NOK
ESG DATA BOOK
2026

NOK Corporation

Content, Editorial Policy

This Data Book summarizes the NOK Group's performance data, policies, and initiatives related to the environment, society, and governance (ESG). Referring to multiple reporting guidelines, we have organized relevant numerical disclosures across each ESG category. We consider this Data Book to be a vital means of improving communication with all of our stakeholders. We would appreciate your candid opinions and feedback on the report.

Period Covered
Most of the activities described in this report took place in fiscal 2025 (April 1, 2025 to March 31, 2026)
* Some activities prior to the period covered and recent activities are also included

Publication Date
July 2026 (published annually)

Scope
NOK Corporation and 80 consolidated subsidiaries

Referenced Guidelines
・ISO 26000: 2010 - Guidance on social responsibility
・Global Reporting Initiative (GRI) Standards
・United Nations Global Compact (UNGC)
・Task Force on Climate-related Financial Disclosures (TCFD)

Contact
Corporate Affairs, NOK Corporation
1-12-15 Shiba Daimon, Minato-ku, Tokyo 105-8585, Japan
TEL: +81-3-5405-6372

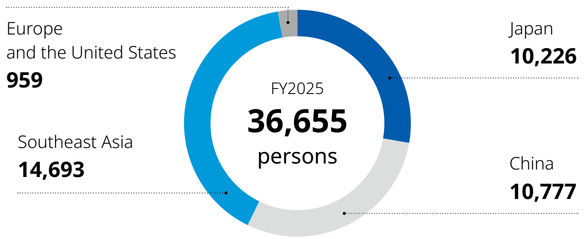
Disclaimer
This Data Book contains forward-looking statements regarding the plans, strategies and performance of the Group. These statements are based on information available at the time of issue and involve risks and uncertainties. Please understand that actual future performance may differ materially from these statements due to changes in the business environment and other external factors.

Basic Information

Company Profile

Company Name	NOK Corporation
Head Office	1-12-15 Shiba Daimon, Minato-ku, Tokyo 105-8585, Japan
Established	December 2, 1939
Founded	July 9, 1941
Capital	23,335 million yen (as of March 31, 2026)
Number of Employees	36,655 (consolidated, as of March 31, 2026) 3,153 (non-consolidated, as of March 31, 2026)
Consolidated Subsidiaries	80 companies

Composition of employees by region (consolidated)



NOK Philosophy ▶ https://www.nokgrp.com/en/aboutus/company/philosophy/

NOK Charter of Corporate Behavior ▶ https://www.nokgrp.com/en/sustainability/esg_strategy/

Sustainability Statement ▶ https://www.nokgrp.com/en/sustainability/management/

Environment

Environmental Management

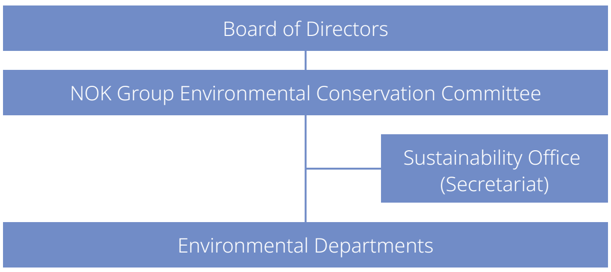
Basic Concept
The NOK Group has established a system in accordance with ISO 14001 standards, promotes environmental management, and strives to implement environmental conservation management with the next generation in mind. The current percentage of applicable NOK Group establishments with ISO 14001 certification is 100%.

Environmental Management Systems
We have established an environmental statement with the approval of the Group CEO. The Group regards environmental conservation management as one of the key themes it must address to help realize a sustainable society and has established a Group-wide environmental management system to facilitate reliable initiatives.

Based on the environmental risks and opportunities we have identified, each business site's secretariat takes the lead in implementing specific measures for priority issues in coordination with Group-wide environmental conservation activities. In line with the Group's environmental targets and policies, each business site also carries out independent environmental conservation activities tailored to its own frontline circumstances.

The outcomes of these initiatives and other important matters are shared at the NOK Group Environmental Conservation Committee, which is chaired by the Group CEO, before being reported to the Board of Directors.

＜Environment Management Promotion Framework＞



NOK Group Environmental Statement
For details, please refer to NOK's website:
https://www.nokgrp.com/en/sustainability/esg_strategy/#2

NOK's Environmental Strategy: NOK Twin Green Plan 2030
In response to the global trend toward carbon neutrality and the results of scenario analyses based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in 2022 we revised our NOK Twin Green Plan 2030 environmental strategy, which was originally formulated in 2018. As part of this revision, we newly declared our commitment to achieving carbon neutrality by 2050.

Under this long-term vision, the Group will work together to realize a sustainable society through the provision of eco-friendly products and business activities in response to electrification of automobiles and carbon neutrality.

* For details, please refer to NOK's website:
https://www.nokgrp.com/en/sustainability/twingreen/

Compliance with Environmental Laws and Regulations
The NOK Group faced no major fines, administrative surcharges, or lawsuits related to environmental accidents or complaints in FY2025.

Environmental Education
The NOK Group conducts multifaceted education programs to foster company-wide environmental awareness. In addition to tiered training for employees at wide-ranging levels of the organization, we continuously offer specialized education in areas such as ISO 14001 management, climate change, energy conservation, resource saving, waste reduction, water risk management (withdrawals and discharge quality), and chemical substance management. In addition, we strive to raise the environmental awareness of every employee and strengthen our ability to respond to unforeseen situations by conducting drills based on emergency scenarios.

<table>
<tr><th></th><th>New employees</th><th>General employees</th><th>Management</th></tr>
<tr><td rowspan="3">Tiered education</td><td>New employee training</td><td></td><td></td></tr>
<tr><td colspan="2">General employee training</td><td></td></tr>
<tr><td></td><td></td><td>Education for management</td></tr>
<tr><td rowspan="5">Specialized education (for eligible employees)</td><td colspan="3">Emergency-related education</td></tr>
<tr><td colspan="3">Education for internal auditors</td></tr>
<tr><td colspan="3">Resource (waste, water)-related education</td></tr>
<tr><td colspan="3">Climate change, Energy-related courses</td></tr>
<tr><td colspan="3">Chemical substances-related education</td></tr>
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Working with Suppliers
We administer a sustainable procurement survey to our suppliers to promote sustainability initiatives such as reducing environmental impact and working together across the supply chain. Through this survey, we further mutual understanding and cooperation with our business partners and strengthen our efforts to realize a sustainable society.

* For more details, please refer to page 34

Material Balance (Material Flow)

FY2025 NOK*1

INPUT

Raw materials		
Total raw-material input	79,836	tons
Rubber	12,091	tons
Formulation & adhesives	10,482	tons
Plastics	1,061	tons
Metals	56,202	tons

Energy		
Total energy input	327,991	MWh
Electricity & heat	290,191	MWh
Gasoline	1,211	MWh
Kerosene	526	MWh
Heavy oil A	6,617	MWh
Light oil	399	MWh
Liquified petroleum gas (LPG)	26,667	MWh
City gas	2,380	MWh

Water		
Total water withdrawals	639	1,000 m^3
Drinkable water	468	1,000 m^3
Industrial water	33	1,000 m^3
Ground water	138	1,000 m^3

Environmentally hazardous substances		
Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system*5	1,270	tons

Design
- Environmental Conservation Assessment of Products, etc.
- Environmental Impact Assessment

Procurement
- Environmental Impact Assessment
- Green Procurement
- Environmental Conservation Inspection of Machinery and Equipment

Production
- Life Cycle Assessment (LCA)
- Pollution Prevention
- Chemical Substances Control
- Energy Conservation
- Waste Reduction
- Environmental Impact Assessment

Logistics
- Improvement of Transportation Efficiency
- Promotion of Modal Shift

Customers

OUTPUT

Gas emissions		
Total CO_2 emissions (Scope 1 + Scope 2) *2	117	1,000 t-CO_2
Scope 1 (fuel)	13	1,000 t-CO_2
Scope 2 (electricity/heat)	104	1,000 t-CO_2
Scope 3 (indirect emissions)	334	1,000 t-CO_2
NOx (nitrogen oxides) *3	2.7	tons
SOx (sulfur oxides) *3	1.2	tons
VOC (volatile organic compounds)	1.3	1,000 tons

Wastewater		
Total wastewater	520	1,000 m^3
Rivers	469	1,000 m^3
Sewage system	51	1,000 m^3
BOD load*4	5.8	tons

Industrial waste, etc.		
By-product generation	38	1,000 tons
Industrial waste	14	1,000 tons
Amount of waste recycled	14	1,000 tons
Landfill disposal	0.35	1,000 tons
Valuable waste	24	1,000 tons

Environmentally hazardous substances		
Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system (discharge volume)*5	89	tons
Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system (amount of movement)*5	35	tons

*1 The scope of coverage is NOK Corporation (non-consolidated) and its manufacturing subsidiaries.
*2 Total CO_2 emissions: Calculated based on the "Greenhouse Gas Emissions Accounting and Reporting Manual" by Japan's Ministry of the Environment and Ministry of Economy, Trade and Industry. The emission factor is based on the emission factors by country published by the International Energy Agency (IEA).
*3 NOx (nitrogen oxides) and SOx (sulfur oxides): Total amount of NOx and SOx generated from specified facilities under the Air Pollution Control Act.
*4 BOD load: Biochemical oxygen demand (BOD) is the amount of oxygen consumed by microorganisms as they decompose pollutant organic matter in water. Here, the figure for BOD load is calculated by multiplying the BOD measurement by the amount of effluent entering rivers.
*5 Figures for substances subject to the PRTR system are preliminary as of June 25, 2026.

Information Disclosure Based on TCFD Recommendations

The NOK Group supports the TCFD recommendations and discloses information on its climate-related governance, risk management, strategy, risks and opportunities, and metrics and targets in accordance with the recommendations.

Governance (Climate Change)

The NOK Group has established the Sustainability Committee, which is chaired by the Group CEO, to have discussions, set policies, and make decisions on climate change and other sustainability-related topics on an organizational level. The Committee meets four times a year, and in addition to promoting sustainability measures, it shares information with executives and deliberates on material issues. The results of these deliberations are regularly reported to the Board of Directors, which reviews and approves the matters. In particular, progress on climate change issues is presented to the Board of Directors as a standing agenda item at least once a year, establishing a system for the Board's ongoing oversight of this important management issue.

Risk Management

The Sustainability Committee and the Risk Management Committee work together to address sustainability-related risks because they are closely linked to the Group's operational risks.

The Climate Change Scenario Analysis Subcommittee, under the Sustainability Committee, works with internal operational departments to identify climate change risks and opportunities. These risks and opportunities are then assessed based on the magnitude and timeframe of their operational impact. After the Sustainability Committee evaluates and reviews the results of these assessments, response measures are considered and incorporated into business strategies. In this way, climate-related risks are managed as an integral part of the Enterprise Risk Management (ERM) framework.

Strategy

We recognize that climate change is a material management issue that will continue to impact our business in the future. We conducted scenario analyses aligned with the TCFD recommendations to assess climate change impacts and incorporate climate change countermeasures into our management strategy. In the scenario analysis for fiscal 2024, we used scenarios with increases of 1.5 °C, 2°C, and 4°C by 2050 and evaluated the risks and opportunities for our business from the perspectives of government policy and regulations, technology, markets, reputation, and physical risks (acute and chronic).

Based on the results of these scenario analyses, we will take actions to address the identified risks and opportunities of NOK Group. We will also continue to expand our scenario analyses and incorporate those results into our business strategies and management plans. We strive to improve the resilience of our management strategies.

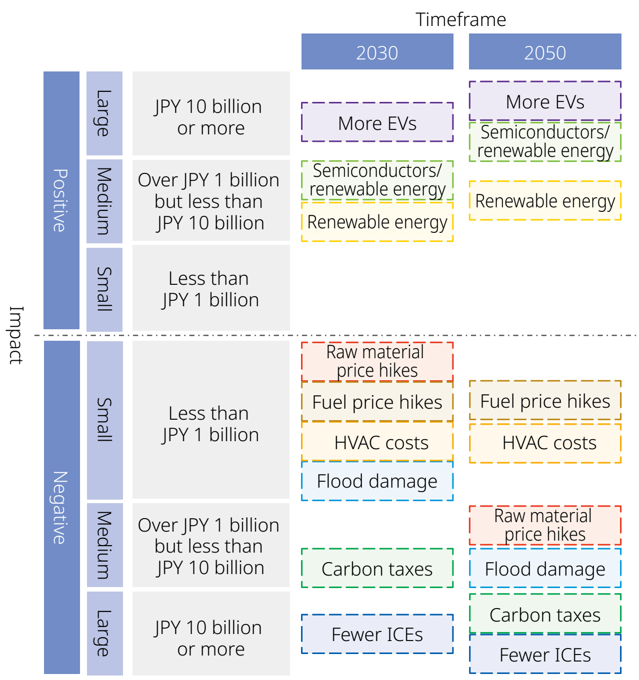
Item	1.5°C/2°C scenario	4°C scenario
Regulations and government policy (laws and regulations)	The introduction of carbon taxes and other measures is accelerating the shift toward decarbonization, with significant implications for business operations	Decarbonization policies will not progress significantly, and the operational impact will be limited
Procurement	Progress toward oil independence increases pressure to replace petroleum-derived raw materials Stronger regulations on deforestation and other factors lead to higher natural rubber prices The shift toward decarbonization puts pressure on steel and copper supplies Increased procurement costs and impacted supply because of the factors above	Increases in procurement costs and impacts on supply will be limited
Production	Increased electricity demand due to advances in electrification Significant growth in renewable energy use demands a response	Progress will be made alongside increased electricity demand and the introduction of renewable energy, but changes will be moderate compared to the 1.5°C/2°C scenarios
Sales (automobiles)	Despite expectations that sales will increase in the medium term, they will decline in many regions over the long term Rapid progress overall in ZEVs, but the speed and composition of their popularity growth vary by region, requiring sales strategies tailored to local characteristics	Sales volumes will decrease, and progress in the shift toward ZEVs will be gradual compared to the 1.5°C/2° C scenarios
Other market trends (besides automobiles)	Hydrogen demand will remain limited until 2030, but is expected to expand significantly by 2050 Semiconductor demand will also increase due to decarbonization	Expansion of new green markets will be limited
Physical (chronic): Changing climate patterns	Changes will occur, but will be relatively small	Significant changes will occur
Physical (acute): Extreme weather events	Changes will occur, but the impact will be limited	Significant changes will occur

Scenario definition period covered: 2050 / Scope of coverage: Consolidated
Referenced scenarios: WEO STEPS, WEO APS, WEO NZE, RCP2.6, RCP4.5, RCP6.0, RCP8.5, etc.

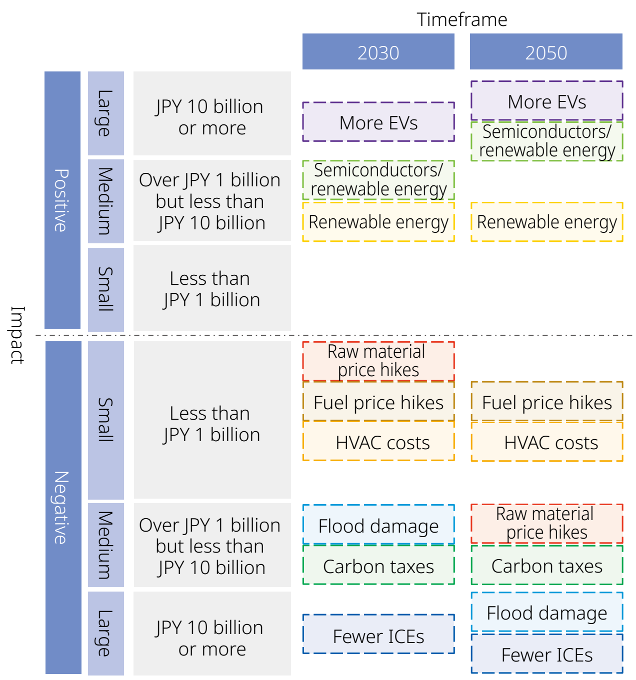
Impacts	Item	Contributing factors	Timeframe*			Countermeasures
			Short	Medium	Long	
Risks	Government policy, regulations	Introduction of high carbon taxes	●	●	●	▪ Formulating and implementing a CN roadmap ▪ Adopting CN fuels and increasing adoption of renewable energy
	Procurement	Rising raw material costs due to decarbonization (e.g., fossil fuels, steel, copper)		●	●	▪ Monitoring raw material supply and demand forecasts and optimizing procurement costs and prices (e.g., fossil fuel-derived materials, steel, copper) ▪ Reducing generated waste (improving yield)
	Production	Rising fuel costs due to decarbonization (Fossil fuel price hikes)			●	▪ Optimizing energy procurement sources and fuel use
	Sales	Reduced demand for internal combustion engines (ICE, HEV)	●	●	●	▪ Shifting from ICE-oriented products to xEV-oriented products
	Physical (chronic)	Increasing HVAC costs due to rising temperatures			●	▪ Advancing automation in production processes ▪ Introducing highly energy-efficient HVAC equipment
	Physical (acute)	Damage caused by typhoons and flooding (Group companies and suppliers)		●	●	▪ Assessing hazard risks at all locations and countering typhoon and disaster damage (flood prevention) ▪ Securing inventory according to risk
Risks and opportunities	Reputation	Impact of disclosure measures on corporate value	●	●	●	▪ Actively communicating with stakeholders
Opportunities	Technology	Reduced costs through energy conservation Reduced fuel and electricity consumption	●	●	●	▪ Reducing generated waste (improving yield) ▪ Shifting to renewable energy for production processes
	Sales	Increased demand for electric vehicles (BEVs, FCVs)	●	●	●	▪ Developing and expanding sales of EV-oriented products (EV and FCV markets) ▪ Expanding sales to growth industries (e.g., renewable energy, semiconductors)
		Expansion of the semiconductor and renewable energy markets	●	●	●	

* Short: -2030, Medium: 2030-2040, Long: 2040-2050

1.5℃/2℃ scenario



4℃ scenario



Risks and Opportunities

Physical Risks and Our Measures

More than 90% of the NOK Group's production sites are located in Asia, including Japan. Among 68 production sites, seven have been assessed as high risk in a flood risk assessment (rivers and coastlines) using the AQUEDUCT* tool. The scale and frequency of floods and typhoon damage in the Asian region are expected to increase in the future as the impact of climate change worsens. Accordingly, we monitor their potential impact not only on our high-risk sites but also on the operations of all Group sites and our supply chain as a whole.

Our latest analysis of the 4 °C scenario indicated that acute physical risks would have a moderate to significant impact on our business between 2030 and 2050. Given this forecast, we are implementing mid- to long-term disaster mitigation measures (at least five years), including installing flood barriers, based on assessments of the risk of hazards from natural disasters at each site. We are also ensuring we have enough raw materials and product inventory to prepare for the risk of logistics disruptions and minimize impacts on the entire supply chain.

* AQUEDUCT is a water risk assessment tool made available by the World Resources Institute (WRI). It is presented in the form of a world map that shows water risks in terms of quantity, quality, and regulatory and reputational risks.

Transition Risks and Our Measures

■ Sales risks and opportunities

Oil seals, one of the NOK Group's main products, have been widely used in automotive internal combustion engines (ICE), and we recognize the risk that demand for these products may decline as electric vehicles (EVs) become more widespread. Our latest scenario analyses indicated that under both the 1.5°C/2°C and 4°C scenarios, declining demand for products for internal combustion engine vehicles would have a negative impact on our business.

On the other hand, the growing adoption of EVs presents a significant opportunity (positive impact) to expand sales of seal products for electrical units and batteries, as well as flexible printed circuit boards (FPC). We will strategically promote development and sales expansion of products for the EV market, which is expected to grow going forward, and also focus on developing products and expanding sales for growth industries such as semiconductors and renewable energy.

■ Policy and Regulatory Risks

Under the 1.5°C/2°C scenario, rising operational expenditures (OPEX) due to the global introduction and strengthening of carbon tax regulations will be a major challenge. Approximately 90% of the NOK Group's CO_2 emissions are derived from electricity, and we are concerned that operating costs will increase not only because of taxes on direct emissions but also because carbon taxes will be reflected in electricity taxes. To address these risks, we will promote the use of carbon-neutral (CN) fuels and expand our use of renewable energy to reduce our CO_2 emissions, while also establishing a CN roadmap and advancing decarbonization in our production processes.

Indicators and Targets

Under our environmental strategy, the NOK Twin Green Plan 2030, the NOK Group has been working to reduce CO_2 emissions and develop next-generation eco-technologies. Our latest scenario analysis has provided a clearer understanding of the impacts of climate change, reinforcing our recognition that strengthening our efforts beyond 2030 will be essential. Going forward, in light of these results and the current social climate, we plan to formulate a CN roadmap and decarbonization plan for 2030 and beyond while updating our CO_2 emission reduction targets.

Targets

2050	Aiming to achieve carbon neutrality	
2030	NOK consolidated (domestic)	50% reduction in CO_2 emissions (compared to the FY2018 baseline)
	NOK consolidated (overseas)	30% reduction in CO_2 emissions intensity (compared to 2018)

Climate Change Countermeasures

Basic Concept

In recent years, climate change has come to the fore as a global challenge. Efforts to reduce carbon emissions have accelerated in Japan and around the world, as instanced by the entry into force of the 2016 Paris Agreement and Japan's declaration on 2050 carbon neutrality pledge.

Recognizing that climate change is an important global issue that must be addressed to realize a sustainable society, the NOK Group is working to achieve carbon neutrality by 2050. Following the TCFD recommendations, we analyze the risks and opportunities that climate change presents for the Group and incorporate relevant countermeasures into our management strategies. We also strive to reduce energy use thoroughly across our value chain, including production and logistics, and actively introduce renewable energy to cut CO_2 emissions. In addition, through energy audits, we identify opportunities to improve energy performance and further accelerate reductions in CO_2 emissions.

Roadmap to Achieving Carbon Neutrality by 2050

In 2022, the NOK Group updated the NOK Twin Green Plan 2030, which it established in 2018, and declared its commitment to achieving carbon neutrality by 2050, in response to the global trend toward decarbonization and the results of its TCFD scenario analysis. Under this long-term vision, the Group is united in its efforts to promote automotive electrification and carbon neutrality and is committed to realizing a sustainable society by providing environmentally friendly products and other relevant business activities.

Furthermore, toward achieving this long-term vision, we have established milestones for 2030 and short-term goals in our 10th Groupwide Environmental Conservation Targets for FY2026 to FY2028.

In our constant commitment toward reducing CO_2 emissions, we will maintain updates to our roadmap for hitting reduction targets by 2030 and 2050 while continuing to implement specific reduction measures.

NOK Group Medium- to Long-Term Targets	Scope of coverage	Unit	Baseline figure/ Base year	Target figure/Target year
CO_2 emissions reduction	Domestic group companies	1,000 t-CO_2	258.61/2018	150.77 (41.7% reduction) /2028
CO_2 emissions intensity reduction	Overseas group companies	t-CO_2/ millions of yen	1.31/2018	0.98 (25% reduction) /2028
Reduction in electricity consumption (energy saving)	Consolidated	MWh/ millions of yen	2.27/2024	2.20 (3% reduction) /2028
Increase in renewable energy ratio	Domestic group companies	%	0.01/2018	30/2028

Policy Views

The NOK Group supports the Paris Agreement enacted in November 2016, which aims to hold "the increase in the global average temperature to well below 2°C above pre-industrial levels" and pursue efforts "to limit the temperature increase to 1.5°C above pre-industrial levels." With over 50% of our key production facilities located in Japan, we advance measures in compliance with the government's climate change policies, such as the Act on Promotion of Global Warming Countermeasures and the Act on Rationalization of Energy Use and Shift to Non-fossil Energy. We also support the government's goal of carbon neutrality by 2050 and related policies. We have set Group-wide targets for achieving carbon neutrality by 2050 as we work to reduce greenhouse gas (GHG) emissions and promote appropriate and transparent information disclosure.

Relations with Industry Associations

Through industry associations, the NOK Group participates in formulating industry-wide guidelines for achieving carbon neutrality. We also align our own action plans with these guidelines to maintain consistency.

If the policies of an organization of which we are a member significantly diverge from societal trends or are less stringent than our own policies, we will take responsible action, such as recommending policy revisions.

Main Associations in Which We Participate

The Japan Auto Parts Industries Association (JAPIA) is an industry association with many Japanese automotive parts manufacturers as members. It engages in advocacy and makes recommendations to the government and other economic organizations to reduce environmental impacts. It also conducts activities on climate change in line with government policy and is involved in identifying issues facing Japanese automotive parts manufacturers, making recommendations to the government and related organizations, and participating in international initiatives. We fully recognize the importance of these industry association activities in directly and indirectly influencing climate change-related policies and regulations.

NOK participates in various JAPIA subcommittees as a secretariat member or regular member, contributing to discussions, sharing information on our own initiatives, and helping to formulate JAPIA's Environmental Voluntary Action Plan. When formulating our own environmental conservation management policies and plans, we ensure that they remain aligned with the direction of the industry as a whole by fully incorporating JAPIA's Environmental Voluntary Action Plan.

Managing CO_2 Emissions and Energy Consumption

In FY2025, our domestic group companies reduced CO_2 emissions by 35.6% compared to FY2018. Our overseas group companies reduced CO_2 emission intensity by 41.2% compared to FY2018. We are on track to meet the NOK Group's FY2030 reduction targets.

