



SUSTAINABILITY REPORT 2026

From the Biosphere to Outer Space
 NOF CORPORATION

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Editorial Policy

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Thank you very much for your interest in the Sustainability Report 2026 of the NOF Group. The Sustainability Report 2026 reports on the NOF Group's approach to the environment (E), society (S), and governance (G), its initiatives in fiscal 2025, 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	FY2025 (from April 1, 2025 to March 31, 2026) * Includes the details of some activities, etc. after April 2026	
Covered organizations	NOF Group	NOF CORPORATION and its 24 consolidated subsidiaries The data presented in this report generally covers the NOF Group. * If the scope of data does not match the scope of consolidation, the scope is indicated for each individual data item.
	Domestic Group	NOF CORPORATION and its 12 domestic consolidated subsidiaries
	NOF / NOF CORPORATION / Non-consolidated	NOF CORPORATION only
	NOF / 5 domestic consolidated companies	NOF CORPORATION and its 5 consolidated subsidiaries (YUKA SANGYO CO., LTD., Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., NICHYU LOGISTICS CO., LTD.) * The combined number of employees of these six companies accounts for 82% of the entire NOF Group.
Reporting cycle	Published annually as an annual report	
Issuance	September 2026 (next report: September 2027)	
Guidelines referenced	● ISO26000: 2010 Guidance on Social Responsibility, Japanese Standards Association ● GRI Sustainability Reporting Standards ● The International Integrated Reporting Framework of the IFRS Foundation ● Value co-creation guidance of the Ministry of Economy, Trade and Industry (METI)	

* Financial figures in this report are rounded down to the nearest ¥100 million or ¥1 million.

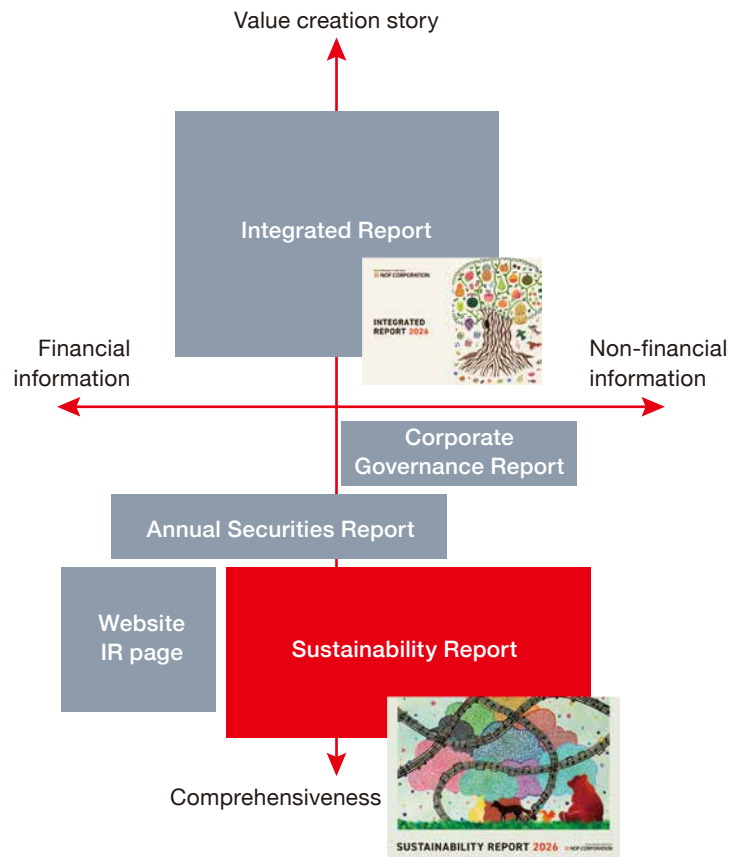
Disclaimer

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

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Positioning of Each Report and Other Information Disclosure



How to use this report



Philosophy / Values

- 006 NCF Group Corporate Philosophy Framework
- 008 Value Creation Based on NCF's Three Values
- 009 "Challenge" x ESG
- 010 "Partnership" x Human Rights
- 011 "Harmony" x BC Activities
- 017 Employee Values that Embody the Three Values
- 019 Message from the President

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.

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<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.

GRI Standards Content Index 2: General Disclosures	
Disclosures	Reporting requirements
1 The organization and its reporting practices	
1.1 Organizational details	1.1.1 Report the name, legal form, and status of the organization. 1.1.2 Report the location of the head office. 1.1.3 Report the location of the reporting entity.
1.2 Conflicts related to the organization's sustainability reporting	1.2.1 List all conflicts related to the organization's sustainability reporting. 1.2.2 If the organization has policies or procedures in place to address conflicts, describe them. 1.2.3 If the organization has policies or procedures in place to address conflicts, describe them.
1.3 Reporting process, frequency and content point	1.3.1 Specify the reporting period and reporting frequency for sustainability reporting. 1.3.2 Specify the reporting period for financial reporting and other relevant information. 1.3.3 Specify the reporting period for other relevant information.
1.4 Periodicity of information	1.4.1 Specify the periodicity of the reporting period. 1.4.2 Specify the periodicity of the reporting period.
1.5 External assurance	1.5.1 Describe the entity and practice for external assurance. This includes whether and how the reporting period and content point are external. 1.5.2 Describe the entity and practice for external assurance. This includes whether and how the reporting period and content point are external.



Philosophy / Values

006 NOF Group Corporate
Philosophy Framework

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019 Message from the President



We will pioneer the future of a sustainable society with high-performance materials derived from oils and fats.

Our founding business is oleochemistry.

By processing and refining ingredients contained in oils and fats, we have provided materials that enhance the functionality of a wide range of products, such as detergents and foods.

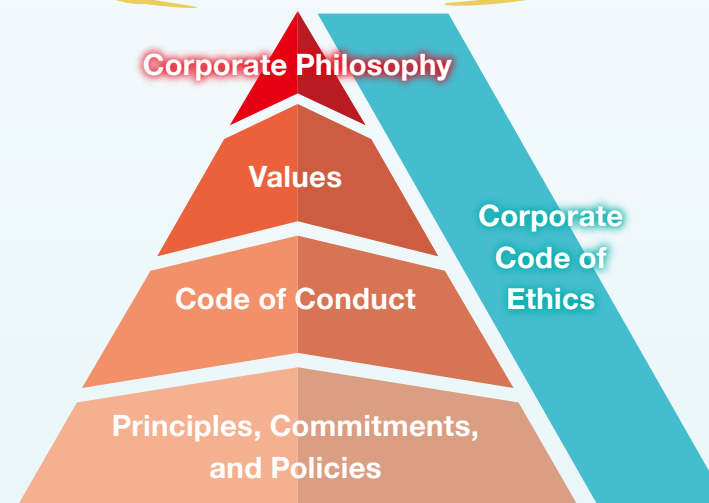
And today, under the values of “Challenge,” “Fairness,” and “Harmony,” we are continuing R&D to make our technologies even more useful to society.

From biopharmaceutical materials required for regenerative medicine to rocket propellants that contribute to space development, we deliver the chemical power essential for the next generation through high-performance materials.

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 conservation and safety.



We have established a 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.



NOF Group Corporate Philosophy Framework

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Values

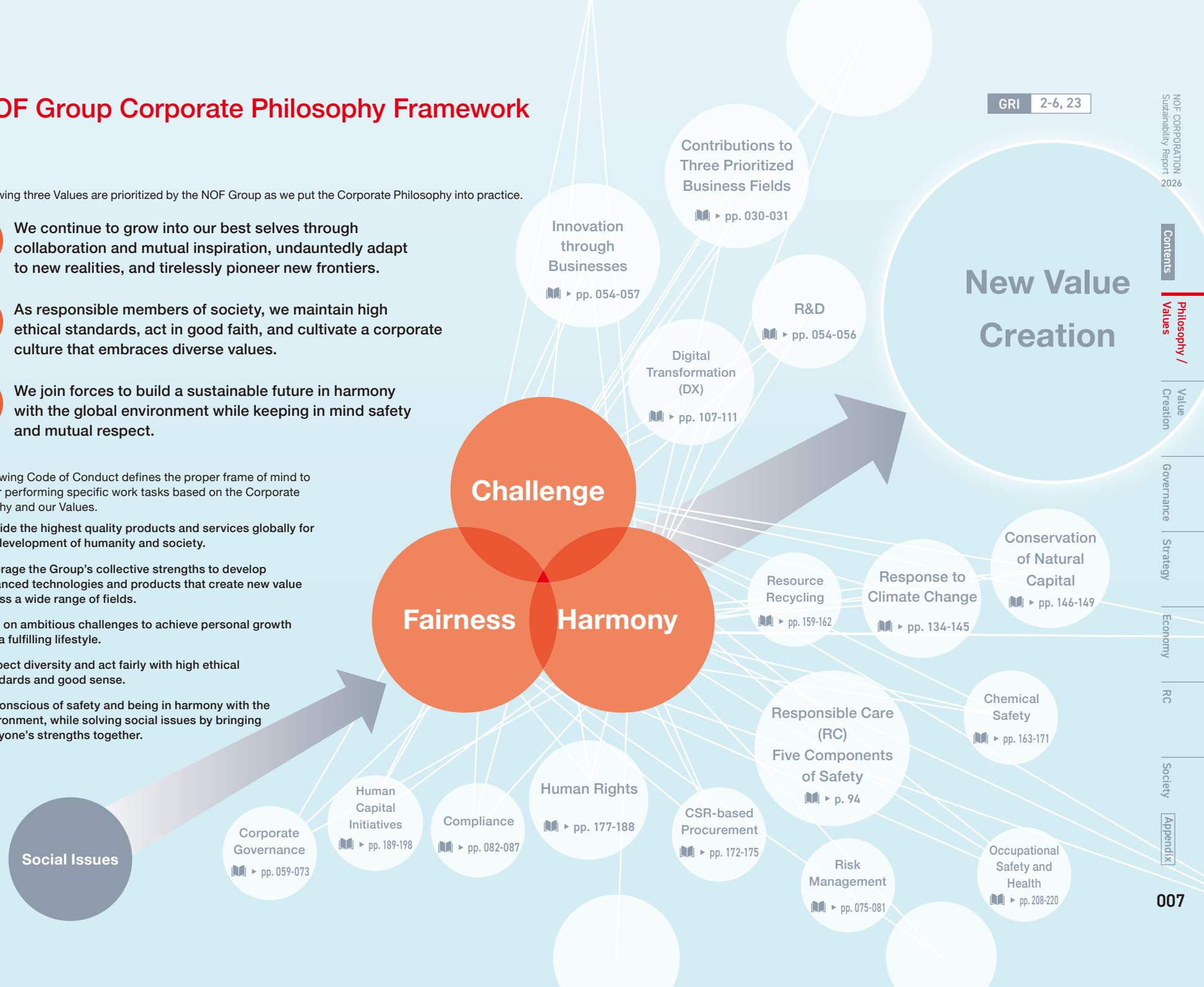
The following three Values are prioritized by the NOF Group as we put the Corporate Philosophy into practice.

- 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

The following Code of Conduct 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 advanced 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.



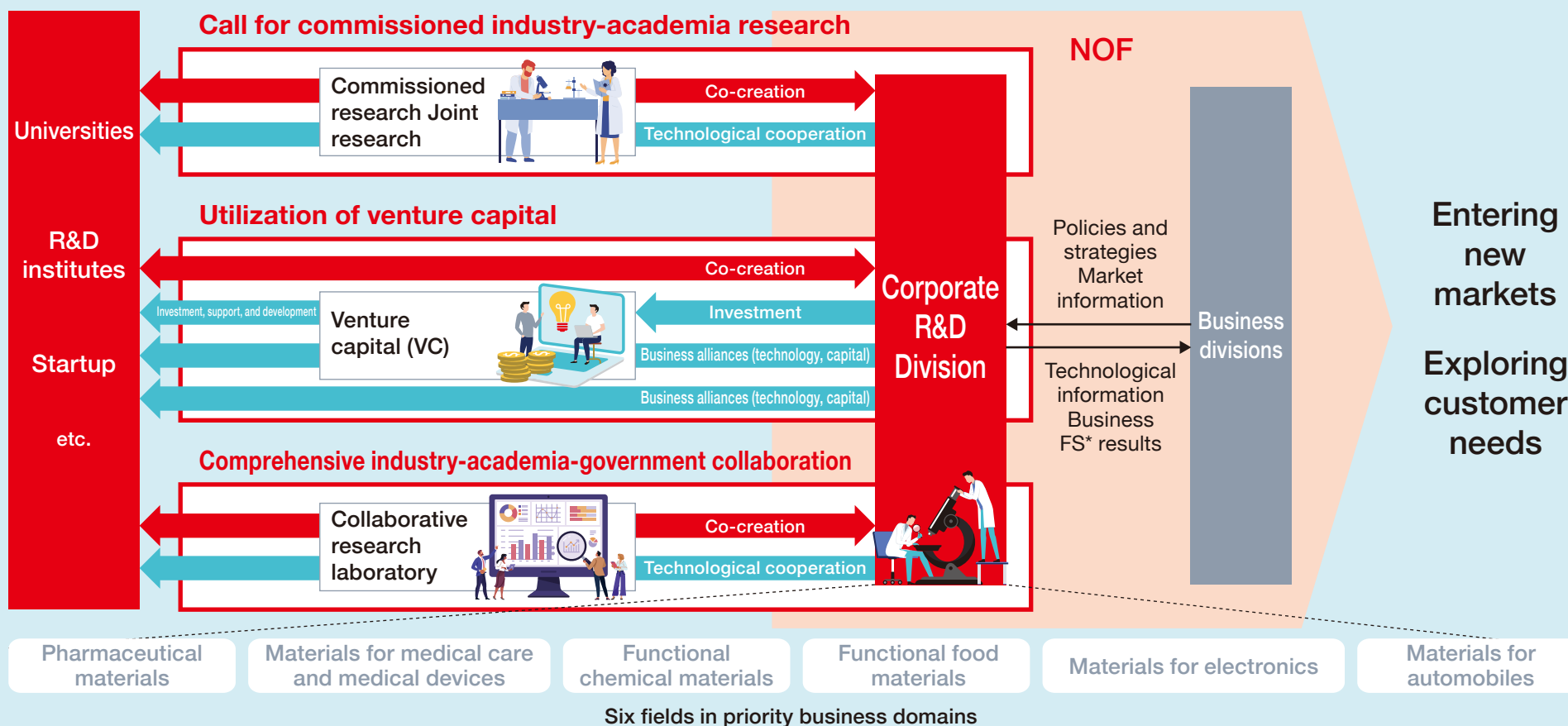


Value Creation Based on NOF's Three Values | "Challenge" × R&D



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.



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



Challenge



We will create new businesses and take on the next stage to shape the future of society and the NOF Group.

Tackling new challenges for NOF Vision 2030

The NOF Group has formulated a Mid-term Management Plan, NOF VISION 2030, and positioned the 2025 Mid-term Management Plan, which started in FY2023, as the expanding profit 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 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/Healthcare," "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 market competitiveness in six priority fields

As priority business domains, we have selected six fields (pharmaceutical materials, materials for medical care and pharmaceutical 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 promote R&D focused on these six fields.

For pharmaceutical materials and materials for medical care and medical devices, we are establishing systems for R&D and commercialization to enter the regenerative medicine field early, where significant growth is expected. For functional chemical materials, we will promote initiatives for a sustainable society, including manufacturing biochemicals using biomass and microbial culture technologies. 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. For electronics materials, we are developing new materials for commercialization, including materials for semiconductors and high-speed communications.



Eui-Chul Kang

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

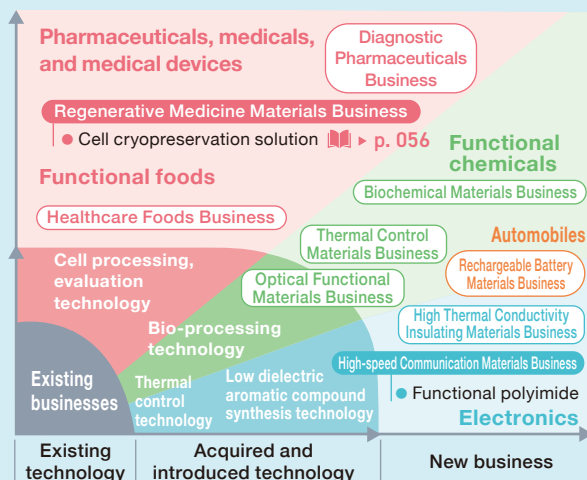


Value Creation Based on NOF's Three Values | "Challenge" × R&D

Six fields in priority business domains



Creation of new businesses through R&D



Creating new business through collaboration with external organizations

To strengthen the six priority fields, NOF continues to participate in open innovation through external co-creation, including public call for commissioned industry-academia research, use of venture capital, and comprehensive industry-academia-government collaboration. By collaborating with external institutions, we can expect to discover new technologies and businesses unbound by existing business domains.

The public call for commissioned industry-academia research seeks research themes from universities, research institutions, startups, and other organizations in Japan and worldwide, aiming to develop new products and new technologies related to each field through co-creation with NOF and provide new value to realize a prosperous and sustainable society. We achieved results in functional chemicals in FY2021, electronics and health foods in FY2022, and medical care and medical device fields in FY2023. In FY2025, we again implemented a public call in the rapidly advancing electronics field and selected three research themes expected to offer market growth and potential applications of our technologies. We will begin research on the selected themes while continuing deeper research on themes in fields covered by previous public calls.

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.

On April 1, 2024, NOF and the AIST Group (National Institute of Advanced Industrial Science and Technology and AIST Solutions Co.) jointly established the NOF-AIST Smart Green Chemicals Collaborative Research

Laboratory. The target research covers a wide range of fields, including green chemicals, energy conservation, and decarbonization technologies, combining NOF's proprietary technologies with the AIST Group's catalyst and biomanufacturing technologies to develop environmentally harmonious chemicals. In FY2025, the collaborative laboratory jointly developed a Lewis acid catalyst and introduced a low-environmental-impact, highly productive manufacturing process for fatty acid ester products. These are being marketed as low-color and low-odor products for release agents and cosmetics applications. We will continue promoting comprehensive industry-academia-government collaboration through the laboratory to develop innovative ecological products.

Taking on the challenge of new products and technologies contributes to developing personnel who will support the Company's future. We believe the role of the Corporate R&D Division is not only to solve immediate customer issues but also to consider the future of the entire Company and determine its direction. To enable each person in the Corporate R&D Division to become a self-motivated employee who "thinks and acts independently," we support leadership development rather than relying solely on passive learning through internal training and education programs. We will also strive to create an environment that encourages employee growth and self-development, and will continue taking on challenges through the power of individuals and teams.

▶ pp. 054-056



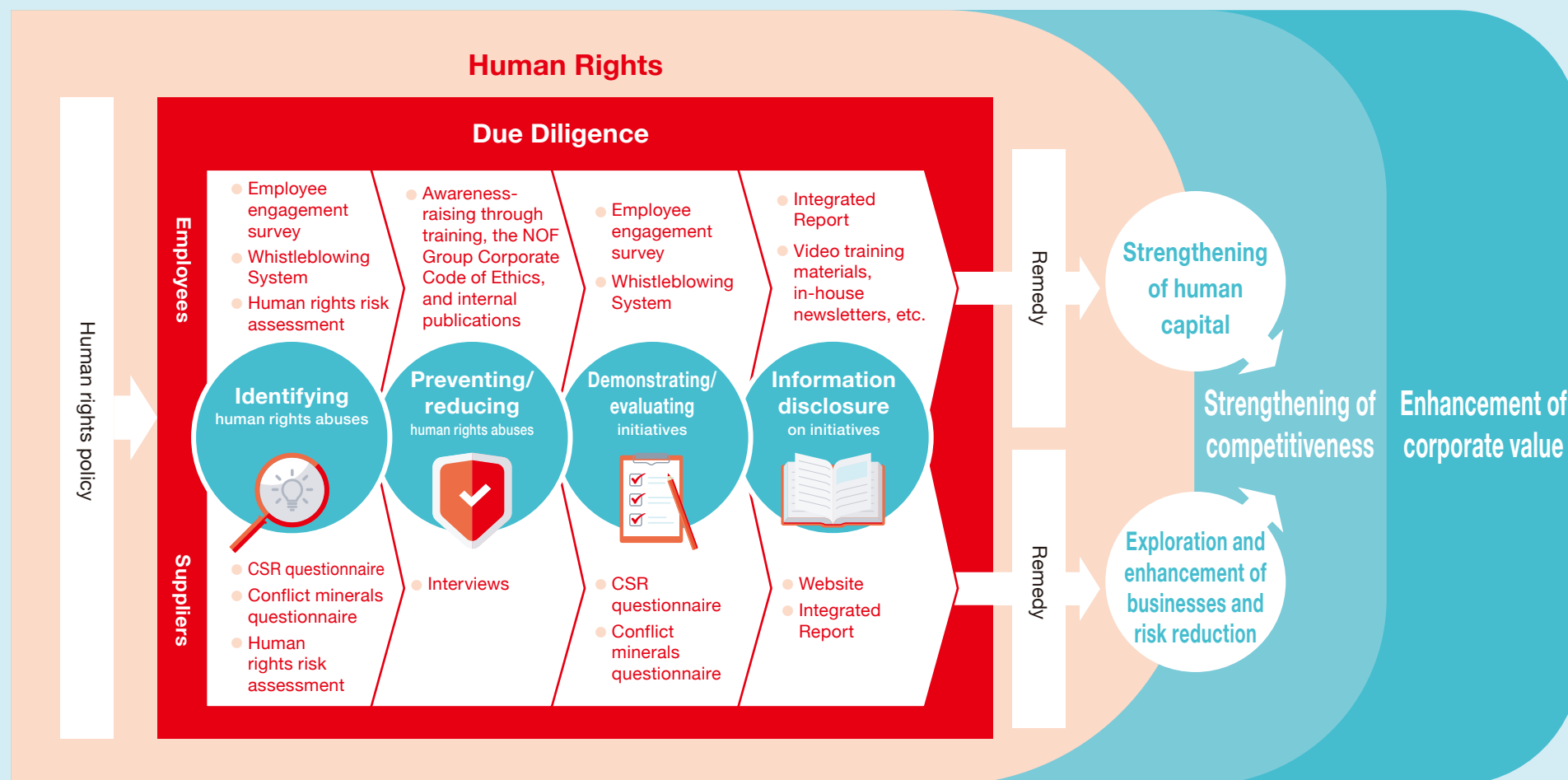


Human Rights

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 corporate survival is for employees to maintain an awareness of fairness not only for the organization but also as individual human beings and to continue making sound 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 value of “Fairness” to strengthen relationships with our employees, suppliers, and all others with whom we work.

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 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.

* CSR: Corporate social responsibility



Hiroyuki Kajikawa

General Manager of Legal
Department and Special
Executive Advisor

Takanori Jinnouchi

General Manager
of Purchasing
Department



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 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 the quality of 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. Through our human rights initiatives for employees and suppliers, we aim to identify and strengthen businesses and reduce risks, while enhancing market competitiveness and increasing corporate value.

Questionnaire items

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





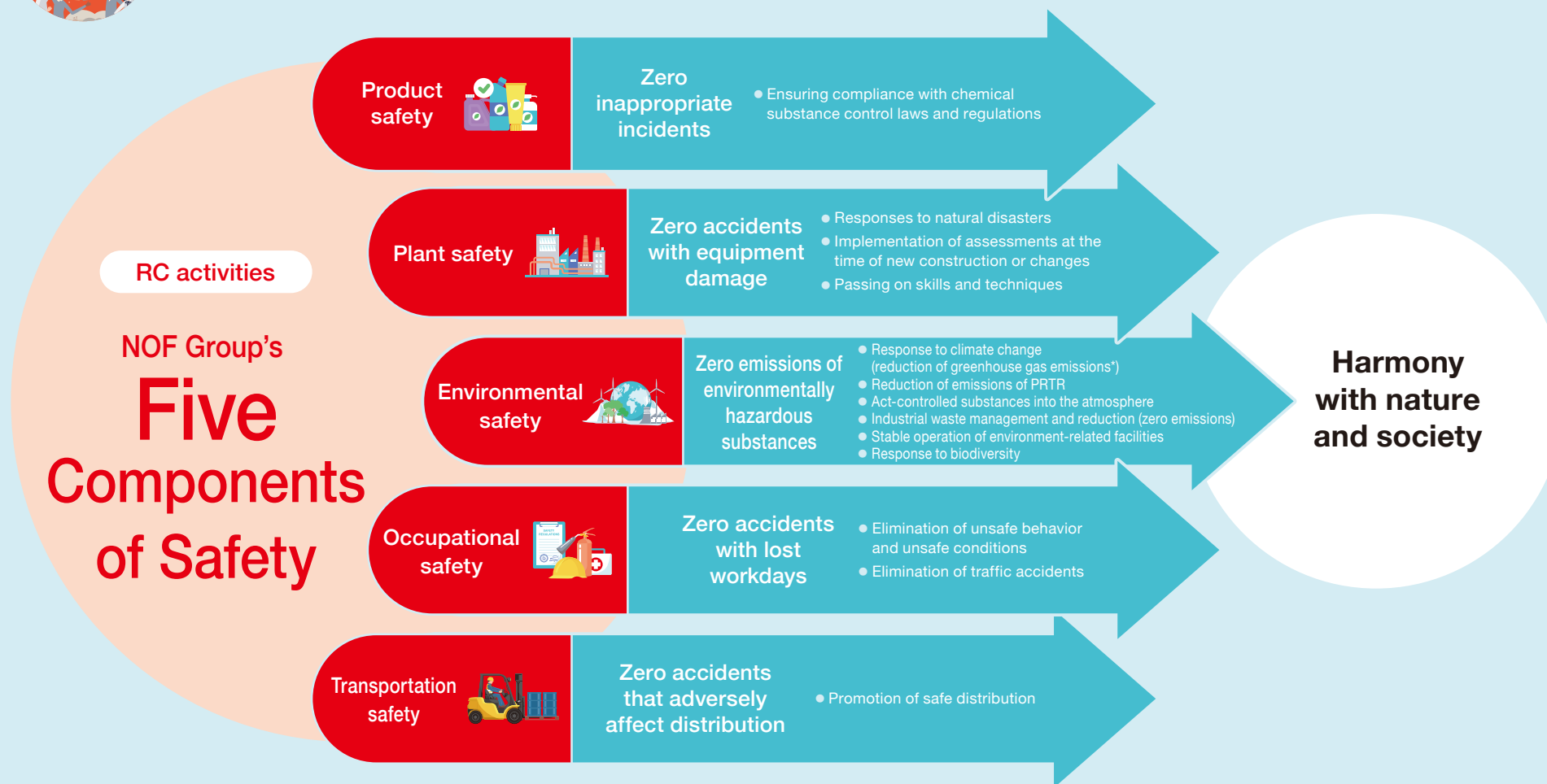
Value Creation Based on NOF's Three Values | "Harmony" × RC Activities

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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.



* GHG: Greenhouse Gas



Harmony



To ensure that the NOF Group continues to live in harmony with nature and society, we will aim to achieve "zero" across the Five Components of Safety.

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 "transportation 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 GHG 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).

To reduce atmospheric emissions of substances covered by the PRTR Act*, we seek to balance this with profit growth while managing annual emissions at 170 tons or less and promoting fundamental initiatives such as reviewing manufacturing processes and improving recovery technologies.

In addition to these initiatives, we will contribute to improving the natural environment by reducing and recycling industrial waste, including plastics, and ensuring the stable operation of environment-related facilities.

* 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.



Yoshitaka Honda

Executive Operating Officer, General Manager of Corporate Technical Division



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 and providing customers



with accurate information. We have also built a Company-wide chemical substance database. Centrally managing information previously collected by individual departments in a Company-wide system improves the accuracy of information and enables prompt responses to legal revisions. 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.

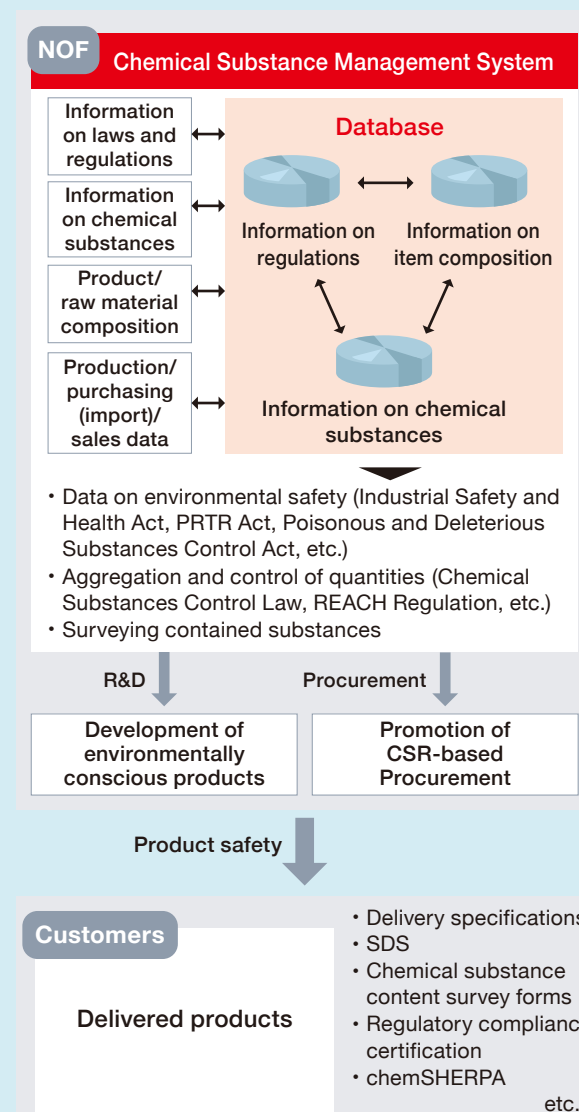
In the area of occupational safety, we aim to achieve "zero accidents with lost workdays" to protect the health and safety of workers. We strive to eliminate unsafe behavior and unsafe conditions and eliminate traffic accidents by improving sensitivity towards danger, thoroughly enforcing safety actions,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

In the area of transportation 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. 094

Image of composition of chemical substance database





Employee Voices that Embody the Three Values

GRI 2-24

Under our corporate philosophy, we uphold three important values: “Challenge,” “Fairness,” and “Harmony.” How do employees keep these values in mind and act on them in their daily work? Here, we present the voices of employees in a variety of occupations and positions.

Manabu Saito
Director and Executive Operating Officer; CCO*



“Based on the belief that every business partner is important, we respond sincerely and aim to achieve sustainable growth together. Returning to what should be fair not only for a company but also for people, we will always engage with others on an equal and fair footing and expand our Group’s business while strengthening relationships of trust.”
(Corporate divisions / 50s / Male)

“Customers’ quality expectations and requests continue to rise, but some cannot be accommodated. In such cases, we meet directly with the person in charge and carefully explain why it is difficult to respond, seeking the customer’s understanding. Sometimes it is also necessary not to give customers an easy answer. As a result, customers appreciated our sincerity, which helped deepen our relationships.”
(Division, Sales Department / 30s / Female)

“When we receive a consultation concerning harassment or discrimination, we conduct thorough interviews with the parties involved. During interviews, we listen attentively to understand the other party’s true intentions and strive to resolve the issue promptly and carefully. By consistently repeating these actions, we will gradually foster a culture in which people view harassment and discrimination as their own concern and can call one another’s attention to them.”
(Works, Operations Department / 50s / Male)

“When selecting and placing orders with contractors, we treat all contractors fairly and negotiate prices carefully without giving undue preferential treatment to any particular contractor. We also strive to build good relationships with contractors on an equal footing while maintaining an appropriate distance to avoid conduct that could lead to bribery.”
(Works, Engineering Department / 30s / Male)

“We perform our duties with the recognition that protecting important corporate assets from increasingly sophisticated viruses and cyberattacks is a key role of our department. In addition to security systems, we conduct suspicious-email response drills and information security training to prevent leaks of confidential and personal information.”
(Corporate divisions / 40s / Male)

“Human rights violations range from workplace harassment to issues involving social systems, such as ethnic and gender discrimination, and cannot be resolved easily. Simply accepting the status quo or turning a blind eye would invite social criticism, so we first strive to listen openly and impartially to those reporting harm.”
(Corporate divisions / 40s / Male)

Fairness

As society changes, values provide a basis for judgment. Guided by these values, each person makes sound judgments and takes the right action in every situation.



* CCO: Chief Compliance Officer



Employee Voices that Embody the Three Values

GRI 2-24

“At our research laboratory, we develop functional materials by drawing on each person’s diverse strengths, including those in career-track positions, administrative and operational positions, and temporary employees. We also make a daily effort to encourage communication so that everyone can demonstrate their abilities, from laboratory-scale studies through product launch.”

(Research laboratory / 20s / Female)

“We conducted small-group activities under the theme of “improving productivity,” as set out in the management policy, and achieved results by having all members cooperate and contribute ideas. I believe our activities received high praise at the activity report presentation at our works because the entire workplace continued to take on the “challenge” together.”

(Plant, Manufacturing Section / 40s / Male)

“At our workplace, we handle highly hazardous materials every day, and even a small mistake could lead to a serious accident. To prevent this, we conduct workplace safety inspections, inspections by safety supervisors, and reviews of work standards. We also emphasize workplace communication and actively identify concerns to maintain a safe working environment.”

(Plant, Manufacturing Section / 50s / Male)

“With work-life balance in mind, including balancing work with childcare and family care, we draw on a wide range of opinions to design personnel systems that benefit all employees. I make a conscious effort every day to build good relationships with my colleagues so that unexpected childcare-related leave does not inconvenience them. I also feel that striving to complete my work within limited hours so that neither work nor childcare is neglected has improved my operational efficiency.”

(Corporate division / 20s / Male)

Challenge

Experience empowers us. Not taking on challenges is itself a risk. The NOF Group accepts failures resulting from challenges and supports learning and growth through each individual’s challenges and collaboration.



Harmony

“Harmony with the environment and society” is the mission of a chemical company. It is important for each person to continually review their work with Responsible Care.



“To help realize a sustainable society, plants are expected not only to ensure a stable supply of products but also to undertake environmentally conscious activities such as the effective use of resources. Every day, we continue business activities integrated with environmental improvements, including introducing new equipment and technologies, reducing GHG and PRTR-listed substance emissions through process improvements, and reducing waste and promoting recycling through thorough sorting.”

(Plant, Environmental Safety Management Office / 50s / Male)

“Laws and regulations concerning chemical substances are frequently revised. When preparing SDSs (Safety Data Sheets), we carefully cross-check specialized databases so that we can provide customers with accurate information to ensure product safety. When a customer requested our cooperation in investigating product impurities, we provided information not included in the SDS, such as the results of risk assessments concerning raw materials and processes, and received their appreciation for our careful and prompt response.”

(Plant, Quality Assurance Department / 30s / Male)

“This works handles hazardous materials. To gain the local community’s understanding of our safe operations, we focus on relationship-building activities, including briefings for nearby district leaders, participation in industrial festivals and community cleanups, and hosting events. Through these activities, I feel that we are living in harmony with the local community.”

(Works, Operations Department / 50s / Male)



Message from the President

GRI 2-22

Customer-driven R&D and overseas experience

I joined NOF (then called Nippon Oils & Fats) in 1988. Having studied polymer chemistry at university, I was assigned to the Oleochemicals Division. The work I was entrusted with was the development of polymer additives that impart functionality to plastics. I remember strongly realizing through the entire process of repeatedly improving products while carefully listening to customer requests and contributing to problem-solving that R&D should be carried out based on customer needs.

Later, after gaining sales experience in Belgium, I was assigned to the DDS Division in 2011. At the time, the Division was still small and was working desperately to develop the market and make the business successful. My mission there was sales activities in Europe. We developed business partners, mainly startups, and collaborated with them on material development. It was not easy to create products while addressing differences in foreign cultures and business customs as well as increasingly stringent quality control standards. Even so, by engaging in careful communication, valuing quality control, and steadily accumulating results with persistence, some of those client companies that had once been small startups have now grown into major pharmaceutical companies. And our company itself succeeded in establishing a solid position as a leading manufacturer of DDS materials.

Based on these experiences, I positioned two themes as pillars of our growth strategy: “deepening the Solutions Business” and “accelerating global expansion.” Today, increasingly complex social issues are making customers’ product development more sophisticated. Amid a rapidly changing market environment, delivering as solutions the proprietary technologies that have evolved over our long history is an important mission of the NOF Group. And it is precisely the challenge of

overseas markets, which I have experienced firsthand, that is the key to sustainable growth. In light of recent domestic and international conditions, I believe it is necessary to further raise the overseas sales ratio, which currently stands at around 30% overall. In recent years, markets have been expanding rapidly, particularly in regions such as India and Southeast Asia. In these countries, building production and sales structures that meet local needs is an indispensable strategy for achieving the goals of “NOF VISION 2030.”

Exploring new domains and reaching the world in niche fields

“NOF VISION 2030” is the long-term vision for the NOF Group to become a global company that achieves sustainable growth. It designates “Life/Healthcare,” “environment/energy,” and the “electronics/IT field” as the three prioritized business fields and sets out a commit-

ment to provide broad added value through the power of chemistry. As a business performance indicator, we also target ROE of 15% or higher and focus on improving capital efficiency.

In the 2025 Mid-term Management Plan, the second of the three stages toward realizing our vision (p. 104), we established a strategic investment framework totaling approximately ¥70.0 billion across three themes: capital expenditure, research and development investment, and human capital investment. As a result, while some projects were reviewed or postponed due to changes in the business environment, we carried out capital expenditure in the Explosives & Propulsion Business that had not been included in the initial plan, thereby laying the groundwork for Stage III.

Having achieved record profits under the 2025 Mid-term Management Plan and laid the groundwork for the next stage, we are now moving into the final phase

Becoming a chemical company that grows sustainably together with customers and the international community



Representative Director, President and CEO



Message from the President

GRI 2-22

toward achieving “NOF VISION 2030.” That is the newly launched 2028 Mid-term Management Plan.

Looking at the current business environment, social issues are becoming increasingly complex, driven by climate change and other problems. However, such circumstances represent, rather, our greatest opportunity. That is because the NOF Group is a chemical manufacturer that has long stood alongside customers in the broad range of fields “from the biosphere to outer space,” creating and providing new added value in response to their complex issues. For example, NOF’s DDS-related technologies, which were created to meet the need for advanced medical care, have now become indispensable to next-generation medicine. During the period of the 2025 Mid-term Management Plan, I actively communicated this message in order to have the importance of such Solutions Business recognized anew and firmly established across the Group. Going forward, I believe we must further accelerate solution development, deepen existing fields, and advance into new domains.

At the same time, risks such as geopolitical tensions, the resulting surge in raw material prices, and supply chain disruptions are also increasing. As we expand our global operations, responses such as diversifying suppliers and promoting local production for local consumption are also becoming urgent. Leveraging the management base cultivated in Stages I and II, we will strengthen supply chain resilience while thoroughly managing risk.

By expanding these business activities to the world, I aim to grow the NOF Group into a leading company in the field of high-performance materials.

 Integrated Report ▶ pp. 051-057

Contribution to sustainability

The chemical industry is being called upon to fulfill its “responsibility to create sustainable value while ensuring safety and security.” Our Group must respond to society’s expectations by thoroughly considering people and the environment throughout product life cycles.

As initiatives to protect people, we place importance on eliminating unsafe conditions and unsafe behavior in the workplace, health management, and the transfer of skills. In particular, reliably passing technologies and safety management know-how to the next generation is at the core of human capital management that supports our Group’s sustainable growth. As measures to achieve this, in addition to monitoring the work environment, designing processes to reduce risk, and planning inspections and maintenance, we are also building a thorough education system at worksites. I myself visit production sites every year and directly inspect the progress and effectiveness of disaster prevention measures implemented on site. Going forward, as human resources become more diverse, the transfer of such know-how will become even more important. We will strengthen the development and evaluation of manuals and ensure that safety awareness takes firm root.

Consideration for the environment is also an indispensable theme of sustainability. We confirm that initiatives to reduce GHG emissions and waste and conserve energy are properly implemented at each site and actively incorporate improvement proposals from the front lines.

To quantitatively evaluate and verify the effects of these activities, we review KPIs every year by setting “Promotion of Occupational Safety and Health,” “response to climate change,” “chemical safety,” and “promotion of CSR procurement” as Materiality items.

Climate change in particular is addressed by SSBJ, which sets standards for the scope and depth of disclosure items and the verification process. For that reason, it is essential to clearly organize risks and opportunities and disclose them quantitatively. From the KPI design stage, we are incorporating systems for acquiring and verifying internal data and are advancing efforts with an eye to consistent data preparation and third-party verification.

In addition, we place importance on developing products that balance economic value and social value. We will provide sustainability contribution products that help improve local communities, the global environment, and quality of life, and by supporting customer growth, we aim to achieve sustained enhancement of corporate value.

Pursuing “from the biosphere to outer space”

When I first learned of NOF in my university days, I was strongly drawn to the boldness of the phrase “from the biosphere to outer space” in its corporate philosophy. As CEO, I believe my role is to advance the two growth strategies of “deepening the Solutions Business” and “accelerating global expansion” to make this corporate philosophy unwavering into the future.

What I want to emphasize is that this 2028 Mid-term Management Plan is not merely a plan for achieving targets over a few years. It embodies our strong determination to lay major groundwork looking ahead to fiscal 2030 and beyond so that the NOF Group can achieve sustainable growth and continue providing value to society. Please look forward to the challenge our Group is undertaking.



Value Creation

022 Materiality

022 3 Categories and 11 Important Issues

025 KPIs

030 The NOF Group's Vision

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033 Management Capital

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037 Strengths of the NOF Group

038 Social Impacts throughout the Value Chain

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041 Sustainability Contribution Products

054 NOF's R&D

054 Promotion of R&D in Our Three Prioritized Business Fields

055 Co-Creation with External Partners

056 Cell Cryopreservation Solution

057 NOF's Intellectual Property

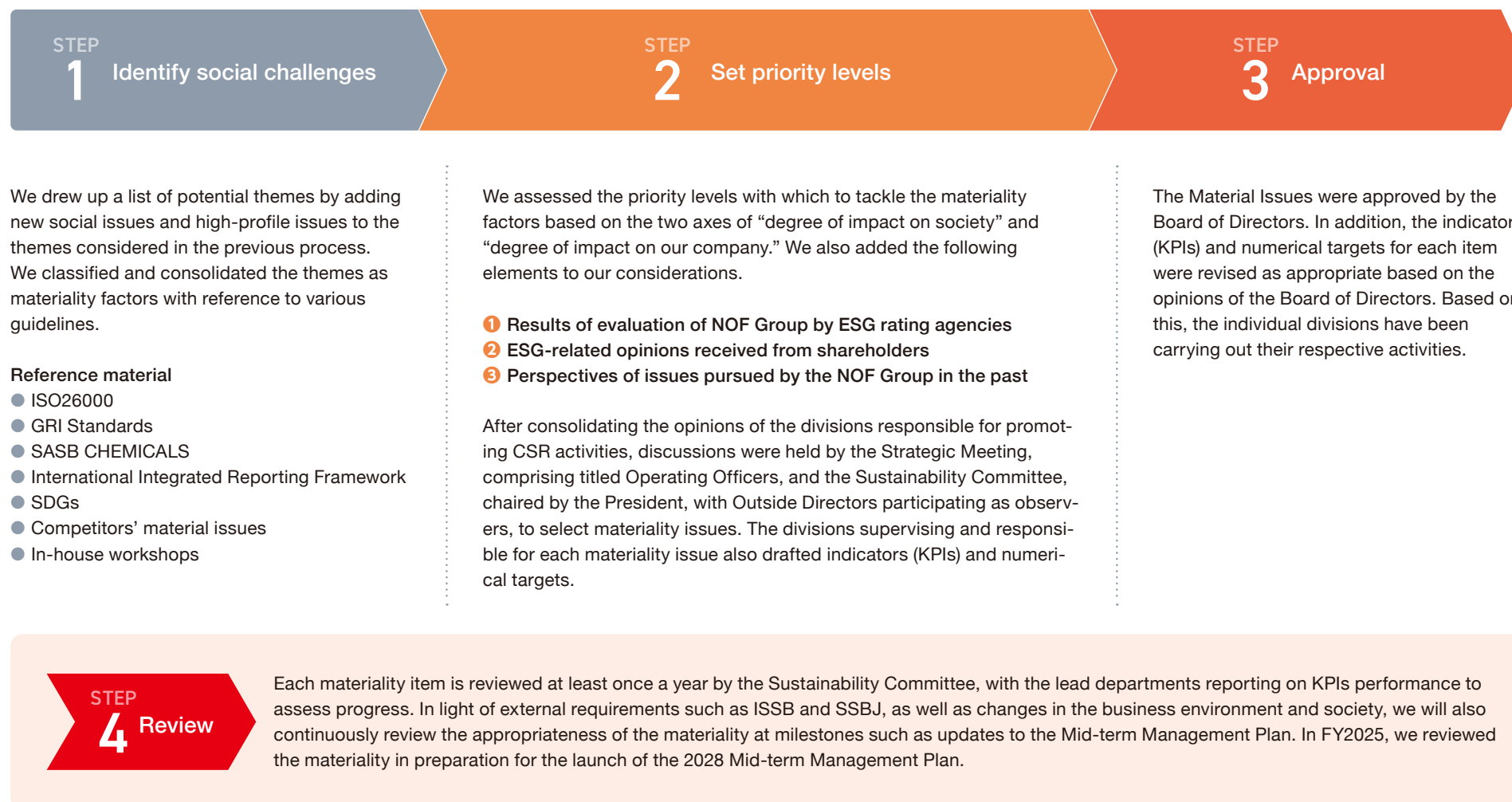


Materiality | 3 Categories and 11 Important Issues

GRI 3-1, 3

Process of identifying materiality

In FY2020, the NOF Group selected priority ESG issues to realize the desired state set out in “NOF VISION 2025,” the Mid-term Management Plan formulated in FY2019.





Materiality | 3 Categories and 11 Important Issues

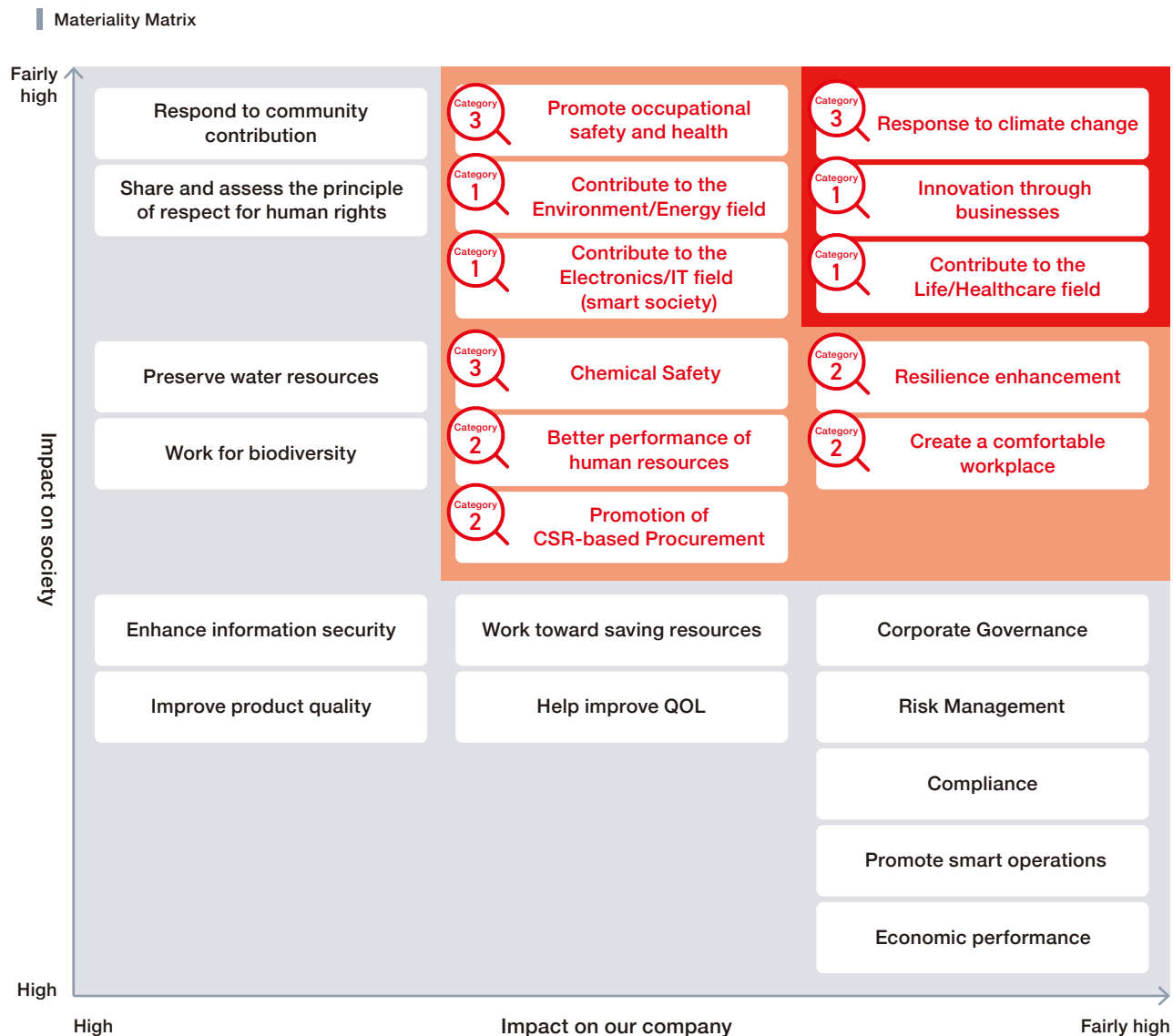
GRI 3-1, 2, 3

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.

FY2025 review

Directors, including Outside Directors, and titled Operating Officers participated in the Sustainability Committee chaired by the President, reviewed materiality issues, and established FY2026 indicators (KPIs) and targets based on the FY2025 results for each 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 indicators (KPIs) and targets 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. 021
▶ pp. 054-056



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
▶ pp. 022-023, 071-077



Promote Responsible Care activities

By ensuring environmental, safety, and health throughout all processes from product development and manufacturing to disposal, we aim to be a corporate group trusted by society as a whole.



Integrated Report
▶ pp. 024-025, 078-093



① Provide new values to realize a prosperous and sustainable society

Materiality	FY2025					FY2026			
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives
Innovation through businesses  ▶ pp. 008-010, 054-057	R&D investment (NOF Group)	¥25.6 billion (3-year cumulative total)	2025	¥8.1 billion 3-year cumulative total ¥23.3 billion (achievement rate of 91%)	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	R&D investment (NOF Group)	¥28.4 billion (3-year cumulative total)	2028	Enhancement of R&D capabilities ● Creation of promising topics in growth fields ● Early commercialization of business development topics ● Strengthening support for R&D efficiency ● Strengthening IP strategy
	Number of patent applications (NOF)	500 cases (3-year cumulative total)	2025	215 cases 3-year cumulative total 597 cases (achievement rate of 119%)		Number of patent applications (NOF)	630 cases (3-year cumulative total)	2028	
Contribute to the Life/Healthcare field  ▶ p. 056	Net sales of strategic products* in the Life/Healthcare field (NOF Group)	15% increase (compared to FY2022 results)	2025	12% increase (compared to FY2022)	● Supply of strategic products to the Life/Healthcare field	Net sales of strategic products* in the Life/Healthcare field (NOF Group)	20% increase (compared to FY2025 results)	2028	● Supply of strategic products to the Life/Healthcare field
Contribute to the Environment/Energy field  Integrated Report ▶ p. 032	Net sales of strategic products* in the Environment/Energy field (NOF Group)	15% increase (compared to FY2022 results)	2025	66% increase (compared to FY2022)	● Supply of strategic products to the Environment/Energy field	Net sales of strategic products* in the Environment/Energy field (NOF Group)	100% increase (compared to FY2025 results)	2028	● Supply of strategic products to the Environment/Energy field
Contribute to the Electronics/IT field (smart society)  ▶ p. 055	Net sales of strategic products* in the Electronics/IT field (NOF Group)	15% increase (compared to FY2022 results)	2025	24% increase (compared to FY2022)	● Supply of strategic products to the Electronics/IT field	Net sales of strategic products* in the Electronics/IT field (NOF Group)	30% increase (compared to FY2025 results)	2028	● 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



② Strengthen the business foundation

Materiality	FY2025					FY2026				
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives	
Better performance of human resources ● Human Resources Development ● Diversity	Investment for human resources development NOF	Over 2.5-fold (compared to FY2022 results)	2025	2.6-fold (compared with FY2022)	● Strengthening growth support	Investment for human resources development NOF	Over 3.5-fold (compared with FY2022)	2030	● Strengthening growth support	
	Rate of hiring of female new graduates recruited for career-track positions NOF	30% or more	Every fiscal year	39.1%	● Implementation of systematic recruitment	Rate of hiring of female new graduates recruited for career-track positions NOF	30% or more	Every fiscal year	● Implementation of systematic recruitment	
	Ratio of female management-level employees NOF	Over 3-fold (compared to FY2021 results)	2030	1.3-fold (compared with FY2021)	● Implementation of systematic recruitment ● Development and promotion of female management-level employees	Ratio of female management-level employees NOF	Over 3-fold (compared with 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	2.82%	● Promotion of employment of people with disabilities	Percentage of employees with disabilities NOF	3.0% or more	2030	● Promotion of employment of people with disabilities	
	Pay gap ratio between male and female full-time employees NOF 5 domestic consolidated companies	75% or more	2030	73.6% NOF 72.4% 5 domestic consolidated companies	● Improvement of working environments, such as production sites ● Development and promotion of female management-level employees	Pay gap ratio between male and female full-time employees NOF NOF/5 domestic consolidated companies	75% or more	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	94.1% (taking at least 1 day of annual leave)	● Development of environments where leave can be utilized easily	Rate of male employees utilizing childcare leave* NOF	85% or more (acquisition of 2 weeks or more)	2030	● Development of environments where leave can be utilized easily	
Risks p. 196 ● Sustainable business growth stalls due to delays in human resources development ● Inability to secure necessary employees leading to delays in business plans Opportunities p. 196 ● Evolution of organizational capabilities through a combination of internal human resources development and external human resources recruitment ● Investment in labor saving and automation (accelerating smart factory implementation) ● Improvement of manufacturing workplaces where the elderly and women are able to participate in an active manner, achieving a diverse organization Strategies ● Deliberation on company-wide human resource development policies and plans, and evaluation of implementation content at the Human Resources Meetings ● Discussion of human resources development, recruitment status, and response policies at the Sustainability Committee ● Promotion of business understanding by holding factory tours, etc., for new graduate hires, and expansion of dissemination channels for recruitment information for mid-career workers ● Development of a re-employment system for retirees to rejoin the company ● Accumulation of smart factory implementation know-how at a model factory and deployment to other factories ● Implementation of planned capital expenditures (improvement of the workplace environment)										

* Changed from taking at least 1 day (FY2030: 100%) to taking at least 2 weeks from FY2026. This improves the quality of childcare leave by enabling actual participation in childcare.



Materiality	FY2025					FY2026			
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives
Create a comfortable workplace ● Employee engagement     ▶ pp. 194-195, 204	Utilization rate of annual paid leave 5 domestic consolidated companies NOF	75% or more	2025	81.4% 80.1% 5 domestic consolidated companies NOF	● Raising awareness by disseminating the Health-Conscious Management Declaration	Utilization rate of annual paid leave NOF / 5 domestic consolidated companies	75% or more	2030	● Raising awareness by disseminating the Health-Conscious Management Declaration
	Overall employee engagement score NOF	50.0 or more	2025	51.0	● Execution of measures using employee engagement surveys as a starting point	Overall employee engagement score NOF	53.0 or more	2030	● Execution of measures using employee engagement surveys as a starting point
	Risks  ▶ p. 196 ● Rise in turnover rate due to family care, etc., impeding business promotion and operation execution Opportunities  ▶ p. 196 ● Improvement of organizational resilience through standardization of operations ● Improvement of employee engagement with greater support measures for balancing work with childcare and family care					Strategies ● Provision of opportunities to engage in career dialogue with supervisors, support for career development, and promotion of a comfortable workplace ● Establishment of career contact point, autonomous career formation and growth support ● Improvement of productivity through operational efficiency and process reviews via DX promotion and introduction of generative AI ● Enhancement of support systems for balancing work with childcare and family care			
Promotion of CSR-based Procurement      ▶ pp. 172-175	Coverage rate of CSR questionnaire survey (based on value of purchases) NOF	85% or more	2025	92% (cumulative total over 2025 plan) NOF	● CSR questionnaires for suppliers completed in FY2023 and FY2024	Coverage rate of CSR questionnaire survey (based on value of purchases) NOF	85% or more	2028	● Implementation of the CSR questionnaire*
	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% (Interviews conducted with 24 of the 25 targeted companies)	● Implementation of improvement requests via interviews to target suppliers	25 Mid-term Management Plan Interview Supplier improvement rate (Number of companies improved / 24 companies) NOF	75% or more	2028	● Follow-up with target suppliers
	Risks  ▶ p. 175 ● Drop in credibility due to perceived insufficiency of efforts for sustainable and responsible procurement Opportunities  ▶ p. 175 ● Fulfillment of social responsibility, risk reduction, enhancement of brand value, strengthening of competitiveness					Strategies ● Implementation of interviews with suppliers and requests for improvement			
Resilience enhancement    ▶ p. 081	BCP education and training hours NOF Group	Total of 4,000 hours	Every fiscal year	Total of 8,000 hours or more	● Enhancement of each BCP manual ● Improvement of response capabilities through expanded training scenarios ● Inspection and confirmation of location activities through audits	BCP education and training hours NOF Group	Total of 4,000 hours or more	Every fiscal year	● Enhancement of each BCP manual ● Improvement of response capabilities through expanded training scenarios ● Inspection and confirmation of location activities through audits

* Also deployed to YUKA SANGYO CO., LTD., Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., and NOF METAL COATINGS ASIA PACIFIC CO., LTD.



③ Promote responsible care activities

Materiality	FY2025					FY2026				
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives	
	CO₂ emissions Domestic Group	40% reduction (compared with FY2013)	2030	123,000 tons/year 31% reduction (compared with FY2013)	- 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	CO₂ emissions Domestic Group	107,000 tons/year 40% reduction (FY2013: 179,000 tons/year)	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 of consumption	
	Carbon neutrality NOF Group	Aim for achievement	2050			Carbon neutrality NOF Group	Aim for achievement	2050		









▶ pp. 134-145

Risks

▶ pp. 124-125

- Increase in manufacturing cost due to compliance with environmental regulations, decrease in product sales
- Increased procurement costs due to soaring raw material prices
- Reputational damage and falling stock prices due to the use of certain raw materials
- Increase in cultivation/production and procurement costs due to degradation of ecosystem services
- Decrease in sales caused by flood and wind damage to production bases and value chain

Opportunities

▶ p. 125

- Decrease in manufacturing cost through improved resource efficiency
- Increase in sales due to growing demand for products that contribute to environmental conservation

Strategies

- Promotion of initiatives to reduce GHG emissions
- Reduction of plastic usage
- Securing stable raw materials through multiple purchases and long-term contracts
- Procurement of sustainable palm oil
- Selection of suppliers and business partners taking into account risks at the production area (ensuring traceability)
- Rain water countermeasures and disaster prevention measures for buildings and facilities
- Development and provision of products that contribute to environmental conservation



Materiality	FY2025					FY2026			
	Indicators (KPIs)	Numerical targets	Target fiscal year	Results	Details of major initiatives	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives
Chemical Safety       pp. 163-171	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group	under 170 tons/year	Every fiscal year	139 tons/year	- Creation and execution of emission reduction measures - Reevaluation of production processes	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group	170 tons/year or less	Every fiscal year	- Creation and execution of emission reduction measures - Reevaluation of production processes
	Risks - Tighter domestic and international regulations - Increases in cost associated with expansion of facilities and strengthening of management systems to comply with regulations - Inability to manufacture existing products leading to a decline in sales					Strategies - Creation and execution of emission reduction measures - Reevaluation of production processes - Expansion of information provision to stakeholders - Ensuring compliance with domestic and international regulations			
Promote occupational safety and health   pp. 208-220	Number of lost workday-involving accidents Domestic Group	0	Every fiscal year	4 cases	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 Sengen Shugi (the “three actuals” principle)	Number of lost workday-involving accidents Domestic Group	0	Every fiscal year	Through the participation of all personnel and risk anticipation - Further fostering of a safety culture - Adoption of basic safety actions - Reduction of disaster risks - Strengthening of responses based on Sengen Shugi (the “three actuals” principle)



Toward our corporate vision in NOF Vision 2030

A corporate group that continuously creates new value with the power of chemistry in the three fields of Life/Healthcare, Environment/Energy, and Electronics/IT in order to realize a prosperous and sustainable society

Social issues

Three prioritized business fields

Making the shift to electric vehicles a business opportunity

The shift from gasoline-powered vehicles to electric vehicles (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 anti-fog 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 Group synergies to expand the applications of products that contribute to sustainability.

Environment/Energy Field



Contribution to human 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 collaboration with universities and research institutions.

* Quality of life

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 promote development of new materials that link design and evaluation technologies.

Electronics/IT Field





The NOF Group's Vision

GRI 2-6

Next-generation
New Products

Newly developed
Products

Existing Products

Environment/Energy Field

- Biochemical materials
- Materials for rechargeable batteries
- Non-fluorinated water-repellent materials
- Ocean development devices
- High-function anti-corrosion coatings
- Biodegradable lubricants
- Functional hard-coating agents
- Functional elastomers
- High-function anti-fog agents
- Waterborne anti-corrosion coatings
- Chemicals for water treatment membranes
- Base material for refrigerating oils
- Steam pressure fracturing agents
- Functional additives
- Eco-friendly antifreezing agents

Life/Healthcare Field

- Functional food materials
- Materials for regenerative medicine
- Gene therapy materials
- Lipids for nucleic acid drugs
- Vaccine materials
- Modifiers for protein drugs
- Modifiers for peptide drugs
- Anti-aging materials
- Modifiers for antibody drugs
- Eye-drop materials
- Hydrogel materials for medical use
- Mild surfactants
- Additives for diagnostic pharmaceutical agents
- Contact lens materials
- Cosmetics materials
- Oral care materials
- Functional food materials
- Health food
- Eyecare products

Electronics/IT Field

- High-speed communication materials
- Insulating materials with high thermal conductivity
- Binders for metal microparticles
- Printed electronics materials
- Additives for conductive pastes
- Capacitor materials
- High-function anti-fog agents
- Functional coating materials, sealing materials
- Resist materials
- Photopolymerization initiators
- Toner additives
- Color filter coating agents

Mix design technology / Analysis and evaluation technology

Energy control technology / Advanced refining technology / Precision organic synthesis technology and precision polymer synthesis technology

Rocket propellants/Gun propellants Industrial explosives Processed edible oils Fatty Acid Derivatives Surfactants
EO/PO derivatives* (Meth) acrylic acid derivatives Organic peroxides Blocked carboxylic acid

Core technology (material design technology)

Energy chemistry

Oleochemistry

Organic synthetic chemistry

* Ethylene oxide/propylene oxide derivatives (polyalkylene glycol derivatives)

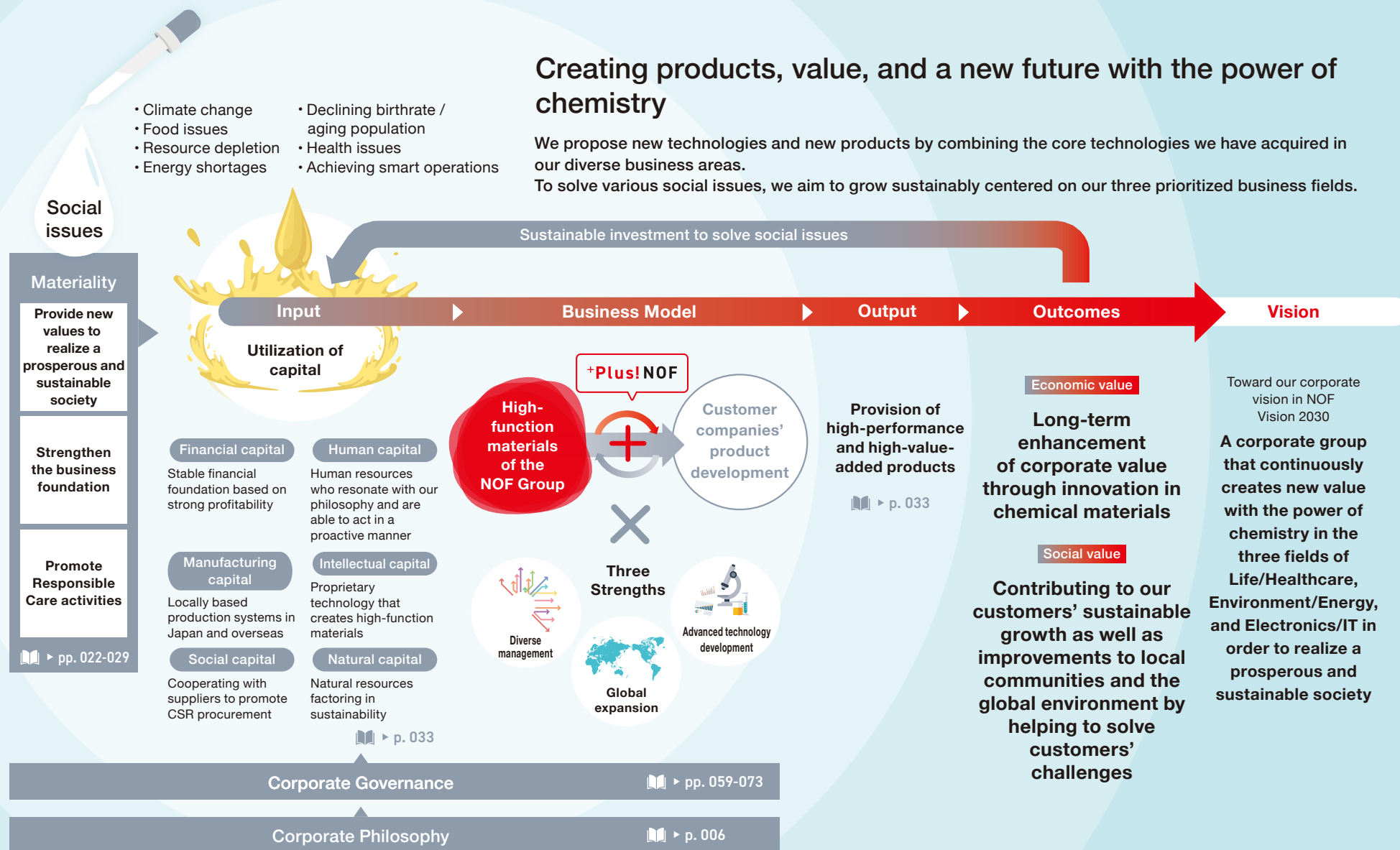


Value Creation Process

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.





