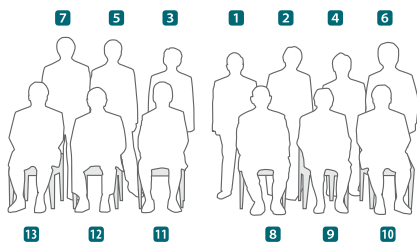


Corporate Governance



We think of corporate governance as a mechanism that ensures sound, efficient management to provide stakeholders with sustainable, mid- to long-term profits. Based on this policy, we strive to ensure management decisions are made promptly, and work to clarify the management responsibility and responsibility for executing operations. At the same time, we take initiatives for strengthening the management's monitoring function, compliance, risk management, and internal control system under our Board of Directors and Audit & Supervisory Board, whose members include highly independent outside officers.



1 KINOSHITA Kojiro (Representative Director, President & CEO)

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

2 MIYAZAKI Junichi (Director, Senior Executive Vice President)

1974 Joined the Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.)
2000 General Manager of International Department of The Industrial Bank of Japan, Limited (current Mizuho Bank, Ltd.)
2003 Corporate Auditor of Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)
2005 Managing Executive Officer of Kowa Real Estate Co., Ltd. (current Nippon Steel Kowa Real Estate Co., Ltd.) Managing Director of Kowa Real Estate Co., Ltd. (current Nippon Steel Kowa Real Estate Co., Ltd.)
2006 Joined the Company, Advisor
2007 Director, Head of Corporate Administration Department
2008 Managing Director
2011 Senior Managing Director
2013 Director, Senior Executive Vice President (to the present)

3 YAGI Shinsuke (Director, Senior Managing Executive Officer) New

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

4 MIYAJI Katsuaki (Director, Managing Executive Officer)

1985 Joined the Company
2010 Director, Head of Chemical Research Laboratories
2011 Director, Head of Advanced Materials & Planning Department
2014 Executive Officer, Head of Electronic Materials Research Laboratories
Executive Officer, Head of Materials Research Laboratories
2016 Managing Executive Officer, Head of Corporate Planning Department
Director, Managing Executive Officer, Head of Corporate Planning Department (to the present)

5 HONDA Takashi (Director, Managing Executive Officer)

1981 Joined the Company
2012 General Manager of Planning & Development Department, Agricultural Chemicals Division
2014 Executive Officer, Deputy Head of Agricultural Chemicals Division, General Manager of Planning & Development Department
2017 Managing Executive Officer, Head of Agricultural Chemicals Division
Director, Managing Executive Officer, Head of Agricultural Chemicals Division (to the present)

6 SUZUKI Hitoshi (Director, Managing Executive Officer)

1985 Joined the Company
2007 General Manager of Semiconductor Materials Department, Electronic Materials Division
2010 General Manager of Semiconductor Materials Research Department, Electronic Materials Research Laboratories
2012 General Manager of Semiconductor Materials Department, Performance Materials Division
2013 Deputy Head of Performance Materials Division Director, Deputy Head of Performance Materials Division
2014 Executive Officer, Deputy Head of Performance Materials Division
2016 Executive Officer, Head of Materials Research Laboratories
2018 Managing Executive Officer, Head of Performance Materials Division
Director, Managing Executive Officer, Head of Performance Materials Division
2020 Director, Managing Executive Officer, Head of Planning and Development Division (to the present)



7 ONITSUKA Hiroshi (Audit & Supervisory Board Member)

- 1981 Joined the Company
- 2001 General Manager of Toxicology & Environmental Science Department, Biological Research Laboratories
- 2007 General Manager of Analysis Research Department, Chemical Research Laboratories
- 2011 Head of Biological Research Laboratories
- 2013 Director, Head of Biological Research Laboratories
- 2014 Director, Executive Officer, Head of Research Planning Department Executive Officer, Head of Research Planning Department
- 2016 Executive Officer, Head of Chemical Research Laboratories
- 2019 Audit & Supervisory Board Member (to the present)

8 OHE Tadashi (Outside Director) Outside

- 1969 Qualified for attorney-at-law
- 1989 Instructor for the Legal Training and Research Institute of Japan (court representation in civil proceedings)
- 1994 Outside Corporate Auditor of Canon Inc.
- 2004 Outside Corporate Auditor of Marui Group Co., Ltd.
- 2006 Outside Corporate Auditor of Kao Corporation
- 2011 Outside Director, JECO Co., Ltd. (to the present)
- 2015 Outside Director of the Company (to the present)