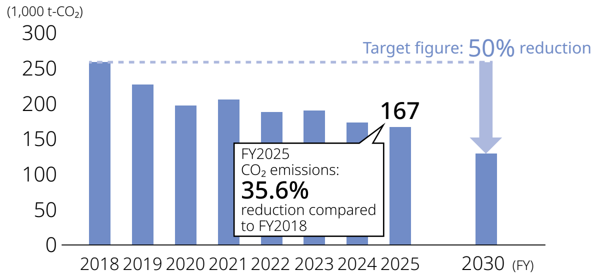
We also achieved our FY2025 target of making 15% of our domestic energy consumption be from renewable sources. Going forward, we will continue to improve energy efficiency and expand the adoption of clean energy to further reduce emissions.

NOK Group Three-Year Targets	Scope of coverage	Unit	Baseline figure/ Base year	Target figure/Target year	FY2025 results
CO_2 emissions reduction	Domestic group companies	1,000 t-CO_2	258.61/2018	183.18 (29% reduction) /2025	166.62 (35.6% reduction)
CO_2 emissions intensity reduction	Overseas group companies	t-CO_2/ millions of yen	1.31/2018	1.08 (18% reduction) /2025	0.77 (41.2% reduction)
Increase in renewable energy ratio	Domestic group companies	%	0.01/2018	15/2025	17.3

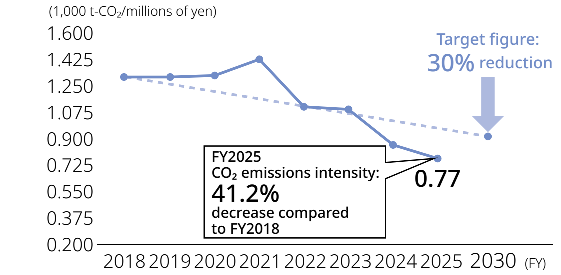
NOK Group Medium- to Long-Term targets	Scope of coverage	Unit	Base figure/ Base year	Target figure/Target year	FY2025 results
CO_2 emissions reduction	Consolidated	1,000 t-CO_2	759.49/2018	Carbon neutral/2050	523.04 (31.1% reduction)
CO_2 emissions reduction	Domestic group companies	1,000 t-CO_2	258.61/2018	129.3 (50% reduction) /2030	166.62 (35.6% reduction)
CO_2 emissions intensity reduction	Overseas group companies	t-CO_2/millions of yen	1.31/2018	0.92 (30% reduction) /2030	0.77 (41.2% reduction)
Reduction in electricity consumption (energy saving)	Domestic group companies	GWh	455.5/2018	373.5 (18% reduction) /2030	371.2 (18.5% reduction)
Increase in renewable energy ratio	Consolidated	%	0.01/2018	10/2030	27.5

Total CO_2 emissions calculation method: Calculated by multiplying fuel and electricity consumption by their respective emission factors and summing the results.
Fuel CO_2 emission factors: Calculated using emission factors based on the Act on Promotion of Global Warming Countermeasures.
Electric power CO_2 emission factors: Domestic—emission factors by electric utility; overseas—"CO_2 Emissions from Fuel Combustion" by the International Energy Agency (IEA) (using both market-based and location-based methods).
Renewable energy ratio: Calculated based on purchases of CO_2-free electricity together with procured non-fossil certificates, carbon credits, and the like.

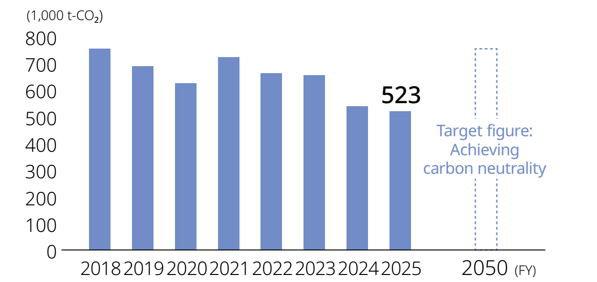
CO_2 emissions reduction target (domestic)



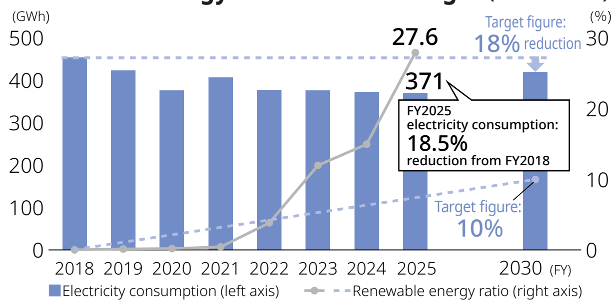
CO_2 emissions intensity target (overseas)



CO_2 emissions reduction target (consolidated)



Electricity consumption reduction target (Japan) / Renewable energy ratio increase target (consolidated)



Adoption of Internal Carbon Pricing

The NOK Group is promoting the adoption of internal carbon pricing (ICP) to further measures aimed at reducing CO_2 emissions with a view to achieving carbon neutrality.

ICP is a mechanism that we use to attach our own monetary value (carbon price) to our internal CO_2 emissions and incorporate it into the decision-making criteria for capital investments, thereby facilitating investments that contribute to CO_2 emission reductions. We have set a carbon price of 30,000 yen/t-CO_2 (shadow price) and reflect it in the decision-making process for all capital investments (environmental investments) that contribute to reductions in Scope 1 and Scope 2 emissions. By utilizing ICP, we intend to further accelerate our efforts toward achieving carbon neutrality.

Researching, Developing, and Implementing Energy Conservation Technologies

The NOK Group has set an energy conservation development goal to "develop production facilities that cut energy usage by 20%." Specifically, we promote energy conservation measures for production equipment, including introducing heat equalization and new heating methods in vulcanizing machines. Other initiatives in our ongoing efforts to improve energy conservation at our production sites include adopting systems that optimize pressure and flow rate outputs according to the load by replacing the fixed-speed motors in hydraulic equipment with servo motors or inverter-controlled motors. We also continuously work to improve energy efficiency by updating aging equipment and ensuring that it is replaced with energy-efficient alternatives whenever equipment is renewed or replaced due to malfunction.

Energy Conservation Activities Utilizing Evaporative Cooling Technology

At NOK (Wuxi) Vibration Control China Co., Ltd., we implemented an energy conservation improvement for the air conditioning system at our production site by installing a misting system that utilizes evaporative cooling technology. Fine water droplets are sprayed around the outdoor units, where the latent heat of evaporation absorbs heat from the surrounding air, significantly improving heat dissipation efficiency. As a result, the targeted equipment's daily electricity consumption was reduced from approximately 1,400 kWh to 1,000 kWh, achieving an energy savings rate of 28.6%. This initiative has enabled us to reduce power consumption while maintaining stable equipment operation under demanding outdoor conditions.

Resource Conservation and Waste Recycling

Basic Concept

In recent years, many around the world are calling for a shift to a circular economy and demanding that businesses further promote the efficient use of resources across the entire product life cycle while further promoting waste reduction and resource recycling.

The NOK Group promotes the efficient use of resources (including raw materials, water, and energy) throughout the entire product life cycle, while also advancing waste reduction and resource recycling at each process stage. Furthermore, through regular waste audits, we identify opportunities to improve our waste reduction performance and translate those findings into continuous initiatives, thereby contributing to the realization of a circular economy.

Resource Use and Waste Management

In FY2025, our domestic landfill disposal amounted to 2,435 tons, an increase from the previous fiscal year due to the generation of certain types of difficult-to-treat sludge. As a result of this increase in landfill disposal, the recycling rate was 94.8%. Meanwhile, industrial waste generation was reduced by 5.4% compared with the average level over the previous five fiscal years, enabling us to achieve our target.

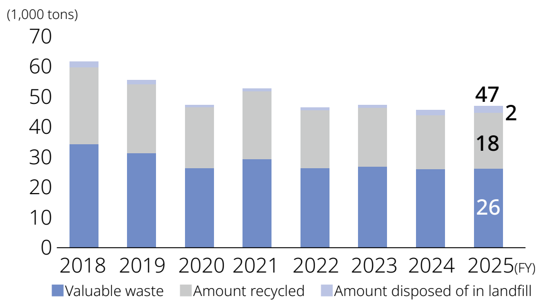
Beginning in FY2026, we have established a new consolidated target of reducing the industrial waste generation intensity in FY2028 by 3% compared with FY2024, and we will work toward achieving this target through the implementation of specific measures.

Resource use targets and results	Scope of coverage	Unit	Baseline figure/Base year	Target figure/Target year	FY2025 results
Increase in by-product recycling rate	Domestic group companies	%	96.8/2018	100/2030	94.8

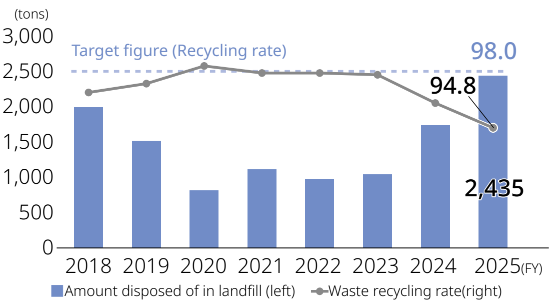
* By-product: General term for industrial waste and valuable resources.
* Recycling rate: Recycling rate = 1 – amount of landfill disposal / amount of by-product generated x 100

Waste-related targets and results	Scope of coverage	Unit	Baseline figure/Base year	Target figure/Target year	FY2025 results
Reduction in industrial waste against average of past 5 years	Domestic group companies	t	21,941/2024	21,722/2025 (1.0% reduction)	20,752 (5.4% reduction)

Amount of industrial waste generated (domestic)



Amount disposed of in landfill and by-product recycling rate (domestic)



Reusing Rubber Flash

NOK generates approximately 9,500 tons of rubber flash (unwanted material generated during molding and processing) annually in the production of rubber products. Against this backdrop, we established a working team consisting of multiple departments, including R&D, Sustainability Promotion, and Sales, to examine ways to utilize rubber flash. As a result, we have successfully developed recycled rubber mats made from reused rubber flash. Furthermore, we are applying this recycling technology to develop rubber coasters as products for everyday use. Through these initiatives to transform waste into valuable resources, we are actively driving both reductions in landfill disposal amounts and resource circulation.

Participation in the Fry to Fly Project

MEKTEC is participating in the Fry to Fly Project, which aims to contribute to a circular economy by collecting used cooking oil and recycling it into sustainable aviation fuel (SAF). In December 2025, the company began providing used cooking oil from its employee cafeteria, and in March 2026, it also began collecting used cooking oil from employees' households. Through this familiar recycling activity, MEKTEC is promoting resource circulation while contributing to decarbonization and environmental conservation together with the community and its employees.

Conservation of Water Resources

Basic Concept

Currently, the global shortage of water resources is seen as a serious problem. It has become increasingly important for companies to make effective use of water resources to bring about a sustainable society. The NOK Group works to conserve water resources by identifying and reducing the amount of water used in its production processes, and by taking thorough measures to purify wastewater. In addition, we assess the water risks in each country and region and promote the conservation of water resources tailored to the local area.

Response to Water Risk

Ensuring a stable supply of water is vital for the NOK Group's business operations. If a natural disaster or other event interrupts the supply of water, it could cause disruptions across our value chains and disrupt supply chains. Water resources are deeply tied to our business activities.

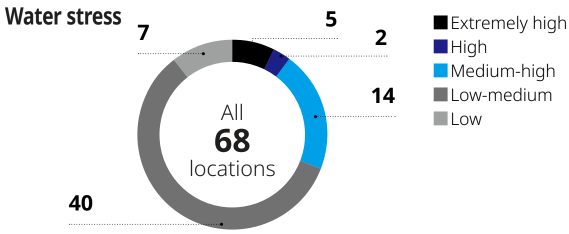
To prevent environmental pollution in the event of an emergency, we regularly carry out emergency drills based on emergency scenarios and review response procedures.

Assessment of Water Risks with AQUEDUCT

The NOK Group conducts water risk assessments across the Group to promote efficient water risk measures. We assessed water stress levels at all of our production sites by using AQUEDUCT*, which is operated by the World Resources Institute (WRI). The assessment revealed that seven of our 68 production sites—in Thailand, China, Indonesia, and Germany—are located in areas with high water stress. We are currently working to monitor and reduce our water withdrawals globally, including at these sites.

In addition, we require water risk assessments when building new facilities and aim to build production systems that take water resources into consideration.

* AQUEDUCT is a water risk assessment tool made available by the World Resources Institute (WRI). It is presented in the form of a world map that shows water risks in terms of quantity, quality, and regulatory and reputational risks.



Water withdrawals in certain water-stressed regions

Country	Production sites	No. of sites	Water stress	Water withdrawals (m^3)
Thailand	Thai NOK Co., Ltd.	2	Extremely high	491,086
China	MEKTEC Manufacturing Corporation (Suzhou)	1	Extremely high	509,831
Thailand	MEKTEC Manufacturing Corporation (Thailand) Ltd.	1	Extremely high	876,819
Thailand	NOK Precision Component (Thailand) Ltd.	1	Extremely high	93,911
Indonesia	PT NOK Indonesia	1	High	70,711
Germany	MEKTEC Europe GmbH	1	High	6,883

Water Management

At the NOK Group, our water management approach focuses on wastewater quality and volume of water withdrawals. For wastewater quality, we set stricter internal standards than those legally mandated globally and conduct regular wastewater analyses to ensure cleaner wastewater. For water withdrawals management, we continuously monitor and visualize water withdrawals by source and wastewater discharges by discharge destination, enabling us to identify inefficient water use and the causes of wastewater generation in each process. In addition, we have established a consolidated target to limit increases in water withdrawals and are working to reduce water use based on our water management plan.

In FY2025, the Group's global water withdrawals totaled 8,730 thousand m^3, while wastewater discharges totaled 6,237 thousand m^3. Water withdrawals increased slightly compared to FY2024. Beginning in FY2026, we have established a new consolidated target of reducing water withdrawal intensity in FY2028 by 1.5% compared with FY2024, and we will promote active water resource conservation initiatives.

Water resource targets, and results	Scope of coverage	Unit	Base figure/Base year	Target figure/Target year	FY2025 results
Control of increases in water withdrawals	Consolidated	1,000 m^3	8,728/2024	8,728/2025	8,730

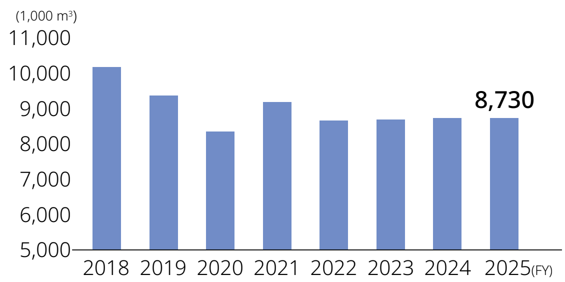
The Electronic Products Business has production sites in water-risk areas and involves some of the highest water consumption within the NOK Group. As part of our measures to address future water risks, we have developed a water management plan* for this business that aims to reduce water withdrawals by 6.4% compared to FY2022 levels.

Specific initiatives in this plan include optimizing the amount of water supplied to air conditioning equipment and used to clean pure water generators in our production processes. We also recycle wastewater generated during water purification using NOK UF membranes, diverting it to domestic uses, such as toilet flushing, thereby maximizing the effective use of water resources.

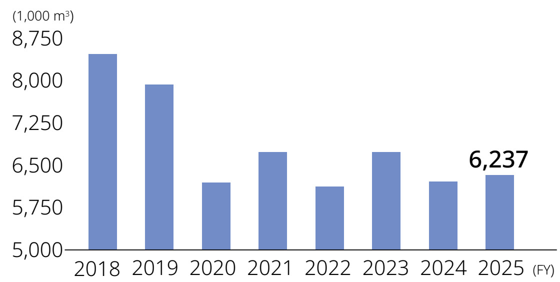
* This water management plan applies to 9 out of 52 main production sites in the NOK Group (17%), and 61% of the Group's total water withdrawals.

Water resource targets and results	Scope of coverage	Unit	Baseline figure/ Base year	Target figure/Target year	FY2025 results
Reduction of water withdrawals	Electronic Products Business (domestic)	1,000 m^3	816/2022	702/2025	683 (16.3% reduction)
Reduction of water withdrawals	Electronic Products Business (overseas)	1,000 m^3	4,516/2022	4,290/2025	4,313 (4.5% reduction)

Water Withdrawal (Consolidated)



Wastewater (Consolidated)



Violation of Laws and Regulations on Water Withdrawal and Wastewater

In FY2025, there were no significant non-conformities in the NOK group related water volume or water quality.

Rice Paddy Ownership Program

Since FY2019, the NOK Kumamoto Plant has been continuously participating in a groundwater recharge project in the Kumamoto region by the Kumamoto Groundwater Foundation as part of its water resource conservation activities. Companies and organizations sign agreements with local farmers who have rice paddies in groundwater recharge zones. As they grow rice together, the water stored in the paddies soaks into the ground, recharging groundwater levels.

In FY2025, approximately 50 employees and their families took part in planting and harvesting rice. Through this activity, they managed to recharge 4,495 m^3/year of groundwater, contributing to the protection of the region's valuable water resources.

Efforts to Reduce Water Withdrawals

To address global water risks, the NOK Group is promoting specific improvement initiatives at each of its production sites to reduce water consumption and improve water use efficiency.

At MEKTEC Manufacturing Corporation (Suzhou), the supply of cleaning water to certain production equipment has been optimized, resulting in annual water savings of approximately 5,568 m^3. In addition, by circulating cooling water used for air conditioning systems during the summer, the site has achieved further annual water savings of approximately 480 m^3.

Management of Substances of Concern

Basic Concept

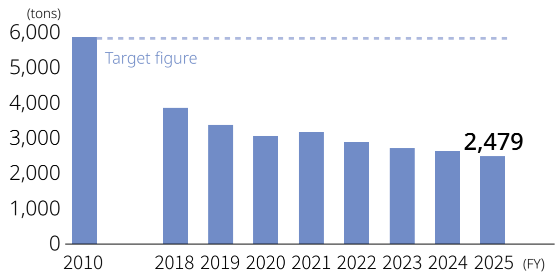
Owing to the problem around the world of chemical substances destroy ecosystems and harm human health, global regulations on substances of concern are becoming increasingly stringent each year. The NOK Group will advance reduction of the substances of concern used and emitted in its business activities, minimize and try to eliminate the impacts of pollutants in society, strictly manage chemical substances throughout the product life cycle, and help reduce the environmental impacts in the entire supply chain.

Chemical Substance Management

The NOK Group's VOC emissions for FY2025 were 2,500 tons, allowing us to continue achieving our target of keeping emissions at or below 5,860 tons.

VOC emission targets and results	Scope of coverage	Unit	Baseline figure	Target figure	FY2025 results
Controlling VOC emissions	Consolidated	1,000 tons	—	5.86 or less	2.5

VOC emissions (consolidated)



Managing Substances of Concern in Products

The NOK Group manages substances of concern in its products in compliance with the EU's RoHS 2 Directive, REACH Regulation, and other relevant laws and regulations across all operating regions. Internally, we have established a framework to continuously monitor the latest legal and regulatory information and under which our environmental and engineering departments work together to conduct prior verification in cases of potential regulatory conflict.

Moreover, we conduct supply chain traceability investigations at our clients' request. We provide them with various data we prepare, including IMDS, JAPIA sheets, and chemSHERPA.

Chemical Substance Risk Assessment

At NOK, we conduct phased risk assessments both prior to and following the introduction of new chemical substances. Before introducing a chemical substance, we identify hazard information based on its Safety Data Sheet (SDS), and the department using the substance and the responsible administrative office jointly determine appropriate measures based on the identified hazards and risks. At the time of introduction, after confirming the working environment, we conduct a chemical substance risk assessment in collaboration with the relevant departments to evaluate exposure conditions and potential impacts on human health and the environment. Based on the assessment results, we implement risk mitigation measures, such as installing local exhaust ventilation systems and taking steps to prevent the release of chemical substances, thereby ensuring both employee safety and protection of the surrounding environment.

Environmentally Friendly Products

Basic Concept

To minimize the impacts of climate change, the depletion of resources, waste treatment, the growing demand for water resources, and other environmental risks, and to create a sustainable society, we cannot ignore the environmental burden of products we use on a daily basis. Companies are required to help address environmental problems by developing products and technologies with consideration for their entire life cycle, from procurement of raw materials to production, transportation, use, and disposal of products, thereby contributing to environmental conservation.

The NOK Group is committed to developing products that contribute to the next-generation eco-technologies by taking the entire product lifecycle in consideration.

Product Assessment

The NOK Group has established "Environmental Preservation Assessment Standards for Products" targeted for new product design, new material formulation design, new manufacturing process design, and new production facility design. Based on this standard, we conduct environmental assessments throughout the entire product life cycle from the raw material procurement stage through product, processes, and manufacturing facility design, as we promote the development of environmentally friendly products.

Assessment	Design	Production	Use	Disposal
Green procurement	○	○		
Disuse of substances of concern (regulatory compliance, minimizing external discharge and dispersion)	○	○		○
Reduction of energy consumption (using energy-efficient materials, contributing to energy savings during use)	○	○	○	
Use of resources (recyclable materials, fewer resources used, improved yields, improved service life)	○	○	○	
Reduction of waste (ease of disassembly, reuse, low disposal ratio)	○	○		○

Quantitative Data on Eco-Friendly Products (Production Volume, Waste Amount, Recycling Amount, etc.)

As part of the Green Product component of the Twin Green Plan 2030, the NOK Group has continued to engage in business activities with the stated aim of helping to reduce CO_2 emissions through its products. To efficiently and effectively promote this initiative, we have calculated, based on our own standards, the size of our contributions to CO_2 reductions at the NOK product use stage. These calculations showed that we cut emissions by 1.32 million t-CO_2 in FY2025. We will continue to contribute to the goal of carbon neutrality by developing and expanding sales of products that help reduce CO_2 emissions.

Approach to calculating size of contributions to CO_2 reductions

CO_2 reduction contribution [CO_2] = contribution to CO_2 reductions per product [CO_2/items/hours] x duration of use [hours] x annual sales volume [items]

*Only automotive products were included in the scope of calculation

Environmental Accounting

In targeting sustainable development and with the aim of efficiently and effectively taking action to address environmental conservation issues, we grasp how much we need to invest and spend on environmental conservation in our business activities each year.

Trends in environmental investments and costs	Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	**FY2025**
Environmental conservation investments	Non-consolidated	Millions of yen	495	544	637	1,827	**2,253**
Environmental conservation costs	Non-consolidated	Millions of yen	550	556	655	928	**1,180**
Total	Non-consolidated	Millions of yen	1,045	1,100	1,293	2,754	**3,433**

Environmental conservation costs	Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	**FY2025**
Pollution and resource costs	Non-consolidated	Millions of yen	—	168	166	149	**220**
Pollution and resource investments	Non-consolidated	Millions of yen	—	2	9	25	**57**
Water risk costs	Non-consolidated	Millions of yen	—	49	24	19	**27**
Water risk investments	Non-consolidated	Millions of yen	—	33	23	70	**168**

In terms of potential future costs, or shadow costs, we expect 122 million yen in pollution and resource-related costs, which pertain to measure such waste treatment and analysis of environmentally hazardous substances. We also anticipate 23 million yen in water risk costs, which relate to measures such as wastewater and groundwater analysis and the purchase of wastewater treatment equipment and chemicals.

Effects of environmental conservation	Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	**FY2025**
Reduction of power consumption	Non-consolidated	GWh	9	11	12	8	**7**
Reduction of CO_2 emissions	Non-consolidated	t-CO_2	4,258	5,006	5,586	4,530	**2,945**

Economic effects of environmental conservation measures	Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	**FY2025**
Energy-saving effect	Non-consolidated	Millions of yen	107	194	259	198	**168**
Gain on sales of recyclable materials	Non-consolidated	Millions of yen	1,256	1,145	1,083	999	**857**

FY2025 NOK environmental accounting				
Category	Main contents	Unit	Investments	Costs
Business area costs	Environmental conservation costs to control environmental burden caused by business activities within business areas	Millions of yen	1,618	354
Pollution prevention costs	Investment, and maintenance and management costs related to pollution prevention activities	Millions of yen	46	61
Global environmental conservation costs	Investment, and maintenance and management costs related to global warming countermeasures, including energy conservation	Millions of yen	1,551	73
Resource circulation costs	Investment, and maintenance and management costs related to resource recycling activities, including waste disposal and recycling	Millions of yen	21	220
Upstream and downstream costs	Costs of controlling the environmental burden that occurs in upstream and downstream processes, such as green procurement, etc.	Millions of yen	0	0
Management activity costs	Costs associated with management activities such as ISO 14001 maintenance and operation	Millions of yen	0	158
Research and development costs	Costs of research and development that contributes to the environment, such as the development of environmentally friendly products	Millions of yen	635	667
Social activity costs	Costs related to greening of business establishments and support for the activities of environmental conservation groups	Millions of yen	0	1
Costs involved in dealing with environmental damage	Costs associated with the removal of environmental burdens, such as special equipment and facilities	Millions of yen	0	0
Fines, penalties and/or legal costs associated with the settlement of environmental accidents and complaints		Millions of yen	0	0
Subtotal		Millions of yen	2,253	1,180
Total		Millions of yen	3,433	

Conservation of Biodiversity

Basic Concept

Biodiversity has been declining rapidly due to the destruction of the natural environment, overexploitation, climate change, and other factors. In response, the Kunming-Montreal Global Biodiversity Framework, which sets global targets through 2030, was adopted, and countries around the world are advancing related initiatives.

The NOK Group undertakes no business activities in regions designated as World Heritage Sites, and our current management plan includes no plans to expand into such areas. In addition, we continuously conduct risk assessments to help prevent deforestation and mitigate impacts on ecosystems, while working together with external organizations to advance these initiatives.