Management Capital

GRI 2-6, 7

Strengthening the six capitals toward further value creation

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

NOF Group

Capital Category	Input ^{*1}	Issues (Lacking in Capital)	Output ^{*1}
Financial capital	R&I (Rating and Investment Information, Inc.) A⁺ (Long-term rating)	Improvement in profitability toward achieving an ROE of 15% or more (e.g., operational efficiency through DX) Integrated Report ▶ pp. 051-061	Provision of high-performance and high-value-added products Economic value - Operating profit ¥47.4 billion - ROE..... 14.1% - Dividend payout ratio 34.6% Social value - Countries sold to ... 82 countries - Industry-academia-government joint research 72 cases - Percentage of female employees 16.8% - Percentage of employees with disabilities 2.82% - GHG emissions(Scope 1+2)^{*2} 8.1% reduction 7.1% reduction
Human capital	- Number of employees 4,155 1,976 - Number of temporary employees 155	- Preventing delays in human resources development - Securing human resources - Retaining human resources ▶ p. 196	
Manufacturing capital	- Capital expenditures ¥34.4 billion - Manufacturing and development sites ... 20 sites	Optimal production with measures such as DX promotion ▶ p. 111	
Intellectual capital	- R&D investment ¥8.1 billion - Patents held 1,216 cases 1,158 cases - Patent attorneys 4	- Improving R&D efficiency and exploring applications using IPL - Pioneering new markets - Shortening the time to commercialization ▶ p. 057	
Social capital	- Number of suppliers 1,100 companies - Commissioned research to universities and research institutes	- Supply chain management, including human rights and reductions in Scope 3 (Category 1) greenhouse gas (GHG) emissions - Creating new business models through collaboration with external parties ▶ p. 144 Integrated Report ▶ pp. 034, 046-047	
Natural capital	- Total substance input 226 thousand tons - Total energy input 2,772 thousand GJ - Volume of water used 7,939 thousand tons	Reducing CO₂ through a circular business model using renewable energy and biomass fuel ▶ pp. 159-162	

^{*1} FY2025 results

^{*2} Compared with FY2024

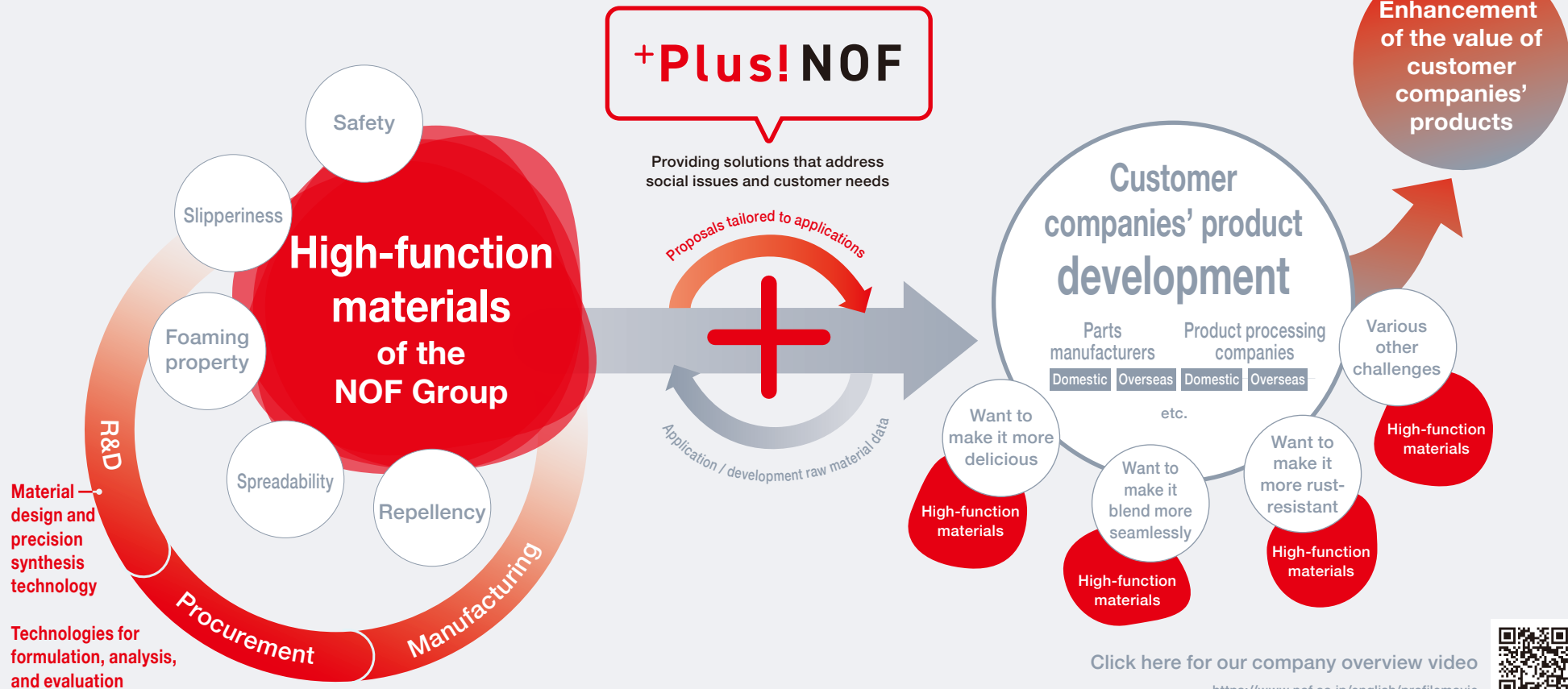


Business Model

GRI 2-6

Example of “Plus! NOF” solving customer issues

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



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





Business Model

GRI 2-6

NOF Group 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 performance of existing ones. The NOF Group 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.

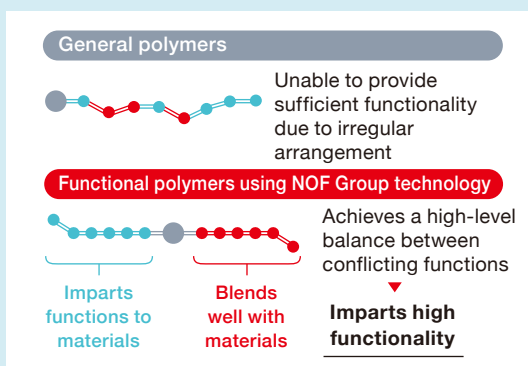
Since our founding in 1937 as a comprehensive oleo-chemical company producing everything from hardened oil to soap, the NOF Group has continuously evolved in

step with societal changes. Today, we focus on three fields—“Life/Healthcare,” “Environment/Energy,” and “Electronics/IT”—and develop our business. 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.

Proprietary technology to control the power of surfactants at will

Surfactants are well-known as the main component of shampoos and laundry detergents, but in fact, they are also contained in foods, cosmetics, pharmaceuticals, and more. A surfactant molecule is characterized by having both a hydrophilic group that is compatible with **water** and a **hydrophobic** (lipophilic) group that is compatible with oil. By utilizing these two properties, it becomes possible to control various **interfaces** (the boundary between two different substances)—for example, mixing water and oil, or dispersing powder in water.

The strength of the NOF Group lies in its technical ability to freely design the hydrophilic and hydrophobic groups of such surfactants. An example of this is the use of polymerization initiators to link many monomer molecules together. By using a special initiator developed with this unique production method, we succeeded in synthesizing a polymer with monomer molecules arranged in a regular order. With this technology, we impart various functions, such as scratch resistance and water repellency, to materials across a wide range of fields. This high level of technical capability is the very source of our ability to continuously provide high added value across a wide range of areas, from the biosphere to outer space.



Safety management cultivated in the Explosives & Propulsion Business

Since 1938, shortly after our founding, we have been engaged in businesses handling explosives. From that very beginning, businesses handling explosives have been obligated to comply with strict safety standards. Under the current Explosives Control Act, strict regulations are also stipulated for all processes from manufacturing to consumption.

It is precisely because we have continuously confronted such regulations that a culture of prioritizing safety is deeply rooted within the NOF Group. This approach also forms part of our other businesses, supporting a high level of safety awareness throughout the organization. Going forward, as a chemical corporate group, we will continue to develop business activities taking into consideration the “safety” and “health” of our employees and local communities.



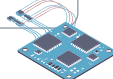
Business Model

GRI 2-6

Examples of NOF Group products that solve customer challenges

For details, please refer to “Examples of NOF Group Products That Solve Customer Challenges” page on our website. <https://www.nof.co.jp/english/csr/nof-group-sustainability/plus/>



+Plus! NOF		+Plus! NOF		+Plus! NOF	
Customer's requirement	NOF	Customer's requirement	NOF	Customer's requirement	NOF
Want to improve wrinkles with serums and creams 	Ceramide polymer – Anti-wrinkle efficacy that improves skin elasticity (Ceracute®)	Want to prevent metal rusting 	Water-based, chromium-free, and environmentally friendly anti-corrosion coatings (GEOMET®)	Want to extend shelf life of bread 	Functional baking fat that uses enzymes to curb the aging of starch (Functional food materials)
Want to prevent mirrors and glass from fogging up 	Highly durable anti-fog agents usable in various environments (MODIPER® H)	Want to prevent contact lenses from drying out 	MPC polymers reduce discomfort through biocompatibility and resistance to dryness (LIPIDURE®)	Want to manage temperature without using a power source 	Labels that indicate temperature at a glance through color change (Temperature Indicator)
Want to make detergents (such as shampoo and hand soap) foam easier 	Surfactants with excellent foaming properties across a wide pH range (DIAPON®)	Want to eliminate squeaking noises from car 	Noise reduction agent that reduces friction noise by enhancing lubricity (NOFALLOY®KA)	Want to reduce injection frequency and lessen burden on patients 	Activated PEG and functional lipids that efficiently deliver drugs to target sites and enhance in-body retention (SUNBRIGHT®, COATSOME®)
Want to help improve skin elasticity with lotions and serums 	High-function moisturizing ingredient with about twice the moisturizing power of hyaluronic acid (LIPIDURE®)	Want to make electronic parts smaller 	EO/PO derivatives that reduce the amount of key materials used in capacitors (MALIALIM®)	Want to reduce vibrations when breaking rocks 	Steam pressure fracturing agent that breaks rock instantly without explosives (GANSIZER®)
Want to protect fabrics from water and dirt 	Water- and oil-repellent agent that provides repellency through coating (MODIPER® F)	Want to make bread and sweets more delicious 	Margarine that enhances flavor (DELICIOUS RICH®PLUS)	Want to prevent freezing on roads due to snow 	Environmentally friendly antifreezing agent with no chlorine compounds, offering excellent immediate and lasting effects (KAMAGU®)



Strengths of the NOF Group

GRI 2-6

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 89 years since our founding. We support our customers' manufacturing with our technical capabilities and response capabilities.

Strengths
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 ▶ pp. 062-069



Strengths
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.

▶ pp. 234



Strengths
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* (current Material Science Research Laboratory and Health Science 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 medicine and regenerative medicine, as well as promoting development leveraging business integration synergies.

▶ pp. 008-010, 054-056



* The Advanced Technology Research Laboratory has been abolished



Social Impacts throughout the Value Chain

GRI 2-6/3-3

Materiality	Value chain					
	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 Group's Products



The World Created through the NOF Group's Technologies

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 materials possessed by the NOF Group, we have developed a broad customer base for biocompatible materials, DDS, and other applications. As a result, NOF Group 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 Group's Products

GRI 2-6





Sustainability Contribution Products

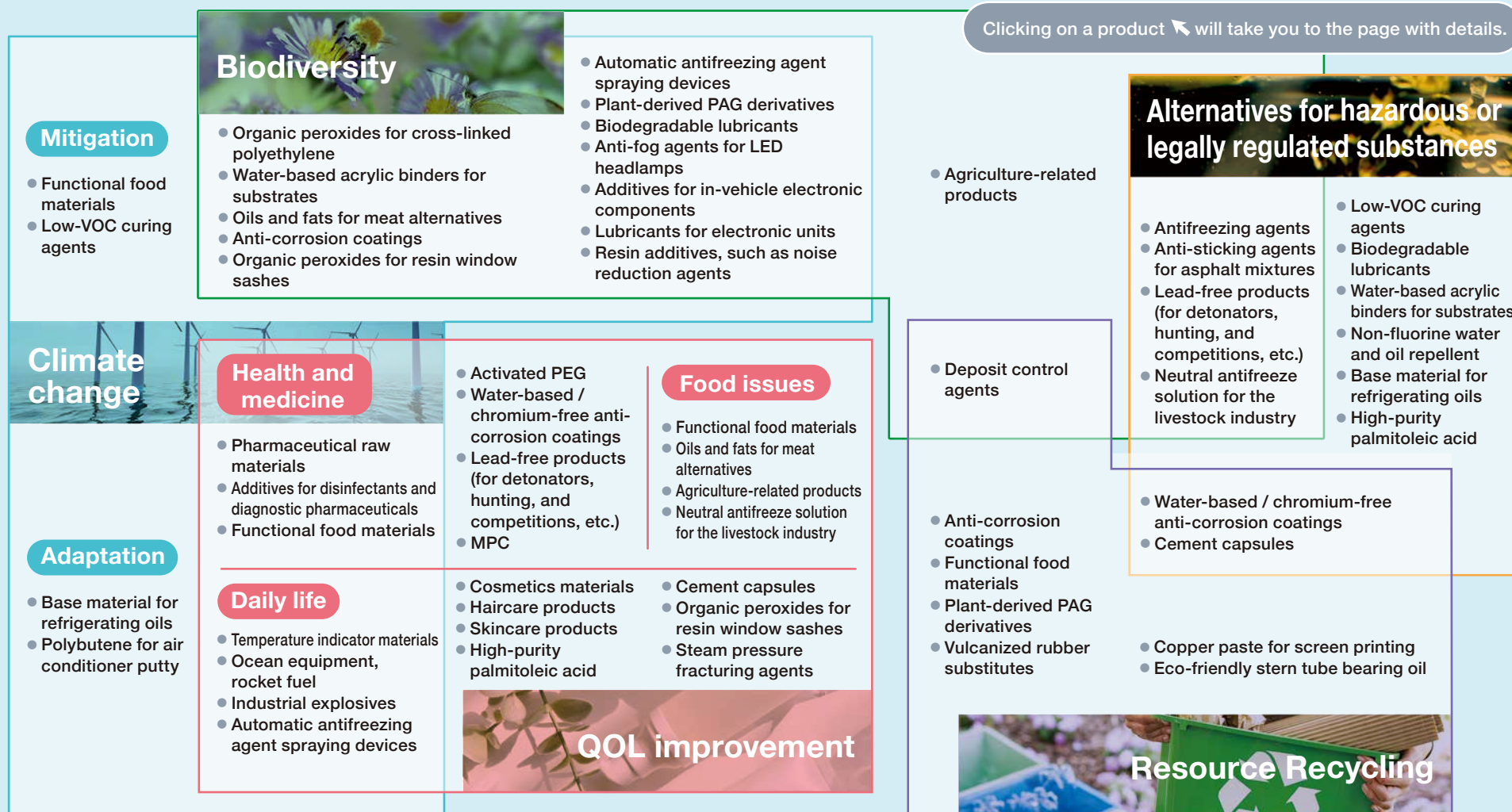
GRI 201-2/304-2/417-1

To achieve both a sustainable society and economic growth, the NOF Group promotes R&D of technologies corresponding to the three prioritized business fields and creates various sustainability contribution products.

NOF Group's products that directly or indirectly contribute to solving social issues such as the "global environment" and "improving QOL"

pp. 042-053

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





Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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



Because EVs emit no GHGs while driving, they are expected to contribute to climate change mitigation. In addition, compared to gasoline-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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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
Applicable products:
"MILLUBE® series"

Renewable energy such as wind and solar power is becoming increasingly important because it does not generate GHG emissions. Our anti-corrosion coatings and biodegradable lubricants used in bolts and gears for wind power generation blades as well as solar panel mounting components contribute in this area. In addition, ultra-high-voltage and high-voltage power lines are indispensable for transmitting electricity generated by wind and solar power. Thus, our organic peroxides used in cross-linked polyethylene for coating materials contribute to the spread of renewable energy.



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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. Some models operate on 100% renewable energy from solar panels, thereby also contributing to climate change mitigation. Advanced road-surface management using remote monitoring and control is also possible, contributing together with the antifreezing agent to environmental conservation and traffic safety.

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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.

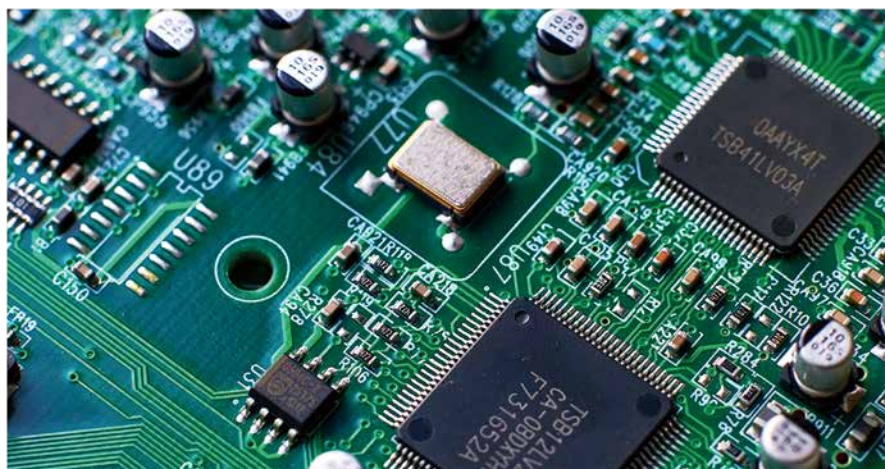


Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 products. Solvent-based binders, which are high in volatile organic compounds (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.

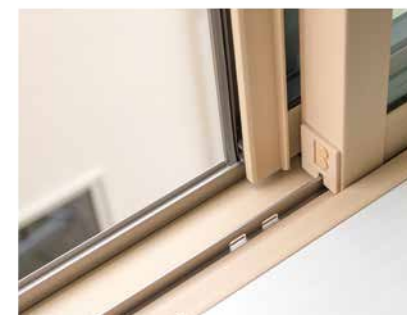
Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to reducing GHG emissions and securing protein resources

Functional Foods Business

- Oils and fats for meat alternatives

GHG (particularly methane) generated from the livestock industry, and protein shortages caused by rapid global population growth have prompted efforts to explore new sources of protein. 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.



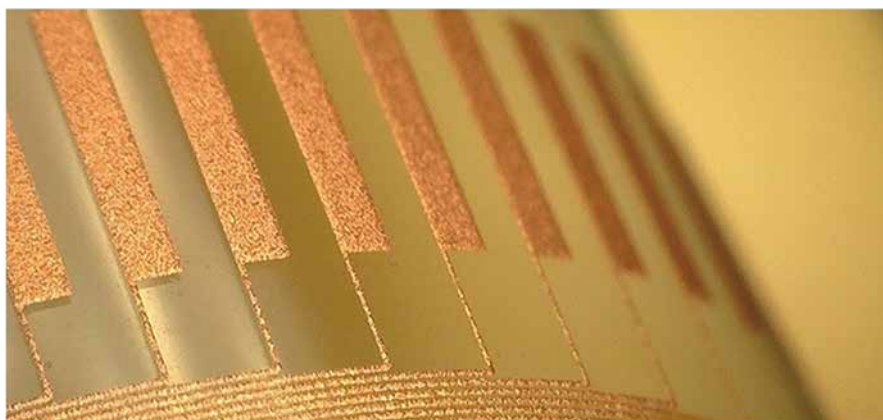


Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that reduce environmental impact

Functional Materials Business

● Copper paste



Example of printing copper paste by screen printing

When copper wiring is formed on printed circuit boards, conventional methods such as etching generate hazardous liquid waste during dissolution. NOF therefore developed a copper paste suitable for screen printing, which can form copper wiring directly. “CP-602AA,” which can be sintered at low temperatures, also contributes to energy conservation. We have also newly developed “CP-1006ZN,” a copper paste for semiconductor bonding, which helps reduce environmental impact as an alternative to lead solder.

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 food materials 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.



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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

Explosives & Propulsion Business Nippon Koki Co., Ltd. NiGK Corporation

- Ocean equipment, rocket fuel
- Industrial explosives
- Temperature indicator materials



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

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to reducing environmental impact

Functional Materials Business

● Low-VOC* curing agents

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 for Volatile Organic Compounds



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to reducing petroleum use

Functional Materials Business

- Plant-derived water-based moisturizing oil



“NATUWIL” is a 100% plant-derived product that delivers the high stability and moisturizing effects of the water-soluble moisturizing oil “WILBRIDE.” Cosmetics have traditionally used many petroleum-derived ingredients. However, growing interest in the environment and safety has recently increased demand for replacement with more sustainable plant-derived ingredients. In addition to selling this product in Japan, we will expand sales in Europe, where regulations on petroleum-derived ingredients are becoming stricter, and China, where the cosmetics market is growing.

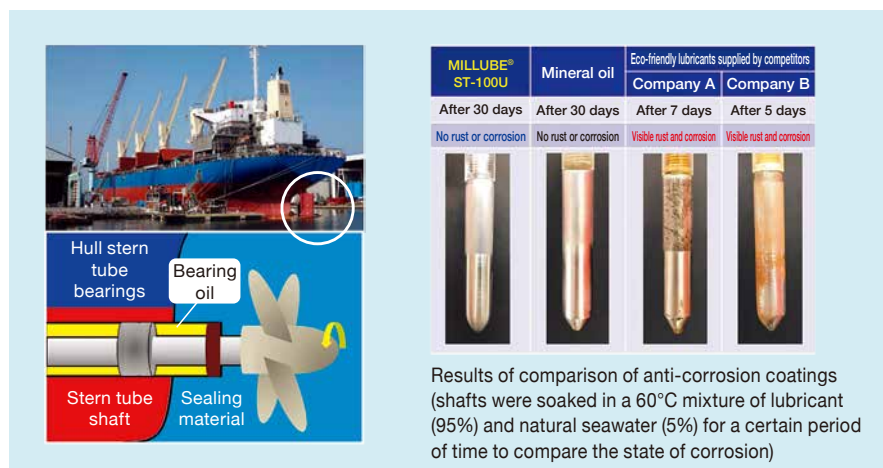


Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to the conservation of marine environments

Functional Materials Business

Eco-friendly stern tube bearing oil



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.

* VGP = Vessel General Permit

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to environmental conservation and risk reduction

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 may poison birds of prey and cause soil and water pollution. Lead in detonators may also vaporize during firing and harm human health. Lead-free products therefore contribute to environmental conservation and risk reduction.



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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.



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to the use of recycled paper

Functional Materials Business YUKA SANGYO CO., LTD.

Deposit control agents

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.



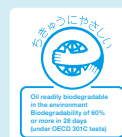
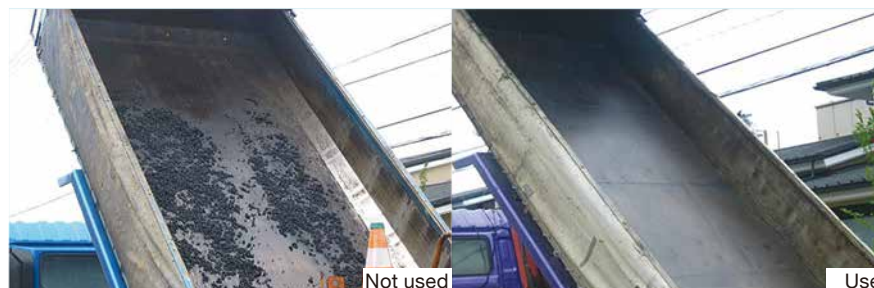
These products demonstrate a superior performance in reducing impurities that are generated in the paper-making process.

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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.

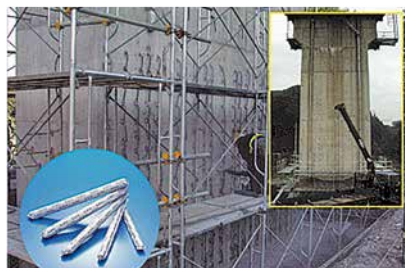


Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to reducing environmental impact Explosives & Propulsion Business NiGK Corporation

● 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.



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

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

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.



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to recycling

Functional Materials Business

● Vulcanized rubber substitutes

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 Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to environmental conservation and health maintenance

Metal Coatings Business NOF METAL COATINGS ASIA PACIFIC CO., LTD.

● Water-based / chromium-free anti-corrosion coatings

GEOMET® is a water-based, chromium-free anti-corrosion coating 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 of the use of certain hazardous substances in electrical and electronic equipment



Parts treated with GEOMET® anti-corrosion treatments

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that are kind to the surrounding environment

Explosives & Propulsion Business Nippon Koki Co., Ltd.

● Steam pressure fracturing agents, 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.



Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to safety, security, and improved QOL

Functional Materials Business

- Composite metallic soap (talc-alternative material for cosmetics)



Talc has traditionally been widely used in cosmetic powders such as foundation. In recent years, however, safety concerns have arisen, particularly in Europe, increasing demand for sustainable alternatives. To meet this need, NOF developed a composite metallic soap as an alternative to talc. Plant-derived, highly biodegradable metallic soap can reproduce talc's natural whiteness and moist texture. However, when used in large quantities, it readily absorbs oil, making the powder difficult to pick up with a puff or brush. NOF therefore combined metallic soap with plate-like glass to improve usability. This product is expected to serve as a material that offers both low environmental impact and safety.

Climate change Biodiversity Resource Recycling Alternatives for hazardous or legally regulated substances QOL improvement

Products that contribute to plant growth and improved QOL

Functional Materials Business

- High-purity palmitoleic acid



Palmitoleic acid is an unsaturated fatty acid found in abundance in macadamia nuts, avocado oil, and fish oil. The market is expected to grow by 12% annually, primarily for healthcare applications, but high-purity products had not been industrialized apart from certain reagents. Conventional products generally contained less than 35% of palmitoleic acid, but NOF has used its oil and fat refining technologies to achieve purity of up to 80% to 90%. Using this high-purity palmitoleic acid as a culture medium material for mycorrhizal fungi that support crop growth is expected to draw out plants' natural resilience and curb the excessive use of agricultural chemicals and fertilizers. For cosmetics, it has been confirmed to inhibit the growth of acne bacteria and *Staphylococcus aureus*, which cause skin problems, and we will propose its use in skincare products such as creams and lotions.



Sustainability Contribution Products

GRI 417-1

Climate change

Biodiversity

Resource Recycling

Alternatives for hazardous or legally regulated substances

QOL improvement

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 PFAS-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 PFAS substitutes in applications such as paper, textiles, and leather products, we will contribute to environmental conservation and health maintenance.

* Perfluoroalkyl and polyfluoroalkyl compounds

Promotion of R&D in our three prioritized business fields

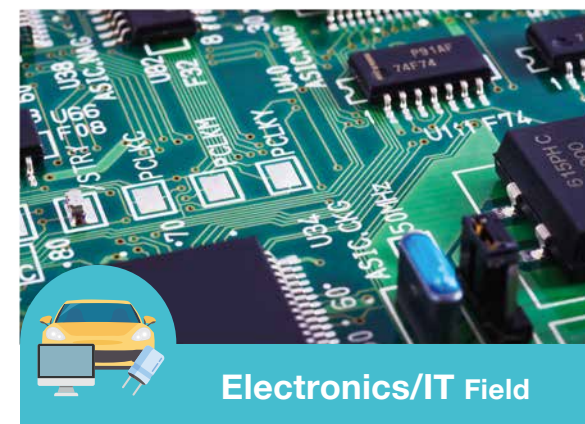
Amid growing expectations for innovation in the chemical materials field, we are working to develop new technologies and products in the three prioritized business fields.



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 environmentally conscious products, 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 eyecare products, 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 the number and size of displays in EVs is expected to raise demand for overcoat materials for LCD color filters.

Co-Creation with External Partners: Implementation of the “Industry-Academia Commissioned Research Open Innovation Program 2025”

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



Electronics/IT Field

Selecting three technologies from five topics in the electronics/IT field

The “Industry-Academia Commissioned Research Open Innovation Program” is a project aimed at jointly developing and commercializing new technologies and products with organizations and other entities selected through an external open call to collaborate with NOF. In FY2025, proposals were solicited for themes related to the “electronics field.”

With the support of ABeam Consulting Ltd., we implemented this project for five research topics— (1) Thermal control, (2) Solar cells, (3) Displays, (4) Semiconductors, and (5) Rechargeable batteries — which are expected to undergo future market growth and have the potential for utilization of NOF technologies, and received many applications from domestic and international universities, research institutions, and startups.

As a result of careful screening from perspectives such as the potential for commercialization at NOF, technological superiority, and contribution to social issues, we selected technologies from Utsunomiya University, Institute of Science Tokyo, and National Institute for Materials Science. We will provide research funding to the selected applicants, pursue research toward social contribution over a period of one year, and aim for future business creation.



Selected applicants (in Japanese syllabary order)





Cell cryopreservation solution contributing to regenerative medicine and cancer treatment research

Demand for preservation methods that do not lead to cell damage

Against the backdrop of an aging population and an increase in chronic diseases, the needs for regenerative medicine are expected to continue expanding in the future. With regenerative medicine, “cryopreservation” technology for the stable preservation of cells is essential in processes ranging from cell collection to culture and tissue regeneration. The global market for cell cryopreservation agents is projected to grow at a compound annual growth rate of 8.6%* from 2025 to 2033. Culture methods include suspension cultures, 2D cell cultures, and 3D cell cultures; NOF focuses on preservation solutions for “2D cell cultures” suitable for cancer cell lines

and for “3D cell cultures,” which is closer to the in-vivo environment. While a high market growth is expected for 3D cell cultures, it is difficult to freeze and thaw cells without damaging them, and this requires advanced preservation technology that does not impair function.

Confirmed effects even in iPS-derived cardiomyocytes

In various tests of 2D cell cultures, conventional cell cryopreservation involved freezing cells in suspension, which presented problems such as the effort required to seed and proliferate cells on culture plates for each experiment, and variability in cell conditions.

Our developed product, the cell cryopreservation solution “POCEROY® CR2 series,” enables cryopreser-

vation in a state where cells are adhered to the culture plate. This not only significantly improves cell viability but also reduces the required man-hours and enables mass preservation. Given that they can be frozen on the culture substrate, the required number of plates can be thawed and used. Excellent preservation effects were verified with this preservation solution for established cell lines, mesenchymal stromal cells, iPS cell-derived cardiomyocytes, and others. We also developed the “POCEROY® CR3 series” for 3D cell cultures. In application experiments on iPS cell-derived cardiac spheroids, we verified that beating was maintained after freeze-thawing.

* Source:Grand View Research report “Cell Freezing Media Market”.





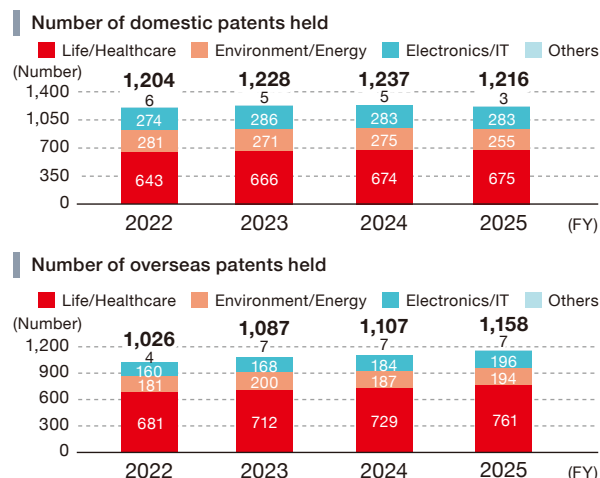
NOF's Intellectual Property

To create new value in the three fields of Life/Healthcare, Environment/Energy, and Electronics/IT targeted by the NOF Group, we use the IP landscape (IPL) to promote new product and new technology development 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. We also recognize that investment in intellectual property is an initiative for medium- to long-term value creation, and will link intellectual property to business domain expansion and market creation.

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



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 (current Health Science Research Laboratory and Material Science Research Laboratory)*, we promote the development of new products and technologies through joint and commissioned research with industry, academia, and 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.

Utilization of IPL

In activities such as application exploration, search for co-creation partners, and research theme exploration, NOF actively utilizes IPL, with the Corporate R&D Division, laboratories of each business division, and the IP Department working together. We have established standardized analysis flows for the purpose of investigations, and provide information that contributes to identifying the direction of R&D and searching for new applications and co-creation opportunities, by visualizing trends in technologies, competitive dynamics, and the potential of application areas. We also hold IPL liaison meetings attended by senior personnel from the research and IP departments to decide on investigation policies and manage progress,

* The Advanced Technology Research Laboratory has been abolished.

thereby boosting collaboration between IP strategy and research strategy. Through these activities that promote the utilization of IPL, we aim to improve research efficiency in each division and shorten the time required for commercialization, thereby accelerating the development of new applications and new products, as well as pioneering new markets, leading to enhancement of corporate value.

We are also promoting the utilization of IPL through enhanced internal training. In addition to basic training on searching and patent analysis, we provide training on analysis tools such as data visualization and text mining, supporting the improvement of skills of researchers.

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.

Reward for employee invention

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



Employee invention reward ceremony



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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 President.

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.

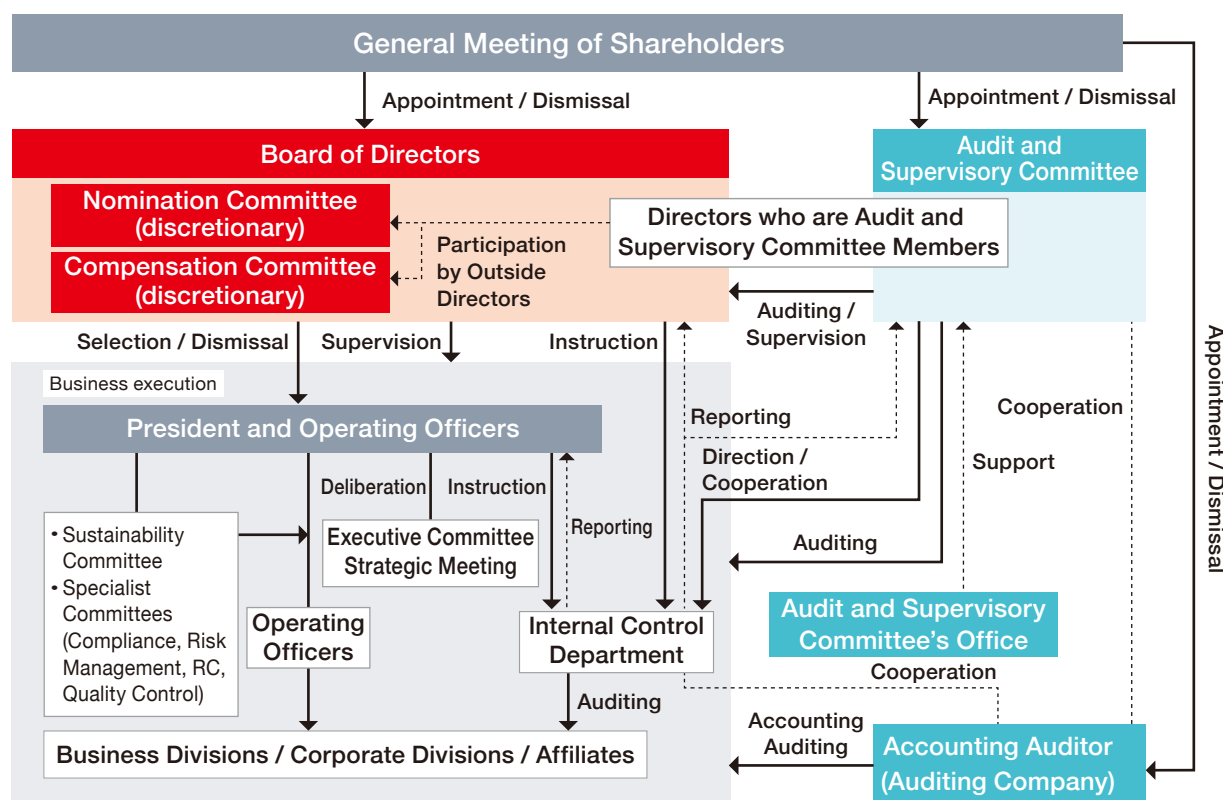
Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four Directors, including three independent Outside Directors. Led by the standing Audit and Supervisory Committee members, the Committee members decide

auditing policies and standards, attend the Executive Committee, implement audits through inspection of important documents, and supervise the business execution of Directors. In addition, with regard to internal control, the Committee receives reports on audit plans and the results of audits conducted by the Internal Control Department, our Internal Audit Department, and

confirms the situation to aim for effective collaboration, including giving instructions for investigations as necessary. In addition, the Committee maintains close cooperation with the Accounting Auditor by holding meetings regularly and as necessary to exchange relevant information, including receiving reports on audit plans and audit results.

Corporate governance diagram





Corporate Governance | Organizational Setup for Corporate Governance

GRI 2-9, 10, 12, 13, 14, 17

Policies related to all aspects of sustainability (approach) and initiatives (highest governance body's role)

Governance

The NOF Group recognizes sustainability matters as a corporate social responsibility and has established a system in which all Directors participate in deliberations at the Sustainability Committee chaired by the President, with Directors who are not committee members participating as observers. The Sustainability Committee meets regularly once a year and additionally as necessary.

In addition to the annual regular meeting, deliberations and decisions from meetings held as necessary are reported to the Board of Directors together with explanatory materials and minutes. The Board reaffirms the Committee's deliberation results to provide appropriate oversight and approval. As the secretariat of the Committee, the Corporate Planning & Strategy Department, Corporate Technical Division, Human Resources & General Affairs Department, Legal Department, Purchasing Department, and Corporate Communications Department promote the formulation and specific development of sustainability strategies for the entire Group.

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 classified these into three categories: "Provide new values to realize a prosperous and sustainable society" (business growth strategy from a sustainability perspective), "Strengthen the business foundation" (human capital strategy, etc.), and "Promote Responsible Care activities" (climate change response strategy, etc.). Based on key risks and opportunities, we have established long-term management strategies, individual business strategies, and sustainability-related materiality, indicators (KPIs), and targets.

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 components of safety.
4. We will consider the interests of all our stakeholders.
5. We will contribute to society in cooperation with local communities.



Sustainability risks and opportunities

Materiality		Risks	Opportunities	Countermeasures
Strengthen the business foundation	Create a comfortable workplace	Rise in turnover rate due to family care, etc., impeding business promotion and operation execution	- Improvement of organizational resilience through standardization of operations - Improvement of employee engagement with greater support measures for balancing work with childcare and family care	- Provision of opportunities to engage in career dialogue with supervisors, support for career development, and promotion of a comfortable workplace - Establishment of career contact point, autonomous career formation and growth support - Improvement of productivity through operational efficiency and process reviews via DX promotion and introduction of generative AI - Enhancing systems that support balancing work with childcare, family care, and other responsibilities
	Better performance of human resources	Sustainable business growth stalls due to delays in human resources development	Evolution of organizational capabilities through a combination of internal human resources development and external human resources recruitment	- Deliberation and evaluation of the Company-wide human resources development plan - Reporting on human resources development and discussing response policies at the Sustainability Committee - Materials informatics utilization training for R&D personnel - Promoting interdepartmental interaction through group training
		Inability to secure necessary employees leading to delays in business plans	- Investment in labor saving and automation (accelerating smart factory implementation) - Improvement of manufacturing workplaces where the elderly and women are able to participate in an active manner, achieving a diverse organization	- Promotion of business understanding by holding factory tours, etc., for new graduate hires, and expansion of dissemination channels for recruitment information for mid-career workers - Development of a re-employment system for retirees to rejoin the company - Accumulating smart factory implementation know-how and converting other plants into smart factories - Implementation of planned capital expenditures (improvement of the workplace environment)
	Promotion of CSR-based Procurement	Drop in credibility due to perceived insufficiency of efforts for sustainable and responsible procurement	Fulfillment of social responsibility, risk reduction, enhancement of brand value, strengthening of competitiveness	Implementation of interviews with suppliers and requests for improvement
Promote Responsible Care activities	Response to climate change	- Higher manufacturing costs and lower product sales due to environmental regulations - Increased procurement costs due to soaring raw material prices - Reputational damage and falling stock prices due to the use of certain raw materials - Increase in cultivation/production and procurement costs due to degradation of ecosystem services - Decrease in sales caused by flood and wind damage to production bases and value chain	- Decrease in manufacturing cost through improved resource efficiency - Increase in sales due to growing demand for products that contribute to environmental conservation	- Promotion of measures toward reducing greenhouse gas (GHG) emissions - Reduction of plastic usage - Securing stable raw materials through multiple purchases and long-term contracts - Procurement of sustainable palm oil - Selection of suppliers and business partners taking into account risks at the production area (ensuring traceability) - Rainwater countermeasures and disaster prevention measures for buildings and facilities - Development and provision of products that contribute to environmental conservation
	Chemical Safety	(Tighter domestic and international regulations) - Increases in cost associated with expansion of facilities and strengthening of management systems to comply with regulations - Inability to manufacture existing products leading to a decline in sales	Improving recognition and reputation through proactive emissions management measures and the development and provision of contribution products	- Creation and execution of emission reduction measures - Reevaluation of production processes - Expansion of information provision to stakeholders - Ensuring compliance with domestic and international regulations



We believe advancing strategies based on materiality creates the following financial impacts from the perspectives of (1) revenue growth, (2) cost reduction, and (3) risk management.

1. Revenue growth

- Increased sales from expanding demand for sustainability contribution products
- Increased sales through improved recognition and reputation for proactive environmental conservation measures and other initiatives
- Creation of new business opportunities driven by growing interest in preventing climate change, air pollution, deforestation, and other issues

2. Cost reduction

- Cost reduction through resource efficiency, including reductions in water, energy, and waste
- Reduction in costs associated with taxes and other regulatory requirements by improving environmental regulatory compliance capabilities
- Lower financing costs and improved financing advantages through higher ESG evaluations

3. Risk management

- Minimizing environmental regulatory compliance costs
- Reducing reputational risk
- Ensuring stable raw material procurement through multiple sourcing and long-term contracts

Specific financial benefits (examples)

Advancing strategies based on materiality creates financial impacts that also provide value to stakeholders and lead to long-term returns.

Case 1: Investment in the supply chain

Initiative	Continued purchase of certified sustainable palm oil
Effect	Avoiding palm oil procurement and reputational risks while ensuring stable procurement

Case 2: Investment in local tree planting and forest maintenance

Initiative	Investment in tree planting and forest maintenance around plants and sales offices
Effect	Contributing to biodiversity conservation through maintaining and expanding forests and to the response to climate change by increasing CO ₂ absorption

Case 3: Use of waste heat

Initiative	Use of low-pressure waste steam, high-temperature water from vessel cleaning, and heat generated when cooling exhaust gas from waste incineration equipment
Effect	Reducing energy costs

Case 4: Upgrading to high-efficiency equipment

Initiative	Upgrading compressors, pump motors, receiving, transforming and distribution equipment, boilers, refrigeration equipment, refrigerated warehouses, blowers, and other equipment to high-efficiency models
Effect	Reducing energy use

Risk Management

For business risks, including climate change-related and human capital-related risks, the Risk Management Committee conducts comprehensive risk assessments. The Committee meets as necessary and met four times in FY2025. The chairperson is appointed by the President from among the Operating Officers and in FY2025 was a

Director concurrently serving as Executive Operating Officer. This assessment is conducted once every two years, and risk items and worst-case scenarios are reviewed each time to ensure assessments reflect the latest business environment. Each business risk is assigned to a supervising specialist committee. Climate change-related risks are handled by the Responsible Care (RC) Committee and Risk Management Committee. The RC Committee meets twice a year in principle and as necessary and met twice in FY2025. The chairperson is appointed by the President from among the Operating Officers and in FY2025 was a Director concurrently serving as Executive Operating Officer. Human capital-related risks are handled by the Risk Management Committee. Each committee monitors, analyzes, assesses, and addresses risks. Opportunities are discussed by the Executive Management Committee, Priority Business Review Committee, and other bodies, while 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.

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 established CO₂ emissions targets for responding to climate change, a key business issue, and various goals related to employee success to measure the advancement of human capital management.

In addition, we have established metrics for net sales of strategic products in the three prioritized business fields of the NOF 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 promote sustainability activities by increasing the frequency of activities by the Sustainability Committee, an umbrella organization chaired by the President, and the specialist committees.

Sustainability promotion system

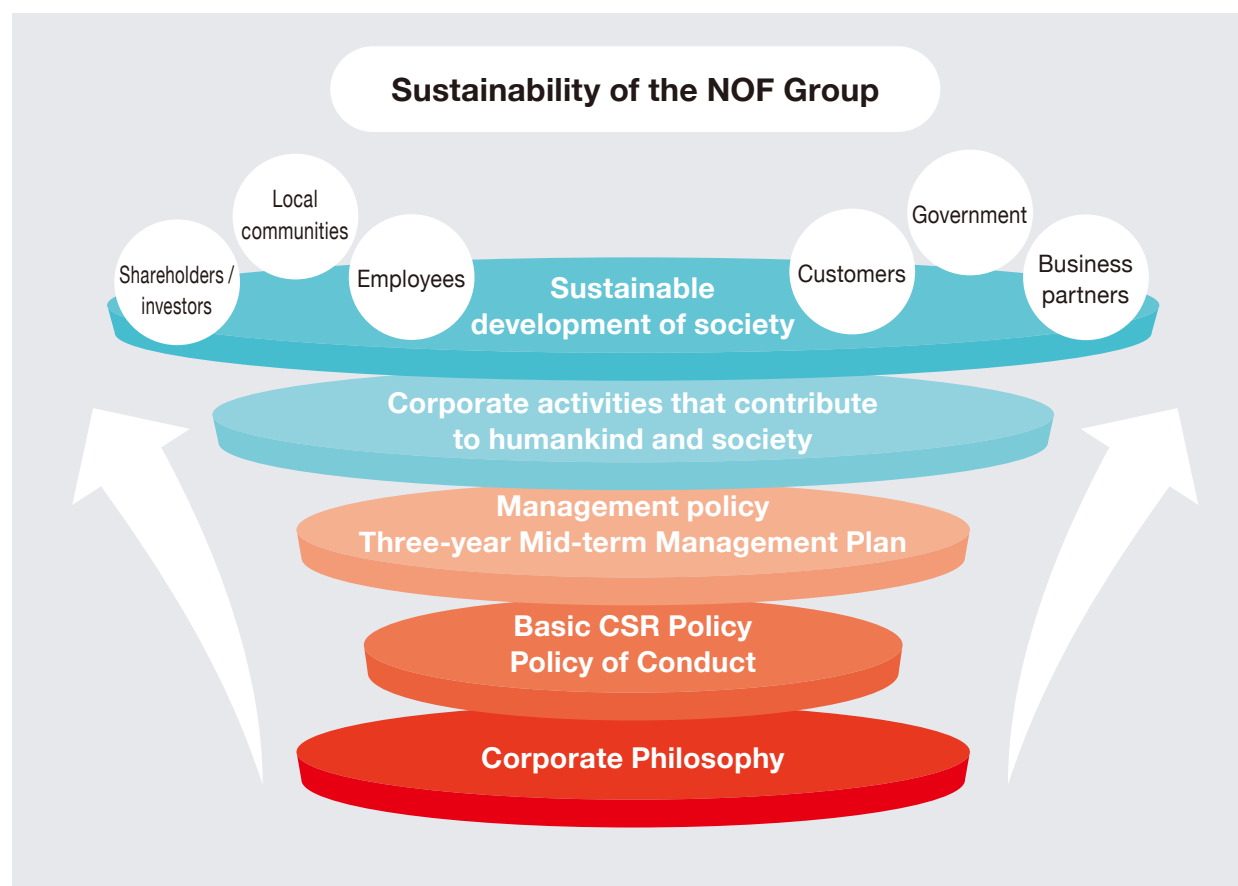
Promotion of Sustainability



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. Upon referral from 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 2025, the Nomination Committee met 3 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. Upon referral from the Board of Directors, the Compensation Committee deliberates on matters related to the compensation of Directors, excluding Audit and Supervisory Committee members, and reports its findings to the Board of 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 2025, 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.

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Internal audits

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



Each specialist committee

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

We have established the Risk Management Committee to promote risk management. The Committee deliberates and formulates basic risk management policies, reports them to the Board of Directors, and rolls out the formulated content internally and to affiliated companies.

RC Committee

We have established the RC Committee to ensure implementation of Responsible Care policies and guidelines. The Committee discusses and deliberates support methods and improvement measures concerning important RC activity matters, submits recommendations to the President, and rolls out the formulated content to relevant internal and external parties.

Quality Management Committee

The Quality Management Committee was established to ensure the implementation of our Quality Policy in order to “provide the best 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.

Annual number of meetings held by each committee (FY2025)

Sustainability Committee **1 meeting**

Compliance Committee **4 meeting**

Risk Management Committee **2 meeting**

RC Committee **2 meeting**

Quality Management Committee **2 meeting**

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



Past experience, positions, responsibilities, and significant concurrent positions



Takeo Miyaji
Representative Director,
Executive Chairman

Number of shares held:
106,869 shares

- 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 Representative Director, President and CEO
- 2023 Representative Director, Executive Chairman (to present)



Koji Sawamura
Representative Director,
President and CEO

Number of shares held:
24,071 shares

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



Eui-Chul Kang
General Manager of
Corporate R&D Division,
Director and Executive
Operating Officer

Number of shares held:
6,488 shares

- 2000 Joined the Company
- 2016 General Manager, DDS Lab., DDS Development Div. of the Company
- 2020 General Manager, R&D Planning Dept., Corporate R&D Div. of the Company
- 2022 Operating Officer; General Manager, R&D Planning Dept., Corporate R&D Div. of the Company
- 2023 Executive Operating Officer; General Manager, Corporate R&D Div. of the Company
- 2026 Director and Executive Operating Officer; General Manager, Corporate R&D Div. of the Company (to present)



Manabu Saito
Director and Executive
Operating Officer

Number of shares held:
15,421 shares

- 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
- 2026 Director and Executive Operating Officer; General Manager, Functional Foods Div. of the Company (to present)



Takashi Kamada
Outside Director

**Independent
Director/Auditor**

Number of shares held:
200 shares

- 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)



Izumi Hayashi
Outside Director

**Independent
Director/Auditor**

Number of shares held:
4,100 shares

- 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)



Junko Hamamoto
Audit and Supervisory
Committee Member
Directors

Number of shares held:
500 shares

- 1989 Joined the Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
- 2009 Head, Overseas Network Management Office, International
- 2011 Deputy General Manager, Overseas Network Operations
- 2017 Deputy General Manager, Credit Planning Department of Mizuho Bank, Ltd.
- 2019 President of Mizuho Bank (Switzerland) Ltd.
- 2022 Joined the Company
- 2024 General Manager of the Corporate Communications Department of the Company
- 2025 Operating Officer; General Manager, Corporate Communications Department of the Company
- 2026 Director (Standing Audit and Supervisory Committee Member) of the Company (to present)



Kunimitsu Ito
Audit and Supervisory
Committee Member
Outside Director

**Independent
Director/Auditor**
Number of shares held:
5,400 shares

- 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)



Yuriko Sagara
Audit and Supervisory
Committee Member
Outside Director

**Independent
Director/Auditor**
Number of shares held:
2,900 shares

- 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)



Keiichi Miura
Audit and Supervisory
Committee Member
Outside Director

**Independent
Director/Auditor**
Number of shares held:
2,600 shares

- 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)

[Click here for the reasons for selection](https://www.nof.co.jp/files/ir/english/stocks/notice/2026/103_e_shoshu.pdf)

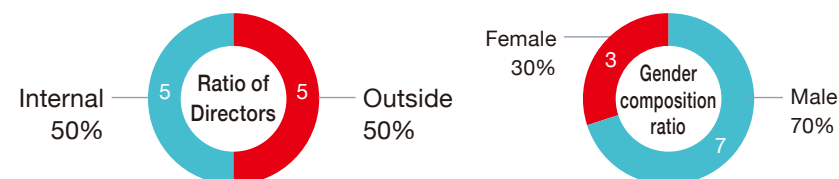
https://www.nof.co.jp/files/ir/english/stocks/notice/2026/103_e_shoshu.pdf



Skills matrix

Name	Gender	Position	Current position Years in office	Attendance in FY2025		Expected Skills							
				Board of Directors	Audit and Supervisory Committee	Corporate management	Global	Management/ business strategy, sales and marketing	R&D, quality and production technologies, DX	Finance and accounting	Sustainability	HR and labor	Legal, compliance, and risk management
Takeo Miyaji	Male	Representative Director, Executive Chairman	15 years	17/17 times (100%)	-	●		●		●	●	●	●
Koji Sawamura	Male	Representative Director, President and CEO	3 years	17/17 times (100%)	-	●	●	●	●		●		
Eui-Chul Kang	Male	Director and Executive Operating Officer General Manager of Corporate R&D Division	newly appointed	-	-	●	●	●	●				●
Manabu Saito	Male	Director and Executive Operating Officer	3 years	17/17 times (100%)	-	●		●		●	●	●	●
Outside	Takashi Kamada	Male	Outside Director	1 year	13/13 times (100%)	-	●	●		●		●	
	Izumi Hayashi	Female	Outside Director	5 years	17/17 times (100%)	-	●	●				●	●
	Junko Hamamoto	Female	Audit and Supervisory Committee Member Directors	newly appointed	-	-	●			●	●	●	●
Outside	Kunimitsu Ito	Male	Audit and Supervisory Committee Member Outside Director	6 years	17/17 times (100%)	17/17 times (100%)	●			●			●
	Yuriko Sagara	Female	Audit and Supervisory Committee Member Outside Director	5 years	17/17 times (100%)	17/17 times (100%)	●	●					●
	Keiichi Miura	Male	Audit and Supervisory Committee Member Outside Director	5 years	17/17 times (100%)	17/17 times (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 103rd Annual General Meeting of Shareholders.





Expected fields and roles

Corporate management	Drawing on management experience and knowledge at companies, etc., oversee initiatives aimed at enhancing corporate value through resolving NOF Group's management challenges.
Global	Drawing on overseas management experience and knowledge, oversee and advise on initiatives related to global management and problem-solving.
Management/ business strategy, sales and marketing	Drawing on management experience and knowledge at companies, etc., and experience and knowledge in the fields of sales, marketing, and Supply Chain Management (SCM) in Japan and overseas, assess the appropriateness of and advise on policies, strategies, and allocation of management resources in management/business planning, sales and marketing, SCM, etc.
R&D, quality and production technologies, DX	Drawing on experience and knowledge in technology-related fields, assess the appropriateness of and advise on policies, strategies, and allocation of management resources in R&D, quality, production/technology, environment and safety, and IT/DX.
Finance and accounting	Drawing on experience and expertise in the fields of finance (including M&A) and financial accounting, assess the appropriateness of and advise on capital policy, investment planning, financial strategy, and financial reporting.
Sustainability	Drawing on experience and knowledge across diverse sustainability-related fields such as environment and society, oversee and advise on initiatives related to sustainability and Environmental, Social and Governance (ESG).
HR and labor	Drawing on experience and knowledge in human resources, labor relations, talent development, diversity and inclusion, and related fields, assess the appropriateness of and advise on talent management initiatives based on the NOF Group's "Values."
Legal, compliance, and risk management	Drawing on experience and knowledge in the fields of legal affairs (including intellectual property), compliance, and risk management, oversee and advise on initiatives related to legal affairs, compliance, and risk management.



Conflicts of interest

Processes conducted by the 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 NOF Group'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. Under the 2025 Mid-term Management Plan, we sold cross-shareholdings and achieved the target of reducing them to 15% or less of consolidated net assets. Under the 2028 Mid-term Management Plan, we have set a target of 10% or less of net assets and will continue reducing them.

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 of Directors 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 2025, 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 2026.

Summary of results for fiscal 2025 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: Directors freely and openly express their opinions while drawing on their careers and expertise, and the Board engages in open and active discussions.

In terms of achieving management conscious of the cost of capital, which was an issue recognized in the FY2024 effectiveness evaluation, topics such as reviewing the business portfolio, cost of capital, and capital profitability, as well as the ideal state of the Board of Directors, were discussed based on feedback from investors to the Board.

Future initiatives

It was confirmed that the Board of Directors will continue to focus on achieving management conscious of the cost of capital and will also examine and discuss further strengthening the governance structure on a Group-wide basis.

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. To provide incentives, performance-linked compensation (bonuses, ESG indicators-linked compensation, and stock compensation) is set at approximately 40% of total compensation as a guideline. 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.

Compensation system

Type		Deliberation and resolution method
Performance-linked compensation	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 profit, an important indicator related to the NOF 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	The Board of Directors 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). ESG indicators are based on the Materiality (material issues) identified by the NOF Group, and the Compensation Committee deliberates on their content, achievement level, etc.
	Stock compensation	We have implemented a "Board Benefit Trust-Restricted Stock (BBT-RS)" for directors who also serve as Operating Officers (excluding Outside Directors and Audit and Supervisory Committee members, hereinafter collectively "Directors") and Operating Officers with titles (hereinafter "Directors, etc."), where the shares granted under this trust are subject to transfer restrictions until the recipients retire from their positions, in accordance with a resolution adopted at the Annual General Meeting of Shareholders. 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, and will be awarded with NOF's shares and an amount of cash equivalent to the market value of NOF's shares (hereinafter referred to as "NOF's Shares, etc."). 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.) In principle, Directors, etc., receive NOF's shares at a fixed time each year, and receive an amount of cash equivalent to the market value of the NOF's shares at the time of their retirement. When Directors, etc., receive NOF's shares while in office, they shall conclude a transfer restriction agreement with NOF prior to the provision of the NOF's shares. As a result, NOF's shares provided to Directors, etc., while they are in office will be restricted from disposal by transfer, etc., until their retirement. 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 the beneficiary is determined. 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 points, decided for each position, by the performance evaluation coefficient, which is determined by the achievement level, etc. of consolidated operating profit and ROE in the Mid-term Management Plan, important indices for the evaluation of the NOF Group's business performance. [(Formula) Number of position points × Performance evaluation coefficient] * Performance evaluation coefficient=(performance evaluation coefficient based on consolidated operating profit x 50%) + (performance evaluation coefficient based on ROE x 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 profit and ROE in FY2025] The actual result of consolidated operating profit in FY2025 under review was ¥47.4 billion, representing a 103.0% achievement level in FY2025, 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 is 12% or more, and the actual ROE for this fiscal year was 14.1%, representing a 117.7% achievement level of the target.



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 compensation, ESG indicators-linked compensation)
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* ESG indicators-linked compensation is included as part of incentive compensation.

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)	250	153	81	14	4
Audit and Supervisory Committee members (excluding Outside Directors)	24	24	–	–	1
Outside Officers	46	46	–	–	6

- The fixed compensation of the above Directors (excluding Directors who are Audit and Supervisory Committee members) includes ¥14 million in ESG indicators-linked compensation.
- 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).
- Separate from the maximum amount of compensation for Directors mentioned in point 2 (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.
- 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.



Message from the CCO

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

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

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.

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 2025, we received 29 reports through these contact points, 19 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 practicing our values of "Challenge," "Fairness," and "Harmony," we aim to walk alongside all stakeholders, strengthening 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.

Manabu Saito

Director and Executive
Operating Officer; CCO





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.

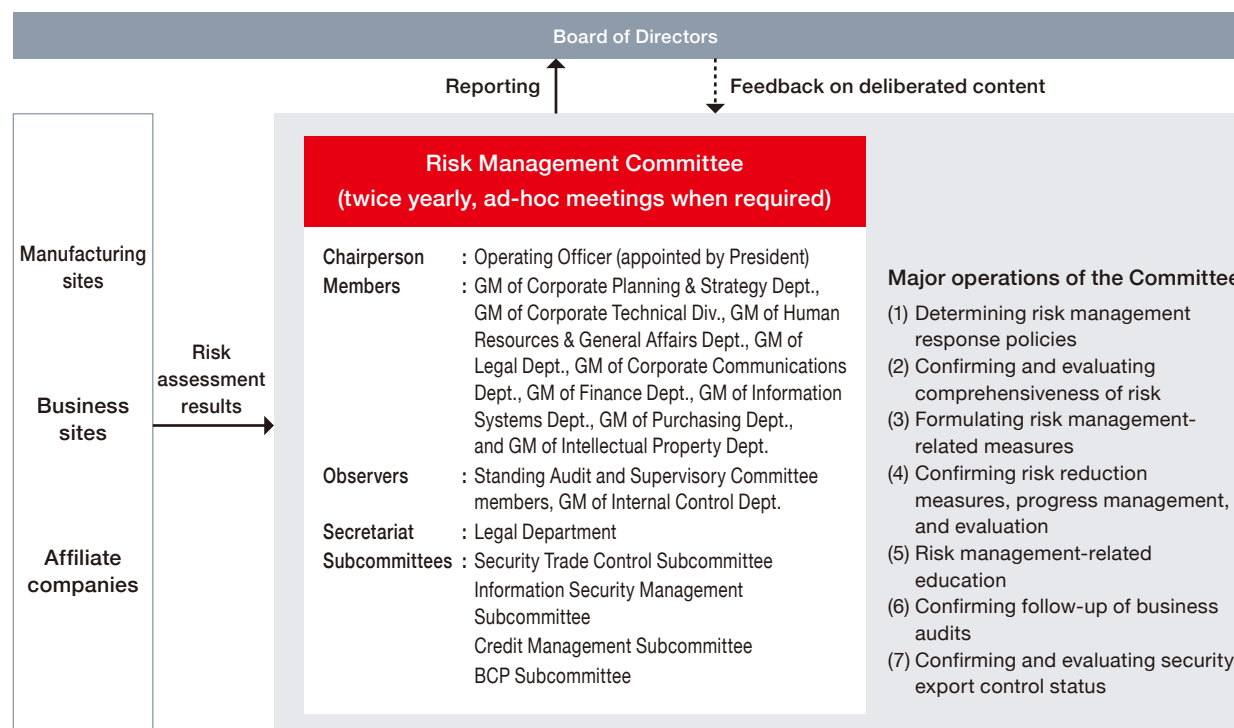
- (1) The NOF Group comprehensively identifies various management risks surrounding its business, and conducts risk assessment based on the impact and frequency of each factor in order to identify risks that need to be addressed as a priority.
- (2) According to the characteristics of the identified 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 Management 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





Risk Management | Human Rights Risk Assessment / Risk Map

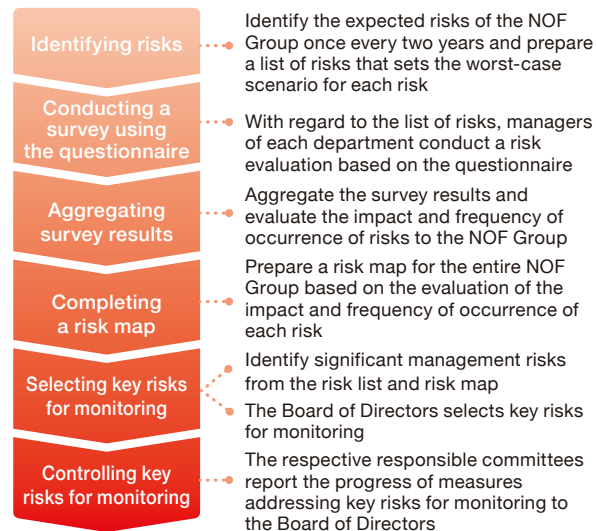
GRI 2-12, 16, 25/403-2

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.

This process is conducted once every two years, and by reviewing risk items and worst-case scenarios each time, we constantly conduct risk assessments aligned with the latest business environment.

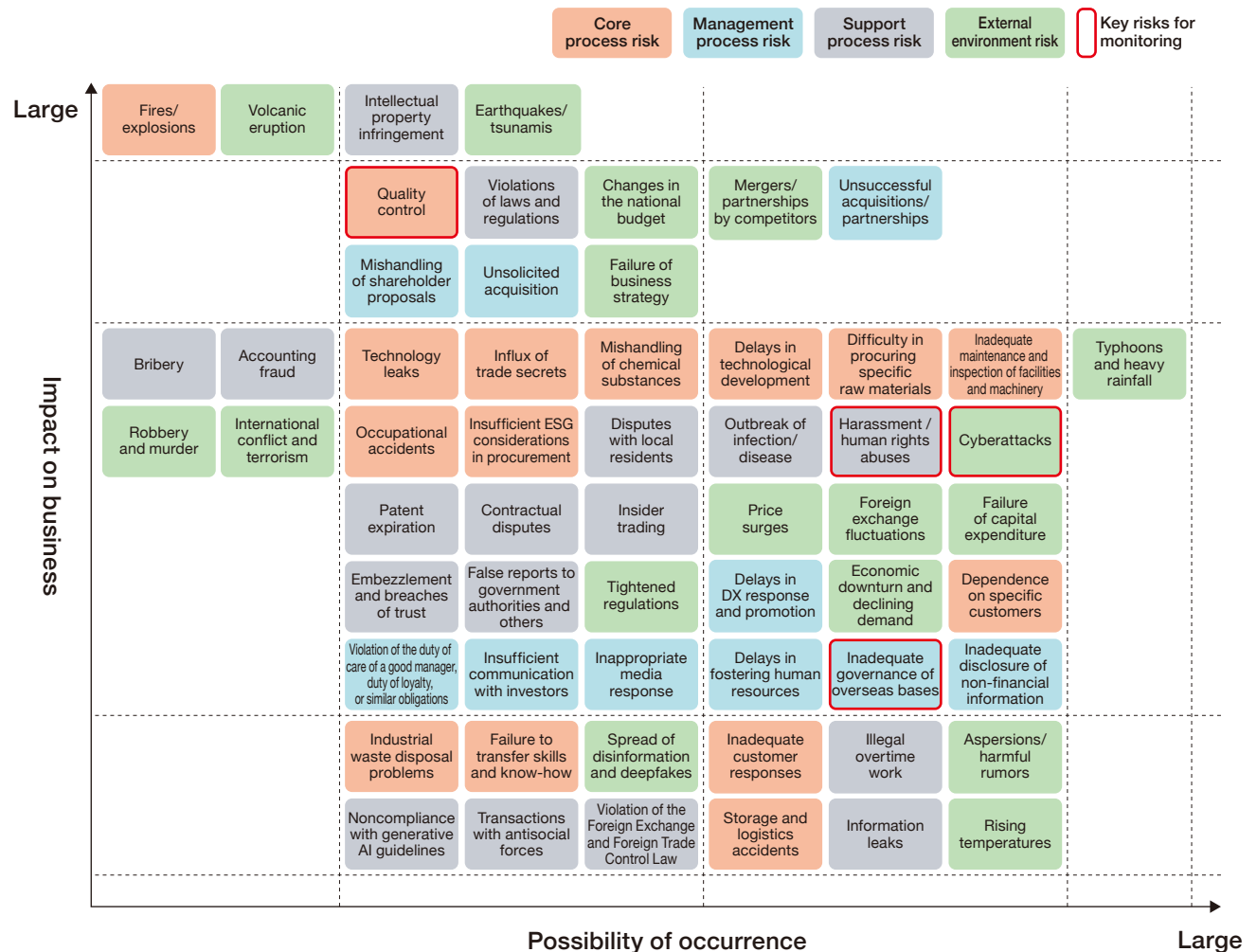
Flow of risk assessment



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.





Risk Management | Overview of Risks and Status of Countermeasures

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

Overview and status of countermeasures of key risks for monitoring

Key risks for monitoring	Overview	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 external attacks 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 situations Risk 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	Overview	Countermeasures
Technology leaks	Possible decline in the NOF Group's competitiveness, due to leakage 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
Fires/explosions	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 when installing new facilities ● Formulate emergency response manuals and conduct training ● 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) ● Conduct BCP training and internal audits ● Implement flood countermeasures for critical facilities
Delays in fostering human resources	Lack of development of core human resources who will be responsible for business growth, due to a delay in implementing the human resource development plan, causing a possible stall in sustainable business growth and transformation	● Build a system for deliberation and evaluation of company-wide human resources development policy plans ● Build a system to oversee indicators, targets, results, and countermeasures related to human resources
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



Basic policy on export control

The NOF Group implements appropriate security export controls to maintain the peace and security of Japan and the international community.

- (1) Any exports of regulated goods or other items, intermediary trade transactions, or intermediary technology transactions that violate the Foreign Exchange and Foreign Trade Act or other applicable laws shall not be conducted.
- (2) To comply with the Foreign Exchange and Foreign Trade Act and other applicable laws and implement appropriate export controls, a person responsible for security export control shall be designated to maintain and enhance the export control system.

Export control system

To appropriately implement security export controls in accordance with laws and regulations, the NOF Group designated the President as the chief officer and established the Security Trade Control Subcommittee under

the Risk Management Committee. The Subcommittee operates under the internal Security Trade Control Subcommittee Rules and related Operating Rules. The Subcommittee is chaired and overseen by an Operating Officer appointed by the President who can make judgments independently of sales. Permanent members include the General Manager of the Corporate Planning & Strategy Department, General Manager of the Corporate Technical Division, General Manager of the Legal Department, General Manager of the Intellectual Property Department of the Corporate R&D Division, and General Manager of the Explosives & Propulsion Division.

Under the export review process, export applications issued by each business division's Sales Department receive preliminary approval from the respective Planning Office, the Subcommittee Secretariat confirms the division's review, and the Subcommittee Chairperson grants final export approval.

The Subcommittee Secretariat also conducts annual internal audits of export reviews at business divisions, R&D divisions, and affiliated companies. Audit results are reviewed by the Subcommittee and reported to the President after deliberation by the Risk Management Committee.

