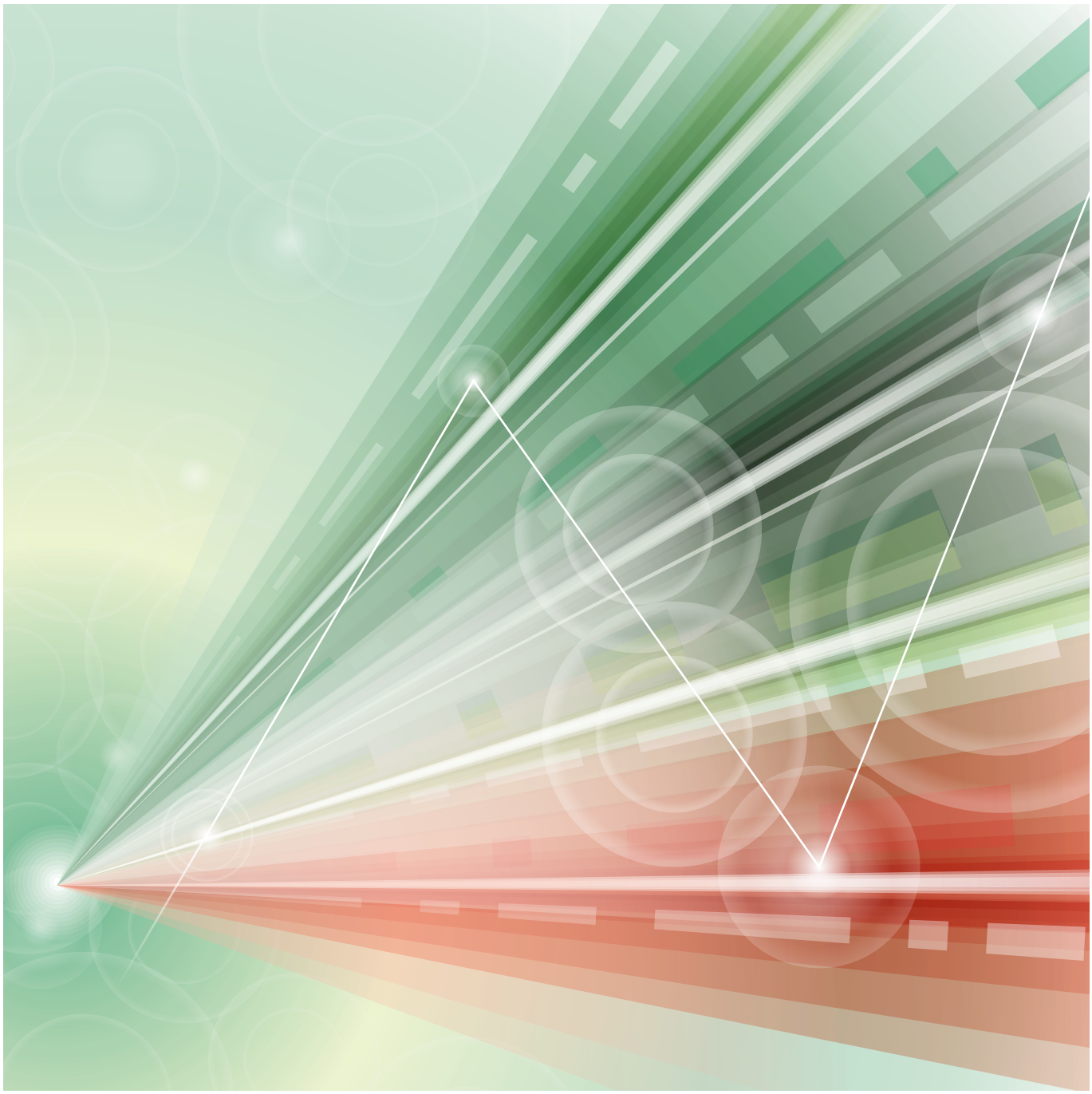
NAMICS CORPORATION

CSR REPORT 2026



Mutual prosperity to both nature and mankind through creativity innovation and sensitivity

80th ANNIVERSARY

NAMICS CORPORATION

1. Corporate Philosophy, Fundamental Management Policy, and Activity Guidelines

NAMICS's Management Vector (Corporate Philosophy System)

In an era of rapid change, companies must practice strong and strategic management capable of adapting to evolving social and business environments in order to maintain sound operations and achieve sustainable growth.

At NAMICS, we have defined a universal management foundation that transcends time. It comprises our Corporate Philosophy, which states the fundamental purpose of the organization; our Fundamental Management Policy, which captures the direction and long-term goals of the company; and our Values (NAMICS WAY), which emphasize respect for individuality and serve as behavioral and decision-making standards for all employees and includes the Activity Philosophy and the Activity Guidelines. Together, they form our management vector. In addition, we place great importance on corporate management that considers the impact of our operations on society, incorporating our Corporate Social Responsibility (CSR).

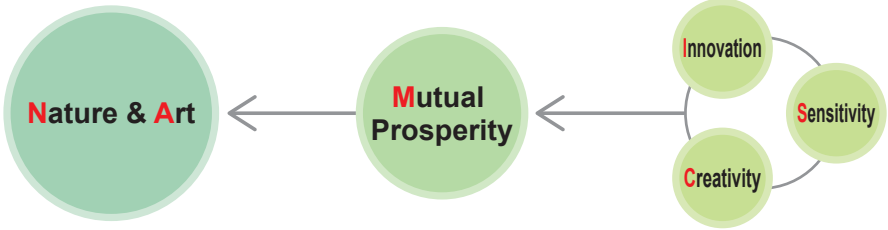


Corporate Philosophy —Our raison d'être—

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.

Embedded within the name "NAMICS" is our belief that corporate activities aimed at realizing this goal depend upon the sensitivity, innovation and creativity of our employees.



Fundamental Management Policy —The direction we should aim—

Create Value for the Future

—Only One and Number One Company—

- We use creativity and technology to generate future possibilities.
- We face change with trust from society and the market.
- We take pride in our work and provide true happiness and reasons for living.

Under our Fundamental Management Policy of Create Value for the Future, we aim to become an Only One and Number One Company by creating new value that connects us to the future.

Values (NAMICS WAY) —Guidelines for conduct: How we should act—

Activity Philosophy

Self-reliance, Self-action, Self-help

Recognize that “You are the architect of your own life” and strive to lead a life that brings satisfaction.

Activity Guidelines

Challenge	Growth	Respect
Foster curiosity and flexibility, and continually push your limits.	Take initiative to instigate change, driving growth to achieve your goals.	Enhance communication and cultivate relationships built on mutual respect.

The shared values (NAMICS WAY) that serve as criteria for our daily actions are articulated as the Activity Philosophy (Self-reliance, Self-action, Self-help) and the Activity Guidelines (Challenge, Growth, Respect). In order to make our life fulfilling, we place importance on acting on our own understanding and conviction, and we strive to act through proactive thinking and communication based on both individual and group decision-making.

Corporate Social Responsibility —Management that is conscious of impacts on society—

Our Commitment to Corporate Social Responsibility (CSR)

For NAMICS to develop in a sound and sustainable manner, it is essential that each and every employee acts with a high sense of ethics and social responsibility. On that basis, we place importance on CSR in all corporate activities—including promoting environmental conservation throughout our business activities, adapting to increasingly globalized supply chains, ensuring compliance, and acting with integrity based on social ethics—and are committed to continuous improvement.

In addition, we position the continued provision of social value through our business as the core of CSR, and while strengthening risk management and business continuity frameworks toward the stable supply of products and services, we promote sound and highly transparent management. We will proactively work on human resource development, respect for human rights, and support for local communities, and contribute to enhancing corporate value and realizing a sustainable society.

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2. Editorial Policy

In fulfillment of our CSR activities and to foster broad comprehension and facilitate ongoing dialogue with all stakeholders in society, NAMICS has released this year's CSR report. This report refers to the GRI Sustainability Reporting Standards (GRI Standards), a recognized international reporting guideline provided by the Global Reporting Initiative.

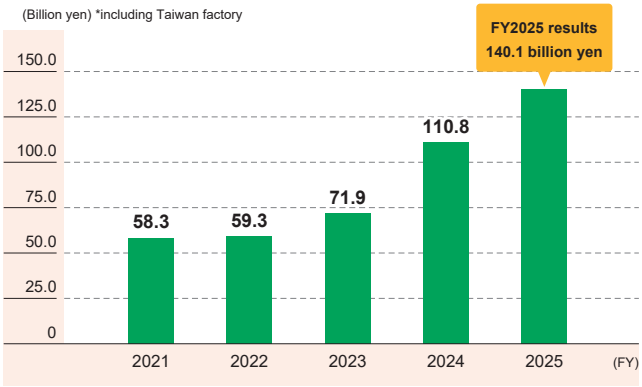
Reporting Period	FY2025 (April 1, 2025 to March 31, 2026)
Issued	September 2026 (Next scheduled issue: September 2027)
Referenced Guideline	GRI Standards

3. Company Profile

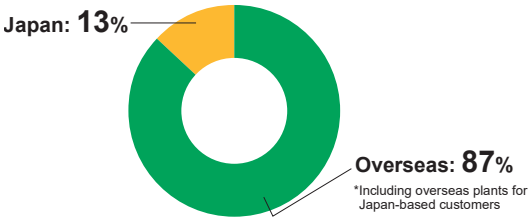
Company Profile

Name	NAMICS CORPORATION
Address	3993 Nigorikawa, Kita-ku, Niigata City, Niigata Prefecture 950-3131, Japan
Foundation	February 1947
Capital	80 million yen
Representative	Toshinobu Odajima, President
Business	Research, development, manufacture, and sales of electrochemical materials
Sales	140.1 billion yen (FY2025 results, including Taiwan factory)
Employee number	846 (As of March 31, 2026, including temporary employees)
R&D Expense Ratio	4% (FY2025 results)
Member Organization	Japan Electronics and Information Technology Industries Association Japan Electronics Packaging and Circuits Association NIIGATA Chamber of Commerce & Industry

Sales history



Sales ratio (FY2025)



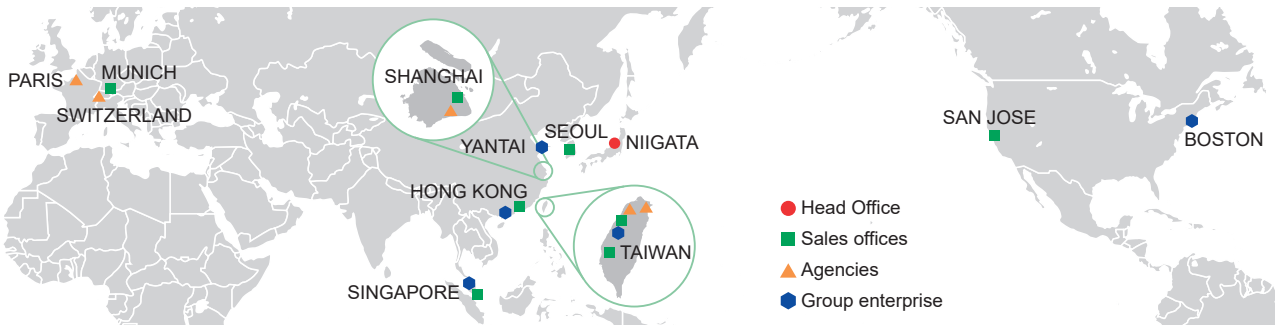
Japan Network





Head Office

Global Network



Main Products and Services

NAMICS handles both insulating and conductive materials used in semiconductors and passive components.



Insulating materials

These materials are used for bonding electronic components and protecting semiconductors against impact and moisture, functioning as electrical insulators.

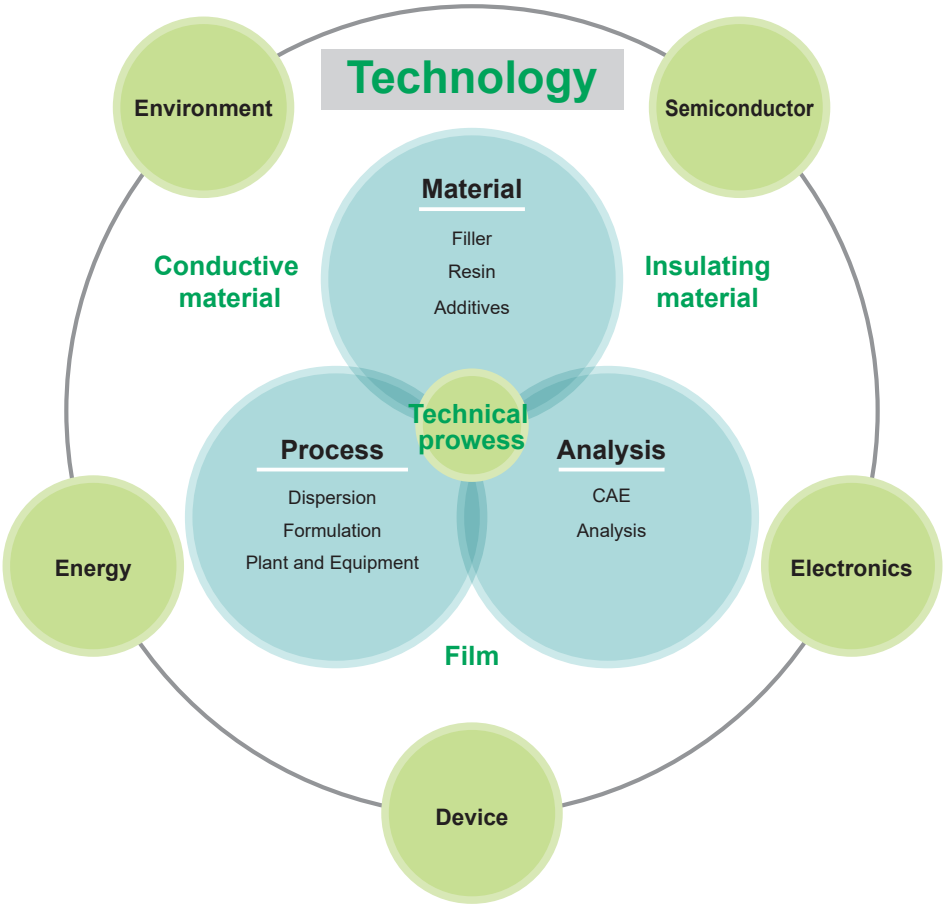
- **Liquid encapsulation materials**: Underfill, etc.
- **Adhesives**: Adhesive types
- **Substrate materials**: ADFLEMA

Conductive materials

These materials are applied to electronic components or bonding areas to provide electrical conductivity.

