Nissan Chemical Corporation Integrated Report 2025

Nissan Chemical
CORPORATION

Integrated Report 2025

WHERE
IT ALL
BEGINS

Issued: October 2025

Nissan Chemical
CORPORATION
https://www.nissanchem.co.jp/eng/

What are Nissan Chemical's unique strengths?
Why is Nissan Chemical capable of achieving sustainable growth?
Here, we address three key questions frequently raised by our stakeholders.

Q1.

Why does Nissan Chemical aim to create niche-top products?

Niche Top Strategy

Establishing competitive advantages and building a sustainable high-profit structure

By leveraging our proprietary technologies, we have established dominant position in niche markets with high entry barriers, thereby realizing stable profitability and high ROE. Through co-creation with customers who are at the forefront of growth markets, we will expand our portfolio of products that combine uniqueness and competitiveness, aiming to become the industry leader.

Related Information The History of Nissan Chemical P.11-12, Message from the President P.15-20, Business Model and Competitive Advantage P.25-26

Q2.

How does Nissan Chemical continue to create Must-Have products for society?

Synergy of R&D and Marketing

R&D capabilities×Marketing capabilities Creating innovations through the expertise of “discernment”

We promote R&D that is closely aligned with market potential, by involving researchers with discernment abilities in marketing activities. Through rigorous management of research themes, we promote renewal and nurture themes that address strong social demands, thereby enabling the continuous creation of Must-Have products.

Related Information Special Feature P.21-22, Value Creation Process P.23-24, Human Capital P.27-30, Research and Development P.31-34, Intellectual Property P.35-36

Q3.

Where will Nissan Chemical allocate capital to further enhance its earning power?

Growth Areas and New Business

Concentrating investment into growth sectors and creation of new products and businesses

We will concentrate investment in facilities and human resources in growth sectors such as Performance Materials and Agricultural Chemicals. In addition, by pursuing M&A and introducing cutting-edge technologies, we are accelerating the creation of new products and businesses. We aim for sustainable profit expansion by balancing profitability and growth through strategic investments with a focus on ROIC.

Related Information Message from the President P.15-20, Message from the CFO P.41-44, Medium-term Business Plan Vista2027 Stage II P.46-48, Long-term Business Plan Atelier2050 P.49-50

Mission Statement

(Our Values)

"Contribute to society with excellent technologies and products."

"Promote prosperity and welfare through concerted efforts to constantly develop new areas."

"Respect people who exhibit a sense of responsibility, originality and motivation."

Corporate Philosophy

(Corporate Purpose)

Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society.

Corporate Slogan

"WHERE IT ALL BEGINS"

Nothing is going to change the world to be better without beginning.
The slogan means Nissan Chemical creates such "beginning" to realize the hope of human by exploring the future.

Course of Action

1. Conduct sensible business activities as a member of the international community in compliance with laws and regulations.
2. Enhance corporate value by providing safe and useful products and services.
3. Strive to achieve no-accidents & no-disasters and protect the global environment.
4. Disclose information appropriately with a focus on communication with stakeholders.
5. Create a cheerful and pleasant workplace by respecting the individuality and personality of employees, and promoting their health.
6. Conduct ourselves as good corporate citizens and decent members of society.

To Our Stakeholders

Nissan Chemical Corporation was founded in 1887 as Japan's first chemical fertilizer manufacturer to address the country's food problems of that time, under the then-corporate philosophy "利農報国" (ri-no-ho-koku), which means "The development of agriculture leads to the prosperity of Japan." Since then, inheriting the vigorous pioneering spirit, we have been striving to pursue innovative technologies and businesses that facilitate social progress, thereby significantly transforming our business operations.

We currently provide products and services on a global scale in four business segments: Chemicals, Performance Materials, Agricultural Chemicals, and Healthcare. In addition, positioning "information & communication," "life science," and "environment & energy" as growing fields, we have taken on the challenge of creating new technologies and products.

The social landscape surrounding us has undergone a drastic transformation due to climate change arising from global warming, the rapid decline in birth rates, the transition to a digital society, and other various factors. To provide value toward addressing social issues is our role to fulfill, which is becoming larger than ever, in this time of further rising uncertainty.

"Thinking deeply and thinking ahead." This is the key to winning in these difficult times, which have finally come. "Integrating knowledge" that Nissan Chemical Group has cultivated so far, we will seek synergistic evolution with society as an enterprise that ventures into the future through "Value Co-creation."

KINOSHITA Kojiro
Representative Director,
Chairman & CEO

Editorial Policy

In 1992, we introduced responsible care activities, and as of 1999, have disclosed the details of these activities via the Environment and Safety Report. The Report transformed into the CSR Report in 2013 and in 2016, the Annual Report in which a business overview and financial section were included.

Since 2018, we have comprehensively summarized the materiality, value creation process, business strategies, and detailed financial information in addition to the business overview and E (Environment), S (Social), and G (Governance) information into an integrated report in order to better communicate to all stakeholders, including shareholders and investors, the medium-to long-term value creation of the Nissan Chemical Group.

We aim to make this report as a valuable communication tool by deepening our business activities and enhancing the content of the report.

Reporting Period

FY2024 (April 2024 to March 2025)

* Occupational accidents data (P.14 and P.75) is from January to December 2024.

Issued

October 2025
(The previous edition was issued in October 2024: the next edition is planned to be issued in October 2026.)

Frequency of Issuance

Annually

Contact for Inquiries About This Report

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Scope of Reporting

The initiatives are described mainly in the financial and ESG information of the activities of the Nissan Chemical Group.

Guidelines Used as Reference

- International Financial Reporting Standards (IFRS) Foundation "IFRS Sustainability Disclosure Standards"
- The International Integrated Reporting Framework
- GRI Standards
- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation"
- Cabinet Intellectual Property Strategy Headquarters "The Guidelines for Governance of Intellectual Property and Intangible Assets"
- Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)

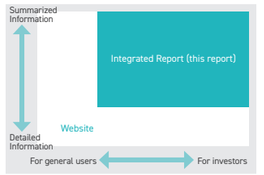
Environment Social Governance
Guidance for Collaborative Value Creation

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TNFD Taskforce on Nature-related Financial Disclosures

知財·無形資産
ガバナンスガイドライン

Information Disclosure System



Consolidated subsidiaries:

Nissei Corporation, Nissan Butsuryu Co., Ltd., Nissan Green & Landscape Co., Ltd., Nissan Engineering, Ltd., NC Tokyo Bay Corporation, NC Agro Hakodate Corporation, Nippon Polytech Corp., Nihon Hiryo Co., Ltd., Nissan Chemical America Corporation (NCA), Nissan Chemical Europe S.A.S. (NCE), NCK Co., Ltd. (NCK), Nissan Bharat Rasayan PVT. LTD. (NBR)

Entities accounted for using equity method:

Sun Agro Co., Ltd., Clariant Catalysts (Japan) K.K.

Group Companies

In addition to the consolidated subsidiaries and entities at left accounted for using equity method, Nissan Chemical Agro Korea Ltd. (NAK), Nissan Chemical Taiwan Co., Ltd. (NCT), Nissan Chemical Product (Shanghai) Co., Ltd. (NCS), Nissan Chemical Materials Research (Suzhou) Co., Ltd. (NSU), Nissan Chemical Do Brasil (NCB), Nissan Chemical Agro Singapore Pte. Ltd. (NAS), Nissan Agro Tech India PVT. LTD. (NAI)

Integrated Report 2025 "WHERE IT ALL BEGINS"

Contents

Third-party Evaluation

Nissan Chemical's initiatives are highly regarded by external analytics and research organizations.

FTSE Blossom Japan
FTSE4Good
FTSE Blossom Japan Sector Relative Index
2025 Sompo Sustainability Index
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA
S&P/JPX カーボン エフィシェント 指数
2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

* FTSE Russell confirms that Nissan Chemical Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

The History of Nissan Chemical

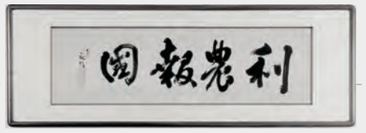
Japan's first chemical fertilizer manufacturer founded 138 years ago by TAKAMINE Jokichi, who was called "Father of Biotechnology."
His pioneering spirit has been passed down and continues to this very day.

1887~

At the time of founding

Tokyo Jinzo Hiryo, the Nissan Chemical's predecessor organization, started in 1885 when TAKAMINE Jokichi, who was called the "Father of Biotechnology," brought phosphoric ore from the US back to Japan. Takamine, who strongly felt the need to improve the fertilizer used in Japanese agriculture to help make Japan a modern nation, approached SHIBUSAWA Eiichi, known as the "Father of Japanese Capitalism," the following year with the idea of the commercialization of fertilizer. SHIBUSAWA Eiichi, who was from a wealthy farming family, deeply agreed with Takamine's proposal. He established Japan's first chemical fertilizer manufacturer in 1887 becoming chairman (president) himself.

With the Company policy "to dedicate ourselves to prosperity of the nation by agricultural fertility," the Company contributed to the increase of domestic food production.



The land in Ojima 1-chome, Koto-ku, Tokyo, now known as Kamayabori, had been selected for its convenience in transporting raw materials and products. In 1888, the production of superphosphate (fertilizer) started.

Founder TAKAMINE Jokichi (left)
Jinzo Hiryo advertisement from an agricultural magazine in 1891 (right)

1923~

Establishment of company foundation for business diversification

In the first half of the twentieth century, amid a variety of M&A activities by domestic corporates, the three companies were joined in 1923. The Company then promoted business diversification and entered under the umbrella of Nissan zaibatsu (Nissan Concern Company Group) in 1937, which was the 50th anniversary of its founding, renamed Nissan Chemical Industries.

After World War II, under the separation directive based on the Corporate Reconstruction and Improvement Law, the fat and oil section was separated into Nippon Oil and Fats (current NOF) in 1949 and Nissan Chemical Industries newly started.

SHIBUSAWA Eiichi (second from left) visited the Oji Plant just after the merger of the three companies.
Seen on the left is TANAKA Eihachiro who served as company president from 1923 to 1941.

Three-company Joint

Manufacture of sulfuric acid, soda, etc.

- Kanto Soda
- Nippon Kagaku Hiryo (renamed from Nippon Seimi Seizo)
- \+
- Dainippon Jinzo Hiryo (surviving company)

50th anniversary of its founding

Entered under the umbrella of Nissan zaibatsu and renamed

- Nissan Chemical Industries

1965~

Acquired new technological ideas through entry into the petrochemical business

In 1965, we established Nissan Petrochemicals and entered the petrochemical business. However, the petrochemical industry experienced a structural slump due to the impact of the oil crises. The Company worked to rebuild its business, but it was unable to improve its profitability and began rationalization. The Company exited the petrochemical business in 1988.

Although resulting in a large deficit, this business brought the penetration of technological ideas to the Company, which led to the development of new technologies and businesses such as fine chemicals.

Nissan Petrochemicals Chiba Plant (1968)

1989~

Restarted as a value-creating company

In 1989, we launched our medium-term business plan declaring the comeback as a value-creating company oriented with its two pillars: high-tech fields such as agrochemicals and pharmaceuticals, and technology fields such as functional products and chemicals. The results of continued R&D investment in this difficult situation emerged. By the early 1990s, we released a large number of agrochemicals on the market and entered the semiconductor field. In the 2000s, sales of the active ingredient of LIVALO®*, an anti-cholesterol drug, increased significantly and we acquired exclusive marketing rights in Japan to ROUNDUP®, the world's largest herbicide. This was followed by the creation of new agrochemicals that are the main products at present.

* LIVALO® is a registered trademark of Kowa Company, Ltd.

2018~

A "Future-Creating Company" that grows through seeking to enrich people and nature

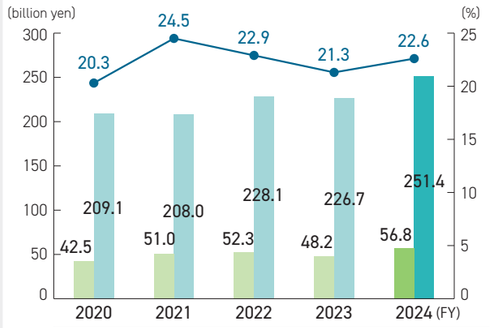
We expand our business beyond the boundaries of industry and accelerate this effort toward the future. In order to clarify this stance, in 2018, we changed our name to Nissan Chemical Corporation.

In 2022, in light of the significant changes in the business environment, we launched the new long-term business plan "Atelier2050," looking ahead to 2050, in order to chart a course for the Group to continue to develop and contribute to solving social issues.

- The changes in sales and operating margins for the Nissan Chemical on a non-consolidated basis from FY1950 to FY1976 and for the Nissan Chemical Group on a consolidated basis from FY1977 to FY2024.
- The figures for November and the following May or October and the following April are totaled so that the figures for the year are close to the March results.
- Including effects of changes in accounting policies from FY2021.

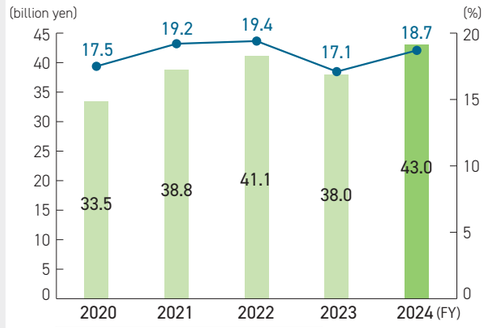
Financial and Non-Financial Highlights

Operating profit / Sales / Operating margin



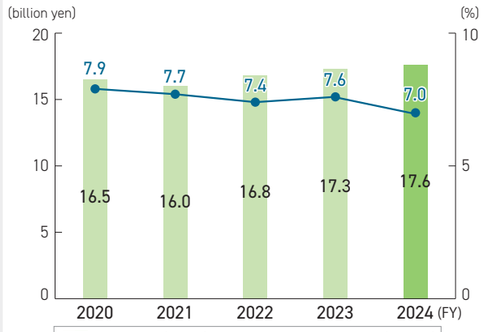
Operating margin achieved the Medium-term Business Plan (FY2022-2027) target of 20% or more.
* Including the effects of accounting policy changes from FY2021

Net income attributable to owners of parent / ROE



Net income reached a record high.
ROE achieved the Medium-term Business Plan (FY2022-2027) target of 18% or more.

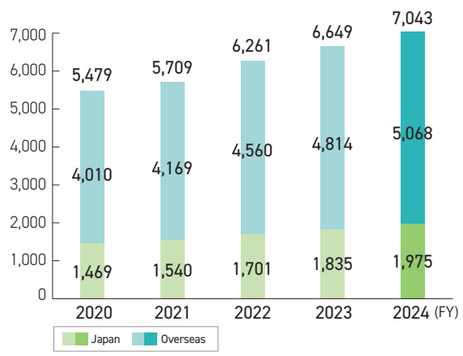
R&D expenses / Sales-to-R&D expenses ratio



Placing importance on R&D, we have maintained a high sales-to-R&D expenses ratio of 7-8%.
R&D expenses temporarily decreased between FY2020 and FY2021 due to the COVID-19 pandemic.

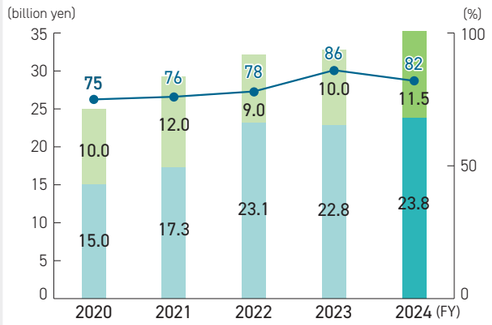
Related Information Research and Development P.31-34

Number of patent owned



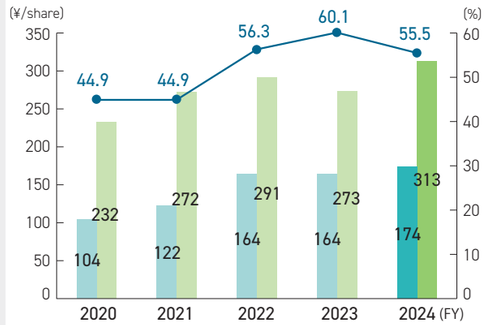
Related Information Intellectual Property P.35-36

Total amount of dividend / Share repurchase / Total payout ratio



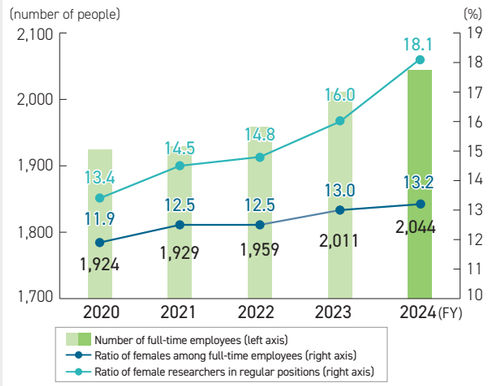
Total payout ratio achieved the Medium-term Business Plan (FY2022-2027) target of 75% or more.

Dividends / EPS (net income per share) / Dividend payout ratio



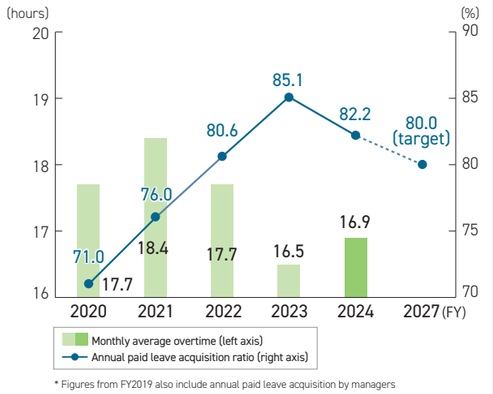
Dividends per share increased compared to the previous fiscal year.
Dividend payout ratio achieved the Medium-term Business Plan (FY2022-2027) target of 55% or more.

Number of full-time employees / Ratio of females among full-time employees / Ratio of female researchers in regular positions



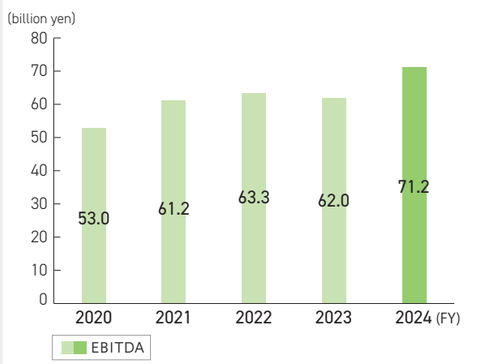
Related Information Human Capital P.27-30

Monthly average overtime / Annual paid leave acquisition ratio*

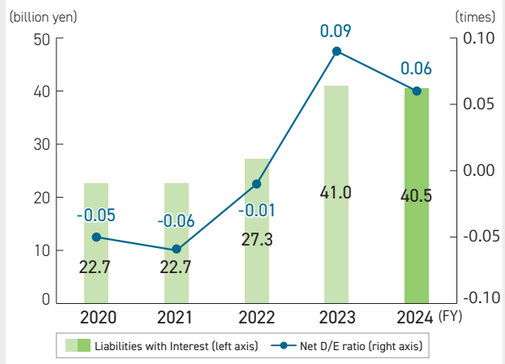


* Figures from FY2019 also include annual paid leave acquisition by managers

EBITDA (operating profit + depreciation)

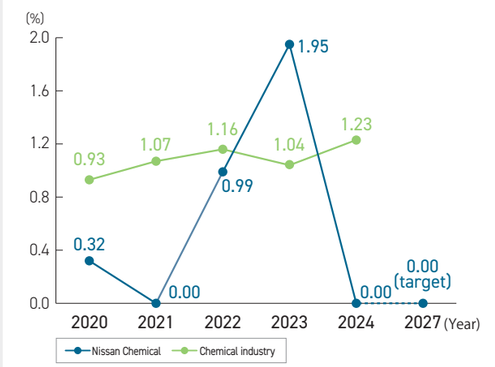


Liabilities with interest / Net D/E ratio*



* Net D/E ratio = (Borrowings + Bonds + CP − Cash) / Shareholders' equity

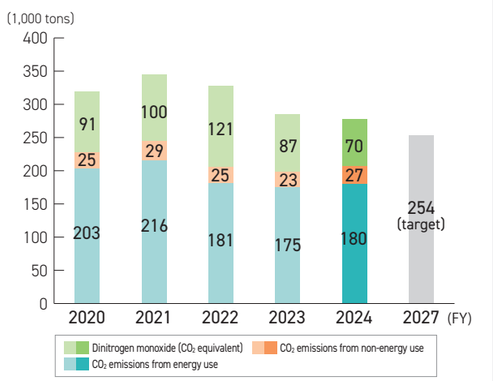
Lost-time injury frequency rate*



* Total number of deaths and injuries due to occupational accidents per million actual working hours

Related Information Responsible Care P.73-75

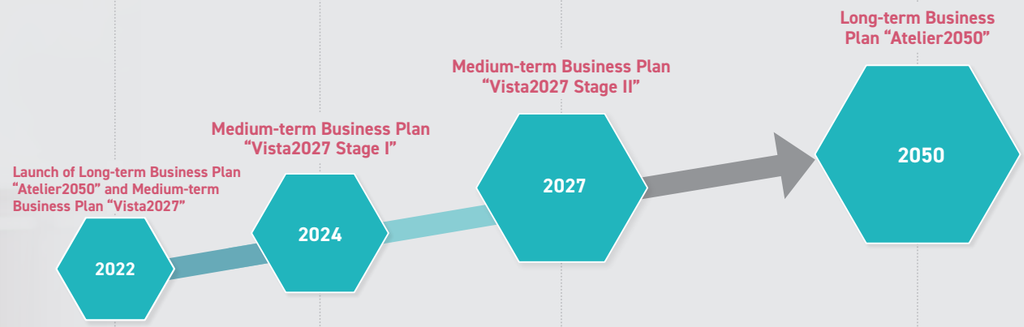
GHG emissions



Related Information Responsible Care P.73-75

YAGI Shinsuke
Representative Director,
President & COO

Concentrating Management Resources in Growth Sector Tackling Our Business Portfolio Optimization



Operating Profit Reached Record High Performance Materials and Agricultural Chemicals Robustly Drove the Business Performance

It has been five years since I assumed the role of President in 2021. During this time, I have repeatedly reexamined the path forward for Nissan Chemical amid sweeping shifts—structural changes in the global economy, intensifying climate change, rising geopolitical risks, and the accelerating pace of technological innovation. Rather than responding passively to these changes, we have adopted a flexible mindset—seeking to create value that is uniquely Nissan Chemical by accurately identifying emerging trends, preparing for potential risks, and making the most of every opportunity.

Let me begin by reviewing the outcomes of the medium-term business plan "Vista2027 Stage I" (FY2022–FY2024). In FY2024, the final year of Vista2027 Stage I, sales rose 11% year-on-year to ¥251.4 billion, and operating profit increased 18% to ¥56.8 billion. We achieved record highs across all operating profit, ordinary income, and net income. In addition, we met all of our targeted management indicators, including operating margin, Return on Equity (ROE), dividend payout ratio, and total payout ratio.

Currently, our business performance is being driven by two core businesses: the Performance Materials and the Agricultural Chemicals. In the semiconductor materials sector within the Performance Materials, we are benefiting from macro trends such as growing demand for AI and data centers. Leveraging proprietary technologies that are difficult for competitors to replicate, we have established a strong position in niche markets that demand high purity and advanced functionality. As for concerns surrounding the impact of U.S. tariff policies in this area, we currently assess the risk to be limited.

In the Agricultural Chemicals, we have established a robust development framework for high-performance agrochemicals and veterinary drugs, drawing on decades of expertise in organic synthesis and biological evaluation technologies. Products such as herbicides for paddy rice, which deliver strong efficacy with minimal application, contribute to improved operational efficiency and reduced workload for farmers. These innovations deliver both social value and economic performance.

On the other hand, commoditized chemicals are highly susceptible to external conditions, and competition from Chinese companies has eroded our competitiveness in this area. Improving profitability has become a critical challenge. We are actively pursuing cost reductions and a strategic review of our product portfolio.

One of the basic strategies in Vista2027 Stage I—expand market shares and profits of existing businesses—we have made proactive investments. In India, we established a new plant for active ingredients of agrochemicals, which has now commenced operations. In South Korea, we expanded our plant for semiconductor materials. Beyond increasing manufacturing capacity, local manufacturing and R&D capabilities have enabled us to respond swiftly and flexibly to customer needs. In Japan, we built a new plant for our new herbicide VERDAD® at the Onoda Plant and strengthened our product supply capability of high-purity sulfuric acid for semiconductor applications at the Toyama Plant. These initiatives have strengthened our product supply capability in key growth sectors.

We have steadily executed the initiatives outlined in Vista2027 Stage I, and I believe they have yielded many meaningful results. That said, we recognize delays in new product development as a key issue and take this matter seriously.

In light of these circumstances, in FY2025, we launched the medium-term business plan "Vista2027 Stage II" (FY2025–FY2027.) Using a back casting approach, this plan has revisited what Nissan Chemical should look like in 2027 in order to realize the ideal state in 2050 outlined in our long-term business plan "Atelier2050."

Launch of Vista2027 Stage II Building Foundation for Continuous Growth and Stable Earnings

In Vista2027 Stage II, we have identified "the creation of new products" as our highest priority. To support this, we have established three basic strategies: expanding profits in existing businesses, developing new products looking toward 2030, and strengthening business foundation. While securing short-term growth, we are steadily executing forward-looking strategies to build a foundation for continuous growth and stable earnings.

We remain committed to our financial indicator of maintaining ROE of 18% or more. We are now utilizing the newly disclosed Return on Invested Capital (ROIC) figures for each business segment not merely as performance targets, but as effective management metrics that underpin sustainable growth across the organization. This supports the development of a management framework that places greater emphasis on quantitative evaluation and accountability.

We are committed to being a company that earns and sustains trust by creating and delivering high-value products for our customers and for the society of the future—building on the strengths we have cultivated over the years as a chemical company. To that end, we will move forward step by step, taking new challenges and driving transformation.

● Progress of the medium-term business plan "Vista2027"

Vista2027

2022	2023	2024	2025	2026	2027
Vista2027 Stage I			Vista2027 Stage II		

FY2027 Major Financial Targets	FY2024 Result
Sales: 293.0 billion yen	Sales: 251.4 billion yen (+24.7 billion yen)
Operating profit: 65.0 billion yen	Operating profit: 56.8 billion yen (+8.6 billion yen)
ROE*1: 18.0% or more	ROE: 18.7%
Total payout ratio*1: 75% or more	Total payout ratio: 82.0%

*1 Targets for each year from FY2025 to FY2027

( ) indicates change from FY2023

FY2027 Major Non-financial Targets		FY2024 Result
The rate of total sales of products and services covered by the Nissan Chemical Sustainable Agenda*2 60% or more	Progress	Achieved 60% or more
GHG emissions (Scope 1+2) Reducing by 30% or more Compared to FY2018	Progress	Reduced by 23.5% Compared to FY2018

*2 A plan to pursue "what we can do for the future of the globe and human"

Basic Strategies of Vista2027 Stage II

1 Expanding Profits in Existing Businesses

- Concentrating investments in Performance Materials and Agricultural Chemicals
- Developing next-generation materials and new active ingredients
  - 3D packaging process and EUV materials (Performance Materials)
  - Biological pesticides and new veterinary drug products (Agricultural Chemicals)
- Improving profitability in commodity chemicals

2 Developing New Products Looking toward 2030

- Accelerating Go/Stop decision-making
- Identifying target materials for new products (Information & Communication, Environment & Energy)
- Focusing on oligonucleotide therapeutics for human use (Life Science)

3 Strengthening Business Foundation

- Strengthening of human resource development
- Expanding R&D foundation and DX infrastructure

Expanding Profits in Existing Businesses Strengthening Competitiveness Through Strategic Investment Based on Proprietary Technologies

Nissan Chemical's current position is the result of a series of deliberate strategic decisions made over time. In particular, our withdrawal from the petrochemical business in the late 1980s and our transformation into a value-creating company focused on creating high-value-added products through research and development (R&D) reflect a clear commitment to "identifying our core strengths and concentrating management resources in those areas." Under this policy of "selection and concentration," we have allocated management resources to the specialty chemicals where proprietary technologies enable us to establish competitive advantages—and we have pursued a strategy to secure dominant market share in these fields.

Under the first basic strategy of Vista2027 Stage II—expanding profits in existing businesses—we are strengthening our focus on growth areas. To balance profitability and growth, we have committed to concentrating management resources in the Performance Materials and the Agricultural Chemicals businesses, clearly signaling the strategic direction Nissan Chemical aims to take going forward. This focus extends beyond capital expenditures to include targeted allocation of human resources.

In the Performance Materials business, we will expand sales of semiconductor materials. At the same time, we will focus on the development of next-generation materials and acquire adoption from customers, driving both revenue and profit growth.

In the Agricultural Chemicals business, we will expand our sales areas in overseas markets, while accelerate the development of new pesticides, veterinary drug, and biological pesticides. Regarding the veterinary drugs, we have extended our long-term supply agreement with MSD Animal Health, the animal health division of Merck & Co., Inc. (U.S.), for fluralaner—an active ingredient used in treatments for fleas and ticks. In addition, we have initiated joint R&D aimed at creating new veterinary drugs.

To achieve significant business expansion in the future, I believe it is essential not only to grow our existing product lines but also to generate synergies through strategic investments, including M&A. In particular, in the semiconductor and display sectors—where competition in the Chinese market is intensifying—swift and strategic investment is critical to maintaining and strengthening our competitiveness. I believe that Nissan Chemical remains in a growth phase. We are committed to making the necessary investments to support that growth.

In addition to strengthening growth areas, our first basic strategy also focuses on improving profitability in the Chemicals business. Specific measures include downscaling the manufacturing capacity for TEPIC® by half, optimizing capital expenditures through leveraging outside manufacturing contractors, and discontinuing unprofitable products. Through these initiatives, we aim to establish the structure to secure a stable profit over 5% of the operating profit margin from FY2027 onward.

In the Healthcare business, we are working to expand sales and accelerate development of generic active pharmaceutical ingredients (APIs), while advancing the pipeline of new pharmaceuticals—particularly oligonucleotide drug discovery. In the development of new APIs and products, we are enhancing CDMO business through manufacturing technologies and development capability for highly potent APIs and peptides.

Developing New Products Looking Toward 2030 Accelerating the Creation of New Products

The creation of new products is one of our most critical priorities for achieving sustainable growth. Under Vista2027, we have clearly set the goal of creating innovative new products, in addition to ensuring stable growth in existing businesses.

To accelerate selection and concentration in new product development, we reorganized our Planning and Development Division in April 2025. By establishing dedicated groups for each development theme—such as LiB materials, optical interconnect materials, thermal management materials, and energy materials—we have clarified targets, missions, and responsibilities. I believe that making prompt decisions on whether to continue or discontinue development will be a key factor in determining the success of future innovation.

What is required here is "discernment abilities"—determining which research themes have market viability and how far they should be pursued. Cultivating talent capable of making these judgments will be a key driver of our future growth. We are also working to instill a business mindset among our researchers, fostering a culture in which they consider the exit strategy and market value of their work. That said, deciding to halt an ongoing development project is extremely difficult and demands sound judgment. I believe it is the responsibility of management—and my own personal duty—to make those decisions.

Customer-Driven Development: Field-Level Collaboration Between Researchers and Sales Establishing Our Own Development Framework

One of our greatest strengths is the close collaboration between R&D and sales, which allows us to develop products with a deep understanding of customer needs. In the Performance Materials business, researchers visit customers alongside sales representatives to gather direct feedback on products under development. This hands-on engagement drives demand-led product improvements and inspires new development themes. This customer-driven development framework has long been part of our corporate culture. Researchers engage directly with customer sites, witness challenges firsthand, and propose technical solutions. This cycle of innovation drives the creation of high value-added products.

We have established R&D hubs not only in Japan, but also in South Korea, Taiwan, and Suzhou, China—building a framework that enables timely responses close to our customers. While we were once seen as slow to respond in overseas markets, we are steadily building our global competitiveness through faster decision-making and enhanced customer engagement.

I also consider our strength in collaboration to be one of our core advantages. While our business operations may be vertically structured, our technical foundation enables seamless collaboration across diverse fields—including semiconductors, displays, agrochemicals, and pharmaceuticals. This strength is rooted in shared technologies such as fine organic synthesis and biological evaluation, supported by fluid talent mobility and a flat, open technical culture. Thanks to this flexible organizational structure, we are able to share and apply insights across disciplines, leading to the creation of new value.

Strengthening Our Business Foundation Driving Sustainable Growth Across the Group

As a company built on R&D, we recognize diversity in human resources is a critical driver of sustainable growth. Currently, Nissan Chemical employs approximately 500 researchers, of whom 18–20% are women. In recent years, women have accounted for around 30% of new graduate hires in research roles. Opportunities for women to thrive are steadily expanding.

I believe that increasing the number of female researchers enhances the vitality of our organization and strengthens our responsiveness to emerging social needs—such as environmental challenges—through diverse perspectives and flexible thinking. I also anticipate that the pioneering spirit demonstrated by female researchers will positively inspire their male counterparts, fostering an organizational culture where women and men elevate one another.

In 2024, with the aim of promoting our diversity-related initiatives such as increasing the ratio of women in managerial positions, we have strengthened our promotion system by establishing the Diversity Promotion Subcommittee as a subordinate organization of the Sustainability Committee. While we already have female outside directors, it is equally important to cultivate female leaders from within the organization. We are actively implementing leadership programs for women and developing future executive talent in line with our succession planning. Based on the concepts of "barrier-free organization" and "open communication," we aim to revitalize the organization by demonstrating a spirit of challenge regardless of gender and stimulating each other.

In our recruitment process, candidates undergo technology-focused interviews conducted directly by executive officers and department managers. This approach enables us to identify individuals with strong motivation for research and technology.

We are particularly seeking highly specialized talent with the ability to generate business value. Our goal is to expand our talent pool in emerging core technology areas such as information science and microbial control, which we aim to acquire as new core technologies. To secure this talent, we are actively pursuing both new graduate and medium-career hiring.

Addressing Environmental Challenges as a Responsibility of Chemical Company
Advancing Carbon Neutrality and Biodiversity Conservation

I recognize that, as a chemical manufacturer, we have a responsibility to take concrete actions toward achieving carbon neutrality and becoming nature-positive.

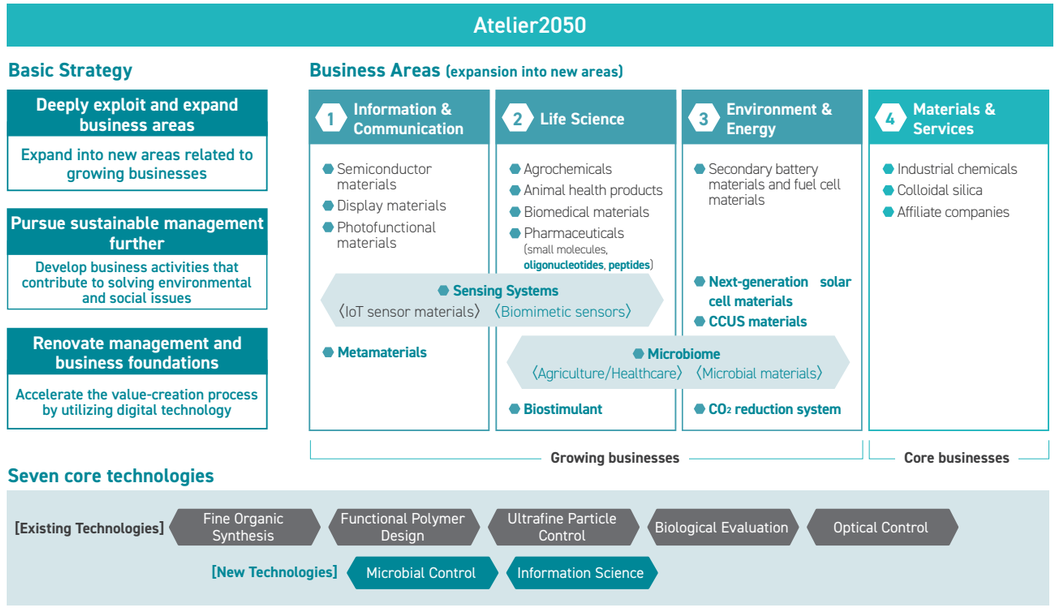
We have set a clear target to reduce greenhouse gas (GHG) emissions, including carbon dioxide, by more than 30% by FY2027 compared to FY2018. To meet this goal, we are steadily advancing technology development and process improvements. Although our business operations are not inherently high emitters of GHGs, we are actively working to reduce emissions through improvements in manufacturing processes and the introduction of renewable energy. As Chair of the Climate Change Committee, I am leading this initiative at the executive level.

In addition, in FY2024, we developed a roadmap to achieve carbon neutrality by 2050 for our Scope1+2 emissions. Regarding Scope 3, we have already disclosed our emissions data. To begin addressing reductions in Category 1—the largest source of Scope 3 emissions—we have initiated a survey of GHG emissions among our suppliers to gain a clearer understanding of the current situation. While specific measures for Scope 3 reduction are still under consideration, we recognize this as a critical issue and will reflect it in our future initiatives.

Climate change presents not only a business risk, but also an opportunity. For example, as global warming progresses, the role of our agrochemicals is becoming increasingly important. We are also exploring new business domains related to water resources and water treatment. Our founding philosophy is rooted in the idea of "protecting agriculture," and we will continue to position the agricultural sector as a core business. Building close relationships with farmers will be key to our future growth. We aspire to be a company that views climate change both as a social challenge and as a catalyst for growth—and responds proactively to both dimensions.

Coexistence with nature is inseparable from our business activities. For this reason, we have identified biodiversity conservation as a material factor and established Bio-Parks at our five plants. Through these initiatives, employees across the Nissan Chemical Group are deepening their understanding of how our business activities both benefits from and impacts natural capital, including biodiversity. At the Toyama Plant in particular, we have developed the 2.5-hectare Nissan Bio-Park Nishi-Hongo in collaboration with local residents. This biodiversity space—centered around waterfront and community-based forests that support rich habitats for flora and fauna—also serves as an educational environment where local children can learn about nature.

● Basic strategies and business domains of the long-term business plan "Atelier2050"



Leveraging Diverse Perspectives from Outside Directors to Strengthen Governance and Effectiveness of the Board of Directors

Sound corporate governance is the foundation for enhancing corporate value and is essential to achieving sustainable, medium- to long-term profit growth. To improve the effectiveness of the Board of Directors, we have appointed outside directors with diverse backgrounds, thereby reinforcing the Board's supervisory function over management.

Our current outside directors bring high-level expertise and practical experience in areas such as corporate management, legal affairs, and R&D. In addition to participating in meetings of the Board of Directors, they actively engage in research and technology presentations, as well as executive discussions held several times a year. Prior to each meeting of the Board of Directors, we provide detailed briefings on agenda items, including the background and context, enabling constructive and well-informed discussions. Board effectiveness is assessed annually through self- assessment by the Board of Directors itself. To ensure neutrality and objectivity, we conduct a third-party evaluation every three years through an external organization with no conflict of interest. The results of both evaluations are used to identify improvement themes for the following year.

In FY2024, the Board of Directors and executive discussions engaged in deep dialogue on fundamental management issues—such as why new products are not reaching the market—as well as the formulation of our medium-term business plan. In addition, the sharp insights of the outside directors and Audit & Supervisory Board members are actively incorporated into management decisions, particularly in areas such as risk assessment for overseas investments and the prioritization of research themes.

These initiatives are not simply part of our corporate social responsibility, but are embedded in our business activities as an integral component of our sustainability strategy. In April 2024, we registered with the Taskforce on Nature-related Financial Disclosures (TNFD) Adopter, an international framework for nature-related information disclosure. We disclosed information in line with TNFD recommendations and are working to translate the perspectives on how natural capital is understood and valued into more concrete business decisions.

Our company is built on a foundation of biological evaluation technologies and agricultural business. I believe that harmonizing with nature can be elevated into a source of business value—and this represents a unique competitive advantage for Nissan Chemical.

