

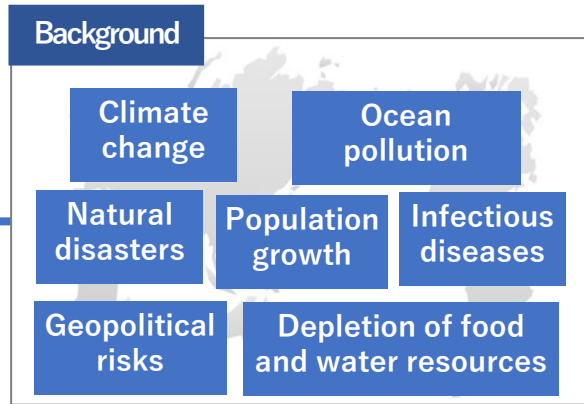
May 30, 2025

# The 5th Mid-term Management Plan of the Nihon Parkerizing Group

(Fiscal year ending March 2026 ~ Fiscal year ending March 2028)

# the 5th Group Medium-term Management Plan and Vision2030

As we approach our centenary in 2028, and beyond into the future, We aim to address social issues with surface modification technology!



**Sowing and Harvesting for the Realization of Vision2030**

Under the slogan “Challenge for Transformation,” we are committed to deepening our existing businesses, expanding global operations, and exploring new business domains.



- The company started business in 1928 with 9 employees
- In 1965, the company expanded into Taiwan and has been activity expanding globally, with bases now in 12 countries and regions in the world.
- Selected as one of the 100 Global Niche Top Companies (2017).

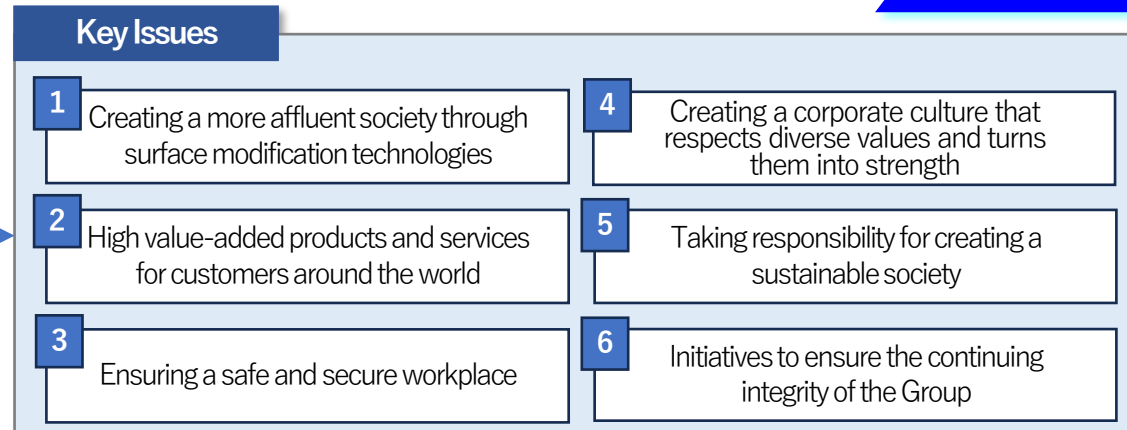
4th

**5th mid-term management plan**

6th

**Vision2030**

**Enhancing Corporate Value**



- Social and Environmental Value**
- Carbon neutrality
  - Resource conservation
  - Safe and secure lifestyles

- Economic Value**
- Consolidated net sales: 200 billion yen
  - Existing businesses: 160 billion yen
  - New business domains: 40 billion yen (20%)
  - ROE: 10% or higher

- Strategic Direction**
- Develop technologies that contribute to addressing social issues such as decarbonization
  - Promote regional management and strengthen global operations
  - Nurture and strengthen new business domains, and expand the business portfolio
  - Deepen existing businesses and enhance profitability
  - Further strengthen collaboration within the Group (Chemicals, Processing, Equipment, and Medical Devices)

# Review of the 4th Group Medium-Term Management Plan

## Review of the 4th Group Medium-Term Management Plan

(Unit: million yen)

	A Actual 2025/3	B Plan 2025/3	A-B Change	
Sales	132,281	130,000	+2,281	Achieved
Chemicals	57,616	56,000	+1,616	Achieved
Equipment	24,206	20,000	+4,206	Achieved
Jobbing	47,753	52,000	-4,247	Not Achieved
Others	2,704	2,000	+704	Achieved
Operating income	14,998	16,900	-1,902	Not Achieved
Ordinary income	19,936	19,500	+436	Achieved
Operating profit margin	11.3%	13%以上	-1.7%	Not Achieved
Sales ordinary income ratio	15.1%	15%以上	+0.1%	Achieved
ROE	6.9%	8~10%以上	-1.1%	Not Achieved

### ■ Progress Toward Numerical Targets

- Sales revenue achieved the target, partly due to the positive impact of the weaker yen. However, sales in the processing business fell short of the target due to a decline in automobile production volume and intensified global competition.
- Operating profit also fell short of the target due to the decline in processing business revenue and rising costs associated with inflation.
- Ordinary profit met the target, supported by an increase in dividend income and equity-method investment gains.
- ROE fell short of the target of 8%, despite proactive shareholder returns such as increased dividends and share buybacks.

