

① Provide new values to realize a prosperous and sustainable society

Materiality	FY2025					FY2026			
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives
Innovation through businesses  ▶ pp. 046-049, 055	R&D investment amount NOF Group	¥25.6 billion (3-year cumulative total)	2025	¥8.1 billion 3-year cumulative total ¥23.3 billion (achievement rate of 91%)	Enhancement of R&D capabilities ● Call for commissioned industry-academia research ● Promotion of joint research ● Enhancement of support for R&D ● Intellectual property strategy formulation and strategic applications	R&D investment amount NOF Group	¥28.4 billion (3-year cumulative total)	2028	Enhancement of R&D capabilities ● Creation of promising topics in growth fields ● Early commercialization of business development topics ● Strengthening support for R&D efficiency ● Strengthening IP strategy
	Number of patent applications NOF	500 cases (3-year cumulative total)	2025	215 cases 3-year cumulative total 597 cases (achievement rate of 119%)		Number of patent applications NOF	630 cases (3-year cumulative total)	2028	
Contribute to the Life/Healthcare field  ▶ p. 033	Net sales of strategic products* in the Life/Healthcare field NOF Group	15% increase (compared to FY2022 results)	2025	12% increase (compared to FY2022)	● Supply of strategic products to the Life/Healthcare field	Net sales of strategic products* in the Life/Healthcare field NOF Group	20% increase (compared to FY2025 results)	2028	● Supply of strategic products to the Life/Healthcare field
Contribute to the Environment / Energy field  ▶ p. 032	Net sales of strategic products* in the Environment/Energy field NOF Group	15% increase (compared to FY2022 results)	2025	66% increase (compared to FY2022)	● Supply of strategic products to the Environment/Energy field	Net sales of strategic products* in the Environment/Energy field NOF Group	100% increase (compared to FY2025 results)	2028	● Supply of strategic products to the Environment/Energy field
Contribute to the Electronics/IT field (smart society)  ▶ p. 047	Net sales of strategic products* in the Electronics/IT field NOF Group	15% increase (compared to FY2022 results)	2025	24% increase (compared to FY2022)	● Supply of strategic products to the Electronics/IT field	Net sales of strategic products* in the Electronics/IT field NOF Group	30% increase (compared to FY2025 results)	2028	● Supply of strategic products to the Electronics/IT field

* Among the products in the three prioritized business fields outlined in our vision (Life/Healthcare, Environment/Energy, Electronics/IT), strategic products refer to products for which we pursue customer satisfaction and incorporate new functions and technologies to deliver superiority over competitors, or products we aim to develop into core offerings of our future business divisions

