



Mutual prosperity to both nature and mankind through creativity innovation and sensitivity
www.namics.co.jp

2022 CSR REPORT

Corporate Social Responsibility Report



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1. Editorial Policy

About this Report

With regards to the corporate social responsibility imposed by the NAMICS Group, and in order to promote more accurate dialogue with everyone in society, we have issued this CSR Report which is compliant with the Core option of the standard disclosure items indicated in the Global Reporting Initiative's "Sustainability Reporting Guidelines (GRI Standard)", an international reporting guideline, this year.

Reporting Period

FY2021 (April 1, 2021 to March 31, 2022)

Reporting Organization

NAMICS Corporation, the offices and sites in Japan and Overseas

Membership of associations

Japan Electronics and Information Technology Industries Association
Japan Electronics Packaging Circuits Association
NIIGATA Chamber of Commerce & Industry

Issue History

First Edition	December 2016
Second Edition	September 2017
Third Edition	September 2018
Fourth Edition	September 2019
Fifth Edition	September 2020
Sixth Edition	September 2021
Seventh Edition	September 2022

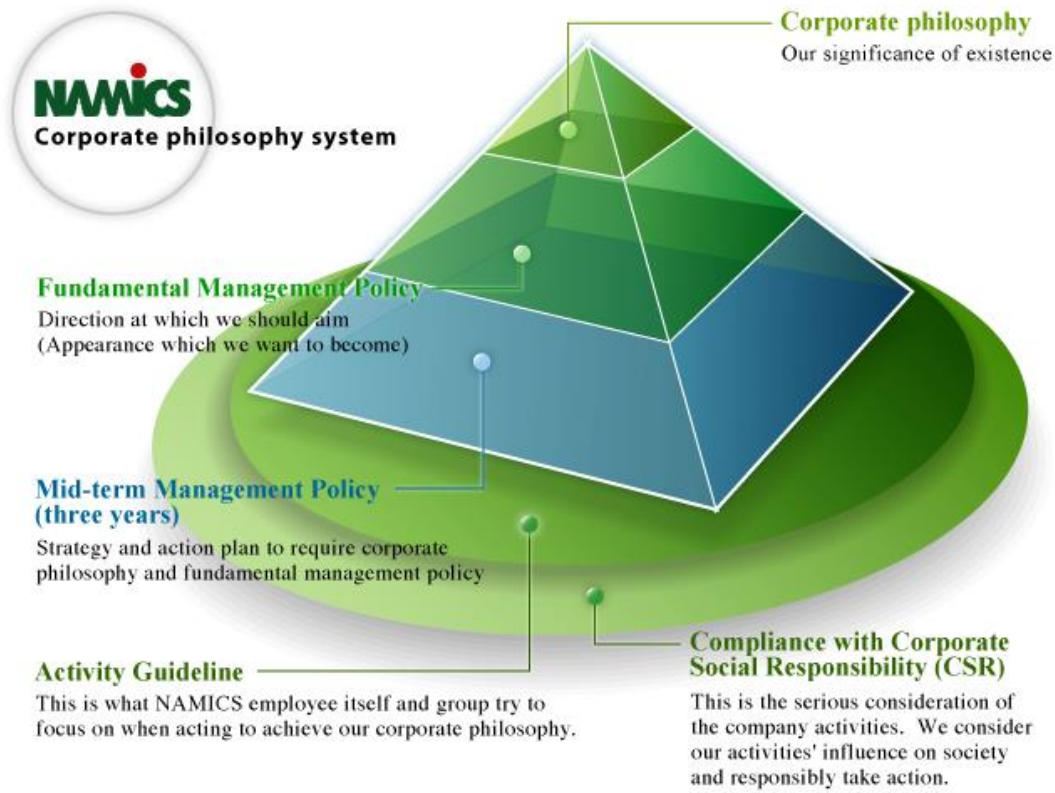
Next Issue Schedule

September 2023

Referenced Guideline

GRI Standard "Sustainability Reporting Guidelines"

2. Philosophy · Fundamental Management Policy · Activity Guideline

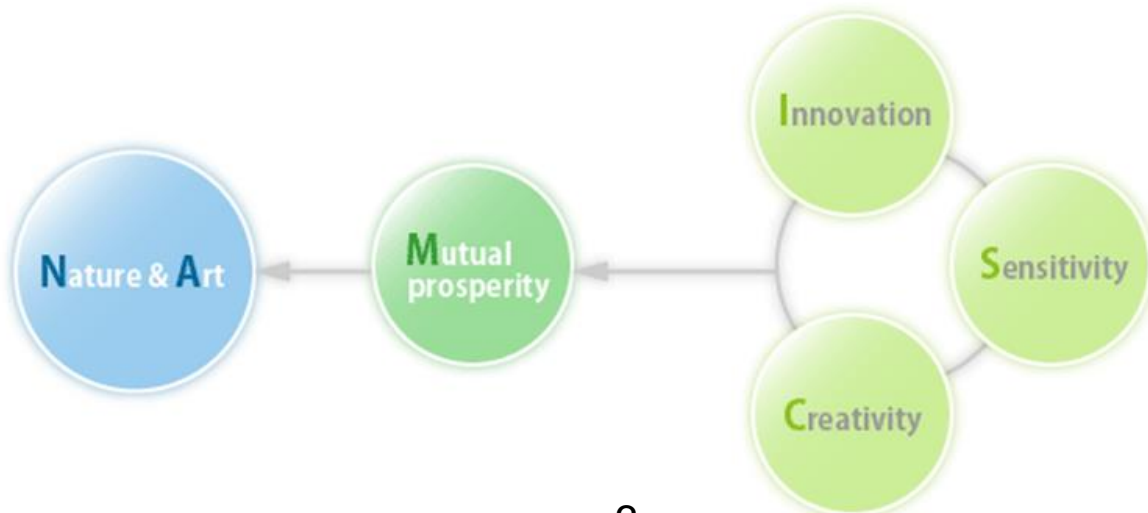


Corporate Philosophy

Mutual Prosperity to Both Nature and Mankind through Creativity, Innovation and Sensitivity.

Mutual prosperity is the basis of our management philosophy; indeed it is our company's *raison d'être*. Our ultimate goal is art in the service of nature, leading to harmonious and advantageous coexistence between humans and the natural world.

The name NAMICS is an acronym of our principles, embodying the idea that sensitivity, innovation and creativity are essential if our goals are to be achieved.



Fundamental Management Policy

“Be the only one and number one company in the electro-chemical material field”

To be aware of our core competencies in the electro-chemical material industry and to keep focus on new opportunities sincerely and honestly in order to enable us to realize our value to the industry.

We set it as our long-term management policy that we will continue to be essential partners for our customers.

Activity Guideline

“Self-reliance, Self-action, Self-help” ”NAMICS WAY”

This Activity Guideline refers to how we should act to realize the objective that our company philosophy describes and our company name, NAMICS, represents. We take actions not by relying on others, but by thinking, acting, and achieving our goals for ourselves. This is to act following the guideline; 'Self-reliance, Self-action, Self-help' In addition to these personal efforts, we act according to the guidance of the "NAMICS WAY" which is the organizational culture we aim to achieve through our long-term action plan which is implemented in ten year periods.

3. CSR Fundamental Policy

As NAMICS seeks healthy and continuous growth, we expect each employee to decide a course of action that upholds our collective social responsibility.

We value and fully practice our CSR strategy in all corporate activities: environmental conservation; global supply system; corporate compliance; and ethical conduct. We are committed to continuing to align our business with CSR and improve our CSR strategy through periodic reviews.

Social Contribution through Our Business

- Stably supplying products and services which provide social benefit with full consideration of quality, safety, and environmental impact.
- Expanding business in a way that leads to community development by respecting local and global business traditions and practices.

Compliance

- Establishing corporate governance in full compliance with the relevant regulations and company policies.
- Maintaining sound and good relationships with political and municipal authorities, the public, and other concerned organizations through equal, free competition, and business activities.
- Maintaining corporate transparency through appropriate disclosure of corporate information and lawful management of individual and customer information.

Respect for Human Rights

- Respecting human rights in all human beings and strictly prohibiting any actions and behaviors which damage any human beings' dignity, including discrimination based on one's nationality, gender and prohibition of juvenile and forced labor.
- Creating a safe and clean working environment that allows our people to demonstrate their maximum ability.

4. Message from Our president

As NAMICS seeks growth, our corporate philosophy "Mutual prosperity to both nature and humankind through creativity, innovation, and sensitivity" and our fundamental management principle "Be the only one and number one company in the electro-chemical material field" act together as the essential tools which provide our sense of direction.

