

April 1, 2022

To whom it may concern

Message from President to All Fresh Members (Summary)

Good morning. I am Yagi, President of Nissan Chemical Corporation.

Congratulations on joining us.

Today, we are very pleased to have thirty-five fresh members in our company.

On behalf of two thousand and five hundred members of the Nissan Chemical Group, I want to express my heartfelt welcome to all of you.

<Review of Vista 2021>

In the beginning, let me look back at the performance of each business segment over the six years of "Vista 2021," the Group's mid-term business plan.

For the Chemicals Division, we could reduce the emission of greenhouse effect gas and improve the earnings structure by shifting the materials for manufacturing ammonia, one of our key businesses, from naphtha to natural gas in 2016. Also, we decided to discontinue the manufacturing of melanin with a nearly 60 years history and demonstrated our stance to propel the switchover to high value-added products.

As to the Performance Materials Division, the sales of display materials, particularly those for photo-alignment agents for IPS liquid crystal, have greatly expanded. The market for semiconductor materials has been strong due to the global demand growth for digital communication devices. In inorganic materials, the sales of sol products have also increased for various uses, such as the environmentally compatible catalytic agents for exhaust gas treatment for vehicles.

In the Agricultural Chemicals Division, the veterinary active pharmaceutical ingredients "Fluralaner" business has successfully expanded overseas. The sales of "ALTAIR," the self-developed paddy rice herbicide, have also steadily increased. While launching "GRACIA," an insecticide effective against a broad spectrum of pests in and out of the country, we acquired a fungicide business to strengthen our products portfolio. Additionally, to establish a stable supply system in response to demand growth for technical grade active ingredients, we incorporated a joint venture company in India in 2020 and plan to start its factory operation this summer (in 2022).

As to the Healthcare Division, the contract manufacturing of high added-value generic active ingredients has expanded in the "Finetech" department. In addition, we are advancing the research

and development based on our strategy to build innovative platforms for additional lines of business in the area of novel modalities, such as the creation of new nucleic acid pharmaceuticals and drug discovery using special types of peptides.

With regard to ESG issues, we have advanced various measures, including setting a long-term target of reducing greenhouse gas emissions by 30% from FY 2018 to FY 2030. Also, we formulated the “Diversity Statement and Diversity Vision” to respect the talents of each member of the Group.

Those initiatives have resulted in robust progress for the entire Group.

<Toward New Heights>

As a Future-Creating Enterprise to respond to social challenges consistently, we should march on, without pausing, toward novel stages. This year 2022 is the takeoff point for the next long-term business plan for 2050 from the higher aspect and another mid-term business plan for 2027. Sharing the clear and common recognition of the path to take as the Group and individual roles as a member of the Group, let us pave the way together for a Future-Creating Enterprise aiming at new heights.

<Message to Fresh Members>

Next, for all of you who have just stepped out as full-fledged members of society, let me advise three points that I want you to keep in your mind as our colleagues.

1. Keep integrity

Firstly, please “keep integrity.” (After the ceremony,) you are assigned to respective departments or sections. Then, I recommend you visit various worksites, such as factories, laboratories, offices, and customers, to observe and study as much as possible phenomena and data directly with your own eyes. And based on such studies, you should analyze and have deep insights into them from different angles. There is a famous saying, “all engineers are equal in the presence of technology.”

In our corporate culture, everyone can discuss on an equal footing with no reserve, whether seniors or subordinates. I am sure that through such discussions, raising a question, suggesting, and bringing an idea to the table will become your second nature.

In whatever situation, please conduct yourself with integrity. It is our corporate identity, or a kind of DNA succeeded by our forerunners in an unbroken line through the long history of Nissan Chemical. We see the integrity in a person’s attitude and behavior, for instance, trusting and respecting people and exerting efforts for someone else. And such sincerity leads to a sense of ethics and compliance. Through working fairly and thoughtfully, you will surely become a respectable member of society.

2. Take a Forward Step with Vision

Second, please “take a forward step with vision.” I hope you will have the fixed will to “become a key person to create the future” and a strong aspiration for and the ability to image “the concrete vision of the future what you want to create.”

Given that history is built based on the amassed wills of countless people, only the person who can take the initiative to respond to coming environmental changes before anyone else will navigate the future. Whenever you behave, it is important not to cling to precedent, challenge common sense and previously established theory, and go through repeated trial and error honestly without fearing failure.

3. Create together

Third, let us “create together.” In this context, “to create together” means to crash different ideas and opinions with other members (superiors or colleagues), if any, without hesitating based on a respectful relationship. That discussion process will generate synergy between different individualities and abilities and create truly new values. I am confident that innovation will be realized through that process of creating together as far as we can share passion and aspiration for such creation on the basic agreement of the goal to achieve among members.

<Closing>

Before closing, I hope all the members will continue to seek our *raison d'être* in society as a Future-Creating Enterprise. And I will endeavor to nurture our company as a pleasant workplace where every individual can derive job satisfaction, which will lead to realizing the purposes in each life. For attaining that aim, “let us continue to take on the transformation challenge.” Conveying my sense of enthusiasm, now let me close my welcome address.

Thank you for coming on board.

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YAGI Shinsuke

Representative Director, President & COO

Contact information for inquiries on the above
Nissan Chemical Corporation Corporate Planning Department Public Relations Office E-mail : csr_pr@nissanchem.co.jp