彩りある未来を、樹とともに
Nice ナイス

May 14, 2025

To whom it may concern:

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Representative's name: Director and President Hironori Tsudo
(Code No. 8089, TSE Standard)
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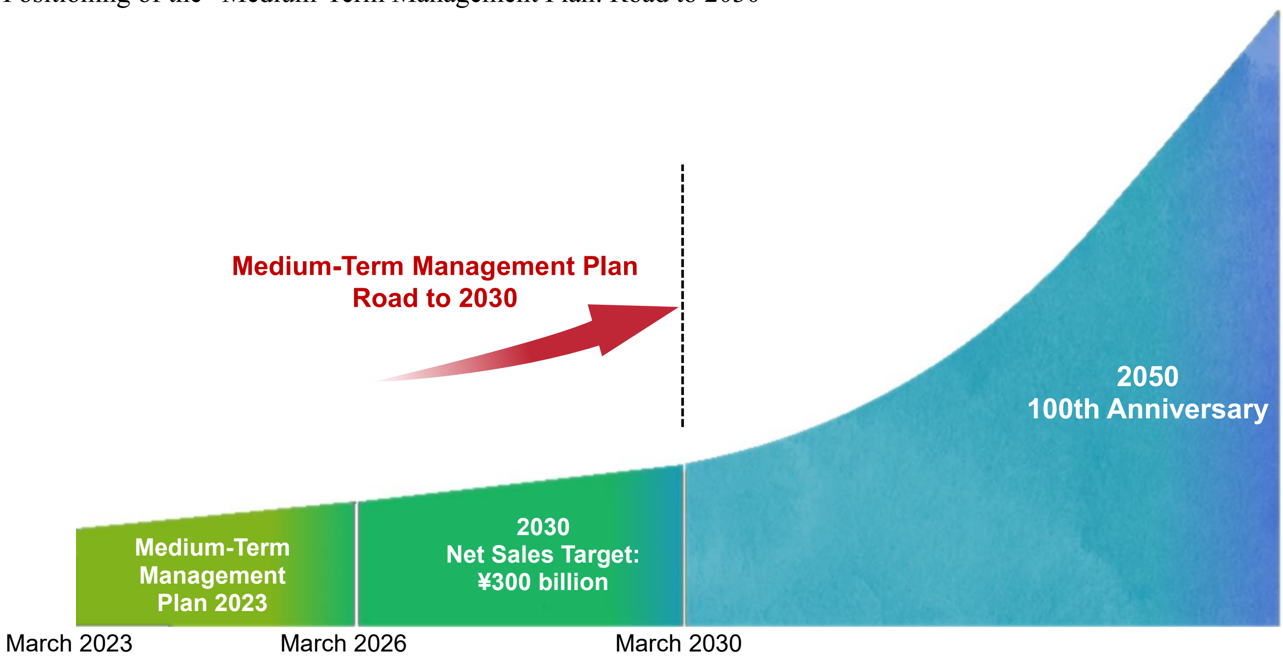
Medium-term Management Plan: Road to 2030
— Further Improvement of Corporate Value through Accelerated Growth and Transformational Evolution —

Nice Corporation ("the Company") is currently in the implementation phase of the plan announced in the May 12, 2023 disclosure titled "Medium-Term Management Plan 2023 and Further Improvement of Corporate Value." However, in light of current challenges, including changes in the external environment, we have updated the plan to further strengthen our efforts toward achieving our 2030 targets. We hereby announce the launch of a new five-year plan, "Medium-Term Management Plan: Road to 2030," starting from the fiscal year ending March 2026.

1. Management policy

The Company defines the significance of our social existence as "With trees, Connect our life, Create shining future." Aiming to promote the cyclical use of forest resources, which play an important role in a measure against global warming, we will steadily implement the various initiatives set forth in this plan through the utilization of wood, which is both our roots and an eco-material. In doing so, we will contribute not only to economic value but also help to generate social and environmental value and resolve social issues, thereby accelerating growth, achieving transformational evolution, and further improvement of corporate value.

