

# Long- and Mid-term Business Plans

## “Progress2030” Long-term Business Plan

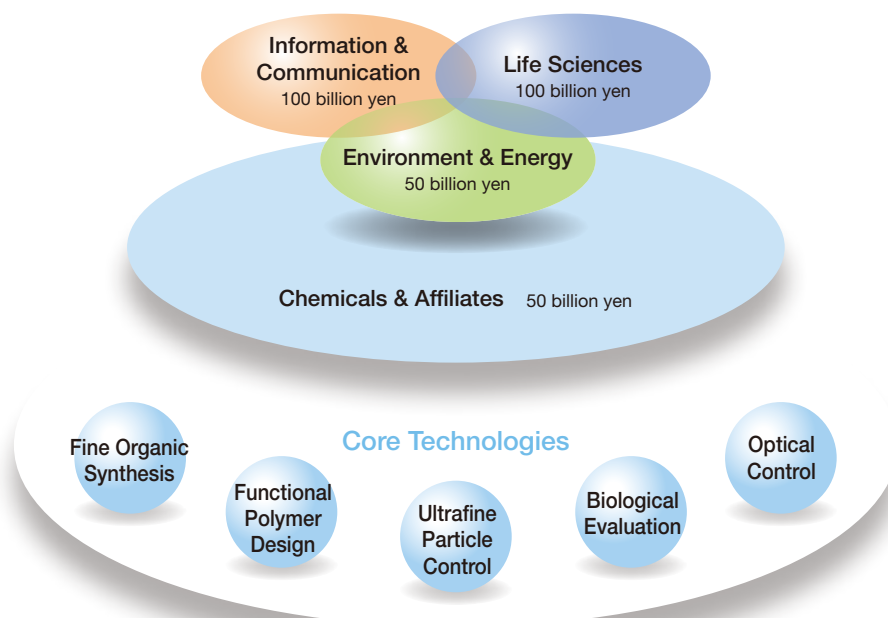
In April 2016, we initiated the “Progress2030” long-term business plan, which focuses on our business efforts to 2030, and the “Vista2021” six-year mid-term business plan.

During the establishment of “Progress2030”, we held many discussions addressing where we must head as a company, what we can do and contribute to as a company with a global perspective on social and economic changes leading up to 2030. The plan aims to make Nissan Chemical “A corporate group that creates better future for people and the environment by helping to solve social issues” taking into account social issues such as ESG (Environment, Social and Governance) and SDGs (Sustainable Development Goals). Based on this, we have defined our business model as “A Future-Creating Enterprise that Responds to Social Needs with Unique, Innovative Technologies”, and have provided two

definitions for our corporate vision in 2030: “A corporate group which provides new values for helping to enrich people’s lives by integrating internal and external knowledge with facing globally-changing society” and “A group of first-class pioneers who blaze a way to the future with enthusiasm by trusts they have built and skills they have cultivated”.

For 2030, we set numerical targets of 300 billion yen in sales and 50 billion yen in operating income. Based on our five core technologies we have cultivated, “Fine Organic Synthesis”, “Functional Polymer Design”, “Ultrafine Particle Control”, “Biological Evaluation”, and “Optical Control”, we will contribute to solving global issues in the four fields of “Information & Communication”, “Life Sciences”, “Environment & Energy”, and “Chemicals & Affiliates”, and will strive to improve company value along with the development of society.

### Sales Target in 2030 and Our Core Technologies



## “Vista2021 Stage II (2019 to 2021)” Mid-term Business Plan

“Vista2021” is a six-year mid-term business plan that shows the “ideal state” of the company in 2021 based on backcasting (setting current measures by working backward from a future state) as a transit point to 2030.

Stage I, the three-year period which comprised the first half of “Vista2021”, moved forward favorably. However, we have identified three issues that need to be addressed in order to ensure future growth: 1. Inclination toward certain products that drive profits, 2. Delays in creation of new products, and 3. Insufficient preparation for risks that will hamper growth.

For this reason, in formulating Stage II, the second half of “Vista2021,” we drafted the following three ideal situation at 2021: “Performance Materials and Agricultural Chemicals are driving business results while the next growth engines are being created”,

“Organizations that enjoy challenges have been realized and diverse human resources demonstrate their abilities to achieve goals”, and “We contribute to the sustainable development of society through our business activities”. In addition, based on the challenges we faced in Stage I, we have set three basic strategies to achieve these goals: “Increase profitability of products that are the sources of growth”, “Strengthen the ability to create new products”, and “Improve ability to adapt to social/market changes”.

As for FY2021 numerical targets, which is the final year of Stage II, we have set a sales target of 235 billion yen, operating income target of 43 billion yen, ordinary income target of 44 billion yen, net income target of 33 billion yen, and an operating margin target of 18.3%. We are stepping up our efforts by utilizing the capabilities of the entire group.

### Ideal Situation at 2021

- “Performance Materials” and “Agricultural Chemicals” are driving business results while the next growth engines are being created
- Organizations that enjoy challenges have been realized and diverse human resources demonstrate their abilities to achieve goals
- We contribute to the sustainable development of society through our business activities

### Basic Strategies

- Increase profitability of products that are the sources of growth
- Strengthen the ability to create new products
- Improve ability to adapt to social/market changes

### Management Indicators

	FY2019	FY2020	FY2021 (target)	FY2030 (target)
Sales	206.8 billion yen	209.1 billion yen	235 billion yen	300 billion yen
Operating income	38.6 billion yen	42.5 billion yen	43 billion yen	50 billion yen
Ordinary income	40 billion yen	43.9 billion yen	44 billion yen	—
Net income	30.8 billion yen	33.5 billion yen	33 billion yen	—
Operating margin	18.7%	20.3%	18.3%	—
ROE	16.9%	17.5%	16% or higher	—
Dividend payout ratio	42.8%	44.9%	45% maintained	—
Total payout ratio	75%	75%	75% maintained	—