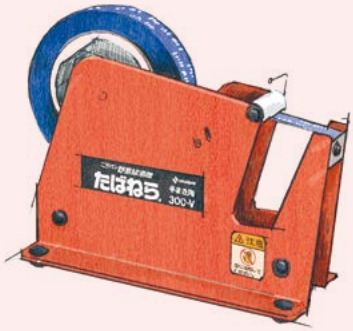
NICHIBAN

Sticking to your needs



Nichiban Group

Integrated Report 2026

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Sticking to your needs

We work together in harmony, with all employees reaching out to each other and continuing to make improvements with strong teamwork.
And we take the initiative with enthusiasm, taking on new challenges, with each individual fully demonstrating their capabilities.
Preserving the Spirit of Our Founders, all of us are united in our resolve to achieve sustainable growth and create new value.

Spirit of Our Founders
Work together in harmony and take the initiative with enthusiasm.

Nichiban Group Philosophy

Basic Philosophy
Nichiban respects people's cooperative relationship and strives to foster prosperity and happiness for all stakeholders of Nichiban Group.

Corporate Policies
Nichiban continuously strives to contribute to the comfort of people's lives through the value-added technology from its base of expertise in adhesive field.

Action Guidelines

Society	Customers	Taking on Challenges	Speed	Teamwork
Take actions with sincerity and work with pride.	Deliver results that are good and beneficial for customers.	Seek to accomplish tasks with confidence in positive results.	Take actions swiftly and make necessary changes rapidly.	Extend cooperation beyond sections and carry through to the end.

NICHIBAN

Our corporate logo incorporates an N motif for Nichiban. Called the N Wings, the logo depicts wings enabling us to fly to a brilliant future.

Origin

The two gentle curves in the logo symbolize our human approach, specifically, our commitment to fostering happiness for all those concerned with the Nichiban Group. The two figures facing each other represent the relationships and communication between people and between people and the environment, which are always improving.

"Nichiban Red"

The corporate color, expresses the Nichiban Group's willingness to take on challenges in new domains to open up the path to a new era.

Editorial Policy

The Nichiban Group Integrated Report 2026 provides information for shareholders and investors, including information about the value that the Group creates, its management and financial strategies, the strengths of its business, a performance report, and ESG information including information about initiatives regarding the environment, human capital, local communities and corporate governance.

Explanatory Notes

The Nichiban Group (the Group) refers to the Nichiban Group on a consolidated basis. Nichiban (the Company) refers to Nichiban Co., Ltd. The ® symbol indicates a registered trademark. The ™ symbol indicates a trademark.

* Paralym Art® is a registered trademark of The Parents, Inc.
The Japanese term kenkokeiei (health and productivity management) is a registered trademark of Nonprofit Organization Kenkokeiei.
Blind Soccer is a registered trademark of the Japan Blind Football Association.

Reporting Period

April 1, 2025 to March 31, 2026
In light of the importance of providing up-to-date information, some FY2026 information is included regarding the Group's organizational structure, measures and other matters.

Reference Guidelines

- IFRS Foundation
  International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry of Japan, Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation

Entities Covered

- Nichiban Co., Ltd.
- Nichiban Print Co., Ltd.
- Nichiban Techno Co., Ltd.
- Nichiban Medical Corp.
- Nichiban (Thailand) Co., Ltd.
- Nichiban Europe GmbH

Date of publication

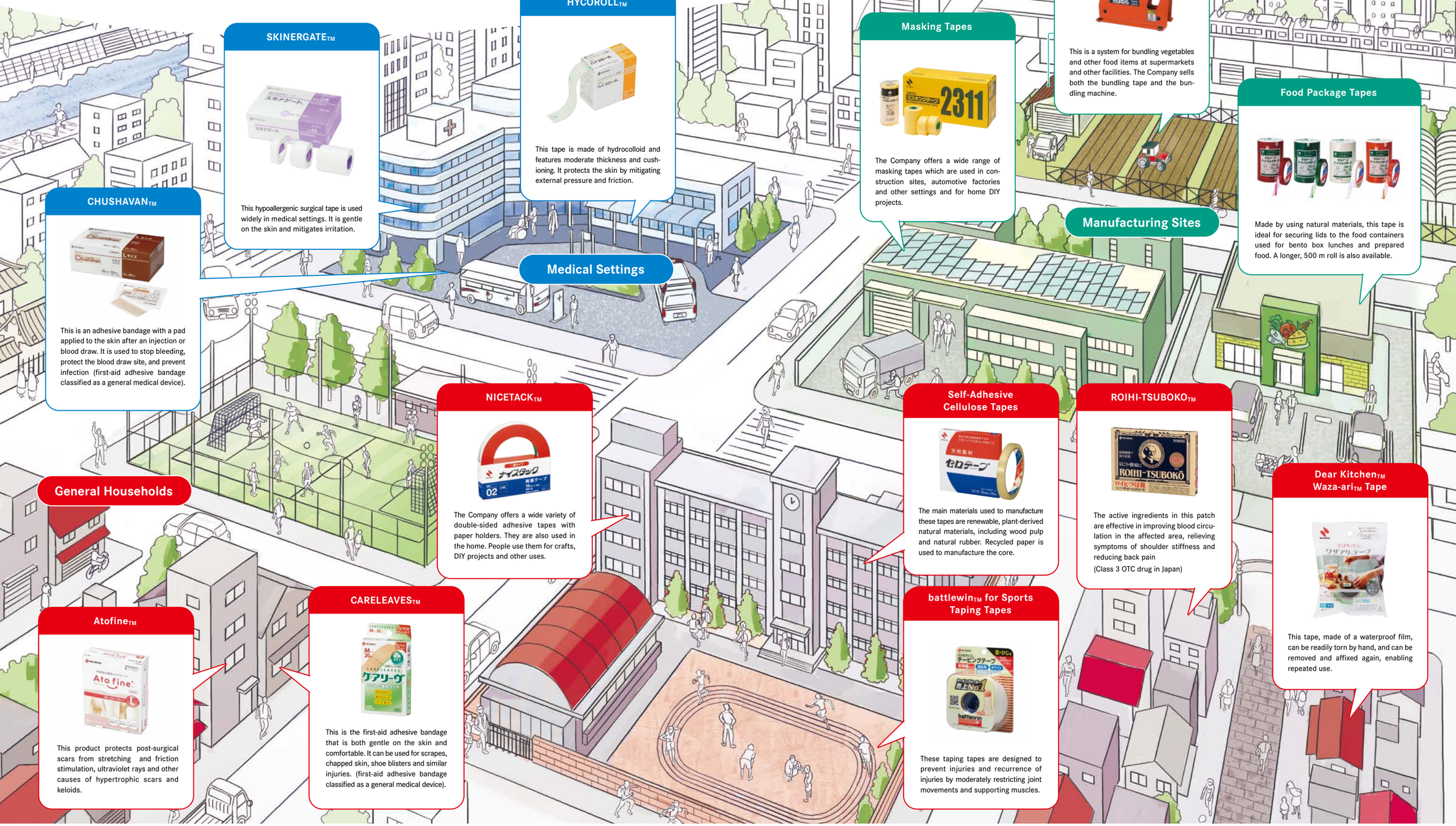
August 2026

Reporting Media

Major Information Disclosure Tools	Details
Official Website	This website provides information about all aspects of the Nichiban Group, including product and corporate information and the Nichiban Group 2030 Vision.
Nichiban Group Integrated Report	Since FY2023, the Nichiban Group has published the Nichiban Group Integrated Report, which is an integration of the Group's financial and non-financial information, as replacement for the previous Sustainability Report.
Corporate Governance Report	The Group details its corporate governance purposes, status, and initiatives in this report in accordance with the Corporate Governance Code.

Nichiban Products in Everyday Life

The Nichiban Group is dedicated to ensuring that everyone everywhere can enjoy prosperous and comfortable lifestyles. Its more than 10,000 adhesive products varying in terms of their type and size are used in many environments throughout society.



Medical Settings

SKINERGATE™

This hypoallergenic surgical tape is used widely in medical settings. It is gentle on the skin and mitigates irritation.

HYCOROLL™

This tape is made of hydrocolloid and features moderate thickness and cushioning. It protects the skin by mitigating external pressure and friction.

CHUSHAVAN™

This is an adhesive bandage with a pad applied to the skin after an injection or blood draw. It is used to stop bleeding, protect the blood draw site, and prevent infection (first-aid adhesive bandage classified as a general medical device).

Manufacturing Sites

Masking Tapes

The Company offers a wide range of masking tapes which are used in construction sites, automotive factories and other settings and for home DIY projects.

Tabanera™

This is a system for bundling vegetables and other food items at supermarkets and other facilities. The Company sells both the bundling tape and the bundling machine.

Food Package Tapes

Made by using natural materials, this tape is ideal for securing lids to the food containers used for bento box lunches and prepared food. A longer, 500 m roll is also available.

General Households

NICETACK™

The Company offers a wide variety of double-sided adhesive tapes with paper holders. They are also used in the home. People use them for crafts, DIY projects and other uses.

Self-Adhesive Cellulose Tapes

The main materials used to manufacture these tapes are renewable, plant-derived natural materials, including wood pulp and natural rubber. Recycled paper is used to manufacture the core.

ROIHI-TSUBOKO™

The active ingredients in this patch are effective in improving blood circulation in the affected area, relieving symptoms of shoulder stiffness and reducing back pain

(Class 3 OTC drug in Japan)

Dear Kitchen™ Waza-ari™ Tape

This tape, made of a waterproof film, can be readily torn by hand, and can be removed and affixed again, enabling repeated use.

Atofine™

This product protects post-surgical scars from stretching and friction stimulation, ultraviolet rays and other causes of hypertrophic scars and keloids.

CARELEAVES™

This is the first-aid adhesive bandage that is both gentle on the skin and comfortable. It can be used for scrapes, chapped skin, shoe blisters and similar injuries. (first-aid adhesive bandage classified as a general medical device).

battlewin™ for Sports Taping Tapes

These taping tapes are designed to prevent injuries and recurrence of injuries by moderately restricting joint movements and supporting muscles.

NICHIBAN Group History

Nichiban started in the field of adhesion, and it has been developing its brand for many years.

Corporate History

1918
Establishment of Utahashi Pharmaceutical Office

Utahashi Pharmaceutical Office was founded in Minami-Shinagawa, Tokyo, and it began manufacturing ointments, plasters and other products. This manufacturing company is the origin of the Nichiban Group.

Kenichi Utahashi

1934
Establishment of Utahashi Pharmaceutical Office Co., Ltd.

Utahashi Pharmaceutical Office was converted from a sole proprietorshipinto a corporation to meet growing demand.

1944
Company name changed to Nichiban Industry Co., Ltd.

Twenty-five adhesive bandage manufacturers throughout Japan merged with Utahashi Pharmaceutical Office as the core company. The name of the company was changed to Nichiban Industry Co., Ltd.

1961
Company name changed to Nichiban Co., Ltd.

Production equipment in the Tokyo and Osaka factories was improved and expanded, making it state of the art, at the same time the name of the company was changed to the current Nichiban Co., Ltd.

1967
Establishment of the Anjo Factory

A new factory was established in Anjo City, Aichi Prefecture to increase production capacity in response to growing demand for Self-Adhesive Cellulose Tapes and other products.

1972
The Saitama Factory was built to replace the Tokyo Factory.

The Tokyo Factory was relocated to Hidaka Town (now Hidaka City), Saitama Prefecture to expand it and install additional equipment.

1976
Capital participation with Taiho Pharmaceutical Co., Ltd.

In response to financial difficulties caused by the oil shock and labor-management problems stemming from the relocation of the Tokyo Factory, management reform measures were implemented with Taiho Pharmaceutical taking a capital participation role in the Company.

2017
Establishment of Nichiban (Thailand) Co., Ltd. in Bangkok, Thailand

A representative office was established in Bangkok, Thailand in 2014. A sales company was established in 2017.

2018
Establishment of the Advanced Technology Building and relocation of the Osaka Factory

The Advanced Technology Building was newly constructed on the premises of the Anjo Factory, and the Advanced and Applied Research Institute was established. At the same time, the Osaka Factory, Nichiban's pharmaceutical production facility, was relocated to the Advanced Technology Building, reopening as the Medical Anjo Factory (now the Pharmaceutical Anjo Factory).

2020
Establishment of Nichiban Europe GmbH in Dusseldorf, Germany

In 2019, a representative office was opened in Dusseldorf, Germany, and a sales company was established the following year.

2024
Representative office opened in Shanghai, China

A representative office was opened to collect information and conduct market research, with the goal of expanding sales operations and driving growth strategies in China.

2025
Headquarters relocation

The Company's headquarters and the Tokyo Office in Kojimachi, Chiyoda Ward were integrated to accelerate decision making, achieve continued business growth and enhance corporate value.

Product History

1910 –

1918
Ribbon Mark Utahashi Bandage launched

The Company became the first in Japan to mass produce a rubber adhesive bandage and distribute it nationwide. Ribbon Mark Utahashi Bandage became Japan's first adhesive bandage brand.

1931
Corn Plaster launched

The Company launched a salicylic acid adhesive bandage designed to remove warts, corns, calluses, etc.

1932
ROIHI-PLASTER™ launched

This pain-relief anti-inflammatory patch contains scopolia extract and ichthyol as its main ingredients. Sales of the patch were strong, but production had to be discontinued during the war due to shortages of raw materials.

1940 –

1948
Self-Adhesive Cellulose Tapes launched

The Company was approached as a potential supplier of tapes for the sealing of envelopes after censorship in recognition of its proven track record in the manufacturing of adhesive bandages.

1948
Paper adhesive tapes launched (paper adhesive bandages and masking tapes)

The Company used its proprietary manufacturing technologies leveraging traditional Japanese washi paper as a base material, to launch paper adhesive bandages for use in hospitals and masking tapes for use in vehicles and the painting of buildings.

1966
NICETACK™ launched

The Company launched a double-sided adhesive tape for the stationery industry.

1970 –

1978
FAPRO™ (Tabanera™) Tapes and Tabanera™ launched

The Company developed these tapes so they could be used to bundle vegetables, a task which was mainly accomplished using straw and rubber bands at that time.

1984
battlewin™ for Sports launched

The Company began to offer breathable adhesive tapes which can be torn by hand, enabling it to establish a brand in the sports market.

1989
ROIHI-TSUBOKO™ launched

The Company launched a small, round, warming patch onto the pain-relief anti-inflammatory patch market in which cooling patches had been dominant.

1997
CARELEAVES™ first-aid adhesive bandage launched

The Company began developing new products guided by the key phrase, *high quality*. This bandage is comfortable on the skin. It feels almost like bare skin.

2000 –

2012
CARELEAVES™ Hydrocolloid launched

The Company began to offer an adhesive bandage featuring the Moist Pad, which uses a special material to absorb and retain fluid from wounds and facilitate the skin's fast and flawless regeneration.

2016
Atofine™ launched

The Company released a bandage that protects post-surgical and post-cesarean scars and makes them less noticeable.

2025
SEKOTAN™ ADHESIVE TAPE for Wet Concrete launched

The Company started selling an adhesive tape which can be applied to wet concrete the day after a rainy day to shorten the time it takes to secure protective sheets and apply markings.

2025
ROIHI-TSUBOKO™ Coin Plaster launched in South Korea

The Company launched the ROIHI Series of products for overseas markets.

Nichiban Group's Strengths

Today, the Nichiban Group has an established business foundation that spans a wide range of fields. The Group's strengths lie in its ability to leverage the product brands it has established over many years, the technologies it has acquired from its base of expertise in the adhesives field and its solid supply chain and customer base to expand businesses.

Strengths 01

Product Brands
Established over Many Years

Having started with manufacturing and sales of ointments, plasters, and adhesive bandages, Nichiban is committed to supporting comfortable, abundant lifestyles of people by delivering adhesive products in a broad range of fields based on its adhesive technologies, which it has accumulated through the development of adhesive bandages. You will find Nichiban products used in various settings of life. We have provided diverse products brands that are perfect fit for comfortable lifestyles, such as Self-Adhesive Cellulose Tapes, Tabanera$_{TM}$, CARELEAVES$_{TM}$ and ROIHI-TSUBOKO$_{TM}$. We celebrated our 100th anniversary in 2018, and we are determined to create new products and develop our brands during the next 100 years.

We have been chosen by customers for

Over 100 years

Strengths 02

Business Foundation
Spanning a Wide Range of Fields

We provide a broad array of valuable products leveraging the solid business foundation we have built that spans a wide range of fields, from the medical and various other cutting-edge industries to agriculture and logistics, based on the proprietary adhesive technologies we have accumulated over many years. We will continue to maximize our ability to apply and expand technologies and features and leverage our products to proactively support a broad range of industries. With an eye toward the future, this will enable us to facilitate the establishment of a prosperous society.

Number of product items

Over 10,000

Strengths 03

Technology and Development
Built on Expertise in Adhesives

Since its foundation, the Nichiban Group has been developing new technologies leveraging technologies from its base of expertise in the adhesives field and the product development capabilities that have enabled it to create a great deal of added value. Looking ahead to the future, the Group works every day to research and develop unprecedented advanced technologies, giving them a tangible form. These activities are the lifeblood of the Nichiban Group, which aims to be a reliable and promising corporate Group. It is also enhancing its efforts in the area of industry-academia-government collaborations for the future.

Strengths 04

Solid Supply Chain and Customer Base

Our mission is to respect people's cooperative relationship and strive to foster prosperity and happiness for all stakeholders of the Nichiban Group. We are committed to achieving the rapid development and expansion of Nichiban products in Japan and more than 50 countries around the world taking advantage of our procurement and sales capabilities and our connected sales channels leveraging our highly reliable supply chain network and extensive customer base in Japan and overseas, market and customer insight analysis and our market-oriented development promotion system. The Nichiban Group is accelerating its initiatives to venture into new fields to provide products to all of our customers around the world.

Product export destinations

Approx. 50 countries

Value Creation Process

Guided by its Basic Philosophy, the Nichiban Group leverages six types of capital that are the source of the value it creates using the adhesives technologies that are its strength to co-create new value together with its stakeholders. With this value creation process, the Group will play a role in the establishment of a sustainable society and increase its resilience to changes in the global environment, aiming to increase its corporate value over the medium to long term.

Basic Philosophy

Nichiban respects people's cooperative relationship and strives to foster prosperity and happiness for all stakeholders of Nichiban Group.

Inputs

FY2025 Results

Source of Value Creation

Manufacturing capital

Production system consisting mainly of manufacturing business infrastructure and company-owned factories

- No. of manufacturing bases (3 factories and 3 group companies in Japan)
- Amount of manufacturing capital (fixed asset balance): ¥28.1 billion
- Amount of capital investment: ¥2.9 billion

Human capital

Driving human capital management

- No. of employees: 1,271 (consolidated)
- Outside director ratio: 50%; Outside Audit & Supervisory Board member ratio: 67%
- Average length of service: 19.5 years (non-consolidated)
- Job turnover: 2.2% (non-consolidated)
- Total training expenditures: ¥163 million (consolidated)
- Training expenditures per employee: ¥128,000 (consolidated)

Intellectual capital

Accumulated technologies from our base of expertise in adhesive field

- No. of patents held: 103
- No. of design registrations: 57
- R&D structure

Financial capital

Sound financial structure

- Equity ratio: 65.9%

Social and relationship capital

Relationships enabling the development of businesses

- No. of bases (16 in Japan and 3 overseas)
- Product export destinations: Approx. 50 countries
- Infrastructure for communicating with customers and local communities

Natural capital

Contribution to the environment

- Use of naturally derived materials and raw materials
- Production using green energy: 8,300,000 kWh of green energy certificates purchased
- CO_2 emissions reduction: YoY reduction of 1,427 t-CO_2

Identified Risks and Opportunities

Identified Risks and Opportunities

Risks

1. Slowdown in the growth of existing products
2. Maturity of lifecycle of existing products
3. Growing necessity of addressing climate change
4. Other
   Rising prices of energy and other goods, product quality risks, intellectual property risks, the risk of a weaker yen

Opportunities

1. Expanded applicability in markets related to environmental and social issues
2. Increase in new demand in consumer markets
3. Existence of new overseas markets
4. Continued aging of the population in a super-aged society and shift to community healthcare (home medical care)

Business Model and Strengths

1. Ability to expand products leveraging product brands that have been established over many years
2. Ability to develop high added-value products using technologies from our base of expertise in the adhesives field
3. Ability to apply and deploy technologies and features based on a broad business foundation in the consumer, medical, and industrial fields
4. Procurement and sales capabilities and connected sales channels leveraging a highly reliable supply chain network and a broad customer base

Management Strategy

Medium- to Long-term Vision

NICHIBAN GROUP 2030 VISION

Be a corporate group that contributes globally by continually creating value that supports people's comfortable lifestyles in the period up to FY2030.