The company also updates our mid-term business plan every 3 years to enable us to act promptly to respond to possible changes both in the market environment and in internal aspects.

We believe that social responsibility means that we grow continuously and robustly upholding our corporate values: "Self-reliance, Self-motivation and Self-help" for an individual; and "NAMICS WAY" for a team. We share a clear and persistent sense of direction and maintain a course which represents our fundamental business objective, while always being ready to respond to change.

Furthermore, our responsibility includes our continuous efforts toward the improvement of our CSR strategy by carefully evaluating the target areas, goals, and framework in a timely manner.

The major communication tool, like Smartphones have become the social infrastructure of our times. Our advanced materials, providing robustness even under severe conditions, are chosen for the automotive field to mount sensors and other various electronic components to enhance the safety of the vehicle. NAMICS also contributes to achieving power-saving, energy-saving, miniaturization, and improved performance by providing highly functional products.

As the electro-chemical market expands, NAMICS contributes to enhanced safety and environmentally-friendly solutions in the automotive market. In the area of energy, we provide solutions to the issues of finite resources and environmental conservation. However, there are many issues still remaining to be solved in the world, such as environmental conservation and protecting human rights, before we can create a sustainable society.

NAMICS has addressed the global issue of conflict-minerals from an early stage in compliance with the RBA Code of Conduct.



In order to respond to overseas business development, we focus on globally-competent human resource development. Respecting people's diverse backgrounds and values, we share our corporate philosophy and sense of direction through personnel exchanges between our Japanese and overseas hub sites. We carry out various initiatives to further grow as an established real global corporation to better serve society with the best value.

For example, through hosting regular web/phone meetings and other forms of interaction, we exchange information regularly with overseas offices. We also provide language training designed for business communication to proactively support our people in order to expand their horizons and develop their confidence in conducting global business.

Furthermore, the company identified that maintaining a globally stable and continuous product supply is one of our major challenges. In order to demonstrate our stable product supply even in disasters or other emergency situations, we have expanded and improved our overseas production hubs. We conduct our business uniformly based on our common corporate philosophy and fundamental management principles throughout the entire corporation in all regions and countries where we operate.

At the same time, we also consider and manage risks to a stable product supply. Among them, we especially evaluate and identify the risks that can interrupt production and regularly review and report on them during structured management meetings. Additionally, in order to respond to our customers and provide social trust, we are strengthening our business continuity management in conjunction with the overseas production hubs through training on a regular basis.

Even though approximately 80% of NAMICS' sales are derived from the overseas, we value sustainable and mutual growth together with the local communities where we actually operate. We have actively engaged in community-based activities that contribute to society, offering support both materially and morally. Hosting a youth development program, actively participating in local traditional events, and sponsoring local professional sports teams are just some examples.

Most importantly, we aspire to social development which enhances mutual prosperity in the local community through our sound and stable business activities.

We are determined to contribute to benefits for the whole society through our business activities and products, and to carry out initiatives in Niigata and all other communities where we operate, whereby we pursue the greater trust and support of the community

NAMICS Corporation
President Toshinobu Odajima



5. Company Profile · Group Companies



Company Information

Name NAMICS CORPORATION

Address 3993 Nigorikawa, Kita-ku, Niigata City, Niigata Prefecture

Foundation February 1947

Capital 80 million yen

Representative Toshinobu Odajima,
President

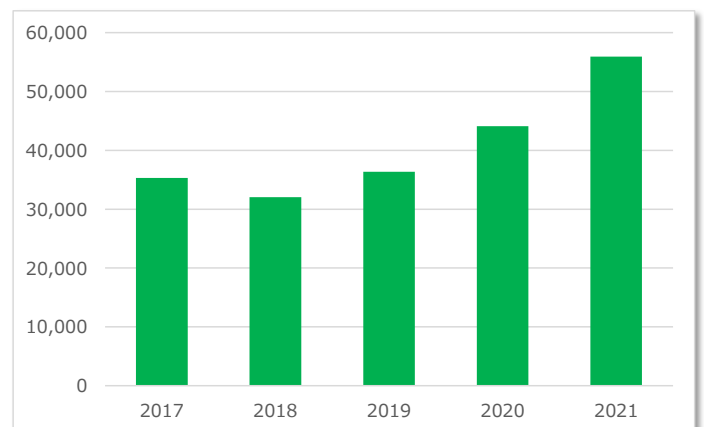
Business Research, development,
manufacture and sales of
electro-chemical materials

Sales 55.9 billion yen (FY2021)

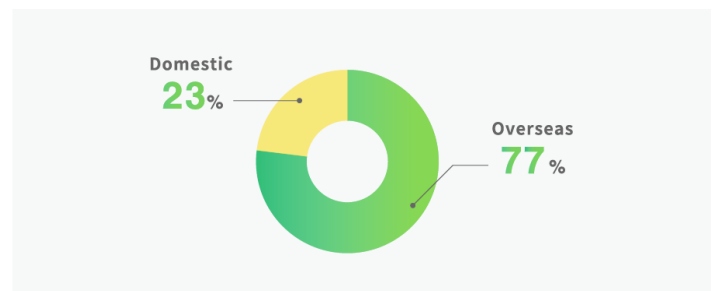
Total Employees 699
(As of March 31,2022)

R&D Expenditure to Sales 5% (FY2021)

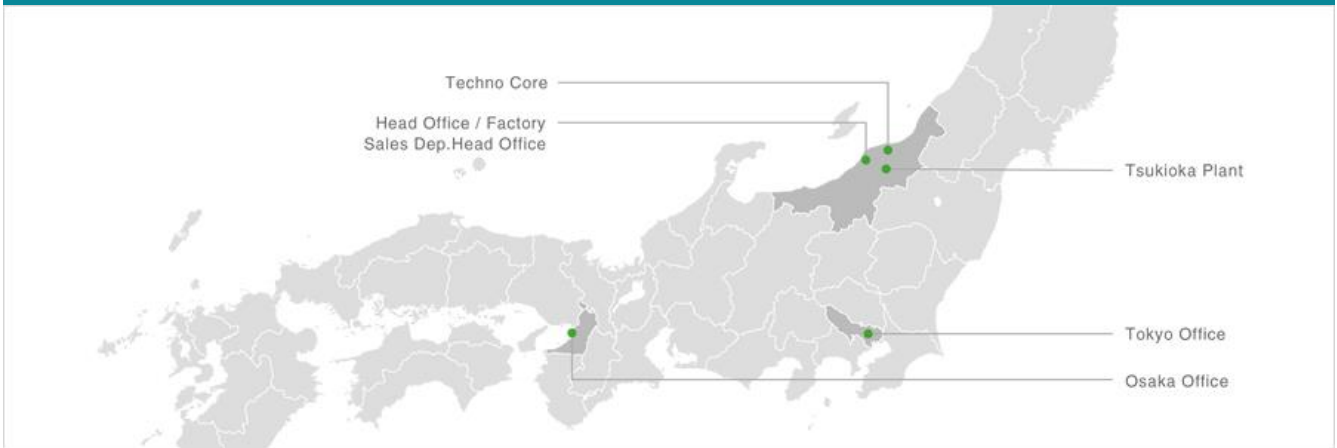
Sales History



Sales Ratio (2021)



