

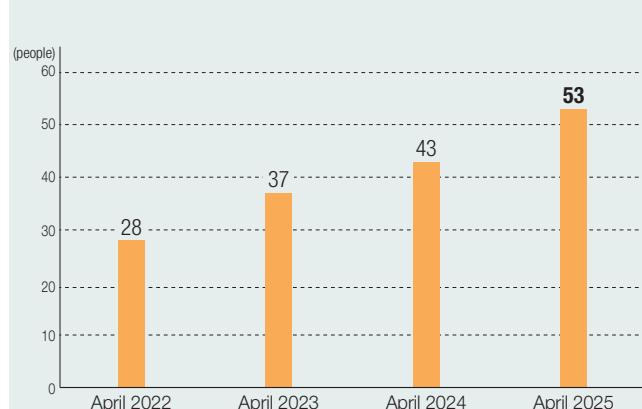
The Nichias Group not only carries out corporate social responsibility (CSR) efforts within the Group but also contributes to society by providing products and services that are safe, reliable, and useful for its customers.



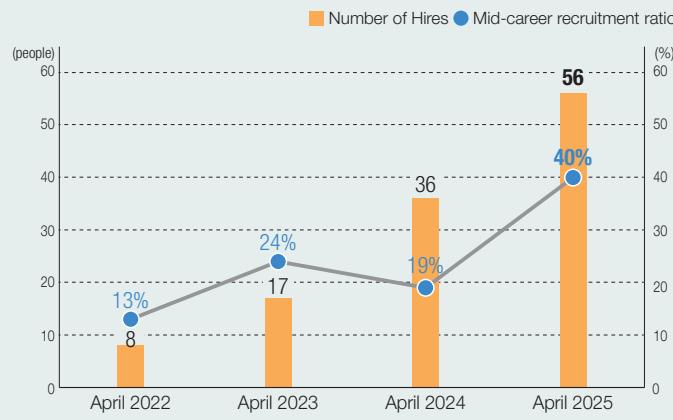
Recruitment

Recruitment Initiatives

The NICHIAS Group regards human resources as its most important capital for the sustainable enhancement of corporate value, and conducts recruitment activities with a long-term perspective aimed at securing a diverse workforce. For new graduate recruitment, we provide opportunities to experience work at our research laboratories and factories so that candidates can directly sense the atmosphere of NICHIAS, thereby communicating the appeal of our workplace. In addition, to secure more diverse and highly specialized human resources, we are also strengthening mid-career recruitment.



Trends in the number of new graduate career-track hires (non-consolidated)

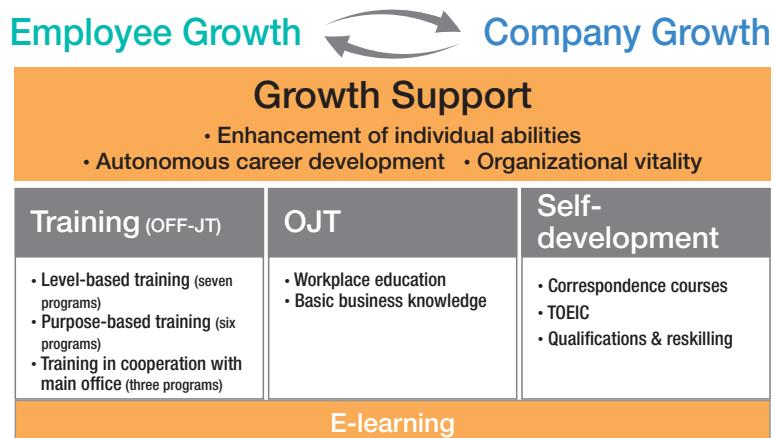


Trends in the number of mid-career hires (non-consolidated)

Human Resource Development & Training

Training System

Based on the belief that employee growth and company growth are two sides of the same coin, NICHIAS supports individual skill development and autonomous career building through three pillars: OFF-JT (various training programs), OJT (e-learning and workplace-based training), and Self-Development (such as correspondence courses). Through these initiatives, we aim to enhance personal capabilities and foster organizational vitality. In particular, our training programs are categorized into three types: by employee level, by objective, and in cooperation with main office. Through this wide variety of programs, we work to enhance the capabilities of employees across a broad range of grades and job types, from new hires to management.