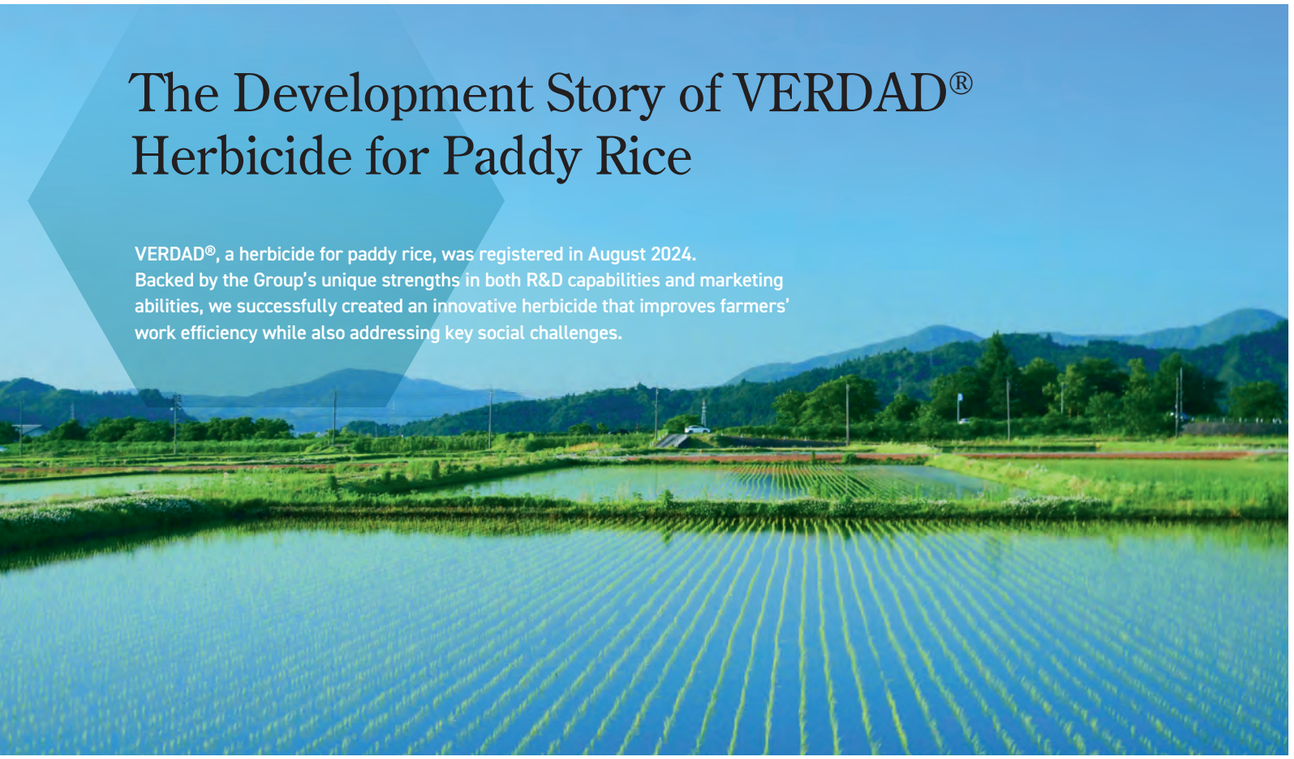
We are committed to addressing social issues such as ESG with sincerity and will further accelerate our sustainability initiatives. Deepening our environmental management is essential to realizing a sustainable society.

Make Things Happen
Pursuing Both Economic and Social Value

With the launch of Vista2027 Stage II this fiscal year, I shared the message to employees, "Make Things Happen." Embracing change, boldly tackling challenges, and achieving valuable and tangible outcomes—this steady accumulation of effort is what I believe will propel Nissan Chemical into the future.

The Nissan Chemical Group will continue to unite internal and external strengths and take on new challenges with passion toward sustainable growth and enhanced corporate value, guided by our corporate slogan: "WHERE IT ALL BEGINS." Through these efforts, we aim to contribute to solving social issues and realizing a sustainable society in harmony with the global environment. We remain firmly committed to achieving our medium-term business plan, Vista2027. We sincerely ask for the continued understanding and support of all our stakeholders.

Special Feature: Case Studies Showcasing Nissan Chemical's Strengths



The Development Story of VERDAD® Herbicide for Paddy Rice

VERDAD®, a herbicide for paddy rice, was registered in August 2024. Backed by the Group's unique strengths in both R&D capabilities and marketing abilities, we successfully created an innovative herbicide that improves farmers' work efficiency while also addressing key social challenges.

In recent years, prolonged high temperatures resulting from global warming have accelerated weed growth. In particular, weeds such as bulrush and cyperaceous perennial weeds in rice paddies not only deprive rice plants of nutrients, leading to reduced yields and quality, but also entangle harvesters such as combines during harvesting, reducing work efficiency and causing hardship for farmers. Effective weed-control technologies are therefore essential for ensuring stable rice yields and improving work efficiency.

To date, Nissan Chemical has developed and launched ALS inhibitor herbicides such as SIRIUS® (pyrazosulfuron-ethyl) and ALTAIR® (metazosulfuron) as core agents for herbicides for paddy rice. While ALS inhibitors have the advantage of controlling a broad spectrum of weeds at low application rates, they are also up against the emergence of resistant weeds.

Meanwhile, market analysis conducted in collaboration with the Agricultural Chemicals Division revealed that while five to ten active ingredients have been commercialized for core agents such as ALS inhibitors and for barnyard grass targeted herbicides, there are still only three to four active ingredients available for controlling rock bulrush. Moreover, it became clear that control of cyperaceous perennial weeds relies heavily on ALS inhibitors.

Accordingly, we began research to create a new active ingredient capable of simultaneously controlling rock bulrush and cyperaceous perennial weeds based around the concept of providing more options to both producers using our product as well as other manufacturers creating mixed formulations.

Our research focused on trifluoromethanesulfonanilide-type compounds, which possess a mechanism of action known as "very-long-chain fatty acid biosynthesis inhibition," a mode less prone to the emergence of resistant weeds. Plants protect themselves from ultraviolet radiation and drying by forming a wax layer known as the cuticle, with its raw material being very-long-chain fatty acids. Trifluoromethanesulfonanilide-type compounds can inhibit the production of these essential materials, preventing normal plant growth and ultimately causing the plant to die. This pathway is specific to plants and does not exist in animals; this also gives it the advantage of low toxicity to humans, livestock, and environmental organisms.

Leveraging this mechanism of action led to the creation of our proprietary herbicide for paddy rice "Dimesulfazet," launched under the brand name VERDAD®.

The discovery and selection of VERDAD® involved numerous challenges. One example was designing a compound exhibiting high herbicidal efficacy against cyperaceous weeds while also avoiding phytotoxicity to rice. Through a collaboration between highly precise "biological evaluation" by the Biological Research Laboratories and "fine organic synthesis" by the Chemical Research Laboratories, we jointly analyzed and discussed structures, activity, and selectivity, leading to the discovery of a "four-membered lactam structure" design not found in existing pesticides. This novel molecular design—unbound by conventional knowledge—was the key to achieving VERDAD®'s consistently high herbicidal efficacy and crop selectivity, ultimately paving the way for its successful commercialization.

FURUHASHI Takamasa
Herbicide Group Leader,
Agricultural Chemicals Research & Development Department,
Biological Research Laboratories

Key Features of VERDAD®

The most distinctive feature of VERDAD® is its outstanding efficacy against rock bulrush, a problematic weed often difficult to control with existing herbicides. Although active ingredients effective against rock bulrush have existed, there have been cases in which weeds persist in rice paddies, such as the emergence of herbicide-resistant weed populations, reduced efficacy due to temperature, water, and soil conditions, and diminished effectiveness against advanced growth weeds. VERDAD® provides consistent herbicidal efficacy, less susceptible to such environmental fluctuations. This also boasts high efficacy against cyperaceous perennial weeds such as perennial sedges, which are notoriously difficult to control given their long growth periods. The low application rate in rice paddies is 15 g a.i./10a, achieving a reduction of one half to one sixth of conventional rock bulrush herbicides. Furthermore, it has low toxicity to non-target environmental organisms, significantly reducing the chemical environmental impact.

VERDAD®-containing herbicides "ZEARTH®" and "GINGAα"

The Success of VERDAD® Driven by the Synergy of R&D Capability and Marketing Ability

"Developing Herbicides Unlike Any Before" — Completion of Development Through Persistent Research

MIYAZAKI Takao
Herbicide Group,
Agricultural Chemicals Research & Development Department,
Biological Research Laboratories

Among rice herbicides, one-shot processing agents are required to control various weeds at once, and therefore products are created by combining multiple active ingredients. Accordingly, during development, it was necessary to consider combinations that could take advantage of VERDAD®'s excellent effectiveness against cyperaceous weeds while supplementing its effects against barnyard grass and broadleaf weeds. With so many options available, selection was one of the most challenging points. In addition, herbicides for paddy rice are used in different environments across various locations and seasons, and the types of weeds that emerge differ by region. Therefore, the product needed to demonstrate stable herbicidal activity under diverse rice paddy conditions. Extensive field trials were conducted across Japan, from Hokkaido in the north to Okinawa in the south, under conditions of low and high temperatures, different soil properties, and resistant weeds. As a result of this nationwide data collection, we successfully developed ZEARTH® and GINGAα.

Early Market Penetration Through Collaboration with Other Companies, Aiming for Total Sales of 6 Billion Yen.

YANO Tetsuhiko
Marketing Group, Sales Department, Agricultural Chemicals Division (currently head of Agricultural Chemicals Research & Development Department, Biological Research Laboratories)

Among weeds in rice cultivation, the control of cyperaceous weeds is particularly important due to their long emergence period and the presence of herbicide-resistant weed populations, VERDAD® is a new active ingredient with a novel mode of action for controlling rock bulrush, and our aim was to promote its rapid adoption in the field not only through our own products but also its adoption by other manufacturers. Therefore, even before obtaining registration, we proposed collaboration to competing companies. The efficacy of the active ingredient was highly evaluated, advancing the development of their mixed formulations. As a result, products containing VERDAD® —ZEARTH® and Gingaα— which obtained registration in August 2024, and two other companies received approval for their respective products around the same time. Furthermore, additional products are planned for registration and launch within the next two to three years. We aim for total sales of VERDAD® through both our in-house products and external partnerships, to reach 6 billion yen at peak levels.

Value Creation Process

The Nissan Chemical Group is now at an unprecedented turning point in its history, and we are determined to be a leader in creating the future. With our Corporate Philosophy as the foundation of our business activities, we aim to fill the future of people and society with hope and happiness through the provision of indispensable "Must-Have" products and services by leveraging the technologies we have cultivated over the years.

Inputs

FY2024

Human Capital (Non-consolidated)

Number of Employees: 2,044
(Number of Researchers*1: 475)

Related Information Human Capital P.27-30

Financial Capital

Net assets: 236.2 billion yen
Total assets: 330.8 billion yen
Equity ratio: 70.5%

Related Information Financial Capital P.37

Intellectual Capital

Number of patents owned: 7,043
R&D expenses: 17.6 billion yen
Sales-to-R&D expenses ratio: 7.0%

Related Information Research and Development P.31–34, Intellectual Property P.35–36

Manufacturing Capital

CAPEX: 17.6 billion yen
Manufacturing base
Japan: 9 sites, Overseas: 3 sites

Related Information Manufacturing Capital P.37

Social Capital

Engagement with stakeholders

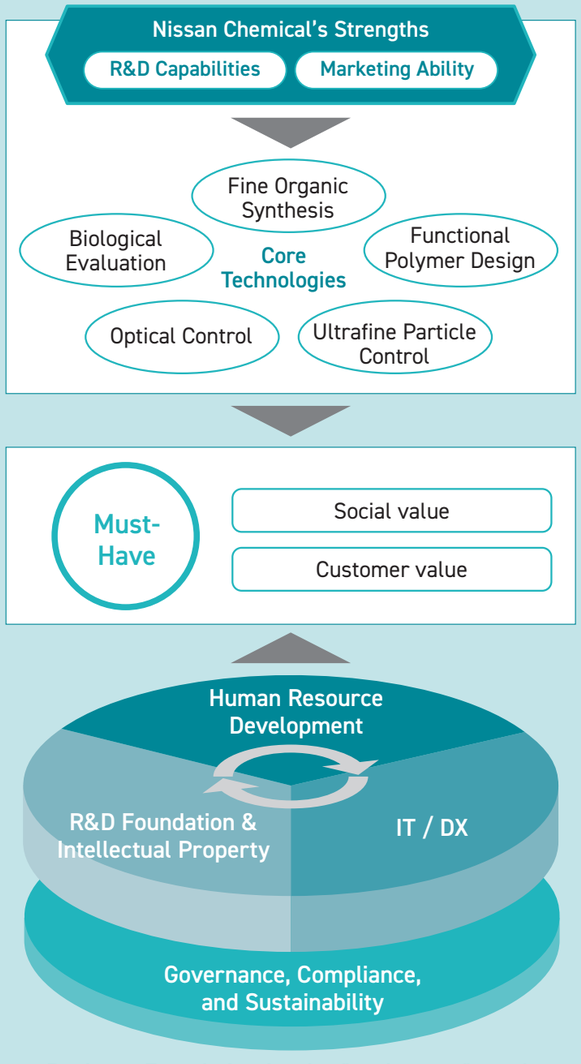
Related Information Social Capital P.38

Natural Capital (Non-consolidated)

Raw materials: 498,122 tons
Energy input: 87.6 thousand kL*2
Water resources: 3,489 thousand m³ *3

Related Information Natural Capital P.38

Business Model



Related Information Business Model and Competitive Advantage P.25-26

Outputs

Information & Communication

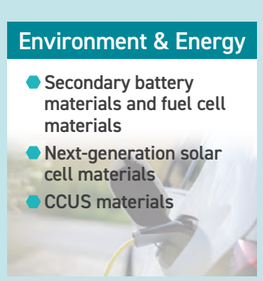
- Semiconductor materials
- Display materials
- Photofunctional materials

Life Science

- Agrochemicals
- Animal health products
- Biomedical materials
- Pharmaceuticals (small molecules, oligonucleotides, peptides)

Environment & Energy

- Secondary battery materials and fuel cell materials
- Next-generation solar cell materials
- CCUS materials



Materials & Services

- Industrial chemicals
- Colloidal silica
- Affiliate companies

Related Information Main Products and Services P.51-52

Outcomes

Financial Capital

	FY2024 (result)	FY2027 (plan)
Sales:	251.4 billion yen	293.0 billion yen
Net income:	43.0 billion yen	48.0 billion yen
Operating margin:	22.6%	20% or more
ROE:	18.7%	18.0% or more
Dividend payout ratio:	55.5%	55% or more
Total payout ratio:	82.0%	75% or more

Non-financial Capital

Human Capital (Non-consolidated)

- Employee Engagement
  (prioritizing dialogue with employees)
  Ratio of employees with high engagement level*4: 16.4% (FY2023: 15.6%)
  Ratio of Researchers among regular-position: 37% (FY2023: 37%)

Intellectual Capital

Number of Patent Applications: 415 (FY2023: 397)

Manufacturing Capital l (Non-consolidated)

Production Volume: 537,608 tons
(FY2023: 479,480 tons)

Social Capital

- Stakeholder Engagement (Emphasis on dialogue with investors and analysts)
- Maintaining and promoting good relations with local communities (e.g., nature observation programs at Nissan Bio-Park and plant tours)

Natural Capital (Non-consolidated)

GHG emissions from business activities:
278 thousand tons-CO_2e
(FY2023: 285 thousand tons-CO_2e)

Corporate Philosophy

Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society.

Customers
Offering new value with Nissan Chemical's core technologies

Shareholders and Investors
Proactive return of profits through medium- and long-term improvement of company value

Suppliers
Building good, constructive relations through fair and equitable business.

Employees
Achieving a workplace where each individual is respected and can make full use of their abilities.

Local Communities
Contributing to the growth and development of local communities through proactive social contribution activities and local networking.

Protect the global environment | **Existence and development of humanity**

*1 approximate number
*2 crude oil equivalent
*3 water resources input minus effluent
(The calculation method for effluent volume will be revised starting in FY2025.)

*4 Surveyed passion and approach to work using employee questionnaire made by external expert company. The level of engagement is measured using 28 indicators derived from questions on aspects such as "voluntary actions" and "positive emotions."

Social Issues (External Environment)
Global environmental degradation Climate change
Low birthrate and aging population Labor shortage Food issues Health issues

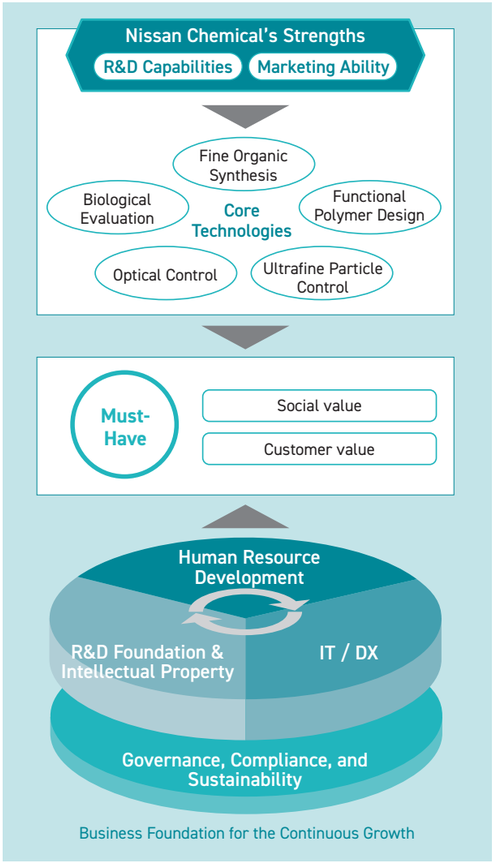
Business Model and Competitive Advantage

Our Group positions the Corporate Philosophy—"Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society"—as the foundation of our business activities. Leveraging the technologies we have cultivated over the years, we aim to be a Future-Creating Company that responds to social needs through the provision of indispensable "Must-Have" products and services.

Our Business Model

Our business model is built on our strengths in R&D capabilities and marketing ability, utilizing our unique core technologies to deliver value sought by both society and customers. For society, we focus on contributing to a sustainable future by addressing issues such as reducing GHG emissions and waste, alleviating food shortages, and promoting health. For customers, we emphasize solutions to their challenges and the delivery of high-performance, high-quality products that directly enhance customer satisfaction. These efforts are underpinned by our five core technologies. By combining them, we provide highly differentiated products and services in diverse fields such as information & communication, life sciences, and environment & energy—thereby creating indispensable "Must-Have" value that meets social issues and customer needs.

Furthermore, by establishing a business foundation that emphasizes governance, compliance, and sustainability as prerequisites for human resource development, the strengthening of R&D foundation, and the promotion of IT/DX, we aim to achieve sustainable enhancement of corporate value.



The source of Nissan Chemical's Strengths

Strengths (1) R&D capabilities

● Proactive R&D Investment

Our Company has consistently maintained a high sales-to-R&D expenses ratio of 7–9% over the years, which far exceeds the average of 3–4% among major domestic chemical manufacturers. This demonstrates our proactive stance in allocating resources to research and development.

● Integration of Technologies and Expertise across Disciplines

At the core of our R&D are Nissan Chemical's proprietary core technologies. By integrating them, we achieve cross-disciplinary innovations and create highly distinctive products.

Our agrochemicals and veterinary pharmaceuticals, for example, are the result of collaboration between the Chemical Research Laboratories (specializing in Fine Organic Synthesis) and the Biological Research Laboratories (specializing in Biological Evaluation).

In addition, we regularly hold presentation sessions where researchers from different fields present their results and engage in active discussions. These sessions are also attended by our management, including external directors, who actively engage with the researchers to exchange views.

● Well-Resourced Research Personnel

Our R&D activities are supported by a robust team of researchers, who account for about 40% of our regular position employees. From the recruitment stage, we place strong emphasis on candidates' attitudes toward research. One distinctive feature of our hiring process is the focus on technical interviews, which applicants have described as "almost like an academic conference."

In addition, rather than conducting unified recruitment for research positions, we recruit them by specific research domains. This approach deepens expertise in each area and enables new hires to contribute as immediate assets. Through such talent strategies, we have built a foundation of both speed and quality in our R&D operations, securing a sustainable source of competitiveness.

By transforming customer needs into materials and compounds with robust technological expertise, we earn customer trust — this is "WHERE IT ALL BEGINS."

Strengths (2) Marketing Ability

● Customer-Oriented Approach

Our strength lies in our customer-oriented approach, which involves deeply engaging with customers' latent challenges to identify solutions. At our Company, even researchers visit customers directly to hold discussions, enabling them to capture latent challenges and needs from a technical perspective and translate them into products and technologies aligned with market demands. In fields such as semiconductor and display materials, we work closely with customers from the early stages, fine-tuning product specifications to deliver solutions optimized for their needs.

This customer-oriented, problem-solving approach not only differentiates our products but also builds strong trust and long-term relationships with customers. As a result, our products have become "Must-Have" and indispensable solutions that resist commoditization, supporting a high-value-added, high-profitability business model.

Furthermore, our close collaboration between marketing and R&D allows customer feedback to be swiftly incorporated into development, enhancing our agility in responding to market changes. This is also one of our strengths.

● Development of Discerning Talent Producing Discerning Human Resources

Developing "Must-Have" products and technologies requires the ability to identify market opportunities by addressing customer challenges and accurately discerning both needs and trends. We refer to such individuals as "discerning talents" and place strong emphasis on cultivating them.

We believe that a purely research-focused career makes it difficult to foster the discernment needed to identify market trends and customer needs. As part of our talent strategy, we strategically implement the transfer of researchers to marketing roles, as well as the reassignment of marketing professionals to research positions, with the aim of incorporating the perspectives and experiences gained through marketing activities into our R&D efforts. In addition, we conduct training programs aimed at developing entrepreneurial skills and fostering in-house entrepreneurs. Through these efforts, we actively support the enhancement of discernment abilities.

Business Foundations Supporting Sustainable Growth

● Governance, Compliance, and Sustainability

We are committed to strengthening governance, compliance, and sustainability in order to help realize a sustainable society. We promote continuous, cross-functional initiatives to address social and environmental challenges, and through our responsible care activities, we ensure responsible business operations that prioritize safety, environment and health. In addition, by reinforcing our quality assurance systems, we enhance the reliability of our products and services. At the same time, we strive to improve group-wide governance and foster a strong culture of compliance, thereby contributing to the sustainable enhancement of corporate value.

Related Information
Responsible Care P.73–75, Improvement of Products Quality P.76, Corporate Governance P.77–83, Compliance P.87–88

● Human Resource Development

We recognize that strengthening our human capital—the foundation of our business—is one of the most important challenges in growing as a future-creating company and advancing together with society. Our goal is to foster an organizational culture where diverse talents co-create, embrace innovation, and enjoy taking on challenges. To this end, we have identified three key factors of human resource development: "producing leading human resources who will continue to challenge to improve value," "producing co-creators who transcend domains," and "producing discerning human resources who can judge business potential and commercialize it." We are implementing a wide range of initiatives to nurture such talent.

Related Information Human Capital P.27-30

● R&D foundation and Intellectual Property

To further strengthen "R&D," the source of our growth, we are enhancing our R&D foundation and functions. This includes expanding our semiconductor research capabilities, reorganizing our research structure, and strengthening our analytical infrastructure by utilization of cutting-edge technologies. On the intellectual property front, we are leveraging IP landscape analysis not only to reinforce existing businesses but also to support the creation of next-generation themes and new growth businesses.

Related Information
Research and Development P.31–34, Intellectual Property P.35–36

● IT/DX

To enhance operational efficiency and sophistication through digital technologies, and to expand the infrastructure for production, sales, and research, we established the Digital Transformation Department in April 2022. This department is responsible for both formulating and executing digital strategies, as well as overseeing our information systems. To date, we have implemented various initiatives including promoting the utilization of data through hands-on internal training programs with data visualization tools, and enhancing operational efficiency and sophistication in the SCM area. In addition, we have set up the Digital Transformation Offices at five domestic plants to further strengthen operational reforms in manufacturing and facility management, as well as support business operations through data utilization.

Looking ahead, we will focus on further leveraging our DX foundation while enhancing information security across the Group, including overseas affiliates, thereby promoting both operational efficiency and value co-creation.

Human Capital

Develop Employees as Future-creating Human Resources Who Overcome Their Own Domain to Co-Create the Future

Under the long-term business plan "Atelier2050," we have set out the ideal state of our organization for 2050 as "a group of co-creators that face challenges for change with a strong passion." We have also defined a basic stance for our employees around the three ideas of, "valuing the integrity as the strength," "taking a step forward with the vision," and "transcending collaboration to co-creation." The most important factor in realizing co-creation is human resources. As such, various initiatives are being taken to develop human resources and improve the workplace environment in order to realize an organization in which diverse human resources can take on challenges toward their own goals and they aspire toward personal growth, while upholding Nissan Chemical's strength and identity of "integrity." In order to continuously create new products, services, and the seeds of technologies, it is important to "co-create" new value through collaboration that transcends boundaries, rather than closing in solely on one's own field (technologies or departments). I hope that each employee will break out of his or her shell of assumptions, preconceptions, prejudices, and insecurities so that they do not unconsciously close in themselves to their own domain and miss opportunities to expand their possibilities.

KAWASHIMA Wataru
Executive Officer
Head of Personnel Dept.,
General Manager of Health Promotion Office

Vision (Atelier2050)

The Ideal Organizational State ■ A group of co-creators that face challenges for change with a strong passion

The Ideal Employees State (Basic Stance) ■ Valuing the integrity as the strength ■ Taking a step forward with the vision ■ Transcending collaboration to co-creation

Key Factors	Key Initiatives	Outputs	Outcomes
Human resource development Challenge: Producing leading human resources who will continue to challenge to improve value Co-creation: Producing co-creators who transcend domains Discernment: Producing discerning human resources who able to judge business potential and commercialize it Improvement of an internal environment Diversity: Creating a culture of diversity that respects individuality Integration of Philosophy: Creating a culture of understanding and empathy toward the corporate philosophy Health Promotion: Promoting employees' mental and physical health	Future Top Management and Manager Training Programs Global / DX Talent Development Program Career Design Program 10% Challenge Ai Campaign Intrapreneurship Program Hypothesis-Verification and Proposal-based Training Diversity-Related Initiatives Initiatives for creating a culture of understanding and empathy toward the corporate philosophy Initiatives for promoting employees' mental and physical health	Positive response rate in survey of employee attitude on willingness to take on challenges FY2024 Result 72.0% FY2027 Target 75.0% Number of co-creation themes FY2024 Result 160 FY2027 Target 200 Positive response rate in survey of employee attitude on diversity and career planning FY2024 Result 64.8% FY2027 Target 70.0% Positive response rate in survey of employee attitude on the degree of understanding and empathy toward our corporate philosophy FY2024 Result 65.8% FY2027 Target 70.0% Ratio of employees with high stress FY2024 Result 8.3% FY2027 Target 8.0% or less	Materiality Strengthening of Nissan Chemical's business base Enhancement of R&D capability Promotion of Diversity Personnel retention and trainings Creation of a comfortable workplace Maintenance and improvement of employees' health Vista2027 Stage II Targets Sales: 293.0 billion yen Operating margin: 20% or more ROE: 18.0% or more

Key Factors and Concrete Images

Key Factors	Concrete Images
Producing leading human resources who will continue to challenge to improve value	Producing human resources who can drive the business forward by thinking independently and challenging themselves, based on "vision (self-motivation)," to make improvements and proposals that will lead to improve value.
Producing co-creators who transcend domains	Producing human resources who can "co-create" new value through cross-boundary collaboration, rather than closing in solely on one's own field (technologies or departments).
Producing discerning human resources who able to judge business potential and commercialize it	Producing discerning human resources who can identify irreplaceable "Must-Have" product needs based on market insights, and assess the growth potential of the value chain.
Creating a culture of diversity that respects individuality	Fostering a corporate culture that respects and embraces the diversity of all individuals working together, and at the same time, allows the exchange of ideas (different opinions) held by such diverse individuals.
Creating a culture of understanding and empathy toward the corporate philosophy	Aligning the corporate philosophy with each employee's personal purpose to foster empathy with the corporate philosophy that is the basis of our business activities.
Promoting employees' mental and physical health	Maintaining and improving the physical and mental health of employees, which is the foundation that supports sound corporate growth.

Key Initiatives Challenge Co-creation Diversity

Future Top Management and Manager Training Programs

We place strong emphasis on developing human resources who will play a central role in organizational management. Beginning in FY2024, we launched manager training programs aimed at equipping participants with management skills. These programs go beyond skills acquisition: through group work with managers from different functions inside and outside the company, participants cultivate a spirit of co-creation and absorb diverse perspectives and insights. By enhancing the ability of managers to fulfill their roles, we expect to improve psychological safety within the organization, increase employee engagement, and ultimately contribute to stronger organizational performance. Since FY2013, we have also been continuously sending key personnel responsible for leading research activities to MOT (Management of Technology) programs. By integrating technology with business strategy, we are accelerating commercialization and enhancing competitiveness. Furthermore, to systematically develop the future top management, we regularly select high-potential talent and dispatch them to external cross-industry training programs, broadening their perspectives and preparing them to assume top management roles.

Key Initiatives Challenge Diversity

Global / DX Talent Development Program

As part of our global talent development program, we provide English conversation training for all employees as well as selective overseas language study programs in multiple languages. Since the program was launched in 2014, a total of 46 employees have studied abroad in 12 cities across 7 countries. Upon returning, many of these trainees have gone on to build careers overseas, demonstrating the significant impact of the program on career development. By emphasizing diversity and fostering respect for different cultures and values, we encourage employees to develop a global perspective.

In recent years, with the globalization of not only business but also supply chains, we have been expanding our overseas operations. By bringing together employees from diverse backgrounds and nationalities to co-create, we are generating new value and strengthening the overall competitiveness of the company. Going forward, we will continue to respect diversity and provide an inclusive workplace environment as we pursue sustainable growth.

In addition, as part of our company-wide DX promotion initiatives, we are advancing human resource development tailored to diverse roles and levels through e-learning, DX skill assessments, DX-related training programs, and support for certification acquisition. Going forward, we will also work to visualize skills using a talent management system, thereby enhancing our overall competitiveness and driving innovation.

Key Initiatives Challenge Diversity Health Promotion

Career Design Program

We have been advancing initiatives under the concept of "Let your purpose in life be your force." Our aim is to create an organization in which each employee deepens their career aspirations, harnesses their personal purpose in life as a driving force, and grows together with the company.

Until now, our focus has been on creating opportunities for employees to reflect on and discuss their own careers. Initiatives include the introduction of "career dialogues," conducted separately from performance evaluations; the distribution of a career dialogue handbook, e-learning materials, and video seminars; training programs for managers to facilitate career dialogues; career design programs tailored to different age groups; external career consultation services; and the distribution of Career Clips, a compilation of more than 100 departmental and role model case studies. Through these measures, we have provided employees with diverse and phased support.

We promote HR DX by visualizing individual career aspirations, expertise, and skills through a talent management system, thereby building a foundation for fostering connections among like-minded colleagues and enabling co-creation.

Looking ahead, we will move into the next phase: turning envisioned career paths into reality through learning and challenge. Specifically, we are considering building learning infrastructure to support individual skill development, establishing learning communities where employees can learn from and inspire each other, and introducing an internal job posting system.

By embedding this "think → take action" cycle across the organization, we will foster a culture in which individuals and the organization co-create careers built on mutual trust, thereby achieving sustainable growth for both.

Key Initiatives Challenge Co-creation

Ai Campaign

Ai Campaign is our Group's original small-group initiative at plants, through which employees make proposals for improvements in areas such as cost reduction, efficiency, and safety. Launched in 1978, the program has involved all plant operators, generating a cumulative total of approximately 76,000 proposals. Under a company-wide system that covers everything from proposal submission to evaluation, review, recognition, and presentation, as of 2024 about 200 groups comprising more than 1,200 members are actively engaged in this initiative.

In addition to encouraging creativity and on-site challenges,

in recent years we have also promoted cross-departmental proposals. This approach not only strengthens on-site capabilities but also serves as a platform for knowledge transfer and human resource development. Going forward, we will continue this distinctive initiative—an essential foundation for developing technical employees—while further promoting the use of digital technologies.

Key Initiatives Challenge Co-creation Discernment

10% Challenge

To encourage free thinking and a spirit of challenge among employees, we introduced the "10% Challenge" system in FY2023. Under this program, employees are allowed to dedicate 10% of their annual working hours to themes they wish to pursue voluntarily, even if unrelated to the mission of their assigned organization. Regardless of the outcome, the challenge itself is evaluated, with emphasis placed on broadening individual potential through the experience. In FY2024, a selection meeting was held to review the proposed themes, and eight themes were recognized and awarded.

At the award ceremony

Key Initiatives Co-creation Discernment

Intrapreneurship Program

To cultivate discerning human resources capable of identifying business potential and driving commercialization, we conduct an intrapreneurship program every other year for selected employees from across the company. With professional entrepreneurs serving as mentors, participants spend about six months seriously challenging themselves to create new businesses. By repeating short cycles of hypothesis building and validation, they not only advance commercialization but also acquire entrepreneurial skills and mindsets. To date, 27 employees have completed this program.

Discussion in progress

Key Initiatives Challenge Co-creation Discernment

Hypothesis-Testing and Proposal-based Training

At our Company, we value a self-driven mindset and willingness to take on challenges, whereby every employee proactively identifies issues, builds and tests hypotheses, and communicates and proposes solutions. With the aim of developing talent capable of driving transformation and creating new businesses through such actions, all pre-promotion training programs—self-start training, training before promotion to C3 class/ managerial position—are designed as hypothesis-testing and proposal-based programs. In the self-start training for younger employees, the objective is to build the foundation for individuals who can "think for themselves about what needs to be done and take action." Under the guidance of supervisors and managers, participants work on planning and executing original initiatives. In the training before promotion to C3 class/ managerial position, participants are organized into teams with an emphasis on co-creation. Through this training, they are expected to approach issues with a high level of perspective and broad vision appropriate to their position, repeatedly conduct hypothesis testing with a sense of speed, and enhance the quality of their proposals. Ultimately, participants present proposals on new businesses, operational improvements, or organizational reforms to management, thereby cultivating the awareness and execution skills required of the next generation of leaders.

Discussion in progress

Key Initiatives Diversity

Diversity Promotion Initiatives

Guided by our Diversity Statement, which emphasizes "valuing the individuality and talents of each person and connecting with society," we are working to foster a culture of diversity in which individual intentions are respected. To date, we have set targets for the hiring ratio of female university graduates in regular positions, expanded job categories available to female employees, introduced telecommuting system and HR systems that encourage employees to take on new challenges, and launched training programs to develop female leaders who bring about workplace change with their own leadership styles. As a result, the ratio of female employees in regular position has risen to 12.2%, and the ratio of female managers has increased to 4.7%. By respecting diverse values and experiences and creating an environment where everyone can work as their authentic selves, we aim to build a creative and vibrant organization that balances the happiness of employees with the well-being of society.

■ **Establishment of the Diversity Promotion Subcommittee and Numerical Targets**

In FY2024, to further strengthen our efforts, we established the Diversity Promotion Subcommittee, a cross-functional organization within the company. We are expanding the scope of our initiatives that have primarily focused on women, and are now working to create an inclusive environment where employees from diverse backgrounds—including male employees taking childcare leave, LGBTQ+ individuals, employees balancing caregiving and work, foreign nationals, and employees with disabilities—can thrive. By the end of FY2030, we aim to achieve a 7% ratio of female managers and a 90% rate of male employees taking childcare leave.

■ **Transforming the Organization to Embrace Diversity**

In FY2024, we published three handbooks to support the balance of childcare and career—addressed not only to female employees but also to male employees taking childcare leave and to managers practicing diversity management. We have also established a consultation desk for caregiving. Looking ahead, we will further deepen our workplace culture of inclusion by offering company-wide training programs to foster understanding of LGBTQ+ issues and by introducing initiatives that allow employees to experience firsthand the perspectives of colleagues with various constraints. These initiatives aim to nurture empathy and a sense of shared responsibility across the organization.

Key Factor Integration of Philosophy

Initiatives for creating a culture of understanding and empathy toward the corporate philosophy

We believe it is essential for each employee to align their personal purpose with the Corporate Philosophy, thereby deepening their empathy with it as the foundation of our business activities. As the philosophy becomes embedded throughout the organization, employees can better understand the objectives and significance of their work and contribute to value creation with high engagement through "Challenge" and "Co-creation."

In addition to the annual lectures and dialogues conducted by the President at each site, we launched new initiatives in FY2024 to help employees better understand the connection between our Corporate Philosophy, business activities, and their own roles. Through initiatives such as a web-based quiz designed to enhance understanding of our corporate history, philosophy, and individual businesses and products, we are working to further embed the Corporate Philosophy throughout the organization.

Key Factor Health Promotion

Initiatives for promoting employees' mental and physical health

We regard employees' physical and mental health as the "foundation that supports sound corporate growth" and implement a variety of initiatives to maintain and enhance their well-being. Specifically, we aim to reduce the percentage of employees with high stress levels and increase the percentage of employees with a healthy weight (body mass index [BMI] between 18.5 and 25.0). To this end, we promote regular health checkups, conduct stress checks, and provide mental health care training for all employees.

Through our Responsible Care management system, we strive to prevent occupational accidents, promote staff health, and create a comfortable workplace environment, thereby raising health and safety standards at each business site.

As a result of these and other initiatives, we aim to reduce productivity losses due to presenteeism, enhance employee engagement, and continue to obtain comprehensive and objective certifications related to health management, such as the "White 500."

■ **Mental Healthcare**

We introduced a stress check in 2015. Each year, organizational analysis of the results is conducted and the reporting session is held at each business site. More than 200 people, including heads of plants and laboratories, management level employees, and union officers, etc., participate in the reporting session to formulate workplace environment improvement plans.

For management level employees, Line-Care Training is provided on a regular basis. For employees, we have introduced e-learning for Self-Care and counseling services available to employees and their families.

■ **Certified Health and Productivity Management Organization (White 500)**

In cooperation with the Health Insurance Association, we implement initiatives to promote employee health, focusing particularly on lifestyle-related diseases and mental health care, which are key items in our Basic Health Policy. As a result of these efforts, we have been recognized for nine consecutive years under the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi's Certified Health & Productivity Management Organization Recognition Program ("White 500").

2025
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

For more information, please visit our website.
Web Creation of a Comfortable Workplace
Personnel retention and trainings
Promotion of Diversity
Maintenance and Improvement of Employees' Health

Voice of an HR Department Member

INABA Masamitsu
Personnel Department

"Genius cannot surpass those who work hard, and those who work hard cannot surpass those who enjoy what they do." This is a paraphrase of the words of Confucius.
We aspire to build an organization where everyone enjoys challenge and co-creation, learns from one another, and grows and develops together.
As the department responsible for enhancing human capital, we will continue to accumulate diverse initiatives and daily improvements.

Intellectual Capital Research and Development

Promoting R&D and Talent Development Based on Core Technologies, Accelerating Agile Development

ENDO Hideyuki
Managing Executive Officer, CTO
Head of Planning and Development Division

Since our founding in 1887 as Tokyo Jinzo Hiryo, established through the foresight of TAKAMINE Jokichi and SHIBUSAWA Eiichi, we have placed the utmost importance on "product development grounded in core technologies," over more than 130 years. We have refined our five core technologies—Ultrafine Particle Control, Functional Polymer Design, Biological Evaluation, Fine Organic Synthesis, and Optical Control—and, by integrating them, have created new product lines. Today, our framework of core technologies has further evolved to include Information Science and Microbial Control.

In April 2025, we launched Vista2027 Stage II, covering the latter three years (FY2025–FY2027) of our medium-term business plan. Having completed Vista2027 Stage I (FY2022–FY2024), we regard the creation of new products as the highest priority for Stage II. Furthermore, in Stage II, we have redefined our ideal state for FY2027 as a milestone toward the realization of our long-term business plan "Atelier 2050." Under the policy of building foundation for continuous growth and stable earnings, we have established three basic strategies: expanding profits in existing businesses, developing new products Looking toward 2030, and strengthening business foundation. We are committed to achieving the slogan of Vista2027: "To be an Enterprise that Faces Challenges toward the Future through Value Co-creation."

Human Resource Strategy to Support Sustainable Growth

In our existing businesses, we are focusing capital investment on strengthening growth sectors such as semiconductors and agrochemicals. In semiconductors, we plan to concentrate on developing next-generation materials such as 3D packaging process and EUV materials, while in agrochemicals, our focus will be on biological pesticides and new veterinary drug products. For new product development, we will identify target materials with a view to 2030 and concentrate resources on them, enabling us to make swift "Go/Stop" decisions. We also plan to actively pursue strategic investments such as M&A.

