

# Consolidated Financial Results 2025

January 15, 2026  
TSE Prime Market 3201

# Highlights

Net sales and operating profit increased for the fifth consecutive fiscal year, and all profit indicators at and below operating profit reached record highs.

NET Sales: **119.37** billion yen (Year-on-year +3.4%)

Operating Profit: **11.91** billion yen (Year-on-year +2.3%)

Ordinary Profit: **12.96** billion yen (Year-on-year +7.2%)

Profit attributable to  
owners of parent: **90.90** billion yen (Year-on-year +1.3%)

ROE : **7.1%** (Year-on-year ▲0.5pt)

# 1 .Consolidated Financial Statements for 2025





# Summary (2025)

Driven by strong performances in the Industrial Machinery & Materials and consumer goods and services businesses, we achieved year-on-year increases in both net sales and profits.

We also met the earnings forecast announced on July 11, 2025 at all profit levels at and below operating profit.

| (Unit: million yen)                            | Actual  |         |                | Year-on-year |      | 2025.7.11<br>forecast progress |
|--|---------|---------|----------------|--------------|------|--------------------------------|
|  | FY2023  | FY2024  | FY2025         | Change       | %    | progress                       |
| <u>NET Sales</u>                               | 113,497 | 115,438 | <b>119,377</b> | 3,938        | 3.4% | <b>98.1%</b>                   |
| <u>Operating Profit</u>                        | 11,016  | 11,640  | <b>11,913</b>  | 272          | 2.3% | <b>105.4%</b>                  |
| <u>Operating margin</u>                        | 9.7%    | 10.1%   | <b>10.0%</b>   | -0.1pt       | -    | -                              |
| <u>Ordinary Profit</u>                         | 11,634  | 12,098  | <b>12,967</b>  | 868          | 7.2% | <b>108.1%</b>                  |
| <u>Extraordinary Gains and Losses</u>          | -261    | -728    | <b>296</b>     | 1,024        | -    | -                              |
| <u>Profit attributable to owners of parent</u> | 7,643   | 8,970   | <b>9,090</b>   | 120          | 1.3% | <b>113.6%</b>                  |
| <u>ROE</u>                                     | 7.0%    | 7.6%    | <b>7.1%</b>    | -0.5pt       | -    | -                              |



# Segment Results

|                                  |   | Actual                             |                                    | Year-on-year                       |                           | 2025.7.11<br>forecast progress |
|----------------------------------|---|------------------------------------|------------------------------------|------------------------------------|---------------------------|--------------------------------|
|                                  |   | 2024                               | 2025                               | Change                             | %                         | progress                       |
| (Unit: million yen)              |   |                                    |                                    |                                    |                           |                                |
| Textile & Clothing Materials     | Net Sales<br>Operating Profit<br>Operating margin<br>ROIC | 31,557<br>3,455<br>10.9%<br>6.5%   | 30,282<br>2,645<br>8.7%<br>4.5%    | -1,275<br>-810<br>-2.2pt<br>-2.0pt | -4.0%<br>-23.5%<br>-<br>- | 92.2%<br>88.2%<br>-<br>-       |
| Industrial Machinery & Materials | Net Sales<br>Operating Profit<br>Operating margin<br>ROIC | 30,836<br>1,972<br>6.4%<br>4.9%    | 35,177<br>2,875<br>8.2%<br>6.2%    | 4,341<br>903<br>1.8pt<br>1.3pt     | 14.1%<br>45.8%<br>-<br>-  | 96.5%<br>115.9%<br>-<br>-      |
| Human & Future Development       | Net Sales<br>Operating Profit<br>Operating margin<br>ROIC | 26,488<br>6,977<br>26.3%<br>20.1%  | 26,679<br>6,772<br>25.4%<br>18.7%  | 191<br>-204<br>-0.9pt<br>-1.4pt    | 0.7%<br>-2.9%<br>-<br>-   | 102.2%<br>106.0%<br>-<br>-     |
| Consumer Goods & Services        | Net Sales<br>Operating Profit<br>Operating margin<br>ROIC | 22,527<br>847<br>3.8%<br>4.6%      | 23,199<br>1,051<br>4.5%<br>6.3%    | 672<br>204<br>0.7pt<br>1.7pt       | 3.0%<br>24.1%<br>-<br>-   | 104.03%<br>95.5%<br>-<br>-     |
| Others                           | Net Sales<br>Operating Profit                             | 4,028<br>-1,611                    | 4,038<br>-1,432                    | 9<br>179                           | 0.2%<br>-                 | 101.5%<br>-                    |
| TOTAL                            | Net Sales<br>Operating Profit<br>Operating margin<br>ROIC | 115,438<br>11,640<br>10.1%<br>6.7% | 119,377<br>11,913<br>10.0%<br>5.6% | 3,938<br>272<br>-0.1pt<br>-1.1pt   | 3.4%<br>2.3%<br>-<br>-    | 98.1%<br>105.4%<br>-<br>-      |

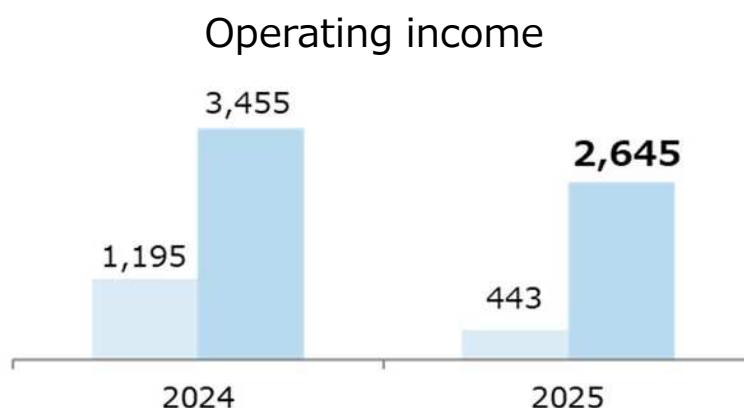
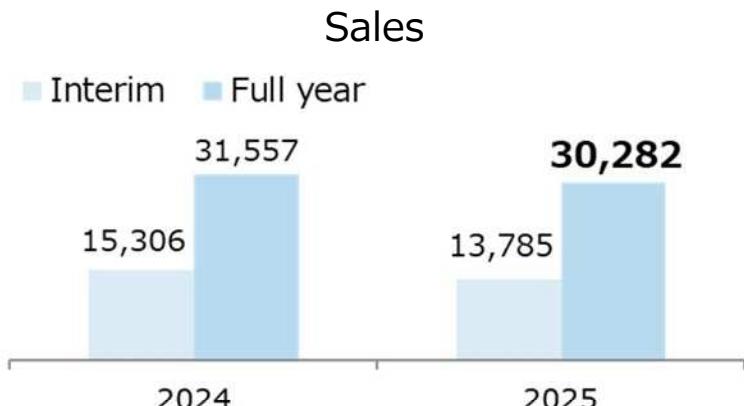


# Textile & Clothing Materials

Net Sales **30,282** YoY **-4.0%**

Operating Profit **2,645** YoY **-23.5%**

Unit: million yen



- ✓ Sales of uniform materials for schools decreased due to excess inventory at customers.
- ✓ Sales of uniform materials for government offices increased, driven by strong demand for firefighting-related products.
- ✓ Sales of uniform materials for private companies were roughly on par with the previous fiscal year.
- ✓ Sales of clothing materials in Japan declined, but exports to Europe and the United States grew, resulting in higher overall sales.
- ✓ In the Yarn business, sales of yarn decreased, while sales related to knit products increased.

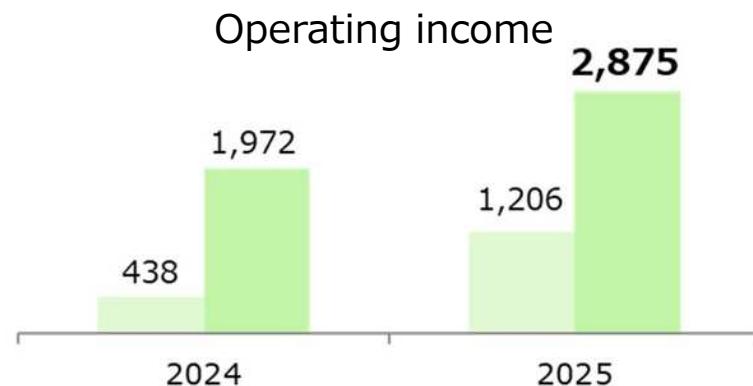
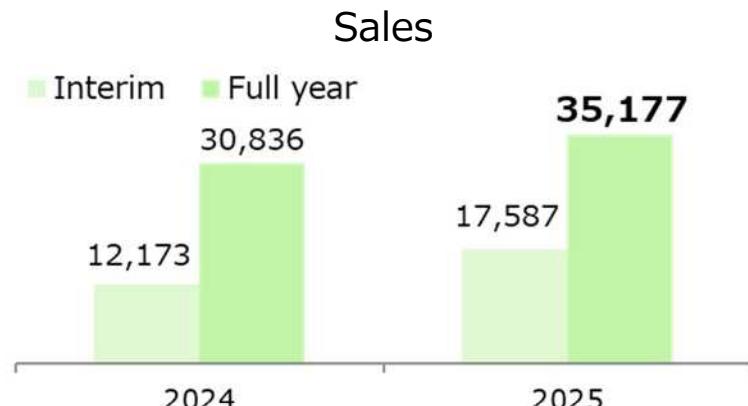


# Industrial Machinery & Materials

Net Sales 35,177 YoY +14.1%

Operating Profit 2,875 YoY +45.8%

Unit: million yen



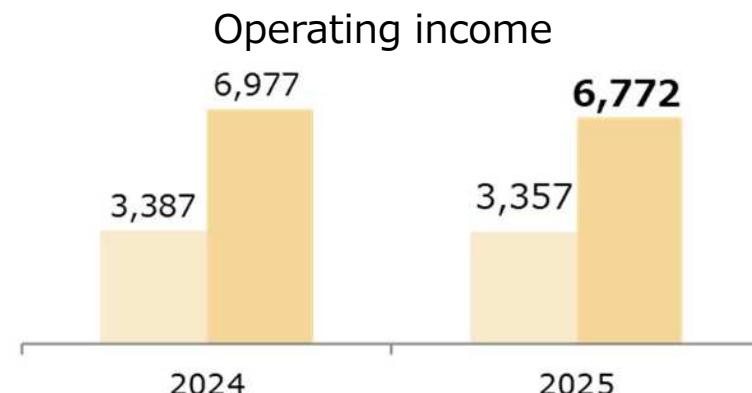
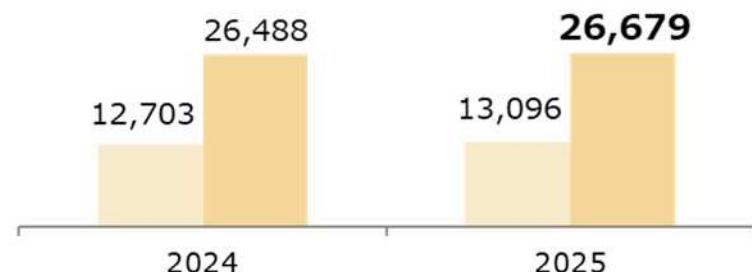
- ✓ Non-woven fabrics for automotive applications and other products recorded higher sales, supported by the consolidation of Kureha Tech into the Group.
- ✓ In the FA equipment business, sales of production lines for in-vehicle electrical components declined due to restrained capital investment by customers, but profit increased thanks to contributions from high-margin projects.
- ✓ Sales of environmental and energy-related materials increased, driven by higher sales at Kankyo Techno.
- ✓ Racket sports-related products posted higher sales, supported by favorable reception of new products.
- ✓ For felt used in musical instruments, sales increased compared with the previous fiscal year, when shipments to China were sluggish.



# Human & Future Development

Net Sales **26,679** YoY +0.7%  
Operating Profit **6,772** YoY -2.9%

Sales  
Unit: million yen  
■ Interim ■ Full year



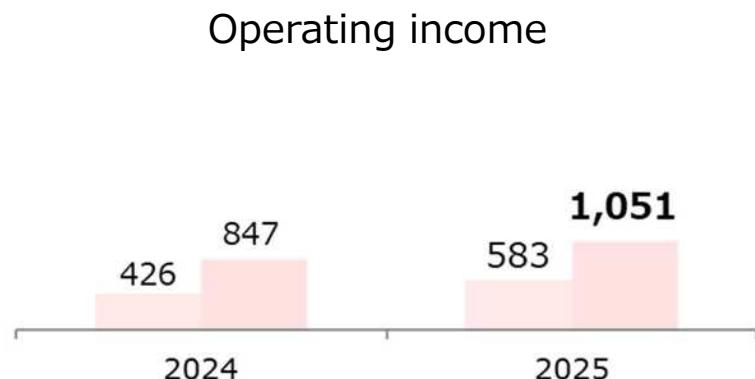
- ✓ Sales from commercial facility management were roughly on par with the previous fiscal year.
- ✓ In real estate leasing, profit declined compared with the previous year, which had benefited from the sale of real estate held for sale and recorded upfront expenses associated with the completion of the redevelopment of the former Nikkei Tokyo Building.
- ✓ In the construction-related business, sales increased as projects were completed as planned.
- ✓ Sales in childcare services decreased, while nursing care services recorded higher sales.
- ✓ In sports-related operations, although the number of golf visitors declined, revenue from tennis schools in the Tokyo metropolitan area increased, resulting in higher overall sales.