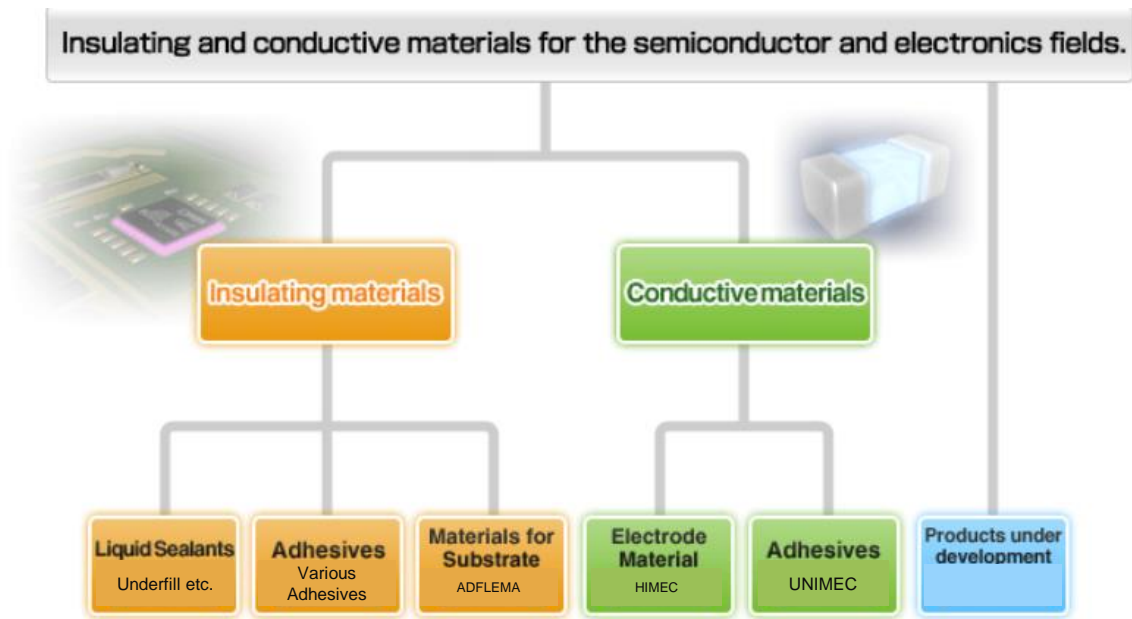
National Network



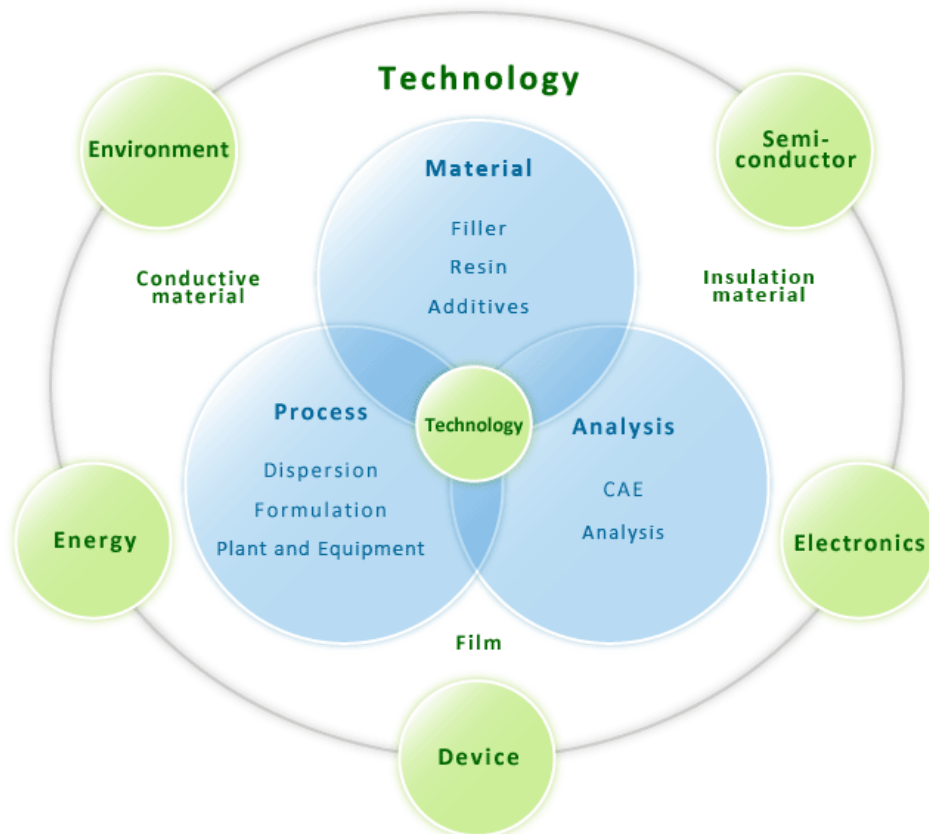
Global Network



Our Product Line-up



Our Technology



NAMICS contributes to social development by stably supplying socially-beneficial products and services while taking full consideration of quality, safety, and environmental impact. We expand our business in a way of that leads to community development by respecting local and global business traditions and practices.



At NAMICS, we focus on developing environmentally-friendly products such as lead-free products which mitigate the use of environment-hazardous lead, long-life products which reduce waste, and RoHS compliant products which contain no harmful materials. For example, we are putting our efforts into the development of solar battery electrode materials for solar cells, to achieve higher efficiency at lower cost.

The whole production process, from receiving raw materials to shipping products, is strictly controlled by the latest system. Thus, we demonstrate our stable supply of highly reliable products with minimal quality variance. We also put our efforts toward developing new technologies by best utilizing our two core technologies of material (insulating and conductive) and process (composition and dispersion) technologies, along with simulation technology (material and structural analyses) in our research and development facility with the latest equipment and devices. Thus, we contribute to safe and environmentally-friendly product development.

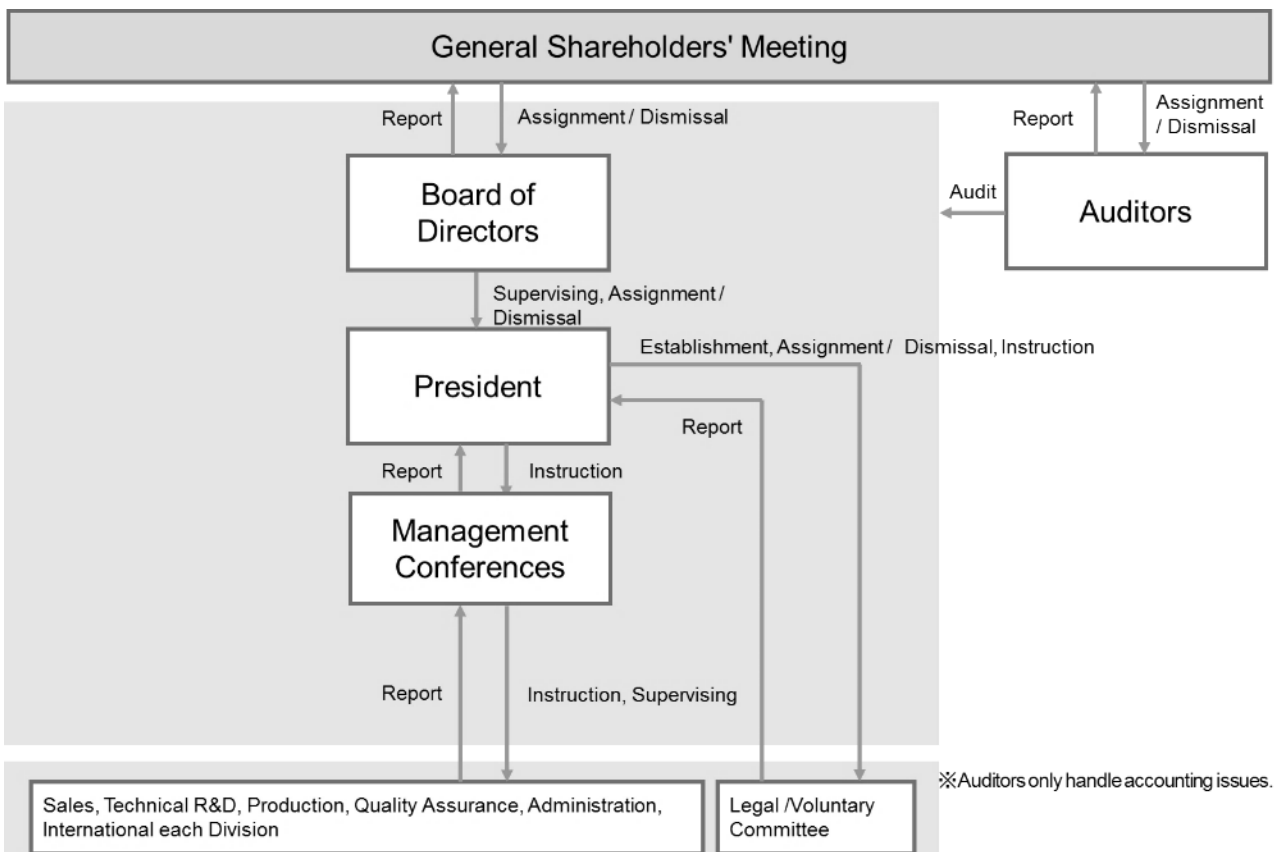
NAMICS is striving for environmental conservation and to establish a global supply system so that even in emergency situations such as a disaster, we are able to maintain our sustainable product supply. We are expanding and improving our overseas production base to allow us to flexibly respond to the changing environment. We ensure our new production facilities are designed to deliver high production efficiency. At the same time, NAMICS will carry out our operations with respect for business traditions and practices in the local community, whereby we pursue mutual success with the community and our contribution to social development.