### ■ Building a Foundation for Achieving Vision 2030

- In July 2024, we made Parker Processing Co., Ltd. a wholly owned subsidiary.
- To strengthen our technological development capabilities, we constructed the Parker Innovation Center, which is scheduled to open in April 2025. Within the center, we established the Advanced Technology Research Department and the Core Technology Research Department.
- In March 2025, we decided to establish Parker MedTech Co., Ltd. to strengthen the development of medical devices using our surface modification technologies.

## Issues Recognized in the 5th Group Medium-Term Management Plan

Amid increasingly intense global competition, the 5th Group Medium-Term Management Plan continues to focus on deepening existing businesses, expanding overseas operations, developing new technologies, and exploring new business domains.

In addition, we recognize the need to strengthen our corporate structure and enhance our sales capabilities to improve competitiveness in the processing business.

# Initiatives to Realize Vision 2030

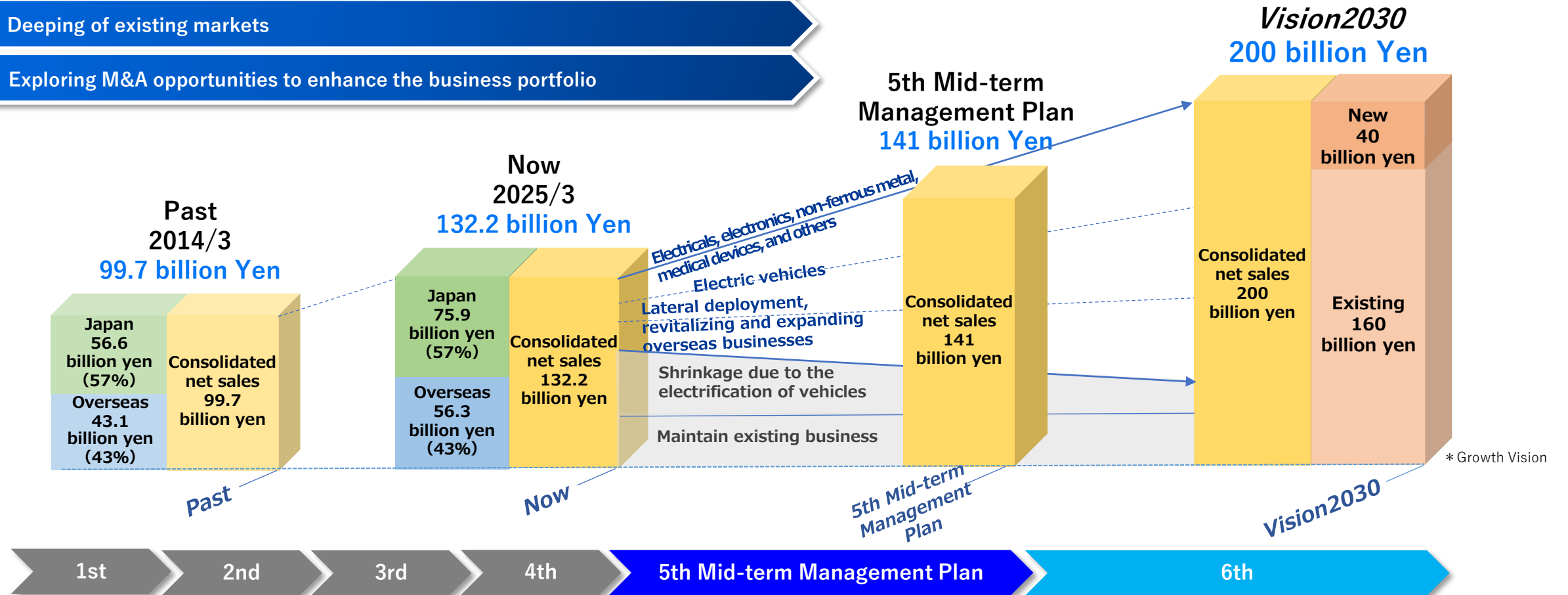
Global business expansion through regional management

Expand R&D themes related to the environmental issues, including decarbonization

Development of new business domain beyond the automotive and steel industries

Deeping of existing markets

Exploring M&A opportunities to enhance the business portfolio



# Three Priority Areas

## Challenge for Change

### *Sowing and Harvesting for the Realization of Vision2030*

Establishment of a Regional Management Structure	Expansion of overseas business through marketing and technology development tailored to regional needs.
Promotion of Company-wide Integrated R&D	Collaboration between the new Integrated Technology Research Institute and each business division to develop new technologies and explore new business domains.
Promotion of Technology Development Contributing to Solving Social Issues	Promoting the development of technologies aimed at realizing a sustainable society, including carbon neutrality and energy efficiency.
Promotion of Open Innovation	Creating new value by strengthening collaboration with external partners such as companies, universities, and research institutions, and actively leveraging both internal and external technologies and ideas.
Promotion of the Medical Device Business	Accelerating the development of medical devices utilizing surface modification technologies to contribute to the advancement of healthcare and the improvement of public health.
Expansion of the Business Portfolio	Diversification of revenue sources through the development of new markets and businesses.
Maximization of Group Synergies	Enhancing overall group capabilities by promoting business structure reforms, including group reorganization, and strengthening collaboration among group companies and divisions (Chemicals, Processing, and Equipment).

### *Business Transformation*

Review of Business Processes	All employees are encouraged to embrace a mindset of transformation and proactively engage in business process reform.
Enhancing Operational Efficiency and Value Creation	Improving productivity by eliminating waste, utilizing AI, and promoting digital transformation (DX).
Standardization and Optimization of Business Processes	Standardizing business processes across the entire group to enable efficient operations.

