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Medium-Term Business Plan “Vista2027 Stage II” Kicked Off

- To Be An Enterprise That Faces Challenges Toward The Future Through Value Co-creation-

We, Nissan Chemical Corporation and its group companies, have just started “Vista2027 Stage II”, the second three-year period (FY2025 to FY2027) of the six-year medium-term business plan, Vista2027 initiated in 2022.

1. Stage I Summary

The financial results including sales and operating profit (OP) of the last fiscal year reached record high although they are behind the level targeted in 2022.

(1) Sales and Profits (unit: billion yen)

	FY2023	FY2024		
	Actual	Actual	YOY change	vs. mid-term plan in May 2022
Sales	226.7	251.4	+24.7	-3.6
OP	48.2	56.8	+8.6	-1.7
Ordinary Income (OI)	51.6	58.0	+6.4	-1.5
Net Income	38.0	43.0	+5.0	-1.0

(2) Issues Identified and How to Address

For future growth, the followings are urgent issues; #1 is to enhance the creation of new products and businesses, #2 is to allocate management resources appropriately; and #3 is to improve the profitability of the Chemicals Segment. By active strategic investments including M&A (mergers and acquisitions), we will enhance the business portfolio, extend the existing businesses and also shorten the product development periods. In addition, in FY2024, fixed assets of Fine Chemicals, a sub-segment of the Chemicals Segment, were impaired. From FY2025, we will identify unprofitable products and then implement various cost reductions in the Segment.

2. Vista2027 Stage II Overview

With the creation of new products as our top priority of the issues, we set forth the ideal state for FY2027, which will be the milestone in realizing our long-term business plan, Atelier2050.

(1) Ideal State in FY2027

"While existing businesses have been robustly driving the business performance, the product development by leveraging new core technologies* is progressing."

"Organization-wide approaches to sustainability have been advancing, and the products and services that contribute to solving social and environmental issues are being offered."

"Through building up the digital platform, measures for optimizing and sophisticating the business activities are under implementation."

* core technologies: microbial control and information science

(2) Targets

1) Financial Targets (unit: billion yen)

Segment		FY2024	FY2025	FY2027
		Actual	Outlook	Plan
Chemicals	Sales	37.8	40.1	43.7
	OP	0.2	1.2	2.4
Performance Materials	Sales	100.1	106.0	122.4
	OP	29.0	30.9	34.2
Agrochemicals	Sales	86.2	92.0	97.5
	OP	25.6	25.3	25.9
Healthcare	Sales	6.0	5.2	6.4
	OP	1.9	1.4	2.4
Others	Sales	21.3	18.9	23.0
	OP	0.1	-1.2	0.1
Total	Sales	251.4	262.2	293.0
	OP	56.8	57.6	65.0
	OI	58.0	58.7	65.5

2) Non-financial Indicators

Climate change mitigation	Reduction of greenhouse gas (GHG) emissions by 30% or more compared to FY2018
Promotion of diversity	18% or more of female career-track employee proportion
Provision of new value for helping to enrich people's life	60% or more of consolidated net sales from products and services that contribute to solving social issues
Human resource development	65% or more of positive response rate in survey of employee attitude on human resource development

3) Financial Indicators

OP margin	ROE	Dividend payout ratio	Total payout ratio
20% or more	18% or more	55% or more	75% or more

(3) Basic Strategies

1) Expanding Profits in Existing Businesses

While concentrating management resources, including M&A, in segments with growth potential, for instance semiconductors, we will actively pursue cost reductions and structural reforms in segments with low-income products.

2) Developing New Products Looking Toward 2030

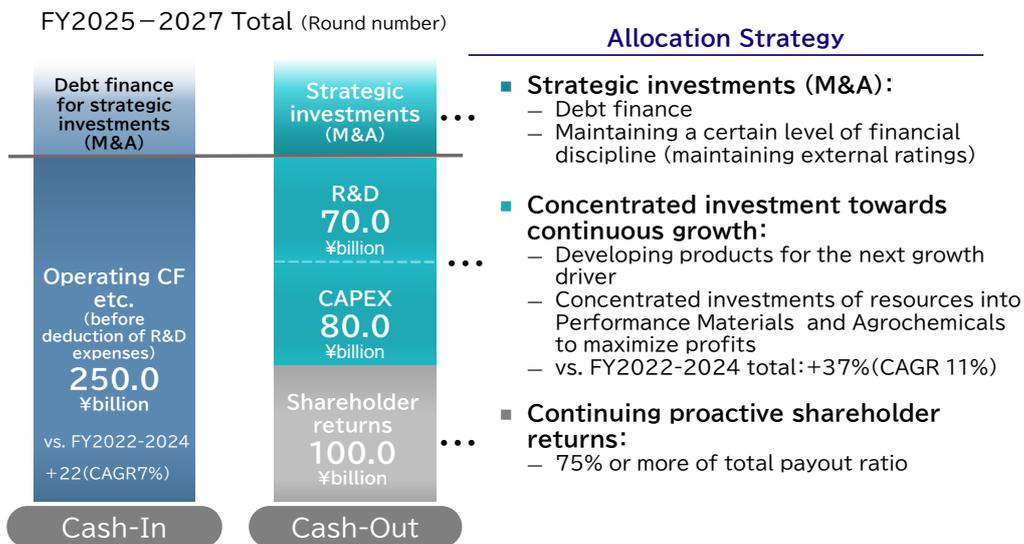
In the Information & Communication and the Environmental & Energy Domains, we will identify target materials and accelerate development. We also will focus on oligonucleotide drugs in addition to agricultural and animal health products in the Life Sciences Domain.

3) Strengthening Business Foundation

We will allocate resources optimally to realize our corporate philosophy and ideal state and promote the development of human resources to strengthen the employee-oriented system that supports our company. At the same time, we will strengthen our business foundation that will enable us to respond in a timely manner to society's digitization and globalization, as well as to the diverse and sophisticated demands of the market. In addition, the entire group, including affiliated companies, will work to improve governance and strengthen compliance, thereby increasing corporate value.

(4) Capital Allocation (Image)

We will actively utilize M&A to strengthen the creation of new products and businesses.



End