# Consumer Goods & Services

Net Sales 23,199 YoY + 3.0%

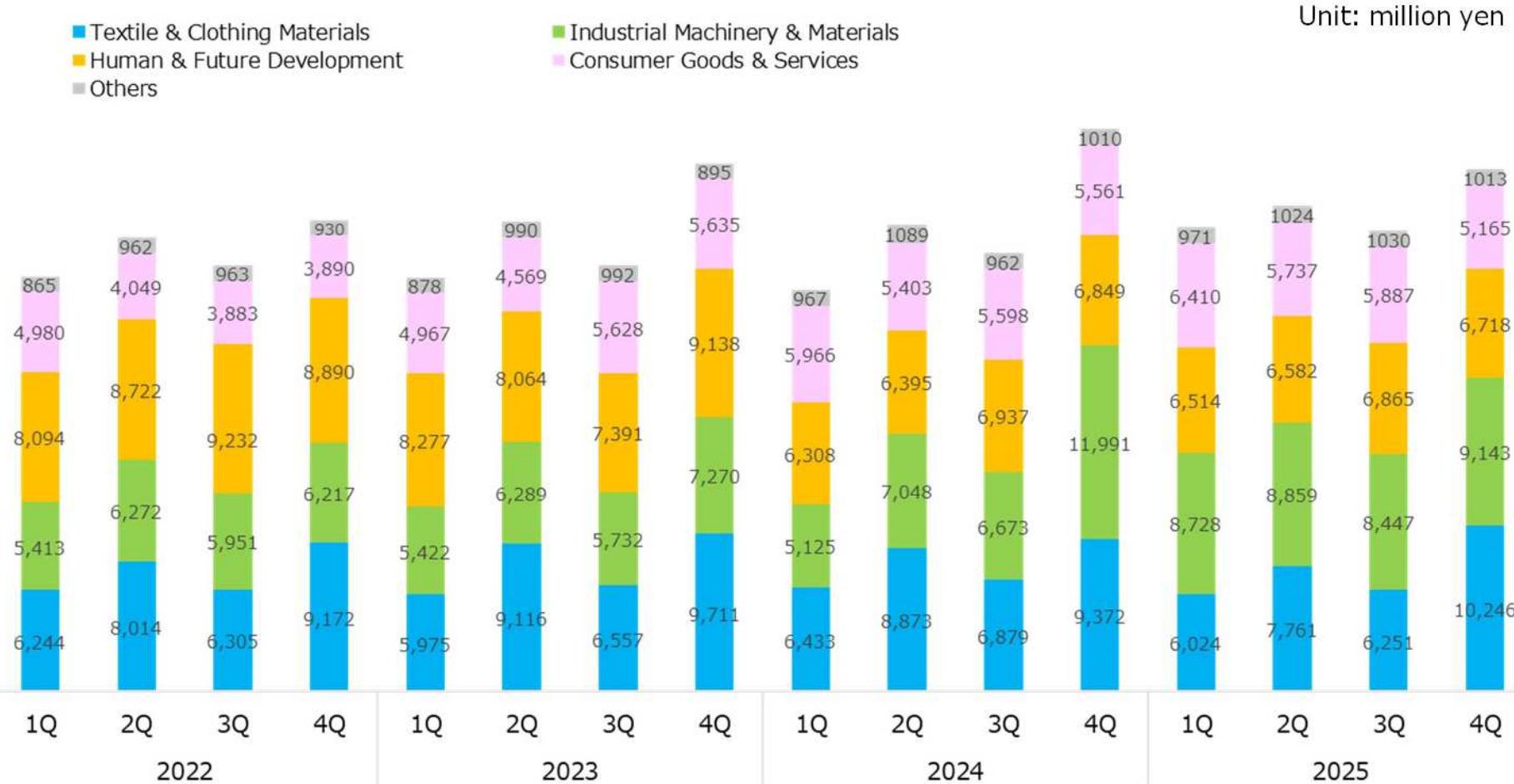
Operating Profit 1,051 YoY + 24.1%



- ✓ Sales of bedding decreased due to weak e-commerce sales, while sales of business supplies increased, driven by higher demand for airline blankets and disaster supply blankets.
- ✓ Sales of lifestyle appliances increased, reflecting strong summer products and growth in e-commerce sales.
- ✓ In film-related products, sales increased as sales of protective films for game consoles rose.
- ✓ Sales of stamps increased, supported by new product launches, while sales of stamping ink decreased due to lower overseas demand.
- ✓ Sales of horse riding goods exceeded the previous fiscal year.
- ✓ Container sales increased on the back of higher order volume.

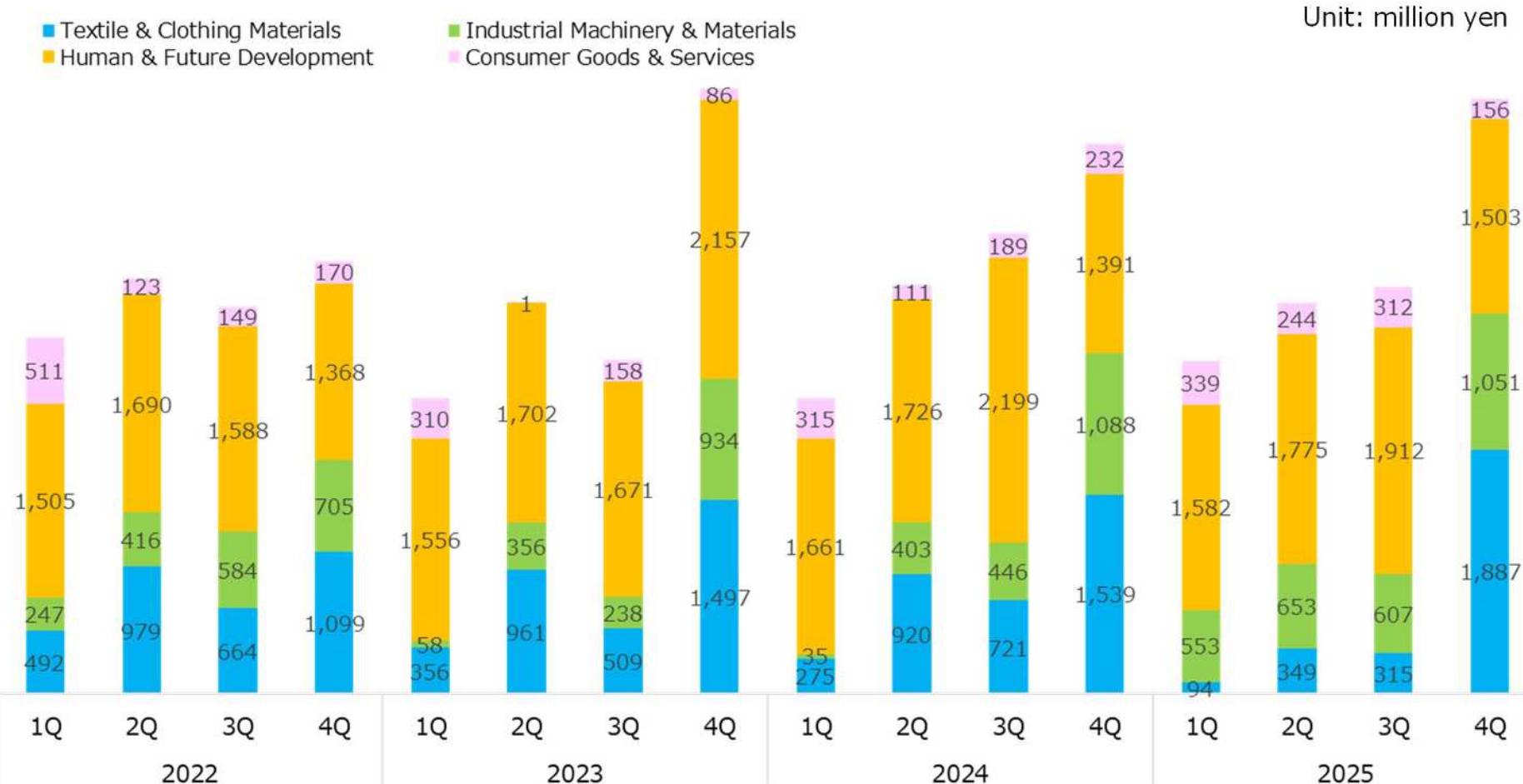
# Quarterly Sales Trends by Segment

## Quarterly Trends in Consolidated Net Sales



# Quarterly Trends in Operating Profit by Segment

## Quarterly Trends in Consolidated Operating Profit



※Excluding Other and Adjustment Amounts



# Consolidated Balance Sheet/Cash Flow Statement

(Unit: million yen)

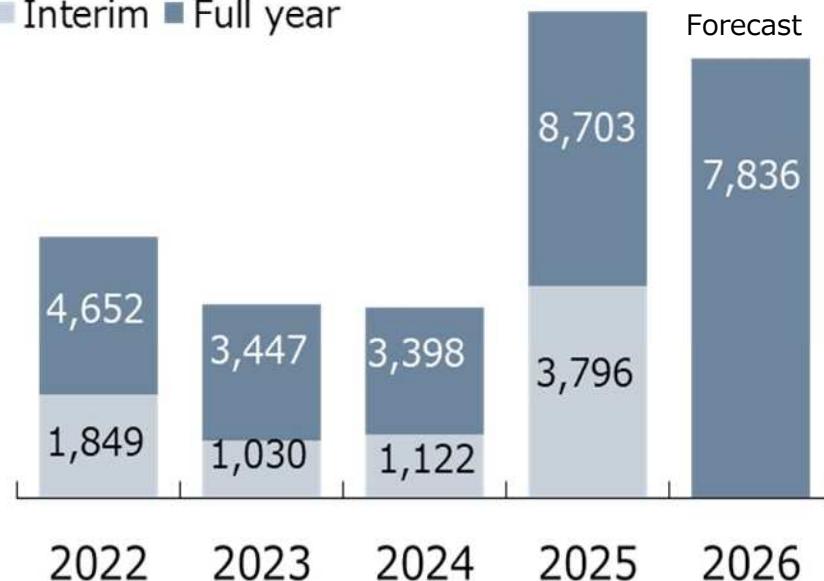
| Consolidated Balance Sheet                         | End-Nov. 2024 | End-Nov. 2025 | Change (Y/Y) |
|--|---------------|---------------|--------------|
| Current assets                                     | 97,295        | 92,689        | -4,606       |
| Property, plant and equipment                      | 82,639        | 97,067        | 14,427       |
| Total assets                                       | 179,935       | 189,756       | 9,820        |
| Current liabilities                                | 38,203        | 35,433        | -2,770       |
| Long-term liabilities                              | 18,001        | 22,170        | 4,168        |
| Total Liabilities                                  | 56,205        | 57,603        | 1,398        |
| Shareholders' equity                               | 110,632       | 113,712       | 3,079        |
| Accumulated other comprehensive income             | 12,167        | 17,942        | 5,775        |
| Noncontrolling interests                           | 930           | 498           | -432         |
| Net assets   | 123,730       | 132,152       | 8,422        |
| Consolidated Cash Flow Statement                   | FY2024        | FY2025        | Change (Y/Y) |
| Cash flow from operating activities                | 10,158        | 12,140        | 1,982        |
| Cash flow from investing activities                | -7,856        | -9,255        | -1,399       |
| Cash flow from financing activities                | -4,213        | -5,070        | -857         |
| Balance of cash and cash equivalents at year's end | 33,419        | 31,293        | -2,126       |

# Capital investment／Depreciation expense

(Unit: million yen)

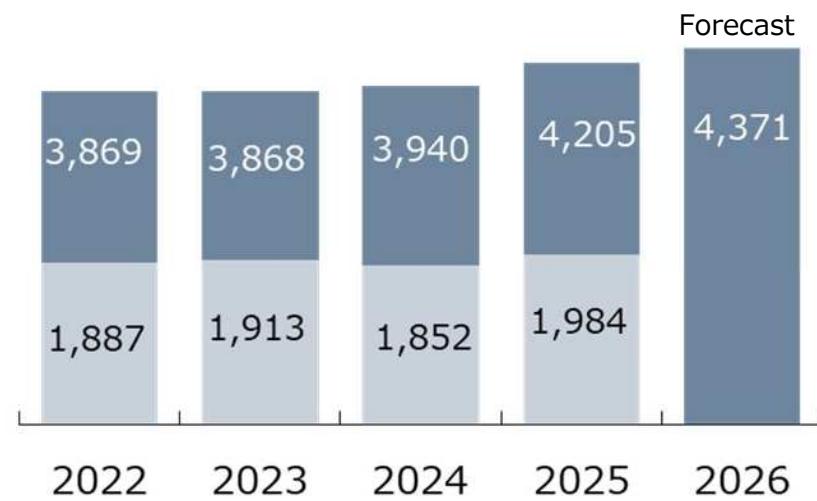
## Capital investment

■ Interim ■ Full year



## Depreciation expense

■ Interim ■ Full year



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## 01 Acquisition of Shares in Kako Technos Group Co., Ltd.

We aim to expand our business domain in the FA equipment and machinery field.

Under our medium- to long-term vision, the RN130 (Renewal Nikkei 130) Vision Third Medium-Term Management Plan, we have positioned the expansion of earnings in the equipment field, including FA equipment and machinery, as a core strategy of the Industrial Machinery & Materials Business Headquarters, and we are proactively investing in growth markets. Meanwhile, Kako Technos Co., Ltd., with a 90-year history since its founding, has pursued the management philosophy of "Fueki-Ryūkō" (respecting enduring fundamentals while flexibly embracing change) and has continuously contributed to society by ensuring the safe and stable supply of products related to social infrastructure, including railway vehicles and the electric power sector.

Leveraging this share acquisition as an opportunity, we will share and mutually utilize the manufacturing technologies and expertise of both companies so that we can provide our key customers and other business partners with even higher-quality and higher-function products and better services on a stable basis, and we will strive for the further growth of Kako Technos Co., Ltd. and the enhancement of corporate value for the Nikkei Group.



### Company Profile

Company name: Kako Technos Co., Ltd.  
Location: 7-4-2 Ota-cho, Suma-ku, Kobe, Hyogo.  
Representative: Taizo Kako, President and Representative Director  
Business: Manufacturing of control equipment for railway vehicles, substations, and other social infrastructure applications.  
Capital: 77 million yen.  
Employees: 237.

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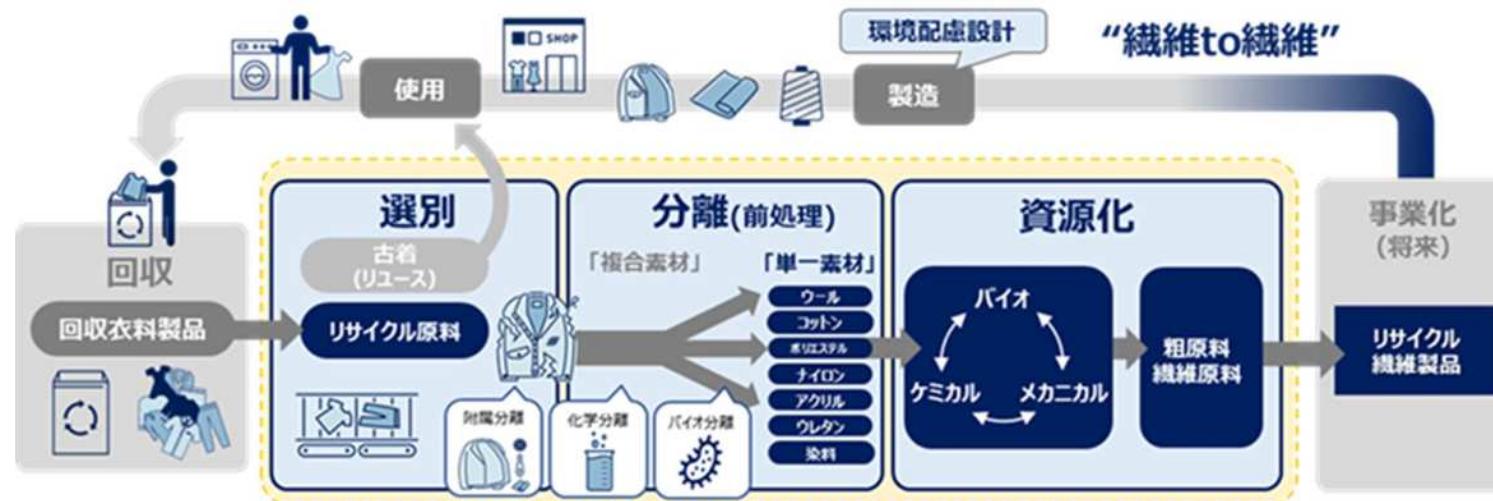


## 02 Selected for NEDO's "Bio-manufacturing Revolution Promotion Project"

We are participating in an R&D and demonstration project aimed at establishing a fiber-to-fiber resource circulation system.

