



Sustainability Management

Progress Under the Medium-Term Management Plan NS Vision 2026 Continuous Growth: Evolving Talent Strategies

Talent Strategy as Seen in Results of Employee Engagement Survey

NSHD Group's Approach to Employee Engagement

Since FYE2023, as a tool to measure employee engagement, the NSHD Group has conducted employee engagement surveys of all Group employees in order to assess the degree to which employees are empowered to fulfill their potential and how well the Group Philosophy and Vision are understood and embraced.

The survey focuses on cultivating a mindset for working with a sense of purpose within the organization, grounded in an understanding of the Company's philosophy and goals. It assesses, for example, whether employees resonate with the Company's vision and proactively engage in their work with the intention of contributing, and whether they are in a state of physical, mental, and social well-being.

In the FYE2025 survey, overall engagement levels, particularly with relation to diversity, improved across the Group, thanks to action plans to improve engagement implemented by each Group company based on the results of the prior survey. NSHD will continue to listen to employee feedback through these surveys, improve their work environments, and support each employee in realizing their full potential.

Summary

Compared with FYE2024, the FYE2025 survey showed improvement in 12 out of the 15 categories shown in the table on the right. Of note, the safety category has maintained the highest score for a third consecutive year, a continued area of strength for the Group. The sustainable engagement category, an area the Group has been focusing on that is defined as having strong motivation to achieve goals and a deep sense of belonging to the organization, also improved by one point from the previous fiscal year.

Overall Strengths and Areas for Improvement of the NSHD Group Seen from the Results

Strengths

- Workplace environment with a high level of support for and sympathy with the desired goals and objectives
- Commitment to safety and safety culture
- A climate of high psychological safety

Areas for improvement

- Support for the corporate philosophy
- Promotion of diversity
- Clarification of criteria (goals and objectives) by which employees are evaluated

Employee Engagement Survey Results*1 (pt) NSHD Group average

	FYE2023	FYE2024	FYE2025
Sustainable Engagement	78	80	81
Corporate Value, Goals and Objectives	69	76	78
Company Image	66	67	68
Leadership	57	60	62
CSV (Creating Shared Value)	77	78	79
Innovation	57	60	61
Productivity/Speed	69	71	71
Quality	70	74	75
Safety	84	85	85
Immediate Manager	77	77	77
Diversity	71	72	75
Communication	72	72	73
Well-being/Health	78	78	79
Talent Management	62	64	65
Performance Management	61	63	64

*1 Percentage of favorable responses (the ratio of people who answered either "agree" or "tend to agree"). Full score is 100 points.
Items highlighted in green indicate areas of improvement in the FYE2025 survey.

TOPIC 1: Sustainable Engagement

FYE2023
78

FYE2024
80

FYE2025
81

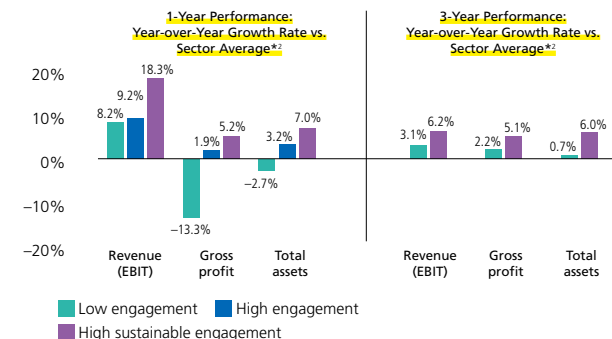
Signs of steady improvement

Engagement reflects the strength of the relationship between employees and the Company, as an embodiment of their logical, emotional, and behavioral commitment to the Company. Employees with high engagement levels tend to deliver stronger performance than those with lower engagement, but engagement alone is not sufficient to ensure sustainable corporate growth.

The NSHD Group positions sustainable engagement as a key metric, as it reflects factors that influence employee performance and the willingness to go the extra mile to contribute.

Research by Willis Towers Watson, the provider of our employee engagement survey, shows that companies with high levels of sustainable engagement outperform those with low engagement.

