

October 5, 2023

Announcement regarding Our New Mid-Term Management Plan

We at Nihon Kagaku Sangyo Co., Ltd. have now established our mid-term management plan, which looks forward to 2030.

We would like to announce that, as first stage of this plan, we have established a plan which covers the period from October 2023 through to March 2026.

By achieving the objectives of this newly established mid-term management plan, we seek to increase our corporate value and endeavor to become an enterprise group which is trusted by all of its stakeholders.

1. Period

2023 October through to 2026 March (from the second half of the 99th fiscal year through to the 101th fiscal year)

2. Basic Policy

By honing our unique metal technologies and creating new value, we will—in partnership with various stakeholders—tackle the challenges in the path to sustainable society.

3. Basic Strategy

- (1) Strengthen the foundation of our business
- (2) Expand our growth areas
- (3) Tackle social issues

For further details, please refer to the attached document.

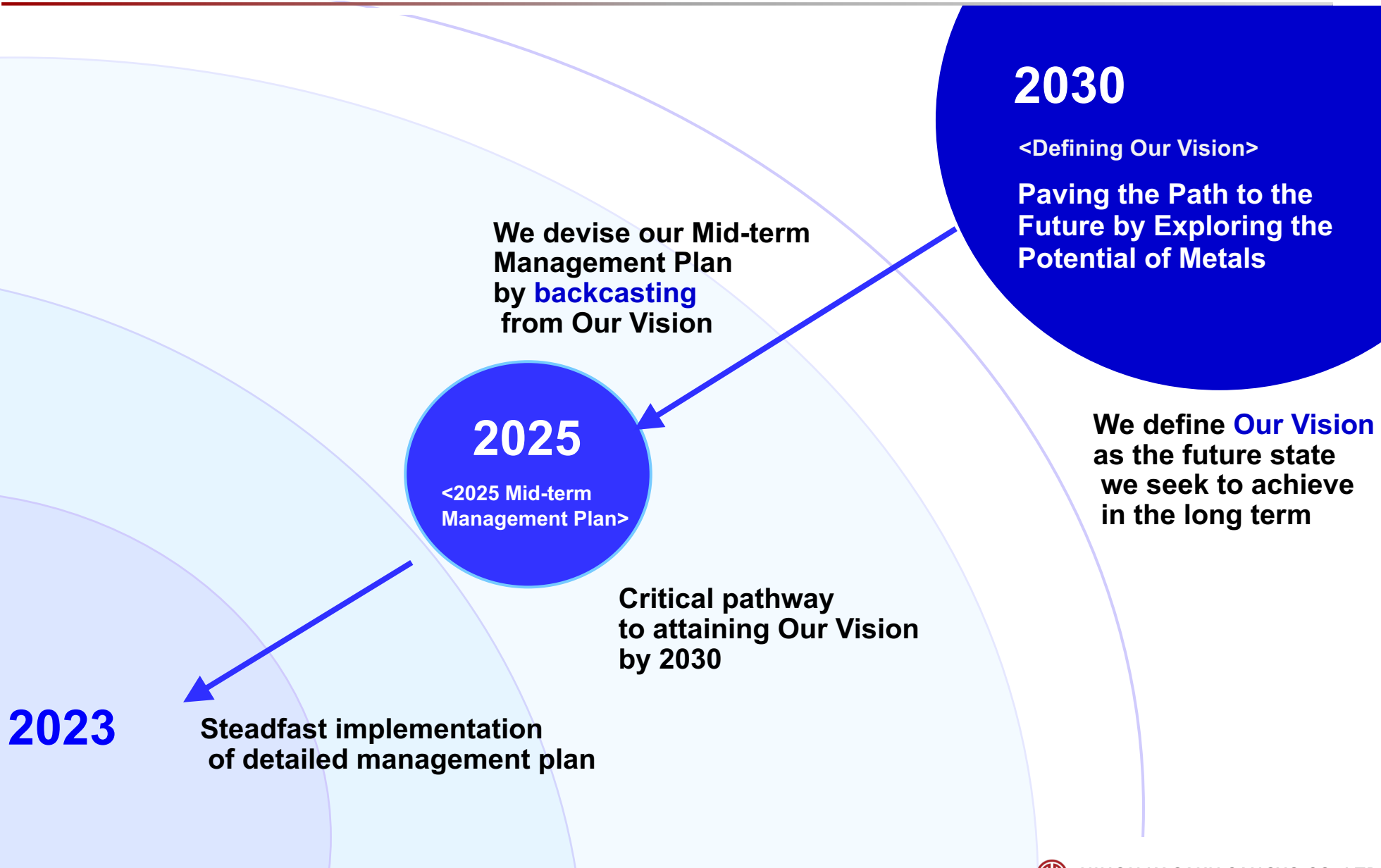
End.