- **Thick film materials**: HIMEC
- **Adhesive materials**: UNIMEC

NAMICS Technology



4. Message from the President

As an indispensable presence supporting industrial evolution and society, in Niigata and around the world.



NAMICS CORPORATION
Toshinobu Odajima, President

NAMICS has supported the evolution of industry and society through the research, development, manufacture, and sales of electrochemical materials. The foundation for our work is our corporate philosophy: Mutual Prosperity to Both Nature and Mankind through Creativity, Innovation, and Sensitivity.

While technological advancement enriches people's lives, corporate activities have also had a certain impact on the natural environment. That is precisely why we believe that, while providing value to society through our business, we must also minimize environmental impact as much as possible and contribute to building a sustainable future in which people and nature can coexist.

The changes of the four seasons and climate change, felt strongly in Niigata

Living in Niigata's nature-rich area, we can feel firsthand that the transition of the seasons has been changing compared with the past. We feel that the serious impacts of climate change, such as extreme heat and heavy rainfall, are becoming more immediate threats year by year.

In the face of advancing climate change, what can each of us do? It is important to ask ourselves that question again and put the answer into action. However, this is not something that can be achieved by one person's efforts or in a short time. It requires a change in awareness by each individual and initiatives over time. We believe that working together to combat climate change is a mission entrusted to our Company.

Aiming for carbon neutrality by optimizing energy use

We must consider a wide range of measures to address climate change. Among them, we position achieving carbon neutrality as one of our key management themes and are working steadily toward it.

In addition to utilizing renewable energy such as solar power generation, we are also strengthening energy management in manufacturing. We have also begun new challenges, such as building a system that, while ensuring the required quality, reduces the energy necessary for production in collaboration with customers.

We are also focusing on developing materials that can help to reduce energy consumption when end products are used. Of course, we are also working together across the company to eliminate substances harmful to human health and the environment by conducting rigorous checks at every stage of our operations.

We must consider how we can reduce and bring as close to zero as possible the environmental impact that was generated in the economic activities in which humanity has pursued convenience and comfort. We will do everything we can to achieve this vital goal.

BCP to support the evolution of global business and the future

The rapid evolution and spread of AI technology are also having a major impact on the electrochemical field. Going forward, the materials we provide will require further technological innovation and we expect their applications to expand significantly.

The more semiconductor performance evolves, driven by both hardware and software developments in devices such as smartphones and PCs, the more important our role as a materials supplier becomes.

Alongside the development of excellent materials, it is absolutely indispensable that we provide a stable supply of materials. Although we did not suffer major damage during the Great East Japan Earthquake in 2011, we received warm expressions of concern and encouragement from customers around the world. Learning from that experience, we have built a more robust BCP (Business Continuity Plan) and have put in place a structure that can stably deliver materials essential to semiconductor manufacturing under any circumstances. Our new plant scheduled to start operation in FY2027 is positioned not only as a means of supplementing production capacity going forward, but also as an important site for making NAMICS's BCP firmly established.

From Global to Local
A Force Supporting Business and Society

Currently, approximately 90% of our business is accounted for by overseas markets (Taiwan, China, Southeast Asia, Europe, the United States, etc.). In business activities on the global stage, what we value above all is global awareness.

This means providing high-quality materials that can be used with confidence while respecting the cultures and customs of countries around the world and building strong relationships of trust. To achieve this, it is essential to accurately understand chemical substance-related laws and regulations in countries around the world and conduct appropriate transactions with thorough compliance. Building a business model that respects diverse values will continue to be our theme.

Precisely because we operate globally, we believe it is important to cherish our home here in Niigata. Niigata is a local city that faces many issues such as population decline and outflow of young people, but by finding and continuing to support the unique value and potential that exists there, we can contribute to revitalizing the region. We regard this as NAMICS's social role as a company. To build a more vibrant Niigata, we will continue to do what we can to help from various angles.

Among regional cities, Niigata enjoys particularly good access to the Tokyo metropolitan area. Tokyo can be reached in just two hours by bullet train. By taking advantage of this accessibility, I believe people can continue living happily in Niigata while being able to visit Tokyo whenever they wish, without having to relocate. As a measure to address population decline, would it not also be important for us all to communicate these advantages of living locally more actively to younger generations? Our sponsorships and donations to local events and campaigns to date have been made with these deep feelings toward Niigata in mind.

In addition, our initiatives in agriculture with an eye toward Niigata's future are also part of these efforts. To address challenges such as the "3K" image of agricultural work (physically demanding, dirty, and hazardous), an aging workforce, a declining food self-sufficiency rate, and the spread of abandoned farmland, we are introducing a data utilization approach honed through our manufacturing expertise. We aim to quantify cultivation know-how that has traditionally depended on experience and intuition, and develop and promote a new approach to smart agriculture with lower implementation costs. Through these efforts, we will leverage Niigata's extensive farmland resources to help revitalize the region.

In the Kita Ward of Niigata City, where our Head Office is located, we support a demonstration experiment of ride-sharing/on-demand transportation aimed at securing transportation options, which is a local issue. With the aim of establishing mobility infrastructure that will encourage child-rearing generations and children, as well as elderly people, to live comfortably, we are proactively involved in building the future of the local community.

We will continue to support building Niigata's future so that people can feel the appeal of life in Niigata and so that young people will want to return to the place where they were born and raised.

Supporting technological advancement and Niigata's future behind the scenes

No matter how far AI advances or how much more convenient digital devices make life, we do not believe NAMICS needs to become a prominent presence in the spotlight. It is enough if the materials we create can quietly contribute to technological progress and the creation of a more prosperous society. To continue to be a trusted partner working behind the scenes by delivering excellent products in a timely manner and exceeding expectations: that is our pride.

That attitude is the same toward the local community. To energize Niigata, where our valued employees and their families live, and to support their lives filled with hope and peace of mind, we will continue to spare no effort in our support. The greatest joy is for our existence to be useful to someone.

From Niigata to the world—and energizing Niigata. We regard all activities undertaken from the two-way perspectives of global and local as a mission entrusted to NAMICS, and will continue moving forward.

September 2026
NAMICS CORPORATION
Toshinobu Odajima, President



"NAMICS presents TGC NIIGATA 2026 by TOKYO GIRLS COLLECTION"
Press conference

5. CSR Initiatives

NAMICS promotes CSR activities throughout the company by establishing a CSR framework with the involvement of management and raising CSR awareness among employees.

Fundamental CSR Policy

Social Contribution through Our Business
- Stably supplying products and services that provide social benefit with all due consideration for 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
- Ensuring strict adherence to relevant laws, regulations, and internal rules in all corporate conduct.
- Engaging in fair and free competition and transactions, maintaining sound relationships with political bodies, government agencies, citizens, and various organizations.
- Ensuring corporate transparency through appropriate disclosure of corporate information and proper management of personal and customer information.

Respect for Human Rights
- Respecting the human rights of all human beings and strictly prohibiting any actions or behaviors that damage any human being's dignity, including discrimination based on one's race or gender, child labor, and forced labor.
- Promoting the creation of a safe and hygienic workplace where employees can fully demonstrate their capabilities.

NAMICS's fundamental CSR policy

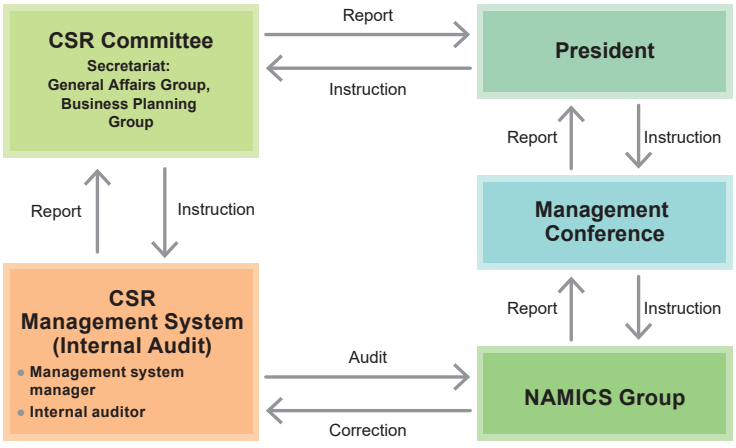


CSR Promotion Structure

Based on the Fundamental CSR Policy, we have established a CSR Committee with the aim of investigating and deliberating matters related to CSR activities within the NAMICS Group.

The CSR Committee is chaired by the President and is composed of Directors, Executive Officers, and Senior Group Managers.

Matters to Be Submitted to and Discussed by the CSR Committee
- Confirmation, review, deliberation, and determination of the Fundamental CSR Policy
- Confirmation of the status of CSR activities and consideration of additional matters
- Confirmation, consideration, and approval of matters to be included in the CSR Report



CSR Management Manual

In August 2021, we established a CSR Management Manual compliant with the RBA Code of Conduct*, an international standard for labor, occupational health and safety, the environment, ethics, and management systems that has been adopted by many global companies, mainly in the electronic components, semiconductors, and electronic equipment industries, and we are working to promote its understanding and implementation among all employees.

* The RBA Code of Conduct
is a code of conduct established by the RBA (Responsible Business Alliance). It sets standards to ensure that the working environment in the supply chain is safe, that workers are treated with dignity and respect, and that business activities are conducted with environmental consideration and ethically. It is revised periodically and the latest version is Version 8, which took effect in January 2024.

CSR Material Issues

At NAMICS, we are working on CSR activities by identifying CSR issues of importance to us (CSR material issues).

The CSR material issues are (1) identified and selected by the CSR Committee based on the corporate philosophy, core themes of the mid-term management plan, and input from customers, employees, and other stakeholders, (2) evaluated and prioritized along two axes, business and stakeholder perspectives, and (3) deliberated on and determined. The determined CSR material issues are documented in the CSR Policy Management Regulation and communicated throughout the Company.

● Process for determining CSR material issues by the CSR Committee

(1) Identification and selection of issues → (2) Evaluation and prioritization → (3) Deliberation and decision

● CSR material issues overview

CSR Material Issues	Overview
Workplace safety	Maintain and improve a workplace environment where each employee can work safely and in good health, and prevent occupational accidents.
Initiatives to reduce environmental impact toward a sustainable society	Establish and operate an environmental management system and work on proper management of chemical substances and reduction of environmental impact.
Building a reliable value chain for our customers	Build a value chain that earns customer trust by promoting fair procurement, ensuring quality and product safety, thoroughly managing information, etc.
Promoting respect for human rights, legal compliance, diversity, and talent development and retention	Respect human rights, prevent discrimination and harassment, develop a fair employment environment, and ensure ethical business practices.
Investment in social capital	Actively promote initiatives that contribute to the development of local communities and enhance employee benefits programs.

Workplace safety



Wiping containers while wearing protective equipment and operating the ventilation system.

Investment in social capital



NAMICS took the lead in conducting a demonstration experiment for Community Co-creation Mobility in collaboration with local companies, aimed at establishing sustainable regional transportation. (October 2025 to February 2026)

6. Environmental Management

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

1. NAMICS sets the Environmental Management as one of its most important projects, and takes its expanding social responsibilities through continuous improvements of its Environmental Management System to improve the environmental performance.
2. NAMICS familiarizes all employees with its Environmental Policies and encourages them to be conscious of environmental problems and to contribute to society.
3. NAMICS observes the regulations on Environmental Management. It also strives for the international cooperation based on the guidelines of related organizations, associations or those with which NAMICS has common principles, uses resources sustainably, mitigates and adapts to climate change, and protects biodiversity and ecosystems. Furthermore it aims at the prevention of pollution and disasters, and safe operation.
4. Regarding the following environmental conservation activities as the focus, NAMICS performs these environmental programs.
   4.1 Energy conservation
   4.2 Promotion of 3Rs, Reduce, Reuse, and Recycle
5. In order to reduce the environmental impact from NAMICS’s products, the following is carried out.
   5.1 R&D, and design of products where environmental impact can be limited to as little as possible
   5.2 Reduction of environmental controlled chemical substances in products and the replacement of them with alternatives
   5.3 To minimize amounts of packing materials
   5.4 To strive to use environmentally-friendly materials
6. NAMICS sets medium-term environmental objectives matching with its Environmental Policy based on the evaluation results on the impact which NAMICS may have caused. It also plans environmental targets for each fiscal year, makes concrete action programs based on those targets and performs the plans.

NAMICS CORPORATION
Toshinobu Odajima, President

NAMICS is located in Niigata City, known as the “Water Capital” because of its many waterside areas and its wide rivers which flow into the Japan Sea.

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



We will continue to work toward 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.

