Turn NICHIAS's 130-year history into a force for the future — Take on the challenge of the next growth stage! —



President and Chief Executive Officer
Katsumi Kametsu



Corporate Character
NiCo

NICHIAS celebrated its 130th anniversary this year. What do you think is the main reason that NICHIAS has survived turbulent times and continued to grow to this point?

I am delighted that we have reached our 130th-anniversary milestone. First, I would like to express my heartfelt gratitude to our customers, business partners, shareholders, investors, the local community, and our employees and their families, both in Japan and abroad, for their support of NICHIAS Group over the years.

Since its founding in 1896, NICHIAS has continued to refine its "TATSU-TAMOTSU™ (Insulation and Protection)" technologies. Although the business environment has changed significantly over the years, we have consistently risen to the challenges of each era, delivering the value our customers demand. We believe this is what has enabled us to continue our 130-year journey.

Our strength does not depend on any single product or business. Instead, our strength lies in our core "TATSU-TAMOTSU™" technologies. With these technologies, we have adapted to changing times, explored new markets, and continued to contribute across a wide range of industries. Our basic attitude is to change what needs to be changed and preserve what should be preserved. I am confident this attitude will continue to fuel our growth in the years ahead.

Our current medium-term management plan, "Shikumi 130," is finally entering its final fiscal year. What has NICHIAS accomplished over the past five years? Please share your achievements and sense of accomplishment regarding the outcome.

● Slogan for the medium-term management plan

SHI KU MI 130

Medium-Term Management Plan
Five-year plan from FY2022 to FY2026

Creating mechanisms "Shikumi" that respond to change

Shi	Shiawase (happiness)	Mechanisms "Shikumi" for the happiness of our employees and their families that support them	"A company that is a good place to work and full of smile"
Ku	Kufu (creative action)	Mechanisms "Shikumi" to devise ways to solve the issues in a cross-sectional manner without being satisfied with the present state	"Forward-looking thinking and forward-looking organization"
Mi	Mirai (future)	Mechanisms "Shikumi" to aim for sustainable growth while being adapted to social and environmental changes	"Creating a bright future"

We used the past five years not only to improve our business performance but to prepare to make "our corporate structure resilient to change."

We have been laying the foundation for the future through initiatives such as reviewing our business portfolio, introducing ROIC-based management, and investing in digital transformation to boost productivity, as well as in human resources. As a result, we achieved a record-high financial performance and strengthened our corporate structure. I consider this a significant achievement.

I feel we have made significant progress on the systematization project, which is why we named it "Shikumi 130." We have established a system that consistently delivers results without relying solely on individual effort. As a result, NICHIAS has become a well-established company capable of adapting to change.

Our 130th anniversary is not our ultimate goal. Rather, this is the starting point for the next phase of our growth. Over the past five years, we have built a strong foundation, which we plan on reinforcing.

In the medium-term management plan, "Shikumi 130," the "Shi" is said to derive from "Shiawase," the Japanese word for "happiness." What initiatives are underway torealize the "Mechanisms of Happiness"?

I believe that a company's growth and its stakeholders' well-being are inextricably linked.

In the "Shikumi 130" medium-term management plan, "happiness" encompasses the well-being of not only our employees and their families but also all stakeholders associated with our Group, including customers, business partners, shareholders, investors, and local communities.

Among them, our employees drive the company's value creation. For this reason, we have actively promoted initiatives such as personnel system reform, measures to improve employee engagement, and efforts to enhance the workplace environment. I also prioritize direct communication with our employees and visit every office.

However, the engagement survey revealed differences in perceptions between management and frontline employees regarding issues such as human resource development and career planning. I do not regard this as a negative factor; rather, it's an important insight that will help improve our organization.

The most important thing is to take feedback seriously and use it to improve our organization. We will continue improving our workplace environment so every employee can experience growth. We are committed to further evolving our company into a "a bright company where it is pleasant to work."

Furthermore, our employees' growth and willingness to take on new challenges create value for our customers and contribute to society. As a result, this leads to the well-being of all our stakeholders. I believe that implementing such a virtuous cycle will lead to the realization of the "Mechanisms of Happiness."

This year, we celebrated our 130th anniversary. Starting next year, we will enter a new phase. Please share your thoughts on the future direction of NICHIAS.

We are at a major turning point.

