E: Environment

The NICHIAS Group contributes to the realization of a society centered on sustainable development by utilizing our “TATSU-TAMOTSU™ (Insulation and Protection)” technology solutions in the reduction of a variety of negative environmental impacts including the mitigation of global warming.

Approach to Climate Change and Nature-Related Issues

Through our business activities, the NICHIAS Group makes use of natural capital such as minerals and water, while also impacting the global environment through greenhouse gas emissions and other factors. While the intensification of climate change and the loss of natural capital, including biodiversity, pose significant business risks, the NICHIAS Group believes that its “TATSU-TAMOTSU”(Insulation and Protection)” technology can contribute to solving environmental issues and lead to the creation of new business opportunities.

Information Disclosure in Line with TCFD and TNFD Recommendations

In June 2023, the NICHIAS Group declared its support for the TCFD recommendations and, in July 2023, registered as a TNFD Adopter. We will work to improve our disclosure of information on our measures to address climate change and nature-related issues. At the same time, we will monitor international discussions that build on the TCFD framework and trends in disclosure standards established by the SSBJ. Through these efforts, we will strive to disclose our corporate information to foster constructive dialogue with our stakeholders.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

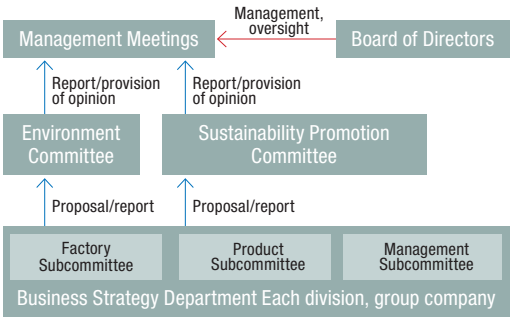
TNFD Taskforce on Nature-related Financial Disclosures

Governance and Risk Management

TCFD • TNFD

The evaluation of issues related to climate change and nature, as well as related opportunities and risks, is led by the Environmental Management Promotion Office in consultation with each business division and Group company. Findings and proposals are then reported to the Sustainability Promotion Committee and the Environment Committee. The Sustainability Promotion Committee, chaired by the executive officer in charge of sustainability, convenes on a monthly basis. The Environment Committee, chaired by the President and Chief Executive Officer, meets once every quarter. Within the Environment Committee, matters such as goal and policy setting, strategy formulation, and the status of initiatives are deliberated, and the items discussed are then managed and overseen by the Board of Directors.

Additionally, starting in fiscal year 2026, we have transferred the environmental management promotion function to the Corporate Strategy Division and established a framework to address climate change and nature-related issues in an integrated manner, aligned with corporate strategy and resource allocation.



Climate Change Strategy

TCFD

The NICHIAS Group conducts scenario analysis using the 1.5°C and 4°C temperature rise pathways, referencing sources such as the World Energy Outlook (WEO) published by the International Energy Agency (IEA).

Reference scenarios

1.5°C scenario	IEA Net Zero by 2050 (NZE Scenario), WEO 2023	4°C scenario	Intergovernmental Panel on Climate Change (IPCC) RCP8.5 Scenario

Anticipating growing demand for energy-saving solutions through 2030, the NICHIAS Group supports our customers’ decarbonization efforts by focusing on thermal insulation products and energy-saving assessment services. Our “TATSU-TAMOTSU” technologies are essential for reducing energy loss and are the foundation of our competitive advantage.

With an eye toward future societal implementation, we are pursuing the establishment of our evaluation technology and the development of technologies for low-carbon energy, such as ammonia and hydrogen, as well as in the EV sector. Our new liquid hydrogen testing facility at the Hamamatsu Research Laboratory enables us to evaluate physical properties under extreme conditions of -253°C. This strengthens our technological foundation and leads directly to practical applications. In addition, we are taking on the challenge of nuclear fusion, a next-generation energy technology. Advanced thermal control and insulation technologies are essential for the practical application of nuclear fusion, and our technology has the potential to play a central role in this field. By collaborating with our partner companies, we will accelerate development. We will advance our technology beyond research and translate it into practical value for the future energy society.

