

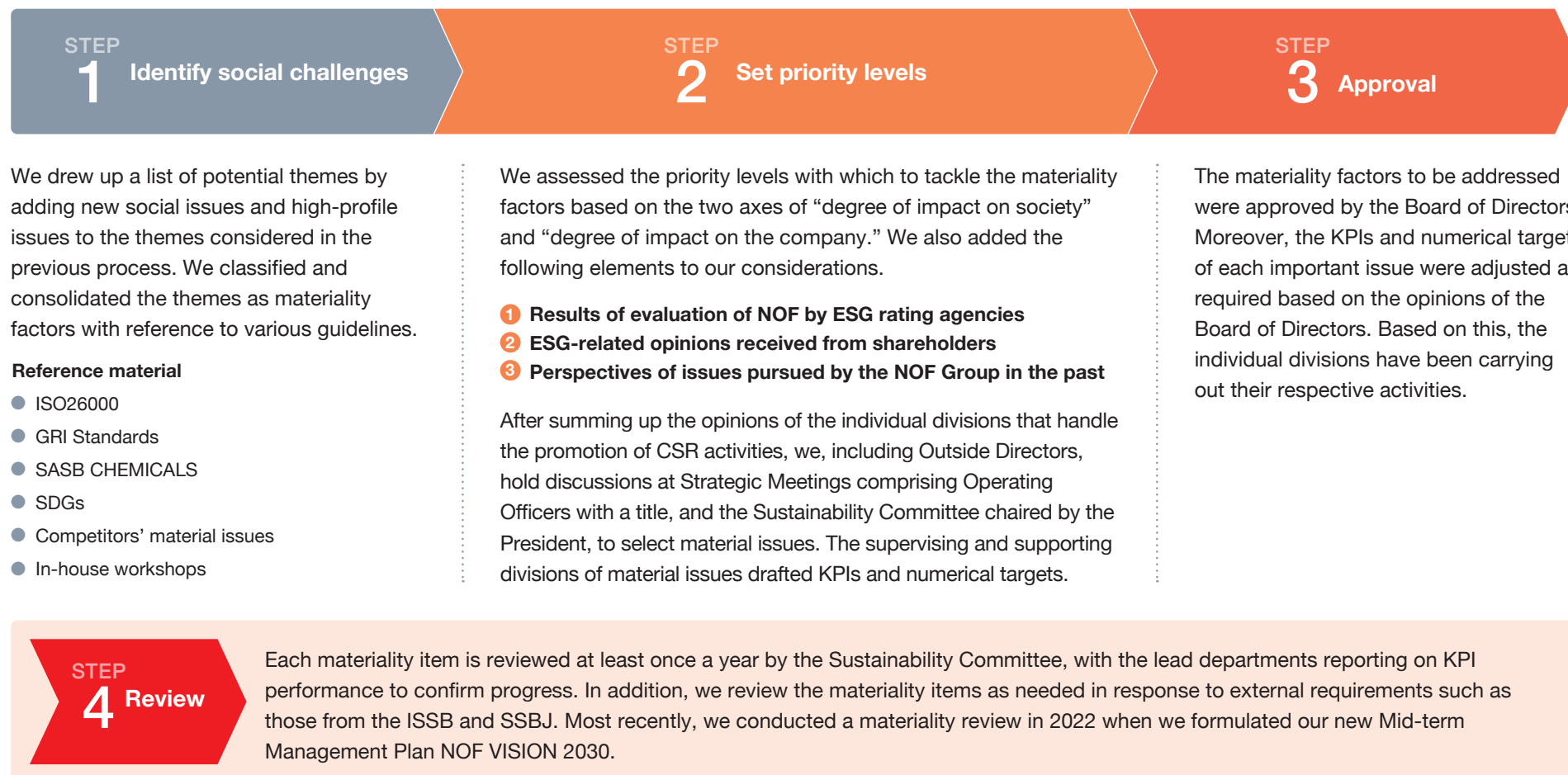


Materiality | 3 Categories and 11 Important Issues

GRI 3-1,3

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).