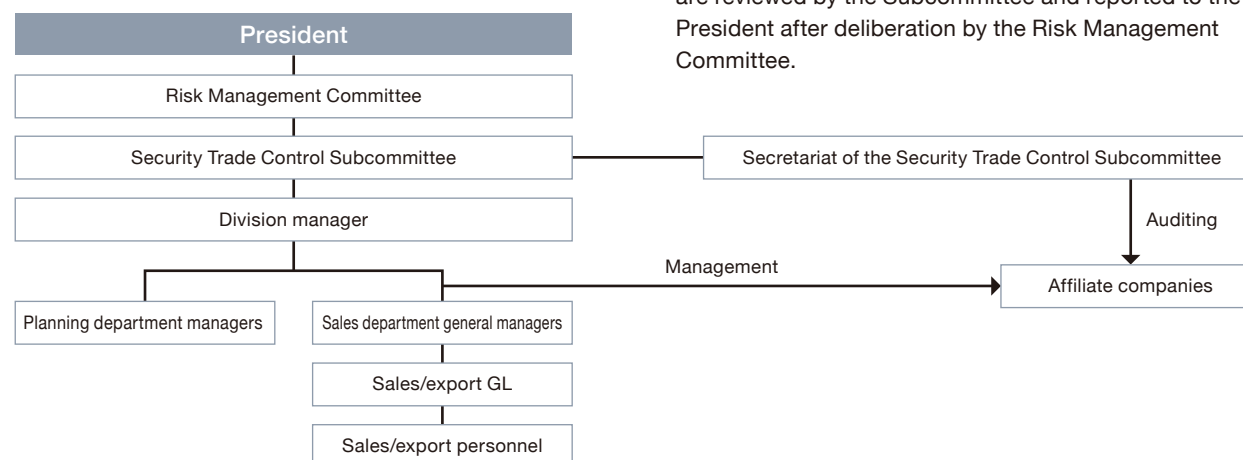
Security export control at domestic affiliated companies

In accordance with the Affiliated Company Management Rules, divisions supervising affiliated companies conduct necessary monitoring and guidance to ensure thorough security export control. To ensure proper export control operations, the NOF Security Export Control Operating Standards establish systems and procedures for guidance, training, and audits of operational structures and content for applicable affiliated companies, which are implemented regularly.

Awareness, education, and other initiatives

To ensure and sustain appropriate security export controls, we conduct internal awareness activities through information dissemination and educational activities such as seminars. In FY2025, we communicated information on changes in global affairs and legal revisions. We also held seminars for NOF and affiliated companies to raise awareness of legal revisions. We will continue responding promptly to external changes while conducting internal audits and considering improvements in operational efficiency.

Security trade control organizational chart





Management of trade secrets and protection of personal information

The NOF Group considers information assets—including trade secrets and personal information entrusted to us by customers and business partners, or held by us, as well as systems for utilizing such information—to be important management resources in corporate activities.

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.

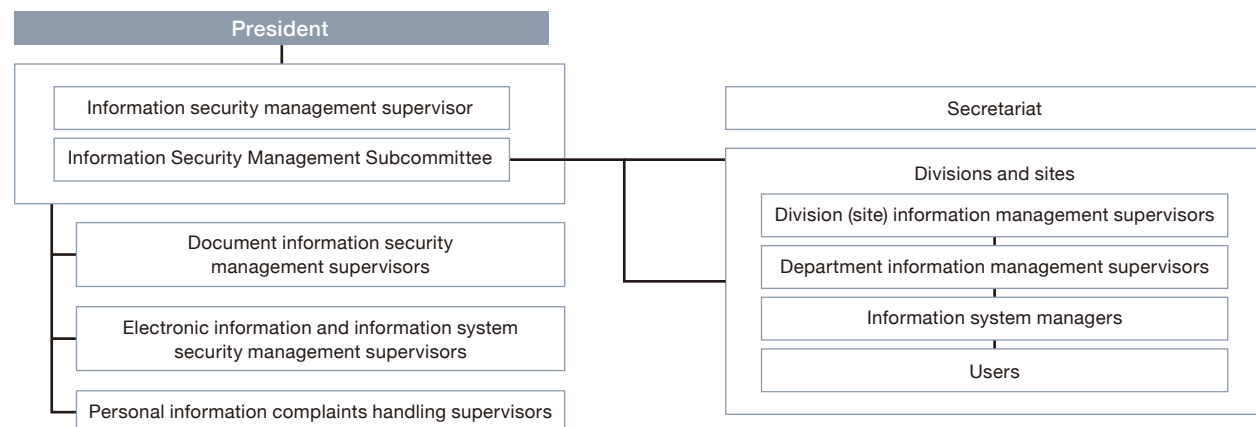
Based on the recognition that establishing robust information security for the information assets is essential for stable management, we have established an Information Security Policy as the basic policy for promoting the use and protection of information assets. At the same time, based on the recognition 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.

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.

Diagram of NOF's information security management system





Risk Management | Information Security Management

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

The NOF Group recognizes the risks of business interruption and loss of trust due to cyberattacks and leaks of confidential or personal information, while viewing stronger information asset management as an opportunity to enhance competitiveness, earn customer trust, and improve employees' security awareness. To both reduce risks and maximize opportunities, we implement risk-based measures and continuous monitoring and education.

Risks and opportunities in information security

Risks and opportunities	Details	Countermeasures
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	—

Number of information security incidents NOF (Number)

	FY2023	FY2024	FY2025
Number of incidents that occurred	0	0	0



Basic BCP* policy and management system

To minimize damage to business assets and enable the continuation or early recovery of core businesses even during emergencies such as earthquakes, tsunamis, or infectious disease outbreaks, the NOF Group has developed a business continuity plan (BCP) centered on manuals governing emergency responses. Through annual internal audits and Company-wide drills involving top management, we promote “organizational learning” and improve the embedding and effectiveness of the BCP.

We have also prepared emergency manuals for initial responses to information incidents caused by cyberattacks and safety actions by overseas expatriates.

Conducting practical drills in anticipation of diversifying risks

In recent years, threats surrounding companies have become increasingly diverse and complex due to more severe natural disasters, increasingly sophisticated cyberattacks, and heightened geopolitical risks. In light of these conditions, NOF's recent BCP drills have practically simulated compound risks involving the simultaneous occurrence of multiple crises. In FY2025, we conducted a drill simulating the loss of Head Office functions due to a Tokyo metropolitan earthquake, combined with a chemical leak and the spread of misinformation on social media. The drill comprehensively verified processes for smoothly transferring authority from the affected area, initial public relations with government authorities and local residents, and risk communication.

As a result, we identified challenges such as transferring Head Office functions to a remote location, quickly detecting the spread of information on social media, and issuing timely communications. Reviewing alternative sites in the Kanto region and establishing a social listening system improved the effectiveness of our emergency BCP and our risk communication capabilities.



Company-wide joint BCP training

BCP training

Fiscal year implemented	Drill themes and assumed scenarios	Key verification items and issues to address
FY2023	Cyberattacks and information leakage risks due to ransomware	- Confirming the initial response flow when the above incident occurs and rapidly establishing the Emergency Response Headquarters - Reporting to relevant ministries and the Personal Information Protection Commission and verifying internal and external information disclosure processes
FY2024	Combined cyberattacks on overseas sites and geopolitical risks (heightened tensions)	- Initial response and securing alternative communication methods when communications with overseas sites are disrupted - Safety action process for expatriates and accompanying family members following an increase in the danger information level
FY2025	Tokyo metropolitan earthquake causing loss of Head Office functions, combined with a leak caused by torrential rain and the spread of misinformation on social media	- Selecting an alternative Head Office site in Osaka or the Kanto region and verifying the process for safely and rapidly transferring authority - Early detection of misinformation through social media monitoring system (social listening), and emergency public relations responses to government authorities and local residents

* BCP is an acronym for 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.

Compliance

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 and Guiding Framework 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.

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



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



Compliance

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

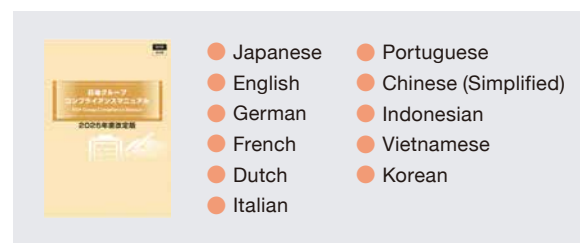
Organizational setup

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.



Compliance-related lecture

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

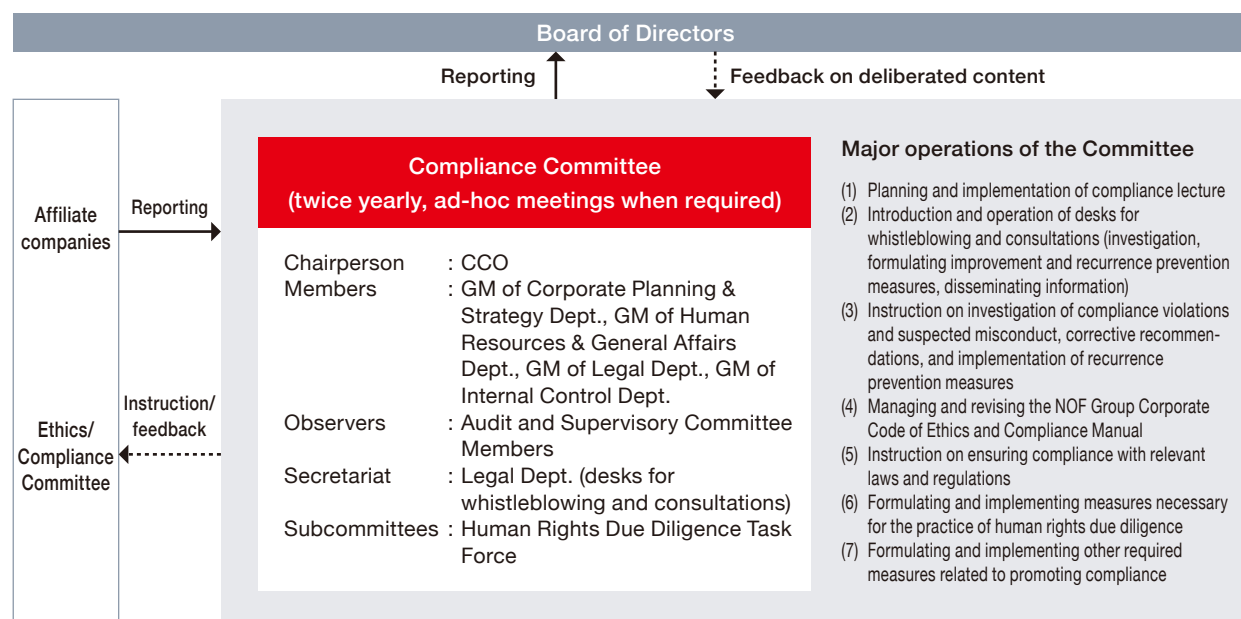
In FY2025, we continued providing compliance training for new graduates and hires with experience. Regarding the amended Subcontract Act (SME Transactions Act), which came into force in January 2026, we conducted adequate in-house education by holding seminars for 36 on-site participants and 189 online participants in November 2025, and by providing separate training for 16 materials-related personnel.

Legal and compliance support for affiliated companies

As part of legal and compliance support for affiliated companies, we individually visited 13 domestic affiliated companies between September and October 2025. The agenda included introducing Legal Department measures implemented within NOF to maintain compliance and improving communication by identifying requests from each company.

Recognizing the urgent need to simplify access to NOF regulations to support affiliated companies in establishing systems and regulations, we confirmed with departments responsible for regulations whether they could be disclosed to affiliated companies, revised access-right descriptions, updated the internal regulations page on the NOF intranet (NICE), and notified all Group companies of the disclosure procedures in October 2025.

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



Raising awareness by internal magazine

NOF uses its quarterly in-house newsletters to help raise employees' awareness of compliance. NOF con-

tinues activities to raise awareness through relatable articles using cartoon characters.



Past themes for compliance recommendations

Year	Theme	Category
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"?	Others
	Significance of the SDGs	Others
2022	Risk of potential information leaks in web conferences	Information
	Abuse of a superior bargaining position	Subcontract Act, Antimonopoly Act
	If you become aware of any misconduct in other departments	Whistleblowing System
	Protection of whistleblowers	Whistleblowing System
2023	Harassment in the workplace	Harassment
	Applying the corporate philosophy to operations	Others
	Appropriate guidance and abuse of authority	Harassment
	If you notice a suspicious email	Information
2024	Export of product and technical information	Security export
	What acts constitute "abuse of authority"?	Harassment
	Reporting results of employee engagement surveys	Human Rights
	Initiatives for environmental conservation activities	CSR
2025	Handling of confidential information	Information
	Introducing cases of compliance violations	All categories
	Compliance with subcontract payment deadlines	Subcontract Act, Antimonopoly Act
	Stock trading and insider trading	Illegal acts
2026	Not only the accuracy of the content, but also communicating it with consideration for others is essential	Others
	Response to information leaks	Information

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. The NOF Group established and publicly announced the NOF Group's Anti-Bribery Policy in the President's name and rolled it out to 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.

Number of bribery violations NOF (Number)

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of violations	0	0	0	0	0

Prevention of Unfair Competition

NOF Group 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.

Number of violations of the Unfair Competition Prevention Act NOF (Number)

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of violations	0	0	0	0	0

Political contributions

Political Contributions NOF (Thousand yen)

	FY2021	FY2022	FY2023	FY2024	FY2025
Amount of political contributions	209	359	310	300	300

Strengthening compliance entails short-term burdens, including higher costs, delayed decision-making, and reduced local responsiveness due to audits, training, and the introduction of management systems (for example, more approval steps delaying investment decisions and reduced discretion at subsidiaries). Conversely, by avoiding serious risks such as accounting fraud, bribery, illegal overtime, embezzlement, and false reporting, and preventing business suspensions, penalties, and reputational damage, it generates clear returns through maintaining investor confidence and brand value, ensuring long-term business continuity, retaining human resources, and improving productivity. The key is balancing short-term burdens with medium- to long-term value creation, and we believe risk reduction is the foundation of sustainable growth.

Risks and opportunities for compliance

Risk items	Larger risks caused by individual risks	Risk response status (summary)	Opportunities
Insider trading	- 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
Embezzlement and breaches of trust			
Bribery			
Accounting fraud and window dressing			
Transactions with antisocial forces			
Inadequate governance of overseas subsidiaries and bases			
Violations of laws and regulations	- 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
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 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
Mental illness			
Harassment			



NOF Group's Anti-Bribery Policy

Overview

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.

Koji Sawamura

Established on May 28, 2021

Revised on July 30, 2025

Representative Director, President and CEO,
NOF CORPORATION

Policy

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 oneself 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
- Occupational Safety and Health

For “Fairness”

We do not engage in unethical conduct

- Establishment of ethics as Company members
- Compliance with laws and regulations

We do not violate human rights

- Respect for human rights
- Prohibition of harassment

We do not impose unfair labor practices

- Management of working hours and proper wages

We do not engage in unfair business transactions

- Relationships with trading partners and business partners
- Compliance with competition laws, etc.
- Avoidance of unfair competition
- Appropriate procurement activities
- Security trade control
- Anti-corruption measures and prohibition of bribery
- Prohibition of insider trading
- Prohibition of money laundering
- Donations and political activities

We do not misuse corporate assets or information

- Respect for stakeholders
- Conflicts of interest between the Company and individuals
- Handling of company assets
- Accurate recording and reporting
- Protection of intellectual property rights
- Prohibition of leaking of confidential information
- Handling of personal information
- Media and PR activities

We do not engage in antisocial behavior

- Elimination of the influence of antisocial groups

For “Harmony”

We strive for harmony with the environment and society

- Conservation of the environment
- Ensuring product safety and quality
- Contribution to society
- Respect for customs



Mechanisms for Requesting Advice and Raising Concerns

GRI 2-26

Whistleblowing system

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.

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.

There were 29 whistleblower cases in FY2025, an increase from the previous fiscal year. The increase concerned harassment and workplace operations, which we view as indicating heightened employee awareness resulting from internal training and other initiatives. 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.

For harassment, misconduct, fraud, workplace operation issues, and other matters deemed compliance violations, the Compliance Committee instructs relevant departments, in accordance with its rules, to investigate the facts and respond to requests and, where necessary, issues corrective recommendations and directs the implementation of recurrence prevention measures.

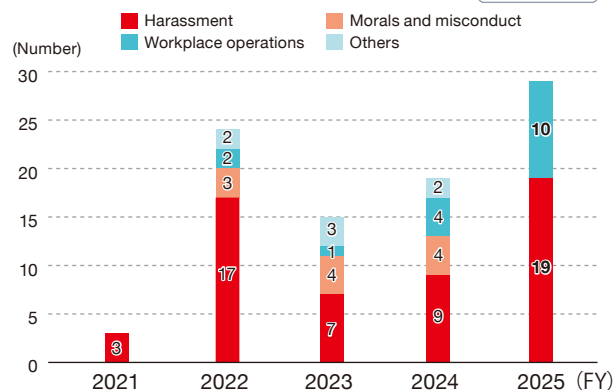
As a result of these activities, there have been no cases of violations of laws and regulations over the past five years.

We will continue to create a better environment by understanding the purpose of the whistleblowing system and operating it appropriately so that misconduct, corruption, human rights violations, harassment, and similar issues can be addressed promptly before they develop into serious incidents.

Number of whistleblowing incidents NOF Group



Changes in whistleblowing incidents over the past five years NOF Group



Addressing sexual harassment / power harassment (abuse of authority in the workplace)

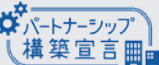
The NOF Group has declared its position to prevent and prohibit sexual harassment and power harassment in the NOF Group Corporate Code of Ethics, the Compliance Manual, and other internal notifications, and is taking steps to make the Code of Ethics and other relevant norms extensively known and understood. 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 	Joined April 2019
Keidanren Initiative for Biodiversity Conservation	Joined May 2014
Forest Creation with Corporate Participation of Oita Prefecture	Joined January 2025
Forest Restoration Partner System of Kanagawa Prefecture	Joined June 2023
“Kawasaki Satoyama Collaboration,” Kawasaki City, Kanagawa Prefecture	Memorandum concluded in 2025
TCFD 	Supported April 2022
TNFD 	Joined January 2025
Council on Promoting Partnership Building for the Future 	Joined July 2022
GX Future League 	Joined June 2026

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 Industry 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 Device 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

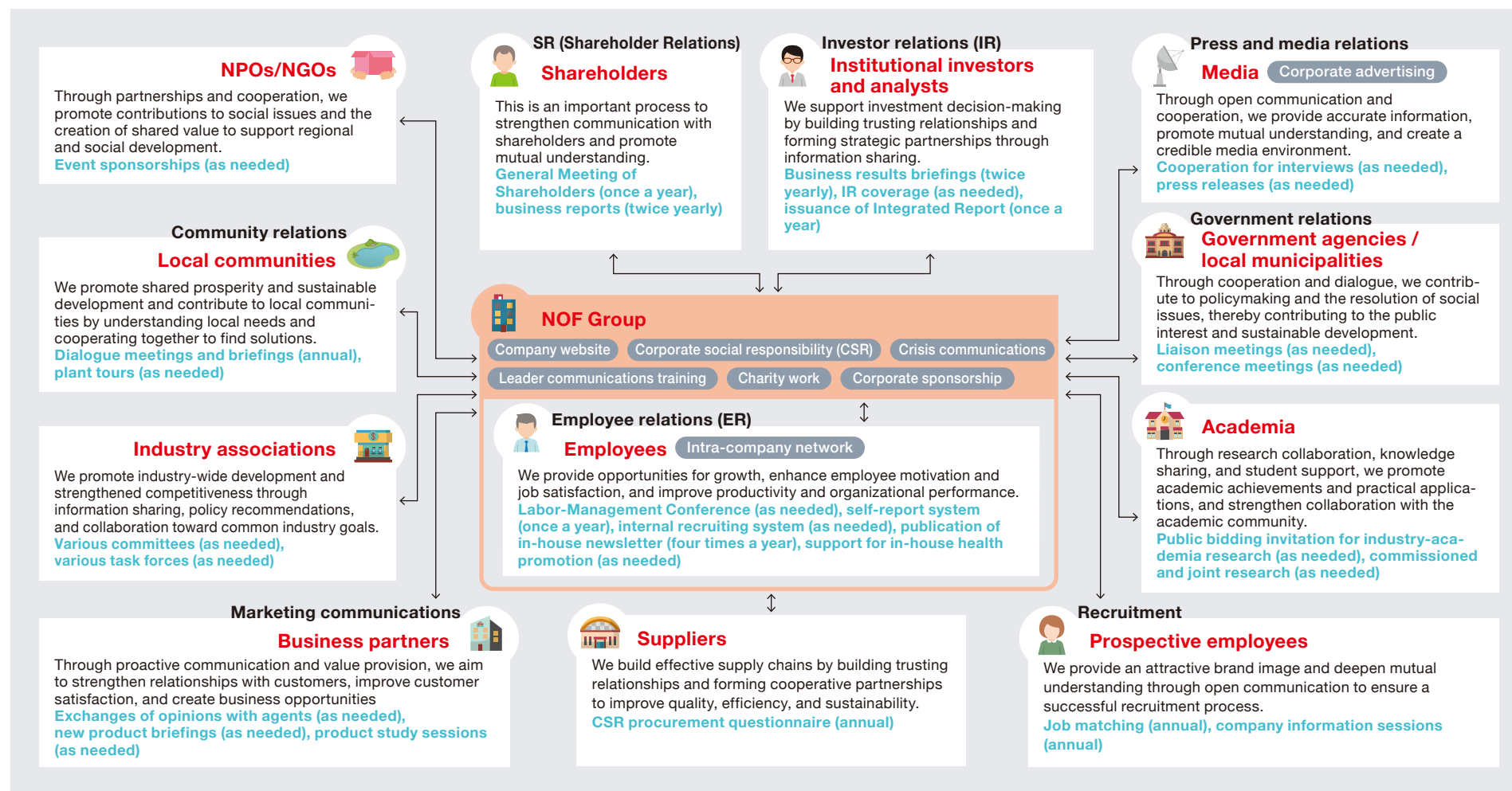


Stakeholder Engagement | Approach to Stakeholders

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 Group 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 had been published since fiscal 1995, have been revised as the CSR Report to report CSR activities of the NOF Group since fiscal 2015. 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.

Dialogue with shareholders and investors (IR activities)

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 strive to provide timely, appropriate, and fair disclosure by holding business results briefings for institutional investors twice a year and posting presentation materials for individual investors on our website. Additionally, in fiscal 2025, the NOF Group held 425 meetings for institutional investors and analysts.

FY2025 IR activity status

Business results briefings	2 meetings
Dialogue with personnel responsible for proxy voting (SR meetings)	11 meetings
Dialogue with institutional investors	384 meetings
Dialogue with securities analysts and others	41 meetings
IR event (plant tour for analysts)	1 meeting

* The number of dialogues is cumulative and includes multiple dialogues with the same shareholders, investors, and others.

Information dissemination

The NOF Group proactively disseminates information on new products and technologies. In FY2025, we issued 100 news releases (49 in Japanese and 51 in English) and proactively responded to media inquiries, resulting in 127 newspaper articles concerning NOF Group businesses. 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 timely disclosure rules established by the Tokyo Stock Exchange. We also provide fair and impartial disclosure of information that does not fall under timely disclosure rules but that NOF judges could significantly affect shareholders' and investors' investment decisions, and we publish our Disclosure Policy 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 ensuring and improving accessibility and strive to provide a website compliant with Level AA of JIS X 8341-3:2016 that customers can use with confidence.

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

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



Naruhodo NOF!

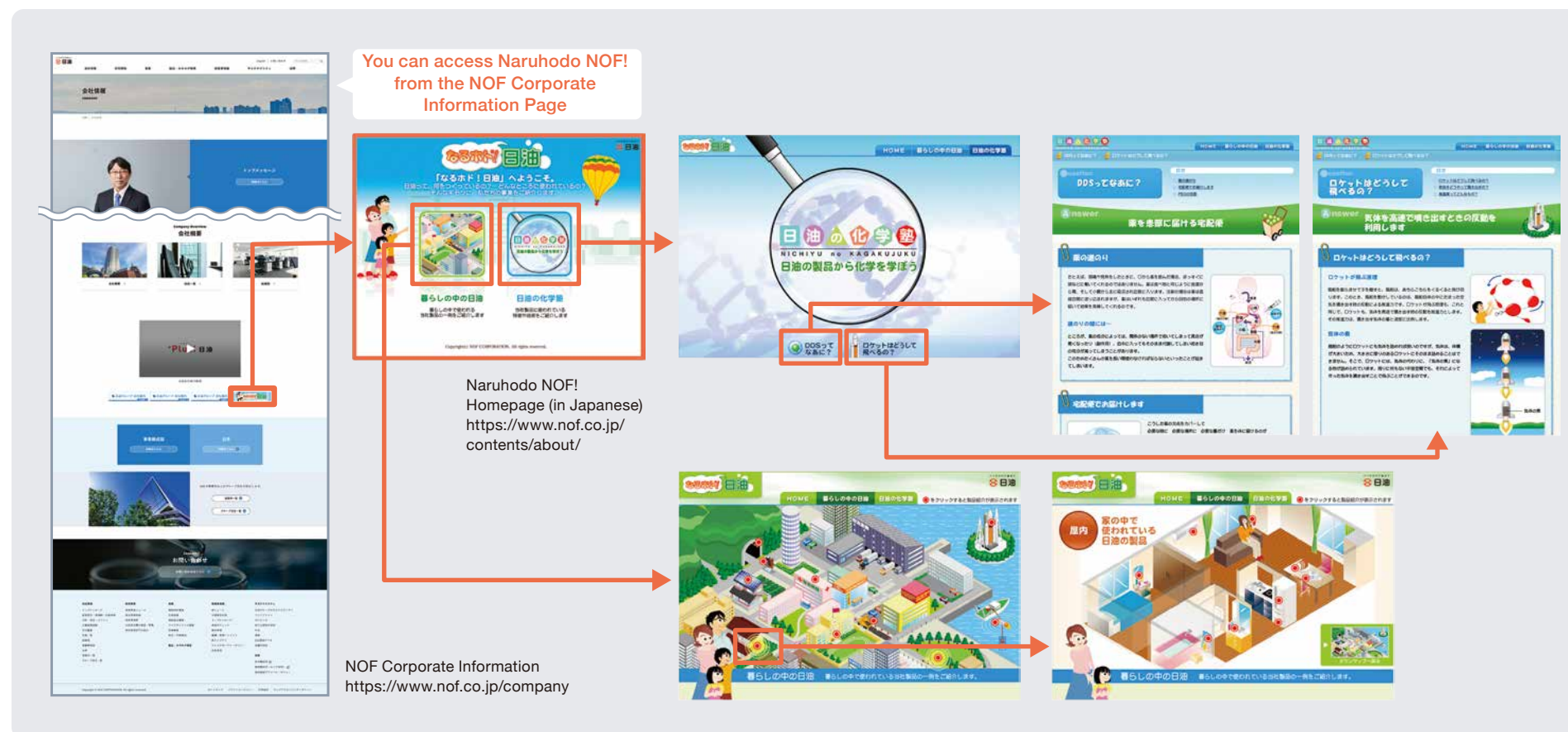
We launched “Naruhodo NOF!” on our website to introduce the NOF Group’s businesses. We take care to use easily understood, user-friendly terms in an effort to further the understanding of the general public in respect of the NOF Group’s businesses.

+Plus! NOF

Under the business model section of our website, “+Plus! NOF” presents examples of NOF Group products that solve customer issues, and provides detailed information on selected products.

+Plus! Click here for information on NOF”

<https://www.nof.co.jp/csr/nof-group-sustainability/plus/>





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. Based on this fundamental recognition, the NOF Group has established and complies with the Management Policy Regarding Responsible Care as a policy to be followed by all officers and employees, and has established the Responsible Care guidelines as standards of conduct for embodying this policy.

Under these guidelines, the entire Group addresses environmental issues such as climate change, biodiversity conservation, and resource circulation while thoroughly conducting safety assessments and providing accurate information throughout the value chain, from development to manufacturing and distribution.

In 2014, we also signed the Responsible Care Global Charter advocated by the International Council of Chemical Associations, declaring our support and implementation of RC activities. Through unified and continuous improvement, we promote an autonomous and robust safety culture that earns greater trust from society.

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) give due consideration to safety in the social and natural environments,
- (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) strive to minimize impacts on the environment, safety, and health throughout all processes, from product development and manufacturing through distribution, use, and final disposal.

(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 occupational safety, protecting employees; and for transportation safety, safe deliveries.

In addition, we recognize that the chemical manufacturing industry is energy-intensive, we will work to reduce GHG 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.

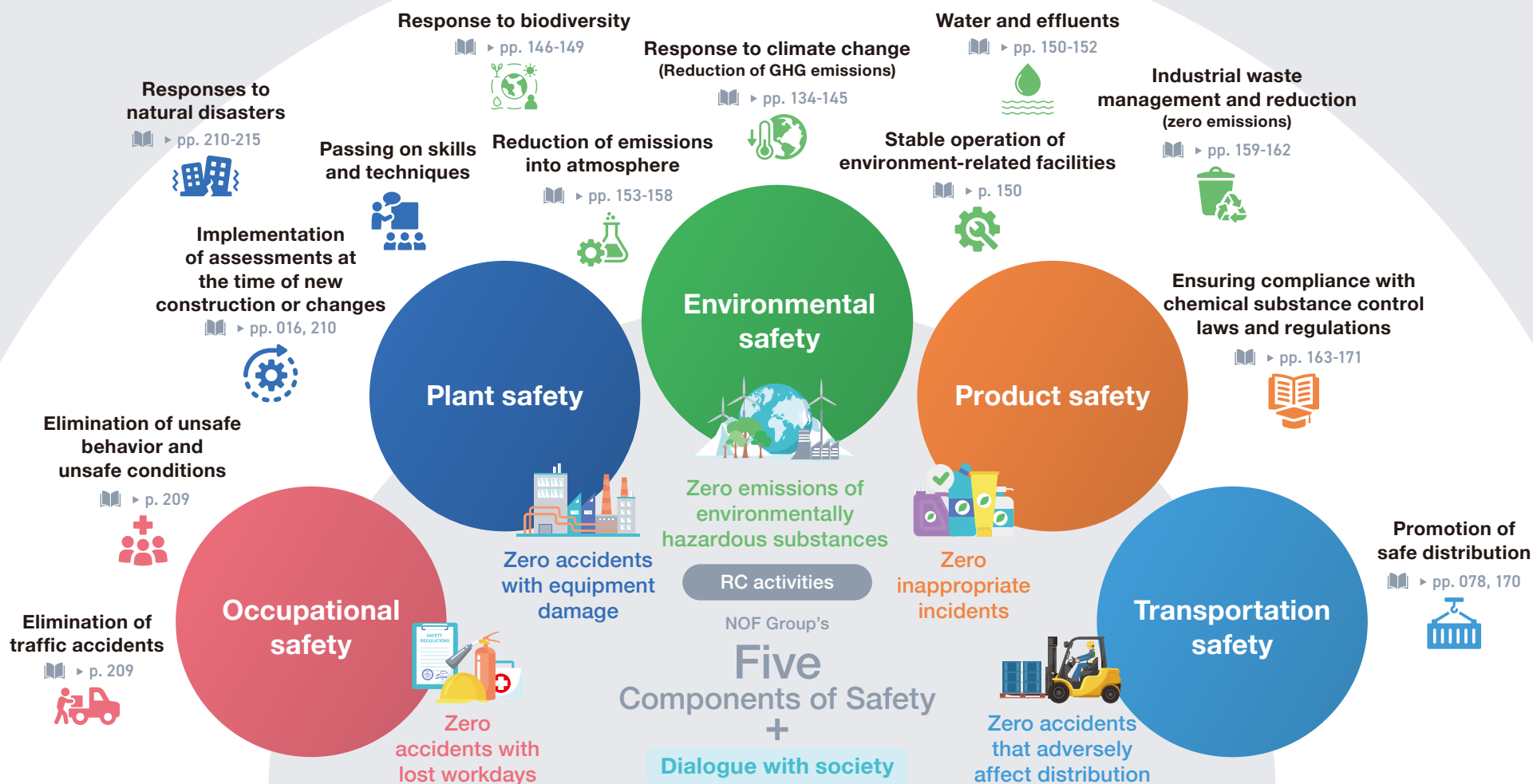
Yoshitaka Honda

Executive Operating Officer
General Manager of Corporate Technical Division





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, occupational 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.



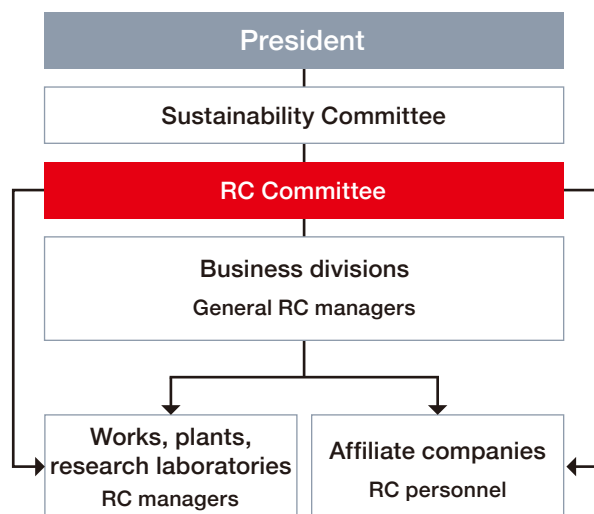


RC promoting organization

The RC Committee is chaired by an Operating Officer appointed by the President—Yoshitaka Honda, General Manager of the Corporate Technical Division and Executive Operating Officer—and comprises business division managers and corporate division managers.

To promptly and reliably embed the RC activity policies decided by the RC Committee throughout the Group, each business division has a General RC Manager. Under the guidance of General RC Managers, RC Managers at each site, plant, and research laboratory collaborate with RC personnel at affiliated companies to translate RC targets into specific actions.

RC promoting organization diagram



RC activity rollout flow

NOF Group's RC activities begin with the annual "company-wide activity goals" established by the RC Committee. Based on this policy, each works, plant, research laboratory, and affiliated company directly examines its past accidents and unique issues and establishes and implements autonomous, workplace-specific "individual activity plans" (Plan and Do).

Activity status is evaluated through inspections and internal audits, promoting "organizational learning" from accidents and incidents (Check). By linking the resulting insights to stronger education and equipment improvements (Action) to reliably implement the complete PDCA cycle, we seek to build a robust safety culture extending beyond mere regulatory compliance and continually elevate our activities.





Internal auditing (RC audits)

The NOF Group carries out RC auditing every year Priority theme in audit 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 2025, we conducted audits across the entire Group with the priority theme set as “legal compliance.” We checked the progress of RC

Number of RC audits (Number)

Works and other locations		FY2023	FY2024	FY2025
Works and plants	Number of audits	9	12	12
	Number of findings	0	1	0
	Number of requests	14	11	19
	Number of observations	0	0	0
Domestic Group companies	Number of audits	7	7	8
	Number of findings	1	1	1
	Number of requests	9	5	10
	Number of observations	0	0	3
Overseas Group companies	Number of audits	2	2	2
	Number of findings	0	0	0
	Number of requests	0	6	1
	Number of observations	0	0	5

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 confirming notifications of new chemical substances (FY2025 actual result: 472), we reviewed legal compliance in chemical substance

management and the improvement status of items identified in the FY2024 audit, thereby raising 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 items for the past five years are shown in the table below.

Implementation status of RC auditing

Fiscal year	Priority theme in audit
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 Occupational 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 Occupational 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
FY2025	● Amendment to the Ordinance on Occupational Safety and Health ● Response to mandatory heatstroke prevention measures ● Status of measures to prevent entrapment and entanglement accidents ● Confirmation of progress of measures to reduce GHG emissions, energy intensity, and PRTR Act-controlled substance emissions

FY2025 RC auditing results (number across all 23 locations) (Number)

Category	Status of activities relating to the Five Components of Safety and dialogue with society	On-site confirmation
Findings	0	1
Requests	23	7
Observations	5	3

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.

Status of EMS* (Environmental Management Systems) development

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.

Overseas evaluation of EMS

Under the Jiangsu Province Enterprise Environmental Protection Credit Evaluation Measures, Changshu NOF Chemical Co., Ltd. was rated "Blue" in 2021 and "Green" for three consecutive years from 2022 through 2024.

A "Green" rating indicates that a company complies with all legal requirements, has received no complaints from the local community, and has earned full marks on evaluation indicators over the past three years. It also recognizes ISO 14001 certification and participation in voluntary environmental contribution activities.

Rate of acquisition of ISO 14001 certification

FY2025

NOF Group **47%** (8 of 17 companies)

Consolidated NOF Group **53%** (8 of 15 companies)

NOF Group production sites **43%** (10 of 23 sites)

Number of product liability cases

FY2025

NOF Group **0 cases**



NOF

Works and plants	Environmental management systems	Certification number	Latest recertification date
Kawasaki Works	ISO 14001	JP025987 V1.0	2025-03
Aichi Works	ISO 14001	JP023236	2026-01
Amagasaki Plant	ISO 14001	25190210-2A	2025-09
Oita Plant	ISO 14001	JP024408	2024-01

Group companies

Company	Environmental management systems	Certification number	Latest recertification date
Nippon Koki Co., Ltd. Shirakawa Plant	ISO 14001	JSAE741	2024-10
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	ISO 14001	JP025639	2024-11
Changshu NOF Chemical Co., Ltd.	ISO 14001	CN20/21620	2024-01
NOF METAL COATINGS EUROPE S.A.	ISO 14001	BR040178	2023-12
NOF METAL COATINGS EUROPE N.V.	ISO 14001	10477422	2024-10
NOF METAL COATINGS SOUTH AMERICA IND.E COM.LTDA.	ISO 14001	N° 2000/14320.7	2023-12

* 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.



Quality Management | Policies and Systems

GRI 2-13/416-1

Policy (our fundamental view)

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

Organizational setup

In April 2019, NOF established the Quality Management Committee to oversee quality management and continue securing society’s trust. It is chaired by the General Manager of the Corporate Technical Division (Executive Operating Officer) and has nine other members com-

prising business division managers and 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.

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.

Handling complaints and accidents related to products

In the event of consumer complaints regarding the function or quality of NOF Group 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 2025, there were no product liability incidents.

Number of product-related complaints and accidents handled			(Number)
FY2023	FY2024	FY2025	
0	0	0	

* 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.



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

FY2025

NOF Group **100%** (17 of 17 companies)

Consolidated NOF Group **100%** (15 of 15 companies)

NOF Group production sites **70%** (16 of 23 locations)

Number of product liability cases

FY2025

NOF Group **0 cases**

NOF

Works and plants	Quality management systems	Certification number	Latest recertification date
Kawasaki Works Chidori Plant	ISO 9001	JP026326 Ver.1	2025-06
Daishi Plant	FSSC 22000 (Food Safety Management System)	JMAQA-FC270	2025-01
DDS Plant	ICH-Q7 (Active Pharmaceutical Ingredients: GMP Guidelines)	—	—
Aichi Works Taketoyo Plant	JISQ 9100	JQA-AS0183	2025-07
Kinuura Plant	ISO 9001	JP026401	2025-06
Amagasaki Plant (Functional Materials Division)	ISO 9001	JP026626	2025-09
(Life Science Division)	ICH-Q7 (Active Pharmaceutical Ingredients: GMP Guidelines)	—	—
Oita Plant Oita Plant	ISO 9001	JP023986	2023.09
LS Oita Plant	ISO 9001	JP026582	2025-08

Group companies

Company	Quality management systems	Certification number	Latest recertification date
Nippon Koki Co., Ltd.	ISO 9001	JSAQ2282	2025-09
Nippon Koki's Shirakawa Plant	JISQ 9100	JQA-AS029	2025-09
NiGK Corporation	ISO 9001	10747085	2026.03
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	ISO 9001	JP023061	2022.11
Showa Kinzoku Kogyo Co., Ltd.	ISO 9001	C741254	2026.03
YUKA SANGYO CO., LTD. Yamato Plant	ISO 9001	JP024718	2024.04
JEUNE BEAUTY CORPORATION, Amagasaki Plant	ISO 22716 (cosmetics materials GMP)	JP024379	2024-01
JEUNE BEAUTY CORPORATION, Chita Factory	ISO 22716 (cosmetics materials GMP)	JP024609	2024.03
Nichiyu Techno Co., Ltd.	ISO 9001	JP024473	2024.02
NIKKA COATING CO., LTD.	ISO 9001	3357	2025-03
Changshu NOF Chemical Co., Ltd.	ISO 9001	CN20/21619	2024-01
PT.NOI MAS CHEMICAL INDUSTRIES	ISO 9001	ID00/18019	2025-04
NOF METAL COATINGS NORTH AMERICA INC.	ISO 9001	66561- IS8	2023.07
NOF METAL COATINGS EUROPE S.A.	ISO 9001	BR040177	2023-12
NOF METAL COATINGS EUROPE N.V.	ISO 9001	N° 1994/2984.9	2024-10
NOF METAL COATINGS KOREA CO.,LTD.	IATF 16949	RTS0250	2023.11
NOF METAL COATINGS SOUTH AMERICA IND. E COM.LTDA.	ISO 9001	1994/2984.9	2023-12
NOF METAL COATINGS SHANGHAI CO., LTD.	ISO 9001	016SH22Q33019R3S	2023.09



Implementation status of quality audits

Fiscal year	Priority theme in audit
FY2021	● Confirmation of product safety targets and results ● Confirmation of trends and causal analysis of quality incidents, improvement measures, and improvement status ● Confirmation of information stated in test certificates ● Confirmation of test record preparation and checking systems ● Confirmation of product labels and other labeling matters
FY2022	● Confirmation of product safety targets and results ● Confirmation of trends and causal analysis of quality incidents, improvement measures, and improvement status ● Confirmation of information stated in test certificates ● Inspection of product catalogs and other materials
FY2023	● Inspection of management review content (confirmation of identification and handling of quality-related issues) ● Inspection of the occurrence status of quality incidents and details of corrective and preventive actions ● Verification of evidence relating to information in test certificates ● Verification of evidence relating to quality control
FY2024	● Inspection of management review operations (reflection of the Quality Policy and quality objectives in operations) ● Inspection of the occurrence status of quality incidents and details of corrective and preventive actions ● Confirmation of change management implementation status ● Confirmation of raw material management
FY2025	● Review of management review operations (resource information) ● Confirmation of change management arrangements ● Confirmation of the management status of original inspection records

Number and results of quality audits

(Number)

Category	FY2023	FY2024	FY2025
NOF plants	Number of audits	9	9
	Number of findings	4	13
	Number of requests	27	8
Domestic Group companies	Number of audits	7	4
	Number of findings	0	3
	Number of requests	13	6
Overseas Group companies	Number of audits	0	4 (web)
	Number of findings	-	0
	Number of requests	-	7



Approach to pharmaceutical-related products

NOF currently handles pharmaceutical-related products under the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (the Pharmaceuticals and Medical Devices Act) and has obtained the business licenses listed below. In order to properly carry out these licensed business operations, the Pharmaceutical Management Task Force

Licensing status of pharmaceutical-related products

Category	Works / Plants
Marketing	Second-class marketing license for pharmaceuticals
	NOF
	Marketing license for quasipharmaeaceutical products
	NOF
Sales	Wholesale pharmaceutical sales
	NOF
Manufacturing	Pharmaceutical manufacturing
	Kawasaki Works
	Aichi Works, Taketoyo 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.

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, chaired by the Chief

Safety and Quality Officer, NOF established the Pharmaceutical Management Task Force under the responsible Officer to oversee pharmaceutical-related businesses Company-wide and provide integrated management of manufacturing, marketing, and wholesale of pharmaceuticals. The Pharmaceutical Management Task Force inspects compliance with GQP, GVP, and GMP ministerial ordinances and operates to ensure that the General Marketing Manager, manufacturing managers, and others appropriately submit opinions to responsible Officers on legal compliance issues and problems.

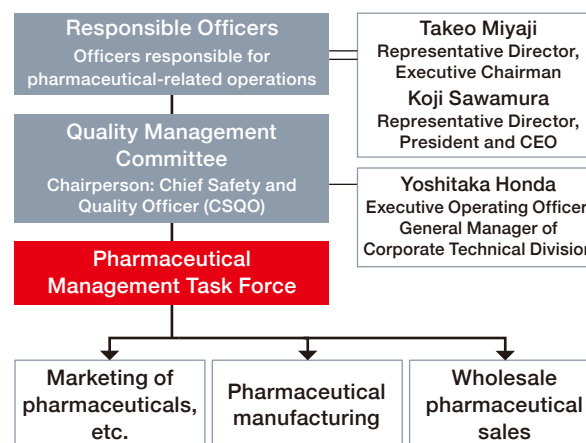
Education and training

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

Responsible Officers receive pharmaceutical-related training once a year. Personnel engaged in pharmaceutical-related operations also receive training as needed under the respective GDP, GVP, and GMP ministerial ordinances and other requirements.

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





Although stricter procedures and the introduction of electronic systems entail risks such as initial costs and increased maintenance workloads, from a long-term perspective they create opportunities to enhance corporate value by preventing its impairment, earning customer trust, and expanding high-value-added products.

Risks and opportunities in quality assurance

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

Major risk	Risk description	Opportunities	Countermeasures
Quality fraud	Loss of public trust and damage to corporate value due to quality problems such as falsification of quality inspection results	- Preventing loss of social credibility and impairment of corporate value - Earning customer trust by establishing a system that prevents quality problems	[Measures to prevent quality fraud, defects, and product problems] - Continuous improvement through use of the quality management systems - Improvement in data integrity - Stricter procedures for manufacturing and quality records - Introduction of electronic systems such as LIMS*
Quality incidents and product problems	Loss of customer trust due to quality incidents or product problems causing delivery delays or quality incidents in customers' products	- Gain customer trust through quality improvement and a proven track record - Enhancement of corporate value through the expansion of high-value-added products	

* Laboratory Information Management System



Strategy

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NOF VISION 2030

In FY2025, the final year of Stage II, net sales and operating profit reached record highs. Through capital expenditures in growth areas, we have laid the groundwork for achieving NOF VISION 2030. In Stage III, positioned as the “Business Domain Expansion Stage,” we plan to continue making aggressive investments to create growth drivers. We will develop new technologies and businesses through agile resource allocation, including establishing research laboratories and promoting commercialization of promising themes. We also intend to maximize shareholder value by optimizing capital allocation.

Stage I		Stage II	
2022 Mid-term Management Plan		2025 Mid-term Management Plan	
Strengthening Foundation Fundamental principles “Challenge and Co-create”		Expanding Profit Fundamental principles “Practice and Breakthrough”	
FY2022 (actual)		FY2025 (actual)	
Net sales	Operating profit	Net sales	Operating profit
¥217.7 billion	¥40.6 billion	¥257.9 billion	¥47.4 billion
Ratio of operating profit to net sales	ROE	Ratio of operating profit to net sales	ROE
18.7%	14.8%	18.4%	14.1%

Stage III 2028 Mid-term Management Plan Business domain expansion stage

Fundamental principles

“Transformation and Creation”

FY2028 (plan)

Operating profit	Ratio of operating profit to net sales	ROE
¥57.0 billion	18.6%	14% or more

Policy 1

Dynamic resource allocation to create growth drivers

- About ¥200.0 billion in strategic investments
- Open innovation and internal/external collaboration
- Promoting commercialization of promising themes
- Restructuring the Corporate R&D Division system
- M&A

Policy 2

Maximizing shareholder value through optimization of capital allocation

- Stable returns targeting a dividend payout ratio of around 40%
- Expanding shareholder returns target to a total return ratio of 70% or more
- Considering agile share repurchases
- Reducing cross-shareholdings

NOF VISION 2030

Vision

A corporate group that continuously creates new value with the power of chemistry in the three fields of Life/Healthcare, Environment/Energy, and Electronics/IT in order to realize a prosperous and sustainable society

FY2030 (plan)

Operating profit
¥65.0 billion

Upward revision ↑

Ratio of operating profit to net sales

20% or more

ROE

15% or more



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			●					●									



1 NO POVERTY 	2 ZERO HUNGER 	- Human Capital Enhancement and Creation of Comfortable Workplaces - Securing Talent and Diversity & Inclusion - Talent Development	4 QUALITY EDUCATION 	- Three prioritized business fields - Sustainability contribution products related to biodiversity conservation - Chemical Safety	- Three prioritized business fields - NOF's R&D (Environment/Energy field) - Sustainability contribution products related to climate change - Climate Action and Natural Capital Disclosure in Line with TCFD/TNFD Recommendations - Energy Use, Energy Saving, and Renewable Energy Initiatives	7 AFFORDABLE AND CLEAN ENERGY
- Value Creation Based on NOF's Three Values "Challenge" x R&D - Three prioritized business fields - NOF's R&D (Life/Healthcare field) - Chemical Safety - Occupational Safety and Health - Improved access to more nutritious foods - Improving access to pharmaceuticals	3 GOOD HEALTH AND WELL-BEING 	- Human Rights - Human Capital Enhancement and Creation of Comfortable Workplaces - Securing Talent and Diversity & Inclusion	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	
- Human Capital Enhancement and Creation of Comfortable Workplaces - Securing Talent and Diversity & Inclusion - Occupational Safety and Health - Talent Development	8 DECENT WORK AND ECONOMIC GROWTH 	- Value Creation Based on NOF's Three Values "Challenge" x R&D - Three prioritized business fields - NOF's R&D	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	- Human Rights - Human Capital Enhancement and Creation of Comfortable Workplaces - Securing Talent and Diversity & Inclusion	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES
- Three prioritized business fields - NOF's R&D (Environment/Energy field) - Climate Action and Natural Capital	13 CLIMATE ACTION 	- Three prioritized business fields - NOF's R&D (Environment/Energy field) - Products that Contribute to the Conservation of Marine Environments - Products That Are Kind to the Surrounding Environment - Chemical Safety	14 LIFE BELOW WATER 	- Three prioritized business fields - NOF's R&D (Environment/Energy field) - Products that Contribute to the Protection of Animals - Products that Contribute to Environmental Conservation - Products That Are Kind to the Surrounding Environment - Sustainability contribution products related to biodiversity conservation - Biodiversity Conservation Activities - Chemical Safety - Promotion of CSR-based Procurement	15 LIFE ON LAND 	- Promotion of CSR-based Procurement - Human Rights
- Three prioritized business fields - NOF's R&D (Environment/Energy field) - Climate Action and Natural Capital	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	- Value Creation Based on NOF's Three Values "Challenge" x R&D - NOF's R&D - Promotion of CSR-based Procurement	17 PARTNERSHIPS FOR THE GOALS 			



Through DX, NOF aims to continue to be a company where all employees are highly motivated to engage creatively in their 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. As a DX strategy for realizing this vision, we have adopted “Promotion of business improvement and efficiency through digitalization” and established the following three priority implementation items: ① **Development of DX human resources**, ② **promotion of DX**, and ③ **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		
Promoting operational improvement and efficiency through digitalization		
Priority items		
	① Development of DX human resources	(1) Accelerate the development of human resources responsible for promoting DX (2) Improve DX literacy
	② Promotion of DX	(1) Promote Company-wide DX activities (2) Support DX promotion activities in each division and site
	③ Development of a Data Utilization Environment	(1) Build a data utilization platform (2) Promote the utilization of internal data (3) Introduce an information search system (4) Establish policies and an environment for using generative AI



Digital Transformation (DX) Strategy

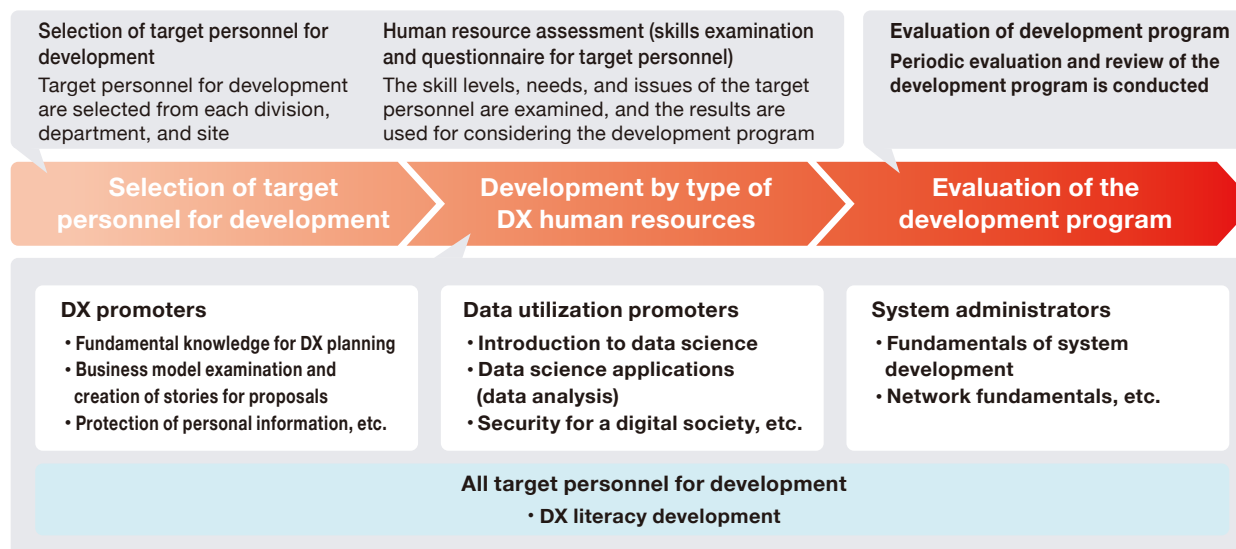
GRI 203-2/404-2

Development of DX human resources

DX Human Resources Development Program

Based on its DX strategies and challenges, NOF focuses on developing DX human resources to establish a framework in which each division and location autonomously promotes DX. Development program participants are selected from each division and location and classified into three personnel types: “DX Promoters,” “Data Utilization Promoters,” and “System Personnel.” To help them acquire the necessary expertise and skills, we provide, in addition to the standard program, individualized training based on participant survey results, thereby offering learning opportunities tailored to each person’s challenges and needs. In the third phase of the development program, 64 employees are participating in the DX Human Resources Development Program. Those who complete the program are certified as “DX Human Resources” and issued a “Digital Certificate.” Furthermore, 53 “DX Experts” selected from among the DX human resources play a central role in our DX promotion activities.

Overview of the DX Human Resources Development Program



Status of initiatives for the development of DX human resources

	First phase	Second phase	Third phase (in progress)
Implementation period	December 2023–September 2024	December 2024–September 2025	December 2025–September 2026
Number of target personnel for development	75	65	64

Number of DX Experts

	First phase	Second phase	Total
Selected personnel	26	27	53

Awarding “digital credentials” to DX human resources

DX promoters

Data utilization promoters

System administrators

What are digital credentials (open badges)?

- They are digital certifications compliant with international standards. Universities, certification bodies, global IT companies, and others issue them as tools for certifying knowledge, skills, qualifications, and other achievements, and various organizations in Japan also issue them.
- NOF uses the platform provided by the Open Badge Network Foundation (<https://www.openbadge.or.jp/en/>).



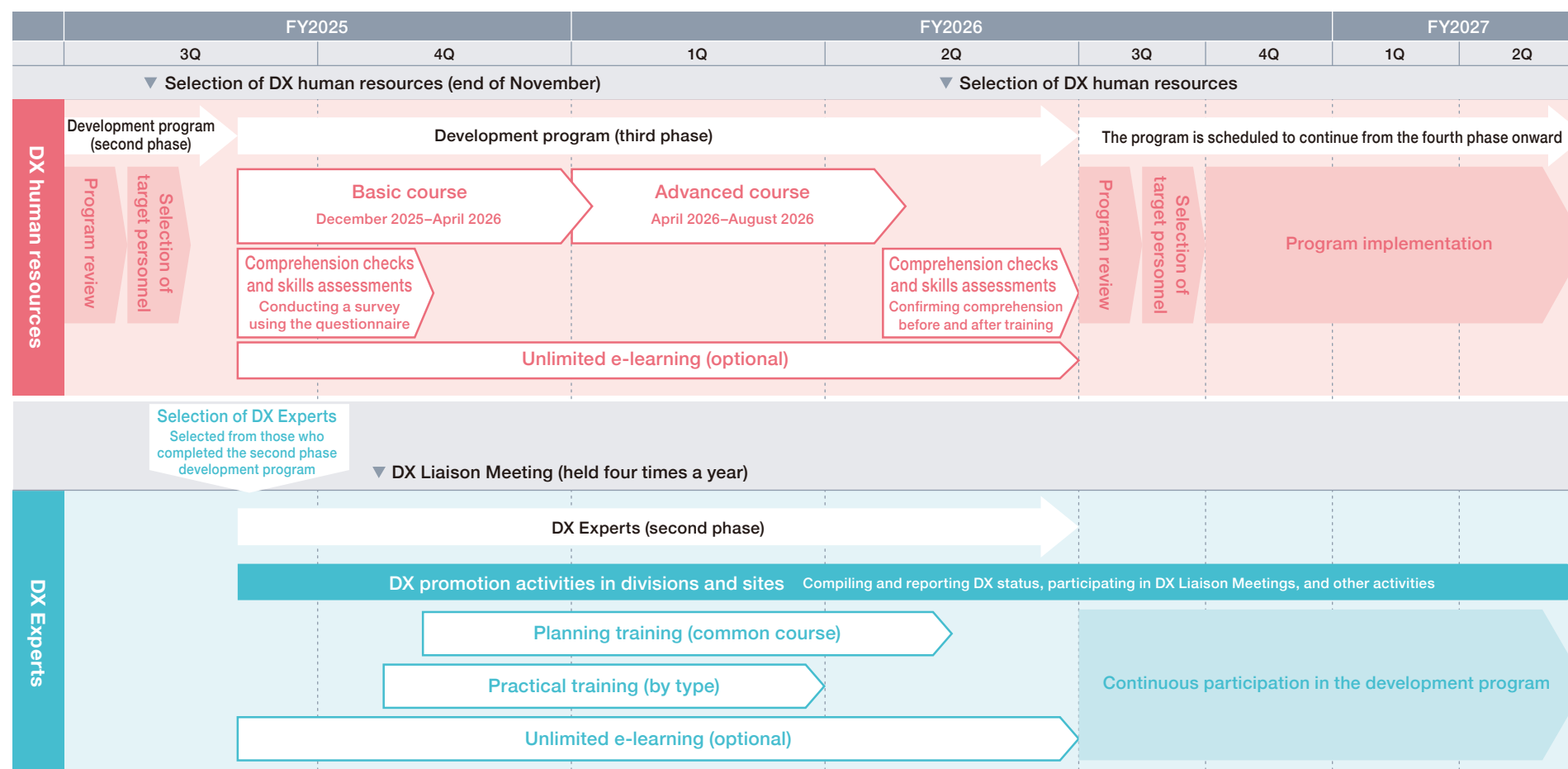
Digital Transformation (DX) Strategy

GRI 203-2/404-2

Overall Schedule for the DX Human Resources Development Program (Third Phase)

The DX Human Resources Development Program operates on a one-year cycle. In the third phase of the development program, participants were selected in December 2025, and basic and advanced training was conducted through August 2026. After confirming participants' proficiency through comprehension checks and skill assessments, we will review the development program. New development program participants and DX Experts will be selected in December 2026, and the next program is scheduled to begin. The DX Experts lead DX promotion activities in their divisions and locations by participating in the "DX Liaison Meeting" and other activities.

Overall Schedule for the DX Human Resources Development Program (Third Phase)





Digital Transformation (DX) Strategy

GRI 203-2

Promotion of DX

Projects requiring the introduction of technology or involving extremely high levels of difficulty are led by the Information Systems Department. For projects requiring cross-divisional or cross-system coordination, the Information Systems Department supports the relevant divisions in promoting DX.

DX Liaison Meeting

With the Information Systems Department serving as the secretariat, the “DX Liaison Meeting” is held four times a year, with the DX Experts as its primary members. In FY2025, activities included monitoring the status of company-wide DX initiatives, exchanging information among the DX Experts, and sharing expertise. We also launched “DX Portal” as a company-wide information platform and shared the results of “Project Planning

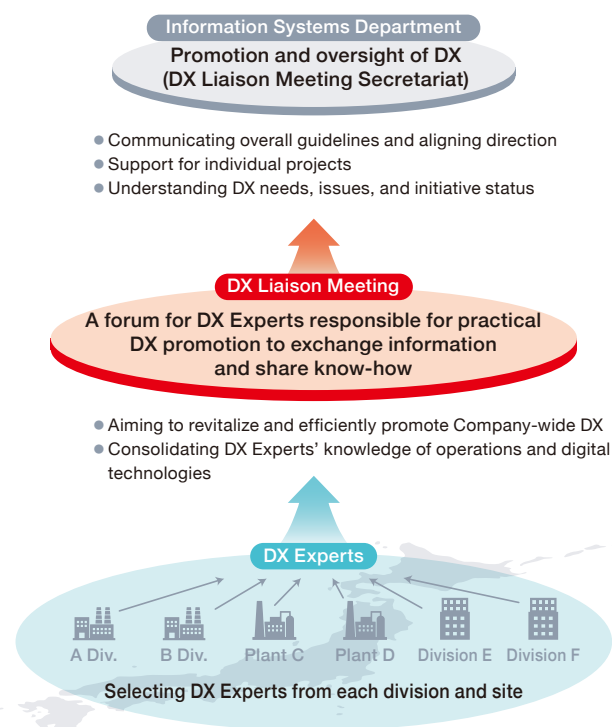
Training,” in which the DX Experts participated jointly, as well as progress on activities to transform the LS Aichi Plant into a smart factory.

We also shared DX initiatives at individual divisions and locations, including a case involving the use of a video creation tool and a case involving greater efficiency in order processing at the Daishi Plant.

Status of operational efficiency improvements

Theme	Issues	DX initiatives	Progress
Improving the efficiency of quality control operations	Inspection scheduling depends on individual judgment, creating issues with person-dependent operations and efficiency	Building an inspection scheduling system using a cloud-based business platform to standardize and streamline operations	Under development for introduction in October 2026
Improving the efficiency of invoice issuance operations	Extensive manual work and a heavy workload	Digitalizing invoice issuance	Migration completed by division
Improving the efficiency of master data applications and registration in core systems	Extensive manual work and a heavy coordination workload	Improving the efficiency of master data application and registration operations and convenience for user divisions	Under development for introduction in November 2026
Advanced use of management and operational data	Effective use of core system data	Utilizing data through a combination of ETL and BI tools	Operations have begun at a specific plant, and a data publication environment is being built for Company-wide rollout
	Improving the efficiency of aggregation work in management accounting and creating a database	Considering the introduction of a business management system	Considering implementation through a project team
Efficient document searches	Internal documents are managed in a fragmented manner, making it time-consuming to search for and use necessary information	Improving searchability through the introduction of a document search tool	Conducting trials of document search tools while considering a review and expand access routes to existing search methods
Improving productivity through Company-wide business platforms	Many application and approval procedures are still paper-based	Converting application and approval procedures into workflows to reduce workloads and improve efficiency	Workflow development is progressing for Company-wide and intra-divisional operations, with a cumulative total of 150 workflows currently in operation
Customer information management	Fragmented customer information and sales activity data	Centralized management through the introduction of a customer relationship management platform (CRM)	Introducing and utilizing the system in stages and working to embed it in a form suited to each division's operations

DX Liaison Meeting





Digital Transformation (DX) Strategy

GRI 203-2

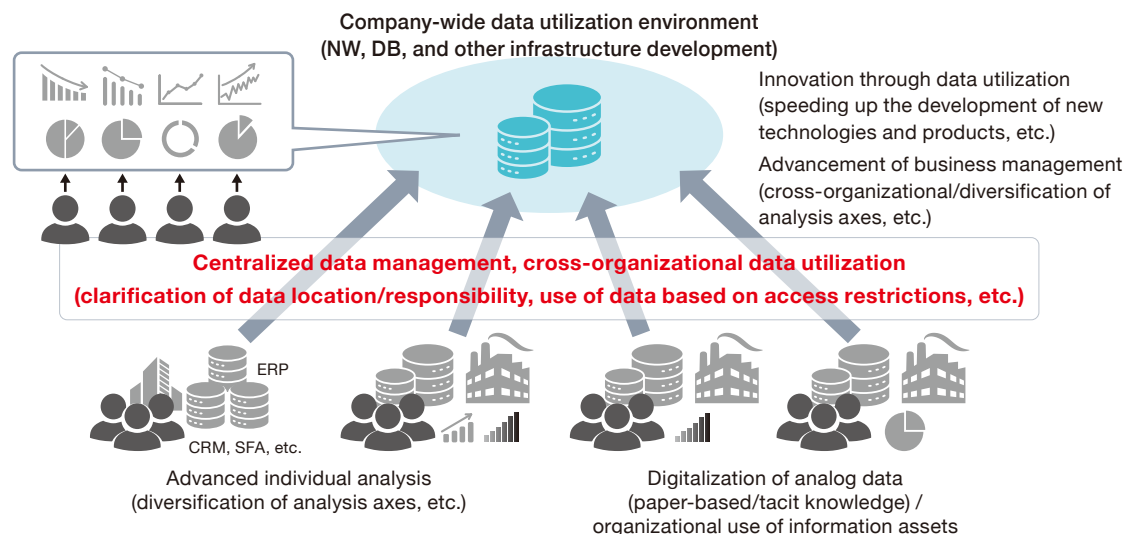
Development of a data utilization environment

To realize innovation and improved productivity through data utilization, we will develop the underlying environment. In addition to infrastructure development, we are also looking into the development of a data management system, including rules and organization. By establishing these environments and systems, we will 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 safety and health, visualize skills, and pass on know-how.

Generative AI Utilization Strategy

In FY2025, the use of generative AI became increasingly widespread within the Company, with monthly active users reaching at least 80%. As individual employees incorporated it into their work, STEP 1, individual utilization to streamline routine work, became firmly established. The “Generative AI Utilization Promotion Liaison Meeting,” which is responsible for promoting its use, was also held four times in FY2025. This liaison meeting was established when the introduction of generative AI was being considered and, following its company-wide introduction, serves as a forum for sharing generative AI utilization status and expertise. Major activities included presenting revisions to the “Generative AI Usage Guidelines” and activities under the use case creation program. Based on these initiatives, during the period of the 2028 Mid-Term Management Plan, we will work to achieve STEP 2, business improvement through integration into workflows, and prepare for STEP 3, business transformation through the use of internal data.

Future vision of the data utilization environment



Future outlook for the use of generative AI



113 Environmental Accounting

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Economy



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 2025 is stated below. The period covered is from April 1, 2025 through March 31, 2026.