Positioning of the "Medium-Term Management Plan: Road to 2030"



2. Quantitative targets

	FY3/2025 results	FY3/2026 forecast	FY3/2028 plan	FY3/2030 plan
Net sales	¥243.0 billion	¥260.0 billion	¥280.0 billion	¥300.0 billion
Operating profit	¥4.6 billion	¥4.8 billion	¥6.5 billion	¥7.5 billion
Profit attributable to owners of the parent	¥2.8 billion	¥3.0 billion	¥3.5 billion	¥4.5 billion
ROE	5.3%	5.3%	Over 6.0%	
EBITDA *	¥6.6 billion	¥7.0 billion	¥9.0 billion	¥10.0 billion
EBITDA (cumulative)	—	¥7.0 billion	¥23.0 billion	¥42.0 billion
ROA	1.7%	1.8%	2.0% or higher	

For the final year of this plan, the fiscal year ending March 2030, we have set quantitative targets of ¥300.0 billion in net sales, ¥7.5 billion in operating profit, and ¥4.5 billion in net profit attributable to owners of the parent company.

In addition, as key financial indicators of this plan, we have set EBITDA, which adds depreciation and amortization of goodwill to operating profit to reflect the profitability of our core business in light of investment activities during the plan period and ROA, which indicates asset efficiency.

*EBITDA: Operating profit + Depreciation + Amortization of goodwill

[Current Analysis of Capital Cost]

Our cost of equity capital, estimated based on the CAPM model, is recognized to be between 5% and 6%. Our WACC is calculated to be between approximately 2.3 and 3.4%, using a weighted average of the cost of equity capital estimated by CAPM and the cost of debt. We will continue to promote initiatives to improve ROE and aim to achieve an ROE that exceeds the cost of equity capital.

In addition, our PER remains at around 6 to 7 times. As this is considered to reflect the stock market’s forward-looking evaluation of the business environment surrounding the Company and the growth potential of our businesses, we take this seriously. Furthermore, to improve the PER, we have identified the growth drivers outlined in section 5 below of this plan, and will focus on allocating management resources to more profitable businesses.

In the “Medium-Term Management Plan 2023,” we adopted ROIC as a management control indicator with the aim of managing not only business growth and profitability, but also return on invested capital, and have worked to raise awareness of capital profitability across the Group. For businesses where invested capital is essential, we will further strengthen capital efficiency in line with the characteristics of each business, such as by enhancing capital turnover.

3. Shareholder return

In order to stabilize and enhance the return of profits to shareholders, we have introduced progressive dividends through medium- to long-term sustainable growth, while considering the funding needs for future growth and boosting competitiveness. Under this plan, we intend to increase the dividend by ¥7 per share each fiscal year through to the fiscal year ending March 2030.

	FY3/2025	FY3/2026 forecast	FY3/2027 plan	FY3/2028 plan	FY3/2029 plan	FY3/2030 plan
Dividend on retained earnings (per share)	¥65	¥72	¥79	¥86	¥93	¥100
Dividend on retained earnings (total amount)	¥771 million	¥854 million	¥937 million	¥1,020 million	¥1,103 million	¥1,186 million

* The total amount of dividends on retained earnings is calculated by multiplying the dividend per share by the number of shares outstanding at the end of the fiscal year ended March 2025 (excluding treasury shares).

Moreover, we have introduced a shareholder benefit program with the aim of increasing the attractiveness of investing in our company’s stock and encouraging more shareholders to hold our shares for a longer period, while also expressing our gratitude for the ongoing support from our shareholders.

