

List of Officers

(as of June 27, 2025)

Director



Katsumi Kametsu
Representative Director President & Chief Executive Officer

Mar-85 Joined NICHIAS
Jun-13 Executive Officer of NICHIAS
Jun-16 Director & Executive Officer of NICHIAS
Jun-19 Director & Managing Executive Officer of NICHIAS
Jun-22 Representative Director President and Chief Executive Officer of NICHIAS (current position)



Tsukasa Yamamoto
Representative Director & Senior Managing Executive Officer

Mar-86 Joined NICHIAS
Jun-18 Executive Officer of NICHIAS
Jun-21 Director & Executive Officer of NICHIAS
Jun-22 Representative Director & Senior Managing Executive Officer of NICHIAS (current position)
June of the same year
In charge of internal control, compliance, CSR, accounting
Oct-23 In charge of internal control, compliance, sustainability and Accounting of NICHIAS (current position)



Satoshi Tanabe
Director & Senior Managing Executive Officer

Apr-89 Joined NICHIAS
Jun-13 Executive Officer of NICHIAS
Jun-19 Director & Executive Officer of NICHIAS
Jun-21 Director & Managing Executive Officer of NICHIAS
Apr-24 Division Director of Production Headquarter Division of NICHIAS (current position)
Apr-25 Overseeing the Production, Safety and Health, Environment, and Quality Assurance Departments of NICHIAS (current position)



Kiyoshi Sato
Director & Managing Executive Officer

Jun-03 Joined NICHIAS
Jun-16 Executive Officer of NICHIAS
Apr-18 Division Director of Research & Development Division of NICHIAS (current position)
Jun-21 Director Executive Officer of NICHIAS
Oct-23 In charge of Research & Development and Digitalization Promotion of NICHIAS (current position)
Apr-24 Director & Senior Executive Officer of NICHIAS
June of the same year
Director & Managing Executive Officer of NICHIAS (current position)



Yukinori Ryuko
Director & Senior Executive Officer

Sep-88 Joined NICHIAS
Jun-17 Executive Officer of NICHIAS
Jun-21 Division Director of Advanced Products Division (current position)
Jun-22 Director & Executive Officer of NICHIAS
Oct-23 In charge of Sales Department of NICHIAS (current position)
Apr-24 Director & Senior Executive Officer of NICHIAS (current position)
Jun-25 Director & Managing Executive Officer of NICHIAS (current position)



Yoko Wachi
Outside Director

Apr-89 Registered as lawyer (current position)
April of the same year
Joined Kajitani Law Office (current position)
Jun-15 Outside Audit & Supervisory Board Member of NICHIAS
Jun-19 Outside Director of NICHIAS (current position)
Jun-23 Outside Director of S.T. CORPORATION (current position)
Mar-25 Outside Auditor & Supervisory Board Member of Kyowa Kirin Co., Ltd. (current position)



Yasushi Manabe
Outside Director

Apr-79 Joined Hitachi, Ltd.
Apr-17 Vice President and Executive Officer, Deputy Director General Corporate Sales & Marketing Group, CMO of Industry & Distribution Business, Water & Urban Business of the company
Jun-21 Outside Director, MGC (current position)
Jun-24 Outside Director of NICHIAS (current position)



Reiko Iwasaki
Outside Director

Apr-89 Joined Toppan Printing Co., Ltd. (currently Toppan Holdings Co., Ltd.)
Apr-02 Managing Director of Toppan Mind Wellness Co., Ltd. (currently Toppan Inc.)
Jan-14 Representative Director of Toppan Mind Wellness Co., Ltd. (currently Toppan Inc.)
May-24 Outside Director of Arclands Corporation (current position)
August of the same year
Established For SDGs Inc.
Representative Director of For SDGs Inc. (current position)
Jun-25 Outside Director of Nishikawa Rubber Co., Ltd. (current position)
June of the same year
Outside Director of NICHIAS (current position)

Auditor



Mitsuru Nose

Full-time Audit & Supervisory Board Member

Mar-86 Joined NICHIAS
Jun-23 Full-time Audit & Supervisory Board Member of NICHIAS (current position)



Kazuyuki Motohashi

Full-time Audit & Supervisory Board Member

Oct-89 Joined NICHIAS
Jun-24 Full-time Audit & Supervisory Board Member of NICHIAS (current position)



