



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

The background of the cover features a large, abstract graphic on the right side. It consists of several overlapping circles in various shades of green and blue. A prominent green circle is partially visible on the left edge. In the center, there is a horizontal sequence of four spheres: a small grey one, a medium green one, a larger green one, and a large blue one with a white highlight. A thick green line curves around the right side of the composition, framing the overlapping circles.

2018 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, This year, 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.

Reporting Period

FY2017 (April 1, 2017 to March 31, 2018)

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

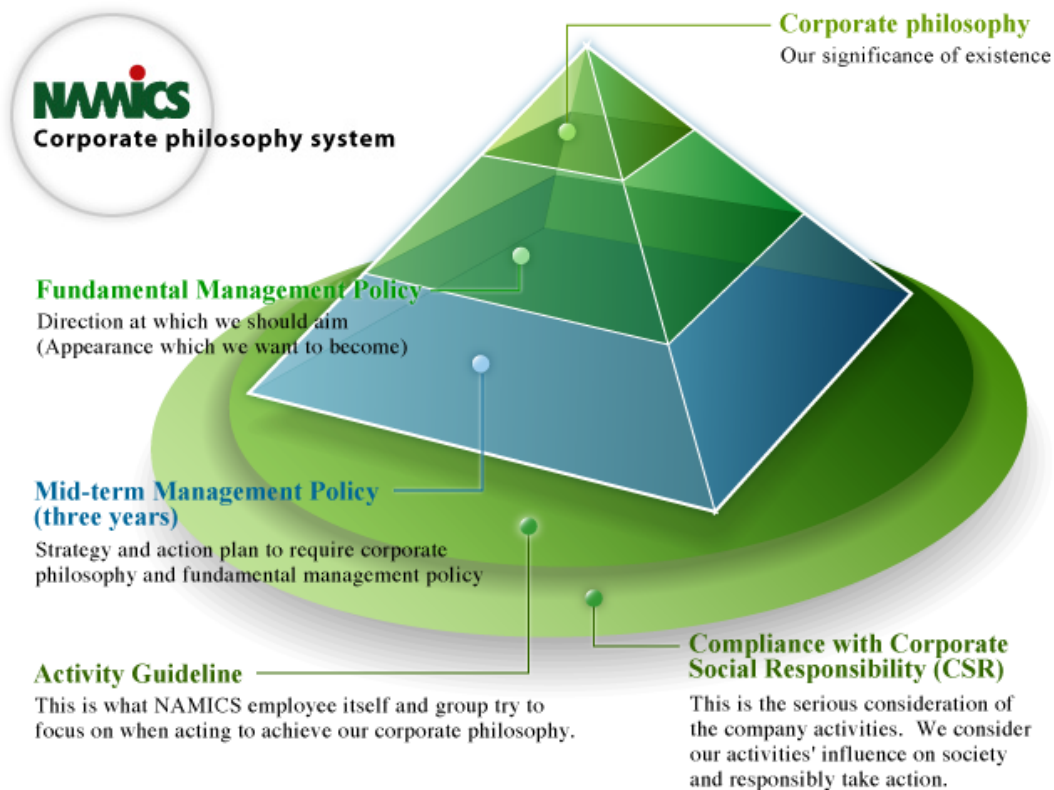
Next Issue Schedule

September 2019

Referenced Guideline

GRI Standard "Sustainability Reporting Guidelines"

2. Philosophy · Fundamental Management Policy · Activity Guideline

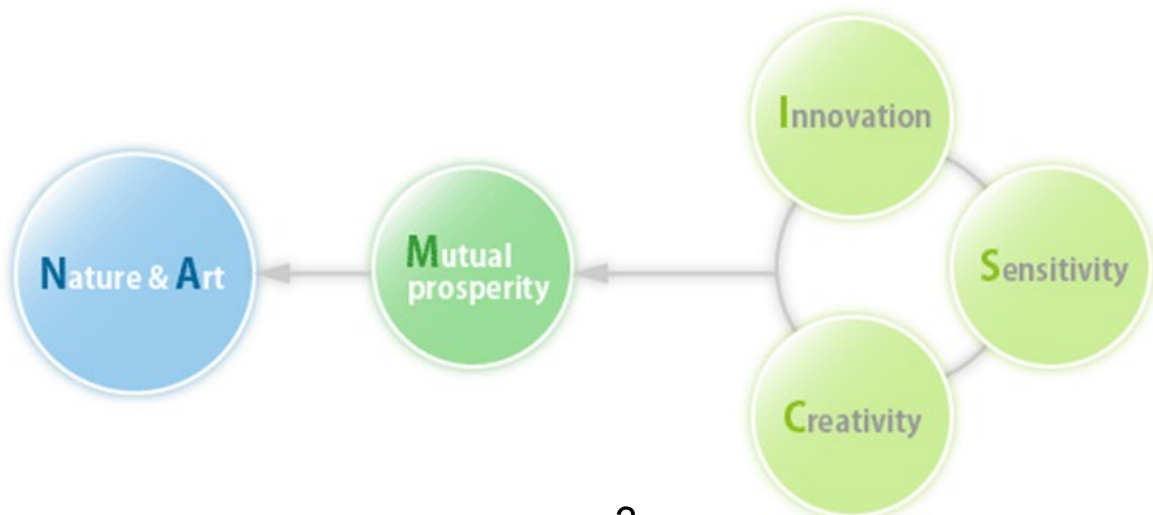


Corporate Philosophy

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.