“Notice Regarding the Introduction of the Shareholder Benefit Program,” dated June 27, 2024

https://www.nice.co.jp/uploads/2024_06_27_01.pdf

4. Changes in the external environment and current awareness of issues

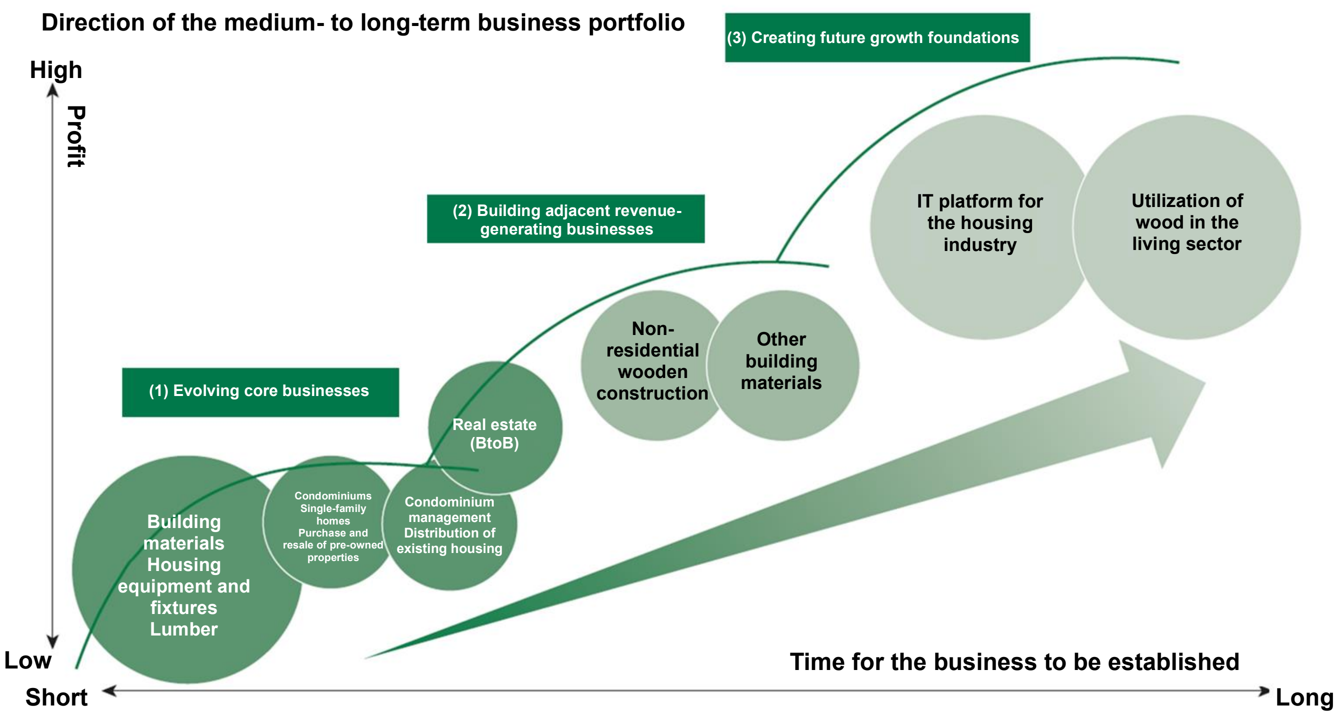
We are steadily advancing our initiatives toward achieving our 2030 targets, and new business investments, including M&A activities, are also progressing as planned. On the other hand, the business environment surrounding the Company is undergoing significant changes, due to shifts in the economic landscapes seen in the long-term decline in the number of new housing starts due to factors such as economic conditions including rising interest rates, intensifying trade friction, population decline, and shifts in household composition. The number of housing starts in 2024 fell below 800,000 units for the first time in 15 years. In response to these changes, we will review our business portfolio with the aim of expanding our business domain from the new housing market to the resale housing distribution market, the non-residential market, and further into the broader Living sector.

