



**Nissan Chemical**  
CORPORATION

Integrated Report  
**2026**



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What are Nissan Chemical's unique strengths?  
Why is Nissan Chemical capable of achieving sustainable growth?  
Here, we address three key questions raised by our stakeholders.

Q1.

Which fields will be the growth drivers for enhancing Nissan Chemical's corporate value going forward?

Currently, Performance Materials and Agricultural Chemicals are the core business areas driving our growth. We are prioritizing the allocation of management resources to the development and expanded sales of cutting-edge semiconductor materials such as EUV materials and packaging materials, along with new agrochemicals, biopesticides, and veterinary pharmaceuticals. In addition to the growth of these high-value-added products, we are promoting the creation of new products and businesses through strategic investments and M&A and aim to achieve sustainable profit growth and enhance corporate value.

**Related Information** Message from the President P.15-20, Medium-term Business Plan Vista2027 Stage II P.45-46, Business Strategies P.53-62

Q2.

How does Nissan Chemical secure and develop the research talent that drives new-product development, and how are these efforts contributing to future growth?

At Nissan Chemical, we regard the research talent that will support future new-product development as important management capital and are strengthening our efforts to recruit and develop highly specialized researchers. We aim to obtain cutting-edge technologies and enhance the expertise of our researchers by expanding our R&D foundation and conducting collaborative research with universities and external organizations. Additionally, through a range of internal systems and training programs, we support employees in taking on challenges autonomously and pursuing their own growth, thereby contributing to the continuous creation of innovation and future growth.

**Related Information** Special Feature: Human Capital P.3-6, Human Capital P.25-30, Intellectual Capital Research and Development P.31-34

Q3.

Going forward, how will Nissan Chemical maintain and further strengthen its high profitability?

Our high profitability stems from the competitive advantages we have established in niche markets with high barriers to entry by leveraging our proprietary technologies. We hold high market shares in high-value-added products in the Performance Materials and Agricultural Chemicals businesses and continuously create competitive product lines through co-creation with customers that lead growth markets. Going forward, we will maintain and strengthen our highly profitable business structure by prioritizing the allocation of management resources to growth areas and improving profitability.

**Related Information** The History of Nissan Chemical P.11-12, Value Creation Process P.21-22, Business Model and Competitive Advantage P.23-24, Message from the CFO P.41-44

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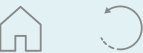
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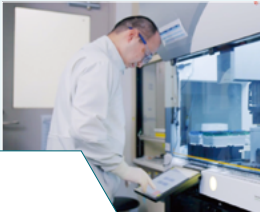




# The Earning Power Created by People

— Nissan Chemical's Value Creation Capabilities as Seen through the Eyes of Employees with Outside Experience

“We overcome challenges with advanced synthesis and analytical capabilities.”  
(Joined in 2022)



“The R&D, sales, and manufacturing divisions work as one in product development.”  
(Joined in 2017)



“High value-added × Technology-driven × Niche-top”  
(Joined in 2019)

**Q. What kind of company is Nissan Chemical?**  
(From a survey of mid-career hires)

“There is a culture that encourages us to take on new challenges.”  
(Joined in 2022)



“Starting from technology seeds, we have the opportunity to examine marketability and profitability from multiple perspectives and to map out a path toward commercialization while collaborating with relevant departments.”  
(Joined in 2021)

“There is a system in place that allows researchers to take on projects they want to pursue.”  
(Joined in 2017)



“Researchers have numerous opportunities to accompany sales staff on customer visits.”  
(Joined in 2017)



## Nissan Chemical's Competitive Strengths as Seen by Mid-career Hires

What kind of company is Nissan Chemical? Having previously experienced different industries and corporate cultures, mid-career hires are uniquely positioned to view Nissan Chemical's strengths and distinctive characteristics from a comparative perspective. With this in mind, we conducted a survey of mid-career hires.

In the survey, "integrity," "passion for R&D," "technological capabilities and expertise," and "a calm corporate culture" were frequently cited as what makes Nissan Chemical unique. In terms of organizational culture, "communication with integrity" and "an open corporate culture" were cited as characteristics, while in terms of growth opportunities, a frequently noted characteristic was "being entrusted with discretion."

Four strengths emerged from these responses: "strong technological capabilities," "a customer-oriented approach to development," "an organizational culture of integrity," and "a culture that encourages people to take on challenges." These strengths do not simply describe our corporate culture or working environment. They are also organizational capabilities that come into play in the process of transforming technology into value and developing that value into a growing business. How does each of

these strengths connect to value creation?

### Strength 1 Strong Technological Capabilities Expertise as the Starting Point for Value Creation

Our first strength is our strong technological capabilities. The technological foundation we have built in Performance Materials, Agricultural Chemicals, Chemicals, and Healthcare is a vital asset underpinning our competitiveness. In the mid-career hire survey as well, many respondents cited our passion for R&D and our technological capabilities and expertise as qualities that make Nissan Chemical unique.

For many years, we have positioned R&D as a driving force for growth, accumulating advanced synthesis and analytical capabilities as well as a diverse range of core technologies. In addition to making continuous investments in R&D, we have created an environment in which employees can hone their expertise through human resource development and capital investment.

Strong technological capabilities are not the goal of value creation, but its starting point. We seek to use our proprietary technologies as a starting point for creating meaningful value for customers and society. To achieve this, we must leverage the knowledge and know-how accumulated over many years while

Nissan Chemical's competitiveness is not derived from our R&D capabilities alone. We identify the potential of outstanding technologies, connect them with challenges faced by customers and society, and develop them into businesses by bringing together diverse knowledge and expertise. It is the capabilities of each individual employee that underpin this entire process. In this special feature, we explore the essence of the organizational capabilities that support our value creation, drawing on the unique perspectives of mid-career hires who have experience outside the company.

### “There is a culture that encourages us to take on new challenges.”

(Joined in 2022)



### “Starting from technology seeds, we have the opportunity to examine marketability and profitability from multiple perspectives and to map out a path toward commercialization while collaborating with relevant departments.”

(Joined in 2021)

continuing to take on challenges in new technological fields. Through continued investment in R&D and talent development, we are strengthening the technological foundation for future value creation. It is this solid technological foundation that enables us to identify new possibilities and translate them into competitive advantages in high-value-added fields.

### Strength 2 A Customer-oriented Approach to Development The Ability to Connect Technology with the Market

Our second strength is a customer-oriented approach to development. Technological capabilities alone do not generate profits. No matter how outstanding a technology may be, it does not create value unless it is needed by the market. That is why, rather than simply refining our technologies, we place importance on the ability to determine the value of these technologies through dialogue with customers. Survey respondents also cited as distinctive features of Nissan Chemical the many opportunities researchers have to accompany sales staff on customer visits and the close collaboration among R&D, sales, and business divisions in advancing development themes.

Our researchers venture beyond the laboratory to directly

understand the challenges customers face and identify changes in the market, incorporating customer feedback into development activities. Through ongoing close dialogue with customers, researchers develop a mindset that asks not only, "What can we do with our technologies?" but also, "What do customers and the market need?" By understanding changes in markets and customer needs and discerning where the potential of our technologies lies, they translate customer challenges into concrete development themes.

We are also developing human resources with multifaceted perspectives through opportunities to gain experience in different roles, including sales, R&D, and manufacturing, as well as through the Intrapreneurship Program. Developing people who understand not only technology but also marketability and business potential strengthens our ability to identify future growth areas.

Understanding customer challenges leads not only strengthens existing businesses but also helps identify new business opportunities. By identifying market changes at an early stage, we can identify new applications for our technologies and new growth areas. Through these activities, rather than simply following the market, we are developing high-value-added businesses that offer unique value.

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Strength 3 An Organizational Culture of Integrity  
A Foundation of Trust That Enables Co-creation

The third of these strengths is an organizational culture of integrity. In the survey, "integrity" was the word most frequently cited as what makes Nissan Chemical unique. Furthermore, "communication with integrity," "an open corporate culture," and "an environment where it is easy to seek advice" were also frequently cited.

This characteristic is not simply an attribute that contributes to a comfortable working environment. Creating new value requires that people with different knowledge and expertise share their opinions with one another, and engage in repeated discussions. In this process, relationships that enable frank dialogue are essential.

At Nissan Chemical, there is a culture in which people can readily seek advice from one another regardless of their position or department and engage in discussions while respecting one another's expertise. Employees with expertise in a wide variety

of areas, such as R&D, sales, manufacturing, and corporate functions, work together to address challenges. Mid-career hires have also cited the way the different divisions work as one in product development and the frequent opportunities for cross-functional discussion as characteristics of the company.

What matters to us is not "winning an argument," but "engaging in dialogue to find a better answer." It is these relationships of trust built through communication with integrity that provide the foundation for bringing together diverse knowledge and fostering co-creation both within and outside the Company.

Integrity is also reflected in our relationships with customers and business partners. Rather than pursuing only short-term results, our commitment to long-term relationships of trust forms the foundation of our business operations. The trust we have built both inside and outside the Company expands opportunities for co-creation and has become a vital asset supporting new value creation.

Strength 4 A Culture That Encourages People  
to Take on Challenges  
Entrusting People Drives Growth and Innovation

Our fourth strength is our "culture of encouraging people to take on challenges." Among the survey items related to growth opportunities, "being entrusted with discretion" was cited most frequently. Respondents also noted as a distinctive feature of Nissan Chemical that even younger employees and mid-career hires are entrusted with important themes and projects from an early stage.

At Nissan Chemical, we place importance on each employee taking an active role in value creation. New value does not emerge simply by waiting for instructions. It emerges when individuals identify challenges themselves, develop solutions, and take action while involving those around them.

One initiative that embodies this approach is the "10%Challenge." This system allows employees to move beyond the boundaries of their departments and take on themes they have set for themselves, with the aim of fostering employee initiative and encouraging the exploration of new possibilities. Of course, not every challenge will succeed. However, the experience and knowledge gained through the process of taking on challenges become valuable assets for both our people and our organization and contribute to future growth.

At Nissan Chemical, we not only give employees autonomy, but also provide support from those around them and opportunities to learn. Through the two complementary approaches of entrusting and supporting people, we develop people who are willing to take on challenges.

In a rapidly changing business environment, we cannot rely solely on past successes. Continuing to take on new themes and enter new markets is the driving force that supports future growth. Rather than relying solely on individual qualities and initiative to drive challenge, we are increasing both the overall number and diversity of challenges undertaken throughout the Company by supporting them through both our systems and organizational culture.

Three Capabilities Underpinning the Four Strengths  
"Discernment," "Co-creation," and "Challenge"

In our human capital strategy, we place importance on three capabilities: "Discernment," "Co-creation," and "Challenge." The four strengths identified through this survey provide concrete examples of how these three capabilities are demonstrated within our organization.

Strong technological capabilities and a customer-oriented approach to development lead to "Discernment," enabling

us to understand the market and identify the potential of our technologies. An organizational culture of integrity provides the foundation for "Co-creation" by bringing together diverse knowledge and perspectives. A culture in which people are entrusted with discretion encourages "Challenge" and enables employees to step toward new possibilities. "Discernment," "Co-creation," and "Challenge" do not operate independently. Rather, they interact with and reinforce one another to drive value creation. Understanding changes in markets and customer needs and discerning the potential of our technologies give rise to new challenges. The technologies and ideas generated through these challenges are further refined through Co-creation among diverse people and ultimately developed into viable businesses.

What this survey has revealed is that Nissan Chemical's competitiveness does not rest on technological capabilities alone. We have people who continue to refine our advanced technological capabilities, identify changes in customer needs and markets, and discern the potential of our technologies. People with different areas of expertise engage in sincere dialogue and bring together their knowledge. We also have a culture that trusts people, entrusts them with responsibility, and encourages them to take on challenges. When the capabilities of our people and organization come together, technologies develop into businesses and ultimately generate earnings.

- Ability to Exercise Discernment
- Ability to Co-create
- Ability to Take on Challenges

These three capabilities interact to generate new value, and by reinvesting the results of this process in R&D and human resource development, we drive the next stage of growth.

It is people who transform technology into value. People exercise discernment. People connect. People take on challenges. This cycle is the source of Nissan Chemical's sustainable "earning power."

Related Information

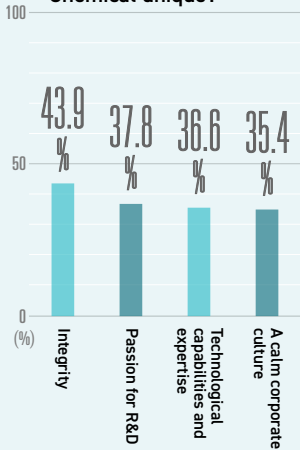
The History of Nissan Chemical P.11-12, Message from the President P.15-20, Business Model and Competitive Advantage P.23-24, Human Capital P.25-30, Intellectual Capital Research and Development P.31-34, Message from the CFO P.41-44, Medium-term Business Plan Vista2027 Stage II P.45-48, DX Promotion P.49-50



Mid-career Hire Survey Results: "What Makes Nissan Chemical Unique"

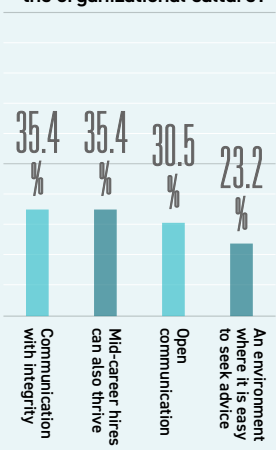
\* Valid responses: 82. Multiple selections permitted.

Q What makes Nissan Chemical unique?



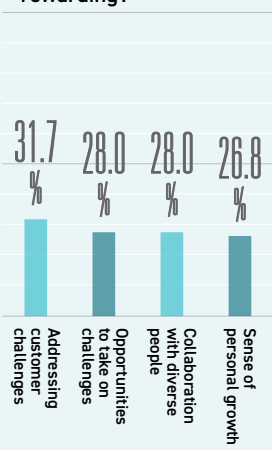
The characteristic of Nissan Chemical cited most frequently was "integrity." This was followed by "passion for R&D," "technological capabilities and expertise," and "a calm corporate culture," suggesting that our strengths lie not only in our technological capabilities but also in the people and organizational culture that support them. Many respondents described Nissan Chemical as characterized by "integrity" and a "calm corporate culture," while also possessing "passion." "A high degree of autonomy" was also frequently cited, indicating that a sincere commitment to technology has taken root in an environment where employees are given considerable autonomy.

Q What is distinctive about the organizational culture?



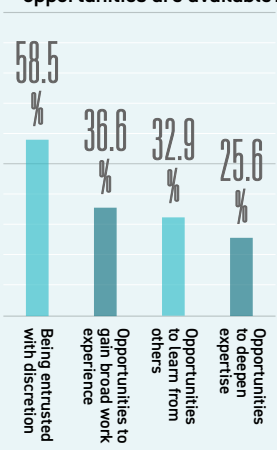
The words "earnestness" and "integrity" appeared frequently, together with observations such as, "many people treat others with respect," "many people express their appreciation," and "whoever you turn to for advice responds sincerely." Other comments, including "few people display a negative mood or attitude" and "people can discuss issues freely regardless of position," suggest a workplace environment with psychological safety in which employees can exchange views openly. This type of communication with integrity supports an organizational culture that welcomes diverse talent and enables people to make use of one another's expertise.

Q What makes the work rewarding?



Respondents said they find their work rewarding in being able to contribute to customers and society, think for themselves and make proposals that lead to results, and broaden both their perspectives and expertise through collaboration across departments and with external partners. While there is a culture of entrusting work to individuals according to their motivation and abilities regardless of age or length of service, many respondents also commented that "people help you when you need it," "ideas are not dismissed out of hand," and "you are not simply left to shoulder the responsibility alone." Rather than merely giving employees discretion, the support of those around them encourages each individual to take on challenges.

Q What kinds of growth opportunities are available?



"Being entrusted with discretion" was cited far more frequently than the other items. Free-response comments also included many specific examples, such as "I was given my own responsibilities within days of joining the Company," "I went on an overseas business trip six months after joining," "I was assigned to a large-scale project as a young employee," and "I have opportunities to make presentations directly to executives." These responses suggest that younger employees and mid-career hires are entrusted with a broad range of responsibilities and given opportunities to take on new challenges from an early stage, while opportunities to learn from those around them and participate in training allow them to deepen their expertise and build their careers autonomously.

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## Mission Statement

(Our Values)

“Contribute to society with excellent technologies and products.”

“Promote prosperity and welfare through concerted efforts to constantly develop new areas.”

“Respect people who exhibit a sense of responsibility, originality and motivation.”

## Corporate Slogan

### “WHERE IT ALL BEGINS”

Nothing is going to change the world to be better without beginning.

The slogan means Nissan Chemical creates such “beginning” to realize the hope of human by exploring the future.

## Corporate Philosophy

(Corporate Purpose)

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

## Course of Action

1. Conduct sensible business activities as a member of the international community in compliance with laws and regulations.
2. Enhance corporate value by providing safe and useful products and services.
3. Strive to achieve zero accidents and zero disasters and protect the global environment.
4. Disclose information appropriately with a focus on communication with stakeholders.
5. Create a cheerful and pleasant workplace by respecting the individuality and personality of employees, and promoting their health.
6. Conduct ourselves as good corporate citizens and decent members of society.

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To Our Stakeholders

Nissan Chemical Corporation was founded in 1887 as Japan's first chemical fertilizer manufacturer to address the country's food problems of that time, under the then-corporate philosophy “利農報国” (ri-no-ho-koku), which means “The development of agriculture leads to the prosperity of Japan.” Since then, inheriting the vigorous pioneering spirit, we have been striving to pursue innovative technologies and businesses that facilitate social progress, thereby significantly transforming our business operations.

We currently provide products and services on a global scale in four business segments: Performance Materials, Agricultural Chemicals, Chemicals and Healthcare. In addition, positioning “information & communication,” “life science,” and “environment & energy” as growing fields, we have taken on the challenge of creating new technologies and products.

The social landscape surrounding us has undergone a drastic transformation due to climate change arising from global warming, the rapid decline in birth rates, the transition to a digital society, and other various factors. To provide value toward addressing social issues is our role to fulfill, which is becoming larger than ever, in this time of further rising uncertainty.

“Thinking deeply and thinking ahead.”  
This is the key to winning in these difficult times, which have finally come. “Integrating knowledge” that Nissan Chemical Group has cultivated so far, we will seek synergistic evolution with society as an enterprise that ventures into the future through “Value Co-creation.”



KINOSHITA Kojiro  
Representative Director,  
Chairman & CEO

Key Points of Integrated Report 2026

Point 1 | Human Capital

Organizational Discernment, Co-creation, and Challenge Drive Value Creation

Recognizing that people are the source of our ability to transform technology into value, we will focus on strengthening three organizational capabilities—“Discernment,” “Co-creation,” and “Challenge”—to accelerate the creation of new “Must-Have” products and sustainable growth.

Related Information  
Special Feature: P.3-6, Human Capital P.25-30

Point 2 | Performance

Achieving Record-high Profit and Accelerating Further Growth

In FY2025, sales reached 279.6 billion yen and operating profit hit a record high of 63.6 billion yen, while ROE exceeded 20% for the first time. We were thus able to make further progress toward achieving the goals of Vista2027 while maintaining our high profitability.

Related Information  
Financial and Non-financial Highlights P.13-14, Message from the President P.15-20, Message from the CFO P.41-44

Point 3 | DX Promotion

Accelerating the Value Creation Cycle through DX

We established the position of CDXO and are promoting company-wide DX and the development of DX talent. By leveraging AI, data science methods, and research theme management infrastructure to improve efficiency, we will accelerate the pace of R&D and commercialization.

Related Information  
Intellectual Capital Research and Development P.31-34, DX Promotion P.49-50

Integrated Report 2026 “WHERE IT ALL BEGINS”

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Editorial Policy

We began Responsible Care activities in 1992 and have reported on these activities through the “Environment and Safety Report” since 1999, the “CSR Report” since 2013, and the “Annual Report” since 2016, which added a business overview and highlights of financial data.

Since 2018, we have comprehensively compiled materiality, the value creation process, business strategies, and detailed financial information, in addition to a business overview and E (Environment), S (Social), and G (Governance) information, in an integrated report in order to better communicate our Group's medium- to long-term value creation to all stakeholders, including shareholders and investors.

We will continue to aim to make this report a valuable communication tool that helps stakeholders better understand the activities of the Nissan Chemical Group by deepening our business activities and enhancing the content of the report.

Reporting Period

FY2025 (April 2025 to March 2026)  
\* Occupational accident data (P.14 and P.69) cover the period from January to December 2025.

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Scope of Reporting

This report presents the initiatives of the Nissan Chemical Group, focusing primarily on financial data and ESG information relating to the business activities of Nissan Chemical Corporation.

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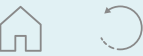
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# The History of Nissan Chemical

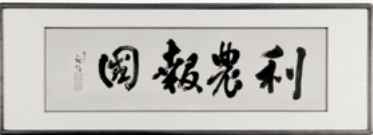
## Changes in Our Business Portfolio and Turning Points in Value Creation

Nissan Chemical has built its business foundation while addressing social issues, expanded its business options through diversification, and refined its business portfolio through selection and concentration. This transformation has been supported by the strengths of our knowledge and people, who create, identify, and nurture the seeds of future growth through R&D.



### 1887- Building the Business Foundation to Address Social Issues

We were founded as Japan's first chemical fertilizer company in 1887. Guided since our establishment by the founding principle of “利農報国” (ri-no-ho-koku), which expresses the idea that “the development of agriculture leads to the prosperity of Japan,” we have directly addressed the social challenge of increasing domestic food production, by manufacturing chemical fertilizers, beginning with superphosphate. In 1923, we diversified our business through the merger of three companies. Mergers and integrations with companies manufacturing products that we did not offer not only directly expanded our product lineup but also enhanced the quality of our human resources and technological capabilities, creating a virtuous cycle in which new products were subsequently developed. We then became part of the Nissan zaibatsu in 1937 and, at the same time, changed our corporate name to Nissan Chemical Industries, Ltd., further strengthening both our corporate structure and business development. Following postwar restructuring, we established our position as a basic chemicals company supporting Japan's industry and agriculture. This period laid the foundation of our business philosophy: responding to the value sought by society through our technological capabilities.



Founding principle of “利農報国” (ri-no-ho-koku)

Three-company Joint  
Manufacture of sulfuric acid, soda, etc.

Kanto Soda

Nippon Kagaku Hiryo  
(renamed from Nippon Seimi Seizo)

+

Dainippon Jinzo Hiryo  
(surviving company)

### Early 1960s- Technological Accumulation and Expansion of Business Options through Diversification

In 1961, while continuing to uphold our founding principle of “利農報国” (ri-no-ho-koku), we established a mission statement that clearly set out our fundamental approach to management in response to rapid changes of the times and advances in technological innovation. In 1965, we entered the petrochemical business, which was then a growth industry. However, faced with a severe business environment that included two oil crises and a structural slump across the industry, we decided to withdraw from the business in 1988. On the other hand, our venture into the petrochemical business enabled us to incorporate technological ideas that differed from those used for our conventional chemical products. The experience and technological expertise accumulated through these efforts subsequently became an important foundation for creating and developing new technologies and businesses, including fine chemicals, and broadened our options for business development.



Nissan Petrochemicals Chiba Plant (1968)

### 1989- Transition to a Value Creation Model through Selection and Concentration

In 1989, following our withdrawal from the petrochemical business, we embarked on a new path with the goal of becoming a “distinctive value-creating company” focusing on two pillars: high-tech fields such as agrochemicals and pharmaceuticals, and technology fields such as functional products and chemicals. Our continued investment in R&D, even amid difficult conditions, led to the launch of numerous new agrochemical products, our entry into the semiconductor field, and the creation of the API for LIVALO<sup>®</sup>\*, a major pharmaceutical product. We also acquired exclusive marketing rights for ROUNDUP<sup>®</sup> in Japan and developed a competitive product portfolio. During this period, we shifted our focus from the “quantity” of our businesses to their “quality” and, building on our technological capabilities, moved toward a value creation model that emphasized profitability and competitive advantage in niche markets.

\* LIVALO<sup>®</sup> is a registered trademark of Kowa Company, Ltd.

### 2018- Establishing a Framework for Continuously Creating Must-Have Products and Services

In 2018, we changed our corporate name to Nissan Chemical Corporation. While inheriting the manufacturing spirit cultivated under “Industries,” we adopted a corporate name that better reflects the nature of our business, thereby clarifying our commitment to achieving further growth into the future. By refining and integrating the core technologies we have cultivated over many years, we have provided highly distinctive products and services across a wide range of fields such as information & communication, life sciences, and environment & energy, thereby addressing social issues and increasingly sophisticated and diverse customer needs. Furthermore, in 2022, we launched Atelier2050, our long-term business plan looking ahead to 2050, to present a roadmap for balancing solving social issues and enhancing corporate value. By integrating technologies, business domains, and human resources, we are creating Must-Have products and services for society.



300,000 –  
(million yen)

250,000 –

200,000 –

150,000 –

100,000 –

50,000 –

1880 1890 1900 1910 1920 1930 1940 1950 1960 1970 1980 1990 2000 2010 2020 (FY)

(%)

30

20

10

0

— Sales (left axis) — Operating margin (right axis)

● The changes in sales and operating margins for Nissan Chemical on a non-consolidated basis from FY1950 to FY1976 and for the Nissan Chemical Group on a consolidated basis from FY1977 to FY2025.  
● Figures for November and the following May or October and the following April are totaled to approximate one fiscal year ending in March.  
● Including effects of changes in accounting policies from FY2021.

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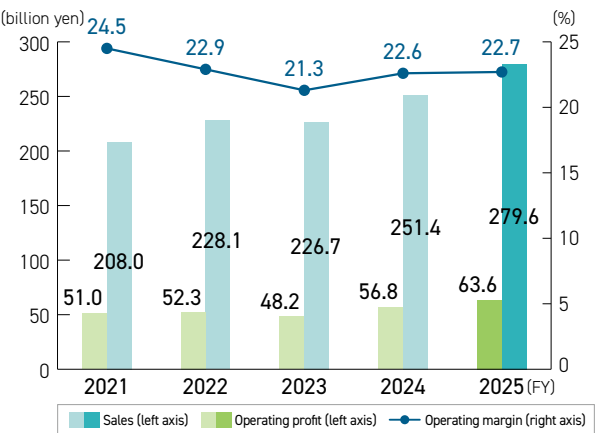
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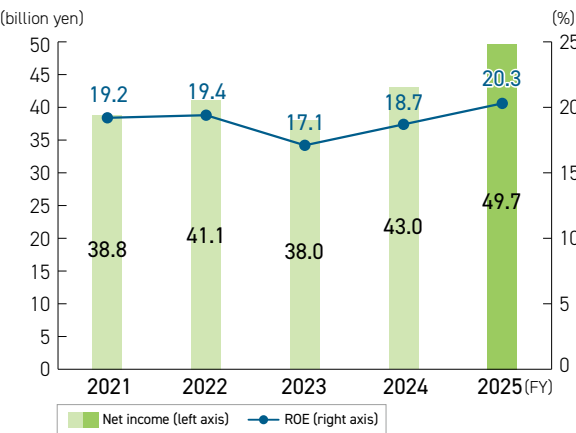
Financial and Non-financial Highlights

Sales / Operating profit / Operating margin



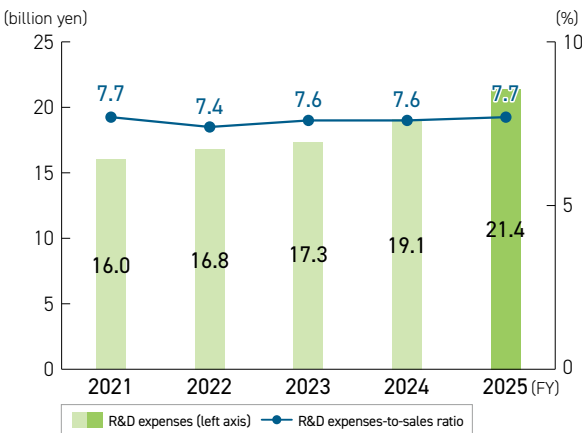
Operating profit reached a record high.  
Operating margin reached the Medium-term Business Plan (FY2022-2027) target of 20% or more.  
\* Including the effects of accounting policy changes from FY2021

Net income attributable to owners of parent / ROE



Net income reached a record high.  
ROE reached the Medium-term Business Plan (FY2022-2027) target of 18% or more.

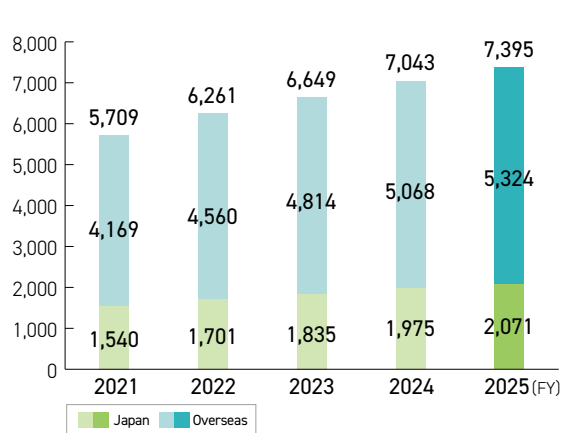
R&D expenses / R&D expenses-to-sales ratio



R&D expenses continue to show an upward trend in functional materials, particularly semiconductors, as well as agrochemicals.  
Placing importance on R&D, we have maintained a high R&D expenses-to-sales ratio of 7-9%.  
\* From FY2025, partial expenses in the Planning & Development Division are included in R&D Expenses due to the change in calculation method. FY2024 results have also been restated to reflect post-change figures

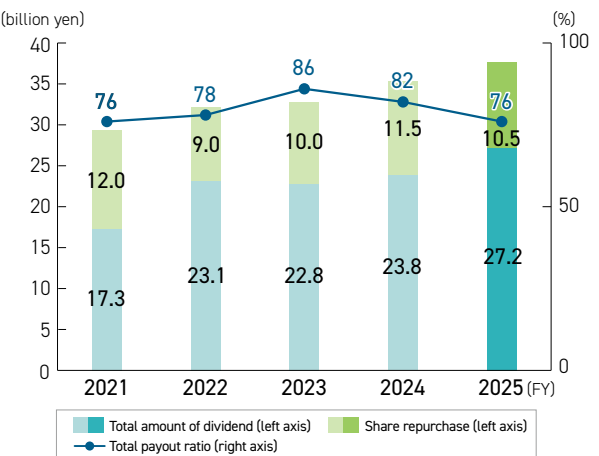
Related Information Research and Development P.31-34

Number of patent owned



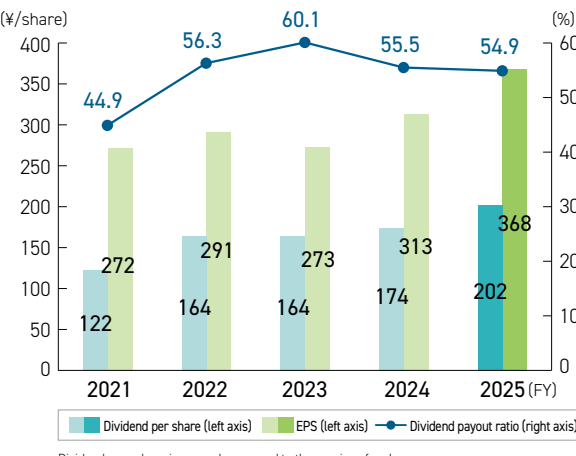
Related Information Intellectual Property P.35-36

Total amount of dividend / Share repurchase / Total payout ratio



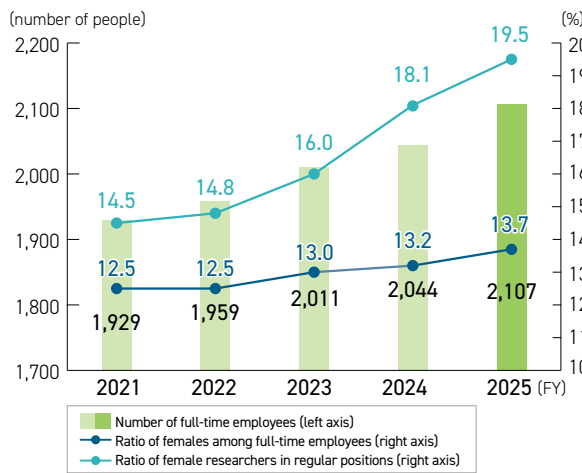
Total payout ratio reached the Medium-term Business Plan (FY2022-2027) target of 75% or more.

Dividends / EPS (net income per share) / Dividend payout ratio



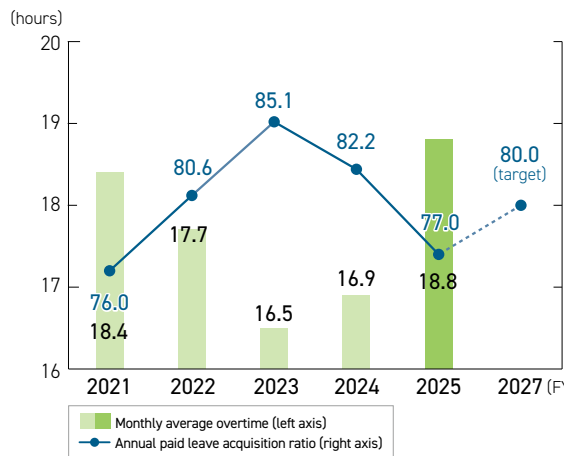
Dividends per share increased compared to the previous fiscal year.  
The target dividend payout ratio under the current Medium-term Business Plan (FY2022-2027) remains 55% or more.

Number of full-time employees / Ratio of females among full-time employees / Ratio of female researchers in regular positions

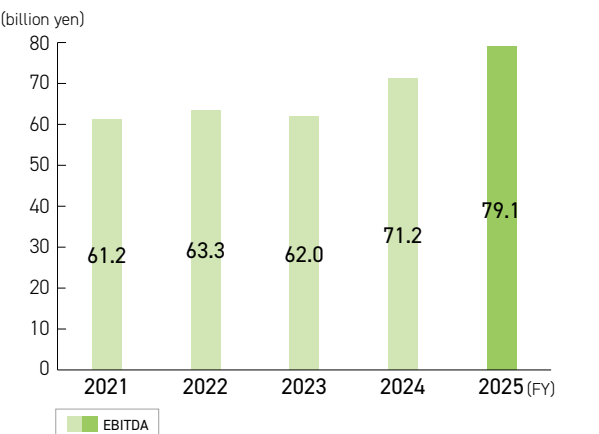


Related Information Human Capital P.25-30

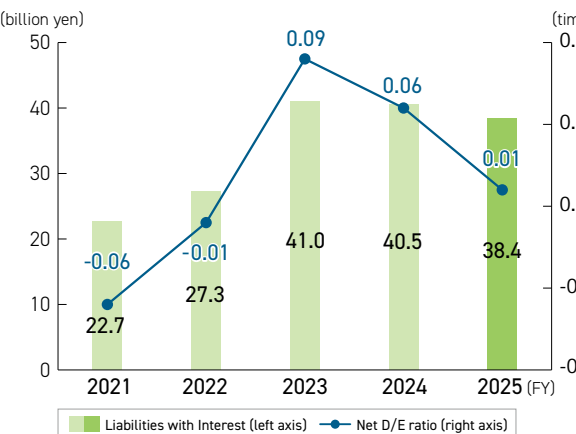
Monthly average overtime / Annual paid leave acquisition ratio\*



EBITDA (operating profit + depreciation)

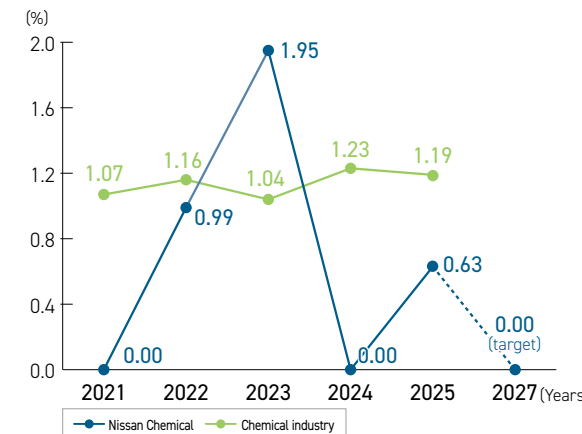


Liabilities with interest / Net D/E ratio\*



\* Net D/E ratio = (Borrowings + Bonds + CP - Cash) / Shareholders' equity

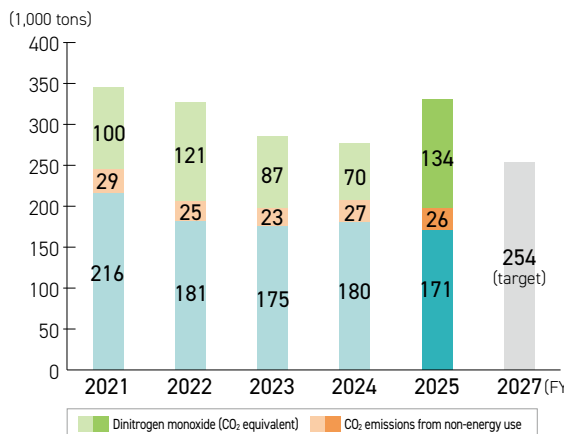
Lost-time injury frequency rate\*



\* Total number of deaths and injuries due to occupational accidents per million actual working hours

Related Information Responsible Care P.68-69

GHG emissions



Related Information TCFD • TNFD P.66

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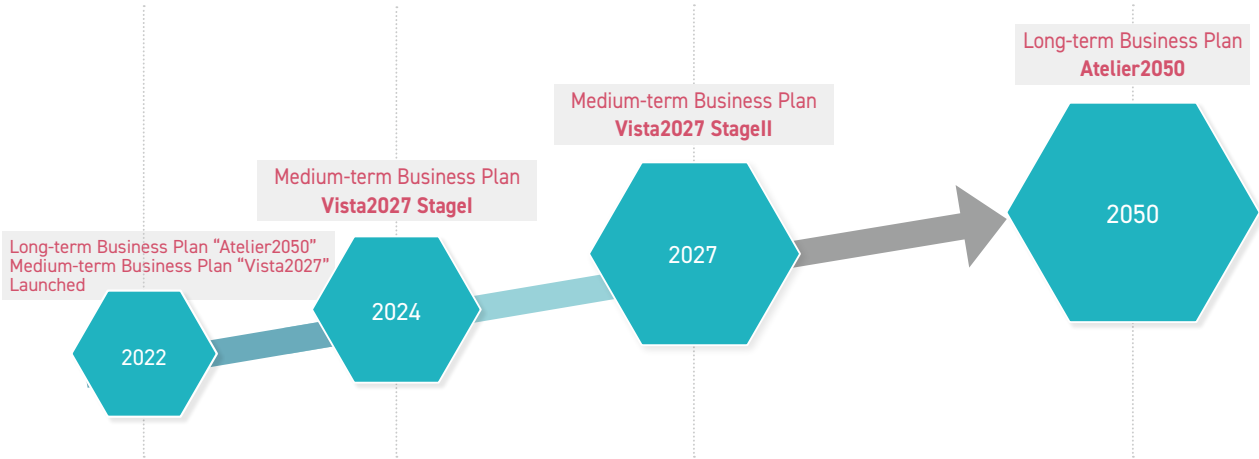




YAGI Shinsuke

Representative Director, President & COO

Becoming a Company That Continually  
Creates Must-Haves  
Turning a Rapidly Changing Business  
Environment into a Catalyst for  
New Growth



Business Environment and Growth Opportunities  
Strengthening Supply-chain Resilience and  
Addressing Environmental Challenges with Sincerity

I am now in my sixth year as President. When I first took office, our most urgent challenge was responding to the widespread social and economic impact of COVID-19. Since then, a series of events with a significant impact on corporate management have occurred, including tensions in U.S.-China relations, the worsening situation in Russia and Ukraine, and military conflict in the Middle East.