Smartphones and tablet PCs 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 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 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



Name NAMICS Corporation

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

Foundation February 1947

Capital 80 million yen

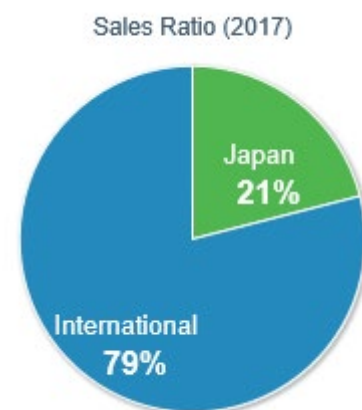
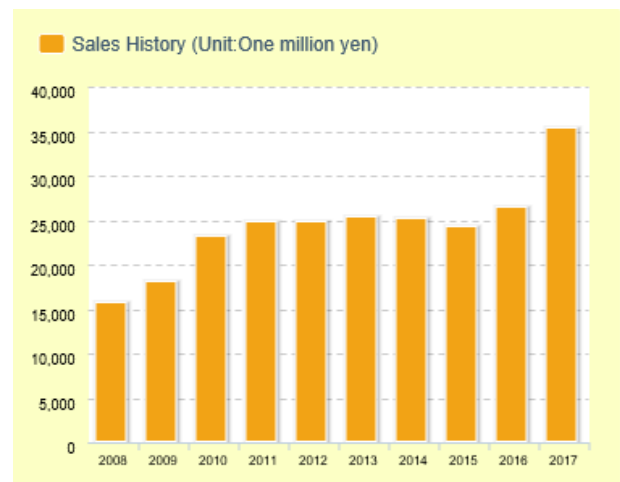
Representative Toshinobu Odajima,
President

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

Sales 35.2 billion yen (FY2017)

Total Employees 597(As of March 31, 2018)

R&D Expenditure to Sales 8% (FY2017)