Acceleration of the decline in new housing starts	- Long-term downward trend - In 2024, the number of starts fell below 800,000 units for the first time in 15 years since the global financial crisis of 2008 - Homeownership is trending at historically low levels - Sharp declines in regional areas (Tohoku and Shikoku: around 30% compared to 2015)
Lack of transparency in trends associated with imported wood	- Strengthening of environmental regulations overseas - Trends in US tariff policies - Market uncertainty
Further acceleration of decarbonization	- Achievement of the “Carbon Neutral by 2050” target - Greenhouse gas emissions reduction target for FY2030: 46% reduction (compared to FY2013) - Legal revisions (elimination of Special Exception No. 4, mandatory compliance with energy efficiency standards)
Rising condominium prices	- Increase in selling prices and land prices in the capital region - Rising construction and labor costs, prolonged construction periods - Rising interest rates

5. Growth drivers based on the progress report and recognition of challenges

Based on the direction of our medium- to long-term business portfolio presented in the December 20, 2024 disclosure titled “Action to Implement Management that is Conscious of Capital Cost and Stock Price (Progress Report)” we will continue to deepen the existing core businesses that form our revenue base, invest in adjacent businesses with expected growth potential, and make forward-looking investments aimed at establishing future growth foundations.

Based on these considerations and our current awareness of the challenges ahead, we will further advance our endeavors toward achieving the 2030 targets by focusing on the growth drivers outlined below.



(1) “Cho-Shinchiku”

Amid the long-term contraction trend in the new housing (Shinchiku) market, which is our primary market, we will pursue a “Cho-Shinchiku” initiative, aiming to go beyond new housing by promoting the use of environmentally friendly wood and strengthening the handling of domestic wood, while also working to expand the housing stock business and striving to further stabilize our revenue base.

Progress Report	Growth Drivers
● Conclusion of a cooperation agreement with the Ministry of Agriculture, Forestry and Fisheries to promote the use of wooden building materials ● Establishment of a joint venture with Tobishima Corporation (non-residential wooden construction) ● Establishment of a new production plant for structural laminated lumber materials (domestic Japanese cedar) ● Strengthening of lumbering functions (domestic Japanese cypress) through M&A ● Enhancement of the housing stock business ● Augmentation of condominium management functions through consolidation of affiliated companies	● Supply of domestic wood ● Non-residential wooden construction ● Purchase and resale of pre-owned condominiums ● Rental property management ● Comprehensive condominium management

(2) “Cho-Butsuryuu”

As the national movement toward ZEH (Net Zero Energy Houses) accelerates, we will promote a “Cho-Butsuryu” initiative that goes beyond logistics (Butsuryu), and boost proposal-based sales that cover a comprehensive range of energy-related products, building envelopes, and housing equipment and fixtures. In addition, as the logistics industry undergoes transformation that includes tighter regulations, we will leverage our nationwide logistics hubs to strengthen functions such as last-mile delivery to construction sites and support for component-based construction.

Progress Report	Growth Drivers
● Strengthening sales of solar power systems through capital and business alliances ● Strengthening of sash and exterior product businesses through M&A	● Supply of energy-related products ● Logistics

[Performance Contribution of Growth Drivers]

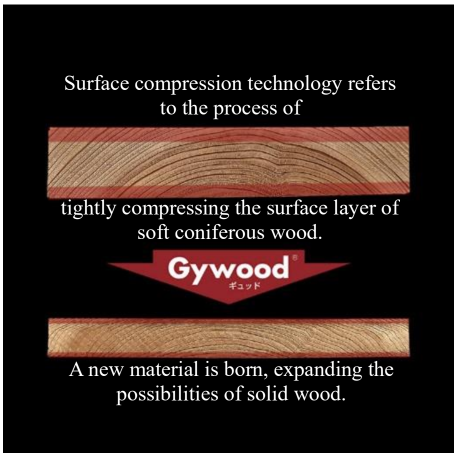
Growth Drivers	FY3/2025		FY3/2030	
	Net sales	Operating profit	Net sales	Operating profit
[1] Supply of domestic wood [2] Non-residential wooden construction [3] Purchase and resale of pre-owned condominiums [4] Rental property management [5] Comprehensive condominium management [6] Supply of energy-related products [7] Logistics	Approx. ¥75.0 billion	Approx. ¥2.0 billion	Approx. ¥130.0 billion (¥55.0 billion increase)	Approx. ¥5.0 billion (¥3.0 billion increase)