Amid these shifts, one of our highest priorities is ensuring stable supply. I believe it is essential to earn our customers' trust so that they can confidently rely on Nissan Chemical, not only for our existing products but also for those we newly develop.

As geopolitical risks intensify, it is no longer sufficient to focus solely on economic efficiency; we must build a robust system that guarantees stable supply through diversified procurement routes and strengthened production and supply capabilities. Our business divisions, procurement department, and related functions are working together to reinforce this foundation. For example, although we are affected by rising natural gas prices, we have been able to secure the volumes we need because our supplier sources natural gas from multiple producing countries. Conversely, for certain specialized raw materials with high dependence on specific suppliers, we will further diversify procurement sources and strengthen the resilience of the entire supply chain.

Another major shift we must closely monitor is the rising societal demand for environmental responsibility. Our customers increasingly expect not only functionality and quality but also reduced environmental impact across the entire product life cycle. For instance, to improve energy efficiency in electronic component manufacturing, there is growing demand to shift material processing from high-temperature to low-temperature conditions. This creates demand for materials that deliver sufficient performance even in low-temperature environments.

We must view such changes in the business environment not as headwinds or risks, but as tailwinds or opportunities for growth. When customers confront new challenges, new demand emerges for products, services, and technologies that help solve them. In my view, both rising geopolitical risks

and heightened environmental expectations can represent opportunities for growth. By accurately discerning the essence of these changes and swiftly delivering value that helps customers solve their challenges, we aim to further enhance corporate value.

Toward Sustainable Growth  
Pursuing New Growth Centered on Performance  
Materials and Agricultural Chemicals

I believe that a sound growth strategy requires having a solid business foundation in fields that support people's lives and society. We operate across a wide range of businesses, including Performance Materials, Agricultural Chemicals, Chemicals, and Healthcare. This diversified portfolio enables one business to drive growth while others provide earnings stability, even as times and market conditions change dramatically. In addition to this diverse portfolio, our product-development capabilities—rooted in core technologies such as Fine Organic Synthesis, Biological Evaluation, and Functional Polymer Design—are the source of our competitive strength. Building on these strengths, we aspire to be a company that continually creates "Must-Have" value for our customers.

To continue generating Must-Haves even in a rapidly changing environment, we position Performance Materials and Agricultural Chemicals as drivers of our future growth.

In Performance Materials, the semiconductor market continues to expand, supported by the widespread adoption of AI. In Agricultural Chemicals, climate change and population growth are increasing the need to address the global challenge of ensuring a stable food supply. Semiconductors, often described in Japan as the "rice of industry," support human progress, while agriculture, including the production of "rice for food," supports the foundation of human survival. Having strengths in both fields is one of our distinguishing characteristics.

In our growth domains, we emphasize two complementary approaches. One is a focused, in-depth approach that deepens technologies to address specific market or customer challenges. The other is an approach focused on broadening the applications of products and technologies.

For example, semiconductor materials require a focused, in-depth approach. As semiconductors become increasingly miniaturized and high-performance, the functions and quality

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Message from the President

levels required of materials continue to rise. Strengthening competitiveness therefore depends on continually advancing our technologies while responding to evolving customer needs.

Conversely, inorganic materials exemplify an approach focused on broadening the range of applications. In addition to their use as polishing agents for semiconductors, they are being applied in glass coatings, the oil and gas sector, and other fields. By further expanding applications, we will continue creating new markets. In the Agricultural Chemicals business as well, we are expanding the value of existing products by broadening the range of applicable crops and extending these products' reach into new markets. At the same time, we are moving beyond the traditional business model of supplying standalone materials or products and shifting toward solution-based proposals that combines these materials or products with services and equipment. For example, by pairing agrochemicals with dedicated application tools, we aim to enable efficient spraying even in labor-constrained farming environments, thereby further enhancing the value we deliver.

Our Chemicals business plays a vital role in supporting Japanese manufacturing, and demand for high-quality products remains strong. This business also serves as the foundation of our technological capabilities. The advanced technologies and manufacturing expertise accumulated through operating ammonia-based plants contribute to developing talent with expertise in production technology and differentiating manufacturing processes across our entire group. Going forward, while steadily advancing structural reforms, we will accelerate a shift toward high-value-added products—including those for the semiconductor industry—to enhance profitability.

In the Healthcare business, we will carefully assess changes in the business environment, such as drug-price revisions and the increasing difficulty of new drug development, while pursuing future growth potential. We are currently advancing research and development in pharmaceuticals—centered on oligonucleotide therapeutics—and materials related to regenerative medicine by integrating the materials-development and biological-evaluation technologies we have cultivated over many years. Looking

ahead, we will also explore opportunities in veterinary pharmaceuticals for pets, leveraging insights gained from pharmaceuticals for human use to create new value in the life-sciences domain.

Business Portfolio and ROIC  
Strategic Investments for Growth

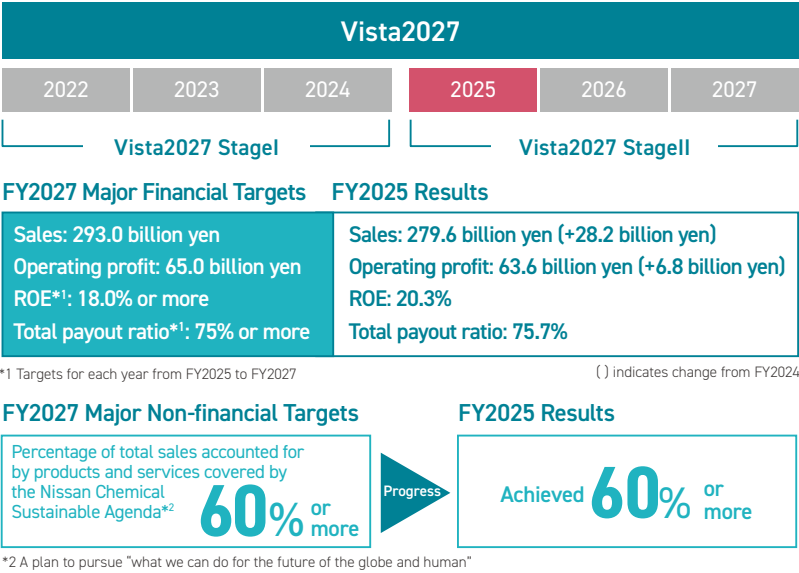
I would like to explain how we allocate management resources. We place priority on profitability and growth potential, positioning return on invested capital (ROIC) as our key evaluation indicator. It is essential to concentrate resources on businesses that possess strong competitive advantages and can secure appropriate returns. Based on ROIC for each business segment, we regularly review our business portfolio and continue to discuss which areas should receive priority in the allocation of our limited management resources.

Being a company that continually creates Must-Haves, as we aspire to be, is also a source of our earnings strength. Our competitive advantage stems from products that competitors cannot easily replace—such as materials with overwhelming market share in certain semiconductor-manufacturing processes in Asia, and selective herbicides that effectively target only specific weeds at low application rates. In addition to these competitive strengths, disciplined resource allocation based on indicators such as capital efficiency, together with rigorous profitability management for each business, has supported our strong performance over many years. We will continue allocating management resources with ROIC in mind, focusing on Performance Materials and Agricultural Chemicals, which offer high profitability and strong growth potential.

In the Performance Materials, demand for semiconductor materials—particularly for AI servers and for cutting-edge and advanced-generation applications—is projected to grow. To meet this robust demand, we are making phased investments to strengthen and expand the entire value chain, from research and development through manufacturing and sales. In FY2025, we began operating the "Analytical Laboratory Building 2" at the Toyama Plant, enhancing our capabilities in technology development, analysis, and inspection for semiconductor materials. We also established Nissan Chemical Semiconductor materials (Taiwan) Co., Ltd., a sales company for semiconductor materials in Taiwan, to strengthen customer responsiveness.

In the Agricultural Chemicals, we view rising expectations for sustainable agriculture as a new growth opportunity. In December 2025, we acquired an equity stake in INNOVA in Brazil to accelerate the expansion of our biologicals business. We aim to develop biological products with efficacy equal to or greater than synthetic agrochemicals, while leveraging Innova's manufacturing and sales platform to promote adoption and expand our biologicals business in the Brazilian market. Through these initiatives, we will acquire Microbial Control technology, one of the priority technology domains in our long-term business plan "Atelier2050," and establish them as a core technology. Looking ahead, we will also explore applications in the environmental and energy fields.

Progress of the Medium-term Business Plan "Vista2027"



Under this resource-allocation policy, we are currently making steady progress toward achieving the financial targets—such as sales and profit—outlined in our medium-term business plan "Vista2027 Stagell." We will continue investing for medium- to long-term growth and enhancing our business portfolio.

Our Challenges and New-Product Creation  
Strengthening Strategic Planning to Accelerate New-product Creation

Although our current performance remains solid, ensuring sustainable growth requires further expanding the lineup of new products that will drive future growth. Under Vista2027 Stagell, we plan to more than double new-product sales compared with FY2024 results. Achieving this target will require accelerating the commercialization of the development themes now underway.

We possess technological capabilities cultivated over many years and deep expertise accumulated through R&D. In fields such as Performance Materials—including semiconductor materials—we maintain high market share even in intensely competitive environments. These strengths are important assets for our growth. To create products that can become new pillars of our business, we must further strengthen our strategic planning capabilities to translate these strengths into business growth. For example, we need to determine how best to apply our organic-synthesis and biological-evaluation technologies in the life sciences field and identify the most suitable partners for collaboration. I recognize that there is still room to enhance the strategic planning needed to develop these technologies into viable businesses.

We are building mechanisms to draw out these capabilities within the company. Each department regularly holds theme councils and review meetings, inviting heads of laboratories and heads of research departments from other

fields, as well as members from related departments, to openly discuss the progress and direction of research themes. By having researchers present their own themes and incorporate perspectives from other departments, we aim to spark new ideas and insights—creating a kind of "chemical reaction."

We have also established frameworks to evaluate R&D themes more objectively and revise their direction when necessary. Beginning in FY2025, we introduced multiple decision points within the R&D process for new-product development themes led by the Planning and Development Division, enabling early decisions on whether to continue a theme or change its direction. In addition, we reorganized the Planning and Development Division and clarified target areas. As a result, our internal foundation for promoting new-product creation is steadily being strengthened.

In the creation of new veterinary pharmaceuticals, we are conducting joint development with MSD Animal Health, the animal health division of Merck & Co., Inc. (U.S.). By combining our R&D capabilities with external expertise, we believe that we can generate new ideas and accelerate future growth.

Furthermore, we are advancing digitalization of processes that previously depended on individual researchers' experience and knowledge. At the same time, we are working to improve R&D efficiency and accelerate commercialization by applying data-science methods, including informatics. In April 2026, we established the position of Chief Digital Transformation Officer (CDXO) to further advance company-wide digital transformation, led by the Digital Transformation Department—comprising the Digital Strategy Office and the Information Systems Office.

Through these initiatives, new "seeds" for 2030 and beyond are steadily beginning to grow alongside the development themes currently underway. By further increasing the speed of R&D, we will nurture these themes into major businesses and create new pillars that support future growth.

Basic Strategies of Vista2027 Stagell

- 1 Expanding profits in existing businesses

  - Concentrating investments in Performance Materials and Agricultural Chemicals
  - Developing next-generation materials and new active ingredients
    - 3D packaging process and EUV materials (Performance Materials)
    - Biological pesticides and new veterinary drug products (Agricultural Chemicals)
  - Improving profitability in commodity chemicals
- 2 Developing new products looking toward 2030

  - Accelerating Go/Stop decision-making
  - Identifying target materials for new products (Information & Communication, Environment & Energy)
  - Focusing on oligonucleotide therapeutics for human use (Life Science)
- 3 Strengthening business foundation

  - Strengthening human resource development
  - Expanding R&D and DX Foundations

Value Creation & Growth Strategy

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Message from the President

Talent as a Source of Competitive Advantage Supporting Growth  
Discernment, Co-creation, and Challenge We Seek in Our People

To create new products and achieve sustainable growth, the most important source of competitive advantage is our people. No matter how advanced a technology may be, it has no meaning unless there are individuals who can translate it into value for society and customers. Our company has both the power of people to turn technological capabilities into value and a corporate culture that supports it. The three behavioral qualities I value most are Discernment, Co-creation, and Challenge.

The first is Discernment, an ability that is particularly important for researchers. Here, Discernment means more than simply selecting promising technologies or development themes. It means identifying customers' latent challenges and changes in the market, and to connecting these insights to our technologies and business opportunities. To cultivate this quality, we implement distinctive personnel rotations that give researchers experience in sales department or overseas assignments. Direct exposure to customer feedback and firsthand experience in the field, neither of which can be gained solely within research facilities, lead to product improvements based on actual demand and inspire ideas for new development themes.

The second is Co-Creation. R&D cannot be accomplished through our own efforts alone. New ideas emerge when diverse knowledge and perspectives are brought together

through dialogue with customers, external partners, and colleagues from different departments within the company. The foundation for this is our corporate culture of integrity, which we have long valued. Respecting one another, considering issues from the other party's perspective, and being willing to make an extra effort for someone else—these attitudes form the basis for co-creation.

The third is Challenge. In a time of rapid change, staying within one's own specialty or relying solely on past successes cannot generate new value. I believe that increasing the number of individuals who break out of their comfort zones and venture into new fields will drive our next stage of growth.

By developing people who embody these values, we will accelerate new-product creation and expand our business domains.

Sustainability  
Approaching Sustainability as a New Business Opportunity

We recognize that sustainability initiatives require action across the entire supply chain. For example, managing and reducing Scope 3 emissions (indirect emissions across the supply chain) is essential to reducing greenhouse gas (GHG) emissions throughout the supply chain. Accordingly, we ask upstream suppliers from whom we purchase raw materials for their cooperation with sustainability-related procurement surveys and other initiatives. We ourselves are being asked by customers to take similar actions. Challenges related to sustainability—including decarbonization—cannot be addressed by our company alone. I believe it is essential to work in close



collaboration with all stakeholders involved in the supply chain.

Sustainability initiatives also represent business opportunities for us. Climate change, for instance, has a significant impact on our agricultural business. As global temperatures rise, the regional distribution of heat-tolerant and heat-sensitive plants will shift. This creates demand for new cultivation-management technologies and optimal agrochemicals suited to each region's climate and vegetation—areas where we have the potential to contribute. Our Climate Change Committee discusses not only risk mitigation but also where we, as a chemical manufacturer, can create value and capture new business opportunities. To ensure that sustainability and climate change are understood and acted upon as matters that concern every employee, I actively promote company-wide initiatives in my role as committee chair.

Corporate Governance  
The Board of Directors Functions as a Forum for Constructive Discussion

Nissan Chemical has two Representative Directors: the Chairman & CEO and the President & COO. As President & COO and the head of business execution, I am responsible for the Company's internal business operations and for making and implementing decisions. Meanwhile, the Chairman & CEO, as chair of the Board of Directors and chair of the Nomination and Remuneration Advisory Committee, is responsible for strengthening the Board's supervisory function and enhancing governance. By clearly separating the roles of execution and oversight in this way, we maintain a sound system of checks and balances while enabling swift decision-making. Nissan Chemical considers this structure to be sound and rational. We also believe that the Board of Directors, comprising six Inside Directors and four Outside Directors, is appropriately balanced. Across all members of the Board of Directors and the Audit

& Supervisory Board, outside members account for 50%, and women represent 29%. Members bring diverse experience and expertise, each contributing from a distinct perspective. Together, we have built an effective governance system.

We also place importance on mechanisms that provide outside directors with high-quality information. We offer opportunities to explain agenda items in advance, ensuring that outside directors can prepare thoroughly. As a result, extremely lively and open discussions take place at meetings of the Board of Directors.

Specifically, outside directors provide candid and rigorous feedback on medium- to long-term growth strategies and risk management. Their discussions address such questions as what kind of company Nissan Chemical should aim to become next, given that the achievement of past targets represents only a milestone, and how we should pursue the overseas expansion of semiconductor and display materials amid geopolitical risks. They also identify points that require careful consideration when contemplating business expansion in countries with high country risk. Based on these discussions, we recognize risk management in overseas expansion as an important theme under our current medium-term business plan. In FY2025, the Board held a free discussion session on approaches to risk-taking in investment.

We also conduct an annual Board effectiveness evaluation, and the Board has been assessed as functioning effectively. We will continue considering how to develop a framework that contributes to enhancing corporate value.

Sustainable Enhancement of Corporate Value Founded on Trust  
Remaining a Trusted Company through Business Activities Guided by Integrity

Guided by our corporate philosophy, our mission is to contribute to the protection of the global environment and to the existence and development of humanity by delivering the value society seeks. Our products support the evolution of various devices, the stable production of food, the provision of pharmaceuticals, and the improvement of healthcare solutions—contributing to richer, more fulfilling lives. At the same time, we work to protect the global environment set forth in our corporate philosophy. These efforts are the source of Nissan Chemical's growth and social value.

To continue fulfilling this mission, strict adherence to compliance is essential. Violation of laws or social norms can cause a company to lose trust in an instant. At Nissan Chemical, we place great importance on every employee continuing to act with the utmost integrity. I also consistently communicate to employees the importance of acting with integrity and maintaining high ethical standards.

To remain a company trusted and chosen by all stakeholders, we will continue to conduct our business activities with integrity and high ethical standards and pursue the sustainable enhancement of corporate value. We sincerely ask for your continued understanding and support.

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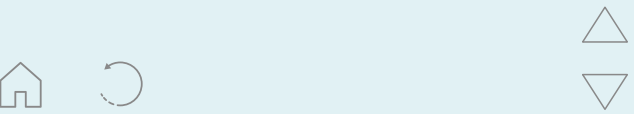
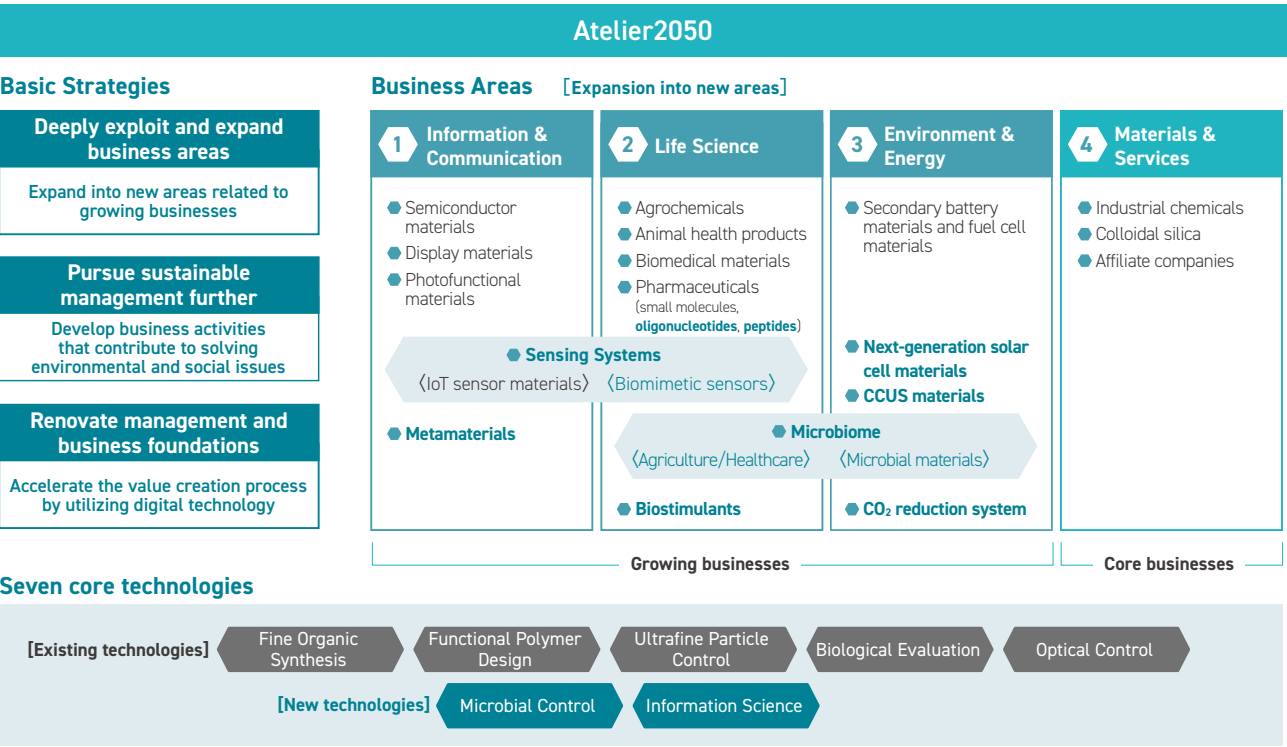
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● Basic Strategies and Business Domains of the Long-term Business Plan "Atelier2050"





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 indispensable "Must-Have" products and services by leveraging the technologies we have cultivated over the years.



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# Business Model and Competitive Advantage

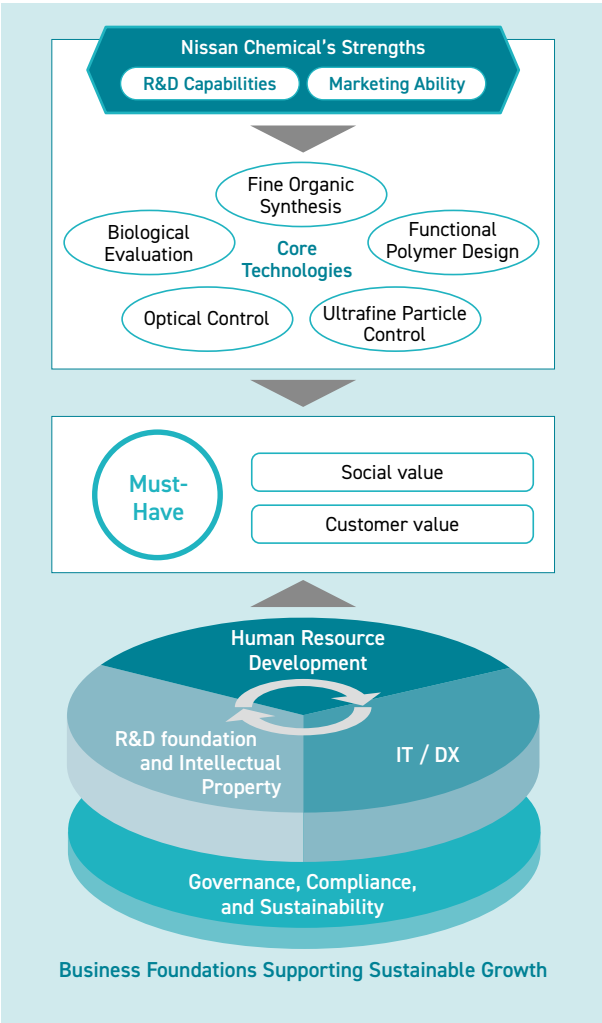
Our Group positions the Corporate Philosophy—“Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society”—as the foundation of our business activities. Leveraging the technologies we have cultivated over the years, we aim to be a Future-Creating Company that responds to social needs through the provision of indispensable “Must-Have” products and services.

### Our Business Model

Our business model is built on our strengths in R&D capabilities and marketing ability, utilizing our unique core technologies to deliver value sought by both society and customers. In particular, by exercising discernment through the integration of R&D and marketing, we promote product development that combines market potential with technological superiority and continuously create “Must-Have” products that are essential to society.

For society, we focus on contributing to a sustainable future by addressing issues such as reducing GHG emissions and waste, alleviating food shortages, and promoting health. For customers, we emphasize solutions to their challenges and the delivery of high-performance, high-quality products that directly enhance customer satisfaction.

These efforts are underpinned by our five core technologies. By combining them, we create highly differentiated products and services in diverse fields such as information & communication, life sciences, and environment & energy—thereby addressing social issues and meeting customer needs.



### The Sources of Nissan Chemical's Strengths

#### Strength ① R&D Capabilities

##### Proactive R&D Investment

Our Company has consistently maintained a high R&D expenses-to-sales ratio of 7–9% over the years, which far exceeds the average of 3–4% among major domestic chemical manufacturers. This demonstrates our proactive stance in allocating resources to research and development.

### R&D expenses-to-sales ratio: Maintained at

**Approx. 7–9%**

(Average for major chemical companies: FY2025 result: 4.2%)

##### Integration of Technologies and Expertise across Disciplines

At the core of our R&D are Nissan Chemical's proprietary core technologies. By integrating them, we achieve cross-disciplinary innovations and create highly distinctive products.

Our agrochemicals and veterinary pharmaceuticals, for example, are the result of collaboration between the Chemical Research Laboratories (specializing in Fine Organic Synthesis) and the Biological Research Laboratories (specializing in Biological Evaluation).

In addition, we regularly hold presentation sessions where researchers from different fields present their results and engage in active discussions. These sessions are also attended by our officers, including outside directors, who actively engage with the researchers to exchange views.

##### Well-resourced Research Personnel

Our R&D activities are supported by a robust team of researchers, who account for about 40% of our regular-position employees. From the recruitment stage, we place strong emphasis on candidates' attitudes toward research. One distinctive feature of our hiring process is the focus on technical interviews, which applicants have described as “almost like an academic conference.”

In addition, rather than conducting unified recruitment for research positions, we recruit them by specific research domains. This approach deepens expertise in each area and enables new hires to contribute as immediate assets. Through such talent strategies, we have built a foundation of both speed and quality in our R&D operations, securing a sustainable source of competitiveness.

#### Strength ② Marketing Ability

##### Customer-oriented Approach

Our strength lies in our customer-oriented approach, which involves deeply engaging with customers' latent challenges to identify solutions. At our Company, even researchers visit customers directly to hold discussions, enabling them to capture latent challenges and needs from a technical perspective and translate them into products and technologies aligned with market demands. In fields such as semiconductor and display materials, we work closely with customers from the early stages, fine-tuning product specifications to deliver solutions optimized for their needs.

This customer-oriented, problem-solving approach not only differentiates our products but also builds strong trust and long-term relationships with customers. As a result, our products have become “Must-Have” and indispensable solutions that resist commoditization, supporting a high-value-added, high-profitability business model.

Furthermore, close collaboration between marketing and R&D enables us to swiftly incorporate customer feedback into R&D, strengthening our ability to respond flexibly to market changes.

This customer-centric approach is also practiced in our Agricultural Chemicals business. By accurately identifying the challenges and needs of agricultural producers and translating them into product development, we have established a strong market position, ranking No. 1 in domestic agrochemicals market share.

##### Agricultural Chemicals

### Domestic agrochemicals market share:

**No. 1**

By transforming customer needs into materials and compounds with robust technological expertise, we earn customer trust — this is “WHERE IT ALL BEGINS.”

**Approx. 40%**  
of regular-position employees  
are researchers

(Flexible transfers between marketing and research positions)

Value Creation & Growth Strategy



##### Developing Talent with the Ability to Exercise Discernment

Developing “Must-Have” products and technologies requires the ability to identify market opportunities by addressing customer challenges and accurately discerning customer needs and market trends. At Nissan Chemical, we refer to such individuals as “talent with the ability to exercise discernment” and place strong emphasis on cultivating them.

We believe that a purely research-focused career makes it difficult to develop the ability to exercise discernment needed to identify market trends and customer needs. As part of our talent strategy, we strategically implement the transfer of researchers to marketing roles, as well as the reassignment of marketing professionals to research positions, with the aim of incorporating the perspectives and experiences gained through marketing activities into our R&D efforts. In addition, as one of our initiatives to develop talent capable of exercising discernment, we conduct training programs aimed at developing entrepreneurial skills and fostering in-house entrepreneurs. Through these efforts, we actively support the development of discernment across the Company.



(An Outcome of Organizational Collaboration Connecting R&D with the Market)

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We Refine the Organizational Capabilities of Challenge, Co-creation, and Discernment Based on the “Integrity” of Each Individual: Connecting Human Capital to Corporate Value and Supporting Future Value Creation

SATO Masayuki

Executive Officer, Head of Personnel Department and General Manager of Health Promotion Office



Carrying the Foundation for Our Strengths Forward into the Future: Integrity Powering the Next Stage of Value Creation

The Nissan Chemical Group has grown by continuously creating highly distinctive products and services guided by our Corporate Philosophy. At the heart of this growth is the “integrity” of each individual employee who sincerely confronts the challenges before them and steadily makes their own efforts.

While Nissan Chemical is often described as a research-driven company, value creation is not supported solely by our research departments. Each individual in research, manufacturing, sales, and corporate functions embraces this attitude and continues to make dedicated efforts to fulfill their respective roles and responsibilities. The manufacturing sites that ensure safe and high-quality operations, sales and business divisions that serve as the points of contact with customers, and the corporate functions that support all of them each play their own roles and generate competitiveness by working together. The accumulation of such actions over time is a strength that underpins Nissan Chemical’s technology, quality, safety, and trust, and represents a corporate culture that we should continue to treasure and pass on.

Supporting Growth with Three Organizational Capabilities: Strengthening Our Capabilities in Challenge, Co-creation, and Discernment

However, due to increasingly complex social issues and sophisticated customer needs, the accelerating pace of technological innovation, and intensifying global competition, it has become difficult to realize sustainable growth simply by extending what we have done so far. While preserving our culture of making sustained efforts with integrity, connecting this strength to future growth requires us to explore new possibilities without being constrained by existing assumptions and translate these possibilities into value creation.

To this end, we are more closely aligning our management strategy with our human capital strategy and strengthening our organization’s “Ability to Take on Challenges,” “Ability to Co-create,” and “Ability to Exercise Discernment” to support the creation of new products and businesses.

The Ability to Take on Challenges is the driving force for questioning existing assumptions and frameworks and taking a step toward new possibilities. Nissan Chemical values and

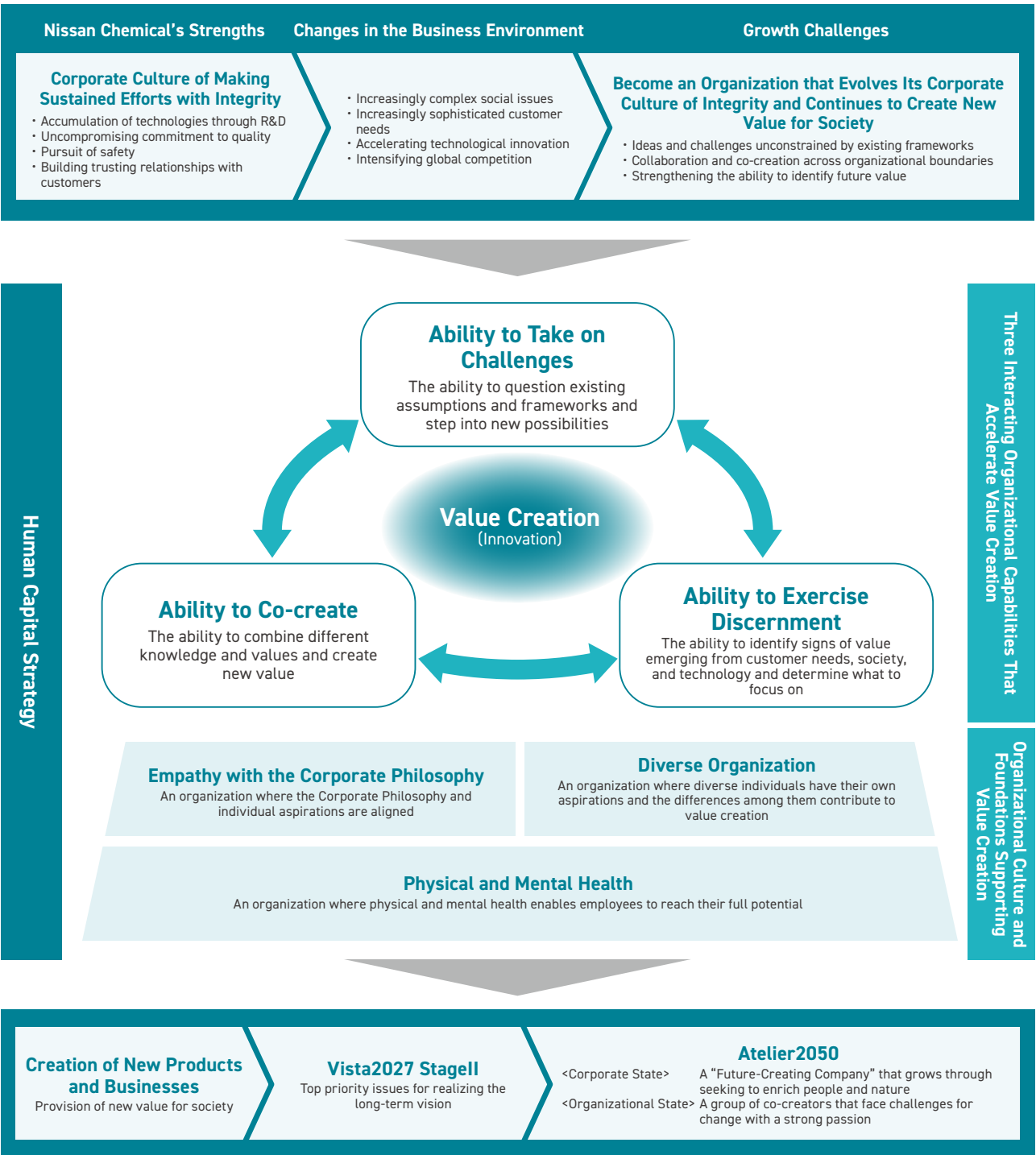
encourages a willingness to move beyond past successes in existing businesses and take on new themes without fear of failure.

The Ability to Co-create is the ability to combine different knowledge and values to create value that no individual could create alone. By creating mechanisms that encourage dialogue across departmental and business boundaries, we are developing an environment in which new ideas emerge through interactions among people with diverse expertise and perspectives.