We also ask that our suppliers take biodiversity into account when doing business and we intend to strengthen partnership to ensure that net-positive impacts are felt across the entire supply chain, not just by our primary suppliers.

Biodiversity Conservation Guidelines

The NOK Group is committed to biodiversity conservation based on the following guidelines.

- Conducting risk assessments: We assess biodiversity-related risks associated with our business and identify the impacts of our business activities on biodiversity.
- Applying the mitigation hierarchy: Based on the precedence of avoid, minimize, restore, and offset, we develop and implement policies to prevent deforestation and conserve biodiversity.
- Protecting areas of high importance: We strive to avoid conducting business activities in globally important biodiversity areas such as UNESCO World Natural Heritage Sites.
- Collaborating with stakeholders: We work with suppliers, external groups, and other stakeholders to help prevent deforestation and preserve biodiversity.

Biodiversity Risk Assessments

The NOK Group conducts Group-wide risk assessments using scientific tools to evaluate the dependencies and impacts of its business activities on biodiversity.

・Assessment using ENCORE*1

We assessed the NOK Group's dependencies and impacts on natural capital. The assessment identified no high-risk dependencies, but it did identify risks in multiple impact categories.

*1 ENCORE: A tool developed jointly by the Natural Capital Finance Alliance (NCFA), the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), and other organizations to assess the risks and opportunities posed by business to natural capital

Related risks	Items classified as Very High or High risk	Risks
Dependencies (11 items)	No items	
Impacts (7 items)	GHG emissions	VH
	Soil pollutants	H
	Water pollutants	H
	Solid waste	H
	Water use	H

・Site Assessment using the IBAT*2

We studied the relationships between our 68 production sites and key biodiversity areas. The results of the study revealed that there are one wetlands area designated under the Ramsar Convention and five IUCN Category II (national parks) protected sites within a 5 km radius of the production sites. On the other hand, we confirmed that none of our operations are in areas of globally vital biodiversity, such as World Heritage sites.

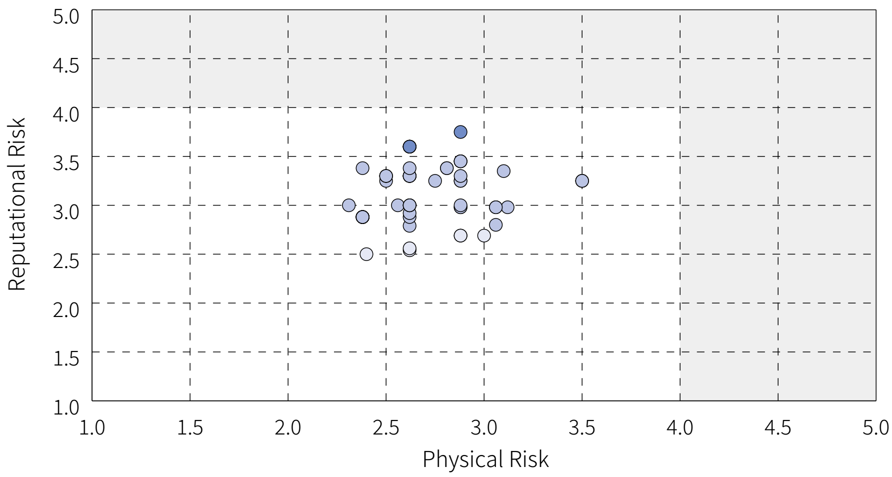
*2 IBAT is a biodiversity information database tool developed by an alliance comprising the IUCN, the UNEP-WCMC, Birdlife International (an international environmental NGO), and Conservation International.

	No. of sites	World Heritage	Ramsar	MAB	IUCN			
					Ia	Ib	II	III
Domestic production sites	45	0	1	0	0	0	5	0
Overseas production sites	23	0	0	0	0	0	0	0
Total	68	0	1	0	0	0	5	0

* World Heritage: Sites chosen by UNESCO for their cultural, historical, or scientific importance
Ramsar: A wetland designated by a country under the Ramsar Convention
MAB: Areas internationally recognized as biosphere reserves under the UNESCO Man and the Biosphere (MAB) Programme
IUCN: Areas inhabited by species listed as critically endangered or endangered on the IUCN Red List

・Assessment using the WWF Biodiversity Risk Filter*3
We assessed biodiversity risks at the NOK Group's 68 production sites. None of our production sites were found to be "very high" or "high" risk in terms of biodiversity risks (either physical or reputational).

*3 The WWF Biodiversity Risk Filter is a risk assessment tool for biodiversity made available by the World Wide Fund for Nature.



We will continue to perform risk assessments of biodiversity and our business activities, leverage this time results of these studies in our measures for safeguarding biodiversity and press ahead with initiatives best suited to the characteristics of each region.

Loggerhead Sea Turtles Conservation and Awareness Activities

At the NOK Shizuoka Plant, we promote conservation and awareness activities for the endangered loggerhead turtle as part of our community-based biodiversity conservation efforts, in collaboration with Júbilo Iwata and Omaezaki City. Through awareness activities at the stadium and support for elementary school students' presentations on their learning, we help raise awareness of the importance of biodiversity conservation. In addition, we donated an aquarium filtration system to Omaezaki Elementary School to support students in maintaining a suitable habitat for the turtles. Through these initiatives, we continue working with the next generation to help protect the local natural environment.

Environmental Performance Data

INPUT		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total consumption of raw materials		Non-consolidated and manufacturing subsidiaries	Tons	89,157	79,183	85,516	81,108	**79,836**
	Rubber	Non-consolidated and manufacturing subsidiaries	Tons	13,154	11,994	12,297	11,756	**12,091**
	Compounding ingredients and adhesives	Non-consolidated and manufacturing subsidiaries	Tons	11,012	10,188	10,884	10,649	**10,482**
	Plastics	Non-consolidated and manufacturing subsidiaries	Tons	1,149	1,039	1,086	1,042	**1,061**
	Metals	Non-consolidated and manufacturing subsidiaries	Tons	63,842	55,962	61,249	57,661	**56,202**
Total energy consumption		Non-consolidated and manufacturing subsidiaries	MWh	349,590	326,355	332,767	329,444	**327,991*1**
		Consolidated	MWh	1,465,806	1,372,375	1,418,764	1,446,175	**1,463,978*1**
	Electricity/Heat	Non-consolidated and manufacturing subsidiaries	MWh	314,365	291,189	295,279	291,743	**290,191*1**
		Consolidated	MWh	1,278,037	1,203,988	1,250,488	1,272,996	**1,289,882*1**
	Fuels	Non-consolidated and manufacturing subsidiaries	MWh	35,225	35,166	37,488	37,701	**37,800*1**
		Consolidated	MWh	187,769	168,387	168,275	173,179	**174,096*1**
Energy emissions intensity		Non-consolidated and manufacturing subsidiaries	MWh/millions of yen	2.660	2.620	2.475	2.430	**2.425**
		Consolidated	MWh/millions of yen	2.669	2.245	2.289	2.306	**2.245**
Renewable energy ratio		Consolidated	%	0.4	3.8	12.2	14.6	**27.5*1**
Total water withdrawals		Non-consolidated and manufacturing subsidiaries	1,000 m^3	832	792	712	692*1	**639*1**
		Consolidated	1,000 m^3	9,187	8,667	8,692	8,728*1	**8,730*1**
	City water	Non-consolidated and manufacturing subsidiaries	1,000 m^3	664	620	503	502*1	**468*1**
		Consolidated	1,000 m^3	4,961	4,269	4,112	3,952*1	**3,944*1**
	Industrial water	Non-consolidated and manufacturing subsidiaries	1,000 m^3	31	34	32	35*1	**33*1**
		Consolidated	1,000 m^3	4,012	4,192	4,344	4,577*1	**4,609*1**
	Groundwater	Non-consolidated and manufacturing subsidiaries	1,000 m^3	137	139	177	155*1	**138*1**
		Consolidated	1,000 m^3	214	207	236	200*1	**177*1**
Inputs (water withdrawals) emissions intensity		Non-consolidated and manufacturing subsidiaries	m^3/millions of yen	5.6	5.7	5.5	5.3	**4.7**
		Consolidated	m^3/millions of yen	16.6	14.1	14.0	14.0	**13.4**
Water consumption		Non-consolidated and manufacturing subsidiaries	1,000 m^3	235	218	150	150*1	**119*1**
		Consolidated	1,000 m^3	2,568	2,625	2,078	2,473*1	**2,493*1**
Consumption of substances subject to PRTR system		Non-consolidated and manufacturing subsidiaries	Tons	1,573	1,456	1,316	1,477	**1,270**

OUTPUT		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total CO_2 emissions Location based*2	Scope 1	Non-consolidated and manufacturing subsidiaries	1,000 t-CO_2	8	8	8*1	13*1	**13*1**
	Scope 2		1,000 t-CO_2	149	129	128*1	117*1	**104*1**
	Scope 1+2		1,000 t-CO_2	156	137	136*1	130*1	**117*1**
	Scope 1	Consolidated	1,000 t-CO_2	41	39	36	44*1	**42*1**
	Scope 2		1,000 t-CO_2	700	633	621	507*1	**475*1**
	Scope 1+2		1,000 t-CO_2	741	672	657	551*1	**517*1**

OUTPUT		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Total CO_2 emissions Market based*2	Scope 1	Non-consolidated and manufacturing subsidiaries	1,000 t-CO_2	8	8	8	13*1	**13*1**
	Scope 2		1,000 t-CO_2	140	128	134	114*1	**104*1**
	Scope 1+2		1,000 t-CO_2	148	136	142	127*1	**117*1**
	Scope 1	Consolidated	1,000 t-CO_2	41	39	36	44*1	**42*1**
	Scope 2		1,000 t-CO_2	685	628	622	520*1	**485*1**
	Scope 1+2		1,000 t-CO_2	727	667	658	564*1	**527*1**
Greenhouse gases*3	Non-energy CO_2 emissions	Domestic group companies	t-CO_2	151	76	59	3,665	**3,458**
	CH_4		t-CO_2	267	565	346	381	**412**
	N_2O		t-CO_2	99	312	102	384	**460**
	HFCs		t-CO_2	445	1,127	1,068	1,069	**1,085**
	PFCs		t-CO_2	—	1,182	1,241	1,104	**0.3**
	SF_6		t-CO_2	64	62	69	70	**26**
	NF_3		t-CO_2	—	0	0	0	**0**
Total CO_2 emissions Scope 3		Consolidated	1,000 t-CO_2	2,297	2,334	2,385	2,434	**2,362**
	1. Purchased goods and services	Consolidated	1,000 t-CO_2	2,012	2,005	1,915	1,905	**1,870**
	2. Capital goods		1,000 t-CO_2	16	1	156	180	**167**
	3. Fuel- and energy-related activities (not included in Scope 1 and 2)		1,000 t-CO_2	87	80	80	88	**76**
	4. Upstream transportation and distribution		1,000 t-CO_2	10	71	68	72	**69**
	5. Waste generated in operations		1,000 t-CO_2	23	20	9	10	**9**
	6. Business travel		1,000 t-CO_2	5	5	5	5	**5**
	7. Employee commuting		1,000 t-CO_2	15	15	16	15	**15**
	8. Upstream leased assets		1,000 t-CO_2	0	0	0	0.25	**0.24**
	9. Downstream transportation and distribution		1,000 t-CO_2	129	137	134	157	**148**
	10. Processing of sold products		1,000 t-CO_2	—	0	0	0.04	**0.04**
	11. Use of sold products		1,000 t-CO_2	N/A	N/A	N/A	N/A	**N/A**
	12. End-of-life treatment of sold products		1,000 t-CO_2	—	—	2	1	**3**
	13. Downstream leased assets		1,000 t-CO_2	N/A	N/A	N/A	N/A	**N/A**
	14. Franchises		1,000 t-CO_2	N/A	N/A	N/A	N/A	**N/A**
	15. Investments		1,000 t-CO_2	N/A	N/A	N/A	N/A	**N/A**

OUTPUT		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
NO_x		Non-consolidated and manufacturing subsidiaries	Tons	3.2	4.5	4.3	4.7	2.7
		Domestic group companies	Tons	8.2	8.5	6.3	7.3	4.7
SO_x		Non-consolidated and manufacturing subsidiaries	Tons	1.7	2.3	2.2	2.7	1.2
		Domestic group companies	Tons	2.6	3.1	4.8	3.4	1.7
VOC emissions		Non-consolidated and manufacturing subsidiaries	1,000 Tons	1.8	1.6	1.6	1.4	1.3
		Consolidated	1,000 Tons	3.2	2.9	2.7	2.6	2.5
Emissions of substances subject to PRTR system		Non-consolidated and manufacturing subsidiaries	Tons	123	68	104	106	89
Total wastewater		Non-consolidated and manufacturing subsidiaries	1,000 m^3	597	574	562	542*1	520*1
		Consolidated	1,000 m^3	6,619	6,043	6,613	6,126*1	6,237*1
	River/lake	Non-consolidated and manufacturing subsidiaries	1,000 m^3	538	510	506	488*1	469*1
		Consolidated	1,000 m^3	3,014	2,647	3,107	2,757*1	2,735*1
	Sewage system	Non-consolidated and manufacturing subsidiaries	1,000 m^3	58	64	56	54*1	51*1
		Consolidated	1,000 m^3	3,605	3,396	3,506	3,369*1	3,502*1
BOD load		Non-consolidated and manufacturing subsidiaries	Tons	5.34	4.04	5.92	5.07	5.83
		Domestic group companies	Tons	6.96	7.92	12.77	8.89	13.75
Industrial waste		Non-consolidated and manufacturing subsidiaries	1,000 Tons	15	14	14*1	13*1	14*1
		Consolidated	1,000 Tons	56.77	50	46	39*1	47*1
	Amount of waste recycled	Non-consolidated and manufacturing subsidiaries	1,000 Tons	15	14	14	13*1	14*1
		Consolidated	1,000 Tons	50.57	44	43	36*1	40*1
	Landfill disposal amount	Non-consolidated and manufacturing subsidiaries	1,000 Tons	0.02	0.02	0.01	0.02*1	0.35*1
		Consolidated	1,000 Tons	6.20	5	3	4*1	4*1
Valuable waste		Non-consolidated and manufacturing subsidiaries	1,000 Tons	27	24	25*1	24*1	24*1
		Consolidated	1,000 Tons	55	51	55	53*1	54*1
Recycling rate		Non-consolidated and manufacturing subsidiaries	%	99.95	99.93	99.96	99.94*1	99.10*1
		Consolidated	%	94.59	95.11	97.25	96.22*1	95.86*1
Major environmental fines		Consolidated	Yen	0	0	0	0	0
Number of major non-compliance incidents related to water withdrawals and wastewater		Consolidated	Number	0	0	0	0	0
CO_2 emissions reductions during product usage phase		Non-consolidated and manufacturing subsidiaries	10,000 t-CO_2	—	108	135	135	132

*1 This data has been verified by a third party.
*2 CO_2 emissions are the sum of fuel and electricity consumption multiplied by a conversion factor. The CO_2 conversion factor for fuel uses an emission factor based on Japan's Act on Promotion of Global Warming Countermeasures. For electric power CO_2 conversion factors, in Japan we use the emission factors of different general transmission and distribution utilities; overseas we use the CO_2 Emissions from Fuel Combustion factor of the International Energy Agency (IEA) (combining market- and location-based methods).
*3 Global Warming Potential (GWP) is based on the IPCC Fifth Assessment Report (AR5, 100-year values).

List of ISO 14001-Certified Companies

In the NOK Group, 100% of plants/offices have obtained ISO 14001

Country/Region	ISO 14001-certified companies
Japan	NOK Corporation
	NOK Tohoku Corporation
	NOK Kita Kanto Corporation
	NOK Shizuoka Corporation
	NOK Tottori Corporation
	NOK Kyushu Corporation
	MEKTEC Corporation
	MEK-J Corporation
	NOK KLÜBER Co., Ltd.
	UNIMATEC Co., Ltd.
	ESTOH Co., Ltd.
	NOK Fugaku Engineering Co., Ltd.
	Kusu Seimitu Co., Ltd.
Thailand	Thai NOK Co., Ltd.
	MEKTEC Manufacturing Corporation (Thailand) Ltd.
	NOK Precision Component (Thailand) Ltd.
Vietnam	Vietnam NOK Co., Ltd.
	MEKTEC Manufacturing Corporation (Vietnam) Ltd.
Indonesia	PT NOK Indonesia
	PT NOK Freudenberg Sealing Technologies
	PT NOK Precision Component Batam
China	Wuxi NOK-Freudenberg Oilseal Co., Ltd.
	Changchun NOK-Freudenberg Oilseal Co., Ltd.
	Taicang NOK-Freudenberg Sealing Products Co., Ltd.
	NOK (Wuxi) Vibration Control China Co., Ltd.
	NOK (Wuxi) Water Treatment Technology Co., Ltd.
	MEKTEC Manufacturing Corporation (Zhuhai) Ltd.
	MEKTEC Manufacturing Corporation (Suzhou)
Taiwan	MEKTEC Manufacturing Corporation (Taiwan) Ltd.
Germany	MEKTEC Europe GmbH
Czech Republic	MEKTEC Manufacturing Corporation Europe CZ s.r.o.
Hungary	MEKTEC Manufacturing Corporation Europe HU Kft.
Singapore	UNIMATEC Singapore Pte. Ltd.
	NOK Precision Component Singapore Pte. Ltd.

Independent Verification Report

JQA

No.1811005215

Independent Verification Report

To: NOK CORPORATION

1. Objective and Scope

Japan Quality Assurance Organization (hereafter "JQA") was engaged by NOK CORPORATION (hereafter "the Company") to provide an independent verification on the statement of information regarding Greenhouse gas (GHG) emissions, Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions), hereafter the "Environmental Information", for FY2025[*1]. The content of our verification was to express our conclusion, based on our verification procedures, on whether the statement of information regarding the Environmental Information on "Monthly report of Environmental Performance for FY2025" (hereafter "the Report") was correctly measured and calculated, in accordance with the "Calculation procedure of Environmental Performance" (hereafter " the Rule") established by the Company. The purpose of the verification is to evaluate the Report objectively and to enhance the credibility for calculation of the Environmental Information in the Report.

[*1]The fiscal year 2025 of the Company ended on March 31, 2026.

2. Procedures Performed

JQA conducted verification in accordance with "ISO 14064-3" for GHG emissions and with "ISAE3000" for Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions). The scope of this verification assignment covers the GHG emissions (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3) from Scope 1 and 2 GHG emissions (Location-based and Market-based), Energy use, Water intake and drainage (including the sewage volume) and By-products generated amount (Industrial waste emissions and Valuable waste emissions). The verification was conducted to a limited level of assurance and quantitative materiality was set at 5 percent for each environmental subject in the Report. The organizational boundaries of this verification cover the Company, its 20 domestic manufacturing subsidiaries and 27 domestic and overseas group companies[*2](in total 62 sites).

[*2] For overseas group companies, only energy-derived CO_2 emissions are covered as the scope of GHG emissions.

Our verification procedures included:

- Confirming the Rule and overall monitoring and calculation system with Shonan R & D Center of the Company.
- Visiting three sampling sites, NOK Fugaku Engineering Co., Ltd., SHIZUOKA site[*3] and THAI site[*4]. The sampling sites were selected by the Company.
- On-site assessment to check the report boundaries; monitoring points of Energy use, Water intake and drainage, Industrial waste emissions and Valuable waste emissions; and monitoring and calculation system and its controls on each sampling site.
- Cross-checking the reported information against evidence for all sampling sites.

[*3]: The site includes Shizuoka Office and MYK Corporation.

[*4]: The site includes Thai NOK Co., Ltd. Bang Pakong A and Bang Pakong B

3. Conclusion

Based on the procedures described above, nothing has come to our attention that caused us to believe that the statement of the information regarding the Environmental Information shown in the Report is not materially correct, or has not been prepared in accordance with the Rule.

4. Consideration

The Company was responsible for preparing the Report, and JQA's responsibility was to conduct verification of the Environmental Information in the Report only. There is no conflict of interest between the Company and JQA.

Sumio Asada, Executive Board Director
For and on behalf of Japan Quality Assurance Organization
1-25, Kandasudacho, Chiyoda-ku, Tokyo, Japan
May 28, 2026

Society

Human Rights

Basic Concept

In its principles of corporate behavior, the NOK Group upholds an approach to management that respects human rights. As a company with global operations, we are committed to respecting the human rights of all stakeholders, including not only our employees but also our suppliers and business partners. We see this as essential to contributing to the sustainable growth of society.

We formulated the NOK Group Human Rights Statement in FY2021 with the desire to make the NOK Group's basic stance on human rights known throughout our organization and among outside stakeholders, and to gain understanding and cooperation in promoting respect for human rights. The statement was formulated in accordance with international standards, including the UN Guiding Principles on Business and Human Rights and the International Bill of Human Rights. We share the statement widely both inside and outside the company through our website.

The NOK Group shares its views on human rights with employees through booklets and mobile applications. We also request that our business partners comply with the human rights guidelines set forth in our NOK Group Sustainability Procurement Guidelines (page 34).

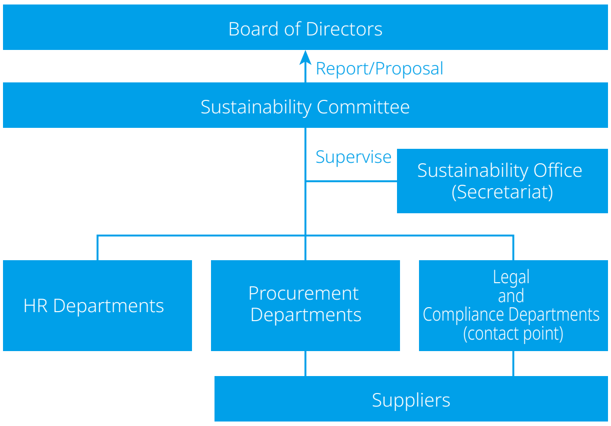
NOK Group Human Rights Statement

For further details, please refer to the NOK corporate website:
https://www.nokgrp.com/en/sustainability/esg_strategy/#3

Promotion Framework

To ensure the effectiveness of our human rights initiatives, we promote these efforts under the oversight of the Sustainability Committee. We regularly audit the human rights compliance systems of NOK and its Group companies based on internal control regulations and have the findings reported to the Board of Directors and the Audit & Supervisory Committee when necessary.

＜Framework Diagram for Promoting Respect for Human Rights＞



Initiatives

Implementation of Human Rights Due Diligence (HRDD)

The NOK Group continuously conducts HRDD based on international human rights standards, covering the Company, its Group companies, and its major suppliers.

We conduct a survey on human rights and labor practices at NOK and its Group companies. In FY2025, we investigated the six priority themes of our human rights policy (respect for freedom of association and collective bargaining rights, elimination of forced labor, effective abolition of child labor, elimination of discrimination in employment and career opportunities, prohibition of harassment, and payment of appropriate wages and proper management of working hours), as well as human rights compliance for temporary employees and subcontractors.

We confirmed that there were no human rights violations requiring immediate corrective action.

・HRDD at Our Overseas Subsidiaries

We continuously review our overseas subsidiaries annually for their respect for human rights and compliance with labor laws. Specifically, we investigate whether there is any discriminatory treatment or harassment of employees, and whether child or forced labor is occurring.

・Identifying and Addressing Salient Human Rights Issues

The NOK Group conducts HRDD based on international standards, drawing on the specialized expertise of external consultants. As a result of an assessment based on our business characteristics, we identified the protection of the human rights of foreign technical interns as one of our salient human rights issues requiring the highest priority.

In FY2025, we conducted interviews and on-site assessments at our domestic sites that accept foreign technical interns, covering working conditions, harassment, living conditions, and the retention of identity documents (such as passports) that restrict freedom of movement. Through visual confirmation of living environments and interviews with interns, we objectively verified the facts and confirmed that favorable working conditions were being maintained, without identifying any unfair treatment. Through such ongoing monitoring, the Group will strive to proactively prevent human rights violations and mitigate adverse impacts.

・Expansion Across the Supply Chain
We also conducted similar surveys for our major suppliers and received responses from approximately 80% of them. Further details are provided in the supply chain section on page 34.

Mitigation and Improvement of Human Rights Risks

In FY2025, NOK recorded no cases resulting in disciplinary action for harassment or other human rights violations. For such cases, we investigate the facts to ensure the person raising the concerns faces no detrimental treatment. We take appropriate action based on internal regulations and alert employees to prevent the recurrence of similar incidents.

Establishing a Human Rights Support Desk

We have established a human rights support desk framework with an internal reporting system within the company and an external reporting system handled by lawyers in Japan. Each overseas subsidiary also has its own internal reporting system. Information submitted to the support desk is kept strictly confidential, and internal regulations ensure that whistleblowers will not suffer any detrimental treatment.

We promptly investigate the facts of all reports received. If a human rights violation or compliance breach is confirmed, we provide appropriate remediation to those affected and implement corrective actions. In cases involving discrimination or harassment, we take strict measures, including disciplinary actions against those responsible, in accordance with our internal regulations.

We have also established a consultation service (in the Legal Affairs Department) through which suppliers can report human rights violations or concerns related to business transactions. We conduct HRDD as stipulated in our Human Rights Statement across the entire supply chain and have established a system for taking corrective measures whenever we identify a human rights violation.

Providing Human Rights Education

To raise awareness among all Group employees of the importance of human rights, we developed online content and educational videos providing basic knowledge on human rights and related current topics. For employees at the management level and above, we provide training on human rights and harassment prevention in the year they are appointed to management positions and in their fourth year.

This training includes focused guidance on how to appropriately handle reports and consultations on bullying and harassment.

