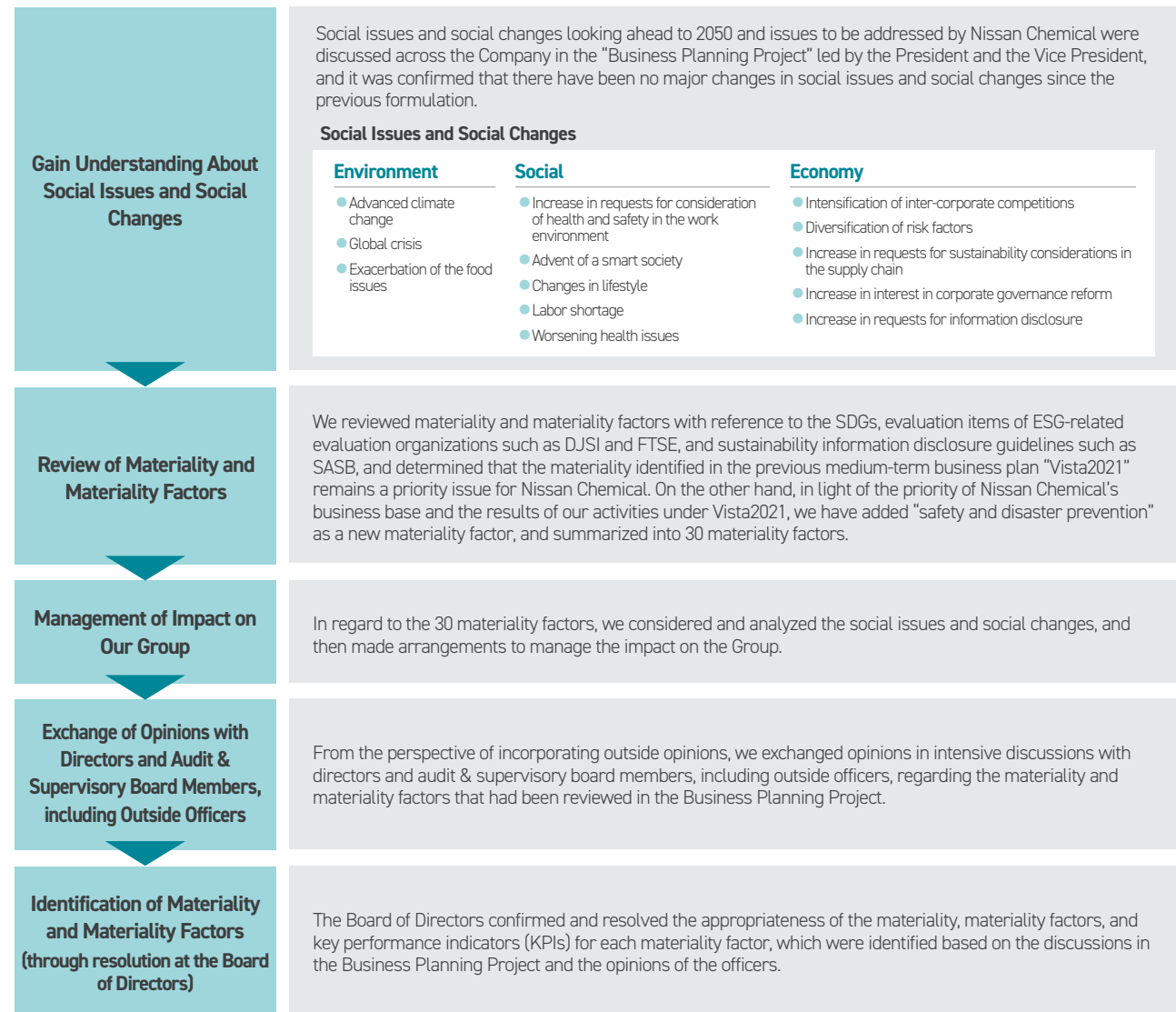


Our materiality identified in FY2018 was determined by examining its importance to both the Company and our stakeholders. A review was conducted in FY2022 with the launch of the Medium-term Business Plan “Vista2027.” Now, with the start of “Vista2027 Stage II” in FY2025, we have revised certain FY2027 targets and major initiatives to better align with the ideal state our Group aims to achieve by FY2027. With the aim of achieving sustainable development for society and the Nissan Chemical Group, we are positioning these KPIs as indicators for sustainable management, and steadily promoting initiatives while monitoring progress on an annual basis.