Including our company, six textile-related companies<sup>※1</sup> have established the "Consortium for Fiber to Fiber" to promote sustainability in the textile industry.

In addition, our joint proposal titled "R&D and Demonstration for Building a Fiber-to-Fiber Resource Circulation System" has been selected for the "Bio-manufacturing Revolution Promotion Project" publicly solicited by the New Energy and Industrial Technology Development Organization (NEDO). Within this project, the Nikke Group will work on the "Development of Pre-treatment and Recycling Technologies for Wool-blend Clothing," and will steadily advance related initiatives.



\*1 The six participating organizations are Teijin Frontier Co., Ltd., Kurabo Industries Ltd., Research Institute of Innovative Technology for the Earth (RITE), Toray Industries, Inc., Nisshinbo Textile Inc., and NIKKE.

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## 03 Decision on Matters Related to Share Buyback

### Aim to Improve Capital Efficiency and Maximize Corporate and Shareholder Value

NIKKEI hereby announces that its Board of Directors, at a meeting held on January 15, 2026, resolved matters pertaining to the acquisition of treasury stock, pursuant to Article 156 of the Company Law as applied pursuant to Article 165, Paragraph 3 of the said Law.

#### Details of matters relating to the acquisition

|   |  |
|---|--|
| (1) Type of shares to be acquired         | Common stock of the Company  |
| (2) Total number of shares to be acquired | 2,000,000 shares (maximum)<br>Ratio to total number of shares issued and outstanding (excluding treasury stock) 2.98 |
| (3) Total acquisition cost of shares      | 4,000,000,000 yen (maximum)  |
| (4) Acquisition period                    | January 15, 2026 - May 22, 2026  |
| (5) Method of acquisition                 | Market purchases, including off-the-counter share repurchase transactions (ToSTNeT-3)                                |

## 2. Forecast for FY2026



# Recognition of the business environment

|                                  |   |
|----------------------------------|---|
| Textile & Clothing Materials     | <ul style="list-style-type: none"><li>In Japan, the declining birthrate is expected to result in a decrease of over 30% in the student population in the next decade or so.</li><li>Conversely, the global apparel market is anticipated to grow, making it essential to focus on expanding into overseas markets.</li><li>Amidst the declining conditions of domestic wool textile production areas, the Nikkei Group needs to leverage its integrated domestic production capabilities to restructure its value chain.</li><li>Environmentally friendly materials and the circular economy of textile products that contribute to achieving a sustainable society, as well as embracing diversity, will become key strategic components in our business strategy.</li></ul> |
| Industrial Machinery & Materials | <ul style="list-style-type: none"><li>The automotive sector is influenced by U.S. tariff policies and market conditions in China.</li><li>The environmental sector is experiencing a global expansion of business opportunities due to the strengthening of environmental regulations.</li><li>The home appliance and office automation (OA) sectors anticipate growth in overseas markets.</li><li>The expansion of markets that are mindful of the SDGs, such as the recycling business, is expected.</li></ul>   |
| Human & Future Development       | <ul style="list-style-type: none"><li>Shopping centers are well-rooted in their communities and are performing steadily. In the real estate development sector, there is increasing interest in properties with enhanced asset value, such as high-environmental-performance office buildings certified as ZEB Ready.</li><li>In the lifestyle support sector, while the nursing care market continues to expand, there is a need to develop operational methods and services that anticipate a shortage of nursing personnel.</li></ul>  |
| Consumer Goods & Services        | <ul style="list-style-type: none"><li>The e-commerce market is expected to continue growing due to its convenience.</li><li>However, competition is intensifying due to borderless market dynamics, with direct entries from overseas players, such as those from China, and direct sales by manufacturers. Additionally, the prolonged depreciation of the yen is leading to continued increases in procurement and logistics costs, alongside a persistent upward trend in advertising expenses.</li></ul>  |



# FY2026 Full-year Forecast

We expect increases in both net sales and profit, driven by earnings contributions from real estate redevelopment, the full-year consolidation of Kako Technos, and a recovery in the Textile & Clothing Materials business, among other.

| (Unit: million yen)                            | Actual  |         | Forecast       | Year-on-year |      |
|--|---------|---------|----------------|--------------|------|
|  | FY2024  | FY 2025 | FY 2026        | Change       | %    |
| <u>NET Sales</u>                               | 115,438 | 119,377 | <b>130,000</b> | 10,623       | 8.9% |
| <u>Operating Profit</u>                        | 11,640  | 11,913  | <b>13,000</b>  | 1,087        | 9.1% |
| <u>Operating margin</u>                        | 10.1%   | 10.0%   | <b>10.0%</b>   | 0.0pt        | -    |
| <u>Ordinary Profit</u>                         | 12,098  | 12,967  | <b>13,400</b>  | 433          | 3.3% |
| <u>Profit attributable to owners of parent</u> | 8,970   | 9,090   | <b>9,500</b>   | 410          | 4.5% |



# 2026 performance forecast by segment

| (Unit: million yen)              |   | Actual                     |                            | Forecast                            | Year-on-year             |                     |
|----------------------------------|---|----------------------------|----------------------------|-------------------------------------|--------------------------|---------------------|
|                                  |   | 2024                       | 2025                       | 2026                                | Change                   | %                   |
| Textile & Clothing Materials     | Net Sales<br>Operating Profit<br>Operating margin | 31,557<br>3,455<br>10.9%   | 30,282<br>2,645<br>8.7%    | <b>34,000<br/>3,400<br/>10.0%</b>   | 3,718<br>755<br>1.3pt    | 12.3%<br>28.5%<br>- |
| Industrial Machinery & Materials | Net Sales<br>Operating Profit<br>Operating margin | 30,836<br>1,972<br>6.4%    | 35,177<br>2,875<br>8.2%    | <b>43,000<br/>3,000<br/>7.0%</b>    | 7,823<br>125<br>-1.2pt   | 22.2%<br>4.3%<br>-  |
| Human & Future Development       | Net Sales<br>Operating Profit<br>Operating margin | 26,488<br>6,977<br>26.3%   | 26,679<br>6,772<br>25.4%   | <b>26,000<br/>7,200<br/>27.7%</b>   | -679<br>428<br>2.3pt     | -2.5%<br>6.3%<br>-  |
| Consumer Goods & Services        | Net Sales<br>Operating Profit<br>Operating margin | 22,527<br>847<br>3.8%      | 23,199<br>1,051<br>4.5%    | <b>23,000<br/>1,200<br/>5.2%</b>    | -199<br>149<br>0.7pt     | -0.9%<br>14.2%<br>- |
| Others                           | Net Sales<br>Operating Profit                     | 4,028<br>-1,611            | 4,038<br>-1,432            | <b>4,000<br/>-1,800</b>             | -38<br>-368              | -0.9%<br>-          |
| TOTAL                            | Net Sales<br>Operating Profit<br>Operating margin | 115,438<br>11,640<br>10.1% | 119,377<br>11,913<br>10.0% | <b>130,000<br/>13,000<br/>10.0%</b> | 10,623<br>1,087<br>0.0pt | 8.9%<br>9.1%<br>-   |



# 2025 performance forecast change factors

|                                  | Main factors of increase/decrease (compared to previous period)   |
|----------------------------------|---|
| Textile & Clothing Materials     | <ul style="list-style-type: none"><li>• Increase in sales of uniforms for schools</li><li>• Increase in orders for business uniform garments and firefighting-related products</li></ul>  |
| Industrial Machinery & Materials | <ul style="list-style-type: none"><li>• Expansion of overseas sales in the non-woven fabrics and felt businesses, and promotion of streamlining initiatives</li><li>• Commencement of full-year consolidation of Kako Technos Co., Ltd.</li></ul> |
| Human & Future Development       | <ul style="list-style-type: none"><li>• Full-scale earnings contributions from real estate redevelopment projects</li><li>• Scaling down of new communications services and the after-school childcare business</li></ul>                         |
| Consumer Goods & Services        | <ul style="list-style-type: none"><li>• Improvement in profitability through various efficiency and cost-cutting measures</li></ul>   |
| Others                           | <p>【Others】</p> <ul style="list-style-type: none"><li>• Adjustments, reserve funds, etc. are expected.</li></ul>  |

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### 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price



# Action to Implement Management that is Conscious of the Cost of Capital and the Stock Price

(Announced in January 2024)



## Strengthening profit generation

- Promote and achieve the RN130 third medium-term management.
- Optimise the business portfolio (investment in growth businesses, review of unprofitable businesses).

## Improved asset efficiency

- Further efficiency gains in property holdings (redevelopment and disposal of unprofitable properties)
- Reduction of inactive assets (liquidation of policy shares that are no longer meaningful to hold)
- Continue to use ROIC as an indicator as an investment criterion. (target 8%, minimum 5%)

## Strengthening of capital policy

- Strengthening shareholder returns
- The dividend payout ratio will be gradually rounded up from the current target of 30%, aiming for 35% in the final year of the Third Medium-Term Plan.
- Using DOE as an indicator, we aim for 2.5% by 2026.
- Flexible share buy-backs in light of the progress of investments, to enhance overall shareholder returns.

## Strengthen IR

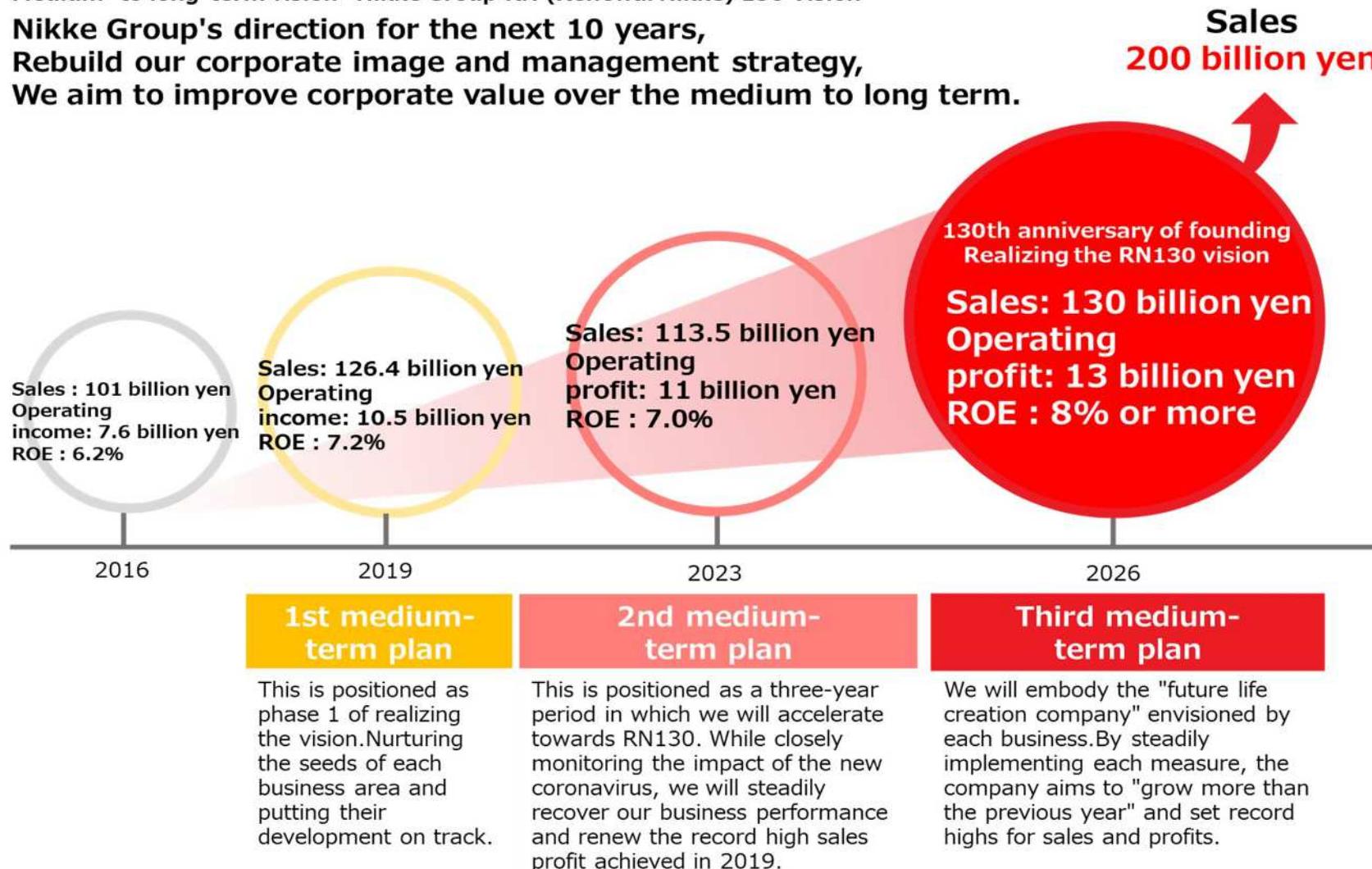
- We aim to strengthen dialogue so that stakeholders can increase their understanding and trust in the Nikkei Group
- We explain M&A strategies and business diversification strategies, and communicate the growth story of the Nikkei Group.
- Promote expansion and sophistication of information disclosure (e.g. support for IR materials in English)

Promote management with an awareness of return on capital, The company aims to achieve an **ROE target of 8%** and a **P/B ratio of more than 1x**.

# Positioning of RN130 3rd medium-term plan

Medium- to long-term vision "Nikkei Group RN (Renewal Nikkei) 130 Vision"

**Nikkei Group's direction for the next 10 years,  
Rebuild our corporate image and management strategy,  
We aim to improve corporate value over the medium to long term.**





## Progress of the RN130 3rd medium-term plan

For fiscal 2025, net sales and operating profit are expected to fall short of the medium-term plan, while ordinary profit and profit attributable to owners of parent are expected to achieve their targets.