Achieving a Clean Energy Society via Refrigeration Technology

As plans to build ammonia-fuel conversion facilities advance toward a decarbonized society, development of liquefied ammonia storage tanks and ancillary equipment is gaining momentum. In this field, we will continue to contribute by leveraging the technical expertise and track record we have built in refrigeration construction. In addition to construction technologies, we are engaged in developing insulation materials. For example, in 2002, we were among the first to commercialize CFC-free rigid polyurethane foam that contains no fluorocarbon blowing agents, delivering both reduced environmental impact and high thermal insulation performance. We will contribute to the widespread adoption of clean energy by developing both materials and construction technologies.



Ammonia fuel conversion facility under construction (Source: JERA)

Risks and opportunities for transition to carbon neutral society (1.5°C scenario)

	Expected scenario	Impact on businesses		Financial impact	Time axis	Major measures	Related businesses
Policies and regulations	Manufacturing costs increase due to the introduction of carbon taxes and response to environmental issues.	Increase in risk of energy costs used for manufacturing processes of the company's factories	Risk	Middle	Mid term	- Promotion of energy-saving activities - Proactive introduction of renewable electricity - Reduction of GHG emissions by transforming businesses and manufacturing methods of high CO_2 emission segment	Company-wide
Market	Moves afoot to restart nuclear power plants will gain momentum to achieve decarbonization and secure a reliable power supply.	The restart of nuclear power generation and demonstration projects for next-generation innovative reactors are driving increased demand for safety-related construction work	Opportunities	Middle	Medium to long term	- Expand production capacity for nuclear power generation products and enhance safety measures to meet new regulations.	Plant and industrial products
	Efforts to develop new energy sources will gain momentum to achieve decarbonization and ensure reliable power supplies.	Increase in demand for thermal insulation and sealing products due to more fusion power projects.	Opportunities	Large	Long term	- Participate in demonstration projects to develop new energy sources.	
	Fossil fuels will be replaced by decarbonized fuels, including ammonia and hydrogen.	Creation of opportunities due to the expansion of low-carbon energy market, such as ammonia, hydrogen, biomass, SAF, and CCUS	Opportunities	Large	Medium to long term	- Develop new manufacturing methods and technologies for the low-carbon energy market (ammonia, hydrogen, biomass, SAF, and CCU).	
	The widespread adoption of renewable energy will increase demand for stationary energy storage systems.	Increase in demand for industrial dehumidification filters in lithium-ion battery manufacturing plants.	Opportunities	Middle	Medium to long term	- Expand market share by improving dehumidification rotor performance and shortening lead times.	Industrial products
	Electrification spreads due to green transformation, and smart city initiatives are strengthened.	Increase in sales for semiconductor manufacturing devices due to increase in the demand for generative AI and power semiconductors	Opportunities	Large	Short to mid-term	- Development and sales expansion of energy-saving products by proactive investment - Establishment of a production system through appropriately grasping the market trend and making forward-thinking prior investment	Advanced products
	The shift from internal combustion engine vehicles to electric vehicles (EVs) and fuel cell vehicles (FCVs) is progressing	Sales of products for internal combustion automobiles are expected to decline.	Risk	Large	Long term	- Launch of parts with sound, heat, and sealing functions for next-generation automobiles	Auto parts
		Increase in the need for new components for next-generation vehicles (EVs, FCVs, and hydrogen engines)	Opportunities	Large	Long term		
	Demand for energy-saving products will increase during the transition to carbon neutrality.	Increase in demand for thermal analyses, energy-saving consultations, and high-performance, energy-saving insulation products.	Opportunities	Middle	Short to mid-term	- Enhance thermal analysis and energy-saving consulting services. - Develop and commercialize high-performance, energy-saving insulation products.	Company-wide

Physical Risks and Opportunities Associated with the Manifestation of Climate Change (4°C scenario)

