generation, and consider the potential for expansion ● Conduct biodiversity studies in Company-owned forests	Rate of increase in timber volume (compared with 2020)	2.0%	0.7%	2.5%
				Supplied amount of domestic timber for biomass energy	1,300 m³	1,348 m³	1,350 m³
				Amount of CO_2 fixation by forests (1,477,978 t in 2020)	Up 2.0% from 2020 (1,507,537 t-CO_2)	Up 2.73% from 2020 (1,518,357 t-CO_2) (Figures from previous fiscal year)	Up 2.5% from 2020
				Activities promoting preservation of biodiversity	Number of biodiversity studies: 1 insect study	Number of biodiversity studies: 1 insect study completed	Conservation measures implemented based on policy
Society-related items	8, 12	Demonstrate social responsibility throughout the value chain	● Visited 13 suppliers to provide support for CSR and energy-saving promotion	Provide support for CSR promotion to main suppliers	Number of supported suppliers: 13	Number of supported suppliers: 13	Number of supported suppliers: 10 or more
		Provide motivating and appealing work environments	● Promote diversity and equal opportunity ● Expand managerial appointments and develop candidates among women ● Create environments where it is easy for men to take childcare leave ● Continue to conduct health management promotion activities ● Conduct education to prevent harassment and promote mental health ● Hold Safety and Health Committee meetings, including at Group companies	Participation rate in various training programs (rehiring, career advancement training, etc.)	100%	99.7%	100%
				Percentage of employees with disabilities	2.7% (FY2025)	2.05%	2.5%
				Percentage of management positions held by women	11% (FY2025)	8.9%	9.5%
				Employee turnover rate	Keep under 5%	4.1%	Keep under 5%
				Percentage of male employees taking childcare leave	50% (FY2025)	52.2%	50%
				Percentage of annual paid leave taken	75% (FY2025)	77.6%	75%
				Health management: Percentage of people interested in improving lifestyle habits	78% (FY2025)	79.2%	78%
				Health management: Percentage of employees with proper walking habits (Percentage of employees who walk or engage in other physical activity at least one hour per day)	78% (FY2025)	39.4%	40%
				Health management: Percentage of employees with proper dietary habits (Percentage of employees who eat meals less than 2 hours before bed 2 or fewer times a week)	70% (FY2025)	63.7%	63%
		Pursue customer satisfaction	—	Not disclosed outside the Company	—	—	—
Governance-related items	8, 9, 12	Promote compliance and strengthen risk management	● Security education through e-learning ●Japan: 1,575 employees ●Overseas: 516 employees (21 locations) ● Targeted training emails ●Japan: 1,538 employees ● Emergency drills (simulated training) ●Trial implementation at TNS Center ● CSR questionnaire included items on BCP preparedness status	Number of Compliance Committee and Risk Management Committee meetings	4	4	4
				Number of compliance education sessions per year	7	7	7
				Strengthened information security, education participation rate	100%	100%	100%
				Rate of improvement on internal audit findings	100%	100%	100%
				Number of serious violations	0	0	0
				Surveys on the state of BCP activities at main suppliers	Implementation rate of 100%	Implementation rate of 100%	Implementation rate of 100%
				Investor interview feedback for the Board of Directors	100%	100%	100%

Climate-Related Disclosures Based on TCFD Recommendations

With the recognition that climate change is a key issue impacting the continuity of our business, the Group endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in May 2022. We conduct scenario analysis based on the TCFD recommendations to consider and examine the impacts in 2030 under two scenarios (the 4°C scenario and the 1.5°C scenario) for the Group's main businesses, namely the belt and rubber products business, the hose and tube products business, and the air conditioning products business.

Governance

■ **We recognize response to climate change and other environmental issues as a key management issue; accordingly, our Sustainability Committee, which is chaired by the President and Representative Director, meets four times a year.**
■ **The committee discusses risks and opportunities from climate change and how to respond to the risks, and reports its findings to the Board of Directors on a regular basis (four times a year). The Board of Directors takes these reports into consideration as it deliberates and decides on important matters.**

Overall corporate governance policy and structure diagram ▶ p. 47, 48

▼ Sustainability Committee

Chair	President and Representative Director
Vice chair	Chairperson and Representative Director
Members	Directors, Audit & Supervisory Board members, executive officers, and people appointed by the chair
Secretariat director	General Manager, Corporate Center
Secretariat	Management Administration Department; Safety, Environment, and Quality Department

Strategy

The Group identifies transition risks and opportunities arising from changes in policies, regulations, and other social requirements in our businesses, as well as physical risks and opportunities arising from factors such as increasingly severe extreme weather events. In our latest round of scenario analysis—which covered the entire supply chain from raw materials and parts procurement to product development, manufacturing, and sales in our belt and rubber products, hose and tube products, and clean products businesses—we considered and examined the impacts in 2030 under two scenarios: the 4°C scenario and the 1.5°C scenario.

Countermeasures We are promoting the following initiatives to strengthen our resilience to the enumerated risks.

Classification			Risk response policy
Category	Sub-category	Sub-sub-category	
Transition	Policy & legal	Carbon pricing (carbon tax)	• Operate highly efficient cogeneration systems • Switch to electricity derived from renewable energy • Adopt internal carbon pricing
		Renewable energy policy	• Implement onsite PPA
		Energy-saving policy	• Switch to LED lighting • Switch to energy-efficient equipment
	Technology	Advances in low-carbon technologies	• Develop and promote sales of automotive parts for EVs, environmentally friendly belts, and other environmentally friendly products
Physical	Acute	Intensification of extreme weather events (typhoons, torrential rains, sediment disasters, storm surge, etc.)	• BCP measures

Risk management

■ **We recognize changes caused by climate change as key risk factors, and our Sustainability Committee identifies risks and takes steps to avoid, mitigate, and prevent them.**

Sustainability Committee identifies, analyzes, and evaluates risks, and then considers and implements measures to mitigate them ▶ **Findings reported to the Board of Directors** ▶ **Findings reflected in business execution**

Risks in the table on the next page

Evaluation criteria (estimated financial impact)

1	0–9.99 million yen
2	10 million–49.99 million yen
3	50 million–99.99 million yen
4	100 million–499.99 million yen
5	500 million yen+

We conducted these analyses, evaluations, and considerations of countermeasures in collaboration with an outside consulting firm and based on discussions by the Sustainability Committee.

We intend to continue to periodically review our analyses and evaluations of risks and opportunities based on external trends and changes in circumstances.

			Impact on gross profit		Impact on business	
			4°C	1.5°C	Risks	Opportunities
Transition	Policy & legal	Carbon pricing (carbon tax)	—	4	1.5°C: Production activities emit CO_2; a carbon tax increases the costs associated with CO_2 emissions	—
		Emissions trading Response to greenhouse gas emissions regulations	—	2	1.5°C: More developed emissions trading schemes and expanded target regions result in additional costs, such as purchasing credits when GHG emissions allowances are exceeded	—
		Regulations on the use of fossil fuels	—	1	–	1.5°C: Our maple syrup uses thinned wood from our Company-owned forests as fuel during production, which is a low-environmental-impact biomass fuel, making it less susceptible to performance impacts from regulations
		Plastics regulation	—	3	1.5°C: As regulations on plastics progress, the cost of replacing plastics with alternative materials and more advanced recycling increases	—
		Forest protection policy	—	2	—	1.5°C: We are currently working on the creation of forest absorption and carbon removal credits. By promoting afforestation activities toward credit creation, we are expanding CO_2 absorption opportunities and creating employment and industry in afforestation areas 1.5°C: In the maple syrup business, we are promoting the planting of maple trees on bare land and larch forests to increase harvest volume. We aim to increase harvests while contributing to forest conservation 1.5°C: Our Tofutsu Forest (a Company-owned forest) in Hokkaido has been certified by the Japanese Ministry of the Environment as an Other Effective area-based Conservation Measure (OECM) (a 30by30 site). Through this activity, we aim not only to conserve forests but also to curb and reverse biodiversity loss risks
		Renewable energy policy	—	2	1.5°C: Stricter emissions regulations (e.g., carbon tax) lead to higher demand for renewable energy, higher renewable energy prices, and higher energy costs	1.5°C: Progress of renewable energy policy and growing demand for woody biomass power generation create more opportunities to supply thinned wood and other types of biomass fuel
		Energy-saving policy	—	3	1.5°C: Spending increases when equipment and fixtures must be replaced with high-efficiency models due to stricter energy conservation policies	1.5°C: Demand for energy-efficient air conditioning grows, and sales of energy-saving filters that can reduce power consumption by reducing energy loss during ventilation increase
	Reputation	Changes in customer reputation	—	—	—	1.5°C: With rising environmental awareness in society, our maple syrup business, which owns vast forests and continues to plant maple trees, is highly valued as a product and company that embodies the philosophy of the SDGs. Along with this, our recognition increases and product demand grows 1.5°C: As our stance on biodiversity conservation becomes recognized by society through initiatives such as certification as an OECM, our brand value improves
	Technology	Spread of renewable energy & energy-saving technologies	—	3	—	1.5°C: Demand for energy-saving products increases as regulations for energy-saving policy are tightened, causing sales of Zeroseam™ belts and other power-saving products to increase 1.5°C: Demand for energy conservation grows, causing sales of power consumption-reducing transmission belts to increase 1.5°C: The shift from AC to DC power supplies increases demand for energy-saving blowers as well as sales of energy-saving filters
		Advances in low-carbon technologies	—	3	1.5°C: As EVs advance, demand for internal combustion engine parts declines and sales of automotive fuel tubes decrease	1.5°C: If technological development results in Namd™ being applied to aircraft and automobiles to satisfy requirements for lighter weight and higher strength, demand for EVs and electric aircraft—products for which reducing weight is a challenge—will expand, and sales will increase 1.5°C: The growing number of large data centers increases demand for server cooling, increasing the need for cooling pipes and demand for thermoplastic tubes 1.5°C: The world shifts to smart cities amid the transition to a low-carbon society, increasing the need for semiconductors and boosting sales of semiconductor-related components 1.5°C: As EVs and FCVs advance, the accompanying demand for lighter components and battery cooling increases sales of thermoplastic tubes for cooling pipes
	Market	Advances in next-generation technologies	—	3	—	1.5°C: Demand grows for plant-derived nanocellulose filters as renewable decarbonization products 1.5°C: Energy storage technology expands, increasing air conditioner replacements (including energy-saving filters)
Physical	Acute	Intensification of extreme weather events (typhoons, torrential rains, sediment disasters, storm surge, etc.)	3	1	4°C: Massive impact on production locations and supply chains, and the cost of response increases due to shutdowns and disruption of logistics functions 4°C: Delivery of procured materials is delayed, and the cost of procurement (transport) increases	—
	Chronic	Average temperature increase	3	2	4°C: Air conditioning load increases and energy costs rise	4°C: As temperatures rise, people have fewer opportunities for outings, and demand for home delivery services grows, increasing sales of belts used to transport goods 4°C: As the average temperature rises, it becomes more difficult to maintain constant temperatures and keep things refrigerated or frozen, increasing demand for cold chain transport and sales of belts with outstanding low-temperature properties 4°C: Increasingly frequent damage to facilities and roads due to extreme weather events and other natural disasters increases demand for construction machinery and sales of hose products
		Impact of average temperature increase on raw material growth	1	—	4°C: Since the amount of sap from maple trees, the raw material for maple syrup, is affected by growth temperature, a rise in average temperature makes it difficult to harvest high-quality sap and reduces the harvest volume	—

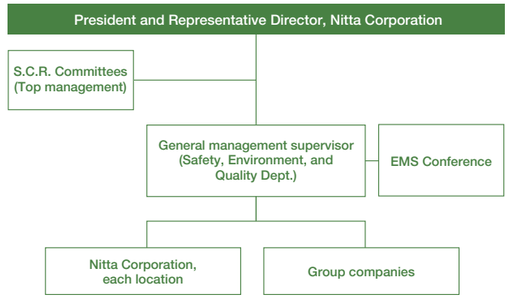
ISO 14001 environmental management system

The Group has built an environmental management promotion structure headed by the Company's President and Representative Director, and has established an Environmental Management System (EMS) Conference under the supervision of the General Management Supervisor, with the Safety, Environment, and Quality Department serving as the Secretariat. Environmental promotion managers are also assigned to each division and Group company to supervise and promote environmental conservation activities in their departments.

