



## Corrective Process Against Negative Impacts | Compliance

GRI 2-12,16,25,27/3-3

### Policy (our fundamental view)

The NOF Group has developed an internal control system for ensuring adherence to laws and regulations, the Articles of Incorporation, and various internal rules of the Company and appropriateness of business operations. Regarding observance of social norms and laws and regulations, the Company has formulated its NOF Basic CSR Policy, as well as corporate ethics, known as the NOF Group Corporate Code of Ethics, based on the Policy. The Compliance Committee has been established to ensure thorough adherence to the Policy and code. The planning of various compliance-related measures and the status of their operation are reported as appropriate to the Board of Directors for management and supervision.

### Overview

The NOF Group instituted the Code of Ethical Conduct in April 2002 to ensure that each member Company and each employee always conforms to social ethics and wins society's trust (the Code was revised in April 2025 as the NOF Group Corporate Code of Ethics). Alongside this, the Group set up the Ethics Committee (the name was changed to the Compliance Committee in April 2020) in an effort to strengthen its responsibility to society and ensure the transparency of its business activities. In April 2023, the corporate philosophy system was revised with the corporate philosophy (mission and vision), values, and code of conduct at the core. This prompted the revision of our previous Code of Ethical Conduct as the NOF

Group Corporate Code of Ethics, which is structured around the three values important to the NOF Group, which are "Challenge," "Fairness," and "Harmony." In addition, desks for whistleblowing and consultations from employees have been set up at the Compliance Committee Secretariat, the Audit and Supervisory Committee's office, and external third party institutions.



**The NOF Group Corporate Code of Ethics can be found here**

[https://www.nof.co.jp/assets/images/english/company/ethical/pdf/ethical\\_en.pdf](https://www.nof.co.jp/assets/images/english/company/ethical/pdf/ethical_en.pdf)

### Basic CSR Policy

We will fulfill our corporate social responsibility and conduct sustainable business activities.

1. We will, each and all, act in accordance with the highest standards of corporate ethics.
2. We will respect human rights, and enable a diversity of personnel to demonstrate their abilities.
3. We will Promote Responsible Care activities, based on the five kinds of safety.
4. We will consider the interests of all our stakeholders.
5. We will contribute to society in cooperation with local communities.



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## Organizational setup

Within the NOF Group, each consolidated subsidiary has appointed an ethics and compliance manager and established a deliberative body. In addition to meeting regularly twice a year, NOF's Compliance Committee convenes as needed in response to emerging issues to identify problems, formulate countermeasures, and follow up on their implementation. The results are reported to the Board of Directors and deliberated as necessary.

