

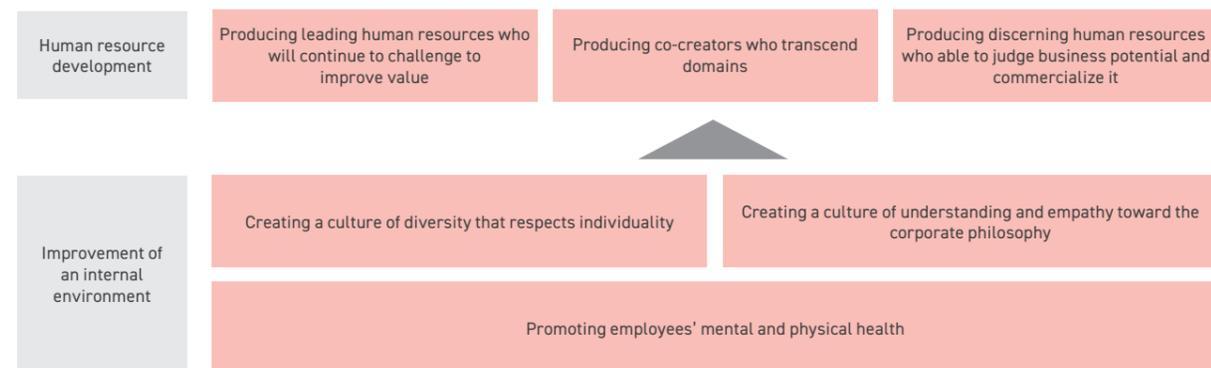
Based on our corporate philosophy of “contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society”, we believe that enhancing human capital is one of the most important issues for our growth as a “future-creating company” to develop together with society. To strengthen our business foundation, we are promoting initiatives aimed at developing human resources and creating comfortable workplaces.

Promoting Human Capital Management

Under the long-term business plan “Atelier2050”, we have set out the ideal state of our organization for 2050 as “a group of co-creators that face challenges for change with a strong passion”. We have also defined a basic stance for our employees around the three ideas of, “valuing the integrity as the strength”, “taking a step forward with the vision”, and “transcending collaboration to co-creation”. As such, various initiatives are being taken to develop human resources and improve the workplace

environment in order to realize an organization in which diverse human resources can take on challenges toward their own goals and they aspire toward personal growth, while upholding Nissan Chemical’s strength and identity of “integrity”. We have set targets for each initiative to human capital management for FY2024, the final year of the mid-term business plan “Vista2027 Stage I”, as a key milestone, and promote initiatives.

Key factors for realizing the organization’s vision



©Related Information: “Ideal State in FY2050” P45

Key factor 1: Producing leading human resources who will continue to challenge to improve value

For Nissan Chemical to continue to grow in the future, our challenge is to produce human resources who can drive the business forward by thinking independently and challenging themselves, based on “vision (self-motivation)”, to make improvements and proposals that will lead to improve value. Therefore, we

have set the “positive response rate in survey of employee attitude on willingness to take on challenges” as an indicator of this factor. We aim to improve this figure through initiatives such as hypothesis verification-based training, the Ai Campaign, and the 10% Challenge starting in FY2023.

Indicator	Result (FY2022)	Target (FY2024)
Positive response rate in survey of employee attitude on willingness to take on challenges	67.0%	70.0%

● Hypothesis Verification-based Training (updated from FY2020)

In the training before promotion to C3 class (equivalent to subsection manager), participants formulate a vision for the future and initial hypotheses (questions and answers) and then spend several months examining and revising the vision and hypothesis to refine the action plan for the purpose of “acquiring future-creating leadership skills”.

In training before promotion to managerial position (equiva-

lent to section manager), with the aim of “acquiring leadership that unleashes the future creativity of people and organizations”, participants train their ability to interpret information by accessing the knowledge of the world, and collect and analyze valuable information, while demonstrating leadership and promoting transformation. Based on this, they conceive ideas for new businesses, products and services, and go through the process of hypothesis verification that leads to the commercialization of products and services for the Company.

● 10% Challenge (starting FY2023)

In FY2023, we newly introduced a system that allows employees to devote 10% of their annual working hours to challenges in areas outside of their normal work or in areas not specified in department policies, based on self-motivation. With this 10% Challenge, we hope to foster a culture of enjoying the challenge, regardless of success or failure, and to broaden employees’ own possibilities through the experience of taking on new challenges.

