

# New Medium-term Management Plan “NCI KIRARI 2nd STAGE 2030”



May 2026

 **NIPPON CARBIDE INDUSTRIES CO.,INC.**

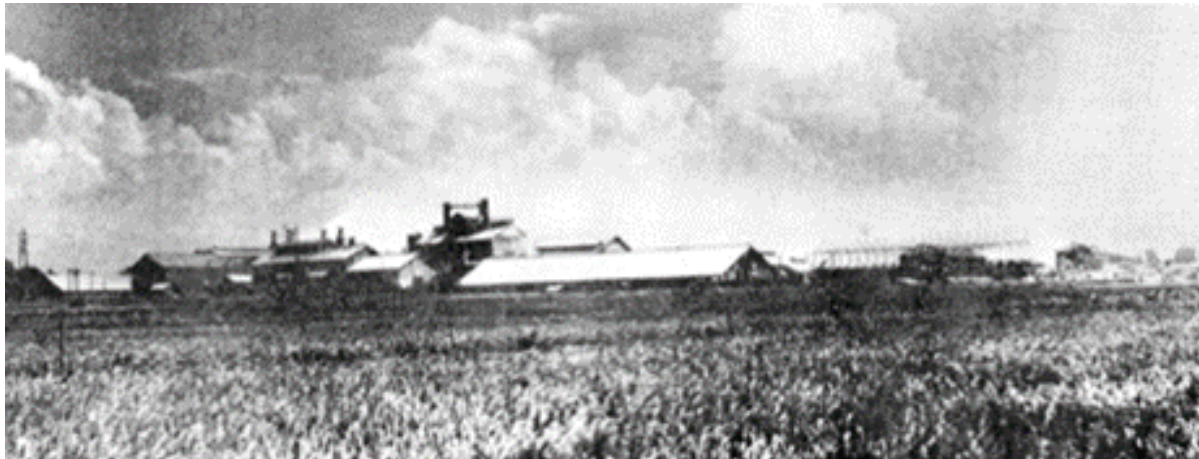
# Founding philosophy of the Company



This year marks **the 90th anniversary** since the Company began carbide production in 1936

The founding philosophy was

**“contributing to the welfare of mankind through ultimate research in the carbide industry”**

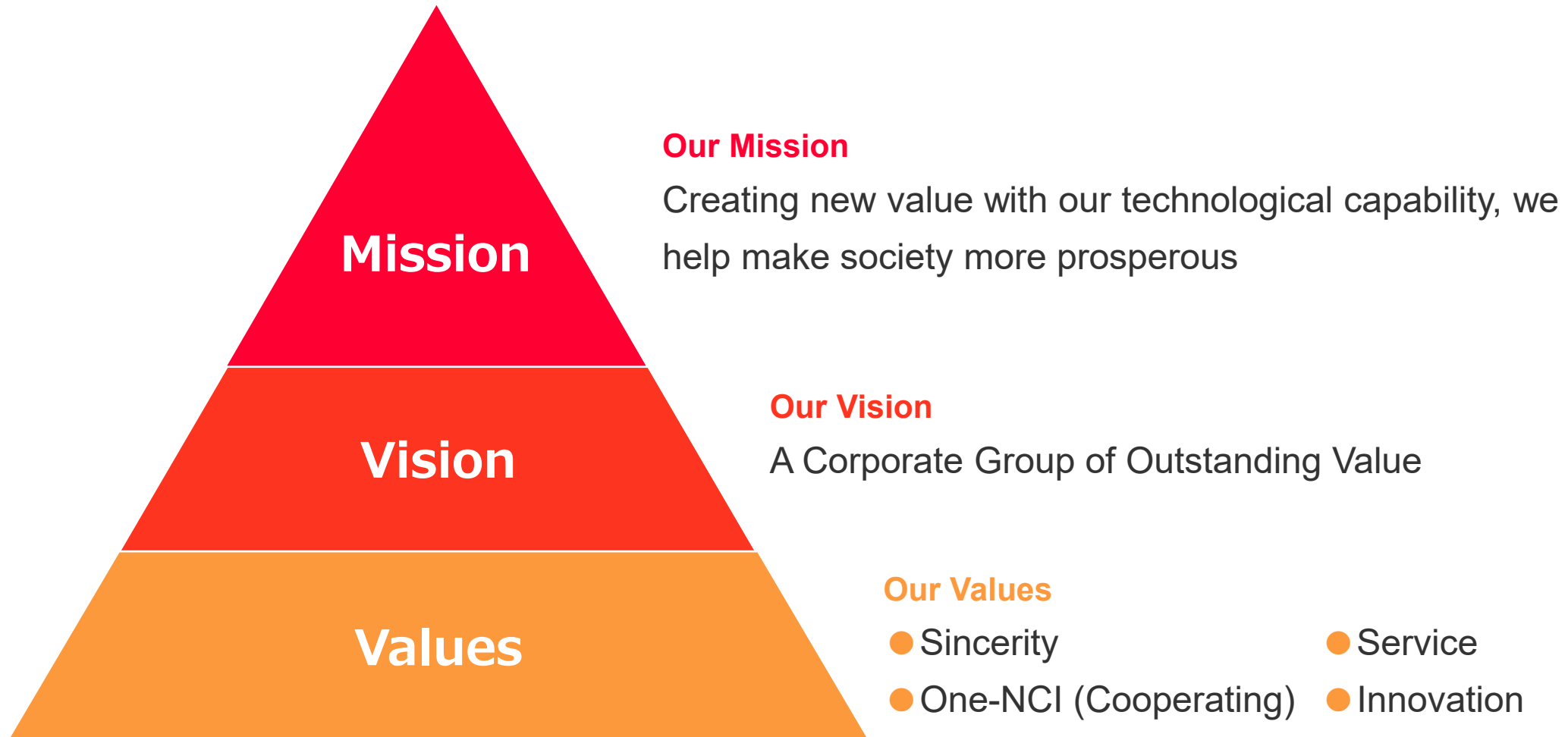


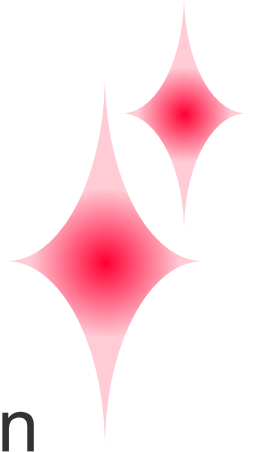
The factory at the start of operations (now the Uozu Plant)



Founder: Masao Okumura

# Mission, Vision, and Our Core Values





# 1. Summary of the previous Medium-term Management Plan “NCI KIRARI 2025” (FY2022-FY2025)

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“Creating new value with our technological capability, we help make society more prosperous”

More prosperous society = More convenient society + Safer and more secure society

## Establishment of focus areas and strategic market segments

<b>Basic policy</b>	<b>Pursuit of “Outstanding values = One &amp; Only”</b>			
<b>Financial targets</b>	Net sales	Operating profit	ROE	D/E ratio
	62.0 billion yen	7.0 billion yen	12% or more	0.5x or less
<b>Growth strategy</b>	Focus areas	Strategic market segments		
	Electronics	Semiconductors	Electronic devices	
	Safety	Environment	Life	Mobility



What we want to be in 2030

**A corporate group of outstanding value that contributes to a sustainable society**



## Results

- Increased incomes and profits, driven by the Films and Sheetings Products Business
- Strengthened financial soundness by improving asset efficiency and reducing liabilities
- SDGs Management made steady progress, including reductions in GHG emissions
- Established business operations that place the highest priority on safety, quality, environment, and compliance

## Actions toward the new Medium-term Management Plan

- In light of delays in the recovery of market conditions in the electronics area and other factors, among the financial targets in “NCI KIRARI 2025,” ROE has been revised from 12% or more to 10% or more, and the Company aims to achieve this in the 2nd STAGE



**Moving to the 2nd STAGE toward sustainable growth based on financial soundness**

# Summary: Financial targets



## Increased incomes and profits; strengthened financial soundness

	FY2021 Results	FY2025 Target	FY2025 Results	Difference from results	Difference from targets
<b>Net sales</b>	47.0 billion yen	62.0 billion yen	<b>49.9 billion yen</b>	<b>+2.9 billion yen</b>	<b>-12.1 billion yen</b>
<b>Operating Profit</b>	3.2 billion yen	7.0 billion yen	<b>4.1 billion yen</b>	<b>+0.9 billion yen</b>	<b>-2.9 billion yen</b>
<b>ROE</b>	6.7%	12% or more	<b>7.0%</b>	<b>+0.3points</b>	<b>-5.0points</b>
<b>D/E ratio</b>	0.48x	0.5x or less	<b>0.18x</b>	<b>-0.30x</b>	<b>-0.32x</b>