- 01 | **Contributing to a sustainable society**
- 02 | **Establishment of Firm Corporate Quality**
- 03 | **Actively advancing digital transformation (DX) initiatives**

New product ratio: **30%**
Global sales ratio: **30%**

Medium-term Management Plan CREATION 2026

- 01 **Restructuring of the business portfolio**
- 02 **Globalization**
- 03 **Human capital management**

FY2026 Targets

Targets

Net sales: ¥ **53** billion | Operating profit margin: **8%**
New product ratio: **15%** | Global sales ratio: **15%**
ROE **8%** or higher

Foundation Supporting the Creation of Value

1. Corporate governance and internal control
2. Quality management based on global best practices
3. Customer-centered marketing and development promotion organization
4. IT systems that enable the strategic use of data and the improvement of business productivity
5. Human capital management

Outputs

FY2025 Results

Achievements from Business Activities

Financial performance

1. Net sales	¥ **50.4** billion
2. Operating profit	¥ **2.2** billion
3. ROE	**3.8%**
4. New product ratio	**11.6%**
5. Global sales ratio	**10.7%**

Non-financial performance

1. Ratio of female managers	**14.1%**	(Consolidated)
2. Employee engagement score	**51.4**	(Non-consolidated)
3. Annual paid leave acquisition rate	**78.2%**	(Consolidated)
4. CO_2 emission reduction rate	**53.7%**	Compared to FY2013

Outcomes

Value Created

1 Our Vision

- Achieving the Nichiban Group Philosophy, implementing human capital management, and accomplishing the 2030 Vision
- Innovating to help address and solve social issues
- Achieving carbon neutrality and net zero emissions

2 Stakeholder Value

- Contributing to people's healthy and comfortable lives (customers)
- Enhancing corporate value by achieving sustainable growth (shareholders and investors)
- Enhancing corporate value with partners (business partners)
- Developing diverse employees and improving their work-life balance (employees)
- Playing a role in regional revitalization (local communities)

Materiality

Key Sustainability Issues in Management

Addressing climate change and global warming, developing products solving environmental and social issues, helping prevent spread of infection, improving product quality and ensuring safety

SPECIAL FEATURE

Leveraging Nichiban technologies to address construction site issues

Social issues faced on construction sites

Aging of social infrastructures

Social infrastructure developed during the postwar economic boom has been aging, with a rapid increase in infrastructure aged 50 years or older in the coming 20 years. This has made maintenance and repair work essential.

Labor shortage

On construction sites, there is a serious labor shortage because of the decrease in the population of Japan and the 2024 problem, which have made it urgently necessary to reduce on-site labor and shorten construction time dramatically.

Leveraging a combination of adhesive technologies cultivated over many years and new proprietary technologies to provide solutions to the above issues

SEKOTAN Series

What is the SEKOTAN Series?

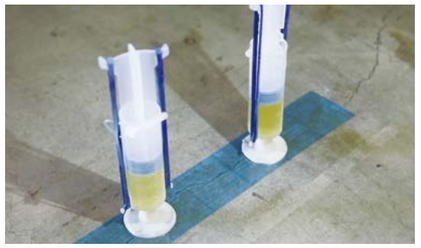
These products are made using adhesive technologies for construction sites which directly reduce the time spent on work compared to the current construction methods, extend the intervals between repairs by improving the quality of work, and shorten the total time spent on work throughout the lifecycle of the structure.

Three product lines providing solutions to issues

Sealing Tape SEKOTAN™

On-site issues: Impossibility of seeing the status of work

Nichiban's proposal: **Use transparent tape to make it possible to visually check that the injected gap filler has filled the crack, helping ensure defect-free work**



Low-pressure injection method for repairing concrete cracks

Conventional concrete crack repair methods involve using opaque sealing tape to cover cracks, making it impossible to check that the injected gap filler has filled the crack. The only way to check the status of work is to compare the calculated amount of gap filler with the amount that has been injected. Sealing Tape SEKOTAN™ is transparent, making it possible to visually check that the injected gap filler has filled the crack. This visibility ensures that gaps are completely filled, improving the quality of work and extending intervals between repairs. This tape also makes it possible to inject gap filler immediately after the tape is affixed, and it can also be removed easily. This makes it possible to significantly shorten construction time and reduce costs.

SEKOTAN™ Layered Curing Tape

On-site issues: The tape is removed and reapplied during every work process

Nichiban's proposal: **Using a layered tape to significantly reduce the work of applying and removing tape**

Concrete reinforcement method featuring fiber sheets affixed in a grid pattern

Conventionally, during the reinforcement of bridges and other structures, curing tape is removed and reapplied during every work process. This is a multiple-layer product, which means that the curing tape can be applied just once, with a layer being removed each time a process is completed. This eliminates the need to repeatedly reapply masking tapes in a tough work environment in which the worker has to continually look up, which reduces the person-hours at construction sites and shortens construction time. Additionally, the curing tape comes with different colored layers, enabling users to identify the ongoing work process at a glance. This is also helpful in the management of construction projects.

SEKOTAN™ ADHESIVE TAPE for Wet Concrete

On-site issues: Multiple work processes required to apply tape to a wet concrete surface

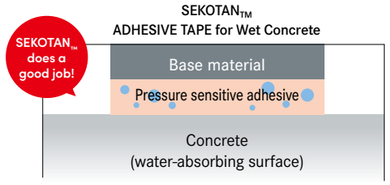
Nichiban's proposal: **Tape that can be attached directly to a wet concrete surface**

Temporary securing sheets or marking on a wet concrete surface

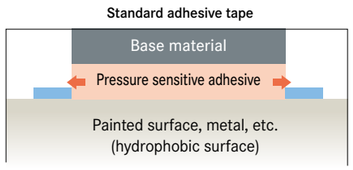
This tape can be attached directly to a concrete surface that has become wet due to rain or other events. This means that the water does not have to be removed by drying the concrete using torches or the application of a tape primer, which makes it possible to dramatically shorten construction time. Additionally, it is easy to tear the tape by hand, and it can be marked using oil-based markers. Additionally, because it uses a pressure sensitive adhesive, there is little residue left behind after the tape is removed. The product reflects our thorough consideration of workability.

Proprietary wet-surface adhesive technology

In the construction industry, it has been taken for granted for many years that standard adhesive tapes cannot be attached to wet concrete surfaces. They can be attached to hydrophobic materials, such as painted surfaces and metals, because the pressure from the tape pushes water droplets on the surface out. With water-absorbing materials like concrete, however, it is not possible to physically remove the water between the tape and the material, preventing the tape from performing up to its peel strength. Nichiban has developed a proprietary wet-surface adhesive technology which enables the tape's adhesive to absorb the water on the surface instead of pushing it out, so that the tape can perform up to its peel strength. As a solution to the issue of the higher probability of adhesive residue caused by water absorption, the company has found the optimal composition for water absorbability and removability through repeated test production. Further, the company projected the product would be used on outdoor civil engineering worksites and designed it creatively to make it possible to use the product at different temperatures throughout the year.



The water-absorbing pressure sensitive adhesive absorbs water instead of pushing it out to attach the tape.



The tape can be attached only to hydrophobic surfaces, where water droplets are pushed out due to pressure.

Message from a development team member

Addressing a social issue using the technology and value that is only available from Nichiban

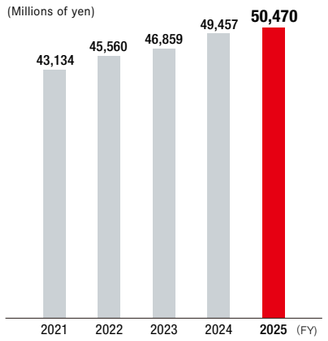
Since we started selling products for the civil engineering industry in 2017, we have frequently heard people working on-site say that their inability to attach tape to wet surfaces is a problem. In the development of this product, our greatest difficulty was adjusting the balance between water absorbability and removability. We repeatedly created prototypes and assessed them in pursuit of the optimal composition. In addition, because it was a completely new pressure sensitive adhesive, we faced many barriers to commercialization, including laws, regulations and the need to establish a quality control method. Our enthusiasm to solve this on-site problem, however, led us to involve our colleagues in the project, and the design and sales departments cooperated with us. Ultimately, we launched the product onto the market five and a half years after we started developing it. We will continue to leverage our technologies to create products which contribute to society.

Product Development Department, Research and Development Division
Haruki Oba

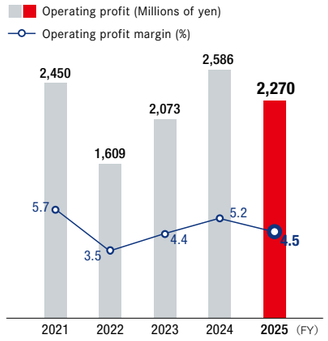
Financial and Non-Financial Highlights

Financial Highlights (Consolidated)

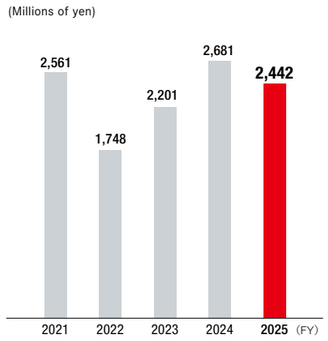
Net sales



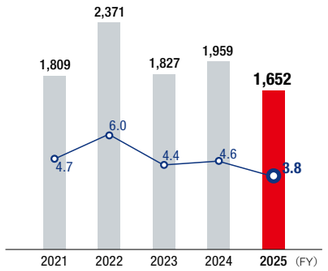
Operating profit/ Operating profit margin



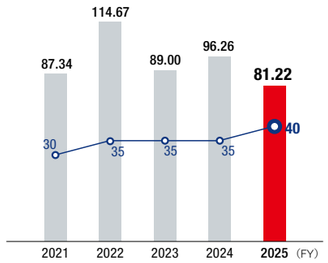
Ordinary profit



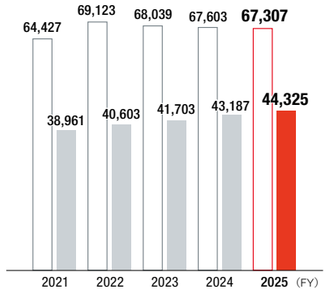
Profit attributable to owners of parent/ROE



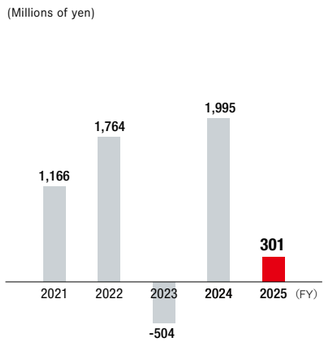
Basic earnings per share/ Dividend per share



Total assets/Net assets

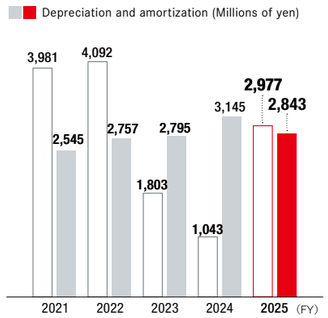


Free cash flows*1

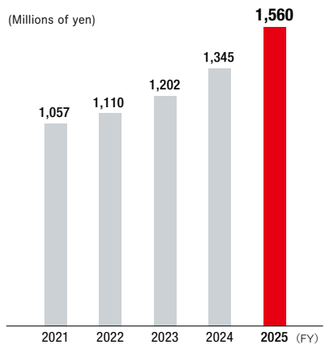


*1 Cash flows from operating activities + Cash flows from investing activities

Capital investment/ Depreciation and amortization

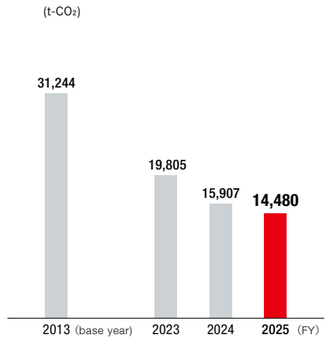


Research and development expenses (R&D expenses)



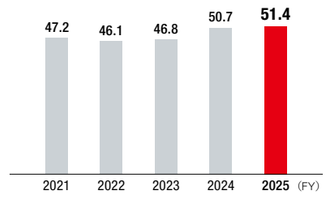
Non-Financial Highlights

CO_2 emissions (Scope 1 and 2/Consolidated)*2

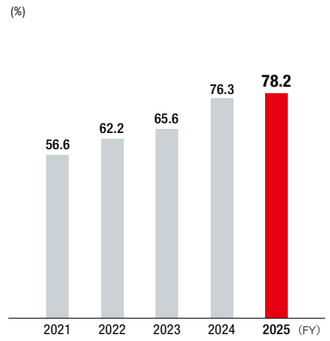


*2 Figures for Nichiban Co., Ltd. and its domestic subsidiaries

Employee engagement score (Non-consolidated)

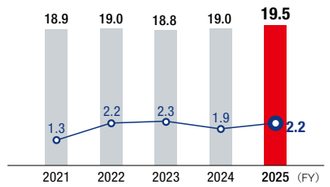


Annual paid leave utilization rate (Consolidated)*3

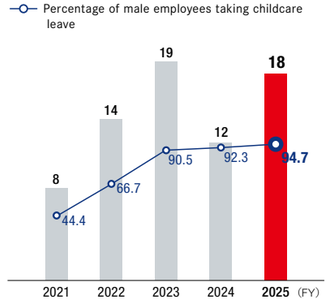


*3 Figures for FY2023 and earlier are on a non-consolidated basis.

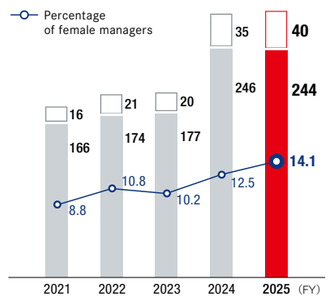
Average length of service/ Job turnover (Non-consolidated)



Percentage of male employees taking childcare leave (Non-consolidated)

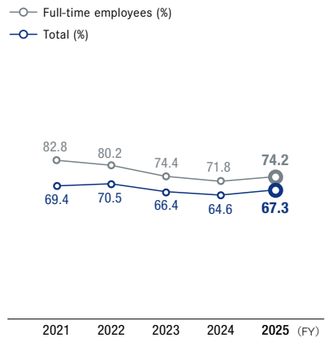


Percentage of female managers (Consolidated)*4



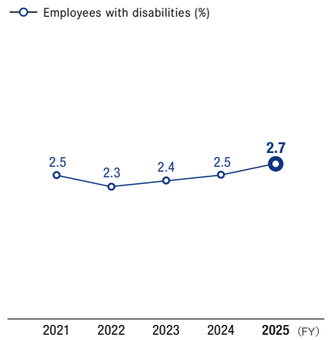
*4 Figures for FY2023 and earlier are on a non-consolidated basis.

Gender pay gap (Non-consolidated)*5

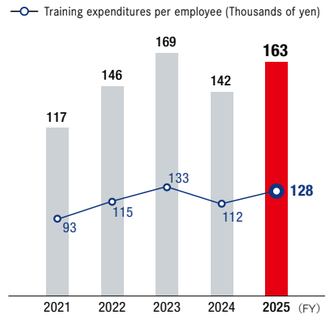


*5 Ratio of the average amount (annual salary) paid to women to that paid to men, with the figure for men set at 100

Employment of people with disabilities (Non-consolidated)



Total training expenditures/Training expenditures per employee (Consolidated)



Message from Top Management

We will wrap up CREATION 2026 and begin working to enter our next growth stage with adhesion at our core.

In the fiscal year ended March 31, 2026, we achieved a target we have had for a long time, net sales of 50.0 billion yen. In FY2026, the final year of the CREATION 2026 Medium-term Management Plan, we will wrap up our initiatives under the three priority themes and begin to take steps toward our next stage of growth, with adhesive technologies at our core.

President
Toshiaki Takatsu

Q Could you provide a brief retrospective on FY2025 (the fiscal year ended March 31, 2026)?

We made progress in the profitability reforms in the Tape Business, but profits declined year on year. This is an issue I take seriously.

Consolidated net sales for the fiscal year ended March 31, 2026 stood at 50.47 billion yen (up 2.0% year on year, so we have achieved the 50.0 billion yen net sales target we have had for a long time. I believe that we were able to achieve this due to our accumulation of low-profile initiatives, including the revision of prices and digital marketing to enhance brand power. It was a result of joint efforts of entire Group, from salespeople to the manufacturing team. Our former employees, who have supported us for many years, were also happy with the achievement, which made me happy.

However, operating profit decreased to 2.27 billion yen (down 12.2% year on year) and profit dropped to 1.652 billion yen (down 15.7% year on year). In our mainstay Healthcare Field, CARELEAVES™ and ROIHI-TSUBOKO™ did not grow as expected. The situation was made worse by an increase in the cost of sales due to the soaring prices of raw materials and extraordinary losses associated with the relocation of our headquarters and Tokyo Office and restructuring of the Anjo Factory. While we achieved our sales target, there continued to be issues regarding profit. We will improve by comprehensively reviewing operations and other aspects of our business, moving one step forward.

I feel that the restructuring of our business portfolio was one of our most effective initiatives in the second year of the CREATION 2026 Medium-term Management Plan. It is one of our priority themes. In the Tape Business, we revised prices, consolidated products, and transferred production from the Anjo Factory to the Saitama Factory. As a result, the segment profit of the Tape Business Segment increased 17.2% year on year. Our profit structure has been changing steadily, nearly in line with our plans.

At the same time, the net sales of the Global Business did not increase as much as expected. They should be a growth driver, but they were up 4.4% year on year. Major factors in this include the sluggish sales of mainstay Washi Masking Tapes in Europe due to regulations and a year-on-year decline in South Korea, which was mainly a result of distributors adjusting inventories. I think that we need to leverage the lessons we learn from these results ensure that we perform well in the current fiscal year and during the next medium-term management plan.

Q What initiatives will be implemented in the final fiscal year of the CREATION 2026 Medium-term Management Plan?

We will wrap up the initiatives on our three priority themes and fully begin to formulate the next medium-term management plan.

FY2026 is the final fiscal year of the CREATION 2026 Medium-term Management Plan. I position it as an important year, when we will wrap up the initiatives we've been implementing over the past two years and fully begin to formulate the next medium-term management plan. Our major initiatives in line with our three priority themes are as follows.

❶ Restructuring of the business portfolio

In the Tape Business, the Anjo Factory has been renovated into a solvent-free factory. We have also begun production of battlewin series products. We will continue to work to enhance productivity and achieve low-cost operations to complete our improvement of profitability. At the same time, we will also focus our efforts on the creation of new value. We have presented the electronic medical device, which attaches to the skin to collect data about the wearer's health, at an academic conference. We put the Corporate Planning Division in charge of the Innovation Center in FY2026 to speed up the creation and commercialization of new businesses.

❷ Globalization

In the Global Business, we will implement strategies on a region-by-region basis. In South Korea, where progress is steady, we have launched the ROIHI-TSUBOKO™ COIN PLASTER, our first pharmaceutical product for an overseas market, and strengthened sales promotional measures, including TV commercials for the CARELEAVES™ series of products we have run in South Korea. In Thailand and Europe, hospital products and products in the mobility-related field grew. In China, we are steadily implementing cross-border e-commerce initiatives. However, the global sales ratio is only around 10.7%. To achieve our 2030 target of a global sales ratio of 30%, it is essential that we build supply chains that include local production, which will enable us to provide our products whenever they are needed. If we establish production and logistics bases and do everything ourselves, it will take time, Accordingly, we are considering the optimal methods for moving forward, including mergers, acquisitions and collaborations with reliable local partners. At the same time, we are also committed to developing human resources who will be able to contribute to our global expansion in areas such as engineering, quality control and pharmaceutical affairs.

❸ Human capital management

The adage is, "a company is its people," and I believe that the personal development of each individual employee enables the company to grow. At the end of November 2025, we relocated and integrated our headquarters and Tokyo Office to establish an environment that strengthens the connections between employees. To develop the next generation of management leaders, we have continued to operate our Management Academy and General Manager Management Academy. We have also continued to organize Engagement Tours that enable employees to feel that they are contributing to society through their work at Nichiban. We provide these tours as opportunities for them to interact with customers they do not come into contact with in their everyday work and gain experience working in other departments to facilitate collaboration throughout the Group. As a result, the engagement survey score has exceeded 50 points for two consecutive years. Further, Nichiban was recognized as one of Outstanding Organizations of KENKO Investment for Health for the fourth consecutive year. We will continue to work to establish an environment in which employees have job satisfaction and are able to take on challenges.

