

Last Update: June 25, 2026
Nissan Chemical Corporation
YAGI Shinsuke
Representative Director,
President & COO
Contact: Corporate Planning Department
Securities Code: 4021
<https://www.nissanchem.co.jp/eng/>

The corporate governance of Nissan Chemical Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

We, the Company, have redefined our corporate philosophy, “We offer the value sought by society and contribute to the protection of the global environment and the continued existence and development of humanity.” Under that philosophy, we are working through concerted efforts to build trust and credibility with all stakeholders, achieve sustainable growth, and increase corporate value over the medium- to long term.

As part of those efforts, with the understanding of corporate governance as “the system for sound and efficient management to achieve the sustainable and medium- to long-term profit for our stakeholders,” we strive to accelerate management decision-making and clarify management and business execution responsibilities. Also, the Company maintains the Board of Directors and the Audit and Supervisory Board, whose members include highly independent outside officers or Outside Directors and Audit and Supervisory Board Members. At their direction, we are advancing enhancements to our management monitoring function, compliance, risk management, and internal control system.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company has implemented all principles of Japan’s Corporate Governance Code.

[Disclosure Based on each Principle of the Corporate Governance Code] (Update)

[Principle 1.4 Strategic Shareholdings]

The Company has established the following principles on strategic shareholdings.

(1) Policy on strategic shareholdings

The Board of Directors discusses the Company’s strategic shareholdings every year, comprehensively examining several aspects. Specifically, the board considers the necessity of maintaining or enhancing transactional or other relations with each investee company, whether the benefit of holding the shares is commensurate with the capital cost, and whether such holdings contribute to increasing the Company’s corporate value over the medium- to long term. If no rationality for holding the shares can be confirmed, the shares will be sold, considering the impact on the market and other circumstances.

(2) Policy on the exercise of voting rights

The Company exercises its voting rights with full respect for management policies, strategies, and other aspects of the investee company. For each proposal, we decide on our stance, comprehensively considering various factors, such as whether the proposal complies with the Company’s holding principles and contributes to increasing the investee company’s corporate value over the medium- to long term and its shareholder returns.

[Principle 1.7 Related Party Transactions]

When intending to conduct a transaction with officers or related parties, the Company investigates details of the transaction to deal with it appropriately, following proper procedures under laws and regulations, its internal rules, and other guidelines, not to impair its interests or the common interests of its shareholders. Important transactions, including competitive transactions and conflict-of-interest transactions by Directors, are subject to prior approval by and after-action reports to the Board of Directors. Since the Company has no major shareholder with 10% or more voting rights, no procedures for transactions with such shareholders have been established.

[Supplementary Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women] (Update)

From the standpoint that the active participation of diverse personnel is critical for enhancing corporate value, the Company released the “Diversity Statement” and the “Diversity Vision” to propel its initiatives toward realizing diversity. Specifically, we have declared that “we will become a vibrant company with a sense of fulfillment of job and life by building a corporate culture that respects and accepts diverse opinions and ideas generated from various types of diversity and creating opportunities to demonstrate individual talents.” The “Diversity Statement” and the “Diversity Vision” are posted on the Company website:

(https://www.nissanchem.co.jp/eng/csr_info/communication/employee/respect.html)

Regarding the recruitment of women, to increase the ratio of females in regular positions, we are working to maintain a 30% or higher ratio of females among new graduates recruited and expanding the scope of their job categories in each division/department of the Company. Among other goals, we aim to raise the percentage of females among R&D professionals to 18% or more by fiscal year 2027, expecting that diverse opinions and ideas will trigger innovation in the research area.

To promote female staff to managerial positions, the Company aims to increase the proportion of females among managers to 7% or more by fiscal year 2030. In addition, we are enhancing our efforts to recruit and promote non-Japanese staff and mid-career professionals to managerial positions.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

To ensure that the Company’s corporate pension fund continues to pay pensions to its beneficiaries stably into the future, we have set a ratio for strategic asset composition from a medium- to long-term perspective after obtaining opinions from external specialists. The Company also formulated basic principles for stable and efficient fund operations and presented them to institutions entrusted with fund management, while monitoring fund performance when necessary. Further, we have built a structure led by an Asset Management Committee comprising appropriately qualified members, including the Directors in charge, the Heads and Managers of the Finance & Accounting Department, and the Personnel Department. The committee grasps and checks the sound fund management status, whether conflicts of interest are properly managed, and related points from the perspective of protecting beneficiaries.

[Principle 3.1 Information Disclosure] (Update)

i) The Company’s business strategies and business plans

Toward realizing the long-term business plan “Atelier 2050,” the Company has defined its ideal status in 2027 in the medium-term business plan “Vista 2027 Stage II” as follows: 1) “While existing businesses are robustly driving the business performance, we are advancing product development by leveraging new core technologists,” 2) “We are advancing our organization-wide efforts on sustainability and offering products and services that contribute to resolve social and environmental issues,” and 3) “We are implementing measures to make our business operations more efficient and sophisticated by establishing the digital foundation. Further, we have set forth the basic strategies for achieving the ideal status above, 1) “increase profit in existing businesses,” 2) “develop new products looking ahead to 2030,” and 3) “strengthen our business foundation. In line with those strategies, we are taking steps to attain the following numerical targets and performance indicators.

Numerical targets for fiscal year 2027 (the final year of Stage II)

- ◆ Net Sales: ¥293 billion
- ◆ Operating income: ¥65 billion

<Performance Indicators> From fiscal years 2025 to 2027

- ◆ Operating margin: 20% or more (Results for fiscal year 2025: 22.7%)
- ◆ ROE (return on equity): 18% or more (Results for fiscal year 2025: 20.3%)
- ◆ Return of profits to shareholders
 - A dividend payout ratio of 55% or more (Results for fiscal year 2025: 54.9%)
 - A total payout ratio of 75% or more (Results for fiscal year 2025: 75.7%)

As non-financial indicators, we have set specific indicators, including the expansion of the “Nissan Chemical Sustainable Agenda” that defines product/service lines that contribute to society and the reduction target for greenhouse gas (GHG) emissions to be achieved by the end of fiscal year 2027, ahead of the original target set in fiscal year 2030.

<Non-financial Indicators> For fiscal year 2027 (the final year of Stage II)

- ◆ Nissan Chemical Sustainable Agenda
 - Percentage of sales of products/services contributing to solving social issues in total sales: 60% or more
- ◆ Reduction of GHG emissions: 30% or more over fiscal year 2018
- ◆ Percentage of employees who gave positive answers to the questionnaire on skill development in a “Staff Attitude Survey”: 65% or more
- ◆ Percentage of females among laboratory staff in regular positions: 18% or more

Details of the long-term business plan “Atelier 2050” and the medium-term business plan “Vista 2027 Stage II” are provided on the Company website:
(https://www.nissanchem.co.jp/eng/ir_info/nissanchem/plan.html)

ii) Basic views and guidelines on corporate governance

<Basic views on corporate governance>

As described in “I-1 Basic Views” in this Report.

<Basic guidelines on corporate governance>

The Company’s basic guidelines on corporate governance are as follows:

(1) Securing the rights and equal treatment of shareholders

To substantially secure shareholders’ rights and equal treatment, the Company serves them lawfully and appropriately under laws and regulations and creates and maintains the necessary environments.

(2) Appropriate cooperation with stakeholders other than shareholders

To realize the Group’s sustainable growth and increase in corporate value over the medium- to long term, the Company endeavors to cooperate appropriately with stakeholders.

(3) Ensuring appropriate information disclosure and transparency

Regarding its financial and non-financial information (such as management strategies, challenges, and matters related to risk, governance, and social and environmental issues), the Company works to disclose and provide highly useful information appropriately under laws and regulations or as appropriate and necessary.

(4) Responsibilities of the Board of Directors

Given its fiduciary responsibility and accountability to shareholders for promoting the Group’s sustainable growth, increasing its corporate value over the medium- to long term, and enhancing, among other things, earnings power and capital efficiency, the Board of Directors appropriately fulfills its roles and responsibilities, including those described below.

- The Board of Directors formulates strategies for achieving the Group’s sustainable growth and increasing its corporate value over the medium- to long term, and propels their implementation.

- The Board of Directors appropriately establishes an environment, including the internal control and risk management systems, to support management in taking risks.
- By clarifying the two functions of swift managerial decision-making and oversight, as well as execution, the Board of Directors seeks to strengthen both functions.
- More than one person from the Outside Directors and the Outside Audit and Supervisory Board Members, respectively, are appointed to monitor and oversee management from an outside perspective and provide additional third-party knowledge to upgrade management transparency, soundness, and objectivity.

(5) Dialogue with shareholders

The Company undertakes concerted efforts to build trust and credibility with all stakeholders, achieve sustainable growth, and increase its corporate value over the medium- to long term. As part of those initiatives, we value dialogue with stakeholders, including shareholders, and disclose information appropriately.

iii) Board of Directors' policies and procedures in determining the remuneration of senior management and Directors

Please refer to “II. 1. Organizational Composition and Operation, [Director Remuneration], Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods” in this Report.

iv) Board of Directors' principles and procedures in the nomination of the Director and Audit and Supervisory Board Member candidates and the appointment or dismissal of senior management

(Policies on the nomination of Director and Audit and Supervisory Board Member candidates and appointment or dismissal of senior management)

When nominating Director candidates, the Board of Directors takes into consideration the balance and diversity of the overall board in terms of knowledge, experience, skills, and other factors to ensure appropriate and expeditious decision-making and oversight of the execution of business activities in diverse fields, such as chemicals, performance materials, agricultural chemicals, and healthcare. In addition, the Board of Directors nominates candidates who are healthy, physically and mentally, trusted, and respected for their excellent character, a high level of insight, and a sense of ethics.

For the Internal Director candidates, besides the above principles on the nomination of Director candidates, the Board of Directors nominates candidates with specialized capabilities and knowledge in their business areas, corporate planning, personnel, finance and accounting, research and development, production technologies, and environmental safety and quality assurance, among others.

For the Outside Director candidates, besides the above principles on the nomination of Director candidates, the Board of Directors nominates candidates who proactively offer opinions on the Company's growth strategy, the enhancement of governance, and other areas from the perspective of diverse stakeholders and society, also bring up issues and provide advice. The term of office of an Outside Director is up to a total of six fiscal years of six terms. However, under special circumstances, it does not preclude an Outside Director from serving for up to a total of eight fiscal years of eight terms. If an Outside Director wishes to concurrently serve as a director or audit and supervisory committee member for another listed company, they will be allowed to concurrently hold up to a total of five positions, including the Company, in principle.

As to Audit and Supervisory Board Members, the Board of Directors nominates candidates with broad-ranging experience and insight focused on specialized areas, including finance, accounting, and legal affairs, and the capability of auditing business execution and offering opinions and advice to management from a fair and neutral standpoint. Nominations of Audit and Supervisory Board Member candidates are approved by the Audit and Supervisory Board in advance. The term of office of an Audit and Supervisory Board Member is up to a total of eight fiscal years of two terms. However, under special circumstances, it does not preclude an Audit and Supervisory Committee Member from serving for up to a total of 12 fiscal years of three terms. If an Audit and Supervisory Committee Member wishes to concurrently serve as a director or audit and supervisory committee member for another listed company, they will be allowed to concurrently hold up to a total of five positions, including the Company, in principle.