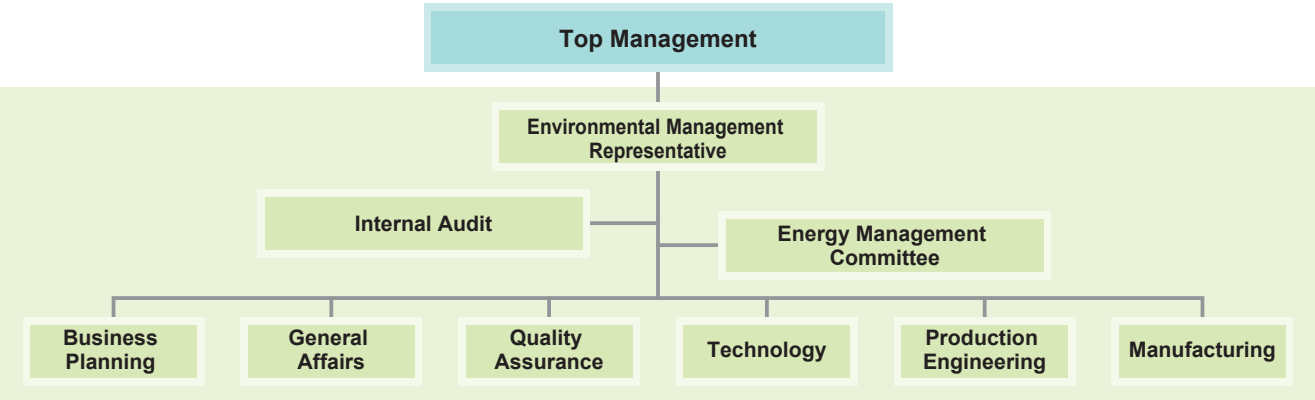
Environmental Management System

NAMICS has introduced an Environmental Management System (EMS) to fulfill its corporate responsibility toward realizing a sustainable society, promoting company-wide initiatives that integrate management and environmental preservation.

Our EMS operates across multiple priority areas, including climate change mitigation, water resource conservation, and waste reduction, with each department utilizing its expertise to actively advance initiatives.

Environmental targets are set annually, and continuous improvement is pursued through the PDCA cycle. In addition, senior executives, including the President, conduct management reviews twice a year to evaluate and monitor EMS performance and target achievement, leading to further improvements.

Furthermore, centered on the Energy Management Committee, in addition to promoting energy conservation activities, we are working to expand the introduction and utilization of renewable energy to promote the reduction of greenhouse gas emissions.



Status of Environment-related ISO* Certification

Our EMS symbolizes our corporate stance of harmonizing environmental preservation with business activities and is positioned as a vital pillar of our CSR. Going forward, we will continue to maintain our ISO 14001 certification and strengthen initiatives focused on environmentally conscious product development and corporate activities, thereby contributing to a sustainable future.

The ISO 14001 certification status is as follows:

ISO 14001	Company / Facility	NAMICS Corporation related facilities ・NAMICS Techno Core ・ADFLEMA Site ・Tsukioka Plant
	Scope of ISO registration	Design, development and manufacture of coatings, pastes and powders for electronic components; encapsulating resins for semiconductor; conductive pastes for electronic components, circuits and batteries; conductive powders; conductive adhesives; conductive and insulating materials for display; film materials for electronic components and electronic devices; marking inks for electronic components; insulating pastes for electronic components and circuits; and insulating adhesives.
	Certification date	November 21, 2003
	Registration body	Japan Quality Assurance Organization (JQA)

*ISO: A non-governmental organization headquartered in Switzerland, the International Organization for Standardization, or the international standards it establishes and issues. These standards, covering diverse fields such as manufacturing, agriculture, and healthcare, establish globally consistent benchmarks for product and service quality, as well as management systems. Obtaining ISO certification demonstrates that an organization's quality management meets international standards, thereby enhancing credibility and trust.

*There are two broad categories of ISO standards:
Product Standards: Standards related to physical products, such as products themselves, card dimensions, and screw sizes.
Management System Standards: Standards related to systems for managing quality, environment, information security, and other aspects.
(Examples) ISO 9001: Quality Management System standard aimed at improving quality and achieving customer satisfaction.
ISO 14001: Environmental Management System standard aimed at reducing environmental impact.
ISO 27001: Information Security Management System standard for protecting information assets.
ISO 45001: Occupational Health and Safety Management System standard for providing safe and healthy workplaces. etc.

*For quality-related ISO certifications, see page 23.

Environmentally Friendly Product Development

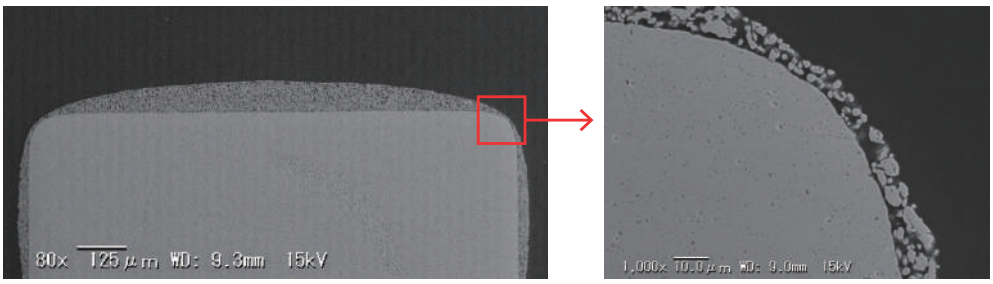
In our Environmental Policy, NAMICS clearly states our commitment to R&D and design of products for which environmental impact can be as limited as possible.

Our environmentally friendly product development refers to development activities that reduce environmental impact across the entire product lifecycle through reducing hazardous substances, extending product life, reducing resource usage, and procuring materials with low environmental impact. Specifically, we conduct the following activities:

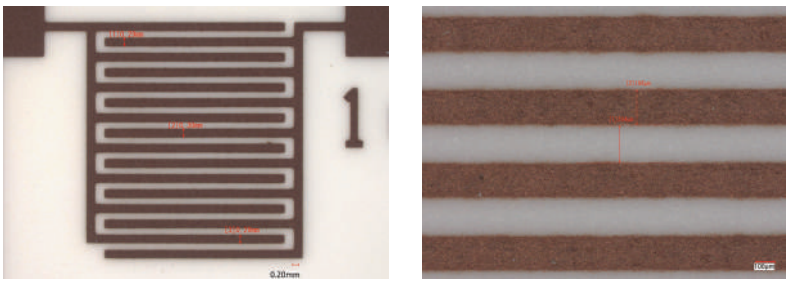
- **Development of products that do not use lead**
- **Development of long-life products that reduce waste generation**
- **Development of products that do not use hazardous substances, including compliance with the RoHS Directive**
- **Reduction and substitution of chemical substances of environmental concern contained in products**
- **Minimization of product packing materials**
- **Promotion of environmentally conscious materials procurement (Green Procurement)**



One example of an environmentally conscious product is our “Air-curable Conductive Copper Paste,” a conductive material that has garnered attention for its lower environmental impact and greater cost stability compared to conventional silver pastes. Additionally, our low-temperature curing products can be cured at lower temperatures compared with conventional products, reducing energy consumption in customers’ manufacturing processes and contributing to a reduction in environmental impact.



Air-curable Conductive Copper Paste (XCH9207 Series)



Air-curable Conductive Copper Paste (XCH9207P Series)

7. Efforts toward Decarbonization

Realization of a Decarbonized Society

As a chemical manufacturer, NAMICS is working to reduce CO_2 emissions associated with its business activities in order to contribute to the realization of a sustainable society. In the "Current Issues Surrounding the Manufacturing Industry and Future Policy Directions" published by the Ministry of Economy, Trade and Industry in January 2025, the material industry, including the chemical industry, is required to achieve both decarbonization through the promotion of GX (Green Transformation) and strengthening of competitiveness.

In light of such social demands, NAMICS is advancing initiatives to reduce environmental impact, including the promotion of energy conservation and the utilization of renewable energy.

In FY2025, we implemented measures contributing to CO_2 emission reductions, such as expanding solar power generation systems, introducing an off-site corporate PPA, and deploying EV trucks for internal regular delivery routes. Going forward, we will continue to make improvements toward the realization of a decarbonized society.

● **CO_2 emissions (Coverage: Entire Group)**

			FY2024	FY2025
			t-CO_2	t-CO_2
Scope 1 (Direct emissions such as fuel combustion)			4,923	4,418
Scope 2 (Indirect emissions from electricity use, etc.)			10,817	10,818
Scope 3 (Other indirect emissions)	Upstream	Category 1: Purchased goods and services	69,454	72,652
		Category 2: Capital goods	7,387	8,884
		Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2	3,077	2,721
		Category 4: Transportation and distribution (upstream)	8,748	9,749
		Category 5: Waste generated in operations	26	34
		Category 6: Business travel	319	327
		Category 7: Employee commuting	327	347
		Category 8: Leased assets (upstream)	—*2	—*2
	Downstream	Category 9: Transportation and distribution (downstream)	—*2	—*2
		Category 10: Processing of sold products	—*2	—*2
		Category 11: Use of sold products	—*2	—*2
		Category 12: End-of-life treatment of sold products	163	161
		Category 13: Leased assets (downstream)	—*2	—*2
		Category 14: Franchise	—*2	—*2
		Category 15: Investment	—*2	—*2
Total			105,240	110,110

*1 Scope 1: Direct emissions from sources owned or controlled by the company
Scope 2: Indirect emissions from the use of purchased or acquired electricity or other energies
Scope 3: All other indirect emissions not included in Scope 2
*2 Excluded from calculation
*3 Due to rounding, totals may not exactly match the sum of individual items.

Acquisition of SBT Initiative Certification

We have obtained SBT1.5°C certification from "SBT (the Science Based Targets) initiative"*4 for our greenhouse gas emissions reduction targets set up toward 2030. (Obtained in August 2024)

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Certified greenhouse gas emissions reduction targets

- 42% reduction in Scope 1 and Scope 2 CO_2 emissions by 2029 (Base year 2019)
- 30% reduction in Scope 3 CO_2 emissions by 2032 (Base year 2022)

*4 The SBT initiative is an international initiative that encourages companies to set science-based greenhouse gas emission reduction targets to achieve the goals of the Paris Agreement. Jointly established in 2015 by four organizations: CDP, an international non-profit organization running an environmental impact disclosure system, the United Nations Global Compact, WRI (World Resources Institute), and WWF (World Wide Fund for Nature).

Expansion of Solar Power Generation System

In FY2025, NAMICS expanded the solar power generation system on the rooftop of its Head Office Administration and Welfare Building (Building No. 24). With this expansion, the total power generation output on the rooftop of the Administration and Welfare Building reached 128.4 kW.

Similar to the installation on the rooftop of the Head Office Factory Building (Building No. 21) last fiscal year, lightweight, low-profile mounts were selected to suit the roof's structure. Furthermore, bifacial panels capable of utilizing reflected light were adopted to increase power generation efficiency.



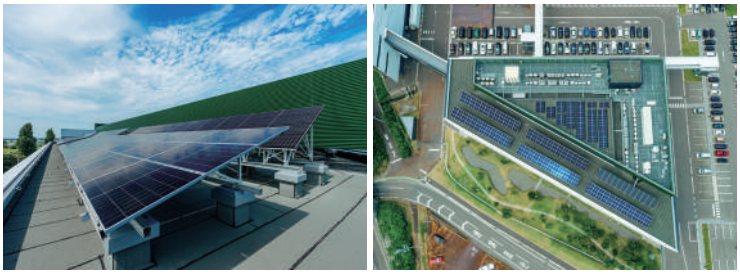
Monitoring system display

Last fiscal year, we also introduced a monitoring system that allows real-time confirmation of power generation status. The solar power generation system installed on the rooftop of Building No. 21 generated 120,000 kWh in FY2025 (April to March), reducing CO_2 emissions by 44.4 tons*1.

In FY2026, with the start of operation of the Building No. 24 facilities, the whole solar power generation system at the Head Office (Building No. 21 + Building No. 24) is expected to reduce CO_2 emissions by approximately 91 tons*1 per year in total.

In addition, because inspecting equipment on the rooftop poses safety risks, we conduct inspections using surveillance cameras instead of visual inspections by personnel. Implementation has been completed for Building No. 21, and plans are underway for implementation at Building No. 24 during FY2026.

*1 Calculated using 0.370 (kg-CO_2/kWh), the preliminary value for FY2025 from Tohoku Electric Power Co., Inc.



Solar power generation system, Building No. 24

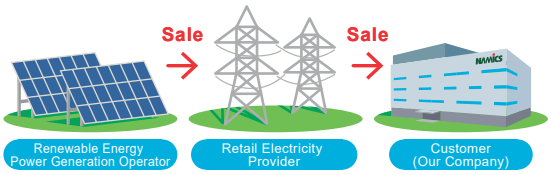
● Overview of rooftop solar power generation system (Building No. 24, expanded portion)

Items	Specification
Power output	118.5 (kW)
Number of panels	250
Type	Frame installation and low-profile mounting system
Completion	February 2026

Introduction of off-site corporate PPA*2

We introduced an off-site corporate PPA (Power Purchase Agreement) from Tohoku Electric Power Co., Inc. on November 1, 2025, and began utilizing renewable energy. This is expected to reduce annual CO_2 emissions by approximately 1,382 tons.

● Image of electricity supply utilizing the off-site corporate PPA service



*2 A service in which Tohoku Electric Power, as a retail electricity provider, purchases electricity derived from renewable energy from power generation companies that own solar power plants, etc., located outside the customer's premises, and sells it to the customer through the grid network of the general transmission and distribution operator.
Reference: Tohoku Electric Power Co., Inc. press release https://www.tohoku-epco.co.jp/news/normal/1247707_2558.html

Introduction of EV trucks for internal regular delivery routes

We changed the contractor for our internal regular delivery routes, which deliver documents and goods between various bases within Niigata Prefecture, to Niigata Toko Transportation Co., Ltd., and switched the operating vehicles from diesel vehicles to EV trucks starting in February 2026. The company's group has obtained the environmental certification "Green Management."

While EV vehicles face challenges regarding driving range, the internal regular delivery routes operate on fixed routes, enabling operations that leverage the characteristics of EVs. The trucks operate between three of our bases, with each route covering a distance of 8 to 17 km. They operate on a three-shift-per-day schedule: early morning, morning, and afternoon.

This is expected to reduce annual CO_2 emissions by approximately 5 tons. Going forward, we will continue to promote initiatives to reduce environmental impact and plan to verify the actual reduction effects in FY2026.