	Expected scenario	Impact on businesses		Financial impact	Time axis	Major measures	Related businesses
Acute	Due to severe wind and flood damage, infrastructure disruption, human casualties, and property damage will increase.	Operations stop due to supply chain disruptions and factory damage, resulting in decreased sales and restoration costs, etc.	Risk	Small	Short to long term	- Assess risks using a wind and flood damage checklist and strengthen business continuity plans. - Assess raw material procurement risks and supplier engagement using supplier surveys.	Company-wide
Chronic	The average temperature rises.	Costs increase due to reduced productivity and increased air conditioning costs at factories and construction sites, especially during the summer.	Risk	Small	Short to long term	- Improvement of employee-friendly working environment realized by automation of operations with the help of robots, etc. - Introduce daylight saving time to the construction business.	Company-wide

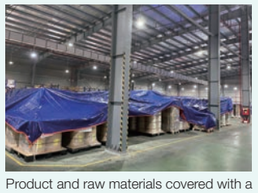
< Time axis >
Short term: until FY2026 (final fiscal year of the current medium-term management plan)
Mid term: until FY2030 (mid-term target fiscal year for the GHG emission reduction)
Long term: until FY2050 (target fiscal year for achieving carbon neutrality)

< Financial Impact and Investment Amounts >
- Large: 5 billion yen or more; Medium: 1 billion yen or more but less than 5 billion yen; Small: Less than 1 billion yen

Adaptation Measures for Physical Risks Associated with Climate Change

As part of our climate change adaptation measures, we are working to mitigate the risk of damage from wind and flooding. To this end, we are conducting assessments using self-check sheets.

Furthermore, building on the experience of our Vietnam subsidiary, which was damaged by a major typhoon in September 2025, we take precautionary measures as a typhoon approaches, including shielding products and raw materials, placing sandbags, and securing hazardous materials to minimize damage and enable rapid recovery.



Product and raw materials covered with a protective sheet

Climate Change Indicators and Targets

TCFD

The NICHIAS Group has declared its commitment to achieving zero GHG emissions from its own operations by 2050, thereby realizing carbon neutrality, and as a milestone toward this goal, we have set a target to reduce GHG emissions by FY2030 in alignment with the Paris Agreement's 1.5°C target.

Transition Plan

We are systematically implementing three key initiatives to meet our fiscal year 2030 milestones. First, we will review our products and manufacturing processes to promote decarbonized manufacturing and reduce emissions intensity. Second, we will strengthen energy-saving initiatives across the entire group and continuously improve energy efficiency by upgrading equipment and optimizing operations. Third, we will expand the adoption of renewable energy and accelerate the transition away from our dependence on fossil fuels. By implementing these measures in a phased, integrated manner, we will achieve reliable emissions reductions.

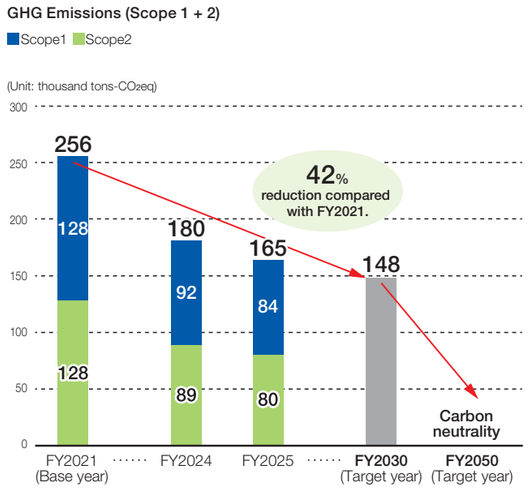
SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

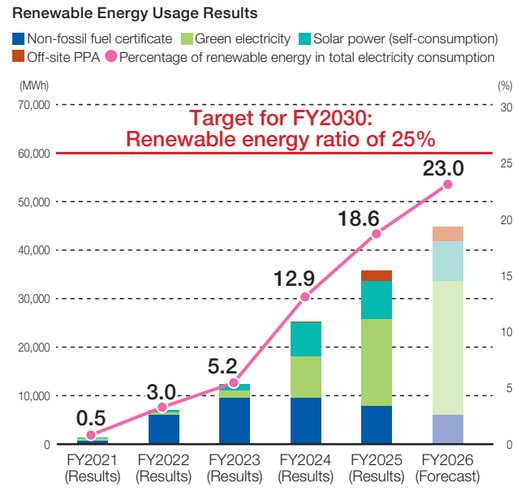
In March 2025, the NICHIAS Group obtained SBT (Science Based Targets) certification* for its greenhouse gas reduction targets for FY2030.