6. Corporate Governance

Board of Directors / Management Conferences

As the organizations of deliberation and decision making regarding important corporate-wide matters, there are the Board of Directors and Management Conferences. The Board of Directors Meeting and Management Conferences are held once a month or more.

At the Board of Directors meetings we deliberate and decide basic corporate policy and execution of important business matters under corporate law or our articles of incorporation. At the Management Conference we deliberate and decide business challenges of corporate-wide or section-wide importance.



Operation of Overseas Subsidiaries

Governance of Overseas Sales Companies by Headquarters

Since the establishment of an overseas sales company in 2006, we have held an International meeting once a year in Japan and invited the general managers for each sales company. The international meeting is held in March before the start of the next fiscal year.

At the meeting we give presentations regarding company policy, sales policy and the plan for each sales company in order to improve business activity transparency.

Starting in FY2014 we have held periodic web conferences with each of the 7 sales companies and a Semiannual International Meeting.

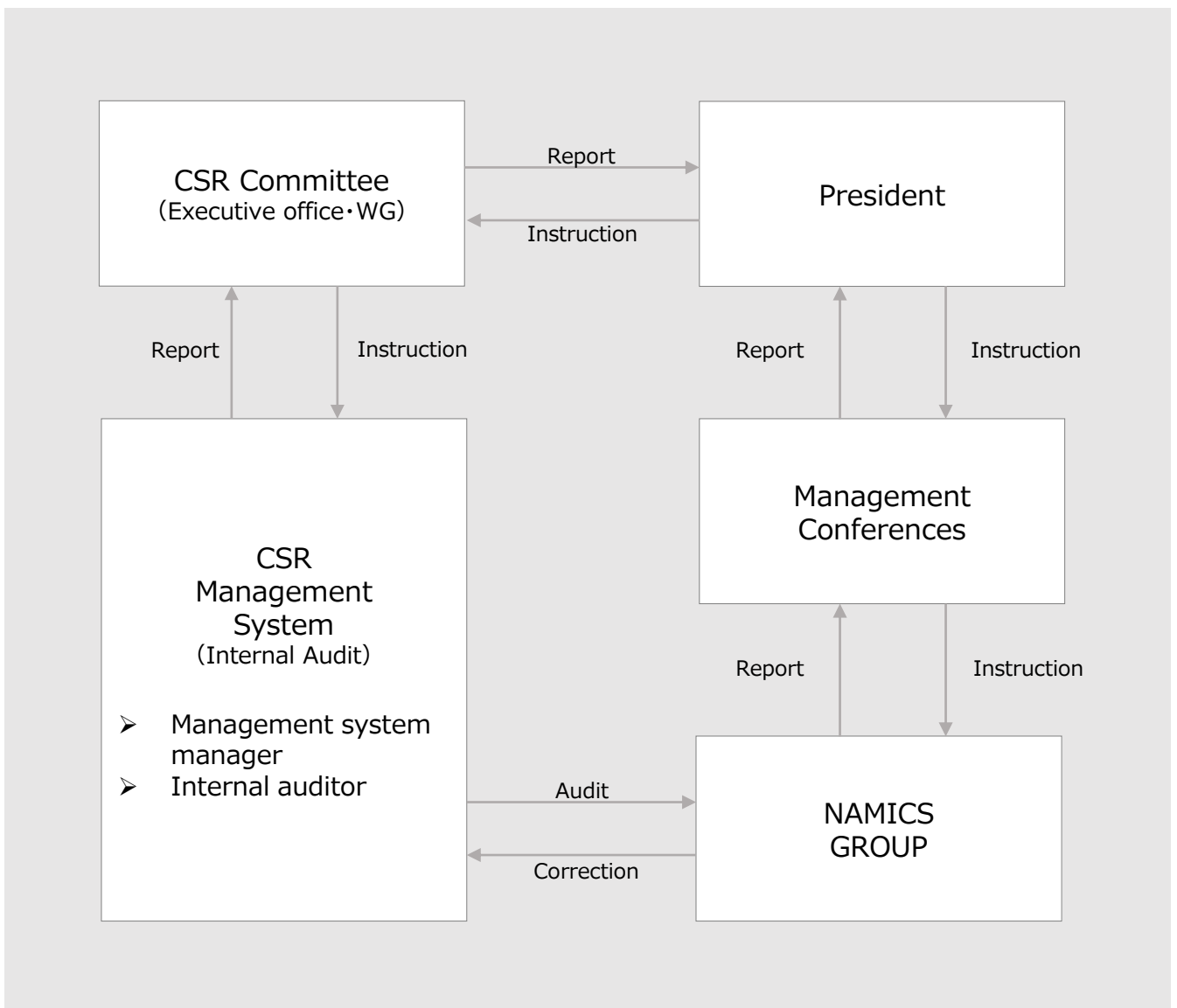
We discuss various topics such as the followings at the above meetings in order to strengthen the governance of headquarter and reinforce the sales ability of sales companies.

- 1) Sales plan progress
- 2) Organizational issues of each sales company
- 3) Sales strategy of each sales company
- 4) Tasks/Improvement areas identified in each region

7. CSR Promotion Structure

Our Corporate Social Responsibility (CSR) is to execute the business based on our corporate philosophy and contributions to stakeholders.

To implement the above, we established our basic CSR policy and related internal standards. To promote CSR activity corporate-wide in our various activities, the CSR Committee is designated under the governance of our President.



8. Risk Management

BCP Standards

We have a BCP(Business Continuity Plan) Standard.

The purpose of this standard is;

- To promote prompt recovery in order to maintain a stable supply of our products to customers when facing the risk of an emergency (“Risk”) such as large-scale earthquakes or other overwhelming disasters.
- To mitigate damage to operating resources.
- To promote planning of preliminary measures and restoration measures.

Based on the BCP Standard, each site and factory established a Business Continuity Plan and prepares for disasters and accidents beforehand.

”Risk” Response System

- Director-General of the Response Headquarters : President (In his absence, an officer of the next order or a deputy of the President)
- Headquarters member : Based on the Members of the Management Conference it is composed by the Group Managers of each Division.
- Secretariat : Business Planning Group, General Affairs Group

Category	Role
Affected Office	Establish the Emergency Response Office by the employees who are able to come to the office. They enforce the safety confirmation of the employees, contact the Support Office and start restoration activity as much as possible.
1 st Support Office	Collect the Affected Office information and establish the Emergency Response Office. Communicate with the 2 nd Support Office and start support.
	In case the Affected Office suffered serious damage and is unable to function or they received a request from the Head Office, they implement emergency activity instead of Affected Office.
2 nd Support Office	In case that 1 st Support Office is unable to act or they received a request from the 1 st Support Office or the Head Office, they will start the support activity.

9. Specifying Key CSR Issues for NAMICS Group

When editing this CSR report, we analyzed our key CSR issues. This issue analysis will be reviewed and updated every year.

- **Specifying, Evaluating and Prioritizing of Issues**

Our CSR committee clarifies and specifies our key CSR issues based on corporate philosophy, core issues from the mid-term management plan and information from our customers and employees. From the two perspectives of the Business and the Stakeholders, they evaluate, prioritize and specify the issues.

- **Approval by Senior Management**

To be examined and approved at a management conference attended by the Board members, the Executive officers, and the Senior Group Managers.

Our high-priority CSR issues are as follows.

- **Workplace Safety**
- **Reduction of the environmental impact for sustainability**
- **Building a reliable value chain for our customers**
- **Respect for Human rights, Legal Compliance, Diversity, Promotion of Human Resource Training and Retention**
- **Investment in Social Capital**

SUSTAINABLE DEVELOPMENT GOALS

What do we do for SDGs?

Our company name was changed to "NAMICS" in 1996. This signifies coexistence and mutual prosperity between nature and humans as well as sensitivity, innovation and creativity that is indispensable for enabling mutual prosperity (See page3).

Our company policy, "Mutual prosperity to both nature and mankind through creativity, innovation and sensitivity" resonates with the current global initiatives of the Sustainable Development Goals (SDGs). In another words, one of our goals is realizing sustainable societies.

NAMICS has been and will continue fulfilling our roles and responsibilities to make the world better and more sustainable.



10. Workplace Safety

We undertake various occupational safety and health activities, focusing on prevention and management, based on our CSR Basic Policy "Creating a safe and clean working environment that allows our people to demonstrate their maximum ability".

