

Nippon Soda Group

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**ESG Data Book 2025**



**NIPPON SODA CO.,LTD.**

# ESG Data Book 2025 Contents

## Sustainability Management

Nippon Soda Group's Sustainability Management .....	2
Materialities at the Nippon Soda Group .....	5
CSR Management .....	6

## CSR Activities to Improve Corporate Value

Agriculture .....	11
Healthcare .....	13
Environment .....	15
ICT .....	17
Initiatives for the Next Generation .....	18

## CSR Activities to Protect Corporate Value

Environmental Protection .....	23
Process Safety and Disaster Prevention/BCP ....	35
Occupational Safety and Health .....	41
Logistics Safety and Quality Assurance .....	48
Chemical and Product Safety .....	51

## Stakeholder Engagement

Together with Our Customers .....	53
Together with Our Shareholders and Investors ..	56
Together with Our Business Partners .....	58
Together with Our Employees .....	61
Together with Our Local Communities .....	70

## Corporate Governance/Compliance/Risk Management

Corporate Governance .....	77
Compliance .....	85
Risk Management .....	89

## Data

CSR Activities at Plants .....	92
Third-party Evaluations: ESG Verification .....	96
Guidelines .....	99

## Scope of the Report

The *ESG Data Book* summarizes the CSR and Responsible Care activities of Nippon Soda Co., Ltd. and the major Nippon Soda Group companies (three manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd. and Shinfuji Kaseiyaku Co., Ltd.; and five non-manufacturing group companies: Nisso Shoji Co., Ltd., Sanwa Soko Co., Ltd., Nisso Engineering Co., Ltd., Nisso Kensetsu Co., Ltd. and Nisso Green Co., Ltd.). This report provides results for FY 2025/3 (April 1, 2024 to March 31, 2025). The data on occupational accidents are based on results for the period from January 1, 2024 to December 31, 2024.

## Guidelines Used as References

Global Reporting Initiative: Global Reporting Initiative (GRI) Standards  
Ministry of the Environment's Environmental Reporting Guidelines 2018  
Japanese Standards Association in cooperation with the International Organization for Standardization (ISO 26000: 2010 Guidance on Social Responsibility)

## Responsible Care

Responsible Care (RC) was launched in 1985 in Canada. The International Council of Chemical Associations (ICCA) was established in 1989, and today RC is practiced in more than 65 countries and regions around the world.

## Editorial Policy

We designed this report to help readers readily understand the Nippon Soda Group's basic concept of sustainability management and the results of its CSR initiatives while promoting transparency and accountability. Note that the Nippon Soda Group *Integrated Report 2025 and ESG Data Book 2025* have both been approved by the CSR Administration Meeting (chairperson: president and executive officer of Nippon Soda).

## Third-party Verification

To ensure the transparency and reliability of the information contained in our *Integrated Report 2025 and ESG Data Book 2025*, a third-party verification is carried out by the Japan Chemical Industry Association.

The results of this verification are outlined on p. 96 in "Third-party Evaluations: ESG Verification."

### Cautionary note regarding forward-looking statements

The Company's plans, prospects, strategies and other information published in this report, excluding past performance and facts, have been prepared based on currently available information, hypotheses and judgments, and are subject to various risks and uncertainties. Our predictions can be affected by various factors, such as future economic situations and industry trends, and may turn out to be incorrect.

# Nippon Soda Group's Sustainability Management

## Basic Management Policy

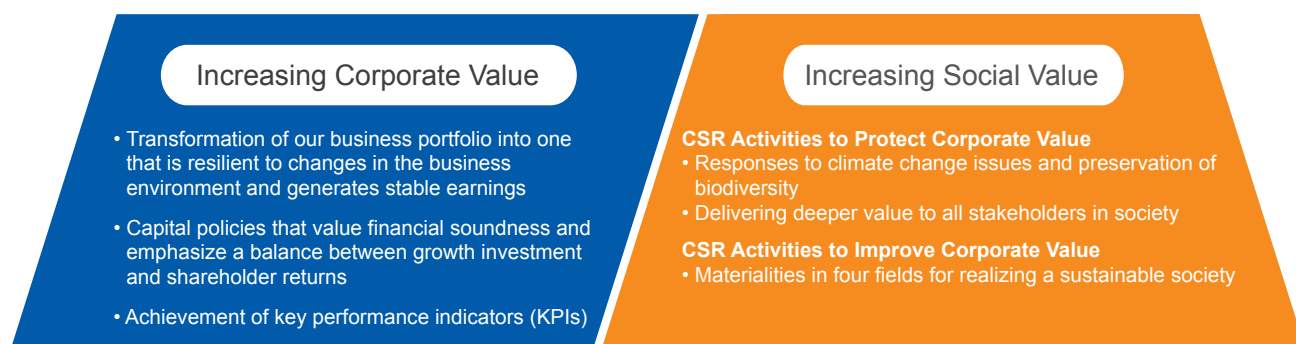
Nippon Soda places primary importance on sound and transparent business management in compliance with law. Our management philosophy is to contribute to social development through chemistry, to meet expectations from stakeholders, including customers, shareholders and investors, business partners, employees and local communities, and to promote environmentally conscious business practices and activities. Under this philosophy, we are committed to growing into a technology-oriented group that develops high-added-value products by making best use of its proprietary technologies and expands its business with a global perspective and a focus on chemistry. Our efforts are also directed at increasing the Group's revenue by developing our business with a focus on the chemicals industry in such areas as trading, logistics and engineering.








## Sustainability Policy

The Nippon Soda Group's mission is to "create new value through the power of chemistry and increase corporate value by contributing to society." We will contribute to society by providing the products and services demanded by our stakeholders and the social environment.

We believe that in order for the Nippon Soda Group to fulfill its mission and achieve sustainable growth, it is important to practice management that focuses on increasing both its corporate value and its social value. To increase our social value, we will promote two main initiatives: CSR Activities to Protect Corporate Value and CSR Activities to Improve Corporate Value.

\* The content of Nippon Soda Group's Sustainability Policy is synonymous with the long-term vision in its Basic Management Policy.



CSR Activities to Protect Corporate Value		CSR Activities to Improve Corporate Value	
As a corporate organization that lives up to the trust of society, we will address three key issues: Initiatives for the Environment, Social Activities, and Governance.		Aiming for the realization of a sustainable society, we are working on material issues in four fields: Agriculture, Healthcare, Environment, and ICT.	
Initiatives for the Environment	<ul style="list-style-type: none"> <li>- Tackling climate change</li> <li>- Tackling the preservation of biodiversity</li> </ul>	Agriculture	<b>Securing food and achieving sustainable agriculture</b> <ul style="list-style-type: none"> <li>- Contribution to the global supply of food</li> <li>- Diversification of crop protection</li> <li>- Streamlining and improving labor efficiency in farming production</li> </ul> 
Social Activities	<ul style="list-style-type: none"> <li>- Promoting dialogue with consumers, business partners, and local communities</li> <li>- Promoting diversity, work-life balance, and career programs</li> <li>- Conducting constructive dialogue with shareholders and investors and disclosing information in a timely and appropriate manner</li> </ul>	Healthcare	<b>Healthy lives to all people</b> <ul style="list-style-type: none"> <li>- Support services for high-performance products and formulation technologies</li> </ul> 
Governance	<ul style="list-style-type: none"> <li>- Enhancing corporate governance</li> <li>- Promoting compliance management</li> </ul>	Environment	<b>Toward a resource recycling society</b> <ul style="list-style-type: none"> <li>- Steady supply of water resources</li> <li>- Reduction of environmental burden caused by waste</li> </ul> <b>Achieving sustainable plant protection</b> <ul style="list-style-type: none"> <li>- Protection of precious trees, such as pines, from harmful insects</li> </ul>    
		ICT	<b>Applying the functionality of chemicals to IT devices</b> <ul style="list-style-type: none"> <li>- Supply of high-performance materials that are friendly to the environment and people</li> </ul> 

\* As a manufacturer of chemical products, the Group's Responsible Care (RC) activities form the foundation of its CSR activities.

## Nippon Soda Group's Sustainability Management

### ESG Initiatives Nippon Soda Participates in or Endorses

- Signing of, endorsement of, and support for international initiatives (including declarations, charters, principles, and frameworks) related to economic, environmental and social issues

Title	Applicable countries	Applicable worksites	Signature date	Voluntary/Mandatory
Declaration on the Promotion of Responsible Care Activities	Worldwide	All offices, consolidated subsidiaries	October 30, 1998	Voluntary
Declaration on the Promotion of CSR Activities	Worldwide	All offices, consolidated subsidiaries	April 1, 2012	Voluntary
Responsible Care Global Charter	Worldwide	All offices, consolidated subsidiaries	December 5, 2014	Voluntary
Task Force on Climate-related Financial Disclosures (TCFD)	Worldwide	All offices, consolidated subsidiaries	September 16, 2022	Voluntary

- Membership categories at advocacy organizations and institutions in Japan and abroad

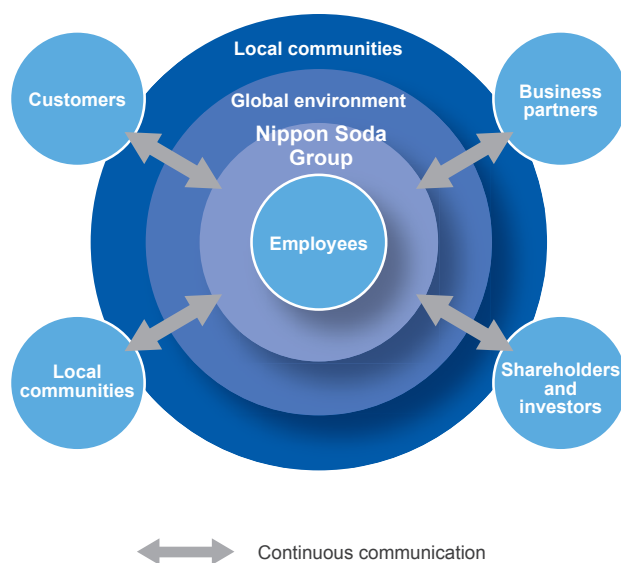
Advocacy institutions	Applicable countries	Membership
International Council of Chemical Associations (ICCA)	Worldwide	Participating as a corporate member of JCIA
Japan Chemical Industry Association (JCIA)	Japan	Corporate member
Global Product Strategy (GPS)	Worldwide	Participating as a corporate member of JCIA
Japan Initiative of Product Stewardship (JIPS)	Japan	Participating as a corporate member of JCIA
Japan Soda Industry Association (JSIA)	Japan	Member

### Stakeholder Engagement

The management philosophy of the Nippon Soda Group is to meet expectations from stakeholders, including customers, shareholders and investors, business partners, employees and local communities, and promote environmentally conscious business practices and activities.

Under this management philosophy, the Group works to build stronger relationships of trust with its stakeholders. The Group achieves this by deepening mutual understanding through engagement—i.e., active dialogue and collaboration—and reflecting the opinions and requests it receives in its management and business activities.

As a sought-after chemical group that meets 21st-century social needs, the Nippon Soda Group will play a significant role in realizing the sustainable development of society, while at the same time continuing to pursue its own development. The Group will contribute to the creation of a prosperous society based on its desire to create new value through its unique technologies and products.





## Nippon Soda Group's Sustainability Management

## Global Network (as of April 1, 2025)



## Sites

- ① Head Office

## Plants

- ② Nihongi Plant
- ③ Takaoka Plant
- ④ Mizushima Plant
- ⑤ Chiba Plant

## Sales Offices

- ⑩ Sapporo Office
- ⑪ Sendai Office
- ⑫ Kanto Office
- ⑬ Osaka Office
- ⑭ Takaoka Office
- ⑮ Fukuoka Office

Group Companies in Japan<sup>1</sup>

## Chemical manufacturing

- a Nisso Fine Co., Ltd.
- b Shinfuji Kaseiyaku Co., Ltd.
- c Nisso Metallochemical Co., Ltd.

## Logistics

- d Sanwa Soko Co., Ltd.
- e Sanso Unyu Co., Ltd.

## Trading

- f Nisso Shoji Co., Ltd.
- g Nisso Green Co., Ltd.

## Engineering &amp; construction

- h Nisso Engineering Co., Ltd.
- i Nisso Kensetsu Co., Ltd.

## Research Centers

- ⑥ Research & Innovation Center
- ⑦ Haibara Field Research Center
- ⑧ Bandai Field Research Station
- ⑨ Chiba Research Center

Overseas Group Companies<sup>2</sup>

- ① Nisso America Inc.
- ② Nisso Chemical Europe GmbH
- ③ Nisso Brasileira Representação Ltda.
- ④ Nippon Soda Trading (Shanghai) Co., Ltd.
- ⑤ Certis Belchim B.V.
- ⑥ Japan Agro Services S.A.
- ⑦ Sumi Agro Ltd.
- ⑧ Novus International, Inc.
- ⑨ Iharabras S.A. Indústrias Químicas
- ⑩ Nisso Korea Co., Ltd.
- ⑪ Nisso Namhae Agro Co., Ltd.
- ⑫ Nisso Chemical India LLP
- ⑬ Bharat Certis Agriscience Ltd.

<sup>1</sup> In October 2024, Nisso Chemical Analysis Service Co., Ltd. was dissolved following its merger with Nippon Soda.

<sup>2</sup> In November 2024, we transferred all shares of Summit Agro Vietnam LLC.

## Materialities at the Nippon Soda Group

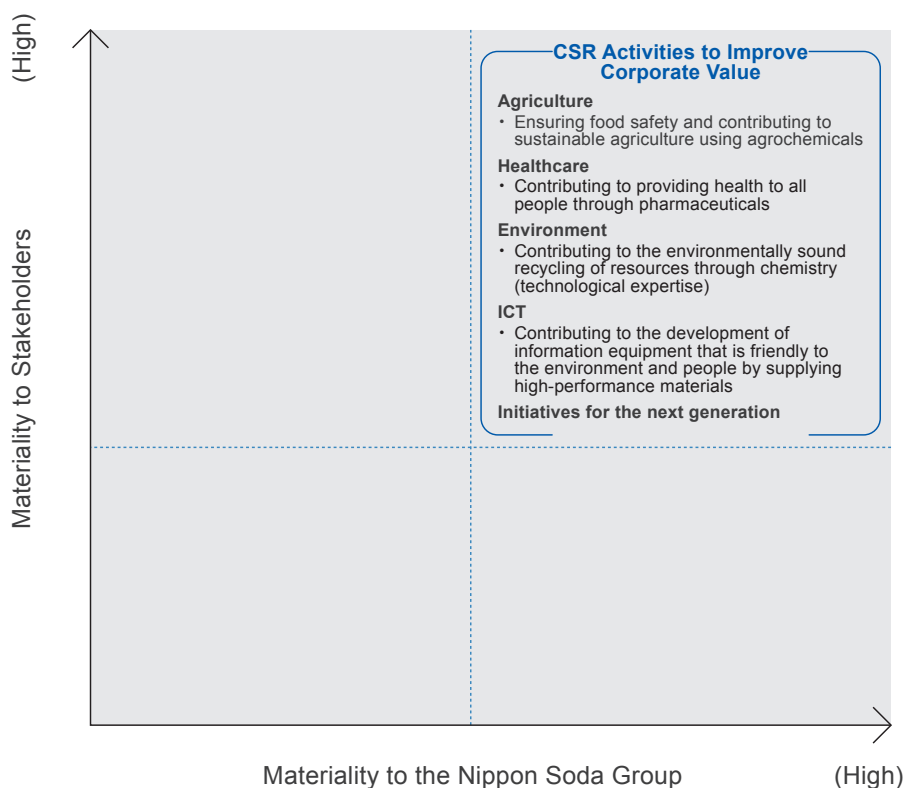
Since its establishment in 1920, the Nippon Soda Group has contributed to the development of society and provided new value through chemicals, and has supported people's everyday lives by delivering a range of chemical products and services.

In May 2020, we identified materiality (important issues) in the four fields of Agriculture, Healthcare, Environment, and ICT under the heading of CSR Activities to Improve Corporate Value to contribute to the creation of a sustainable society and increase corporate value based on the Group's long-term vision Brilliance through Chemistry 2030, and its medium-term business plan 2020–2022 Brilliance through Chemistry Stage I. As a framework for increasing the effectiveness of the Group's materiality initiatives, we will utilize the monitoring functions of CSR Activities to Protect Corporate Value and CSR Activities to Improve Corporate Value.

### • Materiality Identification Process

Sustainable growth and relevance in our long-term vision was discussed and materiality was identified through the following steps:

Step 1	Extracting megatrends, risks and opportunities
Step 2	Extracting materiality for sustainable social development and increasing corporate value (considering megatrends and the value that Nippon Soda offers)
Step 3	Confirmation of conformity with management policy and business strategy for the extracted materiality
Step 4	Approval by the Management Council and the Board of Directors

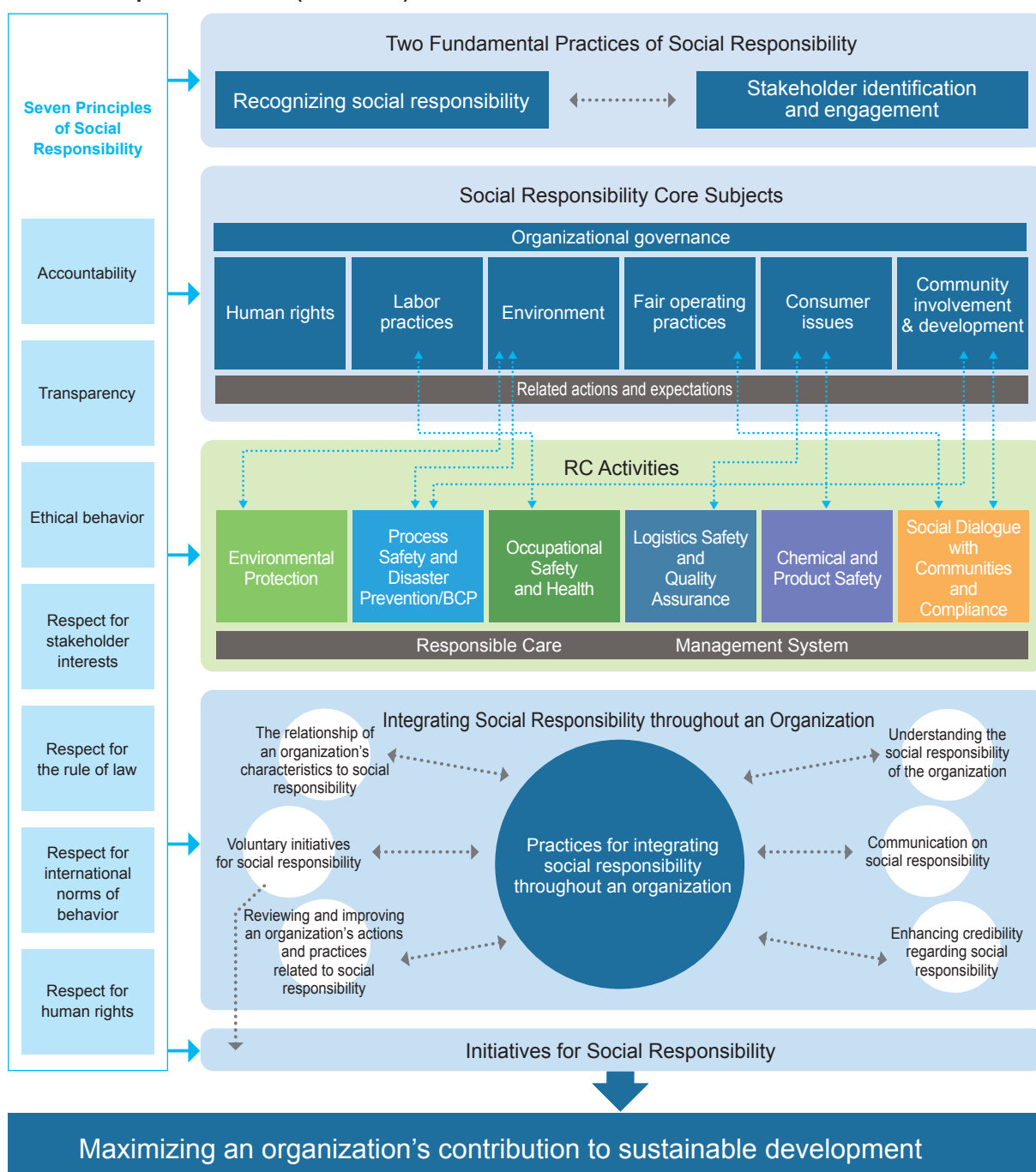


## CSR Management

### Framework for CSR Activities

The CSR activities of the Nippon Soda Group include all of the Responsible Care (RC) codes (activity items). All CSR activity items respect the seven principles of social responsibility described in the ISO 26000 standard (accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights) and Responsible Care is based on the concepts of “doing what is ethically right” and “implementing proactive measures to reduce risks” in all of our business operations, including those overseas. The seven core subjects (activity items) of social responsibility in CSR and the seven RC codes (activity items) are closely related to each other as follows.

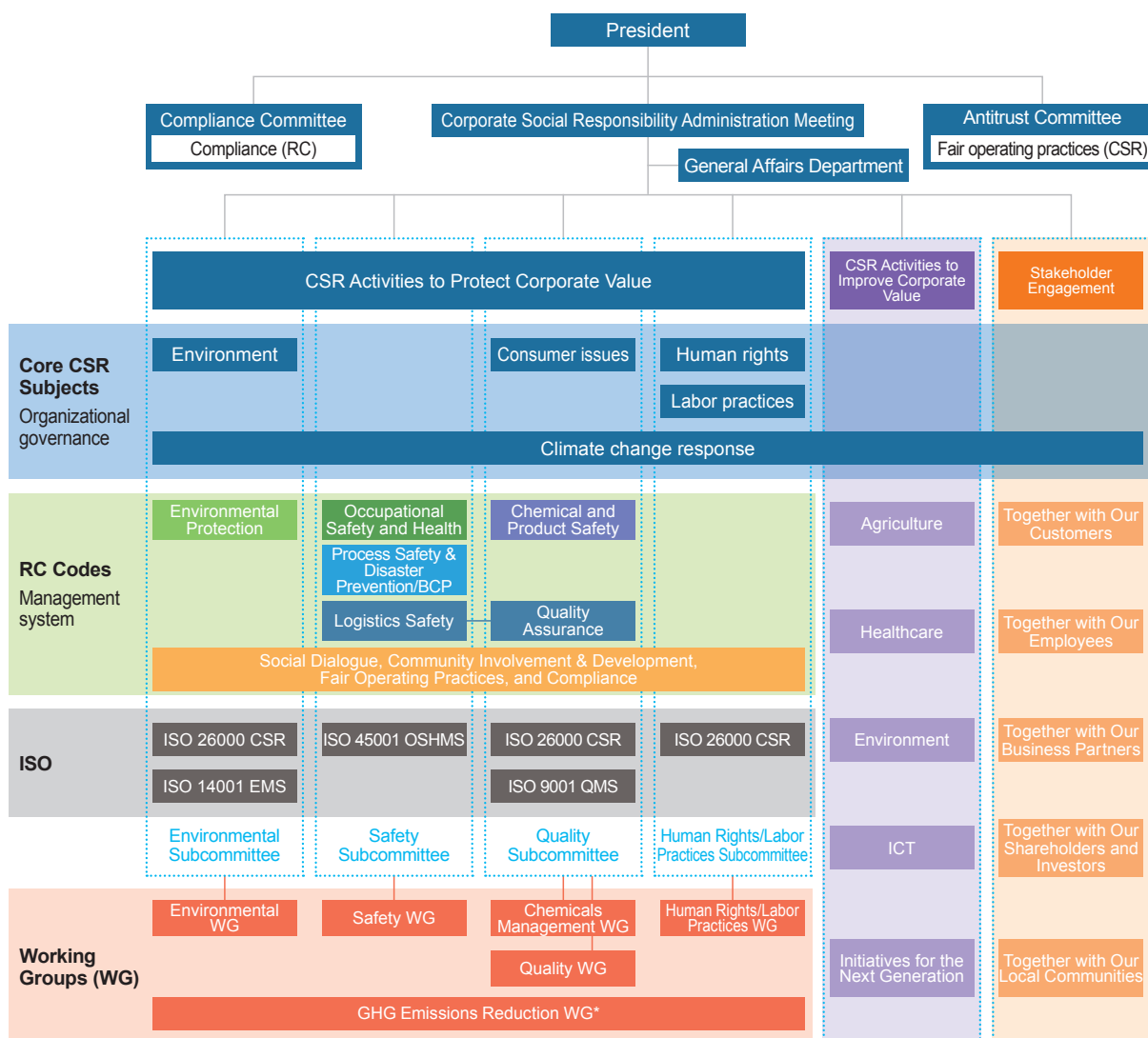
#### • Relationship between CSR (ISO 26000) and RC



## CSR Management

## CSR Promotion System

Chaired by the president of Nippon Soda, the Corporate Social Responsibility (CSR) Administration Meeting is a groupwide decision-making body that promotes CSR activities, including RC. The CSR Administration Meeting is attended by all Nippon Soda directors, executive officers, worksite managers, and officers of major domestic group companies. It is held twice a year to ensure continuous improvement through the PDCA cycle (see page 8 for details) by setting, evaluating, and reviewing targets at the management level.



The following group companies participate as members in the Corporate Social Responsibility Administration Meeting, subcommittees (Environment, Safety, Quality, Human Rights/Labor Practices), and the GHG Emissions Reduction WG.

Manufacturing: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd., Shinfuji Kaseiyaku Co., Ltd.

Non-manufacturing: Nisso Shoji Co., Ltd., Sanwa Soko Co., Ltd., Nisso Engineering Co., Ltd., Nisso Kensetsu Co., Ltd., Nisso Green Co., Ltd.

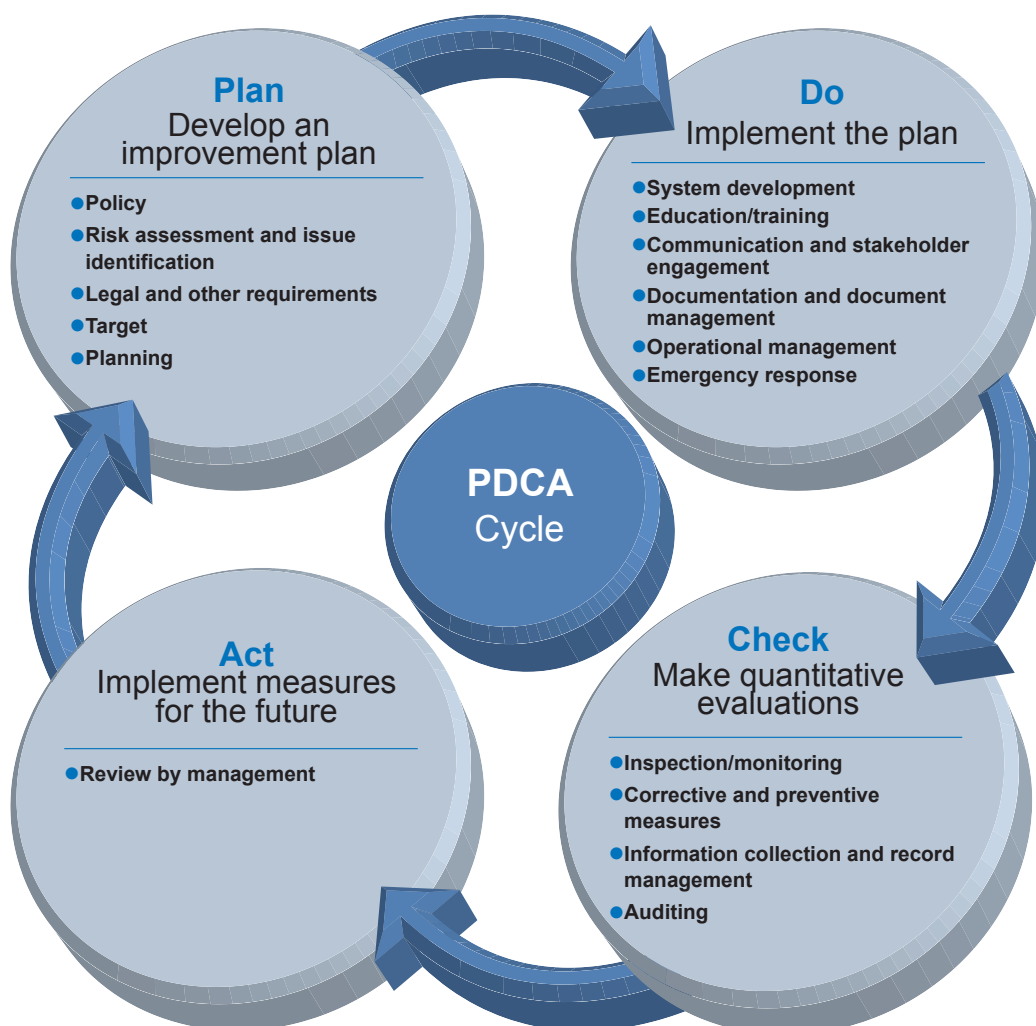
Observers: Nisso Namhae Agro Co., Ltd. (South Korea)

\* The Nippon Soda Group expressed its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in October 2022. Our GHG Emissions Reduction Working Group is advancing efforts based on these recommendations, including setting numerical targets, examining countermeasures, and verifying the effectiveness of the countermeasures.

## CSR Management

## PDCA Cycle

The Nippon Soda Group pursues its CSR activities in a systematic manner through continuous improvement based on the PDCA cycle. In order to carry out sound and transparent corporate activities in compliance with laws and ordinances, etc., each worksite is required to develop a CSR improvement plan (Plan), implement the developed plan (Do), make quantitative evaluations of both the plan and its implementation (Check), and implement measures based on quantitative evaluation results (Act) using the RC ethics and RC codes as guidelines. We also conduct a groupwide audit to assess the appropriateness of activities. We recommend that the PDCA cycle for CSR Activities to Protect Corporate Value be repeated each year. The CSR Promotion Subcommittee holds a meeting to review the progress of the PDCA cycle twice a year. The progress is also reviewed by management twice a year at the Corporate Social Responsibility Administration Meeting.



## CSR Management

## RC Audits

## Internal Audits

We collectively refer to internal audits, such as the Quality Management System (QMS), Environmental Management System (EMS) and Occupational Health and Safety Management System (OSHMS), that are conducted at each site of Nippon Soda (plants and research centers) as the “RC audit.” To investigate and evaluate whether these audits are conducted appropriately, as well as the appropriateness of audit levels across the Company, a representative from each site and staff in charge at the Head Office convene once a year to hold an RC Audit, Verification and Review Meeting. The results of internal audits are reviewed at the Corporate Social Responsibility Administration Meeting and are used to make continuous improvements.

## Regular RC Audits

Nippon Soda’s audit team conducts regular (biennial) audits of CSR practices at group companies.

## External Audits/Reviews

All worksites (plants and research centers) and manufacturing group companies undergo external reviews according to ISO 14001, ISO 9001, and ISO 45001 and diagnosis of disaster prevention capability with emphasis on disaster prevention and occupational safety by an institute specializing in disaster prevention. Based on their results, ongoing improvement efforts are made. We are also subject to appropriate governmental reviews and inspections based on various laws and ordinances, and proactively engage in efforts to address potential areas for improvement.

We proactively welcome audits by customers, who are our stakeholders, and make improvements in response to their feedback. In addition, we also undergo external audits on an as-needed basis.

## Special RC Audits

A special audit is conducted, as needed, in the event of a serious non-conformity or other serious problem under an appropriate audit system that can accommodate the situation.

## Audits and Reviews Conducted

## • Audits and Reviews Carried Out at the Nippon Soda Group in FY 2025/3 (Number of times)

Site/worksite	Audits received by the Nippon Soda Group		Audits, reviews, and inspections conducted on business partners				
	In-group audits <sup>1</sup>	External audits	Total	Contract manufacturer	Raw material manufactures	Logistics service provider	Waste treatment contractors
Head Office	7	1	7	3	4	0	0
Nihongi Plant	11	14	10	0	8	1	1
Takaoka Plant	34	4	5	0	0	3	2
Mizushima Plant	3	0	0	0	0	0	0
Chiba Plant	12	6	2	0	0	1	1
R&I Center	3	2	0	0	0	0	0
Nisso Metallochemical Co., Ltd. (Group) <sup>2</sup>	13	211	3	0	0	0	3
Nisso Fine Co., Ltd. (Group)	16	16	0	0	0	0	0
Shin Fuji Kaseiyaku Co., Ltd. (Group)	1	7	0	0	0	0	0
Total	100	261	27	3	12	5	7

<sup>1</sup> Includes worksite audits and internal audits.

<sup>2</sup> The 211 external audits of Nisso Metallochemical include 198 inspections of the company by a waste treatment contractor.



## CSR Management

## Acquisition of International Certifications and ESG Ratings

The Nippon Soda Group is committed to continuously improving its CSR activities by acquiring ISO certifications and obtaining ESG ratings from domestically and internationally recognized third-party organizations. These international standards and external assessments enable us to verify the effectiveness of our CSR activities in an objective manner and identify areas for improvement, which in turn helps us enhance the quality of our initiatives. Furthermore, by gaining a deeper understanding of the rapidly changing needs and values of the international community and ensuring a high level of transparency in the information we disclose to meet the expectations of diverse stakeholders, we are doing what we can to further improve our external evaluations.

## Status of ISO Certification Acquisition

	ISO 14001	ISO 45001	ISO 9001
Nippon Soda	75.0%	75.0%	75.0%
Nippon Soda Group	76.9%	23.1%	84.6%

\* Current as of March 31, 2025. Percentage of Nippon Soda and Nippon Soda Group (Nippon Soda and its consolidated subsidiaries) whose manufacturing facilities have acquired ISO certification. Nippon Soda's Mizushima Plant returned its ISO 14001, ISO 45001, and ISO 9001 certifications to the certification organization due to the closure of its production operations.

\* ISO 14001: An international standard for environmental management systems intended to help organizations improve their environmental performance and reduce their environmental impact.

\* ISO 45001: An international standard for occupational health and safety management systems intended to help organizations manage workplace safety and health risks and protect worker health.

\* ISO 9001: An international standard for quality management systems intended to help organizations improve customer satisfaction and achieve continuous improvements in quality.

## External ESG Ratings

**Selected as a constituent of the Somo Sustainability Index (five consecutive years)**



**Selected as a constituent of the FTSE Blossom Japan Index (three consecutive years) and FTSE Blossom Japan Sector Relative Index (four consecutive years)**



**FTSE Blossom Japan Index**



**FTSE Blossom Japan Sector Relative Index**

**Selected as a constituent of the MSCI Japan ESG Select Leaders Index**

**2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX**

\*Nippon Soda Co., Ltd.'s inclusion in the MSCI Index, and the use of MSCI's logo, trademarks, service marks, or index names in this report, does not constitute sponsorship, endorsement, or promotion of Nippon Soda Co., Ltd. by MSCI or any of its affiliates. MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are the trademarks or service marks of MSCI or its affiliates.

**Shin Fuji Kaseiyaku Co., Ltd. acquired "Gold" rating in EcoVadis sustainability survey**



## Underwent an occupational accident prevention survey

We underwent an occupational accident prevention survey (diagnosis) by Somo Risk Management Inc. (For more details, see Somo Risk Management Inc.'s Opinion on the Occupational Health and Safety Survey on p. 98)  
Nihongi Plant: December 6, 2024

## Diagnosis of disaster prevention capability

We underwent disaster prevention capability diagnoses by Somo Risk Management Inc. (For more details, see Somo Risk Management Inc.'s Opinion on Disaster Prevention Assessment Survey on p. 97)

Shin Fuji Kaseiyaku Co., Ltd.: June 7, 2024

Nisso Fine Co., Ltd. Iwaki Manufacturing Department, Onahama Plant: June 21, 2024

Nisso Metallochemical Co., Ltd. Chiba Plant: August 30, 2024

R&I Center (Odawara Area): September 27, 2024

## Third-party verification of Integrated Report and ESG Data Book

In FY 2025/3, our Head Office and Takaoka Plant underwent third-party verification by the Japan Chemical Industry Association. (For more details, see the Japan Chemical Industry Association's Third-party Verification of the Nippon Soda Group Integrated Report 2025 and ESG Data Book 2025 on p. 96)



## Agriculture



Agriculture

### Securing food and achieving sustainable agriculture



The world population is expected to reach 10 billion in 2050, and a large amount of food and feed will be required. Also, the global warming megatrend will increase the outbreak of agricultural pests.

The Nippon Soda Group supplies safe and effective agrochemicals that are highly rated around the world. We expect needs for higher levels of safety to continue increasing, so we will create new agrochemicals that are safer and more effective by using advanced synthetic technology to contribute to the world's food supply. Additionally, we will utilize information and communication technologies (ICT) and other technologies to support labor-saving pest control work and the production of high-quality crops.

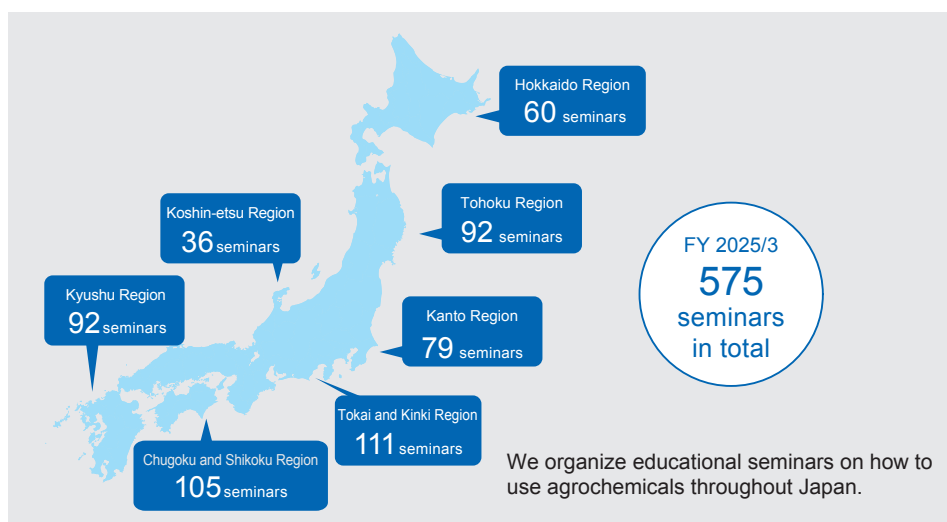
#### Materiality

### Ensuring food safety and contributing to sustainable agriculture using agrochemicals

- Contribution to the global supply of food
- Diversification of crop protection
- Streamlining and improving labor efficiency in farming production

#### KPI

##### ① Hosting of seminars



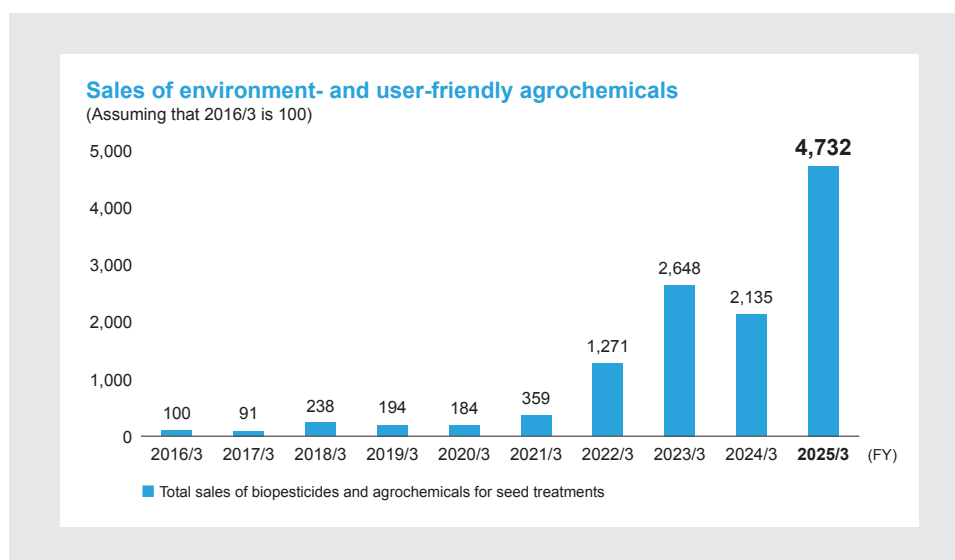
## Agriculture

## KPI

## ② -1 Current initiatives: Measures to control bacterial diseases

Nippon Soda acquired three chemical products, AGRIMYCIN, BACTICIDE and MYCOSHIELD, from Zoetis Japan Inc. in September 2018. This has enabled us to provide a greater range of information on how to control bacterial diseases in fruit trees and vegetables. As bacterial diseases are a serious problem, concerns are high. We visit those concerned to hold briefings on measures to control bacterial diseases and research trends.