Environmental expenses		(Unit: millions of yen)	
Category	Details of major initiatives	Investment amount	Expenses
(1) Business area expenses	-1 Pollution prevention expenses	Upgrade of steam ejectors, enhancement of wastewater treatment plants	419 1,349
	-2 Global environmental conservation expenses	Upgrade to high-efficiency plants, replacement of fluorescent lights with LEDs	1,291 869
	-3 Resource recycling expenses	Upgrade of resource recycling plants, industrial waste treatment expenses	7 1,158
(2) Upstream/downstream expenses	Expenses for more eco-friendly containers and packaging materials	0	1,863
(3) Management activity expenses	Environmental audits, improvements, personnel costs	9	471
(4) R&D expenses	Curbing environmental impact	4	693
(5) Community activity expenses	Expenses related to supporting regional environmental conservation activities	0	11
(6) Environmental damage response expenses	-	0	11
(7) Other expenses		0	0
Total ^{*2}		1,730	6,425

Environmental conservation results		(Unit: millions of yen)	
Category	Item	FY2025	Compared with FY2024
(1) Environmental conservation results from resources used in business activities	Total energy input (thousand GJ)	2,772	(131)
	Total substance input (thousand tons)	226	2
	Water resource input (thousand m ³)	7,939	53
(2) Environmental conservation results from environmental impact and waste materials generated from business activities	Greenhouse gas emissions (GHG) (thousand tons of CO ₂)	139	(12)
	Production activities: Energy-related	126	(11)
	Production activities: Other	12	(2)
	Transportation-related	8	0
	Emissions of PRTR Act-controlled substances (tons)	139.6	5
	Waste discharge amount (tons)	22,836	(1,462)
	Final disposal of waste by landfill (tons)	1,043	(15)
	Wastewater volume (thousand m ³)	6,096	(92)
	COD emissions (tons)	153	0
	NOx emissions (tons)	45	(1)
	SOx emissions (tons)	3	(2)

^{*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: FY2021 to FY2022 (covers the domestic NOF Group), FY2023 to FY2025 (covers the NOF Group, including two major overseas affiliates)

Real economic benefit		(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.	234	
	Other business income	0	
(2) Costs saved	Reduction in energy cost by energy saving	31	
	Reduction in waste disposal ensuing from material saving or recycling	43	
	Other reductions	5	
Total ^{*2}		313	

Changes from the past		(Unit: millions of yen)				
Category	Item	FY2021	FY2022	FY2023	FY2024	FY2025
Environmental expenses ^{*3}	Investment amount (million yen)	1,300	1,140	952	1,227	1,730
	Expenses (million yen)	3,155	3,448	3,135	3,459	6,425
Environmental conservation results from resources used in business activities	Total energy input (thousand GJ)	3,377	3,112	2,909	2,903	2,772
	Total substance input (thousand tons)	261	236	248	224	226
	Water resource input (thousand m ³)	8,420	8,498	8,358	7,886	7,939
	GHG Emission volume (thousand tons of CO ₂)	198	185	169	151	139
Environmental conservation results from environmental impact and waste materials generated from business activities	Production activities: Energy-related	172	149	143	137	126
	Production activities: Other	18	27	17	14	12
	Transportation-related	9	10	10	8	8
	Emissions of PRTR Act-controlled substances (tons)	155	143	167	135	140
	Waste discharge amount (tons)	29,164	25,157	22,541	24,298	22,836
	Final disposal of waste by landfill (tons)	950	1,095	617	1,058	1,043
	Wastewater volume (thousand m ³)	6,642	6,421	6,090	6,004	6,096
	COD emissions (tons)	154	148	171	153	153
	NOx emissions (tons)	55	55	58	46	45
	SOx emissions (tons)	5	7	8	5	3



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, 2026, is as follows. Note that it exceeds the criteria on an ongoing*¹ and non-ongoing*² basis.

Pension assets	¥26,324 million
Policy reserves	¥19,864 million
Funding ratio	132.5%

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 Continuation criteria: The funded level required for pension benefits assuming that the plan will continue in the future

*2 Discontinuation 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 / Chemical Safety]

117 Climate Action and Natural Capital (TCFD/TNFD)

- 117 Disclosure in Line with TCFD/TNFD Recommendations
- 120 Disclosure in Line with TCFD/TNFD Recommendations [Governance]
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- 163 Compliance and Adaptation to Relevant Laws and Regulations
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Climate Action and Natural Capital | Disclosure in Line with TCFD/TNFD Recommendations

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

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.

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.

By engaging in information disclosure according to both the TCFD and TNFD recommendations, the NOF Group will 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 (GHG) Reduction

Climate change is primarily caused by increased GHG 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 GHG emission reduction target, we have set a target of reducing emissions by 40% or more by FY2030 compared with FY2013 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 and 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, R&D, 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 R&D 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 R&D of biomass-derived materials and the effective utilization of unused exhaust heat.

Through these initiatives, we are reducing Scope 3 GHG emissions and enhancing the sustainability of the 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 future 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 conservation and to engage in environmental conservation.
- We require our employees to comply with international guidelines, laws, and regulations related to natural capital and to work for environmental conservation.
- We provide educational programs to raise environmental awareness and educate employees and relevant stakeholders on the importance of natural capital conservation.
- We cooperate with local communities and participate in local ecosystem conservation activities and various projects to restore 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. 121) 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" (pp. 121–122).
- (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 (pp. 124–125).
- (6) Engagement with Indigenous peoples, local communities, and affected stakeholders:
Please see "Oversight of Stakeholder Engagement" in "Governance" (p. 120).



Climate Action and Natural Capital

Disclosure in Line with
TCFD/TNFD Recommendations [Governance]

GRI 2-12

Governance system for climate change response and natural capital conservation

The NOF Group identifies materiality issues (important issues) related to sustainability through deliberations by the Strategic Meeting, composed of Directors concurrently serving as Operating Officers and Operating Officers with titles, and by the Sustainability Committee, chaired by the President and attended by all Directors, including non-committee members, as observers. 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, Legal 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, indicators (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 GHG, 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 deliberated 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.

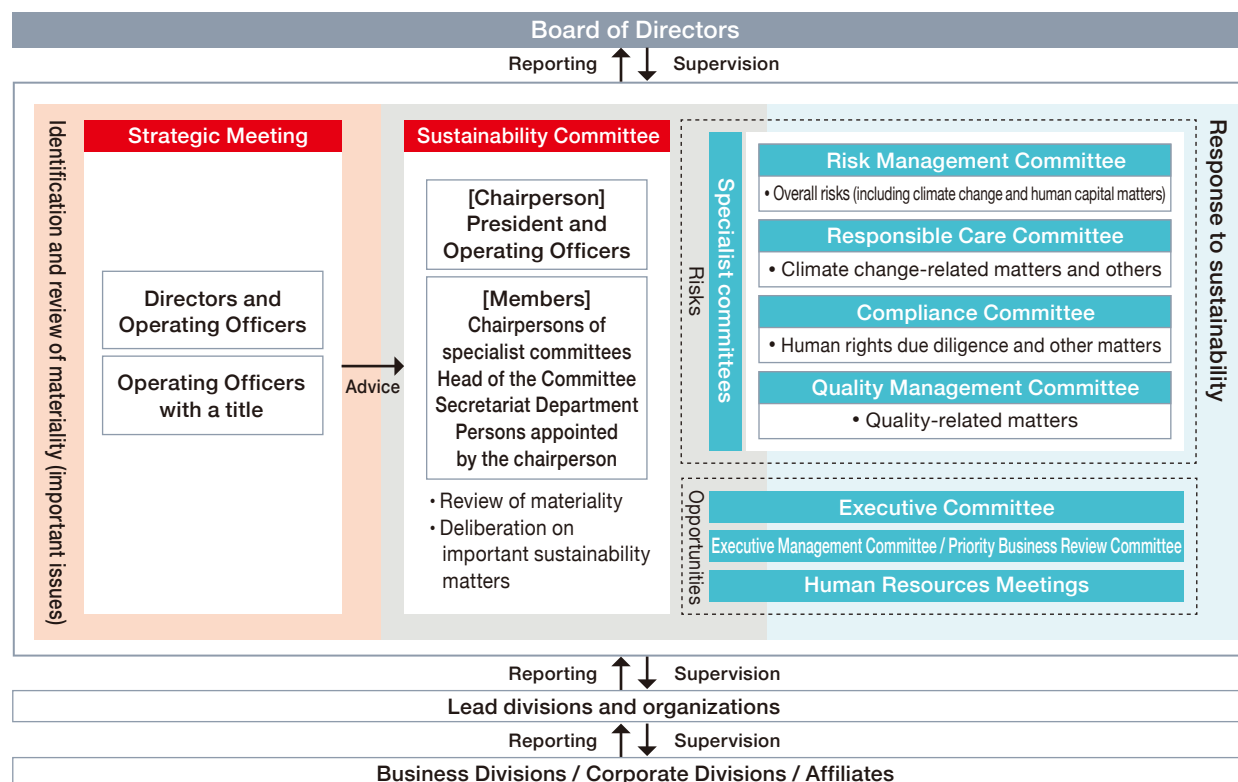
Oversight of stakeholder engagement

We believe that stakeholder engagement is essential to ensure the long-term growth and the sustainability of a company. In addition, in light of the impact of the NOF

Group's business activities on indigenous peoples, local communities, and others, we have formulated the CSR Procurement Policy and CSR Procurement Guidelines and engage in dialogue with local communities, while initiatives for stakeholder engagement are discussed and supervised under the governance system described above.

Stakeholder Engagement ▶ p. 090
Human Rights (CSR Procurement Policy, etc.) ▶ pp. 184-188
Local Communities | Dialogue Activities /
Cooperation with Communities ▶ pp. 224-225

Sustainability governance structure, including response to climate change and natural capital





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 (identify and assess nature-related risks and opportunities), and Prepare

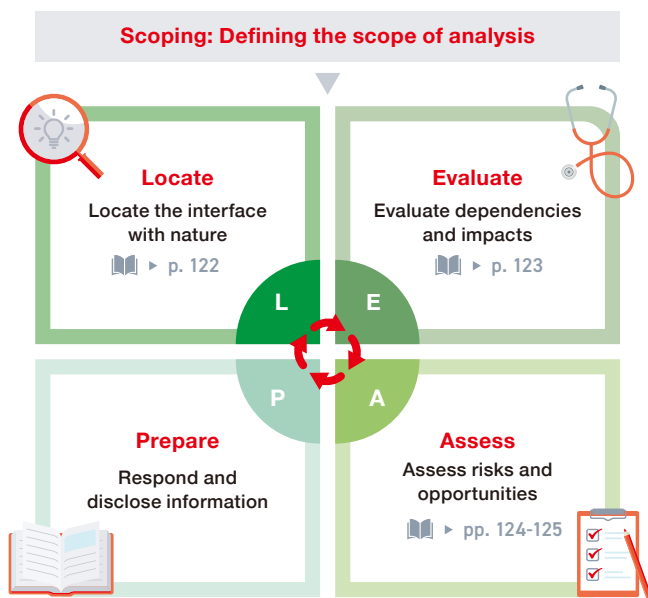
(prepare for disclosure). In addition, the approach begins with Scoping, involving defining the scope of the analysis.

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 regarding natural capital, and actively pursued related initiatives.

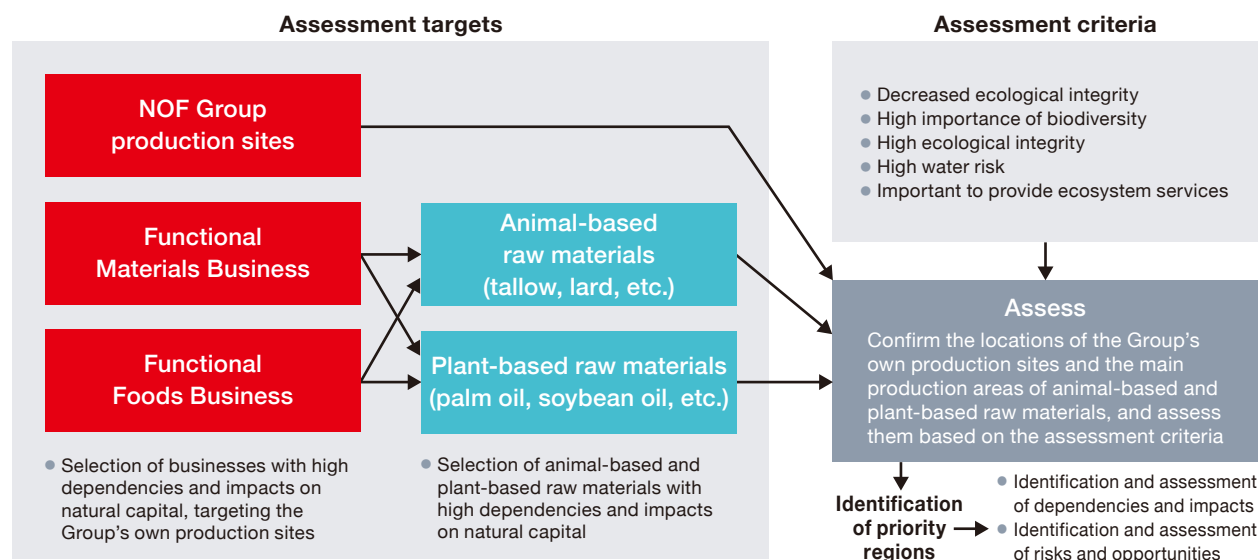
Since fiscal 2023, in line with the LEAP approach recommended by the TNFD, we have conducted activities to locate the interface (priority regions) with natural capital, identify and evaluate dependencies and impacts, and identify and assess risks and opportunities.

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.



Identification of priority areas from Scoping through Locate





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, which manufactures surfactants and fatty acid derivatives, and the Daishi Plant in the Kawasaki Works of the Functional Foods Business, which manufactures processed oils and fats for food. 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.

*1 WWF Biodiversity Risk Filter

*2 Key Biodiversity Areas

*3 WWF Water Risk Filter

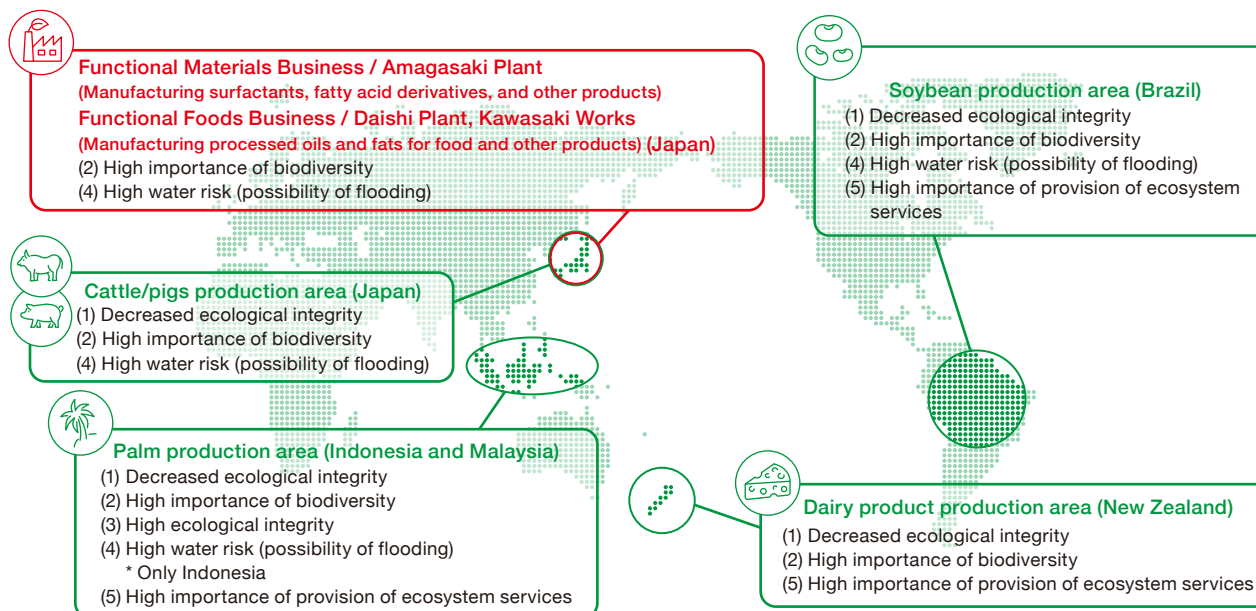
*4 WRI Aqueduct 4.0

*5 Global Forest Watch map, SIGWATCH

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





Climate Action and Natural Capital

Disclosure in Line with
TCFD/TNFD Recommendations [Strategy]

GRI 304-2

Evaluate: Evaluate Dependencies and Impacts

For the Functional Materials Business and Functional Foods Business at the Amagasaki Plant and the Kawasaki Works (Daishi Plant), respectively, 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	GHG emissions	Air pollution	Water pollution	Soil contamination	Solid waste	and light pollution
Upstream	Cultivation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Livestock	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Import	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Processing	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
NOF	Manufacturing	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Downstream	Storage and transportation	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Manufacturing (Functional Materials Business)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
	Manufacturing (Functional Foods Business)	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

^{*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 GHG emissions.)



Climate Action and Natural Capital

Disclosure in Line with
TCFD/TNFD Recommendations [Strategy]

GRI 2-16, 25/3-3/
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 climate scenario representing the worst-case sce-

nario. 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. However, these estimates contain many potential risks,

uncertainties, and assumptions, and actual results may vary significantly due to changes in material factors.

- **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 a higher share price.

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	“Risk” Financial amount of impact	-	Large	Large	- Promotion of the following initiatives - Reduction of GHG emissions - Reduction and efficiency improvement of water intake - Reduction of waste	- Reduction of pollutants - Reduction of plastic usage - Shift to recycled plastics and biomass plastics	
		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	- Promotion of the following initiatives - Reduction of GHG emissions - Reduction and efficiency improvement of water intake	- Reduction of waste - Reduction of pollutants - Reduction of plastic usage - Promotion and communication of proactive environmental initiatives	
		Upstream Cultivation and livestock	Higher procurement costs because of increasedcultivation and production costs due to environmental regulations (regulations on methane emissions, wastewater, etc.)	Costs to address methane emissions from livestock, farmland development, and water and soil pollution caused by agricultural chemicals and fertilizer use drive up raw material prices, and increase 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	
	Sharp rise in raw material and fuel prices	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 the following initiatives - Reduction of GHG emissions - Reduction and efficiency improvement of water intake	- Reduction of waste - Reduction of pollutants - Reduction of plastic usage - Shift to recycled plastics and biomass plastics	
		Upstream Import	Higher distribution costs due to environmental regulations (\$Ox 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 - Switching from petrochemical-based raw materials to plant-based raw materials	- Utilization of biomass chemicals - 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	
		Market	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
		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]

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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	“Risk” financial impact	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	- Rainwater 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 capital expenditure 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	“Opportunity” financial impact	–	Medium	Large	- Promotion of the following initiatives - Reduction of GHG 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	“Opportunity” market size	–	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) “NZE 2050 Scenario for Net Zero Emissions in 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) “NZE 2050 Scenario for Net Zero Emissions in 2050” (NZE2050), “Stated Policies Scenario” (STEPS), etc.)

* Level of impact: “Risk” financial impact... Over ¥1 billion (large), ¥1 billion or less and over ¥100 million (medium), ¥100 million or less (small)

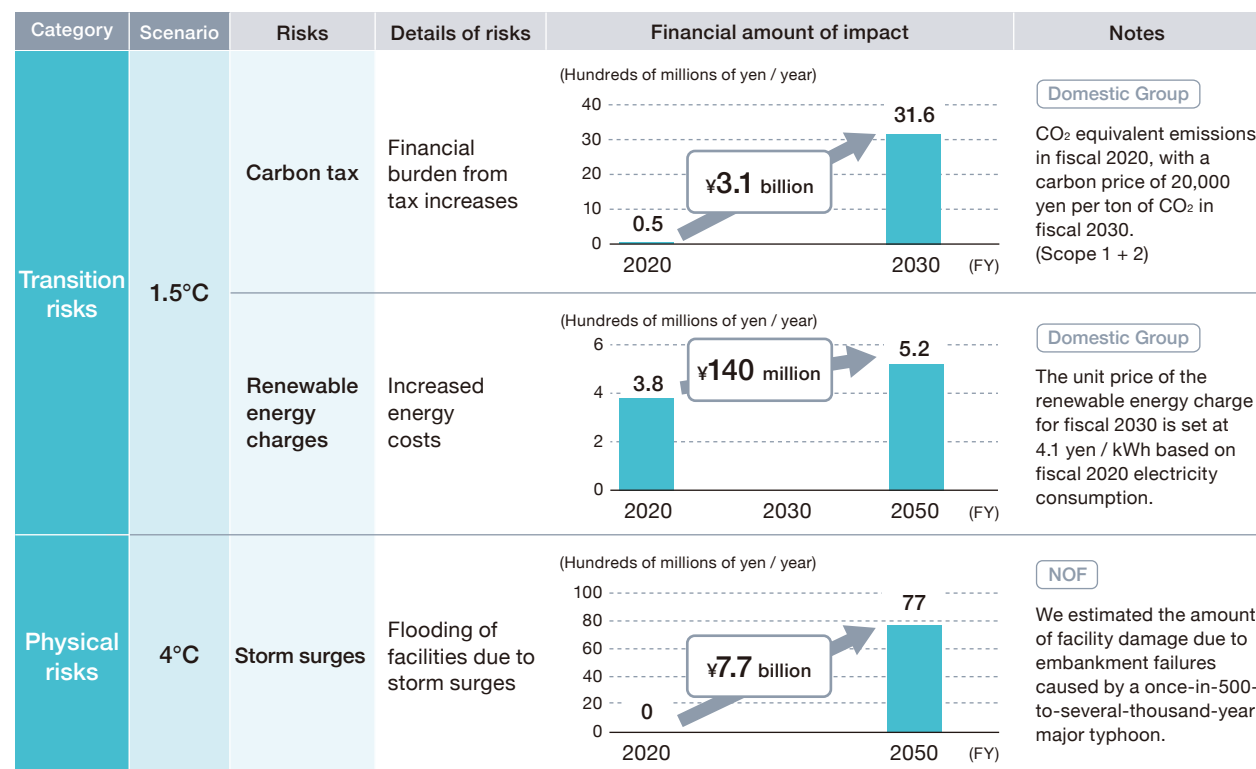
“Opportunity” financial impact... Over ¥1 billion (large), ¥1 billion or less and over ¥100 million (medium), ¥100 million or less (small)

“Opportunity” market size... Over ¥30.0 billion (large), ¥30.0 billion or less and over ¥3.0 billion (medium), ¥3.0 billion or less (small)



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.



* Charges for promotion of renewable energy generation

Assets vulnerable to risks and opportunities

Transition risks

Of NOF's total assets, the book value associated with equipment that directly uses fossil fuels, such as boilers, is approximately ¥3.4 billion, accounting for approximately 0.4% of total book value. Future policy changes and increases in carbon prices could raise the operating costs of these assets and reduce business profitability, posing a risk of an increased financial burden on NOF.

Physical risks

Four of NOF's manufacturing sites are at high risk from storm surges. The associated facility assets are valued at ¥7.7 billion and account for approximately 12% of total facility assets. If the risk of flooding materializes, it could have a serious impact on our business continuity.

Opportunities

By transitioning to renewable energy, NOF expects to reduce annual energy costs by ¥140 million. This may improve the overall profit margin.



Climate Action and Natural Capital

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TCFD/TNFD Recommendations [Strategy]

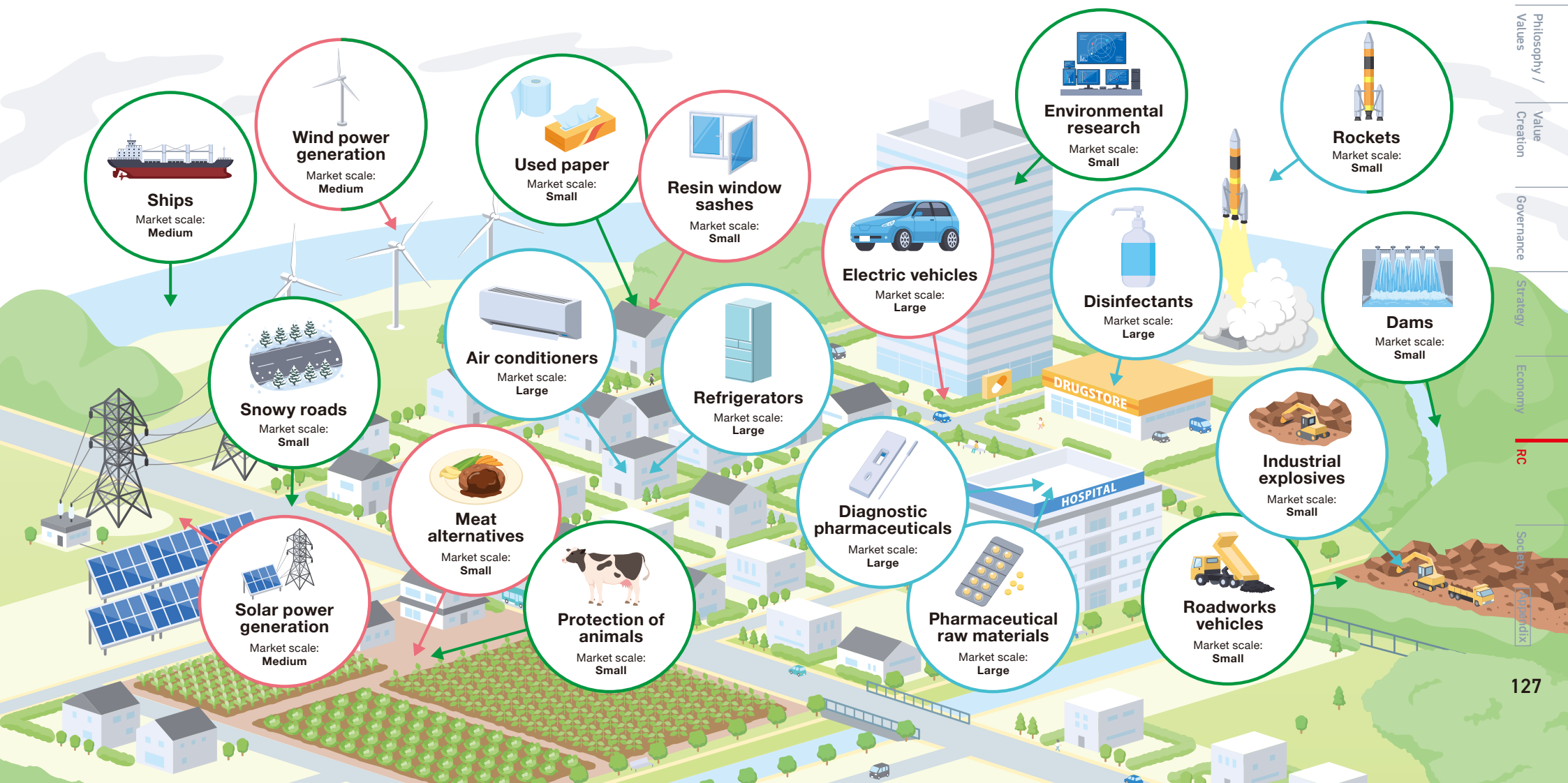
GRI 201-2/304-2

Sustainability contribution products related to climate change and natural capital

At the NOF Group, we are advancing R&D in technologies addressing climate change, biodiversity, resource conservation and recycling promotion, and alternatives to hazardous and legally regulated substances, thereby creating a wide range of sustainability contribution products. The market size is as shown below, and we believe it will represent a business opportunity in the future.

pp. 128-130

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





Sustainability contribution products in relation to climate change: Mitigation (1.5°C and 2°C scenarios)

* Mitigating the progression of climate change by reducing GHG 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 noise reduction agents caused by resins rubbing against each other in interior parts.

End uses of the NOF Group's products

For capacitors and LCD panels

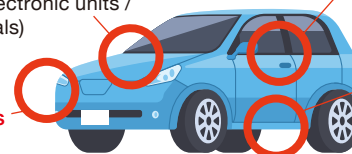
(Additives for electronic components /
Lubricants for electronic units /
Overcoat materials)

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 or 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.

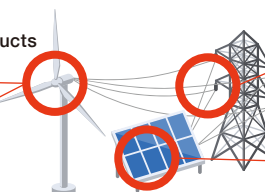
End uses of the NOF Group's products

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 oils and fats for meat alternatives 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

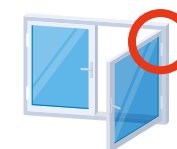
Functional Materials Business

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)



Sustainability contribution products related to climate change [adaptation]

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

Air conditioners/refrigerators

Functional Materials Business

Metal Coatings Business

Market
scale

Large

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

Functional Materials Business

Life Science Business

Market
scale

Large

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

Explosives & Propulsion Business

Market
scale

Small

As climate change progresses, the need to survey the entire world, including seawater temperatures, may increase, and the amount of ocean equipment, 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 ocean equipment
and rockets
(ocean equipment, rocket fuel)

To procure soil
for embankment
construction
(Industrial explosives)



Sustainability contribution products related to biodiversity conservation

Prevention of soil and water pollution

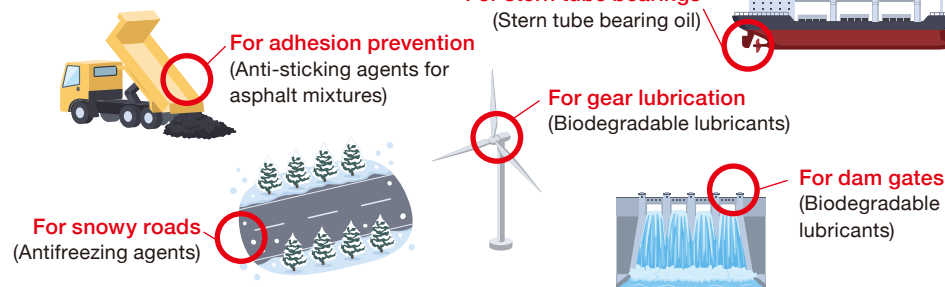
Functional Materials Business

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 spraying device operates with 100% natural energy from solar panels and thus also 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



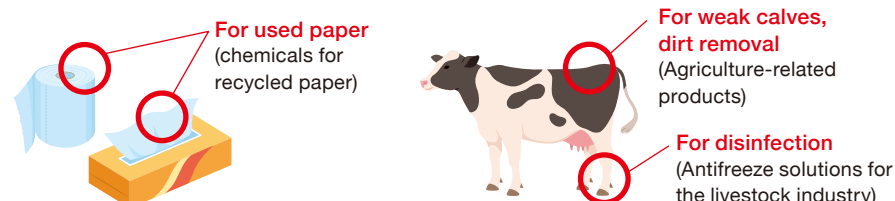
Protection of forests and animals

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



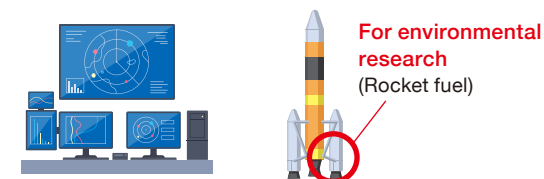
Environmental information

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 ocean equipment and rocket fuel also contribute to biodiversity.

End uses of the NOF Group's products

Environmental research





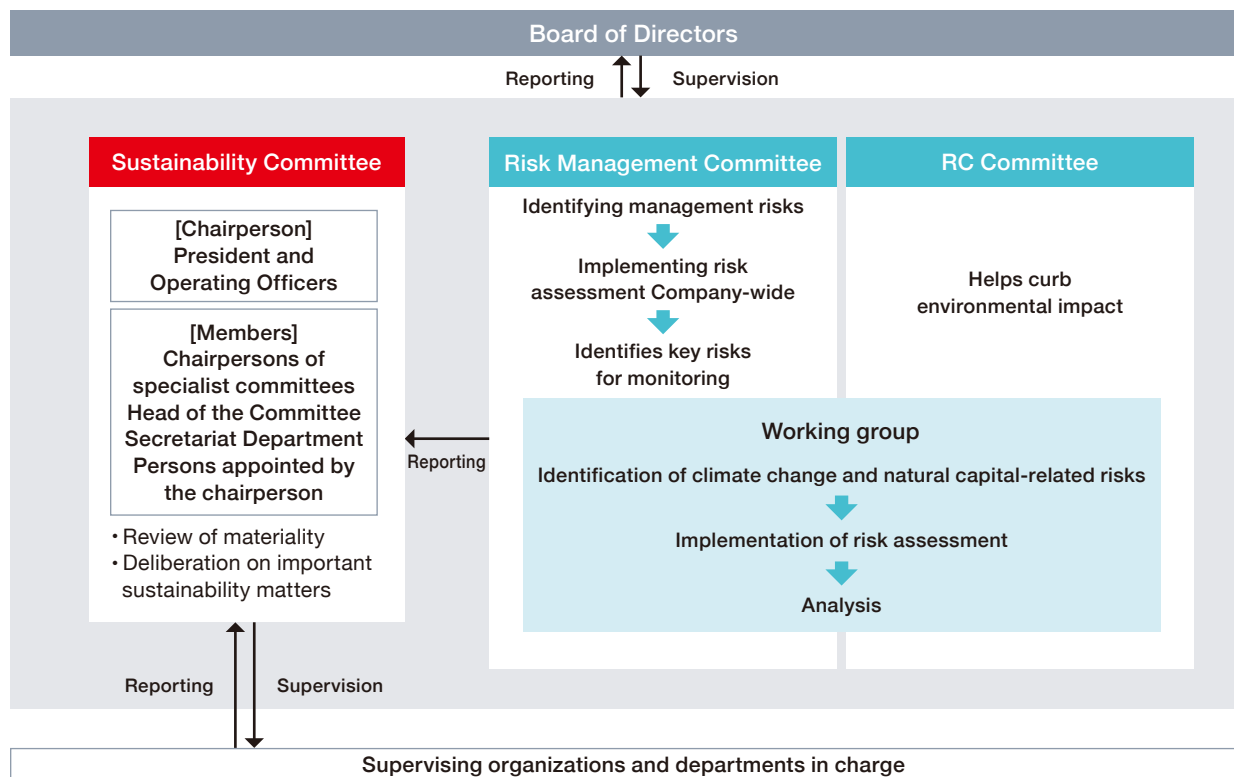
Within the NOF Group, the Risk Management Committee comprehensively identifies various management risks surrounding the business and conducts a company-wide assessment of the impact and likelihood of each risk once every two years. On each occasion, it reviews risk items and worst-case scenarios, including climate change, and identifies key risks for monitoring.

▶ p. 076

The NOF Group uses scenario analysis to identify transition risks, physical risks, and opportunities arising from climate change, based on 1.5°C and 2°C scenarios under which the transition to a decarbonized society may be achieved and a 4°C scenario under which climate change progresses.

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 GHG emissions as one of the goals of its Responsible Care (RC) activities, and has been working on various energy-saving measures. Following the adoption of the Paris Agreement in 2015, the Japanese government's 2050 Carbon Neutrality Declaration in October 2020, and the new GHG reduction target announced in April 2021, the NOF Group recognized that reducing emissions from the Domestic Group, which accounts for approximately 82% of Scope 1 and Scope 2 emissions, is essential to achieving carbon neutrality by 2050. Accordingly, the Domestic Group has set a target of reducing Scope 1 and 2 GHG emissions by 40% in FY2030 compared with FY2013 level and has prepared a roadmap for reducing GHG emissions as it works to mitigate climate change.

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 natural capital-related matters, we will promote the acquisition and expansion of the indicator data shown below as TNFD global core disclosure metrics and chemical sector core disclosure metrics, while also reducing environmental impacts.

	Indicators (KPIs)	Numerical targets	Target fiscal year	Details of major initiatives
Contribute to the Environment/ Energy field NOF Group	Net sales of strategic products in the Environment/Energy field	100% increase (compared to FY2025 results)	FY2028	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	FY2028	Implementation of the CSR questionnaire*
	Improvement rate of suppliers interviewed under the 2025 Mid-term Management Plan (Number of companies improved/24 companies)	75% or more	FY2028	Follow-up with target suppliers
Resilience enhancement NOF Group	BCP education and training hours	Total of 4,000 hours or more	Every fiscal 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	CO ₂ emissions Domestic Group	40% reduction (compared with FY2013)	FY2030	- 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	FY2050	
Chemical Safety	Emissions of substances subject to PRTR Act after revision in FY2021 Domestic Group	170 tons/year or less	Every fiscal year	- Creation and execution of emission reduction measures - Reevaluation of production processes

* Also deployed to YUKA SANGYO CO., LTD., Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., and NOF METAL COATINGS ASIA PACIFIC CO., LTD.



Climate Action and Natural Capital

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

GRI 303-3, 4,
5/305-1, 2, 5

Metric no.*	Driver of nature change	Metrics	Metric	Reporting scope	FY2025 results
-	Climate change	GHG emissions	Scope 1+2 Scope 3	▶ pp. 135-136, 143	
C1.0	Land/ freshwater/ ocean-use change	Total spatial footprint	Total surface area controlled/managed by the organization	See "103rd 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. 150	
C2.0	Pollution/ pollution removal	Total amount of pollutants released to soil split by type	PRTR Act-controlled substances	▶ p. 155	
C2.1		Wastewater discharged	Volume of water discharged	▶ pp. 150-151, 155	
			BOD, COD, suspended solids PRTR Act-controlled substances		
			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. 161	
			Weight of waste (hazardous)	NOF Group	6,849 tons
			Weight of waste (non-hazardous)	NOF Group	128,812 tons
			External disposal quantity Final disposal quantity by landfill	▶ pp. 161-162	
			Recycled amount	▶ pp. 161-162	
C2.3		Plastic pollution	Weight of plastic used	NOF	2,924 tons
C2.4		Total amount of non-GHG air pollutants	NOx, SOx, particulate matter VOC Hazardous air pollutants PRTR Act-controlled substances	▶ pp. 153-156, 158	
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.	416 thousand m ³ (5% of the NOF Group total)
			Water consumption from areas of water scarcity	PT.NOF MAS CHEMICAL INDUSTRIES	144 thousand m ³ (6% 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	▶ pp. 151, 167	

* Metric no. of TNFD metric



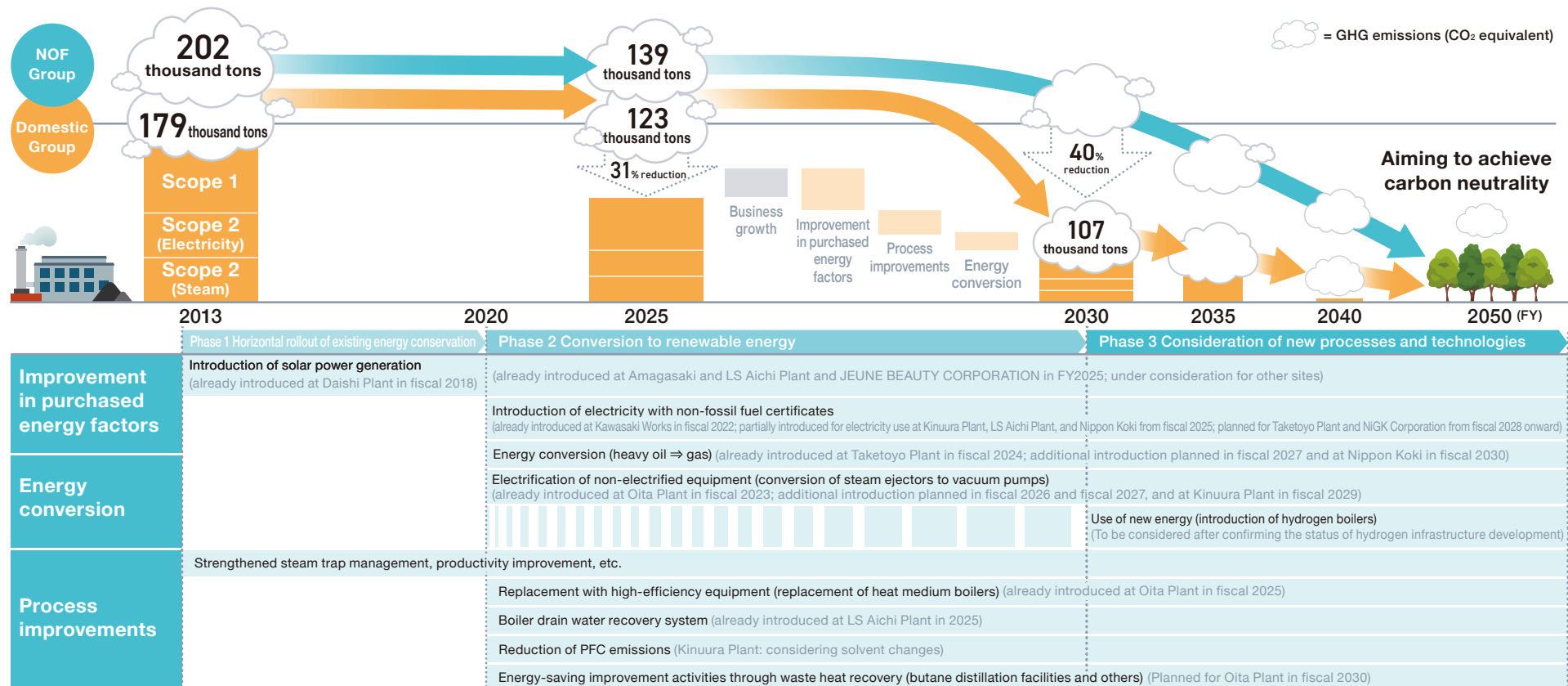
Measures to achieve GHG emissions reduction targets

To achieve carbon neutrality by 2050, the NOF Group recognizes that reducing emissions from the Domestic Group, which accounts for approximately 88% of Scope 1 and Scope 2 GHG emissions, is critical. As such, the Domestic Group has set a FY2030 target for reducing Scope 1 and 2 GHG emissions that exceeds the target set by the chemical

industry that the NOF Group belongs to, to contribute to achieving the plan presented by the Japanese government (a 32% reduction from the FY2013 level as the FY2030 target), that is, a 40% reduction from the FY2013 level as the FY2030 target. We have also formulated a roadmap for reducing GHG emissions and are working to achieve our GHG emissions targets. Progress toward the targets is monitored regularly through Responsible Care activities by tracking the GHG

emissions reduction rate and the amount of reductions achieved. Specifically, we conduct interviews about updates on the progress of reduction plans at the RC managers meetings held twice a year with the participation of the heads of NOF production sites, and at RC auditing conducted once a year for affiliated companies. GHG emissions are also calculated using the financial control approach. While we are yet to obtain SBT certification, we are exploring possibilities.

Reduction of GHG emissions [Scope 1 + 2]

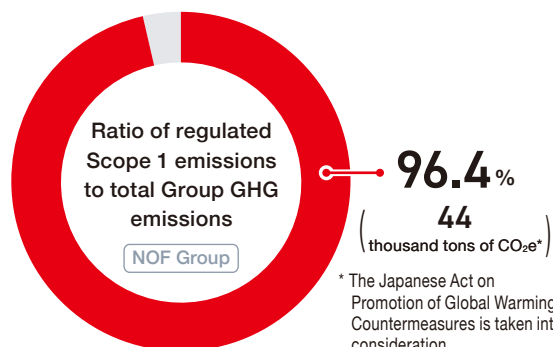
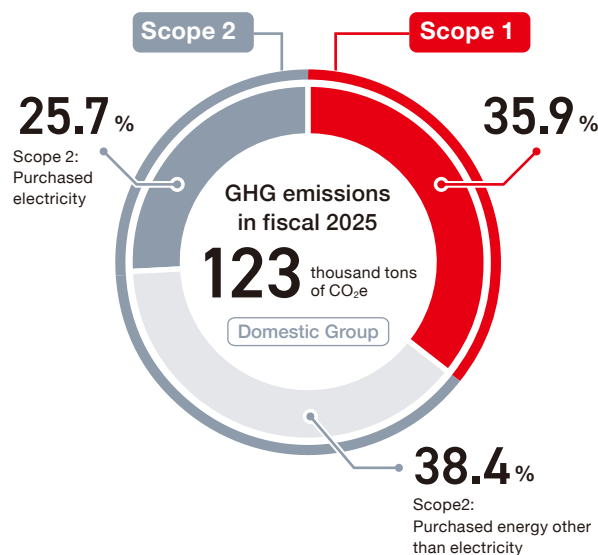




Progress in reducing scope 1 and scope 2 emissions

Scope 1 + Scope 2 emissions from the Domestic Group and the entire NOF Group were 123 thousand t-CO₂e and 139 thousand t-CO₂e, respectively, in FY2025. The reductions achieved represent 78% of the FY2030 target against 40% reduction by the Domestic Group compared with FY2013 level. Progress toward the target is on track, and we will continue accelerating reductions through energy conservation and the use of renewable energy.

GHG emissions



Scope 1 and 2 GHG emissions*

Domestic Group NOF Group

(Thousand tons of CO₂e)

		FY2013	FY2023	FY2024	FY2025	FY2030 (target)
Domestic Group	Scope 1+2	179	135	133	123	107
	Compared with FY2013	-	(44)	(46)	(56)	(72)
NOF Group	Scope 1+2	202	159	151	139	-
	Compared with FY2013	-	(43)	(51)	(63)	-

* Measured in accordance with the GHG Protocol

Scope 2 GHG emissions based on location-based and market-based criteria*

Domestic Group NOF Group

(Thousand tons of CO₂e)

	Location-based criteria			Market-based criteria		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Domestic Group	106	107	107	84	84	82
NOF Group	129	124	122	101	102	96

* Conversion factor for the location-based method: In Japan, the "substitute value" from "Emission Factors by Electric Utility Operator" published by the Ministry of Economy, Trade and Industry (METI) (fiscal 2024 results [published January 9, 2026]) is used. For overseas operations, we referred to the emission intensity database "C-Turtle" (NTT DATA), world electricity emission intensities (Ver. 3.6), EEA, CT, and EPA.



GHG (Scope 1 + 2) emissions and energy consumption data

We are steadily reducing energy-derived CO₂ through energy conservation and the electrification of equipment that uses steam and fuel. Going forward, we will further increase the share of renewable energy used and work to reduce CO₂.

GHG emissions (Scope 1 + 2)

(Thousand tons of CO₂e)

	Metrics	FY2013	FY2023	FY2024	FY2025	FY2030 (target)
Domestic Group	Energy-related CO ₂	154	121	120	112	–
	Non-energy-related CO ₂	25	13	13	12	–
	PFC ^{*1}	15	8	7	6	–
	Other GHGs	10	6	5	6	–
	Total ^{*2}	179	135	133	123	107
NOF Group	Energy-related CO ₂	–	143	137	126	–
	Non-energy-related CO ₂	–	17	14	12	–
	PFC	–	8	7	6	–
	Other GHGs	–	9	7	6	–
	Total ^{*2}	202	159	151	139	–

Energy consumption data

(Thousand GJ)

		FY2013		FY2023		FY2024		FY2025		FY2030 (target) ^{*3}	Notes
		Total	From renewable energy	Total	From renewable energy	Total	From renewable energy	Total	From renewable energy		
Domestic Group	Fuel consumption	937	0	819	97	761	88	714	90	Ratio of non-fossil electricity to total electricity used: 50%	
	Purchased electricity consumption	1,263	0	1,008	242	1,042	240	1,063	259		Renewable electricity is electricity with non-fossil certificates
	Purchased steam consumption	818	0	739	0	739	0	665	0		
	(In-house power generation)	0	0	3.9	0.1	1.5	0.2	9.2	9.1		In-house renewable power generation is solar power generation
	Total ^{*1}	3,018	0	2,570	339	2,543	328	2,451	358		
NOF Group	Fuel consumption	–	–	902	399	867	150	801	136	–	
	Purchased electricity consumption	–	–	1,253	241	1,288	240	1,289	284		
	Purchased steam consumption	–	–	750	0	747	0	673	0		
	(In-house power generation)	–	–	3.9	0.1	1.5	0.2	9.2	9.1		
	Total ^{*1}	–	–	2,909	640	2,903	390	2,772	429		

*1 Perfluorocarbon

*2 Due to rounding adjustments, the sum of individual items may not equal the total.

*3 The FY2030 energy consumption target is based on the target for conversion to non-fossil energy under the Energy Conservation Act.

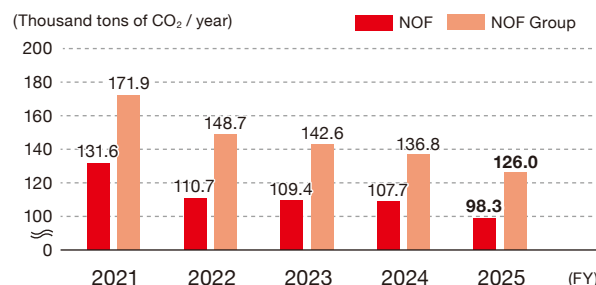


Energy consumption and CO₂ emissions

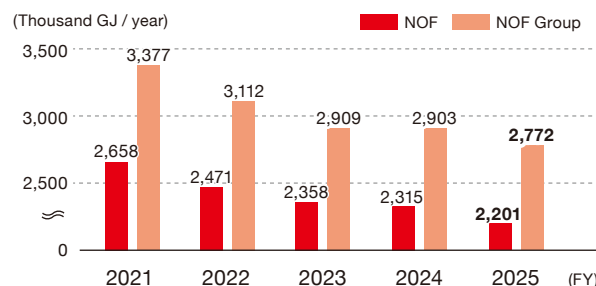
In FY2025, energy consumption was 2,772 thousand GJ for the NOF Group, down 4.5% year on year, and 2,201 thousand GJ for NOF, down 4.9%, maintaining the continuing downward trend.

CO₂ emissions associated with energy consumption were 126.0 thousand tons for the NOF Group, down 7.9% year on year, and 98.3 thousand tons for NOF, down 8.7%. We will continue to steadily implement the efficient use of energy.

Changes in CO₂ emissions^{*1} by energy consumption NOF Group



Changes in energy consumption^{*2} NOF Group



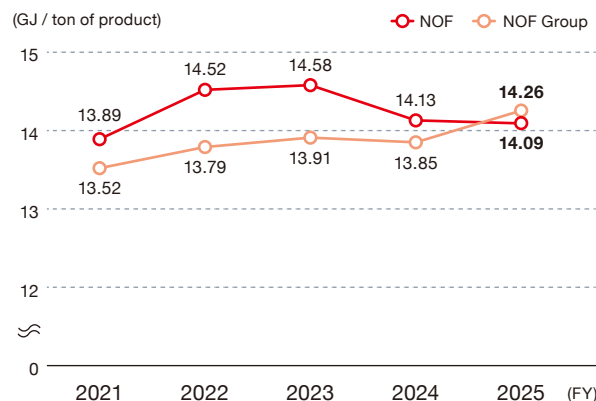
*1 For converting electricity consumption to CO₂ emissions, we used the emission factor published by each electricity supplier for each fiscal year.

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

Energy intensity

In FY2025, energy intensity per unit of production was 14.26 GJ/t for the entire NOF Group, up 3.0% year on year, and 14.09 GJ/t for NOF, down 0.3%. We will continue reviewing manufacturing processes and pursuing energy conservation activities to steadily promote even more efficient use of energy.

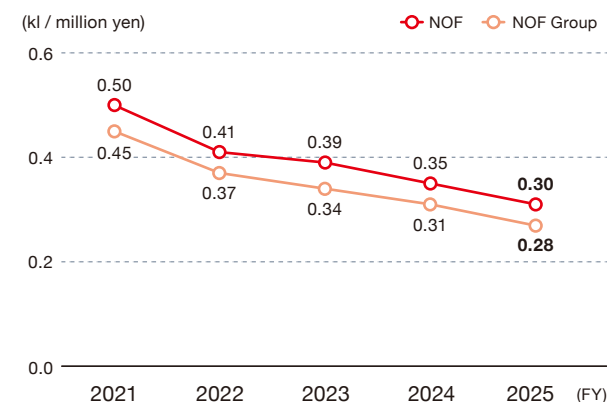
Changes in energy intensity per product NOF Group



Energy intensity related to net sales

In FY2025, energy intensity per net sales was 0.28 kL per ¥1 million for the entire NOF Group, down 9.7% year on year, and 0.30 kL per ¥1 million for NOF, down 14.3%, maintaining the continuing downward trend. We believe this result reflects both our energy conservation activities, including process improvements and reduced steam consumption through steam trap replacement, and sales growth driven by various high-value-added products. We will continue seeking to balance reduced environmental impact with business growth and further enhance corporate value.

Changes in energy intensity related to sales NOF Group





Initiatives related to Scope 1 and 2 (energy-derived CO₂)

Fuel-Related Initiatives

The NOF Group regards addressing climate change as a key management issue and, in line with the government target, aims to achieve carbon neutrality by 2050. As an interim target, we seek to “reduce CO₂ emissions by 40% by FY2030 compared with FY2013 levels” and are working to realize a sustainable society.

To achieve this target, we planned ¥2.1 billion in environmental capital expenditures under the 2025 Mid-term Management Plan and have promoted the use of renewable energy, reviewed manufacturing processes, electrified non-electric equipment, and shifted to energy sources with lower environmental impact.

As a result of these measures, fuel* consumption has continued to decline as shown in the graph at the bottom right, and the effects of equipment upgrades enabled a significant year-on-year reduction in consumption in FY2025.

Examples of Initiatives

● Conversion of Heavy-Oil Boilers to City Gas Boilers (Fuel Conversion) (1)

At the Taketoyo Plant, we are systematically converting heavy-oil boilers to city gas boilers. Two units began operating in January 2025, reducing planned CO₂ emissions by 1.1 thousand t-CO₂ per year. An additional four units are scheduled to begin operating in 2027.

● Conversion of Heavy-Oil Boilers to City Gas Boilers (Fuel Conversion) (2)

Nippon Koki Co., Ltd. is similarly converting heavy-oil boilers to city gas boilers, with operations scheduled to begin in 2030. This is expected to reduce planned CO₂ emissions by 1.2 thousand t-CO₂/year.

● Rationalization of Boiler Operations

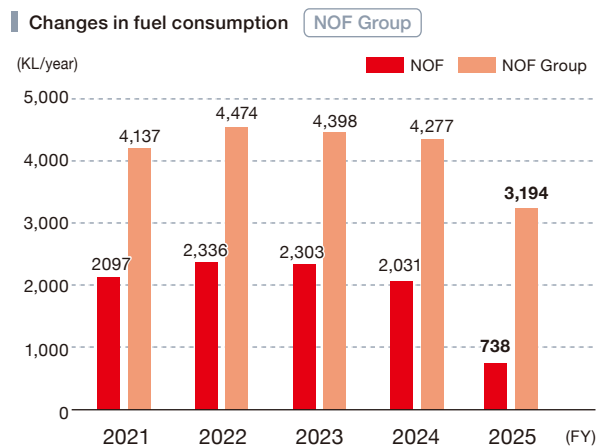
Showa Kinzoku Kogyo Co., Ltd. has reviewed its boiler operating methods and operates boilers only when needed, except during winter, thereby curbing unnecessary fuel consumption and reducing energy loss.

● Other Fuel-Related Measures

In the transportation sector, we are considering decarbonization through the conversion of company vehicles to EVs. At production locations, we continuously promote comprehensive improvements in fuel use, including reducing thermal energy loss through stronger steam trap management.



Boiler at the Taketoyo Plant where fuel was converted to city gas (began operating in January 2025)



* Fuel: Total of heavy oil A, kerosene, gasoline, and diesel oil



Initiatives Related to Purchased Electricity

To achieve the NOF Group's targets of "carbon neutrality by 2050" and "a 40% reduction in CO₂ emissions by FY2030 compared with FY2013 levels," reducing electricity consumption and decarbonizing electricity, which accounts for a large share of energy consumption in manufacturing, are among our highest-priority initiatives. In addition to reducing electricity consumption through energy conservation activities, we aim to significantly reduce CO₂ emissions by replacing the electricity we procure with clean energy.

Complete Switch to Electricity with Non-Fossil Certificates at the Kawasaki Works

As our most important initiative to decarbonize purchased electricity, the Kawasaki Works switched all electricity used from FY2022 to electricity with non-fossil certificates. This reduces CO₂ emissions by approximately 11 thousand tons annually and makes a major contribution to the NOF Group's Scope 2 reductions.

Electricity with non-fossil certificates is electricity accompanied by certificates verifying that it was generated from non-fossil sources such as renewable energy. Purchasing it is a highly effective and immediate means of reducing CO₂ emissions.

Using the Kawasaki Works initiative as a precedent, other production sites and Group companies are also implementing or considering a phased switch of part of their electricity to electricity with non-fossil certificates*, aiming to further reduce the NOF Group's CO₂ emissions.

Promotion of Energy Conservation Activities

To reduce electricity consumption, we actively promote energy conservation activities through higher equipment efficiency and waste heat recovery. Specifically, we are working to reduce electricity consumption by implementing thorough measures to turn off unnecessary lighting and manage air-conditioning temperatures, while considering further expansion of solar power generation, introducing heat-pump heat recovery systems, converting lighting to LEDs, improving the efficiency of pumps, refrigeration units, transformers, and other equipment, and installing inverters. We will continue working to improve energy efficiency throughout the entire manufacturing process.



Kawasaki Works

* Kinuura Plant and LS Aichi Plant: Switched 10% of electricity use to electricity with non-fossil certificates from FY2025
Nippon Koki Co., Ltd. (Shirakawa and Bibai): Switched 20%–25% of electricity use to electricity with non-fossil certificates from FY2025, etc.



Initiatives Related to Purchased Steam

The NOF Group recognizes that steam purchased externally for manufacturing processes is a significant component of GHG emissions. Because fossil fuels are required to generate steam, reducing steam consumption contributes to achieving our GHG emission reduction targets.

To achieve the NOF Group's decarbonization targets, we have promoted ¥2.1 billion in environmental capital expenditures under the 2025 Mid-term Management Plan, advancing the use of renewable energy, reviews of manufacturing processes, electrification of non-electric equipment, and conversion to energy sources with lower environmental impact.

One of the core measures is the electrification of non-electric equipment that uses steam as a heat source. Furthermore, by using electricity derived from renewable energy, we aim to reduce GHG emissions and achieve the NOF Group's GHG emission reduction targets.

Reducing Steam Consumption through Electrification of Non-electric Equipment and Process Improvements

At the Oita Works, we electrified steam ejectors by replacing them with vacuum pumps in FY2023 under Phase 1 construction and introduced a steam diagnostic program to begin continuous monitoring of steam usage. These measures are expected to reduce GHG emissions by a total of at least approximately 0.6 thousand t-CO₂e annually.

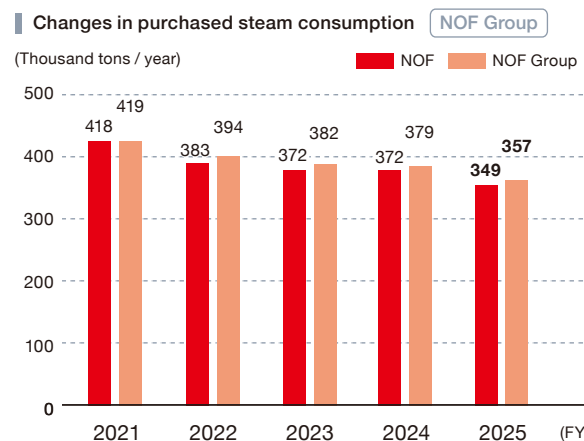
Every plant updates steam traps and reviews processes as needed. Through the synergistic effects of these ongoing improvement activities and electrification, purchased steam consumption has continued to decline since FY2021.

As a future initiative, Phase 2 construction to electrify steam ejectors at the Oita Works is planned, targeting operations in FY2026 and FY2027. A plan to electrify steam ejectors at the Kinuura Plant (Aichi Works) is also underway, targeting operations in FY2029.

The NOF Group will continue expanding the equipment targeted for electrification and steadily promote initiatives to achieve its FY2030 CO₂ reduction target and carbon neutrality by 2050.



Vacuum pump (Oita Works)





In-House Power Generation Initiatives

In promoting the decarbonization of electricity, “in-house power generation,” which reduces dependence on externally purchased electricity and generates electricity using renewable energy within the NOF Group, is an important measure directly linked to reducing Scope 2 emissions. Introducing in-house power generation facilities using renewable energy, including solar power generation, contributes to stabilizing long-term energy costs and provides a foundation for autonomous decarbonized management toward carbon neutrality. The NOF Group is progressively introducing and expanding its in-house power generation facilities suited to the characteristics of each production site.

Example (1): Introduction of Solar Power Generation Facilities at the LS Aichi Plant and JEUNE BEAUTY CORPORATION.

In April 2025, the LS Aichi Plant and JEUNE BEAUTY CORPORATION introduced rooftop solar power generation facilities. The electricity generated is consumed onsite at the plants, helping to reduce purchased electricity and CO₂ emissions. When introducing the facilities, we carefully examined building roof areas and sunlight conditions to determine the optimal installation scale and ensure stable power generation throughout the year. This has achieved emission reductions of 70 t-CO₂e per year and has become an important factor in achieving the NOF Group’s Scope 2 reduction target. Solar power generation across the entire NOF Group reduces emissions by 208 t-CO₂e per year. Going forward, we will consider deployment at other production sites and seek to increase the in-house power generation ratio across the Group.

Example (2): Use of a Cogeneration System at the Kinuura Plant

The Kinuura Plant has introduced a city-gas-fired cogeneration system that simultaneously produces electricity and heat, significantly improving overall energy efficiency. Compared with separately procuring or generating electricity and heat, a single cogeneration system can supply both, simultaneously reducing primary energy consumption and CO₂ emissions.

We will continue stable and efficient equipment operation and seek further reductions in CO₂ emissions.



Solar panels at LS Aichi Plant (began operation in April 2025)



Solar panels at the Chita Plant of JEUNE BEAUTY CORPORATION (began operating in April 2025)

FY2025 solar power generation results

Area	Location	Specific location	Power generation capacity (kW)	Average sunlight hours	Operating days	Power generation results (MWh)	CO ₂ reduction (tons of CO ₂ e)
Kawasaki Works	Daishi Plant		16.6	2.6	365	15.6	6
Amagasaki Plant	Amagasaki Plant	Kansai company housing	10	4.8	365	17.5	43
Aichi Works	Kinuura Plant	Warehouse No. 38	19.8	4.8	361	34.1	14
	LS Aichi Plant		94	3.4	345	111.0	48
NiGK Corporation	Kawagoe Plant		10	5.2	365	18.8	8
JEUNE BEAUTY CORPORATION	Chita Plant	KJ-2 rooftop and hazardous materials warehouse	46	3.4	345	54.0	22
PT.NOF MAS CHEMICAL INDUSTRIES (NMC)			70	4.5	365	115.5	67
Total							208



Initiatives related to Scope 1 (PFCs)

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.

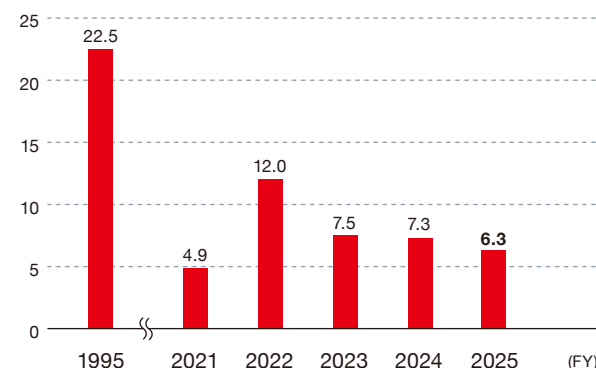
Because the PFCs used are low-boiling-point solvents with significant atmospheric impact, we have worked to reduce impact through process improvements. Since FY2006, we have also operated equipment that cools, recovers, and reuses PFCs using condensers installed in each process. Through several subsequent equipment improvements, we have continued reducing PFC emissions. As a result, emissions have been significantly reduced compared with 1995, the base year for PFCs.

In FY2025, PFC emissions decreased approximately 13% from FY2024 due to the effects of facility improvements. Going forward, we will continue stable operation of recovery equipment, pursue diluent changes, and promote emission reductions.

Changes in PFC emissions

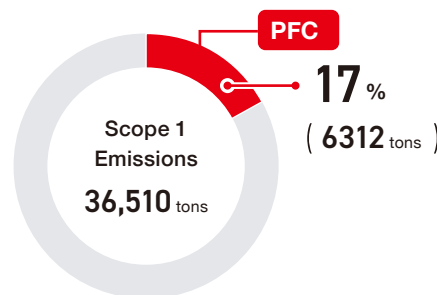
NOF

(Thousand tons of CO₂e / year)



Share of PFCs in Scope 1

NOF



Condenser for PFC cooling and recovery (photo shows one attached to a PFC tank)

GHG reduction through forest maintenance activities

The NOF Group also promotes GHG reduction activities through forest maintenance and CO₂ absorption.

At the Shirakawa Plant of Nippon Koki Co., Ltd., we used Fukushima Prefecture's Carbon Dioxide Absorption by Forest Maintenance Activities Certification System to conduct tree planting and thinning, receiving certification for absorbing 282 tons of CO₂ from 2012 to 2013.

NOF Metal Coatings Asia Pacific Co., Ltd. supports Kanagawa Prefecture's "Kanagawa Forest Restoration 50-Year Project" and has participated in the "Forest

Restoration Partner System" since 2022 to support forest maintenance, resulting in approximately 247 tons of CO₂ absorption over five years.

In 2025, the Oita Works endorsed Oita Prefecture's "Forest Creation with Corporate Participation" program and carried out tree-planting activities in the forests of Yufu City. As the saplings grow, they are expected to absorb approximately 160 tons of CO₂ over five years.

CO₂ absorbed through the NOF Group's forest maintenance activities

Cumulative total **689** tons

Use of the Internal Carbon Pricing (ICP) system

To further promote the shift to renewable energy and decarbonization, we are expanding our pilot efforts in Internal Carbon Pricing (ICP). When an individual investment project is expected to increase or decrease GHG emissions, we calculate economic indicators reflecting ICP and use them in making investment decisions. This enables us to make more sophisticated economic judgments in capital expenditure and business strategy, while also raising employee awareness of energy conservation through the visualization of monetary effects, thereby contributing to the decarbonization of overall business activities and the realization of carbon neutrality across society as a whole.

Internal carbon price

¥15,000/ton-CO₂



Scope 3 emissions and the challenge of reduction

To realize a sustainable society, the NOF Group recognizes reducing GHG emissions throughout the supply chain as an important issue. Of total Scope 3 emissions of 872.5 thousand t-CO₂e in FY2025, the major categories were Category 1, purchased goods and services, at 408.7 thousand t-CO₂e and Category 10, processing of sold products, at 24.7 thousand t-CO₂e. We will continue working to improve calculation accuracy and establish emission targets. Based on the CSR Procurement Guidelines, we will also promote continuous improvement by engaging and collaborating with internal and external stakeholders to reduce emissions throughout the supply chain.

Scope 3 calculations

(Thousand tons of CO₂e)

Category	FY2023	FY2024	FY2025		Calculation method
1 Purchased products and services	453.3	520.5	408.7	*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	98.4	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	35.3	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	26.8	*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	11.3	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	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	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	24.7	NOF	Calculated by multiplying the sales volume of processed edible oils and industrial explosives by emission intensity according to the databases ⁴
11 Use of sold products	Not determined	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	265.7	NOF Group	FY2023: Calculated for packaging materials of shipped products by multiplying the weight of each type with the emission intensity according to the databases ⁴ From FY2024 onward: 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	872.5		

*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.; NICHIIYU 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 NOF on a standalone basis, 10 domestic affiliate companies (NICHIIYU TRADING CO., LTD.; NICHIIYU 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: Emissions Intensity Database Ver. 3.5 for Calculating the GHG Emissions of Organizations through the Supply Chain (Ministry of the Environment)



Scope 3 initiatives

The NOF Group is working to reduce GHG emissions across the entire supply chain in line with our CSR Procurement Guidelines. We participate in the Declaration of Partnership Building, strengthening collaboration with our suppliers.

Category 1 (Purchased Goods and Services)

Reduction Initiatives

Category 1 emissions from purchased goods and services were 408.7 thousand t-CO₂e in FY2025, accounting for approximately 47% of total Scope 3 emissions. We are currently introducing a calculation system and preparing to establish reduction targets by improving calculation accuracy.

Category 4 (Upstream Transportation and Distribution)

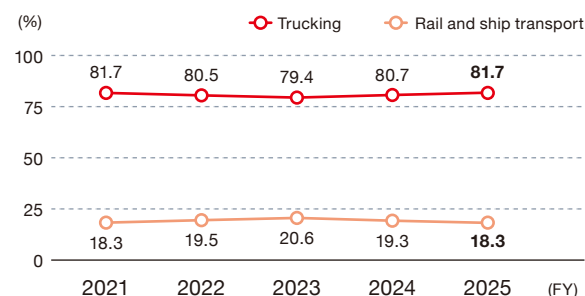
Reduction Initiatives

Since FY2006, the NOF Group has operated an integrated delivery system to improve logistics efficiency. NOF has also been tackling modal shifts* and joint delivery.

