1936-2026
90th ANNIVERSARY
NIPPON CARBIDE INDUSTRIES

INTEGRATED REPORT 2026



NIPPON CARBIDE INDUSTRIES CO., INC.

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Cover Story



The Group has reached the major milestone of the 90th anniversary of the start of carbide production in 1936 and has launched its new Medium-term Management Plan, "NCI KIRARI 2nd STAGE 2030." The rock ptarmigan depicted on the cover is the prefectural bird of Toyama Prefecture. Its ability to sustain life into the future amid the harsh natural environment of the high mountains reflects the stance of The Group as we continue to grow by turning change into strength. Under the new Medium-term Management Plan, we are moving into a stage of achieving sustainable growth through One & Only products and technologies. Building on the technological capabilities we have cultivated since our founding, we will open a new chapter in our history and strive to realize our vision for 2030: "A Corporate Group of Outstanding Value that Contributes to a Sustainable Society."

Applicable Period

April 2025 through March 2026.
The report includes activities and future goals for the period after April 2026.

Editorial Policy

This report is intended to provide relevant stakeholders with a better understanding of The Company. We hope that it will encourage greater interest in our businesses and activities.

Main Reference Guidelines

- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation"
- IFRS Foundation "The International <IR> Framework"

Environment Social Governance
価値協創ガイダンス

Corporate Identity

Mission

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

The needs of customers are the starting points of our efforts. We refine and combine the technologies we have nurtured to provide a wide range of valuable products that help realize a sustainable society.

Vision

A Corporate Group of Outstanding Value

Our employees all have confidence and pride in their work, achieving real personal growth as they strive to satisfy all the persons they deal with. They aim to make NCI a corporate group of outstanding values to society.

Values

Sincerity

We guarantee that our stakeholders will be safe and free from worries and that we completely comply with high standards of business. We steadfastly carry out our responsibilities with sincerity and without compromise.

Service

Our chief thoughts are of what we can do for our customers, for society, and for the future, not what will benefit us. Being of service is our great joy.

One-NCI (Cooperating)

Respecting the uniqueness of each employee, we form into closely cooperating teams, working as one to find solutions to all the challenges we face.

Innovation

We are not afraid of failure or change, fully exercising our imagination and initiative to create new value for a wide range of businesses. We continue to take up the challenge to reach ever-higher targets.

SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, which includes the Sustainable Development Goals (SDGs), was unanimously adopted at the UN Summit in September 2015. The SDGs consist of 17 Sustainable Development Goals with 169 associated targets, with a commitment to "leave no one behind". Through our products and technologies, The Group aims to realize a sustainable society by contributing to global SDG initiatives.

CEO Message

With One & Only products and technologies as the driving force for growth, we aim to enhance corporate value by creating both economic and social value.



Representative Director, President
Chief Executive Officer

Takahisa Sugiyama

Looking Back at Fiscal Year 2025

Against the backdrop of a gradual recovery in the electronics market and relatively firm conditions in the mobility market, shipments increased for products related to semiconductors and electronic components, retroreflective sheetings for license plates, 3D Emblems, and other products. Despite negative factors such as additional U.S. tariff measures, business performance improved, particularly in the Electronic and Functional Products Business and the Films and Sheetings Products Business. As a result, both sales and profits increased.

Net sales rose 2.4% to ¥49,909 million, operating profit increased 17.2% to ¥4,095 million, and profit attributable to owners of parent increased 17.9% to ¥2,607 million.

Review of the Previous Medium-term Management Plan “NCI KIRARI 2025”

Under “NCI KIRARI 2025,” we pursued “Outstanding values = One & Only,” designating Electronics and Safety as focus areas in our growth strategy and advancing our businesses accordingly. In terms of business performance, the Films and Sheetings Products Business drove growth, resulting in higher net sales and profit compared with FY2021, while financial soundness was strengthened through improved asset efficiency and a reduction in interest-bearing debt. In particular, Retroreflective Sheetings for License Plates, a core product of the Films and Sheetings Products Business, holds a high market share in Europe. Even when automobile production was affected by semiconductor shortages, the impact of changes in the market environment was limited because demand was expected not only for new vehicles but also for used vehicles. In addition, the withdrawal of a competitor from production in Europe provided a tailwind, contributing to increased sales. Furthermore, in markets such as Southeast Asia and South America, where Japanese motorcycles have a high market share, 3D Emblems that pursue One & Only value demonstrated their competitive advantage and supported business growth.

On the non-financial front, we made steady progress in SDGs Management, including reductions in GHG emissions, while fostering a corporate culture that places the highest priority on safety, quality, the environment, and compliance, thereby strengthening the management foundation that supports sustainable growth.

On the other hand, due in part to the delayed recovery of the electronics market, we fell short of our initial financial targets for growth and profitability. We have revised our ROE target from 12% or more to 10% or more, while maintaining the other targets, and will aim to achieve them under the new Medium-term Management Plan, “NCI KIRARI 2nd STAGE 2030.”

We believe that the direction of our growth strategy—designating Electronics and Safety as focus areas and concentrating management resources on growth drivers to expand our businesses—was appropriate. However, the semiconductor and electronic device markets remained sluggish for longer than anticipated due to the reactionary decline following stay-at-home demand during the COVID-19 pandemic, and the subsequent recovery was only gradual, resulting in a divergence from our initial growth scenario. One lesson we learned is that we did not sufficiently factor in the volatility risk inherent in the semiconductor and electronic device markets.

Accordingly, to achieve sustainable growth, we recognize that building a business portfolio that is less susceptible to market fluctuations and further enhancing our One & Only products and technologies are important management issues. Our employees have also gained a deeper understanding of KBFs (Key Buying Factors), which are key factors in customers’ purchasing decisions, as well as a greater awareness of why customers choose our products and the sources of our competitive advantage. A culture of evaluating businesses based on whether they offer One & Only value is steadily taking root, and we believe that this change will be a key force in achieving sustainable growth.

What we want to be in 2030

2026 marks a major milestone for us: the 90th anniversary of the start of carbide production. Since our founding, we have carried forward the founding philosophy advocated by our first president, Masao Okumura: “Contributing to the welfare of mankind through ultimate research in the carbide industry.” In keeping with this spirit of contributing to society, and based on our Mission, “Creating new value with our technological capability, we help make society more prosperous,” and our Vision, “A Corporate Group of Outstanding Value,” we have set forth “A Corporate Group of Outstanding Value that Contributes to a Sustainable Society” as what we want to be in 2030. Toward realizing this goal, we will leverage the

technological capabilities we have cultivated over the years to provide One & Only products and technologies, aiming to both contribute to society and achieve sustainable growth.

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

Under the previous Medium-term Management Plan, we pursued “Outstanding values = One & Only,” achieving higher net sales and profit compared with FY2021 while strengthening our financial soundness. Building on this foundation, we position the new Medium-term Management Plan as a stage for achieving sustainable growth through One & Only products and technologies.

For FY2030, we have set financial targets of ¥62.0 billion in net sales, ¥7.0 billion in operating profit, ROE of 10% or more, and a D/E ratio of 0.5x or less. With regard to shareholder returns, we aim to maintain stable dividends, targeting the higher of a dividend payout ratio of 40% or DOE (dividend on equity) of 3.0%. By achieving these targets and maintaining a certain level of financial soundness, we will seek to enhance corporate value by strengthening growth and profitability.

As for our growth strategy, we continue to designate “Electronics” and “Safety” as focus areas, as under the previous Medium-term Management Plan. Within these areas, we have redefined our growth drivers based on the strengths of our One & Only products and technologies. By strategically allocating management resources to strategic market segments such as semiconductors, electronic devices, environment, life, and mobility, we will pursue further enhancement of added value, the continuous launch



of new products, and the creation of new businesses, with the aim of achieving sustainable growth.

Ensuring Compliance

We have repeatedly communicated throughout The Company and worked to firmly instill the principle that “Companies without safety, quality, environment and compliance cannot survive.” We recognize these as fundamental prerequisites for our business activities and the most important management foundation supporting sustainable growth.
Looking at cases of misconduct at other companies, there are many instances where the underlying cause is a corporate culture in which employees find it difficult to speak up even when they become aware of compliance issues. In addition, even practices that were not considered problematic in the past may need to be reviewed in light of current laws, regulations, and social norms. Accordingly, we have adopted “bad news first” as a basic policy and are thoroughly fostering an environment in which people can feel secure in speaking up so that even minor concerns can be promptly shared. We are also enhancing and promoting the active use of our whistleblowing system, including overseas. What matters is not simply eliminating problems, but creating an environment in which signs of potential problems are promptly shared and the organization can respond appropriately. The Group has continuously provided training through dialogue sessions using case studies, e-learning, and other means, with the aim of further raising compliance awareness and firmly embedding it in our corporate culture.

Through these initiatives, we will continue to further strengthen our management foundation for compliance and strive to be a company trusted by society and our stakeholders.

Promotion of SDGs Management

I believe that corporate value is created by achieving both economic and social value. Under our sustainability management, we consider the SDGs to be important management issues. Accordingly, we have identified five materialities that are closely related to the realization of our Mission and that will lead to our contribution to the SDGs: “Development of social and industrial digital infrastructure,” “Realization of healthy living and a safe and secure society,” “Achieving carbon neutrality,” “Coexistence and co-prosperity with local communities,” and “Increased feeling of satisfaction and reward for employees.” We are undertaking initiatives to realize these materialities through both our business activities and corporate activities. One specific example is the reduction of GHG emissions. We have set targets of reducing GHG emissions by 46% in FY2030 compared with FY2013 and achieving carbon neutrality by 2050, and are already making progress beyond our targets through the use of renewable energy such as solar power generation, improvements in process efficiency, the recovery and reuse of waste heat, fuel conversion, the introduction of energy-saving equipment, and the transition to green electricity. Through these initiatives, we will create social value while enhancing economic value through the steady achievement of the financial targets under the new Medium-term Management Plan, thereby enhancing corporate value.

To Our Stakeholders

Toward the realization of the new Medium-term Management Plan, “NCI KIRARI 2nd STAGE 2030,” we will leverage the financial foundation established under the previous Medium-term Management Plan to achieve our financial targets and realize sustainable growth. We will also strive to enhance corporate value as we work toward realizing what we want to be in 2030: “A Corporate Group of Outstanding Value that Contributes to a Sustainable Society.”

Furthermore, we want to remain a company where people can genuinely say,“I’m really glad I had been able to work at NCI Group.” We ask our shareholders and investors to look forward to the sustainable growth and enhancement of corporate value of The Group and sincerely appreciate your continued understanding and support.

Overview of“NCI KIRARI 2nd STAGE 2030” Moving to the stage of achieving sustainable growth through One & Only products and technologies

FY2030 Financial Targets	Growth Potential	Profitability	Financial Soundness	Shareholder Returns
	Net sales 62.0 billion yen	Operating profit 7.0 billion yen / ROE 10% or more	D/E ratio 0.5x or less	Dividend payout ratio / DOE With a target of the higher of a dividend payout ratio of 40% or a DOE(dividend on equity) of 3.0%

Growth Strategy	Focus Areas	Electronics		Safety		
	Strategic Market Segments	Semiconductors	Electronic Devices	Environment	Life	Mobility

Acceleration of R&D / Promotion of SDGs Management / Promotion of DX

Ensuring Compliance

Initiatives to Support Growth Strategies

Positioning of the New Medium-term Management Plan

FY2022-2025
NCI KIRARI 2025

Achieved higher net sales and profit 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

Focus Areas
Electronics, which contribute to a more convenient society
Safety, which contributes to a safer and more secure society

What we want to be in 2030

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



CFO Message

Representative Director
Managing Executive Officer
Chief Financial Officer
Yuichi Yokota

Financial Strategy under the New Medium-term Management Plan “NCI KIRARI 2nd STAGE 2030”

Under the previous Medium-term Management Plan (FY2022–FY2025), we worked to strengthen our financial position through measures such as improving working capital efficiency, reducing cross-shareholdings, and reducing interest-bearing debt. As a result, the D/E ratio improved to 0.18x in FY2025, well below our target of 0.5x or less. We believe that this has steadily strengthened our financial soundness.

On the other hand, due in part to changes in the external environment and the delayed recovery of the electronics market, ROE remained at 7.0% in FY2025, and there is still some way to go in improving PBR. We recognize the importance of communicating our envisioned growth strategy more carefully so that investors can fully understand the improvement in our earning power and our future growth potential.

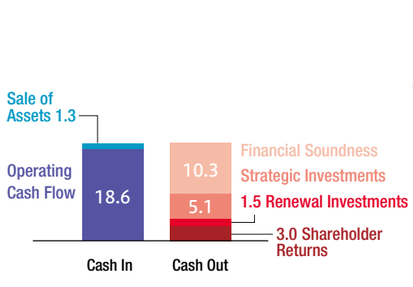
Based on these achievements and challenges, we will further advance our financial strategy under the new Medium-term Management Plan. Specifically, building on business growth driven by increased sales of growth drivers and the creation of new products and new markets, we will actively pursue strategic investments, including through the use of external financing. In making investments, we will rigorously manage them on the premise of achieving returns that exceed the cost of capital. With regard to shareholder returns, we have newly introduced a policy of targeting the higher of a dividend payout ratio of 40% or DOE (dividend on equity) of 3.0%, and will provide stable and continuous returns to shareholders while maintaining a balance with strategic investments.

Capital Allocation

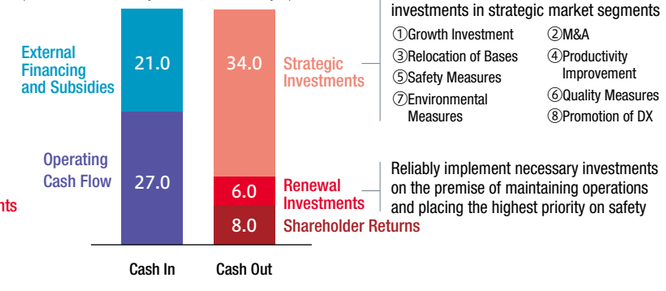
Under the previous Medium-term Management Plan, we allocated ¥5.1 billion to strategic investments, ¥1.5 billion to renewal investments, ¥3.0 billion to shareholder returns, and ¥10.3 billion to strengthening financial soundness, funded by ¥18.6 billion in operating cash flow and ¥1.3 billion from asset sales. While we steadily strengthened our financial soundness, strategic investments remained below the initial plan due to the postponement and cancellation of capital expenditures resulting from changes in the external environment, productivity improvements, and other factors. With regard to shareholder returns, we continued to pay stable dividends under our policy of targeting a dividend payout ratio of 30% or higher. Based on these results and challenges, under the new Medium-term Management Plan, we will both expand strategic investments and enhance shareholder returns. Specifically, in addition to ¥27.0 billion in operating cash flow, we plan to utilize ¥21.0 billion from external financing and subsidies to make strategic investments totaling approximately ¥34.0 billion and renewal investments of ¥6.0 billion. We also plan to increase shareholder returns from ¥3.0 billion during the previous Medium-term Management Plan period to approximately ¥8.0 billion during the new Medium-term Management Plan period, providing stable and continuous returns while maintaining an appropriate balance with strategic investments.

Capital Allocation

The Previous Medium-term Management Plan Period
(FY2022-FY2025, Four-year Total, Unit: billion yen)



The New Medium-term Management Period
(FY2026-FY2030, Five-year Total, Unit: billion yen)



Promote aggressive investments, including M&A, centered on growth investments in strategic market segments
①Growth Investment ②M&A
③Relocation of Bases ④Productivity Improvement
⑤Safety Measures ⑥Quality Measures
⑦Environmental Measures ⑧Promotion of DX

Reliably implement necessary investments on the premise of maintaining operations and placing the highest priority on safety

Management Conscious of Cost of Capital and Stock Price

We recognize improving PBR as an important management issue. As a result of promoting measures from both ROE and PER perspectives, PBR improved from 0.43 at the end of FY2021 to 0.63 at the end of FY2025. However, as PBR remains below 1.0, under the new Medium-term Management Plan we will continue to break down PBR into ROE and PER and steadily implement measures to improve each. To improve ROE, we will place the highest priority on improving profitability, while achieving business growth by redefining growth drivers and focusing the allocation of resources to strategic market segments, and will improve profitability through thorough break-even point management and the review of businesses with low profitability. In terms of capital and financial strategies, we will continue stable dividends, with a target of the higher of a dividend payout ratio of 40% or DOE (dividend on equity) of 3.0%, while considering the use of external funds for strategic investments as we maintain financial soundness. To improve PER, in addition to steadily executing our business strategies, we will seek to improve the market’s assessment of our future growth by strengthening IR activities and promoting sustainability management. We will work to promote a better understanding of the strategies and growth story under the new Medium-term Management Plan, while further strengthening our initiatives to enhance corporate value through the steady implementation of the roadmap for reducing GHG emissions, the promotion of human capital management, and other measures.

