

SUSTAINABILITY REPORT 2025



From the Biosphere to Outer Space

 **NOF CORPORATION**

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Editorial Policy

Thank you very much for your interest in the Sustainability Report 2025 of the NOF Group. The Sustainability Report 2025 reports on the NOF Group’s approach to the environment (E), society (S), and governance (G), its initiatives in fiscal 2024, and related matters. This report was prepared in reference to the disclosure requirements of the GRI standards in order to provide comprehensive information disclosure as an engagement tool for all stakeholders. In addition, in preparing the report, we referred to the disclosure standards for industries related to the NOF Group as defined in the Sustainable Industry Classification System (SICS) of the Sustainability Accounting Standards Board (SASB). We have also disclosed various types of information on climate change based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD).

Report Profile (scope of the report)

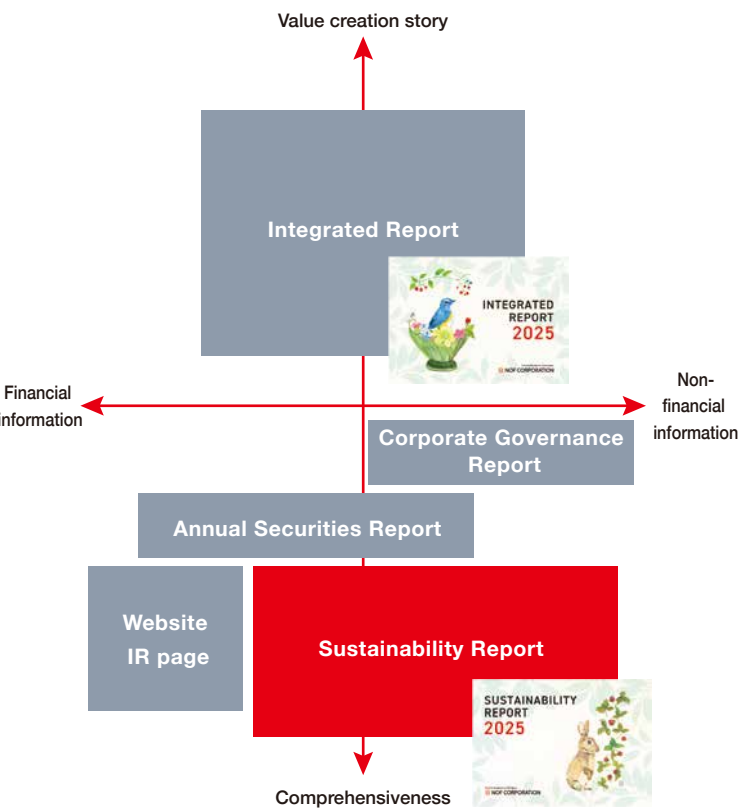
Reporting period	FY2024 (from April 1, 2024 to March 31, 2025) *Includes the details of some activities, etc. after April 2025	
Covered organizations	Covers NOF CORPORATION and its 24 consolidated subsidiaries *Aligned with financial reporting.	
	NOF Group	NOF CORPORATION and its 24 consolidated subsidiaries *Financial information is marked for the NOF Group, and environmental information is based on the NOF Group, with each individual data item marked for its subject.
	Domestic Group	NOF CORPORATION and its 12 domestic consolidated subsidiaries
	NOF/NOF CORPORATION/Non-consolidated	NOF CORPORATION only *Society-related information is centered on NOF and includes some of its subsidiaries and affiliated companies.
	NOF/5 domestic consolidated companies	NOF CORPORATION and its consolidated subsidiaries (YUKA SANGYO CO., LTD., Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., NICHiyu LOGISTICS CO., LTD.)
Reporting cycle	Published annually as an annual report	
Issuance	September 2025 (next report: September 2026)	
Guidelines referenced	- ISO26000: 2010 Guidance on Social Responsibility, Japanese Standards Association - GRI Sustainability Reporting Standards	

Disclaimer

This Sustainability Report contains forward-looking statements based on management plans and expectations at the time of publication, as well as past and present facts regarding the NOF Group. These forward-looking statements comprise assumptions and judgments based on currently available information, and thus the actual events and outcome of future business activities may differ from those predicted due to changes in various conditions.

Editorial Policy

Positioning of Each Report and Other Information Disclosure



How to use this report

Philosophy / Values

- Clicking on a title in the table of contents will take you to the desired page.
- There are category tabs on the right side of the page. Clicking one will take you to the first page of the category.
- Clicking on "Disclosure Location" in a content index will take you to the desired page or external link.

GRI 000-00

The corresponding GRI code is written in the upper right corner of each page.

○○○can be found here
<https://example.co.jp>

Clicking on a product will take you to the page with details.

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If the above notation is shown, clicking on it will take you to the desired page or external link.



Philosophy / Values

006 NOF's Philosophy

007 Value Creation Based on
NOF's Three Values

008 "Challenge" × R&D

011 "Fairness" × Human Rights

014 "Harmony" × RC Activities

017 Message from the President



NOF's Philosophy

GRI 2-6,23

Corporate Philosophy

Contributing to humanity and society as a corporate group that creates new value through the power of chemistry, "from the biosphere to outer space"

Under the business slogan "From the Biosphere to Outer Space," we will strengthen our unity for the future, aim to improve our business performance, and seek to contribute to the development of humanity and society as a chemical company with our basic policy to live in harmony with society by paying close attention to environmental protection and safety.

Values

The following three Values are prioritized by the NOF Group as we put the Corporate Philosophy into practice.

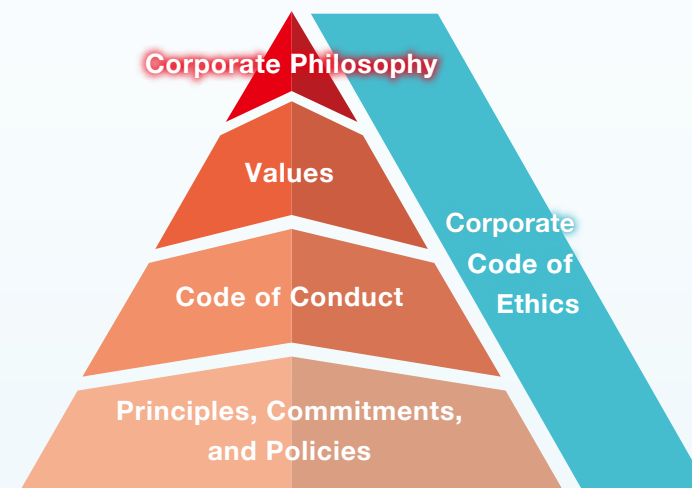
- Challenge** We continue to grow into our best selves through collaboration and mutual inspiration, undauntedly adapt to new realities, and tirelessly pioneer new frontiers.
- Fairness** As responsible members of society, we maintain high ethical standards, act in good faith, and cultivate a corporate culture that embraces diverse values.
- Harmony** We join forces to build a sustainable future in harmony with the global environment while keeping in mind safety and mutual respect.

Code of Conduct

Our Code of Conduct as follows defines the proper frame of mind to adopt for performing specific work tasks based on the Corporate Philosophy and our Values.

- 1 Provide the highest quality products and services globally for the development of humanity and society.
- 2 Leverage the Group's collective strengths to develop cutting-edge technologies and products that create new value across a wide range of fields.
- 3 Take on ambitious challenges to achieve personal growth and a fulfilling lifestyle.
- 4 Respect diversity and act fairly with high ethical standards and good sense.
- 5 Be conscious of safety and being in harmony with the environment, while solving social issues by bringing everyone's strengths together.

Corporate Philosophy and Guiding Framework



We have conducted restructuring to create a new Corporate Philosophy and Guiding Framework, centered on our Corporate Philosophy that defines the mission and vision that form the basis of the NOF Group's business activities, our Values that are to be prioritized when putting the Corporate Philosophy into practice, and our Code of Conduct that defines the mindset for concrete actions in business operations. Under these are our Principles, Commitments, and Policies, and the Corporate Code of Ethics is positioned as the foundation for the entire Corporate Philosophy and Guiding Framework.

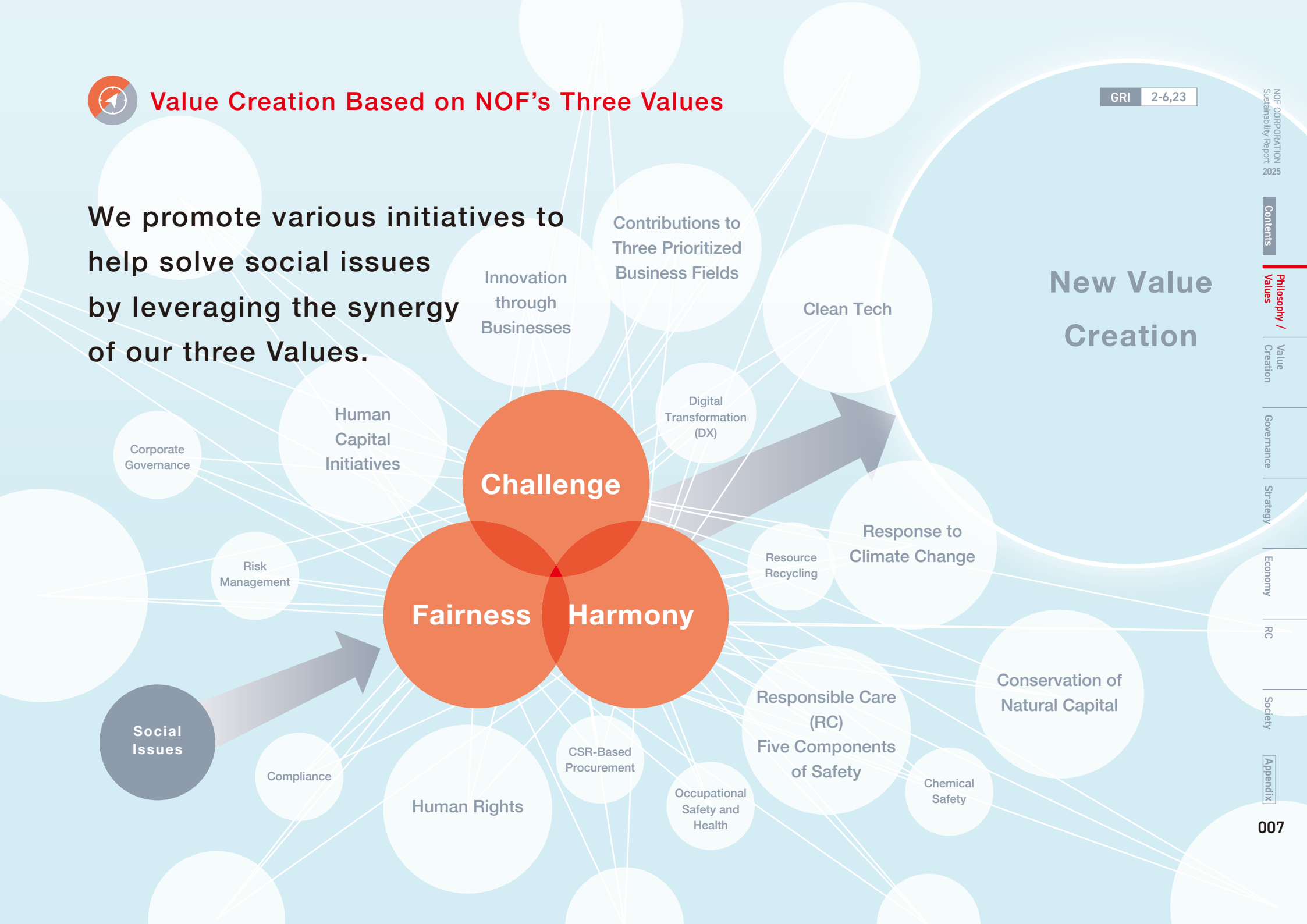


Value Creation Based on NOF's Three Values

GRI 2-6,23

We promote various initiatives to help solve social issues by leveraging the synergy of our three Values.

New Value Creation



Challenge

Fairness

Harmony

Contributions to
Three Prioritized
Business Fields

Innovation
through
Businesses

Clean Tech

Digital
Transformation
(DX)

Response to
Climate Change

Resource
Recycling

Conservation of
Natural Capital

Responsible Care
(RC)
Five Components
of Safety

Chemical
Safety

Occupational
Safety and
Health

CSR-Based
Procurement

Human Rights

Compliance

Social
Issues

Risk
Management

Human
Capital
Initiatives

Corporate
Governance



Value Creation Based on NOF's Three Values | "Challenge" × R&D

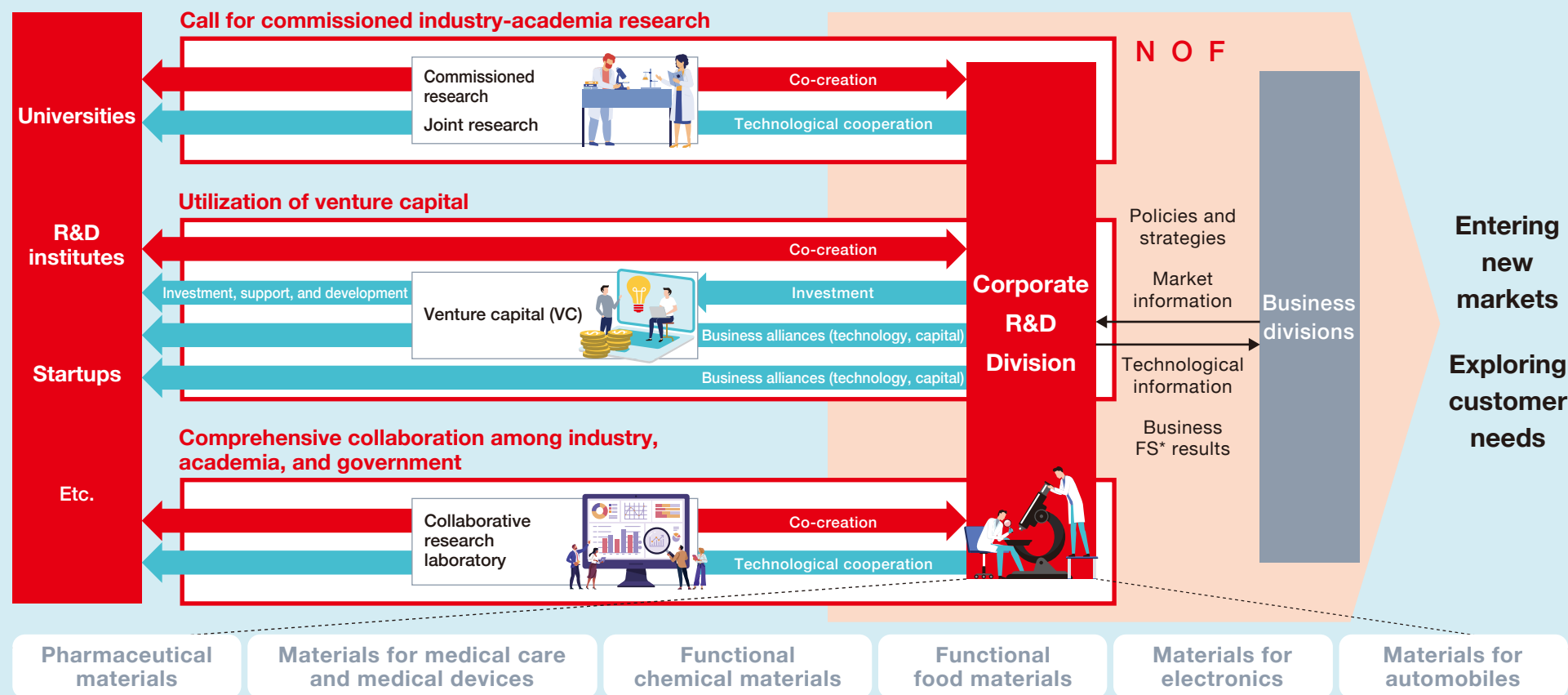


Challenge



R&D

The NOF Group will take on the challenge of developing new products and technologies. We will promote open innovation through public calls for research applications, industry-academia-government collaboration, and other co-creation with external parties, to open up new business domains in each of the markets where needs are expected to grow.



Six fields in priority business domains

* Feasibility study: Preliminary study into the feasibility of a planned project.



Challenge



We are creating new businesses and tackling the next steps to shape the future of society and NOF.

Tackling new challenges for NOF Vision 2030

The NOF Group has formulated a new Mid-term Management Plan, NOF VISION 2030, and positioned the 2025 Mid-term Management Plan, which started in FY2023, as the profit expansion stage and the 2028 Mid-term Management Plan as the business domains expansion stage in order to expand our businesses toward our vision for FY2030. In the field of R&D, we have set a target of accelerating the development of new products and technologies through strategic investments in the three target areas of “Life/Health-care,” “Environment/Energy,” and “Electronics/IT.”

To achieve this, we have selected new priority business domains based on our basic strategy of creating new businesses in growth market fields by introducing new technologies with market advantages, with a focus on co-creation with startup companies and comprehensive industry-academia collaboration.

Strengthening our competitiveness in the market by establishing six priority areas

As priority business domains, we have selected six fields (pharmaceutical materials, materials for medical care and medical devices, functional chemical

materials, functional food materials, materials for electronics, and materials for automobiles) in which we will make concentrated investments. Further intensification of market competition is expected in each field. In respect of industry-academia-government collaboration and co-creation with venture capital (VC), we also plan to promote R&D focused on these six fields.

In the areas of pharmaceutical materials and materials for medical care and medical devices, needs have been growing for regenerative medicine, especially in the past few years. NOF is also preparing a system for commercialization in order that we can enter the chemical materials market as soon as possible. In the area of functional chemical materials, we will promote initiatives for a sustainable society, including the production of raw materials for chemicals made from biomass. We are regularly investigating new functional food materials with the goal of developing materials for health food that are effective in the four fields of beauty, lifestyle diseases, immunity, and brain function, so that all people can live healthy lives. In the area of materials for electronics, we are working together as a team to commercialize new materials for semiconductors and communication materials for 5G. In the final area of materials for automobiles, we are



General Manager of Corporate R&D Division and
Executive Operating Officer, Doctor of Engineering

Eui-Chul Kang



Value Creation Based on NOF's Three Values | “Challenge” × R&D

developing materials toward further improving the performance of rechargeable batteries for electric vehicles (EVs).

Creating new business through collaboration with external organizations

To strengthen the six priority fields, NOF continues to be involved in open innovation. By collaborating with external institutions, we can expect to discover new technologies and businesses unbound by existing business domains.

The Company established the NOF-AIST Smart Green Chemicals Collaborative Research Laborato-

ry on April 1, 2024, with the AIST Group (National Institute of Advanced Industrial Science and Technology and AIST Solutions Co.). The target research areas cover a wide range of fields, including green chemicals, energy conservation, and decarbonization technologies. Through this research, we will develop environmentally friendly chemicals and manufacturing processes by integrating our proprietary technologies with the catalyst and bio-manufacturing technologies of the AIST Group, along with promoting research as a comprehensive collaboration among industry, academia, and government.

As one of the driving forces of Japan's economy, the chemical industry has created many value-added products thus far. On the other hand, the industry is the second highest for producing carbon dioxide emissions following the steel industry, and there is thus a need for decarbonization initiatives on a global scale. In the “Environment/Energy” field, one of our prioritized fields, we have been developing eco-friendly products and promoting sustainability initiatives. Through the collaborative research laboratory, we aim to further accelerate our sustainability initiatives and develop innovative ecological products and chemical manufacturing processes.

Calls for commissioned industry-academia research have led to results in the field of functional chemistry in FY2021, the fields of electronics and health food in FY2022, and the field of medical care and medical devices in FY2023. We will continue to

carry out further in-depth research on topics related to each of these fields.

In January 2024, we invested in a venture capital (VC) fund of Universal Materials Incubator Co., Ltd., a VC firm that invests in superior technologies and businesses. By collaborating with investee companies as a business partner, we will cultivate promising technologies, thereby developing open innovation.

We believe that the role of the Corporate R&D Division is not only to solve current customer issues, but also to take on the future of the entire Company and determine its direction. To enable each individual in the Corporate R&D Division to become a self-motivated employee who “thinks and acts independently,” we make use of internal training and education programs to not only offer passive learning, but also to improve leadership capabilities. Further, we strive to create an environment where the growth of our employees is encouraged to enable self-education and development, thereby allowing us to continually take on challenges with the power of both individuals and the team.

▶ P.049-050



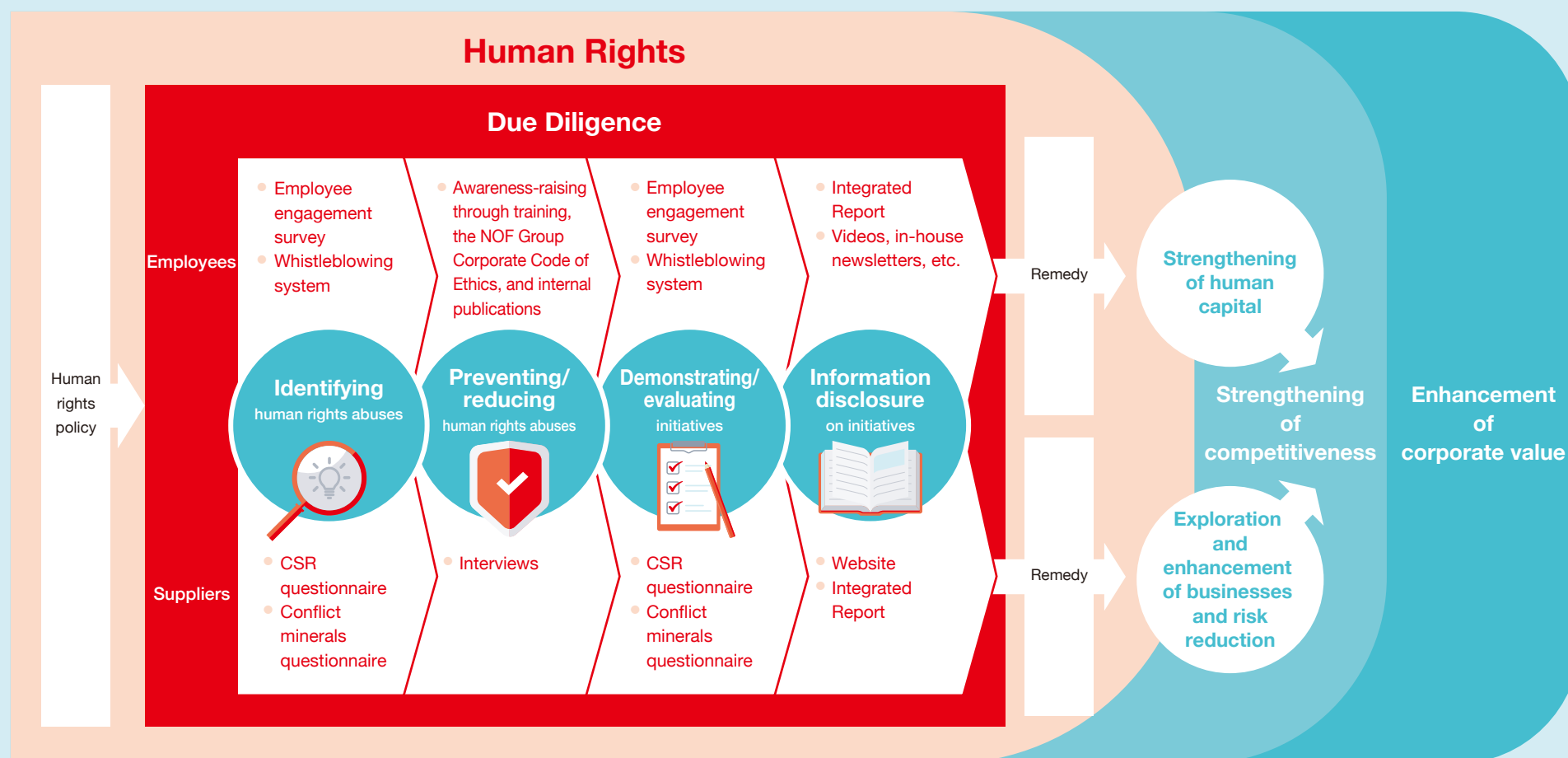


Human Rights

The NOF Group takes an overarching view of human rights issues.

Externally, to develop relationships with suppliers, and internally, to improve employee collaboration.

Both will work to promote the enhancement of corporate value based on the values of "fairness."





Fairness



We are returning to the “norm” of companies and people to strengthen relationships with suppliers and employees.

The key to corporate survival is raising awareness of fairness

Among the values of “Challenge,” “Fairness,” and “Harmony” put forth by the Group, “Fairness” is a premise that all companies and employees should be aware of. Recently, several quality fraud and data tampering issues have occurred at domestic companies. We believe an important issue for the survival of a company is that employees are aware of fairness not only for the organization, but also as individual human beings, and that they continue to make correct decisions. Also, it is NOF CORPORATION employees who are involved in sales, which is the contact point with external parties, as well as discovering new suppliers and developing new products and technologies. In order to become an organization in which individual characteristics blend together and employees can continue to work with psychological security, we will instill the concept of fairness in each employee across the Company.

In addition, we have done business with many suppliers up to present, but in order for us to decide to enter into and continue doing business with a

supplier, we also require “fair and equitable treatment” from all suppliers as well. We will share the values of “Fairness” to strengthen relationships with our employees and the parties we work with, including our suppliers.

Expanding business with suppliers through permanent transactions

Corporate human rights issues are attracting a significant amount of attention in society. In 2022, the Ministry of Economy, Trade and Industry (METI) released the Guidelines on Respecting Human Rights in Responsible Supply Chains, and we have also developed and continually implement our own action plans toward formulating a human rights policy, conducting human rights due diligence (human rights DD), and implementing relief measures. Among them, human rights DD and implementing relief measures for relevant parties are topics that we believe the entire Company should be focusing on.

In particular, the Purchasing Department conducts surveys and interviews with each supplier



General Manager of
Legal Department
and Operating Officer

**Hiroyuki
Kajikawa**

General Manager of
Purchasing Department

**Takanori
Jinnouchi**



as part of its initiatives aimed at external parties. We have established a proprietary follow-up system by conducting awareness surveys on environmental conservation and occupational safety through the use of CSR* questionnaires and the responsible Conflict Minerals Reporting Template, as well as holding interviews with suppliers who have issues to discuss measures together and reevaluating the effectiveness of such measures.

Future developments include (1) actions based on the values of "Fairness" and (2) the promotion of CSR-based procurement.

In respect of actions based on the value of "Fairness," in addition to standard evaluation items such as price and quality, we have also added environmental and human rights initiatives to our terms and conditions in order to provide a fair and equitable competitive environment and strengthen the partnership between us and our suppliers.

As for the promotion of CSR-based procurement, we will continue to conduct surveys and interviews using questionnaires and reflect CSR procurement standards in contract documents, and by doing so, reduce risks to business continuity

Questionnaire items

I. Corporate governance concerning CSR	VI. Quality and safety
II. Human rights	VII. Information security
III. Labor	VIII. Supply chain
IV. The environment	IX. Living in harmony with local communities
V. Fair corporate activities	

and fulfill our social responsibility as a company. Also, through such CSR-based procurement, we will enhance the value of our brand, which will not only ensure stable procurement, but will also lead to the discovery of new suppliers and the creation of business opportunities, thereby contributing to improving the competitiveness of our businesses.

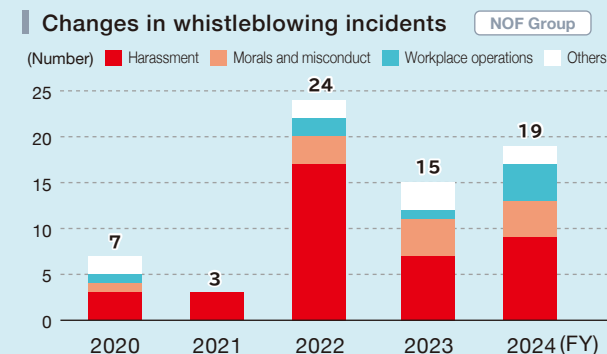
Widely gathering feedback to become a company where it is easy to work

The Legal Department conducts employee engagement surveys to visualize the status of the organization. The surveys include an open-ended section that we use to solicit a wide range of feedback from employees, such as whether they have experienced any gender discrimination or whether internal systems are easy to use. Responses are then checked within the Legal Department, and measures in line with employee requests are considered and implemented as necessary. In particular, we will take measures to deal on a case-by-case basis with whistleblowing incidents that directly reflect employees' concerns, while bearing in mind that the issues that have surfaced are just the tip of the iceberg.

Future developments include instilling in employees the values of fairness and an awareness of human rights. We do not merely subdivide internal rules, but also strive to update regulations

and systems and educate employees so that they understand the significance of why the rules exist, and enhance human capital through the development of independent human resources and friendly competition among employees.

"Fairness" is a foundation that absolutely cannot be ignored in business. Our human rights initiatives for employees and suppliers aim to increase our corporate value by discovering and strengthening businesses and reducing risk, as well as enhancing market competitiveness.



* CSR: Corporate social responsibility



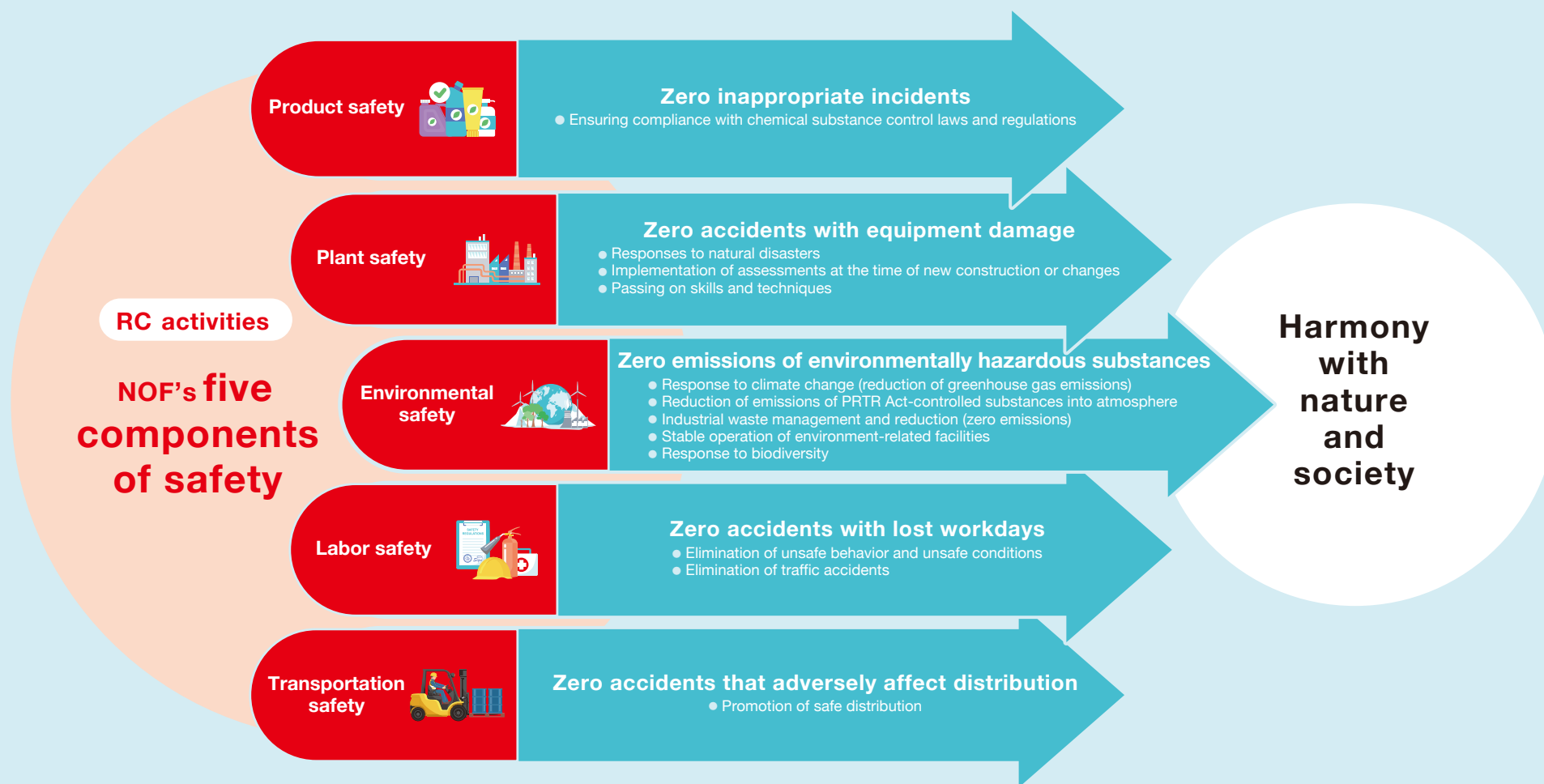
Value Creation Based on NOF's Three Values | "Harmony" × RC Activities

GRI 403-1,3



RC activities

As a chemical manufacturer engaged in a wide range of businesses, the NOF Group has aimed for harmony with the natural and social environment. We will continue to fulfill our corporate social responsibility while expanding our business, continuing to conduct our business activities in a safe and secure manner.





Harmony



NOF will continue to aim for zero accidents through five safety activities to ensure harmony with nature and society.

Achieving harmony through RC activities and dialogue with society

The Group, which handles chemical products, ensures the protection of the environment, health, and safety in all processes from development, manufacturing, distribution, use, and final consumption to the disposal of chemical products, and is developing Responsible Care (RC) activities to make the results thereof publicly available and engage in dialogue and communication with society. In addition, we have defined the topics of RC activities as the “five components of safety,” which comprise “environmental safety,” “plant safety,” “product safety,” “occupational safety,” and “distribution safety,” and we have been working to steadily improve the level of these activities by implementing the PDCA cycle since 1995. Further, in order to achieve harmony with the natural and social environment, we have set a final target for the five components of safety of achieving “zero” for each item.

Reduced emissions substances that impact the environment

With the Company’s “Environmental Safety,” we aim for zero emissions of environmentally hazardous substances. In response to climate change, we have set a 40% reduction from the 2013 level as a fiscal 2030 target, with the aim of achieving carbon neutrality by 2050. We are working to reduce greenhouse gas emissions by accumulating and implementing measures such as converting to low-impact energy sources, electrifying non-electrified facilities, and reviewing production processes. In addition, to raise employees’ awareness of energy conservation, we will promote the efficient use of energy by visualizing energy consumption and considering the introduction of Internal Carbon Pricing (ICP).

In respect of reducing emissions of PRTR Act*-controlled substances into the atmosphere, we will work to limit emissions to 170 tons or less in the Domestic Group each year while balancing this with profit expansion. This will lead to sweeping initiatives such as further reviewing manufacturing processes and improving recovery technologies.

* In this report, we have used the notation “PRTR Act” to denote the system under which business operators notify the government of release amounts and transfer amounts of specific chemical substances in the environment, and the government publicly releases this information (PRTR system), based on the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.



General Manager of Corporate Technical Division,
Director and Executive Operating Officer

Kazuyoshi Yamauchi



In addition to these initiatives, we will improve the natural environment through the reduction and recycling of industrial waste, including plastics, and stable operation of environment-related facilities.

Creating a safe and secure environment for all stakeholders

As a company that handles chemical substances, the Company is committed to improving the social environment for the safety and security of its various stakeholders, including employees, local communities, and customers.

In the area of plant safety, we aim to achieve "zero accidents with equipment damage" to ensure the health and safety of our employees and local residents. To achieve our targets, we are implementing measures to prevent accidents from occurring, such as conducting assessments (objective evaluation and analysis) when equipment is newly installed or modified, and passing on safety-related skills and techniques during internal training. In addition, as part of our Business Continuity Plans (BCP) to prepare for disasters and



other emergency situations, we are working to both limit damage and ensure business continuity even in the event of natural disasters by implementing disaster prevention and disaster mitigation measures at our facilities and conducting regular disaster drills.

In the area of product safety, we aim to achieve "zero inappropriate incidents" by complying with laws, regulations, and guidelines, along with providing correct information to our customers. Further, we plan to create a Company-wide chemical substance database by FY2025. By managing information previously collected by each department centrally as a Company-wide system, the accuracy of information can be improved and amendments of laws can be dealt with promptly. To ensure that our customers can use our products with peace of mind, we will continue to take measures to ensure compliance with chemical substance control laws and regulations.

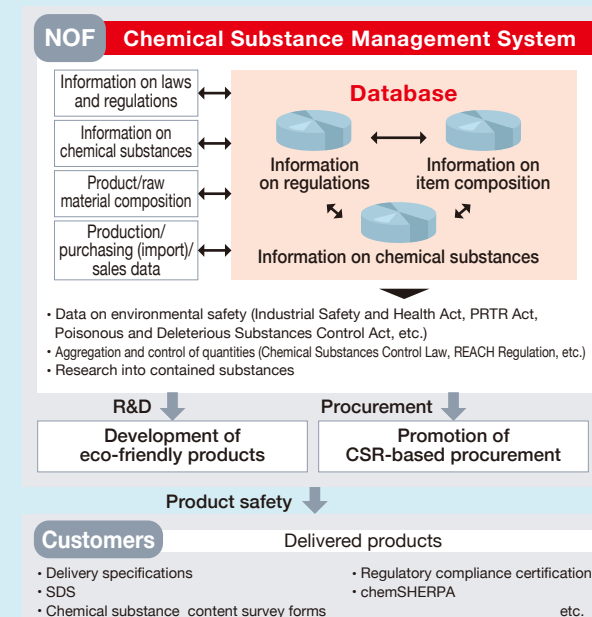
In the area of occupational safety, we aim to achieve "zero accidents with lost workdays" to protect the health and safety of workers. We strive to eliminate unsafe behavior and unsafe conditions and eliminate traffic accidents by improving sensitivity towards danger, thoroughly enforcing safety actions, and implementing education and training.

In the area of distribution safety, we strive to prevent accidents and disasters in transportation and distribution, aiming for "zero accidents that

adversely affect distribution." In particular, in order to prevent accidental chemical leaks or spills and respond appropriately in the event of an emergency, we have prepared Safety Data Sheets (SDS) and Yellow Cards and provide information to all concerned parties without fail. In addition, we strive for further safety management by providing thorough communication and guidance to distribution companies.

The Group will continue to deliver safety and security to its various stakeholders by positioning RC activities at the core of CSR. [P.078](#)

Image of composition of chemical substance database





Message from the President

GRI 2-22

We create new value through
the fusion of innovation and
a future-focused approach

President and Chief Executive Officer



Message from the President

GRI 2-22

Thank you very much for your interest in the Sustainability Report 2025 of the NOF Group.

With “contributing to humanity and society as a corporate group that creates new value through the power of chemistry, ‘from the biosphere to outer space’” as our Corporate Philosophy, the NOF Group is engaged in business operations in our three prioritized business fields of Life/Healthcare, Environment/Energy, and Electronics/IT through our original products and technologies.

Today, the world is facing numerous challenges, including environmental issues such as climate change as well as human rights issues. Working toward the realization of a sustainable society is an obligation that all companies must address. Confronting these challenges head-on, the NOF Group strives to achieve carbon neutrality and preserve natural capital, aims to reduce environmental impacts throughout the entire product life cycle, and continues tackling the creation of social value through provision of optimal solutions.

Our vision for achieving a sustainable society, NOF VISION 2030, reflects our goal of fully leveraging the NOF Group’s technological and creative capabilities to take a great leap forward as a global company. Under this vision, our 2025 Mid-term Management Plan starting in fiscal 2023 is positioned as the profit expansion stage (Stage II) while the subsequent 2028 Mid-term Management Plan is the business domain expansion stage (Stage III), outlining a long-term path for growth.

Drawing on my past experience in R&D and international operations, and based on my conviction that change is an opportunity for growth, I have resolutely taken on challenges in technological innovation and business transformation, addressing a wide range of challenges. To ensure the NOF Group’s sustainable growth, I am focusing all my efforts on management that unites the passion and creativity of every employee, fostering an approach that constantly embraces change.

We are committed to enhancing sustainable corporate value for our shareholders and investors, offering innovative products and services to our customers, and providing a rewarding workplace and opportunities for growth to our employees. Furthermore, by collaborating with local communities and partner companies, we will strive to grow alongside them and help realize a more prosperous future.

The NOF Group will continue its mission to contribute to people and society as a corporate group that creates new value across wide-ranging business domains, “from the biosphere to outer space.” To fulfill this mission, we will further strengthen our technological development foundation, enhance the specialization of our products and services, and improve quality management, thereby advancing as a corporate group with the spirit of a technology-driven venture company.

By meeting the expectations of our stakeholders and continuing to take steady steps forward, we will continue to deliver true value to society.

I hope this report helps deepen your understanding of our vision and initiatives.



Message from the President

GRI 2-22

For a sustainable society

We aim to contribute to society by solving our customers' business issues

As a functional materials manufacturer that supplies original products to markets in Japan and overseas, the NOF Group has grown together with its customers by gaining a deep understanding of their business challenges and providing optimal solutions. We believe that by contributing to our customers' success, we can help improve local communities and the global environment, and aim to realize a sustainable society.

Under NOF VISION 2030, we provide innovative solutions in our three prioritized business fields: Life/Healthcare, Environment/Energy, and Electronics/IT.

- In the Life/Healthcare field, we contribute to society as a whole by offering products and solutions that support people's health and well-being, including DDS materials for pharmaceuticals, health foods, and cosmetics materials.
- In the Environment/Energy field, we are developing products that support the shift to electric vehicles and the spread of renewable energy, as well as products with added functions such as energy-saving functions. These products support our customers' business growth while also helping to reduce environmental impact and contributing to a sustainable energy supply.
- In the Electronics/IT field, we offer high-function

products developed with proprietary technologies for electronic components and materials requiring miniaturization and low dielectric properties. Through this, we support the evolution of communication technologies and contribute to solving social issues such as remote medical care and optimized energy management.

Our aim via these efforts is to improve health and well-being, protect the environment, and ensure the efficient use of resources, thereby building a sustainable future.

We will continue to work as a united Group to solve customers' problems and create new value as a functional materials manufacturer. We will also strive to enhance our competitiveness in global markets and become a company trusted by all stakeholders.

Reflection on FY2024

Business performance reached a record high

The NOF Group achieved record highs in all consolidated indicators: net sales, operating income, ordinary income, and net income. Net sales increased ¥16.1 billion year-on-year to reach ¥238.3 billion, operating income increased ¥3.2 billion to ¥45.3 billion, ordinary income increased ¥1.0 billion to ¥46.6 billion, and net income reached ¥36.5 billion. This achievement is the result of steady implementation of measures in each business segment and appropriate responses to market

conditions, as well as the support of all our stakeholders. We express our deepest gratitude.

In the Functional Chemicals business, strong demand for cosmetics-related products and special anti-corrosion agents drove performance, resulting in net sales of ¥150.9 billion (a ¥17.4 billion increase year-on-year) and operating income of ¥29.7 billion (a ¥7.8 billion increase). While cosmetics-related products and special anti-corrosion agents made significant contributions, weak demand for fatty acid derivatives in the Chinese market remained a challenge.

In the Pharmaceuticals, Medical, and Health business, the main factor behind the decline in results was temporary cooling of demand for raw materials for DDS drug formulations, due to inventory adjustments by some customers. As a result, net sales were ¥48.0 billion (a ¥6.0 billion year-on-year decrease), and operating income was ¥15.6 billion (a ¥4.9 billion decrease).

In the Explosives & Propulsion business, increased demand for defense products and space rocket products contributed to results, with net sales of ¥38.7 billion (a ¥4.6 billion year-on-year increase) and operating income of ¥3.1 billion (a ¥0.5 billion increase). In particular, the expansion in demand for defense products was the main driver of the profit increase.

Fiscal 2024 was a year in which we steadily expanded growth areas in each segment, while also revealing some challenges. Nevertheless, as a whole, we were able to achieve growth by leveraging the strengths of the Group.



Message from the President

GRI 2-22

Forecast of business results for fiscal 2025

The business results forecast for fiscal 2025 projects net sales of ¥252.0 billion, operating income of ¥46.0 billion, ordinary income of ¥47.9 billion, and net income of ¥36.8 billion—all expected to reach record highs. Under the 2025 Mid-term Management Plan, the operating income target for the final year (fiscal 2025) was set at ¥46.0 billion, and we will powerfully advance the implementation of measures across each business segment to achieve this target.

Furthermore, while the impact of U.S. tariff policy is not included in the forecast due to its uncertainty, there remains a possibility that our business may be directly or indirectly affected. We will closely monitor developments in tariff policy.

Growth strategies for our three segments

Functional Chemicals business

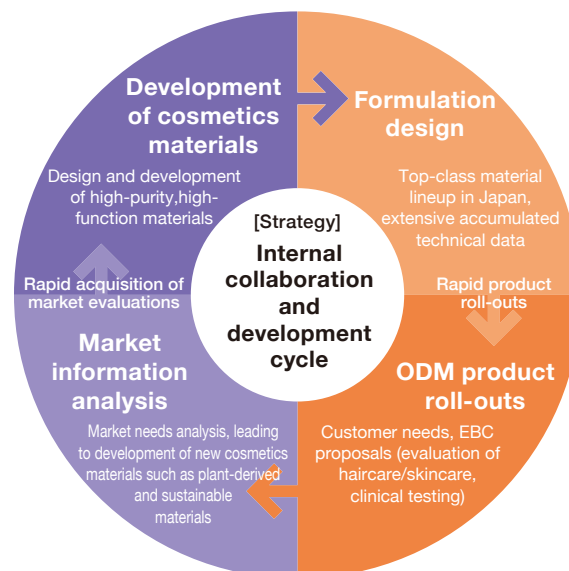
The NOF Group's Functional Chemicals business continues to achieve steady growth, centered on cosmetics-related products and automobile-related products. For fiscal 2025, we anticipate a year-on-year increase in operating income of ¥400 million, exceeding the target set in the 2025 Mid-term Management Plan. In particular, cosmetics-related business is a major driver of overall business growth.

Cosmetics-related business:

Business growth through a cycle-based strategy

In the cosmetics-related business, we maintain our competitive edge by swiftly cycling through material development, formulation design, original design manufacturer (ODM) product development, and new material development based on market information. This “cycle-based strategy” is made possible through strong internal collaboration.

Cosmetics materials continue to perform well across skincare, haircare, and body care products, bolstered by our broad product lineup and development capabilities attuned to market trends. In ODM products, our anti-aging and beauty haircare products have been highly evaluated in the market



due to our flexible proposals tailored to customer needs. Going forward, we are aiming for market expansion both in Japan and overseas by developing cosmetics materials that utilize environmentally friendly raw materials such as plant-derived materials, and by proposing ODM products including cosmetics with high natural origin indexes and high-function UV protection products. To this end, we implemented a facility investment for our Aichi Works.

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Automobile-related products:

Flexible response to market changes

Demand is increasing for special anti-corrosion coatings for automobiles, driven by recovery from the decline in demand during the COVID-19 pandemic and by the tailwind of expanding electric vehicle (EV) production and subsidy programs in the Chinese market. We will continue to promote the development and sales expansion of products for EVs, while also positioning the construction and infrastructure fields as key areas following the automobile field, and working to cultivate these markets. In addition, for automobile-related products, we are expanding into the market for noise reduction agents that are well-suited for EVs as resin additives, high-durability anti-fog agents for various lamp units, and sealing materials.

Development of next-generation products and business expansion

In the Functional Chemicals business, with a view to



Message from the President

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responding to sustainability, tighter regulations, and next-generation technologies, we are focusing on the development of the following new products:

- PFAS-free monomers and polymers for water/oil-repellent agents
- Biodegradable lubricants with high viscosity optimized for ship-based use
- Environmentally conscious chemicals and manufacturing processes integrating technologies such as bio-manufacturing through industry-academia-government collaboration
- Raw material monomers for polyimide-related materials used in semiconductors

These products and technologies are expected to contribute to the realization of a sustainable society and become key pillars supporting our expansion into new business domains.

Outlook for the future

Our Functional Chemicals business will accelerate growth not only through strengthening existing businesses centered on cosmetics materials, ODM



products, and automotive-related products, but also through new product development and overseas expansion. Through flexible market responsiveness and the provision of innovative solutions, we will pioneer a sustainable future and further enhance our competitiveness in the global market.

Pharmaceuticals, Medical, and Health business

The NOF Group's Pharmaceuticals, Medical, and Health business contributes to the advancement of pharmaceuticals and medicine, as well as to the improvement of people's health, by providing innovative solutions centered on raw materials for DDS drug formulations.

In particular, our activated PEG—which we have expanded since its commercialization in 2001 by leveraging our manufacturing technologies for fatty acids, phospholipids, and PEG derivatives—holds the top global market share thanks to its extensive adoption in the peptide and protein drug markets, which are growing at a rate of 9%. We are focusing on providing customized solutions tailored to customer needs and on meeting the demand for PEGylated pharmaceutical biosimilars.

Furthermore, in the nucleic acid and gene therapy drug market which has seen considerable growth in recent years, we are focusing on cultivating new customers by proposing LNP formulations. This effort is bolstered by our proprietary ionizable “SS lipids,”

developed to enhance degradability in the body, and by our proven track record in PEG lipids for COVID-19 vaccines.

Raw materials for DDS drug formulations:

Strengthening production systems and new product development in preparation for future growth in demand

In our forecast for fiscal 2025, despite being affected by delays in clinical development by biotech ventures, we expect operating income for the overall Pharmaceuticals, Medical, and Health business to increase by ¥300 million year-on-year, supported by demand recovery from existing customers and progress in new pipeline drugs under development. In particular, the LS Aichi Plant, scheduled to begin operation in October 2025, will be the key to further accelerate growth.

In fiscal 2023, strong demand related to late-stage clinical trials and product launches drove the business. However, fiscal 2024 saw demand plateau due to inventory adjustments by some customers and delays in clinical development by biotech ventures. Nonetheless, from fiscal 2025 onward, growth is expected to be supported by increasing demand from some customers and by new projects, including more than five pipeline drugs currently in the late clinical trial stage. We aim to achieve growth in line with the biopharmaceutical market growth rate (about 10%) by promoting the following measures.

- Expansion of market share by capturing demand from new pipelines and biosimilars



Message from the President

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- Strengthened acquisition of early-stage development projects and focus on themes with high potential to grow into major pipelines

Through these efforts, we will further solidify our medium- to long-term growth foundation.

To prepare for future demand increases, the LS Aichi Plant is scheduled to begin commercial operation in fiscal 2025. This new plant will serve as a manufacturing facility for commercialized products (activated PEG). In addition, through proactive facility investment and process efficiency improvements in anticipation of rising demand, we will further enhance the competitiveness of the business.

In the areas of R&D and new business development that we have prioritized through now, we are both providing rapid, customized responses to customer needs for DDS materials, as well as advancing proposals for solutions for nucleic acid drug materials using Materials Informatics. We are also continuing the development of new products targeting modalities with anticipated high growth, and actively pursuing new technology development through expanded collaboration with external research institutions.



LS Aichi Plant

Edible oils, functional food materials, and healthcare food products:

Promoting business structure transformation

We are advancing the transformation of our business structure to shift from the conventional foods business to the functional foods business. In our processed oils and fats business, we are promoting the development and sales expansion of functional food materials that help maintain aspects such as the softness of bread and confectionery, as well as the texture and volume of foods, along with functional food materials that make effective use of unutilized resources. In our health-related business, we are focusing on the development of health-related products based on our proprietary new materials and technologies.

Outlook for the future

In the U.S. market, despite delays in clinical development by biotech ventures continue, we anticipate the long-term growth of functional lipids. We aim for sustainable growth by responding flexibly to such market changes and providing innovative solutions.

The Pharmaceuticals, Medical, and Health business is moving forward with strategies to steadily capture demand growth and market expansion from 2025 onward, while overcoming short-term changes.

Explosives & Propulsion business

The NOF Group's Explosives & Propulsion business continues to grow steadily in response to increasing

demand for defense products and space rocket products. Operating income for fiscal 2025 is expected to increase by ¥400 million year-on-year, contributing to Japan's defense capability development and space development efforts.

Responding to expanding demand

In the field of defense products, the NOF Group is expected to expand its production capacity as part of the Japanese government's efforts for accelerated deployment of defense equipment incorporating advanced technologies, and we are currently considering a facility investment plan totaling about ¥100.0 billion.

In addition, information from satellites, which is indispensable to our daily lives, is increasingly in demand across a wide range of industries, including advancements in telecommunications and the commercialization of autonomous driving. As a result, demand for our solid propellants used in space rockets is also expected to increase. We will respond to such demand by leveraging our advanced technological capabilities and establishing an efficient production system.

Outlook for the future

The Explosives & Propulsion business supplies industrial explosives, defense products, and space rocket products. Much of this is on the basis of the Japanese government's national policy. We are working to strengthen our facilities and improve



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productivity to ensure a stable supply of products, while also focusing on the introduction of environmentally conscious facilities and product manufacturing, thereby contributing to the enhancement of corporate value.

From strategic investment in the 2025 Mid-term Management Plan to a leap forward in 2030

With regard to strategic investment, we are actively investing in facilities, R&D, and human capital by utilizing the ¥70.0 billion investment framework established in the 2025 Mid-term Management Plan to realize NOF VISION 2030.

Facility investment

The NOF Group is actively carrying out facility investment during the 2025 Mid-term Management Plan period to support sustainable growth. Planned facility investment for this period is expected to reach ¥67.4 billion, about three times the amount of the 2022 Mid-term Management Plan. The investment plan can be broadly categorized into three areas: expanding profit, productivity improvement, and environmental response.

In terms of expanding profit, the new cosmetic ODM line has begun operation as planned, and the new plant for raw materials for DDS drug formu-

lations, which is currently under construction, has entered the preparation stage for operation. In addition, in response to requests from the Japanese government and prime contractors, we are enhancing the production capacity of facilities for accelerated deployment of defense equipment incorporating advanced technologies. We will continue to steadily pursue facility investment aimed at strengthening manufacturing capabilities in growth fields while monitoring changes in the market environment and anticipating market needs.

For productivity improvement, we are working toward the realization of smart factories, including the introduction of digital transformation (DX)-related technologies, through initiatives such as strengthening network infrastructure, promoting automation and labor saving, and improving operational efficiency by expanding the use of data in production and sales. Furthermore, in the area of environmental response, we are strengthening initiatives that contribute to CO₂ emissions reduction, including compliance with fluorocarbon regulations, the introduction of energy-saving manufacturing facilities, and a shift to energy sources with a low environmental impact.

Through this facility investment, the NOF Group aims to flexibly respond to environmental changes, contribute to the realization of a sustainable society, and further enhance the competitiveness of the overall business.

R&D

NOF and the AIST Group have established the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory. At this collaborative research laboratory, we aim to integrate NOF's and the AIST Group's fundamental technologies and expertise to develop environmentally friendly chemical manufacturing processes and create smart green chemicals that contribute to decarbonization and prosperous lives. Through these efforts, we aim to continuously deliver new value to society through the power of chemistry, while contributing to the realization and development of a sustainable chemical industry.

In our initiatives to enhance the efficiency of R&D, at the Life Science Research Laboratory we are promoting the use of Materials Informatics through efforts such as applying data analysis to the optimal formulation design of lipid nanoparticles (LNP) for gene therapy and nucleic acid drugs.

R&D expenses in fiscal 2024 totaled ¥7.9 billion for the entire Group. In fiscal 2025, we plan to invest ¥8.8 billion in R&D across the Group, and will continue to advance R&D to expand our business domains.

Human capital investment

As part of our measures to foster a diverse workforce with high employee engagement, we are working to encourage employees' autonomous growth and create a comfortable working environment. We are also advancing human capital investment



Message from the President

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aimed at securing and developing talent, including promoting the development of DX human resources and enhancing support for business activities overseas.

Beginning in fiscal 2025, with the aims of incentivizing employees to contribute to medium- to long-term corporate value enhancement as well as raising awareness of participation in stock price-conscious management, we will grant a special incentive payment equivalent to 20 shares of company stock annually to employees who are members of the Employee Shareholding Association. Through the introduction of this scheme, we aim to promote value-sharing between our shareholders and employees and strive to enhance corporate value even further.

Capital policy

With regard to cross-shareholdings, we are proceeding with sales based on our target of reducing the ratio of cross-shareholding to consolidated net assets to 15% or less during the 2025 Mid-term Management Plan period. As of the end of March 2025, the ratio fell by 3.9 points from the previous fiscal year to 14.8%. We will continue to reduce cross-shareholdings beyond fiscal 2025 as well.

For dividends, in fiscal 2024, we paid an interim dividend of ¥21 and a year-end dividend of ¥24, resulting in an annual dividend of ¥45 and a dividend payout ratio of 29.2%. In fiscal 2025, we forecast an interim dividend of ¥24 and a year-end dividend of ¥24, for a projected ¥3 year-on-year increase of the annual

dividend to ¥48 as well as a projected dividend payout ratio of 30.5%. Since fiscal 2009, we have consistently increased dividends. Going forward, based on maintaining stable dividends, we aim to achieve progressive dividends over the medium to long term. We recognize the return of profits to shareholders as an important issue for management. While our target total return ratio during the 2025 Mid-term Management Plan period is set at around 50%, considering factors such as the level of net cash at the end of fiscal 2024, future free cash flow forecasts, and ROE, we implemented a share repurchase of ¥20.0 billion in fiscal 2024. Going forward, we will continue to consider flexible repurchases of treasury shares in line with the target level set for the 2025 Mid-term Management Plan with the aim of improving capital efficiency.

In the next Mid-term Management Plan, our first priority will be making investments for business growth. However, we will also formulate a cash allocation plan and continue working to improve capital efficiency.

Looking ahead to 2030

For the NOF Group, fiscal 2025 is an extremely important year that represents not only the culmination of the 2025 Mid-term Management Plan but also a bridge to the 2028 Mid-term Management Plan. We forecast consolidated operating income for fiscal 2025 to be ¥46.0 billion. To achieve further growth and expand earnings, we will deepen our

initiatives thus far while responding flexibly to a changing environment and establishing new foundations for growth. We will also advance the strengthening of the solutions business, which serves as a growth driver, and accelerate the planning and execution of new investment initiatives, including M&A for business model transformation, in preparation for the 2028 Mid-term Management Plan, which marks our business domain expansion stage.

Meanwhile, the foundation of the NOF Group's business management lies in a thorough commitment to safety and compliance. By deepening our Responsible Care activities and instilling the NOF Group Corporate Code of Ethics, we aim to ensure stable business management alongside highly engaged employees in a safe and open workplace environment.

Going forward, the NOF Group will continue to pursue its value of "Challenge" in new areas in the spirit of a venture company, while also upholding strong ethical standards and pursuing value creation that meets the expectations of society guided by our values of "Fairness" and "Harmony."





Value Creation

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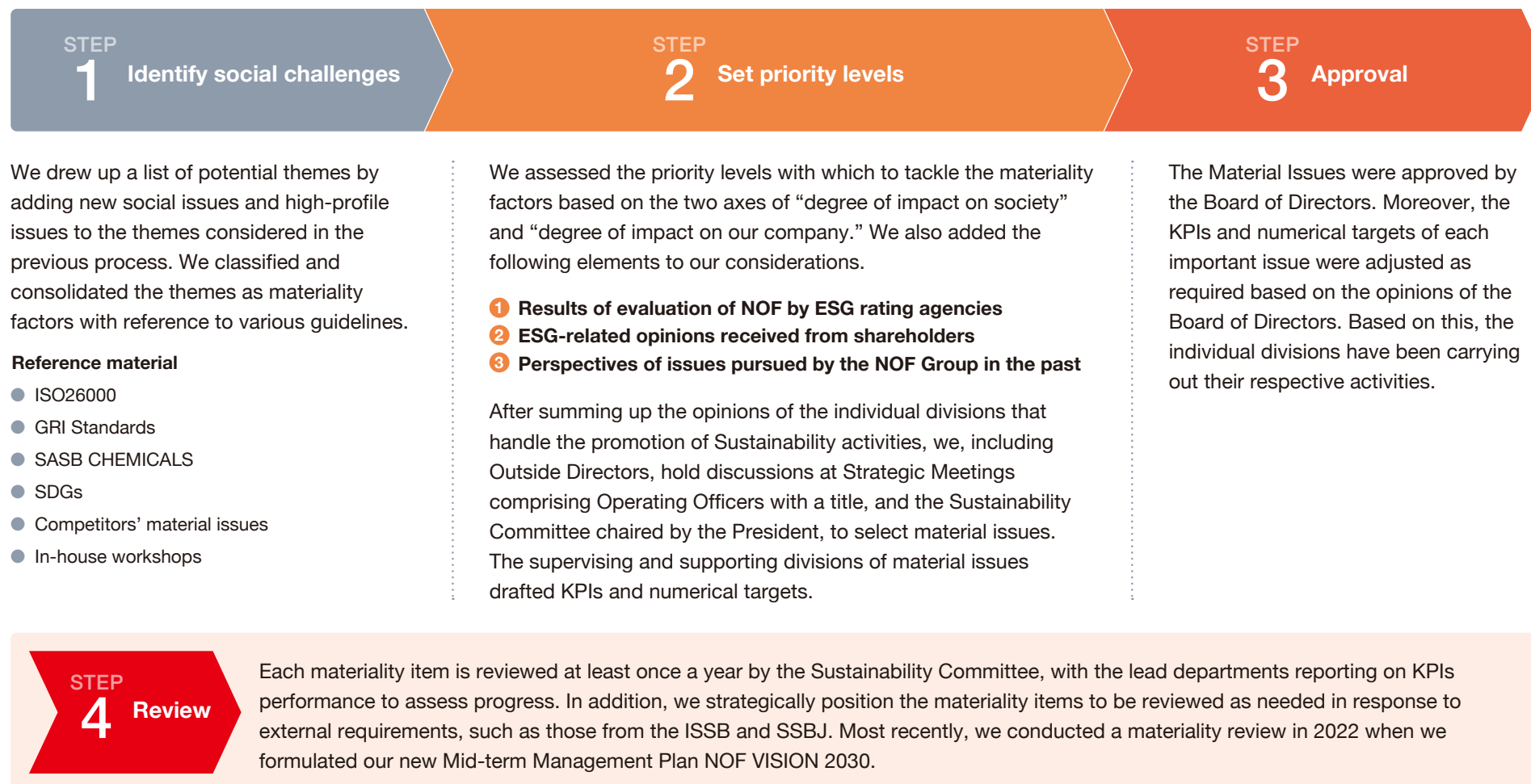


Materiality | 3 Categories and 11 Important Issues

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

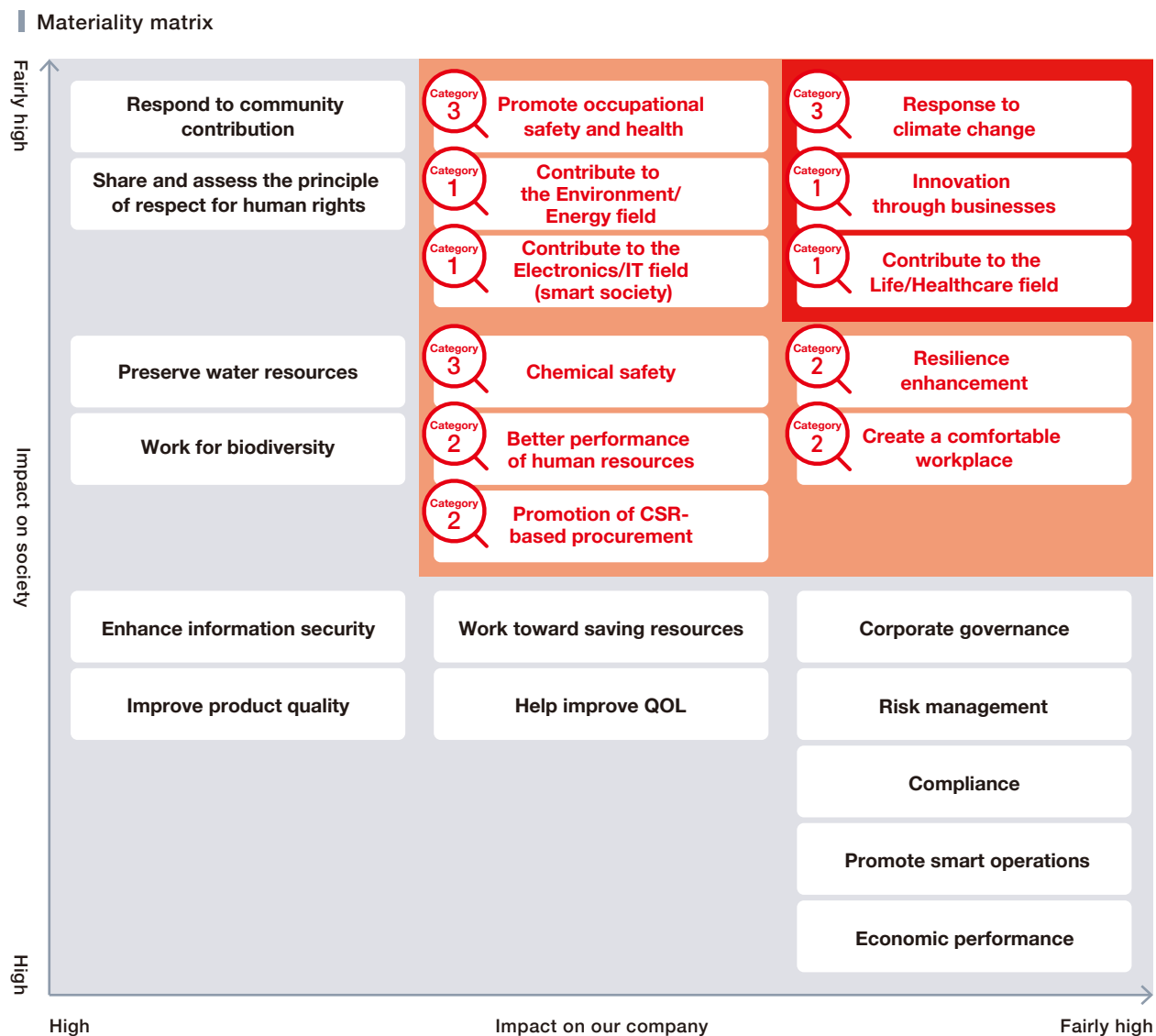
GRI 3-1,2,3

Materiality matrix

The 24 materiality factors were mapped according to the two axes of “degree of impact on society” and “degree of impact on our 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 Deployment of Material 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 ● Call for commissioned industry-academia research ● Promotion of joint research ● Enhancement of support for R&D ● Intellectual property strategy formulation and strategic applications	¥25.6 billion (3-year cumulative total)	2025	Enhancement of R&D capabilities ● Call for commissioned industry-academia research ● Promotion of joint research ● Enhancement of support for R&D ● Intellectual property strategy formulation and strategic applications
	   Number of patent applications NOF	500 (3-year cumulative total)	2025	221 2-year cumulative total 382 (achievement rate of 76%)		500 (3-year cumulative total)	2025	
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	● Supply of strategic products to the Life/Healthcare field	15% increase (compared to FY2022 results)	2025	● Supply of strategic products to the Life/Healthcare field
Contribute to the Environment/Energy field	      Net sales of strategic products* in the Environment/Energy field NOF Group	15% increase (compared to FY2022 results)	2025	43.7% increase	● Supply of strategic products to the Environment/Energy field	15% increase (compared to FY2022 results)	2025	● 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	● Supply of strategic products to the Electronics/IT field	15% increase (compared to FY2022 results)	2025	● 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



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 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	
	 Overall employee engagement score 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	
Better performance of human resources • Human resources development • Diversity	  Investment for human resources development (training costs) 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	
	  Rate of hiring of female new graduates recruited for career-track positions NOF	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 NOF	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 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	
	  Pay gap ratio between male and female full-time employees	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	
	  Rate of male employees utilizing childcare leave 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	
	  Rate of hiring of mid-career workers for executive and career-track positions NOF	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) 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	
	  Improvement requests via interviews to target suppliers in order to firmly establish CSR-based procurement (based on number of companies) 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	
Resilience enhancement	  BCP education and training hours NOF Group	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	- 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	- 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	- Creation and execution of emission reduction measures - Reevaluation of production processes	under 170 tons/year	Every year	- 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 accidents occurred	Through the participation of all personnel and risk anticipation - 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 - 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)



Three Prioritized Business Fields

GRI 2-6

Three prioritized business 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-corrosion coatings for bolts and nuts, new demand is expected for resin additives to prevent abnormal noise and antifogging 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

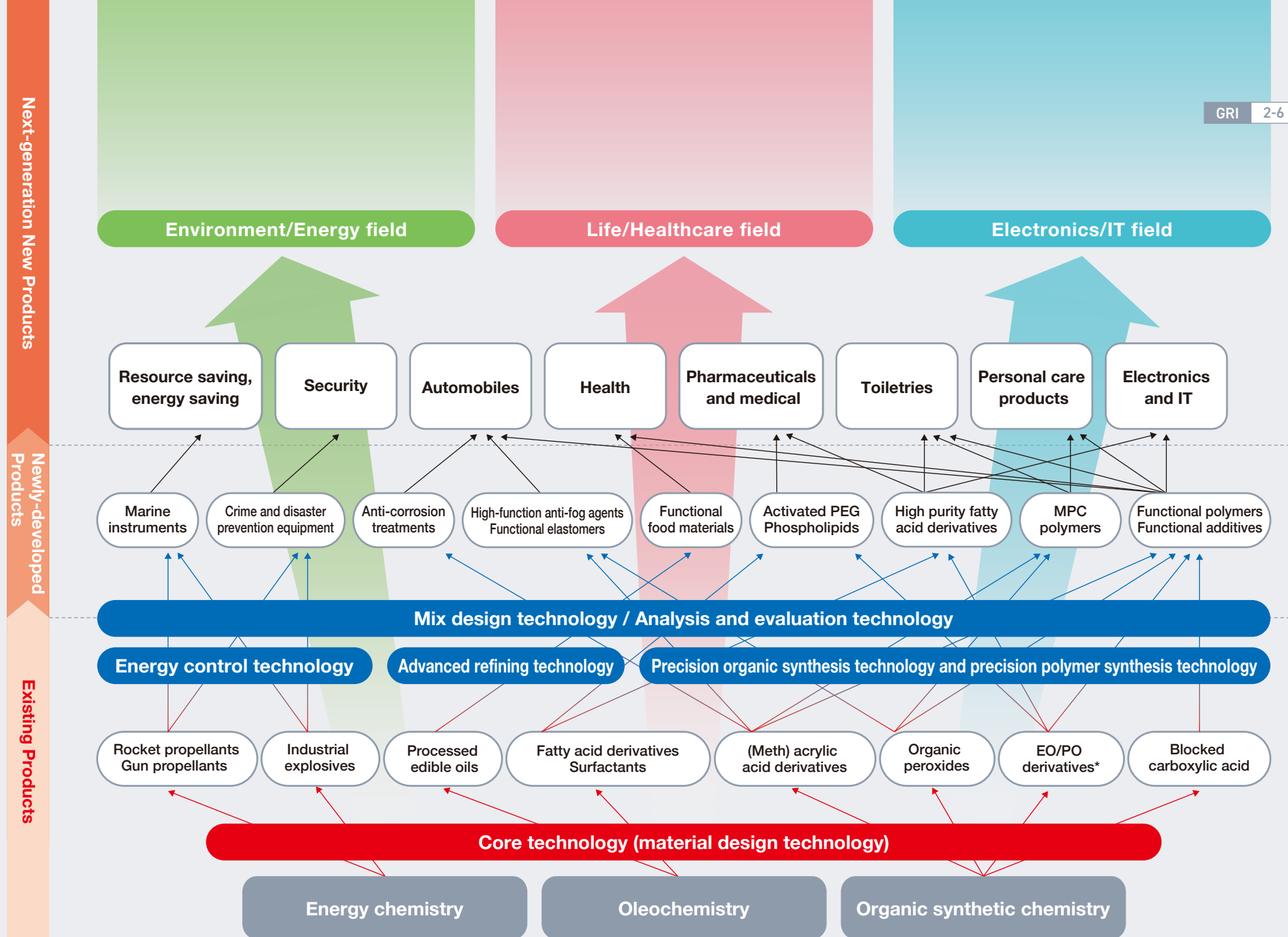


Advances in communication technology and miniaturization

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)

since
1937

Established as a general
oleochemical company,
we have diversified
our business
in response to change



1937 - 1969

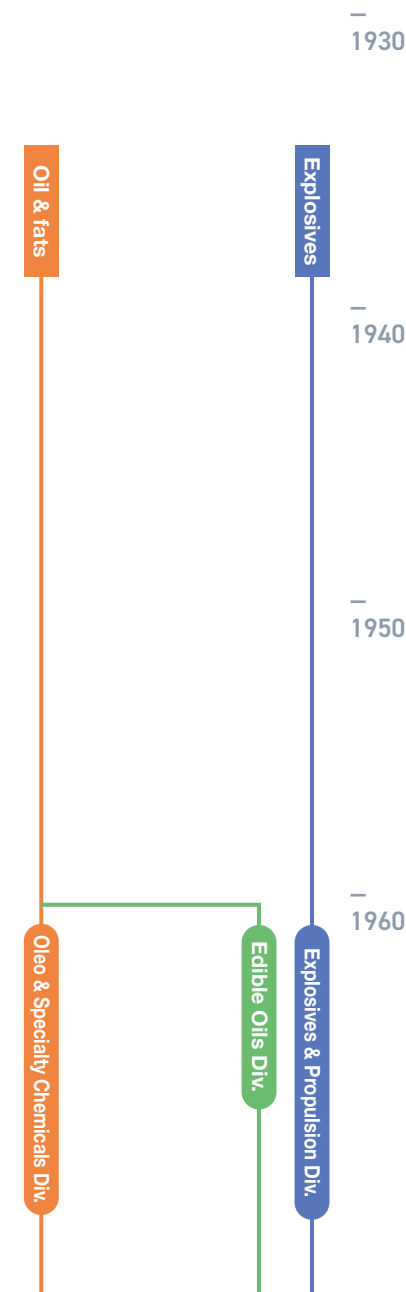
Expanding our business areas to include petrochemicals, centered on oils and fats Supporting rapid economic growth with products ahead of their time

Japan's oils and fats industry began with the export of hardened oil as a raw material for soap and margarine. As exports surged during the Showa period, Nippon Food Industries, Kokusan Industry Fuji Paint Works, Velvet Soap, and Associated Oil and Fats, which were under the Nippon Sangyo Group, merged under the Nissan concern to form the first Nippon Oil and Fats in June 1937. Our company began operations as a general oleochemical company aiming for integrated production of cosmetic soap and detergent. At that time, our company's corporate creed was established as "Moving forward every day, this is a company filled with hope" and "All work together to contribute to our nation's wealth." These words express the belief in contributing to national industry, and that everyone's cooperation is essential to achieving this goal.

After the end of World War II, there was a period of turmoil that included financial difficulties for obtaining basic necessities and soaring commodity prices. In July 1949, the company once again took the name "Nippon Oil and Fats" as a chemical manufacturer with four divisions: oils and fats, coatings, explosives, and welding rods. Fish oil was replaced by beef tallow and coconut oil as the raw material for fats and oils, and uses of derivatives of simple fatty acids, developed through innovations in refining technology, expanded to include use as disinfectants and

emulsifiers. The company also expanded into the field of edible oils such as margarine and shortening.

