

—● Strengthen the business foundation ●—

Human capital initiatives



Taking on the challenge of creating new value

Three values of “Challenges,” “Fairness,” and “Harmony” We hope to weave values appropriate to the new era with the power of chemistry together with our customers by leveraging our organizational culture in which employees themselves embody these values and act in accordance with them.

Amidst the rapidly changing and increasingly uncertain business environment, in order to face various social issues, be perceptive of the progress of innovative technologies, and take on the challenge of creating new value, last year we

discussed anew our mission and path forward and established our new Corporate Philosophy and values to uphold. Based on the belief that human resources development is the foundation of management, we will continue to provide generous support for the growth aspirations of our employees and enhance the potential of our human resources by expanding diversity and improving employee engagement, while also taking into account the perspective of human capital management.

Operating Officers
General Manager,
HR & General Affairs
Department

**Akihisa
Maeda**



Our fundamental view

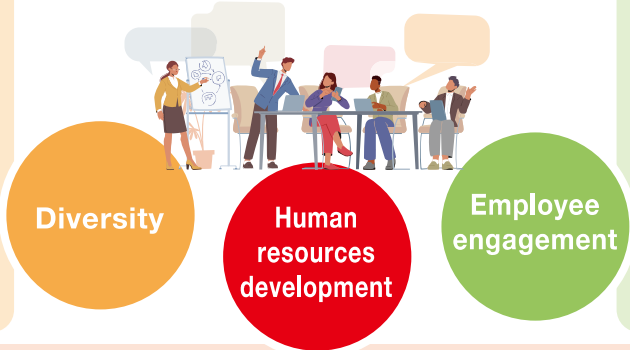
Based on the basic philosophy that “a company is its people,” we will actively invest in human capital and encourage the growth of human resources who embody the NOF Group’s values of “Challenges,” “Fairness,” and “Harmony,” and can also create new value.

We will continue to hire diverse human resources regardless of their gender, age, nationality, or disability. In addition, in order to create a corporate culture in which women can play a more active role, we will actively hire women and enhance systems that facilitate women's work.

Furthermore, we will continue to hire mid-career human resources to accelerate our expansion into new business areas.

Three pillars of human resources performance

The three pillars of the NOF Group’s human resources development are “human resources development,” “diversity,” and “employee engagement.”



We will continuously advance creation of mechanisms, systems, and workplaces that enable each employee to understand our Corporate Philosophy and Values and perform their duties with motivation. We will also conduct employee engagement surveys on a regular basis and strive to improve job satisfaction.

In addition to our existing talent development system, we will promote human resource development measures aimed at fostering autonomous human resources, global human resources development, digital transformation (DX) human resources development, and support for career design development. We will introduce a “challenge goal system” to encourage employees to boldly take on difficult goals from a medium- to long-term perspective as part of the goal-setting items in personnel evaluations, and continue to create a corporate culture that recognizes tackling challenges.

Through these activities for the three pillars, the NOF Group will contribute to people and society as a corporate group that creates new value through the power of chemistry.