8. Resource Circulation and Reduction of Environmental Impact

At NAMICS, we appropriately and effectively use the resources that serve as raw materials for our products, while promoting waste reduction and resource reuse in manufacturing processes. We also comply with environmental laws and regulations, including proper management of chemical substances and emissions reductions, and continuously work to reduce the burden that our business activities place on the environment.

About Environmental Impact Overview

The inputs of energy and resources in business activities, as well as the resulting environmental load substances (outputs), are maintained at a stable level through resource efficiency and loss reduction. Amid increasing production volumes, we practice improvements in energy efficiency and rational energy use and continuously work to reduce CO_2 emissions.

● **Environmental impact overview (FY2025)**

INPUT

Resources and energy input into business operations

Energy	
Electricity (electricity consumption)	22,847,643 kWh*
Gas	989,682 m³
Heating oil	432 kL
Heavy oil	28 kL
Water Resources	
Water	85,027 m³

*Domestic plants only, excluding offices



We procure raw materials, and through manufacturing and processing, deliver products to customers.

OUTPUT

Environmental burdens generated through business operations

CO_2 emissions	10,932 t-CO_2
Wastewater	20,385 m³
Waste generated	297,200 kg
Recycling rate	99.1 %*

*Recycling rate = (recycled amount ÷ waste generated) × 100

Initiatives for Waste Control and Resource Recycling

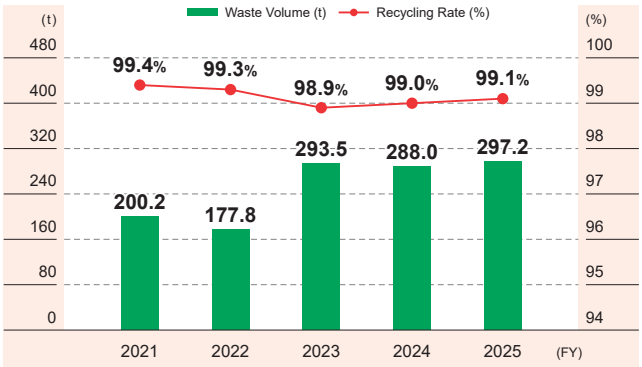
We recognize the importance of compliance with environmental laws and regulations, as well as the reduction of environmental impact, as part of our social responsibility. We continuously work to reduce emissions generated during manufacturing and to promote the reuse of resources used in production.
In 2022, our headquarters plant generated over 50 tons of specially controlled industrial waste, resulting in its designation as a “large volume generator” under Niigata City regulations. However, by thoroughly examining waste generation processes, reinforcing waste separation, improving operations, and strengthening education for related departments, we successfully reduced this amount to below 50 tons in FY2024.

Waste Volume and Recycling Rate

While waste increases with production volume, we are working to reduce waste by minimizing production losses, promoting solvent reuse, and improving employee awareness through waste management education, etc.

We aim to reduce landfill disposal by focusing on material recycling (transforming waste into raw materials) and thermal recycling (using waste as fuel).

● **Waste volume and recycling rate**



Waste Management Education Initiatives

NAMICS conducts “waste management education” for employees involved in waste-related operations and those who wish to participate, with the goal of deepening understanding of environmental protection and building a foundation to prevent fines or reputational loss due to legal violations.

About Waste Management Education

The education program consists of six items, followed by a comprehension test.

1. Laws and regulations on waste management: legal framework, such as the Act on Waste Management and Public Cleaning, and penalties
2. Waste classification and disposal flow: types and handling processes for industrial, general, and specially controlled industrial waste
3. Collection and disposal request procedures: request flow using internal systems
4. Waste generation status and recycling performance: annual recycling rates and trends in waste generated
5. Waste disposal costs: reporting of disposal cost trends
6. Comprehension test: post-training tests and questionnaires for follow-up

Chemical Substance Management Initiatives

We position the management of chemical substances contained in products as a highly important activity in fulfilling corporate social responsibility. We have established a management framework, the “Chemical in Product Management System (CiPMS),” in conformity with “JIS Z 7201:2017 Management of chemicals in products-Principles and guidelines.” Each year, we set goals and actively work toward eliminating hazardous substances while continuously strengthening our management system.

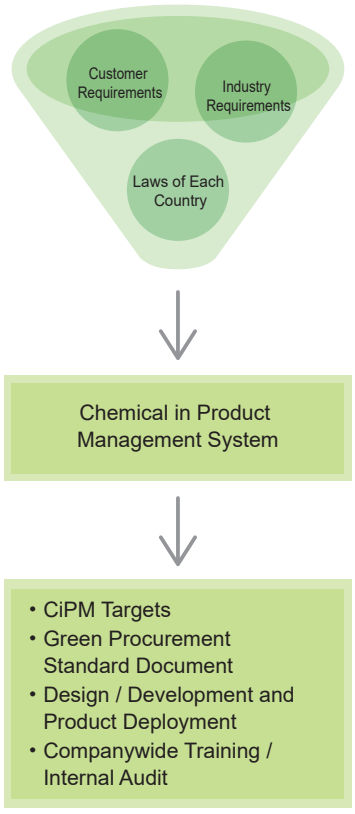
In 2005, we issued the NAMICS Green Procurement Standard Document. In collaboration with suppliers, we verify and assess the risks associated with chemical substances contained in raw materials and auxiliary materials, regularly monitoring developments in increasingly stringent chemical regulations worldwide and customer-specific requirements. This information is managed in our proprietary database and applied throughout the product development process, thereby ensuring compliance with laws and regulations and delivering highly reliable products free of hazardous substances.

Additionally, we conduct company-wide training annually to raise awareness among all employees, and we carry out internal audits focusing on chemical substance management to regularly evaluate and improve the effectiveness of CiPMS.

Through these activities, we continue to achieve “zero violations of chemical regulations in destination countries” and “zero nonconformities with customer-specific chemical requirements.”

As we advance, NAMICS will continue to enforce strict chemical substance management, ensuring both legal compliance and conformance with customer requirements, promoting responsible corporate activities that contribute to the realization of a sustainable society.

• Our CiPM activities



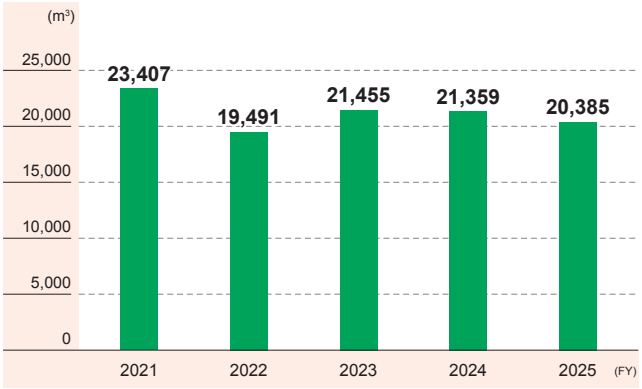
Conservation of Water Resources

NAMICS takes seriously the impact of its business activities on local water environments and positions the conservation of water resources as one of its key CSR priorities. Wastewater generated from Head Office manufacturing processes is appropriately treated using in-house wastewater treatment facilities before being discharged, and we strive to reduce burdens on public water bodies and ensure thorough legal compliance with laws and regulations.

With respect to wastewater quality, we conduct periodic measurement and monitoring of various items, including water temperature; pH, which indicates acidity/alkalinity; BOD, an indicator of contamination by organic matter; SS, an indicator of water turbidity; and nitrogen and heavy metals. We confirm that measurement results conform to standards based on laws and ordinances in Japan. This enables the early detection of anomalies and prompt corrective action. In addition, wastewater items are managed at levels sufficiently below regulatory standards, and wastewater treatment and monitoring processes function effectively in reducing water pollution risks.

Furthermore, in addition to management prescribed by laws and regulations, we also undertake voluntary water quality management. We conduct periodic sampling and visual checks of rainwater drainage, as well as analysis by specialized institutions, continuously monitor the risk of unexpected outflow of contaminants, and maintain a framework to prevent adverse impacts on aquatic ecosystems and human health before they occur. In addition to periodic inspection and maintenance of wastewater treatment facilities, we strive to maintain and improve frameworks to minimize impacts on the water environment.

● Wastewater volume





NAMICS (Head Office) engaging in water resource conservation initiatives in harmony with nature

● Water pollution prevention initiatives — Compliance with standards

Items		Effluent standards	Headquarters Plant (As of October 2025)	
			Effluent (No. 1)	Effluent (No. 2)
pH		5.8–8.6	6.5	7.0
BOD		< 40 mg/L	< 1	5
SS		< 50 mg/L	< 1	6
n-Hexane extracts	Mineral oils	< 5 mg/L	< 1	< 1
	Animal and vegetable oil and fat	< 30 mg/L		
Phenols		< 5 mg/L	< 0.01	< 0.01
Copper		< 3 mg/L	0.02	0.04
Zinc		< 2 mg/L	0.07	0.17
Dissolved iron		< 10 mg/L	0.09	0.04
Dissolved manganese		< 10 mg/L	< 0.02	< 0.02
Coliform group		< 3,000/mL	0	0
Nitrogen		< 100 mg/L	28	23
Chromium		< 2 mg/L	< 0.04	< 0.04

9. Supply Chain Management

Basic Concept and Policy

NAMICS regards the establishment of a supply chain encompassing purchasing, production, and sales that customers can trust and choose with confidence as an important management issue. Sales offices quickly identify customer needs and utilize NAMICS's global network to share information. By coordinating with the Production Division and Purchasing Group to reflect this information in sales plans, we achieve stable supply and prompt responses to customers. From a BCP (Business Continuity Plan) perspective, multiple production sites, including overseas plants, have been established, and a global "Material Purchasing Policy" has been defined. In addition to complying with the social standards of the countries and regions in which our business partners operate, NAMICS seeks mutual prosperity through initiatives that fulfill corporate social responsibilities such as environmental conservation.



NAMICS Supply Chain Management

Implementation of the Material Purchasing Policy

1. **Procurement of Optimal 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. **Fair Procurement at Reasonable Prices**
   In principle, we compare and evaluate quotes from multiple partners to ensure fair competition and optimize costs.
3. **Promotion of Green Procurement**
   We promote green procurement with consideration for natural resource protection and environmental conservation.

Basic Concept of "Green Procurement"

NAMICS pursues partnerships with business partners with whom it can share activities related to the Chemical in Product Management and environmental preservation activities through the following efforts:
(1) Promoting procurement from business partners who prioritize environmental measures.
(2) Promoting the procurement of raw materials and indirect materials with low environmental impact.
(3) Promoting the procurement from suppliers who implement appropriate Chemical in Product Management.

4. **Compliance**
   We strictly comply with the social standards in our partners' countries and regions.
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 health and safety.

Strengthening Supply Chain Management Systems

NAMICS is enhancing its supply chain management framework under the leadership of the Quality Assurance Division. Each year, audits of key suppliers are planned and implemented to verify the management of purchased goods and compliance with relevant laws and regulations. At the same time, NAMICS supports improvements in suppliers' management systems to maintain and enhance product quality.

To ensure stable product supply, NAMICS considers establishing a Business Continuity Plan (BCP) framework a key priority and works closely with suppliers to strengthen their preparedness for natural disasters and emergencies.

Engagement with Suppliers

To build a sustainable supply chain and respond to quality, environmental, and corporate social responsibilities, we are promoting the following initiatives:

Strengthening Quality Management Systems

NAMICS prepares and distributes a quality management manual based on IATF16949 to help suppliers enhance their quality control systems.

Promoting Green Procurement

The NAMICS Green Procurement Standard Document is distributed to confirm the procurement status of conflict minerals and ensure compliance with environmentally responsible and ethical sourcing.

Verification Through Audits and Questionnaires

Through on-site audits and questionnaires related to BCP and CSR, NAMICS confirms suppliers' approaches to quality assurance systems, environmental management systems, business continuity, working environments, and respect for human rights.

Promotion of CSR Activities

NAMICS promotes CSR initiatives in line with the RBA (Responsible Business Alliance) Code of Conduct, aiming to build ethical and sustainable business relationships.

Establishment of a Consultation and Reporting Channel for Suppliers

We have established a consultation and reporting channel for suppliers regarding technical and ethical concerns, and strive to build a fair and transparent supply chain by responding promptly and sincerely to issues related to procurement activities.

10. Occupational Health and Safety

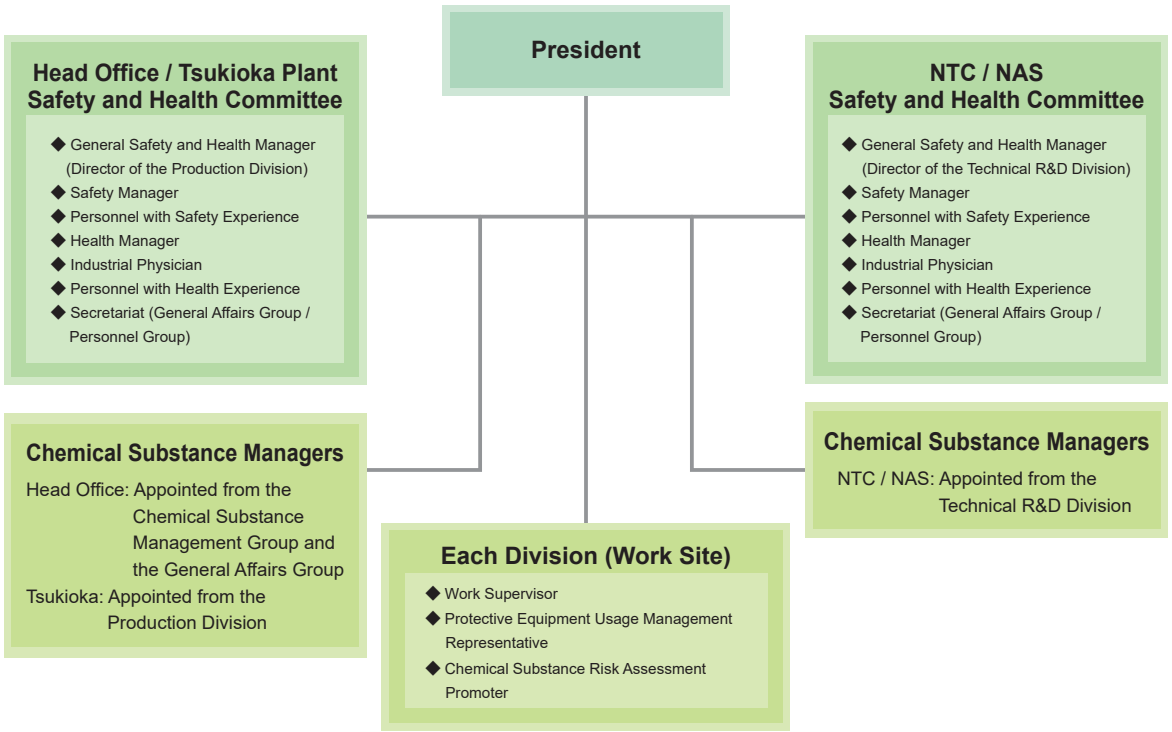
Basic Concept and Policy

As a company engaged in the manufacture of chemical products, NAMICS regards protecting the health and safety of its employees as one of its highest-priority CSR material issues. Based on strict compliance with laws and regulations related to occupational health and safety, we have developed and implemented a management system with reference to the international standard ISO 45001, enhancing the effectiveness of our health and safety initiatives.