* This certification indicates alignment with international decarbonization goals, specifically the Paris Agreement's 1.5°C target.

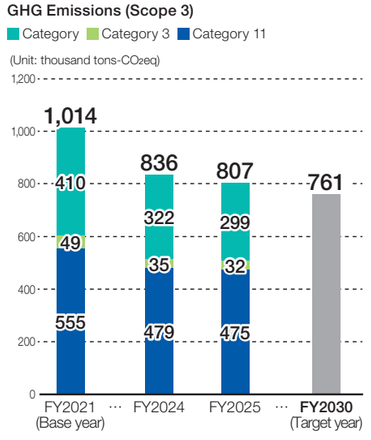
GHG Emissions (Scope 1 + 2)



Renewable Energy Usage Results



GHG Emissions (Scope 3)



*Only categories subject to reduction targets are shown.

FY2025 GHG Emissions Results

(Unit: t-CO2eq)

Scope 3 Upstream 443,000			Scope 3 downstream 532,000		
Category 1:	Purchased goods and services	299,000	Category 9:	Downstream transportation and distribution	25,000
Category 2:	Capital goods	29,000	Category 10:	Processing of sold products	18,000
Category 3:	Fuel- and energy-related activities	32,000	Category 11:	Use of sold products	475,000
Category 4:	Upstream transportation and distribution	66,000	Category 12:	End-of-life treatment of sold products	14,000
Category 5:	Waste generated in operations	4,000	Category 13:	Downstream leased assets	0
Category 6:	Business travel	2,000	Category 14:	Franchises	0
Category 7:	Employee commuting	7,000	Category 15:	Investments	0
Category 8:	Upstream leased assets	3,000			

* All emission figures are rounded to the nearest whole number; the total may not match the sum of the individual values.
* Figures shown in blue represent categories of non-company emissions (Scope 3) that are subject to reduction targets.

NICHIAS Group Carbon Neutrality Declaration

Third-Party Verification of GHG Emissions
(Conducted for Scope 1, Scope 2, and Scope 3 Categories 1, 3, and 11)

Calculation methods for each emission

Natural Capital Strategy

TNFD

Through its business activities, from procuring raw materials to manufacturing, the NICHIAS Group relies heavily on natural capital, including biodiversity. At the same time, it also has impacts on natural capital to some extent. With this in mind, in line with the LEAP approach developed by the TNFD, we assess our dependence on and impact on nature and analyze the resulting risks and opportunities.

General Requirements

Application of Materiality	Based on the double materiality concept, we assess both the impact of nature on our business and the impact of our business on society and nature.
Scope of Disclosure	Within the NICHIAS Group, the scope is limited to businesses involved in the manufacturing and sale of products (construction businesses are excluded). This report specifically discloses information on the upstream value chain and direct operations (domestic and overseas manufacturing sites), where dependence on and impact on nature are considered significant.
Time axis	As with climate change, the assessment covers the short term (the current medium-term management plan), the medium term (fiscal year 2030), and the long term (fiscal year 2050).
Target Areas	Assessment targets include the areas in which the company operates.
Integration with Other Sustainability Issues	We are working to disclose information integrated with other sustainability issues, including climate-related issues. Climate- and nature-related issues interact with resource recycling and chemical substance management. Therefore, these issues need to be addressed comprehensively.
Engagement with stakeholders	We promote activities that support biodiversity conservation and reduce environmental impact by collaborating with local residents, government agencies, NPOs, and educational and research institutions, including universities. We aim to implement effective initiatives that reflect diverse perspectives.

Assessment of Dependencies and Impacts

We assessed our dependence on nature and our impact on it in the context of our business. The assessment revealed that extracting sand and minerals, particularly during upstream raw-material procurement, significantly impacts ecosystems. Furthermore, it has become clear that, in addition to our dependence on water resources, environmental impacts, such as GHG emissions and water and soil pollution, are significant issues within our operations.