The Ability to Exercise Discernment is the judgment required to identify signs of emerging value in customer needs, society, and technology and to discern their essence and potential. Nissan Chemical has always placed importance on people with the sensitivity and expertise to discern the future potential of technologies and businesses. We are now redefining this as the ability to integrate and connect technology with the market. We identify signs of what customers and society will need in the future at an early stage and thoroughly consider how they can be connected with our technologies to create value. Going forward, we believe that the Ability to Exercise Discernment will become increasingly important in accelerating the creation of new products and businesses.

These three abilities are being cultivated while interacting with each other rather than being independent. Taking on challenges creates new encounters and learning opportunities, which promote co-creation. The diverse perspectives gained through co-creation nurture the discernment ability, and the possibilities identified become the starting point for the next challenge. By bringing out the potential of each individual and enhancing co-creation among diverse people and the Ability to Exercise Discernment, we will firmly embed this cycle as an organizational capability and connect it to the creation of new value. Building the foundation for this cycle is also a key role of the Personnel Department.

An organizational culture which respects the aspirations and values of diverse individuals and each employee’s empathy with our Corporate Philosophy are essential for leveraging these organizational capabilities. Physical and mental health is the prerequisite for all of this. The Nissan Chemical Group has positioned “a culture of diversity that respects individuality,” “empathy with the Corporate Philosophy,” and “the physical and mental health of employees” as foundations that support our



organizational capabilities. By strengthening these foundations, we will transform individual abilities into organizational capabilities and promote the creation of an environment in which these capabilities can be fully demonstrated.

The Right People in the Right Place: Making the Most of Talent through Greater Visibility

In working to enhance these organizational capabilities, the current challenge for Nissan Chemical is that we do not yet have

enough talent to drive the next stage of our growth. In particular, we need talent with specialized expertise and commercialization capabilities in new business areas, DX, and areas that connect research results to commercialization. By managing our talent portfolio in alignment with our management strategy, we aim to maintain our ability to continuously create new value and generate earnings without relying on past successes. To that end, we need to gain an accurate understanding of where people with specific capabilities, experience, and the willingness to take on

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challenges are located within the company. It is also essential to establish mechanisms that fully bring out their potential and enable them to demonstrate it in appropriate settings. We are currently developing a talent management system and a talent dashboard to increase the visibility of talent information and establish mechanisms for making effective use of talent.

Greater visibility into talent information provides a foundation for connecting the needs of business divisions with employees' own aspirations, taking into account their expertise and their willingness to take on challenges as expressed through career dialogues. This will enable us to assign the right people where they are needed and ensure that appropriate opportunities reach those who wish to take on challenges. It will also make the points where management's talent needs and each employee's desire for growth intersect more visible. Starting from these points of intersection, we will create new experiences and opportunities for growth and build a virtuous cycle in which talent growth and business growth reinforce one another.

Aiming for Business Outcomes Beyond KPIs: Connecting Human Capital to Corporate Value

In human capital management, setting KPIs and disclosing progress are important. What matters most, however, is not the systems or numbers themselves, but understanding the causal relationship between the employee growth and organizational transformation encouraged by these indicators and the business outcomes and enhancement of corporate value to which they ultimately lead. Rather than discussing human capital initiatives separately from business growth and profitability, I want to present them as part of a single, integrated value creation narrative.

Indicators such as operating profit per employee should not be viewed solely as the results of a specific department. Instead, we regard them as the collective result of every department,

including R&D, manufacturing, sales, and corporate functions, fulfilling its respective role. Before sales can deliver value to customers, there is the steady accumulation of R&D, together with safe, high-quality operations at manufacturing sites. Our ultimate profitability is generated because every department, including corporate functions such as finance and legal, fulfills its role with integrity and works in close connection with the others.

Figures obtained through various surveys provide important insights into the current state of the organization. We need to view them as messages that reflect employees' expectations of the company and their desire for improvement. What matters is using these figures as a starting point for deeper dialogue with employees in the workplace and addressing issues one by one. I believe it is essential to listen carefully to the employee feedback behind changes in the figures.

In R&D, it takes considerable time for efforts to take on new themes to generate business results. Similarly, human resource development and organizational culture transformation take time to produce financial results. Companies that achieve long-term growth invariably have sustained investment in people at the foundation of that growth. At Nissan Chemical, we will continue investing in human capital from the perspective of medium- to long-term value creation, rather than making decisions based solely on short-term results.

For Nissan Chemical to remain a company that embodies "WHERE IT ALL BEGINS", I believe it is essential to continue strengthening the DNA that makes R&D a source of growth, together with the capabilities of the people who embody it. As the department responsible for the human capital that supports the realization of our management strategy, the Personnel Department will connect management with employees in the workplace. We will continue building a company that supports each individual's challenge and growth and continues to take on the challenge of creating new value.

Three Organizational Capabilities Being Strengthened

Ability to Take on Challenges

Initiatives to Enhance the Ability to Take on Challenges

The Nissan Chemical Group positions the ability to take on challenges not as a special activity undertaken by only some employees, but as a behavior that all employees should practice in their daily work. For this reason, we are developing mechanisms that support both challenges within daily work and challenges that extend beyond employees' established roles, thereby increasing the overall number and diversity of challenges undertaken.

Challenges Linked to Daily Work

Through the goal management system Target Plan and the frontline-driven improvement activity Ai Campaign\*, we support each individual employee in addressing issues within their own role, rethinking existing ways of working, and striving for higher levels of performance.

Challenges Beyond the Scope of an Employee's Role

Under the "10%Challenge" system, employees can go beyond the scope of their assigned department to set themes based on their own aspirations and use a portion of their annual working hours to explore them. This encourages employees to acquire new knowledge and perspectives and explore new possibilities that are not simply an extension of their existing work.

\* Ai Campaign: Nissan Chemical Group's unique small-group activities for proposing improvements at production sites

Changes within the Organization and the Way Forward

Through these initiatives, a mindset of thinking of better ways to perform one's role and putting those ideas into action is steadily taking root within the organization. On the other hand, it is important to further stimulate challenges that transcend departmental and role boundaries to create new products and businesses. Going forward, we will continue to foster a culture that welcomes challenges and learns from failures, while encouraging more actions that lead to value creation.



10%Challenge award ceremony

Ability to Co-create

Initiatives to Enhance the Ability to Co-create

The Nissan Chemical Group regards the ability to co-create not as a simple division of roles, but as the ability of people with diverse technical expertise, experience, and values to bring their knowledge together and create new value. To strengthen this ability, we are taking a two-pronged approach: intentionally creating opportunities for co-creation and fostering a culture in which co-creation emerges spontaneously.

Intentional Creation of Opportunities for Co-creation

In our tiered hypothesis-testing and proposal-based training program, employees with diverse areas of expertise hold discussions based on issues anticipated five to ten years into the future and make recommendations to management while testing hypotheses. This provides an opportunity to gain firsthand experience of the essence of co-creation.

Fostering a Culture in Which Co-Creation Emerges Spontaneously

We place importance on diversity as a prerequisite for co-creation and promote the cultivation of a culture that leverages diversity of opinions through communicating our Diversity Statement and other means. We also encourage team activities and cross-departmental proposals through the "10%Challenge" and "Ai Campaign"\* initiatives.

Changes within the Organization and the Way Forward

The expansion of opportunities for co-creation is cultivating a habit of viewing things from multiple angles and engaging in constructive discussion. In addition, a willingness to address challenges beyond the boundaries of one's own department is also gradually becoming more widespread. Going forward, we aim to realize a situation in which co-creation arises naturally in everyday work rather than being limited to opportunities provided through formal programs and initiatives. We will encourage dialogue and collaboration across departmental and disciplinary boundaries and create an environment in which new value is generated more autonomously.



Hypothesis-Testing and Proposal-Based Training

Human Capital Dashboard: Current State of Organizational Capabilities for Creating New Products and Businesses

| Elements of Human Capital Strategy |                                       | Main Measures                                                                                            | KPI                                                                                                            | FY2024 Result | FY2025 Result | FY2027 Target | Assessment of Current State                                                                                                                                                             |
|------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Classification                     | Item                                  |                                                                                                          |                                                                                                                |               |               |               |                                                                                                                                                                                         |
| Organizational Capabilities        | Ability to Take on Challenges         | ● Target Plan<br>● Ai Campaign<br>● 10%Challenge                                                         | Positive response rate in survey of employee attitude on willingness to take on challenges                     | 72.0%         | 71.0%         | 75.0%         | A culture of taking on challenges is at a high level, but there is room to further diversify the challenges undertaken to create new possibilities.                                     |
|                                    | Ability to Co-create                  | ● Hypothesis-Verification and Proposal-based Training<br>● Joint Research<br>● Joint Patent Applications | Number of co-creation themes                                                                                   | 160           | 180           | 200           | Opportunities for co-creation and cross-departmental dialogue are expanding, but there is still room to foster spontaneous co-creation in everyday work.                                |
|                                    | Ability to Exercise Discernment       | ● Intrapreneurship Program<br>● Cross-Functional Personnel Rotations                                     | Indicators under consideration                                                                                 | —             | —             | —             | Advancing employee development initiatives while developing appropriate indicators.                                                                                                     |
| Foundation                         | Empathy with the Corporate Philosophy | ● Corporate Philosophy Workshops<br>● Opportunities for Dialogue with Top Management                     | Positive response rate in survey of employee attitude on the degree of empathy toward our Corporate Philosophy | 65.8%         | 68.0%         | 70.0%         | Progress is being made in the internalization of the Corporate Philosophy, but further progress is needed in translating the Corporate Philosophy into everyday actions and challenges. |
|                                    | Culture of Diversity                  | ● Leadership Program for Women<br>● Career Dialogue                                                      | Positive response rate in the survey of employee attitude on diversity and career planning                     | 64.8%         | 67.2%         | 70.0%         | Understanding of diversity and career autonomy is increasing, but there is still room to further translate diverse aspirations and values into value creation.                          |
|                                    | Physical and Mental Health            | ● Promotion of Stress Checks and Health Screenings<br>● Health Management Skills Seminars                | Ratio of employees with high stress                                                                            | 8.3%          | 8.1%          | 8.0% or less  | A favorable level is being maintained, but we will continue maintaining and improving physical and mental health as a foundation for challenge and co-creation.                         |

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Ability to Exercise Discernment

Initiatives to Enhance the Ability to Exercise Discernment

The ability to exercise discernment is the ability to identify signs of change and emerging value in customer needs, society, frontline operations, and technology, and to discern their essence and potential. At the Nissan Chemical Group, we view this ability as something that cannot be developed through knowledge alone but is cultivated through dialogue with customers, hypothesis testing, and experience gained in different roles and frontline settings. Based on this understanding, we are taking steps to develop the ability to exercise discernment among our employees.

**Discernment through Customer and Market Engagement**  
In our Intrapreneurship Program, participants repeatedly work through the process of understanding customers, formulating hypotheses, and testing them, based on themes aimed at the creation of new businesses. The program cultivates a perspective of viewing value from the customer's perspective and discerning commercialization potential.

**Discernment through Diverse Experiences Within the Company**  
We cultivate the ability to view matters from different perspectives through cross-functional personnel rotations across research, manufacturing, sales, and other functions. This deepens

understanding of customer challenges and market trends, thereby strengthening the ability to exercise discernment in identifying business opportunities from multiple perspectives.

Changes within the Organization and the Way Forward

As the ability to exercise discernment is cultivated, the capacity to evaluate ideas arising from challenge and co-creation from the perspectives of customer value, business viability, and feasibility will become firmly established throughout the organization. In addition, through repeated customer engagement and hypothesis testing, we are also cultivating the ability to conceptualize how to realize the value customers truly seek through specific technologies, systems, and collaboration and deliver it to society. Through this process, the themes we should take on next become more clearly defined, leading to more meaningful co-creation and the continuous creation of new products and businesses.

Going forward, we will continue these development initiatives while establishing appropriate indicators to assess the extent to which the ability to exercise discernment is being demonstrated. We will also work to visualize how firmly practices related to customer understanding and hypothesis testing have taken root across the organization.

Key Initiatives

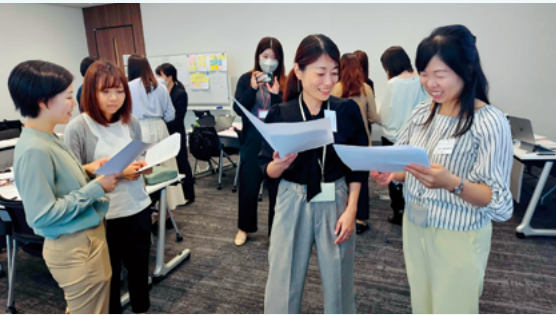
Discernment Intrapreneurship Program

To strengthen the "Ability to Exercise Discernment" needed to identify business potential and vigorously drive commercialization, we conduct an intrapreneurship program every other year for selected employees from across the company. With professional entrepreneurs serving as mentors, participants spend about six months fully committed to the challenge of creating new businesses. By repeating short cycles of hypothesis formulation and testing, they not only advance commercialization but also acquire entrepreneurial action skills. To date, 27 employees have completed this program.



Diversity Leadership Program for Women

This program, which we have been running every other year since FY2023, aims to nurture change leaders who demonstrate leadership in ways that are true to themselves and influence those around them and drive change within the organization. So far, 25 employees have taken part in the program. The participants addressed their own self-imposed barriers and preconceptions and deepened their understanding of diverse values through dialogue across departmental and site boundaries. In particular, they have experienced firsthand that openly expressing concerns or discomfort they have experienced in the workplace can be the first step toward change. These practices contribute to fostering an organizational culture where diverse opinions are respected.



Foundation for Demonstrating Organizational Capabilities

Creating a Culture That Fosters Empathy with the Corporate Philosophy

Relationship with the Three Organizational Capabilities

The organizational capabilities of challenge, co-creation, and discernment are not merely confined to behavioral change. They lead to enhanced corporate value only when they are exercised toward realizing the Corporate Philosophy. When each individual employee aligns their personal aspirations with the Corporate Philosophy, the direction of efforts in challenge and co-creation is linked to the organization's vision and leads to sustainable value creation. Empathy with the Corporate Philosophy aligns individual actions toward a common direction, thereby playing an important role as the foundation that connects the three organizational capabilities to value creation.

Main Initiatives and the Way Forward

Through Corporate Philosophy workshops for new employees and various initiatives to promote the internalization of the Corporate Philosophy, we provide opportunities for employees to interpret the Corporate Philosophy in their own words and think about it for themselves. We also continuously create opportunities to identify how the Corporate Philosophy relates to their daily work through site visits and dialogue by top management. The Nissan Chemical Group continuously monitors the extent to which the Corporate Philosophy has taken root, using "Positive response rate in survey of employee attitude on the degree of empathy toward our Corporate Philosophy" as an indicator. Looking ahead, we will further promote the cultivation of a corporate culture where the philosophy and individual aspirations are aligned.

Creating a Culture of Diversity That Respects Individuality

Relationship with the Three Organizational Capabilities

For challenge, co-creation, and discernment to be fully demonstrated, an organizational culture in which diverse individuals can openly express their own thoughts and aspirations and embrace differing opinions and values is essential. In particular, the ability to co-create arises from the intersection of diverse experiences and perspectives, with diversity and autonomy serving as its foundation. Diversity and autonomy are also the sources of ideas unconstrained by existing assumptions and new perspectives in challenge and discernment. When individual differences are respected, the three organizational capabilities can be demonstrated more fully, thereby leading to value creation.

Main Initiatives and the Way Forward

In the leadership program for women, we are nurturing change leaders who express their own ideas and influence those around them through dialogue across departmental and site boundaries. In addition, we support the aspirations and career development of each individual through career dialogues for all employees while also working to foster an organizational culture where diverse opinions are openly exchanged. Looking ahead, the Nissan Chemical Group will continue to monitor changes in its organizational culture using the "Positive response rate in the survey of employee attitude on diversity and career planning" as an indicator.

Promoting the Physical and Mental Health of Employees

Relationship with the Three Organizational Capabilities

The organizational capabilities of challenge, co-creation, and discernment can be sustainably demonstrated only when each employee's physical and mental health is ensured. The Nissan Chemical Group regards health as a key foundation of human capital management and an essential element of the management foundation that supports sustainable corporate growth. We believe that physical and mental health not only enables individuals to fully demonstrate their abilities but is also a prerequisite for the organization to consistently take on challenges, engage in dialogue, and discern the essence of value.

Main Initiatives and the Way Forward

We are working to maintain and improve employee health by encouraging employees to undergo regular health examinations, conducting stress checks and providing seminars to improve health management skills. At the same time, we are developing a safe and comfortable working environment by promoting Responsible Care Management. Furthermore, we are continuously working to reduce productivity losses due to presenteeism. The Nissan Chemical Group monitors employee health using "Ratio of employees with high stress" as an indicator. Looking ahead, we will continue promoting health and productivity management and working to create an environment where employees can reach their full potential.

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# Intellectual Capital Research and Development

Promoting Customer-driven R&D to Achieve Both the Resolution if Social Issues and Growth Sustainable Increase in Corporate Value through Proprietary Technology and People Who Take on Challenges

NIHIRA Takayasu

Managing Executive Officer, CTO, Head of Planning and Development Division



### Connecting Business, Technology, and Talent to Flexibly Shape a Vision for the Future

Nissan Chemical has a wide range of business areas relative to its size, and this is both a distinctive characteristic and a strength. However, simply refining the strengths of each individual area is not enough to achieve business expansion or technological advancement. My role as CTO lies in connecting business, technology, and talent, and aligning the direction of R&D with the Company's management policy to promote the creation of new businesses.

At Nissan Chemical, an R&D-driven company whose strength lies in research and development, approximately 500 researchers are working to address customer challenges and social issues. To fully harness their capabilities, it is essential that the research teams, sales, business divisions, and management all head in the same direction. As CTO, I will coordinate the direction of R&D with the Company's business policy, including sales activities, to decide "what we must do next" and put that decision into action from a technological perspective.

Nissan Chemical has established its long-term business plan "Atelier2050," which outlines our Ideal State in 2050. Even amid changes in the business environment beyond our expectations, such as advances in AI, we are shaping our future vision by looking beyond our medium-term business plan "Vista2027 Stagell" and adjusting our course based on evolving social trends. While maintaining and strengthening our existing earnings base which includes liquid crystal alignment materials, semiconductor-related materials, and agricultural chemicals, we will explore the potential of new technologies and business areas that could become the next growth drivers and advance R&D aimed at future growth.

### Earning Trust by Responding to Customer Challenges

The starting point for R&D lies in identifying customer challenges. We require our researchers to engage in development by constantly listening to customers and the market outside the Company rather than remaining in our internal laboratories. In addition, it is essential for mid-level and senior researchers to have the ability to define issues on their own and advance development through direct dialogue with customers and the market in the field.

The source of Nissan Chemical's competitiveness lies

in responding to customer challenges not only by providing advanced and distinctive technologies, but also by responding swiftly and reliably. Our unwavering commitment and integrity in delivering high performance, high quality, and consistently meeting delivery deadlines has earned the trust of our customers, and this cycle leads to new themes and businesses. Rather than pursuing fields where major corporations primarily compete, we have used our unique expertise and capabilities to refine value that is important to our customers in fields where our technology truly comes into its own.

One pillar of the basic stance taken by our employees is "Valuing the integrity as the strength." We hope that integrity will benefit all stakeholders, not just customers, and will also contribute to enhancing the sustainability of society.

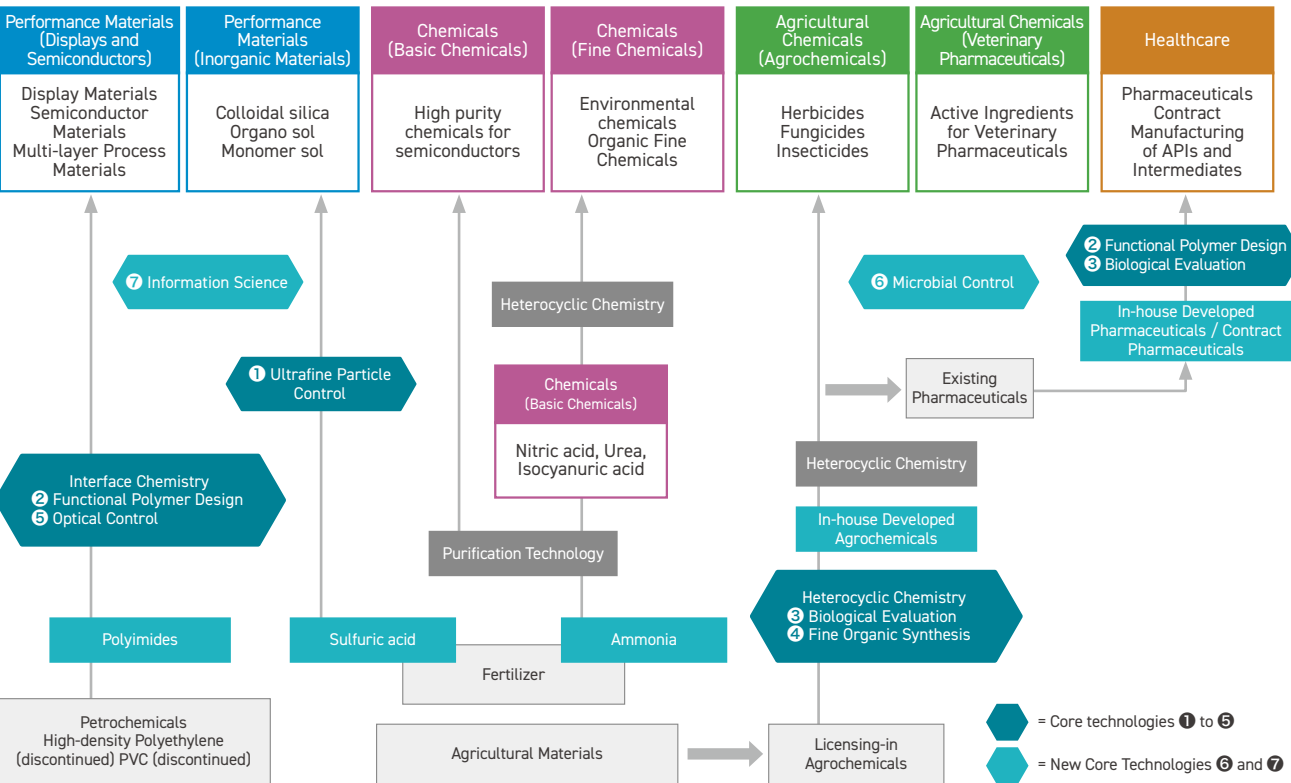
### Cultivating Talent and Organization That Harness a Spirit of Challenge and Diversity

The source of achievements in R&D lies in the drive to take on challenges that differ from those pursued by others. Although there is sometimes discussion of "a winning strategy" or "the probability of success," there are no shortcuts in R&D. We are cultivating an organizational culture which recognizes both the process and the results and enables researchers to be bold in taking on challenges.

The common factor among researchers who consistently produce results is their strong passion for R&D. A mindset of continuously taking on challenges without being satisfied with past results generates new value. The people who generate original research ideas from scratch and those who take those ideas through to commercialization are not necessarily the same people. It is important for diverse talent to leverage their respective strengths, harness their collective capabilities as an organization, and bring research outcomes to commercialization.

Nissan Chemical promotes the development of talent capable of creating new value across departments through the Intrapreneurship Program, the 10%Challenge, and the activities of the Human Resource Development Group established within the Materials Research Laboratories. Amid increasingly sophisticated and diverse customer demands, there has also been an increase in themes that cannot be addressed by a single organization alone, and we are enhancing our organizational capabilities to respond swiftly.

### R&D -Our Seven Core Technologies-



The discernment abilities to find business seeds and achieve commercialization cannot be acquired overnight. It involves having a wide range of interests, being on the lookout for new information, and, when encountering something unfamiliar, seeking out people with relevant expertise. We believe the accumulation of these efforts broadens the horizons of researchers and leads to new ideas. Furthermore, as the number of issues that cannot be solved with our own technologies alone increases, we are also actively engaging in open innovation to accelerate development.

Failures that result from genuine, wholehearted endeavors fuel the next challenge. Of course, it goes without saying that actions that violate ethical standards, such as data falsification, are not permitted.

### Protecting and Strengthening Our Foundations While Nurturing the Next Seeds of Growth through Investment Decisions

We regard delays in creating new products as a serious issue for Nissan Chemical. While existing products such as liquid crystal alignment materials, semiconductor-related materials, and agricultural chemicals support earnings, it will still take time to nurture new businesses comparable to them. As many themes proceed in parallel, decisions on the continuation or discontinuation of themes and the allocation of resources are important.

Not all research themes in performance materials necessarily produce results in the short term. Even when a research theme is put on hold, we preserve the technologies we

have accumulated and may resume the work under a different research theme. The time frames for evaluating research themes and making decisions vary by field, ranging from several years in healthcare to around six months in materials. In the Planning and Development Division, we have introduced a stage gate system and carry out milestone management based on market potential and technological progress. The use of DX and materials informatics (MI) is also expanding. Under the CDXO (Chief Digital Transformation Officer), the Digital Transformation Department and the Research Management Department at headquarters, the Human Resource Development Group within the Materials Research Laboratories, and others are working together to drive transformation in R&D from a company-wide perspective.

In terms of investment, we place particular importance on developing the evaluation environment in the semiconductor field. While leveraging external organizations, it is ultimately essential to maintain an in-house evaluation environment that produces results correlating with those of our customers. Although evaluation technology often operates behind the scenes, it directly contributes to faster development and stronger proposal capabilities, making it a key foundation for competitiveness.

Nissan Chemical has valued the people and R&D associated with themes that have the potential to drive future growth and has continued to invest in them. Going forward, we will continue working to create corporate value that translates into future growth by investing in technology, talent, and systems.

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Developing Data Scientists

As part of efforts to position “Information Science” as a new core technology, we launched a development project across the entire research division in FY2023 aimed at improving the data science literacy of our researchers.

In FY2023, we implemented a training program combining e-learning with periodic assessments to strengthen foundational abilities of the participants (particularly digital skills). In FY2024, building on the results of the previous fiscal year, we implemented an individualized, practical training program strongly focused on application to the actual work of the participants. As a result, we have seen a steady improvement in the level of skills, and the participants have been utilizing the skills they have acquired in their actual work. From FY2025 onward, we have assigned information science coordinators to each research department, who set goals and action plans aligned with the department’s R&D themes, thereby promoting data-driven research.

Showcasing Our Activities: Materials Research Laboratories

In the Materials Research Laboratories, we promote “human resource development that integrates education with the development of the practical work environment” with the aim of realizing a situation in which each individual researcher is able to utilize data science in their day-to-day research activities. In FY2025, in addition to basic education such as Python courses and database training, we promoted the standardization and database structuring of manufacturing and evaluation data, and developed a foundation that enables research data to be continuously accumulated and utilized. In addition, we are establishing an environment to enable researchers to handle data themselves and use it in hypothesis testing and condition optimization through the introduction of a no-code materials informatics (MI) tool and various data analysis tools. Through these activities, we are cultivating human resources who can go beyond merely acquiring knowledge and apply data utilization skills to actual research themes. Going forward, we will further deepen the utilization of data in our laboratories and accelerate the development of core personnel responsible for advanced analysis and problem-solving, with the aim of firmly establishing and advancing data-driven research.

Theme Management of Research and Development

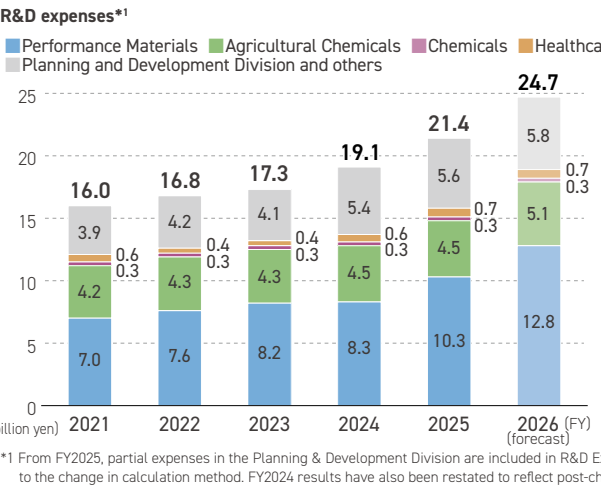
Nissan Chemical has many R&D themes underway. In the spring of 2026, we began using a SaaS system that centrally manages all our research themes. This custom-designed system enables us to share and evaluate R&D progress in real time from a variety of perspectives, including not only the technological progress of each research theme but also commercialization schedules, sales plans, and personnel allocation.

We also hold research review meetings multiple times a year rather than relying solely on the system. The head of each research laboratory and the officers responsible for overseeing each research field participate, and for themes that are behind schedule, they discuss the background to the delays and ways to make up for them. When it is necessary to consider suspending a research theme, we make a decision taking into account factors such as whether there are recovery strategies, changes in market conditions, and the business model for the theme. In addition, we share information that is effective for advancing research on new themes, such as the application of technologies in which each laboratory has particular strengths.

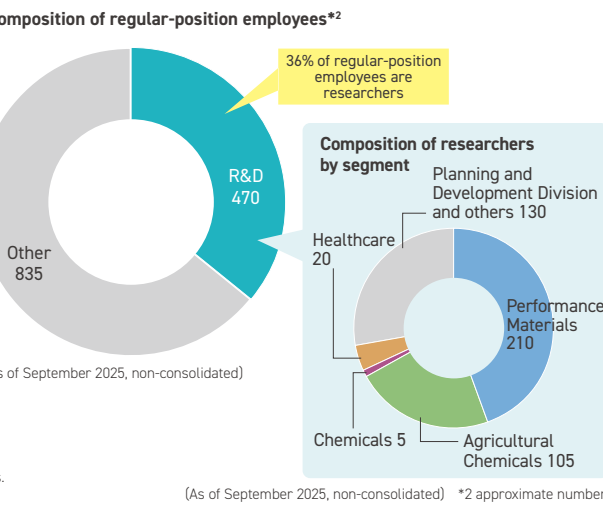
R&D Expenses

We consider R&D to be the source of growth, and have intensively invested our management resources in R&D.

Our R&D expenses-to-sales ratio has remained at a high level of 7–9%, with R&D expenses trending upward in performance



materials, particularly semiconductor materials, and agricultural chemicals. In addition, approximately 40% of employees in regular positions are working as researchers.



Voices of Researchers

Contributing to Cutting-edge Semiconductor Processes through “Customer-centered” Development

IGATA Kosuke  
Semiconductor Process Materials Research Department  
Materials Research Laboratories



I work on the development of EUV exposure resist underlayers which play a central role in cutting-edge semiconductor manufacturing processes. Development for major semiconductor manufacturers requires proposals that take into account stringent quality standards and future mass-production feasibility, in addition to performance improvements. Materials development in the semiconductor field which is evolving rapidly proceeds within short development timelines, and it is a challenging environment in which we compete with rivals for evaluation

opportunities. In this environment, I have found that we can earn trust not only by submitting the materials requested by the customer but also by presenting data that substantiates the mechanisms underlying the material’s properties. I have also realized the importance of coordination and preparation involving plant personnel at the manufacturing site during scale-up trial production.

I feel that I am in an environment at Nissan Chemical where I can grow in multi-faceted ways through repeated collaboration with researchers who have diverse areas of expertise, as well

as cooperation with other departments. My goal is to create materials that will support manufacturing of cutting-edge devices in the future while fully utilizing Nissan Chemical’s distinctive customer-centered approach.



Putting Analysis Technology Closer to the Center of R&D

NAGAE Kei  
Analysis Research Department  
Chemical Research Laboratories



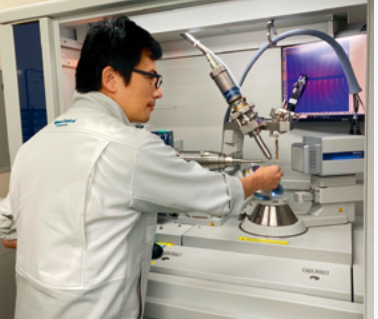
In the Material Analysis Research Department, we work in close collaboration with other departments, making full use of various analytical techniques to support R&D and business development as well as create new value for products. In particular, the team I belong to is an analysis group in which each individual team member has advanced the precision structural analysis techniques in which they specialize, and this enables us to handle organic analysis across all business areas and at every stage. We also take pride in our strong problem-solving capabilities, which

enable us to comprehensively interpret a variety of analytical results and translate them into solutions.

Every day, I find it rewarding that the results of our analysis enable us to uncover what was previously unknown, advance R&D, and lead to the resolution of problems.

Going forward, I will continue to actively adopt and utilize cutting-edge analytical equipment and press ahead with building proprietary advanced analysis technologies. At the same time, I will contribute to value creation in R&D and business activities through co-

creation with relevant departments and organizations, and share these outcomes with my team members to contribute to the growth of the organization.



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Intellectual Capital Intellectual Property

The Nissan Chemical Group positions intellectual property as both “the foundation of our business” and “the source of our growth.” We work to strategically leverage intellectual property as a key management resource that supports the competitiveness of our business and our sustainable growth.

Intellectual Property Strategy of the Nissan Chemical Group

● **Basic Policy: Three Pillars of Intellectual Property Activities**  
(1) Timely acquisition of IP rights (2) Appropriate utilization of IP  
(3) Thorough IP risk management

● **Recent Key IP Activities**  
Enhancing the IP governance system, Leveraging IP landscape,  
Addressing alleged infringements, Supporting contracts and external negotiations

● **Features of Nissan Chemical Group's IP Governance**  
**IP governance across all divisions**  
• Engagement in IP activities by IP liaisons (Intellectual Property Promotion Officers) appointed in each division.  
• Regular holding of company-wide IP conferences and IP development meetings for each business field.  
• Human resource development and enhancement of IP literacy through IP training programs.

Based on IP management through close collaboration among the business divisions, R&D departments, and the Intellectual Property Department, we implement IP governance through systematically structured committees. Through these efforts, we work to build a stable business foundation by ensuring the alignment between management strategy and business, R&D, and IP strategies, as well as comprehensively discussing decision-making on key issues.

| Medium- and Long-Term Business Plans                                                                                                                                  |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atelier2050 Our Desired Corporate Vision<br>■ A “Future-Creating Company” that grows through seeking to enrich people and nature                                      |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                |
| Basic Strategies of Vista2027 StageII<br>■ Expanding Profits in Existing Businesses ■ Developing New Products Looking toward 2030 ■ Strengthening Business Foundation |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                |
| Key Factors                                                                                                                                                           | Key Initiatives                                                                                                                    | Outputs                                                                                                                                                                                                                                                                                                                      | Outcomes                                                                                                                                                       |
| Expanding Profits in Existing Businesses                                                                                                                              | <b>Agility</b><br>Strengthening agility and creating IP assets aligned with growth strategy                                        | <b>Patent Inventions* Vista2027: 1,200</b><br>● Cumulative total from FY2022 to FY2025: 887<br>* Patent Inventions represent inventions that resulted in first patent filings and are counted based on first patent filings.                                                                                                 | <div>Materiality<br/>Strengthening of Nissan Chemical's business base</div> <div>Enhancement of R&amp;D capability<br/>Personnel retention and trainings</div> |
|                                                                                                                                                                       | <b>Leveraging IP</b><br>Reducing IP risks and enforcing IP rights through stronger countermeasures against other companies' rights |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                |
|                                                                                                                                                                       | <b>Brand</b><br>Expanding sustainable businesses through trademarks and branding                                                   |                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                |
| Developing New Products/Strengthening Business Foundation                                                                                                             | <b>New Businesses</b><br>Leveraging IP landscape for new business creation                                                         | <b>Comparison with 30 manufacturers in the chemical industry (FY2025)</b><br>● IP creation capability + Competitive advantage and profitability = (Number of patents owned + R&D expenses) × Operating margin<br>Ranked 1st (3.3 times the 30-company average)<br>● Overseas percentage of patents owned: Ranked 3rd (69.5%) | Vista2027 StageII targets<br><br>Sales<br>293.0 billion yen<br><br>Operating margin<br>20% or more<br><br>ROE<br>18.0% or more                                 |
|                                                                                                                                                                       | <b>IP Investment</b><br>Making appropriate decisions on IP investment through strengthened IP governance                           | <b>Number of trademarks owned (as of March 31, 2026)</b><br>● Number of registrations: 2,398<br>● Overseas percentage of registrations: 69.4%                                                                                                                                                                                |                                                                                                                                                                |
|                                                                                                                                                                       | <b>Talent Development</b><br>Accelerating enhanced adaptability through improving IP literacy                                      | <b>Business evaluations by leveraging IP landscape Vista2027 StageII</b><br>● Cumulative total in FY2024 and FY2025: 50                                                                                                                                                                                                      |                                                                                                                                                                |
|                                                                                                                                                                       |                                                                                                                                    | <b>National Commendation for Invention (Vista2027 StageII)</b><br>● Cumulative total up to FY2026: 3                                                                                                                                                                                                                         |                                                                                                                                                                |

Accelerating the Use of IP Landscape for New Business Creation

We have clearly defined the objectives of IP landscape as threefold: (1) strengthening existing businesses through its application to marketing activities, (2) creating next-generation themes and growth businesses, and (3) identifying potential M&A and business alliance candidates for business expansion. By clarifying these objectives and presenting concrete use cases internally, we are further accelerating

the use of IP landscape. Furthermore, in our human resource development programs (P29), such as Hypothesis-Testing and Proposal-based Training and the Intrapreneurship Program, information derived from IP landscape is also provided by the Intellectual Property Department.

