



# **Financial Results Briefing for the Fiscal Year Ended March 31, 2025 and Overview of the New Medium-Term Management Plan**

May 30, 2025



**NIHON TOKUSHU TORYO CO., LTD.**  
(Stock Exchange Code: 4619, Tokyo Stock Exchange Standard Market)

# **01 Overview of Financial Results for the Fiscal Year Ended March 31, 2025 (FY24)**

# Overview of Consolidated Financial Results

**In FY24, we exceeded our most recent financial results forecast, achieving the Medium-Term Management Plan targets for net sales, operating profit, ordinary profit, and profit; however, ROE remained at 8.9%.**

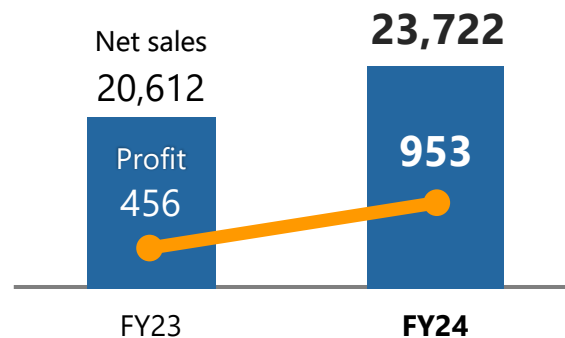
(Million yen)

	FY23		FY24		YoY change	
	Actual results	Ratio	Actual results	Ratio	Amount	%
Net sales	64,693	—	<b>66,060</b>	—	+1,366	+2.1%
Operating profit	3,905	6.0	<b>4,456</b>	<b>6.8</b>	+551	+14.1%
Ordinary profit	5,963	9.2	<b>6,709</b>	<b>10.2</b>	+746	+12.5%
Profit attributable to owners of parent	3,947	6.1	<b>4,942</b>	<b>7.5</b>	+994	+25.2%
Basic earnings per share	¥181.57	—	<b>¥227.24</b>	—	+¥45.67	+25.2%
ROE	7.9%	—	<b>8.9%</b>	—	—	+1.0pt

## Overview of Performance by Segment: Paints & Coatings-Related Business

**Strong sales mainly related to large-scale renovation and repair work for condominiums drove higher revenues and profits.**

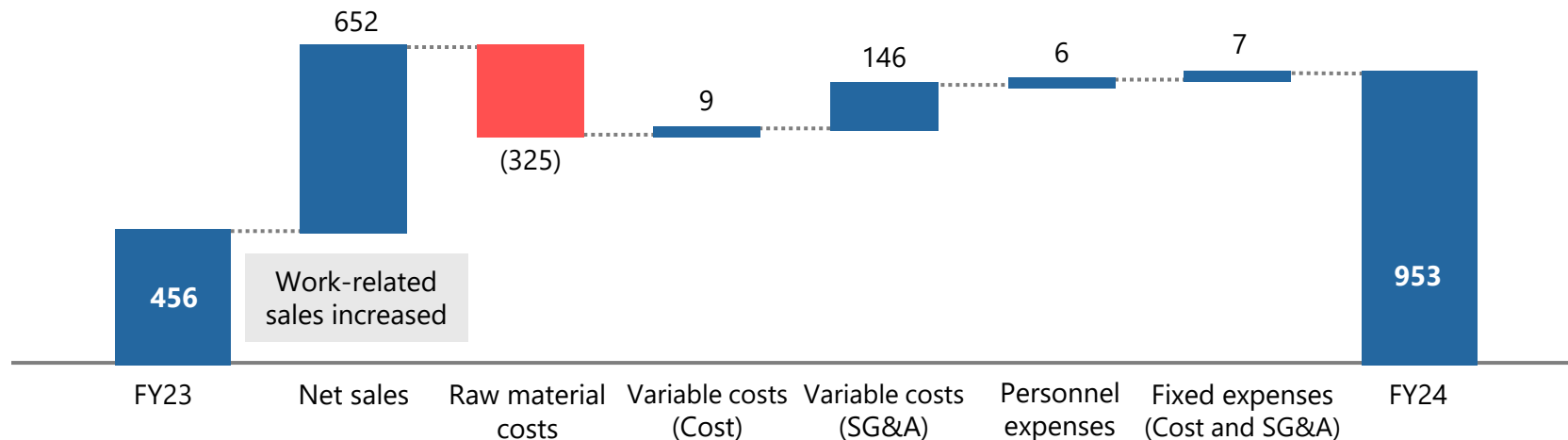
### ■ Performance overview



(Million yen)

	FY23	FY24	YoY change	
			Amount	%
Net sales	20,612	<b>23,722</b>	+3,110	+15.1%
Segment profit	456	<b>953</b>	+496	+108.7%
Profitability	2.2%	<b>4.0%</b>		

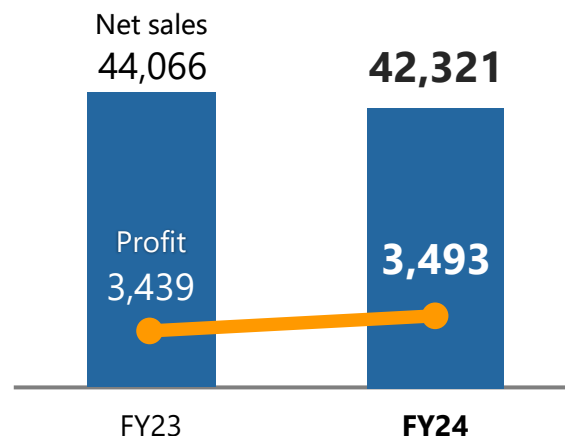
### ■ Analysis of changes in profit



## Overview of Performance by Segment: Automotive Products-Related Business

**Sales fell due to reduced production by major customers, domestic automobile manufacturers; however, profit levels were sustained.**

