



Integrated Report 2023

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NISSEI PLASTIC INDUSTRIAL CO., LTD.

Inclusive Growth

The path to sustainable growth is paved by efforts to create a world where everyone enjoys the benefits of growth. We propose new value for plastics, not only to care for the natural environment, but also to improve the baseline of manufacturing and factory environments while advancing and reimagining what is possible.

Corporate Philosophy

As a global company,
NISSEI will enrich
communities through plastics.

Since its foundation, NISSEI has researched and developed injection molding machines and molding technology with the aim of delivering the very best plastics technology to the world under our corporate philosophy of enriching communities through plastics as a global company.

We believe we can help enrich the lives of people around the world by promoting technology that is useful to industries everywhere.

Editorial policy:

The purpose of this Integrated Report is to broadly disseminate the Group's efforts toward sustainability through its corporate activities. We also aim to strengthen and enhance communication with our stakeholders by explaining the Group's corporate value and infrastructure.

Guidance:

This Integrated Report covers the period from April 2022 to March 2023 for the Group. However, it also includes some information pertaining to April 2023 and beyond. In addition to medium- to long-term financial information, the report presents non-financial information such as the Group's environmental and social considerations and governance. In the course of compiling this Integrated Report, we referred to the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC) and Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry.

Period covered by the report:

April 1, 2022–March 31, 2023
(The report includes some information pertaining to times outside this period)

Disclaimer regarding forward-looking statements:

This Integrated Report is for informational purposes only. It is not intended to persuade people to buy or sell our stock. Statements concerning forecasts of financial results and the like in this report are based on information available at the time it was written. The information includes various uncertainties, so its accuracy cannot be guaranteed. Actual results may differ substantially from the projections herein. The Company is not liable for any damage whatsoever resulting from the use of this report.

Contents

2	The Source of the Value We Deliver
2	Our Founder
4	Business Segments
6	Growth Trajectory
8	Value Creation Process
10	Shaping Our Ideal Future
10	Message from the President
14	Our Approach and Strategy
16	Strength 1: Five-region global production system
20	Strength 2: Distinct technology
22	Strength 3: Proven sales and network
24	Corporate Governance
28	Round-Table Discussion with Outside Directors
34	Realizing a Sustainable World
35	Sustainability
38	Environment
40	Human Capital
46	Dialogue between Management and Employees
50	Initiatives for Dialogue with Stakeholders
52	Regional Overview
54	Financial and Non-financial Information
56	Corporate Information

Our Founder



Our founder

Katashi Aoki
(1913–1988)

Katashi Aoki was born in 1913 in the town of Sakaki in Nagano Prefecture, Japan. In 1934, he moved to Manchuria, where he ran an engine repair shop with 50 employees in the city of Harbin. He returned to Japan at the end of WWII, where he had a fateful encounter with an acrylic resin airplane windshield in the black market in Tokyo. The encounter inspired him to rent a chicken coop in his hometown of Sakaki in 1947 to start a plastic mold processing business. In 1957, he established NISSEI PLASTIC INDUSTRIAL CO., LTD., transforming the Company into an injection molding machine manufacturer. Aoki invented many things related to plastic products, plastic processing methods, and the structure and mechanism of injection molding and blow molding machines, and obtained 932 patents during his lifetime. He was awarded a Medal with Purple Ribbon in 1963 and the third class Order of the Sacred Treasure in 1983 for his outstanding inventions related to injection molding machines, and was instrumental in establishing the Japan Plastics Machinery Association in 1975, serving as its first Chairman. In 2011, in recognition of his unwavering dedication to the plastics industry and achievements therein, he became the first Japanese person to be inducted into the Plastics Hall of Fame established by the Society of the Plastics Industry (SPI) (now the Plastics Industry Association (PLASTICS)).



The Plastics Hall of Fame

Inventor Katashi Aoki

Katashi Aoki had a fateful encounter with acrylic resin in the postwar black market, and he had enough foresight to envision the promise of the business which led him to help build what would eventually become the mold processing industry. In the early days, Aoki developed his own molding equipment to produce and sell custom molded products. From there, he developed a series of injection molding machines, each one more streamlined and efficient than the last. His injection molding machines started to gain reputation, and demand for them increased, prompting him to transform the Company into a machine manufacturer and change its name to NISSEI PLASTIC INDUSTRIAL CO., LTD.

The Company's first machine for outside sales was the YD-2 injection molding machine developed by Aoki himself. It won acclaim for its ability to produce molded products in about seven seconds—roughly half the 13 seconds required by competitors' injection molding machines at the time. Aoki continued to invent even while serving as the President of the Company, developing a series of specialized injection molding machines and contributing greatly to the development of both the Company and the entire plastic mold processing industry. His inventing was informed by his experience on the front lines of the mold processing industry, and imbued with a strong desire to provide customers with machines that would help them make money. This spirit of Katashi Aoki remains alive and well in the Company's current development approach.

Katashi Aoki described his approach to inventing as follows:

- Everybody has what it takes to invent things.
- Become an expert in something, and continue to narrow the scope of your expertise.
- Utilize less-is-more thinking to achieve higher performance in simpler forms.
- Ask simple questions and have the sensitivity of a child.
- Talk to yourself, and believe what you say. Be explicit in your conscious mind, and let your subconscious mind think.
- Think like Sun Wukong, the Monkey King. Transform into something else, and then think.
- Deny the inevitable, your own thoughts, and the things you have created and experienced. Deny yourself.

Major injection molding machines, mechanisms, and molding systems invented by Katashi Aoki

Rotary ram type in-line screw injection unit

1963

The most important part of an injection molding machine, this device is responsible for melting plastic material while kneading it, and then pouring it into molds under strong pressure. Combining the previously separate screw rotating, advancing, and retracting mechanisms into a single unit improved injection performance while cutting production costs by at least 50%. This technology vastly improved the performance of injection molding machines, and is still used today in the Company's hydraulic injection molding machines and by injection molding machine manufacturers around the world.



Blend Feeder

1981

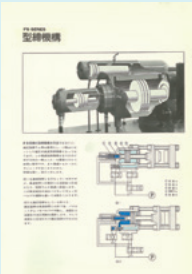
Blend Feeder is the Company's first environmentally friendly technology—a device that mixes plastic (resin material) with naturally occurring materials such as pine needles and recycled materials such as waste plastic to create composite materials for specific applications. Blend Feeder doubles as a material mixer and injection molding machine, helping manufacturers save space in their factories. Since releasing Blend Feeder, the Company has continued to develop a variety of environmentally friendly technologies.



Backflow type clamping unit

1971 1976

With existing clamping units, hydraulic oil was supplied from the oil tank to the clamping piston and rear chamber during clamping, and the oil in the front chamber was returned to the tank. This invention introduced a hydraulic circuit to send oil from the front chamber to the rear chamber, reducing the distance traveled by the oil. This improvement shortened the molding cycle and prevented the degradation of hydraulic oil, thereby extending the service life of clamping units and saving energy. This technology was further advanced to move from external circuits to internal circuits.



All of these inventions are based on concepts that originated in the mind of Katashi Aoki.

Business Segments

As a specialized manufacturer

Going Specific, Deeper, and Unlimited

We use our deep base of original molding technology to create new value.

We are constantly developing technology from our completely original perspective as a specialized manufacturer based on our motto—focusing on the Specific area of injection molding, delving Deeper into the pursuit of specialized technology, and exploring an Unlimited number of potential applications. As consistent leaders in the plastic molding technology industry in Japan—still at the highest level in the world—NISSEI brand injection molding machines remain in service today in more than 80 countries and regions.

The passion our founder, Katashi Aoki, put into molding machines

Since its foundation, NISSEI has researched and developed injection molding machines and molding technology with the aim of delivering the very best plastics technology to the world under our corporate philosophy of enriching communities through plastics as a global company. We believe we can help enrich the lives of people around the world by promoting technology that is useful to industries everywhere.



Injection molding machines

Our lineup comprises mainly electric and hybrid molding machines, and our broad variety of injection molding machines—ranging from compact to supersized (clamping force of seven to 7,000 tons) and from general-purpose to specialized—meets the diverse needs of our customers.

Horizontal models (general-purpose machines)



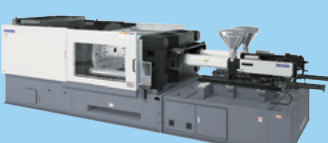
Vertical models



Special-purpose machine for thermosetting resins

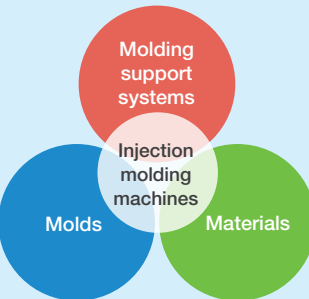


Special-purpose machine for 2-color/dissimilar materials



Total support for injection molding

To provide total support for injection molding, we leverage our advanced molding technology and extensive experience to propose the optimal plan for each customer in terms of peripheral equipment, molds, quality/production control systems, and other factors that underpin high-quality, high-value-added molding.



Support system

Technical centers

We have technical and molding technology centers at our head office in the town of Sakaki in Nagano Prefecture and our Western Japan location in the city of Akashi in Hyogo Prefecture. These centers are widely used as venues for careful examinations of molding machines, mold and material tests, solving problems involving molding, and engaging in other technical exchanges with customers where we effectively provide the best information based on our ample experience and long record of achievements.



Initial & after-sales services

As a manufacturer that sells and provides services directly to customers, we always strive to provide customer-oriented services that immediately prevent problems and improve production efficiency and then facilitate solutions while our products are in service.



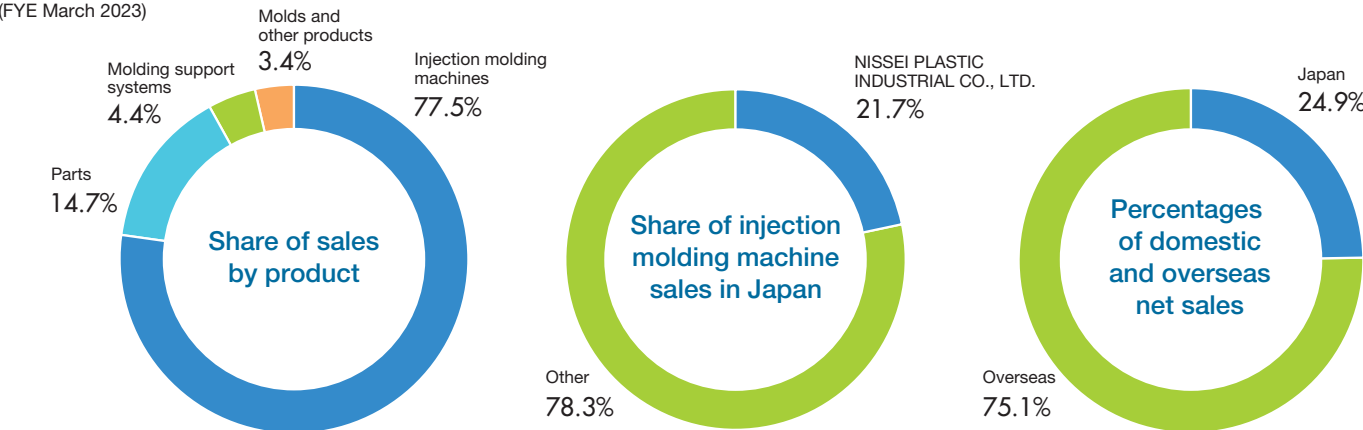
NISSEI Schools

Established in 1968, this training institution was the first of its kind in the injection molding industry. The unique curriculum combining lectures with practical exercises is highly acclaimed, and our programs offer a broad range of targeted support for learning about molding, from basic to advanced injection molding to maintenance, basic mold design, and beyond. We have opened schools in the USA, Mexico, China, Thailand, and other countries as well as Japan.



NISSEI's expertise

(FYE March 2023)



Growth Trajectory

NISSEI has always been willing to venture into new territory

Since its founding, NISSEI has engaged in manufacturing with an unwavering focus on embodying its founder’s philosophy of reflecting the actual practice of molding—the origin of the Company—in its manufacturing of molding machines, delving deeper into the pursuit of specialized technology, and exploring the unlimited potential applications in the narrow field of plastic injection molding. We intend to continue developing our technology in the global market without straying from this philosophy.



1940–1959

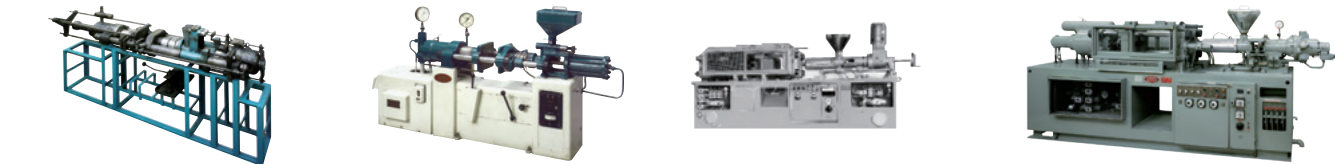
The dawn of plastic molding and the roots of NISSEI PLASTIC

1960–1969

The advent of a period of economic growth and groundbreaking technological innovation

1970–1979

Rapid economic growth and the establishment of the NISSEI brand



YA-1

Developed in August 1955. This model was equipped with many of founder Katashi Aoki’s ideas about injection molding machines gained through mold processing, for example valves actuated by cams. It was the cornerstone of our transformation into a mold processing manufacturer.

YD-2

As the first machine manufactured for outside sales in October 1957, this model used a revolutionary hydraulic drive system and won acclaim as a rapid injection molding machine.

TS-100

March 1963 marked the debut of this forerunner of the TS Series, a masterpiece machine that combined an injection unit that provided the highest plasticizing capacity thanks to a rotary ram type in-line screw with a distinct straight-hydraulic/mechanical clamping unit.

FS-75

In December 1970, we developed the 250-FS type for higher-cycle molding for the US market. In February 1971, we added the FS-55 and other models to create a series and significantly restyle the highly regarded TS Series. In 1972, we developed an injection molding machine designed for low-noise operation that garnered a lot of attention across related industries.

1980–1999

Responding to changing times and new needs

2000–present

Diversification of injection mold processing and advancing into the global era



1947

After WWII, Katashi Aoki repatriates from Manchuria and founds a plastic mold processing company in his hometown of Sakaki.

1957

Restructured as NISSEI PLASTIC INDUSTRIAL CO., LTD. Developed and began external sales of YD-2 injection molding machine.

1960

Exported AU-1—the Company’s first model for export—to the USA.

1967

Developed IB-M, the world’s first injection blow molding machine.

1968

Opened the first NISSEI School.

1991

Listed in the 2nd section of the Nagoya Stock Exchange.

1992

Developed UH Series of the world’s fastest ultra high-speed filling injection molding machines (1,000 mm/sec).

1996

Acquired ISO 9001 certification. Developed FV9200, a low-cost large injection molding machine; ELJECT, an electric injection molding machine; DC, a dissimilar material injection molding machine with a new clamping unit; and other machines.

1999

Acquired ISO 14001 certification.

2010

Developed N-PLAjet, an injection molding system for polylactic acid (PLA), a plant-derived material.

2012

Established NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.

2013

Established NISSEI METAL WORKS CO., LTD. as a parts manufacturing subsidiary in the city of Joetsu in Niigata Prefecture.

2014

Established Sales Promotion Division No. 1 (now the Sales Promotion Department) in central Tokyo as a base of global sales. Developed FVX-III Series of large hybrid injection molding machines.



ULV-1

This supersized injection molding machine was developed in April 1971. This model had a clamping force of 4,500 tons and a three-stage structure with a vertical slide system for mold loading and unloading, high-pressure clamping, and mold opening and closing and product extrusion.

MM-5

This super-stable precision compact electric injection molding machine was designed for molding various types of ultra-small parts in small quantities. Equipped with a servomotor for precision control when it was released in June 1983, it was the world’s first electric servomotor-driven molding machine.

UH1000

This ultra high-speed filling injection molding machine was developed in February 1992. Thanks to the closed-loop system made possible by our proprietary mechanical mechanism and digital servo control, the machine reached injection speeds that were 10 to 20 times faster than ordinary injection molding machines at the time with excellent reproducibility.

PNX40

The PNX Series molding machines developed in 2005 were equipped with an innovative hybrid pump for total balance between the advantages of hydraulic molding machines (durability of straight-hydraulic mold clamping, maintenance-free, long service life, low cost) and electric molding machines (energy savings, high reproducibility, high responsiveness).

1971

Developed FS-75, an injection molding machine designed for low-noise operation. This model received the 3rd Plastic Grand Prize.

1975

Established Japan Plastics Machinery Association. Katashi Aoki appointed as the association’s first Chairman.

1979

Established Head Office Technical Center.

1980

Developed SSE System (SE Series), an energy-saving hydraulic control system.

1983

Developed MM-5, the world’s first electric servomotor-driven molding machine.

2000

Listed in the 2nd section of the Tokyo Stock Exchange. Developed FMg3000, an injection molding machine for magnesium alloys.

2001

Listed in the 1st section of the Tokyo Stock Exchange, reassigned to the 1st section of the Nagoya Stock Exchange. Hozumi Yoda appointed as President and Representative Director.

2002

Developed NEX Series of new electric injection molding machines.

2005

Developed PNX Series of hybrid injection molding machines equipped with the X-PUMP hybrid pump system.

2009

Established NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD. in Taicang, China as the first production subsidiary outside Japan.

2015

Relocated and expanded NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD. factory. NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD. acquired ISO 9001 certification.

2016

Established NISSEI PLASTIC MACHINERY AMERICA INC. in the USA as a production subsidiary.

2017

Established NISSEI HOMMA MACHINERY CO., LTD. in the city of Akashi in Hyogo Prefecture.

2020

Acquired NEGRI BOSSI S.P.A., an Italian injection molding machine manufacturer, as a consolidated subsidiary. Established five-region global production system.