9 OBAYASHI Hidehito (Outside Director) Outside

- 1969 Joined Hitachi, Ltd.
- 2001 Director of Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)
- 2003 Vice President and Executive Officer of Hitachi High-Technologies Corporation
- 2006 Representative Executive Officer, Senior Vice President and Executive Officer of Hitachi High-Technologies Corporation
- 2007 Director, Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation
- 2011 Chairman of the Board of Hitachi High-Technologies Corporation
- 2013 Consultant of Hitachi High-Technologies Corporation
- 2015 Honorary Consultant of Hitachi High-Technologies Corporation (to the present)
- 2019 Outside Director of the Company (to the present)

10 KATAOKA Kazunori (Outside Director) New Outside

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

11 SUZUKI Norihiro (Outside Audit & Supervisory Board Member) Outside

- 1983 Joined the Norinchukin Bank
- 2003 General Manager of Naha Branch
- 2008 General Manager of Cooperative Finance & Administration (Kanto Area) Div.
- 2010 Seconded to Eiraku Co., Ltd. as President (current Norinchukin Facilities Co., Ltd.)
- 2012 Managing Director of The Norinchukin Bank
- 2014 Director of Nochu Business Support Co., Ltd., and Director of Nochu Information System Co., Ltd.
- 2016 Outside Audit & Supervisory Board Member of the Company (to the present)

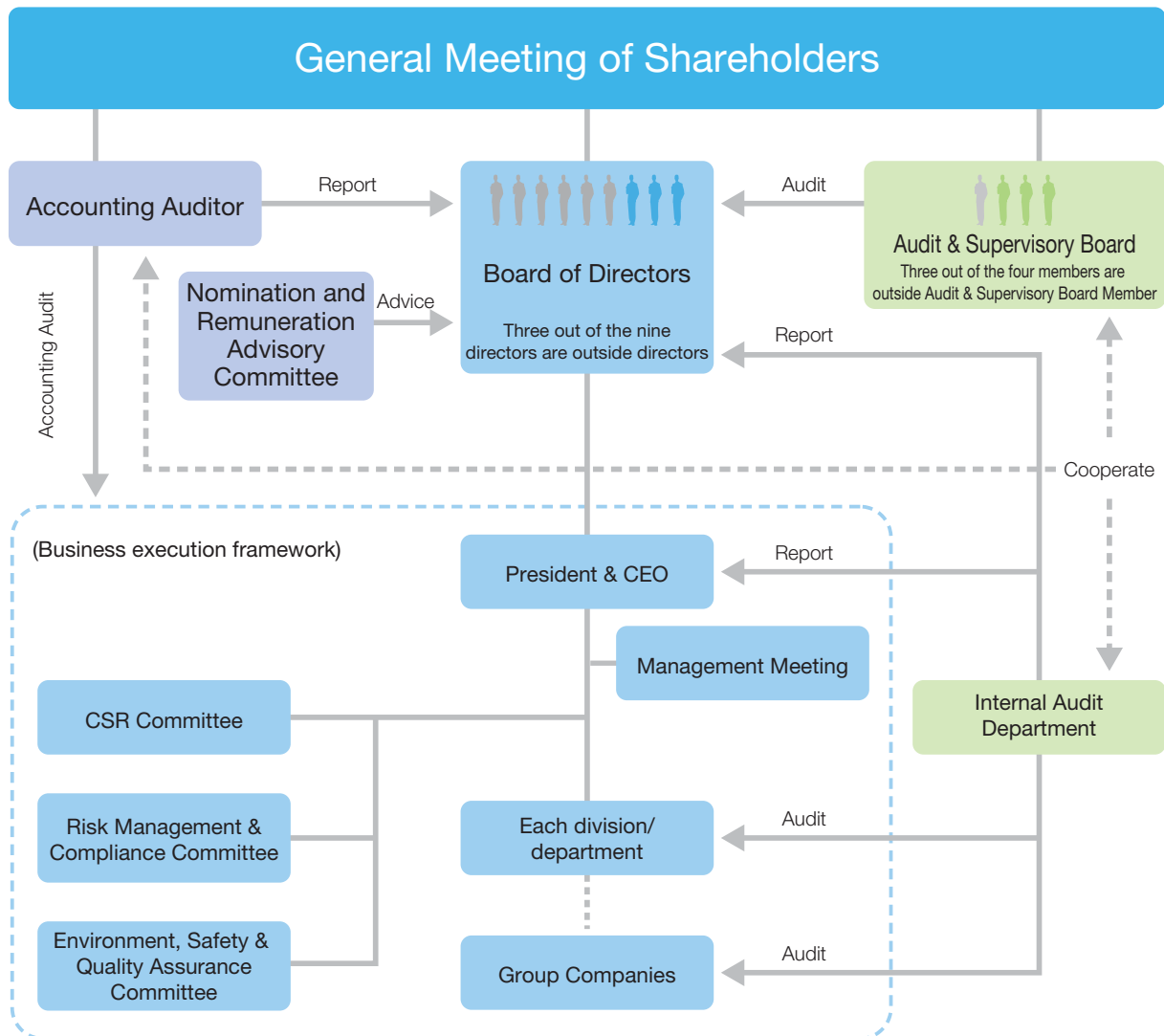
12 TAKEMOTO Shuichi (Outside Audit & Supervisory Board Member) Outside