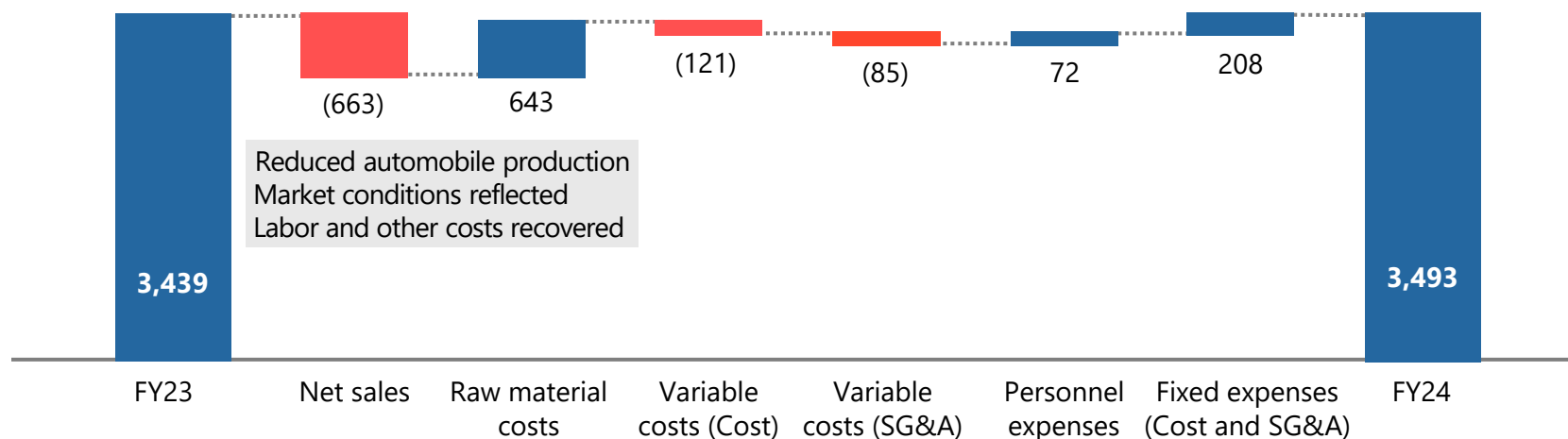
### ■ Performance overview



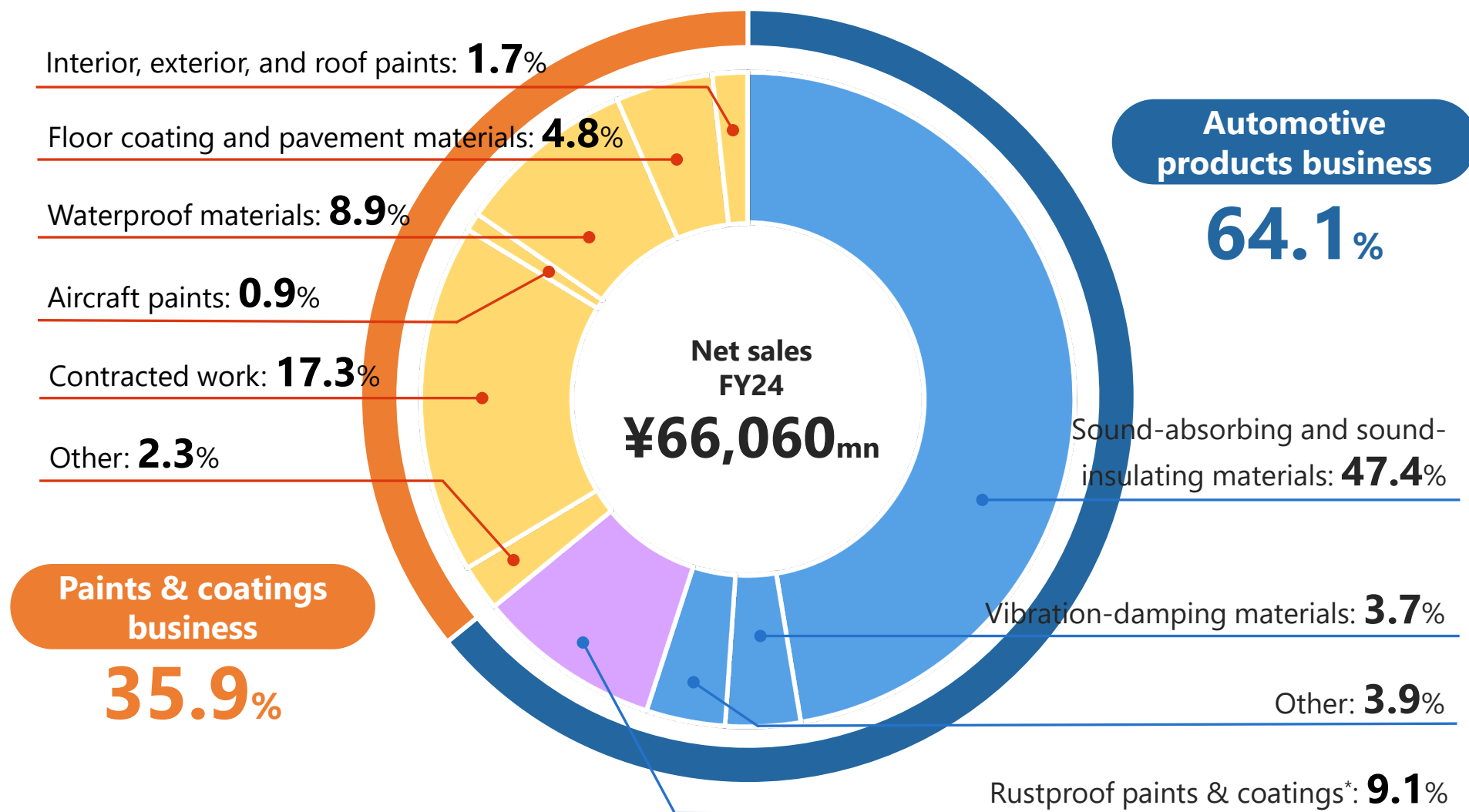
(Million yen)

	FY23	FY24	YoY change	
			Amount	%
Net sales	44,066	<b>42,321</b>	(1,744)	(4.0)%
Segment profit	3,439	<b>3,493</b>	+53	+1.6%
Profitability	7.8%	<b>8.3%</b>		

### ■ Analysis of changes in profit



# Composition of Net Sales (By Segment/Main Product)



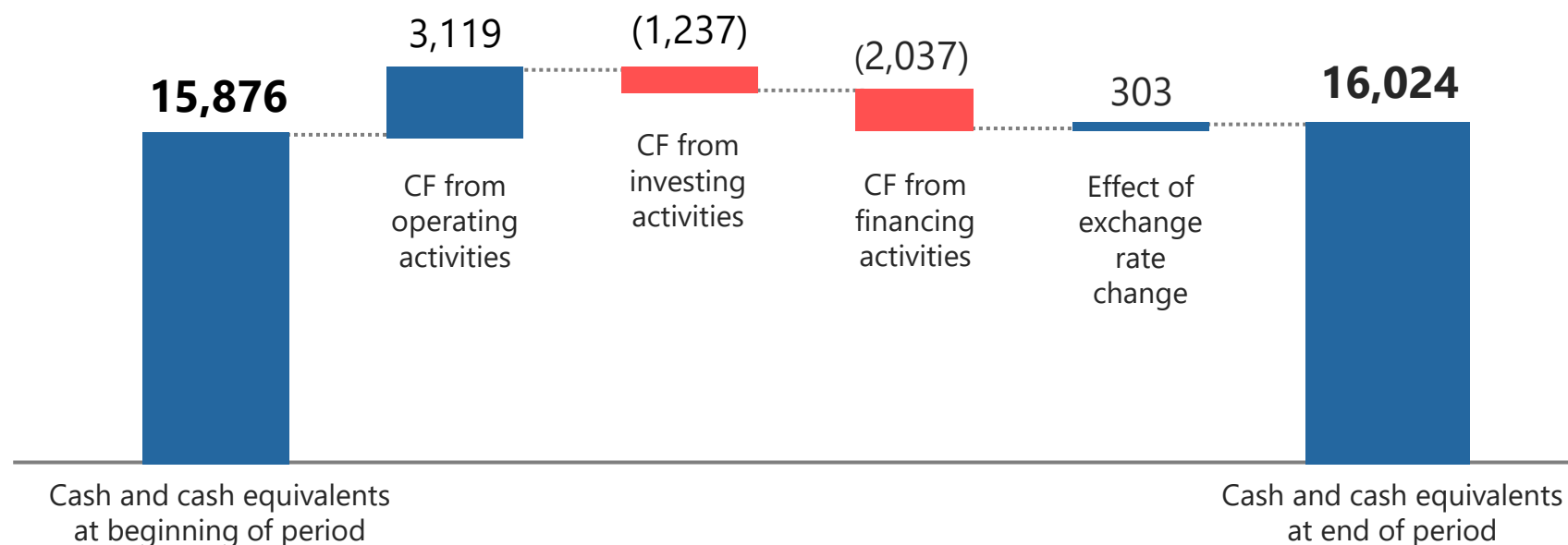
\* Sharing and leveraging technology and knowledge for paints & coatings / automotive products

# Consolidated Balance Sheets

(Million yen)

	FY23		FY24		YoY change
	Actual results	Ratio	Actual results	Ratio	Amount
Current assets	38,555	44.1	<b>38,327</b>	<b>45.0</b>	(228)
Non-current assets	48,900	55.9	<b>46,916</b>	<b>55.0</b>	(1,984)
Property, plant and equipment	22,422	25.6	<b>21,399</b>	<b>25.1</b>	(1,023)
Intangible assets	1,236	1.4	<b>1,292</b>	<b>1.5</b>	+56
Investments and other assets	25,241	28.9	<b>24,224</b>	<b>28.4</b>	(1,017)
Total assets	87,456	100.0	<b>85,243</b>	<b>100.0</b>	(2,212)
Current liabilities	21,405	24.5	<b>16,122</b>	<b>18.9</b>	(5,282)
Non-current liabilities	6,485	7.4	<b>5,006</b>	<b>5.9</b>	(1,479)
Total liabilities	27,890	31.9	<b>21,129</b>	<b>24.8</b>	(6,761)
Shareholders' equity	42,608	48.7	<b>46,531</b>	<b>54.6</b>	+3,923
Accumulated other comprehensive income	10,789	12.3	<b>10,926</b>	<b>12.8</b>	+137
Non-controlling interests	6,168	7.1	<b>6,656</b>	<b>7.8</b>	+488
Total net assets	59,565	68.1	<b>64,114</b>	<b>75.2</b>	+4,548

## Consolidated Statements of Cash Flows



(Million yen)

	FY23	FY24	YoY change
Cash and cash equivalents at beginning of period	10,853	<b>15,876</b>	+5,023
Cash flows from operating activities	9,317	<b>3,119</b>	(6,198)
Cash flows from investing activities	533	<b>(1,237)</b>	(1,770)
Cash flows from financing activities	(5,092)	<b>(2,037)</b>	+3,055
Effect of exchange rate change on cash and cash equivalents	+265	<b>+303</b>	+38
Cash and cash equivalents at end of period	15,876	<b>16,024</b>	+148



## **02 Overview of Financial Forecast for the Fiscal Year Ending March 31, 2026 (FY25)**

# Summary of Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2026

(Million yen)

	FY24		FY25		YoY change	
	Actual results	Ratio	Forecast	Ratio	Amount	%
Net sales	66,060	—	<b>63,000</b>	—	(3,060)	(4.6)%
Operating profit	4,456	6.7	<b>2,700</b>	<b>4.3</b>	(1,756)	(39.4)%
Ordinary profit	6,709	10.2	<b>5,100</b>	<b>8.1</b>	(1,609)	(24.0)%
Profit attributable to owners of parent	4,942	7.5	<b>4,000</b>	<b>6.3</b>	(942)	(19.1)%
Basic earnings per share	¥227.24	—	<b>¥183.85</b>	—	(¥43.39)	(19.1)%