2022–2023

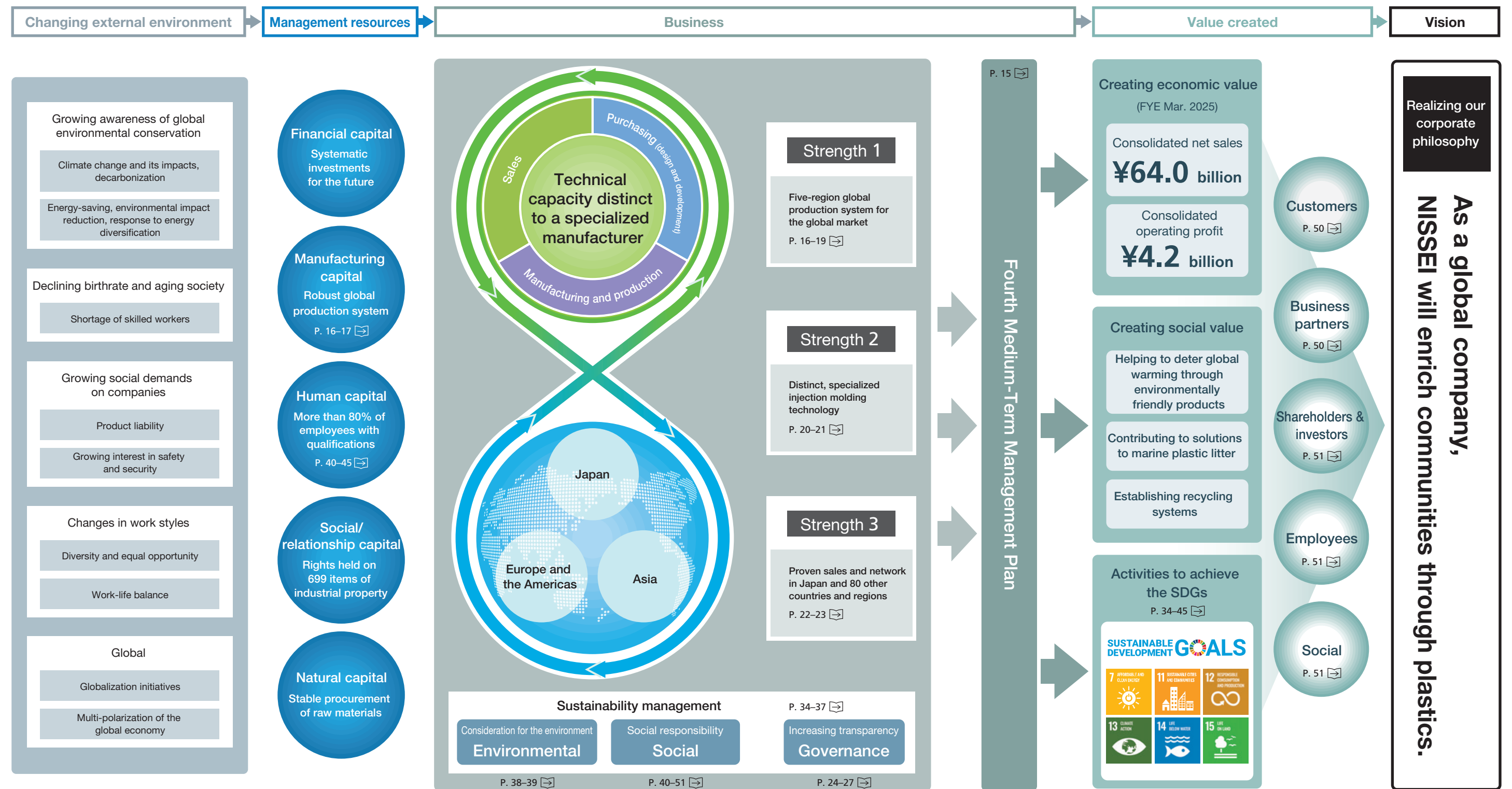
Established NISSEI PLASTIC MACHINERY (HAIYAN) CO., LTD. in Zhejiang as the second Chinese production subsidiary.

Aiming for further growth by commercializing environmentally friendly technologies

We are working to provide many different kinds of value to our stakeholders by linking our deep technological base and our founder's philosophy to our strategies to achieve the goals of our Fourth Medium-Term Management Plan, which ends in the fiscal year ending March 31, 2025.

To bring the scenarios in **Future Design 2026** to fruition, we will continue to work toward implementing our corporate philosophy of enriching communities through plastics as a global company.

Future Design 2026 maps out the road to certain scenarios, namely crafting the future of molding in a way that breaks away from what are known as industry norms by anticipating market changes while leveraging our strengths and carving out new paths in domains we have not yet explored. We will manage our business with a focus on environmental, social, and governance issues as we pursue this goal.



Message from the President

We use our unique value creation process—which is based on our outstanding capacity to develop technology—to execute flexible strategies and measures to swiftly respond to changes in the market and help our customers improve productivity, while also contributing to the sustainability of the environment and society.



Hozumi Yoda
President and Representative Director

Recognizing the business environment of the Group:
Recovering from the decline in orders for injection molding machines

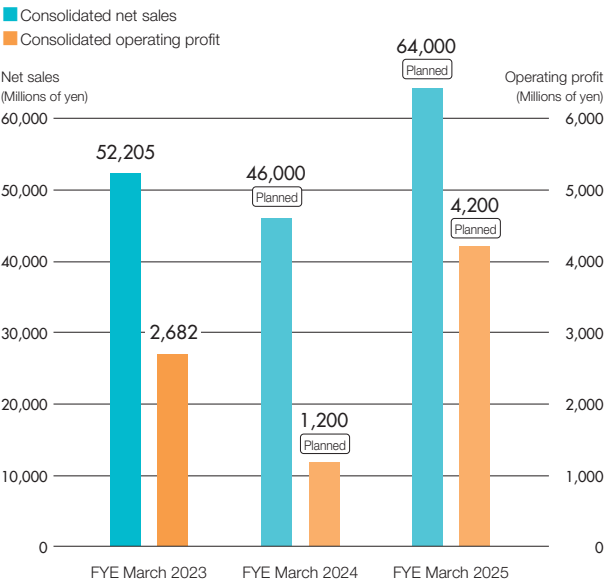
One year has passed since we sent out our Integrated Report for the fiscal year ended March 31, 2023, the Company’s first such report. Due to rapid changes in the economy and society, the business environment over that year has generally been quite challenging. Amid the lingering effects of the COVID-19 pandemic, soaring energy and raw material prices due to the prolonged conflict in Ukraine and worldwide inflation, and the short supply of semiconductors and other electronic components are fueling strong headwinds, and this has been felt particularly strongly in the manufacturing industry.

Under these difficult circumstances, we have pooled the collective strengths of the Group to make solid progress toward achieving the goals of our Fourth Medium-Term Management Plan (“4th MTMP”), which ends in the fiscal year ending March 31, 2025. We have pursued further expansion of corporate value by strengthening our global business infrastructure and actively investing management resources into the commercialization of environmentally friendly technologies that bring an environmental perspective to all corporate activities, including development, production, sales, and risk management. Consequently, we secured robust figures for net sales and operating profit in the fiscal year ended March 31, 2023, with each exceeding the numbers from the previous year. Unfortunately, the start of the fiscal year ending March 31, 2024 was marked by economic downturns in Europe, North America, and China and slowing demand for injection molding machines, resulting in first-half consolidated net sales and operating profits that trailed the numbers from the first half of the previous year.

However, even in this context, we are not at all pessimistic about the direction of future performance. We have experienced major crises in the past—namely the IT bubble in 2001 and the global financial crisis in 2009—but in both cases, orders recovered in the following year. This time as well, given information such as the global economic outlook and our customers’ capital investment plans, we expect demand to recover in the near future, but will consider revisions, including second looks based on recent orders and other factors.

We will continue to focus on achieving our long-term management goal, Future Design 2026, and work toward recovery of our performance as soon as possible and achieve sustainable growth into the future by steadily implementing the strategies and measures set out in our 4th MTMP.

Consolidated Net Sales and Operating Profit



Further advancing our global business promotion system with the main theme of developing the BOP (low-income and poor) market

Since its establishment in 1947, the NISSEI PLASTIC Group has continued to grow steadily by using its ample knowledge of plastics and outstanding machining technologies to provide high-quality injection molding machines to many industries, including automotive and electronic components. In our Third Medium-Term Management Plan—which ended in the fiscal year ending March 31, 2022—we worked to advance global management and aggressively expand into the global market with the aim of creating a structure to achieve Future Design 2026. Our numerous achievements during the plan include establishing a five-region global production system through our acquisition of Italian company NEGRI BOSSI S.P.A. as a subsidiary, as well as optimizing our global supply chain by expanding local procurement of components and promoting in-house production at our head office and factory. In terms of products, we have developed and marketed space-saving horizontal machines and injection molding systems for polylactic acid (PLA) with excellent environmental performance, and have successfully built a diversified product lineup that meets the wide-ranging needs of our customers.

These achievements were the basis for launching our 4th MTMP in the fiscal year ended March 31, 2023. The plan sets out our basic management policy for tackling four management issues based on our mission to celebrate how

Message from the President



the value we have created for customers and our injection molding technology have contributed to society:

- (1) Strengthen truly global management, (2) Strengthen sales through aggressive expansion into the global market, (3) Strengthen our global production system, and (4) Strengthen our global risk management system.

Here past the halfway point of our 4th MTMP, we have made steady progress on each of the themes for efforts set out when the plan was formulated. Specifically, regarding strengthening our global production system, we completed construction of a new factory that will launch a nearly fully automated FMS line in the county of Haiyan in the province of Zhejiang, China in 2023, and are preparing to introduce super-sized machines with a clamping force of up to 7,000 tons at our Texas Factory in the USA, where demand for EVs is on the rise. Although these capital investments will squeeze earnings in the short term, we see them as significant steps toward building a framework that will lead to higher net sales and profits in the medium and long term.

Regarding aggressive expansion into the global market, we are promoting a variety of sales measures centered on deeper market cultivation in industrialized countries and meeting the challenge of inclusive growth in developing countries with high BOP populations. Needs for injection molding machines are not uniform across all countries and regions. The types of products each country and region needs—whether special, high-value-added, or general-purpose—depend on their stage of economic and industrial development. In developing countries and regions, low-priced products dominate the molding machine market, and these lead to issues such as increased power consumption and mold damage due to lack of precision. By proactively developing low-power, high-quality, relatively inexpensive products for the BOP market, the Group hopes to contribute to the economic development of these countries and regions while further expanding the reach of the injection molding machine market.

Regarding target industries, we are focusing on the penetration of lightweight, recyclable resin materials as alternatives for the steel, aluminum, and ceramic parts widely used in current automobiles, and are also developing technologies and products for molding high-performance materials in the medical field. However, given the versatility of plastic in many industries, we do not see the market as limited, but rather intend to devote our energy to uncovering a wide range of potential needs and developing new markets.

Devoting energy to comprehensive proposals that contribute to sustainability using the possibilities of injection molding

Contributing to environmental and social sustainability is another important management issue. By developing and marketing energy-saving and environmentally friendly injection molding machines, the Group has helped streamline our customers' production systems and proposed completely original solutions to waste plastic and numerous other environmental issues. We have also worked to reduce the environmental impact of our own production activities, thereby helping to counteract climate change and conserve the global environment.

We are more than just a machine manufacturer; we are a solutions company that constantly considers optimal conditions for plastic molding and envisions molding systems that are both economical and environmentally friendly, and brings these thoughts and ideas to fruition. As a leader in the industry, we recognize that our mission—and, at the same time, the value of our existence—is to break away from the conventional manufacturing industry cycle of mass production, mass consumption, and mass disposal, and provide the market with highly efficient, environmentally friendly plastic molding. We will continue to drive next-generation mobility by developing products and systems that reduce the weight of automobiles, support plastic recycling efforts in various industries, and discover and lead the way toward new possibilities for plastic materials.

In the context of sustainability, coexisting with local communities is an important theme for our efforts. From our base in Nagano Prefecture, we promote collaborative value creation with local businesses and communities through such efforts as actively employing local residents and using locally sourced thinned wood for biodegradable resin.

Promoting management infrastructure resilience through a variety of initiatives, including human resource development, diversity, governance, and DX

For the Group to achieve the goals of the 4th MTMP and pursue further development, we must make efforts to enhance our management system, namely by developing human resources and positioning them to lead us into the future, establishing effective governance, and improving operational efficiency through DX. To further solidify our position in the industry, we are taking steps to strengthen our management infrastructure.

We believe that developing and strengthening human capital is the driving force for growth, and based on this belief, we strive to cultivate creative people who not only have knowledge and expertise in injection molding technology, but are also economically and socially intelligent. Additionally, we support active participation by female employees by promoting them to managerial and executive positions and providing enhanced maternity leave and other programs.

In governance, we strive to eliminate gaps in information between inside and outside Directors by asking the latter to participate in meetings of the Management Committee and providing thorough briefings in advance of meetings of the Board of Directors. We are confident that the frank exchange of opinions at meetings of the Board of Directors ensures management transparency and results in innovative, effective decision-making and business operations that do not rely on the PDCA cycle.

For DX, we are utilizing the latest digital technology and IoT to streamline and save labor within our production systems and working to propose solutions that help our customers improve productivity.

Maximizing corporate and shareholder value through balanced capital policy

To date, we have sought to maximize corporate value through balanced capital management, for example maintaining an appropriate equity ratio, enhancing internal reserves as sources of funds for investment in growth, continuously improving capital efficiency, and expanding shareholder returns. We will maintain this basic policy in the future. We intend to continue working to effectively allocate and utilize capital to enable us to offer our unique value to various stakeholders.

Specifically, regarding returning profits to shareholders, we believe that we cannot meet our shareholders' expectations with excessive internal reserves, and

accordingly plan to expand shareholder value through ongoing stable dividends and well-timed share buybacks. Notably, we do not have a specific target for dividend payout ratio. In this unpredictable business environment, short-term fluctuations in performance are inevitable, so we believe that setting a firm dividend payout ratio is likely to damage our shareholders' interests in the long term. While prioritizing dividend stability, we will determine the specific amounts of dividends by fully accounting for trends in performance, our financial standing, and other factors. We also intend to further enhance communication with our shareholders and investors through financial results meetings, small meetings, and the like.

Aiming to create a valuable corporate group worthy of the trust of all stakeholders

As I said at the beginning of this message, the global injection molding machine market is gradually shifting from decline toward recovery. Our ability to properly ascertain where we are in the recovery phase and incorporate our position into the Company is the key to achieving the quantitative targets set out in the 4th MTMP.

Our founder, Katashi Aoki, put his heart and soul into providing equipment and services to help customers create value. As the leader of the NISSEI PLASTIC Group, I will carry on in the spirit of our founder, ensuring customer-oriented management and continuously pursuing the sustainable growth of the Group. I am also committed to creating a corporate group worthy of the trust of all stakeholders by leveraging our strengths—advanced technical capacity, ample human infrastructure, and an open corporate culture—to contribute to economic and industrial development and environmental and social sustainability.



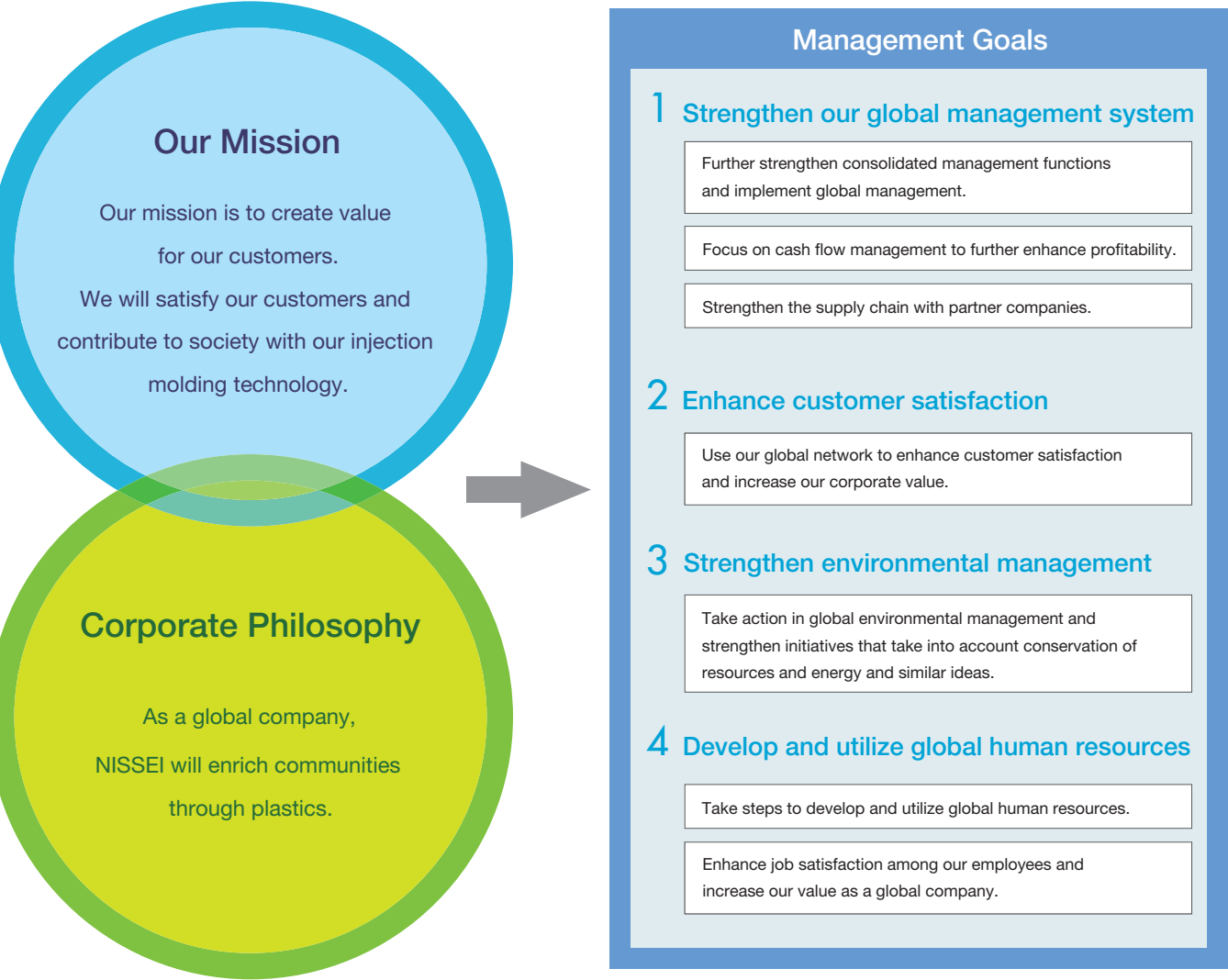
Basic Approach

For the 76 years since our founding in 1947, we have developed our business in the narrow field of injection molding machines by delving deeper and expanding its reach. Through the years, we have constantly updated our definition of enrichment, the goal of our corporate philosophy of enriching communities through plastics as a global company.

When the Company was founded soon after the end of WWII, our founder, Katashi Aoki, promoted the development of injection molding machines capable of mass production as a means of eliminating life-threatening material poverty from society.

Today's environmental problems are proof that people's lives did indeed become enriched as goods were distributed around the world. We believe the task ahead of us is to be grateful for the enriched world we live in, but to examine and implement our brand of manufacturing to move on from the cheap, convenient, and comfortable world revealed to us through the lens of these environmental problems to a truly affluent and compassionate world.

Our Mission and Management Goals



Fourth Medium-Term Management Plan FY2022–FY2024

Management Goals

Further advancing global environmental management and taking the final steps to achieve Future Design 2026

What is Future Design 2026?

The objective is to design better business for the future and make it a reality with a long-term plan.

- We will shift our focus to a type of manufacturing that addresses marine pollution caused by microplastics and other environmental problems and otherwise protects the Earth's ecosystems, and that allows us to pass down a healthier environment to the next generation. Accordingly, we will promote biodegradable resins, recycling, energy-saving, downsizing, and other facets of manufacturing that balance the convenience of plastics with environmental harmony.
- We will continue to think about sustaining and developing our business for the future as well as for the current generation, and consider the happiness and advancement of current and future customers and the industry alongside environmental conservation, all the while aiming for the ideal state of injection molding as envisioned by our founder.