EMS Conference activities

The Group promotes environmental management based on ISO 14001. We strive to improve our environmental performance through periodic internal and outside audits to confirm effectiveness, as well as corrective actions and improvements.

▼ ISO 14001 environmental management structure diagram



Internal audits

We conduct internal audits of environmental management at least once a year across divisions to confirm and evaluate the operation of the management system, compliance with environmental laws and regulations, and management of environmentally controlled substances.

Outside audits by third-party organizations

We undergo annual third-party audits mainly at production locations to maintain management system certification. We will continue our environmental improvement activities based on this system.

Reducing energy usage

In accordance with the Act on the Rational Use of Energy, we identify facilities that consume large amounts of energy, create Management Standards that specify operational management and inspection methods for each, and strive to rationalize energy use by complying with the standards.

Collaboration with industry groups

As a member of the Japan Rubber Manufacturers Association (JRMA), the Group participated in formulating the association's Long-Term Vision for Addressing Global Warming. We support the policy of "net zero CO_2 emissions at the production stage by 2050" and are taking steps to reduce emissions accordingly.

Upgrading and switching to energy-saving equipment

Introducing environmentally friendly equipment

When updating equipment, the Group deploys equipment with high-efficiency specifications, and actively promotes the adoption of equipment eligible for Japan's Top Runner Program. Specifically, we are implementing the following initiatives. For lighting fixtures, we are promoting the shift to LED. For large air conditioning units, in addition to selecting high-efficiency models, we are reviewing equipment capacity and switching to zoned air conditioning. For power receiving equipment, we are selecting transformer capacity according to usage conditions and adopting high-efficiency transformers with minimal loss. In manufacturing equipment, we are introducing high-efficiency motors to reduce power load during standby.

Adopting an internal carbon pricing system

On April 1, 2023, we adopted an internal carbon pricing system for the Company and our domestic subsidiaries. Under this system, we use CO_2 emissions virtually converted to expenses based on our own criteria for reference when making capital expenditure decisions. By setting the internal carbon price to 18,000 yen/t-CO_2 and using the system as a criterion for investment decisions, we will accelerate investment in low- and no-carbon equipment, energy-saving equipment, and other equipment that contributes to reducing CO_2 emissions.

Initiatives for eliminating steam

Our Nara Plant uses steam in production lines and heating fixtures. Although steam is much easier to use than some other energy sources, it is also inefficient and not conducive to waste heat use. We will actively work to eliminate our use of steam in manufacturing equipment that can run on other heat sources, and take steps to reduce CO_2 by reducing energy loss.

Utilization of solar power

We have installed solar panels at our Nara Plant and Nabari Plant, both of which sell electricity to electric power utilities.

	Nara Plant	Nabari Plant
Solar power generation capacity (kW)	275	200
Annual power generation (MWh)	292	247


Nara Plant


Nabari Plant

Developing and expanding sales of environmentally friendly products

Among our flagship products, we are developing and expanding sales of power-saving belts with lower tension that reduce the load on motors, bio-urethane tubing made from plant-derived urethane, and medium-performance filters with improved performance and no need for pre-treatment filters. We will continue to focus on these products, and from the initial design planning stage, examine the selection of raw materials, manufacturing methods, processing methods, and conditions that contribute to energy saving through our prescribed design development management process and environmental impact assessment process.

In addition, we are working on product designs that take energy consumption during use into account, such as making products lighter and longer-lasting. Through these initiatives, we strive to expand our lineup of energy-saving products that help prevent global warming, protect the environment, and reduce CO_2 emissions, and actively promote corporate activities that are environmentally conscious from a long-term perspective.

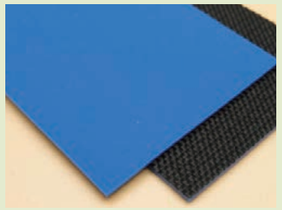
SEB™
(Super Endless Belt)

Compared to V-belts with the same level of transmission capacity, our Super Endless Belts feature reduced electric power consumption due to their lower bending resistance and reduced material usage due to their lighter weight.



PolySprint™

No adhesive is needed for fitting. These belts offer outstanding flexibility and up to 10% less electric power consumption compared to our existing products. The lineup also includes belts that reduce increases in drive load in low-temperature environments.



Economy curve conveyors
(EC-I/ECS-I/ECW-I)

The beads used to keep the belts running consistently are made of 70% plant-derived resin.



Dimming adhesive tape
(Temperature-sensitive window film)

Adhesive tape that turns opaque when heated, while remaining transparent at standard temperatures. When this tape is applied to windows, it allows sunlight in during winter and automatically blocks it during summer, thereby reducing electric power consumption.



Bio-urethane tubing

Tubes made primarily from plant-derived urethane. Certified as a Biomass Mark product by the Japan Organics Recycling Association.



Air filters
(Emilent™)

Embossing technology reduces initial pressure loss by up to 40%, cutting electric power consumption by roughly 30% (compared with our existing products).



Developing and replacing products and materials for environmental protection

To combat climate change, the Nitta Group is promoting 3R activities to break away from the conventional, one-way linear economy of mass production, mass consumption, and mass disposal. For example, we are developing belt products made of polyurethane thermoplastic and elastomers with higher percentages of plant-derived components, and low-impact belt products that are functional even in low-temperature environments. We also already produce and supply tube products made with naturally derived polyamide thermoplastic. We will continue studying new materials in order to increase these products.

For environmentally friendly filter products, we consider recycling from the design stage of product development, for example restructuring the joints between filter materials and cases to facilitate separation and collection for disposal.

As a medium- to long-term measure, our Technical Center is developing new products that are both functional and require less petroleum-derived raw material by adding or substituting naturally derived raw materials. Additionally, to make effective use of forest resources in Hokkaido, we are extracting useful components from wood and studying methods of utilization.

The Group is committed to research and development toward the realization of a circular economy that seeks to improve recycling without generating waste in the end.

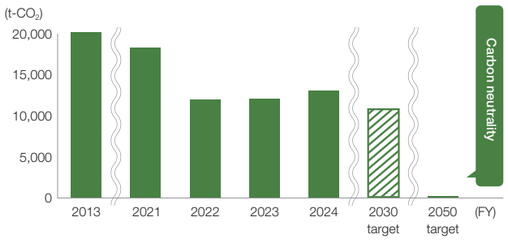
Initiatives for decarbonization

For more details about environmental initiatives, scan here to visit our website

Carbon neutrality promotion system

The Group's basic policy on greenhouse gas (GHG) emissions reduction during production is to reduce GHG emissions by 46% from the fiscal 2013 level by fiscal 2030 with the aim of achieving carbon neutrality by 2050, and we are working to achieve that. To reduce GHG emissions, we are working on three initiatives: thoroughly implementing energy-saving measures to reduce energy consumption, expanding the use of renewable energy, and purchasing GHG-free energy.

▼ Scope 1 & 2 GHG emissions



Initiatives for decarbonization

The Group promotes initiatives for decarbonization mainly in manufacturing processes using a two-section system: the Production Engineering Section designs and adopts equipment, while the Factory Engineering Section manages onsite operations.

For hose and tube production, which is quite energy-intensive, we switched to renewable energy. For rubber production, we significantly reduced gas consumption through efficient operation of cogeneration facilities.

Additionally, through initiatives of the Group's overseas subsidiaries—namely purchasing non-fossil certificates at five Group locations in China—we successfully reduced emissions by roughly 3,000 t-CO_2. We will continue to switch to renewable energy at the Group companies in Japan and overseas to further reduce CO_2 emissions.

We also promote collaboration with suppliers in actions to take in raw material purchasing, which involves massive Scope 3 emissions. While major companies provide opportunities to learn about new environmental facilities and operations, we advise smaller companies that are further behind to take steps to reduce CO_2 emissions, introduce management systems, visualize data, and take other specific measures. Through these and other efforts, we are spreading decarbonization and other environmental measures throughout our supply chain.

Aiming to achieve carbon neutrality by 2050

Looking ahead, further reducing gas consumption is a task to accomplish. Under current methods, we cannot completely eliminate gas usage; therefore, we must convert to other forms of energy. We are investigating radical solutions for energy transition, for example methanation, the process of synthesizing methane (the main component of natural gas) from hydrogen and CO_2, and are considering responses as appropriate.

In addition to addressing environmental issues, the Group aims to achieve efficient production that aligns with the 12th SDG (Responsible consumption and production). All Group employees are committed to lean manufacturing with no losses or defects, efficient resource use, and other Total Nitta System (TNS) activities. We focus on productivity improvements and cost reductions through the thorough elimination of wastefulness, which we consider fundamental to a manufacturing company. We will disseminate these activities throughout the Group and work with suppliers and customers on efforts to achieve carbon neutrality by 2050.

Material flow

Our material flow for the fiscal year ended March 31, 2025 was as follows. We conduct activities in pursuit of target values set to reduce the environmental impacts that we generate.