### RN130 third medium-term management (2024~2026)

| (Unit: million yen)                            | 2024                        |         | 2025                        |         | 2026                        |                    |
|--|-----------------------------|---------|-----------------------------|---------|-----------------------------|--------------------|
|  | Medium-Term Management Plan | Actual  | Medium-Term Management Plan | Actual  | Medium-Term Management Plan | 2026.1.15 Forecast |
| <u>NET Sales</u>                               | 111,000                     | 115,438 | 120,000                     | 119,377 | 130,000                     | 130,000            |
| <u>Operating Profit</u>                        | 11,000                      | 11,640  | 12,000                      | 11,913  | 13,000                      | 13,000             |
| <u>Operating margin</u>                        | 9.9%                        | 10.1%   | 10.0%                       | 10.0%   | 10.0%                       | 10.0%              |
| <u>Ordinary Profit</u>                         | 11,600                      | 12,098  | 12,400                      | 12,967  | 13,400                      | 13,400             |
| <u>Profit attributable to owners of parent</u> | 7,700                       | 8,970   | 7,800                       | 9,090   | 8,800                       | 9,500              |
| <u>Return on equity</u>                        | —                           | 7.6%    | —                           | 7.1%    | 8.0%以上                      | —                  |

# Progress of the RN130 3rd medium-term plan by Segment



| (Unit: million yen)              |   | RN130 third medium-term management (2024~2026) |                            |                             |                            |                             |                            |
|----------------------------------|---|--|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|
|                                  |   | 2024   |                            | 2025                        |                            | 2026                        |                            |
|                                  |   | Medium-Term Management Plan                    | Actual                     | Medium-Term Management Plan | Actual                     | Medium-Term Management Plan | 2026.1.15 Forecast         |
| Textile & Clothing Materials     | Net Sales<br>Operating Profit<br>Operating margin | 32,500<br>3,450<br>10.6%                       | 31,557<br>3,455<br>10.9%   | 35,500<br>3,700<br>10.4%    | 30,282<br>2,645<br>8.7%    | 39,500<br>4,300<br>10.9%    | 34,000<br>3,400<br>10.0%   |
| Industrial Machinery & Materials | Net Sales<br>Operating Profit<br>Operating margin | 26,000<br>1,850<br>7.1%                        | 30,836<br>1,972<br>6.4%    | 29,000<br>2,100<br>7.2%     | 35,177<br>2,875<br>8.2%    | 31,000<br>2,550<br>8.2%     | 43,000<br>3,000<br>7.0%    |
| Human & Future Development       | Net Sales<br>Operating Profit<br>Operating margin | 26,000<br>6,200<br>23.8%                       | 26,488<br>6,977<br>26.3%   | 26,500<br>6,250<br>23.6%    | 26,679<br>6,772<br>25.4%   | 30,000<br>7,200<br>24.0%    | 26,000<br>7,200<br>27.7%   |
| Consumer Goods & Services        | Net Sales<br>Operating Profit<br>Operating margin | 24,500<br>1,350<br>5.5%                        | 22,527<br>847<br>3.8%      | 26,000<br>1,750<br>6.7%     | 23,199<br>1,051<br>4.5%    | 31,500<br>2,000<br>6.3%     | 23,000<br>1,200<br>5.2%    |
| Others                           | Net Sales<br>Operating Profit                     | 2,000<br>-1,850                                | 4,028<br>-1,611            | 3,000<br>-1,800             | 4,038<br>-1,432            | -2,000<br>-3,050            | 4,000<br>-1,800            |
| TOTAL                            | Net Sales<br>Operating Profit<br>Operating margin | 111,000<br>11,000<br>9.9%                      | 115,438<br>11,640<br>10.1% | 120,000<br>12,000<br>10.0%  | 119,377<br>11,913<br>10.0% | 130,000<br>13,000<br>10.0%  | 130,000<br>13,000<br>10.0% |



# Growth Story of the Nikke Group

## Cultivating growth drivers

## Further enhancing the profitability of our stable business foundation

## Developing overseas sales channels

## Building new businesses

## M&A to Support Growth

### Industrial Machinery & Materials

We position the non-woven fabrics and felt business and the FA equipment business as future growth drivers, and will develop them into a third core earnings pillar, following the uniform and real estate development businesses.

### Textile & Clothing Materials

We will further enhance profitability through manufacturing rationalization, including capital investment in labor-saving and automation equipment.

### Human & Future Development

We will also strengthen profitability through real estate redevelopment and the downsizing of unprofitable businesses.

### Textile & Clothing Materials

We will expand sales of textile fabrics and other materials to high-end and mid-range brands overseas.

### Consumer Goods & Services

We will utilize e-commerce as a sales channel to expand our overseas sales.

### We will establish new business models that contribute to solving social issues related to environmental challenges.

### We will continue to actively and carefully pursue M&A, which has significantly contributed to the growth of the Nikke Group.

## Growth Strategy Industrial Machinery &amp; Materials

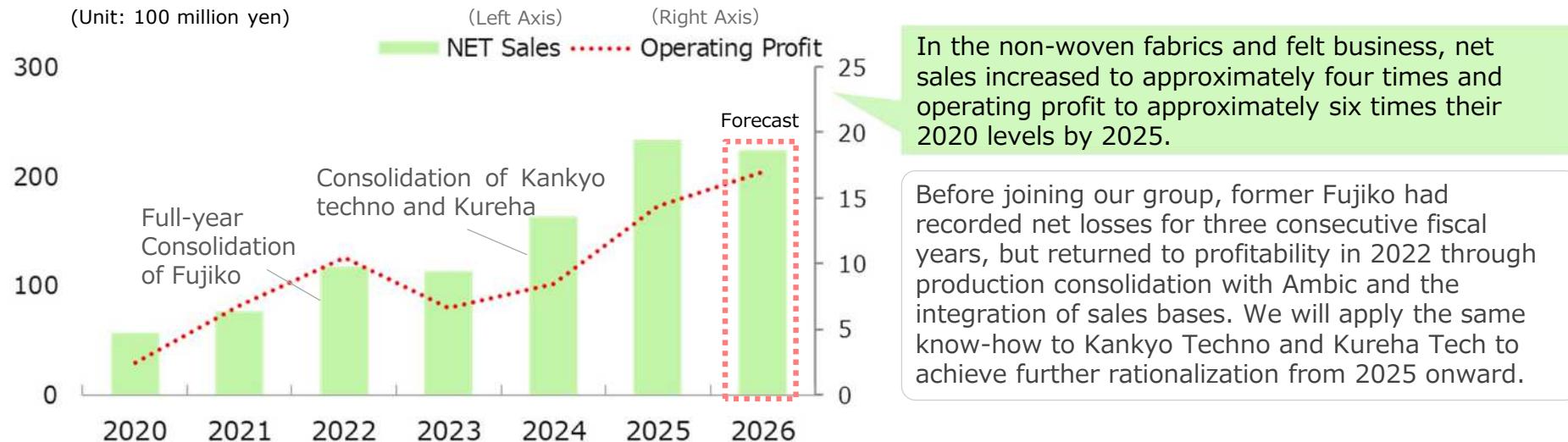
## Strengthening the Non-woven Fabrics and Felt Business



## Past Initiatives to Strengthen the Non-woven Fabrics and Felt Business

- 2020/5 Entered into a capital and business alliance agreement between Nikke·Ambic and Fujiko, acquiring 30.7% of the shares.
- 2021/1 Closed the Fujiko Tatebayashi Plant and transferred production to Ambic.
- 2021/9 Nikke made Fujiko a wholly-owned subsidiary.
- 2023/12 Ambic and Fujiko underwent a management integration.
- 2024/4 Acquisition of Shares in Toyobo Kankyo techno ※1
- 2024/8 Acquisition of Shares in Kureha Tech

## Performance trends of the non-woven fabrics and felt business



※ 1 As of April 17, 2024, Toyobo Kankyo techno Co., Ltd. has changed its name to Kankyo techno Co., Ltd.

## Growth Strategy Industrial Machinery &amp; Materials

## Strengthening the Non-woven Fabrics and Felt Business



## Target Markets

- The target areas for our company are industrial materials sectors such as automotive and environment-related fields, where market growth is anticipated.
- We do not position general-purpose hygiene materials (such as masks), which are susceptible to price competition, as our focus areas.



## Competitive Advantage

- **Enhancing Competitiveness through Sales Expansion**  
By incorporating Kureha into our group in August 2024, the sales scale of our non-woven fabrics and felt business will reach approximately 23 billion yen, making us the second-largest market share holder in Japan.※1
- **Utilizing Global Manufacturing and Sales Bases**  
With the addition of Kankyo techno and Kureha Tech to our group, we will expand our manufacturing and sales bases in China, ASEAN, and North America. This will enable us to respond to diverse business developments tailored to customer needs.

## Growth Strategy Going Forward

- **Expanding sales of automotive interior materials in North America**  
Leveraging Kureha Tech's North American base, we will expand sales of automotive interior materials.
- **Strengthening our production and sales structure in Vietnam and Indonesia**  
By expanding production facilities and relocating/expanding plants, we will improve both production capacity and productivity, and aim to increase orders through optimal production of the right products in the right locations.

→ In 2023, we relocated and expanded our plant in Vietnam, and in 2025 we reinforced our manufacturing lines in Indonesia.

We will expand overseas sales, focusing primarily on North America and ASEAN markets.

We will develop the non-woven fabrics and felt business into the Nikke Group's third core earnings pillar, following school uniforms and real estate development.

※1 Market Share of Non-woven Fabrics and Felt Produced by Needle Punch and Chemical Bond Methods (according to our research)

## Growth Strategy

## Industrial Machinery &amp; Materials



## Strengthening the equipment (FA equipment and machinery) field

Expanding our business domain through the integration of Kako Technos into the Group

## Nikkei Group's equipment (FA equipment and machinery) business



Core business is FA equipment, focusing mainly on manufacturing and inspection equipment for in-vehicle electrical components, parts and sensors, secondary batteries, and semiconductors.



A manufacturer of control equipment that provides integrated services from design and parts procurement through assembly and testing/inspection. Its main products are brake systems for railway vehicles.

Brake systems for railway vehicles are installed on trains operated by over 90% of railway companies in Japan, and command a domestic production share of approximately 50%.

## Performance trends



## Target Markets

- Our primary target domains are the “automotive (in-vehicle),” “battery,” and “semiconductor” fields, where we expect solid market growth.
- With the addition of Kako Technos to the Group, we are newly incorporating the “railway” field into our business domain.

## Synergies with Kako Technos

## Human resource support, exchange, and sharing of manufacturing know-how

We will leverage personnel support from the Nikkei Group and share design and manufacturing know-how with Nikkei Machinery Works.

## Enhancement of production capacity

By utilizing the Nikkei Group’s financial strength, we will be able to expand production capacity (capital investment) in line with future demand trends.

## Expansion into new fields beyond railways

By strengthening collaboration with Nikkei Machinery Works, we will explore entry into new business domains beyond the railway sector.

Growth Strategy **Textile & Clothing Materials**  
Expansion of overseas sales and strengthening of domestic  
manufacturing



## Overseas target markets

### European apparel market

- We will strengthen sales of textile fabrics for high-end and mid-range brands.

The firm hand and superior tailoring appearance of our fabrics are among the key factors that differentiate us from textile manufacturers in Europe and Asia.



- We will increase customer touchpoints by holding solo exhibitions in Paris and hiring local personnel.



Nikke's first solo exhibition in Paris

- ✓ We will enhance our domestic manufacturing capabilities and profitability while implementing measures to expand overseas sales.

## Further strengthening domestic manufacturing capabilities and profitability

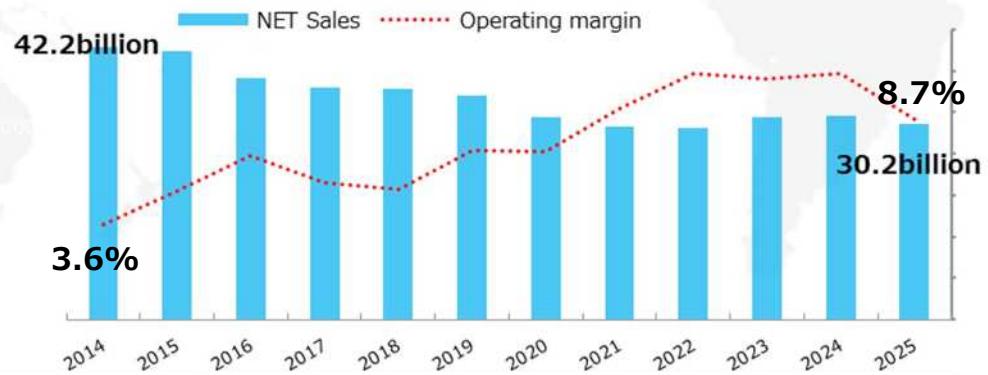
- We will strengthen our manufacturing capabilities and profitability by rationalizing production through capital investment in labor-saving, energy-saving, and automation equipment, as well as by leveraging digital technologies.



### Optimization of personnel allocation

- Improve profitability in Textile & Clothing Materials
- Leverage human resources in the Industrial Machinery & Materials business and other areas

### Performance trends of the Textile & Clothing Materials business



Growth Strategy Human & Future Development  
Promotion of Real Estate Development Business



| Redevelopment Projects                         | Location | Revenue Contribution | Progress Schedule (Planned) |                         |                     |
|--|----------|----------------------|-----------------------------|-------------------------|---------------------|
|  |          |                      | 2024                        | 2025                    | 2026                |
| Tokyo Building                                 | Tokyo    | Large                | Construction Period         | Completed               |                     |
| Kobe Head Office Building                      | Hyogo    | Small                | Construction Period         | Completed               |                     |
| Ichinomiya Plant                               | Aichi    | Medium               | Construction Period         | Completed               |                     |
| Shukugawa Company Housing Development          | Hyogo    | Small                |                             | Construction Period     | Completed           |
| Kakogawa Company Housing Development (Phase 1) | Hyogo    | Medium               |                             |                         | Construction Period |
| South Side of Nikke Colton Plaza               | Chiba    | Large                |                             | Development Plan Review |                     |
| Former Fujiko Itami Plant                      | Hyogo    | Large                |                             | Development Plan Review |                     |

Profit

Enhancing Profitability  
through Redevelopment  
of Real Estate

Target:  
5 billion yen

Real  
Estate  
Redevelo  
pment

Existing  
Businesses

Tokyo Building  
Kobe Head Office Building  
Ichinomiya Plant  
Shukugawa Company Housing  
Development  
Kakogawa Company Housing  
Development (Phase 1)  
South Side of Nikke Colton Plaza  
Former Fujiko Itami Plant, etc.

Real Estate Leasing Income  
Sales of Solar Energy Income



Stable Revenue

Operating Profit: Approximately 3.5 billion yen

3rd medium-term plan

CF140 Vision

From fiscal 2026, the Nikke Tokyo Building is expected to make a full-scale contribution to earnings.

