



## 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 highest quality products and services” as stated in the first clause of the Code of Conduct of the NOF Group Corporate Philosophy system.

### Organizational setup

In April 2019, NOF established the Quality Management Committee to supervise quality management and continue to secure the trust of society. It is chaired by the general manager of the Corporate Technical Division (concurrently director and executive officer) and has nine other members (business division managers, related corporate division

managers). Furthermore, in April 2023, the Quality Management Department was established in the Corporate Technical Division to maintain and improve the management level by 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 their 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 fulfill our commitment with our customers and sincerely respond to inquiries and complaints.

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



# Quality Management | QMS

GRI 2-13/416-1

## Development status of QMS

NOF's works and plants are externally certified for the QMS most appropriate for their business. 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 obtained ISO 9001 and other external certifications.

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

FY2023 Domestic Group **98%**

FY2023 NOF Group **97%**

## NOF

Works and plants	Quality management systems	Certification number	Latest recertification date	Inquiries
<b>Kawasaki Works</b> Chidori Plant	ISO 9001	JP022495	May 2022	<a href="https://www.nof.co.jp/company/plant/">https://www.nof.co.jp/company/plant/</a>
Daishi Plant	FSSC 22000 (Food Safety Management System)	JMAQA-FC270	December 2021	
DDS plant	ICH-Q7 (active pharmaceutical ingredients GMP guidelines)	-	-	
<b>Aichi Works</b> Taketoyo Plant	JIS Q 9100	JQA-AS0183	July 2022	
Kinuura Plant	ISO 9001	JP022549	June 2022	
<b>Amagasaki Plant</b> (Functional Materials Division)	ISO 9001	JP022753	August 2022	
(Life Science Division)	ICH-Q7 (active pharmaceutical ingredients GMP guidelines)	-	-	
<b>Oita Plant</b>	ISO 9001	JP023986	September 2023	

## Group companies

Name	Quality management systems	Certification number	Latest recertification date	Inquiries
Nippon Koki Co., Ltd.	ISO 9001	JSAQ2282	September 2023	<a href="https://www.nippon-koki.co.jp/">https://www.nippon-koki.co.jp/</a>
Nippon Koki Co., Ltd. Shirakawa Plant	JIS Q 9100	JQA-AS029	September 2023	
NiGK Corporation	ISO 9001	66885	March 2023	<a href="https://www.nichigi.co.jp/">https://www.nichigi.co.jp/</a>
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	ISO 9001	JP023061	November 2022	<a href="https://www.nofmetalcoatings.com/asia-pacific/">https://www.nofmetalcoatings.com/asia-pacific/</a>
Showa Kinzoku Kogyo Co., Ltd.	ISO 9001	02479-2011-AQ-KOB-JAB	March 2024	<a href="https://www.shokin.co.jp/">https://www.shokin.co.jp/</a>
YUKA SANGYO CO., LTD.	ISO 9001	19823082	April 2024	<a href="https://www.yuka-sangyo.co.jp/#gsc.tab=0">https://www.yuka-sangyo.co.jp/#gsc.tab=0</a>
JEUNE BEAUTY CORPORATION, Amagasaki Factory	ISO 22716 (cosmetics materials GMP)	JP024379	January 2024	<a href="https://jeunebeauty.co.jp/">https://jeunebeauty.co.jp/</a>
JEUNE BEAUTY CORPORATION, Chita Factory	ISO 22716 (cosmetics materials GMP)	JP024609	March 2024	
Nichiyu Techno Co., Ltd.	ISO 9001	JP024473	February 2024	<a href="https://www.nichiyu-tec.co.jp/">https://www.nichiyu-tec.co.jp/</a>
NIKKA COATING	ISO 9001	3357	January 2022	<a href="https://nikkacoating.com/">https://nikkacoating.com/</a>
Changshu NOF Chemical Co., Ltd.	ISO 9001	CN20/21619	January 2024	<a href="https://www.nof-cs.com.cn/">https://www.nof-cs.com.cn/</a>
PT.NO F MAS CHEMICAL INDUSTRIES	ISO 9001	ID00/18019	April 2023	<a href="https://www.nof.co.jp/company/group-companies">https://www.nof.co.jp/company/group-companies</a>
NOF METAL COATINGS NORTH AMERICA INC.	ISO 9001	66561 - IS8	July 2023	<a href="https://www.nofmetalcoatings.com/north-america/">https://www.nofmetalcoatings.com/north-america/</a>
NOF METAL COATINGS EUROPE S.A.	ISO 9001	BR040177	December 2023	<a href="https://www.nofmetalcoatings.com/europe/">https://www.nofmetalcoatings.com/europe/</a>
NOF METAL COATINGS EUROPE N.V.	ISO 9001	10477422	November 2022	<a href="https://www.nof.co.jp/company/group-companies">https://www.nof.co.jp/company/group-companies</a>
NOF METAL COATINGS KOREA CO., LTD.	IATF 16949	RTS0250	November 2023	<a href="https://www.nofmetalcoatings.com/korea/en/">https://www.nofmetalcoatings.com/korea/en/</a>
NOF METAL COATINGS SOUTH AMERICA IND. E COM. LTDA.	ISO 9001	N° 1994/2984.9	December 2023	<a href="https://www.nofmetalcoatings.com/south-america/">https://www.nofmetalcoatings.com/south-america/</a>
NOF METAL COATINGS SHANGHAI CO., LTD.	ISO 9001	016SH22Q33019R3S	September 2023	<a href="https://www.nofmetalcoatings.com/china/en/">https://www.nofmetalcoatings.com/china/en/</a>