Promotion Structure

To ensure the health and safety of employees, we have established an occupational health and safety framework centered on the Safety and Health Committee, in accordance with legal requirements. NAMICS has established two Safety and Health Committees: one covering the Head Office and Tsukioka Plant, and the other covering NAMICS Techno Core (NTC) and NAMICS ADFLEMA Site (NAS). Legally required officers are appointed appropriately, and these organizations collaborate to enhance workplace environments. In addition to appointing legally required Chemical Substance Managers, NAMICS has also designated its own “Chemical Substance Risk Assessment Promoters” at each work site as on-site leaders. These promoters, together with Chemical Substance Managers, are part of a system for information sharing, reporting, and consultation.

The Safety and Health Committee, attended by the General Safety and Health Manager, Safety Manager, and Health Manager, meets monthly to discuss regular topics such as reports on occupational accidents, health and safety patrol results, and overwork conditions, as well as reports on health checkups, stress checks, and responses to revisions in health and safety laws. An industrial physician also attends the meetings to provide medical advice, ensuring that workplace health and safety measures are implemented effectively.



Occupational Accidents

In the event of an occupational accident, NAMICS prioritizes first aid for the affected employee. The injured employee or witness immediately reports the incident to their departmental manager, who in turn reports it to the General Affairs and Personnel Groups. The General Affairs Group then reports to the General Safety and Health Manager, Safety Manager, Health Manager, and all management-level employees at or above the Group Manager level. Within three business days of the incident, the responsible manager must submit a "Report on Occurrence of Occupational Accident," and within 14 business days, a "Plan for Preventing Recurrence of Occupational Accident" to the General Affairs and Personnel Groups. Based on these reports, the Safety and Health Committee investigates the causes and deliberates on preventive measures.

In FY2025, the number of occupational accidents increased to 15 cases (including one commuting accident), in part due to an increase in accidents outside operational work areas, such as falls while descending stairs. NAMICS will continue to strive for a zero-accident workplace.

● **Occupational accident status**

Items	FY2023	FY2024	FY2025
Total Occupational Accidents	7	8	15
(Breakdown)			
Fatal Accidents	0	0	0
Accidents Requiring Leave of 4 Days or More	1	0	1
Accidents Requiring Leave of 1–3 Days	0	0	2
Non-leave Accidents	6	7	11
Commuting Accidents	0	1	1

*Counting of leave days:
The day the accident occurs is excluded. Counting starts from the following day. Holidays (weekends and public holidays) occurring during the leave period are included in the total number of leave days.

Health and Safety Patrol

NAMICS conducts regular health and safety patrol with the aim of preventing occupational accidents and incidents before they occur. These inspections are conducted from the perspectives of the Safety Work Standards, the Industrial Safety and Health Act, the Fire Service Act, the Poisonous and Deleterious Substances Control Act, and the High Pressure Gas Safety Act. These on-site inspections play a crucial role in enhancing workplace safety and comfort by promptly identifying and addressing potential risks.

In patrols in FY2025, separately from the perspectives of the above-mentioned safety work standards and laws and regulations, the number of findings classified as "Other"—such as inadequate implementation of recurrence-prevention measures based on past occupational accident cases, deficiencies in items required to be implemented under internal rules, and matters that patrol personnel considered should be improved—increased by 11 cases compared with the previous fiscal year. Ongoing patrol activities remain essential as one of the important initiatives for maintaining safe conditions.

Through these efforts, NAMICS aims to promote creating a workplace where every employee can work safely and securely, while enhancing the level of compliance and safety awareness to strengthen the foundation for sustainable business operations.



Health and safety patrol in progress

● **Number of inspection findings** (as of August 2026)

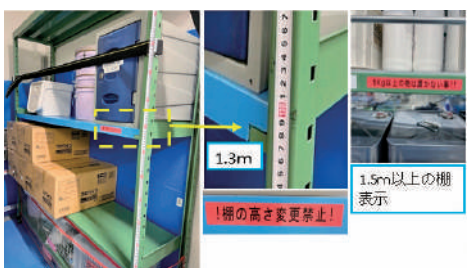
Items	FY2023	FY2024	FY2025
Indicated	58	53	56
Improved	58	52	52

● **Improvement example**

Before Improvement



After Improvement



The shelf height was adjusted for reorganization, but this led to a violation of the rule that prohibits placing objects weighing more than 5 kg on shelves higher than 1.5 meters. A notice reading "Shelf Height Change Prohibited" was posted to raise awareness among workers.

5S in the Workplace

1. Seiri (Sorting)
2. Seiton (Orderliness)
3. Seisou (Cleaning)
4. Seiketsu (Cleanliness)
5. Shitsuke (Sustaining Discipline)

Education / Training

NAMICS offers education and training encompassing disaster and fire drills, disaster and fire prevention education, and occupational health and safety education.

● Education and training programs and number of participants (persons)

	FY2022	FY2023	FY2024	FY2025
Disaster / Fire drill	615	531	584	615
Disaster / Fire prevention education	200	198	687	719
Occupational health and safety education	524	503	551	608
Total (cumulative)	1,339	1,232	1,822	1,942

*The number of participants in disaster and fire drills includes voluntary participants from cafeteria kitchen staff, partner companies, and manufacturers.
*Until FY2023, disaster and fire prevention education was limited to members of the in-house firefighting team, but from FY2024 it has been expanded to include all employees.

● Number of target employees and participants in health and safety education (persons)

	FY2022	FY2023	FY2024	FY2025
Number of target employees	548	554	589	627
Number of participants	524	503	551	608
Participation rate (%)	96%	91%	94%	97%
Average score	96	98	96	98

Disaster and Fire Drills / Disaster and Fire Prevention Education

Disaster and fire prevention education primarily involves distributing learning materials, conducting self-study, and administering comprehension tests. In FY2025, the participation rate was 90%, with an average comprehension test score of 96 points.

Practical training sessions, including evacuation drills, emergency reporting drills, and initial fire extinguishing drills, are conducted annually. In evacuation drills, the effectiveness of procedures is enhanced by measuring and reporting evacuation times for individuals or teams. Additionally, we also conduct nighttime evacuation drills for shift workers. We take care to conduct drills that assume disasters, such as evacuating with the lights turned off using only a single flashlight. In emergency reporting drills, participants practice making emergency calls (dialing 119) and reporting fire situations via internal broadcasting. In initial fire extinguishing drills, participants learn the proper use of fire extinguishers and hydrants through hands-on experience.

Resident external contractors involved in the operation of our facilities also participate in these drills.



Head office drill scene



Techno Core (R&D Center) drill scene

Occupational Health and Safety Education

Occupational health and safety education, like disaster and fire prevention education, is primarily composed of study materials distribution, self-study, and comprehension tests.

In FY2025, training covered explanations of the Industrial Safety and Health Act and knowledge to prevent occupational accidents and chemical exposure. As a result, the participation rate reached 97%, with an average comprehension test score of 98 points.

In FY2026, we plan to conduct training based on the same points as in FY2025, but plan to make the content more substantial and effective by, for example, closely examining the causes of the occupational accidents that occurred.

Items Defined in the Safety Work Standards*	
Placement of Objects	Placement Locations and Weight Limits
Selection Criteria for Work Platforms	Proper Use of Stepladders
Maintenance of Aisles and Stairways	Maintaining Clear Areas Around Doors
Prevention of Power Strip Fires	Precautions When Using Rotating Equipment
Storage Methods for Gas Cylinders	Precautions for Storage of Poisonous and Deleterious Materials
Precautions When Handling Heavy Objects	Transport Methods for Liquid Chemicals
Procedures for Performing High-risk Tasks	

*Safety Work Standards: Standards established by the Safety and Health Committee to prevent unsafe conditions and unsafe behavior.

11. Quality Management

Basic Concept and Policy

Under our Corporate Philosophy of “Mutual prosperity to both nature and mankind through creativity, innovation and sensitivity,” NAMICS has established its quality policy and objectives, and is implementing various quality improvement measures to deliver products that meet customer satisfaction.

Based on the quality policy outlined below, we establish numerical targets for each fiscal year, develop and implement company-wide improvement measures to achieve these targets, and work to eliminate defective products both internally and externally.

NAMICS provides quality in a timely manner with unique and creative technologies to fully satisfy its customers.

1. NAMICS is continuously interested in its customers’ expectations and needs, ensures compliance with product requirements by capturing their needs in advance through active communication, and earns customers’ trust and satisfaction.
2. NAMICS shall meet customers’ product requirements and conform to statutory and regulatory requirements while continuously improving the effectiveness of its quality management system.
3. NAMICS establishes quality objectives every fiscal year, implements them in each division, and consciously makes efforts to improve quality, checking the achievement status every month and taking appropriate actions if necessary.
4. NAMICS’s quality policy and annual quality objectives are stated in the Annual Management Plan and communicated to all staff members.
5. The adequacy of NAMICS’s quality policies and quality objectives shall be reviewed at management review meetings held in May and November every year.

Status of Quality-related ISO Certifications

NAMICS acquired ISO 9001 certification in March 1998 and has maintained it continuously.
In April 2009, we acquired ISO/TS 16949 certification, and in April 2018, this was updated to registration under IATF 16949 for automotive component applications.

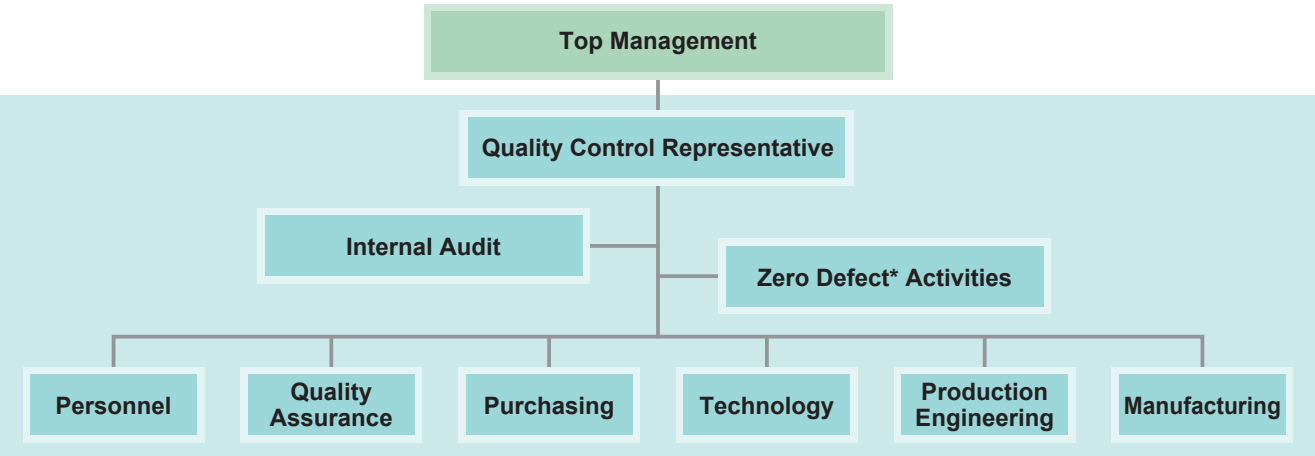
The status of ISO 9001 and IATF 16949 certifications is as follows:

ISO 9001	Company / Facility	NAMICS Corporation related facilities: NAMICS Techno Core, Tsukioka Plant
	Scope of ISO registration	Design, development and manufacture of coatings, pastes and powders for electronic components; encapsulating resins for semiconductor; conductive pastes for electronic components, circuits and batteries; conductive powders; conductive adhesives; conductive and insulating materials for display; film materials for electronic components and electronic devices; marking inks for electronic components; insulating pastes for electronic components and circuits; and insulating adhesives.
	Certification date	March 20, 1998
	Registration body	Japan Quality Assurance Organization (JQA)
IATF 16949	Company / Facility	NAMICS Corporation
	Scope of ISO registration	Design and manufacture of encapsulating resins for semiconductor; pastes for electronic components; conductive and insulating pastes for electronic components and circuits; conductive and insulating adhesives; and marking inks for electronic components.
	Certification date	April 24, 2009 (Registration updated on April 5, 2024)
	Registration body	Japan Quality Assurance Organization (JQA)

*For environmental ISO certifications, see page 11.

Promotion Structure

At NAMICS, the Quality Assurance, Production and Technical R&D Divisions and Purchasing Group collaborate to establish and promote a company-wide quality management framework.
Through biannual management reviews and regular internal audits, we continually evaluate and improve the validity and effectiveness of our quality management system.



*Zero Defects: Activities aimed at eliminating defects and nonconformities.