We will steadily push forward with these initiatives to achieve our medium-term management plan targets and build a bridge to our next stage of growth.

CREATION 2026

Medium-Term Management Plan

Business structure for innovating and contributing to the world

- New business portfolio to enhance our corporate value
- Management, production, and SCM functions for globalization
- A human resource foundation based on human capital management

01 Restructuring of the business portfolio

❶ Dramatic improvement of the profitability of the Tape Business Segment
❷ Allocation of management resources focused on growth businesses and new domains

02 Globalization

❶ Pursuing the growth of three sales bases
❷ Enhancing functions to achieve a global sales ratio of 30% by FY2030
❸ Driving the globalization of the entire Group

03 Human capital management

❶ Promoting diversity, equity, and inclusion (DE&I)
❷ Development of independent human resources who drive self-transformation and their own development
❸ Improving employee health and engagement
❹ Introducing a new personnel system

Q What can you tell us about the next medium-term management plan and Nichiban's vision of the future?

We aim to be a company which contributes to people's health and lifestyles, with adhesion at our core.

In FY2026, we will also fully begin formulating our next medium-term management plan. The members of this project already began considering the plan in April 2026, and we expect to set a direction in about the next six months. I think that the next plan will detail the path to the 2030 Vision that we have established.

Looking further ahead, many of the younger members of the project in their 30s, mainly managers, are considering our 2040 Vision. This is because we want the people who will play leading roles 10-15 years into the future to form a vision of the future that they can take ownership of. I myself was responsible for formulating the medium-term management plan and the 2030 Vision in 2018, and I have implemented the plan as the president. This is why I feel that it is important that the people that will be implementing the plan are involved in creating it.

We have continued to expand our businesses based on adhesion for more than 100 years. Going forward, we will not limit ourselves to adhesive technologies themselves. Instead, we will be committed to expanding our domains into solutions combining equipment and data. For example, we created a new electronic medical device that attaches to the skin on your chest to enable you to visualize your breathing status by combining a skin-friendly adhesive tape technology and state-of-the-art sensor technology. We are achieving results. For example, the SEKOTAN™ tapes accelerate construction work to address serious issues, such as the labor shortage affecting construction sites and the need to shorten construction time. Our young members say they want Nichiban to be a company that contributes to the health and lifestyles of people, with adhesion at its base. I feel that this is exactly our goal. We will continue to invest in research and development to transform these efforts into tangible results. We will continue to focus on creating new businesses by combining our strengths in B-to-B and B-to-C businesses and on developing new products from a global perspective.

Ultimately, people support these endeavors. Individual employees implement our plan and create new value. To remain a company that can invest fully in human resources and research and development, we must profit. By pursuing a higher profits and sales, we will use what we have gained to invest in people and for the future.

Q To conclude, please share a message with our stakeholders.

We will continue to use our technologies for affixing things to people and objects to contribute to society.

Nichiban has been using its proprietary adhesive technologies for affixing objects to each other and to people to contribute to society. We serve the medicine and healthcare fields, where a gentleness that appropriate for the skin is in demand. We also serve industry, where high-level adhesiveness to a broad range of materials and shapes is necessary. Nichiban's great strength is its ability to achieve a good balance between these two functions.

The quality of Nichiban's products, which we have been improving over many years, and our brands which have earned the confidence of our customers are at the core of this strength. Our brands, which include the CARELEAVES and ROIHI-TSUBOKO series of Self- Adhesive Cellulose Tapes, have been established through our accumulated efforts to faithfully manufacture products. We will continue to create products that exceed the expectations of our customers in ways that live up to the confidence that everyone has in us.

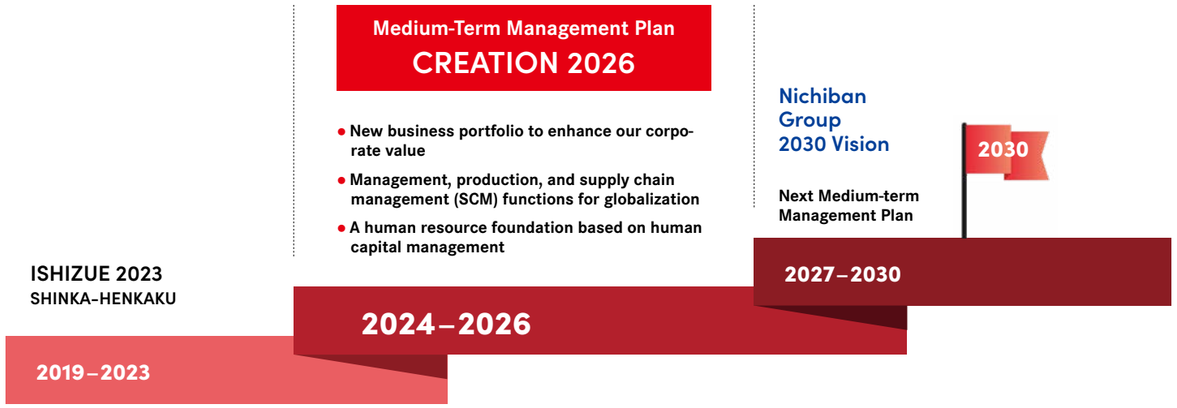
Currently, conditions continue to be difficult. This includes the unprecedentedly fast increase in the prices of raw materials rising due to the Middle East situation. Group-wide, we will revise prices to be in line with costs, strive to ensure the supply of products is uninterrupted, and implement other measures to tackle these conditions. At the same time, we will implement environmental, social and governance (ESG) initiatives in a Group-wide manner to help build a sustainable society through our businesses.

The foundation of our business has been adhesive technologies, and our Corporate Message, "Sticking to your needs," reflects this. We will continue to expand what is possible using adhesive technologies to contribute to the resolution of social issues. I believe that it is our responsibility to operate businesses soundly, steadily profit, and use the profits from our achievements to invest in people and for the future and provide a return to our shareholders. We will take steps toward sustainable growth while continuing to engage in a dialogue with our stakeholders.

Medium-Term Management Plan

Progress in CREATION 2026

The Nichiban Group has established the Nichiban Group 2030 Vision: Become a company that contributes globally with continuing to create value of sustaining a comfortable life! In the five-year period of the previous medium-term management plan, ISHIZUE 2023: SHINKA-HENKAKU, the external environment changed greatly, and we entered an era when it is difficult to forecast the future. However, the Nichiban Group's vision has remained unchanged. In the CREATION 2026 Medium-term Management Plan, which started in April 2024, we set three priority themes for the achievement of the Nichiban Group 2030 Vision, guided by the concept of creating a business structure that will drive innovation creation and global contributions over the next three years.



Priority Themes

01 Restructuring of the business portfolio

1. Drastic improvement of the profitability of the Tape Business Segment
2. Allocation of management resources focused on growth businesses and new domains

02 Globalization

1. Pursuing the growth of the three sales bases
2. Enhancing functions to achieve a global sales ratio of 30% by FY2030
3. Driving the globalization of the entire Group

03 Human capital management

1. Promoting diversity, equity, and inclusion (DE&I)
2. Development of independent human resources who drive self-transformation and their own development
3. Improving employee health and engagement
4. Introducing a new personnel system

CREATION 2026 Management Targets

Financial items	FY2025 targets	FY2025 Results	FY2026 Targets
Net sales (millions of yen)	50,000	50,400	53,000
Operating profit (millions of yen)	3,200	2,200	4,500
Ordinary profit (millions of yen)	3,300	2,400	4,600
Profit (millions of yen)	2,500	1,600	3,500
ROE	–	3.8%	8% or higher
Global sales ratio	–	10.7%	15%
New product ratio	–	11.6%	15%

Non-financial items	FY2025 Results	FY2026 Targets
Female manager ratio	14.1%	15%
Employee engagement score	51.4	50
Annual paid leave utilization rate	78.2%	70%
CO_2 emission reduction rate (Compared to FY2013)	53.7%	35%

CREATION 2026 Priority Themes

Initiatives Implemented in FY2025

Restructuring of the business portfolio

(1) Dramatic improvement of the profitability of the Tape Business Segment	In production and sales operations in the Tape Business, we improved profitability by implementing low-cost operations such as through optimized production systems and revising prices.
(2) Allocation of management resources focused on growth businesses and new domains	We drove the creation of new value, including activities to create new industrial products, academia-industry-government collaborations in new domains, our sponsorship of a social collaboration course at the University of Tokyo, and the signing of a joint development agreement with Signtle Inc. related to a wearable device.

Globalization

(1) Pursuing the growth of the three sales bases	Sales of the newly launched ROIHI-TSUBOKO™ COIN PLASTER grew in the South Korean market, resulting in a significant increase in consolidated net sales. In Southeast Asia and Europe, sales of hospital products and sales in the mobility field grew.
(2) Enhancing functionality to achieve a global sales ratio of 30% by FY2030	We made steady progress in overseas markets, including the strengthening of marketing in the Chinese market, where the Shanghai Representative Office is a hub and the expansion of cross-border e-commerce in China. We also established a global supply chain management system, strengthened local sales and marketing capabilities,and developed localized products.
(3) Driving the globalization of the entire Group	In Management Academy, we implemented a program to develop global management human resources and continued the global trainee program, through which young employees are sent to Nichiban Europe GmbH.

Human capital management

(1) Promoting diversity, equity, and inclusion (DE&I)	To develop a culture that empowers diverse human resources, we intensively pushed forward with initiatives including unconscious bias training and exchange activities with other companies involving the Working Group Driving the Empowerment of Women.
(2) Development of independent human resources who drive self-transformation and their own development	We held programs for the development of the next generation of management, including Management Academy for managers and General Manager Management Academy for general managers and general manager candidates.
(3) Improving employee health and engagement	Nichiban was recognized as one of the Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) for the fourth consecutive year under the Outstanding Organizations of KENKO Investment for Health Program organized by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Results of the FY2025 engagement survey: 51.4-point score (score of 50 points or higher achieved for the second consecutive year). As a priority measure, we held a psychological safety workshop intended for general managers and heads of organizations.
(4) Introducing a new personnel system	We introduced a new personnel system in April 2025 and provided manager training to improve participants' assessment capabilities.

Financial Strategy

Executive Director **Hironori Sakai**

Basic Policy and Targets

In alignment with the Nichiban Group 2030 Vision, our medium- to long-term vision, and the CREATION 2026 Medium-term Management Plan, we will manage the group with a focus on the cost of capital with the goal of improving profitability. To achieve an ROE of 8% or higher and a PBR of 1.0 or higher, we will balance the reform of our profit structure and financial discipline with the goal of increasing our corporate value.

We will steadily proceed with the reform of our profit structure and leverage our solid financial foundation to balance investments in growth and shareholder returns.

Business performance for the fiscal year ended March 31, 2026 and review of the medium-term management plan

In the fiscal year ended March 31, 2026, inbound tourism consumption trends changed greatly for Nichiban. While consumption by the public is shifting from consumption of goods to consumption of experiences, the demand for Nichiban products generated by inbound tourists has hit a ceiling, and sales of ROIHI-TSUBOKO$_{TM}$ which has been driving sales and profits, were stagnant. Additionally, the prices of raw materials continued to soar, continually pushing manufacturing costs upward throughout the year. In this business environment, consolidated net sales increased 2.0% year on year to 50.47 billion yen, but operating profit decreased 12.2% year on year to 2.27 billion yen and profit attributable to owners of parent fell 15.7% year on year to 1.652 billion yen.

Looking at each segment, net sales of the Medical Business grew 1.4% year on year to 24.936 billion yen, but segment profit fell 4.4% year on year to 6.325 billion yen due to a decrease in sales of high gross profit products in the Healthcare Field. In contrast, in the Tape Business, where we are moving forward with a structural reform, net sales increased 2.7% year on year to 25.534 billion yen and segment profit rose 17.2% year on year to 0.828 billion yen, indicating the steady improvement of profitability due to price revisions and the successful restructuring of production. We are surely feeling the effects of the reform of the profit structure of the Tape Business, which we position as our top priority task under CREATION 2026.

Further, in the fiscal year under review, investments for the development of a foundation for future growth affected profits. Expenses for relocating and integrating our headquarters and Tokyo Office and those related to the restructuring of the production system, which we have been implementing for several years, were all generated in accordance with our plans. They are positive expenditures aimed at increasing our competitiveness in the medium to long term.

However, there continue to be issues in the area of capital profitability. In the fiscal year under review, our ROE was only 3.8%, far below the target of 8%. The company's stock price is weakly tied to the market, and the cost of shareholders' equity tends to be calculated to be lower than what is generally regarded as the standard level. As it stands now, however, we are unable to earn a profit which measures up to that level. A factor in this gap with the plan is that we have yet to implement M&A activities which we are considering towards the achievement of globalization. We will face these issues squarely and be committed to achieving a recovery of our earning power, as we regard it as our top priority task.

Financial strategy

Our basic financial policy for achieving our targets under the CREATION 2026 Medium-term Management Plan remains unchanged. We will continue to focus our efforts on the dramatic improvement of the profitability of the Tape Business, which is our top priority task, improve our allocation of management resources to the Healthcare Business and the Global Business, which drive our growth, and secure stable profit before using resources to invest in new domains. In the improvement of our profit structure, the greatest challenge we currently face is the soaring prices of raw materials. The prices of raw materials, mainly including those we purchase in dollars, have had a billions-of-yen impact on us in the last several years. We will absorb the increases by revising prices guided by the basic principle of appropriately passing cost increases on to customers, which is not price gouging. For industries where sales at suggested prices are common, we are determined to revise prices in an unprecedented manner without being bound by the conventional intervals between revisions.

In the fiscal year ending March 31, 2027, we expect to post extraordinary losses of 510 million yen as expenses for removal and maintenance associated with the restructuring of the production system of the Tape Business, which will temporarily put pressure on profits. However, these are restructuring expenses for the building of a foundation for future growth. We will move forward with the creation of value from a medium- to long-term perspective without being preoccupied with short-term profits.

We have maintained a solid financial foundation by ensuring an appropriate equity ratio and liquidity on hand. The equity ratio was 65.9% at the end of the fiscal year under review, and our financial foundation is robust. Reflecting this foundation, we will hereafter focus on how we allocate the profits we generate to investments in growth and shareholder return, increasing our emphasis on balancing them.

Investment strategy

We will move forward with the following priority investments within our limits on investments in digital transformation, ESG issues and the development of new businesses.

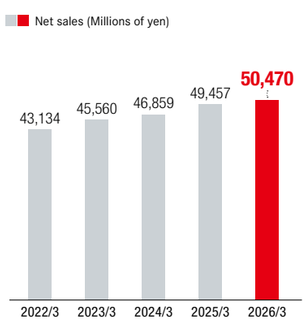
- Develop and transition to a system for producing medical products made possible by converting the Anjo Factory into a solvent-free factory
- Pushing forward with the use of AI in factories and computerizing manufacturing and quality control records to facilitate the development of a data utilization system
- Enhancing research and development activities to create new businesses leveraging our combined strengths in B-to-B and B-to-C businesses
- Investing in M&A and other activities to develop supply chains which are essential for increasing the global sales ratio

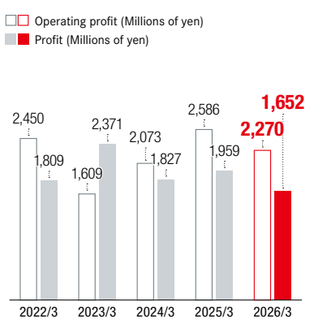
In the fiscal year ending March 31, 2027, we plan capital expenditures of 1.95 billion yen and research and development expenses of 1.62 billion yen. Through these initiatives, we will accelerate the restructuring of our business portfolio to achieve sustainable growth.

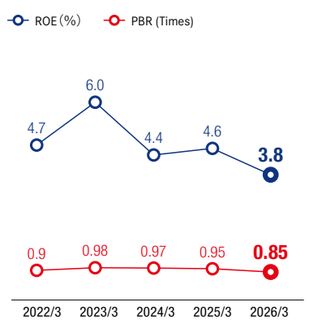
Shareholder returns

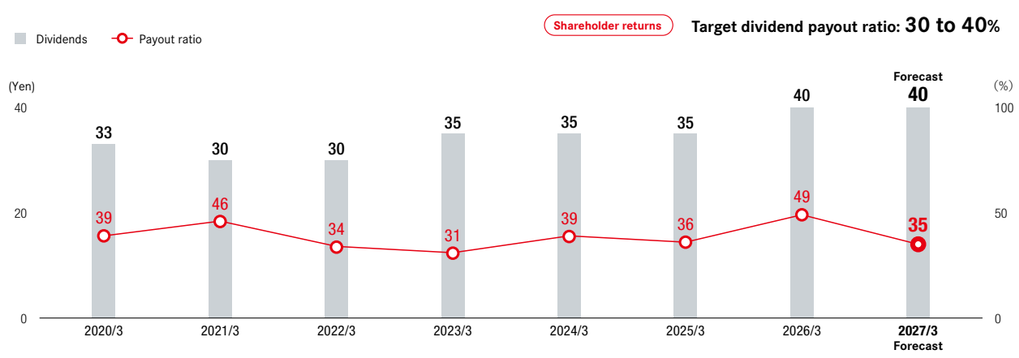
Regarding shareholder returns, our basic policy is to pay stable performance-linked dividends with a target consolidated dividend payout ratio of 30% to 40%, which was set in our medium-term management plan. The term "stable dividends" above means the consistent payment of dividends, but also the reliably payment of the dividends as announced in advance. In the fiscal year ended March 31, 2026, the payout ratio was 49.3%. In line with the dividend forecast we had announced, we paid dividends of 40 yen per share.

In the fiscal year ending March 31, 2027, we project that consolidated net sales will be 52.0 billion yen, and profit attributable to owners of parent will amount to 2.3 billion yen. The uncertainty of the geopolitical situation continues, but we plan to pay dividends of 40 yen per share again. We purchased 342 million yen of treasury shares in March 2026. We will continue to act flexibly and agilely in consideration of the status of the trading of our stock on the market. We will also continue to steadily implement our financial strategy, whose goal is the enhancement of our corporate value, to ensure that we meet our stakeholders' expectations.









Segments and Sales Organizational Structure

**To innovate and contribute to the world,
the Nichiban Group as a whole works together to push forward
with CREATION 2026, demonstrating true teamwork
that transcends organizational boundaries.**

FY2025 results

In FY2025, we addressed the priority tasks of managing our business portfolio to achieve sustainable growth, implementing business strategy and priority development theme initiatives from a global perspective through industry-academia-government collaborations, and implementing human capital management initiatives. In the management of our business portfolio, we are committed to initiatives to improve the profitability of the Tape Business Segment. We moved forward with industry-academia-government collaborations in new domains. Regarding human capital management, we implemented actions leveraging agile thinking to facilitate employees' personal development and organizational growth. Because of our initiatives to address priority tasks in each field, we achieved net sales of 50.0 billion yen. In FY2026, we will continue to take actions for achieving sustainable corporate growth by brushing up initiatives we took in FY2025.

Toward FY2026

Despite concerns regarding supply instability and the soaring prices of raw materials due to the situation in the Middle East, we will move forward with the management of our business portfolio by strengthening collaboration with the Supply Chain Division to achieve sustainable growth in the final fiscal year of the CREATION 2026 Medium-term Management Plan. We will push forward with initiatives to improve the profitability of the Tape Business Segment and priority development theme initiatives in collaboration with the Research and Development Division and work to implement domestic and global strategies centered on brand and digital marketing. We will build a strategic organizational business structure enabling us to respond to people's purchasing behaviors, achieve synergy between process innovation and product innovation, and facilitate inter-company collaboration with our DX marketing partners. To develop human resources, we will press ahead with initiatives to develop human resource that are innovation-focused, globally competitive, and capable of implementing digital transformations, aiming for effective management.

Organizational structure

We undertook an organizational restructuring to build a business strategic structure enabling us to respond to purchase behaviors. The following initiatives are the core of our organizational restructuring efforts.