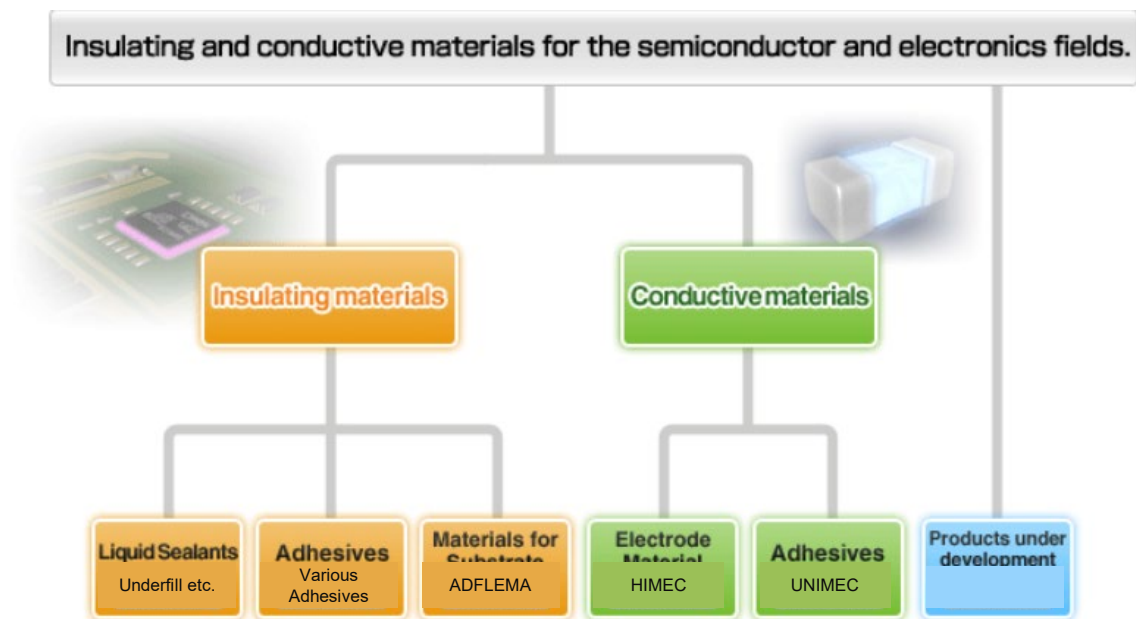
National Network



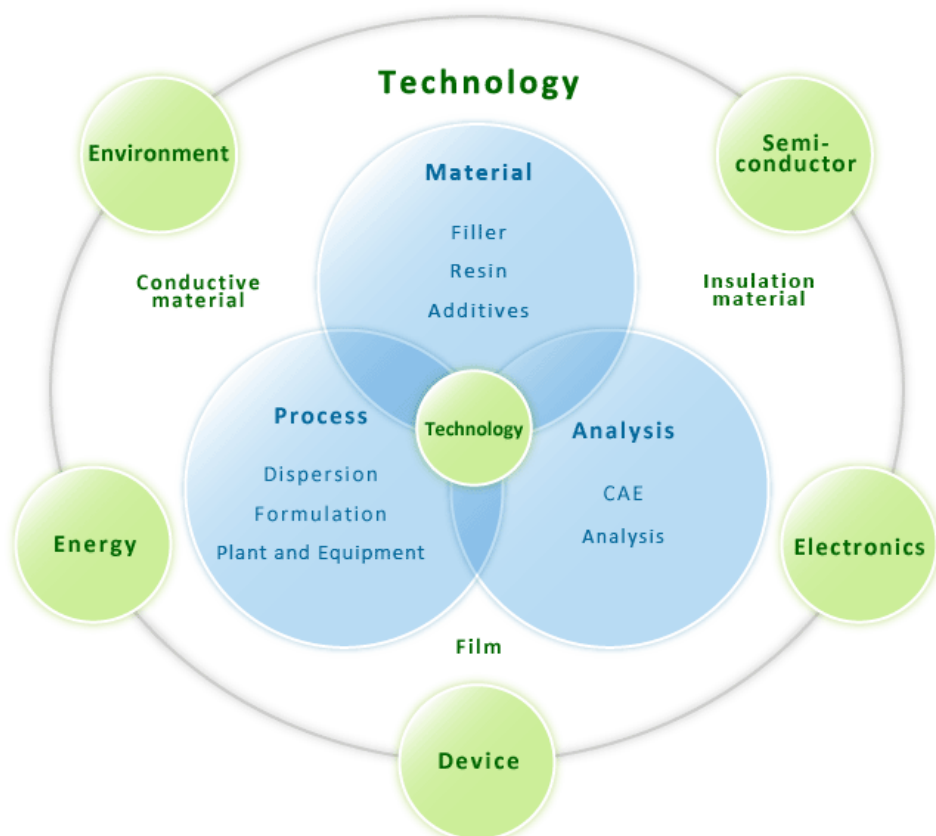
Global Network



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

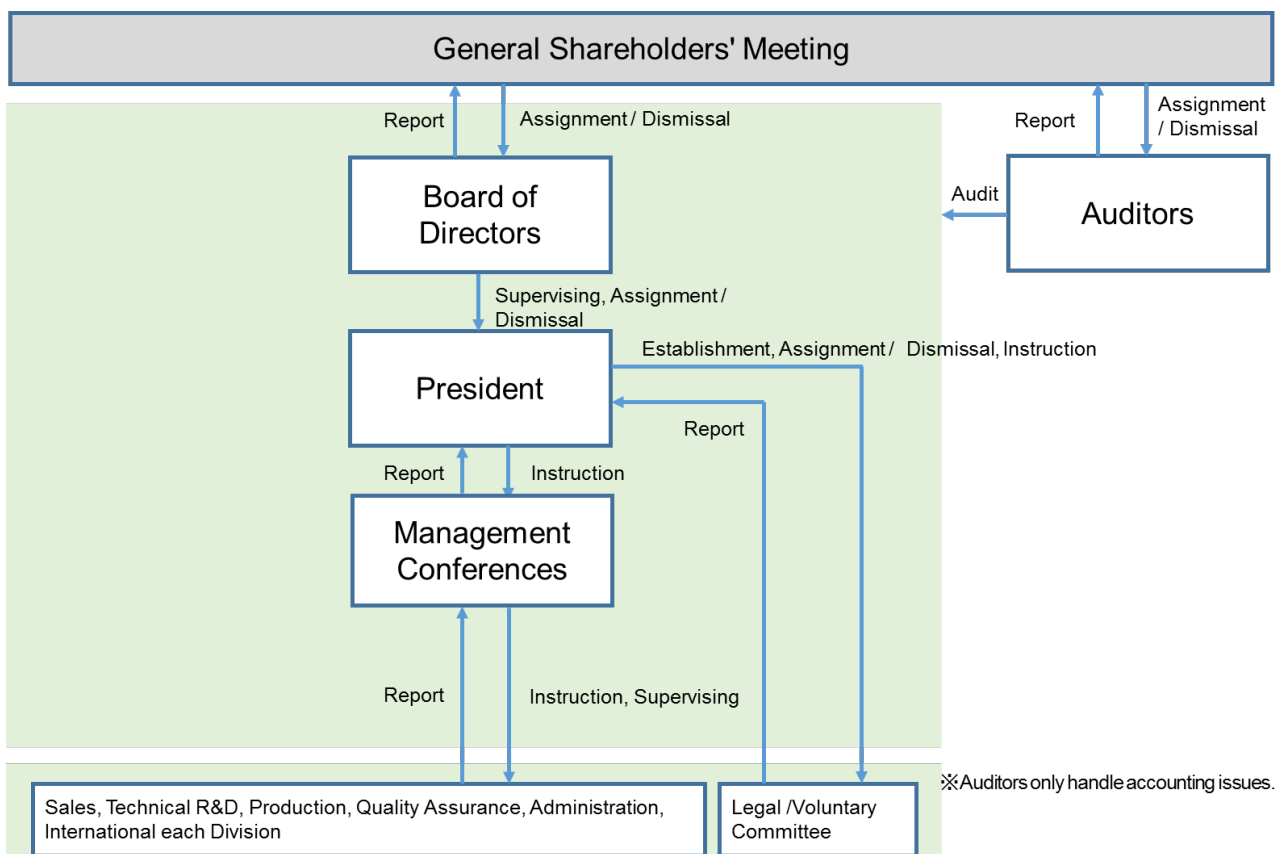
Board of Directors / Management Conferences