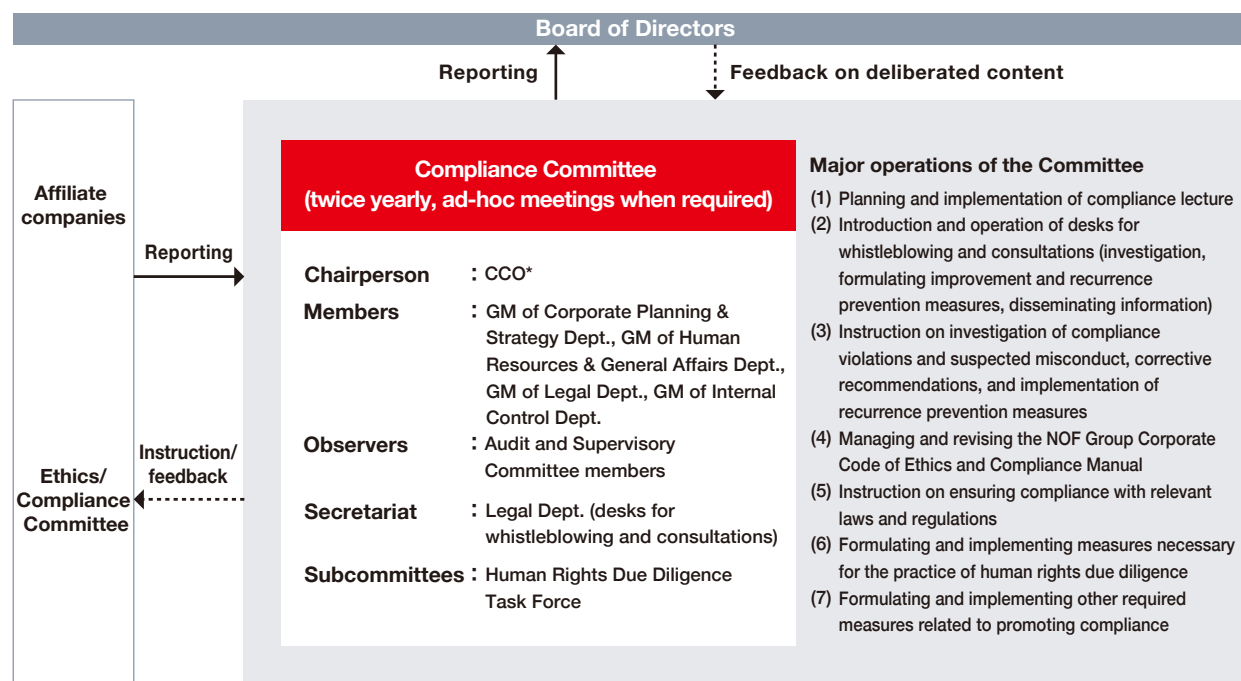
## Compliance Manual

In order to instill a sense of compliance in its executives and employees, the NOF Group has prepared a Compliance Manual, which explains compliance matters of the NOF Group Corporate Code of Ethics in detail and in easily understood terms. The universal Global Compliance Manual has been published in eleven different languages.



- Japanese
- English
- German
- French
- Dutch
- Italian
- Portuguese
- Chinese (Simplified)
- Indonesian
- Vietnamese
- Korean

## Diagram of Compliance Committee organization (organization for human rights diagram)



\*CCO: Chief Compliance Officer

## Country-specific compliance manuals

The NOF Group is preparing country-specific compliance manuals based on the legal systems of each country. Following the publication of versions for the U.S.A., China, Indonesia, France, Germany, Belgium, Italy, South Korea, and Brazil where the Group has a large number of employees, the manuals are being utilized in Group companies.

## Compliance-related lecture

The NOF Group regularly holds compliance-related training sessions for employees.

In fiscal 2024, we continued providing compliance lecture for new employees and hires with experience, as well as ensuring awareness of precautions related to the Subcontract Act. In addition, we implemented lecture on the Subcontract Act for personnel in charge of purchasing at affiliates, as well as lecture on strengthening workplace response capabilities against harassment for managers within the Company.



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### Raising awareness by internal magazine

NOF uses its quarterly in-house newsletters to help raise employees' awareness of compliance. NOF continues activities to raise awareness through relatable articles using cartoon characters.



### Past themes for compliance recommendations

Year	Theme	Category
2020	Intellectual property rights (copyright)	Information (copyright)
	Contact points for whistleblowing	Whistleblowing system
2021	Prohibition of bribery, excessive wining and dining, etc.	Illegal acts (bribery)
	Precautions for using social media	Information
	How do you create an "open workplace"?	Other
	Significance of the SDGs	Other
2022	Risk of potential information leaks in web conferences	Information
	Abuse of a superior bargaining position	Subcontract Act, Antimonopoly Act
	If you become aware of any misconduct in other departments	Whistleblowing system
	Protection of whistleblowers	Whistleblowing system
2023	Harassment in the workplace	Harassment
	Applying the corporate philosophy to operations	Other
	Appropriate guidance and abuse of authority	Harassment
	If you notice a suspicious email	Information
2024	Export of product and technical information	Security export
	What acts constitute "abuse of authority"?	Harassment
	Reporting results of employee engagement surveys	Human rights
	Initiatives for environmental conservation activities	CSR
2025	Handling of confidential information	Information
	Introducing cases of compliance violations	All categories

### Obtaining information on the enactment and revision of laws and regulations

We have obtained information on the enactment and revision of laws and regulations by utilizing various sources on a continual basis while taking appropriate actions. In order to reduce risk of overlooking information on the enactment and revision of laws and regulations, the whole Group has introduced a system that enables us to automatically receive information on the enactment and revision of laws and regulations by email.

### Anti-Bribery Policy

In today's society, preventing corruption related to business activities is recognized as one of the major issues for companies. NOF set forth the NOF Group Anti-Bribery Policy and announced it in the name of the President. We have also promoted its adoption at the Group companies in each country. We will ensure adherence to anti-bribery and corruption regulations in each country and region that have become increasingly strict in recent years.

As a result of these activities, there have been no cases of bribery offenses over the past five years.

### Prevention of unfair competition

NOF prohibits acts of unfair competition such as improper acquisition of trade secrets, actions that

could lead to factual errors, and infringement of intellectual property rights, and ensures compliance with the Unfair Competition Prevention Act by providing detailed information in the Compliance Manual and making it thoroughly known.

As a result of these activities, there have been no cases of violations of the Unfair Competition Prevention Act over the past five years.