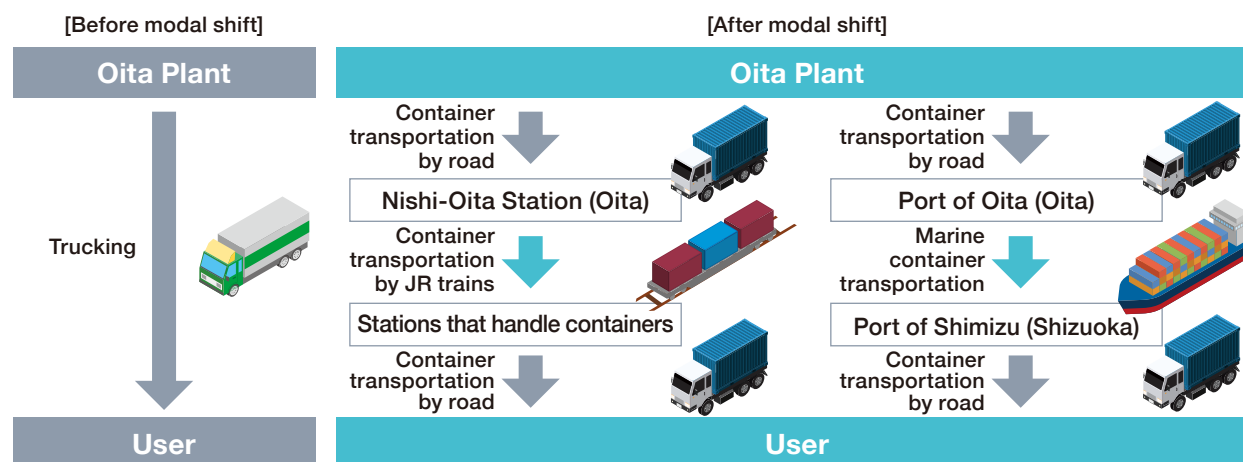
We are promoting a modal shift from truck to rail transportation, and rail and marine transportation currently account for 18.3% of total cargo volume. In terms of GHG emissions intensity during transportation, if we take FY2006—the first year of implementing the integrated delivery system—as 100, the figure for FY2025 was 41.5.

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

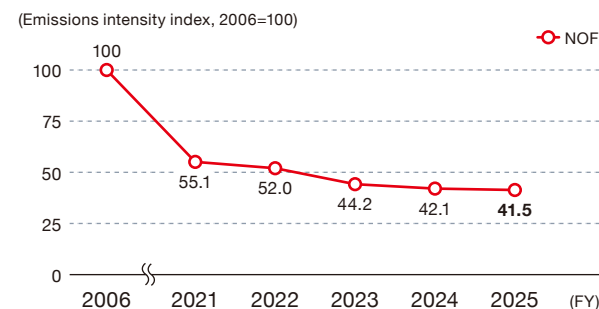
Transportation modal shifts



Oita Plant modal shifting scheme



GHG emissions intensity related to transportation



Modal shifting

* 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.



Life cycle assessment (LCA)

The NOF Group recognizes the importance of life cycle assessment (LCA) in more appropriately understanding the environmental impact of products and services and considering future reduction measures.

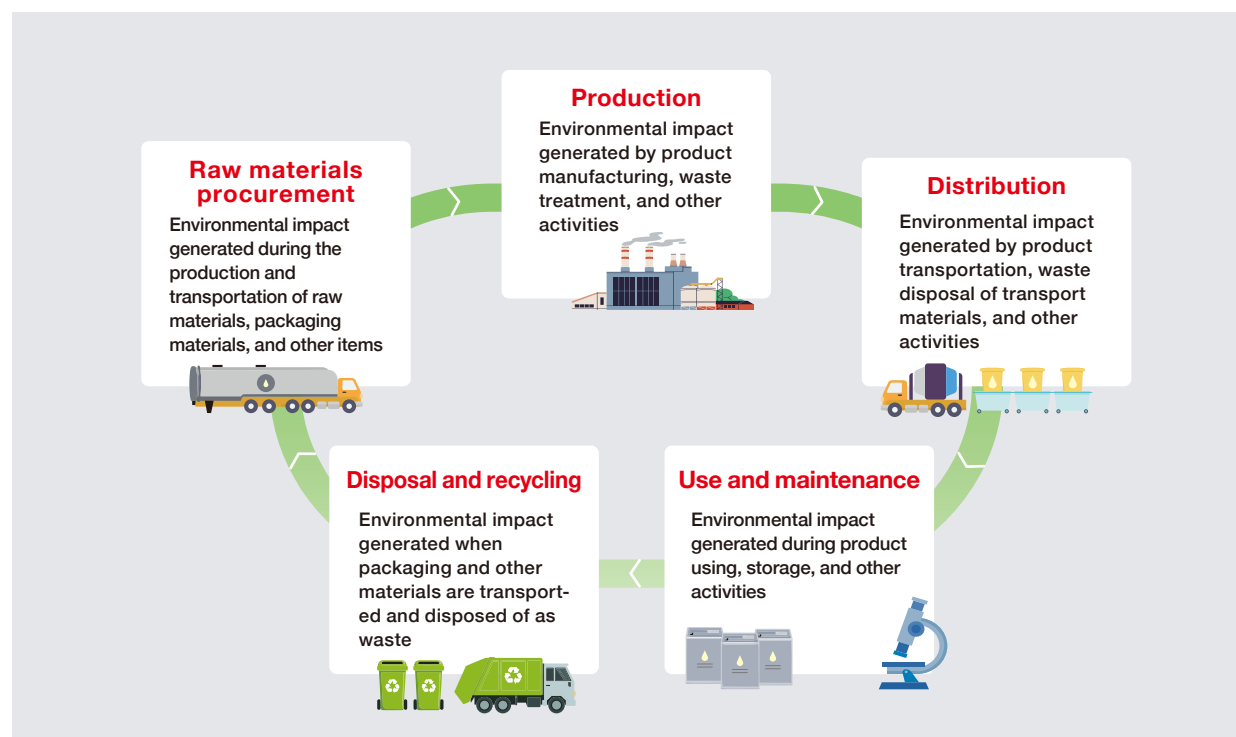
LCA is a method for quantitatively and comprehensively assessing the environmental impact of products and services throughout their entire life cycle, from raw material procurement to manufacturing, distribution, use, disposal, and recycling. To realize a decarbonized society, it is important to understand environmental impact information not only for manufacturing processes but throughout the supply chain, and we recognize LCA as the underlying approach.

The NOF Group has begun examining ways to improve the accuracy of carbon footprint (CFP) calculations, which form the basis of LCA. CFP is a system that quantifies and visualizes, on a product-by-product basis and in terms of carbon dioxide (CO₂) equivalent, the GHGs emitted at each stage of a product's or service's life cycle, from raw material procurement to manufacturing, distribution, use, disposal, and recycling.

Based on this approach, the NOF Group is organizing and creating a database of product-specific Scope 1, 2, and 3 information and conducting trial carbon footprint calculations. Previous calculations used proxy values based partly on information for entire production locations and major raw materials. By refining product-specific information, we will obtain carbon footprints that more closely reflect actual conditions.

Going forward, we will progressively expand the range of products covered and develop and refine relevant data. By simplifying and standardizing carbon footprint calculation methods, we will consider more advanced environmental impact assessments incorporating the LCA approach.

NOF Group life cycle overview





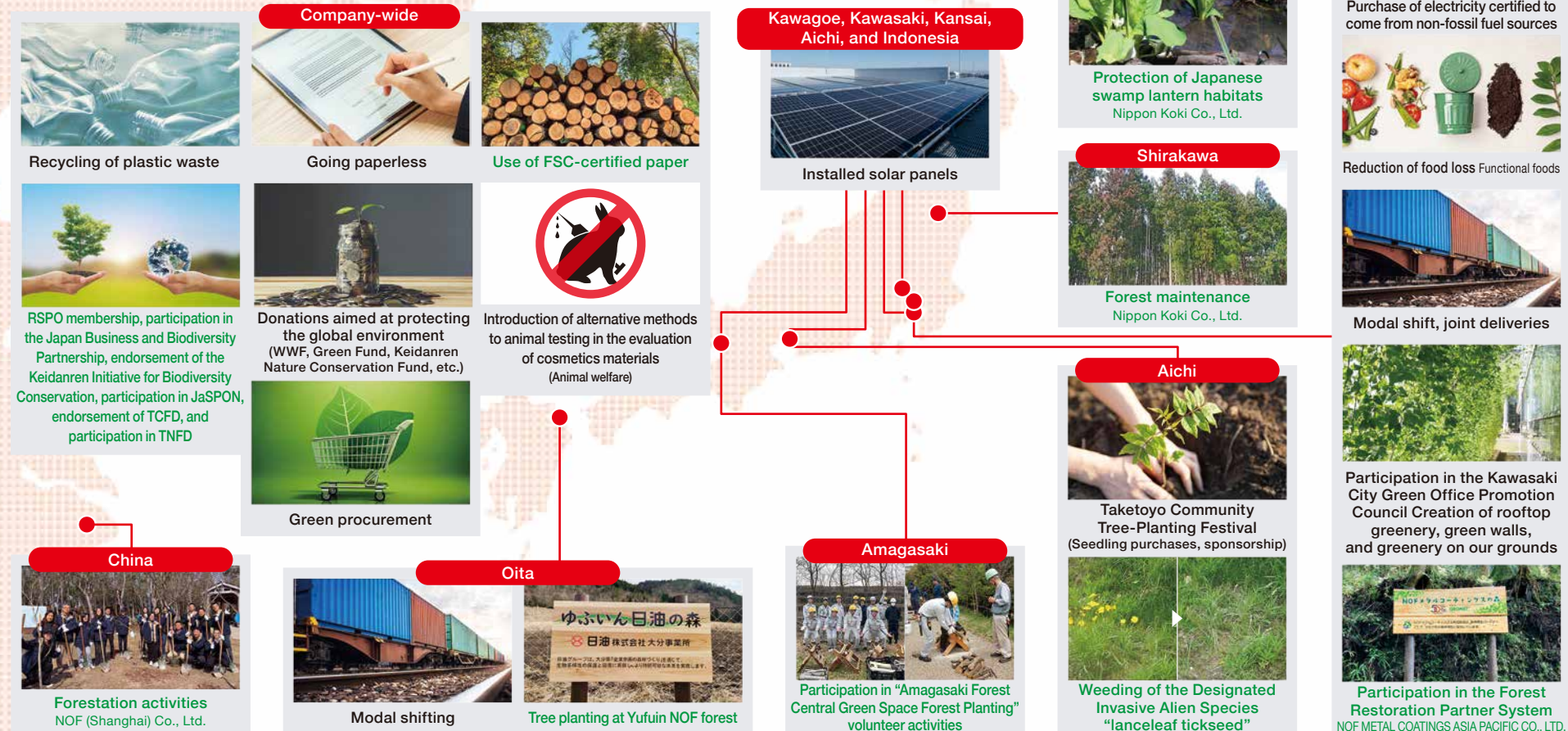
Climate Action and Natural Capital | Progress and Results for Biodiversity

GRI 304-1, 2, 3, 4

Progress and results for biodiversity conservation

In addition to “forest planting” through roadside greening and forest creation by thinning and pruning forests owned by the NOF Group, we are implementing plans that contribute to biodiversity at sites across Japan through activities such as protection efforts mainly targeting endangered species, removal of invasive plants, and donation activities.

Clicking the boxes for initiatives shown in green text will take you to the page with details.





Initiatives at individual sites

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 is a former cedar logging area at the foot of Mt. Yufu, also known as the "Mt. Fuji of Bungo." Approximately 2.8 hectares have been named "Yufuin NOF Forest," where 2,000 broadleaf trees, including sawtooth oaks, are being planted. 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.



Oita Plant

Participation in "Amagasaki Forest Central Green Space Forest Planting" Volunteer Activities (Since 2017)

In FY2025, 25 employees from the Amagasaki Plant continued to participate in the "Amagasaki Forest Central Green Space Forest Planting," one of the initiatives under the "Amagasaki 21st Century Forest Project" promoted by Hyogo Prefecture. This year, activities focused on thinning and pruning to keep the forest healthy and organizing felled timber. Through these forest creation activities, we will continue contributing to environmental improvement in the waterfront area and the conservation of biodiversity.



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

The Kanagawa Forest Restoration 50-Year Project is an initiative to revitalize forests measuring about 95,000 hectares, or about 40% of the prefecture's land, from the prefecture's Mount Oyama and Hakone mountains to forest land in satoyama areas and urban areas. The objective is to prevent the devastation and erosion caused by lack of care and to pass on the rich blessings of the forests to the next generation. NOF METAL COATINGS ASIA PACIFIC CO., LTD. started to support forest maintenance on an area of about 12 hectares (equivalent to about two Tokyo Domes). The forest areas will absorb about 247 tons of CO₂ over five years. Moreover, the decision has been made to name a portion of the forest designated by the prefecture as "NOF

METAL COATINGS Forest." Going forward, as a partner company, we will conduct events for forest maintenance, nature observation, and more. The forest will be used as a place to promote health and deepen friendship with employees and their families, thereby contributing to the protection of natural capital and environmental preservation.



NOF METAL COATINGS ASIA PACIFIC CO., LTD.

Forestation activities

NOF (Shanghai) Co., Ltd. (NSC) actively participates every year in volunteer and environmental protection activities in Shanghai to instill the importance of corporate social responsibility among employees and make tangible contributions to local communities. In March 2026, with an introduction from Shanghai Dingpan Tourism Culture Development Co., Ltd., which promotes the development of tourism culture, all employees carried out a tree-planting activity at Shanghai Bay National Forest Park to help protect the coastal environment near Shanghai.



NOF (Shanghai) Co., Ltd.



Mangrove Planting Program

In November 2025, PT. NOF MAS CHEMICAL INDUSTRIES (NMC) planted more than 26,000 mangrove trees under a joint CSR program involving the industrial park management office, tenant companies, and the local community. This activity not only contributes to controlling coastal erosion and enhancing biodiversity through ecosystem restoration but also supports farmers and promotes local economic development. Through close collaboration with diverse stakeholders across boundaries, we will continue taking on global environmental goals and co-creating a sustainable future in which society and nature coexist in harmony.



PT.NOF MAS CHEMICAL INDUSTRIES

Forest Maintenance and Expansion of the Habitat of Daylily

At the Shirakawa Plant of Nippon Koki Co., Ltd., forest maintenance through thinning has been carried out continuously, and an area of 3.0 hectares was maintained in FY2025. For this maintenance, a notification concerning logging domestic trees was submitted to Nishigo Village in Nishishirakawa District, the relevant authority, and the village issued a “Notice of Compliance with the Logging and Post-Logging Reforestation Plan.” This plant plans to continue such small-scale forest maintenance in the future.

The plant is also promoting efforts to expand the habitat of daylily, which grows naturally on the premises. This fiscal year, maintenance of the access path to



Nippon Koki's Shirakawa Plant



Notice of Compliance with the Logging and Post-Logging Reforestation Plan

the natural habitat was completed. Over the next several years, viewing facilities, including boardwalks, are scheduled to be installed.

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.



Nippon Koki Co., Ltd. Bibai Plant



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. The NOF Group 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.



Weeding of specified invasive non-native plants

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 this plant 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.



Aichi Works

CSR-based Procurement

Since fiscal 2010, we have designated promotion of biodiversity initiatives as one of our Responsible Care (RC) activities. From October 2012, NOF joined the Roundtable 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 consumption and management of water resources as well as the appropriate treatment and management of plant discharged water 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 discharged water 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.

Consumption of water resources

NOF has been carrying out the efficient use of water resources by estimating the amount of the water consumption. In FY2025, volume of water newly withdrawn was 7,939 million m³, of which 1,380 million m³ was groundwater and 1,827 million m³ was city water. Water consumption per ¥1 million of net sales was 7,100 m³, approximately 10%

lower than the 7,900 m³ recorded in FY2024, reducing our dependence on water consumption.

For FY2026, we have set a target of keeping water withdrawal at or below the previous fiscal year's level and will continue our efforts to reduce water withdrawal. Through these efforts, we will review and improve the efficiency of water consumption at each business site while promoting effective use of water resource and reducing environmental impact through employee education and awareness activities, thereby striving to realize sustainable water resource management.

Volume of discharged water by destination

After appropriate treatment of discharged water generated

at each production site, the NOF Group discharges approximately 59%, or 3.571 million m³, to the sea. In addition, approximately 31%, or 1.863 million m³, is discharged to surface water, including rivers, and the remaining approximately 11%, or 662,000 m³, to other systems.

Initiatives to reduce water consumption

In order to promote reductions and efficient improvements in water consumption at our business sites, NOF is circulating cooling water and reviewing manufacturing processes to reduce water withdrawal.

We are also working to suppress water withdrawal by reusing treated discharged water as cooling water.

Changes in water consumption		NOF Group				
		(Thousand m ³ /year)				
Category		FY2021	FY2022	FY2023	FY2024	FY2025
Volume of water withdrawal	Volume of water newly withdrawn ^{*1}	7,833	7,964	7,833	7,886	7,939
	City water	1,514	1,650	1,578	1,805	1,827
	Industrial water	5,022	4,912	4,923	4,673	4,732
	Groundwater	1,297	1,402	1,332	1,407	1,380
	Internally recycled water ^{*2}	-	-	-	8,146	7,860
	Total	-	-	-	16,032	15,799
Volume of water discharged	Surface water	1,777	1,843	1,863	1,904	1,863
	Groundwater	0	0	0	0	0
	Seawater	3,479	3,483	3,692	3,596	3,571
	Discharge to other organizations	568	535	535	504	662
	Total ^{*1}	5,824	5,861	6,090	6,004	6,096
Water consumption ^{*1}		2,009	2,103	1,743	1,881	1,843
Water consumption/net sales (Thousand m ³ /million yen)		10.4	9.7	7.8	7.9	7.1
Volume of recycled water ^{*2}		-	-	-	8,146	7,860
Water recycling rate (%) ^{*3}		-	-	-	51	50

^{*1} Water consumption = volume of water newly withdrawn – total volume of discharged water ^{*3} Water recycling rate (%) = volume of recycled water / volume of water withdrawal

^{*2} Volume of recycled water = internally circulated 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 some sites in Europe and Southeast Asia were located in regions under water stress in 2024 and are expected to remain in such regions in 2030. 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 consumption.

Results of water shortage risk assessment using Aqueduct 4.0		(No. of production sites)		
Water shortage risk level	Water stress	2024	2030	2050
Large	Over 40%	2	2	3
Medium	20–40%	14	15	14
Small	Below 20%	7	6	6

Water withdrawal at sites with high drought risk (FY2025)		NOF Group			(Thousand m ³ /year)
		Volume of new water consumption		Consumption amount	
Sites under high water stress		416		144	
Ratio to total of the NOF Group (%)		5.2		7.8	
		Volume of new water consumption	Consumption amount	Volume of water discharged	
High water stress	NOF METAL COATINGS EUROPE N.V.	3	3	0	
	PT.NOI MAS CHEMICAL INDUSTRIES	414	142	272	
Medium water stress and lower	Other NOF Group sites (including overseas)	7,523	1,698	5,824	
NOF Group total		7,939	1,843	6,096	

*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.

Prevention of water pollution

Discharged water generated by production activities at plant 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 discharged water. 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.

Number of accidents

NOF Group		(Number)		
		FY2023	FY2024	FY2025
Number of accidents		0	0	0

Changes in discharged water monitoring items

		(Tons / year)			
Category		2022	2023	2024	2025
NOF	BOD	37	33	24	24
	COD	44	52	55	54
	Suspended solids	22	36	26	25
Domestic Group	BOD	39	36	25	27
	COD	44	52	55	54
	Suspended solids	25	42	31	47
NOF Group	BOD	67	74	58	55
	COD	148	171	153	153
	Suspended solids	44	58	43	58
Violations of laws and regulations (no.)		0	0	0	0



While implementing measures such as those illustrated below to conserve water resources, we also identify and strengthen the management of associated potential risks. Promoting water reuse can conserve water resources, but deterioration in water quality through repeated use can increase the risk of equipment failure, such as filter clogging. Reducing the frequency of water cleaning for manufacturing facilities and introducing steam cleaning can conserve water resources, but more sophisticated cleaning procedures increase the workload.

Risks and opportunities for water and effluents

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 costs - New discharged water regulations make it impossible to continue manufacturing existing products, resulting in lost opportunities and reduced sales	- Increased capacity of discharged water 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 discharged water 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 discharged water processing facilities - Study of efficient use of water
	Chronic risks	Excessive groundwater withdrawal 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^{*1}

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^{*2}, and other substances contained in exhaust gases from boilers and other combustion facilities to prevent air pollution, and manages operations in strict compliance with national and local environmental standards.

We are currently advancing SOx emission reduction plans, including converting boiler fuel from Type A heavy oil, a major source of 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		FY2021	FY2022	FY2023	FY2024	FY2025
NOF	SOx	1.9	2.6	4.9	2.1	1.0
	NOx	48.0	49.1	52.9	40.6	43.3
	Soot and dust	1.1	0.9	0.9	0.9	1.2
Domestic Group	SOx	3.3	4.4	6.5	3.4	2.6
	NOx	49.6	50.6	54.4	41.1	43.8
	Soot and dust	1.1	0.9	1.0	0.9	1.2
NOF Group	SOx	4.6	6.5	8.2	4.7	3.0
	NOx	55.3	55.4	58.1	45.8	45.3
	Soot and dust	4.1	4.6	2.5	4.4	1.5
Violations of laws and regulations (no.)		0	0	0	0	0

^{*1} Policies stipulated in the Responsible Care guidelines

^{*2} 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.

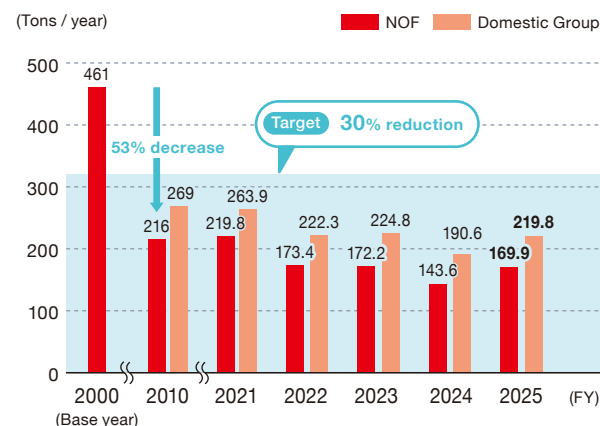


Volatile organic compounds (VOCs)

Following the May 2004 amendment to the Air Pollution Control Act, VOC emission regulations have been in effect since April 1, 2006. This legal amendment combined “regulation” and “voluntary initiatives” appropriately for the first time in Japan’s environmental legal system, with a target of reducing atmospheric VOC emissions by approximately 30% by FY2010 compared with FY2000.

NOF Group’s FY2000 PRTR emissions, including VOCs, were 461 tons on a non-consolidated basis. By FY2010, emissions were 216 tons for NOF and 269 tons for the Domestic Group, achieving a 53% reduction from FY2000. Since then, we have continued systematic reductions and further lowered emissions. We will continue striving to monitor and reduce emissions, including VOCs and hazardous air pollutants.

Changes in VOC emissions* Domestic Group



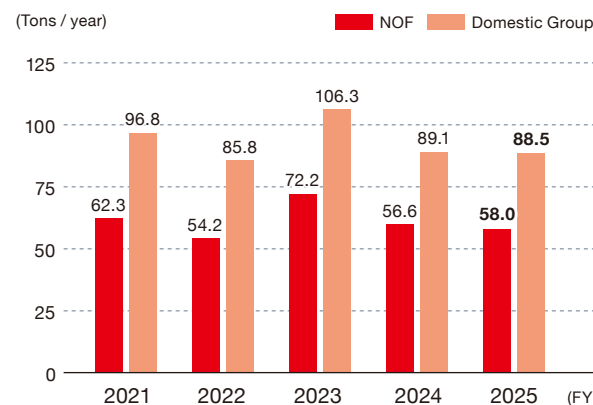
* Emissions of PRTR-listed substances plus the JCIA’s 303 substances

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 2025 amounted to 89 tons. We position emission reductions as an important issue and actively pursue process improvements and equipment installation. In addition, through technological innovation and R&D, we are exploring new reduction methods and contributing to the realization of a sustainable society.

Hazardous air pollutants* Domestic Group



* Emissions of the 15 substances that overlap with VOCs among the 23 priority substances



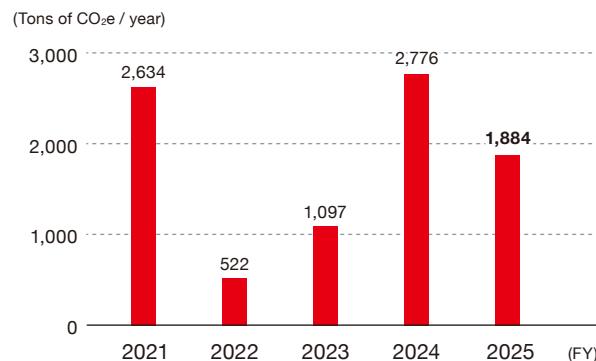
Reduction of fluorocarbon emissions

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 FY2025, we estimated leakage of fluorocarbons amounted to 661 tons of CO₂e at the Kawasaki Works, 677 tons of CO₂e at the Aichi Works, and 25 tons of CO₂e at the Amagasaki Plant, bringing the total for our company to 1,884 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 NOF



Fluorocarbon Countermeasure Rating

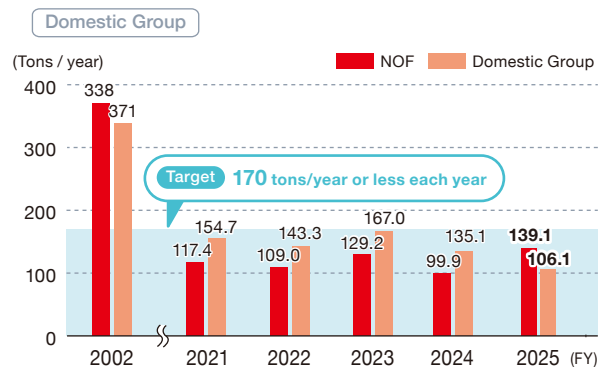
NOF's fluorocarbon countermeasures were recognized under the "JRECO Fluorocarbon Countermeasure Rating," earning the highest A rating for two consecutive years.



PRTR Act-controlled substances

The emission volume of PRTR Act-controlled substances by the Domestic Group in FY2025 was 139.1 tons, an increase of approximately 3% from 135.1 tons in the previous fiscal year. As a result, about 48% reduction of emissions volume was achieved from the 269 tons in fiscal 2010, the reference year of the Mid-term Target.

Changes in emissions of PRTR Act-controlled substances



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	35.3
300	Toluene	33.5
83	Cumene	16.9
128	Chloromethane	15.3

Measures to reduce emissions of PRTR Act-controlled substances

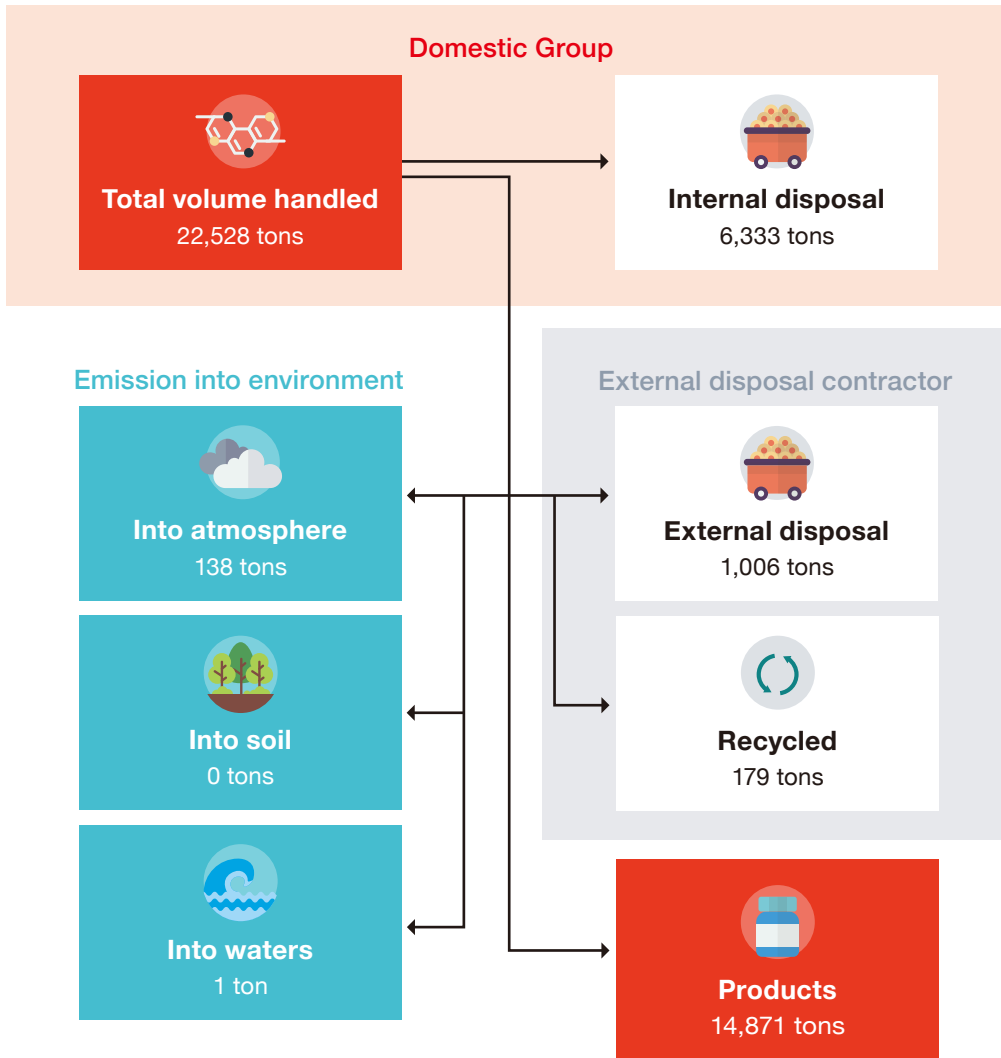
NOF has set a target of keeping annual emissions of PRTR Act-controlled substances at 170 tons or less. In particular, we are examining manufacturing methods in which PRTR Act-controlled substances are not used in order to reduce the amount of substances with high environmental emissions. We aim to reduce emissions through the adoption of alternative substances and environmentally friendly manufacturing methods.

We also optimize the operating conditions of recovery equipment to increase the volume of emissions recovered. 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.



Balance of emissions of PRTR Act-controlled substances (FY2025) 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 capital expenditures 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, facility damage caused by natural disasters such as typhoons and volcanic eruptions could 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. We implement measures such as those illustrated below to prevent air pollution while also identifying the associated potential risks. For example, switching boiler fuel

from heavy oil to LNG can significantly reduce SOx and other emissions. Although LNG vaporization equipment consumes energy, its impact is considered small compared with the GHG emissions from heavy-oil boilers.

Introducing VOC recovery equipment (adsorption, recovery, or combustion) can also reduce emissions of target substances. However, energy is consumed to reuse adsorbents, recover substances through cooling, and perform combustion treatment, while spent adsorbents also increase waste.

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 costs - New air-emission regulations make it impossible to continue manufacturing existing products, resulting in lost opportunities and reduced sales	(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

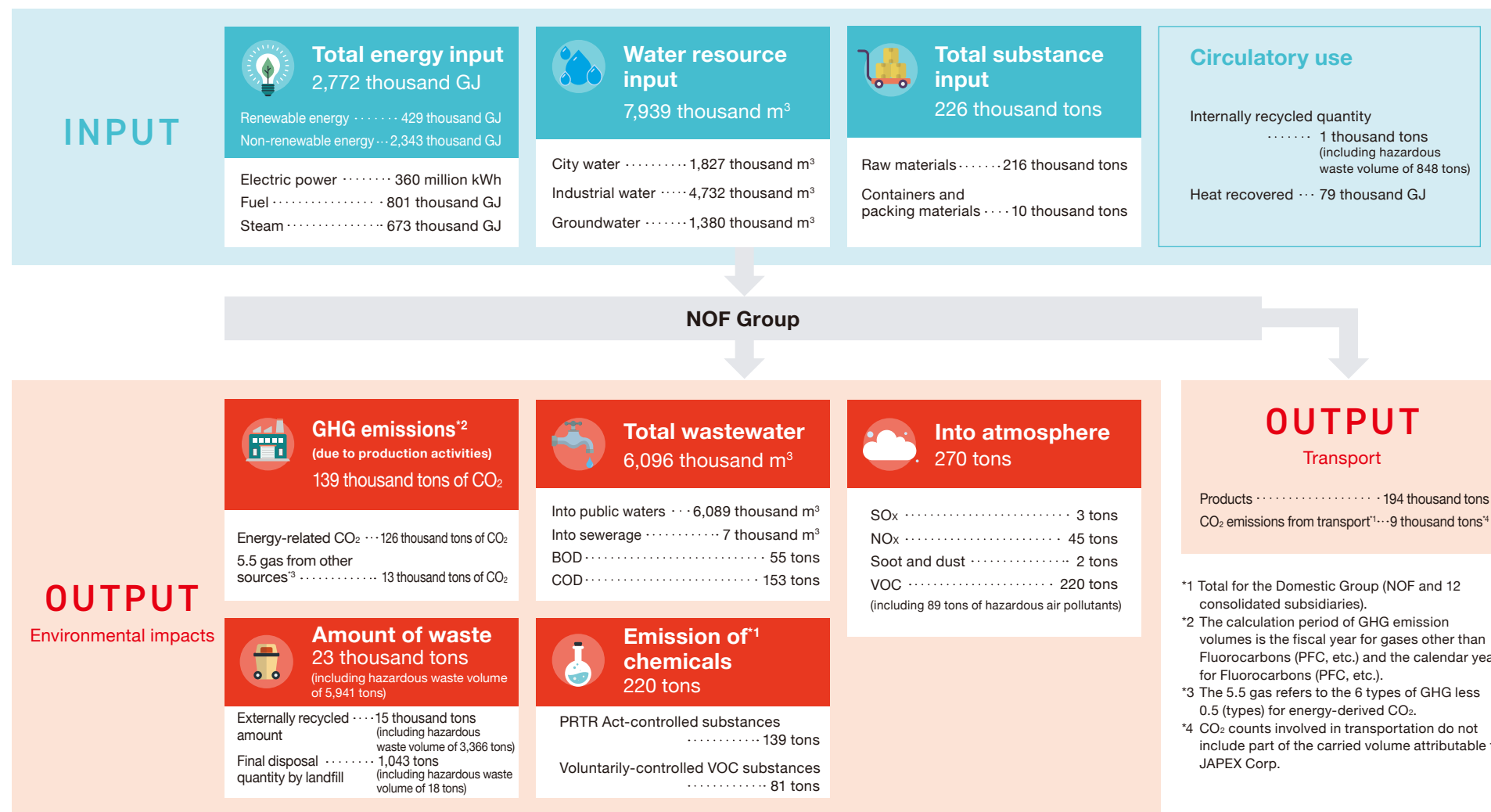


Environmental Performance

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

The status of environmental impact ensuing from business activities by the NOF Group in fiscal 2025 is shown below.

Key Environmental Performance NOF Group



* Hazardous waste: Aggregated specially controlled industrial waste as defined by the Waste Management and Public Cleansing Act

^{*1} Total for the Domestic Group (NOF and 12 consolidated subsidiaries).
^{*2} The calculation period of GHG emission volumes is the fiscal year for gases other than Fluorocarbons (PFC, etc.) and the calendar year for Fluorocarbons (PFC, etc.).
^{*3} The 5.5 gas refers to the 6 types of GHG less 0.5 (types) for energy-derived CO₂.
^{*4} CO₂ counts involved in transportation do not include part of the carried volume attributable to JAPEX Corp.



Resource Recycling (Waste)

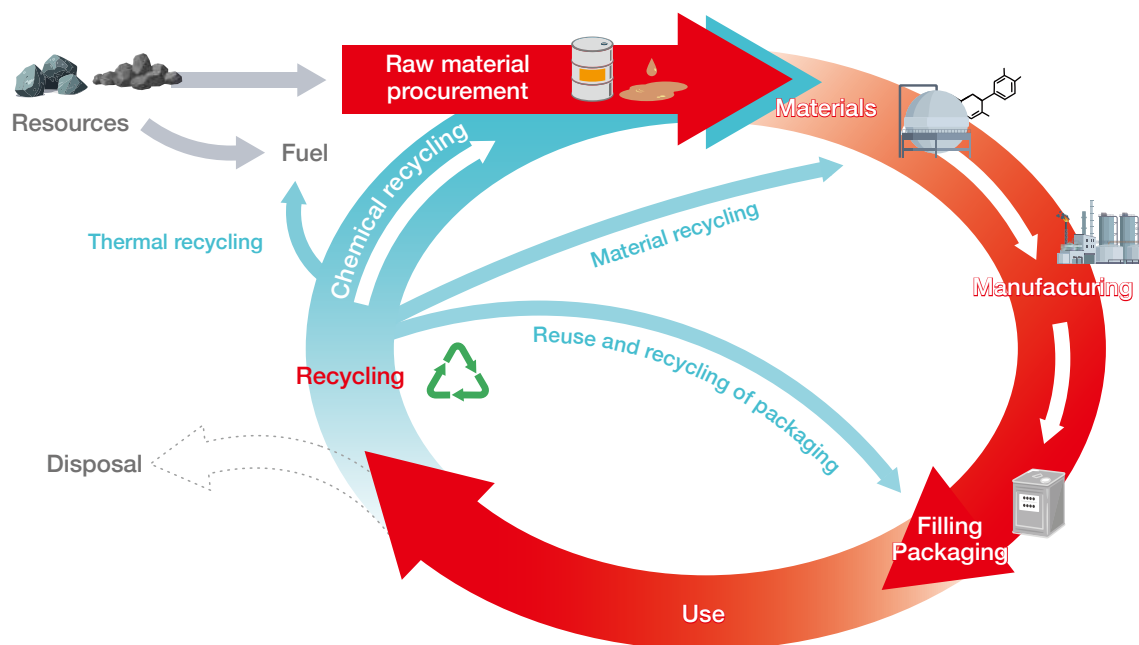
GRI 301-3/306-1, 2, 3, 4, 5

Policy (our fundamental view)

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

- (1) Promotion of the sale of waste as valuable materials and internal treatment:
We sell waste as valuable material for reuse and actively promote internal treatment. 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 manufacturing processes, we reduce the amount of waste generated. This initiative prevents resources from going to waste and ensures their efficient use.
- (3) Ongoing search for recycling contractors and implementation of recycling:
We continuously collaborate with recycling contractors and actively recycle waste. This initiative promotes the reuse of resources, efficient use of resources, and reduction of waste.
- (4) Reduction of landfill disposal through recycling existing waste:
By recycling existing waste, we reduce disposal in 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 (Waste)

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

Resource recycling targets

The NOF Group promotes resource recycling efforts by setting targets.

(1) Promotion of zero emissions^{*1}

Zero emissions rate: 0.10% or lower annually
We promote the sorting and recycling of waste, including hazardous waste, and minimize the generation of waste disposed of in landfills.

(2) Promotion of waste plastic recycling

Waste plastic recycling rate^{*2}: 99% or higher annually (From FY2025)
We promote waste plastic recycling to circulate and effectively utilize resources.

Trends in hazardous industrial waste generation^{*3} (tons)

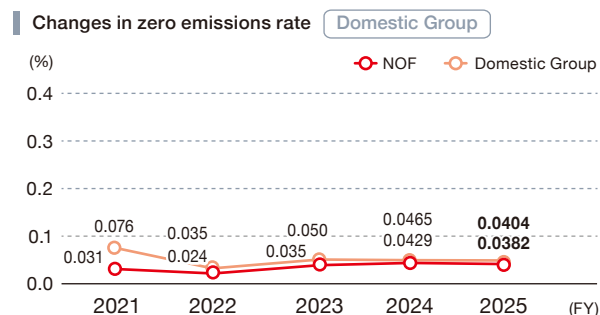
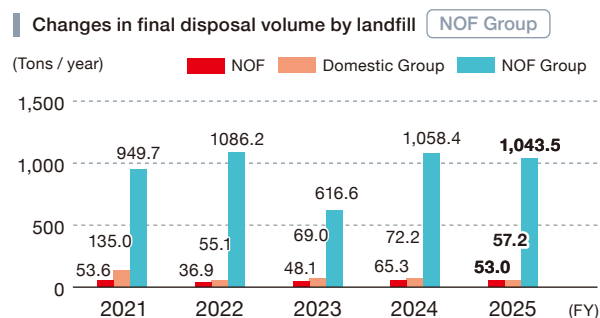
Category	FY2021	FY2022	FY2023	FY2024	FY2025
NOF	6,699	7,558	7,290	7,346	6,797
Domestic Group	6,799	7,640	7,351	7,395	6,849

(1) Promotion of zero emissions

In fiscal 2025, the final landfill disposal volume for the Domestic Group was 57.2 tons, for a zero emissions rate of 0.040%.

Meanwhile, NOF's final landfill volume was 53.0 tons, with the zero emissions rate standing at 0.038%.

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



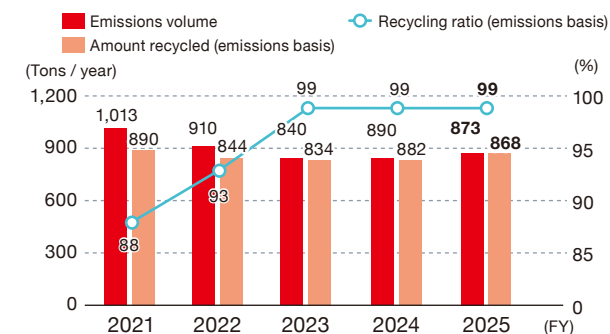
(2) Promotion of waste plastic recycling

In FY2025, the NOF Group's waste plastic emissions decreased by 17 tons to 873 tons, and the recycling rate against the emission amount was 99%. In addition, the Domestic Group's sales from the recycling of waste amounted to 234 million yen.

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

At the Kawasaki Works, used stretch film and PP bands are collected, sorted, and sold to an external recycling contractor. FY2025 results were 7.8 tons of stretch film and 0.2 tons of PP bands. The transferred materials are mechanically recycled by the receiving contractor and used as raw materials for plastic bags and PP bands. Reusing waste promotes resource circulation and contributes to reducing environmental impact.

Changes in amounts of plastic waste recycled and recycling rates^{*2} (NOF Group)



^{*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

^{*3} Hazardous industrial waste: Aggregated specially controlled industrial waste as defined by the Waste Management and Public Cleansing Act



Resource Recycling (Waste)

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

Initiatives toward saving resources

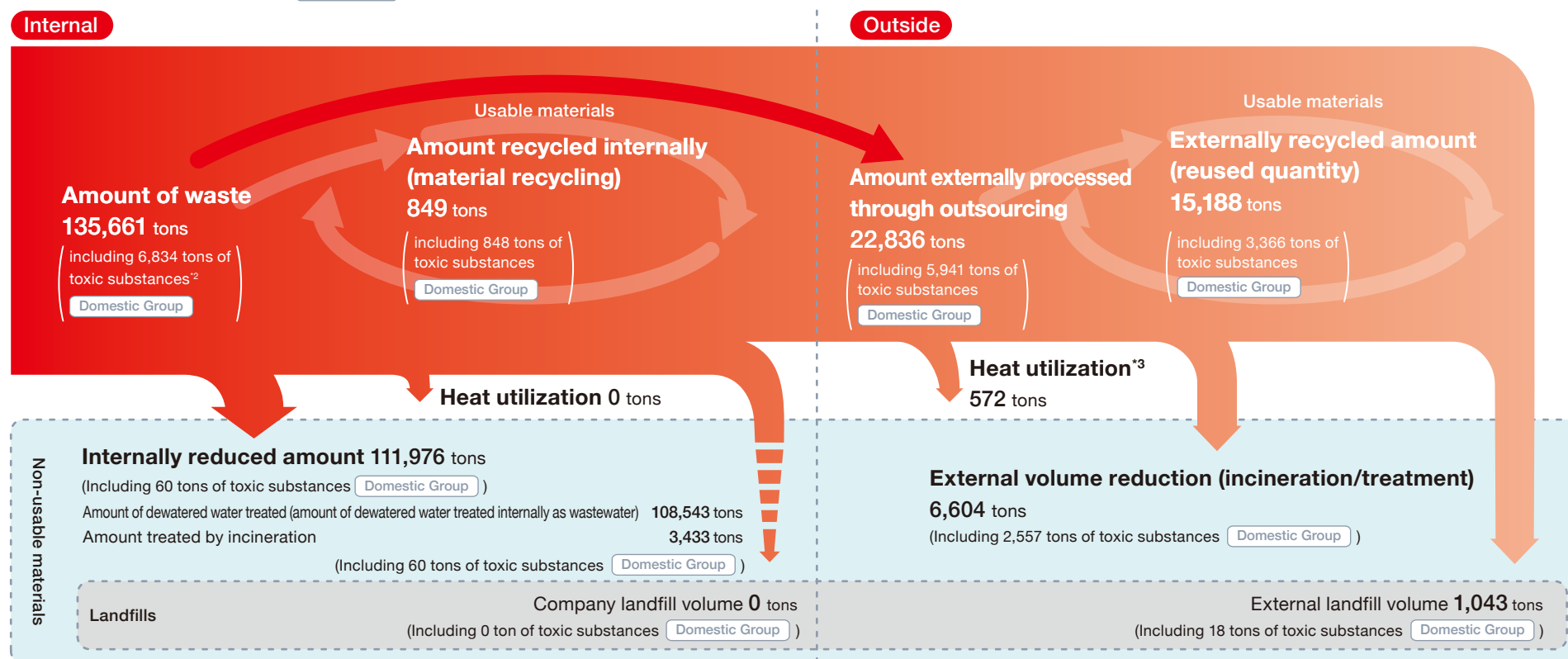
In fiscal 2025, the NOF Group generated 135,661 tons of waste, of which 111,976 tons (82.5%) were reduced through internal weight reduction measures, and 22,836 tons (16.8%) were outsourced for external treatment. The breakdown of outsourced treatment was 15,188 tons (11.2%) recycled externally, 6,604 tons (4.9%) re-

duced externally, and 1,043 tons (0.8%) landfilled externally, resulting in a recycling rate*¹ of 12.2% of the total waste generated.

As part of our efforts toward resource circulation, we strive to improve yields through process improvements and reduce the amount of waste generated, while also promoting the conversion of waste into valuable

materials and internal processing. We will also work to reduce landfill volume through recycling of existing waste, ensure thorough waste separation, and expand recycling routes for waste plastics. We will continue to actively work to promote resource circulation, reduce waste, and lessen our environmental impact.

Waste generated by the NOF Group NOF Group



*1 Definition of recycling rate: (total amount of waste reused, recycled or thermally utilized / amount of waste generated) × 100

*2 Hazardous substances: Totaled as specially controlled industrial waste under the Waste Management and Public Cleansing Act

*3 Waste plastics



Resource Recycling (Waste)

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

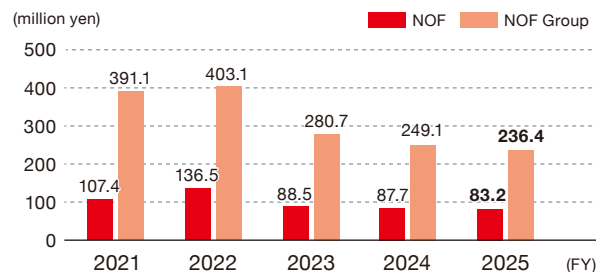
Examples of initiatives at works / plants

Works / Plants	Examples of initiatives
Amagasaki Plant	We reduce waste by dewatering sludge after wastewater treatment and by using an installed incinerator to reduce waste oil and ammonia-containing wastewater.
Kawasaki Works	We reduce waste by dewatering sludge after wastewater treatment and concentrating highly alkaline wastewater under reduced pressure.
Aichi Works	We reduce industrial waste generation by dewatering sludge after wastewater treatment.
Oita Works	We reduce waste by curbing generation of scum* in wastewater pits, promoting the conversion of industrial waste into valuable materials, and using waste oil in-house as boiler fuel.

* Scum: Oil residue, sludge, foam, and other solids that float on the water surface

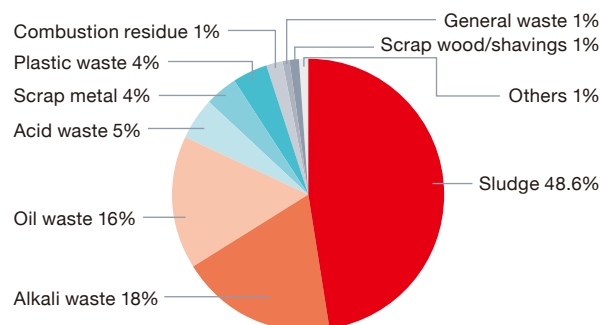
Changes in sum of valuables sold

NOF Group



Breakdown of waste quantity from plants (FY2025)

NOF Group



Changes in waste quantity from plants

(tons)

Category	FY2021	FY2022	FY2023	FY2024	FY2025
NOF Group	29,164	25,157	22,541	24,298	22,836
Domestic Group	23,796	21,270	19,132	20,979	19,930
NOF	22,822	20,493	18,463	20,222	19,148

Breakdown of processed waste quantity from plants (FY2025)

(tons)

Category	Waste quantity from plants	Recycled amount	External disposal quantity	Final disposal quantity by landfill
NOF Group	22,836	15,188	6,604	1,043
Domestic Group	19,930	14,522	5,351	57
NOF	19,148	13,846	5,250	53



Policy (our fundamental view)

The NOF Group regards chemical safety as an important responsibility and prioritizes the following measures to improve chemical safety and realize a sustainable society:

- 1 **Assessment of product hazards and environmental impact**
- 2 **Identification of potential hazards and implementation of countermeasures**
- 3 **Updating product information and verifying legal compliance**
- 4 **Ensuring safety during transportation**
- 5 **Establishing emergency response systems**
Specific actions for each measure under the policy are described below:

1 Assessment of product hazards and environmental impact

We collect and organize 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. Our main initiatives are presented below:

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.  p. 164

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 reporting actual manufacturing and import volumes of general chemical substances, priority assessment chemical substances, and other substances under the Chemical Substances Control Law, we provide appropriate reports together with end-use information from customers.

Engagement with industry associations

NOF also positively discloses 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 CMP Consortium (Chemical & Circular Management Platform Consortium), which was reorganized from the Joint Article Management Promotion-consortium* (JAMP), we use chemSHERPA, a tool operated by the CMP Consortium for communicating chemical substance information, to provide information to downstream users handling articles such as parts and molded products.

Proper management of polychlorinated biphenyl (PCB)

The NOF Domestic 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. For low-concentration PCBs, we are systematically replacing equipment in advance of the treatment deadline at the end of March 2027.

Promotion of lead-free products

In Japan, we promote initiatives to remove lead from pyrotechnic products such as detonators containing lead, which may cause water pollution, and we provide them as sustainability-contributing products.

 p. 048

* 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.

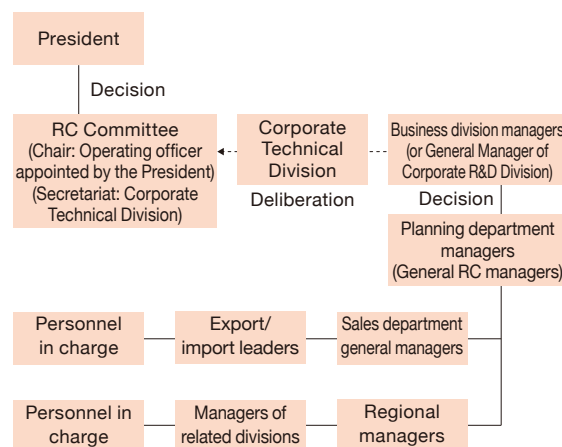


Figure 2. Inspection flow of new chemical substances, etc.

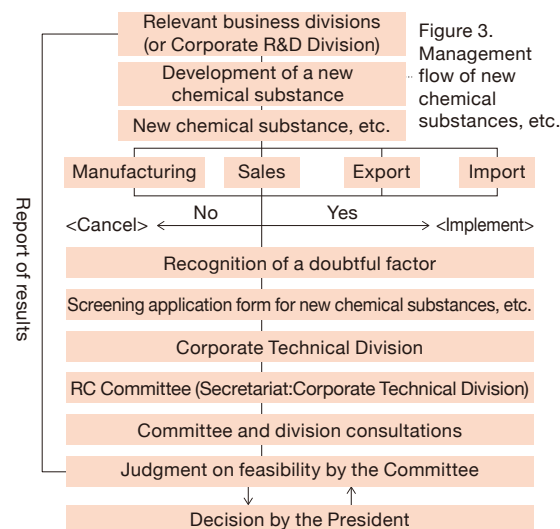
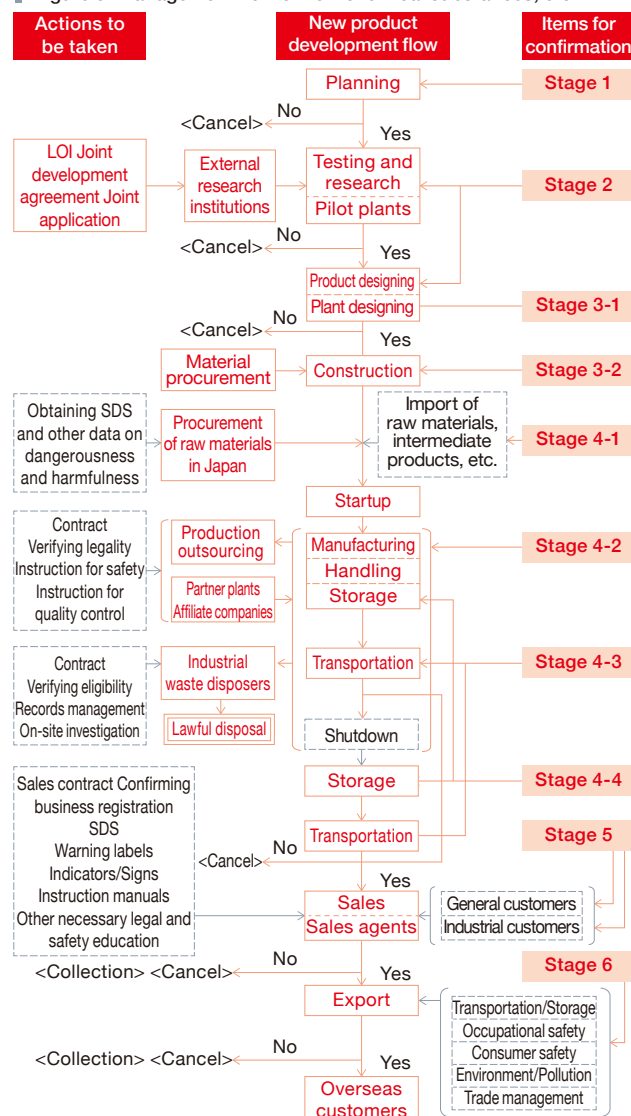


Figure 3. Management flow of new chemical substances, etc.



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 substances, (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, (20) JIS (ISO 9000 series and JIS 29900 series) and 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, EC Directive (3) US: 49CFR, CHEMTREC, NFPA, HCS, etc. ◎ Occupational 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 value 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 toward stronger chemical substance management, the NOF Group responds in compliance with the laws and regulations established in each country and region. To this end, NOF introduced and developed a company-wide SDS (safety data sheet) information management system in FY2020 and centrally manages SDSs throughout the Company.  p. 169

NOF also compiles a list of chemical substances requiring management under the POPs Convention, RoHS Directive, and other frameworks, classifies them into three ranks, and promotes thorough management and volume reductions:

- (1) Prohibited Substances: Chemical substances whose handling is entirely prohibited
- (2) Reduced/Restricted Substances: Chemical substances for which alternatives are considered and handling

- volumes are reduced
- (3) Managed Substances: Chemical substances handled under appropriate management

We are eliminating substances in category (1) and progressively reducing the procurement, use, and sale of substances in category (2). As a specific example, following the implementation of the EU REACH Regulation^{*2}, one NOF product was designated a substance of very high concern (SVHC^{*3}) in 2024 and is managed as a category (3) managed substance. We will continue complying with the REACH Regulation, sharing information with customers, and taking appropriate measures.

Compliance with chemical substance laws in each country

REACH Regulation is a comprehensive system of registration, evaluation, authorization, and restriction of chemical substances within the EU. Its objectives

include “protecting human health and the environment” and “maintaining and enhancing the competitiveness of the EU chemicals industry,” and it applies to almost all chemical substances exported to the EU.

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.

Number of registrations under laws and regulations outside Japan (As of the end of March 2026)

Country/Region	Chemical substance management law/system	Number*
Europe	EU-REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals)	47
UK	UK-REACH (UK Registration, Evaluation, Authorisation and Restriction of Chemicals)	11
US	TSCA (Toxic Substances Control Act)	5
Canada	NSNR (New Substances Notification Regulations)	3
China	MEE Order No.7 No.12 (Provision on the Environmental Administration of New Chemical Substances, Order No.7, No. 12)	129
South Korea	K-REACH (Act on the Registration and Evaluation of Chemicals)	91
Taiwan	TCCSCA (Toxic and Concerned Chemical Substances Control Act)	134
Philippines	RA6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990)	5

* Refers to 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.

^{*3} Abbreviation for “Substances of Very High Concern.” Substances requiring particular caution because they are highly likely to adversely affect the environment or human health and may eventually be prohibited from being brought into the EU.



Initiatives for the Global Framework on Chemicals (GFC*)

NOF Group 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. The following shows the specific GFC targets that the NOF Group will tackle.

Going forward, the NOF Group will continue initiatives aligned with the GFC, striving for environmental protection and the realization of a sustainable society.

* 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.

GFC strategic objectives—targets—NOF Group initiatives

Target	Target description	Initiative	Initiative indicators
Strategic Objective A: Implementation of legal frameworks, institutional mechanisms, and capabilities			
A3	By 2030, companies implement measures to identify, prevent, and minimize the adverse impacts of chemicals	(1) Achieve harmony with nature and society through RC activities and dialogue with society (2) Reduce emissions of environmentally hazardous substances ▶ pp. 014-016 (3) Implement appropriate chemical substance management ▶ pp. 163-171	(2) Curb emissions of environmentally hazardous substances: zero emissions of environmentally hazardous substances (3) List and classify chemical substances requiring management under the Stockholm Convention on POPs, the RoHS Directive, and other regulations, ensure thorough management, and reduce quantities
A4	By 2030, relevant stakeholders effectively prevent illegal trade and trafficking in chemicals and waste	● Resource Recycling (Waste) ▶ pp. 159-162 (1) Promotion of drive toward zero emissions (2) Recycle waste as resources	(1) Promote zero emissions: 0.10% or less each year (2) Recycle waste as resources: annual waste plastic recycling rate of 99% or higher
Strategic Objective B: Generation, disclosure, and accessibility of knowledge, data, and information			
B1	By 2035, comprehensive data and information on chemical properties are generated and made available and accessible	● Introducing an integrated chemical substance management system and reliably operating mechanisms that provide chemical substance information such as SDSs ▶ pp. 165-169	—
B2	By 2030, relevant stakeholders make information on chemicals in materials and products available throughout the value chain to the greatest extent possible	● Using chemSHERPA to provide customers with chemical substance information and improve transparency and safety throughout the value chain ● We have introduced a chemical substance management system that centralizes management of environment and safety-related data associated with our products, enabling efficient and effective chemical management.	—
B3	By 2035, relevant stakeholders generate and disclose data on chemical production and chemical and waste emissions and releases	● Disclosure of calculated VOC and fluorocarbon leakage volumes ▶ pp. 154-155 ● Disclosure of emissions of substances covered by the PRTR Act ▶ p. 242	● Disclosure of emissions of substances covered by the PRTR Act: Emissions of substances subject to PRTR Act after revision in FY2021 (170 tons/year or less)
B4	By 2035, relevant stakeholders apply guidelines, best practices, and standardized tools for hazard and risk assessment and waste management	● Conducting product safety risk assessments for all products, including new products ▶ p. 168	—
B5	Develop and implement education, training, and awareness programs on chemical safety, sustainability, safe alternatives, and benefits by 2030	● Interacting and engaging in dialogue with local communities and society through community dialogues, plant tours, and other activities ▶ p. 224	—
B7	By 2030, relevant stakeholders generate and disclose, to the greatest extent possible, data and information on concentrations in the human body, exposure sources, biota, and environmental monitoring	● Monitoring and disclosing BOD, COD, suspended solids, and other substances in wastewater ▶ p. 151	—

* Each “strategic objective” and “target description” refers to the “GFC National Implementation Plan” on the Ministry of the Environment website. (<https://www.env.go.jp/content/000311365.pdf>)



GFC strategic objectives—targets—NOF Group initiatives

Target	Target description	Initiative	Initiative indicators
Strategic Objective D: Implementation of safer alternatives and innovative, sustainable solutions in product value chains			
D1	By 2030, companies consistently invest and innovate to advance sustainable chemistry and resource efficiency	- 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. - NOF is working to reduce GHG emissions by setting and implementing specific goals to contribute to sustainable development. 📖 ▶ p. 134 - Selecting chemical safety as a materiality issue and reduction of emissions of PRTR-listed substances as a KPI 📖 ▶ p. 029	- Domestic Group GHG emissions 40% reduction by FY2030 (compared with FY2013) - Emissions of substances covered by the FY2021 revised PRTR Act (170 tons/year or less)
D4	By 2030, relevant stakeholders prioritize sustainable solutions and safe alternatives in research and innovation programs	Promoting the creation of functional chemicals (Smart Green Chemicals) that contribute to decarbonization and enriched lives by developing environmentally harmonious chemical manufacturing processes through external co-creation and collaboration 📖 ▶ pp. 054-056	—
D7	By 2030, relevant stakeholders implement effective occupational safety and health practices and environmental protection measures throughout the supply chain	- Conducting thorough chemical substance risk assessments, and collecting and organizing information on environmental impacts and hazards from the product development stage 📖 ▶ p. 168 - Promoting occupational safety and health through RC activities 📖 ▶ pp. 208-216	Occupational safety and health: Achieving “absolutely zero accidents”
Strategic Objective E: Resource mobilization, partnerships, cooperation, capacity-building and integration			
E2	Strengthen partnerships and networks among relevant sectors and stakeholders by 2030	- Improving products through ongoing dialogue with suppliers and customers - Sharing information and exchanging know-how in cooperation with industry associations and regulatory bodies 📖 ▶ p. 169	

* Each “strategic objective” and “target description” refers to the “GFC National Implementation Plan” on the Ministry of the Environment website. (<https://www.env.go.jp/content/000311365.pdf>)

Status of compliance with chemical safety-related laws and regulations

Number of violations NOF Group (Number)

FY2023	FY2024	FY2025
0	0	0



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. Our main initiatives are presented below:

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 health, and is carried out across the NOF Group’s domestic R&D, production, 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.

Handling hazardous materials

Use of protective equipment and appointment of managers

With the entry into force of the revised Industrial Safety and Health Act in April 2024, it became mandatory not only to appoint a chemical substance manager

responsible for the autonomous management of chemical substances, but also to require employees handling chemical substances to wear protective equipment and to have a protective equipment manager appropriately select and manage the use of such equipment. 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.

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. Our main initiatives are presented below:

Disclosure regarding product safety

NOF actively discloses product safety information through a chemical risk assessment support portal (JCIA^{*1} BIGDr^{*2, *3}) as part of its commitment to the safe management of chemical substances. This is an initiative to promote appropriate chemical substance management and information sharing throughout the supply chain. Since FY2012, we have published safety summaries for the following two products to improve transparency:

- Ethylenebisstearamide (Product name: ALFLOW H-50S)
- Behenic acid

These safety summaries provide detailed information on products’ chemical properties, hazards, use and exposure, and recommendations for appropriate handling, helping customers and relevant stakeholders safely use and manage the products. We will continue disclosing

information through the chemical risk assessment portal and thoroughly manage risks throughout product life cycles.

NOF’s website also provides product catalogs under “NOF Product Introduction,” disclosing the chemical substances and products handled and their applications.

- Chemical substance risk assessment support portal

https://www.jcia-bigdr.jp/jcia-bigdr/material/icca_company_list

- Introduction to NOF products (product catalog)

<https://www.nof.co.jp/english/csr/product-catalog>



^{*1} JCIA: Japan Chemical Industry Association

^{*2} BIGDr: The Base of Information Gathering, sharing & Dissemination for risk management of chemical products

^{*3} JCIA BIGDr: “Chemical Substance Risk Assessment Support Portal” provided by the Japan Chemical Industry Association



Initiatives to improve information accuracy in chemical substance management

The NOF Group focuses on sustainable chemical substance management and is working to improve information accuracy.

Chemical substance management system

For chemical hazards, the latest information must always be reflected in SDSs (safety data sheets) and GHS labels in accordance with GHS criteria. Appropriate disclosure provides the foundation for all relevant parties, including users, distributors, and transportation operators, to handle chemicals safely.

NOF has introduced a comprehensive chemical substance management system and works to ensure the reliable operation of a system for appropriately providing SDSs so that customers and employees can readily obtain hazard information about our products. Under a global business structure offering more than 5,000 products in 82 countries and regions, promptly responding to each country's laws and regulations is an extremely important responsibility. The comprehensive chemical substance management system centrally manages SDSs throughout the Company, responds promptly to revisions of laws and regulations in major countries, and reflects them in a timely manner in SDSs and GHS labels issued by each business division, ensuring that customers always receive the latest chemical substance information.

To further improve the transparency of chemical substance information internally, we have also built a database within the comprehensive chemical substance management system that can track and manage information such as chemical usage and handling histories, thereby promoting the digitalization of chemical substance information. This enables us to more accurately assess risks and environmental impacts for all chemical substances handled, including raw materials as well as our own products, and use the results to formulate sustainable management strategies.

Strengthening partnerships

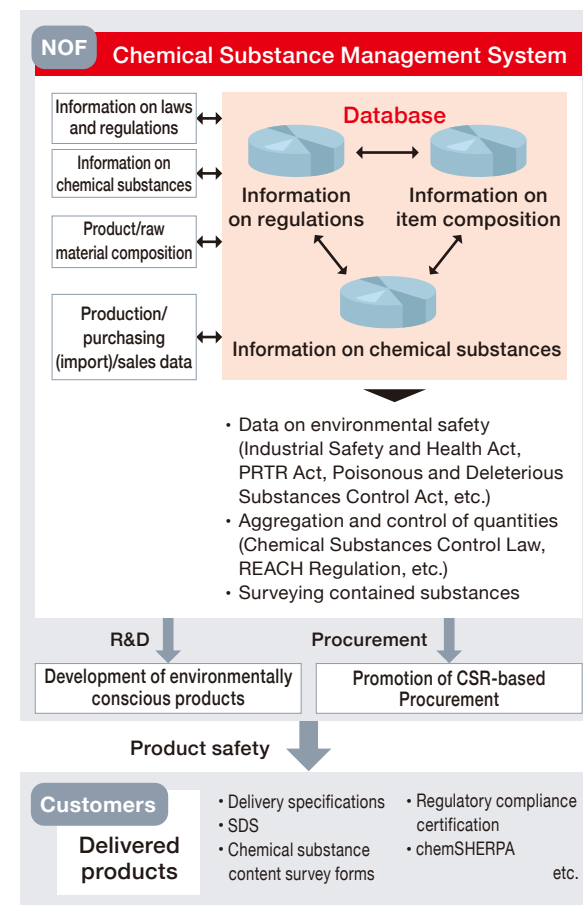
The NOF Group maintains dialogue with customers to continue improving products from the perspective of chemical substance management. We also collaborate and share information with industry associations and regulatory authorities to help improve chemical substance management standards across the industry.

Development of environmentally conscious products

As part of our sustainability initiatives, we use data obtained through the comprehensive chemical substance management system to promote R&D of more environmentally friendly products. We will realize a sustainable business model while meeting customer needs.

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





④ Ensuring safety during transportation

During transport, we strictly enforce the carrying of “Yellow Cards” containing chemical hazard information to ensure safety in transit. We have also established a management system for hazardous materials requiring low-temperature control. Our main initiatives are presented below:

Transportation safety

The NOF Group promotes reductions in the environmental impact of logistics while undertaking activities to ensure the safe transportation of each product and raw material. The Group has always treated transportation safety with desirable care, as it handles a wide range of hazardous materials. In particular, we are strengthening management systems to prevent chemical leaks and spills caused by traffic accidents. All employees work together to thoroughly implement safety measures with the goal of achieving “zero accidents that adversely affect distribution.”



Forklift training session (NICHYU LOGISTICS CO., LTD.)

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.



Handling hazardous materials

Cold storage warehouses

For hazardous materials requiring low-temperature control, management temperatures are set for each product, and storage warehouses are monitored 24 hours a day. We also maintain private generators in preparation for power outages caused by disasters and other events.

Refrigerated trucks and reefer containers

For refrigerated trucks and reefer containers used to transport hazardous materials requiring low-temperature control, temperature and location information is monitored in real time using smartphone/GPS functions.