To advance these basic strategies, it is essential to strengthen the business foundation that supports each area of R&D. People are at the core of our R&D efforts, and we recognize that strengthening human resource development is crucial. Beyond enhancing expertise through on-the-job training and developing researchers through tiered training programs, we have also introduced our own training program aimed at improving literacy in information science. This program, conducted in collaboration with external consultants, includes pre- and post-training assessments to visualize actual proficiency levels. We also provided practical, hands-on programs with a focus on real-world application.

As another initiative in human resource development, in FY2025 we established a Human Resource Development Group within the Materials Research Laboratories. Its aim is to build a comprehensive training and development support system, including the development of materials informatics (MI) and DX talent, improving research efficiency, and supporting the growth and career advancement of outstanding researchers.

Not every R&D theme leads to successful commercialization. It is therefore essential to nurture "discerning talent" with the ability to evaluate whether a project can evolve into a viable business and to foresee its future market potential. To this end, we not only create opportunities for researchers to accompany sales staff in direct customer visits, but also have implemented an Intrapreneurship Program since FY2019, designed to foster in-house entrepreneurs. Under this program, themes and team members are selected, and participants receive coaching from entrepreneurs while collecting information and testing hypotheses. They then visit customers directly to confirm demand before moving forward with business development considerations.

These initiatives are not merely about improving employees' skills, but are directly connected to fostering talent that autonomously and creatively generates new value, functioning as a vital source of our competitiveness.

Enhancing R&D Infrastructure and Strengthening the Use of Intellectual Property

To reliably translate product functions and performance into market value, enhancing our R&D infrastructure is essential. We continue to invest actively in state-of-the-art evaluation and analytical equipment, including, for example, systems capable of inspecting defects in semiconductor materials at the same level as our customers. These investments enable us to grasp customer requirements from the same perspective, thereby facilitating speedy development and dramatically improving the reliability of our research outcomes.

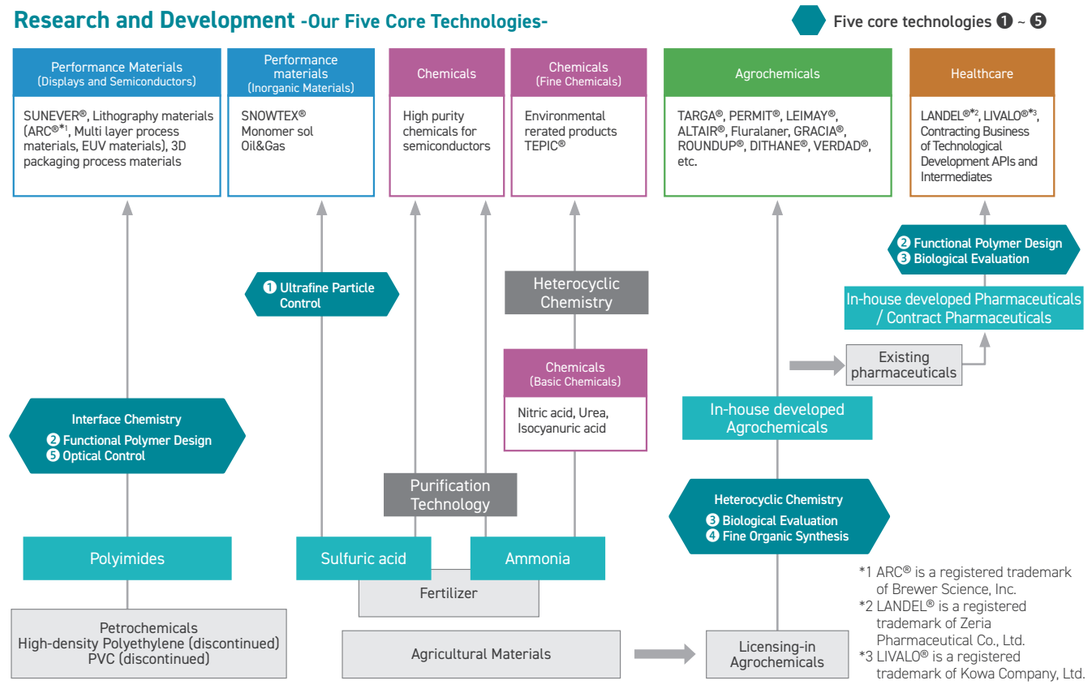
With respect to strengthening the use of intellectual property, we are further advancing the use of IP landscape analysis. In the past, we have applied IP landscape methods to capture shifts in technology trends and market structures, make Go/Stop decisions on research themes, explore opportunities for new applications, examine synergies with potential partners, and evaluate the intellectual property value of potential M&A targets. Going forward, we will cultivate and assign specialized personnel proficient in IP landscape, such as highly skilled Certified Specialists of Intellectual Property Management, and proactively integrate these insights into our R&D activities.

R&D for Growth Toward 2030 and Beyond

By steadily executing the basic strategies of Vista2027 Stage II, we plan to achieve new product sales of 23.9 billion yen in FY2027 and exceed that level by FY2030.

Our R&D vision is to create No.1 products in niche areas across a wide range of fields. To realize this vision, we are committed to refining strategies that design commercialization pathways in advance, pursuing customer-oriented, rapid development that accurately captures the essence of market demands, and precisely reflecting customer challenges in product characteristics. Through this cycle, we aim to achieve sustainable growth while creating social value.

Research and Development -Our Five Core Technologies-



Intellectual Capital Research and Development

Developing Data Scientists

As part of efforts to position "Information Science" as a new core technology, we launched a development project in FY2023 aimed at improving the data science literacy of our researchers. Under Vista2027 Stage I, we set a goal of assigning at least one core data science researcher to each research department, and we worked across the entire R&D department to achieve this.

In FY2023, to understand the current skill levels of participants and strengthen their foundational abilities (particularly digital skills), we implemented a training program combining e-learning with periodic assessments. The assessments evaluated two axes: digital skills (such as data science, digital marketing, software engineering) and innovative skills (such as ability to ask questions, discover, make connections, and build networks). After completing the program, participants showed steady improvement in their digital skills.

In FY2024, building on the previous year's results, we conducted individualized, hands-on programs that emphasized practical application to each participant's own research themes. Participants selected from multiple programs offered by universities and private institutions. As a result, for example, the number of researchers who answered "unable to use" when asked about programming languages dropped to zero after the training, while the number of those able to utilize such skills increased significantly. Many have already begun applying the newly acquired skills in their actual work.

From FY2025 onward, we plan to assign information science coordinators to each research department, who will set goals and action plans aligned with the department's R&D themes, thereby promoting data-driven research.

Skill Changes Before and After Training (Excerpt from skill assessments conducted before and after the Data Science Training)

Item	Can Do with Support	Can Do Independently
Integrated analysis using Python	10%→**50%**	25%→**50%**
Implementation of machine learning using Python	5%→**55%**	30%→**45%**

◎Examples of Courses Utilized

UTokyo Data Science School
[UTokyo Extension Co.,Ltd.]
- Challenge Course in Data Science with Python
- Data Science Full-scale Training Program

Tohoku University Data Science College
[Tohoku University Knowledge Cast Co., Ltd.]
- Practical Training Course

TECH PLAY Academy
[Persol Innovation Co., Ltd.]
- Data Science Training

Theme Management of Research and Development

We are considering many R&D themes, mainly in the fields of performance materials and life sciences, and managing progress and gaps from targets for all themes. We conduct this management every six months, and evaluate and report on R&D progress from many angles, mainly on the technology axis, including the state of technological progress, technical goals for the next six months, schedules for commercialization, intellectual property information, and the status of manpower allocation. The head of each research laboratory and supervising officer of each research field participate in the debriefing sessions, and for R&D themes that are behind schedule, they discuss the background to the delays and ways to make up for them. When it is necessary to discuss theme interruptions, we make our decision taking into account whether there are recovery strategies, changes in market conditions, and business models for each theme area.

On the other hand, at the debriefing sessions, newly initiated R&D themes are also shared, allowing each research and development department to recognize newly started themes and to exchange effective ideas for advancing research.

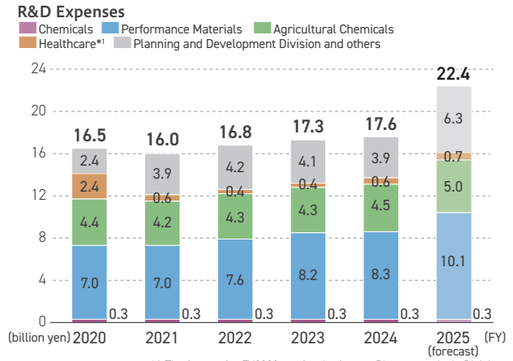
Identification of Roles and Responsibilities (Materials Research Laboratories)

In April 2025, we reorganized the Materials Research Laboratories to accelerate R&D, positioning it as a core base of performance materials development.

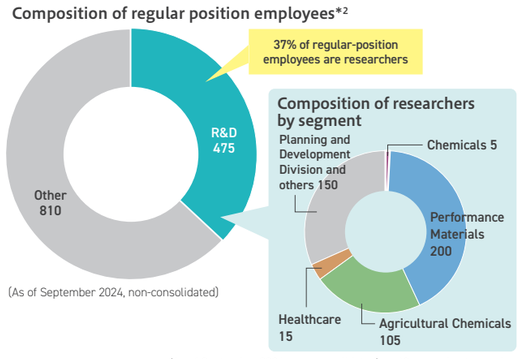
R&D Expenses

We consider R&D to be the source of growth, and have intensively invested our management resources in R&D.

Our sales-to-R&D expenses ratio has remained at a high level of 7–9% and continues to show an upward trend in functional materials, particularly semiconductors, as well as agrochemicals. In addition, approximately 40% employees in regular position are working as researchers.



*1 The figures for FY2020 are for the former Pharmaceuticals Division.



(As of September 2024, non-consolidated)

(As of September 2024, non-consolidated) *2 approximate number

Voices of Researchers

Supporting the Success of Materials Research Talent and Their Contribution to Business

OZAWA Masaaki
Leader, Human Resource Development Group
Materials Research Laboratories

In FY2025, a Human Resource Development Group was established within the Materials Research Laboratory. Its purpose is to build a framework that enables the entire laboratory to support the development of ace researchers capable of leading large-scale new themes, as well as outstanding project management talent. The mission of this group is (1) identifying high-potential talent and supporting their career development in collaboration with department heads, (2) forming cross-functional task forces for new themes and promoting their project development, (3) fostering MI and DX talent, and (4) implementing training programs for younger researchers. As a human resource development unit embedded directly in the research field, we aim to provide close, hands-on support to researchers. We have defined three talent models: "business-oriented research talent" who contribute to the expansion of existing businesses; "innovation-oriented research talent" who take on the challenge of creating new businesses; and "digital-driven research talent" who lead data-driven research. For each category, we will implement measures to strengthen the necessary experience and skills. Our goal is to create an environment where each researcher can establish their own core, maximize their abilities, and drive the creation of research outcomes.

Creating New Materials to Open the Future of the Hydrogen Society

ITO Jun
Energy Materials Research Department
Materials Research Laboratories

Our team is engaged in the research and development of "ion-conductive polymers," which are key constituent materials of catalyst layers for hydrogen production via water electrolysis and power generation via fuel cells—both technologies for realizing a hydrogen society. We are conducting research aimed at technological innovation that contributes to the realization of a sustainable society, focusing not only on enhancing material performance but also on developing PFAS-free materials with high environmental compatibility. Water electrolysis and fuel cells are fundamental technologies that contribute to reducing greenhouse gas emissions and addressing climate change, thereby helping achieve the SDGs. Since FY2024, I have been responsible for this theme. As a new area for Nissan Chemical, it presents numerous challenges, including the need for a long-term perspective before achieving social implementation. Nevertheless, I remain committed to advancing daily research, driven by the belief that the materials I design and develop have the potential to contribute to solving societal issues. Looking ahead to the arrival of a hydrogen society, I hope to contribute to the further growth of Nissan Chemical through the creation of materials that respond to social needs.

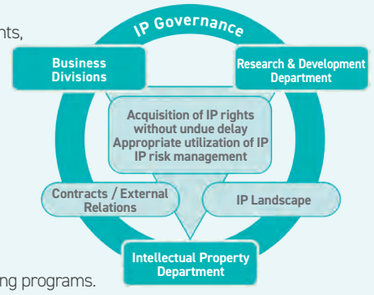
Intellectual Capital Intellectual Property

We regard intellectual property as both "the foundation of our business" and "the source of our growth."

◎Basic policy
Three pillars of intellectual property (IP) activities: (1) Prompt acquisition of IP rights, (2) Appropriate utilization of IP, (3) Through IP risk management

◎Recent key IP activities
Enhancing the IP governance system, Promoting IP landscape, Supporting contracts and external negotiations

◎Features of Nissan Chemical Group's IP governance system
IP governance across all divisions
- Engagement in IP activities by IP liaisons appointed in each division in collaboration with the Intellectual Property Department.
- Regularly held of company-wide IP conference and strategy meetings for each business field.
- Human resource development and enhancement of IP literacy through IP training programs.



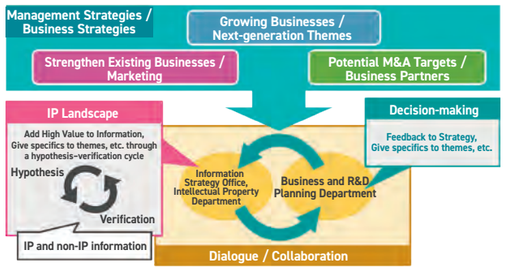
Characteristics of Nissan Chemical Group's IP Governance System

The Group's IP governance is centered on seamless, tripartite collaboration among the business divisions, R&D departments, and the Intellectual Property Department. Within systematically structured committees, discussions, approvals, and information sharing are carried out to ensure effective IP governance. For example, in strategy meetings attended by IP liaisons appointed in each division and core members of R&D and business divisions, we comprehensively discuss each strategy of business, R&D, and IP. Similarly, assessments and decisions regarding IP risks in business activities, as well as the enforcement of IP rights, are addressed collectively with full organizational commitment. In particular, within the IP Development Office, Intellectual Property Department, representatives from all business fields gather to discuss countermeasures against other companies' rights. Through rigorous risk assessment, our Group works to build a stable foundation for its business operations.

Accelerating the Promotion of IP Landscape

In 2018, we established a framework for leveraging IP landscape and have since actively provided information and conducted awareness-raising activities for the business divisions and R&D departments. As a result, leveraging insights derived from information analysis has become firmly embedded in both business and research activities, and IP landscape is now applied to a wide range of decision-making processes.

Within the Information Strategy Office, Intellectual Property Department, the objectives of IP landscape utilization have been clearly defined as threefold: (1) the strengthening of existing businesses through its application to marketing activities, (2) the selection of next-generation themes and the creation of growth businesses, and (3) the consideration of potential candidates for M&A and business partnerships to expand business operations. By clarifying these objectives and presenting concrete use cases internally, we are further accelerating the promotion of IP landscape.



Development of Human Resources for Intellectual Property

At Nissan Chemical, we are committed to developing IP human resources tailored to each role and responsibility in order to promote both the protection and utilization of IP and to make advanced use of information. Through training programs and individual guidance, we help all employees deepen their understanding of IP and enhance the use of their knowledge and experience, thereby reducing legal risks, strengthening competitiveness, and fostering innovation.

Specifically, in hypothesis verification-based training (training before promotion, P.29), the Intellectual Property Department provides guidance on skills to collect essential IP information and offers support through IP analysis and IP landscape. These initiatives are designed to further improve the IP mindset of each employee.

Building and Managing a Strategic IP Portfolio

While we actively promote patent applications as an outcome of R&D, we also review the necessity of various post-application procedures— application to foreign countries, entry of PCT applications into the national phase, requests for examination, etc.—in light of the business situation through discussions among the business divisions, the R&D departments, and the Intellectual Property Department, and obtain rights appropriately.

For granted patents, we regularly take their "inventories." We review not only patents directly related to the ongoing businesses but also the effectiveness of patents that constitute a barrier to entry against competitors, to determine whether to maintain or abandon their registration. As described below, by managing IP appropriately according to the characteristics of each business area, we are building a valuable IP portfolio that can contribute to the expansion of our business.

In the field of Performance Materials, we promote our business and protect our products by strategically building a patent portfolio ahead of our competitors in order to obtain a high market share.

In the fields of Agrochemicals and Pharmaceuticals, where products have long life cycles, we are working to optimize patent portfolios in response to changes arising from long-term business activities. We also obtain trademark rights globally. Through these measures, we are able to enforce rights appropriately, including handling of litigation with generic companies and addressing infringing products.

Active Establishment of Patent Rights

As shown in the trend in the number of patents owned (p.14), we are actively establishing patent rights both in Japan and overseas.

Our overseas percentage of patents owned ([number of overseas patents owned / total number of patents owned × 100] %) is approximately 70%, which is significantly higher than the average of thirty major domestic chemical manufacturers. This is the result of pushing forward with our patent application strategy to ensure that we can conduct our business with confidence both domestically and internationally.

In the same way, among thirty major domestic chemical manufacturers, the number of our patents owned as a percentage of sales, and the number of our patents owned as a percentage of R&D expenditures are high levels. Only in our Performance Materials field, its number of patents owned as a percentage of R&D expenditures is more than double the average of thirty major domestic chemical manufacturers.

Comparison of our overseas percentage of patents owned and the number of patents owned among thirty major domestic chemical manufacturers.*1
(calculation method revised, using a commercial database)

	FY2022		FY2023		FY2024	
	Nissan Chemical	Average of 30 manufacturers in the chemical industry	Nissan Chemical	Average of 30 manufacturers in the chemical industry	Nissan Chemical	Average of 30 manufacturers in the chemical industry
Overseas percentage of patents owned (%)	69.8(1)	50.2	69.4(1)	50.3	69.6(2)	49.1
Number of patents owned / Sales (cases/100 million yen)	2.5(2)	1.0	2.7(2)	1.0	2.6(1)	0.9
Number of patents owned / R&D expenses*2 (cases/100 million yen)	33.4(5) 54.7	25.2	35.1(5) 55.6	23.9	36.8(3) 57.9	23.3

*1 Figures in parentheses indicate our ranking among thirty major domestic chemical manufacturers
*2 Figures in the lower row are calculated only for our Performance Materials field

Intellectual Property Topics

Received the National Commendation for Invention for two consecutive years

Following our receipt of the Invention Prize last year, Nissan Chemical was awarded the Prize of the Chairman of the Japan Institute of Invention and Innovation (JIII), a special prize, in FY2025 at the National Commendation for Invention organized by JIII. Award-winning for two consecutive years at the Commendation demonstrates that our IP activities have been highly recognized as contributing to our business.

FY2025 Prize of the Chairman of JIII: Photo-alignment materials for IPS mode liquid crystal displays (LCDs).

This invention made a major contribution to the commercialization of the "photo-alignment layer," a core technology for high-definition LCDs such as 4K televisions.

Although the photo-alignment layer was theoretically an excellent technology, its practical application faced two challenges: weak liquid crystal alignment force and display defects caused by byproducts generated during the light irradiation process. While initially focusing on developing materials that would not generate byproducts, our researchers shifted their approach and conceived a new solution: washing after light irradiation. Further studies showed that using a specific cleaning solvent not only removed byproducts but also improved alignment force. Through this series of inventions, including the washing method, our photo-alignment materials for IPS liquid crystal displays have been adopted in cutting-edge smartphones and have become key products that paved the way for the era of high-definition displays. We support our highly profitable business by building a strategic patent portfolio and efficient utilization of patents.

FY2024 Invention Prize: Veterinary pharmaceutical Fluralaner

This prize was awarded for a compound patent of Fluralaner, the active ingredient of our veterinary pharmaceuticals. In the judging process, the compound was highly evaluated for having a novel skeletal structure and mechanism of action, outstanding efficacy and safety, and a duration of effect far exceeding that of existing drugs. We believe that this award also reflects recognition of our long-cultivated core technologies "Fine Organic Synthesis" and "Biological Evaluation".

Award ceremony of the National Commendation for Invention

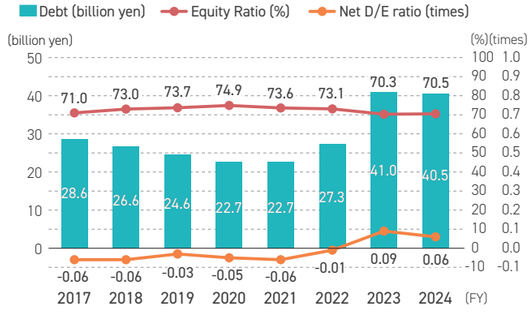
Financial Capital and Manufacturing Capital

Financial Capital

Financial Structure

Nissan Chemical has built up a robust financial base by carefully maintaining a balance between shareholders' equity and debt. We continue to maintain a high equity ratio, and our debt remains at a level that allows us to sustain a high credit rating from the Japan Credit Rating Agency (JCR). As a result, the net D/E ratio—one of the key indicators of financial soundness—remains at a low level. (Lower Net D/E ratio is preferable).

Debt: Equity ratio: Net D/E ratio

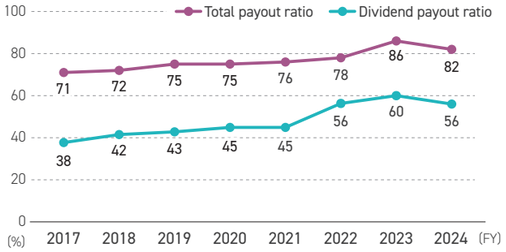


Related Information Message from the CFO P.41-44, Financial Review P.93-100

Shareholder Returns

Nissan Chemical places strong emphasis on ROE, an indicator of earnings power, and aims to make the fullest use of shareholders' equity. Our ROE always exceeds the Tokyo Stock Exchange Prime Market average, reaching 18.7% in FY2024. The dividend payout ratio has been gradually increasing from 30.7% in FY2015, and the result for FY2024 was 55.5%. In addition, the total payout ratio reached 82.0% in FY2024. Going forward, in line with our medium-term business plan Vista2027, we will continue to pursue proactive shareholder returns with a target dividend payout ratio of 55% or more and a target total payout ratio of 75% or more.

Total payout ratio / Dividend payout ratio



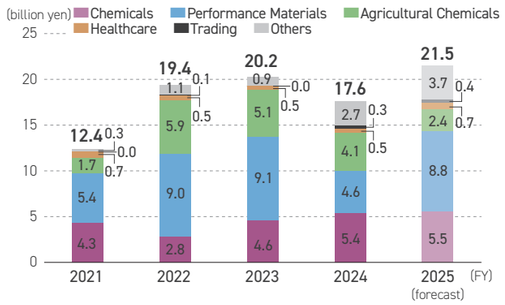
Manufacturing Capital

Related Information Corporate Information P.101-104

Capex

In FY2024, our Group made capital expenditures (Capex) totaling 17.6 billion yen (on a cash-flow basis), primarily focused on strengthening manufacturing facilities. Capex has been increasing in recent years, driven mainly by the expansion of manufacturing capacity in our core growth businesses, particularly overseas.

Capital expenditures



Domestic Plants

The Company's five plants located across Japan are continuously evolving with the steady introduction of state-of-the-art equipment and facilities, ensuring stable production of our products.

The Sodegaura Plant (Chiba Prefecture)

This is our core plant for specialty chemicals. It produces inorganic materials and electronic materials used in a wide range of industrial fields, including cutting-edge information and electronics.

The Saitama Plant (Saitama Prefecture)

This plant formulates agrochemicals, producing herbicides for paddy rice as well as insecticides and fungicides.

The Toyama Plant (Toyama Prefecture)

Having developed into one of Japan's leading integrated ammonia chemical plants, it now focuses on IT-related products such as electronic materials, while continuing to manufacture a diverse range of products.

The Nagoya Plant (Aichi Prefecture)

Originally developed around the manufacture of sulfuric acid, the plant currently produces refined sulfuric acid, high-purity sulfuric acid, and AdBlue®, a high-grade urea solution for purifying emissions from diesel vehicles.

The Onoda Plant (Yamaguchi Prefecture)

With a history of more than 130 years, this plant produced Japan's first agrochemicals in 1910. Today it manufactures a range of life science products, including agrochemicals, pharmaceuticals, and organic fine chemical products.

Social Capital and Natural Capital

Social Capital

The relationships of trust that we have cultivated over a long period of time with a variety of stakeholders, including investors, local communities and NPO/NGOs, form the basis for supporting our business activities. With the Nissan Chemical Group's sites as the foundation for social contribution, we are engaged in a variety of social contribution activities as a corporate citizen, focusing on the four areas: promotion of education, science, and culture; contribution to local communities; conservation of the global environment; and promotion of health and welfare and promotion of sports.

Plant tour (at Saitama Plant)

Interaction with Local Residents

We hold plant tours and explanatory meetings on regular basis for local residents and schools. In addition to explaining the main equipment, we also explain our efforts in disaster prevention and the environment, striving to instill understanding that our factories are safe and secure. In addition, we also participate in local beautification activities such as cleaning of public roads and nearby stations around the plants, and planting flowers together with local residents. In FY2024, we conducted plant tours at our Saitama, Toyama, and Onoda plants.

For more information, please visit our website.
Web Contribution to Communities and Society
Biodiversity Conservation

Natural Capital

Related Information Responsible Care P.73-75

In manufacturing products, it is difficult to avoid placing burdens on the environment, such as the use of energy, water, and raw materials, as well as greenhouse gas (GHG) emissions. The Nissan Chemical Group identified the "Continuous improvement of responsible care activities" as one of its materiality issues, and has specified the mitigation of climate change and the reduction of industrial waste and pollutant emissions as materiality factors. Through Responsible Care activities that take the environment, health, and safety into account, we strive to reduce environmental impact while also contributing to solving environmental challenges through our business activities.

Supply of Environmentally friendly Products and Services

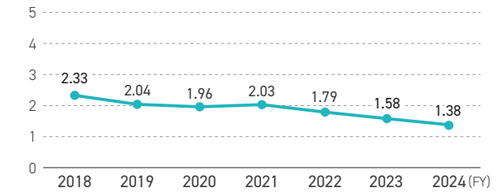
We define environmentally friendly products as those which reduce our environmental impact or play a major role in achieving this objective, in each of our processes, including manufacturing, distribution, use, and disposal. By increasing the percentage of our products that are environmentally friendly, we aim to contribute to society in harmony with the environment.

Initiatives to Reduce GHG Emissions

At the Toyama Plant and the Onoda Plant, we have significantly reduced CO_2 emissions by converting naphtha that is raw material and fuel for ammonia, and heavy oil that is fuel for boilers into natural gas. The Company's carbon efficiency (GHG emission rate) is relatively good in the chemical industry due to the low-carbon investments it has made to date and the characteristics of its products.

Carbon efficiency

(tons / million yen)



For more information, please visit our website.
Web Responsible Care Management
Mitigation of Climate Change
Reduction of Industrial Waste and Pollutant Emissions
Management of Chemical Substances
Water Resources Conservation
Biodiversity Conservation
Supply of Environmentally Friendly Products and Services

Materiality

For more information, please visit our website.
Web Materiality (priority issues) and SDGs

Our materiality identified in FY2018 was determined by examining its importance to both the Company and our stakeholders. A review was conducted in FY2022 with the launch of the Medium-term Business Plan "Vista2027." Now, with the start of "Vista2027 Stage II" in FY2025, we have revised certain FY2027 targets and major initiatives to better align with the ideal state our Group aims to achieve by FY2027.
With the aim of achieving sustainable development for society and the Nissan Chemical Group, we are positioning these KPIs as indicators for sustainable management, and steadily promoting initiatives while monitoring progress on an annual basis.

Three Materiality of Nissan Chemical Group

Provision of new value for helping to enrich people's lives

We aim to provide new value for helping to enrich people's lives through four businesses based on core technologies.

Strengthening of Nissan Chemical's business base

We aim to strengthen our business base to improve our ability to respond to increasingly diverse and sophisticated marketing needs.

Continuous improvement of responsible care activities

We aim to enhance the maintenance of environment, health, and safety through the operation of the Nissan Chemical Responsible Care Management System.

Materiality Identification Process

Gain Understanding About Social Issues and Social Changes

Social issues and social changes looking ahead to 2050 and issues to be addressed by Nissan Chemical were discussed across the Company in the "Business Planning Project" led by the President and the Vice President, and it was confirmed that there have been no major changes in social issues and social changes since the previous formulation.

Social Issues and Social Changes

Environment
- Advanced climate change
- Global crisis
- Exacerbation of the food issues

Social
- Increase in requests for consideration of health and safety in the work environment
- Advent of a smart society
- Changes in lifestyle
- Labor shortage
- Worsening health issues

Economy
- Intensification of inter-corporate competitions
- Diversification of risk factors
- Increase in requests for sustainability considerations in the supply chain
- Increase in interest in corporate governance reform
- Increase in requests for information disclosure

Review of Materiality and Materiality Factors

We reviewed materiality and materiality factors with reference to the SDGs, evaluation items of ESG-related evaluation organizations such as DJSI and FTSE, and sustainability information disclosure guidelines such as SASB, and determined that the materiality identified in the previous medium-term business plan "Vista2021" remains a priority issue for Nissan Chemical. On the other hand, in light of the priority of Nissan Chemical's business base and the results of our activities under Vista2021, we have added "safety and disaster prevention" as a new materiality factor, and summarized into 30 materiality factors.

Management of Impact on Our Group

In regard to the 30 materiality factors, we considered and analyzed the social issues and social changes, and then made arrangements to manage the impact on the Group.

Exchange of Opinions with Directors and Audit & Supervisory Board Members, including Outside Officers

From the perspective of incorporating outside opinions, we exchanged opinions in intensive discussions with directors and audit & supervisory board members, including outside officers, regarding the materiality and materiality factors that had been reviewed in the Business Planning Project.

Identification of Materiality and Materiality Factors (through resolution at the Board of Directors)

The Board of Directors confirmed and resolved the appropriateness of the materiality, materiality factors, and key performance indicators (KPIs) for each materiality factor, which were identified based on the discussions in the Business Planning Project and the opinions of the officers.

Materiality Initiatives and KPI

Materiality	Materiality factor	Vista2027 Major Initiatives	FY2027 Target * New targets from Vista2027 Stage II	FY2024 Result	Relation with SDGs
Provision of new value for helping to enrich people's lives	Supply of environmentally friendly products and services	● Development of materials that contribute to the expansion of renewable energy ● Development of materials that contribute to the achievement of a circular economy ● Reduction of the application amount of agrochemicals ● Introduction of recyclable packaging materials ● Supply of exhaust gas removal materials ● Supply of disinfectants and water treatment for septic tanks ● Supply of materials that enable reduction of oil and fat waste	● Net sales: +10% compared to FY2021	● Net sales: +5% compared to FY2021	
	Contribution to smart society	● Supply of materials that contribute to higher capacity/speed of data communication and sensing	● Net sales: +60% compared to FY2021*	● Net sales: +33% compared to FY2021	
	Contribution to food issues	● Supply of agrochemicals to increase crop yields and conserve agricultural labor in food production ● Contribution to the maintenance of health of livestock	● Net sales: +25% compared to FY2021*	● Net sales: +27% compared to FY2021	
	Contribution to improvement of the quality of life	● Supply of disinfectants for drinking water ● Contribution to maintaining the health of companion animals	● Net sales: +15% compared to FY2021	● Net sales: +48% compared to FY2021	
	Contribution to health issues	● Supply of generic drugs ● Offer of contracted manufacturing and service for pharmaceuticals ● Development of materials for regenerative medicine market ● Development of drugs for intractable diseases	● Net sales: +5% compared to FY2021	● Net sales: +7% compared to FY2021	
	Rate of total sales of products and services that contribute to solving social issues in consolidated net sales Nissan Chemical Sustainable Agenda		● 60% or more*	● 60% or more	
Strengthening of Nissan Chemical's business base	Enhancement of R&D capability	● Utilization of informatics for streamlining and accelerating R&D ● Expansion of core technologies	● Number of patented inventions (FY2022 to FY2027): 1,200* ● Ratio of themes utilizing informatics: At least 10%*	● Number of patent applications Target (cumulative FY2022 to FY2027): 2,500 Result (cumulative FY2022 to FY2024): 1,190 (FY2024: 415 applications)	
	Improvement of products quality	● Prevention of serious complaints ● Prevention of quality fraud and data tampering	● Number of serious complaints: Zero ● Attendance rate of quality training: 100%* ● Rate of correct answers on comprehension tests: At least 90%* ● Rate of answer "Increased awareness of fraud prevention": 100%*	● Number of serious complaints: 3 ● Attendance rate of quality training: 100% ● Rate of correct answers on comprehension tests: At least 90% ● Rate of answer "Increased awareness of fraud prevention": 100%	
	Maintenance and improvement of employees' health	● Promotion of measures against lifestyle-related diseases ● Implementation of mental health measures ● Awareness activities for employees on maintaining their health ● Promotion of female's health	● Rate of employees within appropriate weight*1: At least 70% *1 BMI (body mass index): 18.5 to 25.0	● 66.9%	
	Creation of a comfortable workplace	● Promotion of work-life balance ● Implementation of measures against harassment ● Support for childcare and nursing care, encouraging male employees to take parental leaves	● Utilization rate for annual paid leaves: At least 80%	● 82.2%	
	Personnel retention and trainings	● Introduction of a new personnel system (role grading system) ● Strengthening of career development ● Enhancement of self-development support programs	● Positive response rate in survey of employee attitude on human resources development: At least 65%	● 60%	
	Promotion of diversity	● Promotion of active participation of females ● Recruitment of international students ● Promotion of employment of persons with disabilities	● Proportion of females in the regular position: At least 13% ● Proportion of female researchers in the regular position: At least 18%	● Proportion of females in the regular position: 12.2% ● Proportion of female researchers in the regular position: 18.1%	
	Promotion of fair-trading	● Holding in-house training sessions and conducting other educational and awareness activities ● Conduction of educational and awareness activities for compliance	● Number of violations of antitrust laws: Zero ● Number of cases of bribery of foreign public officials: Zero	● Number of violations of antitrust laws: Zero ● Number of cases of bribery of foreign public officials: Zero	
	Promotion of sustainable procurement	● Conduction of sustainable procurement survey for suppliers ● Provision of feedback on the results of the sustainable procurement survey ● Provision of supports in improvement for suppliers that do not meet the Company's standards	● Response rate of sustainable procurement survey (Purchasing Department purchases): At least 90%*	● Provision rate of supports in improvement for suppliers that do not meet the Company's standards Target: At least 90% Result: 100%	
	Adaptation to climate change	● Maintaining and improving the resilience of business activities in the event of natural disasters	● Update and maintenance of Business Continuity Plans (BCPs) for products that account for 50% of ordinary income	● Updated or maintained BCPs for products that account for 81% of ordinary income	
Continuous improvement of responsible care activities	Mitigation of climate change	● GHG emissions reduction	● GHG emissions: Reducing by at least 30% from FY2018 level	● Reduced by 23.5%	
	Promotion of occupational health and safety	● Strengthening of occupational safety management	● Accidents requiring staff time off from work: Zero	● Number of accidents requiring staff time off from work: 1 ● Number of occupational accident Target: Reducing by half compared to FY2020 Result: 3 (FY2020: 8)	
	Biodiversity conservation	● Promotion of biodiversity conservation activities	● Number of registered sites for "Nationally Certified Sustainably Managed Natural Sites": At least 2* ● Support for government-owned land: 5,000m² or more*	● Establishment and operation of Bio-Parks at Nissan Chemical's plants Target: At all Nissan Chemical's plants Result: Establishment and operation completed at all Nissan Chemical's plants (FY2024: Established the Nagoya Plant Bio-Garden)	
	Management of chemical substances	● Compliance with laws and regulations regarding the use of chemical substances	● Serious violations of laws and regulations: Zero (maintained)	● Number of serious violations of laws and regulations: Zero (maintained)	
	Reduction of industrial waste and pollutant emissions	● Reduction of industrial waste and pollutant emissions for final disposal	● Final disposal volume: Reduce by 50% compared to FY2021*	● Reduction of final disposal ratio at Nissan Chemical's plants Target: Reduction compared to FY2020 Result: 8.5% (FY2020: 14.3%) ● Final disposal volume: Reduced by 40.4%	
	Safety and disaster prevention	● Strengthening of the management of safety and disaster prevention	● Number of fires, explosions and chemical spills: Zero ● Safety accidents: Zero	● Fires: 0, Explosions: 0, Chemical spills: 1 ● Safety accidents: 1	

Message from the CFO

Investing Capital in With a Focus on Sustainable Profit

Two Growth Driver Areas. ROIC, Ensure Growth Toward FY2030.

DAIMON Hideki
Director,
Senior Executive Vice President,
CFO

Achieved ROE Target of 18% in FY2024 Semiconductors Materials to Lead Future Growth

In FY2024, our core businesses of Performance Materials and Agricultural Chemicals contributed to profit growth, resulting in an 18% increase in operating profit and a 15% increase in EPS (Earnings per Share) year-on-year. We successfully achieved a new record profit, surpassing the previous peak that had been interrupted in FY2023. Our most important financial indicator, ROE (return on equity), reached 18.7%, exceeding the target of 18%. Free cash flow exceeded 40 billion yen, dividend payout ratio was 55.5%, and total payout ratio reached 82%, all of these indicators were above targets. As the final year of our medium-term business plan "Vista2027 Stage I," we fell slightly short of the profit targets set three years ago. However, considering the sharp decline in the overall electronics materials market triggered by the post-COVID rebound from the second half of FY2022, we consider it a major achievement that we have been able to recover from these unexpected events as the entire company.

Regarding the improvement of profitability in the Chemicals business, which had been problematic, we implemented the necessary measures in FY2024. We recorded a 2.8 billion yen impairment loss related to the Fine Chemicals, which has seen a decline in profitability, and began the downscaling of certain manufacturing capacity. By reducing fixed-cost burdens, we aim to secure 5% of the operating margin by FY2027.

The targets for FY2027, the final year of Vista2027 Stage II, are an operating profit of 65 billion yen, EPS of 366.28 yen and a 5% CAGR (compound annual growth rate) compared to FY2024. Among our business segments, the Performance Materials business, and in particular semiconductor materials is expected to be a growth area, anticipating over 10% CAGR, thereby driving our group profit growth. The Agricultural Chemicals business plans steady sales increase through the expanded sales of general agrochemicals such as GRACIA® and LEIMAY®, as well as VERDAD®, a domestic herbicide launched in early 2025. Additionally, for Fluralaner, an active ingredient for veterinary pharmaceuticals, we expect to offset its decline in royalty income with growth in active ingredient sales.

Accelerating Concentrated Investment in Growth Sectors
Maintain High Profitability by Optimizing the Business Portfolio

During the three-year period of Vista2027 Stage II, we will accelerate growth investment in the Performance Materials and Agricultural Chemicals businesses. To ensure future profit growth, I regard these investments in the current medium-term business plan as indispensable. However, we are also introducing a framework based on specific investment-efficiency standards. We will conduct regular monitoring using ROIC (return on invested capital) standards for each portfolio, aiming to achieve a portfolio management with clear priorities and balance aligned with future forecast positioning.

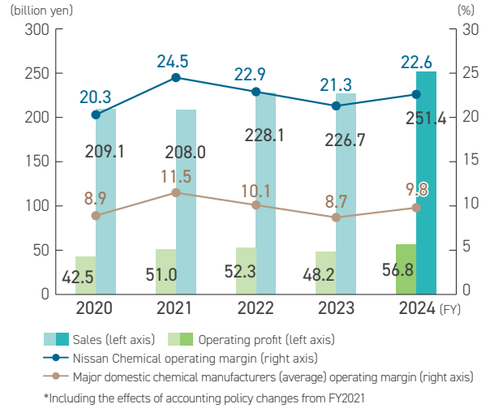
Our present ROIC sufficiently exceeds WACC (weighted average cost of capital), and we will continue to make investment decisions that preserve Nissan Chemical's characteristic high profitability and efficiency. We have also presented our vision for sales of next-generation and new materials/APIs/drugs, for FY2030, clearly indicating our medium-to-long-term growth drivers.

The capital allocation (p.43) announced in this medium-term business plan, we will allocate substantial funds to organic growth investments such as capital expenditures and R&D. By clearly indicating the balance with shareholder returns and the sources of funding, we are presenting the direction of our management based on the recognition that the Company is currently in a medium- to long-term growth phase.

In Vista2027 Stage II, we consider this three-year as a period in which we concentrate management resources on the Performance Materials and the Agricultural Chemicals businesses to secure sustainable growth. The organic growth investment is set at a level of 37% above the cumulative total over the past three years. At the same time we will consistently keep a high level of shareholder returns, with a total payout ratio of at least 75%, and actively consider inorganic strategic investments beyond previous levels. Specifically, we intend to target areas that broaden our business scope, strengthen our supply chains, and create synergies, along with establishing a system to promote strategic investment from a company-wide perspective. Financing will be based on our strong balance sheet, with debt financing and the maintenance of financial discipline as key premises.