In the 1950s, as the petrochemical industry took off, the leading materials shifted from natural rubber to synthetic rubber, and from wood, metal, and glass to synthetic resin. The company focused on expanding sales channels to a wide range of industrial fields in response to the trend of rapid growth of large assembled products such as the "3Cs" (color TVs, cars, and coolers) due to high economic growth. The company developed derivatives along with various fatty acids in both single carbon number and high-purity to enhance its non-ionic surfactant product line. Applications as emulsifiers, modifiers, and stabilizers were also developed, and gained customers in a wide range of fields, including pharmaceuticals, cosmetics, toiletries, paper and pulp, and civil engineering and construction. Furthermore, efforts were made to mass produce organic peroxides, which are indispensable for the manufacture of synthetic rubber and synthetic resins, and production of edible oils increased rapidly due to the expanding market for western-style confections and baked sweets. In addition, the company diversified its business with efforts such as developing solid propellants for artificial satellite launch plans of the National Space Development Agency of Japan.



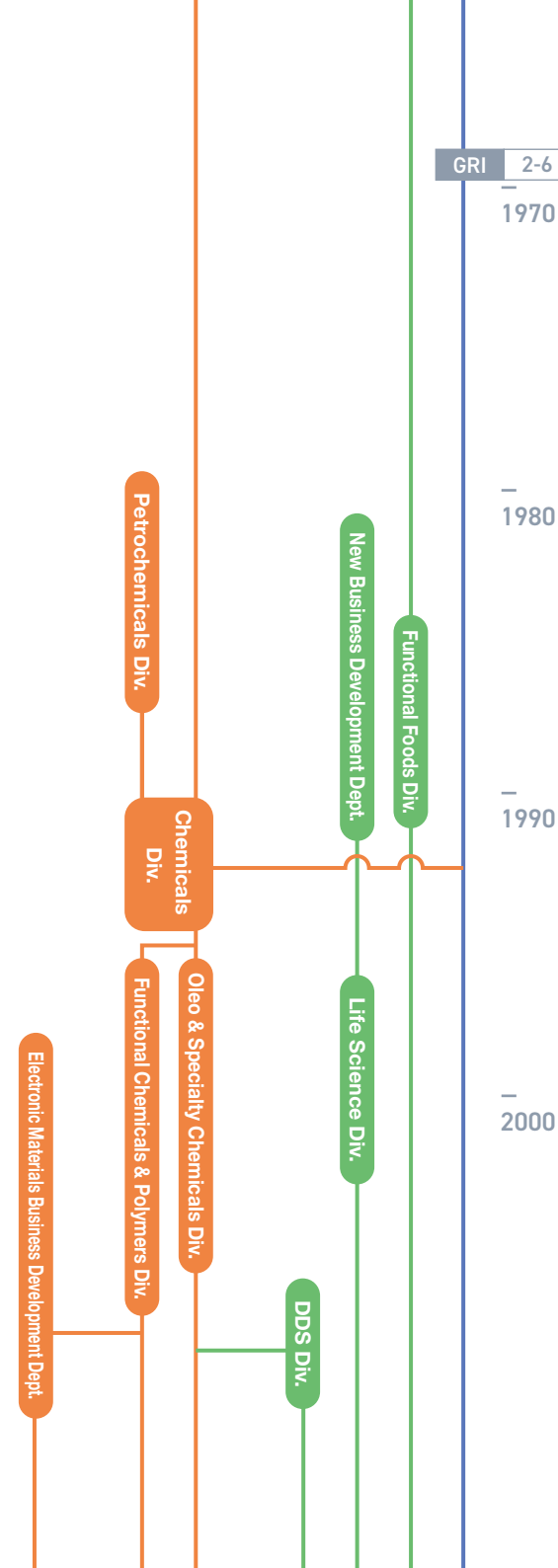
1970 - 2006

Focus on the pharmaceutical industry, centered on biotechnology Focus on R&D of new materials to expand our product lineup

In 1968, Japan's gross national product (GNP), which was soaring due to the Izanagi Boom, surpassed that of West Germany to become the second highest in the world. However, the first oil crisis in 1973 caused a sharp rise in the price of imported crude oil and a major downturn in Japan's economy. In order to secure stable supplies of raw materials, the company accelerated its overseas expansion, including by investing in Malaysia, a palm oil producing country. At the same time, the company focused on fine chemicals as high value-added products. The BLEMMER series of world-class polymer modifiers expanded its sales channels in fields such as coatings, adhesives, and resist materials, and the company also advanced the development of finer organic peroxides. In 1983, the Tsukuba Research Laboratory was established for R&D of new materials. The Laboratory became a stepping stone for offering high value-added products by linking lipids to promising biotechnology, focusing on the pharmaceutical industry, developing high-purity unsaturated fatty acids among other activities.

After the Japanese economy reached its peak in the 1980s, the bubble economy collapsed in the

early 1990s, ushering in an era in which product development capabilities would determine the future of the company. When the Life Science Products Division was established in 1999, the company expanded its manufacturing capacity in anticipation of increased demand for cleaning and storage solutions for contact lenses as well as cosmetics materials. In 2001, the DDS Business Development Department was established, after the company had established a track record in the development of high-purity PEG derivatives, phospholipids, and other products. In 2004, in addition to the establishment of a local subsidiary in China to supply organic peroxides to synthetic resin manufacturers, our Daishi Plant was completed as a new production base for edible oils, with the basic principle of "food safety and security" to ensure traceability of the raw materials used. Furthermore, in 2006, although the company established a new division to oversee the anti-corrosion business that had been operating in Japan, the United States, and Europe, it also made selections and concentrated its businesses, including discontinuing the welding and coating business and transferring it to another company.



2007 - 2025

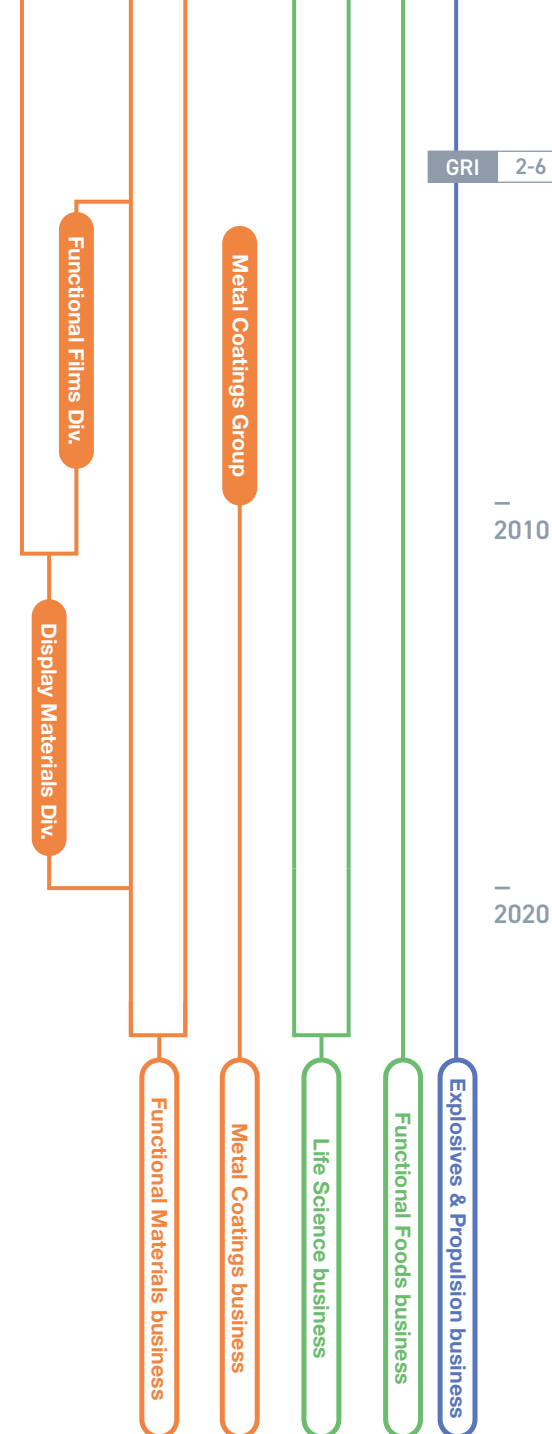
Global expansion with five forms of business that generate the NOF brand Promotion of innovation toward a sustainable society

In October 2007, the 70th anniversary of our founding, the company name was changed from Nippon Oil and Fats to Nichiyu (NOF in English) with the aim of further expanding our business areas. In addition to the four core businesses of oleo & specialty chemicals, functional chemicals & polymers, explosives & propulsion systems, and functional foods, the company's organizational structure now also includes life science products, DDS development, and anti-corrosion. Under the slogan "From the Biosphere to Outer Space," we have taken the first step toward becoming a global general chemical manufacturer equipped with cutting-edge technologies.

In the DDS business, which was created by integrating oleo & specialty chemicals' technologies, such as high purification and cutting-edge molecular design technologies, we provide a wide range of materials to the biopharmaceuticals field, which is expected to grow significantly in the future. Among these, the main product, activated PEG, holds the largest share in the global market. It is used in many biopharmaceuticals, including protein drugs and peptide drugs. In addition, functional lipids such as ionic lipids and PEG lipids are being developed for use in nucleic acid drugs, including expected applications in gene medicine.

In response to growing demand, we expanded the manufacturing facilities at our Kawasaki Works in 2021, and new manufacturing facilities, representing an investment of approximately 10.0 billion yen, are scheduled to begin operation at the Aichi Works in 2025. In 2024, we also invested in Phosphorex, a contract development and manufacturing organization (CDMO) specializing in DDS, and promoted further business enhancement through collaboration.

As environmental and social issues continue to mount on a global scale, expectations are increasing for innovation toward a sustainable society. Therefore, in our Mid-term Management Plan for the 2010s and beyond, we identified three prioritized business fields where future demand is expected to grow: Life/Health-care, Environment/Energy, and Electronics/IT. Beyond our in-house development, we are also working on the development of new materials through co-creation in industry-academia-government collaboration. Furthermore, in 2023, we renewed our Corporate Philosophy structure and reorganized our business divisions. We will develop our global business with 12 consolidated subsidiaries in Japan as well as 12 bases in nine countries overseas toward achieving NOF VISION 2030.

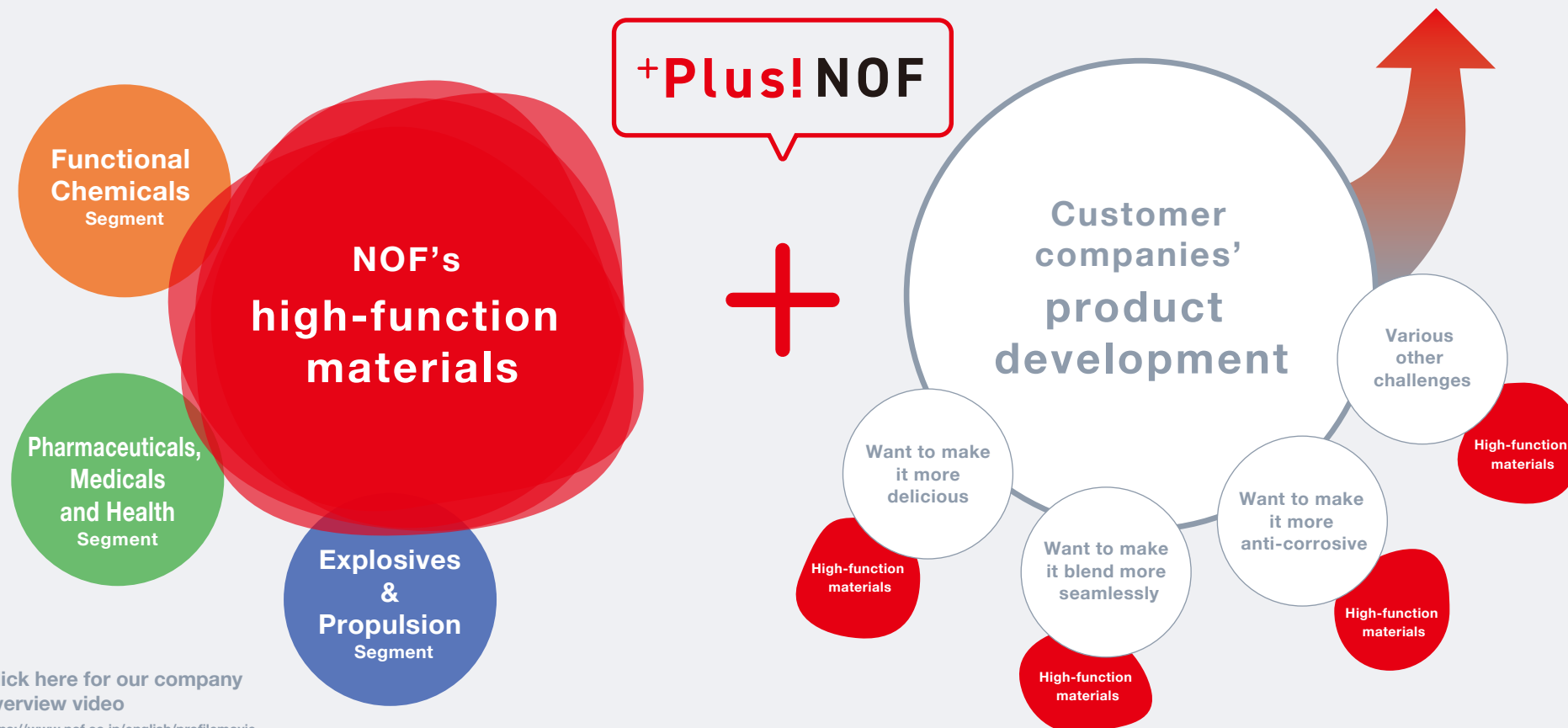




By adding materials with high-function characteristics to our customers' product development, we help maximize the value of their final products.

Contribution to society

Enhancement of the value of customer companies' products



Click here for our company overview video
<https://www.nof.co.jp/english/profilemovie>



Business Model

GRI 2-6

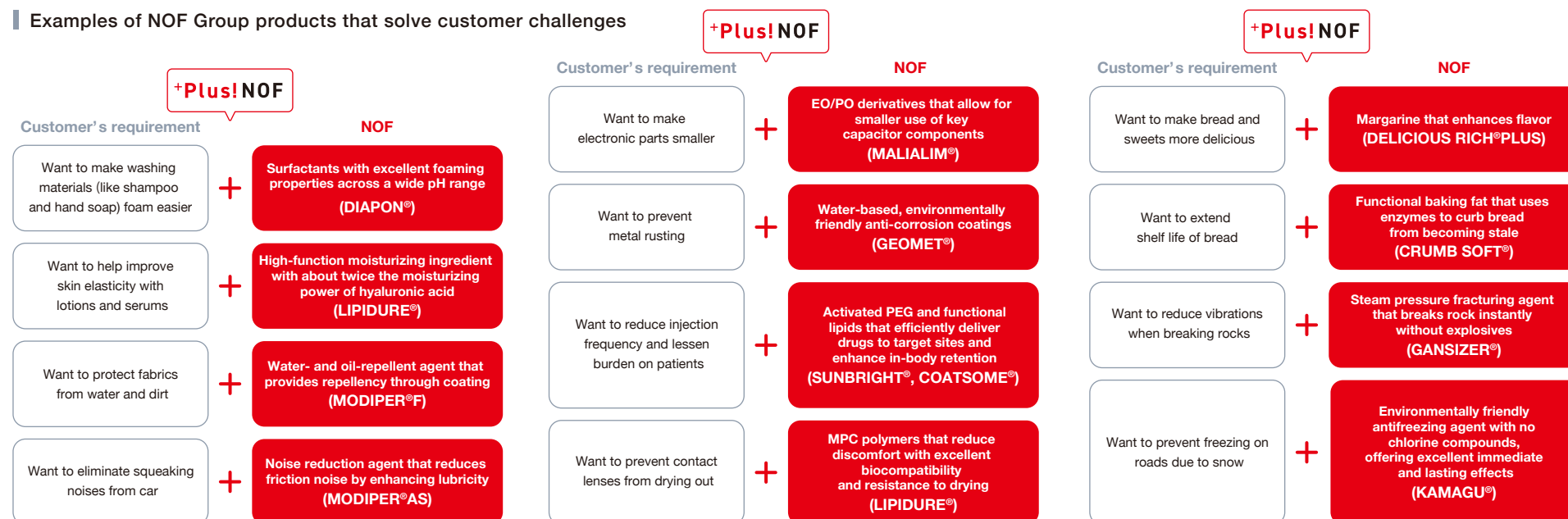
NOF offers high-function materials to help companies achieve “more” for their products, such as making medicines more effective, making parts more compact, making foods more delicious, and becoming more environmentally friendly. High-function materials are those that enhance properties such as stability, easy sliding, seamless blending, stretchiness, and high repellency. Amid the increasing commoditization of products and services and continued commitment to decarbonization, a challenge for customer companies is not

only creating new products but also improving the quality of existing ones. NOF supports these efforts. Beyond simply supplying our products, we also work closely with our customers as partners in product development. By flexibly customizing materials to meet specific needs, we help turn our customers’ desire for “more” into reality.

Since our founding in 1937 as a chemical manufacturer using fats and oils as raw materials for soap, the NOF Group has continuously evolved in step with societal changes. Today, we focus our

R&D efforts on three prioritized business fields: Life/Healthcare, Environment/Energy, and Electronics/IT. Our greatest strengths lie not only in the design and synthesis of materials, but also in our analytical and evaluation technologies and know-how. Furthermore, we expand our R&D areas and deepen our expertise through industry-academia-government collaboration, in addition to in-house efforts.

Examples of NOF Group products that solve customer challenges



Support through technology from general consumer goods to advanced materials

The NOF Group has created a wide variety of products as a chemical manufacturer supplying materials to companies in Japan and abroad. We have a long history spanning 88 years since our founding. We support our customers' manufacturing with our technical capabilities and response capabilities.

Strength 1

Diverse management

We are characterized by our wide range of business areas, from raw materials for familiar products, such as cosmetics, foods, and pharmaceuticals, to electronics-related products and solid propellants for rockets. While possessing proprietary technologies and products in each of these areas, we continue to create original products that are increasingly complex and highly functional, including the fusion of oleochemical and petrochemical technologies.

 Integrated Report ▶ P.046-063

Strength 2

Global expansion

Since entering the overseas market in 1984, we have promoted active overseas expansion, including the establishment of sales bases in the United States and Europe and production sites in Indonesia and China. Currently, we have 12 consolidated subsidiaries in the United States, Europe, Asia, and South America, providing products and technologies to the entire world. We will further develop new business to meet the expectations of the untapped global market.

 ▶ P.047-048

Strength 3

Advanced technology development

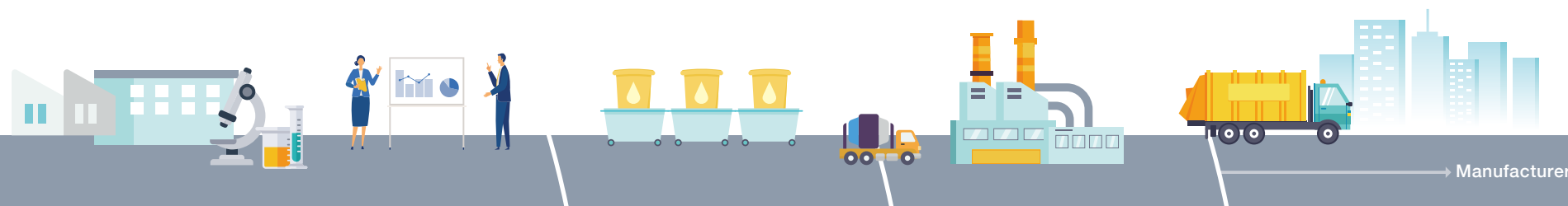
We are engaged in development at the research facilities of our business divisions, and in research on original and pioneering materials and technologies for the next generation at our Advanced Technology Research Laboratory. In addition, we are searching for new materials and technologies by leveraging our connections outside the company, including open innovation through industry-academia-government collaboration in advanced medical technique and regenerative medicine, as well as promoting development leveraging business integration synergies.

 ▶ P.008-010,049-062

Support for customers from development to mass production

While utilizing our core technologies, we work closely with our customers in their product development efforts, proposing materials in accordance with their objectives and needs.

In addition, in accordance with our Responsible Care (RC) Activities, we are committed to safety management throughout the entire value chain and strive to provide the best products and services.



R&D

[Material design and precision synthesis technology]

Flexible design for customer requirements

We can flexibly design a variety of derivatives and polymers based on fats, oils, and petrochemicals, combined with our unique synthesis and refining technologies. This enables speedy product development that meets customer requirements.

▶ P.008-010,049-062

[Technologies for formulation, analysis, and evaluation]

Offering functions that customers want

We have advanced analysis and evaluation technologies that enable us to propose functions for our customers' fields. The wealth of accumulated data obtained from this enables advanced formulation design and rapid feedback for material design.

▶ P.008-010,049-062

Procurement

Stable securing of raw materials with our BCP in mind

We strive for stable procurement under our business continuity plan (BCP). At the same time, we conduct CSR questionnaires for our suppliers and work to procure raw materials with consideration for human rights, the work environment, legal compliance, and the environment and safety.

▶ P.168-171

Manufacturing

Stable supply of products and consideration for the environment

We always strive to provide a stable supply of products under our advanced quality control system and thorough safety management. In addition, we are committed to eco-friendly manufacturing, giving due consideration to energy conservation and reduction of chemical substance emissions.

▶ P.082-085,120-167

Delivery

Safety-conscious logistics with low environmental impact

To ensure safe delivery of our products, we use safety data sheets (SDS) and GHS labels to thoroughly manage hazard information. In addition, we are promoting modal shifts and joint deliveries to reduce greenhouse gas emissions.

▶ P.143,160-167



Social Impacts throughout the Value Chain

GRI 2-6,3-3

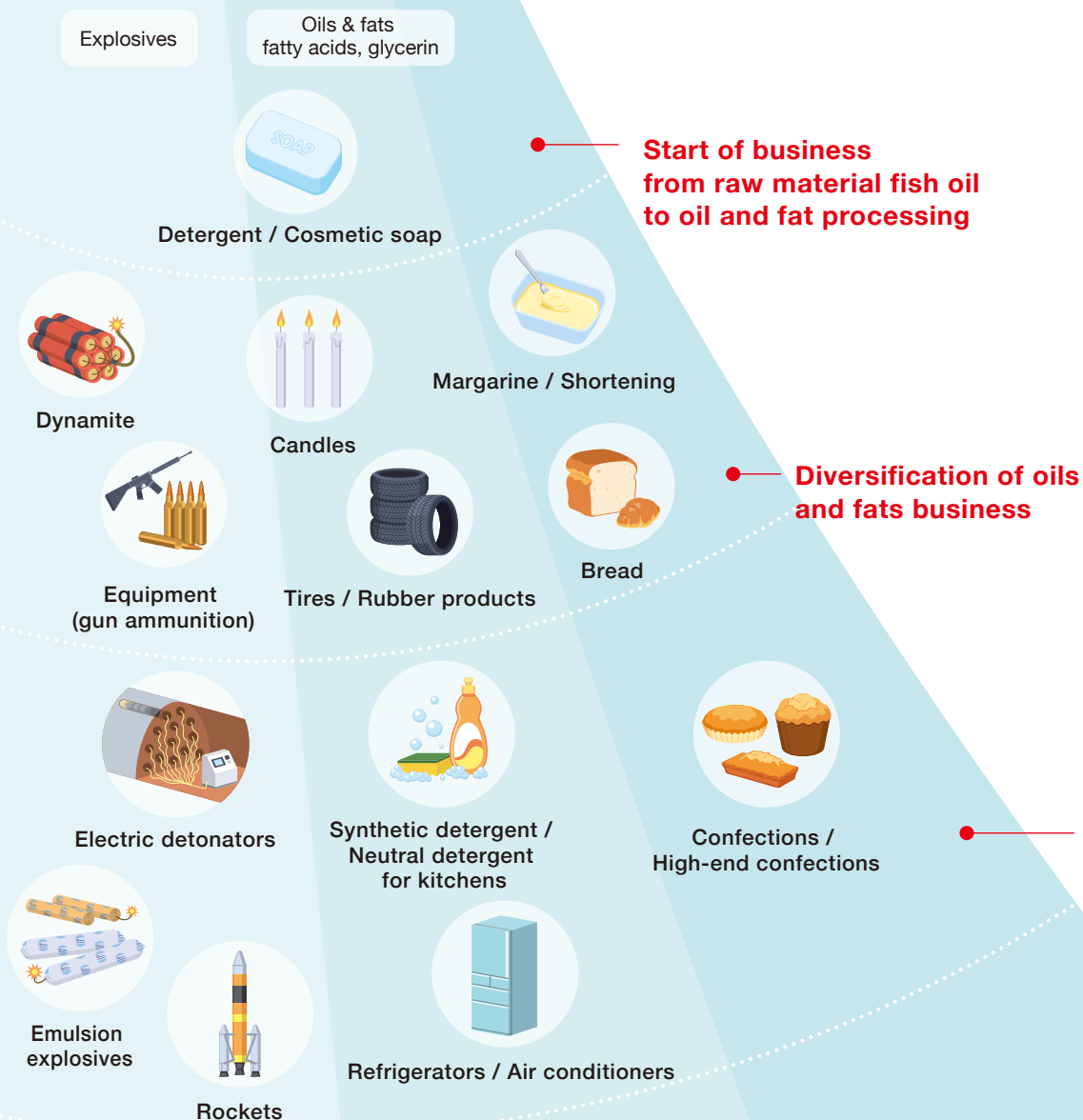
The businesses of the NOF Group impact society in various ways throughout its value chain.
The table below indicates the relationship between materiality of the NOF Group and the value chain.

Materiality	Purchase of raw materials	Development and production	Transportation	Sales	Use	Disposal and recycling
Provide new values to realize a prosperous and sustainable society						
Innovation through businesses		●			●	●
Contribute to the Life/Healthcare field		●		●	●	●
Contribute to the Environment/Energy field		●		●	●	●
Contribute to the Electronics/IT field (smart society)		●		●	●	●
Strengthen the business foundation						
Create a comfortable workplace		●	●	●		
Better performance of human resources		●	●	●		
Promotion of CSR-based procurement	●	●				
Resilience enhancement	●	●	●	●		
Promote Responsible Care activities						
Response to climate change	●	●	●	●	●	●
Chemical safety	●	●	●	●	●	●
Promote occupational safety and health		●	●	●		



Everyday Products Created from NOF's Products

GRI 2-6



The World Created through NOF's Technology

When NOF began operations in 1937 as an oleochemical manufacturer, we offered only a limited range of products. Later, in response to changes in industrial structures and global needs, we expanded our operations into the area of petrochemicals from the 1970s. Furthermore, by pursuing the functions of the materials that NOF possesses, we have developed a wide range of customer segments, including biocompatible materials and DDS. As a result, NOF materials are used in a wide variety of products that you see in your daily life, from daily necessities such as food, pharmaceuticals, and cosmetics to industrial products such as automobiles, home appliances, construction products, and electricity-related products.



Everyday Products Created from NOF's Products

GRI 2-6



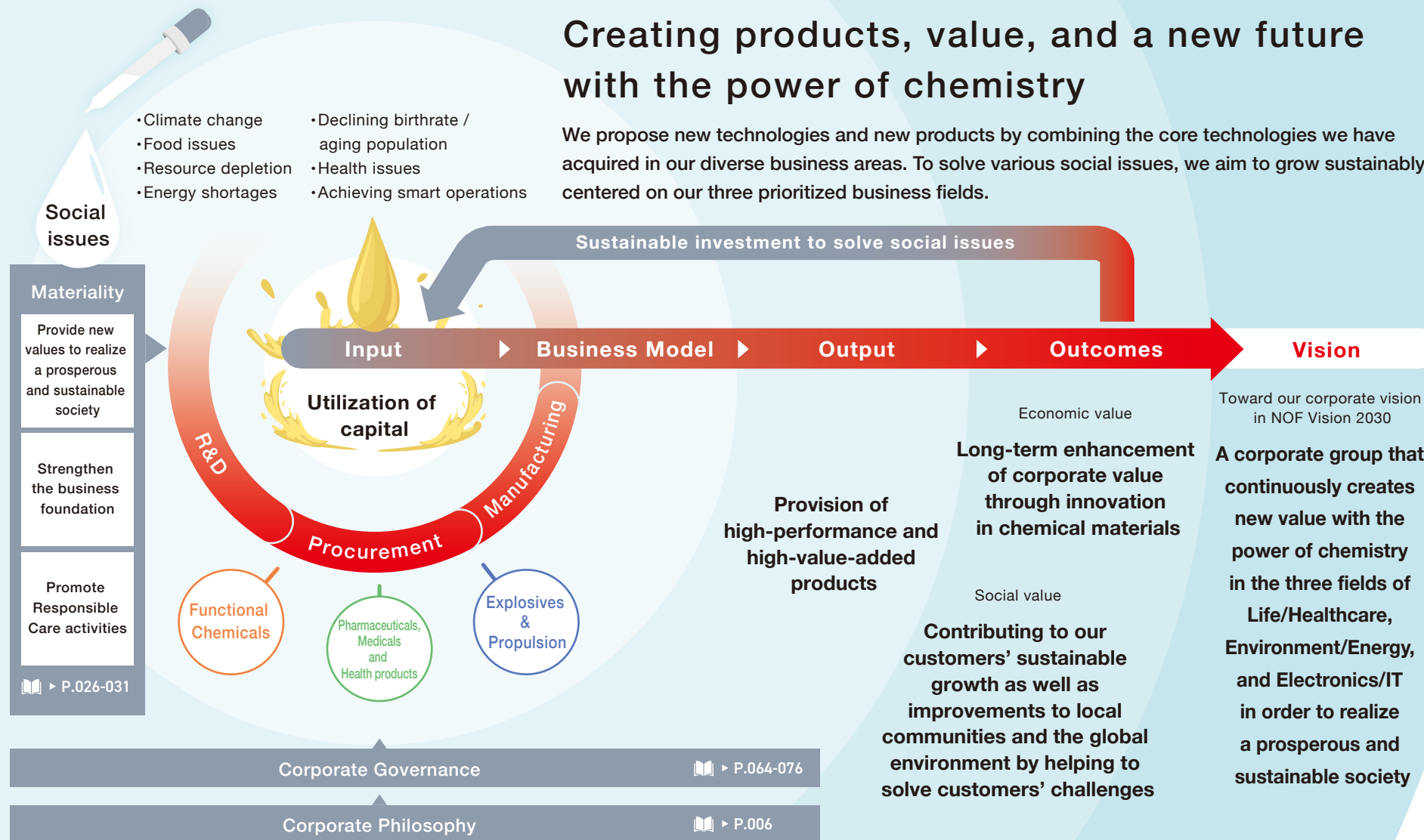


Value Creation Process

GRI 2-6

Creating products, value, and a new future with the power of chemistry

We propose new technologies and new products by combining the core technologies we have acquired in our diverse business areas. To solve various social issues, we aim to grow sustainably centered on our three prioritized business fields.

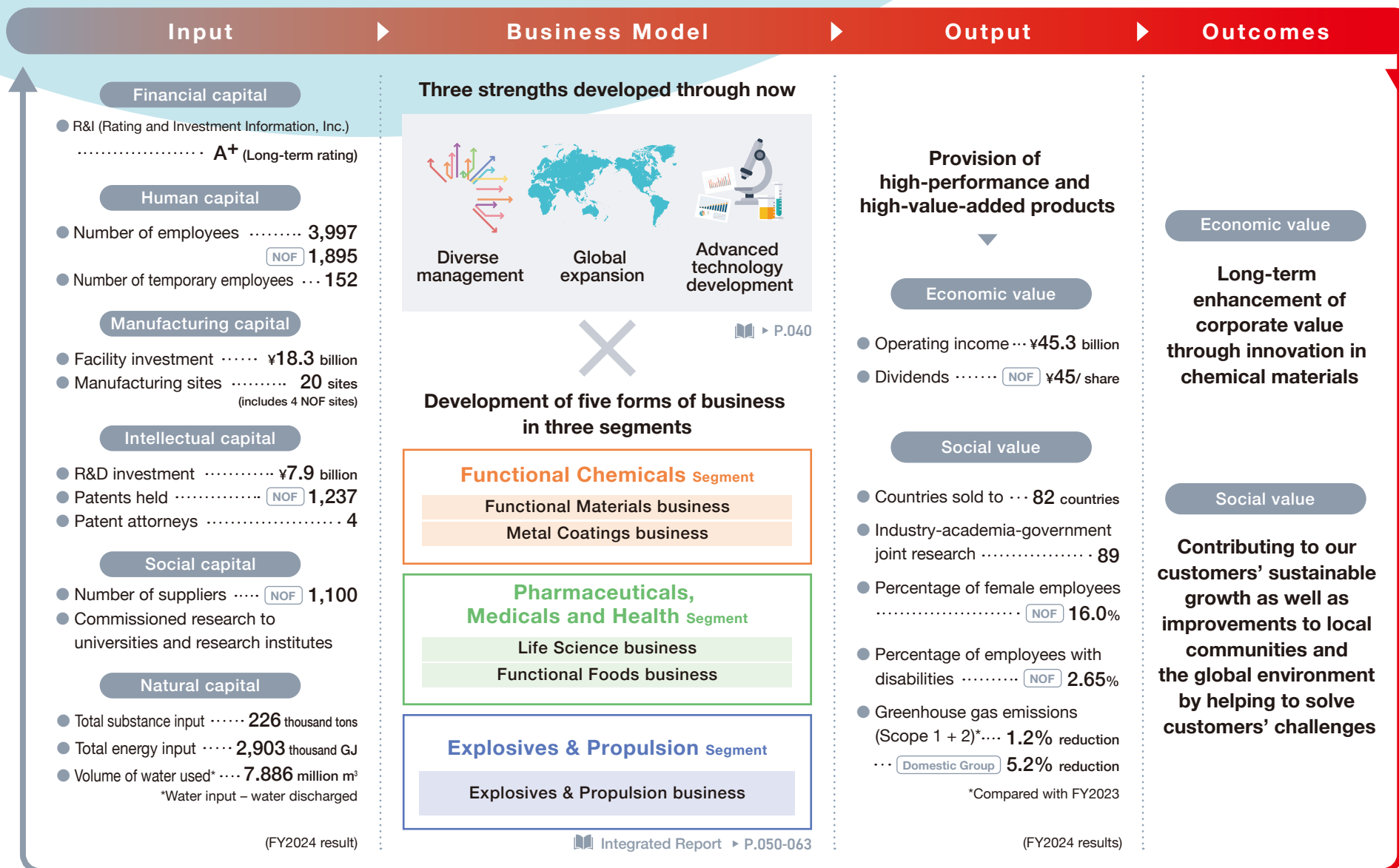




Value Creation Process

GRI 2-6,7

NOF Group





Business Bases

GRI 2-2

Developing global business through our domestic and overseas bases

The NOF Group has 12 consolidated subsidiaries in Japan, covering each region from Hokkaido to Kyushu. Overseas, we have 12 bases in nine countries, and are developing our business with locally based sales and production systems.

Europe

NOF EUROPE GmbH/
NOF METAL COATINGS EUROPE S.A./
NOF METAL COATINGS EUROPE N.V./
NOF METAL COATINGS EUROPE s.r.l.



Changshu NOF Chemical Co., Ltd.

Asia

Changshu NOF Chemical Co., Ltd./
NOF (Shanghai) Co., Ltd./
PT.NOF MAS CHEMICAL INDUSTRIES/
NOF METAL COATINGS KOREA CO.,LTD./
NOF METAL COATINGS SHANGHAI CO., LTD.



PT.NOF MAS CHEMICAL INDUSTRIES

America

NOF AMERICA CORPORATION/
NOF METAL COATINGS NORTH AMERICA INC.



NOF METAL COATINGS NORTH AMERICA INC.

NOF METAL
COATINGS
SOUTH AMERICA
IND. E COM.LTDA.



Business Bases

GRI 2-2

Research laboratories

Ibaraki	Advanced Technology Research Laboratory
Kanagawa	Advanced Technology Research Laboratory / Chidori Research Laboratory / Functional Foods Research Laboratory / Life Science Research Laboratory
Aichi	Taketoyo R&D Department / Kinuura Research Laboratory / Life Science Research Laboratory
Hyogo	Amagasaki Research Laboratory
Oita	Life Science Research Laboratory

Domestic consolidated subsidiaries

NICHIYU TRADING CO., LTD. / NICHIYU LOGISTICS CO., LTD. /
Nichiyo Kogyo Co., Ltd. / YUKA SANGYO CO., LTD. / NIGK Corporation /
Showa Kinzoku Kogyo Co., Ltd. / Nippon Koki Co., Ltd. /
Nippo Kogyo Co., Ltd. / JAPEX Corp. / CACTUS Co., Ltd. /
NOF METAL COATINGS ASIA PACIFIC CO., LTD. /
NIKKA COATING CO., LTD.

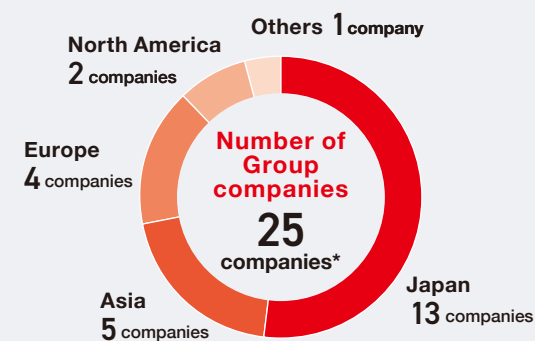
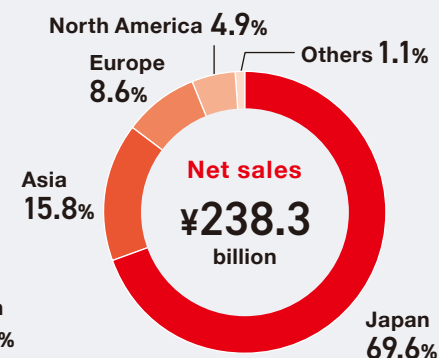
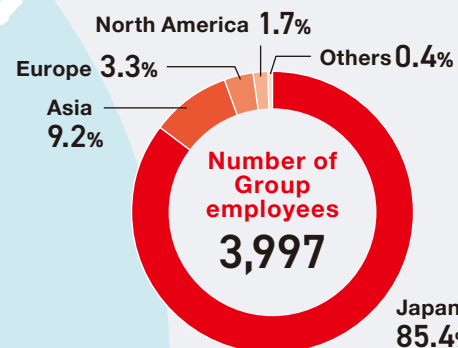
Japan

Head Office, branch offices, regional offices, sales offices

Tokyo	Head Office	Osaka	Osaka Office
Aichi	Nagoya Office	Fukuoka	Fukuoka Office
Hokkaido	Sapporo Office		

Plants

Kanagawa	Kawasaki Works (Chidori Plant / Daishi Plant / DDS Plant)
Aichi	Aichi Works (Taketoyo Plant / Kinuura Plant / LS Aichi Plant)
Hyogo	Amagasaki Plant
Oita	Oita Works (Oita Plant / LS Oita Plant)



(As of March 2025)



Chidori Plant



Kinuura Plant



LS Aichi Plant



Amagasaki Plant



Oita Plant

* NOF + consolidated subsidiaries

Promotion of R&D in our three prioritized business fields

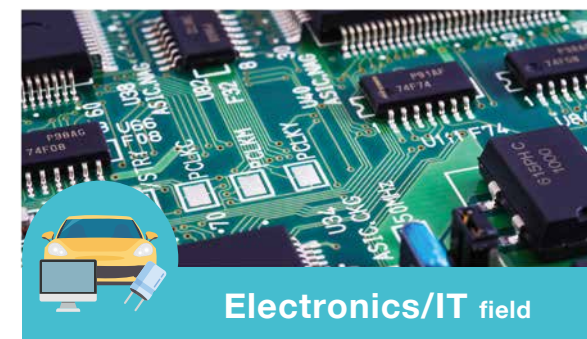
Amid growing expectations for innovation in the chemical materials field, we are working to develop new technologies and products in the three prioritized business fields.



As demand for air conditioners and refrigerators increases due to global warming, we expect to see demand for base materials for refrigerating oils and polybutene for air conditioner putty. In addition, as offshore wind power generation gains momentum for development, particularly in Asia, there is a growing need for products that contribute to the environment, such as biodegradable lubricants made from raw materials derived from natural oils and fats and anti-corrosion coatings for bolts, to prevent marine pollution. Furthermore, as EVs become the norm, there are expectations for development of products with advanced functions, including anti-fog agents for LED headlamps and noise reduction agents in order to maintain a quiet car interior.



For pharmaceuticals, we are developing functional lipids and activated PEG as DDS materials for biopharmaceuticals through means such as precision synthesis and advanced refining technologies. We are developing monodispersed PEG and ionic lipids for nucleic acid delivery for antibody and nucleic acid drugs. In the area of medical care, we are developing the LIPIDURE® Series for use in eye care, diagnostic pharmaceuticals, and medical devices, as well as highly functional materials for regenerative medicine. For cosmetics, we have a wealth of expertise in areas such as biocompatible materials, natural bioavailable substances, interface control technology, and mix design technology. We use this expertise to respond rapidly to functional advances.



In the telecommunications field, the need for curing agents for low-dielectric materials is increasing as the speed and capacity of telecommunications increases. Demand for highly photosensitive materials and additives for electronic components is also increasing as electronic components undergo miniaturization. The shift to EVs in automobiles also requires miniaturization of electronic components, and we are working to add more value to these products. In addition, the increase in number and larger size of displays in EVs is expected to raise demand for overcoat materials for LCD color filters.

Co-Creation with External Partners: Establishment of the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory

We are actively promoting open innovation activities in line with our vision of co-creating new value through the power of chemistry.

NOF-AIST Smart Green Chemicals Collaborative Research Laboratory



On April 1, 2024, NOF and the AIST Group (National Institute of Advanced Industrial Science and Technology (hereafter “AIST”) and AIST Solutions Co.) established the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory in the Central area of AIST’s Tsukuba Center.

At this collaborative research laboratory, we integrate NOF’s proprietary technologies with the AIST Group’s fundamental technologies and expertise to develop environmentally friendly chemical manufacturing processes and create functional chemicals (smart green chemicals) that contribute to decarbonization and prosperous lives. In addition, we promote the organic exchange of personnel and technologies between the two organizations to foster the next generation of technical talent. Through these efforts, we aim to continuously deliver new value to society through the power of chemistry, while contributing to the realization and development of a sustainable chemical industry.



NOF

We aim to continuously create new value with the power of chemistry in the three fields of Life/Healthcare, Environment/Energy, and Electronics/IT.

Realizing sustainability

- Transitioning from petroleum-based raw materials to low-environmental-impact materials such as biomass
- Establishing environmentally friendly manufacturing processes that save energy and resources

Koji Sawamura,
President and Chief Executive Officer of NOF

Creating green chemicals that contribute to both decarbonization and prosperous lives





AIST GROUP

AIST is a public research institution that conducts research and development in science and technology to contribute to economic and social development, with a mission of “solving social problems” and “strengthening Japan’s industrial competitiveness.”

Leveraging comprehensive knowledge of materials

- High potential in cutting-edge catalyst creation technology and materials development through digital transformation (DX)
- Development hubs equipped with Japan’s most advanced facilities for bio-manufacturing and materials diagnostics

Kazuhiko Ishimura,
President and CEO of the National Institute of Advanced Industrial Science and Technology



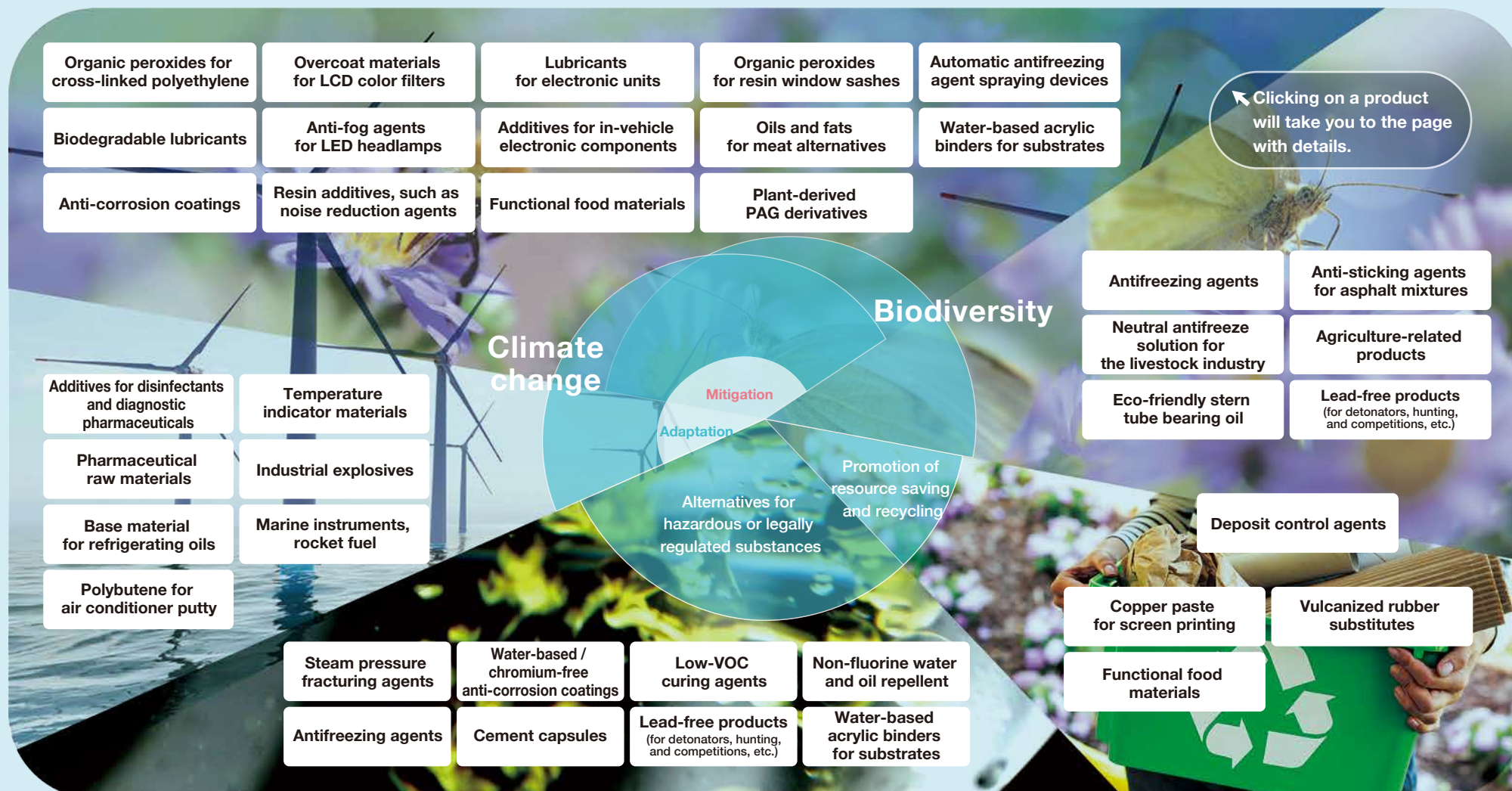


Products that Contribute to the Environment

GRI 201-2/304-2/417-1

In response to global issues such as climate change and biodiversity, the NOF Group is conducting R&D in technologies (clean tech) in our three prioritized business fields and creating a variety of products that contribute to the environment.

Among the NOF Group's products, those that (directly or indirectly) contribute to solving issues related to the natural or social environment, such as climate change and biodiversity P.130-134





Products that Contribute to the Environment

GRI 201-2/304-2/417-1

Climate change Biodiversity Promotion of resource saving and recycling Alternatives for hazardous or legally regulated substances

Products that contribute to the shift to EVs

Functional Materials business

Metal Coatings business

- Additives for in-vehicle electronic components
- Lubricants for electronic units
- Anti-corrosion coatings
- Overcoat materials for LCD color filters
- Resin additives, such as noise reduction agents
- Anti-fog agents for LED headlamps



It is expected that electric vehicles (EVs) will contribute to climate change mitigation as they generate less greenhouse gas emissions than gas-line-powered vehicles when running. In addition, compared to gas-line-powered vehicles, it is predicted that EVs will require more electronic components (passive components), electronic units, LCD panels, silent components, and power-saving components. Thus, the NOF Group's products used in these applications will contribute in this area. Climate change mitigation also contributes to biodiversity because it reduces the ecological imbalance caused by global warming.

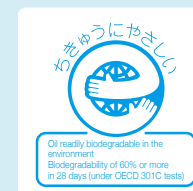
Climate change Biodiversity Promotion of resource saving and recycling Alternatives for hazardous or legally regulated substances

Products that contribute to renewable energy

Functional Materials business

Metal Coatings business

- Organic peroxides for cross-linked polyethylene
- Biodegradable lubricants
- Anti-corrosion coatings



Eco Mark Certification Number:
08110006
Name of utilizing contractor:
NOF CORPORATION
Products: MILLUBE® series

Renewable energy such as wind power and solar power is becoming increasingly important as it does not produce greenhouse gases. Our anti-corrosion coatings and biodegradable lubricants used in bolts for wind power generation blades, as well as solar power mounting parts and gears contribute in this area. In addition, ultra-high voltage and high-voltage electric wires are indispensable in transmitting electricity from wind and solar power generation sites. Thus, our organic peroxides for cross-linked polyethylene used as a coating material contribute to the spread of renewable energy.



Climate change

Biodiversity

Promotion of resource
saving and recycling

Alternatives for hazardous or
legally regulated substances

Products that contribute to the spread of energy conservation

Functional Materials business

● Organic peroxides for resin window sashes

Resin window sashes made using vinyl chloride contribute to the spread of energy-efficient housing due to their excellent heat insulation properties. Organic peroxides are used as polymerization initiators for the vinyl chloride resin, and thus contribute to the spread of energy conservation.



Climate change

Biodiversity

Promotion of resource
saving and recycling

Alternatives for hazardous or
legally regulated substances

Products that contribute to reducing greenhouse gas emissions and securing protein sources

Functional Foods business

● Oils and fats for meat alternatives

Due to the greenhouse gases (methane) produced by the livestock industry and the protein shortage caused by the rapid growth of the global population, movements to find new sources of protein are starting up. NOF's oils and fats for meat alternatives are working toward the spread of soy protein and other such meat alternatives as they enhance the flavor and texture of these products through our proprietary oil and fat processing technologies.



Climate change

Biodiversity

Promotion of resource
saving and recycling

Alternatives for hazardous or
legally regulated substances

Products that contribute to the reduction of food loss

Functional Foods business

● Functional food materials



Disposing of food that has gone past its expiry date leads to food loss, and this has made securing food resources an issue. NOF provides functional materials for food that can maintain the softness and improve the texture and volume of breads and sweets, thereby contributing to reduction of food loss by preventing waste due to expiration.



Products that Contribute to the Environment

GRI 201-2/304-2/417-1

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to preventing the depletion of the ozone layer

Functional Materials business

- Base material for refrigerating oils



Alternative CFCs that do not deplete the ozone layer are being increasingly used in refrigerants used in air conditioners and refrigerators. Base materials for refrigerating oils enhance miscibility with alternative CFCs and improve their thermal stability, electrical insulation performance, and other factors. Moreover, the low viscosity of refrigerating machine oils contributes to energy saving. In recent years, refrigerants with a lower global warming potential than before are required. NOF is now supplying refrigerating machine oil for refrigerants with a lower global warming potential.

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to biodiversity, climate change mitigation, and environmental conservation

Explosives & Propulsion business

Nippon Koki Co., Ltd.

- Antifreezing agents
- Automatic antifreezing agent spraying devices



KAMAGU® and AUTOKAMAGU JET® have a significant impact on preventing icy roads.

Calcium chloride and other antifreezing agents conventionally used on road surfaces in cold areas have caused the issue of “salt damage.” KAMAGU® is an acetic acid-derived antifreezing agent containing no chloride, thus it can be used without fear of such salt damage. KAMAGU® is also eco-friendly with minimal impact on plants. AUTOKAMAGU JET®, an automatic antifreezing agent spraying device, is a sensor-based system that automatically sprays KAMAGU® onto snowy or icy roads. A type that runs on 100% natural energy (solar energy) is available, which also contributes to mitigating climate change. The device is also capable of advanced road management via remote monitoring and control, and therefore contributes to both environmental conservation and road safety along with the antifreezing agent.



Products that Contribute to the Environment

GRI 201-2/304-2/417-1

Climate change

Biodiversity

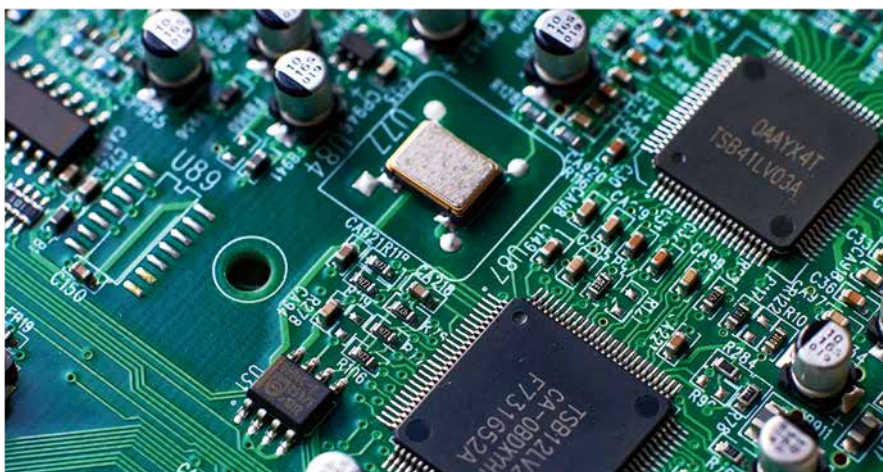
Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to environmental conservation and energy saving

Functional Materials business

- Water-based acrylic binders for substrates



Demand for ceramic substrates and green sheets is increasing due to the enhanced performance and miniaturization of vehicles, electronic devices, telecommunications equipment, and similar. Solvent-based binders, which are high in volatile organic components (VOCs), have typically been used as binding agents to form these items. NOF's water-based acrylic binder, MARPROOF® AE-002, not only reduces environmental impact and improves worker safety due to its low VOC levels, but also offers excellent thermal decomposition at low temperatures, thereby achieving energy saving.

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to climate change adaptation (air conditioners / refrigerators)

Functional Materials business

- Base material for refrigerating oils
- Polybutene for air conditioner putty
- Anti-corrosion coatings



As temperatures rise, there is an increasing need for air conditioners and refrigerators across the world, including in developing countries. Base materials for refrigerating oils, which are used in refrigeration lubricants, as well as anti-corrosion coatings for fastening parts in external air conditioner units and polybutene for air conditioner putty, which is used to plug gaps formed by holes in external walls, therefore contribute in this area.



Climate change

Biodiversity

Promotion of resource
saving and recycling

Alternatives for hazardous or
legally regulated substances

Products that contribute to climate change mitigation

Functional Materials business

● Plant-derived PAG derivatives



Polyalkylene glycol (PAG) derivatives are used in cosmetics and industrial products due to their moisturizing, lubricating, and other properties. In the cosmetics industry in particular, the adoption of naturally-derived raw materials is gaining momentum thanks to European manufacturers, whose consumers have high expectations in terms of eco-friendly products. The issue is, however, that efforts to move away from petrochemical-derived products have not actually made much progress. Under these circumstances, the plant-derived PAG derivative developed by NOF has the potential to become a leading material in the industry. We will also widely promote eco-friendly products in non-cosmetic fields, such as sealants, coatings, and other industrial products.

Climate change

Biodiversity

Promotion of resource
saving and recycling

Alternatives for hazardous or
legally regulated substances

Products that contribute to climate change adaptation (diagnostic pharmaceuticals / pharmaceutical raw materials)

Functional Materials business

Life Science business

- Additives for disinfectants and diagnostic pharmaceuticals
- Pharmaceutical raw materials

Should tropical infectious diseases and other diseases and disorders spread due to the effects of climate change, then our disinfectants for infectious diseases and additives for diagnostic pharmaceuticals, as well as our pharmaceutical raw materials for combatting diseases and disorders, will contribute in this area.



Climate change

Biodiversity

Promotion of resource
saving and recycling

Alternatives for hazardous or
legally regulated substances

Products that contribute to climate change adaptation (environmental information / disaster prevention and mitigation products)

Explosives & Propulsion business

Nippon Koki Co., Ltd.

NiGK Corporation

- Marine instruments, rocket fuel
- Temperature indicator materials
- Industrial explosives

As climate change progresses, there may be an increased need for surveying the entire planet, including seawater temperatures. In addition, there may be an increase in embankment construction to safeguard against the risk of storm surges and other such conditions. Marine instruments and rocket fuel necessary for these environmental surveys, as well as industrial explosives used to procure rocks and sediment from the mountains, will therefore contribute in this area.





Products that Contribute to the Environment

GRI 304-2/417-1

Climate change

Biodiversity

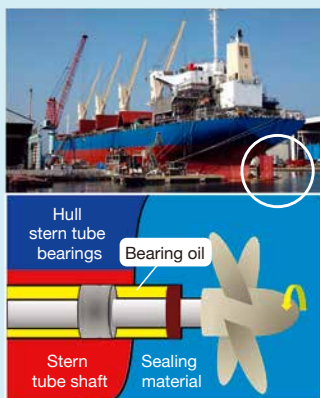
Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to the conservation of marine environments

Functional Materials business

Eco-friendly stern tube bearing oil



MILLUBE® ST-100U	Mineral oil	Eco-friendly lubricants supplied by competitors	
		Company A	Company B
After 30 days	After 30 days	After 7 days	After 5 days
No rust or corrosion	No rust or corrosion	Visible rust and corrosion	Visible rust and corrosion

Results of comparison of anti-corrosion coatings (shafts were soaked in a 60°C mixture of lubricant (95%) and natural seawater (5%) for a certain period of time to compare the state of corrosion)

After a major oil spill in the Gulf of Mexico in 2010, the United States' 2013 Vessel General Permit (VGP) regulation came into effect for all vessels in 2013. This regulation led to growing global demand for biodegradable and eco-friendly lubricants. We developed MILLUBE® ST-100U, a stern tube bearing oil that meets the needs of the market by greatly improving the lubrication and anti-corrosion of conventional biodegradable lubricants offered by competitor companies. At the same time, the product satisfies the 2013 VGP regulation in terms of high biodegradability, low toxicity, and low bioaccumulation, thereby contributing to the conservation of marine environments as a superior lubricant.

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to the protection of animals (disinfectants)

Explosives & Propulsion business

Nippon Koki Co., Ltd.

Neutral antifreeze solution for the livestock industry



Barns, vehicles, and other places are disinfected in order to hygienically manage livestock, however disinfectants must be mixed with antifreeze to prevent them from freezing in the winter months. We contribute to the protection of animals with Viva Frostir®, a neutral antifreeze solution for the livestock industry that is gentle for both humans and animals.



Products that Contribute to the Environment

GRI 304-2/417-1

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to environmental conservation

Functional Materials business

- Anti-sticking agents for asphalt mixtures



Eco Mark Certification Number:12110001

Name of utilizing contractor: NOF CORPORATION

Target product:

ASPHARAB® Series

In road construction, asphalt mixtures often stick to cargo beds of trucks and hoppers used within plant facilities, etc. Petroleum-derived solvents have therefore been used to prevent this from happening. However, conventional adhesion preventers have negative impacts on the environment, such as soil and water contamination. ASPHARAB®, made from natural oil, contributes to environmental conservation as a highly biodegradable product.

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to the protection of animals (weak calves, dirt removal)

Functional Materials business

YUKA SANGYO CO., LTD.

- Agriculture-related products (NEODRINK®, Za Yoroi-Otoshi)

NEODRINK® is a nutritional supplement that maintains the physical strength of weak calves, while Za Yoroi-Otoshi helps reduce stress in cows by quickly removing stubborn dirt stuck to the cows' bodies.



Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to the use of recycled paper

Functional Materials business

YUKA SANGYO CO., LTD.

- Deposit control additives

Recycled paper resources contain numerous impurities, including sticky substances such as adhesives. These impurities lower the efficiency of the paper recycling process and impact the quality of the product. Pitch control agents MILLSpray®, SPANOL®, and DETAC® and removing agent BIOREX® have solved these problems to promote the use of recycled paper.



These products demonstrate a superior performance in reducing impurities that are generated in the paper-making process.



Products that Contribute to the Environment

GRI 304-2/417-1

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to environmental conservation and health maintenance

Explosives & Propulsion business

Lead-free products (for detonators, hunting, and competitions, etc.)

Progress is being made in removing lead from small arms that have conventionally contained large amounts of lead, such as detonators and shot. Lead can poison birds of prey, as well as causing soil and water pollution. Lead in detonators can also vaporize during firing and cause damage to human health. Therefore, making such products lead-free contributes to environmental conservation and health maintenance.



Climate change

Biodiversity

Promotion of resource saving and recycling

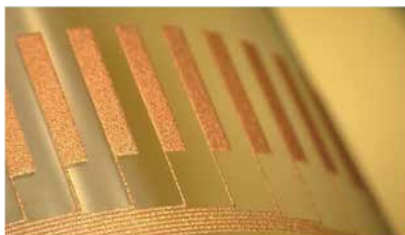
Alternatives for hazardous or legally regulated substances

Products that contribute to the efficient use of resources

Functional Materials business

Copper paste for screen printing

Etching is the standard method for forming copper wiring on electronic circuit boards. However, in this method, most of the copper foil is dissolved, which generates copper waste fluid. This requires waste fluid processing. The copper paste developed by NOF makes it possible to directly draw copper wire on the necessary areas using screen printing. Therefore, copper wiring can be formed without producing waste or generating waste fluid, which makes it possible to use resources efficiently and contribute to environmental conservation.



Example of printing copper paste by screen printing

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to the reduction of food loss

Functional Foods business

Functional food materials



Lutein compound modifier LP-V™ is a product for baked goods that contains lettuce powder. The process of growing lettuce in plants generates leaves that are primarily disposed of while shaping lettuces prior to shipping. Seeing these discarded leaves as an unutilized resource, we have blended them into LP-V™. This eco-friendly product improves the physical properties and texture of dough due to the effect of lutein, which is contained in lettuce leaves. In addition, we have also developed Hokkaido White Grape Peel Powder, a material for health food made by effectively utilizing the pomace from pressed white grapes (Hokkaido Niagara grapes) produced during wine production. The powder improves moisture in skin and maintains skin elasticity through its anti-inflammatory, antioxidant, and other properties. Since it is an upcycled material that utilizes resources that would have originally been discarded, it can minimize environmental impact.



Products that Contribute to the Environment

GRI 417-1

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to recycling

● Vulcanized rubber substitutes

Functional Materials business

While large quantities of vulcanized rubber are used in auto parts and sealing materials, which need to be highly resistant to heat and oil, vulcanized rubber cannot be melted down once it has been molded, and cannot therefore be recycled. In contrast, the NOFALLOY® TZ series, which can be heated and remelted as many times as wanted for recycling, is extensively utilized as a substitute for vulcanized rubber.



Products made recyclable by the use of the NOFALLOY® TZ series

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to reducing environmental impact

● Low-VOC* curing agents

Functional Materials business

Bathtubs are manufactured by thermally curing unsaturated polyester resin. PERHEXYL® A is a curing agent that can shorten the molding cycle, and further, can significantly reduce VOCs, compounds remaining in molded products that impact the environment.

*VOC is an acronym of Volatile Organic Compounds



Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to environmental conservation and health maintenance

Functional Materials business

● Non-fluorine water and oil repellent



Organic fluorine compounds (PFAs), which have been used to make products water repellent, are known for their poor biodegradability, bioaccumulation, and toxicity. For this reason, the European Chemicals Agency (ECHA) has unveiled proposed restrictions on their use. In response, NOF has developed BLEMMER® HU-SP, a PFA-free product partially made with plant-derived materials, as a water-resistant raw material. In addition, in 2024, we announced the MODIPER® WR Series, which is both water and oil repellent. It has been a longstanding challenge to make non-fluorine materials oil repellent, but with this product, it is possible to use such materials in, for example, clothing required to be resistant against stains from human sebum. In meeting the growing need for PFA substitutes in applications such as paper, textiles, and leather products, we will contribute to environmental conservation and health maintenance.



Products that Contribute to the Environment

GRI 417-1

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to environmental conservation and health maintenance

Water-based /

chromium-free anti-corrosion coatings

GEOMET® is a water-based, chromium-free anti-corrosion coatings that contains no chrome compounds. Satisfying the requirements of Europe's ELV*1 and RoHS*2 directives, GEOMET® treated parts are used by automakers all across the world.

*1 Scrapped automobiles

*2 Restriction on the use of certain hazardous substances in electrical and electronic equipment

Metal Coatings business

NOF METAL COATINGS
ASIA PACIFIC CO., LTD.



Parts treated with
GEOMET® anti-corrosion coatings

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that contribute to reducing environmental impact

Cement capsules

A cement capsule is an (inorganic) adhesive-based capsule anchor for post-installation mainly intended for use in anti-earthquake reinforcement work. This product is more resistant to fire than resin products, and it also excels in safety due to containing no harmful chemicals that could lead to sick building syndrome.

Explosives & Propulsion business

NiGK Corporation



Example of installation (Shinkansen bridge piers anti-earthquake reinforcement work)

Climate change

Biodiversity

Promotion of resource saving and recycling

Alternatives for hazardous or legally regulated substances

Products that are kind to the surrounding environment

Explosives & Propulsion business

Nippon Koki Co., Ltd.

Steam pressure cracking agent, GANSIZER®

GANSIZER® uses the high vapor pressure generated during the thermolysis of the agent to crush bedrock, stone, and concrete structures with little vibration or noise. The agent has been highly evaluated as an explosive-free crushing agent that is kind to the surrounding environment. It has a strong track record in situations such as crushing concrete and excavation works near rivers, and was also used under the sea for crushing of breakwaters that were destroyed during the Great East Japan Earthquake.





NOF's Intellectual Property

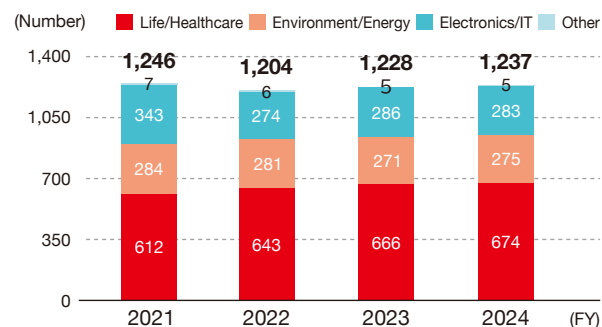
The NOF Group aims to create new value in the three fields of Life/ Healthcare, Environment/Energy, and Electronics/IT, and is promoting the development of new products and technologies while actively pursuing the acquisition of intellectual property rights. We also respect intellectual property rights, along with putting our efforts into human resources development.

Status of applications in the three prioritized business fields

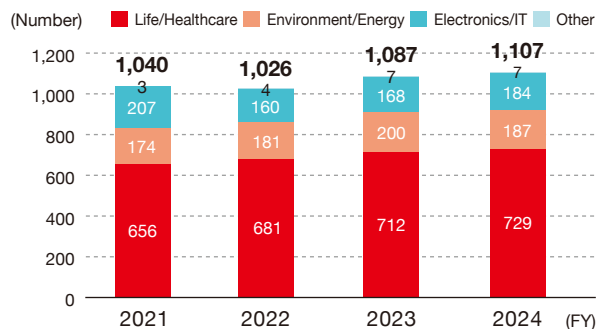
In the Life/Healthcare, Environment/Energy, and Electronics/IT fields, we formulate intellectual property strategies based on management strategies and acquire the necessary rights.

The number of patents we hold in the Life/Healthcare field has been growing in line with the expansion of our global operations.

Number of domestic patents held



Number of foreign patents held



Promotion of joint research and intellectual property rights acquisition

Based on our corporate philosophy of “contributing to humanity and society as a corporate group that creates new value through the power of chemistry, from the biosphere to outer space,” we work to create new businesses by actively promoting open innovation and the discovery of promising topics both inside and outside the Company.

Centered on the research divisions of the NOF Group, including the Advanced Technology Research Laboratory, we promote the development of new products and technologies through joint and commissioned research with industry, academia, and the government, as well as acquiring the effective rights to these products and technologies.

In addition, we offer invention rewards for patents that make a significant contribution to the Company's profits. By increasing incentives for inventors, we are working to increase motivation

toward producing inventions that contribute significantly to profits.

Expansion of human resources for intellectual property

We hire qualified patent attorneys and provide support for the acquisition of patent attorney qualifications to enhance the expertise of personnel working in this area. We also provide training on intellectual property to inventors in order to raise the level of intellectual property throughout the Group.

Response to risks

In order to respect the intellectual property rights of others and avoid disputes, we conduct regular patent searches to ensure patent clearance.

Employee invention rewards

In April each year, NOF carries out an examination of employee inventions and awards invention rewards to inventors.



Employee invention reward ceremony



Governance

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NOF introduced the Operating Officer system with a view to architecting a management system that can appropriately and promptly respond to changes in the business environment. It separated the decision-making and the business executing functions of management with the intention of strengthening the decision-making and supervision functions of the Board of Directors, while at the same time enhancing the efficiency of the business executing system under the authorization of the Representative Director.

Board of Directors

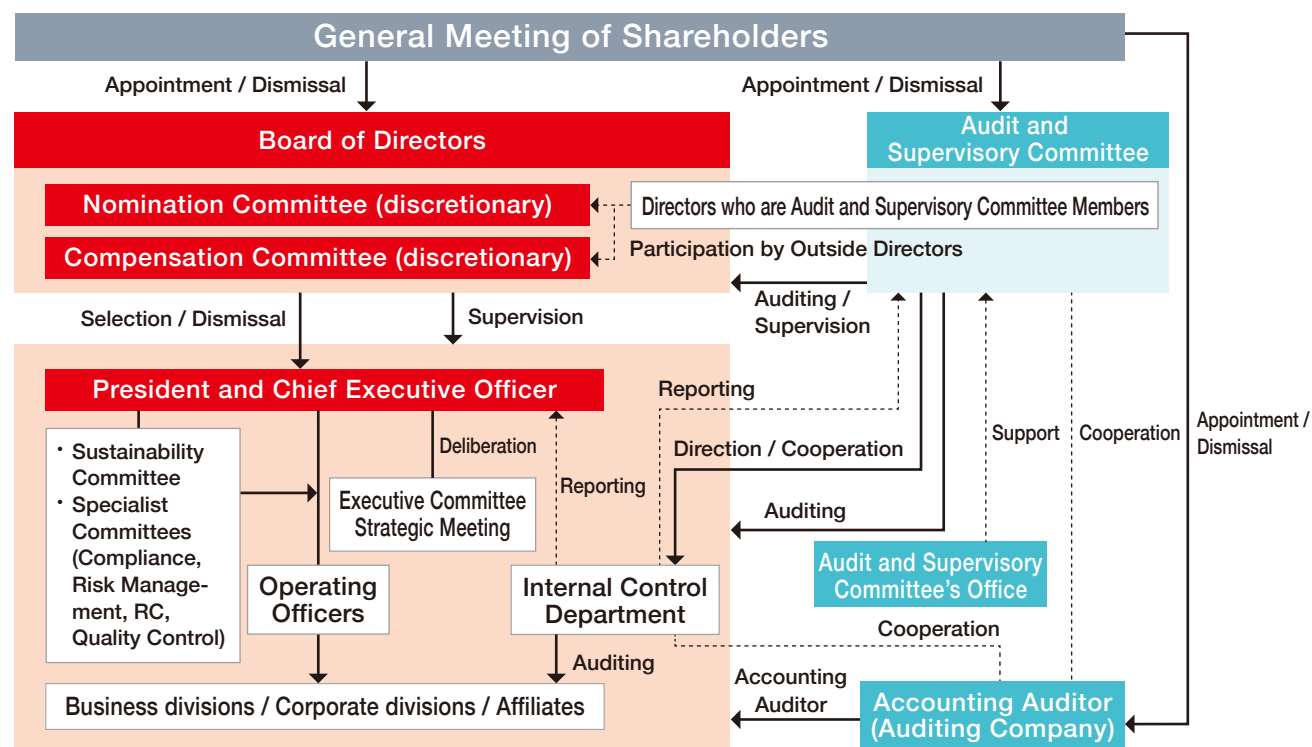
The Board of Directors, consisting of ten members including five independent Outside Directors, holds one regular meeting every month and extraordinary sessions are also convened as required. Besides deciding on important matters set forth by laws, regulations, the articles of incorporation, and the rules of the Board of Directors, the Board supervises the state of business execution. Any important matter to be referred to the Board of Directors goes through preliminary deliberation, intended to ensure more appropriate decision making, by the Executive Committee from time to time attended by Directors who concurrently serve as Operating Officers, Operating Officers with a title, standing Audit and Supervisory Committee members, and heads of the organizational unit or units concerned, or the weekly Strategic Meeting as a rule attended by the Directors who concurrently serve as Operating Officers and Operating Officers with a title.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four Directors, including three independent Outside Directors. In accordance with auditing policy and standards, the standing Audit and Supervisory Committee members play a leading role in attending important meetings including meetings of the Executive Committee, implementing audits through inspection of important documents, and supervising the business execution of Directors. In

addition, with regard to internal control, the Committee receives reports on audit plans and audit results conducted by the Internal Control Office, our Internal Audit Department, and confirms the situation to aim for effective collaboration, including giving instructions for investigations as necessary. In addition, the Committee holds regular or ad-hoc meetings with the Accounting Auditor to exchange relevant information, including receiving reports on audit plans and audit results.

Corporate governance diagram





Policies Related to All Aspects of Sustainability (Approach) and Initiatives (Highest Governance Body's Role)

① Governance

The NOF Group recognizes that matters concerning sustainability are our corporate social responsibility, and has established a system in which all Directors, including Directors who concurrently serve as Audit and Supervisory Committee members, participate in deliberations of the Sustainability Committee, which is chaired by the President. The Sustainability Committee meets regularly once a year, with ad-hoc meetings held when required. In addition to regular annual reports, the details of ad-hoc committee discussions are also reported to the Board of Directors. As the secretariat divisions of the Committee's deliberations are appropriately supervised and approved of by reconfirmation by the Board of Directors. As the secretariat of the Committee, the Corporate Planning & Strategy Department, Corporate Technical Division, Human Resources & General Affairs Department, Purchasing Department, and Corporate Communications Department promote the formulation and specific development of sustainability strategies for the entire Group.

② Strategy

The NOF Group identifies important risks and opportunities upon clarifying materiality (important

issues) that could impact long-term management direction and corporate value. We have broadly divided these into the three categories of "Provide new values to realize a prosperous and sustainable society" (business growth strategy from the perspective of sustainability), "Strengthen the business foundation" (human capital strategy, etc.), and "Promote Responsible Care activities" (climate change response strategy, etc.), and have established long-term management strategies, individual business strategies, and sustainability-related targets and KPIs based on the major risks and opportunities.

③ Risk Management

The Risk Management Committee conducts a comprehensive assessment of business risks, including those related to climate change and human capital. Business risks are assigned individually to specific committees for monitoring, analysis, evaluation, and establishing countermeasures. Climate change-related risks are handled by the Responsible Care (RC) Committee and the Risk Management Committee, while human capital-related risks are handled by the Risk Management Committee. In addition, opportunities are discussed by the Executive Management Committee and the Priority Business Review Committee, and important matters are deliberated by the Executive Committee. A system has been put in

place in which the deliberation results of these specialist committees and meetings are reported to the Board of Directors for supervision.

