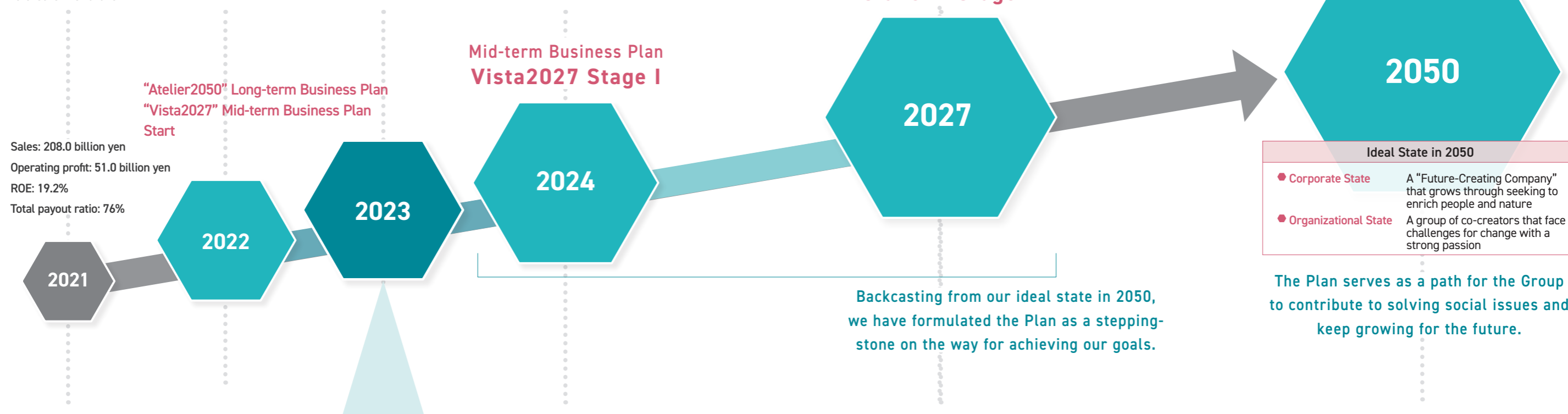


# Long-term and Mid-term Business Plans Overview and

# Progress

The Nissan Chemical Group will take on the challenge of co-creating the future by explaining to stakeholders our direction to aim for and gaining their understanding and empathy. We aim to contribute to the realization of a sustainable society as a member of society by achieving mid- to long-term growth and improvement of corporate value with a strong desire and rich imagination to create the future.



## Progress of FY2023

### Financial Indicators

	2022	2023	2024 (forecast)	2027 (plan)
Sales	228.1	226.7	234.1	285.0
Operating profit	52.3	48.2	50.0	67.0
Ordinary income	55.8	51.6	50.5	68.0
Net income	41.1	38.0	38.4	50.0
Operating margin	22.9%	21.3%	21.4%	Above 20%
ROE	19.4%	17.1%	16.5%	Above 18%
Dividend payout ratio	56.3%	60.1%	58.9%	55%
Total payout ratio	78%	86%	75% (target)	75%

### Non-financial Indicators

	2022	2023	2027 (target)
Rate of total sales of Nissan Chemical Sustainable Agenda target products and services in consolidated net sales	Above 55%	Above 55%	Maintain at least 55%
GHG emissions (Scope1+2)	327,663 t-CO <sub>2</sub> e (9.8% reduction compared to FY2018)	285,373 t-CO <sub>2</sub> e (21.5% reduction compared to FY2018)	254,377 t-CO <sub>2</sub> e (Reduce by at least 30% compared to FY2018)
Positive response rate in survey of employee attitude on human resource development	60.5%	58.5%	At least 65%
Proportion of female researchers	14.8%	16.0%	At least 18%