Reefer containers are also equipped with two refrigeration units, including a backup, and a generator in preparation for interruptions of the ship's power supply.

⑤ Establishing emergency response systems

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

To minimize the spread of damage inside and outside the Company, each production site has established and implemented the following measures according to the raw materials used and products manufactured:

- Disaster prevention rules, regulations, manuals, etc.
- Necessary disaster prevention equipment and materials
- Establishment of standards of conduct for all personnel
- Training disaster prevention personnel through planned drills
- Close communication systems with relevant authorities
- Procedures for preparing in advance the information that must be provided in emergencies
- Maintaining a strong safety foundation through continuous verification and improvement of the effectiveness of the immediate response system

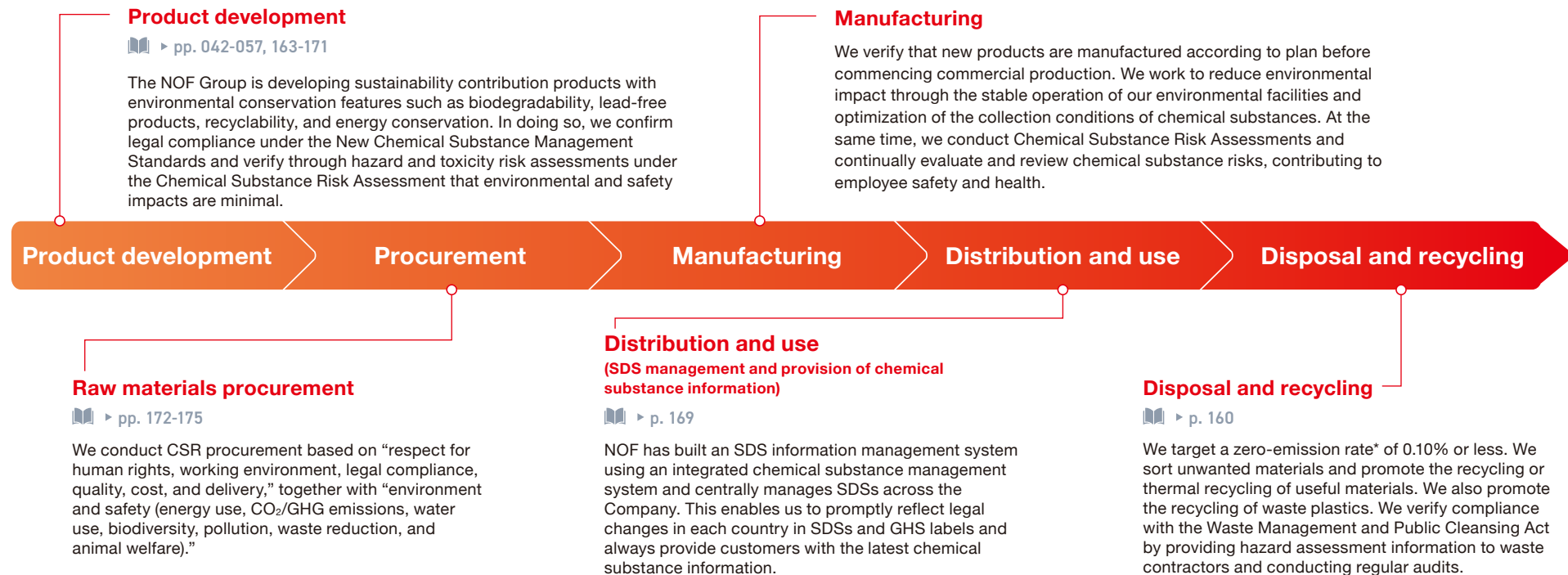


Initiatives across the NOF Group's Value Chain

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.

- Throughout the value chain, we comprehensively assess the hazards, risks, and impacts associated with each stage of the product life cycle and each product application.
- While ensuring compliance with domestic and overseas laws and regulations, we update the quality and quantity of information as needed to meet regional product information requirements, retain that information, and assure product safety.

Initiatives in the supply chain



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



Promotion of CSR-based Procurement

GRI

2-16, 23, 24,
25/3-3/308-2/414-2

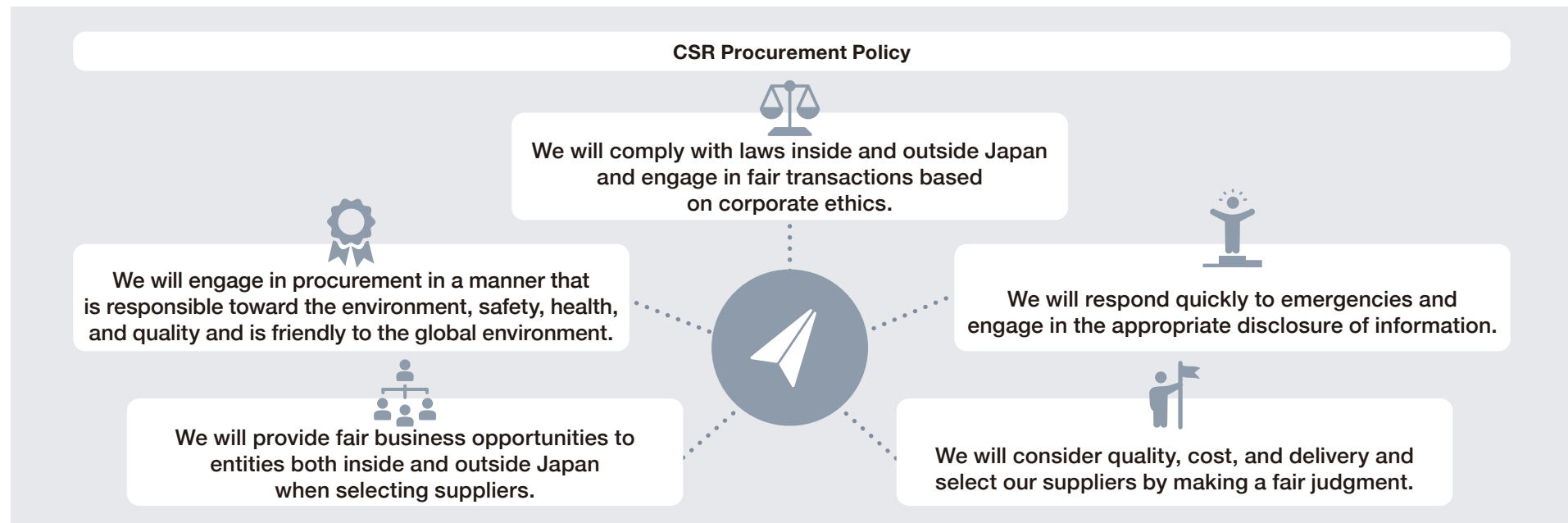
Promotion of CSR-based Procurement

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 FY2022 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 come 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.”

Access below for the full CSR Procurement Guidelines

https://www.nof.co.jp/english/csr/upload/pdf/procurement_guidelines_en_July-1-2022.pdf

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.

CSR questionnaire

In the procurement unit, we 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 table below shows the distributions of the score rates for the human rights section and for all items in the CSR questionnaire. In FY2025, we held interviews with suppliers selected based on (1) their overall score rate and (2) their human rights item score rate, encouraging them to make improvements.

As a target under the 2028 Mid-term Management Plan, we set a KPI of an improvement rate² of at least 75% among the 24 suppliers^{*1} interviewed under the 2025 Mid-term Management Plan.

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 promotes fair competition and fair trade by stipulating compliance with laws such as the Antimonopoly Act and the SME Transactions Act, as well as the prohibition of bribery, in the Global Compliance Manual and the Compliance Manual (Japan version), and by providing ongoing employee education. The above-mentioned initiatives are further promoted under the NOF Group’s 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 determined based on the POPs Convention, RoHS Directive, REACH Regulation, and Japan’s Chemical Substances Control Law, Industrial Safety and Health Act, and Poisonous and Deleterious Substances Control Act, and is reviewed as appropriate.

^{*1} Selected with a focus on (1) overall score rate and (2) human rights item score rate

^{*2} Percentage of companies showing improvement in either applicable item under (1) or (2)

Sustainable procurement report

	FY2025
Percentage of selected suppliers interviewed and encouraged to make improvements	96% (24 of 25 companies)
Number and percentage of Purchasing Department staff who received sustainable procurement training	6 of 6 people, 100%



Promotion of CSR-based Procurement

GRI 2-16, 24, 25/3-3/308-2/414-2

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.  p. 081

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. 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 began conducting human rights risk assessments in FY2025.



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 FY2012 and obtained supply chain certification from the organization in FY2014. 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 ratio of RSPO-certified oil in FY2025 was approximately 11%. We aim to procure 100% certified sustainable palm oil by FY2030.

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 FY2023, we have initiated a survey of our key business partners, using the Extended Mineral Reporting Template (EMRT*⁵), a unified format for target minerals cobalt and natural mica.

*1 Abbreviation for "No Deforestation, No Peat, 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 Abbreviation for Responsible Minerals Initiative

*4 Abbreviation for Conflict Minerals Reporting Template

*5 Abbreviation for Extended Minerals Reporting Template



Promotion of CSR-based Procurement

GRI 2-16, 24, 25/3-3/308-2/414-2

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.

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 its “Declaration of Partnership Building” in support of the aims of the “Council on Promoting Partnership Building for 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

NOF promotes CSR procurement to contribute to a sustainable society. Although this entails the risk of higher

costs in the short term, from a long-term perspective it leads to a sustainable business and earns the trust of consumers and investors.

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. 1. 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. 2. 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. 3. 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. 4. 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 ILO Declaration on Fundamental Principles and Rights at Work, 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. 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 NOF Group 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, 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 Corporate Code of Ethics to become the NOF Group Corporate Code of Ethics and communicated this to Group companies in Japan and overseas by distributing a booklet. We are also asking employees for a deeper understanding by deploying an educational video across the entire Group in April 2026.

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. 184

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

Koji Sawamura

Representative Director, President and CEO of NOF CORPORATION



Strengthening human rights due diligence may increase costs and on-site workloads and cause conflicts with suppliers or procurement delays due to investigations, responses, and supplier audits. On the other hand, it enables early detection and correction of serious risks such as child labor, forced labor, and harassment; prevents legal sanctions, lawsuits, and reputational damage; and helps enhance brand trust and investor assessments, stabilize the supply chain over the long term, and secure new market opportunities. Although these measures entail short-term burdens, they can help preserve value over the long term.

Strengthening harassment measures may increase costs through supervision, training, and reporting systems, inhibit communication, and increase recruitment burdens. Conversely, enhancing employees' sense of security in the workplace reduces turnover, raises productivity, and maintains reputation, leading to long-term employee retention and greater corporate value.

Risks and opportunities for human rights

Major risk	Overview	Opportunities	Countermeasures			
			Initiative	FY2025 (actual)	FY2026 (plan)	
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	Common	Revision of the Corporate Code of Ethics	Preparing a revised, multilingual NOF Group Corporate Code of Ethics and creating employee education videos	Ensuring awareness throughout the Group in Japan and overseas and creating an overseas video version
				Development of compliance education with video materials	Selecting new video training materials and rolling them out to Group companies	Posting new educational videos and implementing measures encouraging viewing
				Rolling out of an education program for Corporate Philosophy, values, and compliance	Rolling out measures across the Group and improving communication through visits to affiliated companies	Continuing training by organizational level
				Continuous awareness-raising activities utilizing in-house newsletters	Publishing articles addressing legal revisions and social conditions	Selecting themes that address internal conditions and social trends
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	Harassment	Creation of a guide for responding to reports	Holding briefing sessions for managers using the handbook	Rolling out initiatives to Group companies and holding briefings for line managers
				Human Rights	Implementation of human rights due diligence	Conducting human rights risk assessments reflecting actual Group conditions
			Implementation of human rights education		Providing human rights education to management	Planning and implementing training by organizational level

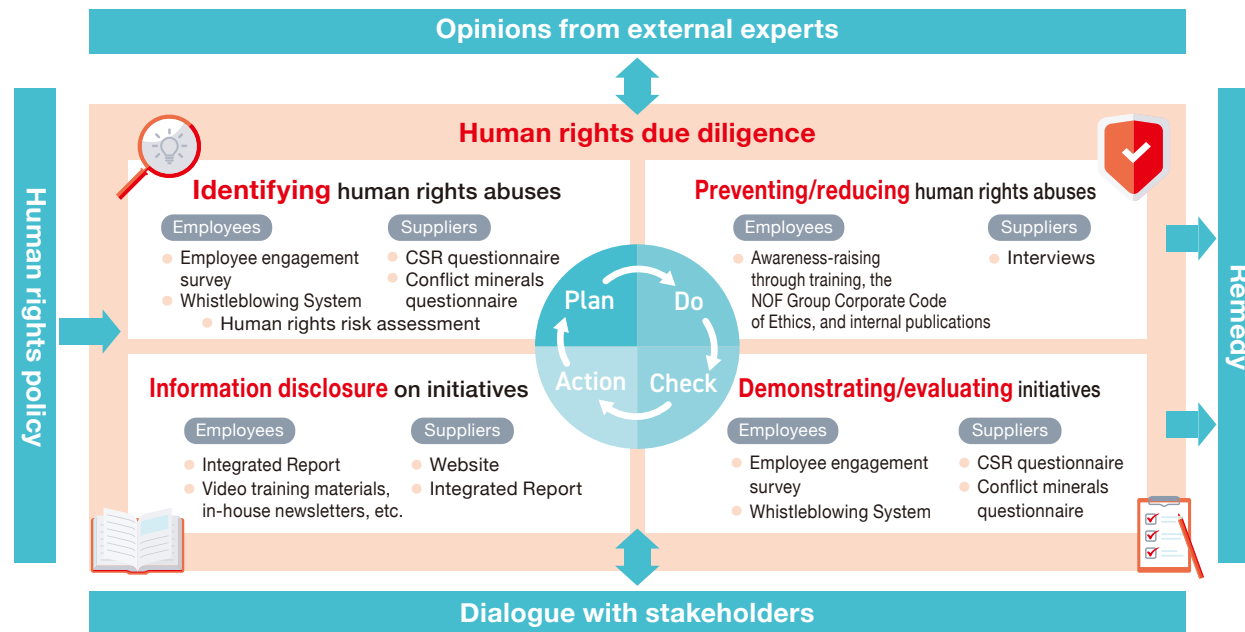


The NOF Group has established a human rights due diligence framework in line with the procedures outlined in the UN Guiding Principles on Business and Human Rights. We continuously work to prevent or mitigate adverse impacts on human rights by proactively identifying and investigating issues based on the opinions of external experts, and taking corrective action through appropriate means. First, to identify the human rights risks that the NOF Group should prioritize, we conducted the Group's first company-wide human rights risk assessment in FY2025.

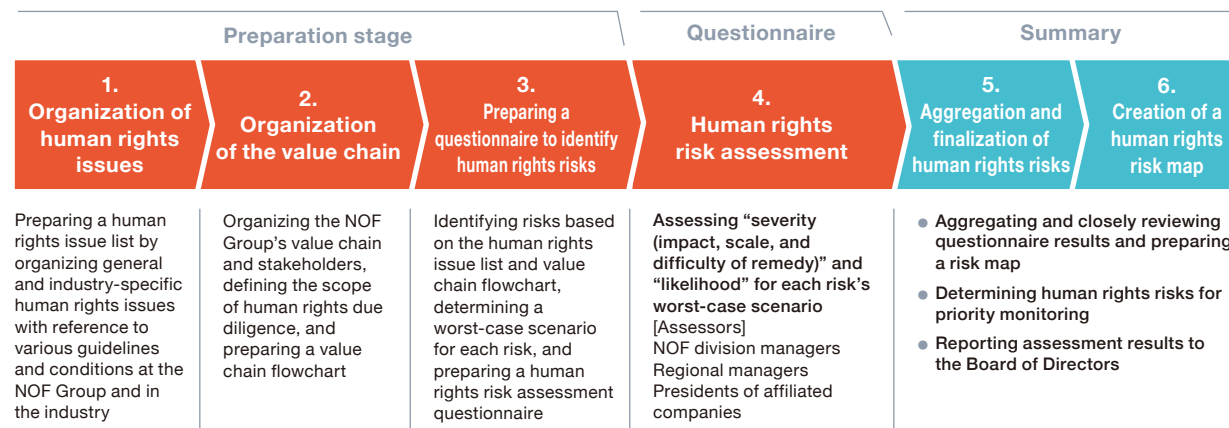
Conducting a human rights risk assessment

We assessed human rights risks using the following process.

- (1) Organize Human Rights Issues (Prepare a Human Rights Issues List)
Prepare a human rights issues list taking into account the NOF Group's business characteristics and various guidelines
- (2) Organize the Value Chain (Prepare Value Chain Flows)
Organize the value chain for each NOF Group business division and determine the scope of risk assessment
- (3) Identify Human Rights Risks (Establish Worst-Case Scenarios)
Identify human rights risks based on the human rights issues list and value chain flows and establish worst-case scenarios
- (4) Assess Human Rights Risks
Conduct a human rights risk assessment questionnaire for NOF division heads, location heads, and presidents of affiliated companies. Assess severity, including scale, scope, and difficulty of remediation, and likelihood of occurrence
- (5) Aggregate Human Rights Risks
Aggregate questionnaire results and determine the Group-wide assessment
- (6) Prepare a Human Rights Risk Map
Map each risk by severity and likelihood based on the assessment results
- (7) Determine Priority Risks
Identify human rights risks requiring priority monitoring with reference to the human rights risk map and the NOF Group's business characteristics
- (8) Report to the Board of Directors
Report priority human rights monitoring risks and the risk map to the Board of Directors for approval



Human rights risk assessment process





Preparation of the human rights issues list

We prepared a list of potential human rights issues related to the NOF Group's businesses with reference to international human rights norms such as the UN International Bill of Human Rights, the Ten Principles of the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD guidelines for multinational enterprises on Responsible Business Conduct, as well as materials from human rights experts, human rights defenders, academics, governments, NGOs, and other specialists.

The human rights issues covered are broadly classified into the following four categories.

- A Risks related to labor within our operations and supply chain
- B Risks to consumers and customers related to products and services
- C Risks to local communities arising from business activities
- D Grievance channels for each risk in A through C

We identified potential human rights risks for these four categories, established worst-case scenarios taking into account the Group's business characteristics, and conducted the assessment.

Preparation of value chain flow diagrams

The NOF Group comprises five distinct businesses: Functional Materials, Metal Coatings, Functional Foods, Life Science, and Explosives & Propulsion. For this human rights risk assessment, we comprehensively identified human rights risks by clarifying the stakeholders involved in the five NOF Group businesses, from raw material procurement and manufacturing through the supply chain to disposal.

Human rights issue list

A	Labor-related human rights risks Human rights risks concerning workers in the value chain	- Health and safety (safety and health/health/chemical substances/disasters and pandemics/terrorism and kidnapping) - Working conditions (wages/benefits/disciplinary practices) - Discrimination (sex/gender/race/harassment) - Child labor (including young workers)	- Forced labor (including human trafficking) - Foreign workers (including technical intern trainees) - Freedom of association and right to collective bargaining - Leaks of employees' and others' personal information and privacy violations - Transportation and storage safety
B	Human rights risks related to our products and services Human rights risks concerning consumers and users of products and services	- Product safety (including product misuse) - Appropriate labeling and explanations	- Discriminatory advertising and products - Leakage of customers' personal information and privacy violations
C	Human rights risks arising from other business activities Human rights risks involving local communities	- Health and safety of local residents in connection with operations (Accidents/hazardous substances/fires/explosions/industrial waste) - Use of natural resources (including water resources) - Land rights and expropriation - Indigenous cultures - Complicity in conflict	- Bribery and corruption - Relationships with countries and regions where awareness of human rights is low - Responsible procurement (conflict minerals, palm oil, etc.) - Relationships with antisocial forces - Freedom of speech and expression - Environmental and climate change impacts
D	Common issues	Access to remedy channels	

* Scope of assessment: NOF Group companies and upstream and downstream supply chains

Value chain flowchart (example: Functional Foods Business)

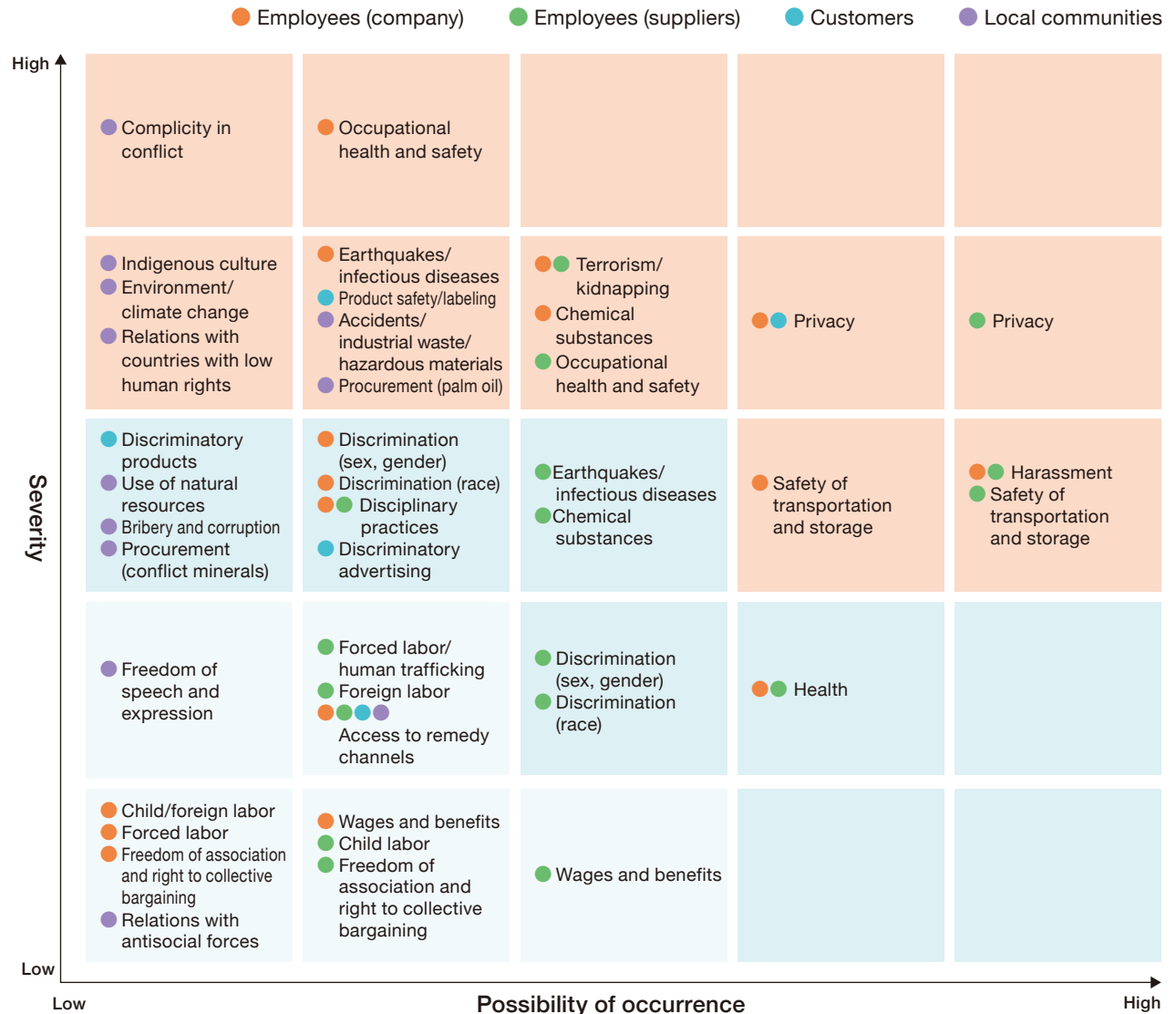
Cultivation and livestock	Processing	R&D	Procurement	Manufacturing	Storage and transportation	Sales	Product use	Recycling and disposal
		NOF	NOF	NOF	NOF	NOF		NOF
			Affiliated Company A			Affiliated Company A		
			Affiliated Company B		Affiliated Company B			
Water collection contractors	Raw material processors	Joint development partners	Suppliers	Staffing agencies	Logistics companies (Land transport, aviation, shipping, and freight)	Sales agents	Processors and manufacturers	Recycling and waste disposal contractors
Agricultural workers			Trading companies	Affiliated companies	Freight forwarders (Arranging agents)			
Livestock workers			Machinery manufacturers	Contractors / sole proprietors				
Residents near cultivation and livestock sites	Our employees	Employees of suppliers and business partners	Local communities	Customers (Corporations)	Customers (Corporations)			
	Group company employees	Customers (end users)	Government authorities and financial institutions		Customers (General)	Customers (General)		



Creation of a human rights risk map

We mapped each human rights issue for our company and the supply chain, with severity on the vertical axis and likelihood of occurrence on the horizontal axis. For identified high-risk human rights issues, we will first monitor the risks. If the results of monitoring indicate a need for risk reduction, we will consider and implement specific countermeasures.

Risk map





Key human rights risks for monitoring

Based on the human rights risk assessment results and the NOF Group's business characteristics, we defined the following human rights risks as requiring priority monitoring. No serious human rights violations were identified as a result of the human rights due diligence conducted in FY2025. Going forward, we will periodically monitor cases falling under these risks and promptly develop and implement measures where action is required.

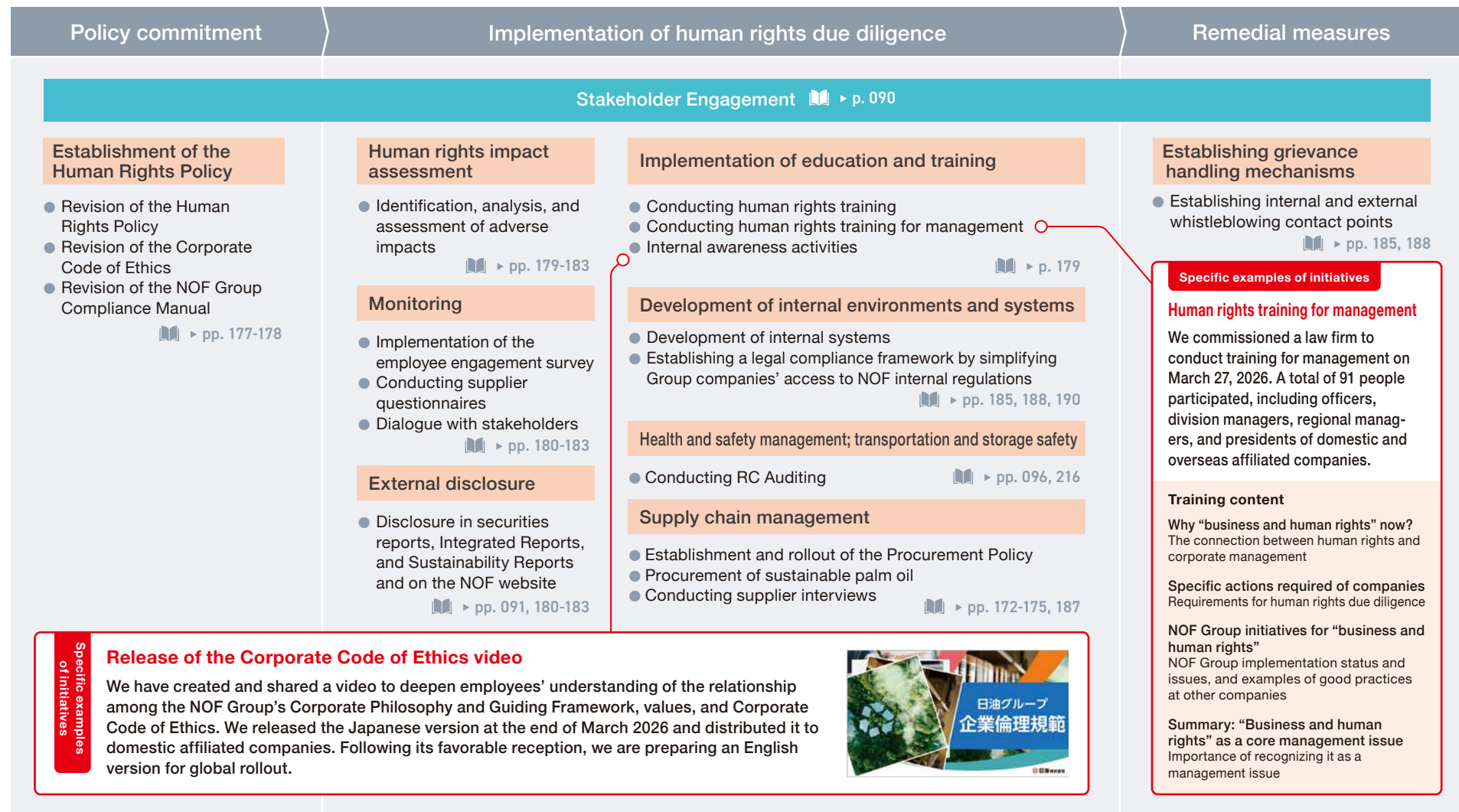
Overview of major risks

Major risk		Worst-case scenario	Affected rights holders
Health and safety	Occupational health and safety	Insufficient workplace safety considerations cause a large-scale fire or explosion at a NOF Group plant or site, harming employees	● Employees (our Company and Group companies)
	Disasters and pandemics	Employees are harmed because specific responses and measures, such as appropriate safety confirmation and workplace safety assurance, are not implemented during a major earthquake or pandemic, such as an emerging infectious disease	
	Terrorism / kidnapping	Employees stationed in or traveling to countries or regions with geopolitical risks, such as political conflict, are detained or taken away without cause by extremist forces and suffer harm	
	Chemical substances	Employees develop illnesses caused by chemical substances because necessary ventilation equipment and personal protective equipment were not provided during chemical-handling work	
	Occupational health and safety	Insufficient safety considerations at suppliers' and business partners' workplaces cause a large-scale fire or explosion at a NOF Group site, harming employees and others	● Workers (suppliers and business partners)
	Occurrence of accidents	Accidents such as explosions and fires at logistics sites and plants damage local residents' property and homes	● Local communities
	Occurrence of accidents and release of hazardous substances	Accidents such as explosions and fires at logistics sites and plants, or releases of chemicals into the atmosphere or rivers, cause injuries or health damage to local residents	
	Health and safety of local residents in connection with operations	Illegal dumping or improper treatment of industrial waste containing chemicals causes fires or chemical leaks, resulting in injuries or health damage to local residents	
Harassment	Harassment	Various forms of harassment, including workplace bullying, sexual harassment, and maternity harassment, occur at the Company or suppliers' and business partners' workplaces, causing employees to develop mental illness	● Employees (our Company and Group companies) ● Workers (suppliers and business partners)
Privacy violations	Personal information leaks and privacy violations	Inadequate information security management at the NOF Group or suppliers' and business partners' workplaces causes leaks of employees' or job applicants' personal information and privacy violations	● Employees (our Company and Group companies) ● Customers ● Workers (suppliers and business partners)
Transportation and storage safety	Transportation and storage safety	A chemical leak occurs during transportation, causing drivers or recovery workers to experience physical illness. Alternatively, inadequate safety measures during loading, unloading, or warehouse work cause accidents that injure employees	● Employees (our Company and Group companies) ● Workers (suppliers and business partners)
Product safety	Product safety (including product misuse)	Insufficient consideration of safety standards and user diversity, such as physical characteristics and gender, in product design and functionality allows defective products to reach the market, harming customers' health or safety	● Customers
Appropriate labeling and explanations	Appropriate labeling and explanations	Customers experience physical illness because insufficient information was provided about risks to the human body and appropriate handling methods when products were supplied	
Responsible procurement	Conflict minerals	Procurement of conflict minerals provides funding to antigovernment forces and others, threatening the safety and livelihoods of local residents	● Local communities
	Palm oil	Plantations with which we do business clear natural forests without adequate planning to expand palm oil cultivation, causing frequent landslides and threatening the safety and livelihoods of local residents	



This section presents specific NOF Group human rights initiatives.

Overview of human rights initiatives





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 209 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 prolonged working hours 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 regular working hours 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 2025, we received a total of 29 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.

Exchange of views with stakeholders Opinions from the NOF Labor Union

Employees' "health and safety," including both physical and mental health, are recognized as the highest-priority initiative. We request the allocation of management resources with outcomes in mind, planned implementation of measures, and continuous improvement based on evaluation and monitoring.

Aggregate overtime hours are trending downward due to more diverse work styles and improved operational efficiency, which is commendable, but differences among workplaces and individuals remain. We hope that further improvements will be achieved through the appropriate allocation of human resources, planned human resources development, reviews of work content, and improving productivity.

Human rights initiatives, including harassment prevention, depend greatly on embedding the revised 2025 NOF Group Corporate Code of Ethics. Fortunately, through values training for all employees, many now recognize that the NOF Group is at a turning point where its corporate culture is being reborn in a new form. As all employees deepen their understanding of harassment, compliance, and ethics, the preventive effect should increase while positively affecting individual job satisfaction, workplace vitality, and ultimately business performance. We look forward to continued proactive initiatives.

* 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 Group 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 1,972 respondents in fiscal 2025.

Some of the results of the survey are as follows. Employees who responded that they knew of the reporting channels accounted for 95.8% of the total, an improvement of 1.5 percentage points from FY2024. Conversely, 30.0% responded that they did not know the contact details, up 0.9 percentage points, indicating a need for more targeted efforts to raise employee awareness.

Meanwhile, in response to the question, “Has awareness that discrimination and harassment are unacceptable been firmly established in the workplace?”, 80.7% of employees responded that “Awareness has been fully established” or “Awareness has been somewhat established,” an increase of only 0.4 percentage points from FY2024. Of these, 30.1% responded that it was “fully established,” a decrease of 5.2 percentage points from FY2024.

To address these issues, we will use the Corporate Code of Ethics revised in April 2025 to raise awareness among all employees and plan company-wide training beginning in FY2026 to develop on-site leaders as “Compliance Leaders.”

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?			
		FY2024		FY2025	
I know about the contact points	I know about the contact points, including how to reach them	94.3%	65.2%	95.8%	65.8%
	I know about the contact points, but don't know how to reach them		29.1%		30.0%
I don't know about the contact points		5.7%		4.2%	

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?			
		FY2024		FY2025	
Established	Awareness has been fully established	80.3%	35.3%	80.7%	30.1%
	Awareness has been somewhat established		45.0%		50.6%
Not established	Awareness has not really been established	19.7%	15.8%	19.3%	14.7%
	Awareness has not been established almost at all		3.9%		4.6%

Examples of comments from the employee engagement survey

Establishing awareness of harassment

- Training for new graduates and younger employees has also been enhanced, and awareness-raising has become thorough. (30s, male)
- I feel that the claims of those alleging harassment have become too strong. (20s, male)

Establishing awareness of respect for privacy

- There are more privacy-conscious conversations, making the workplace feel safer. (30s, male)
- People sometimes discuss my private life or family circumstances without permission. (20s, male)

Diversity, treatment, and evaluation

- I feel that employees are evaluated fairly regardless of gender, age, or other attributes. (Age 50 or older, male)
- There are large wage differences among regular employees, commissioned clerical employees, and region-specific employees. (Age 50 or older, male)

Use of leave systems

- Many operations depend on specific individuals, making it difficult to take refreshment leave. (30s, male)
- During busy periods, there is still an atmosphere that makes it difficult to request leave. (40s, female)

Ensuring safety and health

- I appreciate the initiatives to improve the work environment. (40s, female)

Awareness of whistleblowing contact points

- All new employees are informed about whistleblowing contact points and consultation systems. (30s, female)
- Some employees say they would hesitate to use them in practice. (Age 50 or older, male)

Prohibition of disadvantageous treatment

- The prohibition of disadvantageous treatment has been institutionalized and is becoming widely understood. (40s, female)
- I worry that expressing my opinion could affect my treatment or career. (Age 50 or older, male)



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.

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 2025 to confirm whether there were any human rights risks at suppliers, but no suppliers have been found to have human rights risks as of now.

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

As a target under the 2028 Mid-term Management Plan, we set a KPI of an improvement rate² of at least 75% among the 24 suppliers¹ interviewed under the 2025 Mid-term Management Plan.

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. Avoiding complicity in or contribution to human rights violations	4.10
	3. Respect for indigenous peoples' lives and local communities	3.75
III. Labor	1. Prohibition of discrimination in employment	4.50
	2. Providing employees with equal opportunities for human resources development and career advancement	4.52
	3. Prohibition of inhumane treatment	4.64
	4. Payment of appropriate wages	4.78
	5. Fair application of working hours, leave, paid leave, and other arrangements	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 of 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

^{*1} Selected with a focus on (1) overall score rate and (2) human rights item score rate

^{*2} Percentage of companies showing improvement in either applicable item under (1) or (2)

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 FY2012 and obtained supply chain certification from the organization in FY2014. 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^{*1}) that may have an impact on human rights and other issues, we use the Responsible Minerals Initiative (RMI^{*2})-prescribed Conflict Minerals Reporting Template (CMRT^{*3}) 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^{*4}), 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 Group 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/>

^{*1} Refers to the four minerals of tin, tantalum, tungsten, and gold extracted in the Democratic Republic of Congo and neighboring countries

^{*2} Abbreviation for Responsible Minerals Initiative

^{*3} Abbreviation for Conflict Minerals Reporting Template

^{*4} Abbreviation for Extended Minerals Reporting Template



Human Capital Enhancement and Creation of Comfortable Workplaces

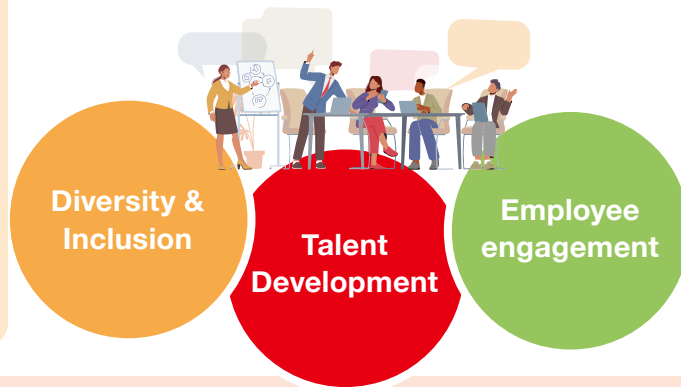
Policy (our fundamental view)

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: “talent development,” “diversity & inclusion,” and “employee engagement.”

Three pillars of human resources performance

The three pillars of better performance of human resources are “talent 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 talent 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 Group’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 NOF Group’s sustainable growth.

Human resources performance driving innovation

Based on the belief that the growth of our human resources forms the foundation of our management, we are positioning the active participation of our human resources as the greatest foundation for continuously creating new value. To strengthen our organizational culture where each and every employee embodies and acts on the three values of Challenge, Fairness, and Harmony, we are promoting the development of autonomous human resources throughout our entire workforce. At the same time, we are striving to create a vibrant environment where diverse opinions and backgrounds are respected, everyone can speak up without hesitation, and diverse perspectives come together.

In a rapidly changing business environment, we will continue to provide generous support in order to respond to the growth ambitions of our employees, who take responsibility for their own work and proactively continue learning as circumstances change. Based on a culture that allows the unique qualities of each individual to be demonstrated, we will develop human resources who confront social issues and drive innovation, and work to achieve sustainable enhancement of corporate value.

Akihisa Maeda

Operating Officers
General Manager,
Human Resources &
General Affairs Dept.





Human Capital Enhancement and Creation of Comfortable Workplaces

Securing Diverse Talent, Governance Related to Talent 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 the Strategic Meeting, attended by Directors concurrently serving as Operating Officers and Operating Officers with titles, participants deliberate on planned recruitment numbers, assignments, and ensuring diversity and evaluate recruitment status aimed at securing diverse personnel, based on the belief that accepting and respecting diversity promotes innovation. In addition, we are working to identify issues through employee engagement surveys, stress check assessments, presenteeism surveys, etc. 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

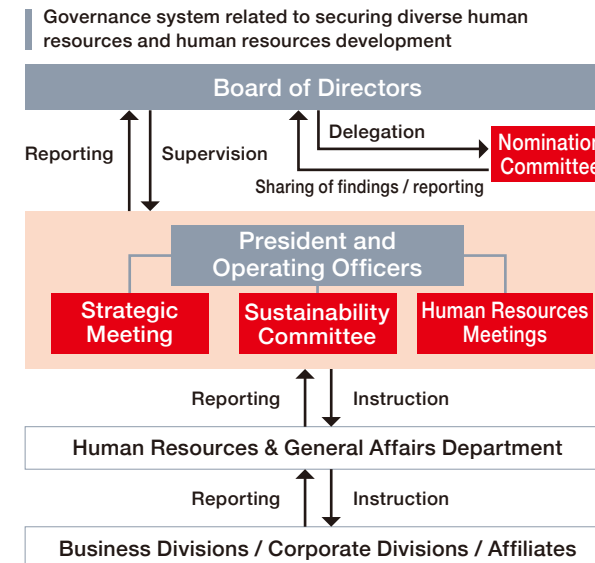
on personnel evaluations at the general manager level, periodic interviews, interviews with candidates for promotion, and reports from managerial candidates on recommendations for management policies and other matters, and members are involved in understanding the characteristics of personnel at the 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. In addition, we are working to identify issues through employee engagement surveys, stress check assessments, presenteeism surveys, etc. while also deliberating our health management policies and the status of initiatives, striving to raise the effectiveness of each initiative. The Board of Directors 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.





Human Capital Enhancement and Creation of Comfortable Workplaces

Metrics and Targets

GRI 2-29/401-1, 3/404-2/405-1, 2

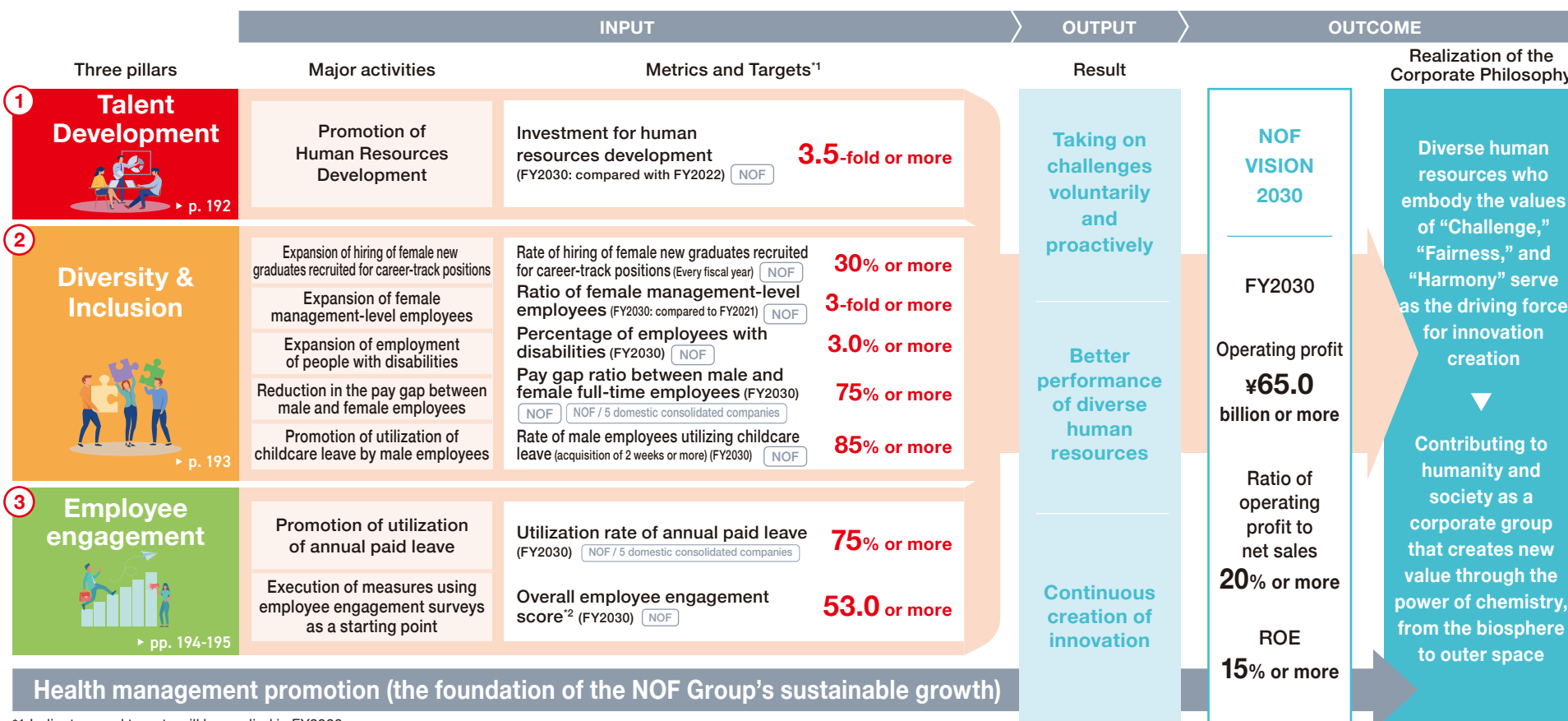
We create diverse human resources that take on the challenge of creating new value.

The NOF Group will promote initiatives listed on the right to achieve “NOF VISION 2030,” our vision for FY2030, and to establish earnings foundations in the three fields we are targeting—“Life/Healthcare,” “Environment/Energy,” and “Electronics/IT”—with an eye toward further corporate growth (sustainable enhancement of corporate value)

beyond that, and to achieve a cost structure adapted to the new business environment.

With health and productivity management serving as the foundation for personnel success, we will pursue initiatives centered on the following three pillars to establish systems and mechanisms that enable each employee to fully demonstrate their abilities and voluntarily take on proactive challenges.

- Recruiting and developing innovation personnel capable of leading new value creation and personnel who can thrive in new domains and growth fields
- Supporting the growth of highly engaged personnel who recognize that each person can initiate change in every workplace and every operation
- Creating an environment that fosters an organizational culture through knowledge sharing and integration and improves productivity and creativity throughout the organization



^{*1} Indicators and targets will be applied in FY2026.

^{*2} Employee engagement score by Graft, provided by M.STAGE CO., LTD.



Human Capital Enhancement and Creation of Comfortable Workplaces

Metrics and Targets [Theme (1): Talent Development]

GRI 404-2

(1) Talent Development

Development of human resources who drive innovation and support for growth of autonomous human resources



Investment for human resources development

NOF

FY2022

¥91 million

FY2023

¥159 million

2.6-fold

FY2024

¥202 million

FY 2025 (actual)*

¥239 million

FY2030 (numerical targets)

3.5-fold or more
(compared with FY2022)

▶ p. 223

* The target for FY2025 is set at 2.5-fold or more (compared with FY2022).

Development of human resources who drive innovation and support for growth of autonomous human resources

To strengthen our innovation-creating human resources who possess the skills, expertise and proactive actions required to execute our business strategy, we are promoting talent development who are able to lead R&D in our three prioritized business fields and management personnel who lead business creation. We are also focusing on developing autonomous human resources based on the embodiment of the NOF Group's values of "Challenge," "Fairness," and "Harmony" so that all employees are able to perform their work in a proactive manner with a sense of ownership and create value within their respective roles. As an environment for the growth of autonomous human resources, we are also promoting systems that support autonomous career development and providing learning opportunities, encouraging the growth of human resources who take on the challenge of creating innovation in a spontaneous and active manner, and we will further enhance the foundation for growth support going forward.

Strengthening R&D capabilities for the future

Under "NOF VISION 2030" that we established with the aim of achieving a sustainable society, we are working on expanding our business domains, and with an eye toward the future beyond that, we are focusing on strengthening the development of R&D human resources with the ability to create new businesses. We are promoting measures for the development of human resources such as improving the business evaluation and analysis skills of R&D personnel (managers and mentoring staff), fostering future insight and marketing planning skills related to research themes, improving intellectual property skills, and promoting the use of materials informatics in R&D activities. In recent years, we have also strengthened the recruitment of experienced R&D personnel, increasing opportunities for co-creation between human resources with diverse external experience or specialized knowledge and internal human resources, and we are anticipating mutual growth among the human resources who drive R&D.

Career development and taking on challenges

We implement "self-reporting" as a mechanism for dialogue with supervisors from perspectives such as mid- to long-term career paths, including transfer requests, and improvement of specialized skills and skill development, each year to help support the construction of career designs that aid individual growth. These dialogues using the "self-reporting" form are conducted with general employees and some managers (including secondees), and 95.7% of employees participate. We have also established an environment that supports each individual taking on challenges toward growth, such as an internal recruitment system, implementation of career training to proactively consider career design, support for self-development including skills enhancement and acquiring new knowledge, and provision of interview opportunities with members of the Human Resources Meetings, including the president, for department manager-level personnel.

Major activities in FY2025

- Career training for employees to independently and proactively consider medium-term career design

▶ 72

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 98.6% of eligible employees completed it in fiscal 2025.

- Initiatives for development of DX human resources toward selected human resources that promote DX

▶ 65

- Development of autonomous human resources with a deep understanding of NOF Group's values and a high sense of ownership

▶ 2,032

Continuing to focus on this initiative, in fiscal 2025 the participation rate among eligible employees rose to 97.8%.

- Support for self-education/development by enhancing distance learning

▶ Cumulative total of 788 people

Starting in FY2024, 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 more than one-third of all employees.



Human Capital Enhancement and Creation of Comfortable Workplaces

Metrics and Targets [Theme 2: Diversity & Inclusion]

GRI

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

(2)

Diversity & Inclusion

Promoting diversity
and innovation



We advocate “respect for diversity” in our code of conduct and, based on the belief that diverse perspectives are the very source for the creation of new innovation and value, we are striving to foster an organizational culture where everyone is able to participate in an active manner regardless of their attributes, and where the sharing and combination of knowledge occurs.

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. We are working to secure diverse human resources regardless of gender, age, nationality, or disability status. In addition to this, we are also promoting the hiring of human resources (experienced personnel) with extensive experience in the three prioritized business fields, with the aim to promote innovation through mutual understanding and mutual respect among human resources with different perspectives. 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 11 years. The percentage of female career-track employees, which was less than 10% of all career-track employees as of the end of FY2015, increased to 30% by the end of FY2025. 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. 199

FY2023	FY2024	FY2025
32.7%	38.0%	39.1%

Every fiscal year **30% or more**

- Posting testimonials from young employees and employees raising children on our recruitment website 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. 201

FY2023	FY2024	FY2025
5.2%	6.2%	6.4% (1.3-fold)

FY2030 (numerical targets) **3-fold or more**
(compared with FY2021)

- Promotion of female career-track employees to management positions through systematic development
- Establishment of a 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. 200

FY2023	FY2024	FY2025
2.54%	2.65%	2.82%

FY2030 (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 full-time employees*

NOF > p. 202

NOF / NOF / 5 domestic consolidated companies

	FY2024	FY2025
Full-time employees	72.6%	73.6%
Full-time employees	71.1%	72.4%

FY2030 (numerical targets)

Full-time employees
75% or more

- 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

NOF > p. 205

(Average number of childcare leave days taken by male employees*2)

FY2023 ³	FY2024 ³	FY2025 ³
97.4% (33.1 days)	95.7% (30.9 days)	94.1% (37.1 days)

FY2030 (Numerical targets)

85% or more
(acquisition of 2 weeks or more)

- 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 utilizing childcare leave is calculated based on the total number of childcare leave days taken by employees who returned to work in the current fiscal year.

*3 The target for FY2023 through FY2025 is set at 100% (acquisition of 1 day or more).



Human Capital Enhancement and Creation of Comfortable Workplaces

Metrics and Targets [Theme (3): Employee Engagement]

GRI 2-29

(3) Employee engagement Maximizing performance



By creating a rewarding workplace, we aim to enhance employee engagement and improve the productivity and creativity of the entire organization. As a foundation for employees to demonstrate their performance, we are working to promote flexible working styles and revitalize communication. To understand employee engagement and the results of past initiatives, we regularly conduct employee engagement surveys, measuring overall employee engagement score 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 aim for continuous improvement of the workplace environment through analysis of these results.

Overall employee engagement score^{*1}

FY2023	49.5
FY2024	50.0
FY2025 ^{*2}	51.0
FY2030 (Numerical targets)	53.0 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

Utilization of the “employee engagement survey”

Scores for “human relations” among supervisors in manufacturing workplaces are low

Changes in scores over time (interpersonal relationships)

FY2023	FY2024	FY2025
46.9	46.6	48.0

We recognize that the heavy coordination workload between manufacturing workplaces and supervisors creates a situation where they tend to become isolated. Scores are trending toward improvement, but supervisor scores are somewhat low, and we will implement countermeasures.

From the end of FY2025, we launched a “session to create opportunities to enhance a culture of development” targeting mentors (senior employees), workplace supervisors, and managers assigned to manufacturing workplaces, etc., and began efforts to build a mutual support environment among workplace supervisors, managers, and mentors, and to create a workplace culture where employees are able to immerse themselves in work and grow.

We will continue this initiative annually and confirm changes in scores over the medium term.

^{*1} Employee engagement score by Graft, provided by M.STAGE CO., LTD.

^{*2} FY2025 target is set at 50.0 or above.



Human Capital Enhancement and Creation of Comfortable Workplaces

Metrics and Targets [Theme (3): Employee Engagement]

GRI 2-29

For manufacturing workers overall, scores for “work content (autonomy)” and “job crafting (meaning-making in work)” are low

Changes in scores over time (autonomy)

FY2023	FY2024	FY2025
46.7	47.5	48.9

Changes in scores over time (meaningfulness of work)

FY2023	FY2024	FY2025
45.3	45.9	46.8

Multiple departments and organizations with low scores exist (Divided into 118 departments)

Somewhat low
(More than 46.3 and no more than 49.0)

17 departments

Low
(46.3 or below)

11 departments

Given the nature of manufacturing operations, work must be performed according to procedure manuals with the top priority on safety, which limits discretionary authority; compared to other job types, it is more difficult to feel how one's own work contributes to society and the company, and we recognize that operations are becoming more routine.

In response to this, we have been implementing autonomous human resources development training for all employees annually since FY2023. The score for “work content (autonomy)” among manufacturing workers has been increasing steadily, and we will continue with this initiative. In FY2025, we launched an initiative for holding direct dialogue sessions (town hall meetings) between employees and the president at manufacturing sites and other locations, and are working to enhance the sense of organizational unity through two-way sharing of opinions.

As a measure focused on workplaces involved in manufacturing, we also encourage small group activities (improvement activities) as company-wide activities and are considering initiatives to further revitalize them, intending to devise ways to enhance workplace ingenuity and increase proactiveness and the sense of meaning in work.

Through initiatives such as these, we will confirm changes in the score over the medium term.

Engagement scores are provided to the health and safety committees at each site, where labor and management engage in analysis and discussions based on actual conditions, implement necessary measures and provide feedback to the workplace, resulting in steady improvement in scores.

We will continue this initiative through the health and safety committees at each site and monitor changes in the scores over the medium term.

* The health and safety committees at each site also discuss the results of stress checks at the same time.

* For the annual paid leave utilization rate, please refer to page 204.



Human Capital Enhancement and Creation of Comfortable Workplaces

Risks and Opportunities

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

In promoting human capital management, the NOF Group recognizes the existence of trade-offs in which the “positive aspects (opportunities)” and “negative aspects (risks)” arising from each measure are intricately interrelated.

For example, optimizing working hours through work-style reform contributes to employee health and improved work-life balance, but it also constrains time for on-the-job development and may temporarily slow productivity and development in the short term. Working from home can also increase flexibility and strengthen emergency response capabilities, but may create new challenges such as reduced communication and information security management. We manage these conflicting factors from a broad perspective and implement risk countermeasures and responses to issues.

Overview of human capital risks, opportunities, and measures

Major risk	Overview	Opportunities	Countermeasures
Delays in fostering human resources	Delays in implementing human resources development plans may prevent the development of core personnel responsible for business growth, slowing sustainable business growth and transformation	Combining the development of internal human resources with the appointment of external talent advances organizational capabilities and is expected to produce the following benefits Training in the use of materials informatics (MI) strengthens data-driven R&D and accelerates the development of new products that will support the future Experienced-hire recruitment aimed at shortening development lead times by acquiring highly specialized external talent encourages knowledge sharing with internal personnel and promotes innovation	- Deliberating and evaluating human resources development at Human Resources Meetings attended by Directors concurrently serving as Operating Officers and titled Operating Officers, and regularly implementing the PDCA cycle to prevent development delays - Reporting human resources development indicators, targets, results, and measures to the Sustainability Committee, attended by all Directors, and discussing response policies to continuously improve measures - Conducting MI utilization training for R&D personnel. Also promoting interdepartmental interaction through group training and other opportunities to accelerate the contribution of experienced hires and encourage knowledge sharing with internal personnel
Labor shortages	A shrinking labor force and intensifying recruitment competition may prevent us from securing necessary employees, disrupting plant operations and delaying business plans such as new businesses	- Difficulty in securing human resources raises the priority of labor-saving and automation investments (accelerating smart factory conversion) - Developing manufacturing workplaces where older people and women can thrive, including measures for heavy-load tasks, improves manufacturing safety while creating a diverse organization in which older people and women can succeed	- To prevent mismatches with applicants' expectations, providing information focused on helping them envision the work, promoting business understanding through plant tours for new graduates, and expanding recruitment communication channels for experienced hires - Establishing a system that makes it easier for former employees to rejoin the Company, and expanding opportunities to secure experienced personnel - Accumulating smart factory implementation know-how at model plants and promoting smart factory conversion at other plants - Making planned capital expenditures to improve workplace environments and increase the assignment of older people and women to manufacturing workplaces
Rise in turnover rates	Turnover may increase due to dissatisfaction with the Company, family care responsibilities, and other circumstances, disrupting business promotion and operations and increasing employee workloads	- Transitioning to business processes that do not depend on specific individuals, including operational standardization, improves organizational resilience - Strengthening support for balancing childcare or family care with work improves employee engagement and, consequently, the attractiveness of the NOF Group	- Providing an annual opportunity for supervisors and subordinates to discuss careers through the self-reporting system, identifying individual aspirations, supporting career development, and promoting comfortable workplaces - Establishing a career consultation desk that offers access to expert advice and supports proactive career development and growth - Improving productivity by streamlining operations and reviewing processes, including promoting DX and introducing generative AI, to eliminate dependence on specific individuals and create an environment where diverse talent can thrive - Supporting employees with childcare, family care, or other circumstances in balancing work through a course-change system that avoids temporary relocation-based transfers to distant locations



Human Capital Enhancement 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.

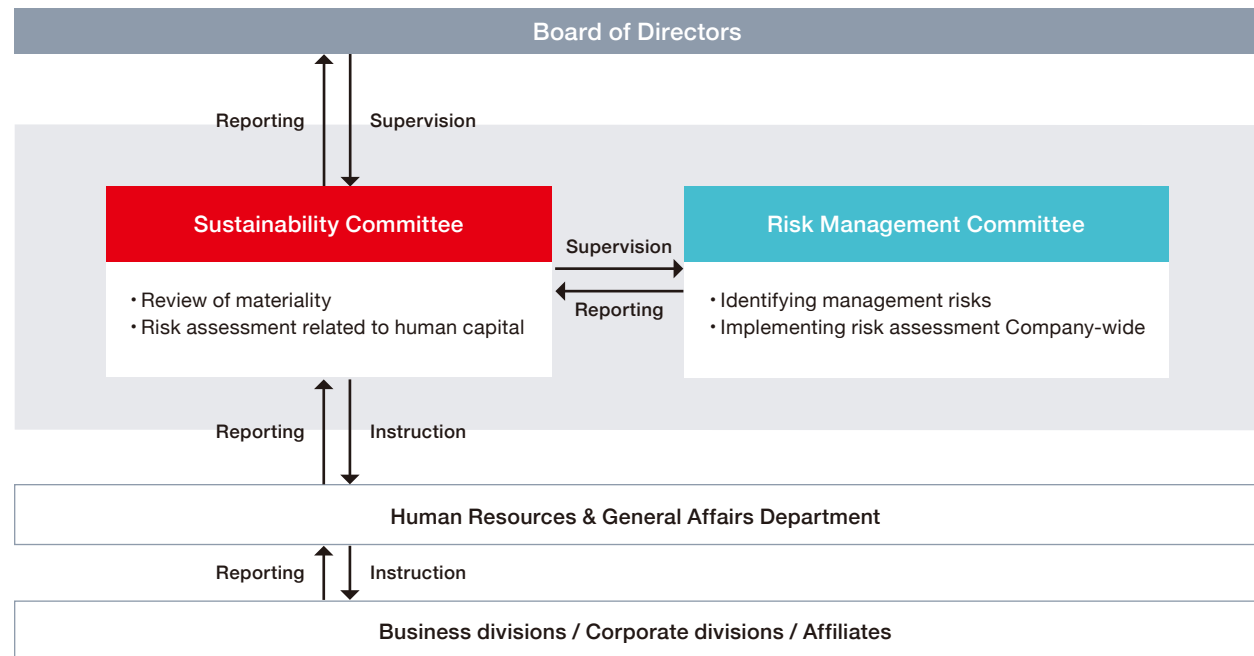
Risk Management Committee

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 once every two years. On each occasion, it reviews risk items and worst-case scenarios and identifies key risks for monitoring. 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.

Meeting Frequency 2 meetings (FY2025)

Risk assessment process ▶ p. 076

Risk Management for Human Capital Organizational Setup

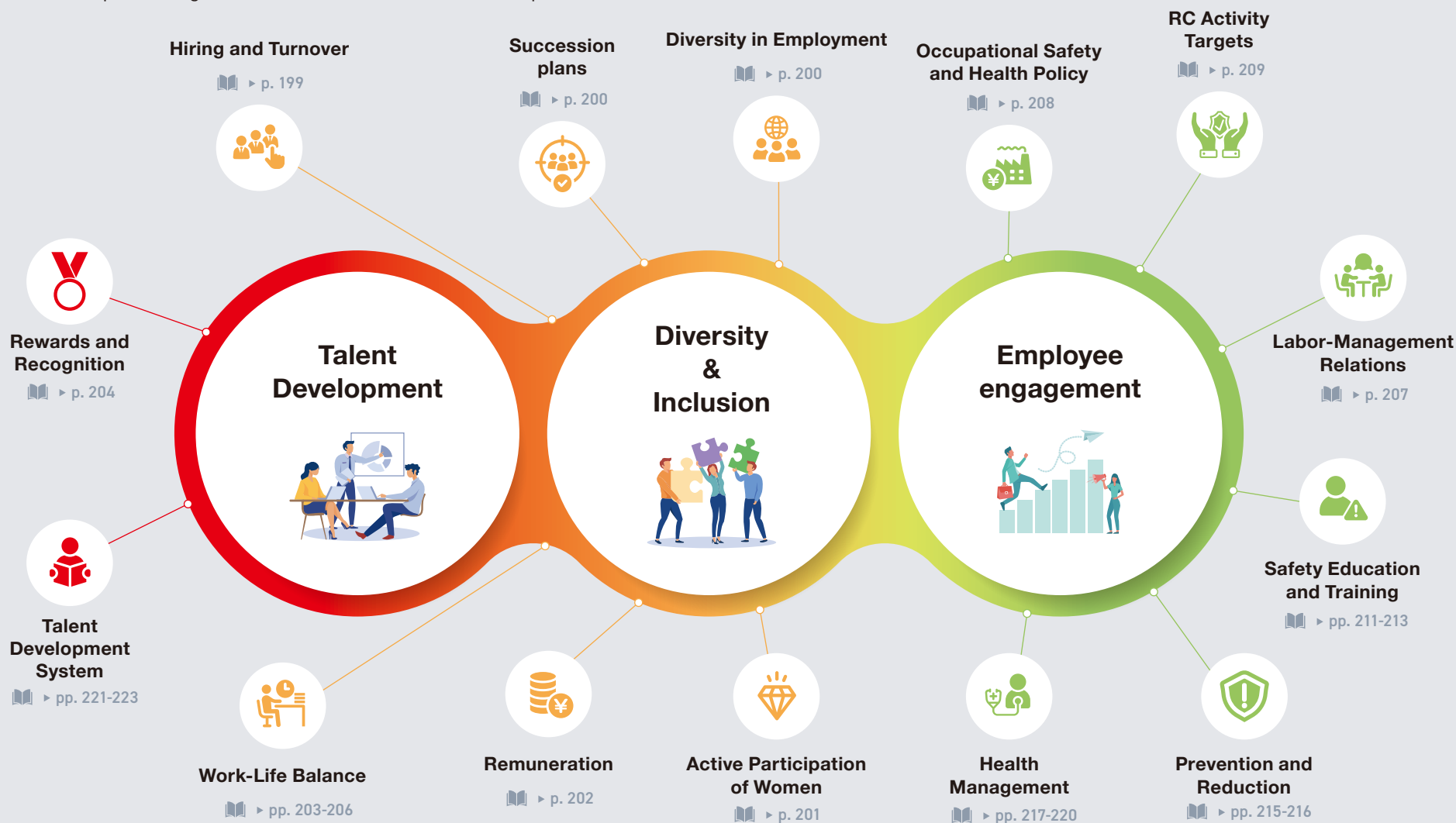




Human Capital Enhancement and Creation of Comfortable Workplaces

Initiatives for Human Capital

The NOF Group is working on various initiatives related to human capital.



* The "5 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.)

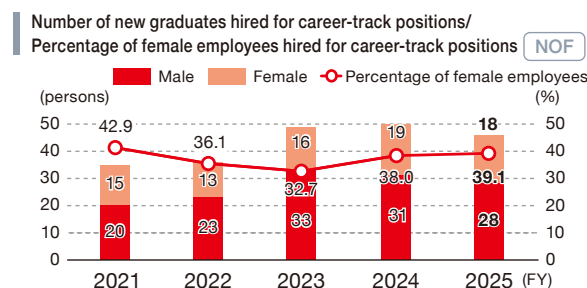


Securing Talent and Diversity & Inclusion | Hiring and Turnover

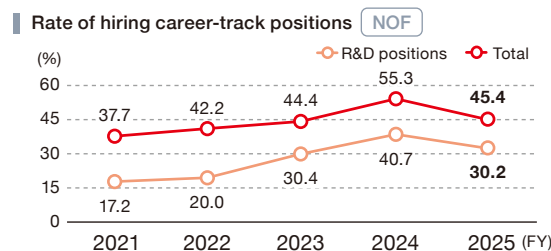
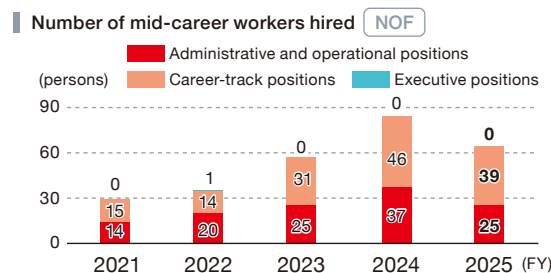
GRI 2-7/401-1/405-1

Hiring and appointment of human resources

Under the values of “challenge,” “fairness,” and “harmony,” NOF strives to invigorate the foundation that enables diverse personnel to thrive by creating an environment where opinions and ideas can be freely exchanged and individuality is respected. In recruiting personnel, our policy is to respect diversity regardless of gender, age, nationality, disability status, or other characteristics.



* Data on new graduate employees joining on April 1



In addition to regular recruitment of new graduates, we focus on recruiting experienced personnel who will drive sustainable business growth and lead innovation, securing personnel for a wide range of domestic and overseas roles in R&D, production, quality control, technology, sales, planning, administration, and other fields.