Materiality | KPIs

② Strengthen the business foundation

Materiality	FY2025					FY2026			
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives
Human Capital Enhancement ● Talent Development ● Diversity    	Talent Development Investment NOF	Over 2.5-fold (compared to FY2022 results)	2025	2.6-fold (compared with FY2022)	● Strengthening growth support	Talent Development Investment NOF	Over 3.5-fold (compared with FY2022)	2030	● Strengthening growth support
	Rate of hiring of female new graduates recruited for career-track positions NOF	30% or more	Every fiscal year	39.1%	● Implementation of systematic recruitment	Rate of hiring of female new graduates recruited for career-track positions NOF	30% or more	Every fiscal year	● Implementation of systematic recruitment
	Ratio of female management-level employees NOF	Over 3-fold (compared to FY2021 results)	2030	1.3-fold (compared with FY2021)	● Implementation of systematic recruitment ● Development and promotion of female management-level employees	Ratio of female management-level employees NOF	Over 3-fold (compared with FY2021)	2030	● Implementation of systematic recruitment ● Development and promotion of female management-level employees
	Percentage of employees with disabilities NOF	3.0% or more	2030	2.82%	● Promotion of employment of people with disabilities	Percentage of employees with disabilities NOF	3.0% or more	2030	● Promotion of employment of people with disabilities
	Pay gap ratio between male and female full-time employees NOF 5 domestic consolidated companies	75% or more	2030	73.6% NOF 72.4% 5 domestic consolidated companies	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees	Pay gap ratio between male and female full-time employees NOF NOF/5 domestic consolidated companies	75% or more	2030	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees
	Rate of male employees utilizing childcare leave NOF	100%	2030	94.1% (taking at least 1 day of annual leave)	● Development of environments where leave can be utilized easily	Rate of male employees utilizing childcare leave for 2 weeks or longer* NOF	85% or more	2030	● Development of environments where leave can be utilized easily
Risks  Sustainability Report ▶ p. 196 ● Sustainable business growth stalls due to delays in talent development ● Inability to secure necessary employees leading to delays in business plans Opportunities  Sustainability Report ▶ p. 196 ● Evolution of organizational capabilities through a combination of internal talent development and external recruitment ● Investment in labor saving and automation (accelerating smart factory implementation) ● Improvement of manufacturing workplaces where the elderly and women are able to participate in an active manner, achieving a diverse organization Strategies ● Deliberation on company-wide talent development policies and plans, and evaluation of implementation content at the Talent Review Meeting ● Discussion of talent development, recruitment status, and response policies at the Sustainability Committee ● Promotion of business understanding by holding factory tours, etc., for new graduate hires, and expansion of dissemination channels for recruitment information for mid-career workers ● Development of a re-employment system for retirees to rejoin the company ● Accumulation of smart factory implementation know-how at a model factory and deployment to other factories ● Implementation of planned capital expenditures (improvement of the workplace environment)									

* Changed from taking at least 1 day (FY2030: 100%) to taking at least 2 weeks from FY2026. This improves the quality of childcare leave by enabling actual participation in childcare.

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	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives	
Create a comfortable workplace	Utilization rate of annual paid leave NOF 5 domestic consolidated companies	75% or more	2025	81.4% NOF 80.1% 5 domestic consolidated companies	Raising awareness by disseminating the Health-Conscious Management Declaration	Utilization rate of annual paid leave NOF/5 domestic consolidated companies	75% or more	2030	Raising awareness by disseminating the Health-Conscious Management Declaration	
	Overall employee engagement score NOF	50.0 or more	2025	51.0	Execution of measures using employee engagement surveys as a starting point	Overall employee engagement score NOF	53.0 or more	2030	Execution of measures using employee engagement surveys as a starting point	
	Risks Sustainability Report ► p. 196 - Rise in turnover rate due to family care, etc., impeding business promotion and operation execution Opportunities Sustainability Report ► p. 196 - Improvement of organizational resilience through standardization of operations - Improvement of employee engagement with greater support measures for balancing work with childcare and family care Strategies - Provision of opportunities to engage in career dialogue with supervisors, support for career development, and promotion of a comfortable workplace - Career consultation services and support for self-directed career development and growth - Improvement of productivity through operational efficiency and process reviews via DX promotion and introduction of generative AI - Enhancement of support systems for balancing work with childcare and family care									
Promotion of CSR-based Procurement	Coverage rate of CSR questionnaire survey (based on value of purchases) NOF	85% or more	2025	92% NOF (cumulative total over 2025 plan)	CSR questionnaires for suppliers completed in FY2023 and FY2024	Coverage rate of CSR questionnaire (based on value of purchases) NOF	85% or more	2028	Implementation of the CSR questionnaire*	
	Improvement requests via interviews to target suppliers in order to firmly establish CSR-based procurement (based on number of companies) NOF	85% or more	2025	96% (Interviews conducted with 24 of the 25 targeted companies)	Implementation of improvement requests via interviews to target suppliers	25 Mid-term Management Plan Interview Supplier improvement rate (Number of companies improved/ 24 companies) NOF	75% or more	2028	Follow-up with target suppliers	
	Risks Sustainability Report ► p. 175 - Drop in credibility due to perceived insufficiency of efforts for sustainable and responsible procurement Opportunities Sustainability Report ► p. 175 - Fulfillment of social responsibility, risk reduction, enhancement of brand value, strengthening of competitiveness Strategies - Implementation of interviews with suppliers and requests for improvement									
Resilience enhancement	BCP education and training hours NOF Group	Total of 4,000 hours	Every fiscal year	Total of 8,000 hours or more	- Enhancement of each BCP manual - Improvement of response capabilities through expanded training scenarios - Inspection and confirmation of location activities through audits	BCP education and training hours NOF Group	Total of 4,000 hours or more	Every fiscal year	- Enhancement of each BCP manual - Improvement of response capabilities through expanded training scenarios - Inspection and confirmation of location activities through audits	

