

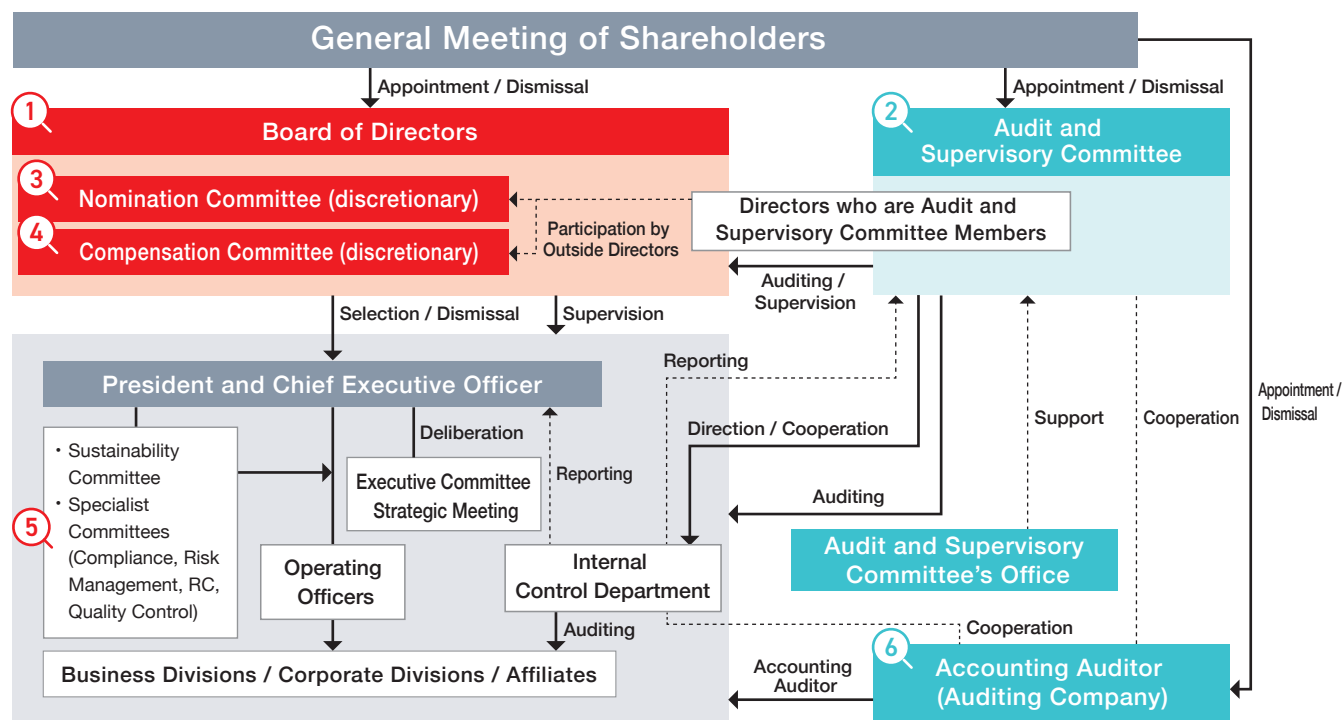
## Governance

# Corporate governance

### Policy (our fundamental view)

In order to respond precisely to changes in the business environment and the intensifying competition between companies, NOF strives to speed up management decisions and, from the perspective of securing transparency and improving accountability, recognizes that the strengthening of corporate governance is an important issue, and endeavors to secure the effectiveness thereof.

Corporate governance diagram



1

Board of Directors

The Board of Directors, consisting of ten members including five independent Outside Directors, holds one regular meeting every month and extraordinary sessions are also convened as required. Besides deciding on important matters set forth by laws, regulations, the articles of incorporation, and the rules of the Board of Directors, the Board supervises the state of business execution. Any important matter to be referred to the Board of Directors goes through preliminary deliberation, intended to ensure more appropriate decision making, by the Executive Committee from time to time attended by Directors who concurrently serve as Operating Officers, Operating Officers with a title, standing Audit and Supervisory Committee members, and heads of the organizational unit or units concerned, or the weekly Strategic Meeting as a rule attended by the Directors who concurrently serve as Operating Officers and Operating Officers with a title.