The business environment is changing faster than ever. Several factors are driving these changes, including the evolution of AI, the transition to a decarbonized society, shifts in the energy mix, and escalating geopolitical risks. Although these changes pose risks, they also offer significant opportunities for growth.

Our next medium-term management plan will focus not only on strengthening the competitiveness of our current businesses but also on accelerating investment in future growth markets. In addition, we will further refine our selection and concentration strategy for the businesses we have worked on and evolve our management to achieve sustainable growth while improving capital efficiency.

To develop our next medium-term management plan, we held roundtable discussions with employees at our nationwide locations to capture a wide range of perspectives, rather than limiting the discussion to management. We had a frank exchange of views on the transformations and challenges NICHIAS may face in the future, the ideal work environment, and the kind of company we aim to become. We gained many insights and suggestions from the roundtable discussions.

Thanks to the hard work of our frontline employees, NICHIAS has grown steadily over the past 130 years. This is why I believe it is important for management and frontline employees to align and work together as one to shape our future, especially as we enter the next stage of growth. We will incorporate the feedback and requests from the employee roundtable discussions into our next medium-term management plan.



What is NICHIAS's current status on initiatives to drive the next phase of growth, including investments in semiconductors, next-generation energy, and new markets?

We believe the semiconductor and next-generation energy markets are essential to our growth.

In the semiconductor sector, global demand continues to rise, driven by advances in AI. Meanwhile, societal implementation is steadily advancing toward carbon neutrality in the next-generation energy sector. Our "TASTU-TAMOTSU™" technologies are also essential to this sector.

To expand our business, we are investing in facilities, developing new technology, and strengthening our workforce. We are steadily laying the groundwork to explore the next-generation market.

As part of our efforts in the hydrogen sector, we have built a new liquefied hydrogen testing facility at the Hamamatsu Research Laboratory to accelerate the development of liquefied hydrogen-related products. Because liquefied hydrogen must be handled at an extremely low temperature of -253°C, it requires advanced insulation and sealing technologies. By establishing our own evaluation and development environment for liquid hydrogen, we will further accelerate the development of liquid hydrogen products and services and help realize a hydrogen society.

As part of our efforts to explore new markets, we are working on the fusion energy sector. NICHIAS has formed a capital and business alliance with Helical Fusion and joined the company's "Helix Program" as an official partner. Fusion energy is a next-generation technology that could revolutionize the future energy supply. To achieve fusion energy, advanced insulation and sealing technologies capable of controlling extreme environments, including ultra-high or ultra-low temperatures and high vacuums, are essential. We believe this is a field where we can leverage the "TATSU-TAMOTSU™" technologies we have developed over the past 130 years.

We focus our management resources on this sector because the solutions to its societal issues align with our technological strengths.

Through these initiatives, we will strive to embody the NICHIAS philosophy: We contribute to the Earth's bright future through "TATSU-TAMOTSU™" technologies.

How does the NICHIAS Group promote sustainability management practices? What initiatives are you implementing to achieve this goal?

I believe promoting sustainable management is a critical priority for achieving sustainable corporate growth and enhancing corporate value over the medium to long term. Last year, we developed a framework of principles and policies to guide sustainability management, and we also developed a new sustainability policy.

Specifically, our environmental initiatives include reducing greenhouse gas emissions and improving energy efficiency. Additionally, we offer products and services that support the development of a decarbonized society. We are also continuously promoting initiatives to conserve biodiversity.

As part of our social initiatives, we are increasing our investment in human resources and creating an environment where every employee can demonstrate their abilities. Furthermore, we aim to remain a company that earns our customers' trust by continuously improving the safety and quality of our products and services.

In terms of governance, we are promoting the establishment of a management structure that draws on diverse perspectives while ensuring transparent, highly effective management.

These initiatives are not separate, independent activities. Through our business activities, we aim to solve social issues and achieve both a sustainable society and increased corporate value.

Finally, please share your message with all NICHIAS stakeholders who support NICHIAS.



Our 130th anniversary is not a time for us to look back on the past; rather, it is a time to renew our commitment to the future.

The Nichias Group will continue to view societal changes as opportunities for growth and will enthusiastically take on the challenge of creating new value. We will remain committed to our mission of contributing to society through our "TATSU-TAMOTSU™" technologies.

Over the next 10 and 100 years, we will continue to make progress by both solving social issues and increasing corporate value.

We ask for your continued support and trust in the NICHIAS Group.