For senior management (Representative Directors and Directors with titles), the Board of Directors selects persons, focusing on their experience and ability to demonstrate strong leadership and expeditious, appropriate execution of the Company's management strategy and management plans.

If any senior management falls under the criteria for dismissal listed below, that person will be subject to consideration for dismissal.

- If that person is deemed to have failed to perform their function sufficiently, given an evaluation of the Company's performance and other factors.
- If that person commits misconduct or material breach of laws and regulations or the Articles of Incorporation in executing their duties.
- Besides, when any event occurs that is deemed difficult to perform their duties appropriately.

(Procedures in the nomination of Director and Audit and Supervisory Board Member candidates and appointment or dismissal of senior management)

1. Procedures in the nomination of Director and Audit and Supervisory Board Member candidates and the appointment of senior management

- (1) In order to ensure the appropriateness and transparency of policies and procedures in the appointment of officers, as well as to have Outside Directors proactively perform their roles in, advise on, and oversee the above appropriateness and transparency, the Company established the "Nomination and Remuneration Advisory Committee," as an optional advisory body to the Board of Directors. The committee comprises three or more members appointed by resolution of the Board of Directors, of which a majority are independent Outside Directors.
- (2) According to "policies on the nomination of Director and Audit and Supervisory Board Member candidates and appointment or dismissal of senior management," the Representative Director chooses the right persons as candidates for Director and Audit and Supervisory Board Member and senior management and drafts a proposal.
- (3) The Nomination and Remuneration Advisory Committee deliberates on the proposal drafted by the Representative Director, determines its opinion, and gives its advice (*toshin*) to the Board of Directors.
- (4) The Board of Directors deliberates on the proposal based on advice from the Nomination and Remuneration Advisory Committee to determine candidates for Director and Audit and Supervisory Board Member and appoint senior management. (Directors and Audit and Supervisory Board Members are selected by resolution of the General Meeting of Shareholders.)

2. Procedures for the dismissal of senior management

- (1) The Nomination and Remuneration Advisory Committee evaluates senior management in light of the Company's business performance and other factors at least once a year.
- (2) If the above evaluation reveals that any senior management falls under the dismissal criteria, the Nomination and Remuneration Advisory Committee will deliberate on the appropriateness of dismissing that person and give its advice (*toshin*) to the Board of Directors.
- (3) The Board of Directors deliberates based on the advice from the Nomination and Remuneration Advisory Committee and determines whether it is appropriate to dismiss that senior management.

(Procedures for making decisions on the dismissal of Directors and Audit and Supervisory Board Members are to accord with the provisions of the Companies Act.)

v) Explanation of individual appointment or dismissal and nominations when the Board of Directors appoints or dismisses senior management and nominates Director candidates and Audit and Supervisory Board Member candidates following iv) above

Nominations of Director candidates and Audit and Supervisory Board Member candidates are disclosed in the reference materials attached to the convocation notice for the Ordinary General Meeting of Shareholders. Please refer to:

The Notice of the Convocation of the 156th Ordinary General Meeting of Shareholders

(https://www.nissanchem.co.jp/eng/news_release/release/en2026_05_28.pdf)

The information on the appointment or dismissal of senior management is disclosed as appropriate on the Company website.

[Supplementary Principle 3.1.3 Disclosure on sustainability and related matters] (Update)

1. Initiatives on sustainability

To attain sustainable growth along with society, the Company is promoting its initiatives on material issues (Materiality), which it identifies based on recognizing social issues and changes, such as SDGs and ESG. The whole picture of sustainability, including the structure to promote initiatives, is described on the Company website:

(https://www.nissanchem.co.jp/eng/csr_info/management/policy.html) and
(https://www.nissanchem.co.jp/eng/csr_info/index.html)

2. Initiatives to disclose information based on TCFD or an equivalent framework

The Company is enhancing its efforts to disclose information according to the framework of TCFD, such as the analysis results of 1.5- and 4-degree C climate scenarios. The status of information disclosure in line with the TCFD Recommendations is posted on the Company website:

(https://www.nissanchem.co.jp/eng/csr_info/management/tcfd.html) and
(https://www.nissanchem.co.jp/eng/csr_info/management/tcfd_climate.html)

3. Initiatives to disclose information based on TNFD or an equivalent framework

The Company is enhancing its efforts to disclose information according to the framework of TNFD. The status of information disclosure in line with the TNFD Recommendations is posted on the Company website:

(https://www.nissanchem.co.jp/eng/csr_info/management/tnfd_natural.html)

4. Investments in human capital

The Company's R&D professional staff accounts for about 40% of employees in regular positions (for the Company alone), representing its stance to focus on research and development.

Also, recognizing that the retention and training of personnel are essential for enhancing sustainable corporate value, the Company provides various training programs. They include self-start training for new employees to study how to "create and propose a unique and original plan and put it into practice" for two or three years after their joining, training before promotion to manager or an equivalent position to "develop the future-creating leadership," and overseas language study programs to respond to the globalization of businesses. Besides, to gauge employees' enthusiasm and attitude toward their work, the Company assesses the degree of their engagement in their respective jobs by conducting a questionnaire survey every year, and releases its numerical results.

Details of the information regarding the human capital of the Company are disclosed on pages 27 through 30 of our Integrated Report 2025 (https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2025.pdf) and pages 33 through 35 of the Securities Report for the 156th fiscal year.

(https://www.nissanchem.co.jp/ir_info/library/securities.html), and (1) through (4) below on our website.

(1) Personnel Retention and Training

(https://www.nissanchem.co.jp/eng/csr_info/communication/employee/system.html)

(2) Promotion of Diversity

(https://www.nissanchem.co.jp/eng/csr_info/communication/employee/respect.html)

(3) Maintenance and Improvement of Employees' Health

(https://www.nissanchem.co.jp/eng/csr_info/communication/employee/workplace.html)

(4) Creation of a Comfortable Workplace

(https://www.nissanchem.co.jp/eng/csr_info/communication/employee/dialogue.html)

5. Investments in intellectual properties

As a corporation that places great importance on research and development, the Company positions technology and the R&D capabilities that invent them as the source of value creation. Standing on the core technologies we have cultivated over many years, we are developing products and services in multiple business fields, and working towards sustainable growth as a corporation. For instance, the ratio of sales turnover to R&D expenses has remained at around 7 – 8%, ranking among the highest levels of many chemical manufacturers. The research and development outcomes are reflected in the operating income margin, which has been maintained at 10% or higher for 22 consecutive years by prioritizing the high-value business.

In the Company, we are committed to appropriately securing intellectual property rights for technologies created through research and development and utilizing them in our business. In addition to securing rights through patents and other means, we also effectively utilize technical assets accumulated as know-how and tacit knowledge to strengthen product competitiveness and contribute to the sustainable growth of our business.

We also value developing products that help our customers solve problems, and as a crucial foundation supporting the technological superiority of that product development, intellectual property is closely linked to our business strategy. Furthermore, we are working to invent new technological fields and strengthen the foundation for future growth.

These efforts to create and utilize intellectual properties are appropriately managed and promoted to align with our business strategy. Our research and development and value creation initiatives, including intellectual property, are described on pages 31 through 36 of the Integrated Report 2025 (https://www.nissanchem.co.jp/eng/ir_info/archive/ar/ar2025.pdf) and in the R&D briefing materials (https://www.nissanchem.co.jp/eng/news_release/release/en2025_06_16.pdf).

[Supplementary Principle 4.1.1 Summary of the Scope of Delegation by the Board of Directors to the Management]

The Company set a policy that, by introducing a system of executive officers and clarifying the management decision-making and oversight function, and the executive function, it will strengthen both roles and enhance its capacity to develop and realize management strategies. With that aim, the Board of Directors makes decisions on material matters related to management. Considering the Company's business scale and other factors, the Board of Directors Rules set specific criteria, such as certain transaction amounts, for the matters to be deliberated by the board and define the scope of the board's decisions. Following the Company's internal rules and to the extent permitted by laws and regulations and the Articles of Incorporation, the Board of Directors delegates to the Management Meeting or other bodies, depending on their importance, matters that do not require its decision under the Board of Directors Rules.

[Supplementary Principle 4.1.3 Succession Plan]

We have set a succession plan for the President and CEO. In fiscal year 2022, the Nomination and Remuneration Advisory Committee intensively deliberated the formulation of the plan, which the Board of Directors resolved in fiscal year 2023. The overview of the plan is as follows:

(1) Purpose of Succession Planning

We acknowledge that replacing our President and CEO with an adequate successor at an appropriate time is indispensable to ensuring the Company's sustainable development and enhancing the mid-to-long-term corporate value. To actualize such replacement, we formulated the "Succession Plan for President and CEO" ("Succession Plan"), which was subsequently approved 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 on 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 monitors the implementation progress and oversees the whole process so that the Plan is appropriately carried out through its proactive engagement.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The Company's independence standards for outside officers are as follows:

The Company's independent outside officers (Directors and Audit and Supervisory Board Members) and independent Outside Officer candidates shall fulfill the requirements for outside officers under the Companies Act and the following independence standards.

- (1) Not being an executive (a person who executes business) of the Company or its subsidiaries, nor have been the same during the past ten years (however, if the person had been a non-executive director or audit and supervisory board member of the Company or its subsidiaries at some point during the past ten years, additional ten years prior to their assumption of that role should be counted.)
- (2) Not being one of the Company's major shareholders with 10% or more of voting rights or an executive thereof
- (3) Not being an executive of a corporation of which the Company is a major shareholder (a shareholder with 10% or more of voting rights)
- (4) Not being a major client or supplier (a client or supplier from whom the value of average payments for transactions to the Company or its subsidiaries over the past three fiscal years exceeds 2% of the average annual consolidated net sales of the Company over the past three fiscal years) of the Company or its subsidiaries or an executive thereof
- (5) Not being a party whose major client or supplier is the Company or its subsidiaries (a party to whom the value of average payments for transactions by the Company or its subsidiaries over the past three fiscal years exceeds 2% of the average annual consolidated net sales of that party over the past three fiscal years), or an executive thereof
- (6) Not being an executive of a major financial institution with which the Company has borrowings (a financial institution from whom the average amount of the Company's consolidated fiscal-year-end balance of borrowings over the past three fiscal years exceeds 2% of the Company's average annual consolidated fiscal-year-end total assets over the past three fiscal years) nor having been an executive thereof for the past three years
- (7) Not being an attorney, certified public accountant, certified public tax accountant, another consultant, researcher, or educator who receives from the Company a large amount of monetary consideration or other property (an average annual amount over the past three fiscal years of over ¥10 million for individuals or, in the event the recipient is a corporation or other organization that said individual is affiliated with or retained by, of an amount in excess of 2% of that organization's average annual total revenues over the past three fiscal years) other than Director and Audit and Supervisory Board Member remunerations

- (8) Not being a close relative (spouse, person within the second degree of kinship, or relative living together) of an executive (limited to key personnel) of the Company or its subsidiaries
- (9) Besides the above items (1) through (8), being such a person as the Board of Directors rationally determines that their independence as an independent Outside Officer is unquestionable, and there is no risk of a conflict of interest with the general shareholders of the Company.

[Supplementary Principle 4.10.1 Disclosure on the Nomination Committee and the Remuneration Committee]

The Company's views on the independence of the Nomination and Remuneration Advisory Committee, their mandates and roles, and other functions are described in Supplementary Explanation for the "Committees Voluntarily Established, Composition of Committee Members, and Attributes of Committee Chair" under "II-1, Organizational Composition and Operation [Directors]" in this Report.

