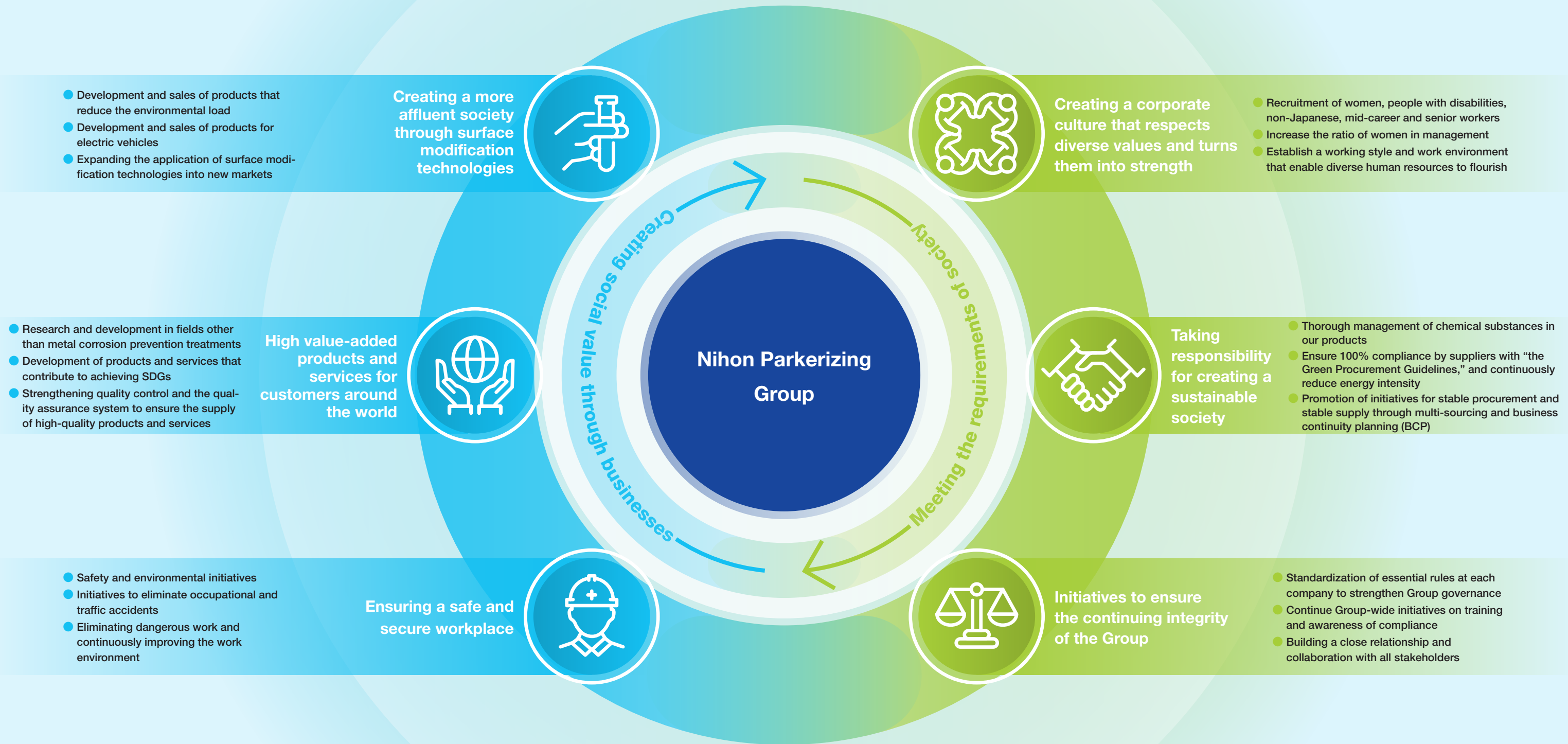


Key Issues (Materiality) and Identification Process

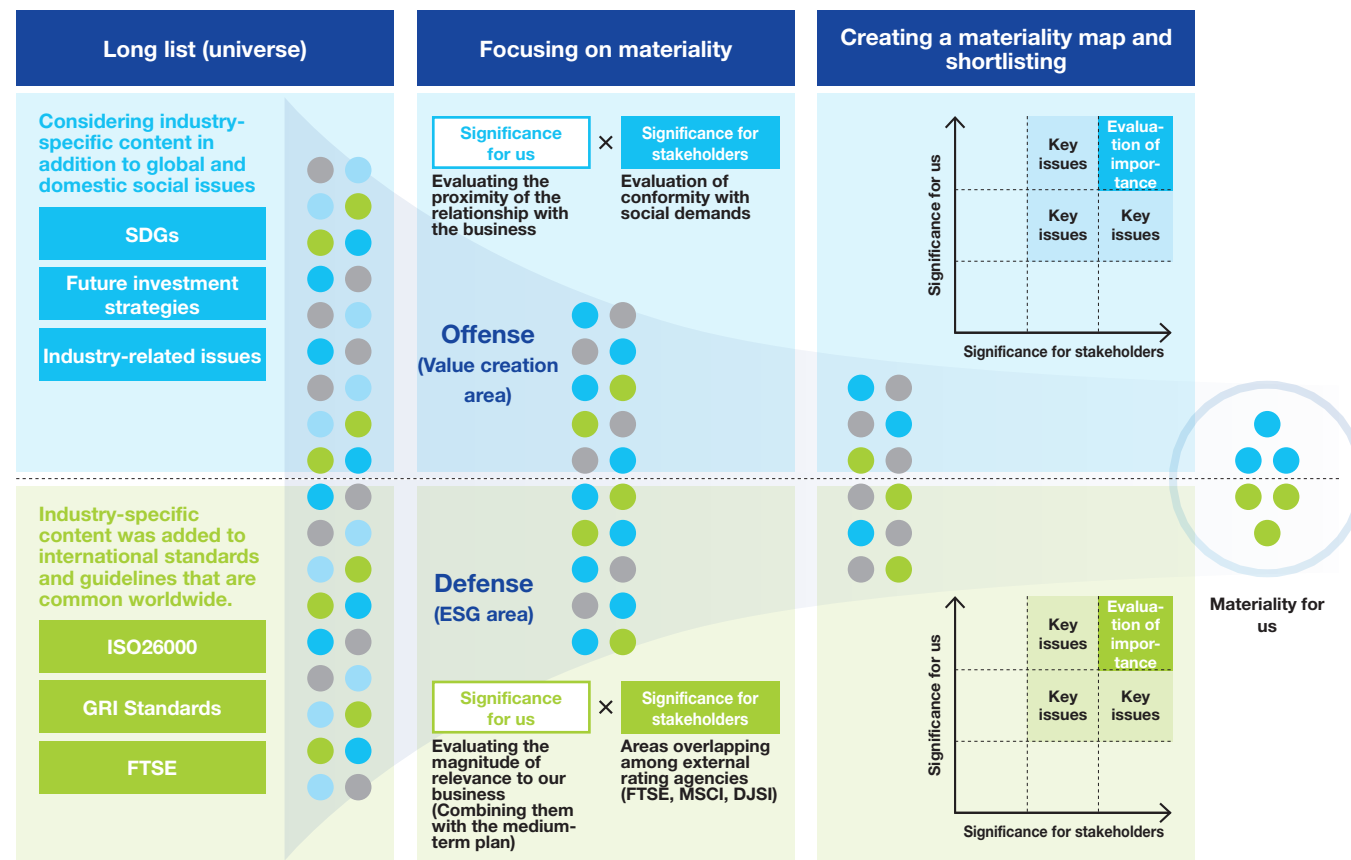
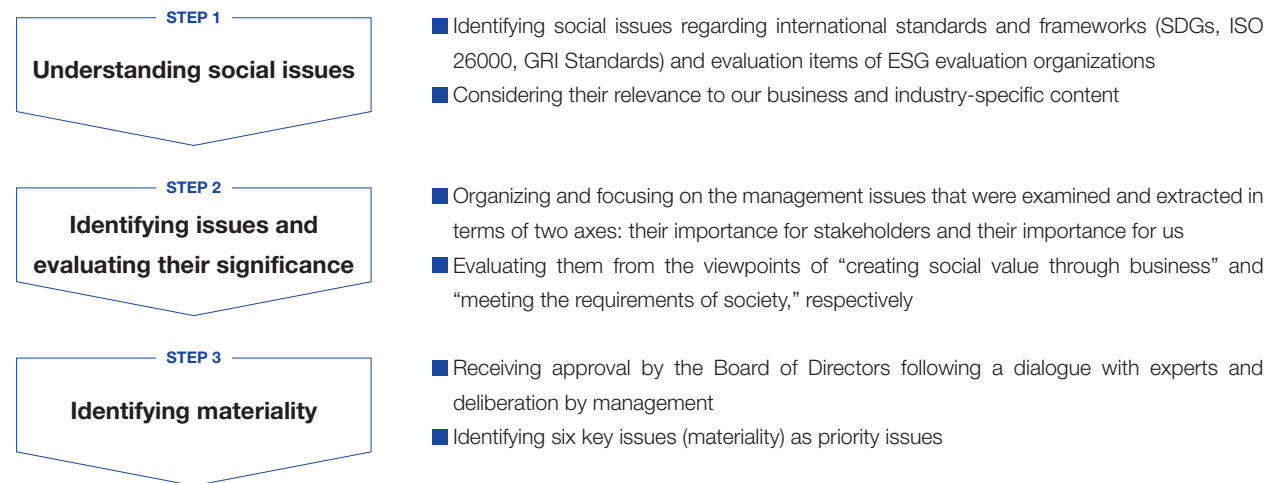
The planet we live on faces many social issues that require urgent solutions. At the Nihon Parkerizing Group, we have identified six key issues (materiality) that we must address by identifying risks and opportunities in our business activities under “Vision2030”, our management vision that we announced in May 2021. We have decided to actively work to solve social issues by enhancing our corporate value as a specialist in surface modification.