Occupational Safety



Safety Inspections

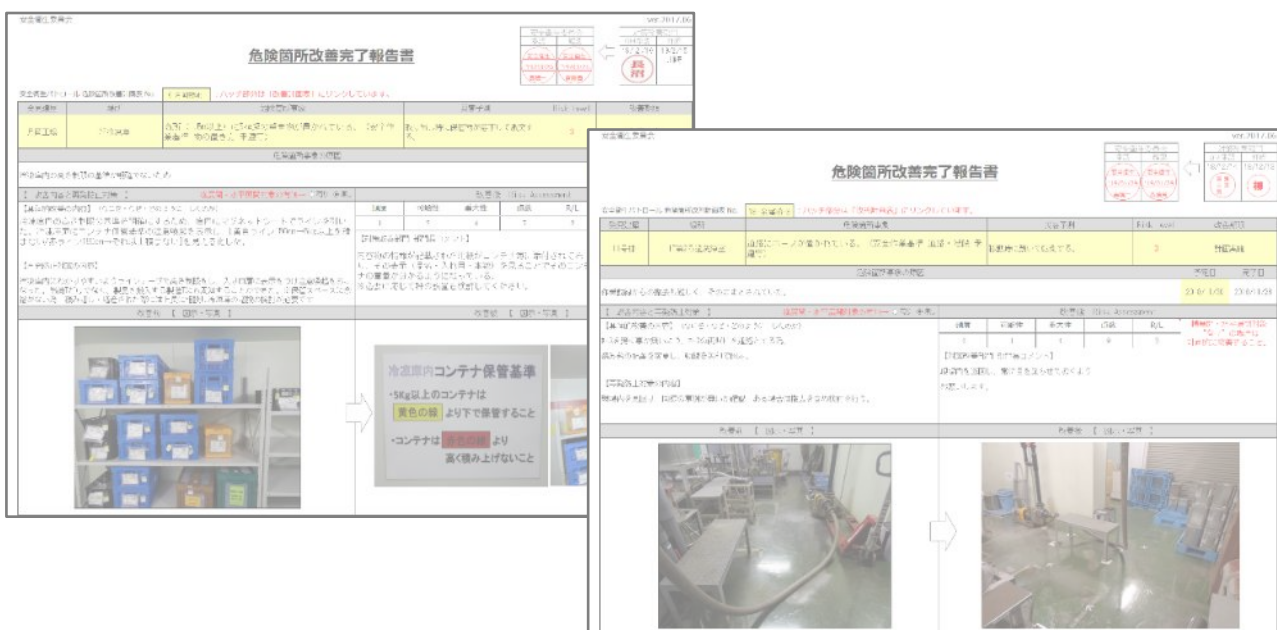
We conduct Health & Safety Inspections in order to prevent occupational accidents. Regular inspections at field sites are necessary to provide a safe and comfortable working environment, and they contribute to the early detection of risks and hazards.

The indicated items are evaluated and improved through Risk Assessment.

Indicated items by Health & Safety Inspections

Unit (Case)

Items	FY2019	FY2020	FY2021
Indicated	40	85	94
Improved	40	85	93



Education / Training



In order to protect employee's safety and health, we prepare "Occupational Health and Safety Education" as stipulated by laws and regulations. Our occupational health and safety team from our General Affairs Group conducts and improves the required education and training for our company.

Education • Training Program and Participants (Japan) Unit (People)

Program	FY2019	FY2020	FY2021
Disaster • Fire drill	481	393	607
Disaster • Fire prevention education	93	-	228
Hazardous materials security personnel training	5	-	1
Poisonous and deleterious material storage management training	-	47	-
Beginners First Aid Course	1	-	-
Total	580	440	836

Emergency drill



Disaster • Fire prevention education



Fire extinguisher drill



Disaster drill, Earthquake drill

Unit (case)

	FY2019	FY2020	FY2021
Occupational accidents (Japan)	5	5	4

11. Reduction of Environmental Impact for Sustainability

At NAMICS, our management philosophy is "mutual prosperity" based on the concept of "harmonious coexistence between nature and people." Our name, "NAMICS," is an acronym of the first letters of the ideas underlying the corporate activities which contribute to such mutual prosperity. One method of giving shape to our philosophy was the construction of an environment management system which obtained ISO14001 accreditation in November, 2003. We are also involved in a wide range of other activities.

Environmental Policy



NAMICS is located to the east of Niigata City, known as the "Water Capital" because of its many waterside areas and its wide rivers which flow into the Japan Sea. Our offices are surrounded by lush fields of rice and other crops.

Since our foundation we have protected the riches of the natural world and on the basis of the SEEDS acronym (S: semi-conductor, E: environment, E: energy, D: device, S: system), we have positively carried out R&D on insulation and conductive materials related to electronic products and contributed to enhanced lifestyle culture through the products we supply.

We will continue to work towards harmonious coexistence and mutual prosperity in all relationships including those between society, or art, and nature, by founding our actions on the following environmental policies.

1. To elevate environmental preservation activities to the status of the most important management issue and to fulfil even more meticulously our social obligations through continued improvements in our environment management system.
2. To endeavor to contribute to society by making our environmental policies known to all employees and ensuring that each one of them is aware of the environmental problem.
3. To comply with laws relating to environmental preservation, work for international cooperation including guidelines by industry and related groups to which we have agreed, strive to execute the use of sustainable resource, the alleviation and adaption against the climate change, the protection of biodiversity and ecological system, prevent pollution, and improve safety operations, security and disaster prevention.
4. Principally to promote the following environmental preservation activities in environmental aspects relating to our business activities :
 - 4.1 Promotion of energy reduction
 - 4.2 Promotion of 3R (Reduce, Reuse, Recycle)
5. To promote the following activities aimed at reducing our products' environmental impact.
 - 5.1 Getting to grips with R&D and design which minimizes the environmental effects of our products.
 - 5.2 Promoting reductions in and alternatives to chemicals contained in our products which have an environmental impact.
 - 5.3 Minimizing packaging.
 - 5.4 Positively developing environmentally-friendly materials supply activities.
6. To set environmental goals and targets as mid-term plans which consider environmental impact evaluations, in order to achieve our environmental policies. To establish and implement concrete plans on an annual basis.

NAMICS Corporation
President Toshinobu Odajima

Acquisition of ISO Certification

The current status of ISO 14001 certification is shown below.

We have also obtained ISO9001:2015 and IATF16949:2016 certification, which are ISO standards for quality.

Company/Facility	NAMICS Corporation Related facilities • Tsukikoka Plant • NAMICS Techno Core
Scope of ISO registration	Design, Development and Manufacturing of the following materials.- Coating agent, paste, and powder for electric components-Encapsulant for semiconductor- Conductive paste, powder and adhesive for electric components, circuits, and battery- Conductive and insulating materials for display - Marking ink for electronic components
Certification date	November 21, 2003
Certification date	Japan Quality Assurance Organization (JQA)

Environmental Training



We provide environmental education and trainings to all employees, aiming for sharing and raising awareness of our corporate philosophy and our mission for environmental conservation.

In addition to our basic and specialist trainings on the environment, the importance of managing chemical substances contained in the products is also taught based on the guidelines for the management of chemical substances in products.