### *Human Resource Development*

Development of Global Talent	Developing self-driven talent capable of boldly tackling problem-solving and promoting new business initiatives both in Japan and overseas.
Promotion of Diversity	Creating innovation by providing opportunities for diverse talent to fully demonstrate their potential.

# Strengthening the management base (5 items)

## Strengthening the Group-Wide Management Foundation to Support Sustainable Growth

### *Strengthening the 3Gs (Group, Global, Governance)*

Maximizing group synergy through strengthening group collaboration

Providing solutions that contribute to addressing social issues globally by leveraging the comprehensive strength of the group

Enhancing corporate value through governance that balances proactive initiatives and risk management

### **Ensuring Safety**

Under the principle that safety takes precedence over everything, we promote safety, environmental, and health activities through unified efforts by all stakeholders, including all employees and contractors, to achieve zero workplace accidents.

We prioritize the safety and health of everyone working within our group, striving to create a safe and secure work environment while promoting both mental and physical well-being.

### *Quality Improvement*

We are committed to continuous quality improvement across the entire Group to enhance customer satisfaction.

We comply with all applicable laws and regulatory requirements to provide our customers with safe and reliable products and services.

### *Promotion of Sustainability*

Continuing and expanding efforts to reduce GHG emissions through initiatives such as the adoption of renewable energy.

Promoting initiatives for a circular economy and nature positive outcomes

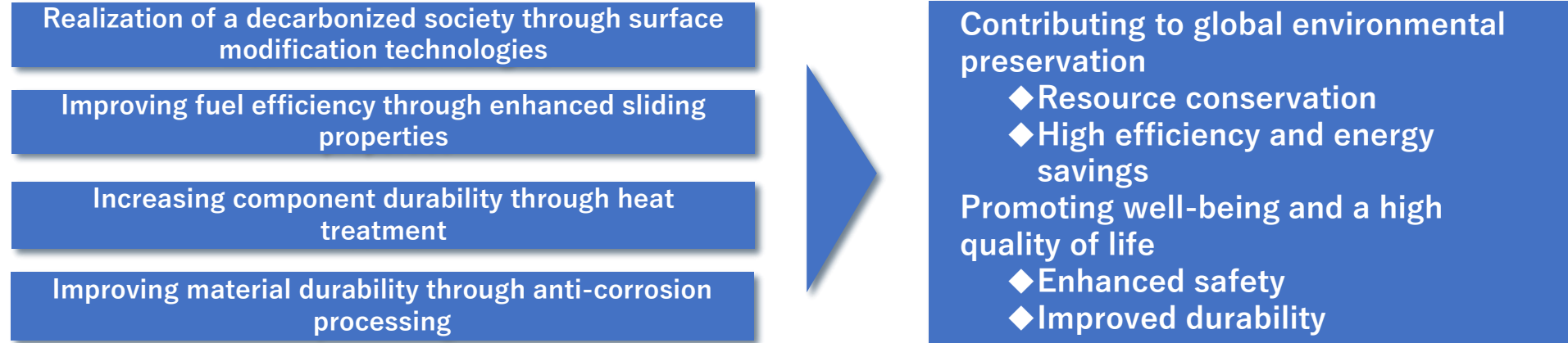
### *Enhancing Capital Efficiency and Returning Profits to Shareholders*

ROE of 8% or higher (10% or higher over the long term)








Enhancing shareholder returns, including agile share buybacks

# Parker Rising Group's technology supports daily life

The Nihon Parkerizing Group, with a philosophy of being a technology-oriented company and as a specialist in surface modification, is engaged in the research and development of technologies that add various functions to material surfaces. Through this, we contribute to the preservation of the global environment and the creation of a prosperous society in fields such as chemicals, processing, equipment, and medical care.