## ② -2 Current initiatives: Supply of environment- and user-friendly agrochemicals



We are developing environmentally friendly biopesticides that have minimal impact on ecosystems, and expanding our business to seed treatments that reduce pesticide exposure and in turn improve user safety.

## ② -3 Current initiatives: Optimizing pest control work through use of ICT

**Results in FY 2025/3**

- We conducted 33 tests on 15 crops and 9 chemical agents in preparation for drone registration. We are currently preparing for the registration applications.
- 22 employees from sales and research acquired drone operator licenses.  
(Breakdown of 22 drone operator license holders)

Nileworks Inc. drone technology certification course: 12 (8 sales employees, 2 engineers, and 2 research staff)

Yamaha Motor Co., Ltd. drone technology certification course: 10 (4 sales employees, 1 engineer, and 5 research staff)



## Healthcare



### Healthy lives to all people



In advanced economies, health consciousness and awareness of preventive medicine are increasing due to social security cost issues and concerns about the sustainability of healthcare systems. The demand for pharmaceuticals is also increasing in emerging economies as well in tandem with improvement in living standards. NISSO HPC (hydroxypropyl cellulose), the pharmaceutical excipient supplied by the Nippon Soda Group, is widely used domestically and abroad as a binder for pharmaceutical tablets that makes medicines easier to take, and it is also being developed for use in food processing for supplements and other food products. In the future, we will continue to develop support services for high-performance products and formulation technology and actively research and develop products that contribute to improving people's health and quality of life.

#### Materiality

### Contributing to providing health to all people through pharmaceuticals

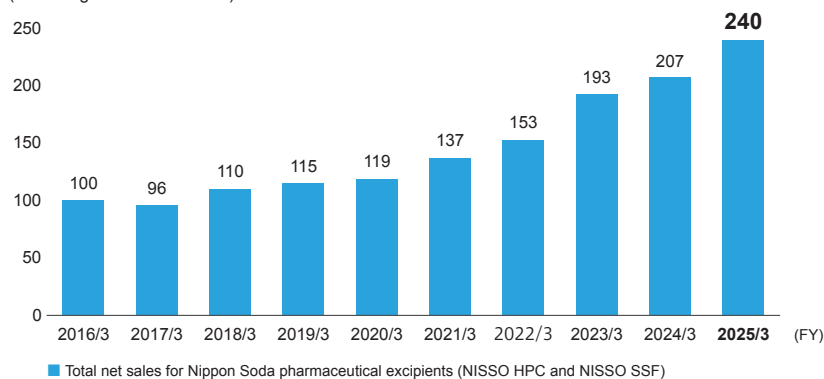
- Support services for high-performance products and formulation technologies

#### KPI

#### ① Contributions

#### Net sales in the pharmaceutical excipient business

(Assuming that 2016/3 is 100)



## Healthcare

### KPI

#### ② Hosting of seminars

#### Results in FY 2025/3

1. Seminars and experimental sessions at the Cellulose Technical Application Center (CTAC): 9 (19 participants)  
(8 in 2024/3 [42 participants])
2. Online in-house seminars and face-to-face customer interviews: 41 (193 participants)  
(66 in 2024/3 [418 participants])
3. Webinars: 2 (53 participants)  
(3 in 2024/3 [121 participants])



## Environment



### Toward a resource recycling society



Achieving a sustainable society is a goal shared around the world. Tackling environmental problems such as global warming and resource depletion will help achieve this goal, and corporations are increasingly expected to lead those efforts.

The Nippon Soda Group utilizes the water treatment technology, resource recycling technology, heavy metal removal technology, and other technologies developed over its long history, to come up with various environmental solutions and develop business. For sustainable plant protection, we are also contributing to the protection of the pine forests that are a feature of Japan's natural heritage.

#### Materiality

### Contributing to the environmentally sound recycling of resources through chemistry (technological expertise)

- Steady supply of water resources
- Reduction of environmental burden caused by waste

#### KPI

##### ① Volume of water contributed

Volume of water that can be treated with solid chlorine agents sold by Nippon Soda in FY 2025/3: 3.3 million metric tons

##### ② Current initiatives

In the field of waste treatment, at Nippon Soda we have developed and supply HIDION, a heavy metal fixing agent for fly ash treatment at waste incineration plants. Approximately 31.2 million metric tons<sup>1</sup> of waste is treated annually in Japan, and approximately 1.20 million metric tons<sup>2</sup> of fly ash is generated through the incineration process. The high quantities of lead and other heavy metals in this fly ash can pollute the environment when released as metal ions, and so by law, fly ash must undergo solubilization treatment.

In addition to demonstrating excellent heavy metal fixing performance in this process, HIDION is highly safe to handle, and has therefore received wide acclaim and been used by many incineration plants across Japan for more than twenty years.

1, 2 Calculated based on the Ministry of the Environment's "State of Discharge and Treatment of Municipal Solid Waste in 2023/3 (March 27, 2025)."



## Environment

## Materiality

## Achieving sustainable plant protection

- Protection of precious trees such as pines and cherry blossoms from harmful insects

## KPI

- ① Current initiatives: Contribution to pine forest protection and contribution to local communities

## Results in FY 2025/3

1. Training of forestry workers: We hosted a training session for forestry workers on the mechanism of pine wilt and measures to control pine wilt in the field at a forestry training facility in western Japan. We dispatched one employee on the day as an instructor to provide technical advice and answer questions from participants. (Participants: Approx. 15)
2. Technical education (pine): We participated in a training seminar on how to control pine wilt at the request of prefectures in the Chubu region. We dispatched two employees on the day as instructors to provide them with basic technical information on controlling pine wilt. (Participants: Approx. 30)
3. Technical education (cherry): We dispatched two employees to provide technical information at a booth at a symposium hosted by prefectures in the Kansai region on the red-necked longhorn beetle. This region has seen a rapid increase in damage from the red-necked longhorn beetle in recent years. We received many questions from participants and gave advice on how to better control this pest. (Participants: Approx. 100)



## Applying the functionality of chemicals to IT devices



There are growing needs for new semiconductor and circuit board materials in line with improvements in the required characteristics of generative AI, the emergence of electric vehicles and autonomous driving technologies and higher speed, larger capacity smart devices and telecommunications.

The Nippon Soda Group uses its precision polymerization technology and organic synthesis technology to provide high-performance polymers for next-generation communications device materials and photoresists for semiconductors. In addition, we are also pursuing research on organic electroluminescence materials that offer high visibility with low power consumption, and will continue to focus on developing new materials for use in a wide range of fields to meet the needs of future technological innovations.

### Materiality

## Contributing to the development of information equipment that is friendly to the environment and people by supplying high-performance materials

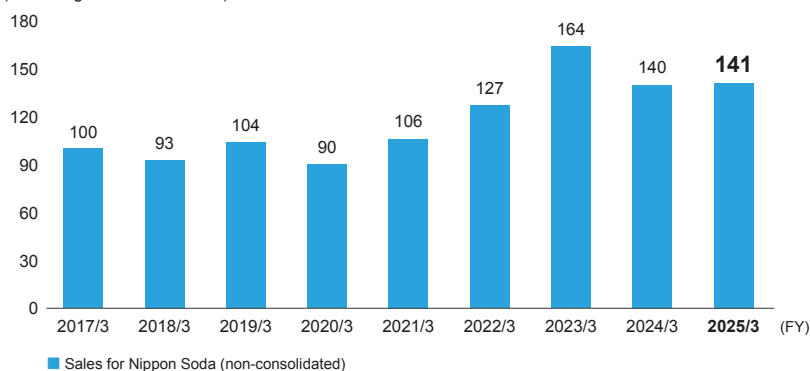
- Supply of high-performance materials that are friendly to the environment and people

### KPI

#### ① Contributed shipment value

#### Shipment value of products for electronic materials

(Assuming that 2017/3 is 100)





## Initiatives for the Next Generation

### Research and Development for the Next Generation



At Nippon Soda, we see climate change as one of the key challenges facing society. As such, in addition to the supply of low-carbon products, we are working to enhance and cultivate new technologies that can contribute to a low-carbon society. Aiming to launch new businesses in this field, on top of internal resources, we are also making use of external collaborations with partners such as those from industry and academia to drive research and development.

#### Materiality

#### Achieving a low-carbon society

- Contribution by supplying low-carbon products

#### KPI

##### ① Current initiatives

#### Introduction of continuous flow synthesis technologies

Continuous flow synthesis technologies are garnering attention for use in manufacturing methods that can contribute to the achievement of a highly energy efficient, low-carbon society. Aiming to implement these technologies, we are participating in the corporate sponsored Green Material Conversion research program led by the University of Tokyo, and are working with the university and Active Pharma to strengthen the relevant technologies.

#### Biomanufacturing

Biomanufacturing and other innovative technological developments will play an essential role in efforts to achieve a low-carbon society. As part of our commitment to advancing biomanufacturing through the integration of digital and biotechnologies, we have invested in Bacchus Bio innovation Co., Ltd., a company focused on introducing this technology into society. We are also working with startups and universities to enhance the efficiency of material production using microorganisms and create new useful substances in the agriculture and healthcare sectors.

We will use biomanufacturing as a means to take on challenges in areas where conventional chemical synthesis is not feasible. In doing so, we will contribute to the supply of low-carbon products by breaking away from dependence on fossil fuels and transitioning from high-temperature, high-pressure manufacturing processes.

Additionally, we will seek to strengthen and develop technologies for utilizing bioresources based on our research and technology strategy Brilliance through Chemistry 2030. We will also collaborate with universities and startups to promote cross-disciplinary exchanges among researchers, focusing our efforts on nurturing the next generation of researchers driven by curiosity and passion.

Through technological innovation, we will continue to achieve a balance between sustainable economic growth and environmental conservation, thereby contributing to the creation of a low-carbon society.

## Initiatives for the Next Generation

## Materiality

## Forming partnerships to achieve goals that cannot be accomplished by the Nippon Soda Group alone

- Sharing philosophies for the goals and cooperating with other companies and organizations

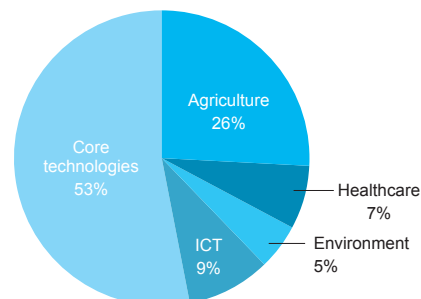
## KPI

## ① Current initiatives

To strengthen and expand our existing businesses, and to create new businesses, it is essential that we engage in open innovation to make use of external research resources and technologies in addition to our own. As such, we are promoting R&D through collaboration with external institutions in industrial and academic circles.

In FY 2025/3, we worked with 27 external research institutes (including 23 universities) to promote a range of R&D themes.

## Nippon Soda's collaboration themes with external institutions



## Initiatives for the Next Generation

## Materiality

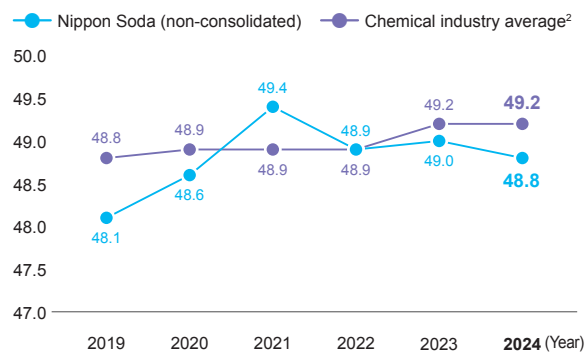
## Research and development for the next generation

- Research and development that enables the continuing development of human society and the global environment, and that leads to business

## KPI

## ① Status of research and development

To achieve our long-term vision Brilliance through Chemistry 2030, we are working on the development of new products and the creation of new businesses. We believe that owning high-quality intellectual property rights are essential for launching new products, increasing our market share, and entering new business domains. As such, we are actively filing patent applications for the new inventions that arise from our research and development, and building an intellectual property portfolio.

Average patent score<sup>1</sup>

Data aggregation date: December 31 each year

1. Patent scores are numerical indicators of the level of attention a patent receives. The higher the patent score, the higher its market profile. Furthermore, the higher the average score of a patent portfolio, the higher the quality of said portfolio. Average patent scores have been calculated using Biz Cruncher, a program offered by Patent Result Co., Ltd.
2. Chemical industry averages have been calculated based on the 82 companies listed on the Tokyo Stock Exchange under the Chemicals sector (one of the 33 sectors on the TSE).

## Initiatives for the Next Generation

## Training programs centered on experiential learning (NTTC: Nisso Technical Training Center)

Nippon Soda established the Nisso Takaoka Academy (NTA) within its Takaoka Plant in 2016. In 2020, we reorganized and expanded NTA into the Nisso Technical Training Center (NTTC) on land adjacent to the Takaoka Plant. This comprehensive safety training facility, which includes enhanced hazard simulation equipment, serves not only Nippon Soda employees but also employees from all group companies. In addition to all new employees working in manufacturing roles, NTTC also provides refresher training for manufacturing employees in their 5th, 10th, 15th, and 20th years at the company.

Training at this facility gives participants the opportunity to gain firsthand experience of hazards in a safe environment. This distinctive approach focuses on instilling safety actions in a way that they become second nature—replacing knowledge with instinct—by having participants internalize safety protocols through direct physical experience. The training replicates dangerous operations encountered in actual workplaces within the facility, enabling participants to learn how to ensure safety through mutual communication. Furthermore, NTTC works together with all business sites to enhance safety awareness by disseminating a variety of safety-related education and evaluation methods. In this way, we are cultivating leaders who will spearhead efforts to eliminate accidents.

### Materiality

### Developing human resources for the next generation

- Educational system to foster a culture of safety for the future

### KPI

#### ① Training initiatives

#### Manufacturing training programs (April 1, 2024–March 31, 2025)

—: No eligible employees

	Nihongi Plant	Takaoka Plant	Mizushima Plant	Chiba Plant	Research & Innovation Center	Group companies
Training based on length of service	13	7	1	4	8	9
First-year training	3	4	2	—	—	1
Second-year training	3	11	—	6	—	1
Third-year training	11	22	—	5	—	—
Fifth-year training	2	8	—	1	—	—
Tenth-year training	—	6	—	—	—	—
Fifteenth-year training	—	—	—	—	—	—
Worksite training	—	—	—	—	—	7
Partner company training	—	118	—	—	—	—
Total	32	176	3	16	8	18

#### Main training programs for safety

- Safety training: Special safety education for oxygen deficiency, concrete methods related to the four safety cycles, how to handle steam, operation of forklifts, how to handle organic solvents, experience with solvent combustion explosions due to static electricity, experience with exposure to liquid chemicals, and how to handle air breathing apparatus
- Maintenance/instrumentation training: Machine maintenance, how to read engineering flow diagrams (EFD), electricity, instrumentation/measuring, and how to handle electric tools
- Field work training: How to use tools/instruments correctly, installation/removal of flanges, testing airtightness of pipes, and plumbing assembly/removal
- Practical safety education: Simulation of hazards associated with working at heights, slinging work and other hazards, rotating machines, and electricity, and education associated with working in tanks, VR experiences (working at heights and with stepladders, etc.), operating drones, and more



## Initiatives for the Next Generation

### Objective of the session

To acquire basic knowledge and learn about basic machine structure to improve safety awareness.

Group meetings



Simulation of working in tanks



Simulation of being caught in a roller



Simulation of equipment catching fire and exploding



Simulation with a 30 kg dummy falling from a height



Simulation of exposure to liquid chemicals



VR simulations



Simulation of working at heights



## Environmental Protection

As work to tackle global issues such as global warming and resource depletion advances, shifts in the structure of industry are becoming more apparent. At the Nippon Soda Group, in addition to helping solve these challenges facing society by creating new value through the power of chemistry, we are engaging in environmental protection activities to minimize the negative impact of our own business. By ensuring the continuous development of our business through such initiatives, we are aiming to achieve a sustainable society and improve our corporate value.

### Policy

- **Responses to climate change issues**

We support the Paris Agreement and will take action to reduce our greenhouse gas emissions by transitioning to renewable energy and promoting energy conservation, with the aim of achieving carbon neutrality by 2050.

- **Compliance with environmental laws and regulations**

We are committed to environmental protection through compliance with environmental laws and regulations.

- **Construction of an environmental management system**

At our Nippon Soda plants, we have put in place and operate an environmental management system (EMS) compliant with the international standard ISO 14001. By establishing manufacturing processes that reduce our environmental footprint and conserve energy, we endeavor to ensure a balance between environmental conservation and high productivity.

- **Promotion of resource recycling**

We recognize that the sustainable use of Earth's finite resources is a critical issue affecting the management of the Company. Therefore, we will take measures to conserve resources and maximize resource efficiency, while also reducing waste emissions and promoting recycling.

- **Prevention of environmental pollution**

We do our utmost to cut emissions of environmental pollutants, as well as limit air pollution caused by exhaust gases during processes from raw material intake to storage, manufacturing, and transportation.

- **Water resources conservation**

We take a variety of measures to promote the sustainable use of water resources. These include reducing water consumption, wastewater discharge, and wastewater treatment volumes; preventing water pollution; and developing products and technologies that are water-resource conscious. We also work to identify regions within our supply chain with elevated water risks and take concrete steps to reduce water consumption in those areas.

- **Preservation of biodiversity**

We assess and reduce the impacts of our business activities on biodiversity and ecosystems, and promote conservation activities.

## Environmental Protection

## ► FY 2025/3 targets and achievements levels (KPIs)

(Achievement levels ●: ≥ 90% ●: 80–90% ○: 60–80% ×: ≤ 60%) Red text: KPIs

Nippon Soda Group FY 2025/3 targets	Nippon Soda (non-consolidated) FY 2025/3 achievements	Evaluation
1. Environmental issues		
1) Zero events	Not achieved: 2 events • Nihongi Plant: Monitoring well water exceeded standard values • Takaoka Plant: Wastewater BOD values exceeded the values agreed upon with Takaoka City	×
2. Energy		
1) Energy intensity (excluding logistics): Annual improvement of 1% (based on production volume)	Not achieved: 0.5185 kL/t (0.6% increase year on year) (deterioration of energy efficiency due to reduced production at the Mizushima Plant and the Chiba Plant)	×
2) Energy intensity in logistics: Annual improvement of 1% (based on sales)	• Achieved: 0.0093 kL/million yen (14% decrease year on year)	●
3. Reduction in greenhouse gas emissions (GHG)		
1) Nippon Soda Group GHG emissions: 20% or more reduction by FY 2026/3 30% or more reduction by FY 2031/3 (compared with FY 2014/3)	• Achieved: 108,871 t (16% decrease year on year; 43.6% decrease compared with FY 2014/3)	●
2) Elimination of issues related to fluorocarbon leaks	• Conducted periodic inspections and maintenance of fluorocarbon equipment	●
4. Water resources conservation		
Monitor water resources and promote efficient water use	• Promoted efficient use of water resources (compliance with regulatory and agreed values and efficient use)	×
5. Industrial waste		
1) Amount of final disposal at landfill: Annual reduction of 3%	• Achieved: 24 t (14% decrease year on year)	●
2) Continuation of zero emissions: 2% or less	• Achieved: 0.2%	●
3) Reduction of waste plastic, etc.	• Promoted emissions reductions and recycling	●
6. Emissions of harmful substances into the atmosphere		
• Emissions of VOCs into the atmosphere: Annual reduction of 1%	• Achieved: 3.8 t (26% decrease year on year)	●
7. Biodiversity		
• Reduction of impact on ecosystems	• Chiba Plant, R&I Center (Odawara), Nihongi Plant: Continued implementation (See p. 32-34 for details) • Joined Honeybee Friendship Plan (Takaoka Plant, Chiba Plant, R&I Center (Haibara))	●

## Environmental Protection

## Responses to Climate Change Issues

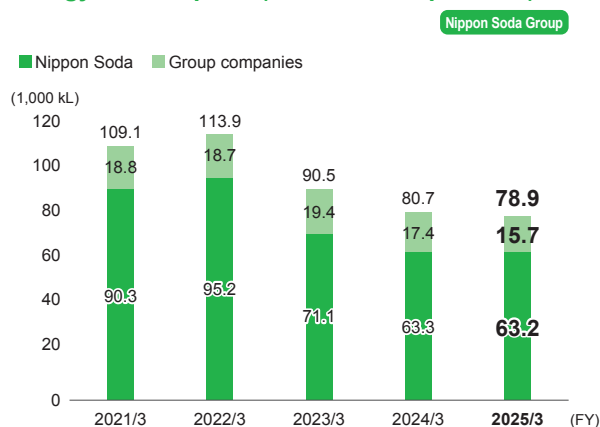
Efforts to prevent global warming are critical. Nippon Soda participates in the Keidanren Carbon Neutrality Action Plan, a voluntary action plan promoted by Keidanren (Japan Business Federation). Under the action plan, we are promoting energy saving to achieve the greenhouse gas (GHG) emissions reduction targets.

We have also set medium- to long-term reduction targets, aiming to reduce the Group's GHG emissions by 20% or more by FY 2026/3 (compared with FY 2014/3), reduce Scope 1 and 2 emissions by 42% or more and Scope 3 emissions by 25% or more by FY 2031/3 (compared with FY 2023/3), and achieve net-zero Scope 1, 2, and 3 emissions by FY 2051/3.

## ► Reduction of energy consumption and greenhouse gas emissions

We are engaged in a wide range of measures to reduce our energy intensity. These efforts include replacing our aging equipment with high-efficiency equipment, streamlining and increasing labor efficiency in our production process, and implementing energy-saving measures. Furthermore, we use the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas (GHG) Emissions Throughout the Supply Chain when calculating GHG emissions from our business activities (Scope 1, Scope 2) as well as indirect emissions from outside our business activities (Scope 3). In this way, we work to reduce emissions throughout the supply chain.

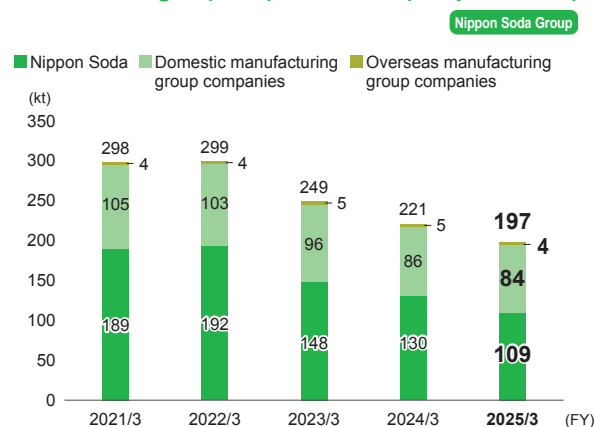
## Energy consumption (in crude oil equivalent)



\* Calculations cover the following.

Nippon Soda: Head Office, four plants, one research center, and six sales offices.  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd., Shinfuji Kaseiyaku Co., Ltd.  
Domestic non-manufacturing group companies: Nisso Shoji Co., Ltd., Sanwa Soko Co., Ltd., Nisso Engineering Co., Ltd., Nisso Kensetsu Co., Ltd., Nisso Green Co., Ltd.  
Overseas manufacturing group companies: Nisso Namhae Agro Co., Ltd.

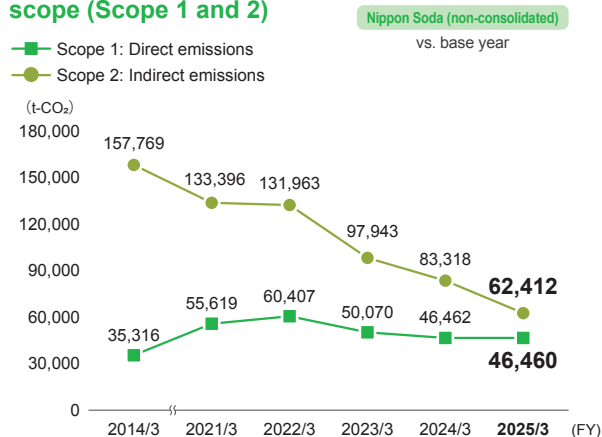
## Greenhouse gas (GHG) emissions (Scope 1 and 2)



\* Calculations cover the following.

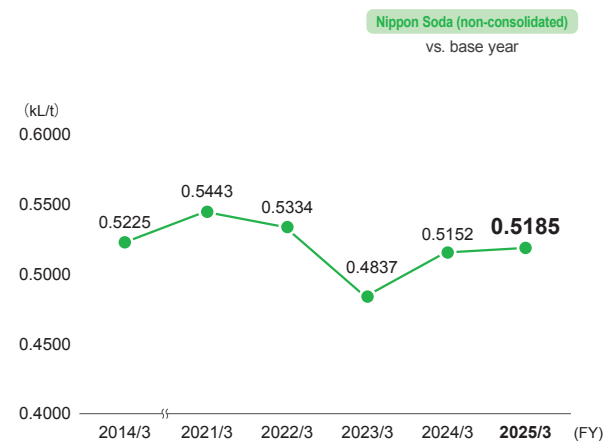
Nippon Soda: Head Office, four plants, one research center, and six sales offices.  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd., Shinfuji Kaseiyaku Co., Ltd.  
Overseas manufacturing group companies: Nisso Namhae Agro Co., Ltd.

## Change in greenhouse gas (GHG) emissions by scope (Scope 1 and 2)



\* Calculations cover Nippon Soda's Head Office, four plants, one research center, and six sales offices.

## Change in energy intensity



\* For the Nihongi Plant and Chiba Plant we have used the "standard product conversion method," and for the Takaoka Plant and Mizushima plant the "simple production output method." Calculations cover Nippon Soda's Head Office, four plants, one research center, and six sales offices.

## Environmental Protection

## Greenhouse Gas Emissions throughout the Supply Chain

(Unit: t-CO<sub>2</sub>)

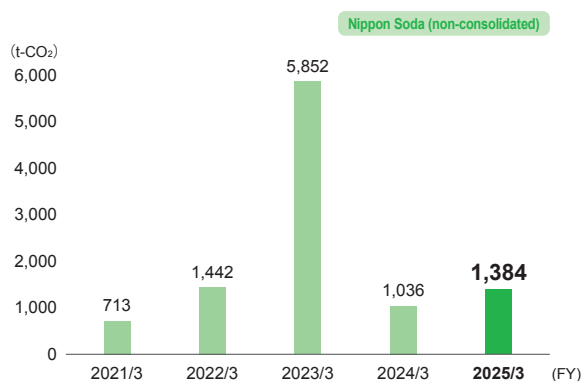
Scope 1 emissions		46,460	Scope 2 emissions		62,412
Scope 3 emissions		164,305			
Category 1	Purchased raw materials/services	135,758	Category 9	Transport and delivery (downstream)	Not calculated
Category 2	Capital goods	23,339	Category 10	Processing of sold products	Not calculated
Category 3	Fuel, etc., not included in Scope 1 or 2	Not calculated	Category 11	Use of sold products	Not calculated
Category 4	Transport, delivery (upstream)	3,155	Category 12	Disposal of sold products	Not calculated
Category 5	Waste generated from business	Not calculated	Category 13	Leased assets (downstream)	None
Category 6	Business trips	1,773	Category 14	Franchise	None
Category 7	Employee commuting	280	Category 15	Investment	Not calculated
Category 8	Leased assets (upstream)	None			

Note: Figures are calculated based on the Ministry of the Environment's "Emission Factor Database for calculating greenhouse gas emissions, etc., by organizations throughout the supply chain (ver. 3.5)."

## ► Actions to conform to the Fluorocarbons Emission Control Act

To comply with the Fluorocarbons Emission Control Act, we implement periodic inspections by those with expertise, simplified inspections by inspection managers, measures to prevent fluorocarbon emissions, and other required activities at one worksite at a time.

## Calculated emissions of fluorocarbons



\* Calculations cover Nippon Soda's Head Office, four plants, one research center, and six sales offices.

Note: In FY 2023/3, emissions in CO<sub>2</sub> equivalent increased due to the additional filling of large-scale equipment using refrigerant with high global warming potential.

► Forestry activities and CO<sub>2</sub> absorption

Forests play key roles as carbon sinks in the prevention of climate change. Nisso Shoji Co., Ltd. owns approximately 56 hectares of land near the headwaters of the Keta River, a tributary of the Tenryu River. Here, based on afforestation and superficies rights agreements, Shizuoka Prefecture is engaged in the creation and management of a manmade Japanese cedar and cypress forest. In addition to being designated a headwater conservation forest, the forest has also acquired FSC\* certification in recognition of sustainable forest management. In this way, the Group is contributing to healthy forest development.

\* The Forest Stewardship Council® is an international non-profit organization that aims to promote responsible management of forests worldwide. FSC certification shows that an independent third-party organization has recognized that appropriate management systems are in place to ensure forest conservation.

## ► Use of renewable energy

At the Nihongi Plant, we draw industrial water from a nearby river and use the difference in elevation when returning it to the river for small-scale hydroelectric power generation. Since its construction in 1940, the plant has been effectively using this energy in its production activities. Moving forward, we will carefully maintain the power generation facilities at the plant as a stable source of renewable energy.



## Environmental Protection

We purchase renewable electricity to help reduce our GHG emissions. At the Takaoka Plant, in FY 2024/3, we replaced the equivalent of 10% of electricity used in the plant with renewable electricity, which we increased to 20% in FY 2025/3. Going forward, we plan to continue increasing this ratio further. In addition, at the Nihongi Plant, starting in FY 2025/3, we have replaced 100% of the electricity used within the plant with power derived from renewable energy sources.

At the Chiba Plant, we installed solar panels within the plant grounds in the second half of FY 2025/3. The installation of solar power generation systems will enable an annual reduction in CO<sub>2</sub> emissions of 1,140 t.

In January 2024, the JP Tower, where our Head Office is located, introduced the Green Basic Plan\* offered by TEPCO Energy Partner, Inc. This will ensure net-zero CO<sub>2</sub> emissions from electricity used at the building. Moving forward, we will accelerate our efforts for decarbonization through further examinations of the introduction of renewable energy at other worksites.

\* Green Basic Plan: An electricity plan from TEPCO Energy Partner, Inc. that supplies electricity derived from renewable energy sources such as solar, wind, and hydro power, to ensure net-zero CO<sub>2</sub> emissions.



Small hydropower facilities of the Nihongi Plant



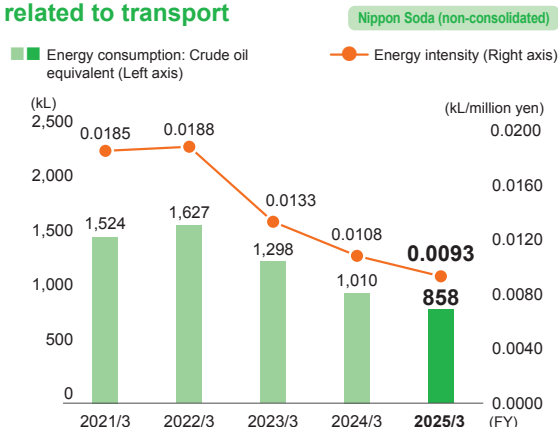
Solar panels at the Chiba Plant

### ► Promotion of energy saving by the Logistics Department

At Nippon Soda, we are working to reduce the energy intensity in our Logistics Department. In FY 2025/3, we undertook a modal shift, in which we switched product transportation from the Takaoka Plant (Toyama Prefecture) to various locations from dedicated truck transport to rail transport. This move not only resulted in a reduction of 472 metric tons (73%) in CO<sub>2</sub> emissions but also ensured a stable transportation capacity in response to the so-called 2024 problem, when there was a shortage of truck drivers, and helped streamline the labor-intensive task of securing trucks, which previously required significant time and effort. Furthermore, we received recognition as a business operator that has succeeded in significantly reducing its environmental impact, saving energy, and improving transport efficiency. Together with Seino Transportation Co., Ltd., we were awarded the Encouragement Prize at the 26th Logistics Environment Awards hosted by the Japan Association for Logistics and Transport.

We will continue working to improve logistics efficiency and reduce environmental burden through measures such as modal shifts in transportation, reducing the frequency of trips by using larger transport containers, and adjusting distribution routes. In 2013, our modal shift initiatives were highly acclaimed, and we were certified with the Eco Rail Mark from the Ministry of Land, Infrastructure, Transport and Tourism.

### Energy consumption and energy intensity related to transport



\* Calculations cover Nippon Soda's Head Office, four plants, one research center, and six sales offices.





## Environmental Protection

## Effective Use of Resources and Reduction of Industrial Waste

We participate in the Voluntary Action Plan for Establishing a Sound Material-Cycle Society promoted by Keidanren (Japan Business Federation). Under the action plan, we promote industrial waste reduction to achieve the target amount of reduction in the final disposal of industrial waste at landfill.

### ► Proper management of industrial waste and reduction of the final disposal of industrial waste at landfill

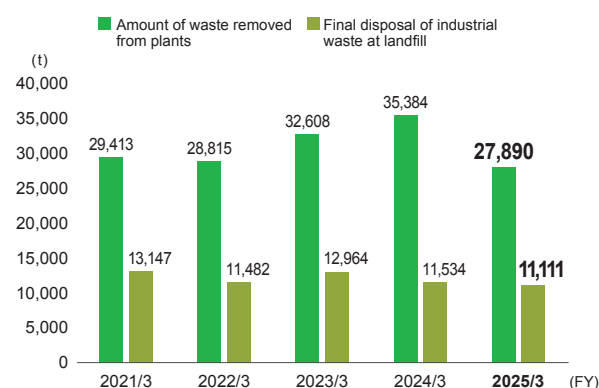
As one of its efforts to help build a sound material-cycle society, Nippon Soda reduces the amount of industrial waste emissions from a long-term perspective and, at the same time, promotes the recycling of industrial waste items and implements other measures to reduce the final disposal amount of industrial waste at landfill.

### ► Zero emissions

In FY 2025/3, Nippon Soda continued to achieve zero emissions.\* We will promote the further reduction of industrial waste to continue achieving zero emissions.

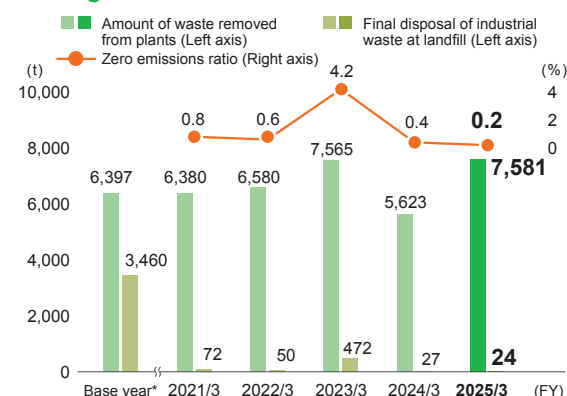
\* When the ratio of the amount of final disposal of industrial waste at landfill compared with the amount transported to the industrial waste disposal facility is small. We define "Zero emissions" to be when the ratio of landfill waste is 2% or less.

#### Amount of industrial waste generated Nippon Soda Group



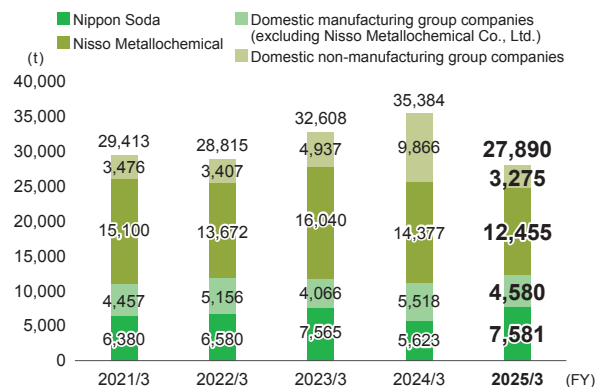
\* Calculations cover the following.  
Nippon Soda: Four plants and one research center  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd., Shinfuji Kaseiyaku Co., Ltd.  
Domestic non-manufacturing group companies: Sanwa Soko Co., Ltd., Nisso Kensetsu Co., Ltd., Nisso Green Co., Ltd.

#### Change in the amount of industrial waste generated Nippon Soda (non-consolidated) vs. base year



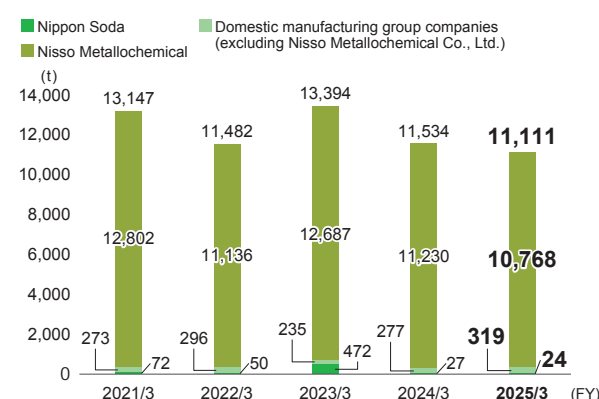
\* Calculations cover Nippon Soda's four plants and one research center.  
Base year of the amount of waste removed from plants: FY 1996/3  
Base year of the amount of final disposal at landfill: FY 1997/3  
The amount of waste removed from plants does not include the waste sludge of the activated sludge process at Takaoka Plant (which is treated with microbial autolysis at an external facility).  
In FY 2025/3, waste emissions increased owing to such factors as the disposal of excavated soil from the expansion project at the Nihongi Plant and the disposal of raw materials following the closure of the Mizushima Plant.

