

Materiality (Key Issues)

Progress Report for FY2025

June 22, 2026

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Introduction

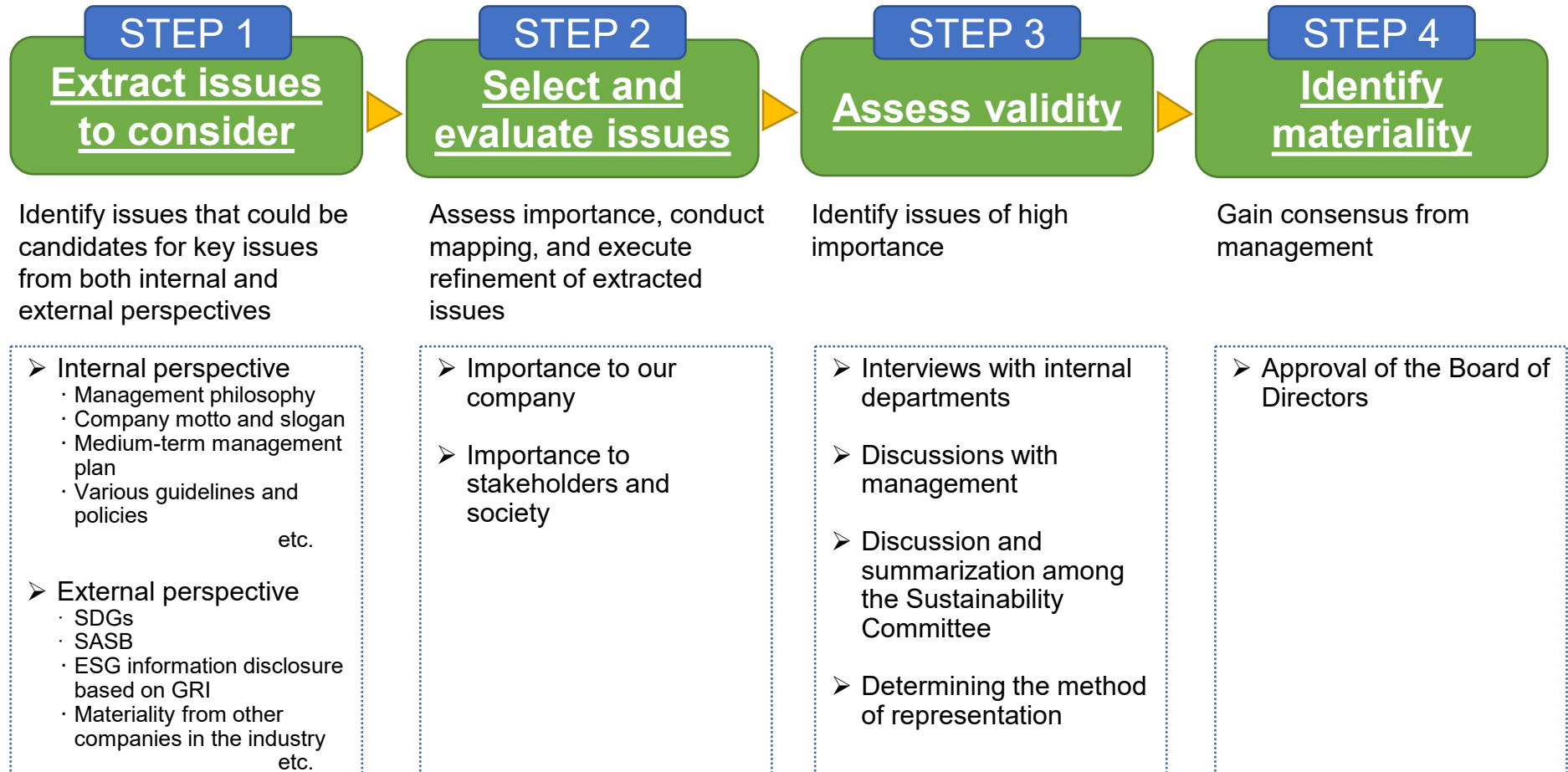
To realize a sustainable society and sustainable corporate growth, we have selected priority issues to be addressed from the viewpoint of their importance to our company's management and the company itself and identified materiality (key issues) based on their importance and impact.

The materiality that our company should address is described later. Our company will proceed with our activities, including the review of each materiality and the formulation of countermeasures and plans, centered around the Sustainability Committee.