### Progress of Basic Strategies of “Vista2027”

<b>Basic Strategies 1. Deeply exploit business areas and increase marketing ability</b>
Develop and evaluate bio agrochemicals for full scaling R&D
Promote programs for cultivating data scientists in laboratories
Continue to verify MI (Materials Informatics) on actual themes and narrow down target themes
Adapted in Secondary battery materials for electric vehicle
<b>Basic Strategies 2. Promote sustainable management. Basic Strategies 3. Strengthen the creation and co-creation process of values</b>
Deepened scenario analysis (quantitative evaluation on 1.5°C/4°C scenario) and disclosed
Set strategy, indicator and objective on human capitals and disclosed
A female outside director was appointed in June 2023 (two female directors in total)
Conducted effectiveness evaluation of board directors by an external organization
Established a plant DX platform and started to utilize some data in five domestic plants
<b>Basic strategies 4. Expand market shares and profits of existing businesses</b>
<b>[Chemicals]</b> Toyama Plant: Capacity expansion of high purity sulfuric acid progressed steadily to meet the increasing demand for semiconductor
VOC <sup>1)</sup> : Adopted in several companies for food factory wastewater treatment (decomposing oils and fats), Started exploring new applications other than decomposing oils and fats
<b>[Performance Materials]</b> Develop materials for the next generation display (QD-EL, μLED)
NCK: Completed a semis new plant construction, Started the production to achieve customers' approval
Promote R&D activity on EUV lithography materials for high NA
CCS materials : Participated in a consortium
<b>[Agrochemicals]</b> NBR: Started manufacturing and shipping API of LEIMAY® (fungicide) and GRACIA® (insecticide)
Onoda Plant: Completed construction of facilities for manufacturing API of VELDER® (herbicide) and start pilot production
<b>[Healthcare]</b> Oligonucleotide Therapeutics : Signed a strategic collaboration agreement with Sanwa Kagaku Kenkyusho Co., Ltd.
Custom Chemicals : Signed a technology cooperate agreement with a partner company for the manufacture of our generic API

