August 24, 2026

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Name of representative: Yasuchika Iwasa, President
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Notice Regarding Medium-Term Management Plan 2028

We hereby announce that we have formulated “Medium-Term Management Plan 2028,” covering the three fiscal years from FY2026 through FY2028.

Under this plan, we position this period as one for realizing even higher growth by establishing new strengths for the Company through creating higher value-added "unique value" and further expanding business areas, and will work toward sustainable corporate growth and the enhancement of mid- to long-term corporate value.

1. Basic Policy

① Achieve quantitative targets
② Deepen business portfolio management
③ Implement proactive growth investments
④ Strengthen human capital management

2. Quantitative

■Financial Targets

	Medium-Term Management Plan 2025 (Results)	**Medium-Term Management Plan 2028(Targets)**
Operating profit (3-year cumulative total)	5.96bJPY	**6.50bJPY**
3-year average ROE (Return on shareholders’ equity)	11.9%	**12% or higher**

3. Shareholder Return Targets

・During this period, we aim to continuously increase dividends while maintaining a payout ratio of around 50%.

■Shareholder Return Targets

	Medium-Term Management Plan 2025 (Results)			**Medium-Term Management Plan 2028(Targets)**		
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Dividend Payout Ratio	45.5%	49.0%	96.7%	**Around 50%**		
Dividend per share	74JPY	76JPY	154 円 (Ordinary dividend: 78 JPY) (Special dividend: 76 JPY)	**79JPY**	**82JPY**	**85JPY**

For details of this management plan, please refer to the “Medium -Term Management Plan 2028” announced on August 24, 2026 on our corporate website.
(https://www.nip.co.jp/ir/.assets/cyukei2028_en.pdf)

(Note) The plans described in this material were prepared based on various data that were believed to be reliable, but they do not provide any commitment or guarantee. Actual results may differ from the above figures due to a range of uncertain factors in the future.

– End –

TSE code : 9913

Medium-Term Management Plan 2028

August 24, 2026

NIPPO LTD.

President
Yasuchika Iwasa

1. Long-Term Vision（Overview）

■Vision and Policies of Long-term Management Goal 2031

NIPPO's Vision	**By creating unique value, become an essential company that supports the evolution of our customers' manufacturing and the realization of a sustainable society!**		
Basic Policy	Expand the proportion of net sales generated by the manufacturing business to more than two-thirds	Grow Eco products into our fourth business pillar	Implement proactive growth investments
NIPPO's Strengths	A Sales Style Focused on Customers' Technical Challenges ✖	Continuously Refined QCD ✖	New Products, Offerings, and Services Originating from Our Ideas

■Positioning of the Medium-Term Management Plans

Medium-Term Management Plan 2025 ⇒ **Medium-Term Management Plan 2028** ⇒ **Medium-Term Management Plan 2031**

Measure sustainable growth by cumulative medium-term periods (three years), not by year

Phase	✓ <u>A period for actively promoting sales of new products and merchandise</u> developed through the creation of new business models	✓ A period for creating higher value-added "unique value" and establishing **<u>new strengths</u>** for the Company ✓ A period for realizing **<u>even higher growth</u>** in terms of both business scale and earnings by further expanding business areas

2. Results of Medium-Term Management Plan 2025

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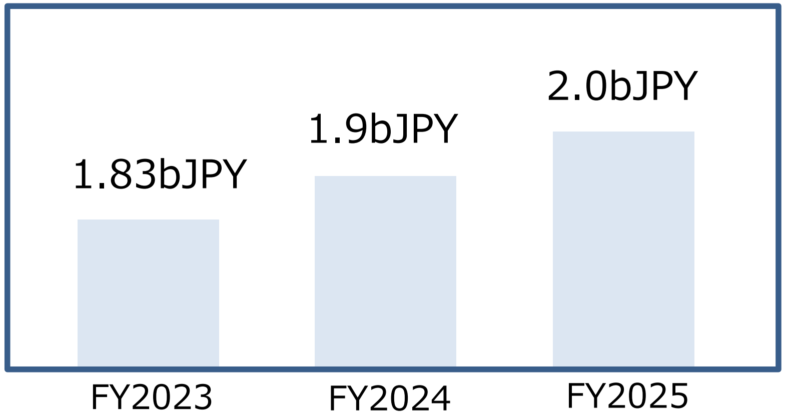
- **Although ROE (Return on Equity) fell short of the target, operating profit achieved the target of 2 billion yen per year and reached record highs for three consecutive years! Based on our capital allocation policy, a special dividend was paid in the final year!**