2023-25 Mid-term Management Plan

NIHON KAGAKU SANGYO CO.,LTD.
October.2023



The Positioning of our Mid-term Management Plan



Paving the Path to the Future by Exploring the Potential of Metals.

Our Message

By honing our unique metal technologies and creating new value, we will—in partnership with various stakeholders—tackle the challenges in the path to sustainable society.

The Intent behind Our Message

- Become an indispensable member of the society
- Transformation into a strong business
- Corporate culture receptive to change

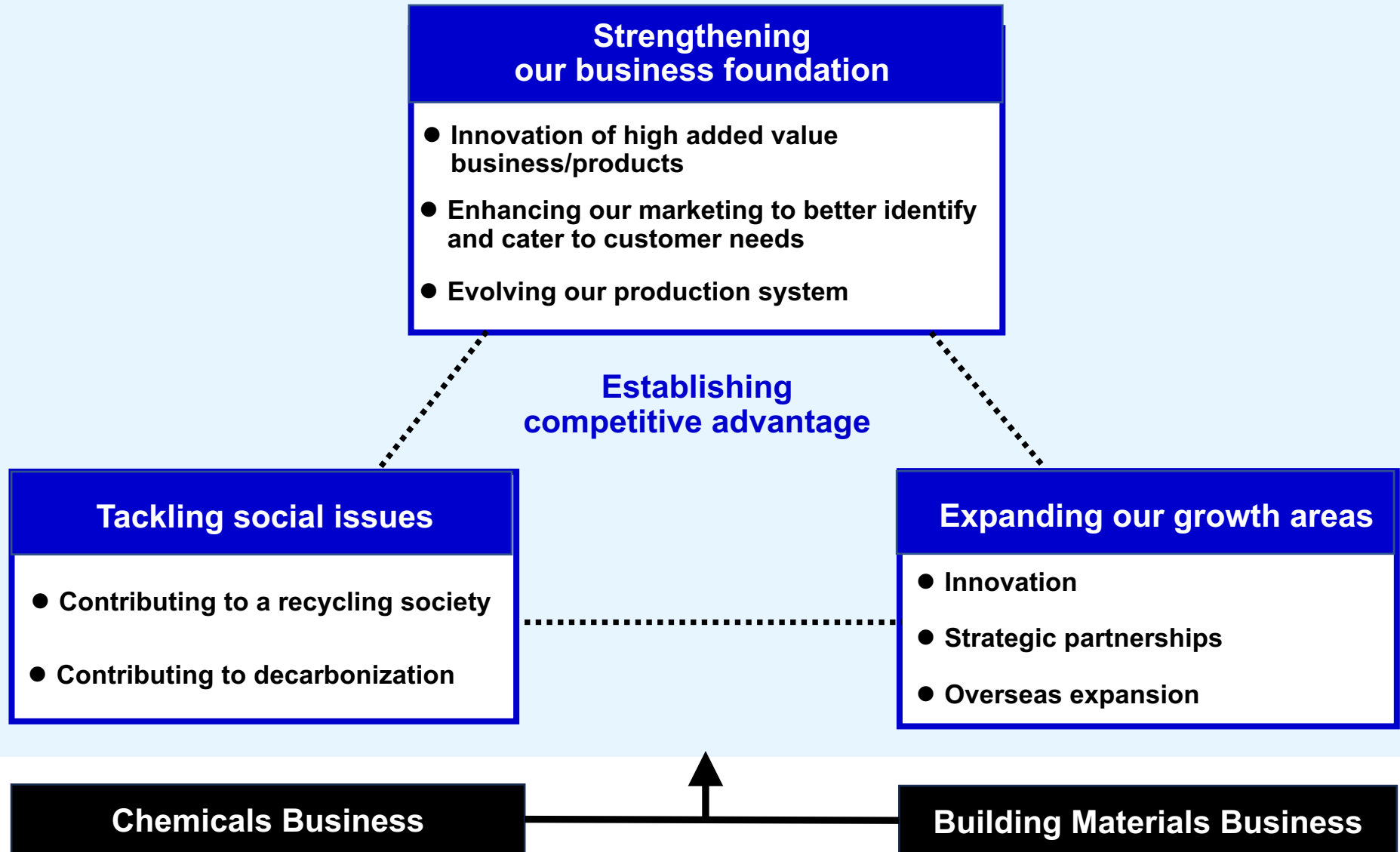
Chemicals Division



Building Materials Division



Overview of the fundamental policy



Chemicals Business: Vision



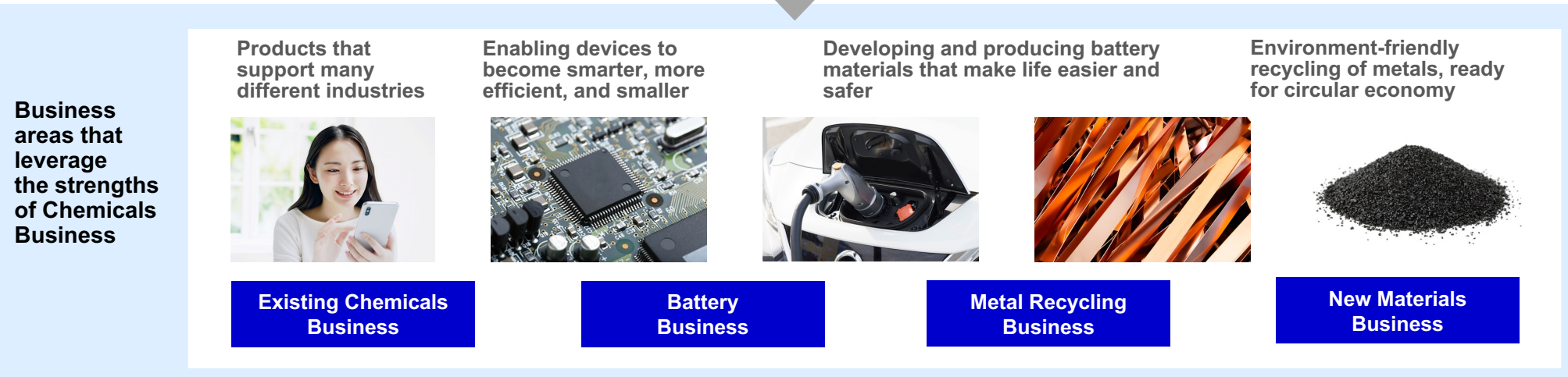
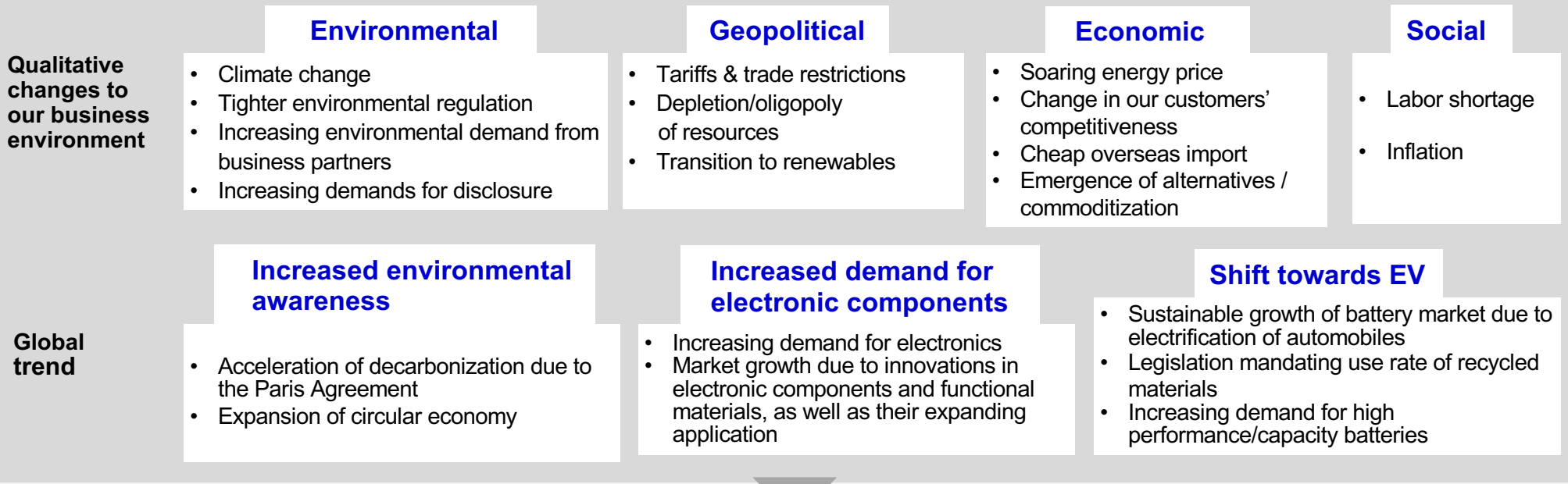
Our vision