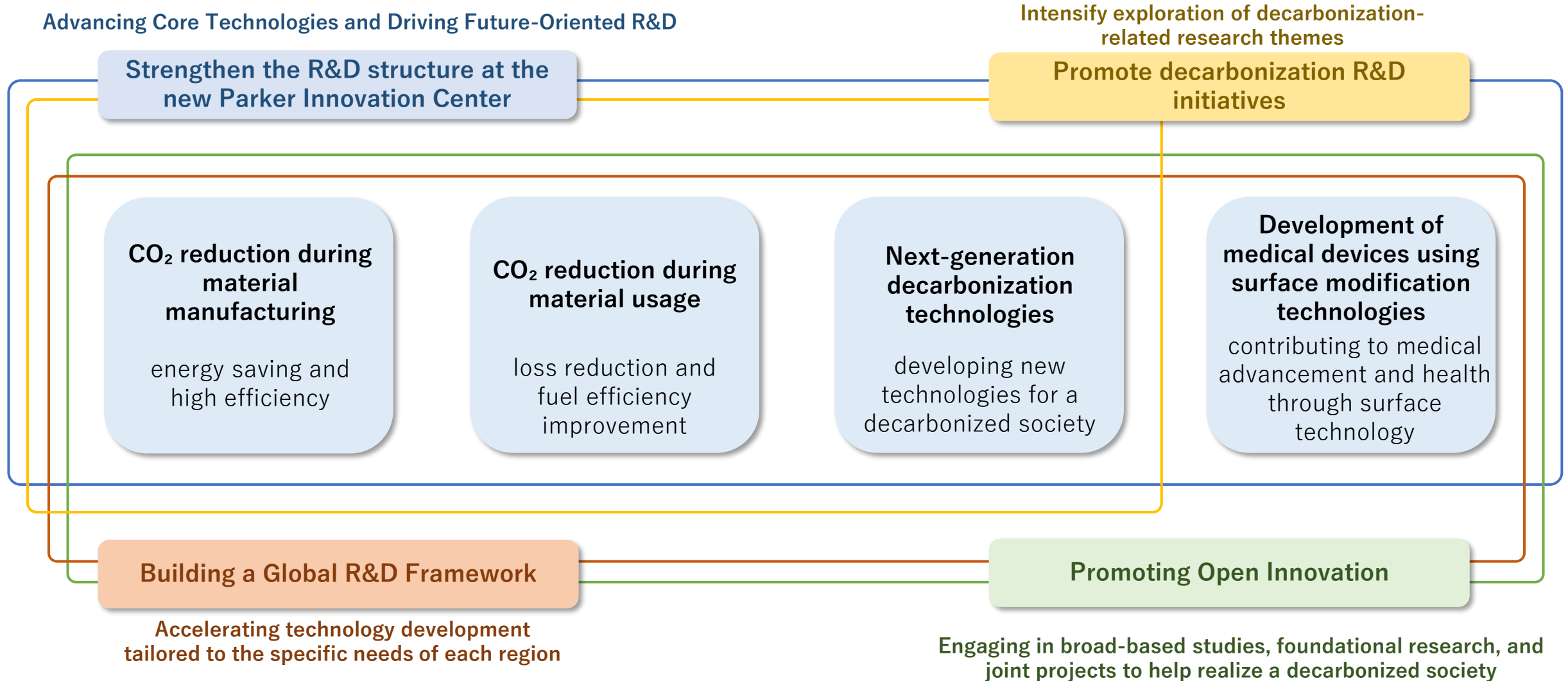


## Technologies of the Nihon Parkerizing Group That Support Everyday Life

<p>For cars that drive around town</p>  <p>Our technologies protect their bodies from corrosion, improving their durability</p>	<p>For skyscrapers that line the streets</p>  <p>We contribute to protecting building structures from earthquakes by improving the adhesion of seismic isolation rubber.</p>	<p>For aluminum cans that we see every day</p>  <p>We increase the adhesion between the can surface and paint, thus making cans look better.</p>	<p>For home appliances for everyday use</p>  <p>We contribute to extending the service life of refrigerators by improving lubrication at the compressor.</p>	<p>For satellites that shine in the night sky</p>  <p>We have developed a lubricant that is effective even in the vacuum of space. We supply it to artificial satellites.</p>	<p>For airplanes that fly through the skies</p>  <p>We improve the corrosion resistance of airplanes' aluminum surfaces to protect them from the harsh flying environment.</p>	<p>For medical devices that protect our health</p>  <p>We develop surface coatings tailored to the needs of medical devices, including anti-fouling, hydrophilic, and anti-fog treatments.</p>
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# Development of surface modification technology that contributes to solving social issues

## Promoting open innovation centered on the new Parker Innovation Center



# Sowing and reaping the fruits of Vision 2030

Following the 4th Med-Term Management Plan, we will continue to advance the following initiatives as a unified Group.

## ■ Initiatives Toward a Decarbonized Society

- Expand R&D themes in the environmental field to contribute to the realization of a decarbonized society.
- In addition to advancing technologies that support vehicle electrification—such as imparting conductivity and insulation, enhancing wear and heat resistance, and implementing low-distortion heat treatment—we are also focusing on the development of next-generation automotive technologies, including anti-glare processing and dissimilar material joining.
- Development of surface treatment technologies that improve sliding properties and insulation, reduce CO<sub>2</sub> emissions, and enhance energy efficiency.
- Development of reduce, reuse, and recycle (3R) technologies that contribute to the realization of a circular economy, in alignment with the principles of the SDGs.
- Creating added value through cross-industry collaboration.
- Actively promote partnerships by applying our adhesion enhancement technologies to customers' raw materials to improve product value.

## ■ Development of New Business Domains and Strengthening of Business Foundations

- Expand our business beyond the automotive and steel sectors.
- Strengthen our presence in new fields such as semiconductors, electronics and electrical equipment, and life sciences (e.g., medical devices, cosmetics, daily living products).
- Explore opportunities for new business creation.
- Expand the business portfolio through strategic M&A.



Electric vehicles



Electricals and electronics



medical devices



Electrosurgical instruments



Enhanced insulation and heat resistance






Antibacterial spray

## News Release – March 25, 2025

We plan to establish a new company, Parker Med Tech Co., Ltd., through an incorporation-type company split, with the effective date scheduled for July 1, 2025. The new company will assume the rights and obligations related to our medical device business. Going forward, we will further strengthen our research and development structure, including the application of our proprietary technologies to Class IV specially controlled medical devices.

**Our mission is to contribute to the well-being of patients and all those involved by providing medical devices that utilize our surface modification technologies.**

**We develop and deliver high-performance products that help reduce the burden on both patients and medical professionals.**

		
<p>MEDICAL DEVICE DEPARTMENT <b>CHIDORI®</b></p> <p>By coating specific areas of the blade tip of an electrosurgical knife, we have added two new functions: the ability to suppress carbide adhesion, and to control temperature in-crease.</p>	<p>MEDICAL DEVICE DEPARTMENT <b>RAIKIRI®</b></p> <p>Shaped to alleviate hand fatigue even in long-duration surgery, this scalpel is treated with a nonslip coating to promote ease of grip during surgery.</p>	<p>MEDICAL DEVICE DEPARTMENT <b>Surface Treatment for Medical Devices</b></p> <p>We augment medical devices with surface coating by applying and drying chemical agents. Our coatings can be applied to a wide range of materials, including metals, glass, ceramics, and resins.</p>

# Promoting regional management

Providing products and services that meet local needs in each region where high economic growth is expected, such as India and ASEAN, we will expand our business and aim to achieve Vision 2030 !