④ Metrics and Targets

The NOF Group has established sustainability-related KPIs and monitors the progress of specific measures to achieve its corporate vision set forth in NOF VISION 2030. We have set the reduction of CO₂ emissions as a target for addressing climate change, which is an important issue in our business activities, and various targets related to better performance of human resources to measure the promotion of human capital management.

In addition, we have established metrics for net sales of strategic products in the three prioritized business fields of the Group, as well as for R&D investment, as KPIs for measuring business growth from the perspective of sustainability, and are monitoring these metrics.



Promotion of Sustainability

We will increase the frequency of activities of the Sustainability Committee, an umbrella organization chaired by the President, as well as the various specialist committees to strengthen the risk management system.

Sustainability promotion system

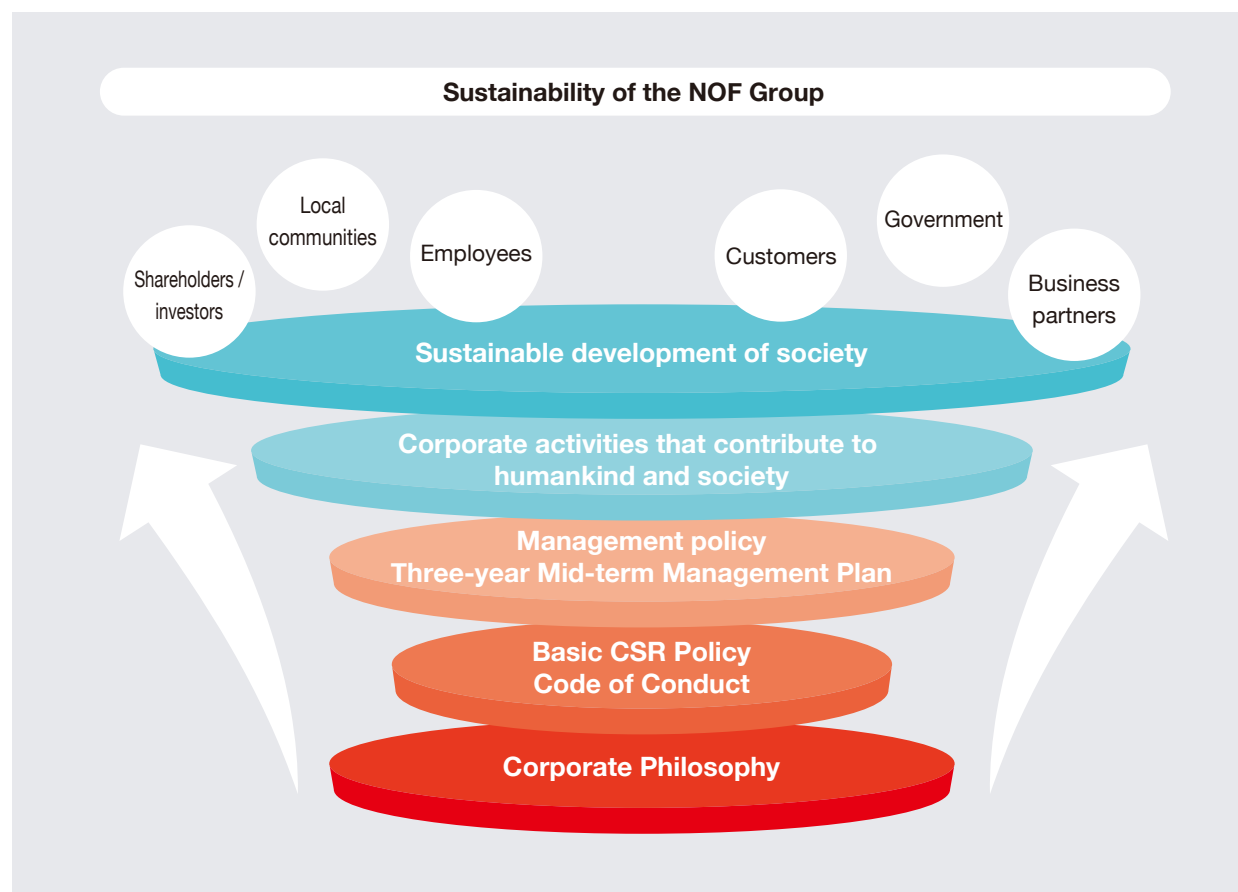
Promotion of Sustainability



Sustainability of the NOF Group

The NOF Group considers sustainability in our business activities to be encompassed by our Corporate Philosophy: "Contributing to humanity and society as a corporate group that creates new

value through the power of chemistry, from the biosphere to outer space." We will strive to maximize the values that we share with every stakeholder and with society.





Nomination Committee

In order to improve the oversight function of the Board of Directors and strengthen the corporate governance system, the Nomination Committee, which is a voluntary advisory committee to the Board of Directors, has been established. In consultation with the Board of Directors, the Nomination Committee deliberates and reports to the Board of Directors on matters such as the election and dismissal of directors (excluding Audit Committee members), the selection and dismissal of representative directors, and succession planning for such directors. The committee is chaired by an independent Outside Director, and consists of five independent Outside Directors and two Internal Directors. This ensures the committee's independence and objectivity. In fiscal 2024, the Nomination Committee met four times, with all members attending each meeting.

Compensation Committee

In order to improve the oversight function of the Board of Directors and strengthen the corporate governance system, the Compensation Committee, which is a voluntary advisory committee to the Board of Directors, has been established. The Compensation Committee, in consultation with the Board of Directors, deliberates and reports to the Board of Directors on matters related to the compensation of Directors, excluding Audit and

Supervisory Committee members. The committee is chaired by an independent Outside Director, and consists of five independent Outside Directors and two Internal Directors. This ensures the committee's independence and objectivity. In fiscal 2024, the Compensation Committee met four times, with all members attending each meeting.

Accounting Auditor

Ernst & Young ShinNihon LLC has been selected as the Accounting Auditor.

Internal control system

Each NOF Group company 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 to ensure the appropriateness of operations. Specialist committees conduct audits and investigations to reinforce these efforts.

In addition to regular meetings, the committees convene extraordinary sessions as required to analyze risks, consider countermeasures, analyze and evaluate matters under their jurisdiction, and report to the Board of Directors.

 P.068

Internal audits

In addition to audits conducted by each risk-related committee, NOF has established the Internal Control Department as our Internal Audit Depart-

ment to audit the execution of operations encompassing all management activities and report the results to the Representative Director and the Board of Directors. Moreover, these results are also reported to the Audit and Supervisory Committee as necessary for evaluation and receiving necessary instructions.

The Internal Control Department, Audit and Supervisory Committee, and Accounting Auditor strive to mutually cooperate by sharing information on their respective annual audit plans and audit results, in addition to exchanging opinions at regular or ad-hoc meetings.



Specialist committees

Sustainability Committee

The Sustainability Committee was established to promote and develop sustainability activities. The Committee deliberates and approves sustainability activity plans submitted by each department and oversees the activities of the specialist committees and related departments. The Committee also requests activity reports from and provides advice to affiliate companies through the specialist committees and related divisions.

Compliance Committee

The Compliance Committee was established to promote compliance and roll out corporate activities with high ethical standards. The Committee deliberates and plans matters related to compliance, reports to the Board of Directors, and rolls out the formulated content internally and at affiliated companies.

Risk Management Committee

The Risk Management Committee was established to promote risk management. The Committee deliberates and plans basic policies on risk management, reports to the Board of Directors, and rolls out the formulated policies internally and at affiliated companies.

RC Committee

The RC Committee was established to ensure implementation of Responsible Care policies and guidelines. The Committee discusses and deliberates support plans and improvement measures regarding important matters concerning Responsible Care activities, submits reports to the President, and rolls out the formulated content to related parties inside and outside the Company.

Quality Management Committee

The Quality Management Committee was established to ensure the implementation of our Quality Policy in order to “provide the highest quality products and services.” The Committee discusses and deliberates important matters concerning quality management, submits reports to the President, and rolls out the formulated content internally and at affiliated companies.

Number of meetings of each committee in FY2024

Sustainability Committee	1 meeting
Compliance Committee	5 meetings
Risk Management Committee	4 meetings
RC Committee	2 meetings
Quality Management Committee	2 meetings

Meetings are held regularly,
with ad-hoc meetings held when required



Introduction of Officers





Corporate Governance | Officers

GRI 2-9,10

1 Takeo Miyaji Representative Director, Executive Chairman

- 1980 Joined the Company
- 2010 Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company
- 2011 Director and Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company
- 2012 Director and Executive Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company
- 2012 Director and Executive Operating Officer of the Company
- 2018 President and Chief Executive Officer of the Company
- 2023 Chairman and Chief Executive Officer of the Company (to present)

Reasons for election

Mr. Takeo Miyaji has been in charge of management of NOF for many years and has extensive knowledge and experience required for managerial decision-making and business execution. He is expected to enhance the oversight functions of the Board of Directors, as well as striving for management innovation through DX, etc. and the promotion of ESG initiatives.

4 Kazuyoshi Yamauchi General Manager of Corporate Technical Division, Director and Executive Operating Officer

- 1987 Joined the Company
- 2009 General Manager, Manufacturing Dept., Chidori Plant, Kawasaki Works of the Company
- 2014 General Manager, Technology Dept., Amagasaki Plant of the Company
- 2016 General Manager, Kinuura Plant of the Company
- 2019 General Manager, Kawasaki Works; General Manager, Daishi Plant; General Manager, Operations Dept., Kawasaki Works of the Company
- 2020 Operating Officer; General Manager, Kawasaki Works; General Manager, Daishi Plant; General Manager, Operations Dept., Kawasaki Works of the Company
- 2021 Director and Operating Officer; General Manager, Responsible Care & Production Engineering Dept. of the Company
- 2022 Director and Executive Operating Officer; General Manager, Responsible Care & Production Engineering Dept. of the Company
- 2023 Director and Executive Operating Officer; General Manager, Corporate Technical Div. of the Company (to present)

Reasons for election

Mr. Kazuyoshi Yamauchi is well versed in operations such as manufacturing, technology, and such at NOF. He also has extensive knowledge and experience required for managerial decision-making and business execution. He is expected to enhance the oversight functions of the Board of Directors, as well as striving for enhancement of production and quality control systems of NOF's Group companies in Japan and overseas, and the environmental investment plan that aims to achieve carbon neutrality.

2 Koji Sawamura Representative Director, President and CEO

- 1988 Joined the Company
- 2017 General Manager, Sales Dept., DDS Development Div. of the Company
- 2021 Operating Officer; General Manager, DDS Development Div. of the Company
- 2022 Executive Operating Officer; General Manager, DDS Development Div. of the Company
- 2023 Executive Operating Officer; General Manager, Life Science Div. of the Company
- 2023 Representative Director, President and Chief Executive Officer of the Company (to present)

Reasons for election

Mr. Koji Sawamura is well versed in operations such as research and development at NOF. He has also been engaged in the management of the overseas and Life Science businesses, and has extensive knowledge and experience required for managerial decision-making and business execution. He is expected to enhance the oversight functions of the Board of Directors, as well as striving for expansion of the overseas business, etc.

5 Takashi Kamada Outside Director

Independent Director/Auditor

- 1985 Joined The Yasuda Trust and Banking Company, Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
- 2011 General Manager, Human Resources Dept. of Mizuho Trust & Banking Co., Ltd.
- 2012 Executive Officer; General Manager, Corporate Banking Dept. of Mizuho Trust & Banking Co., Ltd.
- 2014 Senior Managing Executive Officer of Mizuho Financial Group, Inc. (Resigned from the position in April 2017)
- 2014 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd. (Resigned from the position in April 2017)
- 2017 Deputy President of Mizuho Private Wealth Management Co., Ltd. (Resigned from the position in April 2019)
- 2019 President of Mizuho Trust Guarantee Co., Ltd. (Resigned from the position in April 2021)
- 2020 President of Mizuho Trust Retail Support Co., Ltd. (Resigned from the position in April 2021)
- 2022 President of Mizuho Realty Co., Ltd. (Resigned from the position in June 2025)
- 2025 Director of the Company (to present)

Reasons for election

Mr. Takashi Kamada has abundant experience and advanced insight in the financial industry, a broad range of experience and knowledge as a multi-corporate manager. The Company expects him to fulfill the role of conducting appropriate oversight, etc. over business execution and providing advice to management on all aspects of the management from a fair and objective standpoint, based on his professional viewpoint, including his advanced knowledge on human resources, labor, finance and accounting, and corporate management.

3 Manabu Saito Director and Executive Operating Officer

- 1985 Joined the Company
- 2006 General Manager, Functional Foods Sales Dept., Functional Foods Div. of the Company
- 2010 General Manager, Operations Dept., Kawasaki Works of the Company
- 2011 General Manager, Secretariat Office of the Company
- 2012 General Manager, Human Resources & General Affairs Dept. of the Company
- 2015 Director; General Manager, Administration Dept. of NICHYU TRADING CO., LTD.
- 2017 Director; General Manager, General Affairs Dept. of NICHYU LOGISTICS CO., LTD.
- 2020 Operating Officer; General Manager, Functional Foods Div. of the Company
- 2021 Executive Operating Officer; General Manager, Functional Foods Div. of the Company
- 2023 Executive Operating Officer; General Manager, Functional Foods Div. of the Company
- 2023 Director and Executive Operating Officer of the Company (to present)

Reasons for election

Mr. Manabu Saito is well versed in operations such as personnel and labor affairs at NOF. He has also been engaged in the management mainly of the Functional Foods business, and has extensive knowledge and experience required for managerial decision-making and business execution. He is expected to enhance the oversight functions of the Board of Directors, as well as striving for ESG promotion, etc.

6 Izumi Hayashi Outside Director

Independent Director/Auditor

- 1986 Public Prosecutor at the Nagoya District Public Prosecutors Office
- 1987 Registered as Attorney (Tokyo Bar Association); Joined Logan, Takashima & Nemoto
- 1993 Partner of Eitai Sogo Law Offices
- 2013 Director of Cool Japan Fund Inc. (Resigned from the position in June 2017)
- 2015 Partner of Sakurazaka Law Offices (to present)
- 2015 Member of the Board of SEIKAGAKU CORPORATION (Resigned from the position in June 2019)
- 2019 Audit & Supervisory Board Member of Weathernews Inc. (Resigned from the position in August 2023)
- 2020 Corporate Auditor of the Company (Resigned from the position in June 2021)
- 2021 Director of the Company (to present)
- 2023 Director (Audit & Supervisory Committee Member) of Nifco Inc. (to present)
- 2023 Director of Weathernews Inc. (to present)

Reasons for election

As an attorney, Ms. Izumi Hayashi is well versed in corporate legal affairs and has advanced knowledge of intellectual property and corporate compliance. She fulfills her role as an Outside Director of NOF. She is also a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. Although she has never been involved in corporate management other than as an outside officer, for the above reasons, the Company expects that she can continue to play a role going forward in advising management and appropriately supervising business execution from her professional perspective, including her global view of legal and risk management.



7 Masanobu Miyo Director and Audit and Supervisory Committee member

- 1985 Joined the Company
- 2014 Operating Officer; General Manager, Oleo & Speciality Chemicals Div. of the Company
- 2018 Executive Operating Officer; General Manager, Oleo & Speciality Chemicals Div. of the Company
- 2020 Director and Executive Operating Officer; General Manager, Oleo & Speciality Chemicals Div. of the Company
- 2021 Director and Executive Operating Officer of the Company
- 2023 Director (Standing Audit and Supervisory Committee Member) of the Company (to present)

Reasons for election

Mr. Masanobu Miyo has been engaged in the management of the Functional Chemicals and Life Science businesses and the promoting of risk management across the Company as the chairman of the Risk Management Committee at the Company, and thus possesses extensive experience and insight regarding NOF. Since 2023, as a Standing Audit and Supervisory Committee Member, he has been appropriately conducting audits of the compliance system and business operations of NOF and the NOF Group, such as by attending and deliberating at meetings of the Executive Committee and other important meetings, etc. He is expected to continue to strive for the enhancement of audit and supervision by drawing on his extensive experience and broad insight.

10 Keiichi Miura Outside Director and Audit and Supervisory Committee member Independent Director/Auditor

- 1980 Joined Onoda Cement Co., Ltd. (currently TAIHEIYO CEMENT CORPORATION)
- 2012 General Manager, Central Research Laboratory of TAIHEIYO CEMENT CORPORATION
- 2013 Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2016 Managing Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2016 Director and Executive Operating Officer of the Company
- 2019 Director and Senior Executive Officer of TAIHEIYO CEMENT CORPORATION
- 2020 Director of TAIHEIYO CEMENT CORPORATION (Resigned from the position in June 2020)
- 2020 Director of Tosoh Corporation (Resigned from the position in June 2023)
- 2021 Director (Audit and Supervisory Committee Member) of the Company (to present)

Reasons for election

Mr. Keiichi Miura has been engaged in the management of TAIHEIYO CEMENT CORPORATION, and has abundant experience and advanced insight and capabilities regarding research planning, etc. He also has extensive experience and knowledge, having served in positions such as outside director in the chemicals industry. He is also a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. For the reasons above, the Company expects that he will be able to continue to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on his abundant experience and knowledge of advanced technology as a corporate manager.

8 Kunimitsu Ito Outside Director and Audit and Supervisory Committee member Independent Director/Auditor

- 1984 Joined Arthur & Young Certified Public Accountant Joint Office (merged with Asahi Shinwa & Co. (currently KPMG AZSA LLC) in 1986)
- 1989 Registered as Certified Public Accountant
- 2009 Partner of KPMG AZSA LLC (Resigned in June 2017)
- 2017 Registered as Certified Tax Accountant
- 2017 Joined ITAKO Accounting Office (Resigned in November 2018)
- 2018 Representative of ITO ACCOUNTING FIRM (to present)
- 2020 Director of the Company
- 2021 Director (Audit and Supervisory Committee Member) of the Company (to present)
- 2023 Director of nattoku Housing Co., Ltd. (Resigned from the position in March 2025)

Reasons for election

Mr. Kunimitsu Ito is a certified public accountant and tax accountant with deep insight on accounting and taxation. He is also a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. Although he has never been involved in corporate management except as an outside officer, for the reasons above, the Company expects that he will be able to continue to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on his specialized knowledge.

9 Yuriko Sagara Outside Director and Audit and Supervisory Committee member Independent Director/Auditor

- 2001 Registered as Attorney (Daini Tokyo Bar Association); Joined Nakamura & Partners
- 2005 Registered as Patent Attorney
- 2010 Registered as U.S. New York State Attorney
- 2013 Partner of Nakamura & Partners (to present)
- 2019 Director (Audit and Supervisory Committee Member) of TOKYO SEIMITSU CO., LTD. (to present)
- 2021 Director (Audit and Supervisory Committee Member) of the Company (to present)

Reasons for election

Ms. Yuriko Sagara has a high level of expertise and global-based knowledge as an attorney. In addition, as a patent attorney, she has a deep level of insight on intellectual property. She is also a member of the Nomination Committee and the Compensation Committee, attends meetings of the Sustainability Committee, and engages in the deliberations of these committees. Although she has never been involved in corporate management except as an outside officer, for the reasons above, the Company expects that she will be able to continue to fulfill the responsibilities of conducting appropriate auditing and oversight, etc. over business execution, based on her specialized knowledge.



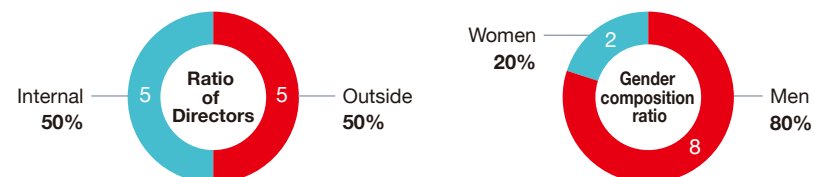
Skills Table

	Name	Gender	Position	Years in current position	Attendance in FY2024	Expected Skills						
						Business management, business administration, DX	R&D, quality and production technologies	Sales and marketing, SCM	Overseas business, global	Legal and ESG, environment and safety	HR and labor	Finance and accounting
	1 Takeo Miyaji	Men	Representative Director, Executive Chairman	14 years	Board of Directors: 17/17 meetings (100%)	●		●		●	●	●
	2 Koji Sawamura	Men	Representative Director, President and CEO	2 years	Board of Directors: 17/17 meetings (100%)	●	●	●	●			
	3 Manabu Saito	Men	Director and Executive Operating Officer	2 years	Board of Directors: 17/17 meetings (100%)	●		●		●	●	●
	4 Kazuyoshi Yamauchi	Men	General Manager of Corporate Technical Division, Director and Executive Operating Officer	4 years	Board of Directors: 17/17 meetings (100%)	●	●		●	●		
Outside	5 Takashi Kamada	Men	Outside Director	newly appointed	–	●					●	●
	6 Izumi Hayashi	Women	Outside Director	4 years	Board of Directors: 17/17 meetings (100%)				●	●		
	7 Masanobu Miyo	Men	Director and Audit and Supervisory Committee member	5 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)	●		●	●			
Outside	8 Kunimitsu Ito	Men	Outside Director and Audit and Supervisory Committee member	5 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)				●			●
	9 Yuriko Sagara	Women	Outside Director and Audit and Supervisory Committee member	4 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)				●	●		
	10 Keiichi Miura	Men	Outside Director and Audit and Supervisory Committee member	4 years	Board of Directors: 17/17 meetings (100%) Audit and Supervisory Committee: 16/16 meetings (100%)	●	●			●		

*The ● symbols indicate skills possessed by each director.

*The above table does not indicate all professional skills possessed by each individual.

*The number of years in current position indicates the terms of Directors as of the close of the 102nd Annual General Meeting of Shareholders.





Conflicts of interest

Processes conducted by our highest governance body to prevent and mitigate conflicts of interest

Competitive and proprietary transactions between NOF and its Directors are subject to approval by the Board of Directors under the Rules of the Board of Directors.

Mutual appointment to the Board of directors

There are no cases of mutual appointments.

Cross-shareholdings with suppliers and other stakeholders

NOF holds shares for policy purposes only when it deems that they contribute to enhancing the Company's corporate value over the medium to long term through smooth business operations and the maintenance and strengthening of business relationships. Under the basic policy of reducing cross-shareholdings that are considered to be of unsubstantial significance, the Board of Directors examines the risks and capital costs, etc. involved in holding each issue and reviews the propriety of holding it on an annual basis. As a result of selling some of our cross-shareholdings in fiscal 2024, we achieved our aim of reducing the ratio of cross-shareholdings to consolidated net assets to 15% or less. In fiscal 2025 and beyond, we will continue to reduce our cross-shareholdings.

In the event that a shareholder that holds NOF

shares for policy purposes expresses the intention to sell NOF shares or another such action, NOF will not prevent the shareholder from doing so by, for example, suggesting that the transaction be curtailed. NOF will not engage in transactions with shareholders that hold NOF shares for policy purposes that are detrimental to the Company or the common interests of shareholders, such as continuing a transaction without fully verifying the economic rationality for the transaction.

Existence of controlling shareholder(s)

There is(are) no controlling shareholder(s).

Related parties, relationships with related parties, transactions, and outstanding balances

As NOF does not currently have a parent company or major shareholder holding 10% or more of its shares, no approval procedures have been established for transactions with these shareholders.



Analysis and evaluation of effectiveness of the Board as a whole

NOF analyzes and evaluates the effectiveness of the Board of Directors once a year, in principle. Since fiscal 2016, NOF has implemented an effectiveness evaluation every year. In fiscal 2024, the Company employed a questionnaire form crafted by an external institution, and implemented the Board of Directors effectiveness evaluation questionnaire by surveying all 10 Directors.

By combining a five-level rating scale and open-ended questions, the questionnaire aimed to understand current conditions and identify challenges from both aspects of quantitative and qualitative evaluation. As the questionnaire was answered by sending responses directly to the external institution, anonymity was ensured. The tallying and analysis of the questionnaire forms was also delegated to an external institution, for the purpose of securing objectivity and further increasing the effectiveness of the Board of Directors

going forward. Based on the tallying and analysis of the results of the external institution, the Board of Directors conducted a deliberation and evaluation in April 2025.

Summary of results for fiscal 2024 effectiveness evaluation

The NOF Board of Directors ensures a suitable diversity of knowledge, experience, and abilities necessary in light of management strategies and provides appropriate opportunities to utilize the experience and expertise of Outside Directors. It was confirmed that based on the Corporate Philosophy and values of the NOF Group, the Board of Directors is generally operating appropriately, with Directors freely and openly expressing their opinions while leveraging their careers and expertise, open and active discussions taking place as a Board of Directors, and ensuring of sufficient time for deliberation on important matters.

The Board of Directors earnestly discussed the

issues identified in the fiscal 2023 effectiveness evaluation, such as cost of capital-conscious management and non-financial information including sustainability, engaged in dialogue with the executive side, and focused on improving the situation.

Points of improvement for the future

It was confirmed that the Board will continue to focus on realizing cost of capital-conscious management, while also considering and discussing measures to further enhance corporate value.

Question matters in the questionnaire (28 total questions)

- Roles and functions of the Board of Directors (5 questions)
- Scale and composition of the Board of Directors (4 questions)
- Operation of the Board of Directors (6 questions)
- Improvement of internal control (3 questions)
- Use of Outside Directors (3 questions)
- Relationship with shareholders and investors (3 questions)
- Degree of improvement (1 question)
- Open-ended section (3 questions)



Overview of the policy on determining compensation

Compensation of directors, excluding those who serve as Audit and Supervisory Committee members, is set to reward performance and other achievements through an appropriate level of compensation while promoting sustainable growth and medium- to long-term enhancement of corporate value based on our Corporate Philosophy. Decisions on such compensation are made through a fair and transparent process.

Compensation consists of monthly compensation, bonuses, and stock-based compensation. In order to maintain incentives, at least 40% of the compensation paid is set as performance-linked compensation (bonuses, ESG indicators-linked compensation, stock compensation). Furthermore, compensation for Outside Directors is limited to fixed compensation. In addition, the compensation system, compensation levels, individual compensation, and other such matters are deliberated by the Compensation Committee.

Method of determining policy concerning details of compensation, etc. of individual Directors

Regarding the policy on compensation of Directors (excluding Audit and Supervisory Committee members), after undergoing deliberation by the Compensation Committee, an advisory body to the Board of Directors, a resolution on partial revision of the policy was reached at the Board of Directors meeting held on January 27, 2023.

Standard composition of Directors' compensation, excluding Audit and Supervisory Committee members and Outside Directors

Monthly compensation* 60%	Incentive compensation 40% (Bonuses, stock-based compensation, ESG indicators-linked compensation)
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* ESG indicator-linked compensation is included as part of incentive compensation.

Compensation system

Type	Deliberation and resolution method
Fixed compensation	Calculation methods, etc. of fixed compensation for Directors are deliberated by the Compensation Committee and resolved at the Board of Directors meeting. In addition, with regard to the determination of the specific details of the amount of fixed compensation for each individual director, excluding members of the Audit and Supervisory Committee, a resolution is passed by the Board of Directors after deliberation by the Compensation Committee.
Bonuses	Calculation methods, etc. of bonuses for Directors (excluding Audit and Supervisory Committee members and Outside Directors) are deliberated by the Compensation Committee and resolved at the Board of Directors meeting. The calculation method of the said bonuses is based on consolidated operating income, an important indicator related to the Group's business performance evaluation. The base amount is multiplied by a designated coefficient determined for each Director position to calculate his or her bonus. The Compensation Committee verifies this calculation method and the amount paid in each term.
ESG indicators-linked compensation	At the Board of Directors meeting held on January 27, 2023, it was decided to use a calculation method utilizing the level of achievement of ESG indicators and other factors for a portion of the compensation (monthly compensation) for Directors (excluding Audit and Supervisory Committee members and Outside Directors). The method for calculating this compensation is based on ESG indicators related to the NOF Group's efforts to address sustainability challenges. It is calculated by multiplying a standard amount, which is set for each Director position, by an evaluation coefficient that reflects the degree of achievement. The Compensation Committee verifies this calculation method and the amount paid in each term.
Performance-linked compensation	Based on the resolution of the 96th Annual General Meeting of Shareholders held on June 27, 2019, a new performance-linked stock compensation plan (Board Benefit Trust) was introduced. At the 98th Annual General Meeting of Shareholders held on June 29, 2021, NOF transitioned to being a company with an Audit and Supervisory Committee. In conjunction with this transition, the plan applies to Directors who concurrently serve as Operating Officers and Operating Officers with a title (excluding Outside Directors and Audit and Supervisory Committee members, hereinafter collectively "Directors, etc."). For each fiscal year, the Directors, etc. are awarded points, the number of which is to be decided taking into account their respective positions, achievement level of their performance, etc. based on the Officer Stock Distribution Rules. Each point awarded to the Directors, etc. is converted into one share of NOF's common stock at the time of the distribution of NOF's shares, etc. (In the event of a stock split, allotment of shares without contribution, or a consolidation of shares, the maximum number of points, the number of points already granted, and the conversion ratio will be reasonably adjusted in accordance with such ratio, etc.) The number of points held by a Director, etc., which will be used as the basis for the distribution of NOF's shares, etc., is, in principle, the number of points awarded to the said Director, etc. by the time of his/her retirement. The Officer Stock Distribution Rules, which determine the calculation method, etc., which considers such matters as the respective positions and achievement level of performance targets of the Directors, etc., are deliberated by the Compensation Committee and then resolved by the Board of Directors. [Calculation methods of points awarded] The number of points awarded is calculated by multiplying the number of position-based points, decided for each position, by the performance evaluation coefficient, which is determined by the achievement level, etc. of consolidated operating income and ROE in the Mid-term Management Plan, important indices for the evaluation of the NOF Group's business performance. [(Formula) Number of position-based points × Performance evaluation coefficient] *Performance evaluation coefficient= (performance evaluation coefficient based on consolidated operating income × 50%) + (performance evaluation coefficient based on ROE × 50%) *Taking into account the achievement level of performance, the value of the performance evaluation coefficient varies between 0 and 1.5. [Distribution methods] Distribution takes place after the retirement of Directors, etc., and the Company's shares and cash, equivalent to the Defined Number of Points, are distributed (when distributed as survivor benefits, cash is distributed). [Achievement level of the targets for consolidated operating income and ROE during the fiscal year] The planned target for consolidated operating income in the 2025 Mid-term Management Plan is ¥46.0 billion (final year of the said plan). The actual result of consolidated operating income in the fiscal year under review was ¥45.3 billion, representing a 102.4% achievement level in the fiscal year, calculated according to the level of growth in the period of the 2025 Mid-term Management Plan. In addition, the ROE target for the final fiscal year of the 2025 Mid-term Management Plan was 12% or more, and the actual ROE for this fiscal year was 13.4%, representing a 111.9% achievement level of the target.



Reasons why the Board of Directors deemed that details of compensation, etc. of individual Directors concerning the fiscal year under review aligned with the determination policy

For matters regarding the compensation system and policy concerning Directors, matters regarding the calculation method in determining specific compensation amounts for Directors, and individual compensation amounts, etc., the Compensation Committee conducts deliberations from a multi-faceted perspective, including compliance with the policy on compensation of Directors. The Board of Directors respects the details of the deliberations and deems that they are aligned with the said policy. Furthermore, the Compensation Committee consists of five Outside Directors and two Internal Directors, and an independent Outside Director serves as the chairperson.

Total amount of compensation, etc. by officer category, total amount of compensation, etc. by type, and number of eligible officers

Officer category	Total amount of compensation, etc. (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers (persons)
		Fixed compensation	Bonuses	Stock compensation	
Directors (excluding Audit and Supervisory Committee members and Outside Directors)	247	147	85	14	4
Audit and Supervisory Committee members (excluding Outside Directors)	24	24	–	–	1
Outside Officers	46	46	–	–	5

1. The maximum amount of compensation for Directors (excluding Audit and Supervisory Committee members) was resolved to be ¥360 million per year (including ¥40 million per year for Outside Directors, but excluding remuneration received as employees) at the 98th Annual General Meeting of Shareholders held on June 29, 2021. There were six Directors as of the conclusion of the aforementioned Annual General Meeting of Shareholders (including two Outside Directors).
2. Separate from the maximum amount of compensation for Directors mentioned in point 1 (excluding Audit and Supervisory Committee members), based on the resolution of the 98th Annual General Meeting of Shareholders held on June 29, 2021, the Company will contribute up to a maximum of 12,000 points to the performance-linked stock compensation plan (Board Benefit Trust) for Directors who concurrently serve as Operating Officers, per fiscal year (each point awarded to the Directors, etc. is converted into one share of the Company's common stock at the time of the distribution of the Company's shares, etc.). There were four Directors who concurrently served as Operating Officers as of the conclusion of the aforementioned Annual General Meeting of Shareholders.
*NOF conducted a split of common stock at the ratio of one share to three shares effective April 1, 2024. Therefore, from that date onward, the maximum total number of points granted per fiscal year for Directors who concurrently serve as Operating Officers is set at 36,000 points.
3. The maximum amount of compensation for Directors who are Audit and Supervisory Committee members was resolved to be ¥80 million per year at the 98th Annual General Meeting of Shareholders held on June 29, 2021. There were four Directors who concurrently served as Audit and Supervisory Committee members as of the conclusion of the aforementioned Annual General Meeting of Shareholders.



Management Policy Regarding Responsible Care

For a chemical company to live together with society as one of its vitally important members, all of its business activities have to seek harmony with the social and natural environments and be recognized, appreciated, and accepted by society. With this fundamental awareness in mind, the NOF Group has set forth its Management Policy Regarding Responsible Care as a set of norms to be faithfully observed by every officer and employee of

the Group with a view to winning even greater trust from society.

Furthermore, NOF became a signatory of the Responsible Care Global Charter proposed by the International Council of Chemical Associations in 2014, along with declaring its support of the Charter and its commitment to practice RC activities both in Japan and overseas.

Management Policy Regarding Responsible Care

The NOF Group is dedicated to protecting the safety and health of customers, the public, and employees, as well as the environment, ecosystems, and resources. For this purpose, based on the principles of Responsible Care, NOF, its affiliates, and all executives and employees observe the following management policies on safety concerning the five areas of the environment, products, plants, transportation, and labor.

All officers and employees of NOF and affiliate companies shall

- (1) work to minimize the impact of products on the environment, safety, and health, which covers every aspect of products, from their development and manufacture through retail, use, and disposal,
- (2) based on appropriate self-management and close collaboration with other business units,
- (3) by making sure to conduct highly reliable safety checks and adhere to all laws and regulations,
- (4) while also being fully aware of safety issues involving the social and natural environments.

(Amended April 2023)

Toward harmony with nature and society

Based on our management policy, we are working to level up the Five Components of Safety (environment, plants, products, labor, and transportation) through the Responsible Care activities we are working on by ensuring that the PDCA cycle is followed every year.

Immediate challenges in terms of environmental safety include responding to climate change and conserving biodiversity; for plant safety, stable operations; for product safety, providing safety information on chemical substances; for labor safety, protecting employees; and for transportation safety, safe deliveries.

In addition, we recognize that the chemical manufacturing industry is energy-intensive, and will work to reduce greenhouse gas emissions and effectively use water resources. Furthermore, with an awareness that emergencies have an impact on ensuring the safety of our employees and surrounding communities, we will strive in our aim to achieve zero accidents.

We will Promote Responsible Care activities across the entire Group, achieve harmony with nature and society, and deliver safety and security to everyone.

Director and Executive Operating Officer
General Manager,
Corporate Technical Division

Kazuyoshi Yamauchi





The NOF Group is working on various initiatives to ensure the Five Components of Safety. The Group classifies its RC activities into “Five Components of Safety” comprising environmental safety, plant safety, product safety, labor safety, and transportation safety. Every year, we set RC activity targets, key issues, and implementation items, which are then applied to specific measures for each works, plant, and Group company. These activities have been implemented since 1995. In addition, “dialogue with society,” including information disclosure and exchanges with local communities, has been added to the Five Components of Safety as a theme of the activities.



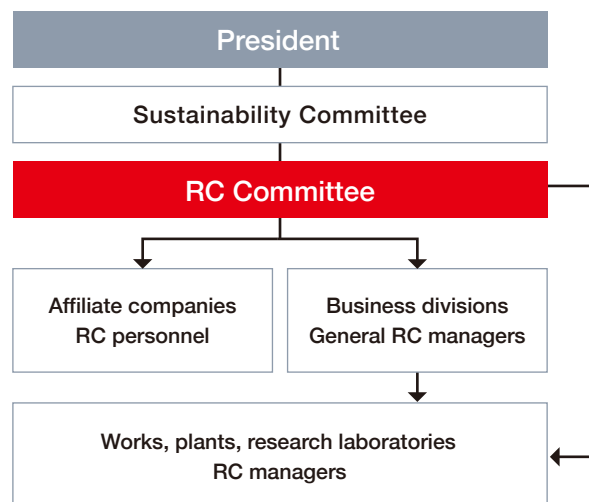


RC promoting organization

The RC Committee, chaired by an Operating Officer appointed by the President (Kazuyoshi Yamauchi, General Manager of the Corporate Technical Division (concurrently Director and Executive Operating Officer)), comprises business division managers and corporate division managers.

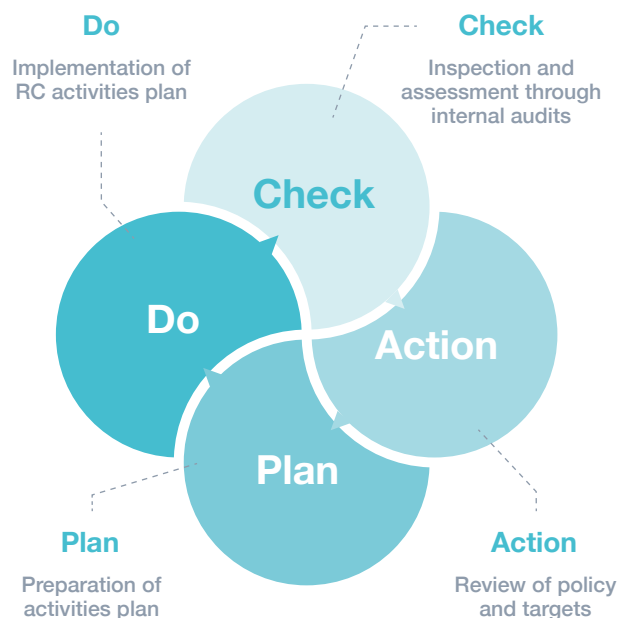
In order to ensure that decisions on RC activities made by the RC Committee are thoroughly disseminated as Group policies in a timely manner, managers and staff in charge are assigned to business divisions, plants, research laboratories, and affiliate companies to ensure the concrete rollout of RC targets.

RC promoting organization diagram



Flowchart of development of RC activities

RC activities are being developed by ensuring that the PDCA cycle is followed in an effort to “spiral up” the activities.





Status of internal auditing (RC audits)

The NOF Group carries out RC auditing every year to ensure the effectiveness of RC activities. We have been continually conducting RC auditing at target domestic and overseas works, plants, and subsidiaries since fiscal 1998. In fiscal 2024, we conducted audits across the entire Group with the priority theme set as “legal compliance.” We checked the progress of RC activity targets and the levels of activities related to the Five Components of Safety at all works and plants, and encouraged them to make improvements.

In addition, we conduct on-site and written audits of all business works and plants to strengthen chemical substance management. In addition to reporting on new chemical substances (actual result in FY2024: 494), we confirmed the status of compliance with laws and regulations concerning chemical substance management and confirmed the status of improvements to items indicated in the FY2023 audit. Through this, we worked to improve the level of chemical substance management. We follow up on the progress of responding to all items indicated in the audit to ensure that all remedial measures are taken.

Priority audit themes for the past five years are listed on the right.

Implementation status of RC auditing

Fiscal year	Priority theme in audit
FY2020	● Confirmation of preparedness for earthquakes and tsunamis ● Confirmation of status of management of PCB waste disposal ● Confirmation of safety measures for moveable objects ● Confirmation of status of monitoring legal and regulatory changes
FY2021	● Appropriate use of hoses ● Confirmation of management status of the Ordinance on Prevention of Organic Solvent Poisoning and Ordinance on Prevention of Hazards due to Specified Chemical Substances ● Confirmation of appropriate protective equipment decisions and usage control status ● Confirmation of energy management status
FY2022	● Amendment to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) ● Confirmation of safety of portable equipment ● Confirmation of implementation of safety assessments ● Confirmation of progress of CO₂ reduction measures
FY2023	● Amendment to the Ordinance on Industrial Safety and Health ● Status of implementation of measures to prevent falls, tumbles, and crashes ● Status of implementation of measures to prevent chemical burn accidents ● Confirmation of progress of measures to reduce emissions of CO₂ and PRTR Act-controlled substances
FY2024	● Amendment to the Ordinance on Industrial Safety and Health ● Status of implementation of measures to prevent falls and chemical burn accidents ● Initiatives for passing on skills and techniques related to production technologies ● Confirmation of progress of measures to reduce emissions of CO₂ and PRTR Act-controlled substances

The NOF Group is promoting the acquisition of certification by competent external bodies as a means of improving transparency and objectivity of environmental safety activities.

Development status of EMS*1 (Environmental management systems)

All of NOF's works and plants with manufacturing divisions have acquired ISO 14001 certification, and we are systematically implementing environmental improvement activities in consideration of the particulars of business and local characteristics.

Six consolidated subsidiaries of NOF have acquired ISO 14001 certification. Also, NICHYU LOGISTICS CO., LTD. has obtained Green Management certification from the Foundation for Promoting Personal Mobility and Ecological Transportation.

Rate of acquisition of ISO 14001 certification
(production volume basis*2)

FY2023 environmental
certification

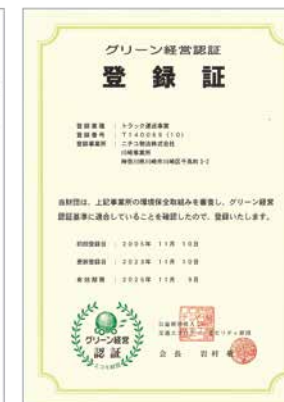
Domestic
Group **93%**

NOF Group **90%**

FY2024 environmental
certification

Domestic
Group **94%**

NOF Group **92%**



NOF

Works and plants	Environmental management systems	Certification number	Latest recertification date	Inquiries
Kawasaki Works	ISO 14001	JP025987V1.0	March 2025	https://www.nof.co.jp/english/company/plant
Aichi Works	ISO 14001	JP023236	January 2023	
Amagasaki Plant	ISO 14001	4705737-2A	September 2022	
Oita Plant	ISO 14001	JP024408	January 2024	

Group companies

Name	Environmental management systems	Certification number	Latest recertification date	Inquiries
Nippon Koki Co., Ltd. Shirakawa Plant	ISO 14001	JSAE741	December 2024	https://www.nippon-koki.co.jp/
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	ISO 14001	JP025639	November 2024	https://www.nofmetalcoatings.com/asia-pacific/en/
Changshu NOF Chemical Co., Ltd.	ISO 14001	CN20/21620	January 2024	https://www.nof-cs.com.cn/
NOF METAL COATINGS EUROPE S.A.	ISO 14001	N° 2000/14320.7	December 2023	https://www.nofmetalcoatings.com/europe/
NOF METAL COATINGS EUROPE N.V.	ISO 14001	10477422	October 2024	https://www.nof.co.jp/english/company/group-companies
NOF METAL COATINGS SOUTH AMERICA IND. E COM.LTDA.	ISO 14001	BR040178	December 2023	https://www.nofmetalcoatings.com/south-america/

*1 Acronym for Environmental Management Systems. A management system comprising a framework for an organization to formulate, implement, review, and maintain its environmental policy; and encompassing planning activities, responsibilities, practices, processes, and management resources.

*2 Production volume basis: Based on the total production volume of works, plants, and affiliates with production divisions (4 non-consolidated, 7 domestic affiliates, and 6 overseas affiliates).



Policy (our fundamental view)

We have established our Quality Policy in order to “provide the highest quality products and services” as stated in the Code of Conduct of the NOF Group Corporate Philosophy System, and strive to carry out sound quality management.

Organizational setup

In April 2019, NOF established the Quality Management Committee to supervise quality management and continue to secure the trust of society. The Committee is chaired by the General Manager of

the Corporate Technical Division (concurrently Director and Executive Operating Officer) and has 9 other members (business division managers, related corporate division managers). Furthermore, in April 2023, the Quality Management Department was established in the Corporate Technical Division to maintain and improve the level of quality management across the entire Group by raising awareness of quality management and providing guidance on quality management systems (QMS*) operated by works, plants, and Group companies.

Handling complaints and accidents related to products

In the event of consumer complaints regarding the function or quality of NOF products, or consumer accidents (product liability incidents) caused by, or assumed to have been caused by product defects, we organize a business division task force and respond in accordance with the direction of the RC Committee chair. In fiscal 2024, there were no product liability incidents.

Quality Policy

The NOF Group provides the highest quality products and services that are based on our considerations of achieving harmony with society and customer satisfaction through our unrelenting quality management.

1. Harmony with society

We shall comply with laws, regulations, and rules, respect the environment, and produce safe and secure products using manufacturing processes that themselves are safe and secure.

2. Customer satisfaction practices

We shall listen to our customers’ requirements and provide products that meet expectations and useful information.

3. Unrelenting quality management

We shall maintain stable quality with continuous improvement and proper process management and enhance the management level through education.

4. Execution of quality assurance

We shall fulfil our commitment to our customers and sincerely respond to inquiries and complaints.

*Acronym for Quality Management System. A system by which an organization formulates policies and sets targets in order to dictate and manage its quality, and achieve such targets.



Quality Management | QMS

GRI 2-13/416-1

Development status of QMS

NOF's works and plants have acquired the most appropriate QMS certification for their business from competent external bodies. The Functional Materials and Metal Coatings businesses are certified under ISO 9001, the Explosives & Propulsion business is certified under JIS Q 9100, and the Functional Foods business is certified under FSSC 22000 (Food Safety Management System). The Life Science business utilizes ICH-Q7 (Active Pharmaceutical Ingredients: GMP Guidelines). Fifteen Group companies have acquired certification by competent external bodies, including ISO 9001 certification.

Rate of acquisition of QMS certification from competent external bodies (production volume basis)

FY2024 Domestic Group **98%**

FY2024 NOF Group **97%**

NOF

Works and plants	Quality management systems	Certification number	Latest recertification date	Inquiries
Kawasaki Works Chidori Plant	ISO 9001	JP026326	June 2025	https://www.nof.co.jp/english/company/plant
Daishi Plant	FSSC 22000 (Food Safety Management System)	JMAQA-FC270	January 2025	
DDS Plant	ICH-Q7 (Active Pharmaceutical Ingredients: GMP Guidelines)	—	—	
Aichi Works Taketoyo Plant	JIS Q 9100	JQA-AS0183	July 2022	
Kinuura Plant	ISO 9001	JP022549	June 2022	
Amagasaki Plant (Functional Materials Division)	ISO 9001	JP022753	August 2022	
(Life Science Division)	ICH-Q7 (Active Pharmaceutical Ingredients: GMP Guidelines)	—	—	
Oita Plant	ISO 9001	JP023986	September 2023	

Group companies

Name	Quality management systems	Certification number	Latest recertification date	Inquiries
Nippon Koki Co., Ltd.	ISO 9001	JSAQ2282	September 2023	https://www.nippon-koki.co.jp/
Nippon Koki Co., Ltd. Shirakawa Plant	JIS Q 9100	JQA-AS029	September 2023	
NiGK Corporation	ISO 9001	66885	March 2023	https://www.nichigi.co.jp/en/
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	ISO 9001	JP023061	November 2022	https://www.nofmetalcoatings.com/asia-pacific/en/
Showa Kinzoku Kogyo Co., Ltd.	ISO 9001	02479-2011-AQ-KOB-JAB	March 2024	https://www.shokin.co.jp/
YUKA SANGYO CO., LTD.	ISO 9001	19823082	April 2024	https://www.yuka-sangyo.co.jp/english/#gsc.tab=0
JEUNE BEAUTY CORPORATION, Amagasaki Factory	ISO 22716 (cosmetics materials GMP)	JP024379	January 2024	https://jeunebeauty.co.jp/en/
JEUNE BEAUTY CORPORATION, Chita Factory	ISO 22716 (cosmetics materials GMP)	JP024609	March 2024	
Nichiyu Techno Co., Ltd.	ISO 9001	JP024473	February 2024	https://www.nichiyu-tec.co.jp/
NIKKA COATING CO., LTD.	ISO 9001	3357	December 2024	https://nikkacoating.com/
Changshu NOF Chemical Co., Ltd.	ISO 9001	CN20/21619	January 2024	https://www.nof-cs.com.cn/
PT.NOF MAS CHEMICAL INDUSTRIES	ISO 9001	ID00/18019	April 2023	https://www.nof.co.jp/english/company/group-companies
NOF METAL COATINGS NORTH AMERICA INC.	ISO 9001	66561- IS8	July 2023	https://www.nofmetalcoatings.com/north-america/
NOF METAL COATINGS EUROPE S.A.	ISO 9001	BR040177	December 2023	https://www.nofmetalcoatings.com/europe/
NOF METAL COATINGS EUROPE N.V.	ISO 9001	10477422	November 2022	https://www.nof.co.jp/english/company/group-companies
NOF METAL COATINGS KOREA CO.,LTD.	IATF 16949	RTS0250	November 2023	https://www.nofmetalcoatings.com/korea/en/
NOF METAL COATINGS SOUTH AMERICA IND. E COM.LTDA.	ISO 9001	N° 1994/2984.9	December 2023	https://www.nofmetalcoatings.com/south-america/
NOF METAL COATINGS SHANGHAI CO., LTD.	ISO 9001	016SH22Q33019R3S	September 2023	https://www.nofmetalcoatings.com/china/en/



Approach to Pharmaceutical-Related Products

NOF currently handles pharmaceutical-related products based on the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (“Pharmaceuticals and Medical Devices Act”), and has obtained the various business licenses listed below. In order to

Licensing status of pharmaceutical-related products

Category		Works / plants
Marketing	Second-class marketing license for pharmaceuticals	NOF
	Marketing license for quasi-pharmaceutical products	NOF
Sales	Wholesale pharmaceutical sales	NOF
Manufacturing	Pharmaceutical manufacturing	Kawasaki Works
		Aichi Works Taketooyo Plant
		Amagasaki Plant

Basic Policy on Pharmaceutical-Related Products

Based on our corporate philosophy, which states, “the NOF Group is dedicated to contributing to humanity and society as a corporate group that creates new value through the power of chemistry, from the biosphere to outer space,” NOF is developing pharmaceutical-related business that ensures high quality, reliability, and safety for all stakeholders under our governance system that ensures thorough compliance with laws and regulations.

properly carry out these licensed business operations, the Pharmaceutical Management Task Force has been established under the Quality Management Committee to appropriately manage medical supplies.

Pharmaceutical management system

Based on the aim of the Act Partially Amending the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (Act No. 63 of 2019, “Amended Pharmaceuticals and Medical Devices Act”), Officers with responsibility for pharmaceutical-related operations are clearly stated in the Pharmaceutical Management System. In addition, in accordance with the provisions of the same Act, for marketing (second-class marketing license for pharmaceuticals, marketing license for quasi-pharmaceutical

products), a General Marketing Manager, Quality Assurance Manager, and Safety Management Manager have been appointed.

As a specialized task force of the Quality Management Committee, a deliberative body, NOF established the Pharmaceutical Management Task Force to oversee the pharmaceutical-related business of the entire Company and provide integrated management of manufacturing, marketing, and wholesale of pharmaceuticals. The Pharmaceutical Management Task Force inspects the status of compliance with GQP, GVP, and GMP ministerial ordinances and operates so as to ensure that the General Marketing Manager, manufacturing managers, and others provide appropriate opinions to responsible Officers regarding issues and problems related to legal compliance.

Education and training

At NOF, all persons involved in pharmaceuticals take the required training every year.

Responsible Officers

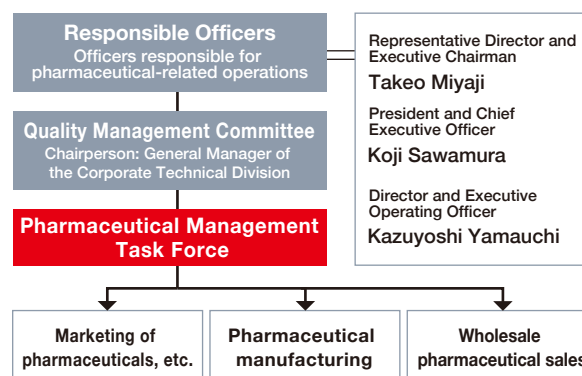
Take the pharmaceuticals-related training (once per year)

People involved in pharmaceutical-related operations

Take training based on GQP, GVP, and GMP ministerial ordinances as needed

After the training, a record is made and stored for use in the next fiscal year’s training plan to ensure continued acquisition of the necessary knowledge.

Pharmaceutical management system diagram



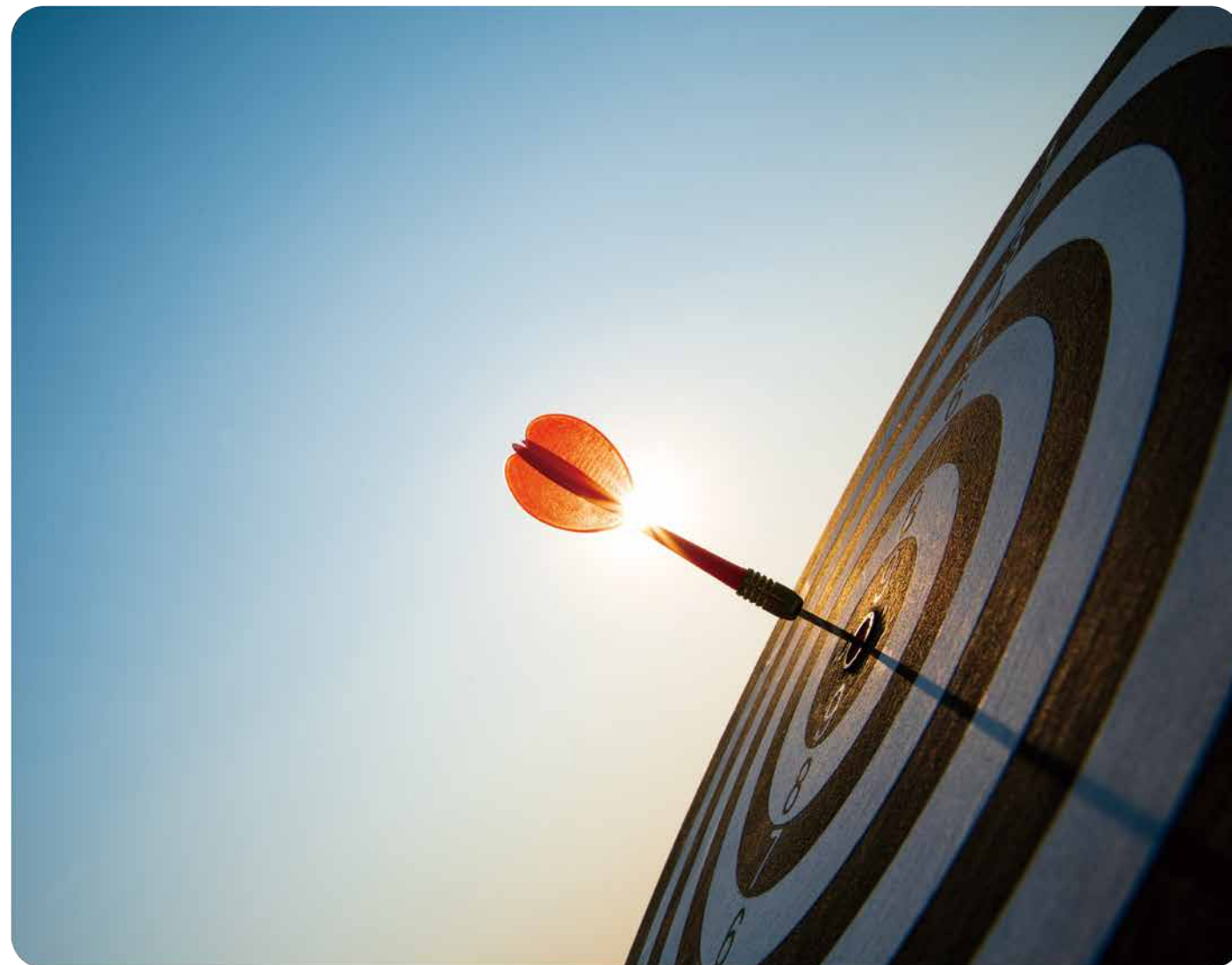


Risks and opportunities in quality assurance

Quality targets	Zero serious complaints or inappropriate incidents
Key issue	Ensuring proper quality management at the NOF Group

Major risk	Risk description	Opportunities	Major activities
Quality fraud	Loss of public trust and damage to corporate value due to quality problems such as falsification of quality inspection results	Continuous improvement of quality management throughout the Company and Group, and earning social trust through fair corporate activities	In 2023, we established a new code of conduct and issued a message from the President to implement specific actions in accordance with the corporate philosophy, which defines the mission and ideal state of the NOF Group, and the three values that are prioritized in implementing the corporate philosophy: Challenges, Fairness, and Harmony. [Thoroughly ensuring proper quality management] - Development of a quality policy to “provide the highest quality products and services” - Raise awareness and educate employees through compliance manuals, etc. - Quality audits and periodic surveys - Thorough prevention of recurrence and horizontal development through reporting of quality anomalies (serious cases) - Promotion of automation of quality management and inspections (creation of a system that prevents fraud and falsification, etc.)
Quality defects and product problems	Loss of customer trust due to quality anomalies causing delivery delays to customers or quality anomalies in customer products	Gain customer trust through quality improvement and a proven track record	

Strategy



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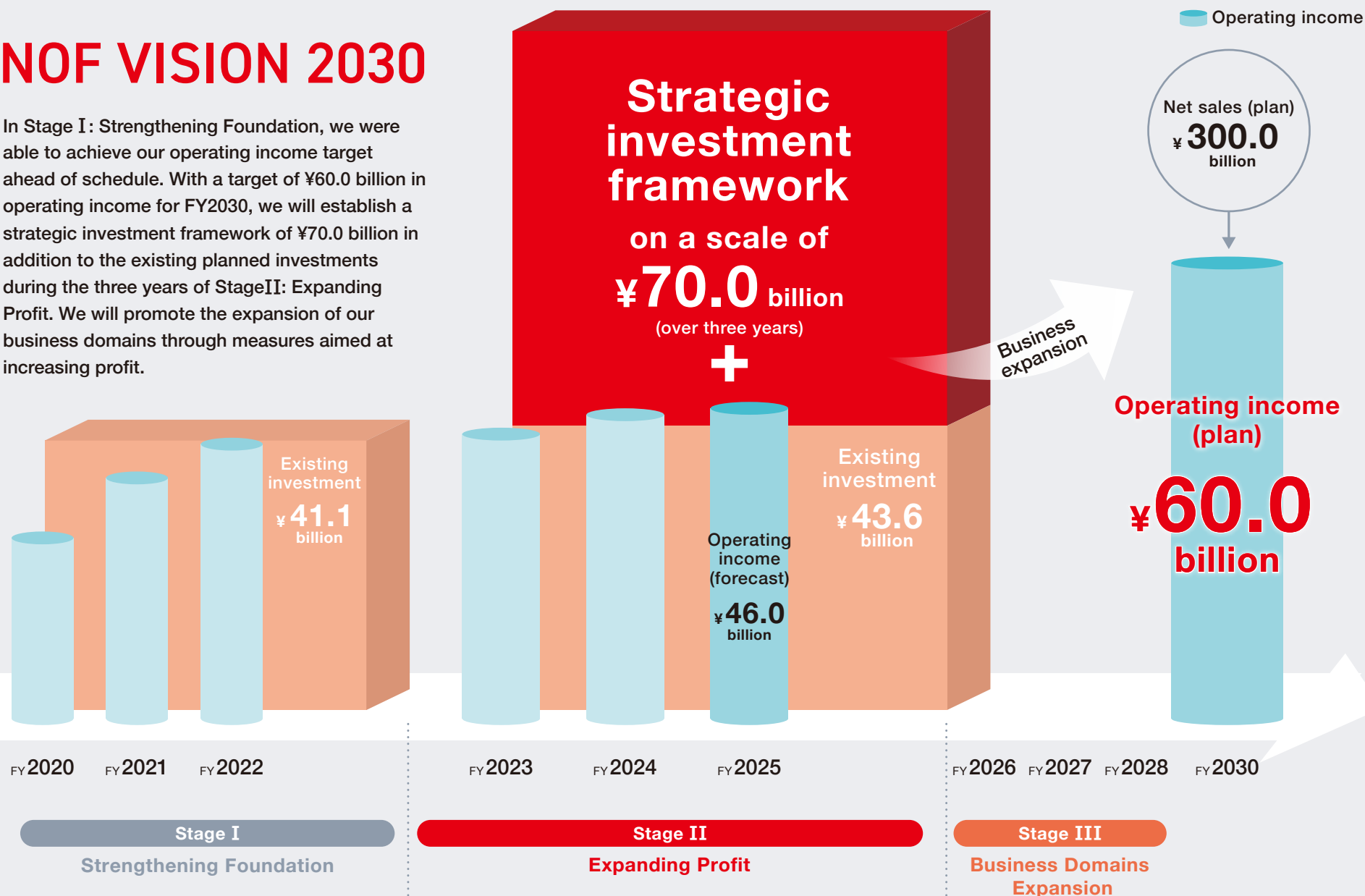
112 Approach to Stakeholders

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NOF VISION 2030

In Stage I: Strengthening Foundation, we were able to achieve our operating income target ahead of schedule. With a target of ¥60.0 billion in operating income for FY2030, we will establish a strategic investment framework of ¥70.0 billion in addition to the existing planned investments during the three years of StageII: Expanding Profit. We will promote the expansion of our business domains through measures aimed at increasing profit.





Mid-term Management Plan

GRI 2-22

Expanding Profit

Strategic investment for earnings base establishment /
business domains expansion

Fundamental principles

“Practice and Breakthrough”

2022 Mid-term Management Plan

Strengthening Foundation

Fundamental principles
“Challenge and Co-create”

FY 2030
(plan)

Net sales
¥ **300.0** billion

Operating income
¥ **60.0** billion

Operating income
to net sales
20% or more

2028 Mid-term Management Plan

Business Domains Expansion

Advancement into
new business domains

FY 2025
(forecast)

Net sales
¥ **252.0** billion

Operating income
¥ **46.0** billion

Operating income
to net sales
18.3% or more

ROA (target)

13% or more

ROE (target)

12% or more

FY 2024
(actual)

Net sales
¥ **238.3** billion

Operating income
¥ **45.3** billion

Operating income
to net sales
19.0%

ROA

13.3%

ROE

13.4%

FY 2023
(actual)

Net sales
¥ **222.3** billion

Operating income
42.1 billion

Operating income
to net sales
19.0%

ROA

14.0%

ROE

13.5%

FY 2022
(actual)

Net sales
¥ **217.7** billion

Operating income
40.6 billion

Operating income
to net sales
18.7%

ROA

14.4%

ROE

14.8%

FY 2020
(actual)

Net sales
¥ **172.6** billion

Operating income
26.6 billion

Operating income
to net sales
15.4%

ROA^{*1}

11.4%

ROE^{*2}

12.2%

*1 Return on assets

*2 Return on equity



Stage II

2025 Mid-term Management Plan

Expanding Profit

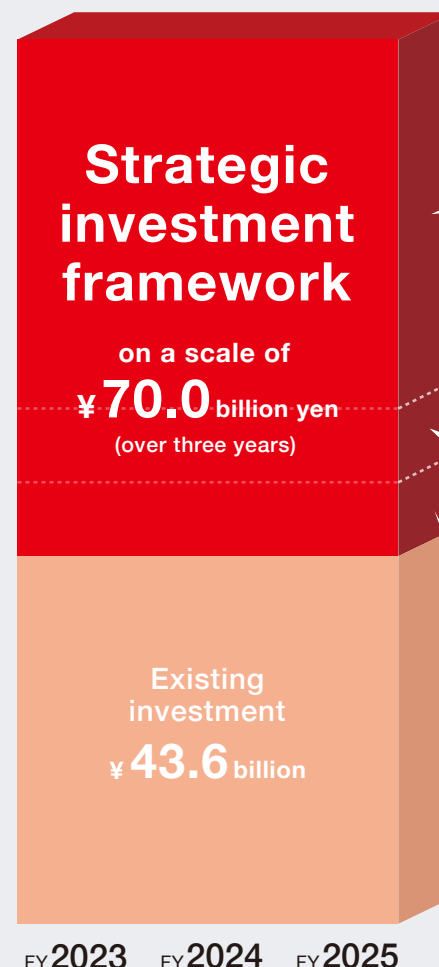
Fundamental principles

“Practice and Breakthrough”

FY2025 Management Policy

“Responding to Changes in the Environment towards a New Stage”

We have positioned the three years from fiscal 2023 as Stage II : Expanding Profit, with the target of ¥46.0 billion in operating income and a ratio of operating income to net sales of 18% or higher set for fiscal 2025, the last fiscal year of the period. In addition to the “existing investments” of ¥43.6 billion related to the previous Mid-term Management Plan, we have established a “strategic investment framework” of ¥70.0 billion for the three years of Stage II . Strategic investment includes three topics: (1) “production and environment” facility investment, (2) research and development investment, and (3) human capital investment, and will be funded through self-financing as well as funds from the sale of cross-shareholdings. This is a proactive investment aimed at not only further strengthening the earnings bases and steadily expanding profits in the rapidly changing business environment surrounding the NOF Group, but also making a leap forward through new value creation. We will continue to strive toward achieving the targets of the Mid-term Management Plan for fiscal 2025 and operating income of ¥60.0 billion in fiscal 2030.



Production facilities and environmental facilities

Investment in the strengthening of manufacturing facilities in response to growing demand, as well as in promotion of smart factories and environmental response

R&D

Investment in R&D to plan new products in existing domains and to create new businesses, including M&As

Human capital

Investment in hiring excellent human resources as well as improving work environments, implementing various skill development programs, and developing DX human resources

FY2023 FY2024 FY2025



Mid-term Management Plan

GRI 2-22

Facility investment: Production and environment

Smooth implementation of automation, labor saving, and energy saving

We are newly constructing and expanding manufacturing facilities as planned in fields that continue to grow, such as raw materials for DDS drug formulations, cosmetics materials, and anti-fog agents. In response to the significant expansion of Japan's Defense Buildup Program, we have made additional investments in the construction and enhancement of manufacturing facilities to meet growing demand. We will continue working toward the early-stage deployment of defense equipment.

Facility investment amount FY2024 (actual) ¥ **18.3** billion FY2025 (expected) ¥ **30.3** billion

Main facility investment

Aichi Works

- Strengthening of manufacturing facilities for defense products: Planned completion in June 2028
- Establishment of new manufacturing facilities for raw materials for DDS drug formulations (PEG modifiers): Planned completion in September 2025
- Strengthening of filling equipment for cosmetic products: Planned completion in January 2026

Inside Nippon Koki's Shirakawa Plant*

Nippon Koki's Shirakawa Plant

Kansai area

- Construction of manufacturing facilities for defense products: Planned completion in February 2029 *As NOF's non-current assets
- Construction of manufacturing facilities for defense products: Planned completion in September 2027
- Upgrading of dormitories in the Kansai area: Planned completion in February 2027

▶ P.141-142,153,165

		FY2024 progress	FY2025 initiatives (planned)	
Improving productivity 	Operational efficiency	Routine operations ● Expansion of operations that utilize RPA ● Expansion of operations that utilize AI-OCR ● Use of business support tools and introduced software (digitization of manufacturing records, creation of operating procedures)	● Continuation of expansion of operations that utilize RPA ● Expansion of operations that utilize AI-OCR ● Implementation of existing support tools and introduced software as well as evaluation/selection of new ones	
		Production scheduler	● Preparation for trial runs at model plants	● Transition from trial runs to full deployment at model plants
		Productive operations	● Introduction of automation equipment	● Expansion of scope of automated process control
	Increasing the use of data	Promotion of smart factories	● Installation and implementation of field-data collection tools at model plants	● Consideration of field-data utilization at model plants
		Introduction of sales support tools	● Completion of defining requirements and start of implementation in the model project	● Realization of benefits through continued use in the model project
		Introduction of chemical substance management system	● Launching operations at model plants	● Expansion to other plants
		Introduction of facility maintenance management system	● Start of implementation	● Data accumulation and effective utilization
		Introduction of environmental information collection system	● Establishment of use environment	● Trial operation
Introduction of materials SDS management system	● Launching operations at model plants	● Expansion to other plants		
Environmental measures 	Addressing the regulatory control of CFCs & HCFCs	● Selection of equipment using natural refrigerants	● Installation and start of operation of equipment using natural refrigerants	
	Saving energy and streamlining efficiency	● Implementation of policy • Promoting electrification of vacuum generators that utilize steam • Implementation of policy to switch to boiler fuels with low environmental impact (discontinuation of heavy oil use) • Promoting updates to high-efficiency boilers • Upgrading to energy-efficient refrigeration and freezing equipment • Promotion of switch to LED lighting • Promotion of electricity procurement from renewable energy sources	● Continued promotion of policy • Continued electrification of non-electric facilities • Partial operation of boilers with converted fuel • Ongoing updates to high-efficiency boilers • Continued upgrading to energy-efficient refrigeration and freezing equipment • Continued promotion of LED lighting • Continued promotion of electricity procurement from renewable energy sources	
	Reducing emissions of PRTR Act-controlled chemical substances	● Implementation of measures to prevent atmospheric emissions • Minimization of usage of substances subject to the Act • Enhancement of recovery facilities	● Continued promotion of measures	



Mid-term Management Plan

GRI 2-22

Research and development investment

Proactive collaboration with external parties to speedily develop new R&D areas

We are promoting open innovation to create new technologies and businesses. To further accelerate these initiatives, the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory was established within the AIST Group in fiscal 2024. We will continue working to expand R&D areas.

R&D investment FY2024 (actual) ¥ **7.9** billion FY2025 (expected) ¥ **8.8** billion

▶ P.008-010,049-062

	FY2024 progress	Initiatives beyond FY2025 (planned)
Promotion of open innovation 	Call for commissioned industry-academia research Launch of commissioned research on materials and technologies at three research institutes in the medical care and medical device fields	Acceleration of theme exploration and R&D activities in the fields of functional chemicals and electronics/IT
	Utilization of venture capital (VC) - Investment in the VC fund of Universal Materials Incubator Co., Ltd. (January 2024) - Exploration of promising new technologies and implementation of human resources training	Exploration of promising new technologies, co-creation partners, and investment recipients
	Comprehensive industry-academia-government collaboration Establishment of the NOF-AIST Smart Green Chemicals Collaborative Research Laboratory	Acceleration of the development of esterification reaction catalysts suitable for environmentally friendly manufacturing processes
	Participation in government R&D projects - Strategic Innovation Promotion Program (SIP), Council for Science, Technology and Innovation, Cabinet Office - Development of smart infrastructure management system (until March 2028) Participation with Wireless Detonator WINDET®II Explosives & Propulsion Division - Japan Agency for Medical Research and Development (AMED) Programs relating to the Strategy for Strengthening the Vaccine Development and Production System “Program on R&D of new generation vaccine including new modality application” (until March 2027) Participation with lipid nanoparticle materials Life Science Division	
	Improvement of R&D efficiency - Utilization of Materials Informatics (MI) - Development of experimental data collection systems - Introduction and utilization of data analysis systems - Development of MI human resources - Specialized development programs have been implemented for approximately 20% of researchers	Promotion of data scientist development



Mid-term Management Plan

GRI 2-22

Human capital investment

Promoting strategic investment in human resources growth, the most important factor in corporate growth

As part of measures to foster a diverse workforce with high work engagement, we are working to support employees' autonomous growth and create comfortable workplaces. We are also promoting investments to enhance human capital, including support for overseas business activities and strengthening of digital transformation (DX) human resources development.

▶ P.183-199,210-215

Human capital investments, including acquisition and development of human resources		FY2024 progress	FY2025 initiatives (planned)
	Promotion of employees' autonomous growth	- Continued implementation of workshops for all employees aimed at strengthening development of autonomous human resources - Career design support through the use of career consultants and the introduction of e-learning	- Continued implementation of measures for development of autonomous human resources - Strengthening of interaction with external professionals to broaden perspectives and encourage diverse thinking - Further enhancement of capability development measures by rank
	Further promotion of the creation of comfortable workplaces	- Considering measures for health management - Implementation of smoking cessation program - Revision of the leave system	- Support for promoting health (ongoing smoking cessation program, support for the use of sports gyms, etc.) - Support for balancing work and family care
	Promotion of development of DX human resources	- Evaluation and strengthening of development programs - Launch of second-phase programs	- Continued implementation of development programs - Implementation of practical training for people who completed the first-phase program
	Strengthening of support for overseas business activities	- Strengthening of overseas safety measures - Launch of material support services for employees stationed overseas - Enhancement of support for administrative procedures for employees with overseas assignments - Implementation of training for staff of overseas subsidiaries	- Continued implementation of overseas safety measures - Continuation of material support services for employees stationed overseas - Continuation of enhancement of support for administrative procedures for employees with overseas assignments - Continuation of training for staff of overseas subsidiaries
	Promoting better performance of diverse human resources	Increased hiring of mid-career human resources	Continued efforts for hiring of mid-career human resources
	Upgrading and renovation of employee welfare facilities	Planning of upgrades for dormitories in the Kansai area	- Design and construction work for dormitories in the Kansai area - Considering upgrading company housing in the Kanto area - Consideration of upgrading of dormitories and company housing at the Aichi Works



The NOF Group believes it important for companies to contribute to the sustainable development goals (SDGs) adopted by the United Nations in 2015. We aim to contribute to the SDGs through initiatives for materiality as presented in the table below.

Materiality	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Provide new values to realize a prosperous and sustainable society																	
Innovation through businesses									●			●					●
Contribute to the Life/Healthcare field			●									●					
Contribute to the Environment/Energy field						●	●					●	●	●	●		
Contribute to the Electronics/IT field (smart society)									●			●					
Strengthen the business foundation																	
Create a comfortable workplace					●			●		●							
Better performance of human resources				●	●			●		●							
Promotion of CSR-based procurement												●			●	●	●
Resilience enhancement											●	●					
Promote Responsible Care activities																	
Response to climate change							●					●	●				●
Chemical safety			●			●						●		●	●		●
Promote occupational safety and health			●					●									



Policy Statement | Contribution to the SDGs

GRI 2-23





Digital Transformation (DX) Strategy

GRI 203-2

Through DX, NOF aims to continue to be a company where all employees are highly motivated to engage in creative work and promptly provide high-quality products and services that anticipate the needs of customers and society. To this end, we will utilize digital data and technology to strengthen our ability to develop new products and technologies and improve productivity. Under the theme of the DX strategy, “Development of DX human resources and promotion of business improvement and efficiency through digitalization,” we have established the following three priority items: ❶ Systematic development and securing of DX human resources, ❷ Establishment of a control mechanism for full-fledged DX, and ❸ Development of a data utilization environment. By implementing these items, we will provide value to our customers and to society in the form of more sophisticated marketing, strengthened R&D capabilities, and improved productivity and quality, and to our employees in the form of automation and streamlining of operations, and reform of work styles.