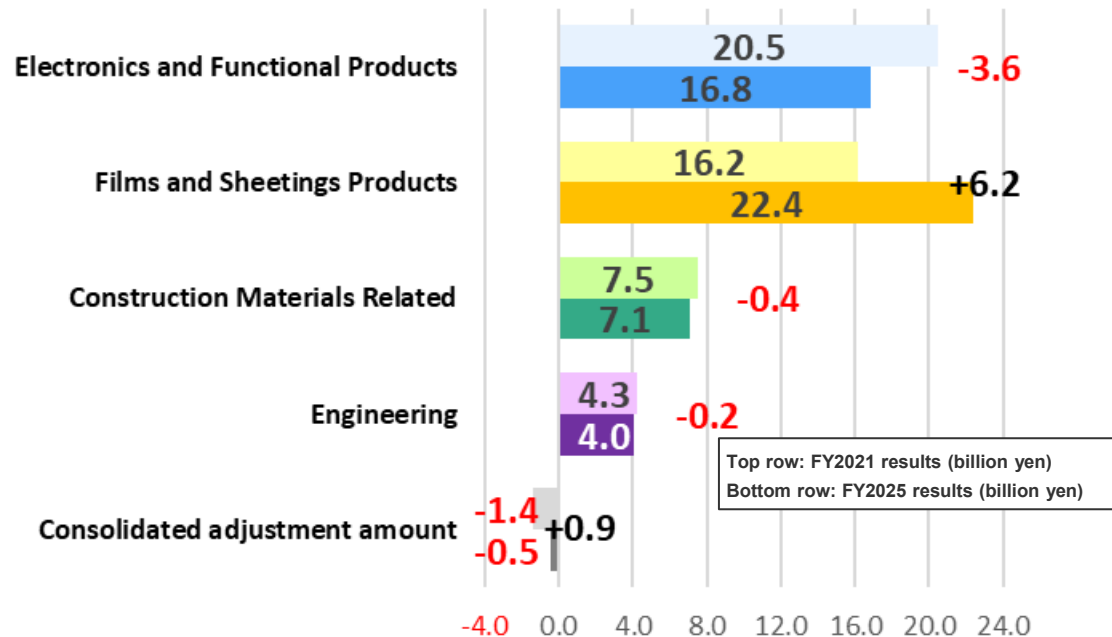
# Summary: By segment



## Net sales

- FY2021 Results : 47.0 billion yen
- FY2025 Results : 49.9 billion yen

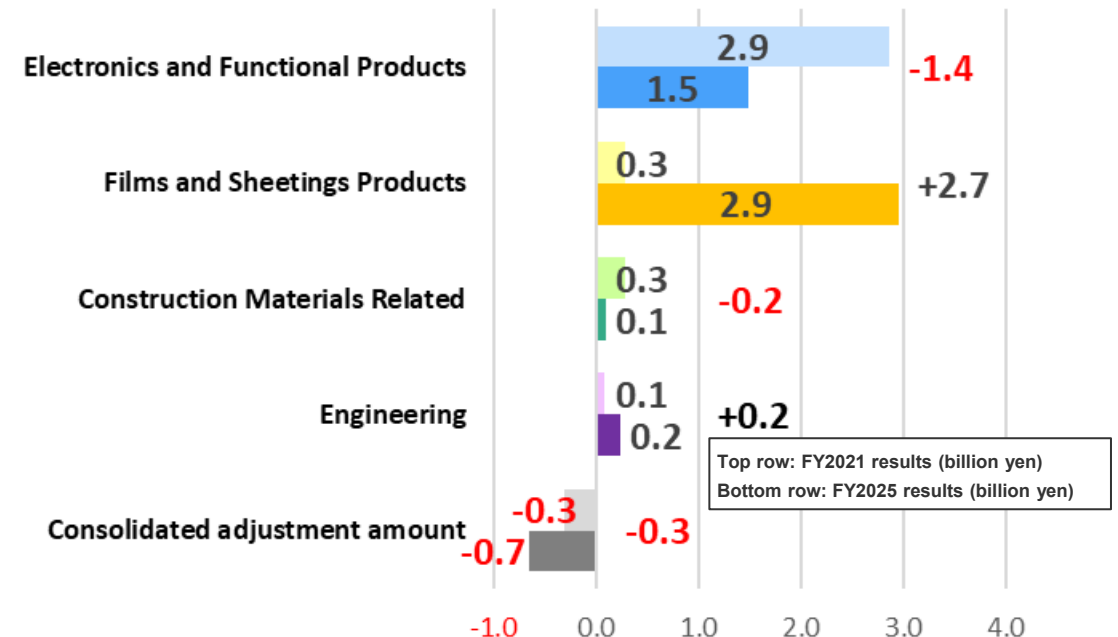
Difference from results: +2.9 billion yen



## Operating profit

- FY2021 Results : 3.2 billion yen
- FY2025 Results : 4.1 billion yen

Difference from results: +0.9 billion yen



# Summary: By segment



	Growth drivers		Others	
	Results	Actions toward the new Medium-term Management Plan	Results	Actions toward the new Medium-term Management Plan
<b>Electronics and Functional Products</b>	Development of new applications in the semiconductor field	Business expansion in the electronic devices field	Price revisions to improve profitability	Improvement in the profitability of adhesive products and ceramic substrates
<b>Films and Sheetings Products</b>	Business expansion through the pursuit of One & Only	Expansion of regions of entry and development of new customers	Increase in shipments of products for motorcycles in the South American market	Pursuit of One & Only in the signs, advertising, and signage markets
<b>Construction Materials Related</b>	Development of new products for high-rise buildings	Creation of next-generation growth drivers	Development of direct sales routes	Development of new markets for resin extrusion molded products
<b>Engineering</b>	Increase in orders for Carbon Neutral Transition Facilities for the steel field	Further business expansion in a Carbon Neutral Transition	Expansion of the EPC business*	Expansion of orders in EPC+M (Maintenance)

\*EPC business: A business that undertakes all three stages of engineering, procurement, and construction

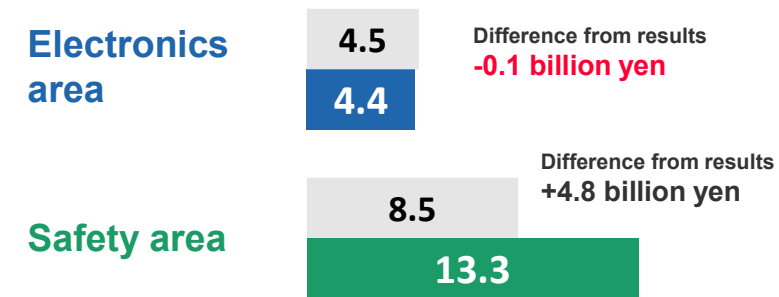
# Summary: Growth strategy (Growth drivers)



## Net sales

- FY2021 Results : 13.0 billion yen
- FY2025 Results : 17.7 billion yen

Difference from results: +4.7 billion yen



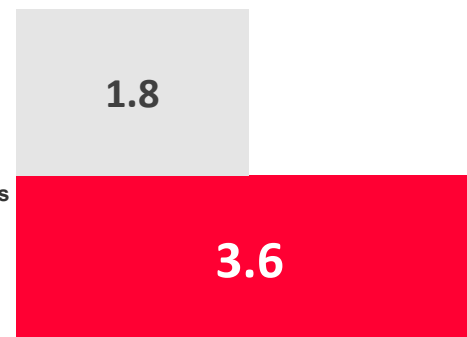
■ FY2021Results ■ FY2025Results  
(Unit : billion yen)

Reference) FY2025Target : 25.0 billion yen  
Difference from targets: -7.3 billion yen

## Operating profit

- FY2021 Results : 1.8 billion yen
- FY2025 Results : 3.6 billion yen

Difference from results: +1.8 billion yen



■ FY2021Results ■ FY2025Results  
(Unit : billion yen)

Reference) FY2025Target : 5.0 billion yen  
Difference from targets: -1.4 billion yen

## Review

### Electronics area

- + Increase in shipments due to the expansion of applications in the semiconductor field
- Decrease in shipments due to sluggish market conditions in the electronic devices field

### Safety area

- + Increase in sales of Carbon Neutral Transition Facilities for the steel field in the environmental field
- + Expansion of market share of Retroreflective Sheetings for License Plates in the mobility field, and an increase in shipments of Environmentally Friendly Decorative Mold Products and Next Generation High Functional Films
- Delay in the development of new markets for Raw Materials for Medical Products in the Life field

# Summary: Growth strategy (Capital investment)



## ■ Capital investment (Unit: billion yen)

	Results for the medium-term management plan period before the previous one FY2019-FY2021	Plan for the previous medium-term management plan period FY2022-FY2025	Results for the previous medium-term management plan period FY2022-FY2025	Difference from results	Difference from plan
Overall	7.3	19.0	6.6	-0.7	-12.4
Of which, strategic market segments	3.0	11.0	4.5	+1.5	-6.5

<b>Implemented</b>	<ul style="list-style-type: none"> <li>● Start of operation of the Next Generation High Functional Films</li> <li>● Installation of solar panels at overseas subsidiaries</li> <li>● Introduction of core systems at domestic subsidiaries</li> <li>● Introduction of DX tools for research and development</li> </ul>
<b>Postponed or canceled</b>	<ul style="list-style-type: none"> <li>● Postponement of investment to increase production in the electronic devices field due to productivity improvement and delays in market recovery</li> <li>● Cancellation of investment to increase production for Construction Materials Related due to a decline in demand accompanying a decrease in the number of housing starts in Japan</li> </ul>

# Summary: Growth strategy (Regional strategies)



## ■ Overseas sales ratio

FY2021 Results	FY2025 Target	FY2025 Results	Difference from results	Difference from targets
47%	45%	54%	+7 points	+9 points

## Review

While growth in the domestic market in the semiconductor and electronic devices field was below expectations, the overseas sales ratio increased due to the expansion of the globally operating Films and Sheetings Products Business and exchange rate impact

# Summary: Initiatives to support growth strategies



## Reinforcement of R&D structure

### Results

Improvement in development efficiency through the introduction of a research platform system and the use of materials informatics

### Actions toward the new Medium-term Management Plan

Speeding up new product development and launches in strategic market segments and revitalizing the creation of medium- to long-term themes

	FY2021 Results	FY2025 Results	Difference from results
New product sales ratio in strategic market segments <sup>*1</sup>	28%	11%	-17points

<sup>\*1</sup> New calculation method (definition of new products: within five years after launch in strategic market segments)

	Results for the medium-term management plan period before the previous one	Plan for the previous medium-term management plan period	Results for the previous medium-term management plan period	Difference from results	Difference from targets
Average annual R&D expenditure (Billion yen) <sup>*2</sup>	2.3	3.0	2.1	-0.2	-0.9

<sup>\*2</sup> Japan only

# Summary: Initiatives to support growth strategies



## Promotion of SDGs management

Materiality	Results	Actions toward the new Medium-term Management Plan
<b>Development of social and industrial digital infrastructure</b>	Contribution to improving convenience in society and daily life through expanded sales of products in the electronics area	Further expansion of sales of contributing products and continuous launch of new contributing products toward realizing materialities
<b>Realization of healthy living and a safe and secure society</b>	Contribution to creating a healthy, safe, and secure society through expanded sales of products in the safety area	
<b>Achieving carbon neutrality</b>	Progress toward carbon neutrality through steady reductions in GHG emissions	Achieving carbon neutrality through the expansion of energy-saving investments and the promotion of fuel conversion
<b>Coexistence and co-prosperity with local communities</b>	Deepening of relationships of trust with local communities through the expansion of contribution activities	Further improvement of recognition of the Company through the use of major local facilities
<b>Increased feeling of satisfaction and reward for employees</b>	Progress in fostering a corporate culture in which employees feel “I am truly glad to be working at our group” through human capital management	Development of diverse human resources who can play active roles globally, and expansion of growth opportunities