- 1982 Joined the Fuji Bank, Limited (current Mizuho Bank, Ltd.)
- 2002 Deputy General Manager, IT & Systems Control Department of Mizuho Bank, Ltd.
- 2004 General Manager, Human Resources Division of Mizuho Information & Research Institute, Inc.
- 2008 General Manager, Fukuoka Branch of Mizuho Bank, Ltd.
- 2009 General Manager, IT & Systems Planning Department of Mizuho Trust & Banking Co., Ltd.
- 2010 Executive Officer, IT & Systems Planning Department of Mizuho Trust & Banking Co., Ltd.
- 2011 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.
- 2013 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd., and Managing Executive Officer of Mizuho Financial Group, Inc.
- 2014 Deputy President of Mizuho Private Wealth Management Co., Ltd.
- 2017 Advisor of Mizuho Trust & Banking Co., Ltd. Outside Audit & Supervisory Board Member of the Company (to the present)

13 KATAYAMA Noriyuki (Outside Audit & Supervisory Board Member) Outside

- 1990 Qualified for attorney-at-law, Joined Nagashima & Ohno (current Nagashima Ohno & Tsunematsu)
- 1996 Qualified for attorney-at-law in New York State, USA Joined Tokyo City Law & Tax Partners
- 2003 Joined City-Yuwa Partners (to the present)
- 2004 Statutory Auditor of Deutsche Asset Management (Japan) Limited (to the present)
- 2005 Statutory Auditor (part-time) of Deutsche Securities Junbi K.K. (current Deutsche Securities Inc.)
- 2006 Outside Director of Accordia Golf co., Ltd.
- 2009 Visiting Professor of Toyo University Law School
- 2013 Supervisory Director of SIA REIT, Inc. (current One REIT, Inc.)
- 2014 Examiner for the preliminary bar examination Outside Audit & Supervisory Board Member of the Company (to the present)
- 2017 Supervisory Director of HEIWA REAL ESTATE REIT, Inc. (to the present)
- 2018 Outside Director of Nippon Denka, Ltd. (to the present)
- 2019 Outside Corporate Auditor of Livesense Inc. (to the present)

Corporate Governance System



Execution and Supervision of Operations

By introducing a system with executive officers, we clarify the management's function of prompt decision-making and supervision and the function of executing operations, thereby strengthening both. We also strive to improve management's capabilities to develop and execute our management strategies. In addition, we have set a one-year term for each director and executive officer, thereby clarifying the management responsibility and the responsibility for executing operations.

Board of Directors

Our Board of Directors members meet monthly in principle, to resolve important management matters. It

also supervises the execution of operations by directors and executive officers. We ensure that important management matters are determined through careful deliberations at the Board of Directors meetings or management meetings in our efforts to eliminate or reduce business risks. In addition, the details of decisions made at the management meetings and the results of business executions based on decisions made at the Board of Directors meetings, etc. are reported to the Board of Directors to enhance the supervising function of the Board of Directors meeting. We further strive to ensure and improve effectiveness in execution of roles and responsibilities of the Board of Directors by conducting the effectiveness evaluation on the overall Board of Directors every year.