1. Rebuilding of the development structure accelerating innovation

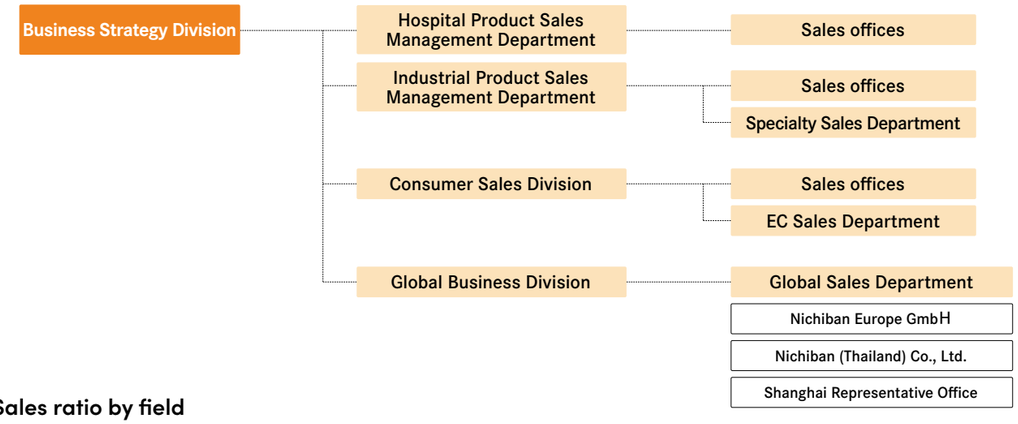
- We moved the Product Development Department from under the Business Strategy Division to under the Research and Development Division.By strengthening its ability to collaborate with the design department, we will facilitate the fast development of products to achieve a 30 % new product ratio by FY2030.

2. Streamlining the sales management structure to accomplish CREATION 2026

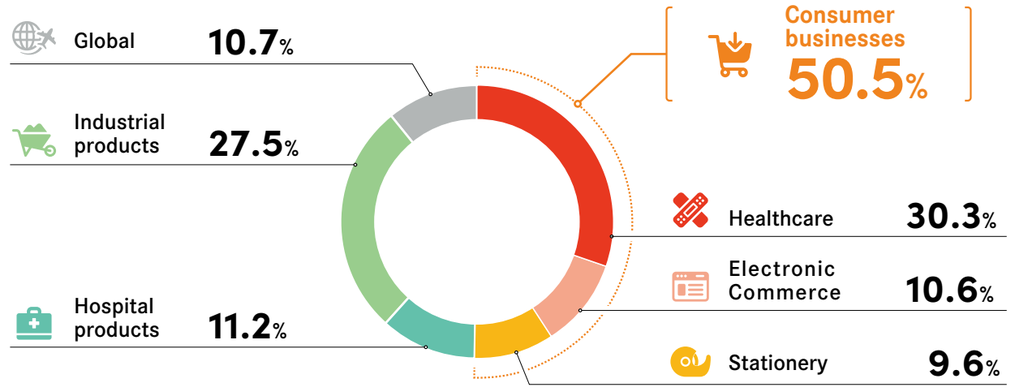
- We newly established the Sales Management Department under the Administration Division to efficiently manage operations related to sales.
- We transferred the Sales Management Section from under the Global Sales Department to the Supply Chain Division. This has enabled us to construct a comprehensive supply chain system encompassing Japan and overseas.

These restructured organizations will enable us to implement more efficient and effective initiatives and enhance initiatives to accelerate product development and expand globally.

Sales Organizational Structure



Sales ratio by field



Business field			Segment: Medical business	Segment: Tape business	FY2025 net sales*1
Business Strategy Division	Consumer Sales Division	Healthcare Field	○		15,308 million yen
		EC Field	○	○	5,359 million yen
		Stationery Field		○	4,842 million yen
	Hospital Product Field		○		5,675 million yen
	Industrial Product Field			○	13,864 million yen
	Global Field		○	○	5,420 million yen

*1 Net sales before adjustments

Consumer businesses

Consumer Sales Division
(Healthcare Field, Stationery Field, EC Field)

Managing Officer, General Manager of Business Strategy Division, and General Manager of Consumer Sales Department

Isao Nakamura

With true teamwork, we will enhance activities based on customer-centric approach and quickly implement strategies to collaborate and coordinate with each division and drive the continuous growth of our consumer businesses.

Overview of FY2025 results and strategy for FY2026 for the consumer businesses as a whole

The Consumer Sales Department works every day with a commitment to the comfort and convenience of our customers in three fields, In the Healthcare Field, we mainly provide medical products under brands including the CARELEAVES series adhesive bandages, ROIHI-TSUBOKO$_{TM}$ analgesic anti-inflammatory patches, and battlewin$_{TM}$ for Sports Taping Tapes. In the Stationery Field, we provide office supplies including Self-Adhesive Cellulose Tapes and NICETACK$_{TM}$ Double-Sided Tapes, which are our mainstay products, In the EC Field we provide products from the above two fields mainly through mail-order and e-commerce platforms. In FY2025, we strengthened our initiatives to address the continued domestic demand and consumption by inbound tourists to Japan in the OTC drug market, initiatives to expand places of purchase and communicate the appeal of our environmental initiatives appeal, mainly in the stationery and office supplies market, and web marketing initiatives in the EC market. However, net sales remained on par with the previous year, partly due to the diversification of products and changes in consumers' purchasing behaviors regarding demand generated by inbound tourists in the OTC drug market, as well as the impact of a system failure affecting a major online shopping site. In FY2026, despite concerns regarding supply instability and the soaring prices of raw materials due to the Middle East situation, we will push forward with initiatives to integrate physical and digital channels with a customer-centric approach centered on brand and digital marketing and improve the profitability of the Tape Business.

Healthcare Field

FY2025 results

In the Healthcare Field, we aggressively implemented promotional activities aimed at increasing the domestic demand for and visibility of the CARELEAVES series of products, with a focus on CARELEAVES$_{TM}$ Hydrocolloid. For ROIHI-TSUBOKO$_{TM}$, we took measures to increase domestic demand and tap into demand from inbound tourists to Japan. For the battlewin$_{TM}$ for Sports Protector Series of products, we worked to propose their everyday use beyond the world of sports and engaged in other initiatives. However, net sales remained flat from the previous year due in part to extreme heat and the warm winter, as well as a decrease in demand from inbound tourists reflecting changes in their consumption behaviors.

Toward FY2026

In FY2026, we will continue to drive the growth of the healthcare business by enhancing activities and implementing strategies speedily based on customer-centric approach and a focus on our three major brands, CARELEAVES$_{TM}$, ROIHI-TSUBOKO$_{TM}$, and battlewin$_{TM}$. We will continue to use digital marketing strategically with a focus on priority brands, aiming to achieve our CREATION 2026 targets.

Stationery Field

FY2025 results

The sales environment in the stationery and office supplies market was challenging due in part to changes in consumers' places of purchase, which was a result of the expansion of online purchasing, even as demand from offices was stagnant due to a significant decline in paper consumption, partly reflecting their digital transformation efforts. In this environment, for our Self-Adhesive Cellulose Tapes products, we launched a small-diameter cellulose tape dispenser, the Clean-cut Dispenser Featuring Green Nano, and aggressively promoted it as an environmentally friendly product by targeting home centers and other retailers. This resulted in a year-on-year growth in net sales. Regarding NICETACK$_{TM}$ Double-Sided Tapes, we proposed environments in which the products could be used, and net sales increased year on year. At the same time, we aggressively implemented initiatives to integrate physical and digital channels, including activities to address the diversification of sales channels and changes in consumers purchasing behaviors and enhance online business initiatives.

Toward FY2026

We will revise the prices of Self-Adhesive Cellulose Tapes and other products to improve the profitability of the Tape Business Segment. At the same time, we keep pushing forward with efficient, effective initiatives and brand and digital marketing activities. To respond to the diversification of sales channels and the changes in consumption behaviors, we will implement initiatives to increase the number of new places of purchase, including both physical and online stores.

Further, we will continue to implement initiatives related to the environment and the SDG in FY2026 in our Self-Adhesive Cellulose Tapes operations.

EC Field

FY2025 results

The EC Field was impacted by a system failure that affected a major online shopping site, a decrease in consumer sentiment due to inflation and other events. However, net sales of our mainstay Self-Adhesive Cellulose Tapes and NICETACK$_{TM}$ did increase year on year due to the strengthening of our web marketing initiatives for online purchases. We also enhanced our web marketing initiatives for the CARELEAVES series adhesive bandages and Atofine$_{TM}$ Post-Operative Scar Care Tape, which resulted in a year-on-year increase in sales. In the EC field as a whole, net sales remained on par with the previous year.

Toward FY2026

To address the diversification of sales channels and changes in consumption behaviors, we will create places of purchase that will permit people to purchase products at anytime and anywhere, and we will enhance optimal places of purchase to make them easier to understand and use. We will push forward with brand and digital marketing activities to enable us to provide our products to more customers to help them increase the comfort and convenience of their lives. We will continue to enhance our medical product initiatives, as it is a growth business. In particular, we will work to expand products related to home medical care to create new demand and help develop these products into a growth business.

Hospital Product Field

Hospital Product Sales Management Department

Senior Operating Officer, General Manager of Business Strategy Division, and General Manager of Hospital Product Sales Management Department

Takashi Kawakita

We will address various issues in community healthcare by not only providing products but also supporting medical practices, helping to co-create social and economic value together with all of the Nichiban Group's stakeholders.

FY2025 results

In FY2025, the management environment of medical institutions deteriorated, strengthened the pressure to reduce costs, and a shift to price-oriented products accelerated in the consumables market. In this environment, a product from the CATHEREEPLUS series of wound care dressings, the I.V. SLIT FOR PEDIATRICS, which solves issues specific to pediatric care settings, was evaluated highly, and the performance of series of products as a whole exceeded the previous year. Additionally, many clinics began using KUTTUKU BANDAGE$_{TM}$ self-adhesive bandages in recognition of their medical safety and the improvement of productivity they facilitate in medical settings, which are a part of the high added value the bandages provide due to their high functionality, amid people's growing cost-consciousness concerning products for pressure hemostasis in blood collection rooms, blood centers, and other facilities. The results of the product group as a whole exceeded the previous year. In ways such as these our transition to providing value to efficiently support high-quality medical care without being limited to the provision of products has borne fruit in FY2025 in the form of our contributions to the economic systems in healthcare. To support a sustainable medical system, it is necessary to balance clinical value and managerial value. We will continue to proactively increase our efforts to propose high value-added products.

Toward FY2026

It is expected that, in FY2026, the management environment will continue to be difficult for medical institutions due to the labor shortage and soaring prices. In these circumstances, it is necessary to dramatically improve the productivity of medical practice to fully use the limited resources available. To solve this issue, the optimization of management costs made possible by the high added value of Nichiban products is at the core of the solutions we propose. We will continue to transform our initiatives to provide value for both clinical practices (the quality of medical care) and management (streamlining) and implement strategies to achieve both higher quality medical care and sound hospital management. As the shift to home medical care accelerates, we are building a system to supply optimal products and information using digital technologies in the home medical care domain, where demand is increasing. Through these efforts, we will support the social infrastructure that enables everyone to receive the care they need.

Industrial Product Field

Industrial Product Sales Management Department

Senior Operating Officer, General Manager of Business Strategy Division, and General Manager of Industrial Product Sales Management Department

Takaaki Hikita

We will manage our business portfolio to optimize our management resources. At the same time, we are committed to creating new value and developing new products to provide greater added value to customers.

FY2025 results

In FY2025, the Industrial Product Field performed steadily, driven mainly by heat-resistant masking products, due to an increase in newly adopted products. It was, however, affected slightly by domestic automakers reducing production due to changes in the global environment. As a result, sales of these products grew significantly, up 11% from the previous year. In addition, in the electronics-related field, the number of customers newly selecting products featuring new technologies continued to increase. We continued promotional activities for our mainstay Self-Adhesive Cellulose Tapes to communicate the appeals of these environmentally friendly products using natural materials to customers, and we successfully gained the support of even more companies. The combination of price revisions and the performance of these Self-Adhesive Cellulose Tapes and other packaging tapes lead to a drastic improvement of the profitability of FAPRO$_{TM}$ (Tabanera$_{TM}$) Tapes, resulting in a 6% year-on-year increase in net sales. As a result, net sales of the Industrial Product Field as a whole increased 5% year on year. We are pushing forward with our initiatives to achieve our targets in the CREATION 2026 Medium-term Management Plan.

Toward FY2026

To achieve the targets in our CREATION 2026 Medium-term Management Plan, we will manage our business portfolio to continually reform our profit structure and address the rapidly changing global situation. We will also address the soaring prices of raw materials and energy, a result of the growing tensions in the Middle East, by revising prices appropriately and reducing costs through process innovation. We will continue to position new product development, the transition to sustainable products, and activities that are consciousness of contributions to the environment as priority measures, aiming to maximize the synergy produced through their linkage. Further, we will continue activities to create new value through research and development and industry-academia-government collaboration to drive the development of new products that will lead directly to the improvement of profitability.

Global Field

Global Business Division

Senior Operating Officer
General Manager of Global Business Division

Fumihiro Asano

The Nichiban Group will implement a localization strategy to cater to the needs of customers in each region by improving its ability to execute business around the world, enabling it to achieve sustainable growth.

Global Business Division

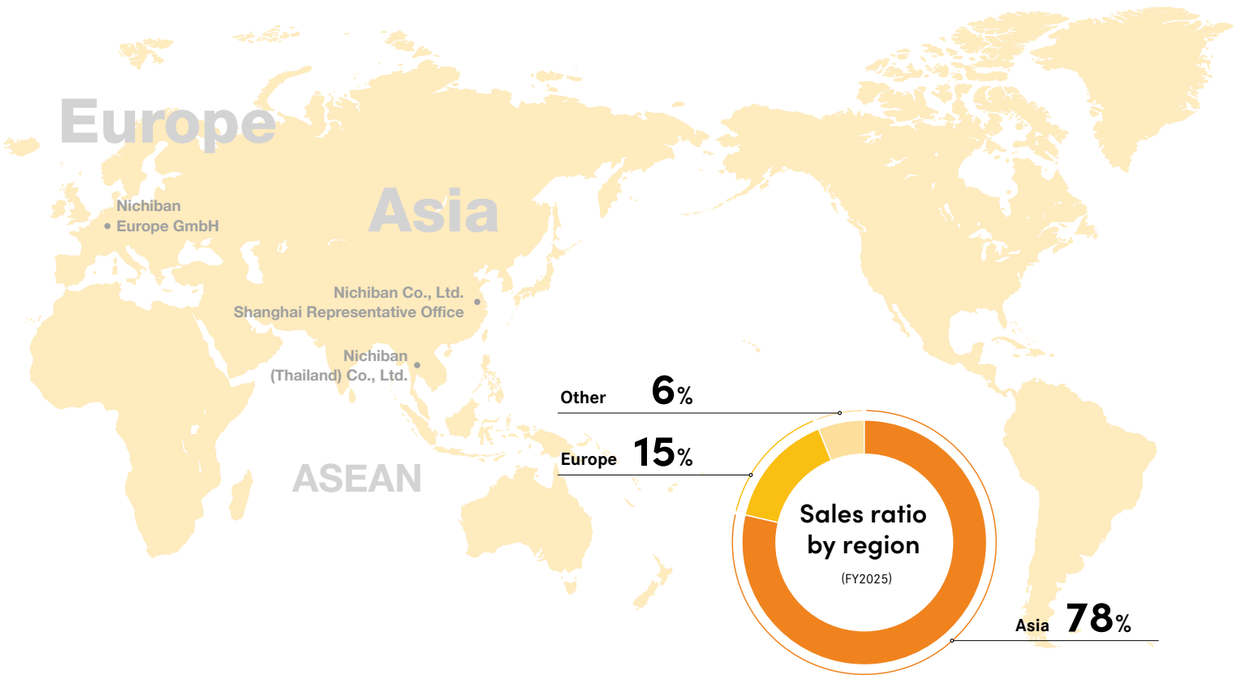
FY2025 results

In the Global Business, Nichiban achieved net sales exceeding 5.0 billion yen for the first time in the previous fiscal year, and it set a net sales target of 6.0 billion yen for FY2025. However, CARELEAVES™ inventories in South Korea were adjusted. CARELEAVES™ had driven the growth of sales in FY2024. Additionally, orders received for Washi Masking Tapes, which play a central role in our global tape business, slowed due to the enforcement of the EU Deforestation Regulation (EUDR). However, in June we successfully launched ROIHI-TSUBOKO™ COIN PLASTER for South Korea, our first product registered as a medical product outside Japan. Due to the rapid increase in the number of stores to which the product was delivered, sales of ROIHI-TSUBOKO™ COIN PLASTER in the Global Business were up 47% against the sales forecast for FY2025. As a result, net sales of the Global Business in FY2025 totaled 5.42 billion yen, up 4.4% year on year.

Toward FY2026

In FY2026, we will continue to aim to achieve net sales of 6.0 billion yen in the Global Business, which we were unable to achieve in FY2025.

The priority tasks in the Global Business are: (1) To achieve the growth of the four global bases (the Global Sales Department, the Shanghai Representative Office, Nichiban (Thailand) Co., Ltd., and Nichiban Europe GmbH); (2) To expand the foundation of our business through area-by-area marketing activities and localization; (3) To implement initiatives globally to reinforce our organizational structure for achieving globalization, and; (4) To improve business operations by using overseas audit and review services. We will move forward with these four priority tasks to enable us to contribute to the world.



Global Sales Department

FY2025 results

In FY2025, net sales of the Global Sales Department, which is primarily in charge of South Korea, Taiwan, and China and also North America and Oceania, fell 5% short of the FY2025 forecast and increased 11% year on year. This partly reflects a decrease in shipments due to channel adjustments of inventories of CARELEAVES™ products, but the department's performance was supported by the launch of ROIHI-TSUBOKO™ COIN PLASTER in South Korea, which was mentioned earlier and resulted in an increase in the number of stores to which the products are delivered. As a part of our initiatives in the Chinese market, we rolled out improved Washi Masking Tape products and redesigned our Washi Masking Tape strategy in that market, revising their prices.

China International Medical Equipment Fair

Toward FY2026

In FY2026, we will continue to take measures to enhance and expand our lineup of medical products in the South Korean market. At the same time, we will collaborate with the Business Strategy Division and local sales agents to increase the visibility of CARELEAVES™ and ROIHI-TSUBOKO™ COIN PLASTER in South Korea. In the Chinese market, we will collaborate closely with the Shanghai Representative Office in the proposal of measures to establish our business in this market to ultimately convert our representative office into a sales subsidiary. In other regions, we will continue to collaborate with our local partners.

ROIHI-TSUBOKO™ COIN PLASTER launched in South Korea

Nichiban (Thailand) Co., Ltd.

FY2025 results

In the Medical Business, we promoted the sale of adhesive bandages for medical use and proactively exhibited our products at academic conferences to increase their visibility.
In the Tape Business, we built relationships with processors that excel at coating solutions for passenger vehicle production facilities in Asia, which resulted in the growth of masking tapes and other products. As a result, net sales for FY2025 were 15% less than the forecast but they have continued to grow, up 5% year on year.

Nichiban booth at a meeting of the Society of Plastic and Reconstructive Surgeons of Thailand

Toward FY2026

We will expand ROIHI-TSUBOKO™ in Southeast Asia, where we have obtained pharmaceutical approval following approval in South Korea, implement measures to enhance and update CARELEAVES™ in Thailand, and play the leading role in strengthening Panfix™, which is a priority theme of the Global Business. At the same time, we will collaborate with the Global Business Division and the Business Strategy Division to establish relationships with local partners and increase the visibility of the Nichiban brand and corporate value in Southeast Asia.

Nichiban Europe GmbH

FY2025 results

The majority of the products sold by Nichiban Europe are tape products, but the business environment in FY2025 was tough, with sales at 16% below the forecast and down 10% from the previous year, due to the recent tightening of laws and regulations in Europe and the rapid structural changes in the tape market that were a result of soaring raw material prices. In these circumstances, Nichiban Europe GmbH positioned the enhancement of medical products as an urgent task. To complete this task, we reviewed contracts with sales agents to expand our products for medical use.

MEDICA, an international medical equipment trade fair (in Germany)

Toward FY2026

To enhance medical products, we will launch new products and implement CARELEAVES™ initiatives in Europe. In the Tape Business, we will continue to implement initiatives for cloth tapes, which have achieved a measure of respect in Europe for their quality, and continue to work together with local partners to respond to the needs of European car manufacturers. At the same time, we will continue to look for new business partners in the region with a commitment to the achievement of sustainable growth in the Tape and Medical businesses.