▼ INPUT

Raw material inputs	Total raw material inputs	9,686	t
	Rubber raw material	1,687	t
	Plastics	7,999	t
Energy inputs	Electric power	14,139	MWh
	City gas	4,857,000	m³
	Fuel oil	37,000	L
Water inputs	Total inputs	199,647	m³
	Tap water	85,289	m³
	Well water	114,358	m³
Environmentally damaging substances	PRTR substances	254.9	t

Nara Plant
Nabari Plant
Kochi Plant

▼ OUTPUT

CO_2 emissions	Total emissions	13,122	t-CO_2
	Scope 1	9,824	t-CO_2
	Scope 2	3,298	t-CO_2
Wastewater	Total wastewater discharge	183,146	m³
Plastic waste	Total amount of waste	1,128	t
	Thermal recycling	619	t
	Material recycling	284	t
	Landfill	225	t
Environmentally damaging substances	PRTR substance emissions	12	t
	PRTR substance movement	23	t

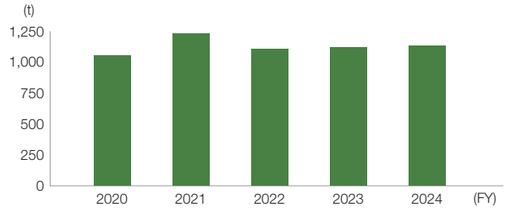
Improving manufacturing efficiency to reduce raw material and water consumption

3R waste reduction

On the basis of the 3Rs (Reduce, Reuse, Recycle), and to realize a recycling society, the Group examines methods of waste treatment in the following order of priority: control, reuse, recycling, thermal recovery, and proper disposal. We also promote initiatives to reduce waste centered on continuous improvement in conjunction with TNS activities.

As for efforts at the design stage, we have developed longer-life products, bioplastics-based products, and other environmentally friendly products.

▼ Volume of plastic waste



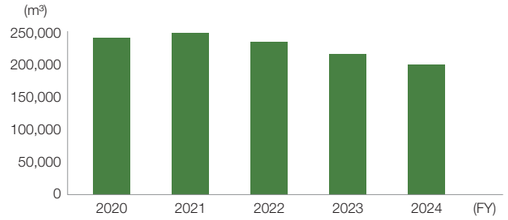
Identifying water risks, and initiatives to reduce water consumption

Although our domestic and overseas production locations are not in areas with restricted water intake, water resources are extremely important to our production activities and to local residents. The Group recognizes ensuring water resources and managing wastewater as serious risks; therefore, we focus on reducing water consumption and managing wastewater in the context of production activities.

Of the total water intake at the Group's domestic and overseas production locations, 75% is obtained from wells and other sources besides tap water. We use it to cool utility equipment in the manufacturing stage and to water green spaces. We have installed chillers (cooling water circulators) in both new and existing facilities to circulate cooling water and minimize water consumption in an effort to ensure efficient use of water resources.

To contribute to reducing water risk in surrounding areas, the Group continues to introduce new equipment and expand the use of chillers to existing equipment, and will further advance the efficient use of water resources going forward. We also plan measures such as improving steam-based warming equipment and expanding its use in roll cooling for the effective utilization of water resources. Members of the Factory Engineering Section participate in site tours and meetings at each plant, and promote wastewater reduction throughout the Group by expanding wastewater reduction achievements to relevant plants in Japan.

▼ Water usage in manufacturing processes



Promoting green procurement

Handling chemical substances

The Group established Green Procurement Management Regulations under which we manage raw materials, components, and other procured items with the aim of curbing our use of hazardous chemical substances based on domestic laws and regulations, customers' green procurement standards, and the like. In carrying out this management, we also keep an eye on developments in EU REACH rules and EU RoHS Directive.

Chemical substance management structure

We have established a chemical substance management structure and work toward continuous improvement under environmental conservation managers (chemical substance managers). We also have regulations under which we conduct risk assessments of chemical substances used in raw materials. We conduct in-house training for risk assessors, providing them with evaluation methods and updated information on the latest revisions to domestic laws, overseas regulations, and the like.

Initiatives for reducing hazardous chemical substances and preventing spills

At the Nara Plant, we are promoting initiatives to reduce hazardous chemical substances and prevent their leakage, with the aim of reducing environmental impact. For plasticizers regulated under the RoHS2 Directive, we are taking appropriate measures to comply with laws and regulations, such as preventing contamination of products that previously contained regulated substances as well as non-regulated products produced on the same equipment.

In addition, adhesives containing specific organic solvents with suspected carcinogenicity have been replaced with non-containing alternatives, thereby improving the working environment and eliminating organic solvents. Furthermore, to prevent the leakage of poisonous and deleterious substances due to storms or flooding, we are implementing measures such as storing raw materials and products in elevated locations and installing watertight panels on shutter doors.

We will continue to work on ongoing improvements and strengthening preventive measures to minimize the impact of hazardous chemical substances on the environment and human health.

Compliance with laws, regulations, and social norms, and fair trade

Compliance with laws, regulations, and social norms

We have established the Nitta Group Code of Conduct and the Nitta Group Code of Conduct Practices Book, which operationalizes the Code of Conduct, as the basic policy for our business activities. The Practices Book describes how we are to comply with laws and regulations as shown in the graphic below. We want everyone working in the Group to act with self-discipline under these ethical standards.

Fair trade

In the Nitta Group Code of Conduct, Nitta Group Procurement and Purchasing Policy, and Nitta Group CSR Procurement Guidelines, we state our commitment to engage in proper transactions and conduct business in compliance with principles of fair competition and with all applicable laws and regulations. Our aim is to engage in fair trade at all times.

▼ Compliance with laws and regulations in the Nitta Group Code of Conduct Practices Book

We will comply with the laws and regulations of Japan and other countries and regions, respect social norms, and act with integrity and self-discipline.

1. We will endeavor to correctly understand and comply with laws and regulations, our internal rules, and other matters related to our business.
2. We will remain aware of and take pride in being part of the storied Nitta Group and act with integrity and self-discipline in all situations.
3. We will take appropriate action based on rules when witnessing any act that violates or may violate laws, regulations, our internal rules, or other matters.
4. We will respect the rights of others and act in ways that do not infringe upon those rights.
   Specifically, we will endeavor to protect our intellectual property rights (patent rights, trademark rights, copyrights, etc.), and act appropriately so as not to infringe upon the rights of others.

▼ Nitta Group CSR Procurement Guidelines (1) Matters concerning compliance with laws and social norms, and fair transactions

- Comply with laws, ordinances, and government notifications that apply to our business activities.
  (Companies Act, Antimonopoly Act, Subcontract Act, labor-related laws and regulations, environment-related laws and regulations, etc.)
- Establish a code of conduct for ensuring compliance with laws and rules.
- Maintain a whistleblowing system for the reporting of illegal activities and improprieties.
- Prohibit dealings with antisocial forces.
- Prohibit improper offering or receiving of benefits.
- Engage in fair transactions with business partners.
- Conduct internal audits to prevent misconduct or errors in business.
- Do not take advantage of a superior position to disadvantage suppliers.
- Respect the intellectual property rights of suppliers and do not use suppliers' product specifications or know-how without permission. Also ensure that goods we purchase do not infringe on the intellectual property rights of third parties.
- Do not purchase minerals that may cause social problems.

CSR Procurement Policy

Based on the Nitta Group Philosophy, Nitta Group Code of Conduct, Nitta Group Sustainable Management Policy, and Nitta Group Procurement and Purchasing Policy, the Group engages in initiatives aimed at sustainable growth and seeks to fulfill its social responsibilities through its business activities. In fiscal 2020, we created the Nitta Group CSR Procurement Guidelines. We believe that having business partners understand the aims of the guidelines as they undertake initiatives will enhance corporate value for both them and the Nitta Group.

Also, with the intent to support the Japanese Ministry of Economy, Trade and Industry's compliance efforts with respect to the Promotion Standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises, we published a Declaration of Partnership Building on the portal site of the National Association of Small and Medium Enterprise Promotion Organizations on March 30, 2022.

1. **We will work to build a sustainable supply chain by reinforcing the prompt exchange of information with our suppliers, including in times of emergent risk.**
2. **We will strive to comply with the Promotion Standards by laying out the details of individual actions to be taken in the five priority areas for proper trading, such as price determination methods and mold management.**
3. **We will periodically encourage our subcontractors to review transaction values and hold discussions with them.**

The Group will proactively work to resolve social issues throughout the supply chain based on this declaration.

パートナーシップ構築宣言

▼ Nitta Group CSR Procurement Guidelines listed items

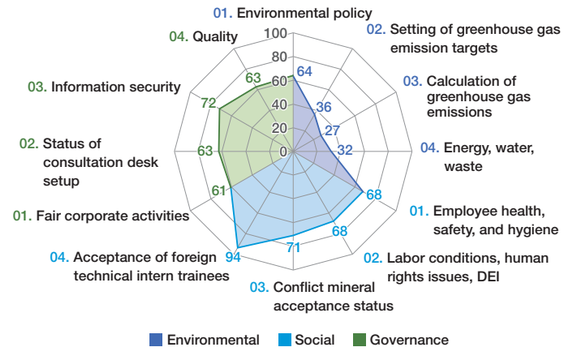
	Activities
1. **Compliance with laws, regulations, and social norms, and fair trade**	● Legal compliance ● Whistleblowing and audit system ● Elimination of ties with antisocial forces ● Prohibition of conflict minerals ● Prohibition of improperly offering/receiving benefits ● Compliance with the Subcontract Act ● Respect for intellectual property rights
2. **Respect for human rights**	● Compliance with international norms ● Prohibition of harassment ● Elimination of all discrimination ● Prohibition on handling purchases made under unfair labor conditions
3. **Occupational health and safety**	● Compliance with labor-related laws and regulations ● Hazard prediction activities ● Provision of protective equipment ● Thorough equipment safety
4. **Assurance of stable supply**	● Establishment of procurement BCP system
5. **Consideration for the environment**	● Operation of environmental management ● Implementation of green procurement
6. **Social contribution and communication**	● International, regional, and proactive contribution activities
7. **Information management**	● Management and prevention of leakage of confidential and personal information

Initiatives for suppliers

To provide products that are reliably safe, we engage in procurement activities in compliance with the Nitta Group CSR Procurement Guidelines. We have provided support to our suppliers since fiscal 2022 based on the results of a fiscal 2021 questionnaire on the status of initiatives and operations related to the guidelines. Many suppliers have responded positively to this support, and their initiatives to address sustainability and CSR have been energized.

Since fiscal 2022, we have strengthened support for addressing social issues such as human rights due diligence and cybersecurity measures. From fiscal 2024, we have placed emphasis on supporting initiatives aimed at addressing environmental issues, centering on calculating GHG emissions and working toward emission reductions.

▼ Questionnaire results (mean scores)



▼ Process of evaluating CSR procurement activities

1 Publish on our website

CSR procurement → Post on our website

2 Request for consent when concluding new business partner contract

NITTA ⇄ Business partners
Send guidelines when concluding new business partner contract
Return consent forms after confirmation

3 Use the questionnaire to evaluate promotion of CSR procurement activities

NITTA ⇄ Business partners
Request to answer questionnaire on CSR procurement activities
Send questionnaire responses
Evaluate responses and provide necessary support

Response in supplier selection

When selecting new suppliers of raw materials, parts, etc., the Group strives to identify and select suppliers with whom stable transactions can be maintained over the long term. Before initiating new transactions, we investigate the supplier's profile, financial status, quality, environmental initiatives, pricing, etc. Suppliers are scored according to the Group's evaluation criteria, reviewed and approved by the management meeting of the business departments conducting the procurement, and the final decision is made by the General Manager of the Purchasing Dept.