Initiatives Toward Preventing Forced Labor and Child Labor

As a signatory to the United Nations Global Compact, we support the Convention on the Rights of the Child and the Children's Rights and Business Principles, considering the protection of the rights of children to be an essential responsibility.

As part of our efforts to prevent child labor, we strictly verify the age of our employees at the time of hiring through valid forms of identification and written documents. We also thoroughly prohibit retention of employees' identity documents to prevent forced labor.

Initiatives to Ensure a Living Wage

To maintain and improve the living standards of our employees and comply with minimum wage laws, based on agreements with labor unions, NOK has established agreements with labor unions to guarantee our wages that exceed regional and industry-specific minimum wages.

Overseas Group companies also determine wages in accordance with the laws and regulations of their respective operating countries and regions. Furthermore, we strive to operate under the principle of "equal pay for equal work," having established a fair and transparent remuneration system that strictly prohibits gender-based discrimination for work of equal value.

Human Resources Development

Basic Concept

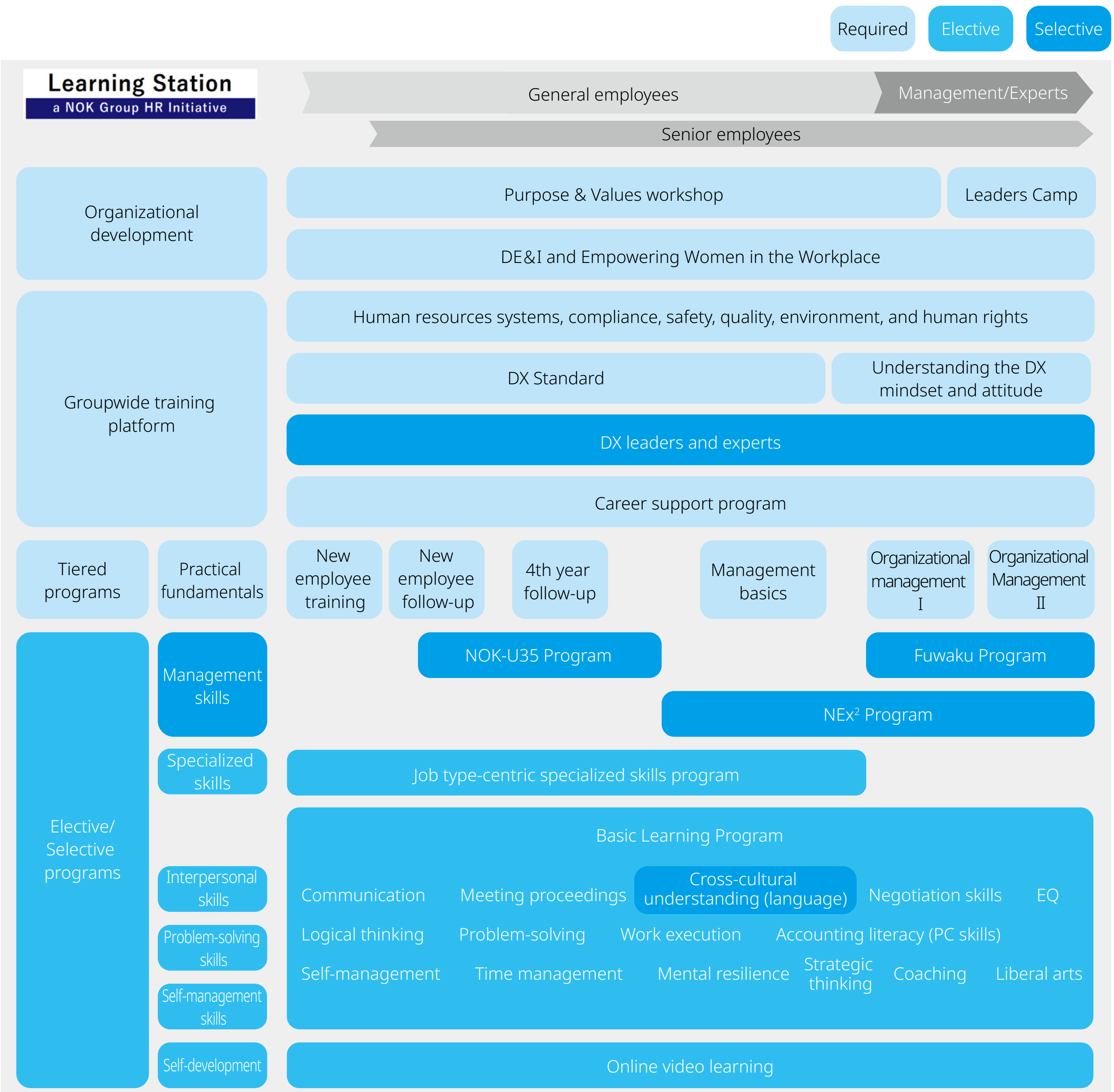
The NOK Group HR Policy underpins our aim to create a workplace where every employee can feel a sense of fulfillment and growth in their work. To this end, we are working to develop personnel who can contribute to the creation of such workplaces through various programs. One of the four key pillars of the medium-term management plan is to construct a diverse human capital foundation.

When we fully leveraged the skills and individuality of a diverse talent pool, new corporate value emerges. We have made various reforms to build a foundation where every employee can thrive.

Human Resources Development Program

The NOK Group Learning Station serves as the cornerstone of the Group's human resources development initiatives designed to foster a culture of self-directed education and continuous professional growth among employees. We offer a variety of learning opportunities as described below.

＜The NOK Group Learning Station Japan System＞



＜Human Resources Development Program List＞

Program name	Target participants	Overview
Purpose & Values Workshop	Department heads and section managers	This program is conducted to embed the Purpose and Values throughout the organization and accelerate growth as "Global One NOK." It encourages managers to reflect on their own values and supports them in becoming "evangelists" who embody and promote our Purpose and Values.
Leaders Camp	Department heads and above, as well as participants in certain selective programs	Our Leaders Camp aims to enable the talent who will lead the Company's next generation of management to collaborate across organizational boundaries and enhance their strategic thinking and change-driving capabilities. Conducted in a multi-day retreat format, it provides experiential learning opportunities that encourage participants to deeply reflect on their leadership and accelerate their growth as leaders who can drive change across the Group.
NOK-U35 Program	Employees aged 35 and under	Selects participants through a voluntary sign-up process and aims to develop them into potential future leaders in a short time frame. Program participants are assigned a management-class mentor who helps them develop an Individual Development Plan (IDP) based on their personal growth goals and provides support for strategic and proactive career development.
NEx^2 Program	Employees aged 36 and over	This program chooses participants through a self-nomination process and allows them to learn management skills while remaining in their current departments. It aims to enhance participants' problem-solving abilities and leadership skills from a higher perspective by systematically acquiring management skills while continuing to perform their regular duties.
Fuwaku Program	Section managers and deputy department heads	This program uses a nomination-based selection process and provides opportunities for participants to acquire advanced leadership and management skills while engaging in deep reflection on their own careers. It aims to develop leaders with a broader perspective and advanced skills who will help shape the future of the NOK Group.
Female Talent Program		We offer tiered development programs to help female employees maximize their future career possibilities. By enabling them to build extensive practical experience and strong internal networks from an early stage, regardless of changes in their life stage, the program strongly supports their self-directed career development.
Young Female Talent Program	Female employees aged 35 and under	Based on a voluntary sign-up process, this program aims to help participants maximize their future career possibilities.
Future Manager for Female Talent	Female employees aged 36 and over	This program uses a nomination-based selection process and aims to prepare participants to assume managerial positions within the next few years.
English Training (Standard & Advanced courses)	All employees	We are working to develop human resources with practical English skills that can be used in business settings to strengthen our competitiveness in overseas markets. We offer two levels of training tailored to different levels of English proficiency. The Advanced Course aims to develop talents who can succeed on the global stage and includes online language training, role-playing to deepen cross-cultural understanding, and presentation training.
Digital Transformation Human Resources Development Program	All employees (except executives and managers)	We are rolling out data-driven initiatives across the Group. As a foundation for creating new value, we have commenced a program that provides basic knowledge on data and digital technologies to ensure employees can use data effectively. All employees except executives and managers will receive this basic training program as "DX Standard" level employees (DX stands for "digital transformation"). The program was launched in July 2024. About 2,500 participants completed the program in FY2024, followed by about 500 participants in FY2025, including new graduates and mid-career hires. In November 2025, we also launched a DX Leader development program aimed at promoting data-driven business planning and productivity improvements. Eight employees selected primarily from our headquarters participated in the program. The approximately six-month curriculum combines 21 hours of e-learning with a total of seven days of practical workshops and aims to equip participants with frameworks for digital business planning and project promotion skills. Upon completion, participants are evaluated based on three criteria: an IT knowledge comprehension test, an evaluation of workshop deliverables, and an interview assessment conducted by the instructor. Participants who meet the required standards are certified as "DX Leaders." Through these initiatives, we are laying the foundation for establishing a self-sustaining system in the future.
Basic Learning Program	All employees (including part-time, contract, and temporary employees)	This program aims to help participants systematically learn skills (portable skills) that are essential regardless of job type. The curriculum consists of two components: a foundational course based on video learning and a practical course delivered through online training. Through these courses, participants reskill in areas such as interpersonal skills and problem-solving skills.
Career Design Training	All employees	This training uses either a self nomination system or a nomination-based selection process. To promote support for each employee's self-directed career development, employees are divided into three career stages, from new hires through post-retirement, and training programs are provided according to each age range. Through workshops that deepen self-understanding and other activities, the program supports employees in adapting to changes in their roles at each stage of life. By linking the program with various human resources systems, we are building an organizational foundation that supports sustainable growth.

Human Resources Management

Basic Concept

Under our philosophy of human dignity management, the NOK Group is committed to creating a comfortable working environment for its employees and establishing a fair evaluation system. We strive to enhance employee motivation and organizational productivity by ensuring appropriate personnel placement, offering compensation commensurate with ability, and creating a rewarding workplace. We view human resources as the source of corporate value and promote management from a long-term perspective.

Initiatives

Personnel Evaluation System Based on Values

We believe that challenging ourselves, by leveraging our strengths, regardless of age or attributes, and linking these attitudes and results to compensation drives corporate growth. Based on this belief, we introduced a role-based grading system in FY2024 to establish a fair system of evaluation and compensation by role.

Our evaluation consists of two types of appraisals based on the belief that demonstrating our values leads to improved performance. Performance Appraisals evaluate the degree to which goals set at the beginning of the period have been achieved, based on role definitions and work plans established for each grade. Values Appraisals evaluate the extent to which employees practice the four Values (Respect, Ignite, Explore, and Exceed) that they have identified for themselves based on the aforementioned role definitions.

We conduct these appraisals through three interviews — for goal-setting, initial evaluations, and feedback — in the first and second half of the fiscal year. These six interviews between supervisors and subordinates throughout the year enhance the transparency and fairness of evaluations while fostering future growth.

Moreover, we hold one-on-one meetings to establish regular communication opportunities between supervisors and subordinates, enhancing psychological safety and supporting subordinates in their autonomous career development.

We have also begun providing 360-degree feedback for some managers. It provides multifaceted understanding of each individual's strengths and areas for improvement, helping to promote personal growth and behavioral change in the workplace.

Global Career Challenge Program (for Internal Open Recruitment)

To accelerate each employee's self-directed career development, we introduced the Global Career Challenge Program, an internal open recruitment system, in FY2024. Under this system, employees can voluntarily apply for vacant positions within the Group that are posted, creating opportunities for them to take on new challenges that align their career goals with organizational needs.

Engagement Survey

We administer an annual engagement survey targeting regular and rehired employees at major Group companies in Japan to enhance employee engagement and trust in the organization.

In FY2025, the final year of our medium-term management plan, we aimed for a score of 72 while advancing measures to improve engagement. Although we did not achieve our target score in FY2025, scores improved in the categories of self-development, taking on challenges, satisfaction with evaluations, and work-life balance. These improvements can be attributed to the adoption of the new human resources system introduced in FY2024, the promotion of self-directed work styles through measures such as the internal open recruitment system and human resources development programs, and enhancements to work style and leave-related systems.

Going forward, we will continue striving to create an organizational environment in which every employee can maximize their abilities and thrive in good health, thereby supporting the Company's sustainable growth.

Item	Scope of coverage	Unit	Target figure/ Target year	FY2021	FY2022	FY2023	FY2024	**FY2025**
Response rate	Major domestic Group companies	%	—	—	98	98	97	**95**
Engagement score	Non-consolidated	—	72/2026	—	65	66	67	**67**
Percentage of highly engaged employees*	Non-consolidated	%	—	—	—	33.8	36.7	**37.4**

*We define "highly engaged employees" as employees with an overall score of 72 or higher

Career Orientation Survey

To understand each employee's career aspirations and leverage them for optimal placement and development, we provide an annual opportunity for employees to report their current perceptions of the workplace environment and future career preferences. Supervisors discuss these reports in depth with their subordinates through one-on-one meetings, providing career development support tailored to each employee's aspirations and strengths. This approach promotes self-directed career development among employees and optimizes the utilization of human resources as an organization.

Degree and Professional Qualification Support Program

To develop talent from a long-term perspective and cultivate practical and innovative engineers, we operate a program in which employees are sent to institutes of technology. Through a rigorous selection process, full-time employees aged 25 or younger who have graduated from high school or a technical college are provided with support for four years of study. The program provides an environment in which participants can focus entirely on their academic pursuits, including continued salary payments during the enrollment period, thereby fostering the personnel that will drive the next generation of technological innovation.

Diversity, Equity & Inclusion (DE&I)

Basic Concept

Following the principle of human dignity management, the NOK Group is striving to create an environment in which all its employees can demonstrate their capabilities and grow, irrespective of their gender, nationality or employment status. The Group offers equal opportunities for promotion to management positions to its approximately 40,000 employees worldwide. The Group is also aiming to create a flexible working environment that allows for a harmonious work-life balance through work-style reforms, including the implementation of flextime, support systems for childcare, nursing care, and the optimization of working hours.

Promotion Framework

In FY2023, we established the DE&I Project Team to accelerate our DE&I initiatives. Under the supervision of the Group Chief Corporate Affairs Officer (GCCAO), the team is composed of employees from a variety of departments, and plans and manages a wide range of programs. In addition, the progress of our DE&I efforts and our compliance with human rights standards are subject to regular audits in accordance with the internal control regulations. The findings are subsequently reported to the Board of Directors and the Audit & Supervisory Committee, establishing a highly effective governance framework with supervision by management.

Initiatives

Utilization and Development of Global Talent

At our overseas locations, we base our approach on localizing business operations. We actively hire and promote local talent, and developing personnel who fully understand and are aware of the local culture and context, and who will drive our business forward, regardless of race or gender.

We also facilitate interaction among executives and the personnel of the technology, manufacturing, and sales departments of both domestic and overseas bases. This initiative cultivates human capital and improve operational quality and efficiency in each department from a global perspective.

Furthermore, as well as appointing non-Japanese employees to executive positions at overseas subsidiaries, we also conduct training for local technical and manufacturing positions. In Japan, we hire international students and seek to promote the active recruitment, training and utilization of foreign-national employees.

Women’s Empowerment

The low proportion of women in management positions remains an ongoing challenge in Japan, and this is one of the factors behind the gender pay gap. An internal survey on career aspirations showed that relatively few women aspire to become leaders or specialists. In light of this finding, we aim to broaden our job roles and change job functions based on each employee’s skills and motivation. We will also provide education on career development and support greater career autonomy by providing multiple career paths. Furthermore, we are launching education and training programs for women who are candidates for manager positions.

We have been working toward our goals of doubling the number of female managers at NOK Corporation and major domestic Group companies by the end of FY2025 compared to the end of FY2022, and raising the ratio of career-oriented women to 30%. In FY2025, we achieved our target for the number of female managers, but fell short of our target for the ratio of career-oriented female employees.

Under the three-year plan beginning in FY2026, we aim to further promote women into management positions by shifting our key performance indicator from the number of female managers to their ratio, aiming to increase the ratio to 5% by the end of FY2028 and 8% by the end of FY2031. In addition, we will accelerate the development of the next generation of leaders, with the goal of expanding the pool of female manager candidates to 80.

Item	Scope of coverage	Unit	Target figure/ Target year	FY2023	FY2024	**FY2025**
Number of female managers	Domestic Group companies	Persons	20/2025	17	16	**21**
Ratio of career-oriented female employees	Domestic Group companies	%	30/2025	23	24	**21**

Enhancing the Employment and Support System for People with Disabilities

NOK promotes the employment of individuals with disabilities so that they can leverage their abilities and aptitudes to their utmost and live independent lives in their communities.

At our sites around Japan, we promote the appropriate allocation of people with disabilities to fulfilling jobs and the creation of accessible workplaces to establish an inclusive environment where all employees can thrive and maximize their potential in their work.

Hiring Senior Employees

In FY2006, we introduced a reemployment system for employees who have reached the mandatory retirement age to create an environment in which senior employees can continue to play an active role by leveraging their extensive experience and advanced skills while passing on their knowledge and expertise to younger generations.

In FY2016, we introduced flexible work arrangements and enhanced our internal recruitment and personnel registration systems, enabling more flexible career choices based on each employee's aspirations and aptitudes. Beginning in FY2026, rehired employees are also covered by the same human resources and compensation systems as full-time employee. This enables treatment based on employees' roles and performance after reemployment, significantly improves compensation, and promotes the more active participation of rehired employees, whose numbers are expected to increase going forward. We also continue to implement initiatives that promote the active participation and enhance the job satisfaction of senior employees, including life-planning seminars to support planning for life after the mandatory retirement age and training before retirement age to help maintain motivation to work, as part of career transition support for retirement and reemployment.

Training & Education

To promote understanding of and action on diversity, equity, and inclusion (DE&I), we introduced an educational app for 980 managers across all Group companies in Japan, enabling them to continue learning even during gaps in their busy work schedules. The training provides a framework for continuous learning during spare moments on a wide range of topics, including unconscious bias, multicultural coexistence, and understanding and responding to LGBTQ+ issues.

We will continue to promote education and awareness activities to create an inclusive workplace where all employees respect each other's differences and everyone can fully utilize their abilities.

Supporting Religious and Cultural Diversity

As part of our efforts to respect diverse values, we are creating multipurpose use of our office space within our company facilities. By establishing such multipurpose spaces that can be used as prayer rooms or quiet rooms (for meditation and reflection), we are creating an environment that accommodates each individual's diverse background by addressing employees' religious and spiritual needs and providing opportunities for mental and physical well-being.

Work-Life Balance

At the NOK Group, we have set up various support systems that exceed statutory requirements to create a better workplace. Furthermore, we actively provide information and offer consultation through our corporate intranet and other means so that employees can easily utilize these systems. We will continue to introduce and expand flexible and effective systems to accommodate diversifying work styles and lifestyles, as we strive to create a workplace environment that supports a harmonious work-life balance.

Systems to Promote Work-Life Balance	
Flextime	No core time, flexible arrangements such as 3 days off per week, also available to employees working reduced hours
Remote work	Can be used up to 64 hours per month or 2 days per week, as a general rule
Half day of annual paid leave	Annual paid leave may be taken in half-day increments
Maternity leave (before and after childbirth)	6 weeks of paid special leave before childbirth and 8 weeks of paid special leave after childbirth
Spousal birth leave	2 days of paid special leave when a spouse gives birth
Childcare leave system	Available until the child turns 2 years old
Reduced work hours for childcare	Available until the child reaches 4th grade of elementary school
Childcare nursing leave	5 days per year (ten days for two or more children) can be taken by parents of children until they complete the 3rd grade of elementary school
Childcare support leave	10 days/year to support parents in balancing work and childcare for preschool-aged children
Caregiving leave	5 days/year for one person requiring nursing care, 10 days/year for two or more persons requiring nursing care
Caregiving leave system	Available for up to 1 year
Shortened work hours for caregiving	Available for up to 3 years
Support leave	Paid special leave that can be taken when necessary for treatment or convalescence due to personal injury or illness, pregnancy or childbirth, nursing care for family members, childcare, or attending activities for nursery schools, kindergartens, or higher-level schools
Childcare and spousal care support allowance	Financial support provided to employees raising young children or caring for a spouse
Leave of absence due to spouse's transfer	Up to 5 years of leave can be taken by employees accompanying their spouses for a transfer
Transfer deferral system	Transfers requiring relocation may be deferred for up to 3 years at the employee's request

Labor Practices

Basic Concept

The NOK Group practices a human dignity management philosophy and considers it an essential responsibility to respect and protect the rights of all employees. To achieve this, we follow Principles 1 to 6 of the UN Global Compact and uphold our management principle of being "a company with open communication." We actively promote constructive dialogue among employees and between the Company and employees. We strive to create a workplace where employees can work with peace of mind and enthusiasm. In doing so, we are aiming to foster a healthy corporate culture which will support sustainable growth.

Initiatives

Compliance with Labor-Related Laws

Our domestic Group companies are instructed to ensure thorough compliance with the Labor Standards Act, the Labor Union Act, and all other labor-related laws. Our overseas Group companies are also instructed to ensure compliance with labor-related laws and regulations of each their respective operating countries. There were no serious legal violations in FY2025.

Moreover, we regularly monitor our domestic business sites that accept foreign technical interns to ensure compliance with the Immigration Control and Refugee Recognition Act (Immigration Control Act) and to confirm the age, working conditions, living conditions, and actual working conditions of the interns. These efforts ensure an appropriate intake framework and respect for human rights.

Establishment of Healthy Labor Management and Labor Relations Based on Dialogue

We believe that dialogue between executive and employees is essential for sustainable growth and sound management throughout the Group. By respecting employees' right to organize, the right to bargain collectively, and other fundamental labor rights, the Group has established constructive and healthy labor-management relations.

100% of employees of NOK Corporation and major domestic Group companies are members of labor unions (apart from non-eligible employees). Regular labor-management meetings are held with the participation of the top management. Not only do we carry out negotiations on working conditions, but also explain business conditions and present management issues. Also, discussions on the Company's important policies and measures take place so that both the labor side and the management side can cooperate in realizing sustainable business growth and employee wellbeing. As a basic operating principle, measures that have a significant impact on employees are explained and discussed well in advance.

The Company explains the business environment and management plan for the next fiscal year to the labor union and holds consultations about them. With that in mind, the union submits a demand for consensus-based compensation and working conditions for its members. In the spring 2025 negotiations, the request was fully discussed and concluded.

Reinforcing Initiatives to Shorten Working Hours and Encourage Paid Leave-Taking

We have created a system to provide annual paid leave that exceeds statutory requirements, granting twenty days of paid leave per year to employees with four or more years of continuous service. We also pay overtime allowances that exceed the legal requirements for work performed outside of regular working hours or on holidays.

Furthermore, we are actively working to reduce the total actual working hours to improve the well-being and quality of life of our employees.

Every year, the Labor-Management Committee formulates an annual plan for working hours and paid leave and reviews the results. Specifically, we analyze overtime and paid leave usage by department and individual, identify issues, and develop action plans. We then review the outcomes at the Central Labor-Management Council to establish medium- to long-term goals.

At the NOK Group, the Rules of Employment stipulate that employees' prescribed working hours are eight hours per day in principle.

We are currently pursuing various measures with the goals of maintaining total actual working hours of less than 1,900 hours per employee per year and ensuring that employees take at least 17 days of paid leave annually. In FY2025, total actual working hours were 1,942 hours, and the number of days of paid leave taken was 18.

We will continue our efforts to create a comfortable working environment and improve work-life balance, with the goals of eliminating overtime and holiday work exceeding 60 hours per month, limiting annual overtime and holiday work to 690 hours or less, establishing the taking of 18 days of annual paid leave, and maintaining total actual working hours below 1,900 hours.

Item	Scope of coverage	Unit	Target figure/Target year	FY2023	FY2024	**FY2025**
Total annual actual working hours	Domestic Group companies	Hours	Under 1,900 / 2025	1,972	1,956	**1,942**
Annual paid leave days taken	Domestic Group companies	Days	17 or more / 2025	17.8	17.8	**18.0**

Reflecting External Expertise into Our Personnel System Design

We take part in regular meetings and working group activities on labor standards, which are hosted by the Japan Auto Parts Industries Association (JAPIA). Through these efforts, we accurately identify the latest industry trends regarding diverse work styles and changes in labor laws and regulations, then incorporate them in the design and improvement of our personnel systems. Incorporating external expertise is meant to create more flexible and sustainable personnel systems.

Employee Stock Ownership Plan (ESOP) Trust

To strengthen employees' sense of participation in enhancing corporate value over the medium to long term, we have introduced an ESOP Trust. Under this incentive plan, the trust continuously sells Company shares that it has acquired to the employee stock ownership association. If gains are realized from increases in the share price, they are distributed to employees who meet the beneficiary eligibility requirements. The plan promotes employees' asset building while also enhancing sense of ownership in management.

Occupational Safety and Healthcare

Basic Concept

The NOK Group upholds the principle of management based on respect for human dignity, and we believe that employee health and safety are essential preconditions for preserving that dignity. We enacted the NOK Group Safety Principles in FY2017 and used it to establish the NOK Basic Occupational Health and Safety Guidelines. In addition, in FY2022, the Group CEO released a Health Declaration to indicate the commitment of top management to initiate health promotion based on a health management approach. As a company, we view mental and physical health as a material management issue and are working to provide multifaceted support for employee health. We also encourage employees to engage in health promotion activities on their own.