Research and Development

Research and Development Division

Senior Operating Officer
General Manager of Research and Development Division and General Manager of Product Development Department

Kazuhiro Kono

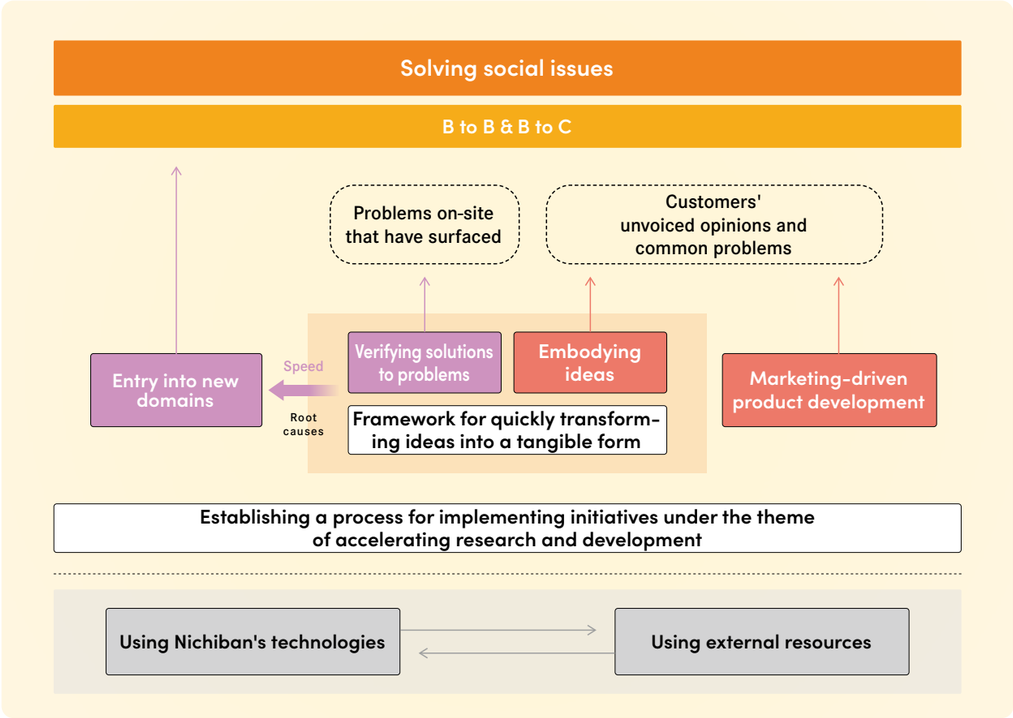
Building on the Nichiban Group's strengths in the field of adhesive technologies, we will contribute to a sustainable society and comfortable living by developing technologies and products that help solve environmental and social issues.

Research and development policy

Adhesive products, which are the Nichiban Group's core business, must have various functions, such as an appropriate adhesive strength, weather resistance, usability, moisture permeability, and gentleness on the skin. Leveraging technologies that have been cultivated over many years, we combine elements, including optimally designed pressure sensitive adhesives and base materials, an array of selected and adjusted raw materials, coating technologies, release technologies, and processing technologies, to manufacture products.

We use these technologies to continue to develop and provide highly functional, high value-added products to support people's comfortable lives. We also venture into new domains aggressively to provide products that cater to the needs of more people, enabling us to continue to contribute to society.

Research and development flow for accelerating processes



FY2025 results

We developed and sold new products in each field, and this resulted in the new product sales ratio growing to 11.6% year on year. We also focused on developing new products centered on brand strategies and new products based on new technologies achieved through research, and we have steadily produced results. We continued to explore new businesses and their commercialization, and the Innovation Center established in FY2021 has played a central role in these efforts. The following are some of the initiatives we have been engaged in.

Acceleration of the global rollout of products	As a part of our overseas rollout of ROIHI Series products, we released the ROIHI-TSUBOKO™ COIN PLASTER in South Korea.
Promotion of industry-academia-government collaboration	Together with Signtle Inc., we have worked to develop a wearable device for the early detection of lung diseases. We also established the Next-Generation Wound Care Development social collaboration program at the University of Tokyo and launched initiatives for the healing of chronic injuries.
Developing innovative human resources	We provide cross-sectoral innovation training to develop innovative human resources.

Toward FY2026

In FY2026, the final fiscal year of the CREATION 2026 Medium-term Management Plan, we will continue to accelerate the development of new markets and the operation of businesses, with a focus on the development and expansion of our businesses in the Healthcare and Global Fields, forays into the medical, construction, mobility and other new fields, the development of new products and contributing to a sustainable society.

In relation to this, we have restructured our research and development system. We moved the Product Development Department, which was previously under the umbrella of the Business Strategy Division, under the Research and Development Division. Enabling the Product Development Department to collaborate closely with the Advanced and Applied Research Institute and the Product Design Department, which are now in the same division, will enable the accelerated development of products directly linked to the needs of customers. We transferred the Innovation Center from the Research and Development Division to the Corporate Planning Division to establish a system facilitating the creation of innovative solutions to social issues without being constrained by the framework of existing businesses.

Specifically, we are taking actions towards innovations in the following three areas.

1 Product Innovation	• The development of products based on brand strategies • The creation of new businesses based on customers' needs and global expansion • The application of medical and industrial product technologies in the field of consumer products • The collaboration of the development, sales, and technical/production departments to quickly develop products
2 Process Innovation	• The development of new products using new production methods and solvent-free technologies • Initiatives to reduce environmental impact and improve productivity
3 Open Innovation	• The creation of value in new domains by integrating Nichiban's core technologies and new technologies and services • The creation of innovative solutions to social problems • The promotion of alliances, startups, and industry-academia-government collaboration using resources in Japan and overseas

In the implementation of these initiatives, we are committed to achieving sustainable growth and development and enhancing our corporate value.

Intellectual capital initiatives

Nichiban positions the proprietary adhesive technologies it has researched and developed as important assets that are essential for sustainable growth. We strongly protect our profits by enhancing our intellectual property portfolio while respecting the rights of others. Internally, we strive to ensure that intellectual property training becomes entrenched and to accelerate the strategic acquisition of rights with an eye toward overseas markets.

Meanwhile, we are optimizing our intellectual property management system to quickly give shape to innovations by participating in activities to collaboratively create value with external parties. Our intellectual property strategies are aligned with the phases of our businesses, including the efficient acquisition of rights in mature markets and the establishment of patent networks in growth markets, with the goal of establishing competitive advantages and ensuring risks are thoroughly managed.

Sustainability

The Nichiban Group operates under its Basic Philosophy: Nichiban respects people's cooperative relationship and strives to foster prosperity and happiness for all stakeholders of Nichiban Group. Underlying this philosophy is our idea that we should first build an environment where employees can feel happy and then spread their happiness to all stakeholders. The Nichiban Group's sustainability is built on its commitment to the philosophy that has been passed down without interruption since its founding.

Promotion Structure

To meet the expectations of stakeholders and the demands of society, the Nichiban Group has established a Sustainability Committee, which is chaired by the president, as an organization that reviews and deliberates on basic policies, important matters, risks, and opportunities related to overall sustainability. The deliberations of the Sustainability Committee are reported to the Board of Directors at least once a year, and the Board of Directors provides supervision and guidance.

Important matters considered by the Sustainability Committee

- Management of appropriate non-financial disclosures
- Management of initiatives related to reduction of CO_2 emissions
- Management of initiatives related to human capital management

FY2025 sessions of the Sustainability Committee

Session	Details
Session 1	• Confirmation of content of climate-related disclosures based on the TCFD recommendations for FY2024 • Confirmation of progress toward GHG reduction targets under the medium-term management plan
Session 2	• Confirmation of progress in GHG reduction in FY2025 and results of external ESG evaluation • Confirmation of the direction of sustainability disclosures in FY2026
Reporting to the Board of Directors	• Decisions made by the Sustainability Committee • Topics related to sustainability
Training	• Sustainability training given to officers

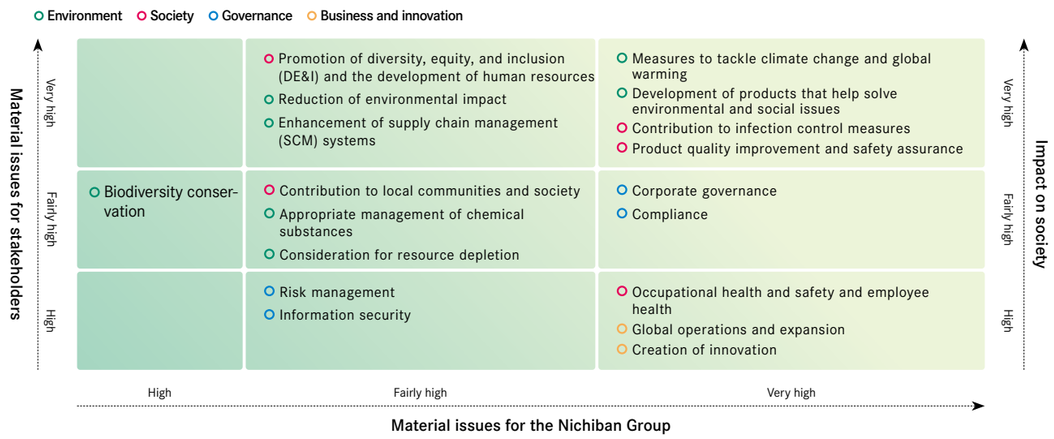
Management

In FY2022, we adopted a Human Rights Policy, a Health and Productivity Management Policy, and a Purchasing Policy. All are related to sustainability and the SDGs. They include a broad range of measures, including not only those for society but also those for the wellness and happiness of the Nichiban Group employees.

For sustainability-related policies, please refer to our website. Related links

Identification of Materiality

We reorganized material issues affected by the business activities of the Nichiban Group and mapped them out together with material issues for our stakeholders. As a result, we have positioned the following as extremely important issues for both stakeholders and the Nichiban Group: measures to tackle climate change and global warming; the development of products that help solve environmental and social issues; a contribution to infection control measures, and; product quality improvement and safety assurance.



Materiality Identification Process

Based on the concept of sustainability, we have followed three steps to identify themes that are particularly critical for management, and which are aimed at achieving the Nichiban Group 2030 Vision. Based on the Nichiban Group's value chain, we have selected the themes by keeping in mind their importance in our businesses and what society demands and expects.

1 Identification of issues

Identification of initial evaluation items for social issues based on evaluation items and various guidelines from SDGs and ESG assessment organizations

2 Selection of important themes that the Nichiban Group should address

Opinions of external stakeholders also reflected in the selection

3 Internal approval

Deliberation and approval by the Management Strategy Meeting and the Board of Directors

Targets (KPIs) and results

Materiality		Targets (KPIs) and results: Specific actions	FY2025 results	FY2026 targets	Relevant SDGs
Environment	Development of products that help solve environmental and social issues	Formulating criteria for the development of products that help address environmental and social issues Promoting environmentally friendly development themes and new product development Contributing further to solving environmental issues with an increased ratio of natural materials used in products	A reduced environmental impact by developing the following products • Barcode-concealing tape • Non-fluorine-based water repellent	Continuing to develop environmentally friendly products • Products that reduce environmental impact through reduced man-hours • Product designs that enable both a reduction in environmental impact and a circular economy	6 Clean Water and Sanitation
	Reduction of environmental impact	Continuing to operate ISO 14001 environmental management system and conducting audits Reducing solvent usage by creating new technologies Disclosure of environmental information	Remained certified under ISO 14001 Published Integrated Report 2025 (Japanese and English) Released a video introducing our initiatives to control VOCs at Clear Sky Navi, a website run by the Bureau of Environment of the Tokyo Metropolitan Government and the Green Purchasing Network Reduced energy consumption Reduced plastic waste generated per unit	Revising the method of product life cycle assessment (LCA) Reduced energy consumption Reducing waste plastic emissions	7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production
	Appropriate Management of Chemical Substances	Promoting green procurement of raw materials	Promoted green procurement and responded to requests from customers to investigate chemical substances contained in our products Conducted appropriate chemical substances management in the manufacturing process	Promoting green procurement and continuing to respond to requests from customers to investigate chemical substances contained in our products Conducted appropriate chemical substances management in the manufacturing process	13 Climate Action
	Measures to tackle climate change and global warming	Reducing CO_2 emitted by the Nichiban Group Increasing the ratio of green electricity and installing solar power generators	Disclosed information based on the TCFD recommendations Disclosed information about Scope 1, 2, and 3 emissions	Disclosed information based on the TCFD recommendations Taking actions to reduce GHG emissions to achieve 2030 medium-term targets	14 Life Below Water
	Consideration for resource depletion	Reducing waste through effective utilization of raw materials Using water efficiently and managing wastewater treatment Shifting from thermal recycling to recycling	Maintained a zero-emission factory Increased plastic recycling rate	Obtaining rank S in a rank-based assessment program under the Act on Rationalization of Energy Use and Shift to Non-fossil Energy	15 Life on Land
	Biodiversity conservation	Afforestation activities in the Nichiban Tape Core ECO Project and Forest Drops Conservation Activities	Implemented the 16th Nichiban Tape Core ECO Project	Continuing to implement the Nichiban Tape Core ECO Project	

Targets (KPIs) and results

	Materiality	Targets (KPIs) and results: Specific actions	FY2025 results	FY2026 targets	Relevant SDGs
Society	**Product quality improvement and safety assurance**	Continuing to operate ISO 9001 quality management system and conducting audits Improving customer satisfaction Beginning to introduce new core systems for strategic data utilization and improved productivity in internal operations Driving company-wide improvement activities	Remained certified under ISO 9001 and ISO 13485	Remaining certified under ISO 9001 and ISO 13485 and improving the management level and quality Taking steps to develop a quality culture	
Society	**Occupational health and safety and employee health**	Promoting health and productivity management and managing KPIs	Certified as Outstanding Organization of KENKO Investment for Health 2026 Provided health-related seminars (4 times/year)	Promoting health and productivity management and managing KPIs Certified as Outstanding Organizations of KENKO Investment for Health 2027	3
Society	**Promotion of diversity, equity, and inclusion (DE&I) and development of human resources**	Promoting empowerment of woman and employment of people with disabilities Pursuing initiatives to improve employee engagement and enhance organizational management Redeveloping the medium-term human resources development system and improving the necessary skills using the technical skills map	Percentage of employees with disabilities: 2.7% Continued a project to improve engagement Took action to promote the empowerment of women Implemented human capital management and managed KPIs • Employee engagement score: 51.4 • Female manager ratio: 14.1% (Consolidated) • Ratio of male employees taking childcare leave: 94.7% (Non-consolidated) • Annual paid leave utilization rate: 78.2% (Consolidated)	Steadily implementing measures for empowerment of women Promoting employment of people with disabilities (complying with the statutory employment rate) and creating an environment for achieving personal development together with them Continuing to adopt measures to improve employee engagement Implemented human capital management and managed KPIs	4, 5, 8
Society	**Enhancement of supply chain management (SCM) systems**	Strengthening engagement with raw material sources and suppliers (human rights and environmental issues) Ensuring adherence to the Purchasing Policy	Identified human rights risks of new suppliers Ensured adherence to the Purchasing Policy in working with suppliers	Identified human rights risks of new suppliers Continuing to ensure adherence to the Purchasing Policy in working with suppliers	10
Society	**Contribution to local communities and society**	Activities for communicating with local communities around business sites Educational activities through on-site classes at elementary schools Support for people with disabilities Developing athletic trainers Providing support through official suppliers and implementing awareness-raising activities on taping techniques to prevent injuries	Held Soccer Medical Camp Held taping workshops for preventing injuries and the similar events Cleaning activities at business sites Gave on-site classes at elementary schools (22 schools) Gave a class for raising awareness of SDGs at a high school Operated STEPS workplace for people with disabilities	Continuing to hold Soccer Medical Camp Held taping workshops for preventing injuries and the similar events Cleaning activities at business sites Continuing to give on-site classes at elementary schools Operated STEPS workplace for people with disabilities	12
Society	**Contribution to medical care**	Contributing to preventing infections with adhesive bandages, hemostatic plasters, and wound care dressings	Contributed to vaccination against influenza and other infections with hemostatic plasters Began manufacturing and selling CARELEAVES™ Hydrocolloid in South Korea upon obtaining approval for the product in that country	Reliably supplying and spreading first-aid adhesive bandages and hemostatic plasters globally as products for preventing infections	
Governance	**Corporate governance**	Developing an internal control system	Internal Control Committee meeting: Held 3 times Internal Control Subcommittee meeting: Held 4 times Conducted internal audit of overseas subsidiaries Held Group Company Liaison Meeting (Twice in Japan and twice overseas)	Enhancing autonomous internal control and risk management of each department and Group company Strengthening governance, including governance from a global perspective	
Governance	**Compliance**	Ensuring compliance (education with action handbook and through e-learning) Enhancing whistleblowing contact points	Announced our policy on customer harassment on our website Gave harassment counselor training Gave harassment education	Strengthening compliance across the entire Nichiban Group, including overseas sales subsidiaries	9
Governance	**Risk management**	Implementing emergency response drills Developing a stable supply system based on BCP/BCM	Conducted company-wide emergency response headquarters training Identified expanding risks and confirmed proposed countermeasures by holding BCP Committee meetings	Establishing and maintaining a business continuity plan under the Basic BCP Policy	16
Governance	**Information security**	Developing IT control systems	Held IT Strategy Meetings (4 times/year) Gave IT security education and phishing email training Renewed IT security education system	Implementing corporate activities and improving management level further in accordance with the IT Security Policy Improving employees' information security literacy	
Business Innovation	**Creation of innovation**	Restructuring research and development organizations Driving collaborative programs for startups Checking and making effective use of our own technologies Making use of the Nichiban Group's internal proposal system	Industry-academia-government collaboration: Applied a basic technology developed by the University of Tokyo to a breath sensor to affix on the skin and began joint development with Signtle Inc. Issued a press release and gave a presentation at an academic conference. Gave innovation training New product ratio • 11.6% as compared to FY2026 target of 15%	Industry-academia-government collaboration: Submitting a notification about the breath sensor to affix on the skin as a Class I medical device and launching it on the market Human resource development: For new employees Innovation human resource training for all employees Innovation training	3, 9
Business Innovation	**Speedy rollout and expansion in the global market**	Pursuing initiatives to develop new products around the world, including Nichiban (East Asia and Oceania), Nichiban (Thailand) (Southeast Asia, ASEAN region, and the Middle East), and Nichiban Europe (overall Europe) Searching for and selecting strategic partners in priority regions (business alliances and M&A)	Launched ROIHI-TSUBOKO™ COIN PLASTER and CARELEAVES™ Hydrocolloid in South Korea Received approval of ROIHI-TSUBOKO™ in Indonesia Followed international environmental standards on raw materials and packaging materials	Rolling out new products, mainly in Southeast Asia and Europe • Fostering CARELEAVES™ Hydrocolloid Waterproof in South Korea • Continuing to follow international environmental standards on raw materials and packaging materials	17

TOPICS

Initiatives Through the Value Chain

Self-Adhesive Cellulose Tapes Enabling an Eco-Friendly Loop

Self-Adhesive Cellulose Tapes made from plant-derived natural materials

For more than 70 years, Nichiban has consistently created environmentally friendly, circular products with a commitment to customers' health and safety.

Nichiban's Self-Adhesive Cellulose Tapes are products with more than 70 years of history, and their raw materials and manufacturing methods have remained unchanged over the decades. However, we have continued to evolve the products themselves to meet societal demands. Specifically, we now use 100% green electricity for their production to tackle climate change. We also implement human rights due diligence at places of origin of raw materials to address human rights problems. We also focus on the social value of the products while maintaining their quality. For instance, we emphasize the appeal of their environmental value through co-creation with other companies and address difficult challenges through open innovation. This is how Self-Adhesive Cellulose Tapes from Nichiban have continued evolving.

Raw materials and production

Human rights due diligence

In November 2023, we visited a natural rubber plantation in Sri Lanka. We investigated the plantation with a focus on whether child labor was present as well as the labor environment. The investigation found no child labor and confirmed that the working environment permits working with peace of mind, with day-care centers and hospitals near workers' residences.

Products that are made mainly from natural materials

The cellophane used in the tapes is made from wood chips from managed forests, and the main ingredients of their pressure sensitive adhesive are natural materials such as natural rubber and resin, while the core is made from recycled paper.
Self-Adhesive Cellulose Tapes have been certified as Bio Mark products by the Japan Organics Recycling Association.

Biomass Used in: Tape No. 200189

Biomass Used in: Tape No. 050236

Produced with 100% green electricity

To achieve 100% green electricity for the production of Self-Adhesive Cellulose Tapes and cellophane-based adhesive tapes at the Nichiban Group and its affiliated companies, we purchase green energy certificates for the amount of electricity used for the production from Japan Natural Energy Company Limited.

Amount purchased in FY2025
8,300 [MWh]
Power generation method:
Biomass

Collection

Social contribution using waste materials

We provide offcuts generated in the manufacturing process of Self-Adhesive Cellulose Tapes to Kanazawa Art Gummi, a certified NPO corporation, so that they can be used at Children's Art Studio for free creative activities.