Audit & Supervisory Board

We have established the Audit & Supervisory Board. In accordance with auditing plans formulated by the Audit & Supervisory Board with a majority that consists of independent outside members, the Audit & Supervisory Board members audit the execution of directors' operation by participating in the Board of Directors meetings and other important meetings, and by regularly visiting each division/department of the Head Office and plant/laboratory to exchange opinions.

Nomination and Remuneration Advisory Committee

We established under the Board of Directors a Nomination and Remuneration Advisory Committee mostly consisting of independent outside directors for the purpose of strengthening the Board of Directors' independence, objectivity, and accountability in relation to matters such as the nomination and remuneration of directors and further strengthening corporate governance. The Nomination and Remuneration Advisory Committee was held in April, June, November, and December of 2019 and in January of 2020 (total of five times in FY2019). It deliberated matters, such as appointment of candidates as directors and Audit & Supervisory Board members and management executives, succession plans for management executives, and remuneration for directors in response to consultation from the Board of Directors, and reported the content of their deliberations to the Board of Directors.

Governance Structure*

Indicator	Scope of reporting	Unit	FY2016	FY2017	FY2018	FY2019
Directors	Inside directors	People	7	7	6	6
	Outside directors (Independent)	People	2 (2)	2 (2)	2 (2)	3 (3)
	Total	People	9	9	8	9
Ratio of independent outside directors (Actual)		%	22	22	25	33
Ratio of independent outside directors (Target)		%	—	—	33	33
Ratio of female directors		%	0	0	0	0
Number of Executive Directors		People	7	7	6	6
Average terms of positions held		Years	6.2	5.1	6.5	6.7
Board of Directors meetings		Times	12	12	12	12
Attendance of directors at Board of Directors meetings		%	100	99.1	100	99.0
Attendance of Audit & Supervisory Board members at Board of Directors meetings		%	100	100	97.9	100

* Data is as of after the General Meeting of Shareholders held in June of each year.

Accounting Audit

We have appointed the Yaesu Audit Company as our accounting auditor. They audit at the end of each fiscal year, and during the fiscal year as necessary.

Internal Audit

We have the Internal Audit Department, which conducts fair and independent internal audits of our Group. The results of internal audits are reported to the Representative Director, President & CEO, managing executive officers, and the Board of Directors. In addition, the department shares information with the accounting auditors and Audit & Supervisory Board, and collaborates with them by mainly exchanging opinions.

Support for Outside Directors and Outside Audit & Supervisory Board Members

The Corporate Planning Department supports outside directors by providing them with explanations of the contents of the agenda and other matters to be discussed at the Board of Directors meetings in advance and also provides management information necessary for growth strategies, enhancement of governance, etc. For outside Audit & Supervisory Board members, we have appointed audit assistants from our employees to respond to the requests from them. To enable Audit & Supervisory Board to fulfill their duties efficiently and smoothly, the audit assistants serve as coordinators for holding hearings pertaining to divisions, etc., Audit & Supervisory Board meetings and other meetings, help conduct audits, and collect information.

Policy and Procedures in the Nomination of Officer Candidates

Decisions regarding the nomination of candidates for directors and Audit & Supervisory Board members are made at the Board of Directors meetings attended by outside directors and proposed at the General Meeting of Shareholders.

In addition, nominations of Audit & Supervisory Board members candidates are approved by the Audit & Supervisory Board in advance.

Nominate Policy

	Policy	Number stipulated in the Articles of Incorporation	Current number	Number of outside officers included in the figure on the left
Directors	We operate business activities globally in diverse fields, including chemicals, performance materials, agricultural chemicals, and pharmaceuticals. In nominating candidates for our directors, we consider the balance between knowledge, experience, capabilities, and other elements of the overall board of directors and its diversity to ensure that our directors can make decisions regarding the business activities in diverse fields, including chemicals, performance materials, agricultural chemicals, and pharmaceuticals, and supervise the execution of operations in an appropriate and flexible manner. The candidates to be nominated shall also be physically and mentally healthy, have excellent personalities and aspirations, and have a high level of insight and ethics. <Inside Directors> Human resources who have expertise, knowledge and other capacities in each business field such as corporate planning, personnel, finance & accounting, research and development, production technology, environment, safety & quality assurance and others. <Outside Directors> Human resources who are capable of giving opinions proactively, raising questions and giving advice on growth strategies, the enhancement of governance and other issues from the viewpoints of various stakeholders and society.	12	9	3 (3)
Audit & Supervisory Board Members	Human resources with experience and knowledge in a wide range of fields including finance, accounting, and law who are capable of giving opinions and advice to the management from a fair and neutral standing-point, in addition to auditing the execution of operations.	5	4	3 (2)

*1 The figure in () indicates the number of directors/Audit & Supervisory Board members designated as independent officers.