Assessment of Risks and Opportunities

Based on these results, we assess our risks and opportunities related to future uncertainties regarding natural capital using two contrasting scenarios: “Scenario I” and “Scenario IV.” In Scenario I, regulations and environmental conservation awareness are stronger, and ecosystem service degradation is low. In Scenario IV, environmental conservation falls down the list of priorities, and ecosystem service degradation is high. The following excerpt outlines the risks and opportunities in Scenario I.

Assessment of Risks and Opportunities in Scenario I

Risk Category		Potential Impact on Business	Measures	Time axis
Transition Risk	Policies and Laws	Tighter environmental regulations will make it difficult to procure natural resources such as sand and minerals.	Strengthen raw material traceability and BCP for procurement	Medium to long term
	Regulations	Wastewater regulations will become stricter to reduce the impact on ecosystems.	Reinforce and secure the oversight of wastewater quality.	Medium to long term
	Market	Environmental protection costs will increase raw material procurement costs.	Improve resource efficiency through productivity gains.	Medium to long term
	Reputation	The company will be accused of adversely affecting local water resources due to its indiscriminate water use.	- Set KPIs for water use and promote initiatives to meet these goals. - Promote activities that contribute to dragonfly conservation, as dragonflies are an indicator of abundant water resources.	Short to long term
Opportunities	Markets and Services	Products designed to reduce environmental impact throughout their life cycle will create opportunities for new market entrants.	- Develop environmentally friendly products and enter their initial market.	Medium to long term
	Reputation	Our facilities’ contributions to environmental conservation in their local communities will help build trust with local governments and residents.	- Promote human-nature coexistence initiatives in partnership with local communities.	Short to long term

Indicators and Targets

Based on this analysis, the NICHIAS Group has identified water conservation as one of its key priorities and, in April 2026, set a water-use target. We have identified priority facilities based on water use and are implementing measures across all facilities to reduce water waste. Our goal is to reduce water use by at least 1% compared with the previous fiscal year.

Initiatives for Water Resource Conservation
Quantity of water intake
Target: 25% reduction compared with FY2024 in FY2031

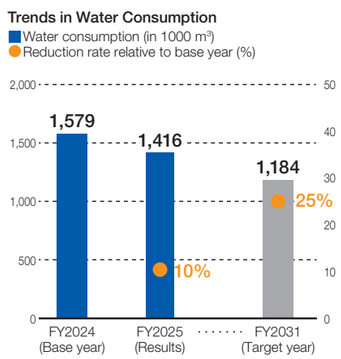
FY 2025 Result
10% Reduction

Reducing Industrial Water Use with Cooling Towers

Our Fukuroi Plant consumes 200,000 m³ of industrial water annually, accounting for approximately 15% of the Group’s total consumption. Reducing industrial water use is our top priority. To meet this goal, we installed a cooling tower in August 2025 to cool the industrial water used for mold cooling. Our water management approach has shifted toward circular water use. As a result, we reduced the plant’s annual water consumption for mold cooling from about 9,000 m³ to 300 m³, a 97% reduction. Combined with other measures, the plant achieved an overall 13% reduction compared with the previous fiscal year. With this impetus, similar efforts have spread to other departments within the plant, and we are phasing in cooling-water recirculation systems at other manufacturing facilities on the premises.


Cooling Tower

Trends in Water Consumption



Initiatives for Coexistence with Nature

TNFD

The NICHIAS Group promotes conservation activities for dragonflies. NICHIAS uses a dragonfly in its company logo, and dragonflies are also indicator species used to gauge the health of aquatic environments. In addition to creating biotopes and participating in conservation organizations, we are conducting dragonfly distribution surveys with the “Biome” app. Dragonflies are insects that are sensitive to changes in aquatic environments. Understanding their distribution provides insight into ecosystem health and contributes to the conservation of biodiversity.



Certified as a Nature Harmony Site

The green space, “Nichias Fukushima Dragonfly Forest,” located on the north side of Fukushima Nichias, has been certified as a “Nature Harmony Site” by the Ministry of the Environment and other organizations. As a result, an area of about 3.7 hectares will be registered as an OECM. The area is home to a diverse array of dragonflies and provides a healthy wetland environment. We will continue working with local communities to help build a society that lives in harmony with nature.