Management Policies

1

Strengthen truly global management

- Amid market that are changes progressing on a global scale, we will strengthen our global environmental management, taking steps to develop globally as a highly profitable company and demonstrate the strength of the Group.

2

Strengthen sales through aggressive expansion into the global market

- We will take steps to increase sales by improving our skills in sales and creating new business models.
- As a company that solves customers' problems, we will conduct solution-based sales to satisfy our customers and aggressively expand into the global market alongside increasing globalization and the shift toward IoT.
- We will systematically introduce products that embody the Sustainable Development Goals (SDGs) and the principles of molding.

3

Strengthen our global production system

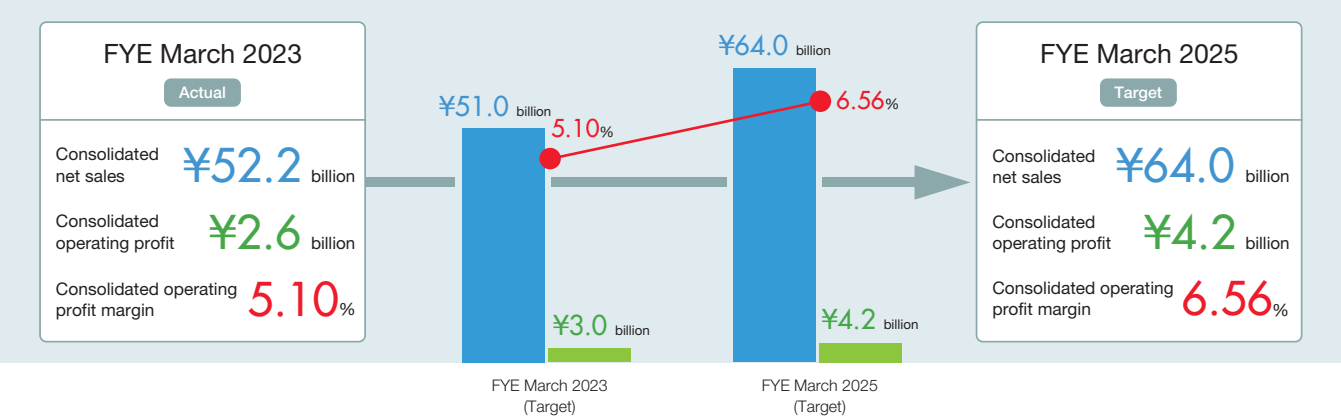
- We will enhance our production capacity through a five-region global production system and strengthen our capacity for production technology and quality assurance system.
- We will take steps to cut costs further by strengthening our global procurement system and increasing our ratio of in-house production.

4

Strengthen our global risk management system

- We will strengthen our production, sales, and financial strategies and our global management system to address legal risks.
- We will strengthen our global management system for corporate governance, BCP, and the like.
- We will develop human resources capable of working on a global stage.

Medium-Term Management Plan Targets



Strength 1 Five-region global production system

Message from the Quality Assurance Manager of the Production Division



Takahiro Kobayashi
Managing Director

Promoting the optimization of our global production system in collaboration with the Director in charge of overseas production

Since joining NISSEI PLASTIC, I have spent time in the engineering and production departments. After handling tasks such as programming molding machines, I oversaw the Cleansing Project and established a production system still in use today, based on Kanban, our proprietary work instruction system. After serving as the General Manager of the Manufacturing Department, I was involved in the launch of our Taicang Factory in China. In 2018, I was appointed Director in charge of the Production Division and Quality Assurance Department, and in June 2023, I was also put in charge of security export control to ensure that our products are not used for military purposes wherever they are sold. I remain in charge of these areas today. In collaboration with Managing Director Takizawa, who is in charge of overseas production, I also devote energy to optimizing our global production system, for example by expanding the procurement of parts from overseas at our Japanese manufacturing locations.

The NISSEI PLASTIC Group owes its predominance in production and quality assurance to thorough quality control throughout the entire supply chain, from procuring parts to producing and delivering products. For example, every two years, we visit our suppliers of parts and materials in person to conduct quality diagnoses to examine their ISO initiatives and inspection systems. We are also leading the advancement of quality control systems at our overseas production sites to maintain the same quality worldwide, a goal we actively pursue.

Focusing on shifting to in-house production of parts and components that contribute to cost reduction and energy conservation

The NISSEI PLASTIC Group is currently implementing its Fourth Medium-Term Management Plan, which ends in the fiscal year ending March 31, 2025. One of the management policies under this plan is to strengthen our global production system. We have set the goals of enhancing our production capacity through a five-region global production system, strengthening our capacity for production technology and quality assurance system, and further reducing costs by strengthening our global procurement system and increasing our ratio of in-house production. In addition to accelerating our procurement of parts and materials in the global market—including the Texas Factory in the USA, which handles large molding machines, and NEGRI BOSSI S.P.A. in Italy—we aim to achieve low-cost, highly efficient production by assembling molding machines and fabricating parts in-house at our new factory under construction in the county of Haiyan in the province of Zhejiang, China. In quality assurance, in addition to conducting quality diagnoses at our suppliers, we are working to develop quality assurance systems and train inspection staff members at each production site.

In-house production of parts and components—an area of particular focus—helps by reducing both costs and CO₂ and achieving other SDGs by shortening travel distances, and makes it possible to detect material defects sooner and strengthen quality control. Although the current ratio of parts and components produced in-house at the head office is around 40%, we plan to further increase this ratio in the future.

Our task is to strengthen our human infrastructure by passing down the spirit of manufacturing to the next generation

We have made steady progress in our efforts to enhance our production system and improve quality, but other challenges for the future have become apparent. The Group has achieved continuous growth to date by providing high-quality products to industries on the strength of our outstanding injection molding technology. However, the declining birthrate, aging population, and shrinking workforce are making it more difficult to secure the next generation of engineers and staff members to work in the manufacturing sector and lead the Group. As our extensive staff of highly skilled employees retires, it has become more urgent for us to maintain and expand our wealth of technological assets—one of our strengths—by passing down our deep base of technology and knowledge to the next generation. Internal organizations and rules will certainly remain, even as the generational transition progresses. However, if we cannot pass down the soul and spirit of manufacturing that underpins our technology and quality to the next generation, there is no hope for the Company to continue to advance in perpetuity. We will expend every effort to ensure that our younger employees inherit the technology to develop excellent injection molding machines and the design and assembly skills to achieve high precision.

Another important task is to reduce the environmental impact of our production activities. In addition to ongoing efforts to reduce waste—particularly packaging materials for procured parts—we are devoting energy to establishing a more environmentally conscious production system, for example by recycling nonconforming products from the manufacturing process. We are also working to make environmental contributions through our technology and products, for example by commercializing injection molding technology for plant-derived polylactic acid (PLA). We will continue to contribute to the formation of a sustainable industrial world through parallel efforts to enhance our lineup of environmentally friendly products and reduce the environmental impact of our production activities.

Fostering a corporate culture where everyone can dive into their work with a sense of excitement

We are not only a manufacturer of molding machines, but also a solutions company that creates new economic and social value by revolutionizing the way injection molding is done and helping our customers improve their production activities. We will continue to leverage our ample human capital and open communication-oriented corporate culture to discover and lead the way to new possibilities in plastics and injection molding technology. We will also accelerate our efforts to develop advanced IoT-enabled molding systems and automate and save labor while flexibly responding to the different needs of each country and region for everything from general-purpose to high-value-added products.

In the four decades since I joined NISSEI PLASTIC, I have grown alongside our constantly evolving injection molding machines. The driving force behind my work was the thrill of helping customers through innovative manufacturing. As I see it, one of my key responsibilities is to ensure that our company continues to be an exciting place to work and that the young employees who will create our future have the same sense of excitement. I am determined to drive the sustainable development of the Group while further enhancing our production and quality assurance, which are fundamental to our manufacturing business.



Our Manufacturing Locations



Strength 1 Five-region global production system

Quality Assurance

Our quality policy is to promote manufacturing that enables both customers and the company to grow together. Accordingly, we promote quality assurance activities in all processes to provide products that meet our customers' specifications and quality standards so that they can be used safely and with peace of mind.

Quality assurance philosophy

First and foremost, our machines must be safe. They must also be high-quality in terms of environmental impact and molding methodology, among other factors. Therefore, we strive to improve quality based on our quality target of providing quality products and services that satisfy our customers, and engage in activities with the aim of realizing our corporate philosophy of enriching communities through plastics as a global company.

Quality management system (QMS)

Our quality management system (QMS) is documented in our Quality Management Regulations, and quality reviews are conducted by internal and external organizations every fiscal year. We use the results of these reviews to enhance quality and continuously improve the QMS under the direction of the quality managers of relevant departments.

Additionally, our head office, four production subsidiaries (NISSEI HOMMA MACHINERY CO., LTD., NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD., Taicang Takita Metal Products Co., Ltd., and NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.), and one other subsidiary (NEGRI BOSSI S.P.A.) have acquired ISO 9001:2015 (the international standard for quality management systems) certification.

Certificate for the head office

QMS management reviews

We conduct QMS management reviews annually to check the accuracy and effectiveness of our quality management system. The quality managers of relevant departments use the results of the reviews to improve the QMS, and incorporate their findings when they formulate quality targets for their departments for the following fiscal year.

Quality improvement initiatives

At quarterly interviews with our Representative Director, each department sets quality targets and verifies whether the PDCA cycle is fully functioning. Internal and external nonconformities are also compiled and analyzed and then provided as feedback to the responsible departments to prevent their recurrence, and information about them is exchanged and shared between departments and with production subsidiaries. Additionally, companywide Quality Enhancement and Improvement Project meetings are held monthly to further improve quality.

Responding to product nonconformities

When problems occur with a product in the market (including machines manufactured at factories outside Japan), the Sales Department at our head office acts as the liaison and manages the problems, and the sections responsible for the defects take the lead in promptly responding to the problems, thereby ensuring a swift resolution. Additionally, monthly discussions on quality improvement are held at meetings of the Management Committee, which are attended by all officers, including outside Directors.

Customer Service

As a specialized manufacturer of injection molding machines, we have established an integrated system of development, manufacturing, sales, and services to provide our customers in 80 countries who use our injection molding machines with truly unique and specialized services. We also promote services for reducing environmental impacts and make efforts to conserve resources, save energy, recycle, and otherwise use limited resources effectively.

Service work in a clean room

1. Service system

We provide high-quality after-sales services based on our ability to swiftly and accurately understand information. Additionally, our service personnel have a high level of expertise in designing custom special-purpose machines, and can provide support for everything from selecting specifications for these machines to their operation on production lines. Specifically, to keep our injection molding machines in good condition and extend their service lives, we offer customized inspection programs and provide initial service (preventive maintenance) to prevent and mitigate problems with injection molding machines.

2. Human resources development

We recognize that developing service personnel and other human resources is an important management issue for the Company. To develop our service personnel, we regularly provide education and training on new models, new equipment, and safety in addition to our onboarding program for new hires. For example, we take steps to improve our service capacity by holding workshops on new models and newly adopted parts using the internet and other means. We have also written service manuals in English for our non-Japanese service personnel, and have established a high-level service system based on global standards.

3. Improving customer service

To provide our customers with fast, high-quality services, we use the service operation data we have accumulated in-house over many years to perform the appropriate operations. We always provide services tailored to our customers, particularly initial service for preventing problems with and increasing the productivity of injection molding machines, and swift after-sales services.

Strength 2 Distinct technology

Introduction

At our founding in 1947, we were a mold processing company. In pursuit of molding quality and productivity, we started to improve and develop injection molding machines, and in 1957, we began selling injection molding machines, transforming the Company into a molding machine manufacturer. Today, as the only specialized manufacturer of injection molding machines in Japan, we continue to think over the principles of molding and constantly advance the frontiers of injection molding technology. These efforts built our strengths, namely our sizeable team of molding engineers, salespeople, and service personnel who have mastered an extensive array of molding technology. Across all job types, 80% of our employees have acquired national certification as injection molding engineers.

This stockpile of molding technology is the backdrop for our continued introduction of injection molding machines that satisfy the principles of molding without excessive performance and functionality to the market, and our ongoing progression toward realizing our corporate philosophy of enriching communities through plastics as a global company.

Innovative Molding Technology

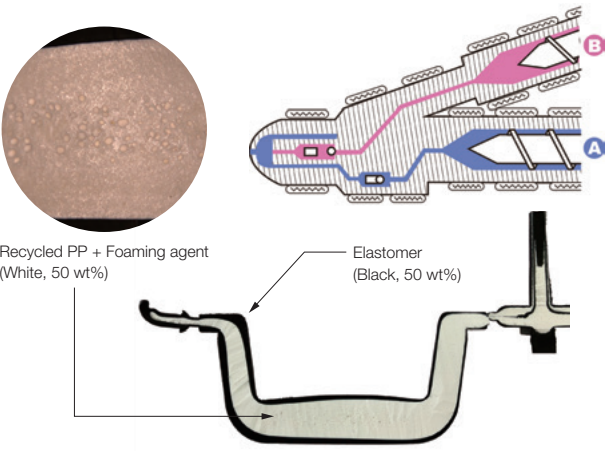
We have worked on injection molding in all areas, and introduce here some of the new molding technology we have worked on in the past several years.

1 Sandwich molding with recycled materials

An environmentally friendly technology that effectively utilizes waste materials to reduce the amount of plastics used. Under this technology, recycled PP is used as the core with virgin elastomers on the outside to satisfy requirements for the texture and feel of product exteriors. Additionally, foaming agents are added to the PP to improve the transferability of molded product surfaces in addition to preventing sink marks, reducing weight, and shortening cooling time.

In fact, this technology is based on technology we developed 30 years ago and exhibited at JP93, the predecessor of the International Plastic Fair (IPF Japan). Now that environmental issues are front and center in the world's consciousness, we have given the original technology new life with even greater value.

As for injection molding machines, the FN-X-AD Series of multicolor molding machines is used.

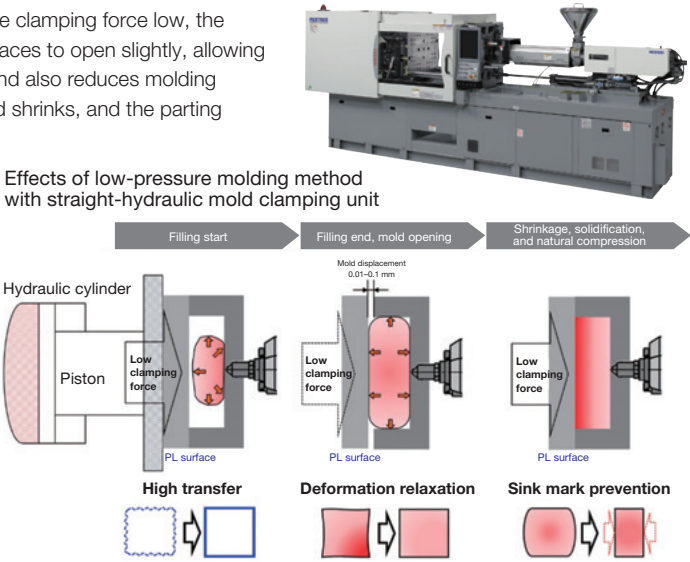


2 N-SAPLI low-pressure molding method

A low-pressure molding method that defies conventions. By keeping the clamping force low, the pressure of the resin filling the mold cavity causes the mold parting surfaces to open slightly, allowing air to escape more smoothly. This results in lower injection pressures and also reduces molding defects caused by gas. Next, the resin in the cavity cools, solidifies, and shrinks, and the parting surfaces are ultimately closed when the mold is pushed back into place by the clamping cylinder pressure of the straight-hydraulic mold clamping unit. This behavior keeps the resin in constant contact with the mold, increasing cooling efficiency, shortening cycles, improving transferability, and reducing sink marks and warping.

This low-pressure molding method saves energy, reduces the frequency of mold maintenance, and extends the service lives of molding machines.

N-SAPLI can be used with our hybrid series PN-X, FN-X, FV-X, FW-X, TN-X-R, TW-X-R, and others with straight-hydraulic mold clamping units.



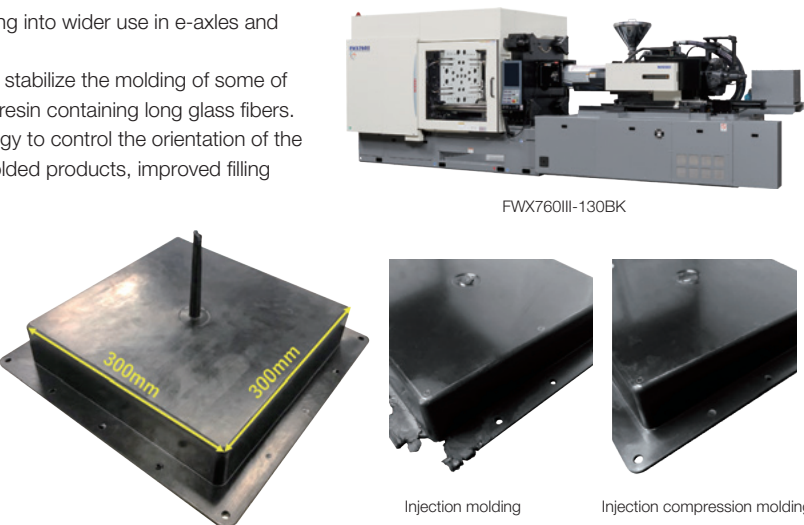
3 Thermosetting resin molding

As the shift to EVs progresses, thermosetting resins are coming into wider use in e-axles and other products.

We have collaborated with Sumitomo Bakelite Co., Ltd. to stabilize the molding of some of the largest molded products in Japan (1,000 g) with phenolic resin containing long glass fibers. Using our proprietary injection-compression molding technology to control the orientation of the fibers, we have successfully reduced the anisotropy of the molded products, improved filling performance for highly viscous materials, prevented weld lines, and improved dimensional precision and product strength.

Our long history of thermosetting resin molding gives us the breadth to work with epoxy, BMC, urea, unsaturated polyester, and many other resins in addition to phenolic resins. Our expertise spans all types of shapes, including granular, bulk, and ribboned. We also have extensive experience with liquid silicone rubber.

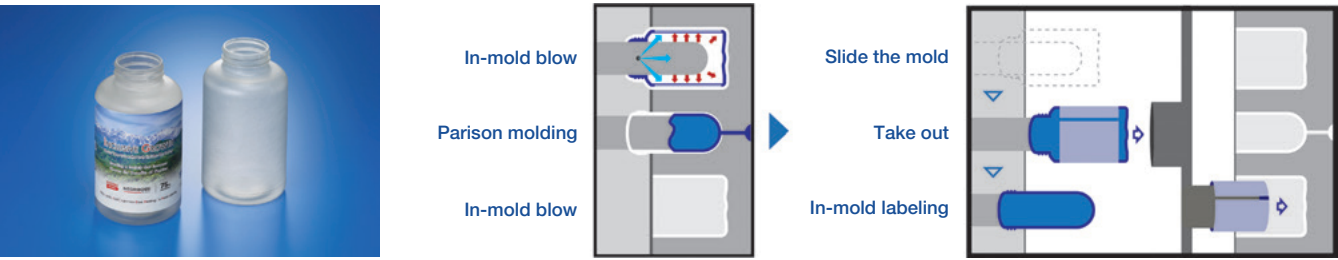
The molded product in the photograph on the right was made using our newly developed FWX760III-130BK.