DX Strategy		
Develop DX human resources and promote business improvement/efficiency through digitalization		
Priority Items		
	❶ Systematic development and securing of DX human resources	(1) Develop human resources to promote DX at divisions and sites (2) Improve DX literacy
	❷ Establishment of a control mechanism for full-fledged DX	(1) Establish controls related to app development and data utilization
	❸ Development of a data utilization environment	(1) Promote utilization of data from enterprise resource planning (ERP) systems (2) Develop the data utilization environment by business domain



Digital Transformation (DX) Strategy

GRI 203-2

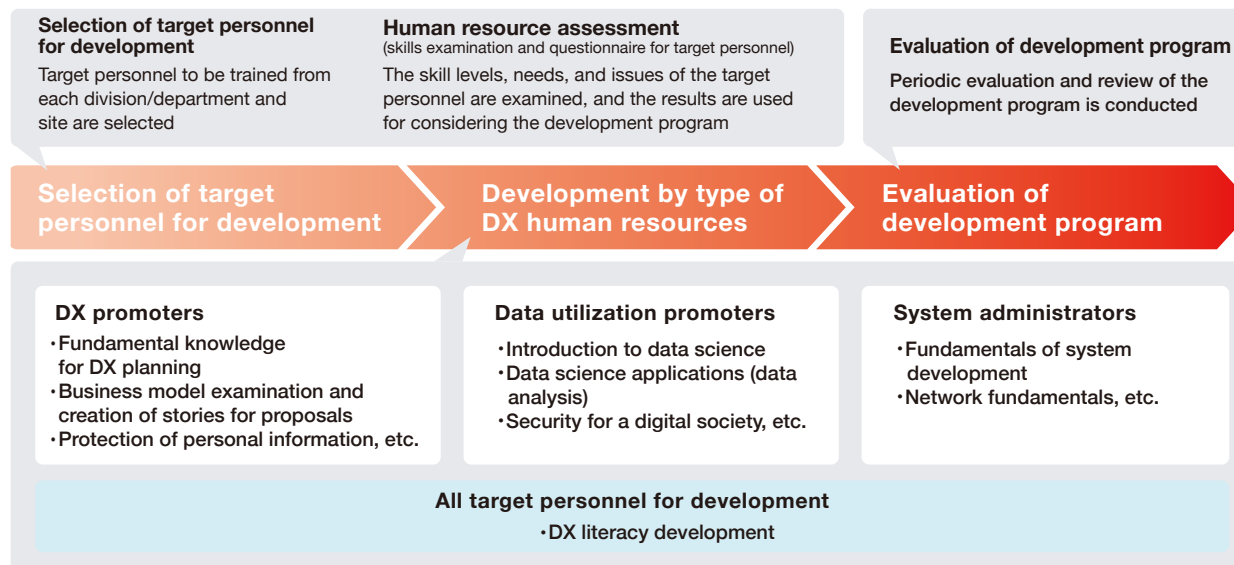
“DX Human Resources” Development Program

Personnel selected for development from each division and site acquire specialized skills and knowledge depending on their human resource type. In addition to the standard program, we also implement individual development based on the results of a questionnaire survey for target personnel. Personnel who complete the development program are certified as “DX human resources” and go on to play an active role in promoting DX in each division. The number of participants in fiscal 2024 was 66.

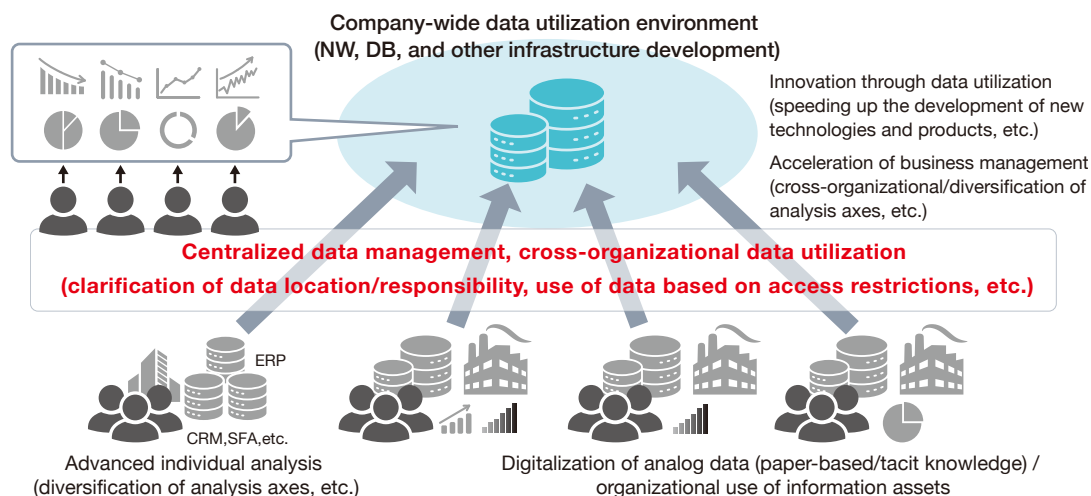
Future vision of the data utilization environment

To realize innovation and improved productivity through data utilization, we will develop the data utilization environment. In addition to infrastructure development, we are also looking into the development of a data management system, including rules and organization. We will establish an environment and structure to optimize manufacturing processes, improve defect rates, optimize inventories, automate production planning, conserve energy, streamline R&D operations, promote the use of intellectual property, strengthen preventive maintenance, promote occupational health and safety, visualize skills, and pass on know-how.

Overview of the “DX Human Resources” Development Program



Future vision of the data utilization environment





Corrective Process Against Negative Impacts

Message from the CCO

GRI 2-12,16,22,23,24,25,26



Working Toward a Future Where Each Person's Actions Build Trust

Director and Executive Operating Officer; CCO **Manabu Saito**

Striving to Remain a Company Needed by Society

I would like to express my heartfelt gratitude for your continued support. I would also like to sincerely thank for reading our Sustainability Report.

The society we live in faces challenges of unprecedented complexity, including pandemics, geopolitical risks, climate change, and rapid digitalization. Against this backdrop, the role corporations are expected to play is becoming increasingly important. Companies are now called upon to contribute to the realization of a sustainable future through activities that emphasize transparency, fairness, and social responsibility.



Corrective Process Against Negative Impacts | Message from the CCO

GRI 2-12,16,22,23,24,25,26

At the NOF Group, using the NOF Group Corporate Code of Ethics and the Compliance Manual as our foundation, we strive to ensure that each and every employee acts ethically in all aspects of their daily work. These efforts build trust with all of you and reinforce our significance as a company needed by society in every era.

NOF's compliance initiatives

Compliance is not limited to obeying laws and regulations; it is the foundation for being a trusted company that acts in good faith. In recent years, initiatives in areas such as anti-bribery efforts, human rights due diligence, and harassment prevention have become the key to enhancing corporate credibility.

NOF has established its Anti-Bribery Policy and works to enforce it thoroughly across the entire Group, both in Japan and overseas.

With regard to respect for human rights, we have established an internal whistleblowing and consultation contact point in multiple languages, including not only Japanese but also English, Chinese, and more, in each country where we operate, creating an environment where employees can feel safe to speak up at any time.

In fiscal 2024, we received 19 reports through these contact points, nine of which concerned

harassment. We responded to each report promptly and carefully, taking necessary corrective measures to improve the workplace and prevent recurrence of issues. We believe that harassment prevention is not only a risk management measure, but also an important opportunity to create a workplace where every employee can work with peace of mind. In our awareness-raising activities through internal newsletters and other means, we have strived to help employees recognize that compliance is a familiar matter that personally concerns them. Through approachable explanatory articles using mascot characters as well as the introduction of concrete examples, we work to foster a culture in which all employees practice compliance with the aim of an "open workplace environment."

Future prospects and our responsibility to society

By putting into practice our values of "Challenge," "Fairness," and "Harmony", we aim to walk alongside all our stakeholders, strengthening our environmental conservation activities, contributions to local communities, and initiatives for respect for human rights as we continue working toward the realization of a sustainable society.

In addition, as the progress of digitalization brings increasing risks of information leaks and

cyber security issues, we have strengthened our information security policy initiatives, enforced strict security export controls of our products and technical information, and built a robust system that can comply with international regulations. Going forward, we will continue to value our relationship of trust with all of you as we strive for further sustainable growth.

Finally, the trust each of you places in us is the NOF Group's greatest asset. We sincerely ask for your continued warm support.





Corrective Process Against Negative Impacts | Risk Management

GRI 2-12,16,25/403-2

Policy (our fundamental view)

Recognizing the various risks surrounding the NOF Group, we promote risk management initiatives with the aim of preventing the occurrence of loss risks and minimizing their impact when they do occur, thereby contributing to the achievement of management strategy targets.

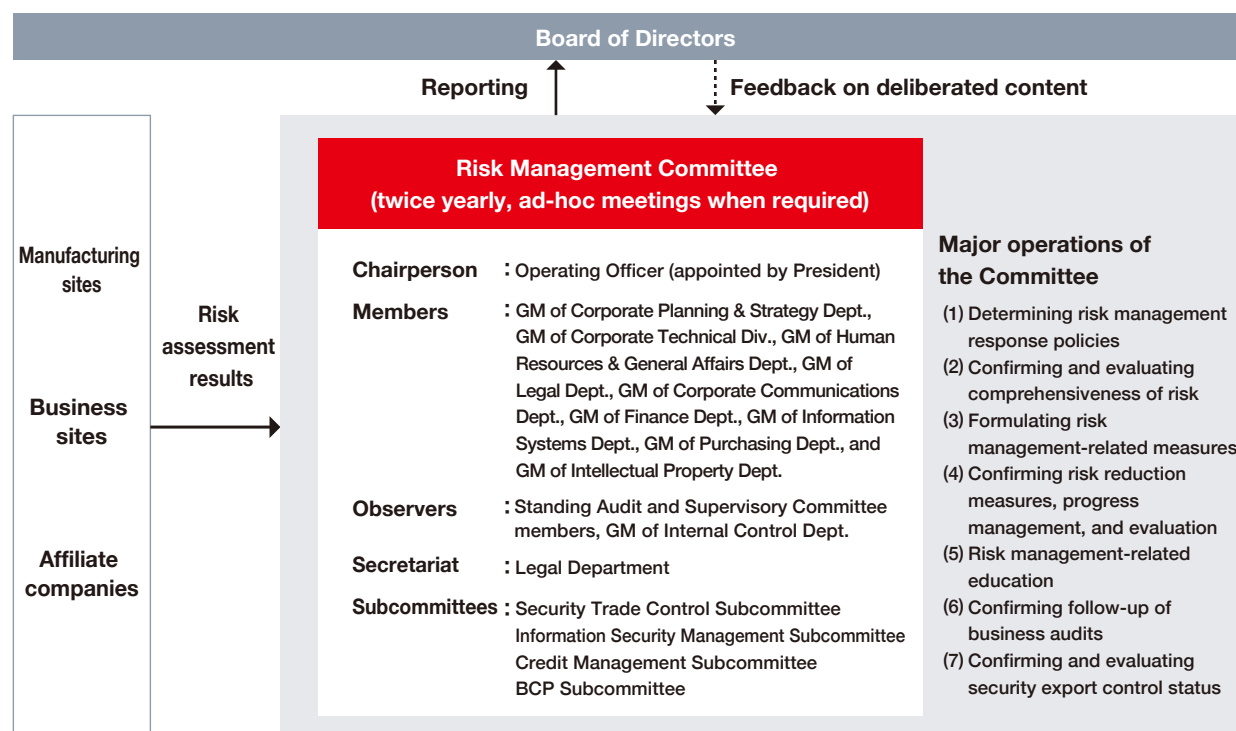
- (1) The NOF Group comprehensively identifies various management risks surrounding its business, and conducts risk assessment based on the impact and frequency of each factor in order to identify risks that need to be addressed as a priority.
- (2) According to the characteristics of the identified risks, We work to minimize the impact on management by taking appropriate measures to reduce the impact of risks that have materialized, as well as measures to reduce the probability of occurrence.
- (3) We work to objectively verify the effectiveness of risk countermeasures by periodically conducting risk assessments, while working to recognize and evaluate new risks.
- (4) Under the leadership of the Risk Management Committee, we promote the risk management of the NOF Group by implementing the above risk management cycle.

Organizational setup

The Risk Management Committee, the Compliance Committee, the RC Committee, and the Quality Control Committee analyze management risks, consider countermeasures, and report to the Board of Directors. The Board of Directors receives reports and deliberates as necessary on various business risks, including those related to compliance, information management, and

environment and safety, as well as confirmation and evaluation of the comprehensiveness of risks. We manage and monitor Group companies in accordance with the rules on the management of Group companies, and offer advice, as necessary; while any important matters that are deemed to materially impact our subsidiaries' assets or profit and loss are approved by the NOF Board of Directors or the Executive Committee.

Diagram of Risk Management Committee organization





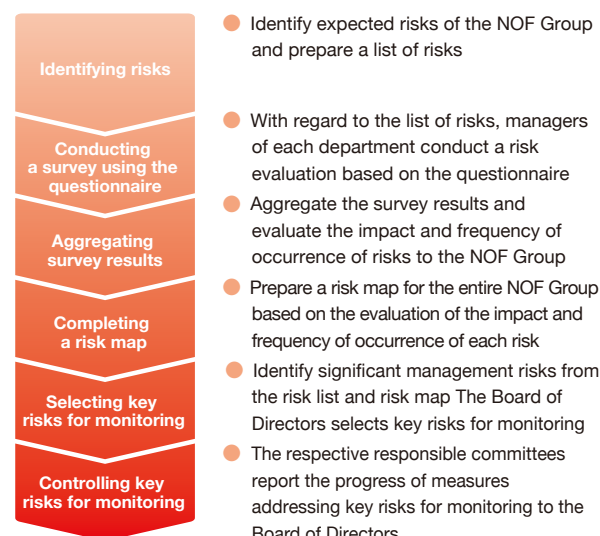
Corrective Process Against Negative Impacts | Risk Management

GRI 2-12,16,25/403-2

Risk assessment process

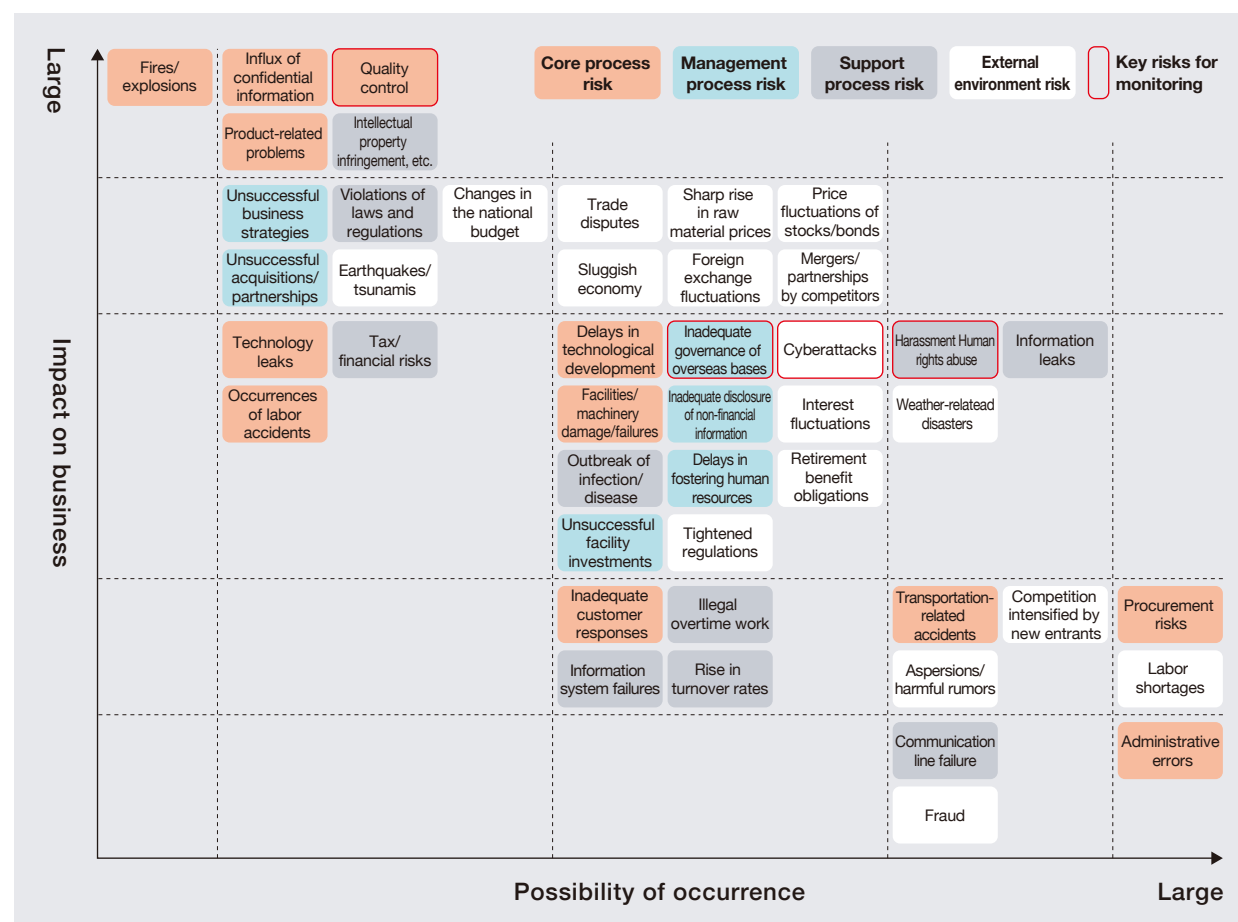
The Risk Management Committee takes the lead in preparing a list of risks in consideration of the business characteristics of each department and the environment surrounding the business, including global political, economic, and social conditions. Based on this list of risks, a questionnaire is sent to each NOF site and Group company to estimate the impact and frequency of each risk. Using the results of this questionnaire, the general managers of each division carry out risk evaluations. Based on the results, the Risk Management Committee identifies the risks whose response status should be recognized by management and consults with the Board of Directors to select the key risks for monitoring.

Flow of risk assessment



Risk map (excerpt)

The risk map is prepared based on the results of a questionnaire estimating the impact and frequency of risks at each NOF site and Group company, as well as the results of risk evaluation by managers of each department. The risk map is regularly revised and key risks for monitoring are selected in order to implement activities aimed at enhancing the NOF Group's resilience.





Corrective Process Against Negative Impacts | Risk Management

GRI 2-12,16,25/403-2

Overview and status of countermeasures of key risks for monitoring

Key risks for monitoring	Risk description	Ongoing countermeasures
Harassment / human rights abuses	Possible decline in trust in the Company due to human rights abuse, such as abuse of authority and sexual harassment at workplaces	- Revise the NOF Group Corporate Code of Ethics and the Compliance Manual - Establish a consultation service with male and female employees as well as a contact point with attorneys - Implement a company-wide employee engagement survey and feed back results to employees
Cyberattacks and information system failures	Possible information leaks and interruption of business activities, due to illicit access from external such as cyberattacks and information system failures	- Establish the information security management rules and appoint a person responsible for information security management, etc. - Develop a defense system against illicit access and implement safety measures at appropriate, rational levels - Raise the overall level of security measures at each company and promote stronger incident response capabilities
Inadequate governance of overseas bases	Possible decline in trust in the Company due to fraud, such as violations of laws and regulations, as a result of inadequate governance at overseas bases	- Develop a system for ensuring the appropriateness of business operations - Request a regular report on the state of business execution and financial conditions, etc.; conduct business audits - Strengthen communication through regular meetings with the NOF Head Office
Quality control	Possible decline in trust in the Company due to quality fraud, falsification of quality inspection results, and other situationsRisk of a significant increase in workload due to rising customer quality demands	- Ensure strict management of data related to quality control - Raise awareness and train employees - Conduct regular management audits

Overview of major risks and status of countermeasures

Major risk	Risk description	Ongoing countermeasures
Technology leaks	Possible decline in the NOF Group's competitiveness, due to leakages of technology and technical information, which allows similar products/technologies to be provided by competitors	- Establish rules for trade secrets - Develop a management system for trade secrets - Strengthen information security training for employees
Raw material procurement	Risk of social credibility falling due to human rights violations such as forced labor and child labor, or procurement of raw materials suspected to damage the environment	- Statement of compliance with the CSR Procurement Policy and CSR Procurement Guidelines in sales contracts - Ongoing supplier surveys through various questionnaires
Occupational accidents and incidents	Possible casualties among employees and neighborhood residents, possible suspension of business activities, and possible compensation for damages as a result of large-scale fires and explosion accidents at plants	- Continuously improve health and safety levels through Responsible Care activities - Strengthen the system for conducting safety assessments at the time of new construction - Formulate emergency response manuals and implement trainings - Implement joint disaster prevention drills and dialogue activities with local municipalities
Intellectual property infringement, etc.	Possible compensation for damages and possible orders to suspend manufacturing and shipment, due to infringements of intellectual property rights	- Develop a check system for intellectual property management and patent infringement - Educate employees on intellectual property including patents and trademarks
Violations of laws and regulations	Possible suspension of business activities and possible payments of surcharge, etc. following administrative dispositions taken in response to violations of laws and regulations, such as the Unfair Competition Prevention Act, Antimonopoly Act, Subcontract Act, Foreign Exchange and Foreign Trade Act, Chemical Substances Control Law, and Pharmaceutical and Medical Device Act	- Prepare a Global Compliance Manual and country-specific compliance manuals based on the legal systems of each country - Establish compliance lecture and contact points for whistleblowing/consultation - Establish a system for disseminating information on revisions to laws and regulations
Earthquakes, tsunami, infectious diseases	Possible interruption of production activities or business activities, including sales and distribution, due to earthquakes, tsunami, or other natural disasters	- Formulate a business continuity plan (BCP) - Implement flood countermeasures for critical facilities - Conduct BCP training and internal audits
Delays in fostering human resources	Possible stall in development of core human resources who will be responsible for business growth, due to a delay in implementing the human resource development plan	- Build a system for deliberation and evaluation of company-wide human resources development policy plans - Build a system to oversee progress and results related to human resources development
Inadequate disclosure of non-financial information	Possible loss of trust from stakeholders due to uncertainty about economic and environmental impact as well as social reputation	- Preparation of a roadmap for statutory disclosure - Introduction of a system to optimize the collection and aggregation of sustainability information



Information security management

(1) Management of trade secrets and protection of personal information

NOF considers information assets such as trade secrets and personal information entrusted to us by customers or business partners, or held by us, as well as systems for utilizing such information as important management resources in corporate activities. Based on the recognition that establishing robust information security for the information assets is essential for stable management, we have established the Information Security Policy as a basic principle for promoting effective utilization and protection of information assets. At the same time, based on the recognition that protecting personal information is a fundamental social responsibility, we have established and published the Privacy Policy.

Under such policies, we have set forth specific measures for enhancing the levels of confidentiality, completeness, and availability of information and specific ways of handling personal information in our internal rules and manuals and are ensuring thorough dissemination and understanding within the company. Such internal rules and manuals include: Information Security Management Rules, Personal Information Protection Rules, Provisions Related to Information Systems, Confidential Information Handling Manual, and Information Equipment Handling Manual.

(2) Management system

In the internal organizational aspect, the Information Security Management Subcommittee is set up to deliberate and make decisions on important matters related to information security. Under the Information Security Management Supervisor, who is the chairperson of the Subcommittee, document information security management supervisors, electronic information and information system security management supervisors, personal information complaints

handling supervisors, as well as a person responsible for management at each division, site, and department are appointed to manage the implementation of specific measures. Against threats such as unauthorized access from external, information leakage, falsification, and destruction, appropriate and reasonable security measures are implemented. In addition, NOF continually reviews and strives to improve the information security management and personal information protection systems and measures through internal audits.

NOF Group Information Security Policy

The NOF Group considers information such as trade secrets and personal information entrusted to us by customers or business partners, or held by the Group, as well as systems, etc. for utilizing such information (below, "information assets") as important management resources in corporate activities. Based on the recognition that establishing robust information security for information assets is essential for stable management, we have established the below Policy and ensure compliance therewith.

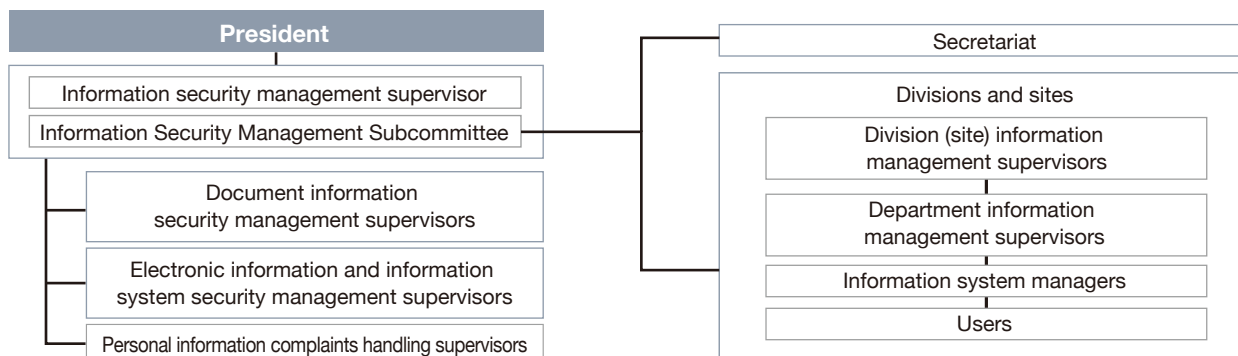
- (1) The NOF Group shall develop the information security system to further strengthen the management function of information assets.
- (2) In order to protect the information assets from leakage, falsification, and destruction, the NOF Group shall provide information security education for employees, develop regulations, and implement technical measures for information systems.
- (3) The NOF Group shall comply with laws, regulations, codes, and contractual obligations related to information security.
- (4) In the event of an information security incident, the NOF Group shall respond promptly and appropriately to each incident and prevent a recurrence.
- (5) The NOF Group shall maintain and continually improve these efforts in this Policy.



Corrective Process Against Negative Impacts | Risk Management

GRI 2-12,16,25/403-2,4

Diagram of NOF's information security management system



Risks and opportunities in information security and measures against risks

Risks and opportunities	Details	Measures
Risks	- Long-term stoppage of production, sales, and R&D activities and loss of corporate credibility due to cyberattacks (illicit access, malware infection) - Loss of corporate trust and reduction in technological competitiveness due to leakage of confidential or personal information	- Conduct self-inspections, and develop and implement improvement plans - Information sharing through meetings of IT managers at Domestic Group companies (once a year) - Conduct training on handling suspicious emails (once a year) - Respond by HDD encryption for computers taken outside the company and restrictions on the use of private storage media - Provide information security-related e-learning training for employees (once a year)
Opportunities	- Improvement of corporate competitiveness through cybersecurity measures - Earning of customer trust and enhancement of corporate brand value by strengthening information asset management - Increased employee awareness through strengthened information security	—

Promotion of the Business Continuity Plan (BCP*)

NOF has formulated a BCP to enable its core business to be continued or, if damaged, to be restored quickly while minimizing the loss of business assets in the event of a natural disaster such as an earthquake or tsunami, or an emergency situation such as the COVID-19 pandemic. The activities of the BCP Subcommittee primarily focus on the formulation of a manual to determine the responses to be implemented in normal times and in emergencies, in addition to the preparation and yearly renewal of information on the estimated damages to plants and various government, infrastructure, and supply chain-related information required for resuming operations. Additionally, the BCP Subcommittee performs annual internal audits and training in an effort to firmly establish the BCP and enhance its effectiveness.

In fiscal 2024, based on the results of training from the previous fiscal year, we conducted company-wide joint training on the assumption of complex risks, including cyberattacks on overseas bases and the evacuation of Japanese employees from other countries. The training focused on smooth information sharing and cooperation between the Emergency Headquarters at the Head Office and local bases to verify the effectiveness of the BCP.

*BCP is an acronym of Business Continuity Plan. The plan illustrates policies, systems, and procedures designed to prevent important operations from being interrupted, or, if business is interrupted, that it is restored within the shortest possible timeframe even in the face of unforeseen events, such as a major earthquake or other natural disaster, the spread of infectious disease, a terror attack or other incident, a major accident, a disrupted supply chain, or a sudden change in the business environment.



Corrective Process Against Negative Impacts | Compliance

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

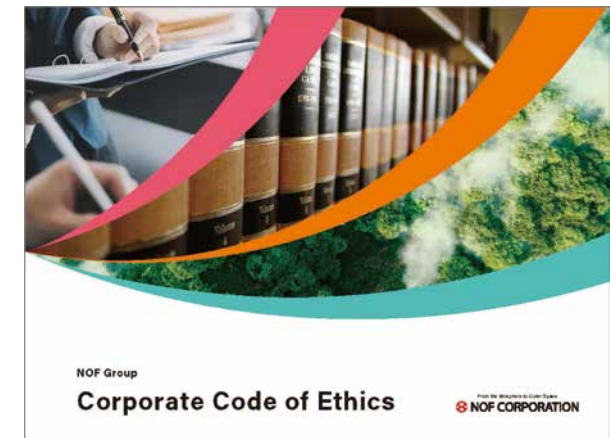
Policy (our fundamental view)

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

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.



Corrective Process Against Negative Impacts | Compliance

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

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.

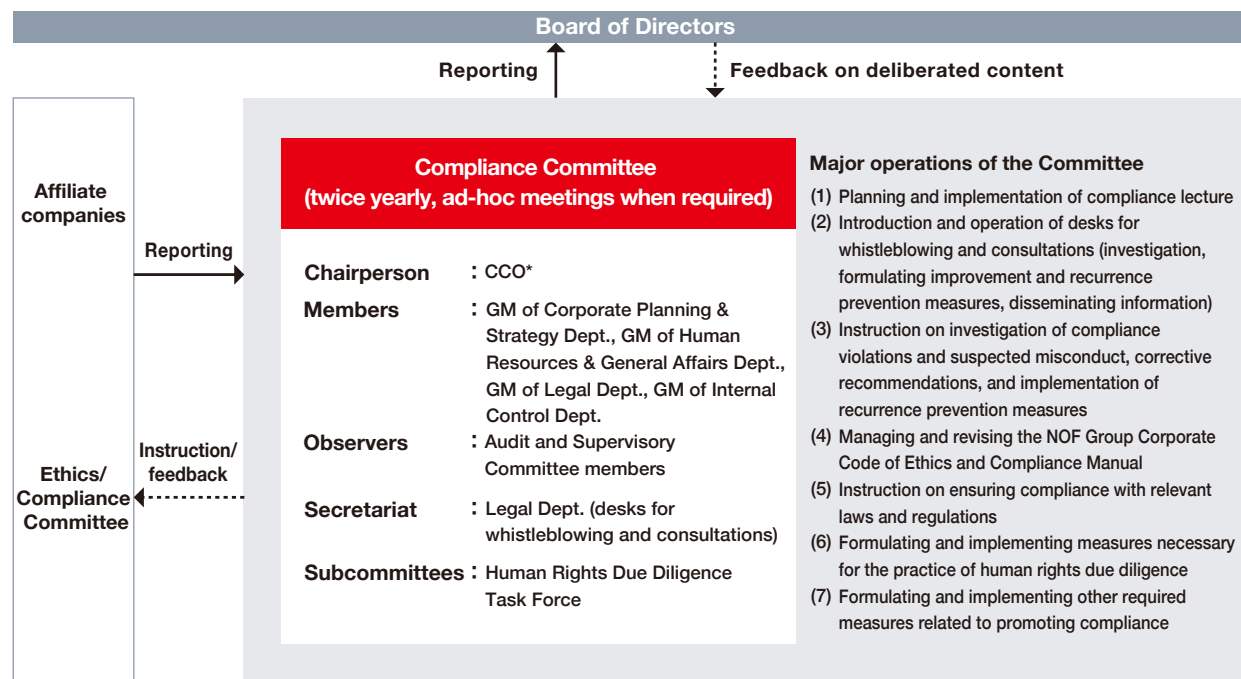
Compliance Manual

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.



Corrective Process Against Negative Impacts | Compliance

GRI 2-12,16,25,27/3-3/205-2,3/206-1/415-1

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
	Harassment in the workplace	Harassment
2023	Applying the corporate philosophy to operations	Other
	Appropriate guidance and abuse of authority	Harassment
	If you notice a suspicious email	Information
	Export of product and technical information	Security export
	What acts constitute "abuse of authority"?	Harassment
2024	Reporting results of employee engagement surveys	Human rights
	Initiatives for environmental conservation activities	CSR
	Handling of confidential information	Information
2025	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 NOF (Thousand yen)					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Amount of political contributions	210	209	359	310	300



Corrective Process Against Negative Impacts | Compliance

GRI 2-12,16,25,27/3-3/205-2

Risks and opportunities for compliance

Risk items	Larger risks caused by individual risks	Risk response status (summary)	Opportunities
Insider trading Embezzlement and breaches of trust Bribery Accounting fraud and window dressing Transactions with antisocial forces Inadequate governance of overseas subsidiaries and bases	- 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 - 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	- Relevant items were published in the NOF Group Corporate Code of Ethics and Compliance Manual to educate and raise awareness of Group employees - The Group-wide Anti-Bribery Policy and Tax Policy were established and announced internally and externally - Regulations for prevention of insider trading were formulated and put into operation - 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	- Improvement of reputation as a company highly trusted by society - Stabilization of the business foundation
Violations of laws and regulations Contract deficiency problems False reports to government agencies, etc. Illegal overtime work Employee misconduct (drugs, drunk driving, groping, etc.) Tightened regulations Difficulty (inability) to ship	- 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 - Decline in trust from society due to criminal acts by employees - Surging costs to comply with tightened regulations	- 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 - In response to tightening regulations, we systematically implemented measures to deal with plants and worked to optimize costs	- Securing of an advantage over competitors by establishing a system to adapt to revisions of laws and regulations - Securing of trust from society
Mental illness Harassment / human rights abuses	Receipt of compensation claims due to mental illness caused by work-related stress, harassment, or human rights violations	- Employees undergo "stress check" examinations to understand organizational stress and strengthen awareness of self-prevention - We established a support system through the enactment of Rules for Handling Return-to-Work Support Programs - We raise awareness of harassment through articles published in our in-house newsletters (NOF News) - We promote the effective utilization of an environment for viewing educational materials using the company intranet	Securing of a stable workforce and improving trust from society by establishing a system of mutual trust with employees



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

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



Mechanisms for Requesting Advice and Raising Concerns

GRI 2-26

Whistleblowing system

Consultation desks in Japanese, English, Chinese (Simplified Chinese), Korean, Indonesian, and Portuguese have been set up at external third-party institutions as contact points for whistleblowing / consultation in overseas countries where NOF's business bases are located. Employees can contact the desks if they become aware of a violation or potential violation of compliance rules.

Persons who report or consult on a violation or potential violation of compliance rules will not be treated disadvantageously because of the report or consultation, and the report or consultation will be handled with confidentiality. This system and contact points are communicated to executives and employees of the Group companies worldwide on a regular basis.

In fiscal 2024, there were 19 whistleblower cases, an increase from the previous fiscal year, and the share of harassment cases remained high. In addition, we carefully investigated the facts of any report promptly and without searching for the whistleblower, and took necessary corrective actions and measures to prevent recurrence.

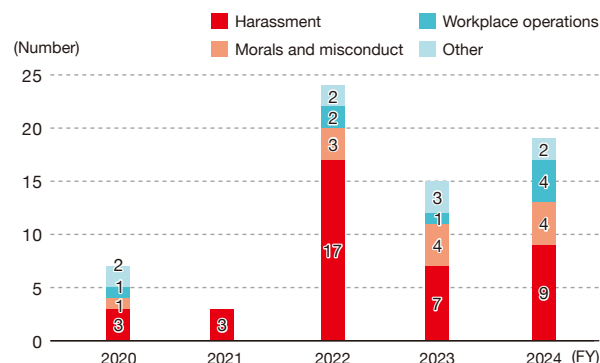
Any matters deemed to be in violation of compliance will be handled in accordance with the Compliance Committee regulations. The Compliance Committee will instruct the relevant departments to investigate the facts, issue requests, and if necessary, provide corrective

recommendations and implement measures to prevent recurrence.

As a result of these activities, there have been no cases of violations of laws and regulations over the past five years.

We will continue to create a better environment by understanding the purpose of the whistleblowing system and by appropriately operating the system to respond to misconduct, corruption prevention, human rights violations, harassment, etc. in a timely manner before they become serious incidents.

Changes in whistleblowing incidents over the past five years



Number of whistleblowing incidents NOF Group

FY2024 **19 cases**

Of these	
Harassment	9 cases
Morals and misconduct	4 cases
Workplace operations	4 cases
Other	2 cases

Addressing sexual harassment / power harassment (abuse of authority workplace bullings)

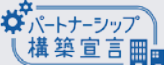
The NOF Group has declared its position to prevent and prohibit sexual harassment and power harassment in the NOF Group Corporate Code of Ethics, the Compliance Manual, and other internal notifications, and is taking steps to make the Code of Ethics and other relevant norms extensively known and understood. For consultation desks regarding sexual harassment and power harassment, one each of male and female consultants who took a course is appointed in consideration of making workplaces transparent and pleasant.



Membership in Associations

GRI 2-28

Participation in external initiatives

Name		Date of affiliation
RSPO		Joined October 2012
JaSPON		Participant since April 2019
Keidanren Declaration of Biodiversity and Action Policy (2018 revised edition)		Participant since 2014
Forest Creation with Corporate Participation of Oita Prefecture		Participant since January 2025
Forest Restoration Partner System of Kanagawa Prefecture		Participant since June 2023
TCFD		Supported since April 2022
TNFD		Participant since January 2025
Council on Promoting Partnership Building for Cultivating the Future		Participant since July 2022
GX League		Participant since April 2024

Membership in Associations

Name	Administration division/department
Japan Chemical Industry Association	Human Resources & General Affairs Department, Corporate Technical Division, Functional Materials Division
Japan Marine Oil Association	Functional Foods Division, Purchasing Department
Japan Cosmetics Suppliers Association	Functional Materials Division
Keidanren Initiative for Biodiversity Conservation	Corporate Technical Division
Japan Surfactant Industry Association	Functional Materials Division
Oil & Fat Industry Kaikan	Functional Materials Division, Functional Foods Division
Japan Oil Chemists' Society	Functional Materials Division, Functional Foods Division
The Chemical Society of Japan	Corporate R&D Division
The Society of Polymer Science, Japan	Corporate R&D Division
Japan Explosives Industry Association	Explosives & Propulsion Division
Japan Explosives Safety Association	Explosives & Propulsion Division
Sporting Arms Ammunition Manufacturer's Association Japan	Explosives & Propulsion Division
Japan Association of Defense Industry	Explosives & Propulsion Division
The Society of Japanese Aerospace Companies	Explosives & Propulsion Division
Japan Soap and Detergent Association	Functional Materials Division, Purchasing Department
The Japan Society of Drug Delivery System	Life Science Division
The Japan Society for Biomaterials	Life Science Division
Japan Margarine Shortening & Lard Industries Association	Functional Foods Division, Purchasing Department
Japan Inorganic Chemical Industry Association	Functional Materials Division
Japan Organic Peroxide Association	Functional Materials Division
Japan Contact Lens Association	Life Science Division
The Japan Fair Trade Council of the Medical Devices Industry	Life Science Division
Center for Information on Security Trade Controls (CISTEC)	Legal Department
Japan Environmental Management Association for Industry	Corporate Technical Division
Keidanren (Japan Business Federation)	Human Resources & General Affairs Department
Japan Investor Relations Association	Corporate Communications Department
Technology Institution of Industrial Safety	Corporate Technical Division
Research Institute for Safety Engineering	Corporate Technical Division
The Medium and Small Business Research Institute	Human Resources & General Affairs Department
Japan Industrial Safety & Health Association	Corporate Technical Division
The Tokyo Chamber of Commerce and Industry	Human Resources & General Affairs Department
Japan Society for Safety Engineering	Corporate Technical Division

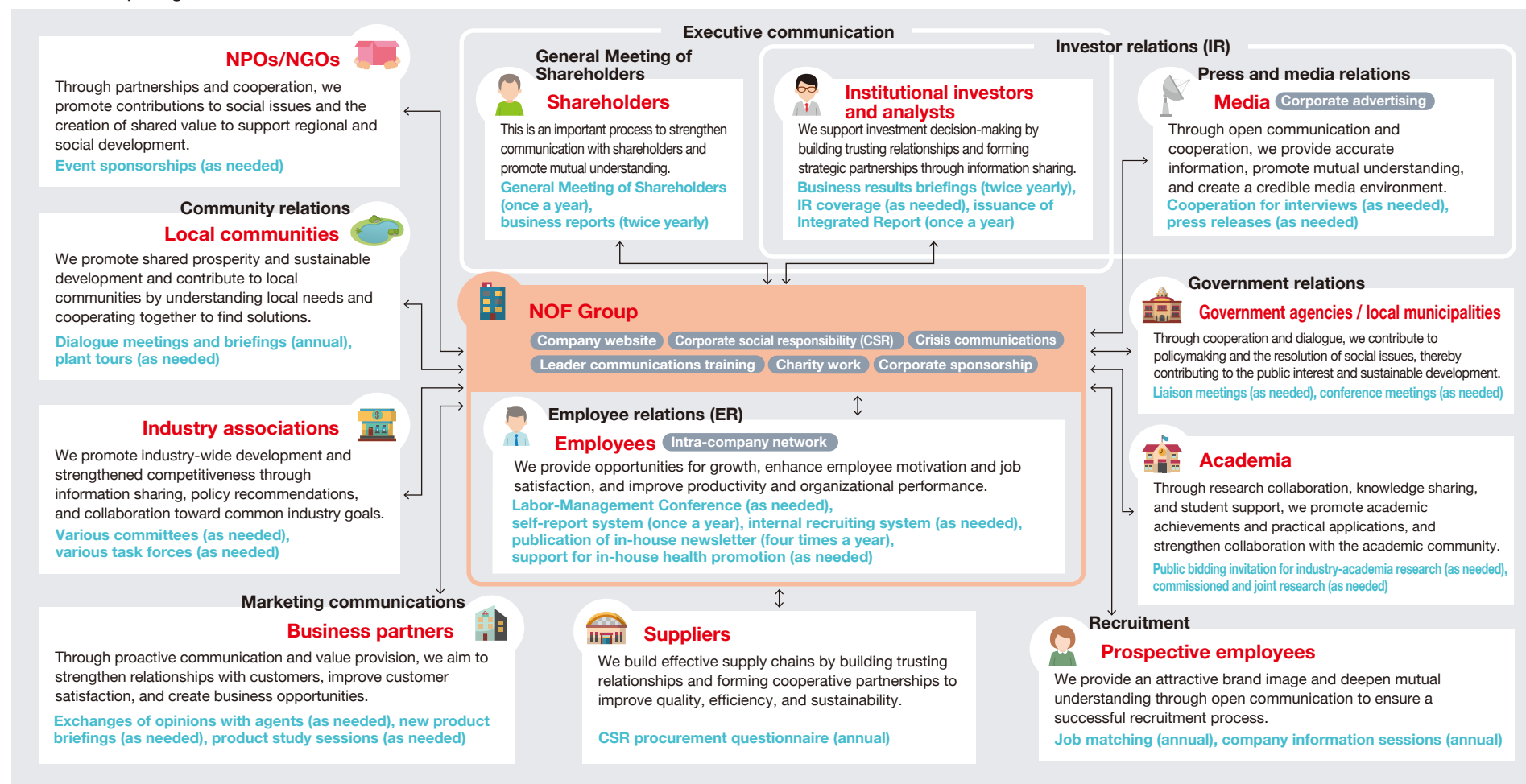


Stakeholder Engagement | Approach to Stakeholders

GRI 2-29

Stakeholder engagement is essential to ensure the long-term growth and the sustainability of a company. Through two-way communication with stakeholders, we improve the quality of our products and services, and thus ensure the value and credibility of the Company. We also aim to create innovation and new business opportunities through cooperation with stakeholders.

Relationship diagram between NOF and stakeholders





Information Disclosure

In today's age of ceaseless globalization and advancement in information technology, disclosure of corporate information has become indispensable in order for an entity to fulfill its responsibility to society. Disclosure of corporate information is also becoming increasingly important for the NOF Group as we strive to win the trust of society as an "open corporation" both inside and outside the Group. The NOF Group engages in timely disclosure of its corporate information including management information and business activities to its shareholders and the capital markets in accordance with relevant laws and regulations, such as the Companies Act and Financial Instruments and Exchange Act.

Notice of General Meeting of Shareholders

NOF sends its Notice of Annual General Meeting of Shareholders around 21 days in advance of the meeting. In addition, we strive to provide information promptly by disclosing both Japanese and English versions as digital information around 28 days in advance of the date of the meeting.

Issuance of the Integrated Report and Sustainability Report

The Environmental Reports (Report on Responsible Care Activities), which were published since fiscal 1995, have been revised as the CSR Report since

fiscal 2015. The Report reports on CSR activities of the NOF Group. Between fiscal 2020 and 2023, we issued the ESG Data Book to complement our Integrated Report and other information. In fiscal 2023, the ESG Data Book was revised as the Sustainability Report, and we are working to enhance the information in the Report.

Business results briefings

The NOF Group conducts IR activities geared toward shareholders and investors based on a focus on the reliability and fairness of its investment information. We make efforts to provide timely, appropriate, and fair disclosures by holding business results briefings for institutional investors twice yearly and posting briefing materials on our website for general investors. Additionally, in fiscal 2024, the NOF Group held 277 meetings for institutional investors and analysts.

Information dissemination

The NOF Group proactively disseminates information on new products and technologies. In fiscal 2024, in addition to 48 news releases, we actively responded to mass media and other coverage, which resulted in 78 mentions of NOF Group businesses in the press. We also present NOF Group products at various exhibitions and trade shows.

Fair disclosure

Fair disclosure rules legally mandating fair disclosure of information by listed companies were introduced following the enforcement of the Amended Financial Instruments and Exchange Act on April 1, 2018. NOF discloses information in a timely and appropriate manner in accordance with various laws and regulations, including the Financial Instruments and Exchange Act and the Rules on Timely Disclosure set by the Tokyo Stock Exchange. In addition, among information that does not fall under the scope of the Rules on Timely Disclosure, we conduct fair and impartial disclosure of information that we consider to have a significant impact on the investment decisions of shareholders and investors, and we have made the "Disclosure Policy" available on our website.

Web accessibility

NOF aims to provide a website that is easy for anyone to use, with consideration aimed at being user-friendly for a variety of customers, including elderly people and people with disabilities. We will continue our efforts to ensure and improve accessibility in order to provide a website compliant with JIS X 8341-3:2016 level AA that our customers can use with peace of mind.

[Click here for details on accessibility](https://www.nof.co.jp/english/company/accessibility)

<https://www.nof.co.jp/english/company/accessibility>



Naruhodo NOF!

We launched “Naruhodo NOF!” on the Company website to introduce the businesses of the NOF Group. We take care to use easily understood, user-friendly terms in an effort to further the understanding of the general public in respect of the Group’s businesses.





Economy

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Environmental Accounting

GRI 201-1/302-1,4/303-1,4,5/306-1,3,5

Environmental accounting*¹ of the Domestic Group in fiscal 2024 is stated below. The period covered is from April 1, 2024 through March 31, 2025.

Environmental expenses NOF Group		(Unit: millions of yen)	
Category	Details of major initiatives	Investments	Expenses
(1) Business area expenses	-1 Pollution prevention	Upgrade of steam ejectors, enhancement of wastewater treatment plants	238 1,095
	-2 Global environmental conservation	Upgrade to high-efficiency plants, replacement of fluorescent lights to LEDs	951 625
	-3 Resource recycling	Upgrade of resource recycling plants, industrial waste treatment expenses	8 956
(2) Upstream/downstream expenses	Expenses for more eco-friendly containers and packaging materials	10	5
(3) Management activity expenses	Environmental audits, improvements, personnel costs	0	526
(4) R&D expenses	Curbing environmental impact	0	0
(5) Community activity expenses	Expenses related to supporting regional environmental conservation activities	0	9
(6) Environmental damage response expenses		0	243
(7) Other expenses		20	0
Total*²		1,227	3,459

Environmental conservation results NOF Group			
Category	Item	FY2024	vs. FY2023
(1) Environmental conservation results from resources used in business activities	Total energy input (thousand GJ)	2,903	(6)
	Total substance input (thousand tons)	224	(24)
	Water resource input (thousand m ³)	7,886	(472)
(2) Environmental conservation results from environmental impact and waste materials generated from business activities	Greenhouse gas emissions (thousand tons of CO ₂)	151	(18)
	Production activities: Energy-related	137	(6)
	Production activities: Other	14	(3)
	Transportation-related	8	(2)
	Emissions of PRTR Act-controlled substances (tons)	135	(32)
	Plant emission volumes (tons)	24,298	1,757
	Final disposal of waste by landfill (tons)	1,058	441
	Wastewater volume (thousand m ³)	6,004	(86)
	COD emissions (tons)	153	(18)
	NOx emissions (tons)	46	(12)
	SOx emissions (tons)	5	(3)

Real economic effects NOF Group		(Unit: millions of yen)	
	Details of effects	Sum	
(1) Profits	Business income from recycling of waste from main business or recycling of used products, etc.	88	
	Other business income	0	
(2) Costs saved	Reduction in energy cost by energy saving	19	
	Reduction in waste disposal ensuing from material saving or recycling	29	
	Other reductions	2	
Total*²		138	

Changes from the past NOF Group						
Category	Item	FY2020	FY2021	FY2022	FY2023	FY2024
Environmental expenses*³	Investment (million yen)	1,203	1,300	1,140	952	1,227
	Expenses (million yen)	3,136	3,155	3,448	3,135	3,459
Environmental conservation results from resources used in business activities	Total energy input (thousand GJ)	3,247	3,377	3,112	2,909	2,903
	Total substance input (thousand tons)	231	261	236	248	224
	Water resource input (thousand m ³)	8,319	8,420	8,498	8,358	7,886
	Greenhouse gas emissions (thousand tons of CO ₂)	195	198	185	169	151
Environmental conservation results from environmental impact and waste materials generated from business activities	Production activities: Energy-related	167	172	149	143	137
	Production activities: Other	20	18	27	17	14
	Transportation-related	8	9	10	10	8
	Emissions of PRTR Act-controlled substances (tons)	147	155	143	167	135
	Plant emission volumes (tons)	28,955	29,164	25,157	22,541	24,298
	Final disposal of waste by landfill (tons)	1,588	950	1,095	617	1,058
	Wastewater volume (thousand m ³)	6,552	6,642	6,421	6,090	6,004
	COD emissions (tons)	219	154	148	171	153
	NOx emissions (tons)	57	55	55	58	46
	SOx emissions (tons)	4	5	7	8	5

*¹ Environmental Accounting is a framework for quantitatively measuring and communicating the costs of environmental conservation activities in business activities and the effect gained by those activities by the monetary unit or material quantity. The purpose of this is to efficiently and effectively promote initiatives for environmental conservation while maintaining a good relationship with society.

*² The total may not match the sum of the individual values due to rounding.

*³ Environmental conservation expenses: FY2020 to FY2022 (covers the domestic NOF Group), FY2023 to FY2024 (covers the NOF Group, including two major overseas affiliates)



Pensions and Retirement Plans / Procurement Practices

GRI 201-3/204-1

Pensions and retirement plans

NOF has a funded defined benefit corporate pension plan to provide for the payment of retirement benefits to employees. Points are accumulated on the basis of qualifications and years of service under the human resources system, and an annuity or lump-sum payment is provided.

The funding ratio of pension assets relative to the policy reserves of the defined benefit corporate pension plan as of March 31, 2025, is as follows. Note that it exceeds the criteria on an ongoing^{*1} and non-ongoing^{*2} basis.

Pension assets	¥23,760 million
Policy reserves	¥19,111 million
Funding ratio	124.3%

Procurement practices

At NOF, purchases of main and auxiliary raw materials are made, in principle, by the Head Office. However, for items that are more advantageous to purchase at a particular location due to the location conditions of the supplier or the particulars of the transaction, items that require prompt delivery, or items that are purchased in small quantities, purchases are made by the works or plant (location-based purchasing).

^{*1} Ongoing basis criteria :The funded level required for pension benefits assuming that the plan will continue in the future

^{*2} Non-ongoing basis criteria :The funded level corresponding to pension benefits if the plan were to be terminated as of the end of the fiscal year



The NOF Group's Tax Policy

The NOF Group shall fulfill its social responsibilities with high ethical standards by adhering to this Tax Policy in accordance with the NOF Group Corporate Code of Ethics, which serves as the foundation for the implementation of our corporate philosophy.

We shall work to appropriately pay taxes while ensuring tax compliance and transparency, thereby earning the trust of all stakeholders.

1. Tax compliance

The NOF Group shall ensure compliance with the tax laws and related regulations of each country and region. We shall also conduct business activities in compliance with standards issued by international organizations such as the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by the OECD (hereinafter, "OECD Guidelines").

2. Tax governance

The NOF Group shall strive to manage and reduce tax risks by ensuring that a group tax management system is in place to ensure appropriate tax operations, with the Officer in charge of the Finance Department as the final person responsible. The NOF Group shall work to optimize tax costs by making appropriate use of tax incentives while complying with the tax laws and related regulations of each country and region.

3. International taxes

The NOF Group shall conduct its business activities in compliance with the tax laws and related regulations of each country and region, tax treaties, and standards issued by international organizations, such as the OECD Guidelines. We will not engage in intentional tax avoidance through the use of tax havens that do not have a business purpose or do not exist. For international transactions among Group companies, we will comply with transfer pricing taxation and the OECD Guidelines, and strive to appropriately distribute income to each country by setting prices in accordance with arm's length pricing.

4. System

The NOF Group shall work to establish a system that enables the spread and establishment of tax knowledge among management and employees in order to ensure appropriate tax operations. In the Finance Department, the Group will train and hire human resources with tax experience, plan training and other programs to ensure that staff obtain and maintain an appropriate level of specialized knowledge, and aim to ensure appropriate tax compliance. In cases where tax interpretations are unclear, we will obtain advice from outside experts as necessary. Internal training will be provided to employees and others outside the Finance Department to ensure that tax knowledge spreads widely.

5. Relationship with tax authorities

The NOF Group shall work to build sound, good trusting relationships with tax authorities in the countries and regions in which it conducts business activities. We will respond to and cooperate with investigations and inquiries by tax authorities in good faith, with timely and appropriate disclosure of information.



RC (Responsible Care) [Environment and Chemical Safety]

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Climate Action and Natural Capital

Disclosure in Line with TCFD/TNFD Recommendations

Policy (our fundamental view)

Responding to climate change and conserving natural capital (biodiversity, water, etc.) are urgent, shared global challenges. Failure to address them would entail a wide range of threats including extreme weather events, food crises, and the depletion of water resources. The Paris Agreement and the Kunming-Montreal Global Biodiversity Framework both emphasize the importance of corporate action in resolving these issues.

Support for and engagement with the TCFD and TNFD recommendations

- ① In April 2022, the NOF Group announced its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We also endorsed the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and joined the TNFD Forum in January 2025.
- ② Based on both the TCFD and TNFD recommendations, the Group will work to reduce climate change- and natural capital-related risks and

create opportunities for growth, as well as expand our information disclosure.

- ③ By engaging in information disclosure according to both the TCFD and TNFD recommendations, the NOF Group will co-create new value with the power of chemistry toward the realization of a prosperous and sustainable society as stated in the NOF VISION 2030.





Policy on climate change

Policy on greenhouse gas reduction

Climate change is primarily caused by the increase in greenhouse gas emissions resulting from fossil fuel consumption. Its negative impacts are already evident in the growing frequency of natural disasters such as heavy rainfall and flooding, the depletion of food and water resources, extreme heat, and the spread of infectious diseases. This poses significant threats to our lives and ecosystems.

NOF supports the goals of the Paris Agreement to keep the rise in the global average temperature well below 2°C above pre-industrial levels (the “2°C target”), and pursuing efforts to limit the increase to 1.5°C wherever possible.

To help mitigate climate change and realize a decarbonized society, we aim to achieve carbon neutrality by 2050. As an interim target for greenhouse gas (GHG) emission reductions, we have set a target of reducing emissions by 40% or more by fiscal 2030 compared with fiscal 2013 levels, and we are actively working to reduce GHG emissions.

Our focus goes beyond reducing our own GHG emissions to encompass our supply chain, as we contribute to climate change mitigation through raw material procurement, efficient delivery, and the provision of environmentally friendly products and services. We are determined to take action and grow with society for a sustainable future.

GHG reduction strategy

We have established and disclosed our Management Policy Regarding Responsible Care as well as CSR Procurement Policy, declaring our commitment to GHG reduction measures across the entire supply chain.

To implement these policies, we have set Responsible Care guidelines within the Group that address climate change mitigation and adaptation, biodiversity, resource recycling, research and development, and manufacturing.

At our production sites, we are promoting the shift to lower-impact energy sources for Scope 1, improving energy efficiency for both Scope 1 and Scope 2, and responding in line with each category of Scope 3. We are also working on research and development for environment-related product lines that contribute to climate change mitigation and adaptation.

For externally procured raw materials, we have established our CSR Procurement Guidelines to promote the procurement of materials with low environmental impact. To this end, we work to raise supplier awareness, participate in the Declaration of Partnership Building with suppliers to put these principles into practice, and advance sustainable procurement activities.

Furthermore, as part of the Japan Chemical Industry Association’s Responsible Care initiatives, we actively participate in dialogue with suppliers and local communities.

Moreover, we are pursuing decarbonization innovations throughout the supply chain. This includes

industry-academia collaborative projects focused on the research and development of biomass-derived materials and the effective utilization of unused exhaust heat.

Through these initiatives, we are reducing GHG emissions under Scope 3 and enhancing the overall sustainability of our entire supply chain.

Activities through industry associations

With an eye to achieving carbon neutrality by 2050 and driving social transformation, NOF is taking on the challenge of green transformation (GX) and has joined the “GX League,” in which companies pursuing sustainable growth in present and future society collaborate with corporations, government, and academia engaging in similar initiatives. In addition, we are members of many industry associations, including the Japan Chemical Industry Association (JCIA), where our President and Chief Executive Officer serves as a director. We actively incorporate and leverage in our daily activities the policies and latest developments discussed in these associations regarding climate change solutions. In addition, while working on the goals of each association, we ensure alignment so that these goals are consistent with NOF’s own policies and strategies.

Furthermore, in the Japan Soap and Detergent Association (JSDA), of which we are also a member, our President and Chief Executive Officer and other NOF executives serve as directors and periodically assume the role of chair of the Environmental Committee, striving to address industry-wide environmental issues.



Policy on natural capital

NOF's initiatives to protect natural capital

The NOF Group places great importance on actively protecting and restoring natural capital. To this end, we have formulated the following policies.

- In order to minimize the impact of our business activities on natural capital, we conduct environmental impact assessments, identify risks, and implement countermeasures.
- We require our employees to comply with international guidelines, laws, and regulations related to natural capital and to work for environmental conservation.
- We assess supply chain risks that may cause natural capital loss and promote sustainable procurement through cooperation with our suppliers.
- We provide educational programs to raise environmental awareness and educate employees and relevant people on the importance of natural capital preservation.
- We cooperate with local communities in participating in local ecosystem protection activities and various projects for restoring natural capital.

Through these initiatives, we will contribute to safeguarding natural capital and help realize a more sustainable future.

General requirements under the TNFD Recommendations

(1) Application of materiality:

In assessing risks and opportunities for this disclosure, the NOF Group adopted a single materiality approach, ensuring alignment with our risk management practices and TCFD disclosures.

(2) Scope of disclosure:

Please see “Scoping: Defining the Scope of Analysis” (p.124) in “Strategy”.

(3) Geographic areas with natural capital-related issues:

As areas with natural capital-related issues, we identified and analyzed all NOF Group production sites, as well as raw material production areas and procurement sites, corresponding to (2) “Scope of disclosure”. For details of the analysis results, see “Strategy” (p.124–125).

(4) Integration with other sustainability-related disclosures:

We provide integrated disclosure regarding both climate change measures and the conservation of natural capital.

(5) Time periods considered:

For the assessment of risks and opportunities, we set short-term (2023–2025), medium-term (around 2030), and long-term (around 2050) time horizons (p.127–128).

- (6) Engagement with Indigenous peoples, local communities, and affected stakeholders:
Please see “Oversight of Stakeholder Engagement” in “Governance” (p.123).



Governance system for climate change response and natural capital conservation

The NOF Group identifies materiality issues (important issues) related to sustainability through deliberations in the Strategic Meeting, which is composed of Directors concurrently serving as Operating Officers and Operating Officers with a title, and the Sustainability Committee, which is chaired by the President and Chief Executive Officer and all Directors participate. The Board of Directors then approves the materiality issues. As the secretariat of the Sustainability Committee, the Corporate Planning & Strategy Department, Corporate Technical Division, Human Resources & General Affairs Department, Purchasing Department, and Corporate Communications Department promote the formulation and specific development of sustainability strategies for the entire Group. The Committee also reviews materiality annually, reassessing materiality items, KPIs, numerical targets, and response policies to ensure continuous improvement in activity levels.

Responses to climate change and natural capital conservation are treated as important matters, including mid- to long-term goals, and are deliberated by the Sustainability Committee. In regard to risks, the Risk Management Committee conducts a comprehensive assessment, while the RC Committee supervises monitoring and managing the progress of risk countermeasures and reduction measures related to greenhouse gas emissions, pollutants emissions, and zero emissions. In addition, opportunities are discussed by the Executive Management Committee and the Priority Business Review Committee, and important matters are deliberat-

ed by the Executive Committee. Within the governance system, these committees operate under the oversight of the Board of Directors. Their deliberation results are reported to the Board. In addition to regular reports once or twice a year, a system has been put in place in which the consultation content of committees and meetings held on an ad hoc basis are reported to the Board of Directors as necessary for supervision and approval.

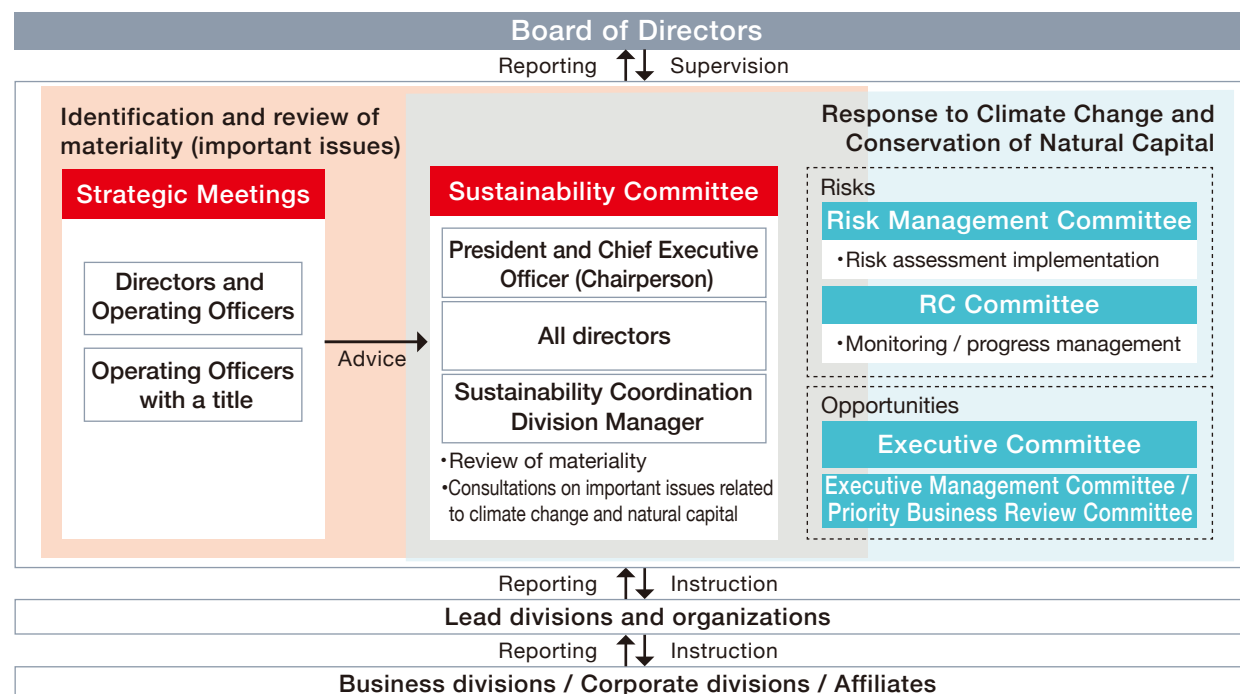
Oversight of stakeholder engagement

We believe that stakeholder engagement is essential to

ensure the long-term growth and the sustainability of a company. Because the business activities of the NOF Group may have impacts on Indigenous peoples, local communities, and others, we have established our CSR Procurement Policy and CSR Procurement Guidelines, and engage in dialogue with local communities. Our stakeholder engagement initiatives are discussed and supervised under the aforementioned governance system.

📖 **Stakeholder Engagement** ▶ P.112
Human rights (CSR Procurement Policy, etc.) ▶ P.168-171
Local Communities | Dialogue Activities /
Cooperation with Communities ▶ P.216-217

Governance system diagram for climate change response and natural capital conservation





Strategy

The TNFD has developed the LEAP Approach as an integrated framework for assessing nature-related issues and recommends its use to companies. The NOF Group has advanced its assessment of natural capital-related issues based on this approach.

Analysis using the LEAP approach

The LEAP approach is a process for systematic, science-based assessment of nature-related risks and opportunities. “LEAP” is an acronym for Locate (locate priority regions, i.e., regions with significant impacts on nature), Evaluate (identify and evaluate dependencies and impacts on nature), Assess (assess risks and opportunities), and Prepare (prepare for disclosure).

(identify and assess nature-related risks and opportunities), and Prepare (prepare for disclosure). In addition, the approach begins with Scoping, involving defining the scope of the analysis.

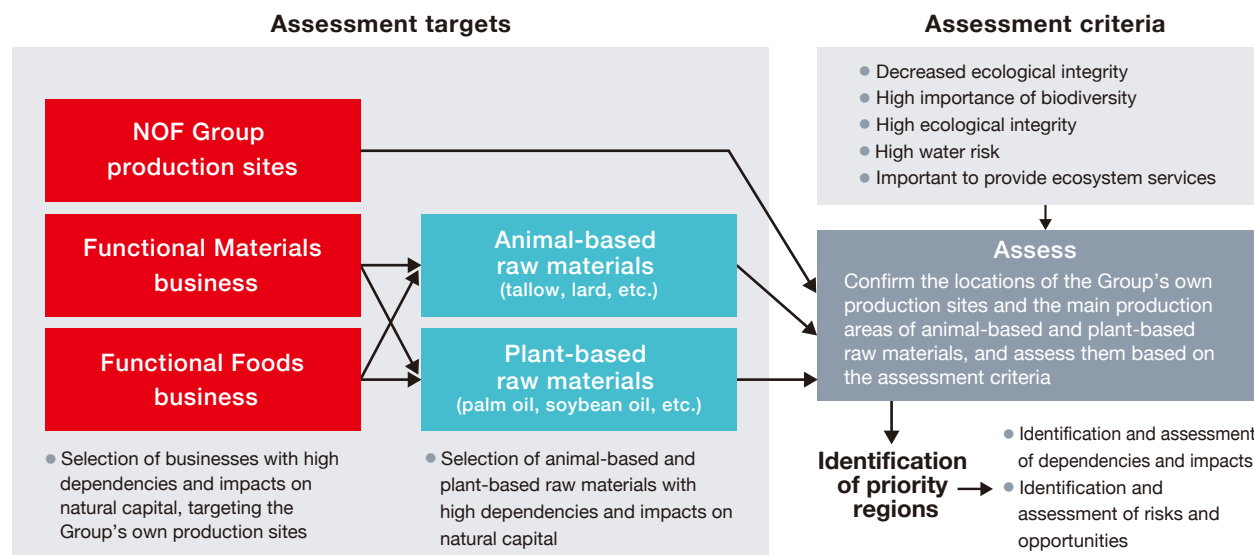
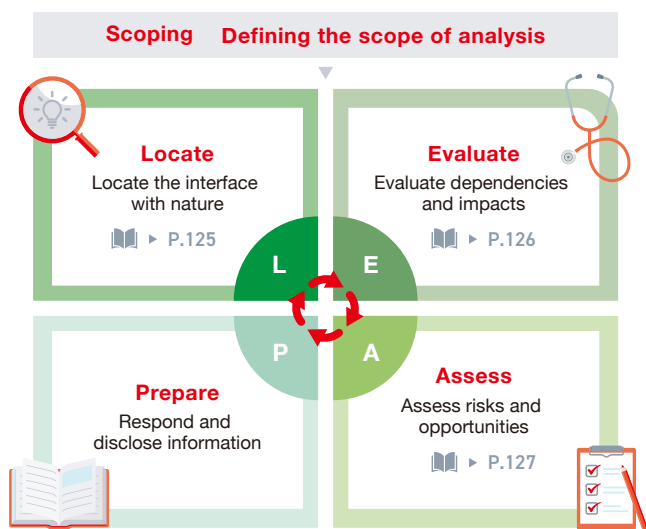
In recent years, the loss of natural capital, including biodiversity, has gained attention as a new global risk. The NOF Group uses naturally-derived raw materials such as palm oil. For this reason, we have recognized the loss of natural capital as a significant risk, formulated policies for natural capital conservation, and actively pursued related initiatives.

Since fiscal 2023, in line with the LEAP approach recommended by the TNFD, we have conducted activities to locate the interface (priority

regions) with natural capital, identify and evaluate dependencies and impacts, and identify and assess risks and opportunities.

Scoping Defining the scope of analysis

The NOF Group set the scope of analysis regarding its relationship with natural capital as targeting “all production sites of the NOF Group,” and for upstream value chain analysis, the “production areas of plant-based and animal-based raw materials” used in the Functional Materials Business and Functional Foods Business, taking into account business scale as well as the level of dependency and impact on natural capital.





Locate

Locate the interface with natural capital (identify priority regions*)

For both “all production sites of the NOF Group,” where NOF Group companies are directly engaged in operations, and “production areas of animal-based and plant-based raw materials” in the upstream value chain, we identified interfaces with natural capital based on location information (if detailed location data was unavailable, we estimated the location using available information).

Specifically, we confirmed whether each production site and raw material production area qualified as a priority region by comprehensively considering both the perspective of impacts on natural capital (see the table on the right) and the perspective of impacts on our business (production volume and procurement value). The results are shown in the figure to the right. As for production sites, the NOF Group's priority region was identified as Japan, where animal- and plant-based raw materials are used. Specifically, we identified the Amagasaki Plant of the Functional Materials Business, and the Daishi Plant in the Kawasaki Works of the Functional Foods Business. As for raw material production areas designated as priority regions, we identified Indonesia and Malaysia (palm cultivation), Japan (cattle and pigs production), Brazil (soy cultivation), and New Zealand (dairy production). Among these raw materials, we recognized pigs, palm, soy, and dairy products as the highest-priority food raw materials.

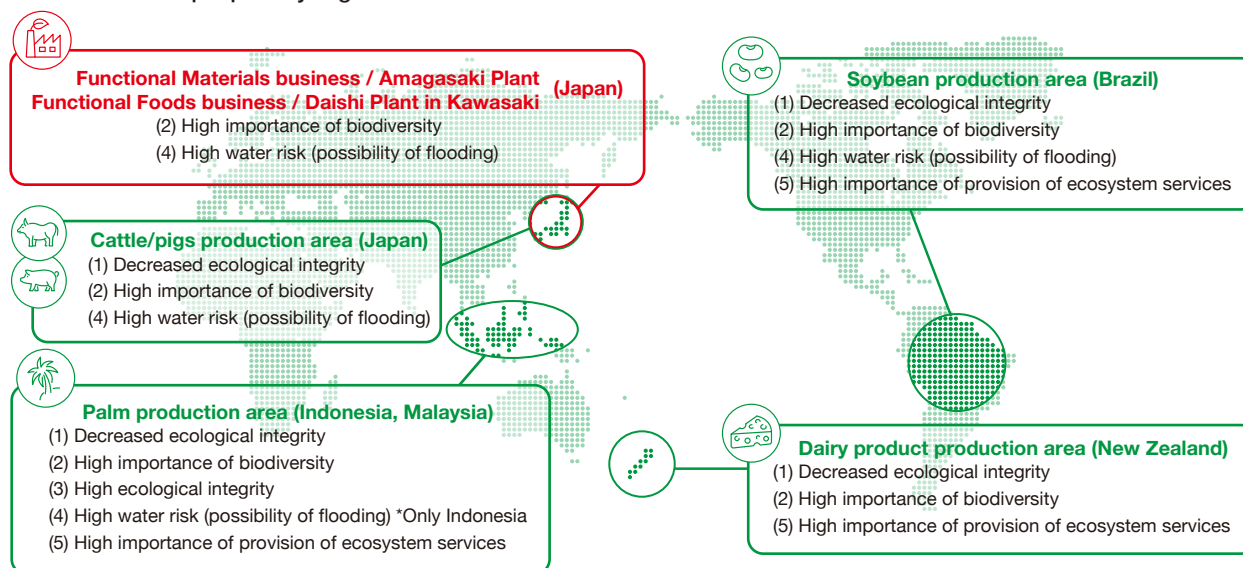
*Priority regions: A location with links to natural capital that involves significant dependencies, impacts, risks, or opportunities, or that is ecologically vulnerable

The level of impact on natural capital in (1)–(5) on the right was assessed using natural capital impact assessment tools recommended by the TNFD, which are listed in notes 1–5 below.

Impact on natural capital

Impact on natural capital	Explanation
(1) Decreased ecological integrity* ¹	Regions where ecosystem balance is disrupted, or healthy conditions are impaired (e.g., regions where forests are being cleared, wetlands reclaimed, or rivers polluted)
(2) High importance of biodiversity* ^{1,2}	Regions of very high importance for biodiversity (diversity of various animals, plants, and microorganisms) (e.g., habitats for many endangered species, or regions essential for the survival of plants and animals)
(3) High ecological integrity* ¹	Regions with very rich ecosystems that remain largely intact (e.g., regions with untouched forests or unpolluted rivers)
(4) High water risk* ^{3,4}	Regions with water shortages (drought risk), regions prone to flooding or water-related damage, or regions with polluted water
(5) High importance of provision of ecosystem services* ⁵	Regions where the provision of “ecosystem services” to Indigenous peoples or local communities is important Ecosystem services: Services that benefit from natural capital, such as provisioning services (food, water, timber, fuel, etc.) and regulating services (climate regulation, water purification, flood/drought mitigation, etc.)

The NOF Group's priority regions



*1 WWF Biodiversity Risk Filter

*2 Key Biodiversity Areas

*3 WWF Water Risk Filter

*4 WRI Aqueduct 4.0

*5 Global Forest Watch map, SIGWATCH



Evaluate Evaluate dependencies and impacts

For the Functional Materials business and Functional Foods Business at the Amagasaki Plant and the Kawasaki Works (Daishi Plant), which use animal and plant-based raw materials identified as targets through the aforementioned Scoping and Locate steps, we used the ENCORE^{*1} tool to identify and evaluate their dependencies^{*2} and impacts^{*3} on natural capital. Specifically, we identified and evaluated dependencies and impacts on natural capital of both businesses across the value chain, including upstream (cultivation, livestock, import, and processing of raw materials), our own operations (manufacturing), and downstream (storage and transportation of products, as well as customers' manufacturing that uses our plant products as raw materials). The results were summarized in a heat map.