③ Promote Responsible Care activities

Materiality	FY2025					FY2026				
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives	
Response to climate change      > pp. 080-088	CO₂ emissions Domestic Group	40% reduction (compared with FY2013)	2030	123,000 tons/year 31% reduction (compared with FY2013)	- Promotion of a shift to energy sources with low environmental impact - Promotion of introduction of energy-saving facilities - Promotion of efficient energy use and visualization	CO₂ emissions Domestic Group	107,000 tons/year 40% reduction (FY2013: 179,000 tons/year)	2030	- Promotion of a shift to energy sources with low environmental impact - Promotion of introduction of energy-saving facilities - Promotion of efficient energy use and visualization of consumption	
	Carbon neutrality NOF Group	Aim for achievement	2050			Carbon neutrality NOF Group	Aim for achievement	2050		
Risks  > p. 082 - Increase in manufacturing cost due to compliance with environmental regulations, decrease in product sales - Increased procurement costs due to soaring raw material prices - Reputational damage and falling stock prices due to the use of certain raw materials - Increase in cultivation/production and procurement costs due to degradation of ecosystem services - Decrease in sales caused by flood and wind damage to production bases and value chain Opportunities  > p. 083 - Decrease in manufacturing cost through improved resource efficiency - Increase in sales due to growing demand for products that contribute to environmental conservation Strategies - Promotion of measures toward reducing greenhouse gas (GHG) emissions - Reduction of plastic usage - Securing stable raw materials through multiple purchases and long-term contracts - Procurement of sustainable palm oil - Selection of suppliers and business partners taking into account risks at the production area (ensuring traceability) - Rain water countermeasures and disaster prevention measures for buildings and facilities - Development and provision of products that contribute to environmental conservation										

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Chemical Safety        ▶ pp. 090-092	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group	under 170 tons/year	Every fiscal year	139 tons/year	- Creation and execution of emission reduction measures - Reevaluation of production processes	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group	under 170 tons/year	Every fiscal year	- Creation and execution of emission reduction measures - Reevaluation of production processes
	Risks - Tighter domestic and international regulations - Increases in cost associated with expansion of facilities and strengthening of management systems to comply with regulations - Inability to manufacture existing products leading to a decline in sales Opportunities - Proactive emission control measures and the development and provision of products that contribute to sustainability improve the Company's ratings and reputation. Strategies - Creation and execution of emission reduction measures - Reevaluation of production processes - Expansion of information provision to stakeholders - Ensuring compliance with domestic and international regulations								
Promote occupational safety and health    ▶ p. 093	Number of lost workday-involving accidents Domestic Group	0	Every fiscal year	4 cases	Through the participation of all personnel and risk anticipation - Enhancement of sensitivity toward danger - Thorough enforcement of basic safety actions - Reduction of disaster risks - Strengthening of responses based on Sangen Shugi (the "three actuals" principle)	Number of lost workday-involving accidents Domestic Group	0	Every fiscal year	Through the participation of all personnel and risk anticipation - Further fostering of a safety culture - Adoption of basic safety actions - Reduction of disaster risks - Strengthening of responses based on Sangen Shugi (the "three actuals" principle)