Three Materiality of Nissan Chemical Group



Materiality Identification Process



Materiality Initiatives and KPI

Materiality	Materiality factor	Vista2027 Major Initiatives	FY2027 Target * New targets from Vista2027 Stage II	FY2024 Result	Relation with SDGs
Provision of new value for helping to enrich people's lives	Supply of environmentally friendly products and services	- Development of materials that contribute to the expansion of renewable energy - Development of materials that contribute to the achievement of a circular economy - Reduction of the application amount of agrochemicals - Introduction of recyclable packaging materials - Supply of exhaust gas removal materials - Supply of disinfectants and water treatment for septic tanks - Supply of materials that enable reduction of oil and fat waste	Net sales: +10% compared to FY2021	Net sales: +5% compared to FY2021	2 Climate action 3 Good health and well-being 6 Clean water and sanitation 7 Affordable and clean energy 9 Industry, innovation and infrastructure 11 Sustainable cities and communities 12 Responsible consumption and production 13 Climate action 14 Life below water 15 Life on land
	Contribution to smart society	Supply of materials that contribute to higher capacity/speed of data communication and sensing	Net sales: +60% compared to FY2021*	Net sales: +33% compared to FY2021	9 Industry, innovation and infrastructure
	Contribution to food issues	- Supply of agrochemicals to increase crop yields and conserve agricultural labor in food production - Contribution to the maintenance of health of livestock	Net sales: +25% compared to FY2021*	Net sales: +27% compared to FY2021	2 Climate action 3 Good health and well-being 9 Industry, innovation and infrastructure
	Contribution to improvement of the quality of life	- Supply of disinfectants for drinking water - Contribution to maintaining the health of companion animals	Net sales: +15% compared to FY2021	Net sales: +48% compared to FY2021	3 Good health and well-being 9 Industry, innovation and infrastructure
	Contribution to health issues	- Supply of generic drugs - Offer of contracted manufacturing and service for pharmaceuticals - Development of materials for regenerative medicine market - Development of drugs for intractable diseases	Net sales: +5% compared to FY2021	Net sales: +7% compared to FY2021	3 Good health and well-being 9 Industry, innovation and infrastructure
	Rate of total sales of products and services that contribute to solving social issues in consolidated net sales Nissan Chemical Sustainable Agenda		60% or more*	60% or more	13 Climate action 14 Life below water 15 Life on land
Strengthening of Nissan Chemical's business base	Enhancement of R&D capability	- Utilization of informatics for streamlining and accelerating R&D - Expansion of core technologies	- Number of patented inventions (FY2022 to FY2027): 1,200* - Ratio of themes utilizing informatics: At least 10%*	Number of patent applications Target (cumulative FY2022 to FY2027): 2,500 Result (cumulative FY2022 to FY2024): 1,190 (FY2024: 415 applications)	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Improvement of products quality	- Prevention of serious complaints - Prevention of quality fraud and data tampering	- Number of serious complaints: Zero - Attendance rate of quality training: 100%* - Rate of correct answers on comprehension tests: At least 90%* - Rate of answer "Increased awareness of fraud prevention": 100%*	- Number of serious complaints: 3 - Attendance rate of quality training: 100% - Rate of correct answers on comprehension tests: At least 90% - Rate of answer "Increased awareness of fraud prevention": 100%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Maintenance and improvement of employees' health	- Promotion of measures against lifestyle-related diseases - Implementation of mental health measures - Awareness activities for employees on maintaining their health - Promotion of female's health	Rate of employees within appropriate weight*: At least 70% *1 BMI (body mass index): 18.5 to 25.0	66.9%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Creation of a comfortable workplace	- Promotion of work-life balance - Implementation of measures against harassment - Support for childcare and nursing care, encouraging male employees to take parental leaves	Utilization rate for annual paid leaves: At least 80%	82.2%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Personnel