4 Blow molding with biodegradable resin and PLA

As one of our environmentally friendly technologies, we developed a bottle molding system for biodegradable resin and PLA and worked with a material manufacturer to develop a blow-grade PLA. Under this system, bottles are molded by alternating the molding and blow stages in the same mold. The system also features in-mold labeling with biodegradable materials for both the labels and the ink. Blowing PLA is extremely challenging because it requires lower resin and mold temperatures than PP or PE blow molding, making in-mold labeling on product surfaces difficult. However, we applied our extensive molding technology to the fullest to develop a bottle molding system for PLA, which we presented at K 2022, the world's largest international trade fair for plastics and rubber.

Although the molded products shown below were made using the NOVA5eT Series of general-purpose electric molding machines manufactured by Italian Group company NEGRI BOSSI S.P.A., our NEX Series is also up to the challenge. Also, the fact that an ordinary compressor can serve as the air source for the blowing makes it possible to mold bottles with a lower-cost general-purpose injection molding machine rather than a specialized machine. Of course, molding with materials other than PLA is also possible.



Conclusion

We are presently the only specialized manufacturer of injection molding machines among major manufacturers in Japan. We will continue to lead the injection molding machine industry and develop injection molding machines that underpin the expansion and actualization of the molding field.

Strength 3 Proven sales and network

Proven sales and network in Japan and 80 other countries and regions

Our team at work in 44 locations in 23 countries

NISSEI brand injection molding machines are exported to more than 80 countries and regions where we have built a name value of trust by diligently meeting the market needs of their industries. We have formed a dense global network with 44 sales and service locations in 23 countries, centered on 16 overseas subsidiaries and offices.

NISSEI PLASTIC INDUSTRIAL locations

- Local subsidiary
- NEGRI BOSSI S.P.A.
- Overseas branch
- Distributor/agent



NEGRI BOSSI S.P.A.
NEGRI BOSSI S.P.A. became a consolidated subsidiary of the Company in 2020. The company is an injection molding machine manufacturer established in Milan, Italy in 1947. Their lineup features a variety of high-performance injection molding machines. Their specialty is supersized injection molding machines, and they provide their clientele—mainly in the European automotive industry—with products and solutions tailored to their individual needs.



NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.
NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD. was established in May 2012. The company is our hub in Southeast Asia, strengthening sales in Thailand as well as Southeast and West Asia and promoting production activities as the foundation for a global sales strategy that takes advantage of free trade agreements (FTAs) and economic partnership agreements (EPAs).



NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD.
NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD. was established in the city of Taicang in the province of Jiangsu, China in July 2009 as the first production site of the Group. The company expanded in January 2015 to increase production and expand models produced in response to rising demand in China. It also functions as a technical center for injection molding machine production and customer service, and as a school for user education.



NISSEI HOMMA MACHINERY CO., LTD.
NISSEI HOMMA MACHINERY CO., LTD. became a consolidated subsidiary of the Company in 2017. The company is involved in manufacturing large general-purpose machine tools (e.g. turning centers, five-axis processing machines) and other large special-purpose machines as well as our injection molding machines. Our West Japan Technical Center is located in the company's head office and factory in the city of Akashi in Hyogo Prefecture, and is highly acclaimed by customers in western Japan.



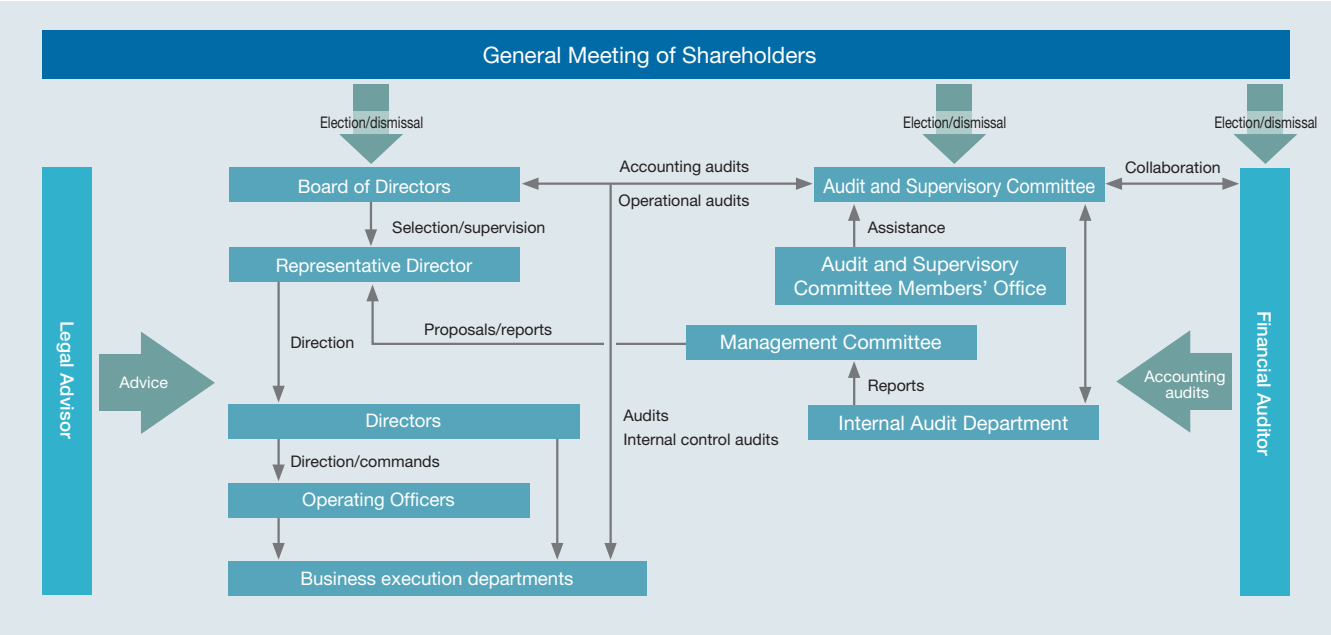
NISSEI METAL WORKS CO., LTD.
NISSEI METAL WORKS CO., LTD. is a consolidated subsidiary of the Company located in the city of Joetsu in Niigata Prefecture. The company's main businesses include fabricating and coating the sheet metal for our injection molding machine parts, and can manufacturing. The company uses its own trucks to deliver the parts it manufactures to our head office and factory, which helps reduce the cost of our products.



NISSEI AMERICA, INC.
We established NISSEI AMERICA, INC. in October 1977 to expand sales in North America. The company absorbed production subsidiary NISSEI PLASTIC MACHINERY AMERICA INC., which was established in November 2016, and handles everything from manufacturing to sales and services. The company promotes the manufacture and sale of products that meet the needs of customers mainly in the USA, and to satisfy high demand for large injection molding machines, especially from the automotive industry.

Corporate Governance System

Our basic approach to corporate governance is to recognize the importance of strengthening the management oversight function in addition to prompt decision-making and appropriate business execution in order to meet the expectations of our shareholders and other stakeholders, achieve sustainable growth, and enhance corporate value over the medium and long term. To address these important issues, the Company partially amended its Articles of Incorporation on June 24, 2022 to strengthen its management structure and supervisory function, and transitioned from a Company with a Board of Company Auditors to a Company with an Audit and Supervisory Committee. Currently, the Board of Directors comprises 12 Directors, including four outside Directors.



Basic information

Directors	12
Number of independent outside Directors included in the total	4
Number of outside Directors who are Audit and Supervisory Committee Members included in the total	2
Directors' term of office (excluding Directors who are Audit and Supervisory Committee Members)	1 year
System for assisting the Audit and Supervisory Committee in its duties	Audit and Supervisory Committee Members' Office
Financial Auditor	Kanade Partnership
Anti-takeover measures introduced	None

Directors and the Board of Directors

The Board of Directors is chaired by the Representative Director. The Representative Director is the chair because they have the necessary insight into the injection molding machine industry to which the Company belongs and an understanding of how business is executed internally.

The Board of Directors comprises 12 members.

- Nine Directors (excluding Directors who are Audit and Supervisory Committee Members) (including two outside Directors)
- Three Directors who are Audit and Supervisory Committee Members (including two outside Directors)

The term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) is set to one year in order to clearly signify their responsibility for

business execution and management as Directors and to enable swift responses to the constantly changing management environment.

The Board of Directors is responsible for making management decisions and supervising business execution, and deliberates and decides important management matters as stipulated in laws and regulations, the Articles of Incorporation, and the Regulations of Board of Directors. Additionally, meetings of the Management Committee are held to discuss and report on important matters to be brought before the Board of Directors; the Management Committee effectively functions as a body for prior deliberation and checks on specific actions to be taken by Directors in the execution of their duties and the like.

Audit and Supervisory Committee Members and the Audit and Supervisory Committee

The Audit and Supervisory Committee comprises three Directors (including two outside Directors) who are Audit and Supervisory Committee Members. The Audit and Supervisory Committee is chaired by a full-time Audit and Supervisory Committee Member. Audit and Supervisory Committee Members attend meetings of the Board of Directors, meetings of the Management Committee, and other important internal meetings to ensure the soundness and transparency of business operations, and make statements as necessary to ensure the appropriateness of decision-making. The Representative Director and the Audit and Supervisory Committee also meet regularly to exchange opinions and communicate with each other; additionally, rigorous audits are conducted by interviewing and reporting on the status of business execution by Executive Directors, by inspecting documents for resolutions on important matters, and the like.

Nominating Committee and Compensation Committee

The Company has established the Nominating Committee and Compensation Committee as advisory bodies to the Board of Directors to enhance corporate governance by strengthening the fairness, transparency, and objectivity of procedures involving the nomination and compensation of Directors. The Nominating Committee and the Compensation Committee comprise three Directors with special titles and four outside Directors so that the majority of the members are outside Directors.

Nominating Committee

The Nominating Committee selects candidates for Directors in accordance with the criteria for the nomination of candidates for Director. The Nominating Committee also comprehensively considers and discusses the reappointment of Executive Directors based on their contributions to the Company during their term of office and the results of the annual evaluation of the Board of Directors in addition to the criteria for the nomination of candidates for Director; the Board of Directors holds discussions and makes decisions based on the results of the Nominating Committee's considerations and discussions, which ensures a high level of transparency.

Compensation Committee

Compensation for the Company's Executive Directors comprises cash compensation and performance-linked compensation (including stock options). The Compensation Committee discusses Director compensation based on the Company's compensation criteria, taking into consideration performance, contributions, position, and other factors. Based on these discussions, the Board of Directors discusses and decides Director compensation, which ensures a high level of transparency.

Training of Directors

The Company recognizes that Directors must continually improve their skills and knowledge to fulfill their roles and responsibilities. Accordingly, the Company arranges external training programs for Directors when they are appointed in order to impart the basic knowledge required of Directors. Additionally, we have established a system such that Directors (including outside Directors) are able to participate

in external training programs at their own discretion and at the Company's expense.

Analyzing and evaluating the effectiveness of the Board of Directors

The Company recognizes the roles expected of the Board of Directors and changes in the circumstances surrounding the Company, and reviews the effectiveness of the Board of Directors with an eye toward strengthening governance. Specifically, we conduct questionnaire surveys of Directors (including Directors who are Audit and Supervisory Committee Members) regarding areas for improvement of the roles, functions, operation, and other aspects of the Board of Directors.

Consequently, regarding the composition of the Board of Directors, we increased the number of outside Directors when we transitioned to a Company with an Audit and Supervisory Committee, and ensured management transparency as well as the diversity of the members, which now include a foreign national and a woman. Looking ahead, our task is to increase the percentage of outside Directors on the Board of Directors. Regarding the operation of advisory committees, the Nominating Committee and Compensation Committee comprise three inside Directors and four outside Directors, meaning the majority of the seven Directors are outside Directors, which should make the committees' deliberations more transparent. Now that we have transitioned to a Company with an Audit and Supervisory Committee, the term of office of Executive Directors is one year, increasing the importance of evaluating each Director's execution of business, nominating candidates, submitting proposed compensation, and the like as well as having a transparent and satisfying system in collaboration with the Board of Directors. Regarding dialogue with stakeholders, we have received feedback that the publication of the Integrated Report since our 67th fiscal year has further enhanced not only investor relations, but also the disclosure of our medium-term management plans, governance structure, and technology development and sustainability-related initiatives. Based on this evaluation, we will continue our efforts to make continuous improvements and further enhance our effectiveness.

Operating Officers and Operating Officer System

The Company has introduced an Operating Officer System. Operating Officers are appointed by the Board of Directors and execute their duties based on and within the scope of management policies and management decisions determined by the Board of Directors. Additionally, the Board of Directors and the Representative Director oversee and supervise the Operating Officers' execution of business.

As of June 30, 2023, the Company's Operating Officers comprised the five people listed below.

	Position	Name
Operating Officer	General Manager of the Corporate Planning Department	Akihiko Imai
Operating Officer	General Manager of the Procurement Department	Mamoru Miyagawa
Operating Officer	COO, NEGRI BOSSI S.P.A.	Junichi Kubota
Operating Officer	General Manager of the Sales Department	Kimiko Otani
Operating Officer	Head of the Central Japan Block	Hiroshi Shimizu

List of Officers

We recognize that enhancing corporate governance is an important management issue for the Company, and thus strive to improve management transparency by promoting further efficiency and soundness of management and promptly disclosing accurate information to our shareholders and investors.



- 1

Hozumi Yoda
(July 30, 1963)
President and Representative Director
- 2

Kiyoto Takizawa
(February 20, 1957)
Managing Director in charge of overseas production
- 3

Takahiro Kobayashi
(February 12, 1961)
Managing Director
- 4

Kazuo Usui
(July 28, 1959)
Director and Chief General Manager of the Engineering Division
- 5

Kazuyoshi Horiuchi
(September 29, 1961)
Director
- 6

Kikuo Sakurada
(March 20, 1960)
Director and Chief General Manager of the Sales Division
- 7

Hidetoshi Ogiwara
(March 31, 1950)
Director and Advisor
- 8

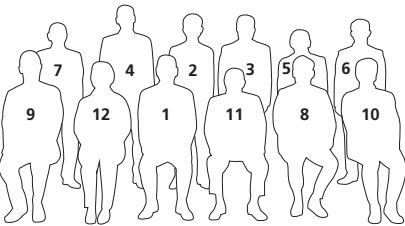
Yosuke Taira
(November 6, 1979)
Outside Director
- 9

Stephen Bruce Moore
(October 6, 1966)
Outside Director
- 10

Yoshinao Handa
(December 13, 1962)
Director (Audit and Supervisory Committee Member)
- 11

Kazuyuki Narusawa
(December 2, 1938)
Outside Director (Audit and Supervisory Committee Member)
- 12

Haruko Nishida
(August 6, 1957)
Outside Director (Audit and Supervisory Committee Member)



Skills matrix

To enable appropriate and flexible decision-making and business execution pertaining to the engineering, manufacturing, sales, and management of plastic injection molding machines—the business of the Group—candidates for inside Director must have professional skills, knowledge, and expertise in this business, while candidates for outside Director must use their expertise and experience in their respective fields to supervise the management of the Company’s business.

		Nominating Committee	Compensation Committee	Corporate management	Production/Technology/Development	Sales/Marketing	Finance/Accounting/Legal	Years in office*
Directors	1 Hozumi Yoda	●	●	●	●	●	●	24
	2 Kiyoto Takizawa			●	●	●		18
	3 Takahiro Kobayashi	●	●		●			5
	4 Kazuo Usui				●			9
	5 Kazuyoshi Horiuchi						●	1
	6 Kikuo Sakurada				●	●		Newly elected
	7 Hidetoshi Ogiwara	●	●	●	●	●	●	13
	8 Yosuke Taira	●	●				● (Accounting/Tax)	7
Audit and Supervisory Committee Members	9 Stephen Bruce Moore	●	●	●	●	●		1
	10 Yoshinao Handa						●	1
	11 Kazuyuki Narusawa	●	●	●		●	●	12
	12 Haruko Nishida	●	●	●		●		3

Corporate management: Compliance, risk management, ESG and sustainability included
Sales/Marketing: Global business included

● Experts working on accounting, tax, or legal affairs as a business
* As of the 67th Annual General Meeting of Shareholders (June 23, 2023)

Risk Management and Compliance

Risk management system

The Company has established a risk management system to prepare for interruptions or slowdowns of business activities due to natural disasters or other unexpected circumstances.

The Company’s risk management system comprises the Directors, the Operating Officers, and general manager-level employees, with the President and Representative Director as the chairperson and the officer in charge of risk management as the executive secretary. The committee convenes whenever events described in the Risk Management Regulations and the BCP Manual occur, and has established a system to respond promptly to any risks that arise.

Risk Management Committee

The Risk Management Committee meets twice each year, in principle, to discuss topics including the status of activities in response to risks that have occurred, revisions to the BCP Manual, and BCP drill implementation plans, and to consider and implement a system that makes it possible to continue our business and provide uninterrupted services and value to our customers and other stakeholders, even in unexpected circumstances.

Risk maps

Every four years, the Risk Management Committee updates risk maps of companywide risks that have been identified throughout the Company. The committee checks how frequently risks occur, their degree of impact, and whether appropriate countermeasures are taken; identifies and considers countermeasures for new risks; and reviews the effectiveness of countermeasures for existing risks, revising the BCP Manual as necessary.

BCP drills

The Company conducts annual BCP drills in collaboration with major affiliates. We conduct drills based on the assumption of a possible major earthquake or flood to ensure the continuation or soonest possible resumption of business for our own facilities and equipment, procurement, manufacturing, sales, and services, with the safety of human life as the top priority. We conduct the drills in accordance with the BCP Manual, which we revise based on the results of the drills to ensure that it is highly effective at all times.

Infection control measures

Since January 2020, the Risk Management Committee has taken the lead in implementing infection control measures to minimize impact on our business activities, prioritizing the health of our employees and their families in Japan and overseas and prevention of the spread of infection. We have added an Infection Control Manual to the BCP Manual and reviewed and launched a telecommuting program as measures to prevent infections among employees. NEGRI BOSSI S.P.A., our Italian subsidiary, is also engaged in social contribution activities, for example donating masks manufactured using its injection molding machines to local governments during the COVID-19 pandemic.

Compliance

We believe that compliance is about not only observing laws and regulations, but also acting in accordance with our corporate philosophy and the NISSEI PLASTIC INDUSTRIAL Charter of Corporate Behavior, forming the basis of our corporate management. Accordingly, we believe that compliance is the undisputed foundation for corporate advancement and that we must continue our efforts to engage in corporate activities that are trustworthy to society.

The Company’s compliance system

We operate the Company’s compliance system in accordance with the Compliance Regulations and the Compliance Manual.

Specifically, the officer in charge of compliance appoints section manager-level employees as compliance managers. We conduct companywide compliance training once every three months, with compliance managers serving as instructors and workshops held in each section. Annual themes for compliance training are planned and implemented by departments in charge of compliance operations, which incorporates topics of interest in society in an effort to raise awareness among all employees.