[Supplementary Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience, and Skills of the Board as a Whole, and Diversity and Appropriate Board Size]

The Company aims to strengthen both functions of swift management decision-making and oversight and execution by clarifying their roles to enhance its capability to develop and implement management strategies. For that objective, we need to ensure substantial deliberation by the Board of Directors. In addition, we consider the board to be formed by members selected from various viewpoints to make appropriate and expeditious decisions 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 makes the board consist of appropriate persons as its directors who have met the above skills requirements appropriately, and who are healthy, physically and mentally, and trusted and respected for their excellent character, a high level of insight, and a sense of ethics. Based on the Management Strategy and relevant policies, we will review the above skills requirements as necessary.

The Company has set the number of Directors at no more than twelve, including at least one Outside Director, and the board is currently composed of ten Directors (including four independent Outside Directors, consisting of two males and two females). As it comprises diverse members with abundant knowledge, experience, and skills in international business development, we determine that the board functions well and is sufficiently effective.

For the skills matrix for the board, which lists the expertise and experience expected of the Company's directors, see "2. Other Matters Concerning Corporate Governance System" under "V. Other" in this Report. The same information is posted on the Company website:(<https://www.nissanchem.co.jp/eng/profile/corporate.html>)

[Supplementary Principle 4.11.2 Status of Concurrent Appointments of Directors or Audit and Supervisory Board Members at Other Listed Companies] (Update)

The status of concurrent appointments of the Company's Directors and Audit and Supervisory Board Members at other listed companies is as follows:

- Director, Ms. NAKAGAWA
Outside Director (Audit and Supervisory Committee Member) of NITTO KOGYO CORPORATION, Outside Audit and Supervisory Board Member of SBI Shinsei Bank, Limited, and Outside Director (Audit and Supervisory Committee Member) of ASKUL Corporation
- Director, Mr. HAMA
Outside Director of Nichirei Corporation
- Audit and Supervisory Board Member, Mr. KINUGAWA
Outside Director of The Bank of Nagoya, Ltd., Outside Director (Audit and Supervisory Committee Member) of RIKEN TECHNOS CORPORATION, and Outside Director of Takachiho Koheki Co., Ltd.
- Audit and Supervisory Board Member, Ms. OZEKI

Outside Director of Bourbon Corporation, and Outside Director of Oki Electric Industry Co., Ltd.

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Board of Directors' Effectiveness as a Whole]
(Update)

Every year, the Company analyzes and evaluates to assess whether the Board of Directors has fulfilled its key roles and responsibilities ("Effectiveness Evaluation"). (The roles and responsibilities of the Board of Directors are as described in "(4) Responsibilities of the Board of Directors" of "ii) Basic views and guidelines on corporate governance <Basic guidelines on corporate governance>" under "[Principle 3.1 Information Disclosure]" above.)

(1) Methods of analysis and evaluation

The Company has performed the Effectiveness Evaluation annually since fiscal year 2015. 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 (3) years using an external organization that has no relationship of interest with us. The latest third-party evaluation was conducted in fiscal year 2023.

The self-assessment is conducted through a questionnaire survey for all Directors and the Audit and 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 to enhance the self-evaluation.

For the Effective Evaluation for fiscal year 2025, the Company performed the self-assessment process. At the Board of Directors meeting held in April 2026, the board members shared, analyzed, and evaluated the questionnaire responses and discussed the issues to be addressed. The outcomes of their analysis and the selection of the priority issues to address were further deliberated and confirmed at the Board of Directors meeting held in May 2026.

(2) Overview of the results of the Effectiveness Evaluation for fiscal year 2025

With the objective of performing its key roles and responsibilities, the results of the Effectiveness Evaluation for fiscal year 2024 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 fiscal year 2023. Thus, the effectiveness of the overall Board of Directors was positively assessed and confirmed as being sufficiently ensured.

*Issues identified in the Effectiveness Evaluation for fiscal year 2024 and initiatives implemented in fiscal year 2025 are as follows:

1) Issues identified in the Effectiveness Evaluation for fiscal year 2024

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

2) Initiatives implemented in fiscal year 2025

*The Board of Directors had free discussions to exchange views on the agenda, "how to approach risk-taking in investment, over four occasions. Based on those free discussions, the board reported "Measures for Enhancement of Discussions on Investment at the Board" at its meeting in December, 2025.

(3) Actions to take

The Board of Directors acknowledged the following points as issues to address in fiscal year 2025 and confirmed the action plan to take.

i) Priority issues to address:

- (1) We should deepen our discussions on the Company's policies from a long-term perspective, including the next medium-term management plan.
- (2) We should secure sufficient time to discuss the issues identified and confirm the progress of addressing them.

ii) Action plan:

- (1) We should focus on deliberation of the broad picture agenda, which will underlie the formulation of the next medium-term management plan, including the ideal state that the Company should aim for, and the optimal business portfolio for the Company.
- (2) We should discuss how to make improvements in addressing the issues identified through the Effectiveness Evaluation, and monitor the progress of improving them.

Following the latest evaluation results, the Company will deepen discussions within the Board of Directors and advance actions to enhance its effectiveness. Moreover, by regularly measuring improvements through the Effectiveness Evaluation and aiming to further upgrade the effectiveness of the Board of Directors, we will remain committed to the Company's sustainable development and to increasing corporate value.

The outline of the results of the Effectiveness Evaluation for the fiscal year 2025 is posted on the Company website: (https://www.nissanchem.co.jp/eng/news_release/release/en2026_05_28_2.pdf)

[Supplementary Principle 4.14.2 Training Policy for Directors and Audit and Supervisory Board Members] (Update)

To help its Directors and Audit and Supervisory Board Members fulfill their roles and responsibilities appropriately upon their appointment, the Company provides Directors with training from outside specialists concerning their legal obligations and responsibilities required to comply with as officers and related matters. Additionally, following their appointment, we offer further training necessary for Directors and Audit and Supervisory Board Members to fulfill their roles and responsibilities appropriately, and continuously provide and encourage them to take advantage of training and seminars. The implementation status for fiscal year 2025 is as follows:

FY2025: Two training sessions provided by external specialists (on the themes "Capital cost" and "U.S. Trade Policy").

Furthermore, upon the appointment of outside officers, we provide them with a briefing on our businesses and organizations to deepen their understanding of the Group's management strategies, business details, operational status, and related aspects. After their appointment, we provide them with necessary information about our business issues and other matters, as well as opportunities to visit our plants, laboratories, subsidiaries, and other facilities and to participate in our internal meetings and sessions.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders] (Update)

We are working through concerted efforts to build trust and credibility with all stakeholders, achieve sustainable growth, and increase corporate value over the medium- to long term. As part of these initiatives, the Company values dialogue with stakeholders, including shareholders, and discloses information appropriately.

Other principles for creating systems and initiatives to promote constructive dialogue with shareholders are described below.

- (1) Appointment of a member of management or a Director who is responsible for overseeing general dialogue and ensuring that constructive dialogue with shareholders takes place

The Company has a CFO & Director in charge of the Finance & Accounting Department and a department in charge of IR (Sustainability Promotion & IR Department) in order to supervise overall dialogue and realize constructive dialogue with shareholders and institutional investors.

- (2) Measures to ensure positive cooperation between internal departments such as IR, corporate planning, general affairs, corporate finance, accounting, and legal affairs, with the aim of supporting dialogue

The Company has a department in charge of IR (Sustainability Promotion & IR Department), a department in charge of Shareholder Relations ("SR") (Corporate Planning Department), and a department in charge of Public Relations (Corporate Planning Department). Those departments cooperate in providing timely disclosure and other information appropriately to promote constructive dialogue with shareholders and institutional investors and continue to offer information necessary for investment decisions in a timely, fair, and equitable manner.

- (3) Measures to promote opportunities for dialogue aside from individual meetings (e.g., general investor meetings and other IR activities)

Domestically, the President & COO conducts briefings on business plans, and the CFO & Director in charge of the Finance & Accounting Department provides the same on quarterly financial results (including telephone and video conferences) and business status. In addition, every year, the CFO & Director in charge of the Finance & Accounting Department participates in conferences sponsored by securities companies and held in the United States, Europe, Asia, and other regions and seeks to have direct dialogue with overseas institutional investors.

As to the briefings on financial results above, the materials (in the Japanese and English versions), audio and video (only the Japanese version), and their scripts, including Q&A sessions (in the Japanese and English versions), are posted on the Company website (https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html) to provide them to shareholders.

Further, in March 2023, the CEO & Director in charge of the Sustainability Promotion and IR Department held a briefing on ESG activities, the materials of which are posted on the Company website (https://www.nissanchem.co.jp/eng/news_release/release/en2023_03_31.pdf).

- (4) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the senior management and the Board of Directors

The Board of Directors and other committees/meetings receive regular reports on opinions, concerns, and other feedback from shareholders and institutional investors picked up during dialogue with them. Such information is utilized for subsequent IR and SR policies and dialogue with shareholders and institutional investors. Regarding the implementation status of dialogue with our shareholders during the fiscal year 2025, we had a total of 571 sessions with domestic and overseas institutional investors and securities companies. The main themes discussed at those sessions were the medium-term business plan “Vista 2027,” the performance of each business segment, and ESG-related matters, and we provided explanations on these subjects and exchanged opinions with them.

- (5) Measures to control insider information when engaging in dialogue

When engaging in dialogue, the Company takes appropriate measures under its internal rules (such as the Insider Trading Management Rules) not to communicate insider information.

- (6) Identification of shareholder ownership structure

By regularly surveying the status of shareholdings by substantial shareholders, the Company works to identify its shareholder ownership structure and use it for constructive dialogue with shareholders and institutional investors.

[Actions to Implement Management That Is Conscious of Cost of Capital and Stock Price]

| Content of Disclosure | Disclosure of Initiatives (Update) |
|------------------------------------|------------------------------------|
| Availability of English Disclosure | Available |
| Date of Disclosure Update (Update) | 6/25/2026 |

[Explanation of Actions] (Update)

The Company undertakes to maintain a high level of ROE as its most important management indicator. Specifically, in the medium-term business plan “Vista 2027 Stage II,” we have set a target ROE of 18% or higher and are working to enhance capital efficiency. Also, with targets for a dividend payout ratio of 55% or more and a total payout ratio of 75% or more, we are striving to increase shareholders’ returns proactively. For the details of the medium-term business plan “Vista 2027 Stage II,” please refer to the Company website

(https://www.nissanchem.co.jp/eng/ir_info/library/business_plan.html)

In fiscal year 2025, the Company’s actual ROE was 20.3%, the dividend payout ratio was 54.9%, and the total payout ratio was 75.7%, thereby attaining the targets. The transition of performance indicators, including ROE, and the financial prospects for the next fiscal year are described in the explanation materials for the briefings on the results for the fiscal year ending in March 2026.

(https://www.nissanchem.co.jp/eng/ir_info/library/pdf/AM/am2026_03.pdf)

As for capital cost, we calculate WACC (Weighted Average Cost of Capital) and the cost of shareholders' equity and report them to the Board of Directors to deepen internal discussions on these aspects.

Further, for the performance-linked stock compensation plan introduced by the Company, we employ the following performance metrics: ROE (Return on Equity) and TSR (Total Shareholder Return). The use of ROE as a metric is intended to raise each Director's awareness of improvements in capital efficiency, and the same of TSR is to raise their awareness of the Company's stock price increases. For the policy on determining remuneration, please refer to the "II-1. Organizational Composition and Operation [Directors Remuneration] Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" below in this Report.