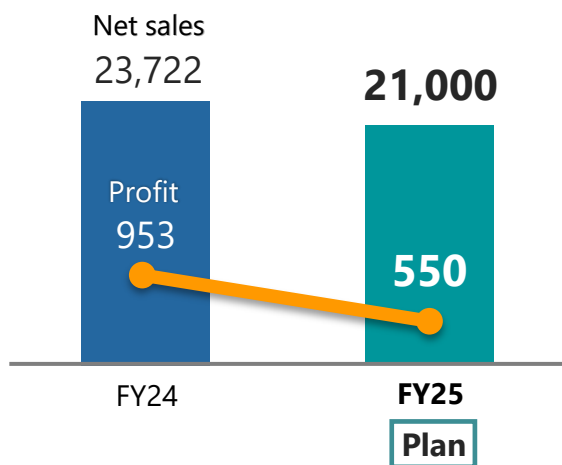
\* Forecast for FY25

Share of profit of entities accounted for using equity method: Approx. ¥1.83 billion

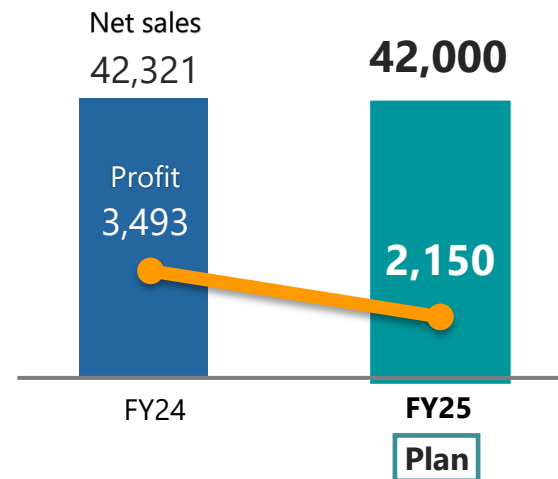
Assumed exchange rate: US\$1 = ¥144

## Results by Segment

### Paints & coatings-related business



### Automotive products-related business



(Million yen)

	FY24	FY25	YoY change %
Net sales	23,722	<b>21,000</b>	(11.5)%
Segment profit	953	<b>550</b>	(42.3)%
Profitability	4.0%	<b>2.6%</b>	

Work-related sales, strong in FY24, are expected to level off, with profitability projected to decline due to higher personnel and other costs.

(Million yen)

	FY24	FY25	YoY change %
Net sales	42,321	<b>42,000</b>	(0.8)%
Segment profit	3,493	<b>2,150</b>	(38.5)%
Profitability	8.3%	<b>5.1%</b>	

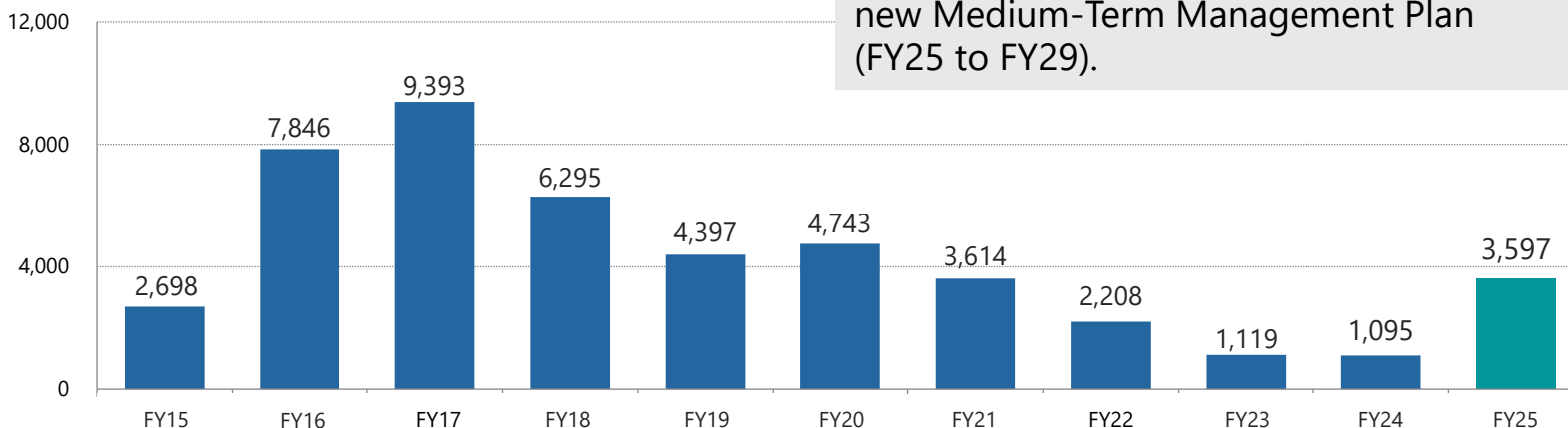
Net sales are expected to remain largely unchanged YoY, with profitability projected to decline due to higher raw material, personnel, and other operational costs.

\* U.S. tariff impact not yet reflected

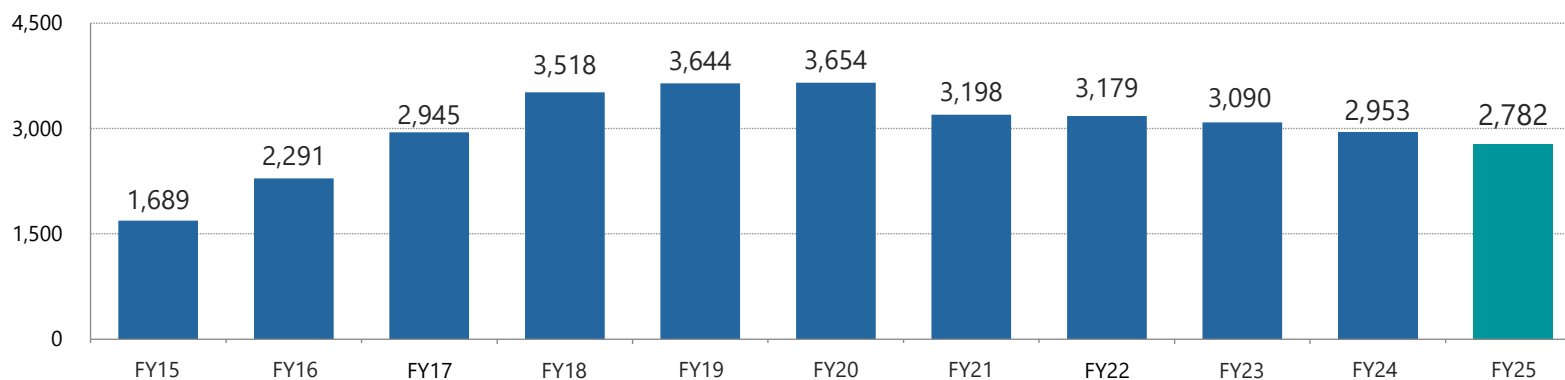
## Capital Expenditures and Depreciation

### ■ Capital expenditures (Construction basis)

See page 35 for cash allocation under the new Medium-Term Management Plan (FY25 to FY29).



### ■ Depreciation



## Plan for Shareholder Returns

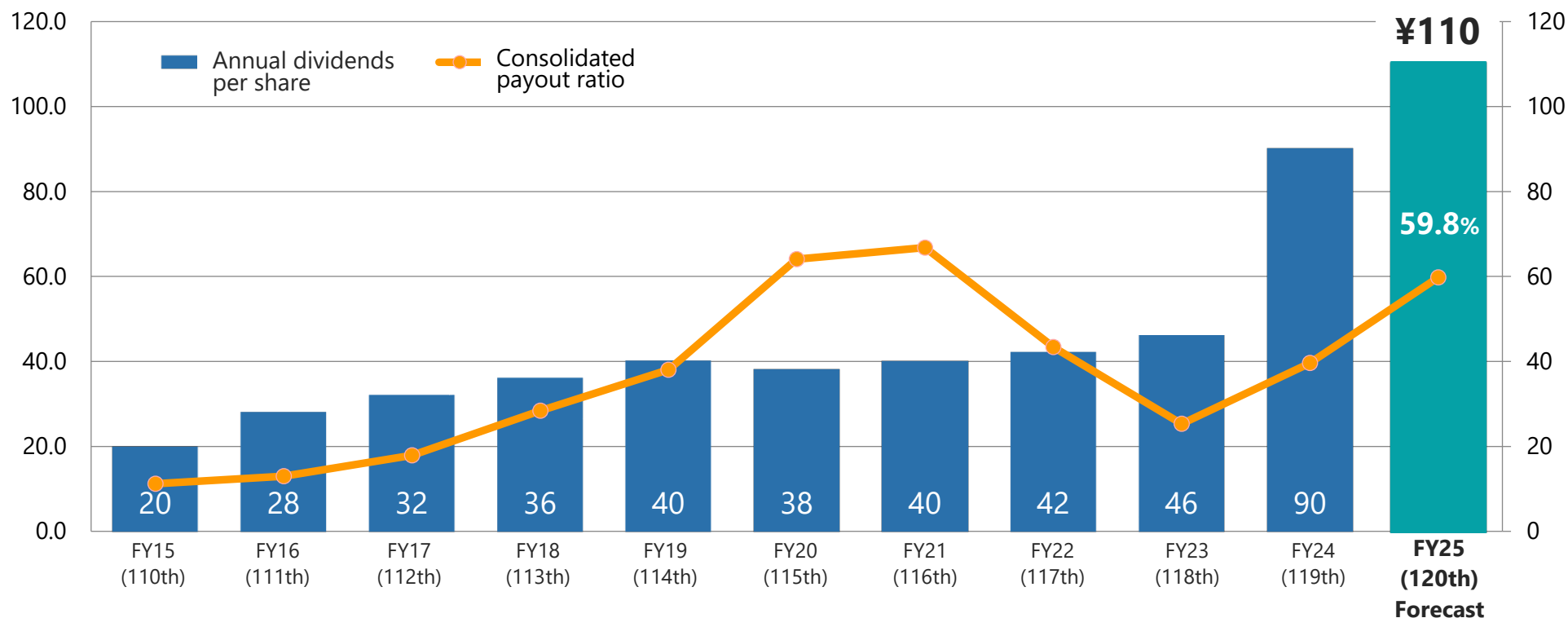
### ■ Shareholder returns

We expect an annual dividend of ¥110 per share for FY25, up ¥20 YoY, in line with the shareholder returns policy under the Medium-Term Management Plan (see page 34).