#### Amount of waste removed from plants Nippon Soda Group



\* Calculations cover the following.  
Nippon Soda: Four plants and one research center  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd., Shinfuji Kaseiyaku Co., Ltd.  
Domestic non-manufacturing group companies: Sanwa Soko Co., Ltd., Nisso Engineering Co., Ltd., Nisso Kensetsu Co., Ltd., Nisso Green Co., Ltd.

#### Final disposal of industrial waste at landfill Nippon Soda Group



\* Calculations cover the following.  
Nippon Soda: Four plants and one research center  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd., Shinfuji Kaseiyaku Co., Ltd.

## Environmental Protection

## ► PCB (polychlorinated biphenyl) waste

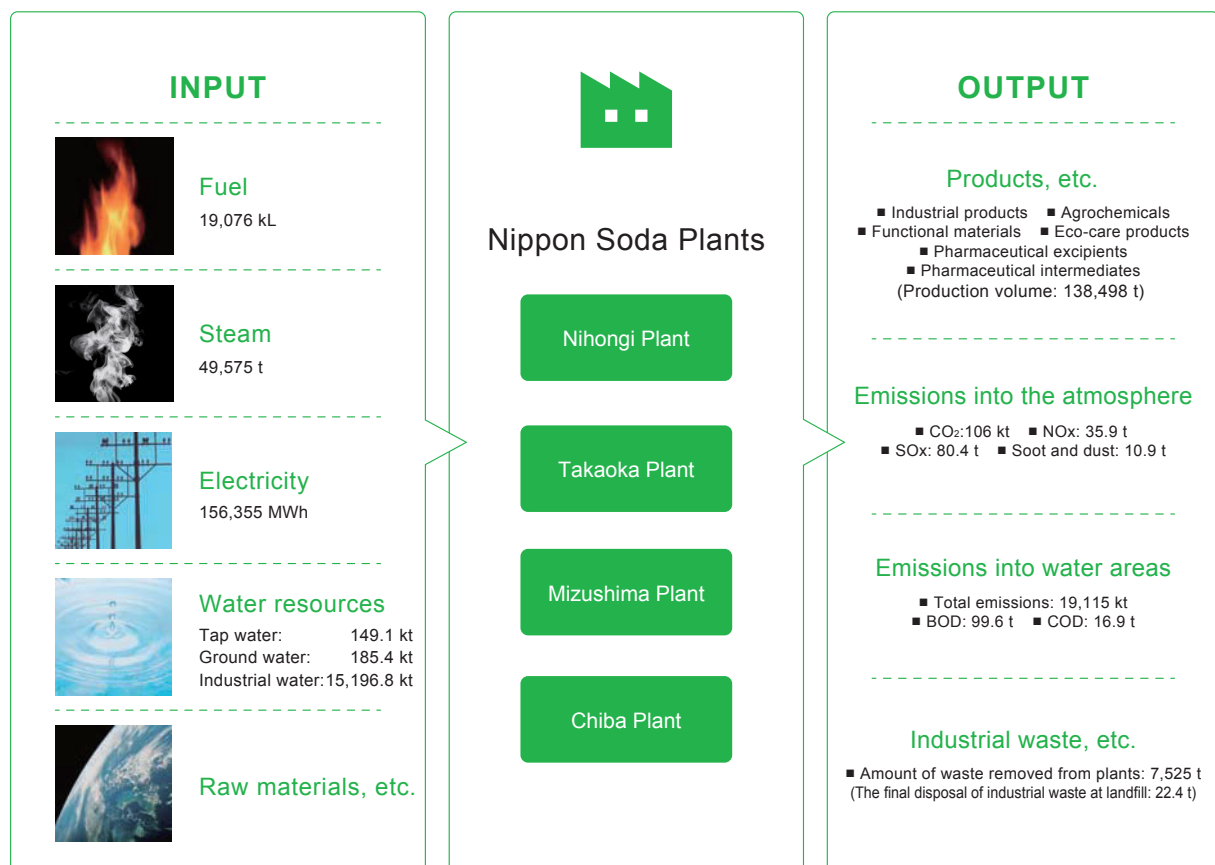
Each Nippon Soda site properly stores and manages condensers, transformers, mercury lamp ballasts, and other items which contain PCBs and disposes of them appropriately and systematically in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, which was revised in 2016.

## ► Creating a circular economy society through public-private partnership

Bandai Town (Yama District, Fukushima Prefecture) is actively working toward decarbonization and sustainable community development. The town has signed a comprehensive partnership agreement with local businesses, including Nisso Metallochemical Co., Ltd., to collaboratively promote the establishment of a circular economy society. Under this agreement, Nisso Metallochemical Co., Ltd. aims to contribute to the town's development by participating in waste reduction and resource recycling initiatives within Bandai Town. This initiative, which leverages the agility unique to small municipalities, is expected to serve as a model case that can be implemented in similar regions throughout Japan.

## Major environmental impact data

The environment impacts of Nippon Soda's four major plants in Japan in FY 2025/3 are shown in the figure below:



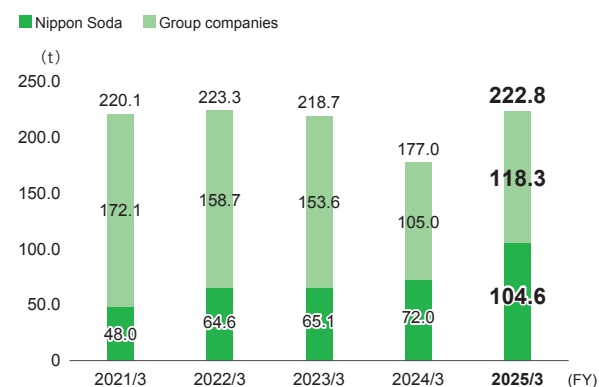
## Environmental Protection

## Atmosphere and Water Quality Conservation

Nippon Soda implements various measures to protect the atmosphere and water quality, such as reducing emissions of chemical substances subject to the PRTR system and reducing emissions of harmful substances into rivers and other bodies of water, in accordance with the Air Pollution Control Act, the Water Pollution Prevention Act, and the latest regulatory trends.

## ► Reduction of chemical substances specified by the PRTR System

We are making efforts to reduce emissions of Class I Designated Chemical Substances specified by the PRTR System, one of two sections contained in the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof.

Emissions of substances specified by the PRTR system Nippon Soda Group

\* Calculations cover the following.  
Nippon Soda: Four plants and one research center  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd.

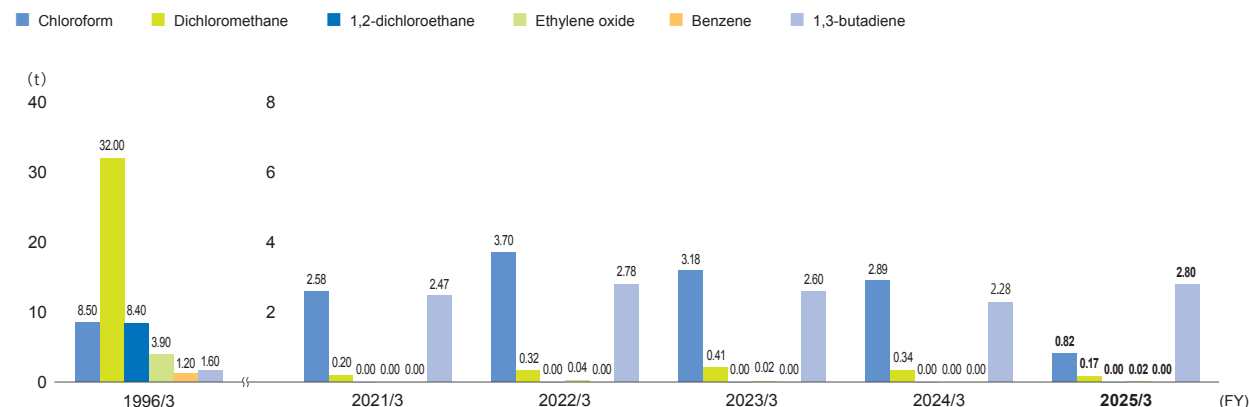
## ► Reduction of emissions of harmful substances into the atmosphere

Twelve chemicals among those categorized as priority substances under the Air Pollution Control Act are designated as voluntarily controlled chemical substances by the Japan Chemical Industry Association (JCIA). Of the twelve chemicals, the Company currently handles the following six substances: chloroform, dichloromethane, 1,2-dichloroethane, ethylene oxide, 1,3-butadiene and benzene. We are implementing measures to reduce the emissions of these six substances.

## Atmospheric emissions of main voluntarily controlled chemical substances (aimed at reducing emissions of VOCs)

Nippon Soda (non-consolidated)

vs. base year



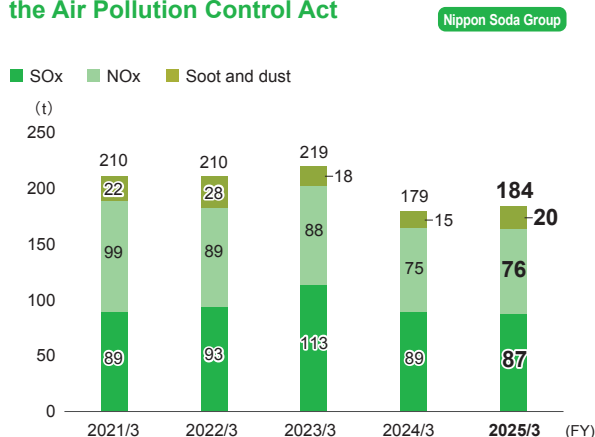
\* Calculations cover Nippon Soda's four plants and one research center.

## Environmental Protection

### ► Reduction of air pollutant emissions

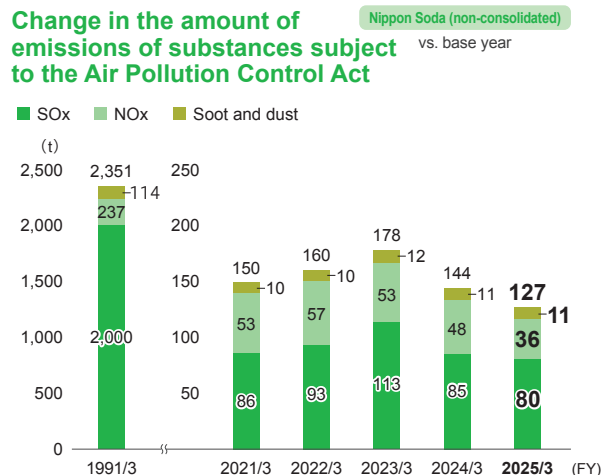
Nippon Soda promotes the reduction of emissions of sulfur oxide (SOx), nitrogen oxide (NOx), and soot and dust. Emissions of these substances from stationary sources are controlled under the Air Pollution Control Act.

#### Amount of emissions of substances subject to the Air Pollution Control Act



\* Calculations cover the following.  
Nippon Soda: Four plants  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd.,  
Nisso Fine Co., Ltd.,

#### Change in the amount of emissions of substances subject to the Air Pollution Control Act

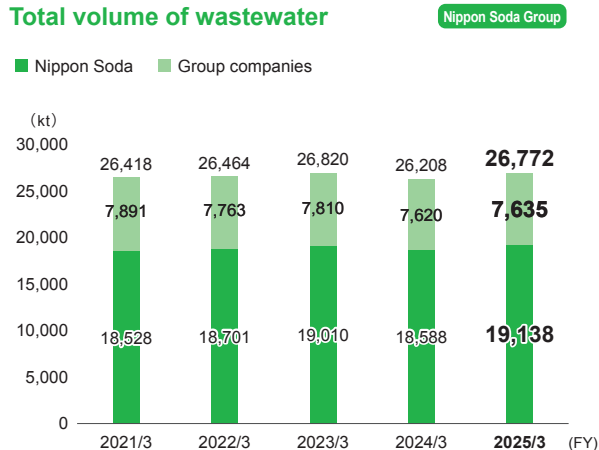


Calculations cover Nippon Soda's four plants.

### ► Reduction of wastewater discharge and harmful substance emissions into rivers and other bodies of water

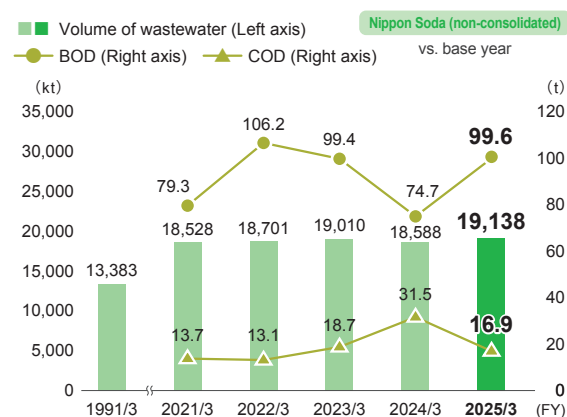
Nippon Soda has made its voluntary standards stricter than the national regulatory values and the standard values agreed with local municipalities. Based on these strict values, we manage water quality through the monitoring of pollutants and purification at wastewater treatment plants.

#### Total volume of wastewater



\* Calculations cover the following.  
Nippon Soda: Four plants and one research center  
Domestic manufacturing group companies: Nisso Metallochemical Co., Ltd.,  
Nisso Fine Co., Ltd.  
Overseas manufacturing group companies: Nisso Namhae Agro Co., Ltd.

#### Total volume of wastewater and of BOD and COD

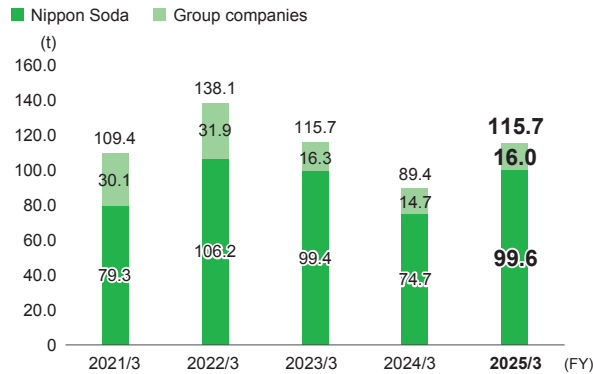


\* Calculations cover Nippon Soda's four plants and one research center.

## Environmental Protection

### BOD associated with wastewater

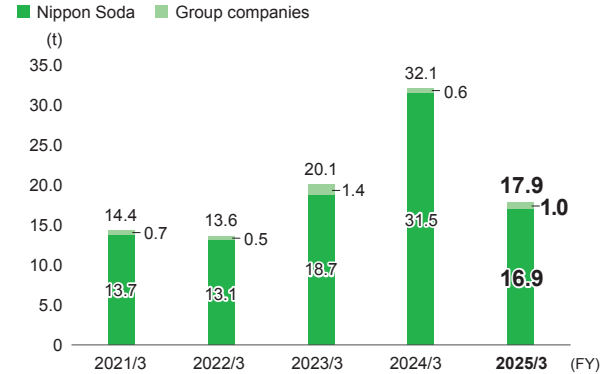
Nippon Soda Group



\* Calculations cover the following.  
Nippon Soda: Two plants  
Domestic manufacturing group companies:  
Nisso Metallochemical Co., Ltd., Nisso Fine Co., Ltd.

### COD associated with wastewater

Nippon Soda Group



\* Calculations cover the following.  
Nippon Soda: Two plants  
Domestic manufacturing group companies:  
Nisso Metallochemical Co., Ltd.

## Preservation of Biodiversity

Nippon Soda has been taking measures to reduce its environmental burden, use water resources effectively, and prevent pollution of air, water, and soil, mainly in areas where its production sites are located. In recent years, we have added conservation of biodiversity as a priority issue and have been carrying out viable activities that can be implemented at each of our worksites.

### ► Breeding of killifish originating from the Sakawa River system (Research & Innovation Center [Odawara])

Odawara City, Kanagawa Prefecture, has been promoting protection activities for killifish, which are listed as an Endangered Species Category II by the Ministry of the Environment. In 1999, we conducted the Medaka-no Otosan Okasan Sato-oya Seido ("Killifish Fosterparent Program"), which involves working to protect their habitat and helping to pass their genes down to the next generation.



Breeding of killifish originating from the Sakawa River system

### ► Supporting the protection of himekomatsu (Japanese white pine), a critically endangered species (Chiba Plant)

The Chiba Plant has continued with the Himekomatsu Supporter project which started in 2016 to protect himekomatsu, an endangered tree species in Chiba Prefecture.



November 2016



August 2025



## Environmental Protection

## ► Participation in the CropLife JAPAN (CL Japan) Honeybee Friendship Plan

As one activity aimed at achieving its vision, since FY 2021/3 CL Japan\* has operated the Honeybee Friendship Plan, through which it uses any available space at its member companies' offices and land to grow plants for pollinating insects.

At Nippon Soda, we fully support the Honeybee Friendship Plan and various efforts are underway at each of our worksites.

\* Name changed from Japan Crop Protection Association to CropLife JAPAN in May 2024



## ► Environmental protection activities through the Nippon Soda Group Forest

On the occasion of the 100th anniversary of our establishment, we began initiatives to protect greenery and water sources as a contribution to the achievement of the SDGs. Nippon Soda established the Nippon Soda Group Forest within the Joetsu KUWADORI Community Forest in Joetsu City, Niigata Prefecture, the location of the Company's origin, and continues to make donations to the National Land Afforestation Promotion Organization in order to contribute to the creation of a forest of biodiversity and environmental protection.



Nippon Soda Group Forest blueprint



Water level at the Suga Lake

## Environmental Protection

### ► FY 2026/3 targets

1. Environmental issues: Zero events
2. Climate change response (mitigation)
  - 2-1. Manufacturing energy/production volume (intensity): Annual improvement of 1%
  - 2-2. Logistics energy/logistics volume (intensity): Annual improvement of 1%
  - 2-3. Reduction of greenhouse gas (GHG) emissions (Nippon Soda Group)
    - : FY 2026/3 Scope 1, 2, 3: Reduce by 20% or more (compared to FY 2014/3)
    - : FY 2031/3 Scope 1, 2: Reduce by 42% or more (compared to FY 2023/3)
    - Scope 3: Reduce by 25% or more (compared to FY 2023/3)
    - : FY 2051/3 Scope 1, 2, 3: Achieve net-zero
  - 2-4. Fluorocarbon leaks: Elimination of issues related to leaks from equipment using fluorocarbons
  - 2-5. Shift to renewable energy
    - : FY 2031/3: Shift to 59% renewable electricity
    - : FY 2051/3: Shift to 100% renewable electricity
3. Water resources conservation
  - 3-1. Wastewater quality: Monitor water resources and promote efficient water use
  - 3-2. Water usage: Annual 1% improvement in intensity of water consumption, wastewater discharge, and wastewater treatment volumes
  - 3-3. Reduction of water risks: Annual 1% improvement in water consumption at manufacturing sites in high-water-risk areas
4. Waste
  - 4-1. Amount of final disposal at landfill: Annual reduction of 3%
  - 4-2. Continuation of zero emissions: 2% or less
  - 4-3. Reduction of waste plastic, etc.
5. Emissions of harmful substances into the atmosphere: Annual reduction of 1%
6. Reduction of impact on biodiversity and ecosystems

## Process Safety and Disaster Prevention/BCP

At the Nippon Soda Group, recognizing that the continuation of safe, stable production activities and the stable supply of products and services is fundamental to our business activities, we promote process safety and disaster prevention activities. Furthermore, we are continuously improving our business continuity plan (BCP) so that we can quickly recover and restart production activities in the event of a disaster or other emergency, while reinforcing our stable supply structure.

### Policy

#### • Safety management

We conduct ongoing training programs for operators and share hazardous incident cases across the organization to enhance technical skills and safety awareness, thereby improving employees' crisis response capabilities. We also hold regular, practical disaster drills simulating accidents and emergencies as part of our continuous efforts to improve our crisis management system.

#### • Facility maintenance

With the aim of zero equipment-related accidents, we conduct periodic equipment inspections at each manufacturing site in a well-planned manner, and carry out repairs and replacement work in a timely manner with an emphasis on preventive maintenance. When installing new equipment or performing improvement work, our in-house experts perform thorough safety verification. In addition, we undergo regular disaster prevention inspections by external agencies and pursue improvement activities based on the results.

#### • Business continuity plan (BCP)

Based on our BCP policy, we take measures in anticipation of major risks, ranging from natural disasters such as major earthquakes and typhoons to outbreaks of infectious diseases and cyberattacks. We also review these measures regularly at the management level to enhance their effectiveness. Clarifying the chain of command and holding information communication drills allows us to strengthen our emergency response capabilities. In addition to ensuring the safety of all stakeholders, including employees and their families, we strive to quickly resume supplying products to our customers, thereby enhancing our business continuity.

#### ► FY 2025/3 targets and achievements levels (KPIs)

(Achievement levels ●: ≥ 90% ●: 80–90% ○: 60–80% ×: ≤ 60%) **Red text: KPIs**

Nippon Soda Group FY 2025/3 targets	Nippon Soda (non-consolidated) FY 2025/3 achievements	Evaluation
1. Major accidents at facilities: Zero accidents		
1) <b>Zero major accidents at facilities</b>	• Achieved: Zero incidents	●
2) Reduce the risk of major accidents at facilities in line with the business continuity plan (BCP)	• Diagnosis of disaster prevention capability: Implemented at 4 worksites (June 7: Shinfuji Kaseiyaku; June 21: Nisso Fine (Onahama/Iwaki); August 30: Nisso Metallochemical (Chiba); September 27: R&I Center (Odawara)) • Safety audits: 1 (prior to trial operation at the Chiba Plant)	●
2. Maintenance and improvement of the business continuity plan (BCP)		
1) Regular revision of BCP and response to new risks, etc.	• Distributed FY 2025/3 version of BCP manual (Ver. 14)	●

## Process Safety and Disaster Prevention

### Risk Management

<b>Risk assessment of process safety and disaster prevention</b>	We conduct risk assessments related to safety and disaster prevention for facilities, machines and manufacturing processes. Identified risks are prioritized and, accordingly, measures to ensure the safety of facilities are implemented and inspections are conducted in sequence.
<b>Establishment of an emergency risk management system</b>	We give the highest priority to preventing accidents and disasters. On the other hand, to prepare for accidents and disasters, we have established an emergency risk management system and conduct periodic drills and exercises to maintain the system in a sound condition.
<b>Standards on Emergency Response</b>	The Standards on Emergency Response have been developed to ensure prompt and appropriate communication, response, and instruction in the event of a disaster or accident, and their effectiveness is reviewed and revised periodically, and confirmed through training.



## Process Safety and Disaster Prevention/BCP

### ► Third-party diagnoses of disaster prevention capabilities

Sompo Risk Management Inc. regularly diagnoses the disaster prevention capabilities of Nippon Soda and its manufacturing group companies.

In FY 2025/3, our Research & Innovation Center (Odawara area) and three group company plants underwent diagnoses.

## Safety Management

### ► Safety audit to confirm the safety of plants

To ensure the safety of processes in the construction and renovation of facilities, Nippon Soda Group managers and internal experts conduct safety reviews and audits for facilities and operations in terms of safety, work environment, quality and other factors.

Facilities of manufacturing group companies undergo periodic Responsible Care (RC) audits to assess the management conditions of manufacturing facilities and these results have been incorporated into activities to improve process safety and disaster prevention.

### ► Safety audits prior to trial operation by the Head Office

Chiba Plant, December 20, 2024

Safety audits prior to trial operation of manufacturing equipment following Phase II of work to increase production capacity for VP polymer solution

As a result of document and on-site audits, 25 safety issues were identified. After implementing countermeasures for all of these safety issues, trial operation was complete.

## Education and Drills for Disaster Prevention

Nippon Soda provides a variety of process safety and disaster prevention training for employees to acquire the knowledge and skills to ensure their safety. We will continue to promote safety and disaster prevention activities with the aim of further improving them to achieve the target of “no major accidents at facilities.”

### ► Training programs (NTTC: Nisso Technical Training Center)

Each worksite and department conducts continuous education and training in accordance with the CSR action plan. Furthermore, for new employees assigned to our manufacturing sites, we provide manufacturing training programs as a form of new employee training. These programs include experiential education and training related to safety and basic work practices. Moreover, in addition to among new employees, we are also working to improve safety awareness by extending our educational programs to employees in various other positions.

### Training courses implemented in FY 2025/3

—: No eligible employees

	Nihongi Plant	Takaoka Plant	Mizushima Plant	Chiba Plant	R&I Center	Group companies
Training based on length of service						
First-year training	13	7	1	4	8	9
Second-year training	3	4	2	—	—	1
Third-year training	3	11	—	6	—	1
Fifth-year training	11	22	—	5	—	—
Tenth-year training	2	8	—	1	—	—
Fifteenth-year training	—	6	—	—	—	—
Worksite training	—	—	—	—	—	7
Partner company training	—	118	—	—	—	—
Total	32	176	3	16	8	18

## Process Safety and Disaster Prevention/BCP

### ► Disaster prevention system working in cooperation with local communities

Each Nippon Soda site implements regular disaster drills, which include drills conducted in cooperation with other nearby plants and local governments. These drills are conducted taking into account the environment and other characteristics unique to each region so that they can be applied in real settings.



Comprehensive plant disaster drill  
(Chiba Plant, June 11, 2024)



Comprehensive plant disaster drill  
(Takaoka Plant, June 12, 2024)



Spring comprehensive plant disaster drill  
(Nihongi Plant, June 25, 2024)



Harmful substance (NaOH) leak response drill  
(Mizushima Plant, September 5, 2024)



Fire drill  
(Takaoka Plant, October 3–24, 2024)



Comprehensive disaster drill  
(R&I Center (Odawara), October 18, 2024)



Autumn comprehensive plant disaster drill  
(Nihongi Plant, November 14, 2024)



Comprehensive disaster drill  
(Chiba Plant/R&I Center (Chiba), February 17, 2025)



Evacuation drill  
(Chiba Plant/R&I Center (Chiba), March 17, 2025)

## Process Safety and Disaster Prevention/BCP

## ► FY 2025/3 Emergency Drills

	First half (dates of drills)		Second half (dates of drills)	
	Date	Details	Date	Details
Nihongi Plant	June 6, 2024	Transmission-receival drill (using <i>Otsutae-kun</i> )	November 14, 2024	Autumn comprehensive plant disaster drill
	June 25, 2024	Spring comprehensive plant disaster drill	December 17, 2024	Transmission-receival drill (using <i>Otsutae-kun</i> )
	September 9, 2024	Actual drill (using <i>Otsutae-kun</i> )	February 27, 2025	Transmission-receival drill (using <i>Otsutae-kun</i> )
Takaoka Plant	May 29, 2024	Emergency contact drill (205 people) using <i>Yui Net</i>	October 3-24, 2024	Fire drill
	June 12, 2024	Comprehensive plant disaster drill	October 8, 2024	Environmental abnormality response drill (UT Sec.)
	August 20-23, 2024	Nighttime emergency report drill (Industrial Chemicals, FC, Organic Sec. 1, Organic Sec. 3)	October 28, 2024	Emergency contact drill for transporting high-pressure gases and toxic/dangerous substances
	September 25, 2024	Nighttime emergency call-out drill (Report drill: 226 people; at work: 70 people) using <i>Yui Net</i>	October 28, 2024	Emergency contact drill for regional disaster prevention offices handling high-pressure gases
	Monthly (throughout the year)	333 emergency contact drill	November 27, 2024	Emergency response drill at Hokusan Koatsu Gas
			December 11, 2024	Nighttime emergency contact drill
			March 11-14, 2025	Nighttime emergency report drill (Industrial Chemicals, FC, Organic Sec. 1, Organic Sec. 3)
Mizushima Plant	May 27, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )	October 23, 2024	Response drill for leakage by logistics
	July 16, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )	November 16, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )
	September 16, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )	January 16, 2025	Emergency contact drill (using <i>Otsutae-kun</i> )
	September 5, 2024	Harmful substance (NaOH) leak response drill	March 16, 2025	Emergency contact drill (using <i>Otsutae-kun</i> )
	September 20, 2024	Actual power outage drill		
Chiba Plant	April 25, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )	November 11-13, 2024	On-the move water discharge drill by Goi Disaster Prevention Team
	May 21-24, 2024	Worksite contact drill with the Goi Disaster Prevention Team	November 25, 2024	Environmental abnormality response drill (Eco-care Sec.)
	June 11, 2024	Comprehensive plant disaster drill for predicted worksite disasters (Sanwa Soko predicted worksite disaster)	December 16, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )
	June 27, 2024	Ichihara/Sodegaura area marine disaster first emergency contact drill	January 16, 2025	Marine emergency contact drill
	July 3, 2024	Disaster drill at the Chiba Petroleum Complex, etc. (Risk prediction and response drill)	February 14, 2025	Goi Disaster Prevention Team's worksite drill
	August 6, 2024	Emergency contact drill (using <i>Otsutae-kun</i> )	February 17, 2025	Comprehensive plant disaster drill for predicted worksite disasters (CRC disaster scenario, joint drill between Municipal Fire Department/Goi Disaster Prevention Team)
			March 17, 2025	Evacuation drill (for predicted leakage of harmful gases at other companies)
R&I Center	April 25, 2024	Emergency reporting drill (Emergency contact drill using <i>Otsutae-kun</i> (Chiba))	October 18, 2024	Comprehensive disaster drill (Odawara)
	June 4, 2024	Department disaster training (Odawara)	November 13, 2024	Disaster drill (Bandai)
	June 11, 2024	Comprehensive disaster drill (Chiba)	November 22, 2024	Disaster drill (Haibara)
	June 19, 2024	Comprehensive disaster drill (Haibara)	December 16, 2024	Emergency reporting drill (Emergency contact drill using <i>Otsutae-kun</i> (Chiba))
	July 18, 2024	Department disaster training (Odawara)	February 12, 2025	Department disaster training (Odawara)
	July 24, 2024	Department disaster training (Odawara)	February 17, 2025	Comprehensive disaster drill (Chiba (CRC disaster scenario))
	August 6, 2024	Emergency reporting drill (Emergency contact drill using <i>Otsutae-kun</i> (Chiba))	March 17, 2025	Evacuation drill (Chiba)
	September 30, 2024	Safety confirmation response drill (Odawara, Haibara, Bandai)		
Head Office	May 17, 2024	Comprehensive disaster drill (JP Tower)	November 13, 2024	Comprehensive disaster drill (JP Tower)

## Process Safety and Disaster Prevention/BCP

## Business Continuity Plan (BCP)

## ► Basic concept of the BCP

In the event of a natural disaster such as a large-scale earthquake or other crisis that could result in severe damage to Nippon Soda worksites, we consider it our social mission to ensure the safety of local residents, our employees, employees of partner companies, and temporary staff. Based on this concept, the principles of the BCP are defined as follows:

- ① The highest priority is placed on checking the status and ensuring the safety of Nippon Soda's own employees, partner company employees and temporary employees and their families, and ensuring the safety of residents in communities where the Company's business sites are located.
- ② The consciousness of serving the public and community is shared among all personnel throughout the Company.
- ③ Efforts are focused on protecting the safety of any affected Head Office, plants, research centers, or sales office sites.
- ④ Measures should be taken to establish a system that allows Nippon Soda's employees, partner company employees and temporary employees who are engaged in ensuring safety and security to act flexibly and at their discretion according to the circumstances.

## ► Continuation of supply of products according to customer needs

The BCP of Nippon Soda aims to ensure, in the event of a natural disaster or other crisis, safety as well as the supply of products to customers as requested. To achieve this objective, we make continuous improvements using the PDCA cycle.

## Efforts for Business Continuity

Following is a flowchart of the procedures for continuing business operations.

## 1 Policy

## 2 Planning

- 2.1 Identification of Disasters and Crises to Be Included in the Plan
- 2.2 Impact Assessment
  - 2.2.1 Estimation of Suspension Period and Response Capacity
  - 2.2.2 Identification of Critical Business Operations
  - 2.2.3 Determination of Time Required to Achieve Target Recovery
- 2.3 Estimation of Damage to Critical Business Operations
- 2.4 Identification of Critical Elements
- 2.5 Development of Business Continuity Plan
  - 2.5.1 Clarification of Chain of Command
  - 2.5.2 Securement of Functions of the Head Office and Other Key Sites
  - 2.5.3 External Communication and Information Sharing
  - 2.5.4 Information System Backup
  - 2.5.5 Supply of Products and Services
- 2.6 Additional Requirements Concurrent with Business Continuity
  - 2.6.1 Protection of Life and Confirmation of Safety of Individuals
  - 2.6.2 Mitigation of Damage to Offices, Business Sites and Equipment
  - 2.6.3 Secondary Disaster Prevention
  - 2.6.4 Coordination with and Contribution to Local Communities
  - 2.6.5 Mutual Cooperation and Assistance

## 6 Review by Management

## 5 Assessment and Corrective Actions

## 4 Education and Training

## 3 Implementation

- 3.1 Carry Out Response in Accordance with the BCP
- 3.2 Documentation
  - 3.2.1 Preparation of Plans and Manuals
  - 3.2.2 Preparation of Checklist
- 3.3 Financing
- 3.4 Confirmation of the Practicality of Plans
- 3.5 Importance of Management Decision-making during Disasters



## Process Safety and Disaster Prevention/BCP

### Disasters and Risks Covered by the BCP

- |  |  |   |
|--|--|---|
| ① Earthquake                                     | ⑧ A large number of affected employees (their houses and families) | ⑭ Suspension of the supply of raw materials (including logistics) |
| ② Typhoon  | ⑨ Electric power outage  | ⑮ Suspension of product distribution                              |
| ③ Heavy rainfall, flood, tsunami, heavy snowfall | ⑩ Suspension of industrial water supply                            | ⑯ Occurrence of quality problems                                  |
| ④ Storm, tornado                                 | ⑪ External communication failure                                   | ⑰ Terrorism   |
| ⑤ Volcanic eruption                              | ⑫ Computer system failure  | ⑱ Nuclear power accident  |
| ⑥ Abnormal conditions of facilities              | ⑬ Emergency at water discharge destinations                        | ⑲ Missile attack  |
| ⑦ Influenza, infectious diseases, etc.           |  | ⑳ Others  |

### ► FY 2026/3 targets

1. Major accidents at facilities: Target: Zero accidents
2. Maintenance and improvement of the BCP  
Creation of FY 2026/3 version of BCP manual (Ver. 15)

## Occupational Safety and Health

At the Nippon Soda Group, we believe that people are the most important management resource, as they enhance our competitive advantage and bring about sustainable growth. To create workplaces where each and every employee feels safe and healthy, motivated and full of energy, we strive to prevent occupational accidents and health issues, promoting health and productivity management so that both employees and their families can maintain and improve their physical and mental health.

### Policy

#### • Occupational safety and health

Placing the safety and health of our employees above all else, we comply with occupational safety and health laws and regulations. At our Nippon Soda plants, we have put in place and operate an occupational safety and health management system (OSHMS) compliant with the international standard ISO 45001, which we strive to continuously improve. We are committed to proactively preventing occupational accidents through thorough workplace risk management based on risk assessments and the reliable implementation of the PDCA cycle for safety and health activities. What is more, we endeavor to foster a culture of safety in which all employees actively participate and take initiative in making continuous improvements, with the goal of achieving zero occupational accidents and building a safe workplace environment.

#### • Health and Productivity Management

We are actively committed to maintaining and improving the health of employees and their families, fostering a culture of health in which everyone participates and that encourages all employees, from management to regular staff. In addition to undertaking initiatives aimed at promoting both physical health and mental well-being, we facilitate flexible working arrangements and raise the level of health literacy (the ability to obtain, understand, and apply health-related knowledge and information) among employees. Through these efforts, we aim to improve health awareness for each individual employee and establish good health management practices throughout the entire organization.

#### ► FY 2025/3 targets and achievements levels (KPIs)

(Achievement levels ●: ≥ 90% ●: 80–90% ○: 60–80% ×: ≤ 60%) **Red text: KPIs**

Nippon Soda Group FY 2025/3 targets	Nippon Soda (non-consolidated) FY 2025/3 achievements	Evaluation
1. Occupational accidents resulting in an absence from work or no absence		
<b>No accidents</b>	<ul style="list-style-type: none"> <li>Absence from work: 6 (Nippon Soda: 1; Nippon Soda partner companies: 1; Group companies: 2; Group companies' partner companies: 2)</li> <li>No absence: 14 (Nippon Soda: 4; Nippon Soda partner companies: 7; Group companies: 1; Group companies' partner companies: 2)</li> </ul>	×
<ul style="list-style-type: none"> <li>Initiatives to ensure no accidents</li> <li>1) Conduct risk assessments to reduce risk</li> <li>2) Strengthen measures to prevent human error</li> <li>3) Implement activities to ensure safety</li> <li>4) Implement ongoing disaster prevention activities for young employees and less experienced employees</li> <li>Strengthen hands-on training facility and training system</li> </ul>	<ul style="list-style-type: none"> <li>Implemented safety patrols (July 5: Nihongi Plant; July 19: R&amp;I Center (Haibara); August 23: Chiba Plant; September 6: Takaoka Plant)</li> <li>Hosted meeting of the Central Safety and Health Committee (online; May 17 and November 15)</li> <li>Implemented occupational accident prevention survey (Sompo Risk Management; December 6 at the Nihongi Plant)</li> </ul>	●
2. Promotion of health and productivity management: Improvement of health literacy		
1) Gauge current level of health literacy	Implemented health literacy survey Reintroduced questions with low correct answer rates from last year	●
2) Follow-up of those undergoing periodic medical examinations	Management of those requiring support (those requiring further examinations)	●
3) Mental health checkups and follow-ups	<ul style="list-style-type: none"> <li>Implemented stress checks to gauge whether employees are suffering from stress and recommended interviews</li> <li>Implemented stress checks in September</li> </ul>	●
4) Formulate and implement various health measures and educational programs	<ul style="list-style-type: none"> <li>Started smoking cessation outpatient services</li> <li>Implemented Group training at each worksite, etc.</li> </ul>	●

## Occupational Safety and Health

## Efforts to Prevent Occupational Accidents

## ► Establishment of Safety and Health Committees

In line with Article 19 of the Industrial Safety and Health Act, at Nippon Soda we have established a Safety and Health Committee at each of our worksites. The committees meet once a month, aiming to prevent occupational accidents and health hazards, and maintain and promote employee health. In addition, we have also established a Central Safety and Health Committee, chaired by the Responsible Care Management Department's general manager. It comprises safety and health supervisors from each department and worksite, and meets in principle twice a year. In addition to the views of management, the central committee incorporates wide-ranging opinions from labor unions and health insurance associations in order to improve working environments.