2. Capital Structure

| | |
|----------------------------|-------------------------------|
| Foreign Shareholding Ratio | 20% or more but less than 30% |
|----------------------------|-------------------------------|

[Status of Major Shareholders] (Update)

| Name or Company Name | Number of Shares Owned | Percentage (%) |
|--|------------------------|----------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 33,468,200 | 24.93 |
| Custody Bank of Japan, Ltd. (Trust Account) | 16,114,000 | 12.00 |
| Custody Bank of Japan, Ltd. as trustee for the Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust | 5,467,800 | 4.07 |
| Nissan Chemical Corporation Customer Shareholders Association | 3,762,300 | 2.80 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 1,878,488 | 1.40 |
| Meiji Yasuda Life Insurance Company | 1,861,000 | 1.39 |
| JP MORGAN CHASE BANK 385781 | 1,833,138 | 1.37 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 1,807,868 | 1.35 |
| HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES | 1,726,690 | 1.29 |
| JP Morgan Securities Japan Co., Ltd. | 1,685,333 | 1.26 |

| | |
|---|------|
| Name of Controlling Shareholder, if applicable (excluding Parent Companies) | - |
| Name of Parent Company, if applicable | None |

Supplementary Explanation (Update)

- (1) The above is the status of major shareholders as of March 31, 2026.
- (2) Other than the above, the Company owns 559 thousand treasury shares.
- (3) In the Statement of Large-Volume Holdings (Statement of Changes) provided for public viewing, the following companies are reported to hold the Company's shares as below. However, since the Company is unable to confirm the actual number of shares held by each company as of March 31, 2026, those companies

are not included in the status of major shareholders above.

[Submission Date]

[Person Who Submitted][Number of Shares Held (Holding Ratio of Shares and Other Securities)]

April 1, 2024,

Mitsubishi UFJ Financial Group, Inc., 6,969 thousand shares (5.02%) as of March 25, 2024

October 17, 2024,

Nomura Securities Co., Ltd., 14,732 thousand shares (10.69%) as of October 10, 2024

November 8, 2024,

Mizuho Bank, Ltd., 9,755 thousand shares (7.08%) as of October 31, 2024

March 19, 2025,

BlackRock Japan Co., Ltd., 6,892 thousand shares (5.04%) as of March 14, 2025

October 21, 2025

Sumitomo Mitsui Trust Bank, Limited, 11,070 thousand shares (8.09%) as of October 15, 2025

March 19, 2026

Daiwa Asset Management Co. Ltd., 6,752 thousand shares (5.01%) as of March 31, 2026

3. Corporate Attributes

| | |
|---|--|
| Listed Stock Exchange and Market Segment | Prime Market (Tokyo) |
| Fiscal Year-End | March |
| Business Sector | Chemicals |
| Number of Employees (Consolidated) as of the End of the Previous Fiscal Year | 1,000 or more |
| Net Sales (Consolidated) for the Previous Fiscal Year | ¥100 billion or more but less than ¥1 trillion |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | 10 or more but fewer than 50 |

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which May have a Material Impact on Corporate Governance

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

| | |
|-----------------------------|--|
| Corporate Governance System | Company with Audit and Supervisory Board |
|-----------------------------|--|

[Directors]

| | |
|---|---|
| Number of Directors Stipulated in Articles of Incorporation | 12 |
| Directors' Term of Office Stipulated in Articles of Incorporation | 1 year |
| Chairperson of the Board | Chairperson (excluding those concurrently serving as President) |
| Number of Directors | 10 |
| Election of Outside Directors | Elected |
| Number of Outside Directors | 4 |
| Number of Independent Directors | 4 |

Outside Directors' Relationships with the Company (1) (Update)

| Name | Attribute | Relationship with the Company* | | | | | | | | | | |
|------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k |
| KATAOKA Kazunori | Academic | | | | | | | | △ | | | |
| NAKAGAWA Miyuki | Attorney-at-law | | | | | | | | | | | |
| TAKEOKA Yuko | Academic | | | | | | | | | | | |
| HAMA Itsuo | From another company | | | | | | | | | | | |

* Categories for "Relationship with the Company."

(Use "○" when the Director presently falls or has recently fallen under the category; "△" when the Director fell under the category in the past, "●" when a close relative of the Director presently falls or has recently fallen under the category; and "▲" when a close relative of the Director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)

- j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- k. Other

Outside Directors' Relationships with the Company (2) (Update)

| Name | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons for Appointment |
|------------------|-------------------------------------|--|--|
| KATAOKA Kazunori | ○ | Mr. KATAOKA Kazunori, an independent Outside Director, serves as Deputy Chairman of the Kawasaki Institute of Industrial Promotion, Director General of the Innovation Center of NanoMedicine of the said institute, and Professor Emeritus at The University of Tokyo. The Company has transactions with The University of Tokyo, such as contracted testing. However, given the scale and nature of this involvement (an annual average of less than 0.1% of the university's ordinary revenue for the past three fiscal years), the Company judges no risk of affecting the decisions of shareholders and investors. No transactional relationship exists between the Kawasaki Institute of Industrial Promotion and the Company. | The Company determines that Mr. KATAOKA's expertise as a Doctor of Engineering, abundant experience, and wide-ranging knowledge make him suitable as an Outside Director. Furthermore, the Company judges that Mr. KATAOKA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |
| NAKAGAWA Miyuki | ○ | Ms. NAKAGAWA Miyuki, an independent Outside Director, is an attorney-at-law and the President of the Kousui Law Office and a Professor at Chuo Law School. No transactional relationship exists between this firm and the Company, nor between the university and the Company. | The Company determines that Ms. NAKAGAWA's abundant experience and specialist knowledge as a prosecutor and her experience to date in contributing to corporate management as an outside director make her suitable as an Outside Director. Furthermore, the Company judges that Ms. NAKAGAWA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |

| Name | Designation as Independent Director | Supplementary Explanation of the Relationship | Reasons for Appointment |
|--------------|-------------------------------------|---|--|
| TAKEOKA Yuko | ○ | Ms. TAKEOKA Yuko, an independent Outside Director, is a Professor at Sophia University and the Director of the University's Center for Research Promotion & Support. No transactional relationship exists between the Center and the Company, nor between the university and the Company. | The Company determines that Ms. TAKEOKA's expertise as a Doctor of Engineering, abundant experience, and wide-ranging knowledge make her suitable as an Outside Director. Furthermore, the Company judges that Ms. TAKEOKA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |
| HAMA Itsuo | ○ | Mr. HAMA Itsuo, an independent Outside Director, is an Executive Advisor for Lion Corporation. No transactional relationship exists between Lion Corporation and the Company. | The Company determines that Mr. HAMA's abundant experience and extensive insight as an experienced manager of a corporate group that pursues business globally, particularly in Asia, make him suitable as an Outside Director. Furthermore, the Company judges that Mr. HAMA has no special interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |

| | |
|--|-------------|
| Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee | Established |
|--|-------------|

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee, and the Committee Chairperson

| | Committee's Name | All Members | Full-time Members | Inside Directors | Outside Directors | Outside Experts | Other | Chairperson |
|--|--|-------------|-------------------|------------------|-------------------|-----------------|-------|-----------------|
| Voluntarily Established Committee Equivalent to Nomination Committee | Nomination and Remuneration Advisory Committee | 6 | 0 | 2 | 4 | 0 | 0 | Inside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | Nomination and Remuneration Advisory Committee | 6 | 0 | 2 | 4 | 0 | 0 | Inside Director |

Supplementary Explanation (Update)

On April 1, 2019, the Company established its Nomination and Remuneration Advisory Committee, which acts as an advisory body under the Board of Directors to strengthen the Board of Directors' independence, objectivity, and accountability for the nomination, remuneration, and related matters for the Directors, and further enhance corporate governance. The Nomination and Remuneration Advisory Committee has both the functions of a nomination committee and a remuneration committee.

The Nomination and Remuneration Advisory Committee comprises three or more members appointed by resolution of the Board of Directors, a majority of whom are independent Outside Directors. The Chairman & CEO is selected as the committee chair by resolution of the committee from among its members. The Corporate Planning Department works as the secretariat of the Nomination and Remuneration Advisory Committee. As of June 25, 2026, the committee chair and members of the Nomination and Remuneration Advisory Committee are as follows:

- Committee chair: KINOSHITA Kojiro (Chairman & CEO) (served since April 1, 2019)
- Committee member: KATAOKA Kazunori (independent Outside Director) (served since June 25, 2020)
- Committee member: NAKAGAWA Miyuki (independent Outside Director) (served since June 25, 2021)
- Committee member: TAKEOKA Yuko (independent Outside Director) (served since June 28, 2023)
- Committee member: HAMA Itsuo (independent Outside Director) (served since June 26, 2025)
- Committee member: YAGI Shinsuke (President & COO) (served since April 1, 2021)

In response to the consultation from the Board of Directors, the Nomination and Remuneration Advisory Committee deliberates on matters that include the nomination of Directors and Audit and Supervisory Board Member candidates, the appointment of senior management, the Succession Plan for senior management, and the remuneration of Directors. The committee then submits the outcome of such deliberations as its advice (*toshin*) to the Board of Directors. The committee met on nine occasions between June 2025 and May 2026, and the committee chair and all the members attended each session. At the committee meetings held in fiscal year 2025, in addition to regularly deliberated matters, the following matters were discussed.

- Succession plan for outside officers
- Corporate structure
- Views on officer structure
- Directors' term of office (the term of office of Directors with Titles and Corporate Consultants (*Sodanyaku*))
- Amendments to Performance-linked Stock Compensation Plan
- The Company's remuneration level in light of the survey results of officers' remuneration in other companies

[Audit and Supervisory Board Member]

| | |
|---|-------------|
| Establishment of Audit and Supervisory Board | Established |
| Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation | 5 |
| Number of Audit and Supervisory Board Members | 4 |

Cooperation among Audit and Supervisory Board Members, Accounting Auditors, and Internal Audit Department

- The Company’s Audit and Supervisory Board Members, Accounting Auditor, Internal Audit Department, Outside Directors, audit and supervisory board members of the subsidiaries, and related parties exchange their opinions regularly or as required and work in cooperation.
- If deemed necessary by Audit and Supervisory Board Members and Outside Directors, they may obtain advice from outside specialists at the Company’s expense.
- An assistant to Audit and Supervisory Board Members and the Corporate Planning Department, or another department, acts as a liaison to communicate and coordinate internally or with the subsidiaries or related parties to provide company information appropriately at the instructions of Audit and Supervisory Board Members and Outside Directors.

| | |
|--|-----------|
| Appointment of Outside Audit and Supervisory Board Members | Appointed |
| Number of Outside Audit and Supervisory Board Members | 3 |
| Number of Independent Audit and Supervisory Board Members | 3 |

Outside Audit and Supervisory Board Members’ Relationship with the Company (1) (Update)

| Name | Attribute | Relationships with the Company* | | | | | | | | | | | | |
|------------------|----------------------|---------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
| TAKAHAMA Shigeru | CPA | | | | | | | | | | | | | |
| KINUGAWA Sachie | From another company | | | | | | | △ | | | | | | |
| OZEKI Yukimi | Academic | | | | | | | | | | | | | |

* Categories for “Relationships with the Company.”