Annual dividends  
per share (Yen)

#### Trends in annual dividends per share and consolidated payout ratio

Consolidated  
payout ratio (%)

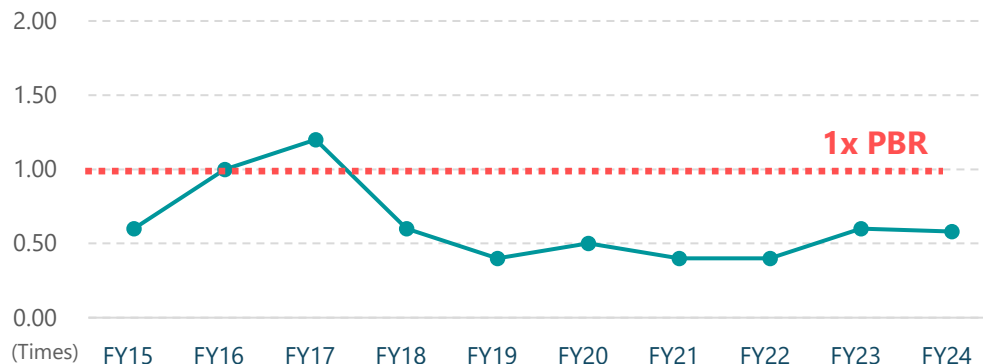


\* The figure in FY19 (114th) includes the 90th anniversary commemorative dividend of ¥2 (ordinary dividend of ¥38).

# Current Perspectives on Market Valuation and Return on Capital

**PBR remains low; profitability is improving, with ROE trending within the 7–8% range.**

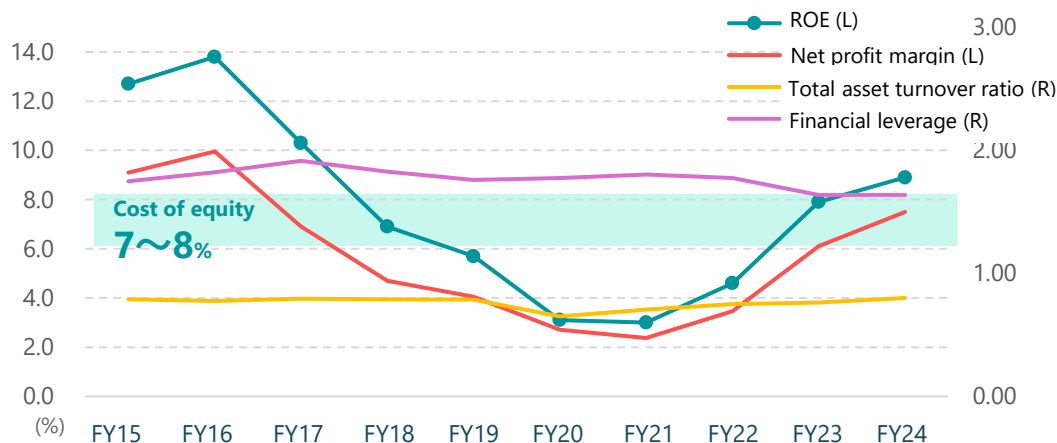
## Trends in PBR



## PBR continues to stay below 1x.

- Priorities include improving capital efficiency given the cost of equity, and fostering market expectations for growth potential.

## Trends in ROE



## ROE remained in the 7–8% range, below the 10% target.

- Profit margin, the main factor behind lower ROE, is recovering; improving profitability is an ongoing priority.
- Proper application of financial leverage, along with a review of idle and low-turnover assets, is also necessary.

## Key Priorities for Improving PBR

**Steadily advancing the following priorities to sustainably enhance corporate value (PBR)**

### Corporate value (PBR) enhancement

#### ROE improvement (Price Earnings Ratio)

##### Profitability enhancement

- Optimize product portfolio
- Improve operating profit ratio
- Reduce costs and enhance operational efficiency
- Expand sales channel to overseas market
- Increase product value-added

##### Capital efficiency improvement

- Optimize equity structure
- Divest idle and low-turnover assets
- Apply appropriate financial leverage
- Eliminate cross-shareholdings

#### PER enhancement (Stock price growth rate)

##### Optimization of cost of equity

- Strengthen shareholder returns
- Ensure transparent management
- Enhance information disclosure
- Ensure sound capital management

##### Expectations for growth potential

- Advance sustainable technology development
- Develop human resources and organizational capabilities
- Utilize data and promote digital transformation (DX)
- Develop new businesses and markets
- Expand revenue streams from existing businesses

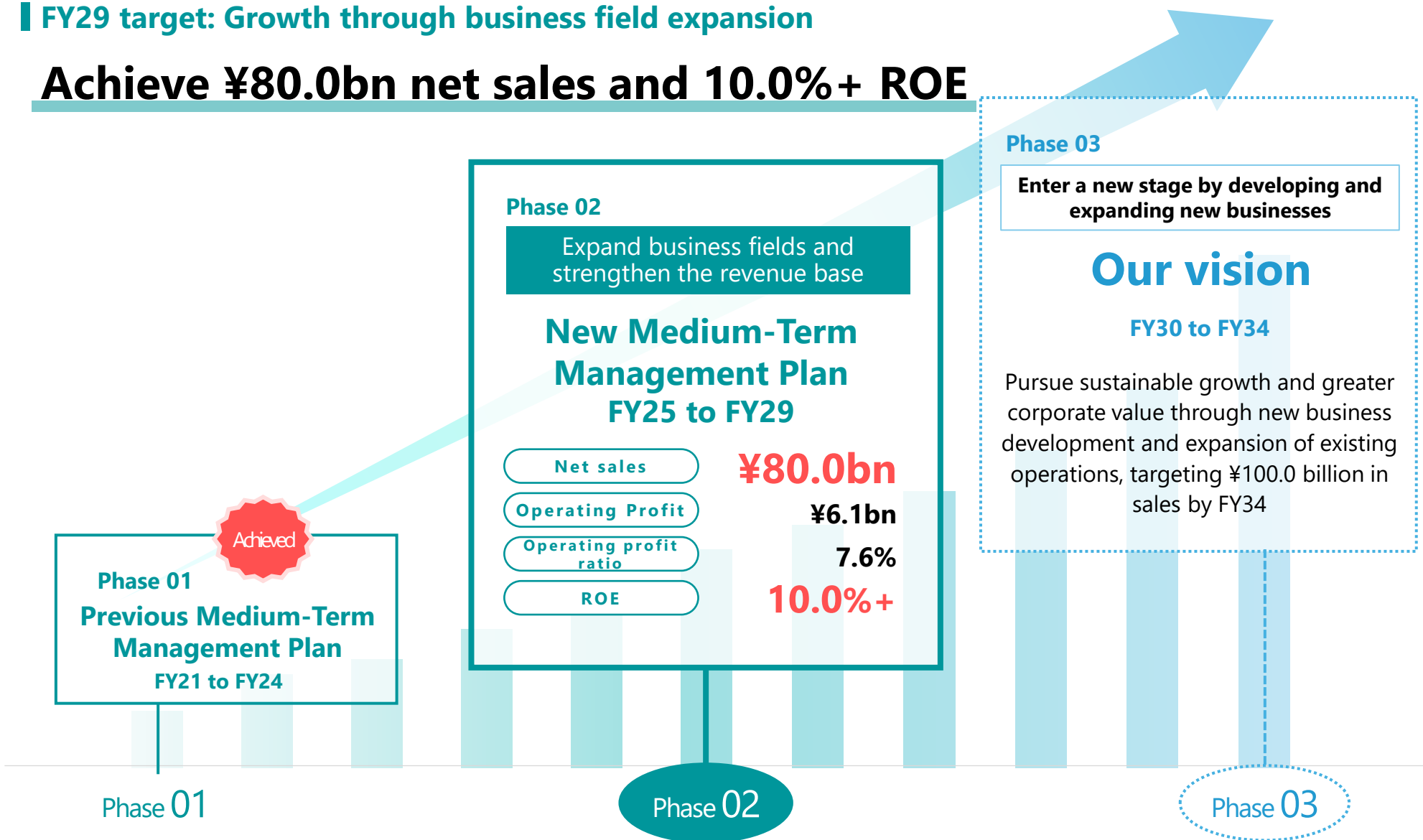
## **03 New Medium-Term Management Plan: Basic Policy**