# Summary: Initiatives to support growth strategies



## Promotion of DX

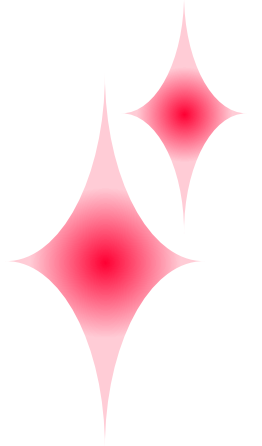
Grand design	Results	Actions toward the new Medium-term Management Plan
<b>Management</b> Speed-up of management	Visualization of management indicators through the use of business intelligence tools	Realization of management decisions with enhanced real-time capability
<b>Sales</b> Strengthening sales capabilities through business intelligence	Timely sharing of customer needs through electronic approval tools and sales support tools	Improvement of solution capabilities through immediate information sharing
<b>Production</b> Realization of the smart factory	Visualization of equipment status and introduction of collaborative robots	Labor-saving and productivity improvement through automation and robotics
<b>R&amp;D</b> Speed-up of R&D	Introduction of a research platform system and use of materials informatics	Acceleration of new product creation in strategic market segments
<b>Back Office</b> Restructuring of operations	Use of generative AI and business automation tools	Labor-saving and improvement in business quality and processing speed

# Summary: Initiatives to support growth strategies



## Safety, quality, environment, and compliance

	Results	Actions toward the new Medium-term Management Plan
<b>Safety</b>	<ul style="list-style-type: none"> <li>● Fostering a safety culture through continuous dialogue meetings</li> <li>● Sharing and horizontal deployment of excellent examples of safety measures at global managers' meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Identification of true causes and implementation of countermeasures</li> <li>● Prompt response to identified risks</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>● Improvement of awareness of quality compliance through continuous dialogue meetings</li> <li>● Sharing and horizontal deployment of excellent examples of quality measures at global managers' meetings</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening of initiatives to monitor laws and regulations and respond to revisions</li> <li>● Prompt response to identified risks</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>● Progress toward carbon neutrality through steady reductions in GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>● Achieving carbon neutrality through the expansion of energy-saving investments and the promotion of fuel conversion</li> </ul>
<b>Compliance</b>	<ul style="list-style-type: none"> <li>● Improvement of compliance awareness through e-learning and study sessions</li> </ul>	<ul style="list-style-type: none"> <li>● Further thorough implementation of the philosophy that "Companies without compliance cannot survive"</li> </ul>

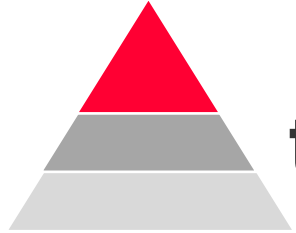


## 2. New Medium-term Management Plan “NCI KIRARI **2nd STAGE** 2030”

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## Our Mission



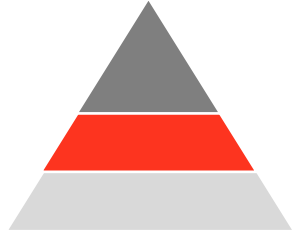
**Creating new value with our  
technological capability, we help make  
society more prosperous**



Contribution to  
**a more prosperous  
society**



Contribution to  
**a more convenient society**  
Contribution to  
**a safer and more secure  
society**



## Our Vision

**A Corporate Group of Outstanding Value**



## What we want to be in 2030

**A corporate group of outstanding value  
that contributes to a sustainable society**

# Positioning of the new Medium-term Management Plan



FY2022-2025

NCI KIRARI 2025

Achieved increased incomes and profits and strengthened financial soundness through the pursuit of “Outstanding values = One & Only”

FY2026-2030

**NCI KIRARI 2nd STAGE 2030**

Moving to the stage of achieving sustainable growth through One & Only products and technologies

What we want to be in 2030

**A corporate group of outstanding value that contributes to a sustainable society**

## Focus areas

- **Electronics**, which contribute to a more convenient society
- **Safety**, which contributes to a safer and more secure society

# Overview of “NCI KIRARI 2nd STAGE 2030”



## Moving to the stage of achieving sustainable growth through One & Only products and technologies

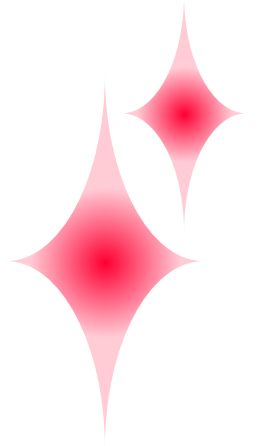
<b>Financial targets</b>	Growth potential	Profitability		Financial soundness	Shareholder returns	
	Net sales	Operating profit	ROE	D/E ratio	Dividend payout ratio	DOE
	<b>62.0 billion yen</b>	<b>7.0 billion yen</b>	<b>10% or more</b>	<b>0.5x or less</b>	With a target of the higher of a dividend payout ratio of 40% or a DOE (dividend on equity) of 3.0%	

<b>Growth strategy</b>	Focus areas	<b>Electronics</b>		<b>Safety</b>		
	Strategic market segments	Semiconductors	Electronic devices	Environment	Life	Mobility

<b>Initiatives to support growth strategies</b>	Acceleration of R&D		Promotion of SDGs Management		Promotion of DX	
	Ensuring compliance					



## 2.1. Financial targets of “NCI KIRARI 2nd STAGE 2030”

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# Financial targets

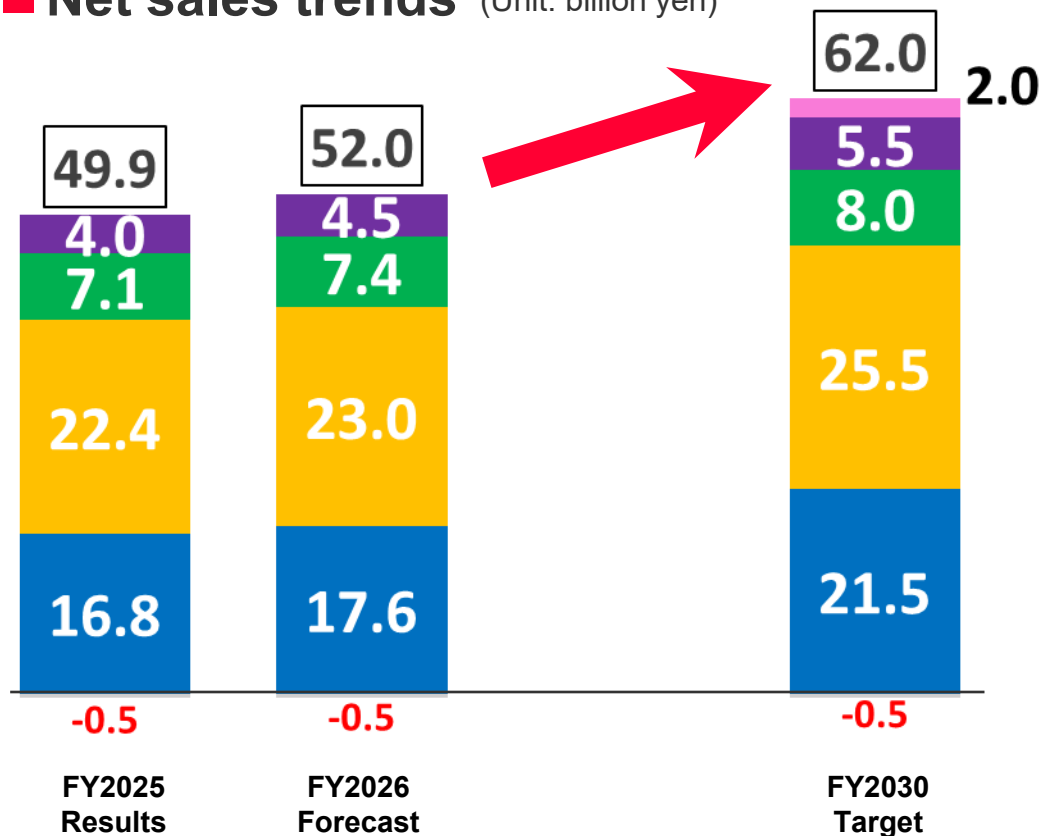


		FY2025 Results	FY2026 Forecast	FY2030 Target
Growth potential	<b>Net sales</b>	49.9 billion yen	52.0 billion yen	<b>62.0 billion yen</b>
Profitability	<b>Operating profit</b>	4.1 billion yen	4.5 billion yen	<b>7.0 billion yen</b>
	<b>ROE</b>	7.0%	8.0%	<b>10% or more</b>
Financial soundness	<b>D/E ratio</b>	0.18x	0.18x or more	<b>0.5x or less</b>
Shareholder returns	<b>Dividend payout ratio</b>	33%	<b>With a target of the higher of a dividend payout ratio of 40% or a DOE (dividend on equity) of 3.0%</b>	
	<b>DOE</b>	2.3%		