The evaluation showed that with respect to dependencies on natural capital, multiple processes of the value chain share a high dependency on water (groundwater and surface water). In addition, plant cultivation and livestock farming (cattle and pigs) showed many dependency items and generally higher levels of dependency.

Meanwhile, with respect to impacts on natural capital, water usage was also identified as having a high impact across the entire value chain, similar to the dependency findings. Even within our own manufacturing operations, we recognize water use as a particularly high-impact factor, and we will continue our efforts to reduce water consumption and maintain water quality.

Relationship of value chain to dependencies and impacts on natural capital

Level of dependency and impact: Large Small

Process		Dependency on natural capital																				Impact on natural capital										
		Labor provided by livestock	Provision of raw materials such as fibers	Provision of genetic resources	Use of groundwater	Use of surface water	Pollination	Maintenance of soil quality	Ventilation by plants	Maintenance of the water cycle	Maintenance of water quality	Purification of pollutants	Dilution by water and air	Filtration of pollutants	Reduction of noise and light pollution	Regulation of river flow and other water volumes	Climate stabilization	Regulation of pests and diseases	Protection from storm and flood damage	Protection against soil erosion	Pest control	Water use	Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	Other resource use	Greenhouse gas emissions	Air pollution	Water pollution	Soil contamination	Solid waste	light pollution
Up-stream	Cultivation	Green	Light Green	Light Green	Green	Green	Green	Light Blue	Green	Green	Light Green	Light Blue	Light Green	Green	Green	Light Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Light Blue	Green	Green	Green	Green	Green	Green
	Livestock	Green	Green	Light Blue	Green	Green	Light Blue	Green	Green	Green	Light Green	Light Blue	Light Green	Green	Light Blue	Light Green	Green	Green	Green	Green	Light Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Import	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Processing	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
NOF	Manufacturing	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
Down-stream	Storage and transportation	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
	Manufacturing (functional materials business)	Green	Light Green	Light Green	Green	Green	Green	Light Blue	Green	Green	Light Blue	Light Blue	Light Blue	Light Blue	Light Green	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue
	Manufacturing (functional foods business)	Green	Green	Light Green	Green	Green	Green	Green	Green	Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green	Light Green

^{*1} ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. A tool developed by organizations such as the Natural Capital Finance Alliance (NCFA), a financial-sector network, to help financial institutions understand the degree to which companies depend on and impact natural capital.

^{*2} Dependency: Ecosystem services on which business activities rely (e.g., crop cultivation depends on ecosystem services such as water supply and pollination by insects)

^{*3} Impact: Positive or negative effects of business activities on natural capital (e.g., chemical manufacturing impacts natural capital through water use and greenhouse gas emissions.)



Climate Action and Natural Capital

Disclosure in Line with
TCFD/TNFD Recommendations: Strategy

GRI 201-2/304-2

Assess Assess risks and opportunities

Based on the aforementioned priority regions and the results of the dependency and impact analysis, the NOF Group identified and assessed our risks and opportunities in accordance with climate change scenarios (the 1.5°C/2°C scenarios and 4°C scenario). For the assessment, the level of impact and the timeline were defined as shown below. Transition risks

were assessed under the temperature representing the worst case scenario. NOF is focusing on promoting proactive consideration for the environment and developing products that contribute to environmental conservation. In responding to decarbonization markets such as electric vehicles and renewable energy, there may be risks of reduced sales in existing business areas or reputational impacts from the use of

certain raw materials. However, we expect the following opportunities in the long term.

- **Increased sales:** As consumer awareness of environmental conservation rises, sales will grow due to increased demand for products that contribute to environmental conservation.
- **Enhanced reputation:** Proactive measures for climate change and emissions management, as well as the development of products that contribute to environmental conservation, will improve the Company's reputation and credibility over the long term, also leading to higher stock value.

Category	Cause	Value chain	Major risks and opportunities	Overview	Level of impact			Countermeasures
					2023–2025	2030	2050	
Transition risks 1.5°C and 2°C scenarios	Policies and regulations	NOF Manufacturing	Increased manufacturing costs and decreased product sales due to environmental regulations (carbon tax, plastic tax, etc.)	- Manufacturing costs rise due to costs associated with carbon taxes or switching to recycled or bioplastics - Introduction of water intake restrictions or new emission regulations make it impossible to produce existing products, leading to declining sales	—	Large	Large	- Promotion of measures toward reducing greenhouse gas emissions - Reduction and efficiency improvement of water intake - Reduction of waste
		NOF Manufacturing	Compensation for damages due to environmental litigation, decline in sales due to plant shutdowns, and a drop in stock prices	Large compensation for damages is owed due to environmental lawsuits, such as those related to ground subsidence, while long-term plant shutdowns reduce sales and push down stock prices	—	Medium	Medium	- Measures toward reducing greenhouse gas emissions - Measures toward reducing and improving efficiency of water intake - Measures toward reducing waste
		Upstream Cultivation and livestock	Higher procurement costs because of increased cultivation and production costs due to environmental regulations (regulations on methane emissions, wastewater, etc.)	Costs to address methane emissions from livestock, farmland development, and water/soil pollution from pesticide and fertilizer use drive up raw material prices, increasing procurement costs (forecast based on the IPR Forecast Policy Scenario (FPS) + Nature scenario)	—	Medium	Medium	- Switch to lower-risk oil types - Securing stable raw materials through multiple purchases and long-term contracts
		Upstream Processing	Higher procurement costs and production interruption-caused reduced sales due to environmental regulations (beverage container tax, packaging tax, etc.)	- Compliance costs due to tighter regulations drive up raw material prices and procurement costs - Production plant operations are suspended due to water intake restrictions and emission regulations, resulting in decreased sales	—	Small	Small	- Promotion of measures toward reducing greenhouse gas emissions - Reduction and efficiency improvement of water intake - Reduction of waste
		Upstream Import	Higher distribution costs due to environmental regulations (SOx regulations, etc.)	Compliance costs to address tighter regulations are passed on to prices, raising distribution costs	—	Small	Small	Promotion of joint delivery and modal shifts
		Upstream Cultivation and livestock	Increased procurement costs due to soaring raw material prices	Sharp rise in prices of raw materials such as petrochemicals and vegetable and animal-based oils and fats due to a decrease in the supply of petroleum, etc. and an increase in demand for biofuels	—	Large	Large	- Securing stable raw materials through multiple purchases and long-term contracts - Utilization of biomass chemicals - Switching from petrochemical-based raw materials to plant-based raw materials - Carbon recycling (solvent recycling, etc.)
	Evaluation and reputation from stakeholders	Upstream Import	Higher energy and transportation costs due to soaring crude oil and natural gas prices	Higher energy and transportation costs due to soaring crude oil and natural gas prices	—	Medium	Medium	- Introduction of energy-saving equipment, review of processes - Promotion of joint delivery and modal shifts
		Upstream Cultivation and livestock	Reputational damage and falling stock prices due to the use of certain raw materials	Using raw materials that negatively impact natural capital, such as illegally cultivated palm oil, harms the Company's reputation and lower stock prices	Large	Large	Large	- Procurement of sustainable palm oil - Selection of suppliers and business partners with lower regulatory risks
		NOF	Decline in evaluation and reputation due to delays in ESG investment	Deterioration of evaluation from investors in ESG investment and reputation among customers due to delay in measures to address climate change and natural capital	—	Small	Small	- Development and provision of products that contribute to environmental conservation - Promotion and communication of proactive environmental initiatives
Market	Market	Downstream Products	Changes in the sales destination environment due to the shift to a decarbonization market	Decrease in sales due to decline in market share of gasoline and diesel vehicles	—	Medium	Medium	Strengthening our response to decarbonization markets, such as electric vehicles and renewable energy

*For details on the 1.5°C and 2°C scenarios and levels of impact, see the notes on the next page



Climate Action and Natural Capital

Disclosure in Line with
TCFD/TNFD Recommendations: Strategy

GRI 201-2/304-2

Category	Cause	Value chain	Major risks and opportunities	Overview	Level of impact			Countermeasures
					2023–2025	2030	2050	
Physical risks 4°C scenario	Extreme weather	Upstream Cultivation, livestock, processing	Increase in cultivation/production and procurement costs due to degradation of ecosystem services	- Procurement costs rise and sales decline due to soaring prices of palm oil and rapeseed oil resulting from degradation of ecosystem services such as pollination, soil quality, and water cycle maintenance - Water shortages and crop damage from pests and diseases cause instability or soaring prices in raw material procurement, increasing procurement costs	Large	Large	Large	- Switch to lower-risk oil types - Selection of suppliers and business partners taking into account risks at the production area (ensuring traceability) - Securing stable raw materials through multiple purchases and long-term contracts
		Upstream Import NOF Manufacturing	Decrease in sales caused by damage to production sites and supply chains from storm and flood damage	Flood damage from heavy rains, floods, and storm surges results in factory repair costs, production interruptions, or reduced production capacity, leading to sales declines	—	Large	Large	- Rain water countermeasures and disaster prevention measures for buildings and facilities - Multiple purchases of raw materials - Review the business continuity plan (BCP) and conduct education, training, and audits
		NOF Manufacturing	Increase in equipment costs and decline in sales due to production interruptions associated with degradation of ecosystem services	Water shortages cause production interruptions or reduced production capacity, resulting in decreased sales	—	Small	Small	- Reduction and efficiency improvement of water use at high-risk sites - Diversification of production items at manufacturing sites (preparing for alternative production)
		NOF	Increase in storage costs due to high temperatures and heatwaves	Rising temperatures affect refrigerated and air-conditioned warehouse storage	—	Medium	Medium	Ongoing review of facility investment plans
Opportunities	Resource efficiency	NOF Manufacturing	Decrease in manufacturing costs through improved resource efficiency	- Improved resource efficiency during manufacturing, such as reduced water, energy, and waste, leads to lower environmental impacts and cost reductions - Promotion of decarbonization and infrastructure development in society results in cost reductions from renewable energy use, subsidies, and tax incentives	—	Medium	Large	- Reduction of greenhouse gas emissions - Reduction and efficiency improvement of water use - Reduction of waste - Reduction of plastic usage
	Capital flow /financing	NOF	Diversification of financing methods	Sustainable finance and other forms of environmental funding become more active, expanding the options for financing such as green bonds and green loans for upgrading to low-impact facilities and for development costs of environmentally friendly products	—	Small	Small	Utilization of positive impact finance and the like
	Reputation	NOF	Improved evaluations and reputation, leading to higher stock prices	Proactive climate change measures, emissions management, and development/provision of products that contribute to environmental conservation enhance investor evaluations in ESG investment and reputation among customers, driving stock prices upward	—	Medium	Medium	- Development and provision of products that contribute to environmental conservation - Promotion and communication of proactive environmental initiatives
	Market	Downstream Products	Increase in sales due to growing demand for products that contribute to environmental conservation	Rising consumer interest in climate change, water pollution, air pollution, and forest protection boosts demand for environmentally friendly products, leading to increased sales	—	Large	Large	Development and provision of products that contribute to environmental conservation

*1.5°C and 2°C scenarios: Decarbonization scenarios that assume that necessary measures will be implemented to limit the temperature increase to 1.5°C or 2°C or less compared to pre-industrial times (International Energy Agency (IEA) “Net Zero Emissions by 2050” (NZE2050), “Stated Policies Scenario” (STEPS), etc.)

*4°C scenario: Decarbonization scenario that assumes that necessary measures will be implemented to limit the temperature increase to 4°C or less compared to pre-industrial times (International Energy Agency (IEA) “Net Zero Emissions by 2050” (NZE2050), “Stated Policies Scenario” (STEPS), etc.)

*Level of impact: [Risks] Impact amount: Over ¥1 billion (high), ¥100 million–¥1 billion (medium), under ¥100 million (low)
[Opportunities] Impact amount: Over ¥1 billion (high), ¥100 million–¥1 billion (medium), under ¥100 million (low)
[Opportunities] Market size: Over ¥30 billion (high), ¥3 billion–¥30 billion (medium), under ¥3 billion (low)



Financial impacts (selected)

Steam, electricity, and other forms of energy are consumed mainly in the manufacturing processes of the NOF Group. As transition risks brought about by climate change, the financial burden is expected to increase due to rising carbon tax rates and higher unit prices of renewable energy charges,* and the total impact is estimated to be around 3.3 billion yen. In addition, the NOF Group has established a business continuity plan for physical risks with the 4°C scenario assuming 7.7 billion yen in facilities damage in the event that a major typhoon, which occurs once every 500 to several thousand years, breaks through embankments and floods our waterfront plants.

Category	Scenario	Risks	Details of risks	Financial amount of impact	Notes						
Transition risks	1.5°C	Carbon tax	Financial burden from tax increases	(Hundreds of millions of yen/year) <table><thead><tr><th>Year</th><th>Financial amount of impact (Hundreds of millions of yen/year)</th></tr></thead><tbody><tr><td>2020</td><td>0.5</td></tr><tr><td>2030</td><td>31.6</td></tr></tbody></table>	Year	Financial amount of impact (Hundreds of millions of yen/year)	2020	0.5	2030	31.6	Domestic Group CO₂ equivalent emissions in fiscal 2020, with a carbon price of 20,000 yen per ton of CO₂ in fiscal 2030. (Scope 1 + 2)
		Year	Financial amount of impact (Hundreds of millions of yen/year)								
2020	0.5										
2030	31.6										
		Renewable energy charges	Increased energy costs	(Hundreds of millions of yen/year) <table><thead><tr><th>Year</th><th>Financial amount of impact (Hundreds of millions of yen/year)</th></tr></thead><tbody><tr><td>2020</td><td>3.8</td></tr><tr><td>2030</td><td>5.2</td></tr></tbody></table>	Year	Financial amount of impact (Hundreds of millions of yen/year)	2020	3.8	2030	5.2	Domestic Group The unit price of the renewable energy charge for fiscal 2030 is set at 4.1 yen/kWh based on fiscal 2020 electricity consumption.
Year	Financial amount of impact (Hundreds of millions of yen/year)										
2020	3.8										
2030	5.2										
Physical risks	4°C	Storm surges	Flooding of facilities due to storm surges	(Hundreds of millions of yen/year) <table><thead><tr><th>Year</th><th>Financial amount of impact (Hundreds of millions of yen/year)</th></tr></thead><tbody><tr><td>2020</td><td>0</td></tr><tr><td>2050</td><td>77</td></tr></tbody></table>	Year	Financial amount of impact (Hundreds of millions of yen/year)	2020	0	2050	77	NOF We estimated the amount of facility damage due to embankment failures caused by a once-in-500-to-several-thousand-year major typhoon.
Year	Financial amount of impact (Hundreds of millions of yen/year)										
2020	0										
2050	77										

*Charges for promotion of renewable energy generation



Products that Contribute to the Environment

Within the NOF Group, we are creating a variety of products that contribute to the environment while advancing research and development of technologies that address climate change, biodiversity, resource saving and recycling, and alternatives for hazardous or legally regulated substances. The market scale for these products is as shown below, and we view this as a business opportunity for the future.

▶ P.131-134

○ Climate change (mitigation) ○ Climate change (adaptation) ○ Biodiversity





Products that contribute to the environment in relation to climate change: Mitigation (1.5°C and 2°C scenarios)

*Mitigating the progression of climate change by reducing greenhouse gas emissions

Electric vehicles

Functional Materials business

Metal Coatings business

Market
scale **Large**

Compared to gasoline-powered vehicles, EVs are expected to cause increased demand for additives for in-vehicle electronic components, lubricants for electronic units, anti-corrosion coatings, and overcoat materials for LCD color filters due to the increase in electronic components (passive components) and electronic units, as well as more and larger LCD panels. In addition, because LED lights are effective in reducing power consumption of EVs, demand for anti-fog agents for LED headlamps is expected to increase. Furthermore, EVs will make vehicles quieter, which is expected to increase demand for resin additives, such as agents that prevent abnormal noises caused by resins rubbing against each other in interior parts.

End uses of the NOF Group's products

For capacitors and LCD panels
(Additives for electronic components /
Lubricants for electronic units / Overcoat materials)

**For noise reduction
agents in door hinges
and interior parts**
(Resin additives)

**For antifogging
of LED
headlamps**
(Anti-fog agents)



**For bolts, nuts,
and other parts
that hold batteries
in place**
(Anti-corrosion coatings)

Wind / solar power generation

Functional Materials business

Metal Coatings business

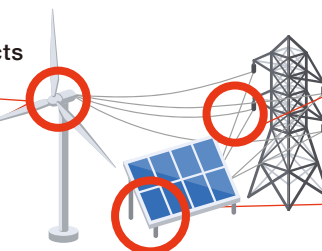
Market
scale **Medium**

Demand is expected to increase for anti-corrosion coatings for bolts used in wind power generation blades and solar panel mounting parts, as well as biodegradable lubricant required for gear lubrication. Demand is also expected to increase for organic peroxides for cross-linked polyethylene, which is used as a coating material for ultra-high-voltage and high-voltage electric wires used to transmit electricity from wind and solar power generation sites.

End uses of the NOF Group's products

For gear oil
(Biodegradable lubricants)

**For bolts that hold
blades in place**
(Anti-corrosion coatings)



**For ultra-high-voltage
and high-voltage wire
coating materials**
(Organic peroxides)

For mounting parts
(Anti-corrosion coatings)

Meat alternatives

Functional Foods business

Market
scale **Small**

Demand is expected to increase for meat alternative oils and fats that help improve the flavor and texture of plant-derived meat alternatives that reduce environmental impact.

End uses of the NOF Group's products

**For meat alternatives such
as soy meat hamburgers**
(Oils and fats for meat alternatives)



Resin window sashes

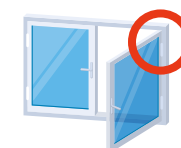
Functional Materials business

Market
scale **Small**

Demand for organic peroxides is expected to increase with the spread of energy-efficient housing because vinyl chloride resin is used in resin window sashes with high thermal insulation properties.

End uses of the NOF Group's products

For resin window sashes
(Organic peroxides)





Products that contribute to the environment related to climate change: Adaptation

*Reduction of climate change impacts through disaster prevention, etc.

Air conditioners / refrigerators

Market
scale **Large**

Functional Materials business

Metal Coatings business

Demand for refrigerating machine oil, a lubricant for refrigeration equipment, anti-corrosion coatings for fastening parts for external air conditioner units, and polybutene for air conditioner putty is expected to increase due to the increasing need for air conditioners and refrigerators accompanying rising temperatures around the world, including developing countries. The base materials for refrigerating oils sold by NOF are for alternative CFC refrigerants and contribute to climate change adaptation.

End uses of the NOF Group's products

For putty on
air conditioner
pipes
(Polybutene)

For
fastening parts
(Anti-corrosion
coatings)

For lubricants
used in air
conditioners and
refrigerators
(Base materials for
refrigerating oils)

Diagnostic pharmaceuticals / Pharmaceutical raw materials

Market
scale **Large**

Functional Materials business

Life Science business

Due to climate change, there are concerns about the spread of tropical infectious diseases and other diseases and disorders. Therefore, demand for pharmaceutical raw materials is expected to increase due to the rise in disinfectants and additives for diagnostic pharmaceuticals to combat infectious diseases as well as the number of pharmaceutical products against diseases and disorders.

End uses of the NOF Group's products

For disinfecting
hands
(Additives)

For diagnostic
pharmaceuticals
to combat
infectious diseases
(Additives)

For pharmaceutical
ingredients
(Pharmaceutical raw
materials)

Environmental information / Disaster prevention and mitigation products

Market
scale **Small**

Explosives & Propulsion business

As climate change progresses, the need to survey the entire world, including seawater temperatures, may increase, and the amount of marine instruments, rocket launches, etc., for research may increase. In addition, there may be increased applications for temperature indicator materials (labels, stickers, etc.) for temperature control that change color when a specific temperature is reached. Furthermore, with the increased risk of storm surges and other such conditions, there may be an increase in embankment construction using industrial explosives involving procurement of rocks and soil from mountainous areas.

End uses of the NOF Group's products

For marine instruments
and rockets
(Marine instruments,
rocket fuel)

To procure soil
for embankment
construction
(Industrial explosives)



Products that Contribute to the Environment Related to Biodiversity Conservation

Prevention of soil and water pollution

Functional Materials business

Explosives & Propulsion business

Conventional lubricants used in construction equipment, dam gates, and wind power generation, as well as stern tube bearing oils and anti-sticking agents for asphalt mixtures used in road construction, can cause environmental pollution when released into nature. The NOF Group provides products that are highly biodegradable and thereby contributes to preventing soil and water pollution.

In addition, KAMAGU® is an eco-friendly antifreezing agent that does not cause salt damage to concrete sections of tunnels, bridges, etc., and also has minimal impact on plants. The AUTO-KAMAGU® JET automatic antifreezing agent spraying device works using 100% natural energy (solar energy), and thus contributes to climate change mitigation.

End uses of the NOF Group's products



Climate change mitigation

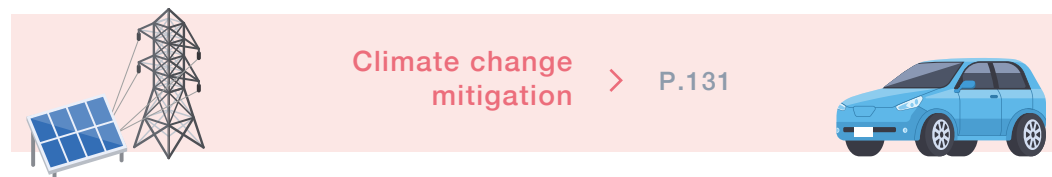
Functional Materials business

Functional Foods business

Metal Coatings business

It is believed that global warming will cause imbalances in ecosystems due to forest thinning, forest fires, and acidification of seawater, leading to an increased risk of extinction of plants and animals. We have various products related to climate change mitigation that also contribute to biodiversity.

End uses of the NOF Group's products





Products that Contribute to the Environment Related to Biodiversity Conservation

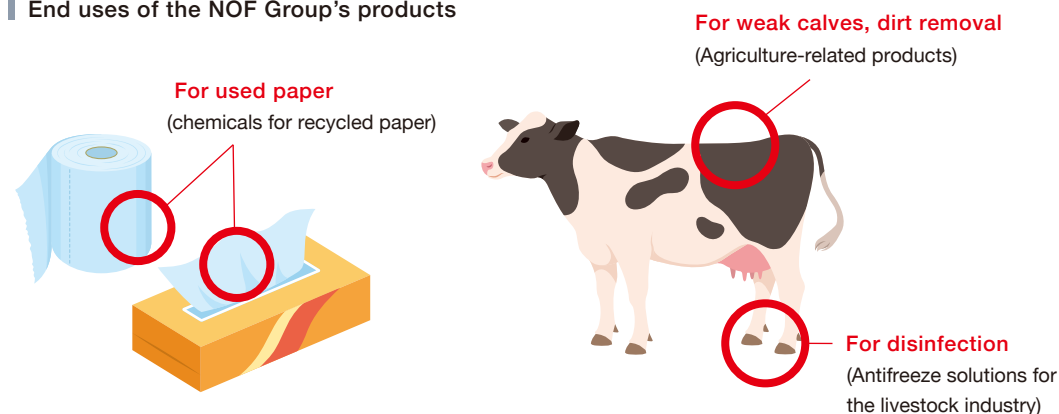
Protection of forests and animals

Functional Materials business

Explosives & Propulsion business

Recycled paper contributes not only to proper waste disposal but also to global environmental conservation such as protecting forest resources. The NOF Group contributes to forest protection with chemicals for recycled paper (pitch control agents, defiberization agents, etc.), which are indispensable for recycled paper. In addition, Viva Frostir® is an antifreeze solution for the livestock industry that is gentle to animals and humans during winter disinfection. NEODRINK® maintains the physical strength of weak calves, and Za Yoroi-Otoshi helps reduce stress in cows by quickly removing dirt.

End uses of the NOF Group's products



Environmental information

Explosives & Propulsion business

In addition to seawater and atmospheric observations, satellite surveys of vegetation and coastal zone changes and behavioral tracking of rare creatures are used as basic data for ecosystem conservation. Our marine equipment and rocket fuel also contribute to biodiversity.

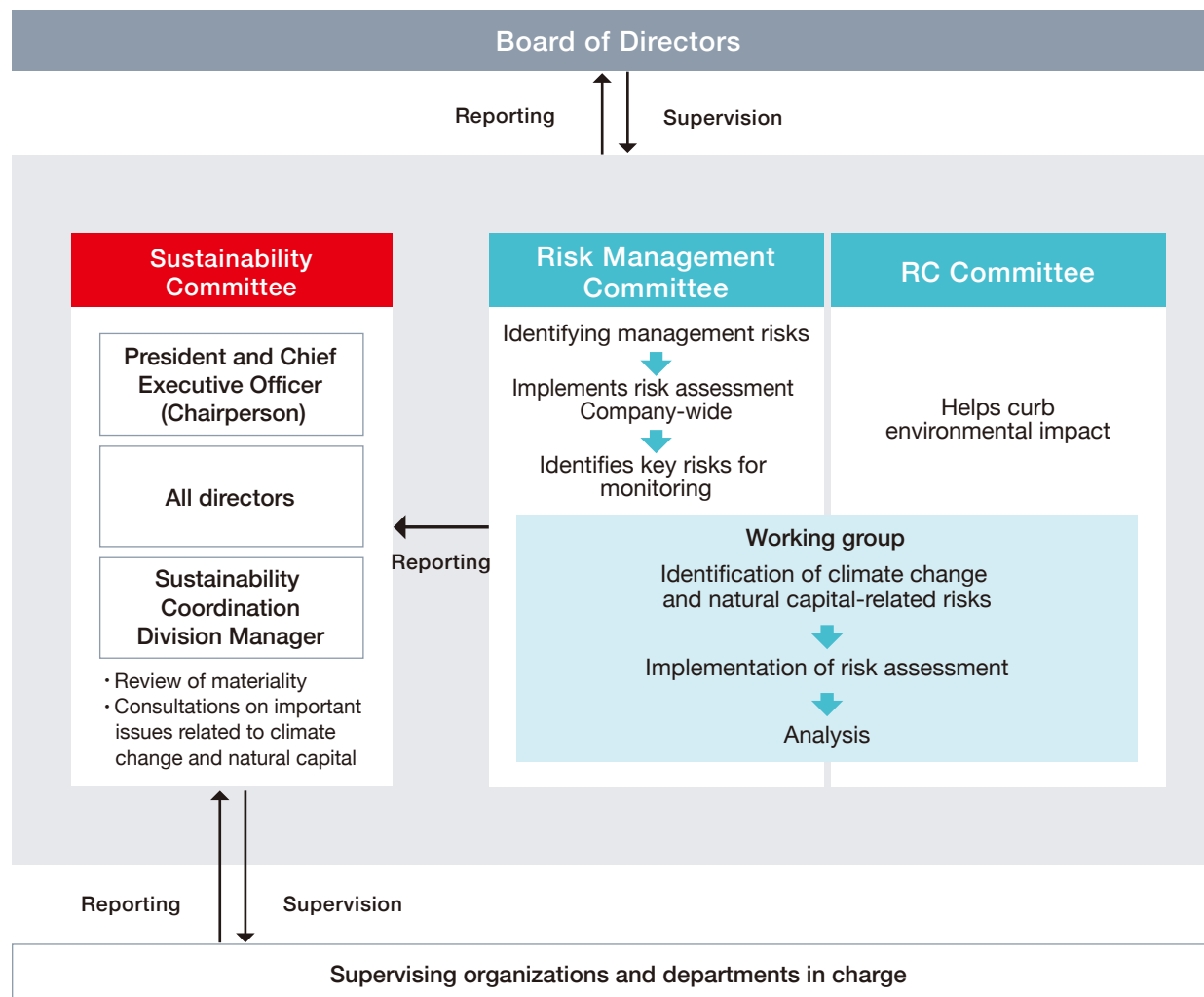
End uses of the NOF Group's products





Within the NOF Group, the Risk Management Committee comprehensively identifies various management risks surrounding its business, and conducts company-wide risk assessment on the level of impact and potential for occurrence of each risk item in order to identify key risks for monitoring. In disclosing information based on TCFD and TNFD recommendations, a working group consisting of members selected from the Risk Management Committee and the RC Committee plays a central role in identifying the risks related to climate change and natural capital among the various management risks surrounding our business, and conducts risk assessments to determine the degree to which the impact will change in the future. The analysis results are reported to the Sustainability Committee, and important decisions are made related to climate change and natural capital-related risk countermeasures.

Climate change and natural capital-related risk management organization diagram





Metrics and targets related to climate change and natural capital

The NOF Group has set the reduction of greenhouse gas emissions as one of the goals of its Responsible Care (RC) activities, and has been working on various energy-saving measures. In view of the 2050 Carbon Neutral Declaration announced by the government in October 2020 and its new targets to reduce greenhouse gas emissions announced in April 2021, the NOF Group has decided to set new targets to reduce greenhouse gas emissions.

In addition, within the NOF Group's materiality KPIs and CSR procurement, we have established climate change- and natural capital-related targets and are promoting initiatives to address risks and opportunities. With regard to the natural capital-related targets, we have begun collecting the metrics data shown below as part of the TNFD core global disclosure metrics and the chemical sector core disclosure metrics. Going forward, we will continue collect and expand the scope of metrics data while advancing efforts to reduce environmental impacts.

	Goals (KPIs)	Numerical targets	Target year	Details of major initiatives
Contribute to the Environment / Energy field NOF Group	Net sales of strategic products in the Environment / Energy field	15% increase (compared to FY2022 results)	2025	Supply of strategic products to the Environment/Energy field
Promotion of CSR-based procurement NOF	Coverage rate of CSR questionnaire (based on value of purchases)	85% or more	2025	Implementation of CSR questionnaire for suppliers (suppliers with value of purchases between ¥1 and ¥5 million per month)
	Improvement requests via interviews to target suppliers in order to firmly establish CSR-based procurement (based on number of companies)	85% or more	2025	Implementation (ahead of schedule) of improvement requests via interviews to target suppliers
Resilience enhancement NOF Group	BCP education and training hours	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
Response to climate change	CO₂ emissions Domestic Group	40% reduction (compared with FY2013)	2030	- 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	
Chemical safety	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group	under 170 tons/year	Every year	- Creation and execution of emission reduction measures - Reevaluation of production processes



Climate Action and Natural Capital

Disclosure in Line with TCFD/TNFD
Recommendations: Metrics and Targets

GRI 305-1,2,5

Metric no.*	Driver of nature change	Indicator	Metric	Reporting scope	FY2024 results
-	Climate change	GHG emissions	Scope 1+2 Scope 3	📖 ▶ P.140	
C1.0	Land/ freshwater/ ocean-use change	Total spatial footprint	Total surface area controlled/managed by the organization	📖 See “102nd Annual Securities Report”	
			Total disturbed area	NOF Group	0 thousand m ²
			Total rehabilitated/restored area	NOF Group	0 thousand m ²
C1.1		Extent of land/freshwater /ocean-use change	Extent of land/freshwater/marine ecosystem use change	NOF Group	0 thousand m ²
			Extent of land/freshwater/marine ecosystem conserved or restored	NOF Group	0 thousand m ²
			Extent of land/freshwater/marine ecosystem that is sustainably managed	📖 ▶ P.148	
C2.0	Pollution/ pollution removal	Total amount of pollutants released to soil split by type	PRTR Act-controlled substances	📖 ▶ P.153	
			Volume of water discharged		
C2.1		Wastewater discharged	BOD, COD, suspended solids PRTR Act-controlled substances	📖 ▶ P.148-149,153	
			Temperature of water discharged	NOF Group (Regulated sites: Chidori Plant, Daishi Plant)	25–32°C In accordance with Kawasaki City ordinance
C2.2		Waste generation and disposal	Weight of waste (total)	📖 ▶ P.158	
			Weight of waste (hazardous)	NOF Group	7,395 tons
			Weight of waste (non-hazardous)	NOF Group	141,248 tons
			Weight of external disposal waste Final disposal quantity by landfill	📖 ▶ P.158-159	
			Recycled amount	📖 ▶ P.158-159	
C2.3		Plastic pollution	Weight plastic used	NOF	2,648 tons
C2.4		Total amount of non-GHG air pollutants	NOx, SOx, particulate matter VOC Hazardous air pollutants PRTR Act-controlled substances	📖 ▶ P.151-153,156	
C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	Water withdrawal from areas of water scarcity	NOF METAL COATINGS EUROPE N.V.	453 thousand m ³ (5.7% of the NOF Group total)
			Water consumption from areas of water scarcity	PT.NOF MAS CHEMICAL INDUSTRIES	152 thousand m ³ (8.1% of the NOF Group total)
-	-	Revenue from pesticide use, by toxicity level	No revenue from pesticides	-	
-	-	Rate of change in PFAS production	No production or use of PFAS	-	
-	-	Compliance violations	Violations of environmental laws and regulations	📖 ▶ P.164	

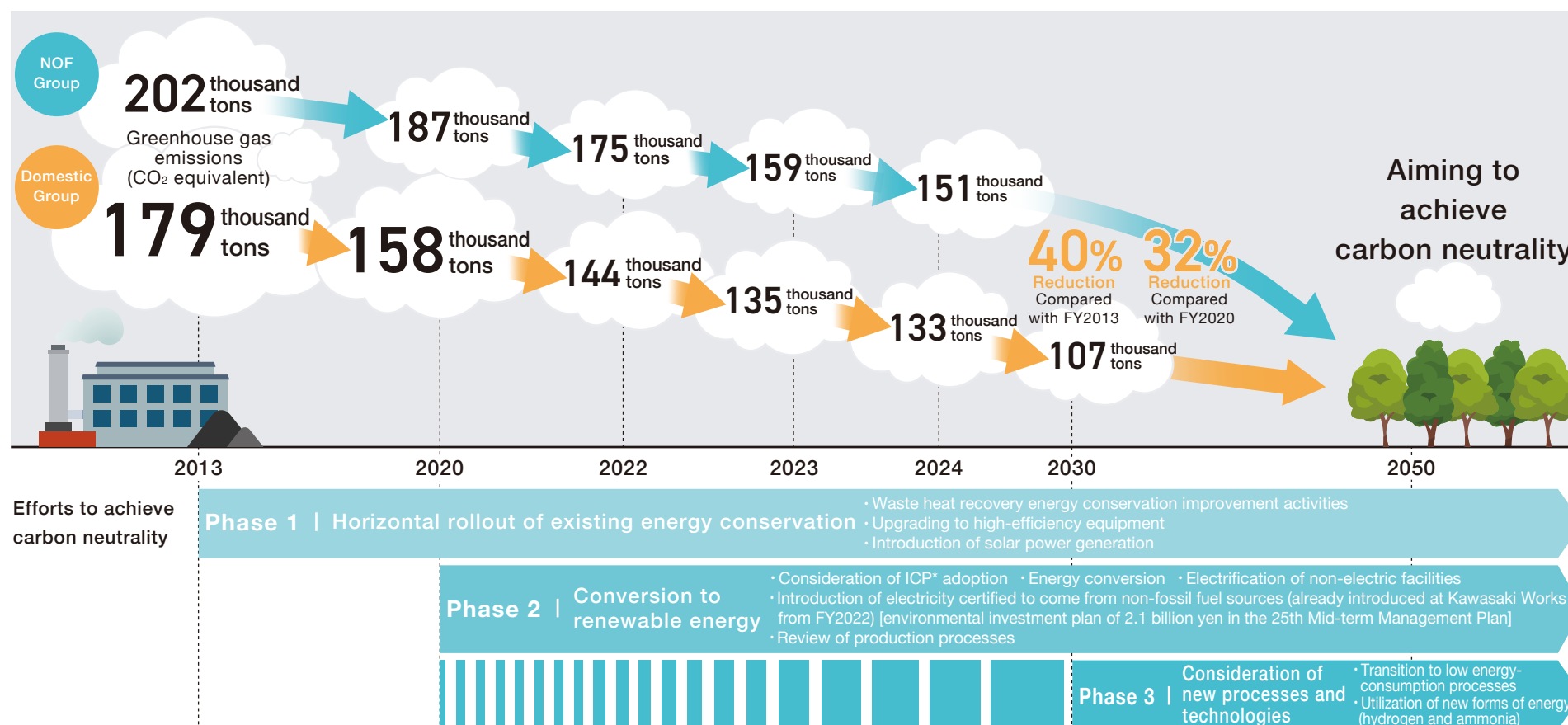
*Metric no. of TNFD metric



Roadmap toward reducing greenhouse gas emissions

The Domestic Group has created a roadmap toward reducing greenhouse gas emissions and is working to mitigate climate change in its business activities. Considering the possibility of an increase in emissions due to business expansion, the Group will aim to become carbon neutral in 2050 by introducing renewable energy as the new Phase 2 and starting to consider new processes and technologies as Phase 3, while also reducing the financial burden associated with transition risks.

Reduction of GHG (CO₂ equivalent) generated by our business activities [Scope 1, 2] NOF Group Domestic Group



*Internal carbon pricing



Measures to meet greenhouse gas emission reduction targets

The NOF Group has set a mid-term target of reducing greenhouse gas emissions by 40% from the fiscal 2013 level by fiscal 2030, and a long-term target of becoming carbon neutral by 2050. The 2025 Mid-term Management Plan period is positioned as a period for building up reduction measures to be implemented in the next Mid-term Management Plan period, and we will promote reductions while controlling the increase in emissions associated with the expansion of production facilities.

As a specific measure, in order to increase the use of renewable energy, we will promote the electrification of our facilities and reduce carbon emissions. Furthermore, we are reviewing our production processes and considering improvement measures to minimize environmental impact, such as reducing the amount of energy used, minimizing emissions, and utilizing renewable energy sources. We also plan to expand fuel conversion and the introduction of electricity certified to come from non-fossil fuel sources. During the 2025 Mid-term Management Plan period, we are planning a 2.1 billion yen environmental investment for these initiatives.

Moreover, in order to promote the conversion to renewable energy and decarbonization even more, we are further expanding our trial initiative for

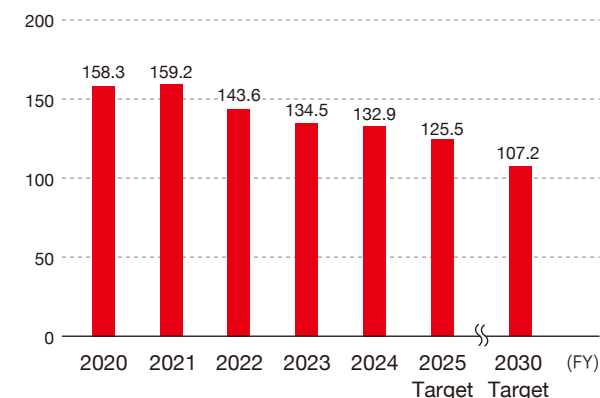
internal carbon pricing (ICP). This initiative not only helps refine the economic assessments of facility investments and business strategies, but also raises employees' awareness of energy conservation and serves as a mechanism to promote decarbonization across all business activities.

We are also advancing greenhouse gas reduction efforts through forest maintenance activities. By utilizing the Fukushima Prefecture Carbon Dioxide Absorption by Forest Maintenance Activities Certification System, we have carried out tree planting and thinning, and received certification for absorbing 282 tons of carbon dioxide from 2012 to 2013.

We will contribute to the mitigation of global warming by taking proactive steps to realize a sustainable future.

Greenhouse gas emissions Domestic Group

(Thousand tons of CO₂)



GHG reduction measures, including for Scope 3

The NOF Group is working to reduce greenhouse gas emissions across the entire supply chain in line with our CSR guidelines. We participate in the Declaration of Partnership Building, strengthening collaboration with our suppliers. We are also introducing systems and creating frameworks to enable proper evaluation of Scope 3 greenhouse gas emissions.



Scope 1 and 2 CO₂ emissions Domestic Group NOF Group (Thousand tons of CO₂)

		FY2013	FY2022	FY2023	FY2024	FY2030(target)
Domestic Group	Scope 1+2	179	144	135	133	107
	Compared with FY2023	—	(35)	(44)	(46)	(72)
NOF Group	Scope 1+2	202	175	159	151	—
	Compared with FY2023	—	(27)	(43)	(51)	—

Scope 3 calculations

Category	FY2023	FY2024		Calculating method
1 Purchased products and services	453.3	520.5	*1	Calculated by multiplying the quantity and cost of each item of purchased raw materials, consumables, and repair materials by emission intensity by division according to the databases ^{*4}
2 Capital goods	53.3	52.5	NOF Group	Calculated by multiplying acquisition cost of fixed assets by emission intensity according to the databases ^{*4}
3 Fuels and energy-related activities not included in Scope 1 or 2	36.8	38.0	NOF Group	Calculated by multiplying the sum of fuel, electricity, and steam consumption by emission intensity according to the databases ^{*4}
4 Transportation and distribution (upstream)	26.7	29.9	*2	Calculated from ton-kilometers of transportation for purchased raw materials and ton-kilometers of transportation for delivered products for which NOF is the consignor; Calculated using the method prescribed under the reporting and disclosure system
5 Waste generated in business activities	9.7	10.7	NOF Group	Calculated by multiplying the weight of each type of waste generated at production sites by emission intensity according to the databases ^{*4}
6 Business travel	0.5	0.5	NOF Group	Calculated by multiplying the number of employees by emission intensity according to the databases ^{*4}
7 Employee commuting	1.4	1.1	*3	Calculated by multiplying the amount of commuting expenses by emission intensity according to the databases ^{*4}
8 Leased assets (upstream)	—	—		Not applicable, as no corresponding activities exist
9 Transportation and distribution (downstream)	—	—		Not applicable, as no corresponding activities exist
10 Processing of sold products	17.8	26.6	NOF	Calculated by multiplying the sales volume of edible oils and industrial explosives by emission intensity according to the databases ^{*4}
11 Use of sold products	Not determined	Not determined		Not calculated due to difficulty in collecting the necessary data for calculation
12 End-of-life treatment of sold products	0.6	292.3	NOF	FY2023: Calculated for packaging materials of shipped products by multiplying the weight of each type with the emission intensity according to the databases ^{*4} FY2024: Calculated by multiplying the weight of containers subject to the Containers and Packaging Recycling Law and the sales volume of chemical products requiring waste disposal with the emission intensity according to the databases ^{*4}
13 Leased assets (downstream)	—	—		Not applicable, as no corresponding activities exist
14 Franchises	—	—		Not applicable, as no corresponding activities exist
15 Investments	—	—		Not applicable, as no corresponding activities exist
Total	600.1	972.1		

Scope 2 CO₂ emissions according to the location-based criteria and market-based criteria Domestic Group NOF Group (Thousand tons of CO₂)

	Location-based criteria			Market-based criteria		
	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Domestic Group	110	106	107	84	84	84
NOF Group	133	129	124	103	101	102

*1 NOF on a standalone basis, 10 domestic affiliate companies (Nichiyu Kogyo Co., Ltd.; YUKA SANGYO CO., LTD.; NiGK Corporation; Showa Kinzoku Kogyo Co., Ltd.; Nippon Koki Co., Ltd.; Nippo Kogyo Co., Ltd.; NOF METAL COATINGS ASIA PACIFIC CO., LTD.; JAPEX Corp.; NIKKA COATING CO., LTD.; NICHYU LOGISTICS CO., LTD.), and 2 major overseas affiliate companies (Changshu NOF Chemical Co., Ltd.; PT. NOF MAS CHEMICAL INDUSTRIES)

*2 NOF on a standalone basis, 7 domestic affiliate companies (Nichiyu Kogyo Co., Ltd.; YUKA SANGYO CO., LTD.; NiGK Corporation; Showa Kinzoku Kogyo Co., Ltd.; Nippon Koki Co., Ltd.; Nippo Kogyo Co., Ltd.; NOF METAL COATINGS ASIA PACIFIC CO., LTD.)

*3 10 domestic affiliate companies (NICHYU TRADING CO., LTD.; NICHYU LOGISTICS CO., LTD.; Nichiyu Kogyo Co., Ltd.; YUKA SANGYO CO., LTD.; NiGK Corporation; Showa Kinzoku Kogyo Co., Ltd.; Nippon Koki Co., Ltd.; Nippo Kogyo Co., Ltd.; JAPEX Corp.; NOF METAL COATINGS ASIA PACIFIC CO., LTD.)

*4 Databases used: IDEA Ver. 3.5, IDEA Lab, Research Institute of Science for Safety and Sustainability, National Institute of Advanced Industrial Science and Technology (AIST); Emissions Intensity Database Ver. 3.5 for Calculating the Greenhouse Gas Emissions of Organizations through the Supply Chain (Ministry of the Environment)



Energy consumption and CO₂ emissions

Energy consumption for fiscal 2024 decreased 0.2% from the previous year for the NOF Group, and decreased 1.9% from the previous year for NOF. The total volume of energy-derived CO₂ emissions decreased 4.0% from the previous year to 136,800 tons for the NOF Group, and decreased 1.6% from the previous year to 108,000 tons for NOF.

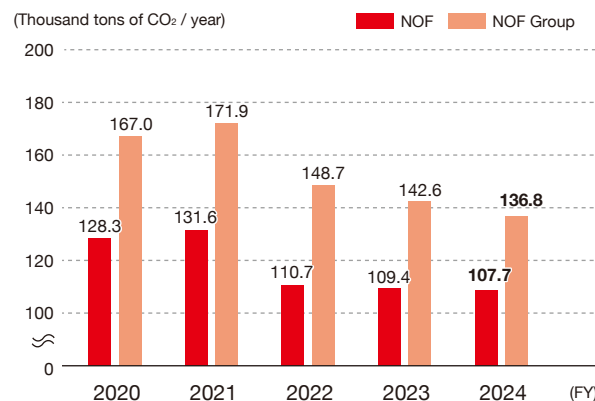
In addition, the energy intensity per unit of production for the NOF Group was 13.8 GJ/t, a 0.4% decrease year-on-year. For NOF, it was 14.1 GJ/t, a 3.1% decrease. We will continue to steadily implement the efficient use of energy.

CO₂ emissions other than from energy consumption

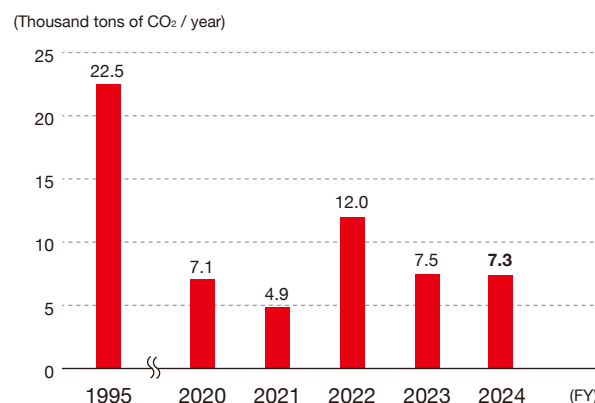
At the Aichi Works, NOF manufactures products for specific purposes using perfluorocarbon (PFC), which has a high global warming coefficient, as the diluent for organic peroxides.

In fiscal 2024, PFC emissions decreased approximately 3% from fiscal 2023, due in part to the effects of facility improvements. Going forward, we will aim to reduce emissions through efforts such as maintaining steady operation of recovery equipment and further promoting the use of alternative diluent.

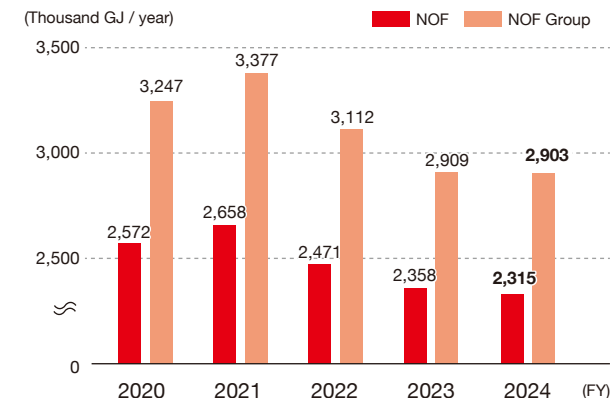
Changes in CO₂ emissions*¹ by energy consumption



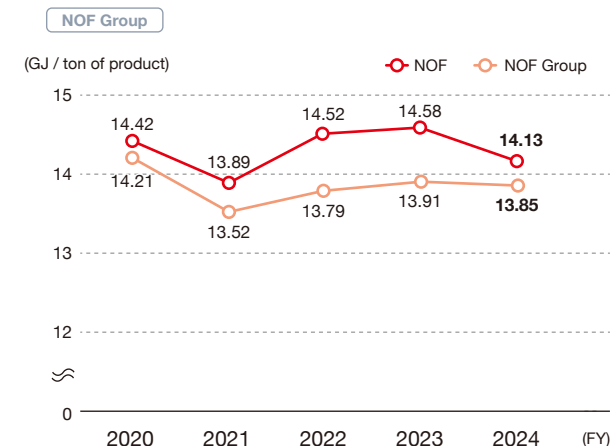
Changes in PFC emissions



Changes in energy consumption*²



Changes in energy intensity per product



*¹ The coefficient used in converting the electricity consumption into CO₂ emissions is the emission coefficient used by electric power supply companies in the fiscal year.

*² Energy consumption is estimated using 9.76 MJ/kWh as the coefficient when converting electric power consumption into the calorific value.



Energy-saving initiatives

The energy consumption (crude oil equivalent) by the NOF Group in fiscal 2024 was 74,890 kl, down 0.2% from fiscal 2023. The energy consumption per sales (crude oil equivalent) was 0.31 kl/ million yen, down 8.8% from fiscal 2023. By trialing internal carbon pricing and adding it to the economic benefits of small group activities, we are encouraging greater motivation for energy-saving activities such as process improvements and reducing steam consumption through the replacement of steam traps.

These achievements stem from the promotion of energy-saving activities, including reductions in steam usage through process improvements and the management of heat-related equipment.

By reviewing the operation of heating processes and optimizing the required amount of steam, we improved the overall energy efficiency of our facilities and contributed to a reduction in energy

consumption.

In addition, to effectively utilize thermal energy, we use steam trap diagnostics to detect equipment deterioration or failures at an early stage, thereby maintaining equipment and ensuring efficient use of thermal energy. We also perform thermal imaging diagnostics on equipment and piping to visualize heat loss, enabling us to promptly implement countermeasures against it.

Renewable energy measures (domestic)

The NOF Group's initiatives in the area of renewable energy include the installation of solar power generation facilities at the Kawasaki Works in 2018 and NiGK Corporation in November 2020 to supply renewable energy for part of the electricity used in production activities. Since then, we have continued installing solar power generation facilities as much as possible, such as on newly constructed production facility buildings, as well as on the rooftops of

company housing and dormitories built as employee welfare facilities, thereby promoting initiatives toward a low-carbon society.

Initiatives to reduce CO₂ emissions through the use of biomass fuel

At PT. NOF MAS CHEMICAL INDUSTRIES (NMC) in Indonesia, where palm oil is produced, we are working to reduce CO₂ emissions by sourcing boiler fuel from palm kernel shells (PKS), a biomass fuel made from waste generated after oil extraction.

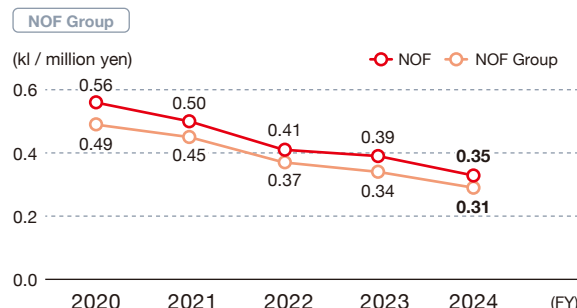


Biomass fuel
(palm kernel shells)



Boiler using biomass fuel

Changes in energy intensity related to sales



Track record of solar power introduction

Works / plants	Power generation capacity (kW)	Average sunlight hours	Operating days	Power generation results (MWh/year)
Daishi Plant	16.6	2.6	365	15.6
Amagasaki Plant (Kansai company housing)	10	4.5	365	16.5
Kinuura Plant (Warehouse No. 38)	20	4.2	242	20.2
NiGK Corporation (Kawagoe Plant)	10	5.3	365	19.2
PT. NOF MAS CHEMICAL INDUSTRIES (NMC)	102	3.2	31	10.1



CO₂ emissions intensity during transportation

Since the operational launch of our integrated delivery system in fiscal 2006, NOF has been endeavoring for more efficient transportation. NOF has also been tackling modal shifts* and joint delivery.

As a result of advancing a modal shift from truck transport to rail transport, the share of rail and marine transport in total cargo volume has reached 19.3%.

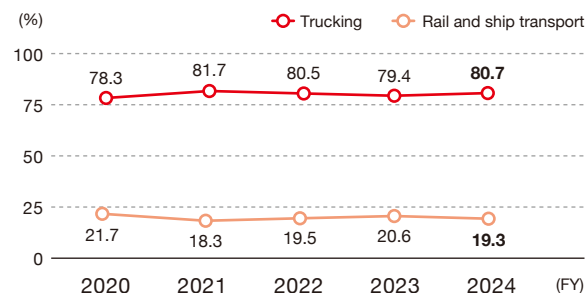
In terms of CO₂ emissions intensity during transportation, if we take fiscal 2006—the first year of implementing the integrated delivery system—as 100, the figure for fiscal 2024 was 42.1.



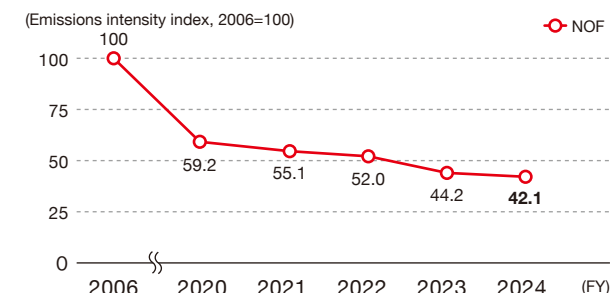
Modal shifting

$$\text{CO}_2 \text{ emissions intensity during transportation} = \frac{\sum (\text{CO}_2 \text{ emitted by each means of transport})}{\text{Net sales}}$$

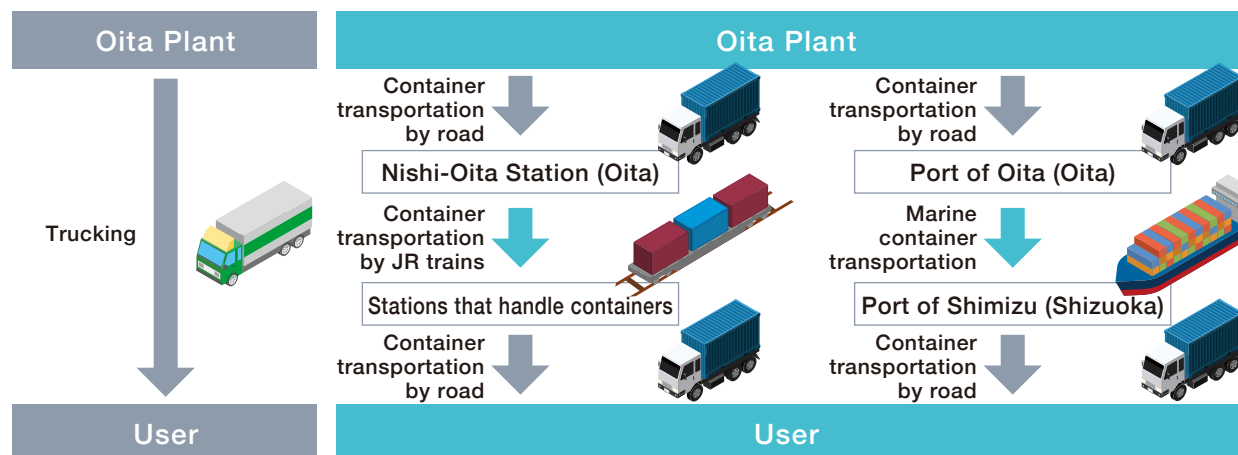
Transportation modal shifts (NOF)



CO₂ emissions intensity related to transportation (NOF)



Oita Plant modal shifting scheme



* Enhancing the efficiency of transport and at the same time reducing energy consumption and environmental loads by shifting the mode of transport to large per-unit capacity means such as cargo trains and ships.



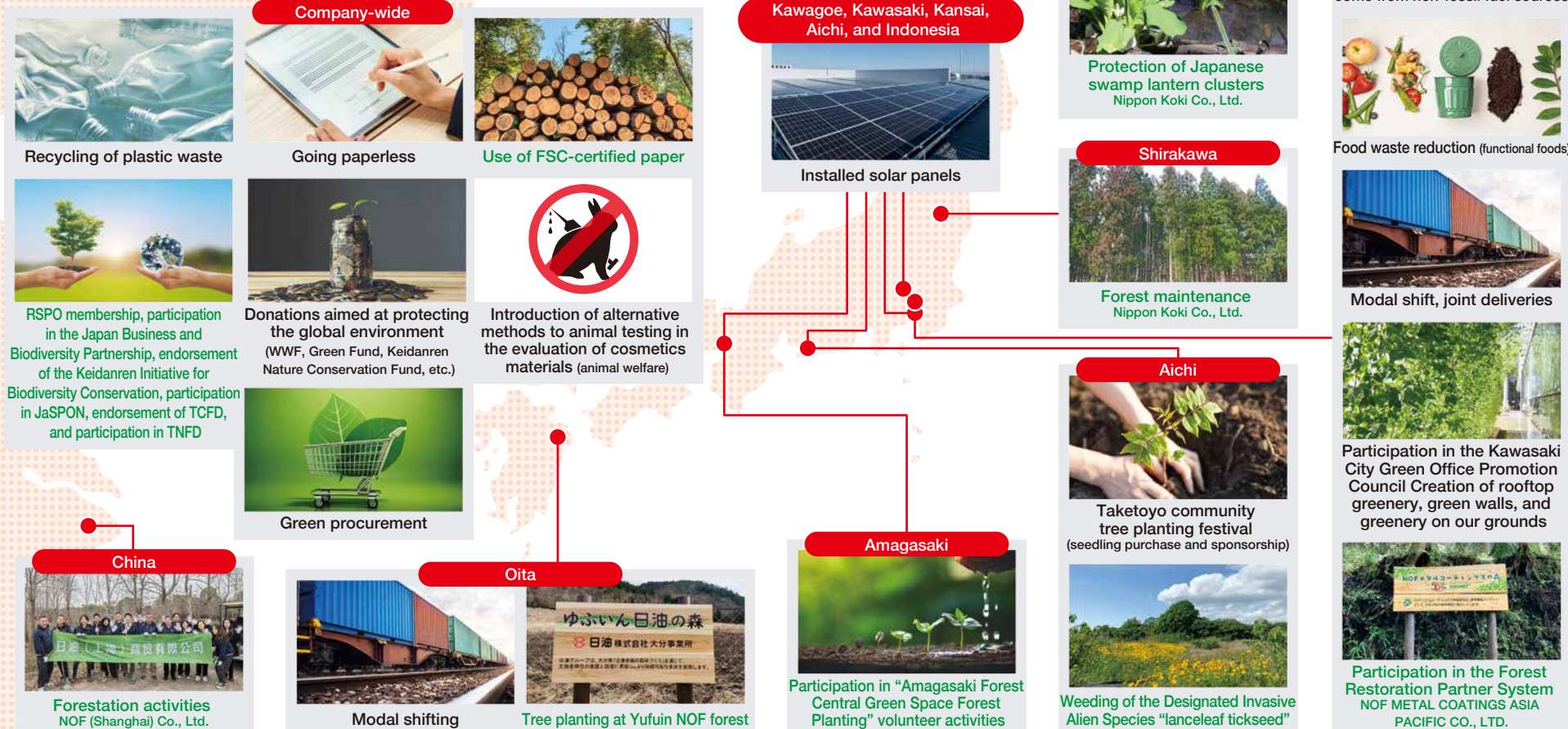
Climate Action and Natural Capital | Progress and Results for Biodiversity

GRI 304-1,2,3,4

Progress and Results for Biodiversity Conservation

In addition to “forest planting” through creation of green areas alongside roads as well as thinning and pruning company-owned forests, we are implementing plans that contribute to biodiversity at our sites across Japan through protection activities mainly for endangered species, extermination of invasive non-native plants, and donation activities.

Clicking on an initiative written in green will take you to the page with details.





PICK
UP



Oita
Plant

Tree planting at Yufuin NOF forest

At our Oita Works, as part of our biodiversity conservation initiatives, we endorsed Oita Prefecture's "Forest Creation with Corporate Participation" program and carried out tree-planting activities in the forests of Yufu City. This initiative involves concluding agreements with landowners and forest cooperatives through mediation by Oita Prefecture, conducting tree planting and thinning, and thereby conserving forest environments and watershed areas.

The site of our activities is a cedar cutting area at the foot of Mt. Yufu, also known as the "Mt. Fuji of Bungo." Covering about 2.8 hectares, it has been named "Yufuin NOF Forest," with plans to plant 2,000 broadleaf trees such as sawtooth oaks. On March 15, 2025, under the guidance of forest cooperative members, NOF employees and their families held a tree-planting ceremony in which they planted 200 saplings, equivalent to one-tenth of the total plan. Guests from other companies in the local industrial complex also attended the event, generating a ripple effect right from the start.

Yufuin NOF Forest is expected to absorb about 160 tons of CO₂ over five years as the saplings grow. It is also expected to function as a watershed conservation area for the Oita River, which is the main water source for Oita citizens. We will help realize a sustainable future through contributions to the forestry cycle of cutting, using, and planting trees.

PICK
UP

Amagasaki
Plant

Participation in "Amagasaki Forest Central Green Space Forest Planting" volunteer activities (from 2017)



In fiscal 2024, a total of 10 employees from the Amagasaki Plant participated in the "Amagasaki Forest Central Green Space Forest Planting," one of the initiatives of the "Amagasaki 21st Century Forest Project" promoted by Hyogo Prefecture. Together with general volunteers and the secretariat, the employees worked hard on tree planting and weeding. Through this reforestation activity, we will contribute to improving the environment of the waterfront area and ensuring the diversity of biological ecosystems.



PICK UP

NOF METAL COATINGS ASIA PACIFIC CO., LTD.

Participation in the Forest Restoration Partner System under the Kanagawa Forest Restoration 50-Year Project



PICK UP

Nippon Koki Co., Ltd. Forest maintenance

Fukushima Prefecture, where Nippon Koki Co., Ltd.'s Shirakawa Plant is located, has established the Fukushima Prefecture Carbon Dioxide Absorption by Forest Maintenance Activities Certification System to certify the effectiveness of forest maintenance activities such as planting, weeding, and thinning conducted by companies and organizations in the prefecture in terms of carbon dioxide absorption as a numerical value. This certification is aimed at promoting participation in forest maintenance activities by companies and organizations, thereby contributing to the continued exhibition of the multifaceted functions of forests, such as the prevention of global warming, and the revitalization of communities in mountain villages.

Nippon Koki Co., Ltd., which owns approximately 149 hectares of forest in Nishigomura, Nishishirakawa-gun, Fukushima Prefecture, has been certified as having absorbed 282 tons of carbon dioxide (2012 to 2013) through its forest maintenance activities.

PICK UP

NOF (Shanghai) Co., Ltd.

Forestation activities



NOF (Shanghai) Co., Ltd. is actively engaged in tree-planting activities with the aim of improving the environment in the Shanghai area and mitigating global warming. In fiscal 2024, 16 employees planted about 20 Japanese ash trees in the Fengxian District of Shanghai. Through these tree-planting activities, we will continue to contribute to the improvement of the global environment.



PICK
UP

Nippon Koki Co., Ltd. | Activities to protect Japanese swamp lantern clusters

The Japanese swamp lantern, which is known in Japan from the children's song "A Memory from Summer," is an alpine plant that grows near water. On the grounds of Nippon Koki's Bibai Plant (Bibai City, Hokkaido Prefecture), which covers a vast area of about 43 hectares, or 9.2 times the size of the Tokyo Dome, there are clusters of Japanese swamp lanterns in a wetland where sunlight filters through the trees. Surrounded by Japanese white birch and other trees and water, this rich ecosystem is carefully protected with the continuous observation of employees.

PICK
UP

Head Office | Use of FSC-certified paper

FSC certification is an international system that certifies "responsible forest management" for the purpose of sustainable forest utilization and conservation. NOF uses FSC-certified paper for its Integrated Report, notice of General Meeting of Shareholders, company profile, and in-house newsletters, and cooperates in activities to protect forests.



PICK
UP

Head Office

CSR-based Procurement

The perennial plant "lanceleaf tickseed," a member of the Asteraceae family native to North America, was introduced from overseas as an ornamental and greening plant. However, in 2006 it was designated as a "Designated Invasive Alien Species" under the Act on the Prevention of Adverse Ecological Impacts Caused by Designated Invasive Alien Species because of its strong reproductive capacity and potential to seriously impact the ecosystem in Japan. Cultivation, transport, sale, and release into the wild are prohibited. Local governments throughout Japan are calling for extermination of lanceleaf tickseed through their websites and other means. At NOF's Aichi Works, lanceleaf tickseed grows in various parts of the grounds, and has increased dramatically in recent years. Therefore, the entire plant is conducting extermination activities.

PICK
UP



Aichi Works

Weeding of specified invasive non-native plants

Since fiscal 2010, we have designated promotion of biodiversity initiatives as one of our Responsible Care (RC) activities. From October 2012, NOF joined the Round-table on Sustainable Palm Oil (RSPO*) under the "Palm Oil Processors and Traders" category to contribute to the healthy development of the palm oil industry. Since 2014, the NOF Group has participated in the Japan Business and Biodiversity Partnership, which promotes initiatives for biodiversity by business operators. NOF currently endorses the Declaration of Biodiversity and Action Policy by Keidanren (2018 revised edition). Furthermore, in April 2019, NOF became a founding member of the Japan Sustainable Palm Oil Network (JaSPON), which comprises 18 companies and organizations including manufacturers, retailers, and non-governmental organizations, and also engages in activities to encourage the entire industry to procure and use RSPO certified palm oil.

*Acronym for Roundtable on Sustainable Palm Oil. The RSPO was established in 2004 with an eye to promoting sustainable production and profitability of palm oil through the formulation of globally credible authentication standards and participation of stakeholders. The RSPO is headquartered in Zurich, Switzerland.



Policy (our fundamental view)

The NOF Group makes efforts for the use and management of water resources as well as the appropriate treatment and management of plant wastewater in accordance with the Management Policy Regarding Responsible Care.

To this end, each plant and subsidiary is working on the following items.

- (1) Operation and wastewater management of specified facilities based on the Water Pollution Prevention Law
- (2) Thorough employee education on environment-related laws and regulations
- (3) Assessment of environmental impact when new facilities are established
- (4) Monitoring, confirmation, and enhancement of management status through internal audits
- (5) Disclosure of information through regular community dialogue

In addition, at our business bases, we are working to reduce water consumption and improve efficiency in production. We achieve sustainable water resource management by promoting the effective use of water resources and reducing the burden on the environment.

Within the NOF Group, the RC Committee Chair, appointed by the President, is responsible for these initiatives. Through these efforts, we promote resource recycling and actively work to reduce environmental impact, thereby contributing to the realization of a sustainable society.

Use of water resources

NOF has been carrying out the efficient use of water

resources by estimating the amount of the water consumption. In fiscal 2024, total new water intake was 7.886 million m³, of which 1.407 million m³ was groundwater and 1.805 million m³ was city water.

Our water usage per million yen of net sales has increased by approximately 0.7% over the previous fiscal year, making us more dependent on water use. For the appropriate management and protection of water resources, we conduct employee education and awareness-raising activities, recognize the importance of sustainable water use, and continue to work to reduce water consumption.

Volume of wastewater by discharge destination

The NOF Group discharges approximately 60%, or 3,596,000 m³, of the wastewater generated at each production site to seawater after appropriate treatment. In addition, about 32% is discharged to surface water, including rivers, and the remaining 8% to other organizations.

Changes in volume of wastewater by discharge destination

NOF Group

(Thousand m³/year)

Category	2021	2022	2023	2024
Surface water	1,777	1,843	1,863	1,904
Groundwater	0	0	0	0
Seawater	3,479	3,483	3,692	3,596
Discharge to other organizations	568	535	535	504
Total	5,824	5,861	6,090	6,004

Changes in water consumption

(Thousand m³/year)

Category	2020	2021	2022	2023	2024
NOF (non-consolidated)					
Volume of water intake	-	-	-	-	13,496
Volume of new water use	5,254	5,303	5,473	5,462	5,350
City water	181	208	217	234	232
Industrial water	4,300	4,322	4,351	4,359	4,219
Groundwater	773	774	905	869	898
Internally recycled water	-	-	-	-	8,146
Volume of water discharged	4,846	4,939	5,022	5,283	5,190
Volume of water used	408	364	451	179	159
Entire Domestic Group					
Volume of water intake	-	-	-	-	14,038
Volume of new water use	5,814	5,861	6,001	5,959	5,892
City water	211	243	248	268	266
Industrial water	4,300	4,322	4,351	4,359	4,219
Groundwater	1,304	1,297	1,402	1,332	1,407
Internally recycled water	-	-	-	-	8,146
Volume of water discharged	5,390	5,479	5,531	5,763	5,716
Volume of water used	424	382	470	196	177
NOF Group total					
Volume of water intake	-	-	-	-	16,032
Volume of new water use	7,698	7,833	7,964	7,833	7,886
City water	1,318	1,514	1,650	1,578	1,805
Industrial water	5,077	5,022	4,912	4,923	4,673
Groundwater	1,304	1,297	1,402	1,332	1,407
Internally recycled water	-	-	-	-	8,146
Volume of water discharged	5,780	5,824	5,861	6,090	6,004
Volume of water used	1,918	2,009	2,103	1,743	1,881
Volume of water used / Net sales (ton / million yen)	11.1	10.4	9.7	7.8	7.9



Initiatives to reduce water use

In order to promote reductions and efficiency improvements in water use at our business sites, NOF is circulating cooling water and reviewing manufacturing processes to reduce water intake.

We are also working to suppress water intake by reusing treated wastewater as cooling water.

Water stress (drought) assessment

We assessed water stress (drought)*1 at our domestic and overseas production sites using the Aqueduct 4.0 tool of the World Resources Institute (WRI). The assessment showed that in 2024 and 2030, some sites in Europe and Southeast Asia will be located in regions under water stress. By 2050, it is expected that sites in South America will also face a higher risk of water stress. Going forward, we will continue working to reduce water usage.

Results of water shortage risk assessment using Aqueduct 4.0

(No. of production sites)

Water shortage risk level	Water stress	2024	2030	2050
High	Over 40%	2	2	3
Medium	20–40%	14	15	14
Low	Below 20%	7	6	6

Water intake at sites with high drought risk

NOF Group

(Thousand m³/year)

		Volume of water intake	Consumption amount	
Sites under high water stress (thousand m³/year)		453	152	
Ratio to total of the NOF Group (%)		5.7%	8.1%	
		Volume of water intake	Consumption amount	Volume of water discharged
High water stress	NOF METAL COATINGS EUROPE N.V.	3	3	0
	PT.NO F MAS CHEMICAL INDUSTRIES	450	149	301
Medium water stress and lower	Other NOF Group sites (including overseas)	7,433	1,729	5,704
NOF Group total		7,886	1,882	6,004

Prevention of water pollution

Wastewater from production activities is properly treated through treatment facilities before being discharged outside the plants. We monitor biochemical oxygen demand (BOD), chemical oxygen demand (COD), suspended solids,*2 and the like in wastewater. Along with ongoing equipment upgrades, we are improving our water quality management system and operating in compliance with prescribed limits. In addition, there have been no cases of violations of laws and regulations related to water quality.

Changes in wastewater monitoring items

(Tons / year)

	Category	2021	2022	2023	2024
NOF	BOD	50	37	33	24
	COD	67	44	52	55
	Suspended solids	31	22	36	26
Domestic Group	BOD	52	39	36	25
	COD	68	44	52	55
	Suspended solids	36	25	42	31
NOF Group	BOD	93	67	74	58
	COD	154	148	171	153
	Suspended solids	46	44	58	43
Violations of laws and regulations (no.)		0	0	0	0

*1 Water stress is measured as the ratio of total water withdrawals to available, renewable surface and groundwater supplies. Water withdrawals include consumptive and non-consumptive uses for household, industrial, irrigation, and livestock purposes. Available, renewable water supplies include the impact that upstream consumptive water users and large dams have on downstream water availability.

*2 Particulate substances of 2 mm or less in diameter floating or suspended in water; one of the indicators of water quality.



Risks and opportunities for water and wastewater

Category	Major risks and opportunities	Overview	Countermeasures
Transition risks	Tighter domestic and international regulations	- The introduction of new regulations makes it necessary to enhance facilities and strengthen management systems to comply with the new regulations, which increases the associated management costs - New wastewater regulations make it impossible to manufacture products as they have been through now, resulting in reduced sales due to lost opportunities	- Increased capacity of wastewater processing facilities - Development and provision of products with low environmental impact
	Market	- At production sites in regions with high water risk, procurement costs rise due to higher water prices caused by water shortages - At production sites in regions with high water risk, sales decrease due to lost opportunities when operations are interrupted at production plants due to frequent water outages caused by water shortages - Aging water infrastructure causes unstable water supply and frequent water outages, interrupting operations at production plants and resulting in sales decrease due to lost opportunities	Study of efficient use of water
	Deterioration of evaluation/reputation	Delays in complying with regulations and in developing eco-friendly products damage the company's evaluation from investors and its reputation among customers and local residents	Enhancement of information disclosure on content of initiatives
Physical risks	Natural disasters	- Due to prolonged heavy rainfall causing wastewater processing facilities to exceed their capacity, or damage to facilities caused by typhoons and other natural disasters, it becomes difficult to manage discharges, which in turn causes production to stop, resulting in lost opportunities and lost sales - Water cutoffs and droughts due to natural disasters associated with climate change disrupt operations at production plants, resulting in reduced sales due to lost opportunities - Increased flooding due to climate change damages production plants at risk of flooding, resulting in asset losses and reduced sales - Due to the increase in flooding accompanying climate change, the outflow of pollutants causes negative impacts on the environment, and in addition to fines imposed for violations of environmental regulations, the company's reputation is damaged, which leads to customer loss and decreased sales	- Increased capacity of wastewater processing facilities - Study of efficient use of water
	Chronic risks	Excessive groundwater intake causes land subsidence in areas surrounding plants using groundwater, resulting in large compensation for damages and decreased sales due to prolonged shutdowns (Aichi Works)	Study of efficient use of water
Opportunities	Growing needs for products that contribute to water pollution solutions	[Mitigation of water pollution] Anti-sticking agents for asphalt mixtures, eco-friendly stern tube bearing oil, biodegradable lubricants, antifreezing agents, lead-free products	Development and provision of eco-friendly products
	Improvement of evaluation and reputation	Proactive emission control measures and the development and provision of products that make positive contributions improve the company's evaluation from investors and its reputation among customers and local residents	Enhancement of information disclosure on content of initiatives



Policy (our fundamental view)

The NOF Group actively carries out initiatives to prevent air pollution in accordance with the Management Policy Regarding Responsible Care.