Accelerating the Enhancement of Adaptability through IP Talent Development

Nissan Chemical is committed to developing IP talent tailored

to each role and responsibility. Through training programs and workshops on patents, trademarks, and information utilization conducted by the Intellectual Property Department, as well as individual coaching, we help all employees deepen their understanding of IP, thereby reducing business risks and fostering innovation by leveraging the knowledge and experience gained.

Awarded at the National Commendation for Invention for Three Consecutive Years

At the National Commendation for Invention organized by the Japan Institute of Invention and Innovation (JIII), following our receipt of the FY2024 Invention Prize for the invention of veterinary pharmaceutical active ingredient Fluralaner and the Prize of the Chairman of JIII, a special prize, for invention of photo-alignment materials for IPS mode liquid crystal displays (LCDs) in FY2025, Nissan Chemical was awarded the Asahi Shimbun Award in FY2026 for the invention of ALTAIR®, a herbicide for paddy rice, as an “invention of a rice herbicide effective against herbicide-resistant weeds.” We also received the Invention Achievement Award for the second consecutive year. We believe that receiving

Reference National Commendation for Invention (Japan Institute of Invention and Innovation)

awards at the National Commendation for Invention for three consecutive years demonstrates the significant contribution of intellectual property to Nissan Chemical's business.

Active Securing of Patent Rights and Development and Management of Strategic Patent Portfolios

While we actively promote patent applications as an outcome of R&D, we also review the necessity of various post-application procedures— applications to foreign countries, entry of PCT applications into the national phase, requests for examination, etc.—in light of the business situation through discussions among the business divisions, the R&D departments, and the Intellectual Property Department. We are building patent portfolios by managing IP appropriately according to the characteristics of each business area.

In the field of Performance Materials, we promote our business and protect our products by strategically building a patent portfolio ahead of our competitors in order to obtain a high market share.

In the fields of Agrochemicals and Pharmaceuticals, where products have long life cycles, we are working to optimize patent portfolios in response to long-term business activities. We also obtain trademark rights globally. Through these measures, we are able to enforce rights appropriately, including handling of litigation with generic companies and addressing infringing products.

As a part of our patent portfolio optimization efforts, we conduct periodic reviews of our granted patents and continuously evaluate their strategic value and relevance to our businesses. We review not only patents directly related to the ongoing businesses but also the effectiveness of patents that constitute a barrier to entry against competitors, to determine whether to maintain or discontinue these rights. As a result, Nissan Chemical holds a strong patent portfolio when compared to 30 manufacturers in the chemical industry.

Intellectual Property Topics

Supporting Profitability with Growth in the Value of Patent Assets

Nissan Chemical evaluates its patent portfolio using the Patent Asset Index (LexisNexis, “PAI”), which represents total patent asset value, as an indicator for ascertaining and managing the value of its patent assets.

Since 2000, Nissan Chemical's PAI has shown a steady increase, and operating profit has also grown in parallel. It can be observed that the expansion in patent asset value and business growth have progressed in parallel over the long term.

We believe that this is the result of continuously optimizing our patent portfolios through quality-focused regular inventories of patent applications and patents owned. Going forward, we will continue to position patent assets as a foundation for enhancing corporate value over the medium to long term and work to build intangible assets that support sustainable growth.

Changes in Total Patent Asset Value (PAI) and Operating Profit

| Year | In-depth R&D (PAI) | Pioneering R&D (PAI) | Operating Profit (million yen) |
|------|--------------------|----------------------|--------------------------------|
| 2000 | 1,000              | 0                    | 10,000                         |
| 2012 | 2,000              | 1,000                | 20,000                         |
| 2024 | 3,500              | 1,500                | 28,000                         |

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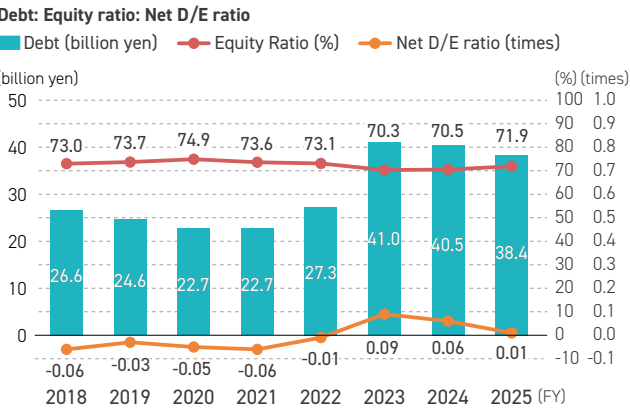


# Financial Capital and Manufacturing Capital

## Financial Capital

### Financial Structure

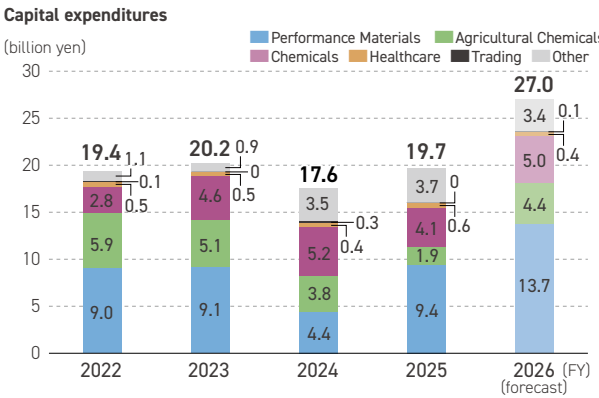
Nissan Chemical has built up a robust financial base by carefully maintaining a balance between shareholders' equity and debt. We continue to maintain a high equity ratio, and our debt remains at a level that allows us to sustain a high credit rating from the Japan Credit Rating Agency (JCR). As a result, 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 FY2025, our Group made capital expenditures (Capex) totaling 19.7 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.



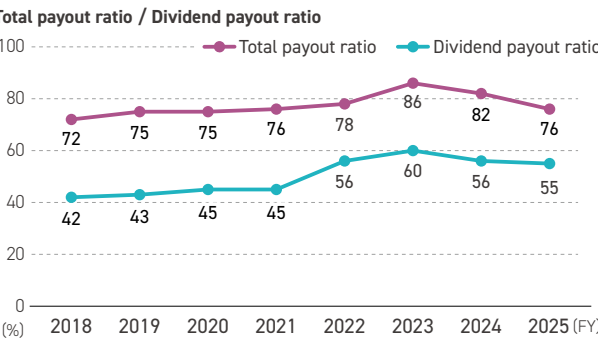
### Domestic Plants

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.83-84

### 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 significantly exceeds the Tokyo Stock Exchange Prime Market average, reaching 20.3% in FY2025. In FY2025, the dividend payout ratio was 54.9%, and the total payout ratio reached 75.7%. 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.85-88

#### ● 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 and Natural Capital

## 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.



Conservation Activities

## Natural Capital

In manufacturing products, it is difficult to avoid environmental impacts arising from the use of energy, water, and raw materials, as well as greenhouse gas (GHG) emissions. The Nissan Chemical Group has 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 conducted with due consideration for the environment, health, and safety, we strive to reduce environmental impact while contributing to the resolution of 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.

### Interaction with Local Residents

We hold plant tours and information sessions on a regular basis for local residents and schools. In addition to introducing our major facilities, we explain our initiatives related to disaster prevention and the environmental protection, promoting understanding of our commitment to safe and secure plant operations. We also participate in community beautification activities such as cleaning public roads and nearby railway stations around our plants, and planting flowers together with local residents. In FY2025, we conducted plant tours at our Saitama, Toyama, and Onoda plants.

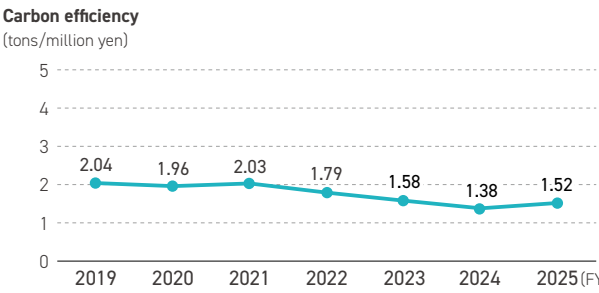
For more information, please visit our website.

**Web** [Contribution to Communities and Society](#)  
[Biodiversity Conservation](#)

**Related Information** Responsible Care P.68-69

### Initiatives to Reduce GHG Emissions

We have been steadily reducing GHG emissions since FY2018 through measures such as discontinuing melamine production, converting the fuel used for boilers at the Onoda Plant, and improving energy efficiency by updating aging equipment. As a result of these low-carbon investments and the characteristics of our products, our carbon efficiency (GHG emissions intensity per unit of sales) is at a relatively favorable level within the chemical industry.



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](#)

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Materiality

For more information, please visit our website.  
[Web](#) [Materiality \[priority issues\] and SDGs](#)

Our materiality was identified in FY2018 by examining its importance to both the Company and our stakeholders. Subsequently, a review was conducted in FY2022 with the launch of the Medium-term Business Plan “Vista2027.” Furthermore, with the start of “Vista2027 Stagell” 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 have positioned these FY2027 target KPIs as indicators for sustainable management and are steadily advancing our initiatives while monitoring progress annually.

Three Materiality of Nissan Chemical Group



Materiality Identification Process





Message from the CFO

ROE Exceeding 20% for the First Time  
Is Just a Milestone  
Driving a Virtuous Cycle of Growth and Shareholder  
Returns through Disciplined Capital Allocation

Basic Policy for Our Financial Strategy  
Balancing Growth and Shareholder Returns through  
Disciplined Capital Allocation

Leveraging strong profitability and high capital efficiency to invest in research and development, human capital, and facilities; generate new products and markets; and return the benefits of those efforts to our shareholders. Strengthening this cycle and sustaining it over the long term is the basic policy of the Nissan Chemical Group's financial strategy. We will continue to clarify our capital allocation standards and future direction through active dialogue with capital markets.

In FY2025, sales reached ¥279.6 billion, operating profit was ¥63.6 billion, and net income attributable to owners of the parent was ¥49.7 billion. Operating profit, ordinary income, and net income all reached record highs. Except for FY2023, we have achieved record-high profit every year since FY2012. In FY2026, we aim to achieve a fourteenth year of record-high profit.

Return on equity (ROE) also exceeded 20% for the first time, reaching 20.3% in FY2025. Our market capitalization has grown to approximately ¥1 trillion. I believe that this heightened recognition in the capital markets will not be temporary and that we can continue to achieve solid growth going forward.

Demand for semiconductors is expected to expand over the long term, driven by the rapid adoption of generative AI and the increasingly important role of semiconductors as a foundation for society and industry. At the same time, short-term adjustments and volatility remain significant. It is therefore essential that we closely monitor geopolitical risks, foreign exchange trends, raw material prices, and downstream demand, while maintaining investment in advanced product development. However, we are not a company dedicated exclusively to semiconductors. Our agricultural chemicals, which support increased food production and higher crop yields, benefit from stable, long-term demand. Expanding our business through the twin pillars of Performance Materials, including semiconductor materials, and Agricultural Chemicals forms the backbone of our strength.

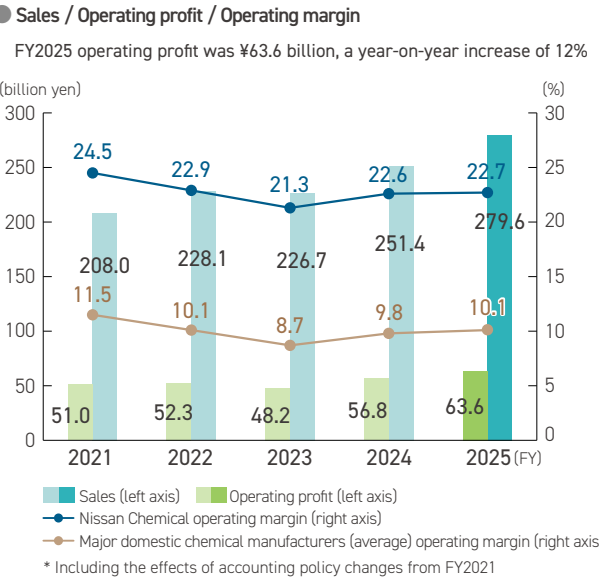
Rather than relying solely on semiconductor tailwinds, we aim to build an organization in which each business grows autonomously and remains resilient to changes in the business environment. In an environment marked by uncertainty and rising inflationary risks, balancing growth investment with risk management is also critical. We are diversifying procurement sources for essential raw materials and reassessing our supply chain to ensure business continuity and earnings stability.

Financial Policy for Enhancing Corporate Value  
Connecting High Profitability to the Next Stage  
of Growth

ROE is the financial indicator to which we attach the greatest importance, as it is easy for both investors and employees to understand and provides a clear measure of capital efficiency. We view the 20.3% ROE achieved in FY2025 not as a destination but as a milestone. A number of companies have higher capital efficiency than we do. Without becoming complacent with this level, we will strive to reach greater through both profit growth and capital efficiency.

In addition to profit, our ability to generate free cash flow—which supports growth investment and shareholder returns—is also critical. Even if profit increases, growth investment and shareholder returns cannot be sustained without cash generation. As the cost of capital varies with market conditions, reflected in shareholders' expected rate of return and interest rates, it is essential that we consistently deliver performance that exceeds the cost of capital and earn the trust of the capital markets.

To raise ROE, we will not sharply increase financial leverage or rely excessively on share repurchases. Instead, we will steadily enhance capital efficiency in tandem with business growth. Our path to higher ROE is to develop high-value-added products that are indispensable to customers in niche markets; improve profit margins and asset efficiency; and raise ROE through business growth. Through both our performance and continued dialogue with capital markets, we will strengthen trust and recognition in the capital markets.



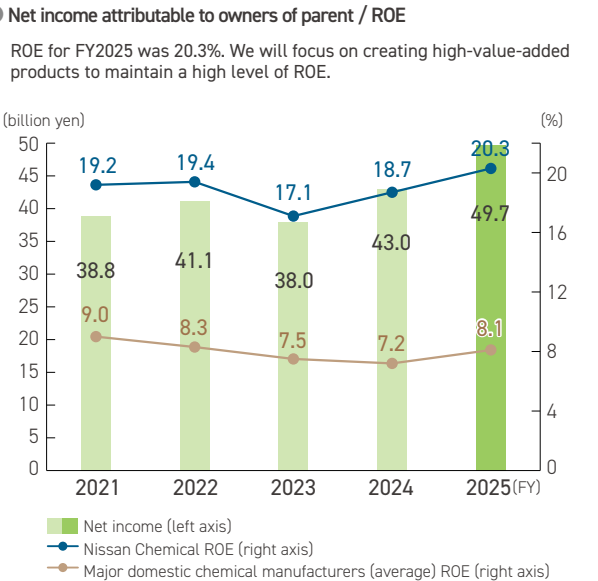
Our FY2026 operating profit forecast is ¥66.8 billion, meaning we expect to achieve—and surpass—the FY2027 target of ¥65 billion set in our Medium-term Business Plan "Vista2027 Stagell" one year ahead of schedule. At the same time, I recognize that much of this upside is driven by semiconductor materials. While fulfilling our short-term performance responsibilities, we will also maintain a long-term perspective and continue cultivating new products.

Business Portfolio Assessment  
Evaluating Investments from Multiple Angles Using  
ROIC as a Common Benchmark

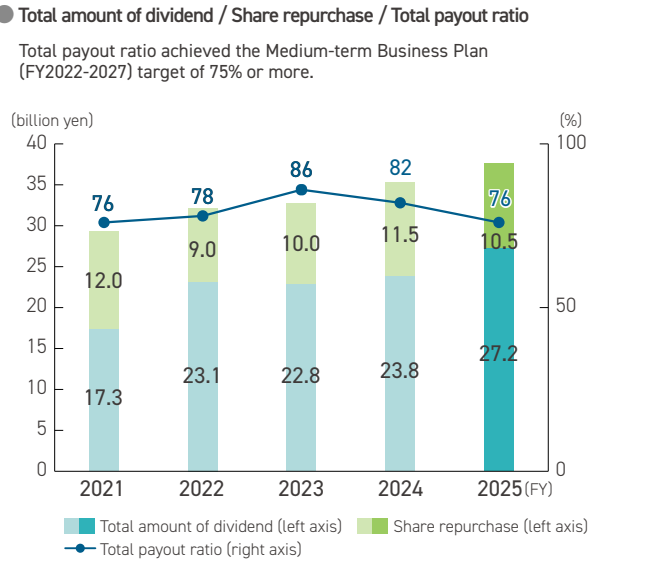
We have established return on invested capital (ROIC) as a common benchmark across all businesses. We continuously assess how much profit each business generates from the capital invested, even after the investment has been made. When necessary investments in the advanced semiconductor field temporarily lowers ROIC, we rigorously evaluate the path to recovering those investments over the medium to long term and restoring ROIC to the target level.

At present, ROIC in Performance Materials exceeds 30%, while ROIC in Agricultural Chemicals remains in the high-teens. By capturing on high growth in the semiconductor market and strengthening Agricultural Chemicals—which offer both stability and room for expansion—we will enhance the resilience of our overall business portfolio.

We do not expect every business to achieve the same ROIC level. For businesses facing profitability challenges, we carefully assess the likelihood of profit growth while making necessary



maintenance and replacement investments. What matters most is taking necessary, forward-looking actions while assessing the balance between investment and profit, with a focus on how much cash each business can continue generating over the medium



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Message from the CFO

to long term. We will pursue disciplined portfolio management based on a comprehensive evaluation of each business's competitiveness—including its technological foundations, customer relationships, future growth potential, and the ability to pass rising input costs from recent inflationary pressures on to customers through pricing.

Shareholder Return Policy Based on Growth Investment  
Balancing Investment, Shareholder Returns, and the Balance Sheet

In our cash allocation, the highest priority is investment in research and development. The next priority is the capital investment necessary to launch new products and secure production capacity. We allocate the cash we generate primarily to the Performance Materials and Agricultural Chemicals. After



investing in areas that will create future profit and cash flow, we return the remaining cash to our shareholders.

In FY2025, operating cash flow was ¥64.2 billion, and free cash flow was ¥43.0 billion. With dividends of ¥202 per share and ¥10.5 billion in share repurchases, our total payout ratio was 75.7%. For FY2026, we plan dividends of ¥212 per share, share repurchases of up to ¥10.5 billion, and a total payout ratio of 75.0%. I believe we have sufficient profitability and financial strength to sustain this policy at least through FY2027. Throughout the Medium-term Business Plan period, we will

maintain this approach without reducing necessary investment.

At the end of FY2025, our equity ratio was 71.9%. While carefully assessing the required level of cash and deposits, we will allocate the cash we generate prudently between growth investment and shareholder returns. A strong balance sheet also provides the foundation to act when opportunities arise. In M&A, we explore priority areas and potential targets, while remaining disciplined when valuations are elevated, carefully assessing fair value and making decisions based on both price and strategic fit.

Continuing Strategic Investment in Knowledge and People  
Investing in the Sources of Growth — R&D and Human Capital

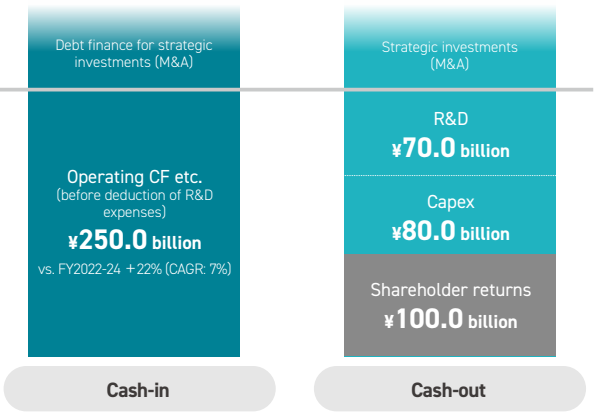
Our business model stands in stark contrast to mass production of commoditized, general-purpose products. Our competitiveness comes from creating indispensable products and technologies—solutions that customers actively choose for their value. For this reason, we place strong emphasis on investing in intangible assets such as research and development, intellectual property, and human capital, continually strengthening our ability to generate high-value-added products. In manufacturing, we assess product value and demand visibility, and flexibly combine in-house production with outsourced manufacturing.

For FY2026, we plan R&D expenditures of ¥24.7 billion, representing an R&D expenses-to-sales ratio of 8.5%, and ¥27.0 billion in capex. Rather than simply increasing spending, we identify initiatives that will drive future revenue and profit growth, reviewing progress and business potential at each milestone. In semiconductor materials, our customer base is expanding, requirements are becoming more advanced, and faster response is essential. Strengthening our R&D workforce is an urgent priority. In agricultural chemicals, in addition to developing major new products, we are also investing in promising areas such as biological pesticides and veterinary pharmaceuticals. These are forward-looking investments that will generate future sales of new products and earnings power.

People are the foundation of our R&D capabilities. Investment in human capital does not yield results overnight. Under a consistent HR policy, we recruit and develop outstanding

Capital Allocation FY2025–2027 Total (Approx.)

Generate ¥250 billion over three years, allocating the cash to shareholder returns and strategic investments (M&A) to strengthen the creation of new products and businesses



talent, increasing the number of researchers who can identify high-potential research themes and guide those themes toward commercialization. At the same time, research is no longer conducted by individuals working alone. We promote co-creation across fields and organizations, refining systems that turn individual strengths into organizational results. Because we have a proven track record, I believe we can leverage this strength to enhance corporate value.

Sustainable Growth Strategy  
Linking Sustainability to Corporate Value

Society cannot function without the chemical industry—whether in healthcare, agriculture, electronic materials, construction materials, or logistics. Recognizing this role, chemical companies must fulfill their social responsibilities while achieving sustainable growth. As Chair of the Sustainability Promotion Committee, I also consider it essential to directly connect our efforts to fulfill our responsibilities as a chemical company supporting social infrastructure with our growth strategy. Climate change poses business risks, but it also creates demand for agrochemicals that improve yields even under harsh conditions. We will fulfill our responsibility to reduce environmental impact while addressing social challenges and linking these efforts to growth opportunities.

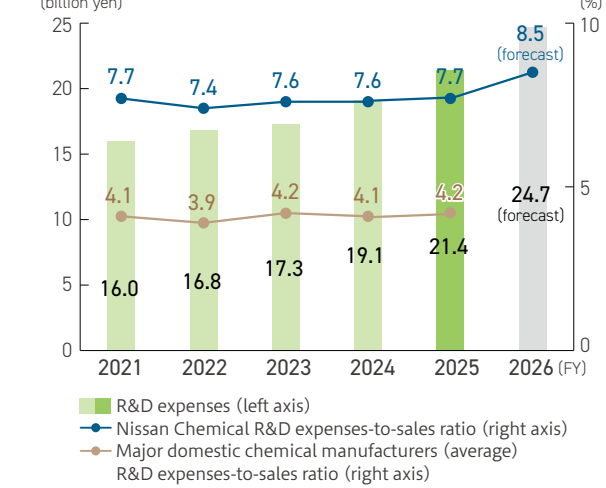
We plan to consider reviewing the 20 material factors established in 2022 in light of subsequent changes in the operating environment, with a view to clarifying their connection to our growth strategy. Likewise, we will avoid merely formal compliance in setting Scope 3 reduction targets aligned with SBT criteria and in disclosures based on SSBJ standards. Instead, we

Number of dialogues with investors in FY2025

|                                        |     |
|----------------------------------------|-----|
| Dialogue with institutional investors: | 518 |
| Dialogue with individual investors:    | 2   |
| Dialogue with analysts:                | 51  |
| ESG-related dialogues:                 | 5   |

R&D expenses / R&D expenses-to-sales ratio

R&D expenses-to-sales ratio is maintained at around 7-9%, with a target of 7-9% annually in the future as well



will clarify how these efforts connect to our growth strategy.

Within the company, understanding of the need for sustainability has become more widespread. The next challenge is enabling each employee—in manufacturing, R&D, and sales—to recognize how sustainability connects to their daily work. To translate non-financial value into financial value, it is essential that people on the front lines understand and embrace this connection and take action on their own initiative.

Corporate Value Enhancement through Dialogue with Capital Markets  
Turning Dialogue into a Source of Management Strength

Dialogue with capital markets does not end with explaining our financial results. It is an opportunity to understand what investors expect from us and what they perceive as risks, incorporate these insights into management decisions, and review our approach to disclosure. We share questions such as "What kind of company will we be in ten years?" and "What is our greatest risk?" with the Board of Directors to foster in-depth discussion.

We will continue to draw on the expertise of our business divisions, plants, and research laboratories, enhancing the quality of both dialogue and disclosure based on a comprehensive understanding of our Group. Investors have diverse areas of interest. While remaining consistent in communicating our strengths and the central pillars of our growth strategy, we will flexibly tailor our narrative to address diverse perspectives. Informed by dialogue with investors, we will continue working toward clearer disclosure of ROI, cash flow, the growth potential of each business, and our approach to investment in R&D and human capital.

Our stance is one of constant readiness. We will invest the necessary resources in R&D, talent, and facilities at the right time and without hesitation, steadily expanding our growth potential. We will generate profit growth that enables sustained high shareholder returns, and maintain disciplined decision-making across all capital allocation decisions, including M&A. Through these efforts, we will demonstrate the sustainable enhancement of the Nissan Chemical Group's corporate value through both our financial results and our actions.

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Medium-term Business Plan “Vista2027 Stagell”

In April 2025, our Group launched Vista2027 Stagell, which covers the latter three years of our medium-term business plan “Vista2027.” In light of our review of Stagell, we have been working to develop and implement concrete measures to address the three issues identified for future growth: Enhancing the creation of new products and businesses, Allocating management resources appropriately, and Improving the profitability of the Chemicals business.

Vista2027 Stagell Policy and Basic Strategies

Throughout Stagell and Stagell of Vista2027, we uphold the slogan: “To be an enterprise that faces challenges toward the future through value co-creation.” Moreover, we have set “Building Foundation for Continuous Growth and Stable Earnings” as our policy for Stagell and established three basic strategies:

“Expanding Profits in Existing Businesses,” “Developing New Products Looking toward 2030,” and “Strengthening Business Foundation.” While ensuring solid growth over the short term, we will steadily implement strategies for growth looking further ahead.





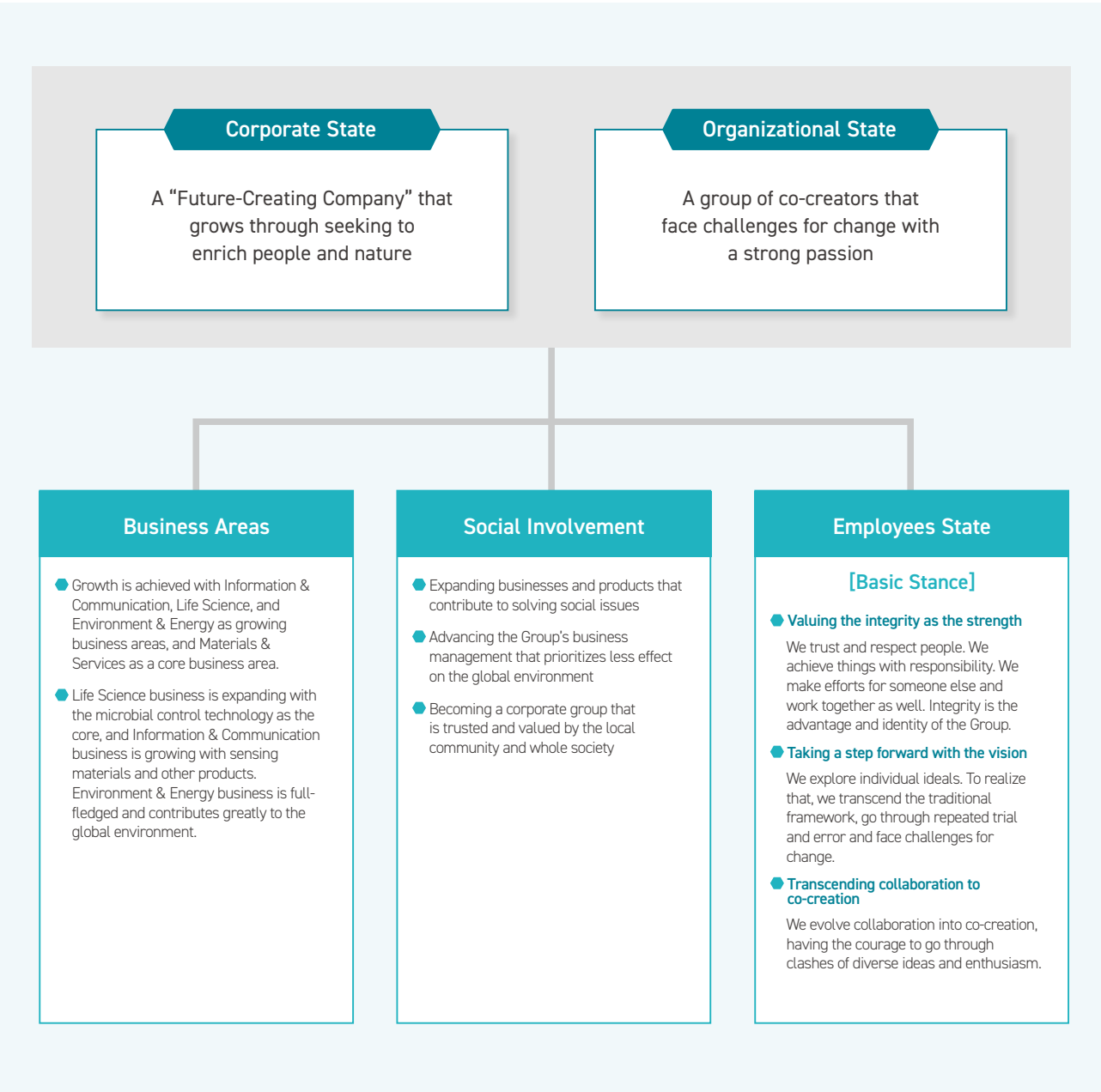
Long-term Business Plan “Atelier2050”

Our long-term business plan “Atelier2050” was formulated by backcasting from the necessary initiatives and issues that need to be resolved, following a renewed discussion of social issues and changes with a view to 2050. 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

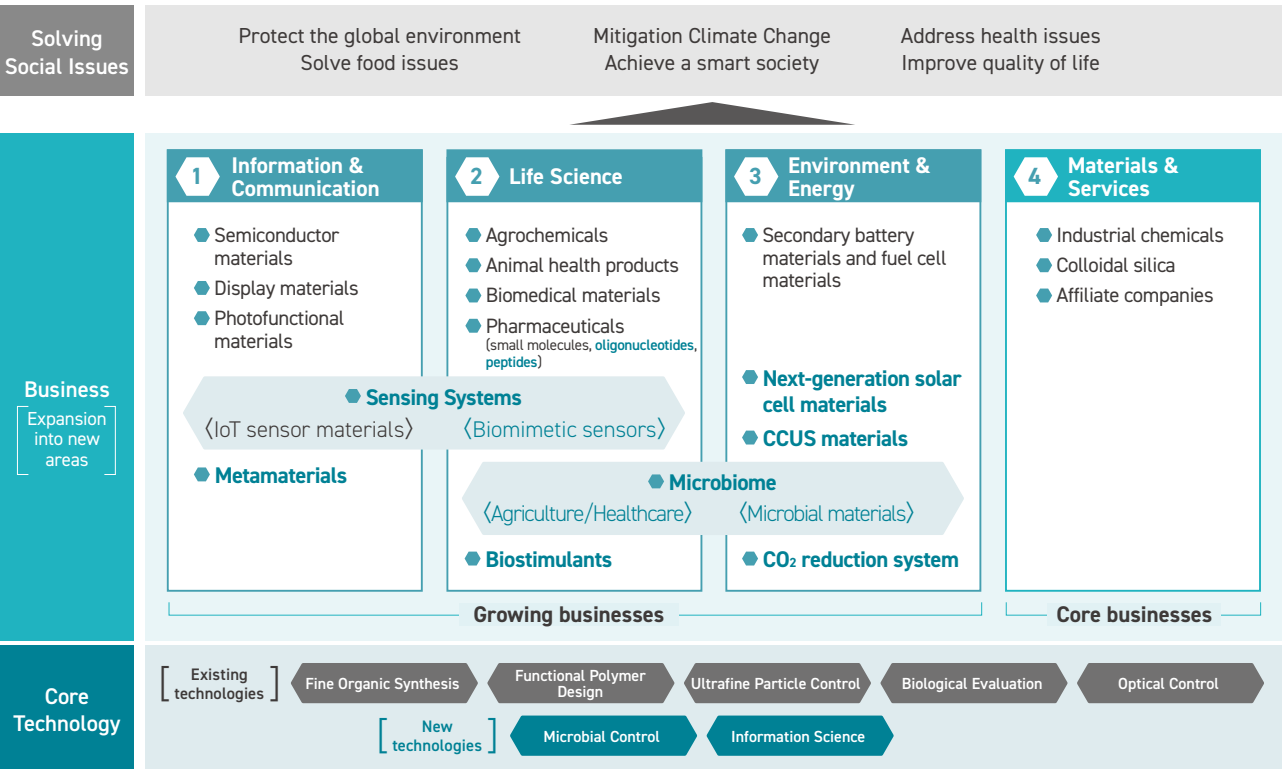
Under Atelier2050, we aim to be a corporate group that continues to grow over the next 100 years by achieving carbon neutrality, addressing food issues, and responding to diverse social needs. Furthermore, as a driving force for corporate growth, we will

integrate internal and external knowledge and foster a corporate culture of continuous challenge. Taking these factors into account, we have outlined our ideal state in 2050.



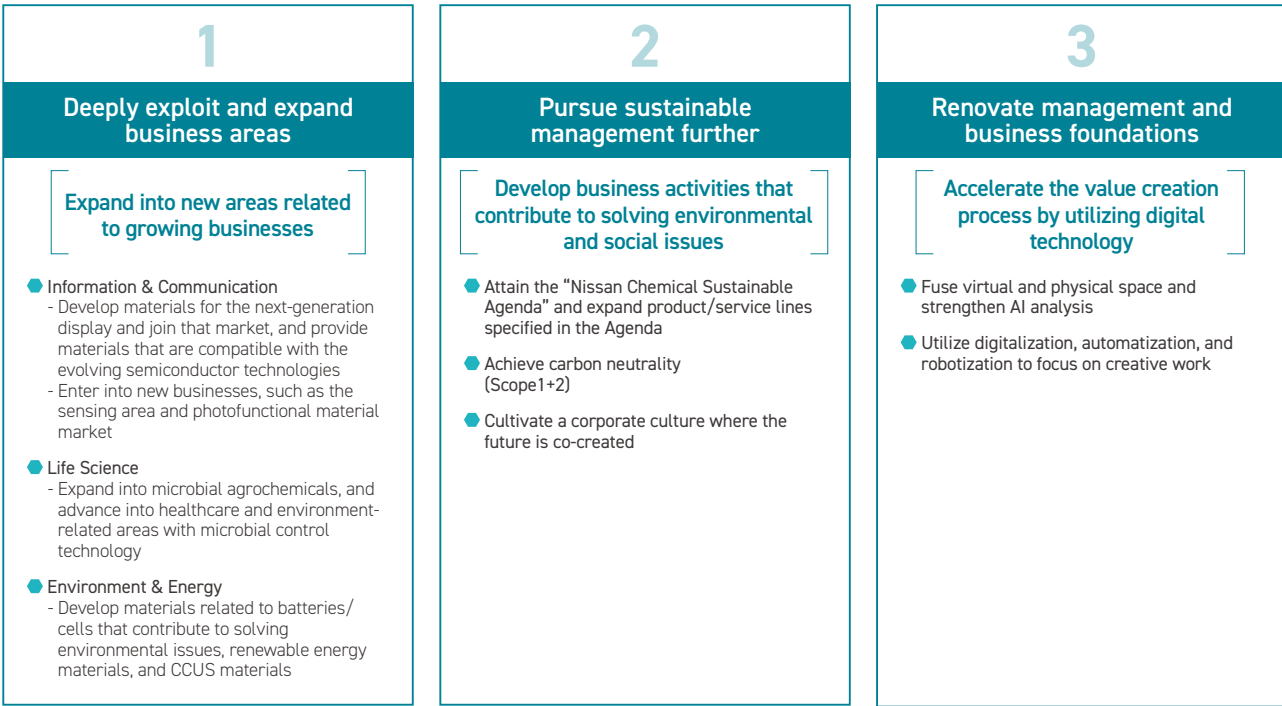
Business Areas

We situate Information & Communication, Life Science, and Environment & Energy as growing business areas, and Materials & Services as core business areas. In addition to existing core technologies, by acquiring new technologies such as microbial control and information science, we are expanding into new areas related to three growing businesses. Through the evolution and integration of our core technologies, we will accelerate growth across each business area and contribute to solving social issues.