Sales / Operating profit / Operating margin

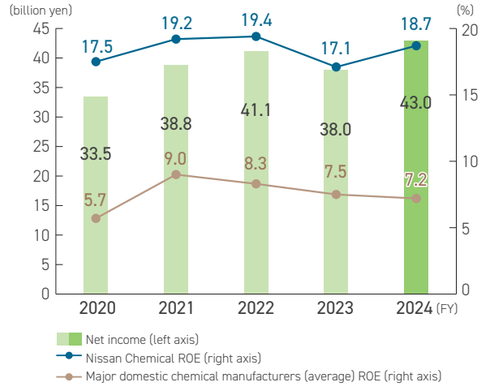
FY2024 operating profit was 56.8 billion yen, a year-on-year increase of 18%



*Including the effects of accounting policy changes from FY2021

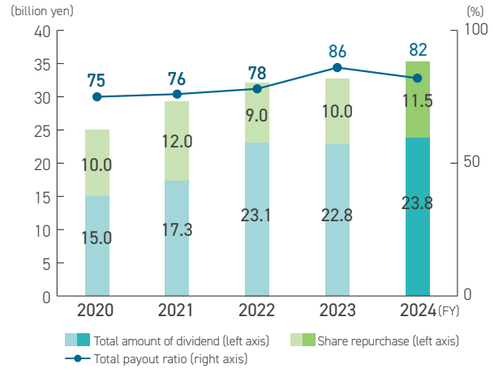
Net income attributable to owners of parent / ROE

ROE in FY2024 was 18.7%. Maintained high ROE by focusing on creating high value-added products



Total amount of dividend / Share repurchase / Total payout ratio

Total payout ratio achieved the Medium-term Business Plan (FY2022-2027) target of 75% or more.



Message from the CFO

Ultimately, it is our people who execute these plans. The primary focus of capital allocation naturally overlaps with the priority allocation areas in our talent portfolio. For example, we will significantly increase researchers, especially in the field of performance materials, to secure our competitive advantage. We will allocate "discerning human resources" to priority areas—individuals capable of converting business potential into actual demand.

Providing Products and Services That Solve Social Problems, and Creating Impact

Regarding sustainability initiatives in FY2024, the first priority is reducing greenhouse gas (GHG) emissions. Currently we are proceeding in line with the initial Vista2027 plan, and are on track to achieve by FY2027 a 30% or more reduction in Scope1+2 emissions compared to FY2018 levels. In addition, centered on the Climate Change Committee, we have drafted a Climate Transition Plan aimed at achieving carbon neutrality by 2050, and are further specifying and disclosing reduction measures for FY2027 and beyond. Of course, technological innovation toward carbon neutrality and social trends will require ongoing future updates to this plan, but drafting the Climate Transition Plan is an important step in reducing the environmental burden from a long-term perspective.

We have set reduction targets for Scope1 and Scope2, but reducing Scope3 emissions are also essential in order to achieve carbon neutrality. Among Scope3 emissions, the largest share comes from Category 1—emissions associated with purchased products and services. Reducing these therefore requires supply-chain-wide efforts, especially collaboration with suppliers.

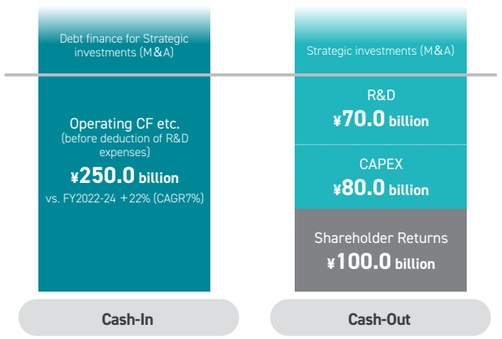
In FY2024, we expanded our existing "Sustainable Procurement Questionnaire" to understand the actual GHG emissions of each supplier. Looking forward, we will advance dialogue with suppliers based on the data obtained, and jointly promote specific initiatives to reduce emissions.

Next, regarding human capital, we established the Diversity Promotion Subcommittee under the Sustainability Promotion Committee. With this, we are advancing more concrete and systematic efforts to further enhance organizational diversity and inclusion, such as improving workplace comfort for a broader range of employees and fostering this culture.

We also believe that promoting sustainability across the entire company, including in plants and research laboratories, is essential for improving sustainability standards, and to this end we have established and continue to hold the Sustainability Subcommittee. Through this subcommittee, we strengthen cross-departmental discussions and collaboration, raising overall employee awareness of sustainability and

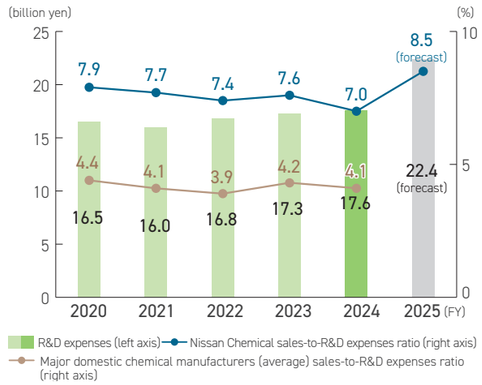
Capital Allocation FY2025–2027 Total (Round number)

Generate ¥250 billion over three years, allocating the cash to shareholder returns and strategic investments (M&A) to strengthen the creation of new products and businesses



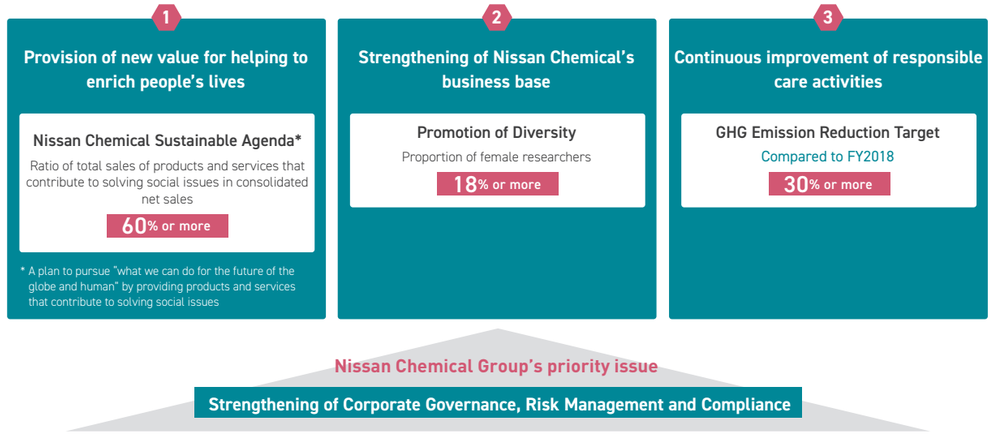
R&D expenses / Sales-to-R&D expenses ratio

Sales-to-R&D expenses ratio is maintained at around 7-9%, with a target of 7-9% annually in the future as well



Nissan Chemical Group's top priority issue

Identified materiality (priority issues) that our company should address to realize our ideal state of the Company in 2027
Aiming for sustainable growth together with society by promoting initiatives



improving the effectiveness of our initiatives. As part of these efforts, we have continued to hold internal ESG briefings in FY2024. In particular, by establishing regular meetings for exchanging opinions with the Production Technology Department and the Environment Safety Group, we can further reinforce internal cooperation and lead to the planning and implementation of measures.

In terms of governance, at the general meeting of shareholders held in June 2025, one female outside Audit & Supervisory Board member was appointed, and an outside director who has served as the top executive of a major listed company was also newly appointed. Through active discussions including opinions on management from fresh perspectives, we are striving to further enhance the effectiveness of the Board of Directors.

Sharing Shareholder and Investor Opinions With Management, Utilizing These in Formulating Management Strategies

Dialogue with shareholders and investors requires both "continuity" and "responsiveness to change." In order to respond to diverse investment needs and styles, I believe it is essential to persistently yet flexibly identify which messages are needed by whom based on feedback from the market and direct meetings, and to continue taking proactive action with a medium- to long-term perspective in a steady and sincere manner. We will continue to update our disclosure content in as much detail as possible, tailoring them to the interests and concerns of our shareholders and investors, ensuring they are persuasive and well-developed.

Number of dialogues with investors in FY2024

Dialogue with institutional investors:	498
Dialogue with individual investors:	2
Dialogue with analysts:	48
ESG related dialogues:	3
Plant and laboratory tours for investors:	1

The CFO and IR group conducted approximately 550 meetings with investors and analysts in FY2024 and also organized a site visit to Biological Research Laboratories. In addition to covering routine inquiries after regular financial results announcements, we hosted events such as presentation on R&D promptly after the medium-term business plan announcement, received a variety of opinions, providing regular feedback to senior management so that these insights can be more fully incorporated into management strategies.

Our company's greatest strength lies in introducing a succession of high-value, proprietary products essential to the market, securing strong market shares, and generating stable, high profits. To consistently achieve an ROE above 18%, it is essential to maintain a well-balanced portfolio built on this business strategy. Fortunately, we are positioned to further enhance corporate value using this as a starting point. While keeping shareholder returns at an exceptionally high level, we will execute necessary strategic investments in a disciplined manner. We are confident that the newly formulated medium-term business plan Vista2027 Stage II incorporates strategies essential for future profit growth.

We ask for your continued trust in our strong track record, including our history of forward-looking R&D that anticipates market needs and our consistent operating margins above 20%. It is our hope that you will continue to look forward to our further growth.

Summary of Medium-term Business Plan "Vista2027 Stage I"

In April 2022, our Group launched our long-term business plan "Atelier2050" and medium-term business plan "Vista2027." Vista2027 is a six-year business plan formulated as a milestone toward the ideal state set forth in Atelier2050. During Stage I, the first three years of Vista2027, we achieved record highs in all metrics: sales, operating profit, ordinary income, and net income. In addition, we achieved all of the targets for our financial indicators, including operating margin, return on equity (ROE), dividend payout ratio, and total payout ratio.

Profit/Loss and Management Indicators

- Results for FY2024, the final year of Vista2027 Stage I, were sales of 251.4 billion yen (+11% YoY), and operating profit of 56.8 billion yen (+18% YoY).
  Excluding FY2023, which was affected by a reactionary decline following the pandemic-driven semiconductor demand, operating profit has reached record highs each year.
- Performance Materials and Agricultural Chemicals robustly drove the financial performance

Management Indicators (billion yen)	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Result	FY2024 YoY
Sales	208.0	228.1	226.7	251.4	+11%
Operating Profit	51.0	52.3	48.2	56.8	+18%
Ordinary Income	53.7	55.8	51.6	58.0	+12%
Net Income	38.8	41.1	38.0	43.0	+13%
EPS (¥/share)	271.88	291.36	272.82	313.26	
FX rate (¥/$)	112	136	145	153	
ROE	19.2%	19.4%	17.1%	18.7%	
Equity Ratio	73.6%	73.1%	70.3%	70.5%	
Net D/E Ratio (times)	-0.06	-0.01	0.09	0.06	

Financial Indicators	FY2021 Result	FY2022 Result	FY2023 Result	FY2024 Result	FY2024 Target	
Operating Margin	24.5%	22.9%	21.3%	22.6%	20% or more	Achieved
ROE	19.2%	19.4%	17.1%	18.7%	18% or more	Achieved
Dividend Payout Ratio	44.9%	56.3%	60.1%	55.5%	55% or more	Achieved
Total Payout Ratio	75.6%	78.0%	86.2%	82.0%	75% or more	Achieved

Status of Initiatives based on the Basic Strategy

We steadily implemented the various initiatives planned for Stage I.

Measures to expand market shares and profits of existing businesses

- Strengthened our product supply capability in growth sectors through proactive capital expenditures.
- Commenced commercial operations at the agrochemical active ingredients plant at Nissan Bharat Rasayan PVT. LTD. and the semiconductor materials plant at NCK Co., Ltd.

Measures to promote sustainable management

- Established the Sustainability Promotion & IR Department, and advanced/disclosed scenarios concerning climate change and natural capital
- Implemented measures to reduce GHG emissions (e.g., installation of N_2O decomposition equipment at the nitric acid plant)

Initiatives to acquire future core technologies

- Established the Biological Group at the Biological Research Laboratories, and promoted R&D of biological pesticides
- Established the Digital Transformation Department and implemented company-wide DX infrastructure development

Medium-term Business Plan "Vista2027 Stage II"

In April 2025, our Group launched Vista2027 Stage II, which covers the latter three years of Vista2027. Upon completing Stage I, we identified the issues for future growth: enhancing the creation of new products and businesses, allocating management resources appropriately, and improving the profitability of the Chemicals segment. Based on these insights, we have designated the top priority issue for Stage II to be the creation of new products.

Ideal State in 2027

Having set the creation of new products as our top priority issue, we have newly defined the Group's ideal state for FY2027—serving as a milestone toward realizing the long-term business plan "Atelier2050"—in an evolved form from Stage I.

While existing businesses have been robustly driving the business performance, the product development by leveraging new core technologies* is progressing	Organization-wide approaches to sustainability have been advancing, and the products and services that contribute to solving social and environmental issues are being offered	Through building up the digital platform, measures for optimizing and sophisticating the business activities are under implementation

*Microbial control and Information science

Vista2027 Stage II policy and basic strategies

Throughout both Stage I and Stage II of Vista2027, we uphold the slogan: "To be an enterprise that faces challenges toward the future through value co-creation." For Stage II, we have newly set the policy: "Building foundation for continuous growth and stable earnings." As our basic strategy, we have set three pillars: "Expanding profits in existing businesses," "Developing new products looking toward 2030," and "Strengthening business foundation." While firmly securing short-term growth, we will steadily implement growth strategies with a forward-looking perspective.

Slogan for medium-term business plan: **To be an Enterprise that Faces Challenges toward the Future through Value Co-creation**

Policy: Building Foundation for Continuous Growth and Stable Earnings

Basic Strategies

Expanding Profits in Existing Businesses

Strengthening businesses in growth sectors
- Concentrating investments into Semis materials and Agrochemicals
- Developing the materials and products below Semiconductors: 3D packaging process and EUV materials, etc.
- Agrochemicals: Biological pesticides, new veterinary drug products, etc.
- Leveraging strategic investments (M&A)

Improving profitability of Ammonia-related products
- Reducing fixed cost (booked impairment loss in FY2024)
- Reducing cost continuously
- Leveraging outside manufacturing contractors
- Discontinuing unprofitable products

Developing new products looking toward 2030
- Accelerating Go/Stop decision-making
- Identifying target materials for new products
- Leveraging investments (M&A)

Strengthening Business Foundation
- Strengthening of human resource development
- Expansion of R&D foundation and functions
- Expansion of digital infrastructure
- Strengthening utilization of intellectual property
- Enhancing governance and compliance
- Improving sustainability

Medium-term Business Plan “Vista2027 Stage II”

Numerical targets for “Vista2027 Stage II”

For profit/loss and management indicators, we have planned sales of 293.0 billion yen and operating profit of 65.0 billion yen for FY2027, the final year of Stage II. While the targets for management indicators remain unchanged from Stage I, shareholder returns will continue to be maintained at a high level, as in Stage I. We will continue proactive shareholder returns through stable, ongoing dividends and flexible share repurchases.

Regarding non-financial indicators, to contribute to a sustainable society, we have raised the FY2027 target for the “Rate of total sales of Nissan Chemical Sustainable Agenda (products and services that contribute to solving social issues) to consolidated net sales” to 60% or more.

●Sales / Profit Plan

(billion yen)	FY2024 Result	FY2027*1 MTP
Sales	251.4	293.0
Operating Profit	56.8	65.0
Ordinary Income	58.0	65.5
Net Income	43.0	48.0
EPS (¥/share)	313.26	366.28
ROE	18.7%	18.5%
FX rate (¥/$)	153	140

*1 Medium-term business plan (MTP) figures do not include the impact of future strategic investments (M&A).

●Financial Indicators

	FY2024 Result	FY2027 MTP	FY2025–2027 Target
Operating Margin	22.6%	22.2%	20% or more
ROE	18.7%	18.5%	18% or more
Dividend Payout Ratio	55.5%	55.0%	55% or more
Total Payout Ratio	82.0%	75.0%	75% or more

●Non-financial Indicators

Nissan Chemical Sustainable Agenda	Rate of total sales of products and services that contribute to solving social issues in consolidated net sales: 60% or more (revised upward from maintaining 55%)
Human Resource Development	Positive response rate in survey of employee attitude: 65% or more
Promoting Diversity	Proportion of female researchers: 18% or more
Mitigation of Climate Change	Greenhouse gas emissions: Reducing by 30% or more compared to FY2018

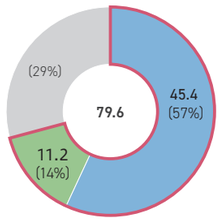
1st Strategy: Expanding Profits in Existing Businesses

●Strengthening businesses in growth sectors

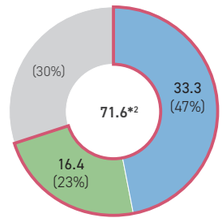
Management resources, including M&A, will be intensively allocated to the Performance Materials and Agricultural Chemicals segments, which are expected to grow, to promote the sales and development of existing and new products and maximize profits.

In Performance Materials, we will focus on expanding sales mainly of semiconductor materials and inorganic materials, while also concentrating on the development of next-generation materials and acquiring adoption from customers, thereby driving growth in both sales and profits. In Agricultural Chemicals, we will maintain our No.1 share in the domestic market, increase sales by expanding into overseas markets, and by accelerating the development of new agricultural chemicals, veterinary pharmaceuticals, and biological pesticides, will sustain a high level of profitability.

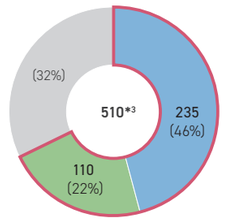
Capital Expenditures (CAPEX) by Segment (billion yen)
FY2025–FY2027 Total (MTP)



R&D expenses by Segment (billion yen)
FY2025–FY2027 Total (MTP)



Researchers by Segment (person)
FY2027 MTP



Allocate around 70% of our management resources to Performance Materials and Agricultural Chemicals

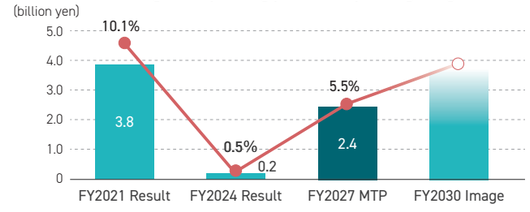
Performance Materials
Agricultural Chemicals
Other

*2 R&D Expenses including partial expanses in Planning & Development Division(Others) since FY2025 due to the change in calculation method
*3 Round number of regular-position employees

●Improving profitability of Ammonia-related products

Profitability in the Chemicals business has declined in recent years due to factors such as the rise of low-cost chemical products from Chinese manufacturers. To address this, we are implementing measures such as reducing fixed costs, executing cost-cutting initiatives, optimizing CAPEX by leveraging outside manufacturing contractors, and discontinuing unprofitable products. Through these initiatives, we aim to establish a structure that ensures stable profitability with an operating margin across the Chemicals business of 5% or higher from FY2027 onward.

●Chemicals segment operating profit and operating margin



2nd Strategy: Developing New Products Looking toward 2030

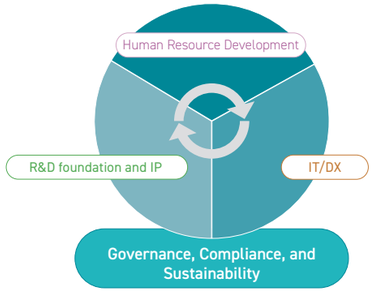
Over the three-year period from FY2025 to FY2027, we plan to more than double sales of new products in existing businesses and the Planning and Development Division (FY2024 results: 11.3 billion yen). We will also develop products that will be the next growth driver with a view toward 2030 and beyond.

Environment & Energy	Focus on the creation of secondary battery materials, hydrogen energy materials, and perovskite solar cell materials
Information & Communications	Focus on the creation of semiconductor 3D packaging materials, optical waveguide materials, thermal management materials for electronic devices, materials for CIS*4, and alignment materials for retardation films
Life Sciences	Focus on the creation of new veterinary pharmaceuticals, new agrochemical active ingredients, oligonucleotide drugs, acquiring core technologies in the bio field, and collaboration with foreign companies

*4 CIS: CMOS image sensors

3rd Strategy: Strengthening Business Foundation

We are committed to strengthening the business foundations that support the sustainable growth of the entire Group, placing governance, compliance, and sustainability as top priorities. To realize our corporate philosophy and ideal state, we will optimize resource allocation and strengthen an employee-focused structure that supports the company through human resources development. Furthermore, we will strengthen our R&D foundation and IT/DX promotion systems to respond to the digitalization, globalization, diversification, and increasing sophistication of market needs.



Governance, Compliance, and Sustainability
- Strengthening governance and compliance system
- Making the Responsible Care initiatives be followed thoroughly
- Strengthening the quality assurance system

Human Resource Development
- Increasing the level and quality of candidates for future top management and managers
- Developing global and DX capable human resources, including data scientists
- Supporting career development and enhancing talent management

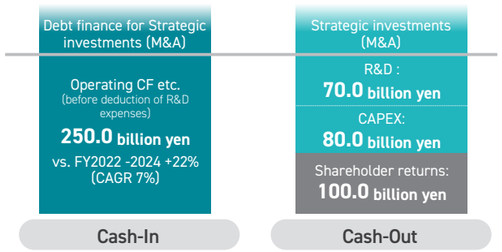
R&D foundation and IP
- Setting up second base for research on semiconductors
- Strengthening analytical infrastructure by utilization of cutting-edge technology
- Introducing Product Lifecycle Management system
- Supporting businesses by leveraging IP landscape analysis

IT/DX
- Enhancing digital infrastructure
- Implementing security tools
- Utilizing informatics for research of materials

Capital Allocation

Operating cash flow and related items are projected to total approximately 250.0 billion yen over the three-year period from FY2025 through FY2027. We will steadily generate cash and allocate approximately 100.0 billion yen to shareholder returns and about 150.0 billion yen to R&D and CAPEX, with the aim of enhancing corporate value. Furthermore, to strengthen the creation of new products and businesses, we will actively pursue strategic investments, including M&A. In addition, funds for strategic investments will be secured as necessary through debt finance.

FY2025 to FY2027 Cumulative Total (Round number)



Long-term Business Plan “Atelier2050”

Our long-term business plan “Atelier2050” was formulated by backcasting from the necessary initiatives and issues that need to be resolved, following a renewed discussion of social issues and changes with a view to 2050. This plan sets out the path for the Group to contribute to solving social issues and keep growing for the future, with the ideal corporate state in 2050 of “a future-creating company that grows through seeking to enrich people and nature” and the ideal organizational state in 2050 of “a group of co-creators that face challenges for change with a strong passion.”

Ideal State in 2050

Under Atelier2050, we aim to be a corporate group that continues to grow over the next 100 years by achieving carbon neutrality, addressing food issues, and responding to diverse social needs.

Furthermore, as a driving force for corporate growth, we will integrate internal and external knowledge and foster a corporate culture of continuous challenge. Taking these factors into account, we have outlined our ideal state in 2050.

Corporate State

A “Future-Creating Company” that grows through seeking to enrich people and nature

Organizational State

A group of co-creators that face challenges for change with a strong passion

Business Areas

- Growth is achieved with Information & Communication, Life Science, and Environment & Energy as growing business areas, and Materials & Services as a core business area.
- Life Science business is expanding with the microbial control technology as the core, and Information & Communication business is growing with sensing materials and other products. Environment & Energy business is full-fledged and contributes greatly to the global environment.

Social Involvement

- Expanding businesses and products that contribute to solving social issues
- Advancing the Group’s business management that prioritizes less effect on the global environment
- Becoming a corporate group that is trusted and valued by the local community and whole society

Employees State

[Basic Stance]

- **Valuing the integrity as the strength**

  We trust and respect people. We achieve things with responsibility. We make efforts for someone else and work together as well. Integrity is the advantage and identity of the Group.

- **Taking a step forward with the vision**

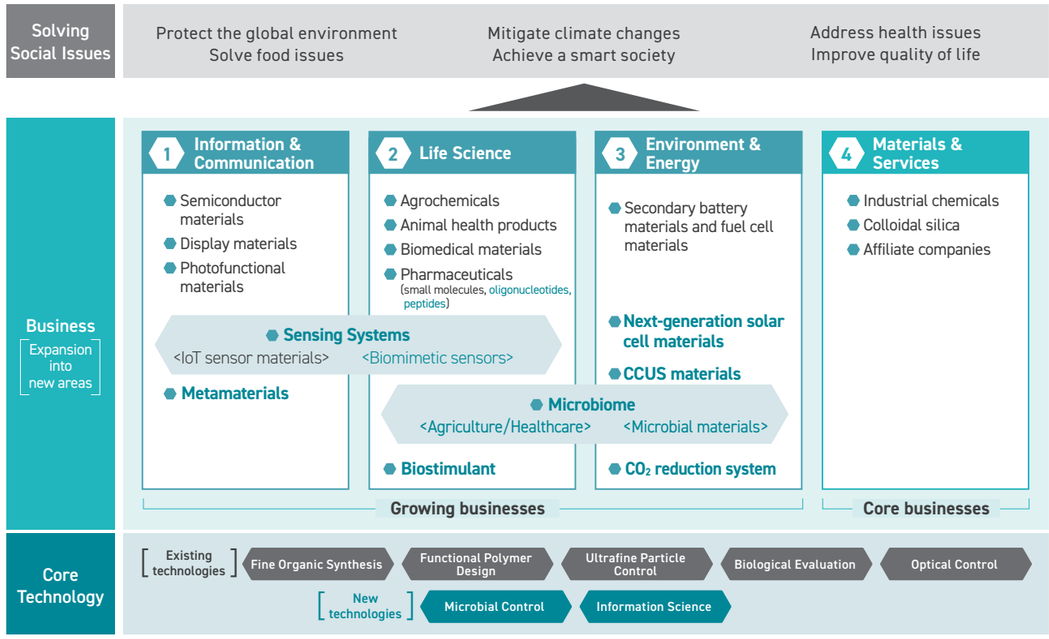
  We explore individual ideals. To realize that, we transcend the traditional framework, go through repeated trial and error and face challenges for change.

- **Transcending collaboration to co-creation**

  We evolve collaboration into co-creation, having the courage to go through clashes of diverse ideas and enthusiasm.

Business Areas

We situate Information & Communication, Life Science, and Environment & Energy as growing business areas, and Materials & Services as core business areas. In addition to existing core technologies, by acquiring new technologies such as microbial control and information science, we are expanding into new areas related to growing businesses. Through the evolution and integration of our core technologies, we will accelerate growth across each business area and contribute to solving social issues.



Basic Strategy

We have established three basic strategies: “deeply exploit and expand business areas,” “pursue sustainable management further,” and “renovate management and business foundations” to realize our ideal state.

1 Deeply exploit and expand business areas

Expand into new areas related to growing businesses

- Information & Communication
  - Develop materials for the next-generation display and join that market, and provide materials that are compatible with the evolving semiconductor technologies
  - Enter into new businesses, such as the sensing area and photofunctional material market
- Life Science
  - Expand into microbial agrochemicals, and advance into healthcare and environment-related areas with microbial control technology
- Environment & Energy
  - Develop materials related to batteries/cells that contribute to solving environmental issues, renewable energy materials, and CCUS materials

2 Pursue sustainable management further

Develop business activities that contribute to solving environmental and social issues

- Attain the “Nissan Chemical Sustainable Agenda” and expand product/service lines specified in the Agenda
- Achieve carbon neutrality (Scope1+2)
- Cultivate a corporate culture where the future is co-created

3 Renovate management and business foundations

Accelerate the value-creation process by utilizing digital technology

- Fuse virtual and physical space and strengthen AI analysis
- Utilize digitalization, automatization, and robotization to focus on creative work

Main Products and Services

One of the materialities of the Nissan Chemical Group is the "provision of new value for helping to enrich people's lives." In response to the ever-changing needs of society, we will advance R&D on products and services that contribute to solving social issues.

Each product and service name is color-coded to indicate the business under its jurisdiction

⬣ = Chemicals ⬣ = Performance Materials ⬣ = Agricultural Chemicals ⬣ = Healthcare ⬣ = Planning and Development Division

Supply of environmentally friendly products and services

⬣ AdBlue®*1

High-grade urea solution used in purification systems to meet diesel vehicle emission regulations.

⬣ Venus® Oilclean

Decomposition agent for oils and fats in wastewater. It uses novel microorganisms to powerfully break down oils and fats to reduce waste.

⬣ HI-LITE®

It is used for sterilization and disinfection of swimming pools and water purification tanks, and thus contributes to public hygiene.

⬣ Inorganic Materials (CCS/CCUS applications)

We engaged in initiatives related to CCS (CO_2 capture and storage) and CCUS (CO_2 capture, utilization, and storage) applications as a way to develop applications toward carbon neutrality.

⬣ ROUND NOZZLE® ULV5

Utilization of the ROUNDUP® MAX-LOAD dedicated nozzle contributes to shorter spraying time and reduced CO_2 emissions.

⬣ AZADOL®

It is an organic molecular catalyst. Alcohol oxidation using AZADOL® offers an alternative to heavy-metal oxidation and Swern oxidation, and is expected to reduce waste, eliminate foul odors, and avoid extremely low temperature conditions.

⬣ Lithium-ion Secondary Battery Materials

We develop materials for lithium-ion batteries, such as LIBSOLVER™, a slurry additive, that contribute to improve battery characteristics and productivity.

Contribution to food issues

⬣ GRACIA®

GRACIA®, a pesticide developed in-house, is fast-acting on a wide range of crop pests and has little impact on honeybees which are useful insects.

⬣ Fluralaner (for livestock)

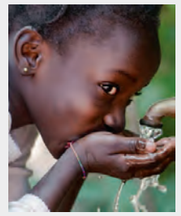
Fluralaner, invented by Nissan Chemical, is used as an active ingredient in EXZOLT®*2, an animal health product for chickens, cattle, and sheep, and contributes to maintaining the health of livestock.

*1 AdBlue® is a registered trademark of the Verband der Automobilindustrie (VAD).
*2 EXZOLT® and BRAVECTO® are registered trademarks of Intervet International B.V., a subsidiary of Merck & Co., Inc.

Contribution to improvement of the quality of life

⬣ HI-LITE®

Some grades of HI-LITE® have received standard certification as raw materials for disinfectants for drinking water in developing countries and other regions where drinking water sanitation is inadequate.



⬣ Fluralaner (for pets)

Fluralaner, invented by Nissan Chemical, is used as an active ingredient in BRAVECTO®*2, an animal health product for dogs and cats. These products are highly safe and act rapidly against major species of fleas and ticks and have a longer insecticidal effect than existing products as its effects remain even when highly diluted.

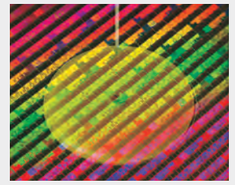
Contribution to smart society

⬣ SUNEVER®, Rayalign®

These are polyimide-based liquid crystal alignment materials used to coat the surface of the outer glass panels to align liquid crystal molecules in a certain direction.

⬣ ARC®*3

ARC® is an anti-reflective coating developed for semiconductor lithography. It is used to coat the part under the photoresist, to resolve a number of issues with lithographic exposure such as reflection from varying substrate levels. This makes it possible to significantly reduce the device failure rate.



Contribution to health issues

⬣ Active pharmaceutical ingredients

We manufacture new drug APIs discovered by Nissan Chemical, generic APIs, as well as commissioned products (Finetech®) and provide them to various pharmaceutical manufacturers. The level of quality of our products as well as our compliance with cGMP is highly regarded. We contribute to the maintenance of people's health through the stable supply of APIs.

⬣ Oligonucleotide Drug Discovery Platform

Nissan Chemical's oligonucleotide drug discovery platform, consisting of (1) MCE (2'-O-[2-(N-Methylcarbamoyl)ethyl]-ribonucleoside) modified antisense/siRNA, (2) single-stranded heteroduplex oligonucleotides, and (3) in silico sequence design algorithms, provides oligonucleotides with high efficacy and safety.

⬣ Cell culture material

The cell culture material "FCeM®" realizes the suspension and dispersion culture of adherent cells, while the anti-adhesion coating material "prevelex®" realizes anti-adhesion of adherent cells, thereby contributing to cell manufacturing processes.

*3 ARC® is a registered trademark of Brewer Science, Inc.

Business Segments

In the Medium-term Business Plan "Vista2027 Stage II," we have set "expand profits in existing businesses" as one of our basic strategies. While keeping a close eye on changes in the environment surrounding our customers and markets, we will strengthen growth in existing businesses and promote the steady development of new products.

* Organizational restructuring was implemented in April 2022. Figures for FY2019-2020 are for the former organizational classification; Figures for FY2021 and thereafter are after changing the organizational classification

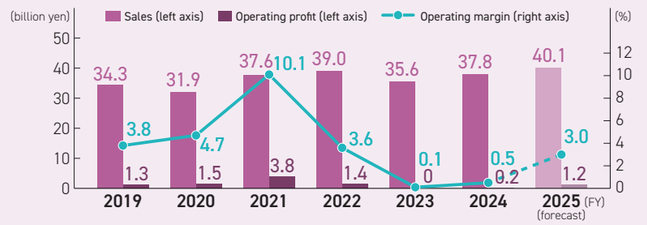
Chemicals

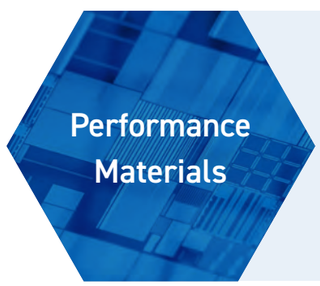
Our Chemicals business started with the manufacture of sulfuric acid and ammonia, which are basic raw materials for fertilizer. In addition to general industrial use, we provide our customers with products and technologies that are used in a wide range of fields, including high-purity chemicals for electronic material applications, high-grade urea solution for removing air pollutants, and isocyanuric acid derivatives for use in water quality improvement applications.

[FY2024 Overview]

In Basic Chemicals, sales of high purity sulfuric acid (agent used for cleaning semiconductors) increased. In Fine Chemicals, sales of environmental related products (sterilizing and disinfecting agents for pools and septic tanks, etc.) and FINEOXOCOL® (cosmetics, etc.) increased.

As a result, sales of this segment were 37,835 million yen (an increase of 2,272 million yen) and operating income was 179 million yen (an increase of 131 million yen). Compared to the outlook, sales were below 0.7 billion yen and operating income was above 0.1 billion yen.





Performance Materials

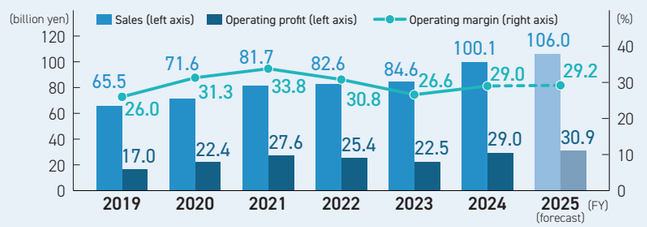
Advancements in semiconductors, sensors, and displays are required to realize a smart society. The Performance Materials Division contributes to the realization of a smart society through the expansion of applications for existing products and the development of new products in our three pillars of displays, semiconductors, and inorganic materials.

[FY2024 Overview]

In Display Materials, sales of SUNEVER® (LCD alignment coating) increased. In Semiconductor Materials, sales of ARC®*1 (antireflective coating for semiconductors) and OptiStack®*1 (multi-layer process materials) increased significantly due to recovery in customer utilization. In Inorganic Materials, sales of SNOWTEX® for polishing electronic materials and hard coating, and Organo/Monomer sol (various coatings and resin additives) increased.

As a result, sales of this segment were 100,098 million yen (an increase of 15,530 million yen) and operating income was 28,980 million yen (an increase of 6,449 million yen). Compared to the outlook, sales were above 2.7 billion yen and operating income was above 0.7 billion yen.

*1 ARC® and OptiStack® are registered trademarks of Brewer Science, Inc.



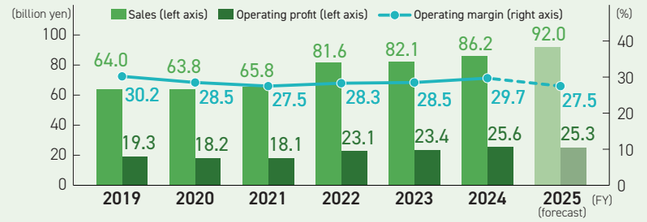
Agricultural Chemicals

The Agricultural Chemicals Division provides customers with agrochemicals, agents for green space management, and veterinary pharmaceuticals based on the idea of a stable food supply for people around the world and agrochemicals that are also friendly to the global environment. As a company that provides products which contribute to a stable food supply, we are promoting various efforts to solve social issues.

[FY2024 Overview]

Sales of Fluralaner (active ingredients for veterinary pharmaceuticals) increased. In Japanese domestic market, sales of VERDAD® (herbicide for paddy rice) which started sales in February 2025, ALTAIR® (herbicide for paddy rice) and GRACIA® (insecticide) were firm, but sales of ROUNDUP® (non-selective foliar application herbicide) decreased. In the overseas market, although sales of LEIMAY® (fungicide) and GRACIA® grew, sales of TARGA® (herbicide) decreased.

As a result, sales of this segment were 86,226 million yen (an increase of 4,112 million yen) and operating income was 25,571 million yen (an increase of 2,173 million yen). Compared to the outlook, sales were below 0.1 billion yen and operating income was below 0.1 billion yen.



Healthcare

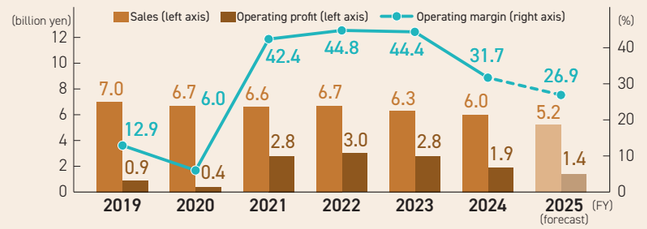
Since entering the pharmaceutical business in 1982, Nissan Chemical has developed and launched various products. With the technology we have cultivated so far, the Healthcare Division will provide superior pharmaceuticals and medical materials to support the health and well-being of people around the world.

[FY2024 Overview]

Sales of LIVALO®*2 (anti-cholesterol drug) declined in Japanese domestic market and overseas markets. Sales of Finetech® (solution proposal business and joint development business) increased.

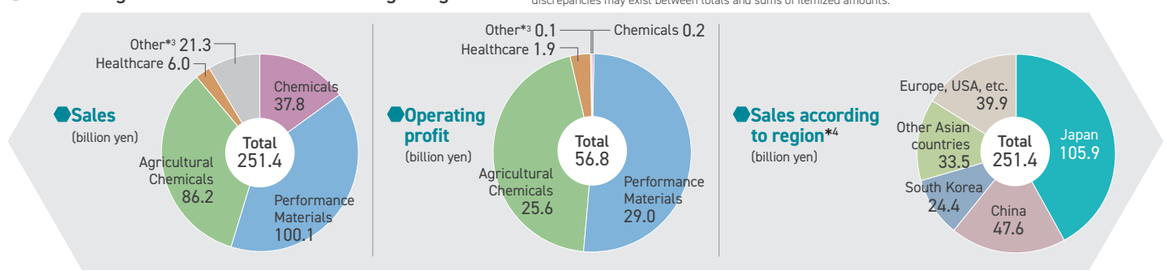
As a result, sales of this segment were 5,993 million yen (a decrease of 306 million yen) and operating income was 1,893 million yen (a decrease of 921 million yen). Compared to the outlook, sales were below 0.2 billion yen and operating income was below 0.4 billion yen.

*2 LIVALO® is a registered trademark of Kowa Company, Ltd.



FY2024 Segment results and sales according to region

*3 Others: trading, others, and adjustment *4 Since figures are rounded off to the nearest unit, discrepancies may exist between totals and sums of itemized amounts.



Chemicals

OKIKAWA
Toshiaki
Executive Officer
Head of Chemicals Division

Most of the products of this division are comprised of industrial chemicals, such as ammonia and sulfuric acid, and derivative products/high-purity products that have been developed downstream with added value. These products are supporting people's lives in a wide range of fields. By building an efficient production system, we strive to provide excellent products and technologies while reducing the environmental burden.