▼ New supplier selection flow

Occurrence of need for new purchases → Exploration of new suppliers → Confirmation of specifications, pricing, and transaction conditions → **Supplier investigation**
- **Credit investigation**
  Corporate evaluation
  Management status
  Relationship with antisocial forces
- **Quality aspects**
  ISO certification status)
- **Environmental aspects**
  (ISO certification status)
- **Delivery compliance**
- **Technology**
- **Confirmation of agreement with CSR guidelines**

→ Supplier evaluation and examination → Execution of contracts, etc. → Supplier registration → Start of transactions

Note: This is the standard procedure for initiating transactions with new suppliers. Details may vary depending on the content of the procured goods.

For details of the Nitta Group Procurement and Purchasing Policy, scan here to visit our website

Conservation and management of Kotonoura Onzan-Soh-En, cultural heritage for the future



The origins of Onzan-Soh-En

Onzan-Soh-En is a garden that founder Chojiro Nitta created along the coast of Kotonoura in Kainan City, Wakayama Prefecture, from the early Taisho to Showa periods. Its 46,000 m² grounds are home to a tidal strolling pond garden along with traditional Japanese-style architecture such as the main building and a tea house, forming an extraordinary private garden of remarkable scale. Initially, it was used for maintaining Nitta's health, but during his lifetime it was opened to the public. In 1998, it was registered as a Registered Tangible Cultural Property by the Agency for Cultural Affairs. In 2010, the garden was designated a Place of Scenic Beauty by the national government, and the buildings were designated Important Cultural Properties. In 2011, it was also certified by Wakayama Prefecture as a Public Interest Incorporated Foundation.

We interviewed the Representative Director of Kotonoura Onzan-Soh-En.



Kazuyoshi Fumoto
Representative Director, Public Interest Incorporated Foundation Kotonoura Onzan-Soh-En
Emeritus Professor, Nagoya Institute of Technology

The preservation of this garden requires the advanced skills of architects, gardeners, carpenters, and plasterers used in modern Japanese-style architecture. Maintaining and preserving Onzan-Soh-En also contributes to society by passing down Japan's unique and valuable traditional techniques to future generations.

A crystallization of garden culture infused with Nitta's sensibility

Our garden is distinguished by the superb location and scenery sought out by Chojiro Nitta himself. The view of the sea from within the garden, as well as the view of the garden and buildings from the sea, is truly beautiful and majestic. At the time, industrialists deepened their appreciation for gardens and architecture through garden parties and similar occasions, and such period tastes and preferences are reflected in Onzan-Soh-En. Nitta incorporated his own sensibility and playful spirit throughout the garden and architecture in order to create the ideal beauty he envisioned. Rather than leaving matters entirely to the architect, he gave specific requests to gardeners, carpenters, and plasterers, and the craftsmen, in turn, brought his vision to life with the full depths of their skills and expertise.

Distinctive features of Onzan-Soh-En include the main building, designed with walls and pillars minimized to the greatest extent to maximize enjoyment of the garden view, as well as a large pond filled with seawater. Instead of natural wood, plywood was used as the building material, and for the pond, artificial stones coated with cement mortar were employed. This intentional use of artificial materials over natural is an expression of Nitta's manufacturing spirit. Onzan-Soh-En can also be regarded as a testing ground for taking on the challenge of advanced product creation. This truly unique place is a haven where Nitta's individuality and originality can thrive.









Initiatives for passing on its value

Onzan-Soh-En has been designated as an Important Cultural Property of Japan, and preserving its value is our duty. When cultural properties are reviewed for designation, detailed investigations into the value and features of the buildings and gardens are conducted, and extensive documentation is prepared and submitted to the national government. These materials clearly and thoroughly state the grounds for their value, and conservation initiatives are carried out based on them. There are no harsh restrictions such as "not a single nail may be driven in" and renovations that are necessary to maintain value are permitted. For example, minimal improvements necessary for daily living, such as converting toilets to flush types, and seismic reinforcements are essential. In terms of seismic reinforcement, Onzan-Soh-En is particularly challenging, as its structures have few walls or pillars. Preserving these architectural features while strengthening the building requires cutting-edge ideas and technologies from modern architectural structural engineering. More than 100 years have passed since its initial construction, so we are now considering plans for a large-scale renovation.

The appeal of the garden to be passed to the next generation

Among all the buildings and cultural properties I have been involved with, I feel Onzan-Soh-En stands out for its individuality, charm, and value. While continuing to protect it as an Important Cultural Property, I believe that moving forward we must go beyond that and more broadly communicate the value and appeal of Onzan-Soh-En. Rather than limiting it to visits alone, I am exploring ways for it to be used as a place for interaction and garden gatherings, without compromising its value. The true worth of this garden lies in being used and brought to life. The cost burden of protecting cultural properties is enormous, and without the support of the Nitta Group it would be impossible. To reciprocate this support, I want to connect Onzan-Soh-En to the enhancement of the Nitta Group's brand image and corporate value. With this in mind, I intend to continue activities together with employees of Nitta Group, which is also a member of the Foundation.



Contribution to global environmental issues through the preservation and maintenance of forest resources

Nitta Corporation advanced into the Tokachi region of Hokkaido in 1906 in search of oak trees, and for more than 100 years since, we have engaged in forestry operations such as seedling cultivation, afforestation, thinning, and logging. As in the past, we continue to value contributing to society through forests.

Initiatives for the next generation

As part of our forestry business, the Group produces seedlings necessary for afforestation. Amid the significant decline in seedling growers, we contribute to the region by ensuring a stable supply of seedlings and efficient seedling production in Hokkaido.

In addition, as an initiative for the next generation, we are also establishing seed orchards for clean larch (so-called elite trees). These trees grow significantly faster than ordinary ones, and they are expected to be used not only for construction materials but also as future sources of CO_2 absorption.

Although it will take more than a decade before full-scale seedling production begins, we will continue our steady efforts.



Clean larch (elite tree) seed orchard

Communication with communities

In Hokkaido, where our Company-owned forests are located, active efforts are being made across various fields to promote a unique activity known as wood education, aimed at fostering people who can think independently about the relationship between forests and people. As part of strengthening ties with the community, the Company also participates in wood education activities and implements its own initiatives. Specific activities carried out in recent years are as follows.

In addition to the activities listed below, we also conduct many other initiatives in cooperation with various stakeholders to spark interest in forests among local residents. We will continue to actively pursue such initiatives so that as many people as possible in the community will take an interest in nature and the environment, with forests at the center.

Cooperation in afforestation and pruning training

We provide our Company-owned forests for afforestation and pruning training conducted by volunteers engaged in lumber and construction.



Provision of bark to Ainu groups

We provide bark from trees to the indigenous Ainu people, to be used as raw material for garments worn in rituals.



Provision of learning opportunities for young forestry workers

We provide our Company-owned forests for on-site training hosted by Hokkaido.



Research cooperation with Hokkaido

We provide our Company-owned forests as test research sites for new technologies under study by Hokkaido.



Cooperation in labor-saving tests

As a labor-saving measure, we provide our Company-owned land for on-site mechanization tests conducted by various companies and organizations.



Social studies classes at local elementary schools

We provide forest management education as part of social studies classes.



Value chain strategy

With the remarkable advances in technology and the rapid changes in society, the needs required of our products and business activities are becoming increasingly diverse. Under our Medium- to Long-Term Business Plan SHIFT2030, the Group strives to identify and reduce risks that could hinder growth, while aiming for the sustainable enhancement of corporate value into the future. The Group will continue to strengthen initiatives throughout the value chain in order to pursue sustainable growth and enhanced corporate value across the entire Group.

Value creation through dialogue with stakeholders

The Group positions communication with stakeholders as an important initiative for generating greater outcomes, and we promote management that emphasizes stakeholder engagement.

To fulfill our responsibilities to each stakeholder, we proactively disclose and provide information on our business activities and corporate value, and we strive to accurately grasp social expectations and concerns. The issues made apparent through such dialogues are reflected in our business activities and linked to initiatives for realizing a sustainable society.

We will continue to deepen our relationships of trust with stakeholders, advance sustainability management, and aim for the sustainable enhancement of corporate value.

▼ Main responsibilities

Shareholders & investors	We aim for the long-term and stable growth of the Group and the enhancement of corporate value. We strive to reform and strengthen our business structure to generate stable and continuous profits, enabling shareholder returns.
Customers	We sincerely address customers' issues, dedicate efforts to technological innovation and product development, and shape products and services that provide solutions. We are committed to providing products that are environmentally friendly, socially beneficial, and ahead of the times.
Business partners	We position our business partners as partners working together toward realizing our corporate philosophy and future. Based on the Nitta Group CSR Procurement Guidelines, we conduct fair and transparent transactions, deepen mutual understanding, and strive to build and maintain strong trust-based relationships.
Local communities	In our business activities in various countries and regions, we comply with laws and international standards, and give due consideration to environmental conservation and respect for human rights. We also participate in activities that contribute to local community and cultural development, such as clean-up efforts and afforestation projects, to help build better communities.
National & local governments	In addition to fulfilling our obligations such as legal compliance and tax payment, we collaborate and provide support toward the sustainable development of Japan and the international community. Through activities such as supporting the management of Onzan-Soh-En in Wakayama Prefecture and assisting tourism resources in various cities, we contribute to the development of local communities.
Employees	We maintain a stable business environment in which all Group employees can feel comfortable in their work. By respecting employees' human rights, we will support autonomous growth and diverse work styles, and strive to create work environments that allow each employee to realize their potential.

▼ Main methods of dialogue

In the communities around each plant, we promptly respond to inquiries from respective government agencies and otherwise work to ensure smooth communication on a daily basis. We also provide donations and other support as requested by local communities.

In addition to informing people in the neighboring community that our Head Office building is a designated tsunami evacuation building, we also allow nearby kindergartens to conduct evacuation drills using the building. Cleanup activities and other neighborhood beautification activities are continuously conducted at the Head Office, branches, and individual plants.

Through feedback interviews and by having supervisors take up employees' opinions, we support the creation of a rewarding workplace environment and diverse work styles. We also address employee concerns through a dedicated consultation desk managed by an independent third party.



By proactively establishing contact points and opportunities to hear directly from customers about their needs, we will strive to quickly identify changes in society and provide products and services that can solve customers' problems.

We have established a hotline for business partners to report directly to the Group, enabling the early detection and resolution of troubles and issues.

We strive to disclose information about business activities and financial information in a timely and appropriate manner through investor briefings and IR events, and will engage sincerely in dialogue. We also communicate our business activities and management status through the Integrated Report and our website.

Corporate Governance

For more details about our governance initiatives, scan here to visit our website

Basic approach

The Group believes that pursuing sustainable growth and medium- to long-term enhancement of our corporate value through fair business activities is the basic mission of corporate management worthy of the trust of shareholders and investors. We also have obligations to stakeholders other than shareholders and investors, namely customers, business partners, local communities, local governments, our employees, and the global environment.

