



# Securing Human Resources and Diversity & Inclusion | Hiring and Turnover

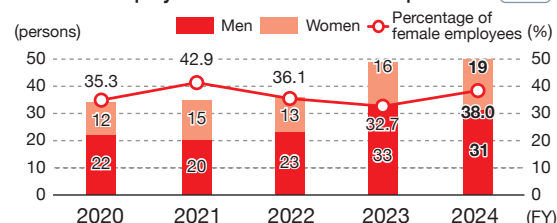
GRI 2-7/401-1/405-1

## Hiring and appointment of human resources

In order to realize its corporate philosophy, NOF focuses on hiring mid-career workers in addition to new graduates to promote the employment of diverse human resources. NOF actively recruits new graduates and mid-career workers by employing strategic hiring methods and enhancing the company profile and recruitment information on its website.

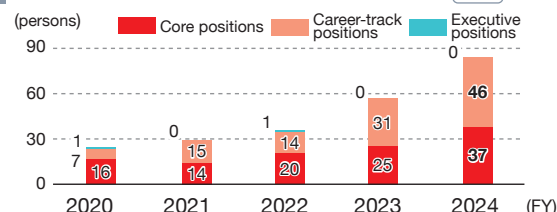
In addition, we recognize the importance of securing

### Number of new graduates hired for career-track positions/Percentage of female employees hired for career-track positions

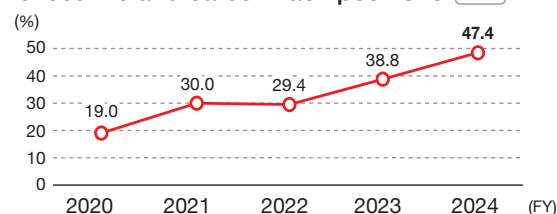


\*Data on new graduate employees joining on April 1

### Number of mid-career workers hired



### Rate of hiring of mid-career workers for executive and career-track positions



and recruiting excellent human resources, regardless of gender or nationality. In particular, as we expand our overseas business, we utilize mid-career employees to secure appropriate human resources, while our overseas affiliates (overseas subsidiaries) hire local employees and promote them to senior management positions.

### Average age of mid-career workers hired (at the time of joining)

FY2023 **29.5** ▶ FY2024 **32.4**

### Ratio of male to female mid-career workers hired by course

Hiring for executive and career-track positions  
FY2024 Men **63.0%** Women **37.0%**

Hiring for core positions  
FY2024 Men **81.1%** Women **18.9%**

## Turnover

NOF has established an opportunity (self-report system) for supervisors and subordinates to hold a dialogue about their careers once a year. Through this, we are working to understand individual wishes, etc. to support career development and promote the creation of comfortable workplaces, as well as enhancing systems that help employees balance work with nursing care, childcare, and other obligations. In addition, by establishing a career consulting service, we provide employees with opportunities to obtain expert advice and support proactive career building. We are utilizing this as a mechanism that enables employees to receive career advice, thereby broadening their perspectives and outlook on their jobs and working with high motivation.

In the event of unavoidable staff turnover, in addition to hiring replacements (mid-career workers or new graduates) or temporary workers, we ensure that business operations are not negatively impacted through such steps as review of work allocation and responsibilities, continuous improvement of operational efficiency, and assessment of personnel allocation. As for turnover due to mandatory retirement, we strive to maintain and improve the quality of operations by reviewing personnel allocation and improving operational efficiency, with hiring new personnel through the systematic hiring of new graduates as the main approach.