2

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four Directors, including three independent Outside Directors. Led by the standing Audit and Supervisory Committee members, the Committee members decide auditing policies and standards, attend the Executive Committee, implement audits through inspection of important documents, and supervise the business execution of Directors. In addition, with regard to internal control, the Committee receives reports on audit plans and audit results conducted by the Internal Control Office, our Internal Audit Department, and confirms the situation to aim for effective collaboration, including giving instructions for investigations as necessary. In addition, the Committee maintains close cooperation with the Accounting Auditor by holding meetings regularly and as necessary to exchange relevant information, including receiving reports on audit plans and audit results.

3

Nomination Committee

In order to improve the oversight function of the Board of Directors and strengthen the corporate governance system, the Nomination Committee, which is a voluntary advisory committee to the Board of Directors, has been established. In consultation with the Board of Directors, the Nomination Committee deliberates and reports to the Board of Directors on matters such as the election and dismissal of directors (excluding Audit Committee members), the selection and dismissal of representative directors, and succession planning for such directors. The committee is chaired by an independent Outside Director, and consists of five independent Outside Directors and two Internal Directors. This ensures the committee's independence and objectivity. In fiscal 2024, the Nomination Committee met four times, with all members attending each meeting.

4

Compensation Committee

In order to improve the oversight function of the Board of Directors and strengthen the corporate governance system, the Compensation Committee, which is a voluntary advisory committee to the Board of Directors, has been established. The Compensation Committee, in consultation with the Board of Directors, deliberates and reports to the Board of Directors on matters related to the compensation of Directors, excluding Audit and Supervisory Committee members. The committee is chaired by an independent Outside Director, and consists of five independent Outside Directors and two Internal Directors. This ensures the committee's independence and objectivity. In fiscal 2024, the Compensation Committee met four times, with all members attending each meeting.

5

Specialist Committees

For management risks, the Risk Management Committee takes the lead in conducting company-wide risk assessments. The Risk Management Committee, Responsible Care Committee, Quality Control Committee, and other specialized committees analyze risks, consider countermeasures, analyze and evaluate matters under their jurisdiction, and report to the Board of Directors.

6

Accounting Auditor

Ernst & Young ShinNihon LLC has been selected as the Accounting Auditor.

## Introduction of Officers





1

Representative Director, Executive Chairman

### Takeo Miyaji

- 1980 Joined the Company
- 2010 Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company
- 2011 Director and Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company
- 2012 Director and Executive Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company
- 2012 Director and Executive Operating Officer of the Company
- 2018 Representative Director, President and CEO
- 2023 Representative Director, Executive Chairman (to present)

2

Representative Director, President and CEO

### Koji Sawamura

- 1988 Joined the Company
- 2017 General Manager, Sales Dept., DDS Development Div. of the Company
- 2021 Operating Officer; General Manager, DDS Development Div. of the Company
- 2022 Executive Operating Officer; General Manager, DDS Development Div. of the Company
- 2023 Executive Operating Officer; General Manager, Life Science Div. of the Company
- 2023 Representative Director, President and CEO of the Company (to the present)

3

Director and Executive Operating Officer

### Manabu Saito

- 1985 Joined the Company
- 2006 General Manager, Functional Foods Sales Dept., Functional Foods Div. of the Company
- 2010 General Manager, Operations Dept., Kawasaki Works of the Company
- 2011 General Manager, Secretariat Office of the Company
- 2012 General Manager, Human Resources & General Affairs Dept. of the Company
- 2015 Director; General Manager, Administration Dept. of NICHYU TRADING CO., LTD.
- 2017 Director; General Manager, General Affairs Dept. of NICHYU LOGISTICS CO., LTD.
- 2020 Operating Officer; General Manager, Functional Foods Div. of the Company
- 2021 Executive Operating Officer; General Manager, Functional Foods Div. of the Company
- 2023 Executive Operating Officer; General Manager, Functional Foods Div. of the Company
- 2023 Director and Executive Operating Officer of the Company (to present)

4

General Manager of Corporate Technical Division, Director and Executive Operating Officer

