



Conflicts of interest

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

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

Mutual appointment to the Board of Directors

There are no cases of mutual appointments.

Cross-shareholdings with suppliers and other stakeholders

NOF holds shares for policy purposes only when it deems it reasonable based on a comprehensive assessment of the risks and capital costs involved in holding the shares, with the aim of enhancing NOF’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 each share and reviews the propriety of holding it on an annual basis. As a result of its review, NOF sold some of its cross-shareholdings in FY2023 to reduce its holdings.

We aim to reduce the ratio of cross-shareholdings to consolidated net assets to 15% or less by the end of FY2025.

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 the curtailing of transactions. 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 transactions without fully verifying the economic rationality for the transactions.

Existence of controlling shareholder(s)

There is 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 shareholders holding 10% or more of its shares, no approval procedures have been established for transactions with these shareholders.