Whistleblower system

The Company has established a system that allows people to immediately report to their supervisors and department managers when they become aware of any misconduct or inappropriate handling of business affairs by officers or employees. We have also established three points of contact for whistleblowers that do not require them to go through their supervisors. Specifically, we have established a whistleblower system and contact points for handling consultations on sexual harassment and abuse of power.

We inform all employees about the whistleblower system through compliance training, and have established a structure for whistleblowers in line with the Whistleblower Regulations.

Internal Control Committee

The Company’s Internal Control Committee, which comprises Directors and department managers, meets once a year to ensure sound, efficient corporate management. In accordance with policies approved by the committee, the members continuously monitor the flow of companywide operations, identify risks that could lead to corporate misconduct or mistakes, and develop internal control activities to establish and maintain optimal rules to reduce the risks.

Security Export Control Committee

The Company thoroughly disseminates information internally about the provisions of foreign exchange and foreign trade laws to promote compliance with the laws and in an effort to prevent the proliferation of weapons of mass destruction and materials and equipment for manufacturing weapons, prevent excessive stockpiling of conventional weapons, and otherwise maintain international peace and security.

Round-Table Discussion with Outside Directors



Hozumi Yoda President and Representative Director	Haruko Nishida Outside Director (Audit and Supervisory Committee Member)	Stephen Bruce Moore Outside Director
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Pursuing sustainable growth of the NISSEI Group through efforts to strengthen governance

NISSEI PLASTIC INDUSTRIAL has long regarded the establishment of effective corporate governance as the cornerstone of corporate advancement, and devoted energy to strengthening the functions of the Board of Directors and the Audit and Supervisory Committee.

We welcomed current outside Director and Audit and Supervisory Committee Member Haruko Nishida to the Board of Directors as a Corporate Auditor in 2020 and outside Director Stephen Bruce Moore in 2022, and are striving to expand diversity while utilizing the supervisory and advisory functions of our outside Directors to make prompt and appropriate decisions.

In this year’s round-table discussion, we got to hear what these two outside Directors and President and Representative Director Hozumi Yoda had to say about the governance and growth strategies of the NISSEI PLASTIC Group.

NISSEI PLASTIC’s governance structure evolved further after welcoming highly discerning outside Directors to the Board of Directors

Yoda

Today, we have invited Stephen Bruce Moore, an outside Director of the Company, and Haruko Nishida, who is both an outside Director and an Audit and Supervisory Committee Member, to share their honest opinions about our governance and execution of business.

Moore

I joined McGraw Hill, an education and publishing company in the USA, in 1991. My relationship with NISSEI PLASTIC began when I interviewed then-President Tsukasa Yoda while I was working as Chief of Asia Pacific Region for

Modern Plastics magazine. Because of my expertise in plastics-related technologies, I was approached about becoming an outside Director in 2022. I was elected in June 2022, and am currently serving my second year.

Nishida

I worked at a private research institute for ten years and then spent nearly 20 years at McKinsey & Company working on a variety of consulting projects. Since then, I have shifted my focus to areas of high public interest, for example reconstructing areas afflicted by the Great East Japan Earthquake, revitalizing regional economies, and developing human resources, especially women. I continue to serve as a director and representative director of several public interest incorporated foundations and specified non-profit corporations. My relationship with NISSEI PLASTIC began in 2018, when I gave a lecture in the town of Sakaki at the request of Mayor Yamamura, and President Yoda was in attendance. In the lecture, which was titled “Living a Spiritually Enriched Life in a Small Economy,” I posited my view that small but prosperous and vibrant towns like Sakaki could deliver Japan’s economic revival. About six months later, President Yoda directly approached me about serving as an auditor on the Company’s Board of Directors. I was appointed in 2020 and have been serving as an outside Director and Audit and Supervisory Committee Member since June 2022.

Active discussions at Board of Directors meetings reflect NISSEI PLASTIC’s open corporate culture

Yoda

I was with NISSEI AMERICA, INC. from 1993 to 2000, so I was somewhat uncomfortable with the way Japanese listed companies have emphasized diversity in the past several years. Directors should be appointed because they possess leadership qualities, so appointing a certain number of foreign nationals and women to fill quotas seems like putting the cart before the horse. That said, selecting people based mainly on their abilities created our diverse lineup, which now features Mr. Moore and Ms.

Round-Table Discussion with Outside Directors

Nishida. Mr. Moore not only brings expertise in plastics industry technology from around the world, but also a global perspective that is essential for the governance of the Company. Ms. Nishida has built an impressive career in the consulting industry while concurrently expending every effort to support regional economies and active participation by women. We gladly welcomed both of them as people capable of contributing to the advancement not only of the Company, but also the industry as a whole.

Nishida

In my view, outside Directors should not be around simply for show. In my first position, I worked in macro analysis, and in my previous position, I oversaw the analysis of companies around the world as a research section manager. I believe that speaking frankly based on the knowledge I gained in these positions will help strengthen NISSEI PLASTIC’s governance and sustainable growth.



Moore

At one time, I had the preconception that outside directors of Japanese companies rarely say “No” to the executive side, that they do not sufficiently supervise management or hold them in check. However, at meetings of NISSEI PLASTIC’s Board of Directors, frank opinions are exchanged in a lively atmosphere, and all the other officers listen intently to what the outside Directors have to say. I feel that the Company has established effective governance that reflects its open corporate culture.

NISSEI Group’s sense of unity enhanced by visits to NEGRI BOSSI S.P.A.

Nishida

Since I concurrently serve as an Audit and Supervisory Committee Member, you might say that I am more deeply involved in the management of NISSEI PLASTIC. In March 2023, I visited NEGRI BOSSI S.P.A. in Italy, which became a consolidated subsidiary of the Company in January 2020, to see their business and observe how they manage it with my own eyes, and to remind myself of their advantages and challenges. Audit and Supervisory Committee Members are responsible for properly reporting issues facing Group companies to the Board of Directors, so I compiled and submitted a straightforward report.

Yoda

Due to the COVID-19 pandemic, our communication with NEGRI BOSSI S.P.A. executives has been completely remote for the past three-plus years. However, thanks to Ms. Nishida’s visit, I feel that the Company’s global governance has further evolved. Even if I or other Directors had met with the company’s executives, we would have focused on communicating the values and strategies of the head office, and we would have struggled to gain sufficient understanding and empathy from the local employees. In this respect, I consider Ms. Nishida’s visit to NEGRI BOSSI S.P.A. from her impartial position to be a significant step forward in fostering a sense of unity as a Group.



Nishida

NEGRI BOSSI S.P.A. has a unique history and distinct culture. Management and employees are anxious about

the future, so I made a thorough effort to put myself in their shoes and take what they said seriously. I also explained how joining the NISSEI PLASTIC Group would bring substantial benefits to them. Consolidated management cannot function properly unless both the acquiring company and the acquired company share a vision and goals that transcend their differences in position. It should be possible to build a good relationship when the acquiring company can occupy the perspective of the acquired company and consider together what they can do to help the Group grow.

Outside Directors’ mission is to use their outside perspectives to support the formulation and execution of management strategies

Moore

In my view, NISSEI PLASTIC’s governance structure leads the industry in terms of both diversity and the ratio of outside Directors. Four of the 12 Directors are outside Directors, which ensures functional monitoring of management, and the Company was the first in the industry to appoint a foreign national and a woman to its Board of Directors. The challenge looking ahead is to utilize the views and suggestions of outside Directors, women, and foreign nationals in management decision-making and business execution.

Yoda

What I appreciate most about both of you is the many insights into management you have given me. When you are inside a company, your thoughts tend to revolve around your company and your industry. For example, when considering what makes injection molding machines great, engineers on the front lines imagine machines capable of consistently producing high-quality plastic products. They tend not to think about the environmental contribution or social value of products. We are focused on our specialties, but outside Directors tell us what the public commonly perceives or thinks about the industry’s contributions to sustainability, which helps us orient our strategies and

measures properly. Outside Directors also provide invaluable help to our inside Directors when they are unsure of how to proceed with ESG and sustainability initiatives.

Nishida

For outside Directors to provide proper advice and recommendations to management and Directors, we need to have a solid understanding of industry and market circumstances and share information with inside Directors and executives about the Company’s goals and the process of achieving them. I do not hesitate to ask questions from a consultant’s perspective, and if I am not satisfied with the answers, I state my views and ask for further clarification. Although the Directors are usually busy with their current duties, they respond diligently to my questions and suggestions. I want to emphasize that one of NISSEI PLASTIC’s advantages in governance is its close cooperation and information sharing between inside and outside Directors.

Moore

I feel the same way. I was told that outside Directors’ duties are limited to attending meetings of the Board of Directors once or twice a month, but recently I have been receiving more requests from President Yoda and other Directors to attend this or that meeting or to visit the Company’s booth at a trade fair, even if only for a day. I recently had the opportunity to take part in the certification examination for the Company’s Meister Certification Program. As an expert in technology myself, these events are unique opportunities for me to encounter cutting-edge technology, meet brilliant researchers, and consider the future of the Company and the industry.



Round-Table Discussion with Outside Directors

Leading the way toward smart injection molding machines through strategic DX and R&D

Yoda

The plastics industry finds itself at a historical inflection point. In light of the increasing severity of marine pollution caused by plastic waste, there is growing demand for bioplastics and other alternative materials. Additionally, the progression of DX is bringing irreversible changes to production activities and operations in the industry. Can you tell us your perception of the challenges we face in determining what we should do to create a sustainable corporate group?

Moore

I think the most urgent task is to develop smart injection molding machines. For example, automobiles are transforming into a type of computer system that electronically controls all operations and functions, typified by automated driving and in-vehicle infotainment features. For injection molding machines as well, the time has come to leverage AI and IoT to streamline production and improve the precision of molding. IT advances quickly, and it is not easy to catch up if you are as little as one or two years behind. I think the Company should further accelerate its DX initiatives in collaboration with the Directors in charge of production and technology and executives in the R&D Department.



Nishida

It is important to identify problems and issues on the front lines, visualize them as management themes for the entire

Group, and plan and execute appropriate countermeasures. We outside Directors must not only listen to President Yoda and other Directors explain various projects, but also take advantage of trade fairs, internal meetings, and other opportunities to share the vision and goals with relevant people in each department.

Focusing on reducing the environmental impact of production processes and contributing to the environment through the Company's business and products

Yoda

NISSEI PLASTIC has sustained its business to date with the support of many people. However, we cannot make our corporate vision a reality through a unilateral relationship in which we create value and provide it to our stakeholders. We must build close relationships based on collaborative creation with diverse stakeholders and pursue the next generation of business in addition to pursuing profits. I also believe that growing together is important in terms of the sustainability of the Company. Managing a corporation is not always smooth sailing. In that sense, a joint-stock company exists to develop as a corporation to repay and support the lives of people who support us even in difficult times.

Nishida

Starting around 2019 in the USA, I noticed a shift away from the conventional shareholder-first mentality and toward corporate management that takes various stakeholders into account and focuses on the medium and long term. Major funds once derided as vultures have recently begun to emphasize ESG investments. NISSEI PLASTIC's business activities are supported by diverse stakeholders, including the local community of the town of Sakaki and its employees, business partners, customers, and shareholders. For the Group to advance further, I think

it is essential to continue to earnestly manage the Company, never forgetting that it is a public instrument of society.



Moore

As Ms. Nishida pointed out, in Europe and North America, the movement toward a broader concept of stakeholders has reached full speed. Personally, I consider the environment to be an important additional stakeholder. People strongly believe that companies in manufacturing should reduce the environmental impact of production processes and contribute to sustainability through their business and products. Many companies have set CO₂ emission reduction targets for 2030 and 2050, but they will also need to report annually on their quantitative and qualitative progress to avoid greenwashing.

Providing optimal solutions to the challenges of our customers and society

Nishida

The ancient Greek philosopher Aristotle believed that living a good life was life's greatest proposition. I think this concept of living a good life holds for both individual people and companies. If we believe in the future and take one step forward every day, we will eventually achieve even the most far-reaching goals. I will do my utmost to help NISSEI PLASTIC achieve healthy growth and all of its employees achieve self-actualization.

Moore

Although the name of the Company is NISSEI PLASTIC INDUSTRIAL CO., LTD., it goes beyond providing high-performance, high-quality injection molding machines to helping customers improve their production efficiency, promoting environmentally friendly alternative materials, and building systems for recycling plastic. In other words, I view the Company as a solution provider that proposes optimal solutions to various issues of its customers and society. I will use the knowledge and expertise I have accumulated over the years to contribute to the further evolution of NISSEI PLASTIC.

Yoda

My vision of an ideal form of corporate management is to create a "cleansed" company with healthy and effective governance and other management systems, and a wide range of healthy and effective business activities. We will swiftly respond to the needs of industry and provide targeted solutions to diverse societal issues to enrich people's lives and make them more comfortable. I believe that is where the value of the Group lies. Hearing Mr. Moore and Ms. Nishida, I now have an even clearer picture of the virtues NISSEI PLASTIC should uphold and the upcoming challenges it faces. I will continue to work closely with these two and the other outside Directors to create the next generation of the NISSEI PLASTIC Group. Thank you very much for your time today.



Since our founding, we have made substantial contributions to the plastics industry through innovations in injection molding machines. Many of these technologies were not based on individual requests from customers, but rather were our own innovations that raised industry standards to new levels. We will continue to strengthen our innovation and grow. We recognize that solving societal issues is the meaning of our corporate philosophy of enriching communities through plastics as a global company, and will lead the plastics industry so that every part of it is engaged in true conservation of the global environment.

Sustainability

We promote environmental management with the aim of realizing a sustainable world. As part of our corporate social responsibility, we take steps to reduce the environmental impact of our business activities, for example saving energy at our factories and facilities and during the product transport stage. Accordingly, we have formulated environmental policies for the Group, and everyone from our officers to our employees will comply with the policies and behave in an environmentally conscious manner.

We make every effort to save energy and resources, prevent pollutions, and implement eco-friendly measures actively to work in harmony with Nature.

- 1 In order to live up to our environmental philosophy, we implemented an environment management system. We engage in activities to take our eco-friendly measures further and continuously review its effectiveness of the system.
- 2 We aim to execute the system effectively in order to achieve the environmental protection goals we have set.
- 3 We aim to reduce environmental load by effectively recycling and saving resources and time required for plastic processing.
- 4 We reduce environment pollutants and prevent pollutions.
- 5 We comply with the environment-related laws, regulations, and agreements.
- 6 We create and provide environment-friendly products.
- 7 All employees engage in environmental activities to achieve the SDGs, which are universal goals.

We promote activities centered on environmental, social, and governance by developing business for the purpose of promoting ESG.

For several decades, we have taken steps to preserve the global environment through plastics. As a specialized manufacturer, we have worked to conserve the global environment and solve environmental problems through plastic molding using environmentally friendly technology that we have developed over the years.

1973	1993	1993	1998	2009	2016
Blend Feeder	Injection molding technology for biodegradable resins	Sandwich molding	Pulp injection molding (PIM)	Accommodations for heat-resistant PLA	Accommodations for thin-wall PLA
Developed technology for mixing different materials to reduce plastic consumption	Developed molding technology to equip molding machines with the ability to blend biodegradable resin with walnut powder	Developed sandwich molding technology with recycled materials as the core layer	Worked with academic institutions to develop paper molding with pulp and starch as the main feed materials	Developed a heat-resistant series of N-PLAjet, an injection molding method for the biodegradable resin polylactic acid (PLA)	Developed a thin-wall series of N-PLAjet, an injection molding method for the biodegradable resin PLA

Sustainability

Social

As a way to contribute to local communities and educate the public about plastic molding, we hold outreach lectures and seminars for local communities and elementary and junior high schools on our business, plastics, and efforts to address environmental issues. After the lectures and seminars, we offer tours of our factories to further participants' understanding of plastics and plastic molding. We also provide opportunities for local junior high school students to gain work experience, helping them choose their careers. Through these activities, we fulfill our social responsibility to create a world where everyone can play an active role.

Governance

We recognize that thorough compliance and improving management transparency are important management issues for the Company, and thus hold compliance training for each section four times a year as well as training for employees who return to Japan temporarily from overseas assignments, training for women's advancement, and level-based training, all of which include compliance-related themes. Through each type of training, we rigorously promote compliance as a part of our corporate culture. We also strive to enhance our corporate value by responding swiftly and properly to issues that impact management and stakeholders and continuing to contribute to solving societal issues, thereby ensuring that our stakeholders are on the same page with us.

Decarbonization and energy saving

Regarding product development, as countries work in earnest to achieve their carbon neutrality targets, the automotive industry's shift to EVs has become especially apparent. Amid these circumstances, there is a growing need for higher value-added resin materials to accommodate lighter vehicles and the increasing number of electronic components. In response to the need for larger and higher-performing molded products, we have developed the FWX760III-130BK specialized injection molding machine for thermosetting resins. Leveraging the characteristics of curable resins that do not soften under heat, we have released the product in new fields where it is indispensable, including automotive parts as well as switchboards, electric insulation parts, and semiconductor-related parts.



FWX760III-130BK

Reducing CO₂ emissions

The Group has introduced solar power generation systems to reduce internal CO₂ emissions in an effort to conserve the global environment. We have installed the systems at the Company's head office and factory in Japan, and at NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD. outside Japan. We use the electricity generated by the systems to operate our factories at each location, and have reduced our energy consumption roughly 6.7%.

Location with solar power generation system	Annual power generation
Head Office & Factory	673,931 kWh
NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.	262,812 kWh
Total	936,743 kWh



Head Office & Factory



Thailand Factory

Measuring Scope 1 and 2 emissions

To gain an understanding of and reduce the Company's CO₂ emissions, we measure Scope 1 (emissions from fuel combustion, in-house power generation, and industrial processes at the Company) and Scope 2 (indirect emissions from the use of electricity, heat, and steam supplied by other companies) emissions. We use these measurements to set CO₂ reduction targets and implement reduction efforts accordingly.

FYE March 2023

Scope 1	2,746 t
Scope 2	3,349 t

Measuring Scope 3 emissions

To reduce CO₂ emissions from our business activities, we measure the CO₂ emissions of our products from our entire supply chain and our customers' production activities in addition to our own. We will continue to measure Scope 3 emissions and strive to expand the scope and improve the precision of our measurements and promote measures to effectively reduce CO₂ emissions.

FYE March 2023

Category number	Category name	Measurement (t)
1	Purchased goods and services	89,629
2	Capital goods	1,381
3	Fuel- and energy-related activities outside Scopes 1 and 2	None
4	Upstream transport and distribution (distribution for procurement and shipping)	2,516
5	Waste generated in operations	15
6	Business travel	85
7	Employee commuting	136
8	Upstream leased assets (emissions from operation of leased properties)	450
9	Downstream transportation and distribution (distribution and storage after transfer of ownership)	2,821
10	Processing of sold products	None
11	Use of sold products	309,947
12	End-of-life treatment of sold products	119
13	Downstream leased assets (operation of assets owned by the Company and leased to other entities)	None
14	Franchises	None
15	Investments (equity investments, debt investments, project finance)	None
Total		407,099

Initiatives for the 17 SDGs through the Group's business

Under the Company's in-house Environmental Management Project, we are making companywide efforts to achieve the 17 SDGs in each department, with particular focus on the following SDGs.

