

# Messages from Outside Officers

## Working together on-site for the early start-up of the next growth business



Outside Director

**OBAYASHI Hidehito**

Since assuming this position, I have been consciously continuing to provide comments from a different perspective from that of Nissan Chemical's proper officers. While short-term issues are important for a company, I share my experience and knowledge and provide advice on how the Nissan Chemical Group can achieve a growth path from a long-term perspective.

At the beginning of my tenure, I felt that our Board of Directors focused on a lot of financial reports and that the overall management discussions were somewhat biased. I have proposed this improvement and we are now spending more time explaining and discussing the resolutions. Additionally, we provide opportunities for executive training camps and topical discussions on specific management issues, such as long-term management plans and changes to our research structure. Furthermore, an annual the effectiveness evaluation of Boards is conducted, and a mechanism to summarize the opinions of all directors and Audit & Supervisory Board members is functioning.

Based on my belief that "the on-site is the shoreline of change," I feel that on-site oriented management and a initiatives to safety are especially important. I have not limited myself to the meeting room of the Board of Directors, but I have also conducted on-site inspections of plants and overseas bases, and have actively provided lectures from an outside perspective to young employees on the job.

In my capacity as an independent director, I also play a role in making known Nissan Chemical's mid- and long-term growth strategies. While the issues to be addressed will change as the company grows, I will continue to make efforts as a member of the Board of Directors to proactively disseminate information in order to build a business strategy that can anticipate social conditions.

## Aiming to be a company where each and every employee can grow while feeling a job satisfaction



Outside Director

**NAKAGAWA Miyuki**

We work in a wide range of business fields, including chemicals, performance materials, agricultural chemicals, and health care, and we are constantly engaged in new R&D to contribute to the existence and development of humanity and the protection of the global environment. I believe that my role is to provide oversight and advice from a perspective that is distinct from whether new products and R&D are consistent with corporate philosophy and customer needs, and whether governance is functioning properly. Drawing on my many years of experience confronting injustice in society as a legal professional, I will examine the role that corporations should play in the face of uncertain social conditions from a long-term, multifaceted perspective.

While being sensitive to the rapidly changing environment in which we operate, we will not lose sight of our main point, and all of us will earnestly discuss the direction in which we should take, and discuss our corporate strategy with a view to the global situation in 2050.

When important issues in corporate management are discussed at the Board of Directors, we will contribute to ensuring the effectiveness of the meetings by submitting questions along with materials in advance so that in-depth discussions can take place at the meetings.

In addition, with the end of the COVID-19 pandemic in FY2023, I have visited domestic plants, attended in-house conference on R&D, and inspected overseas plants. New initiatives have also been launched, including the implementation of a leadership program for female employees, a first for the Company. I will continue to actively participate in efforts to promote diversity.

## Contributing to human resources development and R&D from multiple perspectives



Outside Director

**TAKEOKA Yuko**

In order to realize our mission statement and corporate philosophy, it is necessary to enhance our fundamental technological capabilities while maintaining a broad perspective, develop products that are safe and secure for both the manufacturer and the user, and create a workplace where our employees feel a job satisfaction. I believe that my role is to oversee and advise on whether governance is being fulfilled, whether technological development and safety are compatible, and whether the work environment and diversity within the company are improving.

I myself am an active university professor and researcher specializing in materials chemistry with a focus on polymer chemistry. In my current role as Director of Center for Research Promotion & Support, Sophia University, I am in a position to mentor the next generation of students. By leveraging these features, I will contribute to improving our diversity and thereby revitalizing Nissan Chemical by developing technology, improving our technical capabilities, and providing advice on the development of young employees and the career advancement of female researchers. I also actively participate in free discussions on ideas for business improvement and new product development.

As this is the first year for the directors, in FY2023, I toured the Toyama Plant, met with our female employees, and exchanged opinions with them in order to deepen my understanding of our company. In addition, I have also worked to raise awareness of career advancement through visits to our laboratories and presentations at seminars for female employees. I will continue to proactively share information related to the young people who will lead the next generation and ensure the vitality and effectiveness of the Board of Directors.

## Using my experience at an audit corporation to add credibility to non-financial information



Outside Audit & Supervisory Board Member

**TAKAHAMA Shigeru**

I am the first Outside Audit & Supervisory Board Member with a certified public accountant qualified by Nissan Chemical. At the audit corporation I worked for until the end of June 2024, I was an engagement partner in the audit of a wide variety of listed companies and was responsible for the audit of their securities reports. In addition, I have actively discussed and provided advice on the disclosure of non-financial information, which in recent years has become an increasingly common topic of disclosure in securities reports.

Based on this experience, I would like to be actively involved in confirming the consistency between non-financial information disclosed legally in securities reports and ESG-related information disclosed voluntarily in this report, as well as in introducing assurance services for such information, which will be introduced based on market capitalization, in order to improve the reliability of information disseminated to the outside.

Furthermore, we are a development-oriented company that has expanded our business areas through the development of new products based on R&D activities, and we are a highly homogeneous organization with a heavy emphasis on R&D in terms of human capital. Through discussions at the Board of Directors and other meetings, I will check the unique organizational governance and compliance awareness that is often associated with such highly homogeneous organizations from an external third-party perspective.

In order to achieve sustainable corporate value enhancement of a company, it is of paramount importance to expand and develop business areas in response to changes in the environment and society, and as an Outside Audit & Supervisory Board Member, I would like to work to prevent any loss of trust due to lack of governance.

## With high hopes for the next leap forward



Outside Audit & Supervisory Board Member

**TAKEMOTO Shuichi**

It has been seven years since I became an Audit & Supervisory Board Member of Nissan Chemical, and during this time, corporate governance initiatives have been strengthened and the importance of Audit & Supervisory Board Member has steadily increased. I myself have been catching up with these trends by making use of my past practical experience as well as honing my knowledge and skills as an Audit & Supervisory Board Member.

The effectiveness of the Board of Directors has improved dramatically over the past seven years. The Board of Directors was relatively quiet when I was appointed, but recently it has been very active with a lot of questions and discussions taking place. I think this may be due in part to the effectiveness of the annual Effectiveness Evaluation of the Board of Directors. I believe that the PDCA process is fully functioning, in which directors and Audit & Supervisory Board Member look back on their own activities from the previous year to confirm whether they are fulfilling their expected roles in the process of the Effectiveness Evaluation, identify issues in the current state of operation, and improve them in the following year.

FY2023 was a severe year for us, as the long-lasting growth in sales and operating profit broken off, and in terms of internal control, an increase in occupational accidents and frequent plant troubles. Some plant problems are unavoidable, such as aging facilities, but many are also caused by human factors, including occupational accidents. In light of this situation, FY2024 will be a year of dynamic review in preparation for the next mid-term management plan. I believe that this will be a year of significant growth for our company to be reborn in a new form, and I intend to be involved in the process.