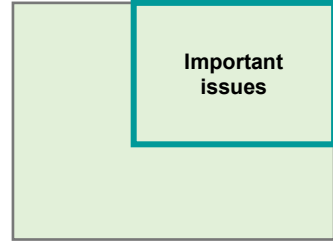
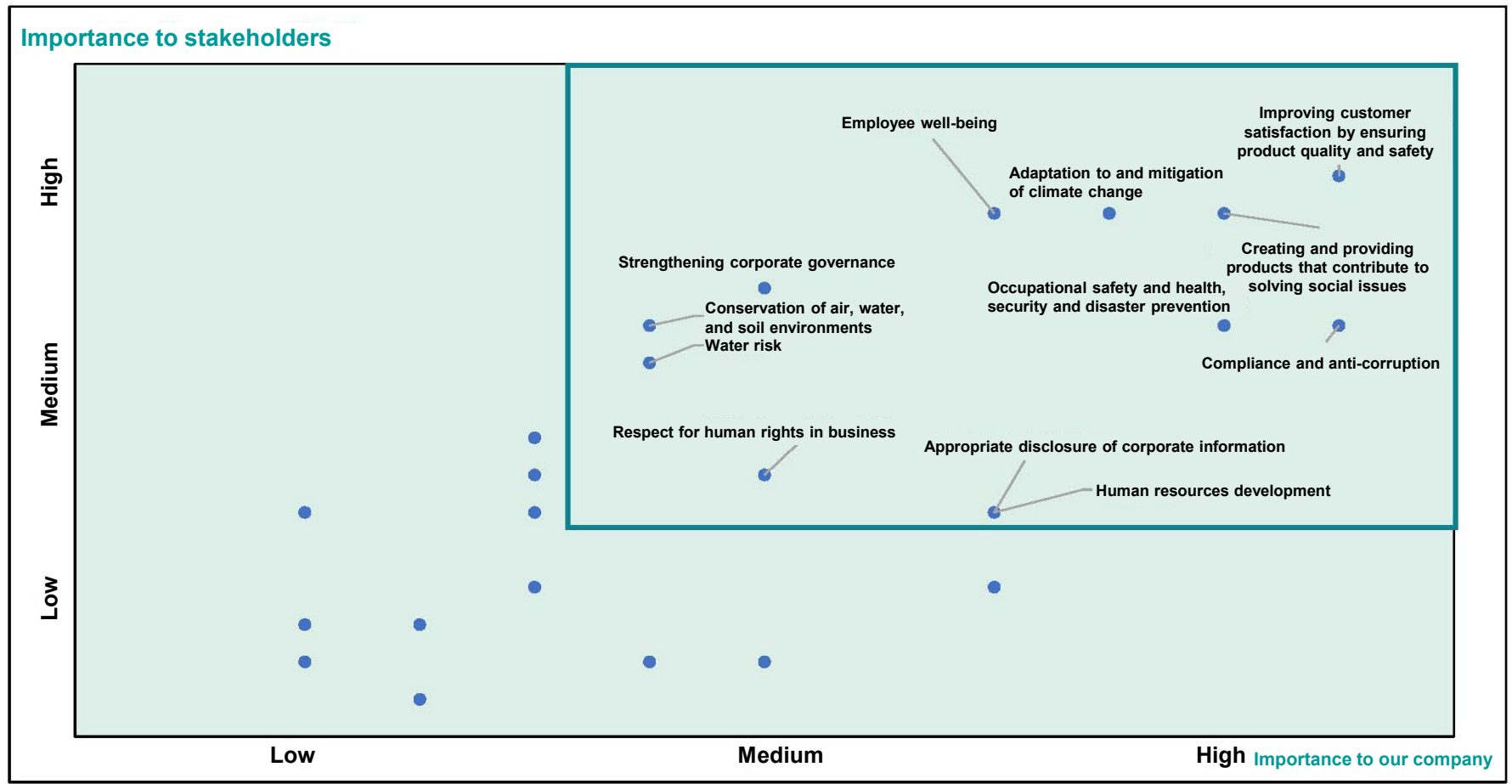


1. Identification Process



In identifying materiality, we extracted social issues based on our corporate philosophy, medium-to-long-term vision, as well as various guidelines and policies, and then extracted target materiality from the perspective of their importance to both stakeholders and our company.