(3) “Cho-Ryouiki”

To further promote the utilization of domestic wood, we aim to pursue a “Cho-Ryoiki” initiative that goes beyond the conventional domain (Ryoiki) by expanding its use as components across various fields and to become a high value-added wood material manufacturer. We will also promote data-sharing in wooden construction across design, estimating, ordering, construction, and logistics, contributing to greater operational efficiency throughout the industry.

Progress Report	Growth Drivers
● Establishment of the De-plasticization and Wood Promotion R&D Center ● Start of business system renewal for the building materials business segment	● Development of components using solid domestic wood ● Distribution platform for the wooden construction industry

Development of components using solid domestic wood



Expansion of use as components (parts) across various fields

Distribution platform for the wooden construction industry

Support for improving industry-wide operational efficiency through unified data-sharing

(4) Establishing a proactive corporate culture

Progress Report	Growth drivers
● Conducting an engagement survey ● Introducing a self-development tool through e-learning ● Introducing the “Life Support Leave” system ● Carrying out “Open Communication Meetings” ● Implementation of “Roundtable Meetings” ● Introduction of a talent management system ● Conducting 360-degree evaluations ● Obtaining recognition as part of the “2025 Certified Health & Productivity Management Outstanding Organizations” ● Obtaining certification as a “Kanagawa Work and Treatment Integration Promotion Company”	● Human resource strategies necessary to realize business strategy - Expansion of specialized skills in the housing and living sectors - Appointment of external talent - Expansion of mid-career recruitment - Development of next-generation management through succession planning ● Enhancing engagement - 10-point improvement in survey score (FY3/2030) ● Promoting DE&I ● Promoting health and productivity management

(5) Fulfilling our social mission

Progress Report	Growth drivers
● Holding Sustainability Committee meetings (21 times in total) ● Holding Nice Group Central Safety and Health Committee meetings ● Achieving carbon neutrality in company emissions ahead of schedule ● Expanding the company-owned forest area ● Increasing the carbon dioxide absorption volume	● Strengthening risk management ● Reducing company emissions (Scopes 1 and 2) and continuing the pursuit of carbon neutrality ● Achieving net-zero emissions in the supply chain

6. Progress status of environmental targets

We were able to achieve carbon neutrality for Scope 1 (direct emissions) and Scope 2 (indirect emissions from energy use) in the business activities of the Nice Group ahead of the original target set for 2026. Going forward, while maintaining carbon neutrality for our own emissions, we will aim to meet the next round of targets, which are carbon neutrality across the Nice Group’s supply chain, including Scope 3 (other indirect emissions occurring in the supply chain) by 2030, and carbon neutrality across the entire value chain by 2050.

2026 target	Attaining carbon neutrality within the Nice Group — Attaining carbon neutrality for Scopes 1 and 2[*1] —	Early attainment
2030 target	Contributing to the realization of a carbon-neutral society through forest cultivation and effective use of wood — Attaining carbon neutrality for Scopes 1, 2, and 3[*2] —	—
2050 target	Aim to achieve carbon neutrality across the entire value chain	—

*1 Includes offsets through carbon dioxide absorption by company-owned forests.
*2 Includes “contributions to reduction” such as carbon storage through the use of domestic wood, as well as offsets through carbon dioxide absorption by company-owned forests.