We will contribute to industries and a sustainable society by becoming **a one-of-a-kind chemicals manufacturer** offering high added value in the market.

Our unique strengths

- **Track record** of supplying many different metal-based chemicals for more than 80 years.
- Outstanding **responsiveness** backed by history of developing and supplying chemicals that meet the wide array of needs of many different industries.
- **R&D capability** to produce products that not only respond immediately to technological innovations, but also meet the demands of the society and contribute to achieving a sustainable society.

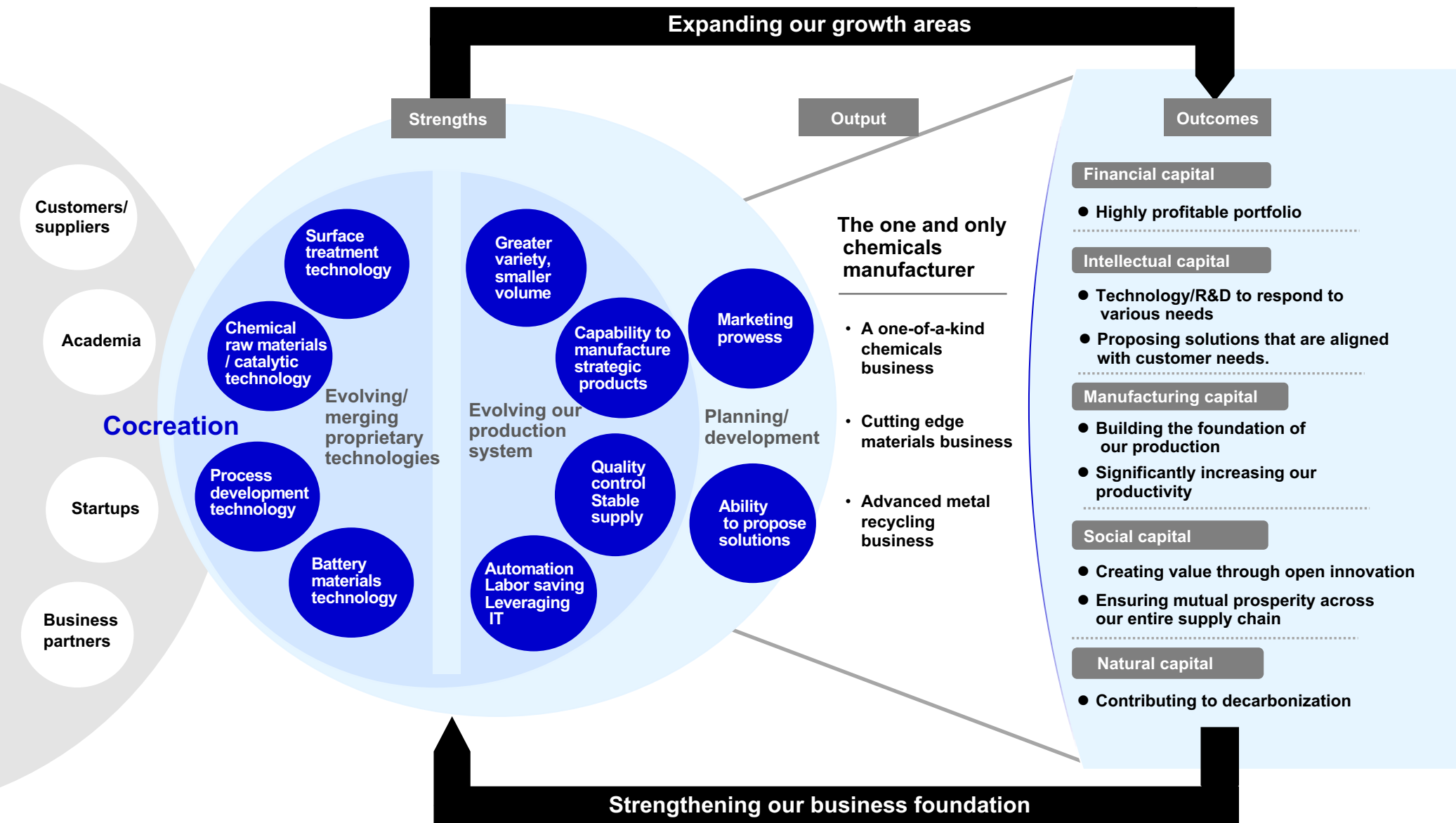
Chemicals Business: Recognizing our Business Environment



Chemicals Business: Strategy



Chemicals Business: Value Creation Model



Chemicals Business: Metal Recycling Business

Increasing the recycling of metals

Collection

- Strengthening the supply chain for collecting the waste to be recycled into raw materials

Refinement

- Expanding the variety of metals collected
- Refining processes that cater to many different metals
- High-purity refining

Production

- Developing products derived from recycled materials

Enhancing decarbonization

- Developing technologies to reduce the carbon footprint of our production

- Reducing our carbon footprint through recycling of waste

- Reducing the carbon footprint of our strategic products

Tackling social issues

[Contributing to circular economy]

- Recycling of waste into raw materials
- Enhancing the value of recycled metals



[Contributing to decarbonization]