(Use “○” when the Audit and Supervisory Board Member presently falls or has recently fallen under the category; “△” when the Audit and Supervisory Board Member fell under the category in the past; “●” when a close relative of the Audit and Supervisory Board Member presently falls or has recently fallen under the category; and “▲” when a close relative of the Audit and Supervisory Board Member fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company’s parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)

- l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
- m. Other

Outside Audit and Supervisory Board Members' Relationships with the Company (2) (Update)

| Name | Designation as Independent Audit and Supervisory Board Member | Supplementary Explanation of the Relationship | Reasons for Appointment |
|------------------|---|---|---|
| TAKAHAMA Shigeru | ○ | Mr. TAKAHAMA Shigeru, an independent Outside Audit and Supervisory Board Member, is the President of the Takahama CPA Office. No transactional relationship exists between this firm and the Company. | The Company determines that Mr. TAKAHAMA's abundant experience and specialist knowledge as a certified public accountant make him suitable as an Outside Audit and Supervisory Board Member. Furthermore, the Company judges that Mr. TAKAHAMA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |
| KINUGAWA Sachie | ○ | Ms. KINUGAWA Sachie, an independent Outside Audit and Supervisory Board Member, previously served at The Fuji Bank, Limited, currently Mizuho Bank, Ltd., which falls under a major financial institution in light of the independence standards disclosed by the Company. However, because Ms. KINUGAWA is not currently, nor was she, the person who executes the business of Mizuho Bank, Ltd., for the last three years, the Company judges that there would be no risk of affecting the decisions of its shareholders and investors. | The Company determines that Ms. KINUGAWA's abundant experience, including corporate management and wide-ranging knowledge, including specialist knowledge of finance, makes her suitable as an Outside Audit and Supervisory Board Member. Furthermore, the Company judges that Ms. KINUGAWA has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |
| OZEKI Yukimi | ○ | Ms. OZEKI Yukimi, an independent Audit and Supervisory Board Member, is a Professor at Chuo Law School. No transactional relationship exists between the university and the Company. | The Company determines that Ms. OZEKI's abundant experience and wide-ranging insights, as well as her expertise as a Doctor of Law, make her suitable as an Outside Audit and Supervisory Board Member. Furthermore, the Company judges that Ms. OZEKI has no special-interest relationships with management, and there is no risk of conflict of interest with the general shareholders. |

[Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members]

| | |
|---|---|
| Number of Independent Directors and Independent Audit and Supervisory Board Members | 7 |
|---|---|

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

[Incentives]

| | |
|---|--|
| Implementation of Status of Measures related to Incentives Granted to Directors | Introduction of Performance-linked Remuneration Scheme |
|---|--|

Supplementary Explanation for Applicable Items (Update)

The Company has adopted performance-linked stock compensation for Directors (excluding Outside Directors) to increase their motivation for contributing to improving earnings over the medium- to long term and enhancing corporate value by clarifying the link between the Company's performance and its stock price and sharing between Directors and shareholders the risk of a decline in the stock price, as well as the benefits of its increase.

The Nomination and Remuneration Advisory Committee, established as an advisory body under the Board of Directors, seeks the involvement and advice of independent Outside Directors on the amounts and the method for the determination of Directors' remuneration. The Nomination and Remuneration Advisory Committee comprises three or more members appointed by resolution of the Board of Directors, a majority of whom are independent Outside Directors. The Chairman & CEO is selected as the committee chair by resolution of the committee from among its members.

Under the Company's performance-linked stock compensation plan, the Company grants its officers points based on ROE (actual results for the current business year) and the Company's 3-year TSR (comparison with 3 year-increase/decrease rate of the stock price index, and comparison with the leading market capitalization companies with similar business to the Company in the chemical sector) and pay them remuneration and other rewards equivalent to their accumulated points upon their retirement.

The metrics for the performance-linked stock compensation are selected for the following reasons.

- (1) ROE (actual results for the current fiscal year):
Since the Company regards ROE as the most important management indicator, it is deemed appropriate to use ROE as a performance metric for this plan; therefore, it is selected as a metric.
- (2) Relative comparison of the Company's 3-year TSR and the 3 year-increase/decrease rate of JPX-Nikkei 400 Total Return Index
TSR is calculated based on capital gains from stock price and dividends, indicating a company's overall capacity to return to shareholders; therefore, it is selected as a metric to assess the Company's capacity to return to shareholders relative to the market average.
- (3) The Company's 3-year TSR ranking among the top 10 market capitalization companies (including the Company) with similar business to the Company in the chemical sector
TSR is calculated based on capital gains from stock price and dividends, indicating a company's overall capacity to return to shareholders; therefore, it is selected as a metric to assess the Company's capacity to return to shareholders, taking into account the competitive environment with other companies within the same sector.

For details on the method for determining amounts of performance-linked stock compensation, please refer to "II. 1. Organizational Composition and Operation, [Director Remuneration], Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" in this Report.

| | |
|------------------------------------|--|
| Persons Eligible for Stock Options | |
|------------------------------------|--|

| |
|--|
| Supplementary Explanation for Applicable Items |
|--|

[Director Remuneration]

| | |
|--|-----------------------------------|
| Status of Disclosure of Individual Directors' Remuneration | Disclosure for Selected Directors |
|--|-----------------------------------|

| |
|---|
| Supplementary Explanation for Applicable Items (Update) |
|---|

The total amount of remuneration paid to Directors in fiscal year 2025:

¥491 million for 12 Directors

(Note) The above remuneration includes ¥21 million of expenses recorded in fiscal year 2025 for stock compensation paid to seven Directors, excluding Outside Directors.

(Note) Representative Directors' respective remunerations are disclosed as follows:

KINOSHITA Kojiro (Chairman and CEO) ¥100 million (consisting of ¥67 million for base remuneration, ¥28 million for performance-related remuneration, and ¥4 million for performance-linked stock compensation)

YAGI Shinsuke (President and COO) ¥100 million (consisting of ¥67 million for base remuneration, ¥28 million for performance-related remuneration, and ¥4 million for performance-linked stock compensation)

| | |
|--|-------------|
| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
|--|-------------|

| |
|--|
| Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods |
|--|

(Update)

1. Basic policy

In determining remuneration for the Directors, the Company establishes a remuneration structure under which the Directors seek to improve the Company's medium- to long-term performance continuously and contribute to enhancing the corporate value of the Group as a whole, in line with the Company's management policy, thereby meeting the shareholders' expectations.

Specifically, the Directors' remuneration package shall consist of monetary remuneration (base remuneration and performance-related remuneration) and performance-linked stock compensation. However, the remuneration for Outside Directors shall consist solely of base remuneration within monetary remuneration, and in light of their roles and independence from the Company, it shall neither include performance-related remuneration within monetary remuneration nor performance-linked stock compensation.

The performance-linked stock compensation aims to heighten awareness of the Directors (excluding Outside Directors) to contribute to improving the Company's medium- to long-term performance and enhancing corporate value by further clarifying the linkage with the Company's performance and stock value, and by sharing with shareholders not only the benefits from stock price appreciation, but also the risk of its decline.

The remuneration levels and the proportions by remuneration type shall be appropriately set, considering the Company's performance and using data from other companies of similar business size to the Company or from related business types and categories as benchmarks.

2. Policy on determining the respective amounts of remuneration within monetary remuneration (base remuneration and performance-related remuneration) for individual Directors (including rules on determining the timing or the conditions for granting remuneration)

The base remuneration within monetary remuneration for the Directors shall be fixed pay. Its annual amount shall be determined based on their job titles and responsibilities through a comprehensive consideration of the levels of other companies' directors' payments, the Company's business performance, and the levels of our employees' salaries. For performance-related remuneration within the monetary remuneration, the base amount shall be set by job title, and the annual amount shall be determined in line with fluctuations in performance metrics.

These performance metrics shall be

- (1) Profitability indicators for the previous year (current net profit attributable to shareholders of the parent company, EBITDA, and the like), and
- (2) ESG indices (a third-party assessment, reduction in greenhouse gas emissions, and the like).

These monetary remunerations shall be paid to each Director every month in twelve installments of the annual amount, within the limits of the total amount of the Directors' remuneration determined by resolution of a general meeting of shareholders.

3. Policy on determining details of performance-linked stock compensation, the breakdown of performance metrics, and the methodology to calculate the amount or the figure for performance measurement (including rules on determining the timing or the conditions for granting remuneration)

As for the performance-linked stock compensation for the Directors, the Company shall deliver to each Director taking the following steps: it computes a specific number of performance points for each Director by multiplying (i) their title point depending on the job title which they have assumed during the execution of duties by (ii) the performance evaluation indices consisting of ROE (actual results for the current business year) and the Company's 3-year TSR (comparison with 3 year-increase/decrease rate of the stock price index, and comparison with the leading market capitalization companies with similar business to the Company in the chemical sector); it grants the calculated number of performance points to each Director up to the limit determined by resolution of a general meeting of shareholders; and through the Board Benefit Trust contributed by the Company in money up to the limit determined by resolution of a general meeting of shareholders, it delivers to each Director with a specific number of the Company Shares equivalent to the number of their accumulated performance points upon their retirement. If a Director retires due to the expiry of their term of office, the Company will deliver the Company Shares equivalent to approximately 75% of the accumulated performance points and the cash equivalent to the remaining approximately 25% (which sum is computed at the stock price of the Company Share as of the date of their retirement).

The performance metrics and their targets to be achieved for granting performance points to the Directors shall be reset to align with the Company's medium-term management plan every time it is formulated, or shall be reviewed, as necessary, in light of the circumstances surrounding the corporate management, and determined by resolution of the Board of Directors based on an opinion report from the Nomination and Remuneration Advisory Committee (or "Committee").

The system to confiscate the beneficiary's right (right to receive remuneration) from a Director (so-called "Malus Clause"), and the same to demand the repayment of remuneration from a Director (so-called "Claw-back Clause") shall be specified. If a Director conducts a certain illegal action or there are other special circumstances, the application of those Clauses shall be determined by resolution of the Board of Directors based on an opinion report from the Committee.

4. Policy on determining the proportion of monetary remuneration or the performance-linked stock compensation to the total remuneration for individual Directors

The proportion of remuneration by type for the Directors (except for Outside Directors) shall be deliberated by the Nomination and Remuneration Advisory Committee based on the remuneration level to be set using data from other companies of similar business size to the Company or from related business types and

categories as benchmarks. The Board of Directors shall respect the report on deliberation results from the Committee and determine details of remuneration for individual Directors within the respective limits of each total amount of remuneration by type suggested in the report.

The proportion of remuneration by type shall be reset each time the Company's medium-term management plan is formulated, or shall be reviewed, as necessary, in light of the circumstances surrounding the Company's business management, and determined by resolution of the Board of Directors based on the opinion report from the Committee. The ratio of monetary remuneration (base remuneration), monetary remuneration (performance-related remuneration), and performance-linked stock compensation, after revision in business year 2026, is roughly 50:30:20 (where the achievement degree of the performance metrics is 100%).

5. Matters regarding the decision on details of remuneration for individual Directors

The amount of monetary remuneration (base remuneration and performance-related remuneration) for individual Directors shall be determined by resolution of the Board of Directors. The Board of Directors shall submit to the Nomination and Remuneration Advisory Committee an original plan for the respective amounts drafted by the Representative Director and seek advice and receive an opinion report from the Committee. The Board of Directors shall respect that opinion in the report and make the decision.