Attempt underway to reuse waste materials

We are attempting to build a circular economy by using offcuts from manufacturing process of Self-Adhesive Cellulose Tapes.

Sales

Number of supporting companies and organizations: 165

As of April 30, 2026

Small Action For the Future

We have launched this project, in which we encourage the switch from plastic tapes to plant-derived Self-Adhesive Cellulose Tapes, with a commitment to preserving a safe, healthy environment for future generations. We have embarked on new environmental initiatives through Partnerships for the Goals, Goal 17 of the SDGs.

Collection

Planting trees in Japan and overseas through the collection of tape cores

Since 2010, we have continued to implement the Nichiban Tape Core ECO Project, in which we collect empty tape cores and reuse them as resources. Collected tape cores are recycled into cardboard. Proceeds from the recycling and support funds from Nichiban are used for environmental conservation activities in Japan and other countries.
With the cooperation of Ikaw-Ako, a specified non-profit organization, we plant mangroves in the Philippines and implement forest conservation activities in Hatsukaichi City, Hiroshima Prefecture.

Quality and Environmental Initiatives

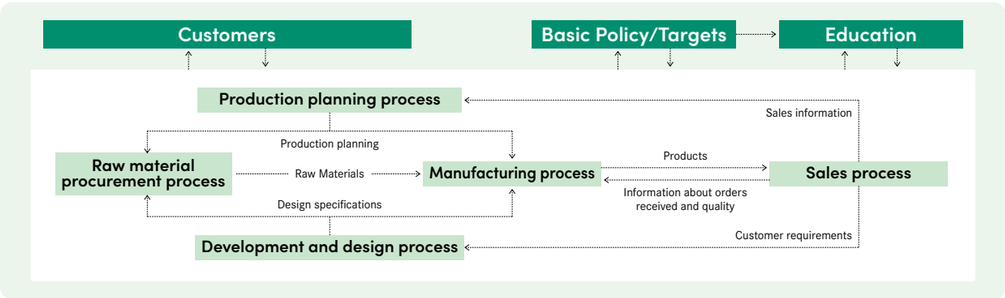
With contribution to a sustainable society and establishment of solid corporate quality as the foundation of our management, we will continue to evolve into a company that contributes globally by creating value supporting comfortable living.

Senior Operating Officer
General Manager of
Quality Assurance Division
Takemasa Kokubo

As a manufacturer that delivers products in a wide range of fields based on adhesive technologies, we keep contributing to a sustainable society through a wide array of business activities toward a future where people will be connected and harmonized with the nature. Our initiatives to help address environmental and social issues include reducing the environmental impact throughout the entire process of our business activities, from the phase of product design to the purchase of raw materials, production, sales, and disposal, as well as chemical substance management, countermeasures against climate change and global warming, and initiatives for the circular economy. Positioning these initiatives as our corporate responsibilities, all employees will press ahead with reducing the environmental impact over the entire product lifecycle.

Quality Initiatives

The Nichiban Group is developing quality human resources through activities to foster quality culture, thus raising employees' quality awareness and establishing solid corporate quality.
In addition, with the aim of improving customer satisfaction, we optimally manage and operate the following five processes (development and design process, raw material procurement process, production planning process, manufacturing process, and sales process) based on the ISO 9001 standard on quality management systems.



Environmental Initiatives

The Nichiban Group attaches importance to environmental management and focuses its efforts on contributing to a resource-recycling society. By acquiring the ISO14001 certification, we have established a system for assessing the environmental impact of all processes of our business activities, from the phase of product design to purchase of raw materials, production, sales, and disposal. At the same time, we manage legal requirements and environmental impact, set targets, take actions in a well-planned manner, and evaluate results, thus making improvements on an ongoing basis. As a result of these initiatives, in 2025, we successfully reduced CO_2 emissions by 1,427 tons (9.0%) year on year. The Nichiban Group continues to help reduce environmental impact with its commitment to the environment and proactive improvement efforts.

Environmental Accounting

In FY1999, we introduced our own environmental accounting for calculating environmental costs and their effects. The targets are the headquarters, three domestic factories, and three domestic group companies and the period covered is April 1 to March 31 of the following year. We also aggregate environmental costs by dividing them into capital expenditures and expenses. As capital expenditures, we record those related to environmental conservation. As expenses, we post labor costs related to the research and development of eco-friendly products and environmental conservation activities and the depreciation of equipment used in those activities.

See the environment-related links below for details.

Environmental conservation costs (Thousands of yen)

Classification		Main details	FY2024 Capital investment	FY2024 Expenses	FY2025 Capital investment	FY2025 Expenses
1. Business area costs		Environmental conservation costs for reducing environmental impact	171,094	896,501	166,079	1,010,574
Breakdown	1.1 Pollution prevention costs	Expenses for preventing pollutions (including air pollution and water contamination)	28,642	232,946	29,520	203,191
	1.2 Global environment conservation costs	Expenses for conserving the global environment (including prevention of global warming and energy conservation)	138,462	444,548	130,139	578,165
	1.3 Resource recycling costs	Expenses for effective resource utilization and recycling and proper disposal of waste	3,990	219,007	6,420	229,218
2. Upstream/downstream costs		Expenses for green purchasing and green procurement Expenses for recycling product containers and packaging	0	14,832	0	16,936
3. Costs for management activities		Expenses for operating and maintaining the environmental management system Expenses for disclosure of environmental information and environmental advertising Expenses for monitoring and managing environmental impact	0	126,034	0	155,009
4. R&D costs		Labor costs for developing eco-friendly products Expenses for developing eco-friendly products	0	0	0	0
5. Social activity costs		Expenses for environmental activities for local communities Donations to environmental organizations	0	22,253	0	1,500
6. Environmental damage handling costs		Insurance premiums for environmental pollution (including air pollution and soil contamination)	0	0	0	0
Total			171,094	1,059,620	166,079	1,184,019

Environmental conservation effects

Environmental conservation effects	Environmental impact indicators		
Effect details	Environmental impact for FY2024	Environmental impact for FY2025	Year-on-year change in environmental impact and effect
Scope 1 and 2 CO_2 emissions (t-CO_2)	Total emissions: 15,907	Total emissions: 14,480	Total emissions: -1,427
Amount of waste generated (t)	4,316	4,189	-127
Water consumption (thousand m^3)	405	391	-14
Emissions of PRTR substances (t)	513	289	-224
Reduction in the volume of industrial waste of products using plastics, etc. that has been generated	Environmental targets: As compared to FY2025 targets of reducing waste plastic emissions by 5% (waste generated per unit) from the FY2021 level and achieving a rate of material and chemical recycling of 7% or higher of the total amount, we reduced waste plastic emissions by 19% from the FY2021 level and achieved the recycling rate at 24% of the total amount in FY2025.		

Climate-Related Disclosures Based on the TCFD Recommendations

The Nichiban Group operates under its Basic Philosophy: Nichiban respects people's cooperative relationship and strives to foster prosperity and happiness for all stakeholders of Nichiban Group. To meet the expectations of stakeholders and demand from society under this Basic Philosophy, we have defined Materiality in our Concept of Sustainability and have set climate change and global warming countermeasures as our highest priorities.
The Nichiban Group discloses information about the four thematic areas – governance, strategy, risk management, and metrics and targets – that the Task Force on Climate-related Financial Disclosures (TCFD) recommends to disclose. We will continue to enhance the disclosure content.

Governance

We have established the Sustainability Committee, which is chaired by the president, as an organization that reviews and deliberates on basic policies, important matters, risks, opportunities, and other matters related to climate change. Reviews related to climate change are conducted under the Sustainability Committee, and their details are submitted and reported to the Board of Directors at least once a year, and the Board of Directors provides supervision and guidance. Agenda deliberated on and determined by the Board of Directors are shared with departments and reflected in business planning and operation of each.

Strategy

Nichiban views climate change as one of our medium-to-long-term risks. To review its strategies and organizational resilience based on the related risks and opportunities, Nichiban studied the long-term impact of climate change on itself in the period up to 2050 and conducted scenario analysis of its Medical Business and Tape Business in Japan, which account for a large portion of sales, by referring to climate change scenarios (< 2 °C scenario and 4 °C scenario*) from the International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC).

* The < 2 °C scenario assumes that measures including tightening of regulations and market changes are taken to minimize temperature rise. The 4 °C scenario assumes that temperature rise results in the generation of physical impacts, such as abnormal weather.

Risk Management

We conducted scenario analysis by establishing a working group on climate change. We will prioritize climate-related risks by considering the likelihood of occurrence of risks and opportunities for ourselves and the level of their impact. We will focus our efforts on addressing key risk factors. The Sustainability Committee will continuously confirm these risk factors going forward. In our process of managing climate-related risks, the Corporate Communication Department serves as the secretariat of the Sustainability Committee, conducting analysis related to climate-related risks, formulating and implementing countermeasures, and managing the progress through the Sustainability Committee. Details of what were analyzed and reviewed by the Sustainability Committee are reported to the Board of Directors for company-wide integrated risk management.

Scenario	Factor	Change	Risk/ Opportunity	Degree of impact	Impact on Nichiban	Countermeasures taken by Nichiban
2 °C (Transition)	Introduction of carbon tax	Increase in raw material and secondary material procurement costs	Risks	↓	The tax is reflected in prices of base materials, raw materials including resins and rubber, and secondary materials, which have high emission intensity, putting downward pressure on the company's profits.	Reducing procurement costs by enhancing procurement functions, such as changing procurement conditions and suppliers, and passing on the costs to prices
		Increase in cost of operations	Risks	↓	Carbon tax puts downward pressure on the company's profits.	Reducing energy consumption such as by restructuring production bases and introducing new processing methods
	Tightening of regulations including those on GHG emissions	Increase in cost of operations resulting from the purchase of environmental value, such as certificates	Risks	↓	An increase in the costs of purchasing certificates, etc. puts downward pressure on the company's profits.	Reducing purchasing costs through price negotiations over environmental value and purchases from diverse suppliers Having renewable energy initiatives appeal externally
		Increase in facility upgrade costs	Risks	↓	An increase in financial burden resulting from new capital expenditures for achieving decarbonization (CO_2 emission targets) and restructuring of production bases puts downward pressure on the company's profits.	Reducing costs by introducing comprehensive judgment criteria for CO_2 emissions and environmental impact Leveling capital expenditures, etc. based on long-term investment plans
2 °C (Transition)	Growing environmental awareness	Increase in demand for naturally derived products	Opportunities	↑	An increase in the domestic sales of products derived from natural materials is expected in the fields of home offices, e-commerce, and industrial products (results of impact estimates as of FY2023).	Enhancing brand value by promoting the appeal of the environmental value of products made from naturally derived materials (such as Self-Adhesive Cellulose Tapes)
		Increase in demand for eco-friendly products	Opportunities	↑	By quantifying environmental impact over the lifecycle starting from procurement, design, and manufacturing, we will develop products with high environmental value and strengthen sales activities to encourage switching to those products, which will result in an increase in sales.	Driving initiatives to address Nichiban's material sustainability issues Accelerating the development of eco-friendly products and strengthening sales of the products Introducing eco-friendliness assessment to product development
	Increasing importance attached to ESG by investors	Growing importance of initiatives to tackle climate change and climate disclosure	Risks	↓	Delays in information disclosure of initiatives to tackle climate change and other issues lead to a decline in investor evaluations.	Continuing to take appropriate initiatives to address climate change and disclosing information
4 °C (Physical)	Higher frequency of serious disasters	Growing demand for tapes and sheets for disaster prevention, repair, and temporary fixation	Opportunities	↑	Increase in sales of tape products for disaster prevention and the similar purposes	Developing products for use in the event of a serious disaster and promoting sales of those products
		Increase in risk of suspension of production resulting from damage from a disaster	Risks	↓	As a result of RCP8.5 scenario analysis with Aqueduct Floods, we confirmed that none of our production facilities is subject to damage at present.	Continuing to take actions based on the business continuity plan (BCP) that we have formulated
	Decrease in production of raw materials derived from natural resources due to climate change	Increase in risk of suspension of production	Risks	↓	Suspension of production resulting from difficulty of procuring materials needed for production puts downward pressure on profits.	Procuring raw materials from diverse suppliers

Metrics and Targets

- We use total Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions (t-CO_2) as a metric to assess and manage the impact of climate-related issues on management.
- We disclose the targets and results of Scope 1 and Scope 2 emissions and results of Scope 3 emissions for Nichiban Co., Ltd. and group companies in Japan.
- As major initiatives to reduce the emissions, we will consider measures to reduce CO_2 emissions in light of costs and effects and disclose them one by one, in addition to taking existing initiatives, thus contributing to building a decarbonized society.

Scope 1 and 2 CO_2 reduction targets

FY2030 (intermediate target) → **40% reduction** Compared to FY2013

FY2050 → **Net zero emissions**

Scope 1 and 2 CO_2 emissions in FY2025

Scope 1 and 2 (t-CO_2)		FY2025
Scope 1 energy-derived emissions		10,086
Scope 1 non-energy-derived emissions		286
	Combustion of waste	248
	CFC leakage quantity	38
	SF6 leakage quantity	0
Scope 1 total		10,371
Scope 2 total (before offsetting)		7,718
Scope 1 and 2 total emissions (before offsetting)		18,089
Reduction through carbon offsetting with green energy certificates	Nichiban Co., Ltd.	3,609
	Nichiban Medical Corp.	0
	Total	3,609
Scope 2 (after offsetting)		4,109
Scope 1 and 2 net emissions (after offsetting)		14,480
Year-on-year reduction rate		9.0%
Rate of reduction from the FY2013 level (Emissions in FY2013: 31,244 t-CO_2)		53.7%

Scope 3 (t-CO_2)

Scope 3 (t-CO_2)		FY2025
Category 1	Purchased goods and services	218,365
Category 2	Capital goods	6,442
Category 3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	3,892
Category 4	Upstream transportation and distribution	9,744
Category 5	Waste generated in operations	8,297
Category 6	Business travel	565
Category 7	Employee commuting	984
Category 8	Leased assets (upstream)	–
Category 9	Downstream transportation and distribution	1,606
Category 10	Processing of sold products	–
Category 11	Use of sold products	–
Category 12	End-of-life treatment of sold products	4,655
Category 13	Downstream leased assets	–
Category 14	Franchises	–
Category 15	Investments	–
Total emissions (t-CO_2)		254,550

TOPICS

Environmental and Social Contribution Activities

Nichiban Tape Core ECO Project

This project, which we launched in 2010, is an initiative to collect empty tape cores and recycle them into cardboard. In FY2025, 1,199 organizations and 278 individuals from all over Japan took part in this project, and we collected 446,971 empty tape cores (6,670 kg). The cumulative total number of collected tape cores exceeded 6.6 million. Proceeds from the recycling and support funds from Nichiban are used for tree-planting activities in the Philippines and in Hatsukaichi City, Hiroshima Prefecture, among other initiatives.

In FY2025, our employees participated in tree-planting activities, and we gave on-site classes themed on environmental problems at 22 schools across Japan. Further, we use a work of art selected in a design competition, which we co-host with Paralym Art, for the poster used in this project and the benefit granted to participants. We select a work every year by collaborating with STEPS, a continuous employment support facility (which also helps us send shareholder benefits to our shareholders).

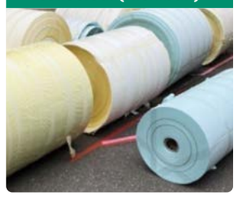
Nichiban enables the recycling of release paper generated in its manufacturing process

In September 2024, we launched a new initiative that enables the recycling of release paper generated in the process of manufacturing our adhesive tape products. Release paper is used in the manufacturing process of adhesive products and to protect the pressure sensitive adhesive in final products. However, it was designated as a prohibited item by the Paper Recycling Promotion Center*1 partly because polyethylene laminated paper, which is difficult to recycle, is used as their base paper and partly reflecting concerns over adhesive residue. Nichiban built a framework for cooperation with Nippon Paper Industries Co., Ltd. and enabled the recycling of release paper. During April 2025 to March 2026, we recycled approx. 13,960 kg of release paper into cardboard base paper.

We will remain committed to this project for reducing our environmental impact and making effective use of resources. Beyond working on this project, will also be proactive in recycling other waste.

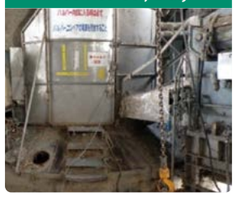
*1 Designated as a Class-B prohibited item under the wastepaper quality standards of the Paper Recycling Promotion Center

① Only release paper is segregated and collected. (Nichiban)



② Collection, cutting, shredding, and packing (NP Trading Co., Ltd.)

③ Pulping of release paper (Nippon Paper Industries Co., Ltd.)



④ Reused as cardboard for product packaging

The above photo is for illustration purposes only. The release paper in ① is actually reused as various types of cardboard.

Provision of medical support via Japan Heart

We donate NICHIPORE™ surgical tape for medical use to Japan Heart, in support of its commitment to delivering medical care to areas with no access to medical care. The product we donate is used on the medical frontlines in Myanmar and Cambodia. It is highly acclaimed, with comments including "Safety and efficiency have been improved because it is gentle on the skin with only a small amount of adhesive residue."

Cooperation with Smile Compass

We have signed a sponsorship agreement with Smile Compass. This organization's commitment to delivering the joy of playing sports and the power of taking on challenges is deeply linked with our commitment to fostering people's cooperative relationships, which we value as our Basic Philosophy. We have therefore felt strong affinity for this organization. Through this cooperation, we will expand possibilities for children and also help them develop comfortable, healthy lifestyles.

Support for Para-Sports and Paralym Art

Blind Soccer®

We have signed a Supply Service Partnership Agreement with Japan Blind Football Association (JBFA) and provide tape products used in games. In addition, we provide the OFF T!MEBiz, a diversity training session hosted by JBFA, as our new employee training and cross-sectoral training twice a year.

Goalball

We have signed an Official Gold Supplier Agreement with Japan Goalball Association and provide the battlewin series of taping tapes. By providing sports medical products, we support the development of an environment conducive to sports.

Paralym Art®

We support the Paralym Art® activities, which are promoted by Shogaisha Jiritsu Suishin Kiko (an association for the promotion of independence of people with disabilities). Paralym Art® refers to activities in which members team up with artists with disabilities to provide their works of art to companies and individuals and pay remuneration to the artists.

Artist: K. T.
Title: Midori-wo Tsunagu
(connecting greens)

Initiatives for Human Capital Management

The Nichiban Group regards its human resources as the source of the sustainable creation of corporate value and focuses on human capital management to maximize their capabilities. With human capital management, we aim to achieve medium- to long-term corporate growth and create stakeholder value.

Administration Division
General Manager of Human Resources Department
Atsuko Yokota

The Nichiban Group Human Capital Management is based on Diversity, Equity & Inclusion (DE&I), seeking to enable diverse human resources to mobilize and mutually enhance their individual capabilities, develop autonomous human resources to produce the next-generation of leaders and maximize diverse capabilities. It also focus on health and engagement, to enable employees to work energetically with job satisfaction. We continue the activities of the Engagement Improvement Committee, aiming for greater employee engagement and the sustainable growth of the entire organization.

We gave psychological safety training to management leaders and managers to build an organization that enables all employees to take on challenges with peace of mind and demonstrate true teamwork. By improving employee engagement and psychological safety, we will advance the development of our human resources and organization through diverse new initiatives. Our goals are the innovation creation and global contribution set forth in the Nichiban Group 2030 Vision.

Overview of the Nichiban Group Human Capital Management

Enhancement of corporate value and creation of stakeholder value

Nichiban Group 2030 Vision

Driving innovation creation and global expansion toward a sustainable society

Practice of human capital management

2 Human capital development

Development of the next-generation of leaders and autonomous human resources who will demonstrate diverse capabilities to the full

- Leadership
- Tiered training
- Skills development (specialized/functional skills)
- Next-generation management
- Experience and OJT
- Retention

3 Health and engagement

Good physical and mental health for employees, and job satisfaction

- Health and productivity management
- Employee engagement
- Work-life balance
- Occupational health and safety

Acquisition and creation of a diverse talent pool

1 Diversity, Equity and Inclusion (DE&I)

Fostering an organizational culture of respecting diverse values, with individuals demonstrating their personal quality, working together, and mutually enhancing their capabilities

TOPICS

Human capital management

Health and productivity management initiatives

We believe that each employee enjoying good physical and mental health is an important foundation. We are pursuing initiatives to maintain and promote good health among our employees so that they can continue to create new value for society while working energetically. We implement Health and Productivity Management Working across the Group, expanding health and productivity management through the identification of issues and collaboration of individual companies. Under the Outstanding Organizations of KENKO Investment for Health Program, in which the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi jointly select outstanding organizations, Nichiban and Nichiban Medical were recognized in the Large Enterprise Category and Nichiban Print was selected in the Small and Medium-Sized Enterprise Category. In addition, Nichiban Techno obtained the Silver Certification.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Initiatives for developing an organizational culture

We aim to develop an organizational culture in which diverse individual qualities resonate with each other, leading to the creation of new value and innovation. In FY2025, we invited an outside speaker to give training in unconscious bias, something we had provided to officers in the previous fiscal year, expanding the targets and encouraging individual trainees to raise their own awareness. In addition, we held a Psychological Safety Workshop and Cross-sectoral Collaboration Training for managers and asked them to examine their departments' current statuses objectively through group work. Our aim was to build a solid organizational base that enables proactive collaboration across organizational boundaries.