Growth Strategy Human & Future Development  
Business Portfolio Review



In the Human & Future Development business, we will review our portfolio in 2024 and scale down the Communications and new services fields. From 2026 onward, we plan to further enhance profitability through the effects of real estate redevelopment and other initiatives.

**Human & Future Development:  
Sub-Segment Composition Ratio**



**Human & Future Development  
Performance Trends**



- ✓ In the communications sector (mobile phones), competition has intensified in recent years, leading to a continuous decline in profitability, which has prompted us to downsize the business.

Growth Strategy      Consumer Goods & Services  
Development of new sales channels



Initiatives to develop new sales channels



Aiming to build an optimal value chain for the future

Initiatives to strengthen profitability

① Business grouping

We will group the 11 companies under the consumer goods and services segment by business content, and promote integrated management including the consolidation of decision-making bodies, joint procurement, and collaborative product development.

② Strengthening e-commerce capabilities

For the four companies whose main business is e-commerce—Miyako Shoji, AQUA, Sanko, and Interior Office One—we will enhance our planning, development, and sales capabilities by sharing human resources, systems, and know-how.

③ Streamlining Logistics

We will reduce costs by streamlining logistics operations.



We aim to build an optimal value chain to develop new sales channels, including expanding overseas distribution, while improving profitability through business grouping and the development of original in-house products.

## Growth Strategy



# Initiatives to realize a sustainable society

We aim to help address environmental and other social issues by building new business models that will drive our next stage of growth.

## We have launched WAONAS, a circular “clothes-to-clothes” project.



We have launched WAONAS, a circular “clothes-to-clothes” project that collects and recycles unused wool garments with the aim of achieving zero waste, and we are promoting the establishment of a resource circulation system.

## Initiatives to recycle used clothing into reclaimed fiber



By automating the process of removing foreign materials such as zippers and buttons from used clothing, we are helping to address key challenges in building a resource circulation system for textile products.

## Realizing fiber-to-fiber resource circulation

Six textile-related companies\*<sup>1</sup> have established a consortium to realize fiber-to-fiber resource circulation. This project has been selected for the “Bio-manufacturing Revolution Promotion Project” publicly solicited by the New Energy and Industrial Technology Development Organization (NEDO).

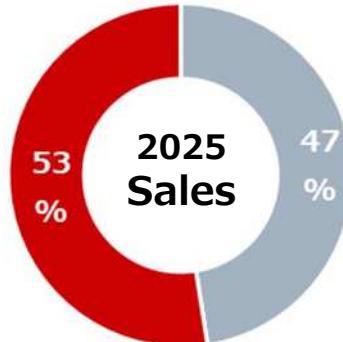
## Growth Strategy



# Execution of strategic M&A

## Contribution of M&A to Performance

Companies Acquired  
through M&A



Existing Business



## M&A track record (past five years)

2021.9 Fujiko



2022.11 THANKO



2023.6 Interior Office One



2024.4 Kankyo techno



2024.8 Kureha Tech



2025.10 Kako Technos



## Basic M&A Strategy

### Investment Criteria

**ROIC : Target 8% (Minimum 5%)**

We conduct thorough earnings forecasts for target companies and impose a condition that the amount of goodwill be limited to the equivalent of no more than five years of operating profit, thereby curbing excessive acquisition prices.

- ✓ Progress under the Third Medium-Term Management Plan (with an investment budget of 20 billion yen) is proceeding smoothly, and we are currently reviewing multiple M&A opportunities for fiscal 2026.

※ 1 Targeting companies that have joined the Nikke Group through M&A since 1995.

# Improving Asset Efficiency

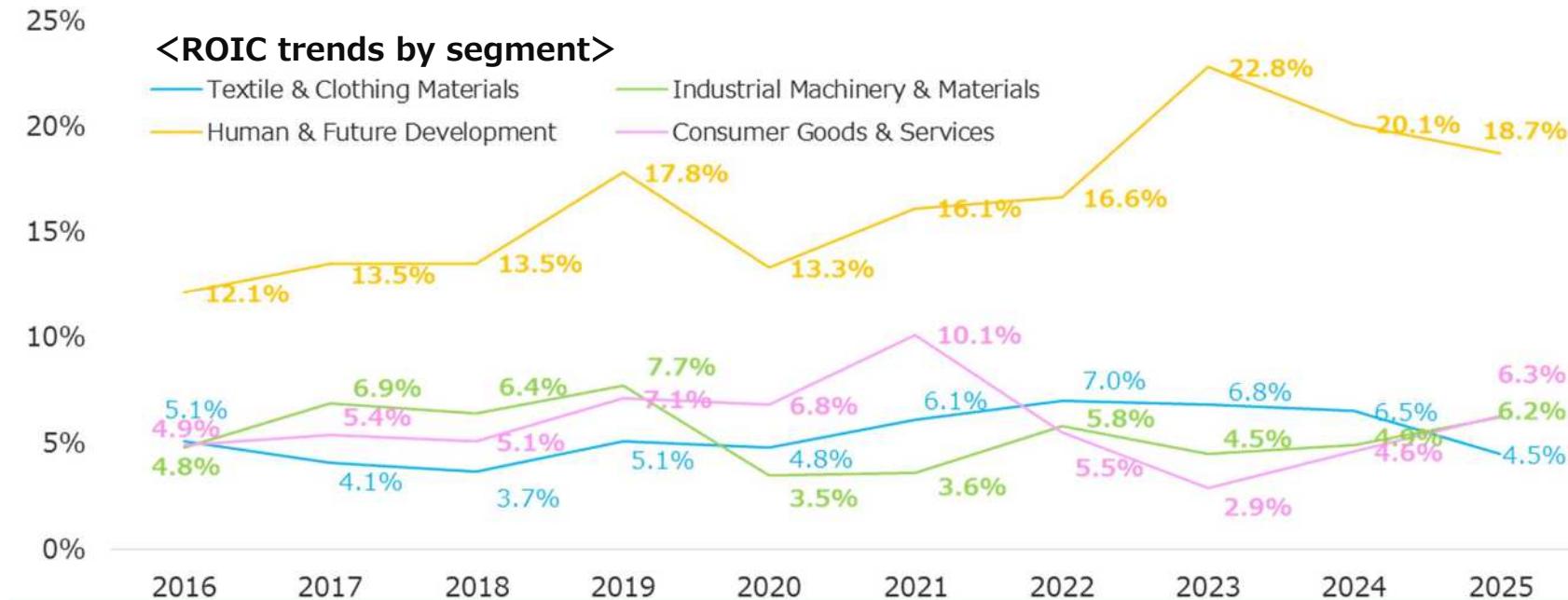
## ■ Strengthening the Utilization of Owned Real Estate

- Completion of YAESUDORI FIL TERRASSE (formerly Nikkei Tokyo Building)
- Commenced land leasing of idle areas at the Ichinomiya Plant (Aichi Prefecture)
- Completed seismic retrofitting of the Nikkei Kobe Building (Hyogo Prefecture) and began promoting tenant occupancy
- Completion of development of the Shukugawa company housing (Hyogo Prefecture)
- Maintaining and enhancing customer traffic at Nikkei Colton Plaza following its renewal, etc.



## ■ Disciplined investment execution

Investment criteria: ROIC – target 8%, minimum threshold 5%





# Strengthening Capital Policy

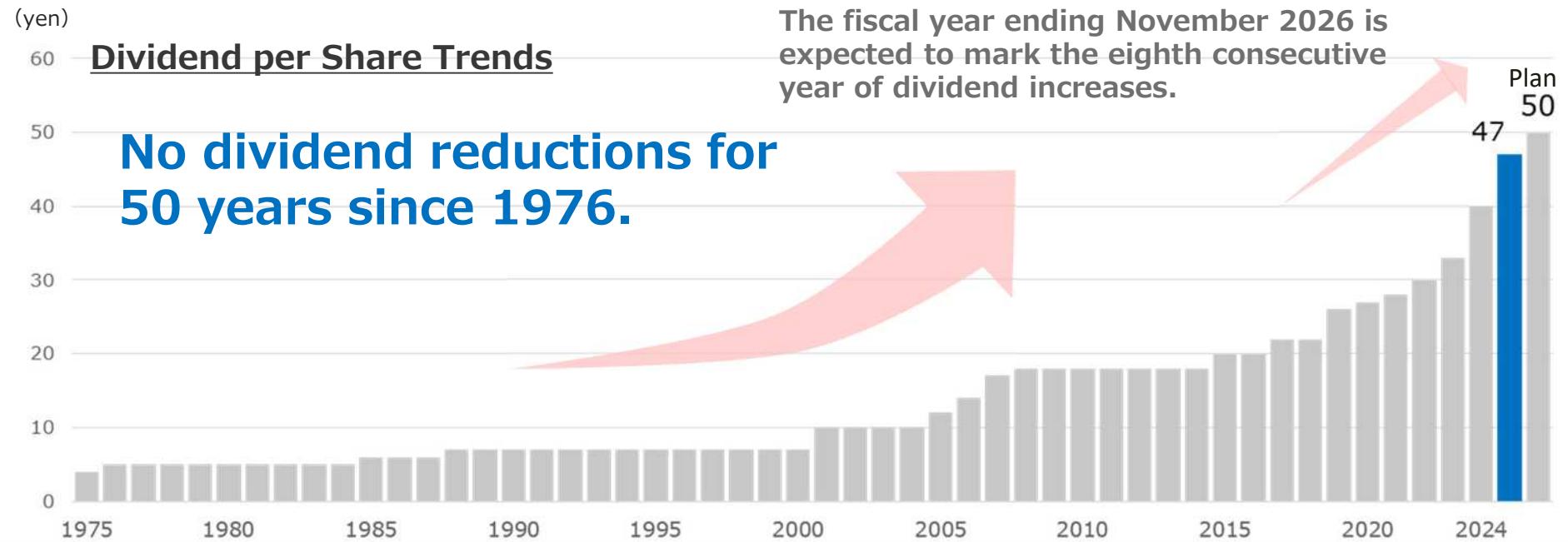
## ■ We aim to expand shareholder returns based on a "progressive dividend" policy, ensuring no reduction in dividends.

- For the fiscal year ending November 2025, we plan to increase the annual dividend by 5 yen from the initial forecast to 47 yen per share.
- In October 2025, we conducted a share repurchase of 2 million shares (equivalent to 2.90% of the total number of shares issued\*1).
- In January 2026, we resolved to repurchase up to 2 million shares (equivalent to 2.98% of the total number of shares issued\*1).
- Our targets for the final year of the medium-term plan, the fiscal year ending November 2026, are a dividend payout ratio of 35% and a DOE of 2.5%, both of which were achieved ahead of schedule in the fiscal year ending November 2025.

※Announced on January 10, 2025

### Review of Shareholder Return Policy

Incorporating investor feedback, we have added a progressive dividend and a DOE target of 2.5% to our policy.



※The percentage of the total number of issued shares, excluding treasury shares.



# Strengthening IR (Investor Relations)

Through dialogue with shareholders and investors, we strive for sustainable growth and the enhancement of corporate value over the medium to long term.

## ■ Enhancement of Information Disclosure

- Disclosure of Earnings Presentation Videos and Q&A Summaries
- Disclosure of English Materials
- Disclosure of Materiality Identification, and Implementation Results
- Disclosure of Videos and Presentation Materials for Individual Investor Briefings
- Disclosure of Shareholders' Meeting Videos, etc.
- Establishment of a Dedicated IR Department, etc.



## ■ Status of Dialogue Initiatives

- Dialogue with shareholders and investors is managed collaboratively by the Finance and Accounting Department, Corporate Planning Department, and General Affairs, Legal, and Public Relations Department.
- In the fiscal year 2024, we conducted approximately 49 IR and SR meetings combined, and held one briefing session for individual investors.
- The insights and issues identified through these dialogues are shared in meetings with each business division, group management meetings, and board meetings. This information is used as a reference for management decisions that consider capital costs and stock prices.

## Key Themes and Areas of Interest in Dialogue

Future Growth Drivers, Business Diversification (Conglomerate), M&A Strategy, Capital Policy (Shareholder Returns)  
Cash Allocation, Human Capital Management (Investment in Human Resources), Overall Governance (Anti-takeover  
Measures, Cross-shareholdings), etc.



## Specific Examples of Dialogue with Shareholders and Investors

| Questions  | Our Responses and Policies  |
|--|---|
| <b>Q. What are the distinctive features of your M&amp;A strategy?</b>    | <p>Our objectives are to expand our business domains, secure talent, and strengthen our earning power. Currently, companies that have joined the Nikkei Group through M&amp;A*1 account for approximately 53% of net sales and about 36% of operating profit. Leveraging our track record, many proposals are brought to us, and we are continuously reviewing around 400 potential deals. From among these, we execute only one to two carefully selected transactions per year. A distinguishing feature of our approach is that we actively pursue M&amp;A while maintaining strict discipline, using ROIC as a key investment criterion. We are highly mindful of not overpaying for acquisitions.</p>  |
| <b>Q. What is your approach to shareholder return policy?</b>            | <p>Since our founding, we have placed strong emphasis on maintaining stable dividends, and we have not reduced our dividend even once in the 50 years since 1976, following the oil shock. At the same time, at the current level of shareholder returns, our net assets continue to accumulate year by year, and improving capital efficiency remains a challenge. We are aware that our current target levels are by no means high, and we are continuing internal discussions on what would constitute an appropriate level of shareholder returns.</p>  |
| <b>Q. What is your policy and approach for the real estate business?</b> | <p>Our real estate business originated from the redevelopment of former Textile &amp; Clothing Materials factory sites. Rather than limiting ourselves to simple leasing, we have enhanced added value by directly operating commercial facilities, nursing care and childcare facilities, sports facilities, and other properties. Today, approximately 80% of operating profit in the Human &amp; Future Development business comes from tenant income at commercial facilities and rental income from office buildings and other real estate. In recent years, we have also been leveraging our real estate know-how to redevelop idle land owned by companies that have joined the Group through M&amp;A, thereby further expanding our real estate-related operations.</p> |



## Specific Examples of Dialogue with Shareholders and Investors

### Questions

**Q. What are the factors behind the decline in profit in the Textile & Clothing Materials business in fiscal 2025?**

**Q. What impact do U.S. tariff policies have?**

### Our Responses and Policies

The main reason is sluggish sales of school uniforms. In recent years, there has been a rapid increase in model changes to school uniforms that take LGBTQ considerations into account, and, in addition, about three years ago some cases arose where school uniforms were not delivered in time for entrance ceremonies. Against this backdrop, inventories built up across the entire distribution chain, leading to a decline in sales. As a result, production volume also decreased, which worsened manufacturing efficiency and caused profit margins to deteriorate. The impact of inventory adjustments in the distribution channel is expected to continue into fiscal 2026.