In practicing corporate management under this approach, we recognize the importance of establishing corporate governance that includes ensuring accuracy and greater speed in decision-making, improving the transparency of management, enhancing disclosures and IR, and strengthening the compliance system and other forms of risk management. Accordingly, we are working to strengthen and enhance our governance initiatives through such means as innovating our management system.

Corporate Governance

● Management system

Overview of our governance structure

The Group is structured as a company with an Audit & Supervisory Board to ensure that the Board of Directors can perform proper business management while the Audit & Supervisory Board carries out management oversight.

So that these functions can be demonstrated fully, we appoint multiple outside directors who are capable of engaging in oversight with independent perspectives on business execution. Moreover, we appoint enough outside Audit & Supervisory Board members from multiple fields to make up half of the Audit & Supervisory Board, where they facilitate multifaceted oversight, so that we have a broad spectrum of experience and expertise from which to obtain advice and recommendations, as well as a corporate governance system with highly transparent and sound management.

We have also adopted an executive officer system that separates decision-making (the Board of Directors) from business execution to ensure both appropriate business management and efficient business execution. Additionally, we have established an Executive Committee comprising full-time directors and executive officers who deliberate on important management issues to assist the president with business execution.

Directors and the Board of Directors

The Board of Directors establishes specific plans for setting and realizing the Company's management strategies, policies, and targets, and sets out basic matters concerning overall management. The Board has the authority and obligation to propose solutions to internal issues, as well as the authority to supervise the duties of the representative directors, directors, and executive officers, and the duty to hold them accountable in a fair manner.

To facilitate swift, appropriate decision-making and fulfillment of the full scope of responsibilities held by the Board of Directors, we limit the number of directors to nine (including outside directors). Directors serve for one year, after which they are eligible for reappointment.

Outline of limitation of liability agreements

Based on the provisions of Paragraph 1, Article 427 of the Companies Act, the Nitta Group enters agreements with outside directors and outside Audit & Supervisory Board members that limit liability for compensation as stipulated in Paragraph 1, Article 423 and sets the amount specified in Paragraph 1, Article 425 as the limit of liability.

Audit & Supervisory Board and Audit & Supervisory Board members

The Audit & Supervisory Board exists to carry out the duties required of it by the Companies Act and serve as an objective observer of our management. Full-time Audit & Supervisory Board members attend Board of Directors meetings, Executive Committee meetings, and other important meetings, and conduct compliance-related audits of our business execution. Outside Audit & Supervisory Board members ask questions and state their opinions regarding the legality of company decision-making at Board of Directors meetings as circumstances demand.

To facilitate accounting and operational audit effectiveness, we limit the number of Audit & Supervisory Board members to four. At least half must be outside Audit & Supervisory Board members. The Nitta Group has established an organization to support the work of Audit & Supervisory Board members, with dedicated employees who execute duties under the leadership of the Audit & Supervisory Board.

Additionally, to ensure the independence of these employees from directors and their effectiveness in carrying out tasks as directed by Audit & Supervisory Board members, they must not be appointed or transferred without consulting with the Audit & Supervisory Board in advance.

Outside directors and outside Audit & Supervisory Board members

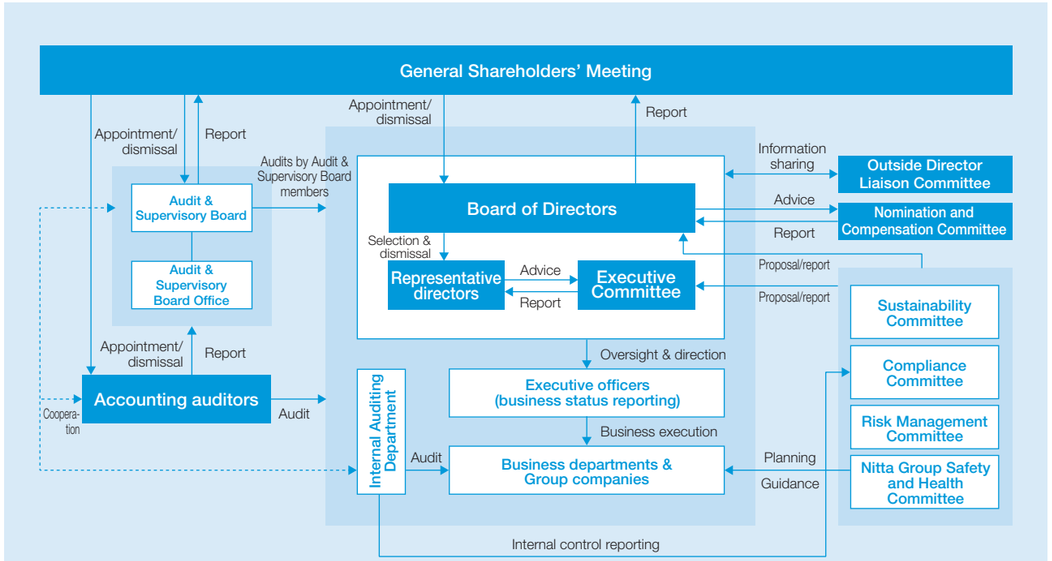
The Nitta Group appoints outside officers who bring a wide range of experiences and insights in specialized and general fields to the decision-making of Group management, and who supervise the validity of our business execution from fair, neutral standpoints.

Regarding the criteria for independence of outside officers, the Group complies with the criteria for determining the independence of outside officers in the Guidelines for Listing set out by the Tokyo Stock Exchange in 2010. Although the same response applies to the attribute information in the 2012 revision of the listing rules of the Tokyo Stock Exchange, the Group has set out and follows minimal disclosure criteria in the course of making appointments.

Nomination and Compensation Committee

The Group's Nomination and Compensation Committee comprises three outside directors and two inside directors. An outside director serves as the chair. Following consultation with the Board of Directors, the Nomination and Compensation Committee deliberates on candidates for appointment to and dismissal from the Board, human resource development programs, the compensation system for directors, and the level and distribution of compensation, after which it reports to the Board of Directors.

▼ Nitta Group corporate governance system diagram



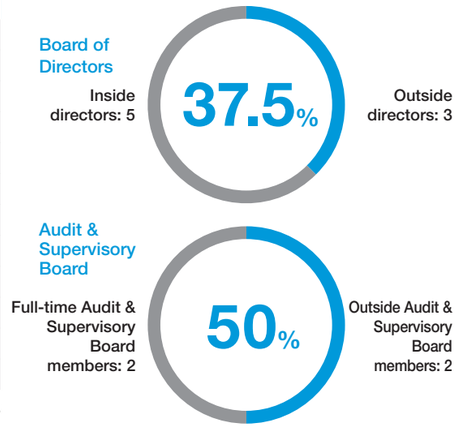
▼ Members in attendance at Board of Directors, Audit & Supervisory Board, and Nomination and Compensation Committee meetings

Name of Director/Audit & Supervisory Board Member			Board of Directors	Nomination and Compensation Committee	Audit & Supervisory Board
Board of Directors	Chairperson and Representative Director	Yasunori Ishikiriyama	◎		○
	President and Representative Director	Seiichi Kitamura	○		○
	Director	Toyohiro Hagiwara	○		
	Director	Atsushi Izumi	○		
	Director	Koichi Kakegami	○		
	Outside Director	Hiroe Toyoshima	○		◎
	Outside Director	Takehisa Ikeda	○		○
	Outside Director	Tomoyuki Ono	○		○
Audit & Supervisory Board	Full-time Audit & Supervisory Board Member	Katsuhiro Fukuwaka	○	◎	
	Full-time Audit & Supervisory Board Member	Toshihiko Morishita	○	○	
	Outside Audit & Supervisory Board Member	Kazuyoshi Matsuura	○	○	
	Outside Audit & Supervisory Board Member	Tetsuaki Ogami	○	○	

◎ Chair ○ Attending member

As of June 26, 2025

▼ Percentage of outside members



● Analyzing and evaluating the effectiveness of the Board of Directors

The Group administers a questionnaire to all directors and Audit & Supervisory Board members (including outside officers) regarding the effectiveness of the Board of Directors, and reports the results to the Board of Directors. The following is an overview of the findings of the questionnaire.

- **Board of Directors meetings (frequency of meetings, number of matters discussed, time for prior review of materials, etc.) are generally operated properly.**
- **The Board of Directors ensures that outside directors and Audit & Supervisory Board members are free to state their opinions.**

As the overview demonstrates, the Board of Directors received a positive evaluation; the analysis and evaluation found that the Board of Directors is generally effective. However, there were comments calling for more flexible meeting times, revision of the criteria for agenda items, and implementation of training and other measures in response to changes in society.

Based on these opinions, we will work to further improve the effectiveness of the Board of Directors.

Corporate Governance

For more details about compliance in the Nitta Group, scan here to visit our website

Compliance

Compliance system

The Nitta Group has established a Compliance Committee as an advisory body to the Board of Directors and a Compliance Subcommittee under the Compliance Committee; the Compliance Subcommittee is tasked with practical review and planning to ensure thorough internal control and enforcement of compliance. The Compliance Subcommittee generally meets once a month and performs duties related to the following matters.

▼ Compliance Committee

Chair	Chairperson and Representative Director
Vice chair	President and Representative Director
Members	Directors, Audit & Supervisory Board members, executive officers, and people appointed by the chair
Secretariat director	Officer in charge of General Affairs and CSR Promotion
Secretariat	General Affairs and CSR Promotion Department

1. **Establishment of basic policies, internal rules, etc., concerning compliance promotion, and formulation of proposals for revision or abolition of such policies, rules, etc.**
2. **Formulation, progress management, and evaluation of proposed compliance promotion plans**
3. **Matters concerning the sharing of internal audit findings and efforts to improve thereon**
4. **Handling of compliance cases**
5. **Surveys and research of the enactment, revision, and abolishment of laws and regulations related to our business, as well as administrative and social trends**
6. **Compliance program formulation and implementation**
7. **Disclosure of information on the status of the Group's compliance promotion to stakeholders**
8. **Instructions to and information coordination with other departments involved in compliance promotion**

Priority initiatives involving compliance

Prohibiting bribery

The Nitta Group Code of Conduct explicitly calls for compliance with laws and regulations, fair dealings, and establishment of a system for promoting corporate ethics. It also establishes the Nitta Group Anti-bribery Policy in an effort to prevent violations of prohibitions against the bribery of civil servants and other parties.

Initiatives for eliminating antisocial forces

To help eliminate antisocial forces, the Nitta Group acts in accordance with laws and regulations to resolutely deal with forces and groups that threaten the order and safety of business activities and people's lives. We have incorporated this aim into the Nitta Group Code of Conduct, which stipulates that we will cut off any relationships with antisocial forces and engage in no actions that encourage their activities.