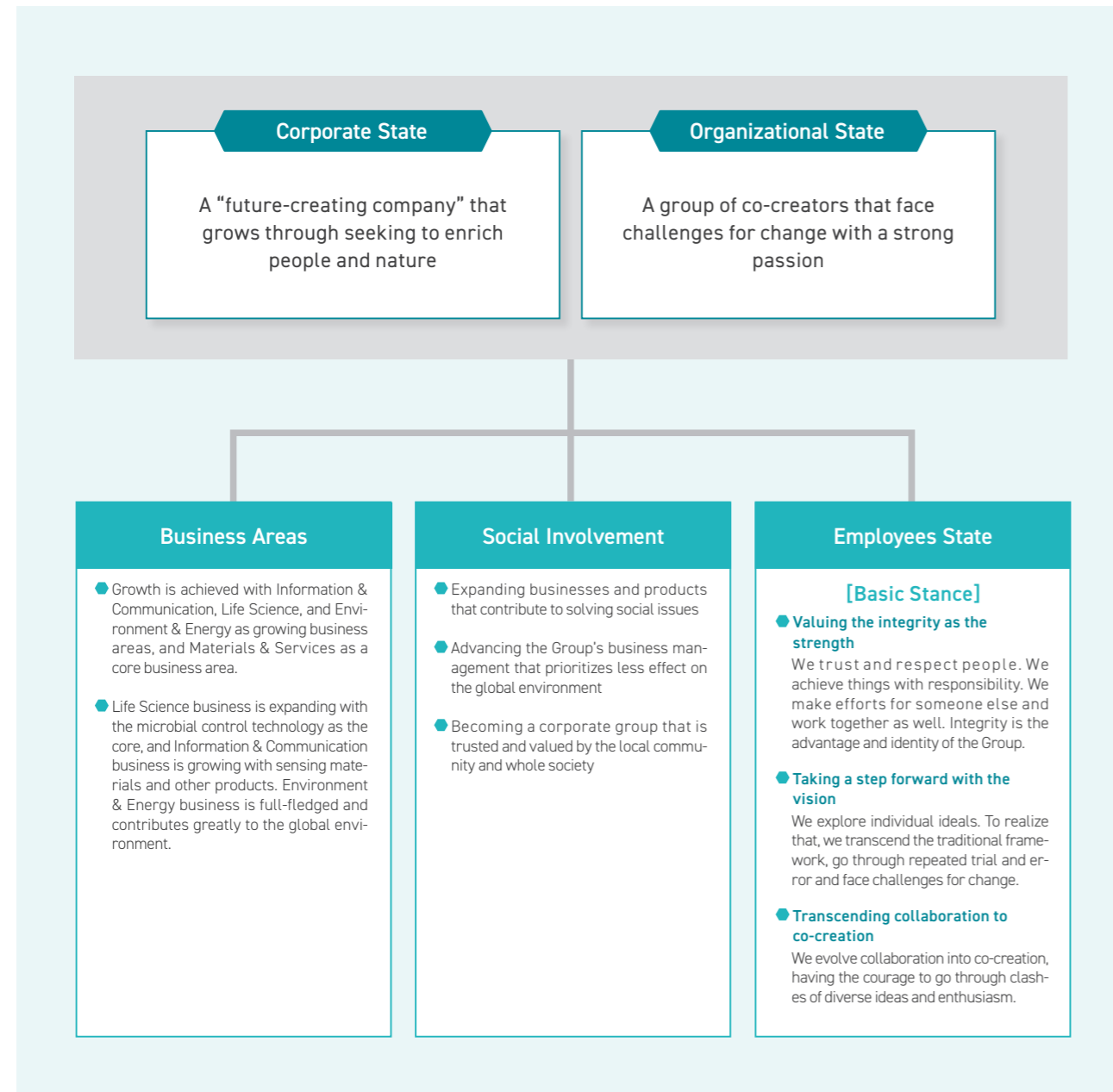
\*1 VOC : Venus® Oilclean

# “Atelier2050” Long-term Business Plan

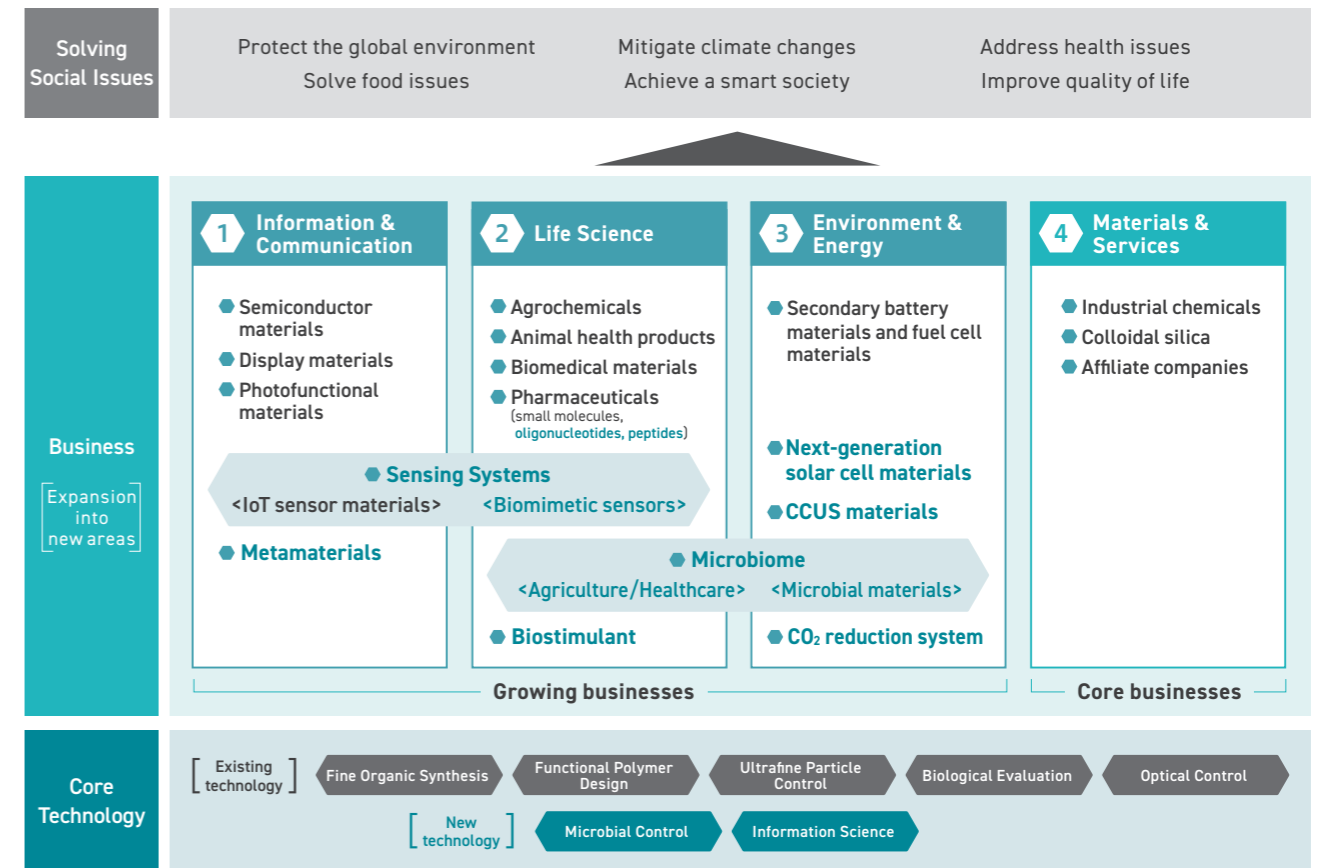
Considering that the business environment has changed significantly since the previous long-term business plan was formulated, we once again discussed the social issues and social changes with a view to 2050. As a result of these discussions, we have formulated a long-term business plan “Atelier2050,” by backcasting from the necessary initiatives and issues that need to be re-