Basic Strategies

We have established three basic strategies: “deeply exploit and expand business areas,” “pursue sustainable management further,” and “renovate management and business foundations” to realize our ideal state.



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Connecting through Data to Accelerate Value Creation  
We Will Continuously Enhance Our Competitiveness  
for the Future by Implementing Company-wide  
Optimization across Departmental Boundaries and  
Building a Business Foundation Resilient to Change

HATA Toshiyuki

Managing Executive Officer, CDXO (Chief Digital Transformation Officer),  
Head of Production Technology Division



DX: An Endeavor for Driving Business Transformation Rather Than Simply Introducing Digital Technologies

Nissan Chemical’s DX is not simply about introducing digital technologies. Our aim is to leverage data and digital technologies to rethink the way we work and transform our business foundation into one that can respond with flexibility and speed to changes in the environment. Throughout my career, I have worked in plant operations and production technology, engaging in technical evaluation, implementing production management systems, launching plant DX projects, and organizational change. What I have realized through this experience is that individual improvements alone cannot lead to major transformation. What is important is to connect the knowledge and ingenuity of those working on the front lines to company-wide optimization and ultimately to enhanced competitiveness across the entire business.

This is precisely why I place greater emphasis on the “X” than on the “D” in DX. Digital technology is only a means. What truly matters is the “X,” namely transformation. We will move forward as an organization by identifying what needs to change without taking the conventional ways of doing things for granted while also taking into account the perspectives and aspirations of those involved and the realities of the workplace. I believe that the continued accumulation of such efforts will shape an approach to DX that is unique to Nissan Chemical.

Connecting the Value Creation Process Across the Whole Company: Evolving from Individual Initiatives to Company-wide Transformation

The core concept that underlies DX at Nissan Chemical is to connect through data the business processes involved in value creation, from planning, R&D, design, and prototyping through to procurement, production, logistics, sales, service, and the market, enable them to operate rapidly as one integrated flow. We will accelerate the value creation process by going beyond improvements to individual operations and circulating information and insights across departments.

It was to achieve this that we established the new position of CDXO in April 2026. DX initiatives have progressed in each division and department, but in some cases they remained confined to optimization at the individual department level and were not sufficiently linked to management challenges. Going

forward, under my leadership, we will drive transformation across research, production, SCM, and corporate functions, evolve individual initiatives into company-wide transformation, and implement DX linked to management strategy based on the knowledge cultivated through plant DX.

Accelerating Transformation through AI and Talent to Enhance Corporate Value

In advancing DX, I place importance on the growth of our people and our organization. Nissan Chemical has many people with high levels of expertise. On the other hand, precisely because individuals possess such strong expertise, there is also a tendency toward weaker cross-departmental collaboration. This is precisely why it is important to evolve into an organization where people with different areas of expertise create value by sharing data and learning from each other.

The use of AI is also one of the important initiatives in this area. We are already advancing the company-wide deployment and testing of generative AI and other AI technologies, and we also began practical in-house AI training this fiscal year. Going forward, we will leverage AI not merely as a tool for improving operational efficiency, but as a foundational technology that supports decision-making and value creation in each area, including R&D, production, and SCM. To realize this, we will establish an environment to enable AI to be used with confidence by preparing AI-ready data and strengthening governance and cybersecurity. I believe that AI will become an important means of overcoming trade-offs among speed, quality, volume, and cost and accelerating the value creation cycle.

Our ultimate aim is to link DX to improvements in management indicators such as operating profit, ROE, and ROI, rather than limiting it to operational improvements only. To that end, we will connect operational leading indicators with intermediate outcomes and financial results to make the results of transformation visible. In our plants, improving anomaly detection accuracy will reduce the number of equipment shutdowns due to failures, maintenance costs, and opportunity losses. In our R&D, shortening development lead times by reducing rework will accelerate the creation of new products. In this way, we will link the results of DX to business growth and ultimately to enhanced corporate value.

Our DX Vision

Nissan Chemical has adopted “Creating the Future by Linking Data: Transitioning from Value Creation to Value Co-creation” as its DX slogan. We aim to achieve both the creation of new products and businesses and improved profitability by connecting R&D, production, SCM, and sales through data and accelerating the value creation process. We regard DX as a means of achieving our management strategy and will use it to sustainably enhance corporate value.

Purposes of DX

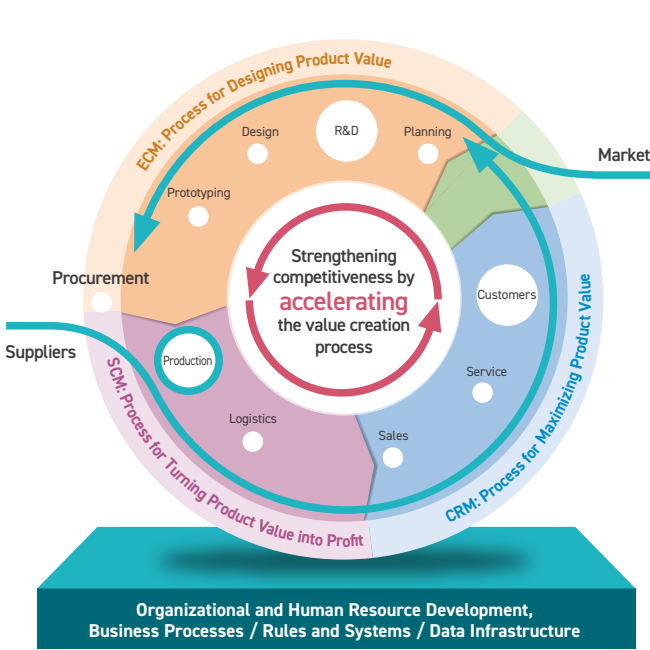
We are promoting DX for the purposes of enhancing management decision-making, improving business productivity, and driving innovation. By utilizing data accumulated in each division or department across our organization, we will realize swift and accurate decision-making. At the same time, we will create an environment that enables employees to focus on higher-value-added work through greater efficiency in routine tasks.

Promotion Framework

Under the CDXO, we are building a company-wide DX promotion framework led by senior management. The Digital Transformation Department is responsible for establishing the company-wide infrastructure and supporting transformation in each division or department, serving a cross-functional role that connects headquarters, plants, and laboratories. At the same time, we will appoint and increase the number of Digital Promotion Members to strengthen frontline-driven initiatives and inter-departmental cooperation.

Developing and Utilizing Human Resources

In advancing DX, we place importance on people who can effectively apply digital technologies to business and lead business transformation across departmental boundaries. We are promoting human resource development through e-learning,



intensive training, and hands-on work experience. At the same time, we are considering career visualization through talent management and the introduction of skills-based management to strengthen our talent base.

Establishing Company-wide Infrastructure

We have built a data utilization platform as a foundation for sustainably advancing DX, which we are utilizing to connect, visualize, and analyze ERP, plant data, and sales data. At the same time, we are strengthening the foundations that support transformation by advancing DX talent development, research data management, the development of company-wide platforms, and zero-trust security.

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Business Segments

In the Medium-term Business Plan “Vista2027 Stage II,” we have set “expanding profits in existing businesses” as one of our basic strategies. While carefully assessing changes in the environment surrounding our customers and markets, we will strengthen growth areas in existing businesses and promote the steady development of new products.

© Segment performance trends: Beginning in FY2025, segment operating profit is presented using the new method. FY2024 results have been restated based on the new method.

Segment Performance Trends

Performance Materials

(billion yen)

Operating profit (left axis)

Operating margin (right axis)

|                  | 2022 | 2023 | 2024  | 2025  | 2026 (FY forecast) |
|------------------|------|------|-------|-------|--------------------|
| Sales            | 82.6 | 84.6 | 100.1 | 113.4 | 126.1              |
| Operating profit | 25.4 | 22.5 | 29.3  | 35.3  | 38.6               |
| Operating margin | 30.8 | 26.6 | 29.3  | 31.1  | 30.6               |

In Display Materials, sales of SUNEVER® (LCD alignment coating) decreased. In Semiconductor Materials, sales of ARC®\*2 (antireflective coating for semiconductors) and OptiStack®\*2 (multilayer process materials) increased significantly due to high customer utilization. In Inorganic Materials, sales of SNOWTEX® (for polishing electronic materials and hard coating) and Oilfield materials Oilfield materials (for enhancing oil recovery) increased.

As a result, sales of this segment were 113,377 million yen (an increase of 13,279 million yen) and operating income was 35,331 million yen (an increase of 6,009 million yen). Compared to the outlook, sales were above 3.7 billion yen and operating income was above 3.2 billion yen.

FY2025 Overview

Product Introduction

- **Display materials**  
SUNEVER®, Rayalign®, etc.
- **Semiconductor Materials**  
ARC®\*2, OptiStack®\*2, etc.
- **Inorganic Materials**  
SNOWTEX®, ORGANOSILICASOL, etc.

Agrochemicals

ROUNDUP®, ALTAIR®, VERDAD®, GRACIA®, JIMANDAISEN®, etc.

\*2 ARC®, and OptiStack® are registered trademarks of Brewer Science, Inc.

FY2025 Segment results and sales according to region

\*1 Others: trading, others, and adjustment

Sales (billion yen)

Other\*1 25.5

Healthcare 5.2

Chemicals 39.3

Agricultural Chemicals 96.2

Performance Materials 113.4

Total 279.6

Operating profit (billion yen)

Healthcare 1.4

Chemicals 1.1

Agricultural Chemicals 26.0

Performance Materials 35.3

Total 63.6

Sales according to region (billion yen)

Europe, USA, etc. 46.0

Other Asian countries 36.4

South Korea 27.4

China 58.0

Japan 111.8

Total 279.6

Chemicals

(billion yen)

Operating profit (left axis)

Operating margin (right axis)

|                  | 2022 | 2023 | 2024 | 2025 | 2026 (FY forecast) |
|------------------|------|------|------|------|--------------------|
| Sales            | 39.0 | 35.6 | 37.8 | 39.3 | 41.4               |
| Operating profit | 1.4  | 0.1  | 0.4  | 1.1  | 1.3                |
| Operating margin | 3.6  | 0    | 1.1  | 2.8  | 3.1                |

In Basic Chemicals, sales of high purity sulfuric acid (agent used for cleaning semiconductor), urea, and AdBlue®\*3 (high-grade urea solution) increased. In Fine Chemicals, sales of FINEOXOCOL® (cosmetics, etc.) increased.

As a result, sales of this segment were 39,313 million yen (an increase of 1,478 million yen) and operating income was 1,107 million yen (an increase of 737 million yen). Compared to the outlook, sales were below 0.3 billion yen and operating income was above 0.3 billion yen.

Basic Chemicals

High-purity chemicals, AdBlue®\*3, etc.

Fine Chemicals

HI-LITE®, TEPIC®, Venus Oilclean, etc.

Healthcare

(billion yen)

Operating profit (left axis)

Operating margin (right axis)

|                  | 2022 | 2023 | 2024 | 2025 | 2026 (FY forecast) |
|------------------|------|------|------|------|--------------------|
| Sales            | 6.7  | 6.3  | 6.0  | 5.2  | 5.5                |
| Operating profit | 3.0  | 2.8  | 1.9  | 1.4  | 1.1                |
| Operating margin | 44.8 | 44.4 | 31.7 | 26.9 | 20.0               |

Sales of API for LIVALO®\*4 (anti-cholesterol drug) remained at the previous year's level. Sales of Finetech® (solution proposal business and joint development business) decreased.

As a result, sales of this segment were 5,224 million yen (a decrease of 769 million yen) and operating income was 1,352 million yen (a decrease of 591 million yen). Compared to the outlook, sales were below 0.1 billion yen and operating income was below 0.1 billion yen.

Healthcare

Pitavastatin calcium hydrate (API for LIVALO®\*4) and Efonidipine hydrochloride (API for LANDEL®\*5)

Finetech®

Maxacalcitol, Eldecalcitol

\*3 AdBlue® is a registered trademark of the Verband der Automobilindustrie (VDA).

\*4 LIVALO® is a registered trademark of Kowa Company, Ltd.  
\*5 LANDEL® is a registered trademark of Zeria Pharmaceutical Co., Ltd.

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Performance Materials

In this rapidly evolving business, it is essential to quickly and accurately identify market needs and technology trends. To this end, our sales, research, and production functions work together, including at overseas bases, with an emphasis on customer-focused activities. We will contribute to the development of society by providing products and services based on the proven technological capabilities that we have cultivated.



Social Issues and Needs

- Expansion of IoT and 5G communications, and the evolution of AI and autonomous driving technology
- Response to carbon neutrality

Business Vision

- Development and provision of key materials that contribute to the realization of a smart society
- Development of new environmental-friendly materials

Display Materials

We provide alignment materials for aligning liquid crystal molecules in a specific direction. Since beginning sales of SUNEVER® in 1989, we have enhanced the functionality of these materials in line with the evolution of LCD types from TN to STN and TFT, thereby expanding our market share. In 2014, we also began sales of a photoalignment material for IPS mode liquid crystal (LC), which has become our mainstay product. While this product has been widely used in smartphones, tablets and laptops, we expect demand to continue growing as higher resolution advances in monitor and automotive applications.

contributed to the expansion of our business.

In 2018, EUV exposure technology (wavelength: 13.5 nm, pattern size: under 20 nm) was introduced into mass production, and our products have since been applied as EUV resist underlayer materials. We are currently working to improve the quality of EUV materials for mass production and to develop materials for next-generation applications, while also focusing on 3D packaging technologies in preparation for the limits of miniaturization.

\*1, ARC® and OptiStack® are registered trademarks of Brewer Science, Inc.

Semiconductor Materials

Based on a licensing agreement with the U.S. company Brewer Science, Inc., we began manufacturing and selling ARC®\*1 in 1998. ARC® is a coating material designed to prevent problems such as pattern defects and dimensional control issues caused by light scattering and interference during photolithographic microfabrication using photoresists. In 2007, we launched OptiStack®\*1, a material for multilayer processes, which

We began sales of SNOWTEX®, an aqueous nano-silica dispersion used as a fiber treatment agent, in 1951. Today, we also offer organosilicasol, an organic solvent dispersion, and monomer sol, which can be used solvent-free. These products are indispensable materials used in applications such as coatings for optical films and abrasives for electronic substrates. Going forward, we will work on the development of CCS/CCUS-related materials and expand their applications to environmentally friendly new products.

Strategy for Vista2027

Opportunities and Risks

- Expansion of application of photo-alignment material for IPS mode LC and growth of the OLED market
- Expansion of the semiconductor market and progress in 3D packaging technology
- Development of a smart society
- Intensification of inter-corporate competitions

Strengths

- A sales and research system closely linked to customers in China, Taiwan, and South Korea
- Optical control technology
- Functional polymer design technology
- Ultrafine particle control technology

Main Measures

1. Improve existing products and expand their application
2. Reinforce and increase manufacturing facilities and other facilities
3. Develop and launch new products

Efforts to achieve Vista2027

Next-Generation Display Materials

OLEDs, which are thinner, lighter, and have faster response times than LCDs, also provide added value such as foldability and are increasingly being used in smartphones, premium TVs, and other products. Recently, following OLEDs, next-generation self-luminous displays incorporating quantum dot (QD) and LED technologies, designed to deliver higher image quality, have also been actively developed. We will advance the development of proprietary materials, such as optical control materials, functional film materials, and QD-related materials, with the aim of bringing them into practical use.

Semiconductor Packaging Materials

Technologies related to high-speed, high-capacity information and communications, such as generative

AI, IoT, 5G, and sensors, are advancing rapidly. In response, electronic circuit formation is becoming increasingly miniaturized and highly integrated. We are also developing materials for 3D packaging processes that stack thinned semiconductor wafers, and we plan to expand sales of these materials in line with market expansion.

Inorganic Materials

For SNOWTEX®, we will work to expand sales and improve the supply system for polishing products for the semiconductor market, where demand is expected to rise. In addition, we plan to expand our Oilfield business and advance the development of next-generation materials such as new organosilicasols and high-refractive-index materials, with the aim of early commercialization.

Progress in FY2025

1 Growing Demand for Liquid Crystal Alignment Materials

Our primary products for displays are alignment materials for smartphones, IT devices, and automotive applications, in particular photo-alignment materials for IPS LCDs. Sales of these products increased by 6% in FY2025, supported by increased production by major customers. We are also working to develop products aimed at expanding into the TV market. Demand for alignment materials for LCD TVs is expected to continue increasing on an area basis. In addition, as the trend toward higher resolution is expected to continue, we recognize that accurately responding to customer technical requirements and expanding the market share of our products are key priorities.

2 Strengthening Development Capabilities and Establishing a Structure to Increase Production for Semiconductor Materials

We are strengthening our development capabilities for EUV materials for cutting-edge applications. We are also focusing our efforts on improving the quality of current EUV materials and developing EUV materials for the next-generation applications. Driven by market growth from increased demand for cutting-edge semiconductors, particularly those used in generative AI, sales increased by 27% in FY2025. In addition, rising demand for HBM\*2 has increased the need for packaging process materials, and sales of temporary adhesive materials are also growing steadily. Going forward, we will continue to identify customer needs for both lithography materials and packaging process materials and strive to develop materials that enable us to grow together with our customers.



NCK Dangjin Plant (operational since May 2023)

\*2 HBM: High Bandwidth Memory

3 Increased Sales of SNOWTEX® and Organosilicasol/Monomer sol

Sales increased by 6% in FY2025, supported by higher sales of SNOWTEX® and growth in our Oilfield business. SNOWTEX® performed well in abrasive applications. Our Oilfield business implemented initiatives to strengthen its sales channels. We will continue R&D aligned with customer needs and continue developing materials aimed at achieving carbon neutrality.

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Agricultural Chemicals

We contribute to a stable food supply through integrated business activities, ranging from research into new agricultural chemicals to their development, manufacture, and sales, and expansion of a broad product lineup through the acquisition of products from other companies and joint development of products.

Social Issues and Needs

- Stable food supply
- Growing need for low-risk pesticides that reduce pesticide residues in harvested crops and environmental impact
- Sustainable development of agriculture

Business Vision

- Provision of chemically synthesized agrochemicals with distinctive features
- Development of biological pesticides
- Addressing weed problems with the community



Agrochemicals

Our agrochemical business started in the 1910s when our predecessors Nippon Seimi Seizo and Kanto Soda began manufacturing and selling insecticides and fungicides. Starting with TARGA® (herbicide for grassy weeds), launched in 1984, we have continued to manufacture and sell products developed in-house such as SIRIUS® (herbicide for paddy rice), SANMITE® (insecticide/acaricide), and PERMIT® (herbicide for paddy rice and corn), which have steadily improved profitability.

Subsequently, we experienced a difficult period due to a slowdown in in-house product development and intensifying competition. However, following the launch of LEIMAY® (fungicide) in 2008, we resumed the steady introduction of products developed in-house, and started selling STARMITE® (acaricide) in 2009, ALTAIR® (paddy rice herbicide) in 2012, and GRACIA® (general purpose insecticide) in 2018. We have actively pursued the acquisition of products developed by other companies and enhanced our agrochemical product portfolio by acquiring the global product Quintec® (fungicide) in 2019

and taking over the Japanese and Korean operations for the versatile DITHANE® (fungicide) in 2020. In 2025, we developed and launched in Japan a product containing VERDAD® (dimesulfazet), a herbicide for paddy rice, which is highly effective against resistant and hard-to-control weeds.

Active Ingredients for Veterinary Pharmaceuticals

Fluralaner, the veterinary active pharmaceutical ingredient that we have developed, is sold in over 100 countries around the world as BRAVECTO® for companion animals and EXZOLT® for livestock. In 2025, we renewed our long-term supply agreement with MAH\*, to which we supply the active pharmaceutical ingredient. Going forward, we will continue to contribute to society on a sustainable basis by ensuring a stable supply of our API, thereby helping to maintain pet health and sustain the production base for livestock products.

\* Abbreviation for MSD Animal Health, the animal health division of Merck & Co., Inc., USA. BRAVECTO® and EXZOLT® are product names marketed by MSD Animal Health.



Progress in FY2025

1 GRACIA®

GRACIA®, an insecticide developed in-house, is fast-acting against a wide range of crop pests and has little impact on honeybees, which are beneficial insects. It was launched in South Korea in 2018 and went on sale in Japan in 2019. At present, it is sold in over 10 countries around the world, including countries in Asia, the Middle East, West Africa, and Argentina. Sales exceeded 10 billion yen in FY2024 and grew further in FY2025, leading us to raise our future sales target. Going forward, we plan to continue expanding sales.



2 ROUNDUP®

We are expanding the ROUND NOZZLE® ULV5 series, that enables labor-saving application of ROUNDUP® MAXLOAD, in response to customer needs. We are driving increased sales of ROUNDUP® MAXLOAD through comprehensive proposals that combine the herbicide and application nozzles with new usage scenarios designed to address climate change and changes in the agricultural environment.

Sales of ROUNDUP® MAXLOAD AL for general consumers are expected to increase due to continued acquisition of new users and expansion of retail distribution.

3 VERDAD®

This herbicide for paddy rice developed in-house is highly effective against cyperaceous perennial weeds such as rock bulrush and perennial sedges, which are difficult to control with existing herbicides. Another feature is that its performance is less susceptible to changes in environmental conditions. In 2025, we launched our own product ZEARTH® and GINGA α®, a mixed formulation with ALTAIR®, in Japan, while continuing development for future product expansion. We are also actively licensing the herbicide to other manufacturers to promote its early adoption in agricultural production, and as a result, several products have been launched by other companies. We are also pursuing overseas expansion and are currently focusing on development in South Korea.

Strategy for Vista2027

Opportunities and Risks

- Consolidation/large-scale production of producers, and changes in agricultural production systems
- Heightened food security risks stemming from changes in the global food situation
- Growth of biological pesticides and materials
- Expansion of market for companion animals

Strengths

- Ability to create distinctive new agrochemicals from the core technologies of fine organic synthesis and biological evaluation
- Experiences and track records spanning many years from research for new agricultural chemicals to manufacturing and sales
- High level of motivation cultivated through maintaining high profit margins and continuous growth

Main Measures

1. Promote and expand sales of main products such as GRACIA®, and continue to enhance our respective marketing efforts for large-scale producers and agricultural corporations, and general consumers
2. In ASEAN and neighboring countries where market growth is expected, strengthen sales and promotion activities led by the local subsidiary Nissan Chemical Agro Singapore Pte. Ltd. established in July 2023 in Singapore
3. Steady development of RYZONIC NC-656 (novel herbicide) and PREXIO NC-520 (novel nursery-box insecticide for paddy rice), and create new pipelines
4. Form a bio-pesticide development project team and jointly formulate a master plan targeting product launch

Efforts to achieve Vista2027

In order to expand our product portfolio with products that contribute to our business, we are actively engaged in research in the biologicals field, including in biological pesticides and biological materials. In 2022, we established the Biologicals Group within the Biological Research Laboratories and began research using microorganisms. We have continued to expand the group's functions each year.

In December 2025, we acquired an equity stake in Innova, (Headquarters: Foz do Iguaçu, Paraná State, Brazil) with the aim of accelerating the expansion of our biologicals business. Going forward, we will support Innova's research and development, manufacturing, marketing, and sales of biological products, while further expanding the business by launching products created through

our own research.

These initiatives are aligned with the policy set out in our long-term business plan "Atelier2050," to acquire and cultivate "microbial control" as a new core technology. In the future, we aim to expand applications across Nissan Chemical beyond biological pesticides and biological materials to life sciences, as well as the environment and energy fields.



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Chemicals

Most of this division's products consist of industrial chemicals, such as ammonia and sulfuric acid, and derivative and high-purity products that offer higher added value in downstream fields. These products support people's lives across a wide range of fields. By building an efficient production system, we strive to provide excellent products and technologies while reducing the environmental impact.

Social Issues and Needs

- Advent of a smart society
- Escalation of global environmental issues
- Emergence of new needs in various fields reflecting social issues

Business Vision

- Product development focused on advanced user requirements
- Provision of products and technologies that contribute to solving social issues



OKIKAWA Toshiaki  
Executive Officer  
Head of Chemicals Division

Basic Chemicals

We sell industrial chemicals such as ammonia, urea, nitric acid, sulfuric acid, and their derivative products to a wide variety of industries. We are further improving the efficiency of our production system in order to minimize the impact on our earnings of external factors, such as changes in economic conditions in Japan and overseas and fluctuations in raw material and fuel prices, and to build a stronger business foundation.

We are also manufacturing and supplying products to support cutting-edge fields, including high-purity sulfuric acid, nitric acid, and ammonia produced by removing impurities to extremely low levels.

In addition, we established a manufacturing and supply system for AdBlue®, a high-grade urea solution that enables nitrogen oxides contained in exhaust gases from diesel vehicles and considered a cause of air pollution to be broken down into nitrogen and water, thereby contributing to a reduction in environmental impact.

\* AdBlue® is a registered trademark of the Verband der Automobilindustrie (VDA).

Fine Chemicals

We offer environmental chemicals such as HI-LITE®, used for sterilization and disinfection of swimming pools and septic tanks , and Venus Oilclean, a microorganism formulation that decomposes oils and fats in wastewater from food factories, as well as other chemicals such as FINEOXOCOL®, a higher alcohol used in applications including cosmetics.

We have a lineup of high-performance chemicals derived from isocyanuric acid, a derivative of urea, such as TEPIC® and Melamine Cyanurate. TEPIC® is used as a curing agent for powder coatings, as well as in electronic materials such as solder resist inks and LED encapsulants. Melamine cyanurate is used as a halogen-free flame retardant and flame-retardant aid for various engineering plastics. In addition to focusing on expanding applications for these existing products, we are promoting R&D on our proprietary isocyanuric acid derivatives.

Progress in FY2025

1 High-Purity Sulfuric Acid

Demand for high-purity sulfuric acid is expected to grow in the information & communications field, which is expected to continue growing. In FY2025, utilization rates at our customers' semiconductor plants increased, driven by the recovery in the memory market and strong demand in AI-related markets. As a result, shipments increased year on year, and we expect a further increase in FY2026. We will continue striving to maintain high quality and high operating rates.

2 Isocyanuric Acid

Isocyanuric acid is a raw material used in TEPIC®, HI-LITE®, and melamine cyanurate, which is used as a flame retardant. In order to ensure a stable supply of TEPIC® and HI-LITE® to the market, we expanded our isocyanuric acid production facilities in December 2020. This expansion has contributed to an increase in sales.

3 HI-LITE®

"Clean Water and Sanitation," one of the SDGs, is an important global issue. Some grades of HI-LITE® have been certified as materials for drinking water disinfectants used in areas where drinking water sanitation is inadequate, such as in developing countries, and are exported to these markets. We will respond to the global demand for disinfection, as well as demand for drinking water disinfectants.

4 TEPIC®

The high-performance chemical TEPIC®, which has a distinctive triazine ring, is used in a wide range of applications. For electronic-grade products, we expect demand for TEPIC® to continue to grow in various fields, including solder resist ink applications in the information & communication field. For general-purpose grades, we maintain a stable market share, primarily in the U.S. market, for use as a curing agent for powder coatings. We will continue to pursue a well-balanced sales strategy by expanding sales of high-quality grades while avoiding low-price competition in general-purpose grades.

Strategy for Vista2027

Opportunities and Risks

- Rising prices of raw materials and fuels
- Expansion of semiconductor market
- Increasing demand for environmentally friendly products
- Introduction of carbon pricing

Strengths

- Manufacturing process for products with high internal consumption rates as well as high value-added products by developing derivative products using ammonia as a core raw material
- Accumulation of more than half a century of research and knowhow regarding ultra-high purity of industrial chemicals



Main Measures

1. Improve profitability of ammonia-related business after the withdrawal from the melamine business
2. Expand sales of high purity sulfuric acid
3. Expand sales and improve profitability of isocyanuric acid, HI-LITE®, and TEPIC®
4. Develop the business of Venus Oilclean (a microorganism formulation)

Efforts to achieve Vista2027

In June 2022, during the first year of the medium-term business plan Vista2027, we discontinued the production of melamine, which had been a core product in our ammonia-based products lineup for more than half a century. Meanwhile, for sulfuric acid products, we will make capital investments and upgrade facilities in response to increasing demand. The Chemicals business is susceptible to the effects of raw material and fuel prices, supply demand balance, and market conditions. Therefore, we will strive to secure stable earnings while flexibly reviewing business strategy in response to changes in the business environment.

As a source of sustainable growth for the business, we will focus on the development and commercialization of new products, while

strengthening sales of products for the electronic materials field. We have begun full-scale commercialization of STARFINE® (zinc cyanurate), which is expected to serve as an effective additive for paints and adhesives. Along with the new grades of TEPIC®, STARFINE® has already been well received by many users in a variety of applications. We will also contribute to waste reduction with Venus Oilclean, a microorganism formulation.

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Healthcare

In order to appropriately respond to changes in the business environment and achieve medium- to long-term growth, we are accelerating global expansion and the selection and concentration of business areas. In addition, we will contribute to the resolution of health issues by developing and launching new pharmaceuticals, generic drugs and medical materials based on our proprietary technologies.

Social Issues and Needs

- Growing importance of medical services and pharmaceuticals due to low birthrate and aging population
- Growing public interest in extending healthy life expectancy
- Pharmaceuticals with high efficacy and safety for diseases for which effective treatments have not been established
- Stable supply of pharmaceuticals and the quality assurance system that supports it

Business Vision

- Development of pharmaceuticals and medical materials that create new value in the healthcare area
- Contributing to improving people's health and quality of life by addressing their medical needs



Healthcare

In the 1970s, as a number of companies from other industries entered the pharmaceutical business, we focused our research and development on lifestyle-related diseases and in 1994 launched efonidipine hydrochloride, an antihypertensive drug. It is distributed in Japan by Zeria Pharmaceutical as LANDEL®\*1.

In 2003, Kowa Company launched pitavastatin calcium hydrate, a drug for the treatment of hypercholesterolemia, as LIVALO®\*2, which is currently sold in over 30 countries around the world. Furthermore, in 2022, LIVAZEBE®\*2 combination tablets, a combination drug with Ezetimibe, were launched in Japan, and development for overseas markets is continuing.

We are expanding our business from new drug development into medical materials and pursuing the creation of new products from a broader healthcare perspective.

Finetech®

We operate a "solution proposal" contract business and a joint development business that provide comprehensive support for the development of active pharmaceutical ingredients (APIs) in response to customer needs. We provide contract services for the development of manufacturing processes at each stage from preclinical development to commercial production and for the manufacture of APIs and intermediates under cGMP-compliant conditions. Furthermore, we also handle associated services such as quality design, stability testing, synthesis of impurity and metabolite reference standards, and preparation of application documents for the drug master file registration.

Recently, we have expanded our business of supplying APIs for generic drugs and are not only handling highly potent APIs that require containment, but also efficiently manufacturing prostaglandin derivatives using our proprietary two-component coupling method based on our diverse fine organic synthesis technologies, as well as APIs such as vitamin D<sub>3</sub> derivatives. In addition, we manufacture peptides using SYNC SOL®, our innovative proprietary liquid-phase synthesis technology.

\*1 LANDEL® is a registered trademark of Zeria Pharmaceutical Co., Ltd.  
\*2 LIVALO® and LIVAZEBE® are registered trademarks of Kowa Company, Ltd.

Strategy for Vista2027

Opportunities and Risks

- Growing demand for generic drugs
- Expanding efforts in middle molecule drug development
- Aging population and diversification of healthcare
- Establishment of a government-led drug-discovery ecosystem (revitalizing research, development, and contract manufacturing business)

Strengths

- Fine organic synthesis technology
- cGMP compliant high-level containment technology
- Chemistry, Manufacturing, and Controls (CMC) support for APIs

Main Measures

1. Healthcare: Promote new drug development, commercialize and expand sales of medical materials
2. Fintech®: Strengthen highly profitable business models, expand into overseas markets, and aim for joint development (peptides, etc.)

Efforts to achieve Vista2027

We will steadily advance joint development with pharmaceutical companies. We will further develop the business for the API for LIVALO® by leveraging economies of scale and our track record in overseas markets. For medical materials, we will commercialize and expand sales of new products, such as biointerface control materials and cell culture materials. The generic drug maxacalcitol, launched in FY2015, and eldecacitol, launched in FY2020, has grown significantly as a pillar of our business. Going forward, we will accelerate the development of new generic APIs that leverage our strength, expand our manufacturing facilities and development capabilities, and fully expand our business not only in Japan but

also in overseas markets.

Additionally, leveraging the technological superiority of our proprietary liquid-phase synthesis technology SYNC SOL®, we will expand our contract peptide-manufacturing business and the joint development business. Through these measures, we will further develop Finetech® into a highly profitable business.

It will take time to achieve results from new pharmaceuticals and medical materials. Until then, we will continue to take on the challenge of developing new pharmaceuticals and medical materials, with our highly profitable Finetech® business supporting our business foundation.

Progress in FY2025

1 Promotion of New Drug Development

For the novel oligonucleotide drug candidate (SK-2407/SN-001) being jointly developed with Sanwa Kagaku Kenkyusho Co., Ltd. (SKK), Nissan Chemical is responsible for supplying the active pharmaceutical ingredient and is promoting its development.

2 Research Support Services Utilizing Our Proprietary Technologies

Utilizing our proprietary modified nucleic acids (MCE), we are jointly developing drug discovery research support services for oligonucleotide therapeutics with Axcelead Drug Discovery Partners, Inc. (ADDP). We have also concluded a licensing agreement with ADDP for our DNA-encoded library (DEL) technology and are collaborating toward the launch of contract drug discovery services using DEL technology.

3 Commercial Application of Efficient Peptide Manufacturing Technology

Utilizing our novel proprietary liquid-phase peptide synthesis technology (SYNC SOL®), we are developing new generic APIs. We are also utilizing this technology in collaboration with third parties and expanding our contract peptide manufacturing business through R&D and manufacturing services spanning from drug discovery stage through commercial production.



4 Contract Manufacturing of Highly Bioactive APIs and Continued Launches of Generic Drugs

We are expanding our containment facilities for quantities ranging from 100 g to several kilograms and strengthening our contract research and manufacturing services for highly bioactive APIs, while accelerating the development of new highly bioactive generic APIs following the prostaglandin (limaprost) and active vitamin D<sub>3</sub> derivatives (maxacalcitol and eldecacitol).

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# Planning and Development Division

We are striving to create new high-value-added products and businesses that meet social needs in new fields such as Information & Communication, Environment & Energy, and Life Science. To more quickly achieve this goal, we reorganized our structure in April 2025 and clearly defined our core priority themes under the new system. Combining our core technologies with new materials and technologies, we will continue to explore the unlimited possibilities of chemistry and grow as a future-creating company.

### Social Issues and Needs

- Contribution to addressing climate change and global environmental conservation
- Contribution to addressing health issues
- Contribution to achieving a smart society, etc.

### Business Vision

- Building new businesses that contribute to solving social issues
- Creating new businesses to serve as growth engines in new fields
- Creating new products using innovative technologies both inside and outside the Company



### Healthcare

We conduct drug discovery focused mainly on oligonucleotide therapeutics, along with planning and development for the commercialization of materials for regenerative medicine.

In our drug discovery, we are focusing on oligonucleotide therapeutics. In order to contribute to improving patients' quality of life through the creation of innovative new drugs, we are strengthening our platform through collaboration with academia and partner companies and building a robust R&D portfolio through alliances with pharmaceutical companies.

In the field of regenerative medicine, we are developing various materials aimed at application in cell manufacturing processes. We are promoting market development with Cellhesion®, a scaffold material designed for enhancing cell functionality; FCeM® Advance-CR, a cell culture material for uniform dispensing, transportation and storage; and prevelex®, anti-adhesion coating materials for proteins and cells, etc. to containers.

### Animal Care

Looking ahead to the global expansion of the animal health market and the diversification of needs, we are utilizing small molecule drug technologies developed by Nissan Chemical over many years to conduct drug discovery research for new veterinary drugs and develop innovative veterinary medical devices and drugs.

### LiB Materials Business

We are working to expand sales of materials for lithium-ion batteries (LiBs), for which demand is expected to grow in electric vehicle and data center applications, while developing new grades. One such product, a slurry additive (SA), helps improve the performance of LiBs, and we are aiming for early business expansion.

### Optical Interconnect Materials

With the rise in data volumes driven by the digitalization of society, electronic devices and servers with high-performance

semiconductor chips are required to achieve low power consumption, low latency, and reduced heat generation. Photoelectric fusion technology is expected to provide a solution to these requirements. We are developing SUNCONNECT®, an optical waveguide material, as a new material that supports photoelectric fusion technology.

### Thermal Management Materials

As the importance of thermal management increases with the expansion of high-performance computing for generative AI processing and power semiconductors, we are accelerating the development of materials that meet customer demands through collaboration with Ariecca Inc., which has thermal interface materials (TIMs) containing liquid metal.