Materiality | 3 Categories and 11 Important Issues

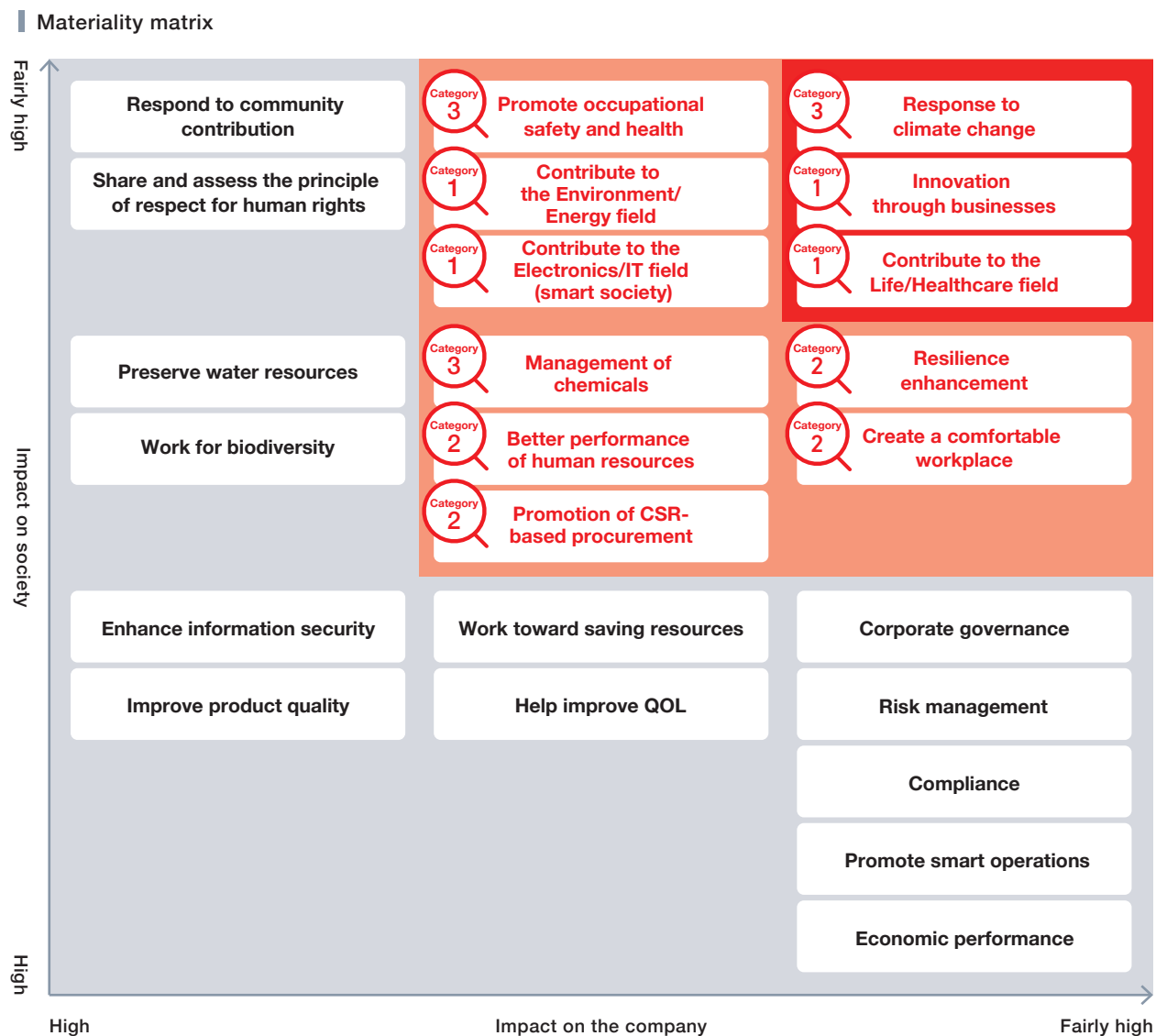
GRI 3-1,2,3

Materiality matrix

The 24 materiality factors were mapped according to the two axes of “degree of impact on society” and “degree of impact on the company” to create a materiality matrix. We identified 11 items shown in the top right of the matrix as material issues.