NOK Group Safety Principles

"Safety is the foundation for implementing management spirit that respects human dignity, my desires, and my mission"

Occupational Health and Safety Promotion Framework

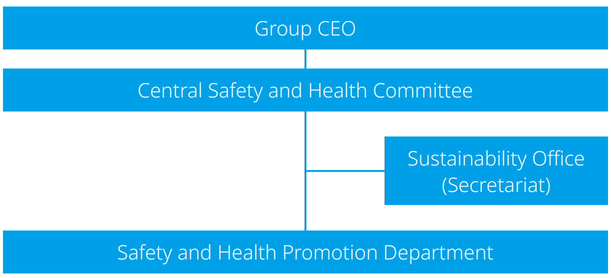
The NOK Group runs an occupational health and safety management system (OHSMS) based on the principles of ISO 45001.*

The Group CEO leads our framework for managing work safety and health. This applies to all Group companies and both on-site and off-site tasks. We aim to ensure that everyone, including dispatched and contract employees, works in a safe and healthy environment. To this end, we promote safety and health activities and regularly check their progress through internal audits to ensure that they run efficiently. We have set emergency response procedures for each facility based on our emergency response manual.

We have also formed health and safety committees at each business site. These are made up of representatives from executives and employees and serve as a forum for discussing workplace safety and health. The committees meet monthly to confirm the status of activities and discuss and decide on health and safety measures. Safety and Health Promotion Department oversees the entire Group, collaborating with the health and safety secretariats of all business sites, branches, and Group companies to maintain and improve the health and safety management level of the NOK Group. We will continue to promote continuous improvement by implementing the OHSMS-prescribed PDCA cycle throughout the NOK Group.

* Percentage of ISO 45001 certified offices: 23.8% (as of March 31, 2026)

＜Occupational Health and Safety Promotion Framework＞



Initiatives in Safety and Disaster Prevention

Occupational Health and Safety Goals and Progress

We establish annual action plans based on the industrial accident trends. The Central Safety and Health Committee, chaired by the executive in charge of health and safety and made up of representatives from labor and management, deliberates and decides on the plan, which it rolls out to all business sites along with priority action items.

We formulated a medium-term health and safety plan spanning FY2023 to FY2025 and continuously took measures in the following three key areas. In FY2025, we did not achieve our target of zero major occupational accidents, as two accidents occurred. Business sites that have experienced issues such as industrial accidents and are deemed to require improvement are designated "specified management business units." Safety and Health Promotion Department follows up with these sites on an individual basis.

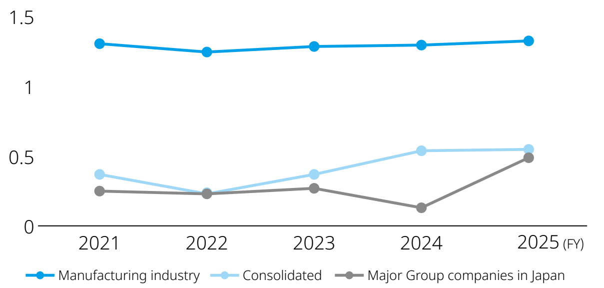
We will continue to carry out health and safety activities across the entire Group based on the NOK Group Safety Principles.

Medium-term Health and Safety Plan

- Improving the level of safety management to eliminate major accidents
- Equipment safety measures through risk assessment
- Zero explosions and fires and thorough implementation of measures to prevent recurrence

Item	Scope of coverage	Unit	Target figure/Target year	FY2023	FY2024	FY2025
Number of major accidents	Domestic Group companies	Cases	0/2025	1	3	**2**

<Comparison of Lost-Time Injury Frequency Rates with the Manufacturing Industry Average>



Checking for Occurrence of Industrial Accidents

In FY2025, there were two major accidents and eleven lost-time incidents. These accidents were mainly caused by employees being trapped in machinery or falling. The main issues were unsafe equipment, unsafe behavior, and the lack of established operating procedures. We therefore reviewed the equipment and work environment. We also set up work procedures and provided training based on them. When an industrial accident happens, we thoroughly investigate the causes, both direct and indirect, and background through on-site inspections and interviews with affected personnel. We then share the findings across all locations to prevent future incidents.

Measures to Improve Safety

Following the OHSMS, we continuously identify hazards in the workplace and conduct risk assessments. We use the risk assessment results, examples of near-miss incidents, and safety patrol findings to identify processes, equipment, and tasks that are deemed high risk based on the probability of occupational accidents and the severity of injuries that may occur, designating them as "specific hazards." We then set priorities and implement measures to reduce risks by establishing specific targets.

Health and Safety Education

In accordance with the Industrial Safety and Health Act, we provide education aimed at enabling employees to gain the knowledge and skills needed to work safely, including health and safety education when they first enter the company. As part of our own initiatives, we also run hazard simulations using our own proprietary hands-on hazard simulation equipment for employees at production departments, and carry out health and safety training for line managers. Through these efforts, we seek to instill unified thinking about health and safety management in the workplace and a shared awareness of what is expected of managers. Additionally, we promote workplace-based education using our Health and Safety Guidelines and RST* training for supervisors to provide employees with basic knowledge and maintain and improve their health and safety awareness.

* Ministry of Health, Labour and Welfare Safety Education Trainer for On-site Supervisors

Fire Prevention Initiatives

With a priority on preventing fire disasters and small fires, we have formed the Fire Prevention Task Force

Subcommittee as part of business continuity management (BCM) activities to evaluate key issues and response measures and deploy them across the Group. We have also established and are utilizing a database that allows the entire Group to share information on accidents, including near-misses and minor fires. We rapidly share information and deploy measures to prevent recurrence across the organization.

Traffic Safety Initiatives

The NOK Group is committed to creating a culture of traffic safety as a company that contributes to transportation in society through our products. For example, ever since the 1970s (before seatbelt use became a legal requirement), we have been working to ensure that all occupants of our vehicles, not just drivers, wear a seatbelt. In addition, we provide education and guidance at each workplace to prevent speeding and driving under the influence, which can cause serious accidents. Furthermore, we participate in community sponsored zero-accident, zero-violation challenges, regularly hold traffic safety seminars with the help of local police stations, and otherwise actively work with local communities to ensure traffic safety.

Initiatives in Health and Sanitation

Health Management

The NOK Group regards maintaining and promoting employee health as a material management issue, with the initiatives below underway.

We achieved a 100% regular health checkup rate in FY2025. We also aim to ensure that 100% of employees undergo re-examinations and detailed follow-up examinations for the early detection and treatment of illnesses, but the participation rate was 89.2%. We continue to actively encourage employees to have medical examinations and work with the NOK Health Insurance Association to provide specific health guidance to employees identified as needing lifestyle improvements based on health checkup results.

For mental health issues, we have established a system to make online interviews with an industrial physician or counselor available. We have also set up a 24/7 free telephone consultation service through an external specialist organization, establishing a proactive structure for early intervention to any issues and support a smooth return to work. Also, we conduct individual consultations with industrial physicians and occupational health nurses based on stress check results in our efforts to prevent mental health issues.

＜Health-Related Objectives and Performance＞

Item	Scope of coverage	Unit	Target figure	FY2021	FY2022	FY2023	FY2024	FY2025
Regular health checkup utilization rate	Domestic group companies	%	100	100	100	100	100	**100**
Health checkup re-examination/ Detailed examination utilization rate (secondary examination utilization rate) *1	Domestic group companies	%	100	91.9	93.4	92	89.2	—
Specific health guidance rate *2	Non-consolidated	%	45	23.1	22.9	25	24.3	—

*1 For those aged 30 or older
*2 Figure as of November 2025

Health Promotion

To enhance employee health awareness of health, we introduced a health management app for employee smartphones and use it to provide daily health information and support self-care. We also offer workout programs that incorporate aerobic exercise and stretching under the guidance of athlete-employees to help instill exercise habits. In addition, we implement a walking promotion initiative called Arukatsu among employees in Japan. Under this initiative, we have introduced an incentive program based on the number of steps employees take to encourage walking as a daily habit. Through these initiatives, we aim to maintain and improve employee physical and mental health and create a vibrant workplace.

Addressing Global Health Issues

The NOK Group has many overseas locations, with initiatives to protect the health and safety of expatriate employees and their families. We provide information on infectious diseases such as the three major global infectious diseases (tuberculosis, malaria, and HIV/AIDS), as well as tetanus, hepatitis, and rabies, to overseas assignees and their accompanying family members. We also arranges local vaccinations and medical support services in the local area.

Supply Chain Management

Basic Concept

At the NOK Group, we believe that in order to fulfill our corporate social responsibility, it is essential to share a common awareness across the procurement supply chain and to engage in mutual development, while building relationships based on trust.

Environmental and human rights problems are among the many social issues that have come to the forefront. As a company, we have a responsibility to minimize the negative impact our business activities have on the environment and society, including in our raw material procurement. To this end, we have established the NOK Charter of Corporate Behavior, the NOK Group Human Rights Statement, the NOK Group Procurement Policy, the NOK Group Sustainability Procurement Guidelines, and the NOK Group Green Procurement Guidelines. Based on these policies, we promote fair and equitable procurement activities that are accountable for their impact on society and the environment, as well as initiatives aimed at achieving a sustainable society, throughout our entire supply chain.

We request that all suppliers understand and comply with these policies. If an existing or new supplier commits a significant violation, we will take appropriate measures, including reviewing the contract. When entering into transactions with new suppliers, we include a clause requiring compliance with the NOK Charter of Corporate Behavior and the NOK Group Green Procurement Guidelines in the basic transaction agreement and confirm that they have no objections when executing the agreement.

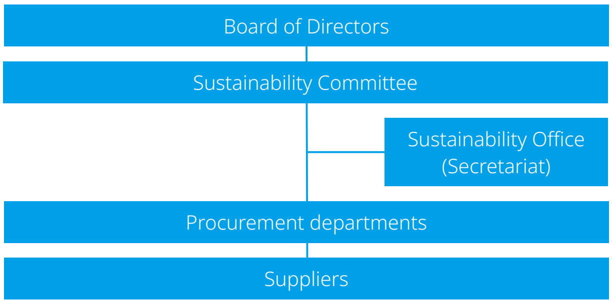
NOK Group Procurement Policy

See the NOK corporate website for more details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#4

Promotion Framework

We report key matters concerning the Group’s overall procurement activities to the Board through the Sustainability Committee. In addition, the procurement divisions of each Group company have established a network through which Group-wide policies and measures are shared via regular procurement manager meetings. We are promoting our sustainable sourcing and other procurement activities globally across the entire Group.

＜Supply Chain Management Promotion Framework＞



NOK Group Sustainability Procurement Guidelines

We aim to play a leading role in realizing a sustainable society by creating socially beneficial added value and employment, as well as through self-directed and responsible actions, under conditions of fair and free competition. To this end, we believe it is important to share our vision with our suppliers and collaborate throughout the supply chain. We have therefore established the NOK Group Sustainability Procurement Guidelines to guide our actions.

See the NOK corporate website for more details.
https://www.nokgrp.com/en/sustainability/esg_strategy/#4

Initiatives

Identification of Key Suppliers

The NOK Group currently works with approximately 2,000 suppliers in Japan. When beginning new transactions, in addition to conducting credit risk assessments, we also assess suppliers’ ESG initiatives. Specifically, we screen suppliers from two perspectives: country-specific ESG risks – including human rights, labor practices, environmental regulations, and corruption risks in the countries and regions where they operate – and industry-specific ESG risks, with a focus on industries that have a significant impact on society and the environment.

Among these, we have identified 218 companies as “key suppliers” based on the purchase volume or the importance of the products and materials they supply to our business operations.

Conducting the Sustainability Procurement Survey

We conduct an annual Sustainability Procurement Survey focusing on key suppliers we have identified.

The survey is based on the NOK Group Sustainability Procurement Guidelines, which incorporate international codes of conduct and concepts, and consists of seven topics: human rights and labor, health and safety, environment, quality and safety, ethics, information security, and supply chain. We use the survey to review the status of each supplier’s sustainability initiatives. For the

Environment topic, we identify greenhouse gas emissions and water consumption, and encouraging suppliers to take targeted actions to reduce these metrics and establish reduction goals to mitigate the overall environmental impact of the entire supply chain.

＜Survey Topics＞

Items	Details
Human rights and labor practices	Forced labor and child labor, working hours and wages, prohibition of harassment and discrimination, freedom of association and collective bargaining, human rights of temporary employees and subcontractors
Health and safety	Occupational health and safety, emergency preparedness, occupational accidents and illnesses, occupational hygiene, physically demanding work, machinery safety measures, sanitary facilities, and communication regarding health and safety
Environment	Environmental permits and reporting, pollution prevention and resource conservation, hazardous substance management, waste management, air emissions, resource restrictions, water management, energy use and CO_2/GHG emissions reduction, biodiversity conservation
Quality and safety	Ensuring the quality and safety of products and services, and timely and appropriate responses to issues
Ethics	Business integrity, eliminating undue benefits, information disclosure, intellectual property, fair business practices, whistleblower protection and retaliation prohibition, conflict minerals, privacy
Information security	Information security measures and preventing the unauthorized use or leakage of confidential information
Supply chain	Communication with suppliers, promotion of sustainability initiatives

We also evaluate each supplier's responses and identify risky suppliers with insufficient initiatives across all topics. Furthermore, we distributed explanatory and educational videos to domestic suppliers through our capacity development program, in accordance with the NOK Group Sustainability Procurement Guidelines. We position human rights and the environment as key priorities in our sustainability efforts. We aim to help suppliers understand the importance of our initiatives via means that include sharing examples of negative impacts resulting from human rights oversights and showcasing actual initiatives we are implementing at the NOK Group, such as reducing CO_2 emissions and water usage.

In FY2025, we identified no at-risk suppliers, but we conducted on-site audits at some key suppliers. As a result of these audits, we confirmed that we required no corrective action plans for any of the suppliers audited.

We will continue to reduce risks by conducting detailed interviews, on-site audits, investigating causes and proposing improvements when incidents occur.

Supplier Survey	Unit	FY2025
Number of suppliers (Domestic)	Companies	**Approximately 2,000**
Number of key suppliers	Companies	**218**
Percentage of total expenditure on key suppliers	%	**80.3**
Number of suppliers that received training	Companies	**215**
Number of those that are key suppliers	Companies	**215**
Percentage of those that are key suppliers	%	**100**
Number of sustainability procurement surveys conducted	Companies	**234**
Number of those that are key suppliers	Companies	**215**
Percentage of those that are key suppliers	%	**100**
Number of at-risk key suppliers	Companies	**0**
Number of those that are key suppliers	Companies	**0**
Percentage of those key suppliers with improvement plans	%	**0**
Number of those key suppliers that required corrective action	Companies	**0**
Number of contracts terminated	Companies	**0**
Total suppliers audited	Companies	**4**

Green Procurement

To enhance environmental initiatives in cooperation with our suppliers, we issue the NOK Group Green Procurement Guidelines. These guidelines inform suppliers about the NOK Group's environmental values and policies, enabling us to source eco-friendly raw materials and parts.

We request suppliers to reduce their environmental impact by cutting their energy use, reducing their greenhouse gas emissions, promoting resource recycling, minimizing waste, and considering biodiversity conservation.

Moreover, we strive to ensure traceability in order to prevent the procurement of illegally traded raw materials.

Education and Training in the Procurement Department

We have been providing training on sustainable procurement to procurement department leaders including the General Manager of the Procurement Division with a view to promoting sustainable procurement throughout the supply chain.

Furthermore, we conducted video-based training for buyers and related personnel at major production sites. This training aims to raise awareness and strengthen practical skills at the operational level.

We also regularly conduct training on compliance with laws such as the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators, etc. to Subcontractors (Proper Transactions Act), as we work to bolster our procurement compliance systems.

Initiatives on Conflict Minerals

Since FY2013, we have been addressing the issue of conflict minerals. At NOK, we use tin compounds in some of our seal products, in order to improve their durability. We have therefore adopted the industry-standards Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) of Responsible Minerals Initiative (RMI). These templates help us conduct investigations tracing back through our supply chain.

Once a year, we select review target materials and use the CMRT and EMRT to conduct conflict minerals surveys of suppliers. The survey checks for 3TG (Tin, Tantalum, Tungsten, Gold), cobalt, and mica content, country of origin, smelters, and supplier due diligence. We also identify non-certified smelters in our supply chain by cross-checking them against the latest RMI-certified list.

In FY2025, we conducted a survey on the same raw materials as the previous year and received responses from 266 companies. We reviewed the survey responses closely.

Where supplier responses were incomplete, follow-up inquiries were made to improve the reliability of the survey results.

We share these survey results among relevant personnel within the Group and formulate new plans each year based on a summary of the previous year's initiatives. Furthermore, we have established a system to regularly monitor progress by supplier and business division, as we continuously driving responsible mineral procurement across operations.

Establishment of a Supplier Support Desk

To help build a sustainable supply chain, we have established a support desk for our suppliers. In addition to handling general reports on human rights and compliance-related matters in general, the support desk also accepts reports concerning environmental issues in the supply chain, including those related to conflict minerals. The anonymity of those making reports is strictly protected, and any adverse treatment or retaliation against them as a result of making a report is prohibited.

When a report is received, the Legal Affairs Department conducts a thorough fact-finding investigation. If risks are identified, we take strict measures as necessary with respect to the relevant supplier, including requiring the supplier to formulate a corrective action plan or suspending business transactions with it.

Participation in Supply Chain initiatives

NOK is a member of the Japan Auto Parts Industries Association (JAPIA), and the Group CEO serves as a director of the association.

At the operational level, we participate in working groups on carbon neutrality and the circular economy, promoting collaboration across the industry to address shared challenges through activities such as developing guidelines, formulating policy recommendations for the government, and examining recycling flows for plastics and other materials.

Product Quality and Safety

Basic Concept

The NOK Group has a longstanding commitment to manufacturing, and we ensure that the ultimate quality is built into our manufacturing process. Since our founding, our technology and quality have earned the trust of numerous customers, who use our products in a variety of fields.

To build in quality through the manufacturing process, our efforts have concentrated on cultivating production personnel in accord with our Management Principles of respecting human dignity. We have developed a variety of educational programs for this purpose.

In recent years, we have focused on strengthening the training of the managers and supervisors who underpin production site operations, driven by the desire to ensure that we pass on the basics of manufacturing to future generations as more veteran employees are reaching retirement age.

We have also actively adopted digital technology and set a quality policy theme of building a foundation for compelling quality. Aiming to surpass customer expectations through the added value (“+a”) we offer, we promote efforts to further enhance customer satisfaction.

Basic policy

Putting quality first, we provide services and products that customers can trust at all stages of research and development, design, production, sales, service, etc.

Behavioral guidelines

1. All employees work together to make constant efforts to improve quality
2. Improve our unique technology
3. Continuously improve administration technology
4. Thoroughly comply with laws and regulations
5. Continuously manage policy

Frameworks for Quality Management and Quality Assurance

We aim to continue supplying high-quality products that align with customer expectations, so we demonstrate our commitment to continuous improvement by implementing a quality management system established based on international standards such as ISO 9001 and IATF 16949.

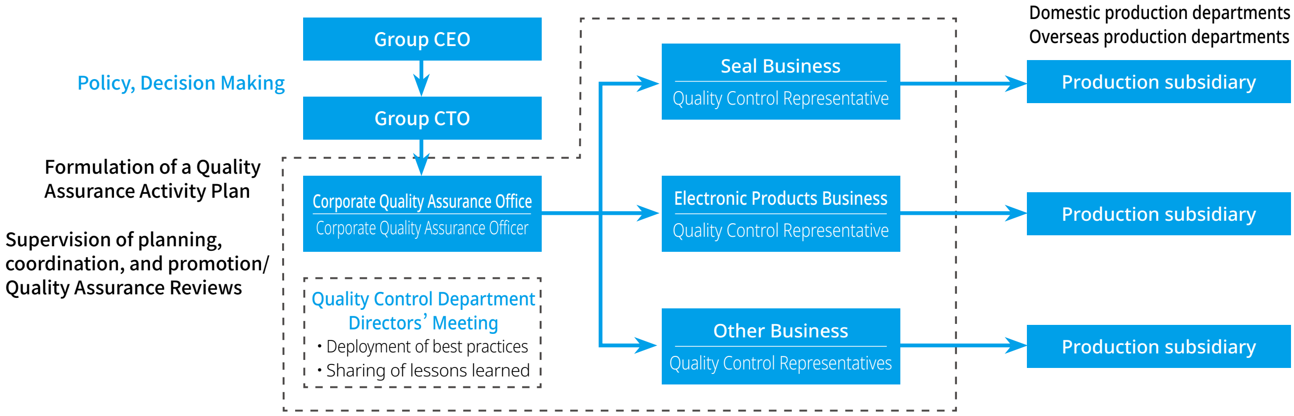
The NOK Group’s quality management system certification rate is 96.8%, exhibiting the systematic and consistent quality control system we have established at each of our business sites.

Quality Control Framework

Quality assurance officers oversee the planning, coordination, and promotion of quality assurance, serving as the core of our groupwide quality management system. All business divisions receive the NOK Quality Assurance Policy and Quality Objectives, which they use to formulate quality assurance (QA) action plans.

QA action plans set priorities and specific target values for achieving quality objectives, which are incorporated in each department’s operational plans, enabling all departments to pursue quality improvements. We use QA audits and business division management reviews to evaluate the results and progress of these action plans, continuously implementing practical operational enhancements based on these results.

＜Quality Assurance System Overview＞



Plans in Japan do the following as mother factories

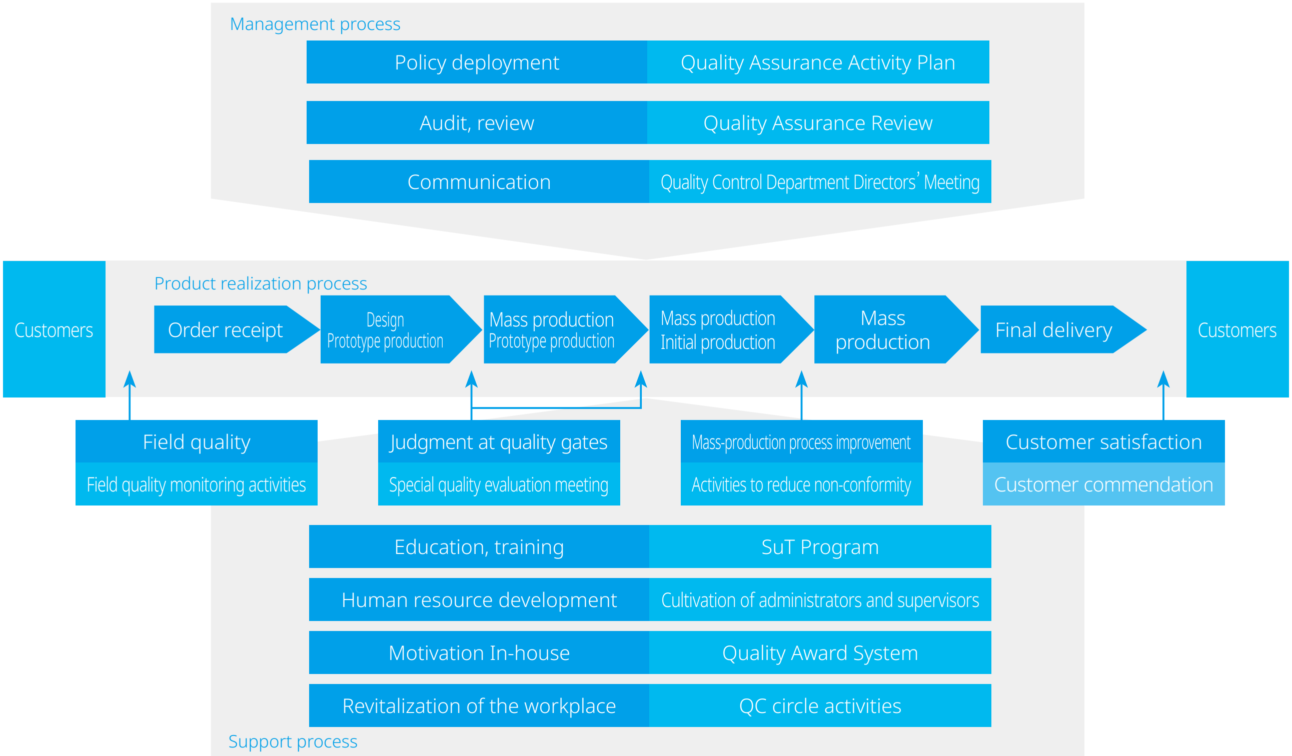
• Support for quality assurance activities • Support for products transfers and launches of overseas production • Promotion of priority issues

Reducing Defective Products

We are working to improve quality and minimize defects across all operational processes from order receipt to final delivery. We aim to improve product reliability and maximize customer satisfaction by accurately identifying risk factors at each stage of the process and thoroughly implementing preventive measures and early corrective actions.

Automated image inspection systems using high-precision sensors have been introduced into the product inspection process, effectively eliminating human error and ensuring consistent quality.

＜Overview of Quality Improvement Activities＞



Market Quality Monitoring Activities

NOK routinely monitors market quality data for any issues that could lead to significant quality problems. We also seek to improve market quality by means of close cooperation with our customers for example, by proposing improvements to them based on surveys and analysis, and on their past activity.

Special Quality Evaluation Meeting

We have established a system aimed at stabilizing quality and preventing risks at each stage, from the design of new products to mass production. We divide the process into design prototyping, mass production prototyping, and initial mass production management, set transition criteria for each step, and ensure we deliver products with stable quality to our clients by quickly identifying and resolving issues at each step.

Notably, we hold special quality evaluation meetings at each step when developing new products or changing designs or processes that significantly impact functionality. Team members from the business division and relevant departments review designs, and quality assurance officers finally determine whether to proceed to the next step, thereby eliminating quality risks.