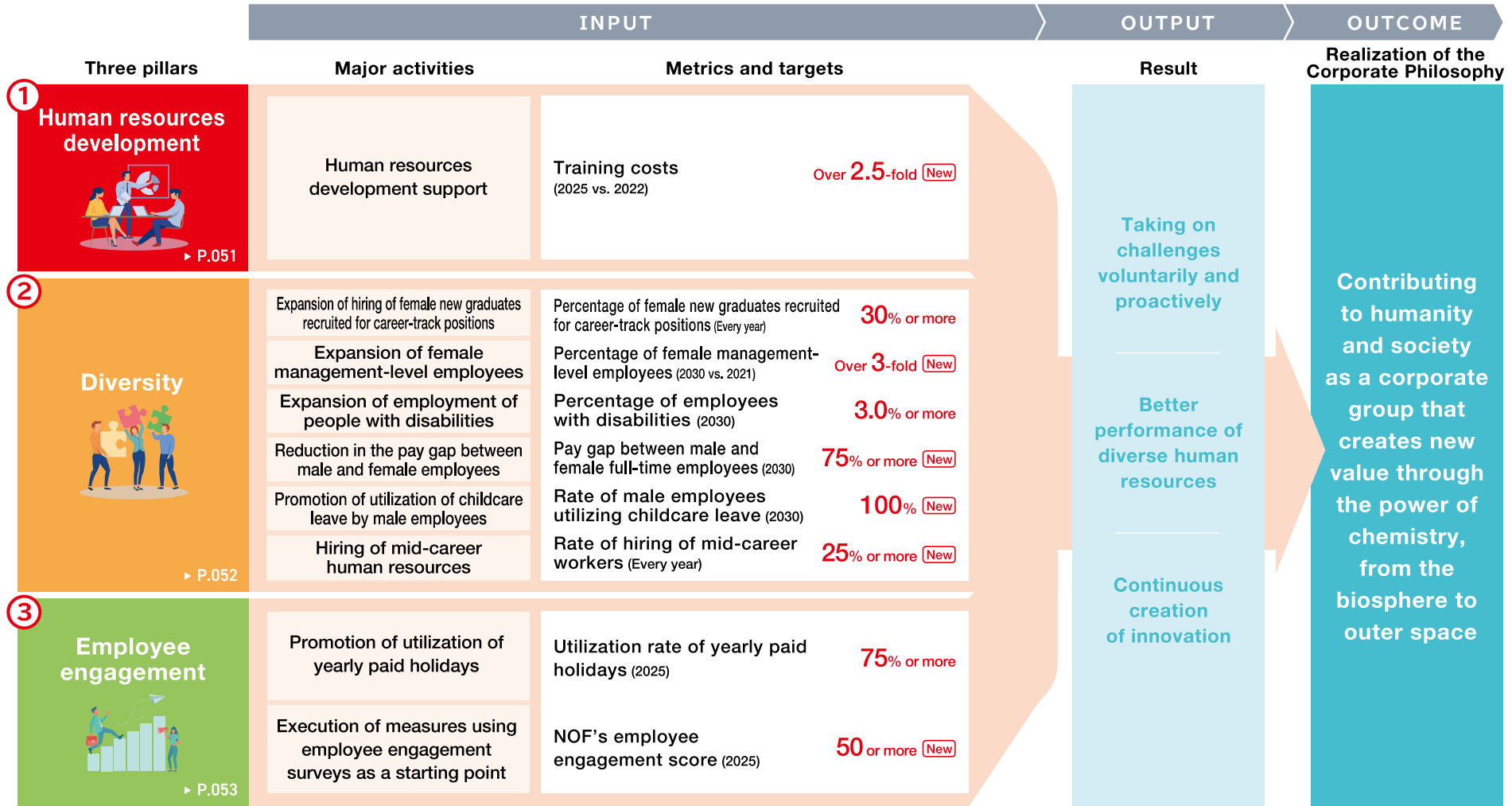
Governance for human capital

The NOF Group identifies materiality (important issues) related to sustainability through discussions in the Strategic Meeting, which is composed of Directors concurrently serving as Operating Officers as well as Operating Officers with a title, and the Sustainability Committee, which is chaired by the President. This is then reported to the Board of Directors. For each materiality issue, KPIs and target values are set and activities are promoted by the supervising organization or department in charge. The progress and results are reported to the Sustainability Committee. The Sustainability Committee reviews materiality with the participation of all directors, and examines key issue items, KPIs, target values, and response policies in order to continuously improve the level of activities.

Response to human capital is identified as one of the materiality issues, and important matters including medium- and long-term targets are discussed at the Sustainability Committee. In regard to risks, the Risk Management Committee conducts a comprehensive assessment, and the Compliance Committee implements risk countermeasures and analysis. A system has been put in place in which the results of deliberations are reported to the Board of Directors at least twice a year for supervision.

We create diverse human resources that takes on the challenge of creating new value.