### Energy Materials

We are committed to product development that contributes to the realization of a sustainable society. We are advancing the development of ion-conducting polymer materials for the catalyst layers of fuel cells and water electrolysis devices to promote the use of hydrogen energy, coating materials that can improve the durability of perovskite solar cells, and other materials that can enhance the performance of next-generation batteries.

### Innovative Business Planning

In new fields that Nissan Chemical has yet to explore, we are striving to plan promising new businesses by identifying development themes, introducing technologies from startups, and planning corporate collaborations and alliances.

### Research Management

Together with our laboratories, we are working to develop new core technologies. In addition, we are working to enhance R&D capabilities and improve our research environment through the training of researchers and support for R&D themes.



## Progress in FY2025

### 1 Oligonucleotide Drug Discovery

Since March 2019, Nissan Chemical and Sanwa Kagaku Kenkyusho Co., Ltd. (SKK) have been jointly working to discover an antisense oligonucleotide for the treatment of dentatorubral-pallidoluysian atrophy (DRPLA), a type of spinocerebellar degeneration, and have selected SK-2407/SN-001 as the development candidate. Both companies are advancing development in Japan. In addition, we will expand this collaboration and strategically aim to discover multiple novel oligonucleotide therapeutic candidates by combining the drug discovery capabilities of both companies.

### 2 Development of Veterinary Pharmaceuticals

We are continuing our joint drug discovery research with MSD Animal Health. In addition, we have launched several joint product development projects with startups, and have begun initial studies on new in-house development themes.

### 3 LIBSOLVER™

To meet customer demands, we have established a commercial-scale production system for LIBSOLVER™, a slurry additive for lithium-ion batteries, transitioning from the previous small-volume production system toward full-scale production, and have begun shipping samples produced using commercial-scale equipment.

### 4 Optical Interconnect Materials

We expanded our evaluation infrastructure through the introduction of precision measurement equipment. We are continuing R&D on optical interconnect materials characterized by low propagation loss and high reliability.

### 5 Thermal Management Materials

We are developing thermal interface materials incorporating liquid-metal-embedded elastomer technology for use in high-performance computing and power semiconductor applications. Testing with customers' respective devices has confirmed that these materials provide superior heat dissipation performance compared with conventional products. We are accelerating the transition to more advanced evaluations, including reliability testing.

### 6 Hydrogen Energy Materials

For hydrocarbon-based ionomers, we have confirmed device performance equivalent or superior to that of standard fluorinated ionomers used in water electrolysis applications. We are continuing R&D with goals including reducing the loading of expensive catalysts.

## Strategy for Vista2027

### Opportunities and Risks

- Expansion of the regenerative medicine market and growth of the health market
- Development of the digital society and expansion of the ICT market
- Increasing demand for technological development aimed at the realization of a low-carbon society
- Development delays and late arrival of expected new fields

### Strengths

- Design and functionalization of small molecules and polymers
- Formulation capability and biological evaluation technology
- Thin film coating based interface control technology
- Networking with external research institutions across multiple disciplines

### Main Measures

1. Acceleration of development by allocating resources to important themes
2. Strengthening collaboration with customers and partners, promotion of co-creation
3. Incorporation of new technologies and materials from inside and outside the Company and their incorporation into in-house technology
4. Initiatives for the continuous creation of promising new R&D themes

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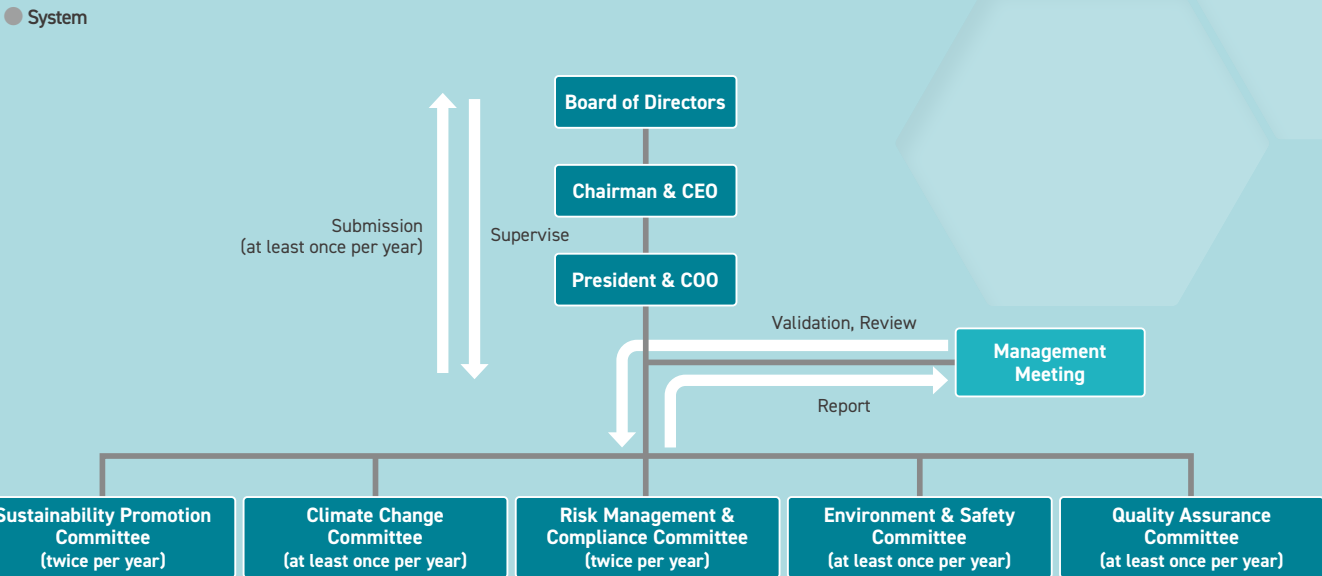
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Sustainability Promotion Structure

To advance our sustainability initiatives, we have established the Sustainability Committee, the Climate Change Committee, the Risk Management & Compliance Committee, the Environment & Safety Committee, and the Quality Assurance Committee under the Board of Directors. Each of these committees comprises executive officers and the heads of relevant divisions and departments, and deliberates on the matters shown in the table below. The matters deliberated by each committee are submitted to the Board of Directors for discussion and resolution after approval by the Management Meeting. Through this process, the Board of Directors oversees the action policies and targets established by each committee, as well as the progress of related initiatives.



| Committee                              | Roles (Matters for deliberated)                                                                                                                                                                                                                                                                                                                                                                                                                                   | Composition                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sustainability Promotion Committee     | <ul style="list-style-type: none"><li>● Policies related to sustainability, including climate change</li><li>● Materiality identification, KPI setting, and progress monitoring</li><li>● Medium- and long-term plans</li><li>● Evaluation of annual activity results and targets for the following fiscal year based on the evaluation, etc.</li></ul>                                                                                                           | <p><b>Chair:</b> Officer responsible for Sustainability Promotion &amp; IR Dept.</p> <p><b>Members:</b> Managing executive officers responsible for divisions &amp; departments*1</p>                                                                                                                                                                                                           |
| Climate Change Committee               | <ul style="list-style-type: none"><li>● Analysis and countermeasures concerning risks and opportunities affecting Nissan Chemical</li><li>● Medium- and long-term plans and annual plans based on scenario analysis results and countermeasures</li><li>● Assessment of the results of countermeasures</li><li>● Improvements and issues to be considered based on the assessment results, etc.</li></ul> <p>(The above also includes nature-related matters)</p> | <p><b>Chair:</b> President &amp; COO</p> <p><b>Members:</b> Heads of business divisions, Planning and Development Division, Purchasing Department, Corporate Planning Department, Sustainability Promotion &amp; IR Department, Finance &amp; Accounting Department, Production Technology Division, and Risk Management Department</p>                                                         |
| Risk Management & Compliance Committee | <ul style="list-style-type: none"><li>● Risk identification and assessment, including climate-related and nature-related risks, and formulation of countermeasure plans</li><li>● Self-assessment of the implementation status of the countermeasure plans and subject, and formulation of improvement plans</li><li>● Annual activity plan for the next fiscal year, etc.</li></ul>                                                                              | <p><b>Chair:</b> Chief Risk Management Officer (CRO)</p> <p><b>Members:</b> Risk &amp; Compliance Managers (Heads of divisions/departments*1 and sites*2, Presidents of each domestic consolidated subsidiary)</p>                                                                                                                                                                              |
| Environment & Safety Committee         | <ul style="list-style-type: none"><li>● Medium- and long-term plans for Responsible Care (RC) activities, including responses to climate change</li><li>● Annual RC activity results for Nissan Chemical and affiliated companies</li><li>● Summary of company-wide RC activities</li><li>● Objectives, targets, and action plans for RC in the following fiscal year, etc.</li></ul>                                                                             | <p><b>Chair:</b> Officer responsible for Risk Management Department</p> <p><b>Members:</b> Heads of the Business Divisions, Planning and Development Division, Purchasing Department, Corporate Planning Department, Personnel Department, Sustainability Promotion &amp; IR Department, Production Technology Division, and Risk Management Department, as well as the Head of Each Site*2</p> |
| Quality Assurance Committee            | <ul style="list-style-type: none"><li>● Quality targets for the following fiscal year and medium-term quality targets every three years</li><li>● Annual quality assurance activity results for Nissan Chemical and affiliated companies, etc.</li></ul>                                                                                                                                                                                                          | <p><b>Chair:</b> Officer responsible for Risk Management Department</p> <p><b>Members:</b> Heads of the Business Divisions, Planning and Development Division, Purchasing Department, Corporate Planning Department, Personnel Department, Sustainability Promotion &amp; IR Department, Production Technology Division, and Risk Management Department, as well as the Head of Each Site*2</p> |

\*1 [Divisions & Departments] Internal Audit Dept., business divisions, Planning and Development Div., Intellectual Property Dept., Purchasing Dept., Corporate Planning Dept., Personnel Dept., Sustainability Promotion & IR Dept., Finance & Accounting Dept., Digital Transformation Dept., Production Technology Div., Risk Management Dept.  
\*2 [Site] Plants and Laboratories

Information Disclosure in Line with TCFD and TNFD Recommendations

For more information, please visit our website.  
[Web](#) Information Disclosure in Line with TCFD and TNFD Recommendations

Nissan Chemical expressed its support for the TCFD recommendations in 2020 and for the TNFD recommendations in 2024. Going forward, we will continue working to enhance corporate value by promoting initiatives related to climate change and natural capital, as well as gradually expanding information disclosure.

Governance

Our initiatives to address climate change are examined and deliberated by the Sustainability Promotion Committee, Climate Change Committee, Risk Management & Compliance Committee, and Environment & Safety Committee. The Board of Directors supervises those efforts by discussing and adopting resolutions on the matters deliberated by the committees. Furthermore, natural capital issues, including biodiversity, are also examined and deliberated by the Climate Change Committee.

[Related Information](#) Sustainability Promotion Structure P.63

Risk Management

Within the framework of the Risk Management & Compliance Committee, the Nissan Chemical Group identifies risks, including climate-related and nature-related risks, and evaluates them from the perspectives of likelihood and impact on our business. Based on this assessment, we select the "Group Major Risks." The implementation status of countermeasures addressing each

**● Incorporating ESG Indicators into the Officers' Remuneration System**  
Nissan Chemical incorporates ESG indicators, including GHG emissions reduction metrics, into the officers' performance-based remuneration. By reflecting progress toward achieving GHG emissions reduction targets in officers' remuneration, we clarify management accountability for addressing climate change and strengthen the effectiveness and governance of initiatives aimed at achieving carbon neutrality by 2050.

risk is also periodically reviewed and deliberated by the Risk Management & Compliance Committee, and these results are reported to the Board of Directors, thereby enabling ongoing monitoring of the effectiveness of risk management.

For more information, please visit our website.  
[Web](#) Risk Management

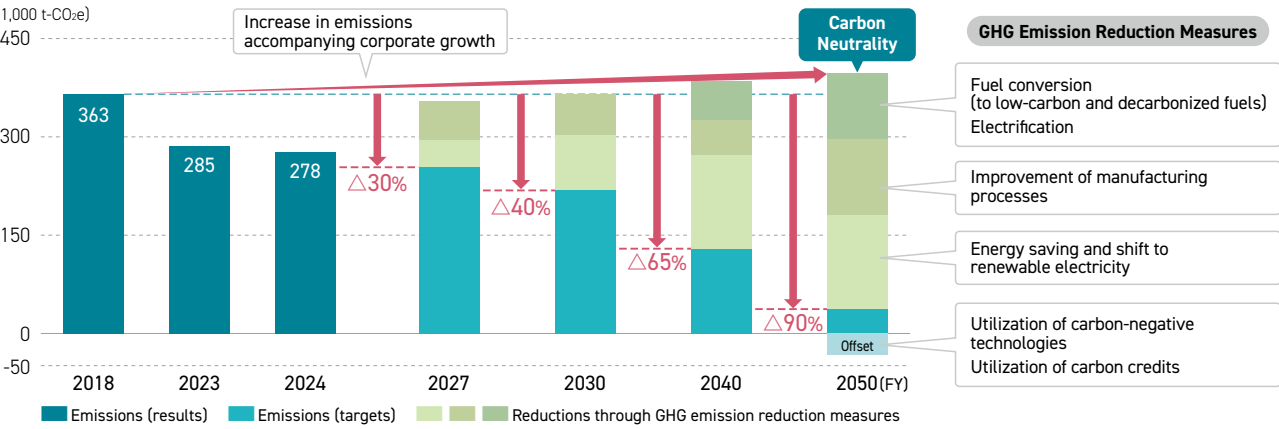
Strategy for Climate Change

● Transition Plan for GHG Emission Reductions

Nissan Chemical aims to achieve carbon neutrality by 2050 (Scope1+2), and as a milestone toward this goal, we have set an FY2027 target of "reducing GHG emissions by at least 30% from FY2018 levels." Based on these targets, we formulated a

Transition Plan for GHG Emission Reductions in FY2024 and are promoting systematic and phased emissions reduction initiatives while reflecting the plan in our business activities and investment decisions.

● Transition Plan for GHG Emission Reductions (Scope1+2)



● GHG Emission Reduction Measures

| Vista2027 (FY2022~FY2027)                                                                                                                                                                                                                                                                                                                                                                                             | - FY2040                                                                                                                                                                                                                                                 | - FY2050                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>● Melamine production shutdown (implemented in FY2022)</li><li>● Boiler fuel conversion at Onoda Plant (implemented in FY2022)</li><li>● Expansion of renewable electricity use (non-fossil certificates, PPAs)</li><li>● Promotion of energy saving</li><li>● Improvement of manufacturing processes (reduction of N<sub>2</sub>O emissions from nitric acid plants)</li></ul> | <ul style="list-style-type: none"><li>● Expansion of renewable electricity use (non-fossil certificates, PPAs)</li><li>● Promotion of energy saving</li><li>● Fuel conversion (to low-carbon and decarbonized fuels) and electrification, etc.</li></ul> | <ul style="list-style-type: none"><li>● Expansion of renewable electricity use (non-fossil certificates, PPAs)</li><li>● Promotion of energy saving</li><li>● Fuel conversion (to low-carbon and decarbonized fuels)</li><li>● Improvement of manufacturing processes</li><li>● Utilization of carbon-negative technologies</li><li>● Utilization of carbon credits</li></ul> |

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# Information Disclosure in Line with TCFD and TNFD Recommendations

We conducted scenario analyses using the 1.5°C and 4°C scenarios in order to assess the risks and opportunities associated with climate change.

● **Climate Scenario Analysis Results:** Climate-Related Risks and Opportunities (Excerpt)

All: All Businesses / Planning & Development Division,  
Agri: Agricultural Chemicals Business, Chem: Chemicals Business

| Scenario       | Factors                                                                   |             | Impact on Business                                                                                                                                                                    | Financial Impact                                    | Relevant Business | Main Measures                                                                                                                                                                                                                                                                                                                                                                    |
|----------------|---------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.5°C Scenario | ● Regulations on GHG emissions                                            | Risk        | ● Increase in operating costs due to the introduction of carbon pricing such as carbon taxes, and compliance with regulations and decarbonization investments                         | ● 2030: 5.9 billion yen/year                        | All               | ● Fuel and feedstock conversion at plants<br>● Update to energy-saving equipment, etc.<br>● Increased use of renewable energy<br>● Zero emissions of N <sub>2</sub> O from nitric acid production capacity (planned investment: 830 million yen)<br>● Optimization of the manufacturing process<br>● Promotion of decarbonized investment by introducing internal carbon pricing |
|                |                                                                           | Opportunity | ● Avoid the impact of carbon pricing by reducing GHG emissions                                                                                                                        | ● 2030: 1.8 billion yen/year                        |                   |                                                                                                                                                                                                                                                                                                                                                                                  |
|                | ● Changes in energy policy<br>● Changes in energy demand and supply       | Risk        | ● Increase in operating costs due to in-house renewable energy procurement                                                                                                            | ● 2030: 0.46 billion yen/year                       | All               | ● Update to energy-saving equipment, etc.<br>● Optimization of the manufacturing process                                                                                                                                                                                                                                                                                         |
|                |                                                                           | Opportunity | ● Reduce operating costs by improving energy efficiency and saving energy                                                                                                             | —                                                   |                   |                                                                                                                                                                                                                                                                                                                                                                                  |
|                | ● Market changes due to increasing demand for environmental consideration | Risk        | ● Decrease in sales of agricultural chemicals business due to the introduction of regulations on the use of agrochemicals                                                             | ● 2030: 2.3 billion yen/year                        | Agri              | ● Develop environmentally friendly agrochemicals<br>● Development of biological pesticides<br>● Acquire biostimulant technologies<br>● Promote registration of agrochemicals in new countries                                                                                                                                                                                    |
|                |                                                                           | Opportunity | ● Increase in demand for biological pesticides, etc.                                                                                                                                  | —                                                   |                   |                                                                                                                                                                                                                                                                                                                                                                                  |
|                |                                                                           | Risk        | ● Decrease in sales due to inability to provide low-carbon products                                                                                                                   | ● 2030: 4.2 billion yen/year                        | All               | ● Expand sales of low-carbon products<br>● Development of environmentally friendly products and services<br>● Establishment of innovative manufacturing technologies<br>● Review of the business portfolio<br>● Promotion of decarbonized investment by introducing internal carbon pricing<br>● Increased use of renewable energy<br>● Fuel and feedstock conversion at plants  |
|                |                                                                           |             | ● Decrease in demand from customers due to the retention of products and businesses with large GHG emissions                                                                          | —                                                   |                   |                                                                                                                                                                                                                                                                                                                                                                                  |
|                |                                                                           | Opportunity | ● Increase in demand and sales of parts and materials for low-carbon products                                                                                                         | ● 2027: 1.2 billion yen/year                        |                   |                                                                                                                                                                                                                                                                                                                                                                                  |
| 4°C Scenario   | ● Rising temperatures/ Increase in abnormal weather                       | Risk        | ● Increase in risk of impacts on plant operations, equipment, inventory, and supply chains due to flooding caused by heavy rains, floods, and rising sea levels                       | ● 2030: 7.6 billion yen<br>● 2050: 12.8 billion yen | All               | ● Formulating BCPs (business continuity plans) for key products in each plant<br>● Raise the foundation of the plant buildings, and place equipment and other key items on higher floors, depending on the risk                                                                                                                                                                  |
|                |                                                                           |             | ● Decline in production capacity (such as shortage of cooling capacity) and increase in product and material management costs due to water shortages caused by drought and heat waves | —                                                   |                   | ● Formulating BCPs (business continuity plans) for key products in each plant<br>● Optimization of the existing cooling system<br>● Introducing equipment for water-saving and water recycling<br>● Introducing energy-saving air conditioning and cooling equipment                                                                                                             |
|                | ● Market changes caused by rising temperatures and abnormal weather       | Risk        | ● Reduction of planted area due to increase in frequency and intensity of storms/floods and difficulties in securing irrigation water                                                 | —                                                   | Agri              | ● Promote registration of agrochemicals in new countries<br>● Enhancing the agrochemicals portfolio                                                                                                                                                                                                                                                                              |
|                |                                                                           |             | ● Changes in the distribution of planting and reduction in planted area due to rising temperatures                                                                                    | —                                                   |                   |                                                                                                                                                                                                                                                                                                                                                                                  |
|                |                                                                           | Opportunity | ● Increase in sales of existing agrochemicals and opportunities to develop new agrochemicals due to the spread of pest insects, weeds, and pathogens, and the emergence of resistance | —                                                   |                   | ● Develop new agrochemicals<br>● Enhancing the agrochemicals portfolio<br>● Promote registration of agrochemicals in new countries                                                                                                                                                                                                                                               |
|                |                                                                           |             | ● Increase in sales of disinfectants due to the reduction of usable (fresh) water resources and the growth of global demand for drinking water                                        | —                                                   | Chem              | ● Expand sales of disinfectants for drinking water                                                                                                                                                                                                                                                                                                                               |

## Metrics and Targets Related to Climate Change

We believe that reducing the Company's emissions, which account for approximately 90% of the Group's Scope 1 and 2 GHG emissions, is important for mitigating the Group's climate-related risks.

In FY2025, trouble with production equipment at the Toyama Plant required us to continue production using backup equipment, resulting in increased N<sub>2</sub>O emissions and a corresponding increase in GHG emissions. This equipment trouble was resolved during scheduled maintenance conducted in June 2026. In addition, the installation of an N<sub>2</sub>O decomposition unit for the nitric acid plant, scheduled for completion in FY2026, is expected to decompose most of the N<sub>2</sub>O generated during the nitric acid production process, and we anticipate achieving our FY2027 GHG emissions reduction target.

● **GHG Emissions**

|            | Scope            | Unit                | FY2018  | FY2022  | FY2023  | FY2024  | FY2025  | FY2027 Target                                                      |
|------------|------------------|---------------------|---------|---------|---------|---------|---------|--------------------------------------------------------------------|
| Scope1     | Non-consolidated | t-CO <sub>2</sub> e | 245,469 | 223,388 | 174,133 | 166,980 | 233,161 | —                                                                  |
| Scope2     | Non-consolidated | t-CO <sub>2</sub> e | 117,926 | 104,275 | 111,187 | 110,932 | 97,428  | —                                                                  |
| Scope1+2   | Non-consolidated | t-CO <sub>2</sub> e | 363,395 | 327,663 | 285,320 | 277,912 | 330,589 | 254,377<br>(Reducing emissions by at least 30% from FY2018 levels) |
| Scope3*1+2 | Non-consolidated | t-CO <sub>2</sub> e | 703,562 | 885,046 | 927,262 | 939,244 | 702,739 | —                                                                  |
| Scope1     | Consolidated*3   | t-CO <sub>2</sub> e | 253,785 | 230,424 | 180,409 | 184,280 | 248,942 | —                                                                  |
| Scope2     | Consolidated*3   | t-CO <sub>2</sub> e | 128,647 | 115,893 | 124,730 | 131,089 | 116,704 | —                                                                  |
| Scope1+2*4 | Consolidated*3   | t-CO <sub>2</sub> e | 382,432 | 346,316 | 305,138 | 315,369 | 365,646 | —                                                                  |

\*1 Category-specific data: [https://www.nissanchem.co.jp/eng/csr\\_info/index/esg\\_data.html](https://www.nissanchem.co.jp/eng/csr_info/index/esg_data.html)  
\*2 The calculation method was revised beginning in FY2025. (Through FY2024, value-based calculations using the Ministry of Internal Affairs and Communications' input-output tables; from FY2025: weight-based calculations for raw materials using the AIST-IDEA database.)  
\*3 Nissan Chemical Corporation and consolidated subsidiaries with manufacturing facilities (Nihon Hiryo Co., Ltd., Nissan Chemical America Corporation, NCK Co., Ltd., Nissan Bharat Rasayan PVT. LTD.)  
\*4 Due to rounding of figures, some of the above Scope1 and Scope2 sums do not match

## Strategy for Natural Capital

Based on the LEAP approach recommended by the TNFD as an analytical method for nature-related assessments, we identified and evaluated our dependencies on and impacts on natural capital associated with our business activities. In addition to these analysis results, we conducted scenario analysis to identify nature-related risks and opportunities, determine the most significant risks and opportunities for Nissan Chemical, and formulate corresponding countermeasures.

● **High-impact Risks/Opportunities and Countermeasures**

All: All Businesses / Planning & Development Division,  
Agri: Agricultural Chemicals Business

| Social Changes                                                                                       | Factors                                                                                    | Risk/ Opportunity | Relevant Business | Impact on Business                                                                                                                                                                                                                           | Impact |        | Countermeasures                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                      |                                                                                            |                   |                   |                                                                                                                                                                                                                                              | FY2030 | FY2050 |                                                                                                                                                                                                                                                                                                                                           |
| Enhancement of our company's initiatives and regulations for environmental conservation (transition) | ● Enhancement of nature-related regulations                                                | Risk              | All               | ● Increase in raw materials procurement costs due to tightening of environmental laws and regulations for materials sourcing, processing, and production of intermediate products                                                            | High   | High   | ● Multiple sourcing of several key raw materials<br>● Price pass-through to products<br>● Switch suppliers to those who use biomass-derived raw materials<br>● Develop products that use biomass-derived raw materials                                                                                                                    |
|                                                                                                      |                                                                                            |                   |                   | ● Increase in operation costs in our plants due to the enforcement of regulations on pollution                                                                                                                                               | Mid    | High   | ● Change equipment and manufacturing processes in line with the strengthening of regulations<br>● Distribute facility investment methodically to maintain regulatory compliance as the strengthened regulatory requirements are determined<br>● Check the trends of tightening regulations in RC (Responsible Care) management activities |
|                                                                                                      |                                                                                            |                   |                   | ● Increase in operation costs due to the introduction of tax on plastics; generation of additional costs for replacing production equipment and switching packaging materials by introducing biomass plastics and other recyclable materials | Mid    | High   | ● Reduce the use of plastics for containers and packages<br>● Switch containers/packages materials from fossil-derived plastics to biomass-derived and other recyclable materials                                                                                                                                                         |
|                                                                                                      | ● Growth of demand from investors and others seeking initiatives for nature-related issues | Risk              | All               | ● Declines in the ESG rating, the Group's reputation, and market capitalization, and difficulty in financing due to the delay in countermeasures against climate change, such as the massive use of fossil-derived raw materials             | High   | High   | ● Enhance RC management<br>● Enhance initiatives for reducing environmental impacts<br>● Develop environmentally friendly products and services and promote their sales                                                                                                                                                                   |
|                                                                                                      |                                                                                            | Opportunity       |                   | ● Rises in the ESG rating, the Group's reputation, and market capitalization through progressive approaches and information disclosure                                                                                                       | High   | High   | ● Appropriate information disclosure                                                                                                                                                                                                                                                                                                      |

(Continued on the next page)

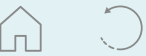
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## Governance

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Information Disclosure in Line with TCFD and TNFD Recommendations

| Social Changes                                                                                       | Factors                                                                                                         | Risk/<br>Opportunity | Relevant Business                                                                                                                                                               | Impact on Business                                                                                                                                                                                                                                                                                                       | Impact                              |        | Countermeasures                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                      |                                                                                                                 |                      |                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                          | FY2030                              | FY2050 |                                                                                                                                                                                               |
| Enhancement of our company's initiatives and regulations for environmental conservation (transition) | ● Market changes due to increasing demand for environmental consideration                                       | Risk                 |                                                                                                                                                                                 | ● Decrease in sales of agricultural chemicals business due to the introduction of regulations on the use of agrochemicals                                                                                                                                                                                                | High                                | High   | ● Develop environmentally friendly agrochemicals<br>● Development of biological pesticides<br>● Acquire biostimulant technologies<br>● Promote registration of agrochemicals in new countries |
|                                                                                                      |                                                                                                                 |                      |                                                                                                                                                                                 | ● Reduction of the use volume and decline in sales of agrochemicals due to expansion of the organic beverage and food markets                                                                                                                                                                                            | High                                | High   |                                                                                                                                                                                               |
|                                                                                                      |                                                                                                                 |                      |                                                                                                                                                                                 | ● Reduction of the use volume and decline in sales of agrochemicals by using various technologies, such as big data, drones, and farm management software                                                                                                                                                                | High                                | High   | ● Develop agrochemicals for drone spraying and promote their sales<br>● Promote registration of agrochemicals in new countries                                                                |
|                                                                                                      |                                                                                                                 | Opportunity          | Agri                                                                                                                                                                            | ● Growth of demand for biological pesticides; increase in opportunities to develop new agrochemical products                                                                                                                                                                                                             | Mid                                 | High   | ● Develop environmentally friendly agrochemicals<br>● Development of biological pesticides<br>● Acquire biostimulant technologies<br>● Promote registration of agrochemicals in new countries |
|                                                                                                      |                                                                                                                 |                      |                                                                                                                                                                                 | ● Increase in sales of new agrochemicals suitable for smart agriculture, such as drone-based agrochemical application*.<br>(* Drone-based application helps reduce the amount of agrochemicals used.)                                                                                                                    | High                                | High   | ● Develop agrochemicals for drone spraying and promote their sales<br>● Promote registration of agrochemicals in new countries                                                                |
|                                                                                                      |                                                                                                                 |                      |                                                                                                                                                                                 | ● Increase in sales of agrochemicals* for agricultural products in countries and territories where farming lands are being expanded for food production due to population growth<br>(* Those products that contribute to the prevention of farmland expansion by improving yields and that are environmentally friendly) | High                                | High   | ● Promote sales of agrochemicals in developing countries where deforestation for farmland expansion is a concern<br>● Develop environmentally friendly agrochemicals                          |
| Transition / Physical                                                                                | ● Market changes due to degradation of ecosystem services and increasing demand for environmental consideration | Opportunity          | All                                                                                                                                                                             | ● Increase in sales of low-carbon products by switching to biomass-derived raw materials                                                                                                                                                                                                                                 | Mid                                 | High   | ● Switch suppliers to those who use biomass-derived raw materials<br>● Develop products that use biomass-derived raw materials                                                                |
|                                                                                                      |                                                                                                                 |                      |                                                                                                                                                                                 | Environmental degradation / Rising temperatures (physical)                                                                                                                                                                                                                                                               | ● Degradation of ecosystem services | Risk   | All                                                                                                                                                                                           |
| ● Market changes due to degradation of ecosystem services                                            | Opportunity                                                                                                     | Agri                 | ● Increase in sales of existing products and opportunities to develop new agrochemicals due to the spread of pest insects, weeds, and pathogens and the emergence of resistance |                                                                                                                                                                                                                                                                                                                          |                                     |        |                                                                                                                                                                                               |

Metrics and Targets of Natural Capital

● Indicators and Medium- to Long-term Targets Related to Natural Capital

We have set the following medium- and long-term targets for reducing GHG emissions and waste to reduce environmental risks.

For other indicators, we will make disclosures with reference to the core disclosure indicators related to dependencies, impacts, risks, and opportunities recommended by the TNFD framework, while continuing efforts to reduce environmental impact.

● Initiative Highlight: Registration of Sites as Nationally Certified Sustainably Managed Natural Sites

Our Group is promoting initiatives aimed at achieving harmony between our business activities and the natural environment, based on our corporate philosophy of "Contribute to the protection of the global environment and the existence/development of humanity, offering the value sought by society." As part of these efforts, Nissan Bio-Park Nishi-Hongo at our Toyama Plant and the Onoda Plant Biotope at our Onoda Plant were certified in FY2025 as "Nationally Certified Sustainably Managed Natural Sites" by the Ministry of the Environment.

Going forward, we will engage in business activities that take biodiversity into account in order to contribute to the achievement of nature-positive.



Responsible Care

As a company that handles chemical substances, the Nissan Chemical Group has a great responsibility to society. In order to fulfill this responsibility, we engage in Responsible Care (RC) activities. RC activities aim to voluntarily ensure environmental protection, health, and safety throughout the entire process from the development of chemicals through manufacturing, distribution, use, and final consumption to disposal and recycling. These activities also involve dialogue and communication with society through the disclosure of their results.

Responsible Care Management

System

We have been engaged in RC activities since 1992. To achieve our RC medium-term plan (2022-2027), established in FY2022, we manage targets and pursue continuous improvement through the PDCA cycle (Plan, Do, Check, Act) under our company-wide RC management system based on ISO14001\*. In addition, we have established the Environment & Safety Committee, which is chaired by the officer responsible for the Risk Management Department, as the organization in charge of promoting RC activities. The committee meets once a year. The matters discussed, including targets for the next fiscal year, are reported to and approved by the Management Meeting before being submitted to the Board of Directors for resolution.

\* International standard for environmental management system. All of our plants have acquired ISO14001 third party certification.



RC Audits

RC audits are conducted by the Risk Management Department to inspect RC activities at each plant, laboratory, and affiliated company in accordance with RC audit regulations. In addition to internal audits and patrols conducted at each site, RC audits check whether RC activities at each site are appropriately implemented, whether the PDCA cycle is being implemented consistently, and whether the site complies with environmental, health, and safety requirements. The Risk Management Department has established an RC audit program to promote improvements in response to identified or potential EHS risks.

In FY2025, a total of 34 RC audits were conducted for our plants, research laboratories, offices and affiliated companies.



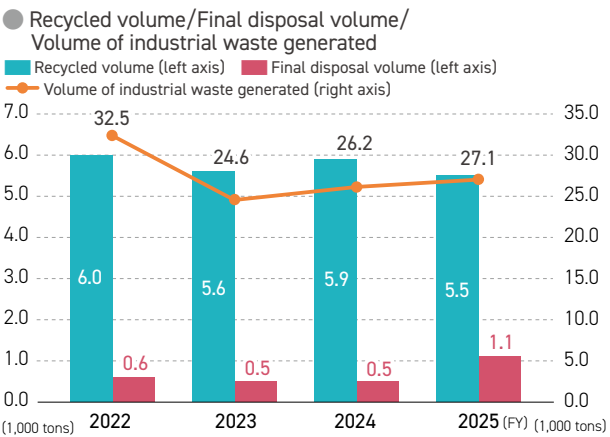
For more information, please visit our website.  
[Web](#) [Responsible Care Management](#)

Environmental Protection

Efforts to Reduce Industrial Waste

Through our RC activities, we further promote the 3Rs (Reduce, Reuse, Recycle), strive to reduce industrial waste generation, and thoroughly implement control measures to ensure that waste is disposed of properly. In addition, we have set an FY2027 waste target of reducing the final disposal volume by 50% or more compared with FY2021, and we are promoting initiatives to achieve this target.

In FY2025, final waste disposal volume increased due to the non-routine treatment of industrial waste generated at the Onoda Plant, resulting in a 37.3% increase compared with FY2021.



In line with the enforcement of the Act on Promotion of Resource Circulation for Plastics (enforcement date: April 1, 2022), we have been collecting data on plastic waste since FY2021. In FY2025, the amount of plastic waste decreased slightly from FY2024. The recycling rate of plastic waste also improved to 59% due to recycling efforts at plants and laboratories, and we achieved the FY2027 recycling rate target of 50% for the fourth consecutive year. Going forward, we will continue to promote recycling and other related initiatives. Going forward, we will continue to promote initiatives such as recycling.

|        | Amount of plastic waste | Recycling rate of plastic waste |
|--------|-------------------------|---------------------------------|
| FY2023 | 592t                    | 53%                             |
| FY2024 | 656t                    | 57%                             |
| FY2025 | 644t                    | 59%                             |

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Responsible Care

Safety and Disaster Prevention

With the aim of ensuring safety, achieving stable operations, and improving our process safety capabilities, we identify risks through pre-manufacturing assessments and conduct process and equipment hazard prediction activities. As a result, there were no explosions or fires in FY2025. Our plants, laboratories, and affiliates conduct various drills, including earthquake preparedness and fire drills, every year to ensure that they are prepared to respond promptly and reliably in the event of an emergency or accident.

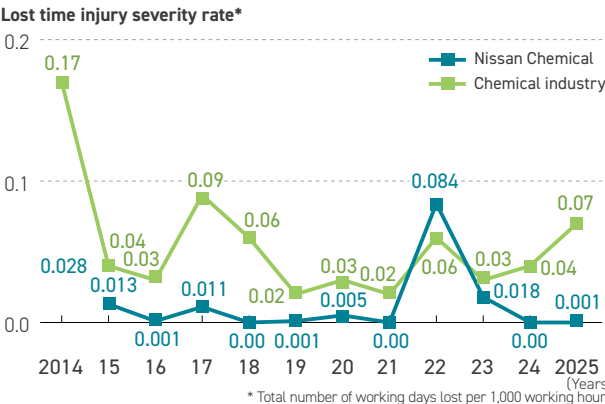
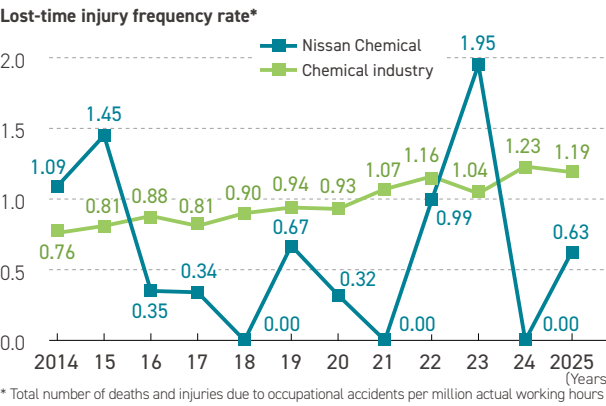


Disaster drills (Toyama Plant)

Promotion of Occupational Health and Safety

Through our RC management system, we strive to prevent occupational accidents, promote employee health, and create a comfortable work environment in our efforts to improve the level of occupational safety and health at each business site. In addition, we carry out various drills annually with the aim of ensuring safety, achieving stable operations, and enhancing our process safety capabilities, so that we can respond reliably in the event of an emergency or accident.