### Kazuyoshi Yamauchi

- 1987 Joined the Company
- 2009 General Manager, Manufacturing Dept., Chidori Plant, Kawasaki Works of the Company
- 2014 General Manager, Technology Dept., Amagasaki Plant of the Company
- 2016 General Manager, Kinuura Plant of the Company
- 2019 General Manager, Kawasaki Works; General Manager, Daishi Plant; General Manager, Operations Dept., Kawasaki Works of the Company
- 2020 Operating Officer; General Manager, Kawasaki Works; General Manager, Daishi Plant; General Manager, Operations Dept., Kawasaki Works of the Company
- 2021 Director and Operating Officer; General Manager, Responsible Care & Production Engineering Dept. of the Company
- 2022 Director and Executive Operating Officer; General Manager, Responsible Care & Production Engineering Dept. of the Company
- 2023 Director and Executive Operating Officer; General Manager, Corporate Technical Div. of the Company (to present)

5

Outside Director

### Takashi Kamada

- 1985 Joined The Yasuda Trust and Banking Company, Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
- 2011 General Manager, Human Resources Dept. of Mizuho Trust & Banking Co., Ltd.
- 2012 Executive Officer; General Manager, Corporate Banking Dept. of Mizuho Trust & Banking Co., Ltd.
- 2014 Senior Managing Executive Officer of Mizuho Financial Group, Inc. (Resigned from the position in April 2017)
- 2014 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd. (Resigned from the position in April 2017)
- 2017 Deputy President of Mizuho Private Wealth Management Co., Ltd. (Resigned from the position in April 2019)
- 2019 President of Mizuho Trust Guarantee Co., Ltd. (Resigned from the position in April 2021)
- 2020 President of Mizuho Trust Retail Support Co., Ltd. (Resigned from the position in April 2021)
- 2022 President of Mizuho Realty Co., Ltd. (scheduled to resign from the position in June 2025)
- 2025 Director of the Company (to present)

6

Outside Director

### Izumi Hayashi

- 1986 Public Prosecutor at the Nagoya District Public Prosecutors Office
- 1987 Registered as Attorney (Tokyo Bar Association); Joined Logan, Takashima & Nemoto
- 1993 Partner of Eitai Sogo Law Offices
- 2013 Director of Cool Japan Fund Inc. (Resigned from the position in June 2017)
- 2015 Partner of Sakurazaka Law Offices (to present)
- 2015 Member of the Board of SEIKAGAKU CORPORATION (Resigned from the position in June 2019)
- 2019 Audit & Supervisory Board Member of Weathernews Inc. (Resigned from the position in August 2023)
- 2020 Corporate Auditor of the Company (Resigned from the position in June 2021)
- 2021 Director of the Company (to present)
- 2023 Director (Audit & Supervisory Committee Member) of Nifco Inc. (to present)
- 2023 Director of Weathernews Inc. (to present)

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Director and Audit and Supervisory Committee member

### Masanobu Miyo

- 1985 Joined the Company
- 2014 Operating Officer; General Manager, Oleo & Specialty Chemicals Div. of the Company
- 2018 Executive Operating Officer; General Manager, Oleo & Specialty Chemicals Div. of the Company
- 2020 Director and Executive Operating Officer; General Manager, Oleo & Specialty Chemicals Div. of the Company
- 2021 Director and Executive Operating Officer of the Company
- 2023 Director (Standing Audit and Supervisory Committee Member) of the Company (to present)

8

Outside Director and Audit and Supervisory Committee member

### Kunimitsu Ito

- 1984 Joined Arthur & Young Certified Public Accountant Joint Office (merged with Asahi Shinwa & Co. (currently KPMG AZSA LLC) in 1986)
- 1989 Registered as Certified Public Accountant
- 2009 Partner of KPMG AZSA LLC (Resigned in June 2017)
- 2017 Registered as Certified Tax Accountant
- 2017 Joined ITAKO Accounting Office (Resigned in November 2018)
- 2018 Representative of ITO ACCOUNTING FIRM (to present)
- 2020 Director of the Company
- 2021 Director (Audit and Supervisory Committee Member) of the Company (to present)
- 2023 Director of nattoku Housing Co., Ltd. (Resigned from the position in March 2025)

9

Outside Director and Audit and Supervisory Committee member

### Yuriko Sagara

- 2001 Registered as Attorney (Daini Tokyo Bar Association); Joined Nakamura & Partners
- 2005 Registered as Patent Attorney
- 2010 Registered as U.S. New York State Attorney
- 2013 Partner of Nakamura & Partners (to present)
- 2019 Director (Audit and Supervisory Committee Member) of TOKYO SEIMITSU CO., LTD. (to present)
- 2021 Director (Audit and Supervisory Committee Member) of the Company (to present)

