



## Management Capital

GRI 2-6, 7

### Strengthening the six capitals toward further value creation

The NOF Group utilizes the various internal and external capital it has accumulated to provide high-performance and high-value-added products. We will continue to strengthen these forms of capital and create economic and social value.

NOF Group

| Capital Category             | Input <sup>*1</sup>                                                                                                                                                                                               | Issues (Lacking in Capital)                                                                                                                                                                                                                                                                                   | Output <sup>*1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial capital</b>     | <ul style="list-style-type: none"> <li>R&amp;I (Rating and Investment Information, Inc.)<br/>..... A<sup>+</sup> (Long-term rating)</li> </ul>                                                                    | <ul style="list-style-type: none"> <li>Improvement in profitability toward achieving an ROE of 15% or more (e.g., operational efficiency through DX)<br/> Integrated Report ▶ pp. 051-061</li> </ul>                                                                                                          | <p><b>Provision of high-performance and high-value-added products</b></p> <p><b>Economic value</b></p> <ul style="list-style-type: none"> <li>Operating profit ..... ¥47.4 billion</li> <li>ROE..... 14.1%</li> <li>Dividend payout ratio<br/>..... <b>NOF</b> 34.6%</li> </ul> <p><b>Social value</b></p> <ul style="list-style-type: none"> <li>Countries sold to ... 82 countries</li> <li>Industry-academia-government joint research ..... 72 cases</li> <li>Percentage of female employees<br/>..... <b>NOF</b> 16.8%</li> <li>Percentage of employees with disabilities ..... <b>NOF</b> 2.82%</li> <li>GHG emissions(Scope 1+2)<sup>*2</sup><br/>..... 8.1% reduction</li> <li>..... <b>Domestic Group</b> 7.1% reduction</li> </ul> |
| <b>Human capital</b>         | <ul style="list-style-type: none"> <li>Number of employees ..... 4,155<br/><b>NOF</b> 1,976</li> <li>Number of temporary employees ..... 155</li> </ul>                                                           | <ul style="list-style-type: none"> <li>Preventing delays in human resources development</li> <li>Securing human resources</li> <li>Retaining human resources<br/> ▶ p. 196</li> </ul>                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Manufacturing capital</b> | <ul style="list-style-type: none"> <li>Capital expenditures ..... ¥34.4 billion</li> <li>Manufacturing and development sites ... 20 sites</li> </ul>                                                              | <ul style="list-style-type: none"> <li>Optimal production with measures such as DX promotion<br/> ▶ p. 111</li> </ul>                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Intellectual capital</b>  | <ul style="list-style-type: none"> <li>R&amp;D investment ..... ¥8.1 billion</li> <li>Patents held ..... <b>Domestic</b> 1,216 cases<br/><b>Overseas</b> 1,158 cases</li> <li>Patent attorneys ..... 4</li> </ul> | <ul style="list-style-type: none"> <li>Improving R&amp;D efficiency and exploring applications using IPL</li> <li>Pioneering new markets</li> <li>Shortening the time to commercialization<br/> ▶ p. 057</li> </ul>                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Social capital</b>        | <ul style="list-style-type: none"> <li>Number of suppliers ..... <b>NOF</b> 1,100 companies</li> <li>Commissioned research to universities and research institutes</li> </ul>                                     | <ul style="list-style-type: none"> <li>Supply chain management, including human rights and reductions in Scope 3 (Category 1) greenhouse gas (GHG) emissions</li> <li>Creating new business models through collaboration with external parties<br/> ▶ p. 144  Integrated Report ▶ pp. 034, 046-047</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Natural capital</b>       | <ul style="list-style-type: none"> <li>Total substance input ..... 226 thousand tons</li> <li>Total energy input ..... 2,772 thousand GJ</li> <li>Volume of water used ..... 7,939 thousand tons</li> </ul>       | <ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> through a circular business model using renewable energy and biomass fuel<br/> ▶ pp. 159-162</li> </ul>                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

<sup>\*1</sup> FY2025 results

<sup>\*2</sup> Compared with FY2024