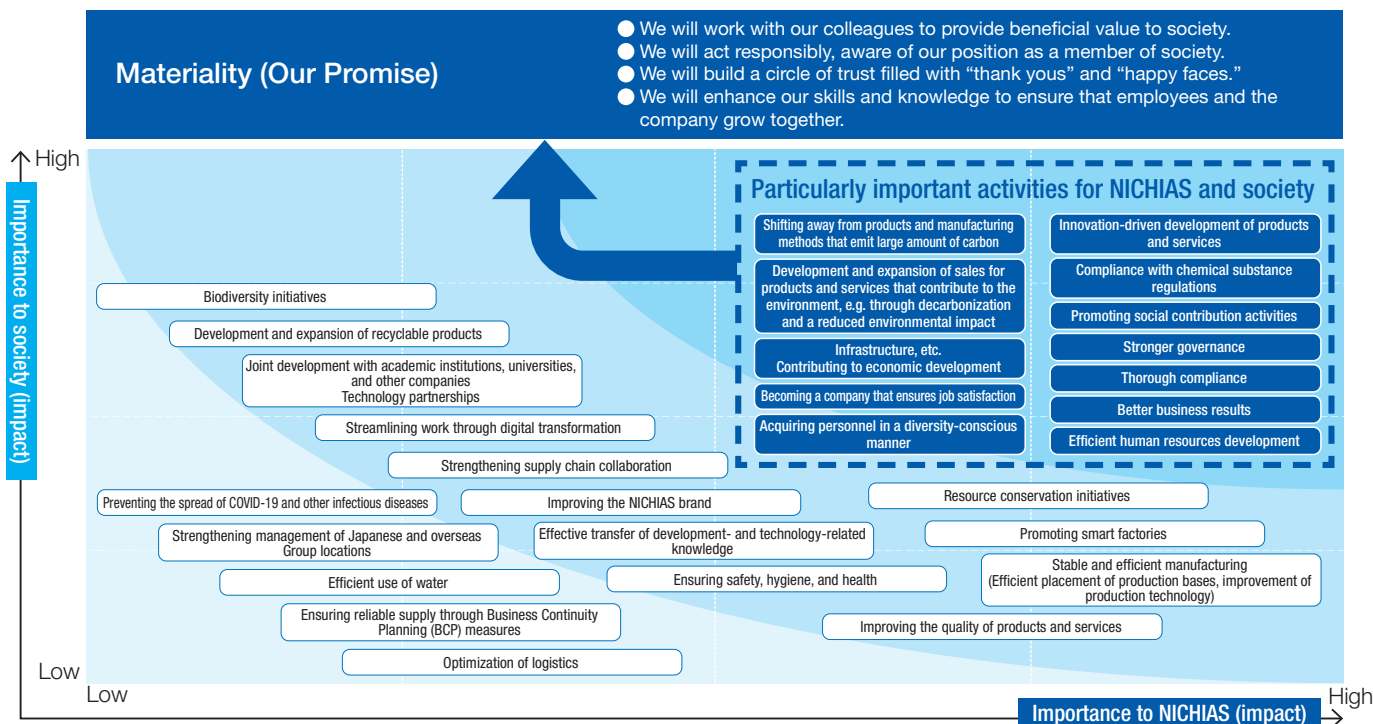# NICHIAS Group Materiality Assessment

For the NICHIAS Group, Our Promise serves as both a code of conduct and as a materiality (a key issue that should be prioritized by the company) for addressing societal challenges.

By engaging in thoughts and actions that uphold Our Promise, we can not only resolve societal issues but also achieve sustainable growth for the Group.

The chart below shows our Group's materiality and its relationship to the NICHIAS General Index, as well as its connection to activities of particular importance to our company and society and to the SDGs (Sustainable Development Goals). By achieving these materiality items, we will contribute toward achieving a sustainable society.

■ The NICHIAS Group's materiality identification process

Materiality (Our Promise)
- ● We will work with our colleagues to provide beneficial value to society.
- ● We will act responsibly, aware of our position as a member of society.
- ● We will build a circle of trust filled with "thank yous" and "happy faces."
- ● We will enhance our skills and knowledge to ensure that employees and the company grow together.