Development of globally competitive human resources

To expand our business globally, we are committed to developing human resources who can adapt to different business environments and diverse values. In addition to providing online training and encouraging employees to be proactive in taking foreign language tests, we run overseas assignment programs based on internal recruitment. In FY2024, we introduced the Global Trainee System, under which we send young to mid-career employees to overseas sales subsidiaries for one year. We also operate the Global Challenge Program, which combines foreign language training and short-term overseas training. We have them acquire a global perspective, such as by experiencing sales activities and the provision of technical support at overseas subsidiaries, thus developing core employees who will support Nichiban in the future.

Trainees experiencing a trade fair in Thailand

Provision of Engagement Tours

The engagement survey has revealed that although communications within each department, there are issues with the sense of unity within the entire company and with cross-hierarchical communications. In response, we began providing Engagement Tours, which are aimed at building horizontal ties across the company and fostering a corporate culture of participating in social contribution activities. In FY2025, about 100 people participated in a total of 12 tours, including tree-planting activities, factory tours, visits to research institutes, and tours of trade fairs. These tours deepen mutual understanding in a way that transcends boundaries between organizations and accelerate the development of an organizational culture of leveraging new perspectives in businesses.

Engagement Tour (A tour for experiencing a stationery user fair)

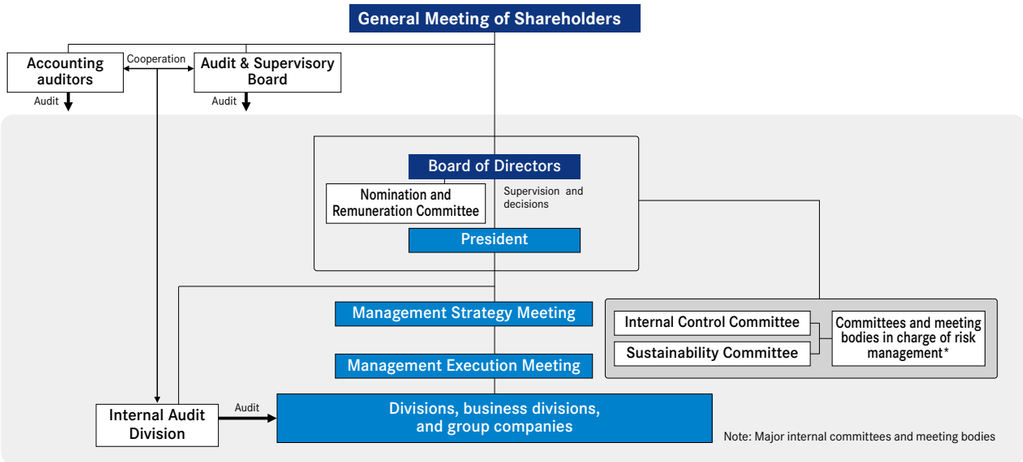
Management

Corporate Governance

Basic approach

We have developed an internal control system to ensure effective corporate governance, and we are committed to enhancing the soundness and efficiency of our management of the Company. The Board of Directors consists of seven members, including four outside directors. We also hold Management Strategy Meetings and Management Execution Meetings to enhance the functionality of the Board of Directors. The Audit & Supervisory Board works together with the Internal Audit Division and accounting auditors to audit the status of the management of the Company. Additionally, we have established the Internal Control Committee and an ethics violation consultation desk to ensure compliance with laws, our Articles of Incorporation and internal regulations.

Corporate Governance Structure



Note: Major internal committees and meeting bodies

Board of Directors

Nichiban's Board of Directors consists of seven members (including four outside directors), and an operating officer system has been introduced to enhance the Company's execution of business. The Board of Directors holds a regular meeting once a month and extraordinary meetings as needed as the basis for the systems that ensure the directors execute their duties efficiently. Additionally, Management Strategy Meetings are held twice a month, chaired by the president of Nichiban. At these meetings, basic strategies related to management, policies, and various measures are discussed before their implementation to facilitate prompt and efficient management activities. Moreover, to enhance the functionality of the Board of Directors, Management Execution Meetings are held once a month. Directors, managing officers, and senior operating officers participate in these meetings at which basic and important matters related to the execution of business are confirmed.

Audit & Supervisory Board and Internal Audit Division

Nichiban is a Company with a Kansayaku Board (an Audit & Supervisory Board). The Audit & Supervisory Board consists of three members (including two outside members). We have also established an Internal Audit Division that is directly controlled by the president of the Company. Audit & Supervisory Board members attend meetings of the Board of Directors and other important meetings and conduct audits of the directors' execution of their duties from an objective, independent standpoint. The Internal Audit Division is in charge of auditing management-related operations as a whole in accordance with the Internal Audit Rules. It conducts regular audits, including audits of subsidiaries, regarding accounting, operations, and efficiency to detect operational deficiencies to be avoided in management, increase the efficiency of management, and help safeguard company assets.

Nomination and Remuneration Committee

We have established the Nomination and Remuneration Committee as an advisory body to the Board of Directors to enhance the fairness, transparency, and objectivity of procedures related to director compensation while also fleshing out corporate governance. The Nomination and Remuneration Committee consists of three or more directors, who are selected by resolution of the Board of Directors. The majority of its members are independent outside directors. The chairperson of the Nomination and Remuneration Committee is selected from among its independent outside director members by resolution of the Board of Directors.

Evaluation of effectiveness of the Board of Directors

The Board of Directors monitors, analyzes, and verifies the effectiveness of the Board of Directors as a whole. In FY2024, we conducted a survey of all members of the Board of Directors and the Audit & Supervisory Board regarding the composition and the status of operations of the Board of Directors. The Board of Directors deliberated the results of this survey, The evaluation of the Board of Directors was that the composition, operational status, and status of the deliberations of Nichiban's Board of Directors are generally appropriate as a system enabling the Board of Directors to fulfill its supervisory functions, and the effectiveness of the Board of Directors has been ensured. We continue to be committed to improving the effectiveness of the Board of Directors, and the chairperson of the Board of Directors and its secretariat play leading roles in these activities.

Training provided to officers

1 Multilateral feedback training
Enhancing the leadership and management capabilities of managers

2 Sustainability training
Facilitating understanding of risks related to ESG and other issues

Officer remuneration

The Company's basic policy is to link officer remuneration to shareholder return so that it effectively functions as an incentive encouraging the sustainable enhancement of the Company's corporate value, and to set remuneration at an appropriate level in light of the responsibilities of individual directors when determining their compensation. Remuneration for executive directors consists mainly of basic remuneration based on position, responsibilities and experience, in addition to performance-linked remuneration. Performance-linked remuneration consists of bonuses (short-term incentives) that are paid every fiscal year and medium- to long-term incentives paid once in a set period based on the medium-term management plan. All or a part of this remuneration is provided as restricted stock (non-monetary remuneration). Only basic remuneration is paid to outside directors and Audit & Supervisory Board members, who are tasked with a supervisory role, reflecting their duties. The Nomination and Remuneration Committee deliberates the amounts of the remuneration paid to individual directors. The committee submits its recommendations regarding the amounts of remuneration to the Board of Directors, which makes decisions regarding the final amounts to be paid.

Total amount of remuneration for each officer category, total amount of remuneration by type, and number of eligible officers

Officer category	Total amount of remuneration, etc. (Millions of yen)	Total amounts by category of remuneration, etc. (Millions of yen)				Number of eligible officers
		Basic remuneration	Performance-linked remuneration		Retirement allowance	
			Monetary remuneration	Non-monetary remuneration		
Directors (excluding outside directors)	115	68	26	21	–	4
Audit & Supervisory Board members (excluding outside members)	20	20	–	–	–	2
Outside officers	41	41	–	–	–	7

Performance indicators	Targets	Results
Consolidated operating profit	3,200 million yen	2,270 million yen
Consolidated operating profit margin	6.4%	4.5%
New product ratio	15.0%	11.6%
Global sales ratio	15.0%	10.7%
Stock growth rate	–	80.4%
Employee engagement score	50.0	51.4
Reduction of CO_2 emissions (Compared to FY2013)	35.0%	53.7%

Notes: 1. The amount of remuneration paid to directors does not include the portion of employee salaries for directors who concurrently serve as employees. 2. The total amount of remuneration includes director bonuses of 47 million yen (47 million yen for four directors) that were recorded as provision for bonuses for directors (and other officers) and provision for share awards in the fiscal year under review. The amount of bonuses for directors (and other officers) expected to be paid at the end of the fiscal year under review is posted. The provision for share awards is the amount of the obligations for share rewards expected to arise as of the end of the fiscal year under review. 3. Performance-linked compensation is paid in line with the position, the degree of achievement of performance indicators and other criteria. The Nichiban Group has selected consolidated operating profit and consolidated operating profit margin as performance indicators. They are important KPIs for the Nichiban Group. It also uses the new product ratio, global sales ratio, stock growth rate, employee engagement score, and reduction of CO_2 emissions, which are directly linked to achievement of our medium- to long-term vision. The global sales ratio is calculated using net sales in the Global Field. These net sales include net sales to foreign customers in Japan. Results regarding the indicators related to performance-linked remuneration for the consolidated fiscal year under review are as follows. The new product ratio, global sales ratio, employee engagement score, and CO_2 emissions reduction targets are targets for FY2026, the final fiscal year of the CREATION 2026 Medium-term Management Plan. The stock growth rate was calculated by dividing the growth rate of the company's stock for the period covered by the TOPIX growth rate for the same period. 4. Non-monetary remuneration paid to directors (excluding outside directors) is 21 million yen in performance-linked remuneration.

Developing an internal control system

The Nichiban Group developed its internal control system based on its basic policy on the development of an internal control system established by resolution of the Board of Directors. This has enabled us to ensure that business operations are proper and that financial reports and other information are reliable as the Group endeavors to solidly generate corporate value.

Internal Control Committee

We have established an Internal Control Committee to be a body overseeing internal control, including compliance and corporate governance. Chaired by the president, this committee meets every six months to review important issues and matters to be improved concerning internal control, and it deliberates timely disclosures and the management of company-wide risks, thus reinforcing and improving the internal control system.

Compliance

Basic approach

We have established the Nichiban Group Ethics Policy to enable all employees to share a compliance mindset.

Nichiban Group Ethics Policy

Basic policy

Based on our understanding that companies are instruments for the benefit of society, we will fulfill our social responsibilities through activities based on the following five action guidelines.

1 Compliance with laws and regulations
We will engage in fair and transparent corporate activities through compliance with laws and adherence to social norms.

2 Provision of useful, safe and reliable products
We will earn the trust of customers and contribute to society by improving customers' satisfaction with our products, with our top priority being the greatest possible consideration for quality, safety and the environment.

3 Firm stance against antisocial forces
We take a strong stance against antisocial behaviors that threaten the order and security of civil society.

4 Thorough information management and disclosure
We will properly manage and protect all information related to the Nichiban Group and disclose information about our corporation in a timely and appropriate manner.

5 Strict adherence to ethics
In accordance with the spirit of the Nichiban Group Ethics Policy, our management will lead the establishment of an internal framework and ensure it is widely understood.

Ensuring compliance

We have created a Nichiban Group Code of Conduct Handbook as a set of specific guidelines for acting ethically, and we have distributed it to all Group employees. We regularly review this handbook to ensure it is aligned with changes in social conditions and relevant laws. At the same time, we hold training sessions and meetings to ensure that its content is thoroughly understood. To ensure that the importance of compliance is properly understood throughout the Group, we also provide a range of e-learning programs to enable employees to participate in them at anytime and anywhere.

E-learning compliance training modules

- Appropriate disposal of industrial waste
- Risk management
- Learning from recent events: protection of personal information
- Food safety and security compliance: false food labeling
- Considering organizational culture: corporate ethics and compliance
- Insider trading regulations
- Introduction to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors
- Introduction to the Act against Unjustifiable Premiums and Misleading Representations
- Introduction to intellectual property: copyright, trade secrets, trademark, and company names
- Introduction to the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade
- Preventing consumer disputes: introduction to the Act on Specified Commercial Transactions

Enhancing whistleblowing contact points

We have established two contact points where people can consult the Company, the ethics violation consultation desk and the harassment reporting desk. The ethics violation consultation desk is staffed by the General Manager of the General Affairs Department, Audit & Supervisory Board members, and external legal advisors. It is a point of contact for compliance-related concerns in general, with the aim of identifying actual and potential violations of laws. We have established a dedicated harassment reporting desk hotline at each business site to make it easier for employees to report harassment. We also provide training to improve the skills of the personnel in charge of the reporting desk and increase their understanding of harassment.

Risk management

Basic policy

We take predictive and preventive measures to address major crises that could threaten the continuity of our business. If a crisis should occur, we will manage it properly by minimizing damage and taking steps to prevent a recurrence, ensuring the continuity and stable development of our businesses.

Risk Management System

The Nichiban Group has established its Crisis Management Policy. Under this policy, we take predictive and preventive measures to address major crises that could threaten the continuity of the Group's business. If such a crisis should occur, we manage it properly by minimizing damage and taking measures to prevent a recurrence, ensuring the continuity and stable development of our businesses.

The Internal Control Committee is in charge of managing and addressing loss risks throughout the company. Based on the Risk Management Rules, the department in charge of general affairs implements the necessary measures, including the development of a company-wide risk management system, the establishment of rules, the monitoring of the status of their operations, and the provision of information as appropriate.

Each responsible department facing individual loss risks (such as quality or financial loss risks) takes any necessary measures, such as the establishment of a risk management system and the checking of the status of operation of the system.

In addition, if the Group experiences a major disaster or other crisis, we will promptly establish an emergency headquarters and act to minimize losses and recover in accordance with our business continuity plan (BCP) and based on our Emergency Response Rules.

Implementing emergency response drills

We have established a set of Emergency Response Rules to ensure that we are able to act, promptly making the right decisions in the event of an emergency that threatens the lives and well-being of employees and other people related to the Group or an emergency that could seriously impede or affect our corporate activities. We conduct company-wide training on the establishment of emergency headquarters once a year. In this training program, it is assumed that a specific disaster has occurred and trainees establish and operate an emergency headquarters for the entire company and at each business site to minimize employee injuries, damage to the Company's property and any impact on the safety and environment of the areas around its business sites. In addition to the above, we also conduct emergency response drills using a safety confirmation system and an emergency radio communication system.

Establishment of a stable BCP-driven supply structure

The Nichiban Business Continuity Management Regulations establish guidelines regarding the actions to be taken and measures to be implemented in each phase of a disaster: when the disaster occurs, during the resumption of business, and during the continuation of business. In response to climate change and geopolitical risks, which recently have been growing increasingly serious, the BCP Committee is studying risks throughout the supply chain and focusing on measures to fulfill our product supply responsibilities, such as the mapping of raw material manufacturers, the study of risks related to the procurement of specialized and rare materials, and the addressing of risks identified in TCFD scenario analyses.

Information security

Development of IT controls

Information technology (IT) is essential in the execution of business strategies, and the quality of IT systems now significantly impacts management. By developing and implementing IT controls, we have made it possible for us to appropriately assess and audit our IT strategy, development projects and operations, reinforcing the IT governance of the Nichiban Group as a whole while appropriately controlling risks related to information systems. We established the Group IT Liaison Committee to enable Group companies to share information and monitor how the proprietary systems of each company are being operated.

Management Team

Directors

President

Toshiaki Takatsu

Career summary

Apr. 1990	Joined Nichiban
Jun. 2015	General Manager of Purchase Department, Business Management Division
Apr. 2017	General Manager of Middle Japan Sales Department, Industrial Product Sales Management Department
Apr. 2018	Operating Officer and General Manager of Medical Specialty Sales Department
Apr. 2019	Senior Operating Officer, Assistant to President
Jun. 2019	President (current position)

Significant concurrent positions

None

Number of shares owned	26,624 shares
Attendance at meetings of the Board of Directors	15/15 (100%)

Executive Director

Hironori Sakai

Career summary

Apr. 1985	Joined Nichiban
Apr. 2008	Operating Officer and General Manager of Administration Department
Jun. 2009	Director, Operating Officer and General Manager of Administration Department
Jun. 2015	Director, Managing Officer, responsible for CSR and corporate management
Oct. 2016	Director, Managing Officer, responsible for CSR and corporate management, and Director and Advisor for corporate management of Daito Chemical Co., Ltd.
Jun. 2019	Executive Director, responsible for Promotion Unit and CSR, and General Manager of Public Relations Department
Apr. 2020	Executive Director (current position)

Significant concurrent positions

None

Number of shares owned	32,305 shares
Attendance at meetings of the Board of Directors	15/15 (100%)

Director, Managing Officer

Yasuhiko Takahashi

Career summary

Apr. 1986	Joined Nichiban
Apr. 2011	Operating Officer and General Manager of Anjo Factory
Jun. 2013	President of Nichiban Techno Co., Ltd.
Apr. 2016	Senior Operating Officer and General Manager of Administration Division
Apr. 2020	Managing Officer, General Manager of Corporate Planning Division and Public Relations Department
Jun. 2021	Director, Managing Officer, General Manager of Corporate Planning Division (current position)

Significant concurrent positions

None

Number of shares owned	12,891 shares
Attendance at meetings of the Board of Directors	15/15 (100%)

Outside Director

Tatsuo Ishihara

Career summary

Oct. 1977	Passed the National Bar Examination
Apr. 1980	Appointed as Public Prosecutor of Tokyo District Public Prosecutors Office
Apr. 1987	Registered as an attorney-at-law
Jan. 1989	Established Okinobu & Ishihara Law Office* Representative of Okinobu & Ishihara Law Office (current position)
Jun. 2016	Outside Director of Nichiban (current position)

* Renamed to Spring Partners

Significant concurrent positions

Representative of Spring Partners

Number of shares owned	0
Attendance at meetings of the Board of Directors	15/15 (100%)

Outside Director

Akihiro Sato

Career summary

Oct. 1987	Passed the National Bar Examination
Apr. 1990	Registered as an attorney-at-law
Apr. 1990	Joined Marunouchi Kyoritsu Law Firm
May. 1995	Established Akihiro Sato Law Office Representative of Akihiro Sato Law Office
Dec. 2016	Outside Audit & Supervisory Board member of Nichiban
Jun. 2019	Outside Director of Nichiban (current position)
Jun. 2023	Partner at Shinwa Sohgoh Law Offices (current position)

Significant concurrent positions

Partner at Shinwa Sohgoh Law Offices

Number of shares owned	0
Attendance at meetings of the Board of Directors	13/15 (86.7%)

Outside Director

Hiromi Sanada

Career summary

Apr. 1979	Internal Medicine Ward, St. Luke's International Hospital
Apr. 1980	Surgical Ward, Kanazawa University Hospital
Apr. 1981	Assistant and Associate Professor of Department of Nursing, School of Allied Medical Professions, Kanazawa University
Apr. 1987	Research Student of Faculty of Medicine, Kanazawa University (Doctor of Medicine obtained in March 1997)
Apr. 1989	Graduate School of Nursing, University of Illinois, USA (Special Training) (- March 1990)
Nov. 1998	Professor of the School of Health Sciences, Faculty of Medicine, Kanazawa University
Apr. 2004	Division of Health Sciences and Nursing, Graduate School of Medicine, the University of Tokyo
Apr. 2017	Director of Global Nursing Research Center, Graduate School of Medicine, the University of Tokyo
Apr. 2022	President of Ishikawa Prefectural Nursing University (current position)
Jun. 2022	Professor Emeritus of the University of Tokyo (current position)
Jun. 2022	Outside Director of Nichiban (current position)

Significant concurrent positions

President of Ishikawa Prefectural Nursing University

Number of shares owned	0
Attendance at meetings of the Board of Directors	13/15 (86.7%)

Outside Director

Junko Sugawara

Career summary

Apr. 1983	Joined Calpis Food Industry, Co., Ltd.*
Apr. 2014	General Manager, Milk Procurement Division, Calpis Co., Ltd. Outside Director, Calpis Foods Service Co., Ltd.
Mar. 2018	Director, Calpis Co., Ltd.
Mar. 2021	President and Representative Director, Calpis Co., Ltd. (retired in March 2023)
Jun. 2025	Outside Director of Nichiban (current position)

* Currently, Calpis Co., Ltd.