In 2025, we experienced two lost-time injuries, resulting in a lost-time injury frequency rate of 0.63 and a lost-time injury severity rate of 0.001. When an occupational accident occurs, we thoroughly investigate its cause and implement permanent corrective measures. We also share the relevant information and apply the measures across all sites to prevent recurrence. We will continue aiming to foster a culture of safety and achieve zero occupational accidents by promoting safety activities such as risk assessments, pre-work hazard prediction activities, hazard prediction training, HHK activities, and 5S activities, as well as the proper use of personal protective equipment, and by raising safety awareness through safety meetings and occupational safety newsletters.



For more information, please visit our website.  
[Web](#) Promotion of Safety and Disaster Prevention, and Occupational Safety and Health

Management of Chemical Substances and Products Safety

We established the "Chemical Substance Management Policy" for the management of chemical substances in 2020, and we have promoted ongoing improvements in chemical safety and product stewardship.

Risk Assessment in Products Lifecycle

We conduct risk assessments (prior assessments) at each stage involving chemical products, such as R&D, manufacturing, sales, and changes. Risk assessments are performed based on legal and regulatory information, data obtained internally or from external testing laboratories, safety data from safety data sheets (SDSs) for raw materials and literature, and data on physicochemical properties and working environment conditions. Based on the results of these risk assessments, we take appropriate measures, including measures to ensure compliance with laws and regulations, facility improvements to reduce worker exposure at manufacturing sites, improvements to work methods, clarification and documentation of procedures, and education and training. Moreover, the results of these risk assessments are communicated to all relevant personnel within the Company.

In addition, we participate in the Long-range Research Initiative, an international initiative promoted by Japan Chemical Industry Association (JCIA) that seeks to provide long-term support for research on the impact of chemicals on human health and the environment. The activities we engage in aim to advance research on the assessment of risks to human health and the environment.

Dissemination of Product Safety Information

To ensure that information on product safety is communicated to customers, we have introduced an SDS preparation support system to prepare and distribute SDSs for all products based on consistent rules. We publish SDSs for all agrochemical products on our website and make them available for customers and users to download.

Improvement of Product Quality

For more information, please visit our website.  
[Web](#) Improvement of Products Quality

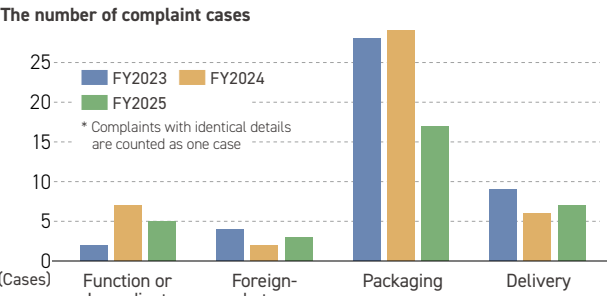
Our Group sets the Quality Policy "Providing products and services that satisfy customers," and based on this policy, we set medium-term quality targets and work on quality activities.

System

The quality assurance office at each plant, which is independent of the manufacturing divisions, inspects the quality of each product. In addition, the quality assurance division at the head office, which oversees company-wide quality assurance activities, conducts quality audits at each plant and affiliated company. To promote quality assurance activities on a company-wide basis, the Quality Assurance Committee meets regularly to receive reports on the results of quality activities, audit results and the status of related improvements, complaint information and the status of corrective actions, and to discuss the quality assurance activity policy for the following year. The matters reported and discussed are presented to the Board of Directors. We maintain a robust quality assurance system by pursuing further improvements through management reviews conducted by senior management.

Indicators

In FY2025, the number of complaint cases (complaints with identical details are counted as one case) decreased compared with the previous two fiscal years. In terms of the breakdown of complaints, the percentage of those attributable to issues such as packaging and delivery remained high in FY2025; however, the number of such complaints decreased by approximately 30%. There were no serious complaints in FY2023, three in FY2024, and two in FY2025 (arising from the same case).



Activities

Under the key themes of Quality (Q), Social (S), and Governance (G), we are promoting initiatives to realize our Quality Policy: providing products and services that satisfy our customers.

Internal Network of Product-quality Intelligence (Q, S)

We have established an internal network to promptly collect and evaluate customer feedback (complaint information) regarding our products and to take necessary corrective action. Customer feedback is promptly communicated to each division, used to improve product quality, and shared back with customers.

Prevention of Quality Fraud and Data Tampering (G)

As part of our company-wide efforts to strengthen governance, we are working to prevent misconduct and falsification. We continuously maintain and update relevant documents, provide employee training, and conduct quality audits and other checks to instill compliance awareness and ensure effectiveness.

At each plant, we are working to develop a framework designed to prevent errors, misconduct, and falsification by reducing manual operations and tasks and enhancing the integrity of inspection data handling through the introduction of Laboratory Information Management Systems (LIMS) and other measures. At sites and departments that do not use LIMS, we have established a system for controlling the issuance of test reports using an electronic signature system and maintaining verification and approval logs, thereby preventing quality-related misconduct and the falsification of test data.

Fostering Quality Culture (S, G)

In 2021, we established the "Quality Behavior Model" with the aim of encouraging each employee to act with an awareness of quality, and communicated it as a message from top management. In FY2022, we conducted company-wide training on "Quality Fraud" and "Change Control," and in FY2023, we conducted company-wide training on the "Quality Behavior Model," as well as "Change Control" training for researchers with the aim of reducing quality risks arising from changes. Furthermore, in FY2024 and FY2025, we provided training to the research, planning, development, procurement, production, logistics, and sales departments involved in product quality on "Examples of Quality Fraud Occurring in Society" and "Unconscious Quality Fraud That Could Occur within the Company," respectively. We will continue to provide company-wide training on the importance of quality compliance.

Supplier and Logistics Management (Q, S)

In procuring raw materials, under our supplier management standards, we appoint a person responsible for supply management in each business field. We manage key supplier information, including quality management survey sheets and the results of periodic audits, and share and utilize this information across departments. We also strive to maintain quality through change control based on thorough prior confirmation and impact assessment. In logistics, we are working to achieve even higher quality by reviewing mechanisms for reducing quality issues attributable to processes ranging from packaging to transportation.

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Directors and Audit & Supervisory Board Members (As of June 25, 2026)

For more information, please visit our website.

Web Notice of Convocation

Inside Directors



**KINOSHITA Kojiro**  
(Representative Director, Chairman & CEO)

1977 Joined the Company  
2002 Director, Head of Corporate Planning Department  
2006 Managing Director, Head of Corporate Planning Department  
2008 Representative Director, President & CEO  
2021 Representative Director, Chairman & CEO (to the present)

Meeting of the Board of Directors

12/12

Nomination and Remuneration Advisory Committee

9/9



**YAGI Shinsuke**  
(Representative Director, President & COO)

1985 Joined the Company  
2013 Deputy Plant Manager of Onoda Plant  
2016 Executive Officer, Plant Manager of Sodegaura Plant  
2018 Managing Executive Officer, Head of Production Technology Department  
2020 Senior Managing Executive Officer, Head of Production Technology Department  
Director, Senior Managing Executive Officer, Head of Production Technology Department  
2021 Representative Director, President & COO (to the present)

Meeting of the Board of Directors

12/12

Nomination and Remuneration Advisory Committee

9/9



**DAIMON Hideki**  
(Director, Senior Executive Vice President)

1988 Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.)  
2014 General Manager of Trust Business Department IV of Mizuho Trust & Banking Co., Ltd.  
2016 Executive Officer, General Manager of Corporate & Institutional Coordination Department of Mizuho Trust & Banking Co., Ltd.  
2018 Managing Executive Officer in charge of Trust & Banking of Mizuho Trust & Banking Co., Ltd.  
2020 Executive Officer, Head of Finance & Accounting Department of the Company  
2022 Managing Executive Officer, Head of Sustainability Promotion & IR Department  
Director, Managing Executive Officer, Head of Sustainability Promotion & IR Department  
2023 Director, Senior Managing Executive Officer, Head of Sustainability Promotion & IR Department  
2024 Director, Senior Managing Executive Officer, Head of Finance & Accounting Department  
2025 Director, Senior Executive Vice President (to the present)

Meeting of the Board of Directors

12/12



**ISHIKAWA Motoaki**  
(Director, Senior Managing Executive Officer)

1986 Joined the Company  
2009 General Manager of Display Materials Department, Electronic Materials Division  
2012 General Manager of Display Materials Research Department, Electronic Materials Research Laboratories  
2015 General Manager of Business Strategy Department, Performance Materials Division  
2016 Executive Officer, Deputy Head of Performance Materials Division, General Manager of Business Strategy Department, Performance Materials Division  
2020 Managing Executive Officer, Head of Performance Materials Division  
2022 Senior Managing Executive Officer, Head of Performance Materials Division  
Director, Senior Managing Executive Officer, Head of Performance Materials Division (to the present)

Meeting of the Board of Directors

12/12



**SATO Yuji**  
(Director, Senior Managing Executive Officer)

1990 Joined the Company  
2013 General Manager of International Operations, Agrochemicals Division  
2018 Head of International Operations, Agricultural Chemicals Division  
2020 Executive Officer, Deputy Head of Agricultural Chemicals Division, Head of International Operations, Agricultural Chemicals Division  
2022 Managing Executive Officer, Head of Agricultural Chemicals Division  
2024 Senior Managing Executive Officer, Head of Agricultural Chemicals Division  
2025 Director, Senior Managing Executive Officer, Head of Agricultural Chemicals Division (to the present)

Meeting of the Board of Directors

10/10



**MATSUOKA Takeshi**  
(Director, Managing Executive Officer)

1996 Joined the Company  
2017 General Manager of CSR & Public Relations Office, Corporate Planning Department  
2019 Executive Officer, Head of Internal Audit Department  
2021 Executive Officer, Head of Chemicals Division  
2022 Managing Executive Officer, Head of Corporate Planning Department  
Director, Managing Executive Officer, Head of Corporate Planning Department (to the present)

Meeting of the Board of Directors

12/12

Independent Outside Directors



**KATAOKA Kazunori**  
(Director)

Outside

1979 Research Associate of Institute of Biomedical Engineering at Tokyo Women's Medical University  
1988 Associate Professor of Institute of Biomedical Engineering at Tokyo Women's Medical University  
1994 Professor of Faculty of Industrial Science and Technology at Tokyo University of Science  
1998 Professor of Graduate School of Engineering at The University of Tokyo  
2004 Professor of Graduate School of Medicine at The University of Tokyo  
2015 Director General of Innovation Center of NanoMedicine, Kawasaki Institute of Industrial Promotion (to the present)  
2016 Project Professor at The University of Tokyo  
Professor Emeritus at The University of Tokyo (to the present)  
Deputy Chairman of Kawasaki Institute of Industrial Promotion (to the present)  
2020 Outside Director of the Company (to the present)

Meeting of the Board of Directors

12/12

Nomination and Remuneration Advisory Committee

9/9



**NAKAGAWA Miyuki**  
(Director)

Outside

1990 Prosecutor, Tokyo District Public Prosecutors Office  
2008 Counsellor, Judicial System Department, Minister's Secretariat, Ministry of Justice  
2011 Counsellor, Cabinet Secretariat, Assistant Chief Cabinet Secretary Office  
2013 Prosecutor, Tokyo High Public Prosecutors Office  
General Manager of General Administration Department, Saitama District Public Prosecutors Office  
2015 Specially Appointed Professor and Public Prosecutor, Chuo Law School  
2019 Retired as Prosecutor/Qualified for attorney-at-law  
Professor, Chuo Law School (to the present)  
Established Kousui Law Office (to the present)  
Outside Director (Audit & Supervisory Committee Member) of NITTO KOGYO CORPORATION (to the present)  
2021 Outside Director of the Company (to the present)  
2022 Outside Audit & Supervisory Board Member of Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited) (to the present)  
Outside Audit & Supervisory Board Member of ASKUL Corporation  
2025 Outside Director(Audit & Supervisory Committee Member) of ASKUL Corporation (to the present)

Meeting of the Board of Directors

12/12

Nomination and Remuneration Advisory Committee

9/9



**TAKEOKA Yuko**  
(Director)

Outside

2001 Assistant Professor of Department of Chemistry, Faculty of Science and Technology, Sophia University  
2002 PRESTO Researcher of Japan Science and Technology Agency  
2006 Lecturer of Department of Chemistry, Faculty of Science and Technology, Sophia University  
2010 Associate Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University  
2018 Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University (to the present)  
2023 Director of Center for Research Promotion & Support, Sophia University (to the present)  
Outside Director of the Company (to the present)

Meeting of the Board of Directors

12/12

Nomination and Remuneration Advisory Committee

9/9



**HAMA Itsuo**  
(Director)

Outside

1977 Joined Lion Fat & Oil Co., Ltd. (currently Lion Corporation)  
2008 Director, Executive General Manager of Household Products Division of Lion Corporation  
2010 Executive Director, Responsible for Health Care Products Division, Household Products Division, Gift and Channel Specific Products Division  
Advertising Department, Behavioral Science Research Institute, Distribution Policy Department and Customer Development Department of Lion Corporation  
2012 Representative Director and President Executive Officer  
Chief Operating Officer, Responsible for Risk Management of Lion Corporation  
2019 Representative Director, Chairman of the Board of Directors, Chief Executive Officer of Lion Corporation  
2022 Outside Director of Nichirei Corporation (to the present)  
2023 Executive Advisor of Lion Corporation (to the present)  
2025 Outside Director of the Company (to the present)

Meeting of the Board of Directors

10/10

Nomination and Remuneration Advisory Committee

8/8

Inside Audit & Supervisory Board Member



**KAWASHIMA Wataru**  
(Audit & Supervisory Board Member)

New

1990 Joined the Company  
2020 General Manager of Health Promotion Office, Personnel Department  
2021 Executive Officer, Head of Personnel Department and General Manager of Health Promotion Office, Personnel Department  
2026 Audit & Supervisory Board Member (to the present)

Independent Outside Audit & Supervisory Board Members



**TAKAHAMA Shigeru**  
(Audit & Supervisory Board Member)

Outside

1986 Joined Aoyama Audit Corporation (ChuoAoyama Audit Corporation)  
1990 Qualified for certified public account  
2006 Representative Partner (currently Partner) of PricewaterhouseCoopers Arata LLC (currently PricewaterhouseCoopers Japan LLC)  
2010 General Manager of Osaka office, PricewaterhouseCoopers Arata  
2013 Chairman of Kinki Chapter of the Japanese Institute of Certified Public Accountants  
Deputy President of the Japanese Institute of Certified Public Accountants  
2019 Committee Chair of Ethics Standards Committee of the Japanese Institute of Certified Public Accountants  
2024 Outside Audit & Supervisory Board Member of the Company (to the present)  
Established Takahama CPA Office (to the present)  
2025 Chairman of Disciplinary Committee of the Japanese Institute of Certified Public Accountants (to the present)

Meeting of the Board of Directors

12/12

Audit & Supervisory Board

12/12



**KINUGAWA Sachie**  
(Audit & Supervisory Board Member)

Outside

1988 Joined the Fuji Bank, Ltd. (currently Mizuho Bank, Ltd.)  
2004 Head of Department, Fixed Income Business Division Fixed Income Sales Dept. 4 of Mizuho Securities Co., Ltd.  
2017 Executive Officer, General Manager of Nagoya Branch of Mizuho Securities Co., Ltd.  
2019 Executive Officer in charge of Retail & Business Banking Division of Mizuho Securities Co., Ltd.  
2021 President of Mizuho Business Partner Co., Ltd.  
2023 Outside Director of The Bank of Nagoya, Ltd. (to the present)  
2025 Senior Advisor of Mizuho Business Partner Co., Ltd.  
Outside Director (Audit & Supervisory Committee Member) of RIKEN TECHNOS CORPORATION (to the present)  
Outside Audit & Supervisory Board Member of the Company (to the present)  
Outside Director of TAKACHIHO KOHEKI CO., LTD. (to the present)

Meeting of the Board of Directors

9/10

Audit & Supervisory Board

10/10



**OZEKI Yukimi**  
(Audit & Supervisory Board Member)

Outside

New

1999 Full-time instructor of Faculty of Economics, Nagasaki University  
Assistant professor of Faculty of Economics, Nagasaki University  
2000 Visiting Researcher of the University of Michigan Law School  
2004 Associate Professor of Faculty of Law, Komazawa University  
2010 Professor of Seikei Law School  
2015 Visiting Researcher of University of California Berkeley, School of Law  
2021 Professor of Chuo Law School (to the present)  
2026 Outside Director of Oki Electric Industry Co., Ltd. (to the present)  
Outside Audit & Supervisory Board Member of the Company (to the present)

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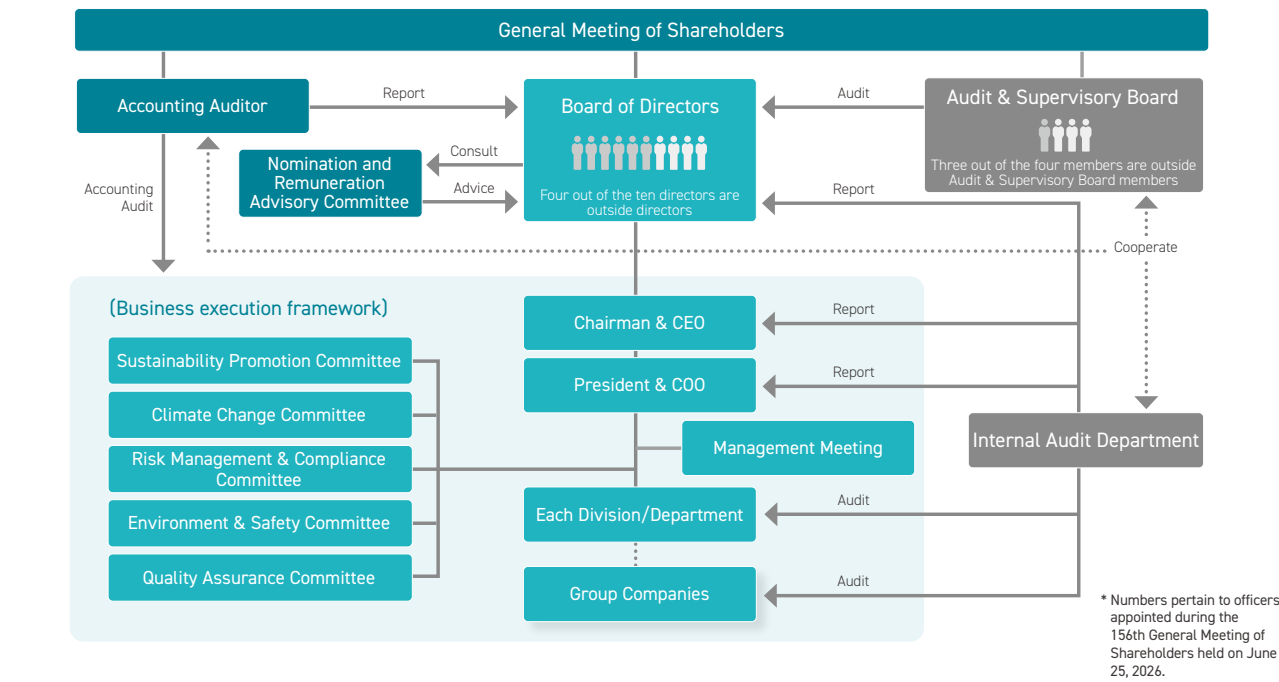
Corporate Data



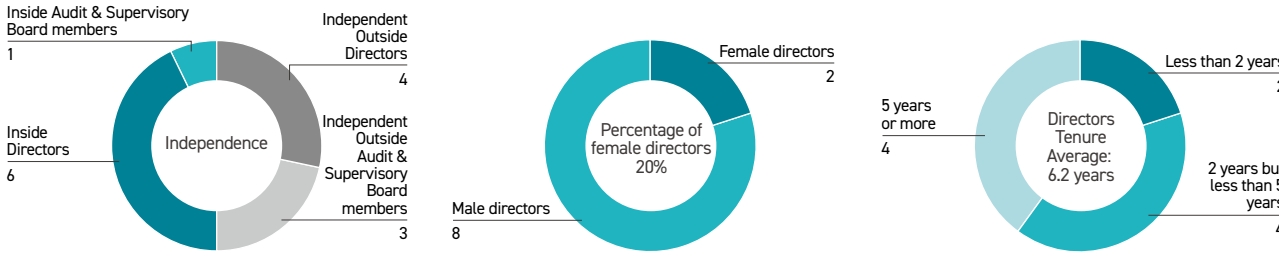
System

Based on our culture of “integrity” and “transparency,” we have strengthened our governance system in line with the changing times. At the General Meeting of Shareholders held in June 2026, we increased the number of female officers (outside audit & supervisory board members) female outside audit & supervisory board members, following the increase in 2025, as

part of our efforts to ensure diversity in our governance system. Furthermore, we are steadily implementing measures to address issues identified in the effectiveness evaluation of the Board of Directors and advancing various initiatives aimed at sustainable growth and enhancing corporate value.



● Composition of the Company's Directors and Audit & Supervisory Board Members



● Overview of the Corporate Governance System

|                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business Execution and Oversight               | By introducing a system with executive officers, we clarify the management's function of prompt decision-making and supervision and the function of executing operations, thereby strengthening both. We also strive to improve management's capabilities to develop and execute our management strategies. In addition, we have set a one-year term for each director and executive officer, thereby clarifying the management responsibility and the responsibility for executing operations.                                                                                                                                                                                                                                                                                                                                                       |
| Board of Directors                             | In principle, the Company's Board of Directors meets monthly to resolve material management matters and oversee the execution of duties by Directors and Executive Officers. Material management matters are decided through careful deliberation by the Board of Directors or the Management Meeting. In this manner, we work to reduce or eliminate business risks.<br>In addition, to enhance the oversight function of the Board of Directors, we report to the Board of Directors the matters determined by the Management Meeting and the outcomes of business executions based on decisions of the board and other meetings. We further strive to ensure and improve the effectiveness of the Board of Directors in pursuing its roles and responsibilities by conducting the Effectiveness Evaluation of the overall board every fiscal year. |
| Nomination and Remuneration Advisory Committee | The Company established its Nomination and Remuneration Advisory Committee, mostly consisting of independent outside directors as an advisory body under the Board of Directors to strengthen the board's independence, objectivity, and accountability regarding the nomination, remuneration, and related matters for Directors and further enhance corporate governance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Audit & Supervisory Board                      | We have established the Audit & Supervisory Board. The Audit & Supervisory Board members, based on the audit plan set by the Audit & Supervisory Board with a majority that consists of independent outside members, audit the execution of duties by Directors primarily by attending the Board of Directors and other important meetings, and regularly visiting each division/ department of the headquarters and each research laboratory/ plant and exchanging opinions.                                                                                                                                                                                                                                                                                                                                                                         |
| Accounting Audit                               | The Company has appointed the Yaesu Audit Company as its accounting auditor, and we receive audits appropriately throughout the fiscal year, not only the fiscal year-end audit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal Audit                                                              | The Company has established an Internal Audit Department to pursue the achievement of the Group's management objectives effectively. With the object of ensuring the proper duties under the internal control system, the Internal Audit Department conducts internal audits for the Group. The department submits its internal audit activity plan and reports the outcomes to the Chairman & CEO, the President & COO, the Directors in charge, and the Board of Directors. It also shares information with the Company's accounting auditor and the Audit & Supervisory Board members to cooperate with them.                                                                                                                                                                                                                        |
| Support for Outside Directors and Outside Audit & Supervisory Board Members | The Corporate Planning Department supports outside directors by providing prior explanations of proposals to be deliberated at the Board of Directors in advance and also provides management information necessary for growth strategies, enhancement of governance, etc. In addition, the Company provides opportunities for outside directors to regularly visit plants and laboratories so that they can deepen and continually update their understanding of Nissan Chemical's business.<br>For outside Audit & Supervisory Board Members, we appoint audit assistants at their request to help them perform their duties efficiently and smoothly. These assistants coordinate interviews with departments, meetings of the Audit & Supervisory Board, and other meetings, assist with audit activities, and collect information. |

View on the Appropriate Balance between Knowledge, Experience, and Skills of the Board as a Whole, and on Diversity

The Company considers the board to be formed by members selected from various viewpoints to make appropriate and expeditious decision-making and oversee the execution of business activities in diverse fields (including performance materials, agricultural chemicals, chemicals, and healthcare. Those points include the balance among knowledge, experience, skills, and other capabilities as well as diversity, in terms of gender, internationality, and practical experience across the entire board.

To ensure a well-balanced and diverse board composition, in light of the Company Philosophy and Management Strategy,

we have defined the expertise and experience expected of our directors (skill requirements) as follows: “Corporate management,” “research and development/technologies,” “finance and accounting,” “legal/risk management/internal control,” “personnel affairs/personnel strategies,” and “global experience.” The Company appoints as directors individuals who meet the above skill requirements, are physically and mentally healthy, and are trusted and respected for their excellent character, high level of insight, and strong sense of ethics.

Based on the management strategy and relevant policies, we will review the above skill requirements as necessary.

| Director           | The expertise and experience required for the Company's Directors |                   |                      |                                          |                                         |                   |
|--------------------|-------------------------------------------------------------------|-------------------|----------------------|------------------------------------------|-----------------------------------------|-------------------|
|                    | Corporate Management                                              | R&D/Technologies* | Finance & Accounting | Legal/ Risk Management/ Internal Control | Personnel Affairs/ Personnel Strategies | Global Experience |
| KINOSHITA Kojiro   | ◎                                                                 |                   | ◎                    | ◎                                        | ◎                                       |                   |
| YAGI Shinsuke      | ◎                                                                 | ◎                 |                      | ◎                                        | ◎                                       | ◎                 |
| DAIMON Hideki      | ◎                                                                 |                   | ◎                    | ◎                                        |                                         | ◎                 |
| ISHIKAWA Motoaki   | ◎                                                                 | ◎                 |                      | ◎                                        |                                         | ◎                 |
| SATO Yuji          | ◎                                                                 | ◎                 |                      | ◎                                        |                                         | ◎                 |
| MATSUOKA Takeshi   | ◎                                                                 |                   | ◎                    | ◎                                        | ◎                                       | ◎                 |
| KATAOKA Kazunori*2 | ◎                                                                 | ◎                 |                      |                                          |                                         | ◎                 |
| NAKAGAWA Miyuki*2  |                                                                   |                   |                      | ◎                                        |                                         |                   |
| TAKEOKA Yuko*2     |                                                                   | ◎                 |                      |                                          |                                         |                   |
| HAMA Itsuo*2       | ◎                                                                 | ◎                 |                      |                                          |                                         | ◎                 |

\*1 "R&D/Technologies" includes the expertise and practical experience in the fields of IT, Digital Transformation (DX), environmental safety, and quality assurance. \*2 Outside Director

Policy and Procedures in the Nomination of Officer Candidates

Nominations of Director candidates and Audit & Supervisory Board Member candidates are explained in advance to independent outside directors, and appropriate advice is obtained from them. Thereafter, following deliberation and recommendation by the Nomination and Remuneration Advisory

Committee, the Board of Directors adopts a resolution and submits the candidates for approval at the General Meeting of Shareholders. In addition, nominations of Audit & Supervisory Board Member candidates are made with the prior consent of the Audit & Supervisory Board.

| Policy                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director                          | <Inside Directors> Human resources who have expertise, knowledge and other capacities in each business field such as corporate planning, personnel, finance & accounting, research and development, production technology, environment, safety & quality assurance and others.<br><Outside Directors> Human resources who are capable of giving opinions proactively, raising questions and giving advice on growth strategies, the enhancement of governance and other issues from the viewpoints of various stakeholders and society.<br>Each outside director may serve up to six terms of one year in total; provided, however, that shall not prevent the director from serving up to eight terms of one year in total under a special circumstance. In addition, each Audit & Supervisory Board member may concurrently serve as a director or Audit & Supervisory Board member of five listed companies, including the Company, at a maximum in principle. |
| Audit & Supervisory Board members | Human resources with a wide range of experience and knowledge in specialized fields including finance, accounting, and legal affairs who are capable of giving opinions and advice to the management from a fair and neutral standpoint, in addition to auditing the execution of operations.<br>Each Audit & Supervisory Board member may serve up to two terms of four years in total; provided however, that shall not prevent the member from serving up to three terms of four years in total under a special circumstance. In addition, each Audit & Supervisory Board member may concurrently serve as a director or Audit & Supervisory Board member of five listed companies, including the Company, at a maximum in principle.                                                                                                                                                                                                                          |

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Officers' Remuneration

In determining remuneration for the Directors, the Company has established the Policy on Determining Details of Remunerations for Individual Directors with a remuneration structure under which the Directors seek to improve the Company's performance continuously over the medium to long term and contribute to enhancing the corporate value of the Group as a whole, in line with the Company's management policy, thereby meeting our shareholders' expectations.

The Directors' remuneration package shall consist of monetary remuneration (base remuneration and performance-related remuneration) and performance-linked stock compensation. However, the Outside Directors' remuneration package shall consist of only the base remuneration as a monetary payment. In light of their roles and independence from the Company, their remuneration package does not contain performance-related remuneration as monetary payment or

● Composition and Ratio of Directors' Remuneration  
(When performance indicators are achieved at 100%)



\* The performance-linked stock compensation plan was partially amended at the General Meeting of Shareholders held on June 25, 2026.

Performance Metrics and Weightings

- [1] Profitability indicators (Net income attributable to owners of parent, EBITDA): 90%
- [2] ESG indicators (Third-party evaluations, GHG emissions reduction): 10%

Performance Metrics and Weightings

- [1] ROE (actual results for the current fiscal year): 50%
- [2] Relative comparison of the Company's 3-year TSR and the 3-year increase/decrease rate of JPX-Nikkei 400 Total Return Index: 25%
- [3] The Company's 3-year TSR ranking among the top 10 market capitalization companies (including the Company) with similar business to the Company in the chemical sector: 25%

Overview of Performance-related Remuneration

For the performance-related remuneration, we establish a base amount for each position and determine the annual amount according to the fluctuation of performance indicators. Those indicators consist of the profit indicators for the previous fiscal year (the net income attributable to owners of the parent, EBITDA, and the like) and ESG indicators (the third-party evaluations, the reduction of GHG emissions, and the like).

ESG initiatives are positioned as a core management priority indispensable to the sustainable growth of the Company. To further enhance the effectiveness of our sustainable management, we have decided to link ESG initiatives with remuneration.

Overview of Performance-linked Stock Compensation

The Company grants each director points based on ROE (actual results for the current fiscal year) and TSR (comparison with 3 year increase/decrease rate of the stock price index, and comparison with the leading market capitalization companies with similar business to the Company in the chemical sector). The granting of points and the number of points awarded are determined for each fiscal year based on a prescribed calculation method. Upon their retirement of a Director, the Company will pay performance-linked stock compensation equivalent to the number

performance-linked stock compensation.

By clarifying the link between performance and stock price, and by sharing both the risks of stock price decline and the benefits of its increase between Directors and shareholders, the performance-linked stock compensation for Directors (excluding Outside Directors) aims to increase their motivation to contribute to improving the Company's operating performance over the medium to long term. This system has been in place since FY2019.

The monetary remunerations to Directors are determined by resolution of the Board of Directors, within the total amount of Directors' remuneration approved at the general meeting of shareholders, following deliberations by the Nomination and Remuneration Advisory Committee, which is mostly composed of independent outside directors. The remunerations to Audit & Supervisory Board members are determined through discussions among Audit & Supervisory Board members.

of the accumulated evaluation points. (For details on how to calculate performance-linked stock compensation plan amounts, etc., please refer to P.69 "Compensation, etc. for Officers" of the 156th Securities Report.)

Performance Evaluation Index

(ROE coefficient × 50%) + (Coefficient for the relative comparison of the Company's 3-year TSR and the 3-year increase/decrease rate of JPX-Nikkei 400 Total Return Index × 25%) + (Coefficient based on the Company's 3-year TSR ranking among the top 10 market capitalization companies (including the Company) with similar business to the Company in the chemical sector × 25%)

A system for forfeiture of the beneficiary's right (right to receive remuneration) from a Director (so-called "Malus Clause"), and the same to demand the repayment of remuneration from a Director (so-called "Clawback Clause") has also been established. If a Director conducts a certain illegal action or there are other special circumstances, the application of those Clauses shall be determined by resolution of the Board of Directors based on an opinion report from the Nomination and Remuneration Advisory Committee.

Major Activities of the Nomination and Remuneration Advisory Committee (FY2025)

The Nomination and Remuneration Advisory Committee met nine times in FY2025. In response to consultations from the Board of Directors, the Committee deliberated on matters including the nomination of Director and Audit & Supervisory Board member candidates, the nomination of senior management, the succession plan for the President and CEO, and Director remuneration, and made recommendations to the Board of Directors. In addition to its regular agenda items, the Committee also deliberated on the matters listed below.

|                                    |                                                                                                                                                                                                          |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Matters pertaining to nomination   | · Succession plan for outside officers<br>· Institutional design<br>· Approach to board and executive structure<br>· Term of office of directors (term of titled directors and corporate advisors), etc. |
| Matters pertaining to remuneration | · Revision of performance-linked stock compensation<br>· The Company's remuneration levels in light of external surveys of executive compensation, etc.                                                  |

Effectiveness Evaluation of the Board of Directors

Every year since FY2015, the Company analyzes and evaluates whether our Board of Directors has fulfilled its key roles and responsibilities ("Effectiveness Evaluation"). For the evaluation process, we primarily employ the self-assessment process by the Board of Directors. In addition, to ensure the neutrality and objectivity of the evaluation, we alternatively conduct a third-party evaluation every three years using an external organization that has no relationship of interest with us. The latest third-party evaluation was conducted in FY2023.

Evaluation Procedure

The self-assessment is conducted through a questionnaire survey for all Directors and the Audit & Supervisory Board members, which combines a five-point scale and free answers. Through this method, we aim to grasp the current situation and identify issues from two aspects of quantitative and qualitative assessments. Also, to ensure anonymity, we entrust an external organization to gather the responses and aggregate the information.

For the Effectiveness Evaluation for FY2025, the Company performed the self-assessment process. At the Board of Directors meeting held in April 2026, the board members shared, analyzed, and evaluated the questionnaire responses and discussed the issues to address. At the Board of Directors meeting held in May 2026, the results of the analysis and evaluation, the issues to be addressed going forward, and action plans for resolving those issues were further deliberated and confirmed.

The Results of the Effectiveness Evaluation for FY2025

With the object of performing its key roles and responsibilities, the results of the Effectiveness Evaluation for FY2025 concluded that generally, the Company's Board of Directors was operating appropriately in its totality; improvements have been made overall to solve issues identified in the Effectiveness Evaluation for FY2024. Thus, the effectiveness of the overall Board of Directors was positively assessed and confirmed as being sufficiently ensured.

Main Themes Discussed at Board of Directors Meetings and Meetings Among Board Members

As a result of the FY2024 Effectiveness Evaluation, the Company identified "We should deepen our discussions on how to approach "risk taking in investment" and what principles to follow" as an issue to be addressed. As a FY2025 initiative to address this issue, following discussion at the Board of Directors, we conducted

- (1) Issues identified in the Effectiveness Evaluation for FY2024
  - To deepen our discussions on how to approach "risk-taking in investment" and what principles to follow.
- (2) Initiatives implemented in FY2025
  - The Board of Directors had free discussions to exchange views on the agenda, "how to approach risk-taking in investment," over four occasions.
  - Based on those free discussions, the board reported "Measures for Enhancement of Discussions on Investment at the Board."

Actions to Take

With a view to further enhancing the effectiveness of the Board of Directors, the Board identified the following issues as priorities to be addressed in FY2026 and confirmed the corresponding action plans.

- (1) Issues to address
  - We should deepen our discussions on the Company's policies from a long-term perspective, including the next medium-term management plan.
  - We should secure sufficient time to discuss the issues identified and confirm the progress of addressing them.
- (2) Action plan
  - We should focus on deliberation of the broad picture agenda, which will underlie the formulation of the next medium-term management plan, including the ideal state that the Company should aim for, and the optimal business portfolio for the Company.
  - We should discuss how to make improvements in addressing the issues identified through the Effectiveness Evaluation, and monitor the progress of improving them.