Corporate Governance

Our Board of Directors consists of 10 members in total: three internal directors, three outside directors, and four Outside Corporate Auditors, with outside officers accounting for a majority. In addition, compared with the previous fiscal year, we have reduced the number of internal directors by one and increased the number of outside directors by one, thereby strengthening the independence of the Board’s supervisory function. From the perspective of diversity, in FY2026 The Company has four female officers—two directors and two Corporate Auditors, one more than in the previous fiscal year—and has achieved ahead of schedule the government’s target of women accounting for at least 30% of officers by 2030. In addition to strengthening the Board’s composition in this way, we regard enhancing the effectiveness of corporate governance as an important priority. The Board of Directors is advancing more in-depth discussions not only on the direction of management strategy, but also on management conscious of the cost of capital and capital efficiency, as well as capital allocation. Going forward, we will further enhance the independence and diversity of the Board of Directors and improve the effectiveness of corporate governance through high-quality discussions, thereby contributing to the enhancement of corporate value over the medium to long term.

Initiatives to Achieve Management with an Awareness of the Cost of Capital and Share Price

PBR = ROE × PER

ROE, PER	Business Strategy	Business Growth	Achieve business growth through expanded sales of growth drivers and creation of new products in strategic market segments	● Redefine growth drivers by focusing on One & Only products and technologies ● Focused allocation of resources to strategic market segments
		Profitability Improvement	Strengthen the structure of businesses for profitability improvement and withdraw from unprofitable businesses	● Improve profitability through break-even point management and other measures, and identify businesses with low profitability
ROE	Capital Strategy Financial Strategy	Shareholder Returns	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	● Continue stable dividends, with a target of the higher of a dividend payout ratio of 40% or DOE (dividend on equity) of 3.0%
		Interest-bearing Debt	Consider the use of interest-bearing debt as needed while maintaining financial soundness	● Consider use for strategic investments
PER	Sustainability		Promotion of Sustainability Management	● Steady implementation of the roadmap for reducing GHG emissions ● Promotion of human capital management



CTO Message

Director
Executive Officer
Chief Technical Officer
Hiroshi Miyake

90 Years of Progress and Technological Foundations

The Company was established in 1935 at the request of the Ministry of the Navy for the purpose of producing benzene from acetylene derived from carbide. At the time, we produced carbide in electric furnaces powered by hydroelectricity utilizing the abundant water resources of the Hokuriku region, using limestone and coal, which were then considered virtually inexhaustible resources, as raw materials, and went on to produce a wide range of daily necessities. Immediately after the end of World War II in 1945, we focused on the research and development of chemical products to support people's postwar lives. We established the fundamental technologies that underpin our current businesses, including vinyl acetate and vinyl chloride using acetylene as a raw material, as well as cyanamide-based products such as dicyandiamide and melamine. We subsequently developed the Films and Sheetings Products Business using vinyl chloride, expanded the technologies cultivated through films and sheetings to enter the electronic materials business starting with green sheets, and also expanded our operations overseas.

I believe that our greatest strength lies not in the technologies themselves that we have accumulated over the past 90 years, but in our technological development capabilities to create new value by combining these technologies.

Throughout our 90-year history, we have refined technologies including organic synthesis, resin polymerizing and ceramic firing technologies, films and sheetings technology for manipulating color, light and form, and high-precision powder conveying and blowing technology, establishing a technological foundation that supports our current portfolio of One & Only products.

Growth Strategy through One & Only Technologies

I was stationed in China for seven and a half years, where I witnessed firsthand the scale and speed of investment in China, as well as the overwhelming pricing strategies made possible by its massive scale of production. In the past, I believe some of our products could be purchased simply by being priced slightly lower than those of competitors. However, products whose competitiveness depends solely on price find it difficult to maintain their competitive advantage in the face of overwhelming price competition. Looking at the products that are selling well today, each has a distinctive competitive advantage that is highly valued by our customers. Even when competitors offer lower-priced alternatives, customers continue to purchase our products because they recognize their value. I believe this is precisely what we mean by "One & Only" and why our products are highly valued by customers.

Today, social issues are changing significantly, including growing semiconductor demand driven by advances in AI, calls for reducing environmental impact, and increasing needs for a safe and secure society. We view these changes as growth opportunities and will concentrate management resources on the strategic market segments of Semiconductors, Electronic devices, Environment, Life, and Mobility to create One & Only products.

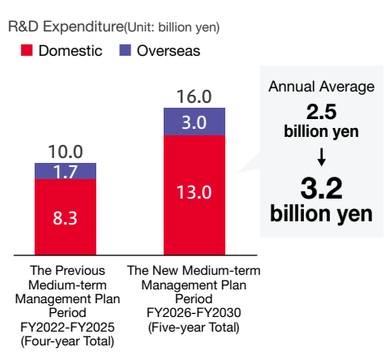
I believe that achieving sustainable growth through One & Only products and technologies is the very embodiment of our Mission: "Creating new value with our technological capability, we help make society more prosperous."

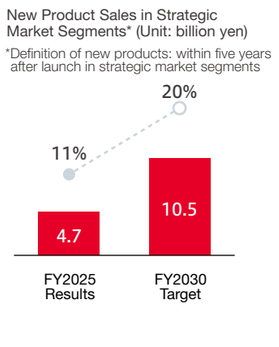
Through these initiatives, we will accelerate the creation of new products in strategic market segments, leading to medium- to long-term earnings growth and enhanced corporate value.

[Acceleration of R&D]

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





Acceleration of R&D

We have positioned "Acceleration of R&D" as an important initiative to support the growth strategy under the new Medium-term Management Plan. To promote this initiative, we will increase R&D expenditure from ¥10.0 billion during the previous Medium-term Management Plan period (four-year total) to ¥16.0 billion during the new Medium-term Management Plan period (five-year total), representing a substantial increase in the annual average from ¥2.5 billion to ¥3.2 billion. In addition, as a non-financial target, we aim to increase new product sales in strategic market segments and the ratio of such sales. Specifically, we plan to increase new product sales from ¥4.7 billion (11%) in FY2025 to ¥10.5 billion (20%) in FY2030.

To steadily achieve these targets and thereby achieve the financial targets under the new Medium-term Management Plan, we regard R&D expenditure as an important management resource and will allocate it on a focused basis.

Promotion of DX

DX is an important common foundation across the entire Company that supports not only the acceleration of R&D but also productivity improvements and more sophisticated decision-making. To strengthen our corporate competitiveness, we aim to establish a foundation for value creation through DX. In R&D, we will utilize MI (Materials Informatics) and AI to reduce the number of trials, shorten development lead times, improve research efficiency, and accelerate the creation of new products.

At production sites, we will promote the realization of smart factories and aim to improve productivity through automation and robotics.

In parallel with the promotion of DX, we are also working to strengthen information security. R&D data and intellectual property are important management assets of The Company, and we will achieve safe and reliable business operations by continuously strengthening our response to increasingly sophisticated and diverse cyber risks.

We will pass on the technological assets we have cultivated over the past 90 years to the next generation while evolving them through integration with new technologies, thereby achieving sustainable enhancement of corporate value.

[Promotion of DX: Roadmap]

(FY)

Grand Design	Results under The Previous Medium-term Management Plan	2026	2027	2028	2029	2030
Management Speed-Up of Management	● Visualization of management indicators	Establishment of a data foundation to support management decisions		Realization of real-time management decisions		
Sales Strengthening Sales Capabilities through Business Intelligence	● Timely sharing of customer needs	Establishment of a foundation for the immediate sharing of sales information		Improvement of sales solution capabilities		
Production Realization of the Smart Factory	● Visualization of equipment status ● Introduction of collaborative robots	Promotion of labor-saving through automation and robotics		Labor-saving and productivity improvement through aggressive investment		
R&D Speed-Up of R&D	● Introduction of a research platform	Theme exploration and improvement in research efficiency through the use of MI		Acceleration of new product creation in strategic market segments		
Back Office Restructuring of Operations	● Use of generative AI and business automation tools	Promotion of labor-saving in routine operations		Improvement in business quality and processing speed		

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				

90 Years of Progress and the Beginning of a New Chapter



Establishment and Deepening of In-house Technologies

1935 NIPPON CARBIDE INDUSTRIES CO., INC. was founded.



1936

We began production and sales of carbide and calcium cyanamide.

1940

1944 We began production and sales of melamine resin products.

1947 We began production and sales of pharmaceutical products.



1947 Sanwa Chemical industry Co., Ltd was founded (renamed SANWA CHEMICAL CO., LTD.).

1949 We were listed on the Tokyo Stock Exchange.

1950



1959 Hayatsuki Factory (Namerikawa City, Toyama Prefecture) was constructed.

Development and Deployment of In-house Technologies

1960

1962 VINYFRAME INDUSTRY CO., LTD. was established.



1963 We began production and sales of functional polymers.

1965 We began production and sales of packaging films.

1969 DIAMOND ENGINEERING CO., LTD. was established



1969 We began the Engineering Business.

1970

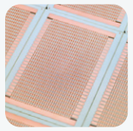
1976 We began production and sales of marking films.

Marking films ▶



1980 We entered the ceramic substrate business.

Ceramic substrates ▶



1980

1962 We began the Construction Materials Related Business.

Support handrail ▶



Aluminum handrails ▶



1988 We began the stickers business in Thailand
We began the ceramic business in Thailand

1990

1991 We entered the retroreflective sheetings business in the U.S., France, and Spain

1993 We developed the retroreflective sheetings business in the Netherlands

Expansion of New Businesses and Overseas Operations

1985 We began production and sales of additives for electronic materials.

Semiconductor materials ▶



◀ Semiconductor mold cleaner



1988 We began the stickers business.

◀ Graphic stickers



1991 We entered the retroreflective sheetings business.

◀ Retroref lective Sheetings for License Plates



1994 We developed the stickers and building materials businesses in Indonesia
We developed the retroreflective sheetings business, stickers business, and packaging materials business in China

1997 We developed the stickers business in Vietnam

2000

2011 We developed the stickers business in India

2010

2014 We developed the stickers business in Brazil



◀ Waste plastic blowing equipment



◀ Biomass thermal decomposition power generation equipment

2015 Our Head Office moved to 16-2, 2-Chome Konan, Minato-ku, Tokyo.

Selection & Concentration

2017 R&D sites were consolidated, and the R&D Center was completed.



Aiming for Sustainable Growth

2020

2026 Medium-term Management Plan "NCI KIRARI 2nd STAGE 2030" was launched.

Technology and Business Development

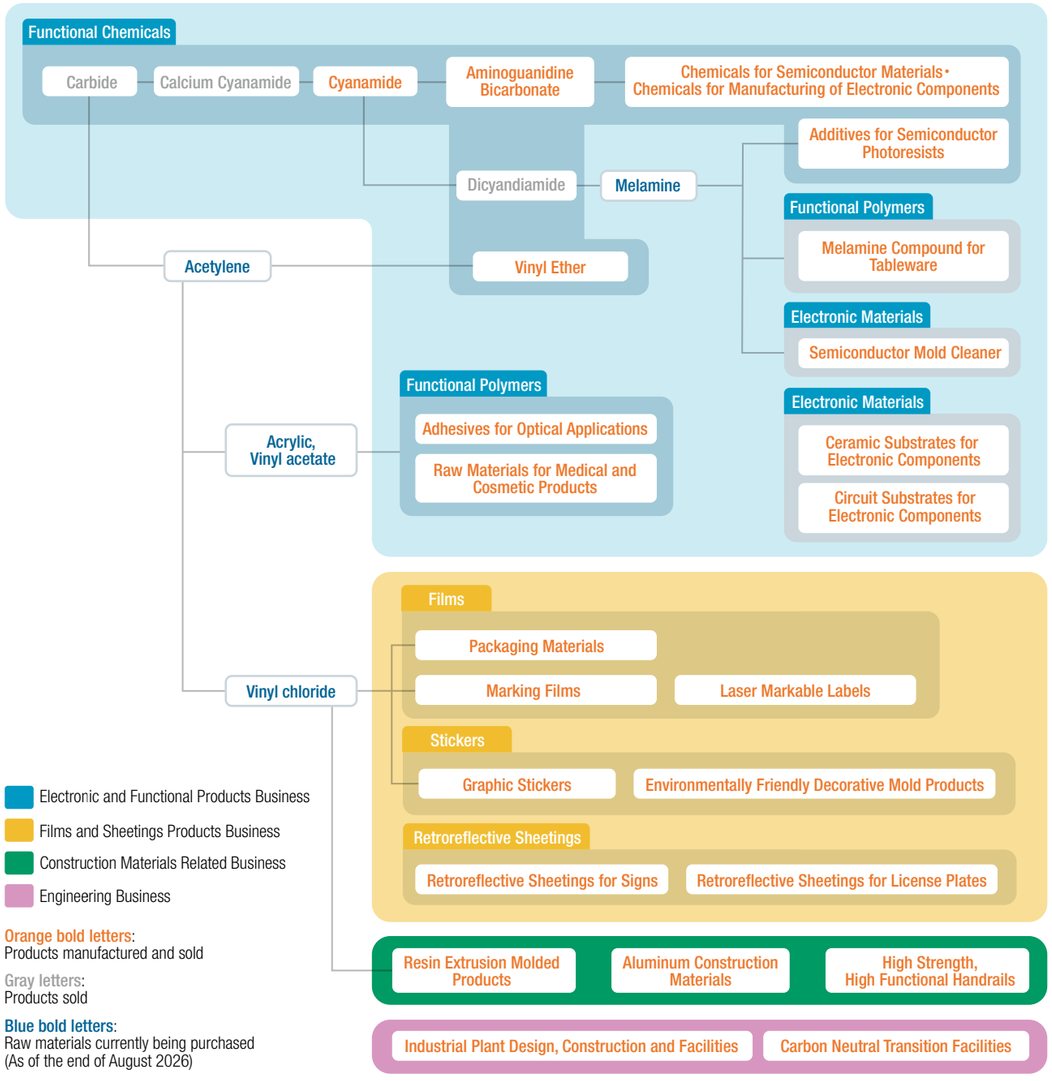
The Group began carbide production in 1936 and, in 2026, reached the milestone of the 90th anniversary of the start of operations. We have reached where we are today by overcoming numerous changes, including postwar reconstruction and technological innovation.
Our history to date has been shaped by our boundless gratitude for the support and nurturing we have received through our encounters with local communities and customers, and by our technological capabilities, which have enabled us to continually respond to the changing needs of each era.

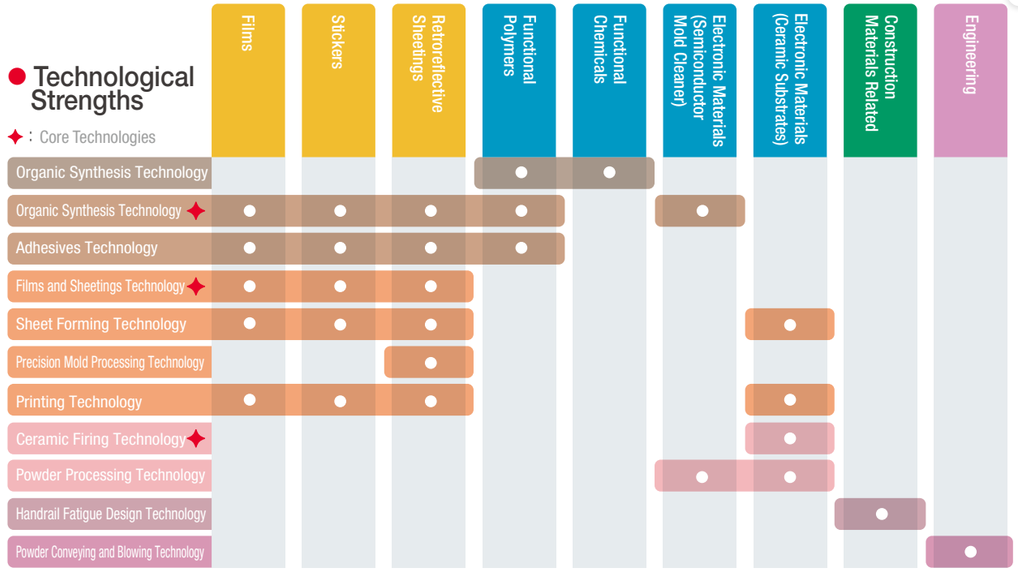
Product Portfolio and Technological Strengths

The Group started its business based on "Organic Synthesis Technology " in the acetylene derivatives industry using carbide as a raw material. Today, with our core technologies of "Resin Polymerizing Technology," "Films and Sheetings Technology," and "Ceramic Firing Technology," which are our strengths, we are developing four businesses: Electronic and Functional Products Business, Films and Sheetings Products Business, Construction Materials Related Business, and Engineering Business.

