



TSE code : 9913

# Long-term Business Targets for 2031

## Realizing Our Vision & Quest for a Sustainable Society

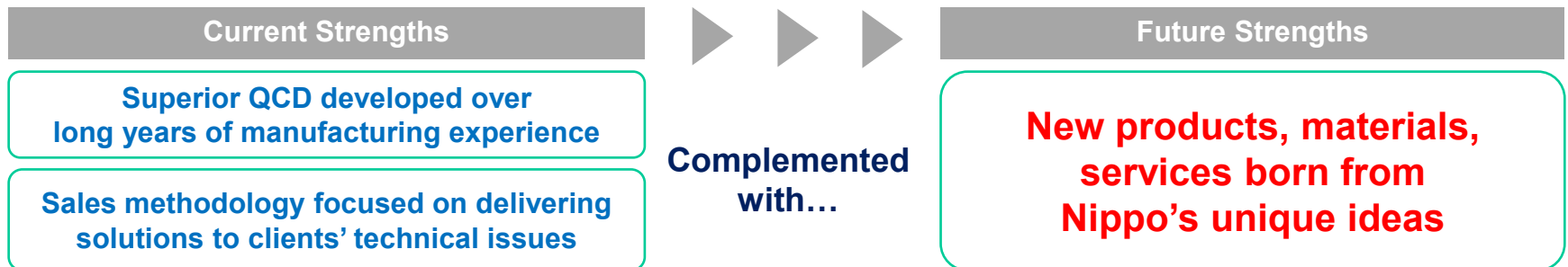
November 5, 2024  
Yasuchika Iwasa,  
President  
**Nippo Ltd.**

# 1. Long-term Vision

## What We Aspire to Be

- An **essential company** that delivers unique value to help clients further their manufacturing businesses and help society achieve sustainability

## Current Strengths, Future Strengths



**We will achieve our mission by creating truly unique, more beneficial value and selling these widely.**

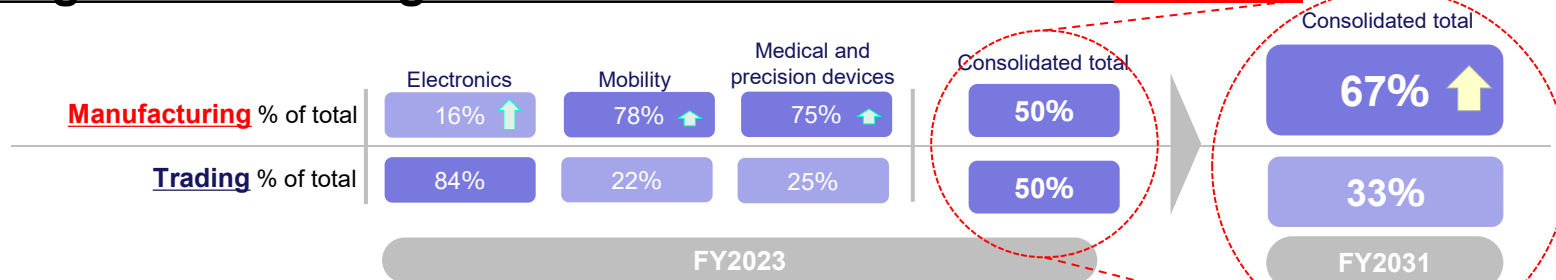
<Our Management Philosophy & Mission>

We are committed to **promoting both prosperity for our company and happiness for our staff and associates** by creating new value and selling it as widely as possible, so as to **repay society for its blessings**.

## 2. Basic Policy: Realizing Our Vision

Policies geared toward generating truly unique, more beneficial value

### Growing manufacturing as a share of total sales from $\frac{1}{2}$ to $\frac{2}{3}+$



**Our aim: To be reclassified on the Tokyo Stock Exchange from wholesale to manufacturing**

### Launch & expand a new segment: eco-products

We will launch an eco-products division to manufacture and sell products and key modules developed with partner companies and universities so as to help protect the environment. Resources will be added as required to get the new division up and running.