- Reducing our own GHG emission
- Decarbonizing our entire supply chain

Enhancing our corporate value

Vertically integrated recycling model

Long track record of supplying recycled/commercialized waste to the industries

Collection from many different collaborators

Separation/refining
Enhanced purification

Analysis/
Evaluation

Reusing many different metals across the product portfolio

Recycling

Commercialization

Building Materials Business: Vision



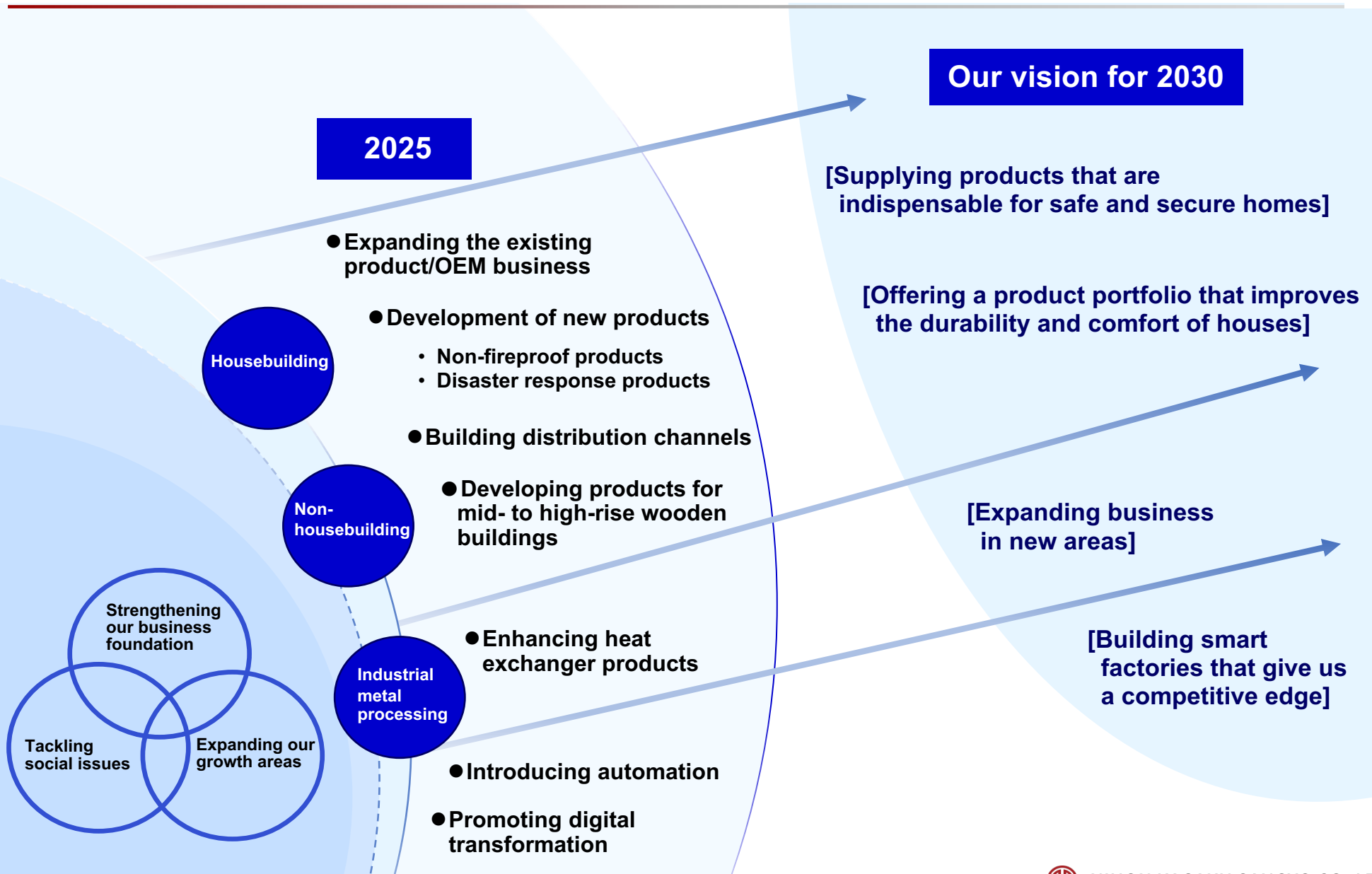
Our vision

We will play our part in achieving a sustainable society, by further developing our unique metal processing technology and **offering new value through products for housebuilding and industrial use.**


Our unique strengths

- Long **track record** of supplying housebuilding-related products—which achieve fireproofing, ventilation, and waterproofing—by utilizing our unique metal forming technologies.
- **Product development capability** which enables us to contribute to the sustainability of the society, by developing—in response to the needs of our customers, including housebuilders—products that facilitate a safer and more comfortable life.