2. Materiality Map



3. Details on Materiality (Key Issues) I


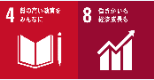
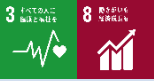
Materiality	Themes/Related SDGs	Desired State	KPI	Target Level	FY2025 Major Achievements and Progress	Evaluation	FY2026 Target Level
Contribute through business	Creating and providing products that contribute to solving social issues 	A state where we engage in creative approaches to next-generation research and development themes to contribute to solving social issues and can provide new products utilizing our cultivated proprietary technologies	<ul style="list-style-type: none"> Investment amount: 1.2 billion yen 	<ul style="list-style-type: none"> Establishment and improvement of enriched boric acid production facilities Increased tin fluoride production 	<ul style="list-style-type: none"> (Already achieved in FY2024) 	Good	
			<ul style="list-style-type: none"> Promotion of next-generation materials development Release of newly developed products 	<ul style="list-style-type: none"> Chemicals that lead to improvements in the semiconductor manufacturing process Materials that contribute to the higher performance of Li-ion batteries Inorganic fluorine compounds or products using fluorine technology 	<ul style="list-style-type: none"> We continued our research on and commercialized highly functional chemicals that contribute to the nanoscale miniaturization and complicated 3D integration of advanced semiconductors. Our developed products are being evaluated by the users who develop all-solid-state batteries. We continued our development of highly functional materials that use inorganic fluorine compounds or fluorination technology based on our proprietary technologies, and pursued new research topics. We continued to provide follow-up support to the users of newly developed products, and entered the consideration phase with a view to mass production. 		
	Improving customer satisfaction by ensuring product quality and safety 	A state where customer satisfaction is improved by the stable supply of high-quality, safe products that capture customer needs	<ul style="list-style-type: none"> Customer satisfaction (quality) Holding safety training sessions with customers 	<ul style="list-style-type: none"> 2024: Customer satisfaction rate of at least 50% as the annual average for the top 20 largest customers 100% compliance with holding safety training sessions based on customer requests 	<ul style="list-style-type: none"> 85% of the top 20 largest customers gave the highest rating in the customer satisfaction (quality) survey in 2025. We responded to 100% of the customer requests for holding safety training sessions. 	Good	<ul style="list-style-type: none"> We aim to receive the highest rating from at least 50% of the top 20 largest customers on an annual average in the customer satisfaction survey. We aim to fulfill 100% of the customer requests for holding safety training sessions.

3. Details on Materiality (Key Issues) I


Materiality	Themes/Related SDGs	Desired State	KPI	Target Level	FY2025 Major Achievements and Progress	Evaluation	FY2026 Target Level
Respond to climate change and conserve the environment	Adaptation to and mitigation of climate change 	A state where we have achieved carbon neutrality by 2050	✓ Reduction of Scopes 1 and 2 emissions	✓ 46% reduction in emissions from FY2013 levels by FY2030	✓ We reduced emissions by 22% in 2025 from FY2013 levels.	Good	✓ 46% reduction in emissions from FY2013 levels by FY2030
	Conservation of air, water, and soil environments 	A state where we have managed and reduced the emission of chemical substances from our business activities and have reduced our impact on the natural environment	✓ Strict observance of legal standards for the prevention of air, water, and soil pollution	✓ Continuation of zero exceedances of legal standards	✓ We achieved zero exceedances of legal standards at 3 major factories through the maintenance and management of facilities and emergency response training.	Good	✓ Continuation of zero exceedances of legal standards
	Responding to water risk 	A state where the efficient use of water is being conducted to improve the quality of water we discharge and reduce water risk	✓ Reduction of water intake	✓ 10% water intake reduction from FY2017 levels at 3 major factories	✓ We reduced water intake by 18.1% in FY2025 from FY2017 levels at 3 major factories.	Good	✓ 10% water intake reduction from FY2017 levels at 3 major factories