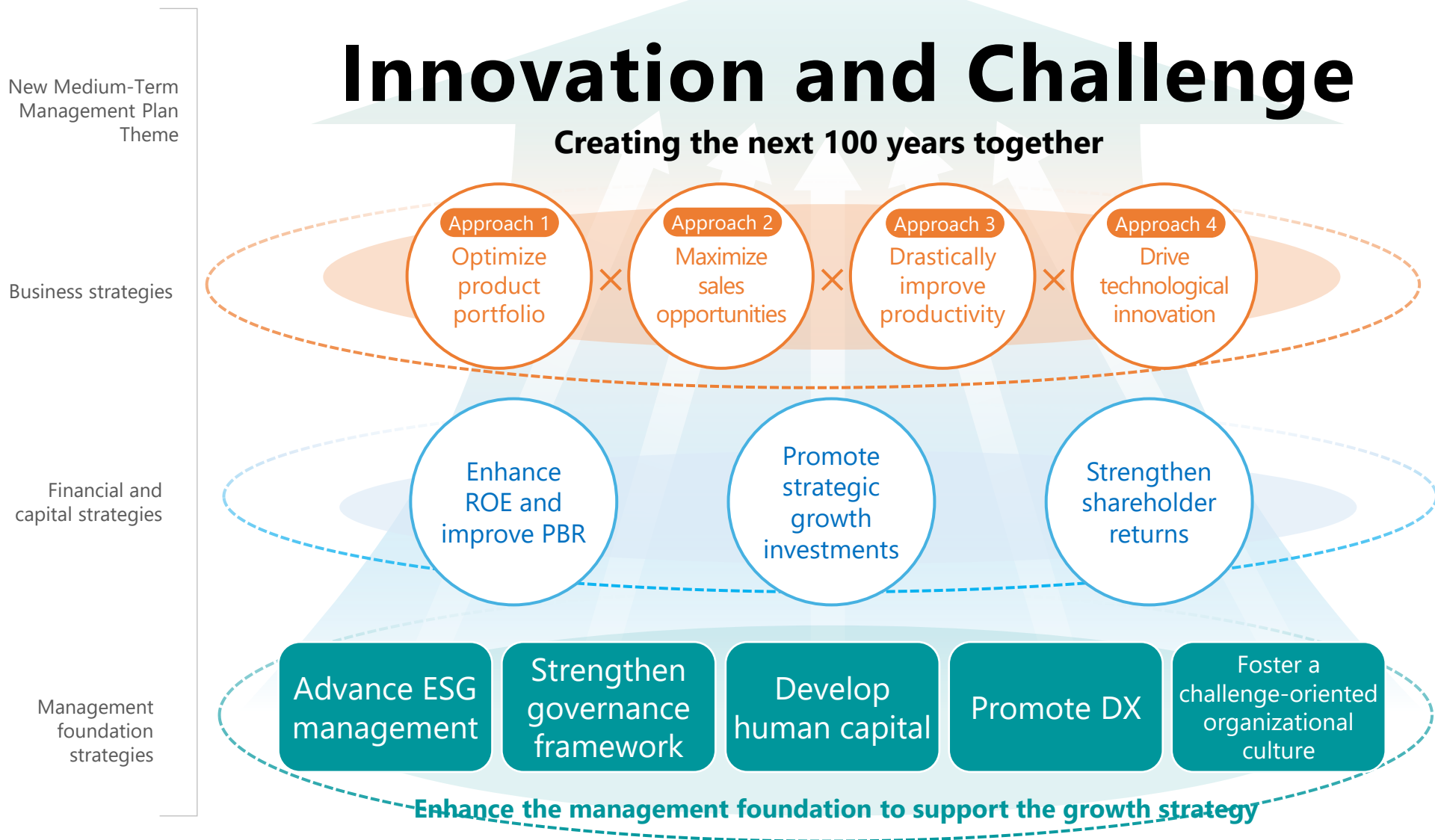
# Positioning the New Medium-Term Management Plan

**FY29 target: Growth through business field expansion**

**Achieve ¥80.0bn net sales and 10.0%+ ROE**



# New Medium-Term Management Plan: Basic Policy



## **04 New Medium-Term Management Plan: Management Targets**

## Management Targets

**We aim to elevate our core strategies (business, financial and capital, and management foundation strategies) to a new level, targeting a 10%+ ROE by FY29.**

(Million yen)	FY24 Actual results	FY29 Plan	
			vs. FY24
Net sales	66,060	<b>80,000</b>	+21.1%
Operating profit	4,456	<b>6,100</b>	+36.9%
Ordinary profit	6,709	<b>8,000</b>	+19.2%
Profit attributable to owners of parent	4,942	<b>6,500</b>	+31.5%
Basic earnings per share	¥227.24	<b>¥304.18</b>	+¥76.94
ROE	8.9%	<b>10.0%+</b>	+1.1pt+

## Targets by Segment

We thoroughly implement the basic strategies for each business to steadily achieve the target ratio of operating profit.

		FY24 Actual results	FY29 Plan	vs. FY24
(Million yen)				
Paints and Coatings	Net sales	23,722	26,600	+12.1%
	Operating profit	953	1,600	+67.7%
	Operating profit ratio	4.0%	6.0%	+2.0pt
Automotive Products	Net sales	42,321	53,400	+26.2%
	Operating profit	3,493	4,500	+28.8%
	Operating profit ratio	8.3%	8.4%	+0.1pt

## **05 Business Strategies**

# Current Business Environment (Paints and Coatings / Automotive Products)

Business  
environ-  
ment

## Paints and Coatings

- **Mature domestic market for paints and coatings used in building materials**
- **Rising demand in emerging markets overseas, driven by economic growth in Asia**
- **Soaring raw material prices amid global instability, etc.**
- **Growing demand for environmentally responsive paints and coatings**
- **Growing stock of condominiums approaching repair age**

Business  
environ-  
ment

## Automotive Products

- **Advancement of CASE (Connected, Autonomous, Shared, Electric) trends**
- **Need to optimize production and supply systems amid shifting trade policies**
- **Adaptation to stricter environmental regulations (e.g., CO<sub>2</sub> emissions, fuel efficiency, and recycling rates under the ELV Directive in Europe)**

# Paints and Coatings

## Numerical Targets and Basic Strategies

### Numerical targets

Net sales

**¥26.6<sub>bn</sub>**

Operating profit

**¥1.6<sub>bn</sub>**

Operating profit ratio

**6.0%**

### Basic strategies

#### Expand market share in existing businesses

- Pursue market share expansion in floor-coating materials, focusing on thick-film epoxy floor coatings
- Enhance response to the environmentally responsive product market by renewing and expanding the lineup of water-base floor-coating materials
- Expand the lineup of antistatic coatings

#### Strengthen sales capabilities in the Tokyo metropolitan area and surrounding eastern Japan region

- Increase core personnel in the Tokyo metropolitan area to strengthen sales capabilities
- Promote diversified channel development through trade shows and cross-industry associations

#### Establish a vertically integrated value chain

- Reduce external dependence to build a stable supply system and ensure resilient business operations amid external changes
- Develop high-value-added products using in-house technologies and accelerate entry into new markets

#### Develop high-value-added products

- Develop high-performance water-base coatings aligned with growing sustainability demands
- Achieve multifunctionality with composite functional coatings
- Promote carbon neutrality through the development of biomass products



## Positioning floor-coating materials as the second core business, following waterproof materials

Sales contribution of floor-coating materials  
**Up 5%\***

\* Composition of paints and coatings product sales by segment

### 01 Enhance earning power

#### Floor-coating materials sales growth

- Improve efficiency by introducing mechanized, labor-saving methods for applying thick-film epoxy floor-coating materials
- Research innovative production methods through industry-academia collaboration