Young Employee Exchange Meetings

At NICHIAS, we hold Young Employee Exchange Meetings at sites nationwide with the aim of building communities where younger employees can interact across departments and consult with peers about concerns or ideas unique to their generation. Through these exchanges among the next generation of employees, participants not only encourage each other to improve, but also foster a sense of camaraderie, contributing to the realization of a “bright company where it is pleasant to work.”



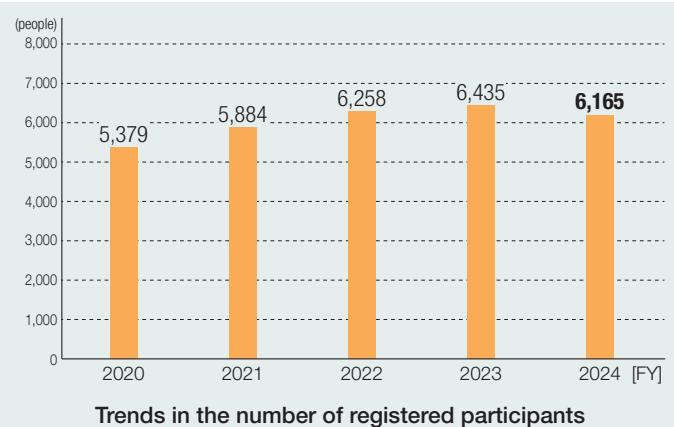
Scene from Young Employee Exchange Meeting

NKK (NICHIAS Kaizen Katsudo)

Since 2015, the NICHIAS Group has been promoting NICHIAS Kaizen Katsudo (NKK) with the aim of achieving both employee engagement and improved productivity.

At the NKK World Convention in FY2024, which marked the 10th anniversary of the program, the scale and number of participants were expanded so that more employees could share their activities and achievements. In particular, the "Shikumi Award," a collaboration between the Medium-Term Plan "Shikumi 130" and NKK, was established as a special award to make it easier to incorporate "system-building" as part of improvement activities.

As the external environment undergoes major changes and the issues to be addressed grow more complex, we are building a support framework in which leaders and supervisors encourage proposals for new businesses and operations to emerge from NKK, thereby achieving adaptive system-building. By continuing these activities based on the three principles of "Attempt," "Nurture," and "Gratitude," NKK has become part of the NICHIAS Group's corporate culture, contributing to the realization of our vision of "becoming a worker-friendly and cheerful company." Through NKK, we are also fostering talent who can independently identify problems, think through solutions, and resolve issues in collaboration with colleagues.



Diversity

Hiring of Persons with Disabilities

As one of the mechanisms that enables people with disabilities to work with peace of mind, NICHIAS has introduced a Social Office System. The Social Office System is a framework in which personnel with specialized skills in supporting people with disabilities provide comprehensive support. This includes offering advice on carrying out work duties, encouraging independence in daily social life, and providing mental health support, thereby ensuring that employees with disabilities are fully supported in their workplace experience. Through such initiatives, we are advancing our diversity efforts to create a "bright company where it is pleasant to work" for employees with disabilities as well.

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Active participation of women

NICHIAS aims to be a workplace where women can thrive and is actively recruiting women for career-track positions. We have set a target of ensuring that at least 20% of new graduate recruits each year are women. As a result of our ongoing recruitment efforts, we expect that within a few years the number of women with the experience and capabilities to assume managerial positions will steadily increase.

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		FY2022	FY2023	FY2024
Percentage of Women Among Hired Employees	Percentage	28.6%	29.7%	30.2%
	Number of women	8	11	13
	Number of hires	28	37	43