Product Flow Starting with Carbide

Functional chemical products are derived from calcium cyanamide and acetylene, which are derived from carbide. In addition, The Company has traditionally manufactured vinyl chloride and vinyl acetate from acetylene, and functional polymer products were created by polymerizing these. Vinyl chloride and vinyl acetate polymers have been used to create marking films and packaging materials using film forming technology and Printing Technology. Furthermore, retroreflective sheetings have been manufactured using Sheet Forming Technology and Precision Mold Processing Technology. Vinyl chloride has developed into a building material for buildings and houses, and plastic products for interior construction. In addition, since we were selling carbide as a desulfurization agent for steel mills, we have developed into an engineering business characterized by Powder Conveying and Blowing Technology.





Organic Synthesis Technology

We provide drug substances, pharmaceutical and agrochemical intermediates, and biochemicals using Organic Synthesis Technology for cyanamide derivatives derived from calcium carbide, additives for semiconductors using synthesis and purification technology, and cross-linking agents for semiconductor materials using demetalization and purification technology. Further, using organic synthesis technology for vinyl ether derivatives derived from acetylene, we provide products in a wide range of fields, including monomers for weather-resistant paints and additives for semiconductor materials.

Resin Polymerizing Technology ✦Core technologies

This technology encompasses polymerization technologies for acrylic resins and initial condensation products of melamine resins. Using these technologies, we provide adhesive products such as water-based adhesives, solvent-based adhesives, and non-aqueous resins, as well as melamine compound for tableware and semiconductor mold cleaner.

Films and Sheetings Technology ✦Core technologies

This technology encompasses solution film forming technology using resin solutions and melt film forming technology using resin pellets. By using these technologies to form thin and uniform film sheets and to laminate the resulting films, we provide retroreflective sheetings, marking films, and sticker products. This technology is also applied to the manufacturing of ceramic substrates.

Precision Mold Processing Technology

This technology is related to mold design and precise, fine mold machining. We provide products such as prismatic retroreflective sheetings using molds made with these technologies.

Ceramic Firing Technology ✦Core technologies

This technology is used to produce small, dimensionally accurate ceramic substrates after powder is kneaded into a sheet and processed into a predetermined shape. We use this technology to provide electronic components for chip resistors and other products.

Handrail Fatigue Design Technology

This is a technology for evaluating the effect of wind forces on aluminum handrails. Since handrails installed in high-rise condominiums are strongly affected by wind, this evaluation technology enables us to supply highly safe handrails that can withstand wind repeatedly.

Adhesives Technology

This technology encompasses resin design, resin formulation, and resin evaluation methods for water-based adhesives, solvent-based adhesives based on acrylic resins. Using these technologies, we provide adhesive products for a wide range of applications, as well as marking films, retroreflective sheetings, stickers, and other products.

Sheet Forming Technology

This technology is used to form optical prism sheets using molds made by Precision Mold Processing Technology and film sheets by pressure molding and other methods. Using these technologies, we provide prismatic retroreflective sheetings products, three-dimensional emblems, and other products.

Printing Technology

We provide retroreflective sheeting products, marking film products, and sticker products by using inkjet printing, screen printing, and gravure printing technologies for film sheets.

Powder Processing Technology

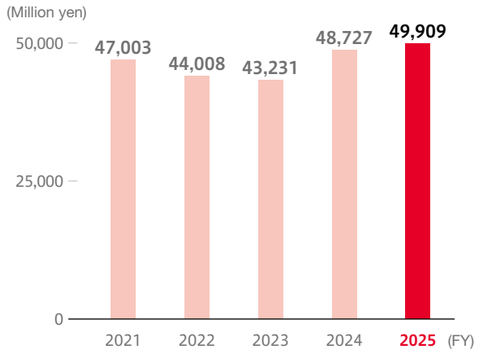
This technology encompasses powder mixing and granulation, as well as molding and processing. Using these technologies, we provide products such as melamine compound for tableware, semiconductor mold cleaner, and ceramic substrates.

Powder Conveying and Blowing Technology

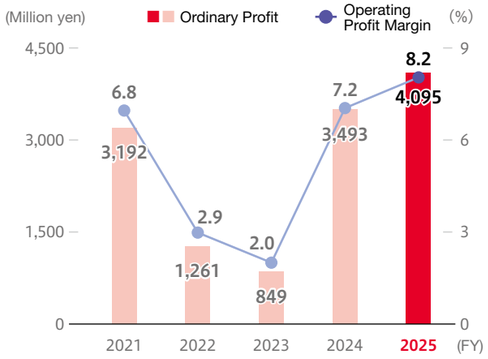
This is a technology for conveying a variety of powders and granules and blowing them continuously and stably while maintaining high metering and distribution accuracy. We provide the optimum equipment to meet the various needs of our customers, such as pressure and temperature conditions at the blowing destination and the use of multiple powders and granules.

Financial Highlights

Net Sales



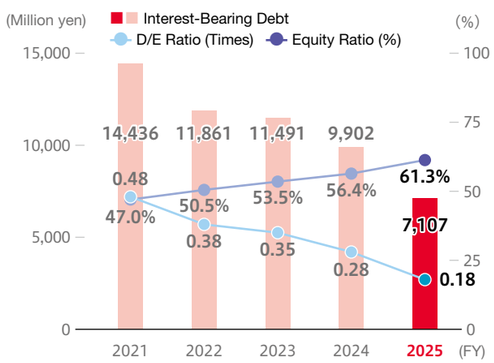
Operating Profit/ Operating Profit Margin



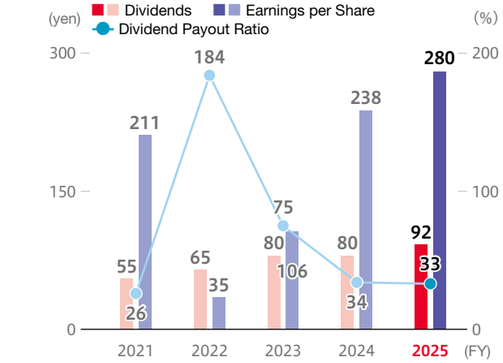
Ordinary Profit/ Profit Attributable to Owners of Parent

ROE / ROA

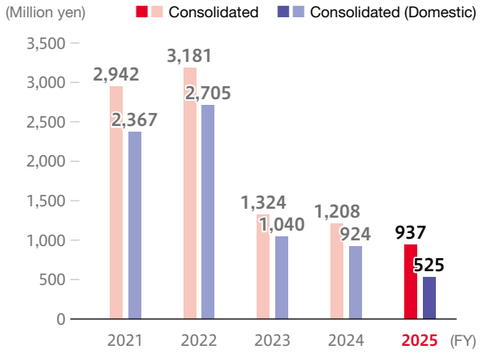
Interest-Bearing Debt / D/E Ratio Equity Ratio



Dividends / Earnings per Share / Dividend Payout Ratio



Capital Investment

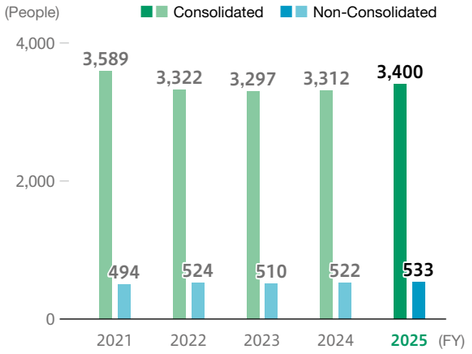


R&D Expenditure

Cash Flow Trends

Non-Financial Highlights

Number of Employees



Annual Leave Acquisition Rate(Note1)

Lost-Time Injury Frequency Rate(Note3)

(Note 1)
"Usage Rate" is total number of days of annual paid leave taken/total number of days granted x 100 (%). "Number of days of paid leave taken" is the number of days actually taken in a single year. "Number of days granted" excludes the number of days carried over.

(Note 2)
Source: [Ministry of Health, Labor and Welfare] General Survey on Working Conditions: Average across all industries (300-999 employees)

(Note 3)
Number of work-related casualties per million total actual working hours resulting in one or more days of lost work or loss of a body part or its function

(Note 4)
Source: [Ministry of Health, Labor and Welfare] Survey on Industrial Accidents (Survey on establishments with 100 or more employees) and survey on general construction

Value Creation Process

The NCI Group is committed to creating values through its business and corporate activities in order to contribute to a sustainable society. Under the Medium-term Management Plan “NCI KIRARI 2nd STAGE 2030”, we have defined focus areas and strategic market segments as our growth strategy and are promoting our business plan.

Inputs

*As of March 31, 2026
*Figures are consolidated

Financial Capital

Adequate Financial Strength

Net Assets: 40,948 million yen
Equity Ratio: 61.3%

Manufacturing Capital

Global Manufacturing Base Structure

Number of Overseas Manufacturing Bases: 7
Number of Domestic Manufacturing Bases: 8

Intellectual Capital

Core technologies: Resin Polymerizing Technology, Films and Sheetings Technology, Ceramic Firing Technology

Number of Registered Patents: 580

Human Capital

Diverse Human Resources to Support Value Creation

Total Number of Employees: 3,400
Number of Employees at Overseas Offices: 2,424

Social Capital

Long-standing relationships of trust cultivated with stakeholders and local communities in each country

Wide range of business partners: semiconductors, electronic devices, automobiles, pharmaceuticals, steel, electric power, construction, etc.
Number of business partners: Approximately 4,000 companies

Natural Capital (FY2025)

Energy Consumption

Total Electricity Consumption: 88,223 MWh
Water Consumption: 4,059,000 t

Medium-term Management Plan

NCI KIRARI 2nd STAGE 2030



Moving to the Stage of Achieving Sustainable Growth through One & Only Products and Technologies

Business Segment



Electronic and Functional Products



Films and Sheetings Products



Construction Materials Related



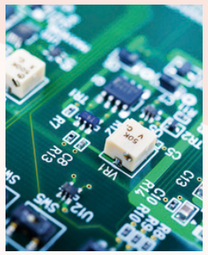
Engineering

Focus Areas

– Electronics –

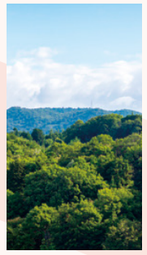


Semiconductors



Electronic Devices

– Safety –



Environment



Life



Mobility

Acceleration of R&D
Promotion of SDGs Management
Promotion of DX
Ensuring Compliance

Initiatives to Support Growth Strategies

Value Creation

Economic Value (FY2030 plan)

Net sales	62 billion yen
Operating profit	7 billion yen
ROE	10% or more
D/E Ratio	0.5x or less



Social Value

Through business activities

- Development of social and industrial digital infrastructure
- Realization of healthy living and a safe and secure society
- Achieving carbon neutrality

Through corporate activities

- Achieving carbon neutrality
- Coexistence and co-prosperity with local communities
- Increased feeling of satisfaction and reward for employees

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

● Overview

Building on the achievements of the previous Medium-term Management Plan period, The Group is moving to the stage of achieving sustainable growth through One & Only products and technologies, with the aim of realizing what we want to be in 2030: “A Corporate Group of Outstanding Value that Contributes to a Sustainable Society.” Under the new Medium-term Management Plan, we have set financial targets for FY2030 of ¥62.0 billion in net sales, ¥7.0 billion in operating profit, ROE of 10% or more, and a D/E ratio of 0.5x or less.

Moving to the Stage of Achieving Sustainable Growth through One & Only Products and Technologies

FY2030 Financial Targets

Growth Potential	Profitability		Financial Soundness	Shareholder Returns	
Net Sales	Operating Profit	ROE	D/E ratio	Dividend Payout Ratio	DOE
62.0 billion yen	7.0 billion yen	10% or more	0.5x or less	With a target of the higher of a dividend payout ratio of 40% or a DOE (dividend on equity) of 3.0%	

Growth Strategy

Focus Areas	Electronics		Safety		
Strategic Market Segments	Semiconductors	Electronic Devices	Environment	Life	Mobility

Acceleration of R&D | Promotion of SDGs Management | Promotion of DX

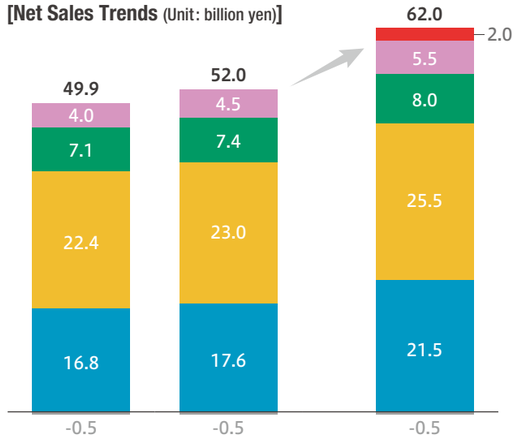
Ensuring Compliance

Initiatives to Support Growth Strategies

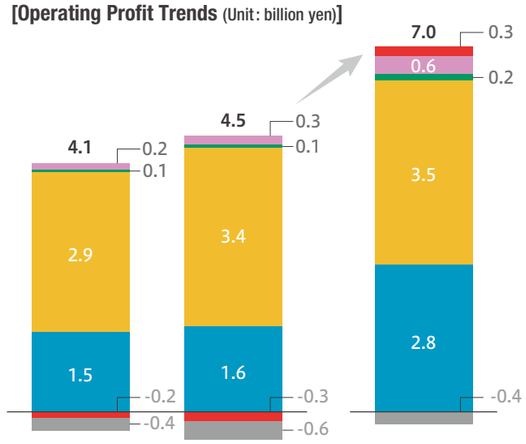
● Growth Outlook

By expanding our businesses in each segment around our One & Only products and technologies, which are our strengths, we aim to increase net sales to approximately 1.2 times the FY2025 level and operating profit to approximately 1.7 times the FY2025 level. As for our growth strategy, we continue to designate Electronics and Safety as focus areas under the new Medium-term Management Plan. On this basis, we have once again focused on our One & Only products and technologies and redefined our growth drivers.

[Net Sales Trends (Unit: billion yen)**]**



[Operating Profit Trends (Unit: billion yen)**]**



Electronic and Functional Products Business | Films and Sheetings Products Business
Construction Materials Related Business | Engineering Business | New Business | Consolidated adjustment amount

● Focus Area 1: Electronics

In the Electronics focus area, we have designated the growth markets of semiconductors and electronic devices as strategic market segments. In areas where higher performance and higher density are advancing, we will leverage the strengths of our One & Only products and technologies to enhance added value and aim to achieve growth through the creation of new businesses.

Strategic Market Segments	Market Environment	Growth Drivers (★: New)
Semiconductors	● Expansion of data center investment centered on GPUs and HBM for AI servers, and growing demand for higher integration in advanced semiconductors ● Advancement of encapsulation processes accompanying the expansion of advanced packages, and growing demand for high heat resistance and high reliability in materials	● Chemicals for Semiconductor Materials ● Chemicals for Resists ● Mold Cleaner ● Process Materials for Semiconductor Manufacturing★
Electronic Devices	● 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 ● Growing demand for high heat resistance and high reliability in materials against the background of expansion in automotive applications	● Chemicals for Electronic Materials ● Thin Ceramic Substrates for Electronic Components★

[Growth Drivers]

Semiconductors



Chemicals for Semiconductor Materials
(Electronic and Functional Products Business / Functional Chemicals)



Mold Cleaner
(Electronic and Functional Products Business / Electronic Materials)



Chemicals for Resists
(Electronic and Functional Products Business / Functional Chemicals)



Process Materials for Semiconductor Manufacturing★

Electronic Devices



Chemicals for Electronic Materials
(Electronic and Functional Products Business / Functional Chemicals)



Thin Ceramic Substrates for Electronic Components★
(Electronic and Functional Products Business / Electronic Materials)

● Focus Area 2: Safety

In the Safety focus area, we have designated Environment, Life, and Mobility, which are closely related to people’s lives, as strategic market segments. In areas where safety and environmental requirements are increasing, we will leverage the strengths of our One & Only products and technologies to expand globally and aim to achieve growth through the creation of new businesses.