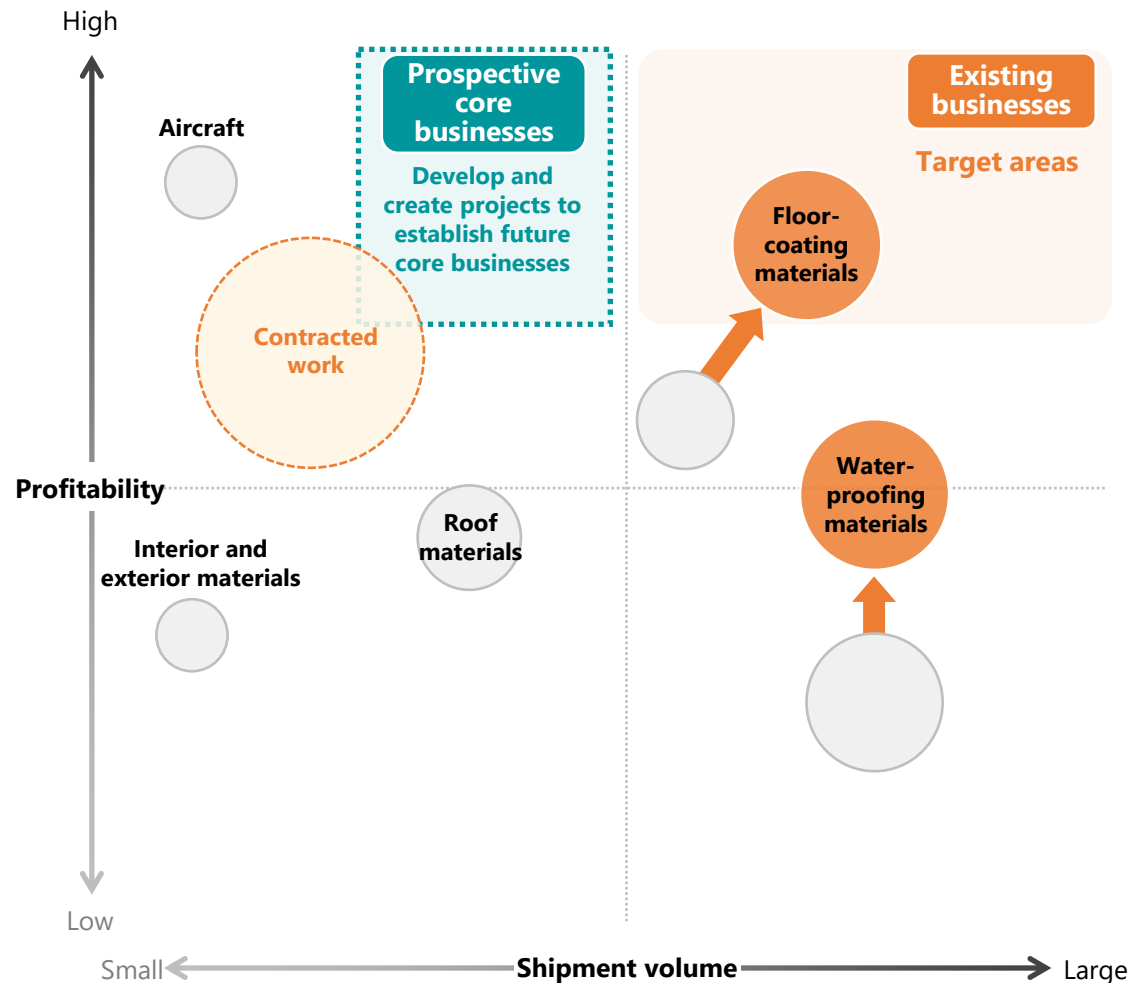
#### Optimization of product portfolio

- Improve profitability by renewing main products
- Streamline unprofitable products through consolidation

### 02 Create prospective core businesses

#### Establish Marketing & Strategy Office within the Paints & Coatings Group

- Develop strategies and businesses to promote higher value-added product



\* Contracted work is plotted by non-consolidated shipment volume; circle size indicates consolidated revenue, including construction work sales.

## Paints and Coatings

### Strengthening Sales Capabilities in the Tokyo Metropolitan Area and Surrounding Eastern Region

# Deploying human resources to the Tokyo metropolitan area

Accelerate growth by concentrating resources in Japan's largest markets

#### ■ Reinforce core personnel at the Tokyo Sales Operation Div.

- Enhance expertise and proposal skills to swiftly and accurately respond to large projects and win new customers in the Tokyo metropolitan area
- Assign multiple dedicated personnel and expand on-site presence at key partner dealerships

#### ■ Deploy more personnel to high-potential areas

- Increase relocated staff in areas with strong potential
- Drive community-based sales to capture local leading companies and new demand

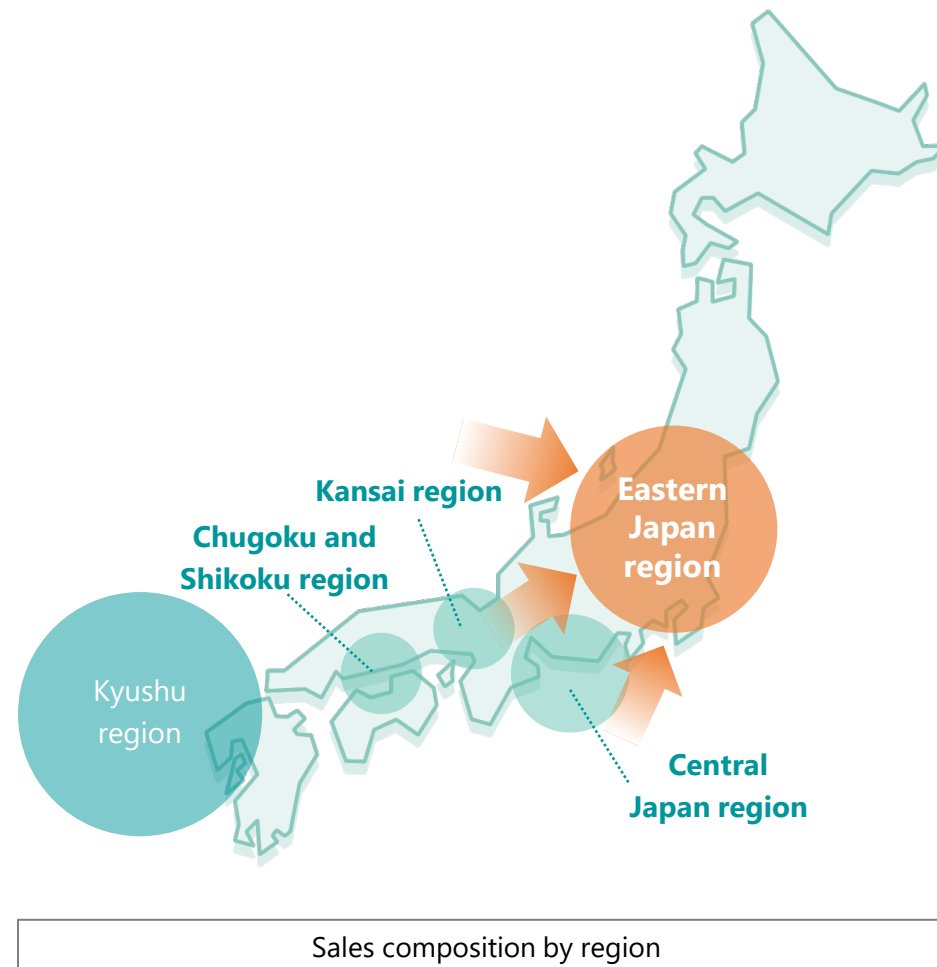
Deepen market penetration through direct sales and channel expansion

#### ■ Drive direct sales to owners and general contractors

- Boost direct proposal sales to owners and general contractors in growth areas: logistics warehouses, precision parts plants, and infrastructure facilities
- Pursue large project orders, enhancing brand recognition

#### ■ Actively engage in trade shows and cross-industry associations

- Exhibit at trade shows and strengthen collaboration with cross-industry associations to uncover new customers and applications
- Create new demand outside the conventional framework



# Establishing an optimal value chain to enhance profitability and stabilize the supply system

STEP  
01

## R&D

Strengthen the technology base via in-house production

- Accelerate development of high-value-added products and new product launches

STEP  
02

## Raw materials procurement

Enhance supply chain resilience

- Reduce supplier dependence and build a stable raw material supply system to minimize supply and price fluctuation risks
- Ensure business continuity amid external market fluctuations

STEP  
03

## Manufacturing

Drastically strengthen the revenue structure

- Enhance profitability by improving the raw material cost ratio
- Cut procurement costs by 15–20% by producing certain raw materials in-house

STEP  
04

## Sales

Launch differentiated products utilizing in-house technologies

- Launch high-value-added products
- Promote carbon neutrality by developing biomass products as a strategic pillar

# Advancing technological development to achieve 5%+ operating profit by FY29

## New Medium-Term Management Plan (FY25 to FY 29)

### Phase 1 (FY21 to FY24)

Establishing basic technologies

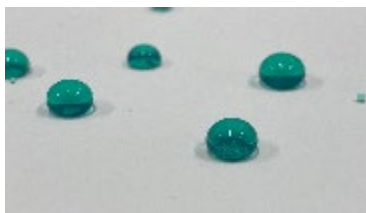
#### Technology establishment

##### Technology establishment

- Establish superhydrophobic / superhydrophilic technologies

##### Existing technology

- Establish in-house resin design technology



▲ Water droplets remain spherical on the surface coated with superhydrophobic technology

### Phase 2–(1) (FY25 to FY27)

Developing applications of high-performance technologies and transforming existing technologies

#### Technology establishment

##### High-performance technologies

- Develop applications of superhydrophobic/superhydrophilic technologies
- Establish technologies for optical functionality/nano dispersion
- Acquire new certifications for aircraft paints

##### Existing technologies

- Pilot new manufacturing methods (automation and process optimization)
- Develop coatings for wind power generation blades by applying aircraft paint technology

#### Market launch

##### Existing technology

- Begin partial in-house production by synthesizing resin

### Phase 2–(2) (FY28 to FY29)

Achieving profitability improvement by advancing existing technologies

#### Technology establishment

##### High-performance technologies

- Establish high-performance waterborne coatings technology
- Establish technologies applicable to biomass products

##### Existing technology

- Establish technologies to be applied to exclusive overseas products

#### Market launch

##### High-performance technologies

- Commercialize superhydrophobic/superhydrophilic technologies (profitability improvement through high-value-added product launches)
- Release aircraft paints/newly certified products