Operating Profit

Target (Disclosed on May 19, 2023)

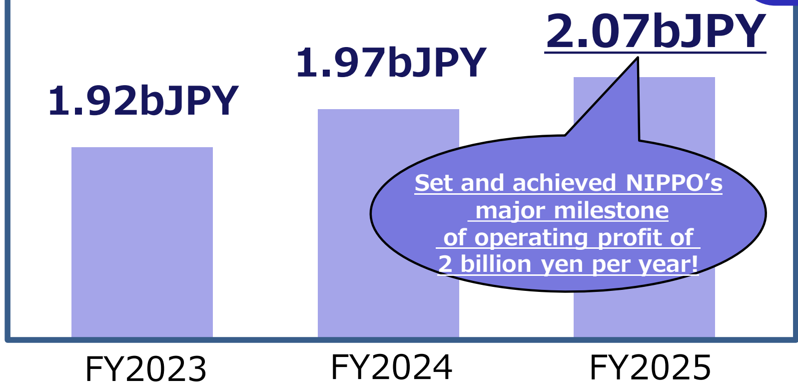
3-year cumulative total of consolidated operating profit : **5.73bJPY**



Results

3-year cumulative total of consolidated operating profit: **5.96bJPY** (104%)

Achieved



ROE (Return on Equity)

	Target	Results FY2023	Results FY2024	Results FY2025
ROE	3-year average: 10% and higher	10.7%	8.9%	8.3%
		3-year average: 9.3%		

Not Achieved

*The ROE targets and actual results stated in the Medium-Term Management Plan 2025 represent return on equity.

(Dividend per share)

	Target FY2023	Target FY2024	Target FY2025	Results FY2023	Results FY2024	Results FY2025
Dividends	74JPY	76JPY	78JPY	74JPY	76JPY	154JPY *
Dividend Payout Ratio	Targeting around 50%			45.5%	49.0%	96.7%

*The dividend for FY2025 consists of an ordinary dividend of 78 JPY and a special dividend of 76 JPY.

3. Medium-Term Management Plan 2028 – Basic Policy

1

Achieve Quantitative Targets

We have set consolidated operating profit, which represents profit from our core business, and ROE, which indicates the efficiency of shareholders' equity, as management indicators. We have redefined ROE from "Return on Equity" to "Return on Shareholders' Equity," which more accurately reflects NIPPO's underlying profitability, and set targets accordingly. By achieving these targets, we will enhance corporate value over the medium to long term.

2

Deepen Business Portfolio Management

While assessing changes in the external environment and the strengths and resources we possess, we will flexibly review the allocation of management resources to core businesses with high growth potential and profitability to achieve sustainable corporate growth.

3

Implement Proactive Growth Investments

To expand the manufacturing business, we will proactively make growth investments that contribute to further business growth in each segment and eco-products and generate returns exceeding the cost of capital, thereby achieving sustainable corporate growth.

4

Strengthen Human Capital Management

Through strengthening the human resources responsible for creating unique value and investing in human capital to improve productivity, we will achieve a positive cycle of enhancing corporate value and making further investments in human capital.