6. Other matters regarding the process to determine details of remuneration for individual Directors

The Company has established a Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors. To decide the establishment, amendments, or abolishment of policies and related rules for the Directors' remuneration, or to ensure the appropriateness of the remuneration levels as well as objectivity and transparency of the decision-making process for determining the Directors' monetary remuneration, the Company shall seek deliberation by and an opinion report from the Committee. The Committee shall consist of three or more members, to be appointed by resolution of the Board of Directors, and independent Outside Directors shall constitute a simple majority of the Committee.

For the composition and percentage of the Director's remuneration, please refer to the chart shown in "V. Other 2. Other Matters Concerning Corporate Governance System" below in this Report.

[Support System for Outside Directors (and/or Audit and Supervisory Board Members) (Update)]

1. Support system for Outside Directors (four Outside Directors)

- The Corporate Planning Department and related departments provide Outside Directors with prior explanations on the content of proposals to be deliberated at the Board of Directors and other important matters. The Corporate Planning Department serves as a liaison for the Outside Directors.
- To provide an opportunity to deepen their understanding of the Company's businesses, the Company conducts Outside Directors' inspection visits to its offices, bases (factories/laboratories), or subsidiaries, every year, according to a year-round schedule.

2. Support system for Outside Audit and Supervisory Board Members (three Outside Audit and Supervisory Board Members)

- The Corporate Planning Department and related departments provide the Outside Audit and Supervisory Board Members with prior explanations on the content of proposals to be deliberated at the Board of Directors and related matters. The Corporate Planning Department serves as a liaison for the Outside Audit and Supervisory Board Members.
- If requested by Audit and Supervisory Board Members, the Company assigns an employee as an assistant to the Audit and Supervisory Board Members to facilitate the efficient and smooth execution of their duties. That assistant aids audits, gathers and communicates information, and performs related tasks.

[Describe/ Not describe]

[Status of Persons who have Retired as Representative Director and President, etc.]

| Information on Persons Holding Advisory Positions (<i>Sodanyaku, Komon, etc.</i>) after Retiring as Representative Director and President, etc. | | | | | |
|---|--------------------|------------------|--|--|------|
| Name | Job title/position | Responsibilities | Terms and Conditions of Employment (Full/part-time, with/without remuneration, etc.) | Date when former role as president/CEO ended | Term |
| | | | | | |
| | | | | | |

| | |
|--|----------|
| Number of Persons Holding Advisory Positions (<i>Sodanyaku, Komon, etc.</i>) after Retiring as Representative Director and President, etc. | 0 person |
|--|----------|

| |
|--|
| Other Related Matters |
| There are no individuals who once served as Representative Director and President or the like and are currently serving in another position, such as a Corporate Consultant (<i>Sodanyaku</i>) or a Corporate Advisor. |
| Under the Articles of Incorporation, the Company may appoint one or more Corporate Consultants (<i>Sodanyaku</i>) by the Board of Directors' resolution. |

2. Matters Concerning Functions of Business Execution, Auditing, and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) (Update)

(1) Overview of the current corporate governance system

1. 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.

2. Board of Directors

The Company's Board of Directors comprises ten members (including four Outside Directors). In principle, the board meets monthly to resolve material matters related to management and oversee the execution of duties by Directors and Executive Officers. Material matters in 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 fiscal year 2024, the board met on 12 occasions from June 2025 to May 2026 with attendance by all Directors.

In addition, to enhance the oversight function of the Board of Directors, we report to the Board of Directors on 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 fulfilling its roles and responsibilities by conducting the Effectiveness Evaluation of the overall board every fiscal year.

3. Audit and Supervisory Board

The Company's Audit and Supervisory Board comprises four members (including three Outside Audit and Supervisory Board Members). The Audit and Supervisory Board Members, based on the audit plan set by the Audit and Supervisory Board, audit the execution of duties by Directors primarily by attending the Board of Directors and other important meetings, regularly visiting each division/department of the headquarters and each research laboratory/plant, and exchanging opinions. Mr. TAKAHAMA Shigeru, an Outside Audit and Supervisory Board Member, has long-year experience as a certified public accountant and considerable knowledge of finance and accounting. Ms. KINUGAWA Sachie, an Outside Audit and Supervisory Board Member, has long experience in banking institutions and considerable knowledge of finance and accounting. The

Board held 12 sessions from June 2025 through May 2026, all of which were attended by all Audit and Supervisory Board Members.

4. Nomination and Remuneration Advisory Committee

On April 1, 2019, the Company established its Nomination and Remuneration Advisory Committee 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 of Directors and further enhance corporate governance. For details on the activities of the Nomination and Remuneration Advisory Committee, please refer to "II. 1. Organizational Composition and Operation, [Directors], Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee" in this Report.

5. Accounting Audit

The Company has appointed the Yaesu Audit Company as its Accounting Auditor since fiscal year 1975 (an ongoing audit involvement for 51 years), and we receive audits appropriately throughout the fiscal year, not only the fiscal year-end audit.

In fiscal year 2025, the audit for the Company was executed by three certified public accountants: Messrs. MITSUI Tomoichi, IGUCHI Tomohiro, and AI Junichi. The assistants for the audit work were 11 certified public accountants and five others.

6. Internal Audit

The Company has established an Internal Audit Department (with nine members as of the end of March, 2026) to pursue the achievement of the Group's management objectives effectively. With the objective 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 (including internal audits of the subsidiaries) determined by the Management Meeting, and, when necessary, reports its progress and outcomes to the Chairman & CEO, the President & COO, the Directors in charge, and the Board of Directors. By exchanging information with Audit and Supervisory Board Members and Outside Directors, the Internal Audit Department seeks to ensure close coordination with Directors and Audit and Supervisory Board Members. It also shares information and works together with the Company's Accounting Auditor, focusing on exchanging opinions.

7. Risk Management System and Compliance Promotion Structure

The Company has established the Risk Management and Compliance Committee, which is responsible for enhancing the effectiveness of risk management activities and improving and promoting compliance. The committee is chaired by the Chief Risk Management Officer (CRO), appointed by the Board of Directors. The committee members comprise risk and compliance managers of each division/department, research laboratory/plant, and consolidated domestic subsidiary, all designated by the CRO.

Material matters, countermeasure plans, and other matters related to risk management and compliance promotion are discussed by the committee before being decided by resolution of the Board of Directors. As for the 14 categories of "the Group Major Risks" identified in fiscal year 2024, we have drawn up a three-year plan for risk countermeasures with fiscal year 2025 as its starting year and have been steadily implementing PDCA management practices.

(2) Status of initiatives for strengthening the function of Audit and Supervisory Board Members

For information on the strengthening of the function of Audit and Supervisory Board Members, please refer to the sections "Cooperation among Audit and Supervisory Board Members, Accounting Auditor, and Internal Audit Department," "Appointment of Outside Audit and Supervisory Board Members," and "Supporting System for Outside Directors and/or Audit and Supervisory Board Members" above.

(3) Overview of limited liability agreements

The Company entered into liability limitation agreements (as stipulated in paragraph 1, Article 427 of the Companies Act) with Directors, Mr. KATAOKA Kazunori, Ms. NAKAGAWA Miyuki, Ms. TAKEOKA Yuko, and Mr. HAMA Itsuo, and Audit and Supervisory Board Members, Mr. TAKAHAMA Shigeru, Ms. KINUGAWA Sachie, and Ms. OZEKI Yukimi, respectively. That agreement limits their liabilities under paragraph 1, Article 423 of the Companies Act to the minimum liability amount provided by law and regulation insofar as they perform their duties in good faith and without gross negligence.

(4) Overview of officers' liability insurance contracts

The Company entered into a contract with an insurance company for Directors and Officers Liability Insurance as stipulated in Article 430-3 (i) of the Companies Act. The insurance compensates damages under the law, legal costs, and other expenses incurred by the insured, including the Company's Directors and Audit and Supervisory Board Members.

3. Reasons for Adoption of Current Corporate Governance System

As a company with an Audit and Supervisory Board, we have adopted the current system to enhance management efficiency and soundness.

Audit work by Outside Audit and Supervisory Board Members (three members) ensures the satisfactory functioning of objective and neutral monitoring of the company management.

The Company also appoints four Outside Directors who monitor and oversee management from an outside perspective and provide additional third-party knowledge to further enhance transparency, soundness, and objectivity in management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights (Update)

| | Supplementary Explanation |
|---|--|
| Early Posting of Notice of the General Meeting of Shareholders | <ul style="list-style-type: none"> To provide shareholders with ample time to consider the proposals, the Company has accelerated its sending of convocation notices and posted the convocation notice on its website (https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html) on May 28, 2026, 28 days prior to the date of the 156th Ordinary General Shareholders Meeting (June 25, 2026). |
| Scheduling of the General Meeting of Shareholders on a Non-Peak Day | To promote constructive dialogue with shareholders, the Company avoids holding its General Meeting of Shareholders on the first peak day for general meetings of shareholders. The 156th Ordinary General Meeting of Shareholders was held on June 25, 2026. |
| Electronic Exercise of Voting Rights | The Company provides shareholders with an environment to exercise their voting rights over the Internet. This method of exercising voting rights and other information is provided in the convocation notice. |
| Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights | The Company participates in the Electronic Voting Rights Exercise Platform for institutional investors operated by ICJ Inc. |
| Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English | An English-language convocation notice (summary) is posted on the Company website (https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html) |
| Other | <ul style="list-style-type: none"> For the convenience of shareholders, the Company posts a notice of resolutions, special report (voting results), and related materials on its website (https://www.nissanchem.co.jp/eng/ir_info/library/general_meeting.html). At the General Meeting of Shareholders, business reports and explanations of proposals are provided using video and audio to deepen shareholders' understanding. |

2. Status of IR-related Activities

| | Supplementary Explanation | Explanation by a representative director or a representative executive officer |
|--|---|--|
| Formulation and Publication of Disclosure Policy | The content of the Company's disclosure policy is posted on the Company website (https://www.nissanchem.co.jp/eng/ir_info/disclosure.html). | |
| Regular Investor Briefings for Individual Investors | The Company held an investor briefing for individual investors, delivered by the CFO & Director in charge of the Finance & Accounting Department or by the staff of the Sustainability Promotion & IR Department. The materials used in the briefing and the video are released on the Company website (https://www.nissanchem.co.jp/ir_info/library/private_investors.html). | Not Held |
| Regular Investor Briefings held for Analysts and Institutional Investors | As to the briefings on the business plans given by the President & COO, and the same (including telephone and video conferences) on each quarterly financial result given by the CFO & Director in charge of the Finance & Accounting Department, their materials, audio files, and their scripts, including Q&A sessions, are posted on the Company website (https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html). In addition, in March 2023, the CFO & Director in charge of the Sustainability Promotion and IR Department held a briefing on ESG activities. The materials are posted on the Company website (https://www.nissanchem.co.jp/eng/news_release/release/en2023_03_31.pdf). | Held |
| Regular Investor Briefings held for Overseas Investors | Every year, the CFO & Director in charge of the Finance & Accounting Department participates in conferences sponsored by securities companies in the United States, Europe, Asia, and other regions to provide explanations and exchange opinions directly with overseas investors. As to the briefings (including telephone and video conferences) on business plans, each quarterly financial result, the materials (in the Japanese and English versions), audio and videos (only the Japanese version), and their scripts, including Q&A sessions (in the Japanese and English versions), are posted on the Company website (https://www.nissanchem.co.jp/eng/ir_info/library/financial_report.html). | Not Held |