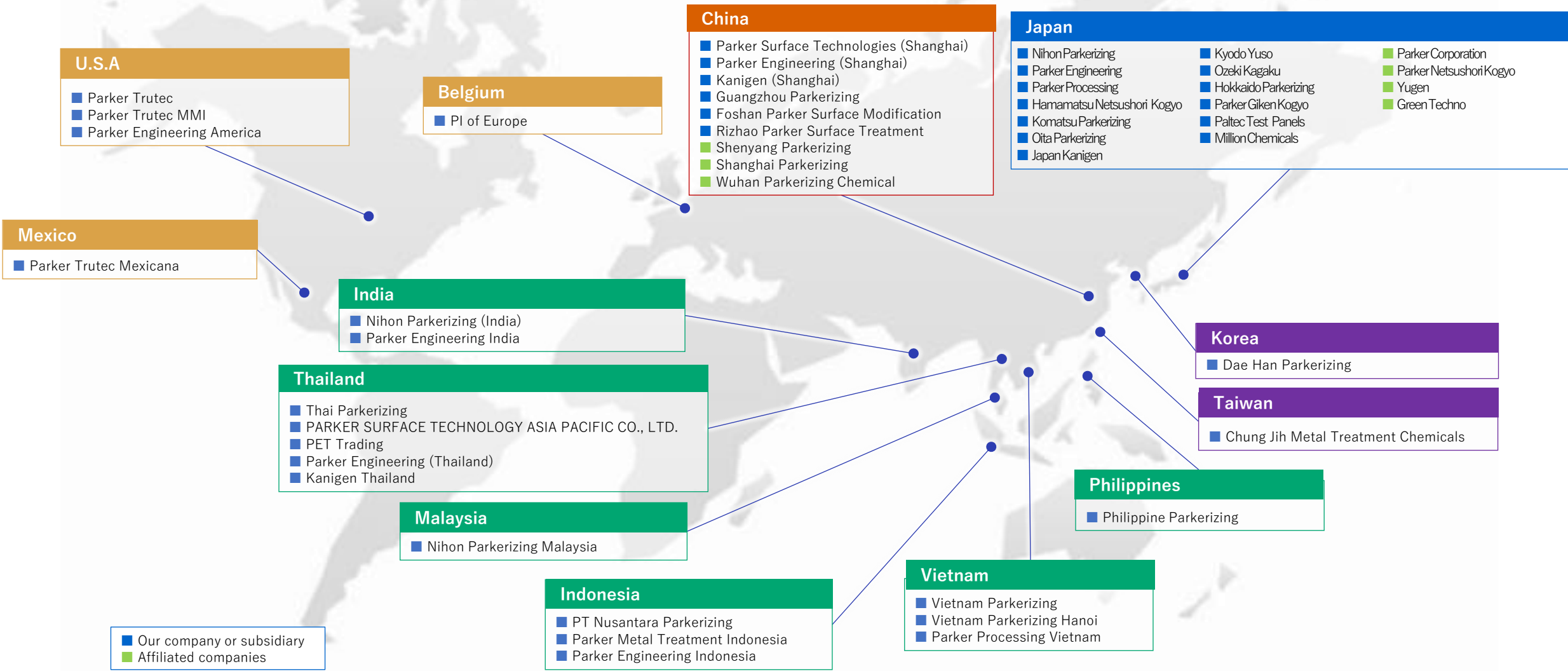
- Divide the overseas market into 4 regions and assign the director in charge for each region  
~ ① India and ASEAN, ② China, ③ Korea and Taiwan, ④ Europe and North America ~
- Each region will take its own responsibility, make decisions quickly, and accurately grasp market trends
- Using a market-in approach, understanding customer needs in each region and reflect them in products and services
- Strengthen profit and loss management by clearly defining targets for each region  
Enhance human resource management by promoting diversity

**Think Globally & Act Locally**

**of, by, and for the Local**

# Subsidiaries and affiliated companies (As of March 31, 2025)

## Strengthening cooperation between group companies × Expanding overseas business



## Developing technologies to meet local needs

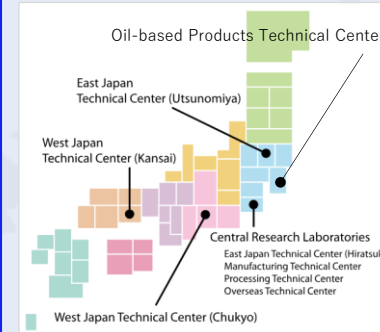
### PARKER SURFACE TECHNOLOGIES (SHANGHAI) CO.,LTD.



- R&D base in China, selecting R&D themes to meet local needs.
- Providing consulting and marketing services related to surface treatment technology.