4. Medium-Term Management Plan 2028 – Quantitative Targets

3-year Cumulative Total of Consolidated Operating Profit

(Unit: JPY billion)

<Medium-Term Management Plan 2022> (Results)

	FY2020	FY2021	FY2022
Net sales	39.98	35.49	38.88
Operating profit	0.63	1.34	1.91

Operating profit (3-year cumulative total) 3.88bJPY

Set and achieved the target of operating profit of 1.5bJPY per year, a record high!

Growth rate 153%

<Medium-Term Management Plan 2025> (Results)

	FY2023	FY2024	FY2025
Net sales	41.92	44.89	46.40
Operating profit	1.91	1.97	2.07

Operating profit (3-year cumulative total) 5.96bJPY

Set and achieved NIPPO's major milestone of operating profit of 2bJPY per year!

Growth rate 109%

<Medium-Term Management Plan 2028> (Targets)

	FY2026	FY2027	FY2028
Net sales	47.30	48.40	50.00
Operating profit	2.05	2.15	2.30

Operating profit (3-year cumulative total) **6.50bJPY**

Set final-year targets of net sales of more than 50bJPY per year and operating profit of 2.3bJPY per year!

ROE (Return on Shareholders' Equity), an indicator of capital efficiency

* The actual and target ROE figures have been revised to reflect return on shareholders' equity.

<Medium-Term Management Plan 2025> (Results)

3-year average ROE : 11.9%

FY2023	FY2024	FY2025
13.1%	11.5%	11.1%

Cost of shareholders' equity: approx. 9%

<Medium-Term Management Plan 2028> (Targets)

3-year average ROE : 12% or higher

*ROE (Return on Shareholders' Equity) = Net income ÷ Shareholders' equity × 100

Cost of shareholders' equity: approx. 7%

While balancing proactive growth investments and shareholder returns, we will sustainably achieve ROE exceeding the cost of shareholders' equity!

5. Medium-Term Management Plan 2028 – Business Portfolio

Allocate management resources to the core and growth businesses of each segment

	Growth Drivers	Initiatives in Core and Growth Businesses
Electronics	**Generative AI-related demand × Semiconductor and wiring board materials**	• Ensuring a stable supply of semiconductor materials and wiring board materials • Strengthening the manufacturing business ・Increasing production capacity for the wafer polishing carrier business ・Expanding the lineup of the film processing business, etc. 
Mobility	**Responding to the multi-pathway approach (continued use of internal combustion engines) + brake-related components**	• Meeting demand for fuel injection components by adjusting the production layout • Expanding mass production of new components for regenerative cooperative braking and ABS • Developing key modules in the CASE field (sensor-related and electromagnetic control-related) 
Medical and Precision Devices	**New customer development × Development of key modules for medical equipment**	• Expanding new orders for disposable medical products • Expanding orders for units for medical robots • Developing biocompatible materials 
Eco Products	**LIMEX pellets, an environmentally friendly material + Business development related to metal-air batteries**	• Mass production of LIMEX pellets at the Vietnam Factory • Expanding sales of hydrogen energy-related merchandise and developing electrodes for metal-air batteries and next-generation metal-air batteries 

- ✓ We will downsize or withdraw from businesses in each segment that do not contribute to growth in operating profit or whose contribution is no longer expected over time.
- ✓ In addition, we will also assess products for which it is not possible to improve deterioration in profitability due to rising material costs, labor costs, utility costs, etc.

6. Medium-Term Management Plan 2028 – Investment Plan

Investment for the maintenance and replacement of current business

- ✓ Plan within the range of depreciation expenses in each fiscal year

Growth Investments

- ✓ Effectively utilize the cash generated during the period of Medium-Term Management Plan 2028 and plan growth investments to expand the manufacturing business in line with the business portfolio, as well as investments in the growth foundation.