## ► Risk assessments utilizing an occupational health and safety management system (OSHMS)

We are continuously improving the achievement of our safety and health targets and overall performance by rigorously implementing the PDCA cycle set out in our occupational health and safety management system (OSHMS). As part of these efforts, we have obtained ISO 45001 certification, an international standard, and have put in place and operate an OSHMS that meets global standards.

In order to effectively integrate our OSHMS and Responsible Care (RC) activities, we are focusing on improving the quality of risk assessments. At each worksite, we identify and evaluate occupational accident risks regularly and systematically, and determine our response priorities based on the results of these evaluations.

For risks that we deem to be unacceptable, we develop and execute specific measures to minimize them, and then thoroughly evaluate their effectiveness and conduct follow-up activities. Through these efforts, we are working to improve workplace safety and health standards and reduce the risk of occupational accidents.

## ► Reduction of occupational accident risks

Based on the activity plans set forth in OSHMS, we are reducing risks by actively identifying and analyzing examples of near-miss incidents. Furthermore, we share examples of disasters that occurred at other worksites and other companies across our organization to prevent similar risks before they occur. When new plants are constructed or when existing facilities are expanded, we require safety reviews and audit processes, rigorously implementing measures to reduce accident risk to an acceptable level before starting test operations.

## ► Prevention of human error

The 5Ss—*seiri* (sorting), *seiton* (setting-in-order), *seiso* (shining), *seiketsu* (standardizing) and *shitsuke* (sustaining the discipline)—and the four Safety Cycles (KY\* before starting operation → Pointing and vocalizing during operation → Mutually directing attention during operation → Identifying *hiyari-hatto* (near miss) accidents after operation) are the concepts that form the basis of safety activities for the Nippon Soda Group. In addition, with senior management at each worksite taking the lead, we promote activities to raise safety awareness and aim to achieve higher safety standards by implementing continuous improvements in safety activities through the PDCA cycle.

\* A combination of the first letters of two Japanese words, K for *kiiken* (danger) and Y for *yochi* (prediction). The KY system is designed to identify latent risks associated with work and take preventive measures before they occur.

## Occupational Safety and Health

### ► Third-party occupational health and safety survey

At Nippon Soda, we undergo occupational health and safety surveys by Sompo Risk Management Inc. (The Nihongi Plant was inspected on December 6, 2024.)

#### Number of consecutive days (years) without an accident resulting in absence from work, and number of accidents resulting in absence from work of employees

Worksite	Number of consecutive days (years) without an accident resulting in absence from work <sup>1</sup>	Number of accidents resulting in absence from work <sup>2</sup>
Head Office	844 days (2 years)	0
Nihongi Plant	832 days (2 years)	0
Takaoka Plant	256 days	1
Mizushima Plant	11,834 days (32 years)	0
Chiba Plant	7,539 days (20 years)	0
R&I Center	8,928 days (24 years)	0
Aizu Plant, Nisso Metallochemical Co., Ltd.	972 days (2 years)	0
Chiba Plant, Nisso Metallochemical Co., Ltd.	13,938 days (38 years)	0
Koriyama Plant, Nisso Fine Co., Ltd.	529 days (1 year)	0
Isohara Plant, Nisso Fine Co., Ltd.	208 days	1
Onahama Plant, Nisso Fine Co., Ltd.	8,124 days (22 years)	0
Shin Fuji Kaseiyaku Co., Ltd.	320 days	1
Nisso Shoji Co., Ltd.	7,976 days (21 years)	0
Sanwa Soko Co., Ltd.	1,761 days (4 years)	0
Sanso Unyu Co., Ltd.	1,208 days (3 years)	0
Nisso Engineering Co., Ltd.	7,106 days (19 years)	0
Nisso Kensetsu Co., Ltd.	793 days (2 years)	0
Nisso Green Co., Ltd.	9,497 days (26 years)	0

1. As of April 1 2025

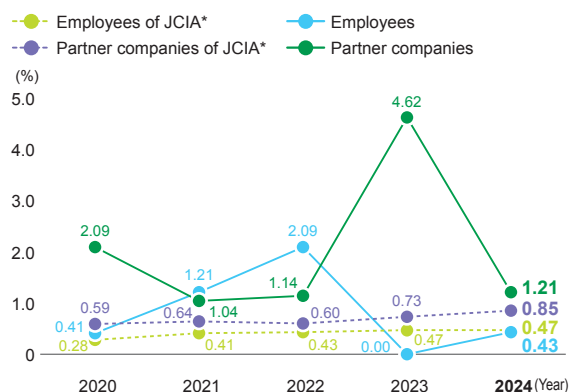
2. Data collected from FY 2025/3 (April 2024–March 2025)

#### Number of accidents resulting in absence from work among employees of Nippon Soda and partner companies

	FY 2020/3	FY 2021/3	FY 2022/3	FY 2023/3	FY 2024/3	FY 2025/3
Nippon Soda	1	4	0	5	0	5
Nippon Soda's partner companies	0	3	0	2	3	8
Group companies	1	2	6	3	5	3
Group companies' partner companies	3	2	1	2	1	4

Note: Data collected from April 1 to March 31 of each year.

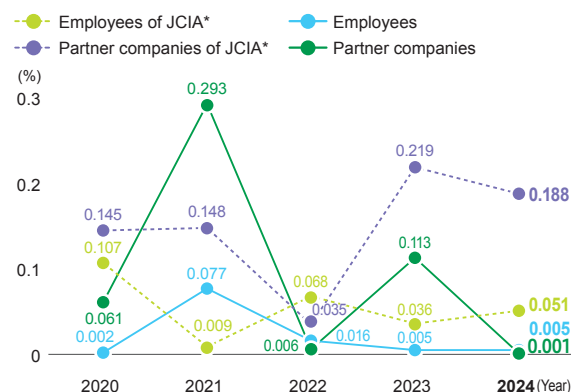
#### Occupational accident frequency rate



\* JCIA stands for Japan Chemical Industry Association.

Occupational accident frequency rate: Casualties caused by occupational accidents ÷ Total actual working hours × 1,000,000  
Data collected from January 1 to December 31 of each year.

#### Severity rate of occupational accidents



Severity rate of occupational accidents: Total working days lost ÷ Total actual working hours × 1,000  
Data collected from January 1 to December 31 of each year.

Number of occupational accidents within the above period that led to an employee's death (number of deceased): 0 (0)

Number of occupational accidents at partner companies within the above period that led to an employee's death (number of deceased): 0 (0)



## Occupational Safety and Health

## Promotion of Health and Productivity Management

## Health and Productivity Management

In March 2025, Nippon Soda was recognized in the 2025 KENKO Investment for Health (Large Enterprise Category) for the eighth year in a row under the recognition program jointly undertaken by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. This program recognizes large enterprises that promote outstanding health and productivity management. Recognition is based on their initiatives to address health-related issues in local communities and health promotion activities as promoted by the Nippon Kenko Kaigi.

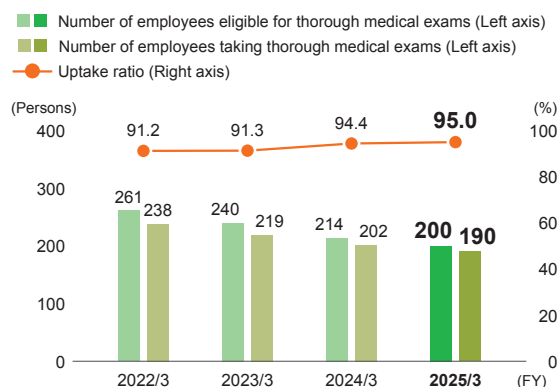
Recognizing the importance of health maintenance and improvement in business management, Nippon Soda, in cooperation with the Nisso Health Insurance Association and the labor union, promotes efforts geared toward supporting physical and mental health. We support employees and their families in their health management and proactively promote health and productivity management so that we can provide better value to the public through business activities conducted by healthy and lively employees.

From FY 2021/3, the promotion of health and productivity management has been set forth in the Nippon Soda Group's CSR Activity Policy, as a management resource that increases corporate competitiveness and brings about the capacity for sustainable growth. We will continue to support the health maintenance of employees, which is essential to the safety of manufacturing sites and stable operations, through constant monitoring. We will also work to improve the rate of employees undergoing complete physical examinations, follow-up on those undergoing periodic medical examinations with a target of a 5% annual improvement, conduct stress checks and follow ups, and provide mental and physical health education.



► Health & Productivity Management Organization Recognition Program Certification System (Japanese only)  
[https://www.meti.go.jp/policy/mono\\_info\\_service/healthcare/kenkoukeiei\\_yuryouhouzin.html](https://www.meti.go.jp/policy/mono_info_service/healthcare/kenkoukeiei_yuryouhouzin.html)

## Number of employees eligible for thorough medical exams and uptake ratio



## Occupational Safety and Health

## About Health and Productivity Management

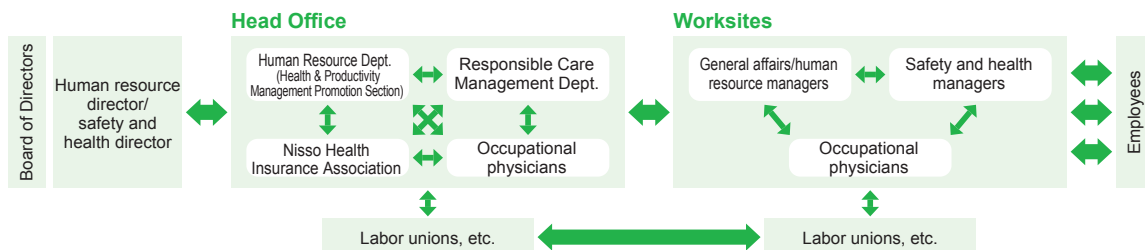
**Nisso Group Health and Productivity Management Promotion Declaration**

The Group considers people to be the most important corporate resource for enhancing corporate competitiveness and achieving sustainable growth.

It is fundamentally important to maintain health, both physically and mentally, to create a workplace where individual employees can work willingly and actively. In this context, we implement and promote health and productivity management as an important issue in business management.

To maintain and promote the good health of employees and their families, the Company, the Nisso Health Insurance Association, labor unions, and the employees' association will make concerted efforts to take various proactive measures.

In order to actualize our Health and Productivity Management Promotion Declaration, under the supervision of the human resource director and safety and health director, we will promote cooperation between the Head Office and each worksite, and implement various measures. In FY 2023/3, we set up the Health and Productivity Management Promotion Section within the Human Resources Department as a dedicated supervisory organization. The section is responsible for company-wide health and productivity management initiatives and for reinforcing collaboration between worksites.



To date, we have sought to prevent the onset of lifestyle-related diseases by actively encouraging employees to undergo complete physical examinations, specific examinations, and specific health guidance. We have also worked to educate employees on the importance of influenza vaccinations and provide them with opportunities to receive them. More recently, among other things, we have offered employees education and guidance aimed at further preventing the onset of lifestyle-related diseases, administered comprehension tests (health literacy surveys) to improve health literacy, and worked to secure opportunities for employees to undergo health examinations by adding our own items to the statutory health checkup items. Furthermore, we are taking steps to ensure thorough supervision and reduction of overtime work to help employees maintain a proper work-life balance and good health.

**Message from the President**

Since our establishment in 1920, we have continued to use chemistry to provide new value to society, continuing our business activities so that we can contribute to the development of society. To ensure business continuity and development, to date we have considered our employees' health mainly through occupational safety and health measures.

Meanwhile, there is currently growing concern that declining birthrates and aging populations, soaring social security costs, and other issues will have a major impact on social systems. Therefore, in addition to occupational safety and health, more than ever before corporations are being called upon to maintain and promote their employees' health.

Moreover, maintaining and improving health is incredibly important to enhancing the quality of life for our employees. Healthy employees can also boost motivation and bring energy to their respective organizations, and in turn lead to improved company achievements. As such, health is vitally important to the Company.

And so, to enhance our corporate value over the medium to long term by maintaining and improving our employees' health, on top of our existing initiatives, we will proactively drive health and productivity management through efforts to prevent absenteeism and presenteeism, and the implementation of measures that can improve job satisfaction and fulfillment.

Eiji Aga  
Representative Director, President  
Nippon Soda Co., Ltd.

## Occupational Safety and Health

## Mental Health Care

Our mental healthcare program consists of ① self-care, ② care by administrators in the workplace, ③ care by occupational healthcare staff and other specialists at each workplace, and ④ care by external parties.

A stress check is conducted once a year to support ① self-care by employees and, ③ care by occupational healthcare staff and other specialists at each workplace. To improve ② care by administrators in the workplace, lectures on mental health given by external specialists are organized.

Consultations with qualified mental health specialists by phone or face-to-face are also available as part of efforts to provide ④ care by external parties. In addition, lectures on mental health are provided by an external organization to help employees manage their own mental health.

## Education and Lectures on Occupational Safety



Heatstroke prevention education  
(Takaoka Plant, June 5, 2024)



Traffic safety lecture  
(Takaoka Plant, June 19 and 25, 2024)



Mental and physical health education  
(Takaoka Plant, July 29 and August 21, 2024)



Health festival  
(Nihongi Plant, October 30, 2024)



Lecture on preventing stiff shoulders and back pain  
(Nihongi Plant, November 5, 2024)



Health lecture  
(Chiba Plant, November 6, 2024)



Foam roller workshop  
(Nihongi Plant, November 21, 2024)

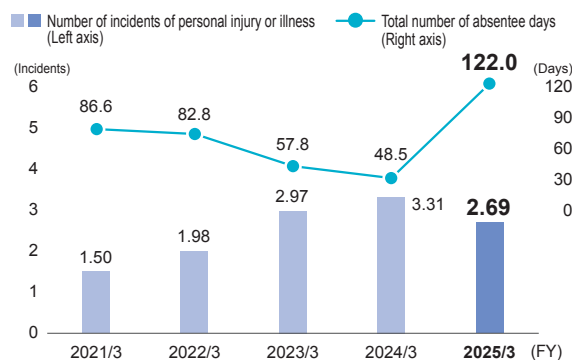


Experiential education relating to the odor of  
phosgene gas  
(Takaoka Plant, November 26, 2024)



General lifesaving class  
(Chiba Plant, January 30 and February 6, 2025)

## Number of incidents of personal injury or illness (per 100 persons) and total number of absentee days (per incident)



Number of incidents of personal injury or illness = (Incidents ÷ number of people) × 100  
Total number of absentee days = Days ÷ Incidents  
Data collected from April 1 to March 31 of each year.

## Occupational Safety and Health

### ► FY 2026/3 targets

1. Occupational accidents resulting in an absence from work or no absence
  - No accidents
  - Initiatives to ensure no accidents
    - 1) Conduct risk assessments to reduce risk
    - 2) Strengthen measures to prevent human error
    - 3) Implement activities to ensure safety
    - 4) Implement disaster prevention activities for young employees and less-experienced employees
  - Strengthen hands-on training facilities and training system
2. Promotion of health and productivity management: Improvement of health literacy
  - Gauge current level of health literacy
  - Follow-up of those undergoing periodic medical examinations
  - Mental health checkups and follow-ups
  - Formulate and implement various health measures and educational programs

## Logistics Safety and Quality Assurance

At the Nippon Soda Group, to ensure the safe and stable delivery of products to our customers, we work to minimize distribution risks and prevent any logistics accidents in advance. Furthermore, by providing environments in which customers can use our high-quality products and services in a safe manner and with peace of mind, we are striving to improve customer satisfaction.

### Policy

#### • Logistics safety

We endeavor to proactively prevent logistics accidents by reducing hazards and toxicity associated with product transportation, as well as the risk of accidents during transportation. In particular, we do our utmost to ensure the safety of our customers, those involved in the distribution process and local residents, and to protect the environment by taking thorough measures to prevent major accidents involving environmental pollution and health hazards to humans caused by chemical leaks or spills.

#### • Quality assurance

We contribute to customer satisfaction by offering high-quality, eco-friendly products that minimize the use of hazardous substances, and providing information that helps customers use our products safely, reliably, and in a stable manner.

#### ► FY 2025/3 targets and achievements levels (KPIs)

(Achievement levels ●: ≥ 90% ●: 80–90% ○: 60–80% ×: ≤ 60%) **Red text: KPIs**

Nippon Soda Group FY 2025/3 targets	Nippon Soda (non-consolidated) FY 2025/3 achievements	Evaluation
1. Logistics-related complaints		
<ul style="list-style-type: none"> <li>• <b>Zero complaints</b> Provide training and guidance to shipping companies Investigate the causes of complaints, and implement thorough recurrence prevention measures</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved: Zero incidents</li> <li>• Provided training to shipping companies (4 sites)</li> </ul>	<ul style="list-style-type: none"> <li>●</li> <li>●</li> </ul>
2. Product-related complaints		
<ul style="list-style-type: none"> <li>• <b>Annual reduction of 20% (no more than 6 incidents company-wide)</b> (compared to average between FY 2020/3–2022/3 [10 incidents company-wide])</li> </ul>	<ul style="list-style-type: none"> <li>• Not achieved: 8 incidents</li> </ul>	<ul style="list-style-type: none"> <li>○</li> </ul>
<ul style="list-style-type: none"> <li>• Reduce rank A and B risks uncovered in quality risk assessments (30% reduction of eligible risks)* Strengthen measures to prevent human error Investigate the causes of complaints, and implement thorough recurrence prevention measures</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved A rank: 1 incident (Reduction of 1 (25%) incident out of 4 eligible risks) B rank: 72 incidents (Reduction of 72 (34%) incidents out of 210 eligible risks)</li> </ul>	<ul style="list-style-type: none"> <li>●</li> </ul>

\* After identifying quality-related risks, we classify them based on their severity, frequency, detectability, and other factors. For particularly severe risks (rank A and B), we implement focused reduction activities to reduce the number of product-related complaints.

## Logistics Safety and Quality Assurance

### Logistics Safety

#### Measures to Ensure Safe Transportation of Dangerous Goods

##### ► Logistics risk assessment

The Nippon Soda Group takes measures to reduce risks from various perspectives to prevent accidents involving workers and products caused by traffic accidents during forklift loading, unloading and trans-shipment of products, as well as during truck transportation.

##### ► Promotion of Yellow Card<sup>1</sup> and Container Yellow Card (product labels)<sup>2</sup>

The Nippon Soda Group promotes the use of Yellow Cards and Container Yellow Cards. We continuously revise product labels in a timely manner to reflect the latest information, including legal revisions, ensuring GHS<sup>3</sup> compliance and the use of appropriate pictograms. These measures enable us to respond quickly and prevent damage from spreading in the event of a disaster.

1. Yellow Card: An emergency information card with information about procedures that drivers, fire and police personnel, and other concerned parties should take in the event of a spill, fire, explosion or other incidents during transportation. It also contains emergency contacts. The issuance and carrying of Yellow Cards is required by the Poisonous and Deleterious Substances Control Law and other laws.
2. Container Yellow Card: A label that is affixed to containers with the United Nations number and guide number from the Emergency Response Guidebook.
3. Globally Harmonized System of Classification and Labelling of Chemicals (GHS): A system for the international standardization of classification and labeling of chemicals, which was agreed upon by the United Nations Economic and Social Council. It is a system of international hazard classification standards and labeling methods (product labeling and SDS) for chemical hazards.

#### Logistics Safety in Value Chains

##### ► Proposals for improvement of customers' facilities

In the event that there is a problem with the safety of the transport company or the customer's workers at the customer's product receiving facility, or if there is a potential risk of foreign matter entering the facility or spills, the Nippon Soda Group makes proposals for improvement and works to prevent accidents and disasters.



## Logistics Safety and Quality Assurance

## Quality Assurance

## Efforts to Ensure Quality Management

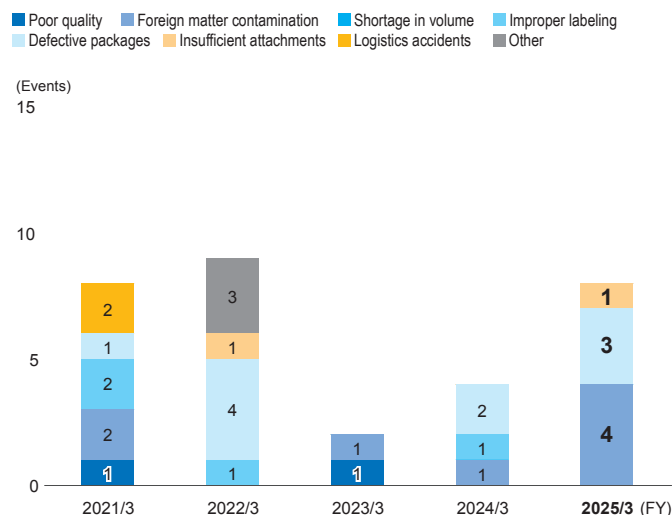
## ► Quality risk assessment

Nippon Soda actively engages in quality risk assessment with the goal of preventing the occurrence of product-related complaints and the recurrence of such complaints. We make continuous efforts to identify quality-related risks from each manufacturing site and reduce the risks, especially the high-risk A and B ranks.

## Efforts to Achieve Zero Product-related Complaints

To eliminate product-related complaints, we conduct quality risk assessments to identify and reduce risks. We are also working to reduce product-related complaints due to human error through human error prevention training for employees.

## Number of product-related complaints



## ► FY 2026/3 targets

1. Logistics accidents
  - 1-1. Major logistics accidents: Zero occurrences (leaks, misdeliveries, incorrect shipments, losses, vehicle-related accidents (involving physical injury))
  - 1-2. Transportation-related accidents: 20% reduction year on year
  - 1-3. Storage and cargo-handling-related accidents: 20% reduction year on year
- Continue to provide training to shipping companies.
2. Product-related complaints: No more than 4 incidents (20% reduction compared to average between FY 2020/3–2022/3 [10 incidents])
  - Reduce rank A and B risks uncovered in quality risk assessments (30% reduction of eligible risk incidents)



## Chemical and Product Safety

The Nippon Soda Group takes into consideration the potential environmental, health, and safety impacts related to the hazards and toxicity of chemical substances and products. We comply with domestic and international laws and ordinances related to product safety, various guidelines, and other standards, while also responding to regulations based on local and based on social demands. By continuing to earn the trust of society, we realize sustainable business activities.

### Policy

#### • Compliance with legal regulations and self-imposed regulations

We comply with laws and regulations in Japan, international standards, treaties, and other relevant legislation, with the goal of achieving zero violations of chemical-related laws and regulations in consideration of the dangerous and harmful effects of chemicals and products on the environment, health, and safety. Furthermore, we proactively implement self-imposed regulations based on social demands not covered by such laws and regulations, striving to enhance trust from our customers and society.

#### • Strengthening of chemical substance management systems

We strive to handle chemical substances in a safe and reliable manner by promoting the appropriate revision of domestic and international SDS\* and product labels using chemical substance management systems and other tools, and by conducting thorough investigations and improving our understanding of chemical substances contained in products. Furthermore, we take steps to strengthen our management framework by conducting ongoing training on chemical substance management and holding briefings regarding legal revisions, including those in Japan and overseas.

\* Documents that describe information on chemical substances, product names, manufacturers, hazards, handling precautions, emergency response measures, and other safety information.

#### ► FY 2025/3 targets and achievements levels (KPIs)

(Achievement levels ●: ≥ 90% ◐: 80–90% ◑: 60–80% ×: ≤ 60%) **Red text: KPIs**

Nippon Soda Group FY 2025/3 targets	Nippon Soda (non-consolidated) FY 2025/3 achievements	Evaluation
1. Compliance with chemical-related laws and ordinances		
• <b>Zero violations</b>	• Not achieved: 2 violations Nihongi Plant: Violation of the Poisonous and Deleterious Substances Control Act (Incorrect display of Head Office address prior to relocation) Mizushima Plant: Violation of the Poisonous and Deleterious Substances Control Act (Incorrect display of product name)	×
• Strengthened chemical substance management (implemented domestic and overseas SDS/label system revisions in line with legal reforms, reinforced examinations and management systems for products containing chemical substances)	• Responded to 274 SDS revisions and 35 SDS abolitions • Enabled the creation of US and EU versions of SDSs using the features of chemical substance management software • Responded to customer inquiries regarding substance content as needed	●
• Implemented periodic training on chemical substance management	• Implementing chemical substance risk management training Attended the Japan Chemical Industry Association Chemical Risk Forum (May 2024–February 2025: Total of ten sessions) • Had an external instructor conduct an in-house training session during Chemical Substance Management Emphasis Month (February 5)	●

## Safety of Chemicals

### Management of Chemical Substances Using a Chemical Substance Management System

Nippon Soda has implemented a chemical substance management system, establishing an efficient management structure for Safety Data Sheets (SDS) and Yellow Cards. Based on operations using this system, we appropriately update SDSs, Yellow Cards, and product labels to comply with the latest regulations in various countries.

### Regular Training Programs on Chemical Substance Management

We provide employees who handle chemical substances with education on how to comply with Japanese and overseas laws and regulations regarding the management of chemicals.  
(For more details, see Together with Our Employees on p. 66)

## Chemical and Product Safety

## Product Safety

## Actions to Comply with Laws and Regulations

Nippon Soda takes actions to comply with domestic and overseas laws and regulations (including the EU REACH regulations<sup>1)</sup>) and conducts audits of poisonous and deleterious substances at its sales offices.

1. REACH (Registration, Evaluation, Authorization and Restriction of Chemicals): European chemicals regulations. European regulations state that businesses that manufacture or import one metric ton or more of products per year are required to register the substances they handle and submit safety test data, and that substances for which data is not submitted (registered) cannot be sold.

## Communication of Safety Information on Chemicals

The Nippon Soda Group participates in GPS/JIPS<sup>2</sup> activities. We have prepared safety summary reports on four substances, including caustic soda and hydrochloric acid, which have been registered on the Japan Chemical Industry Association's BIG Dr chemical substance risk assessment support site.

2. GPS (Global Product Strategy): A voluntary industry initiative based on risk assessment and risk management with a global product strategy as the basic concept, taking into account the supply chain
- JIPS (Japan Initiative of Product Stewardship): Japan's version of the ICCA's<sup>3</sup> Product Stewardship (PS)
3. ICCA (International Council of Chemical Associations)

## ► FY 2026/3 targets

1. Compliance with chemical-related laws and ordinances: Zero violations
  - Strengthen chemical substance management (revise domestic and overseas SDSs and labels in line with legal reforms and reinforce examinations and management systems for products containing chemical substances)
  - Implement regular training on chemical substance management
2. Hazardous substance reduction: Identification of hazardous substances contained in products
  - Develop a system to list whether products sold comply with the REACH Restricted Substances List (Annex XVII) and Substances of Very High Concern (SVHC)

## Consideration in Animal Experiments

The Research & Innovation Center has formulated its own regulations for animal experimentation and other relevant standards based on the Act on Welfare and Management of Animals, the Ministry of the Environment's Standards Relating to the Care and Keeping and Reducing Pain of Laboratory Animals, the Ministry of Agriculture, Forestry and Fisheries' The Basic Policy on Animal Experimentation Performed at Research Institutions, and the Science Council of Japan's Guidelines for Proper Conduct of Animal Experiments. These activities are validated by an external organization (the Japan Pharmaceutical Information Center (JAPIC)<sup>4</sup>) and the facility was certified in June 2018 as a facility that conducts animal experiments in a proper manner (certification was renewed in June 2024).

4. The Japan Pharmaceutical Information Center (JAPIC) has taken on certified businesses from the Japan Health Sciences Foundation, which was disbanded in March 2021.



## Together with Our Customers

The Nippon Soda Group provides products with functions that satisfy our customers, and makes efforts toward ensuring safety during the use of our products.

### Policy

- **Improvement of safety and quality**

We provide safe and reliable products and services that satisfy customers' needs.

- **Creation of social value**

Through dialogue with our customers, we share challenges and work together to create new value that contributes to society by developing and providing optimal products and services.

### Improve Customer Satisfaction

#### Services by the Customer Consultation Office (Agro Products Division)

The regional salespersons and the section handling inquiries at our Head Office appropriately answer inquiries about the usage of our products and agrochemicals.

Persons in charge of answering customer inquiries are assigned to the Public Relations Section of our Product Promotion Department. Inquiries are answered under the motto of providing swift, accurate and easy-to-understand answers.

Requests and inquiries from customers are shared with each department, and the information is used to improve our products and expand the scope of application of our agrochemicals. With regard to complaints about product quality and requests for quality improvement, efforts are made to prevent recurrence and to make improvements for each individual product.

#### Sales Promotion Activities with Our Customers in Mind (Chemicals Business Division)

We exhibit actively at trade fairs, conferences and other venues, conduct interviews using our online meetings system, and seek opportunities to have discussions with our customers in other ways so that our products will be considered by more customers.

#### Promotion Activities Rooted in the Local Community (Agro Products Division)

We visit contracted wholesalers, agricultural co-ops and farmers in Japan to introduce our products and explain the appropriate methods of use. Outside of Japan, we host seminars on our products and the appropriate methods of use for local stores and farmers and invite them to visit agricultural fields where our products are used.



Status of seminars in the Tohoku region (February 13–14, 2025)

## Together with Our Customers

## Communication with Customers

## Sending out Information to Our Users (Agro Products Division)

In response to various kinds of inquiries from our customers, we provide information on registered agrochemicals and the expansion of their scope of usage in a timely manner, while complying with the Agricultural Chemicals Control Act and other related laws, rules and regulations. On the Product Guide page\* of our website, we regularly provide easy-to-understand pest control manuals for agrochemical users, product introduction videos, and other content.



Product Guide page (Japanese version only)  
<https://www.nippon-soda.co.jp/nougyo/>

Nippon Soda provides information on its agrochemicals on "Diagnose Your Crops with AI," a smartphone app developed by Nihon Nohyaku Co., Ltd. and NTT Data CCS Corporation that uses an AI learning model. The convenient app allows users to diagnose pests and weeds on their crops using a smartphone camera, and access information on pest forecasting and weather.



## Cellulose Technical Application Center (CTAC)

We established the Cellulose Technical Application Center (CTAC) inside the Chiba Research Center (Ichihara City, Chiba Prefecture) in October 2019. It is a facility for collaborating with customers on joint development of new value for pharmaceutical excipients NISSO HPC and NISSO SSF.

Before the establishment of CTAC, we conducted support activities for customer product development using NISSO HPC and NISSO SSF in ways such as responding to inquiries and providing data through scientific meetings and seminars. Now, through CTAC, we are able to reflect our practical experience, making it possible to conduct trial manufacture based on mutual ideas from meetings and study content, as well as to conduct analysis and assessment. Also, we hosted online technical seminars and have been conducting training via live broadcasts so that we can respond to an even greater number of questions from customers, and have bolstered the distribution of technical videos through our website, CTAC online\* (available in Japanese, English, and Chinese). We will strengthen the formulation assessment function through the use of this state-of-the-art facility, and work to expand sales of NISSO HPC and NISSO SSF over the medium to long term by providing solutions that match customer needs.

On top of this, in February 2025, we established NISSO Cellulose Technical Application Center Europe (NISSO CTAC EU) as a collaborative facility aimed at strengthening our overseas operations in anticipation of expanding our Healthcare business. As our base for market development activities in Europe (initially including the US and India regions), we will enhance the presence of NISSO HPC and NISSO SSF by providing more detailed and timely technical services in collaboration with CTAC.

\* CTAC online  
<https://www.nissoexcipients.com/>

## Together with Our Customers

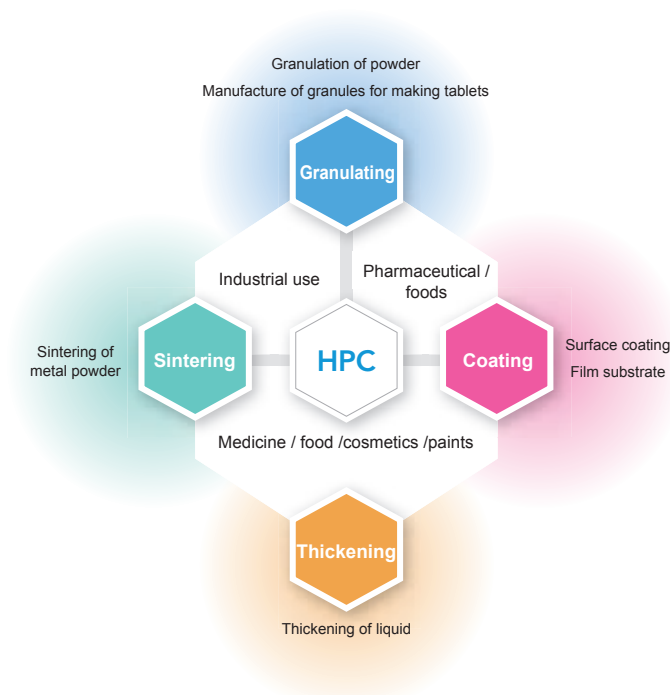
### Development of Products Useful to Society

#### Responding to the Requests of Our Customers (Chemicals Business Division)

NISSO HPC (hydroxypropyl cellulose) is used widely throughout the world as an excipient that is essential for formulating pharmaceuticals. Since its launch in 1969, we have continued to respond to the needs of pharmaceutical companies, who are our customers. As a result, we now offer 12 grades with different viscosities and particle sizes for the domestic market and 14 grades for the overseas market.

Currently, we are aggressively promoting research and development for enhancing the functionality of pharmaceuticals, both in and outside of Japan, by working with our customers to develop new grades that are in line with our customers' needs, and by maintaining NISSO HPC's status as a frontline product in pharmaceutical formulation.

We sell NISSO HPC in the food market under the brand name CELNY as it is ideally suited to food processing due to its safety and outstanding functionality. For nutritional supplements, CELNY has enabled the formulation of lactic acid bacteria (live bacteria) tablets—which are garnering attention for their immune boosting properties—at low pressure, preventing the decrease in live bacteria that occurs under high pressure. CELNY also helps to prevent cracks and damage to large tablets such as chewables, which make it easier to take medicine. In this way, CELNY is helping to improve the functionality and quality of nutritional supplements.





## Together with Our Shareholders and Investors

The Nippon Soda Group discloses information in a timely and appropriate manner in order to enhance management transparency and to meet the expectations of and honor the trust that we receive from our stakeholders. We strive to hold constructive dialogue with the aim of realizing sustainable growth and enhancing corporate value.

### Policy

- **Enhancement of dialogue**

We engage in constructive dialogue with our shareholders and investors with a view to achieving sustainable growth and enhancing corporate value. For important matters, the president and responsible directors and executive officers engage directly, enabling more substantive dialogue.

- **Disclosure of highly transparent information**

We disclose information in a timely manner in accordance with the Timely Disclosure Rules of the Tokyo Stock Exchange, emphasizing fairness, accuracy, and clarity. This enables us to contribute to the investment decisions of our shareholders and investors.

- **Reflection of feedback in management**

We appropriately communicate comments and requests received through dialogue with our shareholders and investors to the Board of Directors and other relevant bodies. This feedback is then reflected in management improvements.

## Communication

### Dialogue with Our Shareholders

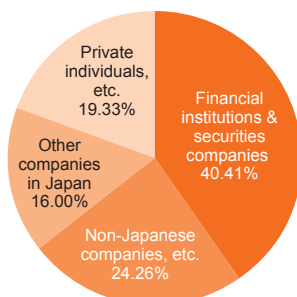
The Nippon Soda Group holds an ordinary general meeting of shareholders in June every year, viewing it as an important opportunity to engage in direct conversation with shareholders.

We strive to deliver the notice of convocation of the General Meeting of Shareholders at an early date so that our shareholders may acquire a good understanding of the issues that will be reported and the matters for resolution at the shareholders' meeting. We also provide pre-delivery disclosure of information on Nippon Soda's website and at the Tokyo Stock Exchange website, before the notice of convocation of the General Meeting of Shareholders is sent out.

Voting rights may be exercised not only in writing but also via the Internet.

We create business reports (annual report and interim report) twice a year in order to inform our shareholders of the Company's current situation. In addition, the Japanese versions of these business reports are posted on the Nippon Soda website to make them widely available to those other than our shareholders.

### Share distribution by type of shareholder (As of March 31, 2025)



Total number of authorized shares: 192,000,000 shares

Total number of issued shares: 56,787,734 shares

Number of shareholders: 29,202

Notes: Figures have been rounded to the nearest second decimal point

Treasury shares are included in "Private individuals, etc."

We conducted a two-for-one share split of our common shares with an effective date of October 1, 2024.

## Together with Our Shareholders and Investors

### Dialogue with Investors and Analysts

The Nippon Soda Group actively engages in dialogue with investors and analysts to help deepen their understanding of business details and our business performance.

We respond to requests for individual interviews from domestic institutional investors and securities analysts, and hold financial results briefings and business overview briefings twice a year. At these briefings, the representative director and president, responsible directors, and executive officers explain the performance of the Nippon Soda Group and the growth scenario. Furthermore, in addition to hosting live broadcasts of our briefings to enable more people to attend, we also post videos of the briefings, briefing materials (in Japanese and English), and English scripts on our website.

For institutional investors outside Japan, we post English versions of timely disclosure of our financial results summaries, as well as briefing materials, on our website, and also publish an integrated report in English.

The comments and proposals received through dialogue with investors and securities analysts are logged into our in-house database and shared with directors and executive officers as appropriate. In addition, details of this dialogue are regularly reported to the Board of Directors. In this way, the comments and proposals are reflected in the management of our Group.

In FY 2025/3, we engaged in dialogue with a total of 301 institutional investors and securities analysts. The main themes were recent performance, future growth strategies, progress with the long-term vision, capital policies, shareholder returns policy, and sustainability initiatives. Summaries of the Q&A sessions from our financial results briefings and business overview briefings can be found on our website.

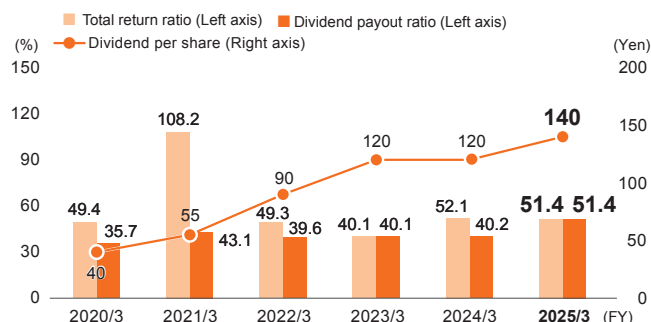
### Basic Policy on Shareholder Returns

The Nippon Soda Group makes decisions on profit distribution based on earnings trends and by comprehensively considering such issues as providing stable dividends, enhancing shareholders' equity, and improving our financial standing. Our basic policy is to provide dividends twice a year, at the middle and end of the fiscal year.

Retained earnings are used for improving corporate value, such as by advancing the development and achieving early market launches of new products, and for allotment to growth investment such as M&As and business partnerships, as well as for maintenance and upgrade investments to support stable and continuous growth.

As for return of profits to our shareholders, we will introduce a progressive dividend policy to maintain stable and continuous dividends. We will also flexibly repurchase treasury shares, taking into account factors such as the optimization of our capital structure and stock price conditions, and will maintain a total return ratio of 50% or more.