Following the latest evaluation result, the Company will deepen discussions at the Board of Directors and advance actions to enhance its effectiveness. Moreover, by regularly measuring improvements through the Effectiveness Evaluation and aiming for further increase of the effectiveness of the Board of Directors, we will be committed to the Company's sustainable development and the enhancement of corporate value.

free discussions around the theme of "Investment Risk Taking." With a focus on strategic investments such as M&A, these free discussions covered an exchange of views on risk tolerance, how the Board of Directors should discuss investment, and how such discussions should be structured.

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# Messages from Outside Officers

## Toward R&D That Accelerates Global Value Co-creation

I have continued to offer advice and recommendations, drawing on my long experience in R&D and in international collaboration with various institutions. In particular, in FY2025 I emphasized the importance of Transformative R&D, and over the past year discussions on its implementation have made clear and steady progress. During the intensive year-end management planning sessions, all directors held extensive discussions. We reviewed the allocation of research themes across major laboratories and redesigned the structure to accelerate new product creation. In healthcare and life sciences, fields where paradigm shifts can readily occur, we have established a clear policy of pursuing faster development, openly exploring possibilities, and promoting innovation through collaboration with other companies.

I also feel that the effectiveness of the Board of Directors has further improved over the past year. After regular Board of Directors meetings, we now hold open discussion sessions, and our commitment to formulating recommendations and policies through active exchanges of views has become clearer. For the selection of officer candidates, we will continue to place importance on the continuous development of management talent capable of contributing to the enhancement of corporate value over the medium- to long- term, as well as on a transparent appointment process.

While our disclosure practices remain highly transparent, further improvement will require greater visibility into the process

of our discussions regarding medium- to long-term portfolio transformation, as well as enhanced disclosure of our sustainability initiatives. Strengthening disclosure in English is also essential in light of the growing share of overseas business and rising interest from overseas investors.

Our corporate slogan is "WHERE IT ALL BEGINS." With this in mind, the Board places particular importance on discussions to further develop existing business areas, enhance marketing capabilities, and promote the development of new products with a view to 2030. Speed in R&D, agile decision-making, and sound judgment that accounts for geopolitical and supply-chain risks are also required. From a global perspective, I will continue offering recommendations on the direction of R&D, the promotion of talent appointments, and our approach to M&A.



## Striving to Become a Resilient Value-creating Company through Proactive Governance

One year has passed since I assumed the role of Outside Director. At regular Board of Directors meetings, in addition to reports on measures to achieve business plan targets and short-term execution measures in each business division, I would like us to continue working toward further enhancing the provision of information and strategic discussions aimed at addressing the fundamental issues facing Group management.

I have also come to recognize that the Group has a well-established value creation framework, a strong financial foundation, and a solid R&D base that supports our core technologies. However, there remains room for improvement in cultivating a culture that accelerates execution speed through dynamic collaboration involving both internal and external stakeholders.

Drawing on insights gained through my experience in business management, technology development, and talent development, I will continue to raise issues and offer proposals from different perspectives to contribute to the Group's resilient growth strategy, which enables the Group to overcome unpredictable changes in the business environment.

Although the effectiveness of the Board of Directors is regularly evaluated and the results are shared as appropriate, the question is how to translate these results promptly into prompt and concrete improvements. The key points identified must be listed, followed by concrete action to address the fundamental issues.

The Nomination and Remuneration Advisory Committee

engages in objective and specific discussions on remuneration matters, but its discussions on nomination matters remain limited to those based on internal proposals. To enhance the committee's transparency and effectiveness, I believe it is also necessary to consider the appropriate composition of the committee and to engage in discussions with management talent, including potential next-generation leaders.

To enhance corporate value across the Group, it is essential to establish a more robust medium- to long-term strategic design and execution framework. Externally, we must maximize stakeholder expectations through SR and IR activities; internally, we must strengthen communication between management and frontline teams to heighten awareness and maximize execution capabilities.

With "proactive governance" constantly in mind, I will continue to offer advice and recommendations that support the development of a growth foundation capable of taking on future challenges.



## Monitoring Risks That Could Affect the Achievement of the Medium-term Business Plan

Two years have passed since I assumed the role of Outside Audit & Supervisory Board Member in June 2024. During this time, in addition to attending Board of Directors meetings, I have conducted on-site audits at plants, laboratories, subsidiaries, and other sites away from the head office, primarily to assess organizational governance and employees' awareness of compliance.

One strength of our organizational structure is that laboratories, plants, and head office functions are positioned as peer units, each operating with a strong sense of ownership with its members actively taking initiative. However, I have expressed concerns that this structure may hinder the effectiveness of the second line of defense within our internal control system. Management has also recognized this as an issue and has responded swiftly through organizational changes and revisions to roles and responsibilities. Going forward, I intend to verify the effectiveness of these measures.

The operation of the Board of Directors continues to be improved based on the results of effectiveness assessments conducted by external organization. Recent enhancements include the provision of more extensive information to outside officers and allocating time for questions prior to Board of Directors meetings, steps that have improved the support provided to outside officers and enriched discussions at Board of Directors meetings.

From the perspective of a certified public accountant, I find

no concerns regarding the Company's current financial condition. It has been supported by strong performance with high profit margins over the past several years, and the equity ratio remains high. The accounting treatment of R&D activities and capital expenditures presents no issues. However, with regard to the M&A transactions currently being planned, I intend to closely monitor financial discipline and the governance framework for maintaining it.

To achieve the medium-term business plan, discussions involving greater business risks, such as new product development and M&A, both of which are key targets that must be achieved by 2030, are expected to increase. I will continue to provide advice on finance, accounting, and post-M&A organizational governance, while identifying and raising concerns about potential risks.



## Audit Activities Supporting Sound and Highly Transparent Governance

A research-driven company like Nissan Chemical, one that has cultivated advanced technological capabilities over a long history, at its core, critically depends on appropriate risk-taking in investment in intellectual property and new business development, as well as the assessment of the medium- to long-term effectiveness of such initiatives. I believe that Outside Audit & Supervisory Board Members are expected to provide supervisory and advisory functions that maintain a balance between "proactive governance," which supports management's determined pursuit of new challenges, and "defensive governance," which verifies whether management decisions are made through lawful procedures and on a reasonable basis.

Maximizing corporate value over the medium- to long- term requires the trust of all stakeholders, including investors. To earn that trust, I will audit the Company's management from an objective and independent standpoint, grounded in the legal insight and specialized governance expertise I have developed over the years, to help ensure sound governance with a high degree of transparency. For the Board of Directors to fully exercise its functions and conduct effective oversight, appropriate information sharing and objective verification processes are indispensable. By rigorously examining the compliance framework and internal controls from an independent standpoint, I will help prevent corporate risks from materializing and contribute to maintaining and strengthening a sound management oversight

structure. I will also continue to monitor whether risk management and compliance frameworks do not become mere formalities, but instead function effectively across the entire Group.

I strongly identify with the slogan set forth in the Company's medium-term business plan: "To be an Enterprise that Faces Challenges toward the Future through Value Co-creation." To support this important challenge, I hope to create an environment—through ongoing dialogue—in which management can confidently pursue new value creation, while maintaining the perspective required of an Audit & Supervisory Board Member. Through the Board of Directors and the Audit & Supervisory Board, I will work to foster a governance framework characterized by integrity, openness, and resilience, so that investors can follow the Company's medium- to long-term growth journey with genuine anticipation.



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Compliance

For more information, please visit our website.  
[Web Compliance](#)  
[Promotion of fair-trading](#)

We position the strengthening of compliance as the most crucial issue for ensuring corporate continuity. Against the backdrop of expanding global business activities, we are advancing initiatives aimed at addressing diverse compliance risks that vary by country and region and evolve over time.

System

The Risk Management & Compliance Office under the Risk Management Department has been established as a specialized organization to promote continuous improvement in all compliance activities. In addition, the Risk Management & Compliance Committee, which meets twice a year, has been established as an organization to enhance the effectiveness of risk management and to maintain, enhance, and promote compliance. The committee is chaired by the Chief Risk Management Officer

(CRO), who is appointed by the Board of Directors, and is composed of Risk & Compliance Managers appointed by the CRO from each division, department, plant, laboratory, and domestic consolidated subsidiary. Furthermore, we have established the Consultation Hotline as an internal reporting system based on the Whistleblower Protection Act, putting in place a system to prevent compliance violations and resolve issues at an early stage.

Activities

Top Message Transmission

Every year, a message from top management is communicated to all employees in order to clearly convey the Group’s commitment to compliance.

Legal Compliance Status Report

Cases involving actual or potential compliance violations within our Group are reported twice a year to the Risk Management & Compliance Office by each division/department, plant, laboratory, and affiliated company. The details, including the status of actions taken, are reported to management and shared across the entire Group through the Risk Management & Compliance Committee to help prevent recurrence.

Compliance Training

We hold various training sessions on corporate ethics for officers and employees, including training for new employees and mid-career hires, working to ensure that each individual takes compliance seriously and actively promotes it.

Compliance Manual

The Nissan Chemical Group has created the Compliance Manual outlining compliance requirements so that officers and employees comply with laws and regulations, company rules, and social norms and consistently practice compliance. At present, to improve effectiveness, we are further developing and revising the manual and formulating a Compliance Code of Conduct to set out specific standards of conduct. At the same time, we are systematically consolidating the detailed compliance requirements on a dedicated page of the company intranet.

Measures for Promoting Compliance (FY2025)

|                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General Compliance                                      | Training for all employees, new employees, mid-career hires, mid-level employees, and managers                                                                                                                                                                                                                                                                                                                                               |
| Anti-monopoly Act, Subcontract Act, etc.                | Training on the Antimonopoly Act, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and related legislation, including the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises; internal audits concerning the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors; and promotion of priority initiatives set out in the Declaration of Partnership Building* |
| Information management (including personal information) | Information management training and internal audit related to information management                                                                                                                                                                                                                                                                                                                                                         |
| Insider Trading Regulation                              | Training on insider trading prevention                                                                                                                                                                                                                                                                                                                                                                                                       |
| Anti-bribery                                            | Training on the prevention of corruption and Bribery of Foreign Public Officials                                                                                                                                                                                                                                                                                                                                                             |
| Security Export Control                                 | Training on the Foreign Exchange and Foreign Trade Act; Internal audits related to the Foreign Exchange and Foreign Trade Act                                                                                                                                                                                                                                                                                                                |
| Other                                                   | Training for new executives, training for executives, and training on China’s Counter-Espionage Law                                                                                                                                                                                                                                                                                                                                          |

\* Effective January 1, 2026, the Subcontract Act was amended and renamed the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields (Act on Ensuring Proper Transactions), while the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises was amended and renamed the Act on Promotion of Entrusted Small and Medium-sized Enterprises.

Risk Management

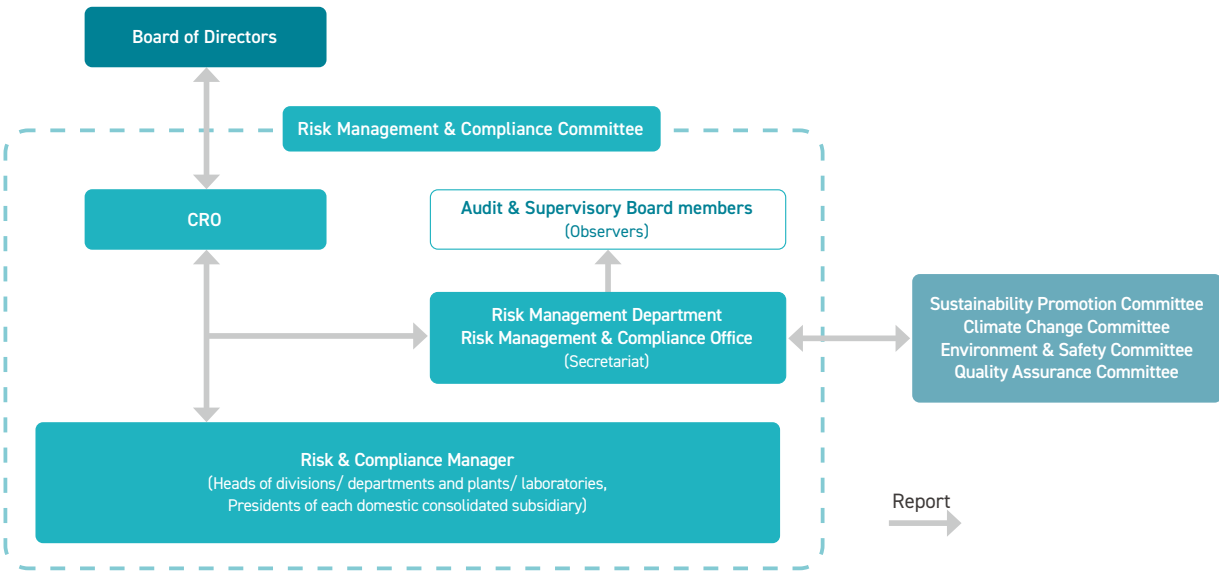
For more information, please visit our website.  
[Web Risk Management](#)

We are promoting risk management under the supervision of the Chief Risk Management Officer (CRO) with the aim of contributing to the achievement of our strategic management goals by recognizing the various risks facing the Nissan Chemical Group, preventing risks of loss from materializing, and minimizing their impact if they materialize. We position the strengthening of risk management as the most crucial issue for ensuring corporate continuity, and we will pursue initiatives aimed at deploying, embedding, and improving management methods shared across the Group.

System

The Risk Management & Compliance Office under the Risk Management Department has been established as a specialized organization to promote continuous improvement in all of our risk management activities. In addition, the Risk Management & Compliance Committee, which meets twice a year, has been established as an organization to enhance the effectiveness of risk management and to maintain, enhance, and promote compliance. The committee is chaired by the Chief Risk Management Officer (CRO), who is appointed by the Board of Directors, and is composed of Risk & Compliance Managers appointed by the CRO from each division, department, plant, laboratory, and domestic

consolidated subsidiary. The Risk & Compliance Managers periodically identify and assess risks, formulate countermeasure plans, conduct self-assessments of the implementation status of risk countermeasures and related issues, and formulate improvement plans. They also conduct education and training on a planned basis at each division, department, plant, laboratory, and domestic consolidated subsidiary. Important matters related to risk management, including countermeasure plans, are submitted to the Board of Directors for resolution following deliberation by the committee.



Activities

Identification of Group Major Risks

We identified risks taking into account the business characteristics of each division and the business environment, including global political, economic, and social conditions. Subsequently, a risk assessment was conducted in terms of likelihood and impact on the business. Based on the results of the risk assessment, a risk map was created and Group Major Risks were identified. The Group Major Risks were deliberated by the Risk Management & Compliance Committee and resolved by the Board of Directors. In FY2024, we reviewed and partially updated the Group Major Risks identified in FY2021 to reflect the latest situation of the Group.

Risk Management Status

The Risk Management & Compliance Committee deliberates on plans to address Group Major Risks and the main risks recognized by each department/division and the implementation status of such plans. In FY2026, we will take up risks such as violations of laws, cyber attacks and information leakage and strengthen measures to address them.

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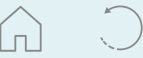
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# Respect for Human Rights

For more information, please visit our website.  
[Web](#) [Respect for Human Rights](#)

The Nissan Chemical Group regards compliance, including respect for human rights, as an important management issue. The “Nissan Chemical Group Human Rights Policy,” formulated in April 2019 with the approval of the Board of Directors, is based on international norms concerning human rights such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. In accordance with these international standards and our Group’s policy, we are promoting initiatives to respect the human rights of all stakeholders, including employees.

## System

Our Group has established the Sustainability Committee, with the Sustainability Group under the Sustainability & IR Department serving as its secretariat, as an organization to promote initiatives addressing human rights issues. The committee meets twice a year. The medium- to long-term plan and annual plan for initiatives addressing human rights issues, evaluation of activity results and improvements based on the evaluation, and issues requiring consideration are submitted to the Board of Directors for resolution following deliberation by the committee.

## Activities

### Educational Activity/Awareness-raising Activity

We conduct in-house training to promote awareness and understanding of our Human Rights Policy among employees and enhance their understanding of how to put respect for human rights into practice. Since FY2021, we have been providing regular e-learning programs for all employees on “Business and Human Rights,” which include the Group’s Human Rights Policy, to deepen their understanding. In FY2024, we conducted this program for Nissan Chemical employees, 98% of whom completed the program. In FY2025, we conducted the same e-learning program for employees of Group companies in Japan and also provided basic training on LGBTQ issues for managers at Nissan Chemical.

In FY2026, we plan to provide training on harassment for all employees and will further promote initiatives to respect human rights.

### [Human Rights Training]

#### For Directors and managers

- Importance of human rights due diligence (conducted in FY2020)

#### e-learning training

- Nissan Chemical Group Human Rights Policy and basic knowledge of business and human rights (provided to all employees since FY2021)
- Harassment training (provided to all employees in FY2023)
- LGBTQ basic training (provided to Nissan Chemical managers in FY2025)

### Human Rights Due Diligence Initiatives

Our Group has built a system of human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights aimed at ensuring respect for human rights in our business operations.

In FY2020, we identified and assessed risks that could have a negative impact on human rights through our business activities across our major businesses and their value chains (risk mapping), and determined which risks should be prioritized for action by the Group.

In FY2023, in light of increased diversity and complexity in human rights awareness, we conducted interviews with relevant departments and offices about our organizational structures and systems for human rights initiatives and identified key human rights issues, after which we conducted a gap analysis. In addition to gaining an understanding of the status of our efforts and future challenges, we also discussed future medium- to long-term measures. Regarding the identified gaps and future measures, we exchanged opinions with outside experts, and confirmed the validity of our future action plans and identified areas for improvement.

To address the identified priority risks for action, we will promote initiatives to address issues identified through the gap analysis and strengthen our measures, while regularly reviewing our human rights risk assessment and priority risks for action.

#### ● Human Rights Due Diligence Process

|   |                                              |
|---|----------------------------------------------|
| 1 | Investigation of Human Rights Risk           |
| 2 | Human Rights Risk Assessment                 |
| 3 | Dialogue with Stakeholders Including Experts |
| 4 | Identification of Risks to be Prioritized    |

### Establishment of a Grievance Channel

In corporate human rights initiatives, we believe it is important to ensure access to remedy for people who have been harmed by human rights violations.

Our Group has established the Consultation Hotline as an internal reporting system to prevent compliance violations or resolve problems early on, including those related to respect for human rights and the prohibition of discrimination. This system gives due consideration to ensuring confidentiality and anonymity and prohibits retaliation against those who make reports. In addition, we are currently extending the system to accept consultations and reports from suppliers in addition to Group employees.

We will continue to ensure access to remedy by engaging seriously with feedback received from employees and suppliers and promoting the establishment and operation of a system capable of taking prompt and appropriate action.

# Promotion of Sustainable Procurement

For more information, please visit our website.  
[Web](#) [Promotion of Sustainable Procurement](#)

To address various social issues, including environmental and human rights challenges, and to ensure responsible procurement, we have established a “Purchase Policy” and a “Responsible Minerals Procurement Policy.” Recognizing that realizing the sustainable development of society requires initiatives across the entire supply chain, we share the “Nissan Chemical Corporation Sustainable Procurement Guidelines” with our suppliers to promote responsible procurement through collaboration.

## Activities

### Sustainable Procurement Self-assessment Questionnaire (SAQ)

To promote collaboration with our business partners (including existing and new suppliers, and contractors of important raw materials, intermediates, and products) in sustainability activities, since FY2017 we have regularly asked them to respond to the “Sustainable Procurement Self-Check Sheet (SAQ).” In addition, since FY2020 we have formulated and shared the “Nissan Chemical Corporation Sustainable Procurement Guidelines,” which summarize the practices we ask our business partners to work on together with us, and we request compliance with these guidelines.

In response to evolving societal requirements regarding ESG, we review the content of the Procurement Guidelines and the SAQ on a regular basis. In FY2024, we launched a new survey using the latest Procurement Guidelines and SAQ. In the latest SAQ, we asked business partners to provide information on their GHG emissions and the status of medium- to long-term emissions reduction targets, as part of efforts to reduce environmental impact across the supply chain.

Since FY2023, we have been providing feedback on the analysis results of each item to business partners who responded to the questionnaire. By comparing their own scores with the average scores of other companies for each item, business partners are able to reassess the strengths and issues in their

activities and use this as a reference to further enhance their ongoing sustainability initiatives. In addition, starting in FY2024, we launched a briefing session for our business partners. This briefing not only explains our initiatives but also introduces examples related to human rights and environmental issues to help deepen their understanding of these topics.

In FY2026, in addition to continuing surveys using the SAQ and briefing sessions for our business partners, we plan to hold dialogues with business partners to support improvement efforts by suppliers that do not meet the Company’s standards.

### Efforts for Responsible Minerals Procurement

We have incorporated our commitment to responsible minerals procurement into the “Nissan Chemical Corporation Sustainable Procurement Guidelines” and confirm the efforts of our business partners through surveys using the SAQ. In addition, for business partners that purchase applicable minerals, we ask them to submit certificates verifying the non-use of minerals mined in conflict-affected or high-risk areas, thereby promoting efforts to avoid the purchase and use of such minerals. If the use of conflict minerals is identified, corrective measures are promptly implemented.

Going forward, we will remain mindful of our role and continue striving to contribute to international efforts for responsible minerals procurement.

#### ● Overall Results of the Sustainable Procurement Questionnaire Conducted in FY2025



#### ● Targets Related to Promotion of Sustainable Procurement

|                                                                           | FY2024 Result | FY2025 Result | FY2027 Target |
|---------------------------------------------------------------------------|---------------|---------------|---------------|
| Sustainable Procurement Self-Assessment Questionnaire (SAQ) Response Rate | 42%           | 89%           | 90% or more*  |

\* Applies to business partners subject to purchases by the Purchasing Department.

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# Financial and Non-financial Information

## Trends in Financial Indicators (2016–2025)

For more information on the Financial Review, please visit our website.  
[Web](#) [FY2025 Financial Results](#)

|                           |           | FY2016 | FY2017 | FY2018 | FY2019 |  | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|---------------------------|-----------|--------|--------|--------|--------|--|--------|--------|--------|--------|--------|--------|
| Sales                     | ¥ billion | 180.3  | 193.4  | 204.9  | 206.8  |  | 209.1  | 208.0  | 228.1  | 226.7  | 251.4  | 279.6  |
| Operating Profit          | ¥ billion | 31.4   | 35.0   | 37.1   | 38.6   |  | 42.5   | 51.0   | 52.3   | 48.2   | 56.8   | 63.6   |
| Ordinary Income           | ¥ billion | 31.7   | 36.2   | 39.1   | 40.0   |  | 43.9   | 53.7   | 55.8   | 51.6   | 58.0   | 65.9   |
| Net income                | ¥ billion | 24.0   | 27.1   | 29.4   | 30.8   |  | 33.5   | 38.8   | 41.1   | 38.0   | 43.0   | 49.7   |
| EBITDA                    | ¥ billion | 40.3   | 45.5   | 48.0   | 49.2   |  | 53.0   | 61.2   | 63.3   | 62.0   | 71.2   | 79.1   |
| Operating Margin          | %         | 17.4   | 18.1   | 18.1   | 18.7   |  | 20.3   | 24.5   | 22.9   | 21.3   | 22.6   | 22.7   |
| ROE                       | %         | 15.1   | 16.1   | 16.6   | 16.9   |  | 17.5   | 19.2   | 19.4   | 17.1   | 18.7   | 20.3   |
| EPS                       | ¥/share   | 156.97 | 180.30 | 197.67 | 210.09 |  | 231.73 | 271.88 | 291.36 | 272.82 | 313.26 | 368.26 |
| Dividend                  | ¥/share   | 52     | 68     | 82     | 90     |  | 104    | 122    | 164    | 164    | 174    | 202    |
| Dividend Payout Ratio     | %         | 33.1   | 37.7   | 41.5   | 42.8   |  | 44.9   | 44.9   | 56.3   | 60.1   | 55.5   | 54.9   |
| Share Repurchase          | ¥ billion | 9.0    | 9.0    | 9.0    | 10.0   |  | 10.0   | 12.0   | 9.0    | 10.0   | 11.5   | 10.5   |
| Total Assets              | ¥ billion | 231.7  | 246.0  | 247.0  | 249.5  |  | 265.5  | 279.7  | 298.7  | 323.5  | 330.8  | 355.1  |
| Net Assets                | ¥ billion | 163.7  | 176.4  | 182.1  | 185.5  |  | 200.6  | 208.0  | 221.5  | 230.9  | 236.2  | 259.1  |
| Cash                      | ¥ billion | 35.7   | 37.7   | 36.2   | 30.6   |  | 32.4   | 34.7   | 29.6   | 22.7   | 27.5   | 35.7   |
| Liabilities with Interest | ¥ billion | 30.8   | 28.6   | 26.6   | 24.6   |  | 22.7   | 22.7   | 27.3   | 41.0   | 40.5   | 38.4   |
| Equity Ratio              | %         | 69.9   | 71.0   | 73.0   | 73.7   |  | 74.9   | 73.6   | 73.1   | 70.3   | 70.5   | 71.9   |
| Capex*1                   | ¥ billion | 13.5   | 14.4   | 9.9    | 15.5   |  | 14.3   | 12.4   | 19.4   | 20.2   | 17.6   | 19.7   |
| Depreciation              | ¥ billion | 8.9    | 10.5   | 10.9   | 10.5   |  | 10.4   | 10.2   | 11.0   | 13.8   | 14.4   | 15.5   |
| R&D Expenses*2            | ¥ billion | 16.1   | 17.2   | 17.8   | 17.2   |  | 16.5   | 16.0   | 16.8   | 17.3   | 19.1   | 21.4   |
| R&D Expenses/Sales*2      | %         | 8.9    | 8.9    | 8.7    | 8.3    |  | 7.9    | 7.7    | 7.4    | 7.6    | 7.6    | 7.7    |

\*1 Capex: Cash flow basis  
\*2 From FY2025, partial expenses in the Planning & Development Division are included in R&D Expenses due to the change in calculation method. FY2024 results have also been restated to reflect post-change figures  
(Accounting policy has changed since FY2021)

## Trends in Non-financial Indicators (2016–2025)

For more information on the Financial Review, please visit our website.  
[Web](#) [ESG Performance Data](#)

|                                          |                     | FY2016  | FY2017  | FY2018  | FY2019  |  | FY2020  | FY2021  | FY2022  | FY2023  | FY2024  | FY2025  |
|------------------------------------------|---------------------|---------|---------|---------|---------|--|---------|---------|---------|---------|---------|---------|
| Number of Employees                      | people              | 1,772   | 1,819   | 1,861   | 1,890   |  | 1,924   | 1,929   | 1,959   | 2,011   | 2,044   | 2,107   |
| Ratio of Females Employees               | %                   | 9.8     | 10.5    | 11.1    | 11.5    |  | 11.9    | 12.5    | 12.5    | 13.0    | 13.2    | 13.7    |
| Ratio of Female Managers                 | %                   | 2.3     | 2.3     | 2.5     | 2.8     |  | 3.0     | 3.1     | 3.3     | 4.2     | 4.7     | 5.4     |
| Lost-time Injury Frequency Rate *3*4     | -                   | 0.35    | 0.34    | 0.00    | 0.67    |  | 0.32    | 0.00    | 0.99    | 1.95    | 0.00    | 0.63    |
| GHG Emissions (Scope1+2)                 | t-CO <sub>2</sub> e | 432,350 | 379,879 | 363,395 | 326,654 |  | 318,458 | 345,336 | 327,663 | 285,320 | 277,912 | 330,589 |
| Industrial Waste (final disposal volume) | ton                 | 1,113   | 806     | 897     | 977     |  | 1,110   | 829     | 626     | 488     | 494     | 1,138   |

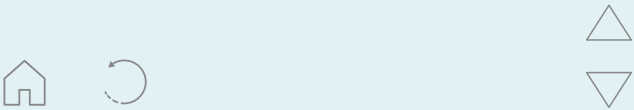
\*3 Data from January to December of each year  
\*4 Total number of deaths and injuries due to occupational accidents per million actual working hours

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Domestic Bases

\* On the map, only Nissan Chemical facilities are indicated by name; Group Companies are indicated by numbers.  
Please refer to the table below for details.



| Group Companies                      |                                                                    |  |
|--------------------------------------|--------------------------------------------------------------------|--|
| ① Nissei Corporation                 | Sales of chemical products and insurance, and real estate business |  |
| ② Nissan Butsuryu Co., Ltd.          | Transportation                                                     |  |
| ③ Nissan Green & Landscape Co., Ltd. | Landscaping and civil engineering                                  |  |
| ④ Nissan Engineering, Ltd.           | Plant engineering services                                         |  |
| ⑤ NC Tokyo Bay Corporation           | Manufacturing of sulfuric acid                                     |  |
| ⑥ NC Agro Hakodate Corporation       | Manufacturing of agrochemicals                                     |  |
| ⑦ Nippon Polytech Corp.              | Manufacturing and sales of electronic materials                    |  |
| ⑧ Nihon Hiryo Co., Ltd.              | Manufacturing and sales of fertilizers and agrochemicals           |  |
| ⑨ Sun Agro Co., Ltd.                 | Manufacturing and sales of fertilizers and agrochemicals           |  |
| ⑩ Clariant Catalysts (Japan) K.K.    | Manufacturing and sales of industrial catalysts                    |  |

Overseas Bases



|             |                                                              |                                                                       |
|-------------|--------------------------------------------------------------|-----------------------------------------------------------------------|
| France      | ① Nissan Chemical Europe S.A.S.                              | Sales of agrochemicals                                                |
| India       | ② Nissan Bharat Rasayan PVT. LTD.                            | Manufacturing and exporting of active ingredients of agrochemicals    |
|             | ③ Nissan Agro Tech India PVT. LTD.                           | Sales support and promotional services for agrochemicals              |
| America     | ④ Nissan Chemical America Corporation                        | Manufacturing and sales of inorganic materials                        |
| Brazil      | ⑤ Nissan Chemical Do Brasil                                  | Sales support and promotional services for agrochemicals              |
| Singapore   | ⑥ Nissan Chemical Agro Singapore Pte. Ltd.                   | Sales support and promotional services for agrochemicals              |
| China       | ⑦ Nissan Chemical Product (Shanghai) Co., Ltd.               | Sales support and promotional services for agrochemicals              |
|             | ⑧ Nissan Chemical Materials Research (Suzhou) Co., Ltd.      | R&D, sales support and promotional services for performance materials |
| Taiwan      | ⑨ Nissan Chemical Semiconductor materials (Taiwan) Co., Ltd. | Sales of semiconductor materials                                      |
|             | ⑩ Nissan Chemical Taiwan Co., Ltd.                           | R&D and sales support for display and semiconductor materials         |
| South Korea | ⑪ NCK Co., Ltd.                                              | Manufacturing and sales of display and semiconductor materials        |
|             | ⑫ Nissan Chemical Agro Korea Ltd.                            | Sales support and promotional services for agrochemicals              |

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Corporate Profile (As of March 31, 2026)

|                     |                                                                                          |
|---------------------|------------------------------------------------------------------------------------------|
| Corporate Name      | Nissan Chemical Corporation                                                              |
| Head Office         | 5-1, Nihonbashi 2-Chome, Chuo-ku, Tokyo 103-6119, Japan<br>TEL: +81-3-4463-8111          |
| Founded             | 1887                                                                                     |
| Capital Stock       | 18,942 million yen                                                                       |
| Number of Employees | Consolidated: 3,411                                                                      |
| Stock Listing       | Tokyo Stock Exchange Prime Market                                                        |
| Transfer Agent      | Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan |

Share Information (As of March 31, 2026)

|                                   |              |
|-----------------------------------|--------------|
| Total Number of Authorized Shares | 360,000,000  |
| Shares of Common Share Issued     | 134,800,000* |
| Shareholders                      | 23,337       |

\* Includes 559,215 treasury shares

| Major shareholders (Top ten companies)                                                                                                     | Number of shares held (1,000 shares) | Investment (%) |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account)                                                                                       | 33,468                               | 24.9           |
| Custody Bank of Japan, Ltd. (Trust Account)                                                                                                | 16,114                               | 12.0           |
| Custody Bank of Japan, Ltd. as Trustee for Mizuho Bank Retirement Benefit Trust Account Re-entrusted by Mizuho Trust and Banking Co., Ltd. | 5,467                                | 4.1            |
| Nissan Chemical Corporation Customer Shareholders Association                                                                              | 3,762                                | 2.8            |
| STATE STREET BANK AND TRUST COMPANY 505103                                                                                                 | 1,878                                | 1.4            |
| Meiji Yasuda Life Insurance Company                                                                                                        | 1,861                                | 1.4            |
| JP MORGAN CHASE BANK 385781                                                                                                                | 1,833                                | 1.4            |
| STATE STREET BANK AND TRUST COMPANY 505001                                                                                                 | 1,807                                | 1.3            |
| HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES                                                                            | 1,726                                | 1.3            |
| JP Morgan Securities Japan Co., Ltd.                                                                                                       | 1,685                                | 1.3            |

(Note) Investment percentages are calculated excluding treasury shares

| Classification               | Financial institutions | Securities companies | Other domestic companies | Overseas investors | Individuals/ Others | Treasury shares |
|------------------------------|------------------------|----------------------|--------------------------|--------------------|---------------------|-----------------|
| Percentage of share held (%) | 48.8                   | 3.2                  | 7.7                      | 28.0               | 11.9                | 0.4             |

Third-party Evaluation (as of September 2026)

- CDP Water Security "A List"
- Dow Jones Best-in-Class Indices (DJBICI) "Asia Pacific"
- FTSE4Good Index Series
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Nihonkabu ESG Select Leaders Index
- The MSCI Japan Empowering Women Index (WIN)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- S&P/JPX Carbon Efficient Index
- SOMPO Sustainability Index

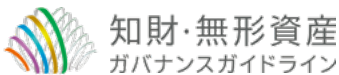
For more information, please visit our website.  
[Web](#) [Third-party Evaluation](#)



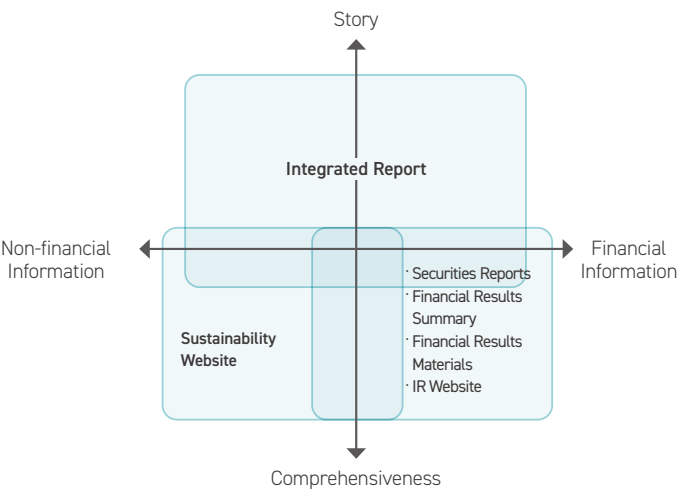
\* FTSE Russell confirms that Nissan Chemical Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

Guidelines Used as Reference

- International Financial Reporting Standards (IFRS) Foundation "IFRS Sustainability Disclosure Standards"
- The International Integrated Reporting Framework
- GRI Standards
- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation"
- Cabinet Intellectual Property Strategy Headquarters "The Guidelines for Governance of Intellectual Property and Intangible Assets"
- Task Force on Climate-related Financial Disclosures (TCFD)
- Taskforce on Nature-related Financial Disclosures (TNFD)



Information Disclosure System



**Consolidated subsidiaries:**  
Nissei Corporation, Nissan Butsuryu Co., Ltd., Nissan Green & Landscape Co., Ltd., Nissan Engineering, Ltd., NC Tokyo Bay Corporation, NC Agro Hakodate Corporation, Nippon Polytech Corp., Nihon Hiryo Co., Ltd. Nissan Chemical America Corporation (NCA), Nissan Chemical Europe S.A.S. (NCE), Nissan Chemical Materials Research (Suzhou) Co., Ltd. (NSU), Nissan Chemical Semiconductor materials (Taiwan) Co., Ltd. (NST), NCK Co., Ltd. (NCK), Nissan Bharat Rasayan PVT. LTD. (NBR)

**Entities accounted for using equity method**  
Sun Agro Co., Ltd., Clariant Catalysts (Japan) K.K.

**Unconsolidated subsidiaries**  
In addition to the consolidated subsidiaries and entities accounted for using equity method listed above,  
Nissan Chemical Agro Korea Ltd. (NAK),  
Nissan Chemical Taiwan Co., Ltd. (NCT),  
Nissan Chemical Product (Shanghai) Co., Ltd. (NCS),  
Nissan Chemical Do Brasil (NCB),  
Nissan Chemical Agro Singapore Pte. Ltd. (NAS),  
Nissan Agro Tech India PVT. LTD. (NAI)

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