- (1) We manage atmospheric emissions generated from operations and comply with laws and regulations.
- (2) We set targets and continuously pursue technical improvements to reduce atmospheric emissions.
- (3) We take into account the impact on local communities and strive to minimize environmental burdens.

Basis for Policy

Policy 1: Manufacturing Business Guideline 8

“To reduce environmental impact, we comply with relevant laws and regulations, and establish management systems for atmospheric emissions, discharges to sewage treatment plants, rivers, and oceans, as well as for industrial waste and other outputs associated with operations.”

Policy 2: Manufacturing Business Guideline 8

“We set targets for reducing emissions as well as for minimization, volume reduction, recovery, treatment, and improved sorting of industrial waste, and will continue to make technical improvements.”

Policy 3: Manufacturing Business Guideline 7

“We pay due attention to the concerns of

local residents regarding relevant product manufacturing, enhance communication with them, and establish systems that can provide appropriate information.”

Prevention of air pollution

In accordance with the Management Policy Regarding Responsible Care, the NOF Group measures sulfur oxides (SOx), nitrogen oxides (NOx), soot and dust,* and other substances

contained in the exhaust gas from boilers and other combustion equipment to prevent air pollution, and manages operations in strict compliance with national and local environmental standards.

We are currently advancing reduction plans, including energy conversion of A fuel oil boilers, which cause SOx emissions, to city gas.

In addition, there have been no cases of violations of laws and regulations related to emissions into the atmosphere.

Changes in exhaust gas monitoring items

(Tons / year)

Category		2021	2022	2023	2024
NOF	SOx	1.9	2.6	4.9	2.1
	NOx	48.0	49.1	52.9	40.6
	Soot and dust	1.1	0.9	0.9	0.9
Domestic Group	SOx	3.3	4.4	6.5	3.4
	NOx	49.6	50.6	54.4	41.1
	Soot and dust	1.1	0.9	1.0	0.9
NOF Group	SOx	4.6	6.5	8.2	4.7
	NOx	55.3	55.4	58.1	45.8
	Soot and dust	4.1	4.6	2.6	4.4
Violations of laws and regulations (no.)		0	0	0	0

*Out of particulate substances arising from operations in plants and other business establishments, those generated in conjunction with the combustion of fuel or any other substance.



Hazardous air pollutants

Hazardous air pollutants are chemical substances that may pose risks to human health through long-term exposure even at low concentrations. Based on the list of chemical substances revised in the October 2010 report (9th report) of the Central Environment Council, we are working to monitor and reduce emissions of 15 designated substances.

The Domestic Group's emissions of these substances in fiscal 2024 amounted to 89 tons. As with VOCs, we position the reduction of emissions as one of our important issues, and we are actively working on process improvements and equipment installation. In addition, through technological innovation and research and development, we are exploring new reduction methods and contributing to the realization of a sustainable society.

Emissions of hazardous air pollutants
(15 substances overlapping with VOCs
from the 23 priority substances)

Domestic
Group

FY2024

NOF 56.6 tons/year

Domestic Group 89.1 tons/year

Volatile organic compounds (VOCs)

VOCs are substances that contribute to air pollution and photochemical smog. NOF believes that controlling VOC emissions is part of our social responsibility.

We monitor and work to reduce VOC emissions. In fiscal 2024, the total VOC emissions from the Domestic Group amounted to 190 tons.

As part of our environmental protection activities aimed at realizing a sustainable society, NOF positions VOC emission reduction as one of our important issues. We are actively implementing process improvements and introducing new equipment. In addition, through technological innovation and research and development, we are exploring new reduction methods and contributing to the realization of a sustainable society.

VOC emissions
(PRTR-controlled + JCIA-recommended
substances: 303)

Domestic
Group

FY2024

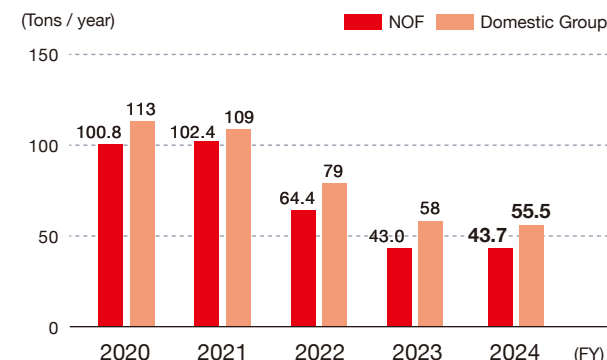
NOF 142.8 tons/year

Domestic Group 189.8 tons/year

VOC substances under JCIA-recommended voluntary control

The Domestic Group also monitors and reduces emissions of VOCs recommended by the Japan Chemical Industry Association (JCIA) as substances for voluntary management. In fiscal 2024, VOC emissions amounted to 56 tons, representing a decrease of about 4% from the previous year's 58 tons.

Changes in VOC emissions of substances under JCIA-recommended voluntary control Domestic Group





Reduction of fluorocarbon emissions

In accordance with the Act on Rational Use and Proper Management of Fluorocarbons (Fluorocarbon Emissions Control Act), which covers the entire life cycle of fluorocarbons from production to disposal, we have been carrying out simple and periodic inspections according to plan, as required by the law.

In fiscal 2024, we estimated leakage of fluorocarbons amounted to 2,118 tons of CO₂e at the Kawasaki Works, 622 tons of CO₂e at the Aichi Works, and 32 tons of CO₂e at the Amagasaki Plant, bringing the total for our company to 2,775 tons of CO₂e.

We will continue to strengthen inspections and maintenance, and ensure proper disposal of equipment. We will also promote the replacement of existing equipment to equipment that uses refrigerants with lower global warming and ozone depletion potentials and further reduce fluorocarbon leaks.

Calculated fluorocarbon leaks (FY2024)

Works / plants	Emission volume (tons of CO ₂ e)
Amagasaki Plant	32
Aichi Works	622
Kawasaki Works	2,118
Oita Works	3
Total	2,775

PRTR Act-controlled substances

The emissions volume of PRTR Act-controlled substances by the Domestic Group in fiscal 2024 was 135.1 tons, a decrease by about 19% from 167.0 tons in the previous fiscal year. As a result, about 50% reduction of emissions volume was achieved from the 269 tons in fiscal 2010, the reference year of the Mid-term Target.

PRTR Act-controlled substances with an emissions volume of 10 tons or more are indicated in the table below.

Substances high in volume (10 tons or more) discharged into the environment Domestic Group

Cabinet order No.	Name	Emission volume (tons/year)
186	Dichloromethane	37.4
300	Toluene	29.2
128	Chloromethane	15.4
83	Cumene	15.0
Total emission volume		135.1

Measures to reduce emissions of PRTR Act-controlled substances

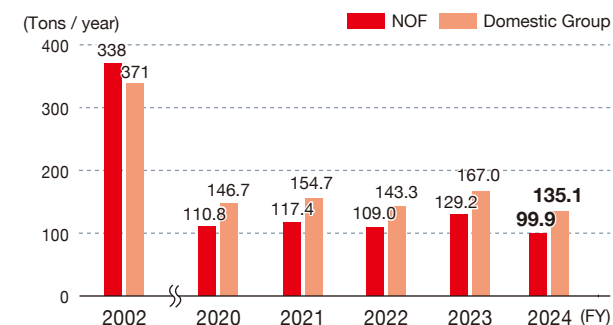
NOF has set a KPI of reducing emissions of PRTR Act-controlled substances to 170 tons or less each year. In particular, we are examining manufacturing methods in which PRTR Act-controlled substances are not used in order to reduce the amount of substances with high environmental emissions. We

aim to reduce emissions through the adoption of alternative substances and environmentally friendly manufacturing methods.

In addition, the operating conditions of recovery equipment are optimized to improve the recovery rate of emissions. Regular maintenance and proper operation and management ensure effective recovery and lead to reduced emissions.

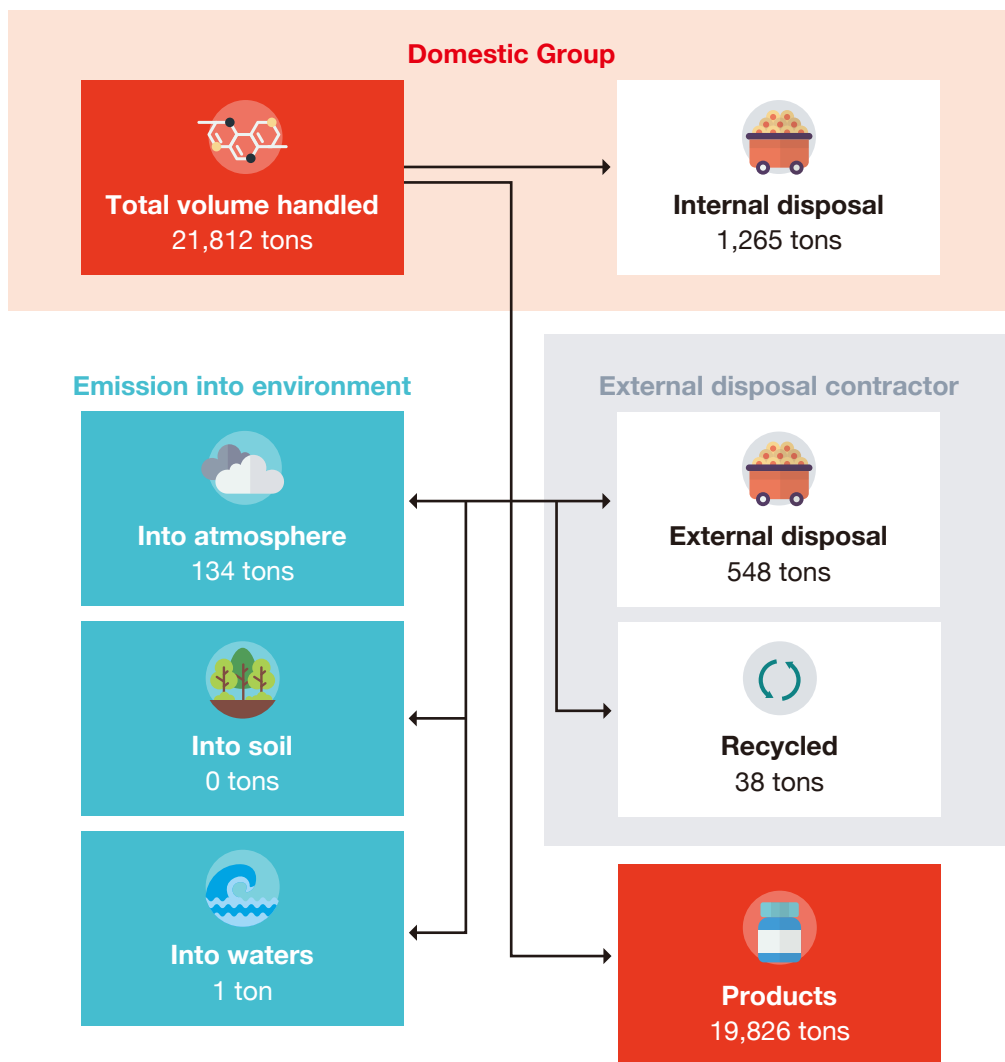
NOF will continue its efforts to reduce emissions of PRTR Act-controlled substances and promote more environmentally friendly manufacturing activities. In this way, we will contribute to the achievement of a sustainable society and work to protect the global environment.

Changes in emissions of PRTR Act-controlled substances Domestic Group





Balance of emissions of PRTR Act-controlled substances (FY2024) Domestic Group





Risks and opportunities for atmospheric emissions

The NOF Group recognizes both the risks and opportunities related to atmospheric emissions and is implementing measures to address them. In terms of transition risks, tightening domestic and international regulations may lead to higher costs from facility investments and the potential loss of business

opportunities if production of existing products is discontinued. Delays in regulatory compliance or in developing eco-friendly products may also damage our reputation among investors, customers, and local communities, posing a risk to the Group's standing.

As physical risks natural disasters such as typhoons or volcanic eruptions could damage facilities, which would directly result in halted

production activities and decreased sales.

On the other hand, growing demand for products that help mitigate air pollution presents opportunities for the NOF Group. The development of eco-friendly products such as waterborne anti-corrosion coatings and cement capsules is expected to enhance the Group's reputation and lead to the acquisition of new market opportunities.

Risks and opportunities for atmospheric emissions

Category	Major risks and opportunities	Overview	Countermeasures
Transition risks	Tighter domestic and international regulations	- The introduction of new regulations makes it necessary to enhance facilities and strengthen management systems to comply with the new regulations, which increases the associated management costs - New atmospheric emissions regulations make it impossible to manufacture products as they have been through now, resulting in reduced sales due to lost opportunities	(1) Creation and execution of emission reduction measures Capacity expansion of VOC recovery facilities (2) Reevaluation of production processes
	Deterioration of evaluation/reputation	Delays in complying with regulations and in developing eco-friendly products damage the company's evaluation from investors and its reputation among customers and local residents	Enhancement of information disclosure on content of initiatives
Physical risks	Natural disasters	Due to damage to facilities caused by typhoons, heavy rain, and other natural disasters, it becomes difficult to operate recovery facilities, which in turn causes production to stop, resulting in lost opportunities and lost sales	Capacity expansion of VOC recovery facilities
		Damage to equipment due to ash emissions from eruption of Mount Fuji	Handling of natural disasters according to the BCP
Opportunities	Growing needs for products that contribute to mitigating air pollution	[Mitigation of air pollution] Waterborne anti-corrosion coatings, cement capsules	Development and provision of eco-friendly products
	Improvement of evaluation and reputation	Proactive emission control measures and the development and provision of products that make positive contributions improve the company's evaluation from investors and its reputation among customers and local residents	Enhancement of information disclosure on content of initiatives

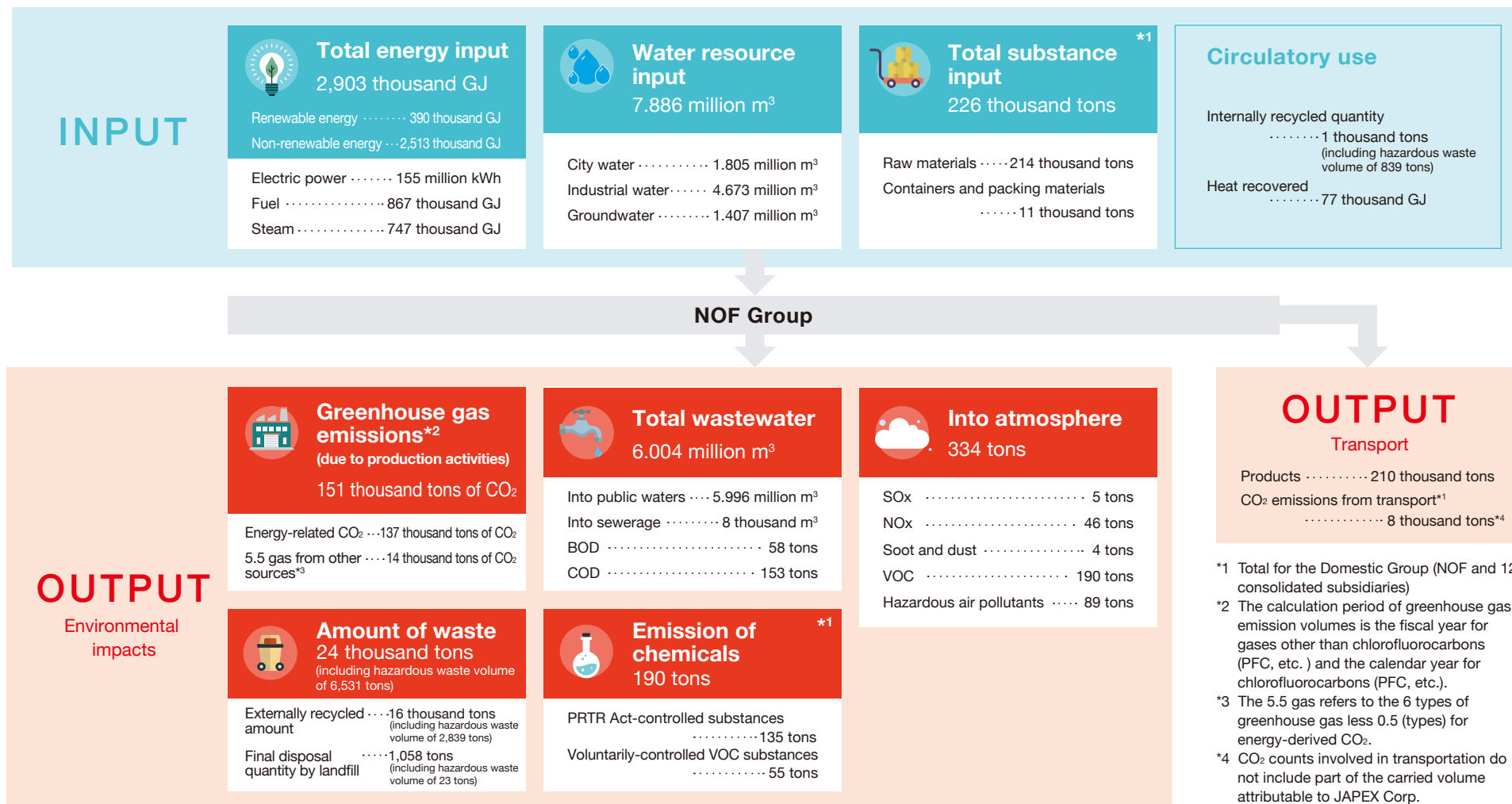


Environmental Performance

GRI 301-1,2/302-1,3,4/303-1,3,4,5/305-7/306-1,3,4,5

The status of environmental impact ensuing from business activities by the NOF Group in fiscal 2024 is shown below.

Key Environmental Performance NOF Group





Resource Recycling (Waste)

GRI 301-3/306-1,2,3,4,5

Policy (our fundamental view)

The NOF Group prioritizes conducting the following efforts as resource circulation initiatives.

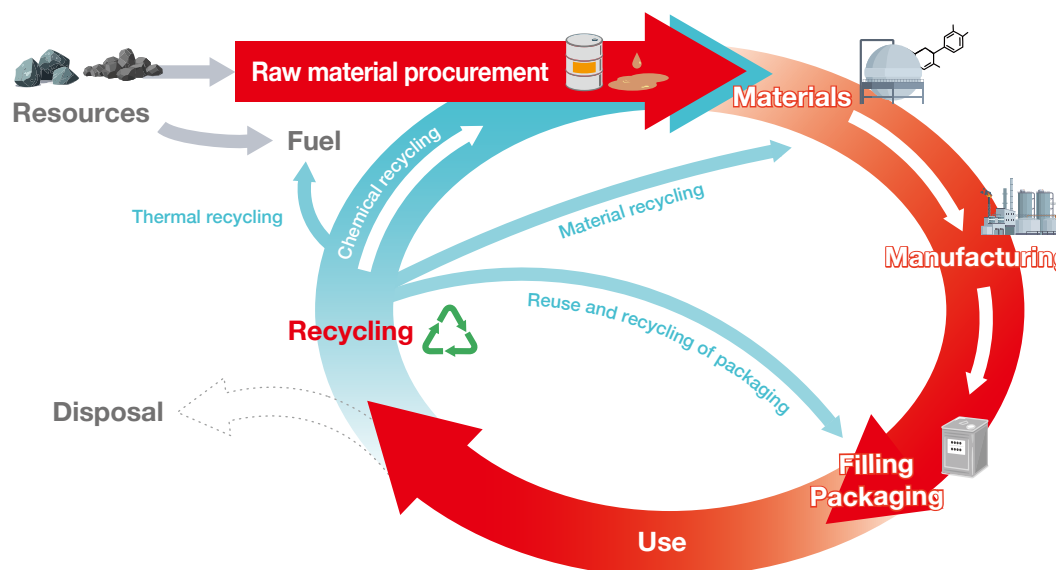
- (1) Promotion of the sale of valuable waste and internal processing: We sell waste as valuable resources and actively promote internal processing. This promotes the efficient use of resources through the reuse and recycling of waste.
- (2) Reduction of waste generated by maintaining separate disposal and improving processes: By maintaining separate waste disposal and improving processes, we are reducing the amount of waste generated. This initiative prevents resources from going to waste and ensures their efficient use.
- (3) Ongoing search for recycling processing contractors as well as processing implementation: We work continuously with recycling and disposal contractors and actively implement waste recycling processing. This initiative promotes the reuse of resources, efficient use of resources, and reduction of waste.
- (4) Landfill reduction through recycling of existing waste: By recycling existing waste, we are reducing disposal into landfills. Through this initiative, we are effectively utilizing resources and contributing to the reduction of waste and environmental impact.

The circular economy is an economic model that aims to create sustainable value through the efficient use of resources and the minimization of waste. It promotes reuse and recycling, reduces environmental impact, and contributes to the long-term enhancement of corporate value.

Resource recycling targets

The NOF Group promotes resource recycling efforts by setting targets.

- (1) Zero emissions*¹ rate: 0.10% or lower annually
We promote waste separation and recycling, and reduce the generation of waste disposed of in landfills as much as possible.
- (2) Waste plastic recycling*² rate: 94% or more annually (from FY2024)
We are advancing the recycling of waste plastics for recycling and effective use of resources.



*¹ Here, this means an endeavor to make the disposal quantity of industrial waste through corporate and production activities close to zero. Definition of zero emissions rate: (Volume of final disposal by landfill / volume of waste, etc. generated) × 100

*² Definition of recycling rate: (Volume of waste plastics recovered through thermal, material, or chemical processing / Waste plastics generated) × 100



Resource Recycling (Waste)

GRI 301-2,3/306-1,2,3,4,5

Initiatives toward saving resources

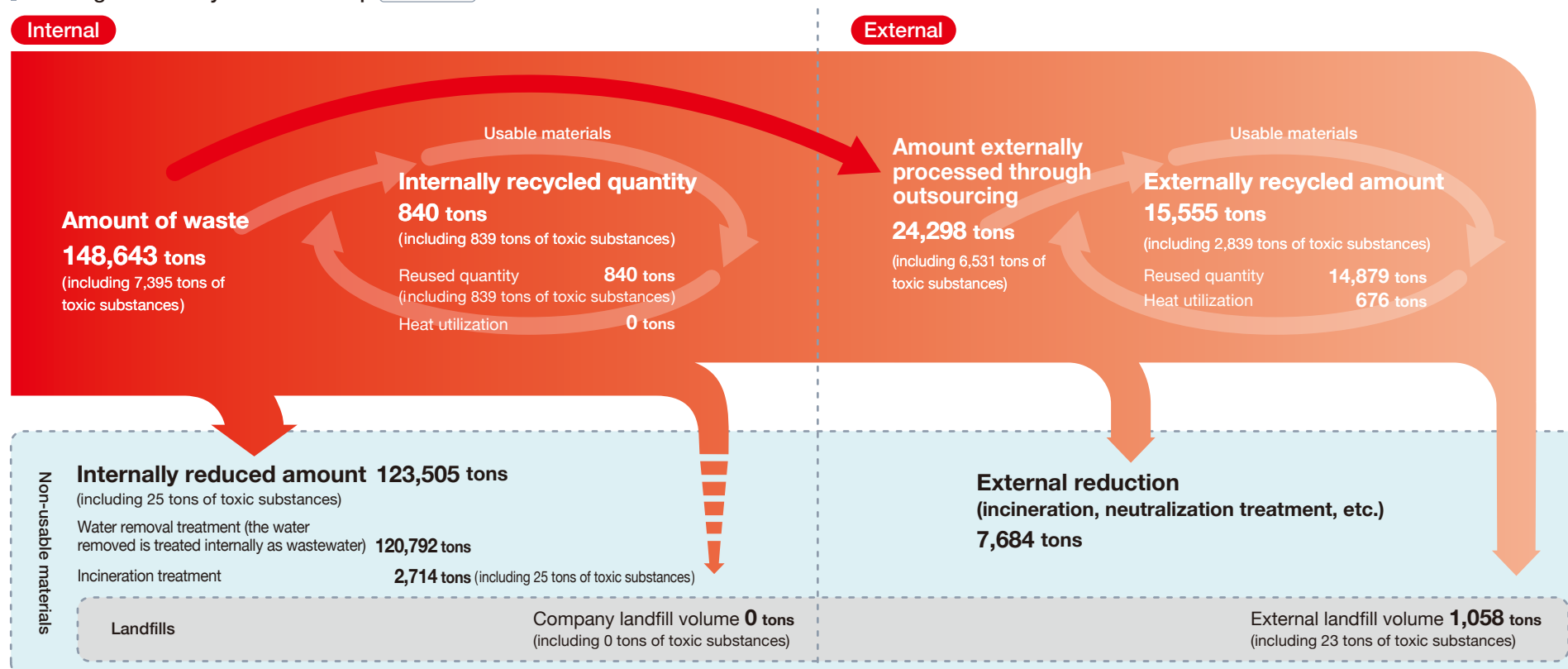
In fiscal 2024, the NOF Group generated 148,643 tons of waste, of which 83.1% was reduced through internal weight reduction measures and 16.3% was outsourced for external processing. As for the breakdown of the waste externally processed via outsourcing, 10.5% was recycled externally, 5.2%

was reduced externally, and 0.7% was disposed via landfills, for a recycling rate of 11.0% of the total waste generated.

As part of our resource circulation efforts, we are improving processes to increase yield and reduce the amount of waste generated, promoting the sale of valuable waste and internal processing, recycling

existing waste for landfill reduction, maintaining separate disposal and reducing waste generated, and continuously searching for plastic waste recycling and disposal contractors and advancing processing by them. We will continue to actively work to promote resource circulation, reduce waste, and lessen our environmental impact.

Waste generated by the NOF Group





Resource Recycling (Waste)

GRI 301-3/306-1,2,3,4,5

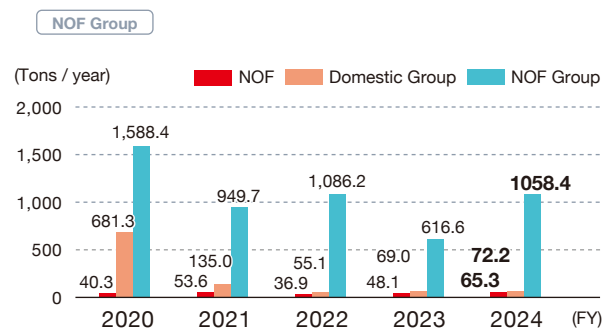
Promotion of drive toward zero emissions*

In fiscal 2024, the final landfill disposal volume for the Domestic Group was 72.2 tons, for a zero emissions rate of 0.047%.

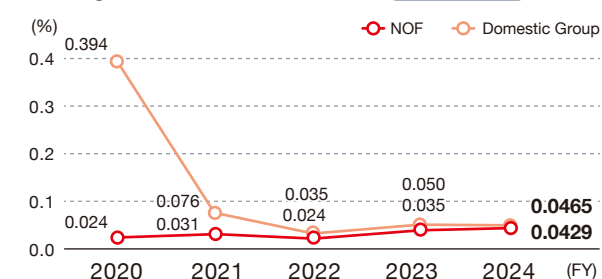
Meanwhile, NOF's final landfill volume was 65.3 tons, with the zero emissions rate standing at 0.043%.

We will continue to promote separate collection of waste and recycling to reduce the final disposal volume by landfill.

Changes in final disposal volume by landfill



Changes in zero emissions rate

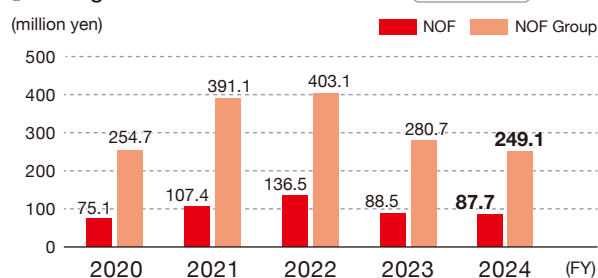


Recycling of valuables from waste

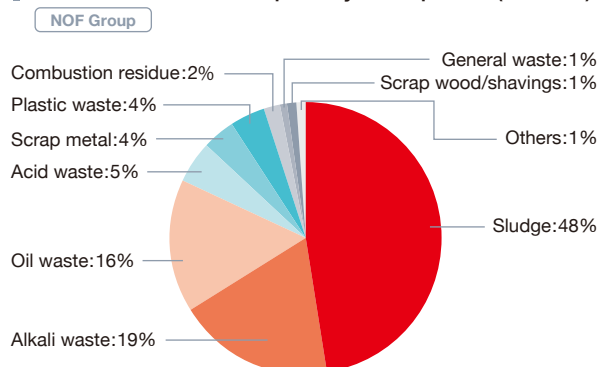
In fiscal 2024, the NOF Group's waste plastic emissions increased by 50 tons to 890 tons, and the recycling ratio against the emission amount improved to 99%. In addition, the Domestic Group's sales from the recycling of waste amounted to 249 million yen.

We will continue to actively sort and recycle waste plastics and also continue our recycling efforts.

Changes in sum of valuables sold



Breakdown of waste quantity from plants (FY2024)



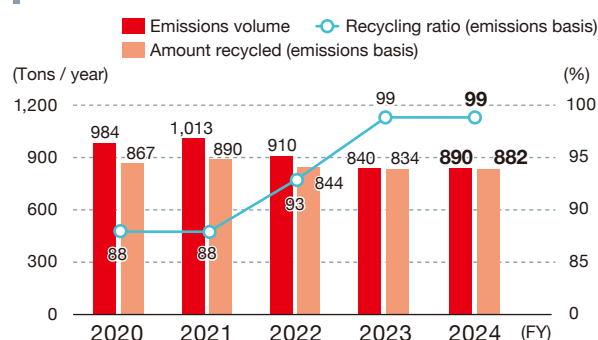
Changes in waste quantity from plants

Category	2020	2021	2022	2023	2024
NOF Group	28,955	29,164	25,157	22,541	24,298
Domestic Group	24,176	23,796	21,270	19,132	20,979
NOF	22,529	22,822	20,493	18,463	20,222

Breakdown of processed waste quantity from plants (FY2024)

Category	Waste quantity from plants	Recycled amount	External disposal quantity	Final disposal quantity by landfill
NOF Group	24,298	15,555	7,684	1,058
Domestic Group	20,979	14,605	6,302	72
NOF	20,222	13,935	6,222	65

Changes in amounts of plastic waste recycled and recycling rates



*Recycling rate = (Amount recycled (material, chemical, thermal) / total amount of waste plastic discharged) × 100

*Here, this means an endeavor to make the disposal quantity of industrial waste through corporate and production activities close to zero. Definition of zero emissions rate: (Volume of final disposal by landfill / volume of waste, etc. generated) × 100



Chemical Safety

GRI 2-27/306-2/308-2/403-2

Policy (our fundamental view)

The NOF Group positions chemical safety as a key responsibility and places priority on the following initiatives.

(1) Assessment of product hazards and environmental impact

We conduct thorough chemical substances risk assessments, collecting and organizing information on environmental impacts and hazards from the product development stage. This enables us to classify and grade hazards, clarify applicable regulatory requirements, and ensure safety throughout all processes, from manufacturing, handling, storage, and distribution to disposal.

(2) Identification of potential hazards and implementation of countermeasures

At each stage, such as planning and pilot production, we carry out chemical substances risk assessments and organize quantified information on potential hazards in products. In particular, for ingredients with significant potential risks, we implement effective measures such as requiring appropriate protective equipment and monitoring workplace environments, based on the results of risk assessments.

(3) Updating product information and verifying legal compliance

To ensure product safety, we confirm legal compliance through testing and evaluation before sales begin. Furthermore, after products

are launched, we continue to collect and update hazard information and reflect the latest findings.

(4) Establishing emergency response systems

We have built systems that enable prompt response in the event of unforeseen product accidents or situations requiring urgent re-assessment.

(5) Ensuring safety during transportation

During transport, we strictly enforce the carrying of “Yellow Cards” containing chemical hazard information to ensure safety in transit.

Through these initiatives, the NOF Group is strengthening safety management of chemical substances and striving to enhance chemical safety toward the realization of a sustainable society.

Management approach

In order to meet the needs of our customers now and in the future, the NOF Group promotes appropriate risk-based management of chemicals and conducts product safety risk assessments for all

products, including new products.

Many countries and regions are now actively enacting or revising laws and regulations related to chemicals management. In cooperation with Group companies in Japan and overseas, NOF is strengthening its ability to gather information on regulatory trends and enhancing its functions using a comprehensive chemicals management system in order to ensure compliance with the following items.

- We maintain a comprehensive understanding of the hazards, risks, and impacts of each product as they relate to all phases of the product's life cycle and intended use(s).
- We update the quality and quantity of information as necessary to ensure global consistency and to comply with local requirements for product information.
- We keep records of all necessary and requested product safety information to ensure that our products are useable throughout their entire life cycle.
- Standardized safety data sheets (SDS) are provided to customers at the time of initial delivery and upon request in local areas. We consistently maintain this critical information provision mechanism, and conduct distribution to all customers worldwide for all products, in compliance with local regulations and in the language requested by the customer.





Chemical Safety

GRI 2-27/306-2/308-2/403-2

Initiatives of the NOF Group

The NOF Group believes that a sound understanding of its products' chemical properties, hazards, and impacts on people and the environment, as well as the management of risks associated with the handling of products, are fundamental to providing the market with a safe and competitive product portfolio in the future. We work to ensure reliable operation of the mechanism for providing SDSs so that hazard information related to our products is easily available to our customers and employees, and we continuously provide updates on the latest information.

The NOF Group currently delivers over 5,000 products to markets in 82 countries and regions around the world, and provides SDSs to these markets. We are also responsible for making revisions in response to

changes in laws. We provide customers with appropriate information and technical assistance to ensure thorough understanding of our products and safe usage and handling practices. We are currently introducing a system to manage product information. As laws and regulations evolve, we are collecting more information on the conditions of use of our products to record and assess the associated risks, and reflect this in our SDSs.

In addition, NOF has made a list of controlled substances specified in the POPs Convention, RoHS Directive, and the like, and promotes thorough management and volume reduction by ranking them as

- ① All chemicals prohibited to be handled,
- ② Chemicals for which we will consider alternatives and strive to reduce the amount handled, and

- ③ Chemicals to be handled under appropriate management.

We are striving to eliminate ①, and make ② subject to phased reductions in procurement, use, and sales. Since the implementation of the EU's REACH Regulation, in 2024 one of our products was subject to the system for substances of very high concern (SVHCs). Currently, we do not conduct direct sales of the relevant products to Europe. We comply with the REACH Regulation and will continue to share information with our customers and take appropriate measures.

In addition, in Japan, we are also promoting initiatives to remove lead from pyrotechnic devices such as detonators that contain lead, which can affect water pollution.

Initiatives in the supply chain

Product development

We are promoting the development of eco-friendly products that are biodegradable and do not contain hazardous substances, which contribute to recycling and energy conservation for the final products. In addition, we conduct screening tests on the risks and harms of all chemical substances we handle during design screening of new products and assessments in the commercial production transition phase, thereby developing products with low environmental impact.

▶ P.52-62,162-167

Manufacturing

We verify that new products are manufactured according to plan before commencing commercial production. We work to reduce environmental impact through stable operation of our environmental treatment facilities and optimizing the collection conditions of chemical substances. We started working on chemical substances risk assessments in 2008, before relevant laws and regulations made them obligatory in 2016. We conduct a risk assessment and review of chemical substances as needed to contribute to employee health and safety.



Raw materials procurement

▶ P.168-171

We conduct CSR procurement for the raw materials we use, which considers impact on the environment and health in addition to quality, cost, and delivery time. The list of controlled substances regarding hazards and toxicity is determined based on the POPs Convention (Stockholm Convention on Persistent Organic Pollutants), RoHS Directive, REACH Regulation, and Japan's Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substances Control Law), Industrial Safety and Health Act, and Poisonous and Deleterious Substances Control Act. The list is reviewed once a year.

Distribution and use

(Chemicals management and information provision)

In fiscal 2020, NOF built and introduced an SDS creation support system, and has centralized management of SDS throughout the company.

▶ P.165-166

Disposal and recycling

▶ P.159

We are conducting activities with the target of a zero emissions rate* of 0.10% or less. Substances that are no longer needed are separated. The useful substances are put in the recycling process or are thermally recycled. In addition, we promote the separate collection and recycling of waste plastics and work to recycle them. With regard to waste disposal destination, we outsource the waste treatment to external companies that not only have received certification of excellence by the government but also satisfy our certification requirements. We provide them with information on hazard assessment and conduct audits on a regular basis to ensure compliance with the Waste Management and Public Cleansing Act.

*NOF's definition of zero emission: (Volume of final disposal by landfill/volume of waste, etc. generated) × 100 ≤ 0.10



Domestic chemical substance management

Response to relevant laws and regulations

In Japan, prior notification of new chemical substances is mandatory, pursuant to the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. (Chemical Substance Control Law) and the Industrial Safety and Health Act. To comply with the aforementioned laws and other regulations related to new chemical substances, NOF has established the Standards for the Management of New Chemical Substances and manages and operates the handling of new chemical substances accordingly. Figure 1 on the following page shows the system diagram, Figure 2 shows the inspection flow, and Figure 3 shows the management flow.

When beginning the manufacture of a new chemical substance, the Corporate Technical Division verifies that the notification draft prepared by the relevant business division meets legal requirements, ensuring that appropriate notification is submitted. In addition, to prevent manufactured or imported quantities from exceeding the approved amounts, the relevant business division manages the total quantity, while the Corporate Technical Division thoroughly oversees this management through internal audits. Furthermore,

the Corporate Technical Division provides comprehensive training to all personnel involved in new chemical substance applications and management, as well as relevant legal training for those responsible for chemical substance applications and management. This training is conducted annually at each site to ensure the latest information is consistently shared.

When submitting reports on the production and import volumes of general chemical substances under the Chemical Substances Control Law, we also provide appropriate information, including details on end uses from our customers.

Engagement with industry associations

We also positively disclose information on the risks and other negative aspects of chemical substances through the Japan Initiative of Product Stewardship, which is the chemical industry's institution for voluntary activities for the control of chemicals.

In addition, we participate in the Long-Range Research Initiative (LRI) implemented through the Japan Chemical Industry Association (JCIA), support research that leads to safety and security from a viewpoint that a company should "meet the needs of society," and work together to solve social issues.

Furthermore, as a member of the Joint Article

Management Promotion-consortium (JAMP), NOF makes use of chemSHERPA, a tool recommended by JAMP for communicating chemical substance information, to provide information to downstream users handling articles (parts, molded products, etc.).

Proper management of polychlorinated biphenyl (PCB)

The NOF Group properly stores and manages polychlorinated biphenyl waste in accordance with the Law Concerning Special Measures Against PCB Waste, and disposes of such waste by commissioning disposal operators as prescribed by laws and regulations.

All treatment of high-concentration PCB has been completed as of the end of March 2023, the final deadline for treatment.

As for low-concentration PCBs, we have completed the survey of all equipment containing PCBs, including PCB components contained in paint coatings, and are systematically replacing the equipment and changing the coatings to meet the treatment deadline of the end of March 2027.

*JAMP was established in 2006 as a cross-sectorial body based on the recognition that in order to enhance industrial competitiveness, it is essential to develop and disseminate concrete mechanisms for appropriately managing information on chemical substances contained in articles and to facilitate its disclosure and transmission within the supply chain.



Figure 1. System diagram of production, sales, export, and import of new chemical substances, etc.

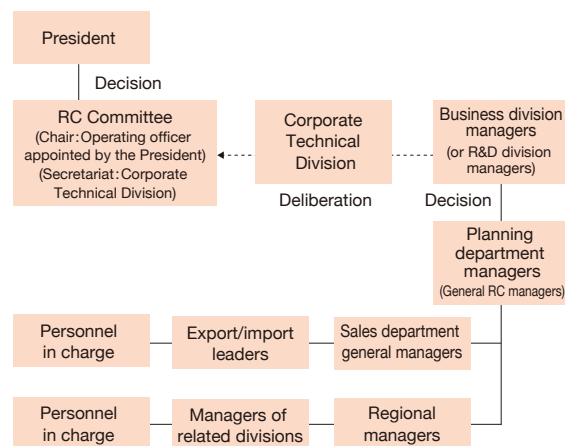


Figure 2. Inspection flow of new chemical substances, etc.

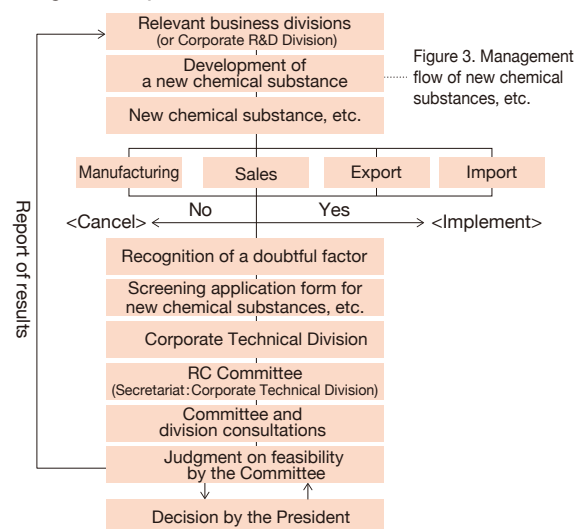
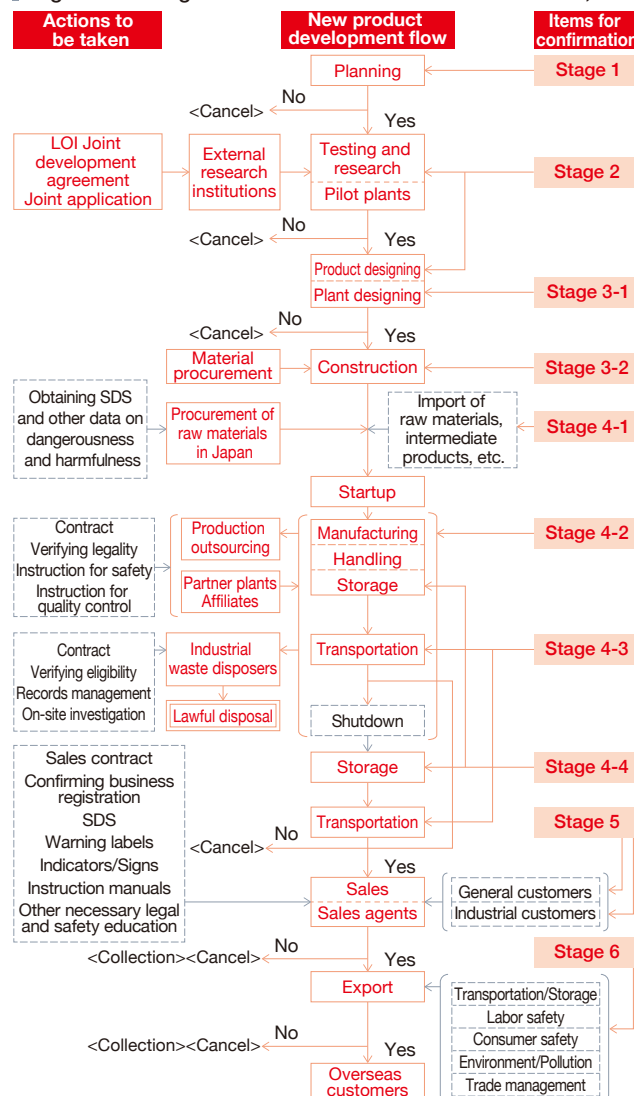


Figure 3. Management flow of new chemical substances, etc.



Items for confirmation in management flow of new chemical substances, etc.

Stage	Principal items for confirmation
1	(1) Quality planning (terms of use and impact on the environment, quality of competitors' products, performance demanded by customers, selling points), (2) Trademark/Patent, Response plan to laws and regulations in Japan and overseas, (3) Development plan (system, schedule, R&D expenses, safety test expenses, etc.), (4) Production plan (production processes, facilities for research and trial experiments), (5) Sales and export plan, (6) Profit and loss plan
2	(1) Confirmation of the details of marketability and salability (functions, safety, container/package, transportation method, measures against industrial wastes, expenses for production and selling, sales prices, energy saving issues, etc.), (2) Establishment of production processes and analysis/inspection method, (3) Research for the necessity of GLP and GMP (4) Research for specific value, reactivity, and explosiveness, (5) Confirmation of safety test expenses, etc., (6) Application of new chemical substances (Chemical Substances Control Law and Industrial Safety and Health Act), (7) Research for CAS, TSCA, HCS, CEPA, WHMIS, EINECS, REACH Regulation, FD&C Act, etc., (8) Confirmation of SDS, warning labels, indications and signs, instruction manual, information on each type of toxicity, (9) Sales manual, (10) Contract details, (11) Application for patent and trademark, (12) Retention of documents and records
3-1	(1) Evaluation of cleaner production (reduction of wastes and prevention of generation), (2) SA on safety and disaster prevention for equipment, processes, and operations (including health problems), (3) Judgment on the effectiveness of the investment
3-2	(1) Industrial Safety and Health Act, (2) High Pressure Gas Safety Act, (3) Fire Service Act, (4) Explosives Control Act, (5) Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, (6) Air Pollution Control Act, (7) Ozone Layer Protection Law, (8) Energy Saving related Laws, (9) Water Pollution Prevention Act, (10) Noise Regulation Law and Vibration Regulation Law, (11) Offensive Odor Control Law, (12) Waste Management and Public Cleansing Act, (13) Act on Prevention of Marine Pollution and Maritime Disaster, (14) Building Standards Act, (15) Poisonous and Deleterious Substances Control Act, (16) Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, (17) Food Sanitation Act, (18) Chemical Substances Control Law, (19) Agricultural Chemicals Regulation Act, (20) Act on the Regulation of Radioisotopes, etc. (21) Port Regulations Law, (22) Civil Aeronautics Act, (23) Road Transportation Act, (24) Factory Location Act, (25) Municipal ordinances on prevention of fire, pollution, etc.
4-1	(1) Prior confirmation of the presence of dangerous and harmful substance, (2) Examination of laws and regulations for the relevant substance, (3) Securing sufficient labor for SDS, warning labels, indications and signs, instruction manual, and others
4-2	(1) Building Standards Act, (2) Fire Service Act, (3) Explosives Control Act, (4) High Pressure Gas Safety Act, (5) Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, (6) Act on Rationalizing Energy Use, (7) Electricity Business Act and Gas Business Act, (8) JIS, (9) Law for Promotion of Effective Utilization of Resources, (10) Waste Management and Public Cleansing Act, (11) Chemical Substances Control Law, (12) Industrial Safety and Health Act (Article 57-4 Ordinance on Prevention of Organic Solvent Poisoning, Ordinance on Prevention of Dangers Due to Specified Chemical Substances, Ordinance on Prevention of Tetraalkyl Lead Poisoning, Ordinance on Prevention of Lead Poisoning, Ordinance on Prevention of Dangers Due to Dust, Ordinance on Prevention of Ionizing Radiation Dangers), (13) Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices, (14) Poisonous and Deleterious Substances Control Act, (15) Food Sanitation Act, (16) Agricultural Chemicals Regulation Act, (17) Act on the Regulation of Radioisotopes, etc., (18) Implementation of SA, SOP, and measures for health problems, (19) PM system, (22) QA (ISO 9000 series and JIS Z9900 series, (22) the completion of SDS, warning labels, indications and signs, instruction manual, etc.
4-3	(1) Explosives Control Act, (2) High Pressure Gas Safety Act, (3) Poisonous and Deleterious Substances Control Act, (4) Fire Service Act, (5) Act on the Regulation of Radioisotopes, etc., (6) Railway Operation Act, (7) Road Transport Vehicle Act, (8) Road Act (underwater tunnel), (9) Ship Safety Act, (10) Port Regulations Law, (11) Act on Prevention of Marine Pollution and Maritime Disaster, (12) Maritime Traffic Safety Law, (13) Civil Aeronautics Act, (14) Postal Act, (15) Others (carrying documents, qualification, vehicle, container, loading standards, and indications and signs)
4-4	(1) Confirmation of precautions for indication/sign, (2) Confirmation of precautions for storage
5	(1) General and industrial customers: distribution of warning labels, indications and signs, and instruction manual, (2) Industrial customers: SDS, quality warranty card, contract, confirmation of business registration, etc.
6	○Transportation/Storage (1) UN, IMO (each code of IMDG, IBC, BC), ICAO, IATA, (2) Europe: ADR, RID, REACH Regulation/CLP Directives, ECHT Directive (3) US: 49CFR, CHEMTREC, NFPA, HCS, etc. ○Labor safety (4) HCS, SDS, warning labels, indications and signs, instruction manuals, etc. ○Consumer safety (5) In addition to items presented in (4) above, product liability insurance and warranty card (limitation of warranty) ○Environment/Pollution (6) US: CAA, CWA, RCRA, CERCLA, SARA, TSCA, HCS, (7) Canada: CEPA, WHMIS, (8) Europe: REACH Regulation, RoHS Directive, etc. ○Trade management (9) Materials for chemical weapons, (10) Materials for narcotic drugs, (11) Harmful chemical substances, (12) Strategic materials (management and operation standards for strategic materials)



International chemical substance management

Chemical substances are being subject to stricter control on a global basis. At the World Summit on Sustainable Development (WSSD) held in 2002, a target was set as part of the international agenda to “use and produce chemicals in ways that minimize significant adverse effects on human health and the environment by 2020,” in an effort to realize sustainable development. Based on this agenda, countries around the world, including emerging countries, are being encouraged to adopt and firmly establish risk-based management of chemicals and implement GHS.*1 In terms of chemical substances, there is a rising trend requiring control of relevant risks from the standpoint of the entire supply chain, i.e. from manufacture to disposal, while also being required to disclose information on the risks caused by chemical substances and their control to the general public, including customers and consumers.

Amid the trend of tightening controls over chemical substances, the NOF Group is responding by complying with the laws of each country and region where we do business. To this end, in fiscal 2020, NOF introduced and constructed a company-wide SDS creation support system, and has begun centralized management of SDS throughout the Company.

Response to relevant laws and regulations

REACH*2 Regulation is a comprehensive system of registration, evaluation, authorization, and restriction of chemical substances within the EU. REACH Regulation aims to protect human health and the environment, and to maintain and enhance competitiveness of the EU chemicals industry, among others, and includes almost all chemical substances exported to the EU within its jurisdiction.

In addition, we comply with chemical substance regulations in relevant countries and regions, including the U.S. TSCA (Toxic Substances Control Act), the UK’s UK-REACH, South Korea’s K-REACH, and chemical substance laws in China and Taiwan. The number of registrations under these regulations is shown in the table on the right. The NOF Group actively engages in exporting to overseas countries, including those in the EU region, and complies with the regulations of each country and region in accordance with the export volume of the chemical substance involved. We practice appropriate compliance by obtaining the latest information from industrial associations and related authorities.

Status of compliance with environmental laws and regulations

There were no violations of environmental laws and regulations.

Number of registrations under laws and regulations in various countries (as of the end of March 2025)

Country / Region	Chemical substance management law / system	Number*
Europe	EU-REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)	48
UK	UK-REACH (UK registration, Evaluation, Authorisation and Restriction of Chemicals)	11
US	TSCA (Toxic Substances Control Act)	7
Canada	NSNR (New Substances Notification Regulations)	2
China	MEE Order No.12 (Provision on the Environmental Administration of New Chemical Substances, Order No. 12)	182
South Korea	K-REACH (Act on the Registration and Evaluation of Chemicals)	88
Taiwan	TCCSCA (Toxic and Concerned Chemical Substances Control Act)	178
Philippines	RA6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990)	33

*Refers to NOF’s non-consolidated Functional Materials, Life Sciences, and Metal Coatings businesses, excluding R&D applications.

*1 Abbreviation for Globally Harmonized System of Classification and Labelling of Chemicals, which classifies the hazardous properties of chemicals according to certain globally standardized criteria and displays them in an easy-to-understand manner using pictorial labels and other means.

*2 Abbreviation of Registration, Evaluation, Authorisation, and Restriction of Chemicals. REACH represents the EU’s quality control regulations on chemicals and is applied to the registration, evaluation, authorization, and restriction of chemicals.



Management and Reduction of Environmental Impacts (PRTR)

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NOF has set a KPI of reducing emissions of PRTR Act-controlled substances to 170 tons or less in the Domestic Group each year. In particular, we are examining manufacturing methods in which PRTR Act-controlled substances are not used in order to reduce the amount of substances with high environmental emissions. In addition, regular maintenance and proper operation and management of emissions recovery equipment ensure effective recovery and lead to reduced emissions.

Initiatives to improve information accuracy in chemical substance management

The NOF Group focuses on sustainable chemical substance management and is working to improve the accuracy of information on the following points.

We introduced a comprehensive chemicals management system and work to ensure reliable operation of the mechanism for providing safety data sheets (SDSs) so that hazard information related to our products is easily available to our customers and employees. Furthermore, by fiscal 2025, we plan to establish a company-wide chemical substance database and enhance the functions of our chemical substance management system.

First, the chemical substance management processes will be digitized to ensure accuracy and rapid access to information. This ensures strict management of data related to the handling of chemical substances and supports efficient decision-making.

In addition, we are also working to expand the

functions of the system to track and manage important information such as usage and handling history of chemical substances, in order to improve transparency and visibility. This allows us to more accurately assess the risks of chemical substances and their impact on the environment, and to help formulate sustainable management strategies.

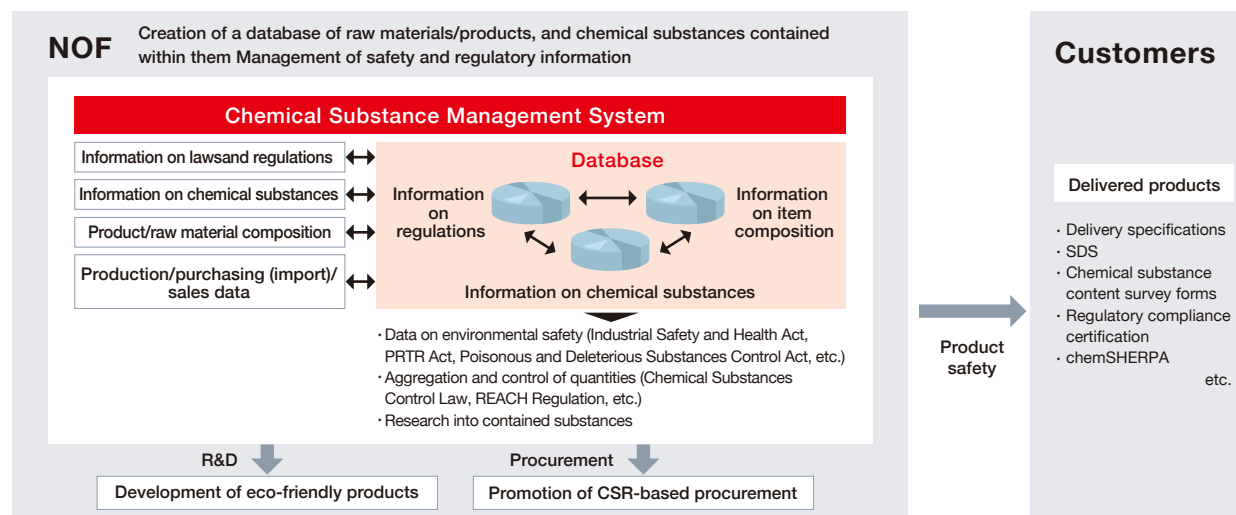
Furthermore, strengthening partnerships is another important initiative. While building cooperative relationships with suppliers and customers, the NOF Group strives to improve its products through continuous dialogue with customers in order to provide appropriate products in terms of chemical substance management. We also collaborate with industry associations and regulatory bodies and strive to exchange information and expertise. In this way, we aim to contribute to raising the

level of chemical substance management throughout the industry and to achieve further development.

Finally, our sustainability initiatives include the promotion of research and development. The NOF Group is focusing on development of chemical substances that are more environmentally friendly. We aim to provide high-performance products while minimizing negative environmental impact. In this way, we are working to achieve a sustainable business model while meeting the needs of our customers.

The above are the main points on which the NOF Group is working to improve the accuracy of information on chemical substance management. The NOF Group aims to maintain the trust of its customers and provide valuable returns to all stakeholders while pursuing sustainable management.

Overview of Chemical Substance Management System





Construction and operation of NOF's company-wide SDS creation support system

GHS is a criteria for the classification of health, environmental, physical and chemical hazards of chemical substances and mixtures according to a given set of standards. This information must be reflected in the SDS and GHS labels to reflect the latest information, and all parties involved in handling chemical substances, including users, distributors, and transporters, must be alerted to the need for safe handling.

To this end, in fiscal 2020, NOF introduced and constructed a company-wide SDS creation support system, and has centralized management of SDS throughout the Company. This system enables us to manage all chemical substances used in our products on a company-wide server, and to provide our customers with the latest information on chemical substances in our products through timely updating of SDS and GHS labels issued by each business unit to reflect changes in the laws and regulations of major countries. While we have fully responded to the revisions to the PRTR Act from FY2023, we are also working to expand the functions of the system to track and manage important information such as usage and handling history of chemical substances, in order to improve transparency and visibility.



Chemical substances risk assessment

The NOF Group aims to achieve “zero accidents with lost workdays” through efforts to reduce all risks of occupational accidents and prevent their occurrence.

As part of these efforts, in order to prevent occupational accidents caused by chemical substances, the implementation of chemical substance risk assessments based on the Ordinance on Industrial Safety and Health is set as one of the annual RC activity targets related to occupational safety, and is carried out across the NOF Group’s domestic production, R&D, and quality control divisions. During the RC Committee’s regularly held RC audits at each production site, the status of implementation (target implementation rate: 100%) is verified, ensuring a system to reliably and thoroughly address the growing number of chemical substances subject to risk assessments each year.



Initiatives for the Global Framework on Chemicals (GFC*)

NOF deeply recognizes the importance of the Global Framework on Chemicals (GFC) and is proactively advancing initiatives based on it. The GFC provides international cooperation and guidelines for the management and regulation of chemicals, with the aim of protecting both the environment and human health. Among the various GFC targets, NOF has implemented concrete initiatives particularly addressing B2 (information provision and management) and D1 (resource circulation and greenhouse gas reduction).

Firstly, for the B2 target, NOF utilizes chemSHERPA to provide chemical substance information to downstream users, thereby enhancing transparency and safety across the supply chain. In addition, we have introduced a chemical substance management system that centralizes management of environment- and safety-related data associated with its products, enabling efficient and effective chemical management.

Next, for the D1 target, NOF is promoting the recycling of waste plastics and strengthening its resource recycling initiatives. Through these efforts, we are reducing waste and promoting the effective use of resources. In addition, NOF is working to reduce greenhouse gas emissions by setting and implementing specific goals to contribute to sustainable development.

Going forward, NOF will continue initiatives aligned with the GFC, striving for environmental protection and the realization of a sustainable society.

Wearing protective equipment

With the entry into force of the revised Industrial Safety and Health Act in April 2024, not only is it mandatory to appoint a chemical substance control whose duty is to autonomously manage chemical substances, but it is also mandatory for employees who handle chemical substances to wear protective equipment and for a person in charge of protective equipment to select appropriate protective equipment and manage its use. The NOF Group is once again working to ensure the wearing of protective equipment, which it required from before, and has established a management system in line with the revised law.

Transportation safety

The NOF Group is promoting the reduction of the environmental load in transportation, while at the same time engaging in activities to ensure the safety of products in transport. The Group has always treated transportation safety with desirable care, as it handles a wide range of hazardous materials. In particular, all our employees are working as one to thoroughly implement safety measures with the goal of achieving



Forklift training session (NICHYU LOGISTICS CO., LTD.)

“zero accidents that adversely affect distribution.” We are also strengthening our management systems to prevent leaks or spills of chemical substances due to an accident.

Yellow Cards

Should an accident occur during the transportation of chemical substances, it could have dire consequences on human life, the neighboring area, the cargo, and the road. The Yellow Card states the measures transport operators, the fire brigade, the police, and others should take, as well as contact and notification information, in the event of such an accident. The NOF Group strictly requires that such cards should be provided to transport operators involved, who are also required to carry the card with the corresponding product while in transportation.

By monitoring the operating status of reefer container compressors and their location information, we are creating documentation aimed at improving operational efficiency while enhancing transport safety.



Yellow Cards

*Abbreviation for Global Framework on Chemicals. The framework was adopted at the fifth International Conference on Chemicals Management (ICCM5) in September 2023. It is a voluntary framework for chemicals management throughout their life cycle, carried out by diverse stakeholders across multiple sectors, with the goal of preventing or minimizing the harmful effects of chemicals and waste on the environment and human health.



Promotion of CSR-Based Procurement

GRI

2-16,23,24,25/3-3/
308-2/414-2

Promotion of CSR-Based Procurement

The importance of CSR initiatives in the international community is becoming increasingly diverse and sophisticated, and their scope is expanding beyond the company's own efforts to include the entire supply chain.

To address these issues and ensure stable and sustainable procurement, NOF has established the CSR Procurement Policy. Furthermore, we have compiled the CSR Procurement Guidelines that we

implement and request our business partners to implement. We request that our suppliers understand the purpose of this policy and guidelines, and work together with NOF to implement initiatives in accordance with these guidelines.

CSR Procurement Policy

In procuring raw materials, NOF considers the entire supply chain and fulfills its social responsibilities by respecting human rights, ensuring labor

conditions, complying with laws and regulations, and being mindful of environmental and safety factors (such as energy use, CO₂ /GHG emissions, water use, biodiversity, pollution, waste reduction, and animal welfare). In order to realize our Corporate Philosophy, NOF is committed to dealing sincerely with its suppliers based on the concept that all of them are important partners.





Promotion of CSR-Based Procurement

GRI

2-16,24,25/3-3/308-2/407-1/
408-1/409-1/414-2

CSR Procurement Guidelines

NOF established CSR Procurement Guidelines in 2022 and is communicating with suppliers to ensure thorough implementation of the Guidelines.

The human rights section of the Guidelines states, “Should any kind of discrimination, harassment, forced or child labor, or other inhumane behavior comes to light, we will take appropriate steps to remedy the situation.” It also states, “We pay attention to working hours, guarantee the payment of appropriate wages and allowances in compliance with laws and regulations, and respect the freedom to join a union and to engage in protest actions.”

The Guidelines’ section on environmentally conscious procurement states, “We push ahead with procurement that gives consideration to environmental preservation, resource conservation and safety, towards the goal of making sustainable society a reality.”

Incorporation of CSR-related clauses in basic purchasing contracts

When signing a new basic purchasing contract, we decided to add a clause stating efforts to comply with the NOF Group’s CSR Procurement Policy and CSR Procurement Guidelines.

We will also gradually revise our basic purchasing contracts that have already been concluded.

CSR questionnaire

In the procurement unit, we will provide our main suppliers with necessary explanations on NOF’s CSR

Procurement Policy and commence questionnaires on the status of CSR activities at our main suppliers, using the global compact format to improve the objectivity of the questionnaire.

Most recently, we surveyed our major suppliers from fiscal 2023 to 2024 and achieved a coverage rate of 92% based on purchase amount. The average scores of questions related to human rights as well as the average scores overall are shown in the table below. Suppliers that scored below 50 points for human rights and all items were deemed to have insufficient penetration of CSR-based procurement, and we held meetings with them in FY2024 to encourage improvements.

Survey score

	90 points or above	70 to 89 points	50 to 69 points	Below 50 points
Human rights score distribution	56%	16%	18%	10%
Score distribution for all items	63%	25%	9%	3%

Fair trade practices

The NOF Group is promoting fair trade practices by stipulating compliance with laws such as the Antimonopoly Act and the Subcontract Act, as well as the prohibition of bribery, in the Global Compliance Manual and the Compliance Manual (Japan version) and carrying out ongoing employee education. The above-mentioned initiatives are further promoted under the NOF Group’s Basic Anti-Bribery Policy.

In addition, in order to avoid the risk of violations

of “prevention of delay in payment” and “prohibition of reduction of payment” under the Subcontract Act, the NOF Group has standardized payment terms and conditions that comply with the Subcontract Act in a comprehensive and uniform manner at all Group companies in Japan.

Green procurement

NOF has added “environmental friendliness” to its previous criteria for procurement of materials, which are “quality, cost and delivery time.” In order to confirm the status of suppliers or products in terms of environmental measures, and to procure products with lower environmental load from suppliers that make greater environmental efforts, we have established a list of managed substances, based on which we conduct a survey of suppliers. The managed substances list is decided on the basis of the POPs Convention, RoHS Directive, and REACH Regulation, as well as Japan’s Chemical Substances Control Law, Industrial Safety and Health Act, and Poisonous and Deleterious Substances Control Act. The list is reviewed once a year.

Business Continuity Plan (BCP*)

As part of our BCP, our procurement unit is striving to purchase multiple raw materials and reviewing our supply chain in order to ensure stable raw materials procurement in the event of an emergency, such as a natural disaster, equipment malfunction, or transportation disruption.



Promotion of CSR-Based Procurement

GRI 2-16,24,25/3-3/308-2/414-2

Procurement of sustainable palm oil

Palm oil is now the most widely produced fat in the world, and it is difficult to completely avoid palm oil in daily life. However, the rapid increase in the number of palm plantations and improperly managed plantations have caused environmental problems such as deforestation of rainforests, smoke pollution, and loss of biodiversity in their producing countries and surrounding areas. There are also social problems such as conflicts with Indigenous people over land and child labor. As the NOF Group expands its business globally, we support and respect international norms such as the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, and the Government of Japan's National Action Plan on Business and Human Rights (2020-2025). To fulfill our responsibility to respect human rights throughout all corporate activities, including the prohibition of child labor, forced labor, and human trafficking, as well as the exercise of freedom of association and the right to collective bargaining, we established the NOF Group Human Rights Policy in fiscal 2021, which applies to all executives and employees of the Group. For this, we respect not only the international norms listed above,

but also the culture, customs, history, and labor-related laws and regulations of the countries and regions in which we do business. We also plan to conduct human rights risk assessments from fiscal 2025.



In order to be involved with palm oil to sustain the livelihoods of producers and consumers while considering the environment, NOF joined the Round-table on Sustainable Palm Oil (RSPO) in 2012 and obtained supply chain certification from the organization in 2014. NOF, a founding member of the Japan Sustainable Palm Oil Network (JaSPON) which was launched in Japan in 2019, conducts activities to procure sustainable palm oil. We also visit RSPO-compliant palm plantations on a regular basis to communicate directly with the farmers and confirm that there are no problems with quality or CSR-related items (human rights, environment, etc.). We will continue to aim to achieve procurement based on the NDPE*¹ while actively promoting the use of RSPO-certified oil, thereby advancing our activities with consideration for environmental and human rights concerns. The purchase ratio of RSPO-certified oil in fiscal 2024 was about 10%. We aim to procure 100%

certified sustainable palm oil by 2030.

Response to responsible mineral procurement

With regard to conflict minerals (3TG*²) that may have an impact on human rights and other issues, we use the Responsible Minerals Initiative (RMI*³)-prescribed Conflict Minerals Reporting Template (CMRT*⁴) and conduct questionnaire surveys of all key business partners. We conduct interviews with suppliers who have indicated that 3TG have been intentionally added or used and remain in their products, and where the refineries cannot be identified, to assess the presence of any human rights risks. Furthermore, starting from fiscal 2023, we have initiated a survey using the Extended Mineral Reporting Template (EMRT*⁵), a unified format for target minerals cobalt and natural mica, with our key business partners.

Education on CSR procurement

NOF holds meetings for materials-related personnel twice a year, which are attended by materials-related personnel from the Head Office and plants, to exchange information and discuss solutions to issues related to CSR procurement. In addition, with the aim of extending the CSR procurement activities implemented at NOF to our affiliates, a meeting of materials-related personnel of manufacturing-related affiliates is held once a year with the participation of materials-related personnel from those companies.

*1 Acronym for No Deforestation, No Peat and No Exploitation

*2 Refers to the four minerals of tin, tantalum, tungsten, and gold extracted in the Democratic Republic of Congo and neighboring countries

*3 Acronym for Responsible Minerals Initiative

*4 Acronym for Conflict Minerals Reporting Template

*5 Acronym for Extended Minerals Reporting Template



Promotion of CSR-Based Procurement

GRI 2-16,24,25/3-3/308-2/414-2

Establishment of external whistleblowing contact points

The NOF Group recognizes compliance as a foundation that supports the company and believes it is crucial to prevent or promptly correct incidents that violate the NOF Group Corporate Code of Ethics, or involve human rights abuses. To this end, we have established contact points for whistleblowing outside the Company, including our business partner suppliers.

Participation in the Declaration of Partnership Building

NOF announced the “Declaration of Partnership Building” in support of the aims of the “Council on Promoting Partnership Building for Cultivating the Future” promoted by the Cabinet Office, the Small and Medium Enterprise Agency, and others. We aim to build new partnerships by promoting collaboration, co-existence, and co-prosperity with our supply chain business partners and businesses that create value.



Risks and opportunities for CSR-based procurement

Risks	Opportunities
Procurement risks include the risk of not being able to conduct procurement on schedule and at the planned prices due to various factors such as extreme weather conditions, natural disasters, geopolitical influences, and international conflicts. There is also the risk that sudden changes in demand or supplier problems may undermine stable procurement and disrupt the supply of products to the market. We also need to fulfill our social responsibilities as a company by realizing sustainable procurement, giving full consideration to environmental aspects such as moving away from fossil fuels, global warming prevention, and biodiversity conservation, as well as social aspects such as safety, health, labor environment, and human rights. Amidst this, if for some reason in the supply chain, the NOF Group's commitment to sustainable and responsible sourcing is deemed insufficient, it could lead to a loss of trust in the NOF Group.	CSR-based procurement is important for procuring raw materials to contribute to a sustainable society. There are many implications and benefits to implementing CSR-based procurement. The important points are indicated below. Fulfillment of social responsibilities: CSR-based procurement is a means for companies to fulfill their social responsibilities throughout the supply chain. By considering the working conditions, human rights, and environmental impact of their suppliers, companies can increase their social value and achieve sustainable business practices. Risk reduction: CSR-based procurement is also important from a risk management perspective. Evaluating suppliers for social responsibilities reduces the risk of improper working conditions and environmental issues. Improvement of brand value: Companies that practice CSR-based procurement demonstrate their commitment to social responsibility and earn the trust of consumers and investors. This leads to an improvement in brand value. Strengthening of competitiveness: CSR-based procurement is an element to increase a company's competitiveness. By practicing sustainable procurement, we can create new business opportunities with our suppliers and increase our competitiveness in the market. We believe that CSR-based procurement is an essential activity for the long-term sustainability and social responsibility of a company, and can lead to increased corporate value.



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Policy (our fundamental view)

Based on our Corporate Philosophy of “Contributing to humanity and society as a corporate group that creates new value through the power of chemistry, from the biosphere to outer space,” we have clearly stated “respect for human rights” in our Basic CSR Policy and NOF Group Corporate Code of Ethics, and are promoting initiatives to respect human rights. As the NOF Group expands its business globally, we support and respect international norms such as the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the Ten Principles of the UN Global Compact, and the Government of Japan’s National Action Plan on Business and Human Rights (2020-2025). To fulfill our responsibility

to respect human rights throughout all corporate activities, including the prohibition of child labor, forced labor, and human trafficking, as well as the exercise of freedom of association and the right to collective bargaining, we established the NOF Group Human Rights Policy in fiscal 2021, which applies to all executives and employees of the Group.

For this, we respect not only the international norms listed above, but also the culture, customs, history, and labor-related laws and regulations of the countries and regions in which we do business. This also includes addressing harassment based on race or nationality (racial harassment).

We also consider and implement initiatives to address human rights risks that could arise in our business activities. Specific examples of activities include conducting employee engagement surveys to check the status of human rights compliance within the company, taking corrective actions on

identified issues, and carrying out CSR questionnaires to suppliers across the supply chain to assess the status of respect for internationally recognized human rights.

Furthermore, in the current fiscal year, we worked on spreading awareness of the values in the revised Corporate Philosophy and Guiding Framework, revised in April 2023. In April 2025, we revised the former Code of Ethical Conduct to become the NOF Group Corporate Code of Ethics and communicated this to Group companies in Japan and overseas. We are also developing responses within the company to the revised Act for Eliminating Discrimination against Persons with Disabilities, which entered into force in April 2024. We will continue to work to reduce human rights risks by further deepening our human rights due diligence efforts through enhanced employee education, dialogue with stakeholders, and other means.





NOF Group Human Rights Policy

 Overview of human rights initiatives ▶ P.178

Basic approach to human rights

As a corporate group that creates new value in wide-ranging fields from the biosphere to outer space, the NOF Group has clearly codified respect for human rights in its Basic CSR Policy and Corporate Code of Ethics and promotes its initiatives for respecting human rights under its corporate philosophy of contributing to mankind and society. In the course of developing its business on a global basis, the NOF Group shall support and respect international standards on human rights, including the International Bill of Human Rights, the Ten Principles of the United Nations (UN) Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and fulfill its responsibility for respecting human rights across all of its corporate activities.

1. Principles and Purpose

With the profound awareness that human rights are essential to the pursuit of happiness and affluent life for all people, and guided by international standards on human rights and our corporate philosophy and guiding framework, the NOF Group will fulfill its responsibility for respecting human rights through its initiatives for respecting human rights, going beyond compliance with the laws and regulations of countries and regions where it operates. In the event that there are inconsistencies between internationally recognized human rights and national and regional laws and ordinances, the NOF Group will do its best to pursue methods to respect internationally recognized principles on human rights.

2. Scope of Policy

This policy shall apply to all officers and employees of the NOF Group. The NOF Group will also continue to encourage its business partners and suppliers with the expectation that they will support this policy and participate in similar initiatives, and work together to promote initiatives for respecting human rights.

3. Responsibility for Respecting Human Rights

The NOF Group will fulfill its responsibility for respecting human rights by ensuring that it does not violate the human rights of people who are affected by the Group's own business activities and also by taking appropriate actions to remedy issues in the event of adverse impacts on human rights being inflicted by the Group's own business activities. In the event where adverse impacts on human rights are being inflicted by business partners or suppliers, or in the process of supplying products, the NOF Group will require that they take appropriate actions. Specifically, this includes the following:

- Abolishing discrimination and prohibiting harassment
- Respecting privacy
- Appropriate working hours
- Fair and impartial compensation
- Freedom of association and right to collective bargaining
- Prohibition of human trafficking, forced labor, and child labor
- Occupational safety and health
- Impact on local communities and residents

4. Human Rights Due Diligence

The NOF Group will build mechanisms for human rights due diligence, investigate and identify issues in a preventive manner and remedy them through appropriate means, and strive continuously to prevent or mitigate adverse impacts on human rights. Specifically, this includes the following:

- Continuous monitoring to ensure no adverse impacts occur
- Identifying adverse impacts in the supply chain
- Initiatives to prevent and mitigate adverse impacts and risks
- Demonstrating the effectiveness of internal and external whistleblowing systems
- Facilitating dialogue with stakeholders

5. Remedy

In the event where it is revealed that the NOF Group has caused or furthered adverse impacts on human rights, it will remedy the situation through appropriate procedures. The NOF Group has established whistleblowing contact points (compliance hotline) to quickly detect conduct that violates or is suspected of violating human rights or corporate ethics. This system ensures the protection of the whistleblower, which includes prohibiting searching for, unfavorably treating, and

retaliating against the whistleblower. It can also be used by external parties such as business partners and suppliers.