Internal Audits

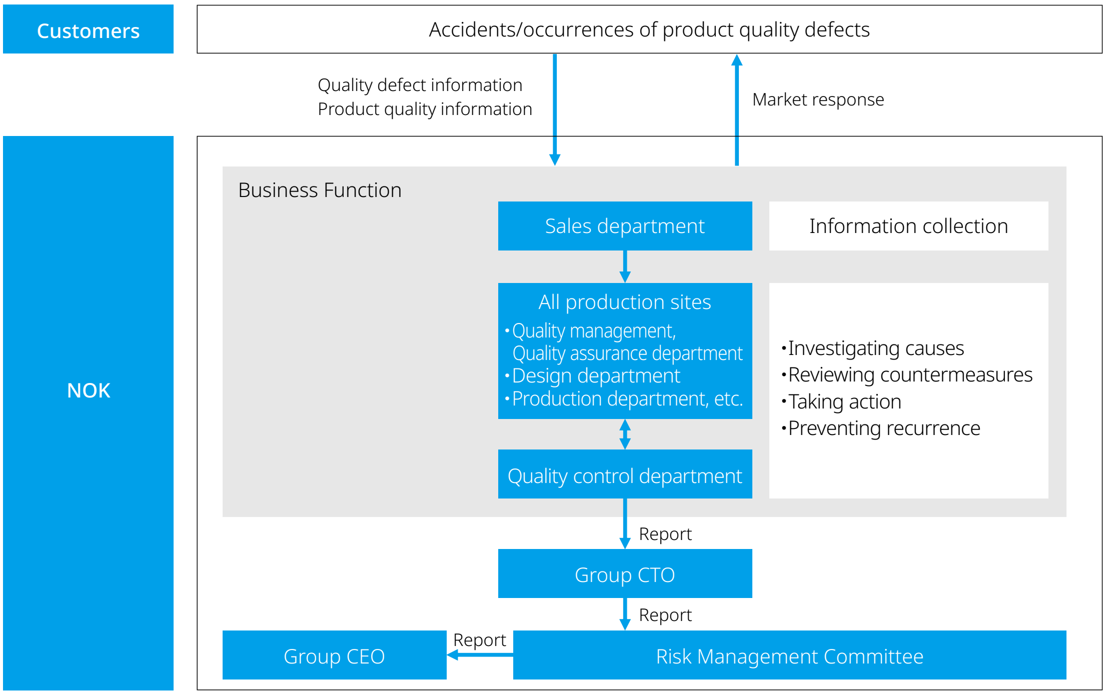
・Quality assurance assessment (QA assessment)

In addition to the internal audits based on ISO 9001 and others, we have quality assurance officers conduct on-site QA assessments. During the assessments, they confirm whether employees correctly understand the intent of the quality assurance policy, whether organizations have established specific implementation plans, and whether staff are effectively implementing quality improvement activities. In recent years, we have been conducting on-site assessments and reinforcing our efforts to improve the effectiveness of on-site management.

・Response to product quality defects

In the unlikely event of a defect in products, we have established a global response framework under which our sales departments, production sites, and quality control departments work together immediately, with the highest priority placed on minimizing the impact on our customers.

Furthermore, in the event of a serious quality defect, the matter is escalated to the Group CEO through the Risk Management Committee, which discusses and decides on countermeasures from a groupwide perspective.



Establishing a Client Support Office

We have established a Client Support Office to respond quickly and accurately to client feedback and requests. We accept various inquiries and requests through the inquiry form on our corporate website, which serves as a point of contact. We promptly forward these questions and requests to the relevant departments and utilize them to improve our products and services.

Quality Training and Awareness-Raising

Education and Practices Based on QC-Oriented Thinking

NOK offers quality control education at each level of the organization. We put a particular emphasis on problem solving, where we advocate fact and data-based logical analysis and improvement under the motto of “Let’s argue from the data,” which is a hallmark of QC-oriented thinking.

To accelerate problem-solving, NOK offers a SuT* program for our quality management departments. We offer more than 20 courses ranging from the basic “Seven QC tools” to multivariate analysis and design of experiments, with a curriculum to train participants in advanced methods through hands-on exercises.

* SuT stands for Speed-up Tools of Problem Solution.

QC Circle Activities

NOK employees take initiative in conducting quality control (QC) circles to pursue quality improvement activities in small groups. In QC circles, all members of the circle work together to resolve matters they deal with in the day-to-day workplace. QC circles also provide an opportunity for the growth and character formation of members through shared activities, which leads to a more vibrant workplace.

The competition has been held continuously for 62 years since the first one in 1963. In FY2025, 1,621 QC circles in Japan and overseas participated in these activities. Outstanding circles presented the results of their activities at the NOK Group QC Circle Convention, where participants learn from one another and continue to improve their skills.

Customer Quality Awards

In recognition of our sustained quality performance and continuous improvement activities, we received 13 quality-related awards from our customers in FY2025.

List of Quality Management System-Certified (e.g., ISO9001, IATF 16949) Companies

In the NOK Group, 96.8% of plants/offices have obtained quality management systems (e.g., ISO 9001, IATF 16949).

Country/Region	Certified companies
Japan	NOK Corporation
	NOK Tohoku Corporation
	NOK Kita Kanto Corporation
	NOK Shizuoka Corporation
	NOK Tottori Corporation
	NOK Kyushu Corporation
	MEKTEC Corporation
	MEK-J
	NOK KLÜBER Co., Ltd.
	UNIMATEC Co., Ltd.
	ESTOH Co., Ltd.
	NOK Fugaku Engineering Co., Ltd.
Thailand	Thai NOK Co., Ltd.
	MEKTEC Manufacturing Corporation (Thailand) Ltd.
	NOK Precision Component (Thailand) Ltd.
Vietnam	Vietnam NOK Co., Ltd.
	MEKTEC Manufacturing Corporation (Vietnam) Ltd.

Country/Region	Certified companies
Indonesia	PT NOK Indonesia
	PT NOK Freudenberg Sealing Technologies
	PT NOK Precision Component Batam
China	Wuxi NOK-Freudenberg Oilseal Co., Ltd.
	Changchun NOK-Freudenberg Oilseal Co., Ltd.
	Taicang NOK-Freudenberg Sealing Products Co., Ltd.
	NOK (Wuxi) Vibration Control China Co., Ltd.
	NOK (Wuxi) Water Treatment Technology Co., Ltd.
	MEKTEC Manufacturing Corporation (Zhuhai) Ltd.
	MEKTEC Manufacturing Corporation (Suzhou)
Taiwan	MEKTEC Manufacturing Corporation (Taiwan) Ltd.
Germany	MEKTEC Europe GmbH
Czech Republic	MEKTEC Manufacturing Corporation Europe CZ s.r.o.
Hungary	MEKTEC Manufacturing Corporation Europe HU Kft.
Singapore	UNIMATEC Singapore Pte. Ltd.
	NOK Precision Component Singapore Pte. Ltd.

Coexistence with Local Communities and Society

Basic Concept

In the NOK Group Charter of Corporate Behavior, we clearly state that “As a good corporate citizen, we will actively participate in communities and contribute to their development.” The local community is a key stakeholder for the NOK Group. As a company rooted in the community, we strive to earn their trust, appreciation, and respect, and we value dialogue and collaboration with them. We are also focusing on nurturing and supporting the next generation and promoting initiatives aimed at realizing a sustainable society.

As part of our social contribution efforts, we align our activities with the NOK Group’s philosophy and our criteria for funding social contribution activities. We select activities mainly in our key focus areas and provide strategic support.

＜Key Focus Areas＞

- Activities that contribute to the sustainable development of the local communities across countries and regions where NOK Group offices operate
- Nurturing and supporting the next generation

Focus areas	Examples of activities
Health, medicine, sports	Participating in blood donation events, sponsoring sports, health, and well-being events, supporting and donating to school sports events, Ecocap bottlecap recycling activities
Academic, research, education	Accepting interns, granting scholarships, supporting events for next-generation development and school events
Crime prevention, disaster prevention	Participating in and donating to crime prevention and traffic safety activities, participating in disaster prevention activities, providing support to disaster-affected communities
Local community activities, conservation of traditional culture	Donating traffic safety goods to local municipalities, sponsoring local festivals, making donations to shrines, donating goods to local communities, inviting local residents to festive events at the plants
Environment	Participating in local cleanup activities, tree planting activities, groundwater recharge activities, recycling activities
Social welfare	Donations to the Japanese Red Cross Society and other social welfare organizations

Promotion Framework

We pursue our CSR activities based on internal regulations.

The general affairs and operations departments at each business site select the themes to be addressed, and the advisory committee, chaired by the head of business planning (an executive officer), plans the detailed activities.

Each business site compiles annual data on its community activities, including the number of participants and expenditure, and discloses this information in its integrated report and ESG data book. This process ensures transparency and continual improvement of our activities.

Initiatives

Contribution to the Local Community

The NOK Group's business sites in Japan and overseas are committed to ongoing CSR activities rooted in their local communities. Specific examples of our focus on activities that bring us closer to the local community include regular community cleanup events, sponsoring local festivals, and inviting residents to events hosted by our business sites.

At the NOK Kumamoto Plant, employees volunteer annually to preserve and restore the grasslands of Mount Aso. They also sponsor groundwater recharge projects, helping preserve the natural environment and water resources for the local community. These community activities are regularly featured in our internal newsletter and social media platform, helping to foster a sense of social responsibility among all employees.

Activities to Nurture and Support the Next Generation

■Scholarship support

In FY2012, we established the Tanetomato Foundation to support the dreams of young people who will lead the next generation. The foundation aims to provide educational opportunities to students who face financial difficulties in pursuing higher education or continuing their studies by offering scholarships.

Every year, approximately 60 students selected from across the country receive need-based scholarships, and many young people have benefited from this support to pursue their studies and succeed in their careers.

■Support children through sports

The NOK Group is committed to supporting the next generation through sports, stemming from our desire to create a society where sports inspire dreams and excitement. Since 2021, we have been a sponsor of Yoshi's Cup, promoted by professional tennis player Yoshihito Nishioka. The tournament provides junior tennis players aged 16 and under with the opportunity to compete on the world stage. It is part of our effort to support the younger generation in experiencing growth and taking on challenges in preparation for the future.

■Workplace experiences

We conduct factory tours and outreach classes for students and residents, focusing on nurturing and supporting the next generation.

In FY2025, we invited nine junior high school students from Fujisawa City to the NOK Shonan R&D Center for a factory tour and classes taught by our employees. This initiative aims to provide opportunities to learn about various occupations and gain a deeper understanding of the significance of work and connections with the local community.

■Supporting children through community engagement

To support the healthy growth of children in the local community and foster community engagement, the NOK Fukushima Plant hosts the NOK Children's Cafeteria: Manmaru Hiroba once a month, opening its employee cafeteria, gymnasium, and other facilities to local residents.

Elementary and junior high school students are provided with free meals, learning support from student volunteers, and a place to play in the gymnasium. In addition, as part of the unique program, they have opportunities to learn about NOK's products and technologies, including oil seals. Through approximately two and a half hours of hands-on activities—such as experiments using equipment designed by our employees and games incorporating our products—we aim to foster children's interest in and curiosity about manufacturing.

Item		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Composition of Employees								
Number of employees by employment type	Regular employees	Non-consolidated	Persons	3,489	3,419	3,337	3,251	**3,153**
	Non-regular employees		Persons	398	401	412	417	**418**
	Total		Persons	3,887	3,820	3,749	3,668	**3,571**
	Regular employees	Consolidated	Persons	37,613	37,913	38,097	37,958	**36,655**
	Non-regular employees		Persons	2,300	2,285	2,295	2,411	**2,339**
	Total		Persons	39,913	40,198	40,392	40,369	**38,994**
Number of employees by region	Japan	Consolidated	Persons	10,730	10,648	10,683	10,556	**10,226**
	China		Persons	9,690	10,659	11,006	11,016	**10,777**
	Southeast Asia		Persons	15,623	15,196	15,225	15,310	**14,693**
	Thailand		Persons	–	–	–	6,776	**6,770**
	Vietnam		Persons	–	–	–	4,837	**4,410**
	Other Southeast Asian countries		Persons	–	–	–	3,697	**3,513**
	Europe and the Americas		Persons	1,570	1,410	1,183	1,076	**959**
	Total		Persons	37,613	37,913	38,097	37,958	**36,655**
Percentage of employees by region	Japan	Consolidated	%	29	28	28	28	**28**
	China		%	26	28	29	29	**29**
	Southeast Asia		%	42	40	40	40	**40**
	Thailand		%	–	–	–	18	**18**
	Vietnam		%	–	–	–	13	**12**
	Other Southeast Asian countries		%	–	–	–	10	**10**
	Europe and the Americas		%	4	4	3	3	**3**
Gender composition and female employee ratio	Male	Non-consolidated	Persons	2,704	2,643	2,572	2,483	**2,408**
	Female		Persons	785	776	765	768	**745**
	Total		Persons	3,489	3,419	3,337	3,251	**3,153**
	Percentage of female employees		%	22.5	22.7	22.9	23.6	**23.6**
	Male	Consolidated	Persons	–	–	21,186	21,109	**20,607**
	Female		Persons	–	–	16,911	16,849	**16,048**
	Total		Persons	–	–	38,097	37,958	**36,655**
	Percentage of female employees		%	–	–	44.4	44.4	**43.8**
Employee ratio by age	Ages 20s and under	Non-consolidated	%	19.6	18.8	17.9	17.5	**15.7**
	Age 30s		%	27.2	26.5	27.5	28.5	**28.1**
	Age 40s		%	27.1	25.7	24.6	24.5	**25.6**
	Age 50s		%	25.5	28.5	29.5	29.1	**30.3**
	Age 60s and over		%	0.5	0.5	0.6	0.4	**0.3**
	Ages 20s and under	Major domestic group companies	%	–	17.8	17.1	16.9	**15.5**
	Age 30s		%	–	25.7	26.9	27.6	**27.1**
	Age 40s		%	–	26.8	25.9	25.6	**26.6**
	Age 50s		%	–	29.0	19.5	29.3	**30.3**
	Age 60s and over		%	–	0.6	0.6	0.6	**0.5**
Average age	Male	Non-consolidated	Age	40.9	41.1	41.1	41.3	**41.9**
	Female		Age	41.2	42.0	42.5	43.0	**43.6**
	Total		Age	41.0	41.3	41.4	41.7	**42.3**
	Male	Major domestic group companies	Age	–	41.3	41.2	41.2	**41.7**
	Female		Age	–	41.4	41.8	42.3	**43.0**
	Total		Age	–	41.3	41.3	41.4	**42.0**
Average length of continuous service	Male	Non-consolidated	Years	17.8	17.9	17.8	18.0	**18.4**
	Female		Years	20.0	20.7	21.2	21.6	**22.0**
	Total		Years	18.3	18.5	18.6	18.8	**19.3**
	Male	Major domestic group companies	Years	–	17.5	18.1	18.2	**18.6**
	Female		Years	–	19.3	20.6	20.9	**21.4**
	Total		Years	–	17.9	18.7	18.8	**19.1**

Item		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Hiring and Turnover								
Hiring of new graduates	Male	Non-consolidated	Persons	30	68	56	61	**37**
	Female		Persons	11	12	17	20	**9**
	Total		Persons	41	80	73	81	**46**
	Male	Major domestic group companies	Persons	–	80	76	85	**56**
	Female		Persons	–	16	22	24	**12**
	Total		Persons	–	96	98	109	**68**
Number of new hires by gender (total of new graduates and mid-career hires)	Male	Non-consolidated	Persons	47	88	88	93	**51**
	Female		Persons	22	22	24	27	**16**
	Total		Persons	69	110	112	120	**67**
	Male	Major domestic group companies	Persons	–	113	123	107	**75**
	Female		Persons	–	30	32	24	**23**
	Total		Persons	–	143	155	131	**98**
Number of new hires by age group (total of new graduates and mid-career hires)	Ages 20s and under	Non-consolidated	Persons	55	85	85	84	**47**
	Age 30s		Persons	12	19	21	14	**10**
	Age 40s		Persons	2	6	4	1	**5**
	Age 50s		Persons	0	0	2	1	**4**
	Age 60s and over		Persons	0	0	0	0	**1**
	Ages 20s and under	Major domestic group companies	Persons	–	111	114	122	**70**
	Age 30s		Persons	–	21	33	20	**13**
	Age 40s		Persons	–	11	5	2	**7**
	Age 50s		Persons	–	0	3	2	**7**
	Age 60s and over		Persons	–	0	0	0	**1**
Ratio of senior management hired from regional communities		Non-consolidated	%	6.5	7.8	7.6	7.5	**9.7**
		Major domestic group companies	%	–	8.3	9.2	9.2	**10.6**
Internal open recruitment (internal hiring)	Employees transferred / job postings	Major domestic group companies	Persons / Postings	–	–	–	15/51	**57/150**
	Percentage of job postings filled		%	–	–	–	22.7	**28.9**
Average recruitment cost per hire		Non-consolidated	Yen	972,000	2,933,000	898,000	1,036,000	**1,359,779**
Turnover Rate	Overall turnover rate	Non-consolidated	%	1.7	2.3	4.1	4.1	**4.7**
		consolidated	%	–	–	11.5	9.5	**9.0**
	Voluntary turnover rate	Non-consolidated	%	–	–	2.0	2.5	**2.3**
		consolidated	%	–	–	10.5	7.4	**8.0**
Turnover rate by gender (Overall turnover rate)	Male	Non-consolidated	%	–	–	4.4	4.2	**4.7**
	Female		%	–	–	3.0	3.8	**4.6**
	Total		%	–	–	4.1	4.1	**4.7**
	Male	consolidated	%	–	–	11.7	9.5	**8.7**
	Female		%	–	–	11.2	9.4	**9.4**
	Total		%	–	–	11.5	9.5	**9.0**
Turnover rate by age (Overall turnover rate)	Ages 20s and under	Non-consolidated	%	–	–	3.9	4.7	**4.5**
	Age 30s		%	–	–	2.6	3.5	**3.2**
	Age 40s		%	–	–	1.5	1.7	**1.2**
	Age 50s		%	–	–	0.7	0.8	**1.5**
	Ages 20s and under	Major domestic group companies	%	–	–	3.7	4.0	**4.2**
	Age 30s		%	–	–	2.2	3.2	**3.1**
	Age 40s		%	–	–	1.3	1.5	**1.2**
	Age 50s		%	–	–	0.8	0.7	**1.4**
Remuneration								
Ratio of standard entry-level salary to regional minimum wage	Fukushima	Major production sites of NOK and MEKTEC	%	128.1	123.6	122.3	125.5	**122.7**
	Ibaraki		%	–	116.4	115.5	119.3	**118.0**
	Kumamoto		%	129.2	124.3	122.5	125.9	**122.5**
Gender pay gap (Percentage of female remuneration compared to male remuneration = 100%)	All employees	Non-consolidated	%	–	71.8	74.2	77.3	**77.4**
	Of which regular employees		%	–	75.3	77.0	80.4	**79.4**
	Of which part-time and fixed-term employees		%	–	55.4	65.6	65.5	**63.0**

Item		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Investment in Human Capital								
Human resource development programs*1	Total number of participants	Major domestic group companies	Persons	1,524	8,383	1,650	33,386	**41,991**
	Total training hours		Hours	17,512	22,940	19,145	122,835	**331,879**
	Total training cost		Thousands of yen	–	–	72,108	324,892	**350,937**
	Average training hours per person		Hours/ person	–	–	4.0	28.3	**69.7**
	Average training cost per person		Yen/person	–	–	14,895	74,774	**73,664**
	Average training days per person		Day/person	–	–	–	3.5	**8.7**
	Total number of participants	Consolidated	Persons	–	–	–	115,982	**105,401**
	Total training hours		Hours	–	–	–	664,549	**836,519**
	Total training cost		Thousands of yen	–	–	–	791,514	**626,602**
	Average training hours per person		Hours/ person	–	–	–	17.4	**22.0**
	Average training cost per person		Yen/person	–	–	–	20,776	**16,508**
	Average training days per person		Day/person	–	–	–	2.2	**2.8**
Investment in human resource development*2	Total number of people	Consolidated	Persons	–	–	18,004	5,506	**9,833**
	Total hours		Hours	–	–	786,347	27,364	**1,055,988**
	Total training expenses		Thousands of yen	–	–	405,251	169,333	**102,967**
Diversity								
Percentage of female managers		Major domestic group companies	%	0.3	1.7	2.3	2.3	**3.0**
		Overseas group companies	%	35.7	32.1	30.9	41.1	**41.9**
		Consolidated	%	–	26.9	18.2	28.6	**28.0**
Percentage of female senior managers		Consolidated	%	–	–	15.9	15.0	**13.5**
Percentage of female junior managers		Consolidated	%	–	–	19.0	31.1	**30.9**
Percentage of female managers in revenue-generating functions (sales, etc)		Consolidated	%	–	–	19.9	16.5	**14.8**
Proportion of females in STEM-related positions		Consolidated	%	–	–	–	18.7	**20.3**
Ratio of mid-career and foreign-national employees in managerial positions	Mid-career employees	Non-consolidated	%	9.8	11.3	12.8	11.1	**13.2**
	Foreign-national employees	Major domestic group companies	%	0.3	0.3	0.3	0.4	**0.4**
	Mid-career employees	Non-consolidated	%	–	12.3	13.3	13	**15**
	Foreign-national employees	Major domestic group companies	%	–	0.3	0.3	0.3	**0.6**
Percentage of female talent targeting leadership & specialist roles		Non-consolidated	%	–	20	23	24	**21**
Development personnel		Major domestic group companies	Persons	–	692	718	694	**693**
Human Resource and Welfare System								
Number of employees who took childcare leave	Male	Non-consolidated (Leave-taking rate)	Persons (%)	5	24 (21.8)	46 (40.0)	48 (45.0)	**59 (53.6%)**
	Female	Non-consolidated	Persons	30	32	34	31	**27**
Rate of return-to-work after childcare leave	Male	Non-consolidated	%	100	100	100	100	**100**
	Female		%	100	100	100	100	**100**
Number of employees who took nursing care leave	Male	Non-consolidated	Persons	1	2	1	0	**2**
	Female		Persons	0	0	0	0	**1**
Number of persons reemployed	Male	Non-consolidated	Persons	221	183	191	200	**212**
	Female		Persons	12	12	15	15	**21**
Employment rate of disabled persons		Non-consolidated	%	2.15	2.56	2.71	2.7	**2.64**
		Consolidated	%	–	0.71	0.75	0.84	**1.1**

Item		Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Hours worked per employee/Average number of days of annual paid leave taken	Annual total hours worked	Non-consolidated	Hours/ person	2,006.8	1,997.3	1,972.4	1,955.9	**1,942.2**
	Overtime worked (on an annual basis)		Hours/ person	183.2	180.7	162.5	146.5	**133.9**
	Average number of days of annual paid leave taken		Day/person	16	16.9	17.8	17.8	**18.0**
Number of labor-management conferences held	Number of Central Labor Management Councils held	Major domestic group companies	Unit	16	17	18	17	**18**
Number of Labor Standards Act Violations		Major domestic group companies	Cases	–	–	0	0	**0**
Occupational Safety and Healthcare								
Lost-time injury frequency rate*3	Employees	Manufacturing industry*5 (calendar year)	–	1.31	1.25	1.29	1.30	**1.33**
		Major domestic group companies	–	0.25	0.23	0.27	0.13	**0.49**
		Consolidated	–	0.37	0.23	0.37	0.54	**0.55**
	Contract employees		–	0.22	0.83	0.59	0	**0.49**
Severity rate*4		Manufacturing industry*5 (calendar year)	–	0.06	0.08	0.08	0.06	**0.07**
		Major domestic group companies	–	0.005	0.004	0.003	0.01	**0.014**
Work-related fatalities	Employees	Consolidated	Persons	0	0	0	0	**0**
	Contract employees*6	Consolidated	Persons (total number of employees)	0 (4,062)	0 (3,662)	0 (3,473)	0 (8,199)	**0 (3,010)**
Health and Safety Training	Health, safety and wellness training for line managers	Major domestic group companies	Persons	150	141	170	161	**149**
	RST training for workplace supervisors	Non-consolidated	Persons	–	–	–	124	**106**
	Equipment safety training		Persons	102	274	639	328	**700**
No. of units undergoing facility safety improvements		Non-consolidated	Units	646	194	215	246	**72**
Investment in facilities and equipment for safety measures		Non-consolidated	millions of yen	170	270	413	460	**257**
Number of health consultation calls		Major domestic group companies	Cases	715	552	443	456	**105**
Supply Chain Management								
Breakdown of local procurement ratio by region (by value)		Japan	%	93.3	91.5	90.4	90.9	**88.7**
		China	%	84.3	84.7	89.7	89.9	**90.6**
		ASEAN	%	72.2	77.3	80.1	80.7	**84.0**
Conflict mineral surveys		Major domestic group companies	Companies	–	–	–	304	**266**
Percentage of total revenues from products containing minerals from conflict-affected and high-risk areas		Non-consolidated	%	3.12	3.12	3.32	2.99	**2.85**
Percentage of revenues from products containing minerals from conflict-affected and high-risk areas coming from suppliers that have been verified conflict-free		Non-consolidated	%	100	100	100	100	**100**
Community participation and development								
Amount spent on social contribution activities		Consolidated	millions of yen	81	119	114	103	**122**
Quality								
QC Circle Convention		Consolidated	Circles	–	–	–	1,277	**1,621**
Quality awards from customers		Non-consolidated	Cases	–	–	–	23	**13**

*1 Excludes ISO-based quality, environmental, and safety training, as well as Purpose and Values related programs conducted since FY2023, from tiered training and development and specialized training
*2 Includes the Human Resource Development Program and Purpose and Values training and related programs
*3 Number of casualties and rate of lost-time injuries and accidents per million working hours
*4 Severity of injuries represented by the total number of workdays lost per 1,000 working hours
*5 Ministry of Health, Labour and Welfare 2024 Occupational Accident Trend Survey
*6 Including contractors

Governance

Corporate Governance

Basic Concept

The NOK Group is not only committed to fostering economic and social development through fair competition and value creation, but also to instilling pride in all stakeholders, enabling them to pursue their shared dreams.