Key Issues (Materiality) and Its Identification Process

At the Nihon Parkerizing Group, we have identified social issues related to our activities, reevaluated the magnitude of their impact in light of societal changes, and prioritized specific problems. We used the Sustainable Development Goals (SDGs) proposed by the United Nations as a basis and referred to several significant guidelines in identifying key issues (materiality).

Process of identifying key issues (materiality)



Creating social value through business

Creating a more affluent society through surface modification technologies



Developing new products and technology that are environmentally friendly

We contribute to preserving the global environment by reducing the environmental impact of our customers' manufacturing processes with the development of new products and technologies, such as diverse chemicals, that meet the demands of EVs and lighter vehicles. These chemicals do not contain hazardous chemicals. We also use equipment with a reduced environmental impact, together with low-temperature treatment technologies.

Developing new fields, making the most of surface modification technologies

As surface modification specialists, we will utilize our technological capabilities to develop business areas in non-metallic, multifunctional, and new markets and contribute to solving a wide range of social issues.

Promoting open innovation

We are committed to creating new value by actively promoting collaboration with various companies and research institutions, academia, and government in Japan and overseas, developing technologies from new perspectives, and creating new value.

High value-added products and services for customers around the world



We provide our customers worldwide with solutions that contribute to solving social issues. To this end, we will strengthen our research and development, production, and quality control systems, creating a global organization that swiftly supplies high added-value products and services that meet the demands of customers and society.

Ensuring a safe and secure workplace



We are committed to providing a safe and secure working environment for all employees of our Group by continuing our efforts to improve safety through the reduction of hazardous and harmful operations in manufacturing and processing processes, as well as through safety training and health promotion.

Responding to Social Demands

Creating a corporate culture that respects diverse values and turns them into strength



Utilizing diverse human resources

We will realize a workplace in which all employees of our Group can play an active role and fulfilled in their work. To achieve this goal, we will promote diverse working styles, recruit and train global human resources, and encourage the recruitment of women, people with disabilities, non-Japanese, and mid-career and senior workers.

Respect for human rights

We foster a corporate culture that respects the rights of all people, regardless of country or region, by respecting human rights, establishing rules that prohibit discrimination and harassment, and building good labor-management relations.

Taking responsibility for creating a sustainable society



Building a sustainable supply chain

We will build cooperative relationships with customers and suppliers and engage in initiatives to build a sustainable supply chain by working on resource management and production and realizing a circular society.

Contributing to reducing the environmental load

We will contribute to protecting the global environment by continuing to take initiatives to reduce the environmental load, such as reducing emissions of CO₂ and other greenhouse gases, hazardous chemicals, wastewater, and promoting renewable energy utilization.

Initiatives to ensure the continuing integrity of the Group



Faithful and sincere corporate management

We will conduct transparent management by encouraging information disclosure, including non-financial information, and communicating with various stakeholders, including shareholders, to achieve sustainable growth and improve corporate value over the medium to long term.

Improving risk management

We will reduce the risk of changes in the business environment, accidents, and disasters by establishing a system to appropriately assess various possible risks in our business and take remedies according to the degree of risk.