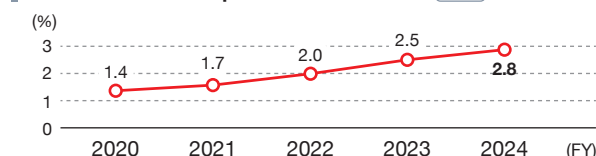
### Turnover due to personal reasons

FY2023 **2.5%** ▶ FY2024 **2.8%**

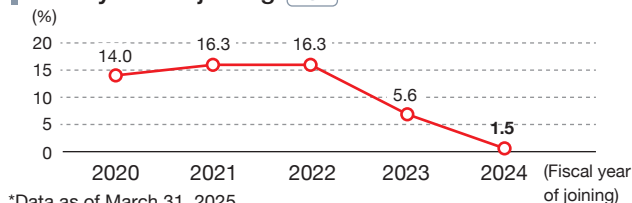
### Turnover due to personal reasons

FY2023 **2.3%** ▶ FY2024 **2.6%**

### Turnover due to personal reasons



### Turnover rate of new graduate employees within three years of joining



\*Data as of March 31, 2025



## Securing Human Resources and Diversity & Inclusion

## Succession Plans / Diversity in Employment

GRI 2-7/401-1/  
405-1

### Succession plans

We have established a system in which the Nomination Committee, which is entrusted by the Board of Directors to develop candidates for the next generation of Directors, is proactively involved in the selection process. In addition to deliberating on the selection of Directors, the Nomination Committee confirms the process of developing Operating Officers and other senior management and reports back to the Board of Directors.

In addition, Human Resources Meetings, which are composed of Directors concurrently serving as Operating Officers and Operating Officers with a title, provide a forum for next-generation management candidates to make proposals on management measures concerning the NOF Group, with the aim of promoting the growth of human resources through deliberations. At Human Resources Meetings, the PDCA cycle is followed for human resources development measures for next-generation management candidates, with the details of the measures revised as appropriate. The Board of Directors oversees the planning and progress of the human resources development measures for next-generation management candidates.

### Internal recruiting system

NOF had set up an internal recruiting system for project work conducted across the Company, and in 2024, we revised the system to accept applications

for certain internal personnel changes. We will strive to operate the system in a way that promotes organizational vitality, among others, by improving career ownership and assigning motivated personnel.

### Raising of the retirement age

NOF has raised its retirement age to 65 in April 2023. By raising the retirement age, we have created a place where employees can continue to utilize their high levels of expertise, skills, and experience within the Company and play an even more active role.

### Diversity & inclusion policy (approach)

The NOF Group believes that creating an environment and culture that maximizes the vitality of employees with diverse values is important for achieving sustainable business growth, and that by embracing and respecting diversity, we can continue to generate innovation.

In April 2023, we implemented a revised corporate philosophy and guiding framework and established a new code of conduct which states, “Respect diversity and act fairly with high ethical standards and good sense.” With this, we expect our employees to act in a manner that embraces and respects diversity. We work to build an organization in which willing and capable employees are properly evaluated in every aspect including recruitment, treatment, and promotion, and can easily demonstrate their capabilities.

### Hiring of employees with disabilities

NOF promotes the hiring of people with disabilities and improves barrier-free accessibility at works, so that such personnel can demonstrate their respective capabilities as an active member of their workplace. The percentage of people with disabilities hired as of March 2025 was 2.65%, which surpasses the legally prescribed percentage (2.5%). NOF will continue its efforts to expand the hiring of people with disabilities and establish workplace environments where such personnel can work comfortably.

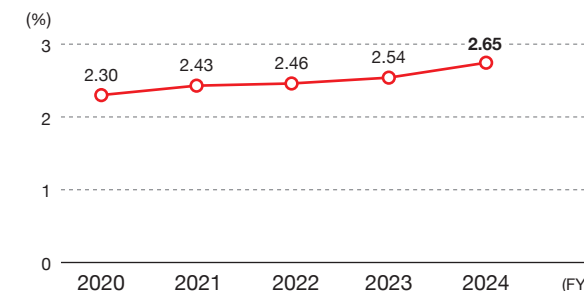
#### Percentage of employees with disabilities NOF



#### Percentage of employees with disabilities NOF/5 domestic consolidated companies

As of March 2025 **2.26%**

#### Percentage of employees with disabilities NOF





# Securing Human Resources and Diversity & Inclusion

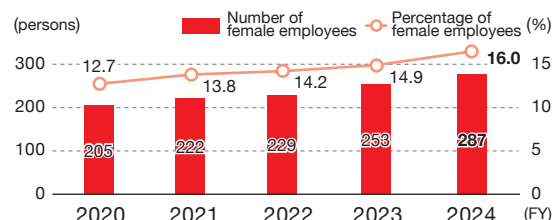
## Active Participation of Women

GRI 2-7/401-1/405-1

### Promoting the active participation of women

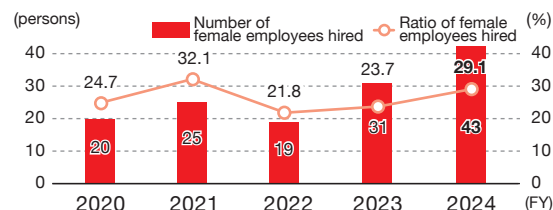
NOF promotes the active participation of women, and of new graduate career-track hired in fiscal 2024, 38.0% were women (see the graph on P. 192: Number of new graduates hired for career-track positions/Percentage of female employees hired for career-track