We aim to be a valuable presence in society at large. To achieve stable, long-term growth and secure consistent profitability, we are actively executing our management plans.

Accordingly, the NOK Group positions the continuous enhancement of our corporate governance system as one of our key management priorities, and is dedicated to this endeavor.

Corporate Governance System

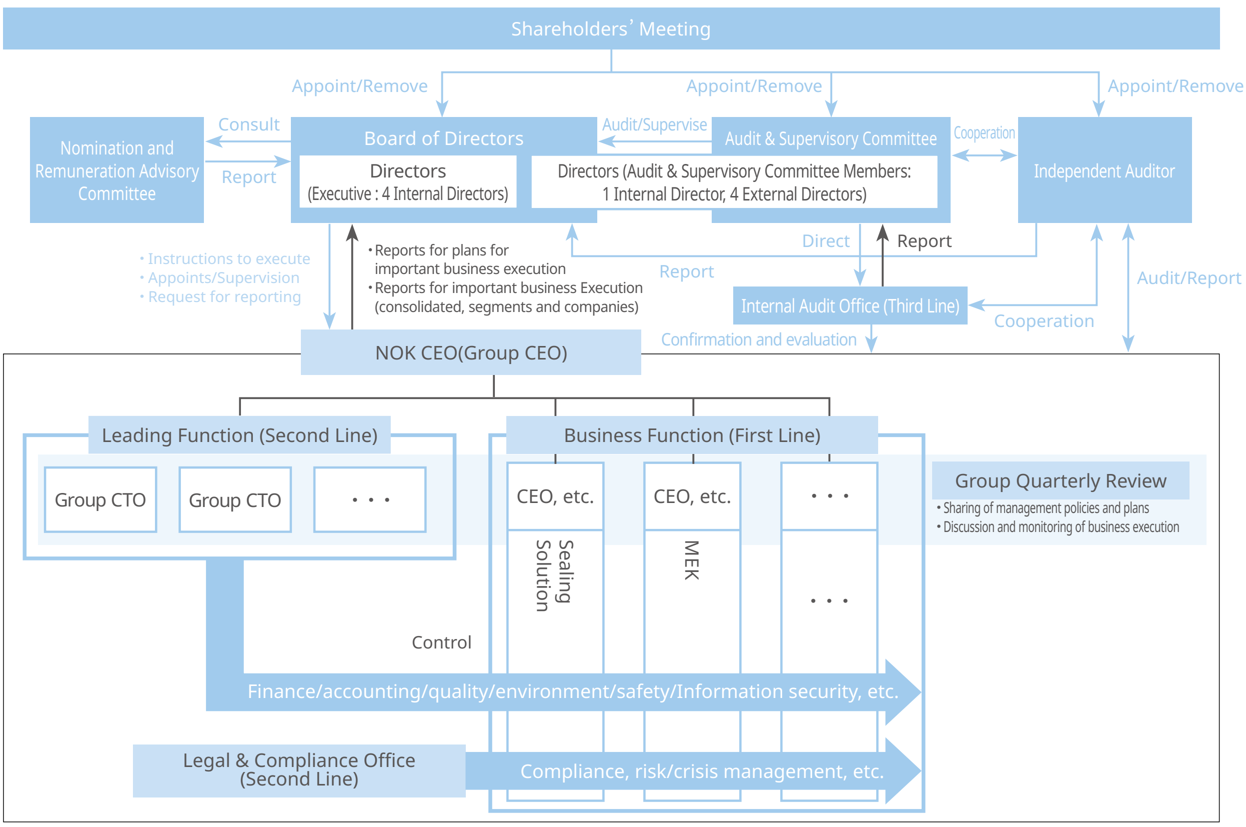
In order to rapidly provide customer-oriented products and services in a fast-changing business environment shaped by new technologies and shifting user needs, the Company has established an efficient and agile business execution structure. In June 2024, we transitioned to a company with an Audit & Supervisory Committee system to enable the Board of Directors*1 to focus on determining management policies and plans and overseeing business execution. By delegating some key business decisions to executive directors and further delegating authority for execution to executive officers, we have ensured a clear separation between oversight and execution and enabled quick decision-making. Furthermore, our Audit & Supervisory Committee,*2 composed of a majority of external directors, oversees business execution from an independent standpoint. This ensures a governance system that balances flexible business execution with effective monitoring.

To enhance the objectivity and transparency of executive nominations and remuneration, and to address other key management issues, the Company has established a Nomination and Remuneration Advisory Committee. This committee serves as an advisory body to the Board of Directors, and consists of a chair and a majority of independent external directors. It regularly reviews and advises on crucial matters such as executive nominations and compensation, providing appropriate guidance to the Board of Directors.

In the execution of our business operations, we facilitate prompt decision-making and efficient management for the entire group by appointing executive officers, including CxOs such as the CEO, CFO, and CTO, who are required as a manufacturing corporate group, and by appropriately delegating authority and clarifying operational responsibilities.

*1 The Board of Directors comprises nine directors, including four external directors, and is chaired by the President and CEO. (As of June 30, 2026)
*2 The Audit & Supervisory Committee consists of five directors (including four external directors) who are Audit & Supervisory Committee members, and is chaired by a full-time Audit & Supervisory Committee member. (As of June 30, 2026)

<Corporate Governance Structure Diagram>



Steps to Enhance Corporate Governance

Year and month		Policy	Purpose
2004	Apr.	Established the Corporate Risk Management Office	Prevent and minimize negative impacts on business continuity
	Jul.	Established the Accounting and Audit Division	Establish the Internal Audit Unit
2006	May	Established the Basic Policy for the Internal Control System	Formulate basic policies for the internal control system
		Enacted the NOK Charter of Corporate Behavior	Enact and declare Management Principles, Management Policies, and Principles of Corporate Behavior
	Aug.	Enacted the Behavioral Guidelines Concerning Employee Compliance	Enact and disseminate guidelines on matters for employees to comply with
		Compliance Rules established	Establish provisions for compliance with laws, regulations, and company rules
2007	Mar.	Established the Risk Management Regulations	Establish provisions for responding to business risks and emergencies
	Oct.	Established the Internal Control Subsidiary Management Rules	Prescribe instructions to subsidiaries and ensure compliance by subsidiaries
		Established the Internal Control Rules for Financial Reporting	Prescribe methods for developing and evaluating internal controls over financial reporting
2008	Jan.	Established the Internal Control Audit Committee	Audit and maintain the state of the internal control system
2009	Jun.	Introduced the Executive Officer System	Separate management oversight and executive functions, and establish an agile management framework
		Shortened directors' terms of office to one year	Separate management oversight and executive functions, and establish an agile management framework
		Revised the executive compensation system	Introduce a long-term performance-based and performance-linked compensation system
2013	Jul.	Established internal control rules	Consolidate Internal Control Subsidiary Management Rules and other internal control-related rules
2015	Jun.	Established the Risk Management Committee	Minimize risk probability and losses through cross-organizational verification and evaluation
		One external director took office	Strengthen the management oversight function
2016	Apr.	Established a domestic whistle-blowing system (that covers domestic Group Companies)	Build a Group-wide whistle-blowing framework via internal and external hotlines
	May.	Started assessing the effectiveness of the Board of Directors	Improve the effectiveness of the Board of Directors
	Jun.	Increased the number of external directors to two	Strengthen the management oversight function
	Oct.	Established the CSR Committee	Raise the awareness of CSR throughout the Company and promote effective CSR activities
		Established the Central BCM Committee	Increase the effectiveness of the business continuity plan and help to improve corporate value
2017	Jan.	Seal Segment BCM Committee established	Build and maintain the BCM within the segment as a sub-organization of the Central BCM Committee
	Mar.	Electronic Segment BCM Committee established	Build and maintain the BCM within the segment as a sub-organization of the Central BCM Committee
2019	Jan.	Established the Business Continuity Management Rules	Provide a business continuity management system
	Jul.	Established the Management Oversight Council (composed of the President and Representative Director, external directors and auditors)	Check, assess, and advise on key management issues and serious risks
2020	Oct.	Expanded the internal reporting system (China Group companies excluding Taiwan and Hong Kong)	Strengthen the reporting framework by expanding the establishment of some whistle-blowing desks at overseas bases
2021	May.	Established the ESG Committee	Promote the Company's continued sustainable growth and the implementation of responsible initiatives
2022	Mar.	Expanded and introduced a whistle-blowing system (Asian Group Companies outside mainland China)	Strengthen the reporting framework by expanding the establishment of some whistle-blowing desks at overseas bases
	Jun.	Established the Internal Audit Department	Establish a specialized department for internal control audits
		Formulated whistle-blowing regulations	Formulate regulations in compliance with the revised Whistleblower Protection Act
2023	Apr.	Formulated NOK Group Anti-Bribery and Anti-Corruption Policy	Take actions and reinforce framework for bribery and corruption prevention
		Formulated basic rules for bribery and corruption prevention	
	Jul.	Changed our Risk Management Committee Structure	Strengthen our systems to address risks throughout the Group
	Oct.	Established the Sustainability Committee	Promote sustainability initiatives across the Group
2024	Jun.	Transitioned to a Company with an Audit & Supervisory Committee	Establish a governance system that combines flexible business execution and monitoring
		Established Internal Audit Office	Establish an Internal Audit Department under the direct control of the President, independent of business execution divisions
		Established Nomination and Remuneration Advisory Committee (composed of a representative director and external director and chaired by an external director)	Confirm, evaluate, and advise on important issues and serious risks related to company management, such as nomination and remuneration of officers
2025	Apr.	Established the Legal & Compliance Office	Ensure fairness by establishing the organization as an entity that does not belong to either the Leading Function or the Business Function

Remuneration of Directors

To enhance corporate value over the medium to long term and increase stakeholder satisfaction, the Company has established a remuneration system designed to motivate the management team to achieve their goals. We have put in place stock-based remuneration that varies according to the level of achievement of key performance indicators (KPIs) under the three-year Medium-Term Management Plan. Together with monetary remuneration linked to annual performance targets, this serves as a balanced incentive. Furthermore, directors' remuneration is determined within the maximum aggregate amount approved at the General Meeting of Shareholders.

Remuneration for directors who are not Audit & Supervisory Committee members is determined by the Board of Directors, while remuneration for directors who are Audit & Supervisory Committee members is determined through consultation among those directors, with transparency ensured in each case.

Composition of Officers

Our Articles of Incorporation stipulate that the Company shall have no more than 11 directors. Any amendments to the Articles of Incorporation, including changes to the maximum number of directors, are subject to shareholder approval.

(As of June 30, 2026)

Position	Unit	Total	Gender		Classification	
			Male	Female	Internal	External
Directors	persons	9	8	1	5	4
Executive Officer*	persons	15	14	1	15	0

* Figures for executive officers do not include those concurrently serving as directors.

Board of Directors and Skills Matrix*

Classification	Name	Gender	Years In position	Skills possessed							
				Corporate management	Group strategy	Business (production/ Sales) strategy	Technology strategy	Financial, accounting, and capital policies	New business	Compliance/ Risk management	Sustainability
Executive Directors	Masao Tsuru	Male	6	○	○						
	Junichi Orita	Male	5	○		○					
	Chikashi Takeda	Male	1	○				○			
	Yuki Sato	Male	2				○		○		
Non-executive Directors	Kazushige Hayashi	Male	0					○		○	
Independent Directors	Makoto Fujioka	Male	10	○							○
	Naoki Shimada	Male	4	○	○						
	Motoko Imada	Female	2	○					○		
	Atsushi Kajitani	Male	2	○						○	

* The above list highlights up to two key areas specifically expected of each person and does not indicate all areas of their knowledge or experience.

Item		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Composition of Management Oversight Council (advisory body for nominations, remuneration, etc.)	Representative Director	Persons	2	2	2	2	2
	Directors	Persons	0	0	0	0	0
	External Directors	Persons	2	2	2	3	3
	External Auditors	Persons	1	1	1	—	—
Management Oversight Council (advisory body for nominations, remuneration, etc.)	Number of meetings held	Sessions	2	2	2	2	2
	Average attendance rate	%	100	100	100	100	100
Composition of Board of Directors	Directors	Persons	8	9	9	9	9
	Of which, the number of external directors	Persons	2	2	2	3	3
	Of which, the number of female directors	Persons	0	0	0	0	0
Composition of Board of Statutory Auditors	Auditors	Persons	5	5	5	5	5
	Of which, the number of external auditors	Persons	3	3	3	3	3
	Of which, the number of female auditors	Persons	0	0	0	0	0
Board of Directors	Number of board of directors' meetings held (written resolutions)	Sessions	13(2)	14(2)	12(0)	13(1)	14(1)
	Average attendance rate	%	98.2	100	99.1	100	98.2
Board of Statutory Auditors	Number of meetings held	Sessions	9	12	11	11	12
	Average attendance rate	%	97.8	98.3	100	98.2	100

Item		Unit	FY2024	**FY2025**
Composition of the Nomination and Remuneration Advisory Committee	Representative Director	Persons	1	**1**
	Directors	Persons	0	**0**
	External Directors	Persons	4	**4**
Nomination and Remuneration Advisory Committee	Number of times held	Sessions	5	**5**
	Average attendance rate	%	100	**100**
Composition of Board of Directors	Directors	Persons	9	**10**
	Of which, the number of external directors	Persons	4	**4**
	Of which, the number of female directors	Persons	1	**1**
Composition of the Audit & Supervisory Committee	Directors (Audit & Supervisory Committee Members)	Persons	5	**5**
	Of which, the number of external directors	Persons	4	**4**
	Of which, the number of female directors	Persons	1	**1**
Board of Directors	Number of board of directors' meeting held (written resolutions)	Sessions	12(0)	**18(1)**
	Average attendance rate	%	100	**100**
Audit & Supervisory Committee	Number of board of directors' meetings held (written resolutions)	Sessions	7	**12**
	Average attendance rate	%	100	**100**
Remuneration for Directors (excluding Audit & Supervisory Committee Members)	Directors	Millions of yen	355	**370**
	Of which, the number of external directors	Millions of yen	7	—
Remuneration for Directors (Audit & Supervisory Committee Members)	Auditors	Millions of yen	48	**65**
	Of which, the number of external auditors	Millions of yen	30	**40**
Remuneration for Corporate Auditors	Auditors	Millions of yen	20	—
	Of which, the number of external auditors	Millions of yen	7	—

Compliance

Basic Concept

The NOK Group established the Compliance Rules in 2006, based on the NOK Charter of Corporate Behavior, which mandates compliance with applicable laws, regulations, internal rules, and business partner agreements. To provide clear, actionable guidance on these regulations, the Company instituted the Behavioral Guidelines on Employee Compliance. This document outlines specific standards that employees must uphold during business activities, and the Group ensures thorough awareness across all personnel. Any compliance violations subject the involved parties to disciplinary action under internal company regulations. Furthermore, compliance performance is directly integrated into employee evaluations to reinforce deterrence against misconduct.

Behavioral Guidelines Concerning Employee Compliance

For further details, please refer to the NOK corporate website:
https://www.nokgrp.com/en/sustainability/esg_strategy/#5

Promotion System

The Risk Management Committee, chaired by the Group CEO, establishes compliance policies. It also reviews compliance-related events and issues.

Based on these policies and outcomes, the Compliance Promotion Subcommittee, as part of the Risk Management Committee, works to prevent legal risks globally across the Group. It promotes compliance measures and considers steps to prevent recurrent legal violations, striving for thorough compliance. Furthermore, to strengthen compliance across the Group, each department in charge of specific laws and regulations promotes activities in their area of responsibility, based on the Compliance Rules. These departments also serve as contact points for reporting and consultation.

Training Activities

The NOK Group has designated every October as Compliance Promotion Month. During this period, we conduct a compliance awareness survey for all employees in Japan and overseas. We aim to regularly instill and reinforce company compliance policies. The Company also provides compliance training as part of the training for new employees and newly appointed managers. We have created educational materials for all employees titled "Introduction to Compliance" (Japanese, English, Chinese, Thai, Vietnamese, Indonesian, and Portuguese) and regularly distribute articles titled "Encouraging Compliance" to continuously promote awareness about compliance.

Compliance Education Program	Implementation period	Target Audience	Measures & Objectives
Training for new employees	When joining the company (April)	New employees	Acquisition of foundational compliance knowledge
Organizational Management Training	When appointed (twice a year)	Newly appointed managers	Acquisition of compliance knowledge necessary for labor management
Management training for seconded employees	When seconded (once a year)	Newly seconded officers	Acquisition of internal control and compliance knowledge
Group legal training	Once a year	Group company officials	Acquisition of compliance knowledge required for work
Compliance Promotion Month	Every October	All group officers and employees	Compliance awareness surveys, comprehension tests, etc. Education via compliance primers and educational databases
Distribution of compliance articles	Four times a year	All group officers and employees	Acquisition of knowledge on laws and regulations by theme and improvement of compliance awareness

Reporting and Consultation Desk and Whistle-Blowing Hotline

The NOK Group has established the NOK Group Reporting and Consultation Desk and Whistle-Blowing Hotline to facilitate the early detection and remediation of compliance violations. NOK Group employees can contact the Reporting and Consultation Desk if they notice an illegal act or violation or if they are unsure whether an action counts as an illegal act or violation. If the violation continues even after the report to the Reporting and Consultation Desk or if it is difficult to report it, the Company has established a system whereby employees can contact the Whistle-Blowing Hotline. The Whistle-Blowing Hotline consists of the internal contact (Legal Affairs Department) and independent lawyers. Reports can be made anonymously, if they are objective and specific.

Moreover, whistleblowers are protected from retaliation under the Whistle-Blowing Rules. Whenever a report or consultation is received, the Company takes appropriate action, such as investigating and correcting the situation in question. Informants are promptly notified of the investigation results in a manner that takes into consideration the credibility, integrity, and privacy of the respondent and persons cooperating in the investigation. Following the completion of an investigation, we take steps to confirm that neither the informant nor cooperating parties have been subject to retaliatory treatment.

We provide regular training to all NOK Group employees, with a view to raising awareness of our whistle-blower system and promoting understanding of the Whistleblower Protection Act.

Regarding overseas sites, a Whistle-Blowing Hotline has been set up (in and outside of the Company) at 12 Group companies in China. Furthermore, we have expanded and established whistle-blowing hotlines at 32 Group companies in the rest of Asia to strengthen our global whistle-blower system.

Prevention of Corruption and Bribery

The NOK Group declares in the NOK Charter of Corporate Behavior that it will maintain "fair, transparent, and free competition, appropriate business transactions, and sound and normal relations with political and administrative authorities," and that corruption and bribery are prohibited.

As a signatory to the United Nations Global Compact, the NOK Group respects the Ten Principles of the United Nations Global Compact and has established the NOK Group Policy on Prevention of Corruption and Bribery to further promote measures to prevent corruption and bribery. In the event of a violation of the Group's anti-corruption policy, the Risk Management Committee is primarily tasked with taking response measures. The Whistle-Blowing Hotline also accepts information on violations of anti-corruption rules. The Internal Audit Department also conducts anti-corruption audits of all domestic and international divisions and Group subsidiaries. Based on the results of each audit, it identifies any anti-corruption risks in the business and reports its findings to the Audit & Supervisory Committee and to the Board of Directors.

NOK Group Policy on Prevention of Corruption and Bribery

For further details, please refer to the NOK corporate website:
https://www.nokgrp.com/en/sustainability/esg_strategy/#6

Anti-Corruption Initiatives

●Management of Donations and Grants

In accordance with the Basic Regulations for the Prevention of Corruption and Bribery, the Company prohibits, in principle, the provision of benefits, donations, and grants to domestic and foreign public officials and others. The Company has established "Guidelines Concerning Provision of Benefits to Public Officials, etc." and "Guidelines Concerning Donations and Grants to Public Officials, etc." to prevent improper outflow of funds by requiring that any exceptional donations or contributions be subject to prior approval procedures.

●The appointment and renewal of agents, consultants, and other representatives are subject to approval by the head of the legal division following due diligence conducted in accordance with the "Guidelines for the Appointment of Agents, Consultants, etc. for Public Officials, etc." based on the Basic Regulations for the Prevention of Corruption and Bribery. In the event that the Company becomes aware of any corrupt practices or suspected misconduct by agents, consultants, or other third parties, a framework is in place to take prompt and appropriate action pursuant to the Risk Management Regulations.

Item	Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Serious legal violations	Consolidated	Cases	0	0	0	0	**0**
Amount of fines for legal violations	Consolidated	Yen	0	0	0	0	**0**
Anti-corruption violations	Consolidated	Cases	0	0	0	0	**0**
Amount of fines for Anti-corruption violations	Consolidated	Yen	0	0	0	0	**0**
Violations of the Code of Conduct other than above	Consolidated	Cases	4	4	10	5	**13**
Number of cases relating to human rights violations and harassment	Consolidated	Cases	1	2	3	1	**0**
Number of cases relating to privacy (including customer personal information)	Consolidated	Cases	0	0	0	0	**0**
Number of information leaks (excluding the above)	Consolidated	Cases	—	—	—	0	**0**
Number of cases relating to conflicts of interest	Consolidated	Cases	0	0	0	0	**0**
Number of cases relating to insider trading	Consolidated	Cases	0	0	0	0	**0**
Others	Consolidated	Cases	3	2	7	4	**13**

Spending on Political Organization	Scope of coverage	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Lobbying activities	Consolidated	Yen	0	0	0	0	**0**
Political activities	Consolidated	Yen	0	0	0	0	**0**
Other political contributions	Consolidated	Yen	0	0	0	0	**0**

Amount of payments to major industry groups (membership fees)	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Japan Business Federation	Yen	—	—	3,300,000	3,470,000	**3,470,000**
Japan Auto Parts Industries Association	Yen	—	—	3,900,000	3,900,000	**3,900,000**
Tokyo Chamber of Commerce and Industry	Yen	—	—	1,120,000	1,120,000	**1,120,000**

Risk Management

Basic Concept

NOK's Risk Management Regulations stipulate the basic policy and management framework for risk management across the entire Group. Based on these regulations, the Company has established a Risk Management Committee chaired by the Group CEO to promote risk management for the Group. We classify risks that could potentially affect the management of the Company into the following two categories and manage them accordingly.

• Business strategy risk

Risks for which returns should be maximized while maintaining an appropriate balance with risk in order to enhance corporate value

• Risk of loss

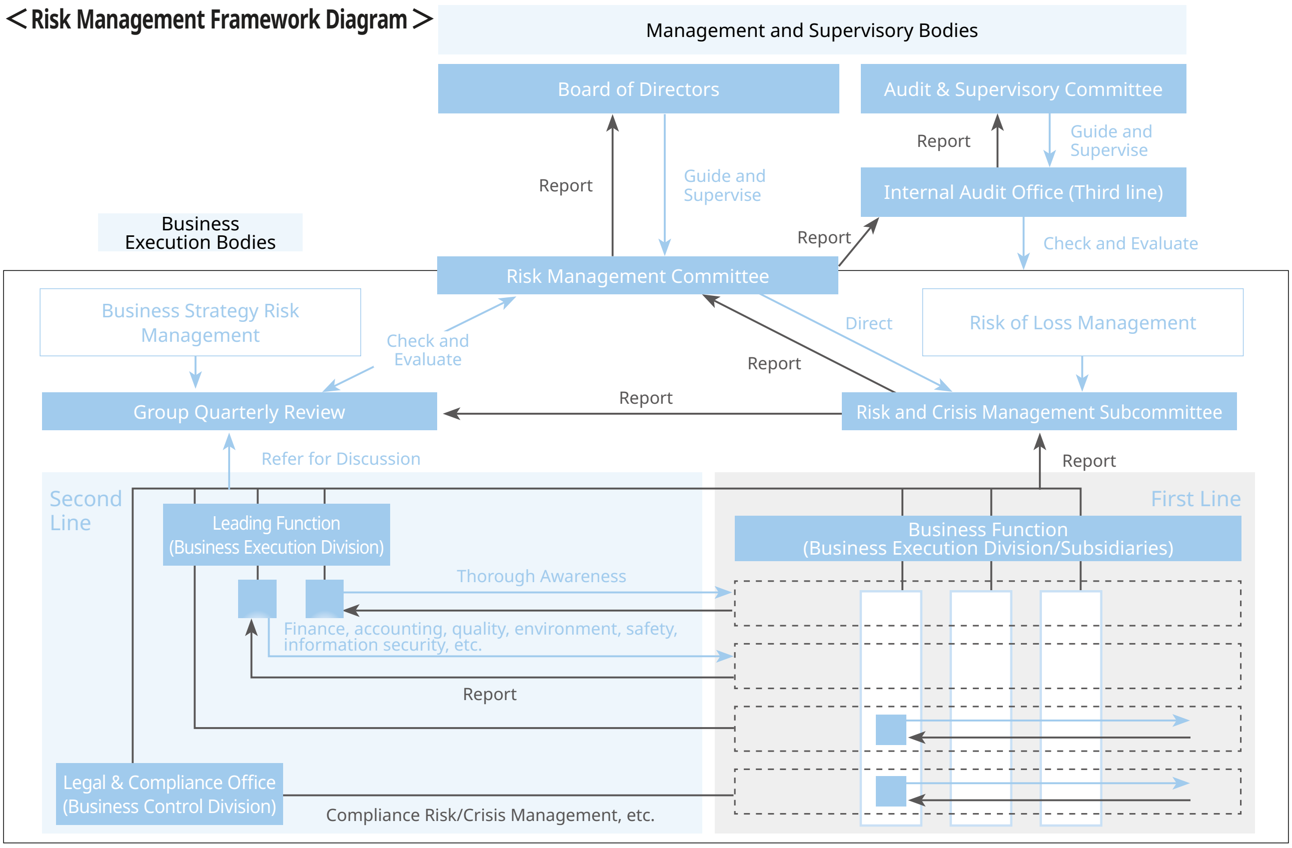
Risks for which efforts should be made to prevent occurrence or minimize the probability of occurrence and the scale of losses in order to maintain corporate value

For business strategy risks, the Risk Management Committee meets three times a year to identify such risks in Group company operations and new projects. These risks are also discussed every month in the Committee's Group management strategy meetings and in committee meetings dedicated to specific topics so that returns can be maximized in a timely and appropriate manner. For risk of loss, the Risk and Crisis Management Subcommittee has been established under the Risk Management Committee and identifies and analyzes such risks across the Group every six months. It then quantifies these risks by evaluating their likelihood and impact, materiality and urgency, and ranks them in order of priority. Finally, it reviews required actions and countermeasures.