### Political contributions

Political contributions <small>(NOF)</small> <span>(Thousand yen)</span>					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Amount of political contributions	210	209	359	310	300



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## Risks and opportunities for compliance

Risk items	Larger risks caused by individual risks	Risk response status (summary)	Opportunities
<b>Insider trading</b> <b>Embezzlement and breaches of trust</b> <b>Bribery</b> <b>Accounting fraud and window dressing</b> <b>Transactions with antisocial forces</b> <b>Inadequate governance of overseas subsidiaries and bases</b>	<ul style="list-style-type: none"> <li>Loss of credibility due to occurrence of insider trading, embezzlement, breaches of trust, bribery, accounting fraud, window dressing, transactions with antisocial forces, or other grossly negligent acts that are regarded by society as malicious</li> <li>Inadequate governance of overseas subsidiaries leads to numerous accounting and compliance problems, which are exposed by local authorities and result in a loss of public trust</li> </ul>	<ul style="list-style-type: none"> <li>Relevant items were published in the NOF Group Corporate Code of Ethics and Compliance Manual to educate and raise awareness of Group employees</li> <li>The Group-wide Anti-Bribery Policy and Tax Policy were established and announced internally and externally</li> <li>Regulations for prevention of insider trading were formulated and put into operation</li> <li>Based on the consideration that risks to overseas subsidiaries are key risks for the entire Company, we established a system to ensure the appropriateness of business operations and promoted internal control audits</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of reputation as a company highly trusted by society</li> <li>Stabilization of the business foundation</li> </ul>
<b>Violations of laws and regulations</b> <b>Contract deficiency problems</b> <b>False reports to government agencies, etc.</b> <b>Illegal overtime work</b> <b>Employee misconduct (drugs, drunk driving, groping, etc.)</b> <b>Tightened regulations</b> <b>Difficulty (inability) to ship</b>	<ul style="list-style-type: none"> <li>Receipt of administrative or criminal penalties or claims for compensation for damages due to violations of laws and regulations or false reporting to government agencies</li> <li>Decline in trust from society due to criminal acts by employees</li> <li>Surging costs to comply with tightened regulations</li> </ul>	<ul style="list-style-type: none"> <li>With regard to revisions of laws and regulations, a Group-wide law and regulation management system was established to create a framework for delivering information on revisions to people in charge in a timely manner. In addition, internal notifications are sent out by the corporate divisions in charge, and internal audits are conducted regularly to check the status of responses and provide guidance</li> <li>In response to tightening regulations, we systematically implemented measures to deal with plants and worked to optimize costs</li> </ul>	<ul style="list-style-type: none"> <li>Securing of an advantage over competitors by establishing a system to adapt to revisions of laws and regulations</li> <li>Securing of trust from society</li> </ul>
<b>Mental illness</b> <b>Harassment / human rights abuses</b>	<ul style="list-style-type: none"> <li>Receipt of compensation claims due to mental illness caused by work-related stress, harassment, or human rights violations</li> </ul>	<ul style="list-style-type: none"> <li>Employees undergo "stress check" examinations to understand organizational stress and strengthen awareness of self-prevention</li> <li>We established a support system through the enactment of Rules for Handling Return-to-Work Support Programs</li> <li>We raise awareness of harassment through articles published in our in-house newsletters (NOF News)</li> <li>We promote the effective utilization of an environment for viewing educational materials using the company intranet</li> </ul>	<ul style="list-style-type: none"> <li>Securing of a stable workforce and improving trust from society by establishing a system of mutual trust with employees</li> </ul>



## NOF Group's Anti-Bribery Policy

### Outline

NOF Basic CSR Policy states that each and every officer and employee will act with the highest standards of corporate ethics. The NOF Group complies with laws, regulations and other rules based on the NOF Group Corporate Code of Ethics. We have established this NOF Group Anti-Bribery Policy to push our efforts for compliance forward. This policy applies to officers and employees of the NOF Group.

### Declaration

The NOF Group shall not pursue profits through illicit means in any situation but comply with international standards and Anti-Bribery Laws and Regulations of all countries and regions where it operates.

Established on May 28, 2021  
Revised on July 30, 2025

Koji Sawamura,  
President and Chief Executive Officer  
NOF CORPORATION

### Policy

#### Matters for Compliance on Anti-Bribery

##### 1. Compliance with Anti-Bribery Laws and Regulations

Officers and employees of the NOF Group will comply with this policy and Anti-Bribery Laws and Regulations of all countries and regions where it operates.

##### 2. Development of Internal Rules and Organizational Structure

The NOF Group will create and maintain an organizational structure that prevents, detects, and addresses Bribery, which includes fair operation of the Compliance Committee and whistleblowing system, the establishment of internal rules and manuals, and appropriate education and auditing.