6. Dialogue and Consultation

The NOF Group will conduct dialogue and consultation with relevant stakeholders in the event where adverse impacts on human rights are being inflicted or if there is a risk of such impacts.

7. Education

The NOF Group will continue to provide appropriate education to ensure that correct understanding of this policy is instilled both within and outside the Group and that the policy is put into practice effectively.

8. Promotion System

The Chairman of Compliance Committee will be appointed as the person responsible for this policy to promote initiatives on respecting human rights in line with the policy. Measures necessary for promoting initiatives and other matters are discussed by the Compliance Committee and reported to the Board of Directors, the details of which are disseminated internally.

9. Information Disclosure

The NOF Group will disclose the status of its initiatives on respecting human rights on its website and by other means.

Note: This policy was formulated with the advice of external experts who have knowledge and practical experience in human rights and was approved by the Board of Directors.

Established on November 1, 2021

Revised on July 30, 2025

President & Chief Executive Officer NOF CORPORATION
Koji Sawamura



Risks and opportunities for human rights

Major risk	Risk description	Opportunities	Major activities
Harassment	Loss of trust from society and damage to corporate value due to lawsuits filed regarding harassment	- Elimination of harassment by instilling the corporate philosophy, values, and NOF Group Corporate Code of Ethics - Increase employee engagement and social recognition of corporate value	[Shared activities] Revision of the Code of Ethical Conduct FY2024 results: Amended the NOF Group Corporate Code of Ethics, prepared translations in various languages FY2025 plan: Activities to disseminate Code to Group companies in Japan and overseas Development of compliance education with video materials FY2024 results: Selected platform, provided environment for viewing on company intranet FY2025 plan: Measures to recommend opportunities for viewing Rolling out of an education program for Corporate Philosophy, values, and compliance FY2024 results: Incorporated program into education by rank and implemented, broadcast video message from the President FY2025 plan: Continue implementing as part of education by rank Continuous awareness-raising activities utilizing in-house newsletters FY2024 results: Published articles in response to actual internal conditions and social conditions FY2025 plan: Select themes in line with actual internal conditions and social conditions and the results of employee engagement surveys [Harassment] Creation of a guide for responding to reports FY2024 results: Held briefing sessions for managers using the guide FY2025 plan: Roll out to Group companies, update content based on participant surveys [Human rights] Implementation of human rights education FY2024 results: Implemented as part of education by rank FY2025 plan: Implement human rights education for management Continued implementation of employee engagement surveys FY2024 results: Classified and aggregated open-ended responses published in in-house newsletter FY2025 plan: Identify evaluations of improvement measures based on open-ended responses
Human rights abuses	Reputation damage and economic losses such as suspension of transactions due to the occurrence of human rights issues in the supply chain, both internally and externally	- Strengthening of cooperation with business partners and enhancement of trust from society - Enhancement of employee engagement	



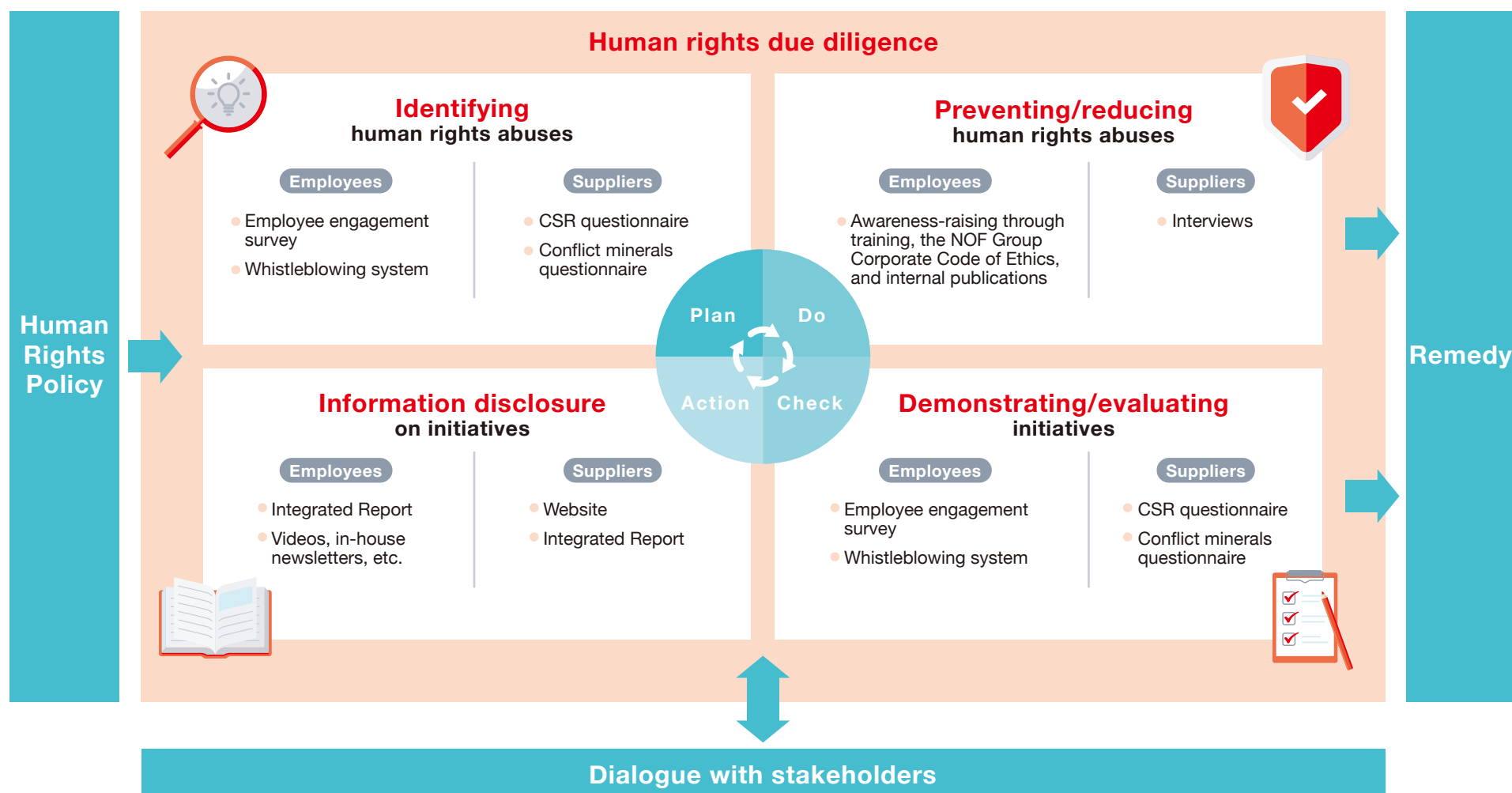
Response to key risks for monitoring (harassment and human rights violations)

The NOF Group comprehensively identifies management risks surrounding its business and designates as key risks for monitoring those areas where resilience needs to be strengthened. In the fiscal 2024 risk assessment, harassment and human rights violations were selected as key risks for monitoring, and we are implementing measures focused on the following four themes: The results of activities and plans for each measure are as follows.

	FY2024 Activities Results	FY2025 Activities Plan
1  Revision of the Code of Ethical Conduct	Updated content was finalized as the NOF Group Corporate Code of Ethics based on the three values of the NOF Group. Prepared a special edition of the in-house newsletter for Domestic Group companies. In addition, created and distributed translated versions in various languages for overseas Group companies	Prepare viewing environment for the prepared NOF Group Corporate Code of Ethics and distribute to individuals to spread awareness. Request that awareness of the Code is spread at each site and promote rollout through its use at training courses such as education by rank
2  Development of harassment response procedures	Conducted face-to-face training for managers, who play a key role in responding to harassment cases, on initial responses, the mindset of managers, and the perspective of preventing secondary victimization of victims, and asked them to actively participate in making improvements	Work to establish a system that promotes autonomous responses, such as holding workshops at each plant site. In addition, continue updating the content of guidebooks and improving training methods based on participant questionnaires
3  Strengthening awareness of human rights and compliance Introduction of compliance education videos Implementation of education on values, human rights, and compliance	Selected a video viewing platform and prepared the viewing environment on the company intranet. Confirmed ongoing viewing status with themes decided for each department Created and implemented a compliance education program focused on harassment as part of education by rank organized by the Human Resources & General Affairs Department. In addition, provided education to relevant parties regarding specific laws such as the Subcontract Act.	As measures to encourage continuous and proactive utilization, hold awareness months and weeks, and announce recommendations to view videos in line with the actual situation within the Company Through revisions to the NOF Group Corporate Code of Ethics, promote awareness of human rights and compliance, including harassment prevention. In addition, plan to provide human rights education for management
4  Implementation of employee engagement surveys (human rights due diligence for employees)	By classifying and compiling open-ended responses from employee engagement surveys and publishing the results in the company newsletter, communicated that the responses were delivered to the Company and that they are the basis for various measures	Continue conducting employee engagement surveys to understand how employees perceive the Company's initiatives and progress in resolving various issues, and use this as a reference for planning future measures



The NOF Group has established a human rights due diligence framework in line with the procedures outlined in the UN Guiding Principles on Business and Human Rights. We continuously work to prevent or mitigate adverse impacts on human rights by proactively identifying and investigating issues and taking corrective action through appropriate means.





Overview of human rights initiatives

Raw materials procurement	Business activities of the NOF Group	Use of products by customers
Stakeholder Engagement ▶ P.112		
Formulation of the CSR Procurement Policy and CSR Procurement Guidelines ▶ P.181	Initiatives to safeguard occupational safety and health in the workplace ● Development of OSHMS (Occupational Safety and Health Management System) ● Implementation of various training and drills ▶ P.179	Respect for customers' human rights ● Establishment of external whistleblowing contact points ▶ P.182
Incorporation of CSR-related clauses in basic purchasing contracts ▶ P.181	Management of work hours ● Thorough enforcing of proper labor management ● Restricting work after the designated end time ● Introduction of a work interval system ▶ P.179	
Implementation of the CSR questionnaire ▶ P.181	Establishment of internal whistleblowing contact points ● Consultation desks in Japanese, English, Chinese (Simplified Chinese), Korean, Indonesian, and Portuguese set up at external third-party institutions ▶ P.179	
Procurement of sustainable palm oil ● Joined Round-table on Sustainable Palm Oil ● Participated in Japan Sustainable Palm Oil Network (JaSPON) as a founding member ▶ P.181	Implementation of the employee engagement survey ● Implementation of engagement survey for Company employees ▶ P.180	
Response to responsible mineral procurement ● Conducted a questionnaire using a standardized format for target minerals ▶ P.182		
Establishment of external whistleblowing contact points ▶ P.182		



Initiatives to safeguard occupational safety and health in the workplace

The whole NOF Group, including the staff of cooperating companies assigned to NOF's works and plants, is making all-out efforts to eradicate occupational accidents. The NOF Group has clearly expressed its determination to make its workplaces secure and safe for all the workers involved in Group activities, and to realize this ideal, set forth its Occupational Safety and Health Policy in April 2006. The major initiatives are as follows. Please refer to page 208 for information on the occurrence of occupational accidents.

1. Development of OSHMS (Occupational Safety and Health Management System)*

The NOF Group, under its Occupational Safety and Health Policy, is undertaking buildup of the Occupational Safety and Health Management System (OSHMS). Referencing the guidelines of the International Labor Organization and the Ministry of Health, Labour and Welfare, we are building up our own system and promoting activities. The Risk Assessment program, which started in fiscal 2008 at all works and plants of the NOF Group, has now been adopted by Domestic Group companies as well.

2. Implementation of various training and drills

The NOF Group conducts a variety of training

programs, including safe forklift operation, handling of hazardous and chemical substances, prevention of slips, falls, chemical burns, and heatstroke in the workplace, as well as disaster preparedness and BCP drills.

Management of work hours

In order to reduce employee working times and enrich employees' lives outside of work through improved operational efficiency and productivity, the NOF Group is thoroughly enforcing proper labor management and promoting initiatives to reduce working times. These include restricting work after the designated end time and introducing a work interval system.

Establishment of internal whistleblowing contact points

The NOF Group has set up consultation desks in Japanese, English, Chinese (Simplified Chinese), Korean, Indonesian, and Portuguese at external third-party institutions as contact points for whistleblowing and consultation in overseas countries where the NOF Group's business bases are located. Employees can contact the desks if they become aware of a violation or potential violation of compliance rules.

In fiscal 2024, we received a total of 19 reports, mainly concerning harassment and workplace

management. We carefully investigated the facts of each report promptly and without searching for the whistleblower, and took necessary corrective actions and measures to prevent recurrence. For example, in harassment-related reports, we issued guidance to the reported individuals or imposed disciplinary actions.

* Acronym for Occupational Safety and Health Management System. A management system that defines the organization, responsibilities, procedures, processes, and management resources required for an operator to continuously mitigate potential occupational safety and health risks.



Implementation of the employee engagement survey

Since fiscal year 2022, NOF has conducted an employee engagement survey for Company employees to investigate the occurrence of harassment within the Company, respect for privacy, treatment and evaluation of women and non-Japanese employees, occupational safety and health in the workplace, and awareness of whistleblowing contact points and disadvantageous treatment. Responses were received from 1,869 employees in fiscal 2024.

Some of the results of the survey are as follows. The percentage of employees who said they were aware of the whistle blowing contact points rose from 90.4% in fiscal 2023 to 94.3% in fiscal 2024, indicating increased awareness of the contact points. On the other hand, there was not much change compared to the proportion of employees, around 20% of respondents in fiscal 2023, who answered that the awareness that discrimination and harassment are unacceptable has not yet been firmly established in the workplace.

To address these issues, between February and March 2025, we conducted on-site, in-person training sessions at all locations under the theme of “Strengthening Workplace Response Capabilities to Harassment.” This training, aimed at managers as the key figures in responding, covered initial response to harassment cases, mindset expected

of managers, and preventing secondary harm to victims, in order to raise awareness of proactive involvement toward improvement.

Results of survey on awareness of whistleblowing contact points

Options	Did you know that there are contact points for reporting and consulting about illegal or improper behavior in the workplace?	
	FY2023	FY2024
I know about the contact points, including how to reach them	50.1%	65.2%
I know about the contact points, but don't know how to reach them	40.3%	29.1%
I don't know about the contact points	9.6%	5.7%

Results of survey on establishment of awareness of preventing harassment

Options	Has awareness that discrimination and harassment are unacceptable been firmly established in the workplace?	
	FY2023	FY2024
Awareness has been fully established	33.3%	35.3%
Awareness has been somewhat established	45.6%	45.0%
Awareness has not really been established	17.0%	15.8%
Awareness has not been established almost at all	4.1%	3.9%



Formulation of the CSR Procurement Policy and CSR Procurement Guidelines, and incorporating CSR-related clauses in basic purchasing contracts

The NOF Group established the CSR Procurement Policy for stable, sustainable procurement. In addition, we created the CSR Procurement Guidelines that compile measures the NOF Group implements and requests its suppliers to implement.

Furthermore, when signing a new basic purchasing contract with a business partner, we decided to add a clause stating efforts to comply with the NOF Group's CSR Procurement Policy and CSR Procurement Guidelines. We will also gradually revise our basic purchasing contracts that have already been concluded.

Implementation of the CSR questionnaire

In the procurement unit, we provide our main suppliers with necessary explanations on the NOF Group's CSR Procurement Policy and conduct questionnaires on the status of CSR activities at our main suppliers, using the CSR/Sustainable Procurement Self-assessment Questionnaire created by the Global Compact Network Japan (GCNJ) to improve the objectivity of the questionnaire.

Most recently, we surveyed our major suppliers from fiscal 2023 to 2024 and achieved a coverage

rate of 92% based on purchase amount.

The average scores of questions related to human rights are shown in the table below. Suppliers with scores below 50 points are considered to have potential human rights risks. Interviews were conducted in fiscal 2024 to confirm whether there were any human rights risks at suppliers, but no

Survey score

	90 points or above	70 to 89 points	50 to 69 points	Below 50 points
Human rights score distribution	56%	16%	18%	10%

CSR questionnaire results

Category	Question	Average score (out of 5 points)
I. Corporate governance concerning CSR	Establishment of an internal whistleblowing system	4.39
II. Human Rights	1. Respect for human rights and prohibition of discrimination	4.25
	2. Avoidance of complicity (unintentional facilitation) in human rights abuse	4.10
	3. Respect for indigenous peoples' livelihoods and communities	3.75
III. Labor	1. Prohibition of discrimination in employment	4.50
	2. Provision of equal opportunities for employees regarding human resources development, career advancement, etc.	4.52
	3. Prohibition of inhumane treatment	4.64
	4. Payment of proper wages	4.78
	5. Fair application of working hours, leave/paid holidays, etc.	4.86
	6. Prohibition of forced labor	4.70
	7. Prohibition of child labor	4.68
	8. Respect for the religious traditions and customs of the countries and regions in which business operations are conducted	4.17
	9. Recognition and respect for freedom of association and the right to collective bargaining	4.39
	10. Proper management of employee occupational safety and health	4.82

suppliers have been found to have human rights risks as of now.

Procurement of sustainable palm oil

The existence of human rights and labor problems has long been noted in the oil palm plantations where palm oil is produced. The NOF Group joined the Round-table on Sustainable Palm Oil (RSPO) in 2012 and obtained supply chain certification from the organization in 2014. NOF, a founding member of the Japan Sustainable Palm Oil Network (JaSPON) which was launched in Japan in 2019, conducts activities to procure sustainable palm oil.



Human Rights

Human Rights Initiatives for Stakeholders Involved Through Business Transactions

GRI 2-24/403-8/414-2

Response to responsible mineral procurement

With regard to conflict minerals (3TG*) that may have an impact on human rights and other issues, we use the Responsible Minerals Initiative (RMI)-prescribed Conflict Minerals Reporting Template (CMRT) and conduct questionnaire surveys of all key business partners. Furthermore, starting from fiscal 2023, we have initiated a survey using the Extended Minerals Reporting Template (EMRT), a unified format for target minerals cobalt and natural mica, with our key business partners.

Establishment of external whistleblowing contact points

The NOF Group recognizes compliance as a foundation that supports the company and believes it is crucial to prevent or promptly correct incidents that violate laws, regulations, and the NOF Group Corporate Code of Ethics, or involve human rights abuses, to avoid them becoming severe or prolonged. To this end, we have established contact points for whistleblowing outside the Company, including our business partners.

Respect for customers' human rights

The aforementioned contact point for whistleblowing from outside the Company accepts reports not only from suppliers but also from NOF customers. To date, we have not received any reports on human rights (violations) through the contact point.

[Click here for details on the contact point for whistleblowing from outside the Company](https://www.nof.co.jp/english/csr/governance/hotline/)

<https://www.nof.co.jp/english/csr/governance/hotline/>

* Refers to the four minerals of tin, tantalum, tungsten, and gold extracted in the Democratic Republic of Congo and neighboring countries



Better Performance of Human Resources and Creation of Comfortable Workplaces

Policy (our fundamental view)

Amidst the rapidly changing and increasingly uncertain business environment, as we are increasingly required to face various social issues, stay acutely aware of the progress of innovative technologies, and take on the challenge of creating new value, we are working on three pillars of better

performance of human resources based on the belief that human resources growth is the foundation of management while also taking into account the perspective of human capital management: “human resources development,” “diversity & inclusion,” and “employee engagement.”

Three pillars of human resources performance

The three pillars of better performance of human resources are “human resources development,” “diversity & inclusion,” and “employee engagement.”



We believe it is essential that all employees — regardless of gender, age, nationality, disability status, or other attributes — feel free to express their opinions and ideas in the workplace and thrive. We strive to create a work environment where all employees can work comfortably.

We will continuously advance creation of mechanisms, systems, and workplaces that enable each employee to understand our Corporate Philosophy and Values and perform their duties with motivation. We will also conduct employee engagement surveys on a regular basis and strive to improve job satisfaction.

We promote human resources development measures that include support for career design development in addition to the development of **autonomous human resources** and DX human resources. We respect employees' motivation to learn and actively support them.

What are “autonomous human resources”?

“Autonomous human resources” refers to people who deeply resonate with NOF’s values and philosophy and are capable of taking initiative. They are individuals who respond quickly to changes in the business environment, proactively carry out their work, and see it through with a strong sense of responsibility. We believe that such human resources, who possess an exceptional sense of ownership, think and act as if the company’s policies and the challenges that arise in various situations are their own, and make significant contributions to the Company’s sustainable growth.

Steady Steps Toward Value Creation

To strengthen our organizational culture where each and every employee embodies and acts on the three values of Challenge, Fairness, and Harmony, we are advancing initiatives to develop autonomous human resources throughout our entire workforce. Based on our belief that human resources growth is the foundation of management, we support the growth of employees who take responsibility for their work, enhance their job’s value, and take on the challenge of creating innovation, while aiming to create a vibrant workplace environment where a variety of opinions and backgrounds are respected and diverse perspectives intersect. We are committed to sincerely engaging in management that leverages human capital, enhancing diversity, and improving employee engagement, and we intend to continue providing generous support for the growth aspirations of each individual.

Operating Officer
General Manager,
Human Resources &
General Affairs Dept.

Akihisa Maeda





Better Performance of Human Resources and Creation of Comfortable Workplaces

Securing Diverse Human Resources, Governance Related to Human Resources Development

GRI 2-12

Sustainability Committee

The Sustainability Committee, which is attended by all Directors, identifies and discusses materiality issues (important issues) related to human capital and reports to the Board of Directors.

The Sustainability Committee sets KPIs and numerical targets for each materiality issue, then deliberates on the progress of each. The committee also discusses KPIs and numerical targets for the next fiscal year to continuously improve the level of our activities.

Strategic Meeting

At Strategic Meetings, which are attended by Directors concurrently serving as Operating Officers and Operating Officers with a title, members promote activities to secure human resources, including deliberating on the number of personnel expected to be hired, their assignments, and ensuring diversity, as well as evaluating the status of hiring, in order to secure diverse human resources based on the belief that acceptance and respect for diversity encourages the creation of innovation. In addition, we are working to identify issues through employee engagement surveys and stress check assessments, while also deliberating our health management policies and the status of initiatives, striving to raise the effectiveness of each initiative.

Human Resources Meetings

At Human Resources Meetings, which are attended by Directors concurrently serving as Operating Officers and Operating Officers with a title, members deliberate on Company-wide human resources development plans and evaluate the details of their implementation in order to steadily promote human resources development measures that support sustainable business growth. The meetings also provide a space to implement deliberations on personnel evaluations at the general manager level, periodic interviews, interviews with candidates for promotion, and reports from managerial candidates on recommendations for management policies and other matters, and members are involved in understanding the characteristics of personnel at the general manager level and human resources development measures, and a system has been established to implement a PDCA cycle for development of human resources including successive personnel.

Nomination Committee

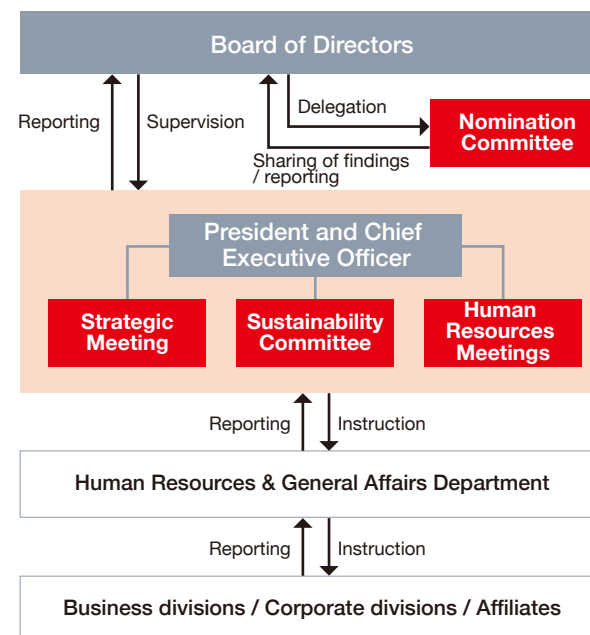
The Nomination Committee, of which Outside Directors comprise the majority, conducts evaluations and deliberations related to successive human resources development and provides feedback to the Board of Directors.

Board of Directors

The Board of Directors receives reports from the

Sustainability Committee and others, as well as feedback from the Nomination Committee. The Board engages in multifaceted discussions from perspectives such as fulfilling social responsibilities, allocating management resources, and ensuring the effectiveness of measures. The Board views human resources growth as an important issue directly linked to long-term corporate value enhancement and works to strengthen its foundation.

Governance system related to securing diverse human resources and human resources development





Better Performance of Human Resources and Creation of Comfortable Workplaces

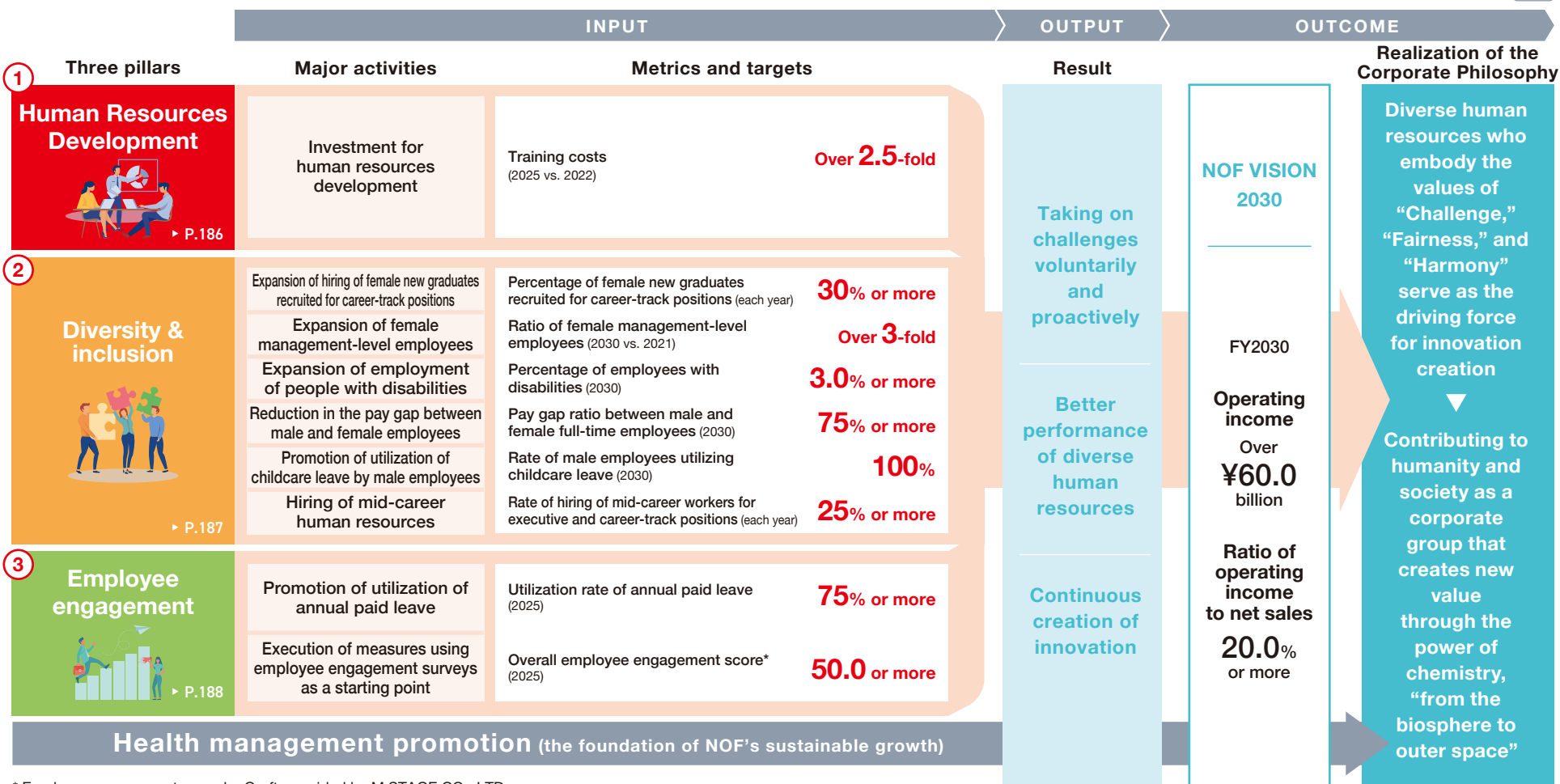
Metrics and Targets

GRI 2-29/401-1,3/405-1,2

We create diverse human resources that take on the challenge of creating new value.

Through initiatives based on the three pillars of better performance of human resources (human resources development, diversity & inclusion, and employee engagement), we are advancing the development of autonomous human resources, hiring and promotions that value diversity, and the creation of innovation. Under the promotion of health management, diverse human resources who embody our values of “Challenge,” “Fairness,” and “Harmony” fully demonstrate their capabilities and become driving forces for innovation as they strive to realize our Corporate Philosophy.

NOF



* Employee engagement score by Graft, provided by M.STAGE CO., LTD.



Better Performance of Human Resources and Creation of Comfortable Workplaces

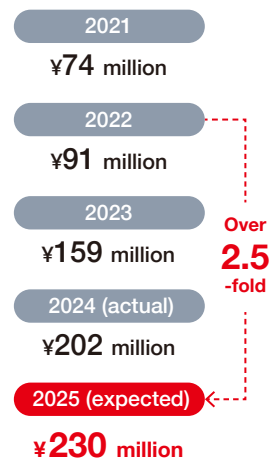
Metrics and Targets
[Theme (1):
Human Resources Development]

GRI 404-2

Human Resources Development



Investment for human resources development (training costs) NOF



▶ P.215

Through the autonomous human resources development program and support for self-education/development, we strive to embed our values of “Challenge,” “Fairness,” and “Harmony” among our employees. We aim to develop human resources who think and act on their own initiative, fostering a group of individuals with a strong sense of ownership who see their work through to solving challenges, thereby building a foundation for innovation creation. In today’s rapidly changing and increasingly uncertain business environment, we expect such growth to serve as a driving force toward achieving the vision for fiscal 2030 set out in “NOF VISION 2030”.

Support for career development and taking on challenges

Under our policy of supporting career design development to foster individual growth, we have long maintained a system of employee dialogue with supervisors through the use of “self-reporting.” This is separate from goal-setting and evaluation interviews conducted using performance appraisal tools, and is a system in which supervisors annually hold individual discussions with employees from the perspective of medium- to long-term career paths encompassing aspects such as transfer preferences, improvement of specialized skills, and capability development. This initiative respects each individual’s intentions, leads to greater job satisfaction, and helps to invigorate the organization. These dialogues using “self-reporting” are conducted with general employees and some managers up to the age of 62, and 94% of employees participate. For general managers who are not subject to “self-reporting,” we provide opportunities for one-on-one meetings with Human Resources Meeting members, including the president. Based on 360-degree evaluation from subordinates and self-prepared challenge reports, general managers receive advice on realizing growth for themselves and their subordinates, as well as reviews of their performance and achievements. In 2024, we partially revised the in-house job posting system and are striving to operate it in a way that promotes organizational vitality by enhancing career ownership and placing employees with a willingness to take on challenges. In addition, we are improving an environment that encourages each individual to take on challenges by offering opportunities to learn new knowledge and various insights and skills, along with enhancing training by rank and by issue and expanding support for self-education and development.

Major activities in FY2024

- Career training for employees to independently and proactively consider medium-term career design** ▶ **115 people**
Training focused on thinking about career issues in light of one’s career path and other attributes, and preparing for expected roles. This training is mandatory for all employees upon reaching the designated age, and 95.8% of eligible employees completed it in fiscal 2024.
- Initiatives for development of DX human resources toward selected human resources that promote DX** ▶ **66 people**
- Providing opportunities to get a feel for the thinking of managers, cultural figures, and researchers from various fields** ▶ **436 people**
(Continued from FY2023)
- Development of autonomous human resources with a deep understanding of NOF’s values and a high sense of ownership** ▶ **1,929 people**
Continuing to focus on this initiative, in fiscal 2024 the participation rate among eligible employees rose to 97.3%.
- Support for self-education/development by enhancing distance learning** ▶ **Cumulative total of 759 people**
Starting in 2024, we also began actively supporting human resources who voluntarily step forward and wish to learn on their own initiative. As a result, the cumulative total of participant employees amounted to approximately more than one-third of



Better Performance of Human Resources and Creation of Comfortable Workplaces

Metrics and Targets [Theme (2): Diversity & Inclusion]

GRI

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

Diversity & Inclusion



We believe that by fostering an environment and culture where opinions and ideas can be freely expressed and individuality is respected, diverse human resources can fully demonstrate their abilities. Under our policy of securing diverse human resources regardless of gender, age, nationality, disability status, or other attributes, we are particularly focusing strategically on hiring experienced human resources to promote diversity among research and development personnel who are responsible for developing new products and technologies that contribute to sustainable business growth. By securing human resources with diverse perspectives and experiences, we aim to invigorate our human resources base for innovation creation. In addition, the active participation of female employees is a major issue in promoting the activities of diverse human resources. In order to increase the ratio of female career-track employees, NOF has been continuing its efforts to make sure that the percentage of women new graduates recruited for career-track positions is 30% or more for the past 10 years. The percentage of female career-track employees, which was less than 10% of all career-track employees as of the end of FY2015, rose to 28% by the end of fiscal 2024. The ranks of female career-track employees, who are expected to be promoted to management-level positions as future management candidates and play an even more active role, are growing larger. We will continue to strive to enhance systems that make it easy to work, making efforts to create an environment in which diverse human resources can actively participate and increase the ratio of female management-level employees from a medium-term perspective.

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

NOF

P.192

2022	2023	2024
36.1%	32.7%	38.0%
Every year 30% or more		

- Posting testimonials from young employees and employees raising children on our recruitment page to deepen understanding on what working looks like after joining the company, career development, and balancing work with child rearing

Ratio of female management-level employees

NOF

P.194

2022	2023	2024
4.7%	5.2%	6.2%(1.3-fold)
2030 (numerical targets) Over 3-fold (compared to FY2021)		

- Promotion of female career-track employees to management positions through systematic development
- Establishment of a job return system to promote rehiring at NOF for those who resigned out of necessity for a variety of reasons, such as childbirth, childcare, or the transfer of a spouse

Percentage of employees with disabilities

NOF

P.193

2022	2023	2024
2.46%	2.54%	2.65%
2030 (numerical targets) 3.0% or more		

- Promoting the creation of workplaces where employees can work with motivation (clarification of duties)
- Active support for participation in society by people with disabilities

Pay gap ratio between male and female employees*

NOF

P.195

	2023	2024	2030 (numerical targets)
Full-time employees	72.6%	72.6%	Full-time employees 75% or more
Temporary/part-time employees	84.5%	96.8%	
Total	72.0%	71.9%	

- Expanding systems to support balancing work with childbirth and childcare
- 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
- Active recruitment of women for career-track positions and advancement of an internal environment that promotes the active participation of women

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

Rate of male employees utilizing childcare leave*1

P.198

(Average number of childcare leave days taken by male employees*2)

NOF

2022	2023	2024
95.2% (8.8 days)	97.4% (33.1 days)	95.7% (30.9 days)

2030 (numerical targets) **100%**

- Implementation of support measures that enable male employees to utilize childcare leave
- Clarifying the rules on securing personnel to cover those on leave

*1 The rate of childcare leave utilization 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 The average number of days taken is calculated according to the following criteria.

- Calculated based on the total number of childcare leave days taken by employees who returned to work in the current fiscal year

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

NOF

P.192

2022	2023	2024
29.4%	38.8%	47.4%

- Promoting the hiring of personnel who can make use of their career experience from other companies and talented external personnel

* Rate of hiring of mid-career workers for executive and career-track positions (%) = (number of new mid-career hires for executive and career-track positions between April 1 and March 31) / (number of new graduate career-track employees and new mid-career hires for executive and career-track positions between April 1 and March 31) x 100



Better Performance of Human Resources and Creation of Comfortable Workplaces

Metrics and Targets [Theme (3): Employee Engagement]

GRI 2-29

Employee engagement



Under our policy of creating mechanisms, systems, and workplaces that enable each employee to perform their duties with goals and a sense of vitality, we are working to create comfortable workplaces from various perspectives, including the development of autonomous human resources based on the NOF Group's values, diversity and inclusion, work-life balance, health, occupational health and safety, and labor-management relations. We have conducted regular employee engagement surveys since fiscal 2022 to ascertain employee engagement and the results of past initiatives. We identify overall employee engagement scores based on employee engagement related to work and duties (creativity, relationship building, and meaning-making) and employee engagement related to the company and organization (work content, human relations, and organizational systems), and use the analysis and evaluation of these results to improve job satisfaction.

Initiatives to improve employee engagement

• Instilling our Corporate Philosophy

To promote autonomous human resources development based on the values that form the foundation of our Corporate Philosophy and Guiding Framework which was revised in April 2023, we held workshops in fiscal 2024 following on from fiscal 2023. We also plan to continue holding workshops in fiscal 2025 to encourage autonomous actions aligned with our values.

• Career development support

In addition to career training launched in fiscal 2023, we began a new career consultation service in fiscal 2024 and introduced e-learning on career support, striving to make career consultations even more beneficial.

• Promotion of health through support for gym use and health check events

We began partially subsidizing gym fees to actively support human resources working on their health, with about 10% of employees taking advantage of this program. We also held simple health check events (such as vascular age measurement) at all sites to encourage employees to improve their eating and exercise habits.

• Ongoing initiatives aimed at smoking cessation (from FY2021)

To further promote smoking cessation, we designated a no-smoking day starting in January 2025 to encourage smokers to consider quitting, and revised the way our smoking cessation program (launched in fiscal 2021) is used.

• Enhancement of leave systems

In fiscal 2024, we enhanced the accumulative paid leave system (including a review of the accrual mechanism and number of days, and adding pregnancy-related health issues as a valid reason for use) and expanded eligible length of service for refresh leave (service leave) to include consecutive leave every five years of service.

Overall employee engagement score* NOF

2022	49.5
2023	49.5
2024	50.0
2030 (numerical targets)	50.0 or more

Employee engagement survey measured items

Status of employee engagement related to work and duties

Creativity

Relationship building

Meaning-making

Status of employee engagement related to the company and organization

Content of work

Human relations

Organizational systems

Other measured items

- Level of understanding of the corporate philosophy
- Level of understanding of health-conscious management initiatives
- Requests related to childcare and family care
- Evaluating compliance initiatives

* Employee engagement score by Graft, provided by M.STAGE CO., LTD.



Better Performance of Human Resources and Creation of Comfortable Workplaces

Risks and Opportunities

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

The Risk Management Committee conducts comprehensive assessments of risks and promotes measures to address them.

Risks and opportunities for human capital

Theme	Risk description	Opportunities
Delays in fostering human resources	Delays in implementing human resource development plans and insufficient capacity building may delay the development of core human resources responsible for business growth and hinder sustainable business growth	- To prevent delays in human resources development, we have established a system that regularly implements a PDCA (Plan-Do-Check-Act) cycle. At human resources meetings, which are attended by Directors who are concurrently serving as Operating Officers and Operating Officers with a title, there is deliberation on Company-wide plans for human resources development measures and evaluation of implemented content. This ensures the steady implementation of measures to develop human resources who support sustainable business growth - Progress of human resource development is reported to the Sustainability Committee, which is attended by all Directors. The Committee deliberates response policies and other matters to ensure the continuous improvement of human resources development measures
Labor shortages	The decreasing labor force and number of young people, as well as the expansion of job openings due to the prosperous economy, may delay the securing of necessary employees and delay business plans	- For new graduate hires, we are working to prevent mismatches with applicants' expectations by promoting a better understanding of our business, such as through plant tours. For mid-career hires, we aim to increase the potential for securing highly skilled human resources in line with our business plans by expanding the channels where job information is released and enhancing the information available on our website - We have established a system (job return system) to make it easier for retirees to rejoin the company, providing opportunities to secure experienced human resources - Progress on the ratio of hiring female new graduates recruited for career-track positions and the ratio of hiring of mid-career workers for executive and career-track positions are reported to the Sustainability Committee, which is attended by all Directors. The Committee deliberates response policies and other matters to ensure the continuous improvement of initiatives to secure human resources
Rise in turnover rates	An increase in the number of employees leaving the Company due to reasons such as dissatisfaction with the Company, family caregiving, or other circumstances could hinder business promotion and execution	- We have 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 family care, childcare, and other obligations - We established our new career consulting service to provide opportunities for employees to obtain expert advice, thereby supporting independent career building and encouraging the growth of human resources, as well as creating human resources that work with a high level of motivation



Better Performance of Human Resources and Creation of Comfortable Workplaces

Risk Management for Human Capital Organizational Setup

GRI 2-12

We have established a Risk Management Committee to manage risks related to human capital and have put in place a system whereby the Committee reports to the Board of Directors for supervision by way of the Sustainability Committee.

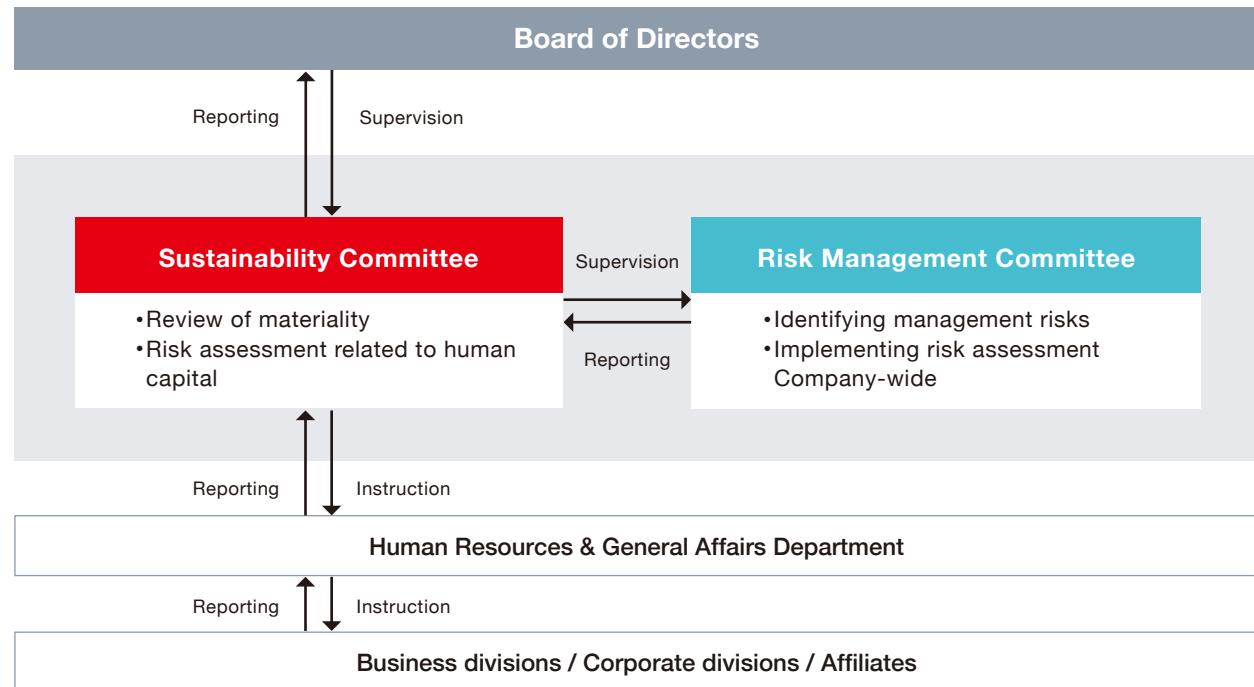
Sustainability Committee

The Sustainability Committee, which is attended by all Directors, oversees the results of risk assessment related to human capital and reports to the Board of Directors.

Risk Management Committee

The Risk Management Committee, which comprises divisions with jurisdiction over risks and others, comprehensively identifies various management risks surrounding its business and conducts Company-wide risk assessment on the level of impact and potential for occurrence of each risk item in order to identify those that need to be addressed as a priority. Among the various management risks surrounding our business, we conduct risk assessments to evaluate to what extent the impact of risks related to human resources and labor might change in the future. The results of this analysis are reported to the Sustainability Committee, which evaluates risk measures.

Risk Management for Human Capital Organizational Setup





Better Performance of Human Resources and Creation of Comfortable Workplaces

Initiatives for Human Capital

The NOF Group is working on various initiatives related to human capital.



* The "five domestic consolidated companies" mentioned in the Society section refer to the following consolidated subsidiaries of the Company. In some places, only the results for the four domestic consolidated companies are shown with the names of the target companies being noted. (YUKA SANGYO CO., LTD., Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., NICHYU LOGISTICS CO., LTD.)



Securing Human Resources and Diversity & Inclusion

Hiring and Turnover

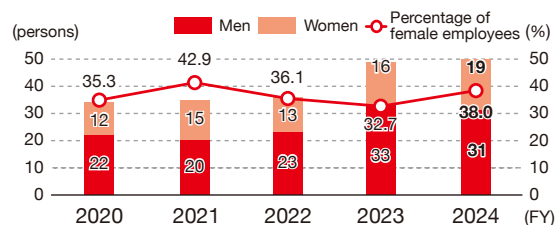
GRI 2-7/401-1/405-1

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.

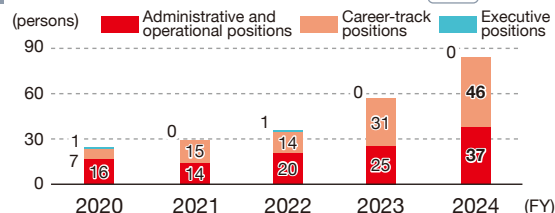
In addition, we recognize the importance of securing

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

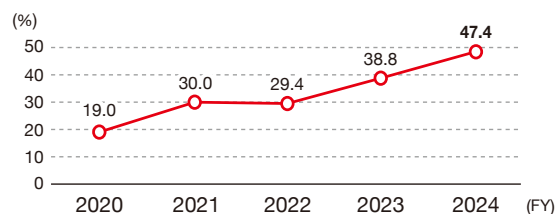


*Data on new graduate employees joining on April 1

Number of mid-career workers hired **NOF**



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



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) **NOF**

FY2023 **29.5** ▶ FY2024 **32.4**

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

Hiring for executive and career-track positions

FY2024 Men **63.0%** Women **37.0%**

Hiring for administrative and operational 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 family 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.

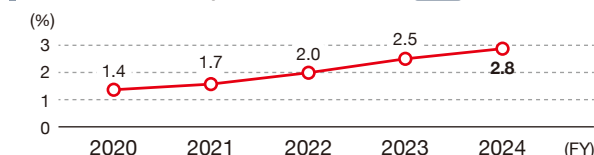
Turnover due to personal reasons **NOF**

FY2023 **2.5%** ▶ FY2024 **2.8%**

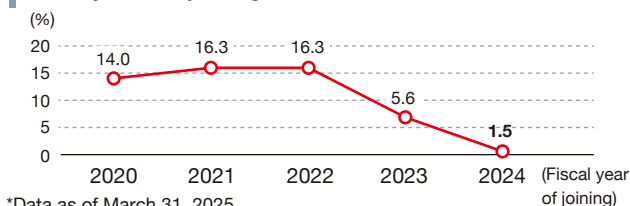
Turnover due to personal reasons **NOF/5 domestic consolidated companies**

FY2023 **2.3%** ▶ FY2024 **2.6%**

Turnover due to personal reasons **NOF**



Turnover rate of new graduate employees within three years of joining **NOF**



*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 each site, 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.

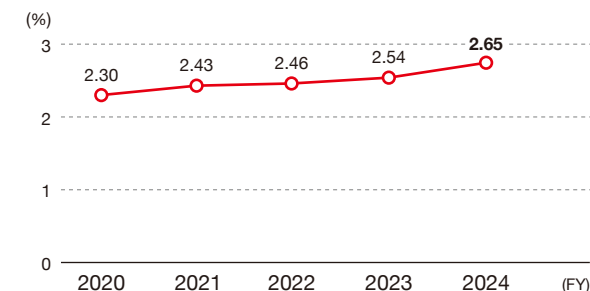
Percentage of employees with disabilities NOF



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

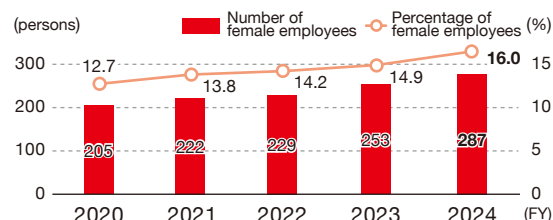
Active Participation of Women

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

Promoting the active participation of women

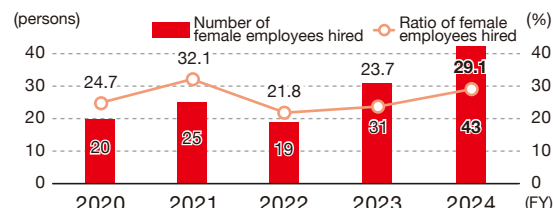
NOF promotes the active participation of women, and of new graduate career-track hired in fiscal 2024, 38.0% were women (see the graph on P. 192: Number of new graduates hired for career-track positions/Percentage of female employees hired for career-track

Number of female employees / Ratio of female employees NOF

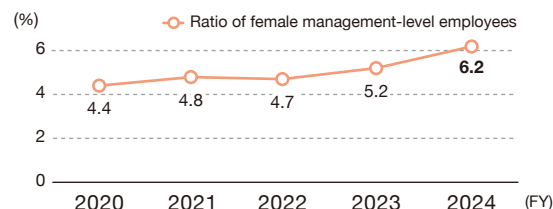


* Includes employees on childcare and other leave (2024: the number of female employees at NOF and its five consolidated companies totaled 528; the ratio of female employees stood at 17.4%)

Number of female employees hired / Ratio of female employees hired NOF



Ratio of female management-level employees NOF



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 family care support systems, we work to provide training aimed at

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



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

Ratio of female management-level employees NOF



Ratio of female management-level employees NOF / 5 domestic consolidated companies



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, family 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.



Securing Human Resources and Diversity & Inclusion

Remuneration

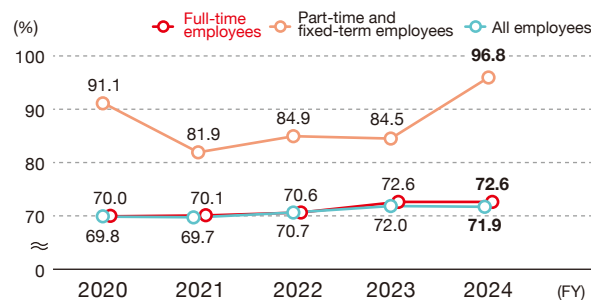
GRI 2-7/405-1,2

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 administrative and operational 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

Cause	Gender difference in average length of service
Measure	Enhance support for balancing work with childbirth, childcare, etc. P.198-199
Cause	Only men are engaged in shift work in the manufacturing divisions, resulting in a difference in allowances
Measure	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
Cause	Gender gap ratio in managerial positions
Measure	Active recruitment of women for career-track positions and advancement of an internal environment that promotes the active participation of women



Securing Human Resources and Diversity & Inclusion

Work-Life Balance

GRI 2-7/401-3/403-6/405-1

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, family 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, family 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	Family 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)	Family care leave of absence (can be taken three times, up to 365 days in total)
Operational adjustments and workload reduction		Career and childcare balance support program*2	Family care leave (10 days/year)*3
Hospital visit leave (paid holidays: one day/month)		Sick child care leave*1 (10 days/year)*3	
Prenatal and postnatal leave		Childcare hours (paid)*5	
Support for work-fertility treatment balance*4			
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

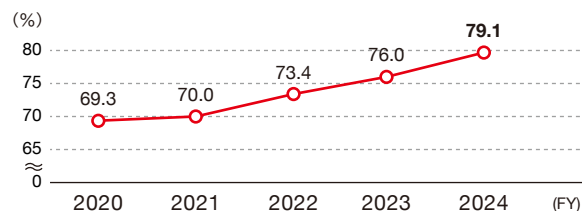
FY2024 **79.1%** ▶ 2025 target **75% or more**

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).

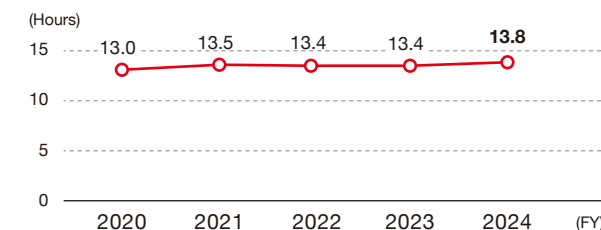
In fiscal 2024, the average monthly overtime

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** hours

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

NOF / 5 domestic consolidated companies

	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

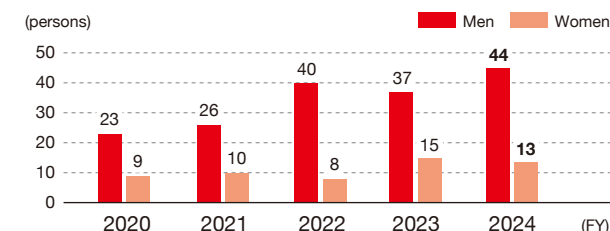
In April 2017, NOF prepared handbooks to support employees and managers in balancing work and childcare or family care. The childcare handbook summarizes information on flexible systems such as postnatal paternity leave (childcare leave at the time of childbirth) and split taking of childcare leave, as well as ways to communicate with supervisors and workplaces. The family care handbook summarizes basic knowledge on the Long-Term Care Insurance System, NOF's balance support system regarding family 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).



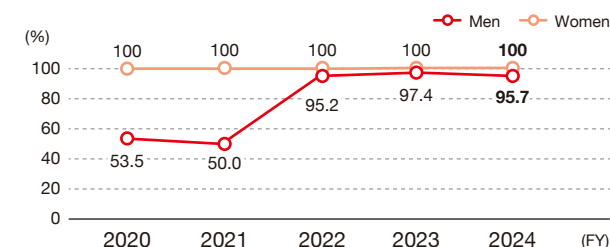
We also provide information on the handbooks to employees who need childcare or family care.

- Handbook Supporting Work and Childcare Balance (for male employees)
- Handbook Supporting Career and Childcare Balance (for managers)
- Handbook Supporting Work and Family Care Balance
- Handbook Supporting Work and Family Care Balance (basic edition introducing senior family facilities and family 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]



Securing Human Resources and Diversity & Inclusion

Work-Life Balance

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

Individual provision of information to employees and establishment of consultation desks on childcare and family 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 family care leave of absence, etc., and confirm their intentions. Consultation desks on childcare and family 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 family care

NOF works to expand various easy-to-use systems for supporting employees in balancing work and childcare or family 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 family 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 family care leave of absence above legal requirements. Among others, we support employees in balancing work and childcare or family care through flexible work systems such as the short-hour work system, flex-time system, and work-from-home system.

Employees utilizing family care leave of absence **NOF**

FY2024

2 persons



Labor-Management Relations

GRI 2-30

NOF has concluded a union-shop agreement with the NOF Labor Union. All the employees who fall within the scope of union membership under the agreement belong to the union. Of all employees, 72.2% belong to the labor union (as of March 31, 2025, including seconded employees).

Union-shop agreement

In line with the union-shop agreement concluded with the NOF Labor Union, the Company consults with the labor union prior to implementing management measures that concern the employment of union members such as business restructuring or revising labor conditions. The agreement also

stipulates matters related to collective bargaining and labor-management councils, wage revisions and bonuses (lump-sum payments), human resources, and health and safety maintenance. Under the union-shop agreement, we strive to build a labor-management relationship based on mutual trust.

Major labor-management councils NOF

Council	Frequency
Central Labor-Management Council	The council holds meetings twice a year, which are attended by members of the collective bargaining committee chaired by the President, and members of the NOF Labor Union's Central Executive Committee. The attendees share their perceptions of business performance and deliberate on management issues.
Central Labor-Management Safety Council	The council holds meetings four times a year to share perceptions of the status of occupational safety and to exchange opinions on ensuring and improving occupational safety (two of the meetings per year are attended by collective bargaining committee members and members of the NOF Labor Union's Central Executive Committee, while the remaining two meetings are attended by the Company's occupational safety personnel, the General Manager of the Human Resources & General Affairs Department, labor relations personnel, and members of the NOF Labor Union's Central Executive Committee).
Council Between Human Resources & General Affairs Department and Central Executive Committee	The council holds meetings 10 times a year, attended by the General Manager of the Human Resources & General Affairs Department, labor relations personnel, and members of the NOF Labor Union's Central Executive Committee. The attendees share their perceptions of business performance and deliberate various company-wide labor-management issues, including the issue of enhancing employees' work-life balance.
Business Division Labor-Management Council	The council holds meetings twice a year, attended by business division general managers and other division executives, as well as members of the NOF Labor Union's business division-related branch committee. The attendees share their perceptions of business performance and deliberate on management measures.
Labor-Management Councils at each business site	In principle, the councils hold meetings every month, attended by the Regional Manager, human resources personnel, and NOF Labor Union branch committee members, to share recognition concerning issues and performance related to labor, health maintenance, safety, etc. at each site, and discuss labor-management issues, including the issue of enhancing employees' work-life balance.



Promote occupational safety and health

The NOF Group works to promote occupational safety and health by sharing activity targets as activities related to “occupational safety” among RC activities classified into “five components of safety,” and is developing Group-wide activities, including those of affiliated companies at all works and plants, based on the RC management system.

Occupational Safety and Health Policy

With the aim of eliminating occupational accidents, the NOF Group has clearly expressed its determination to make its workplaces secure and safe for all workers involved in Group activities, including external contractors, and to realize this ideal, set forth its Occupational Safety and Health Policy in April 2006. Under this policy, each of our works,

plants, and Group companies are engaged in initiatives including the establishment of an occupational health and safety management system.

Occupational safety activities (RC activities)

The status of occupational safety activities at NOF’s works, plants, and Group companies is confirmed through regular RC audits. Along with audits, we are working to revitalize RC activities throughout the Group, with members of labor unions and Group companies also participating in RC audits as auditors. The results are reported to the RC Committee, as well as being shared with labor unions to develop joint labor–management activities.

Moreover, recognizing the importance of safety education, the NOF Group strives to further enhance its occupational safety and health management system and reinforce its safety activities, including promoting safety education, in an effort to ensure the safety and health of its employees.

Occupational Safety and Health Policy

Basic philosophy

We, as a group of chemical companies, shall endeavor to secure the safety and health of our employees and local communities in the belief that “no business can be viable without safety.” All the officers and employees shall be committed to the buildup of “workplaces where we can work safely and securely” in close teamwork consistent with Responsible Care activities, and positively promote activities for occupational safety and health.

Fundamental principles

- (1) We shall organize an appropriate self-management system regarding occupational safety and health, and continue necessary management and improvement.
- (2) Our target shall be the eradication of labor accidents by improving the working environment, making the equipment intrinsically safe, and carrying out risk-reducing activities in anticipation of future changes in the working environment.
- (3) We shall faithfully observe relevant laws and regulations and our own rules and standards.
- (4) We shall endeavor for the creation of a pleasant working environment and support efforts for keeping and promoting health.
- (5) We shall make the Occupational Safety and Health Policy thoroughly known to all the employees, and review it every year or as necessary.

The principles will be made widely available to the general public.

(Amended April 2015)



FY2024 safety activity results and FY2025 RC activity targets

Since fiscal 2015, we have promoted initiatives toward achieving our target of “absolutely zero accidents.”* In fiscal 2024, we were able to prevent fatal accidents, but had 18 occupational accidents, failing to achieve our target. In particular, there were seven accidents caused by entrapment or entanglement, thus continued enhancement of our prevention efforts are required.

In fiscal 2024, we worked to eliminate unsafe behaviors and conditions as a key RC activity goal, but with eight accidents involving employees who had worked for the Company for one year or less, there is a clear need to further bolster safety education. In response to this issue, we will focus

on the following initiatives in fiscal 2025.

- Strengthening of implementation of basic safety actions
Rather than simply enforcing the basic safety actions, we will evolve toward “actual implementation” to enable individuals to act on their own initiative.
- Prevention of accidents caused by entrapment or entanglement
We will review operation procedures, analyze disaster risks, and improve working environments.
- Early introduction of experience-based education targeting employees including new employees
We will incorporate experience-based education for enhancing sensitivity to danger into our training to encourage safety actions at workplaces.
Through these activities, we aim to achieve

“absolutely zero accidents” and further instill a culture of safety across the Company.

Elimination of traffic accidents

In fiscal 2024, we introduced traffic safety activities unique to each works and affiliated company with the aim of reducing the number of accidents during commutes and work-related traffic accidents. Specifically, we continued to distribute pamphlets during the traffic safety week, arrange safety lectures by police stations, put up banners with road safety slogans, and prepare and disseminate maps showing near-miss traffic accidents. As a result of these efforts, there were nine accidents causing injury to others or resulting in self-injury in fiscal 2024 (three less cases compared to the previous fiscal year), and a total of 22 accidents during commutes and work-related traffic accidents (seven less accidents compared to the previous fiscal year), indicating that the situation has improved. However, we failed to achieve the target, and further efforts are required.

In fiscal 2025, we will aim for zero traffic accidents through traffic safety activities involving all employees.

FY2025 RC Activity Targets and Labor Safety Initiatives at NOF Group

RC activity targets	Occupational accidents: absolutely zero accidents Traffic accidents: zero accidents causing injury to others or resulting in self-injury	
Key issues	Through the participation of all employees and risk anticipation, we aim for the followings: ● Elimination of unsafe behavior and conditions (focusing on preventing accidents caused by entrapment or entanglement) ● Elimination of traffic accidents	
① Enhancement of sensitivity toward danger and enforcement of basic safety actions		● Provision of occupational safety education and training ● Strengthening of hazard prediction skills
	[Labor safety]	● Strengthening of responses based on Sengen Shugi (the “three actuals” principle) ● Ensuring compliance with amendments to the Ordinance on Industrial Safety and Health
② Reduction of disaster risks		
	[Traffic safety]	● Analysis of the causes of injury and self-caused damage ● Strengthening of education to promote awareness



Driving simulator training
(Oita Plant)



Bicycle simulator training
(Amagasaki Plant)

* The NOF Group's proprietary targets to reduce to zero lost-time injuries and non-lost-time injuries.



Risks and opportunities in occupational safety and health

Category	Risk items	Overview	Response (initiatives)
Risks	Occupational accidents	A serious accident occurred during a manufacturing process in which employees were affected by inhalation of toxic substances and injury from chemical substances, leading to filing of claims for compensation by employees who suffered permanent disability or their family members of those employees who have died.	(1) Enhancement of sensitivity toward danger and thorough enforcement of basic safety actions - Provision of occupational safety education and training (FY2024: 26,226 hours in total) - Establishment and raising awareness of basic safety action guidelines - Development of the key issue "prevention of falls and chemical injury accidents" (2) Reduction of accident risks - Strengthening of responses based on Sangen Shugi (the "three actuals" principle) (FY2024: 20 RC audits) - Implementation of general inspections on Safety Inspection Day (August 1) (FY2024: 34 divisions of NOF, 31 sites of affiliate companies)
	Mishandling of chemical substances	An employee mishandled hazardous chemical substances, which caused the substances to mix and generate toxic fumes. Several employees who inhaled them suffered poisoning symptoms.	(1) Enhancement of sensitivity toward danger and thorough enforcement of basic safety activities - Provision of product safety education and training (FY2024: 2,249 hours in total) - Implementation of chemical substance RA (FY2024: 1,498 for NOF, 782 for affiliate companies) (2) Reduction of accident risks - Strengthening of responses based on Sangen Shugi (the "three actuals" principle) (FY2024: 20 RC audits)
	Traffic accidents (on-the-job accidents resulting in personal injury or death)	A truck driven by a NOF Group employee caused a personal injury accident while transporting, resulting in the death of several other people and damaging our company's social reputation. The accident has also caused a substantial amount of compensation for damages.	(1) Enhancement of sensitivity toward danger and thorough enforcement of basic safety activities - Provision of traffic safety education (FY2024: 26,226 hours in total) (2) Reduction of accident risks - In-depth investigation of the causes of accidents causing injury to others or resulting in self-injury (FY2024: driving simulators, on-site training, audiovisual teaching materials, etc.)
	Traffic accidents	An employee caused a traffic accident while on their commute, resulting in the injury/death of the employee and third persons passing by.	
	Transportation-related incidents	An accident that occurred when a truck was transporting, scattering hazardous cargo spilled on the road. The surrounding roads were temporarily closed and damage compensation was claimed due to delayed delivery.	(1) Safety instructions given to transportation companies Provision of transportation safety education and training (FY2024: 3,115 hours in total)
	Damage accident at storage	Damage to containers in a warehouse destroyed or damaged stored products and materials and equipment in the warehouse, and injured some employees.	
	Fires/explosions	An accident involving a major fire and explosion occurred at a works. In addition to extensive damage to equipment and machinery, several employees were killed or injured, and homes in the surrounding area were damaged by the blast. Large amounts of damage compensation and penalties were incurred, and operations were halted for a long period of time.	(1) Strengthening of disaster prevention and security measures - Provision of equipment safety education and training (FY2024: 390 hours in total) - Alerts under extreme weather or during long holidays (FY2024: 5 under extreme weather, 3 during long holidays) - Investment in safety and disaster prevention equipment (FY2024: disaster prevention, safe work, measures against wind and water disasters, etc.) (2) Execution of safety assessments during new construction or modifications - Safety assessments (FY2024: 74 for NOF, 47 for affiliate companies)
	Damage or breakdown of equipment and machinery due to inappropriate maintenance and inspection	Damage to critical equipment at a plant, including high-pressure gas equipment, clean rooms, and vacuum emulsifiers, caused a prolonged shutdown of operations and a decline in sales.	
Opportunities	Growing needs for products that contribute to occupational safety and health	[Prevention of heat stroke] Thermal indicators [Prevention of chemical injuries] Products free of hazardous substances (nonylphenol substitute products)	Development and provision of occupational safety and health products



Hands-on and experience-based education

The NOF Group has adopted hands-on and experience-based safety education as a training step for preventing occupational accidents. Such experience of danger in a simulated environment is expected to help improve their sensitivity to danger and raise awareness of safety.

We had mainly offered external educational programs, but currently focus on more field-oriented education through experience-based education.

Individual “safe practice declaration” activities (Domestic Group companies)

Based on the results of analysis into the causes of occupational accidents that occurred in fiscal 2011, we determined that raising safety awareness would be crucial in eliminating occupational accidents caused by human factors, such as a lack of awareness of danger and carelessness. Since fiscal 2012, we have been implementing “individual ‘safe practice declaration’ activities,” that is, individuals setting of action targets for occupational safety and taking action to achieve them. This system is implemented in a way considered suitable for each plant, such as disclosing safe practice declarations of all personnel, including those at cooperating companies, on a bulletin board, etc.



Experience-based hazard education (Amagasaki Plant)



Hands-on practical safety training (Oita Plant)



Red Cross first-aid training course (Oita Works)



NOF Group RC education and training

The NOF Group focus on RC education as a way of deepening understanding of RC among its employees. In fiscal 2024, a total of 46,420 people participated in a total of 35,791 hours of RC-related education and training.



Education on the handling of organic peroxides
(PT.NOF MAS CHEMICAL INDUSTRIES)



Presentation of activities with all employees participating (Oita Works)

RC education and training (FY2024) NOF Group

Field	Total number of participants (persons)	Total number of hours (hours)
All aspects of RC	4,622	2,858
Labor safety	32,825	26,226
Environmental safety	3,276	953
Product safety	4,595	2,249
Plant safety	576	390
Transportation safety	526	3,115
Total	46,420	35,791

BCP training and education

NOF continuously holds basic training on disaster response measures for earthquakes, fires, infectious diseases, and other disasters with the aim of improving the effectiveness of its business continuity plan (BCP). Specifically, we inform employees of action standards based on manuals for earthquake disaster prevention and infectious disease control, along with conducting emergency contact drills using a safety confirmation system, leakage prevention drills, and initial response firefighting training.

In fiscal 2024, we conducted a company-wide joint BCP drill anticipating complex risks, including cyberattacks on overseas bases and safety assurance of employees overseas. Through this training, we strengthened the information sharing system between emergency headquarters and each location, and verified the effectiveness of the BCP.

We will continue improving our company-wide response capabilities through BCP education and training.



Company-wide joint BCP training



Disaster prevention drills

The NOF Group manufactures hazardous materials, including organic peroxides, and explosives. Considering that minimizing damage both inside and outside the company in the event of an

accident is of the utmost importance, we actively conduct disaster prevention drills. In particular, we regularly conduct joint disaster prevention drills together with local organizations as part of efforts to strengthen disaster countermeasures.

We also actively participate in local firefighting skills competitions, etc. to improve firefighting skills and demonstrate our high level of safety awareness.



Comprehensive disaster prevention drill (Kawasaki Works)



High-pressure gas disaster prevention drill (Amagasaki Plant)



Initial response firefighting training (Oita Works)



Integrated disaster prevention drill for industrial complexes (Oita Works)



Joint disaster prevention drill (NiGK Corporation)



Fire prevention association firefighting skills competition (YUKA SANGYO CO., LTD.)



Disaster prevention drill (Changshu NOF Chemical Co., Ltd.)



Firefighting training (PT.NOF MAS CHEMICAL INDUSTRIES)



Awards for safety activities

The NOF Group has received various awards in recognition of its daily safety activities and consistently accident-free operations at facilities that handle hazardous materials, etc.

Amagasaki Plant, Kawasaki Works, and YUKA SANGYO CO., LTD. received awards in recognition of their initiatives related to hazardous materials.

JAPEX Corp. received an award for its achievements related to explosives safety management.

NiGK Corporation received an award for their excellent performance at a firefighting skills competition.

Nippon Koki Co., Ltd. received an award in recognition of its safe driving efforts, while NOF METAL COATINGS ASIA PACIFIC CO., LTD. and NICHYU LOGISTICS CO., LTD. received awards in recognition of their health and safety-related initiatives.

Encouraged by these awards, we will continue making all-out effort into safety activities and accident prevention, and further promote safety management.



Received an award from the Chairperson of the Federation of Associations for Safety of Hazardous Materials in the Kanto-Koshinetsu area for services to improving facilities and safety management (YUKA SANGYO CO., LTD.)

Record of awards for safety activities

Works / plants	Awarding date	Name
Amagasaki Plant	2024/6/12	Received the award for excellent boiler engineers from the Hyogo branch of the Japan Boiler Association
	2024/6/13	Received the award for excellent high-pressure gas safety managers from the Hyogo High-Pressure Gas Safety Organization
	2024/11/15	Received the Chairperson's Award for excellent boiler welders from the Japan Boiler Association
Kawasaki Works	2025/1/9	Received the award for long-term continual service as an excellent hazardous materials safety supervisor from the Rinko Factory Firefighting Council
Nippon Koki Co., Ltd.	2025/2/21	Received an award from the Hokkaido Safe Driving Managers Association (achieving zero accidents resulting in death or injury)
NiGK Corporation	2024/5/23	Received the excellent long-time service employee award from the Saitama Prefectural Explosive Safety Association
	2024/10/16	Kawagoe District Fire Dept. in-house firefighting drill competition (winning in outdoor fire hydrant event)
YUKA SANGYO CO., LTD.	2024/5/9	Received an award from the Chairperson of the Federation of Associations for Safety of Hazardous Materials in Kanto-Koshinetsu area
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	2025/3/10	Recognized as a 2025 Outstanding Organization of KENKO Investment for Health (SME category)
JAPEX Corp.	2024/5/30	Received a Certificate of Appreciation from the Tokyo Explosives Safety Association (for long-term service of the Association Director and Registered Instructors)
NICHYU LOGISTICS CO., LTD.	2024/7/3	Received the award for safety and health excellence at business sites from the Oita Labour Bureau



Received the award for safety and health from the Oita Labour Bureau (NICHYU LOGISTICS CO., LTD.)



Safety and disaster prevention facility investment

As part of our safety and disaster-prevention initiatives, the NOF Group has been systematically implementing facility improvement projects, including accident-prevention measures against explosions, fires, and leaks, as well as measures to enhance occupational safety and improve working environments. Further, to prepare for anticipated large-scale earthquakes, we are also systematically implementing projects to reinforce buildings against such quakes.

Major safety and disaster prevention facility investment (FY2024)

Works / Plants	Purpose	Details
Amagasaki Plant	Safety work	Measures to reduce risks arising from high-place work, installation of heavy lifting equipment, installation of showers for emergency use
Chidori Plant	Disaster prevention	Increased disaster prevention wireless equipment, installation of power generators for emergency use
Oita Plant	Measures against typhoon and torrential rains	Waterproofing measures for building roofs
Taketoyo Plant	Safety	Introduction of room access management system, increased security cameras
Kinuura Plant	Working environment improvement	Increased disaster prevention wireless equipment, installation of power generators for emergency use

*1 Accidents resulting in loss of functions: Accidents causing permanent disability (disability level 5 or higher) to people who have recovered

*2 Lost-time injury: accidents resulting in employees being unable to work at least one day

*3 All accidents, including those without lost workdays

*4 Frequency rate = Total cases of labor lost / total actual hours worked × 1 million

Occurrence of occupational accidents in FY2024

Record of occupational accidents (FY2024)

Metrics	Targets	FY2022	FY2023	FY2024
Accidents resulting in deaths or loss of functions (persons)*1	Main body of NOF (Japan)	0	0	0
	Affiliate companies	0	0	0
	(Breakdown) Japan	0	0	0
	Asia	0	0	0
	Americas	0	0	0
	Europe	0	0	0
	Cooperating companies	0	0	0
	Frequency rate of accidents resulting in deaths or loss of functions*4	0.00	0.00	0.00
Lost-time injuries (persons)*2	Main body of NOF (Japan)	1	1	1
	Affiliate companies	0	1	2
	(Breakdown) Japan	0	1	2
	Asia	0	0	0
	Americas	0	0	0
	Europe	0	0	0
	Cooperating companies	0	1	2
	Lost-time injury frequency rate*4	0.17	0.50	0.80
All accidents (persons)*3	Main body of NOF (Japan)	1	3	9
	Affiliate companies	3	3	8
	(Breakdown) Japan	3	3	7
	Asia	0	0	1
	Americas	0	0	0
	Europe	0	0	0
	Cooperating companies	2	2	2
	Frequency rate of all accidents*4	1.01	1.35	3.06



Implementation of alerts

As part of our occupational safety activities, the Responsible Care & Plant Investment Department, which oversees RC activities, sends out periodic and ad-hoc alerts on occupational safety, notifications on instructions or surveys regarding safety activities, etc., and disseminates them across all Group companies. We periodically implement safety and security measures for long holidays, ensure through implementation of heat stroke prevention measures during the summer, etc. On an ad-hoc basis, we issue additional alerts and instructions on measures when a disaster occurs or a typhoon approaches or whenever necessary. The Responsible Care & Plant Investment Department collects information on the status of these alerts, and provides feedback at RC audits and other forums to strengthen safety measures and raise employee awareness.

Investigation of causes of disasters, implementation of measures to prevent recurrence, and horizontal deployment of information

In the event of an occupational accident, it is important to quickly investigate the causes and plan and implement emergency and permanent measures. Such information is disseminated to each Group company for horizontal deployment in an effort to prevent similar disasters. In fiscal 2024,

we promoted company-wide safety activities with a focus placed on prevention of accidents caused by entrapment or entanglement. Unfortunately, however, seven such accidents occurred. Therefore, we will continue to enhance our efforts in this area in fiscal 2025.