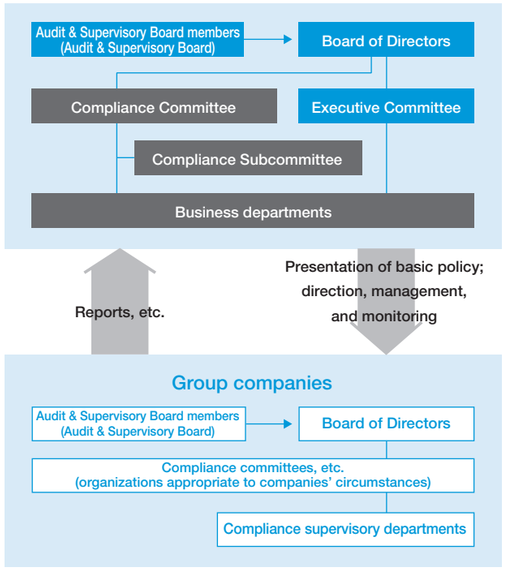
The General Affairs and CSR Promotion Department is in charge of dealing with unreasonable demands and other matters involving antisocial forces. The department prepares manuals and other materials for reporting and responding to incidents, and cooperates with police, the National Center for Removal of Criminal Organizations, and other bodies to systematically deal with antisocial forces.

Efforts to prevent insider trading

To ensure that officers and employees of the Nitta Group comply with Articles 166 and 167 of the Financial Instruments and Exchange Act, the Nitta Group Code of Conduct forbids the buying or selling of shares on the basis of unpublished information. We have also established information management systems in our Regulations for the Management and Disclosure of Important Information and Regulations for the Prevention of Insider Trading to eliminate unfair trading.

Additionally, we have registered information concerning officers in the Japan-Insider Registration & Identification Support System (J-IRISS) of the Japan Securities Dealers Association to cooperate in preventing violations of insider trading laws and regulations and to ensure trust in securities markets.

▼ Overview of Compliance System



Compliance education

We provide annual education for managers and employees who are essential for compliance. As a means of supporting the practice of compliance in workplaces, we also provide compliance education materials to all domestic employees in the Group every other month.

Monitoring

Through internal audits and other measures at the Company and Group companies, we work to identify new and existing compliance risks within the wide range of our corporate activities before they emerge.

Whistleblowing system

The Nitta Group has introduced a whistleblowing system that enables everyone employed by Group companies in Japan and overseas (including officers, Audit & Supervisory Board members, employees, part-time workers, temporary employees, and dispatched employees), retirees (within one year of retirement), and officers and employees of business partners to make reports to dedicated contact points to prevent, detect as soon as possible, and remediate organizational and personal misconduct within the Group.

Whistleblowers can make reports via online form, toll-free telephone call, email, or in writing, and the dedicated contact points are through external organizations that are independent of management to ensure that whistleblowers are thoroughly protected.

Risk management

Risk management system

The Nitta Group has established a Risk Management Committee under the Board of Directors and a Risk Management Subcommittee under the Risk Management Committee; the Risk Management Subcommittee is tasked with identifying, avoiding, mitigating, and preventing risks. The Risk Management Subcommittee generally meets once a month and performs duties related to the following matters.

▼ Risk Management Committee

Chair	Chairperson and Representative Director
Vice chair	President and Representative Director
Members	Directors, Audit & Supervisory Board members, executive officers, and people appointed by the chair
Secretariat director	Officer in charge of Safety, Environment, and Quality
Secretariat	Safety, Environment, and Quality Department/General Affairs and CSR Promotion Department

1. **Drafting of policies and formulation of action plans concerning risk management**
2. **Formulation and implementation of risk management proposals and formulation of proposals for the establishment, revision, or abolition of related basic policies, internal regulations, etc.**
3. **Management, evaluation, and verification of risk management promotion plans and progress in risk management**
4. **Surveys and research of the enactment, revision, and abolishment of laws and regulations related to managing serious risks, as well as administrative and social trends**
5. **Formulation and implementation of employee training plans and awareness-raising measures related to risk management**
6. **Disclosure and communication of the status of crisis management event initiatives to stakeholders**
7. **Coordination of information and instructions regarding other crisis management event initiatives for all Group companies**

For more details about risk management in the Nitta Group, scan here to visit our website

Information security measures

In line with the Nitta Group Information Security Policy, the Group strives to ensure the confidentiality, integrity, and availability of information assets, while also strengthening an information security management system aligned with zero trust to support digital transformation.

1. **Development of security policies**
   By revising the Information Security Management Rules and the IT Usage Guidelines, we have built an information management framework adapted to DX promotion and are working to ensure proper system operations.
2. **Establishment of a zero trust model**
   We have introduced multilayered defense measures, making verification a principle across all users, devices, applications, and networks, thereby strengthening our ability to respond to identity breaches and cyberattacks.
3. **Strengthening multi-factor authentication and access control**
   Alongside the rollout of multi-factor authentication and optimization of access privileges, we conduct vulnerability analyses to detect risks early and implement countermeasures.
4. **Cloud utilization and network development**
   By introducing SD-WAN, we have built a flexible and secure network architecture. Through improvements to internal LAN systems and IT/OT integration, we balance both convenience and security.
5. **Information security education and awareness**
   We provide e-learning, email training, and incident response training for all employees in Japan and overseas. In addition, we strengthen legal compliance frameworks, including those related to the revised Act on the Protection of Personal Information, thereby promoting practical and effective training.
6. **Strengthening global measures and deployment**
   By standardizing security measures across domestic and overseas locations and developing BCP backup systems, we enhance our capacity to respond to high-risk environments.

Involvement with shareholders and investors

Disclosures

Proactive and fair disclosure of corporate information

The Nitta Group places great importance on communication with its diverse stakeholders, and discloses corporate information actively and fairly. We also disclose corporate information to shareholders and investors in a timely and appropriate manner in accordance with rules, with highly transparent management as our goal.

Internal systems related to timely disclosure

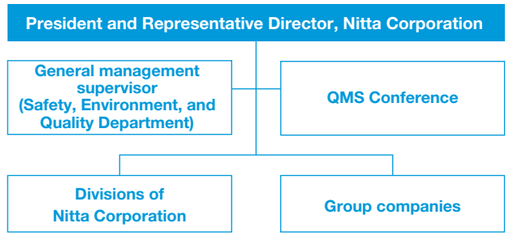
We have established Regulations for the Management and Disclosure of Important Information, which cover specific procedures and reporting systems concerning disclosures and under which we make disclosures. We make disclosures on the Tokyo Stock Exchange's Timely Disclosure Network (TDnet).

Quality Improvement Initiatives

Basic policy

The Group regards quality as one of the most important values supporting the foundation of corporate activities as a manufacturing company. Through improvements in product and service quality, we seek to meet customer expectations, earn trust, and achieve sustainable growth. To this end, we have established the following Quality Policy: “To provide high-quality products and services, the Nitta Group works with customers to advance product development and to create products that take safety and the environment into consideration.”

▼ Diagram of promotion structure for quality improvement activities



Structure and key initiatives

We have built a quality management promotion system and operate quality control committees within each business division and Group company. At both domestic and overseas business departments and subsidiaries, we have obtained certifications such as ISO 9001 and IATF 16949 (for automotive parts), establishing quality control systems in line with international standards.

As company-wide quality improvement activities, we conduct QC circle activities (small-group activities at the workplace level), improvement initiatives based on the Toyota Production System, and activities promoting autonomy, all of which advance workplace-led quality improvement. Furthermore, through DX and automation to support manufacturing and reinforcement of quality control systems, we work to secure stable quality and enhance operational efficiency.



QC circle presentation event


NS own study

Progress and evaluation

Quality improvement initiatives are incorporated into the management programs of each department and implemented systematically. We monitor the progress of measures through the Quality Management System Conference and quality patrols, and support improvement activities of each business department and Group company to enhance the overall corporate quality level. Additionally, through the utilization of DX, we are strengthening preventive management frameworks, including the prevention of fraud risks in inspection processes.

Digital Transformation (DX) Promotion Initiatives

Structure and key initiatives

The Group leverages data and digital technologies to create new value and establish a competitive advantage. Under a digital strategy suited to the Group, we position operational efficiency and supply chain optimization through PSI (integrated management of production, sales, and inventory information) as key issues.

To realize this strategy, we have set two stages. In the first stage, we will promote digitalization in business domains such as sales, development, production, and quality assurance, while driving employee mindset reform. In the second stage, we will aim to transform business models and create new customer value through the integration of our proprietary technologies and digital technologies.

As the foundation supporting these initiatives, we are advancing the development of core business systems and IT infrastructure, information security, digital talent development, and cultural transformation in an integrated manner. In doing so, we pursue both efficiency and governance, striving to realize true DX.

Progress and evaluation

Phase 1 of the Medium- to Long-Term Business Plan SHIFT2030 has been positioned as the period for establishing a foundation for digital utilization, during which we promoted digitalization and visualization of operations to optimize existing businesses. We have eliminated manual data entry in production and indirect operations, introduced paperless processes, improved networks, and strengthened IT governance and security, thereby advancing efficiency and creating an environment where DX can be tangibly felt.
In Phase 2, we are moving forward with efforts to digitize operations and processes, as well as developing analytical environments, to achieve overall optimization. Through the reconstruction of core systems, we are pursuing efficiency and cost reduction by means of standardization and data integration. Furthermore, we are working on the utilization of new technologies and mobile devices, the development of human resources that drive DX autonomously, and the strengthening of support structures through specialized personnel. We are also enhancing governance and security frameworks to ensure the proper use of information and to protect information assets, with particular emphasis on strengthening security at overseas locations.

Occupational Safety and Health Policy Initiatives

Basic policy

The Group considers the safety and health of all people engaged in our corporate activities as the foundation of business operations, and has established the following Nitta Group Occupational Safety and Health Policy to prevent and eliminate occupational accidents, traffic accidents, and deterioration of hygiene conditions: “The Group will ensure a safe and healthy workplace environment for all people working under its management, by clarifying occupational safety and health risks, reducing and eliminating hazards, and promoting fire and disaster prevention activities with the participation of all employees, aiming for a zero-risk workplace. We will also pursue continuous improvement through labor-management participation and consultation.”

▼ Diagram of promotion structure for occupational safety and health



Structure and key initiatives

We have built an occupational safety and health management promotion system and conduct various safety and health education programs, patrols, risk assessments, and safe driving promotion activities.

Regarding chemical substances, we work to improve workplace safety by introducing proper management systems for SDS, verifying the implementation of risk assessments, and addressing deficiencies in the appointment of managers. Through patrols conducted by the Secretariat and ad-hoc onsite checks, we also strengthen measures against overlooked risks or missed countermeasures.

In addition, we are implementing initiatives to prevent traffic accidents by utilizing telematics data.


Forklift safety classes


AED drills

Progress and evaluation

In the event of a disaster, we investigate and analyze causes, study permanent recurrence prevention measures, and share information through the Safety and Health Committee. Where necessary, improvement recommendations are made, and continuous efforts are undertaken to establish systems that prevent recurrence. For the prevention of major accidents, we promote improvements through patrol activities and strengthen responses to risks related to chemical substances and vehicle operation.