The area most at risk of being affected is primarily the Industrial Machinery & Materials business. If capital investment in the automotive sector is restrained, orders for FA equipment would decline. In addition, if domestic automobile production decreases, sales of non-woven fabrics and felt used in interior materials and other applications would also fall. While there are still aspects for which the outlook is unclear, at this point we do not expect any significant impact.

## 4 .Reference Materials (About the Nikke Group)





## Business Areas and Services of the Nikkei Group

| Sales Composition                       | Business Areas  | Within Segments          | Key Products and Services Offered  |
|---|---|--------------------------|--|
| Textile & Clothing Materials<br>26%     | <ul style="list-style-type: none"> <li>■ Uniforms</li> <li>■ Textiles</li> <li>■ Yarn</li> <li>■ Others</li> </ul>  | 80%<br>15%<br>4%<br>1%   | <u>Uniform materials for schools/Uniform materials for private companies/Uniform materials for government</u><br><u>Clothing materials</u><br><u>Yarn sales</u><br>-   |
| Industrial Machinery & Materials<br>31% | <ul style="list-style-type: none"> <li>■ Automotive</li> <li>■ Environmental</li> <li>■ Other industries</li> <li>■ Consumer-related</li> </ul>   | 47%<br>20%<br>20%<br>13% | <u>FA /Interior materials and cushioning/Thread for airbags and seat Filters (nonwoven fabric)</u><br><u>OA and home appliance materials/Semiconductor-related and imaging equipment/Carpets for homes, offices, and trade shows</u><br><u>Racket sports related/Fishing related/Materials for musical instruments</u> |
| Human & Future Development<br>23%       | <ul style="list-style-type: none"> <li>■ Commercial facility management</li> <li>■ Real estate development</li> <li>■ Lifestyle support</li> <li>■ Communications and new services</li> </ul> | 20%<br>39%<br>31%<br>10% | <u>Shopping centers</u><br><u>Real estate leasing/Sales of solar energy/Construction business</u><br><u>Childcare and after-school childcare/Nursing care/Sports related</u><br><u>Communications</u>  |
| Consumer Goods & Services<br>20%        | <ul style="list-style-type: none"> <li>■ Bedding and business supplies</li> <li>■ Household goods</li> <li>■ Hobby and craft</li> <li>■ Others</li> </ul>                                     | 14%<br>56%<br>15%<br>16% | <u>Bedding/Airline blankets/Disaster supply blankets</u><br><u>Lifestyle appliances and miscellaneous goods/Goods for 100-yen shops/Furniture/Privacy filters for tablets and laptops</u><br><u>Stamping ink and stamps/Equestrian equipment/Knitting yarn</u><br><u>Container sales/Insurance agency</u>              |

※Sales composition and intra-segment sales composition are based on actual results for the fiscal year ending November 2025.

※The sales composition is calculated based on the total company sales, excluding sales of 4,060 million yen from other and adjustment segments.

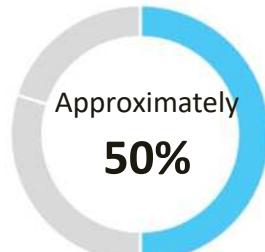
## Features of the Textile & Clothing Materials Business

- ✓ We hold the No. 1 market share in uniform fabrics for junior high and high schools, and have achieved high profitability through relentless efforts to improve productivity.

### The sale of fabrics for school uniforms is a core business.

Approximately 50% of the sales in the Textile & Clothing Materials business are related to school uniforms.

#### Sales Composition



Sales Related to School Uniforms



Fabric for Junior High and High School Uniforms

Approximately 50-60%\*1 market share

#### Business Advantages

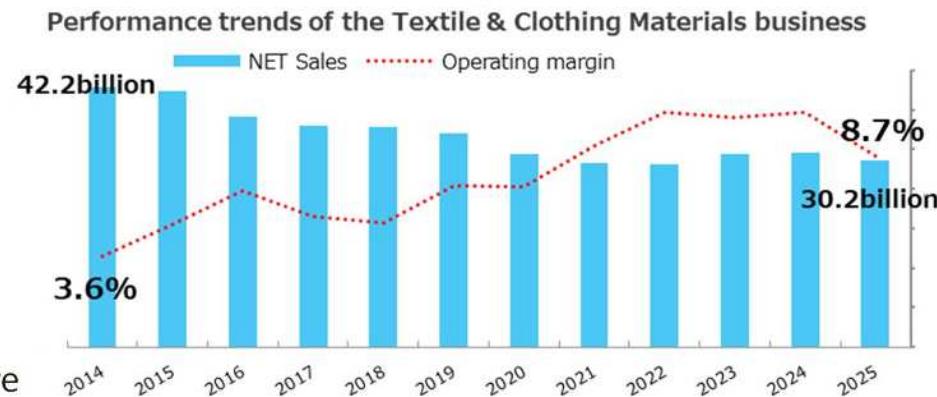
- ✓ Strong Manufacturing Capability.
- ✓ An integrated supply system where the supply chain is completed within the group.

School uniforms must be ready in time for entrance ceremonies, and the color consistency of uniforms must be maintained from the first to the third year. The production of blazer-style uniforms, which often use natural wool as a raw material, requires particularly advanced techniques.

### Continuously improving profitability

In the Textile & Clothing Materials business, we actively work on revising our product lineup and reducing manufacturing costs, thereby continuously improving profitability.

- Reduction in sales of general-purpose items (textiles and yarn)
- Review of manufacturing and sales systems (production consolidation and sales integration)
- Manufacturing rationalization through energy-saving, labor-saving, and automation initiatives



\*1 Estimates by our company (particularly high market share in blazer-style school uniforms)

## Features of the Industrial Machinery & Materials Business

- ✓ Business expansion driven by proprietary technologies in non-woven fabrics, felt, and FA (factory automation)

**Non-woven fabrics and felt products: primarily industrial materials used for automobiles, environmental applications, and OA equipment.**

Second-largest market share in Japan.

### Automotive



### Environmental



### OA equipment



### FA business: Manufacturing and sales of FA equipment



### Consumer-related: Racket sports, fishing thread, etc.



※Market share in the non-woven fabrics and felt market using needle-punch and chemical-bonding production methods (Nikke estimate)



## Features of the Human & Future Development Business

### ✓ Ensuring Stable Cash Flow through Recurring Revenue Streams.

Approximately 80% of the operating profit from the Human & Future Development business comes from rental income from tenants in commercial facilities and real estate leasing income from office buildings and land.

#### Company-operated Commercial Facilities



##### Nikke Colton Plaza

Location: 1-1-1 Onitaka, Ichikawa City, Chiba Prefecture  
Established: November 25, 1988  
Land Area: Approximately 43,000 tsubo  
Retail Space: 71,000 square meters

##### Nikke Parktown

Location: 173-1 Jikemachi, Kakogawa-cho, Kakogawa City, Hyogo Prefecture  
Established: February 8, 1984  
Land Area: Approximately 22,100 tsubo  
Retail Space: 42,000 square meters

- The company operates two commercial facilities: Nikke Colton Plaza and Nikke Parktown.
- In the areas surrounding these commercial facilities, we are deploying a range of community-oriented services such as sports, nursing care, and childcare.
- By operating each service in-house, we enhance added value and improve profitability.

#### Pursuing Stability and Profitability Improvement

By reassessing the utilization of owned real estate and enhancing its added value, we strive to secure stable income while working to improve profitability.



Solar Energy Sales Facility  
(Hyogo Prefecture)

#### Change of Use

Golf  
Course

#### Solar Energy Sales Facility

Additionally, properties with decreased profitability or those in remote locations that present management challenges are sold as circumstances dictate.

#### Sales Record

2019 : 1cace  
2023 : 3caces  
2024 : 1cace

## Features of the Consumer Goods & Services Business

- ✓ We are expanding our operations by grouping together, through M&A, companies that handle distinctive consumer-related products.

### Bedding and business supplies: Bedding, business-use supplies, disaster relief blankets, etc.



Nikkei Shoji



### Lifestyle appliances and miscellaneous goods: Lifestyle appliances, miscellaneous goods, furniture and bedding, etc.



### Hobby and craft: Stamps, stamping ink, horse riding goods, etc.



TSUKINEKO

KODOMO NO KAO

HORSY  
INTERNATIONAL CO., LTD.

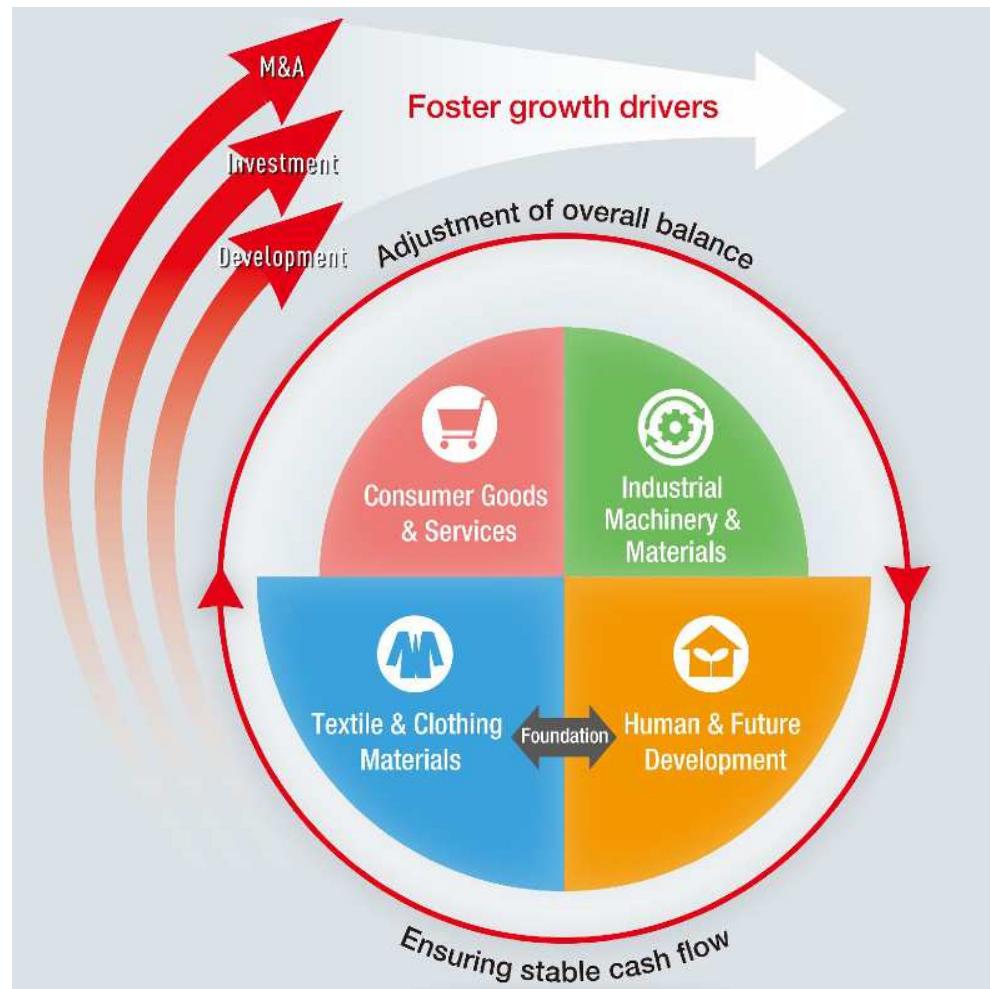


THANKO

Interior Office One

MIYAKO  
Corporation

# Strengths of the Four-Business Structure



## Business Portfolio Strategy

By leveraging the cash flow generated from the stable revenue base of the Textile & Clothing Materials' uniform business and the Human & Future Development's real estate development and commercial facility management business, we will make growth investments (such as M&A) in sectors like Industrial Machinery & Materials and Consumer Goods and Services that can swiftly seize business opportunities.



## Performance by Segment (5-Year Trends)

|                                  |                  | (Unit: million yen) | 2021/11 | 2022/11 | 2023/11 | 2024/11 | 2025/11 |
|----------------------------------|------------------|---------------------|---------|---------|---------|---------|---------|
| Textile & Clothing Materials     | Net Sales        | 29,872              | 29,735  | 31,359  | 31,557  | 30,282  |         |
|                                  | Operating Profit | 2,749               | 3,234   | 3,323   | 3,455   | 2,645   |         |
|                                  | Operating margin | 9.2%                | 10.9%   | 10.6%   | 10.9%   | 8.7%    |         |
|                                  | ROIC             | 6.1%                | 7.0%    | 6.8%    | 6.5%    | 4.5%    |         |
| Industrial Machinery & Materials | Net Sales        | 20,390              | 23,853  | 24,713  | 30,836  | 35,177  |         |
|                                  | Operating Profit | 1,235               | 1,952   | 1,586   | 1,972   | 2,875   |         |
|                                  | Operating margin | 6.1%                | 8.2%    | 6.4%    | 6.4%    | 8.2%    |         |
|                                  | ROIC             | 3.6%                | 5.8%    | 4.5%    | 4.9%    | 6.2%    |         |
| Human & Future Development       | Net Sales        | 34,059              | 34,938  | 32,870  | 26,488  | 26,679  |         |
|                                  | Operating Profit | 6,115               | 6,151   | 7,086   | 6,977   | 6,772   |         |
|                                  | Operating margin | 18.0%               | 17.6%   | 21.6%   | 26.3%   | 25.4%   |         |
|                                  | ROIC             | 16.1%               | 16.6%   | 22.8%   | 20.1%   | 18.7%   |         |
| Consumer Goods & Services        | Net Sales        | 18,685              | 16,802  | 20,799  | 22,527  | 23,199  |         |
|                                  | Operating Profit | 1,410               | 953     | 555     | 847     | 1,051   |         |
|                                  | Operating margin | 7.6%                | 5.7%    | 2.7%    | 3.8%    | 4.5%    |         |
|                                  | ROIC             | 10.1%               | 5.5%    | 2.9%    | 4.6%    | 6.3%    |         |
| Others                           | Net Sales        | 3,612               | 3,720   | 3,755   | 4,028   | 4,038   |         |
|                                  | Operating Profit | -1,610              | -1,584  | -1,536  | -1,611  | -1,432  |         |
| TOTAL                            | Net Sales        | 106,619             | 109,048 | 113,497 | 115,438 | 119,377 |         |
|                                  | Operating Profit | 9,900               | 10,707  | 11,016  | 11,640  | 11,913  |         |
|                                  | Operating margin | 9.3%                | 9.8%    | 9.7%    | 10.1%   | 10.0%   |         |
|                                  | ROIC             | 6.1%                | 5.5%    | 5.9%    | 6.7%    | 5.6%    |         |



# Capital Policy and Shareholder Returns

## Basic concept

- ✓ The company is oriented towards a balance between growth investment and stable shareholder returns.
- ✓ Investment in growth will be actively implemented from the perspective of increasing medium- and long-term corporate value, including investment in research and development, mergers and acquisitions, capital expenditure and human capital.