Main Initiatives

We position ensuring product quality and enhancing customer satisfaction as a top priority, promoting the following initiatives:

Realization of Zero Defects

NAMICS upholds the basic policy of “Zero Quality Abnormalities” and sets medium-term and annual objectives to achieve this goal. Each division establishes individual KPIs, and we work together to enhance quality. In recent years, our company has also focused on preventing human error through digital transformation (DX) and resolving issues via cross-functional projects.

Customer-oriented Approach

NAMICS values a sincere approach to customer feedback and conducts annual customer satisfaction surveys through web-based questionnaires. Based on the survey results, issues are identified and continuous improvements are implemented to achieve higher levels of customer satisfaction. In the event of a quality issue, NAMICS ensures prompt and accurate response. Feedback received is used to improve product quality.

Recognition from Customers

The quality and technological excellence of NAMICS products have been highly evaluated by many customers, and we have received numerous awards to date. Building on these achievements, NAMICS remains committed to further enhancing quality upholding its customer-oriented approach, and pursuing continuous improvement.

<Major Awards in FY2025>



(1) (2) (3) (4)

(1) Received the “2025 Intel EPIC Supplier Award” from Intel
(2) Received the “Supplier Excellence Award” from Amkor Technology
(3) Received the “2025 Best Supplier Award” from ASE Holdings
(4) Received the “SK hynix Plaque of Appreciation for HBM PKG Tech. Innovation” from SK hynix

12. Human Capital Management

Basic Concept and Policy

As Japan faces increasingly serious social challenges such as population decline, low birthrates and aging population, a shrinking labor force, stagnant economic growth, climate change, and large-scale natural disasters.

NAMICS aims for both employees and the company to grow continuously together in order to respond appropriately and promptly to these issues.

In the field of human capital, urgent transformation and action are required to promote diversified work styles, work-life balance, diversity, equity & inclusion (DE&I). NAMICS encourages each employee to act as a responsible member of society with a strong sense of corporate social responsibility.

The foundation of these efforts is respect for people and the enhancement of workplaces and facilities that foster a sense of fulfillment at work and purpose in life. We are committed to human resource development that values individual character and promotes a safe and hygienic workplace that eliminates discrimination and unfair labor practices, respects all human rights, and enables each person to fully realize their potential. Through these initiatives, we are advancing sustainable management that prioritizes people.

Basic Policy on Human Resource Development and Ideal Human Resources (from the Education & Training Standards)

Corporate Philosophy	Mutual Prosperity to Both Nature and Mankind through Creativity, Innovation and Sensitivity.
Fundamental Management Policy	Create Value for the Future - Only One and Number One Company -
Values (NAMICS WAY)	**Activity Philosophy** "Self-reliance, Self-action, Self-help" **Activity Guidelines** "Challenge," "Growth," "Respect"
Ideal Human Resources	We share NAMICS's philosophy and values, and sincerely strive to create a good company and a fulfilling life. ・Integrity and character worthy of respect from all ・A self-reliant mindset that embodies the joy, satisfaction, and sense of growth gained through work ・A spirit of challenge that respects colleagues, collaborates, and works together to achieve objectives and goals ・A forward-looking attitude that practices global awareness and diversity
Basic Policy on Human Resource Development	NAMICS provides opportunities and environments that enable employees to align their personal purpose and goals with the company's vision, and to transform learning and awareness into self-growth. ・Enhancement of mindset and skills as both corporate and organizational members at all levels and roles ・Continuous implementation of diverse development programs aligned with short-, medium-, and long-term organizational strategies ・Provision of development systems and opportunities that support employees' future careers (happiness, health, and satisfaction) ・Strengthening the linkage between human resource development and utilization in response to future internal and external environmental changes

Respect for Human Rights

Human Rights Training

As part of our efforts to promote respect for human rights, NAMICS has established institutionalized training programs that focus on human rights and humanity improvement.
The status of participation is as follows:

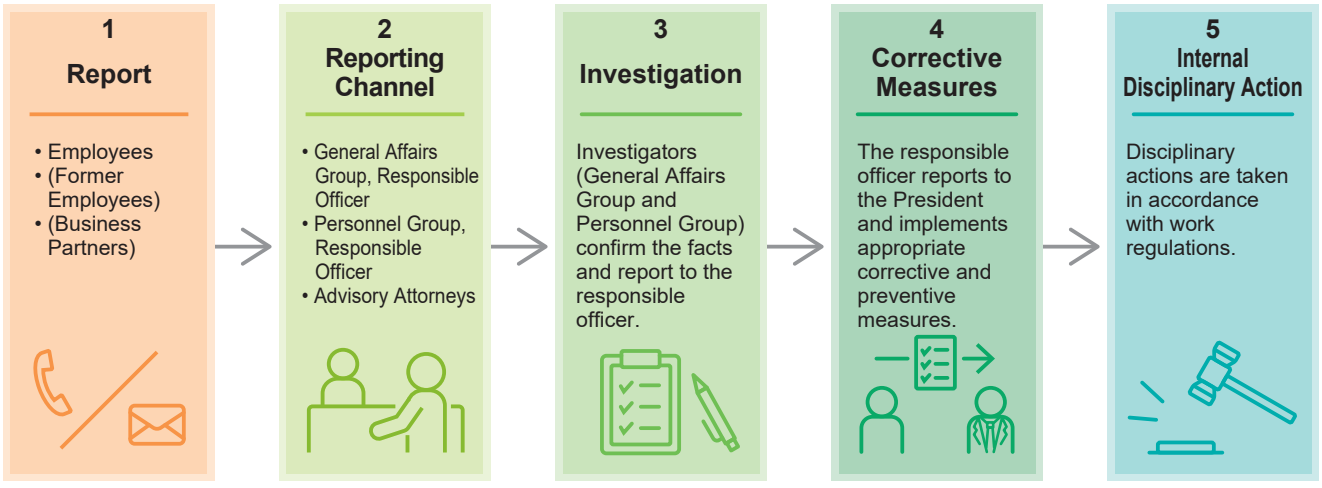
- **Total time and participation rate of human rights and humanity improvement training**

Category	Items	FY2022	FY2023	FY2024	FY2025	Notes
Total time	Total participants	276	306	479	487	
	Total hours (company-wide)	3,395	2,529	2,867	3,308	
Participation rate	Total employees	710	728	773	846	Including temporary employees
	Participation rate	39%	42%	62%	58%	
Reference index	Training satisfaction rating (point)	4.5	4.4	4.5	4.5	5 grade survey

Permanent Hotline for Reporting and Consultation

NAMICS has established a hotline to connect with the Personnel and General Affairs Groups, as well as our legal counsel, to identify and resolve issues, and provide guidance on a wide range of workplace matters, including human rights concerns.

- **Flow based on internal reporting system regulations**



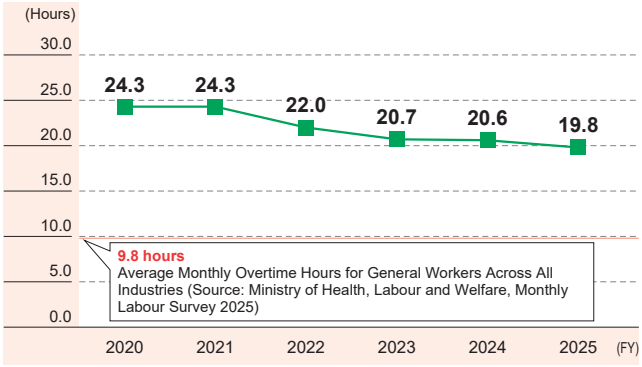
*Methods for contacting the Hotline: Email, telephone, or in-person consultation

Creating a Comfortable Work Environment

Overtime

NAMICS has been promoting workstyle reforms since the spread of COVID-19. The use of online tools has made it easier to communicate both within and outside the company, and the establishment of a work-from-home system has led to improvements to operational efficiency. As a result of thorough overtime management, overtime has been reduced by about five hours over the past five years.

● **Average monthly overtime hours**



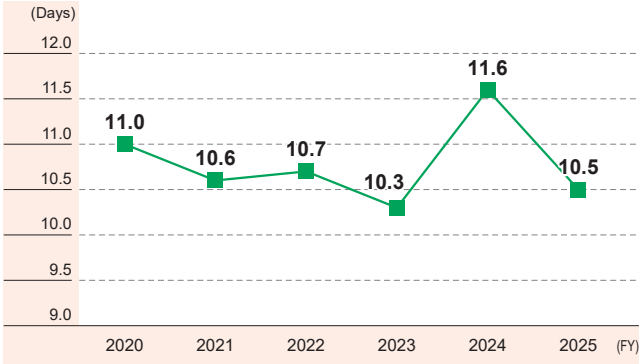
(Excluding temporary employees and executives)

Paid Holiday

Since the amendment to the Labor Standards Act in April 2019 made it mandatory for companies to ensure that employees take at least five days of paid holidays per year, the average number of days taken has remained around 11 days per year. We will promote the use of paid leave to maintain employee health and optimize work-life balance.

In principle, our company holidays are set at 120 days per year, based on NAMICS's original annual calendar.

● **Average annual paid leave taken**



(Excluding temporary employees and executives)

Operation of In-house Nursery School

As part of our efforts to support employees raising children and to enhance employee retention, we opened Ebigase Nursery School "amic" (Ebigase Higashi-ku, Niigata City) in 2016. We operate a commuting bus between the head office and "amic", provide childcare allowances, and supply bedding and diapers at the nursery to reduce the burden on parents. The nursery also accepts children living in the surrounding area in addition to those of NAMICS employees, contributing to the local community. As of the end of FY2025, the nursery had 107 children enrolled (61 children of employees and 46 from the local community).



Ebigase Nursery School "amic"

Promotion of Internal Communication

At NAMICS, with the aim of deepening connections among employees, improving engagement, and creating a rewarding workplace, we promote communication activities that transcend departments and generations.

One of the core initiatives is the “NAMICS Activation Project” (nicknamed “Nami-katsu”), launched in 2020. With the aim of realizing “NAMICS Family—Creating More Smiles: Happiness at Work for Everyone,” we have developed various initiatives to date while utilizing the official character “NAMMY.” In FY2025 as well, we implemented unique initiatives such as opening “NAMICS GYM,” which employees can freely use, distributing dialogue videos with the President, and holding the “NAMICS Certification,” and worked to foster mutual understanding and connections across departments.

In addition, the “NAMICS Summer Festival,” which started in 2022, has become established as a regular event where employees and their families can interact. Through children’s programs and experience booths of local sports teams, interactions arise among employees and families who ordinarily have few opportunities to connect, leading to improved organizational unity. In FY2025 as well, the festival was lively with many participants and became a valuable opportunity to deepen internal communication.

Furthermore, as NAMICS will mark its 80th anniversary in May 2026, we held an 80th anniversary commemorative party in March as a pre-event for the commemorative project. Employees and their families gathered together, looking back on our journey to date and sharing thoughts toward the future.

Such events and milestone opportunities contribute to creating interaction across generations and departments.

Going forward, NAMICS will continue to value connections between people and work to create a corporate culture in which everyone can feel joy and pride in working.





Scene from the 80th Anniversary Commemorative Party

Well-being

In an employment environment where diverse workstyles are becoming increasingly common, NAMICS strives to be a “good company” where each employee can find happiness in their work. To this end, we have developed a range of benefit programs that enable employees to achieve work-life balance.

- Refresh Leave System
  *A special paid leave program designed to reward employees’ continuous service and support employees’ mental and physical refreshment
- Accumulated Leave System
  *A system that allows employees to accumulate unused annual paid leave and use it as special paid leave
- Employee Cafeteria and Lunch Subsidy
- Work-from-home System
- Various Insurance Programs, including Cancer and Income Protection Insurance

● Refresh Leave System utilization

	FY2023	FY2024	FY2025
Number of Target Employees	27	37	41
Number of Employees Who Took Leave	26	33	36
Utilization Rate	96%	89%	87%

● Accumulated Leave System utilization

	FY2025
Number of Employees (as of March 31, 2026)	846
Employees with Accumulated Leave	409
Employees Who Used Accumulated Leave	12
Accumulated Leave Ownership Rate (Employees with Accumulated Leave / Total Employees)	48%
Accumulated Leave Utilization Rate (Employees Who Used Accumulated Leave / Employees with Accumulated Leave)	2.9%
Total Number of Leave Days Taken	107 days
Average Number of Leave Days Taken	0.26 days


Employee cafeteria 1


Employee cafeteria 2

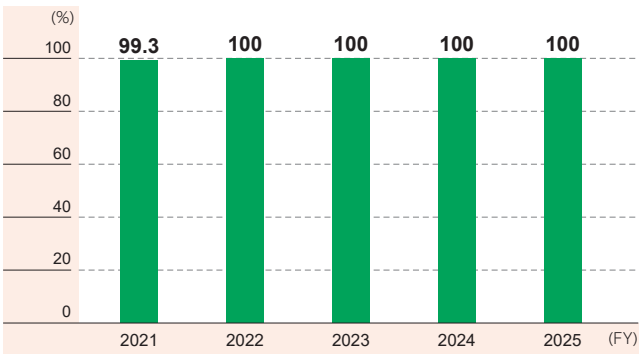

A breakout space next to the office

Health Management and Mental Health

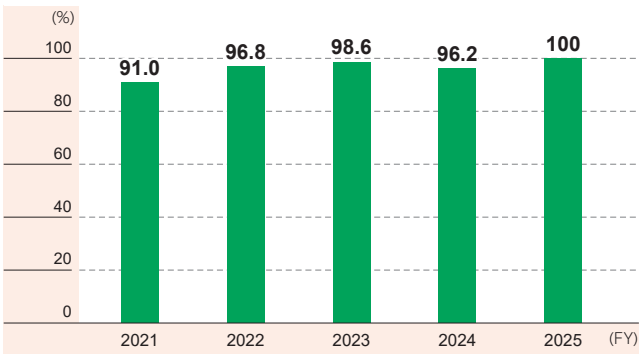
In 2021, NAMICS raised the mandatory retirement age from 60 to 65 years old. Our company is also considering extending employment to age 70. However, simply extending the retirement age is not meaningful unless employees can remain healthy and able to work until the age of 70. NAMICS, therefore, aims to develop health management systems and become a company where employees can work while maintaining good health until the age of 70.