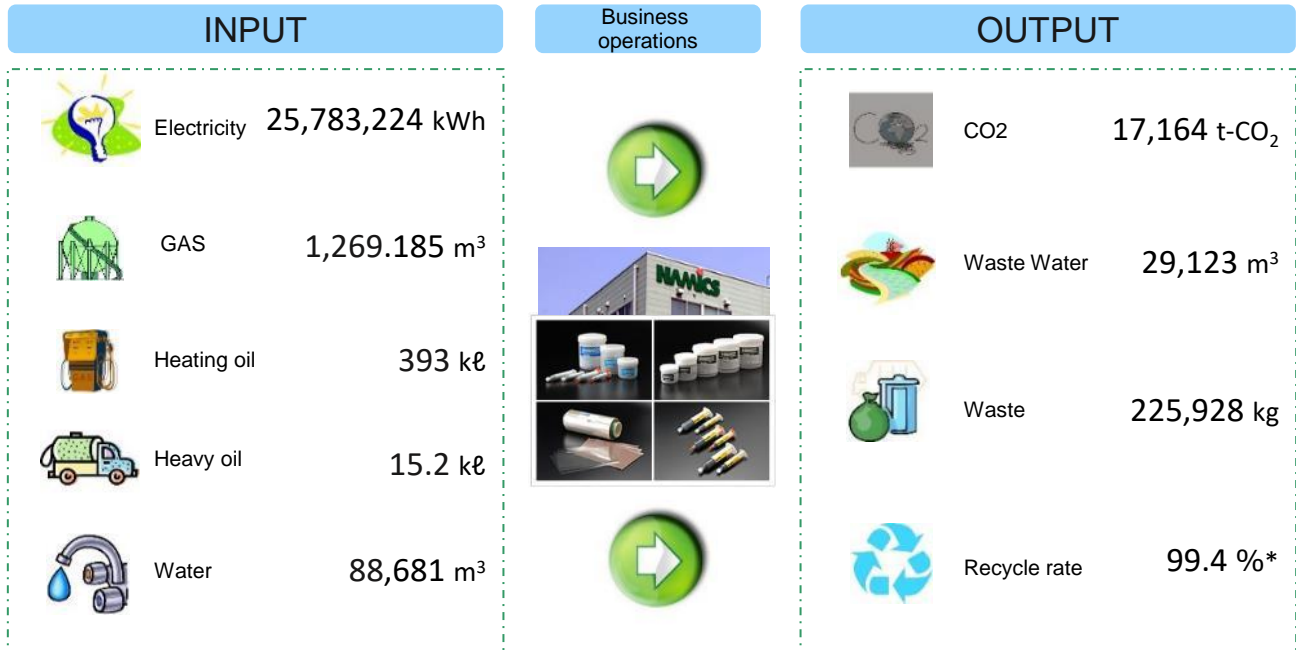


Environmental Protection



NAMICS Group are committed to reducing waste emissions generated in the manufacturing process and recycling resources.

Environmental impacts overview (Including overseas factory)

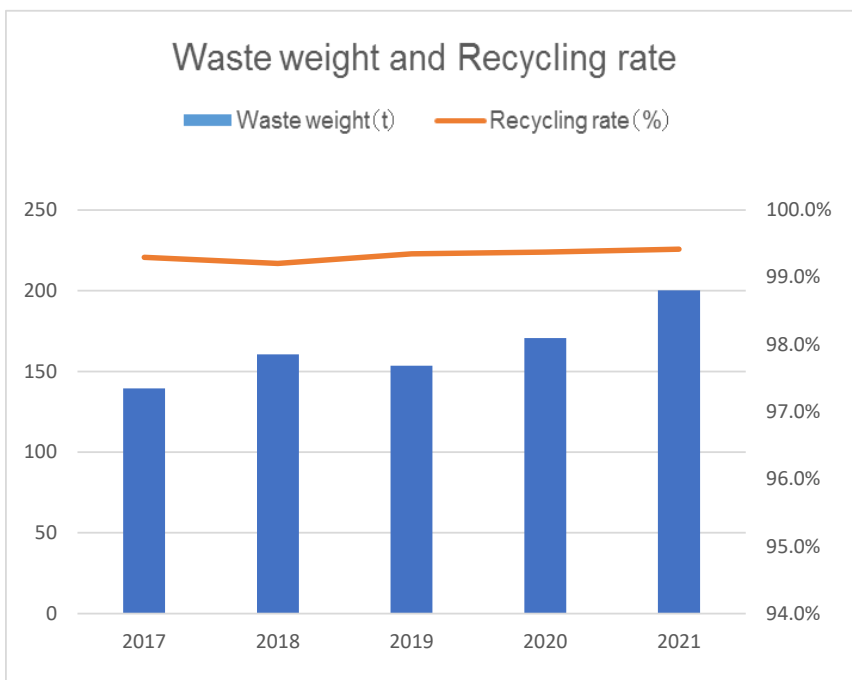


The figures for the factories in Japan are the actual values in FY2021.

The figures for Taiwan factory are the actual values from January 2021 to December 2021.

*The figures for the factories in Japan were counted. In Taiwan factory, all wastes are incinerated by government designated industrial waste disposal operator.

Waste Control and Recycling (Japan)



Wastewater sludge is recycled as roadbed material and waste solvent is recycled as fuel.

Products after pyrolysis gasification and fusion process are recycled into industrial fuel gas and metal raw materials.

Prevention of Water Pollution



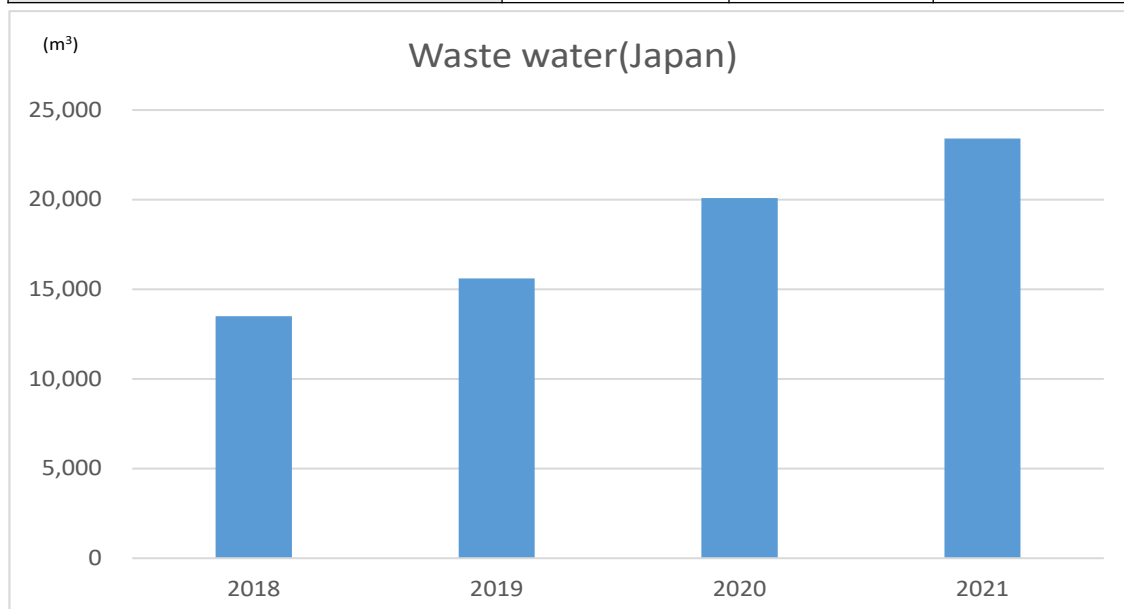
NAMICS Group is committed to preventing any water contamination occurrence in public water areas. Waste water is strictly controlled and treated in a waste water treatment facility. We are fully compliant with the related laws and regulations.

The waste water treatment facility is regularly inspected and fixed whenever necessary, to ensure stable operation. Additionally, we monitor and test the water quality to comply with the effluent standards.



Wastewater treatment facilities (Head Office/Factory)

Property		Effluent standards (Japan)	Factories in Japan (As of October, 2021)	
			Effluent (No.1)	Effluent (No.2)
pH	Upper limit	5.8~8.6	8.4	7.3
BOD (biochemical oxygen demand)		<40mg/l	1	12
SS (suspended solids)		<50mg/l	5	5
n-Hexane extracts	Mineral oils	<5mg/l	<1	<1
	Animal and vegetable oil and fat	<30mg/l		
Phenols		<5mg/l	<0.01	<0.01
Copper		<3mg/l	<0.01	0.03
Zinc		<2mg/l	0.04	0.12
Dissolved iron		<10mg/l	<0.04	0.10
Dissolved manganese		<10mg/l	<0.02	<0.02
Coliform group		<3000pcs/ml	<30	1,300
Nitrogen		<100mg/l	3	6.1
Chromium		<2mg/l	<0.04	0.12



Control of Chemical Substances



NAMICS establishes and operates a system which is in accordance with the guideline of controlling chemical substances in products. This guideline is advocated by JAMP (Joint Article Management Promotion-consortium).

We established our Green Procurement Standard Document in 2005 and set our own criteria for chemical substances contained in NAMICS' products. Applying these criteria, we verify the substances with the cooperation and support of our business partners. The requirements for the thorough regulation of chemical substances are becoming more and more stringent, not only in highly developed countries, but many developing countries as well. In order to make our management system more reliable, we collect the latest information and continually maintain and improve our procedures.



Environmentally-friendly Product Development



Our idea at NAMICS is to be kind to people and the planet through the products we provide.

Our lead-free products, durable products to reduce waste and RoHS-compliant products which do not use hazardous substances bear witness to our constant attention to the voice of people and the planet.