#### Number of female employees / Ratio of female employees

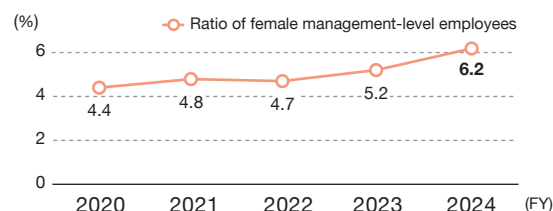


\* Includes employees on childcare and other leave (2024: the number of female employees at NOF and its five consolidated companies totaled 528; the ratio of female employees stood at 17.4%)

#### Number of female employees hired / Ratio of female employees hired



#### Ratio of female management-level employees



positions). In addition to promoting the active hiring of women, NOF strives to provide workplace environments where all employees are able to demonstrate their capabilities regardless of gender. In addition to enhancing our various childcare and nursing care support systems, we work to provide training aimed at

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



all employees based on NOF's values in order to foster a corporate culture where diversity is respected.

#### Ratio of female management-level employees



#### Ratio of female management-level employees



### Action plan for general business operators based on the Act on Advancement of Measures to Support Raising Next-Generation Children and Act on the Promotion of Women's Active Engagement in Professional Life

The following action plan has been formulated for the purpose of enhancing work-life balance and creating an environment in which each employee ambitiously takes on challenges and plays an active role.

1. Plan period: April 1, 2023 to March 31, 2028 (5 years)
2. Targets and initiatives: (from April 2023)

- Target 1** Create an environment that facilitates the balance between work and family life
  - ▶ **Initiative** To enable employees to continue working with peace of mind while balancing work with childcare, nursing care, medical treatment, etc., the Company promotes the creation of workplace environments that facilitate the use of the work-life balance support systems and the expansion of such systems. It has also revised its accumulated paid leave system.
- Target 2** Establish an environment to achieve a utilization rate of annual paid leave of 75% or more
  - ▶ **Initiative** To encourage employees to take annual paid leave, we monitor and promote the use of such holidays at each workplace.
- Target 3** Promote efficient work styles
  - ▶ **Initiative** We have newly established a work-from-home system with the aim of reducing working hours.
- Target 4** Maintain the percentage of female employees hired for career-track positions at 30% or more and create an environment enabling women to remain in the workplace
  - ▶ **Initiative** We have set the ratio of female employees hired for career-track positions as a KPI and recruit human resources accordingly. As a measure to realize diverse work styles according to life stages, we have also established an environment enabling women to remain in the workplace, by allowing female employees who are pregnant to take accumulated paid leave for health issues.

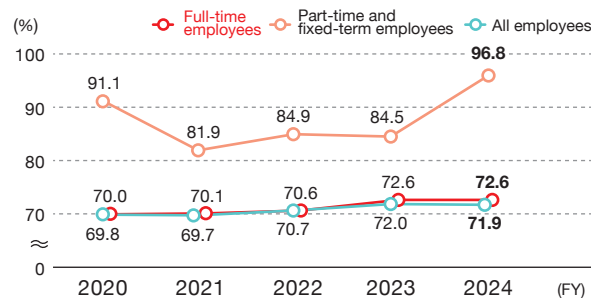


## Fairness of remuneration

NOF's employee salary regulations stipulate the principle of "equal pay for work of equal value."

At NOF, the gender pay gap ratio among full-time employees in 2024 was 72.6%. This is mainly attributable to the different average length of service between men and women, the allowance gap resulting from only men being engaged in shift work in the manufacturing divisions, and the gender ratio gap in managerial positions. The ratio remained unchanged from in the previous fiscal year. This reflects the short-term impact from an increase in the ratio of young female employees as a result of our proactive efforts to hire female employees. We will continue aiming to reduce the gender pay gap ratio over the medium to long-term by helping employees balance work and childbirth, childcare, etc., promoting the creation of workplace environments where women can work comfortably, and appointing women to managerial positions.