Strategic Market Segments	Market Environment	Growth Drivers (★: New)
Environment	● Growing demand for environmentally friendly components, such as paintless components and alternatives to plating, against the background of stricter environmental regulations ● In the steel field, active investment is underway to drive transformation during the transition to carbon neutrality	● Coating Agents for EVs ● Environmentally Friendly Decorative Mold Products ● Carbon Neutral Transition Facilities
Life	● Growing demand for safety and high quality against the background of increasing healthcare awareness in each country ● Growing demand for high purity and stable supply in the agricultural chemicals field	● Chemicals for Pharmaceuticals and Agricultural Chemicals★ ● Raw Materials for Medical Products ● High Strength, High Functional Handrails
Mobility	● Progress in diverse drive systems in automobiles, such as EVs and HEVs ● Further progress in motorization in emerging countries	● Retroreflective Sheetings for License Plates ● Next Generation High Functional Films

[Growth Drivers]

Environment



Coating Agents for EVs
(Electronic 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★
(Electronic and Functional Products Business / Functional Chemicals)



Raw Materials for Medical Products
(Electronic 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)

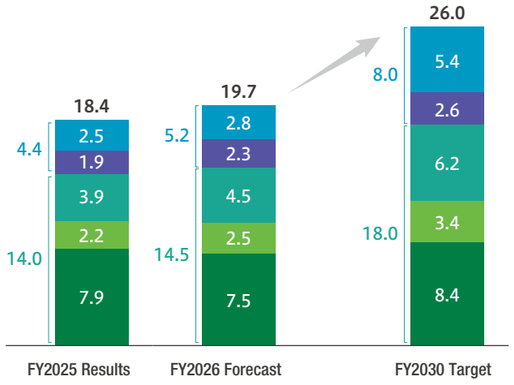
Growth Outlook for Growth Drivers in Focus Areas

For our growth drivers as a whole, we aim to expand net sales to ¥26.0 billion and operating profit to ¥6.0 billion by FY2030. By focus area, we expect net sales of ¥8.0 billion and operating profit of ¥2.0 billion in Electronics, and net sales of ¥18.0 billion and operating profit of ¥4.0 billion in Safety.

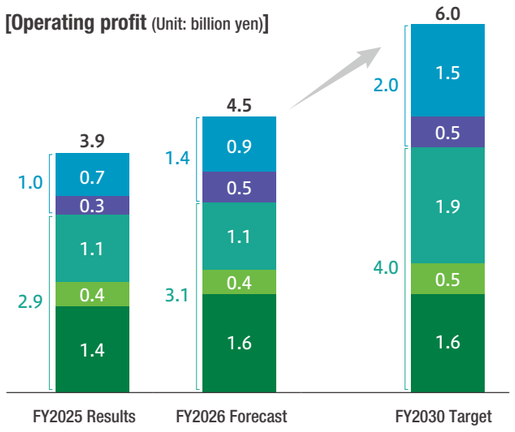
[For growth drivers overall, The Company aims to achieve the following by the end of FY2030]

	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

[Net sales (Unit: billion yen)**]**



[Operating profit (Unit: billion yen)**]**

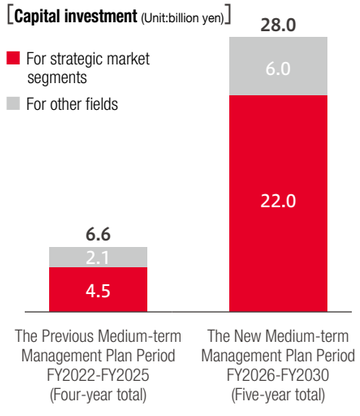


Electronics area ■ Semiconductors ■ Electronic devices Safety area ■ Environment ■ Life ■ Mobility

Capital Investment

Under the new Medium-term Management Plan, we plan capital expenditures totaling ¥28.0 billion over five years, a substantial increase compared with the actual amount during the previous Medium-term Management Plan period. Of this amount, we plan to invest ¥22.0 billion in strategic market segments.

[Capital investment (Unit:billion yen)**]**



Major investment plans for strategic market segments

Annual average **1.7 billion yen** ↓ **5.6 billion yen**

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

Initiatives to Support Growth Strategies

We will support our growth strategy through four initiatives: Acceleration of R&D, Promotion of SDGs Management, Promotion of DX, and Ensuring Compliance. Although these initiatives have continued from the previous Medium-term Management Plan, we consider them essential measures for achieving sustainable growth and will further strengthen them.

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

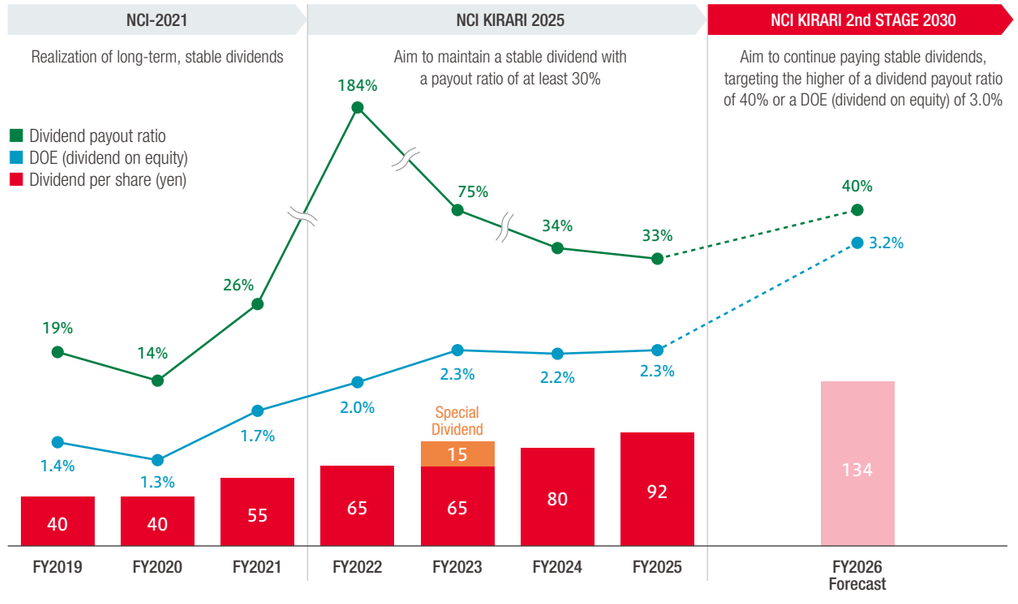
Thoroughly implement "bad news first" and further strengthen efforts to ensure compliance as a management foundation

[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: 10% for the domestic group including The Company, and 10% for The Company

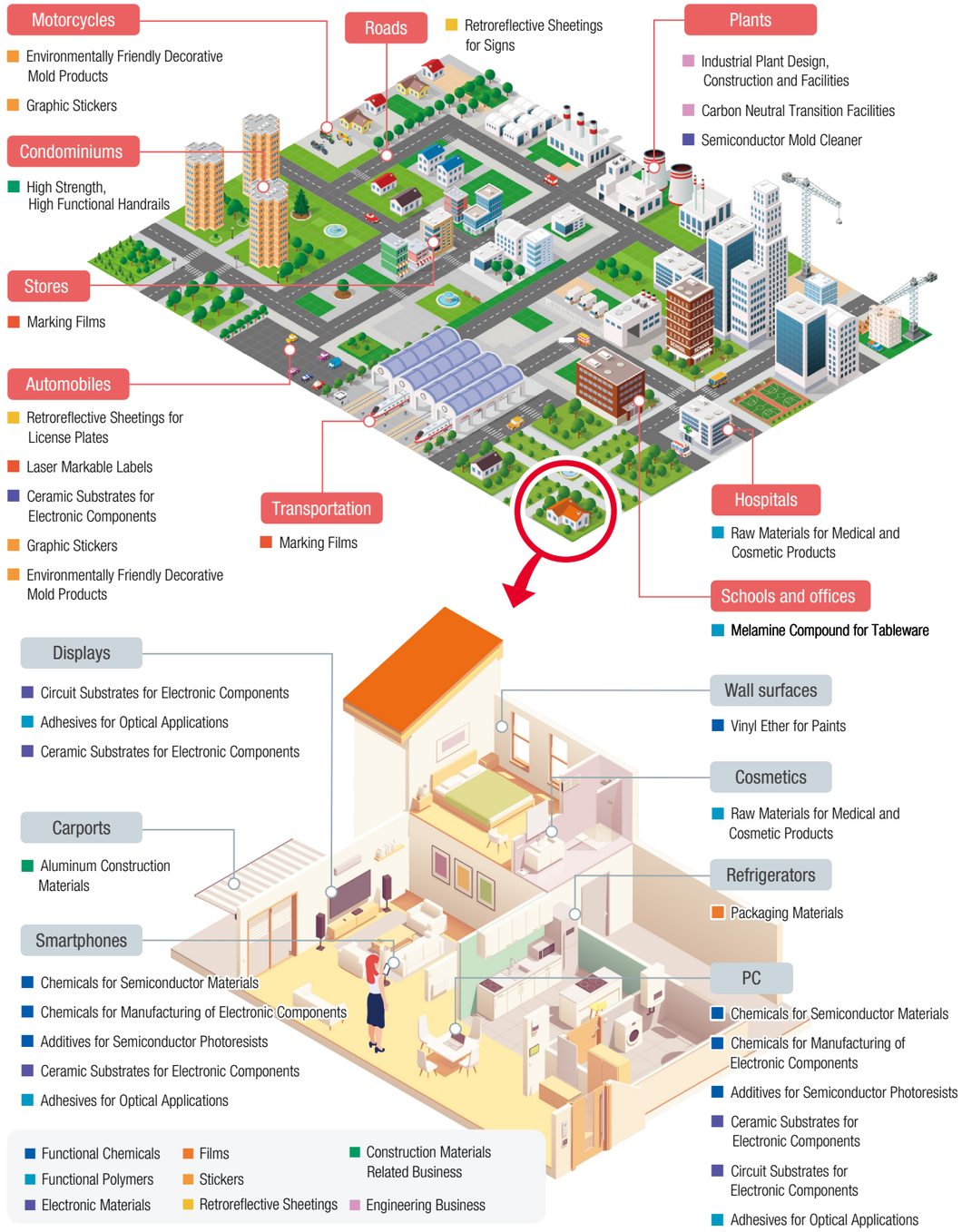
Shareholder Return Policy

As already announced in our timely disclosure dated March 13, we revised our shareholder return policy for the period of the new Medium-term Management Plan with the aims of strengthening shareholder returns and raising the level of stable dividends. We will aim to maintain a stable dividend, with a target of the higher of a dividend payout ratio of 40% or DOE (dividend on equity) of 3.0%.



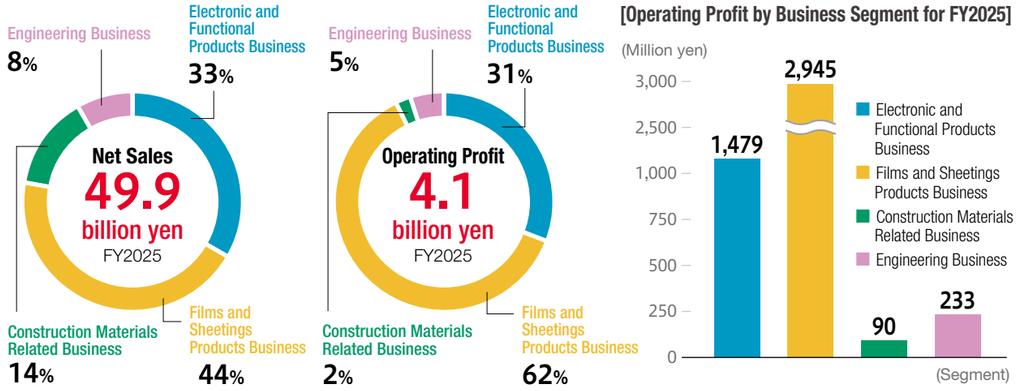
Our Products for Everyday Life

The Group's products have been created through the fusion of our core technologies of "Resin Polymerizing Technology," "Films and Sheetings Technology," and "Ceramic Firing Technology". Our products are used throughout society and contribute to the lives of people around the world.



Four Businesses Supporting Nippon Carbide

The Group's business is divided into four segments, namely, the Electronic and Functional Products Business, the Films and Sheetings Products Business, the Construction Materials Related Business, and the Engineering Business, each of which develops and manufactures a variety of products.



*Note: Percentages may not add up to 100% due to rounding.

Electronic and Functional Products Business

Functional Chemicals

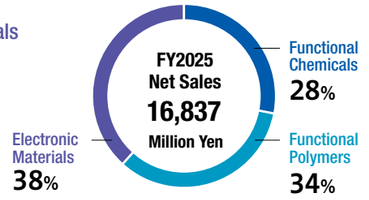
- Vinyl Ether
- Chemicals for Semiconductor Materials
- Chemicals for Manufacturing of Electronic Components
- Additives for Semiconductor Photoresists

Functional Polymers

- Adhesives for Optical Applications
- Raw Materials for Medical and Cosmetic Products
- Melamine Compound for Tableware

Electronic Materials

- Ceramic Substrates for Electronic Components
- Circuit Substrates for Electronic Components
- Semiconductor Mold Cleaner



Films and Sheetings Products Business

Films

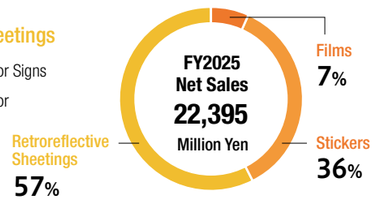
- Marking Films
- Laser Markable Labels
- Packaging Materials

Stickers

- Graphic Stickers
- Environmentally Friendly Decorative Mold Products

Retroreflective Sheetings

- Retroreflective Sheetings for Signs
- Retroreflective Sheetings for License Plates



Construction Materials Related Business

FY2025 Net Sales
7,109 Million Yen

- Resin Extrusion Molded Products
- Aluminum Construction Materials
- High Strength, High Functional Handrails

Engineering Business

FY2025 Net Sales
4,041 Million Yen

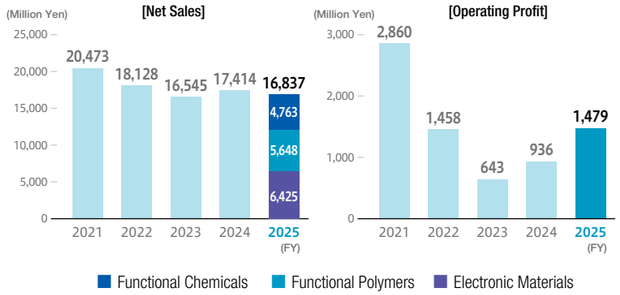
- Industrial Plant Design, Construction and Facilities
- Carbon Neutral Transition Facilities

*The products listed are major products.

Business Performance by Segment

Electronic and Functional Products Business

Performance Trend



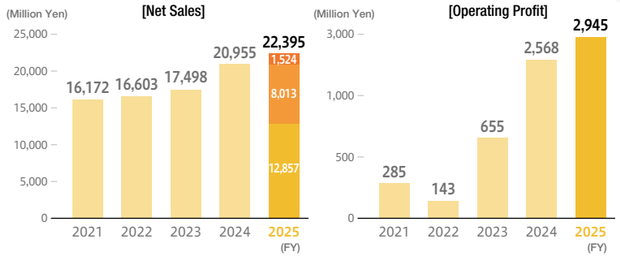
Functional Chemicals ■ Functional Polymers ■ Electronic Materials

FY2025 Overview

This segment recorded higher net sales and profit compared to the previous period. Functional Chemicals recorded increases in both net sales and profit year on year, reflecting increased shipments of products for pharmaceuticals and agricultural chemicals, increased shipments of products for semiconductors accompanying the gradual recovery of the electronics market, and the positive impact on profit/loss of product price revisions. Functional Polymers recorded decreases in both net sales and profit year on year. Although shipments of raw materials for pharmaceutical products increased due to sales expansion in China, shipments of Adhesives for Optical Related Fields decreased due to intensified competition in the Chinese market. Electronic Materials recorded increases in both net sales and profit year on year, reflecting increased demand for products for electronic components, as well as the positive impact on profit/loss of product price revisions and exchange rates.

Films and Sheetings Products Business

Performance Trend



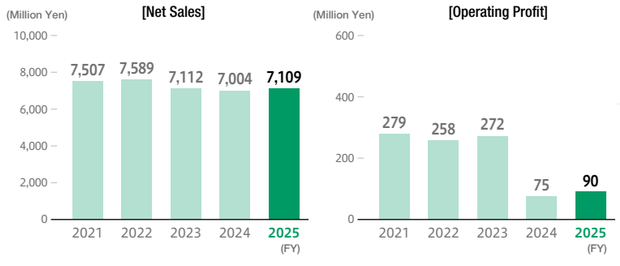
Films ■ Stickers ■ Retroreflective Sheetings

FY2025 Overview

This segment recorded higher net sales and profit compared to the previous period. Films recorded increases in both net sales and profit year on year due to increased shipments of laser marking labels as a result of sales expansion in China. Stickers recorded increases in both net sales and profit year on year, reflecting increased shipments of 3D Emblems for automobiles due to sales expansion in the United States, increased shipments of motorcycle-related products resulting from higher motorcycle production in Brazil, and the positive impact on profit/loss of exchange rates. Retroreflective Sheetings recorded increases in both net sales and profit year on year, as increased shipments of products for license plates and the positive impact on profit/loss of exchange rates more than offset the negative impact on profit/loss of the additional U.S. tariffs.