#### Shareholder returns



\* We calculated the dividend based on figures following the share split implemented on October 1, 2024.



## Together with Our Business Partners

At the Nippon Soda Group, compliance and other matters to ensure the execution of sound corporate activities are set forth in the Nippon Soda Group Code of Conduct, and we strive for thorough compliance with laws and ordinances. Furthermore, in addition to conducting fair and impartial transactions as a member of international society, we aim to build a sustainable supply chain that is environment- and society-friendly based on constructive dialogue with our business partners.

### Policy

#### ● Stance on transactions

We engage in dialogue with good sense and integrity, basing our transactions on fairness and impartiality. In addition, we place the safety and health of our business partners who handle chemical substances as our top priority. As such, we are committed to providing appropriate safety information and safety training. Working hand-in-hand with our business partners, we make continuous efforts to improve our quality and supply systems from raw material procurement to product delivery.

#### ● Purchasing activities

Regarding the procurement of raw materials and other purchasing activities, we strive to build and maintain stable relationships of trust with our suppliers based on our Purchasing Policy. We also collaborate with suppliers to address environmental and social issues within the supply chain based on the Nippon Soda Group Sustainable Procurement Guidelines. In addition, we take measures to prevent international human rights violations, such as child labor, forced labor, and human trafficking, working with our business partners to promote respect for human rights throughout our supply chain.

## Initiatives in Purchasing

### ▶ Purchasing policy

- Thoroughly comply with purchasing laws and ordinances (Antimonopoly Law, Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, etc.). Participate in internal and external training regarding law and ordinance expertise. Select suppliers who comply with laws, regulations, and social norms in each country and region.
- Purchase raw materials that contribute to stable production and enhanced cost competitiveness.
- Promote environment- and society-friendly raw material procurement.<sup>1, 2</sup>
- Secure multiple material procurement sources and undertake appropriate inventory management to ensure a robust business continuity plan (BCP).

#### 1. Environment friendly

Includes the promotion of climate change countermeasures, including the reduction of GHG emissions; the prevention of environmental pollution; the protection of global and regional environments, including the maintenance of biodiversity and ecosystems; the promotion of resource- and energy-saving measures; and the reduction of waste.

#### 2. Society friendly

Includes the elimination of child labor, forced labor, excessive labor, and discrimination; respect for freedom of association and the right to collective bargaining; the protection of workers' rights, including matters related to equal opportunity, minimum wage, and living wage; and the guarantee of safe, hygienic workplace environments.

### ▶ The Nippon Soda Group Code of Conduct

At the Nippon Soda Group, we ensure thorough compliance with the Nippon Soda Group Code of Conduct, which outlines the following standards for transactions with suppliers.

- When selecting a supplier from among multiple vendors, we determine the most appropriate business partner by comparing and assessing quality, price, delivery period, technical capability, supply stability, and other criteria in a fair and just manner.
- When outsourcing manufacture to an external business, we only conclude contracts and complete transactions following thorough understanding of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors.

### ▶ Cooperative purchasing activities

We engage in purchasing activities while checking the safety and environmental and social impact of our chemical products from manufacture to delivery. This includes collecting information from trading companies, who serve as intermediaries, and on-site audits alongside the quality control departments of each of our plants.

Through the exchange of diverse information, we are working to build relationships with our business partners that facilitate mutual development, and aiming to ensure sustainable procurement activities by cultivating deeper cooperation and understanding of our purchasing policy.

## Together with Our Business Partners

## ▶ Raw material quality management

- We regularly visit suppliers of pharmaceutical raw materials to conduct GMP\* audits.
- For all other raw materials, we implement regular paper-based audits of our suppliers, and check whether there have been any changes to product standards, manufacturing processes, and raw materials used from the details in the purchase specification sheet.

\* When manufacturing pharmaceuticals, it is important not only to check conformity with predetermined quality standards but also to appropriately manage the manufacturing process itself to ensure consistent manufacture of high-quality pharmaceuticals. Good Manufacturing Practices (standards for pharmaceutical manufacturing and quality management) are a set of requirements for the manufacture of high-quality pharmaceuticals.

## ▶ Environment- and society-friendly supply chain

- The Nippon Soda Group has formulated the Sustainable Procurement Guidelines with the aim of promoting understanding of our Group's policies and values among our suppliers, and collaborating with them to address social issues. These Guidelines are for the following themes.

(1) Compliance with laws, ordinances, and corporate ethics (2) Anti-corruption (3) Fair and impartial transactions (4) Protection of intellectual property (5) Information security (6) Conflict minerals (7) Internal control (8) Reporting system (9) Prohibition of insider trading (10) Prohibition of conflicts of interest (11) Environmental management system (12) Climate change countermeasures (13) Effective use of resources (14) Chemical substance management (15) Air, water, and soil conservation (16) Preservation of biodiversity (17) Waste reduction (18) Quality and safety assurance (19) Business continuity planning (20) Stakeholder collaboration (21) Prohibition of forced labor (22) Prohibition of child labor (23) Prohibition of discrimination (24) Prohibition of harassment (25) Respect for the right to collective bargaining (26) Management of appropriate wages and working hours (27) Safety and health assurance (28) Contribution to society and regions (29) Protection of privacy

▶ The Nippon Soda Group Sustainable Procurement Guidelines

[https://www.nippon-soda.co.jp/e/sustainability/engage/pdf/sustainable\\_procurement\\_guidelines.pdf](https://www.nippon-soda.co.jp/e/sustainability/engage/pdf/sustainable_procurement_guidelines.pdf)

- In addition, as part of its commitment to sustainable procurement, Nippon Soda began a supplier survey in February 2025 using the CSR/Sustainable Procurement Self-Assessment Tool (ver. 1.2) developed by the UN Global Compact Network Japan (GCNJ) to evaluate fulfillment of social responsibilities across the supply chain. In FY 2025/3, we had 36 raw material suppliers complete the survey, and the overall average score percentage<sup>1</sup> reached 92.9%.

Through this survey, we determined what initiatives our business partners were implementing across the following nine categories:

- I. Corporate governance (e.g., CSR administration systems, internal controls, BCP, and internal reporting systems)
- II. Human rights (e.g., respect for human rights, prohibition of discrimination, and avoidance of complicity in human rights abuses)
- III. Labor (e.g., prohibition of employment discrimination, inhumane treatment, forced labor, and child labor)
- IV. Environment (e.g., chemical substance management, wastewater and emissions control, reduction of greenhouse gas emissions, waste management, and promotion of biodiversity)
- V. Fair business practices (e.g., prevention of corruption, compliance with competition laws, and exclusion of antisocial forces)
- VI. Quality and safety (e.g., product/service quality and safety assurance and accident response)
- VII. Information security (e.g., protection of personal information and management of confidential information)
- VIII. Supply chain (e.g., practicing responsible procurement and taking measures to avoid use of conflict minerals)
- IX. Coexistence with local communities (e.g., contribution to and collaboration with local communities)

Based on the results of this survey, we will continue dialogue with business partners to promote CSR activities across the entire supply chain. We will continue to regularly conduct this assessment based on the Ten Principles of the UN Global Compact (covering the areas of human rights, labor, the environment, and anti-corruption) to build a sustainable supply chain that meets international standards.

- When agreeing on purchase specifications with our material suppliers, we check for the acquisition of ISO 9001 and 14001, the presence or absence of conflict minerals,<sup>2</sup> and any independent concentration management criteria in place at the material treatment location to protect workers' health. In doing so, we ascertain the level of impact the material and its supply have on the environment and society.

Furthermore, regarding chemical substances that are subject to restrictions due to their impact on the environment, safety, and health, we aim for smooth information sharing across the supply chain, and request that suppliers provide information on contained materials using the chemSHERPA format.<sup>3</sup>

1. Average score ratio: the average of the ratios of actual scores to allocated points (percent score) across the nine evaluation categories.

2. Materials are checked based on the Conflict Minerals Reporting Template put together and provided by the Responsible Minerals Initiative.

3. A format promoted by the Joint Article Management Promotion-consortium to enable appropriate management of information on chemical substances contained in articles, etc., and ensure smooth disclosure and communication of said information across the supply chain to enhance industrial competitiveness.

## Together with Our Business Partners

## Dialogue with Business Partners

► **Improve awareness on safety and disaster prevention together with our partner companies**

We provide education on the safe use of agricultural machinery to companies to whom daily field maintenance is consigned at various agricultural fields under the jurisdiction of the Research & Innovation Centers.

In cooperation with our partner companies, we aim to achieve zero accidents by involving all relevant people. We implement various measures to raise awareness on safety and disaster prevention among employees of partner companies who work within our facilities, such as the development of a list that clarifies who has qualifications for operating agricultural machinery and equipment and the management of operations.

► **Educating transportation companies on logistics safety**

The Nippon Soda Group regularly provides education targeting related transportation companies. Our programs not only provide training to prevent accidents caused by our workers and during transport, but also information on past complaints regarding logistics. We share such information to ensure the safe delivery of our products to our customers.



Logistics safety education (classroom learning and training on how to handle product leaks)  
(Omiya Distribution Center, Sanwa Soko Co., Ltd., October 28, 2024)

## Declaration of Partnership Building

As we aim to create a sustainable supply chain, at Nippon Soda we are engaging in constructive dialogue with our business partners to promote environment- and society-friendly business activities.

Moreover, we are working with our supply chain business partners and value creation companies to ensure “co-existence and co-prosperity,” and as part of the Declaration of Partnership Building, announcing our key measures to build new partnerships.

- Declaration of Partnership Building  
[https://ssl4.eir-parts.net/doc/4041/ir\\_material3/192602/00.pdf](https://ssl4.eir-parts.net/doc/4041/ir_material3/192602/00.pdf)  
 (Japanese version only)



## Together with Our Employees

The Nippon Soda Group's long-term vision **Brilliance through Chemistry 2030**, has identified enhancement of cost competitiveness and efficiency, expansion of overseas businesses, and promotion of new product development and entry into new businesses as key issues. In implementing related strategies, we believe people are one of our most important management resources. As such, as part of the medium-term business plan **Brilliance through Chemistry Stage II**, we have formulated human capital management vision **Make Employees Brilliant** and are promoting the relevant measures. Additionally, in FY 2026/3, we adopted our new HR Policy: **Fostering Brilliance through Chemistry** to align with our long-term vision. Under this policy, we are working to review and refine our personnel systems to support employees in taking on challenges, learning, and applying these experiences to their work. Our aim is to transform ourselves into an organization that further promotes innovation while fully utilizing the strengths we have built up over the years. To do so, we are committed to promoting diversity, developing human resources, and creating a rewarding workplace that employees can be proud of, with the aim of building an environment and organization that allows each and every one of our diverse employees to maximize his or her abilities, to grasp changes in society's circumstances, and to work with a positive mindset.

### Policy

- **Respect for human rights and dignity**

We respect the principles enshrined in the International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), and conduct our business in accordance with the UN Guiding Principles on Business and Human Rights with respect to all stakeholders. In compliance with the laws and regulations of each country, we also take measures to prevent discrimination and harassment based on race, religion, gender, sexual orientation, disability, age, nationality, or other grounds, prohibit all forms of child labor and forced labor, and respect freedom of association and the right to collective bargaining. Through these efforts, we are committed to building a fair and sound business environment where people's human rights and dignity are respected.

- **Promotion of diversity**

We work to create an environment where individuals with diverse cultures, customs, and values can thrive. We cultivate an inclusive organizational culture enabling us to achieve sustainable corporate growth by fusing each person's strengths and creativity.

- **Support for the development and active participation of human resources**

We provide a variety of systematic training programs to support the continuous growth and self-directed career development of all employees, encouraging them to thrive and shine in their roles. We also provide flexible work arrangements and support employees in achieving a healthy work-life balance. We strictly comply with the laws of each country and region we operate in regarding working hours and overtime, take proactive steps to reduce excessive working hours, and ensure appropriate working hour management. Through these efforts, we are committed to safeguarding the physical and mental health of our employees, nurturing our precious talent and promoting healthy management practices.

- **Constant improvement**

We proactively review our personnel systems, operations, and frameworks to ensure constant improvement.

## Human Rights Initiatives at Workplaces

The Nippon Soda Group is striving to improve in-house awareness of human rights and create fair workplace environments. The Nippon Soda Group Code of Conduct, which sets out the requirements that all employees of the Nippon Soda Group must follow, clearly states "Respect for Human Rights and Prohibition of Discrimination," and ensures that we respect the personality and individuality of every employee and do not take any action that would result in discrimination. Moreover, in addition to incorporating lectures into our position-based training that promote understanding of diversity and respect for every individual, we have also set up a complaints desk that employees can use with peace of mind to maintain a harassment-free, sound workplace environment. Further, we have created a fair assessment and remuneration system based on employees' job duties and responsibilities to ensure the same wages for the same roles, regardless of employment type, in line with the principle of Equal Pay for Equal Work. Through these measures, we are protecting employees' dignity and working to create vibrant workplaces.

## Together with Our Employees

### • Employee Training

We provide lectures on harassment prevention as part of the training programs offered to newly appointed employees at each level, including new hires.

### • Complaints Desk

At each worksite we have established a harassment consultation desk. Furthermore, in April 2020, we newly established an external consultation desk, the Nisso Harassment and Relationships Hotline, which we set up as a means to enhance reporter privacy.

### • Equal Pay for Equal Work

At Nippon Soda, we agree with the principle of equal pay for equal work. While considering job duties, human resource systems, and other circumstances, we strive to avoid any unreasonable differences in treatment due to gender, age, nationality, employment condition,\* or other reason.

\* Based on the Regulation for Enforcement of the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers and the Guidelines on the Prohibition against Unreasonable Treatment of Part-Time Workers, Fixed-Term Workers, and Dispatched Workers (Guidelines on Equal Pay for Equal Work) (Public Notice of the Ministry of Health, Labour and Welfare No. 430)

## Promotion of Diversity

Diversity is one of our primary strategies for maintaining a high level of global competitiveness and sustainable growth. We believe that the creation of such a diverse work environment and organization that allows each and every one of our employees to demonstrate their abilities to the fullest extent, to grasp changes in the environment, and to work with a positive mindset will lead to innovation.

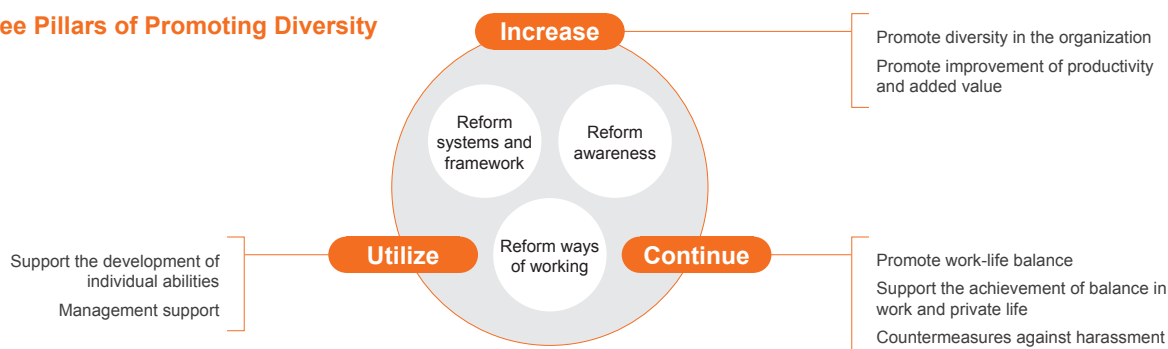
### ① Diversity Policy

The aim of our Diversity Policy is to develop the Company by bringing together diverse people, regardless of gender, age, nationality, race, religion, and disability, while providing opportunities to gather and exchange ideas.

We believe that having a workforce with diverse values is essential for generating new innovations and increasing global competitiveness. In this context, we recognize the promotion of diversity as an important management strategy.

As part of these efforts, we are building a foundation with both tangible and intangible measures, including a shift to a personnel system that makes the most of diverse human resources, improvement of organizational climate, and improvement of the workplace environment. We aim to be a company where motivated and capable people from around the world can thrive and shine, and continuously grow and develop.

### Three Pillars of Promoting Diversity



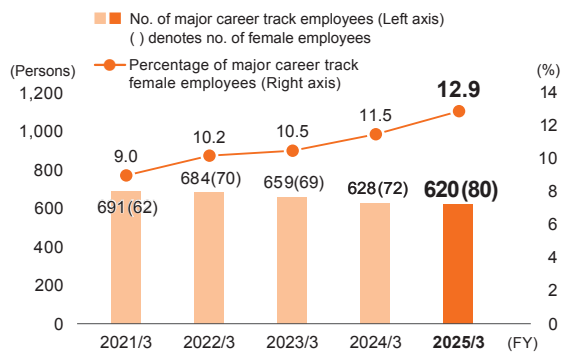


## Together with Our Employees

### ② Promotion of Women's Active Participation

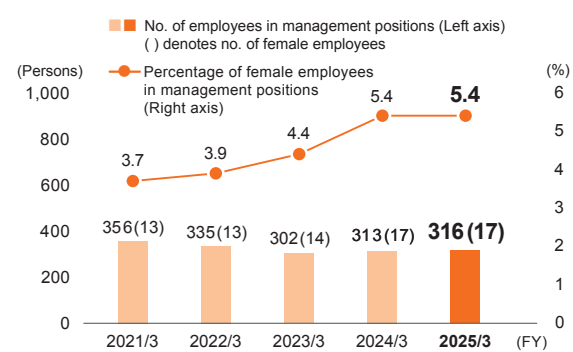
At Nippon Soda, in addition to promoting the creation of a workplace in which women can work comfortably, we are also aiming to build a working environment in which they can thrive. The General Employer Action Plan was prepared based on the Act on Promotion of Women's Participation and Advancement in the Workplace. As a result of efforts under the action plan, we were certified as an "Eruboshi" company in August 2018. Our target is to increase the percentage of female employees in management positions to 10% by FY 2031/3.

#### Number and percentage of major career track female employees



Note: Nippon Soda (non-consolidated; includes those seconded to group companies)

#### Number and percentage of female employees in management positions



### ③ Enhanced Recruitment Efforts

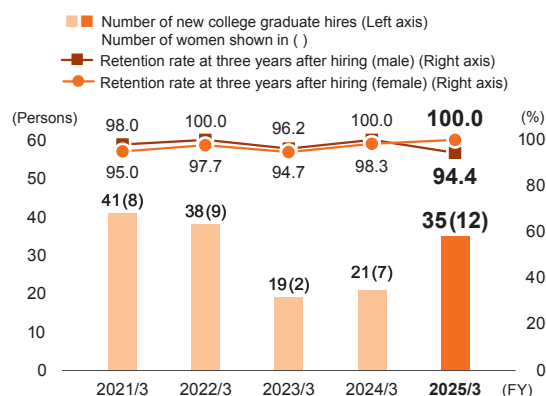
At Nippon Soda, we host employment information meetings that focus on career opportunities and work-life balance, providing job applicants with a concrete idea of their future at the Company. At the same time, we are updating our recruitment websites to enhance content that better communicates the Company's culture and atmosphere. Moreover, we established our own in-house farm and employed people with disabilities through this farm-based initiative. This was driven by our commitment to contributing to society, promoting diversity, and enhancing corporate value, among other objectives. Through initiatives like these, we are aiming to attract diverse talents and create workplace environments where anyone can thrive.

Our main achievements in FY 2025/3 are as follows.

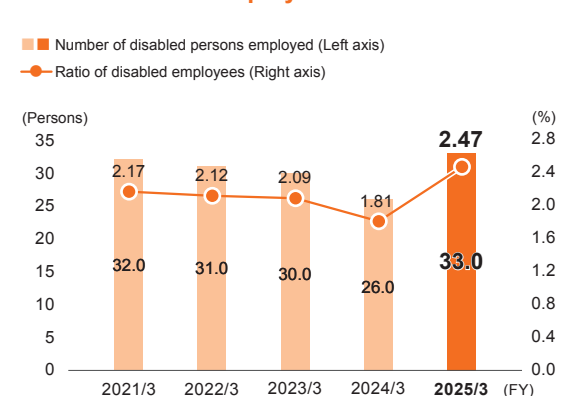
- New college graduate hires (Major career track employees, clerical employees, operational employees)  
Joined April 2025: 20 (10 women)
- Mid-career hires (Major career track employees, clerical employees, operational employees)  
April 2024–March 2025: 18 (6 women)
- Senior hires April: 27; October: 12 Employed all applicants for reemployment (including affiliated company transfers)
- People with disabilities  
January 2025: 3 (0 women)

In the future, in addition to strengthening awareness and networks for the employment of people with disabilities and developing appropriate workplace environments, we will work to increase our ratio of employment of people with disabilities.

#### Number of hired persons (by gender) and retention rate



#### Number of disabled persons employed and ratio of disabled employees

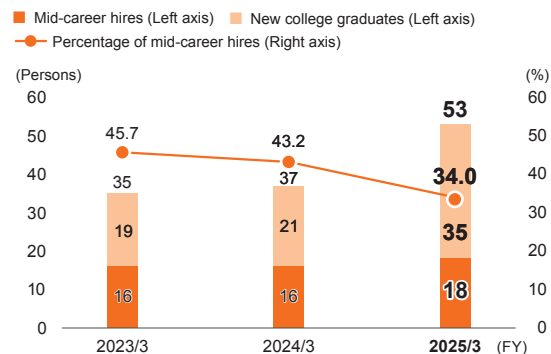


\* Did not achieve the 2.5% legal employment ratio for April 2024 onwards as defined by the Ministry of Health, Labour and Welfare



## Together with Our Employees

## Percentage of mid-career hires among hired regular employees



## Employment conditions (regular employees/non-regular employees)

Regular employees		Non-regular employees				Total
		Contract employees	Temporary employees	Subtotal		
(Persons)	(%)	(Persons)	(Persons)	(Persons)	(%)	(Persons)
1,248	83.5	159	87	246	16.5	1,494

Note: As of March 31, 2025; Nippon Soda (non-consolidated)

## ④ Embracing Diversity

We place emphasis on employing diverse candidates regardless of gender, age, nationality, race, religion, ability or disability, and regardless of whether they are new graduates or mid-career hires, so as to create a more diverse organization. A group consisting of people with different values should give its members the impetus to broaden their outlook and change their viewpoint.

To enhance recognition of diverse values and to empower individuals and organizations, we are promoting reforms in awareness through diversity lectures as part of our position-based training.

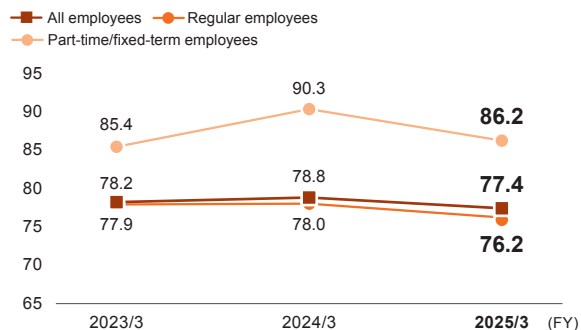
Moreover, since November 2016 we have continued to publish articles on diversity in our company newsletters.

## Articles on diversity in company newsletters

NISSO Diversity (August 2024)  
Unconscious Bias Self-CheckNISSO Diversity (December 2024)  
Parental leave for new fathers: Interviews with employees  
balancing work and childcare

## Together with Our Employees

## Wage gap between male and female employees



We calculated the figures for gender pay gap shown on the left based on actual pay received. There is no pay gap between men and women within the same job group, job grade, or role.

\* Calculated based on the provisions contained in the Act on Promotion of Female Participation and Advancement in the Workplace (Act No. 64 of 2015)

\* Calculation method: Average annual wage for women ÷ Average annual wage for men × 100 (%)

\* Aggregation period: Each fiscal year, from April 1 to March 31 of the following year

\* Wages: Includes base pay, overtime pay, bonuses, etc. (excludes severance pay, commuting allowances, etc.)

\* All employees: Excludes employees seconded from the Company and employees seconded from other companies

\* Regular employees: Refers to full-time employees

\* Part-time/fixed-term employees: Refers to contract employees other than regular employees (including those rehired after retirement); excludes temporary workers dispatched from a staffing agency

## Human Resources Development

In order for Nippon Soda to continue to grow in the future, the development of human resources is essential. We are examining and implementing various measures designed to develop autonomous talent. Guided by our HR Policy: Fostering Brilliance through Chemistry, we help every employee—regardless of role or rank—to act autonomously. In doing so, we encourage them to take on challenges, pursue learning, and apply these experiences to their work. Through these three pillars—Challenge, Learn, and Action—we empower everyone to become brilliant individuals.

We believe that education and training are fundamental to human resources development. In addition to on-the-job training (OJT) at the workplace, the Company conducts a variety of programs, including position-based training, specialized training by job type, and support for self-development to improve language skills and obtain qualifications. In FY 2025/3, we implemented a new training program for line managers. Additionally, employees at Nippon Soda spent a total of 17,954 hours on off-the-job training in FY 2025/3. This is the equivalent of an average of 14 hours of learning per employee. Moving forward, we will continue to proactively develop employees' skills and improve our corporate value through the development of human resources.

## Educational Programs (Position-based Training)

Position	Position-based training	Career development support program	Self-development support				
Executives	Executives Training		e-Learning	Correspondence Training	Language Training	Business Skills Acquisition Support	Deployment to External Organizations
Managers	Level 3 Training						
	Level 2 Training						
	Level 1 Training						
Assistant Managers	Assistant Managers Training						
Staff Employees	Follow-up Training	Career Training (Advanced) (At 10 years of employment)	e-Learning	Correspondence Training	Language Training	Business Skills Acquisition Support	Deployment to External Organizations
		Career Training (Basic) (At 5 years of employment)					
New Employees	Orientation Training	Tutor Instructions (Specialized work) On-site Practical Training (Administrative work)					

## Together with Our Employees

**① Career Development Support Program**

At Nippon Soda, as we work to achieve sustainable growth in this era of rapid change, we believe that a strong desire among all employees for continuous skills development is essential. As such, by respecting our employees' aptitudes and individualities and supporting their growth, we are working to increase their motivation to take on challenges and promote autonomous career development. Moreover, in addition to individual growth, we are aiming to maximize our organizational capabilities through appropriate employee deployment. Through these initiatives, we will ensure the mutual development of our employees and organizations. We have thus created a Career Development Support Program to aid in these efforts. As part of the program, which is mainly for new and mid-career employees, participants are helped to envision where they want to be in five to ten years' time. Employees are then offered support to ensure they efficiently manage their own skills development plan and achieve their targets. Specifically, the program comprises three elements: Career Training, which aims to improve their awareness of career development; a Career Vision Sheet, through which employees can draw and review their ideal image once a year; and a Career Interview, through which employees can communicate their thoughts and clarify their vision. Through this program, not only do we want to help employees develop, we also aim to nurture personnel who can create value for the future of the Company.

We have set the implementation rate of supervisor and HR interviews as indicators to assess the practicality of the Career Development Support Program, and for both we are targeting 100%. Our results in FY 2025/3 are as follows.

Implementation rate of supervisor interviews for eligible employees (major career track employees in 1st to 15th year at the Company): 100%

Implementation rate of HR interviews for eligible employees (major career track employees in 5th, 10th, and 15th year at the Company): 100%

Our activities in FY 2025/3 were as follows.

- Hosted briefing on Career Development Support Program (June 2024)
- Hosted Career Training (June 2024)
- Created Career Vision Sheet, held supervisor interviews (June–September 2024)
- Held Career Interviews (October–November 2024)

We also introduced opportunities for interviews with external career consultants on a trial basis.

**② Overseas Study/Training for R&D Personnel**

We offer domestic and overseas research and study programs to enable our personnel to learn about state-of-the-art technologies and to develop a global network. As part of these programs, we dispatch employees to overseas labs engaged in research on organic synthesis, polymer technologies, and molecular biology. By working hard alongside researchers overseas, our own researchers have been able to enhance their own skill levels. We also anticipate the creation of collaborative projects with these labs overseas.

Moreover, we offer overseas training programs to help employees experience what is necessary to drive business in different cultures. Trainees who pass the relevant selection tests spend one year studying the language abroad and engaging in practical training at a related overseas company. Trainees who have taken part in the programs have used the wide-ranging perspectives and career views gained overseas to succeed in their individual departments.

Although work experience programs were temporarily suspended due to COVID-19, we plan to implement initiatives to increase opportunities for overseas work experience to develop leaders for the next generation.



An overseas trainee at the University of Cambridge

**③ Education on Laws and Ordinances Related to Chemical Products and Product Safety**

At Nippon Soda, we regularly provide education and host briefings on laws and ordinances related to the management of chemical substances.

No.	Programs and content	Site and date	Number of participants
1	Pharmaceuticals education (Content: Management system, standard documents, activity plans/ achievements, safety management information, quality management information, change management)	Head Office, Osaka Office May 30, 2024	25
2	Education on the risk management of chemical substances (Attended the JCIA Chemical Risk Forum: Practical training on an overview of chemical management, trends in chemical regulations across countries, risk assessment methods, etc.)	Head Office, Nihongi Plant, Takaoka Plant, Mizushima Plant, Chiba Plant May 2024 to February 2025 (10 sessions in total)	49
3	Education on SDS-related regulations (Content: Review of legal system and chemical-substance-related laws for personnel in charge of factory product certification (SDS))	Head Office, Nihongi Plant, Takaoka Plant, Chiba Plant November 26–27, 2024	6

## Together with Our Employees

### ④ Education on Laws and Ordinances Related to Other Operations

Nippon Soda conducts ongoing legal compliance training related to its operations to ensure thorough adherence to laws and regulations.

Date	Target workplace/personnel	Training content	Number of participants
April 7, 2024	New employees joining in 2024 Mid-year hires in FY 2024/3	Compliance training	18
April 19, 2024	Newly appointed Level 1 personnel for FY 2025/3 Individuals who did not attend FY 2024/3 training	Labor Standards Act/Childcare and Family Care Leave Act/Next Generation Support Act/Female Participation Promotion Act	26
May 13, 2024	Newly appointed compliance officers	Internal reporting training	4
May 17, 2024	Newly appointed assistant managers for FY 2025/3 Those who did not attend FY 2024/3 training	Labor Standards Act/Childcare and Family Care Leave Act/Next Generation Support Act /Female Participation Promotion Act	20
October 1 - November 30, 2024	Executives of domestic group companies	Code of Conduct training (e-learning)	2,801
November 5, 2024	Overseas sales department members	Subcontracting Act training	11
November 13, 2024	Nihongi Plant managers	Subcontracting Act training	22
December 11, 2024	Takaoka Plant managers	Subcontracting Act training	26

### ⑤ Education on Safety and Health

At Nippon Soda, through the implementation of diverse educational programs, such as health education, safety lectures, and seminars, we are raising employees' awareness of the importance of health and safety.

	First half		Second half	
	Date	Details	Date	Details
Head Office	June 2024	Stretching exercise video: Stiff shoulders, lower back pain, and correct walking posture	October 2024	Health lecture: Understanding stress checks (with video)
	July 2024	Health lecture: Nursing care for everyone (with video)	November 2024	First aid and emergency response workshop (including AED use)
			December 2024	Health lecture: Managing your health in cold weather
Nihongi Plant	May 23, 2024	Safety lecture	October 7, 2024	Health lecture
	September 26, 2024	Traffic lecture	October 30, 2024	Health festival
			November 5, 2024	Lecture on the prevention of shoulder and back pain
			November 21, 2024	Foam roller workshop
			March 13, 2025	Mental health care: Line care training
Takaoka Plant	June 5, 2024	Heatstroke education (103 people)	October 7, 2024	First aid workshop (27 people)
	June 7, 2024	Experiential education relating to the odor of phosgene gas (33 people)	November 26, 2024	Experiential education relating to the odor of phosgene gas (6 people)
	June 19 and 25, 2024	Traffic safety class (55 people)	February 4, 2025	Health lecture (78 people)
	July 29 and August 21, 2024	Education on physical and mental health (60 people)	February 21, 2025	Respirator training (19 people)
	August 1, 2024	Electricity safety education (90 people)		
	September 26, 2024	Experiential education relating to the dangers of chemical substances (video-led guidance)		
Mizushima Plant	May 20, 2024	Presentation on heatstroke prevention	February 13, 2025	Traffic lecture
	June 18, 2024	Traffic lecture		
	September 3, 2024	Health lecture		
	September 18, 2024	Aula company-wide seminar		
Chiba Plant	June 21, 2024	Traffic safety lecture	November 6, 2024	Health lecture
	July 23 and 30, 2024	General lifesaving training	January 15, 2025	Self-care seminar
	July 24, 2024	Mental health seminar	January 30 and February 6, 2025	General lifesaving training
R&I Center (Odawara area)	June 17, 2024	Self-care training: Nutritional psychiatry	November 18, 2024	Line care training: Lecture based on last year's survey results
			January 20, 2025	Health lecture: Cancer prevention
R&I Center (Chiba area)	June 21, 2024	Traffic safety lecture (with the Chiba Plant)	November 6, 2024	Health lecture: Methods for improving and preventing liver dysfunction (with the Chiba Plant)
	July 23 and 30, 2024	General lifesaving training (with the Chiba Plant)	January 22, 2025	Self-care seminar: Addiction
	July 24, 2024	Self-care seminar (with the Chiba Plant)	January 30 and February 6, 2025	General lifesaving training (with the Chiba Plant)

## Together with Our Employees

## Rewarding Workplaces That Employees Can Be Proud Of

In our human capital management vision Make Employees Brilliant, in addition to measures to develop human resources, we have also set out the following policy for developing in-house environments: Maximize employee capabilities through flexible and efficient workstyles.

### ① Improving Employee Satisfaction

The Nippon Soda Group focuses proactive efforts on creating a work environment in which each and every employee feels a sense of fulfillment and can maximize their abilities. We support employee growth, and encourage autonomous career development. At the same time, we gather feedback from labor unions and other channels on what systems and work environments are desirable to support employee growth, strive to reduce overtime work, and take measures to address these issues. In addition, we also provide platforms for reviews so that those in management can work more efficiently.

In FY 2025/3, in addition to the management and reduction of overtime, and efforts to prevent an increase in overtime, we worked to reinforce our management of paid leave acquisition.

#### Total annual working time per employee

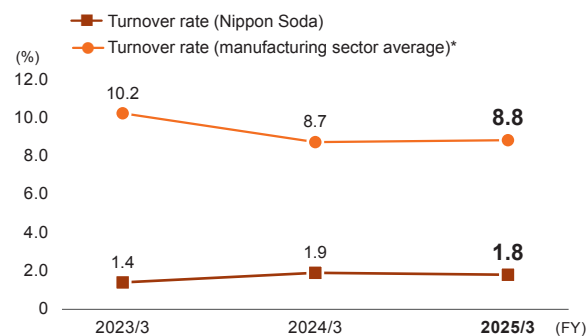
Scheduled working hours	Early start and overtime hours	Holiday working hours	Paid annual leave days taken	Other paid leave days taken	Total annual working hours per person
1,807.8	99.2	4.0	15.9	2.0	1,765.6

\* Calculation period: FY 2025/3 (April 2024–March 2025)

### ② Improving Engagement

Since December 2022, we have implemented an engagement survey to visualize employees' level of engagement with the Company. The survey response rate has been between 92–94%. In the future, we will formulate and implement measures to improve engagement based on the results of the survey.

#### Turnover rate



\* Based on the Survey on Employment Trends by the Ministry of Health, Labour and Welfare of Japan.

### ③ Promoting Work-life Balance

At Nippon Soda, we are working to create a workplace environment where our employees can continue working despite various lifestyle changes, such as childbirth, raising a child, and providing nursing care for ailing family members. We are revising our work regulations and advancing working style reforms in order to create a workplace where our employees can pursue their work without compromising their health, and achieve a good balance between their work and private lives. Moreover, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, we have formulated an action plan to enable employees to strike a balance between work and childcare. As a result of these efforts, in October 2020 we acquired Kurumin certification. The main measures we have introduced include providing nursing care leave for employees with sick children and restricting overtime work. We have also established a reduced-hour work system that exceeds legal requirements by covering employees raising children up to the sixth grade of elementary school. Furthermore, we have introduced a leave of absence system for employees to accompany spouses who are relocating due to a job transfer or other reasons, both within Japan and overseas.

In FY 2025/3, we implemented the following activities.

- Provided work-life balance training as part of position-based training programs (all year)
- Rolled out measures to promote acquisition of paid leave at each worksite
- Introduction of the Spousal Accompaniment Leave System





## Together with Our Employees

## Number of employees who take childcare and nursing care leave

	Employees taking childcare leave		Employees taking family care leave	
	Men	Women	Men	Women
FY 2020/3	4	4	0	0
FY 2021/3	8	6	1	0
FY 2022/3	9	9	0	0
FY 2023/3	17	2	0	0
FY 2024/3	28	7	0	0
FY 2025/3	35	9	0	0

## Number of employees taking maternity and childcare leave and the return to work/retention rate

	Employees taking maternity and childcare leave		Rate of employees returning to work (%)		Retention rate (%)	
	Men	Women	Men	Women	Men	Women
2020/3	4 (1,143)	4 (170)	75	100	100	100
2021/3	8 (1,220)	6 (176)	100	100	100	100
2022/3	9 (1,216)	9 (179)	100	100	100	100
2023/3	17 (1,186)	2 (175)	100	100	89	100
2024/3	35 (1,224)	7 (187)	100	100	100	100
2025/3	33 (1,208)	5 (199)	100	100	100	100

The number of employees who have taken the leave is counted in the period in which they started maternity/postpartum leave and childcare leave.

The numbers in parentheses are the total numbers of male and female employees, respectively, at the end of each period.

Retention rate is for employees who in that period were in their third year since returning to work.

## ④ Measures to Maintain and Improve Health

Nippon Soda conducts various initiatives related to health maintenance and improvement in order to ensure our employees work with healthy bodies and minds.

## • Physical health

We implement health programs jointly with the corporate health insurance society. Specifically, with the cooperation of occupational physicians, we conduct specific health examinations, specific health guidance, and health checkups for lifestyle-related diseases.

## • Mental health

Since before the 2015 amendment to the Industrial Safety and Health Act, Nippon Soda has been providing stress checks for all employees, and has a consultation service available through specialized physicians, clinical psychologists, and external organizations.

## ⑤ Labor-management Relations and Improvement of Working Conditions

The Company views negotiations with labor unions as an opportunity to engage in dialogue with its employees, and to discuss how to create working conditions that are consistent with the times. We are creating an environment in which employees and management can discuss issues and problems in the workplace.

In FY 2025/3, we implemented the following reviews and system revisions.

- Employees in the plant district on day shifts now have a full two-day weekend (Saturdays and Sundays); manufacturing personnel in the same district receive an additional two days of paid leave.