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

International meetings

International meetings are held by our President twice per year. All sales companies and group enterprises attend the meetings in order to understand and disseminate the sales policy and sales plan for the next fiscal year. We also discuss various issues for each area at this time.

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 FY2104 we have held periodic web conferences with each of the 6 sales companies and a Semiannual International Meeting.

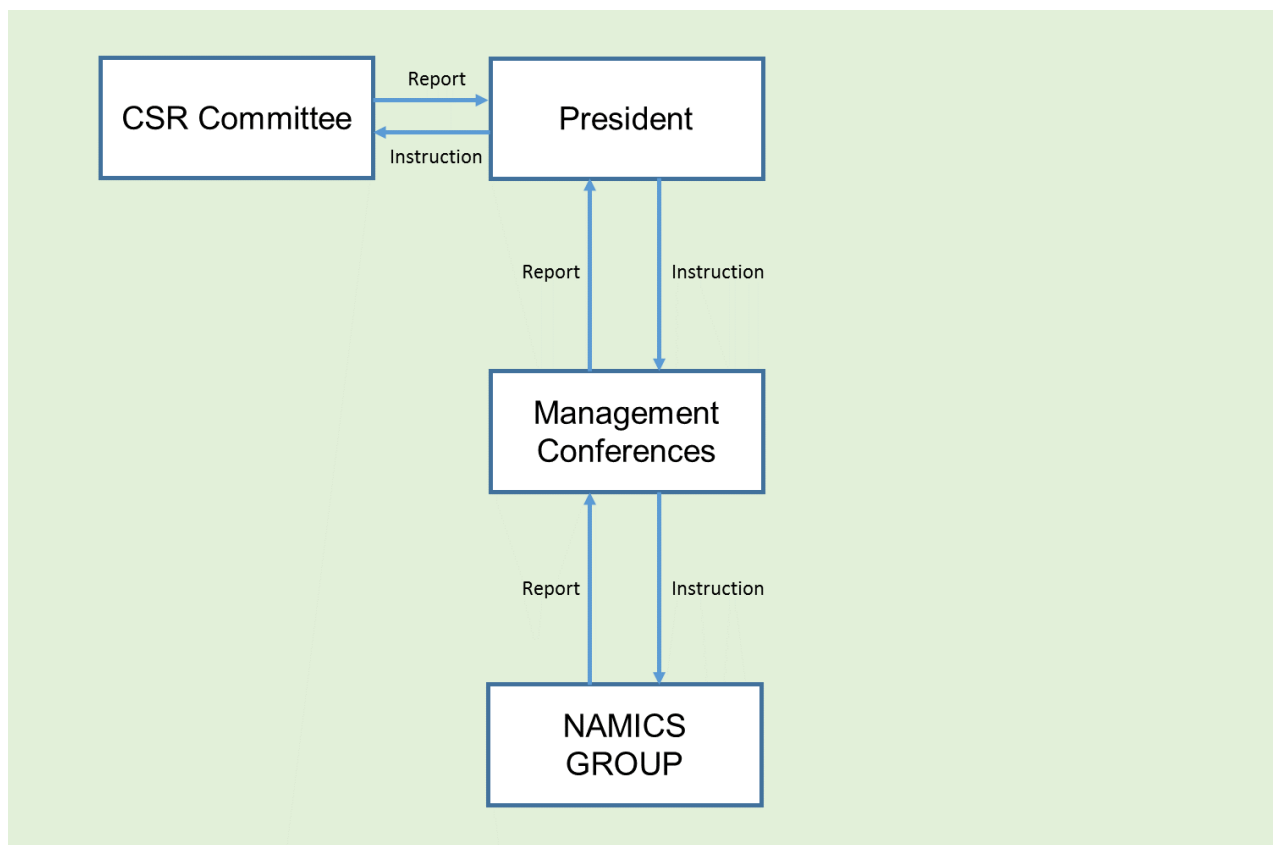
We discuss various topics such as the followings at the above meetings in order to strengthen the governance of headquarter and reinforce the sales ability of sales companies.