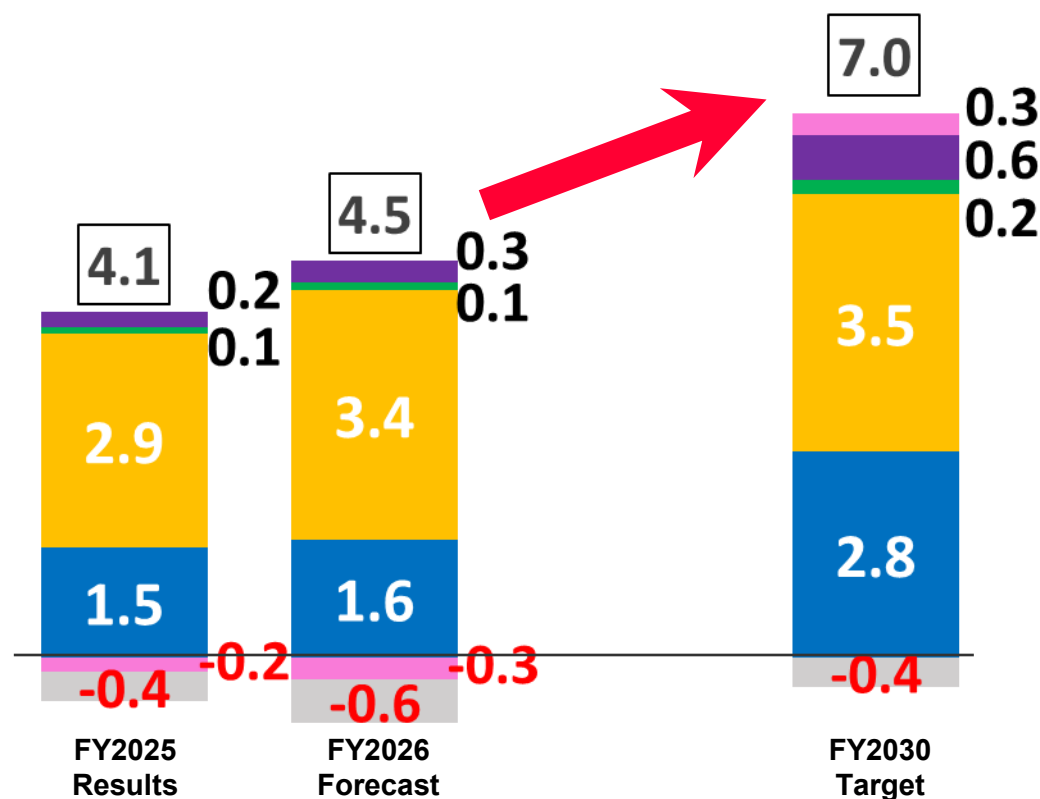


## Aim for net sales 1.2 times and operating profit 1.7 times the FY2025 levels

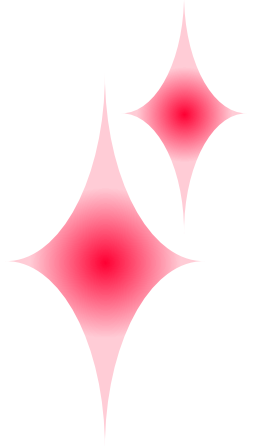
■ Net sales trends (Unit: billion yen)



■ Operating profit trends (Unit: billion yen)



■ Electronics & Functional Products Business  
 ■ Films & Sheetings Products Business  
 ■ Construction Materials Related Business  
■ Engineering Business  
 ■ New Business  
 ■ Consolidated adjustment amount



## 2.2. Growth strategy of “NCI KIRARI 2nd STAGE 2030”

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# Focus areas and strategic market segments



## Redefine “growth drivers” by focusing on One & Only products and technologies

- **Electronics area** : Contribute to improving convenience through higher functionality and higher performance in fields where growth is expected
- **Safety area** : Contribute to improving safety and comfort in fields closely related to people’s lives

★ : New

Focus areas	Strategic market segments	Growth drivers
Electronics	Semiconductors	<ul style="list-style-type: none"> <li>● Chemicals for Semiconductor Materials</li> <li>● Chemicals for Resists</li> <li>● Mold Cleaner</li> <li>● Process Materials for Semiconductor Manufacturing★</li> </ul>
	Electronic devices	<ul style="list-style-type: none"> <li>● Chemicals for Electronic Materials</li> <li>● Thin Ceramic Substrates for Electronic Components★</li> </ul>
Safety	Environment	<ul style="list-style-type: none"> <li>● Coating Agents for EVs</li> <li>● Environmentally Friendly Decorative Mold Products</li> <li>● Carbon Neutral Transition Facilities</li> </ul>
	Life	<ul style="list-style-type: none"> <li>● Chemicals for Pharmaceuticals and Agricultural Chemicals★</li> <li>● Raw Materials for Medical Products</li> <li>● High Strength, High Functional Handrails</li> </ul>
	Mobility	<ul style="list-style-type: none"> <li>● Retroreflective Sheetings for License Plates</li> <li>● Next Generation High Functional Films</li> </ul>

# Focus area (1): Electronics



**In areas where higher performance and higher density are progressing, achieve growth by advancing higher added value by leveraging One & Only products and technologies as strengths and creating new businesses**

★ : New

Strategic market segments	Market environment	Growth drivers
Semiconductors	<ul style="list-style-type: none"><li>Expansion of data center investment centered on GPUs and HBM for AI servers, and growing demand for higher integration in advanced semiconductors</li><li>Advancement of encapsulation processes accompanying the expansion of advanced packages, and growing demand for high heat resistance and high reliability in materials</li></ul>	<ul style="list-style-type: none"><li>Chemicals for Semiconductor Materials</li><li>Chemicals for Resists</li><li>Mold Cleaner</li><li>Process Materials for Semiconductor Manufacturing★</li></ul>
Electronic devices	<ul style="list-style-type: none"><li>Demand for materials for micro-sized components is expanding amid an increase in the number of components installed, driven by the higher performance of smartphones.</li><li>Growing demand for high heat resistance and high reliability in materials against the background of expansion in automotive applications</li></ul>	<ul style="list-style-type: none"><li>Chemicals for Electronic Materials</li><li>Thin Ceramic Substrates for Electronic Components★</li></ul>



★ : NEW

## Semiconductors

### Chemicals for Semiconductor materials

(Electronics and Functional Products Business / Functional Chemicals)



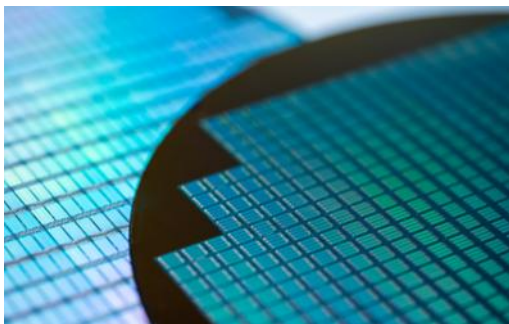
### Mold Cleaner

(Electronics and Functional Products Business / Electronic Materials)

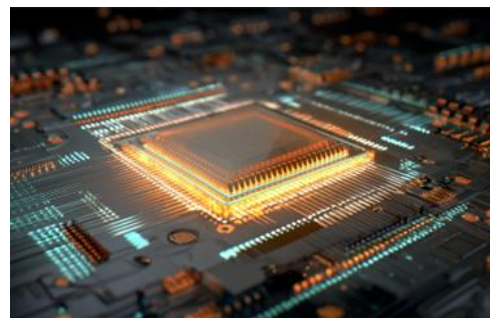


### Chemicals for Resists

(Electronics and Functional Products Business / Functional Chemicals)



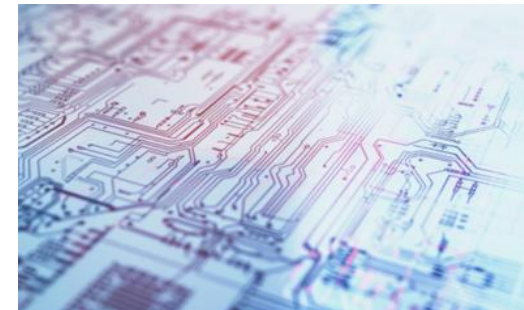
### Process Materials for Semiconductor Manufacturing★



## Electronic devices

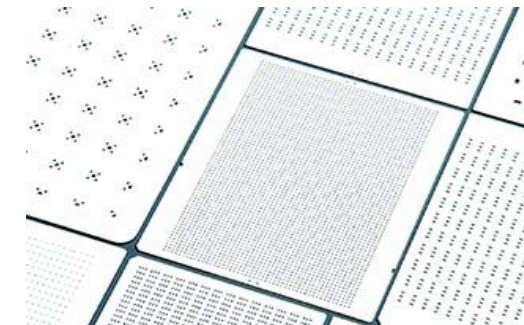
### Chemicals for Electronic Materials

(Electronics and Functional Products Business / Functional Chemicals)



### Thin Ceramic Substrates for Electronic Components★

(Electronics and Functional Products Business / Electronic Materials)



## Focus area (2): Safety



**In areas where safety and environmental requirements are increasing, achieve growth by advancing global expansion, leveraging One & Only products and technologies as strengths, and creating new businesses**

★ : NEW

Strategic market segments	Market environment	Growth drivers
<b>Environment</b>	<ul style="list-style-type: none"> <li>● Growing demand for environmentally friendly components, such as paintless components and alternatives to plating, against the background of stricter environmental regulations</li> <li>● In the steel field, active investment is underway to drive transformation during the transition to carbon neutrality</li> </ul>	<ul style="list-style-type: none"> <li>● Coating Agents for EVs</li> <li>● Environmentally Friendly Decorative Mold Products</li> <li>● Carbon Neutral Transition Facilities</li> </ul>
<b>Life</b>	<ul style="list-style-type: none"> <li>● Growing demand for safety and high quality against the background of increasing healthcare awareness in each country</li> <li>● Growing demand for high purity and stable supply in the agricultural chemicals field</li> </ul>	<ul style="list-style-type: none"> <li>● Chemicals for Pharmaceuticals and Agricultural Chemicals ★</li> <li>● Raw Materials for Medical Products</li> <li>● High Strength, High Functional Handrails</li> </ul>
<b>Mobility</b>	<ul style="list-style-type: none"> <li>● Progress in diverse drive systems in automobiles, such as EVs and HEVs</li> <li>● Further progress in motorization in emerging countries</li> </ul>	<ul style="list-style-type: none"> <li>● Retroreflective Sheetings for License Plates</li> <li>● Next Generation High Functional Films</li> </ul>

# Focus area (2): Safety area : Growth drivers



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## Environment

### Coating Agents for EVs

(Electronics and Functional Products Business / Functional Polymers)



### Environmentally Friendly Decorative Mold Products

(Films and Sheetings Products Business / Advanced Decorative Films)



### Carbon Neutral Transition Facilities

(Engineering Business)