## Gender pay gap ratio NOF



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

## Gender pay gap ratio NOF

	FY2023	FY2024	2030 target
Full-time employees	72.6%	72.6%	75% or more
Temporary/part-time employees	84.5%	96.8%	100%
Total	72.0%	71.9%	75% or more

**Pay gap ratio between male and female full-time employees in FY2024 (by hiring category)**  
 Management-level equivalent employees: 88.5%  
 General employees (hired for career-track and core positions): 82.6%

## Gender pay gap ratio NOF/5 domestic consolidated companies

	FY2023	FY2024	2030 target
Full-time employees	71.8%	71.1%	75% or more

As an indicator for NOF and its five domestic consolidated companies starting in fiscal 2025, we aim for a gender pay gap ratio of 75% or more among full-time employees for FY2030.

## Causes and measures for the gender pay gap among full-time employees

<b>Cause</b>	Gender difference in average length of service
<b>Measure</b>	Enhance support for balancing work with childbirth, childcare, etc. <a href="#">P.198-199</a>
<b>Cause</b>	Only men are engaged in shift work in the manufacturing divisions, resulting in a difference in allowances
<b>Measure</b>	Promotion of work environment improvements, such as mechanization of heavy work and enhancement of break rooms, to create an environment where female employees can work more easily in manufacturing sites operating 24 hours a day
<b>Cause</b>	Gender gap ratio in managerial positions
<b>Measure</b>	Active recruitment of women for career-track positions and advancement of an internal environment that promotes the active participation of women



## Promotion of work-life balance

NOF develops a work environment in which employees can work with motivation, while also balancing work and personal activities such as childcare, nursing care, hobbies, learning, rest, and community activities. Placing importance on the work-life balance of its employees, NOF has adopted various systems to provide specific support, as shown in the table on the right. The items in the colored sections in the table indicate NOF's original systems or those exceeding legal requirements.

- \*1 The childcare support systems are available to employees raising children up to the third grade of elementary school.
- \*2 We have introduced the online service wiiw (provided by wiiw.inc) to help employees on childcare leave balance their careers with childcare. By providing this service to those on maternity or childcare leave, we support them in balancing their careers with childcare.
- \*3 Can be taken in hourly increments.
- \*4 Systems such as short-hour work, flex-time work, and fertility treatment leave are available.
- \*5 Female employees raising infants under one year old are granted two paid childcare breaks a day (30 minutes per break).
- \*6 Accumulated paid leave is a system in which unused paid holidays can be accumulated and carried over every year. This system can be used for personal illness/injury, childcare, family care, nursing care, self-education/development, volunteer activities, refresh leave (long-service leave), etc.
- \*7 We support self-education/development by providing support for correspondence learning allowing employees to select training courses. We have also established a system enabling employees who have worked at the Company for 10 years or longer to take accumulated paid leave if they take part in training programs outside the Company for 10 days or longer.
- \*8 Up to two remote work days can be taken per week with prior approval. In addition, with prior approval, employees are allowed to shift their working hours up to two hours earlier or later.

## Systems that support diverse work styles NOF

Childcare support		Support for raising the next generation	
Pregnancy	Childbirth	Childcare	Nursing care
Limitations on and exemptions*1 from overtime, limitations*1 on night work			
Advancing or delaying work hours*1			
Restrictions on working on holidays		Childcare leave at the time of childbirth/childcare leave (up to two years, partially paid)	Nursing care leave (can be taken three times, up to 365 days in total)
Operational adjustments and workload reduction			
Hospital visit leave (paid holidays: one day/month)		Career and childcare balance support program*2	Nursing care leave (10 days/year)*3
Prenatal and postnatal leave			
Support for work-fertility treatment balance*4		Sick child care leave*1 (10 days/year)*3	
		Childcare hours (paid)*5	
Others			
Annual paid leave (up to 21 days)			
Annual paid leave available in half-day units			
Accumulated paid leave*6			
Refresh leave (after every five years of continuous service)			
Flex-time system			
Discretionary work system (employees in R&D)			
Support for self-education/development*7			
Work-from-home system*8			



## Securing Human Resources and Diversity & Inclusion

## Work-Life Balance / Rewards and Incentives

GRI 2-7/405-1

### Work style reform

In order to help enhance employees' quality of life, NOF has promoted initiatives to reduce overtime work through streamlined operations, improved productivity, restricted work beyond designated work hours, work intervals, etc. under appropriate labor management.