Business Continuity Plan (BCP) Initiatives

Basic policy

The Nitta Group has formulated a business continuity plan to continuously improve the Group’s ability to respond to and recover from risks capable of hindering business activities and negatively impacting stakeholders. It also ensures the Group can sustain business operations during emergencies like natural disasters and accidents, and enables Group companies to fulfill their responsibilities to society and the local community while providing high-quality products and services.

Structure and key initiatives

Based on a company-wide BCP, we formulate individual BCPs tailored to the regional characteristics and business content of each location, including plants. To enhance the effectiveness of these plans, we conduct regular training and, through evaluation of results, continuously review and improve recovery procedure manuals and action plans. Through such initiatives, we are building a system that enables swift and accurate responses in the event of disasters or emergencies.

Progress and evaluation

To enhance the effectiveness of our Business Continuity Plan (BCP), we have introduced disaster simulation training at plants with the support of external consultants. In this training, we verify whether the measures are realistic and feasible, and whether there are any gaps in responses, while identifying issues related to evacuation, lifesaving, and inter-location coordination to drive improvements.
Through these initiatives, we continuously strengthen our ability to act in the event of a disaster and aim to build a highly effective BCP system. Following the confirmation of the effectiveness of the disaster simulation training conducted at plants, we will gradually roll out similar training to other locations, including the Head Office and branches.

Evaluations from Outside Directors and Audit & Supervisory Board Members

1. Evaluation of SHIFT2030 Phase 1
2. Challenges to making the vision a reality and steadily executing the growth strategy
3. Evaluation of human resource acquisition and development, sharing philosophy and goals, and strengthening engagement
4. Sustainability management (environmental management field)
5. Expectations and challenges for SHIFT2030 Phase 2, and expectations for the new President
6. Evaluation and issues concerning the Board of Directors
7. Strengthening corporate governance

Hiroe Toyoshima
Outside Director



1 Though Phase 1 can be evaluated positively in the sense that nearly all numerical targets were achieved, the lack of progress in developing new businesses and expanding capital investment was disappointing. In Phase 2, I hope that more focus will be placed on these areas as we strive to achieve targets under the leadership of the new president. The promotion of globalization has an essential role to play in our growth strategy, requiring concrete strategies, including human resource acquisition and development.

2 To achieve targets, it is not enough for management simply to set a direction. Employees must understand the significance of taking on challenges. Management must demonstrate its own willingness to take on challenges, while at the same time showing commitment to providing opportunities for employees to test their capabilities. It is critical to convey to employees management's determination to achieve the targets and its readiness to take responsibility.

3 To accomplish the three shifts of SHIFT2030 (growth, corporate value enhancement, and further globalization) the importance of securing and developing human resources cannot be overstated. However, it appears that this point is not being sufficiently emphasized. Management needs to reacknowledge the principle that a company is its people and rethink management approaches that allow employees to fully demonstrate their capabilities.

4 The Group has long been engaged in forestry and dairy farming businesses in Hokkaido, and leveraging these strengths could become a unique sustainability strategy not found in other companies. While such an approach is listed in environmental initiatives for Phase 2, we hope to see more proactive consideration and promotion in this area.

5 We ask that President Kitamura place even greater value on dialogue with the frontlines. Showing an attitude of trying to understand onsite challenges and striving to make the Company better will build trust. In addition to pursuing short-term targets, management should take a broader perspective stretching 10 or more years into the future, looking ahead not only to the 150th anniversary but also to the 200th, and take bold steps to bring the Medium- to Long-Term Business Plan to fruition.

Takehisa Ikeda
Outside Director



1 Although we benefited from the weak yen, achieving the numerical targets of Phase 1 while marking the 140th anniversary provides a strong momentum for Phase 2. We also expect further improvement in earnings as the pass-through of soaring raw material prices into sales prices continues. On the other hand, there are some outstanding issues that need urgent attention, such as the declining profitability of the hose and tube business and delays in expanding the applications and commercialization of Namd™.

2 Unfortunately, the progress and consideration of new businesses cannot be described as favorable. Equity capital is sufficient, but we need to engage in exploration from a medium- to long-term perspective with the next 10 years in mind.

3 Given the declining population, securing sufficient numbers of excellent human resources will be extremely difficult. Differentiated and focused responses will be required for both technical personnel for production departments and administrative personnel for management departments. In particular, efforts to recruit and promote female employees must be enhanced.

4 Efforts to reduce greenhouse gas emissions are progressing steadily, but we would like to see our distinctive forestry and dairy businesses placed at the forefront of business development to further improve our social value and the evaluation of our Company.

5 The appointment of President Kitamura coincided with the milestone of our 140th anniversary, opening a new chapter. The world is beset with conflict while facing issues such as tariffs, soaring raw material prices, population decline, and the rapid advancement of AI, creating a business environment that is changing at an ever increasing pace. For our Company, this new management structure presents an excellent opportunity to undertake a thorough review of existing businesses. We have high expectations.

Tomoyuki Ono
Outside Director



1 In Phase 1, although the net sales target was achieved, the target for the ratio of new products was not met and the amount of capital investment fell short of the plan, indicating that issues remain unaddressed. Another area that needs more attention is actively promoting the exploration of new businesses.

2 While I recognize that the exploration of new businesses is delayed, there are seeds with promising prospects such as the decontamination system and Namd™, and effectively utilizing these products, boldly taking on new businesses, and promoting global expansion are important parts of achieving the vision of SHIFT2030.

3 As can be seen in the implementation of the personnel system reform last fiscal year, active efforts are being made to improve employee motivation and secure talent. Recognizing that diversity is a source of innovation, the initiatives for diversity and the participation of women have been highly evaluated. I intend to keep a close watch to ensure these initiatives take root.

4 Owning vast forests in Hokkaido and having recognized their social value and maintained them for over 100 years is wonderful, and I feel that the spirit of sustainability is a fundamental part of the foundation of management. I expect that forest resources will continue to be more effectively utilized to fulfill social responsibility while ensuring long-term economic benefits.

5 Phase 2 calls for the introduction of business ROIC, improvement of operating income ratio, reduction of working capital, and promotion of investments exceeding the cost of capital, and action plans for each business department have been formulated. To achieve the targets, it will be important to overcome the challenge of new business exploration from Phase 1, develop new businesses, and advance global expansion. I have high expectations for President Kitamura's sincere and honest character and strong leadership.

Kazuyoshi Matsuura
Outside Audit & Supervisory Board Member



1 The concept of using selection and concentration to consider and decide on business reorganization and the development of new businesses has been broadly accepted by management. The prudence of management choices made on this basis while pursuing business diversification appears to have been a factor in achieving the numerical targets of Phase 1. When considering decarbonization initiatives such as the possession of vast forests and initiatives for climate-related disclosures based on TCFD recommendations, more active promotion to external stakeholders could help enhance corporate value.

6 Detailed explanations of matters are provided in advance of Board of Directors meetings at the Outside Director Liaison Committee meetings based on the agenda so that deliberations are conducted only after ensuring sufficient understanding. Board of Directors meetings feature active discussions leading to decisions, so I feel that it is functioning well as a decision-making body.

7 The changes in the global situation are remarkable, so making management decisions aimed at advancing overseas expansion is challenging. With continuing conflicts in Europe and the Middle East, as well as tensions between Taiwan and China, uncertainty is increasing, and risk management from diverse perspectives is important. Promoting business development while looking ahead to the future of the global situation requires the creation of reliable intelligence functions while also fostering human resources capable of acting with a global perspective. I expect the newly established Global Business Development Dept. to enhance human resource development and intelligence functions.

Tetsuaki Ogami
Outside Audit & Supervisory Board Member



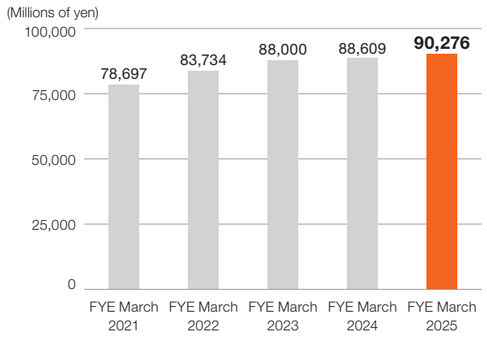
1 Phase 1 gives the impression that Nitta steadily produced results by straightforward means in line with numerical targets. Although there were variations by business field or region, the results were commendable. I assumed my position on the Audit & Supervisory Board in the middle of Phase 1 and the midst of major changes in the business environment. Though I initially felt that strategy development and investment were too cautious, that approach turned out to be correct. Phase 2 is the critical stage that will determine the trajectory of future growth. I hope that human capital investment will be further expanded to make this phase a leap forward.

6 Our Company's Board of Directors operates with great care, proceeding to deliberation only after ensuring that even those external members who are not familiar with manufacturing have had an opportunity to deepen their understanding of operations. The downside of this caution is that time often runs short and decision making isn't sufficiently rapid. I have proposed reviewing the standards for approval of decisions. By adding more focus and balance to the content of deliberations, I hope that both internal and outside directors will be able to express their opinions more fully and further deepen discussions.

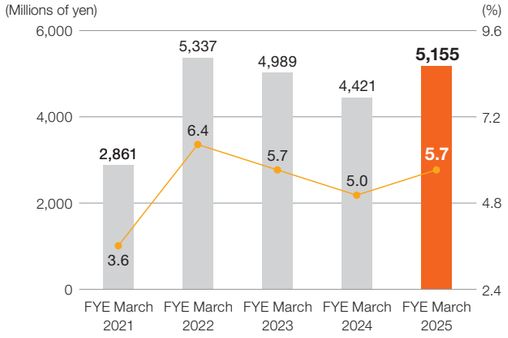
7 Efforts to strengthen corporate governance have been promoted, and though there are no major problems at present, I think it is time to reconfirm whether thorough measures are in place for risk management of overseas subsidiaries. In addition to the Board of Directors and the Audit & Supervisory Board, clarifying the positioning and matters to be discussed at the Sustainability, Compliance, and Risk Management Committees will lead to further strengthening of governance.