Construction Materials Related Business

Performance Trend

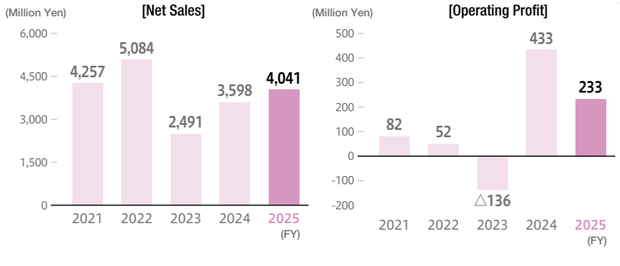


FY2025 Overview

Although higher raw material prices resulting from the surge in aluminum ingot prices had a negative impact on profit/loss, sales of High Strength, High Functional Handrails increased, resulting in increases in both net sales and profit for the segment.

Engineering Business

Performance Trend



FY2025 Overview

Sales increased due to the expansion of the EPC business (a business that undertakes all three stages of Engineering, Procurement, and Construction), while profitability declined due to factors including rising material prices, resulting in higher net sales but lower profit for the segment.

Business Strategy by Segment

Electronic and Functional Products Business



Electronic and
Functional Products Division
Senior General Manager
Kawamura Tatsuya

Business Strategy

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

Main Products



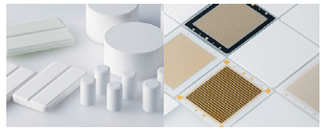
Functional Chemicals

- Vinyl Ether
- Chemicals for Semiconductor Materials
- Chemicals for Manufacturing of Electronic Components
- Additives for Semiconductor Photoresists



Functional Polymers

- Adhesives for Optical Applications
- Raw Materials for Medical and Cosmetic Products
- Melamine Compound for Tableware



Electronic Materials

- Ceramic Substrates for Electronic Components
- Circuit Substrates for Electronic Components
- Semiconductor Mold Cleaner

Growth Drivers

	Products	Applications	Characteristics
Functional Chemicals	Chemicals for Semiconductor Materials / Chemicals for Electronic Materials	Surface treatment agents for semiconductor substrates and additives for encapsulating resins. By preventing corrosion of metal surfaces used for wiring and improving adhesion to resins, these products contribute to improved reliability, higher speeds, and lower power consumption of semiconductors as they become increasingly miniaturized and multilayered.	Our synthesis and refining technologies achieve the high purity, high quality, and high functionality demanded by customers.
	Chemicals for Resists	Additives for photoresists, photosensitive interlayer insulating resins, and anti-reflective coatings used to form wiring patterns in semiconductor integrated circuits.	Our integrated production system from synthesis through refining and advanced quality control enables us to achieve high purity and control metal impurities at the 10 ppb level for additives used in negative photoresists.
	Chemicals for Pharmaceuticals and Agricultural Chemicals	Agricultural chemicals, pharmaceuticals, and their intermediates.	High purity and impurity control ensure stable performance and reliability tailored to specific applications.
Functional Polymers	Coating Agents for EVs	Coating agents for components that contribute to improving the quality of steel sheets.	The development of highly weather-resistant and heat-resistant resins ensures stable performance even under harsh environmental conditions.
	Raw Materials for Medical Products	Poultice, etc.	Registered in the "Drug Master File (DMF)" and can be supplied for pharmaceutical products
Electronic Materials	Thin Ceramic Substrates for Electronic Components	Substrates used for miniature chip resistors.	By optimizing the manufacturing process, we achieve both high strength and excellent surface smoothness, contributing to higher added value for miniature chip resistors.
	Mold Cleaner	Cleaning materials for molds used in the semiconductor manufacturing process	Our high cleaning performance contributes to greater efficiency in the mold cleaning process.

Films and Sheetings Products Business



Advanced Films Division
Senior General Manager
Miyake Hiroshi

Business Strategy

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

Main Products



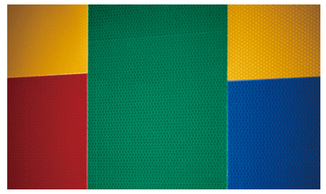
■ Films

- Marking Films
- Laser Markable Labels
- Packaging Materials



■ Stickers

- Graphic Stickers
- Environmentally Friendly Decorative Mold Products



■ Retroreflective Sheetings

- Retroreflective Sheetings for Signs
- Retroreflective Sheetings for License Plates

Growth Drivers

	Products	Applications	Characteristics
Films	Next Generation High Functional Films	Traceability and tamper-evident labels for automobile bodies and parts	We offer films for tamper-evident labels by imparting self-destructive properties.
Stickers	Environmentally Friendly Decorative Mold Products	Emblems for motorcycles and automobiles, emblems for outdoor use	Highly flexible with excellent contour-following capability, they can accommodate not only continuous text but also individual letters separated one by one and diverse designs.
Retroreflective Sheetings	Retroreflective Sheetings for License Plates	Automobile license plates	Based on product designs that ensure stable retroreflective performance and maintain high visibility even after design printing, we meet diverse requirements, including security and durability.

Memo

What is Retroreflection?

A reflection phenomenon in which incident light returns to the direction of incidence



Construction Materials Related Business



VINYFRAME INDUSTRY CO., LTD.
Representative Director,
President
Yoshizawa Nobutaka

Business Strategy

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”

Main Products





- Resin Extrusion Molded Products
- Aluminum Construction Materials
- High Strength, High Functional Handrails

Growth Drivers

Products	High Strength, High Functional Handrails
Applications	For high-rise buildings such as tower condominiums
Characteristics	High strength makes it resistant to damages caused by typhoons and other strong winds, and there are many design variations.

Engineering Business



DIAMOND ENGINEERING CO., LTD.
Representative Director,
President
Higashihara Takao

Business Strategy

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

Main Products



- Industrial Plant Design, Construction, and Facilities
- Carbon Neutral Transition Facilities

Growth Drivers

Products	Carbon Neutral Transition Facilities
Applications	Innovative facilities supporting the carbon-neutral transition in the steel and power industries.
Characteristics	We are expanding our contribution to GHG emissions reduction mainly through our high-precision Powder Conveying and Blowing Technology.

SDGs Management Initiatives

Sustainability Approaches and Initiatives

From a long-term perspective, The Group has defined what we want to be in 2030 as “A Corporate Group of Outstanding Value that Contributes to a Sustainable Society.” In this context, we consider the SDGs as an important goal for sustainability management, and have established materialities that are closely related to our mission of "Creating new value with our technological capability, we help make society more prosperous," and that will lead to our contribution to the SDGs. We will provide a wide range of valuable products by mastering and integrating the technologies we have cultivated over the years, and by realizing the materialities, we will strive to sustainably enhance our corporate value and realize a sustainable society.

Five Materialities



About the SDGs Promotion Committee

To address our material issues, we are working on SDGs management through the establishment of the SDGs Promotion Committee, chaired by the Representative Director, President and comprising all executive officers and presidents of major Group companies as well as the subcommittees under the Committee to examine and promote initiatives for each material issue. The subcommittees consist primarily of senior managers from relevant organizations across The Group, including Group companies, ensuring a cross-functional approach to each material issue. In principle, subcommittee meetings are held quarterly to identify challenges and monitor progress toward achieving their objectives by implementing the PDCA cycle. The activities of the subcommittees are reported twice a year to the SDGs Promotion Committee, which discusses the direction and progress of the activities, and the content discussed by the SDGs Promotion Committee is reported to the Board of Directors for discussion and progress monitoring.

SDGs Promotion Committee Structure

SDGs Promotion Committee	
Chairman	Representative Director, President & CEO
Vice-Chairman	Representative Director, Managing Executive Officer & CFO
Committee Members	All executive officers, presidents of major group companies

Subcommittees

- Development of social and industrial digital infrastructure
- Realization of healthy living and a safe and secure society
- Achieving carbon neutrality
- Coexistence and co-prosperity with local communities
- Increased feeling of satisfaction and reward for employees

Materiality Identification Process

STEP1 Identification of Issues
Identify issues closely related to the realization of The Group's Mission (Creating new value with our technological capability, we help make society more prosperous), based on social issues and market trends.

STEP2 Determination of Importance
Determine the importance based on interviews with outside experts

STEP3 Identification of Materialities
Identify materialities through consultation with the Board of Directors on issues of high importance

STEP4 Review
Review materialities as needed and as appropriate

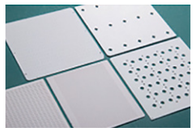
Realization and Contribution Through Business Activities

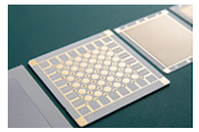
Area/Field	Society's Interests and Needs	Materiality	Future Actions	Related SDGs
Electronics	●Improvement of convenience through AI ●Promotion of labor-saving through robotics	Development of social and industrial digital infrastructure	Further expansion of sales of contributing products and continuous launch of new contributing products toward realizing materialities	9, 11, 12
Safety	●Preparation for uncertainty ●Extension of healthy life expectancy	Realization of healthy living and a safe and secure society		3
	●Transition to an industrial structure based on the assumption of a carbon tax ●Full-scale use of renewable energy	Achieving carbon neutrality		7, 9, 11, 13

Specific Product Examples

■ Development of social and industrial digital infrastructure


Chemicals for Electronic Materials


Ceramic Substrates for Electronic Components


Circuit Substrates for Electronic Components


Adhesive for Displays

■ Realization of healthy living and a safe and secure society


Retroreflective Sheetings for License Plates


Binders for Poultice


Aluminum Handrails

■ Achieving carbon neutrality


Carbon Neutral Transition Facilities


EV Components

Realization and Contribution Through Corporate Activities

Area/Field	Society's Interests and Needs	Materiality	Future Actions	Related SDGs
Environment	●Consideration for the natural environment ●Reduction of environmental impact ●Decarbonization across the entire supply chain	Achieving carbon neutrality	Achieving carbon neutrality through the expansion of energy-saving investments and the promotion of fuel conversion	7, 9, 11, 13
Region	●Revitalization of local communities ●Creation of employment in local communities ●Addressing environmental issues in local communities	Coexistence and co-prosperity with local communities	Further enhancement of awareness of The Company through the use of major local facilities	11
Employees	●Human capital management ●Achieving work-life balance ●Promotion of health management	Increased feeling of satisfaction and reward for employees	Development of diverse human resources who can play active roles globally, and expansion of growth opportunities	4, 5, 8

Environment

Achieving carbon neutrality

Environmental Policy

We shall actively work to preserve the global environment and strive to preserve the environment in all of our corporate activities.

Based on this environmental policy, The Group's code of conduct regarding the environment, which all directors and employees must comply with, is "We shall comply with environmental laws and regulations, always pay attention to environmental preservation, and cooperate with The Company's measures to reduce the burden on the environment at every stage of our operations, from technology development, product design, procurement, production, sales, transportation, use and disposal, to recovery."

● Disclosure of Information on Climate Change Response

In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), The Group conducts appropriate information disclosures on “Governance,” “Risk Management,” “Strategy,” and “Metrics and Targets”. By recognizing and analyzing the risks and opportunities of climate change, we will take concrete measures and take action toward the early realization of a decarbonized society.

■ Governance

Climate change-related issues are discussed by the Risk Management Committee and reported regularly to the Board of Directors. The Risk Management Committee has put in place a system to deal with climate change in an appropriate manner by establishing the TCFD Promotion Team as a working-level discussion and response organization to deal with climate change-related issues. The Board of Directors receives the reports, conducts monitoring and continuously supervises activities aimed at addressing climate change, and setting and achieving GHG reduction targets.

■ Risk Management

The Risk Management Committee, with the Corporate Planning Department acting as its secretariat, has established a system to appropriately address important risk issues related to sustainability in general. The Risk Management Committee identifies important risks each year and determines which departments and divisions are responsible for addressing them. The Risk Management Committee meets four times a year to receive reports on countermeasures, action plans, progress, etc., for each issue from the department or division in charge, and to reduce risks through deliberations at meetings attended by all executive officers. The Board of Directors is in a position to supervise the Risk Management Committee, receiving reports twice a year from the committee, and is involved in overall risk activities, including basic risk management policies, identification of important risks, determination of important measures, monitoring of measures and instructions for improvement.

■ Strategy

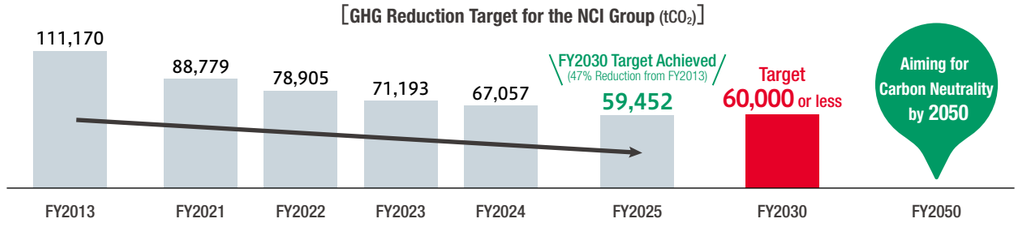
The Group aims to grow sustainably with society through contributing to resolutions of issues related to climate change impacts and mitigation and other climate change-related issues, and recognizes that addressing climate change is an important sustainability issue. We have examined the risks and opportunities of climate change impacts under the scenarios of average temperatures of "4 " and "less than 2 ." As a result, we have identified risks including the introduction of carbon tax, increased energy costs, increased investment in renewable energy and energy-saving facilities, and damage to facilities due to more severe natural disasters. In addition, we are expecting opportunities including increased demand for decarbonization facilities and zero-carbon steel, increased EV-related demand, and increased demand for hydrogen fuel production facilities.
The Group will continue to mitigate risks by responding in a timely manner to changes in global warming policies and other factors, and aim for sustainable growth and increased corporate value through initiatives that contribute to further mitigating the effects of climate change.

● Overview of Risks and Opportunities Related to Climate Change

Type		Description	Impact	Response
Transition Risks	Policy and Regulation	●Rise in energy and raw material costs due to the introduction of carbon tax	Medium	●Active promotion of energy-saving activities ●Introduction of solar power generation ●Conversion to renewable energy ●Scope 3 reductions through collaboration with suppliers ●Price pass-through
		●Increase in capital investment and other costs to implement measures in order to achieve GHG emission reduction targets		●Formulation of a capital investment plan
	Market	●Intensifying competition with entrant manufacturers in terms of technology and cost toward establishing new manufacturing methods for key products ●Increase in logistics costs due to higher energy prices	Medium	●Promoting the investigation and establishment of new manufacturing methods ●Encouraging delivery companies to adopt EVs ●Review of delivery methods
	Technology	●Declining competitiveness due to delays in research and development of new technologies	Medium	●Promoting research and development of new technologies to address climate change
	Reputation	●Due to strengthened measures by our business partners, a decline in product demand resulting from delays in GHG emissions reduction	Small	●Reliable achievement of GHG emission reduction targets
Physical Risks	Chronic	●Increase in cooling costs due to higher average temperatures	Small	●Increase in cooling efficiency (e.g., by switching equipment)
	Acute	●Water damage at production facilities and disruption of supply chains due to severe flooding caused by intensifying extreme weather events	Large	●Assessment of disaster risk levels at each site ●Review and strengthening of disaster prevention measures tailored to each risk level
Opportunities	Resource Efficiency	●Reduced energy costs through the introduction of new energy-saving and renewable energy technologies	Medium	●Achieving increased competitiveness through proactive introduction of new technology
	Reputation	●Increase in sales by switching to a product lineup with higher added value in terms of environmental aspects	Medium	●Timely product development ●Preparation of production capacity to meet demand
	Products, Services, etc.	●Increase in EV-related demand ●Increase in demand for decarbonization equipment and zero-carbon steel ●Increase in demand for hydrogen fuel production facilities	Medium	●Timely product development ●Preparation of production capacity to meet demand

● GHG Emissions Reduction Targets, Metrics, and Initiatives

The NCI Group is working to reduce GHG emissions as part of its efforts to prevent global warming and aims to achieve carbon neutrality by 2050. Specifically, we are promoting the use of renewable energy sources such as solar power generation, improving process efficiency, recovering and reusing waste heat, switching fuels, introducing energy-efficient equipment, and transitioning to green electricity.In FY2025, five domestic Group companies, including our main production sites, the Uozu and Hayatsuki Plants (Toyama Prefecture), switched entirely to green electricity. In addition, solar power generation systems were installed at our overseas production sites, ELECTRO-CERAMICS (THAILAND) CO.,LTD. and NIPPON CARBIDE INDUSTRIES (HANGZHOU) CO., LTD., with solar power supplying a portion of the electricity used at each plant. As a result, we achieved ahead of schedule our FY2030 target of reducing GHG emissions by 46% compared with FY2013.
Furthermore, the Kyoto Plant switched entirely to green electricity in April 2026. As the GHG emissions reduction measures implemented in FY2025 will contribute for the full year, we expect GHG emissions in FY2026 to decrease by approximately 4,000 tons compared with FY2025. We will continue to implement emissions reduction measures and advance initiatives toward achieving carbon neutrality by 2050.