Currently, we are assessing our health management practices, identifying key issues, and taking action through mental health training focused on line care and self-care, financial support for optional items and secondary examinations in annual health checkups, and strengthening collaboration with industrial physicians and public health nurses.

● Rate of regular health checkup participation



● Rate of stress check participation



Promoting Diversity

The NAMICS Group has expanded sales and production bases overseas, and approximately 87% of its net sales are accounted for by overseas markets. The Group fosters respect for national and cultural differences, cultivating a corporate culture that embraces diverse values through interaction with staff at each base.

We will continue to respect the unique qualities of every individual, regardless of gender, age, or other attributes, and promote the creation of an organization where diverse human resources can play an active role.

● **Number of employees in FY2025** **(persons)**

Employee number	Japan		Taiwan factory		Other overseas bases		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Full-time	460	133	63	42	70	48	593	223
Contract	111	75	0	0	0	0	111	75
Long term part-time	1	29	0	0	0	0	1	29
Short term part-time	1	0	0	0	0	0	1	0
Temporary	5	31	0	0	0	0	5	31
Subtotal	578	268	63	42	70	48	711	358
Ratio	68%	32%	60%	40%	59%	41%	67%	33%
Total	846		105		118		1,069	

*Average age in FY2025: 39.8 years (excluding executives)

Promotion of Women's Active Engagement in Professional Life

NAMICS aims to create an environment where female employees can find fulfillment in their work, supporting career development through initiatives such as programs that help balance work with childcare or nursing care, as well as cross-industry exchange training sessions. In FY2025, we hosted a joint workshop with five local companies from different industries on "Communication" to learn about mindsets and methods necessary for success and to design their own career paths for further growth.



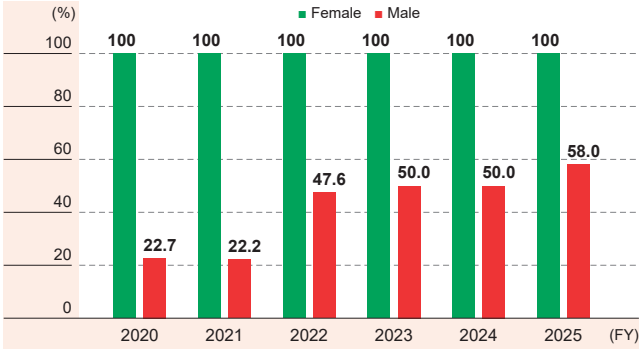
Scene from the cross-industry exchange training session

Returning to Work after Maternity or Childcare Leave

In March 2022, we received the "Kurumin Certification" from the Ministry of Health, Labour and Welfare for our efforts to support employees in balancing work and child-rearing.

Over the past five years, the return-to-work and retention rates for both men and women after maternity and childcare leave have been 100%. Additionally, the rate of employees taking childcare leave has increased year by year.

● **Childcare leave acquisition rate**



Human Resource Development

As interest in sustainability increases, approaches to human resource development required of companies are also changing. NAMICS is committed to enhancing employee work engagement by placing a strong emphasis on fostering organizational development and a corporate culture that encourages employee engagement. This involves cultivating individual skills and mindsets essential for their respective roles.

At the core of our company's human resources development policy is the commitment to "Being a good company and fulfilling the lives of employees." Under this policy, NAMICS systematically implements company-wide training programs each year, including hierarchical training tailored to various positions and roles, department-specific training to enhance expertise and technical skills, and international programs designed to foster global awareness, supporting employee growth and skill development.



Language training under the international 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. We are working to create a corporate culture that respects diversity, with the aim of a workplace where each employee finds their work rewarding and can continue to play an active role for the long term.

● New hires **(persons)**

Category	FY2022	FY2023	FY2024	FY2025
Full-time	21	25	38	55
Contract	17	27	37	34
Long term part-time	1	3	1	7
Short term part-time	0	0	0	0
Total	39	55	76	96
*Temporary	21	23	26	26

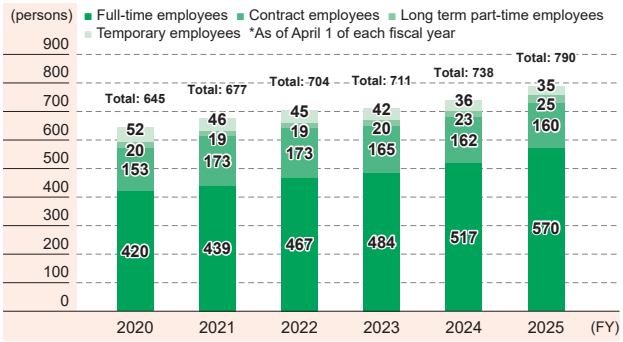
*Average length of service in FY2025: 10.9 years (excluding executives)

● Employee turnover **(persons)**

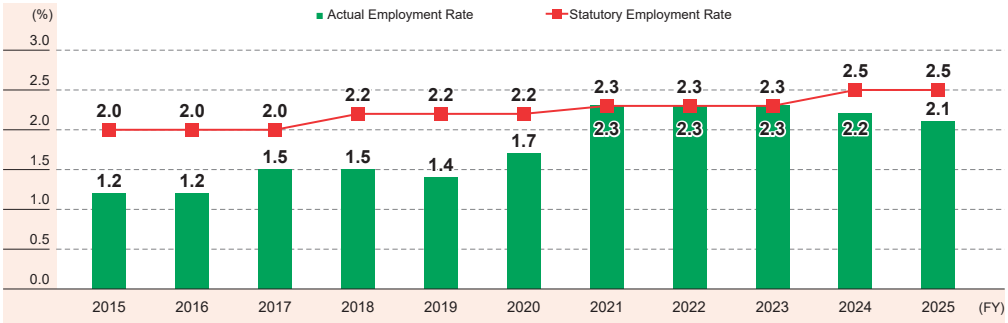
Category	FY2022	FY2023	FY2024	FY2025
Full-time	6	7	4	5
Contract	15	26	21	13
Long term part-time	0	0	0	1
Short term part-time	0	0	0	0
Total	21	33	25	19
*Temporary	13	22	28	22

*Excluding those who left the company upon expiration of their contract terms, the figures are 7 contract employees and 16 temporary employees. (FY2025)

● Trends in the number of full-time, contract, long term part-time and temporary employees



● Trends in the employment rate of persons with disabilities



13. Contributions to the Local Community

Under the corporate philosophy of “Mutual prosperity to both nature and mankind through creativity, innovation and sensitivity,” NAMICS is engaged in addressing issues faced by local communities to help realize a sustainable society. In Niigata Prefecture, where our head office is located, we focus on “Youth,” “Culture,” “Sports,” “Education,” and “Welfare,” and strengthen our connection with the local community through various initiatives such as “Initiatives for the Next Generation,” “Support for Cultural Activities,” “Support for Community-based Professional Sports,” and “Social Contribution through Industry-Academia Collaboration and Community Welfare.”

Initiatives for the Next Generation

NAMICS believes in the potential of every child and works to create an environment that nurtures creativity, curiosity, and compassion through experiences in science, nature, and society.

Sponsorship of the “Iki-iki Waku-waku Science Award”

We sponsor the “Iki-iki Waku-waku Science Award,” a science research contest for elementary and junior high school students in Niigata Prefecture, presenting the “NAMICS Award.” Through this award, which celebrates children’s efforts and passion as they engage in observation, experimentation, and research on their own, we aim to be a bridge that conveys the joy and possibilities of science while fostering scientific thinking and curiosity.



Scene from the award ceremony

Exhibiting at “Science and Technology Wonderland”

With the aim of conveying the enjoyment of science and technology and manufacturing to local children, we exhibited at “Play and Learn! Science and Technology Wonderland 2026.” At our booth, we held an accessory-making activity utilizing UV curing technology, and our employees supported the production while deepening interaction with the children. Going forward, through collaboration with local communities, we will continue to contribute to fostering the next generation that will lead the future.


Scene from the accessory-making activity

Sponsorship of the “Sado Island SDGs Tenchijin Science Project”

We sponsored the “Sado Island SDGs Tenchijin Science Project,” which conveys the appeal of science and the joy of learning to children in Sado City.

Through exchanges with leading researchers, workshops, fieldwork, and other activities, this project provides opportunities for children to cultivate interest in science and a spirit of inquiry. In addition, through learning based on Sado’s rich nature, history, and culture, it also helps deepen understanding of and attachment to the region in which they live.

We believe that supporting the learning and growth of children who will lead the next generation contributes to nurturing the future of the region. Going forward, while valuing our ties with local communities, we will continue to engage in activities that support children as they take on challenges and learn.


Scene from the science workshop

Support for Cultural Activities

NAMICS actively creates opportunities for children and local communities to experience and appreciate the arts, helping to develop the local community and nurture the creativity and sensitivity of children who will shape the future.

Support for “The Orchestra Is Your Friend”

NAMICS supports “The Orchestra Is Your Friend,” an event organized by Niigata City that provides children with valuable opportunities to experience the joy of music and the wonders of the performing arts. Through continuous support for this program, we hope to inspire children and enrich their future through the emotions and discoveries that music brings.



Scene from the performance

Sponsorship of “ART MIX JAPAN”

NAMICS sponsors “ART MIX JAPAN,” a major art event held in Niigata City that brings together Japan’s traditional performing and fine arts. We also support the “Free for Under 15” program, which offers free admission to performances for children aged 15 and under. By creating opportunities for younger generations to experience Japanese culture, we contribute to the preservation of traditional culture and the nurturing of future generations.



“ART MIX JAPAN” pamphlet

Participation in the Niigata Festival’s Minyo Nagashi Folk Dance Parade

NAMICS supports the annual Niigata Festival held each summer in Niigata City. In the festival’s main event, the Minyo Nagashi Folk Dance Parade, NAMICS not only provides financial support but also encourages employee participation. Many members of our retirees’ association also join, creating a valuable opportunity to deepen connections between current and former employees while preserving corporate culture and strengthening community ties.



Group photograph before the Minyo Nagashi Folk Dance Parade

Supporting Community-based Professional Sports

NAMICS recognizes the power of sports in the community and believes that supporting sports can contribute to revitalizing local communities, nurturing the next generation, and fostering regional cultural development.

Supporting Niigata's Multi-sports Club

NAMICS strongly supports the philosophy of Albirex Niigata, a community-based multi-sports club, and continues to serve as a uniform and apparel partner for the club's teams, including Men's Basketball (Niigata Albirex BB), Baseball (Oisix Niigata Albirex Baseball Club), Men's Soccer (Albirex Niigata), and Women's Soccer (Albirex Niigata Ladies). These efforts go beyond corporate publicity; they represent important social contribution activities that deepen NAMICS's connection with the community.



Albirex Niigata



Albirex Niigata Ladies



Oisix Niigata Albirex Baseball Club

Social Contribution through Industry-Academia Collaboration and Community Welfare

At our Company, toward realizing a sustainable local community, we are engaged in supporting human resource development through collaboration with educational and research institutions and supporting community welfare activities.

Supporting the Development of Human Resources Who Will Lead the Future

For Niigata University, we made donations to the "Niigata University Learning Support Fund" and the "Niigata University Fund," contributing to support for students who have difficulty continuing their studies due to financial reasons and to the enhancement of educational and research activities.

Additionally, in support of the commemorative projects marking the 50th anniversary of the founding of Nagaoka University of Technology, we are supporting the development of next-generation engineers, the promotion of industry-academia-government collaboration, and the development of exchange bases with local communities.


Scene from the presentation of the letter of appreciation (Niigata University)



50th Anniversary Pamphlet (Nagaoka University of Technology)

Support for Community Welfare Activities

In FY2025, we made a donation to the Niigata Prefecture Branch of the Japan ALS Association, an organization that supports patients with ALS (amyotrophic lateral sclerosis), an intractable disease in which muscles throughout the body gradually atrophy, with the aim of supporting the branch's activities, including purchasing portable power supplies for ventilators and sanitary supplies.

Going forward as well, while valuing our connections with support organizations, we will look toward local welfare issues, consider the form of support that is needed, and contribute to building a region in which everyone can live with peace of mind.



From the website of the Japan ALS Association

14. Corporate Governance

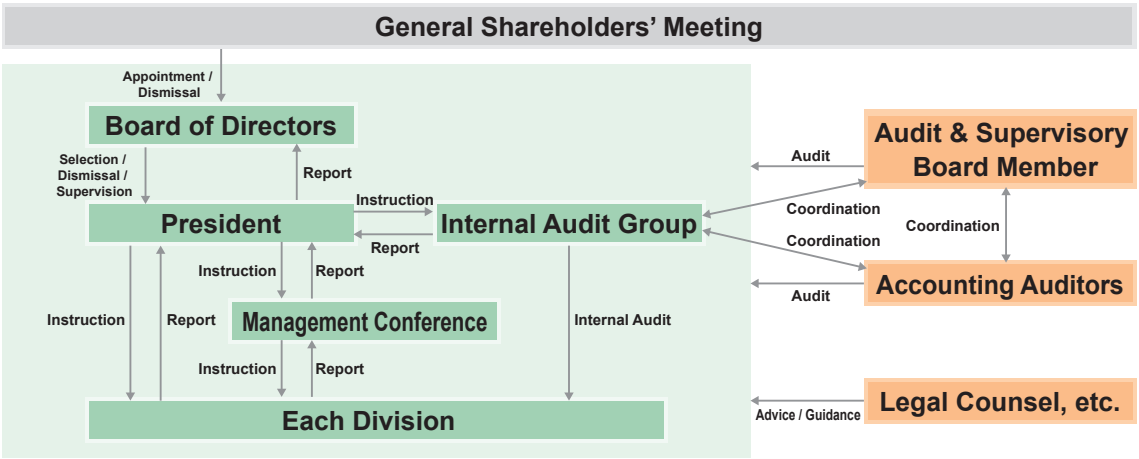
Basic Concept and Policy

With the expansion of our workforce and business scale, our stakeholders in Japan and overseas have become increasingly diverse, making corporate social responsibility and accountability more important than ever.