Financial Highlights

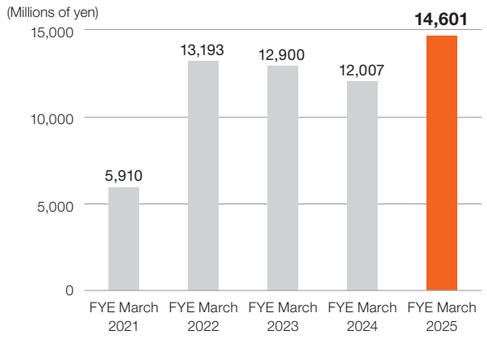
Net sales



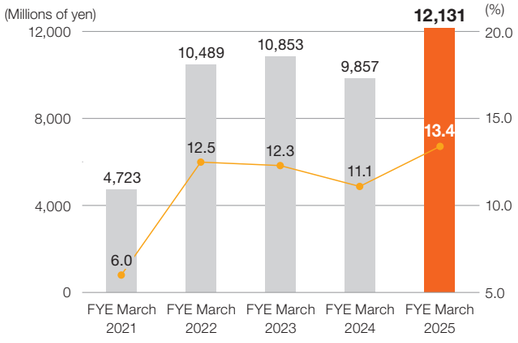
Operating income/ Operating income ratio



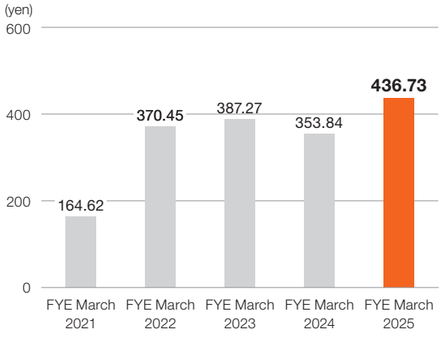
Ordinary income



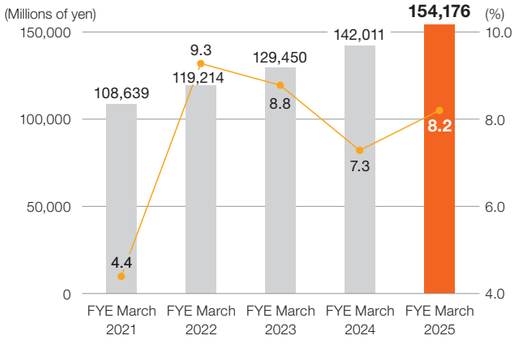
Net income attributable to owners of parent/Current net income ratio



Net income per share (EPS)



Net assets/Return on equity (ROE)



Five-Year Financial & Non-Financial Summaries

For more financial data, scan here to visit our website

Financial information	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Business performance (millions of yen)					
Net sales	78,697	83,734	88,000	88,609	**90,276**
Gross profit	18,860	22,189	22,463	22,331	**24,246**
Operating income	2,861	5,337	4,989	4,421	**5,155**
Ordinary income	5,910	13,193	12,900	12,007	**14,601**
Net income attributable to owners of parent	4,723	10,489	10,853	9,857	**12,131**
Capital expenditure	2,533	2,710	4,068	2,535	**6,882**
Depreciation	2,857	2,972	3,149	3,317	**3,306**
Research and development expenses	1,819	1,853	1,825	2,058	**2,027**
Cash flows from operating activities	7,114	9,011	11,995	8,922	**7,007**
Cash flows from investing activities	-3,013	-2,874	-3,044	-1,660	**-6,930**
Cash flows from financing activities	-1,885	-3,357	-4,968	-3,700	**-5,217**
Cash and cash equivalents	27,527	30,872	35,403	39,499	**35,061**
Free cash flow	4,101	6,137	8,951	7,262	**77**
End of the fiscal year (millions of yen)					
Total assets	134,646	147,450	158,385	169,504	**179,931**
Net assets	108,639	119,214	129,450	142,011	**154,176**
Interest-bearing debt	1,121	861	540	286	**19**
Shareholder's equity	106,842	114,230	120,523	127,252	**134,790**
Per-share information (yen)					
Net income per share (EPS)	164.62	370.45	387.27	353.84	**436.73**
Net assets per share (BPS)	3,774.86	4,188.15	4,623.35	5,063.77	**5,540.38**
Dividends per share	70*1	100	110	122	**140**
Financial indicators (%)					
Gross profit ratio	24.0	26.5	25.5	25.2	**26.8**
Operating income ratio	3.6	6.4	5.7	5.0	**5.7**
Current net income ratio	6.0	12.5	12.3	11.1	**13.4**
Return on equity (ROE)	4.4	9.3	8.8	7.3	**8.2**
Return on assets (ROA)	4.5	9.4	8.4	7.3	**8.4**
Equity-to-asset ratio	80.2	80.3	81.3	83.3	**85.3**
Consolidated dividend payout ratio	42.5	27.0	28.4	34.5	**32.1**
Consolidated dividend on equity ratio (DOE)	1.9	2.5	2.5	2.5	**2.6**

Non-financial information		FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Consolidated number of employees		3,001	2,971	2,976	2,952	**2,940**
Percentage of management positions held by women	Nitta Corporation (non-consolidated)	5.43	6.6	8.6	8.3	**8.9**
Percentage of employees with disabilities		2.39	2.24	2.68	2.25	**2.25**
Percentage of annual paid leave taken		65.2	71.6	76.2	76.4	**77.6**
Percentage of male employees taking childcare leave*2		12.0	34.6	33.3	57.7	**52.2**
GHG emissions (t-CO_2)		17,180	18,323	11,995	12,125	**13,122**
Number of serious accidents & occupational accidents		0	0	0	0	**0**
Rate of accidents resulting in lost work time*3		1.46	0.48	0.48	0.49	**0.95**

*1 Includes a commemorative dividend of 5 yen.
*2 Percentage of male employees taking childcare leave: Calculation began in 2021, based on amendment of the Child Care and Family Care Leave Act
*3 Rate of accidents resulting in lost work time: Indicator of the number of occupational accidents resulting in lost work time per million hours of work (Number of accidents resulting in lost work time (annual) × 1 million/Total working hours)

Introduction of Directors



▼ Experience and expertise of directors and executive officers

Position	Name	Experience and expertise					
		Corporate Management/ Organizational Operation	Internationality	Sales/Marketing	Manufacturing technology/R&D	Personnel/Legal/ Risk Management	Management Strategy and Financial Accounting
Chairperson and Representative Director/Chairperson and Executive Officer	Yasunori Ishikiriyama	●	●		●		
President and Representative Director/President and Executive Officer	Seiichi Kitamura	●	●	●	●		
Director/Managing Executive Officer	Toyohiro Hagiwara	●	●	●			
Director/Executive Officer	Atsushi Izumi	●	●		●		
Director/Executive Officer	Koichi Kakegami	●		●		●	●
Outside Director	Hiroe Toyoshima	●	●			●	
Outside Director	Takehisa Ikeda	●		●			●
Outside Director	Tomoyuki Ono	●				●	●
Managing Executive Officer	Hiroki Suzuki	●	●	●			
Executive Officer	Yuji Hamada	●		●		●	
Executive Officer	Takafumi Ishizuka	●			●	●	
Executive Officer	Keiji Hirata	●		●	●	●	
Executive Officer	Takemasa Kurokawa	●			●		
Executive Officer	Fumi Kizuka	●				●	
Executive Officer	Atsuhito Wake	●	●	●			

Introduction of Audit & Supervisory Board Members

Katsuhiro Fukuwaka	Full-time Audit & Supervisory Board Member
Toshihiko Morishita	Full-time Audit & Supervisory Board Member
Kazuyoshi Matsuura	Outside Audit & Supervisory Board Member
Tetsuaki Ogami	Outside Audit & Supervisory Board Member



Company Profile

Trade name	Nitta Corporation
Address of Head Office	4-4-26 Sakuragawa, Naniwa-ku, Osaka 556-0022 Japan Tel: +81-6-6563-1211/Fax: +81-6-6563-1212
Founded	March 18, 1885
Established	February 10, 1945
Capital	8,060 million yen (as of March 31, 2025)
Employees	2,940 (consolidated) (as of March 31, 2025)
Exchange listing	Tokyo Stock Exchange Prime Market
Independent Certified Public Accountants	Ernst & Young ShinNihon LLC

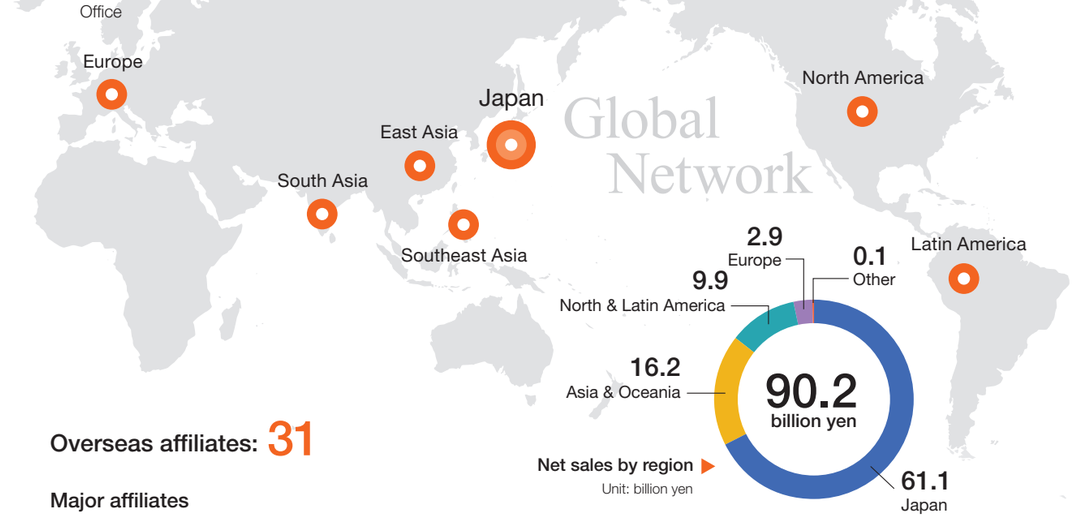
Global Network (as of March 31, 2025)

Domestic locations: 13

- Head Office (Osaka)
- Nagoya Branch
- Hokuriku Sales Office
- Nara Plant
- Kochi Plant
- Nakanoshima Satellite Office
- Tohoku Satellite Sales Office
- Kumamoto Satellite Sales Office
- Tokyo Branch
- Fukuoka Sales Office
- Shizuoka Sales Office
- Nabari Plant
- Hokkaido Enterprising Development Office

Domestic affiliates: 11

- Gates Unitta Asia Company
- Nitta DuPont Incorporated
- Nitta Chemical Industrial Products Co., Ltd.
- Nitta Ranch Corporation
- Ashihara Driving School
- Hokkaido Nitta Co., Ltd.
- Wakutto Nitta Company
- Power Techno Co., Ltd.
- Nitta Techno Solutions Co., Ltd.
- Naniwa Rubber Co., Ltd.
- Nitta Air Solutions Company



Overseas affiliates: 31

Major affiliates

Asia & Oceania

- Nitta (Shanghai) Management Co., Ltd. (China)
- Nitta Moore Technology (Changzhou) Co., Ltd. (China)
- Nitta Corporation of Changzhou (China)
- Nitta Mechatronics (Changzhou) Co., Ltd. (China)
- Nitta Moore (Guangzhou) Tube Co., Ltd. (China)
- Taiwan Nitta Filter Co., Ltd. (Taiwan)
- Korea Nitta Moore Corp. (South Korea)
- Nitta Corporation of Singapore Pte Ltd (Singapore)
- Nitta Corporation (Thailand) Limited (Thailand)
- Nitta Corporation India Pvt. Ltd. (India)

North & Latin America

- Nitta Corporation of America (USA)
- Nitta Moore Mexico S.de R.L.de C.V. (Mexico)
- Nitta Brazil (Brazil)
- Nitta Corporation of Canada Inc. (Canada)

Europe

- Nitta Corporation of Holland B.V. (Netherlands)
- Nitta Industries Europe GmbH (Germany)