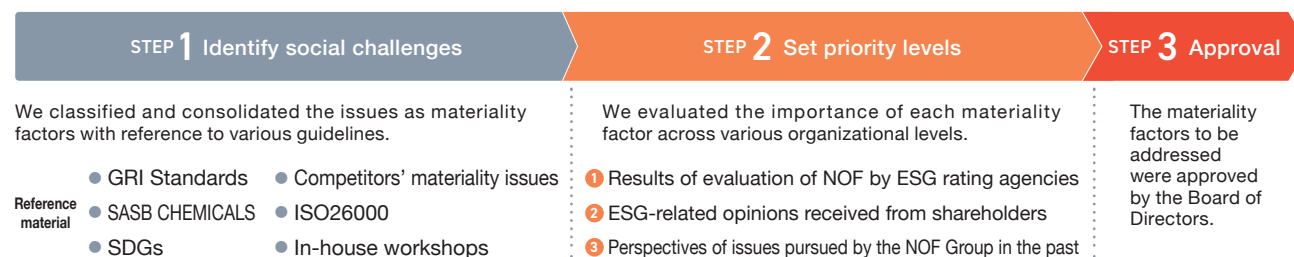


## Materiality

### Identification of 11 materiality issues (important issues)

#### Process of identifying materiality

In 2020, the NOF Group selected ESG-related important issues to prioritize in order to realize the vision set forth in NOF VISION 2025 (our Mid-term Management Plan formulated in 2019).



#### Implementation of ongoing review

Each materiality item is reviewed at least once a year by the Sustainability Committee, with the lead departments reporting on KPI performance to confirm progress. In addition, we review the materiality items as needed in response to external requirements such as those from the ISSB and SSBJ.

Most recently, we conducted a materiality review in 2022 when we formulated our new Mid-term Management Plan NOF VISION 2030.

#### Concrete efforts related to important issues

The NOF Group has classified 11 identified materiality items into three categories and is taking action by linking them to concrete business activities. For each materiality item, a lead division and responsible division are assigned, and specific indicators and targets (KPIs) are set as we undertake initiatives.

##### ① Provide new values to realize a prosperous and sustainable society

Targeting the three prioritized business fields, we will aim to offer new value by combining the core technologies we have cultivated through our diverse business development.

▶ P.017,066-069



##### ② Strengthen the business foundation

As well as building a corporate culture that accepts diversity of values, we will appropriately identify changes in the environment and technological progress and enhance our resilience.

▶ P.018,070-079
















##### ③ Promote responsible care activities

By securing the environment, safety, and health in all processes, from product development and manufacture to disposal, we will aim to be a corporate group that is trusted by the whole of society.

▶ P.019,080-103
























## ① Provide new values to realize a prosperous and sustainable society











Materiality	Goals (KPIs)	FY2024				FY2025			
		Numerical targets	Target year	Results	Details of major initiatives	Numerical targets	Target year	Details of major initiatives	
Innovation through businesses	  <b>R&amp;D investment</b> NOF Group	¥25.6 billion (3-year cumulative total)	2025	¥7.9 billion 2-year cumulative total: <b>¥15.2 billion</b> (achievement rate of 59%)	<b>Enhancement of R&amp;D capabilities</b> <ul style="list-style-type: none"> <li>● Call for commissioned industry-academia research</li> <li>● Promotion of joint research</li> <li>● Enhancement of support for R&amp;D</li> <li>● Intellectual property strategy formulation and strategic applications</li> </ul>	¥25.6 billion (3-year cumulative total)	2025	<b>Enhancement of R&amp;D capabilities</b> <ul style="list-style-type: none"> <li>● Call for commissioned industry-academia research</li> <li>● Promotion of joint research</li> <li>● Enhancement of support for R&amp;D</li> <li>● Intellectual property strategy formulation and strategic applications</li> </ul>	
	 <b>Number of patent applications</b> NOF	500 (3-year cumulative total)	2025	221 2-year cumulative total: <b>382</b> (achievement rate of 76%)		500 (3-year cumulative total)	2025		
Contribute to the Life/Healthcare field	  <b>Net sales of strategic products* in the Life/Healthcare field</b> NOF Group	15% increase (compared to FY2022 results)	2025	<b>11.7% increase</b>	<ul style="list-style-type: none"> <li>● Supply of strategic products to the Life/Healthcare field</li> </ul>	15% increase (compared to FY2022 results)	2025	<ul style="list-style-type: none"> <li>● Supply of strategic products to the Life/Healthcare field</li> </ul>	
Contribute to the Environment/Energy field	      <b>Net sales of strategic products* in the Environment/Energy field</b> NOF Group	15% increase (compared to FY2022 results)	2025	<b>43.7% increase</b>	<ul style="list-style-type: none"> <li>● Supply of strategic products to the Environment/Energy field</li> </ul>	15% increase (compared to FY2022 results)	2025	<ul style="list-style-type: none"> <li>● Supply of strategic products to the Environment/Energy field</li> </ul>	
Contribute to the Electronics/IT field (smart society)	  <b>Net sales of strategic products* in the Electronics/IT field</b> NOF Group	15% increase (compared to FY2022 results)	2025	<b>15.6% increase</b>	<ul style="list-style-type: none"> <li>● Supply of strategic products to the Electronics/IT field</li> </ul>	15% increase (compared to FY2022 results)	2025	<ul style="list-style-type: none"> <li>● Supply of strategic products to the Electronics/IT field</li> </ul>	