Human Capital

Increased feeling of satisfaction and reward for employees

● Human Capital Policy

The Group regards human capital as the foundation of all business activities and is committed to securing and developing diverse talent. We believe that, in order to create new markets and develop innovative products, it is essential for each employee to enhance their expertise and for The Group to provide an environment in which employees can fully demonstrate their capabilities across organizational boundaries.

● Human Capital Strategy

To realize what we want to be in 2030, The Group will contribute to a sustainable society and achieve sustainable growth by advancing its One & Only technologies and delivering products with One & Only value.
To this end, it is important to improve our technology level, add value to our products, expand our supply capacity through capital investment, and develop new markets and create new products in the strategic markets of our focus areas. We will also focus on market development using our global bases.
In order to realize these business strategies, we will steadily implement the following measures: "systematic development of business leaders and global leaders," "securing and developing outstanding talent," "fostering an organizational culture that takes on the challenge of new initiatives and accomplishes them with 'One-NCI'," and "creating a comfortable work environment where employees can fully demonstrate their abilities."

● Systematic Development of Business Leaders and Global Leaders

For the expansion of The Group's business, it is essential to develop business leaders and global leaders who can explore new markets and create new products. We are developing business leaders and global leaders through the Next Generation Management Development Program and the Global Talent Development Program.

■ Next Generation Management Development Program (starting in FY2021)

	Training Steps	Objective	Key to development (example)	Results	Cumulative Target	
				FY2021-2025	FY2025	FY2030
CEO / Director, Executive Officer, CXO	4 (3 years)	Management development (Succession of CEOs, CXOs, and Executive Officers)	●Change industry/company ●Practice business transformation/business creation ●Direct coaching by the CEO, mentoring by the Board of Directors	30	30	50
General Manager level	3	Leader development (Succession Planning for General Managers and Group Company Executives)	●Change business ●Practice vision formation/strategic thinking ●Rotation (overseas, different fields, affiliated company executives, etc.)	33	33	53
Section Manager level	2	Enhancing Management Skills Among Managers	●Change workplace ●Practice problem finding/problem solving ●Rotation (overseas, different fields, etc.)	57	60	100
Non-management level	1	Identification and development of high-potential human resources	●Change job ●Practice logical/hypothetical thinking ●Basics of problem finding/problem solving ●Rotation (e.g., overseas experience)	81	62	122
The number of participants in the program is the cumulative total number of participants / Total				201	185	325

■ Global Talent Development Program

We operate a global human resources development program aimed at developing employees who can think and act from a global perspective, regardless of the country or region in which they work. We seek to develop human resources who possess the communication skills and ability to collaborate needed to build relationships of trust with people of different languages, cultures, and values, as well as the ability to create new value and an awareness of contributing to society with the next generation in mind. This program is positioned as the next development program following our young employee development program and is offered to employees ranging from younger to mid-career personnel. We also provide ongoing support, including a subsidy program, for employees who undertake self-development to improve their language skills.

● Securing and Developing Outstanding Talent

Recruiting Outstanding Talent (Recruitment and Retention)

As competition for talent intensifies and workforce mobility continues to increase, we aim to make The Company a place where diverse and talented people can gather. When conducting new graduate and career recruitment, we will continue to carefully provide job applicants with the information each of them needs to know so that they can join The Company with a sense of satisfaction. In addition, we are strengthening mid-career recruitment in order to hire personnel with diverse experience, knowledge, and expertise, while continuing to operate our Job Return Program. Through this program, we are enhancing and expanding our systems to meet the needs of individuals who wish to build a long-term career with the NCI Group after gaining experience at multiple companies. Furthermore, as a recruitment target to promote workforce diversity, we aim to achieve a female hiring ratio of 30% or higher.

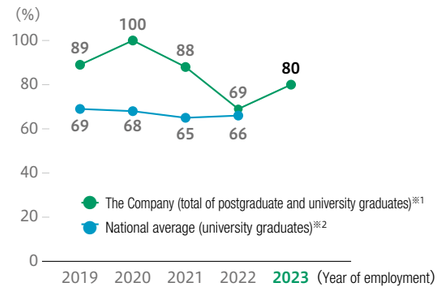
Systematic Talent Development

The Company is working in unison from the person in charge of education to all executive officers to develop young employees through the operation of the young employee development program and other measures aimed at fostering top-notch engineers and other excellent human resources.

■ Retention Rate of New Employees

When new employees with graduate or undergraduate degrees join The Company, a training supervisor and tutor are appointed under the Young Employee Development Program, and their development begins with the aim of helping them grow into first-rate professionals. Human Resources Department staff also conduct regular interviews to establish a system for identifying at an early stage any concerns or issues related to work, the workplace environment, interpersonal relationships, or daily life. When problems or concerns are identified, support is provided toward resolving them in cooperation with the employee's department. Through this close follow-up provided jointly by each department and the Human Resources Department, we have created an environment in which new employees can continue working with peace of mind, contributing to the maintenance of a high retention rate.

[Three-Year Retention Rate of New Graduate Hires]



*1 Percentage of new graduates hired in April of each year who are still with The Company 3 years later.
*2 Ministry of Health, Labour and Welfare, Job Turnover of New Graduates (March 2022 Graduates)(Published in October 2025)
(figures are rounded to the nearest whole number)

■ Young Employee Development Program

To help young employees grow into first-class human resources, we have implemented a young employee development program. We set individual mid- to long-term future visions (outlines) for training, create a one-year training plan each year, and provide daily work guidance by the person in charge of education. In addition, based on the policy that the entire Company, including management, is responsible for training young employees, once a year, we have young employees present their achievements for the year and the person in charge of education present the training policy and the progress of the training plan at a debriefing session attended by all executive officers. Executive officers confirm the growth of young employees and provide necessary advice and guidance to young employees and persons in charge of training, thereby strengthening The Company's training capabilities.

■ Talent Development Initiatives at the R&D Center

In order to pursue technologies of outstanding value, we are making efforts to improve our technical capabilities through R&D discussion meetings, technical study sessions, patent education, and CI activities.

❶ R&D Discussion Meetings

For researchers ranging from those responsible for development themes to mid-career researchers, we conduct activities in which they present the content and challenges of the development themes they are working on and receive opinions and advice from other researchers, thereby fostering more diverse perspectives and accelerating research.

❷ Technical Study Sessions

Researchers of mid-career and above are invited to conduct research on products, technologies, and markets of interest to them, production technologies for commercialization, as well as technologies that could be used by The Company to create new products, and to present their findings. The purpose of this activity is to deepen technological knowledge outside of one's own field of expertise and to take advantage of synergies.

❸ Patent Education

To gather technical information through patent searches and promote the acquisition of intellectual property rights by The Company, we provide practical intellectual property education, particularly for young researchers, with the goal of filing patent applications.

❹ CI (Creation/Innovation) Activities

We are conducting free research activities by teams composed of researchers from different technical fields, with the goal of creating new themes that should become new growth drivers for The Company.

● Fostering an organizational culture that takes on the challenge of new initiatives and accomplishes them with One-NCI

Ensuring Diversity

We believe that in order to innovate, increase corporate value, and achieve sustainable growth, it is important to respect the individuality of each employee, and to enable human resources with diverse experience, knowledge, and expertise to freely express their ideas and play an active role, regardless of gender, nationality, or age. We further believe that it is important for employees to be able to exercise their abilities to the fullest by providing support and fair opportunities that take into consideration the differences of each employee and his/her situation. We will work to foster an organizational culture and strengthen our organizational structure to realize these goals.

■ Establishment of KPIs to Ensure Diversity

One of the key issues in our medium-term management plan is "promotion of diversity," and we have set KPIs for the utilization of female, non-Japanese, and career hires.Regarding the challenge of increasing the proportion of women in management positions, we are implementing measures such as ensuring a minimum of 30% female representation in new hires, establishing a new DE&I Diversity, Equity & Inclusion Promotion Team to support the career development of female employees, and setting specific targets for each company within The Group.

■ Operation of Childcare/Nursing Care Leave System

We operate childcare and family-care leave systems with the aim of minimizing career interruptions caused by life events such as childbirth, childcare, and family care, thereby enabling the continued utilization of human resources.
[Childcare Leave Take-up Rate] The Company: Women 100%, Men 79%; Domestic Group including The Company: Women 100%, Men 76%

■ Establishment and Activities of the DE&I Promotion Team

We have established a cross-functional DE&I Promotion Team to review whether our systems and practices are premised on particular working styles or employee attributes and to create an environment in which diverse human resources can demonstrate their capabilities. The team identifies issues that need to be addressed to create a workplace where diverse employees, including women, foreign nationals, persons with disabilities, and older employees, can work comfortably, and continuously considers necessary revisions to systems and practices.

■ Initiatives for Employment of the Elderly

With the aim of continuously utilizing personnel with experience and expertise, we operate a reemployment system under which employees may be reemployed until the age of 65 after the mandatory retirement age of 60. We assign personnel based on their roles and contributions and, while taking generational succession into consideration, make appointments regardless of age from the perspective of assigning the right person to the right position, including appointing employees to key positions such as department general manager when necessary. We also have a system under which personnel deemed necessary for business operations may be reemployed from age 65 up to age 70. In this way, we are creating an environment in which older employees can continue working with motivation and strengthening the utilization of older personnel.

■ Diversity KPI Ratio of female managers

Classification	Actual			Target	
	FY2023	FY2024	FY2025	FY2025	FY2030
Domestic Group including The Company	4.8%	5.3%	6.6%	5%	10%
The Company	2.2%	3.7%	5.7%	5%	10%

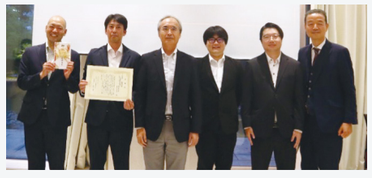
(Note) Issues and measures related to diversity vary significantly depending on the legal systems, labor markets, cultures, and customs of each country. To promote highly effective human resources strategies tailored to the circumstances of each country, rather than applying uniform KPIs across the entire Group, we have changed the scope of our targets to the Domestic Group only.

A Personnel System That Places Importance on Challenges

We provide fair personnel treatment through a personnel system that motivates employees to take on challenges, so that each and every employee can feel a sense of fulfilment and work with vitality. In addition, we have an internal entry system, internal job openings, and self-assessment sheets that enable the right people to take on the work they want to do at the right place at the right time.

Initiatives for Value Creation: Internal Recognition Program "NCI Group Award"

▼ Electronic and Functional Products Division, Functional Chemicals BU



In the Functional Chemicals BU, each employee embraced a spirit of challenge as we promoted the development of a business portfolio with an awareness of product life cycles, centered on three pillars: expanding existing businesses, developing new markets and customers, and creating new products. These activities, together with the achievement of record-high results for the second consecutive year, were highly evaluated, and the BU received the Grand Award. In developing new markets and customers, we are steadily expanding opportunities to create new themes by enhancing evaluation data from the customer's perspective and strengthening proposal activities through integrated efforts by sales, manufacturing, and technical personnel. Underpinning these initiatives is an organizational culture in which each individual acts proactively without fear of failure or change. Through thorough discussions, we are also fostering the growth of both individuals and the organization. We will continue to take on challenges as a united organization as we pursue sustainable growth.

● Creating a Comfortable Work Environment in Which Employees Can Fully Demonstrate Their Abilities

Creating a Comfortable Work Environment

We regard the development of the workplace environment as an important human capital issue that provides the foundation for employees to continuously demonstrate their capabilities. Through regular engagement surveys, we assess the current situation and work to improve the workplace and promote autonomous and efficient ways of working. We are also taking steps to maintain fair and transparent treatment and to enhance employees' sense of participation in increasing corporate value through the employee stock ownership plan. By balancing productivity with a comfortable working environment while taking individual circumstances into consideration, we are working to create a workplace environment in which employees can fully demonstrate their capabilities.

Promoting the Realization of Work-Life Balance

Promotion of autonomous and efficient work styles (flextime system, WFH system)	Promotion of a well-balanced work style (Promotion of taking paid leave)	Support for employees raising children (Shorter working hours for childcare)

■ Policy on Wages and Benefits

We operate fair and transparent compensation and benefits systems, taking into account the external environment and internal compensation levels, so that each employee can fully demonstrate their capabilities. We regularly monitor price trends and changes in the labor market and make appropriate wage revisions with the aim of achieving appropriate compensation levels. We also provide long-term incentives through the employee stock ownership plan so that each employee can proactively participate in enhancing corporate value.

■ Employee Engagement Survey and Workplace Improvement Activities

We conduct an employee engagement survey once every three years to determine how satisfied employees are with their organization, work environment, and job content. The results of the survey are reported to the Board of Directors, and a summary of the results is shared with employees through internal newsletters and other means.
Based on the results of the survey, workplace improvement activities are implemented to improve the workplace, change the corporate culture to encourage employees to take on new challenges, and raise awareness of compliance and safety in the workplace. Meetings are held at each workplace to sort out issues faced by the workplace, discuss measures to address the issues, and implement initiatives in accordance with the action plan.



Creating a Safe and Secure Work Environment

Safety, quality, environment, and compliance are the basic premise of our business activities, and we cannot operate without safety. The Group not only complies with the Labor Standards Act and other labor-related laws and regulations, but also works to ensure the safety of all employees.

Health Management Initiatives

The Company is committed to health management, including addressing an aging workforce and mental health issues, to ensure employees remain physically and mentally healthy and can perform at their best. In FY2024, all domestic group companies in Japan worked together toward certification as a "Health and Productivity Management Organization," leading to The Company and all five domestic Group companies receiving certification.

■ Consultation Service for Various Concerns

We have established an external consultation service as a preventive measure before mental health issues become apparent and as a measure to alleviate mental health issues. Mental health issues are the result of various stresses and worries. We ensure that employees and their families can consult with counselors and other specialists at any time on a wide range of issues, including workplace problems, family problems, interpersonal relationships, health problems, and any other kind of problems.

Contribution to Local Communities

Coexistence and co-prosperity with local communities

One of our materialities is "Coexistence and co-prosperity with local communities". The Company strives to contribute to economic, social, and cultural development as a good corporate citizen through cooperation with local communities toward a sustainable society. Further, The Company continues to contribute to the revitalization of local communities through environmental activities and support for the preservation of traditional culture.

Cooperating as a Volunteer Instructor for Junior High School Students' Work Experience Program (July 7, 2025)

NIPPON CARBIDE INDUSTRIES CO., INC.



The Company cooperates as a volunteer instructor in the "'14-Year-Old Challenge' to Learn from Society" program promoted by the Toyama Prefectural Board of Education. This time, we welcomed three second-year junior high school students from Uozu City and provided them with an overview of The Company, safety education, and factory tours. The students then spent five days experiencing a variety of our manufacturing activities, including measuring the physical properties and molding of melamine resin, adhesive processing, laser label and cut-out letter processing, and inkjet printing. Through these activities, we provided the students with an opportunity to deepen their understanding of the appeal of manufacturing and our technologies, while experiencing the significance and enjoyment of work.

Supporting Children's Safety through the Donation of Reflective Stickers (November 10, 2025)

NIPPON CARBIDE INDUSTRIES(HANGZHOU)CO., LTD.



NIPPON CARBIDE INDUSTRIES (HANGZHOU) CO., LTD., a Group company, donated 1,600 sets of reflective stickers to a nearby elementary school as part of its community contribution activities to help ensure children's safety on their way to and from school. Approximately 200 second-grade students participated in the presentation ceremony, where reflective stickers were presented to student representatives from each class. The Company also provided easy-to-understand explanations of the role of reflective stickers and the importance of traffic safety to help raise safety awareness.

Participation in Environmental Conservation Activities around the Amazon River (November 29, 2025)

NIPPON CARBIDE INDUSTRIA DO BRASIL LTDA.



NIPPON CARBIDE INDUSTRIA DO BRASIL LTDA., a Group company, participated in environmental conservation activities around the Amazon River, collecting waste such as plastic, glass, and metal debris scattered along riverside beaches and in surrounding forest areas. In addition to cleanup activities, The Company also cooperated in awareness-raising activities to communicate the importance of environmental protection. Approximately 11 tons of waste were collected as a result, providing an opportunity to reaffirm the importance of environmental conservation in cooperation with local communities.

Factory Tour for Local Elementary School Students (October 6, 2025)

VINYFRAME INDUSTRY CO., LTD.



VINYFRAME INDUSTRY CO., LTD., a Group company, welcomed 38 fifth-grade students from an elementary school in Uozu City for a factory tour. The students learned about manufacturing processes and technologies while actually handling product samples and raw materials, and listened attentively to explanations from employees. During the question-and-answer session, they asked insightful questions about productivity, demonstrating their strong interest in manufacturing. The factory tour provided the children who will shape the future with an opportunity to discover the appeal of work and manufacturing and deepen their understanding of them.

Support Activities for Victims of Flooding in Southern Thailand (November 26, 2025)

NIPPON CARBIDE INDUSTRIES (THAILAND) CO., LTD.