solved. This plan sets out the path for the Group to contribute to solving social issues and keep growing for the future, with the ideal corporate state in 2050 of “a future-creating company that grows through seeking to enrich people and nature” and the ideal organizational state in 2050 of “a group of co-creators that face challenges for change with a strong passion.”

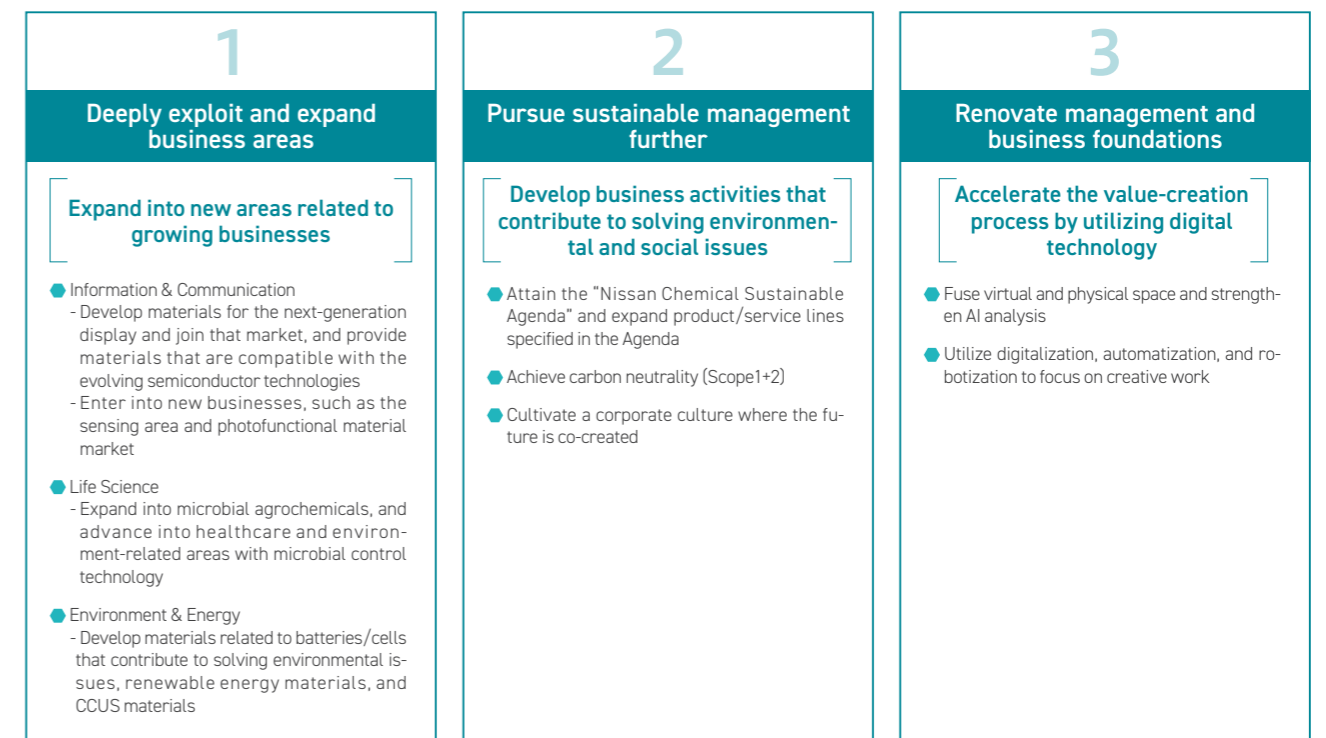
## Ideal State in 2050



## Business Areas



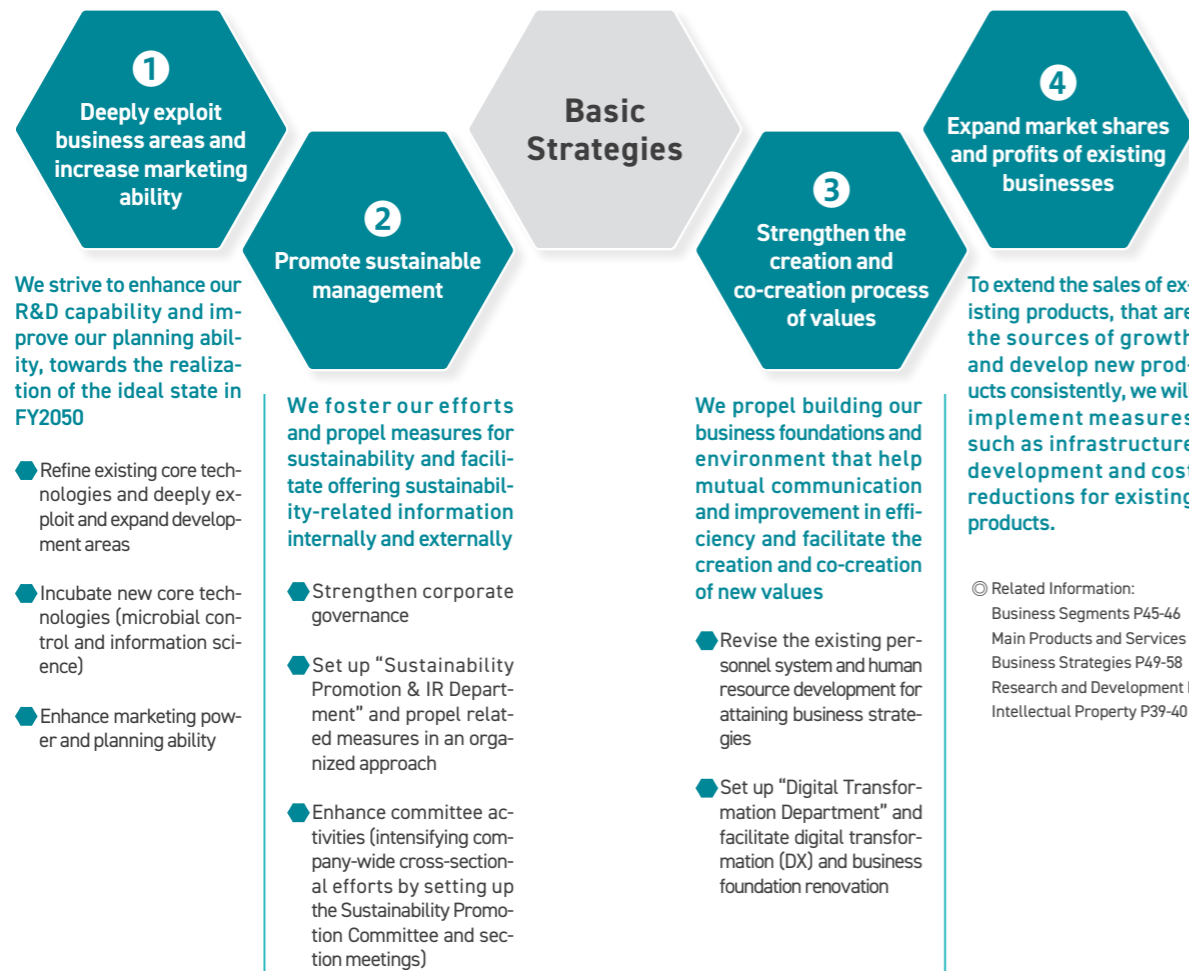
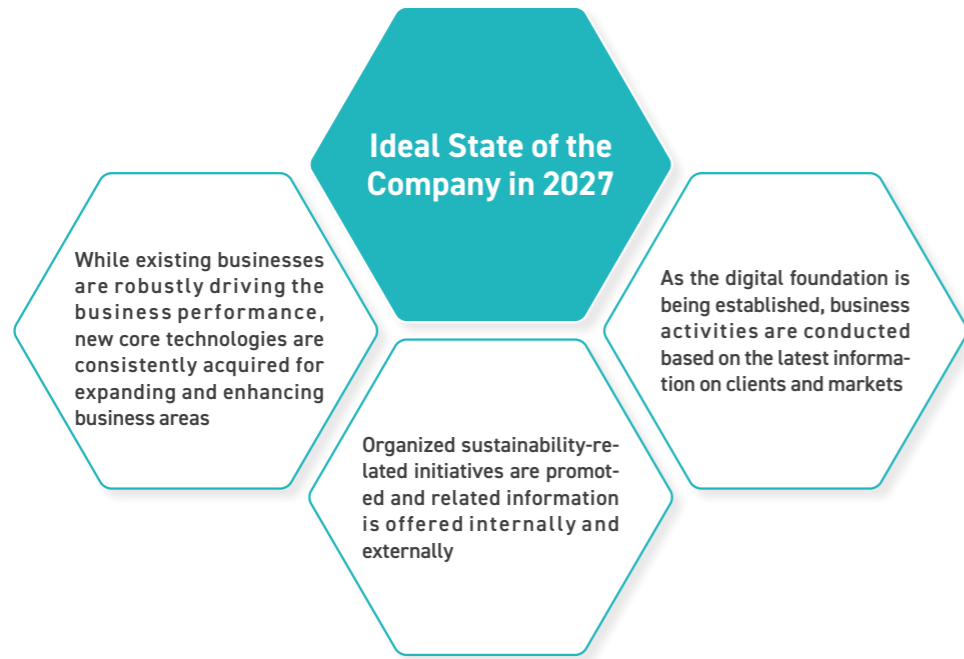
## Basic Strategy