Building Materials Business: Strategy



Strengthening the Foundation of Our Management

Category	Key Challenges	Initiatives
E (Environment)	Response to climate change	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Pursuing growth to prepare for decarbonization of the society</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;">Promoting businesses that shape our future</div> <p style="text-align: center;">←</p> <p style="text-align: center;">Supplying products and services which meet customer expectation for reduced carbon emission</p> </div> <div style="width: 45%;"> <p>Promoting management for decarbonization</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid blue; border-radius: 50%; padding: 10px; text-align: center;"> <p>Technological development</p> <hr/> <p>Development of production technology & new materials</p> </div> <div style="border: 1px solid blue; border-radius: 50%; padding: 10px; text-align: center;"> <p>Reducing carbon footprint through business activities</p> <hr/> <p>Introducing energy-saving facilities</p> <p>Using renewable energy</p> </div> </div> </div> </div> <div style="margin-top: 20px; text-align: right;"> <p>E.g. Introduction of solar panels</p>  <p>Fukushima Plant No. 1 (Hirono Town, Futaba District)</p> </div>
S (Society)	Enhancing our human capital	<p>HR actions to enhance corporate value over mid-to-long term</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 30%;"> <ul style="list-style-type: none"> • Supporting work-life balance • Implementing flexible working </div> <div style="width: 40%; text-align: center;"> <div style="border: 1px solid blue; border-radius: 50%; padding: 10px; margin-bottom: 10px;"> <p>Nurturing our talent</p> <hr/> <p>Growth of workforce and company</p> </div> <div style="border: 1px solid blue; border-radius: 50%; padding: 10px; display: inline-block;"> <ul style="list-style-type: none"> • Training to support career development • Acquiring specialist knowledge • Allocation of workforce </div> </div> <div style="width: 30%; text-align: right;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Acquiring diverse talent</p> </div> </div> </div> <div style="margin-top: 20px; text-align: right;"> <p>HR strategy to achieve the management strategy →</p> <p>← Workforce that achieves the management strategy</p> <div style="border: 1px solid black; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg);"> Mid-term Management Plan </div> </div>

Strengthening the Foundation of Our Management

Category	Key Challenges	Initiatives
G (Governance)	Proactive disclosure	<p>Promoting stakeholder engagement</p> <p>Enhanced corporate value</p> <p>Communicating what makes Nikkasan unique</p> <p>Enhancing disclosure & promoting dialogue</p> <p>Enhancing PR activities through website etc.</p> <p>Expansion of contents (Financial & non-financial information)</p> <p>Enhancing disclosure by increasing disclosure in English</p>
	Establishing and operating an appropriate corporate governance framework	<p>Initiatives to develop internal control framework</p> <p>Reduced risk</p> <p>Improved business processes</p> <p>Validity of business Control over IT</p> <p>Reliability of accounting</p> <p>Compliance</p> <p>Enhancing the effectiveness of board meetings</p> <p>Responding based on evaluation of effectiveness</p> <p>Increasing the effectiveness of board meetings</p> <p>Accountability to the stakeholders</p> <p>Highly effective decision-making</p> <p>Highly effective oversight</p> <p>Decision-making capability</p> <p>Capability to oversee execution</p>
	Enhancing our IT infrastructure	<p>Leveraging IT to enhance the control functions</p> <p>Increased productivity</p> <ul style="list-style-type: none"> • Revamping the core systems • Introducing RPA <p>Support to increase sales</p> <ul style="list-style-type: none"> • Enhancing business opportunity management tools • Utilizing marketing automation • Enhancing business intelligence analysis <p>Enhancing information security</p> <p>Enhancing information security</p>



NIHON KAGAKU SANGYO CO.,LTD.

Paving the Path to the Future by Exploring the Potential of Metals



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