10

Outside Director and Audit and Supervisory Committee member

### Keiichi Miura

- 1980 Joined Onoda Cement Co., Ltd. (currently TAIHEIYO CEMENT CORPORATION)
- 2012 General Manager, Central Research Laboratory of TAIHEIYO CEMENT CORPORATION
- 2013 Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2016 Managing Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2016 Director and Managing Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2019 Director and Senior Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2020 Director of TAIHEIYO CEMENT CORPORATION (Resigned from the position in June 2020)
- 2020 Director of Tosoh Corporation (Resigned from the position in June 2023)
- 2021 Director (Audit and Supervisory Committee Member) of the Company (to present)

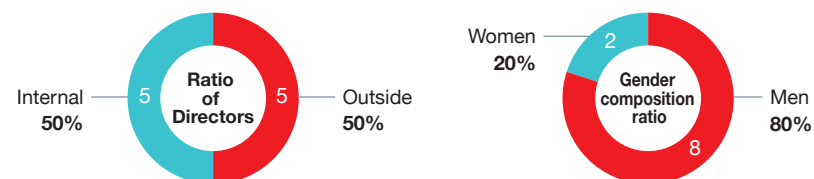
Skills Table

Name	Gender	Position	Years in current position	Attendance in FY2024	Expected Skills						
					Business management, business administration, DX	R&D, quality and production technologies	Sales and marketing, SCM	Overseas business, global	Legal and ESG, environment and safety	HR and labor	Finance and accounting
<b>1 Takeo Miyaji</b>	Men	Representative Director, Executive Chairman	14 years	Board of Directors: 17/17 meetings (100%)	●		●		●	●	●
<b>2 Koji Sawamura</b>	Men	Representative Director, President and CEO	2 years	Board of Directors: 17/17 meetings (100%)	●	●	●	●			
<b>3 Manabu Saito</b>	Men	Director and Executive Operating Officer	2 years	Board of Directors: 17/17 meetings (100%)	●		●		●	●	●
<b>4 Kazuyoshi Yamauchi</b>	Men	General Manager of Corporate Technical Division, Director and Executive Operating Officer	4 years	Board of Directors: 17/17 meetings (100%)	●	●		●	●		
<b>Outside</b>	<b>5 Takashi Kamada</b>	Men	Outside Director	newly appointed	–	●				●	●
	<b>6 Izumi Hayashi</b>	Women	Outside Director	4 years	Board of Directors: 17/17 meetings (100%)			●	●		
	<b>7 Masanobu Miyo</b>	Men	Director and Audit and Supervisory Committee member	5 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)	●	●	●			
<b>Outside</b>	<b>8 Kunimitsu Ito</b>	Men	Outside Director and Audit and Supervisory Committee member	5 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)			●			●
	<b>9 Yuriko Sagara</b>	Women	Outside Director and Audit and Supervisory Committee member	4 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)			●	●		
	<b>10 Keiichi Miura</b>	Men	Outside Director and Audit and Supervisory Committee member	4 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)	●	●		●		

\*The ● symbols indicate skills possessed by each director.

\*The above table does not indicate all professional skills possessed by each individual.

\*The number of years in current position indicates the terms of Directors as of the close of the 102nd Annual General Meeting of Shareholders.



## Outside Directors

Name	Audit and Supervisory Committee Member	Independent Director/ Auditor	Reasons for election
<b>Takashi Kamada</b>		●	Mr. Takashi Kamada has abundant experience and advanced insight in the financial industry, a broad range of experience and knowledge as a multi-corporate manager. The Company expects him to fulfill the role of conducting appropriate oversight, etc. over business execution and providing advice to management on all aspects of the management from a fair and objective standpoint, based on his professional viewpoint, including his advanced knowledge on human resources, labor, finance and accounting, and corporate management.
<b>Izumi Hayashi</b>		●	As an attorney, Ms. Izumi Hayashi is well versed in corporate legal affairs and has advanced knowledge of intellectual property and corporate compliance. She fulfills her role as an Outside Director of the Company. She is also a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. Although she has never been involved in corporate management other than as an outside officer, for the above reasons, the Company expects that she can continue to play a role going forward in advising management and appropriately supervising business execution from her professional perspective, including her global view of legal and risk management.
<b>Kunimitsu Ito</b>	●	●	Mr. Kunimitsu Ito is a certified public accountant and tax accountant with deep insight on accounting and taxation. He is a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. Although he has never been involved in corporate management except as an outside officer, for the reasons above, the Company expects that he will be able to continue to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on his specialized knowledge.
<b>Yuriko Sagara</b>	●	●	Ms. Yuriko Sagara has a high level of expertise and global-based knowledge as an attorney. In addition, as a patent attorney, she has a deep level of insight on intellectual property. She is a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. Although she has never been involved in corporate management except as an outside officer, for the reasons above, the Company expects that she will be able to continue to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on her specialized knowledge.
<b>Keiichi Miura</b>	●	●	Mr. Keiichi Miura has been engaged in the management of TAIHEIYO CEMENT CORPORATION, and has abundant experience and advanced insight and capabilities regarding research planning, etc. He also has extensive experience and knowledge, having served in positions such as outside director in the chemicals industry. He is a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. For the reasons above, the Company expects that he will be able to continue to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on his abundant experience and knowledge of advanced technology as a corporate manager.