\*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

## ② Strengthen the business foundation

Materiality	Goals (KPIs)	FY2024				FY2025			
		Numerical targets	Target year	Results	Details of major initiatives	Numerical targets	Target year	Details of major initiatives	
<b>Create a comfortable workplace</b> • Employee engagement	  <b>Utilization rate of annual paid leave</b> NOF	75% or more NOF	2025	79.1%	● Raising awareness by disseminating the Health-Conscious Management Declaration	75% or more NOF 5 domestic consolidated companies	2025	● Raising awareness by disseminating the Health-Conscious Management Declaration	
	 <b>Overall employee engagement score</b> NOF	50.0 or more	2025	50.0	● Execution of measures using employee engagement surveys as a starting point	50.0 or more	2025	● Execution of measures using employee engagement surveys as a starting point	
<b>Better performance of human resources</b> • Human resources development • Diversity	  <b>Investment for human resources development (training costs)</b> NOF	Over 2.5-fold (compared with FY2022)	2025	2.2-fold	● Strengthening of human resources development support	Over 2.5-fold (compared with FY2022)	2025	● Strengthening of human resources development support	
	  <b>Rate of hiring of female new graduates recruited for career-track positions</b> NOF	30% or more	Every year	38.0%	● Implementation of systematic recruitment	30% or more	Every year	● Implementation of systematic recruitment	
	  <b>Ratio of female management-level employees</b> NOF	Over 3-fold (compared with FY2021)	2030	1.3-fold	● Implementation of systematic recruitment ● Development and promotion of female management-level employees	Over 3-fold (compared with FY2021)	2030	● Implementation of systematic recruitment ● Development and promotion of female management-level employees	
	  <b>Percentage of employees with disabilities</b> NOF	3.0% or more	2030	2.65% (end of March 2025)	● Promotion of employment of people with disabilities	3.0% or more	2030	● Promotion of employment of people with disabilities	
	  <b>Pay gap ratio between male and female full-time employees</b> NOF	75% or more NOF	2030	72.6%	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees	75% or more NOF 5 domestic consolidated companies	2030	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees	
	 <b>Rate of male employees utilizing childcare leave</b> NOF	100%	2030	95.7%	● Development of environments where leave can be utilized easily	100%	2030	● Development of environments where leave can be utilized easily	
	 <b>Rate of hiring of mid-career workers for executive and career-track positions</b> NOF	25% or more	Every year	47.4%	● Implementation of systematic recruitment	–	–	–	
<b>Promotion of CSR-based procurement</b>	  <b>Coverage rate of CSR questionnaire (based on value of purchases)</b> NOF	85% or more	2025	92% (cumulative total over 2025 plan)	● Implementation of CSR questionnaire for suppliers (suppliers with value of purchases between ¥1 million and less than ¥5 million/month)	85% or more	2025	● CSR questionnaires for suppliers completed in FY2023 and FY2024	
	  <b>Improvement requests via interviews to target suppliers in order to firmly establish CSR-based procurement (based on number of companies)</b> NOF	85% or more	2025	96% (cumulative total over 2025 plan)	● Implementation (ahead of schedule) of improvement requests via interviews to target suppliers	85% or more	2025	● Implementation of improvement requests via interviews to target suppliers	
<b>Resilience enhancement</b>	  <b>BCP education and training hours</b> NOF Group	Total of 4,000 hours or more	Every year	Total of 7,000 hours	● Enhancement of each BCP manual ● Improvement of response capabilities through expanded training scenarios ● Inspection and confirmation of location activities through audits	Total of 4,000 hours or more	Every 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	Goals (KPIs)	FY2024				FY2025		
