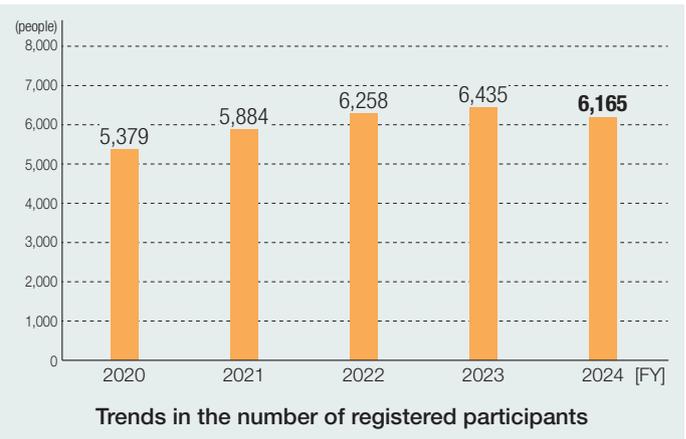


NKK (NICHIAS Kaizen Katsudo)

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.

See P10

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.

See P10

		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

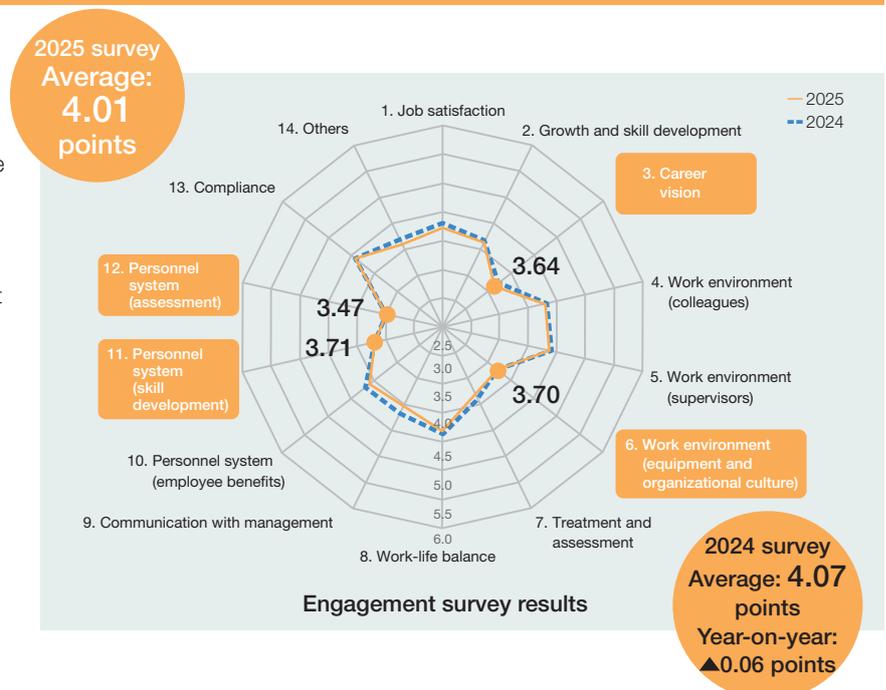
Engagement Survey

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.

See P17

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