## Quality Management

### Approach to Pharmaceutical-Related Products

GRI 2-13/416-1

#### Approach to pharmaceutical-related products

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

#### Licensing status of pharmaceutical-related products

	Category	Works/Plants
Marketing	Second-class marketing license for pharmaceuticals	NOF
	Marketing license for quasi-pharmaceutical products	NOF
Sales	Wholesale pharmaceutical sales	NOF
Manufacturing	Pharmaceutical manufacturing	Kawasaki Works
		Aichi Works, 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 to all stakeholders, under our governance system that ensures thorough compliance with laws and regulations.

#### 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”), the officers with responsibility for pharmaceutical-related operations are clearly stated in the pharmaceutical management system. In addition, in accordance with the provisions of the Act, for marketing (second-class marketing license for pharmaceuticals, marketing license for quasi-pharmaceutical products), a general marketing manager, a quality assurance manager, and a safety management manager are appointed.

As a specialized task force of the Quality Management Committee, a deliberative body, NOF established the Pharmaceutical Management Task

Force to oversee the pharmaceutical-related business of the entire company and to manage the manufacturing, marketing, and wholesaling in an integrated manner. The Pharmaceutical Management Task Force inspects the status of compliance with GQP, GVP, and GMP ordinances, and operates to ensure that the general marketing manager, manufacturing manager, and others provide appropriate opinions to the responsible officers regarding issues and problems related to legal compliance.

#### Education and training

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

##### Responsible officers

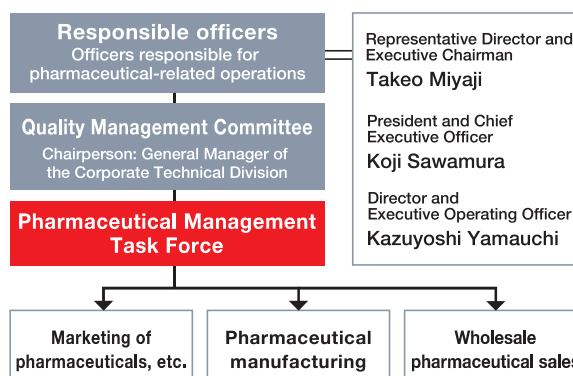
Take the pharmaceuticals-related training (once per year)

##### People involved in pharmaceutical-related operations

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

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

#### Pharmaceutical management system diagram





## Risks and opportunities in quality assurance

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

Major risk	Risk description	Opportunities	Major activities
Quality fraud	<ul style="list-style-type: none"><li>Loss of public trust and damage to corporate value due to quality problems such as falsification of quality inspection results</li></ul>	<ul style="list-style-type: none"><li>Continuous improvement of quality management throughout the company and Group, and earning social trust through fair corporate activities</li></ul>	<p>In 2023, we established a new Code of Conduct and issued a Message from the President to implement specific actions in accordance with the Corporate Philosophy, which defines the mission and ideal state of the NOF Group, and the three values that are prioritized in implementing the Corporate Philosophy: Challenges, Fairness, and Harmony.</p> <p>[Thoroughly ensuring proper quality management]</p> <ul style="list-style-type: none"><li>Development of a quality policy to “provide the highest quality products and services”</li><li>Raise awareness and educate employees through compliance manuals, etc.</li><li>Quality inspections and periodic surveys</li><li>Thorough prevention of recurrence and horizontal development through reporting of quality anomalies (serious cases)</li><li>Promotion of automation of quality management and inspections (creation of a system that prevents fraud and falsification, etc.)</li></ul>
Quality defects and product problems	<ul style="list-style-type: none"><li>Loss of customer trust due to quality anomalies causing delivery delays to customers or quality anomalies in customer products</li></ul>	<ul style="list-style-type: none"><li>Gain customer trust through quality improvement and a proven track record</li></ul>	