To respond to these environmental changes, NAMICS positions corporate governance as the “foundation supporting sustainable corporate growth.” We have established a decision-making framework centered on the Board of Directors to ensure management transparency and soundness, and we continue to work on enhancing the effectiveness of our governance.

Corporate Governance Structure

The Board of Directors serves as the highest decision-making body, responsible for determining fundamental management policies and other key matters. In June 2025, we appointed an outside audit & supervisory board member and accounting auditors to enhance our oversight functions by incorporating external perspectives, with the goal of further improving the reliability of financial reporting and the effectiveness of internal controls.



Board of Directors / Management Conference

At our Company, the Board of Directors and the Management Conference collaborate closely, each fulfilling distinct roles as the core mechanisms supporting decision-making on key matters and strategic execution. The Board of Directors continually deliberates key matters that determine the company’s direction, such as the formulation of medium- to long-term strategies, risk management, and human resource strategies, reflecting the increasing sophistication of our business and the acceleration of global expansion.

Meanwhile, the Management Conference serves as a forum for discussing agenda items submitted by Division Heads or matters proposed to the Board of Directors and the President. Executive Directors and heads of each department meet regularly to share progress, challenges, and improvement measures, ensuring swift decision-making and flexible responses. This meeting body serves as a vital channel for reflecting on-site perspectives in management, strengthening organizational unity and execution capabilities.

By clearly dividing their respective functions while maintaining close coordination, the Board of Directors and the Management Conference enhance the effectiveness of corporate governance from both strategic and operational perspectives. NAMICS will continue to reinforce this structure to achieve sustainable and trustworthy management even as the organization continues to grow rapidly.

Compliance

Basic Policy on Compliance

Based on the CSR Basic Policy, NAMICS ensures that each employee not only complies with laws and regulations but also acts with a strong sense of ethics and responsibility, promoting corporate activities that emphasize respect for human rights and transparency.

<Basic Policy on Compliance>

- Ensuring strict adherence to relevant laws, regulations, and internal rules in all corporate conduct.
- Engaging in fair and free competition and transactions, maintaining sound relationships with political bodies, government agencies, citizens, and various organizations.
- Ensuring corporate transparency through appropriate disclosure of corporate information and proper management of personal and customer information.

Ethics and Compliance Code of Conduct

NAMICS places great importance on corporate ethics and has established standards of conduct to fulfill its social responsibilities and promote sustainable business activities. These standards are thoroughly communicated to all executives and employees.

<Main Principles of the Code of Conduct>

- Integrity in Business Activities: Prohibition of bribery, corruption, extortion, embezzlement, and other misconduct.
- Elimination of Improper Benefits: Prohibition of acts intended to offer or obtain bribes or undue advantages. Complete rejection of relationships with antisocial forces and elimination of illegal or unjust demands.
- Proper Disclosure of Information: Accurate disclosure of information on finance, performance, environment, and labor. Prohibition of falsification and misrepresentation.
- Protection of Intellectual Property: Strict protection of technology, know-how, and customer information.
- Protection of Privacy: Compliance with laws and regulations concerning the collection, management, and sharing of personal information.

• Elements of compliance



Compliance Activities

NAMICS regards compliance as a fundamental element of corporate management. By ensuring adherence to relevant laws and internal regulations and promoting ethical behavior, we aim to foster a culture of compliance awareness among all employees and ensure fair and sound business operations.

<Main Initiatives and Framework>

- Employee Education: Conduct company-wide training programs for all employees to ensure proper understanding of corporate ethics and applicable laws and regulations.
- Internal Reporting System: Establish a Compliance Hotline to detect and correct violations at an early stage. Ensure anonymity, confidentiality, and protection of whistleblowers while strictly prohibiting any form of retaliation.
- Response to Violations: In the event of a violation, conduct impartial investigations involving external experts as necessary, and take strict disciplinary action in accordance with internal regulations.

Risk Management

Basic Concept and Policy

NAMICS positions its Business Continuity Plan (BCP) as a key measure for preserving management resources and ensuring early recovery. We identify a wide range of risks that could impact business operations, including natural disasters, infectious diseases, cyberattacks, and equipment failures, and work to enhance our preparedness for these risks.

In times of emergency, our top priorities are to maintain continuity of critical operations and to achieve rapid recovery, minimizing damage to human and physical resources. In particular, we focus on maintaining product supply systems and minimizing customer impact to ensure reliable business operations.

BCP Standard

Based on the above policy, we have established the “Business Continuity Plan (BCP) Standard.” These regulations are designed to ensure early resumption of operations, including product supply, in the event of large-scale emergencies such as major earthquakes or infectious disease outbreaks, while reducing damage to management resources and systematically implementing preventive and recovery measures. Each site and plant develops its own business continuity plan in accordance with these standards to enhance preparedness for disasters and accidents.

Risk Response Structure

- Director-general of the Response Headquarters: President (In his absence, an officer of the next order or a deputy of the President)
- Headquarters member: The Members of the Management Conference and the Group Managers of each division
- Secretariat: Business Planning Group, General Affairs Group

Category	Role
Affected Office	Establish the Local Emergency Response Office with employees who are available to come to the office. They grasp the impact of the emergency, confirm the safety of employees, contact the Support Office, and initiate restoration activities as much as possible.
1st Support Office	Collect the Affected Office information and establish the Emergency Response Office. Communicate with the 2nd Support Office and start support.
	In the event that the Affected Office suffers serious damage and is unable to function, or if the 1st Support Office receives a request from the Head Office, it implements an emergency activity instead of the Affected Office.
2nd Support Office	In case that 1st Support Office is unable to act or they received a request from the 1st Support Office or the Head Office, the 2nd Support Office will start the support activity.

FY2025 Initiatives

In FY2025, we conducted BCP-related drills with the aim of strengthening business continuity capabilities and the information security framework. In the business continuity drill, assuming the occurrence of a major earthquake and a suspension of information systems, we assessed the damage situation, made decisions, and considered alternative operations. Participants considered response measures from the standpoint of the Emergency Response Office, practiced reporting and decision-making based on impacts including facility damage, human damage, and effects on the supply chain, and held active discussions on measures to continue production activities and on advance countermeasures in the event of system outages. Through the drills, we confirmed issues and improvement measures such as improving methods of information collection and record-keeping and specifying alternative means, thereby linking these to improving the effectiveness of the BCP.

In addition, in the information security field, we conducted simulated spear-phishing email drills for all employees to improve their ability to respond to suspicious emails. After the drills, we provided follow-up training to those who opened the emails and worked to further enhance information security awareness. Going forward, through continuous drills and training, we will promote building an organization that is resilient to disasters and cyberattacks.



BCP training

Emphasis on Intellectual Property and Use of Intellectual Property Rights

Basic Concept

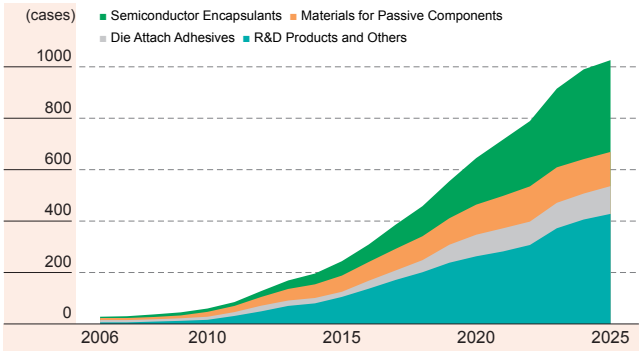
The technologies generated through R&D activities are intellectual property in themselves, and protecting and utilizing them through legal systems such as intellectual property rights is fundamental to business continuity. NAMICS promotes product development through the patent system, safeguarding its own R&D results while respecting the rights of others, and protects technologies that are not suitable for public disclosure through systems such as trade secret management.

Accumulation of NAMICS Technologies

The increase in the number of patents held, shown in the chart on the right, has closely paralleled our growth.

Over the past 10 years, the number has increased approximately fivefold, partly reflecting our recent focus on technological development of semiconductor encapsulants.

● Number of patents held



Protection of Intellectual Property

We protect our intellectual property in accordance with the following principles:

- **Patents**
  Inventions that have tangible manifestation, such as product formulations, or those that competitors may potentially file or implement, are, in principle, protected by patents.
- **Prior Use / Public Implementation**
  For inventions that are difficult to detect when infringed by others, such as manufacturing processes or minor customizations of existing products, NAMICS obtains time stamps for records from the invention proposal through product order, production, shipment, and payment to prove prior commercialization.
- **Trade Secrets**
  Information to be managed as confidential information, such as technical or customer information, is handled properly in accordance with the company's Information Security Policy and Information Management Regulations. Additionally, measures are implemented on both the information system and educational levels to prevent unintentional leaks.
- **Contracts**
  To prevent the leakage of proprietary technologies and ensure the proper handling of information obtained from others, NAMICS concludes agreements that contain confidentiality obligations as necessary.

Respect for Others' Rights

To ensure a stable product supply to customers, NAMICS designs its products to avoid infringing upon others' rights. To achieve this, the company has established systems, including FTO investigations*1 prior to product design, monthly SDI*2 reviews by product field, and the compilation of patent reference lists derived from these reviews. This process considers not only registered patents but also pending applications, designing products to avoid potential patent claims.

When NAMICS wishes to use intellectual property owned by others, it seeks appropriate licensing or transfer agreements that set fair compensation beneficial to the rights holder.

*1 FTO Search (Freedom to Operate / Non-Infringement Search)
An investigation to determine whether manufacturing, selling, or using the company's products or technologies would infringe the patent rights of other companies.

*2 SDI (Selective Dissemination of Information)
A system that automatically provides notifications when patent applications or published patent information become available in technological fields of interest or concerning competing companies.

Internal Structure

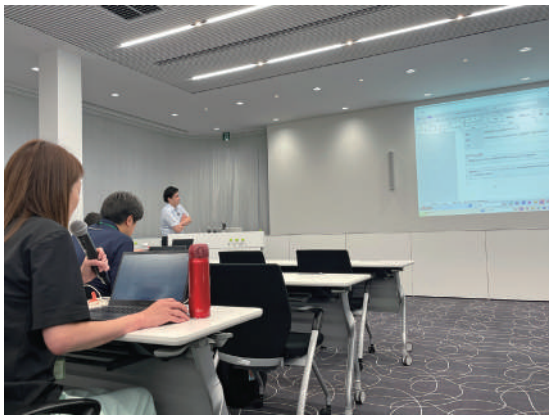
We promote the utilization of intellectual property through the following initiatives.

- **Education and Awareness-raising**
  In order to enhance the effectiveness of intellectual property utilization, it is necessary to deepen understanding not only in the intellectual property division but among all employees involved in intellectual property. Accordingly, we provide training in April for all new employees, regardless of whether they are new graduates or mid-career hires, to learn the basic concepts of intellectual property, and we also provide practical and specialized training for engineers, divided into beginner, intermediate, and advanced classes.

- **Employee Invention System**
  In order to clarify ownership of rights, we stipulate that rights to employee inventions, in principle, belong to the Company. We pay consideration to inventors and increase such payment in accordance with the contribution of the invention to the business, thereby encouraging the creation of inventions that contribute to the company's growth.

- **Patent Portfolio**
  Maintaining patent rights requires costs. Accordingly, taking into account alignment with our business and influence on other companies, we determine quarterly whether patent fees should be paid. In addition, we are advancing the creation of a portfolio so that we can confirm whether rights are appropriately held and maintained.





Scene from the intellectual property training

Operation of Overseas Subsidiaries

Governance of Overseas Sales Companies by Headquarters

Following the establishment of an overseas sales subsidiary, we began holding annual international meetings in 2006, bringing together the heads of our overseas subsidiaries at our head office.

The international meeting is held at the end of March each year. At the meeting we give presentations regarding an overview of company policy, Sales Division policy, and the plan for each overseas subsidiary in order to deepen mutual understanding.

Since FY2014, we have also conducted monthly remote meetings with our seven overseas sales offices and the Annual International Meeting to review and discuss the following, aiming to enhance head office management functions and strengthen the sales capabilities of overseas sales offices:

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**

Internal Control Audits of Overseas Subsidiaries

Since 2014, NAMICS has worked with each responsible headquarters and administrative division to establish structures and rules governing operations at overseas subsidiaries. Thereafter, regular on-site audits and follow-up visits have been conducted.

Beginning in FY2024, NAMICS has undertaken structured internal control audits to further strengthen global governance, consolidating previous efforts into a systematic approach. Based on the results of these audits, subsidiaries are guided to develop internal systems, establish rules, and prepare regulations and manuals.

These audits are conducted based on the J-SOX framework, focusing on approximately 20 key items deemed essential to the NAMICS Group, with continuous improvement efforts underway.

● **Internal control audit details**

Audit points	Purpose	Evaluation average
Control environment	Establishment of structures for authority and responsibility, and stabilization of management	Good
Risk assessment	Minimization of impacts arising from issue exposure or whistleblowing	Fair
Control activities	Standardization and visualization of operations	Fair
Information and communication	Proper management of information and clarification of performance reporting	Good
Monitoring	Establishment of monitoring and control systems through operational management structures	Good
IT controls	Prevention of information leaks and IT incidents	Fair
Financial control and management	Proper fund management and compliance with accounting and tax regulations	Fair
Human resource and labor management	Ensuring compliance with labor laws and regulations and maintaining appropriate working environments in line with business practices	Fair

*Good: Appropriate condition; Fair: Appropriate but with room for improvement; Poor: Nonconforming

Going forward, we will implement improvements based on audit results, review audit items, and establish a management framework for affiliated companies, thereby strengthening governance and enhancing risk management across the Group.

NAMICS CORPORATION

www.namics.co.jp/en/

Contact

CSR personnel, General Affairs Group,
NAMICS Corporation

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