Sachiko Murase

Outside Audit & Supervisory Board Member

Apr-95 Joined NICHIA Co., Ltd.
Sep-08 Registered as lawyer (current position)
Nov-15 Outside Audit & Supervisory Board Member of BUNKYODO GROUP HOLDINGS Co., Ltd. (current position)
Sep-18 Joined Kudanaka Law Office (current position)
Jun-19 Outside Audit & Supervisory Board Member of NICHIAS (current position)
Jun-20 Maxell Holdings, Ltd. (currently Maxell, Ltd.) Outside Director (current position)
Jun-24 Outside Director of NIPPON CHUZO.K.K. (current position)



Nobuhiko Takano

Outside Audit & Supervisory Board Member

Apr-75 Joined Fukuoka Regional Taxation Bureau
Jul-16 Regional Commissioner, Kumamoto Regional Taxation Bureau
Aug-17 Registered as certified public tax accountant (current position)
August of the same year President, Nobuhiko Takano Accountant Office (current position)
Mar-18 Outside Director (Audit & Supervisory Committee Member) of Toagosei Co., Ltd. (current position)
Jun-20 Outside Audit & Supervisory Board Member of NICHIAS (current position)



Masatoshi Deguchi

Outside Audit & Supervisory Board Member

Apr-82 Joined Sumitomo Corporation
Apr-17 Executive Officer and General Manager of Internal Auditing Department of the company
Apr-19 Managing Executive Officer of Sumitomo Precision Products Co., Ltd.
Jun-20 Representative Director, Senior Managing Executive Officer, and General Manager of Corporate Management Division of the company
Sep-23 Outside Director (Audit & Supervisory Committee Member) of TechnoPro Holdings, Inc. (current position)
Jun-24 Outside Audit & Supervisory Board Member of NICHIAS (current position)



Message from an Outside Director

Yoko Wachi

Outside Director

— What are your thoughts on the state of discussions and main topics at Board of Directors meetings?

Candid opinions are being expressed by both inside and outside directors, and open discussions are taking place. Regarding reporting items, efforts continue to be made to present actual results concisely while incorporating a medium-term vision that includes future challenges. This approach is probably conducive to the Board of Directors' important responsibilities: making decisions regarding management policies and governance.

— Tell us about a discussion that left a lasting impression on you.

There was an instance in which a detailed progress report facilitated deliberation that was sufficient to result in a final decision. In the current climate of unpredictable economic and political conditions, a swift and decisive judgment is often required. However, I have come to realize that in some situations, it may also be necessary to stay flexible enough to observe developments and take more time for careful deliberations.

— What is your own assessment of NICHIAS's governance?

I believe the company is managed with a consistent focus on whether its governance is functioning effectively. It goes without saying, however, that there is always room for improvement. (That's the spirit of NKK, after all.)

— How do you make use of your background and experience as an outside director?

Additionally, what role do you see yourself fulfilling in the future?

I have been involved in corporate legal affairs across various industries for many years, handling not only incidents that have already occurred but also taking preventive legal measures. Moreover, serving as an outside director for multiple companies not only has provided me with opportunities to consider compliance and governance advice from a legal perspective but has also taught me how to manage a company's mid-to-long-term direction in response to societal changes. I intend to continue applying these experiences and maintaining an outside perspective in order to facilitate the growth of NICHIAS.

— Please share your opinion on the expectations and challenges for NICHIAS as it strives to achieve sustainable growth.

I feel that the practice of the NICHIAS philosophy, to "contribute to a bright future for the Earth through our 'TATSU-TAMOTSU (Insulation and Protection)' technology", is being carefully considered not only by the executives but also by each and every employee. Contributing to a bright future for the Earth is not only a mission of NICHIAS but also something that supports the sustainable growth of society as a whole. Going forward, it is of course essential that we continue to uphold this philosophy, while at the same time also hope to see flexibility demonstrated, including a shift in mindset when necessary.

Corporate governance is an important issue that supports the foundations of the NICHIAS Group. Throughout the entire Group, NICHIAS builds and strengthens its governance framework that increases the transparency, fairness, and efficiency of the decision-making process of top management including the Board of Directors.

NICHIAS' efforts to strengthen and improve corporate governance

~2009

- 1999 ■ Introduction of the Executive Officer System
- 2001 ■ Establishment of the Nomination Committee and Remuneration Committee
- 2002 ■ Shortening of Directors' terms of office (from two years to one year)
- 2003 ■ Establishment of the Compliance Committee
 - Establishment of whistleblower hotlines (currently six locations)
- 2004 ■ Increase in the number of Outside Auditor & Supervisory Board Members (total: three)
- 2005 ■ Establishment of an (Internal) Audit Office
- 2006 ■ Decisions on matters related to the Internal Control System
 - Launch of the Internal Control Project Team
- 2008 ■ Discontinuation of the Chairman position
 - Establishment of an Internal Control Office
- 2009 ■ Establishment of the Internal Control & Internal Audit Office (merging of the Audit Office and Internal Control Office)