| | Supplementary Explanation |
|---|--|
| Online Disclosure of IR Information | <p>The following materials are posted on the Company website (https://www.nissanchem.co.jp/eng/ir_info/index.html).</p> <ul style="list-style-type: none"> *Summary of financial results and explanatory material for results briefings *Material for business briefings (explanatory materials for ESG and each business segment) *Material for briefings for individual investors *Securities report, etc. * Integrated Report *Shareholder newsletter *General meetings of shareholders (Convocation notice, resolution notice, presentation materials, and extraordinary reports) *Long-term and mid-term business plans *Company introduction leaflet, etc. |
| Establishment of Department and/or Placement of a Manager in Charge of IR | <ul style="list-style-type: none"> • To engage in constructive dialogue with shareholders and institutional investors, the Company has appointed a CFO and Director in charge of the Finance & Accounting Department and established a department in charge of IR (Sustainability Promotion & IR Department). In addition, we set up an inquiry contact regarding IR on the Company website. (https://secure.nissanchem.co.jp/eng/contact/form.cgi?jigyoubu_flg=15) • The Company has a department in charge of IR (Sustainability Promotion & IR Department), a department in charge of SR (Corporate Planning Department), and a department in charge of Public Relations (Corporate Planning Department) to cooperate and endeavor to provide timely disclosure and other information appropriately for promoting constructive dialogue with shareholders and institutional investors, and providing information necessary for investment decisions in a timely, fair, and equitable manner continually. |
| Other | <ul style="list-style-type: none"> • Opinions and concerns from shareholders and institutional investors gathered during dialogues with them are regularly reported to the Board of Directors, etc. • When engaging in a dialogue with shareholders and institutional investors, the Company takes appropriate measures under its internal rules (such as the Insider Trading Management Rules). • The Company regularly conducts a shareholder identification survey to understand its shareholder ownership structure and analyze the outcomes of their exercising voting rights. The Company utilizes such information in subsequent dialogues with shareholders and institutional investors. |

3. Status of Measures to Ensure Due Respect for Stakeholders (Update)

| | Supplementary Explanations |
|--|--|
| Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders | <p>Defining the stakeholders as “customers, shareholders/investors, employees, communities/society, and business partners,” the Company sets out the Course of Action below to respond to the expectations of all stakeholders and strengthen their confidence in us.</p> <ol style="list-style-type: none"> 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 proactively to eliminate accidents and disasters and protect the global environment. 4. Disclose information appropriately with a focus on dialogue with stakeholders. 5. Improve health and create a cheerful and pleasant place to work by respecting the individuality and personality of employees. 6. Conduct itself as a good corporate citizen and a respected member of society. |

| | |
|---|--|
| <p>Implementation of Environmental Preservation Activities and CSR Activities, etc.</p> | <p>As its fundamental policy for business activities, the Company declares its Corporate Philosophy, “We offer the value sought by society and contribute to the protection of the global environment and the continued existence and development of humanity.” We believe that putting this philosophy into practice can be a sustainability activity. The Sustainability Promotion Committee, the Climate Change Committee, the Risk Management and Compliance Committee, the Environment and Safety Committee, and the Quality Assurance Committee cooperate to promote and enhance sustainability activities.</p> <p><Sustainability activities></p> <p>Setting out the “Responsible Care Basic Policies,” the Company strives to secure and continuously improve the environment, health, and safety (EHS) performance throughout the process, from developing chemical substances to disposal. In addition, under the established “Nissan Chemical Biodiversity Action Guidelines,” we are strengthening our environmental activities. In fiscal year 2020, the Company publicly declared support for the TCFD (Task Force on Climate-related Financial Disclosure). It sets its target to “reduce more than 30% of greenhouse gas emissions by fiscal year 2027 compared to fiscal year 2018” in the medium-term business plan “Vista 2027” starting in fiscal year 2022.</p> <p>Also, since fiscal year 2018, the Company has supported ten principles in the four fields of human rights, labor, the environment, and anti-corruption, as advocated by the United Nations Global Compact (UNGC). To clarify its stance, we formulated the “Human Rights Policy,” including labor, and the “Anti-Corruption Policy” in fiscal year 2019. Further, as part of the corporate human rights due diligence process, we have listed the Group risks associated with its key business fields and identified priority risks related to human rights to address. As people’s awareness of human rights has become more diverse and complex recently, in January 2023, we revised the “Human Rights Policy” based on outside experts’ opinions to further clarify the Company’s initiatives on respecting human rights.</p> <p>Moreover, the Company sets the “Policy on Social Contribution” to proactively participate in society and contribute to its sound and sustainable development.</p> <p>The details of the Company’s environmental and sustainability activities are described in the Integrated Report and other company reports, also posted on the Company website: (https://www.nissanchem.co.jp/eng/csr_info/index.html)</p> |
| <p>Formulation of Policies, etc. on Provision of Information to Stakeholders</p> | <p>The Company values dialogue with stakeholders and discloses information appropriately according to its Course of Action and Disclosure Policy.</p> |

| | |
|-------|---|
| Other | <p>The Company has established the “Basic Health Policy” to maintain and advance the health of its employees based on the belief that their health is a “foundation that supports sound corporate growth.” We have also formulated a Health and Productivity Management Strategy Map to visualize the interrelation among our Basic Health Policy, health and productivity management goals, and related measures. We are aiming to take a more strategic approach to health and productivity management by gauging the progress and effectiveness of our initiatives and applying the PDCA cycle. The “Basic Health Policy” and “Health and Productivity Management Strategy Map” are posted on the Company website. (https://www.nissanchem.co.jp/eng/csr_info/communication/employee/workplace.html).</p> <p>In recognition of our efforts to promote employees’ health, the Company has been certified as a “Certified Health and Productivity Management Organization (the White 500)” for ten consecutive years since 2017.</p> <p>To maintain work-life balance for employees, we are taking various measures, such as reducing overtime, encouraging employees to take annual leave, and introducing the annual paid leave by the hour and shorter working hours that exceed the statutory requirements. In addition, we are taking measures to prevent harassment in the workplace, for example, offering training sessions to all our management personnel.</p> |
|-------|---|

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Progress of System Development

(1) Systems for ensuring compliance with laws and regulations and the Articles of Incorporation in the execution of duties by directors and employees of the Company and its subsidiaries

- The Company expedites management decision-making and clarifies management responsibility and business execution responsibility under the “Board of Directors Rules” and other relevant company rules (those for company operations). At the same time, the Company strengthens its management monitoring function, risk management system, compliance system, and internal control system under the Board of Directors and the Audit and Supervisory Board, including highly independent outside officers.

- Under the “Course of Action,” the Company establishes various expert committees that cooperate to facilitate the necessary actions to ensure the existence and sound development of the Company and to resolve many issues related to business operations.

- We formulate rules for compliance for the Company and its subsidiaries. Under these rules, we ensure that all the Group’s officers and employees comply with relevant laws, regulations, and company rules regarding their business activities and conform to social norms in conducting the activities.

- The Chief Risk Management Officer (CRO) appointed by the Board of Directors supervises overall compliance of the Company and its subsidiaries.

- We establish a whistle-blowing system to receive reports of actual or a threat of violation of laws or regulations once identified.

- We shall not have any involvement with anti-social forces. If the Company or any of its subsidiaries receives an inappropriate request, we will work closely with specialized external institutions and respond to it resolutely.

- The head of an internal audit department draws up and submits an audit plan to the Board of Directors after approval by the Management Meeting, and also reports the progress of the audit activities to the Management Meeting and the Board of Directors regularly.

- An internal audit department audits the risk management, internal governance, and the processes taken by the Company and its subsidiaries, and evaluates their effectiveness.

(2) Systems for storing and managing information related to the execution of duties by Directors

- The Company stores and manages documents and other information related to the execution of duties by Directors in accordance with the rules for information management and other relevant internal rules.

- The Director in charge of a corporate planning department is appointed as the Chief Information Officer (CIO), who supervises information management and overall protection of personal information, specified personal information, and other information.

(3) Rules and other systems related to managing the risk of losses to the Company and its subsidiaries

- We formulate rules for risk management for the Company and its subsidiaries. Under these rules, we strive to prevent the materialization of risks that could impede the achievement of business objectives and minimize the impact when such a risk does materialize.

- The CRO appointed by the Board of Directors supervises the overall risk management of the Company and its subsidiaries.

- An internal audit department audits the status of risk management by the subsidiaries.

- We establish guidelines for the Group’s risk management. In a crisis or emergency, we will address that situation to prevent the spread of damage and impacts and seek to resume our business activities as soon as practicable or continue business operations under the CRO’s direction.

- In the guidelines for the Group’s business continuity, we outline the key points for formulating a Business Continuity Plan (BCP).

- We formulate rules for responsible care within the Company and its subsidiaries, ensuring and improving environmental conservation, security, disaster prevention, occupational safety and health, chemical and product safety, and logistic safety in all business activities.

- (4) Systems for ensuring the efficient execution of duties by directors of the Company and its subsidiaries
- The Company introduces a system of executive officers to clarify management decision-making and oversight functions, as well as execution functions, thereby strengthening both functions and enhancing its capability to develop and implement management strategies.
 - Important management-related matters are decided by the Board of Directors and the Management Meeting under the “Board of Directors Rules,” the “Management Meeting Rules,” and other internal rules.
 - Executive Officers execute their duties based on decisions of the Board of Directors and the Management Meeting.
 - The Board of Directors oversees the execution of duties by Directors and Executive Officers, including the state of progress of matters or activities determined by its resolution. By appointing Outside Directors, the Company strengthens the oversight function of the Board of Directors.
 - Rules for the management of the Company’s affiliated companies stipulate general principles for managing its subsidiaries to enhance soundness in management as a corporate group.
 - An internal audit department audits the effectiveness of the subsidiaries’ execution of operations.
- (5) Systems for ensuring the appropriate operations of the corporate group comprising the Company and its subsidiaries
- Under the rules for the management of the Company’s affiliate companies and other related internal rules, each subsidiary reports to the Company on its execution of business. Respecting the management independence of its subsidiaries, the Company provides advice and instructions as necessary to contribute to their sound performance of business activities.
 - The Company’s Directors, Executive Officers, Associate Executive Officers, or employees may serve concurrently as directors or corporate auditors of its subsidiaries to oversee and audit them.
 - The Company requires its subsidiaries to comply with the Company’s internal control system, and an internal audit department performs audits.
- (6) Items related to the employees and items related to the independence of the employees from Directors in the event that Audit and Supervisory Board Members request that employees be provided to assist them in their duties
- At the request of the Audit and Supervisory Board Member, the Company assigns an employee who assists with their duties. When assisting the Audit and Supervisory Board Members in their duties, that employee shall not receive instructions or directions from Directors or superiors. Also, to ensure their independence from Directors and superiors, determining the appointment or reassignment of an employee as an assistant to Audit and Supervisory Board Members requires prior approval from the Audit and Supervisory Board.
- (7) Systems for reporting to Audit and Supervisory Board Members by directors and employees of the Company and its subsidiaries, and other systems for reporting to the Audit and Supervisory Board Members
- The Audit and Supervisory Board Members may attend meetings of the Board of Directors, any expert committees, and other important meetings.
 - Directors, Executive Officers, Associate Executive Officers, and employees of the Company and its subsidiaries report to the Audit and Supervisory Board Members on material matters from the outcomes of business execution based on decisions made by the Board of Directors, the Management Meeting, and other meetings. If they find a fact that violates important laws or regulations or is likely to cause substantial harm to the Company, they shall promptly report matters regarding that fact to the Audit and Supervisory Board Members.
 - The Company and its subsidiaries set up and maintain a structure necessary to prevent any person who made a report above from suffering any disadvantageous treatment for the reason of making the report.
- (8) Other systems for ensuring effective audits by Audit and Supervisory Board Members
- To ensure the effectiveness of their audits, the Audit and Supervisory Board Members regularly exchange opinions with the Accounting Auditor, Directors, the internal audit department, the audit and supervisory board members of the Company’s subsidiaries, and other parties concerned.

