## **Value Creation Process**

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

#### **Social Issues** (External Environment)

Global environmental conservation Labor shortage

Climate change Food issues

Low birthrate and aging population Health issues

**Business Model** 

### **Inputs**

(Fiscal year ended March 31, 2023)

#### **Human Capital** (Non-consolidated)

Number of employees: 1,959 (Number of Researchers\*1: 465)

#### **Financial Capital**

Net assets: 221.5 billion yen Total assets: 298.7 billion yen Equity ratio: 73.1%

#### **Intellectual Capital**

Number of patents held: 6,261 R&D expenses: 16.8 billion yen Sales-to-R&D expenses ratio: 7.4%

#### **Manufacturing Capital**

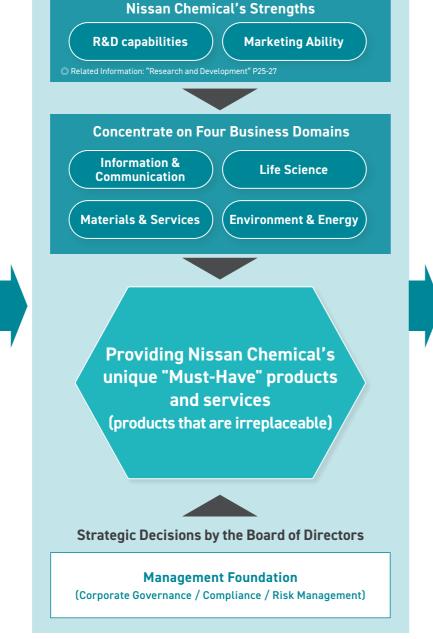
CAPEX: 20.3 billion yen Manufacturing base Japan: 7 sites, Overseas: 3 sites

#### **Social Capital**

Engagement with stakeholders

#### **Natural Capital** (Non-consolidated)

Raw materials: 423,024 tons Energy input: 90.6 thousand kL\*2 Water resources: 27.8 million m<sup>3</sup> \*<sup>3</sup>



# Nissan Chemical CORPORATION

#### Nissan Chemical's Corporate Philosophy

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

#### Outputs

(Fiscal year ended March 31, 2023)

#### Human Capital (Non-consolidated)

· Engagement with stakeholders (Emphasis on dialogue with employees) Ratio of high engagement level employees\*4: 16.3% Ratio of researchers in regular positions: 38% (FY2021: 39%)

#### **Financial Capital**

Sales: 228.1 billion yen (FY2021: 208.0 billion yen) Net income: 41.1 billion yen (FY2021: 38.8 billion yen) ROE: 19.4% (FY2021: 19.2%)

© Related Information: "Financial Review" P85-92

#### Intellectual Capital

Number of Patent Applications: 378 (FY2021: 415)

#### Manufacturing Capital (Non-consolidated)

Production volume: 563,130 tons (FY2021: 736,436 tons)

#### **Social Capital**

- Engagement with stakeholders (Emphasis on dialogue with investors and analysts)
- · Maintenance and promotion of good relationships with local communities (natural observations in Nissan Bio-Park, plant tours, etc.)

#### Natural Capital (Non-consolidated)

GHG emissions from business activities: 328 thousand tons-CO2e

© Related Information: Human Capital, Intellectual Capital, Financial Capital, Manufacturing Capital, Social Capital, Natural Capital P21-30

\*4 In an employee questionnaire survey on work enthu-siasm and attitudes, 28 indicators were determined based on questions related to "spontaneous action" and "positive emotions", etc., to measure the level of

#### **Outcomes**

#### **Vista2027**

To Be An Enterprise That Faces Challenges **Toward The Future Through Co-creation** 

2022-2027 Numerical Targets

#### **Financial Indicators**

- Operating Margin: Above 20%
- ROE: Above 18%
- Dividend Payout Ratio: 55%
- Total Payout Ratio: 75%

#### Non-financial Indicators

Nissan Chemical Sustainable Agenda

(A plan to pursue "what we can do for the future of the globe and human" by providing products and services that contribute to solving social issues)





• GHG emissions:

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Reducing by at least 30% from FY2018 level → Aiming for carbon neutrality in 2050

- Positive response rate in survey of employee attitude on human resources development:
- Proportion of females in the regular position:
- At least 13% Proportion of female researchers in the regular position: At least 18%

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