**Our aim: To use our business as a vehicle for environmental protection**

### Review balance of financial discipline and growth investment to facilitate more aggressive investment in growth

Reset the maximum **net D/E ratio to 0.6** and shift to a more aggressive footing with regards to investment in growth and human capital.

**Our aim: To boost momentum in corporate growth**

NB: 1. Detailed financial targets are available in filings made regarding our Medium-Term Management Plans for 2025, 2028, and 2031.

2. Business reporting for the new eco-products section is scheduled to begin during the period covered by Medium-Term Management Plan for 2028.

# 3.1. Growing Manufacturing



Vision

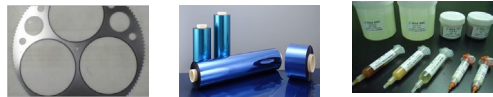
## Electronics

A trader of materials and components which also has manufacturing capabilities

**Trading** Semiconductors, circuit board materials, etc.



**Manufacturing** Polishing carriers Film slitting Epoxy adhesives



## Mobility

Once a tier 2 manufacturer, now "tier 1.5"

Precision resin molding, coil winding

Equipment technologies



## Medical & Precision Devices

Further development as an OEM manufacturer of medical equipment

Precision resin molding, coating, assembly  
Disposable medical supplies



Our business as it is now

New capabilities to be acquired

① High-performance film production

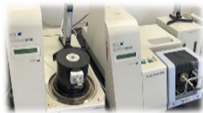


② Design & development



③ Assessment & analysis

(selecting optimal parts structures & materials)



Our aim

Capture niche demand for film for manufacturing processes that boosts electronic component productivity

To establish Nippo as essential to go-to manufacturer of **process materials** essential for the evolution of electronic components

Capture growing demand for electronic control, thermal management, sensor components

To establish Nippo as the go-to manufacturer of **key modules** essential for EVs and autonomous driving technology

Capture growing demand for medical equipment

To transform Nippo from an OEM manufacturer to an **ODM manufacturer** of medical equipment

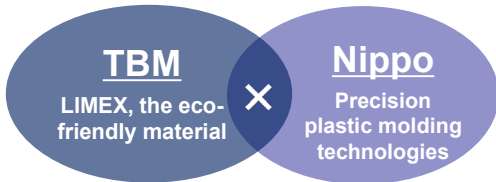
# 3.2. Eco-products: Our 4th Core Business



Get the eco-products division up and running and grow this segment into our 4th core business!

## LIMEX Pellet, the Eco-friendly Material

Joint development and OEM through alliance with TBM



- LIMEX Pellets manufactured under contracts at our plant in Vietnam
- Joint development of new materials for industrial products



LIMEX Pellets comprise at least 50% inorganic matter such as calcium carbonate, thus reducing use of petroleum-derived plastics and emission of GHGs such as CO<sub>2</sub>.

## Hydrogen-based Energy

Joint sales expansion of fuel cell components through alliances

(Ion exchange resins, insulation, etc.)



Joint development and commercialization of key modules for water electrolysis through alliances + in-house development

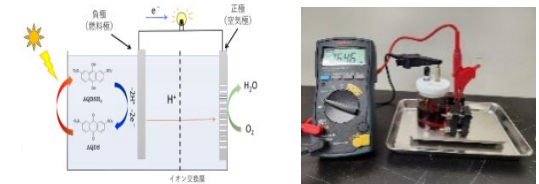
- Key module of cell stack for water electrolysis that contributes to the cost reduction of hydrogen production.

(Gasket-integrated cell, rare metalless electrode plates, etc.)



Joint development and OEM of new fuel cells through industry-academia collaboration

- Joint R&D with Nagoya Institute of Technology (New fuel cells that require no hydrogen gas supply)



## Reducing Emissions, Harnessing CO<sub>2</sub> for Use

Using CO<sub>2</sub> in Industrial Applications, e.g., Ultrafine Bubble Generators