NOF

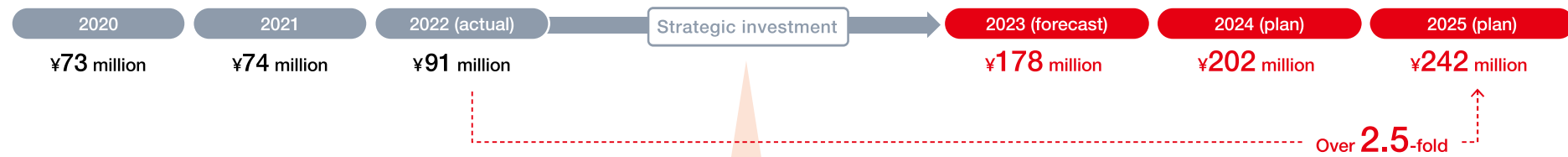


Human resources development



Faced with a business environment where uncertainty is the norm, it is necessary to continuously create innovation even in such an environment. To do so, it is more important than ever before to utilize human resources as important capital to support corporate performance. The driving force behind sustainable growth for the company will be providing employees, regardless of their age or career stage, with opportunities to constantly learn new knowledge and skills and encouraging them to take on new challenges through enhancement of training at the organizational level and regarding specific issues as well as expansion of support for self-education/development. Furthermore, in order to keep up with the speed of technological advancement, we will not only conduct in-house development of employees, but also hire diverse human resources with the aim of developing our human resources who take on challenges.

Training costs NOF



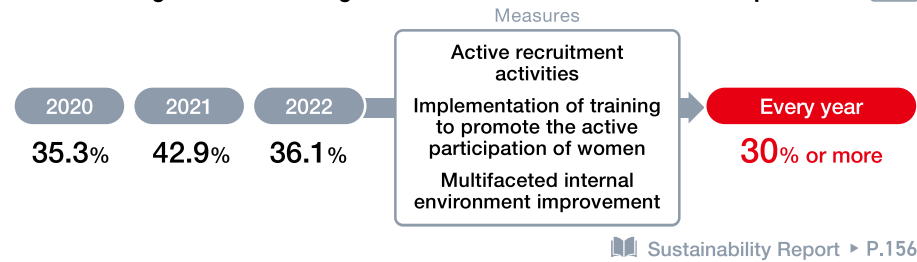
1	2	3
<p>Promotion of employees' autonomous growth</p> <p>Strengthening development of autonomous human resources</p> <p>We will consider establishing new training at the organizational level and regarding specific issues to foster a mindset in employees that encourages the actions necessary for business expansion and personal growth.</p> <p>Support for career design development</p> <p>We will consider support for career design development so that employees can proactively form medium- and long-term goals and develop their skills effectively and efficiently.</p>	<p>Promotion of development of DX human resources</p> <p>We will consider establishment of new DX human resources training.</p>	<p>Promotion of development of global human resources</p> <p>We will consider revision of overseas study programs and related overseas educational systems, as well as development of global human resources.</p>

Diversity

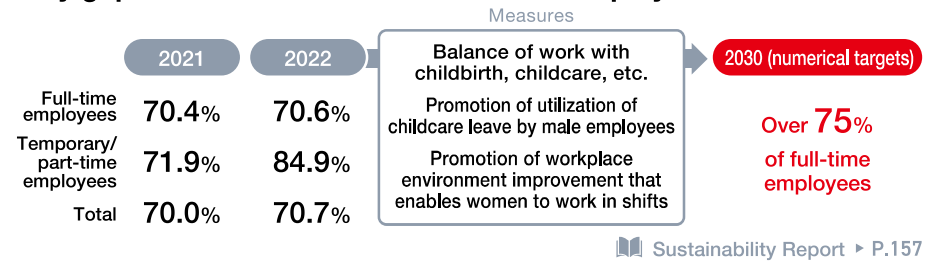


The NOF Group believes that human resources are the source of corporate growth, and designates one of its materiality items as “better performance of human resources.” We promote diversity and inclusion based on the belief that acceptance and respect for diversity will promote the creation of innovation. We aim to be an organization where employees with diverse values can voluntarily and proactively take on all challenges with a sense of purpose, and where employees with talent and motivation are appropriately evaluated and can play an active role.