- 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 of 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**

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

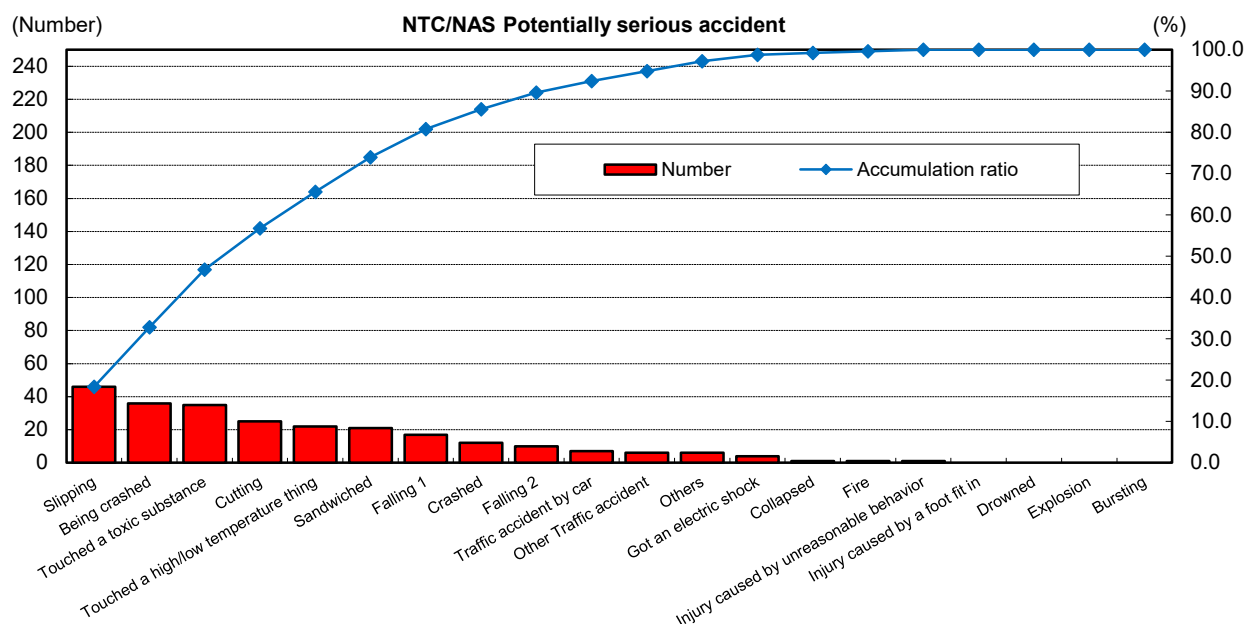
5S Safety Patrol

At each factory in the NAMICS Group, in order to be thorough in the 5S (Seiri: Sorting, Seiton: Setting-in-Order, Seiso: Shining, Seiketsu: Standardizing, Shitsuke: Sustaining the Discipline) activity, our members including overseas employees designated by our Occupational Health and Safety Committee conduct a 5S safety patrol every month to improve workplace safety.

The thorough 5S activity does not only contribute to the improvement of workplace safety at each factory, but also leads to the improvement of working efficiency, employee relationships and customer's trust.

Sharing information of "Potentially serious accident"

Our Occupational Health and Safety Committee constantly collects information on potentially serious accidents that our members have experienced or other safety concerns, and takes measures against those problems. At the same time, they attempt to prevent similar accidents in advance and to share the information through internal announcements.



Education / Training

As prevention and preparedness for workplace disasters related to our employee's 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	FY2015	FY2016	FY2017
Fire drill	389	398	437
Fire prevention education	83	97	89
Hazardous materials security personnel training	14	-	-
Poisonous and deleterious material storage management training	-	21	23
Beginners First Aid Course	30	-	-
Total	516	516	549

Fire extinguisher drill



Fire prevention education



Evacuation drill



AED drill

(Unit : case)

	FY2015	FY2016	FY2017
Occupational accidents (Japan)	1	1	2

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.

Additionally, we have obtained certifications under ISO9001, ISO/TS16949 for quality management systems. In December 2017 we obtained IATF16949/2016 certification.

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.