## Number of labor union members

	Number of labor union members (Persons)	Average age (Years)	Average length of service (Years)	Percentage of members (%)
FY 2020/3	853	37.9	15.8	65.0
FY 2021/3	940	39.1	16.7	67.4
FY 2022/3	969	39.3	16.6	69.5
FY 2023/3	950	39.4	16.5	69.8
FY 2024/3	917	39.5	16.6	68.6
FY 2025/3	867	39.3	16.0	65.3

Note: Nippon Soda (non-consolidated)

## ⑥ Improvement of the Workplace Environment

Nippon Soda seeks to strike a balance between ease of working and maintaining and improving organizational productivity. To improve the flexibility of workstyles, we are moving forward with efforts to provide mobile PCs and promote paperless operations at our Head Office and various business sites. One synergistic effect of these initiatives is that we are now promoting the adoption of hot desking in our offices. Furthermore, in addition to gradually making more departments eligible for our teleworking and staggered working hours systems, we have introduced a home office system for some sales office employees to reduce the burden of travelling between their residence and their assigned area.



## Together with Our Local Communities

To coexist with our local communities as a corporate citizen and ensure our sustainable development, at the Nippon Soda Group we proactively participate in community activities, exchange opinions with community stakeholders, and engage in an array of social contribution activities. In addition, through dialogue with local communities, we share transparent information regarding the impacts of chemical substances on the environment, health, and safety, and aim to deepen our understanding of their needs and values, thereby building and solidifying relationships of trust.

### Policy

- **Contributing to the sustainable development of local communities**

Based on the fundamental principle of contributing to the sustainable development of society through business activities, in addition to contributing to regional economies through local employment and procurement, we promote social contribution activities from the viewpoints of resolving global environmental issues, a harmonious relationship with local communities, and contributing to the development of local communities.

- **Carrying out activities tailored to local needs**

We develop good relationships with local residents by creating regular opportunities to engage in dialogue as a way to gain an accurate picture of local needs, and by organizing or participating in various activities.

- **Co-creating value with local communities**

We aim to both contribute to society and achieve business growth by investing in local communities using the management resources cultivated through our business activities. We incorporate insights gained from dialogue with local stakeholders into product development and improvement. We also leverage the relationships of trust we build to strengthen our management foundation. These efforts lead to more stable operations, allow us to attract new talent, and enhance our brand value.

## Together with Our Local Communities

## Harmonious Relationship with Local Communities

## ► Social Dialogue with local communities

Nippon Soda holds local gatherings and regularly hosts tours of plants and research centers for residents near its worksites in order to share information on CSR activities and exchange views and comments.

## Dialogue with local communities at worksites (Frequency)

	Site	Local gatherings*	Site tours	RC Committee regional dialogue of the Japan Chemical Industry Association (JCIA)	Other
FY 2022/3	Nihongi Plant	0	2	0	10
	Takaoka Plant	0	0	1	74
	Mizushima Plant	0	0	0	19
	Chiba Plant	0	0	1	41
	Odawara Research Center (current R&I Center)	0	4	0	3
	Chiba Research Center	0	3	0	0
FY 2023/3	Nihongi Plant	2	2	0	11
	Takaoka Plant	5	17	2	101
	Mizushima Plant	0	0	1	20
	Chiba Plant	0	0	1	29
	Odawara Research Center (current R&I Center)	0	15	0	6
	Chiba Research Center	0	0	0	0
FY 2024/3	Nihongi Plant	2	1	0	15
	Takaoka Plant	6	17	0	110
	Mizushima Plant	3	0	1	19
	Chiba Plant	0	0	2	30
	R&I Centers (Odawara/Chiba areas)	2	37	0	6
FY 2025/3	Nihongi Plant	11	4	0	11
	Takaoka Plant	6	24	1	131
	Mizushima Plant	0	0	0	17
	Chiba Plant	0	0	0	32
	R&I Centers (Odawara/Chiba areas)	2	26	0	7

\* We aim to host more than 25 local gatherings per year.

## Together with Our Local Communities

### ► Participation in local activities

Nippon Soda endeavors to build positive relationships with local residents at each of its business sites by engaging in a wide range of activities tailored to community needs. These include such thing as cleanup activities, participation in local festivals, hosting plant tours, and supporting regional events, all aimed at fostering coexistence with the community.

### Participation in local activities

FY 2025/3					
Site	Name of local event	Date	Summary	Number of participants	
Nihongi Plant	Itabashi Neighborhood Association Spring Festival	April 17, 2024	Shrine ritual	1	
	Eco-Walk (spring)	April 16, 2024	Litter picking in Nakago Ward	56 plant employees (including partner companies)	
	Nihongi Area Spring Festival	April 23, 2024	Shrine ritual	2	
	Kurotaki Fudoson Spring Grand Festival	May 5, 2024	Shrine ritual	1	
	Midori no Hane Community Chest	May 30, 2024	Fundraising by Nakago Junior High School students outside the plant's main gate	12 students and 2 chaperone teachers	
	Nakago Junior High School grade 2 plant tour	July 9, 2024	Annual plant tour	24 students, 2 chaperone teachers, and 3 Satomaru members	
	Fujisawa Neighborhood Association environmental gathering	July 24, 2024	Participation with JES	6 (including 2 from JES)	
	Science Festival (Myoko City)	July 15, 2024	Scientific experiments, etc., at Waku Waku Land Arai	11 (PTC, General Affairs), with many visitors on the day	
	Itabashi Neighborhood Association Autumn Festival	August 23, 2024	Shrine ritual	1	
	Fujisawa Neighborhood Association Autumn Festival	August 24, 2024	Shrine ritual, kagura dance, portable shrine parade	3	
	Ebata Neighborhood Association Autumn Festival	September 22, 2024	Shrine ritual, kagura dance	1	
	Joetsu Yume Challenge	October 16–18, 2024	Nakago Junior High School student workplace experience program	11 students from Nakago Junior High School	
	Eco-Walk (autumn)	October 23, 2024	Litter picking in Nakago Ward	59 plant employees (including partner companies)	
	Red Feather Community Chest	October 25, 2024	Fundraising by Nakago Elementary School outside the plant's main gate	16 students and several chaperone teachers	
	Nihongi Station Railway Festival	November 2, 2024	Hosted event at Nihongi Station	2	
	Nakago rice tasting event	October 29, 2024	Hosted meeting on the future of agriculture in Nakago	Distributed 200 sample onigiri (rice balls)	
	Nakago Elementary School plant tour	November 7, 2024	For third graders	9 students and 2 chaperone teachers	
	Itabashi Neighborhood Association environmental gathering	November 20, 2024		4	
	Fujisawa Neighborhood Association environmental gathering	November 21, 2024	Participation with JES	6 (including 2 from JES)	
	Nakago Ward New Year celebration	January 11, 2025	Attended as a guest the new year celebration hosted by the town development association	Plant manager	
Takaoka Plant	Presentation ceremony for certificate of appreciation for corporate hometown tax contributions in Joetsu City	February 20, 2025	Donated ¥40 million to Joetsu City	4	
	Traffic safety guidance on the street	April 11, 2024	Traffic safety guidance for plant surroundings and nearby roads	24	
	Maintenance of environment around the plant	June 19, 2024	Environmental maintenance for plant surroundings and nearby roads	195	
	Traffic safety guidance on the street	September 26, 2024	Traffic safety guidance for plant surroundings and nearby roads	22	
	Maintenance of environment around the plant	October 18, 2024	Environmental maintenance for plant surroundings and nearby roads	177	
	Nisso "Thanking Local Residents" event	November 9, 2024	Plant tour, lecture by the plant manager, NTTC tour and hands-on experience	41 local residents, 12 Nippon Soda employees	
	Meeting with environmental monitors	November 21, 2024	Exchange of opinions with environmental monitors	9 environmental monitors, 4 Nippon Soda employees	
	Meeting with local residents (four local neighborhood associations)	November 26 and 28/ December 2 and 5, 2024	Exchange of opinions with local residents	39 neighborhood association officers, etc., 4 Nippon Soda employees × 4 times	
Mizushima Plant	RC regional dialogue in the Toyama/ Takaoka area	February 27, 2025	Exchange of opinions between local residents and JCIA member companies	88 local residents (3 Nippon Soda employees)	
	Takashima cherry blossom viewing	April 7, 2024	Gathering	1	
	Utouma Kanahama cherry blossom viewing	April 13, 2024	Gathering	1	
	Simultaneous cleaning of Takashima Road	May 10, 2024	Maintenance of environment around Plant 2	18	
	Maintenance volunteers for Yuka Mountain Cherry Blossom Garden	May 11, 2024	Maintenance of environment	4	
	Shionasu Neighborhood Association Bon Dance Festival	August 11, 2024	Bon dance festival	1	
	Utouma Kanahama Neighborhood Association Bon Dance Festival	August 12, 2024	Bon dance festival	1	
	Takashima Neighborhood Association Bon Dance Festival	August 13, 2024	Bon dance festival	2	
	Utouma Kanahama Nobel Prize Waiting Group	October 7, 2024	Local neighborhood event	1	
	Shionasu Shrine Annual Autumn Festival	October 20, 2024	Shrine ritual, kagura dance	1	
	Kichijoin Annual Autumn Grand Festival	November 9, 2024	Shrine ritual, kagura dance	1	
	Unveiling ceremony for the Utouma Kanahama Memorial Monument	November 12, 2024	Local neighborhood event	1	
	Honjo Grand Golf Tournament	November 16, 2024	Local neighborhood event	1	
	Honjo Area Mochi Pounding Event	December 8, 2024	Local neighborhood event	2	
	Joint year-end party for four districts of Honjo	December 17, 2024	Gathering	2	
	Making the rounds for year-end greetings in the local community	December 19, 2024	Greetings to the chairpersons of neighborhood associations in six local districts	2	
	Community Development Council for Safety and Security in Six Districts New Year's gathering	January 23, 2025	Gathering	1	
	Meeting to express gratitude for the renovation of Honjo Elementary School's gymnasium	March 7, 2025	Local elementary school event	1	

## Together with Our Local Communities

FY 2025/3				
Site	Name of local event	Date	Summary	Number of participants
Chiba Plant	Goi Rinkai Festival	June 2, 2024	Local residents coming together at Ichihara Ryokuchi Park	8
	Wakamiya Hachiman Shrine Grand Festival	July 14, 2024	Wakamiya Hachiman Shrine Grand Festival	1
	Dezu Bon Dance Festival	August 3, 2024	Dezu-cho Association Bon Dance Festival	1
	Kashi Bon Dance Festival	August 3, 2024	Kashi-cho Association Bon Dance Festival	1
	Tamasaki Summer Festival	August 17, 2024	Summer festival at the plaza in front of the Tamasaki Community Building	1
	Kazusa Ichihara Kokufu Festival	October 5, 2024	Local residents coming together at Kazusa Sarashina Park	3
	Omiya Shrine Autumn Festival	November 1, 2024	Autumn festival at Omiya Shrine	1
	Industrial Complex Marriage Event	November 23, 2024	Marriage event at the Brick & Wood Club	2
	Omiya Shrine Saitan Festival	January 1, 2025	Saitan Festival at Omiya Shrine	1
	Kashi Fuki Inari Shrine New Year Event	January 5, 2025	Fuki Inari Shrine New Year event at Kashi Community Center	1
	RC Chiba District 15th regional dialogue meeting	January 28, 2025	Dialogue meeting with local neighborhood associations and local government	4
	Omiya Shrine Setsubun Festival	February 2, 2025	Mamemaki ritual at Omiya Shrine	1
	Iwasaki Inari Shrine Annual Spring Festival	March 2, 2025	Annual spring festival at Iwasaki Inari Shrine	1
	Dezu Town Council Spring Festival	March 8, 2025	Spring festival at Yakumo Shrine	1
	Kashi Fuki Inari Shrine Festival	March 9, 2025	Kashi Fuki Inari Shrine festival at Kashi Community Center	1
	Omiya Shrine Spring Festival	March 27, 2025	Spring festival at Omiya Shrine	1
	Volunteer Support Program	June 12, 2024	Cleanup alongside National Route 16	40
		September 11, 2024		45
		November 13, 2024		40
		February 12, 2025		45
R&I Center (Odawara area)	Local community cleanup	May 29, 2024	Cleanup of roads near R&I Center (Cancelled due to bad weather)	—
	Local community cleanup	November 13, 2024	Cleanup of roads near R&I Center	12
R&I Center (Chiba area)	Volunteer Support Program	June 12, 2024	Cleanup alongside National Route 16	Included in the number of people reported by the Chiba Plant
		September 11, 2024		Included in the number of people reported by the Chiba Plant
		November 13, 2024		Included in the number of people reported by the Chiba Plant
		February 12, 2025		Included in the number of people reported by the Chiba Plant



Volunteer support program  
(Chiba Plant and R&I Center (Chiba), June 12, 2024)



Environmental maintenance for plant surroundings  
(Takaoka Plant, June 19, 2024)



Plant tour for second graders at Nakago Junior High School  
(Nihongi Plant, July 9, 2024)



Waku Waku Land Arai Science Festival  
(Nihongi Plant, July 15, 2024)



Eco-walk  
(Nihongi Plant, October 23, 2024)



Nippon Soda "Thanking Local Residents" event  
(Takaoka Plant, November 9, 2024)

## Together with Our Local Communities

## ▶ Holding of local cleaning activities

In order to fulfill our role and responsibility as a corporate citizen, we regularly carry out local cleaning activities around our worksites.

## Number of community cleanup activities

	FY 2022/3	FY 2023/3	FY 2024/3	FY 2025/3
Nihongi Plant	2	2	2	2
Takaoka Plant	2	2	2	2
Mizushima Plant	1	1	1	1
Chiba Plant & R&I Center (Chiba area)	4	3	3	4
R&I Center (Odawara area)	2	2	2	1

## ▶ Dissemination of information on CSR activities

The Nippon Soda Group disseminates information on its CSR activities in its *Integrated Report* and *ESG Data Book*, both of which are available on its corporate website. Also, we submit an implementation report and plan to the Japan Chemical Industry Association, and announce the report and plan in dialogue with local communities and other forums.

## ▶ Environmental monitoring in collaboration with local residents

The Nihongi Plant and the Takaoka Plant conduct environmental monitoring in cooperation with residents living nearby (five residents in the case of the Nihongi Plant and twelve in the case of the Takaoka Plant). This helps us build trust with local communities and properly manage our environmental impact.

In FY 2025/3, we were provided with information on one environmental matter, dealt with the situations properly, explained our response, and gained their understanding.

## ▶ Community connections through the Echigo TOKImeki Railway

In February 2020, Nippon Soda celebrated the 100th anniversary of the Company's founding. As one of our commemorative projects, in 2016 we teamed up with the Echigo TOKImeki Railway in Niigata Prefecture to decorate trains running along the Myoko-Haneuma Line between Naoetsu Station and Myoko Kogen Station. The trains are wrapped using designs from students at Nakago Junior High School. Moreover, in July 2024, we acquired the naming rights for Nihongi Station (Joetsu City, Niigata Prefecture) on the Myoko-Haneuma Line, giving it the alternative name Nippon Soda Mae. While aiming to build even closer relations with locals for the next 100 years, we will contribute to the development of our local communities and develop alongside them.



Nippon Soda Mae



Wrapped trains

## ▶ Employee volunteering

At Nippon Soda, in support of employees' social contribution activities, and to promote their participation in volunteer activities, we have introduced a new volunteer leave system in which employees can use up to five days of their expired accumulated paid annual leave for volunteer activities. Through this system, employees can receive a normal wage when volunteering and take up to five days of special paid leave to contribute to society and take advantage of opportunities for self-development. Our aim is to improve employees' social awareness and reinforce our collaboration with local communities.

In FY 2025/3, four employees used this system to take paid leave.



## Together with Our Local Communities

## Contribution to Regional Development

## ► Contribution to local economies and local employment

At our nationwide manufacturing plants, we purchase packaging materials and reagents from local companies to contribute to the regional economy. Furthermore, through the provision of stable employment at our nationwide worksites, we are contributing to the creation of employment opportunities in our local communities. Moreover, to ensure healthy work-life balance and enhance job satisfaction for our employees, we regularly communicate with labor unions to ensure working conditions are in line with current trends. Based on this policy, our standard minimum wage continues to be above the legal minimum wage in all areas we conduct business, and we are contributing to raising income levels in the regions in which we operate.

## Comparison of the standard minimum wage to the local minimum wage in FY 2025/3

Site	Location (Prefecture)	Local minimum wage (Yen/hr)	Our Company's standard minimum wage* (Yen/hr)	Comparison with the minimum wage (%)
Head Office	Tokyo	1,163	1,331	114.4
R&I Center (Odawara area)	Kanagawa	1,162	1,331	114.5
R&I Center (Chiba area)	Chiba	1,076	1,353	125.8
Nihongi Plant	Niigata	985	1,353	137.4
Takaoka Plant	Toyama	998	1,353	135.6
Mizushima Plant	Okayama	982	1,353	137.8
Chiba Plant	Chiba	1,076	1,353	125.8

\* Standard minimum wages for the Company were calculated based on the starting salary (same for men and women) for those joining the Company at the age of 18 in the manufacturing and non-manufacturing groups. Wages have been rounded down to the nearest yen.

## ► Investing in our local communities

With a desire to contribute to sustainable agriculture and regional development alongside our communities, we donated ¥30 million (using the corporate hometown tax system) to the citrus fruit industry and projects tackling issues in the industry in Uwajima City in Ehime Prefecture, one of Japan's leading citrus-producing regions.

In Uwajima City, the lack of successors among citrus farmers is becoming a serious issue, and so we are working to acquire and develop successors by offering a comprehensive range of support to new farmers from both inside and outside the prefecture, assisting in everything from their training to their independence. Our donations will be used for the creation of development programs at the Mikan School, which was set up by JA Ehime Minami, and in the Uwajima Citrus Farmer Successor Development Project, which is working to improve environments in facilities that are used to train new farmer candidates.

Moreover, as an agrochemical manufacturer, we also offer support for the creation of educational manuals on agrochemical usage methods. In addition to having new farmers of the future further their understanding of Nippon Soda and agrochemicals as they learn about correct agrochemical usage and safety management, by having farmers share information on actual usage conditions and issues, we are using the information to discover new needs and for product development.

Our aim is to create a virtuous cycle that connects investment in local communities to the improvement of corporate value. In doing so, we will aim for the sustainable development of our local communities.



Joint press conference on the Uwajima Citrus Farmer Successor Development Project (Uwajima City Hall, March 24, 2023)

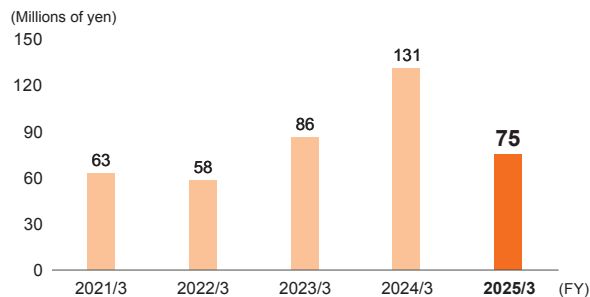


## Together with Our Local Communities

## ►Support for children's education

Nippon Soda made a donation of ¥40 million to Joetsu City, Niigata Prefecture—the birthplace of the Company—utilizing the corporate hometown tax donation system. We made this donation driven by our desire to provide children, who represent the next generation, with diverse learning opportunities. This donation will be used for a project to enhance learning opportunities for children at the Joetsu Science Center. The center will install new exhibits enabling hands-on learning about various chemical phenomena, including the periodic table and compounds. Through this initiative, we will support the continuing development of the local community.

## Expenditure on social contributions (donations)



Note 1: Includes fundraising activities for the National Land Afforestation Promotion Organization, which began concurrently with the creation of the Nippon Soda Group Forest (established to celebrate the Company's 100th anniversary), as well as the corporate version of Furusato Nozei (Hometown Tax Donation).

Note 2: For FY 2024/3, includes ¥73 million in contributions and relief supplies to areas affected by the 2024 Noto Peninsula earthquake.

Note 3: Values under ¥1 million have been rounded off.

## Corporate Governance

Nippon Soda Group aims to improve its corporate value on an ongoing basis by building and continuously strengthening a corporate governance system that ensures highly transparent, fair, and efficient management, thereby winning the trust of all stakeholders.

▶Corporate Governance Report (Japanese version only)  
[https://www.nippon-soda.co.jp/sustainability/pdf/governance\\_report.pdf](https://www.nippon-soda.co.jp/sustainability/pdf/governance_report.pdf)

### Policy

#### ● Strengthening of the oversight functions and effectiveness of the Board of Directors

We ensure an appropriate composition of directors and governance structure based on the requirements set out in the Companies Act and by the Tokyo Stock Exchange. Furthermore, we endeavor to maintain diversity on the Board of Directors. To do so, we make active use of the expertise of outside directors and disclose a skills matrix to visualize the directors' areas of expertise and experience. In parallel with these efforts, we conduct regular assessments of the board's effectiveness and pursue continuous improvement based on the results.

#### ● Strengthening of governance functions through the establishment of management systems

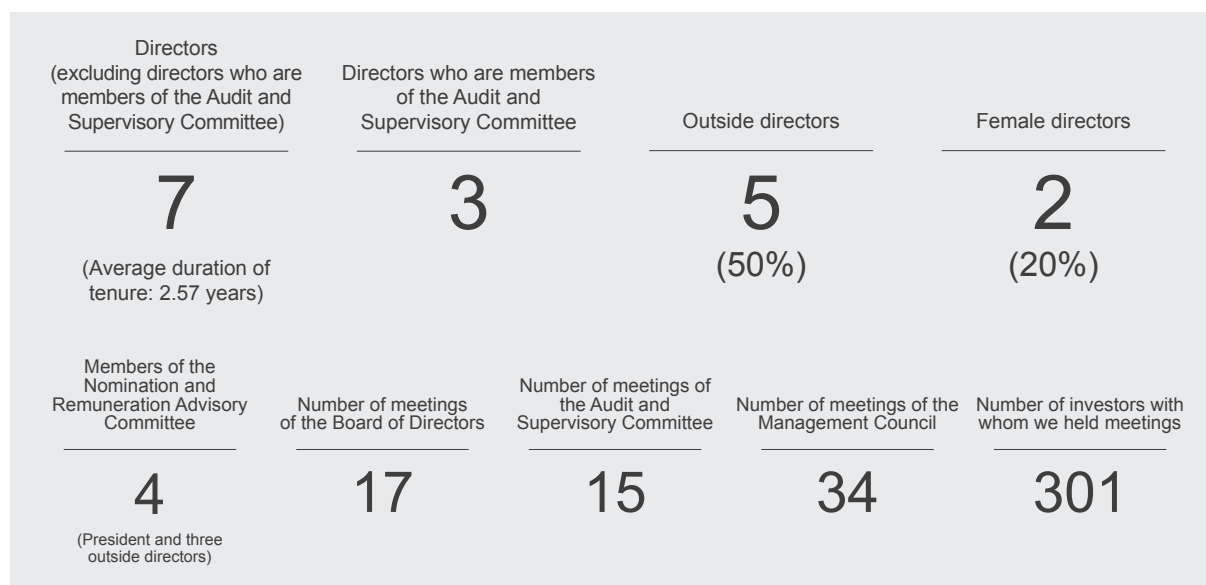
We establish various committees to enhance deliberative functions from an expert perspective. Furthermore, committees that need to maintain a high degree of independence and objectivity when considering important matters include outside directors in their composition to ensure appropriate oversight functions. Moreover, we establish a decision-making body to perform swift and appropriate decision-making on important operational matters outside the scope of Board deliberations. This organizational structure allows us to achieve appropriate separation and coordination between oversight and execution, leveraging the expertise of outside directors for effective supervision while at the same time ensuring efficient decision-making in business operations, thereby securing both sound management and operational agility.

#### ● Cycle of executive incentives and positive reputation in society

To achieve sustained corporate growth, we integrate environmental, social, and governance (ESG) issues into our management strategy. In addition to short-term performance-linked incentives, we also explore ways to enhance medium-to-long-term corporate value. This includes exploring the establishment of an executive incentive system that links compensation not only to existing stock price performance but also to sustainability metrics through operational performance evaluations. At the same time, we enhance the transparency of our corporate activities by disclosing our management strategy, financial information, and sustainability information in a timely and appropriate manner and build trust with our stakeholders through constructive dialogue. Through these efforts, we aim to earn a fair assessment from capital markets and society, thereby creating a virtuous cycle of shared value creation between society and the Company and continuous growth for both.

## Corporate Governance

## Corporate Governance Highlights



## A History of Strengthening Governance

## Aiming to Strengthen Governance

- Strengthen management supervision and improve operational agility
- Increase the diversity of the Board of Directors
- Enhance management transparency and fairness
- Strictly comply with laws and ordinances and corporate ethics

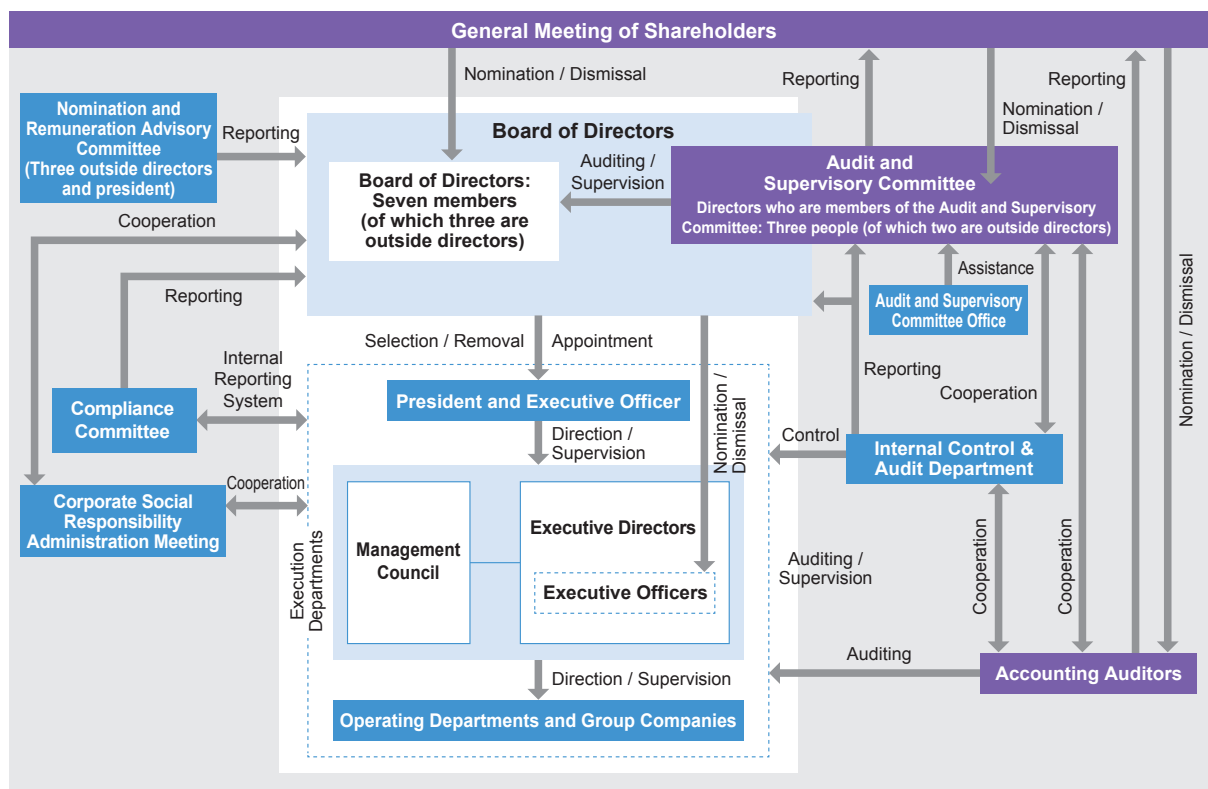
- FY 2013/3 Established CSR Administration Meeting  
Abolished the executive retirement benefit system
- FY 2014/3 Introduced an executive officer system (number of directors reduced from 14 to 7)  
Nominated 1 outside director
- FY 2016/3 Nominated 2 outside directors (increased by 1 person; including 1 woman)  
Started effectiveness assessment of the Board of Directors
- FY 2017/3 Reviewed the executive remuneration system (introduced a performance-based share remuneration plan, board benefit trust (BBT))
- FY 2018/3 Established Remuneration Advisory Committee
- FY 2019/3 Established Nomination and Remuneration Advisory Committee  
Utilized external organization for effectiveness assessment of the Board of Directors
- FY 2021/3 Transitioned to a company with an audit and supervisory committee
- FY 2023/3 Reviewed the executive remuneration system (introduced a transfer restricted share remuneration system (RS))

## Corporate Governance

## Corporate Governance System

The Nippon Soda Group is fully aware of its fiduciary responsibility in accordance with Japan's Corporate Governance Code and is committed to enhancing its corporate governance structure.

## ● Corporate Governance Structure



## General Meeting of Shareholders

The Nippon Soda Group holds an ordinary general meeting of shareholders in June every year, viewing it as an important opportunity to engage in direct dialogue with our shareholders. We deliver the notice of convocation of the General Meeting of Shareholders at an early date so that our shareholders may acquire a good understanding of the issues that will be reported and the matters for resolution at the shareholders' meeting.

We also provide pre-delivery disclosure of information on Nippon Soda's website and at the Tokyo Stock Exchange website, before the notice of convocation of the General Meeting of Shareholders is sent out. Voting rights may be exercised not only in writing but also via the Internet.

## Board of Directors

The Board of Directors is responsible for making important management decisions (based on clear standards, such as amounts above a certain level) as stipulated by laws and ordinances, the Articles of Incorporation, and the Board of Directors Rules, as well as supervising the execution of each director's duties. The tenure of directors (excluding directors who are members of the Audit and Supervisory Committee) is set at one year to ensure that they are able to respond quickly to changes in the environment and to clarify their management and operational responsibilities.

## Audit and Supervisory Committee

Two of the three directors who are members of the Audit and Supervisory Committee are outside directors. Directors who are also members of the Audit and Supervisory Committee not only attend Management Council meetings, but also inspect important documents (approval requests) and receive explanations of important matters directly from the relevant directors, executive officers, department, or subsidiary, in an effort to gain an

## Corporate Governance

accurate understanding of corporate information throughout the Group while also monitoring and verifying whether or not related departments are handling and responding to the situation and whether or not internal controls are being legally and appropriately executed. In addition to this, they work closely with the accounting auditors to ensure the reliability of our financial statements, in particular, by receiving regular reports from them and attending some of their on-site audits.

### Nomination and Remuneration Advisory Committee

In order to enhance the fairness and objectivity of executive personnel (including successor development plans) and executive remuneration, we have established an independent and effective Nomination and Remuneration Advisory Committee consisting of three outside directors and the president, and chaired by an outside director. The committee advises and makes recommendations to the Board of Directors on executive personnel and remuneration.

### Management Council

In accordance with the Management Committee Operation Rules, Nippon Soda's Management Council, consisting of the president, directors who concurrently hold the position of executive officer, and others requested to attend by the president generally meets once a week. It discusses important issues involving business execution other than issues that must be discussed by the Board of Directors, in order to make quick decisions on issues related to business execution.

### Compliance Committee

Nippon Soda operates a Compliance Committee, which is chaired by the director in charge of compliance, with legal departments serving as the secretariat, with the aim of ensuring thorough corporate conduct based on compliance with laws and ordinances, and corporate ethics throughout the Group. The Compliance Committee comprises executive officers as members, and we have appointed a staff member in charge of compliance at each department, worksite and group company.

### Corporate Social Responsibility Administration Meeting

Chaired by the president and executive officer, the Corporate Social Responsibility Administration Meeting serves as the chief company-wide decision-making body to promote CSR activities, including Responsible Care (RC).

Held twice a year, the meeting is attended by all Nippon Soda directors, executive officers, plant managers, and officers from our main domestic group companies. Through these meetings, management set CSR targets, assess results, and revise the targets as necessary, driving the PDCA cycle to promote continuous improvement.

## Director Nomination Policy

Decisions on the nomination of director candidates and the selection and dismissal of senior management are made by resolution of the Board of Directors based on the advice and recommendations of the Nomination and Remuneration Advisory Committee. Also, candidates for the position of directors who are members of the Audit and Supervisory Committee, are determined by the Board of Directors after obtaining approval from the Audit and Supervisory Committee.

To ensure that they are suitable for their responsibilities, candidates for directors and senior management are selected in accordance with the following criteria:

- |   |                                  |
|---|----------------------------------|
| (1) Extensive business experience         | (4) Proper character and insight |
| (2) Excellent managerial sense            | (5) Healthy in body and mind     |
| (3) Leadership, drive and planning skills |                                  |

Candidates for outside directors are nominated in accordance with the requirements of the Companies Act and the Tokyo Stock Exchange, and include those with expertise and extensive experience who can be expected to provide constructive and candid views and comments on the Company's management.

In the event of any impropriety or significant violation of relevant laws, regulations or the Articles of Incorporation in the performance of duties by senior management, or any other reason that makes it difficult for them to properly perform their duties, they shall be removed from their position.

## Corporate Governance

## Skills Matrix

At the Nippon Soda Group, the mission we have set in our long-term vision (FY 2021/3–FY 2030/3) is to “Create new value through the power of chemistry and increase corporate value by contributing to society.” To achieve this mission, and to ensure appropriate and quick decision-making on important management matters such as basic strategies, capital policies, and sustainability management, as well as supervision of directors’ execution of duties, we have identified the skills required of the Board of Directors as below.

These required skills will be revised as necessary in line with changes in external environments and internal conditions.

Directors				Specialist expertise and experience						
Name	Gender	Position	Director tenure	Corporate management	Finance / accounting	Business strategy / portfolio	R&D / production technology	Internationality	ESG / sustainability	Legal affairs / risk management
Eiji Aga	Male	Director, President (Representative Director)	5 years	●		●		●		
Osamu Sasabe	Male	Director, Senior Executive Managing Officer	4 years		●	●				
Osamu Shimizu	Male	Director, Executive Managing Officer	3 years		●			●	●	
Atsuhiko Seshimo	Male	Director, Senior Executive Officer	New appointment				●	●	●	
Yuko Watase	Female	Director	3 years		●	●		●		
Takayoshi Meiga	Male	Director	2 years	●			●		●	
Tatsufumi Sakai	Male	Director	1 year	●	●			●		
Nobuyuki Hori	Male	Director, Audit and Supervisory Committee member (Full time)	3 years		●					●
Yoko Waki	Female	Director, Audit and Supervisory Committee member	5 years							●
Hayato Yoshida	Male	Director, Audit and Supervisory Committee member	3 years		●					●

## Outside Directors

Nippon Soda has five highly independent outside directors, (including two directors who are also members of the Audit and Supervisory Committee) in an effort to enhance the ability of the Board of Directors to contribute to the Company’s sustainable growth and to increase medium- and long-term corporate value. Regarding independent outside directors, in accordance with the requirements of the Companies Act and the Tokyo Stock Exchange regarding independence, the Company nominates individuals who are unlikely to have conflicts of interest with general shareholders and who are able to ensure objectivity and rationality in the Company’s decision-making and contribute to increasing corporate value.

Specifically, none of the following must apply to the person:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>(1) A person who does business with the Company or its subsidiaries as a principal customer or an executive thereof</li> <li>(2) A primary business partner of the Company or its subsidiaries or an executor of such business</li> <li>(3) A consultant, certified public accountant, lawyer or other professional who has received a large amount of money or other assets from the Company or its subsidiaries in addition to directors’ remuneration</li> <li>(4) A person who has fallen into any of the above categories (1) to (3) in the past year</li> </ul> | <ul style="list-style-type: none"> <li>(5) The spouse or a relative within the second degree of kinship of the following persons:               <ul style="list-style-type: none"> <li>1. A person who falls under (1) to (4) on the left</li> <li>2. A person who is, or has been in the past year, an executive of the Company or its subsidiaries</li> <li>3. A person who is currently, or has been in the past year, a nonexecutive director of the Company or a subsidiary of the Company</li> </ul> </li> </ul> |
|--|--|



## Corporate Governance

## ● Reasons for Appointment of Outside Directors

Name	Attendance at meetings of the Board of Directors and the Audit and Supervisory Committee		Reason for nomination
	Board of Directors (17 meetings)	Audit and Supervisory Committee (15 meetings)	
Yuko Watase	17 times	—	We believe that Yuko Watase can use her specialist expertise and international experience in accounting audits as a certified public accountant, as well as her long-term involvement in work related to domestic and cross-border M&As and business portfolio strategies, to help reinforce the Company's governance and contribute to its sound growth and development.
Takayoshi Meiga	17 times	—	We believe that Takayoshi Meiga can use his wide-ranging experience and technical expertise in the steel and ordinary steel electric furnace industries, as well as his experience in appropriately overseeing all aspects of business execution as a company manager, to contribute to the sophistication of the Company's core technologies and the creation of new value and solutions.
Tatsufumi Sakai	12 times*	—	We believe that Tatsufumi Sakai can use his wide-ranging expertise in financial operations, such as in management planning, investment banking, and international operations, as well as his abundant management experience, including as a Group CEO, to provide beneficial advice. From a standpoint independent to business execution, we also look forward to him maintaining and improving the oversight and checking of conflicts of interest and other management matters.
Yoko Waki	17 times	15 times	Although Yoko Waki has never been directly involved in corporate management, we believe that she can use her extensive knowledge and insight on corporate law as an attorney and her experience as an outside director of other companies to audit the Company's management.
Hayato Yoshida	17 times	15 times	Although Hayato Yoshida has never been directly involved in corporate management, we believe that he can use his abundant experience and advanced expertise in corporate accounting as a certified public accountant, as well as his international experience and other wide-ranging knowledge, to audit the Company's management.

\* There have been 12 Board of Directors meetings since Tatsufumi Sakai became a director of the Company on June 27, 2024.

## Executive Remuneration

## Policy on decisions

Nippon Soda's executive remuneration is determined based on a balance of common practices, company performance and employee salaries. A resolution was passed on June 26, 2020, at the 151st Ordinary General Meeting of Shareholders to set the total amount of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) and directors who are members of the Audit and Supervisory Committee at no more than ¥350 million and no more than ¥100 million per year, respectively. Moreover, the executive remuneration system was revised at the Board of Directors meeting held on April 22, 2022, and a decision was made to introduce a transfer restricted share remuneration system for Company directors excluding directors who are members of the Audit and Supervisory Committee, outside directors, and part-time directors (hereinafter "eligible directors"). At the 153rd Ordinary General Meeting of Shareholders held on June 29, 2022, discussions were held and a resolution passed to pay eligible directors a monetary remuneration claim equivalent to the amount to be paid for transfer restricted share through this system. In principle, the total number of the Company's common shares to be issued or disposed of for the purpose of granting transfer restricted share to eligible directors under this transfer restricted share system shall be up to 30,000 shares per fiscal year.\* Moreover, the total amount of monetary remuneration to be paid for the purpose of granting transfer restricted shares shall be up to 60 million yen per year (however, this does not include the salary for directors concurrently serving as employees).