Analysis and evaluation of effectiveness of the Board as a whole

NOF analyzes and evaluates the effectiveness of the Board of Directors once a year, in principle. Since fiscal 2016, NOF has implemented an effectiveness evaluation every year. In fiscal 2024, the Company employed a questionnaire form crafted by an external institution, and implemented the Board of Directors effectiveness evaluation questionnaire by surveying all 10 Directors.

By combining a five-level rating scale and open-ended questions, the questionnaire aimed to understand current conditions and identify challenges from both aspects of quantitative and qualitative evaluation.

As the questionnaire was answered by sending responses directly to the external institution,

anonymity was ensured. The tallying and analysis of the questionnaire forms was also delegated to an external institution, for the purpose of securing objectivity and further increasing the effectiveness of the Board of Directors going forward. Based on the tallying and analysis of the results of the external institution, the Board of Directors conducted a deliberation and evaluation in April 2024.

Summary of results for fiscal 2024 effectiveness evaluation

The NOF Board of Directors ensures a suitable diversity of knowledge, experience, and abilities necessary in light of management strategies and provides appropriate opportunities to utilize the

experience and expertise of Outside Directors. It was confirmed that based on the Corporate Philosophy and values of the NOF Group, the Board of Directors is generally operating appropriately, with Directors freely and openly expressing their opinions while leveraging their careers and expertise, open and active discussions taking place as a Board of Directors, and ensuring of sufficient time for deliberation on important matters.

The Board of Directors earnestly discussed the issues identified in the fiscal 2023 effectiveness evaluation, such as cost of capital-conscious management and non-financial information including sustainability, engaged in dialogue with the executive side, and focused on improving the situation.

Points of improvement for the future

It was confirmed that the Board will continue to focus on realizing cost of capital-conscious management, while also considering and discussing measures to further enhance corporate value.

Question matters in the questionnaire (28 total questions)

- |   |  |                                      |
|---|--|--------------------------------------|
| ● Roles and functions of the Board of Directors (5 questions)   | ● Improvement of internal control (3 questions)              | ● Degree of improvement (1 question) |
| ● Scale and composition of the Board of Directors (4 questions) | ● Use of Outside Directors (3 questions)                     | ● Open-ended section (3 questions)   |
| ● Operation of the Board of Directors (6 questions)             | ● Relationship with shareholders and investors (3 questions) |                                      |

## Overview of the policy on determining compensation

Compensation of directors, excluding those who serve as Audit and Supervisory Committee members, is set to reward performance and other achievements through an appropriate level of compensation while promoting sustainable growth and medium- to long-term enhancement of corporate value based on our Corporate Philosophy. Decisions on such compensation are made through a fair and transparent process. Compensation consists of monthly compensation, bonuses, and stock-based compensation. In order to maintain incentives, at least 40% of the compensation paid is set as performance-linked compensation (bonuses, ESG indicators-linked compensation, stock compensation). Furthermore, compensation for Outside Directors is limited to fixed compensation. In addition, the compensation system, compensation levels, individual compensation, and other such matters are deliberated by the Compensation Committee.

Standard composition of Directors' compensation, excluding Audit and Supervisory Committee members and Outside Directors

Monthly compensation*	Incentive compensation
60%	40%
	(Bonuses, stock-based compensation, ESG indicators-linked compensation)

\* ESG indicator-linked compensation is included as part of incentive compensation.