3. Details on Materiality (Key Issues) II




Materiality	Themes/Related SDGs	Desired State	KPI	Target Level	FY2025 Major Achievements and Progress	Evaluation	FY2026 Target Level
Create a safe and rewarding environment	Employee well-being 	A state where employees have achieved work-life balance and feel rewarded by their work	<ul style="list-style-type: none"> ✓ Annual paid leave utilization rate ✓ Childcare leave utilization rate ✓ Reemployment rate 	<ul style="list-style-type: none"> ✓ Maintain an annual paid leave utilization rate of at least 80% ✓ A male childcare leave utilization rate of at least 50% ✓ Maintain the current high rate of reemployment after retirement (at least 80%) 	<ul style="list-style-type: none"> ✓ Annual paid leave utilization rate: 84.6% ✓ Male childcare leave utilization rate: 67% ✓ Reemployment rate after retirement: 100% 	Good	<ul style="list-style-type: none"> ✓ Maintain an annual paid leave utilization rate of at least 80% ✓ Male childcare leave utilization rate of at least 50% ✓ Maintain the current high rate of reemployment after retirement (at least 80%)
	Strengthen human capital 	A state where employees' work awareness, knowledge, and skills are being improved through training and certification	<ul style="list-style-type: none"> ✓ Training ✓ Average annual salary (men and women) 	<ul style="list-style-type: none"> ✓ Planned participation in external training and courses, qualification training, and internal training ✓ Maintain a gender gap for total base pay and bonuses of no less than 90% (with regular employment for men set at 100%) 	<ul style="list-style-type: none"> ✓ Training participation rate: 100% ✓ FY2025 gender pay gap indicator (expressed as a ratio of women's pay to men's pay): 88% 	OK	<ul style="list-style-type: none"> ✓ Planned participation in external training and courses, qualification training, and internal training ✓ Maintain a gender gap indicator for total base pay and bonuses of no less than 90% (with regular employment for men set at 100%)
	Occupational safety and health, security and disaster prevention 	A state where employees can work safely and healthily	<ul style="list-style-type: none"> ✓ Work accident rate ✓ Severity rate 	<ul style="list-style-type: none"> ✓ [Accident rate: 1.25] ✓ [Severity rate: 0.08] 	<ul style="list-style-type: none"> ✓ Accident rate: 0.00 ✓ Severity rate: 0.00 	Good	<ul style="list-style-type: none"> ü[Accident rate: 1.25] ü[Severity rate: 0.08]

3. Details on Materiality (Key Issues) II

Materiality	Themes/Related SDGs	Desired State	KPI	Target Level	FY2025 Major Achievements and Progress	Evaluation	FY2026 Target Level
Respect for human rights	Respect for human rights in business 	A state where we respect human rights in the operation of our business and do not engage in unjust discrimination based on race, gender, ethnicity, nationality, or any other grounds, including among our suppliers	<ul style="list-style-type: none"> ✓ Implementation of measures to prevent discrimination and harassment ✓ Development of human rights policies 	<ul style="list-style-type: none"> ✓ We will advance qualitative initiatives related to the prevention of discrimination and harassment and on human rights. ✓ Development and disclosure of human rights policies 	<ul style="list-style-type: none"> ✓ We internally disseminated information on preventing discrimination and harassment, and on human rights, on a regular basis. ✓ (Already achieved in FY2024) 	Good	<ul style="list-style-type: none"> ✓ Promotion of qualitative initiatives related to preventing discrimination and harassment, and on human rights



3. Details on Materiality (Key Issues) III

Materiality	Themes/Related SDGs	Desired State	KPI	Target Level	FY2025 Major Achievements and Progress	Evaluation	FY2026 Target Level
Strengthen governance to enhance corporate value	Compliance and anti-corruption 	A state where employees can recognize and observe compliance and related laws and regulations	<ul style="list-style-type: none"> ✓ Number of compliance violations 	<ul style="list-style-type: none"> ✓ Number of major compliance violations: 0 	<ul style="list-style-type: none"> ✓ Number of major compliance violations in FY2025: 0 	Good	<ul style="list-style-type: none"> ✓ Number of major compliance violations: 0
	Strengthen corporate governance 	A state where the soundness of management is ensured through the prompt implementation of management decisions	<ul style="list-style-type: none"> ✓ Qualitative initiatives for strengthening corporate governance 	<ul style="list-style-type: none"> ✓ Evaluation of the effectiveness of the Board of Directors (third-party evaluation) ✓ Clarification of criteria for selecting outside directors ✓ Number of major information security accidents: 0 	<ul style="list-style-type: none"> ✓ We continued to review the evaluation of the effectiveness of the Board of Directors (third-party evaluation). ✓ We clarified the rationale for the selection of skills included in the skill matrix. ✓ Number of major information security incidents in FY2025: 0 	OK	<ul style="list-style-type: none"> ✓ Evaluation of the effectiveness of the Board of Directors (third-party evaluation) ✓ Clarification of criteria for selecting outside directors ✓ Number of major information security incidents: 0
	Appropriate disclosure of corporate information 	A state where expected information is promptly and accurately disclosed to stakeholders	<ul style="list-style-type: none"> ✓ Appropriate disclosure of information 	<ul style="list-style-type: none"> ✓ Same-day disclosure in Japanese and English simultaneously ✓ Disclosure of sustainability information 	<ul style="list-style-type: none"> ✓ We achieved same-day, simultaneous disclosure in Japanese and English. ✓ We included more detailed descriptions in our annual securities report. 	Good	<ul style="list-style-type: none"> ✓ Same-day, simultaneous disclosure in Japanese and English ✓ Disclosure of sustainability information