Engagement

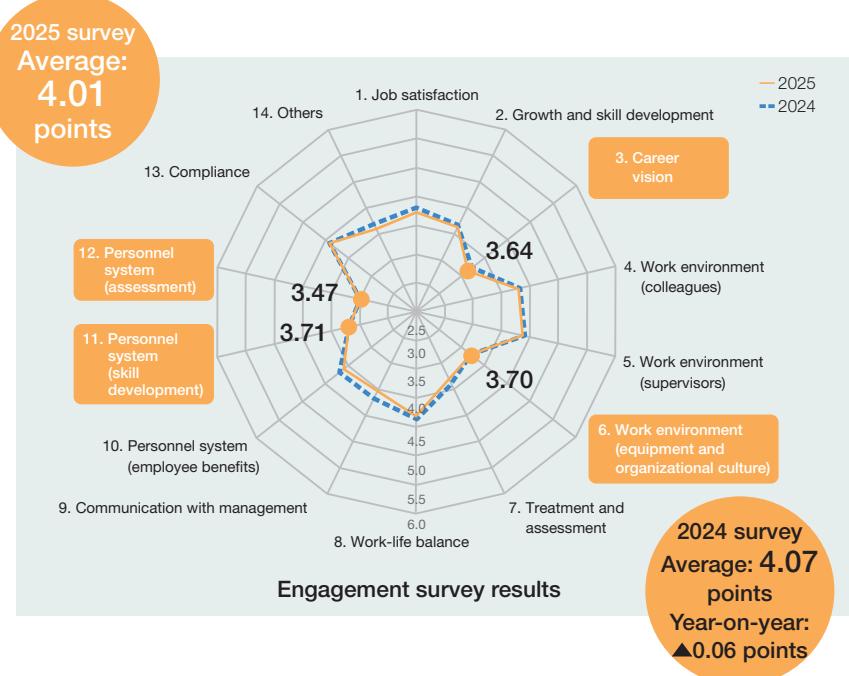
Engagement Survey

At NICHIAS, we regard employees as our most important capital. As a mechanism to capture their voices, we have been conducting an engagement survey since June 2024.

In the 2024 survey, the response rate was approximately 70%, while in the 2025 survey it rose to about 85%, an increase of 15 percentage points, allowing us to collect input from a greater number of employees.

The 2025 survey results showed that the same four items as last year (career vision, equipment and organizational culture, skill development, and assessment) received the lowest evaluations.

We will continue to conduct engagement surveys on an ongoing basis and address the issues identified through these surveys in order to maintain and further strengthen a positive relationship between employees and the company.



NICHIAS General Index

We established the NICHIAS General Index, a mechanism to evaluate the level of realization of a “bright company where it is pleasant to work,” and have conducted surveys annually since 2022.

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Health

Health and Productivity Management Declaration

The NICHIAS Group regards the health and safety of its employees as the basis of its corporate activities and believes that because each member of staff's physical and mental health is in good shape, the NICHIAS Group is a company full of smiles where its staff can work enthusiastically. Based on those policies, the Group established the NICHIAS Health and Productivity Management Declaration in April 2021. Positioning the health of the workplace, body, and mind as three important items that require measures, we build the “mechanisms” of health and are proactively engaged in the health management of employees.

Key measures	Workplace well-being	Creating a cheerful workplace where our staff can work with enthusiasm • A company full of smiles where “thank you” is often overheard
	Physical well-being	Early detection and prevention of diseases • Reduce the number of individuals with abnormal test results in regular health checkups • Reduce the risk of lifestyle-related diseases
	Mental well-being	Increase stress awareness and improve performance • Implement stress checks and improve the work environment • Improve line care (mental well-being supervision by senior staff) and self-care awareness through mental health education

Certification as an Outstanding Organizations of KENKO Investment for Health

NICHIAS was certified as an “Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category),” which the Ministry of Economy, Trade and Industry and NIPPON KENKO KAIGI rewarded. We have been rewarded for four consecutive years since 2022. In addition, Group companies are also carrying out health and productivity management initiatives. One of our Group companies, Nippon Thermal Engineering Corporation, was certified under the Bright 500 in the SME category. Other Group companies have also obtained certification as “Outstanding Organizations of KENKO Investment for Health.”

NICHIAS is also working across the organization to promote employee health. In particular, to help establish exercise habits, we extended the duration of our walking event to two months. In addition, we created a dedicated NICHIAS website that ranks participants by their step counts to encourage friendly competition, with the goal of achieving an average of more than 8,000 steps per day.

We will continue to promote health, build mechanisms to improve health literacy, and work to enhance employee performance.

Health Information

NICHIAS recommends a secondary inspection when a recheck is required at the periodic health checkup to maintain health. And, NICHIAS supports influenza vaccination in cooperation with the NICHIAS Health Insurance Association, holds sports events, and supports optional inspections during health checkups to encourage and support employees 35 or older to have a comprehensive medical examination. Furthermore, we set the target concerning the health conditions and lifestyle habits for the entire company to tackle health management.

Mental Healthcare

Putting importance on mental health as well, NICHIAS concluded the industrial-doctor contract with a psychologist. Interviews are set regularly for those who do not feel well, and we continue to interview them even after they return to work. We also support their superior as needed. Mental health education is always included in the in-house training for new employees and new managers, improving awareness of line care and self-care. Stress checks were conducted for approximately 5,300 people in the 25 NICHIAS Group companies, including those with less than 50 employees. Group analysis is also carried out. Group analysis is also carried out. This is how NICHIAS tries to create a more pleasant workplace.