Main Uses of Growth Investments			Planned Framework
Investment aimed at expanding manufacturing business	Electronics	• Increasing production capacity for wafer polishing carriers • Development of in-house planned products (process jigs)	Planned framework for growth investments: **4bJPY + α**
	Mobility / Medical and precision devices	• Increasing production capacity for fuel injection components • Adding production lines for new brake components • Development of medical equipment modules • Automation equipment	
	Eco products	• Development of hydrogen energy-related products • Preparation for launching metal-air battery-related businesses	
Investments in the growth foundation		• Additional R&D facilities and equipment • DX investment (Use of IoT/AI at factories, etc.), and others	
M&A, alliances, etc.		• When making investments necessary to strengthen functions in each segment other than those above, we will invest flexibly based on the financial discipline established in Long-term Management Goal 2031.	

We will carefully select and implement the investments necessary to maintain and expand current businesses and achieve business growth, while generating returns exceeding the cost of capital!

7. Medium-Term Management Plan 2028 – Human Capital

➤ **Strategically allocate management resources to strengthen the human resources responsible for creating unique value and improve productivity, and to reinvest the benefits of improved compensation and engagement in further human capital investments!**

* Strengthen the recruitment of highly specialized talent

Human capital investment

Position human resources as a key management priority and strategically allocate resources

* Investment in DX and Automation (included in growth investment)

Strengthen human resources responsible for creating unique value

Enhance our ability to create new value by recruiting and developing talent with diverse experience and expertise

Improve productivity

Increase the added value generated per employee through the use of AI, automation, and skills development

*Continuously improve employee compensation through performance-linked base pay increases

*Promote early improvements in compensation through merit-based personnel appointments

Improve compensation and engagement

Reflect results in salaries and compensation to enhance job satisfaction and retention

* Enhance evaluation and compensation systems that encourage employees to take on challenges

* Expand internal training for talent development and career advancement

Enhance corporate value

Contribute to maximizing corporate value through sustainable growth and improved profitability

A virtuous cycle of human capital investment and enhanced corporate value

8. Medium-Term Management Plan 2028 – Shareholder Returns

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■ Basic Policy for Shareholder Returns

- ✓ With cash dividends as the pillar of shareholder returns, we have established a basic policy of "increasing dividends in line with sustainable profit growth," and aim to continuously improve both the total amount of dividends and the dividend payout ratio.

■ Target for shareholder returns under Medium-Term Management Plan 2028

- ✓ During this period, we aim to continuously increase dividends while maintaining a payout ratio of around 50%.

	Medium-Term Management Plan 2025 (results)			Medium-Term Management Plan 2028 (targets)		
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Dividend per share	74 JPY	76 JPY	154 JPY (Ordinary dividend: 78 JPY) (Special dividend: 76 JPY)	(79 JPY)	(82 JPY)	(85 JPY)
Dividend Payout Ratio	45.5%	49.0%	96.7%	Around 50%		

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■ Approach to capital allocation under Medium-Term Management Plan 2028

✓ We will effectively utilize the cash generated for proactive growth investments in line with the business portfolio and provide shareholder returns through continuous dividend increases, thereby improving net cash and aiming to achieve sustainable corporate growth and enhance corporate value

During the period of Medium-Term Management Plan 2028 (3 years)

Cash Creation		Cash Out	
Expand and stabilize operating cash flow by concentrating Management resources on growth-driving businesses	**Operating cash flow**	**Investment in maintenance/upgrades**	Carefully select investments necessary for the maintenance and replacement of businesses within the range of depreciation expenses
		Planned framework for growth investments	Implement growth investments, etc. for expanding the manufacturing business within the planned framework of 4bJPY—+ α
Although working capital is expected to increase with sales expansion, reduce it to an appropriate level of working capital (5bJPY ± α)	**Improve working capital** **Use interest-bearing debt**	**Shareholder returns**	Aim for continuous dividend increases with a payout ratio of around 50%

＋ If, at the end of FY2028, surplus funds remain after securing the funds required for investments clearly scheduled for the first half of FY2029 and maintaining an appropriate level of working capital, those surplus funds will be returned to stakeholders, including shareholders.