NIPPON CARBIDE INDUSTRIES (THAILAND) CO., LTD., a Group company, prepared relief supplies including drinking water, rice, preserved foods, household medicines, and daily necessities to support victims of the severe flooding that occurred in southern Thailand, while also collecting donations from employees. As a result, more than 1,500 bottles of drinking water, over 300 kg of rice, and more than 30 boxes of relief supplies, including preserved foods and daily necessities, were collected. The collected supplies were delivered to the affected areas through the Royal Thai Navy and used to support the daily lives of those affected by the disaster.

Educational Support Activities for Children in Mountainous Areas (March 14, 2026)

ELECTRO-CERAMICS (THAILAND) CO., LTD.



ELECTRO-CERAMICS (THAILAND) CO.,LTD., a Group company, visited a school in a mountainous area, where employees repaired and painted the school buildings and gate and donated school supplies and sports equipment. By helping children learn in a better environment, The Company is contributing to improvements in the educational environment. Employees also deepened their interaction with students and teachers through a luncheon and recreational activities, sharing an enjoyable time filled with smiles. These activities are intended to help improve educational and living environments in remote areas while supporting the healthy development of children and nurturing their dreams and hopes for the future.



Dialogue with Full-time Corporate Auditors

Toward Further Enhancement of Corporate Governance

Our two full-time Corporate Auditors discussed The Company's corporate governance and the new Medium-term Management Plan.

Current Status of Corporate Governance

Hayashi
This is my fifth year as a full-time Outside Corporate Auditor, and I believe that our corporate governance has steadily improved. With regard to the Integrated Report, understanding within The Company of its significance and necessity has deepened, and I believe its content has also reached a certain level.

Sawada
When I was appointed as a Corporate Auditor two years ago, the Board of Directors and Board of Auditors consisted of nine members in total: four internal directors, two outside directors, and three Outside Corporate Auditors, of whom one was a woman. Currently, there are ten members: three internal directors, three outside directors, and four Outside Corporate Auditors, of whom four are women. I believe that the higher proportion of outside officers has enhanced objectivity and transparency, strengthened the supervisory function of management, and moved us further toward preventing conflicts of interest. In addition, the higher proportion of women and the increase in outside officers with diverse backgrounds have enabled a variety of perspectives to be reflected in management strategy, risk management, and other areas, and I believe that our corporate governance is steadily evolving.



Full-time Corporate Auditor
Hayashi Fumiaki

Hayashi
I believe that the Board of Directors provides a relatively open forum for the candid exchange of opinions and communication. Although I am not in a position to become directly involved in business execution itself, I make a conscious effort to express my views on execution matters at Board meetings. I also feel that the other members actively ask questions and make recommendations. The Board of Auditors consists of four members—the two part-time female Corporate Auditors and the two of us full-time members—and we freely exchange opinions.

Sawada
The Board of Auditors proceeds steadily with its regular agenda items, but overall, lively discussions take place, interspersed with informal conversation.

Toward the Revision of the Corporate Governance Code

Hayashi
One of the key points of Corporate Governance Code 2.0 is strengthening the functions of the Board of Directors, particularly the role of outside directors. The Company has enhanced the composition of its outside officers, including Outside Corporate Auditors, in terms of their number and the proportion of women, but going forward, the question will be whether the Board is adequately fulfilling its essential supervisory function over management. Another key point is the promotion of growth investments. The Company also identifies this as a priority in its Medium-term Management Plan, and the Board of Directors is expected to function effectively to ensure that management resources are appropriately allocated to growth investments, including capital expenditures, R&D, and human capital. As an Outside Corporate Auditor, I intend to respond appropriately in cooperation with the outside directors.



Full-time Corporate Auditor
Sawada Masahiro

Sawada
The revised Corporate Governance Code calls for a shift "from defensive governance to proactive governance" and seeks growth investments aimed at sustainable growth and medium- to long-term enhancement of corporate value. With regard to proactive governance, we need to confirm that matters such as capital efficiency, allocation of management resources, and portfolio optimization are being appropriately discussed in the decision-making process. At the same time, given recent geopolitical risks, economic security, cybersecurity, and other factors, defensive governance also remains important. For example, if Anthropic's much-discussed Claude Mythos were ever to fall into the hands of hackers, the consequences would be chilling. While shifting toward proactive governance, firmly strengthening our defenses in response to changing agendas is also an important issue, and as a Corporate Auditor, I will continue to closely monitor this area.

Hayashi
The latest revision adds that "there may be occasions when outside directors should engage in dialogue with shareholders." As an Outside Corporate Auditor, who is also expected to supervise management from the shareholders' perspective, I believe there should be more opportunities to communicate with shareholders, but such opportunities are currently limited.

Sawada
When I observed another company's General Meeting of Shareholders, a shareholder asked, in connection with misconduct that had occurred within The Group, "What were the outside directors doing?" Perceptions of the responsibilities of outside directors are changing, and we could similarly be asked, "What were the Corporate Auditors doing?" As persons entrusted by shareholders, it is important that we monitor management so that we can fulfill our accountability. In addition, the latest revision adds "submission of the Annual Securities Report before the General Meeting of Shareholders," stating that submission "at least three weeks in advance is desirable." The Company currently submits its Annual Securities Report one day before the meeting, but moving this to three weeks in advance would impose a significant burden on both internal and external members involved in the financial closing and audit processes. I believe this needs to be considered from a legal perspective as part of a package of measures, including holding the General Meeting of Shareholders at a later date.

"NCI KIRARI 2nd STAGE 2030" and the Perspective of Corporate Auditors

Hayashi
We will be making another attempt to achieve the numerical targets that were not achieved under the previous Medium-term Management Plan. What is important is that there be no unreasonable aspects in the decision-making process for the growth strategy from the standpoint of the business judgment rule, and the key point is for the Board of Directors to properly verify whether sufficient risk information has been collected, analyzed, and considered. As a Corporate Auditor, I intend to fulfill my role from both perspectives—the accelerator and the brake on management.

Sawada
Over the past five years, operating profit has improved despite the COVID-19 pandemic and the situations in Ukraine and the Middle East, while I believe investors will see room for further growth in net sales. I myself have expectations for growth, but at the same time, it is important to assess the appropriateness of the numerical targets for each fiscal year toward 2030, including whether they could lead to excessive psychological pressure.

The Role to Be Fulfilled by Corporate Auditors

Hayashi
Having been involved in business-to-business transactions for many years, I hope to contribute by drawing on the insight I have developed into the essence of matters and the risks involved. In addition to ensuring legality, including directors' duty of care of a prudent manager and duty of loyalty, I intend to contribute to The Company's development through an effective and engaged audit function amid ever-increasing uncertainty both in Japan and overseas.

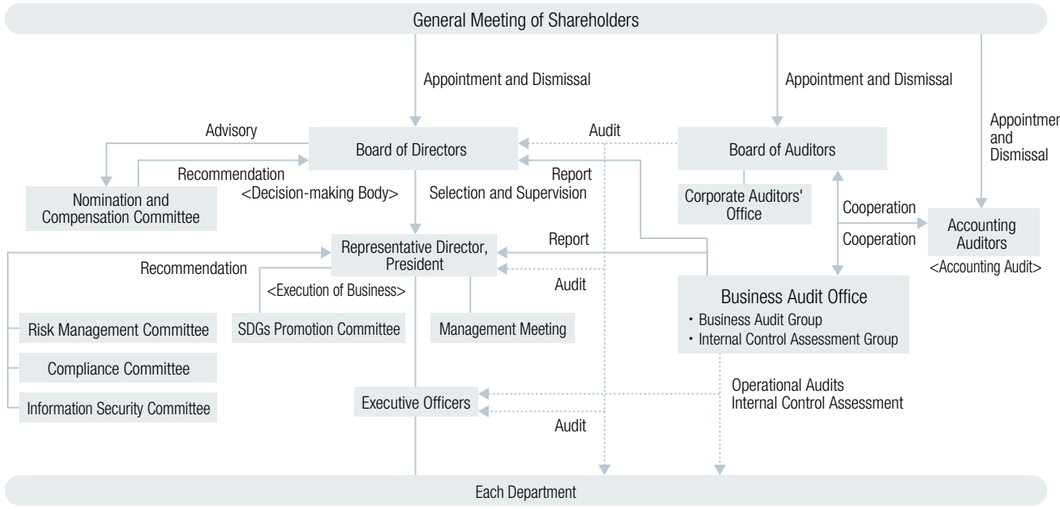
Sawada
Drawing on perspectives from both the front lines and management gained through my wide-ranging experience spanning overseas sales and overseas plants to corporate strategy, CFO responsibilities, and serving as a Corporate Auditor, I hope to contribute to strengthening corporate governance through audits of the appropriateness of management decisions, in addition to audits of legality, which form the basis of audits by Corporate Auditors.

Corporate Governance

Basic Approach

Our basic approach toward corporate governance is to strive for sustainable growth and increased corporate value by ensuring fair and highly transparent management and a system that enables swift management decisions and business execution in a rapidly changing business environment, and by ensuring that internal checks and balances function effectively, thereby fulfilling our responsibilities to our shareholders and other stakeholders.

Corporate Governance Structure



For more information, please visit our website at
https://www.carbide.co.jp/ir/news/ (Japanese only).

■ Nomination and Compensation Committee

The Company has established the Nomination and Compensation Committee as a voluntary advisory body to the Board of Directors in order to ensure opportunities for appropriate involvement and advice from outside directors in considering important matters such as the selection and dismissal of directors, compensation and succession planning, as well as to enhance corporate governance by strengthening the fairness, transparency and objectivity of procedures related to the selection and dismissal of directors, compensation and other matters.

- The Nomination and Compensation Committee shall, in response to the Board of Directors' inquiries, deliberate on matters relating to the nomination and compensation of directors and others, and submit recommendations to the Board of Directors.
- The Nomination and Compensation Committee shall consist of at least three directors selected by a resolution of the Board of Directors, a majority of whom shall be independent outside directors. In this regard, the chairman of the Committee shall be selected by a resolution of the Board of Directors from among the members who are independent outside directors.

Committee Members	Inside and Outside Directors	Number of Committee Meetings	Number of Committee Meetings Attended
Yoshioka Satsuki (Committee Chairman)	Outside Director	10	10
Kadomukai Yuzo	Outside Director	10	10
Sugiyama Takahisa	Representative Director, President	10	10

*April 2025 - March 2026

Appointment of Directors

The Company considers it fundamental that the Board of Directors, including outside directors, with different expertise and experience, be able to effectively demonstrate their abilities and that the Board of Directors be highly effective in terms of the scale of The Company. In addition, a skill matrix listing the skills that each director should possess is included in the notice of the Ordinary General Meeting of Shareholders and disclosed on The Company's website. For appointment of directors, the Nomination and Compensation Committee, the majority of whose members are independent outside directors, deliberates on the matter and submits its recommendations to the Board of Directors, and the Board of Directors makes decisions based on those recommendations.

■ Skills Matrix

Name	Position	Business Management	Finance & Accounting	Legal & Compliance	Sales & Marketing	R&D/ Production Technology	Global Experience	Risk Management
Sugiyama Takahisa	Representative Director, President & CEO	●		●	●		●	●
Yokota Yuichi	Representative Director & CFO	●	●		●			●
Miyake Hiroshi	Director & CTO	●			●	●		
Yoshioka Satsuki	Outside Director			●				●
Kadomukai Yuzo	Outside Director	●				●	●	
Kuwahara Chika	Outside Director	●			●			●
Hayashi Fumiaki	Full-time Corporate Auditor (Outside)	●						●
Sawada Masahiro	Full-time Corporate Auditor (Outside)		●					●
Ayukawa Yumi	Corporate Auditor (Outside)	●						●
Oka Ayumi	Corporate Auditor (Outside)		●					●

■ Independence of Outside Directors

The Company selects candidates for independent outside directors based on whether they meet the criteria for independence set forth by the Tokyo Stock Exchange as well as whether they have broad business experience and knowledge. Based on this, The Company has notified the Tokyo Stock Exchange of its three Outside Directors as independent directors as stipulated by the Tokyo Stock Exchange. There are no business relationships between the three Outside Directors and The Company.

Compensation for Directors

The compensation of The Company's directors is determined by the Nomination and Compensation Committee, which, after deliberating the policy for determining the amount of compensation, etc. of directors and the details of individual compensation, etc. based on this policy, submits its recommendations to the Board of Directors. The Board of Directors then resolves the compensation within the annual amount approved by the General Meeting of Shareholders.

■ Composition of Directors' Compensation

The compensation of The Company's Directors, within the annual amount resolved at the General Meeting of Shareholders, is calculated based on the duties and responsibilities of each individual Director, taking into consideration prevailing market levels, and generally consists of fixed compensation (monthly compensation: 65% of total compensation), performance-linked compensation (bonus: 25%), and stock compensation (10%) based on the standard compensation amount. In this regard, however, performance-linked compensation and stock compensation are not paid to Outside Directors. Compensation for Corporate Auditors is determined within the annual amount approved by the General Meeting of Shareholders through consultation among the Corporate Auditors, taking into consideration the duties and responsibilities of each Corporate Auditor.

■ Introduction of Medium- to Long-term Incentive Stock Compensation Plan

We have introduced a medium- to long-term incentive stock compensation plan (restricted stock) for our directors (excluding Outside Directors) with the aim of achieving the sustainable enhancement of the NCI Group's corporate value and further promoting value sharing with our shareholders.

■ Amount of Performance-Linked Compensation

The amount of performance-linked compensation will, in principle, vary within a range of 0% to 180% of the standard payment amount, depending on the performance evaluation for a single fiscal year. In addition, in the process of determining the amount of performance-linked compensation, the Nomination and Compensation Committee prepares a compensation proposal based on a comprehensive evaluation of the degree of achievement of the indicators related to performance-linked compensation and the contribution of each Director to The Company's performance and submits its recommendations to the Board of Directors. The Board of Directors then determines the amount of performance-linked compensation for each Director based on those recommendations.

■ Indicators for Performance-Linked Compensation

As we place importance on enhancing business profitability and generating cash, we use operating profit (degree of achievement against targets and degree of growth over the previous year) and operating cash flow (degree of growth over the previous year) as indicators for performance-linked compensation. For the current fiscal year, actual operating profit amounted to 4.09 billion yen versus a target of 3.40 billion yen. Operating profit increased compared to the previous fiscal year. Operating cash flow also increased compared to the previous fiscal year.

Evaluation of the Effectiveness of the Board of Directors

With regard to the evaluation of the effectiveness of the Board of Directors, The Company engaged an external consultant to conduct a questionnaire survey in March 2026 of all Directors and Corporate Auditors regarding matters such as the composition and operation of the Board of Directors. The results of the survey were then discussed by the Board of Directors. As a result of these discussions, it was concluded that the effectiveness of the Board of Directors was generally ensured. However, issues were also identified, including the need for further initiatives to deepen discussions at the Board level regarding management with an awareness of the cost of capital. Based on these findings, The Company will continue to implement additional measures and enhance its governance framework to further improve the effectiveness of the Board of Directors.

Compliance/Risk Management

● Compliance

■ Basic Approach

The Group has established “Basic Guidelines for Corporate Activities” and “Code of Conduct” as its compliance regulations. The Chief Executive Officer serves as the officer responsible for compliance, and the Compliance Committee is in charge of operations for compliance with laws, regulations, and corporate ethics.

■ Code of Conduct

Based on the “Basic Guidelines for Corporate Activities”, The Group has established a Code of Conduct to be followed by all the officers and the employees of The Group.

For more information, please visit our website at
https://www.carbide.co.jp/en/corporate/csr/behavior-standard/

■ Promotion System

To promote compliance, we conduct training and other activities to ensure that all officers and employees conduct business operations in accordance with the Compliance Rules and Regulations. In addition, we take a firm stance against antisocial forces that threaten the order and safety of civil society, and have established an internal system to prevent any relationship with such forces. Furthermore, the Business Audit Office, which is in charge of internal audits, monitors the execution of business operations in accordance with laws, regulations, and company rules, and the Chief Executive Officer provides guidance for improvement. In addition to the Legal Office, we have also set up a whistleblower system (hotline) that allows employees to consult with and report to external lawyers.

■ Basic Guidelines on Corporate Activities

1. Nippon Carbide Industries will observe any and all laws and ordinances applicable to its corporate activities, faithfully follow the principles of social ethics, and carry out corporate activities with sound judgment.
2. Nippon Carbide Industries will strive to accurately grasp the needs of the market and customers, and provide excellent products and services in terms of quality, price, safety, and other aspects.
3. Nippon Carbide Industries will respect humanity, nurture human resources, and foster a corporate culture in which “each and every employee can develop his or her own ideas and put them into practice”, ensure the health and safety of employees in the workplace and strive to promote their well-being and quality of life.
4. Nippon Carbide Industries will actively work to preserve the global environment, and make every effort to protect the environment in all of its corporate activities.
5. Nippon Carbide Industries will establish relationships of mutual trust and cooperation with all the stakeholders including but not limited to shareholders, business partners, and local communities, and strive for co-existence and co-prosperity.
6. Nippon Carbide Industries will strive to contribute to society and culture as a good corporate citizen.
7. Nippon Carbide Industries will take a firm stance against antisocial forces that threaten the order and safety of civil society.