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

NOF

FY2024 **32.4** ▶ FY2025 **31.3**

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

NOF

Hiring for executive and career-track positions

FY2025 Male **74.4%** Female **25.6%**

Hiring for administrative and operational positions

FY2025 Male **68.0%** Female **32.0%**

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, child-care, 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

FY2024 **2.8%** ▶ FY2025 **2.4%**

Turnover due to
personal reasons

NOF / 5 domestic consolidated companies

FY2024 **2.6%** ▶ FY2025 **2.2%**

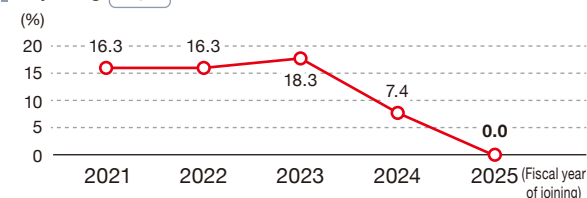
Turnover due to personal reasons

NOF



Turnover rate of new graduate employees within three years
of joining

NOF



* Data as of March 31, 2026



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 FY2024, 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. As of March 2026, the employment rate of persons with disabilities was 2.82%, which surpasses the legally prescribed percentage. 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

FY2024 **2.65%** ▶ FY2025 **2.82%** ▶ FY2030 (numerical targets) **3.0% or more**

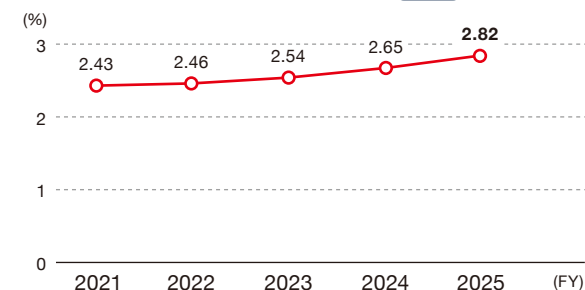
* As of March 2026

Percentage of employees with disabilities

NOF / 5 domestic consolidated companies

As of March 2026 **2.39%**

Percentage of employees with disabilities NOF





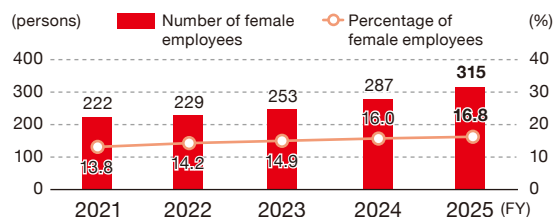
Securing Talent and Diversity & Inclusion | Active Participation of Women

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

Promoting the active participation of women

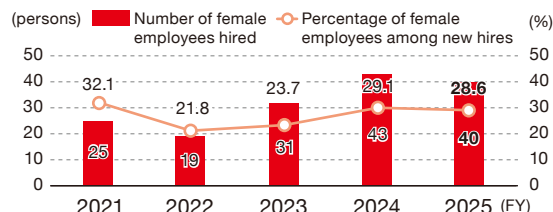
NOF promotes the active participation of women, and of new graduate career-track hired in fiscal 2025, 39.1% were women (see the graph on p. 199: Number of new graduates hired for career-track positions/Percentage of female employees hired for career-track positions). NOF actively recruits women and works to create a workplace environment where employees can demonstrate their abilities regardless of gender. We are expanding

Number and percentage of female employees NOF

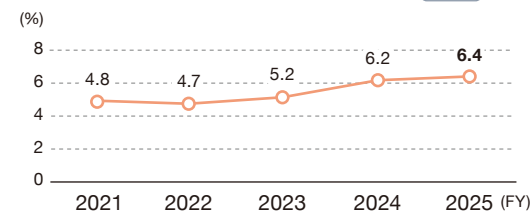


* Including employees on childcare leave or other leave of absence (FY2025: 575 female employees at NOF and five consolidated subsidiaries; female employee ratio: 18.0%)

Number and percentage of female employees hired NOF



Ratio of female management-level employees NOF



support programs for childcare and nursing care and leave programs addressing women-specific health issues. We also provide training for all employees based on NOF's values and foster a corporate culture that respects diversity.

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



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 implemented a work-from-home system to reduce 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 Talent and Diversity & Inclusion | Remuneration

GRI 405-1, 2

Fairness of remuneration

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

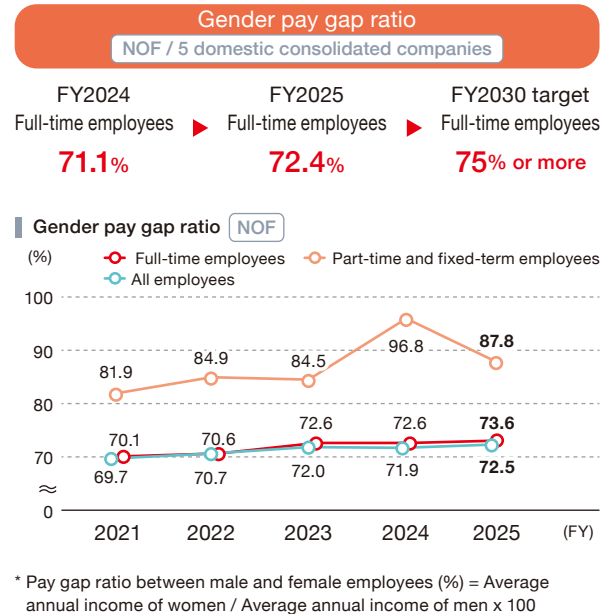
At NOF, the gender pay gap ratio among full-time employees in FY2025 was 73.6%. This is mainly attributable to the different average length of service between men and women, the allowance gap resulting from men being the majority of employees engaged in shift work in the manufacturing divisions, and the gender ratio gap in managerial positions. When employees are classified according to their responsibilities and roles as management-equivalent employees or general employees (hired for career-track and administrative and operational positions), the regular employee wage ratio remained above the target level, as in the previous year. 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

FY2024	FY2025	FY2030 target
Full-time employees 72.6%	Full-time employees 73.6%	Full-time employees
Temporary/part-time employees 96.8%	Temporary/part-time employees 87.8%	75% or more
Total 71.9%	Total 72.5%	

Pay gap ratio between male and female full-time employees in FY2025 (by hiring category)
Management-level equivalent employees: 89.6%
General employees (hired for career-track and administrative and operational positions): 83.0%



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

Cause	Measure
Gender difference in average length of service	Enhance support for balancing work with childbirth, childcare, etc.  ▶ pp. 203, 205-206
Because only men are engaged in shift work in the manufacturing divisions, the associated allowances have resulted in a wage gap.	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
Gender gap ratio in managerial positions	Active recruitment of women for career-track positions and advancement of an internal environment that promotes the active participation of women  ▶ p. 201

Appropriate payment of premium wages for overtime work

Under appropriate working-hour management, NOF properly pays premium wages in accordance with work rules and laws and regulations for unavoidable overtime work. We will continue regarding accurate monitoring of working hours as the first step in managing employee health and maintain highly transparent attendance management.

Living wage

Based on the belief that it must achieve its management plan and establish a stable corporate foundation for the future, NOF makes every effort to pay employees fair and appropriate wages. As part of its initiatives to assess and ensure a living wage, NOF has concluded with the NOF Labor Union an in-house minimum wage agreement exceeding the statutory minimum wage and an agreement on special in-house compensation based on the National Personnel Authority's standard cost of living, thereby striving to provide employees with a living wage that supports a secure standard of living.



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.

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 balancing work and fertility treatment ^{*4}			
Others			
Annual paid leave (up to 21 days)			
Annual paid leave available in half-day units			
Accumulated paid leave ^{*6}			
Refreshment leave (Every five years after five years of service)			
Flex-time system			
Discretionary work system (R&D positions)			
Support for self-education/development ^{*7}			
Work-from-home system ^{*8}			

^{*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 wiiwi (provided by wiiwi.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, care of sick family members, family caregiving, 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.



Prevention of long working hours

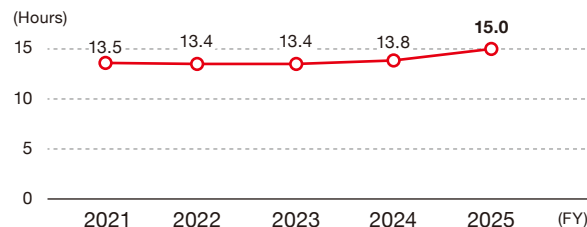
Under appropriate labor management, NOF takes measures to curb long working hours while improving operational efficiency and productivity. In addition to checking working hours through computer log management, we are introducing restrictions on working after scheduled hours, overtime restrictions for employees working long hours, minimum rest intervals between shifts, and designated days encouraging employees to leave on time.

We have concluded a “36 Agreement” with the labor union or employee representatives. Following labor-management consultation, overtime is limited to 45 hours per month, with a special provision allowing a maximum of 75 hours per month up to six times per year. Annual overtime is capped at 720 hours. In fiscal 2025, the average monthly overtime hours worked at NOF reached 15.0 hours (average monthly overtime hours at NOF and its five domestic consolidated companies: 13.4 hours).

Average monthly overtime work hours NOF

FY2025 **15.0** hours

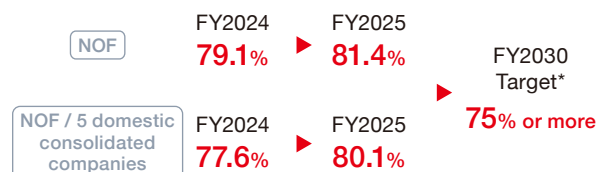
Average monthly overtime work hours NOF



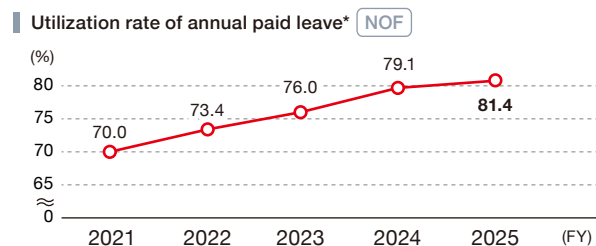
Encouraging employees to take annual paid leave

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 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.

Utilization rate of annual paid leave



* The FY2025 target is 75% or higher for both NOF and 5 domestic consolidated companies



* Data are as of March 31 each year.

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

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).

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.

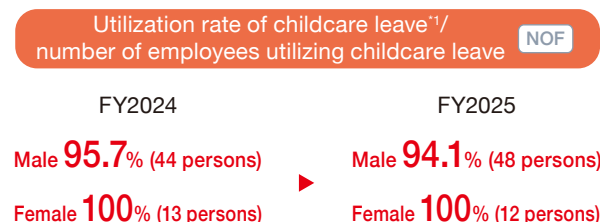
Reward for employee invention

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

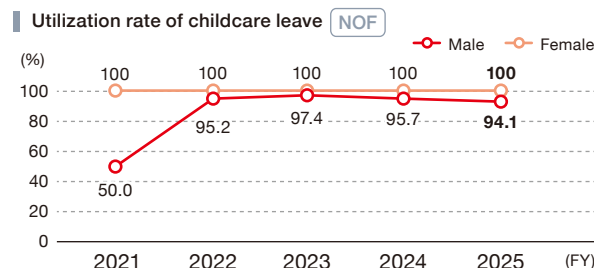
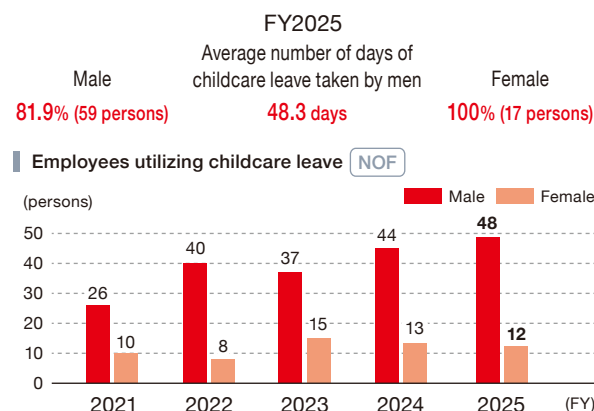


NOF promotes an environment where all employees can balance work and childcare and has achieved a high utilization rate of childcare leave among men. However, society now expects male employees to participate meaningfully in childcare rather than taking leave for only one or a few days. Accordingly, beginning in FY2026, NOF will move to the next-stage target of “at least 85% of male employees taking two or more weeks of childcare leave by FY2030,” aiming to improve the quality of childcare leave. To achieve this target while supporting employees’ career development, NOF offers the following unique support measures.

In FY2025, the percentage of NOF’s male employees taking “two weeks or more” of childcare leave was 62.7% (59.7% for NOF and five domestic consolidated companies).



Utilization rate of childcare leave NOF / 5 domestic consolidated companies



* Data are as of March 31 each year.



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.



*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 The average number of childcare leave 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]



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)

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**

FY2025
0

Employees utilizing family care leave of absence
NOF / 5 domestic consolidated companies

FY2025
1



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, 70.8% belong to the labor union (as of March 31, 2026, including seconded employees).

Collective bargaining agreements

The collective bargaining agreement concluded with the NOF Labor Union stipulates that labor and management representatives must consult in advance when implementing management measures affecting union members'

employment or reviewing working conditions due to business restructuring or other reasons. 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. For example, if large-scale workforce adjustments become unavoidable, we will hold advance consultations with the labor union in accordance with the collective bargaining agreement. The collective

bargaining agreement also sets procedures for collective bargaining and labor-management council meetings for such consultations, including written notice and mutual agreement on the date, time, and location. Requests for advance consultation are made with sufficient time allowed for discussion. When dismissing an employee, we provide at least 30 days' advance notice in accordance with laws and regulations, except where the Labor Standards Inspection Office has approved an exemption from dismissal notice. If notice is not provided at least 30 days in advance, dismissal notice allowance is paid.

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. Based on the unwavering belief that “business cannot exist without safety,” this policy explicitly states our commitment to

protecting diverse personnel “regardless of age or work experience,” including consideration for preventing occupational accidents among older employees and support for inexperienced younger employees. Beyond mere compliance with rules, we emphasize a proactive process in which all employees autonomously create safety through their daily activities. We seek to develop both a “comfortable workplace environment” in terms of facilities and an “open organizational culture” that promotes organizational learning from incidents.

Under this policy, we conduct occupational safety activities at each business site, plant, and Group company, including establishing occupational safety and health management systems, to enhance each onsite employee’s autonomous ability to protect safety and embed a robust safety culture.

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.” Regardless of age or work experience, all officers and employees shall build “workplaces where people can work safely and securely” through Responsible Care activities and close operational cooperation, and proactively promote occupational safety and health activities.

Fundamental principles

- (1) We will operate a self-management system for occupational safety and health, and promote continuous management and improvement.
- (2) We will reduce risks according to the work environment, work methods, and employees’ age, work experience, and skills, and thoroughly prevent occupational accidents.
- (3) We will comply with laws and regulations concerning occupational safety and health and with the rules and standards established by our Company and Group companies.
- (4) We will strive to create comfortable workplaces and an open organizational culture and maintain and improve employee health.
- (5) We will ensure that all employees are fully aware of the principles.

The principles will be made widely available to the general public.

(Revised July 2026)



FY2025 safety activity results and FY2026 RC activity targets

Since fiscal 2015, we have promoted initiatives toward achieving our target of “absolutely zero accidents.”^{*1} In fiscal 2025, there were no fatalities, but 15 occupational accidents, including four lost-time accidents, occurred, and we did not achieve our target. In particular, there were three accidents involving “caught in/between” incidents, which are likely to lead to serious accidents, making it urgent to strengthen inherently safer measures.

In addition, in fiscal 2025, we worked on the elimination of unsafe behavior and unsafe conditions as a key issue under our RC activity goals, but the occurrence of nine accidents involving young and inexperienced employees with less than one year of experience (approximately 60% of the total) shows that further strengthening

and review of safety education are necessary.

Based on sincere reflection on these incidents and the issues identified, in FY2026 we will prioritize the following initiatives to “build a culture of safety and security.”

- **Building the Foundation of a Safety Culture (Understanding and passing on lessons from accidents)**
We will enhance level-based and hands-on training so that employees can internalize past accident cases as their own and develop into personnel capable of preventing accidents autonomously.
- **Adoption of Basic Safety Actions**
We will prevent rules from becoming mere formalities and evolve them into “practice” in which individuals can act proactively, through measures such as thorough pointing-and-calling and compliance with guidelines.

- **Prevention of Accidents Caused by Entrapment/Entanglement or Heatstroke**
Based on the principle of the three actuals, we will identify risks by looking squarely at the actual workplace, actual items, and actual situation, and promote the inherent safety of equipment.

Elimination of traffic accidents

In fiscal 2025, 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. In FY2025, there were 31 at-fault and single-party accidents, an increase of 19 compared to the previous fiscal year, while commuting and work-related traffic accidents totaled 47, an increase of 21 compared to the previous fiscal year, requiring further initiatives.

In fiscal 2026, we will aim for zero traffic accidents through traffic safety activities involving all employees.

FY2026 RC Activity Targets and Occupational 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 proactive risk anticipation, we aim for the following: ● Elimination of unsafe behavior and unsafe conditions ● Elimination of traffic accidents	
① Building the foundation of a safety culture	● Understanding and passing on lessons from accidents and countermeasures ● Providing and attending educational opportunities related to safety knowledge and skills	● Practicing confirmation actions (pointing and calling) ● Compliance with safety standards and guidelines
② Adoption of basic safety actions	[Occupational safety] ● Strengthening measures against entrapment, entanglement, and heatstroke risks based on the three-actuals principle ● Ensuring compliance with amendments to the Ordinance on Industrial Safety and Health ^{*2}	
③ Reduction of disaster risks	[Traffic safety] ● In-depth investigation of the causes of accidents causing harm to others and self-caused accidents ● Strengthening of education to promote awareness	



Traffic safety education (Amagasaki Plant)

^{*1} The NOF Group's proprietary targets to reduce to zero lost-time injuries and non-lost-time injuries.

^{*2} Ordinance on Occupational Safety and Health



Risks and opportunities in occupational safety and health

Category	Major risks and opportunities	Overview	Countermeasures
Risks	Occupational accidents	A serious accident occurred during a manufacturing process in which employees inhaled toxic substances or were injured by chemicals, and compensation claims were filed by employees who suffered permanent aftereffects or by the relatives of employees who died.	- Enhancement of sensitivity toward danger and enforcement of basic safety actions - Provision of occupational safety education and training (FY2025: 20,557 hours in total) - Expanding education on the Basic Safety Behavior Guidelines and hands-on training for inexperienced workers - Rolling out the priority issue of preventing entrapment and entanglement accidents - Reduction of accident risks - Strengthening of responses based on Sangen Shugi (the “three actuals” principle) (FY2025: 20 RC audits) - Implementation of general inspections on Safety Inspection Day (August 1) (FY2025: 32 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.	- Enhancement of sensitivity toward danger and enforcement of basic safety actions - Provision of product safety education and training (FY2025: 2,541 hours in total) - Implementation of chemical substance RA (FY2025: 472 for NOF, 778 for affiliate companies) - Reduction of accident risks - Strengthening of responses based on Sangen Shugi (the “three actuals” principle) (FY2025: 20 RC audits)
	Traffic accidents (On-the-job accidents resulting in injury or death)	A truck driven by a NOF Group employee caused a traffic accident during transportation, resulting in multiple fatalities and seriously damaging the NOF Group's social reputation. The accident has also caused a substantial amount of compensation for damages.	- Enhancement of sensitivity toward danger and enforcement of basic safety actions - Provision of occupational safety education and training (FY2025: 20,557 hours in total) - Reduction of accident risks - In-depth investigation of the causes of accidents causing harm to others and self-caused accidents (FY2025: on-road driving training, driving simulators, audiovisual training materials, etc.)
	Traffic accidents	An employee causes a traffic accident while commuting, resulting in injury or death to the employee and to third parties passing by.	
	Transportation-related incidents	In an accident during truck transportation, hazardous cargo was scattered on the road, causing nearby roads to be temporarily closed, and compensation was claimed due to the resulting delivery delay.	- Safety instructions given to transportation companies - Provision of transportation safety education and training (FY2025: 2,529 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.	- Strengthening of disaster prevention and security measures - Provision of plant safety education and training (FY2025: 258 hours in total) - Alerts under extreme weather or during long holidays (FY2025: 6 under extreme weather, 3 during long holidays) - Investment in safety and disaster prevention equipment (FY2025: disaster prevention, safe work, measures against wind and water disasters, and work environment improvement, etc.) - Execution of safety assessments during new construction or modifications - Safety assessments (FY2025: 87 for NOF, 30 for affiliate companies)
Opportunities	Growing needs for products that contribute to occupational safety and health	[Prevention of heat stroke] Temperature 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 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.

Although training has mainly been provided by external organizations, we have also introduced hands-on training internally and are pursuing education more closely aligned with on-site conditions.



Hands-on practical safety training (Oita Works)



Experience-based hazard education (Amagasaki Plant)



Red Cross first-aid training course (Oita Works)

Forklift safety training and official certification at PT.NOF MAS CHEMICAL INDUSTRIES (NMC)

NMC conducted forklift training in compliance with Indonesian government cargo-handling laws and regulations. The training aims to equip operators with the capabilities needed to perform their duties safely and deepen their understanding of potential risks and sense of responsibility. Participants were required to undergo competency assessments, and those who passed received official government-issued certificates demonstrating their ability to operate safely in accordance with laws and regulations.



Forklift safety driving training

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.



Occupational Safety and Health | Safety Education and Training

GRI 403-4, 5, 7

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 2025, a total of 51,986 people participated in a total of 33,326 hours of education and training.



Education on handling organic peroxides
(PT.NOF MAS CHEMICAL INDUSTRIES)



Presentation of activities with all employees participating (Oita Works)

RC education and training (FY2025)

NOF Group

Field	Total number of participants (persons)	Total number of hours (hours)
All aspects of RC	8,200	6,493
Occupational safety	33,003	20,557
Environmental safety	2,920	948
Product safety	6,942	2,541
Plant safety	478	258
Transportation safety	443	2,529
Total	51,986	33,326



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.



High-pressure gas disaster prevention drill (Amagasaki Plant)



Initial response firefighting training (Oita Works)



Joint nighttime disaster prevention drill for the industrial complex (Oita Works)



Joint disaster prevention drill (NiGK Corporation)



Firefighting skills competition (NiGK Corporation)



Fire extinguishing drill (Changshu NOF Chemical Co., Ltd.)



NOF METAL COATINGS NORTH AMERICA INC. (MCNA)



Awards for safety activities

Under the basic philosophy that “safety takes precedence over everything,” all NOF Group employees work together to promote occupational safety and health, process safety, and disaster prevention activities. Each business site strives to maintain accident- and disaster-free operations through strict management of equipment and hazardous materials, thorough safety education, and activities conducted in cooperation with local communities.

These steady daily safety activities and the long-standing contributions of responsible personnel have been widely recognized, resulting in numerous awards from government agencies and relevant associations.

Appropriate management and improvements in safety technology were recognized in the handling of hazardous materials and explosives and in various types of equipment essential to plant operations, including boilers, high-pressure gas equipment, and refrigeration equipment.

Record of awards for safety activities

Works / Plants	Awarding date	Name
Oita Works	2025/5/20	Received the award for excellent boiler engineers from the Oita branch of the Japan Boiler Association
Amagasaki Plant	2025/6/10	Received the award for excellent boiler engineers from the Hyogo branch of the Japan Boiler Association
	2025/6/12	Received the award for excellent high-pressure gas safety managers from the Hyogo High-Pressure Gas Safety Organization
	2025/6/30	Received the award for excellent refrigeration equipment safety managers from the Hyogo Refrigeration Equipment Safety Association
	2025/11/14	Received the Chairperson's Award for excellent boiler engineers from the Japan Boiler Association
Aichi Works	2026/1/21	Letter of appreciation from the Chief of Handa Police Station
JAPEX Corp.	2025/5/29	Received the award for distinguished safety service from the Tokyo Explosives Safety Association
NiGK Corporation	2025/5/23	Received the excellent long-time service employee award from the Saitama Prefectural Explosive Safety Association Chairman
Nichiyu Kogyo Co., Ltd.	2025/5/27	Received the award for excellent hazardous materials safety supervisors from the Takatsuki City Fire Department Chief
Nippon Koki Co., Ltd. Bibai Plant	2026/2/26	Received the award for green safety management achievement workplaces from the Hokkaido Safety Driving Manager Association



Received the Chairperson's award for excellent boiler engineers from the Japan Boiler Association (Amagasaki Plant)



Received the excellent long-time service employee award, gold and bronze award from the Saitama Prefectural Explosives Safety Association Chairman (NiGK Corporation)



Received the excellent long-time service employee award, silver award from the Saitama Prefectural Explosives Safety Association Chairman (NiGK Corporation)



Received the award for excellent hazardous materials safety supervisors from the Takatsuki City Fire Department Chief (Nichiyu Kogyo Co., Ltd.)



Safety and disaster prevention capital expenditure

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 capital expenditure (FY2025)

Works / Plants	Purpose	Details
Amagasaki Plant	Safety work	Equipment for work at heights, lifting equipment for heavy objects and material storage equipment, jigs for specialized work, and emergency showers
Chidori Plant	Disaster prevention	Spare parts for critical equipment, disaster-prevention radios, and emergency generators
Oita Plant	Measures against typhoon and torrential rains	Waterproofing measures for building roofs
Taketoyo Plant	Safety	Entry and exit management systems and physical security equipment
Kinuura Plant	Working environment improvement	Air conditioning, ventilation, and sanitary equipment

Occupational safety and health management system

NOF Metal Coatings Europe N.V. has obtained ISO 45001 certification and provides a safe and healthy workplace environment while preventing occupational accidents.



*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: an accident resulting in at least one day away from work

*3 Including accidents without lost workdays

*4 Frequency rate = total number of lost-workday cases / total actual hours worked × 1,000,000

*5 Severity rate = total number of lost workdays / total actual hours worked × 1,000

Occurrence of occupational accidents in FY2025

Record of occupational accidents (FY2025)

Metrics	Targets	Unit	FY2023	FY2024	FY2025
Accidents resulting in deaths or loss of functions ^{*1}	Main body of NOF (Japan)	persons	0	0	0
	Affiliate companies	persons	0	0	0
	(Breakdown)				
	Japan	persons	0	0	0
	Asia	persons	0	0	0
	Americas	persons	0	0	0
	Europe	persons	0	0	0
	Cooperating companies	persons	0	0	0
Lost-time injuries ^{*2}	Frequency rate of accidents resulting in deaths or loss of functions ^{*4}	-	0.00	0.00	0.00
	Severity rate ^{*5}	-	0.00	0.00	0.00
	Main body of NOF (Japan)	persons	1	1	2
	Affiliate companies	persons	1	2	2
	(Breakdown)				
	Japan	persons	1	2	2
	Asia	persons	0	0	0
	Americas	persons	0	0	0
All accidents ^{*3}	Europe	persons	0	0	0
	Cooperating companies	persons	1	2	0
	Number of accidents with lost workdays	cases	3	5	4
	Lost-time injury frequency rate ^{*4}	-	0.50	0.80	0.77
	Severity rate ^{*5}	-	0.012	0.012	0.027
	Main body of NOF (Japan)	persons	3	9	7
	Affiliate companies	persons	3	8	5
	(Breakdown)				
	Japan	persons	3	7	5
	Asia	persons	0	1	0
	Americas	persons	0	0	0
	Europe	persons	0	0	0
	Cooperating companies	persons	2	2	3
	Overall accident frequency rate ^{*4}	-	1.35	3.06	2.78



Occupational Safety and Health | Prevention and Reduction

GRI 403-2, 3, 4, 7, 9, 10

Implementation of alerts

As part of our occupational safety activities, the Responsible Care & Plant Investment Department, Corporate Technical Division, 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 FY2025, we prioritized the “elimination of unsafe behaviors and conditions” and promoted safety activities involving all employees. However, occupational accidents occurred primarily among inexperienced

employees, causing us to fail to achieve our target. As a result, the occupational accident frequency rate for the entire NOF Group was 2.78, indicating that further improvement is required compared with the chemical sector average of 1.19. We will strengthen our accident prevention measures in FY2026.

In light of accidents among inexperienced employees with less than one year of service and the growing number of older workers, we will focus in FY2026 on “building the foundation of a safety culture,” including among managers. By reliably passing on lessons learned from past accidents and continuing hands-on education based on training curricula for each organizational level, we will enhance sensitivity to hazards and practical on-site capabilities. Through this, we aim to achieve “absolutely zero accidents.”

Furthermore, in FY2026 we will ensure full compliance with “NOF Group Adoption of Basic Safety Actions” and thoroughly practice “pointing and calling” in daily operations to establish “basic safe behaviors” and “reduce accident risks,” fostering a workplace culture where employees call attention to one another’s unsafe behavior rather than overlooking it. We will also strengthen risk countermeasures for accidents caused by entrapment/entanglement or heatstroke based on Sangen Shugi (the “three actuals” principle).

Through these initiatives, we aim to thoroughly mitigate the risk of disasters and prevent a recurrence while further deepening a truly autonomous safety culture throughout the entire Group.



Policy (our fundamental view)

While maintaining our basic approach and existing initiatives, we have revised our Health-Conscious Management Declaration with the aim of strengthening our support for employees balancing work with childcare and family care, as well as promoting employee health and ensuring the company's sustainable growth.

Health-Conscious 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 will continue to work on creating comfortable workplaces, including support for balancing childcare and family care. In addition, we will promote initiatives that enable employees to work with vitality in terms of both mental and physical health, aiming to promote employee health and achieve corporate sustainable growth.

October 1, 2025

Koji Sawamura

Representative Director, President and CEO

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.

Recognized as an Outstanding
Organization of KENKO Investment for
Health for 8 consecutive years*

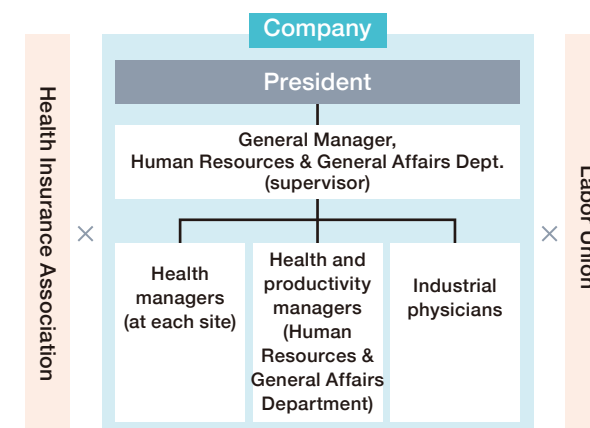


In addition, we will raise awareness among employees and enhance corporate value by following the PDCA cycle, while working together with health insurance associations and industrial physicians.

Promotion system

With the General Manager of the Human Resources & General Affairs Dept. serving as the overall supervisor, the Department's health management promotion personnel lead efforts on priority areas. In addition, for this promotion, we also collaborate with on-site health managers, occupational physicians, the Health Insurance Association, the Labor Union, etc.

Promotion system of health management



* Recognition Program for the Outstanding Organizations of KENKO Investment for Health: This program, jointly administered by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi, recognizes corporations that excel in health and productivity management.



Priority items



Creation of a pleasant working environment

- Promote operational efficiency and curb long working hours
- Further expand programs to support a balance between work and childcare, family care, medical treatment, etc.
- Prevent passive smoking

Examples of initiatives

Encourage employees to take at least 8 days of annual leave NOF

Annual leave usage rate:	FY2025 (Target)	FY2024	FY2025
	75% or more	79.1%	81.4%

Conduct periodic surveys on long working hours NOF

Average overtime hours:	(Target)	FY2024	FY2025
	Keep within 20 hours per month	13.8 hours	15.0 hours

Continue smoking cessation program and establish "No Smoking Day" NOF

Smoking rate:	(Target)	FY2024	FY2025
	20% or lower	23.4%	23.2%



Mental health Mental healthcare

- Encourage employees to take stress tests
- Raise awareness of self-care through mental health training
- Enhance mental health consultation programs

Examples of initiatives

Promote greater self-care awareness and encourage employees to take stress checks NOF

Test participation rate:	FY2025 (Target)	FY2024	FY2025
	Maintain rate of 99% or more	100.0%	100.0%

Implement regular mental health training by organizational level, establish external consultation services, and provide guidance through interviews for employees under high stress NOF

Comprehensive health risk*:	(Target)	FY2024	FY2025
	Keep at or lower 100	95	95



Health promotion 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

Examples of initiatives

Encourage participation in the "Health Promotion Walking" program organized by the NOF Health Insurance Association for health maintenance and promotion NOF

Participation rate:	FY2025 (Target)	FY2024	FY2025
	50% or more	55.4%	56.7%

Have industrial physicians review health examination results, issue notifications for follow-up examinations, and encourage participation in interviews with industrial physicians NOF

Health examination uptake rate:	(Target)	FY2024	FY2025
	100%	100.0%	100.0%
Specific health guidance completion rate:	(Target)	FY2024	
	45% or more	38.5%	



Expected results

- Improved labor productivity (including enhanced innovation creation capability)
- Lower turnover rate
- Improved employee engagement
- Reduced medical expenses and fewer sick leave days

* Defined based on the Brief Job Stress Questionnaire; national average = 100



Priority Item ① Creating a Comfortable Workplace Environment

Smoking cessation program

With the aim of helping those employees who are habitual smokers improve their own health and preventing passive smoking damage to nonsmokers, we help habitual smokers 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

FY2023	Participants	10	Successful participants	4
FY2024	Participants	5	Successful participants	3
FY2025	Participants	8	Successful participants	6

* The number of successful participants indicates the number of people as of the end of the program.

Priority Item 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 have conducted stress tests annually since fiscal 2009, with the results being deliberated upon by the Health and Safety Committees at each site, and examine and implement necessary measures. In addition, we are implementing initiatives such as setting up an outside 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 2025, we offered mental health care (“line care”) training to 37 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 2025, the uptake rate of stress tests was 100% and the high-stress rate was 12.2%. The stress check participation rate for NOF and five domestic consolidated companies was 99.3%, and the high-stress rate was 13.7%.

Priority Item ③ Maintenance and promotion of health

Building physical strength at sports clubs

Anticipating that we would need to address the lack of physical activity due to working from home and promote the health of senior employees due to the extended retirement age, in FY2024 we began providing support programs in which beginners casually participate. While there may be some locations where sports clubs are difficult to use, over 200 employees have used them.



“Health Promotion Walking” by the NOF Health Insurance Association

The NOF Health Insurance Association encourages participation in walking activities to help employees establish exercise habits. In addition, the NOF Health Insurance Association provides employees with a variety of health-related information in the newsletter “Sukoyaka,” and has also collaborated with a sports club to provide employees with inexpensive access to the club.



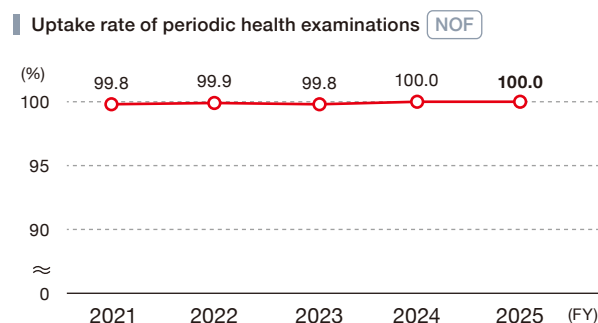


Health measurement sessions

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.

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 2025, the uptake rate of periodic health examinations at NOF was 100.0%. In addition, NOF's completion rate of specific health guidance was 38.5% in fiscal 2024, with 61.7% of employees aged 40 and over maintaining an appropriate weight.

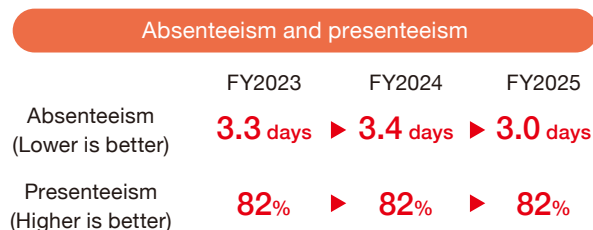


* Includes cases where periodic health examinations could not be taken due to absence

Improving health and productivity

NOF regards each employee's physical and mental health as a source of sustainable corporate growth and greater corporate value. We measure absenteeism and presenteeism to visualize the impact of employee health on work performance and promote more effective health and productivity management. We have begun providing opportunities for individuals to learn about health and conduct health measurement events and other initiatives to raise health awareness, and we will work to improve these values.

Absenteeism refers to an inability to work due to absence or leave caused by illness or poor health. NOF uses the average number of days absent per employee as the indicator. Presenteeism refers to a condition in which an employee is at work but performs below their normal capacity due to physical or mental health problems. NOF measures it based on employee self-reporting.





Talent Development | Talent Development System

GRI 2-17/404-2

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 introduced a 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 Management School, aimed at developing the next generation of management, we implement

programs in which discussions on transforming the NOF’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 2025, a total of 2,808 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 2025, 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 97.8%.

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 NOF

		Executive positions			Career-track positions				Administrative and operational positions			
					Management-level positions	Instructor positions		Full-time positions	Management-level positions	Instructor positions		Full-time 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 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 graduate 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*									
				Finance		Course for candidates for promotion to chief, assistant manager, and upper instructor positions				Course for candidates for chief, assistant manager, and upper instructor positions		
	Global			External exchange								
					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 (Employees responsible for 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							
					Development of autonomous human resources							
						Employees who instruct new graduates				Mentors for new employees		

* Dispatched to external business schools



Talent Development | Talent Development System

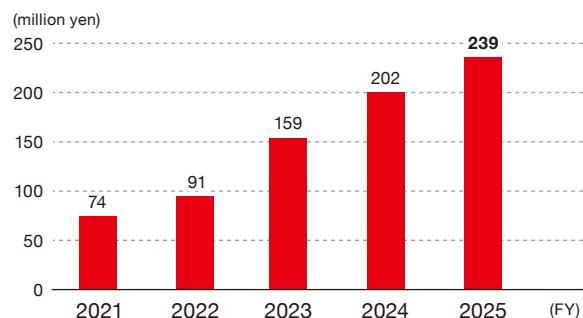
GRI 2-17/404-1, 2

Investment for human resources development

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 2025, a total training hours including group trainings and workshops at NOF came to 20,588 hours (10.4 hours per employee), with investment for human resources development totaling 239 million yen. In addition, a combined training hours, including group trainings and workshops at NOF and its five domestic consolidated companies totaled 29,173 hours (8.8 hours per employee).

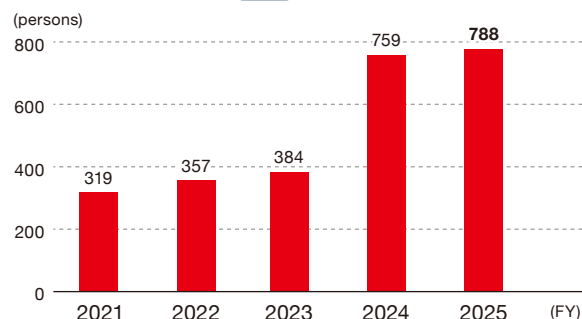
Investment for human resources development (NOF)



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 2025, a total of 788 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 2025, a total of 354 people newly acquired 38 kinds of qualifications.



"Correspondence Course Guide" booklet

People who acquired qualifications

FY2021	362 persons (32 kinds)
FY2022	366 persons (43 kinds)
FY2023	510 persons (45 kinds)
FY2024	474 persons (44 kinds)
FY2025	354 persons (38 kinds)

Number of employees who acquired qualifications (FY2025) (Domestic Group)

Qualification	FY 2025
Qualified Person for Energy Management	4
Pollution Control Manager	10
Health Supervisor	12
Chemical Substance Manager	5
Chemical Substance Control Manager	1
Operations Chief for Specified Chemical Substances and Other Materials	23
Operations Chief of Organic Solvent Work	38
Hazardous Materials Engineer	61
Protective Equipment Manager	4
Qualifications related to the High Pressure Gas Safety Act	19
Explosives Handling Safety Manager	18
Handlers of Poisonous and Deleterious Substances	2
Operations Chief of Work Handling Ordinary Pressure Vessels	7
Operations Chief of Hazardous Work of Oxygen Deficiency and Hydrogen Sulfide	24
Forklift Operator	12
Crane Operator	17
Sliding Operator	16
Qualifications related to boilers	10
Full harness special training	12
Operations Chief of Appropriate Measurement Control	1
Fire Prevention Manager	5
17 other qualifications	53
Total (38 types)	354



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 meeting (Oita Works)



Environmental monitors meeting (Oita Works)



Internship at Oita Prefectural Oita Technical High School (Oita Works)



Internship at Oita Prefectural Tsurusaki Technical High School (Oita Works)



Informal meeting with local neighborhood councils (NiGK Corporation)

Works / Plants	Date	Item	Details
Dialogues, tours, and discussion meetings with local residents and neighborhood associations			
Aichi Works	2025/7/21	Works tour for head of neighboring wards	Explained the overview and environmental and safety initiatives to leaders and municipal officials from seven neighboring districts and conducted a plant tour
	2026/2/13	Discussion meeting with officers of neighboring autonomous districts	Held an exchange of views between officers, including leaders of seven neighboring autonomous districts, and our works executives
Oita Works	2025/11/27	14th Oita area RC community dialogue and gathering	Invited neighborhood associations, government authorities, and others to plant tours, dialogue meetings, and opinion exchanges (154 participants in total)
	2026/2/18	Environmental monitors meeting	Fifteen environmental monitors from the local community and industrial complex companies exchanged views on nearby environmental issues
Showa Kinzoku Kogyo Co., Ltd.	2026/2/11	Exchange with local residents	Conducted courtesy visits to a total of 41 neighbors and landowners as part of the 83rd anniversary event
NiGK Corporation	2026/3/10	Informal meeting with local neighborhood councils	Invited representatives of local neighborhood associations to provide them with opportunities to hear an overview of the Company and its environmental activities and participate in a plant tour and discussion meeting
Cooperation with educational institutions and development of the next generation			
Aichi Works	2025/6/10	Hosting industrial study tours	Promoting understanding of NOF's businesses among career guidance counselors at nearby high schools
Oita Works	2025/7/28-30 2025/8/4-6	Acceptance of interns	Accepted students from Oita Prefectural Oita Technical High School (two) and Oita Prefectural Tsurusaki Technical High School (four)
Nippon Koki's Shirakawa Plant	2026/1/5	Crime-prevention drills at a special needs school	Provided product-handling instruction combined with crime-prevention training to staff at a university-affiliated special needs school
	2026/2/18	Crime-prevention drills at an after-school childcare facility	Provided product-handling instruction combined with crime-prevention training at the Hanawa After-School Children's Club
Interaction with local communities through local events and activities			
Aichi Works	2025/4/19	Sky Cup (rocket-building class)	Four staff members from Aichi Works participated, giving a lecture and serving as presenters at the awards ceremony
	2025/11/12	Hosting a community concert	Hosted a Japan Ground Self-Defense Force band concert at Yume Taro Plaza for 620 local residents
Showa Kinzoku Kogyo Co., Ltd.	2025/9/21	Exchange with local residents	Participated in an event commemorating the 20th anniversary of city status and interacted with the local community
Nippon Koki's Shirakawa Plant	2025/11/3	Participation in the Nishigo Village Round-the-Village Ekiden Relay	Two teams totaling 32 participants competed and interacted with nearby companies and school representatives
	2026/1/10	Crime-prevention product display for "Dial 110 Day"	Displayed and explained crime-prevention products at an AEON store and interacted with local police and residents
Nippo Kogyo Co., Ltd.	2025/10/18-19	Exhibition at the Susono City Industrial Festival	Exhibited at the industrial festival hosted by the Susono City Society of Commerce and Industry
NiGK Corporation	2025/11/9	Community Interaction and Welfare Festival	Provided leaf mold produced in-house and promoted contributions to maintaining the natural environment and achieving the SDGs within the community



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 with Kawasaki City designating the Works' main building as a tsunami evacuation facility and making it available to the general public in 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 been holding an event called "FAMILY DAY" with the aim of deepening employees' family ties. The last "Family Day" event was held as a Christmas event attended by employees and their families. Through environmental learning based on the theme "Protecting the Yangtze River" and other activities, families gained a deeper understanding of the NOF Group's environmental conservation and safety initiatives.



Family Day (Changshu NOF Chemical Co., Ltd.)

Cooperation in local events

NiGK Corporation continuously participates in the "Welfare Market," a local event held in Kawagoe City designed to help create a better community. In fiscal 2025, NiGK Corporation had a booth at the event and provided local residents with free leaf molds made from fallen leaves collected on the plant premises.



Local community welfare festival (NiGK Corporation)



Local Communities | Social Contribution 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.



CSR activity: litter collection (Changshu NOF Chemical Co., Ltd.)



Cleanup activities along the Amaho Road (Amagasaki Plant)

NOF METAL COATINGS NORTH AMERICA INC. (MCNA)

In August 2025, employee volunteers conducted a cleanup activity at Kensington Park, located in Milford Charter Township, Michigan. Participants walked through the lush park and worked hard collecting litter. This activity directly contributes to beautifying the local environment while raising each employee's awareness of environmental protection.





Local Communities | Social Contribution Activities

GRI 203-1/413-1

Support for people with disabilities

The NOF Group is committed to supporting people with disabilities as part of activities to fulfill its social responsibilities. NOF has supported the activities of para-athletes and Para-Art artists since fiscal 2023.

Para sports

The NOF Group 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.



Donation of Shooting Ammunition

Jointly with Nippo Kogyo Co., Ltd., which sells ammunition for hunting and shooting, and hunting rifles, NOF donates shooting ammunition 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.

Beam Rifle Experience and Discussion Session

We invited the Japan Para Shooting Federation to the NOF Head Office and held a beam rifle* experience session followed by a discussion session with para-athletes. Seven federation representatives provided instruction in beam rifle shooting, and approximately 100 NOF Group participants gained a meaningful experience of the sport. We believe this greatly increased understanding and awareness of support activities for persons with disabilities and para-sports. At the discussion session, we heard from Mika Mizuta, a bronze medalist at the Paris 2024 Paralympic Games, and federation director Aki Taguchi, who participated as head of the Japanese delegation, about shooting techniques and ways to overcome pressure, providing valuable lessons applicable to work and sports.



* A shooting sport developed to promote shooting sports in Japan, where gun regulations are strict, using light beams rather than live ammunition

Paralym Art

NOF Group uses works by Paralym Art artists for the covers of its Integrated Report and in-house newsletters. This initiative promotes social participation and independence among Paralym 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.

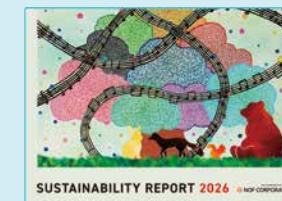


About the cover art

The cover art of the Integrated Report and Sustainability Report was created by Ken Tamura and Hayaka Saito, who are registered with the Shougaisha Jiritsu Suishin Kikou Association, an organization supporting the independence of people with disabilities.



Ken Tamura
Integrated Report 2026
"Fruit tree"



Hayaka Saito
Sustainability Report 2026
"Colorful Tree"



Local Communities | Social Contribution 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.



FY2025 Certificate of Appreciation Presentation Ceremony

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). The project for which Taketoyo solicited donations in fiscal 2025 was the "Taketoyo Clean City for the Future Project," which addresses global warming prevention, the realization of a decarbonized society, and waste reduction and recycling. NOF implemented a corporate Furusato Nozei (home tax payment) system in response to a request for support from Taketoyo.

Support for local children

NOF METAL COATINGS NORTH AMERICA INC. (MCNA)

We collaborated with local elementary schools on support activities that help children grow. In September 2025, we donated school supplies at the beginning of the new school term to support the learning environment. Furthermore, in December, we donated holiday-season goods to local families, contributing to the community by supporting households.



PT.NOF MAS CHEMICAL INDUSTRIES (NMC)

As part of its CSR activities, NMC held an event called "NMC Peduli dan Berbagi" ('caring and sharing'). 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.



Donations to the Fund for Supporting Children's Future

As part of its CSR activities, the NOF Group provides continuous donation support to the Fund for Supporting Children's Future, a pillar of the National Movement to Support Children's Future promoted by the Children and Families Agency and other organizations. The fund broadly solicits donations from companies and individuals. Donations are used by support organizations nationwide selected through public applications, screening, and selection, including learning support organizations and organizations operating children's cafeterias and safe spaces for children.

The NOF Group received a certificate of appreciation from the fund for our support in fiscal 2025, which we also received in fiscal 2024. We will continue cooperating to enhance this activity, which supports children's smiles and dreams.



FY2025 Certificate of Appreciation Presentation Ceremony



Local Communities | Social Contribution Activities

GRI 203-1/413-1

Various donations

Relief donations

- Oita City, “November 2025 Saganoseki Fire in Oita City” (¥3 million)

Donations aimed at protecting the global environment

- Donation to World Wide Fund for Nature (WWF) Japan (¥1 million)
- National Land Afforestation Promotion Organization, “Green Fund” (¥1 million)
- 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 Global Talents (¥1 million)
- Donation to Hatachi Fund (¥100,000)
- Donation to People’s Hope Japan (¥100,000)

Social Welfare Activities

- Tokyo Metropolitan Center for Victim Support (¥100,000)
- Certified Nonprofit Organization National Organization for Employment Support Providers (¥100,000)

Other donations

- Foundation for International Development/Relief (Project support: ¥200,000)
- Maison de la Culture du Japon à Paris (Project support: ¥500,000)

Social Contribution-Related Expenditures (Excluding Donations)

- Sponsorship of the Japan Para Shooting Federation (Sponsorship expenses: ¥5 million)
- Organization for Independence of Persons with Disabilities (Commissioned Para Art production expenses: ¥2.2 million)
- Tokyo Photographic Art Museum (Membership maintenance fee: ¥300,000)
- Corporate Hometown Tax Donation (A corporate hometown tax donation of ¥1 million to Taketoyo Town, Aichi Prefecture, supporting decarbonization and resource circulation projects)
- Support for JCIA LRI (Long-Range Research Initiative) (¥3.21 million in expenses for research on chemical safety and environmental and health impacts)

Expenses related to social contribution activities

FY2025 **¥92 million**

External recognition

- Constituent of the FTSE JPX Blossom Japan Index



FTSE JPX Blossom Japan Index

- Constituent of the MSCI Japan Empowering Women Index (WIN)

2026 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

- Constituent of the S&P/JPX Carbon Efficient Index



- Constituent of the SOMPO Sustainability Index



Sompo Sustainability Index

- Certified by the Ministry of Health, Labour and Welfare as a “Kurumin-certified” “Childcare Support Company”



- Received a “Bronze” rating in EcoVadis’s sustainability assessment, corresponding to the top 35% (As of May 2026)
<https://recognition.ecovadis.com/39MuWIHaxEaFNL6rxweljA>



- Ranked 194th in the 20th CSR rankings by TOYO KEIZAI INC.



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 (GHG). 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 Industry 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 processed 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 lesions, yielding chemical stability, adjusting metabolic activity, and other means, so that they act at the required place in the body in the required amount for the required time. This technology makes it possible to reduce the side effects of drugs and the frequency of injections required each day. By advancing this research, the NOF Group contributes to improving the quality of life (QOL) of patients who need these drugs and enhancing access to pharmaceuticals.

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, the NOF Group 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 commercial food products such as processed 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

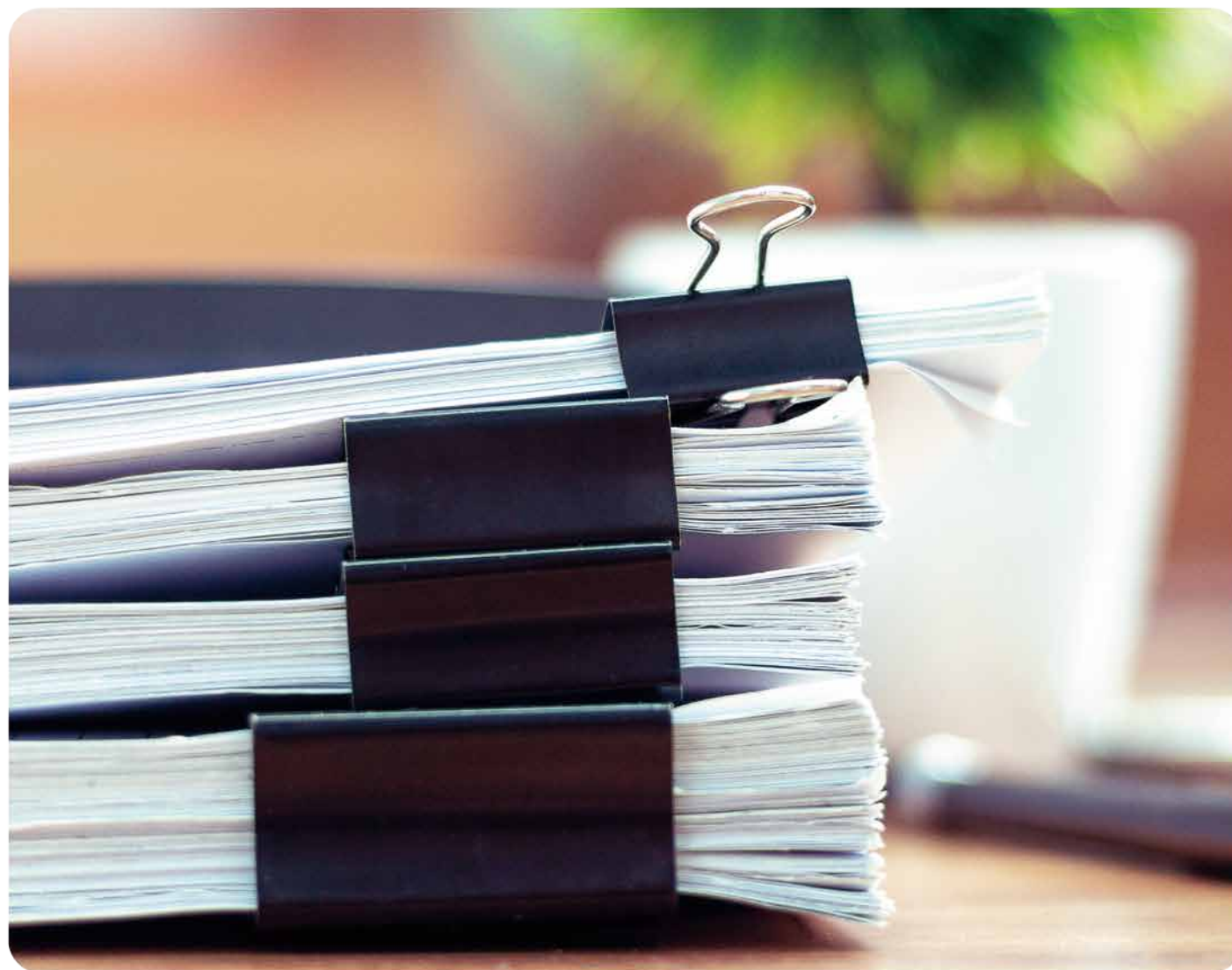
NOF Group

FY2025 0 cases

Total number of customer data breaches, thefts, and losses

NOF Group

FY2025 0 cases



Appendix

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List of Policies

GRI 2-23

This section summarizes the NOF Group's sustainability-related policies, guidelines, and other documents.

Corporate Philosophy / Values

The NOF Group Corporate Code of Ethics

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

Basic Policy on Preventing Misuse of Public Research Funds (in Japanese)

<https://www.nof.co.jp/research/guideline#fraud-pre>

NOF Group's Anti-Bribery Policy

<https://www.nof.co.jp/english/company/ethical#br-policy>

Governance

Basic CSR Policy

<https://www.nof.co.jp/english/csr/nof-group-sustainability/policy/#csr>

The NOF Group's Tax Policy

<https://www.nof.co.jp/english/csr/governance/compliance/#tax>

NOF Group Information Security Policy

<https://www.nof.co.jp/english/csr/governance/risk-management/#information-security>

Privacy Policy

<https://www.nof.co.jp/english/privacy-policy>

Disclosure Policy

<https://www.nof.co.jp/english/ir/disclosure-policy>

RC (Responsible Care) [Environment and Chemical Safety]

Management Policy Regarding Responsible Care

<https://www.nof.co.jp/english/csr/responsible-care/rc-management/#policy>

CSR Procurement Policy

<https://www.nof.co.jp/english/csr/responsible-care/procurement/#policy>

CSR Procurement Guidelines

https://www.nof.co.jp/english/csr/upload/pdf/procurement_guidelines_en_July-1-2022.pdf

Society

NOF Group Human Rights Policy

<https://www.nof.co.jp/english/company/ethical#hr-policy>

Occupational Safety and Health Policy

<https://www.nof.co.jp/english/csr/society/occupational-safety/#policy>

Quality Policy

<https://www.nof.co.jp/english/csr/society/quality-management/#policy>



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 13 bases in ten countries, and are developing our business with locally based sales and production systems.

Asia

Changshu NOF Chemical Co., Ltd. Functional Materials Business
 PT.NOI MAS CHEMICAL INDUSTRIES Functional Materials Business
 NOI METAL COATINGS KOREA CO., LTD. Metal Coatings Business
 NOI METAL COATINGS SHANGHAI CO., LTD. Metal Coatings Business
 NOI (Shanghai) Co., Ltd. Overseas Sales Business
 NOI INDIA PRIVATE LIMITED Overseas Sales Business

Europe

NOI METAL COATINGS EUROPE S.A. Metal Coatings Business
 NOI METAL COATINGS EUROPE N.V. Metal Coatings Business
 NOI METAL COATINGS EUROPE s.r.l. Metal Coatings Business
 NOI EUROPE GmbH Overseas Sales Business

Japan

Head Office, branch offices, regional offices, sales offices

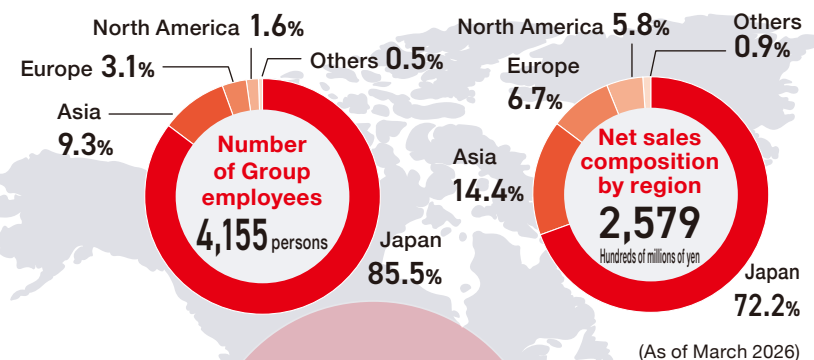
Tokyo Head Office
Aichi Nagoya Office
Hokkaido Sapporo Office
Osaka Osaka Office
Fukuoka Fukuoka Office

Plants

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

Research laboratories

Ibaraki Material Science Research Laboratory
Kanagawa Health Science Research Laboratory / Chidori Research Laboratory / Functional Foods Research Laboratory / Life Science Research Laboratory
Aichi Taketo R&D Department / Kinuura Research Laboratory / Life Science Research Laboratory
Hyogo Amagasaki Research Laboratory



America

NOI METAL COATINGS NORTH AMERICA INC. Metal Coatings Business
 NOI METAL COATINGS SOUTH AMERICA IND. E COM.LTDA. Metal Coatings Business
 NOI AMERICA CORPORATION Overseas Sales Business

Domestic consolidated subsidiaries

YUKA SANGYO CO., LTD. Functional Materials Business
Nichiyu Kogyo Co., Ltd. Functional Materials Business
Nippon Koki Co., Ltd. Explosives & Propulsion Business
NiGK Corporation Explosives & Propulsion Business
Showa Kinzoku Kogyo Co., Ltd. Explosives & Propulsion Business
Nippo Kogyo Co., Ltd. Explosives & Propulsion Business
JAPEX Corp. Explosives & Propulsion Business
CACTUS Co., Ltd. Explosives & Propulsion Business
NOI METAL COATINGS ASIA PACIFIC CO., LTD. Metal Coatings Business
NIKKA COATING CO., LTD. Metal Coatings Business
NICHYU LOGISTICS CO., LTD. Logistics, real estate, etc.
NICHYU TRADING CO., LTD. Logistics, real estate, etc.



NOF Group

Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Production volume	[thousand tons]	245	266	267	259	229	249	226	209	210	194
Total energy input	[thousand GJ]	3,431	3,464	3,477	3,330	3,247	3,377	3,112	2,909	2,903	2,772
Renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	640	390	429
Non-renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	2,269	2,513	2,343
Total substance input	[thousand tons]	267	280	273	253	231	261	236	248	226	226
Water resource input	[thousand m ³]	7,621	7,475	7,476	7,627	7,699	7,834	7,964	7,833	7,886	7,939
Greenhouse gas (GHG) emissions	[thousand tons- CO ₂]	202	207	205	196	187	189	175	159	151	139
Scope 1	[thousand tons- CO ₂]	-	-	-	-	-	67.6	71.9	58.6	51.2	46.3
Scope 2	[thousand tons- CO ₂]	-	-	-	-	-	121.4	103.3	100.6	99.8	92.4
SOx emissions	[tons]	9	7	7	6	4	5	7	8	5	3
NOx emissions	[tons]	93	65	64	55	57	55	55	58	46	45
Soot and dust emissions	[tons]	5	4	5	5	8	4	5	3	4	2
VOC emissions	[tons]	-	-	-	-	-	-	-	-	190	220
Emissions of hazardous air pollutants	[tons]	-	-	-	-	-	-	-	-	89	89
BOD emissions	[tons]	79	160	69	74	104	93	67	74	58	55
COD emissions	[tons]	225	314	302	441	219	154	148	171	153	153
Suspended solid emissions	[tons]	39	32	50	37	40	36	25	58	43	58
Waste quantity from plants	[tons]	25,567	27,947	30,161	28,446	28,955	29,164	25,157	22,542	24,298	22,836
Internally recycled quantity	[tons]	1,177	1,190	955	1,182	1,165	953	914	976	840	849
Externally recycled amount	[tons]	17,055	17,645	19,253	16,426	17,808	17,687	16,547	14,444	15,555	15,188
Final disposal quantity by landfill	[tons]	1,333	1,168	1,046	1,302	1,588	950	1,092	617	1,058	1,043
Hazardous waste volume	[tons]	-	-	-	-	-	-	-	-	23	18
Emissions of PRTR Act-controlled substances	[tons]	170	167	177	158	147	155	143	167	135	139

* Data collection began in FY2023.



Domestic Group

Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Production volume	[thousand tons]	219	231	232	225	194	210	188	179	181	171
Total energy input	[thousand GJ]	3,018	2,987	3,004	2,917	2,810	2,892	2,699	2,570	2,543	2,451
Renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	339	328	358
Non-renewable energy input*	[thousand GJ]	-	-	-	-	-	-	-	2,231	2,215	2,093
Total substance input	[thousand tons]	267	280	273	253	231	261	236	217	196	203
Water resource input	[thousand m ³]	5,941	5,718	5,767	5,771	5,815	5,862	6,001	5,959	5,892	5,956
GHG emissions	[thousand tons- CO ₂]	181	173	172	169	158	159	144	135	133	123
Scope 1	[thousand tons- CO ₂]	-	-	-	-	-	55.6	60.1	51.2	48.5	44.4
Scope 2	[thousand tons- CO ₂]	-	-	-	-	-	103.6	83.5	83.4	84.4	79.1
SOx emissions	[tons]	9	6	6	5	3	3	4	6	3	3
NOx emissions	[tons]	90	62	60	52	53	50	51	54	41	44
Soot and dust emissions	[tons]	4	3	2	1	2	1	1	1	1	1
VOC emissions	[tons]	-	-	-	-	-	-	-	-	190	220
Emissions of hazardous air pollutants	[tons]	-	-	-	-	-	-	-	-	89	89
BOD emissions	[tons]	28	40	43	33	38	52	39	36	25	27
COD emissions	[tons]	68	73	66	60	60	68	44	52	55	54
Suspended solid emissions	[tons]	39	32	50	37	40	36	25	42	31	47
Waste quantity from plants	[tons]	21,351	23,466	25,976	23,662	24,176	23,796	21,270	19,300	20,879	19,930
Internally recycled quantity	[tons]	1,177	1,190	955	1,182	1,165	953	914	976	840	849
Externally recycled amount	[tons]	16,696	17,267	18,676	16,002	17,320	17,138	15,916	13,679	14,605	14,522
Final disposal quantity by landfill	[tons]	157	117	95	81	681	135	61	69	72	57
Hazardous waste volume	[tons]	-	-	-	-	-	-	-	-	23	18
Emissions of PRTR Act-controlled substances	[tons]	170	167	177	158	147	155	143	167	135	139

* Data collection began in FY2023.



NOF

Item	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Production volume	[thousand tons]	200	211	211	205	178	191	170	162	164	156
Total energy input	[thousand GJ]	2,739	2,728	2,753	2,673	2,572	2,658	2,471	2,358	2,315	2,201
Renewable energy input ^{*1}	[thousand GJ]	-	-	-	-	-	-	-	327	312	327
Non-renewable energy input ^{*1}	[thousand GJ]	-	-	-	-	-	-	-	2,031	2,004	1,874
Total substance input	[thousand tons]	248	259	253	233	214	244	218	202	181	190
Water resource input	[thousand m ³]	5,348	5,223	5,258	5,227	5,254	5,303	5,473	5,463	5,350	5,461
GHG emissions	[thousand tons- CO ₂]	164	158	157	155	145	146	131	123	120	110
Scope 1 ^{*2}	[thousand tons- CO ₂]	-	-	-	-	-	-	-	-	★41	37
Scope 2 ^{*2}	[thousand tons- CO ₂]	-	-	-	-	-	-	-	-	★79	74
Scope 3 (Category 1) ^{*2}	[thousand tons- CO ₂]	-	-	-	-	-	-	-	-	★289	276
SOx emissions	[tons]	4	3	3	3	1	2	3	5	2	1
NOx emissions	[tons]	88	59	58	50	51	48	49	53	41	43
Soot and dust emissions	[tons]	2	2	2	1	2	1	1	1	1	1
VOC emissions	[tons]	-	-	-	-	-	-	-	-	143	170
Emissions of hazardous air pollutants	[tons]	-	-	-	-	-	-	-	-	57	58
BOD emissions	[tons]	25	37	39	30	34	50	37	33	24	24
COD emissions	[tons]	68	72	65	60	60	67	44	52	55	54
Suspended solid emissions	[tons]	31	25	35	31	33	31	22	36	26	25
Waste quantity from plants	[tons]	20,350	22,372	25,061	22,721	22,529	22,822	20,493	18,464	20,222	19,148
Internally recycled quantity	[tons]	1,177	1,190	955	1,182	1,165	953	914	976	840	849
Externally recycled amount	[tons]	16,132	16,355	17,965	15,235	16,489	16,374	15,242	12,939	13,935	13,846
Final disposal quantity by landfill	[tons]	66	61	60	50	40	54	37	48	65	53
Hazardous waste volume	[tons]	-	-	-	-	-	-	-	-	21	16
Emissions of PRTR Act-controlled substances	[tons]	123	121	127	118	111	117	109	129	100	106

*1 Data collection began in FY2023.

*2 Data Subject to Assurance: Indicators marked with a ★ have received third-party assurance. <https://www.nof.co.jp/csr/esg/assurance/>

About Third-party Assurance

● Reporting Period

In principle, data is aggregated for the period from April 1 to March 31. However, fluorocarbon emissions (HFC and PFC emissions) are aggregated for the calendar year (January 1 to December 31).

● Gases Included in Aggregation

Aggregated for seven gases (CO₂, CH₄, N₂O, HFC, CFC, SF₆, NF₃).

● Scope 1 Emissions

Calculated based on the CO₂ emission factors derived from fuel and the global warming potential of greenhouse gases other than CO₂, using the values published under the Act on Promotion of Global Warming Countermeasures (published December 12, 2023 (partially revised July 11, 2024)).

● Scope 2 Emissions

Electricity: Calculated by applying the adjusted emission factors published by each electric power utility for CO₂ emissions derived from electricity (FY2023 results, updated August 1, 2025).
Steam: Calculated by applying the specific CO₂ emission factors of the steam supply companies.

● Scope 3 Emissions

Category 1 Emissions: Calculated by multiplying the physical quantity or monetary amount (excluding tax) for each item of purchased raw materials, consumables, and repair materials by the emission intensity by division according to the databases*.