### Compensation system

Type	Deliberation and resolution method
Fixed compensation	Calculation methods, etc. of fixed compensation for Directors are deliberated by the Compensation Committee and resolved at the Board of Directors meeting. In addition, with regard to the determination of the specific details of the amount of fixed compensation for each individual director, excluding members of the Audit and Supervisory Committee, a resolution is passed by the Board of Directors after deliberation by the Compensation Committee.
Performance-linked compensation	Bonuses Calculation methods, etc. of bonuses for Directors (excluding Audit and Supervisory Committee members and Outside Directors) are deliberated by the Compensation Committee and resolved at the Board of Directors meeting. The calculation method of the said bonuses is based on consolidated operating income, an important indicator related to the Group's business performance evaluation. The base amount is multiplied by a designated coefficient determined for each Director position. The Compensation Committee verifies this calculation method and the amount paid in each term.
	ESG indicators-linked compensation At the Board of Directors meeting held on January 27, 2023, it was decided to use a calculation method utilizing the level of achievement of ESG indicators and other factors for a portion of the compensation (monthly compensation) for Directors (excluding Audit and Supervisory Committee members and Outside Directors). The method for calculating this compensation is based on ESG indicators related to the NOF Group's efforts to address sustainability challenges. It is determined by multiplying a standard amount, which is set for each Director position, by an evaluation coefficient that reflects the degree of achievement. The Compensation Committee verifies this calculation method and the amount paid in each term.
	Stock compensation Based on the resolution of the 96th Annual General Meeting of Shareholders held on June 27, 2019, a new performance-linked stock compensation plan (Board Benefit Trust) was introduced. At the 98th Annual General Meeting of Shareholders held on June 29, 2021, NOF transitioned to being a company with an Audit and Supervisory Committee. In conjunction with this transition, the plan applies to Directors who concurrently serve as Operating Officers and Operating Officers with a title (excluding Outside Directors and Audit and Supervisory Committee members, hereinafter collectively "Directors, etc."). For each fiscal year, the Directors, etc. are awarded points, the number of which is to be decided taking into account their respective positions, achievement level of their performance, etc. based on the Officer Stock Distribution Rules. Each point awarded to the Directors, etc. is converted into one share of NOF's common stock at the time of the distribution of NOF's shares, etc. (In the event of a stock split, allotment of shares without contribution, or a consolidation of shares, the maximum number of points, the number of points already granted, and the conversion ratio will be reasonably adjusted in accordance with such ratio, etc.) The number of points held by a Director, etc., which will be used as the basis for the distribution of NOF's shares, etc., is, in principle, the number of points awarded to the said Director, etc. by the time of his/her retirement. The Officer Stock Distribution Rules, which determine the calculation method, etc., which considers such matters as the respective positions and achievement level of performance targets of the Directors, etc., are deliberated by the Compensation Committee and then resolved by the Board of Directors. <b>[Calculation methods of points awarded]</b> The number of points awarded is calculated by multiplying the number of position-based points, decided for each position, by the performance evaluation coefficient, which is determined by the achievement level, etc. of consolidated operating income and ROE in the Mid-term Management Plan, important indices for the evaluation of the NOF Group's business performance. <b>[(Formula) Number of position-based points × Performance evaluation coefficient]</b> *Performance evaluation coefficient=(performance evaluation coefficient based on consolidated operating income × 50%) + (performance evaluation coefficient based on ROE × 50%) *Taking into account the achievement level of performance, the value of the performance evaluation coefficient varies between 0 and 1.5. <b>[Distribution methods]</b> Distribution takes place after the retirement of Directors, etc., and the Company's shares and cash, equivalent to the Defined Number of Points, are distributed (when distributed as survivor benefits, cash is distributed). <b>[Achievement level of the targets for consolidated operating income and ROE during the fiscal year]</b> The planned target for consolidated operating income in the 2025 Mid-term Management Plan is ¥46.0 billion (final year of the said plan). The actual result of consolidated operating income in the fiscal year under review was ¥45.3 billion, representing a 102.4% achievement level in the fiscal year, calculated according to the level of growth in the period of the 2025 Mid-term Management Plan. In addition, the ROE target for the final fiscal year of the 2025 Mid-term Management Plan is 12% or more, and the actual ROE for this fiscal year was 13.4%, representing a 111.9% achievement level of the target.