## Providing technical support to customers

### Parker Innovation Center



Expanding the Central Research Laboratories (Opened in 2025)

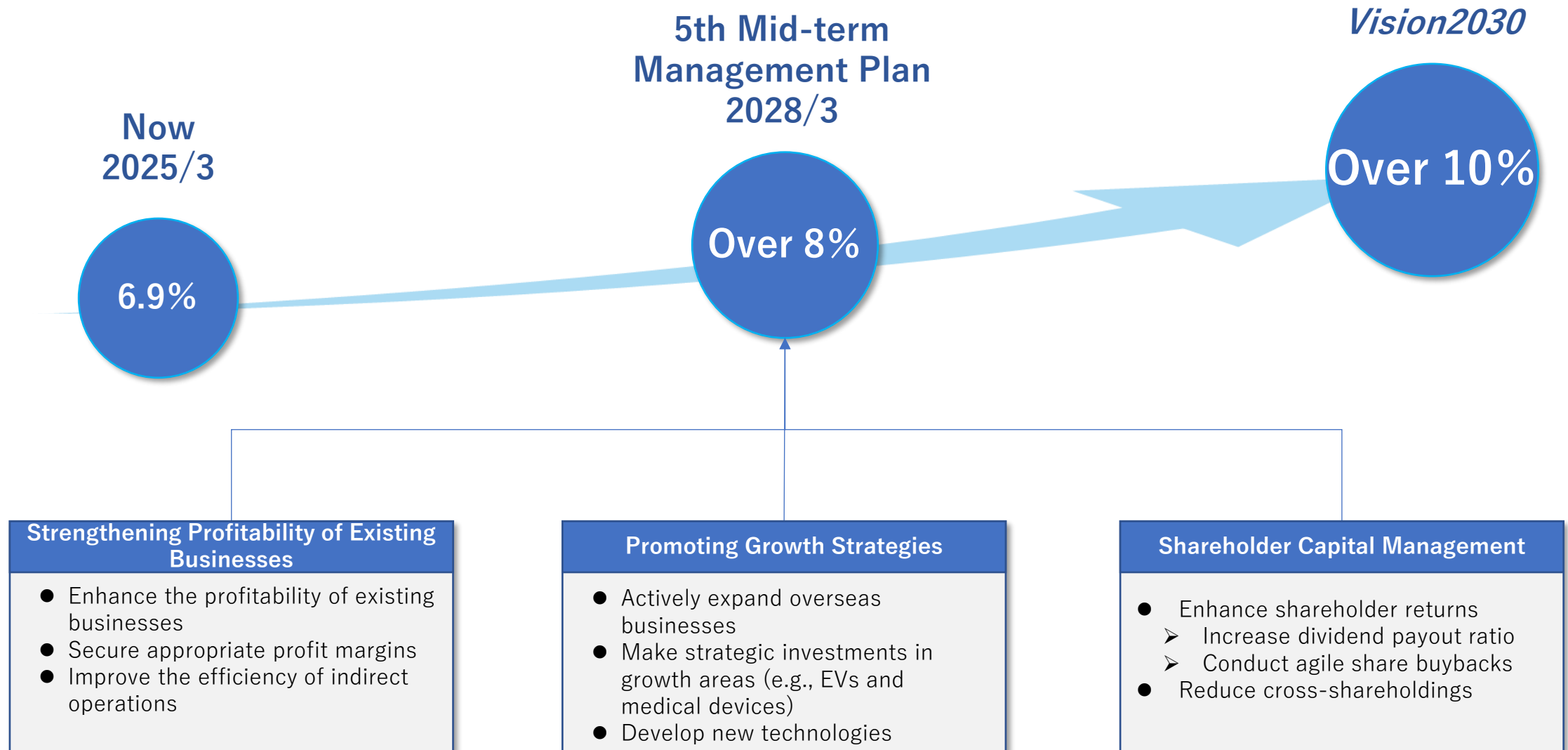
- We have the Central Research Laboratories and 8 technical centers across Japan to provide timely technical support.
- Expanding the Central Research Laboratories and installing the new analytical equipment and experimental devices to expand R&D themes, such as reduction of CO2 emissions.