Social Issues and Needs

- Advent of a smart society
- Escalation of global environmental issues
- Emergence of new needs in various fields reflecting social issues

Business Vision

- Product development focused on advanced user requirements
- Provision of products and technologies that contribute to solving social issues

Basic Chemicals

We sell industrial chemicals such as ammonia, urea, nitric acid, sulfuric acid, and their derivative products to a wide variety of industries. The Company is further improving the efficiency of its production system in order to create a stronger business foundation to minimize the impact on our earnings due to external factors, such as changes in economic trends in Japan or overseas and fluctuating fuel prices.

We are also manufacturing and supplying products to support cutting-edge fields, and providing the market with products such as high-purity sulfuric acid, nitric acid, and ammonia, produced by removing impurities to the fullest extent.

In addition, we established a manufacturing and supply system for our high-grade urea solution AdBlue®* that decomposes nitrogen oxide contained in exhaust gas from diesel vehicles, which is considered to be the cause of air pollution, into nitrogen and water, thereby reducing environmental impact.

*AdBlue® is a registered trademark of the Verband der Automobilindustrie (VAD).

Fine Chemicals

We offer environmental chemicals such as HI-LITE®, used for sterilization and disinfection of swimming pools and water purification tanks, and Venus® Oilclean, a microorganism formulation that decomposes oils and fats in wastewater from food factories, as well as other chemicals such as FINEOXOCOL®, a higher alcohol used in products including cosmetics.

We have a lineup of high-performance chemicals derived from isocyanuric acid, a derivative of urea, such as TEPIC® and Melamine Cyanurate. TEPIC® is used as a hardening agent for powder coatings, as well as in electronic materials such as solder resist ink and sealants for LED. Melamine cyanurate is used as a non-halogen flame retardant or an auxiliary flame retardant for various engineering plastics. In addition to focusing on the expansion of applications for these existing products, we are promoting R&D of our own isocyanuric acid derivatives.

Progress in FY2024

1 High-Purity Sulfuric Acid

Demand for high-purity sulfuric acid is expected to grow in the information & communications field, a business field which will continue to grow. In FY2024, semiconductor plant operations increased, driven by the recovery in the memory market and strong demand in AI-related markets. As a result, shipments increased compared to the previous fiscal year. In FY2025, we also forecast that shipments will increase. We will continue to maintain high quality and high availability.

2 Isocyanuric Acid

Isocyanuric acid is a material used in TEPIC®, HI-LITE®, and melamine cyanurate, which is used as a flame retardant. In order to facilitate the stable provision of TEPIC® and HI-LITE® to the market, we expanded our isocyanuric acid production facilities in December 2020, which contributed to an increase in sales.

3 HI-LITE®

"Clean Water and Sanitation," one of the SDGs, is an important global issue. We have exported some grades of HI-LITE® since they have been certified as materials for disinfectants for drinking water in areas where hygiene management is insufficient, such as in developing countries. We will respond to the global demand for disinfection, as well as the demand for disinfectant applications for drinking water.

4 TEPIC®

The high-performance chemical TEPIC®, which has a distinctive triazine ring, is used in a wide range of applications. For electronic material applications, we expect that demand for TEPIC® will continue to grow in various fields, including solder resist ink applications in the information & communication field. International market conditions for general-purpose grades declined due to the economic slowdown in China, the largest market. We will pursue a well-balanced sales strategy by expanding sales of high-quality grades while avoiding low-price competition in general-purpose grades.

Strategy for Vista2027

Opportunities and Risks

- Rising prices of raw materials and fuels
- Expansion of semiconductor market
- Increasing demand for environmentally friendly products
- Introduction of carbon pricing

Strengths

- Manufacturing process for products with high self-extinguishing rates as well as high value-added products by developing derivative products using ammonia as a core raw material
- Accumulation of more than half a century of research and know-how regarding ultra-high purity of industrial chemicals

Main Measures

1. Improve profitability of ammonia-related business after the withdrawal from the melamine business
2. Expand sales of high purity sulfuric acid
3. Expand sales and improve profitability of isocyanuric acid, HI-LITE®, and TEPIC®
4. Develop the business of Venus® Oilclean (a microorganism formulation)

Efforts to achieve Vista2027

In June 2022, the first year of Vista2027, we discontinued the production of melamine, which had been a core product in our ammonia-related products for more than half a century. Meanwhile, for sulfuric acid products, we will make capital investments and upgrade facilities in response to increasing demand. The Chemicals business is susceptible to the effects of fuel prices, supply demand balance, and market environment. Therefore, we will continue to strive to secure stable earnings while flexibly reviewing business strategies in response to environmental changes.

As a source of sustainable growth for the business, we will focus on the development and deployment of new products, while strengthening sales of products for the electronic materials field. We started the full-fledged commercialization of STARFINE® (zinc cyanurate), which is expected to be effective as an additive for paints and adhesives. Along with the new grades of TEPIC®, STARFINE® has already been evaluated by many users for various purposes. We will also contribute to waste reduction with Venus® Oilclean, a microorganism formulation.

Performance Materials

ISHIKAWA Motoaki
Director, Senior Managing Executive Officer
Head of Performance Materials Division

In this rapidly evolving business, it is necessary to quickly and accurately grasp the needs and technological trends of the market. For this, sales, research, and production, including overseas bases, are integrated, and we emphasize activities that are closely related to customers. We aim to contribute to the development of society by providing products and services based on the reliable technical capabilities that we have cultivated.

Social Issues and Needs

- Expansion of IoT and 5G communications, evolution of AI and autonomous driving technology
- Response to carbon neutrality

Business Vision

- Development and provision of key materials that contribute to the realization of a smart society
- Development of new environmental-friendly materials

Display Materials

We are working on alignment materials for aligning liquid crystal molecules in a certain direction. SUNEVER® was made available for sale in 1989, and we have expanded our market share by increasing the functionality of alignment materials, even when the liquid crystal type used is changed from TN to STN or TFT. In addition, in 2014, we started the sale of Rayalign®, a photo-alignment material for IPS mode liquid crystal (LC), and this has become our main product. This product has been used in many smartphones, tablets and laptops. In the future, it is expected that product demand for Rayalign® will further increase further, driven by higher resolution requirements in monitor and automotive applications.

Semiconductor Materials

We began manufacturing and selling of ARC®*1 in 1998 based on a licensing agreement with US company, Brewer Science, Inc. ARC® is a coating material designed to prevent issues such as irregular reflection and interference of light, and coating failures during micro-fabrication of the photoresist. We launched OptiStack®*2 (multi-layer process material) in 2007, which greatly expanded our business.

In 2018, EUV exposure technology (wavelength: 13.5 nm, semiconductor circuit width: 7 nm and under) was introduced into mass production and our products have since been applied as resist underlayer materials for EUV. We are currently working to improve the quality of EUV materials for mass production and next-generation development, while also focusing on 3D packaging technologies in preparation for the physical limits of optical shrinkage.

*1, *2 ARC® and OptiStack® are registered trademarks of Brewer Science, Inc.

Inorganic Materials

SNOWTEX®, a nano silica water dispersion material serving as a fiber processing agent, went on sale in 1951. Now, we also offer organosilicasol serving as an organic solvent dispersion, and monomer sol, a product that can be used without solvent. These products are indispensable materials used in coating materials for optical films and in abrasives for electronic substrate materials and for other purposes. In the future, we will work on the development of CCS/CCUS-related materials and expand their applications to new eco-friendly products.

Strategy for Vista2027

Opportunities and Risks

- Expansion of application of photo-alignment material for IPS mode LC and growth of the OLED market
- Expansion of the semiconductor market and progress in 3D packaging technology
- Development of a smart society
- Intensification of inter-corporate competitions

Strengths

- A sales and research system closely linked to customers in China, Taiwan, and South Korea
- Optical control technology
- Functional polymer design technology
- Ultrafine particle control technology

Main Measures

1. Improve existing products and expand their application
2. Reinforce and increase manufacturing facilities and other facilities
3. Develop and launch new products

Progress in FY2024

1 Increased Demand for Liquid Crystal Alignment Materials

Currently, our primary products for displays are alignment materials for smartphones, IT devices, and automotive applications, and in particular photo-alignment materials for IPS LCDs. For these, sales increased by 7% in FY2024 on the back of increased production by major customers. We are also working to develop products aimed at expanding into the TV market. We predict that demand for alignment materials for LCD TVs will continue to increase based on screen sizes. Also, since we believe that screen resolutions will continue to improve, we recognize that it is an important theme to accurately respond to technical requests from customers and expand the market share of our products.

2 Strengthening Development Capabilities and Establishment of a Structure to Increase Production for Semiconductor Materials

We strengthened the development capabilities in EUV materials for cutting-edge applications. We also focused our efforts on increasing the quality of current EUV materials and developing the next-generation versions. Driven by market growth from increased demand for cutting-edge semiconductors, particularly those used in generative AI, sales for FY2024 increased by 32%. In addition, rising demand for HBM*3 boosted the need for packaging process materials, and sales of temporary adhesive materials are also growing steadily. In the future, we will continue to capture customer needs for both lithography materials and packaging process materials, and will strive to develop materials so that we can grow together with our customers.

*3 HBM: High Bandwidth Memory

3 Increased Sales of SNOWTEX® and Organosilicasol/Monomer sol

Increased sales of SNOWTEX® and organosilicasol/monomer sol resulted in an 18% increase in sales for FY2024. SNOWTEX® performed particularly well in polishing applications, while organosilicasol/monomer sol saw strong demand in the information & communication, 3D printer, and EV motor segments.

We will continue with research and development that aligns with customer needs. Moreover, we are continuing to develop materials aimed at achieving carbon neutrality.

Efforts to achieve Vista2027

Next-Generation Display Materials

OLEDs, which are thinner, lighter, and have faster response times than LCDs, also provide added value such as foldability and are increasingly being used in smartphones, premium TVs, and other products. Recently, following OLED, next-generation self-luminous displays incorporating technologies of quantum dot (QD) and LED, which promise higher image quality, have been actively developed. We will aim to commercialize new products by developing proprietary materials, such as optical control materials, functional film materials, and QD-related materials.

Semiconductor Packaging Materials

Technologies related to high-speed, large-capacity information and communication such as generative AI, IoT, 5G, and sensors, are making rapid progress. For this reason, further miniaturization and higher integration in the formation of electronic circuits are occurring. As we have been working on the development of materials for the process of 3D packaging with thinned semiconductor wafers, we plan to expand sales of the materials in the growing market.

Inorganic Materials

For SNOWTEX®, we will work to expand sales, and improve its supply system of polishing products for the semiconductor market where demand is expected to rise. In addition, we are planning to expand our oil and gas business and advance the development of next-generation materials such as new organosilica sols, the promotion of high-refractive-index materials, and early realization of actual demand.

Agricultural Chemicals

SATO Yuji
Director, Senior Managing Executive Officer
Head of Agricultural Chemicals Division

We contribute to a stable food supply through consistent business activities, ranging from research into new agricultural chemicals to their development, manufacture, and sales, and expansion of a broad product lineup through the acquisition of ingredients from other companies and joint development of products.

Social Issues and Needs

- Stable food supply
- Growing need for low-risk pesticides that reduce residual agrochemicals in harvested crops and reduce environmental burden
- Sustainable development of agriculture

Business Vision

- Provision of chemically synthesized agrochemicals with distinctive features
- Development of biological agrochemicals
- Addressing weed problems with the community

Agrochemicals

Our agrochemical business started in the 1910s when our predecessors Nippon Seimi Seizo and Kanto Soda began manufacturing and selling insecticides and fungicides. Starting with TARGA® (herbicide for grassy weeds) launched in 1984, we have continued to manufacture and sell products developed in-house such as SIRIUS® (herbicide for paddy rice), SANMITE® (insecticide/acaricide), and PERMIT® (herbicide for paddy rice and corn), which have steadily improved profitability.

Afterwards, we experienced hard times as a result of in-house development delays and intensifying competition. However, since the launch of LEIMAY® (fungicide) in 2008, we have returned to introducing products developed in-house, and started selling STARMITE® (acaricide) in 2009, ALTAIR® (paddy rice herbicide) in 2012, and GRACIA® (general purpose pesticide) in 2018. In addition, we are actively pursuing the acquisition of other companies' agents and have enhanced our agricultural chemical product portfolio by taking over the global product Quintec® (fungicide) in 2019 and Japanese and Korean operations for the versatile DITHANE® (fungicide) in 2020. In February 2025, in Japan we launched two products, ZEARTH® and GINGAα containing VERDAD® (DIMESULFAZET), a herbicide for paddy rice, which is highly effective against resistant weeds and has excellent safety for rice. We are moving forward with development of the same herbicide in South Korea.

Veterinary Pharmaceuticals

Through our development of agricultural pesticides, we have discovered compounds that are effective not only against agricultural crop pests but also against fleas and ticks that parasitize dogs and cats. We have continued to examine these compounds as veterinary pharmaceuticals. In 2008, we entered a licensing agreement with Intervet Inc., and the development of veterinary pharmaceuticals using Fluralaner, a compound invented by us, as an active ingredient has advanced.

Since being launched in Europe and the United States under the brand name BRAVECTO®* in 2014, veterinary pharmaceuticals containing Fluralaner as an active ingredient are now used in more than 100 countries and are leading the growth of our Agricultural Chemicals Division. In addition to our products for dogs and cats, EXZOLT®* for chickens, cattle, and sheep has also obtaining a marketing authorization in an increasing number of countries.

* BRAVECTO® and EXZOLT® are registered trademarks of Intervet International B.V., a subsidiary of Merck & Co., Inc.

Progress in FY2024

1 GRACIA®

GRACIA®, a pesticide developed in-house, is fast-acting on a wide range of crop pests and has little impact on honeybees which are useful insects. It was released in South Korea in 2018 and went on sale in Japan in May 2019. Since 2021, it has been launched in various countries across Asia and the Middle East, and in 2024, it received registration approval in Argentina. We will continue with launches in other regions.

2 ROUNDUP®

In addition to the ROUND NOZZLE® ULV5, which enables labor-saving spraying of ROUNDUP® MAX LOAD for backpack and boom sprayers (including for Hokkaido), we launched the coverless ULV5-Light in 2024. We are increasing sales of Roundup® Max Load while responding to the needs of producers. Sales of ROUNDUP® MAXLOAD AL for general consumers are expected to increase due to continued acquisition of new users and expansion of retail distribution.

3 Fluralaner

Veterinary pharmaceuticals for companion animals and livestock containing Fluralaner as an active ingredient are available in more than 100 countries. In FY2024, sales of animal health products containing Fluralaner as an active pharmaceutical ingredient continued to increase year on year, mainly for companion animals. Along with the low birthrate and aging population, the idea that companion animals are like family members to their owners is growing in popularity. We expect that the demand for veterinary pharmaceuticals will increase in the future as people become more aware of companion animal health.

Strategy for Vista2027

Opportunities and Risks

- Consolidation/large-scale production of producers, and changes in agricultural production systems
- Heightened food security risks stemming from changes in the global food situation
- Growth of biological pesticides and materials
- Expansion of market for companion animals

Strengths

- Ability to create distinctive new agrochemicals from the core technologies of fine organic synthesis and biological evaluation
- Experiences and track records spanning many years from research for new agricultural chemicals to manufacturing and sales
- High level of motivation cultivated through maintaining high profit margins and continuous growth

Main Measures

1. Promote and expand sales of main products such as GRACIA®, and continue to enhance our respective marketing efforts for large-scale producers and agricultural corporations, and general consumers
2. In ASEAN and neighboring countries where market growth is expected, strengthen sales and promotion activities led by the local subsidiary Nissan Chemical Agro Singapore Pte. Ltd. established in July 2023 in Singapore
3. Conduct steady development of NC-656 (novel herbicide) and NC-520 (novel nursery-box insecticide for paddy rice), and create new pipelines
4. Form a bio-pesticide development project team and jointly formulate a master plan targeting product launch

Efforts to achieve Vista2027

In order to enhance our product portfolio, we will continue to introduce and jointly develop products from other companies, including biological agrochemicals.

In addition, as part of our in-house product development, following the development of a herbicide for paddy rice flooding treatment (VERDAD®), we have also started development of a herbicide for application on stems and leaves of paddy rice (development code NC-656) and a nursery-box insecticide for paddy rice (development code NC-520). Moreover, we have established a joint venture (Nissan Bharat Rasayan PVT. LTD.) in India for the purpose of manufacturing the active ingredients in agrochemicals. It started commercial operation in March 2023. By operating this joint venture's manufacturing plant in conjunction with the Onoda Plant, we can respond to growing demand for our agrochemicals. We expect it will contribute to the growth of our agrochemicals business by establishing a robust active production and supply system that is cost-competitive.

Healthcare

ISHIWATA Norihisa
Executive Officer
Head of Healthcare Division

In order to appropriately respond to changes in the business environment and achieve medium- to long-term growth, we are accelerating global expansion and the selection and concentration of business areas. In addition, we contribute to the resolution of health issues by developing and launching new pharmaceuticals, generic drugs and medical materials based on our unique technologies.

Social Issues and Needs

- Growing importance of medical services and pharmaceuticals due to low birthrate and aging population
- Growing awareness of extending healthy life expectancy
- Safer and more effective pharmaceuticals in addition to personalized medicine and preventive medicine
- Stable supply of pharmaceuticals

Business Vision

- In addition to the manufacturing of conventional pharmaceuticals, the manufacturing of new products in the broader healthcare area, including medical materials
- Contributing to improving people's health and quality of life by addressing unmet medical needs

Healthcare

In the 1970s, a number of companies from other industries entered the pharmaceutical business. We focused our research and development on lifestyle-related diseases and in 1994 launched efonidipine hydrochloride, an antihypertensive drug. It is distributed in Japan by Zeria Pharmaceutical as LANDEL®*1, and in South Korea by GC Biopharma as FINTE® tab.

In 2003, Kowa Company launched the anti-cholesterol drug pitavastatin calcium hydrate as LIVALO®*2, which is currently being sold in over 30 countries around the world. Furthermore, in 2022, we launched LIVAZEBE® combination tablets, a combination drug with Ezetimibe, in Japan, and are continuing development for overseas markets.

We are moving from new drug development into medical materials, and expanding our business to create new products from a holistic healthcare perspective.

Finetech®

We operate a "solution proposal" contract business and a joint development business that provide total support for the development of active pharmaceutical ingredients (APIs) in response to customer needs. We accept contracts for the development of manufacturing processes at each stage from preclinical to commercial production and for the manufacture of active pharmaceutical ingredients (APIs) and intermediates under cGMP-compliant conditions, as well as for the associated quality design, stability testing, synthesis of impurity/metabolite samples, and preparation of application materials for the drug master file.

Recently, we have expanded our business of supplying APIs for generic drugs, and are not only handling highly active APIs that require containment, but also efficiently manufacturing APIs such as vitamin D_3 derivatives in addition to prostaglandin derivatives using our proprietary two-component coupling method based on our diverse fine organic synthesis technologies. In addition, we have engaged in peptide production through the development of SYNCSOL®, our innovative proprietary liquid-phase synthesis technology.

*1 LANDEL® is a registered trademark of Zeria Pharmaceutical Co., Ltd.
*2 LIVALO® is a registered trademark of Kowa Company, Ltd.

Progress in FY2024

1 Promotion of New Drug Development

We have signed a license agreement regarding NIP-322, a preclinical candidate identified by Nissan Chemical for the treatment of pain, with Maruho Co., Ltd. We will manufacture and provide the active pharmaceutical ingredient and continue to work on developing a novel analgesic with high safety and efficacy in collaboration with Maruho.

2 Establishment of an Efficient Peptide Manufacturing Technology and its Commercialization

In 2018, we invested in PeptiStar, which is aiming to establish a stable supply system for APIs of constrained peptides. Meanwhile, we have developed a novel liquid phase peptide synthesis technology (SYNCSOL®) that enables dramatic cost reduction. We are currently developing new generic APIs by making full use of this technology. In the future, we will continue to expand our contract peptide-manufacturing services.

3 Continuous Launch and Market Expansion of Highly Bioactive Generic Drugs

We are accelerating the development of new highly-active APIs by enhancing our containment facilities. As the next product following prostaglandin (limaprost) and active vitamin D_3 derivatives (maxacalcitol and eldecalcitol), we will establish a stable supply system with a view to expanding into overseas markets in addition to the domestic market, and nurture it as a source of growth.

Strategy for Vista2027

Opportunities and Risks

- Increasing demand for generic drugs
- Expanded efforts in middle molecule drug development
- Aging population and diversification of healthcare
- Establishment of a government-led drug-discovery ecosystem (revitalizing research, development, and contract manufacturing business)

Strengths

- Fine organic synthesis technology
- GMP compliant high-level containment technology
- Chemistry, Manufacturing, and Controls (CMC) support for APIs

Main Measures

1. Healthcare: Promote new drug development, commercialize and expand sales of medical materials
2. Fintech®: Strengthen highly profitable business models, expand into overseas markets, and aim for joint development (peptides, etc.)

Efforts to achieve Vista2027

We will steadily advance joint development with pharmaceutical companies. The API of LIVALO® will be developed by taking advantage of economies of scale and overseas experience. As for medical materials, we will commercialize and expand sales of new products, such as biointerface control materials and cell culture materials. In addition to the generic drug maxacalcitol, which was launched in FY2015, eldecalcitol, which was launched in FY2020, has achieved significant growth as a pillar of our business. In the future, we will accelerate the development of new generic drug APIs which leverage our strength, and will be fully engaged in business not only in Japan but also in overseas markets by expanding our manufacturing facilities and development capabilities.

Additionally, leveraging the overwhelming technological superiority of our proprietary liquid-phase synthesis technology "SYNCSOL®," we will develop our contract peptide-manufacturing business and the joint-development business. Through these measures, we will further develop Custom Chemicals into a highly profitable business.

It will take time to obtain results for new pharmaceuticals and medical materials. Until then, we will continue to boldly take on the challenge of developing new pharmaceuticals and medical materials while relying on our highly profitable Finetech® business to support our business foundation.

Planning and Development Division

ENDO Hideyuki
Managing Executive Officer, CTO
Head of Planning and Development Division

We are striving to create new high-value-added products and businesses that meet social needs in new fields such as Information & Communication, Environment & Energy, and Life Science.
To more quickly achieve this goal, we reorganized its structure in April 2025 and clarified our core focus themes under the new system. Combining our core technologies with new materials and technologies, we will continue to challenge the unlimited possibilities of chemistry and grow as a future-creating company.

Social Issues and Needs

- Solving social issues that arise toward a sustainable society, such as climate change issues, global environmental conservation, contribution to health issues through the treatment of intractable diseases, and transformation to a smart society, etc.

Business Vision

- Building new businesses that contribute to solving social issues
- Creating new businesses to serve as growth engines in new fields
- Creating new products using innovative technologies both inside and outside the Company

Healthcare

We carry out drug discovery, mainly oligonucleotide therapeutics, along with planning and development for commercialization of materials for regenerative medicine.

In drug discovery, we are focusing on oligonucleotide therapeutics. In order to contribute to improving patients' quality of life through the creation of innovative new drugs, we are strengthening our platform through collaboration with academia and our partner companies and building our robust R&D portfolio through alliances with pharmaceutical companies.

In the field of regenerative medicine, we are developing various materials aimed at application in cell manufacturing processes. We are promoting market development with Cellhesion®, a scaffold material designed for enhancing cell functionality; FCeM® Advance-CR, a cell culture material for uniform dispensing, transportation and storage; and prevelex®, anti-adhesion coating materials for proteins and cells, etc. to containers.

Animal Care

We are working on planning and development for commercialization in the field of veterinary pharmaceuticals. We are planning and developing veterinary drugs using small molecule drug technologies developed by Nissan Chemical over many years, and formulating strategies for establishing a sales and distribution system for veterinary drugs in Japan.

LiB Materials Business

We are striving to expand sales of materials for lithium-ion batteries (LiB) used in electric vehicles and developing new grades. One of our products, a slurry additive (SA), enhances both the performance and productivity of LiB, and we are aiming for rapid business expansion.

Optical Interconnect Materials

With the rise in data volumes driven by the digitalization of society, electronic devices and servers with high-performance semiconductor chips are required to achieve low power consumption, low latency, and thermal restraint. A potential solution is the novel "Photoelectric Fusion Technology," which is attracting attention. We will contribute to the advancement of digital society by developing new materials such as optical waveguide materials that support photoelectric fusion technology.

Thermal Management Materials

The semiconductor process rules (a minimum feature size) have been further miniaturized, and the importance of thermal management has increased due to the expansion of power semiconductors. In such situations, we are accelerating the development of materials that meet customers' demands through collaboration with Arieca Inc., which develops thermal interface material (TIM) technology containing liquid metal.

Energy Materials

We are committed to product development that contributes to the realization of a sustainable society. To utilize hydrogen energy, we are advancing the development of ion-conducting polymer materials for catalyst layers of fuel cells and water-electrolysis devices, coating materials that can improve the durability of perovskite solar cells, and other materials that can enhance the performance of next-generation batteries.

Innovative Business Planning

In uncharted territory, we are striving to design and plan new prospective businesses by discovering development themes, introducing technologies from start-up companies, and promoting collaboration and alliance with them.

Research Management

Together with our laboratories, we are working to develop new core technologies. In addition, we are working to enhance R&D capabilities and improving our research environment through training of researchers and providing support for R&D themes.

Progress in FY2024

1 Oligonucleotide Drug Discovery

Since March 2019, Nissan Chemical and Sanwa Kagaku Kenkyusho Co., Ltd. (SKK) have been working on joint drug discovery research of antisense oligonucleotide for the treatment of dentatorubral-pallidoluysian atrophy (DRPLA), a type of spinal cerebellar degeneration, and have selected SK-2407/SN-001, which is a preclinical antisense drug candidate. We have recently signed an agreement to co-develop, and Nissan Chemical will manufacture and provide the oligonucleotide APIs to SKK. In addition, we will expand into this collaboration and strategically aim to discover and develop new oligonucleotide therapeutic candidates by combining our drug-discovery capabilities.

2 Development of Veterinary Pharmaceuticals

MSD Animal Health and Nissan Chemical have also agreed to further strengthen their partnership by initiating a joint research and development collaboration for new animal health products, with a view to expanding both businesses in the field of animal health products in the future.

3 LIBSOLVER™

Lithium-ion batteries (LiBs) for electric vehicles (EVs) are required to have high capacity to extend the driving range. LIBSOLVER™ enhances the performance and productivity of batteries by adding a small amounts of the additive to the slurry in the electrode material of high-capacity LiBs. The Company is now transitioning toward full-scale production.

Strategy for Vista2027

Opportunities and Risks

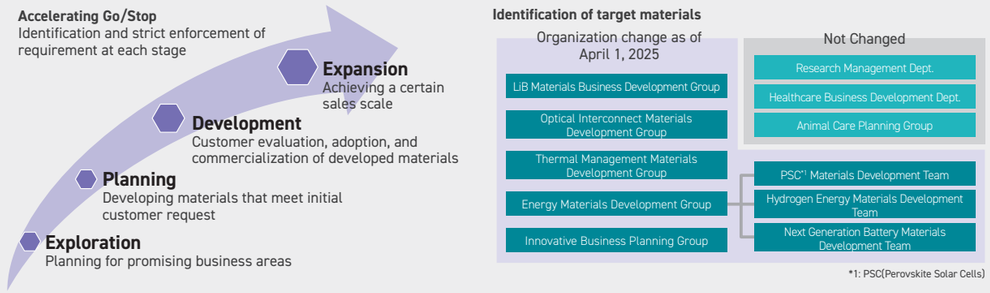
- Expansion of regenerative medicine market, growth of health market
- Development of digital society and expansion of ICT market
- Increasing demand for technological development aimed at the realization of a low-carbon society
- Development delays and late arrival of expected new fields

Strengths

- Design and functionalization of small molecules and polymers
- Formulation capability and biological evaluation technology
- Thin film coating based interface control technology
- Networking with external research institutions across multiple disciplines

Main Measures

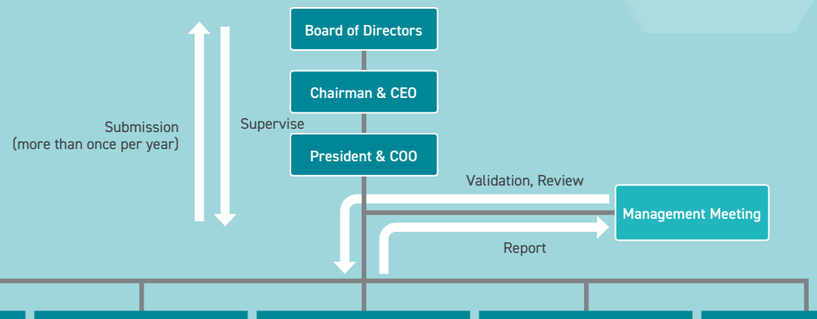
1. Acceleration of development by allocating resources to important themes
2. Strengthening collaboration with customers and partners, promotion of co-creation
3. Incorporation of new technologies and materials from inside and outside the Company and their incorporation into in-house technology



Sustainability Promotion Structure

Amid an unpredictable and volatile world, Nissan Chemical Group has made its corporate philosophy of "Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society" the basis of its business activities. We have established the Sustainability Promotion Group within the Sustainability Promotion & IR Department to enhance our sustainability activities with the mission "to draw up sustainability strategies in response to social trends, to raise internal awareness of sustainability, and to send relevant information."
To advance our sustainability initiatives, we have established the Sustainability Committee, the Climate Change Committee, the Risk Management & Compliance Committee, the Environment & Safety Committee, and the Quality Assurance Committee to push forward company-wide efforts. Each of these comprises executive officers and the heads of relevant divisions and departments, and they deliberate on issues shown in the organizational chart below. Results of these deliberations are regularly reported to the Board of Directors, and following discussions and their resolution, the Board of Directors oversees our sustainability activities.

●System



Sustainability Promotion Committee (twice per year)	Climate Change Committee (more than once per year)	Risk Management & Compliance Committee (twice per year)	Environment & Safety Committee (more than once per year)	Quality Assurance Committee (more than once per year)
Chair: Officer responsible for Sustainability Promotion & IR Dept. Members: Managing executive officers responsible for divisions & departments* Secretariat: Sustainability Promotion & IR Dept. Matters to be deliberated: • Policies related to sustainability including climate change • Materiality identification and KPI setting/progress management • Medium- and long-term plans • Evaluation of the results of annual activities and targets for the next fiscal year based on the evaluation, etc.	Chair: President & COO Members: Heads of business divisions Planning and Development Div. Purchasing Dept. Corporate Planning Dept. Sustainability Promotion & IR Dept. Finance & Accounting Dept. Production Technology Dept. Environment, Safety & Quality Assurance Dept. Secretariat: Sustainability Promotion & IR Dept. Matters to be deliberated: • Analysis and countermeasures of risks and opportunities posed to Nissan Chemical • Medium- and long-term plans and annual plans based on scenario analysis results and countermeasures • Assessment for implementation of countermeasures • Issues to be improved or considered based on the assessment • The above also includes nature-related matters	Chair: Chief Risk Management Officer (CRO) Members: Risk & Compliance Managers (Heads of divisions/departments* and plants/laboratories, Presidents of each domestic consolidated subsidiary) Secretariat: Risk Management & Compliance Office, Corporate Planning Dept. Matters to be deliberated: • Risk identification and assessment, including climate change and natural capital-related risks, and formulation of countermeasure plans • Self-assessment for status of implementation of the countermeasure plan and subject, and formulation of improvement plan • Annual activity plan for the next fiscal year, etc.	Chair: Officer responsible for Environment, Safety & Quality Assurance Dept. Members: Heads of business divisions Planning and Development Div. Purchasing Dept. Corporate Planning Dept. Personnel Dept. Sustainability Promotion & IR Dept. Production Technology Dept. Environment, Safety & Quality Assurance Dept. Heads of plants and laboratories Secretariat: Environment, Safety & Quality Assurance Dept. Matters to be deliberated: • Medium- and long-term plans for responsible care (RC) activities, including responses to climate change • Annual RC activity results for Nissan Chemical and affiliated companies • Summary of company-wide RC activities • Targets, goals, and action plans for RC in the next fiscal year, etc.	Chair: Officer responsible for Environment, Safety & Quality Assurance Dept. Members: Heads of business divisions Planning and Development Div. Purchasing Dept. Corporate Planning Dept. Personnel Dept. Sustainability Promotion & IR Dept. Production Technology Dept. Environment, Safety & Quality Assurance Dept. Heads of plants and laboratories Secretariat: Environment, Safety & Quality Assurance Dept. Matters to be deliberated: • Medium- term quality targets for the following year and every three years • Annual quality assurance activity results for Nissan Chemical and affiliated companies

* [Divisions & Departments] Internal Audit Dept., business divisions, Planning and Development Div., Intellectual Property Dept., Purchasing Dept., Corporate Planning Dept., Personnel Dept., Sustainability Promotion & IR Dept., Finance & Accounting Dept., Digital Transformation Dept., Production Technology Dept., Environment, Safety & Quality Assurance Dept.

Information Disclosure in Line with TCFD and TNFD Recommendations

Nissan Chemical expressed its support for the TCFD recommendations in 2020 and for the TNFD recommendations in 2024. Going forward, we will continue to strive to improve our company's value by promoting initiatives related to climate change and natural capital, as well as gradually expanding information disclosure.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
TNFD Taskforce on Nature-related Financial Disclosures

For more information, please visit our website.
Web Information Disclosure in Line with TCFD and TNFD Recommendations

Governance

The Nissan Chemical Group positions "climate change mitigation" as one of its materiality factors. Our initiatives to address climate change are examined and deliberated by the Sustainability Promotion Committee, the Climate Change Committee, the Risk Management & Compliance Committee, and the Environment & Safety Committee. The Board of Directors supervises these efforts by discussing and resolving the results of the committees' deliberations at its meetings. Since natural capital, including biodiversity, is closely related to climate change, it is also examined and deliberated by the Climate Change Committee.

●**Resolving matters by the Board of Directors regarding each committee**

Sustainability Promotion Committee
- Policy planning related to sustainability
- Medium- and long-term and yearly plans for sustainability

Risk Management & Compliance Committee
- Identification of the Group's major risks ("Group Major Risks") and countermeasures against them
- Medium-term and yearly plans for risk and compliance

Climate Change Committee
- Scenario analysis and countermeasures for climate change and natural capital
- Medium- and long-term and yearly plans for climate change and natural capital-related measures

Environment & Safety Committee
- Policy planning related to Responsible Care (RC)
- Medium- and long-term and yearly plans for RC

Risk Management

We are promoting risk management under the supervision of the Chief Risk Management Officer (CRO) with the aim of contributing to the achievement of our management strategic goals through recognizing the various risks involved in the Nissan Chemical Group, preventing the risk of loss, and minimizing the impact of their occurrence.

Within the framework of the Risk Management & Compliance Committee, we identify risks including those related to climate change and natural capital, and evaluate them from the perspectives of probability and impact on business. Based on this assessment, we select the "Group Major Risks." These Group Major Risks are deliberated at the Risk Management & Compliance Committee, approved at the Management Meeting, and finally resolved by the Board of Directors.

●**Management Process of Group Major Risks**

A division/department in charge and a risk owner are designated for each Group Major Risk selected. The Risk & Compliance Managers of the divisions/departments in charge of those Major Risks play a central role in drawing up the countermeasure plan for Group Major Risks, which is deliberated at the Risk Management & Compliance Committee and approved by the Board of Directors. The implementation status of countermeasures is also deliberated at the Risk Management & Compliance Committee, and the result of the deliberation is reported to the Board of Directors.

For more information, please visit our website.
Web Risk Management

Information Disclosure in Line with TCFD and TNFD Recommendations

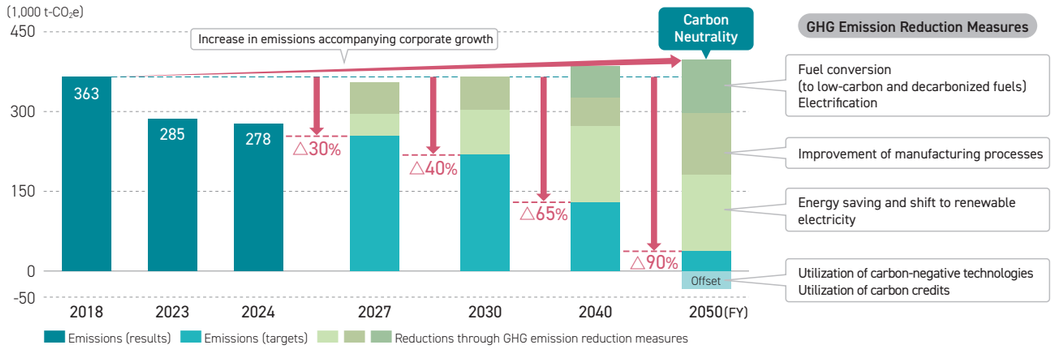
Strategy for Climate Change

Transition Plan for GHG Emission Reductions

Nissan Chemical has identified "mitigation of climate change" as one of its materiality factors, and in FY2024 formulated a transition plan for reducing GHG emissions with the aim of achieving "carbon neutrality by 2050 (Scope1+2)"

Toward achieving the FY2027 target of "reducing GHG emissions by 30% or more compared with FY2018 levels," we are implementing measures that have already been completed, while also working on initiatives such as improving manufacturing processes (reducing N_2O emissions from nitric acid plants) and expanding the introduction of renewable electricity. Beyond FY2027, we will continue to improve manufacturing processes and expand the introduction of renewable electricity, while also working to shift to low-carbon and decarbonized fuels, thereby driving further reductions in GHG emissions.

Transition Plan for GHG Emission Reductions (Scope1+2)



GHG Emission Reduction Measures

Vista2027 (FY2022–FY2027)	~ 2040	~ 2050
•Melamine production shutdown (implemented in FY2022) •Boiler fuel conversion at Onoda Plant (implemented in FY2022) •Expansion of renewable electricity introduction (non-fossil fuel certificates, PPAs) •Promotion of energy saving •Improvement of manufacturing processes (reduction of N_2O emissions from nitric acid plants)	•Expansion of renewable electricity introduction (non-fossil fuel certificates, PPAs) •Promotion of energy saving •Fuel conversion (to low-carbon and decarbonized fuels) and electrification, etc.	•Expansion of renewable electricity introduction (non-fossil fuel certificates, PPAs) •Promotion of energy saving •Fuel conversion (to low-carbon and decarbonized fuels) •Improvement of manufacturing processes •Utilization of carbon-negative technologies •Utilization of carbon credits

Scenario Analysis

To identify the risks and opportunities arising from climate change and to examine their potential impact on our business as well as possible countermeasures, Nissan Chemical conducts scenario analysis by referring to climate scenarios published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

In 2020, we disclosed the results of our analysis under two scenarios: a 2°C scenario (characterized by transition risks) and a 4°C scenario (characterized by physical risks). The analysis included the identification of business risks and opportunities, consideration of their importance, impact assessment, and strategy development. In 2023, following the agreement reached at the 26th UN Climate Change Conference of the Parties (COP26) to pursue efforts to limit the global average temperature increase to 1.5°C, we revised the referenced scenarios to a 1.5°C scenario and a 4°C scenario, and conducted a reassessment.

Referenced Scenarios	1.5°C Scenario: IEA-WEO/ETP, NZE; IPCC/SSP1-1.9, SSP1-2.6 4°C Scenario: IEA-WEO/STEPS; IPCC/SSP5-8.5
Scope of Analysis	Chemicals business, Performance Materials business, Agricultural Chemicals business, Healthcare Business, Planning and Development Division
Reporting Period	2030 and 2050
Process of Identifying Risks and Opportunities	Step 1: Clarify the value chain (VC) and stakeholders and sort out factors influencing our business. Step 2: Identify risks and opportunities based on the above scenarios and other external information. Step 3: Select particularly important risks and opportunities from Step 2, considering the probability of occurrence and the impact on our business (human loss, financial impact, etc.).

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Results of Scenario Analysis on Climate Change (climate change risks/opportunities)

In the 1.5°C scenario, we identified important risks such as increased operating costs due to the introduction of carbon pricing and decreased sales from an inability to provide low-carbon products. To address these risks, we will further promote the conversion of fuel and feedstock at our plants and the introduction of renewable energy, which we have already been working on, while also promoting decarbonization investments that take GHG emission reductions into account through the use of internal carbon pricing. As for opportunities, we expect market changes driven by the growing demand for environmentally conscious products to expand demand for environmentally friendly agrochemicals, biological pesticides, and low-carbon products such as materials for secondary batteries. We will accelerate the development of products and materials in these fields and aim to bring them to market.