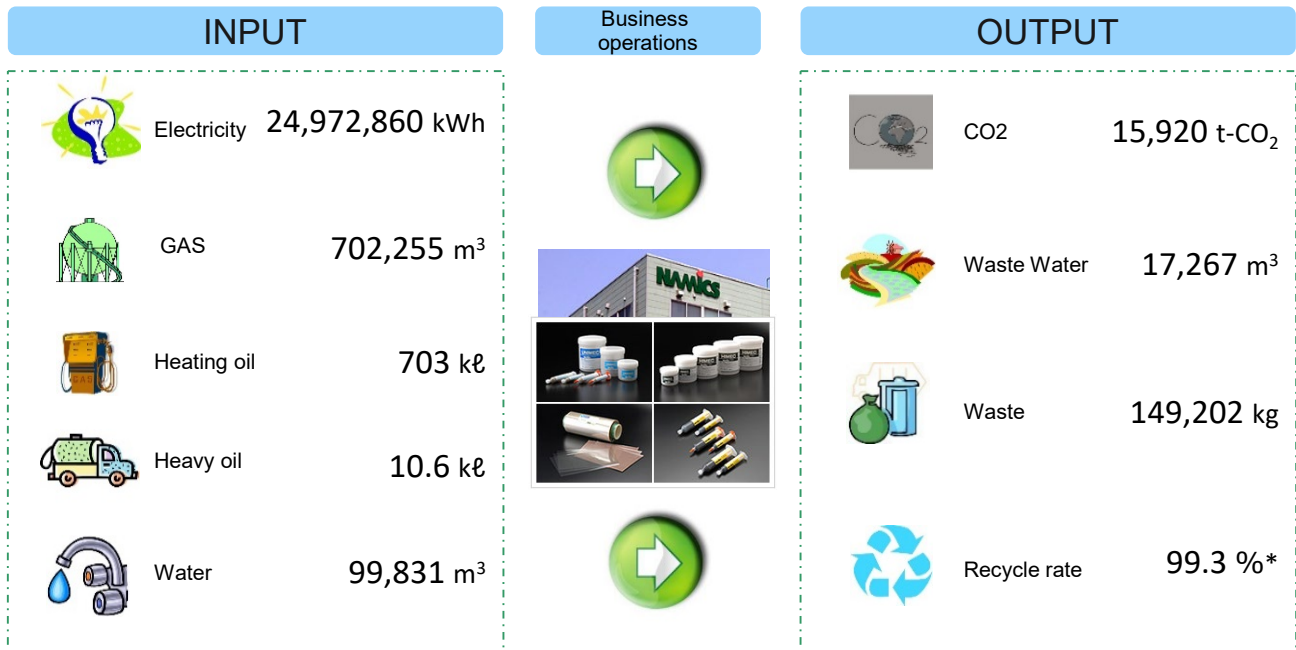
In addition to our basic and specialist trainings on the environment, the importance of managing chemical substances contained in the products is also taught based on the guidelines for the management of chemical substances in products.



Environmental Protection

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

Environmental impacts overview (Including overseas factory)

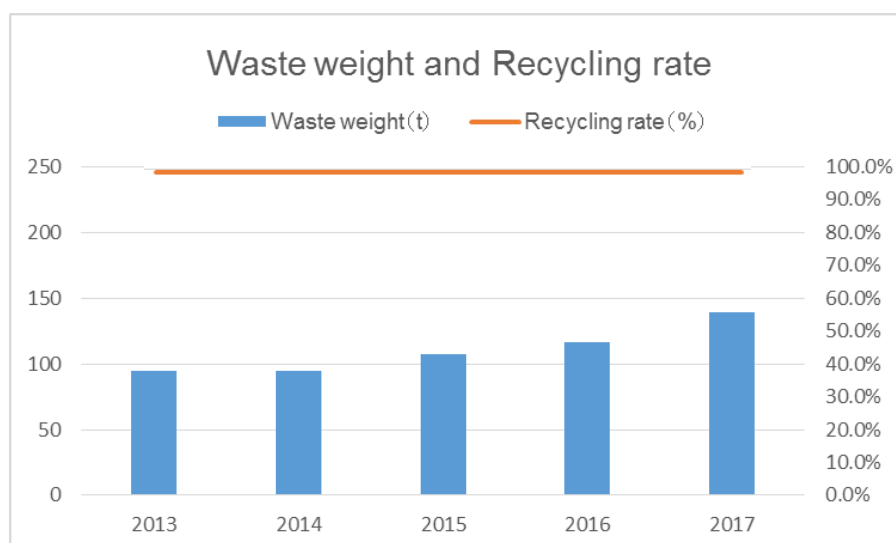


The figures for the factories in Japan are the actual values in FY2017.

The figures for Taiwan factory are the actual values from January 2017 to December 2017.

*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

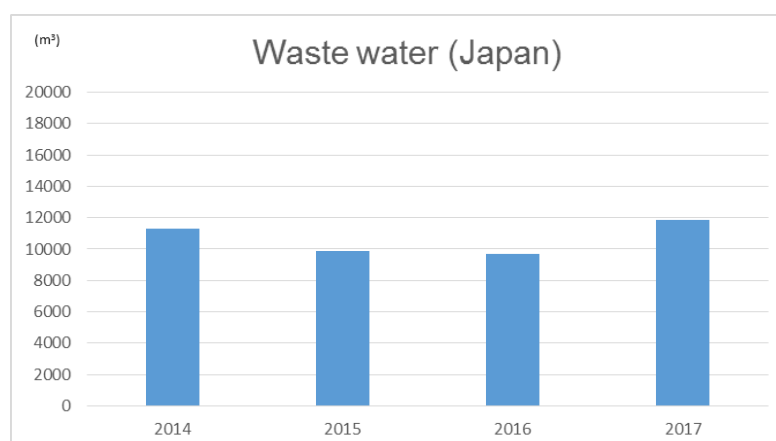
NAMICS Group is committed to preventing any water contamination occurrence in public water areas. Waste water is strictly controlled and treated in a waste water treatment facility. We are fully compliant with the related laws and regulations.