2010~

- 2015 ■ Appointment of Outside Director (total: one)
- 2016 ■ Increase in the number of Outside Directors (total: two)
- 2019 ■ Further increase in the number of Outside Directors (total: three)

2020~

- 2023 ■ Introduction of a stock-based compensation plan
- 2024 ■ The chairs of the Nomination Committee and the Remuneration Committee, as well as a majority of their members, were changed to outside officers.
- 2025 ■ Introduction of an executive performance-linked compensation system incorporating non-financial factors (to be applied from FY2026).

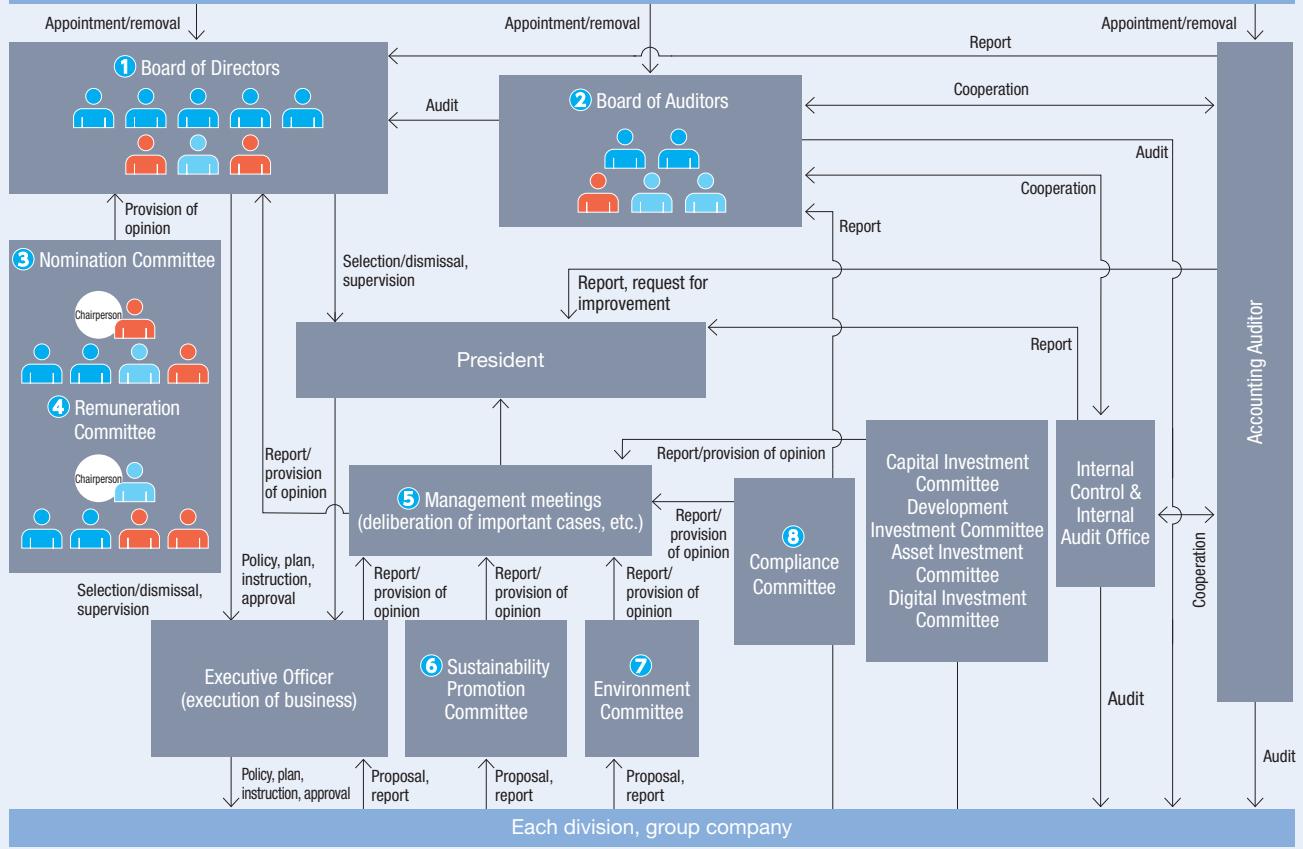
Corporate governance system chart

(as of June 27, 2025)

Internal Director, Auditor
Male

Outside Director, Auditor
Male Female

General Meeting of Shareholders





① Board of Directors

In order to increase the transparency and fairness of management and rapidly and efficiently carry decision-making, the NICHIAS Board of Directors comprises five Directors who are highly knowledgeable and experienced in the company businesses, and three Outside Directors who contribute proposals from an independent standpoint. The Board of Directors meets once a month on a regular schedule and holds extraordinary meetings as necessary, and in addition to making decisions on various important matters as stipulated in the Board of Directors Regulations, it also supervises the status of business execution.