## Life

### Chemicals for Pharmaceuticals and Agricultural Chemicals ★

(Electronics and Functional Products Business / Functional Chemicals)



### Raw Materials for Medical Products

(Electronics and Functional Products Business / Functional Polymers)



### High Strength, High Functional Handrails

(Construction Materials Related Business)



## Mobility

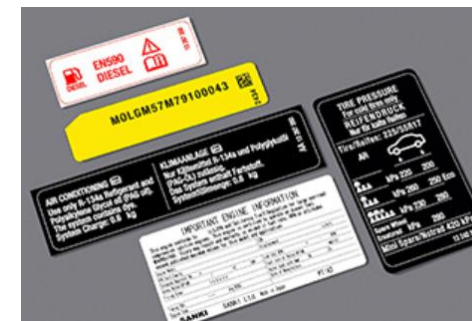
### Retroreflective Sheetings for License Plates

(Films and Sheetings Products Business / Optical Functional Films)



### Next Generation High Functional Films

(Films and Sheetings Products Business / Advanced Decorative Films)

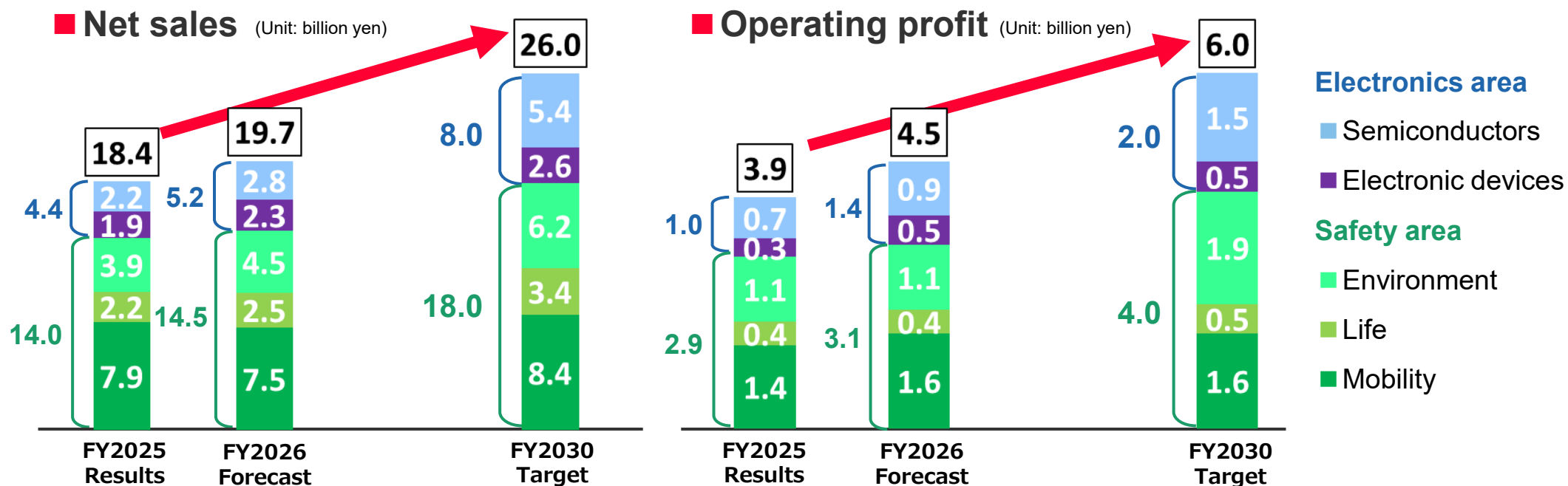


# Growth outlook for growth drivers in focus areas



For growth drivers overall, the Company aims to achieve the following by the end of FY2030

	Net sales	Operating profit
Electronics area	8.0 billion yen	2.0 billion yen
Safety area	18.0 billion yen	4.0 billion yen
Overall	26.0 billion yen	6.0 billion yen



# Correspondence between growth drivers and each business



★ : NEW

Segment	Business	Growth drivers
Electronics and Functional Products	Functional Chemicals	<ul style="list-style-type: none"> <li>■ Chemicals for Semiconductor Materials</li> <li>■ Chemicals for Resists</li> <li>■ Chemicals for Electronic Materials</li> <li>■ Chemicals for Pharmaceuticals and Agricultural Chemicals ★</li> </ul>
	Functional Polymers	<ul style="list-style-type: none"> <li>■ Coating Agents for EVs</li> <li>■ Raw Materials for Medical Products</li> </ul>
	Electronic Materials	<ul style="list-style-type: none"> <li>■ Mold Cleaner</li> <li>■ Thin Ceramic Substrates for Electronic Components ★</li> </ul>
Films and Sheetings Products	Advanced Decorative Films	<ul style="list-style-type: none"> <li>■ Environmentally Friendly Decorative Mold Products</li> <li>■ Next Generation High Functional Films</li> </ul>
	Optical Functional Films	<ul style="list-style-type: none"> <li>■ Retroreflective Sheetings for License Plates</li> </ul>
Construction Materials Related	Construction Materials Related	<ul style="list-style-type: none"> <li>■ High Strength, High Functional Handrails</li> </ul>
Engineering	Engineering	<ul style="list-style-type: none"> <li>■ Carbon Neutral Transition Facilities</li> </ul>
—	New Businesses	<ul style="list-style-type: none"> <li>■ Process Materials for Semiconductor Manufacturing ★</li> </ul>

Electronics area: ■ Semiconductors ■ Electronic devices

Safety area: ■ Environment ■ Life ■ Mobility



## Electronics and Functional Products

Improve profitability through higher added value and expand products in the electronics area by “creating **One & Only** products through synthesis, polymerization, and sintering technologies”

## Construction Materials Related

Expand sales of handrails for super high-rise buildings where high safety is required through “design technology for **One & Only** high-strength, high-functional products”

# One & Only products and technologies

## Films and Sheetings Products

Expand products in the safety and electronics areas through “creation of **One & Only** products using technologies that control color, light, and form” and effective use of the global supply chain

## Engineering

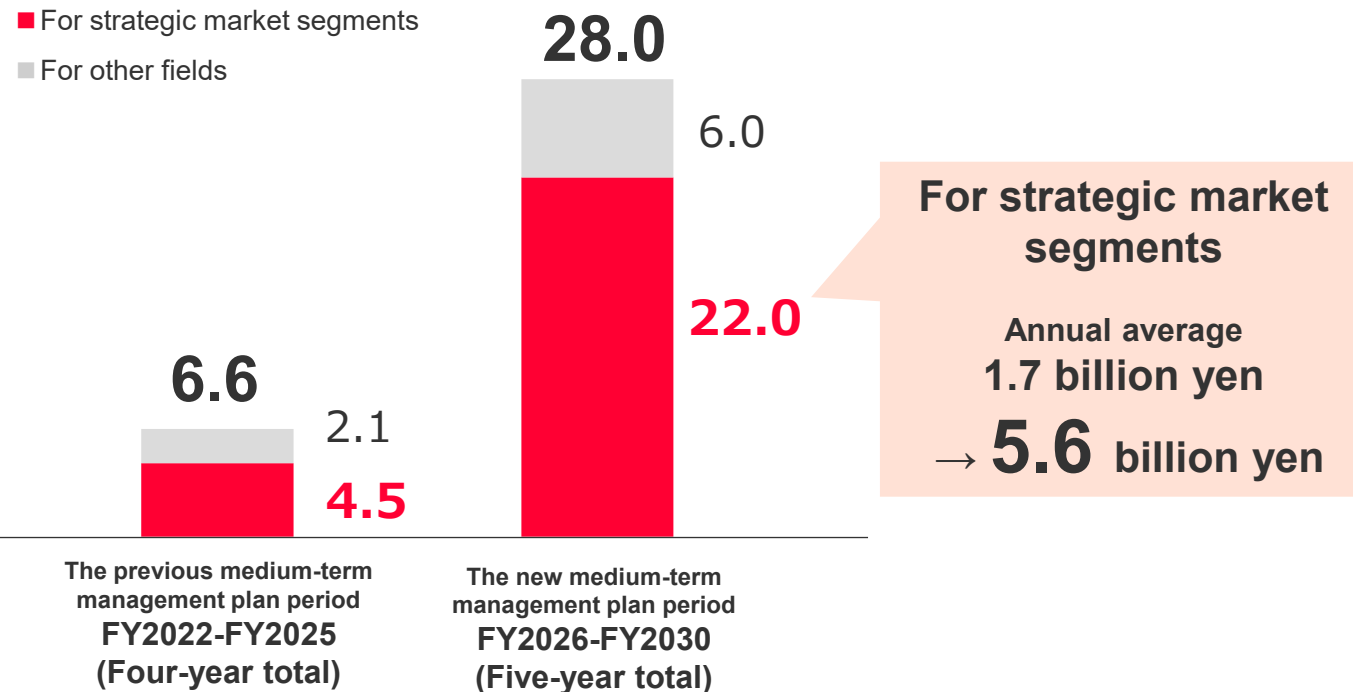
Improve fuel efficiency through “**One & Only** high-precision Powder Conveying and Blowing Technology,” contribute to the carbon-neutral transition, and expand sales.