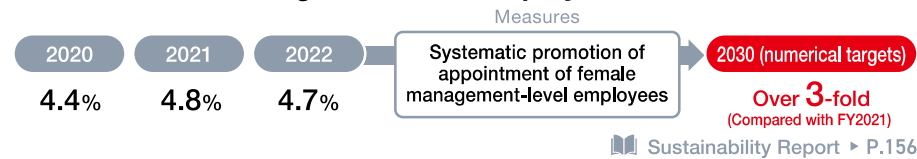
Rate of hiring of female new graduates recruited for career-track positions NOF



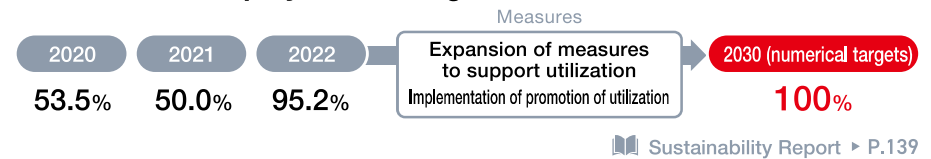
Pay gap ratio between male and female employees*1 NOF



Rate of female management-level employees NOF



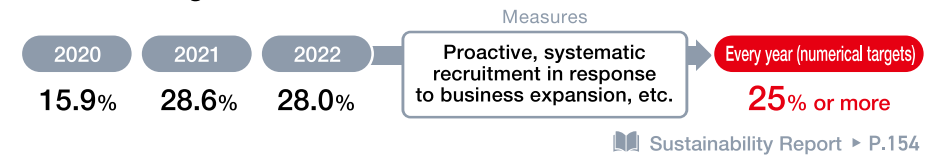
Rate of male employees utilizing childcare leave NOF



Percentage of employees with disabilities NOF



Rate of hiring of mid-career workers*2 NOF



*1 Pay gap ratio between male and female employees (%) = Average annual income of women / Average annual income of men x 100

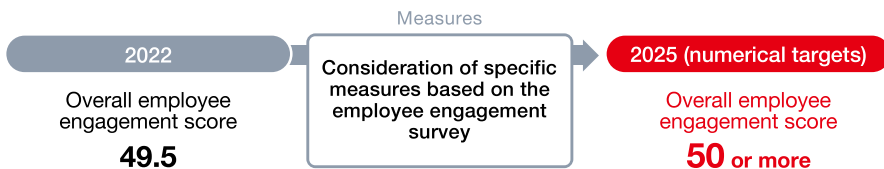
*2 Rate of hiring of mid-career workers (%) = (Mid-career workers hired from April 1 to March 31) / (Total of new graduate hires and mid-career workers hired from April 1 to March 31) x 100

Employee engagement



Based on the philosophy that “a company is its people,” the NOF Group believes that the driving force for creating new innovation and corporate growth is having each and every employee perform their duties with motivation and understanding of our Corporate Philosophy and values. As one of our efforts to achieve this, we aim to improve employee engagement and create comfortable workplaces from various perspectives, including diversity and inclusion, talent development, work-life balance, health management, occupational health and safety, and labor-management relations. In addition, NOF has conducted employee engagement surveys since fiscal 2022 to ascertain employee engagement and the results of past initiatives. The employee engagement survey identifies our overall engagement score based on engagement related to work and duties (creativity, relationship building, and meaning-making) and engagement related to the company and organization (work content, human relations, and organizational systems). We are working to improve employee engagement by taking various measures to create comfortable workplaces.

Overall employee engagement score NOF



Employee engagement survey measured items

Status of engagement related to work and duties



Status of employee engagement related to the company and organization



Other measured items

- Satisfaction with personnel salary system and talent development
- Requests for systems and policies related to work styles
- Compliance-related items