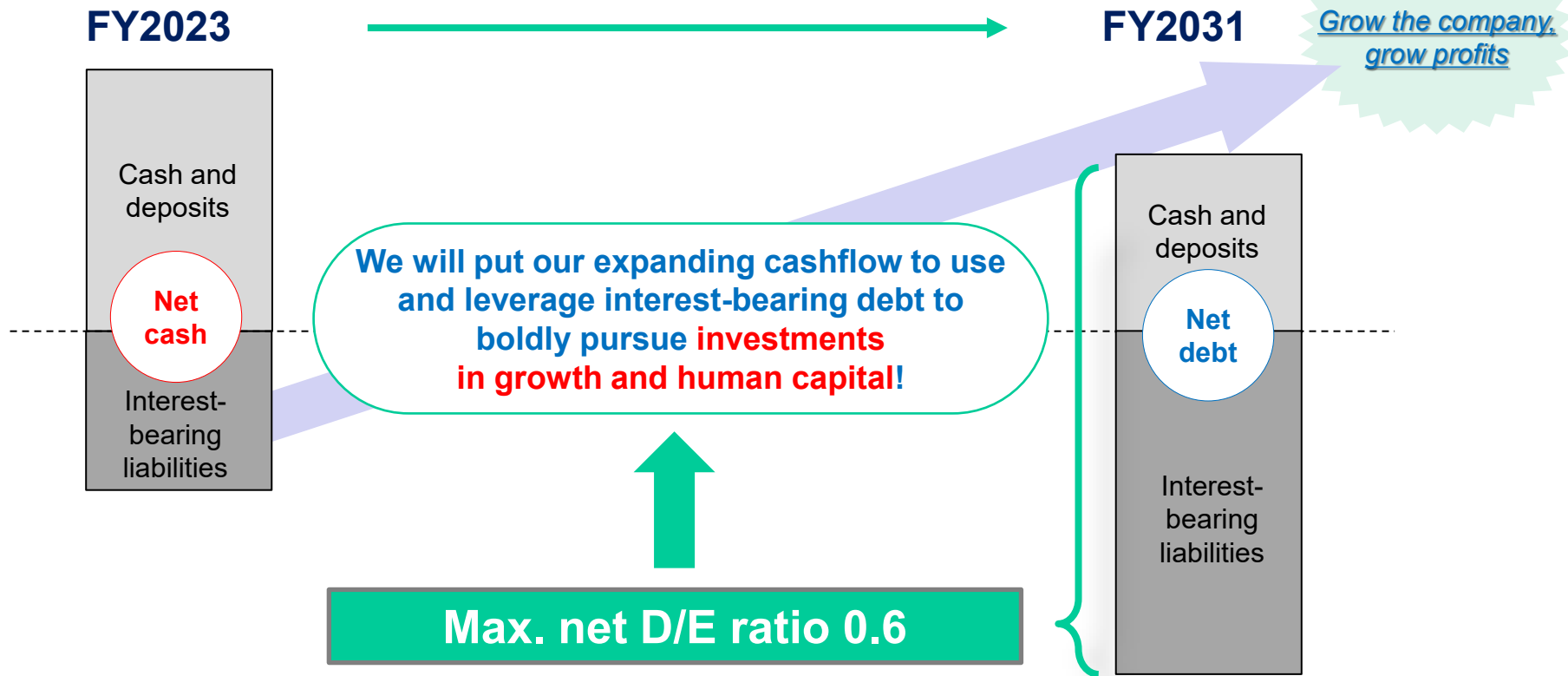
- Make effective use of CO<sub>2</sub>, e.g., in gas-liquid mix
- Use fluid shear stress to minimize CO<sub>2</sub> emissions



# 3.3 Balancing Financial Discipline & Growth Investment



## Balancing Financial Discipline & Growth Investments: Our Approach



Growth investment targets	Human capital investment targets
<ol style="list-style-type: none"> <li>1. Acquire <b>new capabilities</b> to grow manufacturing</li> <li>2. Investments in the new <b>eco-products segment</b></li> <li>3. Parlay technologies into new products and materials through <b>R&amp;D</b></li> <li>4. Automation and other <b>productivity improvements</b> to boost cost competitiveness</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing <b>increases in base pay in line with profit growth</b></li> <li>2. Merit-based assignments and <b>incentive systems designed to motivate</b> employees</li> <li>3. Hiring and developing <b>specialist talent</b> in R&amp;D, design, etc.</li> </ol>

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## **Forward-looking Statements**

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