10-①. Business Strategy – Electronics

Business Vision

Grow as a materials and parts trading company with manufacturing functions

Our Aspiration

Become a manufacturer of process materials essential to the evolution of electronic components

Plan Values (bJPY)

	FY2025	Medium-Term Management Plan 2028		
		FY2026	**FY2027**	**FY2028**
Net sales	21.55	**23.00**	**23.50**	**24.30**
Operating profit	1.77	**1.88**	**1.93**	**2.05**

Main Initiatives for Medium-Term Management Plan 2028

Initiatives to maintain and expand the earnings base

- Continue technical proposals for semiconductor and wiring board materials, targeting the generative AI-related market, which is expected to expand further

Semiconductor materials

Wiring board materials

- Expand manufacturing business

① Expand the Okinawa Factory and effectively utilize the Hiroshima Factory to increase production capacity for wafer polishing carriers
② Expand the lineup of Resonac products for the high-end market and products from Chinese manufacturers for the volume market,thereby expanding the dry film slitting business.

Wafer polishing carriers

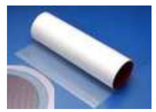
Dry film

Initiatives for further business growth

① Expand the film processing business in Japan through alliances with domestic partners

② Expand the in-house adhesive business through joint development of masterbatches with adhesive manufacturers

③ Acquire processing know-how and develop in-house planned products, such as process jigs and solder foil



In-house low-temperature-curing adhesive

<Initiatives to strengthen capabilities>
Strengthen manufacturing capabilities to provide optimal process materials (including through alliances)

10-②. Business Strategy – Mobility

Business Vision

Evolve from a Tier 2 manufacturer
to a Tier 1.5 manufacturer

Our Aspiration

Become a key module manufacturer
essential to the electrification
of automobiles and the evolution of
autonomous driving technology

Plan Values (bJPY)

	FY2025	Medium-Term Management Plan 2028		
		FY2026	**FY2027**	**FY2028**
Net sales	17.67	**17.00**	**17.50**	**18.20**
Operating profit	1.16	**1.11**	**1.15**	**1.20**

Main Initiatives for Medium-Term Management Plan 2028

Initiatives to maintain and expand the earnings base

- Adjust production layouts and further improve yields to meet continued demand for internal combustion engine components and increased production resulting from production consolidation
- Reliably launch mass production of new products that are not affected by the type of power source, such as brake and heat pump components, and keep pace with the multi-pathway approach to automotive strategy

- Expand automation through planned in-house equipment and promote data-driven operations

Automated facilities

Initiatives for further business growth

① Establish technologies for combining metal and resin and electromagnetic control technologies to develop key modules in the CASE field (onboard sensors, electronic control parts, etc.)

② Consider responses to supply chains and local procurement in the Indian and North American markets, where demand is expected to expand further

<Initiatives to strengthen capabilities> Strengthen design capabilities required for key module development and establish proprietary technologies to achieve optimal component structures

10-③. Business Strategy – Medical and Precision Devices

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Business Vision

Develop as an OEM manufacturer of medical equipment components

Our Aspiration

From an OEM manufacturer of medical equipment components to an ODM manufacturer of finished medical devices

Plan Values (bJPY)

	FY2025	Medium-Term Management Plan 2028		
		FY2026	**FY2027**	**FY2028**
Net sales	7.30	**7.50**	**7.60**	**7.70**
Operating profit	0.70	**0.70**	**0.72**	**0.75**

Main Initiatives for Medium-Term Management Plan 2028

Initiatives to maintain and expand the earnings base

- Maintain quality in the mass production of medical equipment components at the Korat Factory (Thailand) and the Inazawa Factory, and ensure a stable supply of materials
- Ensure the successful mass-production launch of new planned products

Medical equipment components

Medical robot components

- Continue cost-reduction activities and improve profitability through improvement activities at production sites and by controlling staffing levels appropriately in line with customer forecasts

Initiatives for further business growth

① Add mass-production products by acquiring new customers
② Develop key modules combining medical robot units and biocompatible materials through collaboration with partners and make solution proposals