Risk Management Framework

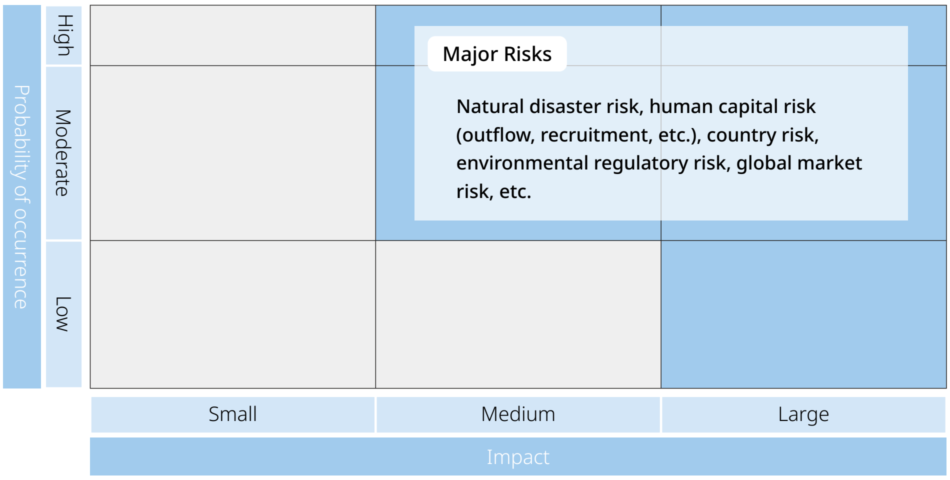
To strengthen the company-wide risk management framework, we utilize a coordinated Three Lines Model with clearly defined roles. First, the risk owners in each business execution division are responsible for day-to-day risk management (first line), and the Leading Function, which is the division responsible for operational control, promotes company-wide risk management (second line). The Internal Audit Office then monitors the promotion status and systems from an independent perspective (third line) to ensure an effective risk management system. Discussions at the Risk Management Committee are reported to the Audit & Supervisory Committee (including external directors), which is composed of directors who do not engage in business execution. Through this process, we obtain opinions on risk management methods and areas for improvement, which are then utilized in risk management measures.

＜Risk Management Framework Diagram＞



Major Risks and Countermeasures

We conduct periodic risk reviews through interviews with the risk owners of each business execution division. Identified risks are classified and evaluated in terms of their likelihood of occurrence and potential impact.



Major Risks	Human capital risk (outflow, recruitment, etc.)	Environmental Regulatory Risk
Contents	Intensifying competition for recruiting workers in the manufacturing industry due to the shrinking labor force resulting from Japan's declining birthrate and aging population	Strengthening of regulations on environmentally hazardous substances in various countries and tightening of emission regulations for production sites
Probability of occurrence	Medium	Medium
Impact	Large	Large
Effect	• Difficulty maintaining domestic production sites due to labor shortages • Decline in quality and competitiveness due to disruptions in the transfer of technical skills/expertise • Increased recruitment and training costs	• Increase in operating costs due to regulatory compliance • Environmental pollution and health hazards due to environmental accidents • Fines for regulatory violations and loss of public trust
Countermeasures	• Visualize the human capital portfolio. Formulate medium- to long-term recruitment strategies and promote effective recruitment activities • Improve productivity and accelerate labor-saving initiatives through automation and digital transformation (DX) promotion • Prevent employee turnover and promote diverse work styles through initiatives to improve employee engagement	• Strengthen systems for continuously monitoring global regulatory trends and other developments • Visualize environmental regulatory risks across the entire group and establish a management system • Install emission control equipment through environmental investment

Emerging Risks

We regularly identify and manage significant emerging risks that could have an impact over the medium to long term (three to five years). Although these risks are unlikely to have an immediate material impact on our business, their potential consequences remain uncertain. We therefore monitor them proactively at an early stage and implement preventive mitigation measures.

	Country Risk	Decarbonization Regulation Risk
Risk Details (Contents)	Natural disasters, political instability, escalating trade friction, and changes in country-specific laws and regulations in countries and regions where the NOK Group operates	Introduction and strengthening of decarbonization regulations in countries around the world in response to the global trend toward decarbonization
Business Impact	• Suspension of operations and revenue declines due to supply chain disruptions • Adverse impacts on business continuity due to damage to assets and import/export restrictions • Risks related to ensuring the safety of expatriate employees and their accompanying family members	• Since approximately 90% of the NOK Group's CO_2 emissions stem from power consumption, the imposition of a carbon tax on electricity costs will increase operating costs. • Loss of market share due to delays in complying with emissions regulations
Mitigation Measures	• Strengthen systems for collecting and analyzing geopolitical and disaster-related information • Establish local production and sales systems based on local production for local consumption • Secure alternative materials and supply routes in advance • Introduce a system for monitoring the safety of overseas assignees and business travelers in real time	• Steadily implement the carbon neutrality (CN) roadmap based on the NOK Twin Green Plan 2030 • Expand the adoption of renewable energy and utilize CN fuels • Achieve structural reductions in electricity consumption through innovation in manufacturing processes (introduction of energy-saving technologies)

Risk Management Initiatives

Risk Management Process Audits

The status of risk identification (methods and results), risk assessment (materiality assessment), and responses to material risks is reported once a year to the Audit & Supervisory Committee, which includes four external directors.

With regard to internal audits, functional audit items are selected based on the status of operational risk management and the occurrence of new risks reported by each division to the Internal Audit Office.

Audit results are regularly reported to the Audit & Supervisory Committee and are used to improve the risk management system.

Risk Management Training

To strengthen risk management throughout the Group, we conduct e-learning on compliance for all employees. In addition, guidelines are distributed to new directors, both internal and external, for the purpose of risk management education. This enables management, including external directors, to gain a deeper understanding of risks specific to the Group and establishes a framework for appropriate decision-making and oversight.

Product Risk Assessment

We incorporate risk criteria into the product development process to assess impacts on health and the environment. When new chemical substances are used, we evaluate their safety, toxicity, environmental impact, legal compliance, etc. from various angles, and establish our own management categories for each substance, such as prohibition, reduction, and control, to build an appropriate management system to prevent contamination with substances of environmental concern. This prevents environmentally hazardous substances from entering or leaking into our products and manages product risks such as environmental and health hazards and regulatory non-compliance.

Crisis and Risk Categories That May Significantly Impact Company Management

Risks of loss are categorized as follows based on the type of crisis that may significantly impact company management and its cause.

Types of crises	Causes	Risk categories
Operational shutdown	Fire, explosion	• Disaster risk • Credit risk • Country risk
	Natural disasters (earthquakes, floods, volcanic eruptions, etc.)	
	Infectious disease outbreaks	
	Disruption or suspension of raw material supply	
	Cyberattacks	
	Unlawful interference with business	
	Disruption of critical infrastructure	
Legal violations, etc.	Judicial risks (e.g., crime, unlawful profit sharing)	• Legal risk • Credit risk
	Taxation (violation of tax laws, etc.)	
	Companies Act, Financial Instruments and Exchange Act (Shareholder derivative lawsuits, etc.)	
	Environment (pollution, etc.)	
	Labor laws (violation of Labor Standards Act, harassment, etc.)	
Work-related fatalities, severe injuries, or risk thereof	Industrial accidents	• Disaster risk • Country risk
	Traffic accidents	
	Natural disasters (earthquakes, floods, volcanic eruptions, etc.)	
	Fire, explosion	
	Overseas armed conflict, riots, terrorism, kidnapping, etc.	
Lawsuits		• Legal risk
Other material operational risks	Loss, leakage of key confidential information	• Credit risk
	Occurrence of serious quality issues	• Credit risk
	Other	• Various risks

Business Risks

1. Business strategy risk	
Business risk	**(1) Dependence on customer performance** The bulk of the Group's business is the manufacture and sale of seal products and electronic products. In these fields, our major clients are leading domestic and foreign manufacturers of automobiles, construction machinery, and electronic devices. Sales to such client companies may be affected by factors beyond the Group's control, such as the companies' business performance and unforeseen changes in contracts. A decline in sales to such customers may affect the Group's operating results and financial position. The Group aims for a balanced customer portfolio and strives to minimize the risk of sales declines to client companies.
Business risk	**(2) Alliances with other companies** The Group engages in various alliances with other companies in developing its business. However, the Group's operating results and financial position may be affected by factors beyond its control, such as the dissolution of such alliances due to the changing circumstances of partner companies. In particular, since 1960, the Company has been in a capital and technical alliance with Freudenberg in Germany. Freudenberg (including its group companies) has played an important role as a partner company in the business development of our Group. The Group's relationship with Freudenberg has continued since our alliance began in 1960, and we expect the alliance will remain stable going forward. However, should there be a change in the relationship with Freudenberg, Freudenberg's business strategy, or some other change, this may affect the business of the Group.
Investment risk	**(1) Impact of changes in demand trends** Our mainstay products, including oil seals, are primarily used in internal combustion engines. Fuel cell and electric vehicles have also entered the automotive market in recent years. Anticipating the future spread of such vehicles, the Group is also promoting R&D into new products that can be installed in the vehicles. At present, however, it is difficult to foresee the impact that the spread of fuel cell and electric vehicles will have on the Group's operating results and financial position. Moreover, as the trend toward the commoditization of automobiles, construction equipment, electronic device products, and office equipment grows, the number of local manufacturers in emerging countries has increased. Going forward, mounting competition may cause prices to decline, which may affect the Group's operating results and financial position.
Market risk	**(1) Impact of exchange rate fluctuations** With overseas sales accounting for roughly 70% of Group consolidated net sales in the fiscal year under review, exchange rate movements in various regions may affect the Group's operating results and financial position. For this reason, we hedge risks by means of foreign exchange forward contracts. However, as such contracts do not necessarily avoid exchange rate risks entirely, exchange-rate fluctuations may have an impact on the Group's operating results and financial position.
Market risk	**(2) Impact of interest rate fluctuations** The Group raises funds in consideration of the need for funds, the means of funding, and financial conditions. Fluctuations in interest rates on funding stemming from changes in financial conditions may affect the Group's operating results and financial position.
Market risk	**(3) Impact of stock market trends** Domestic and overseas stock market trends affect the valuation of investment securities held by the Company and the investment status of the Group's pension assets. A downturn in the stock market could subject investment securities to valuation losses, cause a decrease in pension assets, and increase the Company's financial obligations.
Market risk	**(4) Fluctuations in raw materials costs** The costs of steel sheets, synthetic rubber, copper foil, resin films, gold, and other products that are the main raw materials for Group products fluctuate in line with supply and demand. As these fluctuations in raw materials costs are not always immediately reflected in product prices, they may affect the Group's operating results and financial position. Given such fluctuations in raw materials costs, the Group is seeking a broad range of business partners in Japan and worldwide to ensure a stable, continuous supply of raw materials.
2. Risk of loss	
Legal risk	**(1) Impact of legal regulations** The Group is subject to various laws and regulations in the various countries where it operates. We are working to develop internal regulations and manuals that conform to such laws and regulations, foster and thoroughly instill awareness of compliance through various types of education, and build a framework for collaboration with outside experts. However, if such laws and regulations are revised or made more stringent going forward, the additional costs incurred in complying with new regulations may affect the Group's operating results and financial position.
Legal risk	**(2) Risks related to lawsuits and other legal proceedings** When doing business in various countries, the Group establishes frameworks for Group internal control and collaboration with outside experts and hedges risks by taking out various types of insurance. However, we may become a party to lawsuits, regulatory action, or other legal proceedings. If fines or restrictions on business execution are imposed on the Group as a result of such proceedings, this may affect the Group's operating results and financial position.
Legal risk	**(3) Impact of intellectual property infringement** The Group protects its proprietary technology by obtaining patent rights and other intellectual property rights, and is also attentive to preventing infringement on the intellectual property rights of third parties. However, if the inability to adequately guard the Group's intellectual property rights due to factors such as disparities in country circumstances results in lower sales or in litigation costs, or if Group products unintentionally infringe on the intellectual property rights of other companies, resulting in the need to suspend sales or pay compensation, this may affect the Group's operating results and financial position.
Legal risk	**(4) Impact of environmental regulations** The Group complies with environmental laws and regulations at its various sites and takes necessary measures to address the environmental demands of customers. In the future, however, laws and regulations or customer demands may become more stringent, the Group may bear additional environmental responsibilities, and business activities may be restricted. If responding to such developments incurs a sizable cost, this may affect the Group's operating results and financial position.
Country risk	**(1) Political and economic conditions** The Group operates in Japan, North America, Europe, China, and other Asian countries. Therefore, shifts in political and economic conditions in the countries and regions where the Group manufactures and sells products may affect the Group's operating results and financial position.

2. Risk of loss	
Disaster risk	**(1) Natural disasters, etc.** The Group's production and distribution activities may be disrupted by earthquakes, typhoons, floods, volcanic eruptions, and other natural disasters, fires and other accidents. To prepare against such eventualities, we are striving to minimize business continuity risks by decentralizing production sites and putting safety measures in place. We also hedges financial exposure through various types of insurance. However, it may not be possible to entirely prevent or mitigate the occurrence of such events, which may affect the Group's operating results and financial position.
	(2) Infectious diseases, etc. To prepare against situations in which an outbreak of infectious disease or other pandemic hinders production and transportation activities, the Group is striving to minimize business continuity risks by decentralizing production sites and putting safety measures in place. In particular, we have taken various measures to minimize the impact of COVID-19 since its global outbreak in 2020. Measures include drafting a response manual, allowing employees to work remotely and follow staggered working hours, and using remote working tools to create an environment where work can continue. There are signs that the pandemic is subsiding, as countries reassess their handling of the disease. However, if there is a resurgence in new infections or the pandemic is prolonged, the economic or business environment of the Group may deteriorate, which may affect the Group's operating results and financial position.
Credit risk	**(1) Impact of information leaks** In the conduct of business, the Group comes into possession of technical information, personal information, and other confidential information. The Company has established an internal framework and procedures to prevent leaks of such information. However, in the event that information is leaked due to unforeseen circumstances, this may affect the Group's operating results and financial position.
	(2) Impact of cyberattacks, etc. The Group makes use of outside organizations and other resources to investigate and implement preventive measures against operational shutdowns, loss of key data, and information leaks due to malicious cyberattacks. However, cyberattacks using unknown methods may affect operations.
	(3) Impact of product quality issues The Group manufactures products in accordance with globally recognized quality control standards at its various production sites. However, entirely eliminating product quality defects due to unpredictable causes is difficult. In the event of a product defect that leads to a large-scale recall or product liability, the significant cost of the response and the reputational damage may affect the Group's operating results and financial position.

Responding to Disaster Risk

Business Continuity Management (BCM) System

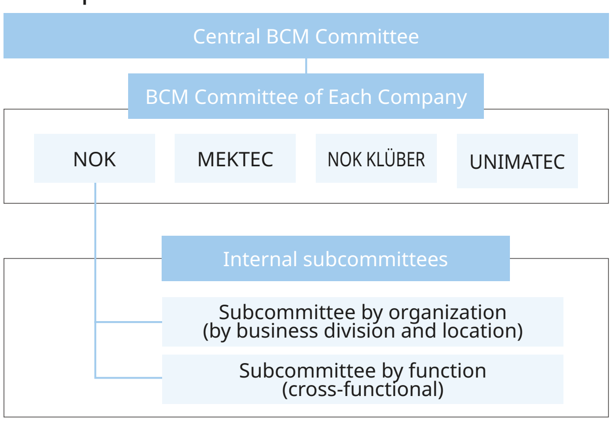
Regarding business risks and emergencies, NOK defines natural disasters, fires, explosions, serious accidents, the infectious disease outbreaks, IT infrastructure outages, and the like as "events that interfere with business continuity." The Company has established the Business Continuity Management System to ensure employee safety and fulfill our responsibility to maintain supply in the event of such an occurrence.

To promote BCM activities across the Group, the Company has established the BCM Committee as a standing committee. Under a management system centered on this committee, we continuously work to formulate, maintain, and update business continuity plans (BCPs); secure the budgets and resources necessary for their implementation; implement preventive measures; conduct education and training; and carry out inspections.

In the event of an emergency*, including a large-scale disaster, the Company immediately establishes an emergency response headquarters at the head office and on-site response headquarters at affected local business sites. Depending on the situation, relevant departments and divisions will work together to deal with the situation promptly and appropriately, from assessing the extent of damage and providing recovery support to providing information to customers.

* Refers to a crisis that has a significant impact on the management of the Company and constitutes a risk of loss that has materialized, as stipulated in the Risk Management Regulations.

<Composition of BCM Committee>



* A subcommittee is established in each segment's BCM Committee

Planning and Promoting Business Continuity Plans (BCP)

NOK will proceed with business continuity measures based on the following basic policy.

1. Prioritize the protection, rescue and safety of human life.
2. Actively support regional recovery as a responsible member of the local community.
3. Minimize the impact on customers and other stakeholders while fulfilling operational responsibilities.

Each business site, including domestic and overseas Group companies, has a BCP that sets out guidelines for action in unforeseen circumstances, emergency response structures, and recovery procedures. At the same time, the Company verifies the plan's effectiveness through training drills and by addressing identified operational issues. It also continues to implement measures to minimize damage, improve emergency communication methods and reporting systems, and reinforce the seismic resilience of our IT infrastructure. We are also working with suppliers to strengthen business continuity across our supply chain.

ESG Assessment for New Businesses and Projects

At the NOK Group, we conduct comprehensive evaluations that include ESG perspectives when undertaking M&A or investing in startups. Besides financial and tax assessments, the Group evaluates business fundamentals, such as corporate culture and business models. We also conduct due diligence focused on ESG factors: the environment, human rights, labor practices, occupational health and safety, compliance, and anti-corruption. The Company has established a system under which projects are initiated only after confirming that there are no material ESG concerns.

Information Security Measures and Cybersecurity Strategy

The NOK Group views the leakage of customer and personal information, as well as the threat of advanced cyberattacks, as significant risks. The Risk Management Committee, chaired by the Group CEO, deliberates on these risks, which the Group recognizes as top management priorities. Based on the results of these deliberations and the resulting policies, we implement countermeasures through a specialized department (the NOK Group IT Division led by the Group CIO).

Following the establishment of the NOK Group Information Security Policy, the Central Information Security Committee (led by the Group CIO) and the information committees within each division and Group company systematically implement response measures within their respective organizations. We will continue to apply the PDCA cycle to maintain and enhance its information security posture.

In addition, we will actively participate in efforts to strengthen information security across the entire supply chain, including initiatives outside the Group, such as those led by industry organizations.

Information Security Incident Response

Information security measures and management practices are outlined in the Information Security Management Regulations. In the event of an information security incident, we will promptly report and escalate the incident in accordance with the Information Security Incident Response Standards and will work to contain the impact and ensure a swift recovery. We also conduct annual incident response drills to verify their effectiveness and to enhance our response capabilities.

NOK identifies IT service outages caused by cyberattacks as a significant risk to business continuity and incorporates this thinking into its annual management plans and countermeasures.

Internal Audit

The Internal Audit Office, which is independent of the business execution divisions, conducts an annual internal control audit of IT and information security to provide assurance regarding the effectiveness of these controls.

Cyber-Attack Response and Education

The NOKG-CSIRT (Computer Security Incident Response Team) was formed in FY2023 to strengthen cybersecurity measures. It has been developing policies and strategies based on the NIST Cybersecurity Framework (CSF)*. Regarding specific implementation, penetration tests are conducted periodically by an external organization that provides services in compliance with the "Information Security Service Standards" established by the Ministry of Economy, Trade and Industry. The Company also conducts vulnerability assessments, scoring and remediating identified vulnerabilities. In addition, continuous vulnerability monitoring is conducted by Attack Surface Management to strengthen security.

We also believe it is important for each employee to improve his or her security awareness and skills, and we provide security training. At least once a year, targeted attack e-mail drills are conducted to familiarize employees with identifying suspicious e-mails associated with cyberattacks and executing appropriate response procedures. We also regularly disseminate information on IT knowledge and security information, such as virus countermeasures and telework information management, to raise awareness.

* The National Institute of Standards and Technology Cybersecurity

Protection of Intellectual Property

Based on the Behavioral Guidelines Concerning Employee Compliance, the NOK Group thoroughly protects its own technological assets and respects the rights of third parties. The Group strives to prevent infringement through continuously monitoring third-party patents, while actively applying for and acquiring intellectual property rights for our own inventions.

We have also set up an Anti-Counterfeit Committee to protect our company brands and are strengthening measures against counterfeit products overseas. In cooperation with local law enforcement agencies and other organizations, we take measures such as identifying manufacturing facilities producing counterfeit goods and removing infringing listings from e-commerce platforms.

Anti-counterfeit Measures

Item		Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Exposing counterfeit manufacturing sites		cases	9	8	6	6	**8**
Deleting online sales sites		cases	5,093	5,284	4,417	4,085	**3,134**
Patents held (non-consolidated)	Domestic	cases	1,265	1,202	1,379	1,311	**1,274**
	Overseas	cases	1,729	1,728	1,959	1,841	**1,517**
	Total	cases	2,994	2,930	3,338	3,152	**2,791**
Patents held (NOK Group)	Domestic	cases	1,170	1,666	1,766	1,781	**1,631**
	Overseas	cases	2,674	2,683	2,772	2,820	**2,284**
	Total	cases	3,844	4,349	4,538	4,601	**3,915**

Tax Policy

For further details, please refer to the NOK corporate website:
https://www.nokgrp.com/en/sustainability/esg_strategy/#8

Business Overview by Country/Region (FY2024, consolidated)

(100 million yen)

Country / Region	Number of employees (persons)	Revenue / Earnings	Earnings Before Taxes	Income taxes payable	Income taxes paid
Japan	10,556	4,830.5	163.0	46.6	194.5
China	11,016	5,797.0	120.0	30.4	35.6
Thailand	6,776	1,074.8	80.7	14.7	11.9
Singapore	315	521.2	46.0	4.9	8.2
Taiwan	1,373	273.4	5.9	0.4	0.8
Vietnam	4,837	403.0	10.8	3.3	3.0
Rest of Asia	2,010	292.6	14.0	4.1	3.8
Europe, the United States, and Other	1,076	838.2	90.5	7.4	5.2

Engaging in Initiatives

The NOK Group actively participates in international frameworks and domestic initiatives to help achieve a sustainable society. Through these collaborative activities, we keep abreast of the latest global developments and partner with diverse organizations to advance our sustainability commitments.

United Nations Global Compact (UNGC)

In April 2021, the NOK Group signed the United Nations Global Compact and joined Global Compact Network Japan (GCNJ). We actively participate in various GCNJ study groups — covering reporting, environmental management, anti-corruption, ESG, human rights due diligence (HRDD), Women's Empowerment Principles (WEPs), and disaster risk reduction (DRR) — to deepen practical expertise and drive meaningful sustainability initiatives.

2026 PARTICIPANT

Our company is committed to upholding the Ten Principles of the **United Nations Global Compact**. Please refer to our **Communication on Progress.**

Japan Climate Initiative

The Japan Climate Initiative (JCI) is a collaborative network of like-minded organizations dedicated to tackling climate change through innovation and strategic partnerships. The NOK Group endorsed the JCI in April 2022 and contributes to policy discussions and recommendations concerning climate action in Japan.

Keidanren Initiative for Biodiversity Conservation

The Keidanren Initiative for Biodiversity Conservation comprises organizations committed to the goals and seven action items set forth in Keidanren's Declaration of Biodiversity and Action Guidelines (Revised Edition). The NOK Group endorsed this initiative in December 2019 and continues to implement multifaceted measures to address relevant issues.

Keidanren's Challenge Zero

Challenge Zero is a flagship initiative led by Keidanren aimed at realizing a net-zero, decarbonized society in the second half of this century. Participating companies submit innovative challenge projects that showcase technology-driven decarbonization solutions. In February 2020, NOK endorsed the Challenge Zero declaration and submitted an initiative focused on advancing toward a hydrogen-based society through advanced component development to support fuel cell adoption.

The Ministry of the Environment's 30by30 Target

The 30by30 Target aims to conserve at least 30% of land and ocean areas as healthy ecosystems by 2030. The 30by30 Alliance for Biodiversity — a coalition of voluntary companies, local governments, and civic organizations — was established to expand protected areas across Japan. The NOK Group joined this initiative in April 2025.

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