Significant concurrent positions

None

Number of shares owned	0
Attendance at meetings of the Board of Directors	11/11 (100%)

Audit & Supervisory Board members

Audit & Supervisory Board Member

Osamu Sakamoto

Career summary

Apr. 1990	Joined Nichiban
Apr. 2020	General Manager of Internal Audit Division
Apr. 2022	Operating Officer and General Manager of General Affairs Department, Administration Division, and responsible for Internal Controls
Apr. 2024	Operating Officer, Assistant to Audit & Supervisory Board
Jun. 2024	Audit & Supervisory Board Member (current position)

Significant concurrent positions

None

Number of shares owned	2,800 shares
Attendance at meetings of the Board of Directors	15/15 (100%)
Attendance at the Audit & Supervisory Board meetings	14/14 (100%)

Outside Audit & Supervisory Board Member

Atsushi Fukuda

Career summary

Oct. 1985	Joined Asahi Shinwa & Co. (currently, KPMG AZSA LLC)
Apr. 1989	Registered as a certified public accountant
May 2006	Appointed as Representative Partner (currently, Partner) of KPMG AZSA LLC
Jun. 2021	Retired from KPMG AZSA LLC
Jun. 2022	Outside Audit & Supervisory Board Member of Nichiban (current position)
May 2024	Auditor, Saitama Medical University (current position)

Significant concurrent positions

Auditor, Saitama Medical University

Number of shares owned	0
Attendance at meetings of the Board of Directors	15/15 (100%)
Attendance at the Audit & Supervisory Board meetings	14/14 (100%)

Outside Audit & Supervisory Board Member

Ichiro Ichikawa

Career summary

Apr. 1983	Joined Canon Inc.
Oct. 1985	Joined Asahi Shinwa & Co. (currently, KPMG AZSA LLC)
Aug. 1989	Registered as a certified public accountant
Sep. 2014	Retired from KPMG AZSA LLC
Dec. 2014	Established SWEAT CAPITAL Inc. President of SWEAT CAPITAL Inc. (current position)
Jun. 2023	Outside Director of Meiwa Industry Co., Ltd. (current position)

Significant concurrent positions

President of SWEAT CAPITAL Inc.
Outside Director of Meiwa Industry Co., Ltd.

Number of shares owned	0
Attendance at meetings of the Board of Directors	–
Attendance at the Audit & Supervisory Board meetings	–

Skills Matrix of Directors and Audit & Supervisory Board Members

Name	Positions and responsibilities at Nichiban	Nomination and Remuneration Committee	Skills: Corporate management Management Strategy	Finance/ Accounting	Legal affairs/ Risk management	Human resources/ Human resources development	Research and Development Innovation	Manufacturing/ Technology	Marketing/ Sales	Internationality
Toshiaki Takatsu	President	●	●		●	●	●	●	●	
Hironori Sakai	Executive Director	●	●	●	●	●				
Yasuhiko Takahashi	Director, Managing Officer		●	●	●	●		●		●
Tatsuo Ishihara	Outside Director	●			●					
Akihiro Sato	Outside Director	●	●		●					
Hiromi Sanada	Outside Director					●	●			●
Junko Sugawara	Outside Director	●	●				●		●	●
Osamu Sakamoto	Audit & Supervisory Board Member			●	●					
Atsushi Fukuda	Outside Audit & Supervisory Board Member			●						
Ichiro Ichikawa	Outside Audit & Supervisory Board Member		●	●						

* The judgment as to whether to put the "●" symbol or not in each cell of the above skills matrix was made based on the knowledge and experience that each member has acquired to date. However, the skills matrix does not exhaustively show all of the knowledge and experience possessed by each member.

Roundtable Discussion with Outside Directors

Thinking together about the future of Nichiban

To continue increasing corporate value, we must be willing to take on challenges without fearing change and to view management from diverse perspectives while engaging in dialogue.
Our four outside directors discussed a wide range of themes and described their expectations and recommendations for sustainable growth and the provision of value unique to Nichiban.

Outside Director
Akihiro Sato

Outside Director
Junko Sugawara

Outside Director
Hiromi Sanada

Outside Director
Tatsuo Ishihara

Integrity and Implementation: Transforming Nichiban's corporate culture into a culture of taking on challenges

— First, what is the unique value that Nichiban possesses?

Sanada I think that the greatest strength of Nichiban is its commitment to valuing people and its ability to act quickly during an emergency. As the president of Ishikawa Prefectural Nursing University, I am involved in nursing and medical care in Ishikawa Prefecture. Immediately after the 2024 Noto Peninsula Earthquake, wound care products were desperately needed in the affected areas. I requested support from companies, and many of them sent products several days later. Nichiban was the only company that acted the same day, sending us people from Tokyo and delivering products. It made me feel that Nichiban really sees what is happening on their front lines. They start by acting for people in need. I think that this stance is a part of its corporate culture that is rooted in not only its products but also each one of its employees.

Ishihara I have also been aware of Nichiban for a long time, and my impression that it is a company with integrity has remained unchanged. Its integrity is reflected not only in its quality and R&D activities, but also in the way it interacts with customers and people on the front lines of healthcare.
I also feel that Nichiban is developing its ability to create new value. I once had an opportunity to see young employees draw up plans and present them confidently on a team-by-team basis during an anniversary event. Young people have their own thoughts and things that they are enthusiastic about.

Sato Nichiban is a very serious company with more than 100 years of history. Because its many products have been supported by the market for such a long time, such as its Self-Adhesive Cellulose Tapes, NICETACK™ and CARELEAVES™, Nichiban is always asking itself, "Can we really open up the path to the next era simply by enhancing our strengths?"

Sugawara When I became an outside director, I observed a range of work sites, including factories and other places of business, and I attended meetings of management, together with employees. They spoke frankly about not only the good things but also the issues. They accept outside directors not as people who make assessments from outside the company, but as people who join together with them in making the company better. I feel that this being part of Nichiban's culture is a great strength. Regarding the empowerment of women, women proactively speak up and participate in initiatives. I feel they have a flexible stance toward change, and so does senior management.

Beyond adhesion: Participating in industry-academia collaborations to implement projects and create new value

— What initiatives do you think Nichiban needs to pursue in order to create new value?

Sanada I think that people strongly associated industry-academia collaboration with research projects. However, we are now in an era in which we are identifying issues based on the needs of patients and healthcare professionals, study the mechanisms of these issues, and develop products with a view toward implementing the product and ultimately contributing to society. I think it is important to consider scientifically how we should provide the things that we achieve to society, including the marketing and sales activities that should be implemented, instead of just doing research.
It was traditionally believed that elderly people's injuries would not readily heal. Now, however, we are at a turning point, moving toward the provision of new value in which their injuries do heal. Industry-academia collaboration is important for Nichiban. It is a shortcut to innovation. I feel that the company can innovate, and its technologies are added value.

Sato I also think it is essential that we participate in industry-academia collaborations and develop new technologies. However, if we keep thinking the same way we always have, we will always end up with the same results. Because Nichiban possesses mature products, it is even more important to start from a blank slate and think about new ways to create value.

Sanada In this sense, Nichiban has taken the first step in its evolution from being an adhesive tape company. This electronic medical device that attaches to the skin on your chest and facilitates the visualization of the status of your breathing is a product combining Nichiban's adhesive tape technology and a sensor technology. Previously, Nichiban's job may have only been the creation of the tape for affixing the device. Now Nichiban offers the wearable device as its product. I think this is a great change. Additionally, Nichiban's research environment has also improved, hasn't it?

Roundtable Discussion with Outside Directors

Ishihara Yes, I think so, too. With the completion of the Advanced Technology Building and other efforts, we have steadily put in place a research and development environment that enables us to take on new challenges. Outstanding equipment is wasted if you do not achieve things with it. I strongly hope that Nichiban will fully use its research environment and that their innovations will bear tangible fruit.

Business base supporting sustainable growth

— How should Nichiban strengthen its business base, including quality and governance, to achieve sustainable growth?

Ishihara In addition to taking on new challenges itself, it should also commit to helping people do the same, which is essential for companies to continuously grow. I have always advocated for the clarification of the good and the bad. When a quality or safety incident occurs, you need to investigate its cause to prevent its recurrence, rather than just reporting it.

Sato That point is extremely important. Quality issues can develop into fatal problems, so it is important to develop a system in which these problems never occur. Nichiban's products are connected to many customers and business partners, so how the company handles problems that occur determines its trustworthiness.

Ishihara This is why good initiatives should be examined while squarely addressing the points that need to be improved rather than obscuring them. I think that this stance of rewarding good actions and punishing misconduct will engender a feeling of accountability among employees and increase their trust in the company. I feel that, regarding this, the company is going in a better direction than previously.

Sato Additionally, when moving forward with overseas expansion and mergers and acquisitions in the future, it is necessary to be aware that risks in different countries and regions are different from in Japan. Business customs, legal systems and people's approaches to compliance vary across different countries and regions. You should be proactive in pursuing initiatives in this area, but do so carefully leveraging accumulated experience and human resources.

Sugawara To do this, I think it is important that we enable outside directors to understand the practical situation of the company. I think the absence of barriers for outside directors and an openness that conceals nothing are the foundation for effective discussion.

Sanada I feel that we quickly get feedback regarding the things that we point out. In the early days after I became an outside director, most things were explained orally during Management Execution Meetings, so they were difficult to understand. I requested that points be summarized on one slide, and they responded immediately. I think because Nichiban's position is to accept outside opinions and use them to improve, its dialogue with its outside directors is functioning properly.

What Nichiban needs to create corporate value in the future

— What is needed to enable Nichiban to continue to grow?

Sato The biggest issue is Nichiban's conservative culture, which can be attributed to it being an industry-leading company. Rather than clinging to past success, Nichiban must continue to aggressively focus on profit and continually ask itself how it can increase profits and what sales it needs to achieve its goals.

Sanada I think that employees should be more proud of their products. Although the products are of outstanding quality, they tend to be regarded as a commonplace internally. It is important to be more conscious of our technological excellence and confident enough to expand it around the world.

Ishihara Products such as Self-Adhesive Cellulose Tapes and CARELEAVES$_{TM}$ have very long histories, and they are approaching maturity. This is why I think that it will be crucial for Nichiban to be committed to developing completely new products by sharing a common company-wide awareness, rather than relying on existing products. This will determine whether Nichiban wins or loses in the next several years.

Sugawara I see there are challenges in digital transformation and the use of AI. The improvement of efficiency is not the only use of AI. It is important to use AI for the things that it can do accurately, efficiently, and quickly, and to use the time and labor this frees up to innovate and implement new initiatives. Innovation is an empty slogan if you don't have time and labor. I think very few companies in Japan are actually making full use of AI. I feel that if Nichiban does not quickly create a proper program and act, it will lag behind others.

Expectations and direction in the future

— What kind of company do you want Nichiban to develop into in the future?

Ishihara In FY2025, Nichiban achieved net sales of 50.0 billion yen, which had been its target for many years. This was great, but we must not rest content with it. I hope that you will see the achievement of this goal as a major milestone and a foothold enabling Nichiban to achieve real breakthroughs and reach new heights, and that all of you take the next step toward increased sales and growth. I want Nichiban to remain a company that is needed by society in the next 100 years.

Sugawara I sometimes participate in employee training programs. During these programs, I feel that employees are willing to take on new challenges and actively adapt to change. To enable diverse human resources to work actively and energetically without being timid or reserved, it is important to change all of our employees' mindsets and ways of thinking, in addition to building systems and acquiring expertise. We will actively discuss issues to make this change happen and support you from diverse perspectives, to increase the whole organization's willingness to take on challenges.

Sanada I hope that Nichiban will be an integral part of people's everyday lives at a time when home medical care and nursing will be central to geriatrics in Japan. Nichiban has world-class technologies. I expect the company will connect technologies and solutions to social issues and evolve into a company that creates new value beyond the framework of adhesion, becoming a model company supporting the super-aging society of Japan.

Sato Boldly change the things that should be changed while uncompromisingly maintaining quality and integrity, which should never be lost. The accumulation of experience making judgments in these activities increases corporate value. The number of independent employees has been increasing, and it is necessary for people to change their awareness to accelerate this. As people involved in Nichiban, we will also contribute to its sustainable growth by discussing issues frankly.

Financial and Non-Financial Summary for the Past 11 Years

Financial information

	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Results of operations											
Net sales (Millions of yen)	42,461	44,145	46,234	47,417	44,063	41,528	43,134	45,560	46,859	49,457	50,470
Operating profit (Millions of yen)	3,360	4,057	4,419	3,684	2,975	2,000	2,450	1,609	2,073	2,586	2,270
Ordinary profit (Millions of yen)	3,490	4,274	4,626	3,860	3,095	2,070	2,561	1,748	2,201	2,681	2,442
Profit attributable to owners of parent (Millions of yen)	1,827	3,107	3,132	3,193	1,751	1,350	1,809	2,371	1,827	1,959	1,652
Capital expenditures (Millions of yen)	3,586	5,818	6,489	2,054	1,455	2,755	3,981	4,092	1,803	1,043	2,977
Depreciation and amortization (Millions of yen)	1,603	1,792	1,960	2,327	2,352	2,342	2,545	2,757	2,795	3,145	2,843
Research and development expenses (R&D expenses) (Millions of yen)	1,108	1,153	1,241	1,184	1,067	1,064	1,057	1,110	1,202	1,345	1,560
Cash flows from operating activities (Millions of yen)	4,406	3,899	3,228	5,584	5,749	5,911	4,064	2,917	3,187	3,690	2,540
Cash flows from investing activities (Millions of yen)	(1,963)	(5,349)	(5,039)	(4,743)	(1,380)	(3,067)	(2,898)	(1,153)	(3,692)	(1,695)	(2,238)
Cash flows from financing activities (Millions of yen)	(589)	(636)	(934)	(979)	(916)	(772)	(691)	(867)	(1,225)	(763)	(1,114)
Free cash flows (Millions of yen)	2,443	(1,450)	(1,811)	841	4,369	2,844	1,166	1,764	(505)	1,995	301
Cash and cash equivalents (Millions of yen)	12,802	10,713	7,963	7,822	11,273	13,344	13,844	14,752	13,049	14,307	13,512
Financial position at year-end											
Net assets (Millions of yen)	28,140	30,766	33,317	36,480	37,218	38,078	38,961	40,603	41,703	43,187	44,325
Interest-bearing debt (Millions of yen)	5,147	4,995	5,025	3,001	5,021	5,031	4,996	5,000	4,963	4,995	4,958
Total assets (Millions of yen)	52,890	56,120	60,755	60,329	59,752	61,214	64,427	69,123	68,039	67,603	67,307
Per share data											
Net assets per share (Yen)*1	1,357.84	1,484.70	1,607.89	1,760.54	1,796.15	1,837.64	1,880.25	1,969.94	2,049.15	2,121.45	2,196.43
Basic earnings per share (Yen)*1	88.18	149.95	151.17	154.12	84.54	65.15	87.34	114.67	89.00	96.26	81.22
Diluted earnings per share (Yen)	-	-	-	-	-	-	-	114.65	88.97	96.23	81.17
Dividend per share (Yen)*1	22	36	40*2	38	33	30	30	35	35	35	40
Key financial data											
Equity ratio (%)	53.2	54.8	54.8	60.5	62.3	62.2	60.5	58.7	61.3	63.9	65.9
Return on Equity (ROE) (%)	6.6	10.6	9.8	9.2	4.8	3.6	4.7	6.0	4.4	4.6	3.8
Return on Asset (ROA) (%)	6.9	7.8	7.9	6.4	5.2	3.4	4.1	2.6	2.7	2.9	2.4
Price- Earnings Ratio (P/E Ratio) (Times)	14.9	12.3	23.1	15.2	17.7	29.4	19.5	16.8	21.3	20.9	23.1

Non-financial information

Number of employees (Consolidated)	1,180	1,204	1,241	1,258	1,266	1,260	1,255	1,268	1,270	1,271	1,271
Number of male employees (Consolidated)	-	-	-	-	-	-	-	-	-	-	849
Number of female employees (Consolidated)	-	-	-	-	-	-	-	-	-	-	422
Average number of temporary employees (Consolidated)*3	206	195	151	146	133	113	130	143	134	133	125
Number of male managers*4	156	159	160	159	157	149	166	174	177	246	244
Number of female managers*4	10	11	11	12	13	14	16	21	20	35	40
Percentage of female managers (%)*4	6.0	6.5	6.4	7.0	7.6	8.6	8.8	10.8	10.2	12.5	14.1
Percentage of employees with disabilities (%) (Non-consolidated)	1.8	2.0	2.1	2.2	2.2	2.4	2.5	2.3	2.4	2.5	2.7

*1 Figures for the fiscal year ended March 31, 2013 through the fiscal year ended March 31, 2017 were calculated using the number of shares after the share consolidation implemented in October 2017.
*2 Dividend per share for the fiscal year ended March 31, 2018 was 40 yen, including the ordinary dividend and the 100th anniversary commemorative dividend of 2 yen.
*3 The average number of temporary employees includes part-time employees, contract employees, and dispatched workers throughout the year.
*4 Consolidated presentation has been applied since the fiscal year ended March 31, 2025.

Corporate Profile (As of March 31, 2026)

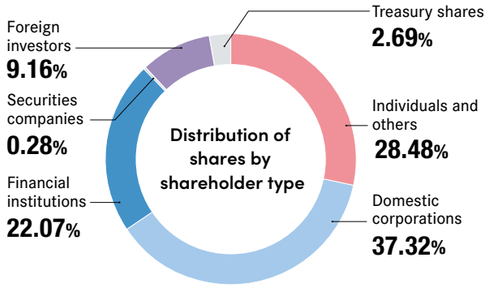
Company name	Nichiban Co., Ltd.
Founded	January 1918
Headquarters	5-1, Kojimachi, Chiyoda-ku Tokyo, Japan, 102-8811
Telephone	+81-3-5978-5601
Representative	Toshiaki Takatsu, President
Share capital	¥5,451 million

Group companies	Nichiban Print Co., Ltd. Nichiban Techno Co., Ltd. Nichiban Medical Corp. Nichiban (Thailand) Co., Ltd. Nichiban Europe GmbH
Affiliated companies	Union Thai-Nichiban Co., Ltd. Daito Chemical Co., Ltd. Hanyo Kako Co., Ltd.

Stock Information (As of March 31, 2026)

Stock Information

Total Number of Authorized Shares	70,000,000 shares
Total number of issued shares	20,738,006 shares
Number of shareholders	24,052 people



Major shareholders (Top 10)

Name	Number of shares held	Shareholding ratio (%)
Taiho Pharmaceutical Co., Ltd.	6,758,000	33.49
The Master Trust Bank of Japan, Ltd. (trust account)	1,374,000	6.81
Nichiban Supplier Shareholding Association	1,189,000	5.89
MUFG Bank, Ltd.	800,000	3.96
Mizuho Bank, Ltd.	800,000	3.96
STATE STREET BANK AND TRUST COMPANY 505103	682,609	3.38
Aioi Nissay Dowa Insurance Co., Ltd.	378,000	1.87
Resona Bank, Limited	288,500	1.43
NORTHERN TRUST CO. (AVFC) RE IEDP AIF CLIENTS NON TREATY ACCOUNT	268,000	1.33
Nichiban Employee Shareholding Association	267,456	1.33

(Notes) 1. Nichiban holds 557,097 treasury shares, which are excluded from the above major shareholders.
2. The shareholding ratio is calculated by subtracting treasury shares.
3. The shareholder names are names registered as of March 31, 2026.

Nichiban Websites

Corporate History

Sustainability

Nichiban Group Value Creation Process

Related Policies

Medium-term Vision and Medium-term Management Plan

IR Information

Structure for the Production of Nichiban Group Integrated Report 2026

Nichiban Group Philosophy

Top management

↕ Discussion, reporting, and approval

Sustainability Committee

↕ Discussion, reporting, and approval

Planning and content production
Corporate Communication Department, Corporate Planning Division

Cooperation to content production
Related departments
Group companies

Nichiban Group Sustainability

Environment | Society | Governance

Contact

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Forward-looking statements

This report contains forward-looking statements, including the Group's plans, projections, strategies, and results forecasts. These statements are based on judgments that were made based on currently available information.

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