# Capital investment



- Total investment during the medium-term management plan period will be 28.0 billion yen, with an average annual investment of 5.6 billion yen, a 3.3-fold increase from the previous medium-term management plan
- Aggressively invest 22.0 billion yen in strategic market segments

## ■ Capital investment (Unit: billion yen)



## Major investment plans

### Electronics

- Expansion of facilities for chemicals for semiconductors and electronic materials
- Expansion of facilities for chemicals for resists

### Safety

- Relocation of the China plant and investment to improve productivity
- Expansion of facilities at the Brazil plant

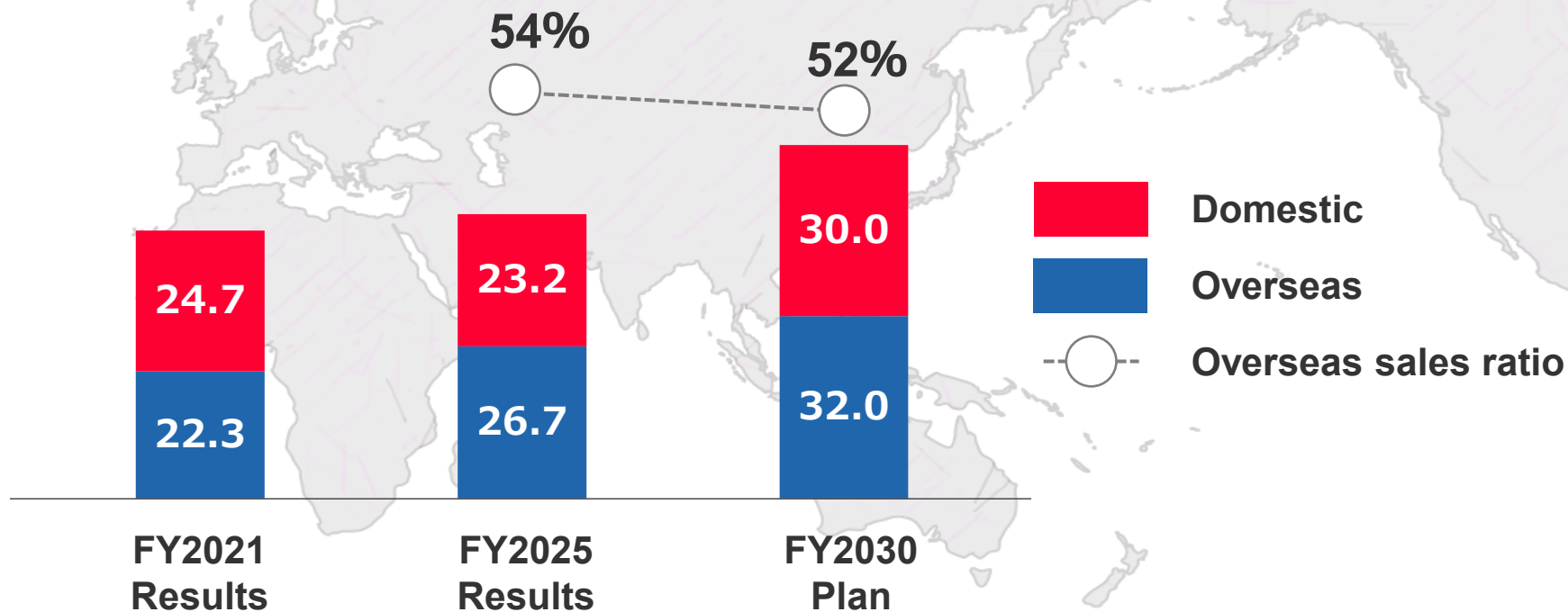
# Regional strategies



Expand the domestic sales ratio in consideration of geopolitical risks and supply chain risks

Although overseas sales will increase, the overseas sales ratio will decline from 54% to 52%

■ Net sales by region (Unit: billion yen)



# Regional strategies



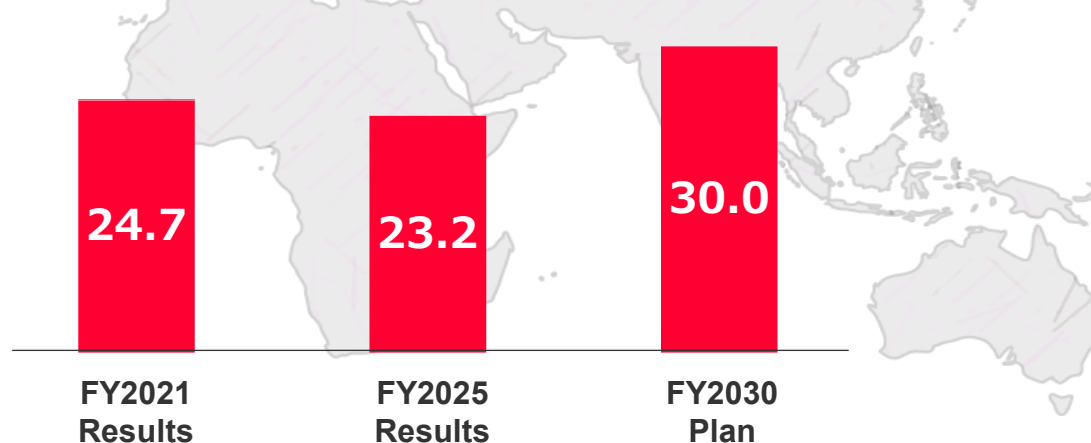
## ■ Domestic

Focus area: **Electronics**

Aim for growth in the electronics field by leveraging partnerships with Japanese companies that have high shares in the semiconductor materials and electronic components fields

## ■ Net sales by region (domestic)

(Unit: billion yen)



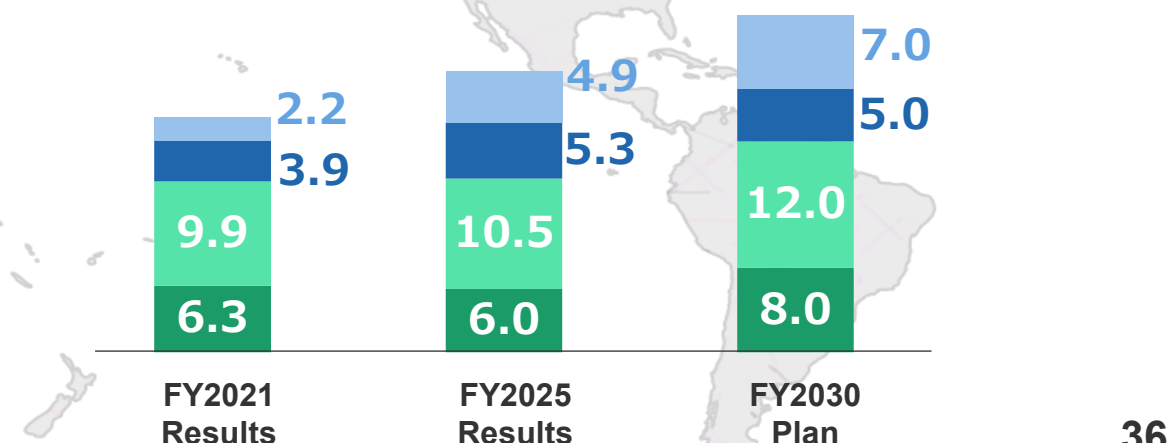
## ■ Overseas (North America, South America / Europe / China / Asia)

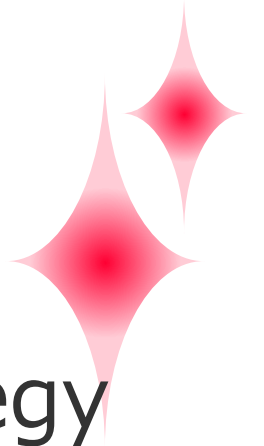
Focus area: **Safety**

In the safety field, aim for worldwide business expansion in light of progress in motorization and the global increase in safety and environmental requirements

## ■ Net sales by region (Overseas) (Unit: billion yen)

■ China ■ Asia ■ Europe ■ North America and South America





## 2.3. Initiatives to support the growth strategy of “NCI KIRARI 2nd STAGE 2030”

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## NCI KIRARI 2nd STAGE 2030

**Moving to the stage of achieving sustainable growth through One & Only products and technologies**

**<Initiatives to support growth strategies>**

**Acceleration of R&D**

**Promotion of SDGs  
management**

**Promotion of DX**

**Ensuring Compliance**



## Support the growth strategy of “NCI KIRARI 2nd STAGE 2030” through four initiatives and aim to achieve the financial targets

Acceleration of R&D	Promotion of SDGs management	Promotion of DX
Take on the challenge of developing One & Only products by integrating accumulated technological capabilities with new perspectives	Aim to build a management foundation that achieves sustainable growth through initiatives for the five materialities related to the SDGs	Aim to build a foundation for value creation through DX to strengthen corporate competitiveness
Ensuring Compliance		
Thoroughly implement “bad news first” and further strengthen efforts to ensure compliance as a management foundation		

### <Non-financial targets for FY2030>

- New product sales ratio in strategic market segments: 20%
- GHG emissions: 46% reduction compared with FY2013
- Ratio of women in management positions: 20% for the Group and 10% for the Company

# Acceleration of R&D

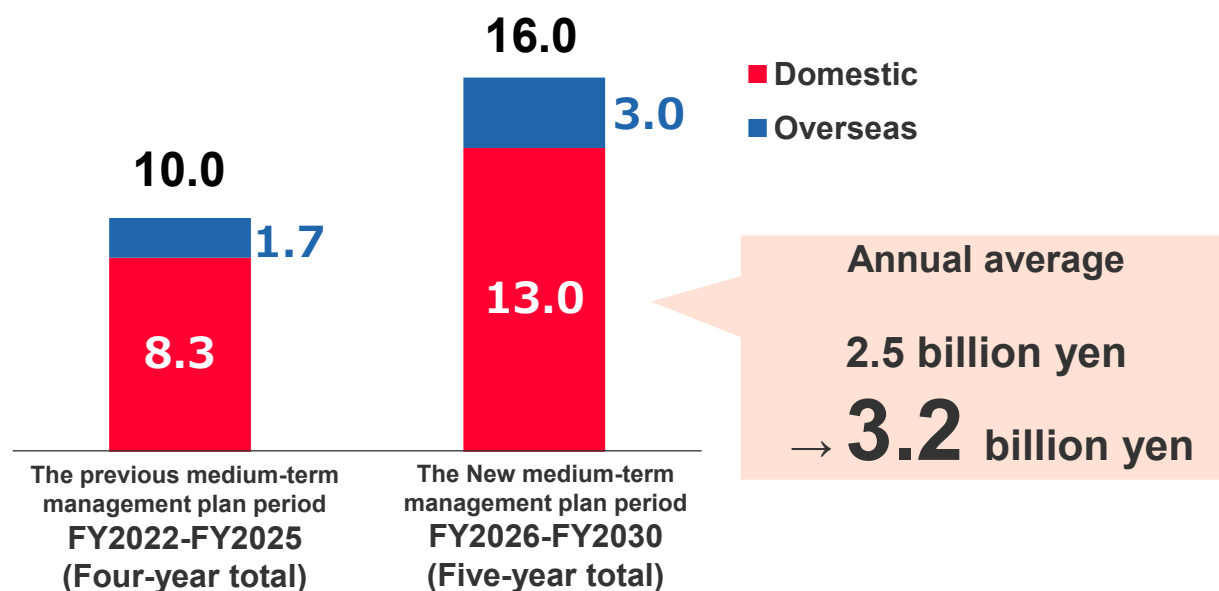


## Take on the challenge of developing One & Only products by integrating accumulated technological capabilities with new perspectives