Activities in FY2024

At meetings of the Board of Directors, discussions and deliberations were held on measures such as improving profitability, efficient operations, environmental conservation, and strengthening our foundation, in line with the final year of the first stage of the five-year Medium-Term Management Plan "Shikumi 130," which began in FY2022. The Board also considered matters including business selection and concentration, new investment projects, and shareholder returns in preparation for the second stage of the plan starting in FY2025. In addition, the progress of existing investment projects, response to climate change, response to cybersecurity, and other issues are also monitored periodically.

Number of meetings held in FY2024: 14

Workability Assessment of Board of Directors

At NICHIAS, all Directors and Auditor & Supervisory Board members conduct a self-evaluation through an anonymous questionnaire regarding the composition and operation of the Board of Directors. The results are then reviewed and analyzed by the Board to evaluate its effectiveness.

Implementation period

June 2025

Evaluation items

- Composition of Board of Directors
- Roles and duties of Board of Directors
- Operation and deliberation of Board of Directors
- Job responsibility of Board of Directors
- Arbitrary advisory meeting, etc.

Evaluation results

It was confirmed that the overall effectiveness of the Board of Directors has been sufficiently secured. Issues identified included the need to review meeting operations by narrowing down agenda items, and to deepen medium- to long-term discussions and deliberations on non-financial information that contribute to sustainable growth.

Future items to be considered based on the evaluation

We will continue working to further improve the operation of the Board of Directors and strive to deepen medium- to long-term discussions, including those related to non-financial information.

② Board of Auditors

NICHIAS is a company with an Auditor & Supervisory Board, and to ensure objectivity and neutrality in its oversight functions, the Board is composed of three Outside Auditors & Supervisory Board Members, each with expertise in different fields (corporate management, law, and finance/accounting), who are able to express opinions from an independent standpoint, together with two full-time Audit & Supervisory Board Members who have diverse experience in our business operations. As a general rule, the Auditor & Supervisory Board meets once a month, where reports on audit activities are shared and active discussions are held on matters such as the legality of business execution. In addition, at Board of Directors meetings and other forums, Audit & Supervisory Board Members proactively express their views on management from a broad and high-level perspective.

Number of meetings held in FY2024: 13

③ Nomination Committee

The Nomination Committee has been established as an advisory body to the Board of Directors. With respect to the appointment of Director candidates, the Nomination Committee deliberates and makes recommendations based on established selection criteria, and the Board of Directors then considers these recommendations and proposes candidates to the General Meeting of Shareholders. To enhance the objectivity and validity of the Director candidate nomination process, the Committee chair and a majority of its members are independent outside officers.

Members (as of June 27, 2025)

Chairperson: Yoko Wachi (Outside Director)

Committee members: Katsumi Kametsu (Representative Director President & Chief Executive Officer), Tsukasa Yamamoto (Representative Director Senior Executive Officer), Yasushi Manabe (Outside Director), Reiko Iwasaki (Outside Director)

Activities in FY2024

At the Nomination Committee, following the conclusion of the FY2024 General Meeting of Shareholders and under the new management structure, the composition of the Committee was reviewed, and changes were made to ensure that both the Chairperson and a majority of members are outside officers. In addition to deliberating on candidates for Directors and Executive Officers for FY2025, the Committee discussed measures for developing future executive talent and the establishment of a new organization to oversee NICHIAS' future human resources strategy, and submitted its recommendations to the Board of Directors.

Number of meetings held in FY2024: 2

④ Remuneration Committee

The Remuneration Committee has been established as an advisory body to the Board of Directors. With regard to the determination of Directors' remuneration, factors such as performance, the importance of duties, and responsibilities are taken into consideration. Based on the discussions held by the Remuneration Committee, the results are deliberated on and finalized by the Board of Directors. To enhance the objectivity and validity of the process for determining executive remuneration, the Committee chair and a majority of its members are independent outside officers.