In the 4°C scenario, we identified the possibility of flooding at our major production and distribution bases due to water damage as a material risk. To address this, we will continue to formulate and revise the BCPs for our plants and major products, raise the floors and foundations of plant equipment, and secure product inventory. Regarding opportunities, we expect demand for agricultural chemicals and disinfectants for drinking water to increase owing to the rise in pests and weeds, water shortages, and the spread of infectious diseases caused by rising temperatures and abnormal weather. Taking into account the outlook for market growth, we aim to expand our opportunities. Furthermore, by building a business portfolio that is less susceptible to the effects of climate change, we will enhance the resilience of our business activities and strive to minimize risks and maximize opportunities.

Risks/Opportunities, Financial Impacts and Countermeasures Identified in the 1.5°C Scenario

All: All Businesses / Planning & Development Division Agri: Agricultural Chemicals Business Chem: Chemicals Business

Scenario	Factors	Value Chain		Impact on Business	Financial impact	Relevant Business	Main Measures
1.5°C Scenario	● Regulations on GHG emissions	Upstream	Risk	● Increase in raw material procurement costs due to the introduction of carbon pricing such as carbon taxes, and compliance with regulations and decarbonization investment, by suppliers	–	All	● Price pass-through to products ● Multiple sourcing of several key raw materials
		Direct Operations	Risk	● Increase in operating costs due to the introduction of carbon pricing such as carbon taxes, and compliance with regulations and decarbonization investments	● 2030: 5.9 billion yen/year		● Fuel and feedstock conversion at plants ● Update to energy-saving equipment, etc. ● Increased use of renewable energy ● Zero emissions of N_2O from nitric acid production capacity (planned investment: 830 million yen) ● Optimization of the manufacturing process ● Promotion of decarbonized investment by introducing internal carbon pricing
			Opportunity	● Avoid the impact of carbon pricing by reducing GHG emissions	● 2030: 1.8 billion yen/year		
	● Changes in energy policy ● Changes in energy demand and supply	Upstream	Risk	● Increase in raw material procurement costs due to renewable energy procurement by suppliers	–	All	● Price pass-through to products ● Multiple sourcing of several key raw materials
				● Increase in logistics costs	–		● Optimization of transportation routes, systems, etc.
		Direct Operations	Risk	● Increase in operating costs due to in-house renewable energy procurement	● 2030: 0.46 billion yen/year		● Update to energy-saving equipment, etc. ● Optimization of the manufacturing process
			Opportunity	● Reduce operating costs by improving energy efficiency and saving energy	–		
				● Acquiring opportunities for funding (subsidies, etc.)	–		● Advanced GHG emission reduction efforts and appropriate information disclosure
	● Market changes due to increasing demand for environmental consideration	Downstream	Risk	● Decrease in sales of agricultural chemicals business due to the introduction of regulations on the use of agrochemicals	● 2030: 2.3 billion yen/year	Agri	● Development of environmentally friendly agrochemicals ● Development of biological pesticides ● Acquisition of biostimulant technology ● Promote registration of agrochemicals in new countries
			Opportunity	● Increase in demand for biological pesticides, etc.	–		
			Risk	● Decrease in sales due to inability to provide low-carbon products	● 2030: 4.2 billion yen/year	All	● Expand sales of low-carbon products ● Development of environmentally friendly products and services ● Establishment of innovative manufacturing technologies ● Review of the business portfolio ● Promotion of decarbonized investment by introducing internal carbon pricing ● Increased use of renewable energy ● Fuel and feedstock conversion at plants
				● Decrease in demand from customers due to the retention of products and businesses with large GHG emissions	–		
			Opportunity	● Increase in demand and sales of parts and materials for low-carbon products	● 2027: 1.2 billion yen/year		
	● Increased demand from investors and others for addressing climate change	Direct Operations	Risk	● Damage to ESG evaluation and reputation, decrease in market capitalization, and financing difficulties due to delay in measures to address climate change, such as heavy use of fossil fuels	–	All	● Further advanced GHG emission reduction efforts ● Appropriate information disclosure
			Opportunity	● Improve ESG evaluation and reputation, and increase market capitalization through advanced initiatives and information disclosure	–		

Information Disclosure in Line with TCFD and TNFD Recommendations

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Risks/Opportunities, Financial Impacts and Countermeasures Identified in the 4°C Scenario

4°C Scenario	Rising temperatures/ Increase in abnormal weather	Direct Operations	Risk	Increase in risk of impacts on plant operations, equipment, inventory, and supply chains due to flooding caused by heavy rains, floods, and rising sea levels	2030: 7.6 billion yen 2050: 12.8 billion yen	All	Formulating BCPs (business continuity plans) for key products in each plant Raise the foundation of the plant buildings, and place equipment and other key items on higher floors, depending on the risk
				Decline in production capacity (such as shortage of cooling capacity) and increase in product and material management costs due to water shortages caused by drought and heat waves	—	All	Formulating BCPs (business continuity plans) for key products in each plant Optimization of the existing cooling system Introducing equipment for water-saving and water-recycling Introducing energy-saving air conditioning and cooling equipment
	Market changes caused by rising temperatures and abnormal weather	Downstream	Risk	Reduction of planted area due to increase in frequency and intensity of storms/floods and difficulties in securing irrigation water	—	Agri	Promote registration of agrochemicals in new countries Enhancing the agrochemicals portfolio
				Changes in the distribution of planting and reduction in planted area due to rising temperatures	—		
			Opportunity	Increase in sales of existing agrochemicals and opportunities to develop new agrochemicals due to the spread of pest insects, weeds, and pathogens, and the emergence of resistance	—	Agri	Develop new agrochemicals Enhancing the agrochemicals portfolio Promote registration of agrochemicals in new countries
				Increase in sales of disinfectants due to the reduction of usable (fresh) water resources and the growth of global demand for drinking water	—	Chem	Expand sales of disinfectants for drinking water

Metrics and Targets of Climate Change

Positioning climate change mitigation as one of our materiality factors, we recognize that reducing the Company's GHG emissions (Scope1+2), which account for approximately 90% of the Group's total emissions, is crucial for diminishing our climate change-related risks. For this reason, we have set the long-term target of "achieving carbon neutrality by 2050," and the medium-term target of "reducing GHG emissions by at least 30% from the FY2018 level by FY2027." These targets are positioned as non-financial targets under our long-term business plan Atelier2050 and our medium-term business plan Vista2027, and we monitor progress accordingly. Furthermore, the degree of attainment of these reduction targets is reflected in the ESG-linked portion of our officers' performance-based remuneration.

In FY2024, our emissions decreased compared with FY2023, owing to the expansion of renewable energy adoption and the start of operation of a solar power generation system at the Materials Research Laboratories. In addition, Nissan Chemical has undergone third-party verification of its GHG emissions and energy consumption since FY2018. We will continue to promote initiatives to reduce GHG emissions and environmental impact, while striving to disclose highly reliable information.

Medium-term and Long-term Targets

Category	Indicator		Scope	FY2027 Target	2050 Target
GHG emissions	Scope1+2	Absolute Emissions	Non-consolidated	Reduce emissions by at least 30% from the FY2018 level	Carbon neutrality

Climate change-related data

	Scope	Unit	FY2018	FY2021	FY2022	FY2023	FY2024	FY2027 Target
Scope1	Non-consolidated	t-CO_2e	245,469	231,713	223,388	174,133	166,980	—
Scope2	Non-consolidated	t-CO_2e	117,926	113,623	104,275	111,187	110,932	—
Scope1+2	Non-consolidated	t-CO_2e	363,395	345,336	327,663	285,320	277,912	254,377
GHG emission rate per unit to sales *1 (Scope1+2)	Non-consolidated	t-CO_2e/million yen	2.33	2.03	1.79	1.58	1.38	—
Scope3*2	Non-consolidated	t-CO_2e	703,562	803,461	885,046	927,262	939,244	—
Scope1	Consolidated*3	t-CO_2e	253,785	238,958	230,424	180,409	184,280	—
Scope2	Consolidated*3	t-CO_2e	128,647	124,663	115,893	124,730	131,089	—
Scope1+2*4	Consolidated*3	t-CO_2e	382,432	363,621	346,316	305,138	315,369	—
Non-consolidated / Consolidated (Scope1+2)		%	95.0	95.0	94.6	93.5	88.1	—

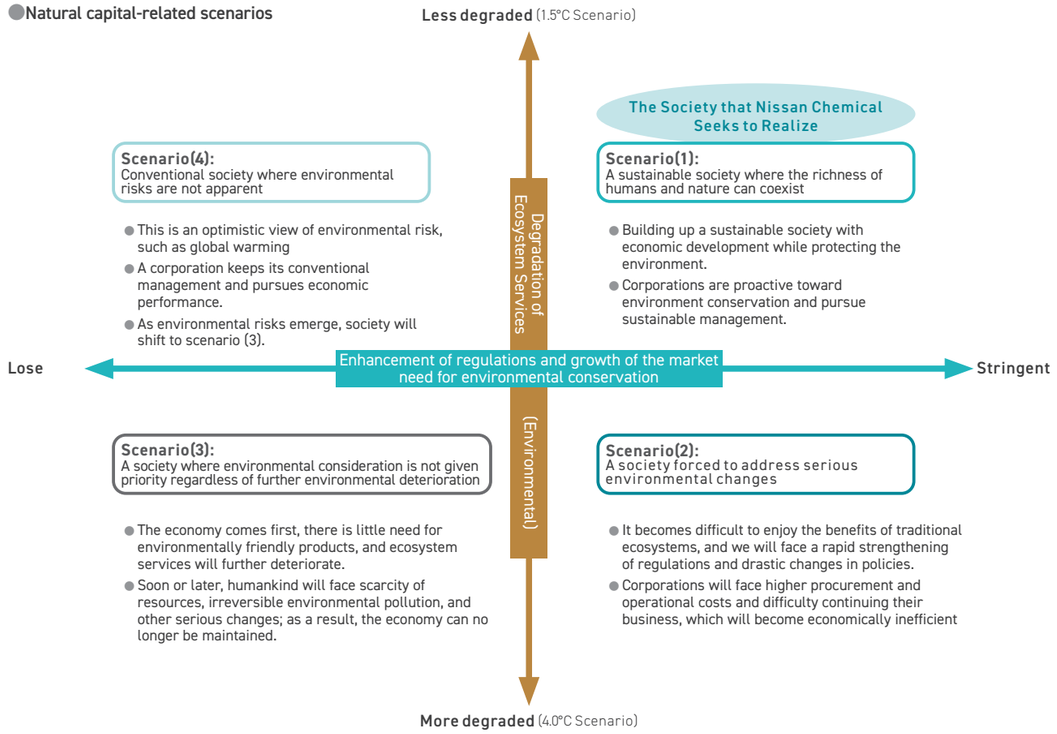
*1 Amount of emissions (t-CO_2e) / Non-consolidated sales (million yen)
*2 Category-specific data: https://www.nissanchem.co.jp/eng/csr_info/index/esg_data.html
*3 Nissan Chemical Corporation and consolidated subsidiaries with manufacturing facilities (Nihon Hiryo Co., Ltd., Nissan Chemical America Corporation, NCK Co., Ltd.)
*4 Due to rounding of figures, some of the above Scope1 and Scope2 sums do not match

Strategy of Natural Capital

Based on the LEAP approach recommended by the TNFD as an integrated analytical method for natural capital-related evaluation, we identified and evaluated our dependencies and impacts on natural capital, and then specified related risks and opportunities. In addition, referring to the TNFD guidance, we defined four projected natural capital-related scenarios ([1]–[4]). These scenarios are structured along two axes: the vertical axis indicates the degree of degradation of ecosystem services, the less degraded 1.5°C climate scenario and the more degraded 4°C scenario, which reflect physical risks and opportunities. The horizontal axis represents the enhancement of regulations and the growth of the market need for environmental conservation, which correspond to transition risks and opportunities.

Based on the identification of these risks and opportunities and the results of scenario analysis, we determined the most material risks and opportunities for the Company and formulated corresponding countermeasures.

Natural capital-related scenarios



Information Disclosure in Line with TCFD and TNFD Recommendations

High-impact risks/opportunities and countermeasures

Social changes	Factors	Value Chain	Risk/ Opportunity	Relevant Business	Impact on Business	Impact FY2030	Impact FY2050	Countermeasures	Related Scenarios
Enhancement of our company's initiatives and regulations for environmental conservation (transition)	● Enhancement of nature-related regulations	Upstream	Risk	All	● Increase in raw materials procurement costs due to tightening of environmental laws and regulations for materials sourcing, processing, and production of intermediate products	High	High	● Multiple sourcing of several key raw materials ● Price pass-through to products	(1) (2)
								● Switch suppliers to those who use biomass-derived raw materials ● Develop products that use biomass-derived raw materials	(2)
		Direct Operations			● Increase in operation costs in our plants due to the enforcement of regulations on pollution	Mid	High	● Change equipment and manufacturing processes in line with the strengthening of regulations ● Distribute facility investment methodically to maintain regulatory compliance as the strengthened regulatory requirements are determined ● Check the trends of tightening regulations in RC (Responsive Care) management activities	
					● Increase in operation costs due to the introduction of tax on plastics; generation of additional costs for replacing production equipment and switching packaging materials by introducing biomass plastics and other recyclable materials	Mid	High	● Reduce the use of plastics for containers and packages ● Switch containers/packages materials from fossil-derived plastics to biomass-derived and other recyclable materials	
	● Growth of demand from investors and others seeking initiatives for nature-related issues	Direct Operations	Risk	All	● Declines in the ESG rating, the Group's reputation, and market capitalization, and difficulty in financing due to the delay in countermeasures against climate change, such as the massive use of fossil-derived raw materials	High	High	● Enhance RC management ● Enhance initiatives for reducing environmental impacts ● Develop environmentally friendly agrochemicals and promote their sales ● Appropriate information disclosure	(2)
			Opportunity		● Rises in the ESG rating, the Group's reputation, and market capitalization through progressive approaches and information disclosure	High	High		
	● Market changes due to increasing demand for environmental consideration	Down stream	Risk	Agri	● Decrease in sales of agricultural chemicals business due to the introduction of regulations on the use of agrochemicals	High	High	● Develop environmentally friendly agrochemicals ● Develop biological pesticides	(2)
					● Reduction of the use volume and decline in sales of agrochemicals due to expansion of the organic beverage and food markets	High	High	● Acquire biostimulant technologies ● Promote registration of agrochemicals in new countries	(1) (2)
					● Reduction of the use volume and decline in sales of agrochemicals by using various technologies, such as big data, drones, and farm management software	High	High	● Develop agrochemicals for drone spraying and promote their sales ● Promote registration of agrochemicals in new countries	
			Opportunity		● Growth of demand for biological pesticides; increase in opportunities to develop new agrochemical products	Mid	High	● Develop environmentally friendly agrochemicals ● Develop biological pesticides ● Acquire biostimulant technologies ● Promote registration of agrochemicals in new countries	
					● Increase in sales of new agrochemicals suitable for Smart Agriculture (such as drone spraying of agrochemicals*) * It contributes to the reduction of the use volume of agrochemicals	High	High	● Develop agrochemicals for drone spraying and promote their sales ● Promote registration of agrochemicals in new countries	(2)
					● Increase in sales of agrochemicals* for agricultural products in countries and territories where farming lands are being expanded for food production due to population growth * Those products that contribute to the prevention of farmland expansion by improving yields and that are environmentally friendly	High	High	● Promote sales of agrochemicals in developing countries where deforestation (farmland expansion) is concern ● Develop environmentally friendly agrochemicals	(1) (2)
Transition / Physical	● Market changes due to degradation of ecosystem services and increasing demand for environmental consideration	Upstream	Opportunity	All	● Increase in sales of low-carbon products by switching to biomass-derived raw materials	Mid	High	● Switch suppliers to those who use biomass-derived raw materials ● Develop products that use biomass-derived raw materials	(2) (3)
Environmental degradation / Rising temperatures (physical)	● Degradation of ecosystem services	Upstream	Risk	All	● Increase in raw materials procurement costs due to water scarcity, floods, or similar risks in materials sourcing and processing and production of intermediate products Supply shortage of those materials due to the suspension of or limitations on production	High	High	● Multiple sourcing of several key raw materials ● Price pass-through to products ● Switch suppliers to those who use biomass-derived raw materials ● Develop products that use biomass-derived raw materials	(2) (3)
	● Market changes due to degradation of ecosystem services	Down stream	Opportunity	Agri	● Increase in sales of existing products and opportunities to develop new agrochemicals due to the spread of pest insects, weeds, and pathogens and the emergence of resistance	High	High	● Develop new agrochemicals ● Enhancing the agrochemicals portfolio ● Promote registration of agrochemicals in new countries	

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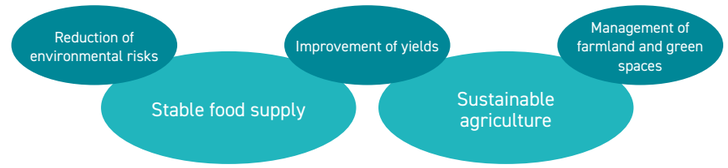
Metrics and Targets of Natural Capital

For agricultural chemicals, the Kunming-Montreal Global Biodiversity Framework adopted in December 2022 set a global target of "reducing the overall risk from pesticides and highly hazardous chemicals by at least half (by 2030)." In addition, the Ministry of Agriculture, Forestry and Fisheries of Japan (MAFF) launched the "Strategy for Sustainable Food Systems, MIDORI," which calls for innovation to achieve a reduction in the risk-weighted use of agrochemicals.

Although agricultural chemicals involve certain environmental risks, their appropriate use helps improve harvest efficiency and prevent deforestation caused by excessive farmland expansion. Furthermore, by properly managing and revitalizing abandoned farmland, they can contribute to biodiversity conservation. For this reason, we consider it essential to reduce environmental risks associated with agricultural chemicals while contributing to efficient food production. In our long-term business plan Atelier2050 and medium-term business plan Vista2027, we have identified "stable food supply" and "sustainable agriculture" as key directions for the Agricultural Chemicals business. To achieve these goals, we recognize the need to address such themes as "reduction of environmental risks," "improvement of yields," and "management of farmland and green spaces."

Direction of the Agricultural Chemicals Business (Long-term Business Plan Atelier2050)



Example Initiative (National Land Support in Hirakata City, Osaka Prefecture)

The National Land Support system promoted by the Ministry of Finance is an initiative that aims to contribute to the development of local communities by utilizing national land for the protection and preservation of the natural environment. Specifically, the initiative involves managing national land to protect the local natural environment, while also aiming to foster stronger engagement with local communities. We are participating in this system through our involvement in the management of national land in Hirakata City, Osaka Prefecture. The target area is about 3,800 m² of idle national land between government housing for public officials and a university, where uncontrolled weed growth had been an issue. In addition to conventional mechanical weeding, we demonstrated a more cost-effective and efficient management approach by using our own herbicide product. This initiative aims to serve as a model case for communities facing weed management challenges.

From a biodiversity perspective, we are also considering planting Eupatorium fortunei (fujibakama), a plant favored by the migratory butterfly Parantica sita (known as the chestnut tiger in Japan). This butterfly has also been observed at the biotopes established at our Toyama and Onoda plants, and fujibakama itself is designated as a near-threatened species. Through such activities, we aim to contribute to the preservation of local ecosystems and the conservation of biodiversity.

Indicators and Medium- to Long-term Targets Related to Natural Capital

We have set the following medium- and long-term targets for reducing environmental risks.

For other indicators, we will make disclosures with reference to the core disclosure indicators related to dependencies, impacts, risks, and opportunities recommended by the TNFD framework, while continuing efforts to reduce environmental impact.

Category	Indicator	Scope	FY2027 Target	2050 Target	FY2023 Result	FY2024 Result
GHG emissions	Scope1+2 (Absolute Emissions)	Non-consolidated	Reduce emissions by at least 30% from the FY2018 level	Carbon neutrality	Reducing by 21.5%	Reducing by 23.5%
Waste	Industrial waste and pollutant emissions for final disposal	Non-consolidated	Reduce final disposal volume by 50% from the FY2021 level	—	Reducing by 41.1%	Reducing by 40.4%

Responsible Care

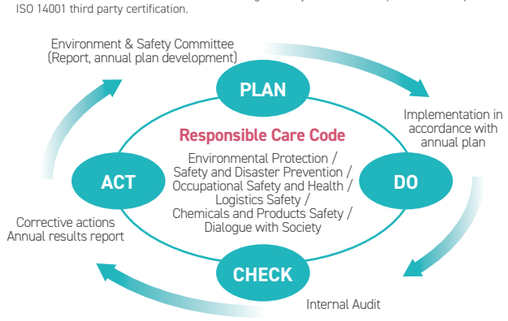
As a company that handles chemical substances, Nissan Chemical Group has a great responsibility to society. In order to fulfill this responsibility, we engage in Responsible Care (RC) activities. RC activities aim to voluntarily ensure the environment, health and safety throughout the entire process from development of chemicals to manufacturing, distribution, use, final consumption, disposal and recycling. These activities also serve as a form of communication with society through the announcement of their results.

Responsible Care Management

System

We have been engaged in RC activities since 1992. To achieve our RC medium-term plan (2022-2027), established in FY2022, we manage targets and make continuous improvements through PDCA (Plan, Do, Check, Act) in our RC management system based on ISO14001* throughout the Company. In addition, we have established the Environment & Safety Committee, which is chaired by the officer responsible for the Environment, Safety & Quality Assurance Department, as the organization in charge of promoting RC activities. The committee holds an annual meeting. The contents of the discussion, including targets for the next fiscal year, are reported to the management meeting. After being approved at the management meeting, the contents are resolved at the Board of Directors

* International standard for environmental management system. All of our plants have acquired ISO 14001 third party certification.



RC Audits

RC audits are conducted by the Environmental Safety & Quality Assurance Department to inspect RC implementation at each plant, laboratory, and affiliated company, in accordance with RC audit regulations. They are carried out by the Environment, Safety & Quality Assurance Department in accordance with the RC audit guidelines. In these audits, the auditors check whether RC activities, internal audits, and patrols are appropriately conducted; whether the PDCA cycle is being steadily implemented; and whether each site complies with environment, health, and safety (EHS) standards. The Environmental Safety and Quality Assurance Department has established an RC audit program to promote improvements in response to visible or potential risks to the EHS.

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In FY2024, a total of 24 RC audits were conducted for our plants, research laboratories, offices and affiliated companies.

For more information, please visit our website.
Web Responsible Care Management

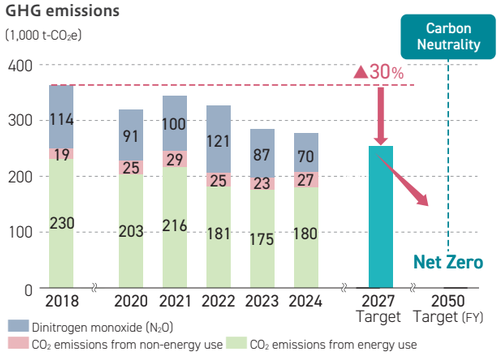
Mitigation of Climate Change and Environmental Conservation

Efforts for Reducing Greenhouse Gas (GHG) Emissions

Nissan Chemical actively strives to protect the environment, including the reduction of greenhouse gas (GHG) emissions, and has been promoting initiatives to mitigate climate change, such as energy savings and fuel conversion. With regard to reducing our GHG emissions (Scope1+2), we have set a FY2027 target of "reducing GHG emissions by at least 30% from the FY2018 level" aiming for achievement of carbon neutrality in 2050.

GHG emissions in FY2024 were 278,000 tons, a decrease from 285,000 tons in FY2023.

GHG emissions



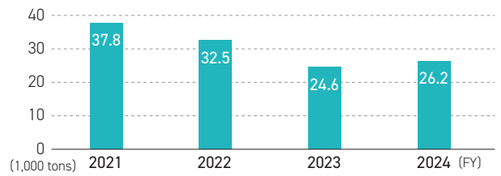
For more information, please visit our website.
Web Mitigation of Climate Change

Efforts to Reduce Industrial Waste

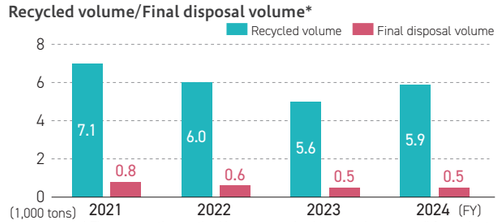
Through our RC activities, we further promote the 3Rs (Reduce, Reuse, Recycle), strive to reduce industrial waste emissions, and thoroughly implement control measures to ensure that waste is disposed of properly. Although the amount of industrial waste generated in FY2024 increased from FY2023, it was at the second lowest level in the past five years. We set a new FY2027 target of "Reduce by 50% compared to FY2021" for final disposal volume. The final disposal volume in FY2024 was 494 tons, a 40% reduction compared to FY2021.

In line with the enforcement of the Act on Promotion of Re-source Circulation for Plastics (enforcement date: April 1, 2022), we have been counting the amount and recycling rate of plastic waste since FY2021. The amount of plastic waste in FY2024 increased slightly from FY2023. However, the recycling rate increased to 57% due to recycling efforts at plants and laboratories, and we achieved our FY2027 recycling target of "50%" of plastic waste for the third year in a row. Going forward, we will continue to promote initiatives such as recycling.

Volume of industrial waste generated*



Recycled volume/Final disposal volume*



* The aggregation method has been revised to exclude waste soil from plants. The figures presented reflect this updated methodology.

	Amount of plastic waste	Recycling rate of plastic waste
FY2022	830t	55%
FY2023	592t	53%
FY2024	656t	57%

For more information, please visit our website.
Web Reduction of Industrial Waste and Pollutant Emissions

Biodiversity Conservation

Our corporate philosophy is "Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society." We engage in business activities that take into account biodiversity and help protect the global environment. We have set the "establishment and operation of Bio-Park at Nissan Chemical's plants" as a target for FY2027, and are promoting biodiversity initiatives. In FY2024, a new bio-garden was completed at the Nagoya Plant. The facility was established in front of the main entrance of the Nagoya Plant, providing habitat for insects, birds, fish, and plants and the place where we can coexist with nature.

In addition to the Somei-Yoshino cherry trees that have been there for a long time, various plants such as violet, lemon, and Japanese spirea have been planted in the bio-garden. Aquatic plants and creatures such as water lilies, anacharis, Japanese killifish (Minamimedaka), slender bitterling (Yari-tanago),

Bio-garden (Nagoya Plant)

Japanese marsh shrimp (Yamatonumaebi), and Japanese Trapdoor Snail (Hime-tanishi) have also been added to the biotope.

As the bio-garden faces a sidewalk, not only employees but also pedestrians and many other people can enjoy the changing seasons.

For more information, please visit our website.
Web Water Resources Conservation
Biodiversity Conservation

Safety and Disaster Prevention

We carry out risk assessments, process risk predictions, and facility risk predictions through prior evaluations conducted before manufacturing, with the aim of ensuring safety, achieving stable operations, and improving our process safety capability. As a result, there were no explosions or fires in FY2024, but there was one chemical substance release incident. During the manufacturing process of chemicals, due to the poor flow in the exhaust gas line, the pressure in the system increased and sulfur trioxide gas was released from the safety valve. There was no human injury or property damage, and no impact on the environment caused by this incident. We are taking thorough measures to prevent such accidents from recurring and are deploying these measures across all plants and laboratories. Our plants, laboratories, and affiliates carry out various drills and training sessions such as earthquake and fire prevention drills every year to ensure we are prepared to respond to emergencies and accidents promptly and reliably.

Disaster drills (Toyama Plant)

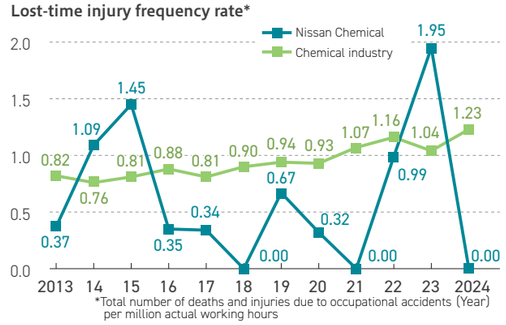
Responsible Care

Promotion of occupational health and safety

Through our RC management system, we prevent occupational accidents, promote the good health of staff, and build a comfortable workplace environment in our efforts to improve the level of safety and health at each business site. In addition, we carry out various drills and training sessions annually with the aim of ensuring safety, achieving stable operations, and improving our process safety capability to make us ready to respond to emergencies or accidents in a reliable manner.

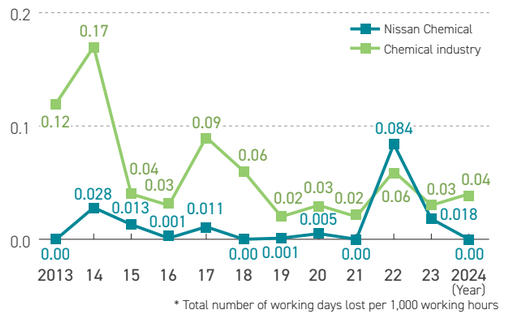
As there were no accidents requiring staff time off from work at our plants and laboratories in FY2024, the lost-time injury frequency rate and the lost-time injury severity rate were both zero. This results from the effectiveness of our measures, including campaigns to prevent occupational accidents. We will continue aiming to foster a culture of safety and achieve zero accidents by promoting safety activities such as risk assessment, prior-work risk prediction, risk predictions training, HHK, 5S, and appropriate wearing of protective equipment and by raising awareness of safety through safety meeting and occupational safety newspapers.

Lost-time injury frequency rate*



*Total number of deaths and injuries due to occupational accidents per million actual working hours (Year)

Lost time injury severity rate*



* Total number of working days lost per 1,000 working hours

For more information, please visit our website.
Web Promotion of Safety and Disaster Prevention, and Occupational Safety and Health

Management of Chemical Substances and Products Safety

We established the "Chemical Substance Management Policy" for the management of chemical substances in 2020, and we have promoted ongoing improvements in chemical safety and product stewardship.

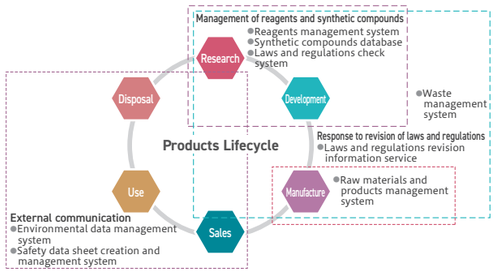
Risk Assessment in Products Lifecycle

We conduct a risk assessment (prior assessment) at each step in handling chemical products, such as R&D, manufacture, sales and revision. The risk assessment is performed based on legal and regulatory information, safety data evaluated by internal or external laboratories or obtained from SDS (Safety Data Sheet) for raw materials and literature, and data on physicochemical properties and work environment conditions. Based on the results of risk assessment, we take appropriate measures; i.e., legal and regulatory compliance, improving facilities to reduce worker exposure at manufacturing sites, improvement of operation procedures, clarification and documentation of the procedures, and training, etc. Moreover, these results are reported to all the relevant people in the Company.

In addition, we participate in the Long-range Research Initiative, an international initiative promoted by Japan Chemical Industry Association (JCIA) that seeks to provide long-term support for research on the impact of chemicals on human health and the environment. The activities we engage in aim to advance research on the assessment of risks to human health and the environment.

Dissemination of Product Safety Information

To ensure that information on product safety is communicated to customers, we have introduced an SDS preparation support system to prepare and distribute SDSs for all products based on consistent rules. We publish SDSs for all agrochemical products on our website and make them available for customers and users to download.



For more information, please visit our website.
Web Management of Chemical Substances

Improvement of products quality

For more information, please visit our website.
Web Improvement of Products Quality

Our Group sets the Quality Policy "Providing products and services that satisfy customers," and based on this policy, we set medium-term quality targets and work on quality activities.

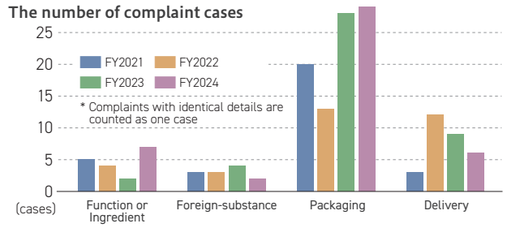
System

The quality assurance office at each plant, which is independent from the manufacturing divisions, inspects the quality of each product. In addition, the quality assurance division at the head office, which oversees the company-wide quality assurance activities, conducts quality audits at each plant and affiliated company. To promote quality assurance activities on a company-wide basis, the Quality Assurance Committee meets regularly to report the results of quality activities, the results of quality audits and the status of improvements, and complaints and status of corrective actions. The committee also discusses the quality assurance action policy for the following year, etc. The reports and contents of the discussions are reported to the Board of Directors, and we have put in place reliable quality management systems by working on further improvements under management review.

Indicators

The number of complaint cases was trending downward slightly from FY2020 to FY2022, but there was an increase in the number of complaint cases in FY2023. This is due to the increased sensitivity to complaint information within the company as a result of in-house training implemented when the customer's complaints management system was renewed in FY2023, which we believe has enabled us to respond to complaints even more appropriately. The percentage of complaint cases attributable to issues such as packaging and delivery remained high in FY2024. There was one serious complaint in FY2022, none in FY2023, and three in FY2024.

The number of complaint cases



Activities

Under the key themes of Quality (Q), Social (S), and Governance (G), we are promoting initiatives to realize our Quality Policy: providing products and services that satisfy our customers.

Internal Network of Product-quality Intelligence (Q, S)

We have established an internal network to promptly collect and evaluate customer feedback (complaint information) regarding our products and to take necessary corrective action. Customer feedback is promptly communicated to each division to enable response to customers and quality improvements.

Prevention of Quality Fraud and Data Tampering (G)

In FY2020, we established and began implementing the guidelines aimed to prevent fraud and tampering regarding quality control. At each plant, we are working to develop a framework that is less likely to cause errors, fraud, or tampering by reducing manual operations and tasks, and enhancing the integrity of inspection data through the introduction of laboratory information management system (LIMS), etc. Even in the sites and departments that do not use LIMS, we have established a control system for issuing test results using an electronic signature system to obtain confirmation and approval logs, thereby preventing falsification of test data.

Fostering Quality Culture (S, G)

In FY2021, we established the "Quality Behavior Model" aiming to encourage individual behavior with an awareness of quality, and disseminated it as our top message.

In FY2023, we conducted in-house training on "Quality Behavior Model" for the whole company, and training on "Change Control" with the aim of reducing quality risks due to change for all our laboratories. In FY2024, we provided education on "Examples of Quality Fraud" that have occurred in society to departments involved in product quality. We will continue to implement company-wide in-house training on quality compliance.

Logistics and Supplier Management (Q, S)

We aim for total quality assurance, considering not only the quality of the manufactured products themselves, but also the packaging materials, transportation, attached documents, and demonstration of function at the customers, as part of our products.

A high percentage of our quality issues is attributable to packaging and transportation process, so we share our improvement targets with contract logistics suppliers and strive to improve. In addition, we have established internal guidelines for suppliers including contract manufacturers, and conduct evaluations through quality audits to maintain appropriate management.

Corporate Governance

Directors and Audit & Supervisory Board Members (As of June 26, 2025)

For more information, please visit our website.
Web Notice of Convocation

Directors

KINOSHITA Kojiro
(Representative Director, Chairman & CEO)

1977 Joined the Company
2002 Director, Head of Corporate Planning Department
2006 Managing Director, Head of Corporate Planning Department
2008 Representative Director, President & CEO
2021 Representative Director, Chairman & CEO (to the present)

Meeting of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 7/7

YAGI Shinsuke
(Representative Director, President & COO)

1985 Joined the Company
2013 Deputy Plant Manager of Onoda Plant
2016 Executive Officer, Plant Manager of Sodegaura Plant
2018 Managing Executive Officer, Head of Production Technology Department
2020 Senior Managing Executive Officer, Head of Production Technology Department
Director, Senior Managing Executive Officer, Head of Production Technology Department
2021 Representative Director, President & COO (to the present)

Meeting of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 7/7

DAIMON Hideki
(Director, Senior Executive Vice President)

1988 Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)
2014 General Manager of Trust Business Department IV of Mizuho Trust & Banking Co., Ltd.
2016 Executive Officer, General Manager of Corporate & Institutional Coordination Department of Mizuho Trust & Banking Co., Ltd.
2018 Managing Executive Officer in charge of Trust & Banking of Mizuho Trust & Banking Co., Ltd.
2020 Executive Officer, Head of Finance & Accounting Department of the Company
2022 Managing Executive Officer, Head of Sustainability Promotion & IR Department
Director, Managing Executive Officer, Head of Sustainability Promotion & IR Department
2023 Director, Senior Managing Executive Officer, Head of Sustainability Promotion & IR Department
2024 Director, Senior Managing Executive Officer, Head of Finance & Accounting Department
2025 Director, Senior Executive Vice President (to the present)

Meeting of the Board of Directors 12/12

ISHIKAWA Motoaki
(Director, Senior Managing Executive Officer)

1986 Joined the Company
2009 General Manager of Display Materials Department, Electronic Materials Division
2012 General Manager of Display Materials Research Department, Electronic Materials Research Laboratories
2015 General Manager of Business Strategy Department, Performance Materials Division
2016 Executive Officer, Deputy Head of Performance Materials Division, General Manager of Business Strategy Department, Performance Materials Division
2020 Managing Executive Officer, Head of Performance Materials Division
2022 Senior Managing Executive Officer, Head of Performance Materials Division
Director, Senior Managing Executive Officer, Head of Performance Materials Division (to the present)

Meeting of the Board of Directors 12/12

SATO Yuji New
(Director, Senior Managing Executive Officer)

1990 Joined the Company
2013 General Manager of International Operations, Agrochemicals Division
2018 Head of International Operations, Agricultural Chemicals Division
2020 Executive Officer, Deputy Head of Agricultural Chemicals Division, Head of International Operations, Agricultural Chemicals Division
2022 Managing Executive Officer, Head of Agricultural Chemicals Division
2024 Senior Managing Executive Officer, Head of Agricultural Chemicals Division
2025 Director, Senior Managing Executive Officer, Head of Agricultural Chemicals Division (to the present)

MATSUOKA Takeshi
(Director, Managing Executive Officer)

1996 Joined the Company
2017 General Manager of CSR & Public Relations Office, Corporate Planning Department
2019 Executive Officer, Head of Internal Audit Department
2021 Executive Officer, Head of Chemicals Division
2022 Managing Executive Officer, Head of Corporate Planning Department
Director, Managing Executive Officer, Head of Corporate Planning Department (to the present)

Meeting of the Board of Directors 12/12

Independent Outside Directors

KATAOKA Kazunori Outside
(Director)

1979 Research Associate of Institute of Biomedical Engineering at Tokyo Women's Medical University
1988 Associate Professor of Institute of Biomedical Engineering at Tokyo Women's Medical University
1994 Professor of Faculty of Industrial Science and Technology at Tokyo University of Science
1998 Professor of Graduate School of Engineering at The University of Tokyo
2004 Professor of Graduate School of Medicine at The University of Tokyo
2015 Director General of Innovation Center of NanoMedicine, Kawasaki Institute of Industrial Promotion (to the present)
2016 Project Professor at The University of Tokyo
Professor Emeritus at The University of Tokyo (to the present)
Deputy Chairman of Kawasaki Institute of Industrial Promotion (to the present)
2020 Outside Director of the Company (to the present)
Outside Director of NanoCarrier Co., Ltd. (currently NANO MRNA Co., Ltd.)