### Encouraging employees to take annual paid leave

NOF develops an environment in which employees can work with motivation as it places importance on work-life balance. To promote the use of annual

#### Utilization rate of annual paid leave NOF

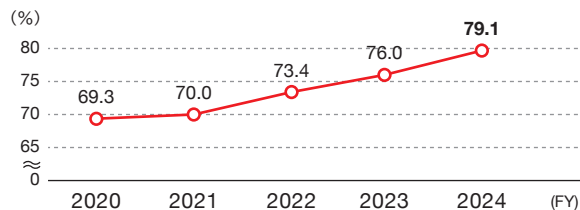
FY2024 **79.1%** ▶ 2025 target **75% or more**

#### Utilization rate of annual paid leave NOF / 5 domestic consolidated companies

FY2023 **77.1%** ▶ FY2024 **77.6%** ▶ 2025 target **75% or more**

As an indicator for NOF and its five domestic consolidated companies, we aim for a utilization rate of annual paid leave of 75% or more for fiscal 2025.

#### Utilization rate of annual paid leave\*1\*2 NOF



\*1 Data are as of March 31 each year.

\*2 Calculated for the period from September 21 of the previous year to September 20 of the current year (leave-taking period at NOF).

paid leave, we encourage all employees to take holidays during their birth months, monitor each employee's leave status, remind employees and their supervisors to take leave, and have the two sides review the leave status during their meetings.

### Personal illness or injury leave (accumulated paid leave system)

NOF has established a system under which employees can use accumulated paid leave when they need to take two or more consecutive days off due to personal injury or illness.

### Refresh leave system

NOF provides a system enabling employees who have worked with the Company for 5, 10, 15, 20, 25, 30, 35, and 40 years to take five consecutive paid holidays, in order to help refresh themselves both mentally and physically, away from everyday duties, and obtain the opportunity to expand their perspectives and foster flexible thinking.

### On-time leave campaign day

NOF designates Wednesdays, the second Friday and the third Friday of each month as days on which employees are encouraged to finish work on time at their respective works, as an initiative to promote efficient work styles (excluding employees on shift schedules at manufacturing sites, among others).

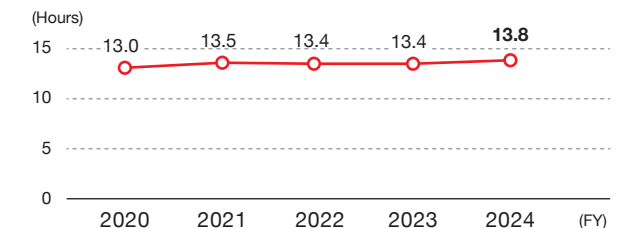
In fiscal 2024, the average monthly overtime

hours worked at NOF reached 13.8 hours (average monthly overtime hours at NOF and its five domestic consolidated companies: 12.1 hours).

#### Average monthly overtime work hours NOF

FY2024 **13.8**

#### Average monthly overtime work hours NOF



### Volunteer leave system

NOF has established a system enabling employees to take accumulated paid leave if they take part in volunteer activities at the request of the national and local governments, etc.

### Reward for employee achievements

NOF has a reward system to recognize employees whose performance the Company determines will contribute to its long-standing development every July 1.

### Reward for employee invention

In April each year, NOF screens employee inventions and grants rewards to inventors.



## Securing Human Resources and Diversity & Inclusion | Work-Life Balance

GRI 2-7/401-3/405-1

### Childcare support program

NOF adopted “Career and Childcare Balance Support Program” in April 2016. Under this program, we introduce online lectures and Q&A sessions on work-life balance to employees who are about to go on maternity leave and those who have returned from childcare leave. The program is aimed at supporting their career development. We also provide lectures to help brush up management, language, and other business skills. In addition, we also help employees improve skills during their childcare leave and return to work smoothly by providing them with the latest company newsletters, information on personnel reshuffle, etc. The program has been used by many employees, including male employees, and is rated favorably.



#### Utilization rate of childcare leave\*1/ number of employees utilizing childcare leave

	FY2023	FY2024
Men	97.4% (37 persons)	95.7% (44 persons)
Women	100% (15 persons)	100% (13 persons)

All the male employees who had children in the first half of FY2024 took childcare leave.