### PARKER SURFACE TECHNOLOGY ASIA PACIFIC CO., LTD. ( in THAI PARKERIZING CO.,LTD. )



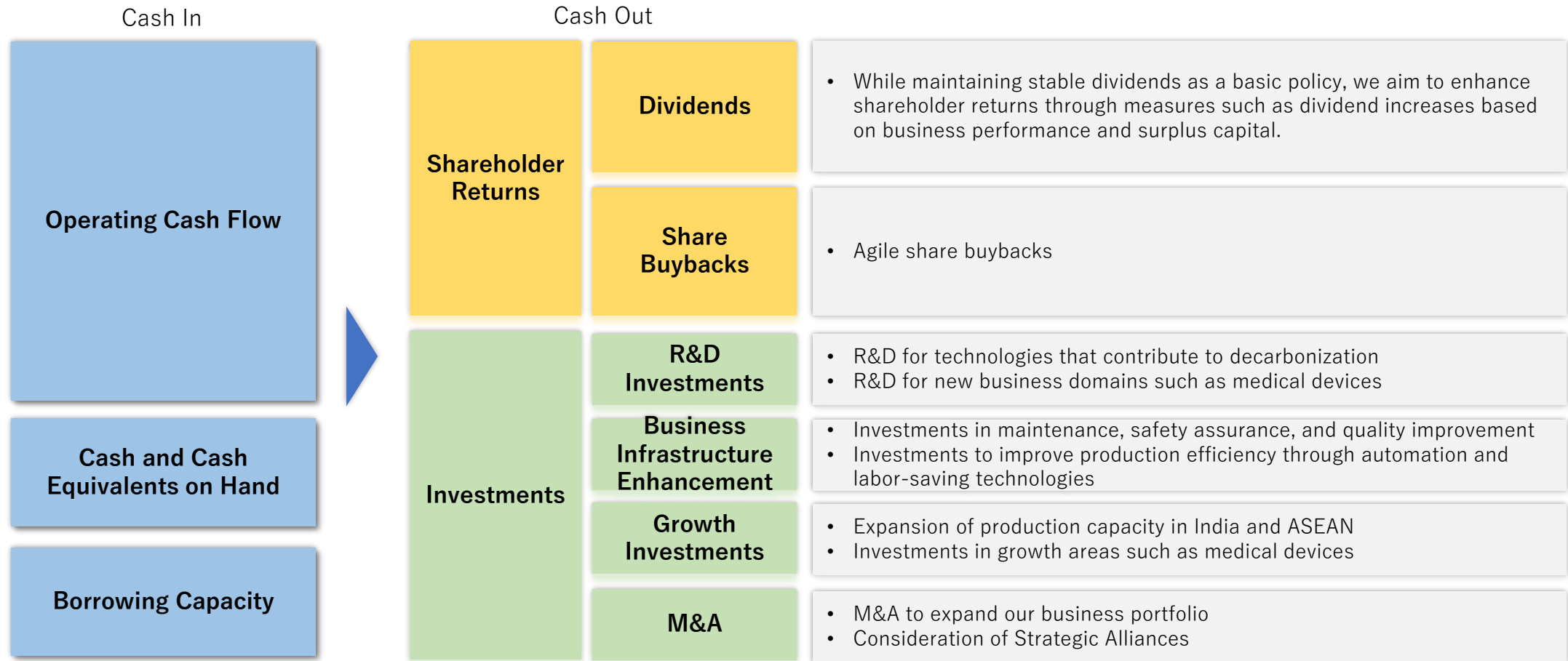
- R&D base in ASEAN, selecting R&D themes to meet local needs.
- Providing consulting and marketing services related to surface treatment technology.

# Initiatives to improve capital efficiency and ROE



# Cash Allocation Policy

Our basic policy is to maintain stable cash flows from existing businesses while balancing growth investments and shareholder returns. Through appropriate balance sheet management, we aim to achieve an ROE of 8% or higher (with a long-term goal of 10%).



# The 5th Group Medium-Term Management Plan/Targets

(Unit : million yen)

		2025/3 Actual		2028/3 Target		Change	
		Amount	Sales ratio	Amount	Sales ratio	Amount	%
Sales	Chemicals	57,616	-	63,000	-	5,384	9.3%
	Equipment	24,206	-	23,000	-	-1,206	-5.0%
	Jobbing	47,753	-	52,000	-	4,247	8.9%
	Others	2,704	-	3,000	-	296	-
	Total	132,281	-	141,000	-	8,719	6.6%
Operating income	Chemicals	10,340	17.9%	11,000	17.5%	660	6.4%
	Equipment	685	2.8%	1,000	4.3%	315	46.0%
	Jobbing	5,016	10.5%	7,000	13.5%	1,984	39.6%
	Others	-1,045	-	-1,500	-	-455	-
	Total	14,998	11.3%	17,500	12.4%	2,502	16.7%
Ordinary income		19,936	15.1%	21,100	15.0%	1,164	5.8%
ROE		6.9%	-	*1 : Over 8%	-	-	-

\*1 : Over 10% in the long term

# Strengths of the Nihon Parkerizing Group

Founded in 1928, Nihon Parkerizing expanded into Taiwan in 1965 and has since developed its business globally. It has manufacturing bases in 12 Southeast Asia, China, Europe, and North America. Our network allows us to meet the needs of our customers swiftly and efficiently.