Appointment of Outside Officer

	Name	Reason for appointment
Outside Directors	OHE Tadashi Appointed in June 2015	We believe that Mr. Ohe has reflected his extensive experience, including his experience of outside director at several companies and expertise as attorney-at-law in our corporate management from an objective and neutral standing-point, and will continue to fulfill the duties appropriately.
	OBAYASHI Hidehito Appointed in June 2019	After having served as Chairman of the Board of Hitachi High-Tech Corporation, Mr. Obayashi serves as Honorary Consultant for the same company. As an executive of a corporate group that develops a variety of businesses globally, we believe that his extensive experience and broad insight can be reflected in our corporate management from an external perspective from an objective and neutral standing-point.
	KATAOKA Kazunori Appointed in June 2020	Mr. Kataoka has been engaged in research involving the application of nanotechnologies in the fields of biomedical engineering and biomaterial engineering for many years and is currently serving as the Director General of Innovation Center of NanoMedicine, Kawasaki Institute of Industrial Promotion. We believe that his expertise as doctor of engineering, abundant experience, and wide-ranging knowledge can be reflected in our corporate management from an external perspective from an objective and neutral standing-point.
Outside Audit & Supervisory Board Members	SUZUKI Norihiro Appointed in June 2016	Mr. Suzuki has a wide range of knowledge, including extensive experience and finance expertise cultivated through many years of business at financial institutions. We believe that he has reflected that knowledge in our corporate audit with objective and neutral standing-point, and will continue to fulfill the duties appropriately.
	TAKEMOTO Shuichi Appointed in June 2017	Mr. Takemoto has a wide range of knowledge, including extensive experience and finance expertise cultivated through many years of business at financial institutions. We believe that he has reflected that knowledge in our corporate audit with objective and neutral standing-point, and will continue to fulfill the duties appropriately.
	KATAYAMA Noriyuki Appointed in June 2014	Mr. Katayama has an extensive experience including the experience of outside director/auditor at several companies and expertise as attorney-at-law. We believe that he has reflected his knowledge in our corporate audit and will continue to fulfill the duties appropriately.

Officers' Remuneration

The fundamental principle in directors' remuneration is to maintain its system that is in line with management policy by ensuring that directors contribute to increasing operating performance on a continual basis over the mid- to long-term and toward increasing the overall value of the Group, thereby meeting shareholder expectations. At the same time, the basic policy (Policies on determining remuneration of Directors) is to set remuneration at an appropriate level, taking into account such factors as the management environment, operating performance and consistency with the treatment of employees.

The remuneration system for directors consists of monetary remuneration and performance-linked stock compensation, of which monetary remuneration is divided into base remuneration and performance remuneration that is determined taking into account the fluctuation of employee bonuses, etc. Outside directors are not eligible for performance-linked stock compensation and their monetary remuneration consists only of base remuneration for perspective of their roles and independence.

Regarding performance-linked stock compensation, we have adopted in FY2019, with the aim of increasing awareness about improving earning over the mid- to long-term and contributing to enhancing corporate value by clarifying the link between the Company's performance and its stock price, and by having directors share with the shareholders not only the benefits of increases in the stock price, but also the risk of decreases in the stock price.

Excluding performance-linked stock compensation, the remunerations of individual directors are determined at the Board of Directors meeting after deliberations of the Nomination and Remuneration Advisory Committee mostly consisting of independent outside directors as well as within the total amount determined by resolution of the General Meeting of Shareholders. The remunerations of individual Audit & Supervisory Board members are determined through discussions among Audit & Supervisory Board members.

Overview of Performance-Linked Stock Compensation Plan

The Company grants its directors points based on its net income attributable to owners of the parent (year-on-year rate of change and average rate of change over the last three years), EBITDA (year-on-year rate of change), ROE (actual results for the current fiscal year), and comparison of rates of year-on-year volatility with respect to the Company's stock price and TOPIX. Each fiscal year, the Company determines whether the points are to be granted or not and the number of points to be granted. Upon their retirement, directors are to be paid performance-linked stock compensation (part in monetary form) equivalent to their accumulated points. (For details on how to calculate performance-linked stock compensation plan amounts, etc., please refer to P42 "Compensation, Etc. for Officers" of the 150th Securities Report.)