### Basic strategies

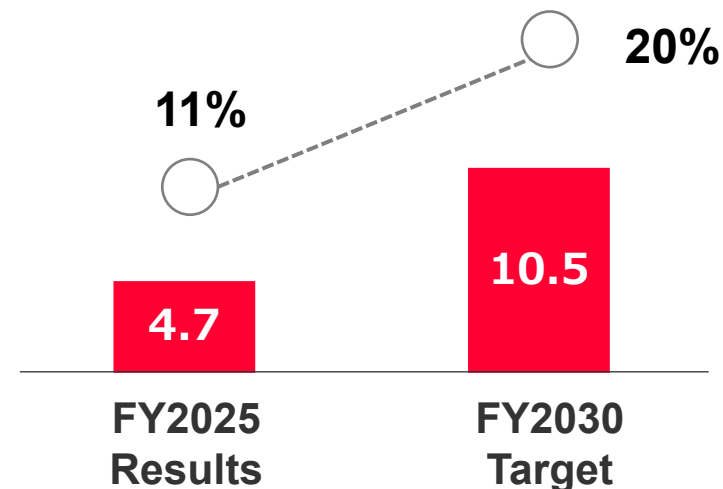
1. Focused allocation of resources to product development targeting strategic market segments
2. Promotion of development with awareness of contributions to the SDGs, such as the reduction of environmental impact
3. Pursue the value of One & Only by advancing the acquisition of intellectual property rights in parallel with development
4. Improvement of development speed through the use of DX, concurrent engineering, and other measures

■ R&D expenditure (Unit: billion yen)



■ New product sales in strategic market segments\*

\*Definition of new products: within five years after launch in strategic market segments (Unit: billion yen)





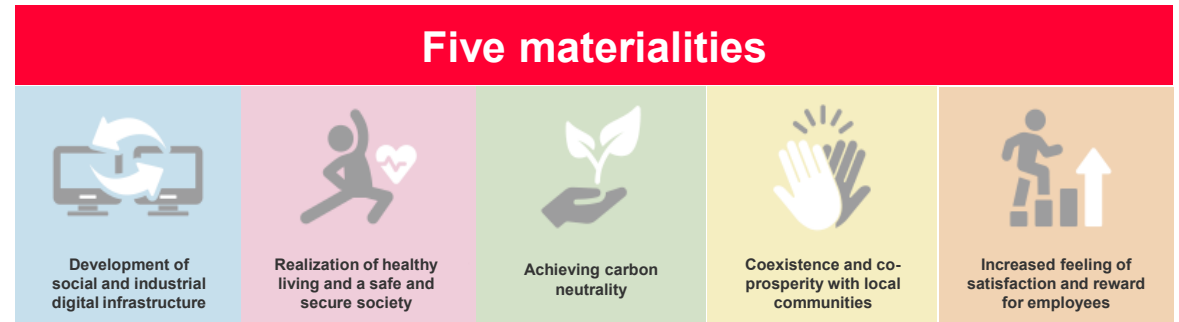
In sustainability management, the Company regards the SDGs as important goals and has identified five materialities closely related to realizing its Mission and contributing to the SDGs

## Our Mission

Creating new value with our technological capability, we help make society more prosperous



















## Five materialities



Aim to build a management foundation that achieves sustainable growth through initiatives for the five materialities related to the SDGs

# Promotion of SDGs Management: Measures



Area/field	Society's interests and needs	Materiality	Future actions	Related SDGs
<b>① Realization and contribution through business activities</b>				
<b>Electronics</b>	<ul style="list-style-type: none"> <li>●Improvement of convenience through AI</li> <li>●Promotion of labor-saving through robotics</li> </ul>	Development of social and industrial digital infrastructure	Further expansion of sales of contributing products and continuous launch of new contributing products toward realizing materialities	  
<b>Safety</b>	<ul style="list-style-type: none"> <li>●Preparation for uncertainty</li> <li>●Extension of healthy life expectancy</li> </ul>	Realization of healthy living and a safe and secure society		
	<ul style="list-style-type: none"> <li>●Transition to an industrial structure based on the assumption of a carbon tax</li> <li>●Full-scale use of renewable energy</li> </ul>	Achieving carbon neutrality		   
<b>② Realization and contribution through corporate activities</b>				
<b>Environment</b>	<ul style="list-style-type: none"> <li>●Consideration for the natural environment</li> <li>●Reduction of environmental impact</li> <li>●Decarbonization across the entire supply chain</li> </ul>	Achieving carbon neutrality	Achieving carbon neutrality through the expansion of energy-saving investments and the promotion of fuel conversion	   
<b>Region</b>	<ul style="list-style-type: none"> <li>●Revitalization of local communities</li> <li>●Creation of employment in local communities</li> <li>●Addressing environmental issues in local communities</li> </ul>	Coexistence and co-prosperity with local communities	Further improvement of recognition of the Company through the use of major local facilities	
<b>Employee</b>	<ul style="list-style-type: none"> <li>●Human capital management</li> <li>●Achieving work-life balance</li> <li>●Promotion of health management</li> </ul>	Increased feeling of satisfaction and reward for employees	Development of diverse human resources who can play active roles globally, and expansion of growth opportunities	  

# Promotion of SDGs Management: Achieving carbon neutrality



## Examples of Group initiatives

- Use of renewable energy
- Promotion of process efficiency reforms
- Recovery and reuse of waste heat
- Fuel conversion
- Switch to energy-efficient equipment
- Conversion to green power

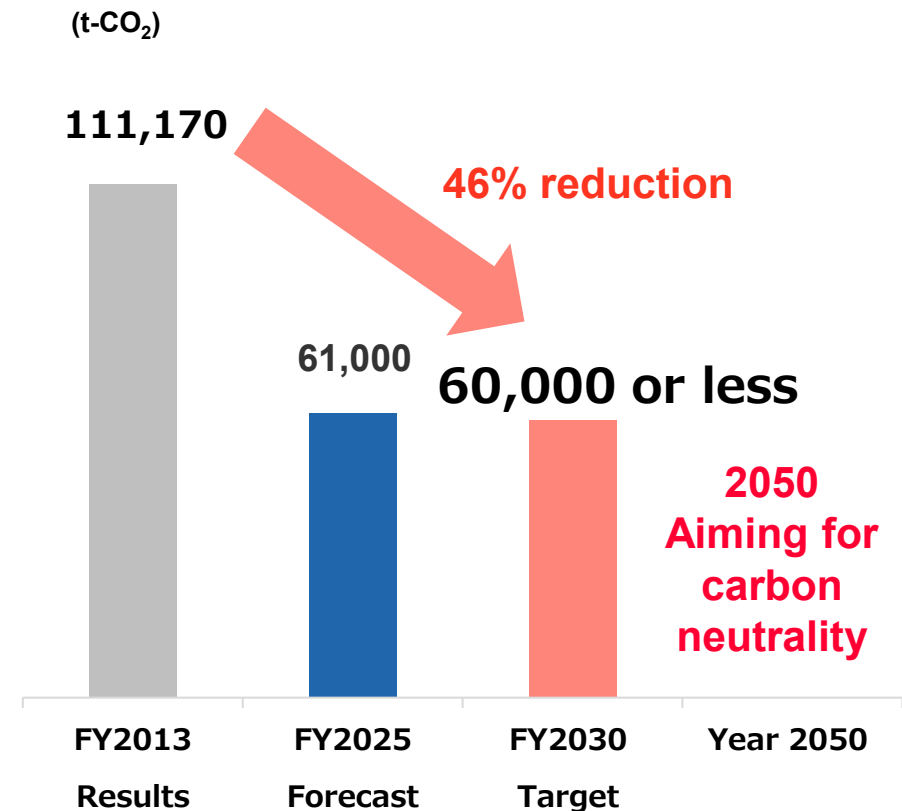


Solar power generation facilities were installed at the China plant



Solar power generation facilities installed at the Thailand plant

## ■ Target toward achieving carbon neutrality



# Promotion of DX



## Aim to build a foundation for value creation through DX to strengthen corporate competitiveness

Grand design	Actions toward the new Medium-term Management Plan
<b>Management</b> Speed-up of management	Realization of management decisions with enhanced real-time capability
<b>Sales</b> Strengthening sales capabilities through business intelligence	Improvement of solution capabilities through immediate information sharing
<b>Production</b> Realization of the smart factory	Labor-saving and productivity improvement through automation and robotics
<b>R&amp;D</b> Speed-up of R&D	Acceleration of new product creation in strategic market segments
<b>Back Office</b> Restructuring of operations	Labor-saving and improvement in business quality and processing speed

DX Promotion Structure directly under Management			
Data platform development	Realization of the DX corporate culture	DX human resource development	Strengthening of information security

# Promotion of DX : Roadmap



(Fiscal year)

Grand design	Results under the previous medium-term management plan	2026	2027	2028	2029	2030
<b>Management</b> Speed-up of management	<ul style="list-style-type: none"> <li>● Visualization of management indicators</li> </ul>	Establishment of a data foundation to support management decisions		Realization of real-time management decisions		
<b>Sales</b> Strengthening sales capabilities through business intelligence	<ul style="list-style-type: none"> <li>● Timely sharing of customer needs</li> </ul>	Establishment of a foundation for the immediate sharing of sales information		Improvement of sales solution capabilities		
<b>Production</b> Realization of the smart factory	<ul style="list-style-type: none"> <li>● Visualization of equipment status</li> <li>● Introduction of collaborative robots</li> </ul>	Promotion of labor-saving through automation and robotics		Labor-saving and productivity improvement through aggressive investment		
<b>R&amp;D</b> Speed-up of R&D	<ul style="list-style-type: none"> <li>● Introduction of a research platform</li> </ul>	Theme exploration and improvement in research efficiency through the use of MI		Acceleration of new product creation in strategic market segments		
<b>Back Office</b> Restructuring of operations	<ul style="list-style-type: none"> <li>● Use of generative AI and business automation tools</li> </ul>	Promotion of labor-saving in routine operations		Improvement in business quality and processing speed		