Members (as of June 27, 2025)

Chairperson: Yasushi Manabe (Outside Director)

Committee members: Katsumi Kametsu (Representative Director President & Chief Executive Officer), Tsukasa Yamamoto (Representative Director Senior Executive Officer), Yoko Wachi (Outside Director), Reiko Iwasaki (Outside Director)

Activities in FY2024

At the Remuneration Committee, following the conclusion of the FY2024 General Meeting of Shareholders and under the new management structure, the composition of the Committee was reviewed, and changes were made to ensure that both the Chairperson and a majority of members are outside officers. In addition to proposals on remuneration for Director and Executive Officer candidates for FY2025, the Committee discussed whether to introduce a performance-linked compensation system for executives incorporating non-financial factors such as ESG indicators, as well as the range of remuneration variability and the timing of implementation, and submitted its recommendations to the Board of Directors.

Number of meetings held in FY2024: 3

Outline of Board of Directors, Board of Auditors, Nomination Committee, Remuneration Committee (FY2024 results)

	Name	Attendance status of each meeting			
		Board of Directors	Board of Auditors	Nomination Committee	Remuneration Committee
Director	Katsumi Kametsu	14/14 meetings	—	2/2 meetings	3/3 meeting
	Tsukasa Yamamoto	13/14 meetings	—	—	1/1 meeting
	Satoshi Tanabe	13/14 meetings	—	—	—
	Kiyoshi Sato	14/14 meetings	—	—	—
	Yukinori Ryuko	14/14 meetings	—	—	—
	Yoichi Eto (Outside)	14/14 meetings	—	2/2 meetings	—
	Yoshito Hirabayashi (Outside)	4/4 meetings	—	—	—
	Yoko Wachi (Outside)	14/14 meetings	—	—	3/3 meeting
Auditor	Yasushi Manabe (Outside)	10/10 meetings	—	2/2 meetings	—
	Hiroaki Seki	4/4 meetings	3/3 meetings	—	1/1 meeting
	Mitsuru Nose	14/14 meetings	13/13 meetings	2/2 meetings	—
	Kazuyuki Motohashi	10/10 meetings	10/10 meetings	—	2/2 meeting
	Isao Iwabuchi (Outside)	4/4 meetings	3/3 meetings	—	—
	Sachiko Murase (Outside)	14/14 meetings	13/13 meetings	2/2 meetings	1/1 meeting
	Nobuhiko Takano (Outside)	14/14 meetings	13/13 meetings	—	3/3 meeting
	Masatoshi Deguchi (Outside)	10/10 meetings	10/10 meetings	—	2/2 meeting

Skill matrix of the Board of Directors (as of June 27, 2025)

	Name	Expertise and experience of Directors (skill matrix)				
		Corporate management, strategy	Finance, accounting	Legal affairs, compliance	Sales, marketing	Manufacturing, development
Director	Katsumi Kametsu	Representative Director President & Chief Executive Officer	○	○	○	○
	Tsukasa Yamamoto	Representative Director, Senior Managing Executive Officer	○	○	○	
	Satoshi Tanabe	Director & Senior Managing Executive Officer	○		○	○
	Kiyoshi Sato	Director & Managing Executive Officer	○		○	○
	Yukinori Ryuko	Director & Senior Executive Officer	○			○
	Yoko Wachi	Outside Director		○	○	
	Yasushi Manabe	Outside Director	○			○
	Reiko Iwasaki	Outside Director	○		○	

* The skill matrix only states the fields that are especially expected instead of all the expertise and experiences.

Executive Bodies

5 Management meetings

The management meetings, serving as deliberative bodies to enhance the efficiency of the Board of Directors and composed of Directors, full-time Audit, division heads, and individuals designated by the President, are held weekly as a general rule, and these meetings deliberate and report on the approval of decision-making items, company-wide operational management, and specific important matters.

Number of meetings held in FY2024: 48

6 Sustainability Promotion Committee

In order to achieve sustainable growth while addressing environmental and social issues, the Company has also established a Sustainability Promotion Committee, chaired by the officer in charge of sustainability. This Committee is responsible for formulating NICHIAS' basic policies and strategies on sustainability, supervising the activities of its specialized subcommittees, and promoting sustainability initiatives across the NICHIAS Group. 

Number of meetings held in FY2024: 8

7 Environment Committee

To conduct business activities with consideration for the global environment and with the aim of reducing environmental impact, NICHIAS has established an Environment Committee, chaired by the Representative Director President & Chief Executive Officer. The Committee formulates measures addressing environmental issues, including climate change, and provides guidance and promotes initiatives across the NICHIAS Group to reduce environmental impact.

Number of meetings held in FY2024: 4

8 Compliance Committee

In addition to complying with laws and regulations, NICHIAS has established a Compliance Committee, chaired by the officer in charge of compliance, to promote compliance activities based on sound social ethics and common sense. This Committee formulates the various measures necessary for the practice of compliance and provides guidance and promotes compliance activities across the NICHIAS Group. 