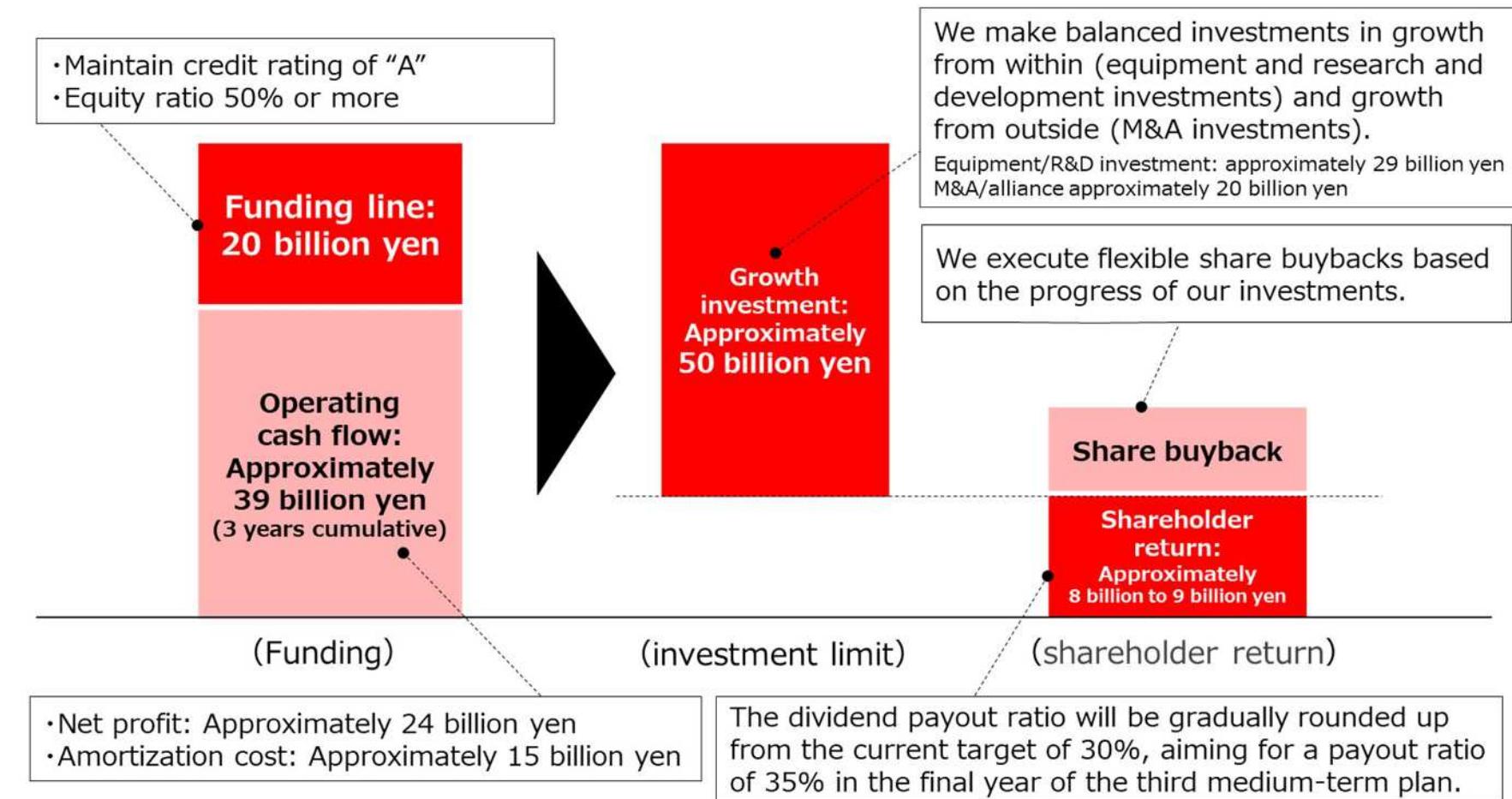
## Shareholder Return policy

- ✓ We will adhere to a "progressive dividend" policy that does not reduce dividends.
- ✓ Regarding the dividend payout ratio, we aim to gradually increase it from the current benchmark of 30% to 35% by the final year of the third mid-term plan.
- ✓ We will use DOE (dividend on equity ratio) as an indicator, targeting 2.5% by the final year of the third mid-term plan.
- ✓ Taking into account the progress of investments, we will conduct flexible share buybacks to enhance comprehensive shareholder returns.

# Cash Allocation

## Balance between growth investment and financial investment

We will raise the necessary funds while maintaining financial soundness and expand growth investments and shareholder returns.





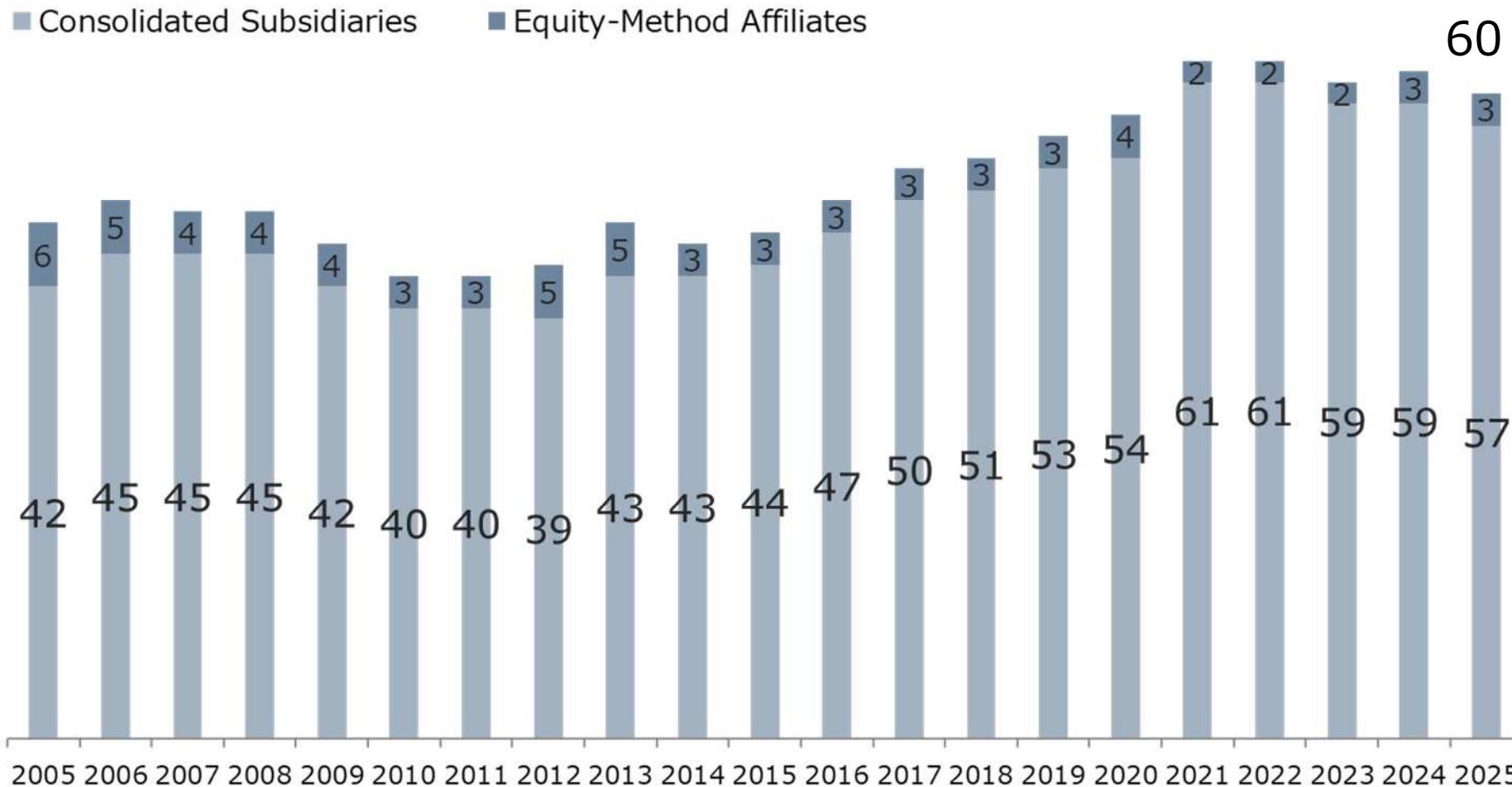
# Nikkei Group Materialities



| Social issues and needs   | Materiality  | Response   | Main actions   |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>Addressing the falling birthrate and aging population</li> <li>Achieving wellbeing</li> </ul>  | <b>Improve health and comfort</b><br>Support for a comfortable life              | <ul style="list-style-type: none"> <li>Contribute to revitalizing the local area and to creating a more convenient urban environment by providing a range of community-based, comprehensive services based in shopping centers</li> <li>Help people to balance their work with childcare/nursing care responsibilities and, thereby, contribute to improving their quality of life by operating nursing care and childcare facilities that meet the needs of users</li> <li>Utilize textile-related technology to develop medical devices that put less strain on the body, as well as cell culture substrates that facilitate regenerative medicine and drug discovery research, to thereby contribute to improvement in people's health and quality of life</li> </ul>   | <ul style="list-style-type: none"> <li>Hosting of community-friendly activities (events)</li> <li>Hosting of the open-air Craft in Action exhibition</li> <li>Operation of the Nikkei Nursing Village comprehensive nursing care facility</li> <li>Operation of licensed nursery centers, after-school day care centers, and bilingual kindergarten</li> <li>Development, manufacture, and sales of medical devices that use biodegradable materials as a core technology</li> <li>Development, manufacture, and sales of cell culture scaffolding materials utilizing fiber technology that contributes to iPS cell research and other endeavors</li> </ul>   |
| <ul style="list-style-type: none"> <li>Ensuring product safety</li> <li>Stable supply of high-quality products</li> </ul>   | <b>Improve safety and security</b><br>Value chain management                     | <ul style="list-style-type: none"> <li>Undertake ongoing review and strengthening of our quality control system to provide satisfying products to customers</li> <li>Ensure the safety of the products we provide to customers by establishing a system that enables identification of the origin and quality of raw materials</li> <li>Provide a stable and ongoing supply of products by optimizing the value chain</li> </ul>   | <ul style="list-style-type: none"> <li>Establishment of a quality control system based on the ISO 9001 management system</li> <li>Supply of products approved by third-party evaluation organizations in Japan</li> <li>Construction of a system that allows traceability of raw materials to finished products</li> </ul>   |
| <ul style="list-style-type: none"> <li>Climate action</li> <li>Addressing energy issues</li> <li>Moving away from mass production and mass consumption</li> </ul>                                       | <b>Protect the environment</b><br>Contribute to a sustainable global environment | <ul style="list-style-type: none"> <li>Contribute to reducing environmental impact by researching, developing, and selling environmentally friendly products</li> <li>Contribute to a circular economy by reusing products and using recycled materials</li> <li>Provide renewable, clean energy through solar power generation</li> <li>Undertake ongoing review and strengthening of our environmental protection system in recognition of the fact that protecting the global environment is our most important management issue</li> <li>Carry out energy conservation measures in each business</li> </ul>  | <ul style="list-style-type: none"> <li>Manufacture and sale of ADMIREX®, a high-performance filter bag that collects harmful substances in the air</li> <li>Manufacture and sale of textile materials using an innovative spun yarn, Breeza®, which reduces the release of microplastics by approximately 70% at the time of being worn or washed</li> <li>Research and commercialization of fiber technology using biomass materials</li> <li>Research and commercialization of fiber-making technology using marine biodegradable materials</li> <li>Establishment and utilization of recycled carbon fiber nonwoven fabric manufacturing technology</li> <li>Recycling used uniforms through the Eco-ship and Eco-network projects</li> <li>Establishing a system to recycle clothing into clothing</li> <li>Utilization of recycled synthetic fibers</li> <li>Contribution to the maintenance and strengthening of the textile product resource circulation system</li> <li>Provision of renewable energy through solar power generation at Nikkei Machiraka Power Plants and other facilities</li> <li>Establishment of an environmental conservation system based on the ISO 14001 management system</li> <li>Active and continuous investment in energy-saving equipment</li> </ul> |
| <ul style="list-style-type: none"> <li>Ensuring thorough compliance</li> <li>Respect for human rights</li> <li>Promoting diversity and inclusion</li> <li>Health and productivity management</li> </ul> | <b>Strengthen business foundation</b>  | <ul style="list-style-type: none"> <li>Put in place effective governance and take the initiative in disseminating and ingraining the Nikkei Group Corporate Code of Ethics throughout the Nikkei Group in recognition of the important role that practicing corporate ethics has for the Nikkei Group</li> <li>In accordance with the UN Guiding Principles on Business and Human Rights, support and respect internationally recognized human rights agreements and labor standards, strive to foster mutual understanding and respect so that no one is treated unfairly on the basis of race, sex, religion, gender identity, or disability, and strive to build a corporate group that is trusted by society</li> <li>Seek out a wide range of human resources to bring together a diversity of knowledge that leads to business innovation</li> <li>Aim to be a vibrant and energetic company and strive to maintain and improve the health of our employees (Nikkei Health Declaration)</li> </ul> | <ul style="list-style-type: none"> <li>Implementation of compliance training</li> <li>Reading through the Nikkei Group Corporate Ethics Handbook</li> <li>Formulation, announcement, and internal dissemination of our human rights policy</li> <li>Development of human rights due diligence initiatives</li> <li>Announcement of the Nikkei Group Declaration of Responsible Corporate Conduct</li> <li>Employment unbiased by age, gender, race, ethnicity, etc.; creation and operation of a raise and promotion system</li> <li>Support for balancing child rearing with work through the development of childcare leave and childcare reduced working hours systems that go beyond what is required by law</li> <li>Abolition of employment-type-based working conditions/disparities</li> <li>Prevention of workplace accidents through thorough risk assessment and safety education</li> <li>Application of the results of stress check, working hours, and annual paid leave utilization analysis to the improvement of work environments</li> <li>Conducting health promotion seminars and other events</li> </ul>  |