In particular, in respect of accidents caused by entrapment or entanglement, we will carry out a detailed analysis of the circumstances of such accidents and formulate specific preventive measures for high-risk work and situations. Given that a substantial number of accidents involving employees who only worked for the Company for one year or less has occurred, we will introduce safety education and hands-on training at an early stage and promote safe actions among all employees. Through this, we aim to achieve “absolutely zero accidents.”

Moreover, in fiscal 2025, we aim to instill a culture of safety involving all employees, by utilizing the NOF Group Safety Standards Guidelines designed to promote basic safety actions. In particular, we are set to incorporate experience-based training into our training programs targeting inexperienced employees at an early stage to enhance their sensitivity toward danger and thoroughly enforce basic safety activities.

Through these initiatives, we aim to thoroughly mitigate the risk of disasters and prevent a recurrence while further deepening a safety culture

throughout the entire Group.



Health Management Declaration

Based on NOF's belief that "securing the safety and health of employees and creating a pleasant working environment are the foundation for sustainable growth of a corporation," we are pursuing the creation of safe and comfortable workplace environments to enable employees to live spiritually rich lives. With the aim of creating workplaces in which employees can work with vitality, we are promoting initiatives for the maintenance and promotion of employees' health.

October 1, 2024

Koji Sawamura, Representative Director, President and CEO

Priority areas



① Creation of a pleasant working environment

- Promote operational efficiency and curb long working hours
- Further expand programs to assist the balance of work and family life
- Prevent passive smoking

Initiatives

- Encourage all employees to take annual paid leave during their birth month
- Monitor the use of annual paid leave and remind employees and their supervisors to take them
- Have employees and their supervisors review the leave status during their meetings

Utilization rate of annual paid leave

NOF

FY2023 (actual)	FY2024 (Target)	FY2024 (actual)
76.0%	74% or more	79.1%

FY2025 (target) **75% or more**

One percentage point up from FY2024 target



② Mental healthcare

- Encourage employees to take stress tests
- Raise awareness of self-care through mental health training
- Enhance mental health consultation programs

Initiatives

- Share stress test results during (safety and) health management committee meetings at each site

Percentage of employees who took stress tests (excluding people absent from work, etc.)

NOF

FY2023 (actual)	FY2024 (Target)	FY2024 (actual)
99.9%	99% or more	100%

FY2025 (target) **99% or more**

Set the target at 99% or more, aiming to have almost all employees take



③ Maintenance and promotion of health

- Ensure implementation of health examinations and appropriate health guidance
- Encourage follow-up examinations and confirmation of results
- Promote exercise in daily life

Initiatives

- Encourage people with health risks to participate

Participation rate in "Health Promotion Walking" program

NOF

FY2023 (actual)	FY2024 (Target)	FY2024 (actual)
51.0%	50% or more	55.4%

FY2025 (target) **50% or more**

Set the target at 50% or more, aiming to have roughly half of all employees to participate

Health management initiatives

Based on NOF's belief that "securing the safety and health of employees and creating a pleasant working environment are the foundation for sustainable growth of a corporation," and toward realizing the outcome of "diverse human resources who embody the values of Challenge, Fairness, and Harmony serve as the driving force for innovation creation," we are working to address key management issues such as improving profitability, securing and developing human resources, and creating innovation, by positioning health management as the foundation of strategic initiatives. NOF has communicated the Health-Conscious Management Declaration by the President to its employees, focusing on three priority areas: ① Creation of a pleasant working environment, ② Promotion of mental healthcare, and ③ Maintenance and promotion of health. The Declaration is deliberated upon every year at the Strategic Meeting attended by Directors concurrently serving as Operating Officers, as well as Operating Officers with a title. We are striving to enhance the content of priority areas, etc. depending on each issue. In addition, we will raise awareness among employees and enhance corporate value by following the PDCA cycle, while working together with health insurance associations and industrial physicians.





Priority area ① Creation of a pleasant working environment

Smoking cessation program

With the aim of helping employees who are habitual smokers improve their own health and preventing passive smoking damage to nonsmokers, we help habitual smoker employees quit smoking by inviting them to participate in our online smoking cessation outpatient program. Furthermore, we established a No Smoking Day in January 2025, and are working to encourage smokers to consider quitting.

Participants in smoking cessation program NOF

FY2022	Participants 11	Successful participants 9
FY2023	Participants 10	Successful participants 4
FY2024	Participants 5	Successful participants 3

* The number of successful participants indicates the number of people at the end of the program.

Priority area ② Mental healthcare

Prevention and alleviation of mental health issues

NOF is promoting comprehensive measures including the prevention and alleviation of mental health issues and return-to-work support. We conduct stress tests annually since 2009, with the results being deliberated upon by the health committees at each site, and examine and implement necessary measures. In addition, we are implementing initiatives such as setting up an external counseling desk to facilitate early detection and appropriate responses, as well as

supporting the smooth return to work of employees on long-term leave due to mental health issues under a return-to-work support program. In promoting the return-to-work support program, we work together with industrial physicians specializing in mental health issues and incorporate their expertise into our initiatives.

In fiscal 2024, we offered mental health care (line care) training to 29 people who took part in training for those promoted to career-track managers. We are also promoting measures to maintain and improve the mental health of employees through managers. In fiscal 2024, the uptake rate of stress tests for NOF came to 100%, while the combined rate of NOF and its five domestic consolidated companies stood at 97.9%.

Priority area ③ Maintenance and promotion of health

Health promotion

NOF is promoting the following initiatives in its efforts to maintain and promote health.

Building physical strength at sports clubs

Anticipating that we would need to address the lack of physical activity due to working from work and promote the health of senior employees due to extended retirement age, we began in 2024 providing support programs in which beginners casually participate. Over 200 employees have used sports clubs, although there may be some locations where such clubs are difficult to use.

Encouraging participation in “Health Promotion Walking” sponsored by the NOF Health Insurance Association

The NOF Health Insurance Association is promoting an initiative to encourage individuals with health risks, such as metabolic syndrome identified through health examination results, to start walking as a way to help them establish regular exercise habits. The participation rate in fiscal 2024 of such NOF employees reached 62.9%, while the combined rate of such employees of NOF and its four domestic consolidated companies (Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., and NICHYU LOGISTICS CO., LTD.) came to 63.2%.

As a result of these efforts, the overall participation rate of NOF employees stood at 55.4% in fiscal 2024, while that for NOF and its four domestic consolidated companies (Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., and NICHYU LOGISTICS CO., LTD.) came to 57.4%.

Among other initiatives, the NOF Health Insurance Association provides employees with a variety of health-related information in the newsletter “Sukoyaka,” has also collaborated with a sports club to provide employees with inexpensive access to the club.





Occupational Safety and Health | Health Management

GRI 403-1,3,4,5,6

Periodic health examinations

We conduct periodic health examinations for employees. In addition to the legally required items, we also provide optional tests, such as tumor markers. After periodic health examinations, in cooperation with the NOF Health Insurance Association, we provide specific health examinations and specific health guidance in an efficient and effective manner.

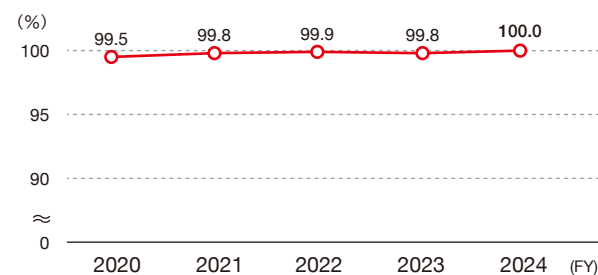
In fiscal 2024, the uptake rate of periodic health examinations at NOF was 100.0%, while the combined rate of NOF and its five domestic consolidated companies was 99.7%.

The rate of specific health guidance provided by NOF in fiscal 2024 was 36.9%, while the combined rate of NOF and its four domestic consolidated companies (Nippon Koki Co., Ltd., NiGK Corporation, NICHYU LOGISTICS CO., LTD., and Showa Kinzoku Kogyo Co., Ltd.) was 48.0%.

Health measurement sessions

NOF holds simple health measurement sessions, as we believe that each employee's awareness and willingness are of the utmost importance for maintaining and improving their health. We use simple methods to measure employees' vascular age and dietary habits, and provide feedback on information that quantifies vascular age and excessive or insufficient vegetable intake, to encourage employees to improve their health.

Uptake rate of periodic health examinations NOF



* Includes cases where periodic health examinations could not be taken due to absence



NOF promotes a talent development system including support for “correspondence courses,” for which each employee can choose their own training options, “training by organizational level” tailored to address issues for different levels, and “training by specific issue” tailored to address specific issues such as issues arising in the course of execution of duties and enhancement of expertise.

This system is aimed at effectively promoting talent development tailored to each individual’s character and responsibilities, making work more rewarding, invigorating the organization, and realizing sustainable business growth at NOF.

Leadership

NOF has launched a new training program centered on external exchanges as a way of encouraging diversity, new viewpoints, and broader perspectives among section managers through discussions and exchanges with personnel from different industries. If section managers demonstrate leadership qualities even more than before, we expect that everyone will take on challenges with enthusiasm, leading to personal growth and innovation creation. Among other programs, we are developing leadership skills through “training by organizational level” tailored to job positions, as well as “training by specific issue” designed to enhance employee expertise. At the NOF Manage-

ment School, aimed at developing the next generation of management, we implement programs in which discussions on transforming of the NOF Group’s future focus are held.

In addition, we provide feedback on participants’ leadership assessment results to help them understand their own leadership traits and foster their skills to create and implement new initiatives from scratch.

Promotion of trainings by organizational level and by specific issue

In an effort to develop human resources more effectively, NOF has formulated a talent development system using a framework for trainings by organizational level and by specific issue. Training by organizational level mainly targets relatively junior employees mainly, while training by specific issue targets management-level employees. In fiscal 2024, a total of 2,650 people participated in trainings by organizational level and by specific issue.

Aside from this talent development system, we also offer a variety of training and educational opportunities necessary for business operations. In fiscal 2024, we continued our efforts from the previous fiscal year to hold workshops for all employees, etc. to share values and promote understanding of autonomous actions based on these values. The participation rate was 97.3%.

Additionally, as part of our initiatives based on these values, we have started offering opportunities to employees to be exposed to the perspectives of managers, cultural figures, and researchers from various fields. This is aimed at promoting the growth of autonomous human resources that can utilize a broader perspective and a higher level of expertise in their duties.

We have systematically implemented initiatives including programs for enabling employees to proactively design their medium-term careers, and developing human resources with expertise in digital transformation (DX) and the next generation of managerial human resources.



Overview of training by organizational level and by issue

		Executive positions				Career-track positions				Administrative and operational positions			
						Management-level positions	Instructor positions		Full-time positions		Management-level positions	Instructor positions	
Training by organizational level					Employees promoted to chief positions	Employees promoted to assistant managers	Employees promoted to upper instructor positions			Employees promoted to assistant managers			
							Employees who instruct new graduates				Employees promoted to elementary instructor positions		
							Before the study report conference for career-track employees						
							Study report conference for career-track employees						
								Basic business skills practice			Strengthening of capabilities in the field		
								New graduates training				New graduates training	
								Follow-up for new graduates				Follow-up for new graduates	
Training by issue	Management and administration, accounting	NOF Management School											
				External BS*	Course for candidates for promotion to chief, assistant manager, and upper instructor positions				Course for candidates for promotion to assistant manager and upper instructor positions				
				Finance									
				External exchange									
	Global			Short-term overseas language study									
		Practical English skills											
		Global training											
		Training prior to overseas assignments											
	Performance appraisal				Employees responsible for performance appraisal	Employees responsible for primary performance appraisal of new staff				Employees responsible for performance appraisal (primary performance appraisal of new staff)			
	Supervisors									Supervisors (foremen)			
										Supervisors (team leaders)			
	R&D					Business R&D for researchers							
	Practices	New sales staff											
Sales practices (contracts and claims management)													
Others	Diversity												
	Mental health												
	Career training												

* Dispatched to external business schools



Human Resources Development | Talent Development System

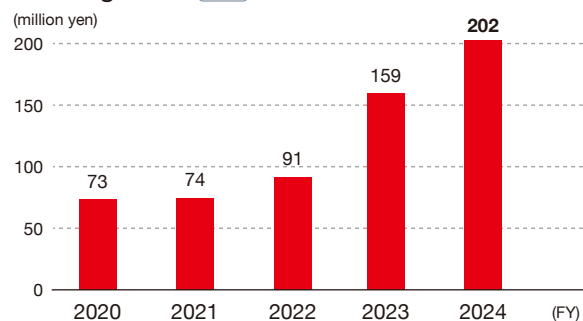
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Training hours and costs

We will actively invest in human capital and encourage the growth of human resources who embody the NOF Group's values of "Challenge," "Fairness," and "Harmony," and create new values. As part of its human capital investment into securing and developing human resources, etc., NOF is working on initiatives to improve workplace environments, expand talent development programs, and develop DX human resources.

In fiscal 2024, a total training hours including group trainings and workshops at NOF came to 17,767 hours (9.4 hours per employee), with its training costs totaling 202 million yen. In addition, a combined training hours, including group trainings and workshops at NOF and its five domestic consolidated companies totaled 22,131 hours (7.4 hours per employee).

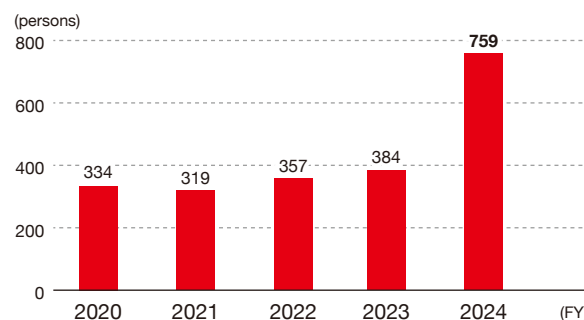
Training costs (NOF)



Support for self-education/development

NOF provides a diverse range of self-education/development programs such as various correspondence and e-learning courses (business skills, foreign languages, etc.) to encourage employees to take on challenges enthusiastically, which we expect will lead to self-realization and further growth of each individual. In fiscal 2024, a total of 759 employees took advantage of a variety of correspondence and e-learning courses.

Total number of participants in self-education/development programs (NOF)



Promotion of official qualification acquisition

The NOF Group supports employees' efforts to acquire official qualifications in many different ways. In fiscal 2024, a total of 474 people newly acquired 44 kinds of qualifications.



"Correspondence Course Guide" booklet

People who acquired qualifications

FY2022 **366** persons (43 kinds)

FY2023 **510** persons (45 kinds)

FY2024 **474** persons (44 kinds)

Number of employees who acquired qualifications (FY2024) (Domestic Group)

Qualification	FY2024
Qualified Person for Energy Management	3
Pollution Control Manager	5
Health Supervisor	10
Chemical Substance Manager	7
Chemical Substance Control Manager	8
Operations Chief of Specified Chemical Substances	22
Operations Chief of Organic Solvent Work	34
Hazardous Materials Engineer	78
Protective Equipment Manager	26
Qualifications related to the High Pressure Gas Safety Act	10
Explosives Manufacturing Safety Manager	1
Explosives Handling Safety Manager	62
Handlers of Poisonous and Deleterious Substances	0
Operations Chief of Work Handling Ordinary Pressure Vessels	8
Operations Chief of Hazardous Work of Oxygen Deficiency and Hydrogen Sulfide	15
Forklift Operator	27
Crane Operator	31
Slinging Operator	24
Qualifications related to boilers	8
Operations Chief of Radiography with X-rays	1
Operations Chief of Cargo Piling	6
Full harness special training	19
Operations Chief of Appropriate Measurement Control	0
Fire Prevention Manager	3
Operations Chief of Industrial Dryers	5
21 other qualifications	61
Total	474



Local Communities | Dialogue Activities

GRI 413-1

The NOF Group has been engaged in various dialogue activities over the years to deepen understanding of our corporate activities among people in local communities and society.

Through community dialogues, plant tours, and other activities, we will proceed with initiatives for further deepening exchanges and dialogues with people in local communities and society.



RC community dialogue in Hyogo area (Amagasaki Plant)



RC community mini dialogue gathering (Oita Works)

Works / Plants	Date	Item	Details
Aichi Works	2024/4/20	Sponsored model rocket-making class and rocket launch contest (Sky Cup)	Three employees from the Taketoyo Plant R&D Department attended the event. They gave a lecture on rockets and served as award ceremony presenters.
	2024/7/15	Works tour for head of neighboring wards	An overview and tour of the works and its environmental and safety initiatives was given to local government officials from seven neighboring wards and employees of the Taketoyo Township Disaster Prevention and Traffic Division.
Oita Plant	2024/7/22~2024/7/24	Acceptance of interns	Four second-year students studying chemical engineering at Prefectural Tsurusaki Technical High School
	2024/7/29~2024/7/31	Acceptance of interns	Three second-year students studying industrial chemistry at Prefectural Oita Technical High School
	2025/2/8	8th Oita area RC community mini dialogue and gathering	A total of 112 people from 10 chemical manufacturers including NOF, local community associations, city council members, and the Japan Chemical Industry Association participated in a Q&A session and exchanged opinions on Responsible Care activities of member companies in the Oita area.
	2025/3/15	Yufuin NOF Tree Planting Ceremony	In support of Oita Prefecture's initiative to promote forestation involving businesses, we have concluded agreements with landowners and forestry cooperatives in respect of tree planting activities and planted 200 sawtooth oak saplings on approximately 2.8 hectares of forest land in the town of Yufuin, Yufu City.
NiGK Corporation	2025/3/28	Informal meeting with local neighborhood councils	Representatives from local neighborhood councils were invited to hear an overview of the Company and explanation of our environmental activities and to participate in a plant tour and informal meeting.
Showa Kinzoku Kogyo Co., Ltd.	2025/2/11	Exchange with local residents	Courtesy calls and distribution of memorial gifts to 41 local people and landowners (an event to celebrate the 82nd anniversary of foundation).
Nippon Koki Co., Ltd. Bibai Plant	2024/6/18	Local job-hunting support fair Joint job fair with other local companies	Participated in a local job-hunting support fair and a joint job fair with other local companies



Local Communities | Cooperation with Communities

GRI 413-1

To prepare for accidents that may occur in the future, close collaboration with local disaster prevention organizations is indispensable. The NOF Group is actively trying to create opportunities to strengthen disaster measures by engaging in disaster prevention drills with local organizations. Joint disaster prevention drills and emergency support drills with neighboring companies are becoming more practical year after year. Large-scale drills involving local firefighters and police are also held more frequently.

In addition, Kawasaki Works entered into an agreement on tsunami evacuation with the Kawasaki city government to make itself publicly available as in case of an emergency. In addition, each works and plant also participate in local disaster prevention drills at the request of the organizations they belong to.

Cooperation with crime prevention activities

Nippon Koki Co., Ltd. cooperated with “Dial 110 Day” event organized by Shirakawa Police Station in its community and exhibited its crime prevention products and conducted a demonstration test on NET LAUNCHER.

Family Day

Changshu NOF Chemical Co., Ltd. has held a “Family Day” event since 2018 with the aim of deepening employees’ family ties. This year, a total of some 200 people comprising employees and their family members participated in mandarin picking.



Family Day (Changshu NOF Chemical Co., Ltd.)

Cooperation in local events

NiGK Corporation provided humus, a type of soil organic matter, from its plant to “Welfare Market” in Kawagoe City, a local forum for discussing how to create a better community.

Nippo Kogyo Co., Ltd. took part in the local industrial festival “Festa Susono,” introducing clay pigeon shooting and other hunting products, and held a lottery for children.



Local community welfare festival (NiGK Corporation)



Festa Susono (Nippo Kogyo Co., Ltd.)



Forest maintenance activities

Fukushima Prefecture has established a carbon dioxide certification system through its forest maintenance activities to certify the effectiveness of forest maintenance activities such as planting, weeding, and thinning conducted by companies and organizations in the prefecture based on the amount of carbon dioxide absorbed. This certification is aimed at promoting participation in forest maintenance activities by companies and organizations, thereby contributing to the continued exhibition of the multifaceted functions of forests, such as the prevention of global warming, and the revitalization of communities in mountain villages.

The Shirakawa Plant of Nippon Koki Co., Ltd. is located in the village of Nishigo, Nishishirakawa-gun, Fukushima Prefecture, and owns approximately 149 hectares of forests. The plant's forest maintenance activities were certified as absorbing 282 tons of carbon dioxide from 2012 to 2013.

The certification of carbon dioxide absorption through forest maintenance activities not only contributes to preventing global warming, but also promotes the healthy growth of forests and the conservation of biodiversity. Forest maintenance activities also create local jobs and stimulate the local economy.



Before forest maintenance work



After forest maintenance work



Commemorative photo of the Director of the Southern Prefectural Agriculture and Forestry Office and the Plant Manager



Certificate for carbon dioxide absorption amount awarded by Fukushima Prefecture



Local Communities | Social Beneficial Activities

GRI 203-1/413-1

Volunteer cleanup activities

The NOF Group is actively engaged in volunteer activities to clean the areas surrounding its plants. With a sense of responsibility for keeping local areas clean and protecting local environments, all employees participate in litter pickup and cleanup activities.



Cleanup activities along the Amaho Road (Amagasaki Plant)



River cleanup activities (YUKA SANGYO CO., LTD.)

Support for people with disabilities

NOF is committed to supporting people with disabilities as part of activities to fulfil its social responsibilities. NOF has supported the activities of para-athletes and Para-Art artists since fiscal 2023.

Para sports

NOF supports the Japan Para Shooting Sport Federation as a top partner. We promise to support

the promotion of the sport and discovery and development of the next-generation athletes and contribute to society by promoting the diversity and inclusiveness in para-sports through support to para shooting.



Following discussions between the Japan Para Shooting Sport Federation, Paralymp Art, and NOF, paralymp artist Momotaro created an original artwork to express the passion of para-shooting athletes. This work appeared on the poster for the All Japan Tournament, towel handkerchiefs given as prizes to winners, and plastic folders given as participation prizes. These activities led to mutual understanding between the two organizations and significantly livened up the tournament.



Jointly with Nippo Kogyo Co., Ltd., which sells ammunitions for hunting and shooting, and hunting rifles, NOF donated shooting ammunitions to the Japan Para Shooting Sport Federation. The aim is to encourage social participation and independence among people with disabilities who are new to shooting sports, thereby further promoting the sport and increasing the number of participants.

Paralymp Art

NOF uses works by Paralymp Art artists for the covers of its Integrated Report and in-house newsletters. This initiative promotes social participation and independence among Paralymp Art artists. By deepening two-way communication, we aim to explore new possibilities in the fields of art and culture and build a more prosperous future.



About the cover art

The cover art of the Integrated Report and Sustainability Report was created by Sayaka Aota, who is registered with the Shougaisha Jiritsu Suishin Kikou Association (an organization supporting independent living among persons with disabilities).



Integrated Report 2025
"Happy Blue Bird"
Sayaka Aota



Sustainability Report 2025
"Discovery!"
Sayaka Aota



Local Communities | Social Beneficial Activities

GRI 203-1/413-1

Donations to the Green Fund

As part of its CSR activities, NOF supports the National Land Afforestation Promotion Organization, the operating body of the Green Fund, through donations. The organization plays a central role in Japan in the area of natural environment protection through afforestation and other activities. NOF endorses the organization's business plan and has been providing continuous support since fiscal 2015.



FY2022 Certificate of Appreciation Presentation Ceremony

Donations to the Fund for Supporting Children's Future

As part of its CSR activities, NOF continues to support the Fund for Supporting Children's Future of the Children and Families Agency and others. The fund carries out a wide range of activities to solicit donations from companies and individuals, and the collected donations are used to benefit support organizations nationwide, such as learning support



FY2024 Certificate of Appreciation Presentation Ceremony

groups, cafeterias for children, and orphanages, which are selected through open recruitment, screening, and selection.

The NOF Group received a certificate of appreciation from the fund for our support in fiscal 2024, which we also received in fiscal 2023.

We will continue to work together in enhancing support for children.

Support utilizing the corporate Furusato Nozei (hometown tax payment) system

In the town of Taketoyo, Aichi Prefecture, where the Aichi Works is located, we solicit support to create and promote towns, people, and jobs through corporate Furusato Nozei (hometown tax payment). Taketoyo Town solicited donations in fiscal 2024 for a project for comprehensively supporting marriage, childbirth, childrearing, and education. This includes subsidies for supporting newly married couples, subsidies for taxi expenses for expectant and new mothers, development of children's club facilities, subsidies for children's medical expenses, etc. NOF implemented a corporate Furusato Nozei (home



tax payment) system in response to a request for support from Taketoyo.

Support for local children PT.NOF MAS CHEMICAL INDUSTRIES (NMC)

As part of its CSR activities, NMC held an event called "NMC Peduli dan Berbagi" ('caring and sharing') on March 21, 2025.

Through this activity, NMC donated cash, ingredients for food for breaking the fast, confectionery, and other products to orphaned children in the region through a charity based in West Java, Indonesia. The ceremony was held at the mosque within the NMC premises, and after offering prayers, the President handed out donation items to each child. After that, commemorative photos were taken and a meal to break the fast was enjoyed together with the children. This activity was warmly welcomed by the local community and residents, and we received many messages of gratitude. NMC will continue this meaningful initiative, while also expanding activities to support the future of children in the community.





Local Communities | Social Beneficial Activities

GRI 203-1/413-1

Various donations

Relief donations

- Donation for Hualien earthquake in Taiwan, Japanese Red Cross Society (¥3 million)
- Donation for torrential rain disaster on the Noto Peninsula, Japanese Red Cross Society (¥5 million)

Donations aimed at protecting the global environment

- Donation to World Wide Fund For Nature (WWF) Japan (¥1 million)
- Donation to the Green Fund of National Land Afforestation Promotion Organization (¥1 million)
- Donation to Keidanren Nature Conservation Fund (¥1 million)
- Donation to Japan National Trust (¥100,000)

Donations aimed at raising the next generation

- Donation to Japan Chemical Industry Association's Human Resources Fostering Program in Chemistry (¥2.5 million)
- Donation to Welfare and Medical Service Agency's Fund for Supporting Children's Future (¥1 million)
- Donation to Keidanren Ishizaka Memorial Foundation's Keidanren Scholarship Program to Nurture GlobalTalents (¥1 million)
- Donation to Hatachi Fund (¥100,000)
- Donation to People's Hope Japan (¥100,000)

Other donations

- Support for children with disabilities "Flower Kites" (¥200,000)
- Donation to Special Olympics Nippon Foundation Tokyo (¥300,000)
- Rewards for the Japan Para Shooting Sport Federation (¥1.1 million)
- Donation to project for comprehensively supporting marriage, childbirth, childrearing, and education, Taketoyo Town, Aichi Prefecture (¥1 million)
- Donation to Japan Model Rocket Association's Rocket Koshien final tournament (¥300,000)

External recognition

- Ranked 244th in the 19th CSR rankings by TOYO KEIZAI INC.
- Selected as a constituent of the Japan Empowering Women Indexes (WIN) by MSCI

Expenses related to
social contribution activities in FY2024

¥77million

(¥35 million in donations under the Corporation Tax Act)



Customer Safety and Health

GRI 416-1/417-1

Improved access to more nutritious foods

In April 2023, our Functional Foods Division changed its name to its current name with the aim of becoming a business through contributions to people and society based on the functions of food products. We are shifting to new business areas to contribute to the realization of a sustainable society and helping people stay healthy through the functions of food products. Firstly, regarding the realization of a sustainable society, we believe that it is essential to resolve issues such as global population growth and reduction of greenhouse gas emissions. We focus on developing products that can contribute to the reduction of food loss and the spread of meat-substitute proteins by maintaining the texture of bread and confectionery longer, thereby extending their shelf life, and improving the juiciness of processed foods made with plant-based proteins. Meanwhile, accelerating the development of effective health foods, such as foods with functional claims, will play an important role in helping people stay healthy. On the other hand, some materials for health food have significant problems with flavor and physical properties, making it difficult to use them in health foods. We conduct research aimed at improving the flavor and physical properties of ingredients through the division's oil and fat coating technology and further contributing to the spread of health foods.

Participation in industry initiatives on processed food safety

NOF is a member of the Japan Margarine Shortening & Lard Industries Association. Setting food safety and security as well as stable supply as its basic philosophy, we work to further enrich the daily diets of consumers through the use of edible oils. In particular, the Technology Committee conducts surveys and research on the safety of edible oils and actively provides information on such oils to consumers.

Improving access to pharmaceuticals

DDS is a technology that enhances the effects of drugs by adjusting their physiological activity, targeting of lesions, chemical stability, metabolic activity, and other factors, and makes the drugs act at the required place in the body in the necessary amount for the necessary time. This technology makes it possible to reduce the side effects of drugs and the frequency of injections required each day. NOF is advancing this research to contribute toward improving the quality of life (QOL) and access to pharmaceuticals for patients who need them.

In addition, PCR test kits and antigen test kits were widely used as diagnostic pharmaceuticals for COVID-19, which spread aggressively worldwide. Going forward, as global warming progresses and new infectious diseases emerge, the demand for

diagnostic pharmaceuticals is expected to increase. Therefore, NOF is promoting the development of technologies that contribute to improving the quality and performance of diagnostic pharmaceuticals. We enable the prompt provision to a wide range of people, thereby contributing to improved access and people's health and hygiene.



Marketing and Labeling / Customer Privacy and Data Protection

GRI 417-1/418-1

Marketing and labeling

Statements and policies regarding responsibility for marketing and promoting processed foods

The Functional Foods Division provides consumer food products such as edible oils, functional food materials, and materials for health food to companies manufacturing bread, confectionery, processed foods, and health foods for consumers. Integrated information on each ingredient used in consumer food products such as raw ingredients, allergens, genetically modified substances, and locations of ingredient production serves as the basis for labeling and advertising consumer food products. To ensure that labels and advertisements are prepared correctly at manufacturers of consumer food products, we comply with food labeling laws and regulations and provide appropriate information to such manufacturers.

Compliance regarding advertising, marketing, and labeling of processed foods

At the Daishi Plant, where the Functional Foods Division's products are manufactured, we have obtained FSSC 22000 certification, an international certification for food safety, and operate the plant under the management system. The management system has requirements related to food labeling. In addition to regularly checking the latest food-related regulations, we also provide regular compliance education on food defense and food fraud for the employees at the Daishi Plant. In addition, because correct food labels are based on ingredient information, we regularly evaluate raw ingredient suppliers and conduct audits of suppliers when necessary. Through these activities, we manufacture our products using ingredients sourced only from trustworthy suppliers.

Customer privacy and Data Protection

The NOF Group recognizes compliance as a foundation that supports companies. We believe it is important to prevent violations of laws and regulations or the NOF Group Corporate Code of Ethics beforehand or take corrective actions at an early stage, so that they do not become more serious or prolonged, and set up a Compliance Hotline on our website for our business partners and other external parties.

To date, we have not received any reports on the following matters through the hotline.

Total number of substantiated complaints concerning breaches of customer privacy

NOF Group

None

Total number of customer data breaches, thefts, and losses

NOF Group

None



Appendix

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Environmental Performance Data | Changes

GRI

301-1,2,3/302-1,3,4/
303-1,3,4/305-7/306-1,3,4,5

NOF Group

Item	Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production volume	[thousand tons]	242	245	266	267	259	229	249	226	209	210
Total energy input	[thousand GJ]	3,444	3,431	3,464	3,477	3,330	3,247	3,377	3,112	2,909	2,903
Renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	-	640	390
Non-renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	-	2,269	2,513
Total substance input	[thousand tons]	263	267	280	273	253	231	261	236	248	226
Water resource input	[thousand m ³]	7,385	7,621	7,475	7,476	7,627	7,699	7,834	7,964	7,833	7,886
Greenhouse gas emissions	[thousand tons of CO ₂]	195	202	207	205	196	187	189	175	159	151
SOx emissions	[tons]	8	9	7	7	6	4	5	7	8	5
NOx emissions	[tons]	62	93	65	64	55	57	55	55	58	46
Soot and dust emissions	[tons]	3	5	4	5	5	8	4	5	3	4
VOC emissions	[tons]	-	-	-	-	-	-	-	-	-	190
Emissions of hazardous air pollutants	[tons]	-	-	-	-	-	-	-	-	-	89
BOD emissions	[tons]	105	79	160	69	74	104	93	67	74	58
COD emissions	[tons]	318	225	314	302	441	219	154	148	171	153
Suspended solid emissions	[tons]	41	39	32	50	37	40	36	25	58	43
Waste quantity from plants	[tons]	24,719	25,567	27,947	30,161	28,446	28,955	29,164	25,157	22,542	24,298
Internally recycled quantity	[tons]	3,929	1,177	1,190	955	1,182	1,165	953	914	976	840
Externally recycled amount	[tons]	14,704	17,055	17,645	19,253	16,426	17,808	17,687	16,547	14,444	15,555
Final disposal quantity by landfill	[tons]	1,260	1,333	1,168	1,046	1,302	1,588	950	1,092	617	1,058
Hazardous waste volume	[tons]	-	-	-	-	-	-	-	-	-	23
Emissions of PRTR Act-controlled substances	[tons]	187	170	167	177	158	147	155	143	167	135

*Data collection began in FY2023.



Environmental Performance Data | Changes

GRI

301-1,2,3/302-1,3,4/
303-1,3,4/305-7/306-1,3,4,5

Domestic Group

Item	Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production volume	[thousand tons]	217	219	231	232	225	194	210	188	179	181
Total energy input	[thousand GJ]	3,016	3,018	2,987	3,004	2,917	2,810	2,892	2,699	2,570	2,543
Renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	-	339	328
Non-renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	-	2,231	2,215
Total substance input	[thousand tons]	263	267	280	273	253	231	261	236	217	196
Water resource input	[thousand m ³]	5,787	5,941	5,718	5,767	5,771	5,815	5,862	6,001	5,959	5,892
Greenhouse gas emissions	[thousand tons of CO ₂]	182	181	173	172	169	158	159	144	135	133
SOx emissions	[tons]	7	9	6	6	5	3	3	4	6	3
NOx emissions	[tons]	60	90	62	60	52	53	50	51	54	41
Soot and dust emissions	[tons]	3	4	3	2	1	2	1	1	1	1
VOC emissions	[tons]	-	-	-	-	-	-	-	-	-	190
Emissions of hazardous air pollutants	[tons]	-	-	-	-	-	-	-	-	-	89
BOD emissions	[tons]	39	28	40	43	33	38	52	39	36	25
COD emissions	[tons]	78	68	73	66	60	60	68	44	52	55
Suspended solid emissions	[tons]	41	39	32	50	37	40	36	25	42	31
Waste quantity from plants	[tons]	20,508	21,351	23,466	25,976	23,662	24,176	23,796	21,270	19,300	20,979
Internally recycled quantity	[tons]	3,929	1,177	1,190	955	1,182	1,165	953	914	976	840
Externally recycled amount	[tons]	14,576	16,696	17,267	18,676	16,002	17,320	17,138	15,916	13,679	14,605
Final disposal quantity by landfill	[tons]	111	157	117	95	81	681	135	61	69	72
Hazardous waste volume	[tons]	-	-	-	-	-	-	-	-	-	23
Emissions of PRTR Act-controlled substances	[tons]	187	170	167	177	158	147	155	143	167	135

*Data collection began in FY2023.



Environmental Performance Data | Changes

GRI

301-1,2,3/302-1,3,4/
303-1,3,4/305-7/306-1,3,4,5

NOF

Item	Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production volume	[thousand tons]	198	200	211	211	205	178	191	170	162	164
Total energy input	[thousand GJ]	2,753	2,739	2,728	2,753	2,673	2,572	2,658	2,471	2,358	2,315
Renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	-	327	312
Non-renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	-	2,031	2,003
Total substance input	[thousand tons]	243	248	259	253	233	214	244	218	202	181
Water resource input	[thousand m³]	5,236	5,348	5,223	5,258	5,227	5,254	5,303	5,473	5,463	5,350
Greenhouse gas emissions	[thousand tons of CO ₂]	166	164	158	157	155	145	146	131	123	120
SOx emissions	[tons]	3	4	3	3	3	1	2	3	5	2
NOx emissions	[tons]	58	88	59	58	50	51	48	49	53	41
Soot and dust emissions	[tons]	2	2	2	2	1	2	1	1	1	1
VOC emissions	[tons]	-	-	-	-	-	-	-	-	-	143
Emissions of hazardous air pollutants	[tons]	-	-	-	-	-	-	-	-	-	57
BOD emissions	[tons]	35	25	37	39	30	34	50	37	33	24
COD emissions	[tons]	78	68	72	65	60	60	67	44	52	55
Suspended solid emissions	[tons]	33	31	25	35	31	33	31	22	36	26
Waste quantity from plants	[tons]	19,716	20,350	22,372	25,061	22,721	22,529	22,822	20,493	18,464	20,222
Internally recycled quantity	[tons]	3,929	1,177	1,190	955	1,182	1,165	953	914	976	840
Externally recycled amount	[tons]	14,017	16,132	16,355	17,965	15,235	16,489	16,374	15,242	12,939	13,935
Final disposal quantity by landfill	[tons]	60	66	61	60	50	40	54	37	48	65
Hazardous waste volume	[tons]	-	-	-	-	-	-	-	-	-	21
Emissions of PRTR Act-controlled substances	[tons]	143	123	121	127	118	111	117	109	129	100

*Data collection began in FY2023.



Environmental Performance Data

Fiscal 2024 Performance by Organizational Unit

GRI

301-1,2,3/302-1,3,4/
303-1,3,4/305-7/306-1,3,4,5

NOF's works and plants

Item	Unit	Amagasaki Plant	Kawasaki Works	Oita Plant	Aichi Works	NOF, etc.
Production volume	[thousand tons]	75.6	50.0	22.9	15.4	-
Total energy input	[thousand GJ]	965	573	251	517	9.0
Total substance input	[thousand tons]	62.1	52.7	36.6	29.2	-
Raw materials	[thousand tons]	58.5	49.6	35.5	27.8	0.0
Containers and packing materials	[thousand tons]	3.5	3.1	1.1	1.4	0.0
Water resource input	[thousand m³]	2,727.8	750.8	425.3	1,443.9	1.9
Greenhouse gas emissions	[thousand tons of CO ₂]	53.5	17.1	14.6	34.7	0.3
SOx emissions	[tons]	0.0	0.0	0.1	2.0	-
NOx emissions	[tons]	28.7	3.4	4.4	4.1	-
COD emissions	[tons]	17.5	1.7	4.6	31.4	-
Waste quantity from plants	[tons]	9,986.9	4,278.0	513.6	5,433.0	10.2
Internally recycled quantity	[tons]	0.0	0.0	0.0	840.0	0.0
Externally recycled amount	[tons]	7,421.6	4,192.6	83.9	2,226.9	9.8
Final disposal quantity by landfill	[tons]	42.0	1.8	0.0	21.1	0.3
Emissions of PRTR Act-controlled substances	[tons]	30.3	44.2	7.7	17.6	0.0



Environmental Performance Data

Fiscal 2024 Performance by Organizational Unit

GRI

301-1,2,3/302-1,3,4/
303-1,3,4/305-7/306-1,3,4,5

Companies of the NOF Group

Item	Unit	Nippon Koki's Shirakawa Plant	NiGK Corporation	Showa Kinzoku Kogyo Co., Ltd.	Nippon Koki Co., Ltd. Bibai (formerly HOKKAIDO NOF CORPORATION)	Nippo Kogyo Co., Ltd.	YUKA SANGYO CO., LTD.
Production volume	[thousand tons]	2.0	1.9	0.2	2.2	0.0	2.0
Total energy input	[thousand GJ]	109.8	24.1	10.0	36.3	2.4	1.4
Total substance input	[thousand tons]	3.1	2.1	0.3	4.6	0.0	1.0
Raw materials	[thousand tons]	2.5	2.1	0.3	4.5	0.0	0.7
Containers and packing materials	[thousand tons]	0.5	0.0	0.0	0.0	0.0	0.3
Water resource input	[thousand m³]	450.0	10.8	10.9	20.2	1.7	4.6
Greenhouse gas emissions	[thousand tons of CO₂]	6.4	1.4	0.5	2.4	0.1	0.1
SOx emissions	[tons]	0.0	0.0	0.0	1.3	0.0	0.0
NOx emissions	[tons]	0.0	0.0	0.0	0.0	0.0	0.0
COD emissions	[tons]	0.0	0.0	0.0	0.0	0.0	0.0
Waste quantity from plants	[tons]	145.5	87.3	93.8	85.5	11.0	84.2
Internally recycled quantity	[tons]	0.0	0.0	0.0	0.0	0.0	0.0
Externally recycled amount	[tons]	143.9	87.3	71.6	52.6	8.1	84.2
Final disposal quantity by landfill	[tons]	1.6	0.0	2.4	1.9	1.0	0.0
Emissions of PRTR Act-controlled substances	[tons]	4.5	2.0	0.1	0.0	0.0	0.6

Item	Unit	Nichiyu Kogyo Co., Ltd.	NOF METAL COATINGS ASIA PACIFIC CO., LTD.	NIKKA COATING CO., LTD.	NICHIYU LOGISTICS CO., LTD.	Other domestic total	Overseas total
Production volume	[thousand tons]	1.8	2.9	2.6	-	1.4	28.8
Total energy input	[thousand GJ]	7.4	7.5	11.8	6.4	11.2	359.8
Total substance input	[thousand tons]	1.7	2.3	-	-	-	30.3
Raw materials	[thousand tons]	1.6	1.8	-	-	-	28.8
Containers and packing materials	[thousand tons]	0.1	0.5	-	-	-	0.0
Water resource input	[thousand m³]	35.0	8.8	0.8	-	-	1,993.4
Greenhouse gas emissions	[thousand tons of CO₂]	0.4	0.0	0.4	0.4	0.6	18.1
SOx emissions	[tons]	0.0	0.0	0.0	-	-	1.2
NOx emissions	[tons]	0.5	0.0	0.0	-	-	4.7
COD emissions	[tons]	0.1	0.0	0.0	-	-	97.8
Waste quantity from plants	[tons]	20.1	176.8	53.5	-	-	3,318.2
Internally recycled quantity	[tons]	0.0	0.0	0.0	-	-	0.0
Externally recycled amount	[tons]	20.1	176.2	26.3	-	-	950.0
Final disposal quantity by landfill	[tons]	0.0	0.0	0.0	-	-	986.3
Emissions of PRTR Act-controlled substances	[tons]	0.0	0.0	27.9	-	-	-



PRTR Data | Fiscal 2024 Emissions of PRTR Act-Controlled Substances

GRI 305-7

Domestic Group

(Unit: kg / year)

Cabinet order No.	Substance	Emissions into atmosphere	Emissions into water	Emissions into soil	Total emissions	Transfer quantity	Externally recycled quantity
8	Methyl acrylate	480	0	0	480	268,840	0
68	1,2-epoxypropane	3,388	0	0	3,388	0	0
80	Xylene	2,069	0	0	2,069	995	51
83	Cumene	15,029	0	0	15,029	0	0
123	3-chloropropene	4,415	0	0	4,415	10,206	0
127	Chloroform	3,160	0	0	3,160	34,225	0
128	Chloromethane	15,444	0	0	15,444	0	0
186	Dichloromethane	37,431	0	0	37,431	48,660	9,450
262	Tetrachloroethylene	2,379	0	0	2,379	1,343	0
281	Trichlorethylene	867	0	0	867	558	0
300	Toluene	29,197	0	0	29,197	60,003	0
392	Hexane	8,176	0	0	8,176	43,744	0
400	Benzene	189	0	0	189	4,161	0
436	alpha-Methylstyrene	317	0	0	317	8,325	0
602	Perchloric acid and its ammonium, potassium, sodium, magnesium, and lithium salts	0	0	0	0	3,619	0
674	Tetrahydrofuran	8,090	4	0	8,094	39	28,440
692	Mixture of 2,4,4-trimethylpent-1-ene and 2,4,4-trimethylpent-2-ene	115	0	0	115	10,967	0
-	Other (119 substances)	3,699	647	0	4,346	52,659	16
Total		134,446	651	0	135,098	548,344	37,957



PRTR Data | Fiscal 2024 Emissions of PRTR Act-Controlled Substances

GRI 305-7

NOF

(Unit: kg / year)

Cabinet order No.	Substance	Emissions into atmosphere	Emissions into water	Emissions into soil	Total emissions	Transfer quantity	Externally recycled quantity
8	Methyl acrylate	480	0	0	480	268,840	0
68	1,2-epoxypropane	3,388	0	0	3,388	0	0
83	Cumene	15,029	0	0	15,029	0	0
123	3-chloropropene	4,415	0	0	4,415	10,206	0
127	Chloroform	3,160	0	0	3,160	34,225	0
128	Chloromethane	15,444	0	0	15,444	0	0
186	Dichloromethane	9,262	0	0	9,262	48,607	0
300	Toluene	28,067	0	0	28,067	59,239	0
308	Nickel	0	0	0	0	1,385	0
392	Hexane	8,144	0	0	8,144	43,744	0
400	Benzene	189	0	0	189	4,161	0
407	Poly (oxyethylene)=alkyl ether (limited to alkyl group with C numbers of 12 to 15 and mixtures thereof)	0	0	0	0	4,129	0
436	alpha-Methylstyrene	317	0	0	317	8,325	0
602	Perchloric acid and its ammonium, potassium, sodium, magnesium, and lithium salts	0	0	0	0	3,619	0
674	Tetrahydrofuran	8,090	4	0	8,094	39	28,440
692	Mixture of 2,4,4-trimethylpent-1-ene and 2,4,4-trimethylpent-2-ene	115	0	0	115	10,967	0
712	Tert-Butyl 2-ethylperoxyhexanoate	0	0	0	0	6,399	0
736	Acetic anhydride	0	0	0	0	32,236	0
-	Other (97 substances)	3,152	647	0	3,800	4,553	0
Total		99,253	651	0	99,904	540,674	28,440



GRI Standards Content Index | 2: General Disclosures

Statement regarding use	The NOF Group has reported the information cited in this GRI content index for the period of April 1, 2024 to March 31, 2025 with reference to the GRI Standards.
Utilized GRI 1 disclosure items	GRI 1: Foundation 2021

	Disclosures	Sustainability Report 2025 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	1. The organization and its reporting practices	
	2-1 Organizational details	NOF website [Corporate Information] Corporate Overview https://www.nof.co.jp/english/company/outline
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report [Editorial Policy] ...P.003-004 [Business Bases] ...P.047-048
		NOF website Business Locations https://www.nof.co.jp/english/company/plant Group Companies https://www.nof.co.jp/english/company/group-companies
	2-3 Reporting period, frequency and contact point	Sustainability Report [Editorial Policy] ...P.003-004 ...Back cover
	2-4 Restatements of information	There were no major revisions.
	2-5 External assurance	A third-party verification of GHG emissions is currently being conducted.
	2. Activities and workers	
	2-6 Activities, value chain and other business relationships	Sustainability Report [NOF's Philosophy] ...P.006-007 [Three Prioritized Business Fields] ...P.032-033 [NOF's Story] ...P.034-037 [Business Model] ...P.038-039 [NOF's Strengths] ...P.040 [Value Chain] ...P.041 [Social Impacts throughout the Value Chain] ...P.042 [Everyday Products Created from NOF's Products] ...P.043-044 [Value Creation Process] ...P.045-046
		Integrated Report [NOF's Business Strategies] ...P.050-063



GRI Standards Content Index | 2: General Disclosures

	Disclosures	Sustainability Report 2025 or other disclosure sections outside of this document	
GRI 2 General Disclosures 2021	2-7 Employees	Sustainability Report	[Value Creation Process] ...P.046 [Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets [Theme (2): Diversity & Inclusion] ...P.187 [Securing Human Resources and Diversity & Inclusion] ...P.192-199
	2-8 Workers who are not employees	—	
	3 Governance		
	2-9 Governance structure and composition	Sustainability Report [Corporate Governance] ...P.064-076 Corporate Governance Report [Basic Views] ...P.1-10	
	2-10 Nomination and selection of the highest governance body	Sustainability Report [Corporate Governance] Organizational Setup for Corporate Governance ...P.064-068 Officers ...P.069-072 Corporate Governance Report [Basic Views] ...P.1-10	
	2-11 Chair of the highest governance body	Corporate Governance Report ...P.12	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report [Corporate Governance] Organizational Setup for Corporate Governance ...P.064-068 [Corrective Process Against Negative Impacts] ...P.097-109 [Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ...P.123 Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ...P.135 [Better Performance of Human Resources and Creation of Comfortable Workplaces] Securing Diverse Human Resources, Governance Related to Human Resources Development ...P.184 Risks and Opportunities ...P.189 Risk Management for Human Capital Organizational Setup ...P.190 Corporate Governance Report [Ensuring Diversity in the Promotion of Core Human Resources] ...P.3	



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GRI 2 General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Sustainability Report [Corporate Governance] Organizational Setup for Corporate Governance ...P.064-068 [RC Management] Internal Auditing (RC Audits) ...P.080 EMS ...P.081 [Quality Management] ...P.082-085
	2-14 Highest governance body's role in sustainability reporting	Sustainability Report [Corporate Governance] Policies Related to All Aspects of Sustainability (Approach) and Initiatives (Highest Governance Body's Role) ...P.065-066 Corporate Governance Report [Issues Surrounding Sustainability, Including Social and Environmental Issues] ...P.2-3
	2-15 Conflicts of interest	Sustainability Report [Corporate Governance] Conflicts of Interest ...P.073 Corporate Governance Report [Related Party Transactions] ...P.2
	2-16 Communication of critical concerns	Sustainability Report [Quality Management] Risks and Opportunities ...P.085 [Corrective Process Against Negative Impacts] Message from the CCO ...P.097-098 Risk Management ...P.099-103 Compliance ...P.104-107 [Climate Action and Natural Capital] Water Stewardship ...P.149-150 Progress and Results for Emissions of Pollutants ...P.151-155 [Promotion of CSR-Based Procurement] ...P.168-171 [Human Rights] Risks and Opportunities ...P.175 Responding to Key Risks for Monitoring ...P.176 [Better Performance of Human Resources and Creation of Comfortable Workplaces] Risks and Opportunities ...P.189 [Occupational Safety and Health] Risks and Opportunities ...P.203
	2-17 Collective knowledge of highest governance body	Sustainability Report [Corporate Governance] Organizational Setup for Corporate Governance ...P.064-068 [Human Resources Development] Talent Development System ...P.213-215
	2-18 Evaluation of the performance of the highest governance body	Sustainability Report [Corporate Governance] Board of Directors ...P.073-074



GRI Standards Content Index | 2: General Disclosures

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GRI 2 General Disclosures 2021	2-19 Remuneration policies	Sustainability Report	[Corporate Governance] Officer Compensation System ...P.075-076
	2-20 Process to determine remuneration	Sustainability Report	[Corporate Governance] Officer Compensation System ...P.075-076
	2-21 Annual total compensation ratio	–	
	4. Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	Sustainability Report	[Message from the President] ...P.017-024 [Mid-term Management Plan] ...P.087-092 [Corrective Process Against Negative Impacts] Message from the CCO ...P.097-098
	2-23 Policy Statement	Sustainability Report	[NOF's Philosophy] ...P.006 [Value Creation Based on NOF's Three Values] ...P.007 "Fairness" × Human Rights ...P.011-013 [Policy Statement] Contribution to the SDGs ...P.093-094 [Corrective Process Against Negative Impacts] Message from the CCO ...P.097-098 [Promotion of CSR-Based Procurement] ...P.168 [Human Rights] Policy ...P.173-174
	2-24 Embedding policy commitments	Sustainability Report	[Value Creation Based on NOF's Three Values] "Fairness" × Human Rights ...P.011-013 [Corrective Process Against Negative Impacts] Message from the CCO ...P.097-098 [Promotion of CSR-Based Procurement] ...P.168-171 [Human Rights] ...P.175-182



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	2-26 Mechanisms for requesting advice and raising concerns	Sustainability Report [Corrective Process Against Negative Impacts] Message from the CCO ...P.097-098 [Mechanisms for Requesting Advice and Raising Concerns] Whistleblowing System ...P.110 Corporate Governance Report [Matters Related to the Internal Control System] ...P.27-30
	2-27 Compliance with laws and regulations	Sustainability Report [Corrective Process Against Negative Impacts] Compliance ...P.104-109 [Chemical Safety] ...P.160-167
	2-28 Membership in associations	Sustainability Report [Membership in Associations] ... P.111
	5. Stakeholder Engagement	
	2-29 Approach to stakeholder engagement	Sustainability Report [Stakeholder Engagement] ...P.112-114 [Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets ...P.185 Metrics and Targets [Theme (3): Employee Engagement] ...P.188
	2-30 Collective bargaining agreements	Sustainability Report [Labor-Management Relations] ...P.200



GRI Standards Content Index | 3: Material Topics

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GRI 3 Material Topics 2021	3-1 Process to determine material topics	Sustainability Report	[Materiality] 3 Categories and 11 Important Issues ...P.026-028
	3-2 List of material topics	Sustainability Report	[Materiality] Materiality Matrix ...P.027 KPIs ...P.029-031
	3-3 Management of material topics	Sustainability Report	[Materiality] ...P.026-031 [Social Impacts throughout the Value Chain] ...P.042 [Quality Management] Risks and Opportunities ...P.085 [Corrective Process Against Negative Impacts] Compliance ...P.104-107 [Climate Action and Natural Capital] Water Stewardship ...P.148-150 Progress and Results for Emissions of Pollutants ...P.151-155 [Promotion of CSR-Based Procurement] ...P.168-171 [Human Rights] Risks and Opportunities ...P.175 Responding to Key Risks for Monitoring ...P.176 [Better Performance of Human Resources and Creation of Comfortable Workplaces] Risks and Opportunities ...P.189 [Occupational Safety and Health] Risks and Opportunities ...P.203



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GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	Sustainability Report [Environmental Accounting] ...P.116
	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report [Products that Contribute to the Environment] ...P.051-056 [Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ...P.127-132
	201-3	Defined benefit plan obligations and other retirement plans	Sustainability Report [Pensions and Retirement Plans] ...P.117
	201-4	Financial assistance received from government	—
GRI 202 Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	—
	202-2	Proportion of senior management hired from the local community	—
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Sustainability Report [Local Communities] Socially Beneficial Activities ...P.218-221
	203-2	Significant indirect economic impacts	Sustainability Report [Digital Transformation (DX) Strategy] ...P.095-096
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainability Report [Procurement Practices] ...P.117
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	—
	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report [Corrective Process Against Negative Impacts] Anti-Bribery Policy ...P.106-108
	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report [Corrective Process Against Negative Impacts] Anti-Bribery Policy ...P.106 There were no applicable cases.
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Report [Corrective Process Against Negative Impacts] Prevention of Unfair Competition ...P.106 There were no applicable cases.
GRI 207 Tax 2019	207-1	Approach to tax	Sustainability Report [Taxes] ...P.118
	207-2	Tax governance, control, and risk management	Sustainability Report [Taxes] ...P.118
	207-3	Stakeholder engagement and management of concerns related to tax	Sustainability Report [Taxes] ...P.118
	207-4	Country-by-country reporting	—



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GRI 301 Materials 2016	301-1 Materials used by weight or volume	Sustainability Report	[Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	301-2 Recycled input materials used	Sustainability Report	[Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	301-3 Reclaimed products and their packaging materials	Sustainability Report	[Resource Recycling (Waste)] ...P.157-159 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Energy Consumption and CO ₂ Emissions ...P.141 [Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	302-2 Energy consumption outside of the organization	—	
	302-3 Energy intensity	Sustainability Report	[Climate Action and Natural Capital] Energy Consumption and CO ₂ Emissions ...P.141 Energy-Saving Initiatives ...P.142 CO ₂ emissions intensity during transportation ...P.143 [Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	302-4 Reduction of energy consumption	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Energy Consumption and CO ₂ Emissions ...P.141 Energy-Saving Initiatives ...P.142 CO ₂ emissions intensity during transportation ...P.143 [Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
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GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Water Stewardship: Water Intake, Consumption, and Discharge ...P.148 Water Stress (Drought) ...P.149 [Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	303-2 Management of water discharge-related impacts	Sustainability Report	[Climate Action and Natural Capital] Water Stewardship ...P.148-150
	303-3 Water withdrawal	Sustainability Report	[Climate Action and Natural Capital] Water Stewardship ...P.148-150 [Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	303-4 Water discharge	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Water Stewardship ...P.148-150 [Environmental Performance] ...P.156 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	303-5 Water consumption	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Water Stewardship ...P.148-150 [Environmental Performance] ...P.156
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability Report	[Climate Action and Natural Capital] Progress and Results for Biodiversity ...P.144-147
	304-2 Significant impacts of activities, products, and services on biodiversity	Sustainability Report	[Products that Contribute to the Environment] ...P.051-055,057-059 [Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ...P.124-128,130,133-134 Progress and Results for Biodiversity ...P.144-147



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GRI 304 Biodiversity 2016	304-3	Habitats protected or restored	Sustainability Report	[Climate Action and Natural Capital] Progress and Results for Biodiversity ...P.144-147
	304-4	Report on IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability Report	[Climate Action and Natural Capital] Progress and Results for Biodiversity ...P.144-147
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Sustainability Report	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.121 Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ...P.136-137 Progress and Results for Climate Change ...P.138-143
	305-2	Indirect (Scope 2) GHG emissions	Sustainability Report	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.121 Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ...P.136-137 Progress and Results for Climate Change ...P.138-143
	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.121 Progress and Results for Climate Change ...P.139-140 CO ₂ emissions intensity during transportation ...P.143
	305-4	GHG emissions intensity	Sustainability Report	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.121 Progress and Results for Climate Change ...P.139-143
	305-5	Reduction of GHG emissions	Sustainability Report	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.121 Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ...P.136-137 Progress and Results for Climate Change ...P.138-143
	305-6	Emissions of ozone-depleting substances (ODS)	Sustainability Report	[Climate Action and Natural Capital] Reduction of Fluorocarbon Emissions ...P.153
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Sustainability Report	[Climate Action and Natural Capital] Progress and Results for Emissions of Pollutants ...P.151-155 [Environmental Performance] ...P.156 [Chemical Safety] Management and Reduction of Environmental Impacts (PRTR) ...P.165 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229 [PRTR Data] ...P.230-231



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GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Fiscal 2024 Scope 3 Calculations ...P.140 PRTR Act-Controlled Substances / Measures to Reduce Emissions of PRTR Act-Controlled Substances ...P.153 [Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159 [Chemical Safety] Management and Reduction of Environmental Impacts (PRTR) ...P.165 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	306-2 Management of significant waste-related impacts	Sustainability Report	[Resource Recycling (Waste)] ...P.157-159 [Chemical Safety] ...P.160-167
	306-3 Waste generated	Sustainability Report	[Environmental Accounting] ...P.116 [Climate Action and Natural Capital] Fiscal 2024 Scope 3 Calculations ...P.140 [Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159 [Chemical Safety] Management and Reduction of Environmental Impacts (PRTR) ...P.165 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	306-4 Waste diverted from disposal	Sustainability Report	[Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	306-5 Waste directed to disposal	Sustainability Report	[Environmental Accounting] ...P.116 [Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159 [Environmental Performance Data] Changes ...P.225-227 Fiscal 2024 Performance by Organizational Unit ...P.228-229
	308-1 New suppliers that were screened using environmental criteria	–	
GRI 308 Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainability Report	[Chemical Safety] ...P.160-167 [Promotion of CSR-Based Procurement] ...P.168-171



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	Disclosures	Sustainability Report 2025 or other disclosure sections outside of this document	
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report	[Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets ...P.185 Metrics and Targets [Theme (2): Diversity & Inclusion] ...P.187 [Securing Human Resources and Diversity & Inclusion] Hiring and Turnover ...P.192 Diversity in Employment ...P.193 Active Participation of Women ...P.194
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	–	
	401-3 Parental leave	Sustainability Report	[Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets ...P.185 Metrics and Targets [Theme (2): Diversity & Inclusion] ...P.187 [Securing Human Resources and Diversity & Inclusion] Work-Life Balance ...P.196,198-199
GRI 402 Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	–	
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report	[Value Creation Based on NOF's Three Values] “Harmony” × RC Activities ...P.014-016 [Corporate Governance] Internal Control System ...P.067 [RC Management] ...P.077-081 [Occupational Safety and Health] Policy on Occupational Safety and Health ...P.201 Health Management ...P.210-212
	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Report	[Value Creation Based on NOF's Three Values] “Harmony” × RC Activities ...P.016 [Corporate Governance] Internal Control System ...P.067 [Corrective Process Against Negative Impacts] Risk Management ...P.099-103 [Chemical Safety] ...P.160-167 [Occupational Safety and Health] RC Activity Targets ...P.202 Risks and Opportunities ...P.203 Prevention and Reduction ...P.208-209
	403-3 Occupational health services	Sustainability Report	[Value Creation Based on NOF's Three Values] “Harmony” × RC Activities ...P.014-016 [Corporate Governance] Internal Control System ...P.067 [RC Management] ...P.077-081 [Occupational Safety and Health] Policy on Occupational Safety and Health ...P.201 Health Management ...P.210-212



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GRI 403 Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Report	[RC Management] Promotion System ...P.079 Internal Auditing (RC audits) ...P.080 [Corrective Process Against Negative Impacts] Promotion of the Business Continuity Plan (BCP) ...P.103 [Occupational Safety and Health] ...P.201-212
	403-5 Worker training on occupational health and safety	Sustainability Report	[Occupational Safety and Health] Safety Education and Training ...P.204-206 Health Management ...P.210-212
	403-6 Promotion of worker health	Sustainability Report	[Securing Human Resources and Diversity & Inclusion] Promotion of Work-Life Balance ...P.196 [Occupational Safety and Health] Health Management ...P.210-212
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report	[Occupational Safety and Health] Safety Education and Training ...P.204-206 Prevention and Reduction ...P.208-209
	403-8 Workers covered by an occupational health and safety management system	Sustainability Report	[Human Rights] ...P.177-182 [Occupational Safety and Health] Policy on Occupational Safety and Health ...P.201
	403-9 Work-related injuries	Sustainability Report	[Occupational Safety and Health] Prevention and Reduction ...P.208-209
	403-10 Work-related ill health	Sustainability Report	[Occupational Safety and Health] Prevention and Reduction ...P.208-209
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report	[Human Resources Development] Training Hours and Costs ...P.215
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report	[Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets [Theme (1): Human Resources Development] ...P.186 [Human Resources Development] Talent Development System ...P.213-215
	404-3 Percentage of employees receiving regular performance and career development reviews	—	
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report	[Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets ...P.185 Metrics and Targets [Theme (2): Diversity & Inclusion] ...P.187 [Securing Human Resources and Diversity & Inclusion] ...P.192-199
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Report	[Better Performance of Human Resources and Creation of Comfortable Workplaces] Metrics and Targets ...P.185 Metrics and Targets [Theme (2): Diversity & Inclusion] ...P.187 [Securing Human Resources and Diversity & Inclusion] Remuneration ...P.195
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no applicable cases.	



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GRI 407 Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability Report [Promotion of CSR-Based Procurement] CSR Procurement Guidelines ...P.169 [Human Rights] Policy ...P.173-174 Implementation of the CSR Questionnaire ...P.181 There were no applicable cases.
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Sustainability Report [Promotion of CSR-Based Procurement] CSR Procurement Guidelines ...P.169 [Human Rights] Policy ...P.173-174 Implementation of the CSR Questionnaire ...P.181 There were no applicable cases.
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Report [Promotion of CSR-Based Procurement] CSR Procurement Guidelines ...P.169 [Human Rights] Policy ...P.173-174 Implementation of the CSR Questionnaire ...P.181 There were no applicable cases.
GRI 410 Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	—
GRI 411 Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	There were no applicable cases.
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report [Local Communities] ...P.216-221
	413-2 Operations with significant actual and potential negative impacts on local communities	There were no applicable cases.



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GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	–	
	414-2 Negative social impacts in the supply chain and actions taken	Sustainability Report	[Promotion of CSR-Based Procurement] ...P.168-171 [Human Rights] ...P.173-182
GRI 415 Public Policy 2016	415-1 Political contributions	Sustainability Report	[Corrective Process Against Negative Impacts] Political Contributions ...P.106
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Sustainability Report	[Quality Management] ...P.082-085 [Chemical Safety] Management and Handling of Chemical Substances ...P.165-167 [Customer Safety and Health] ...P.222
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	There were no applicable cases.	
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Sustainability Report	[Products that Contribute to the Environment] ...P.051-061 [Chemical Safety] Management and Handling of Chemical Substances ...P.165-167 [Customer Safety and Health] ...P.222 [Marketing and Labeling / Customer Privacy and Data Protection] Marketing and Labeling ...P.223
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no applicable cases.	
	417-3 Incidents of non-compliance concerning marketing communications	There were no applicable cases.	
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report	[Marketing and Labeling / Customer Privacy and Data Protection] Customer Privacy and Data Protection ...P.223



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	Core subject and issues	Sustainability Report 2025 or other disclosure sections outside of this document
6.2	Governance	Sustainability Report [Message from the President] ...P.017-024 [Corporate Governance] ...P.064-076 [Corrective Process Against Negative Impacts] ...P.097-109
6.3	Human Rights	Sustainability Report [Human Rights] ...P.173-182 Corporate Code of Ethics ...P.09-10
6.3.3	Due diligence Respect for human rights	Sustainability Report [Human Rights] ...P.173-182
6.3.4	Human rights risk situations	Sustainability Report [Human Rights] ...P.173-182 [Securing Human Resources and Diversity & Inclusion] Diversity in Employment ...P.193
6.3.5	Avoidance of complicity	Sustainability Report [Promotion of CSR-Based Procurement] ...P.168-171 [Human Rights] ...P.173-182 Corporate Code of Ethics ...P.09-10
6.3.6	Resolving grievances	Sustainability Report [Corrective Process Against Negative Impacts] Compliance ...P.104-109 [Human Rights] Establishment of Internal Whistleblowing Contact Points ...P.179
6.3.7	Discrimination and vulnerable groups	Sustainability Report [Securing Human Resources and Diversity & Inclusion] ...P.192-199 [Local Communities] Support for People with Disabilities ...P.219
6.3.8	Civil and political rights	Sustainability Report [Corrective Process Against Negative Impacts] Compliance ...P.104-109 Corporate Code of Ethics ...P.09-10
6.3.9	Economic, social, and cultural rights	Sustainability Report [Occupational Safety and Health] Health Management ...P.210-212 [Local Communities] Dialogue Activites ...P.216
6.3.10	Fundamental principles and rights at work	Sustainability Report [Promotion of CSR-Based Procurement] ...P.168-171 [Securing Human Resources and Diversity & Inclusion] Diversity in Employment ...P.193 Active Participation of Women ...P.194 Remuneration ...P.195 Work-Life Balance ...P.196-199 [Occupational Safety and Health] Health Management ...P.210-212

	Core subject and issues	Sustainability Report 2025 or other disclosure sections outside of this document
6.4	Labour practices	Sustainability Report [RC Management] ...P.077-081 [Occupational Safety and Health] Policy on Occupational Safety and Health ...P.201
6.4.3	Employment and employment relationships	Sustainability Report [Corrective Process Against Negative Impacts] Compliance ...P.104-109 [Securing Human Resources and Diversity & Inclusion] ...P.192-199 Corporate Code of Ethics ...P.06-07
6.4.4	Conditions of work and social protection	Sustainability Report [Securing Human Resources and Diversity & Inclusion] ...P.192-199 [Occupational Safety and Health] Health Management ...P.210-212
6.4.5	Social dialogue	Sustainability Report [Human Resources Development] ...P.213-215
6.4.6	Health and safety at work	Sustainability Report [RC Management] ...P.077-081 [Occupational Safety and Health] Policy on Occupational Safety and Health ...P.201
6.4.7	Human development and training in the workplaces	Sustainability Report [Occupational Safety and Health] Safety Education and Training ...P.204-206 [Human Resources Development] ...P.213-215
6.5	The environment	Sustainability Report [RC Management] ...P.077-081
6.5.3	Prevention of pollution	Sustainability Report [Climate Action and Natural Capital] Progress and Results for Biodiversity ...P.144-147 Water Stewardship ...P.148-150 Progress and Results for Emissions of Pollutants ...P.151-155 [Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159
6.5.4	Sustainable resource use	Sustainability Report [Climate Action and Natural Capital] Water Stewardship ...P.148-150 [Environmental Performance] ...P.156 [Resource Recycling (Waste)] ...P.157-159 [Promotion of CSR-Based Procurement] ...P.168-171



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6.5.5	Climate change mitigation and adaptation	Sustainability Report [Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.120-137 Progress and Results for Climate Change ...P.138-143 [Environmental Performance] ...P.156
6.5.6	Protection of the environment, biodiversity and restoration of natural habitats	Sustainability Report [Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ...P.120-137 Progress and Results for Biodiversity ...P.144-147 [Local Communities] Forest Maintenance Activities ...P.218 Volunteer Cleanup Activities ...P.219
6.6	Fair business practices	Sustainability Report [Promotion of CSR-Based Procurement] ...P.168-171 Corporate Code of Ethics ...P.08-15
6.6.3	Anti-corruption	Sustainability Report [Corrective Process Against Negative Impacts] Compliance ...P.104-109 Corporate Code of Ethics ...P.11-12
6.6.4	Responsible political involvement	Sustainability Report [Corrective Process Against Negative Impacts] Compliance ...P.104-109
6.6.5	Fair competition	Sustainability Report [Promotion of CSR-Based Procurement] ...P.168-171 Corporate Code of Ethics ...P.11-12
6.6.6	Promoting social responsibility in the value chain	Sustainability Report [Chemical Safety] ...P.160-167 [Promotion of CSR-Based Procurement] ...P.168-171 [Customer Safety and Health] ...P.222
6.6.7	Respect for property rights	Sustainability Report [NOF's Intellectual Property] ...P.062 [Corrective Process Against Negative Impacts] Compliance ...P.104-109
6.7	Consumer issues	Sustainability Report [Customer Safety and Health] ...P.222
6.7.3	Fair marketing, factual and unbiased information and fair contractual practices	Sustainability Report [Chemical Safety] ...P.160-167 [Promotion of CSR-Based Procurement] ...P.168-171 [Marketing and Labeling] ...P.223
6.7.4	Protecting consumers' safety and health	Sustainability Report [Quality Management] ...P.082-085 [Chemical Safety] ...P.160-167

	Core subject and issues	Sustainability Report 2025 or other disclosure sections outside of this document
6.7.5	Sustainable consumption	Sustainability Report [Products that Contribute to the Environment] ...P.051-061
6.7.6	Consumer service, support, and complaint and dispute resolution	Sustainability Report [Quality Management] ...P.082-085
6.7.7	Consumer data protection and privacy	Sustainability Report [Corrective Process Against Negative Impacts] Information Security Management ...P.102-103 Compliance ...P.104-109 [Customer Privacy and Data Protection] ...P.223
6.7.8	Access to essential services	Sustainability Report [Corrective Process Against Negative Impacts] Promotion of the Business Continuity Plan (BCP) ...P.103
6.7.9	Education and awareness	Sustainability Report [Occupational Safety and Health] Policy on Occupational Safety and Health ...P.201 RC Activity Targets ...P.202 Safety Education and Training ...P.204-206 [Human Resources Development] ...P.213-215
6.8	Community involvement and development	Sustainability Report [Local Communities] ...P.216-221
6.8.3	Community involvement	Sustainability Report [Local Communities] Social Beneficial Activities ...P.218-221
6.8.4	Education and culture	Sustainability Report [Local Communities] Social Beneficial Activities ...P.218-221
6.8.5	Employment creation and skills development	—
6.8.6	Technology development and access	Sustainability Report [Naruhodo NOF! on the Company Website] ...P.114
6.8.7	Wealth and income creation	—
6.8.8	Health	Sustainability Report [RC Management] ...P.077-081 [Quality Management] ...P.082-085 [Human Rights] Initiatives to Safeguard Occupational Safety and Health in the Workplace ...P.179 [Occupational Safety and Health] Health Management ...P.210-212 [Customer Safety and Health] ...P.222
6.8.9	Social investment	Sustainability Report [Local Communities] Social Beneficial Activities ...P.218-221



TCFD Content Index

Governance

Recommendation: Disclose the organization's governance around climate-related risks and opportunities.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	The Board of Directors' oversight system for climate-related risks and opportunities	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations ... P.123
b)	Management's role in assessing and managing climate-related risks and opportunities	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ... P.123 Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135

Strategy

Recommendation: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Climate-related risks and opportunities the organization has identified over the short, medium, and long term	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.124-128
b)	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.129
c)	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.130-134

Risk Management

Recommendation: Disclose how the organization identifies, assesses, and manages climate-related risks.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Organization's processes for identifying and assessing climate-related risks	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ... P.123 Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135
b)	Organization's processes for managing climate-related risks	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135
c)	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135

Metrics and Targets

Recommendation: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ... P.136-137
b)	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	[Climate Action and Natural Capital] Progress and Results for Climate Change ... P.138-143
c)	Targets used by the organization to manage climate-related risks and opportunities, and performance against targets	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ... P.136-137



TNFD Content Index

Governance

Recommendation: Disclose the organization's governance around nature-related dependencies, impacts, risks, and opportunities.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Board of Directors' monitoring of nature-related dependencies, impacts, risks, and opportunities	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ... P.123
b)	Management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ... P.123 Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135
c)	The organization's human rights policies and engagement activities concerning Indigenous peoples, local communities, and other affected stakeholders, as well as oversight by the Board of Directors and management	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ... P.123

Strategy

Recommendation: Disclose the impacts of nature-related dependencies, impacts, risks, and opportunities on the organization's business, strategy, and financial planning, where such information is material.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Nature-related dependencies, impacts, risks, and opportunities identified by the organization over the short, medium, and long term	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.124-128
b)	Impacts of nature-related dependencies, impacts, risks, and opportunities on the organization's business model, value chain, strategy, and financial planning (including transition plans and analyses)	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.129
c)	Resilience of the organization's strategy, taking into account various different scenarios	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.130-134
d)	Location of assets and operational sites in the organization's direct operations that meet the requirements of priority regions (where possible, also include those upstream and downstream in the value chain)	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Strategy ... P.125-126 Progress and Results for Biodiversity ... P.144-147 Water Stewardship ... P.148-150

Management of Risks and Impacts

Recommendation: Disclose how the organization identifies, assesses, and manages nature-related dependencies, impacts, risks, and opportunities.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its direct operations	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Governance ... P.123 Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135
a)	Organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities across its upstream and downstream value chain	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135
b)	Organization's processes for managing nature-related dependencies, impacts, risks, and opportunities	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135
c)	How processes for identifying, assessing, prioritizing, and managing nature-related risks are integrated into and reported within the organization's overall risk management	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Risk Management ... P.135

Metrics and Targets

Recommendation: Disclose the metrics and targets used to assess and manage important nature-related dependencies, impacts, risks, and opportunities.

	Recommended disclosure content	Sustainability Report 2025 or other disclosure sections outside of this document
a)	Metrics used by the organization to assess and manage important nature-related risks and opportunities in line with its strategy and risk management process	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ... P.136-137
b)	Metrics used by the organization to assess and manage dependencies and impacts on nature	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ... P.136-137 Progress and Results for Climate Change ... P.138-143 Water Stewardship ... P.148-150
c)	Targets the organization uses to manage nature-related dependencies, impacts, risks, and opportunities, and its performance against those targets	[Climate Action and Natural Capital] Disclosure in Line with TCFD/TNFD Recommendations: Metrics and Targets ... P.136-137 Progress and Results for Climate Change ... P.138-143 Water Stewardship ... P.148-150

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