Director remuneration shall be determined within the limits of the total amount of remuneration approved by the General Meeting of Shareholders, and shall be discussed and decided by the Board of Directors based on the advice, recommendations and findings of the Nomination and Remuneration Advisory Committee. The Board of Directors entrusts decisions regarding directors' basic remuneration, as well as directors' (excluding outside directors) performance-linked remuneration, evaluation remuneration, and share-based remuneration, to the representative director and president. We believe that the representative director is most suited to evaluating the departments that each director is responsible for while considering overall business performance and other factors. The appropriateness of decisions made regarding remuneration is confirmed in advance by the Nomination and Remuneration Advisory Committee.

## Corporate Governance

Executive remuneration for FY 2025/3 was discussed by the Nomination and Remuneration Advisory Committee on June 7, 2024. Based on their findings, the policy for determining individual director remuneration (excluding outside directors, part-time directors, and directors who are members of the Audit and Supervisory Committee) was determined at the Board of Directors' meeting on June 27, 2024.

Following confirmation that methods for determining remuneration were in line with the decision policy, that the resulting remuneration conformed to the decision policy discussed at the Board of Directors' meeting, and that the findings of the Nomination and Remuneration Advisory Committee were respected, we have determined that individual director remuneration for FY 2025/3 is in line with the decision policy.

As stipulated in the Articles of Incorporation, the number of authorized positions for directors (excluding those who are members of the Audit and Supervisory Committee) is limited to ten and the number of authorized positions for directors who are members of the Audit and Supervisory Committee is limited to five.

\* This was revised to up to 60,000 shares per year due to the share split (two-for-one split of common shares) carried out on October 1, 2024

### Remuneration system

Individual director remuneration consists of (1) basic remuneration, (2) performance-linked remuneration, (3) evaluation remuneration, and (4) share-based remuneration, the ratios of which are shown in the table on the following page (Overview of Decision Policy on Individual Remuneration: (e) Decision policy on ratio of remuneration by type). Note that directors in charge of supervisory functions, such as outside directors, part-time directors, and directors who are members of the Audit and Supervisory Committee are paid only (1) basic remuneration considering their roles.

At Nippon Soda, we have positioned the promotion of CSR activities, including response to climate change, as an important performance indicator. The level of achievement of this target is the basis for our calculations for the evaluation remuneration, which is designed to provide an incentive for the relevant initiatives. In terms of director responsibilities, in addition to short-term business performance, we prioritize initiatives geared toward medium- to long-term improvements in corporate value and the achievement of a sustainable society, and as such we are enhancing directors' commitment to these achievements.

#### ● Overview of Decision Policy on Individual Remuneration (Remuneration system)

(a) Decision policy on basic remuneration	The amount is determined based on the role and position of the director.
(b) Decision policy on performance-linked remuneration	<p>Calculated by the following formula, using an index that shows the results and performance of the current fiscal year.</p> <p>Policy on decisions (formula)</p> <p>Prior-fiscal year performance-linked remuneration + Adjustment of performance-linked remuneration for the current fiscal year<sup>1</sup> + Performance-linked amount for the current fiscal year<sup>2</sup></p> <p>1. Adjustment of performance-linked remuneration for the current fiscal year:</p> <p>Calculated based on three indices: (1) Increase/decrease in consolidated net profit for the current fiscal year; (2) Increase/decrease in consolidated ROE; and (3) Increase/decrease ratio in non-consolidated operating profit</p> <p>2. Performance-linked amount for the current fiscal year:</p> <p>Calculated based on the following formula. Standard points based on position × Index coefficient for the current fiscal year (%)<sup>3</sup> × Prior-fiscal year average share price</p> <p>3. Index coefficient for the current fiscal year</p> <p>Determined within a range of 0% to 200% using a matrix table with the two indices below.</p> <p>(1) ROE for the current fiscal year; and (2) Increase/decrease in consolidated operating profit (the amount of increase/decrease in the current fiscal year's actual results compared with the average of the previous three years)</p> <p>These indices enable highly accurate measurement of the level to which we have improved our corporate value, something we have committed to in our long-term vision. As such, we have determined that they are appropriate indices to measure the achievements and level of contribution of company executives, and have selected them as indices for performance-linked remuneration.</p>
(c) Decision policy on evaluation remuneration	Calculated based on the level of achievement of the targets set by each director at the beginning of the term and evaluations of their business execution.
(d) Decision policy on share-based remuneration	In addition to further sharing value with our shareholders, we have introduced a transfer restricted share remuneration system (RS) as an incentive linked to the medium- to long-term improvement of our corporate value. Through this system, a certain quantity of transfer restricted share is granted to each position depending on their roles and responsibilities.
(e) Decision policy on ratio of remuneration by type	<p>Approximate ratios</p> <p>Basic remuneration: Performance-linked remuneration: Evaluation remuneration: Share-based remuneration</p> <p>40%:40%:5%:15%</p>
(f) Decision policy on period and conditions of remuneration	Fixed monthly remuneration includes basic remuneration, performance-linked remuneration, and evaluation remuneration. For transfer restricted share remuneration, which is non-monetary remuneration, transfer restricted shares are granted every year based on an allotment agreement. Transfer restrictions are lifted when the recipient retires or resigns from their final position in the Company.
(g) Decisions on individual remuneration	Based on decisions by the Board of Directors regarding basic remuneration, performance-linked remuneration, evaluation remuneration, and share-based remuneration, decision-making authority on individual remuneration belongs to the president. To ensure that this authority is appropriately exercised, prior to making a decision on the relevant amount, the president briefs and holds discussions with the Nomination and Remuneration Advisory Committee and seeks their approval.

## Corporate Governance

## ● Total Amount of Remuneration

Classification	Total amount of remuneration (Millions of yen)	Total amount of remuneration by type (Millions of yen)			Number of eligible persons
		Basic remuneration	Performance-linked remuneration	Transfer restricted share remuneration	
Directors (excl. Audit and Supervisory Committee members) [Outside directors]	218 [34]	101 [34]	95 [ - ]	21 [ - ]	8 [4]
Directors (Audit and Supervisory Committee members) [Outside directors]	48 [22]	48 [22]	- [ - ]	- [ - ]	3 [2]
Total [Outside directors]	267 [56]	149 [56]	95 [ - ]	21 [ - ]	11 [6]

Note 1: The above number of persons and remuneration include one outside director (excl. Audit and Supervisory Committee members) who left office on June 27, 2024 due to the expiration of their term of office.

Note 2: The above performance-linked remuneration has been calculated using the following formula and indices that show results and achievements from current fiscal year.  
 Prior-fiscal year performance-linked remuneration + Adjustment of performance-linked remuneration for the current fiscal year<sup>1</sup> + Performance-linked amount for the current fiscal year<sup>2</sup>  
 1. Adjustment of performance-linked remuneration for the current fiscal year: Calculated based on three indices: (1) Increase/decrease in consolidated net profit for the current fiscal year; (2) Increase/decrease in consolidated ROE; and (3) Increase/decrease ratio in non-consolidated operating profit  
 2. Performance-linked amount for the current fiscal year: Calculated based on the following formula:  
 Standard points based on position × Index coefficient for the current fiscal year (%)<sup>3</sup> × Prior-fiscal year average share price  
 3. Index coefficient for the current fiscal year: Determined within a range of 0% to 200% using a matrix table with the two indices below. (1) ROE for the current fiscal year; and (2) Increase/decrease in consolidated operating profit (the amount of increase/decrease in the current fiscal year's actual results compared with the average of the previous three years)  
 These indices enable highly accurate measurement of the level to which we have improved our corporate value, something we have committed to in our long-term vision. As such, we have determined that they are appropriate indices to measure the achievements and level of contribution of company executives, and have selected them as indices for performance-linked remuneration.  
 The performance indicators used in the calculation of performance-linked remuneration, etc., for this fiscal year are based on the following results:  
 - Increase/decrease in consolidated net profit for the current fiscal year: ¥1,097 million (compared with plan)  
 - Increase/decrease in consolidated ROE: -1.0 percentage points (compared with plan)  
 - Increase/decrease ratio in non-consolidated operating profit: 91.6% (compared with plan), 92.5% (compared with the previous year result)  
 - ROE: 9.3%  
 - Increase/decrease in consolidated operating profit: ¥938 million (the amount of increase/decrease in the current fiscal year's actual results compared with the average of the previous three years)  
 - Prior-fiscal year average stock price: ¥5,316

Note 3: Four directors (excl. outside directors, part-time directors, and directors who are members of the Audit and Supervisory Committee) are eligible for the transfer restricted share remuneration system.

Note 4: Of total non-monetary remuneration for directors (excl. members of the Audit and Supervisory Committee and outside directors), transfer restricted share remuneration accounts for ¥21 million.

## Effectiveness Assessment of Board of Directors

At Nippon Soda, to improve the Board of Directors' decision-making on appropriate execution of duties and to strengthen their supervisory functions, since FY 2016/3, all directors have been conducting self-assessments in the form of questionnaires every year. We also regularly commission an external organization to conduct interviews and analyze and assess the results. These interviews were conducted in FY 2019/3, FY 2022/3, and FY 2025/3. In FY 2025/3, a questionnaire comprising the topics below that was created by an outside organization was given to all directors, including directors who are Audit and Supervisory Committee members. Based on these results, the outside organization conducted interviews with all directors, and the Board of Directors examined and discussed its understanding of its current level of effectiveness in consideration of the interview findings.

## Survey topics

- (1) Board of Directors' roles and functions (enhancement of discussions on medium- to long-term management strategies and fulfillment of supervisory functions for matters related to nomination and remuneration)
- (2) Board of Directors' size and composition (number of directors and independent outside director ratio, and ensuring skill and diversity)
- (3) Operation of the Board of Directors (number of meetings, frequency, time; provision of materials; meeting proceedings, etc.)
- (4) Establishment of internal control systems and related systems (establishment and supervision of internal control, risk management, internal reporting systems, etc.)
- (5) Outside directors' functions (advice and supervision from outside directors, etc.)
- (6) Relationship with shareholders and investors (systems for dialogue with shareholders and investors, shareholder and investor feedback on Board of Directors, etc.)

As a result, overall, it was confirmed that the Board of Directors was functioning effectively. In terms of strengthening supervisory functions related to nomination and remuneration and enhancing information disclosure for shareholders and investors, both of which were issues in the previous assessment, while there were certain improvements, there was judged to be a need to further strengthen related discussions and initiatives. Most notably, the assessment confirmed that key strengths include that the Board of Directors is well balanced in terms of members' experience and skills, that meetings are conducted in an open manner that encourages active discussion, and that information is appropriately shared with and provided to outside directors. However, it also confirmed that meetings of the Board of Directors should include more in-depth discussion from a medium- to long-term perspective.

We will continue to find ways to improve the operation of the Board of Directors and further enhance its effectiveness.

## Compliance

The Nippon Soda Group ensures thorough corporate conduct based on compliance with laws and ordinances and corporate ethics by raising awareness of the Nippon Soda Group Code of Conduct. We practice compliance management through the establishment of the Compliance Committee and proper operation of the internal reporting system.

### Policy

#### ● Establishment of a corporate culture centered on the Nippon Soda Group Code of Conduct

We have formulated the Nippon Soda Group Code of Conduct, which specifies matters to be observed by the Nippon Soda Group in order to carry out sound corporate activities. We will ensure that all officers and employees thoroughly understand and internalize this code through proper education and training, striving to establish a corporate culture of acting based on legal compliance and corporate ethics. By encouraging each individual to act with a high sense of ethics and responsibility, we will earn the trust of society and achieve sustainable improvement in corporate value.

#### ● Strengthening of compliance promotion system

In addition to establishing a promotion framework centered on the Compliance Committee, we build and operate an effective internal control system by properly operating an internal reporting system to enable the early detection and resolution of issues.

#### ● Identification and prevention of compliance risks

We take proactive steps to identify compliance risks related to our business activities, such as corruption, bribery, and antitrust violations, and implement measures to prevent them.

#### ● The Nippon Soda Group Code of Conduct

1. Compliance with laws/ordinances and corporate ethics	(1) Fair actions (2) Compliance with corporate ethics (3) Prompt corrective action and strict disciplinary action in response to the violation of a law/ordinance
2. Relationship with society	(1) Contribution to society (2) Responding to stakeholder expectations and trust (3) Compliance with various kinds of business laws (4) Regulation of donations and political fund contributions (5) Severance of relations with anti-social forces (6) Environmental conservation/protection (7) Compliance with laws/ordinances related to security trade control and export/import
3. Relationship with customers, business partners and competitors	(1) Product safety (2) Compliance with the anti-trust law and competition law (3) Appropriate transactions with suppliers and complying with the subcontracting law (4) Prevention of unfair competition (5) Business entertainment and gifts (6) Prohibition of presenting bribery to foreign public officials (7) Appropriate publicity/advertisement
4. Relationship with shareholders and investors	(1) Disclosure of managerial information (2) Prohibition of insider trading
5. Relationship with individuals	(1) Respect for human rights and prohibition of discrimination (2) Harassment (3) Protection of privacy (4) Safety and health in workplace (5) Compliance with labor relations laws
6. Relationship with the Company and corporate assets	(1) Compliance with work regulations (2) Appropriate accounting (3) Conflict of interest (4) Prohibition of political and religious activities (5) Management of trade secrets (6) Appropriate use of corporate assets (7) Appropriate use of information systems (8) Protection of intellectual property rights
7. Supplementary provisions	(1) The scope of application of this Code of Conduct (2) Revision and abolition of this Code of Conduct (3) Accountability for this Code of Conduct (4) Violation of this code of conduct / consultation hotline (5) Penalty

► The Nippon Soda Group Code of Conduct [https://www.nippon-soda.co.jp/e/sustainability/governance/pdf/code\\_of\\_conduct.pdf](https://www.nippon-soda.co.jp/e/sustainability/governance/pdf/code_of_conduct.pdf)

## Compliance

## Compliance Promotion System

Nippon Soda has established a Compliance Committee, chaired by the director in charge of compliance and with legal departments serving as the secretariat, to ensure thorough corporate conduct based on compliance with laws and ordinances and corporate ethics throughout the Group. An effective governance system for the committee has been established, with the Board of Directors receiving reports on the committee's meetings and overseeing amendments and abolition of its regulations, and the representative director overseeing the appointment and dismissal of the chair and vice-chair.

Furthermore, to ensure thorough implementation of the Nippon Soda Group Code of Conduct, the Company has assigned compliance officers to each department, worksite, and subsidiary.

The Nippon Soda Group has established an internal reporting system (consultation desk) whereby employees of the Group who have committed acts that violate the Nippon Soda Group Code of Conduct, or who become aware of violations by other employees, can consult directly with the Compliance Committee Secretariat, an external attorney or members of the Audit and Supervisory Committee.

## Compliance Promotion and Education

We have formulated the Nippon Soda Group Code of Conduct, which specifies matters to be observed by the Nippon Soda Group in order to carry out sound corporate activities. In addition to introducing and promoting awareness of this Code of Conduct throughout the Company, as well as at our subsidiaries both in Japan and overseas, we provide ongoing training to ensure thorough compliance with laws and ordinances. We conduct legal education and training related to our operations once per year or more. In addition, we have e-learning programs aimed at promoting awareness of the Code of Conduct among all Company and subsidiary executives and employees, and the current completion rate stands at 97%. Moreover, for staff members in charge of compliance at the Company and its subsidiaries, we conduct seminars on responding to internal reports. Furthermore, we conduct an annual compliance survey of all employees to monitor the level of awareness of the Code of Conduct.

## Identifying and Preventing Compliance Risks

### Establishment of the Anti-Trust Law/Competition Law Global Guideline for Nisso Group

The Nippon Soda Group recognizes that maintaining a fair and transparent competitive environment is fundamental to a sustainable society. As such, it positions strict compliance with antitrust laws as a priority issue in its management.

Although we had already established antitrust compliance requirements in the Nippon Soda Group Code of Conduct, in 2025 we established the Anti-Trust Law/Competition Law Global Guideline for Nisso Group, recognizing compliance risks such as cartels and bid-rigging as critical management issues for our Group. This guideline, which is intended for all employees of our Group, both in Japan and overseas, outlines the principles for compliance with antitrust laws. With a particular focus on preventing cartels and bid-rigging, it clarifies specific criteria for maintaining appropriate relationships with competitors, and aims to ensure thorough compliance.

Through these efforts, we aim to contribute to maintaining a fair competitive environment and earn the trust of society.

### Inclusion of bribery prevention clauses in contracts

At Nippon Soda, as an organization operating on a global scale, we recognize that corruption is a major compliance risk. To reduce this risk, we have included bribery prevention clauses in our sales and purchasing contracts with overseas business partners. These clauses prohibit any bribery by our business partners, provide for termination of the contract in case of violation, and stipulate requirements for the disclosure of accounts and records and the acceptance of on-site audits. Through these clauses, we are aiming to raise awareness of anti-corruption both in-house and among our business partners, and in turn reduce compliance risks.

### Political contributions

As outlined in the Nippon Soda Group Code of Conduct, political contributions are only made in compliance with relevant laws and ordinances and using appropriate methods and procedures.

In FY 2025/3, Nippon Soda did not make any political contributions.



## Compliance

## Main Compliance Results

## Significant fines, etc., for violations of laws and regulations, etc.

In FY 2025/3, there were no fines for any of the following compliance violations.

- Fines for violations of laws and regulations associated with the provision and use of products and services.
- Fines, penalties, or settlements for the violation of laws and regulations associated with corruption and bribery.
- Fines for violations of laws, regulations, and clauses associated with the environment.

## Dismissal of or disciplinary action against employees who have committed compliance violations

In FY 2025/3, Nippon Soda conducted rigorous investigations into cases of violations of internal regulations and took appropriate disciplinary action in seven cases in accordance with internal regulations. There were no cases of dismissal.

## Internal reports related to compliance

In FY 2025/3, the internal reporting hotline received seven reports of violations of the Nippon Soda Group Code of Conduct.

(Scope: Nippon Soda and domestic subsidiary executives and employees)

## Significant deviations from legal requirements

(Including environmental, occupational safety and health, chemical substance regulations, and other legal requirements related to business operations)

In FY 2025/3, there were 26 deviations at Nippon Soda (including two legal violations) and 3 deviations at a Nippon Soda Group company.

## (Legal violation)

## 1. Violated the Poisonous and Deleterious Substances Control Act (Nihongi Plant)

## (1) Overview

It became apparent that at the Nihongi Plant, the address of Nippon Soda's Head Office displayed on containers for OEM products of the deleterious substance metal sodium had not been updated after relocation, and was still listed as the former location. This was confirmed to be a violation of the Poisonous and Deleterious Substances Control Act.

## (2) Cause

The containers for the product in question, including the labeling, are supplied by our OEM partner. However, when Nippon Soda relocated its Head Office, these containers were overlooked and not included in the items requiring confirmation and modification. Also, while we had notified the OEM partner about our relocation, we failed to request a change to the labeling on these containers (specifically, the address of our new Head Office). Consequently, products with non-compliant labeling were distributed to the market.

## (3) Recurrence prevention measures

In addition to clarifying in Nippon Soda's packaging specifications that our Head Office address must be indicated at the time when the containers are supplied by the OEM, we also clearly stipulate the handling of supplied containers and labeling in the agreement with the OEM to prevent oversights. Moreover, we conducted training for those responsible at the Nihongi Plant regarding the details of this violation and the measures to prevent recurrence.

## 2. Violated the Poisonous and Deleterious Substances Control Act (Mizushima Plant)

## (1) Overview

It became apparent during transportation that a 20 kg can of potassium cyanide, a toxic substance, was labeled "sodium cyanide" on the can itself and "potassium cyanide" on the lid. This was confirmed to be a violation of the Poisonous and Deleterious Substances Control Act.

## (2) Cause

The facility producing this product alternates between using sodium cyanide and potassium cyanide, and empty cans for product filling are moved via a conveyor system. When production ended and unused cans were being moved and removed via the conveyor, a malfunction in the conveyor caused unused sodium cyanide cans to remain inside the equipment. Subsequently, when production switched to potassium cyanide, the unused sodium cyanide cans left in the conveyor got mixed in with the empty potassium cyanide cans and were used in potassium cyanide production.



## Compliance

## (3) Recurrence prevention measures

We have strengthened our checking system by ensuring the complete removal of unused cans during production changeovers and conducting thorough visual inspections inside conveyors, as well as by adding new confirmation items to the work records. Moreover, we conducted training for those responsible at the Mizushima Plant regarding the details of this violation and the measures to prevent recurrence.

**(Violation of environmental laws and regulations, etc.)**

## 3. Exceeded agreed wastewater discharge limits (Takaoka Plant)

## (1) Overview

On June 5, 2024, we sampled factory wastewater discharged into the Oyabe River, a public waterway, and conducted BOD analysis. The results revealed that the BOD value exceeded the agreed-upon limit (daily average) set with Takaoka City (measured value: 26 mg/L; agreed-upon limit: 25 mg/L). We promptly reported this to Takaoka City's section responsible for environmental conservation.

## (2) Cause

Although no facility malfunctions, hazardous substance leaks, or other issues were identified (cause unknown), the decrease in total wastewater volume associated with the shutdown of production equipment for scheduled factory maintenance was presumed to be the factor causing the increase in BOD values.

## (3) Recurrence prevention measures

We took steps to manage discharge volume by increasing the dilution water volume during periods of reduced water discharge, thereby gaining the understanding of Takaoka City's section responsible for environmental conservation.

## 4. Exceeded exhaust gas standards (Aizu Plant, Nisso Metallochemical Co., Ltd.)

## (1) Overview

Measurements of soot and smoke emissions from a fixed-bed furnace conducted on September 20, 2024 revealed that the emission levels for zinc compounds exceeded the standards set by the prefectural ordinance as of October 1, 2024. As an emergency measure, operation of the fixed-bed furnace was suspended, and the relevant authorities were promptly notified.

## (2) Cause

An investigation into the cause revealed that the zinc content in the waste oil processed on the day of measurement of soot and smoke emissions was high, suggesting that the discharge standard for zinc compounds was temporarily exceeded.

## (3) Recurrence prevention measures

We prohibited the treatment of the waste oil in question using fixed-bed furnaces and decided to process waste oil containing zinc compounds using rotary kiln furnaces. Regarding this matter, we have received notification from the Aizu Development Bureau that there are no issues under either the Air Pollution Control Act or the Act on Waste Management and Public Cleaning.

## 5. Exceeded standard values in monitoring well water (Nihongi Plant)

## Overview/Response

On November 28, 2024, we conducted groundwater sampling at the monitoring well on the north side of the plant premises for voluntary in-house analysis. The results showed 1,2-dichloroethane at 0.022 mg/L (environmental standard: 0.004 mg/L) and benzene at 0.031 mg/L (environmental standard: 0.01 mg/L), both exceeding the standard values. We notified Joetsu City's section responsible for environmental conservation of this fact on December 12, and submitted a Soil (Groundwater) Contamination Status Report to the section on December 16. On December 17, Joetsu City conducted groundwater surveys at five locations in the surrounding area. On December 26, we received a report stating that no hazardous substances were detected and no guidance was required. We are currently conducting ongoing analysis and monitoring of the situation.

## Risk Management

The Nippon Soda Group has built a risk management system to accurately identify various risks that impact its business activities and respond according to the nature of each risk. We aim to ensure business continuity and achieve continuous growth by taking preventive measures against risks in our day-to-day operations and responding swiftly should a crisis occur.

### Policy

#### ● Building a risk management system

Under the supervision of the Board of Directors, we establish our risk management system to ensure it remains effective and responsive to changes in the business environment. Critical risks that may significantly impact management must be reported to the Board of Directors, and response measures must be approved by the Board to ensure appropriate decision-making. At the same time, we strengthen our internal control environment through organizational structure enhancements such as establishing specialized committees and responsible departments based on the nature of each risk, building an audit system independent of business departments, and coordinating with accounting audit firms. In parallel with these organizational structure enhancements, we develop operational rules and internal regulations tailored to specific risk types for proactive risk management. Should a risk materialize, we take a cross-functional approach to ensure timely resolution and implement recurrence prevention measures to maintain business continuity and safeguard corporate value. Through this series of initiatives, we strengthen our risk management system in support of sustainable growth.

### Status of Internal Control System

- (1) In accordance with the basic policy regarding system development necessary to ensure proper business operation, Nippon Soda establishes and implements systems that ensure compliance and efficient and sound company management, and provides information on relevant rules throughout the Company.
- (2) We promote corporate social responsibility (CSR) practices in order to maintain the trust of society needed to continue our business activities.

### Regulations on the Risk Management of Losses and Other Systems

- (1) We conduct corporate activities in compliance with laws and ordinances and corporate ethics by raising awareness of the Nippon Soda Group Code of Conduct among all employees.
- (2) We have established a Corporate Social Responsibility Administration Meeting chaired by the president and executive officer to promote business activities taking into account environmental protection, process safety and disaster prevention/business continuity plan (BCP), occupational safety and health, logistics safety, and chemical and product safety. In addition, we implement risk management in accordance with Company regulations such as the Environmental Management Regulations and Security Management Regulations to prevent accidents before they occur.
- (3) Should a serious accident occur, an accident response headquarters is established in accordance with corporate rules, including the Security Management Regulations to address the accident in a cross-functional and systematic way.
- (4) If a natural disaster, such as a large earthquake, or any other crisis that could have disastrous consequences occurs, we shall respond appropriately according to the BCP.
- (5) Other risks associated with business execution are appropriately addressed by responsible departments in accordance with response manuals and other documents.
- (6) The Internal Control & Audit Department has been established independently of business departments to assess the appropriateness and efficiency of business activities and the reliability of financial reports and to promote the appropriate functioning of the internal control system in business processes.  
The Internal Control & Audit Department reports to the Board of Directors on the results of audits and the operational status of internal controls.

### Internal Control Audits

The Company's Internal Control & Audit Department, which is independent of the operating divisions, works closely with the directors who are also members of the Audit and Supervisory Committee, to assess the appropriateness and efficiency of business activities and the reliability of financial reports. The directors who are also members of the Audit and Supervisory Committee keep abreast of developments throughout the Nippon Soda Group and monitor and verify the proper execution of internal controls. Furthermore, to ensure the reliability of financial information and other information, they work in close cooperation with the accounting auditors, who report regularly and attend some of the audits.

## Risk Management

## Status of Establishment of Risk Management System

- (1) Nippon Soda has established a Compliance Committee, which is chaired by the director in charge of compliance, with legal departments serving as the secretariat, to ensure corporate activities are conducted in compliance with laws and ordinances and corporate ethics throughout the Group.
- (2) To ensure thorough implementation of the Nippon Soda Group Code of Conduct, we have appointed a staff member in charge of compliance at each department, worksite, and subsidiary.
- (3) The requirements that allow the Group to conduct sound business activities are specified in the Nippon Soda Group Code of Conduct. In addition to introducing and promoting awareness of this Code of Conduct throughout the Company, as well as at our subsidiaries both in Japan and overseas, we provide ongoing training to ensure thorough compliance with laws and ordinances.
- (4) A consultation hotline is available to employees of the Company and its group companies who have committed acts that violate the Nippon Soda Group Code of Conduct or who become aware of violations by other employees, enabling them to consult directly with the Compliance Committee Secretariat, an external attorney, or members of the Audit and Supervisory Committee.

## Information Disclosure to Stakeholders

- (1) We disclose management information, such as financial conditions and the status of business activities, in a timely and appropriate manner. As well, we provide clarifications on the Company's management philosophy and policy.
- (2) The director in charge of general affairs is responsible for investor relations, and plays a leading role in constructive communication with shareholders and investors to achieve the sustainable growth of Nippon Soda and improve its medium- to long-term value. As necessary, the Company provides opportunities for communication with the representative director and president, directors in charge and/or executive officers.
- (3) Requests and opinions from investors and shareholders are conveyed to the Board of Directors and/or those concerned, as necessary, and reflected in business management.
- (4) We have our own internal insider trading management rules. The information manager is primarily responsible for information disclosure.

## CSR Activities

Nippon Soda's basic policy is to contribute to society through its business activities by effectively using the technologies, knowledge and human resources accumulated since its foundation. Based on this policy, we engage in CSR practices to continue our business activities while earning the trust of society.

At every stage of the product lifecycle, from manufacturing to disposal, we practice Responsible Care (RC) to take environmental protection, process safety and disaster prevention, occupational safety and health, logistics safety, and chemical and product safety into account in our business activities.

## Information Security Management

Appropriate management and protection of our information assets is one of the priority issues in managing our business. Nippon Soda promotes information security management under the supervision of the executive in charge of the Information Technology Department. In addition to the development of internal regulations such as the Information Security Policy, we are working to raise awareness of the importance of information assets by advocating the appropriate use of information systems in the Nippon Soda Group Code of Conduct. We are taking measures to strengthen the information security management system of the entire Nippon Soda Group, including training at group companies on how to deal with suspicious emails to prevent viruses from infecting our computers.

## Proper Management of Personal Information

In response to the revised Act on the Protection of Personal Information, Nippon Soda developed the Privacy Policy, the Personal Information Management Regulations, and the Specific Personal Information Handling Regulations to ensure the proper handling of personal information as an organization.

We collect, use, store and handle customers' personal information and the personal information and individual numbers (My Numbers) of executives, employees and their dependents in an appropriate manner, in compliance with laws and ordinances and regulations related to the handling of personal information and individual numbers, and within the scope of use specified in the Privacy Policy and internal regulations.

## Risk Management

## Business and Other Risks

## 1. Market risks

- (1) Some of the Group's businesses include products and services that are subject to economic fluctuations. Therefore, if market conditions fluctuate significantly due to changes in the economic environment, the Group's business performance could be significantly affected.
- (2) In Agri Business, earnings tend to increase in the fourth quarter due to the seasonal nature of demand. In addition, the Group's business performance may be significantly affected by weather fluctuations, as operations in Agri Business tend to be susceptible to weather conditions.
- (3) Predominantly through Chemical Materials and Agri Business, the Group conducts business on a global scale. Moreover, around 53% of our sales in Chemical Materials and Agri Business are overseas. As such, unforeseen changes in local laws and regulations in each country or region; large-scale epidemics; geopolitical risks such as wars, riots, or terror, or other unexpected factors; changes in trade policy in major countries; and/or other factors could have a significant impact on our business performance. Tasked with collecting information on risks and analyzing business trends in each country and region we conduct business, we have therefore established local subsidiaries to act as our hubs in those areas.

## 2. Exchange rate fluctuation risks

- (1) The Group operates on a global basis and foreign currency fluctuations affect net sales and materials procurement costs in foreign currencies. For that reason, we seek to mitigate the impact on business performance through forward foreign exchange contracts.
- (2) Since the yen-translated figures of overseas consolidated subsidiaries and equity-method affiliates in the consolidated financial statements are influenced by foreign exchange rates, dramatic fluctuations in foreign exchange rates may have a significant impact on the Group's business performance.

## 3. Raw materials procurement risks

If the Group is unable to secure the materials used in its products, or if the price of materials fluctuates drastically, the Group's business performance could be significantly affected. For this reason, in addition to working to ensure stable procurement of materials through the decentralization and diversification of our suppliers, we are aiming to reduce the impact of rising material prices on our business performance by implementing measures such as lowering the cost of our products and revising our sales prices.

## 4. Legal and regulatory risks

While the Group conducts its business activities in compliance with the laws and ordinances in Japan and abroad, growing global environmental awareness tends to tighten regulations on chemical products. Therefore, if environmental regulations become more stringent than expected and require substantial additional investments in the future, the Group's business performance could be significantly affected.

## 5. Research and development risks

The Group invests a large amount of management resources in the development of new products. However, in research and development, particularly in Agri Business, the development period for validating the efficacy and safety of a product may take a long time, and the research and development costs and commission fees for studies involved in up-front investment are significant, so if the research theme is not put to practical use, the Group's business performance may be significantly affected.

## 6. Product liability risks

As a manufacturer of chemical products, the Group is working on Responsible Care (RC) activities (voluntary risk reduction activities) for quality management, and in particular, we are striving to improve management based on ISO 9001. In addition, we conduct product liability (PL) risk assessments when selling new products or making quality improvements in accordance with ISO 9001 to ensure that PL problems are prevented. However, there is no guarantee that all

products will be defect-free and free of PL issues. For this reason, the Group carries product liability insurance to protect itself in the event of an accident. However, if an unanticipated serious quality defect occurs, the Group's business performance could be significantly affected.

## 7. Accident and disaster risks

As a manufacturer of chemical products, the Group is acutely aware of the risks associated with manufacturing. We engage in Responsible Care activities in areas such as environmental protection, process safety and disaster prevention, occupational safety and health, logistics safety, and chemical and product safety, and strive to prevent accidents at our production facilities and chemical product storage facilities. Nevertheless, if an unforeseen accident or a large-scale natural disaster were to cause damage to personnel or property at our manufacturing facilities, or if damage were to occur in the areas in the vicinity of our plants, there may be a significant impact on our business performance due to a loss of trust from society in the Group, the cost of measures to deal with the accident and disaster, or lost opportunities due to the suspension of production activities.

## 8. Application of impairment accounting risks

If the value of the Group's business assets substantially declines, or if the Group does not expect to recover its investments due to a decline in profitability or other factors, recording an impairment loss could have a material impact on the Group's business results.

## 9. Retirement benefit obligations risks

The Group's employee retirement benefit costs and obligations are calculated based on actuarial assumptions, such as the rate of return on plan assets and the discount rate, so if the actual results differ substantially from the assumptions due to abrupt changes in the market environment or other factors, the Group's business performance could be significantly affected.

## 10. Intellectual property infringement risks

The Group manages its intellectual property rights strictly. However, it may not be able to fully protect its intellectual property rights in certain countries and may not be able to completely prevent infringement by third parties, which could have a significant impact on the Group's business performance.

## 11. Information security risks

The Group holds a wide range of confidential and other information related to its businesses. Although we have a thorough information management system in place, in the event that an unforeseen circumstance causes this information to be leaked outside the Company, the resulting stagnation in business activity and loss of trust could have a significant impact on the Group's business performance. We have thus formulated a set of internal rules regarding information management, and educate employees on these rules to boost their management awareness and promote understanding of information handling rules. We have also concluded non-disclosure agreements with stakeholders with whom we share the confidential information we handle, and are striving to reinforce our information management system in other ways.

## 12. Human resource acquisition risks

In the event that the Group cannot acquire the necessary manpower due to the decrease in working-age populations, the suspension of business activities may have a significant impact on the Group's business performance. As such, we have formulated the Nippon Soda DX Vision which outlines our strategies for digitalization, and are working to streamline production processes, build optimal production systems, optimize research through innovative use of data, and achieve greater operational efficiency through use of digital technologies. We have also formulated the Make Employees Brilliant human capital management vision, and are working to promote diversity, develop human resources, and create workplaces that give employees fulfillment and pride to maximize their diverse values and strengths.



## CSR Activities at Plants

### Nihongi Plant

950 Fujisawa, Nakago-ku, Joetsu, Niigata 949-2392

TEL: +81-255-81-2300 FAX: +81-255-81-2341

**Major products manufactured** Alcoholate, NISSO HPC, faropenem sodium, MOSPILAN, NISSORUN, NISSO HI-CHLON, HIDION, DANYOTE, KINOPROL (MIGIWA), etc.

**Number of employees** 285 (As of the end of March 2025)

**Partner companies** 186 employees (As of the end of March 2025)  
ISO 14001: Certified in March 2000  
ISO 9001: Certified in August 1995  
ISO 45001: Transitioned in September 2020  
(Certified in April 2009 with OHSAS 18001)



#### Akemi Osawa, Executive Officer, Nihongi Plant Manager

The Nihongi Plant is located at the foot of the nature-rich Mt. Myoko—one of the 100 Famous Japanese Mountains—and began operations in February 1920 as the birthplace of the Nippon Soda Group. On February 1, 2020, the plant celebrated its 100th anniversary, a significant milestone in our history. Throughout our 100-year history, we have continued our operations in close harmony with the natural environment and gained the deep understanding and support of our stakeholders including the local community through various interactions.

We promote CSR activities with the participation of all employees, and conduct business activities with meticulous consideration for not only process safety and disaster prevention, but also safety and health, environmental conservation, and quality assurance. Through these efforts, we aim to contribute to realizing a vibrant society, as well as to build a plant that earns the trust and provides peace of mind not only to all employees working at the plant but also to local residents. In recent years, we have engaged in community development activities in innovative ways together with the Nakago-ku General Office, the community development association, elementary and junior high schools, and other local residents, further strengthening our bonds with the community.

In anticipation of the next 100 years, we will transform our existing business structure from one centered predominantly on inorganic industrial chemicals to one focused on products with higher added-value, such as agrochemicals, pharmaceuticals, pharmaceutical excipient, and functional chemicals, achieving new growth for the plant through technological innovation. Moreover, to achieve zero accidents, zero disasters, and stable production, we will continue to engage in activities for environmental protection, process safety and disaster prevention, and safety and health with the united efforts of all employees.

#### Environmental data for FY 2025/3

Unit: t/year (volume of wastewater: kt/year, CO<sub>2</sub>: kt/year) Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Emissions into water areas			Emissions into the atmosphere				Final disposal of industrial waste at landfill
Volume of wastewater	BOD	COD	CO <sub>2</sub>	NOx	SOx	Soot and dust	
8,039 (+962)	19.3 (+10.3)	—	19 (-14)	12.6 (-3.1)	1.3 (-0.1)	9.9 (-0.7)	0.3 (-2.3)

#### FY 2025/3 amount of PRTR system substance emissions

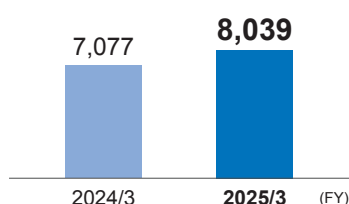
Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Substance	Emission amount		Transported amount
	Air	Water	
Toluene	34.01 (+2.72)	0.00 (0.00)	41.21 (-4.36)
Fluorine	0.00 (0.00)	0.00 (0.00)	2.48 (+0.29)
Chloroform	0.69 (-1.76)	0.00 (0.00)	0.00 (0.00)

PRTR substances: 17 substances Total emission amount: 36.15 t Total amount transported: 43.69 t

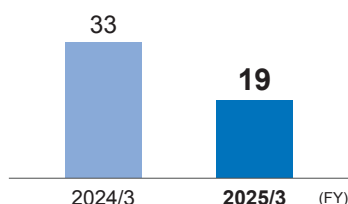
#### Emissions into water areas

Volume of wastewater (kt)



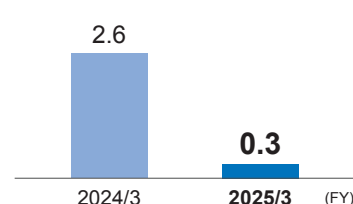
#### Emissions into the atmosphere

CO<sub>2</sub> (kt)



#### Final disposal of industrial waste at landfill

Volume (t)



#### External communication

No. of environmental monitors	5	No. of times information was provided (of which was related to environmental monitoring)	0 (0)
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## CSR Activities at Plants

## Takaoka Plant

300 Mukaino-honmachi, Takaoka, Toyama 933-8507

TEL: +81-766-26-0206 FAX: +81-766-26-0300

**Major products manufactured** Caustic soda, hydrochloric acid, TODI, phosphorous chloride, organotitanium, secondary battery materials, TOPSIN-M, TRIFMINE, PYTHILOCK, pesticide formulation products, etc.