Meeting of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 7/7

NAKAGAWA Miyuki Outside
(Director)

1990 Prosecutor, Tokyo District Public Prosecutors Office
2008 Counsellor, Judicial System Department, Minister's Secretariat, Ministry of Justice
2011 Counsellor, Cabinet Secretariat, Assistant Chief Cabinet Secretary Office
2013 Prosecutor, Tokyo High Public Prosecutors Office
General Manager of General Administration Department, Saitama District Public Prosecutors Office
2015 Specially Appointed Professor and Public Prosecutor, Chuo Law School, Chuo University
2019 Retired as Prosecutor/Qualified for attorney-at-law
Professor, Chuo Law School (to the present)
Established Kousui Law Office (to the present)
Outside Director of NITTO KOGYO CORPORATION (to the present)
2021 Outside Director of the Company (to the present)
Outside Audit & Supervisory Board Member of FANCL CORPORATION
2022 Outside Audit & Supervisory Board Member of Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited) (to the present)
Outside Audit & Supervisory Board Member of ASKUL Corporation
2025 Outside Director of ASKUL Corporation (to the present)

Meeting of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 7/7

TAKEOKA Yuko Outside
(Director)

2001 Assistant Professor of Department of Chemistry, Faculty of Science and Technology, Sophia University
2002 PRESTO Researcher of Japan Science and Technology Agency
2006 Lecturer of Department of Chemistry, Faculty of Science and Technology, Sophia University
2010 Associate Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University
2018 Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University (to the present)
2023 Director of Center for Research Promotion & Support, Sophia University (to the present)
Outside Director of the Company (to the present)

Meeting of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 6/7

HAMA Itsuo Outside New
(Director)

1977 Joined Lion Fat & Oil Co., Ltd. (currently Lion Corporation)
2008 Director, Executive General Manager of Household Products Division of Lion Corporation
2010 Executive Director, Responsible for Health Care Products Division, Household Products Division, Gift and Channel Specific Products Division, Advertising Department, Behavioral Science Research Institute, Distribution Policy Department and Customer Development Department of Lion Corporation
2012 Representative Director and President Executive Officer
Chief Operating Officer
Responsible for Risk Management of Lion Corporation
2019 Representative Director, Chairman of the Board of Directors, Chief Executive Officer of Lion Corporation
2022 Outside Director of Nichirei Corporation (to the present)
2023 Executive Advisor of Lion Corporation (to the present)
2025 Outside Director of the Company (to the present)

Audit & Supervisory Board Member

OHRAI Kazuhiko
(Audit & Supervisory Board Member)

1987 Joined the Company
2007 General Manager of Pharmaceutical Research Department, Chemical Research Laboratories
2016 Executive Officer, Head of Pharmaceuticals Division
2021 Executive Officer, Head of Internal Audit Department
2022 Audit & Supervisory Board Member (to the present)

Meeting of the Board of Directors 12/12
Audit & Supervisory Board 12/12

Independent Outside Audit & Supervisory Board Members

KATAYAMA Noriyuki Outside
(Audit & Supervisory Board Member)

1990 Qualified for attorney-at-law, Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
1996 Qualified for attorney-at-law in New York State, USA
Joined Tokyo City Law & Tax Partners
2003 Joined City-Yuwa Partners (to the present)
2004 Statutory Auditor of Deutsche Asset Management (Japan) Limited (to the present)
2014 Outside Audit & Supervisory Board Member of the Company (to the present)
2017 Supervisory Director of HEIWA REAL ESTATE REIT, Inc. (to the present)
2018 Outside Director of Nippon Denkai, Ltd.
2019 Outside Corporate Auditor of Livesense Inc. (to the present)
2021 Outside Statutory Auditor of AIDA ENGINEERING, LTD.
2022 Outside Director of create restaurants holdings inc. (to the present)

Meeting of the Board of Directors 12/12
Audit & Supervisory Board 12/12

TAKAHAMA Shigeru Outside
(Audit & Supervisory Board Member)

1986 Joined Aoyama Audit Corporation (ChuoAoyama Audit Corporation)
1990 Qualified for certified public account
2006 Representative Partner (currently Partner) of PricewaterhouseCoopers Aarata LLC (currently PricewaterhouseCoopers Japan LLC)
2010 General Manager of Osaka office, PricewaterhouseCoopers Arata
2013 Chairman of Kinki Chapter of the Japanese Institute of Certified Public Accountants
Deputy President of the Japanese Institute of Certified Public Accountants
2019 Committee Chair of Ethics Standards Committee of the Japanese Institute of Certified Public Accountants
2024 Outside Audit & Supervisory Board Member of the Company (to the present)
Established Takahama CPA Office (to the present)

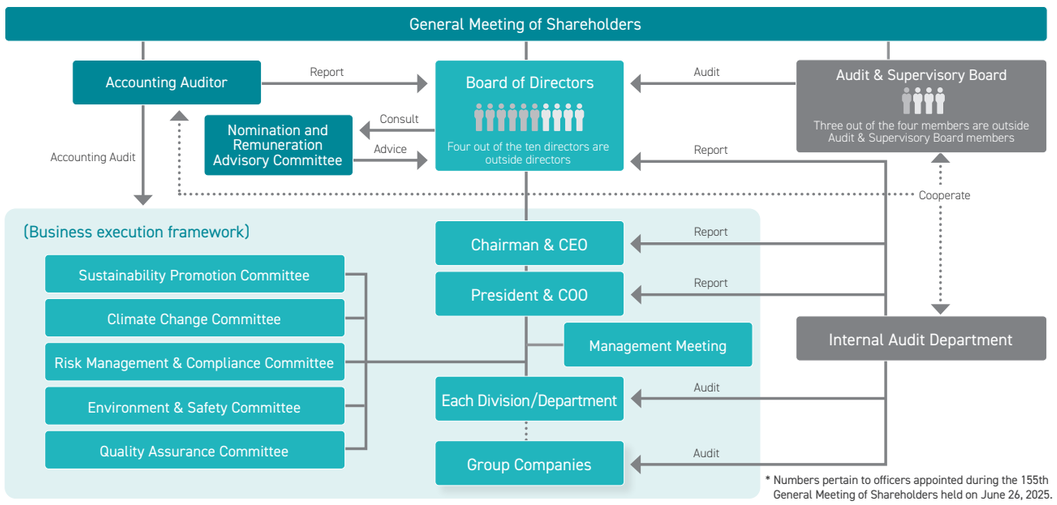
Meeting of the Board of Directors 10/10
Audit & Supervisory Board 10/10

KINUGAWA Sachie Outside New
(Audit & Supervisory Board Member)

1988 Joined the Fuji Bank, Limited (currently Mizuho Bank, Ltd.)
2004 Head of Department, Fixed Income Business Division Fixed Income Sales Dept. 4 of Mizuho Securities Co., Ltd.
2017 Executive Officer, General Manager of Nagoya Branch of Mizuho Securities Co., Ltd.
2019 Executive Officer in charge of Retail & Business Banking Division of Mizuho Securities Co., Ltd.
2021 President of Mizuho Business Partner Co., Ltd.
2023 Outside Director of The Bank of Nagoya, Ltd. (to the present)
2025 Senior Advisor of Mizuho Business Partner Co., Ltd.
Outside Director of RIKEN TECHNOS CORPORATION (to the present)
Outside Audit & Supervisory Board Member of the Company (to the present)
Outside Director of TAKACHIHO KOHEKI CO., LTD. (to the present)

Corporate Governance

Based on our culture of "integrity" and "transparency," we have strengthened our governance system in line with the changing times. At the General Meeting of Shareholders held in June 2025, we increased the number of female officers (outside audit & supervisory board members) as part of our efforts to ensure diversity in our governance system. Furthermore, we are steadily implementing measures to address issues identified in the effectiveness evaluation of the Board of Directors, undertaking various initiatives aimed at sustainable growth and enhancing corporate value.



* Numbers pertain to officers appointed during the 155th General Meeting of Shareholders held on June 26, 2025.

Business Execution and Oversight

By clarifying the two functions of swift managerial decision-making and oversight, as well as execution, the Company seeks to strengthen both functions and enhance its capacity to develop and realize its management strategies. Also, by setting the term of office for Directors and Executive Officers at one year, we clarify management and business execution responsibilities.

Board of Directors

In principle, the Company's Board of Directors meets monthly to resolve material matters related to management and oversee the execution of duties by Directors and Executive Officers. Material matters in the company management are decided through careful deliberation by the Board of Directors or the Management Meeting. In this manner, we work to reduce or eliminate business risks.

In addition, to enhance the oversight function of the Board of Directors, we report to the Board of Directors the matters determined by the Management Meeting and the outcomes of business executions based on decisions of the board and other meetings. We further strive to ensure and improve the effectiveness of the Board of Directors in pursuing its roles and responsibilities by conducting the Effectiveness Evaluation of the overall board every fiscal year.

Audit & Supervisory Board

We have established the Audit & Supervisory Board. The Audit & Supervisory Board members, based on the audit plan set by the Audit & Supervisory Board with a majority that consists of independent outside members, audit the execution of duties by Directors primarily by attending the Board of Directors and other important meetings, and regularly visiting each division/department of the headquarters and each research laboratory/plant and exchanging opinions.

Nomination and Remuneration Advisory Committee

The Company established its Nomination and Remuneration Advisory Committee, mostly consisting of independent outside directors as an advisory body under the Board of Directors to strengthen the board's independence, objectivity, and accountability regarding the nomination, remuneration, and related matters for Directors and further enhance corporate governance.

Accounting Audit

The Company has appointed the Yaesu Audit Company as its accounting auditor, and we receive audits appropriately throughout the fiscal year, not only the fiscal year-end audit.

Internal Audit

The Company has established an Internal Audit Department to pursue the achievement of the Group's management objectives effectively. With the object of ensuring the proper duties under the internal control system, the Internal Audit Department conducts internal audits for the Group. The department submits its internal audit activity plan and reports the outcomes to the Chairman & CEO, the President & COO, the Directors in charge, and the Board of Directors. It also shares information with the Company's accounting auditor and the Audit & Supervisory Board members to cooperate with them.

Support for Outside Directors and Outside Audit & Supervisory Board Members

The Corporate Planning Department supports outside directors by providing them with prior explanations on the contents of proposals to be deliberated at the Board of Directors in advance and also provides management information necessary for growth strategies, enhancement of governance, etc.

For outside Audit & Supervisory Board members, we have appointed audit assistants in response to requests from them. Audit assistants are employees who help outside Audit & Supervisory Board members fulfill their duties efficiently and smoothly. They serve as coordinators for holding internal audits, Audit & Supervisory Board's meetings, and other meetings, help outside Audit & Supervisory Board members conduct audits, and collect information.

Indicators	Scope	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Directors*1	Inside directors	People	6	6	6	6	6
	Outside directors (Independent)	People	4 (4)	4 (4)	4 (4)	4 (4)	4 (4)
	Total	People	10	10	10	10	10
Audit & Supervisory Board members*1	Inside Audit & Supervisory Board members	People	1	1	1	1	1
	Outside Audit & Supervisory Board members (Independent)	People	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
	Total	People	4	4	4	4	4
Ratio of independent Outside Directors*1		%	40	40	40	40	40
Ratio of independent Outside Audit & Supervisory Board members*1		%	75	75	75	75	75
Ratio of female directors*1		%	10	10	20	20	20
Ratio of female Audit & Supervisory Board members*1		%	0	0	0	0	25
Number of executive directors*1		People	6	6	6	6	6
Average tenure of directors*1		Years	5.1	4.0	4.2	5.2	6.2
Meetings of the Board of Directors*2		Times	12	12	12	12	—
Attendance of directors at meetings of the Board of Directors*2		%	99	98	99	100	—
Attendance of Audit & Supervisory Board members at meetings of the Board of Directors*2		%	100	100	100	100	—

*1 Data is as of after the General Meeting of Shareholders held in June of each fiscal year. *2 Data from April to March of each fiscal year

View on the Appropriate Balance between Knowledge, Experience, and Skills of the Board as a whole, and on Diversity

The Company considers the board to be formed by members selected from various viewpoints to make appropriate and expeditious decision-making and oversee the execution of business activities in diverse fields (including chemicals, performance materials, agricultural chemicals, and healthcare). Those points include the balance among knowledge, experience, skills, and other capabilities as well as diversity, in terms of gender, internationality, and practical experience across the entire board.

To ensure a well-balanced and diverse board composition, in light of the Company Philosophy and Management Strategy, we have identified the following expertise and experience required for its directors (skills requirements). "Corporate management," "research and development/technologies," "finance and accounting," "legal/risk management/internal control," "personnel affairs/personnel strategies," and "global experience." The Company appoints as directors individuals who meet the above skill requirements, are physically and mentally healthy, and are trusted and respected for their excellent character, high level of insight, and strong sense of ethics.

Based on the management strategy and relevant policies, we will review the above skills requirements as necessary.

Director	The expertise and experience required for the Company's Directors					
	Corporate Management	R&D/Technologies*1	Finance & Accounting	Legal/Risk Management/ Internal Control	Personnel Affairs/ Personnel Strategies	Global Experience
KINOSHITA Kojiro	◎		◎	◎	◎	
YAGI Shinsuke	◎	◎		◎	◎	◎
DAIMON Hideki	◎		◎	◎		◎
ISHIKAWA Motoaki	◎	◎		◎		◎
SATO Yuji	◎	◎		◎		◎
MATSUOKA Takeshi	◎		◎	◎	◎	◎
KATAOKA Kazunori*2	◎	◎				◎
NAKAGAWA Miyuki*2				◎		
TAKEOKA Yuko*2		◎				
HAMA Itsuo*2	◎	◎				◎

*1 "R&D/Technologies" includes the expertise and practical experience in the fields of IT, Digital Transformation (DX), environmental safety, and quality assurance.
*2 Outside Director

Policy and Procedures in the Nomination of Officer Candidates

Nominations of director candidates and Audit & Supervisory Board member candidates are explained in advance to independent outside directors. Then, after receiving appropriate advice from independent outside directors and the contents of the Nomination and Remuneration Advisory Committee's deliberation, the Board of Directors passes a resolution. The candidates are then proposed at the General Meeting of Shareholders. In addition, nominations of Audit & Supervisory Board member candidates are approved by Audit & Supervisory Board in advance.

Policy	
Director	<Inside Directors> Human resources who have expertise, knowledge and other capacities in each business field such as corporate planning, personnel, finance & accounting, research and development, production technology, environment, safety & quality assurance and others. <Outside Director> Human resources who are capable of giving opinions proactively, raising questions and giving advice on growth strategies, the enhancement of governance and other issues from the viewpoints of various stakeholders and society. Each outside director may serve up to six terms of one year in total; provided, however, that shall not prevent the director from serving up to eight terms of one year in total under a special circumstance. In addition, each outside director may concurrently serve as a director or Audit & Supervisory Board member of five listed companies, including the Company, at a maximum in principle.
Audit & Supervisory Board members	Human resources with a wide range of experience and knowledge in specialized fields including finance, accounting, and legal affairs who are capable of giving opinions and advice to the management from a fair and neutral standpoint, in addition to auditing the execution of operations. Each Audit & Supervisory Board member may serve up to two terms of four years in total; provided however, that shall not prevent the member from serving up to three terms of four years in total under a special circumstance. In addition, each Audit & Supervisory Board member may concurrently serve as a director or Audit & Supervisory Board member of five listed companies, including the Company, at a maximum in principle.

Overview of Succession Plan for President and CEO

(1) Purpose of Succession Planning

We acknowledge that replacing our President and CEO with an adequate successor at an appropriate time is indispensable for ensuring the Company's sustainable development and enhancing the medium-to-long-term corporate value. To actualize such replacement, we formulated the "Succession Plan for President and CEO" ("Succession Plan"), which was subsequently resolved by the Board of Directors.

(2) Basic Idea

In the Plan, looking at the future replacement of our President and CEO, we select and train potential candidates for succession and develop their knowledge, skills, and abilities as required before identifying a person who perfectly fits, in principle.

(3) Road Map

We compiled a road map of the necessary processes to implement the Plan appropriately.

(4) Roles and Functions

In the Plan, the President and CEO, the Nomination and Remuneration Advisory Committee, and the Board of Directors have their respective roles and functions as follows:

1) President and CEO
The President and CEO prepares an original draft of the Plan and puts it into practice.
2) Nomination and Remuneration Advisory Committee
To enhance the supervisory function and support the proactive engagement of the Board of Directors in the Plan, the Committee thoroughly reviews and deliberates the original draft of the Plan and its implementation progress and reports it to the Board of Directors.
3) Board of Directors
Based on the Committee's report, the Board of Directors checks the implementation progress and oversees the whole process so that the Plan is appropriately carried out through its proactive engagement.

Officers' Remuneration

We maintain, as our fundamental principle, the remuneration structure for Directors that encourages them to contribute to increasing operating performance continuously over the medium to long term and enhancing the overall value of the Group to meet our shareholders' expectations under the Company's management policies. Given that structure, in principle, we set the appropriate level of remuneration, taking into account the management environment, operating performance, consistency with payments and benefits for our employees, and other factors.

The Directors' remuneration package shall consist of monetary remuneration (base remuneration and performance-related remuneration) and performance-linked stock compensation. However, the Outside Directors' remuneration package shall consist of only the base remuneration as a monetary payment. In light of their roles and independence from the Company, their remuneration package does not contain performance-related remuneration as monetary payment or performance-linked stock compensation.

By clarifying the link between performance and stock price, and by sharing both the risks of stock price decline and the benefits of its increase between Directors and shareholders, the performance-linked stock compensation for Directors (excluding Outside Directors) aims to increase their motivation to contribute to improving the Company's operating performance over the medium to long term. This system has been in place since FY2019.

The monetary remunerations to Directors are determined by resolution of the Board of Directors, within the total amount of Directors' remuneration approved at the general meeting of shareholders, following deliberations by the Nomination and Remuneration Advisory Committee, which is mostly composed of independent outside directors. The remunerations to Audit & Supervisory Board members are determined through discussions among Audit & Supervisory Board members.

●Composition of Officers' Remuneration*

Profit-linked portion 90%

[Evaluation Indicators]
- Net income attributable to owners of parent
- EBITDA

ESG-linked portion 10%

[Evaluation Indicators]
- ESG evaluation by third-party organizations
- Rate of reduction of GHG emissions
  GHG emissions in FY2027 Reducing by at least 30% compared to FY2018

* The ratio of the portions of the composition varies according to the Company's performance

Overview of Performance-related Remuneration

For the performance-related remuneration, we establish a base amount for each title and determine the annual amount according to the fluctuation of performance indicators. Those indicators consist of the profit indicators for the previous fiscal year (the net income attributable to owners of the parent, EBITDA, and the like) and ESG indicators (the third-party assessment result, the reduction of GHG emissions, and the like).

ESG initiatives are positioned as a core management priority indispensable to the sustainable growth of the Company. To further enhance the effectiveness of our sustainable management, we have decided to link ESG initiatives with remuneration.

Overview of Performance-linked Stock Compensation

The Company grants each director the evaluation points based on net income attributable to owners of our parent (the average rate of change over the last three years), EBITDA (average rate of change over the last three years), ROE (actual result for the current fiscal year),and comparison of rates of year-on-year volatility in the Company's stock price and TOPIX. The granting of points and the number of points awarded are determined for each fiscal year based on a prescribed calculation method. Upon their retirement of a Director, the Company will pay performance-linked stock compensation equivalent to the number of the accumulated evaluation points. (For details on how to calculate performance-linked stock compensation plan amounts, etc., please refer to P.60 "Compensation, etc. for Officers" of the 155th Securities Report.)

Performance Evaluation Index

(Medium- to long-term net income attributable to owners of parent coefficient ×30%) + (Medium-to long-term EBITDA coefficient ×30%) + (ROE coefficient x 30%) + (the Company stock price and TOPIX year-on-year volatility comparison coefficient × 10%)

If a director subject to performance-linked stock compensation is dismissed through the General Meeting of Shareholders or the Board of Directors during the period until retirement (excluding dismissal when the director concerned is appointed as an Audit & Supervisory Board member), commits any illegal act during tenure and retires, commits any inappropriate act that causes damage to the Company during tenure, or if the director is found to have violated laws, regulations, articles of incorporation, or internal rules, etc., the director will be unable to acquire the right to receive performance-linked stock compensation.

Major Activities of the Nomination and Remuneration Advisory Committee (FY2024)

The Nomination and Remuneration Advisory Committee met seven times in FY2024. In response to the consultation by the Board of Directors, the Committee deliberated on matters that include the nomination of Directors and Audit & Supervisory Board member candidates, the appointment of senior management, the Succession Plan for President and CEO, and the remuneration of Directors. The committee then submits the outcome of such deliberations as its advice (toshin) to the Board of Directors. In addition to the regular agenda items, the Committee also deliberated the items at right.

Matters pertaining to nomination	· Formation and ideal state of the Board of Directors · Skills matrix of the Board of Directors members
Matters pertaining to remuneration	· Types (cash and stock) of officers' remuneration and the ratio between money and stock · Status of stock compensation · The Company's remuneration level in light of the survey results of officers' remuneration in other companies

Corporate Governance

Effectiveness Evaluation of the Board of Directors

Every year since FY2015, the Company analyzes and evaluates whether our Board of Directors has fulfilled its key roles and responsibilities ("Effectiveness Evaluation"). For the evaluation process, we primarily employ the self-assessment process by the Board of Directors. In addition, to ensure the neutrality and objectivity of the evaluation, we alternatively conduct a third-party evaluation every three years using an external organization that has no relationship of interest with us. The latest third-party evaluation was conducted in FY2023.

Evaluation Procedure

The self-assessment is conducted through a questionnaire survey for all Directors and the Audit & Supervisory Board members, which combines a five-point scale and free answers. Through this method, we aim to grasp the current situation and identify issues from two aspects of quantitative and qualitative assessments. Also, to ensure anonymity, we entrust an external organization to gather the responses and aggregate the information.

For the Effective Evaluation for FY2024, the Company performed the self-assessment process. At the Board of Directors meeting held in April 2025, the board members shared, analyzed, and evaluated the questionnaire responses and discussed the issues to address. The outcomes of their analysis and the selection of the priority issues to address were further deliberated and confirmed at the Board of Directors held in May 2025.

The Results of the Effectiveness Evaluation for FY2024

With the object of performing its key roles and responsibilities, the results of the Effectiveness Evaluation for FY2023 concluded that generally, the Company's Board of Directors was operating appropriately in its totality; improvements have been made overall to solve issues identified in the Effectiveness Evaluation for FY2023. Thus, the effectiveness of the overall Board of Directors was positively assessed and confirmed as being sufficiently ensured.

(1) Issues identified in the Effectiveness Evaluation for FY2023

- To deepen the debate on key problems in each business segment, medium-to-long term business portfolio, distribution of management resources, and other essential matters.
- To discuss the future formation and ideal state of the Board of Directors.
- For internal Directors, to strive to participate in discussion from a holistic perspective and create an environment where every member can freely speak and discuss by improving the way of explanation and upgrading equipment and devices for meetings.

(2) Initiatives implemented in FY2024

- The Board of Directors had free discussions on "business portfolio management" at its meeting.
- The Nomination and Remuneration Advisory Committee discussed "the formation and ideal state of the Board of Directors" and reported the main opinions at the board meeting.
- We introduced microphone devices to enhance the conference room environment, thereby facilitating vigorous discussions at both face-to-face and hybrid meetings (in-person and online).

Actions to Take

The Board of Directors acknowledged the following points as issues to address in FY2025 and confirmed the action plan to take.

(1) Issues to address

- We should deepen our discussions on how to approach "risk-taking in investment" and what principles to follow.

(2) Action plan

- We should have free discussions and otherwise take out time to discuss "risk-taking in investment" over several meetings of the Board of Directors.

Following the latest evaluation result, the Company will deepen discussions at the Board of Directors and advance actions to enhance its effectiveness. Moreover, by regularly measuring improvements through the Effectiveness Evaluation and aiming for further increase of the effectiveness of the Board of Directors, we will be committed to the Company's sustainable development and the enhancement of corporate value.

Main Themes Discussed in Free Discussions at the Board of Directors

Based on the results of the Effectiveness Evaluation of the Board of Directors for FY2023, the Company specified a key challenge to address; "To deepen the debate on key problems in each business segment, medium-to-long term business portfolio, distribution of management resources, and other essential matters." As a FY2024 initiative to address this issue, following discussion at the Board of Directors, we conducted free discussions around the theme of "Business Portfolio Management." In this free discussion, while the main theme was the enhancement of the business portfolio, we also exchanged opinions on a wide range of perspectives including the roadmap for achieving the long-term business plan, M&A activities, the creation of new products and businesses, and human resource development.

Messages from Outside Officers

Making Proposals to Realize Transformative R&D

Outside Director
KATAOKA Kazunori

During the five years since my appointment as an Outside Director, I have worked to promote active discussions at the Board of Directors meetings by drawing on my own experience in R&D and startup management, offering opinions on the creation of new businesses and products, M&A, fostering a safety culture, and human resource development with a global perspective. At the Board of Directors meetings in FY2024, compared with FY2023, opportunities were provided not only for regular meetings but also for intensive discussions on business plans and free discussions on the business portfolio. These enabled more in-depth deliberation on topics I consider important, such as the speed of new products creation, related initiatives, and human resource development. At both the Board of Directors meetings and the Nomination and Remuneration Advisory Committee, Directors and Audit & Supervisory Board Members have engaged in open and constructive exchange of opinions.

Looking ahead, I intend to make proposals aimed at advancing Transformative R&D at the Board of Directors meetings and other forums. Our R&D is supported by outstanding "chemical expertise." Whether in semiconductor materials, display materials, or pharmaceuticals, our development approach is based on "molecular and materials synthesis," aligning with end-use application fields and providing us with unique strengths that are unmatched by competitors. This reflects the other meaning of "chemistry"—harmony and affinity—manifested fully in our business activities.

To further enhance our potential as an R&D-driven company, it is essential to make the necessary investments, and advance human resource strategies including the utilization of global talent and promotion of interdepartmental personnel exchange. To achieve our medium- to long-term growth strategies, we must move beyond an internal-only approach and proactively engage in "strategic investments" such as M&A and investments in startups. In the future, I believe it is necessary to actively discuss our investment risk-taking approach and policy at the Board of Directors and other meetings.

Advising on Creating an Environment where Young Researchers Can Boldly Take On Challenges

Outside Director
NAKAGAWA Miyuki

Our business performance in FY2024 was moderately successful. In Vista2027 Stage II, launched in FY2025, we must devote our full efforts not only to expanding profits in existing businesses, but also to developing new products looking toward 2030. To this end, I intend to provide advice on building a research environment and business structure that enables young researchers to boldly take on challenges without fear of failure.

To fulfill our supervisory role, we have received flexible support from the secretariat, including advance explanations of proposals to be submitted to the Board of Directors meetings and the arrangement of hearings with relevant departments at the Nomination and Remuneration Advisory Committee. With such backup, I have consistently sought to contribute to enhancing corporate value by offering suggestions I believe essential for future growth during free discussions at Board of Directors meetings. For example, I have proposed that, in addition to product development, we should actively pursue strategic investments such as M&A. At the Board of Directors meetings, I also emphasize the need to conduct free and open discussions from a cross- functional perspective, unconstrained by the boundaries of business divisions, when considering risk-taking in investments.

In recent years, our plants have experienced operational issues, and I recognize the importance of further strengthening our safety initiatives. Through my extensive career as a prosecutor, I have come to recognize the importance of not overlooking early signs of trouble, anticipating potential risks before they arise, and responding quickly.

Because the current era is marked by social uncertainty, we will continue to engage in sincere discussions at the Board of Directors meetings with the aim of contributing to the sustainable development of the company in a wide range of business areas, including Chemicals, Functional Materials, Agricultural Chemicals, and Healthcare, with the aim of contributing to the survival and development of humanity and the protection of the global environment.

Messages from Outside Officers

Proposals for Sound Corporate Growth from a Researcher's Perspective

Outside Director
TAKEOKA Yuko

I aim to enrich discussions at the Board of Directors meetings by sharing insights gained from the frontlines of renewable energy and carbon neutrality research as a materials chemistry researcher.

Our Company has significant potential to contribute to the realization of carbon neutrality. I experience firsthand, on a daily basis, the high level of technological expertise in materials chemistry within our Company. With pride in this strength, I aim to foster active discussions on how we can build an organization capable of making broad contributions to society. To that end, it is essential to promote human resource development and diversity initiatives that broaden employees' perspectives.

I consistently bear in mind the belief that "an organization lacking diversity is prone to making fatal mistakes." To reduce corporate risks and ensure that our Company continues to be valued by society, enhancing diversity is an important challenge. In this context, I have actively shared my own experiences as a female researcher and leader. In addition, fostering a safety culture across the Group and creating new products and technologies that will become pillars of future revenue are indispensable to the Company's sound development. Through continued discussions, I intend to encourage our Company's growth into an organization where diverse people can thrive and create new value.

At present, sincere discussions are held at both the Board of Directors meetings and the Nomination and Remuneration Advisory Committee. However, I am concerned that the mechanisms for collecting insights from the frontlines and effectively communicating them to management are insufficient. By refining how we collect such opinions and leveraging them as a basis for further discussions among outside Directors and Audit & Supervisory Board Members, I believe we can create new opportunities for the Company's growth.

In addition to considering corporate interests, Outside Directors play a vital role in objectively supervising and deliberating on what the Company should protect, what it should achieve, and whether its strategic direction is sound and sustainable as a member of society. To this end, I will continue to promote the necessary discussions.

Contributing to Strategy Formulation toward Becoming a Unique Value-Creating Company

Outside Director
HAMA Itsuo

In today's world, where the business environment is changing at an unprecedented pace, it is critically important to formulate a distinctive future agenda that drives the sustainable enhancement of corporate value, and to establish an attractive and resilient business structure that is always needed globally. This is truly an era that puts to the test the value of our medium-term management plan slogan: "To be an Enterprise that Faces Challenges toward the Future through Value Co-creation." By sharing new perspectives from my experience in technology development, human resource development, and management across diverse fields, I hope to contribute to the creation of distinctive value that drives the Group's sustainable growth.

Since its founding, our Group has viewed shifts in the times as new opportunities and, from a medium- to long-term perspective, has continually reshaped its business portfolio, creating various growth engines such as chemical fertilizers. Without falling into the "innovation dilemma" often faced by technology-driven companies, we have achieved a high level of profitability as a fine chemicals manufacturer over the long term. Our well-cultivated corporate culture, organization, and talented personnel are our greatest strengths for realizing the next stage of growth.

At the same time, in an era when sudden and drastic environmental changes may render past assumptions a hindrance, it is essential to design short-, medium-, and long-term management strategies with flexibility, accelerate their implementation, and maximize corporate value across multiple business domains to hedge against unforeseeable risks. At the Board of Directors, I will work to point out "past assumptions" that may go unnoticed within the Company, engage in vigorous debate, and contribute to designing strategies and building foundations that lead to robust corporate growth.

Striving for Responsible Risk-taking and Transparency

Outside Audit & Supervisory Board Member
KATAYAMA Noriyuki

It has been eleven years since I was appointed as an Audit & Supervisory Board Member in 2014. In this role, I aim to enhance the quality of discussions on investment projects such as M&A and joint development, which are essential to our growth, and to contribute to more appropriate and strategic risk-taking.

At the Board of Directors meetings in FY2024, there has been stronger focus than in the past on identifying risks and countermeasures when evaluating investment decisions. In addition, reports related to investment recovery are now made on a regular basis to verify the effectiveness of such investments.

The "investment recovery plan" is extremely important as a basis for discussing the validity of investments at the Board of Directors meetings. To ensure more meaningful discussions, I recommended expanding the description of "risk identification and mitigation measures." Furthermore, drawing on my legal experience in international and intercompany transactions, I have provided feedback on key considerations regarding contract terms and their background, which I believe has enhanced the quality of discussions.

From a governance perspective, it is considered appropriate that outside or non-executive directors play a central role in the Nomination and Remuneration Advisory Committee. However, because the themes are closely tied to internal policies, it is difficult for an outside Audit & Supervisory Board Member to obtain sufficient information, and I recognize certain challenges in how this committee should function.

Since investors have a strong interest in matters concerning the nomination, appointment, dismissal, and remuneration of directors, I am committed to ensuring transparency in the committee's deliberation process—particularly with regard to the "succession plan"—so that external stakeholders can better understand these discussions.

Supporting the Execution of the Medium-term Business Plan through Deliberation

Outside Audit & Supervisory Board Member
KINUGAWA Sachie

I have built a career of more than 30 years within a megabank group, spending most of it in a securities company. My strengths lie not only in my ability to assess companies, developed through experience in financial proposals, and market knowledge gained in the dealing room, but above all in my experience as a branch manager engaging extensively with investors. I intend to support the Company's initiatives from a governance perspective, with an investor-oriented viewpoint. In my first year as an Outside Audit & Supervisory Board Member, I am actively visiting sites such as plants, internal R&D presentations, and Group companies to grasp the Company's overall situation. At the Board of Directors meetings, I will share concerns objectively from an external standpoint and contribute to deeper discussions aimed at enhancing corporate value.

Shareholders and investors are well informed of our industry-leading ROE and past successes in creating new value through concentrated R&D investment in growth areas. What the stock market demands now is the vision for the future—the creation of the next growth businesses.

Achieving the medium-term business plan Vista2027 Stage II, which started in FY2025, is essential to meet these market expectations for further growth. As an Outside Audit & Supervisory Board Member, I will work to foster an environment that enables employees to perform at their best, while also contributing to effective risk management.

To realize our medium-term business plan slogan, "To be an Enterprise that Faces Challenges toward the Future through Value Co-creation," selection and concentration and new challenges are indispensable. I will contribute by providing diverse perspectives, fulfilling my oversight responsibilities as an Audit & Supervisory Board Member, and encouraging bold and swift decision-making.

Furthermore, strengthening business foundations that underpin sustainable growth—such as human resource development and governance structures—remains a key priority. I will actively participate in discussions and contribute to building the foundation for the Company "to face challenges toward the future."

Compliance

For more information, please visit our website.
Web Compliance
Promotion of Fair-Trading

Since our Group regards compliance with laws and social norms as a condition for the survival and development of the company, our course of action stipulates that we need to conduct "sensible business activities" and conduct ourselves as "good corporate citizens and decent members of society." In response, we have recognized that compliance means adhering to laws and social norms. Accordingly, we have established a compliance basic policy and have been promoting compliance activities such as training sessions on corporate ethics for all employees. We position the strengthening of compliance as the most crucial issue for ensuring corporate continuity. Against the backdrop of expanding global business activities, under the medium-term management plan we are advancing initiatives aimed at addressing diverse compliance risks that vary by country, region, and era.

System

In our Group, the Risk Management & Compliance Committee, which is held twice a year, has been established as an organization to work at enhancing the effectiveness of risk management, and to better maintain and promote compliance. The committee is chaired by the Chief Risk Management Officer (CRO), who is appointed by the Board of Directors, and is composed of the Risk & Compliance Managers of each division/department, plant/laboratory, and domestic consolidated subsidiary appointed by the CRO. The important matters and countermeasure plans, etc. related to compliance are approved at the Board of Directors after discussion at the committee.

The Risk Management & Compliance Office under the Corporate Planning Department has been established as a specialized organization to promote continuous improvement in all of our Group's compliance activities. In addition to providing education and guidance on risk management and compliance, the Risk Management & Compliance Office receives reports on the status of compliance with laws and regulations and measures related to compliance, etc. in each department on a regular basis from Risk & Compliance Managers, and when necessary, supports improvement, and shares information within our Group. The summary of the status of compliance with laws and regulations and compliance measures is reported to the Board of Directors at least once a year, where these are evaluated for validity and reviewed.

Furthermore, we have established a system to prevent compliance violation or resolve the problem early on, including the Consultation Hotline as an internal reporting system based on the Whistleblower Protection Act.

●Number of compliance violations

Indicators	Scope	Unit	FY2021	FY2022	FY2023	FY2024
Consultation Hotline Reports	Consolidated*	Cases	1	8	8	10
Legal actions received for anti-monopoly/anticompetitive practices (under investigation)	Consolidated*	Cases	0 (0)	0 (0)	0 (0)	0 (0)
Fines charged and settlement fees for anti-monopoly/anticompetitive practices	Consolidated*	1,000 yen	0	0	0	0
Confirmed corruption incidents (under investigation)	Consolidated*	Cases	0 (0)	0 (0)	0 (0)	0 (0)
Fines charged and settlement fees for corruption	Consolidated*	1,000 yen	0	0	0	0
Other incidents related to compliance (excluding environmental)	Consolidated*	Cases	0	0	0	0
Fines charged and settlement fees for other compliance related incidents (excluding environmental)	Consolidated*	1,000 yen	0	0	0	0

* Includes domestic unconsolidated Group companies

Activities

Top Message Transmission

Every year, a top message is transmitted to all employees in order to clearly convey the Group's stance for compliance.

Legal Compliance Status Report

Cases of compliance violations or potential legal compliance violations that occur within our Group are reported twice a year on a regular basis to the Risk Management & Compliance Office from each division/department, plant/laboratory, and affiliate.

The details, including the response status, are reported to management and shared across the entire Group through the Risk Management & Compliance Committee, and they are used to help prevent recurrence.

Consultation Hotline

We have set up a Consultation Hotline as an internal reporting helpdesk to prevent compliance violations or resolve problems early on. When an employee discovers a compliance violation or potential compliance violation, the employee shall address the problem in normal operation in principle, through measures that include reporting the matter to their superior. However, if the employee thinks it would be difficult to address the problem promptly and effectively, they can use the Consultation Hotline.

In FY2024, in order to enhance the reliability of the Consultation Hotline and make it more user-friendly, we established an outsourced contact point in addition to the existing reporting channels—the Risk Management & Compliance Office, external lawyers, and outside audit & supervisory board members—and we also introduced a dedicated web-based reporting system.

Compliance Training

We hold training sessions on corporate ethics for officers and employees, including new graduates and medium-career hires, working to ensure that each and every one of us looks at compliance and actively promotes it.

In addition, regarding various laws and regulations, we regularly hold training on important business themes such as the "Antitrust Law," insider trading regulations, and regulations on the "Combating Bribery of Foreign Public Officials." We also conduct training with an emphasis on practicality, such as holding in-house seminars themed on familiar legal matters lectured by internal instructors and on-demand online training.

Various training are provided to officers and employees of our company as well as those of affiliated companies as efforts to improve the knowledge of the entire Group.

Compliance Manual

The Compliance Manual sets forth rules so that executives and employees, etc. (regular employees, contract employees, part-time workers, temporary workers and dispatched workers) of the Nissan Chemical Group comply with laws and regulations, company rules, social norms, and ensure compliance. It is regularly reviewed depending on the situation, such as the enforcement and revision of laws and regulations. In addition, by including information about the Consultation Hotline system and details about its features in the Compliance Manual, we are raising awareness about our internal reporting system.

Anti-corruption Initiatives

Our Group strives to ensure the transparency of transactions. In our compliance manuals, we have specified matters to be observed: Comply with antitrust laws, Conduct fair transactions with suppliers and comply with the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors," Prevent unfair competition, Prohibit excessive entertainment and gifts, and Prohibit bribery of foreign officials, etc. With regard to anti-corruption advocated by the 10 principles of the United Nations Global Compact (UNGC), we joined the UNGC, and formulated anti-corruption policies covering our company, affiliated companies and their subsidiaries.

●Measures for promoting compliance (FY2024)

General Compliance	Training for new graduates, medium-career hires, medium-level employees, and managers
Anti-monopoly Act and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors	Training related to the Anti-monopoly Act and Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (including the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises); Internal audit related to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors; and promotion of priority initiatives set out in the Declaration of Partnership Building
Information Management	Information management training; Internal audit related to information management and My Number Act related management
Insider Trading Regulation	Training for insider trading prevention
Anti-bribery	Training for the prevention of corruption and Combating Bribery of Foreign Public Officials
Security Export Control	Training on the Foreign Exchange Law; Internal audits related to the Foreign Exchange Law
Consultation Hotline	Establishment of an outsourced contact point; Introduction of a dedicated web-based reporting system; Distribution of compliance cards with QR codes linked to consultation hotline; Promoting awareness of the contact point through the in-house newsletter and posters
Other	Training for newly appointed board members; Training for board members; Training on joint research and development contracts

Risk Management

For more information, please visit our website.
Web Risk Management

We are promoting risk management under the supervision of the Chief Risk Management Officer (CRO) with the aim of contributing to the achievement of our management strategic goals through recognizing the various risks involved in the Nissan Chemical Group, preventing the occurrence of loss risk and minimizing the impact of their occurrence. We position the strengthening of risk management as the most crucial issue for ensuring corporate continuity, and we are pursuing initiatives aimed at developing, embedding, and improving management methods shared across the Group.

System

The Risk Management & Compliance Office under the Corporate Planning Department has been established as a specialized organization to promote continuous improvement in all of our risk management activities.

In addition, the Risk Management & Compliance Committee, which is held twice a year, has been established as an organization to enhance the effectiveness of risk management, and to maintain, strengthen, and promote compliance. The committee is chaired by the Chief Risk Management Officer (CRO), who is appointed at the Board of Directors, and is composed of the Risk & Compliance Managers of each division/department, plant/laboratory, and domestic consolidated subsidiary appointed by the CRO.

The Risk & Compliance Managers periodically conduct risk identification and assessment, formulate countermeasure plans, conduct self-assessment on the implementation status of the countermeasure plan and subject, formulate improvement plans, and regularly perform education and training at each division/department, plant/laboratory and domestic consolidated subsidiary.

The important matters related to risk management and countermeasure plans, etc. are approved at the Board of Directors after discussion at the committee.