# “Vista2027” Mid-term Business Plan

Mid-term business plan “Vista2027” is a six-year business plan, starting in FY2022, formulated as a stepping-stone on the way to the ideal state set forth in our long-term business plan

“Atelier2050.” We aim to achieve sustainable growth with this plan which set the first three years (2022-2024) as Stage I, and the second three years (2025-2027) as Stage II.



# Long-term and Mid-term Business Plans Topics

## 1 Nissan Chemical Sustainable Agenda

In FY2022, we started the 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. We have set “Actualizing a sustainable future for our planet (To Tomorrow)” and “Actualizing sustainable comfort for all (Be Happy)” as areas of contribution.

We define the rate of total sales of products and services that contribute to solving social issues in relevant areas in consolidated net sales as a key performance indicator (KPI), setting a target of “maintaining at least 55%” in the mid-term business plan Vista2027. We were able to achieve this KPI in both FY2022 and FY2023. Looking ahead to 2050, we would like to further expand our target products and services by fostering core technologies, and realize sustainable development for society and the Group.



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## 2 Achievement of Carbon Neutrality

In order to achieve carbon neutrality by 2050, we are working on converting fuel and feedstock, promoting energy saving, adopting renewable energy, and examining zero emissions of N<sub>2</sub>O from nitric acid production facilities.

at the Onoda Plant, and saving energy by upgrading aging facilities. In FY2023, emissions decreased from FY2022 because of factors such as normalization of problems that occurred at the nitric acid plants in FY2022 and the Toyama Plant suspending operations due to the effects of the Noto Peninsula Earthquake.

Since FY2018, we have steadily decreased GHG emissions through shutting down melamine production, converting boiler fuel