自然共生サイト認定 30by30


Wide-bellied skimmer (Lyriothemis pachygastra) found at the site


Landscape of the Site

Expert Comment **Tadaaki Tsutsumi**, Professor, Faculty of Symbiotic Systems Science, Fukushima University

About the value of Nichias Fukushima Dragonfly Forest

Environments like satoyama, which are areas between flat plains and mountain foothills and have been shaped by the harmonious coexistence of people and nature, have declined significantly nationwide in recent years. Many species that depend on these environments are now on the verge of extinction. The green space at Fukushima Nichias’s premises features a satoyama-like environment, where you can find a diverse array of plants and animals, including rare species. Retention ponds are created green spaces where emergent plants thrive. These spaces include open water and areas where land and water gently merge, creating diverse environments valuable for wildlife habitat. NICHIAS uses a dragonfly as its logo, and many dragonflies live along the edges of satoyama forests and around retention ponds. These ponds are also home to plants and insects on the verge of extinction.

Satoyama-like environments cannot be sustained without appropriate human intervention. We look forward to working with local communities to conserve green spaces whose value to biodiversity is widely recognized.

Initiatives for Resource Recycling

Efforts to reduce waste and promote recycling are important initiatives that help curb greenhouse gas emissions from resource extraction and incineration and mitigate environmental impacts on the natural environment. Anticipating that we would meet our industrial waste reduction targets ahead of schedule, we expanded the scope of our efforts to include both domestic and international operations and increased our targets. We will continue to promote continuous improvement to achieve resource-efficient business operations.

Initiatives for Resource Recycling
Amount of discharged industrial waste
Previous Target: 30% reduction by FY 2030 vs. FY 2019 (domestic manufacturing).
Updated Target: 55% reduction by FY 2031 vs. FY 2019 (domestic and overseas manufacturing)

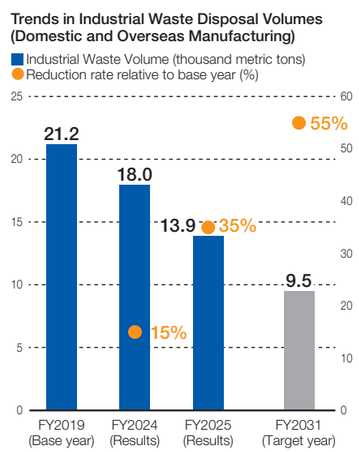
FY 2025 Result
35% reduction

Initiatives to Reduce Waste Through Automated Recovery and Reuse of Manufacturing By-products

The NICHIAS Group is working at its rock wool plants in Japan and abroad to recycle by-products from rock wool manufacturing, such as unfibrous materials and offcuts. The Sakai Nichias’s Wakayama Plant used to recycle unfibrous materials by remelting them in an electric furnace. However, this process relied on manual operation and could not meet demand. As a result, some materials were left unrecycled and disposed of as industrial waste. To streamline the process, we introduced automated recovery and conveyance equipment for unfibrous materials. This promoted recycling.
As a result, glass and ceramic waste decreased from about 2,900 metric tons in the previous fiscal year to 250 metric tons, representing a reduction of about 90%.


Pointing and verifying the settings

Trends in Industrial Waste Disposal Volumes (Domestic and Overseas Manufacturing)



Environmental Management

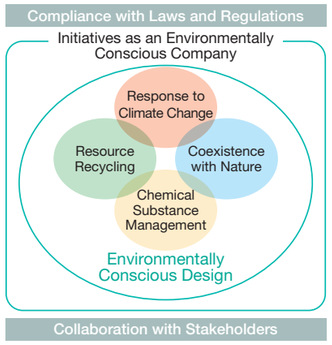
We will continue to improve our environmental management to reduce environmental risks. Our goal is to achieve sustainable growth in our corporate value.

NICHIAS Group Environmental Policy

Since establishing the “NICHIAS Environmental Charter” in 2001, the NICHIAS Group has worked to reduce its environmental impact. Following the development of our sustainability policy in April 2025, we restructured the NICHIAS Group Environmental Charter and renamed it the “NICHIAS Group Environmental Policy.” It clarifies our priority initiatives and business framework, which is designed to minimize business risks and maximize opportunities and is grounded in our fundamental principles of legal compliance and stakeholder collaboration.

