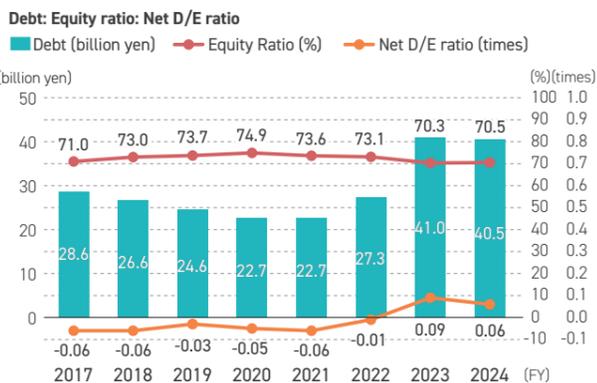


## Financial Capital

### Financial Structure

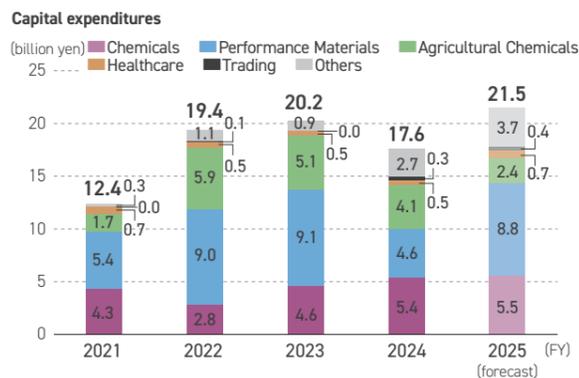
Nissan Chemical has built up a robust financial base by carefully maintaining a balance between shareholders' equity and debt. We continue to maintain a high equity ratio, and our debt remains at a level that allows us to sustain a high credit rating from the Japan Credit Rating Agency (JCR). As a result, the net D/E ratio—one of the key indicators of financial soundness—remains at a low level. (Lower Net D/E ratio is preferable).



## Manufacturing Capital

### Capex

In FY2024, our Group made capital expenditures (Capex) totaling 17.6 billion yen (on a cash-flow basis), primarily focused on strengthening manufacturing facilities. Capex has been increasing in recent years, driven mainly by the expansion of manufacturing capacity in our core growth businesses, particularly overseas.



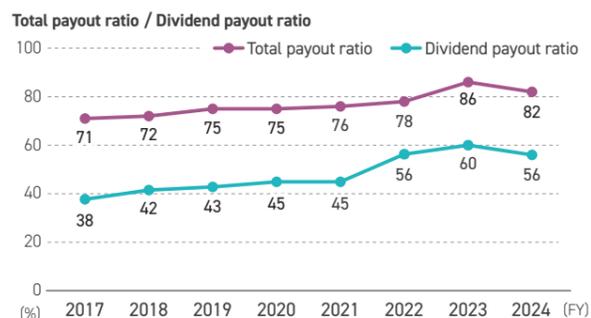
### Domestic Plants

The Company's five plants located across Japan are continuously evolving with the steady introduction of state-of-the-art equipment and facilities, ensuring stable production of our products.

**Related Information** Message from the CFO P.41-44, Financial Review P.93-100

### Shareholder Returns

Nissan Chemical places strong emphasis on ROE, an indicator of earnings power, and aims to make the fullest use of shareholders' equity. Our ROE always exceeds the Tokyo Stock Exchange Prime Market average, reaching 18.7% in FY2024. The dividend payout ratio has been gradually increasing from 30.7% in FY2015, and the result for FY2024 was 55.5%. In addition, the total payout ratio reached 82.0% in FY2024. Going forward, in line with our medium-term business plan Vista2027, we will continue to pursue proactive shareholder returns with a target dividend payout ratio of 55% or more and a target total payout ratio of 75% or more.



**Related Information** Corporate Information P.101-104

#### ● The Sodegaura Plant (Chiba Prefecture)

This is our core plant for specialty chemicals. It produces inorganic materials and electronic materials used in a wide range of industrial fields, including cutting-edge information and electronics.

#### ● The Saitama Plant (Saitama Prefecture)

This plant formulates agrochemicals, producing herbicides for paddy rice as well as insecticides and fungicides.

#### ● The Toyama Plant (Toyama Prefecture)

Having developed into one of Japan's leading integrated ammonia chemical plants, it now focuses on IT-related products such as electronic materials, while continuing to manufacture a diverse range of products.

#### ● The Nagoya Plant (Aichi Prefecture)

Originally developed around the manufacture of sulfuric acid, the plant currently produces refined sulfuric acid, high-purity sulfuric acid, and AdBlue®, a high-grade urea solution for purifying emissions from diesel vehicles.

#### ● The Onoda Plant (Yamaguchi Prefecture)

With a history of more than 130 years, this plant produced Japan's first agrochemicals in 1910. Today it manufactures a range of life science products, including agrochemicals, pharmaceuticals, and organic fine chemical products.

## Social Capital

The relationships of trust that we have cultivated over a long period of time with a variety of stakeholders, including investors, local communities and NPO/NGOs, form the basis for supporting our business activities. With the Nissan Chemical Group's sites as the foundation for social contribution, we are engaged in a variety of social contribution activities as a corporate citizen, focusing on the four areas: promotion of education, science, and culture; contribution to local communities; conservation of the global environment; and promotion of health and welfare and promotion of sports.



Plant tour (at Saitama Plant)

### Interaction with Local Residents

We hold plant tours and explanatory meetings on regular basis for local residents and schools. In addition to explaining the main equipment, we also explain our efforts in disaster prevention and the environment, striving to instill understanding that our factories are safe and secure. In addition, we also participate in local beautification activities such as cleaning of public roads and nearby stations around the plants, and planting flowers together with local residents. In FY2024, we conducted plant tours at our Saitama, Toyama, and Onoda plants.

For more information, please visit our website.  
[Web Contribution to Communities and Society Biodiversity Conservation](#)

## Natural Capital

In manufacturing products, it is difficult to avoid placing burdens on the environment, such as the use of energy, water, and raw materials, as well as greenhouse gas (GHG) emissions. The Nissan Chemical Group identified the "Continuous improvement of responsible care activities" as one of its materiality issues, and has specified the mitigation of climate change and the reduction of industrial waste and pollutant emissions as materiality factors. Through Responsible Care activities that take the environment, health, and safety into account, we strive to reduce environmental impact while also contributing to solving environmental challenges through our business activities.

### Supply of Environmentally friendly Products and Services

We define environmentally friendly products as those which reduce our environmental impact or play a major role in achieving this objective, in each of our processes, including manufacturing, distribution, use, and disposal. By increasing the percentage of our products that are environmentally friendly, we aim to contribute to society in harmony with the environment.

For more information, please visit our website.

[Web Responsible Care Management](#)  
[Mitigation of Climate Change](#)  
[Reduction of Industrial Waste and Pollutant Emissions](#)  
[Management of Chemical Substances](#)

[Water Resources Conservation](#)  
[Biodiversity Conservation](#)  
[Supply of Environmentally Friendly Products and Services](#)

**Related Information** Responsible Care P.73-75

### Initiatives to Reduce GHG Emissions

At the Toyama Plant and the Onoda Plant, we have significantly reduced CO<sub>2</sub> emissions by converting naphtha that is raw material and fuel for ammonia, and heavy oil that is fuel for boilers into natural gas. The Company's carbon efficiency (GHG emission rate) is relatively good in the chemical industry due to the low-carbon investments it has made to date and the characteristics of its products.