● Risk Management

■ Basic Approach

The Group's risk management is based on its Basic Risk Management Policy. The Risk Management Committee, whose secretariat is the Corporate Planning Department, evaluates and prioritizes risks and instructs relevant departments to take appropriate measures to reduce risks in day-to-day business activities. The Board of Directors is in a position to supervise the Risk Management Committee, receiving reports twice a year from the Committee, and is involved in overall risk management activities, including basic risk management policies, identification of important risks, determination of important measures, monitoring of measures and giving instructions for improvement.

■ Major Business Risks

The major risks that The Group recognizes as having the potential to materially affect its financial position, operating results, and cash flows are as follows.

①Sudden Changes in Market Conditions in Focus Areas ②Fluctuations in Raw Material Prices
③Fluctuations in Exchange Rates ④Declines in the Value of Fixed Assets ⑤Geopolitical Risks ⑥Accidents and Disasters
⑦Natural Disasters ⑧Litigation ⑨Intellectual Property Rights ⑩Product Liability
⑪Environmental Regulations and Climate Change Response ⑫System Risks ⑬Talent Acquisition

For more information, please refer to pages 25–26 of the Annual Securities Report for the year ended March 31, 2026 (Japanese only).

Human Rights

● Views on Human Rights

The Group aims to create value through its One & Only technologies and contribute to the sustainable development of society, recognizing that respect for human rights is an indispensable element. The Group has established a Human Rights Policy to ensure that it understands the human rights of all people involved in its business activities and fulfills its responsibility to respect human rights.

For more information, please visit our website and refer to the NCI Group Human Rights Policy.

Respect for Human Rights

To ensure that The Group's business activities do not adversely impact the human rights of various internal and external stakeholders, we not only refrain from human rights violations ourselves but also encourage stakeholders, including business partners, to commit to respecting human rights in accordance with this policy.
The Group respects human rights in accordance with the principles of the United Nations International Bill of Human Rights, the Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

● Human Rights Due Diligence

In order to respect human rights, The Group will conduct human rights due diligence on identified human rights issues. If it becomes clear that The Group has caused or encouraged human rights violations, we will work to correct and remedy such violations.

● Human Rights Issues Related to Business Activities

We will promote efforts to address the following human rights issues related to The Group's business activities.

- Discrimination
- Harassment
- Forced Labor
- Child Labor
- Freedom of Association and the Right to Collective Bargaining
- Occupational Health and Safety
- Working Hours and Wages
- Responsible Mineral Sourcing

● Complaint Handling Mechanism

In response to any actual or suspected violation of human rights in The Group's business activities, we have established a whistleblower hotline, which is available to internal and external stakeholders. Upon receiving a report or allegation that human rights are not being respected, we will conduct an appropriate investigation and take initiatives and approaches to correct the situation.

● Dialogue with Stakeholders

The Group will address issues related to human rights by utilizing outside expertise and engaging in ongoing dialogue with relevant internal and external stakeholders.

● Education and Awareness-raising Activities

The Group will work to raise awareness of human rights, strive to ensure that its officers and employees have a correct understanding of human rights and issues related to human rights, and provide necessary education and skills development to its officers and employees.

Supply Chain Management

● Basic Purchasing Transaction Policy

The Group will conduct fair and equitable procurement activities based on the following Basic Purchasing Transaction Policy.

■ Basic Purchasing Policy

❶ Fairness, Impartiality, Transparency

We provide our business partners with fair and impartial opportunities for trade. We select our business partners based on appropriate criteria, taking into account their cost competitiveness, ability to ensure stable supply, technical capabilities, and corporate stance (including their efforts to comply with laws and social norms, consideration for the environment, and respect for human rights).

❷ Partnership

We aim to establish business relationships with all our business partners that will lead to mutual prosperity. To this end, we place great importance on communication with our business partners and strive to build stronger relationships of trust.

❸ Respect for Human Rights

To ensure that The Group's business activities do not adversely impact the human rights of various internal and external stakeholders, we not only refrain from human rights violations ourselves but also encourage stakeholders, including business partners, to respect human rights in accordance with The Group's Human Rights Policy.
The Group respects human rights in accordance with the principles of the United Nations International Bill of Human Rights, the Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

❹ Compliance with Relevant Laws and Regulations and Consideration for Safety and the Environment

In carrying out our purchasing activities, we will act in good faith in accordance with the laws and regulations of each country and international norms, and will give appropriate consideration to safety, the environment, resource conservation and environmental protection.

In addition, in accordance with the above Basic Purchasing Policy, The Group also requests that its suppliers who make up its supply chain take the same approach.

● Approach to and Initiatives Regarding Conflict Minerals

We will not procure minerals traded around the world if there is clear evidence or a high risk of involvement by armed groups, serious human rights violations, environmental destruction, etc., regarding their mineral resources.
We recognize that these issues related to minerals are important social issues, and we will work to procure minerals responsibly based on whether or not there is involvement in conflicts or human rights violations in conflict zones and high-risk areas.
The Purchasing Department will monitor the efforts of suppliers to address these issues through means such as the Green Procurement Guidelines and questionnaires related to sustainable procurement.
In addition, we will work with our business partners to ensure that procurement activities do not lead to conflict or human rights violations, through the following initiatives.

■ Details of Mineral Surveys Conducted

①If conflict minerals (tin, tantalum, tungsten and gold) are contained in products, we request that suppliers take steps to reduce risk by using raw materials and materials from CFS Conflict-Free Smelter certified smelters.

②If minerals such as cobalt and natural mica are sourced from high-risk areas (CAHRAs), we request an investigation into the presence or absence of risks described in OECD Guidance Annex II (e.g. human rights abuses including child labor, money laundering, etc.).

With respect to target minerals and their areas of origin, we regularly monitor relevant laws and regulations and review the scope of our mineral surveys as necessary.

Bord Members

Directors



Representative Director,
President
Chief Executive Officer

Sugiyama Takahisa

After serving as Executive Officer at AGC Inc., he has managed The Company as Representative Director, President and Chief Executive Officer since June 2020 (CEO since June 2022). He provides appropriate management, supervision, and leadership of the entire Group for The Company's sustainable growth and enhancement of corporate value.



Representative Director
Managing Executive Officer
Chief Financial Officer

Yokota Yuichi

Has been involved in The Company's various business divisions for many years, engaging in sales, business operations, and management. As General Manager of the Corporate Planning Department, was also responsible for the formulation and implementation of Group strategies and IR activities, and currently oversees the finance and corporate planning functions as Managing Executive Officer and Chief Financial Officer.



Director
Executive Officer
Chief Technical Officer

Miyake Hiroshi

Has been involved in development and manufacturing functions for many years and currently oversees the technology function as Executive Officer and Chief Technical Officer, while promoting business strategies as Senior General Manager of the Advanced Films Division.

Outside Directors



Outside Director

Yoshioka Satsuki

Leveraging extensive expertise as a lawyer, she provides advice to the management team of The Company from a diversity-based perspective.



Outside Director

Kadomukai Yuzo

Based on experience in product development and business operations primarily within Hitachi, Ltd.'s automotive-related businesses, as well as serving as Representative Director at a Hitachi Group company, he possesses expertise in corporate management and research and development.



Outside Director

Kuwahara Chika

Has extensive management experience and expertise gained through involvement in marketing, public relations and brand strategy, and ESG promotion at Osaka Gas Co., Ltd., as well as serving as Representative Director of a Group company.

Corporate Auditors



Full-time Corporate Auditor

Hayashi Fumiaki

He is a former executive officer of AGC Inc. and possesses extensive experience and broad expertise gained from many years of overseeing the materials and logistics division at AGC Inc.



Full-time Corporate Auditor

Sawada Masahiro

After engaging in a wide range of responsibilities across Sony Corporation's business divisions, he gained experience in strengthening governance and managing executive operations as a corporate auditor and CFO at a Sony Group company.



Corporate Auditor

Ayukawa Yumi

After engaging in a wide range of responsibilities within business divisions of Ajinomoto Co., Inc., she gained experience overseeing the corporate division as a director of a group company.



Corporate Auditor

Oka Ayumi

She possesses knowledge as a certified public accountant and has been involved in accounting audits and the establishment of governance systems at audit firms and venture companies. She also has experience serving as a corporate auditor at a medical device manufacturer.

Global Network

Domestic Offices and Domestic and Overseas Group Companies

● Domestic Offices

■ Head Office
16-2, 2-Chome Konan, Minato-ku, Tokyo 108-8466, JAPAN
TEL | +81-3-5462-8200 FAX | +81-3-5462-8244

■ Osaka Sales Office
6-1, 3-Chome, Hirano-cho, Chuo-ku, Osaka-shi,
Osaka 541-0046, JAPAN
TEL | +81-6-6233-0500 FAX | +81-6-6233-0510

■ Uozu Factory
751, Motoshin, Uozu-shi, Toyama 937-8567, JAPAN
TEL | +81-765-24-1100 FAX | +81-765-22-0223

■ Hayatsuki Factory
530, Ojima, Namerikawa-shi, Toyama 936-8555, JAPAN
TEL | +81-76-471-2211 FAX | +81-76-471-2041

■ Kyoto Manufacturing Site
8-1, Minamikanamura, Kaide-cho, Muko-shi,
Kyoto 617-0004, JAPAN
TEL | +81-75-921-5347 FAX | +81-75-931-1649

■ Research and Development Center
530, Ojima, Namerikawa-shi, Toyama 936-8555, JAPAN
TEL | +81-76-471-0211 FAX | +81-76-471-0225



● Major Domestic Subsidiaries

☐ VINYFRAME INDUSTRY CO., LTD.
[Business Activities]
Manufacturing and Sales of Aluminum Building Materials and Resin Products, etc
[Head Office/Factory]
616, Kitaonie, Uozu-shi, Toyama 937-8566, JAPAN
TEL +81-765-24-1032 FAX +81-765-24-1051
[Sales office]
Sapporo, Sendai, Tokyo, Uozu, Nagoya, Osaka, Hiroshima, Fukuoka, Miyazaki

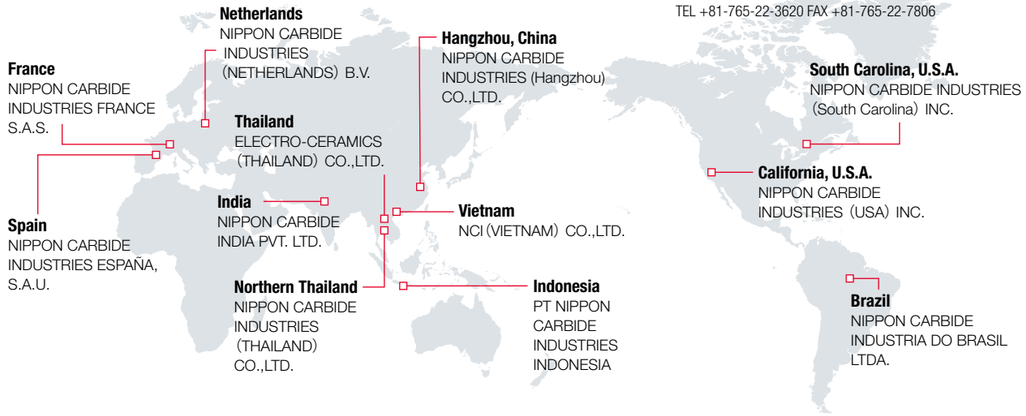
☐ SANWA CHEMICAL CO., LTD
[Business Activities]
Manufacturing and Sales of Chemical Products and Medicine
[Head Office/Factory]
24-8, 9-chome, Tamura, Hiratsuka-shi, Kanagawa
254-0013, JAPAN
TEL +81-463-55-3140 FAX +81-463-54-0203

☐ HOKURIKU CERAMICS CO., LTD.
[Business Activities]
Manufacturing and Sales of Ceramic Substrates and Thick-Film Printed Substrates
[Head Office / Factory]
143-3, Yokomakura, Uozu-shi, Toyama 937-0044, JAPAN
TEL +81-765-24-7387 FAX +81-765-24-6654

☐ DIAMOND ENGINEERING CO., LTD.
[Business Activities]
Engineering, Procurement and Construction of Industrial Plants, Maintenance and Industrial Analysis
[Head Office]
7-22, 1-chome, Shakado, Uozu-shi, Toyama 937-0067, JAPAN
TEL +81-765-24-5670 FAX +81-765-23-9210

☐ USK-Human CO., LTD.
[Business Activities]
Contract Business Services and General Worker Dispatch Services
[Head Office]
751, Motoshin, Uozu-shi, Toyama 937-0068, JAPAN
TEL +81-765-22-3620 FAX +81-765-22-7806

● Major Overseas Subsidiaries



☐ NIPPON CARBIDE INDUSTRIES (Hangzhou) CO.,LTD.
■ Films and Sheetings Products Business
■ Electronic and Functional Products Business

☐ NIPPON CARBIDE INDUSTRIES (USA) INC.
■ Films and Sheetings Products Business
■ Electronic and Functional Products Business

☐ NIPPON CARBIDE INDUSTRIES(South Carolina) INC.
■ Films and Sheetings Products Business

☐ NIPPON CARBIDE INDIA PVT. LTD.
■ Films and Sheetings Products Business

☐ PT NIPPON CARBIDE INDUSTRIES INDONESIA
■ Films and Sheetings Products Business
■ Construction Materials Related Business

☐ ELECTRO-CERAMICS (THAILAND) CO.,LTD.
■ Electronic and Functional Products Business

☐ NIPPON CARBIDE INDUSTRIES (THAILAND) CO.,LTD.
■ Films and Sheetings Products Business

☐ NCI(VIETNAM) CO.,LTD.
■ Films and Sheetings Products Business

☐ NIPPON CARBIDE INDUSTRIA DO BRASIL LTDA.
■ Films and Sheetings Products Business

☐ NIPPON CARBIDE INDUSTRIES (NETHERLANDS) B.V.
■ Films and Sheetings Products Business

☐ NIPPON CARBIDE INDUSTRIES FRANCE S.A.S.
■ Films and Sheetings Products Business

☐ NIPPON CARBIDE INDUSTRIES ESPAÑA, S.A.U.
■ Films and Sheetings Products Business

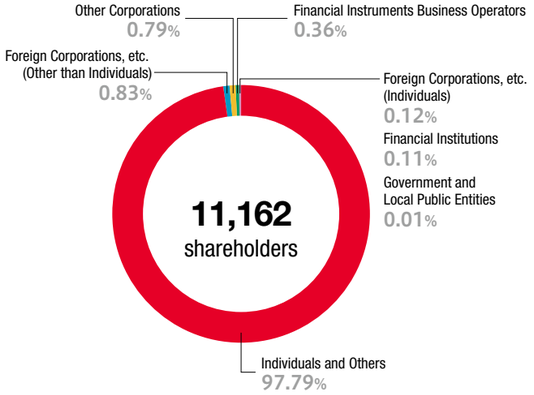
Company Information/Stock Information

Corporate Outline

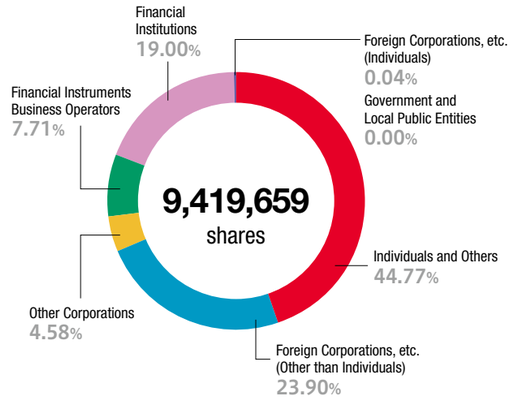
Name	NIPPON CARBIDE INDUSTRIES CO., INC.
Head Office	16-2, 2-Chome Konan, Minato-ku, Tokyo 108-8466, JAPAN TEL +81-3-5462-8200 FAX +81-3-5462-8244
Established	October 8, 1935
Listed Stock Exchange	Tokyo Stock Exchange: Prime Market
Capital Stock	7,797,898,752 yen (as of March 31, 2026)
Total number of shares issued	9,419,659 shares (as of March 31, 2026)
Employees	Consolidated: 3,400 Non-consolidated: 533 (as of March 31, 2026)
Group Business Activities	Electronic and Functional Products Business, Films and Sheetings Products Business, Construction Materials Related Business, and Engineering Business

Shareholder and Share Distribution (As of March 31, 2026/Shareholding ratio is calculated excluding treasury stock.)

● Distribution of shareholders by type of ownership



● Distribution of Shares by Type of Shareholder



Stock Prices



NIPPON CARBIDE INDUSTRIES CO.,INC.