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### **Notice Concerning Revision of Medium-term Management Plan**

NIPPON FINE CHEMICAL CO., LTD. (the “Company”) announces that it has made the following revisions to its four-year Medium-term Management Plan of the 14th Medium-term Management Plan (FY2023 to FY2026) and its long-term target for vision of the Company’s future self (FY2030), announced on May 12, 2023.

#### **1. Background to the revision**

On May 12, 2023, the Company announced its four-year Medium-term Management Plan, which ends in FY2026. It has been revising its business portfolio, identifying strategic products, and working to achieve strategic targets in each major business segment.

With the approach of the end of the fiscal year marking the second year of the Medium-term Management Plan, the Company confirmed the status of progress of the plan. In the Functional Products segment, in the beauty care field, sales of “phospholipids for cosmetics” were below the initial target, partly due to a deceleration of the Chinese economy. However, sales of “functional esters for cosmetics” were significantly higher than the initial target, mainly reflecting sales promotion overseas due to sustainability measures. In the Environmental Hygiene Products segment, performance was lower than the initial target as harsher-than-expected conditions continued due to the impacts of significant changes in markets and the business environment after the COVID-19 pandemic.

Based on its business forecasts, the Company decided to revise its management targets and capital policies for the final fiscal year of the current Medium-term Management Plan (FY2026) and its vision of the Company’s future self (FY2030).

#### **2. Details of the revision**

Basic policies and strategic products identified in the business portfolio revision remain unchanged. However, for capital investment, under the Medium-term Management Plan, the Company had planned to expand the facilities for “phospholipids for cosmetics” (2.3 billion yen), targeting completion in FY2026; however, it has changed the plan and now aims to bolster production capacity through effective use of its current facilities, and has revised its plan to construct a new plant for around 8.6 billion yen for “functional esters for cosmetics,” which are expected to see a further increase in demand in overseas markets going forward.

3. Management targets (Final fiscal year of the Medium-term Management Plan (FY2026) and vision of the Company's future self (FY2030))

	FY2026		FY2024 results	FY2030	
	Initial target	After revision	Recent results for reference	Initial target	After revision
Net sales (100 millions of yen)	410	380	356	500	480
Operating profit (100 millions of yen)	57	58	48	77	82
EBITDA (100 millions of yen)	77	75	62	111	111
ROIC	8.0%	8.0%	7.1%	9.0%	10.0%
Capital investment	Total amount over four years: 12.0 billion yen → 16.0 billion yen		2.4 billion yen		
Ratio of R&D expenses to net sales	2.7%	2.7%	2.7%		

\* EBITDA: Operating profit before depreciation and amortization (Operating profit + depreciation and amortization)

ROIC: Return on invested capital (Operating profit after tax / (interest-bearing liabilities + equity))

4. Capital policies

	FY2026		FY2024 results	FY2030	
	Initial target	After revision	Recent results for reference	Initial target	After revision
DOE	3.5% (Approx.)	4.3% (Approx.)	3.5%		5.0% (Approx.)
Annual dividends per share (yen)	80	100	74	100	135
Total return ratio	50% or more on average		43%		
Ratio of cross- shareholdings	17% or less		21%	10% or less	

\* DOE: Dividend on equity (Total amount of annual dividends / consolidated net assets, or payout ratio x ROE)

Total return ratio: (Total amount of dividends + amount of treasury share purchased) / profit attributable to owners of parent

Ratio of cross-shareholdings: Percentage of the "carrying amount" of the "investment shares held for purposes other than pure investment" against consolidated net assets

Note: Earnings targets presented in this release are formulated based on currently available information. Accordingly, actual results may differ from the plan due to various factors.