##### Existing technologies

- Improve profitability by synthesizing resin (in-house production)
- Commercialize coatings for wind power generation blades

### Future growth plan (FY30 onward)

Expanding into growth areas/overseas markets

#### Technology establishment

##### High-performance technologies

- Develop/commercialize high-performance waterborne coatings technology
- Develop/commercialize biomass products
- Apply optical functionality/nano-dispersion technologies to products

##### Existing technology

- Roll out products to overseas markets



## Numerical targets

Net sales

¥53.4bn

Operating profit

¥4.5bn

Operating profit ratio

8.4%

## Basic strategies

**Develop technologies and materials to reduce environmental impact**

- [Industry first] Launch products made from 100% recycled materials ⇒ Complete product development for undercovers
- Expand applications to other exterior and interior products ⇒ Halve development time by concentrating resources

**Expand overseas markets**

- Develop the Indian market (advanced development for Japanese OEMs under contract)
- Strengthen support for quality/local production
- Flexibly respond to production increase in North America

**Reform structure to enhance profitability**

- Advance efforts in carbon neutrality, labor saving, and cost reduction ⇒ Automate processes and adopt new production methods
- Strengthen production systems in Kyushu and Tohoku regions (responding to customer strategy) ⇒ Redeploy the Higashi Kyushu Plant and reinforce collaboration with contract manufacturers in Tohoku
- Consolidate production sites ⇒ Combine parts production and assembly at a single site (Smart Plant)

**Develop new products (fields) leveraging noise and vibration (NV) technology**

- Develop modules with NV-control performance ⇒ Enter the market as a new panel supplier and broaden the proposal scope
- Strengthen development and production systems through strategic M&A and other initiatives

## Automotive Products

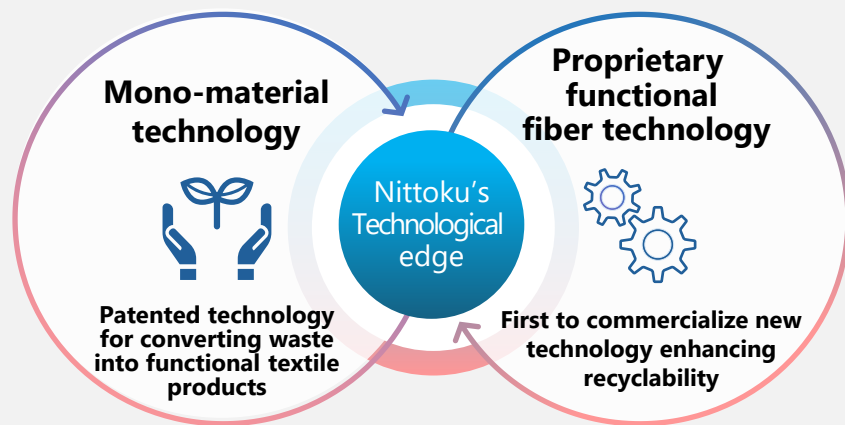
## Developing Technologies and Materials to Reduce Environmental Impact

# Developing environmentally responsive parts utilizing proprietary technologies and implementing market expansion strategies

**Industry first**

Technology development and commercialization for 100% recycled materials

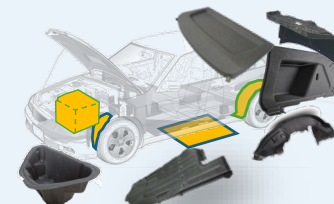
Responding to the growing complexity of automobile recycling amid rising environmental consciousness



New product offering model leveraging functional fiber technology

## Product portfolio diversification

- ✓ Pursue market share expansion by adding highly recyclable parts and styling parts to the portfolio



- ✓ Enhance environmentally responsive products while utilizing existing technologies



- ✓ Extend application to styling parts alongside conventional functional parts



## Automotive Products

### Strengthening Collaboration with Technical Partners and Overseas JVs

# Expanding revenue in growth markets through optimized production and supply systems and enhanced global collaboration

## India

- Strengthen collaboration with technical partners in customer support to solidify the revenue base in growth markets
- Focus on expanding sales to automobile manufacturers based on pilot orders received for the new BEV model



Autoneum Nittoku Sound Proof Products India Pvt. Ltd. (India)

**Expand revenue in growth markets**

**Sales and profit**

**Approx. 2x**

(vs. the final year, FY24)

## North America

- Propose products tailored to electric vehicle needs
- Focus on expanding sales of floor carpets and trunk systems based on orders for new Japanese BEV interior parts

Company accounted for using equity method

**UGN**

**Equity-method gain**

**Approx. 1.7x**

(vs. the final year, FY24)



UGN, Inc. Head Office (U.S.)

## Southeast Asia

- Capture growing demand, including from emerging automobile manufacturers, and maintain proactive investment amid population and economic growth
- Focus on expanding floor carpet sales based on new orders for Japanese SUV models

Consolidated subsidiary

**TNA**

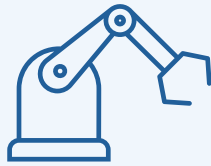


PT. TUFINDONITOKUJAUONEUM (Indonesia)

## Establishing a general-purpose line: 2x productivity with less labor, space, and energy—30% lower CO<sub>2</sub> emissions

01

### Labor-saving



- **Introduction of robotic and AI technologies**

In-house technologies

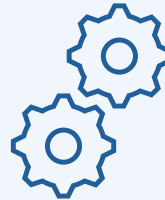
Automate labor-intensive processes and replace manual visual inspections

- **Process automation and advanced data linkage**

Reduce workload through automated data linkage among equipment

02

### Space-saving and standardization



- **Modular design and standardization of equipment**

Redesign equipment to be more compact (standardization)

- **Digital twin simulation / Production visualization**

Promote DX to maximize efficiency in minimal space

03

### Energy-saving



- **High-speed thermo-forming technology**

In-house technologies

Reduce energy consumption through shorter processing time and improved heating efficiency



## Automotive Products

### Developing New Products Leveraging NV Technology

# Marketing modular products with NV-control performance

## Drivers behind the need for modularization

1. **Improved assembly efficiency and cost reduction**  
To enhance manufacturing efficiency and reduce costs by utilizing pre-assembled modules consisting of multiple parts
2. **Weight reduction and environmental adaptation (aligned with decarbonization trends)**  
To promote the use of lightweight materials to reduce vehicle weight and environmental impact
3. **Faster development and greater flexibility**  
To establish development systems to respond swiftly to market changes and diverse needs

## Development of modules with NV-control performance

Pre-assembled modules consisting of parts helps streamline the car assembly process. Technical development targets interior and exterior noise reduction through integrated soundproofing technology, along with faster production.



## Enhancing modular product development and market rollout following entry as a supplier of trunk panels

Key  
measures

Promote proposal-driven, modular product development by integrating our diverse technologies, including noise and vibration control

Secure and strengthen competitiveness in the rear parts field

Strengthen development and production systems through strategic M&A and other initiatives

## **06 Financial and Capital Strategies**

## Shareholder Returns Policy: Strengthen Shareholder Returns

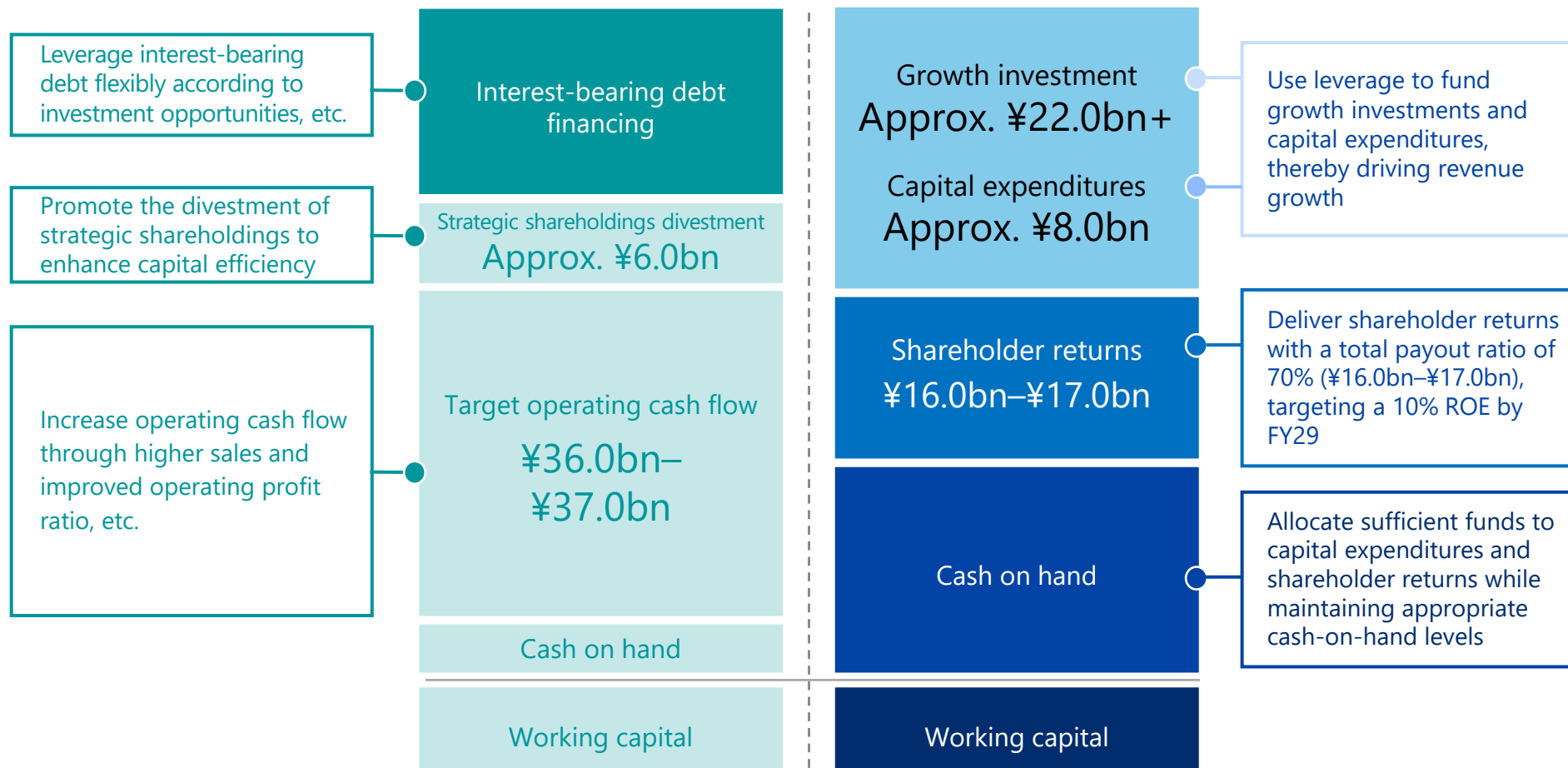
# Implementing performance-based distribution and flexible share buybacks under the new Medium-Term Management Plan

