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To whom it may concern

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Notice Concerning Formulation of Phase 2 of SHIFT2030 Medium- to Long-Term Business Plan

Nitta Corporation (the “Company”) hereby announces the formulation of Phase 2 (FY2025–FY2027) of the SHIFT2030 medium- to long-term business plan, which extends through FY2030.

1. Progress of Phase 1 of the SHIFT2030 Medium- to Long-Term Business Plan and setting of Phase 2 targets

The Company has been working on the SHIFT2030 Medium- to Long-Term Business Plan since FY2021. Its performance was largely strong during Phase 1 (FY2021–FY2024) despite the uncertain business environment, including the COVID-19 pandemic, Russia’s invasion of Ukraine, and conflict in the Middle East. With the additional tailwind of yen depreciation, the Company expects to achieve its main targets for this phase of the plan.

In the newly formulated Phase 2 (FY2025–FY2027), the Company expects to face increasing uncertainty in many areas, including the political and economic policies of the U.S. and changes in relations with Japan and other countries as a result of these policies. The Company has set the following targets for Phase 2 and is working toward further sustainable growth and maximization of corporate value.

In addition, a new management structure has taken effect today. Under this new structure, the Nitta Group will work as one to achieve the SHIFT2030 Medium- to Long-Term Business Plan.

Targets	SHIFT2030 Phase 1		SHIFT2030 Phase 2	SHIFT2030 Phase 3
	FY2024 initial plan	FY2024 forecast	FY2027 target	FY2030 target
Net sales	¥90.0 billion	¥90.0 billion	¥105.0 billion	¥120.0 billion
Operating income to net sales ratio	5.0%	5.6%	7%	8%
Business ROIC*	–	–	7%	9%
New product sales ratio	10%	10%	10%	10%
Overseas sales growth rate (vs. FY2020)	130%	150%	160%	180%
Capital expenditure, etc.	¥21.8 billion (for four years)	¥15.8 billion (for four years)	¥17.0 billion (for three years)	¥15.0 billion (for three years)

* Business ROIC = Operating income after tax / Average business assets (working capital + property, plant and equipment and intangible assets)

2. Initiative policies and details

In Phase 2, the Company will maximize corporate value by steadily implementing the growth strategy set forth in the SHIFT2030 Medium- to Long-Term Business Plan and by promoting management that emphasizes capital efficiency and shareholder returns.

(1) SHIFT2030 growth strategy

In SHIFT2030, the Group aspires to become a “SHIFT INNOVATOR cored around manufacturing.” By continuing 2 “SHIFTS”—SHIFT for deepening and SHIFT for searching, it aims to expand its business fields. Under this plan, we will steadily implement growth strategy for each segment and work to achieve the final year targets of the plan (net sales of ¥120.0 billion and operating income to sales of 8%).

(2) Improving capital efficiency

To enhance corporate value, the Company will reallocate resources by optimizing its business and product portfolios, improve business ROIC, support the growth of equity-method affiliates, and reduce cross-shareholdings. Through these efforts, we will continue to improve capital efficiency.

(3) Strengthening shareholder returns

Recognizing returns of profits to shareholders to be a key management topic, the Company has established the basic policy of paying appropriate dividends that reflect financial results while continuing to strengthen and enhance its corporate foundations.

During the period through the end of Phase 2 (through FY2027) of the SHIFT2030 Medium- to Long-Term Business Plan, the Company will follow the basic policy and meet shareholder expectations through continued stable, steady increases in dividends (of at least 10 yen/share per year during the period), targeting a consolidated payout ratio of at least 30% and a dividend-on-equity (DOE) ratio of at least 2.5%.

※Please refer to the specific details to be disclosed on the following website at a later date.

<https://www.nittagroup.com/en/investment/news/>