● Ai Campaign

This activity unique to Nissan Chemical attempts to make improvement proposal from small group activities at each plant. It started in 1978 with almost all operators from each plant taking part every year. We aim to improve our stance to continue to make improvements that lead to improve value from on-site perspective, and to improve our ability to make proposals without being bound by precedent.

Key factor 2: Producing co-creators who transcend domains

To continuously produce new products, services, and seeds of technology that contribute to solving social issues, our challenge is to produce human resources who can “co-create” new value by collaborating across borders rather than closing in solely on their own areas (technologies or departments). Therefore, we have set the “number of co-creation themes” in our hypothesis verification-based training, the 10% Challenge, and the Ai Campaign, as an indicator, and making efforts to increase this

number. In addition, we aim to create a state that outside parties can be involved and co-created in order to newly acquire, improve the value of, and develop, our own technologies. We will promote cross-border collaboration, not fixed solely to one area, such as joint research and joint patent applications with other companies, as well as the loan, transfer, and dispatch of human resources outside the Company.

Indicator	Result (FY2022)	Target (FY2024)
Number of co-creation themes	134 cases*	160 cases

* The number of initiatives for the 10% Challenge introduced from FY2023 is not included in FY2022 results.

Key factor 3: Producing discerning human resources who able to judge business potential and commercialize it

To develop new products and services that will be the source of growth for the next generation, our challenge is to produce discerning human resources who can identify the product needs that is irreplaceable “Must-Have” while taking into account market needs, and judge the growth potential of the value chain. To produce such discerning human resources, we are implementing an intrapreneurship program aimed at developing the abilities of entrepreneurs and fostering in-house entrepreneurs.

And by actively rotating staff across job categories, such as research, manufacturing, and sales, we will provide opportunities for researchers and engineers to directly discuss with customers as much as possible, and foster the ability to identify business opportunities not only from a perspective of technological point, but also from the perspective of the customer, market, and social issues.

● Intrapreneurship Program (started in FY2019)

We have started an intrapreneur (in-house entrepreneur) training program in FY2019 with the goal of developing the abilities of entrepreneurs and fostering them. With the support and coaching of active entrepreneurs, participants practice behavioral skills through actual project in mixed teams selected from multiple departments. By repeatedly gathering information from potential customers in Japan and overseas and verifying hypothesis in a short cycle, they will promote the brushing up of promising themes and learn how to act as innovators.



Key factor 4: Creating a culture of diversity that respects individuality

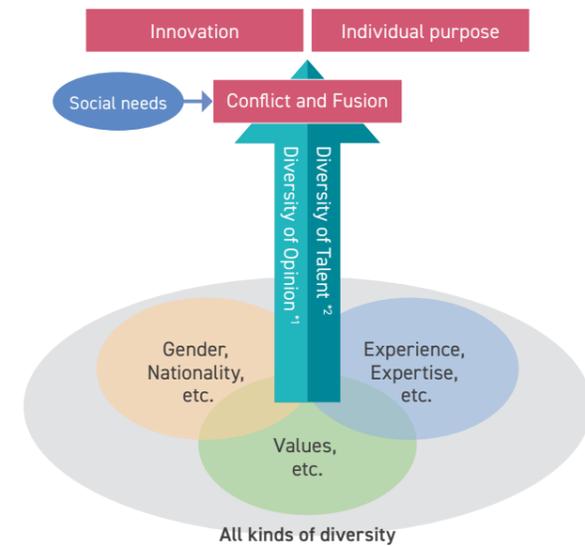
To develop human resources who will continue to challenge to improve value, our challenge is to create a corporate culture that respects and accepts diversity of all people who work together, and at the same time, allows the exchange of ideas (different opinions) held by such diverse individuals. Therefore, we have set the “positive response rate in survey of employee atti-

tude on diversity and career planning” as an indicator to assess this factor. We aim to improve this figure by setting opportunities for direct dialogue between employees and the officer in charge of human resources, career dialogue to develop individual career plans, and introducing various systems to promote work styles that match the lifestyles of each employee.