Importance to society (impact) — High / Low
Importance to NICHIAS (impact) — Low / High

Particularly important activities for NICHIAS and society
- Shifting away from products and manufacturing methods that emit large amount of carbon
- Development and expansion of sales for products and services that contribute to the environment, e.g. through decarbonization and a reduced environmental impact
- Infrastructure, etc. Contributing to economic development
- Becoming a company that ensures job satisfaction
- Acquiring personnel in a diversity-conscious manner
- Innovation-driven development of products and services
- Compliance with chemical substance regulations
- Promoting social contribution activities
- Stronger governance
- Thorough compliance
- Better business results
- Efficient human resources development

Other plotted items:
- Biodiversity initiatives
- Development and expansion of recyclable products
- Joint development with academic institutions, universities, and other companies Technology partnerships
- Streamlining work through digital transformation
- Strengthening supply chain collaboration
- Preventing the spread of COVID-19 and other infectious diseases
- Improving the NICHIAS brand
- Resource conservation initiatives
- Strengthening management of Japanese and overseas Group locations
- Effective transfer of development- and technology-related knowledge
- Promoting smart factories
- Efficient use of water
- Ensuring safety, hygiene, and health
- Stable and efficient manufacturing (Efficient placement of production bases, improvement of production technology)
- Ensuring reliable supply through Business Continuity Planning (BCP) measures
- Improving the quality of products and services
- Optimization of logistics

■ The NICHIAS General Index in relation to the Group's materiality

Materiality (Our Promise)	Related NICHIAS General Index items	Particularly important activities for NICHIAS and society	Main related SDGs
We will provide value that is useful to society together with our partners. Leveraging our Group's teamwork, we contribute to solving customer and societal challenges through our TATSU-TAMOTSU (insulation and protection) technologies.	(1) NICHIAS Performance Indicators (NPI) – Five Main Challenges - Increasing profitability (enhancing earning capability) - Business selection and focus - Efficient operation - Environmental conservation - Strengthening our foundations (2) Working environment (substantial value) – Employees' satisfaction level - Diversity - Human resources (3) Working environment (substantial value) – Employees' happiness - Relationships with the organization, supervisors, and colleagues{j} - Understanding of company policies and agreement with company policies{j} (4) Partnerships – Stakeholders' satisfaction level - Shareholders (investors)	- Better business results - Contributing to economic development through infrastructure and other means - Innovation-driven development of products and services - Stronger governance - Development and expansion of sales for products and services that contribute to the environment, e.g. through decarbonization and a reduced environmental impact - Shifting away from products and manufacturing methods that emit large amount of carbon - Compliance with chemical substance regulations - Acquiring personnel in a diversity-conscious manner - Efficient human resources development - Becoming a company that ensures job satisfaction	4, 5, 6, 7, 8, 9, 10, 12, 13, 15, 17
We are conscious of our role as members of society and will act responsibly. Coexistence with society, consideration for the environment, and thorough compliance	(1) NICHIAS Performance Indicators (NPI) – Five Main Challenges - Environmental conservation (2) Working environment (substantial value) – Employees' satisfaction level - Diversity - Human resources - Compliance (3) Working environment (substantial value) – Employees' happiness - Compliance (legal compliance and social norms) (4) Partnerships – Stakeholders' satisfaction level - Local communities (municipalities, schools)	- Development and expansion of sales for products and services that contribute to the environment, e.g. through decarbonization and a reduced environmental impact - Shifting away from products and manufacturing methods that emit large amount of carbon - Compliance with chemical substance regulations - Acquiring personnel in a diversity-conscious manner - Efficient human resources development - Becoming a company that ensures job satisfaction - Thorough compliance - Promoting social contribution activities	4, 5, 6, 7, 8, 10, 12, 13, 14, 15, 16
We will build a circle of trust that fosters gratitude and happiness. Always remember to express gratitude toward stakeholders, to inspire joy in them, and to build strong relationships of trust.	(2) Working environment (substantial value) – Employees' satisfaction level - Work-life management - Health management - Human resources (3) Working environment (substantial value) – Employees' happiness - Relationships with the organization, supervisors, and colleagues - Human resource system and compensation (4) Partnerships – Stakeholders' satisfaction level - Employees' families - Business partners (suppliers) - Business partners (customers)	- Becoming a company that ensures job satisfaction - Efficient human resources development	3, 4, 8, 17
Our employees will grow together with the company by improving their skills and knowledge. Encourage a mindset of self-improvement to achieve sustainable growth for both employees and NICHIAS.	(2) Working environment (substantial value) – Employees' satisfaction level - Human resources (3) Working environment (substantial value) – Employees' happiness - Job satisfaction (feelings of achievement, growth, and anticipation)	- Efficient human resources development - Becoming a company that ensures job satisfaction	4, 8