7. Cash allocation

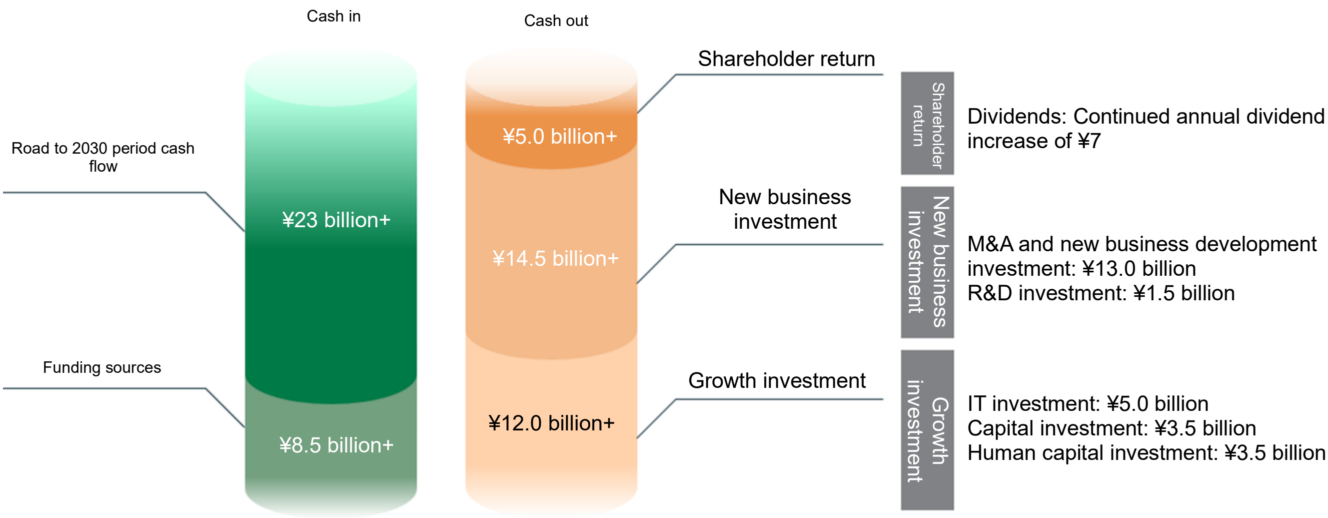
On May 24, 2024, we formulated a cash allocation plan as part of our efforts to achieve the "Medium-Term Management Plan 2023." This plan aims, while maintaining medium- to long-term financial soundness, to allocate the resources generated through cash flow from operating activities, liquidation of assets, and effective use of interest-bearing debt to various growth investments, while also providing returns to employees and shareholders. The implementation status for each of these is as follows:

[Implementation status]

Allocation	Estimated amount	Implemented	Remarks
● New business investment (M&A, R&D investment)	¥10 billion+	¥11.0 billion	Investment in Wood Engineering, Inc. (joint venture) Investment in Sharing Energy Co., Ltd. Acquisition of shares in SEREX Holdings Co., Ltd. Acquisition of shares in Katsura Lumber Co., Ltd.
● Growth investment (existing businesses)	¥11.5 billion+	¥7.7 billion	IT investment, capital investment, CATV investment <New capital investment> Arborex Co., Ltd. 2nd Factory Woodfirst Co., Ltd. 2nd Factory
● Shareholder return	¥1.5 billion+ *Estimated amount for two years	¥1.5 billion	Dividends ¥30 per share at the end of FY3/2023 + ¥20 per share for the interim of FY3/2024 ¥40 per share at the end of FY3/2024 + ¥25 per share for the interim of FY3/2025

[Road to 2030 cash allocation]

During the "Road to 2030" period (FY3/2026 to FY3/2030), we will allocate cash flow and funds raised as financial resources, with ¥5.0 billion or more for shareholder returns, ¥14.5 billion or more for new business investments, and ¥12.0 billion or more for growth investments in existing businesses.



(Note on forward-looking statements, etc.)
The earnings forecasts and other forward-looking statements presented in this document are based on information that is currently available to the Company and certain assumptions that the Company deems reasonable, and there is no guarantee that the Company will achieve them. In addition, actual financial results, etc., may differ significantly due to a wide range of factors.
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