## Technical expertise

Wide range of products and services

## Working closely with customers

Always on your side

## Global rollout

Network spanning 12 countries

**Utilizing the Group's capabilities  
to provide solutions for social issues  
globally**

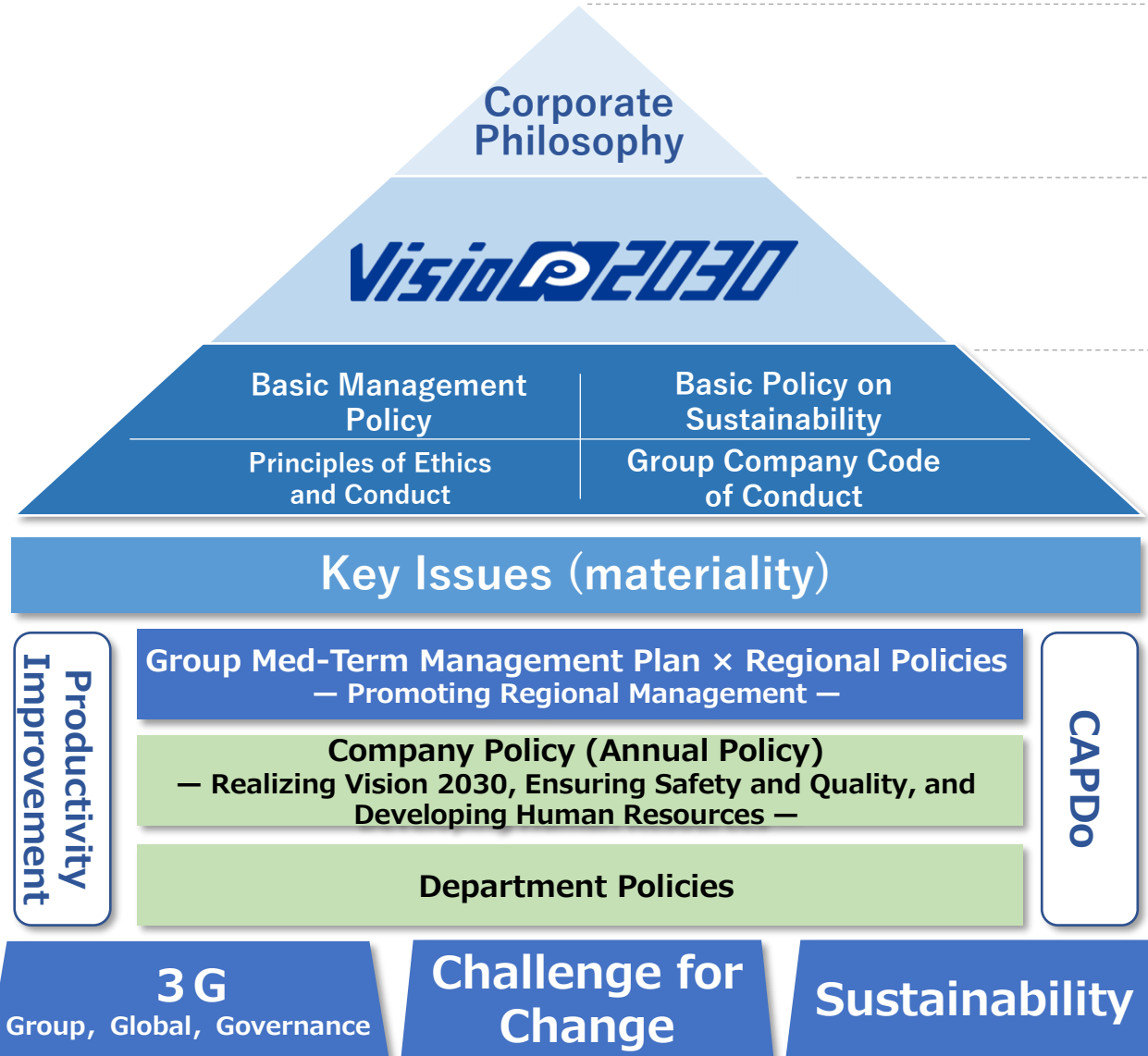
# Six key issues and key initiatives in the mid-term management plan

Together the Group will tackle the key issues as we aim for a sustainable society

Key issues (materiality)	Main initiatives in the 4 <sup>th</sup> Group mid-term management plan
<b>1</b> Creating a richer society through surface modification technology	<ul style="list-style-type: none"> <li>• Development and sales of products to reduce the environmental load</li> <li>• Develop new fields using surface modification technology</li> <li>• Actively promote open innovation through collaboration with external parties (companies, universities, research institutes, etc.)</li> </ul>
<b>2</b> High value-added products and services for customers around the world	<ul style="list-style-type: none"> <li>• Promoting regional management</li> <li>• Understanding customer needs in each region and quickly reflecting them in products and services</li> <li>• Strengthening R&amp;D, production and quality control systems</li> </ul>
<b>3</b> Ensuring a safe and secure workplace	<ul style="list-style-type: none"> <li>• Safety and environmental initiatives on a Group level</li> <li>• Initiatives to eliminate occupational and traffic accidents</li> <li>• Eliminating dangerous and hazardous work, and continuously improving the work environment</li> </ul>
<b>4</b> Creating a corporate culture that respects diverse values and turns them into strengths	<ul style="list-style-type: none"> <li>• Recruitment of women, people with disabilities, non-Japanese, mid-career and senior workers</li> <li>• Increase ratio of women in management</li> <li>• Strengthening human resource management and developing and promoting global human resources</li> </ul>
<b>5</b> Taking responsibility for creating a sustainable society	<ul style="list-style-type: none"> <li>• Thorough management of chemical substances in products</li> <li>• Ensure 100% compliance by suppliers with the Green Procurement Guidelines and continuously reduce energy intensity.</li> <li>• Promotion of initiatives for stable procurement and stable supply through multi-sourcing and business continuity planning (BCP).</li> </ul>
<b>6</b> Initiatives to ensure the continuing integrity of the Group	<ul style="list-style-type: none"> <li>• Standardization of key Rules at each company to strengthen Group governance</li> <li>• Continue Group-wide initiatives on education and awareness of compliance</li> <li>• Building a close relationship and collaboration with all stakeholders</li> </ul>



# Corporate philosophy and policy system



## Mission : Corporate Mission and Purpose

We are contributing to the effective use of limited resources on planet Earth, creating new value of resources through surface modification of all kinds of materials, preserving the global environment, and realizing an affluent society

## Vision : Our Ideal Vision

We aim to create new value through surface modification technologies and contribute to the realization of a sustainable society.

## Value : Our Values and Code of Conduct for Realizing Our Mission and Vision

We are a technology-driven company that fosters an open and inclusive corporate culture. Guided by fairness and transparency, we strive to build a workplace where people continuously share a spirit of boldness and challenge—undaunted by failure.

**Key Issues (materiality)** : Key Issues to Be Prioritized by Our Group

**Med-Term Management Plan:** Policies and Strategies for Achieving Our Vision

**Company Policy** : A company-wide policy that outlines the overall direction of the organization, based on our corporate philosophy and vision.

**Departmental Policy** : Operational policies and objectives independently set by each department to realize the company policy.

**Management Foundation** : The organizational foundation that supports sustainable growth, including our principles, values, and corporate culture.

Driving unified group-wide efforts to realize Vision 2030

# ***VISION* P 2030**

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**Transforming a diverse range  
of surfaces with chemistry**