Indicator	Result (FY2022)	Target (FY2024)
Positive response rate in survey of employee attitude on diversity and career planning	65.5%	70.0%

● Promotion of Diversity

Nissan Chemical has a diverse workforce, regardless of age, gender, or nationality, working in a wide range of fields. In the future, we will further promote diversity in order to enhance corporate value by taking advantage of diversity in terms of values, abilities, and experience, which cannot be expressed in terms of attributes.



*1 Diversity of Opinion (fusion of diverse opinions): A state in which diverse opinions are expressed and fused in a free and open atmosphere
 *2 Diversity of Talent (demonstration of diverse talents): A state in which individual strengths are recognized and demonstrated, and high performance is achieved by the organization as a whole

● Career Dialogue (starting in FY2023)

In FY2023, we began holding dialogues between employees and their superiors once a year to develop their career plans, separately from the performance evaluation interviews, in order to make the most of each person’s individuality and foster job satisfaction.

Going forward, content of the dialogues will focus not only on their “work”, but also on the “people” themselves, so that employees can see their careers not only in terms of “career = work experience at a company, and transfer” but also as “career = life experience based on one’s own values and way of being”.

● Introduction of Systems for Promoting a Good Work-Life Balance

We are working to improve the rate of employees taking annual leave (target rate of at least 80% of available annual paid leave) by introducing a flextime system, an hourly annual leave system, and a system that allows expired paid leave to be used for nursing/caregiving. Since FY2022, the telecommuting system has been made a permanent system. Also, in 2023, we were granted the Next Generation Accreditation Mark (Kurumin) by the Ministry of Health, Labour, and Welfare for our efforts as a company to support childcare. This is the second time we have received such accreditation following 2018.



Key factor 5: Creating a culture of understanding and empathy toward the corporate philosophy

For Nissan Chemical to contribute to solving social issues and grow together with society, our challenge is for each and every employee to align the corporate philosophy with their own individual purpose to increase their sense of understanding toward the corporate philosophy, which is the basis of our business activities. Therefore, in order to foster a corporate culture in which each employee can work with the feeling that they are contributing to the realization of our corporate philosophy and vision, we

are promoting efforts such as holding sustainability and IR in-house briefings and having the president visit each site every year to provide opportunities to speak with employees and engage in direct dialogue. Through these efforts, we aim to improve the “positive response rate in survey of employee attitude on the degree of understanding and empathy toward our corporate philosophy.”

Indicator	Result (FY2022)	Target (FY2024)
Positive response rate in survey of employee attitude on the degree of understanding and empathy toward our corporate philosophy	64.4%	70.0%

Key factor 6: Promoting employees' mental and physical health

We are implementing various measures based on the belief that employees’ health is a “foundation that supports sound corporate growth” with the goal of maintaining and improving the physical and mental health of employees. Specifically, we are promoting regular health checkups, conducting stress checks, and holding seminars on improving the ability to manage health for all employees, with the aim of reducing the ratio of employees with high stress and increasing the ratio of employees with optimal weight (body mass index (BMI) of between 18.5 and 25.0).

And through our responsible care management system, we are working to prevent occupational accidents, promote the good health of staff, and create a comfortable workplace environment in our efforts to improve the level of health and safety at each business site.

As a result of these and other efforts, we aim to reduce productivity loss by presenteeism and continue to acquire comprehensive and objective certifications related to health management, such as the White 500.

Indicator	Result (FY2022)	Target (FY2024)
Ratio of employees with high stress	8.1%	7.0% or less

● Mental Health Care

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

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

● Certified Health and Productivity Management Organization (White 500)

In cooperation with the Health Insurance Association, we are implementing measures to promote the health of our employees, focusing on lifestyle-related diseases and mental health care, etc. which are key items in our Basic Health Policy. As a result of these efforts, we have been certified by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as a “White 500 Health and Productivity Management Outstanding Organization” for seven consecutive years.



Web
 Promotion of Diversity
https://www.nissanchem.co.jp/eng/csr_info/communication/employee/respect.html
 Creation of a Comfortable Workplace
https://www.nissanchem.co.jp/eng/csr_info/communication/employee/dialogue.html

Maintenance and Improvement of Employees' Health
Web https://www.nissanchem.co.jp/eng/csr_info/communication/employee/workplace.html