Number of meetings held in FY2024: 11

Officer Remuneration

NICHIAS has resolved at meetings of the Board of Directors the policy regarding the determination of individual remuneration for Directors, and its outline is as follows.

- a. The remuneration of NICHIAS' Directors consists of fixed financial compensation and stock-based compensation to provide incentives. However, regarding the remuneration of Outside Directors, considering their job responsibilities, only fixed compensation shall be paid.
- b. The amount of the fixed compensation shall be set within 32 million yen per month. Stock-based compensation shall be in the form of shares subject to a certain period of restricted transfer, with an annual amount not exceeding 100 million yen, which is to be calculated separately from the fixed compensation, and a maximum number of shares not exceeding 40,000 per year.
- c. The remuneration of each Director is based on the standard amount according to the position of the Director, with the specific amount decided after discussions at the Remuneration Committee meeting with attendance of Outside Directors and Outside Auditors, and consultation with the Board of Directors as to the outcome of the discussions at the Remuneration Committee meeting, taking into account the factors such as business performance and importance of duties and responsibilities of each director.
- d. Each of the total amount of the fixed compensation and stock-based compensation of all the Directors shall be determined within a range of the maximum limit specified by the resolution at the general meeting of shareholders.

The total amount of remuneration, etc., for each officer category and the total amount of remuneration, etc., by type, as well as the number of applicable officers (FY2024 results)

Category	Total amount of compensation, etc.	Total amount of compensation, etc. by type		Number of officers covered
		Fixed compensation	Stock-based compensation	
Directors (excluding Outside Directors)	296 million yen	255 million yen	40 million yen	5 people
Auditors (excluding Outside Auditors)	37 million yen	37 million yen	—	3 people
Outside Director	41 million yen	41 million yen	—	4 people
Outside Director	24 million yen	24 million yen	—	4 people

Total consolidated remuneration, etc. by officer* (FY2024 results)

Name	Total amount of consolidated compensation, etc.	Officer classification	Company classification	Amount of consolidated compensation, etc. by type	
				Fixed monetary compensation	Stock-based compensation
Katsumi Kametsu	105 million yen	Director	Submitting company	88 million yen	16 million yen

*Disclosure is limited to those whose total consolidated compensation, etc. amounts to 100 million yen or more.

Compliance

In running the company and as a member of society, the NICHIAS Group engages in compliance efforts based on social norms and common sense, as well as complying with laws and regulations and the Articles of Incorporation, in order to build good relationships with its many stakeholders.

The foundation of the NICHIAS Group's compliance activities lies in the monthly meetings of the Head Office Committee and Compliance Committee and the branch committee meetings held once every three months at each business site and Group company.

Global Compliance Policy

The NICHIAS Group has long positioned the practice of compliance as its highest management priority, in order to ensure sound global management in line with the NICHIAS Philosophy. To put this priority into practice, we have established the Global Compliance Policy, which sets forth the key matters that must be uniformly observed across all NICHIAS Group companies, both in Japan and overseas.

Based on this Global Compliance Policy, we have also formulated a Compliance Code. The Code shows a "basic attitude concerning compliance, which all the stakeholders of the NICHIAS Group are required to observe," such as conformity to changes in social conditions and revision of law and regulations, awareness-raising activities toward violations, and response to the report made to the contact for whistle-blowing.

Three basic attitudes toward compliance	Code of Conduct in Global Compliance Policy
<p>Three basic attitudes toward compliance</p> <p>We observe the laws, regulations, and rules and execute healthy corporate activities respecting the spirit.</p>	<p>Code of Conduct in Global Compliance Policy</p> <ol style="list-style-type: none"> 1. Compliance with social norms 2. Prohibition of bribery 3. Prohibition of conflict of interest 4. Fair business competition 5. Prohibition of trading of stocks, etc., based on undisclosed company information (prohibition of insider trading) 6. Compliance with trade laws and regulations and proper import/export procedures
<p>We respect employees' human rights, personality, and autonomy and support their growth.</p>	<ol style="list-style-type: none"> 7. Respect for human rights and personality 8. Prohibition of harassment
<p>We maintain a good relationship with society at large through communication and action from the standpoint of the various stakeholders surrounding the Group.</p>	<ol style="list-style-type: none"> 9. Safety and quality of products and services 10. Consideration for environment 11. Healthy and safe working environment 12. Protection and utilization of intellectual property rights 13. Information management 14. Accurate financial record

