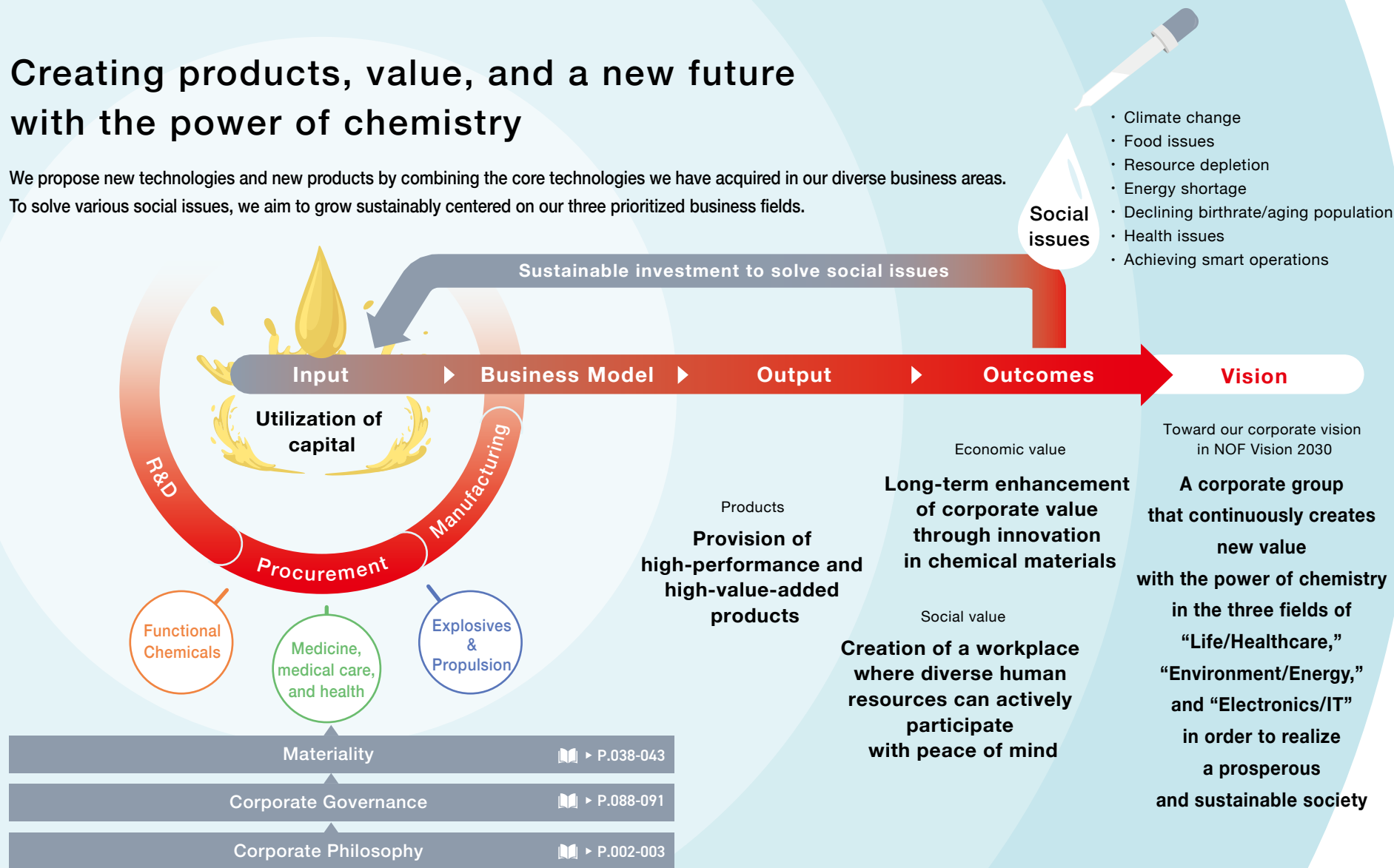


Value Creation Process

Creating products, value, and a new future with the power of chemistry

We propose new technologies and new products by combining the core technologies we have acquired in our diverse business areas. To solve various social issues, we aim to grow sustainably centered on our three prioritized business fields.



Value Creation Process

NOF Group



Financial capital

- R&I (Rating and Investment Information, Inc.) **A+** (Long-term rating)

Human capital

- Number of employees **3,818**
NOF 1,762

Manufacturing capital

- Facility investment... **¥7.8billion**
- Manufacturing sites **20** sites
(includes 4 NOF sites)

Intellectual capital

- R&D spending **¥6.6billion**
- Patents held NOF **1,225**
- Patent attorneyst **2**

Social capital

- Number of suppliers NOF **1,100** companies
- Commissioned research to universities and research institutes

Natural capital

- Raw materials ... **236** thousand tons
- Total energy input...**3.112** million GJ
- Volume of water used...**2.077** million m³

*Water input – water discharged
 (FY2022 Results)

Business Model

Three strengths developed through now

- Diverse management**
- Global expansion**
- Advanced technology development**

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Development of five forms of business in three segments

Functional Chemicals Segment

- Functional Materials business
- Metal Coatings business

Pharmaceuticals, Medical, and Health Segment

- Life Science business
- Functional Foods business

Explosives & Propulsion Segment

- Explosives & Propulsion business

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Output

Product lineup for a wide range of industries

Functional Chemicals products

- Fatty acids
- Fatty acid derivatives
- Surfactants
- Ethylene oxide/propylene oxide derivatives
- Organic peroxides
- Petrochemical products (polybutene, etc.)
- Functional polymers
- Electronic materials (LCD materials, etc.)
- Special anti-corrosion agents

Pharmaceuticals, Medical, and Health products

- Raw materials for DDS drug formulations (activated PEG, functional lipids, surfactants for drugs)
- Biocompatible materials (MPC polymers, MPC monomers)
- Processed edible oils, Functional food materials
- Healthcare foods products

Explosives & Propulsion Products

- Industrial explosives
- Space rocket products
- Defense products
- Functional products

Outcomes

Financial capital

- Operating income ... **¥40.6** billion
- Dividends NOF **¥108/** share

Human capital

- Percentage of female employees NOF **14.2%**
- Percentage of employees with disabilities...NOF **2.46%**

Manufacturing capital

- Improving productivity

Intellectual capital

- Number of patent applications NOF **175**

Social capital

- Countries sold to...**55** countries
- Industry-government-academia joint research **80**

Natural capital

- GHG emissions **7.4%** reduction
(FY2022 results)
- **9.4%** reduction
Domestic Group (FY2022 results)

*Compared with FY2021