retention and trainings	- Introduction of a new personnel system (role grading system) - Strengthening of career development - Enhancement of self-development support programs	Positive response rate in survey of employee attitude on human resources development: At least 65%	60%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Promotion of diversity	- Promotion of active participation of females - Recruitment of international students - Promotion of employment of persons with disabilities	- Proportion of females in the regular position: At least 13% - Proportion of female researchers in the regular position: At least 18%	- Proportion of females in the regular position: 12.2% - Proportion of female researchers in the regular position: 18.1%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Promotion of fair-trading	- Holding in-house training sessions and conducting other educational and awareness activities - Conduction of educational and awareness activities for compliance	- Number of violations of antitrust laws: Zero - Number of cases of bribery of foreign public officials: Zero	- Number of violations of antitrust laws: Zero - Number of cases of bribery of foreign public officials: Zero	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Promotion of sustainable procurement	- Conduction of sustainable procurement survey for suppliers - Provision of feedback on the results of the sustainable procurement survey - Provision of supports in improvement for suppliers that do not meet the Company's standards	Response rate of sustainable procurement survey (Purchasing Department purchases): At least 90%*	Provision rate of supports in improvement for suppliers that do not meet the Company's standards Target: At least 90% Result: 100%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
Continuous improvement of responsible care activities	Adaptation to climate change	Maintaining and improving the resilience of business activities in the event of natural disasters	Update and maintenance of Business Continuity Plans (BCPs) for products that account for 50% of ordinary income	Updated or maintained BCPs for products that account for 81% of ordinary income	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Mitigation of climate change	GHG emissions reduction	GHG emissions: Reduced by at least 30% from FY2018 level	Reduced by 23.5%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Promotion of occupational health and safety	Strengthening of occupational safety management	Accidents requiring staff time off from work: Zero	- Number of accidents requiring staff time off from work: 1 - Number of occupational accident Target: Reducing by half compared to FY2020 Result: 3 (FY2020: 8)	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Biodiversity conservation	Promotion of biodiversity conservation activities	- Number of registered sites for "Nationally Certified Sustainably Managed Natural Sites": At least 2* - Support for government-owned land: 5,000m² or more*	Establishment and operation of Bio-Parks at Nissan Chemical's plants Target: At all Nissan Chemical's plants Result: Establishment and operation completed at all Nissan Chemical's plants (FY2024; Established the Nagoya Plant Bio-Garden)	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Management of chemical substances	Compliance with laws and regulations regarding the use of chemical substances	Serious violations of laws and regulations: Zero (maintained)	Number of serious violations of laws and regulations: Zero (maintained)	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
	Reduction of industrial waste and pollutant emissions	Reduction of industrial waste and pollutant emissions for final disposal	Final disposal volume: Reduce by 50% compared to FY2021*	- Reduction of final disposal ratio at Nissan Chemical's plants Target: Reduction compared to FY2020 Result: 8.5% (FY2020: 14.3%) - Final disposal volume: Reduced by 40.4%	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure
Continuous improvement of responsible care activities	Safety and disaster prevention	Strengthening of the management of safety and disaster prevention	- Number of fires, explosions and chemical spills: Zero - Safety accidents: Zero	- Fires: 0, Explosions: 0, Chemical spills: 1 - Safety accidents: 1	5 Innovation 8 Industry, innovation and infrastructure 9 Industry, innovation and infrastructure