Improvement of Employees' Health Literacy

We consider that employees need to acquire correct knowledge about health to maintain their mental and physical health themselves. A column written by the industrial doctor to raise employees' awareness toward health is on Tombo no wa, the Group's journal, which serves as a tool to improve health literacy.

We conduct Group-wide walking events, utilizing dedicated software to make it possible for employees to take on the challenge in an enjoyable way.

Work-Life Balance

Paid Leave

As part of creating an environment where employees can work with peace of mind, we manage total working hours to control long working hours and set the target for annual paid holidays so that employees proactively take paid holidays. Employees are asked to plan to take annual paid holidays for the year in advance and share the plan with colleagues. In this way, in addition to raising their awareness of the need to take paid holidays, we, as an organization, pay attention to creating an atmosphere in which it is easy to take annual paid leave.

See P10

Childcare Leave Acquisition Rate

To support employees in balancing childcare and work, NICHIAS has established a variety of systems that exceed legal requirements. We have also created a guidebook to clearly explain these systems and actively share information with employees. Each year, the number of male employees taking childcare leave has been increasing, as has the average number of days taken.

		FY2022	FY2023	FY2024
Childcare leave acquisition rate by gender (non-consolidated)	Male acquisition rate	36.1%	47.5%	67.9%
	Men who took childcare leave	13	19	36
	Female acquisition rate*	110.0%	100.0%	93.8%
	Women who took childcare leave	11	14	15
	Women who gave birth	10	14	16

*The acquisition rate is calculated based on the standards set by the Ministry of Health, Labour and Welfare.

Communication with Stakeholders

IR Activities

NICHIAS strives to enhance communication with shareholders and investors based on the principle of fair disclosure. In FY2024, we held financial results briefings online at the time of the year-end earnings announcement and the second-quarter earnings announcement. We also conducted small meetings and facility tours, and participated in domestic and international conferences hosted by securities companies. In our daily work, we held a total of 221 IR meetings, including in-person, online, and via teleconference system. The opinions obtained through dialogue are regularly reported by the IR team at management meetings and other forums, and are utilized to help improve management and business activities. NICHIAS will continue its efforts to strengthen its communication with shareholders and investors both inside and outside Japan, as well as forming a broad spectrum of shareholders.

Building Relationships with Employees' Families

It is very important for a company to build good relationships with the families of its employees. Having employees' children see their parents at work contributes to the development of the children's understanding of careers and also helps realize the NICHIAS Group's vision of becoming a "bright company where it is pleasant to work." In August 2025, we held an event called "Children's Workplace Visitation Day," where employees' children were invited to visit their parents' workplace. This initiative began in 2015 and, although it was suspended for four years due to the COVID-19 pandemic starting in 2020, it has otherwise been held every year.

In addition, every summer we distribute the agricultural growing medium "Yasaihana™ Pot," a product of NICHIAS' Group company, Nippon Rockwool Co., Ltd., to the families of our Group employees. This program started in 2020 and marks its sixth year this year. Families have shared heartwarming reports such as tomatoes bearing fruit and mini sunflowers blooming.

Support Activities for Culture and Sports

Sponsorship of the Professional Basketball Team "HIROSHIMA DRAGONFLIES"

NICHIAS supports the professional basketball team HIROSHIMA DRAGONFLIES, a member of the B.LEAGUE, as a Diamond Partner for the 2025-26 season.

The team's name originates from the Miyajima Dragonfly, an endangered species that inhabits only Miyajima Town in Hatsukaichi City, Hiroshima Prefecture, and both the team's logo and NICHIAS' corporate mark feature a dragonfly.

NICHIAS is engaged in activities to protect the dragonfly's ecosystem, and by working together with the HIROSHIMA DRAGONFLIES, we aim to contribute not only to the promotion of sports and the development of culture, but also to the protection of the natural environment.



Uniform featuring the NICHIAS logo

Sponsorship of the Racing Team "Team LeMans"

NICHIAS sponsors the racing team VELOREX (Team LeMans), which competes in the SUPER GT series. The SUPER GT series is one of the largest racing events in Japan, boasting the highest attendance among domestic motorsports, with 30,000 to 60,000 spectators per race. During the season, the NICHIAS brand logo is displayed on the team's Ferrari race car. Through this sponsorship, NICHIAS is contributing to the promotion of motorsports culture.



Race car featuring the NICHIAS logo