Overall Risk Assessment Process

We clarified risks taking into account the business characteristics of each division and the surrounding businesses, including global political, economic and social conditions. Subsequently, risk assessment was conducted from the viewpoint of probability and impact on the business. By following the assessment, a risk map was created and Group Major Risks were identified. The contents of major risks were deliberated at the Risk Management & Compliance Committee and approved at the Board of Directors.

In FY2024, we reviewed and updated the Group Major Risks identified in FY2021 to reflect the latest situation of the Group.

●Group Major Risks and Countermeasures

Group Major Risk	Summary of Risk	Countermeasures against Risk
Delay/discontinuance of product and technology development Advent of innovative technology	Risk of the failure of payback of invested capital to R&D Risk of the losing competitive power of our products	Expanding / reviewing existing businesses and products Evaluating periodically the degree of achievements of strategies established in the medium-term business plan for new businesses and products, and making correction
Failure of the business portfolio strategy	Risk of decline in business performance due to the failure of the business portfolio strategy	
Difficulty in procurement of specific raw material	Risk of being unable to supply the product to customer due to the discontinuance of specific raw material	Taking countermeasures to stabilize procurements based on the nature of the businesses
Fire/explosion	Risk of suspension of business activities and the death or injury of many employees, and being sued by neighborhood resident for the damage by fire/ explosion at plant	Establishing and operating a safety and disaster prevention management system
Quality defect/recall Quality falsification	Risk of reimbursement for large expenses by customer and discontinuance of transactions when a product liability related accident or examination data fraudulent occurs involving a product containing materials provided by our company	Preventing troubles/misconducts about quality through thorough governance
Infringements of intellectual property rights	Risk of being subjected to a large amount of damages and product injunction claims from other company due to infringement on other company's patent	Making continuous improvements of "IP verification process" to reduce the risk of infringing on other companies' patents, and promoting education with and prevailing the process
Occupational accident	Risk of being subjected to damages claim due to serious accidental deaths and injuries of employees	Establishing and promoting an occupational safety management system
Violation of laws Revision/tightening of laws/ regulations Revocation/missing procedures of governmental approvals and licenses/ registrations Insufficiency/loss of license/ qualification	Risk of administrative disposition or sanction, such as suspension of business or payment of surcharges, due to violation of laws or regulations, and, along with this, risk of unwilling discontinuance of sales of products, or unwilling change in business or capital investment plan	Optimizing the operation of managements of legal regulations and enhancing education to improve all employees' mind and knowledge
Torrential rain/flood Earthquake/tsunami Typhoon/tidal wave	Risk of damage of facilities, death or injury of many employees, and suspension of business activities due to a massive earthquake or a large typhoon	Reviewing and strengthening countermeasures to enable early recovery/business continuity
Cyber attack/information leakage	Risk of shut-down of operations for a long period of time, and losing credibility of customer and society because of leak of customer's or the Company's confidential information by cyber attack	Considering and promoting countermeasures from the prospective of "prevention," "damage minimization" and "education"
Insufficient governance of overseas subsidiaries and offices	Risk of losing credibility due to detection of fraud at overseas subsidiary and office caused by inadequate control	Establishing rules and systems to strengthen governance of the corporate group
Insufficient consideration for CSR at suppliers	Risk of deterioration of reputation and decline in business performance due to environmental destruction and violations of social ethics by suppliers where we procure raw materials	Making CSR evaluations of and feedbacks to suppliers and supporting their improvements
Insufficient efforts toward environmental conservation	Risk of deterioration of reputation from our stakeholders due to delay in efforts to reduce GHG emissions as well as to conserve natural capital and biodiversity	Establishing a company-wide organization, promoting initiatives and managing the progress
Delay in Human Resource Development (Cultivation of Diverse Human Resources)	Risk of personnel shortage which occurs in each division due to delay in the human resource development	Enhancing programs to strengthen recruiting and education for realizing the ideal organizational state/human resource image

Respect for Human Rights

For more information, please visit our website.
Web Respect for Human Rights

The Nissan Chemical Group regards compliance, including respect for human rights, as an important management issue. The "Nissan Chemical Group Human Rights Policy," formulated with the approval of the Board of Directors, is based on international norms concerning human rights such as the International Bill of Human Rights and is revised as necessary to reflect changes in the external environment and the increasing diversity and complexity of awareness of human rights. In accordance with these international standards and our Group's policy, we are promoting initiatives to respect the human rights of all stakeholders, including employees.

System

Our Group has established the Sustainability Promotion Committee, whose secretariat is the Sustainability Promotion Group under Sustainability Promotion & IR Department, as an organization to promote the human rights activities. The committee meets twice a year. The medium- and long-term plan and annual plans related to activities for human rights issues, evaluation of results of activities, and issues to be improved and examined based on the evaluation etc. are approved by the Board of Directors after discussion at the committee.

Activities

Educational Activity/Awareness-raising Activity

In FY2020, we conducted group training for Directors and managers with the aim of education and awareness-raising about human rights policy and promoting understanding for the purpose of practicing respect for human rights. Since FY2021, we have also been providing regular e-learning programs for all employees on "Business and Human Rights," which includes the Group's Human Rights Policy. In FY2024, this e-learning program was conducted for Nissan Chemical employees, with 2,013 participants (participation rate: 98%). In FY2025, the program is scheduled to be extended to domestic Group companies.

[Human Rights Training]

For Directors and managers
- Importance of human rights due diligence (conducted in FY2020)

e-learning training
- Nissan Chemical Group Human Rights Policy and elementary knowledge of business and human rights (conducted since FY2021)
- Harassment training (held in FY2023 for all employees)

Human Rights Due Diligence Initiatives

Our Group is working to establish a system of human rights due diligence to identify and mitigate negative impacts on human rights. In FY2020, with the cooperation of outside experts, we identified and assessed risks that could have a negative impact on human rights through our business activities in major businesses and their value chains (risk mapping). We exchanged opinions with stakeholders on the results, reflected them in the results of the evaluation, and identified the risks which we need to prioritize for the Group.

In FY2023, in light of increased diversity and complexity in human rights awareness, we conducted interviews with the relevant departments and offices about our systems for human rights efforts and specific major human rights issues, after which we conducted gap analysis. In addition to gaining an understanding of the current status of our efforts and future challenges, we also discussed medium- and long-term measures to be taken in the future. Regarding the identified gaps and future measures, we exchanged opinions with outside experts, and received advice about the appropriateness of our future action plans and ways to improve them.

In FY2024, we have been addressing issues identified through gap analysis, including translating our Human Rights Policy into local languages and conducting awareness-raising activities. We plan to continue to strengthen measures by reflecting the opinions of stakeholders, and regularly review our human rights risk assessment and priority risks.

●Human Rights Due Diligence Process

1	Investigation of Human Rights Risk
2	Human Rights Risk Assessment
3	Dialogue with Stakeholders Including Experts
4	Identification of Risks to be Prioritized

Stakeholder Engagement

To deepen our understanding of situations in which human rights issues may arise, the relationship between business activities and human rights, key human rights issues, and the importance of conducting business activities with consideration for human rights—and to apply this understanding to our initiatives to respect human rights—the Company has participated since FY2024 in the Stakeholder Engagement Program organized by Caux Round Table Japan (CRT Japan).

Through this program, we have engaged in discussions with NGOs/NPOs, experts, and others on challenges and solutions related to the implementation of human rights due diligence, as required by the United Nations Guiding Principles on Business and Human Rights, while sharing perspectives from different fields.

Promotion of Sustainable Procurement

For more information, please visit our website.
Web Promotion of Sustainable Procurement

To address various social issues, including environmental and human rights challenges, and to ensure responsible procurement, we have established a "Purchase Policy" and a "Responsible Minerals Procurement Policy." Recognizing that achieving sustainable development for society requires initiatives across the entire supply chain, we have also formulated the "Nissan Chemical Corporation Sustainable Procurement Guidelines," which outline the practices we expect our business partners to adopt. Going forward, we will continue to promote responsible procurement in collaboration with our business partners.

Activities

Sustainable Procurement Self-Assessment Questionnaire (SAQ)

To promote collaboration with our business partners (including existing and new suppliers, and contractors of important raw materials, intermediates, and products) in sustainability activities, since FY2017 we have regularly asked them to respond to the "Sustainable Procurement Self-Check Sheet (SAQ)." In addition, since FY2020 we have formulated and shared the "Nissan Chemical Corporation Sustainable Procurement Guidelines," which summarize the practices we ask our business partners to adopt, and we request compliance with these guidelines.

In response to evolving societal requirements regarding ESG, we review the content of the SAQ and Procurement Guidelines on a regular basis. In FY2024, we launched a new survey using the latest SAQ and Procurement Guidelines. In the latest SAQ, we ask business partners to provide information on their GHG emissions and the status of setting medium- to long-term targets for emissions reduction, as part of efforts to reduce environmental impact across the supply chain.

●Overall Results of the Sustainable Procurement Questionnaire Conducted in FY2024

●Target of the Sustainable Procurement

	FY2024 Result	FY2027 Target
Response Rate to the Sustainable Procurement Questionnaire	42%	Over 90% of total purchase value*

* Applies to business partners subject to purchases by the Purchasing Department.

Furthermore, since FY2023, we have been providing feedback on the analysis results of each item to business partners who responded to the questionnaire. By comparing their own scores with the average scores of other companies for each item, business partners are able to reassess the strengths and weaknesses of their activities and use this as a reference to further enhance their ongoing sustainability initiatives. In addition, starting in FY2024, we launched a briefing session for our business partners. This briefing not only explains our initiatives but also introduces examples related to human rights and environmental issues, which we particularly encourage them to better understand.

Efforts for Responsible Minerals Procurement

We have incorporated our commitment to responsible minerals procurement into the "Nissan Chemical Corporation Sustainable Procurement Guidelines" and confirm the efforts of our business partners through surveys using the SAQ. In addition, for business partners that purchase applicable minerals, we ask them to submit certificates verifying the non-use of minerals mined in conflict-affected or high-risk areas, thereby promoting efforts to avoid the purchase and use of such minerals. If the use of conflict minerals is identified, corrective measures are promptly implemented.

Going forward, we will remain mindful of our role and strive to contribute to international efforts for responsible minerals procurement.

Procurement for Palm Oil

In procuring palm oil used as a raw material for highly branched saturated alcohol and high-fatty acid products (product name: FINOXOCOL®), we have joined the Roundtable on Sustainable Palm Oil (RSPO) and obtained an RSPO Distributor License.

CERTIFIED SUSTAINABLE PALM OIL ™
RSPO
LICENSE NUMBER: 9-3625-20-100-00

Financial Review

Long-term Financial Performance Trend

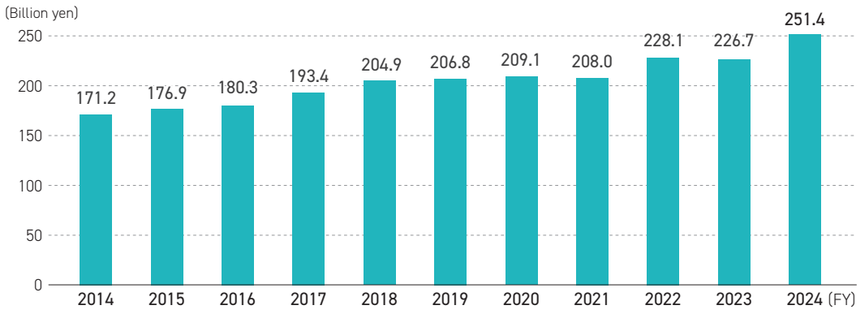
(Billion yen)

	FY2014	FY2015	FY2016	FY2017	FY2018		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Sales	171.2	176.9	180.3	193.4	204.9		206.8	209.1	208.0	228.1	226.7	251.4
Operating Profit	25.3	28.6	31.4	35.0	37.1		38.6	42.5	51.0	52.3	48.2	56.8
Ordinary Income	26.4	29.5	31.7	36.2	39.1		40.0	43.9	53.7	55.8	51.6	58.0
Net Income	18.2	22.4	24.0	27.1	29.4		30.8	33.5	38.8	41.1	38.0	43.0
EBITDA	33.8	38.3	40.3	45.5	48.0		49.2	53.0	61.2	63.3	62.0	71.2
Operating Margin	14.8%	16.2%	17.4%	18.1%	18.1%		18.7%	20.3%	24.5%	22.9%	21.3%	22.6%
ROE	12.7%	14.6%	15.1%	16.1%	16.6%		16.9%	17.5%	19.2%	19.4%	17.1%	18.7%
EPS (¥/share)	113.99	143.37	156.97	180.30	197.67		210.09	231.73	271.88	291.36	272.82	313.26
Dividend (¥/share)	36	44	52	68	82		90	104	122	164	164	174
Dividend Payout Ratio	31.6%	30.7%	33.1%	37.7%	41.5%		42.8%	44.9%	44.9%	56.3%	60.1%	55.5%
Share Repurchase	6.0	9.0	9.0	9.0	9.0		10.0	10.0	12.0	9.0	10.0	11.5
Total Assets	223.9	228.2	231.7	246.0	247.0		249.5	265.5	279.7	298.7	323.5	330.8
Net Assets	151.3	156.9	163.7	176.4	182.1		185.5	200.6	208.0	221.5	230.9	236.2
Cash	31.3	35.3	35.7	37.7	36.2		30.6	32.4	34.7	29.6	22.7	27.5
Liabilities with Interest	35.1	33.1	30.8	28.6	26.6		24.6	22.7	22.7	27.3	41.0	40.5
Equity Ratio	66.9%	68.1%	69.9%	71.0%	73.0%		73.7%	74.9%	73.6%	73.1%	70.3%	70.5%
Capex*	8.7	9.5	13.5	14.4	9.9		15.5	14.3	12.4	19.4	20.2	17.6
Depreciation	8.5	9.7	8.9	10.5	10.9		10.5	10.4	10.2	11.0	13.8	14.4
R&D Expenses	15.0	15.8	16.1	17.2	17.8		17.2	16.5	16.0	16.8	17.3	17.6
R&D Expenses/Sales	8.7%	8.9%	8.9%	8.9%	8.7%		8.3%	7.9%	7.7%	7.4%	7.6%	7.0%

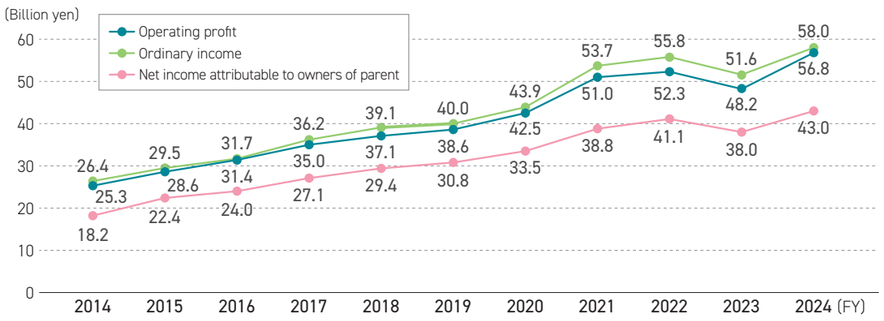
* Capex: Cash flow basis

(Accounting policy has changed since FY2021)

●Sales (over time)



●Key financial indicators (over time)



Consolidated Balance Sheets [1] (For FY2023 and FY2024)

◎Assets	(Million yen) As of March 31, 2024	As of March 31, 2025	(Thousand U.S. dollars) As of March 31, 2025
Current assets			
Cash and deposits	22,738	27,454	183,602
Notes and accounts receivable - trade, and contract assets	88,800	89,131	596,074
Merchandise and finished goods	56,804	57,505	384,572
Work in process	5	19	127
Raw materials and supplies	21,370	22,624	151,301
Accounts receivable - other	2,956	2,146	14,352
Short-term loans receivable	2,152	2,257	15,094
Other	7,189	9,277	62,041
Allowance for doubtful accounts	(48)	(64)	(428)
Total current assets	201,968	210,352	1,406,754
Non-current assets			
Property, plant and equipment			
Buildings and structures	85,860	89,171	596,342
Accumulated depreciation and impairment loss	(50,898)	(55,383)	(370,381)
Buildings and structures, net	34,962	33,788	225,961
Machinery, equipment and vehicles	170,309	176,436	1,179,937
Accumulated depreciation and impairment loss	(145,729)	(155,323)	(1,038,741)
Machinery, equipment and vehicles, net	24,579	21,113	141,196
Tools, furniture and fixtures	44,084	45,732	305,838
Accumulated depreciation and impairment loss	(39,457)	(41,561)	(277,944)
Tools, furniture and fixtures, net	4,626	4,170	27,887
Land	9,064	8,867	59,299
Leased assets	160	123	823
Accumulated depreciation and impairment loss	(24)	(10)	(67)
Leased assets, net	135	113	756
Construction in progress	4,004	4,370	29,225
Total property, plant and equipment	77,372	72,424	484,344
Intangible assets			
Software	2,444	3,511	23,480
Other	8,302	9,951	66,549
Total intangible assets	10,747	13,463	90,035
Investments and other assets			
Investment securities	26,119	24,353	162,864
Long-term loans receivable	50	133	889
Deferred tax assets	519	567	3,792
Net defined benefit asset	3,737	4,782	31,980
Other	3,054	4,742	31,713
Allowance for doubtful accounts	(111)	(56)	(375)
Total investments and other assets	33,370	34,523	230,877
Total non-current assets	121,489	120,411	805,263
Total assets	**323,458**	**330,763**	**2,212,018**

◎Liabilities	(Million yen) As of March 31, 2024	As of March 31, 2025	(Thousand U.S. dollars) As of March 31, 2025
Current liabilities			
Notes and accounts payable - trade	20,427	19,877	132,930
Short-term loans payable	39,062	19,987	133,665
Commmercial papers	—	8,996	60,162
Current portion of long-term loans payable	634	514	3,437
Income taxes payable	4,940	9,957	66,589
Provision for bonuses	2,548	2,576	17,227
Provison for loss on business of subsidiaries and affiliates	310	213	1,424
Provision for business structure improvement	2	—	—
Other	18,638	17,096	114,332
Total current liabilities	86,563	79,218	529,780
Non-current liabilities			
Bonds payable	—	10,000	66,876
Long-term loans payable	1,284	977	6,534
Deferred tax liabilities	1,381	1,063	7,109
Provision for loss on business of subsidiaries and affiliates	143	—	—
Provision for share-based remuneration for directors (and other officers)	272	264	1,766
Net defined benefit liability	467	542	3,625
Other	2,392	2,515	16,819
Total non-current liabilities	5,941	15,363	102,742
Total liabilities	92,505	94,582	632,529

◎Net assets	(Million yen) As of March 31, 2024	As of March 31, 2025	(Thousand U.S. dollars) As of March 31, 2025
Shareholders' equity			
Capital stock	18,942	18,942	126,677
Capital surplus	13,613	13,613	91,039
Retained earnings	182,376	192,928	1,290,229
Treasury shares	(943)	(2,590)	(17,321)
Total shareholders' equity	213,989	222,893	1,490,624
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	8,238	7,035	47,047
Foreign currency translation adjustment	4,226	1,788	11,957
Remeasurements of defined benefit plans	1,066	1,573	10,520
Total accumulated other comprehensive income	13,531	10,397	69,531
Non-controlling interests	3,432	2,889	19,321
Total net assets	230,952	236,180	1,579,482
Total liabilities and net assets	**323,458**	**330,763**	**2,212,018**

(Note 1) This is an English translation of the consolidated financial statements of the Japanese annual securities report.
(Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2025 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥149.53 to US $1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2025. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income (For FY2023 and FY2024)

◎Consolidated Statements of Income

	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Net sales	226,705	251,365	1,681,034
Cost of sales	121,930	134,823	901,645
Gross profit	104,774	116,541	779,382
Selling, general and administrative expenses	56,572	59,708	399,304
Operating income	48,201	56,833	380,078
Non-operating income			
Interest income	161	217	1,451
Dividend income	1,560	1,724	11,529
Equity in earnings of affiliates	536	1,061	7,096
Foreign exchange gains	2,210	—	—
Other	810	1,301	8,701
Total non-operating income	5,280	4,304	28,784
Non-operating expenses			
Interest expenses	526	654	4,374
Bond issuance costs	—	55	368
Loss on disposal of non-current assets	935	836	5,591
Loss on sales of non-current assets	10	37	247
Plant stop losses	169	583	3,899
Foreign exchange losses	—	153	1,023
Compensation expenses	—	434	2,902
Other	211	362	2,421
Total non-operating expenses	1,853	3,118	20,852
Ordinary income	51,629	58,018	388,002
Extraordinary income			
Gain on sales of investment securities	1,332	1,247	8,339
Gain on receipt of donated beneficial interests in trust	—	3,258	21,788
Gain on receipt from contingent consideration	—	821	5,491
Total extraordinary income	1,332	5,328	35,632
Extraordinary losses			
Impairment losses	823	3,876	25,921
Loss on valuation of investment securities	353	—	—
Total extraordinary losses	1,176	3,876	25,921
Income before income taxes and non-controlling interests	51,785	59,470	397,713
Income taxes - current	12,847	17,348	116,017
Income taxes - deferred	730	(828)	(5,537)
Total income taxes	13,578	16,520	110,480
Net income	38,206	42,950	287,233
Net income (loss) attributable to non-controlling interests	172	(92)	(615)
Net income attributable to owners of parent	**38,033**	**43,043**	**287,855**

◎Consolidated Statements of Comprehensive Income

	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Net income	38,206	42,950	287,233
Other comprehensive income			
Valuation difference on available-for-sale securities	559	(1,201)	(8,032)
Foreign currency translation adjustment	2,788	(2,888)	(19,314)
Remeasurements of defined benefit plans, net of tax	907	506	3,384
Share of other comprehensive income of entities accounted for using equity method	0	(0)	(4)
Total other comprehensive income	4,254	(3,583)	(23,962)
Comprehensive income	42,461	39,366	263,265
(Comprehensive income attributable to)			
Owners of parent	41,990	39,909	266,896
Non-controlling interests	470	(543)	(3,631)

Consolidated Statements of Changes in Net Assets (For FY2023)

◎Consolidated Statements of Changes in Net Assets (For FY2023)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income					
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at beginning of current period	¥18,942	¥13,613	¥182,400	(¥6,111)	¥208,844	¥7,678	¥1,735	¥159	¥9,574	¥3,107	¥221,526
Cumulative effects of changes in accounting policies			49		49						49
Restated balance	18,942	13,613	182,449	(6,111)	208,894	7,678	1,735	159	9,574	3,107	221,575
Changes of items during period											
Dividends of surplus			(22,973)		(22,973)						(22,973)
Net income attributable to owners of parent			38,033		38,033						38,033
Change in scope of consolidation					–						–
Share repurchase				(10,006)	(10,006)						(10,006)
Disposal of treasury shares				40	40						40
Cancellation of treasury shares			(15,133)	15,133	–						–
Net changes of items other than shareholders' equity						559	2,490	907	3,956	325	4,282
Total changes of items during period	–	–	(73)	5,167	5,094	559	2,490	907	3,956	325	9,376
Balance at end of current period	¥18,942	¥13,613	¥182,376	(¥943)	¥213,989	¥8,238	¥4,226	¥1,066	¥13,531	¥3,432	¥230,952

Consolidated Statements of Changes in Net Assets (For FY2024)

◎Consolidated Statements of Changes in Net Assets (For FY2024)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	¥18,942	¥13,613	¥182,376	(¥943)	¥213,989	¥8,238	¥4,226	¥1,066	¥13,531	¥3,432	¥230,952
Cumulative effects of changes in accounting policies					–						–
Restated balance	18,942	13,613	182,376	(943)	213,989	8,238	4,226	1,066	13,531	3,432	230,952
Changes of items during period											
Dividends of surplus			(22,681)		(22,681)						(22,681)
Net income attributable to owners of parent			43,043		43,043						43,043
Change in scope of consolidation			23		23						23
Share repurchase				(11,502)	(11,502)						(11,502)
Disposal of treasury shares				22	22						22
Cancellation of treasury shares			(9,832)	9,832	–						–
Net changes of items other than shareholders' equity						(1,202)	(2,437)	506	(3,133)	(543)	(3,676)
Total changes of items during period	–	–	10,551	(1,647)	8,904	(1,202)	(2,437)	506	(3,133)	(543)	5,227
Balance at end of current period	¥18,942	¥13,613	¥192,928	(¥2,590)	¥222,893	¥7,035	¥1,788	¥1,573	¥10,397	¥2,889	¥236,180

◎Consolidated Statements of Changes in Net Assets (For FY2024)

(Thousand U.S. dollars)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	$126,677	$91,039	$1,219,662	($6,306)	$1,431,077	$55,093	$28,262	$7,129	$90,490	$22,952	$1,544,519
Cumulative effects of changes in accounting policies					–						–
Restated balance	126,677	91,039	1,219,662	(6,306)	1,431,077	55,093	28,262	7,129	90,490	22,952	1,544,519
Changes of items during period											
Dividends of surplus			(151,682)		(151,682)						(151,682)
Net income attributable to owners of parent			287,855		287,855						287,855
Change in scope of consolidation			154		154						154
Share repurchase				(76,921)	(76,921)						(76,921)
Disposal of treasury shares				147	147						147
Cancellation of treasury shares			(65,753)	65,753	–						–
Net changes of items other than shareholders' equity						(8,039)	(16,298)	3,384	(20,952)	(3,631)	(24,584)
Total changes of items during period	–	–	70,561	(11,015)	59,547	(8,039)	(16,298)	3,384	(20,952)	(3,631)	34,956
Balance at end of current period	**$126,677**	**$91,039**	$1,290,229	**($17,321)**	**$1,490,624**	**$47,047**	**$11,957**	**$10,520**	**$69,531**	**$19,321**	$1,579,482

Consolidated Statements of Cash Flows (For FY2023/FY2024)

	(Million yen)		(Thousand U.S. dollars)
	As of March 31, 2024	As of March 31, 2025	As of March 31, 2025
Cash flows from operating activities			
Income before income taxes and non-controlling interests	51,785	59,470	397,713
Depreciation and amortization	13,700	14,319	95,760
Impairment losses	823	3,876	25,921
Loss on valuation of investment securities	353	–	–
Gain on receipt of contingent consideration	–	(821)	(5,491)
Gain on receipt of donated beneficial interests in trust	–	(3,258)	(21,788)
Amortization of goodwill	101	53	354
Interest and dividend income	(1,722)	(1,942)	(12,987)
Loss (gain) on sales of investment securities	(1,332)	(1,247)	(8,339)
Interest expenses	526	654	4,374
Loss (gain) on disposal of non-current assets	935	836	5,591
Decrease (increase) in notes and accounts receivable - trade	(4,911)	(217)	(1,451)
Decrease (increase) in inventories	(12,424)	(2,195)	(14,679)
Increase (decrease) in notes and accounts payable - trade	(437)	(1,181)	(7,898)
Other	477	(691)	(4,621)
Subtotal	47,875	67,655	452,451
Proceeds from delivery of trust property	–	1,629	
Interest and dividend income received	2,242	3,161	21,140
Interest expenses paid	(525)	(635)	(4,247)
Income taxes paid	(15,891)	(12,632)	(84,478)
Net cash provided by (used in) operating activities	33,701	59,178	395,760
Cash flows from investing activities			
Purchase of investment securities	(125)	(216)	(1,445)
Proceeds from sales of investment securities	1,742	1	7
Purchase of shares of subsidiaries	(10)	–	–
Proceeds from sale of shares of subsidiaries	–	276	
Purchase of property, plant and equipment	(18,591)	(15,411)	(103,063)
Payments for retirement of property, plant and equipment	(820)	(762)	(5,096)
Purchase of intangible assets	(1,587)	(2,195)	(14,679)
Proceeds from contingent consideration	–	2,633	
Proceeds from sale of shares of subsidiaries and associates	–	1,533	
Payments of long-term loans receivable	(0)	–	–
Net decrease (increase) in short-term loans receivable	1,070	(55)	(368)
Purchase of long-term prepaid expenses	(225)	(771)	(5,156)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,921)	(19,535)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	93	–	
Other	(288)	277	1,852
Net cash provided by (used in) investing activities	(18,741)	(17,612)	(117,782)
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	10,924	(19,799)	(132,408)
Net increase (decrease) in commercial papers	–	8,996	
Proceeds from long-term loans payable	580	–	–
Repayments of long-term loans payable	(624)	(652)	(4,360)
Proceeds from issuance of bonds	–	10,000	66,876
Cash dividends paid	(22,973)	(22,681)	–
Share repurchase	(10,006)	(11,502)	(76,921)
Other	(2)	(10)	(67)
Net cash provided by (used in) financing activities	(22,101)	(35,650)	(238,414)
Effect of exchange rate change on cash and cash equivalents	231	(1,215)	(8,125)
Net increase (decrease) in cash and cash equivalents	(6,909)	4,699	31,425
Cash and cash equivalents at beginning of period	29,647	22,738	152,063
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	17	–
Cash and cash equivalents at end of period	22,738	27,454	183,602

(Note 1) This is an English translation of the consolidated financial statements of the Japanese annual securities report.
(Note 2) The consolidated financial statements are expressed in Japanese yen as of and for the year ended March 31, 2025 after being converted from the currency of the country in which the Company operates. The translation of Japanese yen amounts to United States dollar amounts is included solely for the convenience of the readers outside Japan, and has been made at the rate of ¥149.53 to US $1, which is the approximate closing exchange rate reported by the Tokyo Foreign Exchange Market on March 31, 2025. This translation should not be construed to indicate that the Japanese yen amounts shown can be converted to United States dollars at the above rate.

Corporate Information

Domestic Bases

Plants

Nagoya Plant
This plant faces the Port of Nagoya. Here we manufacture sulfuric acid and high-grade urea solution, among other products.

Toyama Plant
This plant is located in the center of Toyama Plain. Here we manufacture various groups of products, such as basic chemicals, environmental chemicals, and performance materials.

Onoda Plant
This plant is located in Sanyo-Onoda City, Yamaguchi. It is our base for the production of fine organic synthetic compounds, such as agrochemicals and pharmaceuticals.

Saitama Plant
This plant is located in the northwest area of Saitama. Here we manufacture agricultural formulations.

Sodegaura Plant
These plants are located in the industrial area in Sodegaura and Ichihara City, Chiba. These are our bases for the production of performance materials.

Laboratories

Biological Research Laboratories
Located in Shiraoka City, Saitama Prefecture, Biological Research Laboratories serves as a research center for life sciences, including evaluation research on the usefulness and safety of agricultural chemicals, pharmaceuticals, and medical materials.

Chemical Research Laboratories
Located in Funabashi City, Chiba Prefecture, Chemical Research Laboratories is Nissan Chemical's core R&D site, and is responsible for our corporate research. In addition to R&D of agricultural chemicals and pharmaceuticals that utilize the fine organic synthesis technology, Chemical Research Laboratories performs research on companywide processes, material analysis research, etc.

Materials Research Laboratories
Creates highly unique new materials, allowing us to respond quickly to increasingly sophisticated and diverse market needs. At the same time, the Laboratories focuses their efforts on researching next-generation materials in an effort to create new markets.

Funabashi, Chiba

Toyama, Toyama

Sodegaura, Chiba

List of Offices, Plants and Laboratories

Offices

Head Office
5-1, Nihonbashi 2-Chome, Chuo-ku, Tokyo 103-6119, Japan
Tel: +81-3-4463-8111

Sendai Sales Office
Minamimachi-dori MK Building 2-7-12, Ichibancho, Aoba-ku, Sendai, Miyagi 980-0811, Japan
Tel: +81-22-266-4311

Osaka Sales Office
Kintetsu Dojima Building 2-2-2, Dojima, Kita-ku, Osaka 530-0003, Japan
Tel: +81-6-6346-7200

Fukuoka Sales Office
Tokyo Tatemono Hakata Building 1-4-4, Hakata Ekimae, Hakata-ku, Fukuoka 812-0011, Japan
Tel: +81-92-432-3421

Sapporo Sales Office
Maruito Sapporo Building 1-1, Kita-Nijyo-Nishi, Chuo-ku, Sapporo, Hokkaido 060-0002, Japan
Tel: +81-11-251-0264

Nagoya Sales Office
Nagoya KS Building 3-1-18, Taiko, Nakamura-ku, Nagoya, Aichi 453-0801, Japan
Tel: +81-52-452-8623

Hiroshima Office
Dai-ichi Uenoya Building 8-8, Kamihatchobori, Naka-ku, Hiroshima 730-0012, Japan

Plants

Sodegaura Plant
11-1, Kitasode, Sodegaura, Chiba 299-0266, Japan
Tel: +81-438-63-2341

Saitama Plant
235-1, Aza Nishidai, Oaza Jimbohara-machi, Kamisato-machi, Kodama-gun, Saitama 369-0305, Japan
Tel: +81-495-34-2810

Nagoya Plant
7, Tsukiji-cho, Minato-ku, Nagoya, Aichi 455-0045, Japan
Tel: +81-52-661-1676

Sodegaura Plant Goi Works
12-17, Goiminamikaigan, Ichihara, Chiba 290-0045, Japan
Tel: +81-436-22-2110

Toyama Plant
635, Sasakura, Fuchu-machi, Toyama 939-2792, Japan
Tel: +81-76-433-9602

Onoda Plant
6903-1, Oaza Onoda, Sanyo-Onoda, Yamaguchi 756-0093, Japan
Tel: +81-836-83-2800

Laboratories

Chemical Research Laboratories
10-1, Tsuboi-Nishi 2-chome, Funabashi, Chiba 274-8507, Japan
Tel: +81-47-465-1112

Biological Research Laboratories
1470, Shiraoka, Shiraoka, Saitama 349-0294, Japan
Tel: +81-480-92-2513

Materials Research Laboratories
488-6, Suzumi-cho, Funabashi, Chiba 274-0052, Japan
Tel: +81-47-419-3810
11-1, Kitasode, Sodegaura, Chiba 299-0266, Japan
Tel: +81-438-64-2881
635, Sasakura, Fuchu-machi, Toyama 939-2792, Japan
Tel: +81-76-465-7133

Group Companies

Japan

Nissei Corporation
MSH Nihonbashi Hakozaki Building, 19-21, Nihonbashi Hakozaki-cho, Chuo-ku, Tokyo 103-0015, Japan
Tel: +81-3-4346-3112
■Sales of chemical products and insurance, and real estate business

Nissan Green & Landscape Co., Ltd.
PMO Ochanomizu 4-4-1, Kandasurugadai, Chiyoda-ku, Tokyo 101-0062, Japan
Tel: +81-3-3256-4031
■Landscaping and civil engineering

NC Tokyo Bay Corporation
14, Kitasode, Sodegaura-shi, Chiba 299-0266, Japan
Tel: +81-438-62-0611
■Manufacturing of sulfuric acid

Nippon Polytech Corp.
370-1, Nibukata-machi, Hachioji-shi, Tokyo 193-0822, Japan
Tel: +81-42-652-0216
■Manufacturing and sales of electronic materials

Sun Agro Co., Ltd.
Nihonbashikoami-cho Square Bldg. 17-10, Nihonbashikoami-cho, Chuo-ku, Tokyo 103-0016, Japan
Tel: +81-3-6311-4310
■Manufacturing and sales of fertilizers and agrochemicals

Nissan Butsuryu Co., Ltd.
NEWNO Asakusa 2-17-2, Kaminarimon, Taito-ku, Tokyo 111-0034, Japan
Tel: +81-3-4564-5231
■Transportation

Nissan Engineering, Ltd.
634-1, Sasakura, Fuchu-machi, Toyama 939-2753, Japan
Tel: +81-76-465-5711
■Plant engineering services

NC Agro Hakodate Corporation
9-23, Kitahama-cho, Hakodate, Hokkaido 040-0078, Japan
Tel: +81-138-41-1251
■Manufacturing of agrochemicals

Nihon Hiryo Co., Ltd.
559-3, Tozaki, Okanogo, Fujioka, Gumma 375-0011, Japan
Tel: +81-274-42-1247
■Manufacturing and sales of fertilizers and agrochemicals

Clariant Catalysts (Japan) K.K.
Bunkyo Green Court, Center Office 2-28-8, Honkomagome, Bunkyo-ku, Tokyo 113-0021, Japan
Tel: +81-3-5977-7300
■Manufacturing and sales of catalysts for petrochemical and petroleum products

Corporate Information

Overseas Bases

France
Nissan Chemical Europe S.A.S.
18 Chemin des cuers 69570 Dardilly, France
Tel: +33-4-37-64-40-20
■Sales of agrochemicals

India
Nissan Agro Tech India PVT. LTD.
502-504, 5th Floor, Tower B, Spazedge Commercial Complex, Sector-47, Sohna Road, Gurgaon-122002, Haryana, India
Tel: +91-124-4214446／47
■Sales support and promotional services for agrochemicals

Nissan Bharat Rasayan PVT. LTD.
502-504, 5th Floor, Tower B, Spazedge Commercial Complex, Sector-47, Sohna Road, Gurgaon-122002, Haryana, India
Tel: +91-124-4214446
■Manufacturing and exporting of active ingredients of agrochemicals

America
Nissan Chemical America Corporation
10333 Richmond Avenue, Suite 1100, Houston, Texas 77042, U.S.A.
Tel: +1-713-532-4745
■Manufacturing and sales of inorganic materials

Singapore
Nissan Chemical Agro Singapore Pte. Ltd.
111, North Bridge Road, #17-01 Peninsula Plaza, Singapore 179098
■Sales support and promotional services for agrochemicals

China
Nissan Chemical Product (Shanghai) Co., Ltd.
Rm.3210 Office Tower 1, Raffles City Changning, No.1133 Changning Road, Changning District, Shanghai 200051 PRC
Tel: +86-21-6236-8300
■Sales support and promotional services for agrochemicals

Nissan Chemical Materials Research (Suzhou) Co., Ltd.
Room101, NW-10, Nanopolis Suzhou 99 Jinji Lake Avenue, Suzhou Industrial Park 215123, China
Tel: +86-512-62732080
■R&D, sales support and promotional services for performance materials

Taiwan
Nissan Chemical Taiwan Co., Ltd.
5F., No.67, Luke 2nd Rd., Luzhu Dist., Kaohsiung City 82151, Taiwan (R.O.C.)
Tel: +886-7-695-5252
■R&D and sales support for display and semiconductor materials

South Korea
NCK Co., Ltd.
127, Chupalsandan-ro, Paengseong-eup, Pyeongtaek-si, Gyeonggi-do, 17998, Korea
Tel: +82-31-691-7044
■Manufacturing and sales of display and semiconductor materials

Nissan Chemical Agro Korea Ltd.
Room 701, 430, Eonju-ro, Gangnam-gu, Seoul 06210, Korea
Tel: +82-2-774-6470
■Sales support and promotional services for agrochemicals

Brazil
Nissan Chemical Do Brasil
Avenida Gisele Constantino, 1850, Salas 1518 a 1520, Parque Bela Vista, Votorantim, SP, 18110-650, Brasil
Tel: +55-15-3019-8772
■Sales support and promotional services for agrochemicals

Corporate Profile (As of March 31, 2025)

Corporate Name	Nissan Chemical Corporation
Head Office	5-1, Nihonbashi 2-Chome, Chuo-ku, Tokyo 103-6119, Japan TEL: +81-3-4463-8111
Founded	1887
Capital Stock	18,942 million yen
Number of Employees	Consolidated: 3,283
Stock Listing	Tokyo Stock Exchange Prime Market
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan

Share Information (As of March 31, 2025)

Total Number of Authorized Shares	360,000,000
Shares of Common Share Issued	136,800,000*
Shareholders	21,583

*Includes 378,387 treasury shares

Major shareholders (Top ten companies)	Number of shares held (1,000 shares)	Investment (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	33,264	24.4
Custody Bank of Japan, Ltd. (Trust Account)	15,917	11.7
Custody Bank of Japan, Ltd. as Trustee for Mizuho Bank Retirement Benefit Trust Account Re-entrusted by Mizuho Trust and Banking Co., Ltd.	5,467	4.0
JP Morgan Securities Japan Co., Ltd.	4,052	3.0
Nissan Chemical Corporation Customer Shareholders Association	3,635	2.7
Meiji Yasuda Life Insurance Company	1,861	1.4
JP MORGAN CHASE BANK 385781	1,797	1.3
STATE STREET BANK AND TRUST COMPANY 505001	1,700	1.2
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,663	1.2
STATE STREET BANK WEST CLIENT-TREATY 505234	1,561	1.1

(Note) Investment percentages are calculated excluding treasury shares

Classification	Financial institutions	Securities companies	Other domestic companies	Overseas investors	Individuals/ Others	Treasury shares
Percentage of share held (%)	47.5	6.6	8.1	25.7	12.1	0.0

For more information, please visit our website.
Web Organization