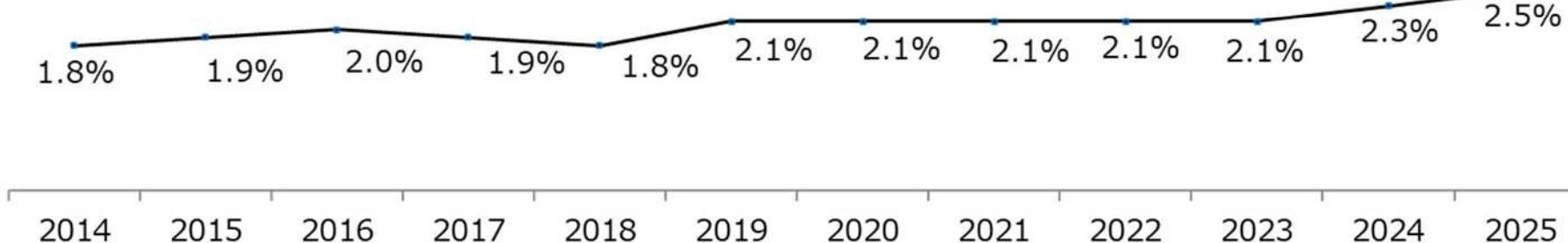
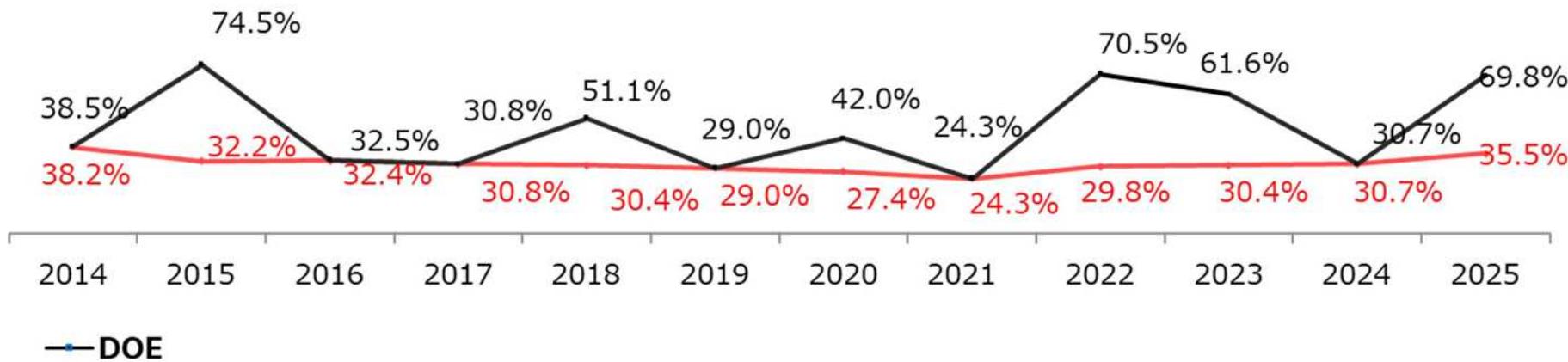
## Trends in the Number of Consolidated Companies in the Nikkei Group



※Number of Nikkei Group companies as of the end of November each year

# Dividend Indicator

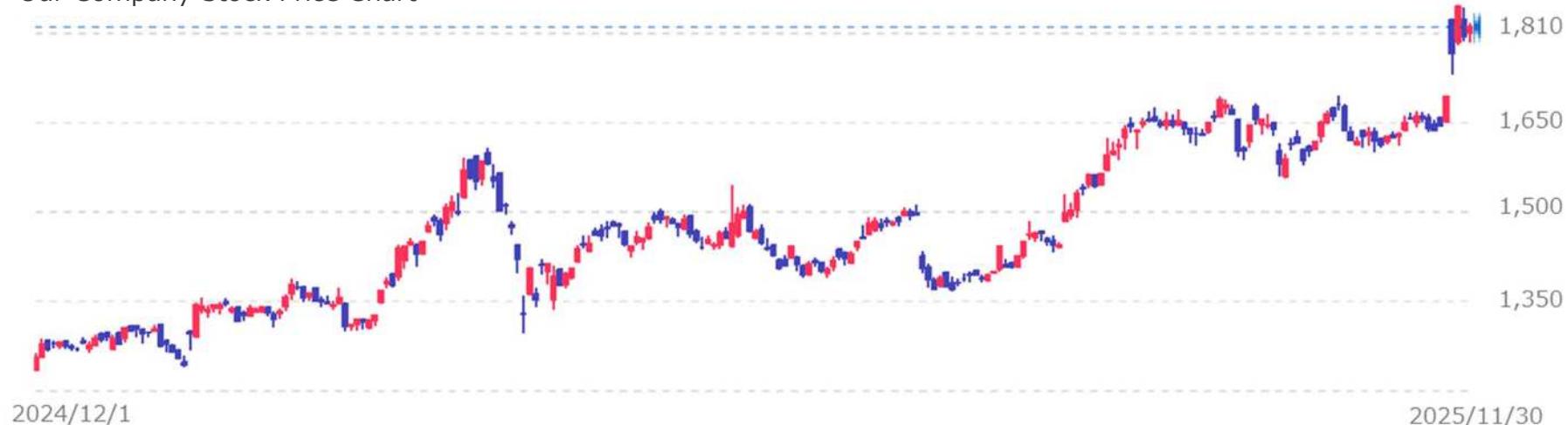
— Dividend Payout Ratio — Total Return Ratio





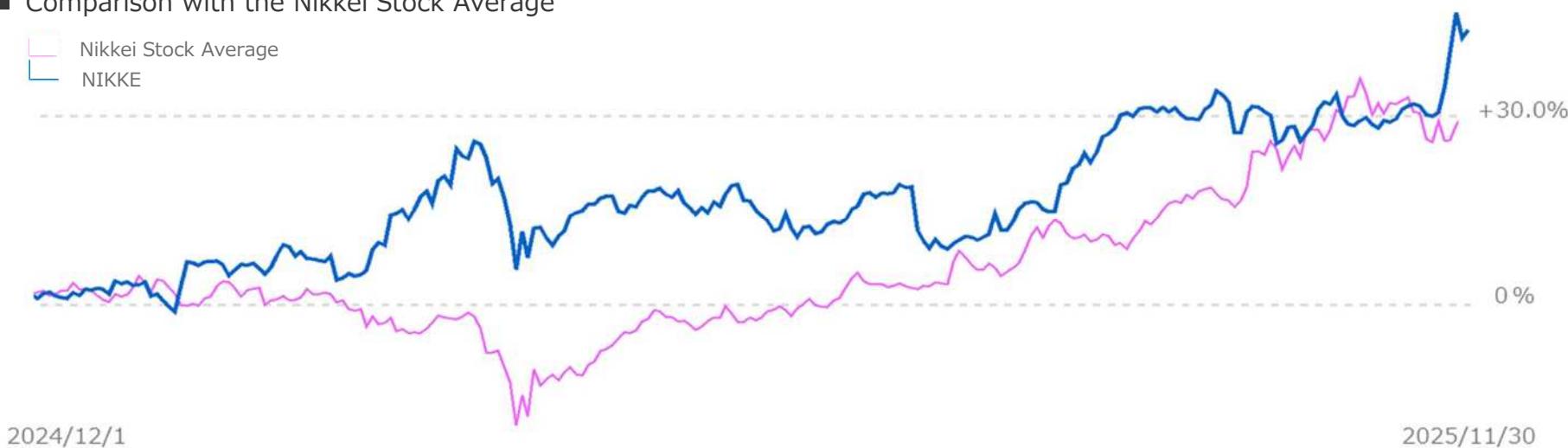
# Stock Price Chart (2024/12/1~2025/11/30)

## ■ Our Company Stock Price Chart

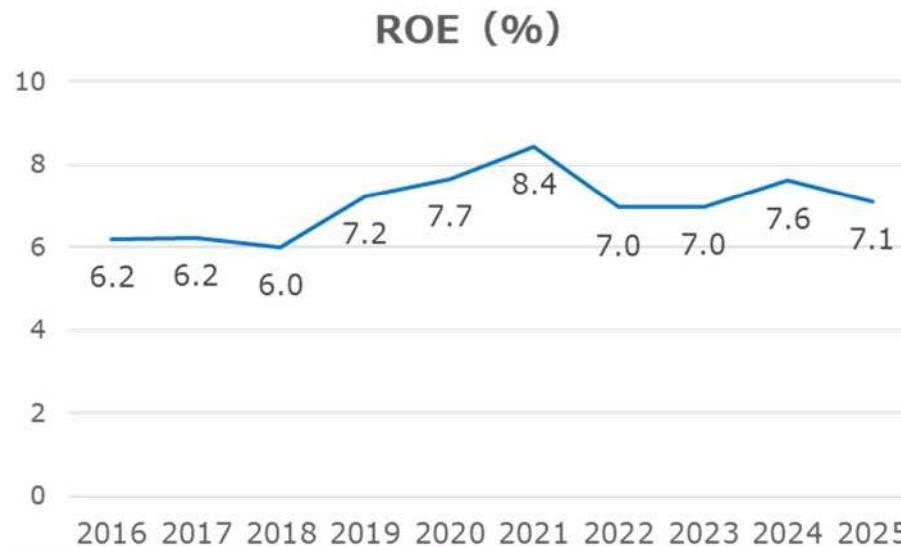
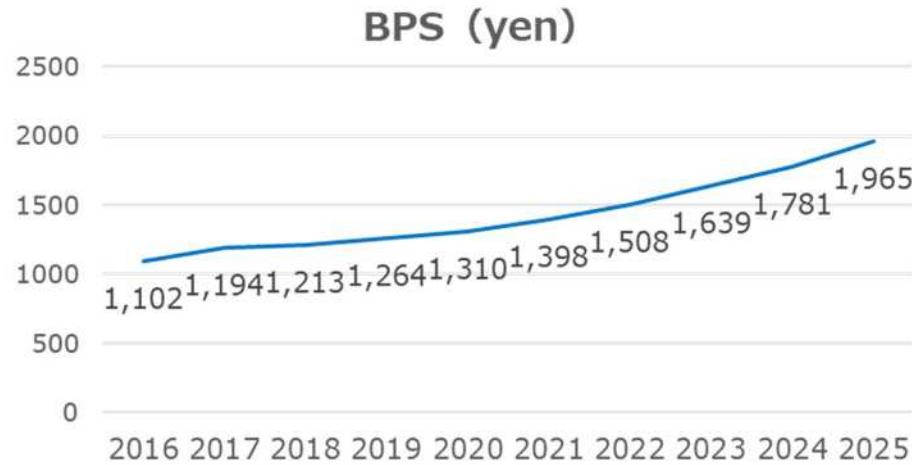


## ■ Comparison with the Nikkei Stock Average

Nikkei Stock Average  
NIKKE



# ※Key Management Indicators①



## ※Key Management Indicators②

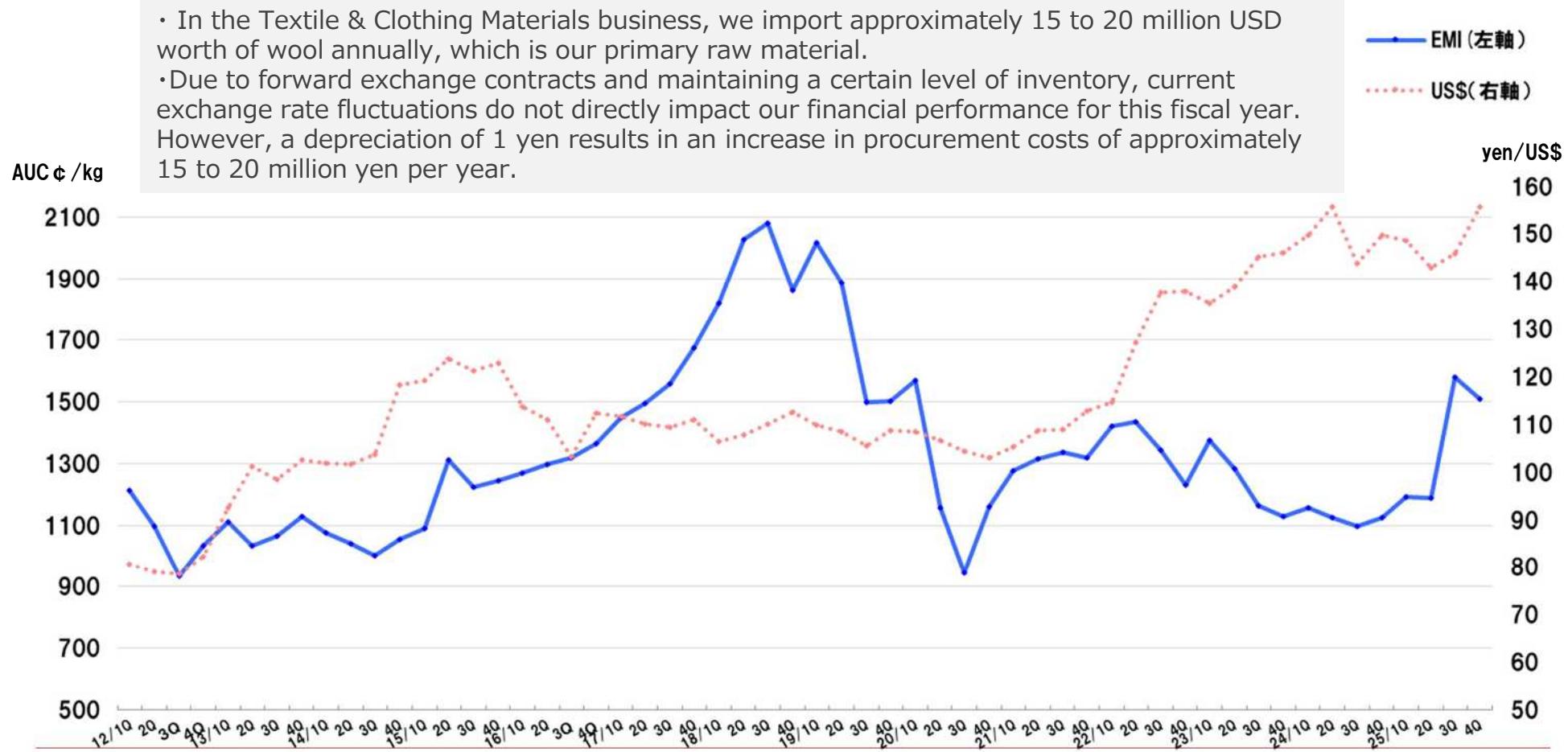


※Trends in Wool Raw Material Prices and Foreign Exchange Rates

## EMI (Australian Wool Eastern Market Price Indicator)

### (Reference) Impact of Exchange Rates

- In the Textile & Clothing Materials business, we import approximately 15 to 20 million USD worth of wool annually, which is our primary raw material.
- Due to forward exchange contracts and maintaining a certain level of inventory, current exchange rate fluctuations do not directly impact our financial performance for this fiscal year. However, a depreciation of 1 yen results in an increase in procurement costs of approximately 15 to 20 million yen per year.





Regarding the handling of this material

Statements regarding performance forecasts, forecasts, business plans, etc. in this material have been prepared based on information available as of the date of this financial results announcement, and do not guarantee future performance.