**Number of employees** 342 (As of the end of March 2025)

**Partner companies** 158 employees (As of the end of March 2025)

ISO 14001: Certified in November 2000

ISO 9001: Certified in June 1995

ISO 45001: Transitioned in November 2020

(Certified in November 2005 with OHSAS 18001)

**Akemi Osawa, Executive Officer, Takaoka Plant Manager**

Takaoka Plant started operation in 1934 by the Oyabe River in Takaoka City, Toyama Prefecture. The area sits amid the Tateyama mountain range, the Hida mountains and the Hakusan mountain range, which provide abundant water, and by Toyama Bay, which is rich in natural resources. Supported by abundant water and electricity, we manufacture basic chemical products through the electrolysis of sodium chloride (salt), which is the basis of the chemical industry. Using these chemical products as ingredients, we also manufacture functional chemicals and agrochemicals, essential items in modern society.

There are many issues associated with the process of manufacturing these products, including large amounts of electricity consumption and the generation of waste. Taking these issues seriously, we have been engaged in various efforts for conserving the environment, such as energy reduction and waste recycling. Since Takaoka Plant is a chemical plant, all employees working here handle hazardous substances professionally and safely. We also place strong emphasis on ensuring safety and disaster prevention so that even if an accident does occur we can minimize damage and prevent any impact on the environment or on residents in nearby communities.

We recognize that it is the responsibility of our plant and the Company to ensure the safety and security of the environment of Toyama Bay, one of the most beautiful bays in the world, as well as the local communities.

## Environmental data for FY 2025/3

Unit: t/year (volume of wastewater: kt/year, CO<sub>2</sub>: kt/year) Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Emissions into water areas			Emissions into the atmosphere				Final disposal of industrial waste at landfill
Volume of wastewater	BOD	COD	CO <sub>2</sub>	NOx	SOx	Soot and dust	
8,601 (-130)	80.3 (+14.6)	—	71 (0)	22.0 (-6.0)	79.1 (-4.6)	1.0 (+0.1)	7.7 (-2.9)

## FY 2025/3 amount of PRTR system substance emissions

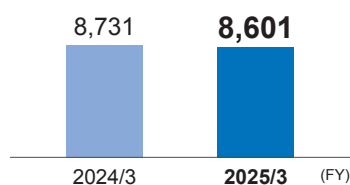
Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Substance	Emission amount		Transported amount
	Air	Water	
Toluene	0.16 (+0.03)	0.00 (0.00)	5.29 (+2.23)
Chlorobenzene	9.24 (+0.41)	1.27 (+0.11)	162.90 (-88.57)
Chloroform	0.00 (-0.06)	0.00 (0.00)	14.23 (-19.33)

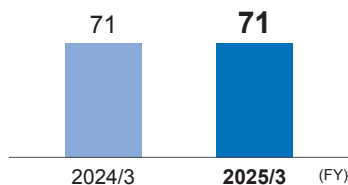
PRTR substances: 20 substances Total emission amount: 48.95 t Total amount transported: 209.38 t

## Emissions into water areas

Volume of wastewater (kt)

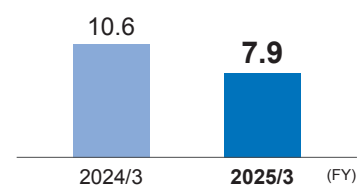


## Emissions into the atmosphere

CO<sub>2</sub> (kt)

## Final disposal of industrial waste at landfill

Volume (t)



\* In FY 2025/3, CO<sub>2</sub> emissions have been calculated assuming a non-fossil electricity ratio of 20% (contracted) (pre-correction: 82,000 t/year; post-correction: 71,000 t/year).

## External communication

No. of environmental monitors	12	No. of times information was provided (of which was related to environmental monitoring)	1(0)
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## CSR Activities at Plants

## Mizushima Plant

2767-12 Kojima-shionasu, Kurashiki, Okayama 711-0934

TEL: +81-86-475-0036 FAX: +81-86-475-0039

**Major products manufactured** Sodium cyanide, potassium cyanide, NISSO DAMN (diaminomaleonitrile)

(Production terminated in December 2024)

**Number of employees** 37 (As of the end of March 2025)

**Partner companies** ISO 14001: Certified in October 2001

ISO 9001: Certified in January 1999

ISO 45001: Transitioned in January 2021

(Certified in January 2009 with OHSAS 18001)

Returned all environmental, quality, and occupational health and safety certificates to JCQA on January 20, 2025



## Hiroshi Sumiya, Mizushima Plant Manager

Mizushima Plant started operations in 1969 in the Mizushima Industrial Area, which extends from the mouth of the Takahashi River in Okayama Prefecture and has excellent access to supplies of industrial water, oil, and electricity, while being conveniently located for land and sea transportation. The plant received raw materials from neighboring companies. Because of the highly toxic cyanide handled at the plant, all employees working at the plant, including those of partner companies, are aware of the need to handle hazardous materials safely. We have engaged in CSR activities based on safety standards, including handling raw materials and products, use of protective equipment, and work procedures.

As announced on our website in March 2024, the decision has been made to close the Mizushima Plant during FY 2026/3, and production ceased as of December 2024. Even during the period leading up to the factory's closure, we will continue working toward the key goal in our plant's policy to achieve zero accidents and disasters. We will therefore undertake the necessary work to close down the plant with safety as our top priority, and will continue to conduct inspection patrols, emergency drills, education, and other activities to ensure occupational safety and health.

## Environmental data for FY 2025/3

Unit: t/year (volume of wastewater: kt/year, CO<sub>2</sub>: kt/year) Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Emissions into water areas			Emissions into the atmosphere				Final disposal of industrial waste at landfill
Volume of wastewater	BOD	COD	CO <sub>2</sub>	NOx	SOx	Soot and dust	
475 (-22)	—	1.6 (-0.4)	4 (-4)	1.3 (-3.3)	0.0 (0.0)	0.0 (0.0)	11.4 (+3.1)

## FY 2025/3 amount of PRTR system substance emissions

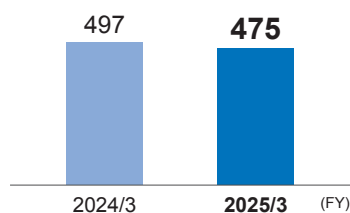
Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Substance	Emission amount		Transported amount
	Air	Water	
Xylene	0.00 (0)	0.00 (0)	0.61 (+0.58)
Inorganic cyanides	0.15 (-0.04)	0.001 (-0.001)	0.02 (-0.02)
Acetonitrile	0.00 (0)	0.00 (0)	4.70 (+4.36)

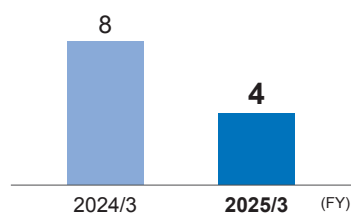
PRTR substances: 4 substances Total emission amount: 0.152 t Total amount transported: 5.336 t

## Emissions into water areas

Volume of wastewater (kt)

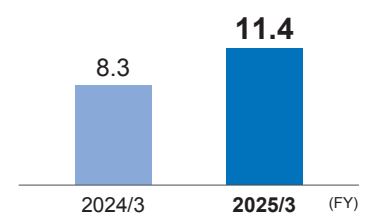


## Emissions into the atmosphere

CO<sub>2</sub> (kt)

## Final disposal of industrial waste at landfill

Volume (t)



## CSR Activities at Plants

## Chiba Plant

12-8 Goiminami-kaigan, Ichihara, Chiba 290-8530

TEL: +81-436-23-2007 FAX: +81-436-22-6588

Major products manufactured NISSO-PB, VP-POLYMER, TITA BOND, TAKE-ONE

Number of employees 145 (As of the end of March 2025)

Partner companies 58 employees (As of the end of March 2025)

ISO 14001: Certified in July 2000

ISO 9001: Certified in August 1997

ISO 45001: Transitioned in February 2021

(Certified in February 2008 with OHSAS 18001)



## Issei Takizawa, Chiba Plant Manager

The plant started operations in 1969 as Nissou Kasei Co., Ltd., in a section of the Keiyo Industrial Zone, which faces the east side of Tokyo Bay. In 1999, it became the Nippon Soda Chiba Plant, which it has remained to the present. Rather than large-scale generic petrochemical products for general use, the Chiba Plant produces chemicals with a focus on specialty chemicals at mid-sized plants. Common applications for our products include liquid polybutadiene as a raw material in acrylic paints used in smartphones and for printing plates, and VP-POLYMER as a widely used, key material for photoresists, which are essential for the manufacture of semiconductors.

In December 2024, we finished installing solar panels on the plant premises, and the solar power generation system went into full operation. This system will allow us to reduce CO<sub>2</sub> emissions by approximately 1,140 metric tons annually. As a chemical plant located in the greater Tokyo region, a great deal is required of us. Our foremost priority is to ensure zero accidents and zero disasters, and with safety and reliability as our watchwords, all who work at the plant engage in activities for environmental protection, process safety and disaster prevention, and safety and health. By providing a stable supply of various products that support people's lives, our aim is to become a plant that is valued by all.

## Environmental data for FY 2025/3

Unit: t/year (volume of wastewater: kt/year, CO<sub>2</sub>: kt/year) Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

Emissions into water areas			Emissions into the atmosphere				Final disposal of industrial waste at landfill
Volume of wastewater	BOD	COD	CO <sub>2</sub>	NOx	SOx	Soot and dust	
2,001 (-250)	—	15.3 (-14.2)	12 (+1)	—	—	—	3.0 (-1.1)

## FY 2025/3 amount of PRTR system substance emissions

Note: The figures in parentheses represent the difference from results in the previous fiscal year. "+" denotes an increase, while "-" denotes a decrease.

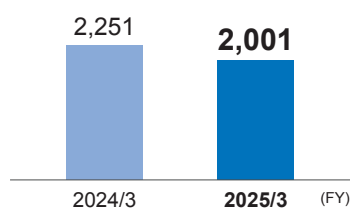
Substance	Emission amount		Transported amount
	Air	Water	
Toluene	9.14 (-5.27)	0.00 (0.00)	0.15 (0.00)
Tetrahydrofuran*	4.76 (+1.37)	0.00 (0.00)	3.38 (-0.2)
1,3-butadiene	2.79 (+0.51)	0.00 (0.00)	0.00 (0.00)

PRTR substances: 12 substances Total emission amount: 19.30 t Total amount transported: 3.63 t

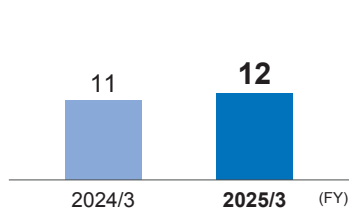
\* Tetrahydrofuran was added in FY 2024/3

## Emissions into water areas

Volume of wastewater (kt)

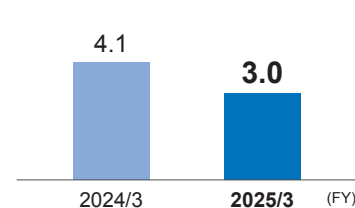


## Emissions into the atmosphere

CO<sub>2</sub> (kt)

## Final disposal of industrial waste at landfill

Volume (t)



## Third-party Evaluations: ESG Verification

### Japan Chemical Industry Association Third-party Verification Report of the Nippon Soda Group Integrated Report 2025 and ESG Data Book 2025



#### Nippon Soda Group Integrated Report 2025 and ESG Data Book 2025 Third Party Verification Report

October 16, 2025

Representative Director and President  
Nippon Soda Co., Ltd.

#### ■ Objectives of Verification

This verification is performed by the Responsible Care Verification Center who are experts in the chemical industry —for the purpose of expressing its opinions with respect to the following matters reported in the Nippon Soda Group Integrated Report 2025 and ESG Data Book 2025 (the "Reports"), which was prepared by Nippon Soda Co., Ltd.:

- 1) Reasonableness of the methods used to calculate and aggregate performance indicators (numerical values), and the accuracy of numerical values
- 2) Accuracy of reported information other than numerical values
- 3) Details of Responsible Care (hereinafter referred to as "RC") activities and CSR activities
- 4) Characteristics of the Reports

#### ■ Verification Procedures

- At the Head Office, an assessment of the reasonableness of methods used to calculate numerical values reported by each site (business offices and plants), as well as the accuracy of information other than numerical values, was conducted. The assessment was performed by interviewing managers responsible for operations and those who were responsible for the preparation of the Reports, and by receiving presentations and explanations of materials from these managers.
- At the Chiba Plant, an assessment was conducted of the reasonableness of methods used to calculate numerical values reported to the head office, as well as the accuracy of the numerical values and information other than numerical values. The assessment was performed by interviewing managers responsible for operations and those who were responsible for the preparation of the Reports, by receiving presentations and explanations of materials, and by comparing information with evidence.
- Numerical values and information provided in the Data Book were verified by sampling.

#### ■ Views and Comments

- 1) Reasonableness of methods used to calculate and aggregate performance indicators (numerical values), and accuracy of numerical values
  - We confirmed that the Head Office and the Chiba Plant applied rational methods to accurately calculate and aggregate performance values.
- 2) Accuracy of reported information other than numerical values
  - We confirmed that the information described in the Reports was accurate. At the draft stage, we pointed out some parts that needed to be improved in terms of the appropriateness of expressions and the comprehensibility of sentences. In these Reports, however, these points have been rectified, and there are no significant matters that should be revised.
- 3) Responsible Care (RC) activities and CSR activities
  - For many years, Nippon Soda has promoted RC Activities as a company handling Chemical Substances. We highly commend its promotion of activities to minimize any risks in the following areas: management systems and organizational governance, environmental protection, process safety & disaster prevention/BCP, occupational safety and health, logistics safety and quality assurance, chemical and product safety, etc.
  - At the Chiba Plant, we confirmed that for manufacturing equipment newly installed in FY 2025/3, to counter risks associated with such things as occupational safety and health, process safety & disaster prevention, and quality, safety audits are being conducted by headquarters before starting test operations after a comprehensive identification of sources of risks and other issues. For existing equipment, we confirmed that detailed risk assessments are being conducted for each manufacturing process and that countermeasures are being taken according to their level of importance. In the future, we look forward to the continued well-balanced identification of process safety & disaster prevention risks, such as explosions and fire, and risks relating to occupational safety and health, as well as the further reduction of these risks, including those arising from non-routine operations.
  - At the Chiba Plant, we confirmed that the Company is conducting its RC activities properly, and that it is taking steps to strengthen safety, the environment, quality, human resource development, and other areas. It is also implementing activities to prevent human error aimed at preventing workplace accidents, and is transferring expertise through methods such as recording work procedures on video.
  - Regarding initiatives to minimize its impact on the environment, the Company is making steady efforts to reduce GHG emissions through a reduction in electricity consumption in line with business structure reforms and an increase in the ratio of renewable electricity purchased. To achieve carbon neutrality by 2050, the Company is revising its GHG reduction targets for FY 2026/3 to align with the levels required by the Paris Agreement. We highly commend its decision to deploy these reduction targets across each scope, setting targets of at least 42% for Scope 1+2 and at least 25% for Scope 3 (compared to FY 2023/3) by FY 2031/3.
- 4) Characteristics of the Reports
  - The Nippon Soda Group publishes two reports: the Integrated Report, which clearly communicates its corporate value enhancement strategy to investors, and the ESG Data Book, which provides comprehensive information intended primarily for ESG rating agencies. The Integrated Report adopts visually appealing wording and imagery to convey its content. Meanwhile, the ESG Data Book expands the range of information on evaluation items while also incorporating qualitative and quantitative explanations and adopting a reader-friendly structure. As such, we highly commend the Company's commitment to making continuous improvements.

ISHII Hiroshi  
Chief Director, Responsible Care Verification Center  
Japan Chemical Industry Association



## Third-party Evaluations: ESG Verification

## Sompo Risk Management Inc. Opinion on Disaster Prevention Assessment Survey



October 16, 2025

Eiji Aga

Representative Director, President  
Nippon Soda Co., Ltd.

### Written Opinion on Property Loss Control Survey

Dear Mr. Aga,

#### ■ Survey objective

The objective of this property loss control survey is to identify the risks each facility is exposed to and offer improvement recommendations to enhance each facility's disaster prevention level.

#### ■ Survey flow

The survey includes 1) confirmation of the facility's disaster prevention management system, 2) on-site survey focusing on the following aspects: "location", "building", "fire risk", "disaster prevention equipment", "fire safety management" and "natural disaster", and 3) recommendations to enhance the facility's disaster prevention capabilities.

#### ■ Survey observation and opinion

##### (1) Overall

We recognize that Nippon Soda Group has established action guidelines to ensure prompt and effective communication, response, and command in the event of disasters and accidents. These guidelines are regularly reviewed, revised and tested through drills to enhance their effectiveness.

##### (2) Good practices and recommendations for each facility surveyed are as follows

##### 【Nippon Soda Co., Ltd., Research & Innovation Center (Odawara Area)】

- As a good practice, drip-proof containers are used when handling small quantities of hazardous materials, which helps reduce the risk of fire from accidental leaks.
- Fire extinguishers are provided in compliance with fire regulations. However, as the fire extinguisher location signs are positioned at the far end of the aisle, there is a risk they may not be easily found in an emergency. It is recommended that the signs be relocated to a position where they are clearly visible from all directions.

##### 【Nisso Metallochemical Co., Ltd., Chiba Plant】

- As a good practice, an emergency response manual for earthquakes and power outages are in place. The manual posted in the instrument room, states that equipment operations be halted when the seismometer detects a seismic intensity of 5 or higher.
- Aerosol cans stored on open shelves without doors may explode during a fire, sending the cans flying and potentially obstructing firefighting efforts. Therefore, it is recommended that they be stored in metal cabinets with doors.

##### 【Nisso Fine Co., Ltd., Isohara Plant, Iwaki Manufacturing Dept. and Onahama Plant】

- Several good practices are implemented to manage static electricity and reduce fire risks. These include grounding and bonding at hazardous material handling areas and piping connections observed at Iwaki Manufacturing Dept., grounding equipment handling combustible dust and using anti-static mats at Onahama Plant, and providing operators with anti-static clothing and footwear.
- Although fire extinguishers are provided in accordance to fire regulations, the dry chemical fire extinguishers provided at the methanol tanks in Iwaki Manufacturing Dept. are less effective against alcohol fires. Similarly, the dry chemical extinguishers at Onahama Plant's warehouse are not suitable for fires involving paper combustibles. It is recommended to provide alcohol-resistant fire extinguishers to the methanol tanks and water-based fire extinguishers for the warehouse.

##### 【Shinfujikaseiyaku Co., Ltd., Gunma Plant and Takasaki Plant】

- As a good practice, identification markings for various piping, including boiler and LPG lines at Gunma and Takasaki plants, are applied in accordance with JIS standards.
- At Gunma Plant, exposed outlets in dusty areas pose a fire hazard due to electrical tracking. These outlets should be cleaned regularly and fitted with protective covers. At Takasaki Plant, combustibles stored under staircases used as evacuation routes could obstruct escape in a fire. It is recommended that these combustibles be relocated away from staircases.

Sincerely,

President and Chief Executive Officer  
Sompo Risk Management Inc.

## Third-party Evaluations: ESG Verification

## Sompo Risk Management Inc. Opinion on the Occupational Health and Safety Survey



October 16, 2025

Eiji Aga

Representative Director, President  
Nippon Soda Co., Ltd.

### Written Opinion on Occupation Health and Safety Survey

Dear Mr. Aga,

Below are a summary and our opinion on the occupational health and safety survey

#### ■ Survey objective

The survey at Nippon Soda's Nihongi Plant Manufacturing Dept. Industrial Chemicals Sec. Utility Unit was carried out with the following objectives:

- Identify risks the workplace is exposed to and recommendations for risk improvement
- Provide On-the-Job Training (OJT) to enhance the risk response skills of on-site operators, enabling them to conduct such surveys independently

#### ■ Survey flow

The on-site survey and report for the above mentioned workplace were carried out in the following order.

Note that the on-site survey was carried out along with the person in charge of the surveyed workplace as a part of the OJT.

- Interview on the safety management organization structure
- Review of documentation relating to safety management
- On-site risk assessment by both parties (Sompo Risk Management and Nippon Soda)
- Recommendations from Sompo Risk Management on enhancing occupational health safety and safety awareness

#### ■ Comment on safety management organization structure

The following outlines some good practices (1, 2) and recommendation (3) related to the safety management organization structure, based on a review of the documentation and on-site survey.

- (1) The work standards not only outline the rules but also explain the rationale behind them ('Know Why'). This approach enhances workers' understanding and acceptance of the rules, encourages compliance, and helps prevent unsafe behavior.
- (2) A framework is in place for safety personnel and persons in charge to conduct on-site inspections during incident investigations. This helps reduce the risk of oversights or misinterpretations, supporting more effective root cause analysis as well as the development of countermeasures.
- (3) While protective equipment for handling chemicals is provided, there were no clear rules for cleaning and storing it after use. It is recommended to establish such rules, under the guidance of the designated person responsible for managing protective equipment, to reduce the risk of chemical exposure incidents caused by improperly cleaned equipment.

#### ■ Comment on OJT and on-site survey findings

The following are some good practices (1) and recommendations (2, 3) observed during the on-site survey.

- (1) QR codes attached to the generators allow operators to access emergency generator procedures and important precautions using their company-issued smartphones. This reduces the risk of errors caused by lapses in memory or misinterpretation.
- (2) It is recommended to review the following items regarding work outsourced to external contractors:
  - Check the safety of work methods applied ahead of time
  - Check on-site that work is not carried out in a dangerous way
- (3) It is recommended to ensure employees are aware of proper eye-rinsing methods after liquid exposure by providing clear instructions, such as "holding the eyelids open with fingers while rinsing".

The manager who accompanied the site visit demonstrated thorough knowledge of the facility and provided valuable observations regarding the impact of snowfall, hazardous areas, and good practices. It is recommended that these observations and recommendations be shared with other departments to further enhance safety awareness.

Sincerely,

President and Chief Executive Officer  
Sompo Risk Management Inc.

# Guidelines

## Comparative Table with GRI Standards

This report is prepared with reference to the GRI Content Index and in accordance with the Core Option of the GRI Standards.

GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021		ESG Data Book or Integrated Report (IR) publication page / corresponding items
<b>1. The organization and its reporting practices</b>		
2-1	Organizational details	Company Information (IR p. 72)
2-2	Entities included in the organization's sustainability reporting	Scope of the Report (p. 1) Global Network (p. 4) Company Information (IR p. 72) <a href="#">Web</a>
2-3	Reporting period, frequency and contact point	Scope of the Report (p. 1)
2-4	Restatements of information	—
2-5	External assurance	Third-Party Evaluations: ESG Verification (p. 96-98)
<b>2. Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Stakeholder engagement (p. 3) History of Value Creation (IR p. 4-5), Value Creation Model (IR p. 6-7), The Nippon Soda Group's Businesses (IR p. 28-34)
2-7	Employees	Together with Our Employees (p. 61-69) Company Information (IR p. 72) Company Overview ( <a href="#">Annual Securities Report</a> (Japanese version only) p. 2-11), Employee Overview ( <a href="#">Annual Securities Report</a> (Japanese version only) p. 9-11)
2-8	Workers who are not employees	Together with Our Employees (p.64)
<b>3. Governance</b>		
2-9	Governance structure and composition	CSR Promotion System (p. 7) Corporate Governance System (p. 79)
2-10	Nomination and selection of the highest governance body	Corporate Governance (p. 77-84)
2-11	Chair of the highest governance body	Corporate Governance System (p. 79)
2-12	Role of the highest governance body in overseeing the management of impacts	Materiality Identification Process (p. 5) CSR Promotion System (p. 7)
2-13	Delegation of responsibility for managing impacts	CSR Promotion System (p. 7) Corporate Governance System (p. 79)
2-14	Role of the highest governance body in sustainability reporting	Editorial Policy (p. 1) Sustainability Management (p. 2-10) Corporate Governance System (p. 79-80) Editorial Policy (IR p. 1)
2-15	Conflicts of interest	Together with Our Business Partners (p. 58-60) Compliance (p. 85-88) Risk Management (p. 89-91) <a href="#">Corporate Governance Report</a> (Japanese version only)
2-16	Communication of critical concerns	CSR Promotion System (p. 7) Corporate Governance System (p. 79) Compliance (p. 85) Risk Management (p. 89-91)
2-17	Collective knowledge of the highest governance body	CSR Promotion System (p. 7)
2-18	Evaluation of the performance of the highest governance body	Corporate Governance (p. 77-84)
2-19	Remuneration policies	Executive Remuneration (p. 82-84)
2-20	Process to determine remuneration	Executive Remuneration (p. 82-84)
2-21	Annual total compensation ratio	Executive Remuneration (p. 82-84)
<b>4. Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	Nippon Soda Group's Sustainability Management (p. 2-5) Message from the President (IR p. 12-17), Our Approach to Sustainability-focused Management (IR p. 36)
2-23	Policy commitments	Nippon Soda Group's Sustainability Management (p. 2) Together with Our Business Partners (p. 58-60) Together with Our Employees (p. 61) Our Approach to Sustainability-focused Management (IR p. 36)
2-24	Embedding policy commitments	Together with Our Business Partners (p.58-60) Together with Our Employees (p. 61-69) Compliance (p. 85)
2-25	Processes to remediate negative impacts	Together with Our Employees (p. 61-69) Compliance (p. 85-86)
2-26	Mechanisms for seeking advice and raising concerns	Human Rights Initiatives at Our Workplaces (p. 61-62) Environmental monitoring in collaboration with local resident (p. 74) Compliance (p. 85-86)
2-27	Compliance with laws and regulations	Compliance (p. 85-86)
2-28	Membership associations	ESG Initiatives Nippon Soda Participates in or Endorses (p. 3)
<b>5. Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Third-party Verification (p. 1) Stakeholder Engagement (p. 3) Stakeholder Engagement (p. 53-76)
2-30	Collective bargaining agreements	Together with Our Employees (p. 61-69)
<b>DISCLOSURE ON MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Sustainability Management (p. 2-10) CSR Activities to Improve Corporate Value (p. 11-22) CSR Activities to Protect Corporate Value (p. 23-52) Stakeholder Engagement (p. 53-76) Value Creation Model (IR p. 6-7) Materialities at the Nippon Soda Group (IR p. 22) Our Approach to Sustainability-focused Management (IR p. 36-37)



# Nippon Soda Group ESG Data Book 2025

Sustainability Management | CSR Activities to Improve Corporate Value | CSR Activities to Protect Corporate Value | Stakeholder Engagement | Corporate Governance/Compliance/ Risk Management | **Data**

## Guidelines

3-2	List of material topics	Our Approach to Sustainability-focused Management (IR p. 36-37)
3-3	Management of material topics	Sustainability Management (p. 2-10) CSR Activities to Improve Corporate Value (p. 11-22) CSR Activities to Protect Corporate Value (p. 23-52) Stakeholder Engagement (p. 53-76) Materialities at the Nippon Soda Group (IR p. 22), Our Approach to Sustainability-focused Management (IR p. 36-37)
<b>ECONOMIC</b>		
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	Expenditure on social contributions (donations) (p. 76) The Nippon Soda Group's Businesses (IR p. 28-29) 10-year Financial and Non-financial Highlights (IR p. 62-63)
201-2	Financial implications and other risks and opportunities due to climate change	—
201-3	Defined benefit plan obligations and other retirement plans	Retirement Benefits ( <a href="#">Annual Securities Report</a> (Japanese version only) p. 91-93)
201-4	Financial assistance received from government	—
<b>MARKET PRESENCE</b>		
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Contribution to local economies and local employment (p. 75)
202-2	Proportion of senior management hired from the local community	—
<b>INDIRECT ECONOMIC IMPACTS</b>		
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	—
203-2	Significant indirect economic impact	—
<b>PROCUREMENT PRACTICES</b>		
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	—
<b>ANTI-CORRUPTION</b>		
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	—
205-2	Communication and training about anti-corruption policies and procedures	Education on Laws and Ordinances Related to Other Operations (p. 67) Compliance (p. 85-88)
205-3	Confirmed incidents of corruption and actions taken	Main Compliance Results (p. 87)
<b>ANTI-COMPETITIVE BEHAVIOR</b>		
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Main Compliance Results (p. 87)
<b>TAX</b>		
<b>GRI 207: Tax 2019</b>		
207-1	Approach to tax	—
207-2	Tax governance, control, and risk management	—
207-3	Stakeholder engagement and management of concerns related to tax	—
207-4	Country-by-country reporting	—
<b>MATERIALS</b>		
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	—
<b>ENERGY</b>		
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Responses to Climate Change Issues (p. 25-27)
302-2	Energy consumption outside of the organization	Responses to Climate Change Issues (p. 25-27)
302-3	Energy intensity	Responses to Climate Change Issues (p. 25-27)
302-4	Reduction of energy consumption	Responses to Climate Change Issues (p. 25-27)
302-5	Reductions in energy requirements of products and services	Responses to Climate Change Issues (p. 25-27)
<b>WATER</b>		
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Major environmental impact data (p. 29) Atmosphere and Water Quality Conservation (p. 30-32)
303-2	Management of water discharge-related impacts	Atmosphere and Water Quality Conservation (p. 30-32)
303-3	Water withdrawal	Major environmental impact data (p. 29)
303-4	Water discharge	Reduction of wastewater discharge and harmful substance emissions into rivers and other bodies of water (p. 31)
303-5	Water consumption	—
<b>BIODIVERSITY</b>		
<b>GRI 304: Biodiversity 2016</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—

## Guidelines

304-2	Significant impact of activities, products and services on biodiversity	Preservation of Biodiversity (p. 32-33) Agri Business (IR p. 32-33)	Chemical and Product Safety (p. 51-52)
304-3	Habitats protected or restored	Environmental Protection (p. 30-34)	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—	
<b>EMISSIONS</b>			
<b>GRI 305: Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	Responses to Climate Change Issues (p. 25-27)	
305-2	Energy indirect (Scope 2) GHG emissions	Responses to Climate Change Issues (p. 25-27)	
305-3	Other indirect (Scope 3) GHG emissions	Responses to Climate Change Issues (p. 25-27)	
305-4	GHG emissions intensity	Responses to Climate Change Issues (p. 25-27)	
305-5	Reduction of GHG emissions	Responses to Climate Change Issues (p. 25-27)	
305-6	Emissions of ozone-depleting substances (ODS)	Responses to Climate Change Issues (p. 25-27)	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Atmosphere and Water Quality Conservation (p. 30-32)	
<b>EFFLUENT AND WASTE</b>			
<b>GRI 306: Effluents and Waste 2016</b>			
306-3	Significant spills	Significant deviations from legal requirements (p. 87-88)	
<b>WASTE</b>			
<b>GRI 306: Waste 2020</b>			
306-1	Waste generation and significant and waste-related impacts	Effective Use of Resources and Reduction of Industrial Waste (p. 28-29)	
306-2	Management of significant waste-related impacts	Effective Use of Resources and Reduction of Industrial Waste (p. 28-29)	
306-3	Waste generated	Effective Use of Resources and Reduction of Industrial Waste (p. 28-29)	
306-4	Waste diverted from disposal	Effective Use of Resources and Reduction of Industrial Waste (p. 28-29)	
306-5	Waste directed to disposal	—	
<b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>			
<b>GRI 308: Supplier Environmental Assessment 2016</b>			
308-1	New suppliers that were screened using environmental criteria	—	
308-2	Negative environmental impacts in the supply chain and actions taken	—	
<b>EMPLOYMENT</b>			
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	Together with Our Employees (p. 61-69)	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—	
401-3	Parental leave	Promoting Work-life Balance (p. 68-69)	
<b>LABOR/MANAGEMENT RELATIONS</b>			
<b>GRI 402: Labor/Management Relations 2016</b>			
402-1	Minimum notice periods regarding operational changes	—	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	CSR Management (p. 6-10) Occupational Safety and Health (p. 41-43)	
403-2	Hazard identification, risk assessment, and incident investigation	CSR Management (p. 6-10) Process Safety and Disaster Prevention/BCP (p. 35-40) Occupational Safety and Health (p. 41-47)	
403-3	Occupational health services	CSR Management (p. 6-10) Process Safety and Disaster Prevention/BCP (p. 35-40) Occupational Safety and Health (p. 41-47)	
403-4	Worker participation, consultation, and communication on occupational health and safety	CSR Management (p. 6-10) Process Safety and Disaster Prevention/BCP (p. 35-40) Occupational Safety and Health (p. 41-47)	
403-5	Worker training on occupational health and safety	Training programs centered on experiential learning (p. 21) Process Safety and Disaster Prevention (p. 35-38) Occupational Safety and Health (p. 41-47) Education on Safety and Health (p. 67)	
403-6	Promotion of worker health	Promotion of Health and Productivity Management (p. 44-46)	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Process Safety and Disaster Prevention/BCP (p. 35-40) Occupational Safety and Health (p. 41-47) Logistics Safety and Quality Assurance (p. 49) Chemical and Product Safety (p. 51-52) Together with Our Business Partners (p. 58-60)	
403-8	Workers covered by an occupational health and safety management system	CSR Management (p. 6-9) Process Safety and Disaster Prevention/BCP (p. 35-40) Occupational Safety and Health (p. 41-47) CSR Activities at Plants (p. 92-95)	
403-9	Work-related injuries	Occupational Safety and Health (p. 41-47) Together with Our Employees (p. 61-69)	
403-10	Work-related ill health	Occupational Safety and Health (p. 41-47)	
<b>TRAINING AND EDUCATION</b>			
<b>GRI 404: Training and Education 2016</b>			
404-1	Average hours of training per year per employee	Human Resources Development (p. 65)	
404-2	Programs for upgrading employee skills and transition assistance programs	Training programs centered on experiential learning (p. 21-22) CSR Activities to Protect Corporate Value (p. 35-52) Together with Our Employees (p. 61-69) Compliance (p. 85-88)	
404-3	Percentage of employees receiving regular performance and career development reviews	—	

## Guidelines

DIVERSITY AND EQUAL OPPORTUNITY		
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Promotion of Diversity (p. 62-65) Corporate Governance Highlights (p. 78) Value Creation Model (IR p. 7)
405-2	Ratio of basic salary and remuneration of women to men	Wage gap between male and female employees (p. 65)
NON-DISCRIMINATION		
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	—
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
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	—
CHILD LABOR		
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	—
FORCED OR COMPULSORY LABOR		
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	—
SECURITY PRACTICES		
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	—
RIGHTS OF INDIGENOUS PEOPLES		
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	—
LOCAL COMMUNITIES		
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Together with Our Local Communities (p. 70-76)
413-2	Operations with significant actual and potential negative impact on local communities	—
SUPPLIER SOCIAL ASSESSMENT		
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	—
414-2	Negative social impacts in the supply chain and actions taken	—
PUBLIC POLICY		
GRI 415: Public Policy 2016		
415-1	Political contributions	Political contributions (p. 86)
CUSTOMER HEALTH AND SAFETY		
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Main Compliance Results (p. 87-88)
MARKETING AND LABELING		
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Chemical and Product Safety (p. 51-52)
417-2	Incidents of non-compliance concerning product and service information and labeling	FY 2025/3 targets and achievement levels (KPIs) (p. 51) Significant deviations from legal requirements (p. 87)
417-3	Incidents of non-compliance concerning marketing communications	FY 2025/3 targets and achievement levels (KPIs) (p. 51) Significant deviations from legal requirements (p. 87)
CUSTOMER PRIVACY		
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/P

## Guidelines

## Comparative Table with ISO 26000

Core subjects	Issues	Activities
Organizational Governance	Organizational Governance	Value Creation of the Nippon Soda Group
		CSR Management
		Governance/Compliance/Risk Management
Human Rights	Due Diligence	—
	Human Rights Risk Situations	Together with Our Employees
	Avoidance of Complicity	Together with Our Employees
		Strengthening Relationships with Our Business Partners (Efforts in Procurement)
		Code of Conduct
	Resolving Grievances	Risk Management
	Discrimination and Vulnerable Groups	External Communication
		Together with Our Employees
	Civil and Political Rights	Promotion of Diversity
	Economic, Social and Cultural Rights	Code of Conduct
Labor Practices	Employment and Employment Relationship	Together with Our Employees
		Code of Conduct
		Human Resources Development
	Conditions of Work and Social Protection	Promotion of Diversity
		Promotion of Diversity
		Improving Employee Satisfaction
	Social Dialogue	Labor-management Relations and Improvement of Working Conditions
		Improving Employee Satisfaction
	Health and Safety at Work	Occupational Safety and Health
		Process Safety and Disaster Prevention/BCP
Environment	Prevention of Pollution	Logistics Safety
	Sustainable Resource Use	Initiatives for the Next Generation
	Climate Change Mitigation and Adaptation	Human Resources Development
	Protection of the Environment, Biodiversity and Restoration of Natural Habitats	Environmental Protection: Atmosphere and Water Area Protection
		Environmental Protection: Effective Use of Resources and Reduction of Waste
Fair Operating Practices	Anti-corruption	Environmental Protection: Responses to Climate Change Issues
	Responsible Political Involvement	Preservation of Biodiversity
	Fair Competition	Compliance
	Promoting Social Responsibility in the Value Chain	Code of Conduct
		Code of Conduct
		Efforts in Procurement
		Code of Conduct
		Occupational Safety and Health
	Respect for Property Rights	Process Safety and Disaster Prevention/BCP
		Efforts in Procurement
		Chemical and Product Safety
Consumer Issues	Fair Marketing, Factual and Unbiased Information and Fair Contractual Practices	Dialogue with Business Partners
	Protecting Consumers' Health and Safety	Dialogue with Investors, Analysts and Shareholders
	Sustainable Consumption	Code of Conduct
		Communication with Customers
		Logistics Safety and Quality Assurance
	Consumer Service, Support, and Complaint and Dispute Resolution	Chemical and Product Safety
		Healthcare
		Agriculture
	Consumer Data Protection and Privacy	Environment
	Access to Essential Services	Consideration in Animal Experiments
Community Involvement and Development	Education and Awareness	Quality Assurance
	Community Involvement	Chemical and Product Safety
		Improve Customer Satisfaction
		Proper Management of Personal Information
	Education and Culture	Improve Customer Satisfaction
	Employment Creation and Skills Development	Agriculture
	Technology Development and Access	Improve Customer Satisfaction, Communication with Customers
	Wealth and Income Creation	Harmonious Relationship with Local Communities
	Health	Dialogue with Local Communities
	Social Investment	Together with Our Local Communities
		Together with Our Local Communities
		Development of Products Useful to Society
		Contribution to Regional Development
		Dialogue with Local Communities
		Contribution to Regional Development