		Numerical targets	Target year	Results	Details of major initiatives	Numerical targets	Target year	Details of major initiatives
Response to climate change	  <b>CO2 emissions</b> Domestic Group	40% reduction (compared with FY2013) FY2013 178,600 tons/year	2030	<b>132,900 tons/year</b>	<ul style="list-style-type: none"> <li>Promotion of a shift to energy sources with low environmental impact</li> <li>Promotion of introduction of energy-saving facilities</li> <li>Promotion of efficient energy use and visualization</li> </ul>	40% reduction (compared with FY2013)	2030	<ul style="list-style-type: none"> <li>Promotion of a shift to energy sources with low environmental impact</li> <li>Promotion of introduction of energy-saving facilities</li> <li>Promotion of efficient energy use and visualization</li> </ul>
	  <b>Carbon neutrality</b> NOF Group	Aim for achievement	2050	<b>25.3% reduction (compared with FY2013)</b>		Aim for achievement	2050	
Chemical safety	    <b>Emissions of substances subject to PRTR Act after revision in FY2021</b> Domestic Group	under 170 tons/year	Every year	<b>135 tons/year</b>	<ul style="list-style-type: none"> <li>Creation and execution of emission reduction measures</li> <li>Reevaluation of production processes</li> </ul>	under 170 tons/year	Every year	<ul style="list-style-type: none"> <li>Creation and execution of emission reduction measures</li> <li>Reevaluation of production processes</li> </ul>
Promote occupational safety and health	  <b>Number of lost workday-involving accidents</b> Domestic Group	0	Every year	<b>5</b>	<p>Through the participation of all personnel and anticipating risk</p> <ul style="list-style-type: none"> <li>Enhancement of sensitivity toward danger</li> <li>Thorough enforcement of basic safety actions</li> <li>Reduction of disaster risks</li> <li>Strengthening of responses based on Sangen Shugi (the "three actuals" principle)</li> </ul>	0	Every year	<p>Through the participation of all personnel and anticipating risk</p> <ul style="list-style-type: none"> <li>Enhancement of sensitivity toward danger</li> <li>Thorough enforcement of basic safety actions</li> <li>Reduction of disaster risks</li> <li>Strengthening of responses based on Sangen Shugi (the "three actuals" principle)</li> </ul>

## Three fields in which the NOF Group aims to capitalize on the changes in the times

Social Issues

Three prioritized business fields

### Making the shift to electric vehicles a business opportunity

The shift from gasoline-powered vehicles to EVs will significantly change the components of vehicles. In addition to anti-corrosive coatings for bolts and nuts, new demand is expected for resin additives to prevent abnormal noise and anti-fog agents for LED headlamps. In addition, lubricants used in offshore wind power generation, ship screws, and other areas are more biodegradable than mineral oil, which reduces environmental impact. We will leverage business integration and Group synergies to expand the applications of products that contribute to the environment.

### Environment/Energy field



### People's health and QOL

We offer new materials needed for medicine and medical care. We also contribute to the improvement of quality of life (QOL) through additives that prolong the efficacy of eye drops, formulas for cosmetics to keep up with trends, supplements that meet health needs, and research on improving the texture and flavor of meat alternatives, which have been the focus of much attention recently. We will promote the development of new technologies and products through the utilization of synergies from business integration and collaboration with universities and research institutions.