Performance Evaluation Coefficient

(Short-term net income coefficient attributable to owners of the parent ×10%) + (Mid-to-long term net income coefficient attributable to owners of the parent ×20%) + (EBITDA coefficient ×30%) +(ROE coefficient ×30%) +(the Company stock price and TOPIX year-on-year volatility comparison coefficient ×10%)

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

Main Activities of the Nomination and Remuneration Advisory Committee (FY2019)

Items related to officers designation	<ul style="list-style-type: none"> • Evaluation of representative director and executive director based on dismissal criteria, business performance, etc. • Deliberation on succession plans (human resources requirements, etc.) for representative director and executive director; deliberation on proposals for the General Meeting of Shareholders regarding the selection and dismissal of directors and Audit & Supervisory Board members
Items related to officers remuneration	<ul style="list-style-type: none"> • Deliberation on remuneration system for directors • Deliberation on remunerations for individual directors • Deliberation on proposals for the General Meeting of Shareholders regarding directors and Audit & Supervisory Board members remuneration

Monetary Remuneration Decided Through Resolution During the General Meeting of Shareholders

Officer	Number of officers	Remuneration
Directors	9	329 million yen
Audit & Supervisory Board members	5	89 million yen
Total	14	419 million yen
(includes outside officers)	6	88 million yen

The above number of officers and remuneration include remuneration for one Audit & Supervisory Board member who retired at the close of the 149th General Meeting of Shareholders held on June 26, 2019.

In addition, the remuneration information above includes the amount of 11 million yen recorded as expenses for the current fiscal year related to stock compensation for six directors, excluding outside directors.

Effectiveness Evaluation of Boards

Nissan Chemical believes that the primary roles and responsibilities of the Company's Board of Directors are defined as: (1) establishing a strategy for achieving sustainable growth and increase in corporate value over the mid- to long-term, and facilitating the execution of the foregoing; (2) establishing an environment that supports risk-taking by the management, including the internal control system and the risk management system; (3) strengthening the swift management decision-making and oversight function and the execution function through clarification of both functions; and (4) further enhancing management transparency, soundness and objectivity through, among other efforts, appointment of outside officers who monitor and oversee the management from external viewpoints, and the Company performs analysis and evaluation (the "Effectiveness Evaluation") every year to see if the Board of Directors has fulfilled these roles and responsibilities. The Company has conducted the Effectiveness Evaluation every year since FY2015, and carried out a third-party evaluation every several years using an external organization that holds no relationships of interest with the Company in order to ensure neutrality and objectivity. The third-party evaluation was carried out recently in FY2017, and the Effectiveness Evaluation in FY2019 was conducted in the form of a self-evaluation by the Company's Board of Directors.

Evaluation Procedure

The evaluation procedure is in the form of a questionnaire answered by all directors and Audit & Supervisory Board members, that grasps the current status and identifies issues from two perspectives, quantitative evaluation and qualitative evaluation, through a combination of five-grade evaluation and free writing. An external organization is contracted to collect the responses and collate the data in order to ensure anonymity, which enhances the self-evaluation.

Based on the results of the questionnaire responses, an opinion-exchange meeting was held in March 2020 (with all independent Officers (3 outside directors and 2 outside Audit & Supervisory Board members (including 1 full-time Audit & Supervisory Board member)), the President & CEO, the Senior Executive Vice Presidents, and the Director and Head of Corporate Planning Department) to discuss issues and responses and conduct analysis and evaluation. The results of the analysis and the evaluation were discussed and confirmed at the Board of Directors meeting held in May 2020.

Issues Identified in the Effectiveness Evaluation for FY2018

- 1) Examining the following while making use of the Nomination and Remuneration Advisory Committee:
 - i) Creating systems to appropriately reflect the Company's business performance in the nomination and remuneration of directors.
 - ii) Taking a leading role in formulating and

implementing succession plans for senior management and appropriately supervising the development of successor candidates, along with providing opportunities for explaining and discussing successor development plans, including for other directors and executive officers.