NSHD's sustainable engagement score improved by one point from the previous fiscal year to reach 81 points. While we have yet to reach the NSHD Group target of 85 points, we will continue working to further improve this score.



Source: Willis Towers Watson

*2 Average values of multiple companies belonging to the same industry (i.e., sector). Collected and analyzed by Willis Towers Watson.



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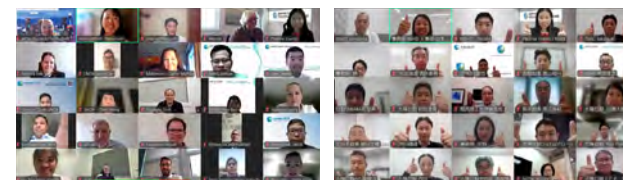
TOPIC 1: Sustainable Engagement

Second Engagement Survey Workshop Held

To accelerate improvements in engagement scores, NSHD began hosting workshops in 2024 for engagement survey administrators and managers at each Group company.

The second workshop, held in 2025, featured group discussions and case studies from Group companies with the following objectives: (1) learn how to interpret survey results and identify key issues;

(2) experience the process of developing action plans in response to those issues; (3) understand the latest trends in engagement and apply them to action plans; and (4) take effective actions by learning from analysis and case studies across Group companies. By providing opportunities for Group companies to present their actual action plans and their outcomes, the workshop was an opportunity to learn from peers and share insights among participants.



Workshop

TOPIC 2: Diversity

FYE2023
71

FYE2024
72

FYE2025
75

Significant improvement from previous fiscal year

The NSHD Group is committed to promoting diversity by creating workplaces where diverse talent in each region and organization can thrive based on mutual trust and respect.

In the FYE2025 engagement survey, the score for diversity and respect for individuals improved by three points year on year, reaching 75 points. At Taiyo Nippon Sanso in particular, the Diversity & Inclusion Office took the lead in efforts to advance women's participation and step up diversity and inclusion initiatives. Training to raise awareness of unconscious bias, often a barrier to unleashing diverse talent, along with career development assistance measures, yielded tangible results.

Examples of Action Plans

The NSHD Group is undertaking various initiatives to increase the visibility of women in the workplace, promote empowerment, and foster a culture that respects diversity.

- NSHD:** Messages from all directors were distributed across the Group.
- Japan:**
 - Implemented a sponsorship program, leadership training for female staff, and unconscious bias training
 - Held town hall meetings between management and employees on D&I topics
- United States:**
 - Held an event in recognition of International Women's Day, including the first roundtable event with female employees
 - Launched Women at Matheson (WAM), a group that supports women's engagement
- Europe:**
 - Conducted bias training through WING PROJECTS, a women's support program
 - Hosted an event for the International Day of Women and Girls in Science to reaffirm the NSHD Group's commitment to gender equality
- Asia and Oceania:**
 - Consolidated local company's action plans to promote women's engagement into a unified SEA+I Women's Move Forward Plan

For more information about our D&I initiatives, please see here. [Please see here.](#)

Message from the Leader of the Promotion Project Team for Women's Active Engagement

Last year, Taiyo Nippon Sanso issued a formal D&I declaration, which was announced both internally and externally. To promote a deeper understanding of the importance of D&I and specific initiatives, we hosted town hall meetings for employees in various locations and proactively communicated the president's message and activity updates through internal channels. These efforts have led to increased awareness among employees, which I believe contributed to higher engagement scores internally. That said, while awareness is improving, challenges remain in translating that awareness into action and embedding D&I into the organizational culture.



Toshie Furuumi
Executive Officer
Taiyo Nippon Sanso Corporation

In 2025, we will continue fostering a workplace where D&I is embraced as a personal commitment, and where individuals respect each other's differences and thrive as their authentic selves. Looking ahead, we aim to collaborate with other regions where D&I is further along, and raise our goals to a higher level. I also have high expectations for NSHD's leadership in global D&I initiatives.

Everyone's understanding and support are the driving forces behind advancements in D&I. I sincerely look forward to seeing everyone continue to proactively engage and witnessing their willingness to take on new challenges.