### Life/Healthcare field

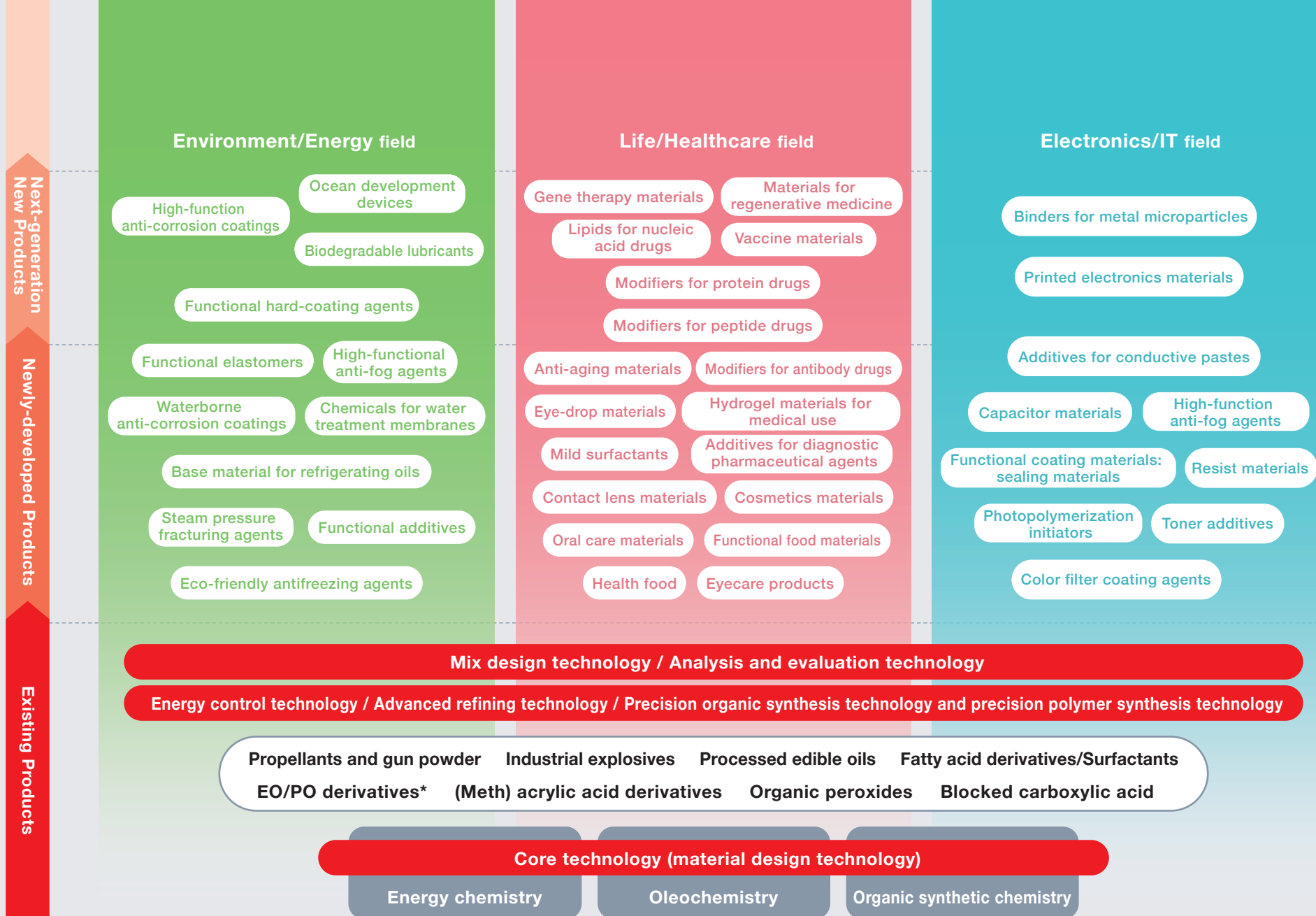


### Advances in communication technology and miniaturization

Improvements in electronic technology are leading to increased speed and larger capacity in telecommunications, the miniaturization of electronic components, and lower-dielectric materials. Accordingly, it is expected that there will be increased demand for highly photosensitive materials, additives for electronic components, and curing agents for low-dielectric materials. We will leverage synergies from business integration and promote development of new materials that link design and evaluation technologies.

### Electronics/IT field





\*Ethylene oxide propylene oxide derivatives (polyalkylene glycol derivatives)