"Green" Purchasing



In order to provide environmentally-friendly products, we have established "green" purchasing standards in an effort to select supplies, including raw materials used in production, container and packaging materials and purchased articles, which have a low environmental impact. In selecting materials, we have added "environment" to the traditional criteria of "quality, price and supply stability," and our decisions are based on a global consideration of all four.

12. Building the Reliable Value Chain for Our Customers

NAMICS Group considers building the value chain of Purchasing, Production and Sales an important issue for customer confidence. In order to earn the customer trust that NAMICS seeks, it is necessary not only to manufacture our products but also to build a reliable value chain.

Based on our company philosophy, “Mutual prosperity to both Nature and Mankind through Creativity, Innovation and Sensitivity”, our sales offices are promptly aware of our customer needs, then sharing the information and expanding sales activities through NAMICS’ global network.

Regarding production activities, we have several factories including our overseas factories in consideration of BCP.

In purchasing we have established our worldwide “material procurement policy”. We proactively promote efforts to comply with the social standards in our partners’ countries as well as Japanese standards and to also carry out our social responsibilities such as environmental preservation. Through these initiatives we build solid partnerships and aim for mutual prosperity based on a trusting relationship .

NAMICS’ Material Purchasing Policy



- 1 Procurement of Best Possible Materials**
 We carefully select our partners and carry out our business with them according to our rational and clear standards regarding quality control, price, stability of supply, company reliability, environmental conservation, and non-use of conflict minerals.
- 2 Striving for Fair Procurement at the Most Reasonable Price**
 In principle, we compare and evaluate quotes from multiple partners to ensure a fair partners fairly and as equals.
- 3 Promoting Green Procurement**
 We promote green procurement with consideration for natural resource protection and environmental conservation.
- 4 Compliance**
 We strictly comply with the social standards in our partners' countries.
- 5 Confidentiality**
 We strictly maintain the confidentiality of information obtained from our partners in the procurement process.
- 6 Respect for Human Rights, Occupational Health & Safety**
 We respect basic human rights in our partners' business and endeavor to ensure occupational safety and health.

13.

Respect for Human Rights, Legal Compliance, Diversity, Promotion of Human Resource Training and Retention

Respect for Human Rights, Legal Compliance, Diversity



Based on international labor standards by the International Labor Organization (ILO) and labor laws and regulations of each country, we respects the human rights of employees and strictly comply with the laws and regulations.

Human Rights Aspect and Humanity Improvement Training

As part of our efforts to build respect for human rights, we create and implement comprehensive training about human rights and humanity improvement. The following number of the employees participate each year.

Total time and participants ratio of human rights and humanity improvement training

Category	item	FY2019	FY2020	FY2021	Notes
Total time	Total participants	153	138	-	There is no subject due to the suspension of company-wide training as a pandemic countermeasure.
	Total hours (NAMICS Group)	945	1,336	-	
Participants ratio	Employees number	643	676	-	
	participants ratio(%)	24%	20%	-	
Reference index	training satisfaction rating (point)	4.2	4.3	-	5 grade survey

Employee Diversity

As a company that has several overseas offices, factories and has approximately 80% of total sales from overseas, we at NAMICS hire local employees at our overseas group companies and also work to recruit people from different countries to work at NAMICS in Japan.

The number of our group employees (As of March 31, 2022)

(Unit : people)

Employee number	Japan		Taiwan factory		Other overseas bases		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Full-time	354	88	43	27	64	33	461	148
Contract	108	76	0	0	0	0	108	76
Long term part-time	1	19	0	0	0	0	1	19
Short term part-time	0	0	0	0	0	0	0	0
Temporary	9	44	0	0	0	0	9	44
Subtotal	472	227	43	27	64	33	579	287
Ratio	68%	32%	61%	39%	66%	34%	67%	33%
Total	699		70		97		866	

Topics
01



Efforts to reduce our environmental footprint

Greenhouse Gas Reduction Based on SBT(Science Based Target) Scenario

The biggest challenge in our CSR agenda is to reduce our environmental footprint and aim for sustainability, which is encouraged for all companies in the world.

“Carbon Neutrality” is one of the environmental agenda items that has drawn worldwide attention over recent years.

We would like to introduce our approach to become carbon neutral.

What is “Carbon Neutrality”?

Carbon Neutrality is to theoretically offset carbon emissions by balancing between emitting CO₂ (Greenhouse gas, hereinafter referred to as GHG) and absorbing CO₂ from the atmosphere. The below chart shows GHG emission flow on a global scale.

	Human activities	Soils/ Plants	Oceans
Emitted amount	+33 Gt	+435 Gt	+287 Gt
Absorbed amount	-	▲451 Gt	▲293 Gt
Retention in the atmosphere	+15 Gt		

(Unit: Gt) “CO₂/ year”, IPCC Fifth Assessment Report

40 to 50% of GHG produced by human activities stays and accumulates in the atmosphere, whereas soils, plants and oceans absorb GHG exceeding the emission amounts from them.

Why Carbon Neutrality is needed?

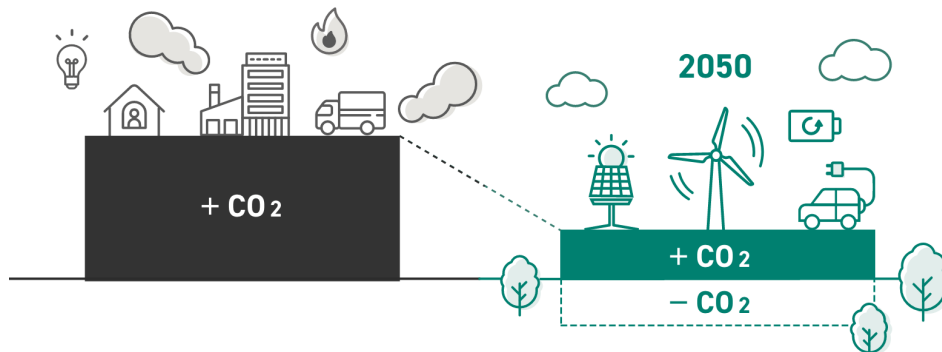
According to the Assessment Report released by the Intergovernmental Panel on Climate Change (IPCC), the United Nations body for assessing the science related to climate change, anthropogenic (human-caused) GHG emissions are the cause of global warming and climate change in the past, present and future. Also, they estimate that increasing GHG will bring severe extreme weather and as a result, eventually disrupt our economic and social activities.

Since business activities account for a large part of GHG emissions, companies around the world are encouraged to enable sustainable human activities for carbon offsetting. CDP, SBT and RE100 are the well-known international initiatives for these environmental issues.

Commitment to Carbon Neutrality

Based on the 1.5°C scenario in SBT, we set Sustainability Performance Targets (SPTs), where the GHG amount emitted from business activities by 2030 (scope 1 and scope 2) is reduced by 46% compared to 2019.

The validity of this target value was verified and evaluated by a third-party assessment organization —Rating and Investment Information, Inc. Preventing global warming is one of the essential business challenges which influences the business continuity of our group. We will contribute to achieve sustainable development of our local community through these environmental activities.



Personnel and Labor Audit to Our Overseas Group



Since 2014, as part of our efforts to respect human rights and legal compliance, the General Affairs Group from our headquarter has implemented a Personnel and Labor audit at our overseas companies in order to develop structure and rules regarding Personnel and Labor relations in each country and to maintain Personnel and Labor management as a group enterprise.

Based on the employment situation of each country, we are planning to audit and follow up the design of regulations for Personnel and Labor relations as governed by each country’s labor laws and regulations. We will then review the maintenance and operational status of those regulations each year.

In addition to respect for human rights and legal compliance, the Personnel and Labor audit contribute to promoting diversity in the NAMICS’ Group and to improving governance of our overseas group companies.

Approach case	Personnel and Labor relations support from headquarters for independent business operation at overseas bases
Reason/intention	- Development of structure and rules regarding Personnel and Labor relations at each overseas base - Operation and maintenance of Personnel and Labor management as a group enterprise
activities	- Creation and maintenance of regulations for Personnel and Labor relations governed by each country’s labor laws and regulations - Audit and follow up the operational status of the regulations at each company

Permanent Hot Line Establishment

In order to be aware and solve; or give appropriate advice regarding various issues occurring in the workplace, including human rights issues, we have established a hot line at the Human Resources Group and General Counsel as the Consultation Center.

Human Resource Development



With approximately 80% of NAMICS' sales derived from overseas, global business responses are becoming essential business activities for us. Our goals are to continuously provide value-added products, to further win the trust of our global customers, and to establish mutual success based on "harmonious coexistence between nature and humankind".