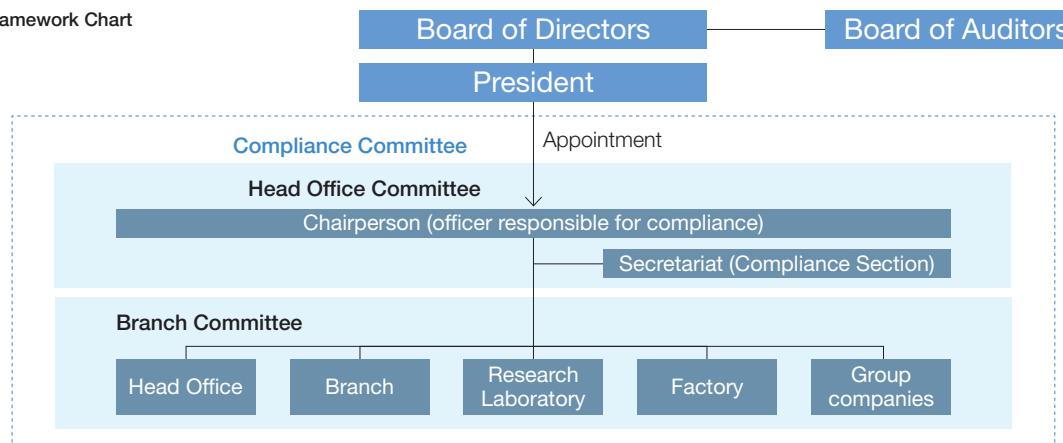
Framework

Branch Compliance Committees are organized at each business office and group company in Japan and overseas to facilitate compliance, and efforts are taken in a proactive spirit, such as formulating and educating everyone on unique action guidelines that address the issues of each workplace.

To promote compliance from a Group-wide perspective, Nichias has established, as a specialized organization, a Compliance Section.

In addition to planning and implementing specific measures in line with NICHIAS' Compliance Activities Policy, the Compliance Section ascertains the state of compliance at each workplace, makes suggestions and gives advice on issues, and deals with feedback and matters sent to the compliance counters (whistleblower hotline) in a fair and honest manner.

Compliance Framework Chart



Whistleblowing System

To facilitate reports and consultations regarding compliance, a compliance hotline was set up on the NICHIAS website in addition to the general compliance hotline (NICHIAS Group Corporate Ethics Hotline), an external hotline (contact point at a law firm), internal hotlines (compliance officer and labor union hotline), and each compliance counter (whistleblower hotline) at the contact points for handling "important management matters" (auditor hotline). With a more transparent compliance framework, NICHIAS strives to operate its business in a compliance-orientated manner. A comment box has also been set up at each workplace, making it easier for employees to speak out.

Reports received by the compliance counters are checked at the Compliance Reporting and Response Council by sufficiently investigating the truth behind reports and interviewing those concerned to resolve any compliance issues. In the case of reports for which the whistleblower clearly states their name, the outcome of the action taken as a result of the investigation will, without fail, be fed back to the whistleblower. Even in the case of an anonymous report, the facts will be investigated if the department where the incident occurred is identified and action is taken to resolve the problem. We also hold internal training programs.

There were 63 whistleblower reports in FY2024. Appropriate action was taken for each report.

Risk Management

For risks that could have a significant impact on management, it is essential to detect them at an early stage and respond appropriately. To minimize diversified risks, the NICHIAS Group is working to strengthen and enhance its risk management system, with each specialized division taking the lead based on its expertise.

Quality Assurance

To continuously provide products that its customers can use safely and with peace of mind, NICHIAS Corporation has systems to review each stage of the production process from planning and designing products right up to their disposal. The R&D, Technology Development, Sales, Manufacturing, Quality Assurance, Safety, Environment, and Facilities Engineering departments work together from their respective areas of expertise to rigorously review product quality, safety, and reliability, as well as the validity of production processes.

Stable Distribution of Products & Services

Stable Distribution of Products & Services

The NICHIAS Group recognizes that production stoppages caused by equipment failures or large-scale disasters can significantly affect the supply of products and services, and we are strengthening both the resilience of our production facilities and our recovery systems accordingly.

Securing Raw Materials

To mitigate the procurement risks of raw materials arising from natural disasters, accidents, or conflicts, we are strengthening the resilience of our supply chain. For raw materials deemed to have high procurement risk, we are working on measures such as diversifying procurement sources and securing inventory.