* 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)



■ NOF plants and offices (FY2025 Results)

Item	Unit	Amagasaki Plant	Kawasaki Works	Oita Plant	Aichi Works	Other NOF locations
Production volume	[thousand tons]	69.4	48.5	21.5	16.8	-
Total energy input	[thousand GJ]	895	516	249	531	9.2
Total substance input	[thousand tons]	74.8	51.3	35.0	28.5	-
Raw materials	[thousand tons]	71.6	48.4	33.7	27.2	0.0
Containers and packing materials	[thousand tons]	3.2	3.0	1.2	1.4	0.0
Water resource input	[thousand m ³]	2,773.4	813.5	422.7	1,450.7	0.2
GHG emissions	[thousand tons- CO ₂]	49.7	14.4	13.1	32.3	0.3
SOx emissions	[tons]	0.1	0.0	0.1	0.9	-
NOx emissions	[tons]	32.5	3.4	4.8	2.7	-
COD emissions	[tons]	15.1	1.7	5.0	31.8	-
Waste quantity from plants	[tons]	10,124.4	4,202.4	520.5	4,287.3	13.5
Internally recycled quantity	[tons]	0.0	0.0	0.0	849.2	0.0
Externally recycled amount	[tons]	7,547.8	4,132.9	103.1	2,051.9	10.0
Final disposal quantity by landfill	[tons]	34.4	1.6	0.0	16.8	0.2
Emissions of PRTR Act-controlled substances	[tons]	32.0	46.9	6.9	20.3	0.0



Companies of the NOF Group (FY2025 results)

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]	1.6	1.6	0.3	2.0	0.0	1.9
Total energy input	[thousand GJ]	127.0	25.0	10.3	36.3	2.3	1.4
Total substance input	[thousand tons]	2.4	1.8	0.3	4.5	0.0	1.0
Raw materials	[thousand tons]	2.0	1.8	0.3	4.5	0.0	0.7
Containers and packing materials	[thousand tons]	0.4	0.0	0.0	0.0	0.0	0.3
Water resource input	[thousand m³]	400.0	12.0	12.4	21.2	1.2	4.5
GHG emissions	[thousand tons- CO₂]	7.3	1.3	0.5	2.3	0.1	0.1
SOx emissions	[tons]	0.0	0.0	0.0	1.6	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]	144.7	69.6	75.5	59.8	15.2	86.0
Internally recycled quantity	[tons]	0.0	0.0	0.0	0.0	0.0	0.0
Externally recycled amount	[tons]	144.1	69.6	46.6	45.4	14.5	86.0
Final disposal quantity by landfill	[tons]	0.6	0.0	2.4	0.3	0.7	0.0
Emissions of PRTR Act-controlled substances	[tons]	3.3	1.7	0.2	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]	1.6	3.0	1.4	-	1.7	23.0
Total energy input	[thousand GJ]	7.2	8.9	12.0	5.5	13.6	321.1
Total substance input	[thousand tons]	1.3	2.5	-	-	-	23.0
Raw materials	[thousand tons]	1.1	1.9	-	-	-	23.0
Containers and packing materials	[thousand tons]	0.1	0.6	-	-	-	0.0
Water resource input	[thousand m³]	33.8	9.5	0.8	-	-	1,983.2
GHG emissions	[thousand tons- CO₂]	0.4	0.0	0.4	0.4	0.6	15.3
SOx emissions	[tons]	0.0	0.0	0.0	-	-	0.4
NOx emissions	[tons]	0.5	0.0	0.0	-	-	1.4
COD emissions	[tons]	0.1	0.0	0.0	-	-	99.8
Waste quantity from plants	[tons]	40.7	229.9	60.5	-	-	2,905.6
Internally recycled quantity	[tons]	0.0	0.0	0.0	-	-	0.0
Externally recycled amount	[tons]	40.7	229.0	0.0	-	-	666.3
Final disposal quantity by landfill	[tons]	0.0	0.2	0.0	-	-	986.0
Emissions of PRTR Act-controlled substances	[tons]	0.0	0.0	27.2	-	-	-



Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Number of employees (NOF Group)	[persons]	3,755	3,787	3,818	3,879	3,997	4,155
Male (NOF Group)	[persons]	-	-	-	-	-	3,248
Female (NOF Group)	[persons]	-	-	-	-	-	719
Unclassifiable*1 (NOF Group)	[persons]	-	-	-	-	-	188
Number of employees (NOF)	[persons]	1,715	1,737	1,762	1,794	1,895	1,976
Percentage of female employees (NOF / 5 domestic consolidated companies)	[%]	-	-	-	-	-	18.0
Percentage of female employees (NOF)	[%]	12.7	13.8	14.2	14.9	16.0	16.8
Rate of hiring of female new graduates recruited for career-track positions (NOF)	[%]	35.3	42.9	36.1	32.7	38.0	39.1
Ratio of female management-level employees (NOF)	[%]	4.4	4.8	4.7	5.2	6.2	6.4
Percentage of female management-level employees *2 (NOF / 5 domestic consolidated companies)	[%]	-	-	-	-	5.9	5.5
Rate of hiring career-track positions (NOF)	[%]	-	37.7	42.2	44.4	55.3	45.4
Percentage of employees with disabilities (NOF)	[%]	2.30	2.43	2.46	2.54	2.65	2.82
Percentage of employees with disabilities (NOF / 5 domestic consolidated companies)	[%]	-	-	-	2.40	2.26	2.39
Turnover due to personal reasons (NOF)	[%]	1.4	1.7	2.0	2.5	2.8	2.4
Turnover due to personal reasons (NOF / 5 domestic consolidated companies)	[%]	-	-	-	-	2.6	2.2
Gender pay gap ratio							
Full-time employees (NOF)	[%]	70.0	70.1	70.6	72.6	72.6	73.6
Full-time employees (NOF / 5 domestic consolidated companies)	[%]	-	-	-	-	71.1	72.4
Part-time and fixed-term employees (NOF)	[%]	91.1	81.9	84.9	84.5	96.8	87.8
All employees (NOF)	[%]	69.8	69.7	70.7	72.0	71.9	72.5
Utilization rate of annual paid leave (NOF)	[%]	69.3	70.0	73.4	76.0	79.1	81.4
Utilization rate of annual paid leave (NOF / 5 domestic consolidated companies)	[%]	-	-	-	77.1	77.6	80.1
Average monthly overtime work hours (NOF)	[hours]	13.0	13.5	13.4	13.4	13.8	15.0
Employees utilizing childcare leave							
Male (NOF)	[persons]	23	26	40	37	44	48
Male (NOF / 5 domestic consolidated companies)	[persons]	-	-	-	-	51	59
Female (NOF)	[persons]	9	10	8	15	13	12
Utilization rate of childcare leave							
Male (NOF)	[%]	53.5	50.0	95.2	97.4	95.7	94.1
Male (NOF / 5 domestic consolidated companies)	[%]	-	-	-	-	83.6	81.9
Female (NOF)	[%]	100	100	100	100	100	100
Investment for human resources development (NOF)	[million yen]	73	74	91	159	202	239
Training hours per employee (NOF)	[hours]	-	-	-	-	9.4	10.4
Training hours per employee (NOF / 5 domestic consolidated companies)	[hours]	-	-	-	-	7.4	8.8
Overall employee engagement score (NOF)	[%]	-	-	49.5	49.5	50.0	51.0
Total social contribution activity expenditures (NOF)	[million yen]	-	-	-	53	77	92

*1 Includes persons who cannot be classified due to restrictions in certain countries and regions.

*2 Five domestic consolidated companies: YUKA SANGYO CO., LTD., Nippon Koki Co., Ltd., NiGK Corporation, Showa Kinzoku Kogyo Co., Ltd., NICHYU LOGISTICS CO., LTD.



Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Directors NOF	[persons]	7	10	10	10	10	10
Male NOF	[persons]	7	8	8	8	8	8
Female NOF	[persons]	0	2	2	2	2	2
Outside Director NOF	[persons]	2	5	5	5	5	5
Audit and Supervisory Committee members and Corporate Auditors NOF	[persons]	4	4	4	4	4	4
Internal NOF	[persons]	1	1	1	1	1	1
Outside NOF	[persons]	3	3	3	3	3	3
Ratio of female Directors NOF	[%]	0	20	20	20	20	20
Board of Directors							
Number of meetings NOF	[meetings]	-	-	-	17	17	17
Attendance rate NOF	[%]	-	-	-	99	100	100
Audit and Supervisory Committee							
Number of meetings NOF	[meetings]	-	-	-	16	16	17
Attendance rate NOF	[%]	-	-	-	97	100	100
Total amount of officer compensation							
Directors (excluding Audit and Supervisory Committee members and Outside Directors) NOF	[million yen]	231	201	204	226	247	250
Audit and Supervisory Committee members and Corporate Auditor (excluding Outside Directors and Outside Corporate Auditor) NOF	[million yen]	26	23	24	24	24	24
Outside Officers NOF	[million yen]	34	42	45	45	46	46
Eligible officers							
Directors (excluding Audit and Supervisory Committee members and Outside Directors) NOF	[persons]	7	6	4	6	4	4
Audit and Supervisory Committee members and Corporate Auditor (excluding Outside Directors and Outside Corporate Auditor) NOF	[persons]	2	2	1	2	1	1
Outside Officers NOF	[persons]	6	8	5	5	5	5
Whistleblowing System NOF Group	(Number)	7	3	24	15	19	29
Harassment NOF Group	(Number)	3	3	17	7	9	19
Fraud and ethical misconduct NOF Group	(Number)	1	0	3	4	4	0
Workplace operations NOF Group	(Number)	1	0	2	1	4	10
Others NOF Group	(Number)	2	0	2	3	2	0
Political Contributions NOF	(Thousand yen)	210	209	359	310	300	300



PRTR Data | Fiscal 2025 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
186	Dichloromethane	35,320	0	0	35,320	59,912	0
300	Toluene	33,455	1	0	33,456	98,731	80
83	Cumene	16,847	0	0	16,847	0	132,132
128	Chloromethane	15,255	0	0	15,255	0	0
392	Hexane	7,553	0	0	7,553	59,338	0
674	Tetrahydrofuran	7,094	5	0	7,099	76	26,640
123	3-chloropropene	4,058	0	0	4,058	10,416	0
8	Methyl acrylate	3,959	0	0	3,959	689,657	0
68	1,2-epoxypropane	3,459	0	0	3,459	0	0
80	Xylene	1,945	0	0	1,945	744	51
	Others	9,489	680	0	10,169	86,760	20,011
	Total	138,433	686	0	139,120	1,005,634	178,914

NOF Group

(Unit: kg / year)

Cabinet order No.	Substance	Emissions into atmosphere	Emissions into water	Emissions into soil	Total emissions	Transfer quantity	Externally recycled quantity
300	Toluene	32,283	1	0	32,284	98,052	80
83	Cumene	16,847	0	0	16,847	0	132,132
128	Chloromethane	15,255	0	0	15,255	0	0
186	Dichloromethane	7,857	0	0	7,857	59,875	0
392	Hexane	7,525	0	0	7,525	59,338	0
674	Tetrahydrofuran	7,094	5	0	7,099	76	26,640
123	3-chloropropene	4,058	0	0	4,058	10,416	0
8	Methyl acrylate	3,959	0	0	3,959	689,657	0
68	1,2-epoxypropane	3,459	0	0	3,459	0	0
127	Chloroform	1,904	0	0	1,904	21,781	0
	Others	5,158	680	0	5,838	57,931	19,995
	Total	105,398	686	0	106,085	997,125	178,847



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, 2025 to March 31, 2026 with reference to the GRI Standards.
Utilized GRI 1 disclosure items	GRI 1: Foundation 2021

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	1 The organization and its reporting practices		
	2-1 Organizational details	a. Report its legal name b. Report its nature of ownership and legal form c. Report the location of its Head Office d. Report its countries of operation	NOF website [Company Information] Corporate Profile https://www.nof.co.jp/company/outline
	2-2 Entities included in the organization's sustainability reporting	a. List all entities included in the organization's sustainability reporting b. If the organization has audited consolidated financial statements or financial information filed with public authorities, specify the differences between the list of entities included in financial reporting and the list included in sustainability reporting c. If the organization consists of multiple entities, describe the approach used to consolidate information, including: i. Whether the approach involves adjustments to information for minority interests ii. How the approach takes into account mergers, acquisitions, and disposals of entities or parts of entities iii. Whether and, if so, how the approach differs across the disclosures in this standard and across material topics	Sustainability Report [Editorial Policy] ...pp. 003-004 [Business Sites] ... p. 234 NOF website [Company Information] List of Business Sites https://www.nof.co.jp/company/plant List of Group Companies https://www.nof.co.jp/company/group-companies
	2-3 Reporting period, frequency and contact point	a. Specify the reporting period and reporting frequency for sustainability reporting b. Specify the reporting period for financial reporting and explain why it does not align with the sustainability reporting period, if applicable c. Report the publication date of the report or reported information d. Specify the contact point for questions about the report or reported information	Sustainability Report [Editorial Policy] ...pp. 003-004 ...Back cover
	2-4 Restatements of information	a. Report restatements of information made from previous reporting periods and explain: i. The reasons for the restatements ii. The effect of the restatements	There were no major revisions.
	2-5 External assurance	a. Describe its policy and practice for seeking external assurance. This includes whether and how the highest governance body and senior executives are involved b. If the organization's sustainability reporting has been externally assured: i. Provide a link or reference to the external assurance report or assurance statement ii. Describe what has been assured and on what basis. This includes the assurance standards used, the level of assurance obtained, and any limitations of the assurance process iii. Describe the relationship between the organization and the assurance provider	A third-party verification of GHG emissions is currently being conducted.



GRI Standards Content Index | 2: General Disclosures

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	2. Activities and Workers		
	2-6 Activities, value chain and other business relationships	a. Report the sectors in which it is active b. Describe its value chain, including: i. The organization's activities, products, services, and markets served ii. The organization's supply chain iii. The entities downstream from the organization and their activities c. Report other relevant business relationships d. Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared with the previous reporting period	Sustainability Report [NOF Group Corporate Philosophy Framework] ...pp. 006-007 [The NOF Group's Vision] ...pp. 030-031 [Value Creation Process] ...p. 032 [Management Capital] ...p. 033 [Business Model] ...pp. 034-036 [Strengths of the NOF Group] ...p. 037 [Impact on Society through the Value Chain] ...p. 038 [Everyday Goods Created from NOF Group's Products] ...pp. 039-040 Integrated Report [NOF Group's Business Strategies] ...pp. 062-069
	2-7 Employees	a. Report the total number of employees and a breakdown by gender and region b. Report the total number of: i. Permanent employees, with a breakdown by gender and region ii. Temporary employees, with a breakdown by gender and region iii. Non-guaranteed-hours employees, with a breakdown by gender and region iv. Full-time employees, with a breakdown by gender and region v. Part-time employees, with a breakdown by gender and region c. Describe the methodologies and assumptions used to compile the data, including whether reported figures are: i. Head count, full-time equivalent (FTE), or another methodology ii. As of the end of the reporting period, an average across the reporting period, or another methodology d. Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b e. Describe significant fluctuations in the number of employees during the reporting period and between reporting periods	Sustainability Report [Value Creation Process] ...p. 032 [Management Capital] ...p. 033 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...p. 193 [Securing Talent and Diversity & Inclusion] ...pp. 199-201
	2-8 Workers who are not employees	a. Report the total number of workers who are not employees and whose work is controlled by the organization, and describe: i. The most common types of workers and their contractual relationship with the organization ii. The type of work they perform b. Describe the methodologies and assumptions used to compile the data. Also report whether the number of workers who are not employees is reported as: i. Head count, full-time equivalent (FTE), or another methodology ii. As of the end of the reporting period, an average across the reporting period, or another methodology c. Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	Integrated Report [Corporate information] ...p.115 Notice of Convocation (103rd fiscal year) [Employee Status] ...p. 36



GRI Standards Content Index | 2: General Disclosures

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	3. Governance		
	2-9 Governance structure and composition	a. Describe its governance structure, including committees of the highest governance body b. List the committees of the highest governance body responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people c. Describe the composition of the highest governance body and its committees by: i. Executive and non-executive members ii. Independence iii. Tenure of members of the governance body iv. Number and nature of other significant positions and commitments held by each member v. Gender vi. Under-represented social groups vii. Competencies relevant to the organization's impacts viii. Stakeholder representation	Sustainability Report [Corporate Governance] ...pp. 059-073 [Performance Data] ...p. 241 Corporate Governance Report [Basic Approach] ...pp. 1-10
	2-10 Nomination and selection of the highest governance body	a. Describe the nomination and selection processes for members of the highest governance body and its committees b. Describe the criteria used for nominating and selecting members of the highest governance body, including whether and how the following are considered: i. Views of stakeholders, including shareholders ii. Diversity iii. Independence iv. Competencies relevant to the organization's impacts	Sustainability Report [Corporate Governance] ...pp. 059-065 and 067-069 Corporate Governance Report [Basic Views] ...pp. 1-10
	2-11 Chair of the highest governance body	a. Report whether the chair of the highest governance body is also a senior executive in the organization b. If the chair is also a senior executive, explain their function within management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated	Corporate Governance Report ...p. 7
	2-12 Role of the highest governance body in overseeing the management of impacts	a. Describe the roles of the highest governance body and senior executives in developing, approving, and updating the organization's purpose, values or mission statements, strategies, policies, and goals related to sustainable development b. Describe the role of the highest governance body in overseeing due diligence and other processes used to identify and manage the organization's impacts on the economy, environment, and people, including: i. Whether and how the highest governance body engages with stakeholders to support these processes ii. How the highest governance body considers the outcomes of these processes c. Describe the role of the highest governance body in reviewing the effectiveness of the processes described in 2-12-b and report the frequency of such reviews	Sustainability Report [Corporate Governance] ...pp. 059-065 [Message from the CCO] ...p. 074 [Risk Management] ...pp. 075-081 [Compliance] ...pp. 082-087 [Climate Action and Natural Capital] ...pp. 120 and 131 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...pp. 190 and 196-197 Corporate Governance Report [Ensuring Diversity in the Promotion of Core Human Resources] ...p. 3



GRI Standards Content Index | 2: General Disclosures

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	a. Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including: i. Whether it has appointed senior executives with responsibility for impact management ii. Whether it has delegated responsibility for impact management to other employees b. Describe the processes and frequency for senior executives or other employees to report to the highest governance body on the management of the organization's impacts on the economy, environment, and people	Sustainability Report [Corporate Governance] ...pp. 059-065 [RC Management] ...pp. 096-097 [Quality Management] ...pp. 098-102
	2-14 Highest governance body's role in sustainability reporting	a. Report whether the highest governance body is responsible for reviewing and approving the reported information, including material topics, and, if so, describe the review and approval process b. If the highest governance body is not responsible for reviewing and approving the reported information, including material topics, explain the reason	Sustainability Report [Corporate Governance] ...pp. 060-063 Corporate Governance Report [Sustainability Issues, Including Social and Environmental Issues] ...pp. 2-3
	2-15 Conflicts of interest	a. Describe the processes used by the highest governance body to prevent and mitigate conflicts of interest b. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts relating to: i. Cross-board membership ii. Cross-shareholding with suppliers and other stakeholders iii. Existence of controlling shareholders iv. Related parties, their relationships, transactions, and outstanding balances	Sustainability Report [Corporate Governance] ...p. 070 Corporate Governance Report [Related-Party Transactions] ...p. 2
	2-16 Communication of critical concerns	a. Describe whether and how critical concerns are communicated to the highest governance body b. Report the total number and nature of critical concerns communicated to the highest governance body during the reporting period	Sustainability Report [CCO Message] ...p. 074 [Risk Management] ...pp. 075-081 [Compliance] ...pp. 082-085 [Quality Management] ...p. 102 [Addressing Climate Action and Natural Capital] ...pp. 124-125 and 151-157 [Promotion of CSR Procurement] ...pp. 172-175 [Human Rights] ...p. 179 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...p. 196 [Occupational Safety and Health] ...p. 210
	2-17 Collective knowledge of highest governance body	a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	Sustainability Report [Corporate Governance] ...pp. 059-065 [Securing Talent and Diversity & Inclusion] ...p. 200 [Talent Development] ...pp. 221-223
	2-18 Evaluation of the performance of the highest governance body	a. Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people b. Report whether the evaluations are independent and their frequency c. Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices	Sustainability Report [Corporate Governance] ...pp. 070-071



GRI Standards Content Index | 2: General Disclosures

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	2-19 Remuneration policies	a. Describe the remuneration policies for members of the highest governance body and senior executives, including: - Fixed and variable remuneration - Signing bonuses or recruitment incentive payments - Termination payments - Clawbacks - Retirement benefits b. Describe how the remuneration policies for members of the highest governance body and senior executives relate to objectives and performance in managing the organization's impacts on the economy, environment, and people	Sustainability Report [Corporate Governance] ...pp. 072-073 [Performance Data] ...p. 241
	2-20 Process to determine remuneration	a. Describe the process for designing remuneration policies and determining remuneration, including: - Whether independent members of the highest governance body or an independent Compensation Committee oversee the process - How the views of stakeholders, including shareholders, are sought and considered regarding remuneration - Whether remuneration consultants are involved in determining remuneration. If so, whether they are independent of the organization, its highest governance body, and its senior executives b. Report the results of stakeholder voting, including shareholder voting, on remuneration policies and proposals, if applicable	Sustainability Report [Corporate Governance] ...pp. 072-073
	2-21 Annual total compensation ratio	a. Report the ratio of the annual total compensation of the organization's highest-paid individual to the median annual total compensation of all employees, excluding the highest-paid individual b. Report the ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all employees, excluding the highest-paid individual c. Report contextual information necessary to understand the data and how they were compiled	-
	4. Strategy, Policies, and Practices		
	2-22 Statement on sustainable development strategy	a. Report a statement from the highest governance body or most senior executive about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development	Sustainability Report [Message from the CCO] ...p. 074 [Compliance] ...p. 086 [Occupational Safety and Health] ...p. 217 Integrated Report [Message from the President] ...pp. 008-013 [Mid-term Management Plan] ...pp. 051-057
	2-23 Policy Statement	a. Describe policy commitments for responsible business conduct, including: - The authoritative intergovernmental instruments referenced in the commitments - Whether the commitments stipulate conducting due diligence - Whether the commitments stipulate applying the precautionary principle - Whether the commitments stipulate respecting human rights b. Describe specific policy commitments to respect human rights, including: - The internationally recognized human rights covered by the commitments - The categories of stakeholders, including at-risk or vulnerable groups, to which the organization gives particular attention c. Provide links to publicly available policy commitments or explain why they are not publicly available d. Report the level at which each policy commitment was approved within the organization, including whether this was the most senior level e. Report the extent to which each policy commitment applies to the organization's activities and business relationships f. Describe how the policy commitments are communicated to workers, business partners, and other relevant parties	Sustainability Report [NOF Group Corporate Philosophy Framework] ...pp. 006-007 [Value Creation Based on NOF's Three Values] ...pp. 011-013 [Policy Statements] ...pp. 105-106 [Message from the CCO] ...p. 074 [Promotion of CSR Procurement] ...p. 172 [Human Rights] ...pp. 177-178 [List of Policies] ...p. 233



GRI Standards Content Index | 2: General Disclosures

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 2 General Disclosures 2021	2-24 Embedding policy commitments	a. Describe how it embeds each policy commitment for responsible business conduct throughout its activities and business relationships, including: - How responsibility for implementing the commitments is allocated across different levels within the organization - How the commitments are integrated into organizational strategies, operational policies, and operational procedures - How the commitments are implemented with and through entities with which the organization has business relationships - Training provided on implementing the commitments	Sustainability Report [Value Creation Based on NOF's Three Values] ...pp. 011-013 [Employee Voices that Embody the Three Values] ...pp. 017-018 [Message from the CCO] ...p. 074 [Promotion of CSR-Based Procurement] ...pp. 172-175 [Human Rights] ...pp. 179-188
	2-25 Processes to remediate negative impacts	a. Describe its commitment to provide for or cooperate in the remediation of negative impacts that it identifies it has caused or contributed to b. Describe its approach to identifying and addressing grievances, including grievance mechanisms it has established or participates in c. Describe other processes used to provide for or cooperate in the remediation of negative impacts that it identifies it has caused or contributed to d. Describe how stakeholders who are intended users of grievance mechanisms are involved in their design, review, operation, and improvement e. Describe how it tracks the effectiveness of grievance mechanisms and other remediation processes. Report examples demonstrating their effectiveness, including stakeholder feedback	Sustainability Report [Message from the CCO] ...p. 074 [Risk Management] ...pp. 075-081 [Compliance] ...pp. 082-087 [Quality Management] ...p. 102 [Climate Action and Natural Capital] ...pp. 124-125 and 150-157 [Promotion of CSR-Based Procurement] ...pp. 172-175 [Human Rights] ...p. 179 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...p. 196 [Occupational Safety and Health] ...p. 210 Integrated Report [Message from the President] ...pp.008-013
	2-26 Mechanisms for requesting advice and raising concerns	a. Describe mechanisms for individuals to: - Seek advice on implementing the organization's policies and practices for responsible business conduct - Raise concerns about the organization's business conduct	Sustainability Report [Message from the CCO] ...p. 074 [Mechanisms for Requesting Advice and Raising Concerns] ...p. 088 [Performance Data] ...p. 241 Corporate Governance Report [Matters Related to the Internal Control System] ...pp. 27-30
	2-27 Compliance with laws and regulations	a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period. Provide a breakdown of this total by: - Instances resulting in fines or monetary penalties - Instances resulting in non-monetary sanctions b. Report the total number and monetary value of fines and monetary penalties for non-compliance with laws and regulations paid during the reporting period. Provide a breakdown of this total by: - Fines and monetary penalties for instances of non-compliance that occurred during the current reporting period - Fines and monetary penalties for instances of non-compliance that occurred in previous reporting periods c. Describe significant instances of non-compliance d. Describe how it has determined significant instances of non-compliance	Sustainability Report [Compliance] ...pp. 082-087 [Chemical Safety] ...pp. 163-171
	2-28 Membership in associations	a. Industry associations. Report other membership associations and national or international advocacy organizations in which the organization has a significant role	Sustainability Report [Membership Associations] ...p. 089
	5. Stakeholder Engagement		
	2-29 Approach to stakeholder engagement	a. Describe its approach to stakeholder engagement, including: - The categories of stakeholders it engages with and how they are identified - The purpose of stakeholder engagement - How it seeks to ensure meaningful engagement with stakeholders	Sustainability Report [Stakeholder Engagement] ...pp. 090-092 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...pp. 191 and 194-195
	2-30 Collective bargaining agreements	a. Report the percentage of total employees covered by collective bargaining agreements b. For employees not covered by collective bargaining agreements, report whether working and employment conditions are based on collective bargaining agreements covering other employees within the organization or agreements from other organizations	Sustainability Report [Labor-Management Relations] ...p. 207



GRI Standards Content Index | 3: Material Topics

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 3 Material Topics 2021	3-1 Process to determine material topics	a. Describe the process followed to determine material topics, including: i. How it identified actual and potential, positive and negative impacts on the economy, environment, and people, including human rights, across its activities and business relationships ii. How it prioritized impacts for reporting based on their significance b. Specify the stakeholders and experts whose views informed the process of determining material topics	Sustainability Report [Materiality] ...pp. 022-024
	3-2 List of material topics	a. List its material topics b. Report changes to the list of material topics compared with the previous reporting period	Sustainability Report [Materiality] ...pp. 023 and 025-029 [Climate Action and Natural Capital] ...p. 132
	3-3 Management of material topics	a. Describe actual and potential, positive and negative impacts on the economy, environment, and people, including human rights b. Report whether the organization is involved with negative impacts through its activities or as a result of its business relationships, and describe the activities or relationships c. Describe its policies or commitments regarding the material topic d. Describe actions taken to manage the topic and related impacts, including: i. Actions to prevent or mitigate potential negative impacts ii. Actions to address actual negative impacts. This includes actions to provide for or cooperate in their remediation iii. Actions to manage actual or potential positive impacts e. Report the following information about tracking the effectiveness of actions taken: i. Processes used to track effectiveness ii. Goals, targets, and indicators used to evaluate progress iii. Effectiveness of actions, including progress toward goals and targets iv. Lessons learned and how these have been incorporated into operational policies and procedures f. Describe how engagement with stakeholders has informed the actions taken under 3-3-d and the evaluation of their effectiveness under 3-3-e	Sustainability Report [Materiality] ...pp. 022-029 [Impact on Society through the Value Chain] ...p. 038 [Quality Management] ...p. 102 [Compliance] ...pp. 082-085 [Climate Action and Natural Capital] ...pp. 124-125, 132 and 150-157 [Promotion of CSR-Based Procurement] ...pp. 172-175 [Human Rights] ...p. 179 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...p. 196 [Occupational Safety and Health] ...p. 210



GRI Standards Content Index | 200: Economic Topics

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	a. Direct economic value generated and distributed on an accrual basis. This includes the basic components listed below for the organization's global operations. If data are presented on a cash basis, report the justification in addition to the following components i. Direct economic value generated: revenues ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments iii. Economic value retained: "direct economic value generated" less "economic value distributed" b. Where significant, report economic value generated and distributed separately at country, regional, or market level. Also report the criteria used to define significance	Sustainability Report [Environmental Accounting] ...p. 113
	201-2 Financial implications and other risks and opportunities due to climate change	a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure. Include: i. A description of the risks and opportunities. Classify risks and opportunities as physical, regulatory, or other ii. A description of the impacts associated with the risks and opportunities iii. The financial implications of the risks and opportunities before action is taken iv. The methods used to manage the risks and opportunities v. The costs of actions taken to manage the risks and opportunities	Sustainability Report [Sustainability Contribution Products] ...pp. 041-047 [Climate Action and Natural Capital] ...pp. 124-129
	201-3 Defined benefit plan obligations and other retirement plans	a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities b. If a separate fund exists to pay the plan's pension liabilities: i. The estimated percentage of liabilities covered by separately funded assets ii. The basis used to calculate the estimate iii. When the estimate was calculated c. If the fund established to pay the plan's pension liabilities is insufficient, explain the strategy, if any, adopted by the employer to work toward full coverage. If the employer has set a target date for achieving full coverage, explain this d. The percentage of salary contributed by employees and employers e. The level of participation in retirement plans, such as mandatory or voluntary participation, regional or national schemes, or those with financial impact	Sustainability Report [Pension and Retirement Plans] ...p. 114
	201-4 Financial assistance received from government	a. The total monetary value of financial assistance received by the organization from any government during the reporting period. Include: i. Tax relief and tax credits ii. Subsidies iii. Investment grants, research and development grants, and other relevant grants iv. Awards v. Royalty holidays vi. Financial assistance from export credit agencies vii. Financial incentives viii. Other financial benefits received or receivable from governments b. Breakdown of the information in 201-4-a by country c. Whether and to what extent any government is present in the organization's shareholding structure	-



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 202 Market Presence 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	a. When a significant proportion of employees are compensated based on minimum wage rules, report the ratio of standard entry-level wages by gender to the minimum wage at significant locations of operation b. When a significant proportion of other workers performing the organization's activities, excluding employees, are compensated based on minimum wage rules, describe the actions taken to determine whether they are paid above the minimum wage c. Whether a local minimum wage exists in regions with significant locations of operation and whether it varies by gender. If multiple minimum wages can be used as references, report which minimum wage was used d. Definition of "significant locations of operation"	-
	202-2 Proportion of senior management hired from the local community	a. Percentage of senior management at significant locations of operation hired from the local community b. Definition of "senior management" c. The organization's geographical definition of "local" d. Definition of "significant locations of operation"	-
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	a. The extent of development of significant infrastructure investments and services supported b. The current or expected impacts on communities and local economies. Include both positive and negative impacts, where relevant c. Report whether these investments and services are commercial, in-kind, or pro bono engagements	Sustainability Report [Local Communities] ...pp. 226-229
	203-2 Significant indirect economic impacts	a. Examples of significant identified indirect economic impacts, including positive and negative impacts b. The significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, agreements, and policy agendas	Sustainability Report [Digital Transformation (DX) Strategy] ...pp. 107-111
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation, such as the percentage of products and services purchased locally b. The organization's geographical definition of "local" c. Definition of "significant locations of operation"	Sustainability Report [Procurement Practices] ...p. 114
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	a. Total number and percentage of operations assessed for corruption-related risks b. Significant corruption-related risks identified through the risk assessment	-
	205-2 Communication and training about anti-corruption policies and procedures	a. Total number and percentage of governance body members to whom the organization's anti-corruption policies and procedures have been communicated, by region b. Total number and percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated, by employee category and region c. Total number and percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated, by type of business partner and region. Describe whether the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations d. Total number and percentage of governance body members who have received anti-corruption training, by region e. Total number and percentage of employees who have received anti-corruption training, by employee category and region	Sustainability Report [Compliance] ...pp. 084-087
	205-3 Confirmed incidents of corruption and actions taken	a. Total number and nature of confirmed incidents of corruption b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption c. Total number of confirmed incidents in which contracts with business partners were terminated or not renewed due to corruption-related violations d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes	Sustainability Report [Compliance] ...p. 084 [Performance Data] ...p. 241 There were no applicable cases.



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of antitrust or monopoly legislation in which the organization has been identified as a participant b. Main outcomes of completed legal actions, including decisions or judgments	Sustainability Report [Compliance] ...p. 084 There were no applicable cases.
GRI 207 Tax 2019	207-1 Approach to tax	a. Description of the approach to tax. Include: i. Whether the organization has a tax strategy. If so, provide a link if the strategy is publicly available ii. The governance body or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of review iii. The approach to regulatory compliance iv. How the approach to tax is linked to the organization's business and sustainable development strategies	Sustainability Report [Taxes] ...p. 115
	207-2 Tax governance, control, and risk management	a. Description of the tax governance and control framework. Include: i. The governance body or executive-level position within the organization accountable for compliance with the tax strategy ii. How the approach to tax is embedded within the organization iii. The approach to tax risks, including how risks are identified, managed, and monitored iv. How compliance with the tax governance and control framework is evaluated b. Description of mechanisms for raising concerns about the organization's business conduct and integrity in relation to tax c. Description of the assurance process for tax disclosures. If applicable, provide a link or reference to the external assurance report	Sustainability Report [Taxes] ...p. 115
	207-3 Stakeholder engagement and management of concerns related to tax	a. Description of the approach to stakeholder engagement and management of stakeholder concerns relating to tax. Include: i. The approach to engagement with tax authorities ii. The approach to public policy advocacy on tax iii. The processes for collecting and considering the views and concerns of stakeholders, including external stakeholders	Sustainability Report [Taxes] ...p. 115
	207-4 Country-by-country reporting	a. All tax jurisdictions where entities included in the organization's audited consolidated financial statements or financial information filed officially are resident for tax purposes b. For each tax jurisdiction reported under Disclosure 207-4-a: i. Names of resident entities ii. Primary activities of the organization iii. Number of employees and the basis for calculating this number iv. Revenues from third-party sales v. Revenues from intra-group transactions with other tax jurisdictions vi. Profit or loss before tax vii. Tangible assets other than cash and cash equivalents viii. Corporate income tax paid on a cash basis ix. Corporate income tax accrued on profit or loss x. Reasons for the difference between corporate income tax accrued on profit or loss and the tax due if the statutory tax rate is applied to profit or loss before tax c. The period covered by the information reported under Disclosure 207-4	-



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 301 Materials 2016	301-1 Materials used by weight or volume	a. Total weight or volume of materials used to produce and package the organization's primary products and services during the reporting period. By the following classification: i. Non-renewable materials used ii. Renewable materials used	Sustainability Report [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239
	301-2 Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services	Sustainability Report [Environmental Performance] ...p. 158 [Resource Recycling (Waste)] ...pp. 160-161 [Performance Data] ...pp. 235-239
	301-3 Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials. By product category b. Data collection methods used for this disclosure	Sustainability Report [Resource Recycling (Waste)] ...pp. 159-162 [Performance Data] ...pp. 235-239
GRI 302 Energy 2016	302-1 Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used c. In joules, watt-hours or multiples, the total: i. Electricity consumption ii. Heating consumption iii. Cooling consumption iv. Steam consumption d. In joules, watt-hours or multiples, the total: i. Electricity sold ii. Heating sold iii. Cooling sold iv. Steam sold e. Total energy consumption within the organization, in joules or multiples f. Standards, methodologies, assumptions, and/or calculation tools used g. Source of the conversion factors used	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...pp. 136-141 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239
	302-2 Energy consumption outside of the organization	a. Energy consumption outside the organization, in joules or multiples thereof, such as mega- or gigajoules b. Standards, methodologies, assumptions, and calculation tools used c. Source of conversion factors used	-
	302-3 Energy intensity	a. Energy intensity ratio for the organization b. Organization-specific metric selected as the denominator for calculating the ratio c. Types of energy included in the intensity ratio: fuel, electricity, heating, cooling, steam, or all of these d. Whether the ratio uses energy consumption within the organization, outside it, or both	Sustainability Report [Climate Action and Natural Capital] ...p. 137 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239
	302-4 Reduction of energy consumption	a. Amount of energy consumption reduced as a direct result of conservation and efficiency initiatives, in joules or multiples thereof, such as mega- or gigajoules b. Types of energy included in the reduction: fuel, electricity, heating, cooling, steam, or all of these c. Basis for calculating reductions in energy consumption, such as base year or baseline, and the rationale for selecting it d. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...pp. 137-141 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239
	302-5 Reductions in energy requirements of products and services	a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples thereof, such as mega- or gigajoules b. Basis for calculating reductions in energy consumption, such as base year or baseline, and the rationale for selecting it c. Standards, methodologies, assumptions, and calculation tools used	-



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	a. Description of the organization's interactions with water, including how and where water is withdrawn, consumed, and discharged, and water-related impacts caused, contributed to, or directly linked to the organization's activities, products, or services through business relationships, such as impacts from runoff b. Description of the approach used to identify water-related impacts, including the scope and timeframe of assessments and the tools and methodologies used c. Description of how water-related impacts are addressed, including: How the organization works with stakeholders to manage water as a shared resource and engages with suppliers or customers with significant water-related impacts d. Description of the process for setting water-related goals and targets that form part of the organization's management approach and how they relate to public policy and the local context of each area with water stress	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...pp. 150-151 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239
	303-2 Management of water discharge-related impacts	a. Description of minimum standards set for the quality of effluent discharge and how these standards were determined i. How discharge standards were determined for facilities in locations without local discharge requirements ii. Internally developed water quality standards or guidelines iii. Whether sector-specific standards were considered iv. Whether the profile of the receiving waterbody was considered	Sustainability Report [Climate Action and Natural Capital] ...pp. 150-152
	303-3 Water withdrawal	a. Total water withdrawal from all areas, in thousand kL, and, if applicable, a breakdown by the following sources: i. Surface water ii. Groundwater iii. Seawater iv. Produced water v. Third-party water b. Total water withdrawal from all areas with water stress, in thousand kL, and, if applicable, a breakdown by the following sources: i. Surface water ii. Groundwater iii. Seawater iv. Produced water v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i–iv c. Breakdown of total water withdrawal from each source listed in Disclosures 303-3-a and 303-3-b by: i. Freshwater, ≤1,000 mg/L total dissolved solids ii. Other water, >1,000 mg/L total dissolved solids d. Total water consumption from all areas, in thousand kL	Sustainability Report [Climate Action and Natural Capital] ...pp. 133 and 150-152 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 303 Water and Effluents 2018	303-4 Water discharge	a. Total water discharge to all areas, in thousand kL, and, if applicable, a breakdown by the following destination types: i. Surface water ii. Groundwater iii. Seawater iv. Third-party water and, if applicable, the amount sent for use by other organizations b. Breakdown of total water discharge to all areas, in thousand kL, by the following categories i. Freshwater, ≤1,000 mg/L total dissolved solids ii. Other water, >1,000 mg/L total dissolved solids c. Total water discharge to all areas with water stress, in thousand kL, and a breakdown by the following categories i. Freshwater, ≤1,000 mg/L total dissolved solids ii. Other water, >1,000 mg/L total dissolved solids d. Treatment of priority substances of concern in discharges, including: i. How priority substances of concern are defined and how international standards, if any, authoritative lists, or criteria are used ii. Approach to setting discharge limits for priority substances of concern iii. Number of incidents of non-compliance with discharge limits e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...pp. 133 and 150-152 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239
	303-5 Water consumption	a. Total water consumption from all areas, in thousand kL b. Total water consumption from all areas with water stress, in thousand kL c. Change in water storage, in thousand kL, if water storage has been identified as having a significant water-related impact d. Contextual information necessary to understand how the data were compiled, such as standards, methodologies, and assumptions used. This includes whether information was calculated, estimated, modeled, or obtained from direct measurements, and the use of sector-specific factors	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...pp. 133 and 150-152 [Environmental Performance] ...p. 158
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	a. Information concerning business sites owned, leased, or managed within designated conservation areas, areas of high biodiversity value outside formal protection, and their adjacent zones. i. Geographic location ii. Subsurface and underground land that may be owned, leased, or managed by the organization iii. Position relative to the protected area, including within, adjacent to, or containing part of a protected area, or an area of high biodiversity value outside protected areas iv. Type of operation, such as office, manufacturing/production, or extraction v. Size of operational site in km² (Other units may be used where appropriate) vi. Biodiversity value characterized by the attributes of the relevant protected area or area of high biodiversity value outside protected areas, such as terrestrial, freshwater, or marine ecosystem vii. Biodiversity value characterized by protected status listings, such as IUCN Protected Area Management Categories, the Ramsar Convention, or national legislation	Sustainability Report [Climate Action and Natural Capital] ...pp.122 and 146-149



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 304 Biodiversity 2016	304-2 Significant impacts of activities, products, and services on biodiversity	a. The characteristics of significant impacts—both direct and indirect—on biodiversity Include: - Construction or use of manufacturing plants, mines, or transportation infrastructure - Pollution, meaning the introduction of substances not naturally occurring in the habitat. From point and non-point sources) - Introduction of invasive species, pests, and pathogens - Reduction of species - Habitat conversion - Changes in ecological processes beyond the natural range of variation, such as salinity or groundwater-level changes b. Significant direct, indirect, positive, and negative impacts. Include: - Species affected - Extent of areas affected - Duration of impacts - Reversibility or irreversibility of impacts	Sustainability Report [Sustainability-Contributing Products] ...pp. 041-044 and 048-050 [Climate Action and Natural Capital] ...pp. 121-125, 127, 130, and 146-149
	304-3 Habitats protected or restored	a. Size and location of all habitat areas protected or restored. Whether the success of restoration measures was approved by independent external professionals b. Whether partnerships exist with third parties to protect or restore habitat areas other than those overseen or implemented by the organization c. Status of each habitat area at the end of the reporting period d. Standards, methodologies, and assumptions used	Sustainability Report [Climate Action and Natural Capital] ...pp. 146-149
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations. By the following level of extinction risk: - Endangered (CR) - Endangered (EN) - Endangered (VU) - Near Threatened (NT) - Least Concern	Sustainability Report [Climate Action and Natural Capital] ...pp. 146-149
GRI 305 Emissions 2016	305-1 Direct GHG Emissions (Scope 1)	a. Gross direct Scope 1 GHG emissions, in metric tons of CO ₂ equivalent (t-CO ₂) b. Gases included in the calculation: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all of these c. Biogenic CO ₂ emissions, in metric tons of CO ₂ equivalent (t-CO ₂) d. Base year for the calculation, if applicable, including: - Rationale for choosing the base year - Emissions in the base year - Context for any significant changes in emissions that triggered recalculations of base-year emissions e. Sources of emission factors and global warming potential (GWP) rates used, or reference to the GWP source f. Consolidation approach selected for emissions: equity share, financial control, or operational control g. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Climate Action and Natural Capital] ...pp. 118 and 132-142 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-237



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 305 Emissions 2016	305-2 Indirect (Scope 2) GHG emissions	a. Gross location-based indirect Scope 2 GHG emissions, in metric tons of CO ₂ equivalent (t-CO ₂) b. If applicable, gross market-based indirect Scope 2 GHG emissions, in metric tons of CO ₂ equivalent (t-CO ₂) c. If data are available, gases included in the calculation: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all of these d. Base year for the calculation, if applicable, including: i. Rationale for choosing the base year ii. Emissions in the base year iii. Context for any significant changes in emissions that triggered recalculations of base-year emissions e. Sources of emission factors and global warming potential (GWP) rates used, or reference to the GWP source f. Consolidation approach selected for emissions: equity share, financial control, or operational control g. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Climate Action and Natural Capital] ...pp. 118 and 132-141 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-237
	305-3 Other indirect (Scope 3) GHG emissions	a. Gross other indirect Scope 3 GHG emissions, in metric tons of CO ₂ equivalent (t-CO ₂) b. If data are available, gases included in the calculation: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all of these c. Biogenic CO ₂ emissions, in metric tons of CO ₂ equivalent (t-CO ₂) d. Other indirect Scope 3 GHG emission categories and activities included in the calculation e. Base year for the calculation, if applicable, including: i. Rationale for choosing the base year ii. Emissions in the base year iii. Context for any significant changes in emissions that triggered recalculations of base-year emissions f. Sources of emission factors and global warming potential (GWP) rates used, or reference to the GWP source g. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Climate Action and Natural Capital] ...pp. 118 and 143-145
	305-4 GHG emissions intensity	a. GHG emissions intensity ratio for the organization b. Organization-specific metric selected as the denominator for calculating the ratio c. Types of GHG emissions included in the intensity ratio. Direct Scope 1, indirect Scope 2, or other indirect Scope 3 d. Gases included in the calculation: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all of these	Sustainability Report [Climate Action and Natural Capital] ...pp. 118 and 143-145
	305-5 Reduction of GHG emissions	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO ₂ equivalent (t-CO ₂) b. Gases included in the calculation: CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all of these c. Base year or baseline and the rationale for selecting it d. Scope in which GHG emissions reductions occurred. Direct Scope 1, indirect Scope 2, or other indirect Scope 3 e. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Climate Action and Natural Capital] ...pp. 118 and 132-145
	305-6 Emissions of ozone-depleting substances (ODS)	a. Production, imports, and exports of ozone-depleting substances, in CFC-11 equivalent b. Substances included in the calculation c. Sources of emission factors used d. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Climate Action and Natural Capital] ...p. 155
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	a. Amount of the following significant air emissions, in kilograms or multiples thereof, such as tons i. NOx ii. SOx iii. Persistent organic pollutants (POPs) iv. Volatile organic compounds (VOCs) v. Hazardous air pollutants (HAPs) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Sources of emission factors used c. Standards, methodologies, assumptions, and calculation tools used	Sustainability Report [Climate Action and Natural Capital] ...pp. 153-157 [Environmental Performance] ...p. 158 [Performance Data] ...pp. 235-239 [PRTR Data] ...p. 242



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	a. Describe the organization's significant actual and potential waste-related impacts i. Inputs, activities, and outputs that lead or could lead to these impacts ii. Whether these impacts relate to waste generated in the organization's own activities or waste generated upstream or downstream in its value chain	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...p. 143 [Environmental Performance] ...p. 158 [Resource Circulation (Waste)] ...pp. 159-162 [Performance Data] ...pp. 235-239
	306-2 Management of significant waste-related impacts	a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain and to manage significant impacts from generated waste b. If waste generated by the organization's activities is managed by a third party, describe the processes used to determine whether the third party manages the waste in accordance with contractual or legal obligations c. Processes used to collect and monitor waste-related data	Sustainability Report [Resource Recycling (Waste)] ...pp. 159-162 [Chemical Safety] ...pp. 163-171
	306-3 Waste generated	a. Total weight of waste generated, in tons, and a breakdown by waste composition b. Contextual information necessary to understand the data and how the data were compiled	Sustainability Report [Environmental Accounting] ...p. 113 [Climate Action and Natural Capital] ...p. 143 [Environmental Performance] ...p. 158 [Resource Recycling (Waste)] ...pp. 159-162 [Performance Data] ...pp. 235-239
	306-4 Waste diverted from disposal	a. Total weight of waste diverted from disposal, in tons, and a breakdown by waste composition b. Total weight of hazardous waste diverted from disposal, in tons, and a breakdown by the following recovery operations: i. Preparation for reuse ii. Recycling iii. Other recovery operations c. Total weight of non-hazardous waste diverted from disposal, in tons, and a breakdown by the following recovery operations i. Preparation for reuse ii. Recycling iii. Other recovery operations d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, provide a breakdown of the total weight of hazardous and non-hazardous waste diverted from disposal, in tons: i. Onsite ii. Offsite e. Contextual information necessary to understand the data and how the data were compiled	Sustainability Report [Environmental Performance] ...p. 158 [Resource Recycling (Waste)] ...pp. 159-162 [Performance Data] ...pp. 235-239



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 306 Waste 2020	306-5 Waste directed to disposal	a. Total weight of waste directed to disposal, in tons, and a breakdown by waste composition b. Total weight of hazardous waste directed to disposal, in tons, and a breakdown by the following disposal operations: i. Incineration with energy recovery ii. Incineration without energy recovery iii. Landfilling iv. Other disposal operations c. Total weight of non-hazardous waste directed to disposal, in tons, and a breakdown by the following disposal operations: i. Incineration with energy recovery ii. Incineration without energy recovery iii. Landfilling iv. Other disposal operations d. For each disposal operation listed in Disclosures 306-5-b and 306-5-c, provide a breakdown of the total weight of hazardous and non-hazardous waste directed to disposal, in tons i. Onsite ii. Offsite e. Contextual information necessary to understand the data and how the data were compiled	Sustainability Report [Environmental Accounting] ...p. 113 [Environmental Performance] ...p. 158 [Resource Recycling (Waste)] ...pp. 159-162 [Performance Data] ...pp. 235-239
	308-1 New suppliers that were screened using environmental criteria	a. Percentage of new suppliers screened using environmental criteria	-
GRI 308 Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	a. Number of suppliers assessed for environmental impacts b. Number of suppliers identified as having significant actual or potential negative environmental impacts c. Significant actual or potential negative environmental impacts identified in the supply chain d. Percentage of suppliers identified as having significant actual or potential negative environmental impacts with which improvements were agreed as a result of assessment e. Percentage of suppliers identified as having significant actual or potential negative environmental impacts with which relationships were terminated as a result of assessment, and the reasons	Sustainability Report [Chemical Safety] ...pp. 163-171 [Promotion of CSR Procurement] ...pp. 172-175



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	a. Total number and rate of new employee hires during the reporting period, by age group, gender, and region b. Total number and rate of employee turnover during the reporting period, by age group, gender, and region	Sustainability Report [Human Capital Enhancement and Creation of Comfortable Workplaces] ...pp. 191 and 193 [Securing Talent and Diversity & Inclusion] ...pp. 199-201 [Performance Data] ...p. 240
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	a. Benefits standard for full-time employees but not provided to temporary or part-time employees, by significant location of operation. These include, at a minimum: i. Life insurance ii. Healthcare iii. Disability and invalidity coverage iv. Parental leave v. Retirement provision vi. Stock ownership vii. Other b. Definition of "significant locations of operation"	-
	401-3 Parental leave	a. Total number of employees entitled to parental leave, by gender b. Total number of employees who took parental leave, by gender c. Total number of employees who returned to work during the reporting period after parental leave, by gender d. Total number of employees who returned to work after parental leave and were still employed 12 months later, by gender e. Return-to-work and retention rates of employees who took parental leave, by gender	Sustainability Report [Human Capital Enhancement and Creation of Comfortable Workplaces] ...pp. 191 and 193 [Securing Talent and Diversity & Inclusion] ...pp. 203 and 205-206 [Performance Data] ...p. 240
GRI 402 Labor- Management Relations 2016	402-1 Minimum notice periods regarding operational changes	a. Minimum number of weeks' notice typically provided to employees and their representatives before implementing significant operational changes that could substantially affect them b. For organizations with collective bargaining agreements, whether notice periods and provisions for consultation and negotiation are specified in the agreements	-
GRI 403 Occupational Safety and Health 2018	403-1 Occupational safety and health management system	a. Statement of whether an occupational safety and health management system has been implemented i. Whether the system has been implemented because of legal requirements. If so, list the legal requirements ii. Whether the system has been implemented based on recognized risk management or management system standards or guidelines. If so, list the standards or guidelines b. Description of the scope of workers, activities, and workplaces covered by the occupational safety and health management system. If any are not covered, explain which workers, activities, and workplaces are excluded and why	Sustainability Report [Value Creation Based on NOF's Three Values] ...pp. 014-016 [Corporate Governance] ...p. 064 [RC Management] ...pp. 093-097 [Occupational Safety and Health] ...pp. 208 and 217-220
	403-2 Hazard identification, risk assessment, and incident investigation	a. Description of the processes used to identify work-related hazards, routinely and non-routinely assess risks, and apply the hierarchy of controls to eliminate hazards and minimize risks i. How the organization ensures the quality of these processes, including the competency of the persons carrying them out ii. How the results are used to evaluate and continually improve the occupational safety and health management system b. Description of the processes for workers to report work-related hazards and hazardous situations and how workers are protected against reprisals c. Description of the policies and processes allowing workers to remove themselves from work situations they believe could cause injury or ill health and how they are protected against reprisals d. Description of the processes used to investigate work-related incidents, including identifying hazards, assessing incident-related risks, determining corrective actions using the hierarchy of controls, and identifying improvements needed in the occupational safety and health management system	Sustainability Report [Value Creation Based on NOF's Three Values] ...p. 016 [Corporate Governance] ...p. 064 [Risk Management] ...pp. 075-081 [Chemical Safety] ...pp. 163-171 [Securing Talent and Diversity & Inclusion] ...p. 204 [Occupational Safety and Health] ...pp. 208-210 and 215-216



GRI Standards Content Index | 400: Social Topics

	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 403 Occupational Safety and Health 2018	403-3 Occupational health services	a. Description of occupational health service functions that contribute to identifying and eliminating hazards and minimizing risks, and how the organization ensures service quality and facilitates worker access	Sustainability Report [Value Creation Based on NOF's Three Values] ...pp. 014-016 [Corporate Governance] ...p. 064 [RC Management] ...pp. 093-097 [Occupational Safety and Health] ...pp. 208 and 216-220
	403-4 Worker participation, consultation, and communication on occupational safety and health	a. Description of processes for worker participation and consultation in developing, implementing, and evaluating the occupational safety and health management system, and for workers to access and communicate relevant occupational safety and health information b. If formal joint management-worker health and safety committees exist, describe their responsibilities, meeting frequency, and decision-making authority. If any workers are not represented by these committees, explain why	Sustainability Report [RC Management] ...pp. 095-096 [Risk Management] ...p. 081 [Occupational Safety and Health] ...pp. 208-220
	403-5 Worker training on occupational safety and health	a. Description of occupational safety and health training provided to workers. This may include general training and training on specific work-related hazards, hazardous activities, or hazardous situations	Sustainability Report [Occupational Safety and Health] ...pp. 211-213 and 217-220
	403-6 Promotion of worker health	a. Description of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided b. Description of voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including specific health risks covered, and how access is facilitated	Sustainability Report [Securing Talent and Diversity & Inclusion] ...p. 203 [Occupational Safety and Health] ...pp. 217-220
	403-7 Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	a. Organization's approach to preventing or mitigating significant negative occupational safety and health impacts directly linked to its operations, products, or services through business relationships, and a description of related hazards and risks	Sustainability Report [Occupational Safety and Health] ...pp. 211-213 and 215-216
	403-8 Workers covered by an occupational safety and health management system	a. Whether the organization has implemented an occupational safety and health management system based on legal requirements or recognized standards or guidelines i. Number and percentage of employees and workers who are not employees but whose work or workplace is controlled by the organization and who are covered by the system ii. Number and percentage of employees and workers who are not employees but whose work or workplace is controlled by the organization and who are covered by an internally audited system iii. Number and percentage of employees and workers who are not employees but whose work or workplace is controlled by the organization and who are covered by an externally audited or certified system b. If any workers are excluded from this disclosure, explain which workers are excluded and why c. Contextual information necessary to understand how the data were compiled, such as standards, methodologies, and assumptions used	Sustainability Report [Human Rights] ...pp. 180-188 [Occupational Safety and Health] ...p. 208



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 403 Occupational Safety and Health 2018	403-9 Work-related injuries	a. For all employees: i. Number and rate of fatalities resulting from work-related injury ii. Number and rate of high-consequence work-related injuries, excluding fatalities iii. Number and rate of recordable work-related injuries iv. Main types of work-related injury v. Number of hours worked b. For workers who are not employees but whose work or workplace is controlled by the organization i. Number and rate of fatalities resulting from work-related injury ii. Number and rate of high-consequence work-related injuries, excluding fatalities iii. Number and rate of recordable work-related injuries iv. Main types of work-related injury v. Number of hours worked c. Hazards posing a risk of high-consequence injury, including: i. How these hazards were determined ii. Which hazards caused or contributed to high-consequence injuries during the reporting period iii. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls d. Actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls e. Whether the above work-related injury rates were calculated based on 200,000 or 1,000,000 hours worked f. If any workers are excluded from this disclosure, explain which workers are excluded and why g. Contextual information necessary to understand how the data were compiled, such as standards, methodologies, and assumptions used	Sustainability Report [Occupational Safety and Health] ...pp. 215-216
	403-10 Work-related ill health	a. For all employees: i. Number of fatalities resulting from work-related ill health ii. Number of recordable cases of work-related ill health iii. Main types of work-related ill health b. For workers who are not employees but whose work or workplace is controlled by the organization i. Number of fatalities resulting from work-related ill health ii. Number of recordable cases of work-related ill health iii. Main types of work-related ill health c. Hazards posing a risk of ill health, including: i. How these hazards were determined ii. Which hazards caused or contributed to cases of ill health during the reporting period iii. Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls d. If any workers are excluded from this disclosure, explain which workers are excluded and why e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used	Sustainability Report [Occupational Safety and Health] ...pp. 215-216



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	a. Average hours of training undertaken by the organization's employees during the reporting period, by: i. Gender ii. Employee category	Sustainability Report [Talent Development] ...p. 223 [Performance Data] ...p. 240
	404-2 Programs for upgrading employee skills and transition assistance programs	a. Types and scope of programs implemented and assistance provided to upgrade employee skills b. Transition assistance programs provided to facilitate continued employability and career ending resulting from retirement or termination of employment	Sustainability Report [Digital Transformation (DX) Strategy] ...pp. 107-109 [Human Capital Enhancement and Creation of Comfortable Workplaces] ...pp. 191-192 [Talent Development] ...pp. 221-223
	404-3 Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees receiving regular performance and career development reviews during the reporting period, by gender and employee category	-
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in the following diversity categories: i. Gender ii. Age group: under 30 years, 30–50 years, and over 50 years iii. Other relevant diversity indicators, where applicable, such as minorities or vulnerable groups b. Percentage of employees by employee category in the following diversity categories: i. Gender ii. Age group: under 30 years, 30–50 years, and over 50 years iii. Other relevant diversity indicators, where applicable, such as minorities or vulnerable groups	Sustainability Report [Human Capital Enhancement and Creation of Comfortable Workplaces] ...pp. 191 and 193 [Securing Talent and Diversity & Inclusion] ...pp. 199-203 and 205-206 [Performance Data] ...p. 240-241
	405-2 Ratio of basic salary and remuneration of women to men	a. Ratio of women's basic salary and total remuneration to men's basic salary and total remuneration, by employee category and significant location of operation b. Definition of "significant locations of operation"	Sustainability Report [Human Capital Enhancement and Creation of Comfortable Workplaces] ... pp. 191 and 193 [Securing Talent and Diversity & Inclusion] ... p. 202 [Performance Data] ...p. 240
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period b. Status of incidents and actions taken. Include: i. Incidents reviewed by the organization ii. Remediation plans being implemented iii. Remediation plans implemented, with results reviewed through routine internal management review processes iv. Incidents no longer subject to action	There were no applicable cases.
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	a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk. Report the following: i. Type of operation, such as a manufacturing plant, and supplier ii. Countries or regions where operations and suppliers considered at risk are located b. Measures taken by the organization during the reporting period to support the exercise of freedom of association and collective bargaining rights	Sustainability Report [Promotion of CSR Procurement] ...p. 173 [Human Rights] ...pp. 177-178, 181-182, and 187 There were no applicable cases.



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	a. Operations and suppliers considered to have a significant risk of incidents involving: - Child labor - Young workers exposed to hazardous work b. Operations and suppliers considered to have a significant risk of child labor, in terms of: - Type of operation, such as a manufacturing plant, and supplier - Countries or regions where operations and suppliers considered at risk are located c. Measures taken by the organization during the reporting period to contribute to the effective abolition of child labor	Sustainability Report [Promotion of CSR Procurement] ...p. 173 [Human Rights] ...pp. 177-178, 181-182, and 187 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	a. Operations and suppliers considered to have a significant risk of forced labor. Report the following: - Type of operation, such as a manufacturing plant, and supplier - Countries or regions where operations and suppliers considered at risk are located b. Measures taken by the organization during the reporting period to contribute to the elimination of all forms of forced labor	Sustainability Report [Promotion of CSR Procurement] ...p. 173 [Human Rights] ...pp. 177-178, 181-182, and 187 There were no applicable cases.
GRI 410 Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security b. Whether similar training requirements apply to third-party organizations providing security personnel	-
GRI 411 Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	a. Total number of identified incidents involving violations of the rights of Indigenous Peoples during the reporting period b. Status of incidents and actions taken, including: - Incidents reviewed by the organization - Remediation plans being implemented - Remediation plans implemented, with results reviewed through routine internal management review processes - Incidents no longer subject to action	There were no applicable cases.
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	a. Percentage of operations with implemented local community engagement, impact assessments, and development programs, including the use of: - Social impact assessments, including gender impact assessments, based on participatory processes - Environmental impact assessments and ongoing monitoring - Public disclosure of environmental and social impact assessment results - Local community development programs based on local community needs - Stakeholder engagement plans based on stakeholder mapping - Broad-based local community consultation committees and processes that include vulnerable groups - Works councils, occupational safety and health committees, and other worker representative bodies to address impacts - Formal local community grievance processes	Sustainability Report [Local Communities] ...pp. 224-229
	413-2 Operations with significant actual and potential negative impacts on local communities	a. Operations with significant actual or potential negative impacts on local communities. Include: - Location of operations - Significant actual or potential negative impacts of operations	Sustainability Report [Human Rights] ...pp. 181-183 and 187



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	Disclosures	Reporting requirements	Sustainability Report 2026 or other disclosure sections outside of this document
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	a. Percentage of new suppliers screened using social criteria	-
	414-2 Negative social impacts in the supply chain and actions taken	a. Number of suppliers assessed for social impacts b. Number of suppliers identified as having significant actual or potential negative social impacts c. Significant actual or potential negative social impacts identified in the supply chain d. Percentage of suppliers identified as having significant actual or potential negative social impacts with which improvements were agreed as a result of assessment e. Percentage of suppliers identified as having significant actual or potential negative social impacts with which relationships were terminated as a result of assessment, and the reasons	Sustainability Report [Promotion of CSR Procurement] ...pp. 172-175 [Human Rights] ...pp. 177-188
GRI 415 Public Policy 2016	415-1 Political Contributions	a. Total monetary value of political contributions and in-kind contributions made directly or indirectly by the organization, by country and recipient or beneficiary b. How the monetary value of in-kind contributions was estimated, if applicable	Sustainability Report [Compliance] ...p. 084
GRI 416 Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Sustainability Report [Quality Management] ...pp. 098-102 [Chemical Safety] ...pp. 168-171 [Customer Health and Safety] ...p. 230
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	a. Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the reporting period. By the following classification: i. Incidents of non-compliance with regulations resulting in fines or penalties ii. Incidents of non-compliance with regulations resulting in warnings iii. Incidents of non-compliance with voluntary codes b. If no non-compliance with regulations or voluntary codes has been identified, briefly state this	Sustainability Report [Chemical Safety] ...p. 167
GRI 417 Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	a. Whether the organization's procedures for product and service information and labeling require information on: i. Sourcing of product or service components ii. Content, particularly substances that might produce environmental or social impacts iii. Safe use of the product or service iv. Product disposal and environmental or social impacts v. Other, with details b. Percentage of significant product and service categories covered by and assessed for compliance with the organization's procedures	Sustainability Report [Sustainability-Contributing Products] ...pp. 041-053 [Chemical Safety] ...pp. 168-171 [Customer Health and Safety] ...p. 230 [Marketing and Labeling / Customer Privacy] ...p. 231
	417-2 Incidents of non-compliance concerning product and service information and labeling	a. Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling. By the following classification: i. Incidents of non-compliance with regulations resulting in fines or penalties ii. Incidents of non-compliance with regulations resulting in warnings iii. Incidents of non-compliance with voluntary codes b. If no non-compliance with regulations or voluntary codes has been identified, briefly state this	There were no applicable cases.
	417-3 Incidents of non-compliance concerning marketing communications	a. Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship. By the following classification: i. Incidents of non-compliance with regulations resulting in fines or penalties ii. Incidents of non-compliance with regulations resulting in warnings iii. Incidents of non-compliance with voluntary codes b. If no non-compliance with regulations or voluntary codes has been identified, briefly state this	There were no applicable cases.
GRI 418 Customers Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. Total number of substantiated complaints concerning breaches of customer privacy. By the following classification: i. Complaints received from outside parties and substantiated by the organization ii. Complaints from regulatory bodies b. Total number of identified leaks, thefts, or losses of customer data c. If no substantiated complaints have been identified, briefly state this	Sustainability Report [Marketing and Labeling / Customer Privacy] ...p. 231



TCFD Content Index

Governance

Recommendation: Disclose the organization's governance around climate-related risks and opportunities.

	Recommended disclosure content	Sustainability Report 2026 or other disclosure sections outside of this document
a)	The Board of Directors' oversight system for climate-related risks and opportunities	Sustainability Report [Climate Action and Natural Capital] ...p. 120
b)	Management's role in assessing and managing climate-related risks and opportunities	Sustainability Report [Climate Action and Natural Capital] ...pp. 120 and 131

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 2026 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	Sustainability Report [Climate Action and Natural Capital] ...pp. 121-125
b)	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Sustainability Report [Climate Action and Natural Capital] ...p. 126
c)	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Sustainability Report [Climate Action and Natural Capital] ...pp. 127-130

Risk Management

Recommendation: Disclose how the organization identifies, assesses, and manages climate-related risks.

	Recommended disclosure content	Sustainability Report 2026 or other disclosure sections outside of this document
a)	Organization's processes for identifying and assessing climate-related risks	Sustainability Report [Climate Action and Natural Capital] ...pp. 120 and 131
b)	Organization's processes for managing climate-related risks	Sustainability Report [Climate Action and Natural Capital] ...p. 131
c)	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Sustainability Report [Climate Action and Natural Capital] ...p. 131

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 2026 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	Sustainability Report [Climate Action and Natural Capital] ...pp. 132-133
b)	Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Sustainability Report [Climate Action and Natural Capital] ...pp. 134-145
c)	Targets used by the organization to manage climate-related risks and opportunities, and performance against targets	Sustainability Report [Climate Action and Natural Capital] ...pp. 132-133



TNFD Content Index

Governance

Recommendation: Disclose the organization's governance around nature-related dependencies, impacts, risks, and opportunities.

	Recommended disclosure content	Sustainability Report 2026 or other disclosure sections outside of this document
a)	Board of Directors' monitoring of nature-related dependencies, impacts, risks, and opportunities	Sustainability Report [Climate Action and Natural Capital] ...p. 120
b)	Management's role in assessing and managing nature-related dependencies, impacts, risks, and opportunities	Sustainability Report [Climate Action and Natural Capital] ...pp. 120 and 131
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	Sustainability Report [Climate Action and Natural Capital] ...p. 120

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 2026 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	Sustainability Report [Climate Action and Natural Capital] ...pp. 121-125
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)	Sustainability Report [Climate Action and Natural Capital] ...p. 126
c)	Resilience of the organization's strategy, taking into account various different scenarios	Sustainability Report [Climate Action and Natural Capital] ...pp. 127-130
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)	Sustainability Report [Climate Action and Natural Capital] ...pp. 122-123 and 146-152

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 2026 or other disclosure sections outside of this document
a) i)	Organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its direct operations	Sustainability Report [Climate Action and Natural Capital] ...pp. 120 and 131
a) ii)	Organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities across its upstream and downstream value chain	Sustainability Report [Climate Action and Natural Capital] ...p. 131
b)	Organization's processes for managing nature-related dependencies, impacts, risks, and opportunities	Sustainability Report [Climate Action and Natural Capital] ...p. 131
c)	How processes for identifying, assessing, prioritizing, and managing nature-related risks are integrated into and reported within the organization's overall risk management	Sustainability Report [Climate Action and Natural Capital] ...p. 131

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 2026 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	Sustainability Report [Climate Action and Natural Capital] ...pp. 132-133
b)	Metrics used by the organization to assess and manage dependencies and impacts on nature	Sustainability Report [Climate Action and Natural Capital] ...pp. 132-146 and 150-152
c)	Targets the organization uses to manage nature-related dependencies, impacts, risks, and opportunities, and its performance against those targets	Sustainability Report [Climate Action and Natural Capital] ...pp. 132-145, 150-152



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This report uses a universal design font designed to be easily readable for a wide range of people.