The company believes that development of globally-competent human resources is the key to better serve our global customers as we expand globally.

We support our people to further enhance their capability in global responses and to develop their sense of global perspective by strategically transferring or sending them to our overseas hub sites. We also provide language learning opportunities for our people such as study abroad and short-term seminars as a part of the globalization program. Thus, we are putting our efforts into improving our foreign language proficiency to respond to the rapid expansion of our global business.

In FY2021, 10.3%, 72 people out of 699 domestic employees, participated in English training.

We continuously focus on developing a framework which allows equal and necessary learning opportunities for our people in and outside of Japan while enhancing personnel exchanges between overseas hub sites.

Starting in FY2017, we are providing new "correspondence education courses" as one of our self-development support systems in addition to conventional OJT and OFF-JT programs. During the year 316 courses were offered and 218 people took the courses.

NAMICS provides opportunities and an environment at all of our sites across the globe where our all employees can take pride in being part of the NAMICS team and take initiative to achieve higher goals both as an individual and a team.

Structure of Human Resources Development



Correlation Diagram of Human Resource Development Program

Human Resource Retention



As a company dealing with specialized products, we consider it an important task to retain employees as well as providing education for personnel.

New hired employee (Unit : People)

Category	FY2019	FY2020	FY2021
Full-time	14	20	22
Contract	36	33	22
Long term part-time	3	1	1
Short term part-time	0	2	2
Total	53	56	45

Retired employee (Unit : People)

Category	FY2019	FY2020	FY2021
Full-time	7	8	6
Contract	19	12	9
Long term part-time	2	1	1
Short term part-time	0	0	0
Total	28	21	16

In-House Nursery School Establishment



"Ebigase Nursery School Amic (Ebigase Higashi-ku, Niigata -City)" opened in 2016 as a part of our efforts for retaining employees. There were only 4 employees' children in the beginning. However, 53 employees' children joined the school in FY 2021 and we have expected to have more children continuously.

This initiative is contributing to not only employee retention but also to the community by allocating a part of the capacity of the school to local non-employees' children. As of the end of FY 2021, the total number of children is 98.



Returning and retaining rate after maternity and child-care leave (Japan/Gender segregated) *Excluding temporary workers

category	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
Returning rate	-	100%	100%	100%	100%	100%
Retaining rate	-	100%	100%	100%	100%	100%

*Retaining rate=registered employees number out of reinstated employees / total number of reinstated employees within the same fiscal year

<Reference> Rate of taking child-care leave (Japan)

(Unit : People)

Category	FY2019		FY2020		FY2021	
	Male	Female	Male	Female	Male	Female
Child-care leave recipient	0	9	5	9	4	8
Child-care leave admitted persons	10	9	22	9	18	8
Child-care leave rate	0%	100%	22.7%	100%	22.2%	100%

Topics 02

Support for “Learning about life in society”



We promote “8. Decent Work and Economic Growth” and “10. Reduced Inequalities” which are in the 17 Sustainable Development Goals (SDGs). We would like to introduce our employee’s cooperation and support for the learning activities.

Introduction to the School.

Niigata Kounan special support high school, Kawagishi branch school (hereinafter called Kawagishi School) has set the school’s educational goal as “Students on their own ~Health · Creativity · Effort · Cooperation~”. Kawagishi School conducts daily school operations with the following goals:

“To nurture to be independent and participate in society”, “To nurture students in cooperation with parents and related organizations (persons)”, “To play a center role in special needs education in the community” and “To nurture students through a high level of expertise and positive guidance, and support”.

“Learning about life in society”

We received a request for an instructor for learning activities about life in society.

Regarding the content of the learning, students who wish to find a job after graduation listen to stories about actual jobs to help them visualize their life after graduation and think about the future image they are aiming for, and to listen to real life as a member of society to help them set their own goals.

The employees who served as lecturers this time and their senior employees decided on the content and structure of the presentation, held preliminary meetings with the Kawagishi School, and started preparing the presentation materials.



They also read through the materials with senior employees and rehearsed in front of members of the same department to prepare for the actual event.

On the day of the event

A total of 18 students and many teachers attended this event on-site at school and in addition some first-year students attended remotely. During the presentation, we introduced our company and explained our responsibilities, our growth as a member of society through being involved in our work, the importance of financial support for our families and our own independence through earning income. We also explained the importance of challenging ourselves to improve our skills while we were students.

During the Q&A session, the participating students actively asked questions such as “What is your daily work schedule like,” “How busy and difficult is your work,” “How do you handle and overcome your weaknesses,” “What are the good things about your job,” and “Until what age can you work.”

Ms. Kumiko Sato, a teacher at Kawagishi School, who was in charge of this study activity, said, “It was a very good opportunity for current students to get a better image of what it is like to work in the society.

We will continue to support the realization of “decent work” (productive work that guarantees rights, generates sufficient income, and provides adequate social protection).

14. Investment in Social Capital

Contributions to the local community

We are promoting various initiatives with the aim of coexistence and co-prosperity with the local community at each of our locations, including Niigata where we were founded.

Community: Neighborhood cleanup activities



As part of the "Beautification activities for the premises and the surrounding environment," a total of 310 people from the Head Office, NAMICS Techno Core, and the Tsukioka Plant participated in a "Clean-up operation".

When we actually cleaned up, we were able to collect a lot of garbage, including things hidden in the trees and plants, and all the participants recognized the importance of environmental beautification activities.

As a member of the community we will continue to promote activities that contribute to the creation of beautiful cities and the environment.



Culture: Sponsorship of "Orchestra is your friend"



We are co-sponsoring the art and cultural experience project for children, "Orchestra is your friend", sponsored by Niigata City.

We support the creation of opportunities to foster rich sensitivity and creativity through the enjoyment of music and the splendor of cultural arts for children who will lead the next generation.



Medical: Contribution to emergency medical services in the United States



Highly mobile air ambulance helicopters are indispensable for medical care transportation in the United States which has a vast land area.

We own five US air ambulance helicopters and lease them to "REACH" which operates an air medical care transportation service in the United States.

Our Five helicopters support a life-saving medical service on the west coast of the United States, mainly in California and Oregon.



Promoting Sports : Support to Albirex



We contribute to promoting sports by supporting the local professional sports team, Albirex.

<Local Professional Soccer Team>
 Albirex Niigata
 Uniform Sponsor
 Ladies' official sponsor



<Local Professional Baseball Team>
 Niigata Albirex Baseball Club
 Official Sponsor



<Basketball>
 Niigata Albirex BB
 Official sponsor



<Basketball>
 Niigata Albirex BB Rabbits
 Official sponsor



Through the local sports promotion, we engage in local youth development programs to foster the importance of having a dream and a goal to achieve, to nurture the value of continuous effort, and to inspire the spirit of fair play as a development of children for the next generation.



Investment in Social Capital at Workplace



NAMICS Group thinks that not only individual's ability but also organizational capacity are required for creative products and high productivity. For that reason, we have built various systems including Company canteen to promote workplace communication that is the foundation of organizational capacity and teamwork since our establishment.

Support System for Club Activities

In connection with investment in social capital, we have support system for workplace club activities, and many employees are participating in those club activities.

(In FY2021, club activities were suspended to prevent COVID-19.)

item	FY2018	FY2019	FY2020	FY2021
Number of club	12	14	—	—
Number of employee registered	226	221	—	—

Youth Development



NAMICS Group supports the development of younger generation who are responsible for the future development of science and technology.

Kids Science Festival

Every year, NAMICS sponsors and takes part in the annual Kids Science Festival for nurturing children's interest and curiosity in science.

We offered hands-on projects through science experiments for children in the event. Participating children were all excited to experience changing states of materials: mixing certain kinds of liquid making gel; heat shrinking a plastic plate into a smaller piece; and ultra-violet light changing liquid into solid.



This is a part of our continuous efforts toward the development of local youth. We are determined, through such hands-on science activities, to inspire interest and curiosity in science in local youth, contributing to the development of creative minds who will lead the next-generation society.

(In FY2021, this event was canceled to prevent COVID-19.)



Reporting Organization

NAMICS Corporation, our offices and sites in Japan and Overseas

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Contact window

CSR personnel, General Affairs Group, NAMICS Corporation
3993 Nigorikawa, Kita-ku, Niigata City, 950-3131, Japan
Tel : +81-25-258-5577, Fax : +81-25-258-5511
E-mail: soumu_1@namics.co.jp