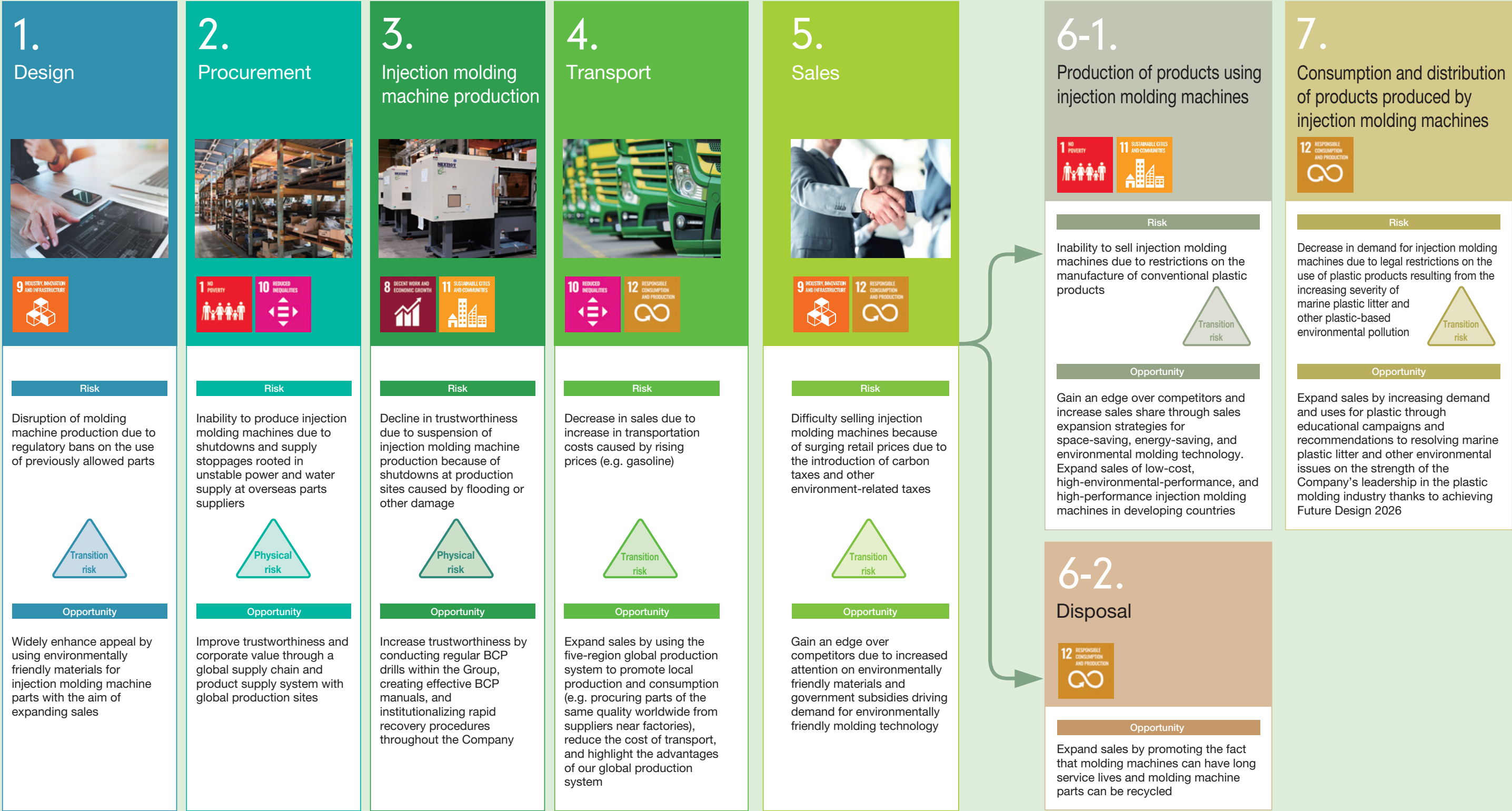
We aim to achieve the following goals relating to the natural environment through our SDG initiatives.

	Clean water and sanitation		Climate action
	Life below water		Life on land

Environment

Climate Change Initiatives

Climate change—an urgent global issue—is expected to have a significant impact on the Group’s business and strategies. Accordingly, we recognize that combating climate change is a key management issue. We will ascertain the risks and opportunities of climate change that impact the Group and take steps to save energy, develop energy-saving and environmentally friendly technologies, and engage in other internal activities in addition to working with external organizations to implement initiatives to resolve issues and contribute to achieving the SDGs.



Human Capital

Human Resource Development Policy



Our corporate philosophy is to enrich communities through plastics as a global company, and our mission and raison d’etre is to create new value sought by our customers and society while solving societal issues.

To remain an indispensable company in society, we need human resources capable of proactively developing whatever new skills are required in the future. To achieve sustainable growth, we need human resources capable of showing leadership and playing active roles on a global stage, and who have diverse experiences and personalities and a broad range of expertise. Accordingly, we are working to secure and develop such human resources.

Developing global human resources

For the Group to achieve sustainable growth, we must further advance our global environmental management. Therefore, we must develop human resources capable of playing active roles on a global stage. Toward this end, we promote the development of global human resources through training for employees before they leave Japan for overseas assignments and when they return to Japan temporarily from those assignments. Additionally, during normal business operations, employees of the Company’s Engineering Department and employees of the engineering department of NEGRI BOSSI S.P.A., our consolidated subsidiary in Italy, hold weekly online meetings to exchange technical information, cooperate on development themes, and make progress on other efforts that promote the development of human resources capable of playing active roles on a global stage.


Global human resource development education and training

Type of training	Description
Training for new managers	Training on policy management, personnel systems, compliance, and the like for new managers in Japan and overseas
Training for employees before overseas assignments	Training that includes conveying information about the information and systems needed for overseas assignments, pre-departure preparations, and the like
Training for employees who return to Japan temporarily from overseas assignments	Training on compliance, financial knowledge, personnel systems, and the like for overseas subsidiaries
In-house language training	English, Chinese, and Italian language classes taught by professional instructors


TOPICS

The trainee experience

In-house language training



I am currently taking English language classes. I will continue my studies with the aim of reaching a level that will allow me to communicate smoothly with local people when working outside Japan. The language classes have reminded me how important it is to keep going even for a small amount of time, a lesson I will use to improve my other skills.



Kota Takamura
Design Section, Engineering Department No. 1

Developing and utilizing diverse human resources

As we continue to promote the globalization and DX of our business activities, we understand the importance of developing human resources who have diverse experiences and personalities and a broad range of expertise, and are working to develop their skills accordingly. Supervisors carefully discuss strengths and challenges with their subordinates in in-person interviews to help them realize their career plans. Biannually, supervisors give their subordinates challenging roles, set work targets and skill development goals, and provide support for achieving them to help them grow. Specifically, every year, employees work with their direct section manager-level supervisors to create Goal Challenge Sheets on which they set challenging goals, and throughout the year, the supervisors encourage them to achieve their goals, thereby creating environments conducive to noticeable employee growth. Furthermore, we encourage all employees to create career sheets to plan out their careers over the longer term (one, three, and five years from the present) and work in ways that allow them to focus on their careers and life stages through interviews with the Director in charge of personnel.

Promoting diversity

Amid societal demand for diversity in human resources, companies cannot achieve new growth unless management and core human resources have diverse perspectives and values. Under our personnel system, we promote people to management positions according to their abilities, without distinction for gender, nationality, or age or career status when hired. Diversity is not limited to gender and nationality; it also includes age, race, religion, beliefs, and values as well as career background, experience, and work style. Our goal is to secure diverse human resources while respecting the diversity of our employees, and to create work environments where everyone can work with enthusiasm and promote diversity in work styles so that the right people are in the right positions to fully demonstrate their skills.

For information about employees and metrics, please see our Annual Securities Report (<https://www.nisseijushi.co.jp/investor/syoken.php>).

Training to promote active participation by women

Type of training	Description
Training for new managers	Diversity and compliance training for managers
Women’s training	Training for female employees to learn management policies, expand their roles and range of possible jobs, and advance their careers

VOICE

Sayaka Miyazaki Deputy Manager, NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD.




I was assigned to China in November 2019. Two months later, the COVID-19 pandemic broke out. Infection prevention policies vary from country to country. China’s policies were severely restrictive. We have operated our factory here under these circumstances while working with our Chinese employees to consider the best methodologies. Sometimes the Japanese perspective was useful, and at other times, Chinese staff members’ views were helpful. I am regularly reminded of how important it is to listen to the thoughts of others regardless of their gender or nationality before making swift decisions as a manager. Four years have passed since my assignment began. Although I am still sometimes surprised at how things are different from Japan, I will continue to respect and enjoy the differences and create work environments that satisfy factory employees.


TOPICS

The trainee experience

Women’s training



Through women’s training, I felt a greater desire to use my listening skills and sense of balance—common areas of strength for women—to play an active role in the Company. In my current department, I intend to pursue more knowledge and experience by actively seeking challenges in my areas of expertise as well as areas that are new to me.



Mirei Goto
Design Section, Engineering Department No. 1

Human Capital

Work style reform

We are taking steps to enhance our childcare and nursing care leave programs to create work environments where employees can balance work and family life and fully demonstrate their skill at doing so. Additionally, our initiatives to diversify work styles include introducing programs for promoting regular employees and hiring people through age 70. Specifically, we are implementing a program for enhancing comfort in the workplace and internal awareness reforms to promote active participation by our female employees. To increase the number of women in management positions, we are promoting human resource expansion and development efforts and inviting potential female leaders to participate in leadership training. In recognition of such efforts to create comfortable work environments and provide support for parenting to support active participation by women and the like, the Company earned Platinum Kurumin certification.

Childcare support initiatives

	Type of program	Description	Note
Pregnancy and childbirth (men only)	Baby welcome leave	3 days of paid leave from spouse's pregnancy through childbirth	NISSEI program
	Leave for taking care of sick children	Through elementary school graduation: 5 days per year for 1 child, 10 days per year for 2 or more children	Far beyond legally mandated support (through elementary school enrollment)
	Limit on overtime work	No overtime work beyond a certain level until child/children graduate from elementary school	Far beyond legally mandated support (through elementary school enrollment)
	Restriction on late-night work	No late-night work until child/children graduate from elementary school	Far beyond legally mandated support (through elementary school enrollment)
Employment assistance for employees raising children (men and women)	Shortened work hours	Start time delayed/end time expedited up to 2 hours until child/children graduate from elementary school	Far beyond legally mandated support (up to age 3)
	Rehiring program	A program for rehiring employees who quit to raise children	NISSEI program
Support for parenting (men and women)	Rehiring program	A program for rehiring employees who quit to raise children	NISSEI program

Nursing care support initiatives

Purpose	Type of program	Description	Note
For taking a break from work while providing nursing care	Nursing care leave	Up to 3 times during any 365-day period per eligible family member	Far beyond legally mandated support (3 times during any 93-day period per eligible family member)
Employment assistance for employees providing nursing care	Staggered start times	Up to 2 staggered start times per eligible family member within 3 years of the start date	NISSEI program
	Working from home	A program allowing employees providing nursing care to work from home	NISSEI program
Other	Rehiring program	A program for rehiring employees who quit to provide nursing care	NISSEI program

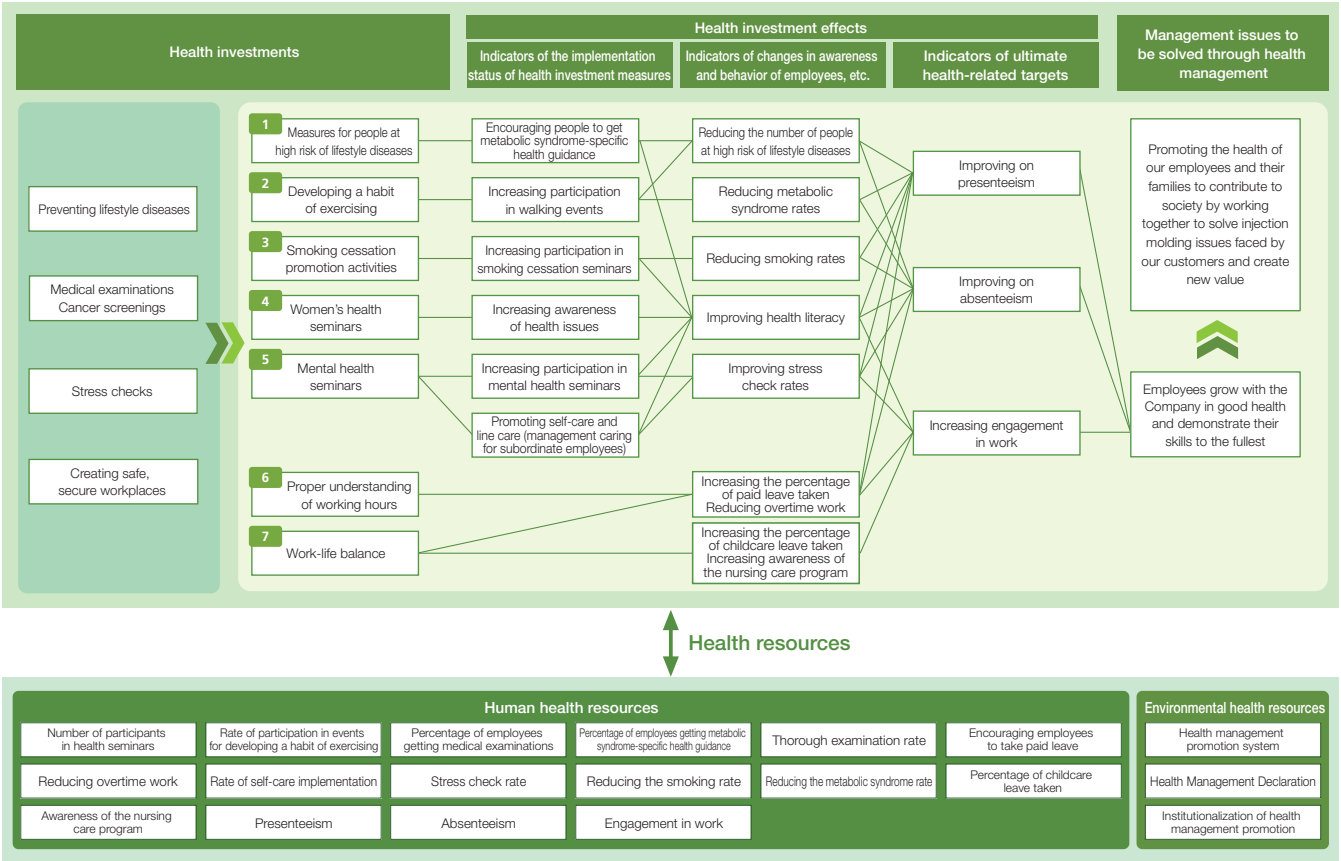
Realizing healthy, prosperous lives

We place great importance on improving the health of our employees and regard health care as a management issue. Accordingly, we have established a health management promotion system chaired by the President and Representative Director. By taking steps to put health management into practice, we aim to create work environments where all employees can work with vitality, maintain and improve their health, and increase the Company's productivity.

The Company's initiatives

Antismoking measures	Goal: 2% reduction of the smoking rate (17% in FY2022) We conduct smoking cessation seminars for employees and provide information about outpatient clinics and medicinal aids for quitting smoking.
Anti-metabolic syndrome measures	Goal: 10% reduction of the metabolic syndrome rate (26.7% in FY2022) Every year, we participate in a walking project sponsored by the Nagano prefectural government. Participation among employees has increased every year, both in Japan and overseas. We also continuously implement other initiatives, including offering healthy dishes in the employee cafeteria.
Health care initiatives	We provide subsidies for cancer screenings and gynecological checkups to detect diseases earlier and prevent lifestyle diseases. To raise awareness of health issues specific to women, we conduct educational campaigns through health newsletters and seminars.
Promoting mental health	To prevent mental health problems, we have employees attend video seminars on self-care and provide feedback on how they put what they learn into practice.

NISSEI PLASTIC INDUSTRIAL Health Management Vision (Health Management Strategy Map)



TOPICS The trainee experience Women's health seminars

Amid efforts to promote active participation by women and enhance work and parenting, women must be able to stay healthy and continue working. A seminar was held to provide female employees with knowledge about health and diseases specific to women. The seminar promoted learning the facts about diseases, self-care skills that help prevent diseases, and improving the percentage of employees getting medical examinations.



Haruka Ito
Public Health Nurse, Human Resources Department

TOPICS Initiatives outside Japan Walking events



Just when I started going on occasional walks to counter the decline in physical strength I had been feeling for several years, I was told about these events, and decided to participate. I walk whenever I can after returning home from work, and use free time on days off to put what I have learned into practice. These activities have given me good opportunities to regain and maintain my health. Although I enjoy comparing myself to other participants, I hope to continue at my own pace and push myself a little from time to time.



Shingo Yoshizawa
Representative, NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.

Human Capital

NISSEI Schools



Educational institutions that prioritize the development of injection molding engineers and the advancement of the injection molding industry

NISSEI Schools are educational institutions established to provide students with basic knowledge of injection molding technology and molds. Over the 55 years since the first school opened in February 1968, NISSEI Schools have sent a total of 40,000 graduates (as of August 2023) into the industry and aim to develop human resources and improve technical skills that are beneficial to the injection molding industry.

Features of NISSEI Schools

Thoughtfully developed program that allows participants to learn the basic knowledge required for injection molding at their own level

Provide practical training using molding machines to develop human resources who can contribute immediately on the front lines

Well-developed curriculum with a wide selection of courses

NISSEI Schools are open to a broad range of people, including plastics manufacturers, material manufacturers, trading companies, students, and non-Japanese trainees. Many graduates are flourishing on the front lines of industry. Plastics sometimes conjure negative images in terms of the environment these days, but they are actually beneficial for environmental protection because environmentally friendly materials are becoming more widespread and manufacturing processes of plastics involve lower energy consumption and CO₂ emissions than steel or other materials. We believe that improving plastic molding technology is essential for making better use of this excellent material in our daily lives and industrial activities.

NISSEI Schools offer the following courses, focusing on basic education for learning more advanced molding technology. The schools are also equipped with onsite accommodations, making it easier for remotely located students to take courses.



Introduction to Molding Days required: 5	A course for people who have no experience in injection molding or molding machine operation. Participants who complete this course should be able to set up an injection molding machine and create molded products. The course takes five days and is offered roughly ten times a year.
Beginning Molding Days required: 5	A course for people who have completed Introduction to Molding, or who already know how to operate injection molding machines and attach and remove molds. Participants who complete this course should understand the basic steps to take to prevent molding defects and be able to take the steps in the context of actual molding to make molded products with simple shapes. The course takes five days and is offered roughly ten times a year.
Intermediate Molding Days required: 4	A course for people who have completed Beginning Molding, or who are already involved in setting molding conditions. Participants who complete this course should be able to determine stable molding conditions. The course takes four days and is offered roughly five times a year.
Introduction to Maintenance Days required: 4	A course for people who want to learn how to maintain injection molding machines. Participants who complete this course should understand the hydraulic and electrical circuits and circuitry of injection molding machines and what to inspect during scheduled inspections, and be able to perform simple troubleshooting. The course takes four days and is offered roughly once a year.
Introduction to Molds Days required: 4	A course for people who are going to work with molds or who want to study the basics of molds in detail. Participants who complete this course should know the basics of molds. The course takes four days and is offered roughly twice a year.
Online Molding Course Days required: 3	A course for people who want to learn the basics of molding. Since it is an online course, there is no practical molding component. Participants who complete this course should know the basics of molding in general, molds, and molding conditions and defects. The course takes three days and is offered roughly five times a year.

