

Presentation for ESG Q&A Session Summary

Date: Friday, March 31, 2023: 2:00pm to 3:00pm

Presenter:

Daimon, Director, Managing Executive Officer, CFO and Head of Sustainability
Promotion & IR Department

Miyazawa, Sustainability Group Leader, Sustainability Promotion & IR Department

Q&A Respondents:

Miyazaki, Special Advisor to the Board of Directors

Yokoyama, Associate Executive Officer, General Manager, Environment, Safety and
Quality Assurance Department

Akiba, General Manager, Legal Office, Corporate Planning Department

Yanagawa, Manager, Human Resource Department

Presentation Materials:

https://www.nissanchem.co.jp/eng/news_release/release/en2023_03_31.pdf

<Questioner 1>

Q: It seemed that the consecutive increase in profit and the highest profit will continue. When did the current measures of human resources strategy start and lead to the current business results?

A: The Company has been focusing on securing and training researchers for quite some time, and the current ratio of R&D researchers in the regular position is also about 40%.

Q: How much income is included in Vista2027 and Atelier2050 for products that contribute to reducing CO2 in the sustainable agenda?

A: We are proceeding development while watching the start-up of the market. We expect sales of additives for LIB in Vista2027 to be several hundred million yen, however recognize that the rest will take longer. We are preparing to provide materials in a timely manner to avoid delays in the pace of market growth. Overall, growth is expected from 2027 to 2030.

Q: Are some products already launched?

A: Some products have begun offering samples, while others are still in the development

stage.

<Questioner 2>

Q: It is also important to resolve food shortages, but I have heard that the biological research team is also launched in response to the growing demand for reducing chemical pesticides spray. The chemical pesticides have also launched agrochemicals like GRACIA, which reduces the impact on beneficial insects. Please explain how you will grow agrochemicals business in the future while giving consideration to the environment.

A: We put significant effort into developing in-house agrochemicals and are confident that our agrochemicals products have contributed to the food shortage. We are also paying close attention to Biological Evaluation such as environmental impacts and toxic effects, and have accumulated considerable know-how. We recognize that our in-house developed agrochemicals percentage is at a high-level, and we will continue to aim at both increasing food production and reducing environmental impact. While developing agrochemicals with lower environmental impact, the biological pesticides is growing gradually toward 2040 and 2050 years. We are increasing the number of personnel on the biological research team. When to launch will be considered later, however we plan to accelerate development, cultivate as a core technology and expand.

Q: Although there were troubles with nitric acid plants in the current fiscal year, looking at trends in the lost-time injuries frequency rate, seems to be a low level compared to other companies in the chemical sector. I would like to know the background, especially the points of awareness, on which work-related accidents are being controlled.

A: We emphasize occupational health and safety within the Responsible Care Activities, and activities are aimed at a safe and comfortable workplace on a company-wide basis. The plant has acquired quality ISO and environmental ISO, and is continuously striving to improve by incorporating occupational health and safety activities into PDCA cycle of its environmental ISO. We are aiming for zero occupational accidents, but as we have not yet achieved this goal, we will continue our activities aiming for a further safety workplace. We recognize the importance of continuing safety activities on a steady basis, as there is no miracle drug.

<Questioner 3>

Q: While we recognize that the percentage of in-house development products is high, R&D expense ratio of agrochemicals is not markedly high compared to agrochemicals specialty

manufacturers. Nevertheless, hit rate is high. Please explain this background including the strategy.

A: We think our Biological Evaluation know-how is one of the fields outstanding. Even if a compound is discovered, the probability of passing strict evaluation after safety evaluation and bringing the product to launch is very low, as you know. The reason for our highly hit results may be coming from the cycle of discovering new compounds and feeding back high-level safety assessments is shorter, and the flow to find the highest probability is established.

Q: I recognize the compound library is fairly extensive. Is this also related to the higher in-house development percentage?

A: We believe that it is related.

Q: I understand that plants use organic solvents and the impact of wastewater on nature and ecosystems, as well as the percentage of water acquisitions, are written in Integrated Reports. Please explain your thoughts on how to deal with TNFD in the future.

A: We recognize the importance of risk assessment of TNFD with biodiversity attracting increasing attention. For biodiversity, LEAP assessment is scheduled to begin in FY2023. In addition, business activities are conducted in places where water is abundant currently, however we intend to reevaluate water risks at all manufacturing sites and take necessary measures. We consider disclosing in FY2023 or early in 2024.

Q: Will it be described in the 2023 Integrated Report?

A: Since the evaluation will be carried out in the future, it is difficult to know whether it will be settled by the timing of issuance of the Integrated Report. However, in any case, we plan to proceed with the disclosure of the evaluation results.

<Questioner 4>

Q: The Company cites information science as a core technology that will cultivate in the future. Please explain the areas in which this simulation and data science technology have the highest affinity for existing businesses, and what areas can be developed using information science differently from before by incorporating these technologies.

A: In the process of compound synthesis, since there is a technology as Materials Informatics, we are considering adding information science to our knowledge to accelerate the sense of

speed of development. We believe that there is a natural possibility of using it to develop Performance Materials and Agrochemicals. The Corporate Planning Department plays a central role in considering a variety of formations, and we intend to actively incorporate informatics to expand our business foundation.

Q: Please explain what kind of business area microbial control technology you will be utilized.

A: We intend to utilize it in the fields of agrochemicals, biostimulants and microbiomes.

End of Q&A Session