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 Oct. 2017)	
			Effluent (No.1)	Effluent (No.2)
pH	Upper limit	5.8~8.6	7.6	7.5
BOD (biochemical oxygen demand)		<40mg/l	5	9
SS (suspended solids)		<50mg/l	3	3
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	0.05
Zinc		<2mg/l	0.01	0.16
Dissolved iron		<10mg/l	<0.04	0.10
Dissolved manganese		<10mg/l	<0.02	<0.02
Coliform group		<3000pcs/ml	58	360
Nitrogen		<100mg/l	3.2	4.2
Chromium		<2mg/l	<0.04	<0.04



Prevention of Global Warming

About 30% of total solar energy reflects on things, such as clouds, and the remaining 70% reaches the earth. The surface of the earth absorbs the solar energy and infrared rays (IR) radiate from there. Most IR are released to space, however, some of them are absorbed into water vapor or carbon dioxide. These water vapor and carbon dioxide warm the globe. This greenhouse effect keeps the temperature of the ground at about 14 degrees Celsius, and thus the environment is suitable for plants and animals, including human beings.

However, this good balance is being lost and changes are occurring on the earth. Aside from water vapor, the greenhouse gas which is most abundant in the atmosphere is carbon dioxide. Carbon dioxide is largely human driven and burning fossil fuels is causing a major increase. It is therefore necessary that we work on more efficient use of the energy generated from fossil fuels and on the control of greenhouse gas emissions.

Besides setting targets every fiscal year, NAMICS establishes Energy-Saving Guidelines and tries to use energy more economically every day.

Regarding company-owned vehicles, we are shifting our gasoline powered vehicles to hybrid and electric vehicles. As of FY2017, the implementation rate was 85%. In addition, we use LED lighting in our new production facility, which started operation in May 2017, to reduce energy consumption. Also, various other eco-friendly designs have been adopted in the new production facility and the facility was certified as rank A in the "Comprehensive Assessment System for Built Environment Efficiency in Niigata (CASBEE Niigata)".



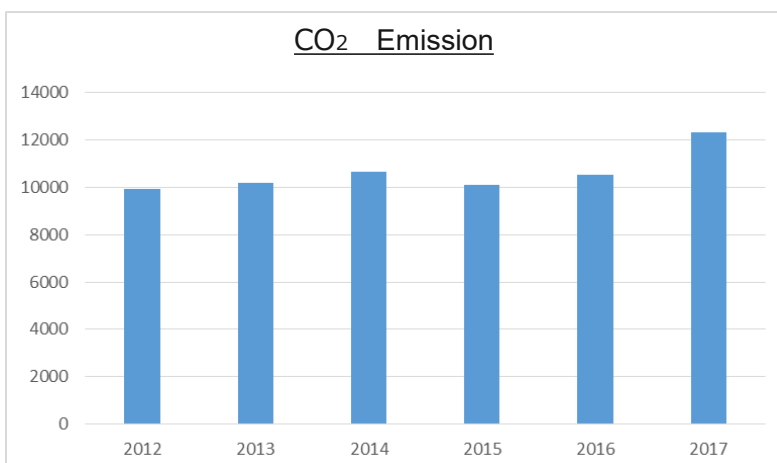
NAMICS Energy-Saving Guideline

項目		内容
オフィスの冷暖房	冷暖房	28℃を目途に過度に暖房を20℃を目途に過度に
OA機器の管理	機器の管理	機器の管理、パソコンの管理
機器の購入	機器の購入	省エネルギー、OA機器等のパソコン等のOA機器を20%以上の効率を有する
業務の合理化	業務の合理化	業務の合理化、改善等
エレベーター	エレベーター	省エネ法に基づく評価
自動販売機	自動販売機	省エネ法に基づく評価
車の利用	車の利用	省エネ法に基づく評価
水管理	水管理	蛇口はこまめに閉める
照明	照明	エネルギーを削減する

Hybrid vehicle



Electric Vehicle



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	2015	2016	2017	Notes
Total time	Total participants	140	124	164	
	Total hours (NAMICS Group)	1878	1878	2331	
Participants ratio	Employees number	491	531	597	
	participants ratio(%)	29%	23%	27%	
Reference index	training satisfaction rating (point)	4.1	4.0	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, 2018)

(Unit : people)

Employee number	Japan		Taiwan factory		Other overseas bases		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Full-time	304	72	25	20	51	26	380	118
Contract	81	33	0	0	0	0	81	33
Long term part-time	1	26	0	0	0	0	1	26
Short term part-time	1	0	0	0	0	0	1	0
Temporary	27	52	0	0	0	0	27	52
Subtotal	414	183	25	20	51	26	490	229
Ratio	69%	31%	56%	44%	66%	34%	68%	32%
Total		597		45		77		719

INTERVIEW

01

Promotion of Global Human Resources

Recruitment and Development

Voice of an employee working at NAMICS from across national borders

NAMICS is promoting the recruitment and development of employees of foreign nationality as one of means to achieve growth as a global company. We are striving to create a rewarding work environment so that each and every employee with diverse backgrounds and values can fully exercise their abilities and have the opportunity to meet new possibilities. Now, we introduce a foreign national employee who is working at NAMICS in Japan.