FY2024 review

All Directors and Operating Officers with a title, including Outside Directors, participated in the Sustainability Committee, which is chaired by the President, and they reviewed material issues and set fiscal 2025 targets based on the actual results in fiscal 2024 for each material issue.





Materiality | 3 Categories and 11 Important Issues

GRI 3-1,3

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.

We will enhance the sustainability of the NOF Group and society as a whole with the aim of realizing the NOF VISION 2030.



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.



Integrated Report
P.017,066-069



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.



Integrated Report
P.018,070-079



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.



Integrated Report
P.019,080-103














Materiality | KPIs

GRI 3-2,3



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

GRI 3-2,3

Category
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	
Create a comfortable workplace • Employee engagement	  Utilization rate of annual paid leave	75% or more <small>NOF</small>	2025	79.1%	● Raising awareness by disseminating the Health-Conscious Management Declaration	75% or more <small>NOF</small> <small>5 domestic consolidated companies</small>	2025	● Raising awareness by disseminating the Health-Conscious Management Declaration	
	 Overall employee engagement score <small>NOF</small>	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	
Better performance of human resources • Human resources development • Diversity	  Investment for human resources development (training costs) <small>NOF</small>	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	
	  Rate of hiring of female new graduates recruited for career-track positions <small>NOF</small>	30% or more	Every year	38.0%	● Implementation of systematic recruitment	30% or more	Every year	● Implementation of systematic recruitment	
	  Ratio of female management-level employees <small>NOF</small>	Over 3-fold (compared to FY2021)	2030	1.3-fold	● Implementation of systematic recruitment ● Development and promotion of female management-level employees	Over 3-fold (compared to FY2021)	2030	● Implementation of systematic recruitment ● Development and promotion of female management-level employees	
	  Percentage of employees with disabilities <small>NOF</small>	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	
	Pay gap ratio between male and female full-time employees	75% or more <small>NOF</small>	2030	72.6%	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees	75% or more <small>NOF</small> <small>5 domestic consolidated companies</small>	2030	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees	
	 Rate of male employees utilizing childcare leave <small>NOF</small>	100%	2030	95.7%	● Development of environments where leave can be utilized easily	100%	2030	● Development of environments where leave can be utilized easily	
	 Rate of hiring of mid-career workers for executive and career-track positions <small>NOF</small>	25% or more	Every year	47.4%	● Implementation of systematic recruitment	–	–	–	
Promotion of CSR-based procurement	  Coverage rate of CSR questionnaire (based on value of purchases) <small>NOF</small>	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	
	  Improvement requests via interviews to target suppliers in order to firmly establish CSR-based procurement (based on number of companies) <small>NOF</small>	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	
Resilience enhancement	  BCP education and training hours <small>NOF Group</small>	Total of 4,000 hours or more	Every year	Total of 7,000 hours or more	● Enhancement of each BCP manual ● Improvement of response capabilities through expanded training scenarios ● Inspection and confirmation of location activities through audits	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	















Materiality | KPIs

GRI 3-2,3



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	CO₂ emissions Domestic Group  	40% reduction (compared with FY2013) FY2013 178,600 tons/year	2030	132,900 tons/year	<ul style="list-style-type: none"> 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 	40% reduction (compared with FY2013)	2030	<ul style="list-style-type: none"> 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
	Carbon neutrality NOF group  	Aim for achievement	2050	25.3% reduction (compared with FY2013)		Aim for achievement	2050	
Chemical safety	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group      	under 170 tons/year	Every year	135 tons/year	<ul style="list-style-type: none"> Creation and execution of emission reduction measures Reevaluation of production processes 	under 170 tons/year	Every year	<ul style="list-style-type: none"> Creation and execution of emission reduction measures Reevaluation of production processes
Promote occupational safety and health	Number of lost workday-involving accidents Domestic Group  	0	Every year	5	Through the participation of all personnel and risk anticipation <ul style="list-style-type: none"> 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) 	0	Every year	Through the participation of all personnel and risk anticipation <ul style="list-style-type: none"> Enhancement of sensitivity toward danger Implementation of basic safety actions Reduction of disaster risks Strengthening of responses based on Sangen Shugi (the “three actuals” principle)