#### Average number of days of childcare leave taken by men\*2

FY2024  
**30.9 days**

#### Utilization rate of childcare leave

	FY2024
Men	83.6% (51 persons)
Women	100% (18 persons)
Average number of days of childcare leave taken by men	32.4 days

### NOF's proprietary balance support handbooks

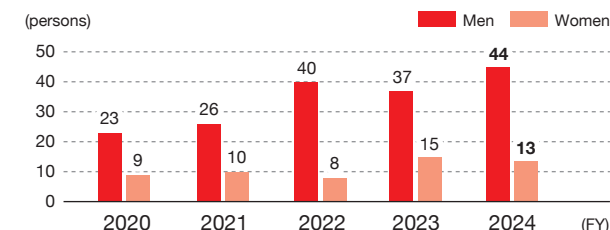
In April 2017, NOF prepared handbooks to support employees and managers in balancing work and childcare or nursing care. The childcare handbook summarizes information on flexible systems such as postnatal paternity leave (childcare leave at the time of childbirth) and split taking of childcare leave, as well as ways to communicate with supervisors and workplaces. The nursing care handbook summarizes basic knowledge on the Long-Term Care Insurance System, NOF's balance support system regarding nursing care, among others. The handbooks are regularly updated in line with legal revisions and posted on the Work-Life Balance section of NOF's intranet service (NICE).



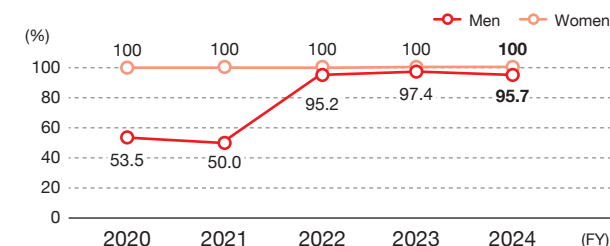
We also provide information on the handbooks to employees who need childcare or nursing care.

- Handbook Supporting Work and Childcare Balance (for male employees)
- Handbook Supporting Career and Childcare Balance (for managers)
- Handbook Supporting Work and Nursing Care Balance
- Handbook Supporting Work and Nursing Care Balance (basic edition introducing senior nursing facilities and nursing care expenses)

#### Employees utilizing childcare leave



#### Utilization rate of childcare leave



\*Data are as of March 31 each year.

\*1 Utilization rate of childcare leave is calculated according to the following criteria: [In cases of split leave for the same child, only the initial leave is counted / If the child is born in the previous fiscal year and childcare leave is taken in the current fiscal year, it is counted as leave taken in the current fiscal year]

\*2 Average number of days utilizing childcare leave is calculated according to the following criteria: [Calculated based on the total number of days of childcare leave taken by employees who returned in the current fiscal year]



## Individual provision of information to employees and establishment of consultation desks on childcare and nursing care

Since October 2022, NOF informs eligible employees individually on childcare leave and related systems and benefits, and confirms whether they intend on utilizing these systems. In addition, for employees who have not taken childcare leave, we reconfirm their intentions through their supervisors. Furthermore, since April 2025, we also inform employees individually on systems related to nursing care leave, etc., and confirm their intentions. Consultation desks on childcare and nursing care have been established at each site, and employees can consult on the work systems they can utilize for realize work-life balance.

## Operational guidelines for securing personnel to cover those on childcare leave

NOF prepared operational guidelines for securing personnel to cover those on childcare leave in July 2024. To promote the utilization of childcare leave, it is necessary to deal with challenges such as the difficulty of securing personnel to cover those on childcare leave. We prepared a handbook and deliver it throughout the Company. The handbook is aimed at eliminating, as much as possible, differences among workplaces in accessibility to

childcare leave and helping each workplace run itself appropriately.

## Personnel system for supporting childcare and nursing care

NOF works to expand various easy-to-use systems for supporting employees in balancing work and childcare or nursing care. We encourage employees to take childcare leave by offering pays for the first five days of postnatal paternity leave (childbirth leave at the time of childbirth) and childcare leave. In addition, employees can take paid leave for the reasons of childcare and nursing care by utilizing NOF's accumulated paid leave system (a system in which unused annual paid leave can be accumulated and carried over every year). We set the total number of days of nursing care leave above legal requirements. Among others, we support employees in balancing work and childcare or nursing care through flexible work systems such as the short-hour work system, flex-time system, and work-from-home system.

Employees utilizing nursing care leave NOF

FY2024

**2** persons