<Initiatives to strengthen capabilities>
Acquire the in-house development functions required as an ODM manufacturer of medical equipment components, as well as evaluation and analysis functions capable of obtaining certifications and ensuring quality assurance

10-④. Business Strategy – Eco Products

Business Vision

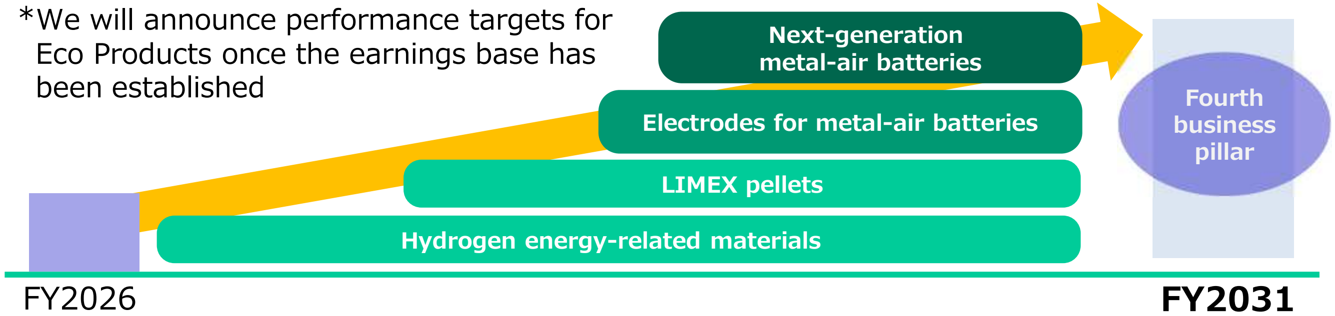
Grow the Eco- Products business into our fourth core business

Our Aspiration

Become a
leading manufacturer of niche materials
that contribute to the environment

Roadmap to FY2031

*We will announce performance targets for Eco Products once the earnings base has been established



Main Initiatives for Medium-Term Management Plan 2028

Initiatives to establish the earnings base

- Get the contract manufacturing of LIMEX pellets (TBM) at the Vietnam Factory on track

- Acquire new customers and expand orders for hydrogen energy-related materials

Ion exchange resin

Water electrolysis cell

AZUL catalyst

・Joint development and contract manufacturing with AZUL Energy

① Utilize AZUL catalyst technology to jointly develop electrodes, which are key modules for water electrolysis, fuel cells, and metal-air batteries

② Jointly develop next-generation metal-air batteries offering high performance and safety

③ Prepare for the contract manufacturing of these products

<Initiatives to strengthen capabilities>
Establish a mass-production system and build a quality assurance system in preparation for launching the metal-air battery-related business

[Reference] Medium-Term Management Plan 2028 – Net Sales and Operating Profit by Segment

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■ Targets by segment (values for 3-year plan)

(Unit: JPY billion)

		Results	→	Plan		
		FY2025		FY2026	FY2027	FY2028
Electronics	Net Sales	21.55		23.00	23.50	24.30
	Operating Profit	1.77		1.88	1.93	2.05
Mobility	Net Sales	17.67		17.00	17.50	18.20
	Operating Profit	1.16		1.11	1.15	1.20
Medical and Precision Devices	Net Sales	7.30		7.50	7.60	7.70
	Operating Profit	0.70		0.70	0.72	0.75
Company-wide expenses and other adjustments (including new business development expenses)	Net Sales	△ 0.12		△ 0.20	△ 0.20	△ 0.20
	Operating Profit	△ 1.56		△ 1.64	△ 1.65	△ 1.70
Consolidated Total	Net Sales	**46.40**		**47.30**	**48.40**	**50.00**
	Operating Profit	**2.07**		**2.05**	**2.15**	**2.30**

(3-year cumulative operating profit) **6.50**

*The planned figures for Eco Products through FY2028 have only a minor impact, so they are included in the planned figures for the other segments.

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