VOICE The participant experience

Introduction to Molding

Although I knew almost nothing, having only seen molding machines at work, I learned a lot and became interested in molding.

Intermediate Molding

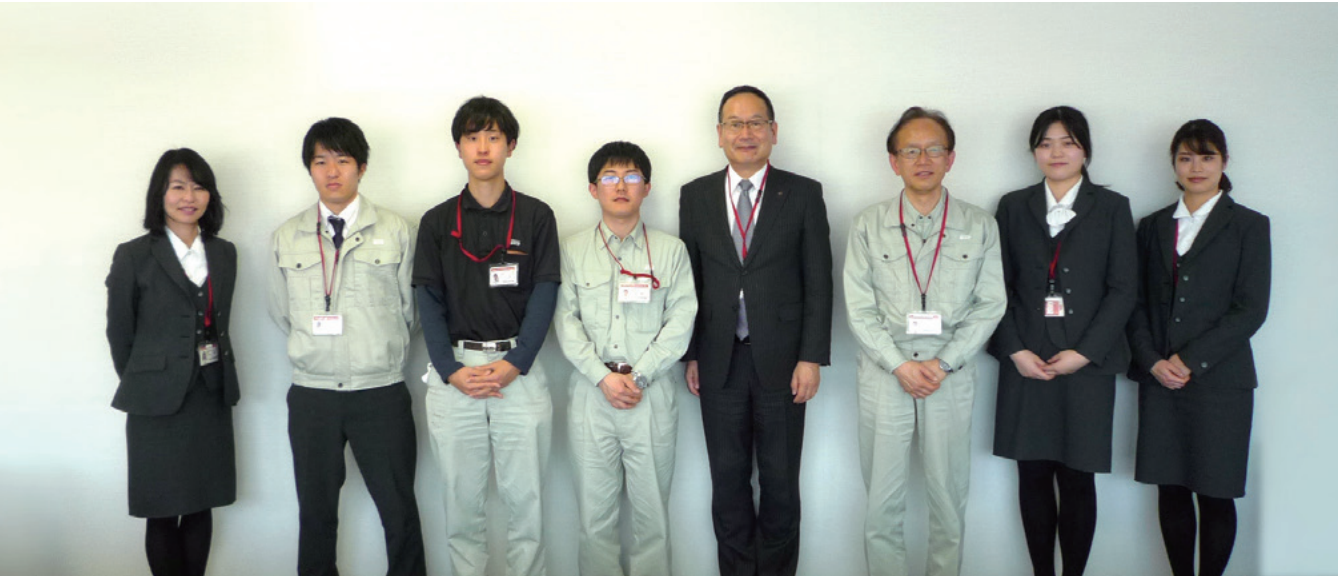
I had not had the opportunity to learn about setting conditions, so this course was very useful. Thank you very much.

Introduction to Molds

I am glad I got to learn the basics of molds. It was easy to understand, especially since we got to take actual molds apart.

Note: For more information about NISSEI Schools, please visit our website.
<https://www.nisseijushi.co.jp/products/school.php>

Dialogue between Management and Employees



Today, President Yoda and five representatives of our younger employees attended a meeting to talk about the future of the Company, including their visions for the Company and their future selves.

Attendees:

President Yoda

Managing Director Miyashita

Human Resources Department
General Manager Higuchi

Design Section, Engineering Department No. 1
Mizuhiro Nagasaki (Joined the Company in 2017)
Planning Section, Sales Department
Azusa Nakasone (Joined the Company in 2018)
Human Resources Department
Arisa Yamamoto (Joined the Company in 2019)
Production Control Section No. 2, Procurement Department
Tsukasa Oishi (Joined the Company in 2020)
Sales Promotion Department
Yuto Hirabayashi (Joined the Company in 2021)

The path to our 100th anniversary (2047)

Nagasaki

Given that Future Design 2026—our long-term goal—calls for a market share of 2% and sales of ¥70 billion, I devised another goal for when we celebrate our 100th anniversary 24 years from now: sales of ¥130 billion and a market share of 4%. We could make things interesting by expanding our lineup of inexpensive models like the NSX to make a foray into the Indian market—which has a high GDP growth rate due to population growth—as well as high-end models for developing countries, and by developing a wider range of variations for more target users and regions. It will take a long time to solve the problems in front of us, for example the declining birthrate and aging society in Japan and pollution worldwide. As the Company approaches its 100th anniversary, we are separating ourselves from the pack, leading not only the molding machine industry, but also the plastics-related industry as a whole by further developing and establishing environmentally friendly plastic molding, energy-saving molding machines, and other environmental technology.

Nakasone

By the time we make it to the Company’s 100th anniversary, I hope it is a workplace where a diverse group of people can

thrive. I would like to see our head office adopt global standards to make the Company able to respond more quickly and flexibly. Also, at K 2022, I got a strong sense of the European trend of actively promoting recycling and the use of waste plastic. We are actively developing environmental technologies for biodegradable resins, and added recycling functions to our molding machines as long as 30 years ago. I was told that this represented the Company’s efforts to utilize waste plastic in garden supplies and other products, which shows that we were decades ahead of the current global trend with our environmentally friendly technology. By continuing to promote these types of solutions, we will become a leader in the molding machine industry with our environmental technology.

Yamamoto

Given Japan’s declining birthrate and aging population, the age for taking pension benefits has been raised, and it is now the norm to work until age 70. Since this is the case, we need to strengthen our health management and create systems and other components of work environments that enable employees of all ages to demonstrate their skills to the fullest. Although we still have subsidies for various medical examinations and other generous employee benefit programs in place, further enhancing the programs in terms of enabling people to demonstrate their skills will

create a tradition to mark NISSEI PLASTIC INDUSTRIAL’s first 100 years.

Oishi

I expect that by the time we celebrate our 100th anniversary, our countries will be in significantly different positions than they are today. India, for example, ranked fifth in the world in GDP and second in population in 2021 and has shown some of the highest growth in the world, yet on the business side, it feels as though the country is still developing. I am certain that if India can stay ahead in its approach and establish trading infrastructure—as China has done with its continued development to become the economic powerhouse that it is today—it will become the most promising country for our BOP business in the future.

President Yoda

I appreciate hearing all these different opinions to learn what and how our younger employees are thinking. It makes me want to think about the future.

First and foremost, regarding environmental issues, according to UN statistics, the world population reached 8 billion last November, with China in the lead at over 1.44 billion and India in second place with over 1.4 billion. As Mr. Oishi mentioned earlier about BOP business, 4 billion people—half of the world’s population—fall into the impoverished segment, with annual incomes under 3,000 dollars. The next-largest segment is the middle class with incomes up to 20,000 dollars, followed by the remainder of roughly 200 million people, a small percent of the total population with incomes greater than 20,000 dollars. In this reality, we have only sold our molding machines to that 200 million-person segment to date, so the thing to do to expand our business in the future is to shift our focus to the middle and lower classes with their much larger populations. These people are currently using low-priced machines of low quality and functionality, which inevitably gobbles up electricity and pushes production costs higher. If they replace these machines with ours, they will be able to reduce costs by saving energy and production, thereby raising the standard of living for the low-income segment. Now is the time to lay the groundwork for aggressive expansion into markets that will grow significantly in the future.

Realizing our corporate philosophy

Hirabayashi

During a sales visit, I received very gratifying and sobering words from a customer who said they have only been able

to make a living these past several decades because they have continuously used NISSEI machines over that time. In that moment, I truly experienced our corporate philosophy of enriching communities. On the other hand, given the increasing severity of marine plastic litter on the environment, I have begun to consider the negative aspects of this work. Under these circumstances, I feel that we can realize our corporate philosophy by establishing molding technology that reduces environmental impact, proactively addressing environmental issues, and taking the lead in the plastics industry around the world.

Yamamoto

As indicated in the “as a global company” part of our corporate philosophy, I think it is essential to secure and develop human resources as a company that will continue to grow in overseas business in the future. As a specialized manufacturer, we handle all aspects of designing, manufacturing, sales, and support, and we make this happen because many people come together to share ideas and support each other. Things we cannot accomplish as individuals become a great source of strength and lead to the growth of the Company. In my view, creating environments where everyone can make the most of their skills in their areas of expertise is the manifestation of our corporate philosophy and our contribution to society.

Nakasone

Plastics are indispensable materials for the automotive, medical care, and other industries that support human society, so I feel a responsibility to carry on the legacy of our founder through our unchanging spirit of manufacturing. What I find most impressive is the concept of “less-is-more thinking” that resulted in the in-line screw. Our salespeople also understand mechanical service, and I hear that their mechanical knowledge is second to none among salespeople from other companies. Our salespeople think in terms of less is more, so our strength lies in their ability to meet our customers’ needs with rather simple proposals. In the future, I think we will be able to maintain the unwavering trust of our customers by breaking down organizational barriers between sales, engineering, and manufacturing, and by working together under our corporate philosophy of enriching communities.

Nagasaki

I have heard that our founder had a strong belief in manufacturing as a means of providing better products. I am interested in manufacturing old molding machines with

Dialogue between Management and Employees



modern technology and redesigning molding machines that could not be made with the old technology. Now, our molding machines must meet many abstract requirements in addition to catalog specifications—they must be environmentally friendlier, safer, user friendlier, and so on. Naturally, it is difficult to achieve everything with a single molding machine, but such situations are precisely where we, as engineers, must hold firm on our intent to provide better products. I believe that steadfastly carrying on the spirit of our founder will help us realize our corporate philosophy.

President Yoda

In this day and age, companies must engage in purpose-driven management and clarify the value of their existence in society. People are paying attention to what we say we can do for society and the planet. I believe that our corporate philosophy of enriching communities through plastics as a global company is what purpose-driven management is all about.

The BOP segment, where business is expected to expand in the future, is in the same situation as Japan was in the 1950s. In a postwar economy that was chronically short of supplies, injection molding machines were the way to achieve rational production for a stable supply of goods. With injection molding machines, we were able to meet people’s needs and provide affordable goods. Those circumstances inevitably led to our mission to enrich communities. NISSEI PLASTIC INDUSTRIAL developed in such trying times of need; even today, our corporate philosophy is the key to our decisions, the tentpole of the Company. Although the tent material has changed along with the times, and the current requirement is to be environmentally responsive, the tentpole of supporting people’s lives has remained the same. We will always remain attuned to the meaning behind our actions and continue to provide for our customers and other stakeholders. The value of our existence is based on our

mission to identify what we can do for the world, and our corporate philosophy is not simply a slogan—it is and always has been the tentpole that supports NISSEI PLASTIC INDUSTRIAL in all situations.

Personal career visions

Nagasaki

Although we are now in a digital age punctuated by the use of AI, injection molding—melting resin, pouring it into a mold, and removing it after it hardens—is an analog technology that has persisted unchanged for decades. Like internal combustion engine technology for the automobile, I think Japan has excelled at injection molding technology because it is analog. That said, the fact that it is analog means there is still room for technological development, so we continue to research and develop injection molding technology. I plan to be involved in research and development and become a specialist in that field in the future, and intend to develop expertise in simulation and other areas for this purpose. I want to make it possible for computers to simulate the mechanisms of injection molding to the same degree of perfection as actual injection molding machines so that we can develop new products and deliver them to our customers. Although I have experience with plasticization diagnostic software and strength analysis of the mechanism, I have yet to explore flow analysis. I hear from the front lines about problems with molding after machines are assembled, but flow analysis-based simulation would reveal such problems and allow us to make improvements in advance, which I think would enable us to reliably meet even the most challenging customer requirements.

Nakasone

Five years have passed since I joined the Company in 2018, and I feel that I am not yet where I thought I would be after five years when I first joined. I have not been able to propose solutions to customers in sales situations at trade fairs, which makes me feel that I lack competence. I get so caught up in day-to-day operations at work, but I realize that simply carrying out my duties is not enough to achieve the growth I envision. To achieve my career goals, I have to initiate action, take on challenges, and experience failure, which is the only way to ensure growth. I want to take the initiative to learn from and absorb the knowledge of more experienced employees, who are professionals at their jobs. There is always something we can do for our

customers, so I want to share information with our salespeople as I take action to do those things. Eliminating situations where only the veterans know what to do, sharing what needs to be shared, and ensuring that everyone has the same knowledge and can serve our customers will certainly benefit the Company, so I intend to take steps to raise the awareness of NISSEI as a whole from a global perspective.

Yamamoto

Our Human Resources Department is in charge of a broad range of areas of operation, and I feel that I still lack sufficient knowledge. I intend to proactively take on new challenges to get involved in a greater variety of tasks and ensure that I can increase my knowledge. I will also work effectively during scheduled hours to reduce overtime work, and take steps to improve the quality of my work through systematic execution. Although we are promoting proactive participation by women, our Eruboshi certification is only up to the second level; our percentage of female employees is not high enough to acquire Level-3 certification. Our General Employer Action Plan includes this as a target for 2026. To reach at least 20% female employees, we should increase our recruitment of female students and actively work to expand the range of jobs where women can participate proactively.

Oishi

Since my business trip to India, I have been involved in launching molding machine assembly at NB’s or NEGRI BOSSI’s factory in India, selecting quotations for processed and purchased products, deciding on the commercial distribution of molding machines, and the like. The immediate goal is to achieve a 100% local procurement rate in India, first assembling one electric molding machine and then establishing a robust mass production system. The molding machine market in India is dominated by hydraulic toggle machines, so if we make headway with our energy-saving, environmentally friendly electric molding machines, it will result in the environmental management we are promoting. Since joining the Company in 2020, I have been working hard every day to achieve my goal of working in local procurement at overseas factories, and I hope to contribute to reducing the cost of molding machines in the future. My aim is to become a procurement expert capable of contributing to the expansion of the Company’s global business in the rapidly growing market of India by working closely with local suppliers to produce high-quality molding machines.

Hirabayashi

I joined NISSEI because of my strong interest in PLA molding, which can reduce environmental impact. In sales situations, customers have told me that they are interested in PLA molding, but have given up on introducing it for fear of difficulty with the actual molding work. In these cases, I want to make sure they know that our PLA molding technology is approachable and capable of handling challenging molding tasks. Our lineup of environmentally friendly materials includes PIM as well as PLA, so I hope my efforts to share this information with more customers will popularize environmentally friendly plastics throughout the world. I want to advance my career by becoming a salesperson who can communicate to customers that the Company is proactively working on environmental issues.

President Yoda

I am thrilled to hear about your career visions and expectations. I want you to realize your own visions and know that, in fact, the Company is moving in the same direction as you are. We can continue to move forward together as you and the Company share visions for the future. Mr. Nagasaki’s loss reduction through flow analysis, Ms. Nakasone’s contributions to customers, Ms. Yamamoto’s promotion of proactive participation by women, Mr. Oishi’s local procurement in India, and Mr. Hirabayashi’s environmental action are all synonymous with the Company’s vision. Although I hope that we always take simple, clear actions, the world and our jobs are becoming more complex. That said, there are cases where people appear to be doing difficult work, but in fact, the work is simple and clear, and it is the way they are doing it that makes it difficult. Therefore, I think young people should be organized at work. It is wonderful to clear away everything you do not need so that you have only what you do need. The way your predecessor did their job is not always the correct way, so I urge you all to believe in yourselves and move forward with confidence.



Initiatives for Dialogue with Stakeholders

The true meaning of our corporate philosophy of enriching communities through plastics as a global company changes along with the times. We are committed to pursuing the ideal state of plastics as required at the time, promoting initiatives to contribute to society, and sharing our values and achievements with our stakeholders.

1. Dialogue with customers

The Group aims to provide the best products and services in terms of our customers’ molding needs on their front lines, with the goal being machines that help our customers make money.

- **Communication through a sales and service network of 20 locations in Japan and 16 overseas**
Our injection molding machines are in operation in more than 80 countries. En route, we have built NISSEI's name value of trust by diligently meeting the needs of their industries and markets in each country and region.
- **Communication using trade fairs and private previews**
We use trade fairs and private previews to exchange information directly with customers and promote the development of products that meet their needs in addition to expanding sales by promoting our products.
- **Providing safe, high-quality products**
We handle all aspects of production, sales, and service in-house. We are especially committed to minimizing the impact of our service on our customers’ production plans. We also feed information we learn from services back into product development and design.
- **Providing venues for learning injection molding skills**
We provide educational courses tailored to various needs at our NISSEI Schools, which we opened to serve as educational centers for learning and acquiring molding skills using injection molding machines and underpin the healthy development of our customers in the mold processing industry as a whole.



2. Dialogue with distributors

Our products are distributed through the Group’s sales and service locations, distributors, and agents in 44 locations in 23 countries. Through our sales and service network, we are developing an ability to cover a sizable portion of the world and provide attentive service.

- **Distributor meetings**
We hold distributor meetings to share our business conditions and challenges and strive to build better relationships as business partners with our domestic and overseas distributors. The meetings function as opportunities for two-way communication and serve to further mutual understanding by exchanging information more routinely.

3. Dialogue with business partners

In accordance with the NISSEI PLASTIC INDUSTRIAL Charter of Corporate Behavior, the Group engages in fair, equitable, and compliant procurement activities based on mutual trust and cooperation with business partners. We are also promoting optimization of procurement, manufacturing, and sales as well as building a resilient supply chain based on BCP to respond to risks mainly from natural disasters and changes in international circumstances.

- **Strengthening BCP**
The Group invites major business partners to its annual BCP drills to ensure that production will not be interrupted due to disruptions in the supply chain, which could stop the supply of parts and materials.
- **Green procurement**
To provide environmentally friendly molding machines, we have established Injection Molding Machine Chemical Substance Control Standards that set out control rankings, for example bans and restrictions on the use of hazardous chemical substances regulated by relevant laws, regulations, and treaties, in the process from design to production and shipment of injection molding machines. These standards are the basis for the Procurement Department's efforts for environmental conservation through surveys of each supplier to confirm that all purchased goods comply.



4. Dialogue with shareholders and investors

We make disclosures to promote understanding of the Company among shareholders and investors and to build trust.

- **Basic policy on information disclosure**
To ensure proactive and fair disclosure of corporate information, we disclose information on the performance, management, and operations of the Company and its subsidiaries in accordance with the Handbook for Timely Disclosure of Corporate Information by the Tokyo Stock Exchange. Our basic policy is to promote shareholders' and investors' understanding of the Group and help them make accurate valuations by making fair, timely, and appropriate disclosures of corporate information that may impact their decisions on investing in securities.
- **Financial results meetings**
The Company holds biannual financial results meetings (at year-end and in the second quarter) for institutional investors and analysts. At these meetings, we present explanations of our performance in the relevant period and the Group's business strategies. We also respond to individual telephone interviews as needed to further understanding of the Group.
- **Shareholder rewards**
We have introduced a shareholder rewards program to encourage our shareholders to hold more of our shares over the long term. As for our selection of shareholder rewards, we mainly present shareholders with specialty products from the town of Sakaki in Nagano Prefecture—the location of our head office—and contribute to the local community by informing shareholders about the appeals of Sakaki and the rest of Nagano.