Securing of Employees' Safety

To provide products and services stably, securing the safety of employees who support the business activities is important. To promptly ascertain the safety of employees, we have introduced a safety confirmation system and conduct safety confirmation drills regularly (at least twice a year). In addition, District Disaster Prevention Committees have been established at all domestic Group companies to strengthen preparedness against natural disasters and fires in each region, and these committees conduct disaster or fire evacuation drills (at least once a year) and review potential concerns that may arise in the event of a disaster. Starting in FY2025, District Disaster Prevention Committees are also being established at overseas sites, enabling all Group companies, both in Japan and overseas, to engage in disaster prevention and mitigation activities.

Information Security

The NICHIAS Group ensures thorough and appropriate management of information assets entrusted to us by customers and business partners, as well as those owned by NICHIAS itself, in order to protect them from a wide range of threats such as leaks and unauthorized access.

To this end, we have established a Basic Information Security Policy and are continuously working on strengthening our information security framework. This includes building a management structure that involves senior management, ensuring compliance with relevant laws and regulations, maintaining and operating internal rules, reinforcing technical measures, and providing ongoing education and training for employees.

In addition, taking into account changes in threats such as cyberattacks and the tightening of standards in relevant guidelines, we regularly review and improve our information security systems. Particular emphasis is placed on strengthening IT-based technical measures and enhancing internal education and training through e-learning and hands-on programs, with the scope and content of these initiatives expanding year by year.

Growth Strategy

Financial Strategy

Improving capital efficiency

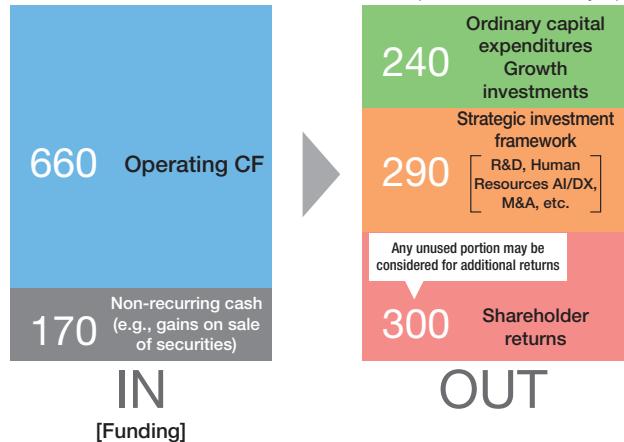
For the second stage of the Medium-Term Management Plan "Shikumi 130" (FY2026–FY2027), our financial strategy will focus on operating with an awareness of improving capital efficiency. We will maintain a liquidity target equivalent to 1.5 to 2.0 months of working capital. The equity ratio will not be increased beyond the current level, and we will work to reduce the ratio of policy-holding stocks to net assets. In addition, we will newly introduce ROIC management by segment and begin evaluating the cash conversion cycle, thereby driving transformation from our conventional financial structure.

Capital allocation

With respect to capital allocation, we have formulated the cumulative uses of funds for the second stage of the Medium-Term Management Plan (two projects). In addition to conventional capital expenditures, we have established a new strategic investment framework of 29 billion yen to enable more future-oriented investments. With regard to shareholder returns, we have set a total of 30 billion yen, and in the event that there are unused portions within the strategic investment framework, we will consider providing additional returns to shareholders. [See right-hand chart]

Cumulative second stage: Two years from FY2026–FY2027

(Amount: 100 million yen)



Shareholder Return Policy (Dividend Policy)

Our basic policy on shareholder returns is to maintain a total return ratio of 50% or more. With regard to dividends, we adhere to a policy of progressive dividends with a DOE of 5.0% or higher, and will continue to provide stable dividends going forward. In addition, we will carry out share repurchases while maintaining a balance with dividends. As a guideline, the upper limit of treasury stock holdings is set at 10% of shares outstanding, and repurchased shares will be retired as appropriate.

Intellectual Property Strategy

The NICHIAS Group strengthens its businesses by carrying out activities related to intellectual properties (hereinafter "intellectual property activities") from both offensive and defensive perspectives, taking into account changes in the business environment and our future vision. In particular, for technologies newly created through research and product development, we actively promote the acquisition of rights such as patents and the management of know-how, thereby securing competitive advantages. At the same time, we respect the intellectual property rights of others and appropriately address IP risks, such as by conducting investigations and confirmations to prevent infringement when launching new products.

In intellectual property activities, the Intellectual Property Department plays a central role, advancing various initiatives in cooperation with relevant departments and external partners under smooth communication with the responsible executive officer. In FY2024, initiatives included revising and increasing invention rewards to strengthen incentives for innovation, piloting IP landscape analysis using AI-based patent analysis tools, and developing mechanisms to manage know-how that contributes to competitive advantage.