A comprehensive approach is necessary to manage the priority initiatives outlined in this policy from multiple perspectives. The driving force behind this is environmentally conscious design, which incorporates both financial and non-financial perspectives from the design stage onward.Our goal is to achieve sustained improvement in our corporate value over the medium to long term (sustainable value creation). To this end, we will thoroughly minimize compliance and operational risks during the development and design phase while enhancing our competitiveness in environmentally conscious and environmentally related products.

NICHIAS Group Environmental Policy ▶

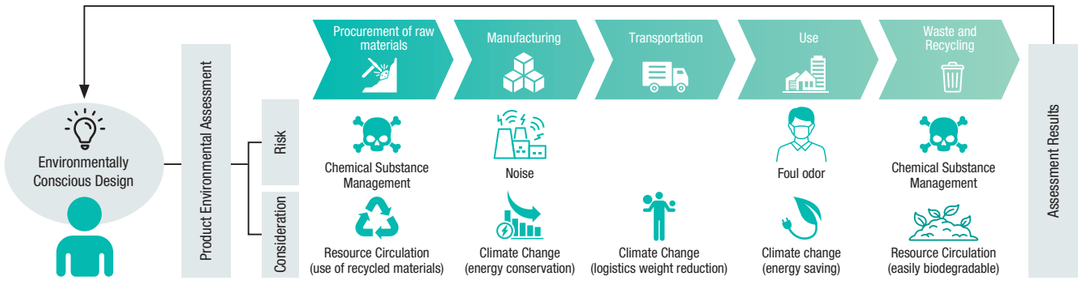


Promotion Framework

To implement concrete activities that reflect our environmental policy, we have established a structure. Specifically, we formed an Environmental Committee chaired by the President and Chief Executive Officer and created three subcommittees under it: “Products,” “Management,” and “Plants.” In the Product Subcommittee, discussions focus on promoting environmentally conscious design, including conducting environmental assessments and managing chemical substances. Administration Sub-Committee discusses energy saving of offices and waste discharged from the offices. In the Factory Subcommittee, discussions address compliance with environmental laws and regulations, as well as activities related to energy conservation, resource recycling, and biodiversity conservation. Based on proposals and reports from each subcommittee, the Environment Committee deliberates on matters, including decisions on goals, policies, and strategies. The Board of Directors then manages and oversees these deliberations. ▶See P.44

Environmentally Conscious Design

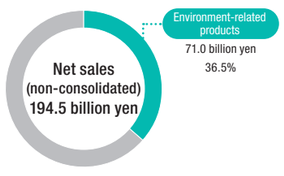
To promote environmentally conscious design, the NICHIAS Group has required that a product environmental assessment be conducted for all new product development and design updates, effective fiscal year 2021. In the product environmental assessment, two points, “risk” and “environment-friendliness,” are assessed. In “risk” assessments, the aim is to minimize environmental regulatory compliance issues and impacts on the surrounding environment. We identify and improve environmental problems related to raw material procurement, production, customer use, and disposal. Meanwhile, in “consideration” assessments, we evaluate how products can be made more environmentally friendly across their entire life cycle (see figure below). In fiscal year 2025, about 30% of the products that completed assessment were found to be more environmentally friendly than conventional products.



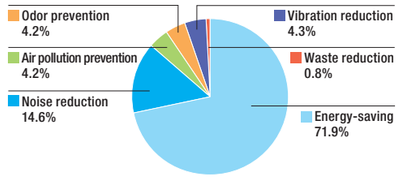
Environment-related products

Guided by its environmentally conscious design philosophy, the NICHIAS Group offers products and services that help society and our customers reduce their environmental impact, including energy conservation and noise reduction. We quantitatively evaluate our products that help customers reduce environmental impact during the application phase and define them as “NICHIAS Environment-Related Products.” The percentage of these products in our total sales is as follows:

FY 2025 NICHIAS Environment-Related Products Sales (Non-consolidated) and their Percentage



FY2025 Percentage of NICHIAS Environment-Related Products by item



Chemical Substance Management

The following table presents the input and output amounts of chemical substances associated with the NICHIAS Group.

Environmental Performance

INPUT

* All the data on this item refer to the NICHIAS Group’s domestic manufacturing offices.