	Previous plan	New Medium-Term Management Plan
Shareholder returns policy	<p><b>Payout ratio 30%</b></p> <p>FY21 to FY24</p>	<p><b>Total payout ratio 70%</b></p> <p>FY25 to FY29</p>
Total shareholder returns	<p><b>Approx. ¥4.7 bn</b></p> <p>4-year cumulative total (previous plan)</p>	<p><b>¥16.0 bn – ¥17.0 bn</b></p> <p>5-year cumulative total (new plan)</p>
Approach to shareholder returns	<p>Make a decision based on stable dividends, by comprehensively taking into account such factors as the enhancement of funds for strategic investments, financial condition, and profit levels, and dividend payout ratio (target of 30%).</p>	<ul style="list-style-type: none"> <li>● Achieve appropriate financial condition based on the profit levels, and <b><u>implement bold shareholder returns to reach a 10% ROE by FY29</u></b></li> <li>● Prioritize dividends for shareholder returns; <b><u>conduct share buybacks as needed after the elimination of cross-shareholdings</u></b></li> </ul>

# Cash Allocation: Promoting Strategic Growth Investments

## Executing strategic growth investments and capital expenditures while strengthening shareholder returns

Cash allocation FY25 to FY29



## **07 Management Foundation Strategies**

## Advancing ESG Management

# Advancing ESG-focused management as a key driver of sustainable growth



### Governance

#### Corporate governance initiatives

- I. Enhance Board composition
- II. Change directors' term of office
- III. Strengthen Group governance and collaboration
- IV. Review organizational structure and regulations
- V. Reinforce the compliance system

\* See the next page for governance.



### Social

#### Social responsibility initiatives

- I. Support diverse workforce participation and enhance job satisfaction
- II. Create a safe and supportive workplace
- III. Establish a human rights due diligence framework and strengthen supply chain management
- IV. Engage with local communities



### Environment

#### Environmental protection initiatives

- I. Reduce environmental impact across the entire product life cycle
- II. Ensure comprehensive energy-saving efforts and achieve carbon neutrality
- III. Increase recycling of plant and facility waste and raise recycling rates
- IV. Promote green procurement practices

# Strengthening Governance Framework

## PART 01

### Enhancement of Board composition

To be adopted

- Increase in the ratio of Independent Outside Directors  
Strengthen the Board's independence and enhance its effectiveness
- Appointment of a female Outside Director with corporate management experience  
Enhance Board diversity by appointing Ms. Asaka as an independent female Outside Director with corporate management experience at other companies and a wealth of expertise

## PART 02

### Change in Directors' term of office

To be adopted

- Term shortened from two years to one year

## PART 03

### Enhancement of the Executive Officer System

Implemented

- Swifter decision-making on management and strengthened business execution functions

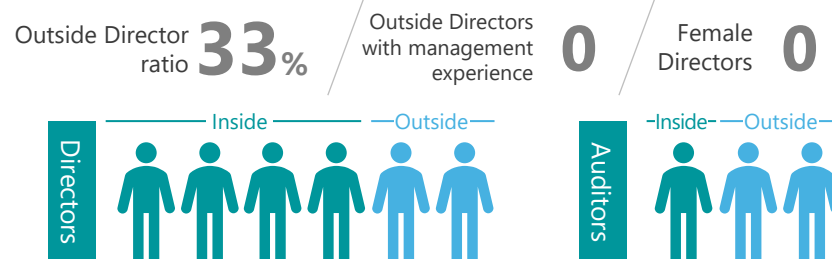
## PART 04

### Restricted share compensation plan

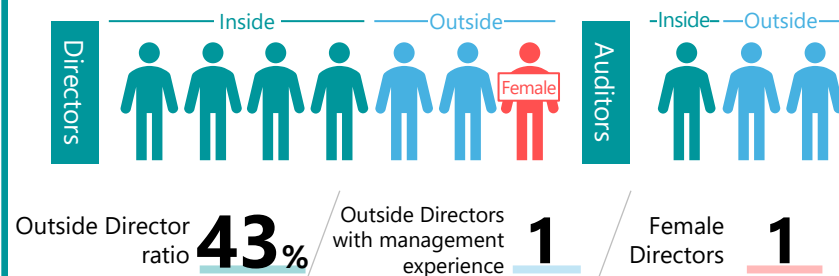
Implemented

- Incentives for Directors to support sustained enhancement of corporate value and further promote the sharing of value with shareholders

#### Current framework



#### New framework



Candidate for new  
Outside Director

**Kinuyo Asaka**

- Abundant experience in corporate management
- A high level of expertise in developing and executing marketing strategies

August 2002

Representative Director of Paramount Home Entertainment (Japan) Ltd.

May 2011

CEO of Kadokawa Intercontinental Group Holdings Limited

June 2017

Vice President and General Manager, International Sales Department I of Nidec-Shimpo Corporation

September 2018

Director of New Chemical Trading Co., Ltd.

April 2019

Managing Director of New Chemical Trading Co., Ltd.

October 2019

Director of Asaka Club Corporation (in-service)

## Developing Human Capital

### Enhancing human capital (human assets) to achieve both sustainable growth and “Innovation”

Performance capability  
to promote solid growth



#### Enabling autonomous career development and growth

- Promote participation of the senior workforce and extend the retirement age
- Implement an open internal recruitment program
- Enhance education and training programs; expand participation opportunities



#### Maximizing individual potential and enhancing management and organizational capabilities

- Promote measures to enhance engagement
- Develop and acquire next-generation leaders and executives
- Enhance workforce visibility through talent management

A challenge-driven mindset  
to evolve beyond stability



#### Enhancing adaptability and capabilities to create future innovation

- Promote women's participation (raise the ratio of female managers); increase diversity
- Review seniority-based wages and revise the personnel system
- Implement proposal-based projects



#### Fostering an organization culture that takes on challenges

- Institutionalize personnel transfers across business fields
- Review the recognition system (increase motivation)
- Build a platform to promote new businesses



## Fostering an Organizational Culture That Takes on Challenges

# Toward an organization where taking on challenges is the norm Empowering everyone to take initiative

Fostering an organizational culture that takes on challenges, enabling everyone to think and act independently to create new value—toward a stronger, more flexible company

01

**Define a purpose**



02

**Introduce a new personnel system**



03

**Review the recognition system**



04

**Establish and operate a corporate university**



05

**Implement an open internal recruitment program**



06

**Create new businesses**



07

**Ensure a supportive work environment**



08

**Strengthen Group collaboration and governance**



## Promoting DX

# DX strategy (Basic policy for promoting DX)

- Transform the organization to adapt to social and economic change in the midst of rapidly evolving digital technology
- Transform operational processes to align with shifting work styles and enhance productivity

### Focus areas



#### Core system modernization

Adapt to diverse business models and support existing and new business expansion



#### Data analysis and utilization promotion

Facilitate accurate and timely decision-making and management judgment



#### Citizen development environment deployment

Enhance competitiveness through employee-led operational improvements



#### Operational reform and standardization

Enhance sales and profits, internal controls, operational efficiency, and product quality



#### Information security enhancement

Pursue top-tier industry standards to support digital promotion



#### AI utilization

Streamline and upgrade development processes and visual inspection



#### New business creation

Transform industry structure and sales and procurement models, and cultivate partnerships



#### Customer engagement reinforcement

Apply data and digital technologies to marketing and sales strategies

## Contact for IR

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