Headquarters
Sales Division Sales Unit
Overseas Sales Group
Team leader Mr. Wu Hua Jie
(Chinese)

What is your job in NAMICS?

I belong to Overseas Sales Group. My job is mainly to promote and sell our products in China by working together with our local Chinese members to meet customer's needs.

When do you feel satisfied with your work?

Through sales activities, I can improve my capabilities and contribute to the company by challenging the many different aspects of my work. Especially when the products I am in charge of are adopted and delivered to the world for commercialization, I'm so glad and feel satisfied with my work.

Why did you join NAMICS ?

Although the company size is not so large, it is very attractive to work in a global environment while based in Niigata. I thought that "this company is the best place where I can challenge myself for many different things." and decided to join NAMICS.

What are your dreams and goals in the future?

While using the internal training and education support system, I aim to acquire further skills for language and business management.

As I expand my experience and increase my knowledge, I will strive to contribute to the further development of our overseas business as a global leader that the company can count on.

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	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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 General Affairs Group 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 FY2017, 13%, 79 people out of 597 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 247 employees took 125 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	FY2015	FY2016	FY2017
Full-time	13	20	16
Contract	4	9	54
Long term part-time	2	2	3
Short term part-time	1	0	1
Total	20	31	74

Retired employee (Unit : People)

Category	FY2015	FY2016	FY2017
Full-time	4	5	11
Contract	8	4	19
Long term part-time	1	2	2
Short term part-time	1	0	0
Total	14	11	32

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 in FY2017, 17 employees' children joined the school. We expect that the children of employees who have completed their childcare leave will enter the school 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.



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

category	FY2015		FY2016		FY2017	
	Male	Female	Male	Female	Male	Female
Returning rate	100%	100%	-	100%	-	100%
Retaining rate	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	FY2015		FY2016		FY2017	
	Male	Female	Male	Female	Male	Female
Child-care leave recipient	2	8	0	10	0	8
Child-care leave admitted persons	37	8	14	10	18	8
Child-care leave rate	5%	100%	0%	100%	0%	100%

INTERVIEW

02

Support of employees returning from childcare leave through NAMICS In-House Nursery school

Voice of employee using “Ebigase Nursery School Amic”



Head Quarters
Administration Divisions, INS Group
Team Leader Ms. Yuri Hara

When and why did you start to use the nursery school ?

I was supposed to leave my child at a nursery school in my neighborhood because Amic is a little far from my house. However, as the day to return to work was getting closer, I started looking for a nursery school and found out that there were no available schools for children under 1 year old. I applied for 5 nursery schools for April entry, however, I was not able to get into any of them.

At that moment, I talked to Amic's nursery teacher about this situation and they accepted my child. At first, I was going to use Amic as a short-term nursery school, however, he formally entered Amic at last.

Please share your impressions and the pros and cons about Amic.

In Amic, there are many children whose parents are working at Namics. I feel it is very comfortable and easy to communicate with co-workers in other divisions who I don't have a chance to talk at the office

I can share information with co-workers and I feel we are able to create a good environment through the children and Amic. The in-house nursery school is very helpful to continue my job.

When I go to work on a public holiday, Amic also opens, so I do not need to look for a nursery school. When my child has a fever or I'm late to pick him up, Amic's teachers and I can communicate with each other on our extensions.

Amic is a well-equipped school and the teachers are very friendly.

My child reached the age in which he is allowed to use the shuttle bus service from the company to Amic this year, so I always go to my office with him and leave him in the waiting room. Everybody at NAMICS is able to have the chance to feel more close to our children and seem to gain a deeper understanding of childcare because of Amic and the waiting room.

What do you expect of the in-house nursery school in the future?

Only Namics employees can leave their over 3 years old children in the school. Thus, my child has to say good-bye to his friends whose parents work at other companies when my child starts the 3 years old class. My child will turn 3 years old next year and the number of classmates will decrease, from about 20 to 5.

What I hope for the most now is that any children around this community will be able to continue to go to the school without any age limit.

14. Investment in Social Capital

Contributing to the local community

NAMICS carries out various initiatives in Niigata, where the company was founded, and other hubs, striving for mutual success with the local community.

Contributing to the Community : Local Cleanup Project

NAMICS conducts the local cleanup project regularly in all company sites and their vicinities.

Over 140 employees participated in the last project and they contributed to the clean community where we operate by picking up even trash hidden behind bushes.

We are committed to continuing to promote and create a clean and pleasant neighborhood environment as a member of the community.



Passing Down Local Traditions : The Niigata Summer Festival

Joining the Niigata summer festival folk dance parade held every August has become the company tradition since 2007.

This year, 125 employees and their family members enjoyed dancing dressed in the original company Yukata costume, showcasing NAMICS' presence in the community.

We will continue to participate in the event as our contribution to passing down the local traditions for years to come.



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

As part of the systems, we have support system for workplace club activities, and many employees are participating in those club activities.

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.

item	FY2015	FY2016	FY2017
Number of club	12	12	12
Number of employee registered	200	201	219

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.





Reporting Organization

NAMICS Corporation, our offices and sites in Japan and Overseas

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