Energy

Type	Consumption
Electricity	**123,860** thousand kwh
Petroleum-based fuel	**3** thousand kL
Gaseous fuel	**8,150** thousand m^3
Coke	**6** thousand t

Water resource

Type	Quantity of water intake
Clean water	**171** thousand m^3
Industrial water	**506** thousand m^3
Underground water	**462** thousand m^3

Substances subject to PRTR*

Type total	**62**
Consumption	**2,768**t

*Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement

OUTPUT

CO_2

Type	Emissions
CO_2	**98** thousand t-CO_2

Air pollutant

Type	Emissions
Sulfur oxides	**14.6**t
Nitrogen oxide	**47.8**t
Dust	**7.9**t

Discharged water

Type	Emissions
Amount of discharged water	**483** thousand m^3

Water pollutant

Type	Emissions
Suspended solids (SS)	**13.0**t

Industrial waste

Type	Emissions
Industrial waste	**7,435**t

Environmentally Impactful Substances (PRTR Reportable Substances)

Substance name	Emissions
Toluene	**136.6**t
Xylene	**0.2**t
Ethylene Glycol Monoethyl Ether	**3.0**t
Formaldehyde	**1.5**t
Triethylamine	**1.0**t
Phenol	**5.7**t

Environment Management System

The NICHIAS Group promotes environmental management in accordance with our Environmental Policy and Carbon Neutrality Declaration.

Our factory and our major group companies in Japan and abroad have obtained ISO 14001 certification. By implementing this standard, we promote initiatives that reduce our environmental impact and help build a sustainable society. We also work to address environmental issues.

Please check here for the status of acquiring ISO14001.

Environmental risk management

Initiatives for Management of Chemical Included in Products

We strictly ensure compliance with chemical substance regulations at every stage, from product development and design through procurement, manufacturing, and sales. By fully using the “database for managing chemical substances contained in products” established in fiscal year 2022, we carry out operations such as responding to SDS requests, creating product labels, ensuring regulatory compliance, and providing customers with information.

Environment Patrol

With the purpose of coexisting with the local communities, the NICHIAS Group has implemented environmental patrol since 1990. In fiscal year 2025, we addressed 281 issues raised across the Group. (Patrols were conducted 146 times.) We continue this activity to reduce the environmental risk, if only a little, by doing what we can.

Case Pointed out by Outside

In fiscal year 2025, we received one piece of feedback regarding noise generated from a manufacturing site across the Group. We identified the root cause, took appropriate action, and explained how we resolved the issue. To prevent similar issues from occurring, we will share information about the issue raised, including the root cause and the action to be taken, across the entire Group and use it to prevent recurrence.

Activities for Raising Awareness toward Environment

We conduct activities to raise environmental awareness among all employees. We designate July as Environmental Awareness Month each year. During that period, we promote activities to raise environmental awareness, including instructive talks, inspections, and training. We also encourage employees to build the knowledge needed to carry out their operations, including environmental laws and regulations and chemical substance management, through environmental e-learning.

Environment Audit Structure

In the manufacturing offices, environmental reviews are executed by the following three: ①internal audits in the manufacturing office, ②audits by the environment departments of the Head Office, and ③audits by an outside organization." In Fiscal Year 2025, also, in the course of continued activities for ISO14001 integrated certification for the factories, we conducted a mutual internal audit with other business offices. Items pointed out at the time of the audit will be shared with other offices, which will lead to the environmental improvement of the Group.

Environmental Conservation Capital Investment

The amount invested in environmental conservation facilities related to business activities was 777 million yen.

As in previous years, we have continued investing in solar power generation facilities (introduction of renewable energy), equipment related to productivity improvement, and maintenance of existing facilities, all of which contribute to reducing our environmental burden. Going forward, we will continue making proactive capital investments to reduce GHG emissions and promote resource recycling.

Capital investment concerning environmental protection (NICHIAS Group’s domestic manufacturing offices/FY2025)(million yen)

Classification		Amount
Cost inside the business area	Cost for pollution prevention	115
	Cost for protection of global environment	78
	Cost for resource cycling	418
Cost for management activities		166
Total		777