# Promotion of DX : Roadmap



(Fiscal year)

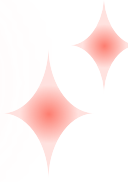
DX promotion structure is directly under management	2026	2027	2028	2029	2030
Data platform development	Development of a data platform that connects each Group company and can be used company-wide				
Realization of the DX corporate culture	Establishment of a corporate culture that realizes strengthened competitiveness through company-wide use of DX				
DX human resource development	Development of human resources equipped with value creation through DX and high security literacy				
Strengthening of information security	Continuous and reliable response to increasingly advanced and diverse information security risks				

# Ensuring Compliance



What we want to be in 2030

**A corporate group of outstanding value that contributes to a sustainable society**



## NCI KIRARI 2nd STAGE 2030

Moving to the stage of achieving sustainable growth through One & Only products and technologies

## The major premise of business activities

Companies without safety, quality, environment and compliance cannot survive

**Thoroughly implement “bad news first” and further strengthen efforts to ensure compliance as a management foundation**

### Initiatives

<b>Compliance dialogue meetings</b>	Continuous implementation of dialogue meetings using case studies on harassment, the Subcontract Act, the Antimonopoly Act, bribery, insider trading, and other topics
<b>Compliance Manual study sessions</b>	Continuous implementation of reading sessions for the Compliance Manual
<b>Implementation of e-learning</b>	Continuous implementation of e-learning on prevention of harassment, prevention of fraudulent accounting and misappropriation of assets, basics of contracts, and other topics



# Initiatives to achieve management with an awareness of the cost of capital and share price



**PBR improved from 0.43 at the end of FY2021 to 0.63 at the end of FY2025**

**Aim to improve both ROE and PER**

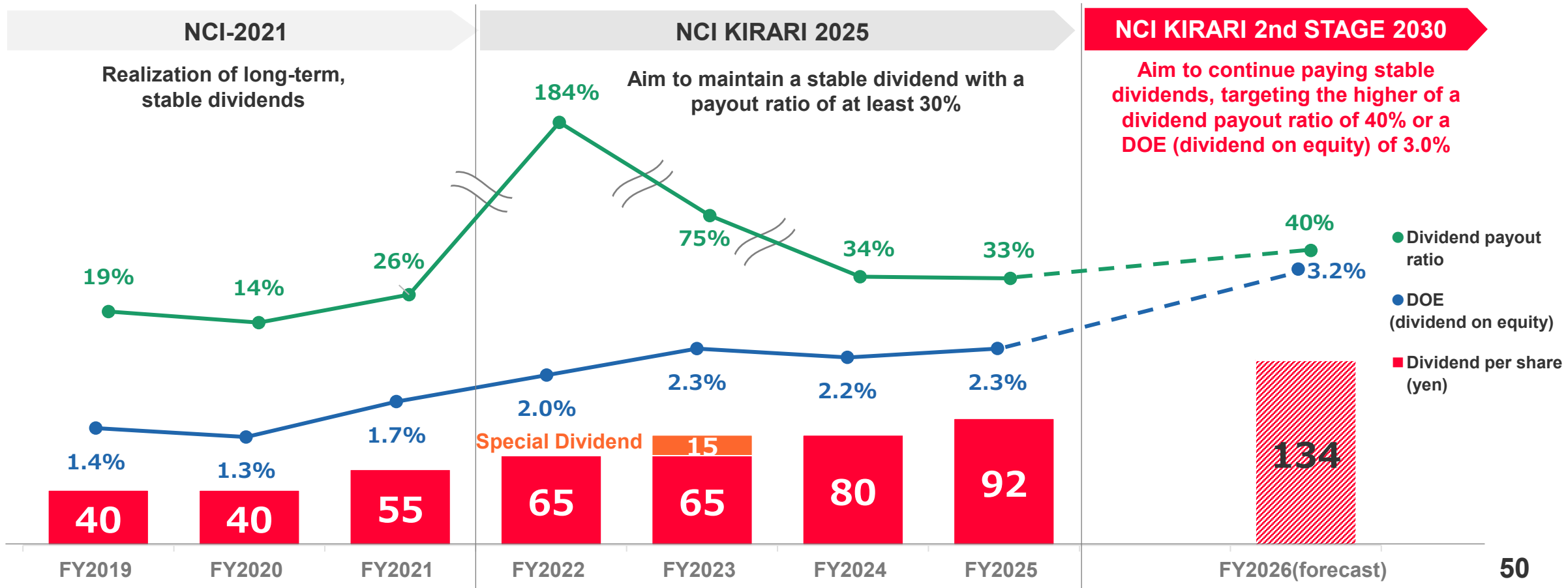
$$\text{PBR} = \text{ROE} \times \text{PER}$$

<div style="background-color: #0056b3; color: white; padding: 5px; text-align: center; width: 40px; margin: 5px;">ROE</div> <div style="background-color: #008000; color: white; padding: 5px; text-align: center; width: 40px; margin: 5px;">PER</div>	<b>Business strategy</b>	<b>Business growth</b>	Achieve business growth through expanded sales of growth drivers and creation of new products in strategic market segments	<ul style="list-style-type: none"> <li>● <b>Redefine growth drivers by focusing on One &amp; Only products and technologies</b></li> <li>● <b>Focused allocation of resources to strategic market segments</b></li> </ul>
		<b>Profitability improvement</b>	Strengthen the structure of businesses for profitability improvement and withdraw from unprofitable businesses	<ul style="list-style-type: none"> <li>● <b>Improve profitability through break-even point management and other measures, and identify businesses with low profitability</b></li> </ul>
<div style="background-color: #0056b3; color: white; padding: 5px; text-align: center; width: 40px; margin: 5px;">ROE</div>	<b>Capital strategy</b>	<b>Shareholder returns</b>	Change the shareholder return policy for the new medium-term management plan period (FY2026–FY2030) for the purpose of strengthening shareholder returns and raising the level of stable dividends	<ul style="list-style-type: none"> <li>● <b>Continue stable dividends, with a target of the higher of a dividend payout ratio of 40% or DOE (dividend on equity) of 3.0%</b></li> </ul>
	<b>Financial strategy</b>	<b>Interest-bearing debt</b>	Consider the use of interest-bearing debt as needed while maintaining financial soundness	<ul style="list-style-type: none"> <li>● <b>Consider use for strategic investments</b></li> </ul>
<div style="background-color: #008000; color: white; padding: 5px; text-align: center; width: 40px; margin: 5px;">PER</div>	<b>Sustainability</b>		Promotion of sustainability management	<ul style="list-style-type: none"> <li>● <b>Steady implementation of the roadmap for reducing GHG emissions</b></li> <li>● <b>Promotion of human capital management</b></li> </ul>

# Shareholder Return Policy



**Aim to continue paying stable dividends, targeting the higher of a dividend payout ratio of 40% or a DOE (dividend on equity) of 3.0%**



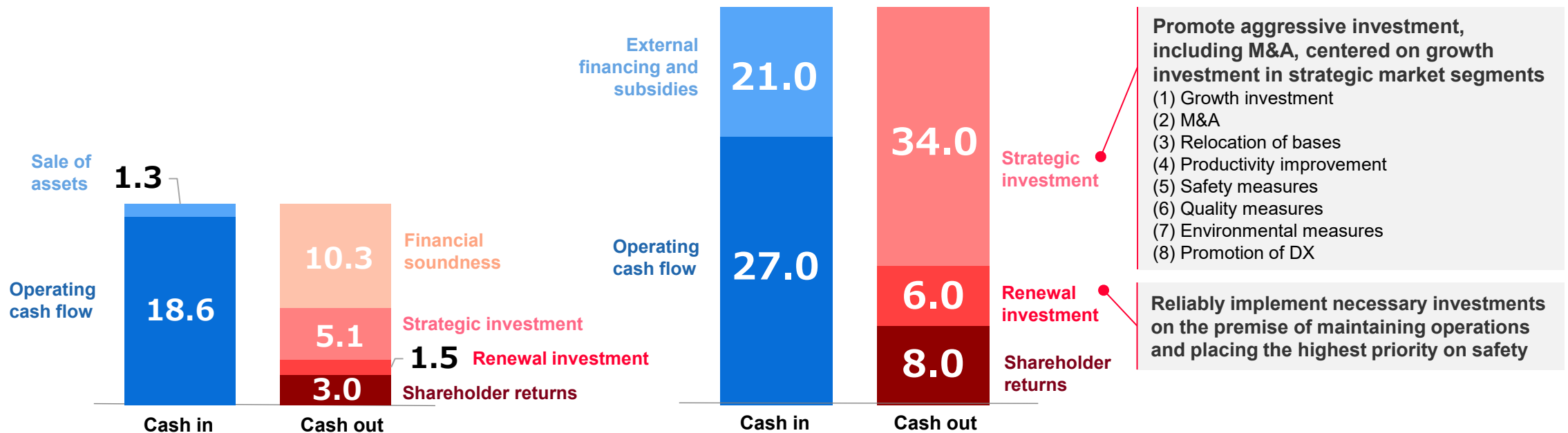
# Capital allocation



- Implement aggressive strategic investments by utilizing external funds
- Expand shareholder returns from 3.0 billion yen during the previous medium-term management plan period (four-year total) to a scale of 8.0 billion yen during the new medium-term management plan period (five-year total)

■ The previous medium-term management plan period (FY2022-FY2025)  
(Four-year total, Unit: billion yen)

■ The new medium-term management plan period (FY2026-FY2030)  
(five-year total, Unit: billion yen)



**For questions and inquiries from analysts/investors,  
please contact**



**NIPPON CARBIDE INDUSTRIES CO.,INC.**

Public Relations & Investor Relations Group  
Corporate Planning Department

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