- When the Audit and Supervisory Board Members request the Company to make any advance or reimbursement payment or to deal with expenses or liabilities required to perform their duties, the Company shall be responsible for such payment and expenses.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

In the “Course of Action,” the Company outlines its compliance with laws and regulations, as well as respect for social norms. Also, in the “Compliance Manual” compiled to maintain, enhance, and promote compliance (the content of which has already been communicated to the directors and employees of the Company and its subsidiaries), we declare our firm stance against anti-social forces and our determination not to have any contact with them.

To eliminate any involvement with anti-social forces in day-to-day business operations, the Company has a general affairs department responsible for addressing them in cooperation with specialized external institutions. The department plays a central role in the Company’s efforts to gather and manage related information to establish and improve the structure on this issue.

V. Other

1. Adoption of Anti-Takeover Measures

| | |
|------------------------------------|-------------|
| Adoption of Anti-Takeover Measures | Not Adopted |
|------------------------------------|-------------|

Supplementary Explanation for Applicable Items

The Company has not adopted anti-takeover measures. In the event of an attempt to make a large-scale purchase of the Company's shares, we will strive to secure the necessary information and time for shareholders to consider, while disclosing the opinions of the Company's Board of Directors and taking appropriate measures under related laws and regulations. From now on, the Company will make efforts to secure and increase its corporate value and the common benefit of shareholders.

2. Other Matters Concerning the Corporate Governance System

The Company's "Course of Action" declares it will prioritize dialogue with shareholders and disclose corporate information appropriately. The responsible person for handling information, the Head of the Corporate Planning Department, takes charge of the timely disclosure of material facts and other corporate information specified by the Tokyo Stock Exchange and handles the information requiring a timely disclosure as below, under its internal rules (such as the Insider Trading Management Rules).

- Corporate decisions and account settlement information

Corporate decisions ("*kettei-jijitsu*") and account settlement information are approved by the Board of Directors or the Management Meeting. The Corporate Planning Department serves as the secretariat for both bodies; thus, its Head is in a position to grasp such information accurately at an early stage. After approval of corporate decisions and account settlement information, the Head of the Corporate Planning Department will disclose the corporation's information without delay.

- Matters that occurred and information on the subsidiaries

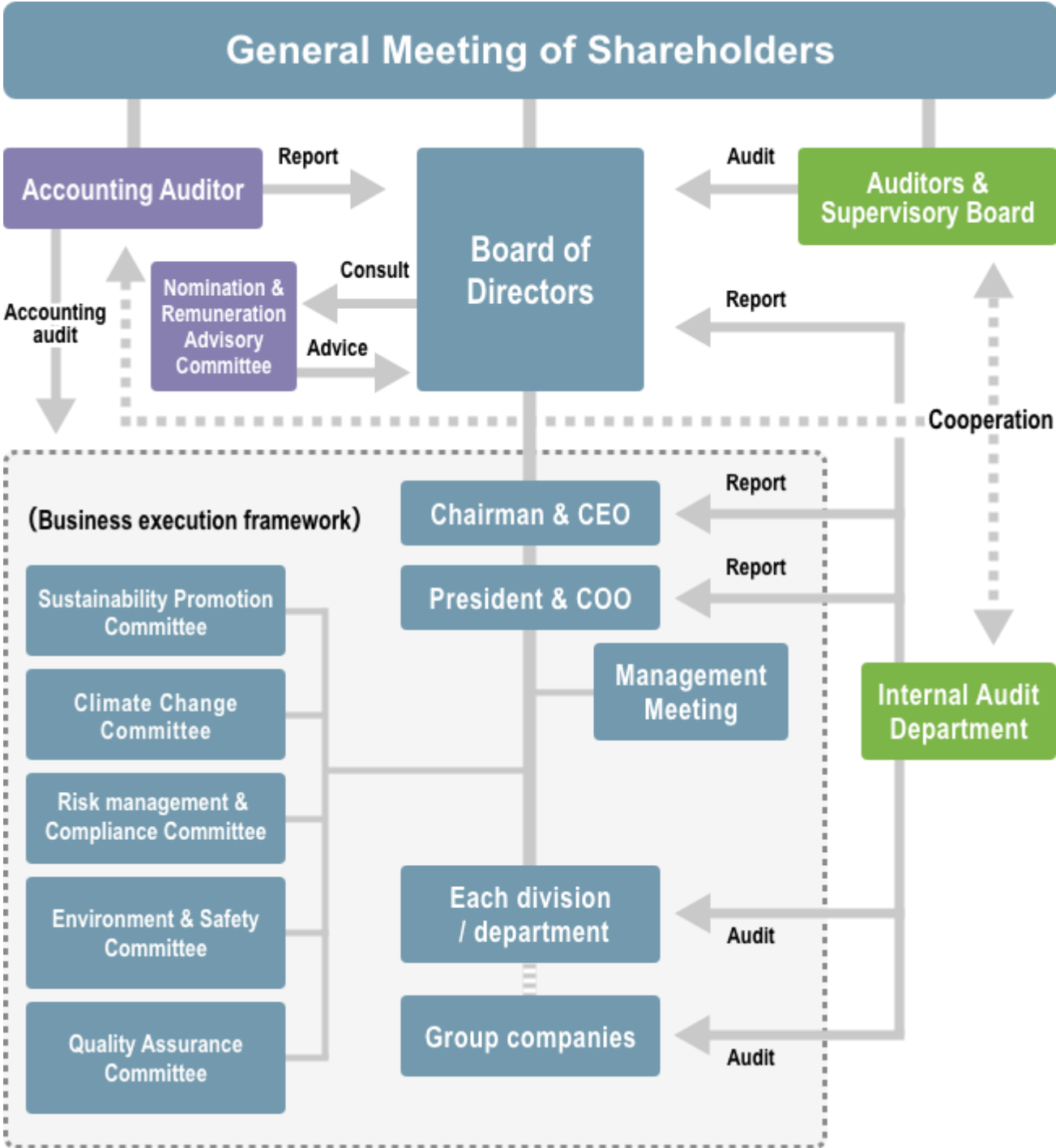
Matters that occurred ("*hassei-jijitsu*") related to the Company, corporate decisions, matters that occurred, and account settlement information related to the subsidiaries are reported promptly to the Head of the Corporate Planning Department from the heads of the Company's relevant divisions/departments and subsidiaries.

If the Head of the Corporate Planning Department determines that the gathered corporate information is required to be disclosed under the Tokyo Stock Exchange's timely disclosure regulations and other guidelines, the Head will disclose it without delay while reporting the same to the President & COO and related officers.

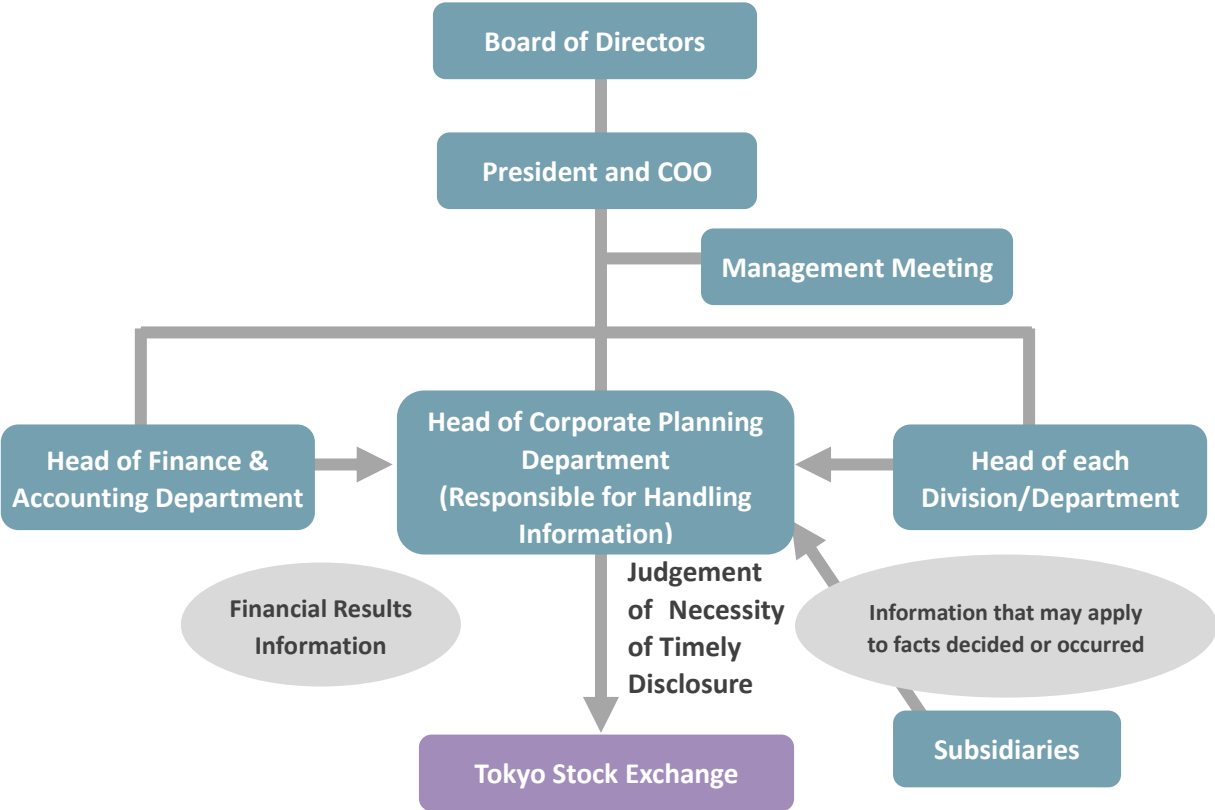
The Company's disclosure policy is posted on the Company website

(https://www.nissanchem.co.jp/eng/ir_info/disclosure.html).

Relationship between the Company’s corporate organizations and internal control, etc.



The Company's systems related to the timely disclosure of corporate information



Skills Matrix for the Company's Board of Directors

| 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

(Update)

- Rough chart showing the composition and proportion of remuneration for the Directors. (in the case where the achievement degree of performance metrics is 100 percent.)



Performance metrics and their ratio in evaluation

- (1) Profitability indicators (current net profit attributable to shareholders of the parent company, EBITDA): 90%
- (2) ESG indices (a third-party assessment, reduction in greenhouse gas emissions): 10%

Performance metrics and their ratio in evaluation

- (1) ROE (actual results for the current fiscal year): 50%
- (2) Relative comparison of the Company's 3-year TSR and the 3-year increase/decrease rate of JPX-Nikkei 400 Total Return Index: 25%
- (3) The Company's 3-year TSR ranking among the top 10 market capitalization companies (including the Company) with similar business to the Company in the chemical sector: 25%