- 2) Examining the creation of a system that allows each director and Audit & Supervisory Board member sufficient time for discussion by further innovating methods for prior provision and sharing of information to directors and Audit & Supervisory Board members in order to deepen their deliberation on matters for resolution within a limited time.
- 3) Examining the creation of a system for regularly verifying the investment impact of investment projects approved by the Board of Directors and reporting the verification result to the Board of Directors.

Effectiveness Evaluation Result for FY2019

As a result of the Effectiveness Evaluation for FY2019, it was concluded that the Company's Board of Directors was generally operating appropriately overall from the perspective of carrying out its principle roles and responsibilities, and that the effectiveness of the Board of Directors was ensured as improvement measures were taken with regard to issues identified in the Effectiveness Evaluation for FY2018.

Points of Future Improvement

Through the discussion that was conducted this time, the following issues were identified from a perspective of further enhancing the effectiveness of the Board of Directors, and the Company confirmed that measures are to be taken to improve them.

- 1) Enhancing information sharing with the Board of Directors on deliberations at the Nomination and Remuneration Advisory Committee to boost the Board of Directors' oversight function with regard to the remuneration and nomination of directors and succession plans.
- 2) Deepening discussions among all directors in the Board of Directors with regard to diversity of members of the Board of Directors (particularly viewpoint of gender).
- 3) Ensuring the effectiveness of the decision-making process by getting more creative as to quality, volume and understandability of information (regarding matters to be resolved by the Board of Directors) to be shared with directors (particularly outside directors) and Audit & Supervisory Board members.

By enabling deeper discussion in the Board of Directors based on the recent evaluation result and continuing to implement measures to improve the effectiveness of the Board of Directors, the Company will ascertain the status of improvement on a regular basis through the Effectiveness Evaluation and further enhance the effectiveness of the Board of Directors in an effort to achieve sustainable growth and increase in corporate value.

Messages from Outside Officers



OHE Tadashi
Outside Director

Appropriate risk-taking and the role of an outside director

As a lawyer, I have been mainly involved in the management of corporate legals and have been asked for advice on corporate governance and company management. In addition to further expanding the four existing businesses of the Chemicals, Performance Materials, Agricultural Chemicals, and Pharmaceuticals, Nissan Chemical is facing the challenge to enter new business areas. In order for any business to be successful, risk-taking cannot be avoided. As an outside director who is required to take the position of a third party, I pay attention to "whether information about the matter is given to the Board of Directors regardless of advantages or disadvantages when making management decisions," and pay sufficient attention to the risks involved in the matter. After that, I try to make a judgment. I provide support for appropriate risk-taking. Nissan Chemical is a well-developed research, sales and management company. I expect many results from the company in the future. Furthermore, I would like to contribute to the realization of those future results from the perspective of protecting the interests of our stakeholders.



OBAYASHI Hidehito
Outside Director

Advancement in our management of technology system and rapid realization of future creation

Nissan Chemical regards corporate governance as "a mechanism that ensures sound, efficient management," implements various related measures, and expects outside directors to play a certain role in achieving this goal. When I was appointed as a director last year, my first impressions were: 1. The company possesses technological strength and the vitality of young employees is wonderful., 2. The company analyzes the movements of society, markets, customers, etc. well and carries out relevant detailed management. Although these are great competitive advantages, I also feel that they are not fully utilized in the field of management.

Based on the slogan of "Where it all begins", I hope that the company-wide system that connects technological results to business will be further enhanced. There is also room for improvement in terms of speed, from decision making to execution and obtaining results. I hope that Nissan Chemical will change from a "reactive" company that only keeps up with changes in society to a "proactive" company that leads changes.



KATAYAMA Noriyuki
Outside Audit & Supervisory Board Member

Evolving corporate governance and the role of corporate auditors

As SDGs are the "goals" of various corporate activities, the concept of "ESG" focuses on the "process" of corporate activities. By conducting daily corporate activities with ESG in mind, we can improve the sustainability of the company and contribute to the achievement of SDGs in the future. Under these circumstances, the number of discussions on corporate governance, such as the establishment and review of the Corporate Governance Code for listed companies, has been increasing in recent years.

Outside corporate auditors not only play an important role in governance, checking the legality of business execution by directors under the trust of shareholders, but also take into account the interests of shareholders and other stakeholders from an independent standpoint. In addition, it is necessary for them to contribute to the improvement of corporate value. I expect Nissan Chemical to respond to the evolution of corporate governance through the creation and operation of a stronger internal control system.