##### 3. Education

The NOF Group will provide appropriate education to its officers and employees regularly and as needed to further raise their awareness of compliance.

It will identify work that poses a high risk of Bribery and provide effective education to employees engaged in said work.

##### 4. Audits

The NOF Group will conduct audits regularly or as needed to confirm that its anti-Bribery system is actually working and that no cases of Bribery have occurred.

##### 5. Regular Review and Improvement

Based on the results of the audits, the NOF Group will evaluate its anti-Bribery system regularly and make improvements as necessary.

##### 6. Recording and Management

To maintain its anti-Bribery system, the NOF Group will make a record of all transactions accurately and appropriately and manage it in accordance with appropriate internal control procedures.

##### 7. Measures Against Non-compliance

If any officer or employee of the NOF Group has breached or is suspected of having breached this policy, the NOF Group will take measures swiftly to thoroughly comply with Anti-Bribery Laws and Regulations and to minimize the expansion of the breach, while cooperating with the relevant authorities on their investigations.

##### 8. Disciplinary Action

If it is found that an officer or employee of the NOF Group has offered bribes or has been involved in bribe offering in breach of this policy, the NOF Group will take disciplinary action against the officer or employee in accordance with the rules of employment and other rules of the relevant company of the NOF Group.

### Definitions

(1) "Anti-Bribery Laws and Regulations" refer to the Ten Principles

of the United Nations Global Compact, the Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention, the United Nations Convention Against Corruption, Japan's Unfair Competition Prevention Act and National Public Service Ethics Act, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010 and other relevant laws and regulations in all countries and regions where each company of the NOF Group operates.

(2) "Bribery" refers to 1) providing or offering money or other benefits or promising to provide money or other benefits, whether directly or indirectly, to Public Officials, etc. with the aim of inducing them to take or not take a certain action related to their duties or to use their position to have other Public Officials take or not take a certain action related to their duties for the purpose of obtaining illicit commercial benefits and 2) accepting, demanding or promising to accept money or other benefits in return for a certain action related to one's own duties for the purpose of securing benefits for one's own or a third party.

(3) "Public Officials, etc." refer to the persons below:

- 1) Persons engaged in public service of national or local governments of their own or a foreign country ("Governments");
- 2) Persons engaged in the administration of government-affiliated organizations of Governments;
- 3) Persons engaged in the administration of their own or foreign country's public corporations;
- 4) Persons engaged in public service of international public organizations;
- 5) Persons to whom a Government has delegated its authority;
- 6) Political parties or a staff member thereof; and
- 7) Candidates for public office.

(4) "Officers and employees" refer to all officers and workers with an effective job contract directly or indirectly with a company of the NOF Group, which include employees and fixed-term employees of the NOF Group and temporary workers dispatched by staffing agencies.



## The NOF Group Corporate Code of Ethics

In order for us to maintain the NOF Group's position as a good corporate citizen, earn and keep the trust of the community, and continue to develop as a company, each and every one of us, employees and officers alike, shall abide by this Code faithfully.

### For "Challenges"

- **We respect the individuality and diversity of our employees**
  - Respect for individuals
  - Respect for diversity
  - Promotion of collaboration
- **We strive to create a comfortable work environment**
  - Workplace enhancements
  - Work-life balance
  - Industrial Safety and Health

### For "Fairness"

- **We do not engage in unethical conduct**
  - Establishment of ethics as Company members
  - Compliance with laws and regulations
- **We do not violate human rights**
  - Respect for human rights
  - Prohibition of harassment
- **We do not impose unfair labor practices**
  - Management of working hours and proper wages
- **We do not engage in unfair business transactions**
  - Relationships with trading partners and business partners
  - Compliance with competition laws, etc.
  - Avoidance of unfair competition
  - Appropriate procurement activities
  - Security trade control
  - Anti-corruption measures and prohibition of bribery
  - Prohibition of insider trading
  - Prohibition of money laundering
  - Donations and political activities

- **We do not misuse corporate assets or information**
  - Respect for stakeholders
  - Conflicts of interest between the Company and individuals
  - Handling of company assets
  - Accurate recording and reporting
  - Protection of intellectual property rights
  - Prohibition of leaking of confidential information
  - Handling of personal information
  - Media and PR activities

- **We do not engage in antisocial behavior**
  - Elimination of the influence of antisocial groups

### For "Harmony"

- **We strive for harmony with the environment and society**
  - Conservation of the environment
  - Ensuring product safety and quality
  - Contributions to society
  - Respect for customs