5. Dialogue with local communities and the government

The Company conducts activities for advancing local culture and education in the town of Sakaki in Nagano Prefecture, where our head office is located.

- **Factory tours and outreach lectures at elementary and junior high schools**
We conduct factory tours and outreach lectures for local elementary and junior high school children as a part of their social studies curriculum so that they can learn about our manufacturing and how our products contribute to society. We also hold outreach lectures as part of our career education program in which we explain our commitment to the SDGs and other global environmental issues in an effort to help students choose their future careers.
- **Work experience program**
Every year, we provide work experience opportunities to students from Sakaki Junior High School. The town of Sakaki in Nagano Prefecture is home to many manufacturing companies, and is known as an industrial town. In light of this fact, we aim to help local junior high school students further their understanding of manufacturing jobs through work experience with the hope that it helps them choose their future careers.



6. Dialogue with employees

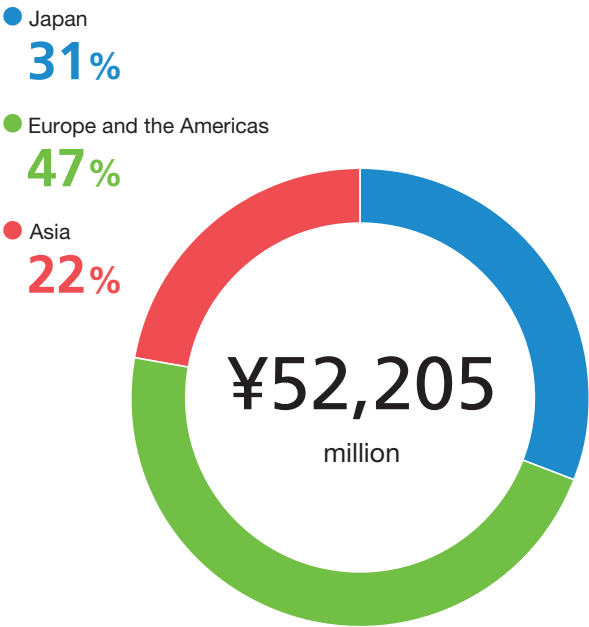
Based on our corporate philosophy, and to continue to be an indispensable company in society, we understand the importance of securing and developing human resources and are taking various measures accordingly.

- **Career interviews**
When they reach certain ages, Company employees meet with the Director in charge of the Human Resources Department to discuss their careers. During the interviews, employees discuss their aspirations for and ideas about their careers and their life stage with the Director to clarify what they should do to reach their career goals; these interviews help employees develop their skills.
- **Training and qualification programs**
We consider employee development and the improvement of employees’ skills to be an important management issue and conduct effective training programs tailored to employees’ needs accordingly, including job-specific training, women’s training, and training for candidates for overseas assignments.
- **Proficiency exams**
Roughly 80% of our employees have acquired national certification as injection molding engineers. Our product development is predicated on our focus on the front lines of molding as the way to manufacture and sell machines that help our customers make money. Accordingly, our employees challenge themselves to take proficiency exams to advance our operations in our customers’ eyes.

Regional Overview

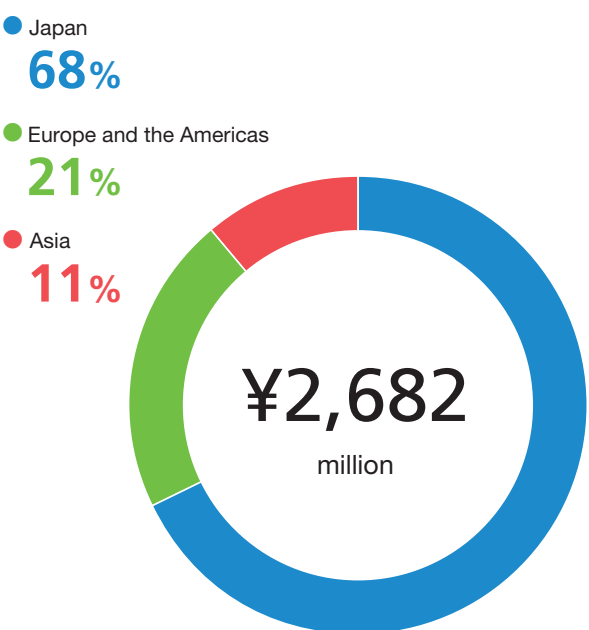
Sales by segment

(FYE March 2023)



Operating profit by segment

(FYE March 2023)

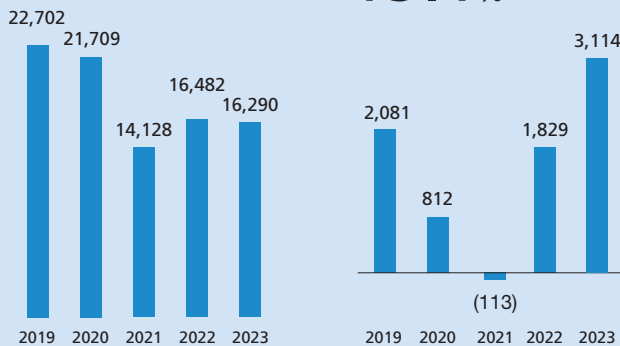


Japan

Net sales
¥16,290 million
Down 1.2% YoY

Operating profit
¥3,114 million
Up 70.2% YoY

Operating profit margin
19.1%



Overview of FY2023

Net sales in the fiscal year ended March 31, 2023 totaled ¥16,290 million mainly due to strengthened sales of large and specialized machines despite the negative impact of rising raw material and resource prices and material shortages. The Japan segment profit was ¥3,114 million.

Strengths and characteristics

Demand is running high in the Japan segment, mainly from customers involved in automotive-related industries, the electronic components industry, and containers and general goods-related industries. Demand for manufacturing energy-saving and environmentally friendly products, lighter-weight automobiles, and EVs also remains strong.

Strategies and policies for the future

Looking ahead, the yen is expected to continue to weaken against the dollar due to monetary policy and geopolitical risks, and the economic outlook—including price hikes stemming from surging raw material prices and other factors—is expected to remain uncertain. However, as industries accelerate their focus on environmentally friendly products, we will strive to increase sales by using trade fairs, private previews, and other means to strengthen our solution-based marketing of injection molding machines and environmentally friendly molding technology.

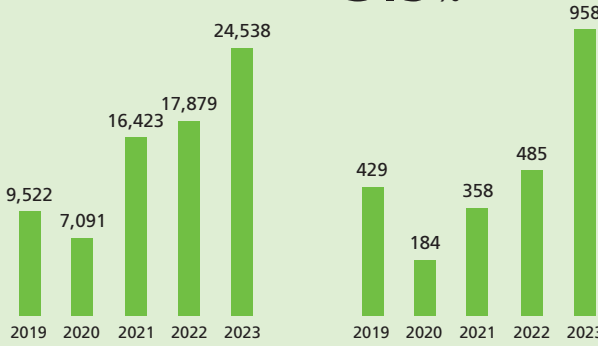


Europe and the Americas

Net sales
¥24,538 million
Up 37.2% YoY

Operating profit
¥958 million
Up 97.2% YoY

Operating profit margin
3.9%



Overview of FY2023

Despite a difficult business environment in the USA due to an economic downturn and rising interest rates, net sales in the fiscal year ended March 31, 2023 were ¥24,538 million, in part because the fiscal year end of our subsidiary in the country changed. The Europe and the Americas segment profit was ¥958 million.

Strengths and characteristics

Demand is running high in the Europe and the Americas segment, mainly from customers involved in automotive-related and containers (e.g. food) and general goods-related industries. Environmental awareness is particularly high in Europe, where it appears that demand for a response to the shift to EVs and the need for injection molding machines and injection molding technology using environmentally friendly materials will rise.

Strategies and policies for the future

We will strive to expand sales by increasing our production of large injection molding machines at our USA production site to meet growing demand for large injection molding machines associated with reshoring by American companies. We will also strengthen our sales of small and medium-sized injection molding machines to containers and general goods-related industries. Additionally, we will use environmental promotions, sales expansion campaigns, and other means to promote the sale of environmentally friendly products.

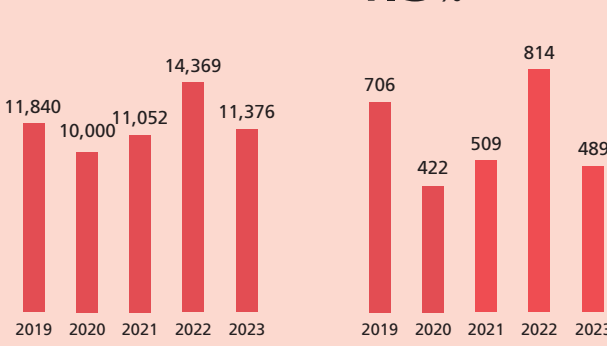


Asia

Net sales
¥11,376 million
Down 20.8% YoY

Operating profit
¥489 million
Down 39.8% YoY

Operating profit margin
4.3%



Overview of FY2023

Net sales in the fiscal year ended March 31, 2023 were ¥11,376 million due to stagnant demand caused by urban lockdowns in China. The Asia segment profit was ¥489 million.

Strengths and characteristics

In the Asia segment, demand from IT-related (e.g. PCs, smartphones) and containers and general goods (e.g. cosmetics) industries is high, and demand for EVs from automotive-related industries is trending upward.

Strategies and policies for the future

In China, although uncertainty exists due to the real estate recession and decline in personal consumption, we will strive to expand sales by responding aggressively to demand from IT-related, lens-related, and EV-related industries. With economic growth expected to continue in ASEAN and developing countries, we will strive to expand sales of medium-sized and large machines and vertical machines not only to Japanese companies, but also to local companies in each country.

Financial and Non-financial Information

Financial data

		63rd term (FYE March 2019)	64th term (FYE March 2020)	65th term (FYE March 2021)	66th term (FYE March 2022)	67th term (FYE March 2023)
Orders received	million yen	38,985	32,320	46,965	55,794	46,525
Net sales	million yen	44,065	38,801	41,604	48,731	52,205
Japan	million yen	16,063	15,313	10,804	12,808	13,016
Overseas	million yen	28,001	23,488	30,799	35,923	39,189
Selling, general and administrative expenses	million yen	9,504	9,136	11,073	11,822	13,518
Operating profit	million yen	3,510	1,100	1,145	2,577	2,682
Ordinary profit	million yen	3,593	1,130	1,070	2,940	2,427
Profit before income taxes	million yen	3,593	1,154	1,070	4,005	2,427
Profit attributable to owners of parent	million yen	2,589	644	598	2,680	1,835
Return on equity (ROE)	%	7.9	1.9	1.8	7.7	4.8
Return on assets (ROA)	%	6.3	1.9	1.7	4.4	3.3
Gross profit margin	%	29.5	26.4	29.4	29.6	31.0
Operating profit margin	%	8.0	2.8	2.8	5.3	5.1
Ordinary profit margin	%	8.2	2.9	2.6	6.0	4.7
Net cash provided by (used in) operating activities	million yen	2,607	(5,044)	4,693	1,619	(4,155)
Net cash provided by (used in) investing activities	million yen	(1,596)	(1,238)	(540)	(777)	(1,572)
Net cash provided by (used in) financing activities	million yen	(1,186)	2,081	1,831	(4,238)	6,127
Cash and cash equivalents at end of period	million yen	12,201	7,932	14,119	10,601	11,301
Capital investment	million yen	1,548	1,416	408	1,935	1,351
Depreciation	million yen	879	998	1,121	1,287	1,518
Research and development expenses	million yen	442	423	307	398	457
Total assets	million yen	56,841	63,255	64,364	68,852	77,645
Total net assets	million yen	33,860	33,501	33,851	36,938	39,663
Equity capital	million yen	33,259	32,952	33,081	35,102	36,215
Equity ratio	%	59.3	52.3	52.0	52.9	50.7
Interest-bearing debt	million yen	1,499	8,104	10,805	8,047	15,083
Book-value per share (BPS)	JPY	1,685.13	1,681.06	1,717.73	1,868.26	2,017.08
Earnings per share (EPS)	JPY	129.56	32.30	30.71	137.43	94.13
Dividends per share	JPY	30	20	20	30	35

Non-financial data

Number of employees Consolidated 1,284 NISSEI PLASTIC INDUSTRIAL only 477 (FYE March 2023)	Average continuous service 19.6 years (FYE March 2023)	Employee gender breakdown Men 84.0% Women 16.0% (FYE March 2023)
Percentage of paid leave taken 75.0% (FYE March 2023)	Percentage of childcare leave taken Men 75% Women 100% (FYE March 2023)	Number of new graduates hired Men 9 Women 1 (FYE March 2023)
Average monthly overtime hours 15.07 (FYE March 2023)	Percentage of female employees in executive and management positions Executive 7.7% Management 4.2% (as of July 1, 2023)	CO₂ emissions 5,667 t-CO ₂ (FYE March 2023)
Solar power generation Japan 673,931 kWh Overseas 262,812 kWh (FYE March 2023)	Percentage of employees certified as injection molding engineers Overall 81.3% Men 83.2% Women 71.6% (FYE March 2023)	

Corporate Information

Company profile

Trade name	NISSEI PLASTIC INDUSTRIAL CO., LTD.
Established	October 15, 1947
Capital	¥5,362.5 million
Shares	Listed on the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange
Lines of business	Development, manufacturing, and sales of injection molding machines, molds, auto-molding systems, measuring instruments, etc.
Net sales	Consolidated: ¥52,205.69 million (FYE March 2023)
Number of employees	Consolidated: 1,284 (as of March 31, 2023)

Matters pertaining to the Company's shares (FYE March 2023)

Authorized shares	54,000,000
Issued shares	19,503,295 (excluding 2,768,705 treasury shares)
Number of shareholders as of end of FY2023	16,989

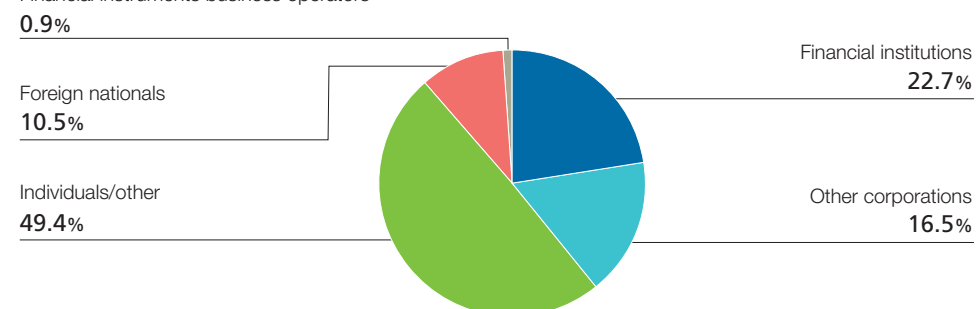
Major shareholders (Top 10) and their shareholdings

Name	Number of shares held (x 1,000)	Shareholding ratio (%)
Aoki Agency Ltd.	1,889	9.7
The Master Trust Bank of Japan, Ltd. (trust account)	1,499	7.7
NISSEI PLASTIC INDUSTRIAL Business Partners' Holding Company	1,488	7.6
NOMURA CUSTODY NOMINEES LTD-TK1 LIMITED	1,362	7.0
The Hachijuni Bank, Ltd.	966	5.0
Hozumi Yoda	645	3.3
Yota Maeda	410	2.1
Mitsubishi UFJ Trust and Banking Corporation	346	1.8
THE NAGANO BANK, LTD.	343	1.8
NISSEI PLASTIC INDUSTRIAL CO., LTD. Employee Stock Purchase Plan	341	1.8

Note: Shareholding ratio calculations exclude 2,768,705 treasury shares.

Share distribution

Financial instruments business operators



Head office, NISSEI Schools, technical centers

2110 Minamijo, Sakaki-machi, Hanishina-gun, Nagano-ken 389-0693 Japan

Domestic factories

Head Office & Factory	2110 Minamijo, Sakaki-machi, Hanishina-gun, Nagano-ken 389-0693 Japan
NISSEI METAL WORKS CO., LTD.	2490-1 Shimada, Joetsu-shi, Niigata-ken 943-0853 Japan
NISSEI HOMMA MACHINERY CO., LTD. West Japan Technical Center	1242 Nishifutami, Futami-cho, Akashi-shi, Hyogo-ken 674-0094 Japan

Overseas factories

China Taicang	NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD. No. 2 Qingdao West Road, Economic Development Zone, Taicang, Jiangsu, China
Thailand Rayong	NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD. 300/70 Moo 1, Tambon Tasit, Amphur Pluakdaeng, Rayong 21140, Thailand
USA San Antonio, Texas	NISSEI AMERICA, INC. 3730 Global Way, San Antonio, TX 78235, U.S.A.
Italy Milan	NEGRI BOSSI S.P.A. Viale Europa, 64, 20093 Cologno Monzese, Milan, Italy

Sales Promotion Department (global sales offices)

11F, Mitsubishi Building, 2-5-2, Marunouchi, Chiyoda-ku, Tokyo 100-0005 Japan

Sales offices	Satellite offices	Overseas offices	Subsidiaries
(10 locations throughout Japan)	(9 locations throughout Japan)		
Tohoku (Fukushima City)	Furukawa	Seoul	NISSEI AMERICA, INC.
East Kanto (Saitama City)	North Kanto (Oyama)	Singapore	NISSEI MEXICO, S.A. DE C.V.
West Kanto (Sagamihara)	Takasaki		NISSEI PLASTIC (TAICANG) CO., LTD.
Nagano (Sakaki)	Okaya		NISSEI PLASTIC (SHANGHAI) CO., LTD.
Hokuriku (Toyama City)	Niigata		NISSEI PLASTIC (HONG KONG) LTD.
Tokai (Komaki)	Shizuoka		TAIWAN NISSEI MACHINERY CORPORATION
Osaka (Matsubara)	Hamamatsu		NISSEI (MALAYSIA) SDN. BHD.
Chugoku (Kasai)	Okazaki		NISSEI PLASTIC (THAILAND) CO., LTD.
Hiroshima (Hiroshima City)	Mie		NISSEI PLASTIC (VIETNAM) CO., LTD.
Kyushu (Fukuoka City)			NISSEI PLASTIC (INDIA) PRIVATE. LTD.

Rights held on

699 pieces of industrial property (including pending applications in Japan and other countries) (as of March 31, 2023)

Nationally certified injection molding engineers

461

Note: Only highest level counted (no duplications) (as of March 2023)

NISSEI PLASTIC MACHINERY (TAICANG) CO., LTD.
(overseas production subsidiary)

NISSEI PLASTIC MACHINERY (THAILAND) CO., LTD.
(overseas production subsidiary)

NISSEI METAL WORKS CO., LTD.
(parts manufacturing subsidiary)

NISSEI HOMMA MACHINERY CO., LTD.

NISSEI TECHNICA CO., LTD.